tsukuruba inc.

TSE Mothers：2978

Financial Results
Fiscal Year 2019

Sep 14th 2020

FY 2019

Aug 1st 2019 to Jul 31st 2020

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Agenda

1. Company Overview
2. FY2019 Financial Highlights
3. Difference between Revised Forecast of Financial Results and Actual Financial Results for FY 2019
4. Business Policy from FY2020
5. Forecast of Financial Results for FY2020
6. Business Overview
7. Q&A
8. Reference Materials

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1. Company Overview

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tsukuruba inc.

Creating a New Future by “Inventing New Places” We are a company that invents places.

Name	tsukuruba inc.
Address	2F Ikura Building, 1-1-5 Kamimeguro, Meguro-ku, Tokyo, Japan
Founded	August 2011
Founders	Hiroki Murakami Masahiro Nakamura
Employees	135 full-time employees（As of July 2020）

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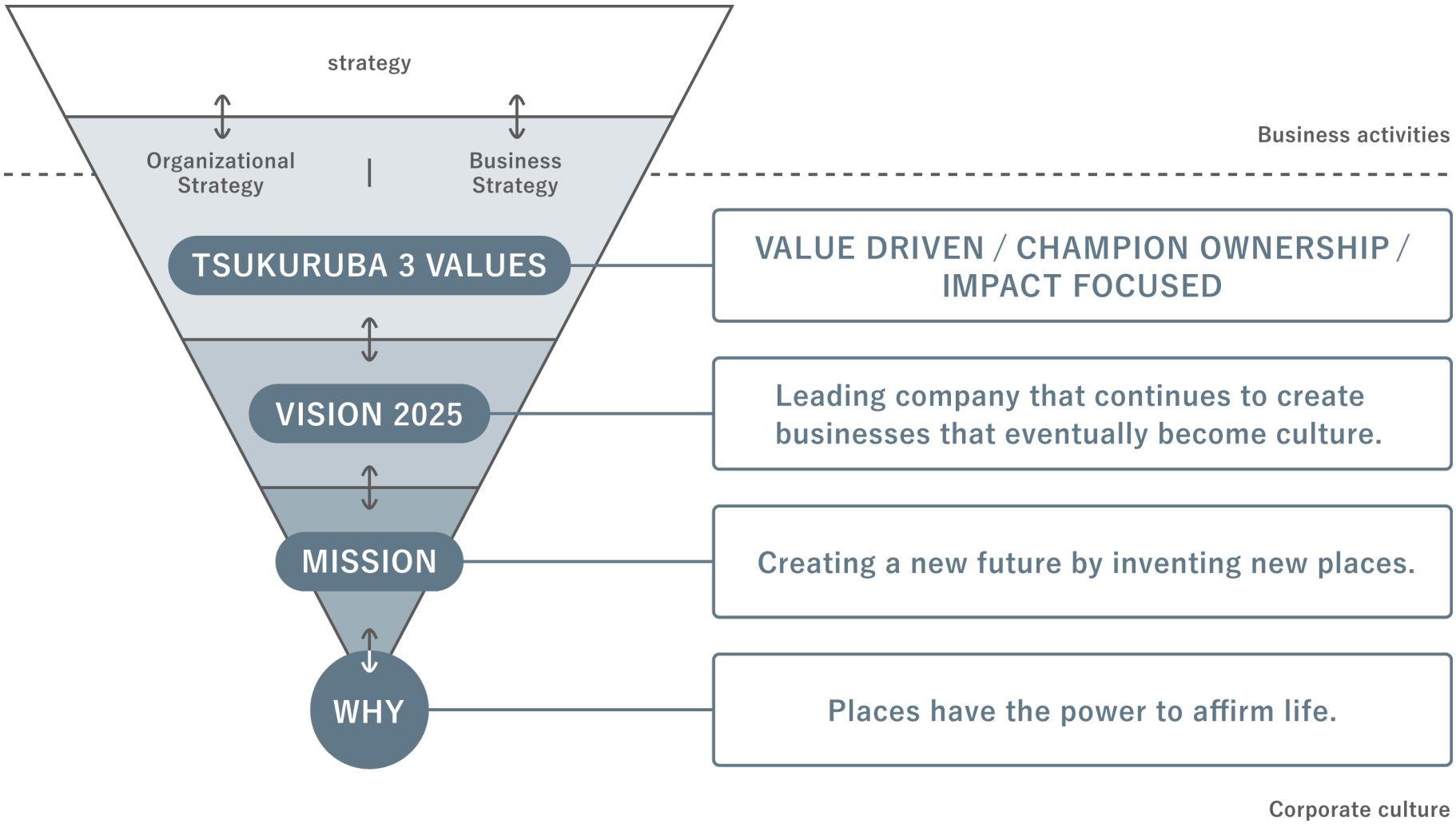
Corporate Philosophy



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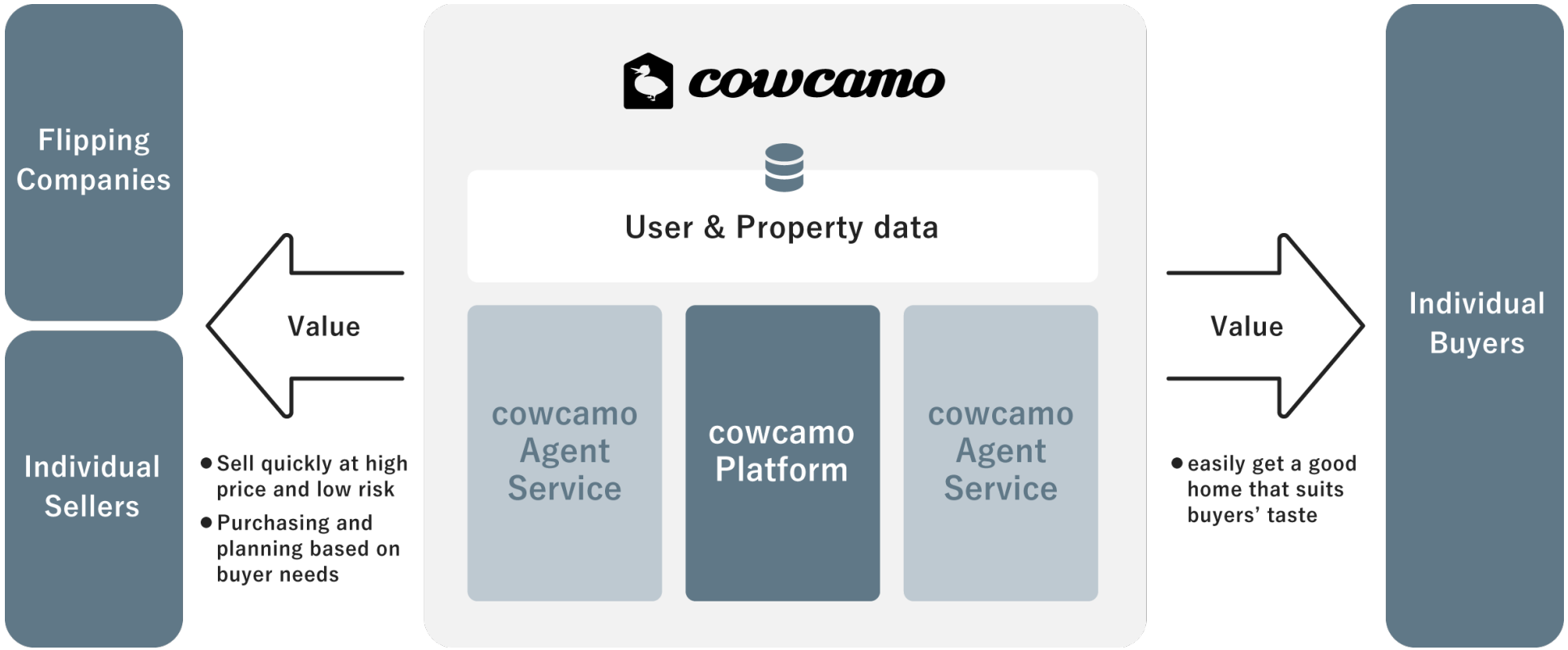
cowcamo: Technology-Powered Real Estate Brokerage Platform for Used and Renovated Properties*1

What is cowcamo?

Develop services for both sellers and buyers utilizing unique and exclusive data from transactions on cowcamo and our own property editorials



*1：Used properties refer to properties which meet any of the following criteria:
- Previously pre-occupied by a resident
- One year has passed since the completion including those properties which have not been preoccupied)

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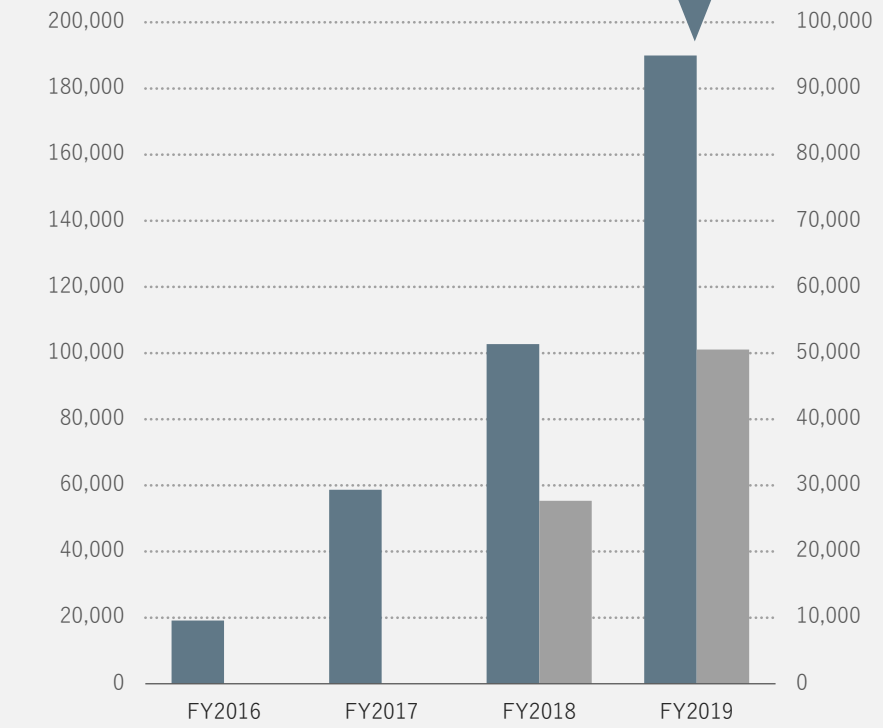
cowcamo’s Strong Growth Trajectory

cowcamo’s main KPIs

Number of registered users and registered MAU

Left axis：Number of registered users
Right axis：Number of registered MAU

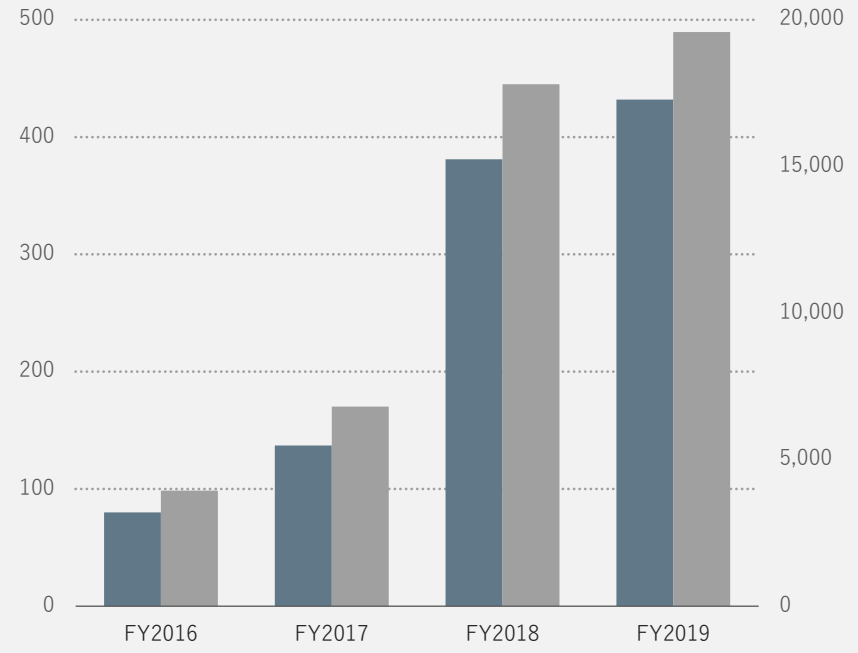
No. of registered users **190,000**
Average registered MAU **50,000**



Number of transactions・GMV

Left axis：Number of transactions
Right axis：GMV(M JPY)

No. of transactions **432**
GMV **19B JPY**



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2. FY2019 Financial Highlights

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FY2019 Financial and Business KPI Highlights

Company Financials

Revenue 1,718 M JPY (YoY +13%)

Gross Profit 1,194 M JPY (YoY +12%)

Business KPIs

cowcamo Business

GMV 19 B JPY

Gross Profit 10 B JPY

Registered Users 190 K*1

Registered MAU 51 K*2

Shared Workplace Business

Revenue 378 M JPY

Gross Profit 116 M JPY

Activities

- **The number of inquiries has remained high** since the declaration of the emergency situation was lifted
- **Capital and business alliance** with Marui Group. **Raise 700 M JPY** and start creating synergies between both companies

*1 Number of registered users at the end of FY2019
*2 Number of registered MAU in July FY2019

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FY2019 Quarterly Financial Highlights

Growth slowed in 2H due to COVID-19

(Unit：M JPY)

	FY2018 (2018/8～2019/7)	FY2019 (2019/8～2020/7)	YoY
Revenue	1,515	1,718	+13 %
Gross Profit	1,059	1,194	+12 %
Operating Profit	19	-150	-
Ordinary Profit	7	-159	-
Net Profit	10	-431	-

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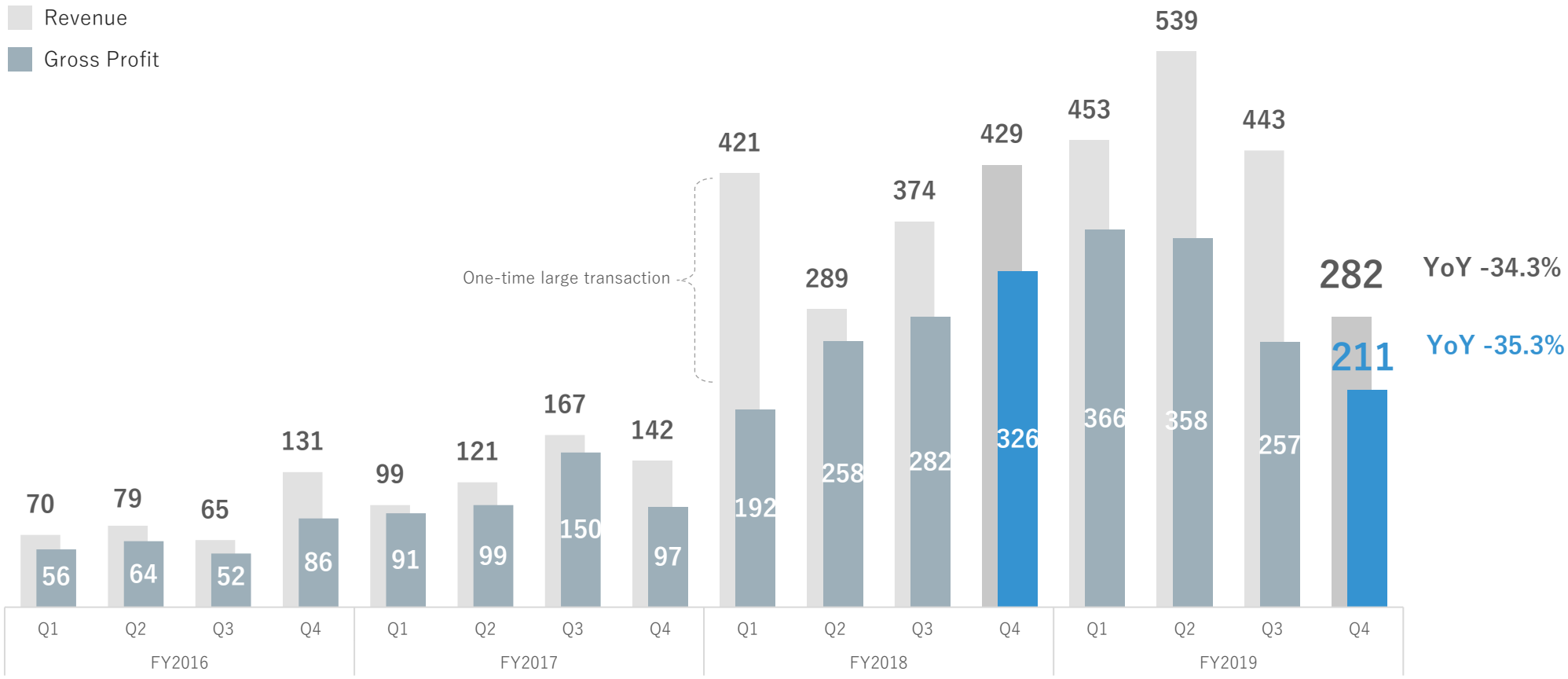
Revenue and Gross Profit

Self-restraint of business under COVID-19 until May affected 4Q

(Unit：M JPY)



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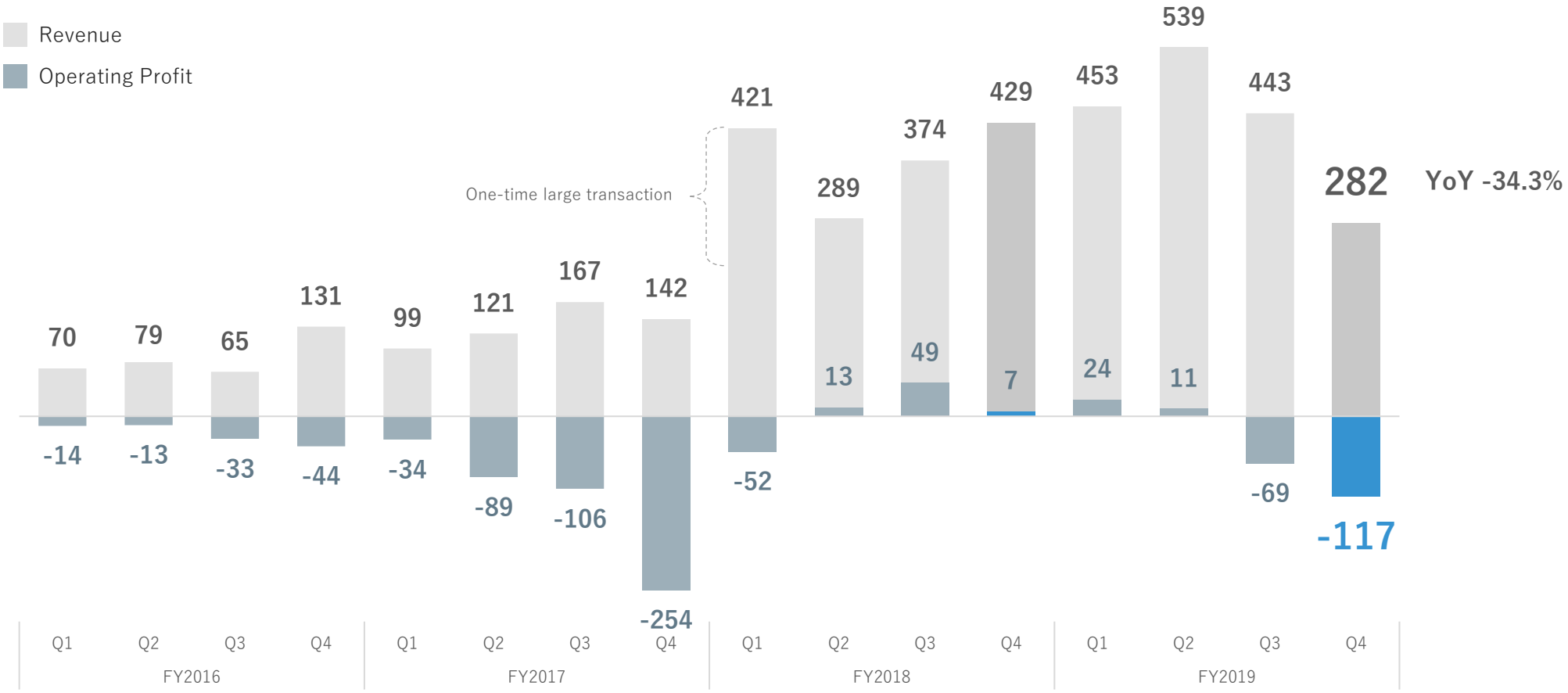
Operating Profit

Despite the impact of COVID-19, reduced operating loss due to reducing costs

(Unit：M JPY)



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FY2019 Financial Highlights by Business Segments

cowcamo and SWP have increased sales despite being affected by COVID-19

(Unit：M JPY)

		FY2018 (2018/8～2019/7)	FY2019 (2019/8～2020/7)	YoY
cowcamo	Revenue	1,268	1,339	+5%
	Gross Profit	960	1,077	+12%
	Business Segment Profit	344	283	-17%
Shared Workplace	Revenue	246	378	+53%
	Gross Profit	99	116	+17%
	Business Segment Profit	41	53	+29%

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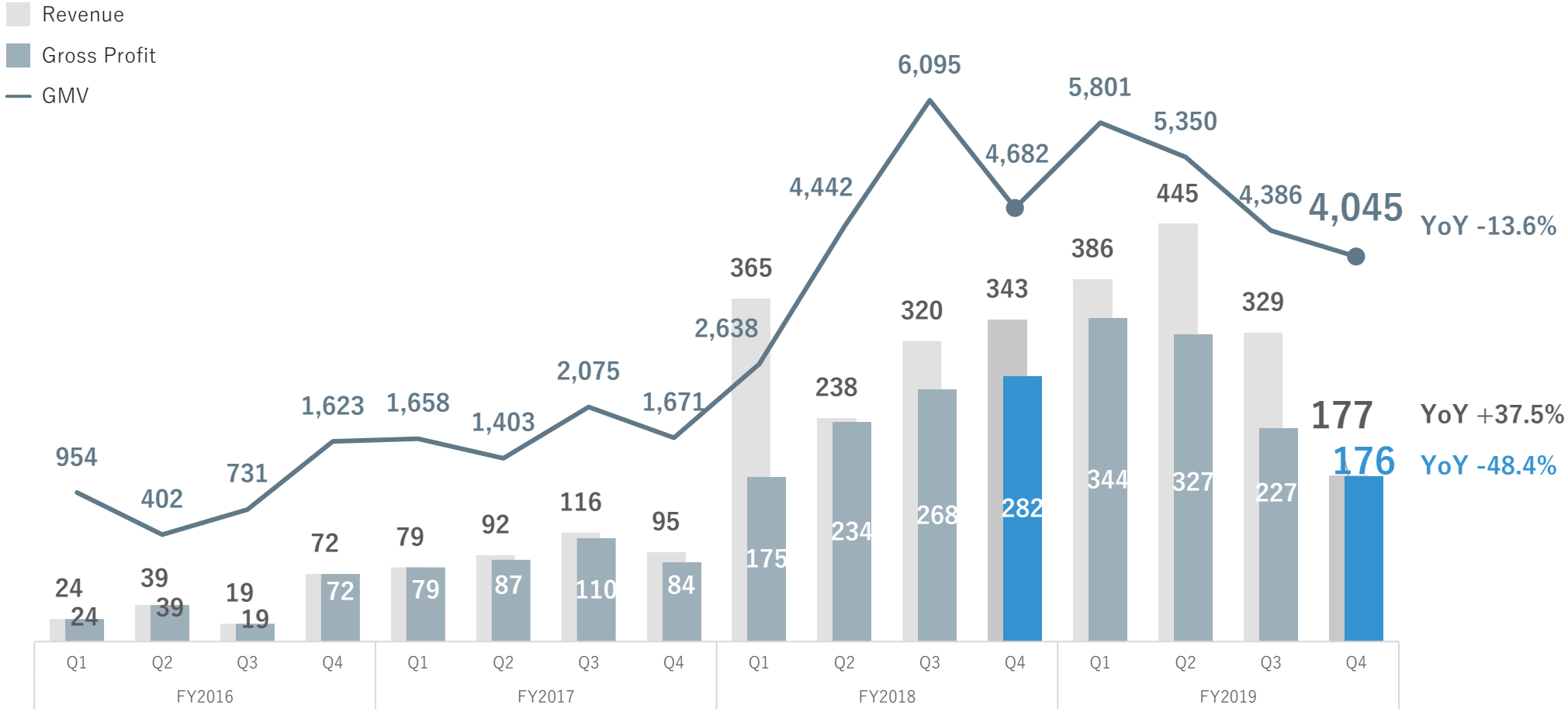
cowcamo's Top-line KGI (GMV, Revenue and Gross Profit)

Self-restraint of business under COVID-19 until May affected 4Q

(Unit：M JPY)



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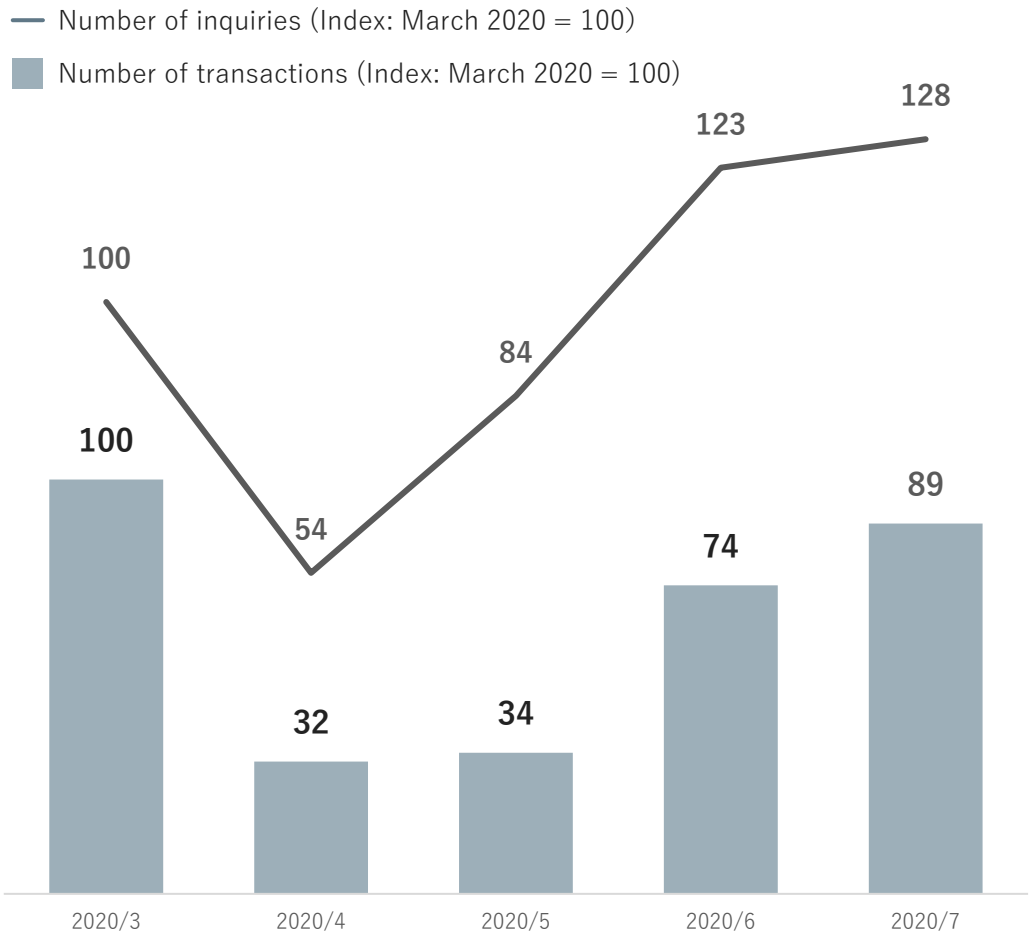
Trend in the Number of Inquiries and Transactions under COVID-19 in FY2019

Both the number of inquiries and the number of transactions bottomed out in April and May



Number of Inquiries

In April-May, the number of inquiries decreased due to COVID-19, however, in June-July, it reached a record high.

Number of Transactions

In April-May, the number of transactions decreased due to a decrease in the inquiries and some business restraint. In June-July, the number of transactions recovered as well as the number of responses.

* Since there is a time lag between inquiries and contracts, the pace of recovery is slower than the number of inquiries.

※Number of transactions: Since the number of transactions is based on contracts, there is a time lag with the commission recorded in revenues.

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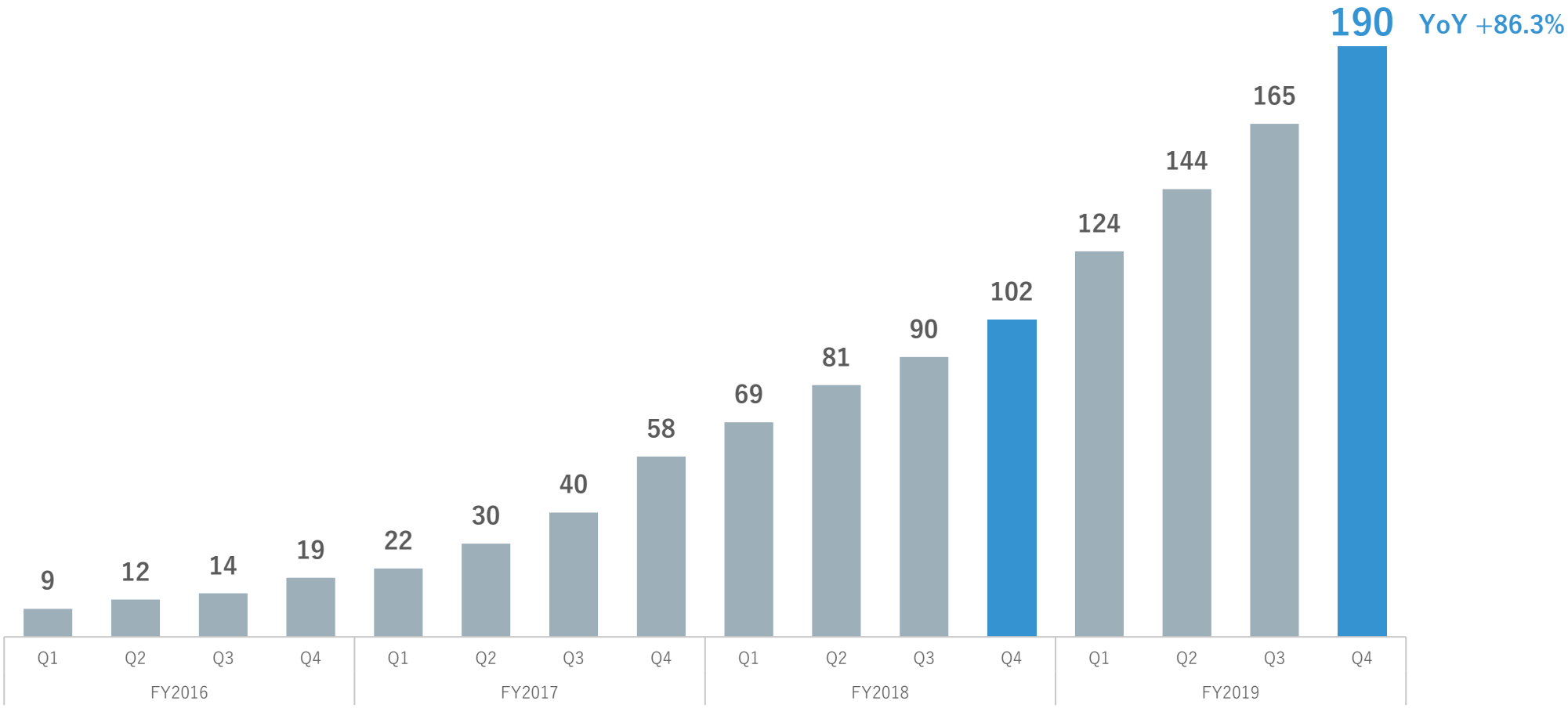
cowcamo's Registered Users*1

Registered users continue to accumulate

(Unit：K)



*1 Number of registered users at the end of each quarter

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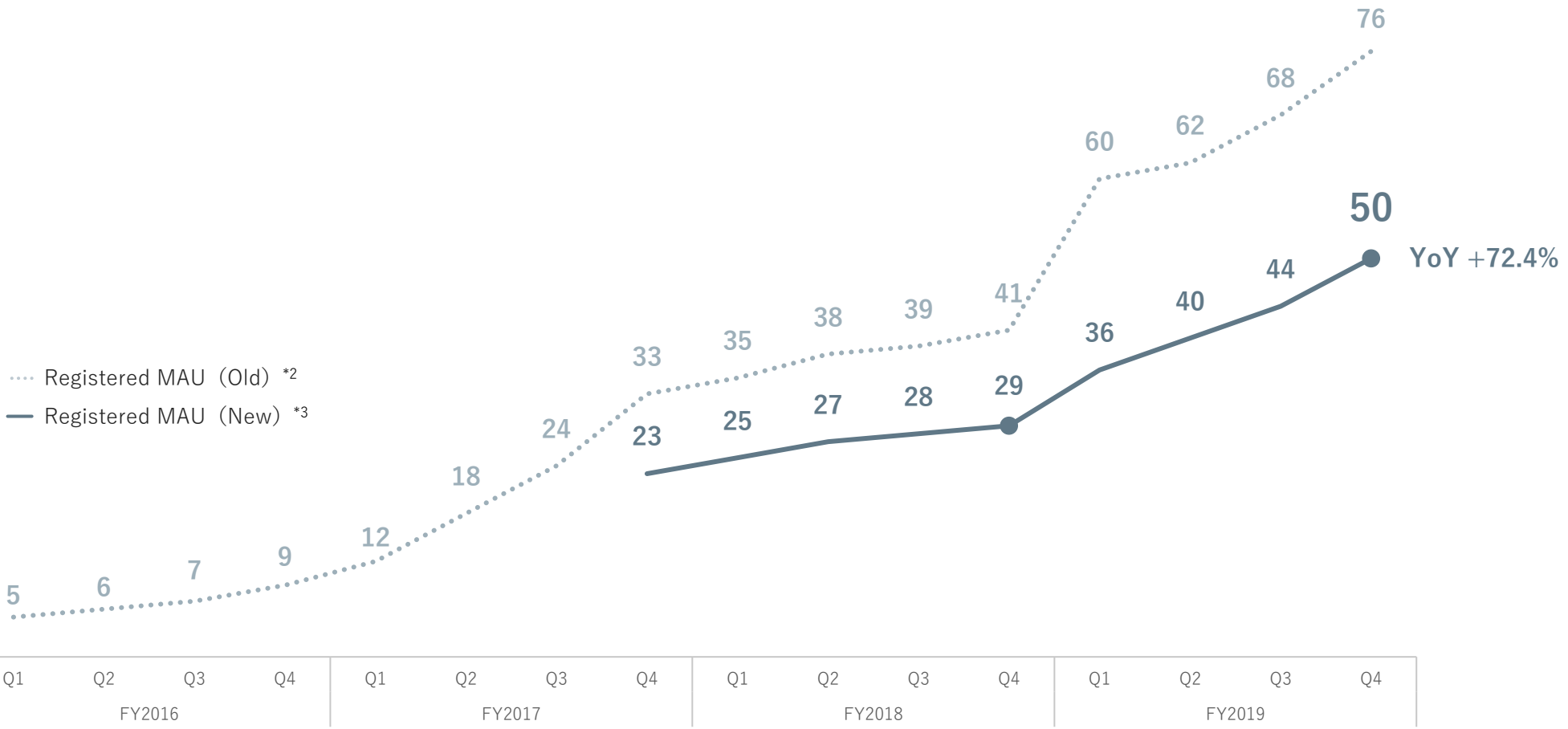
cowcamo's Registered MAU*1

As with registered users, registered MAU continues to accumulate

(Unit：K)



※Regarding the change in the definition of registered MAU
We previously defined a "Registered MAU" as the sum of users using the cowcamo app and visiting the cowcamo website. Hence, a user who used the app and visited the website was calculated as 2 registered MAUs. However, to provide a more accurate disclosure, a "Registered MAU" has been redefined as a user who has both used the cowcamo app and visited the website. Under this new definition, a user who uses the cowcamo app and visits the cowcamo website is calculated as 1 MAU. Please note that we began tracking registered MAUs using the new definition in Q4 FY2017. There are no figures based on the new definition prior to this. Therefore, the graph shows the number of registered MAU from Q4 FY2017.

*1 Quarterly average of registered MAU
*2 Sum of registered MAUs who used the cowcamo app and visited the cowcamo website
*3 Distinct number of registered MAUs who used the cowcamo app and visited the cowcamo website

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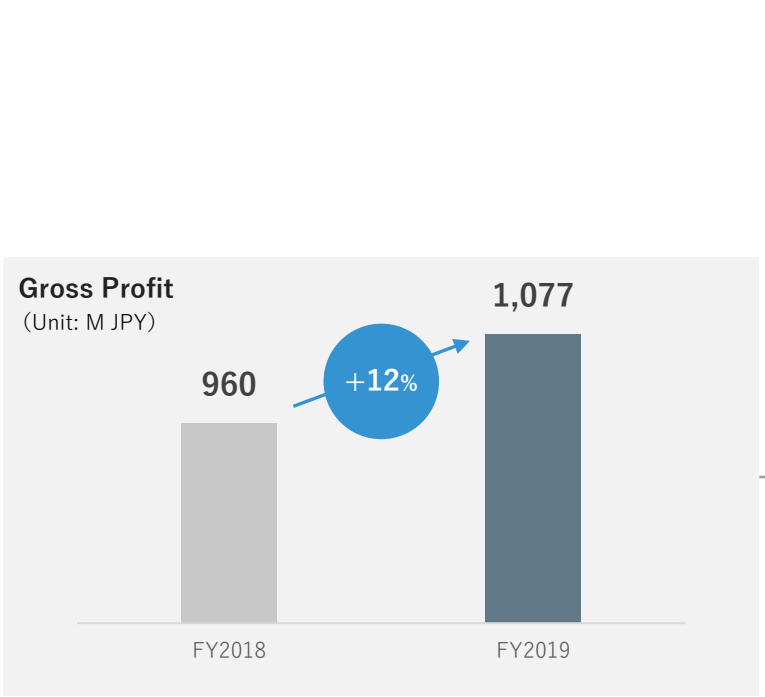
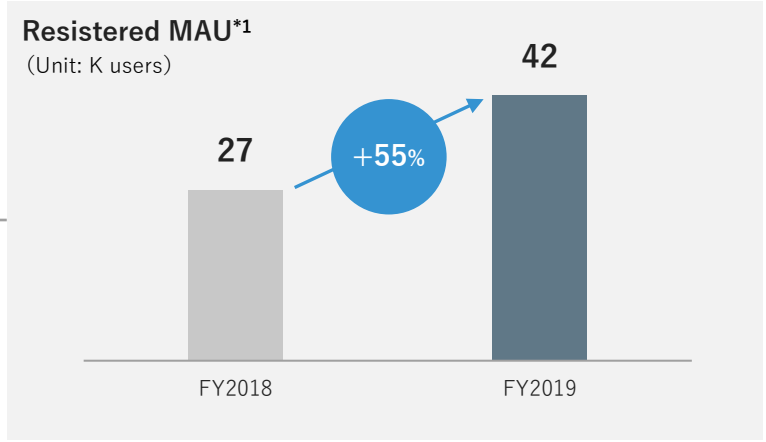
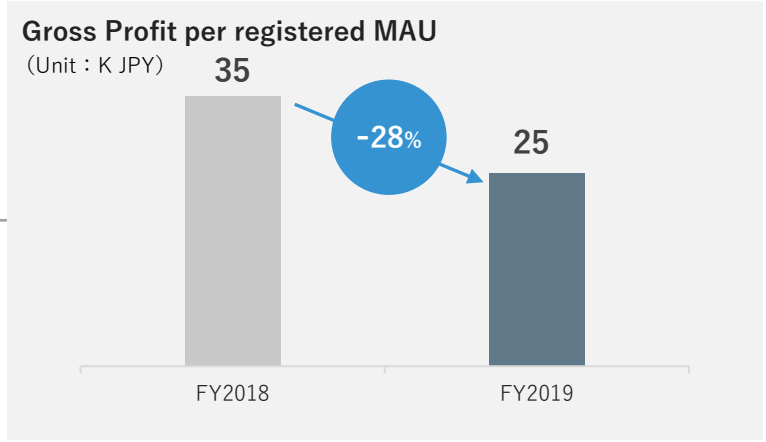
Gross Profit = Registered MAU * Gross Profit per Registered MAU

Gross profit per registered MAU decreased due to COVID-19, registered MAU continued to grow





No. of registered MAUs calculated based on the new definition.



*1 Quarterly average of registered MAU

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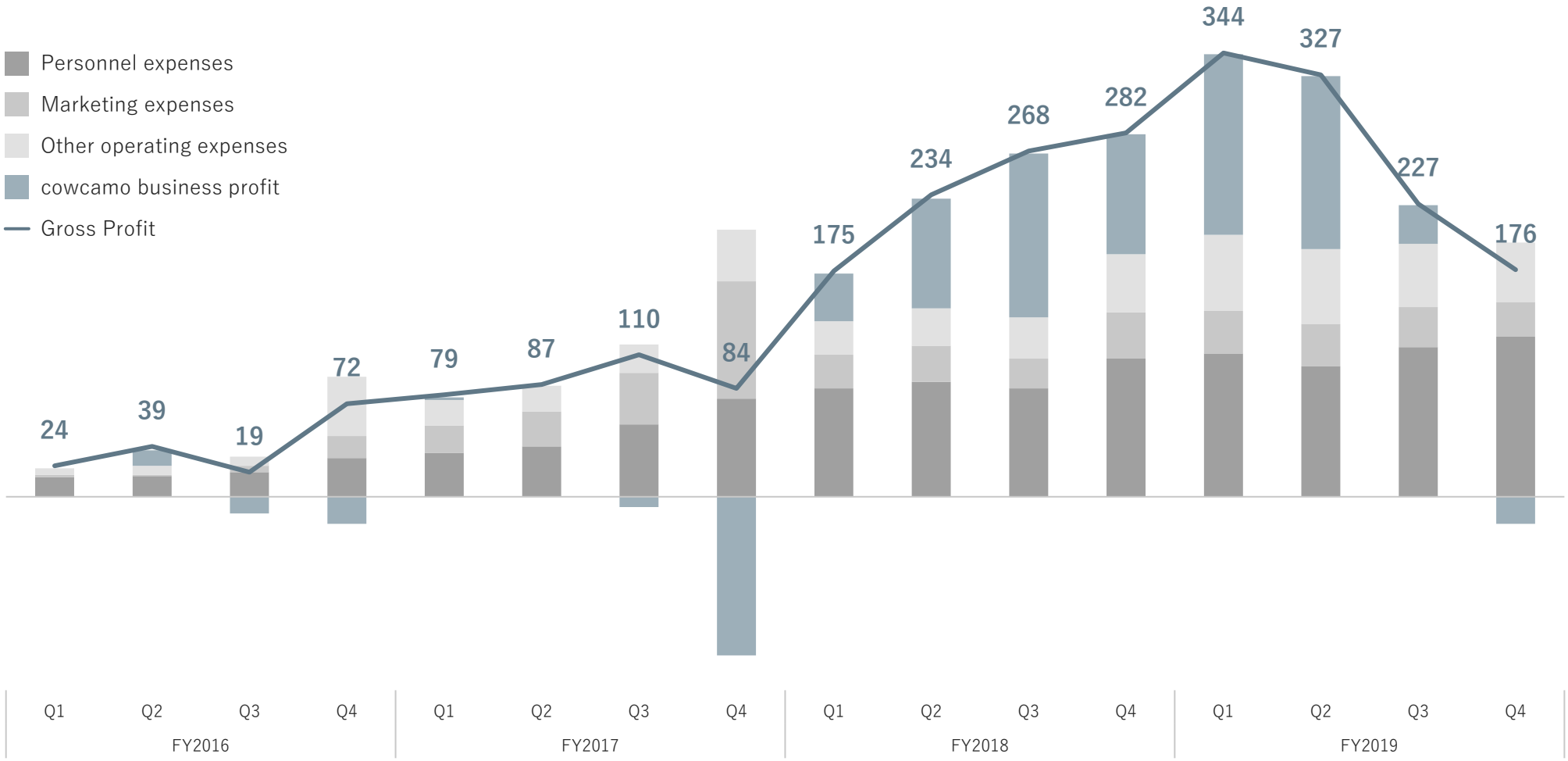
Operating Cost Composition of the cowcamo business

cowcamo business profit is negative due to decrease in gross profit under Covid-19

(Unit：M JPY)



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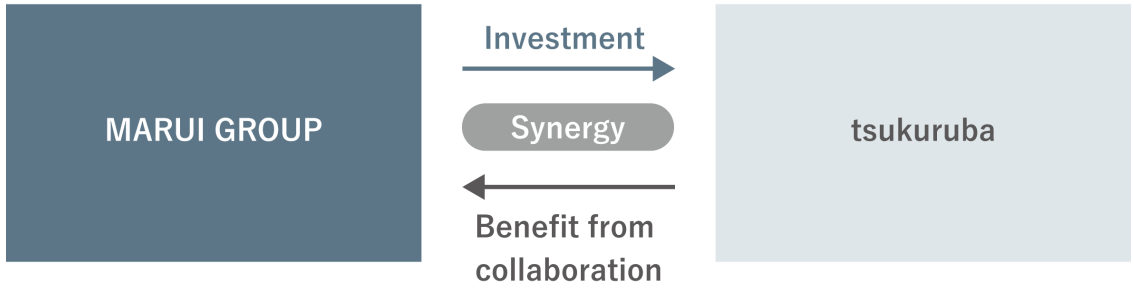
Capital and business alliance with Marui Group. Raise 700 M JPY and start creating synergies between both companies

Collaboration Partner

MARUI GROUP

Name	MARUI GROUP CO., LTD.
Head Office	3-2, Nakano 4-chome, Nakano-ku, Tokyo
Month of Foundation	March 1937
Representative Director	President and Representative Director, Representative Executive Officer Hiroshi Aoi
Capital	35,920M JPY (as of Jul. 2020)
Business Activities	Corporate planning and management for Group companies engaged in Retailing segment and FinTech segment
Group Companies	MARUI CO., LTD. Epos Card Co., Ltd. MARUI HOME SERVICE Co., Ltd. ,etc.

Collaboration Overview



Capital alliance

- Issued corporate bonds with stock acquisition rights worth 700 million yen, underwritten by Marui Group
- The conversion price is 1,200 JPY per share
- Proceeds will be used to expand the business of cowcamo and to develop new business with Marui Group

Business alliance

- Exploring new businesses that utilize the existing asset of the two companies
- As a first step, we are considering new businesses and collaborations in the rental housing area
- After that, intending to develop multiple businesses

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3. Difference between Revised Forecast of Financial Results and Actual Financial Results for FY 2019

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Difference between Revised Forecast of Financial Results and Actual Financial Results for FY 2019

Revenues, gross profit, operating profit, and ordinary profit are higher than the forecast announced in June

Compared to Forecast of Financial Results for FY2019

Upside Factors

[Revenue] Number of contracts in June-July exceeded expectations

[Gross profit] Reduced costs for after COVID-19

[Operating Profit] Reduced costs by reducing fixed and other costs

Downside Factors

[Net Profit] Recorded impairment loss on non-current assets for cowcamo software assets

(Unit：M JPY)

	FY2019 Actual（A）	FY2019 Forecast（B）	(A)-(B)
Revenue	**1,718**	**1,650**	**＋68**
Gross Profit	**1,194**	**1,130**	**＋64**
Operating Profit	**-150**	**-285**	**＋134**
Ordinary Profit	**-159**	**-290**	**＋130**
Net Profit	**-431**	**-372**	**-59**

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4. Business Policy from FY2020

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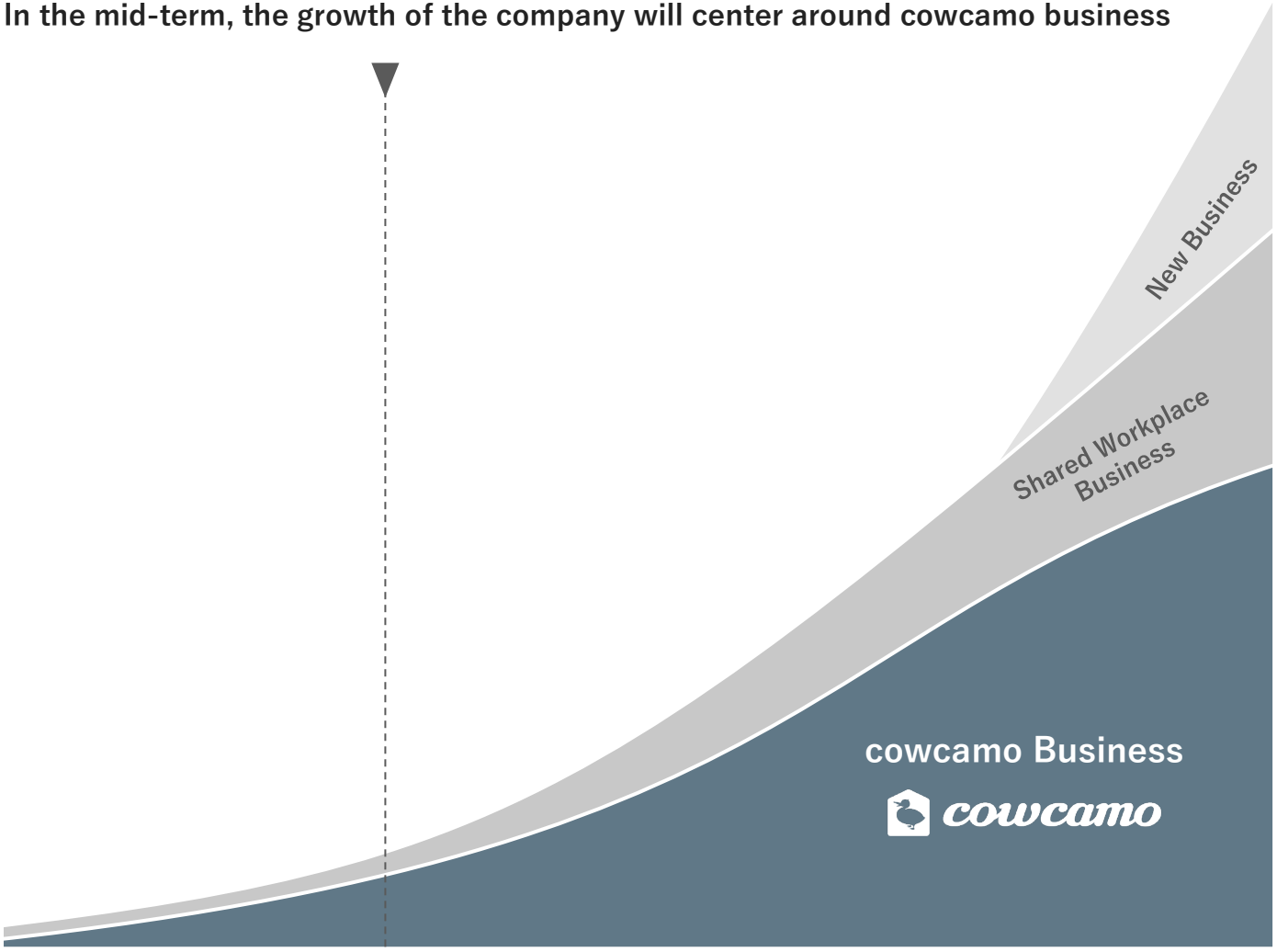
Future Direction of tsukuruba's Growth Strategy

In the mid-term, the growth of the company will center around cowcamo business



In the long-term, we plan to launch new businesses which can create synergies with our existing businesses

We will expand the Shared Workplace business by investing into new workplaces with discipline

cowcamo will be the driver of growth for the foreseeable future.
We will flexibly reinvest gross profit to achieve continuous growth.

※The above graph is an illustration of our growth strategy and is not a representation of any business plan.

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cowcamo’s Growth Roadmap

In addition to expansion of our userbase, take a half-step in maximizing revenue-generating opportunities



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While being affected by COVID-19 because of expanding the scale of the organization, our userbase as a platform is steadily growing

The business environment in FY2019

Negative

Impact on business due to COVID-19 under organizational expansion

- Expand internal agent organization to maximize profits
- Severely affected by business suspension due to COVID-19

Positive

Steady growth of userbase

- The effects of COVID-19 are limited. The number of registered MAU is steadily increasing

Positive

Expand supply-side business opportunities

- Since IPO, business opportunities are expanding because of inquiries from many collaborations and alliances due to rising expectations as a platform in this industry

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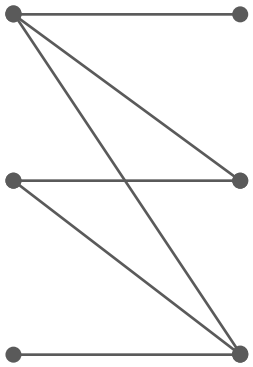
Focus on building competitiveness as a platform, prioritizing short-term profit growth

Business Policy from FY2020 based on the business environment

Business environment
(see the previous page))

Short-term performance risk expansion and new business opportunities

- ✓ Impact on business due to COVID-19 under organizational expansion
- ✓ Steady growth of userbase
- ✓ Expand supply-side business opportunities



Business policy from FY2020

Focus on building competitiveness as a platform over the medium to long term

- ✓ **Switch to a risk-controlled service provision system by utilizing external partners**
- ✓ **While continuing to expand users, focus on improving service value that leads to medium- to long-term competitiveness**
- ✓ **Leverage userbase to strengthen supply side, increase platform value and diversify profit structure**

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Work on service updates, expansion of external partner agents, and strengthening of supply side

Activities from FY2020



Service Update

Aim to improve service value by expanding service offerings and updating service processes

Expansion of external partner agents

Strengthen cooperation with external agents to create a system that enables flexible growth while controlling business risks

Strengthening of supply side

Strengthen property supply and business to businesses through cooperation with resellers and user service businesses in other industries

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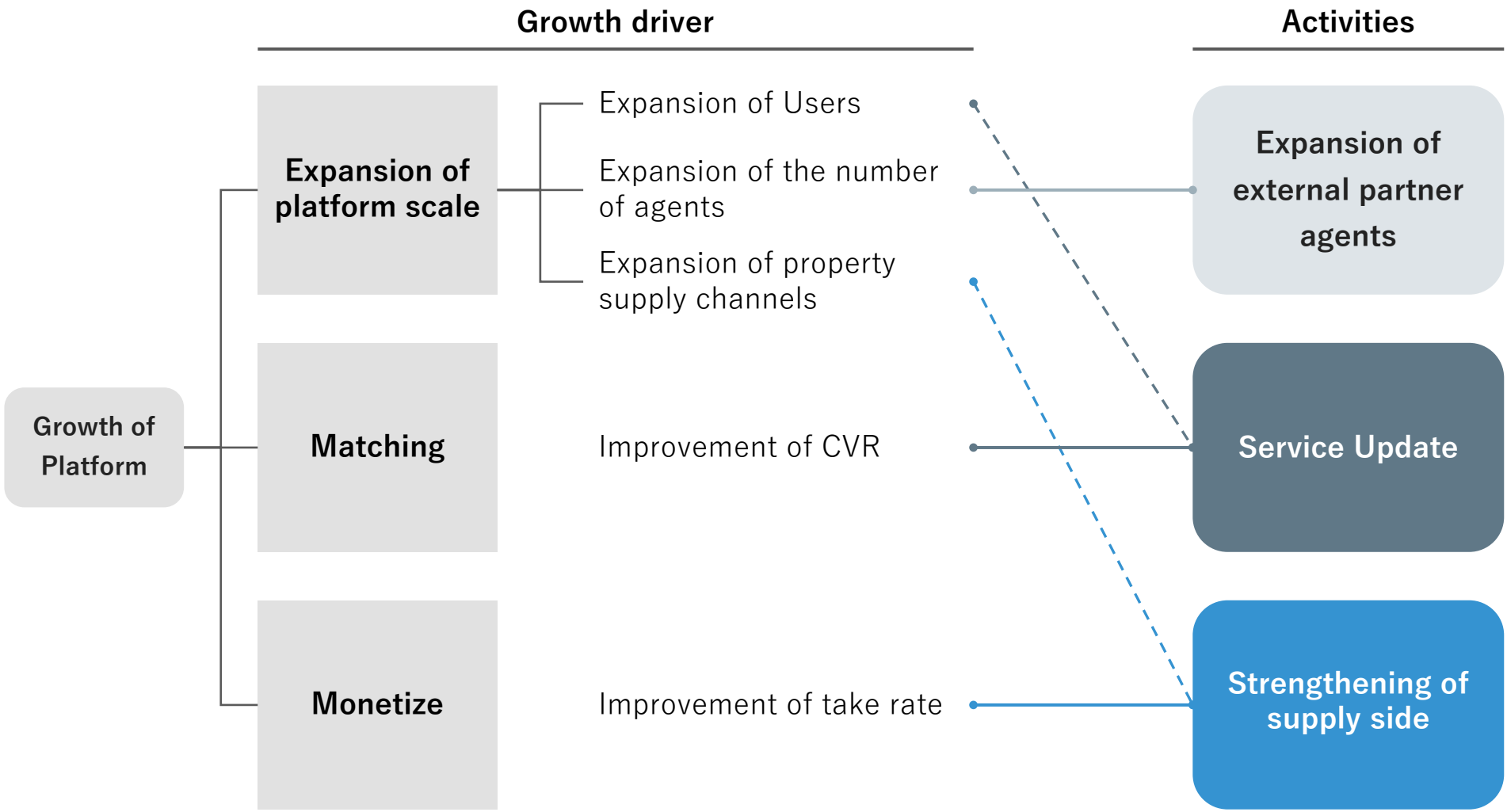
Accelerate growth as a platform (“PF”)

Relationship between growth drivers as a platform and each activity



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From FY2020, invest in system and organization to increase number of transactions, sustainable business process, and non-trading profits

Concept of investment areas and expected effects in medium-term plan

Investment areas	Expected effects
Promote investment in system and organization expansion in the following areas	Investment effect will gradually become apparent in the medium to long term by the following mechanism
Investment in products related to service updates	**Increase number of transactions by improving service value**
System construction related to platform infrastructure	**Sustainable and low cost business process**
Strengthening the internal system for strengthening the supply side	**Expansion of non-trading profit**

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A solid financial base that enables growth investment in medium- to long-term platform construction

- Sufficient cash and deposits enables aggressive investment in growth to build competitiveness of the platform over the medium to long term ※1
- By expanding the distributable amount by capital reduction, anticipate expanding the possibility for implementing flexible and agile capital management policies even in the face of rapid market changes ※2

（Unit： M JPY）

As of the end of FY2019			
Current assets	1,660	Current liabilities （interest-bearing liabilities）	305 (155)
Cash and deposits※1	1,613	Non-current liabilities （interest-bearing liabilities）	781 (762)
		Total liabilities	1,087
Non-current assets	502	shareholders' equity※2	1,073
Property, plant and equipment	380	Treasury shares	△62
Intangible assets	-	Share acquisition rights	1
Investments and other assets	121	Net assets	1,074
Total assets	2,162	Total liabilities and net assets	2,162

※1 In addition to the balance at the end of July, 700 M JPY has been paid in by a capital and business alliance agreement with Marui Group in August 2020

※2 Capital reduction will be resolved in shareholders' meeting on October 29, 2020

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Stock incentive policy for medium- to long-term growth

Utilize incentives to systematically maximize long-term shareholder's value

Purpose	• Align executive and employee incentives and commitments with long-term maximization of share value • Utilize to achieve competitive compensation levels in the labor market
Concept	• Stock options are flexibly designed according to the purpose • Designed to be win-win for both investors and grantees

Dilution effect	• As of the end of July 2020, the dilutive share ratio was actually 6.0%*, a low level compared to other growth companies.
	• Flexibly design within a certain range Maximum 2% per year
	  • Up to 5% of stock-based compensation paid in mid-long term (assuming about 1% annually)
	  • Stock-based compensation to be paid in a one-year span, about 1% per year

PL／CF effect	• In FY2020, about 0.7% of the market capitalization is expected to be recorded as stock-based compensation. Stock incentive will be designed considering the balance between market capitalization and stock-based compensation expenses in the future • We will disclose the impact of stock-based compensation expense on PL • No CF impact as our stock incentive is based on stock options

※ 6.0% is the figure after subtracting 2.2% of the 10th stock acquisition rights scheduled to be canceled in September 2020 from 8.2% at the end of July 2020.

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Overview of stock options scheduled to be issued in November 2020

Issuing stock options for executives. Strengthen commitment to company's growth by using performance conditions as exercise conditions

Types of stock options scheduled to be issued in November 2020

Exercise conditions for paid stock options and the impact of dilution

	Purpose・Grantee	Exercise conditions (Performance conditions)	Dilution	
			1 year	Mid-long term
Tax qualified stock options	**Employees** Strong incentive to increase corporate value and shareholder value	–		4.0%※
Paid stock option	**Executives・Employees** Strong commitment and incentive to increase corporate value and shareholder value by setting performance conditions	• 100% exercisable if gross profit reaches 2,500 M JPY • More than double gross profit compared to FY2019 is required to exercise	1.0%	
Stock compensation type stock options	**Employees** Increase motivation for continuous work by stock-based compensation	–		

※ Stock incentives to be paid for growth in long term. For 5 years until 2025, annual conversion 0.8%

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5. Forecast of Financial Results for FY2020

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View of disclosure of forecast of Financial Results for FY2020

Top line	**PF GMV is expected to grow more than 40% or more annually** **Revenue is expected to decrease and the gross profit is expected to increase**
Profits	**Make investments for growth with the raised funds** **Control the deficit within the range of maintaining financial discipline**

Upside/Downside factors not taken into account in the forecast

（Not considered due to low probability as of now）

Positive

Cases that each business KPI progresses more than expected

（ improvement more than expected in GMV, user acquisition, CVR, CPA, agent productivity ）

Negative

Cases of delay in hiring more than expected

（Mainly agent and engineer）

Case of further deterioration of external environment due to COVID-19

Cases of investing in growth that are unpredictable at this moment

（ Organizations or operation model trial including new functions/services, external partnerships, etc.）

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Forecast of Financial Results for FY2020

PF GMV is expected to grow more than 40%, and revenues and gross profit are expected to decrease and increase, respectively

- The decrease in revenues is due to the fact that revenues from resale transactions are not factored in. However, in FY2020, as in FY2019 (actual resale transactions of 294 million yen), there is a possibility that revenues will be generated due to resale at the request of the buyer.

Control the deficit within the range of maintaining financial discipline

- Control personnel expansion and advertising expenses based on growth strategies while monitoring business KPI trends and financial conditions

cowcamo business KPI

(Unit：B JPY)

	Forecast FY2020 (A)	Actual FY2019(B)	(A)/(B)
PF GMV	**27.3**	**19.5**	+40.0%
PF profit (GMV*PF take rate)	**1.3**	**1**	+21.0%

Forecast of Financial Results for FY2020

(Unit：M JPY)

	Forecast FY2020(A)	Actual FY2019(B)	(A)/(B)
Revenue	**1,472**	**1,718**	-14.3%
Gross Profit	**1,237**	**1,194**	+3.6%
Operating Profit (of which, expense for stock-based compensation)	**-563** (75)	**-150** (-)	—
Ordinary profit (of which, expense for stock-based compensation)	**-573** (75)	**-159** (-)	—
Net Profit (of which, expense for stock-based compensation)	**-587** (75)	**-431** (-)	—

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Gross profit in the forecast for FY2020

Factors of increase in profit

Expansion PF Profit through growth in PF GMV

- PF Profit will increase because of the growth of PF GMV mainly due to growth of registered MAU

Factors of decrease in profit

Decrease in corporate transaction revenue of spot dealings

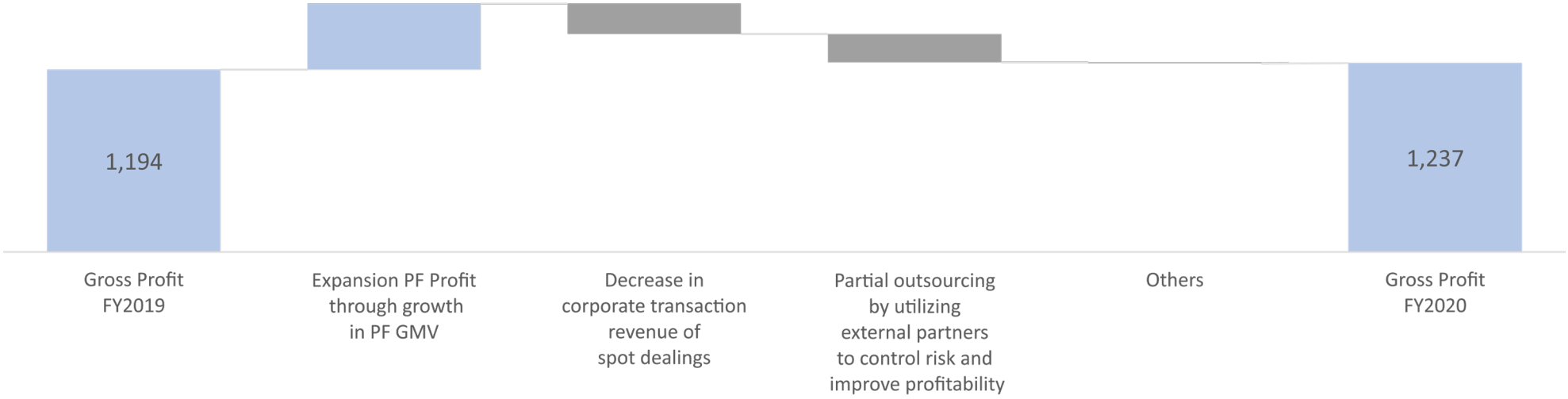
- Assuming that existing spot dealings for corporations will be reduced and replaced with continuous profits in order to continuouslystrengthen the supply side over the long term.
- Although it will cause a temporary decrease in sales in the current fiscal year, it is expected that corporate profits will increase as the take rate improves in the medium to long term.

Factors of decrease in profit

Partial outsourcing by utilizing external partners to control risk and improve profitability

- Expand the use of external agents, aiming for a system that enables growth while controlling business risks.
- Although it will cause a temporary decrease in revenues in FY2020, it is expected to contribute to the expansion of PF profit and the improvement of operating income margin in the medium- to long-term.

(Unit：M JPY)



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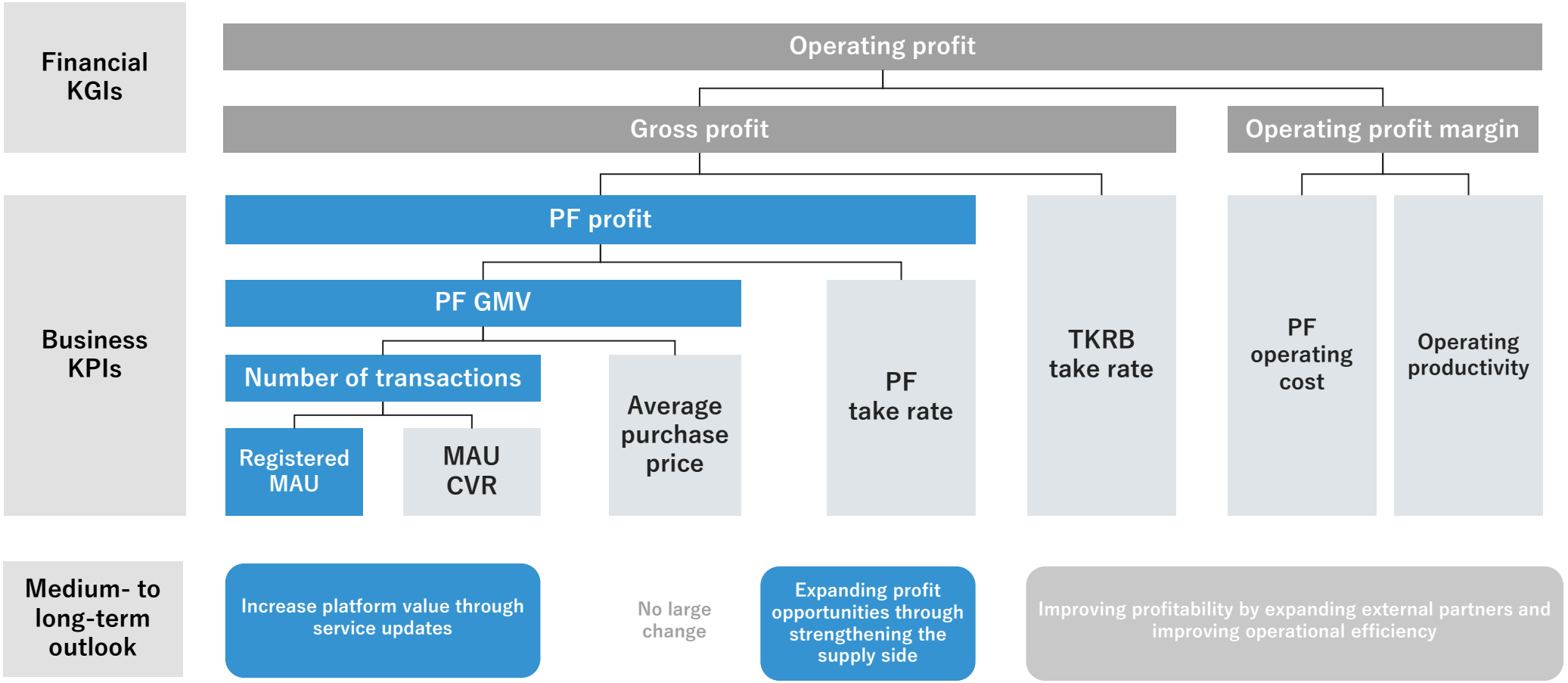
Medium- to long-term outlook for KPIs



PF profit: profit generated from Gross Merchandise Value on the platform (PF GMV). A growth indicator for cowcamo platform that corresponds to gross profit until FY2019

PF take rate: the commission rate charged for PF GMV

TKRB take rate: the ratio of PF profit that tsukuruba gains

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6. Business Overview

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Company Highlights

1	Establishing a unique position in the growing used and renovated property market
2	Enhancing our self-sustaining growth model based on product and marketing capabilities
3	Building and consolidating our assets and competitive advantage through the integration of the value chain
4	Growing and strengthening our user base and expanding profit opportunities

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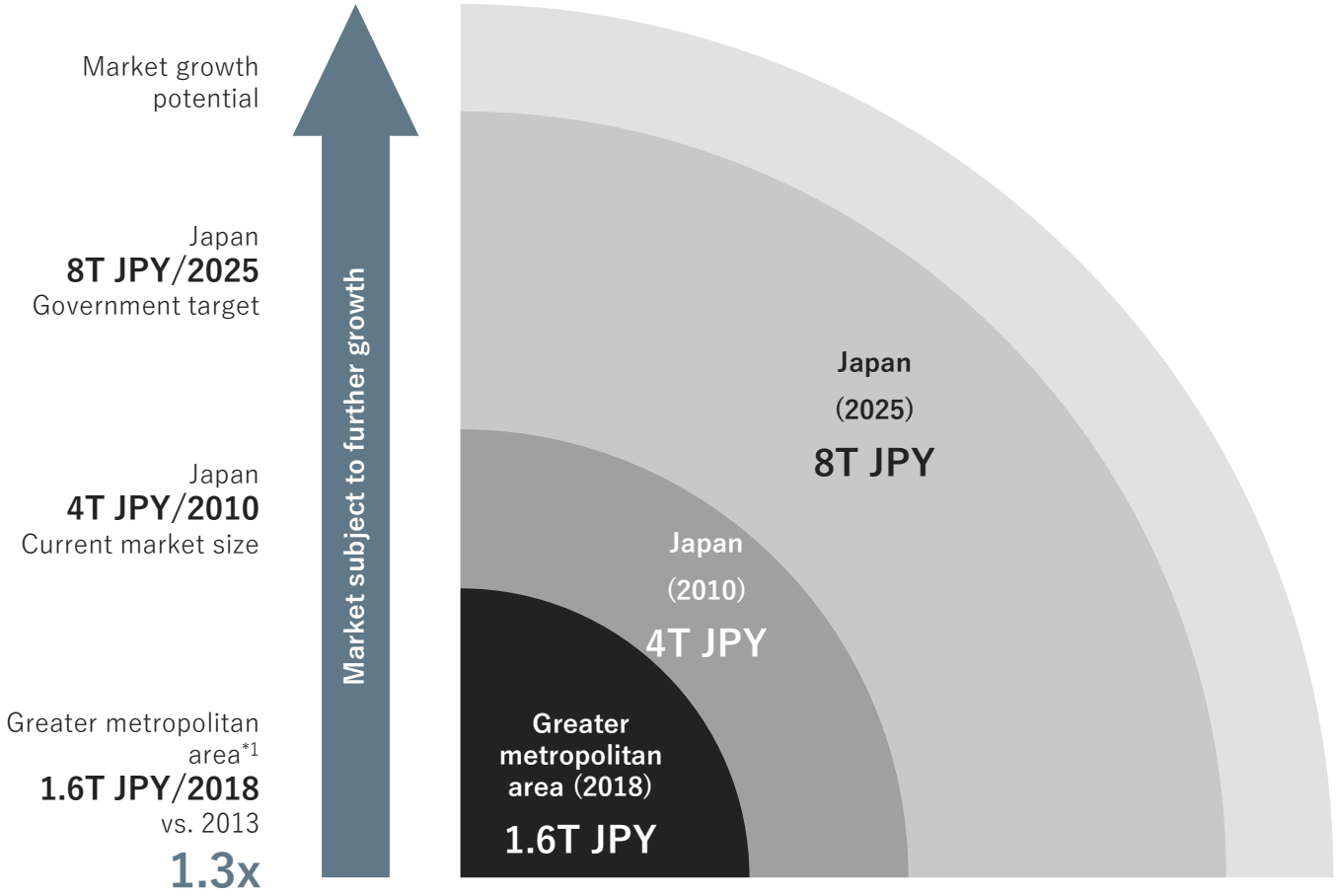
1 Future Growth Expectations of the Used and Renovated Property Market

The Greater metropolitan market was estimated to be 1.8 trillion JPY, while the Japanese government aims to further invigorate the market to 8 trillion JPY as a whole



*1 Greater metropolitan area：Tokyo, Saitama, Chiba and Kanagawa prefectures
Source: Real Estate Information Network for East Japan / Prime Minister's Office of Japan, “Growth Strategy 2017”

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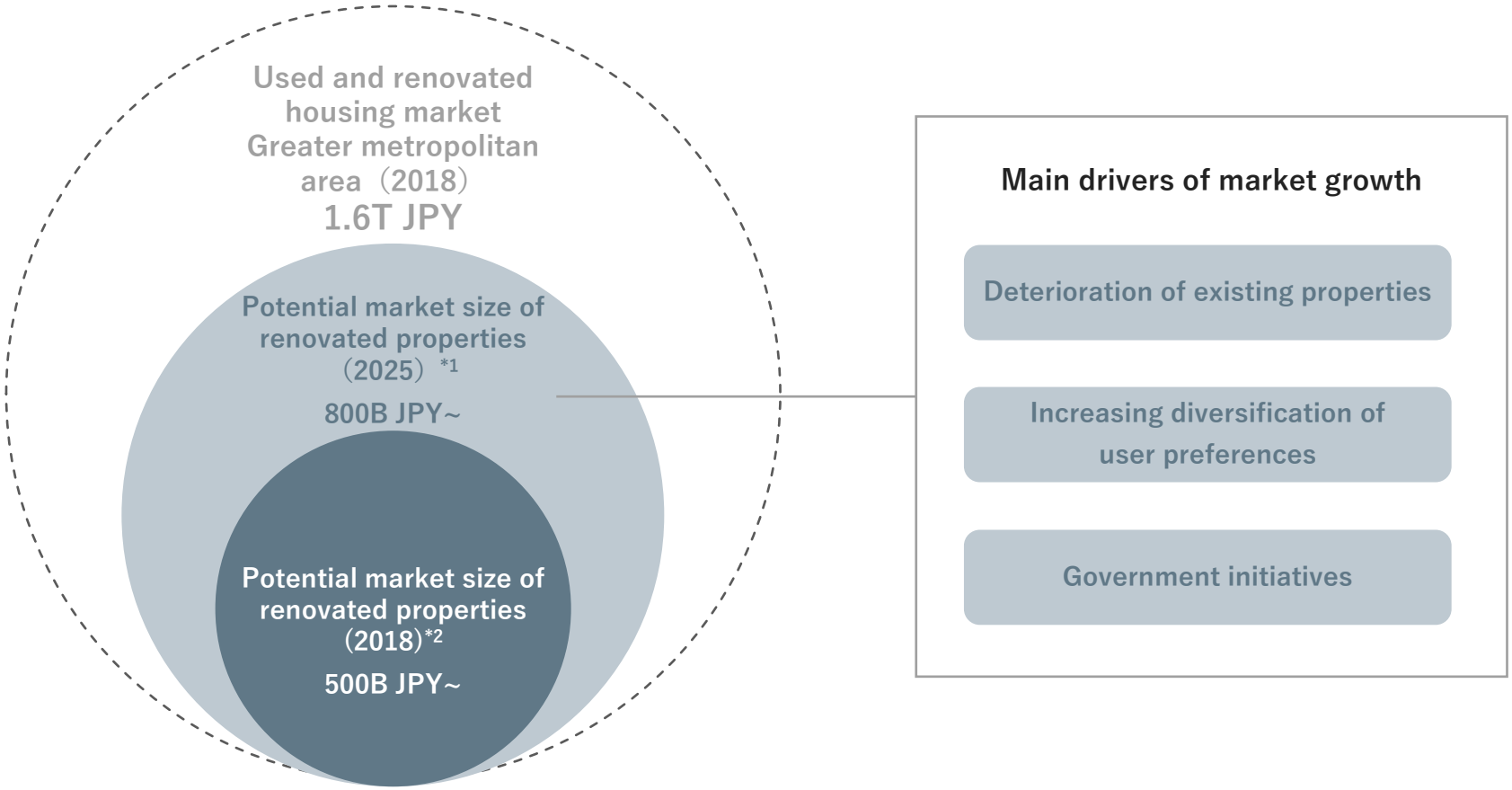
1 Strong Growth Potential of the Renovated Property Market

The renovated housing market is expected to experience a rapid growth due to a number of factors



*1 Calculated based on the market size of the used property market in 2018 x the number of used apartments which are 25 years or older in supply in 2025 (estimated data)
*2 Calculated based on the market size of the used property market in 2018 x the number of used apartments which are 25 years or older in supply in 2015 (actual data)
Source: Real Estate Information Network for East Japan “Market trend of Real Estate Market in the Greater Metropolitan Area”, Mizuho Trust & Banking Co., Ltd. “Real Estate Market Report 2016.5”

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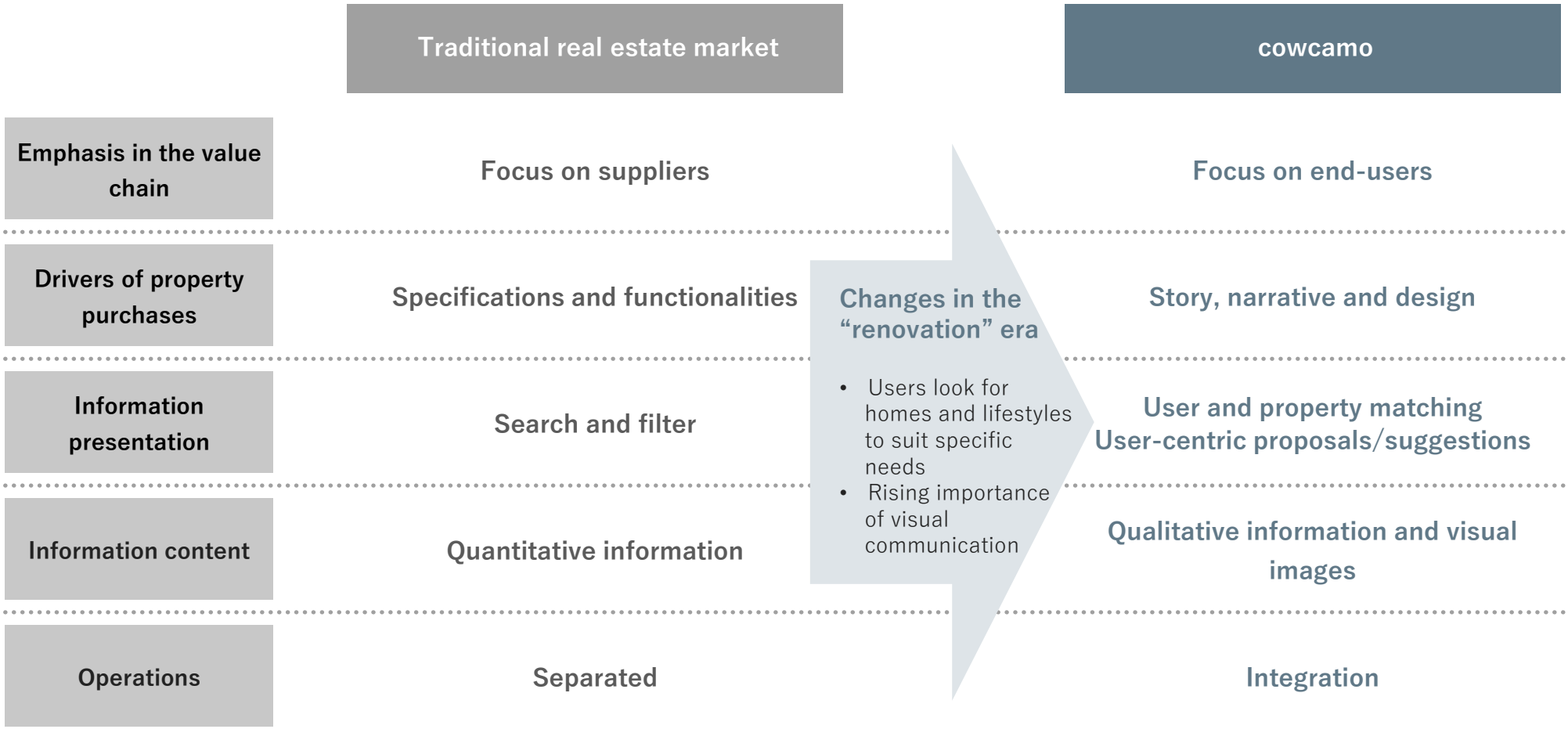
1 Our Unique Market Position as a Platform for Residential Properties

Changes in the principle of competition in the “renovation” era and cowcamo’s market positioning



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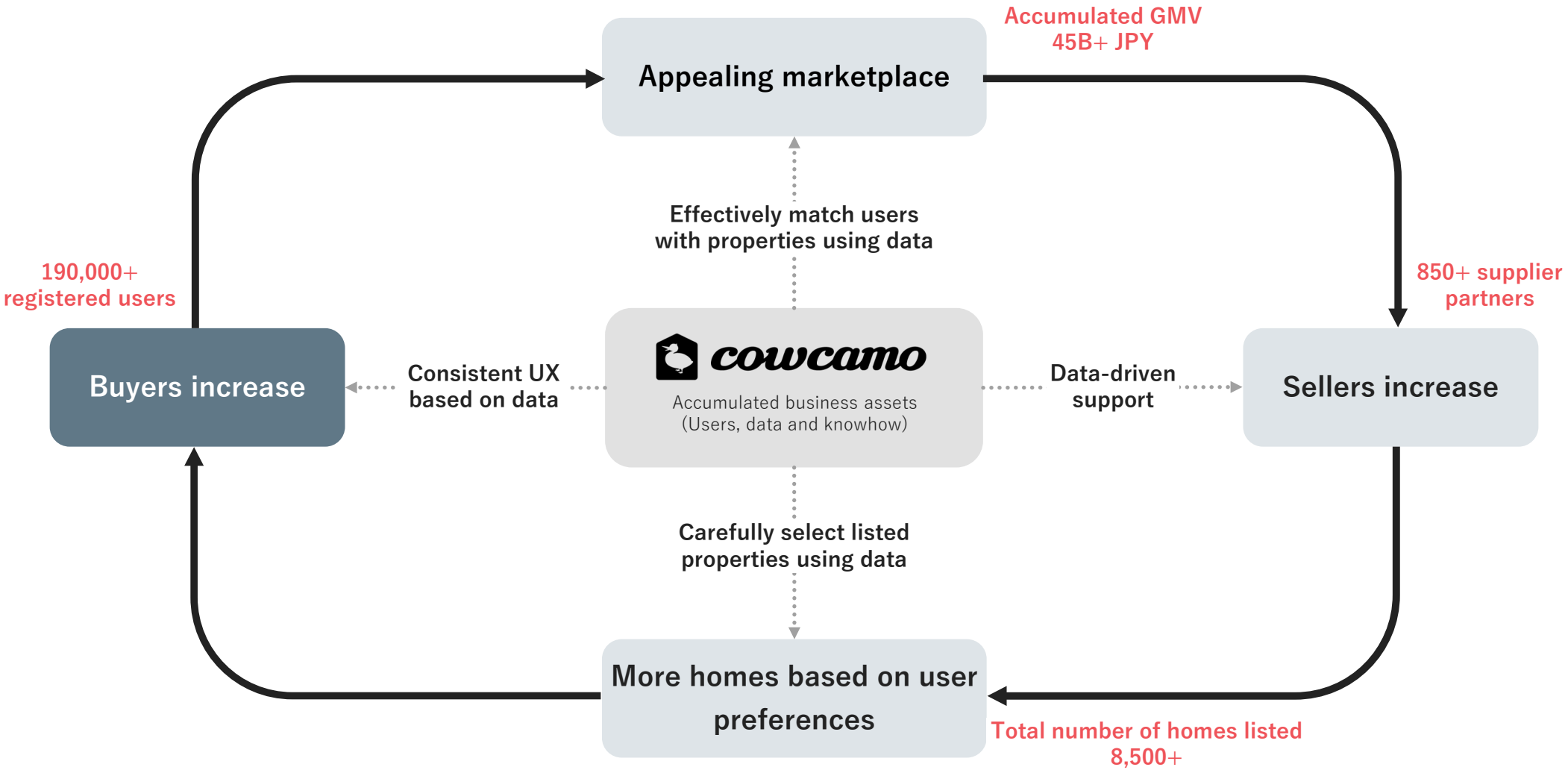
2 Our User-Driven Self-Sustaining Growth Cycle



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2 Our User-Centric Home Shopping Journey

Design and manage the end-to-end user experience to deliver a first-class home shopping journey

cowcamo

Discovery

Focus on social

(Social media, etc.)



Search

Matching & curation

(cowcamo-branded property editorials・”MIX”)



Purchase

O2O*1

(Agents and in-app chat)



High engagement

Traditional user experience	Branches, flyers and online portals	Search by house specifications Printed flyers (Maisoku)	Mainly offline (Branches, face-to-face, phone/email)

*1 O2O: Online to Offline
*2 “Maisoku”：Printed flyers with listed property information which real estate agents traditionally hand out

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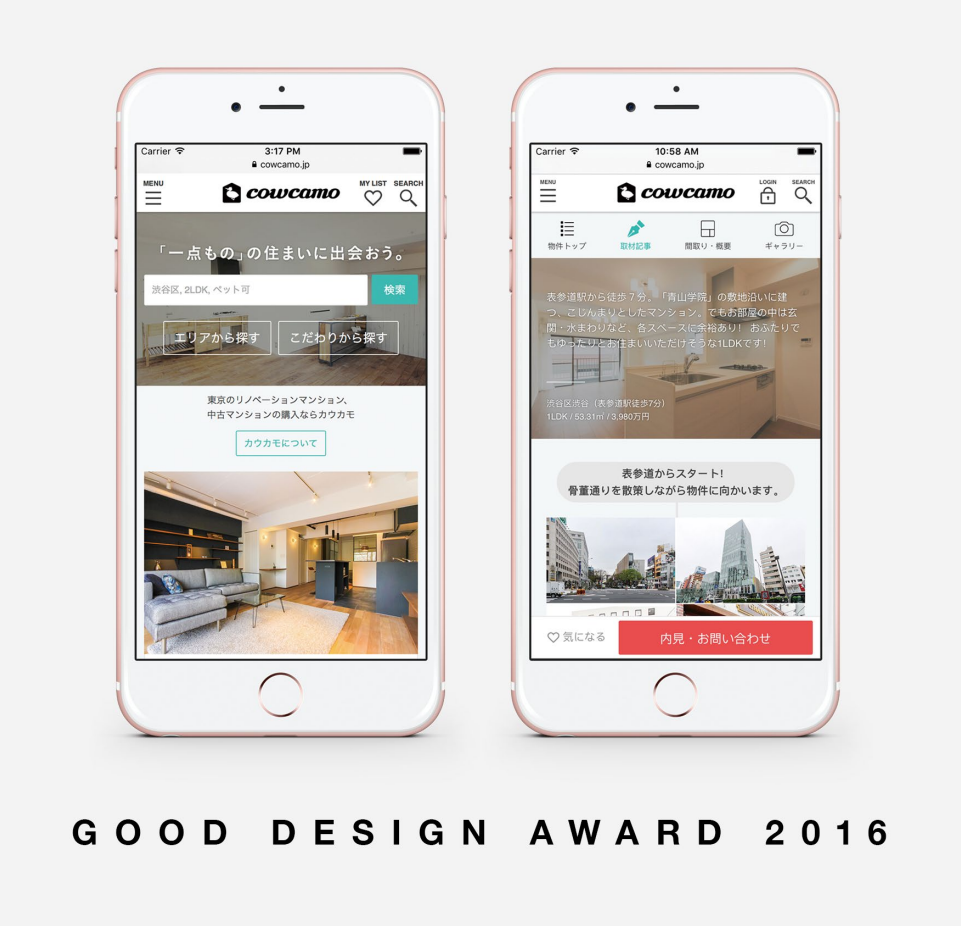
Reference

Past Awards

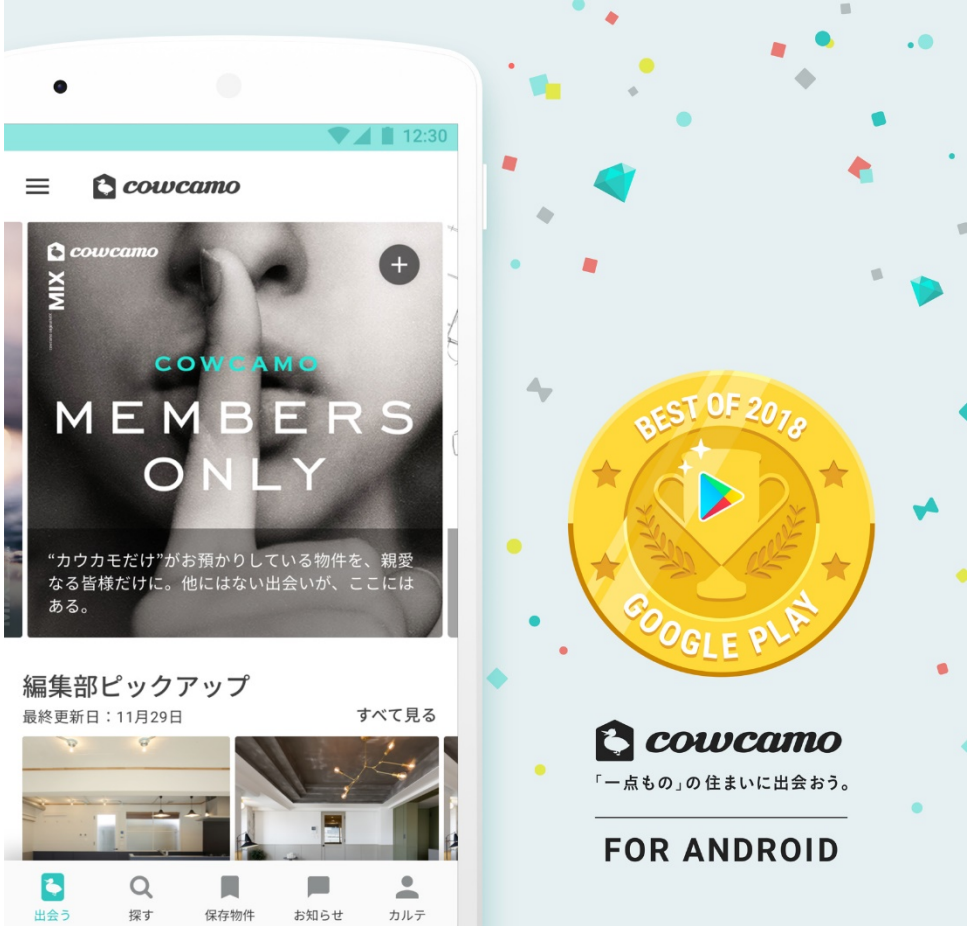
cowcamo.jp（Website）

GOOD DESIGN AWARD 2016



cowcamo for android（app）

Google Play Best of 2018



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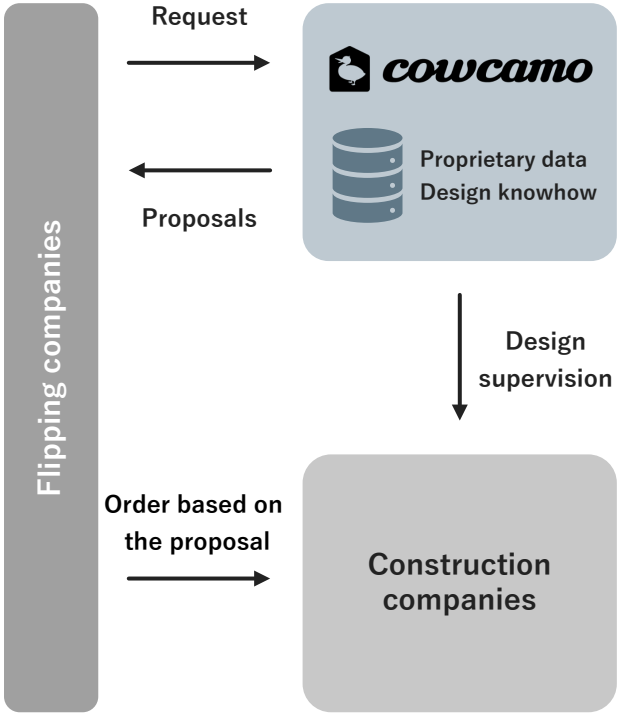
2 Creating New Business Opportunities with Supplier Partners

Property designs by cowcamo



Business flow of our interior and spatial design business scheme



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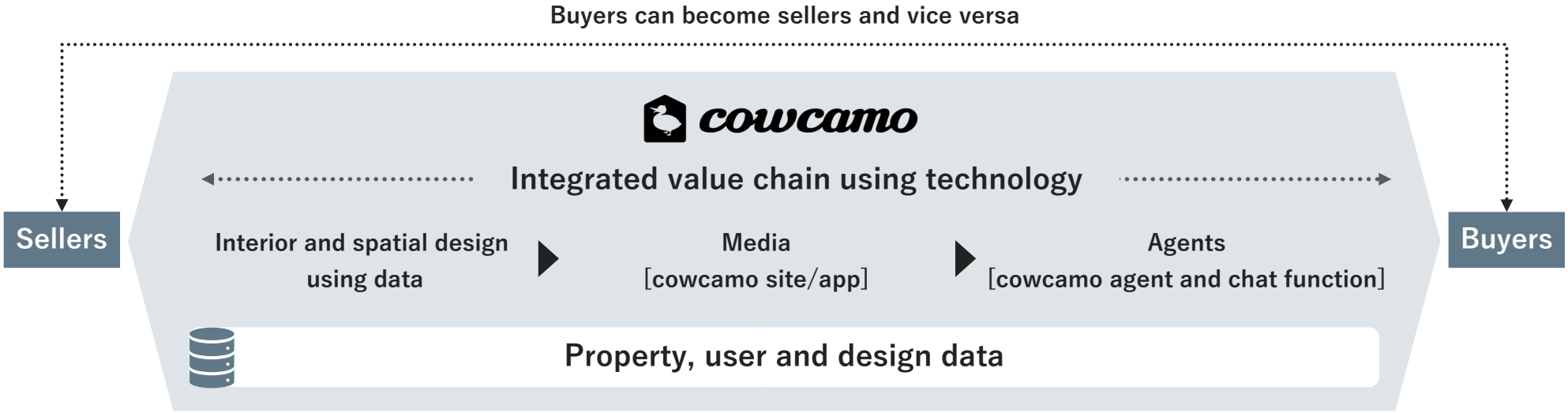
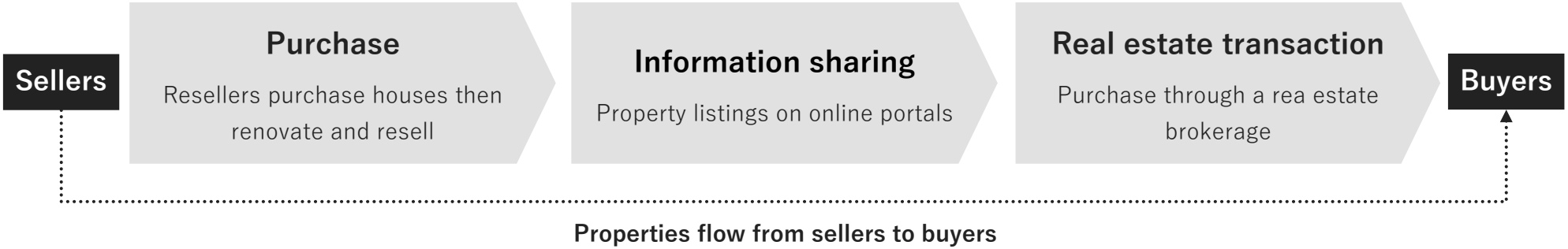
3 A Fully-Integrated Used and Renovated Property Value Chain

cowcamo's value chain



Traditional value chain



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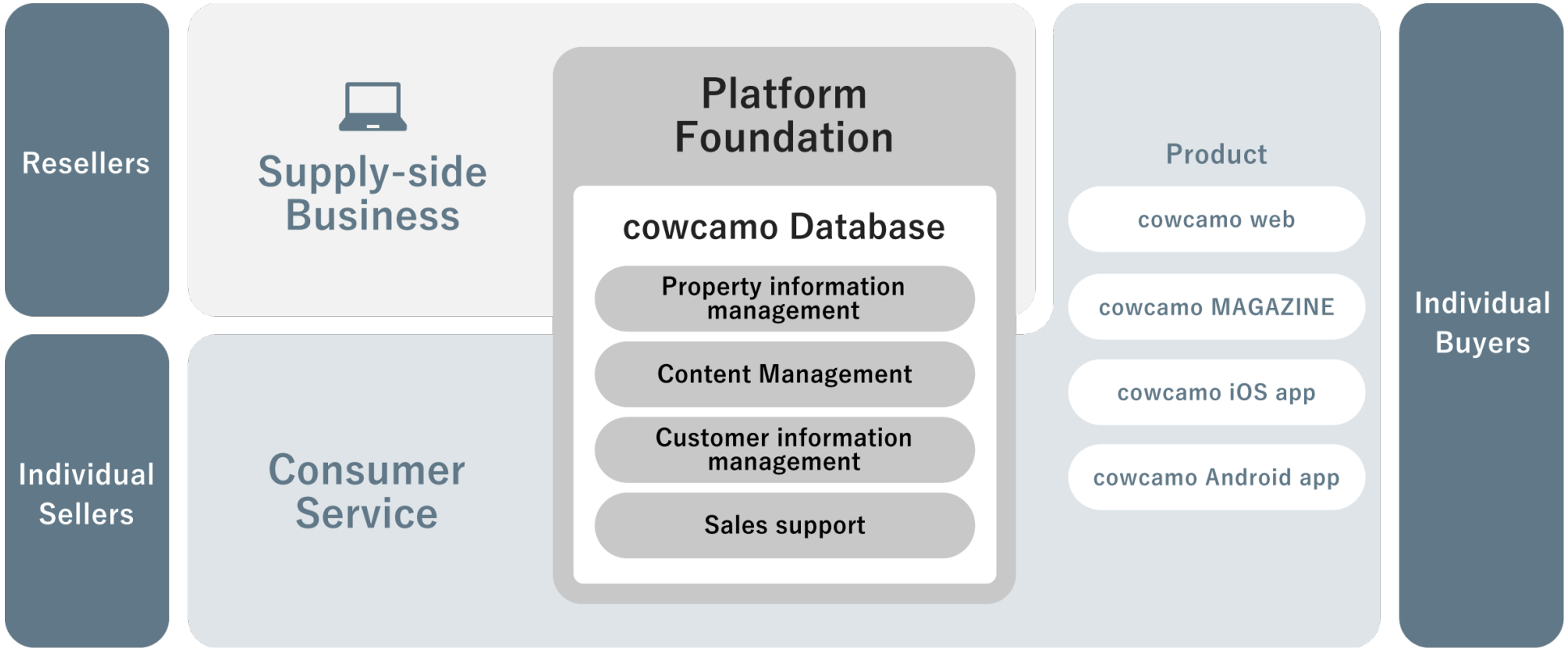
参考

Our Comprehensive Suite of Tools and Technology Solutions

In-house development of various products that make up our platform. Technology realizes and supports all processes



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3 Our Sustainable Competitive Advantage

Accumulated userbase, data and know-how through business operations

Userbase

Pioneer in the
the used and renovated housing market

Supplier partners[*1]

Over **850**

Registered users[*2]

190,000

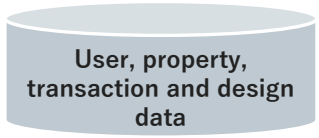
Leading number of users in the used and renovated property market in the Greater metropolitan area

Real-time property database

Accumulated property data on the used and renovated housing market

Accumulated property listings[*3]

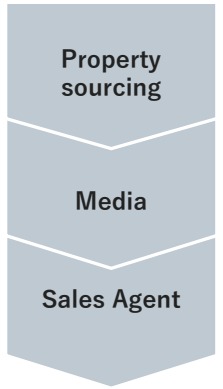
Over **8,500**



Unique and exclusive data from transactions on cowcamo and our own property editorials

Operations knowhow

Redesigned and optimized operations using technology



- Collecting property information
- Interior and spatial designs
- Property editorials
- Marketing
- User data management
- User-property matching
- CRM tools

Novel knowhow of integrating the whole operational value chain

*1 : Sellers and flipping companies which have been covered in cowcamo's editorials
*2 : Accumulated number of registered users (as of April 2020)
*3 : Properties listed on cowcamo

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4 Our Growth Roadmap



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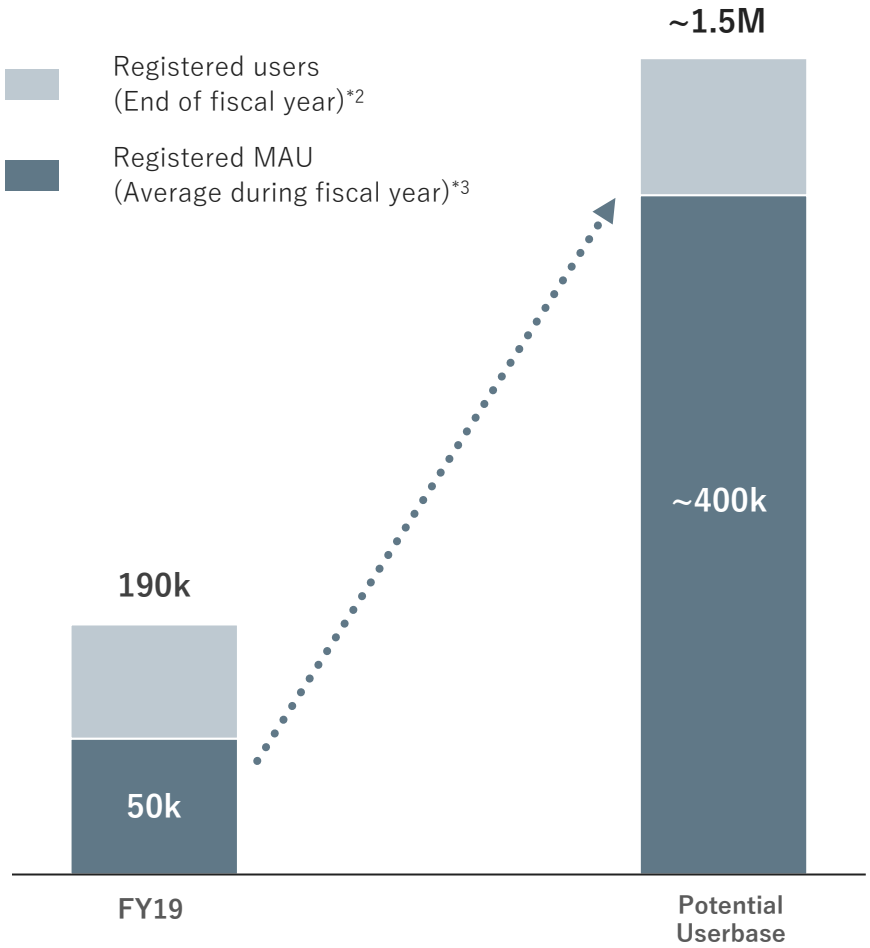
4 Opportunities for Future Growth of Our Userbase

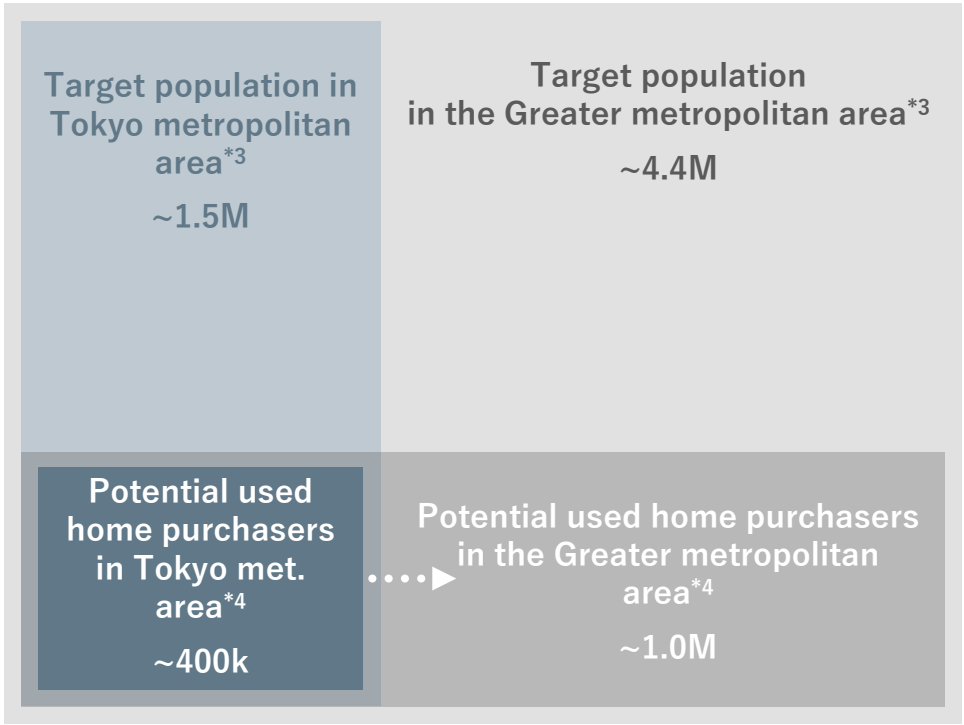
Potential for user growth in the Tokyo metropolitan area*1



*1 : Tokyo metropolitan area refers to the 23 wards in Tokyo prefecture
*2 : Registered users refers to users who have registered on cowcamo by the last day of a given period, including users who have not made any transactions
*3 : Registered MAU refers the average number of registered monthly active users in a given period

※Regarding the change in the definition of registered MAU
We previously defined a "Registered MAU" as the sum of users using the cowcamo app and visiting the cowcamo website. However, to provide a more accurate disclosure, a "Registered MAU" has been redefined as a user who has both used the cowcamo app and visited the website.

Potential for user growth through area expansion



*3 : In Tokyo metropolitan area (A1) and Greater metropolitan area (A2), calculated based on: the population between the age of 25 to 50 years old x estimated potential home ownership rate (B) x estimated potential used home ownership rate (C)
A1 : Tokyo Metropolitan Government Bureau of General Affairs "Census: Population and Households in Tokyo (2019.1)"
A2 : Tokyo Metropolitan Government Bureau of General Affairs "Current Population Estimates as of October 1, 2018"
B : Ministry of Land, Infrastructure, Transport and Tourism "2019 Real Estate Market Data: 3. Perception of Japanese Citizens Towards" Housing
Exclude respondents who answered "Rented properties" as their desired future property ownership from all respondents who currently live in a rented property (66.2%)
C : Ministry of Land, Infrastructure, Transport and Tourism "2019 Real Estate Market Data: 3. Perception of Japanese Citizens Towards" Housing
Share of respondents who live in a rented property and answered "Used property" or "No preference" as desired future property ownership (44.1%)
*4 : Calculated based on the target population x share of those who want to move houses within the next 5 years (D)
D : Tokyo Metropolitan Government Bureau of General Affairs Intentions to Relocate Houses/Improve Living Conditions (5 categories)/Age of the Head of Household (8 categories)
Share of households, for which the head of household is under the age of 50, who answered "I want to change residential property" within the next 5 years (23.6%)

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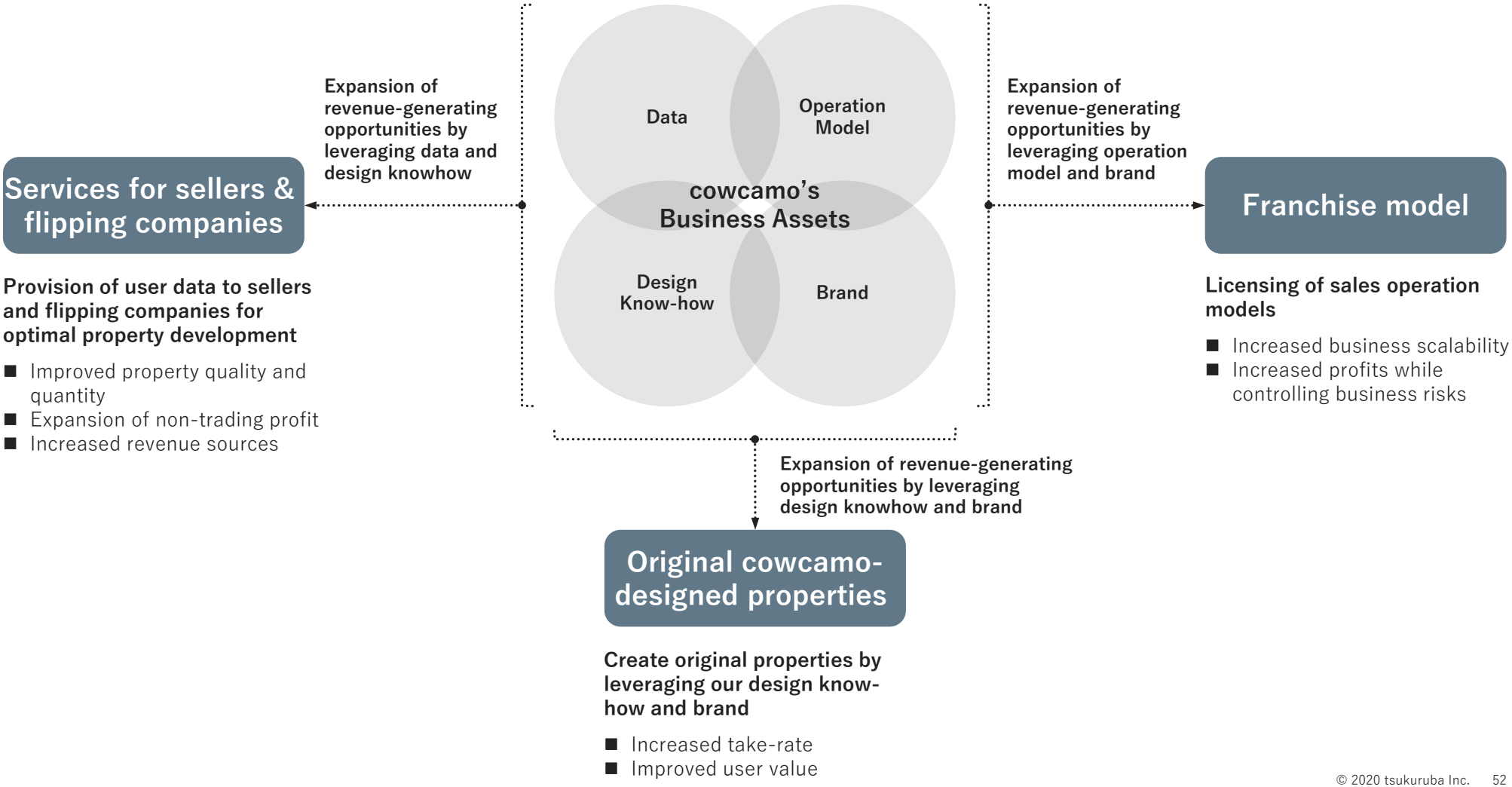
4 Revenue-Generating Opportunities By Leveraging Business Assets

cowcamo's business assets and revenue-generating opportunities



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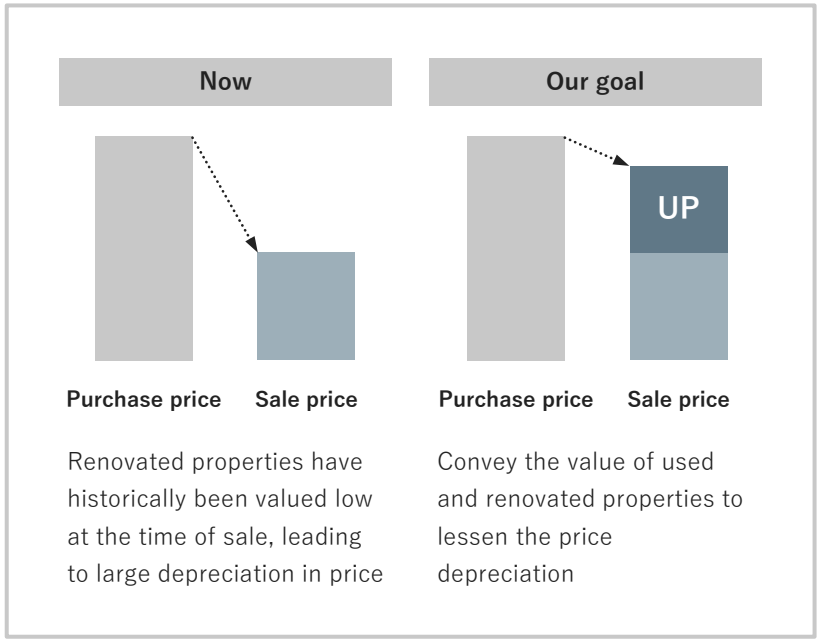
4 Long-term Goal of Leading the Used Property Market

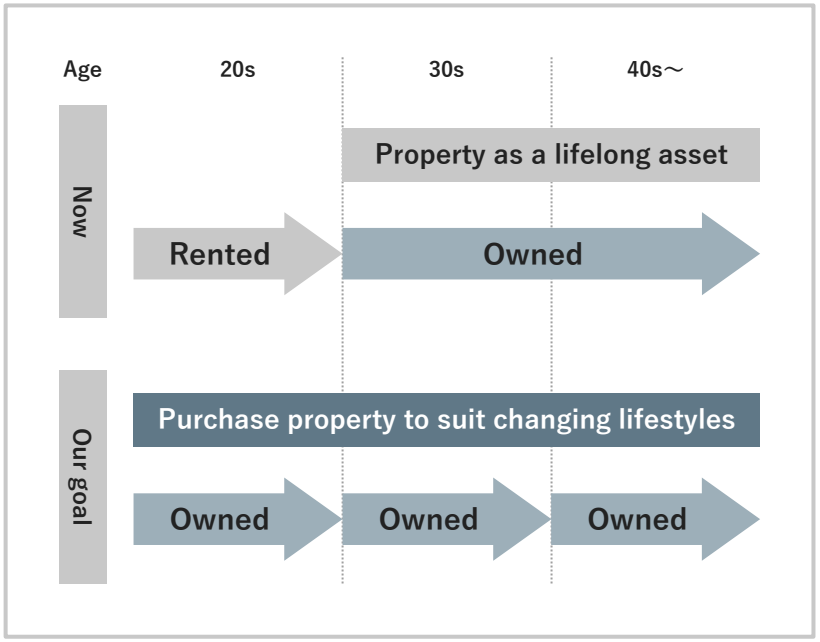
We aim to lead the acceleration of the market expansion by changing the public perception of used properties. This will allow us to change how used properties are priced and increase the frequency of purchases

Increase Price × **Increase frequency of home purchases** = Expand TAM

- **Fair and accurate assessment of renovated real estate using our own property data**
- **Ability to market the quantitative and qualitative value of renovated properties**



- **Promote new home purchases to suit changing lifestyles**
- **Improve the economics of new purchases by removing middleman costs**



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7. Q&A

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Q&A

Category	Questions	Answers
All	What is the financial forecast for this fiscal year if we do not have COVID-19?	As announced at the start of the fiscal year, we aim to grow both revenue and gross profit by over 40% YoY.
cowcamo business	What are the growth indicators for cowcamo?	The growth indicators are PF GMV and MAUs.
cowcamo business	What are the effects of online consultation, seminars, and discussions?	It has the effects of saving travel costs and time, improving work efficiency by improving high-frequency communication, and increasing customer attraction.
cowcamo business	Why is there volatility in GMV quarter by quarter?	Quarterly volatility in GMV occurs as a result of the number of transactions and the property purchase price, which are affected by market conditions. The GMV of Q3FY2018 was a better-than-expected result and cowcamo as a platform continues to grow continuously.
cowcamo business	What is the progress of the collaboration with Star Mica Group announced in December 2019?	In May, a new service "SELEC" was announced. We are developing a service where customers can choose their favorite design from multiple lifestyle designs and combine and purchase properties before renovation.
Shared Workplace business	What is the policy on future investment in the Shared Workplace business?	We will focus on cowcamo for the foreseeable future. We will expand the Shared Workplace business by investing into new workplaces with financial discipline, while analyzing the investment return on each property.

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8. Reference Materials

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Company Overview

Name	tsukuruba inc.
Address	2F Ikura Building, 1-1-5 Kamimeguro, Meguro-ku, Tokyo, Japan
Founded	August 2011
Founders	Hiroki Murakami Masahiro Nakamura
Employees	135 full-time employees（As of July 2020）
Businesses	Creating and operating technology-powered property-related services: - "cowcamo", an end-to-end real estate online brokerage platform for used and renovated properties - "co-ba", subscription-based co-working offices
Awards	Deloitte Technology Company Japan Technology Fast 50 2017/2018/2019

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Team of Experienced Management with Backgrounds in Business, Design and Technology



Hiroki Murakami
Co-founder and CEO

Formerly involved with the development and management of LIFULL HOME'S, Japan's No.1 portal site for real estate and housing information. Founded tsukuruba in August 2011 with Masahiro. Graduate of Rikkyo University.



Hiroshi Kitahara
COO

Former consultant at Corporate Directions Inc., Deloitte Tohmatsu Consulting LLC and Deloitte Consulting Southeast Asia. Joined tsukuruba in November 2016 and was appointed as COO in May 2018. Has a PhD in Engineering from Tokyo Institute of Technology, and an MBA from Université Paris-Dauphine.



Masahiro Nakamura
Co-founder & CCO

Named in Nikkei Architecture's "100 Next Generation Innovators".
Founded tsukuruba in August 2011 with Hiroki after working in design studios. Received a Masters degree in Architecture and Building Engineering from Tokyo Institute of Technology.



Ryohei Koike
CFO

Registered as a Certified Public Accountant in 2007. Prior position was at Star Festival Inc. as CFO. Originally tsukuruba's external auditor and was appointed as CFO in May 2018.



Shinichi Takano
External Director

Served as an Executive Officer at COSMOS INITIA Co., Ltd, before working at Recruit Co., Ltd. In 2010, appointed as an Executive Director at Nihon Kotsu Co., Ltd,, after serving as an Executive Director and General Manager at Gyosei Co.



Hidekazu Suzuki
External Director

Worked at Daiwa Securities, conducting advisory services to establish internal control systems to deal with assessments by the Tokyo Stock Exchange, as well as valuation and fundraising. Joined Atrae Inc. in December 2018 as CFO.



Yoshinori Fukushima
External Director

Founded Gunosy Inc. in 2012. In just 2.5 years, it was listed on the Mothers market of the Tokyo Stock Exchange, followed by being listed on the First Section. Became CEO of Layer X in 2018. Selected in Forbes Asia's 30 under 30.

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Balance Sheet

(Unit: M JPY)	FY2018	FY2019
Current Assets	1,505	1,660
Cash & Deposits	1,420	1,613
Non-Current Assets	363	502
Total Assets	1,869	2,162
Current Liabilities (of which, interest-bearing liabilities)	269 (64)	305 (155)
Non-Current Liabilities (of which, interest-bearing liabilities)	124 (116)	781 (762)
Net Assets	1,475	1,074
Equity Capital	594	610
Retained Earnings	1,307	1,322
Total Liabilities & Net Assets	1,869	2,162

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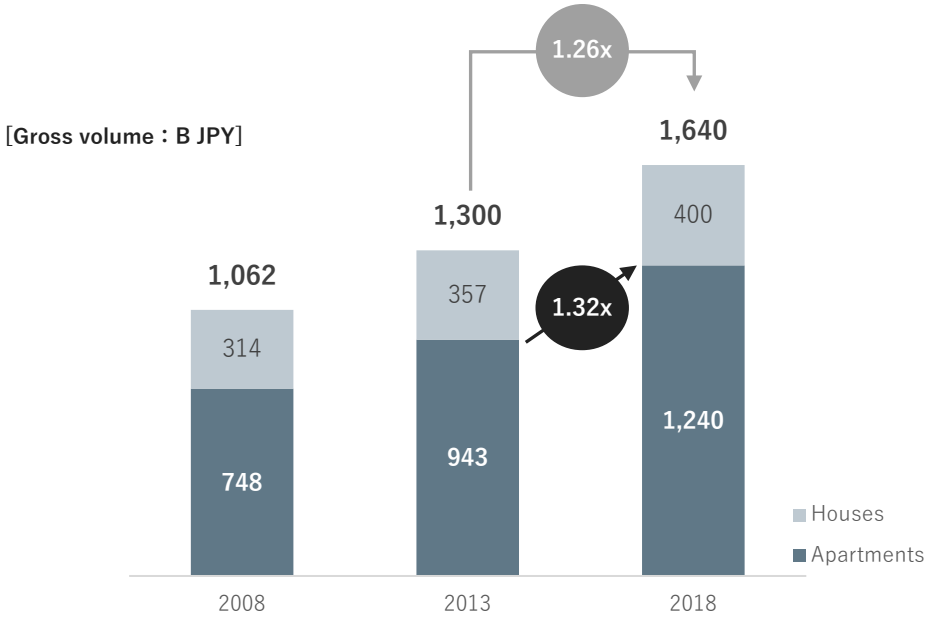
Used and Renovated Property Market in the Greater Metropolitan Area is Estimated at 1.6T JPY

Used and renovated property market is growing rapidly

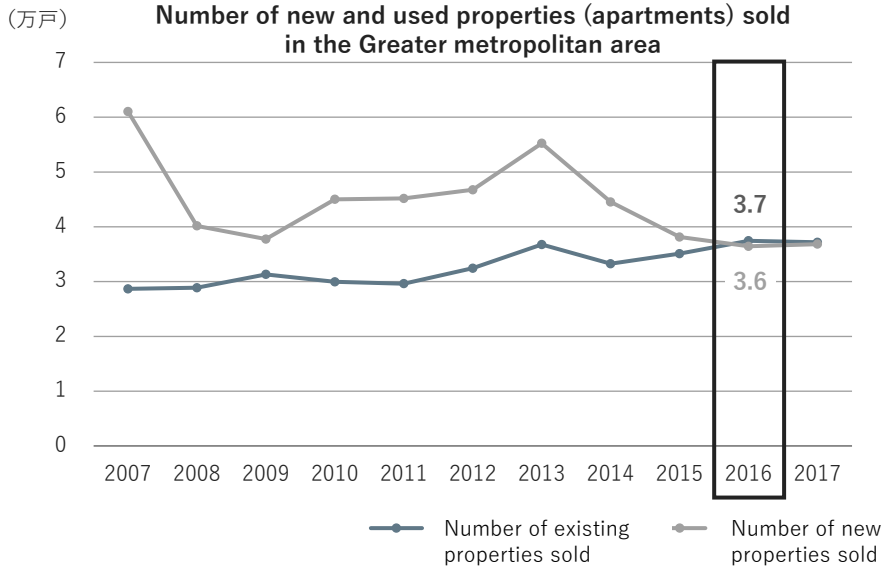
- The market has grown 1.26x since 2013
- The apartment market has grown 1.32x during the same period



Source: Above graph was created using data provided by Real Estate Information Network for East Japan

Used properties are fast-becoming a first choice for purchasers over new properties

- The number of used apartments sold in 2016 surpassed the number of new apartments sold



Source：Number of existing properties：Real Estate Information Network for East Japan “Market trend of Real Estate Market in the Greater Metropolitan Area” (2018/4/17 Report)
Number of new properties：Real Estate Economic Institute Co., Ltd. “Market Trend of Apartments in the Greater Metropolitan Area”
※Existing and new properties refer to used apartments (exclude used houses)

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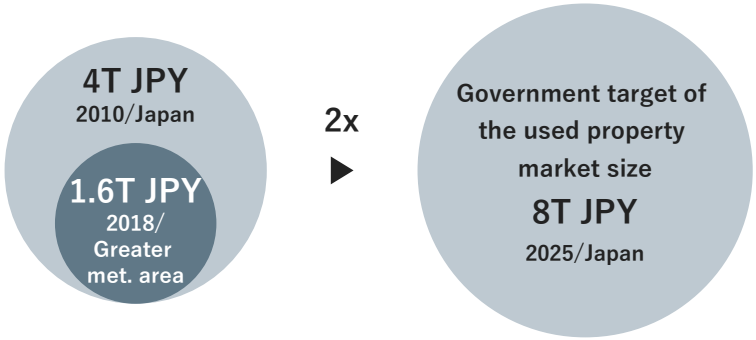
Growth Expected of the Used Property Market

Growth potential of TAM

The government aims to double the used property market



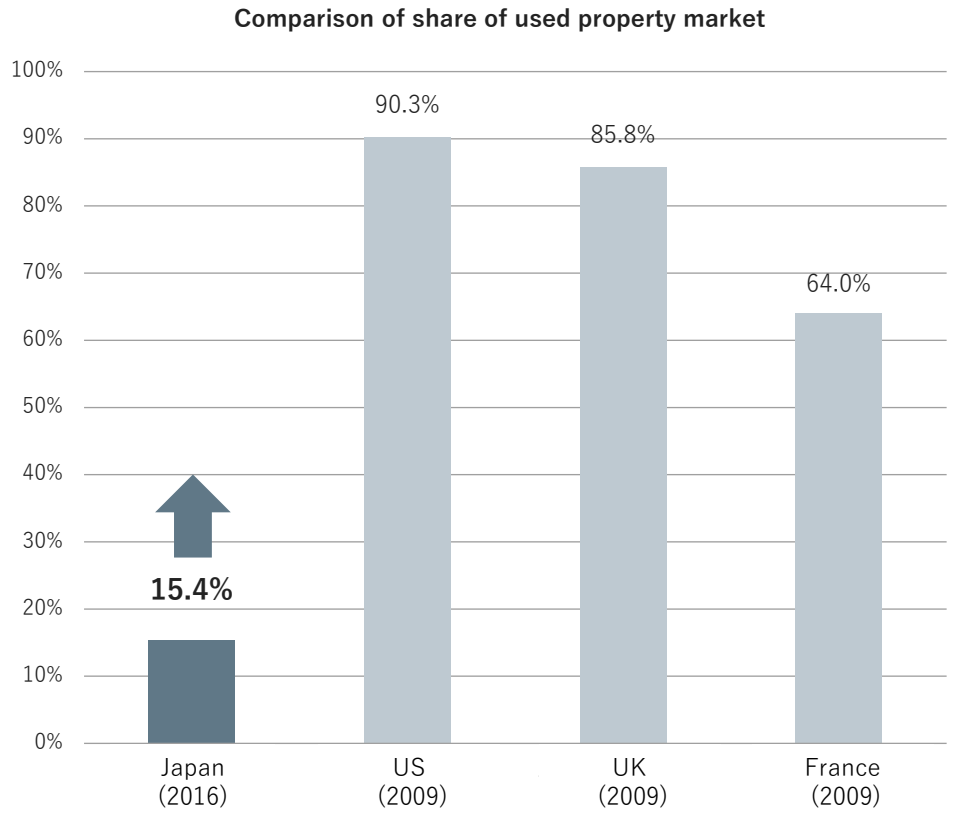
Growth Strategy 2017 — Strategic Areas for Society 5.0	
1	Extension of Healthy Lifespan
2	Realization of Mobility Revolution
3	Creating of Next-generation Supply Chains
4	Building and Developing Pleasant Infrastructure and Towns
5	Advancement of FinTech
6	Overcoming energy and environmental constraints and expanding investment
7	Robot Revolution / Bio Material Revolution
8	**Revitalization of housing market centering on the existing housing distribution / renovation**

■ 《KPI》 To expand the market size of used property market to 8 trillion JPY by 2025 (4 trillion yen in 2010)

■ Aim to achieve the above by 2020 as much as possible

Source: Prime Minister's Office of Japan “Growth Strategy 2017”

Share of used property market by countries



Source：Ministry of Land, Infrastructure, Transport and Tourism “Promotion and Utilization of Used Properties （Appendix）”
Figure of Japan is an estimated figure form the Remodeling Business Journal “Used Property Market Data 2018”

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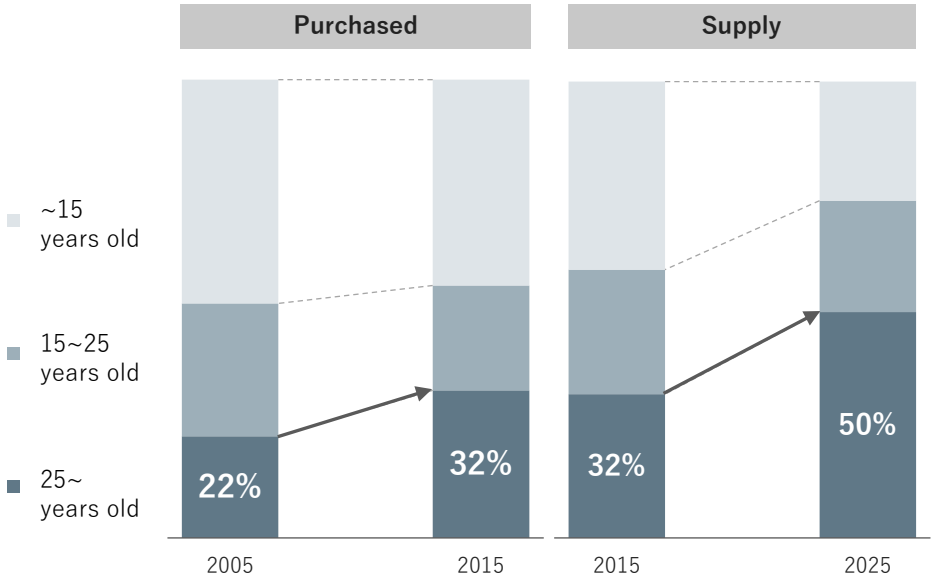
Renovated Properties Will Become a Mainstream Option by 2025

Changes in the market structure as the used property market expands

Properties that are 25 years old or more will occupy half of the market

- The share of such properties will increase from 22% to 50% by 2025

Share of used apartments in the Greater metropolitan area by the age of properties（2005-2025）



Source: Above graph was created using data provided by Real Estate Information Network for East Japan

Renovation will become a mainstream option

- Number of changes are expected as renovation becomes mainstream in the Greater metropolitan area

Formation of renovated apartment market

- Fairer pricing of renovated properties
- Renovate to suit lifestyles and preferences, and not for cheaper prices

Diversification of types of used apartments

- Renovate used apartments
- Already-renovated apartments
- Renovated + additional renovation

Changes in the used property businesses

- Increase in the number of flippers
- Growth of services, specific for renovated apartments

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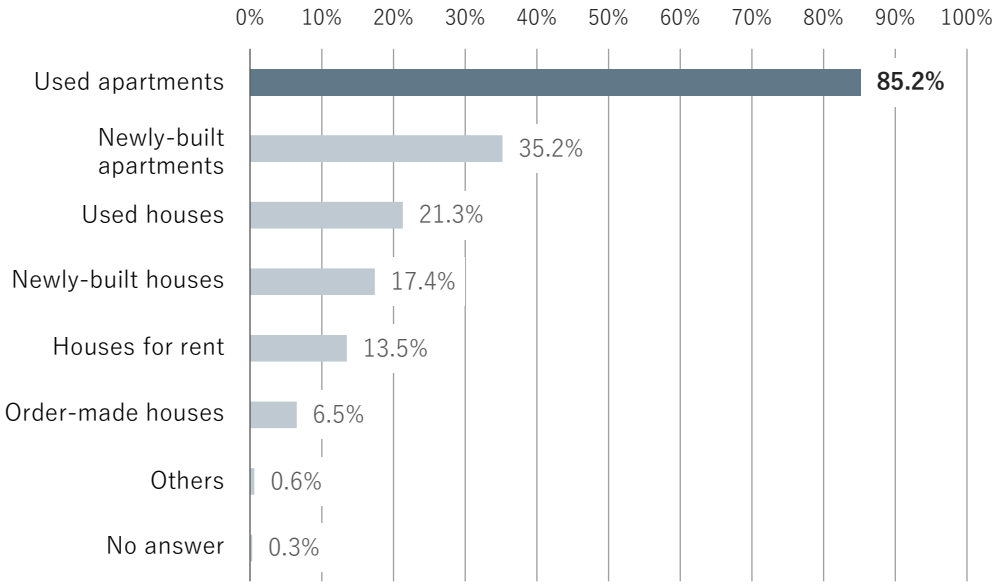
Urban Lifestyle Consumers as Main Target Population

cowcamo's target users

Preferences for used apartments

■ Over 85% of users considered used apartments at the time of purchase

Types of properties compared at the time of purchase（Used apartment purchasers）

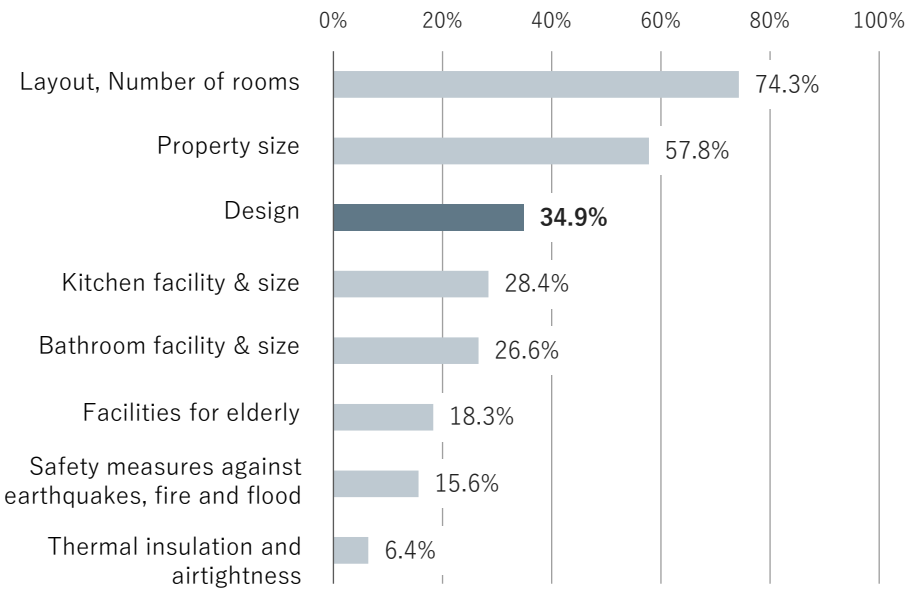


Source: Ministry of Land, Infrastructure, Transport and Tourism Housing Bureau "Report on the Housing and Property Trend 2016"

Importance of interior and spatial design of used apartments

■ Used apartment purchasers place an emphasis on the design, after the specifications of the property (such as size, number of rooms)

Main reasons for the purchase of properties



Source: Ministry of Land, Infrastructure, Transport and Tourism Housing Bureau "Report on the Housing and Property Trend 2016"

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Renewal of Corporate Logo

＜Logotype & Monogram ＞



Redesigned corporate logo from November 1, 2020

TSUKURUBA's "creation of BA (meaning place in Japanese)" is represented by the "B" and "A" symbols.

＜Logotype＞

TSUKURUBA

Original typeface with monogram details set as new logo

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Handling of this material

This material includes forward-looking statements. These forward-looking statements were created based on the information available at the time they were created. They do not guarantee our future results and involve certain risks and uncertainties. Please note that actual results may differ materially from those discussed in the forward-looking statements due to changes in environments surrounding tsukuruba or any other factors.

The factors which may affect actual results include but are not limited to: Japanese and global economic conditions, and conditions of markets in which tsukuruba operates.

tsukuruba is not obligated to update or revise any contents of the forward-looking statements within this material, even in cases such as where new information becomes available or future events take place.

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