

Consolidated Financial Results for the Fiscal Year Ended June 30, 2023



[Japanese GAAP]

August 10, 2023

Company name: Nihon Jyoho Create Co., Ltd.

Listing: Tokyo Stock Exchange

Stock code: 4054

URL: <https://www.n-create.co.jp/>

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Scheduled date of Annual General Meeting of Shareholders: September 26, 2023

Scheduled date of payment of dividend: September 27, 2023

Scheduled date of filing of Annual Securities Report: September 27, 2023

Preparation of supplementary materials for financial results: Yes

Holding of financial results meeting: Yes (for institutional investors and analysts)

(All amounts are rounded down to the nearest million yen.)

1. Consolidated Financial Results for the Fiscal Year Ended June 30, 2023 (July 1, 2022 to June 30, 2023)

(1) Consolidated results of operations

(Percentages represent year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owner of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Fiscal year ended Jun. 30, 2023	3,770	23.5	329	(34.2)	376	(30.1)	185	(34.6)
Fiscal year ended Jun. 30, 2022	3,053	-	500	-	538	-	283	-

Note: Comprehensive income (millions of yen) Fiscal year ended Jun. 30, 2023: 185 (down 34.6%)

Fiscal year ended Jun. 30, 2022: 283 (-%)

	Net income per share	Diluted net income per share	Return on equity	Ordinary profit to total assets	Operating profit to net sales
	Yen	Yen	%	%	%
Fiscal year ended Jun. 30, 2023	13.06	12.88	5.9	7.2	8.7
Fiscal year ended Jun. 30, 2022	19.93	19.59	9.0	10.0	16.4

Reference: Equity in earnings of affiliates (millions of yen) Fiscal year ended Jun. 30, 2023: -

Fiscal year ended Jun. 30, 2022: -

Notes: 1. Consolidated results of operations for the fiscal year ended Jun. 30, 2022 were calculated based on sales and earnings in the previous fiscal year. However, the new consolidated subsidiary was acquired with a deemed purchase date of March 31, 2022, which was not more than three months prior to the end of the fiscal year. Consequently, consolidated subsidiary is included only in the balance sheet and is not included in sales and earnings.

2. The fiscal year ended Jun. 30, 2022 is the first fiscal year in which Nihon Jyoho Create has prepared consolidated financial statements. Consequently, figures and year-on-year changes are not presented. In addition, the return on equity and ordinary profit to total assets were calculated based on the return on equity and total assets at the end of the fiscal year.

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of Jun. 30, 2023	5,109	3,121	61.1	221.54
As of Jun. 30, 2022	5,364	3,140	58.5	220.87

Reference: Shareholders' equity (millions of yen)

As of Jun. 30, 2023: 3,121

As of Jun. 30, 2022: 3,140

(3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of the period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Fiscal year ended Jun. 30, 2023	279	(112)	(401)	954
Fiscal year ended Jun. 30, 2022	341	(1,503)	(466)	1,189

2. Dividends

	Dividend per share					Total dividends	Dividend payout ratio (consolidated)	Dividends on equity (consolidated)
	1Q-end	2Q-end	3Q-end	Year-end	Total			
Fiscal year ended Jun. 30, 2022	Yen -	Yen 0.00	Yen -	Yen 5.00	Yen 5.00	Millions of yen 71	% 25.1	% 2.3
Fiscal year ended Jun. 30, 2023	Yen -	Yen 0.00	Yen -	Yen 5.00	Yen 5.00	Millions of yen 70	% 38.3	% 2.3
Fiscal year ending Jun. 30, 2024 (forecast)	Yen -	Yen 0.00	Yen -	Yen 5.00	Yen 5.00		% -	% -

Note: As only balance sheets were consolidated in the previous fiscal year, the dividends on equity for the fiscal year ended Jun. 30, 2022 were calculated based on net assets per share at the end of the fiscal year.

3. Consolidated Earnings Forecast for the Fiscal Year Ending June 30, 2024 (July 1, 2023 to June 30, 2024)

(Percentages represent year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owner of parent		Net income per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	4,400	16.7	700	112.3	700	86.2	380	105.1	26.77

* Notes

(1) Changes in significant subsidiaries during the period (changes in scope of consolidation): None

(2) Changes in accounting policies and accounting estimates, and restatements

1) Changes in accounting policies due to revisions in accounting standards, others: None

2) Changes in accounting policies other than 1) above: None

3) Changes in accounting estimates: None

4) Restatements: None

(3) Number of shares outstanding (common shares)

1) Number of outstanding shares as of the end of the period (including treasury shares)

As of Jun. 30, 2023: 14,339,440 shares As of Jun. 30, 2022: 14,266,440 shares

2) Number of treasury shares as of the end of the period

As of Jun. 30, 2023: 248,571 shares As of Jun. 30, 2022: 48,571 shares

3) Average number of outstanding shares during the period

Fiscal year ended Jun. 30, 2023: 14,192,760 shares Fiscal year ended Jun. 30, 2022: 14,223,547 shares

* The current financial report is not subject to audit by certified public accountants or auditing firms.

* Explanation of appropriate use of earnings forecasts, and other special items

Forecasts of future performance in these materials are based on estimates and assumptions judged to be valid and information available at the time these materials were prepared, but are not guarantees by Nihon Jyoho Create regarding future performance. Actual results may differ from these forecasts for various reasons. Please refer to the section "1. Overview of Results of Operations, (4) Outlook" on page 4 of the attachments regarding preconditions or other related matters for the forecasts.

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1. Overview of Results of Operations

(1) Results of Operations

There were expectations for a moderate recovery of the Japanese economy during the fiscal year, including an improvement in employment and income environment, due to the effectiveness of numerous measures. However, downturns in economies of other countries as monetary tightening continues worldwide are creating the risk of a downturn in Japan too. In addition, inflation, financial market volatility and other events must be monitored closely. As a result, the outlook for the economy remains uncertain. In the market for real estate support services, including the SaaS-type cloud services and other services that we provide, opportunities involving the digital transformation of the entire real estate industry are increasing. Opportunities are created by Japan's falling working age population and chronic labor shortage as well as by the growth of IT capital expenditures by the steadily increasing number of companies in Japan's real estate industry. The ability to use completely electronic procedures for real estate transactions due to the May 2022 enactment of the amended Building Lots and Building Transaction Business Act is also creating new opportunities. As a result, the business climate is remaining favorable for the businesses of the Nihon Jyoho Create Group.

We are implementing various strategies to build optimum platforms for the real estate industry and achieve the medium to long-term goals of our Three-Year Business Plan.

*The Three-Year Business Plan covers the three-year period ending in June 2024 and includes numerous measures for growth. Information about this plan is in the Results of Operations for the First Nine Months of the Fiscal Year Ended June 30, 2023, which is on our IR website.

The basic strategy of the Three-Year Business Plan is centered on the freemium business model (see note). We increase the number of ties with real estate companies throughout Japan by providing Fudosan BB and ReaPro, which are information platforms for property listings that can be shared by real estate agents. Then we use these ties to sell value-added services that generate fee income. There are two categories of fee-based services that are offered to companies using a free service: brokerage solutions for real estate brokers and property management solutions for companies that manage rental properties. Brokerage solutions encompass products and services extending from sales activities to tasks involving contracts. Examples include website production, real estate portal site linkage, electronic procedures for new tenants and e-contracts. Property management solutions are products and services for improving efficiency by facilitating centralized management based on a database covering the complex and diverse tasks required for the management of rental properties.

Note: Freemium is a business model in which basic services or products are provided free of charge, and a fee is charged for the use of more advanced functions or services.

The Nihon Jyoho Create Group uses new customers as well as its framework for supporting companies already using a group service for many upselling and cross-selling activities involving current customers. At sales offices throughout Japan, there are system advisers and customer success teams that assist customers with their business operations. As we provide this support, we are also identifying new issues and needs of customers and constantly creating proposals for services that can solve problems and meet these requirements.

The fiscal year ended June 30, 2023 was the second year of the Three-Year Business Plan. During the fiscal year, up-front investments in the prior fiscal year were used for measures for the growth and advancement of business operations. Some activities for strengthening sales capabilities (more sales consultants and more sales offices) for business growth are progressing more slowly than planned. However, there was progress with upgrading the skills of new employees in order to build a sound base for growth. Data linkage among different products is being used to capture synergies with RealNetPro Co., Ltd., which joined the Nihon Jyoho Create Group in the previous fiscal year. There have been cross-selling activities that use sales operations based on shared information about business opportunities and on regional strategies. These activities will continue with the goals of faster growth of sales and earnings and the greatest possible synergies.

Creating platforms is the central theme of our medium-term vision. We are establishing alliances with companies in many fields, with emphasis on data sharing alliances with rent guarantee companies and e-payment processors.

These alliances enlarge the Nihon Jyoho Create platform and are expected to enable Nihon Jyoho Create and its partner companies to play an even greater role in the digital transformation of the real estate industry.

Segment information is omitted because the Nihon Jyoho Create Group has only a single business segment.

The performance by service category is as follows.

Solutions for Brokers

In the Solutions for Brokers category, there were many sales activities for services that solve issues involving real estate brokerage operations. Examples of these services include WebManagerPro, which helps companies use their websites to attract customers, Property Data Links, which helps real estate portal sites attract customers, and the e-Contract Service for real estate contracts. In addition, based on our freemium strategy, there were many activities for the conversion of customers using Fudosan BB, a free B-to-B property listing platform to fee-based services for the secondary use of data. The receipt of monthly fees from customers using the ReaPro B-to-B property listing service of new subsidiary RealNetPro also contributed to the performance of this category.

The sales of this category increased 62.0% year on year to 1,505 million yen.

Solutions for Property Management

For Chintai Kakumei, this category's primary service, there were many activities for sales to new customers, upgrades of services used by existing customers and additions of options. Income from monthly utilization fees remained firm because the cancelation rate is consistently low. The sales of this category increased 6.6% year on year to 2,224 million yen.

* In addition to sales of 3,730 million yen from the Solutions for Brokers and the Solutions for Property Management, there were sales of 39 million yen from other activities.

(2) Financial Position

1) Assets

Current assets at the end of the current fiscal year were 1,827 million yen. This is primarily attributable to cash and deposits of 1,157 million yen and accounts receivable-trade of 431 million yen.

Non-current assets amounted to 3,282 million yen. This was mainly due to property, plant and equipment of 488 million yen, intangible assets of 2,337 million yen and investments and other assets of 456 million yen.

As a result, total assets at the end of the current fiscal year were 5,109 million yen.

2) Liabilities

Current liabilities were 1,633 million yen at the end of the current fiscal year. This is primarily attributable to contract liabilities of 915 million yen, accrued expenses of 264 million yen and accounts payable-other of 308 million yen.

Non-current liabilities amounted to 354 million yen. This was mainly due to deferred tax liabilities of 302 million yen.

As a result, total liabilities were 1,988 million yen at the end of the current fiscal year.

3) Net assets

Net assets were 3,121 million yen at the end of the current fiscal year. This is primarily attributable to share capital of 728 million yen, capital surplus of 700 million yen and retained earnings of 1,900 million yen.

(3) Cash Flows

Cash and cash equivalents (hereinafter, “cash”) at the end of the current fiscal year were 954 million yen. The cash flow components and the main reasons for changes are as described below.

Cash flows from operating activities

Net cash provided by operating activities was 279 million yen.

Main factors include an increase of 376 million yen in profit before income taxes, an increase of 132 million yen in capital due to an increase in accounts payable-other and a decrease of 295 million yen in income taxes paid.

Cash flows from investing activities

Net cash used in investing activities was 112 million yen.

Main factors include purchase of intangible assets of 247 million yen.

Cash flows from financing activities

Net cash used in financing activities was 401 million yen.

Main factors include purchase of treasury shares of 144 million yen and repayments of long-term borrowings of 195 million yen.

(4) Outlook

In the real estate digital transformation market, we expect to see an even larger number of opportunities for assisting companies with this transformation. This outlook is based on the chronic labor shortage at small and midsize real estate companies and the May 2022 start of electronic real estate transactions in Japan.

To realize our medium-term vision “to create an innovative platform for real-estate industry with technology,” we will use the big increase in the number of sales consultants and additional of sales offices resulting from our up-front investments as well as synergies from acquisitions and other activities in order to aim for faster growth of sales and earnings.

Our basic strategy is to have relationships with a steadily expanding base of customers by using Fudosan BB, a free B-to-B property listing platform, and RealNetPro property listing service of RealNetPro, which became a wholly owned subsidiary in June 2022. By using consulting sales activities closely linked to specific areas, which is a key strength of the Nihon Jyoho Create Group, we aim to increase sales and earnings as we provide business proposals ideally suited to each customer. Another goal is using opportunities created by the increasing use of electronic real estate transactions following the May 2022 enactment of an amended law. We plan to increase our market share among real estate brokers by conducting many sales activities for our e-contract service and e-apartment application service, which enables people to electronically apply for renting an apartment.

At RealNetPro, which became a wholly owned subsidiary in June 2022, the plan is to use linkage with services of other Nihon Jyoho Create Group companies while maintaining the growth of this subsidiary’s ReaPro service, which is a B-to-B property listing service that is provided for a fee. Linkage will be used for extensive cross-selling activities for the fee-based products of RealNetPro and Nihon Jyoho Create Group companies with the goal of maximizing synergies.

The Nihon Jyoho Create Group forecasts consolidated net sales of 4,400 million yen, operating profit of 700 million yen, ordinary profit of 700 million yen and profit attributable to owners of parent of 380 million yen for the fiscal year ending June 30, 2024.

Forecasts are based on information currently available. Actual results may differ for various reasons.

2. Basic Approach to the Selection of Accounting Standards

The consolidated financial statements are based on accounting standards generally accepted in Japan because Nihon Jyoho Create has no business operations or fund procurement activities outside Japan.

3. Consolidated Financial Statements and Notes**(1) Consolidated Balance Sheet**

	(Thousands of yen)	
	FY6/22	FY6/23
	(As of Jun. 30, 2022)	(As of Jun. 30, 2023)
Assets		
Current assets		
Cash and deposits	1,386,267	1,157,291
Accounts receivable-trade	427,901	431,711
Merchandise	800	252
Work in process	8,833	33,306
Supplies	1,588	2,113
Other	149,934	203,958
Allowance for doubtful accounts	(11,227)	(1,069)
Total current assets	1,964,098	1,827,564
Non-current assets		
Property, plant and equipment		
Buildings and structures	243,390	303,632
Accumulated depreciation	(48,915)	(60,376)
Buildings and structures, net	194,475	243,256
Tools, furniture and fixtures	68,551	72,469
Accumulated depreciation	(44,812)	(49,730)
Tools, furniture and fixtures, net	23,738	22,738
Machinery, equipment and vehicles	68,867	38,444
Accumulated depreciation	(48,933)	(37,137)
Machinery, equipment and vehicles, net	19,934	1,306
Land	221,532	221,532
Leased assets	7,140	7,140
Accumulated depreciation	(5,712)	(7,140)
Leased assets, net	1,428	-
Total property, plant and equipment	461,108	488,834
Intangible assets		
Software	128,844	409,591
Software in progress	374,615	190,400
Goodwill	804,502	724,052
Customer-related assets	1,071,000	999,600
Other	13,422	13,422
Total intangible assets	2,392,384	2,337,066
Investments and other assets		
Investment securities	18,797	15,779
Long-term loans receivable	11,312	340
Deferred tax assets	50,160	46,146
Insurance funds	204,588	272,326
Other	294,463	152,752
Allowance for doubtful accounts	(32,883)	(30,929)
Total investments and other assets	546,438	456,415
Total non-current assets	3,399,931	3,282,316
Total assets	5,364,030	5,109,880

	(Thousands of yen)	
	FY6/22	FY6/23
	(As of Jun. 30, 2022)	(As of Jun. 30, 2023)
Liabilities		
Current liabilities		
Accounts payable-trade	10,280	13,487
Accounts payable-other	182,029	308,678
Accrued expenses	260,574	264,598
Income taxes payable	166,590	100,232
Contract liabilities	911,984	915,064
Lease liabilities	1,542	-
Provision for loss on orders received	808	6,377
Current portion of long-term borrowings	28,272	20,268
Other	2,997	5,046
Total current liabilities	1,565,079	1,633,752
Non-current liabilities		
Long-term borrowings	217,636	29,710
Asset retirement obligations	4,571	16,557
Deferred tax liabilities	328,419	302,452
Other	108,000	5,654
Total non-current liabilities	658,627	354,374
Total liabilities	2,223,706	1,988,127
Net assets		
Shareholders' equity		
Share capital	722,608	728,448
Capital surplus	694,318	700,158
Retained earnings	1,786,593	1,900,817
Treasury shares	(63,307)	(207,831)
Total shareholders' equity	3,140,211	3,121,592
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	111	161
Total accumulated other comprehensive income	111	161
Total net assets	3,140,323	3,121,753
Total liabilities and net assets	5,364,030	5,109,880

(2) Consolidated Statements of Income and Comprehensive Income
Consolidated Statement of Income

	(Thousands of yen)	
	FY6/22	FY6/23
	(Jul. 1, 2021 – Jun. 30, 2022)	(Jul. 1, 2022 – Jun. 30, 2023)
Net sales	3,053,753	3,770,377
Cost of sales	792,720	1,283,499
Gross profit	2,261,033	2,486,877
Selling, general and administrative expenses	1,760,069	2,157,158
Operating profit	500,963	329,719
Non-operating income		
Interest income	10	74
Dividend income	33	33
Insurance return	38,947	55,141
Other	1,494	4,698
Total non-operating income	40,486	59,947
Non-operating expenses		
Interest expenses	-	1,545
Foreign exchange losses	3,268	7,338
Miscellaneous losses	-	4,772
Total non-operating expenses	3,268	13,656
Ordinary profit	538,181	376,010
Extraordinary income		
Gain on sale of non-current assets	197	528
Total extraordinary income	197	528
Extraordinary losses		
Loss on sale of non-current assets	-	155
Loss on retirement of non-current assets	346	10
Loss on valuation of investment securities	19,999	-
Total extraordinary losses	20,346	165
Profit before income taxes	518,032	376,373
Income taxes-current	242,046	213,020
Income taxes-deferred	(7,420)	(21,960)
Total income taxes	234,626	191,060
Profit	283,406	185,313
Profit attributable to non-controlling interests	-	-
Profit attributable to owners of parent	283,406	185,313

Consolidated Statement of Comprehensive Income

(Thousands of yen)

	FY6/22 (Jul. 1, 2021 – Jun. 30, 2022)	FY6/23 (Jul. 1, 2022 - Jun. 30, 2023)
Profit	283,406	185,313
Other comprehensive income		
Valuation difference on available-for-sale securities	10	49
Total other comprehensive income	10	49
Comprehensive income	283,416	185,362
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	283,416	185,362
Comprehensive income attributable to non-controlling interests	-	-

(3) Consolidated Statement of Changes in Equity

FY6/22 (Jul. 1, 2021 – Jun. 30, 2022)

(Thousands of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	719,408	689,408	1,574,318	(66)	2,983,068
Changes during period					
Dividends of surplus			(71,132)		(71,132)
Issuance of new shares-exercise of share acquisition rights	3,200	3,200			6,400
Profit attributable to owners of parent			283,406		283,406
Purchase of treasury shares				(399,930)	(399,930)
Disposal of treasury shares		1,710		336,690	338,400
Net changes in items other than shareholders' equity					
Total changes during period	3,200	4,910	212,274	(63,240)	157,143
Balance at end of period	722,608	694,318	1,786,593	(63,307)	3,140,211

	Accumulated other comprehensive income		Total net assets
	Valuation difference on available-for-sale securities	Total accumulated other comprehensive income	
Balance at beginning of period	101	101	2,983,169
Changes during period			
Dividends of surplus			(71,132)
Issuance of new shares-exercise of share acquisition rights			6,400
Profit attributable to owners of parent			283,406
Purchase of treasury shares			(399,930)
Disposal of treasury shares			338,400
Net changes in items other than shareholders' equity	10	10	10
Total changes during period	10	10	157,153
Balance at end of period	111	111	3,140,323

FY6/23 (Jul. 1, 2022 – Jun. 30, 2023)

(Thousands of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	722,608	694,318	1,786,593	(63,307)	3,140,211
Changes during period					
Dividends of surplus			(71,089)		(71,089)
Issuance of new shares-exercise of share acquisition rights	5,840	5,840			11,680
Profit attributable to owners of parent			185,313		185,313
Purchase of treasury shares				(144,523)	(144,523)
Disposal of treasury shares					-
Net changes in items other than shareholders' equity					
Total changes during period	5,840	5,840	114,223	(144,523)	(18,619)
Balance at end of period	728,448	700,158	1,900,817	(207,831)	3,121,592

	Accumulated other comprehensive income		Total net assets
	Valuation difference on available-for-sale securities	Total accumulated other comprehensive income	
Balance at beginning of period	111	111	3,140,323
Changes during period			
Dividends of surplus			(71,089)
Issuance of new shares-exercise of share acquisition rights			11,680
Profit attributable to owners of parent			185,313
Purchase of treasury shares			(144,523)
Disposal of treasury shares			-
Net changes in items other than shareholders' equity	49	49	49
Total changes during period	49	49	(18,570)
Balance at end of period	161	161	3,121,753

(4) Consolidated Statement of Cash Flows

	(Thousands of yen)	
	FY6/22	FY6/23
	(Jul. 1, 2021 – Jun. 30, 2022)	(Jul. 1, 2022 – Jun. 30, 2023)
Cash flows from operating activities		
Profit before income taxes	518,032	376,373
Depreciation	71,132	179,743
Amortization of goodwill	-	80,450
Amortization of customer relationship	-	71,400
Increase (decrease) in allowance for doubtful accounts	(3,251)	(12,112)
Increase (decrease) in provision for loss on order received	582	5,569
Interest and dividend income	(44)	(107)
Interest expenses	-	1,545
Gain on maturity of insurance contract	(38,947)	(55,141)
Loss (gain) on valuation of investment securities	19,999	-
Loss (gain) on sale of non-current assets	(197)	(373)
Loss on retirement of non-current assets	346	10
Decrease (increase) in trade receivables	(92,185)	(3,809)
Decrease (increase) in inventories	1,754	(24,450)
Decrease (increase) in prepaid expenses	(27,337)	(38,494)
Increase (decrease) in accounts payable-other	41,316	132,327
Increase (decrease) in accrued expenses	31,849	4,024
Increase (decrease) in contract liabilities	61,456	3,079
Other, net	4,599	(143,526)
Subtotal	589,105	576,508
Interest and dividends received	44	107
Interest paid	-	(1,545)
Income taxes paid	(247,428)	(295,997)
Net cash provided by (used in) operating activities	341,721	279,073
Cash flows from investing activities		
Proceeds from sale of investment property	-	232,722
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(1,158,386)	-
Purchase of property, plant and equipment	(31,422)	(64,592)
Purchase of intangible assets	(281,576)	(247,399)
Proceeds from sale of investment securities	-	3,074
Purchase of insurance funds	(59,707)	(67,737)
Proceeds from maturity of insurance funds	38,947	55,141
Other, net	(11,059)	(24,062)
Net cash provided by (used in) investing activities	(1,503,204)	(112,854)
Cash flows from financing activities		
Repayments of long-term borrowings	-	(195,930)
Proceeds from issuance of shares resulting from exercise of share acquisition rights	6,400	11,680
Purchase of treasury shares	(399,930)	(144,523)
Dividends paid	(71,132)	(70,881)
Other, net	(1,542)	(1,542)
Net cash provided by (used in) financing activities	(466,205)	(401,197)
Effect of exchange rate change on cash and cash equivalents	-	-
Net increase (decrease) in cash and cash equivalents	(1,627,688)	(234,978)
Cash and cash equivalents at beginning of period	2,817,383	1,189,695
Cash and cash equivalents at end of period	1,189,695	954,716

(5) Notes to Consolidated Financial Statements

Going Concern Assumption

Not applicable.

Business Combinations

Significant revision of initial allocation of acquisition cost in comparative information

A provisional accounting treatment was used in the previous fiscal year for the Nihon Jyoho Create's acquisition of RealNetPro Co., Ltd. on May 25 and June 27, 2022 (assumed acquisition date: March 31, 2022). The accounting treatment was finalized in the current fiscal year.

Based on the finalization of this provisional accounting treatment, a significant revision has been reflected in the initially allocated amount of the acquisition cost in the comparative information included in the consolidated financial statements for the current fiscal year. In the consolidated balance sheet at the end of the previous fiscal year, goodwill decreased by 700 million yen, customer-related assets increased by 1,071 million yen and deferred tax liabilities increased by 370 million yen.

Segment Information

Segment information is omitted because Nihon Jyoho Create has only a single business segment, which is the "real estate operations support" business.

Per-share Information

(Yen)

	FY6/23 (Jul. 1, 2022 – Jun. 30, 2023)
Net assets per share	221.54
Net income per share	13.06
Diluted net income per share	12.88

Notes: 1. The basis of calculating the net income per share and net income per share is as follows:

	FY6/23 (Jul. 1, 2022 – Jun. 30, 2023)
Basic earnings per share (yen)	13.06
Profit attributable to owners of parent (Thousands of yen)	185,313
Amounts not available to common shareholders (Thousands of yen)	-
Profit attributable to owners of parent available to common stock (Thousands of yen)	185,313
Average number of common shares outstanding (Shares)	14,192,760
Diluted net income per share (yen)	12.88
Adjusted profit attributable to owners of parent (Thousands of yen)	-
[of which interest expenses] (after deducting amount equivalent to tax) (Thousands of yen)]	-
Increase in the number of common stock (Shares)	190,939
[of which convertible bond-type bonds with share acquisition rights (shares)]	-
[of which share acquisition rights (Shares)]	190,939
Summary of potential stock not included in the calculation of diluted net income per share since there was no dilutive effect	-

2. The basis of calculating the net assets per share is as follows:

	FY6/23 (As of Jun. 30, 2023)
Total net assets (Thousands of yen)	3,121,753
Deduction on total net assets (Thousands of yen)	-
[of which share acquisition rights (Thousands of yen)]	-
[of which non-controlling interests (Thousands of yen)]	-
Net assets applicable to common shares at the fiscal year end (Thousands of yen)	3,121,753
Number of common shares at the fiscal year end used in calculation of net assets per share (Shares)	14,090,869

Subsequent Events

Not applicable.

This financial report is solely a translation of “Kessan Tanshin” (in Japanese, including attachments) that has been prepared in accordance with accounting principles and practices generally accepted in Japan, for the convenience of readers who prefer an English translation.