

PROPERTY AGENT
(TSE First Section: 3464)

PROPERTYAGENT Inc.
FY2018Q3
Financial report

February 2019
PROPERTYAGENT Inc.
(TSE First Section: 3464)

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Third Quarter Summary for FY ending March 31, 2019

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- Sales ¥13.5 billion, Operating Income ¥1.06 billion, Ordinary Income ¥850 million Significant year over year **increase in sales and earnings**
- Through our continued strong performance, help to ensure a **16th consecutive period with increases in sales and profit** since our founding
- While gross margin is **declining in the industry overall**, **our** gross margin is **rising**
- Our company **has not seen any effects from Suruga Bank**
- Great benefits from our city center focused strategy, **creating a status** that other companies can't imitate
- Develop new investments based on the stable **foundation of existing business**

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Third Quarter Financial Highlights for FY ending March 31, 2019

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Unit : ¥1 Million

	FY2017Q3	FY2018Q3	Change	FY2017	FY2018	Vs Prior Year	Progress Rate
Real Estate Development and Sales	**9,539**	**13,082**	① ***37.1%***				
(Unit Sold)	(411)	(451)	*(9.7%)*				
Property Management	**453**	**489**	***8.0%***				
(Lease Management Units)	(2,453)	(2,738)	*(11.6%)*				
(Building Management Units)	(2,206)	(2,830)	*(28.3%)*				
Sales	**9,992**	**13,572**	***35.8%***	**19,219**	**22,000**	**2,780**	***61.7%***
Real Estate Development and Sales	508	954	② *87.7%*				
Property Management	50	107	③ *112.8%*				
Operating Income	**559**	**1,061**	***89.9%***	**1,391**	**1,700**	**308**	***62.5%***
Ordinary Income	**346**	**848**	***144.5%***	**1,128**	**1,355**	**226**	***62.6%***
Net Income	**216**	**543**	***151.8%***	**732**	**870**	**137**	***62.5%***
Operating Margin	*5.6%*	*7.8%*		*7.2%*	*7.7%*	*0.5%*	
Ordinary Income Ratio	*3.5%*	*6.2%*		*5.9%*	*6.2%*	*0.3%*	
Net Income Margin	*2.2%*	*4.0%*		*3.8%*	*4.0%*	*0.1%*	
Net income per share(Yen)	32.36	79.27		109.63	125.98	16.35	

◆Real Estate Development and Sales Business

① **Significant increase** in residential compact condominium sales volume

As a result, the sales increase was greater than the rate of increase in the number of units sold

Also, due to an aggressive advertising campaign and CRM strategy evolution **greater than expected sales**

② While **gross margin is declining in the industry**, **our** gross margin is **rising**

Also, due to the evolution of our CRM and Marketing strategies,the implementation of a reduction in staff and advertising expenses **operating profit increased**

◆ Property Management Business

Steady increase in stock revenue due to an increase in the number of managed units after completion and sale of self-developed properties

③ Reduction in guaranteed rent by prompt leasing along with a decrease in advertising costs and securing various fees such as renewal fees **increased profitability**

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Third Quarter Balance Sheet Summary for FY ending March 31, 2019

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Unit:¥1 million,%

	FY Ending March 2017	FY Ending March 2018 Q3 End	Year Over Year	*Rate of Change*
Cash and Deposits	2,390	**2,298**	-92	*-3.8%*
Real Estate for Sale	2,357	**5,684**	① 3,326	*141.1%*
Real Estate Sale In-Process	11,515	**13,808**	② 2,293	*19.9%*
Other	241	**607**	366	*151.9%*
Current Assets	16,504	**22,398**	5,894	*35.7%*
Fixed Assets	354	**420**	66	*18.6%*
Total Assets	16,859	**22,819**	5,960	*35.4%*
Interest Bearing Debt	5,026	**6,235**	1,209	*24.1%*
Other	1,742	**3,286**	1,544	*88.6%*
Current Liabilities	6,770	**9,522**	2,752	*40.6%*
Interest Bearing Debt	6,074	**8,440**	③ 2,366	*39.0%*
Other	38	**43**	5	*13.2%*
Fixed Liabilities	6,113	**8,483**	2,370	*38.8%*
Total Liabilities	12,883	**18,005**	5,122	*39.8%*
Net Aseets	3,976	**4,813**	④ 837	*21.1%*
Total Liabilities/Net Assets	16,859	**22,819**	5,960	*35.4%*
Flow Ratio	*243.8%*	***235.2%***	-8.6%	
Capital Adequacy Ratio	*23.6%*	***21.0%***	-2.6%	

① Both series of our development properties has shown steady development and progress, and in increase in sales for inventory
Scheduled to be delivered sequentially from January to March

② In response to the completion of 16 properties, we acquired land for 20 properties and increased the amount of inventory-in-process

③ Increase by acquiring land for development through financing from financial institutions

④ In addition to posting profits, capital adequately increased due to the exercise of third-party allotment of stock acquisition rights issued during the fiscal year under review

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Sale Properties, Purchase/Development Properties

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Major Sale Properties



Akihabara EAST
- Total units: 44
- Nearest station: Akihabara 10 minutes
- Price range: ¥29.9 million ~ ¥44.8 million



Ryōgoku Le Coeur
- Total units: 53
- Nearest Station: Ryōgoku 7 minutes
- Price range: ¥27 million - ¥39.9 million

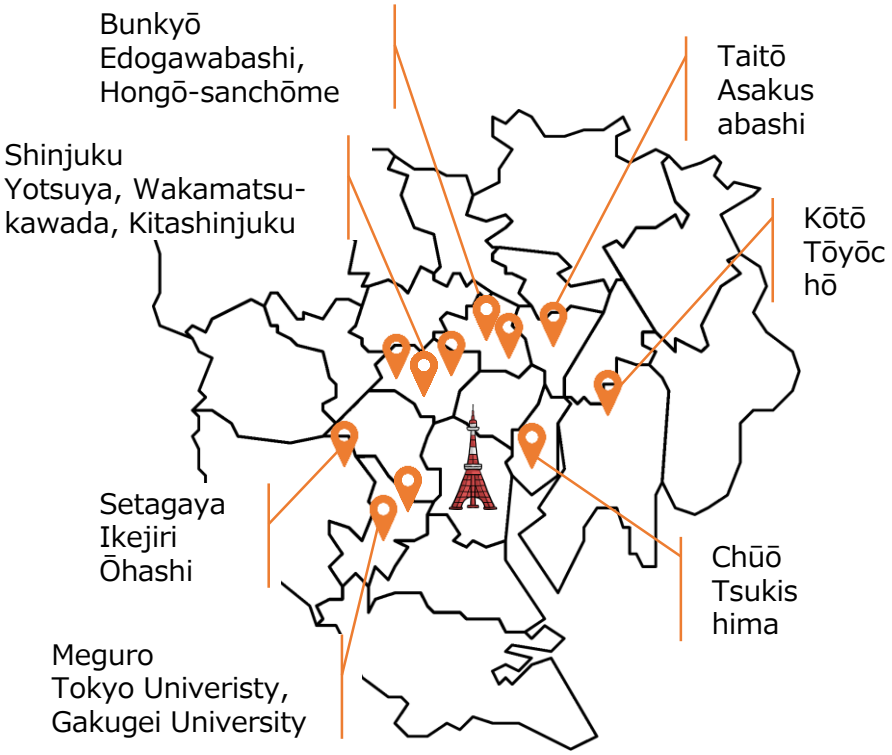


Nihonbashi Suitengū
- Total units: 34
- Nearest Station: Suitengūmae 4 minutes
- Price range: ¥33.8 million - ¥51.9 million



Meguro Metropolitan University
- Total units: 34
- Nearest Station: Metropolitan University 8 minutes
- Price range: ¥33 million ~ ¥34.2 million

Major Purchase/Development Properties



Tokyo's 23 wards

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Topics

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Robby Technologies Inc., a company we are investing in, is collaborating with PepsiCo, USA
▶Robby 2's **deployment in Japan** and **additional investment** is under consideration

Real Estate Specified Joint Business Law Application's **approval acquisition** funding site is **progressing well**
▶**Expansion** of the real estate investment **customer base**



SBI Investment

Focusing on AI and block chain
Investment in the "SBI AI & Blockchain Fund"
▶**Business area expansion**, the search for **new business development**

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