TSUKURUBA

TSE Mothers：2978

Financial Results
Q1 Fiscal Year 2021

Dec 13th 2021

FY 2021

Aug 1st 2021 to Jul 31st 2022

Agenda

1. FY2021Q1 Financial Highlights
2. Financial Results for FY2021Q1
3. Reference Materials

© 2021 TSUKURUBA Inc.

1. FY2021Q1 Financial Highlights

© 2021 TSUKURUBA Inc.

Highlights

FY2021Q1 Financial Results
(Aug.2021-Oct.2021)

- **Continued growth in revenue and gross profit, reaching a new record high**

Revenue	**565** M JPY	(YoY **+52**%)
Gross Profit	**349** M JPY	(YoY **+15**%)

- **Made upfront investments in line with the initial plan, mainly in cowcamo business, which is our main business (p. 8).**

*No change to the full-year earnings forecast

Status of cowcamo Business

- **GMV grew solidly by 30% YoY due to steady growth in services.**
- **Take rate declined by 0.4pt YoY due to the tight supply-demand environment caused by COVID-19.**
- **No change in the full-year forecast* for GMV and take rate, as measures to improve GMV and take rate are steadily progressing on both buyers' and sellers' sides, in line with the initial policy**

* Full-year forecast for cowcamo: Expected YoY growth of about 30% in GMV and 10% in take rate (p. 21)

© 2021 TSUKURUBA Inc.

2. Financial Results for FY 2021Q1

© 2021 TSUKURUBA Inc.

Companywide | FY2021Q1 Quarterly Financial Summary

Revenue reached a record high, and gross profit is also progressing as planned.

(Unit：M JPY)

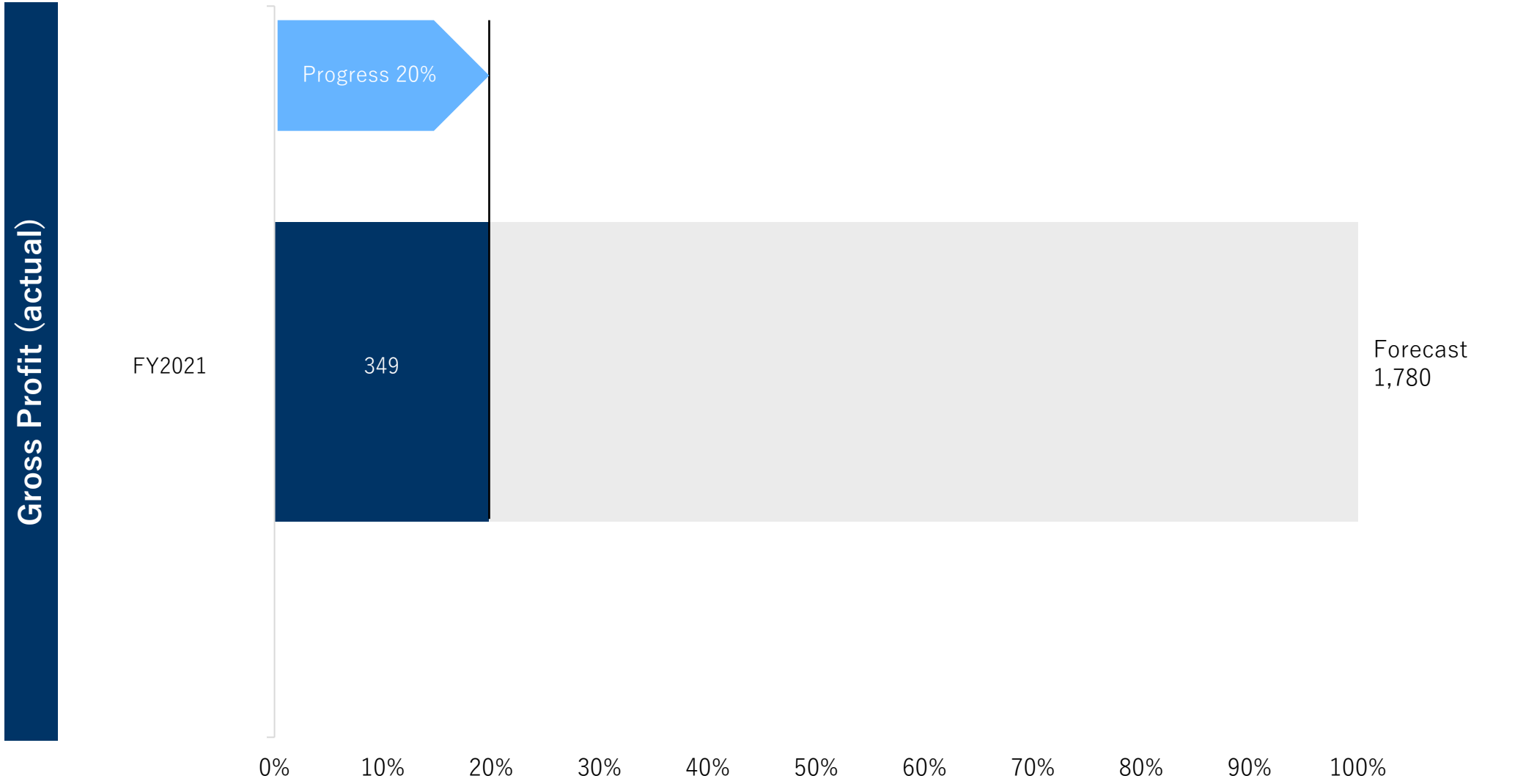
	FY2021Q1 (2021/8-2021/10)	FY2020Q1 (2020/5-2020/7)	YoY
Revenue	565	371	+52%
Gross Profit	349	302	+15%
Operating Profit	-244	-45	-
Ordinary Profit	-253	-44	-
Net Profit	-253	-53	-

© 2021 TSUKURUBA Inc.

Companywide | **Progress toward the full-year forecast for FY2021**

Taking into account of the seasonality and growth potential in the second half of FY2021 based on the growth of the organization, the first quarter is progressing as planned. There is no update on the assumptions for the forecast

(Unit：M JPY)

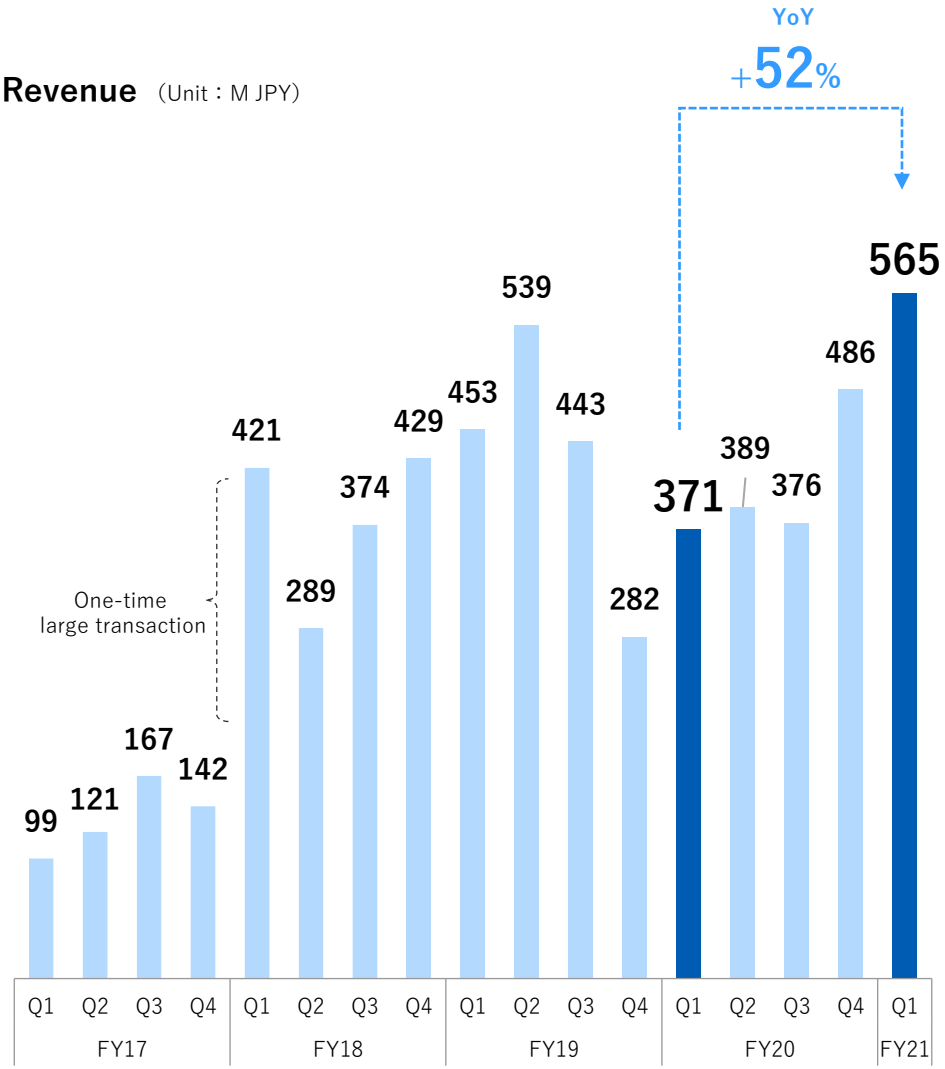


© 2021 TSUKURUBA Inc.

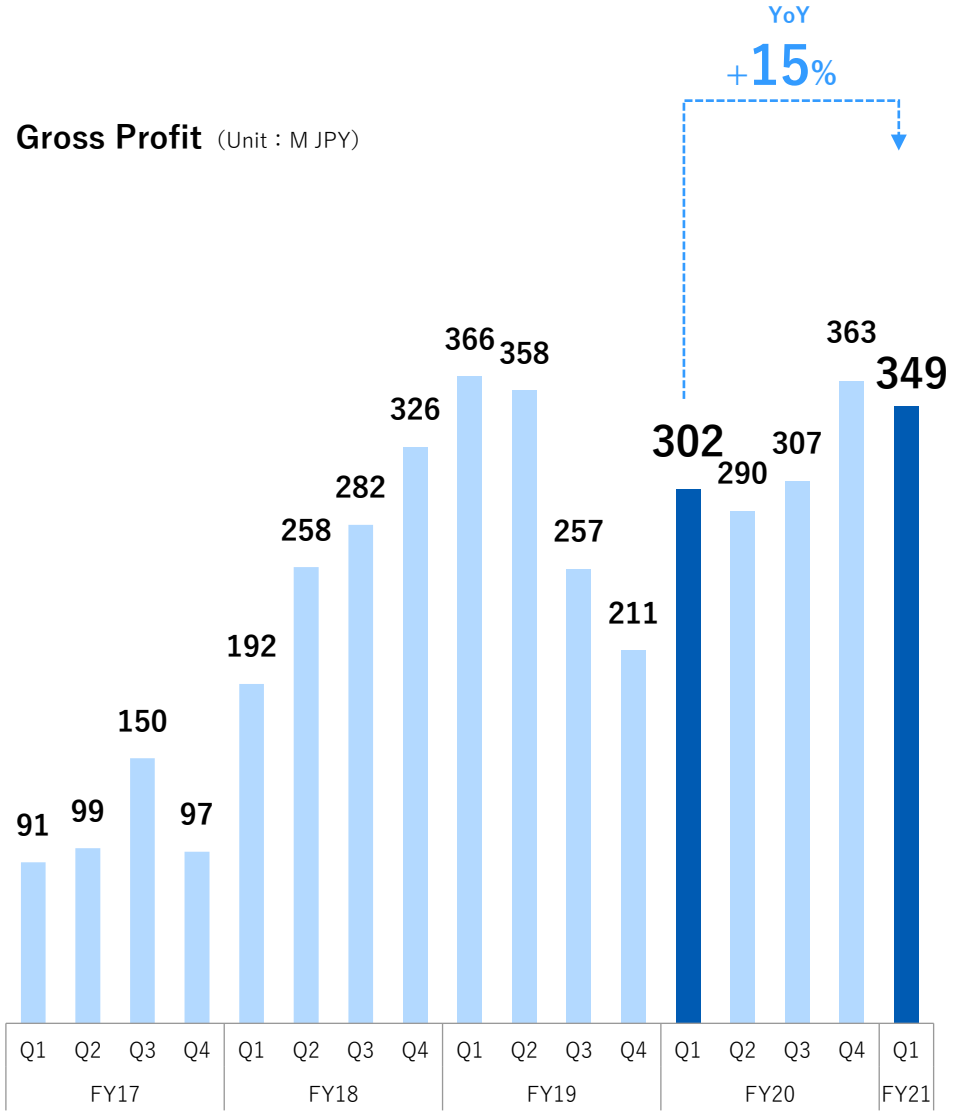
Companywide | **Revenue and Gross Profit**

Revenue reached a record high and gross profit is also progressing as planned.

Revenue (Unit : M JPY)



Gross Profit (Unit : M JPY)

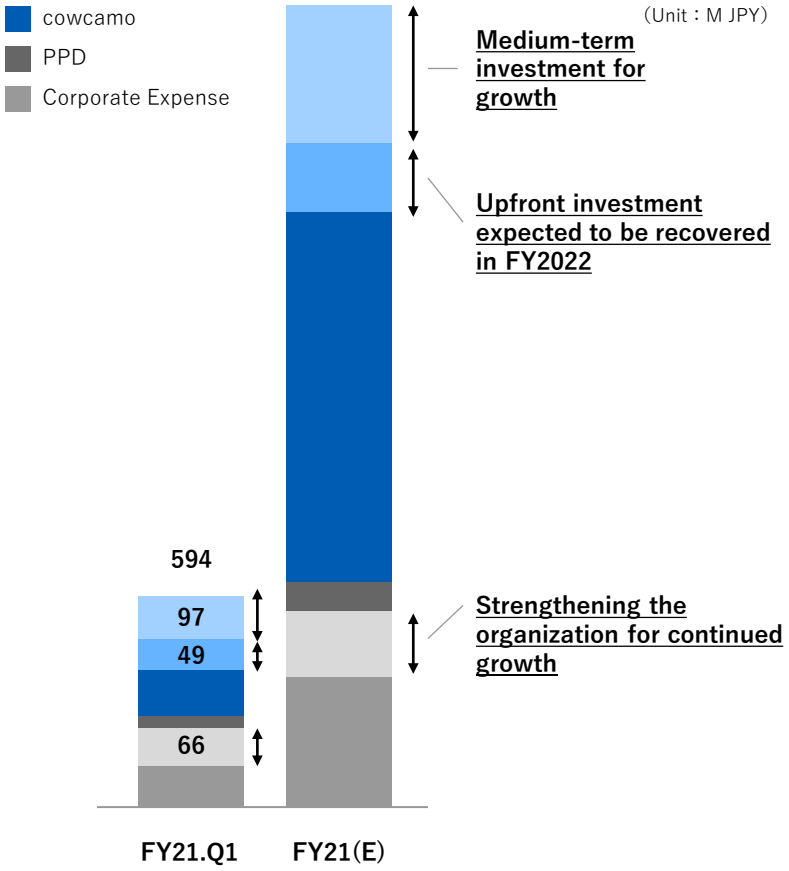


© 2021 TSUKURUBA Inc.

Companywide | Progress in upfront investment in FY2021Q1

Steadily making upfront investments for each measure. The cost of strengthening the organization for continued growth is heavily weighted in the first quarter due to the cost of hiring managers and manager-level personnel.

Upfront investment of SG&A expenses



Actual upfront investment in FY2021Q1

Item		Actual (Forecast for FY2021)	Comments
cowcamo	Mid-term investment for growth (expected to be recovered in about 3 years)	97 M JPY (370-470 M JPY)	Personnel and costs related to the development of services and products for buyers, and personnel and advertising costs related to the development of business for sellers
cowcamo	Upfront investment expected to be recovered in FY2022	49 M JPY (180-230 M JPY)	Expenses related to offices and personnel costs associated with the expansion of customer service offices and sales forces, mainly for buyers, and advertising expenses to acquire customers
Corporate Expense	Strengthening the organization for continued growth	66 M JPY (190-220 M JPY)	Mainly recruitment and personnel expenses for executives, managers, and stock-based compensation expenses

© 2021 TSUKURUBA Inc.

Segments | FY 2021Q1 Financial Highlights by Business Segments

Gross profit in the mainstay business, the cowcamo business, has been steady. Revenue increased due to the occurrence of some purchase and sales transactions for in-house planned products.

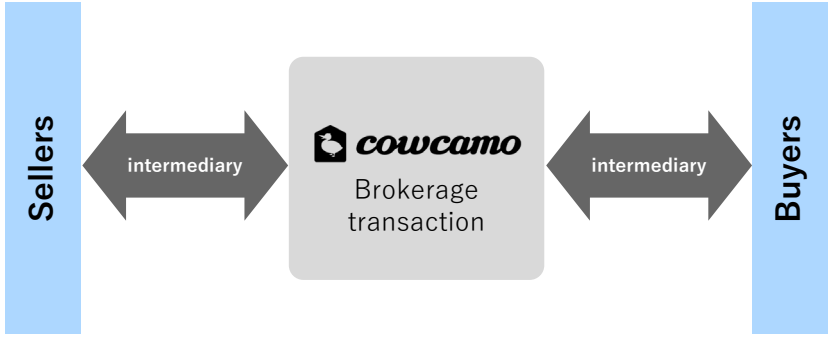
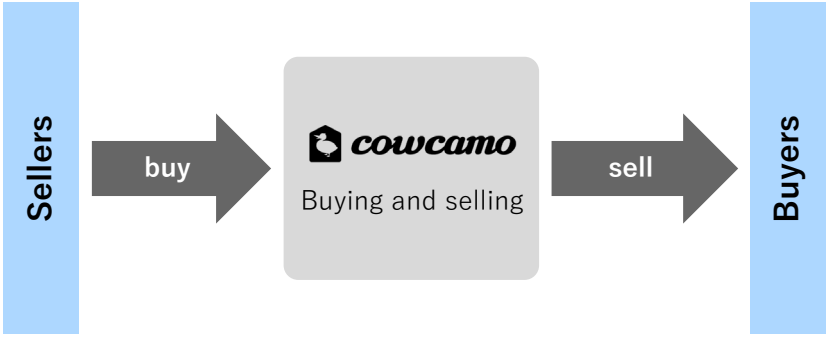
(Unit：M JPY)

		FY2021Q1 (2021/8-2021/10)	FY2021Q1 (2020/8-2020/10)	YoY
cowcamo	Revenue	478	276	+73%
	Gross Profit	328	275	+19%
	Business Segment Profit	-103	52	-
PPD	Revenue	87	94	-8%
	Gross Profit	20	26	-24%
	Business Segment Profit	-1	1	-
Other	Corporate Expenses	-139	-99	-

© 2021 TSUKURUBA Inc.

(Reference) Partial Occurrence of Purchase and Sales Transactions for Private brand properties by us

As part of the measures to strengthen services for sellers based on our growth strategy, we will conduct purchase and sales transactions mainly with individual seller customers of cowcamo. Transactions will be limited to those where risk can be controlled based on our copious customer needs data. In the medium to long term, we plan to use our accumulated proprietary data, rather than capital strength, as our strength, and to create a scalable structure through off-balancing.

Type of transaction	Normal transactions on cowcamo platform	Purchase and sales transactions
	We enter into mediation contracts with sellers and match them with buyers on cowcamo platform, and perform brokerage and related services.	Temporary possession of excellent renovated properties and old properties owned by individual sellers who are changing their residence ⇒Renovate the properties and sell them to cowcamo customers with defect warranty.
		
	Matching on cowcamo platform	Matching on cowcamo platform
Impact on financial KPIs	Sales: 3-6% commission of sales amount Gross profit: Same amount as commission B/S : Not recorded	Sales: Amount sold Gross profit: sales amount - cost of sales (6-10% of sales amount) B/S : Period from purchase to sale, inventory is recorded.

© 2021 TSUKURUBA Inc.

cowcamo | KPIs for cowcamo platform

We have changed our KPIs of the cowcamo business to GMV and Take Rate in order to make the disclosure more investor friendly. We will also continue to disclose the number of transactions and MAU for investors' reference indicators.

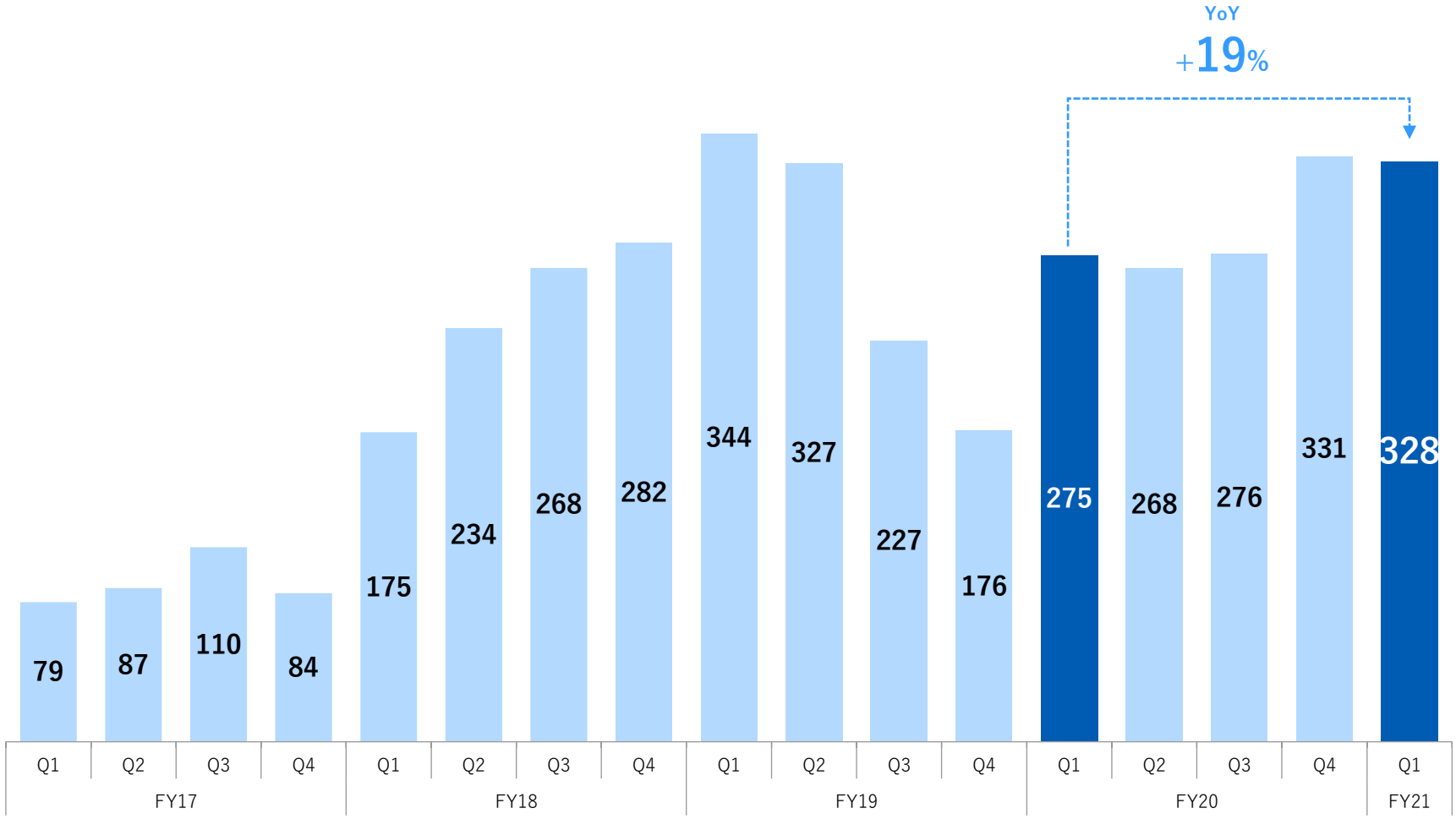
Financial KPI	**Gross Profit**	
	Gross Profit for the cowcamo segment	
Business KPIs	**GMV*1**	**Take Rate**
	Gross Merchandise Value on the platform	Gross Profit/GMV
For Reference	**No. of transactions*1**	**MAU**
	The number of transactions on the platform	Monthly Active Users of cowcamo

GMV：Gross Merchandise Value means total circulation on the platform. GMV is the sum of the prices of all products and services traded on cowcamo platform, including properties and renovation services.
Take Rate：the commission rate charged for GMV, calculated by dividing the gross profit of cowcamo by GMV.
*1 Calculated on a contract basis

© 2021 TSUKURUBA Inc.

cowcamo | Gross Profit

Gross profit remained at a high level as in the previous quarter. It landed at a record high level of +19% compared to the same period last year, which was strong due to the rebound from the impact of COVID-19.



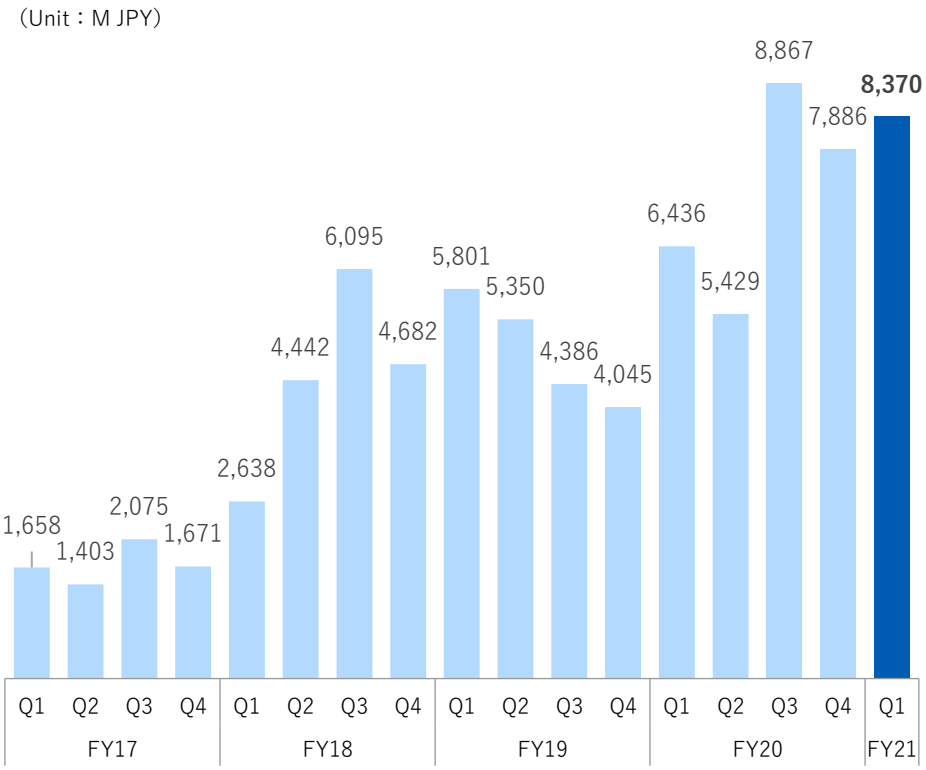
(Unit：M JPY)

© 2021 TSUKURUBA Inc.

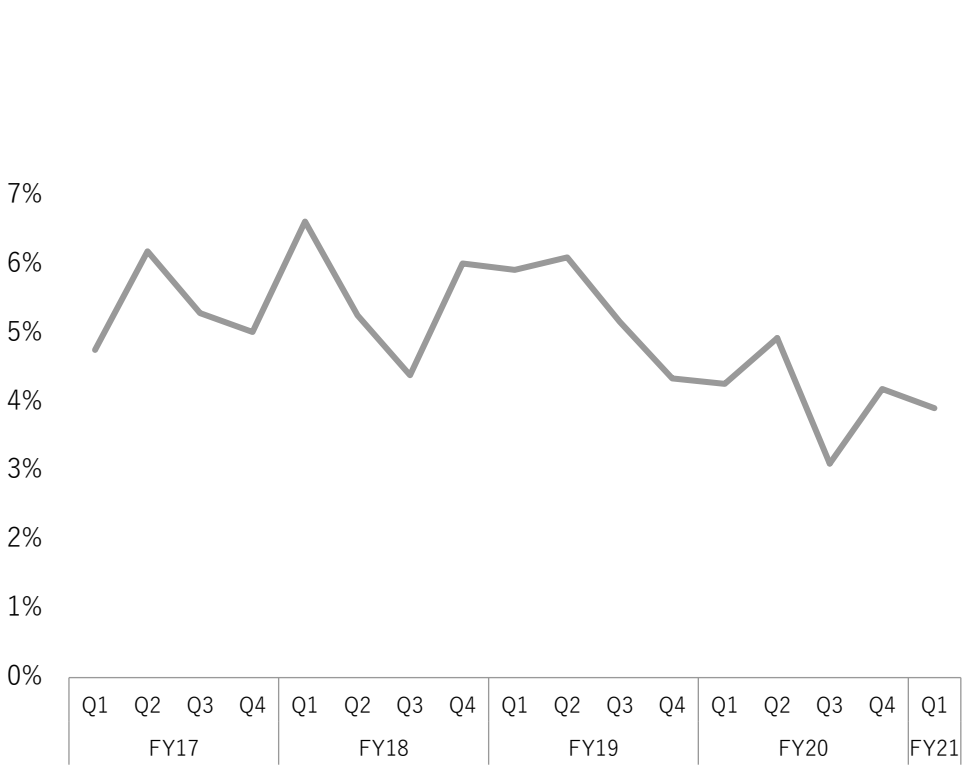
cowcamo | GMV・Take Rate

GMV remains at a high level due to steady growth in services. Although the take rate continues to be low due to the decrease in the number of condominiums in the market, take rate will be expected to improve through the expansion of planned products and sales forces (p. 16). We expect the take rate to improve over the med to long term (p. 31).

GMV



Take Rate



© 2021 TSUKURUBA Inc.

For Reference | Quarterly Financial and Business KPI

（Unit：M JPY）

	FY18				FY19				FY20				FY21
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q
Revenue	**421**	**289**	**374**	**429**	**453**	**539**	**443**	**282**	**371**	**389**	**376**	**486**	**565**
Gross Profit	192	258	282	326	366	358	257	211	302	290	307	363	349
cowcamo	175	234	268	282	344	327	227	176	275	268	276	331	328
PPD	17	24	14	44	22	30	30	34	26	21	30	32	20
Operating Expense	**244**	**244**	**232**	**318**	**341**	**346**	**327**	**328**	**348**	**363**	**426**	**485**	**594**
cowcamo	137	148	140	189	203	193	196	198	223	261	298	335	432
PPD	14	14	10	18	17	14	16	15	24	21	19	25	22
Other	91	81	81	110	120	138	114	114	99	80	107	124	139
Operating Profit	**-52**	**13**	**49**	**7**	**24**	**11**	**-69**	**-117**	**-45**	**-72**	**-118**	**-121**	**-244**
Business KPI													
GMV*1	**2,638**	**4,442**	**6,095**	**4,682**	**5,801**	**5,350**	**4,386**	**4,045**	**6,436**	**5,429**	**8,867**	**7,886**	**8,370**
Take Rate（%）	**6.6**	**5.3**	**4.4**	**6.0**	**5.9**	**6.1**	**5.2**	**4.4**	**4.3**	**4.9**	**3.1**	**4.2**	**3.9**
No. of transactions*1	59	98	119	105	123	121	95	93	130	118	166	159	180
MAU*2（K）	25	27	28	29	36	40	44	50	54	59	62	59	64

*1 based on contracts
*2 Quarterly average registered MAU

© 2021 TSUKURUBA Inc.

cowcamo | Business conditions related to KPIs for FY2021Q1

In Q1, GMV was solid at +30% YoY due to steady growth in services. Take rates declined by 0.4% YoY due to the continued tight supply and demand environment caused by COVID-19. The outlook for both GMV and take rate remains unchanged from the initial forecast*.

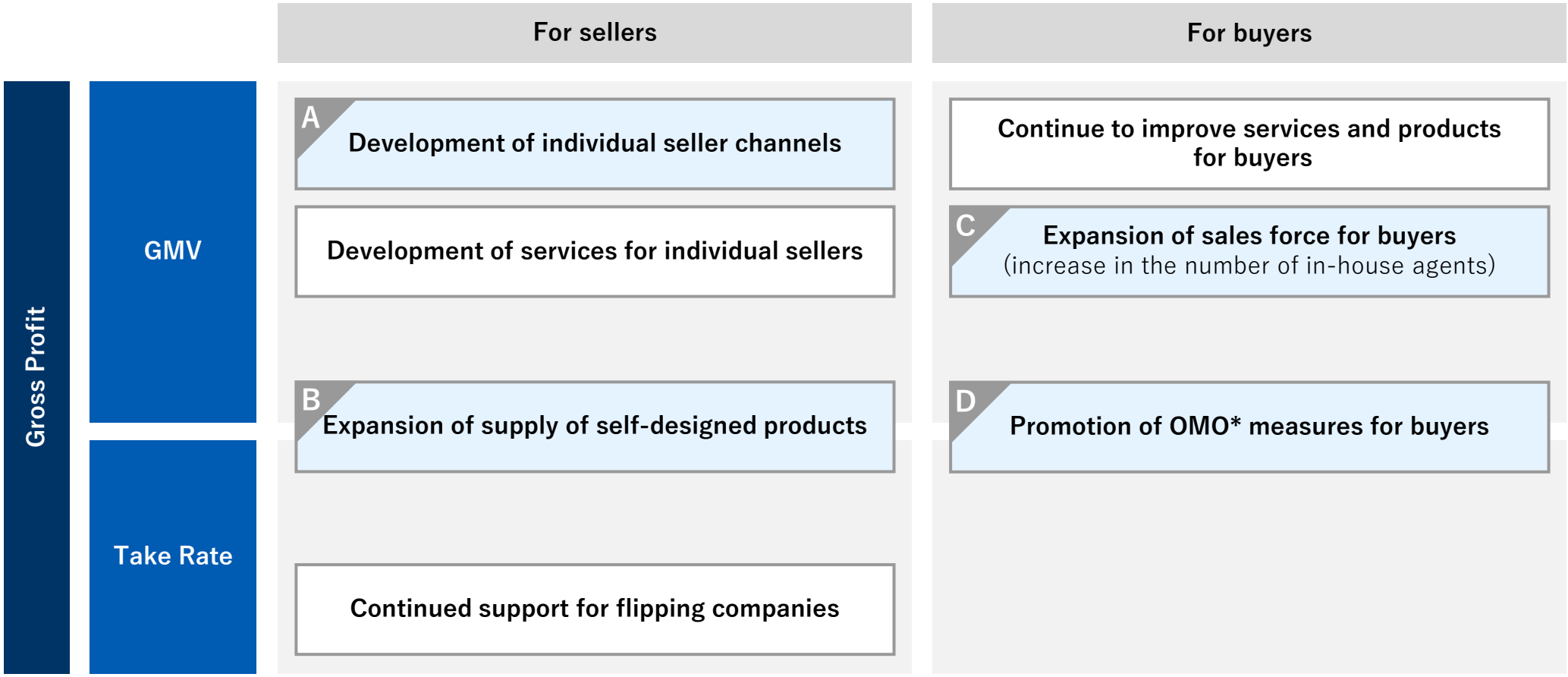
		Results for FY2021Q1	Major developments and efforts in FY2021Q1
Gross Profit	GMV	8,370 M JPY (YoY+30%)	• The sudden change in the supply-demand environment caused by COVID-19 has subsided, and we expect continued growth in demand. • Steady growth in cowcamo services, especially services for buyers. The number of transactions reached a record high of 180 (+38% YoY). • The outlook for GMV growth for the full year is positive due to the expansion of the sales force and steady progress in developing the private seller channel.
	Take Rate	3.9% (YoY-0.4pt)	• There continues to be downward pressure on take rate due to the decrease in the number of condominiums in the market affected by COVID-19. However, there have been signs of improvement in the supply-demand environment since July this year, and the amount of inventory in the market is gradually increasing. • Steady progress is being made in the supply of self-designed products, sales of renovated products, and improvement in the ratio of self-developed agents, which is expected to boost the take rate in the second half and beyond. • There is no change in the outlook for medium- to long-term improvement of the take rate through the structural improvement of the take rate (see p. 31).

* Full-year forecast for cowcamo: Expected YoY growth of about 30% in GMV and 10% in take rate (p. 21)

© 2021 TSUKURUBA Inc.

cowcamo | Major initiatives for FY2021Q1

In FY2021Q1, based on the policy at the beginning of FY2021, we have been implementing various measures for sellers and buyers that contribute to improving GMV and take rate.



* OMO: Abbreviation for Online Merges with Offline. A customer-oriented approach to integrating online and offline to create a better customer experience.

© 2021 TSUKURUBA Inc.

Development of individual seller channels

In line with the policy at the beginning of the fiscal year, we promoted the expansion of the private seller channel by strengthening digital marketing and focusing on trials of products with unique appeal. As a result, the number of appraisal requests from individual sellers, a leading indicator, increased. We expect to make a full-year contribution to GMV through the conclusion of brokerage contracts from individual sellers.

Main initiatives to expand the individual seller channel

Strengthen digital marketing

Promote applying PDCA concept to acquire individual sales customers, focusing on improving cowcamo website and optimizing digital advertising.

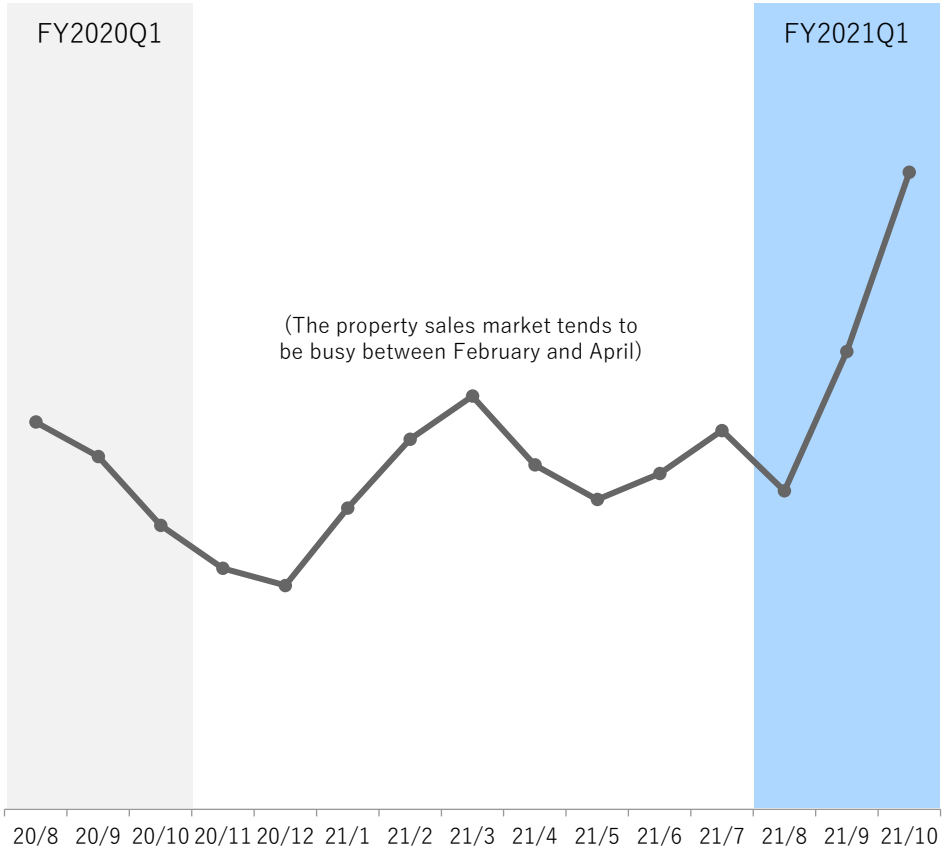
Trial of products with unique appeal

Conduct trials of products with unique appeal, such as the "Renovation Sale Pack," which utilizes know-how and data from renovated property evaluations.





Number of appraisal requests from individual sellers*



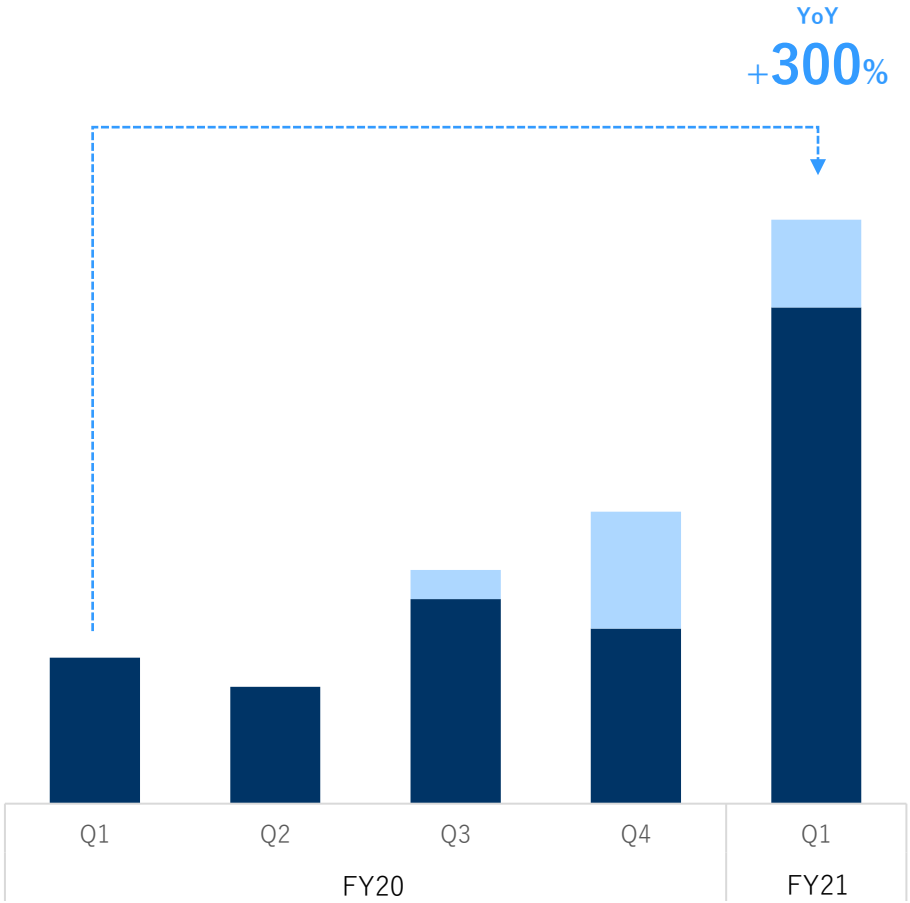
* The total number of appraisal requests from individual sellers through cowcamo website or partner companies. In accordance with in-house standards, 20% of the actual number of appraisal requests is converted into the number of appraisal requests for customers sent from partner companies.

© 2021 TSUKURUBA Inc.

cowcamo | B. Expansion of supply of self-designed properties

In line with our policy, we promoted the strengthening of the supply of our own planned products. In FY2021Q1, the number of properties that have started to be on sale increased by 300%*1 compared to the same period last year. We expect to see a steady increase in supply, as well as a contribution to the GMV and take rate*2 for the full year through the closing of properties for sale.

Changes in the number of our planned products supplied
(number of properties that have started to be on sale)



Properties purchased and planned by TSUKURUBA

- Expanding gradually as a trial from the end of FY2020
- For the time being, limited to transactions where risk control is possible; in the medium- to long-term, we aim to create a scalable structure through off-balancing, etc.

Planned properties in cooperation with flipping companies

- In line with the policy at the beginning of FY2021, promote the expansion of supply of properties planned by us
- Working to stabilize supply, including strengthening planning and sales capabilities based on customer needs

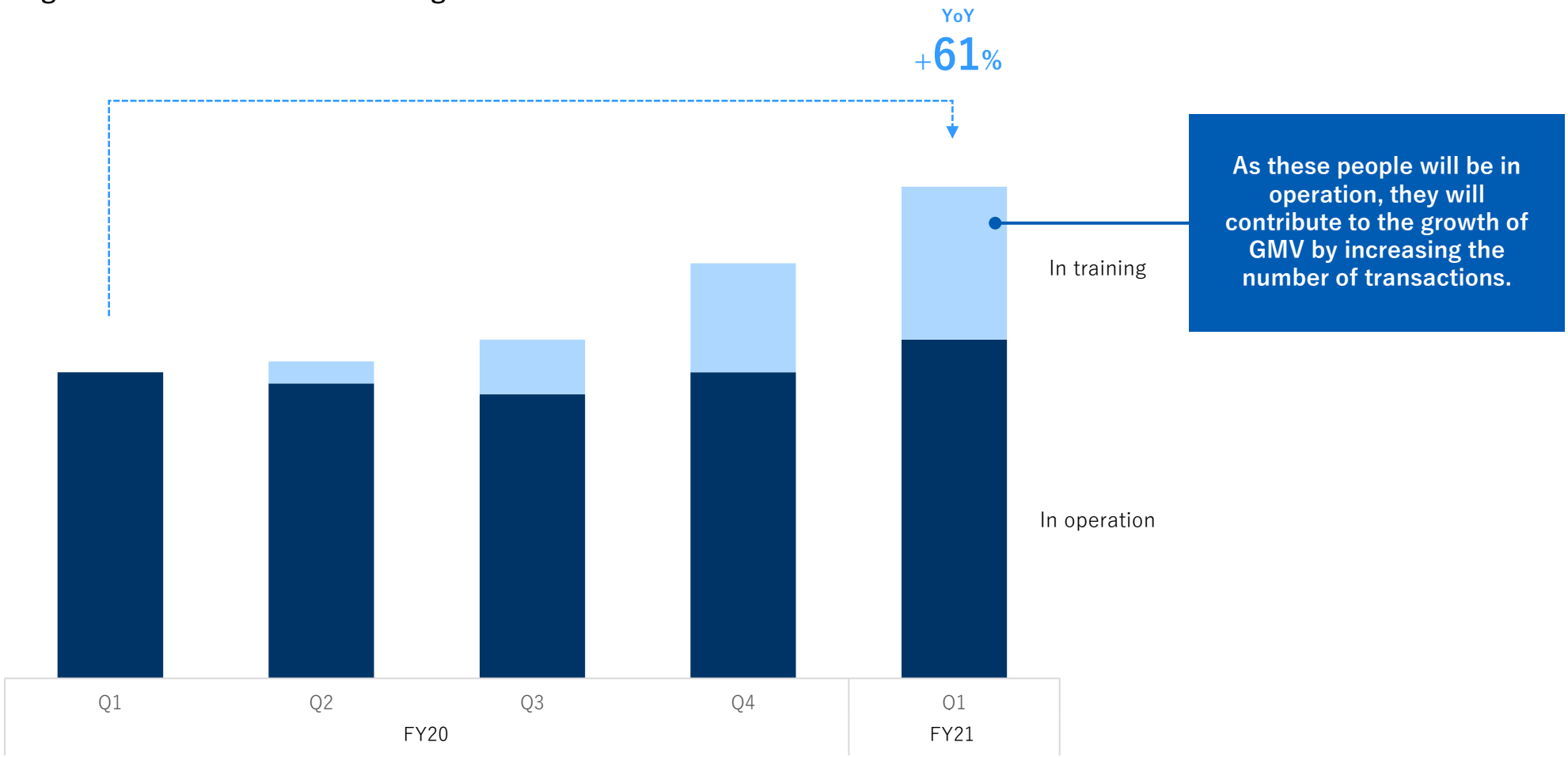
1 Start of sale refers to the time when a property is released on cowcamo after procurement, planning, and development. In general, it takes two to three months from purchase to start of sale, and four to five months from start of sale to settlement (recording of sale).
*2 Properties purchased and sold by the company are expected to make an additional contribution to sales.

© 2021 TSUKURUBA Inc.

C. Expansion of sales force for buyers

Steady progress was made in expanding the sales force throughout this first quarter. The number of in-house agents* at the end of the first quarter was up 61% from the same period last year. We expect to contribute to GMV through an increase in the number of transactions as the number of agents under training becomes operational.

Changes in the number of in-house agents



* The term "in-house agent" means a person engaged in brokerage sales who is employed by TSUKURUBA. The number of employees shown on this page is the number of employees engaged in brokerage sales for buyers.

© 2021 TSUKURUBA Inc.

cowcamo | D. Promotion of OMO measures for buyers

In addition to improving our existing online services, we are working on utilizing offline in the customer service process and expanding our renovation products as OMO* measures. By improving the customer experience across online and offline services and expanding sales of renovation products, we expect to increase GMV and take rate.

Offline use in the customer service process

Opening of the first sales office "cowcamo SHOP Jiyugaoka" and sequential development of showrooms where customers can experience renovation

「cowcamo SHOP Jiyugaoka」



Use as a venue for business meetings before and after a private view, seminars, events, etc.

Showroom



Develop a showroom as a customer service space where customers can experience our renovation products.

GMV expansion through
improved customer experience at OMO
As a side benefit, increased cross-selling through promotion of renovation products also contributes to increased take rate

Expansion of renovation products

In addition to existing renovation services and products, "PREMADE RENOVATION," a fixed-price package renovation product, has been launched in September.

Renovation by cowcamo

Full order Renovation	Partial renovation	PREMADE RENOVATION (package renovation)
Buying a used property and renovating it to order. It takes a lot of time and effort, but owner can choose everything to create a home.	After purchasing a renovated property, add partial renovations. Home can be customized without a lot of work.	Renovation is completed by choosing from 7 different designs and deciding on a floor plan. Owners can realize their dream home with less effort.

Improve take rate
by expanding sales of renovation products
As a side benefit, by providing a variety of options of "property+renovation," contributing to the expansion of GMV.

* OMO: Abbreviation for Online Merges with Offline. This is a customer-oriented approach to integrating online and offline to create a better customer experience.

© 2021 TSUKURUBA Inc.

Companywide | Assumptions for Forecast of Financial Results for FY2021

The forecast of financial results for FY2021 remains unchanged: Revenue of 2,450 M JPY, gross profit of 1,780 M JPY, and operating loss of 890 M JPY. There is no change in the assumptions used in this forecast from the initial assumptions below, and we will focus on the continued growth of the cowcamo business as our basic policy.

cowcamo	**Market:** The sudden change in the supply-demand environment caused by COVID-19 has subsided, and we expect continued growth in demand. **GMV**： Expect approximately 30% growth YoY due to increase in number of customers, expansion of sales force and services, and strengthening of property supply • Continue to acquire new customers at the same level as before • Continue to expand sales force and services for buyers • Expand supply by building business for sellers **Take Rate**：Expect to increase by approximately 10% YoY by expanding private brand products and increasing the ratio of in-house agents • Improved profitability through expansion of private brand property • Increase in the ratio of in-house agents due to improved outlook for COVID-19 **Cost**：Incorporate upfront investment for continued growth in gross profit • Advertising expenses to acquire customers [Upfront investment expected to be recovered in FY2022] • Expansion of customer service bases and sales staff [Upfront investment expected to be recovered in FY2022] • Development of services and products for buyers [Medium-term growth investment] • Investment in growth of business for sellers [Medium-term growth investment]
PPD	• We have not taken into account major changes in both gross profit and SG&A expenses as we prioritize the growth of cowcamo. • We will continue to provide logistical support for cowcamo and develop trial of businesses for the medium to long term.
Corporate Expenses	• Incorporate expenses for recruitment, personnel and stock-based compensation to strengthen the organization for continued growth [Strengthening the organization for continued growth]
Other	• The impact of the new service with Money Forward has yet to be determined. Only costs are considered into the forecast [Medium-term growth investment]. • Other undetermined large transactions, extreme market fluctuations, new businesses and M&A are not taken into account.

* Note: [ ] in the above corresponds to each item in "Upfront investment in SG&A expenses" on p.8.

© 2021 TSUKURUBA Inc.

3. Reference Materials

© 2021 TSUKURUBA Inc.

Technology company in the housing and real estate field

TSUKURUBA is a technology company in the housing and real estate field. It operates two business segments: the cowcamo business, a distribution platform for used and renovated properties, and the property planning and design business, which works with other companies to create the next core pillar of our own business.

cowcamo Business



We are working on innovation of the distribution structure of houses by planning, developing and running “cowcamo”, our end-to-end real estate brokerage platform for used and renovated properties.

Property Planning and Design(“PPD”) Business



We will create new businesses by utilizing the know-how and assets cultivated in our spatial design and consulting business and our own shared workplace business, and by actively collaborating with external partners.

© 2021 TSUKURUBA Inc.

Companywide | **Management team with background in technology, business and design**

TSUKURUBA is managed by management members who are experienced in the field of technology and have a wealth of knowledge in design that creates added value in the real estate field.



Hiroki Murakami
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

PhD in Engineering from Tokyo Institute of Technology, and an MBA from Université Paris-Dauphine. Worked at Corporate Directions Inc., Deloitte Tohmatsu Consulting LLC and Deloitte Consulting Southeast Asia. Joined TSUKURUBA in 2016 and was appointed as COO in 2018.



Masahiro Nakamura
Director and Co-founder

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.



Shin Takeuchi
External Director

Started his career at FUJISOFT Incorporated and became independent as a freelancer in March 2007. Served as Director of BizReach, Inc. and serves as Director of Japan CTO Association. Appointed as Director and CTO of Visional since February 2020.



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.



Keiko Hattori
Auditor (Full-time)

Certified Public Accountant in Japan and Delaware State. Worked at financial institutions such as Mizuho Bank, JP Morgan Securities, and BNP Paribas, joined Ernst & Young ShinNihon LLC. and later opened her own accountant firm. Joined TSUKURUBA as an auditor in 2016.



Shinichi Takano
Auditor

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. Appointed as External Director of TSUKURUBA in 2015



Keiko Hatano
External Auditor

Registered lawyer at Mori Law Office in 2008. A member of the JFBA Housing Dispute Settlement Agency Examination Committee, and a Corporate Compliance Committee Advisor. Appointed Auditor of Star Festival Co., Ltd.

© 2021 TSUKURUBA Inc.

Social issues addressed by cowcamo

By providing user-oriented real estate services and improving the efficiency of the distribution process based on accumulated data, we will reduce distribution structure friction and optimize the matching of supply and demand, thereby creating a new market that is free and highly liquid. We will form a new market with a high degree of freedom and liquidity. Through these activities, we will contribute to the realization of a society in which high-quality housing stock is accumulated and circulated, which is considered a social issue.

＜Issues with the existing distribution system＞

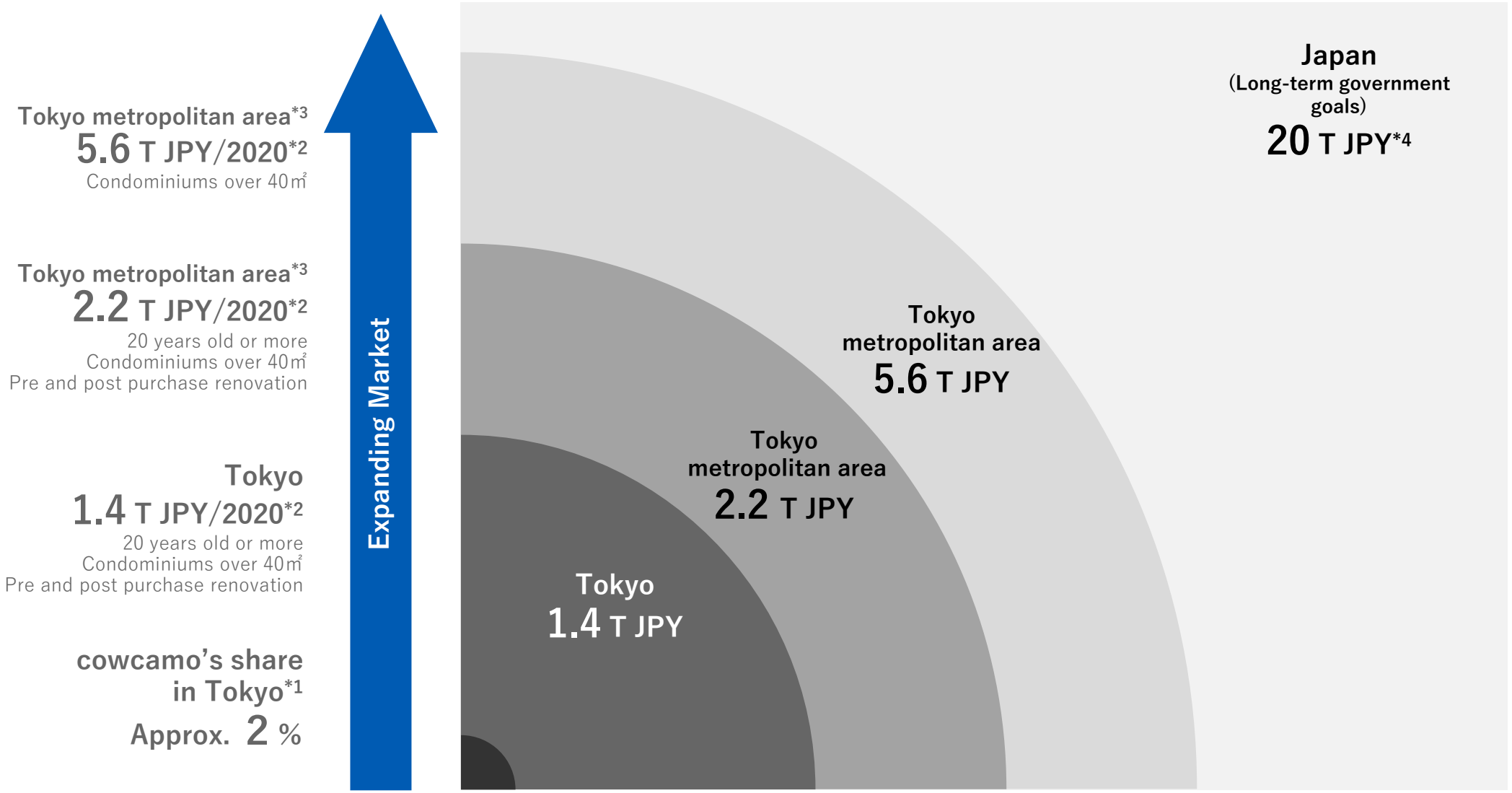
- High level of intermediary exploitation due to involvement of many intermediary businesses
- Inefficient distribution process due to lack of IT
- Renovation value and qualitative use value are difficult to be incorporated into property prices.
- The industry structure is operator-oriented, making it difficult to supply products and services that meet user needs.



© 2021 TSUKURUBA Inc.

cowcamo | Huge Potential TAM

Our cowcamo business, a marketplace-type platform that mediates between sellers and buyers, targets the used home and renovation market. Currently, we are focusing on the Tokyo metropolitan area, but this area has high potential nationwide.



*1 Calculated by dividing cowcamo's FY21 GMV by the estimated 2020 market size existing condominiums in Tokyo that are 20 years old or older, over 40m2 , and renovated in pre and post purchase.
*2 Estimated by TSUKURUBA based on East Japan Real Estate Information Network "Annual Report Market Watch FY2020",
Real Estate Information Center "2019 Real Estate Industry Statistics (March Revision) 3 Real Estate Distribution", and "Used House Renovation Market Data Book" by Reform Sangyo Shimbun.
*3 Tokyo metropolitan area: Tokyo, Saitama, Chiba and Kanagawa *4 Ministry of Land, Infrastructure, Transport and Tourism, "Basic Plan for Housing and Living" (March 9, 2021),
total of existing home distribution market and renovation market *5 The above is an image and does not necessarily accurately represent the difference in values by area ratio.

© 2021 TSUKURUBA Inc.

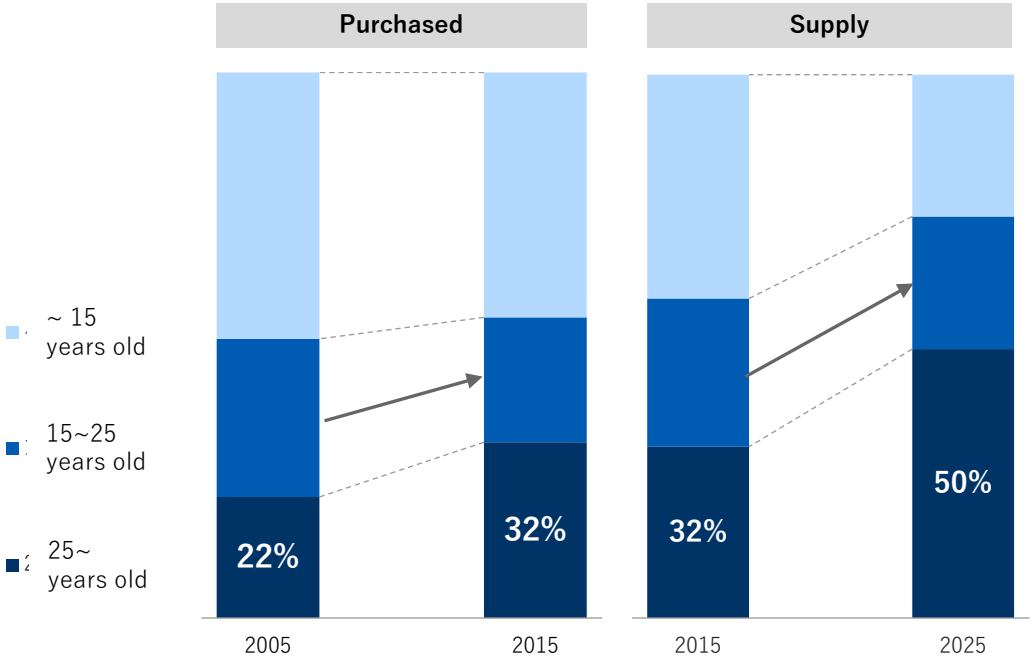
cowcamo | Structural changes in the market due to the expansion of used housing

By 2025, houses "over 25 years old" will account for half of the market, and renovated houses are expected to become a common choice.

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

2The 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）



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

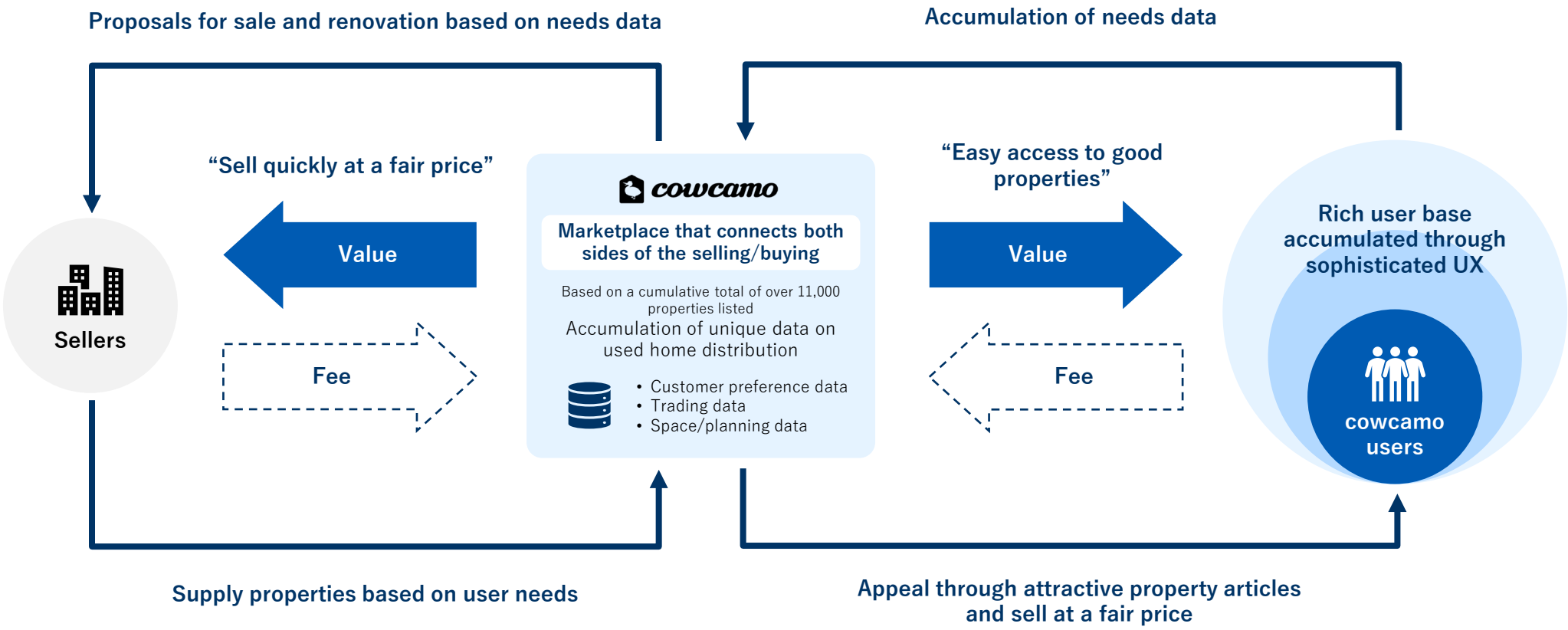
- Increase in the number of flippers
- Growth of services, specific for renovated apartments

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

© 2021 TSUKURUBA Inc.

cowcamo | Business model

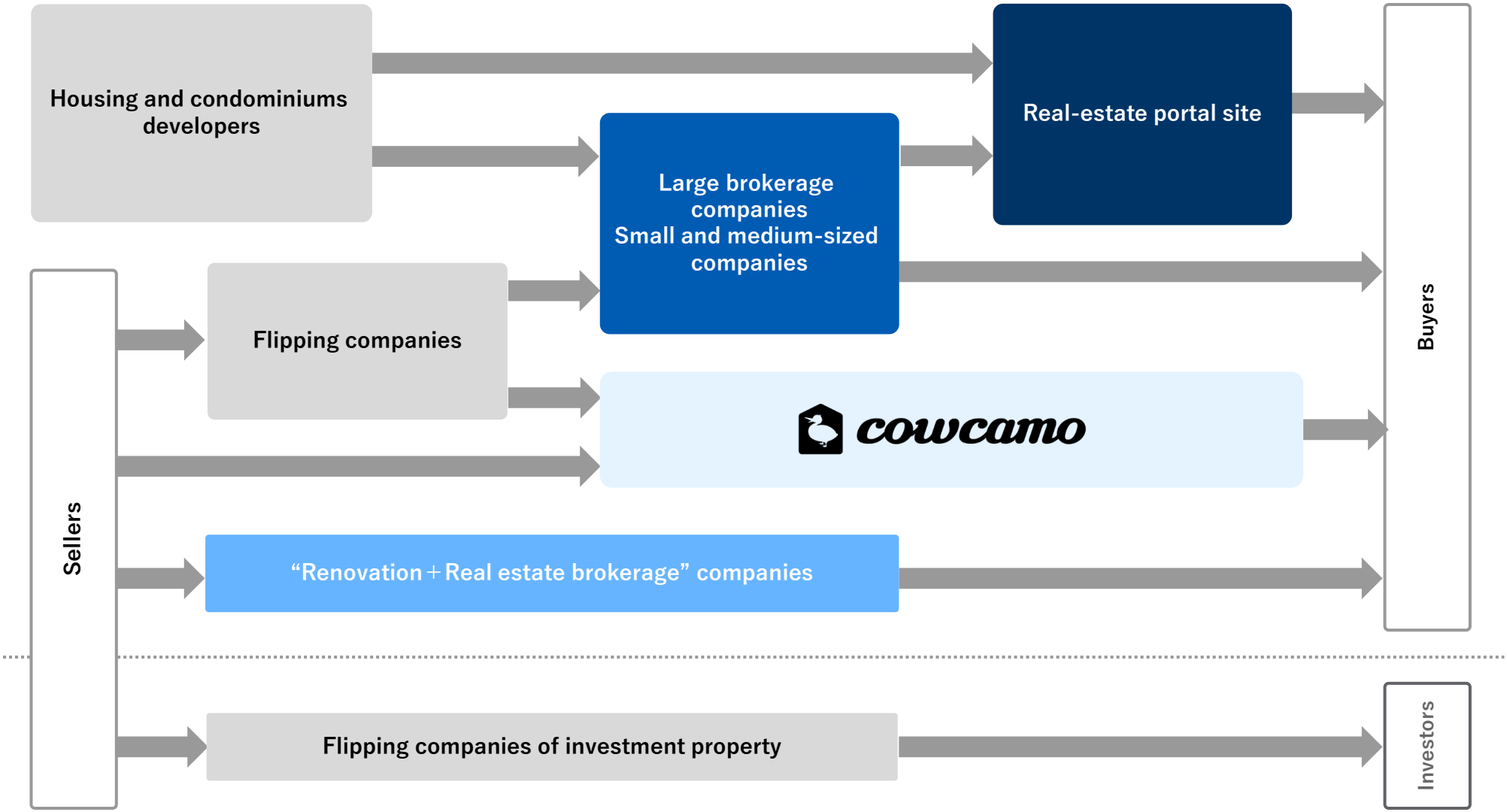
cowcamo is a marketplace-type platform that mediates between sellers and buyers of used and renovated housing. By utilizing accumulated data on buyers' preferences and spatial data, and by intervening in the distribution of properties supplied by sellers, cowcamo provides unique value to both sellers and buyers and builds a growth cycle of selling and buying.



© 2021 TSUKURUBA Inc.

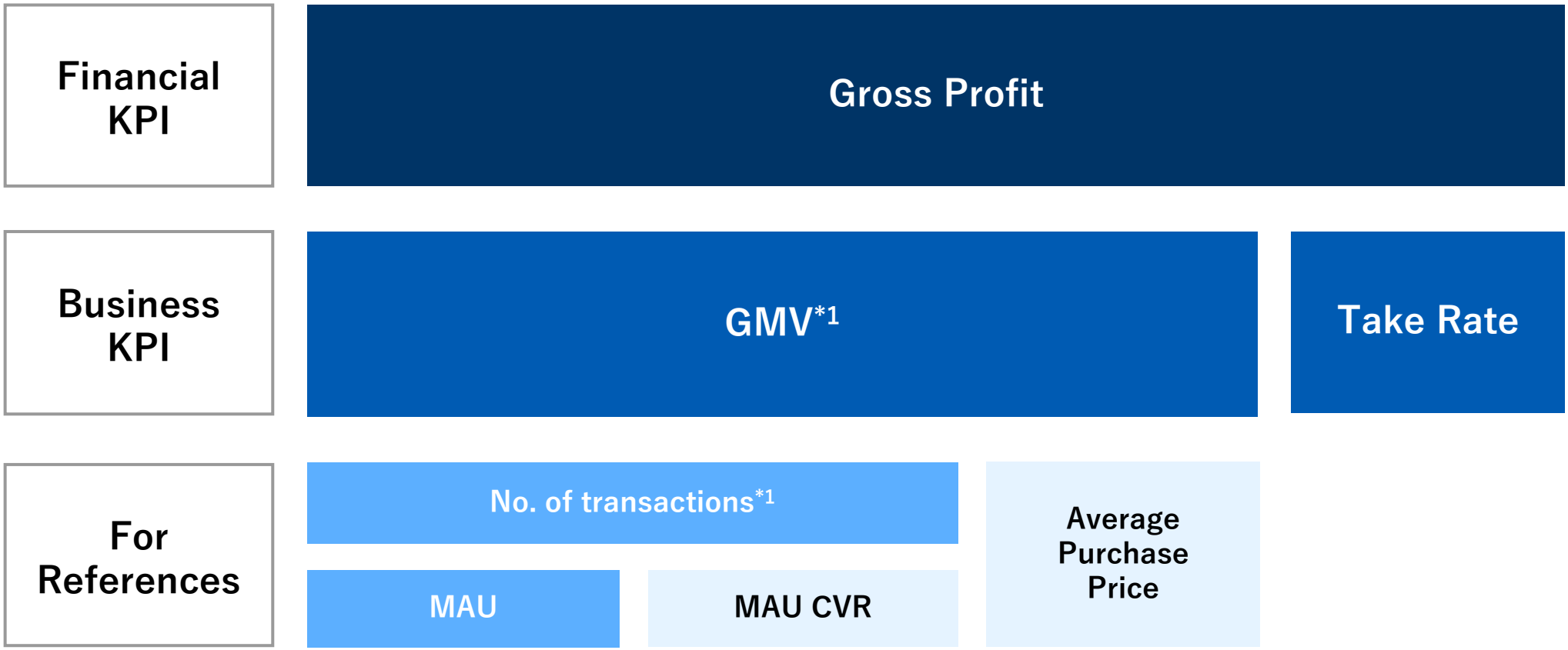
cowcamo | Competitive environment

By integrating its real estate portal site with its brokerage business, cowcamo has built a unique position based on a "fun-to-view customer experience" and "fast and appropriate matching" based on accumulated users and data.



cowcamo | KPI structure

The structure of the KPI in cowcamo business is as follows. From this fiscal year, we have set gross profit as the financial KPI and GMV and take rate as the business KPI. We will continue to work to maximize gross profit by expanding GMV and improving take rate.

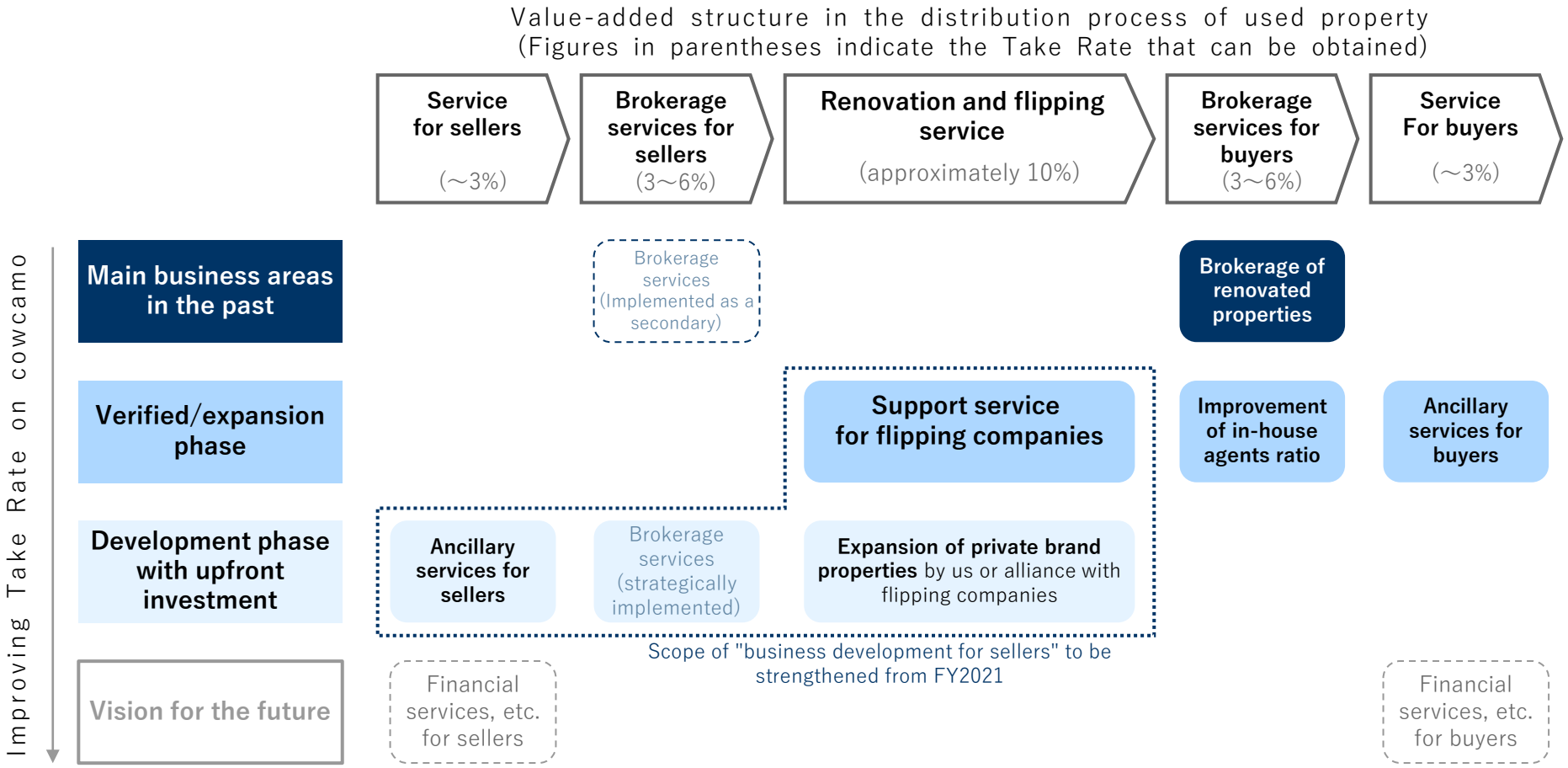


GMV：Gross Merchandise Value means total circulation on the platform. GMV is the sum of the prices of all products and services traded on cowcamo platform, including properties and renovation services.
Take Rate：the commission rate charged for GMV, calculated by dividing the gross profit of cowcamo by GMV.
MAU: Monthly Active Users
*1 calculated based on contracts

© 2021 TSUKURUBA Inc.

cowcamo | Promotion of structural Take Rate improvement

cowcamo has been developing its business by focusing on brokerage fees received from intermediaries between flipping companies and individual buyers. From FY2021, we plan to strengthen our business for sellers, and by expanding these efforts, we will structurally improve take rate of cowcamo business in the distribution process between sellers and buyers.

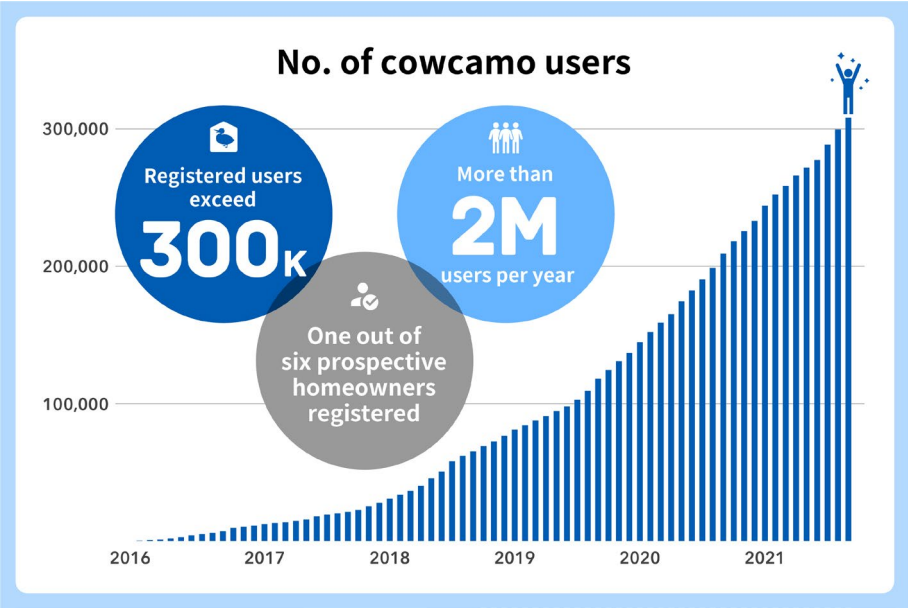


© 2021 TSUKURUBA Inc.

Topics | The number of registered members of cowcamo exceeded 300,000 in Sept.

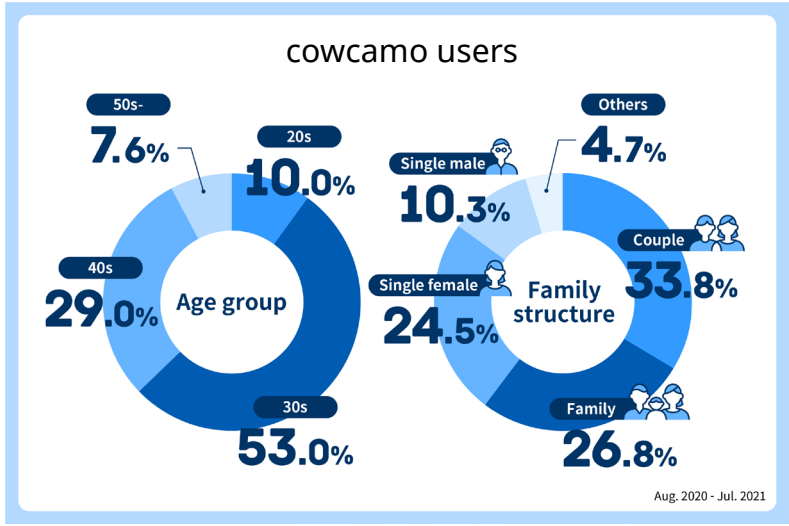
The number of registered members of cowcamo exceeded 300,000 in Sep. The number of users of the platform has reached more than 2 million* per year. We are steadily growing as a platform.

Accumulating users and data

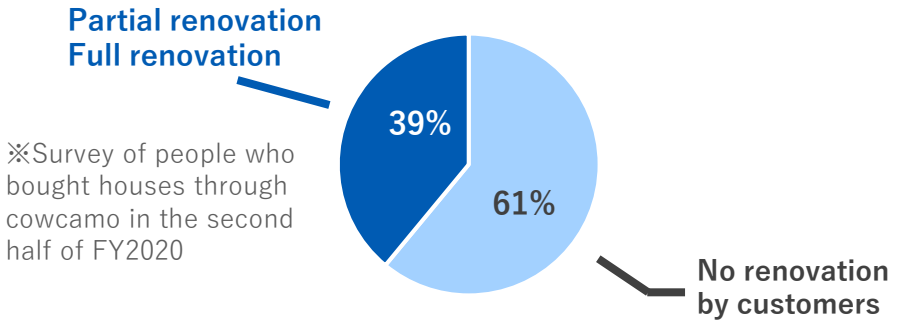


- cowcamo launched in June 2015 and has grown 1.5 times in a year since it surpassed 200,000 registered members in September last year.
- The service has grown to include one out of every six people considering buying a used home in the Tokyo metropolitan area and parts of Yokohama, where it mainly posts information.

Distribution of customers



Percentage of customers who renovate their own homes.



※Survey of people who bought houses through cowcamo in the second half of FY2020

※Including customers who browse information without registering as a member (actual results for August 1, 2020 to July 31, 2021)

© 2021 TSUKURUBA Inc.

cowcamo | Effective sales and property creation utilizing users and data base

As shown on the previous page, cowcamo uses users and data to provide sellers with the value of "selling quickly at a fair price" and buyers with the value of "getting a good deal easily. As a result, we have accumulated the following achievements.

selling quickly at a fair price

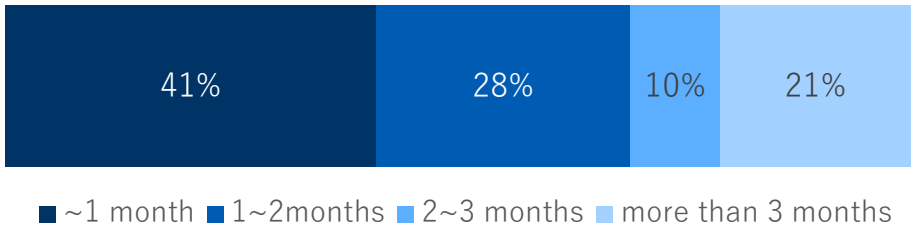
Rate of desired price[*1]

85%

※Ref. : Of the properties sold within three months in Tokyo metropolitan area, 10% had no reduction, and price reductions of 5% or less were 34%[*2].

Sales Period

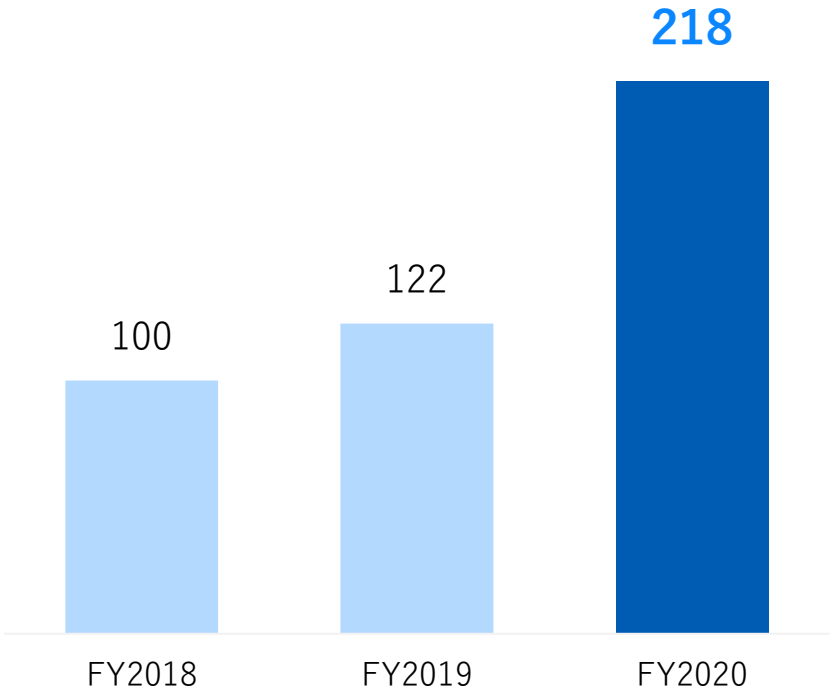
- Contracts closed in an average of **2.03** months[*3] compared to the average of 4.15 months[*2] in the Tokyo metropolitan area[*2]
- compared to the usual 55%,[*2] **79%** of listings sold within 3 months



Create properties that meet user needs

- The key is "the number of attractive properties that match user needs."
- "The number of attractive properties that match user needs" ≒ "the number of properties with many requests for viewing" is steadily increasing.

Number of properties that meet the number of requests for viewing required for completing sale within two weeks[*5]
(The index is calculated using FY2019 as 100)



*1 The percentage of contracts concluded at "the upper limit of the challenge price range" or "the price range at which inquiries can be received.
*2 Tokyo metropolitan area average: https://www.kantei.ne.jp/report/108kairi_shuto.pdf (Tokyo Kantei, July 29, 2021) *3 cowcamo average: Average number of days for FY20 contracted properties for which we obtained intermediary and published story articles. *4 Distribution of the number of days from acquisition of mediation to contract for FY20
*5 Number of properties that receive 9 or more inquiries within two weeks. 9 is the median number of inquiries received before a property is sold.

© 2021 TSUKURUBA Inc.

cowcamo | Happy customers

Here are some examples of what users say about cowcamo. By providing not only quantitative information, but also qualitative information including information about the surrounding area, we are able to support people to buy and sell properties quickly and at a fair price.

Sellers' Feedback

- The other broker told me that the price was too high, and I only had one private viewing...
- After the article was published by cowcamo, private viewings started coming in one after another. Within a week, we were able to finalize a deal with the current owner. The broker above was also surprised by this.



Buyers' Feedback



- Enjoyed looking at the wonderful properties listed on cowcamo, along with a wealth of photos and information.
- The app was easy to use, and the chat function was convenient.
- I was able to easily create a renovation plan that suited my needs.

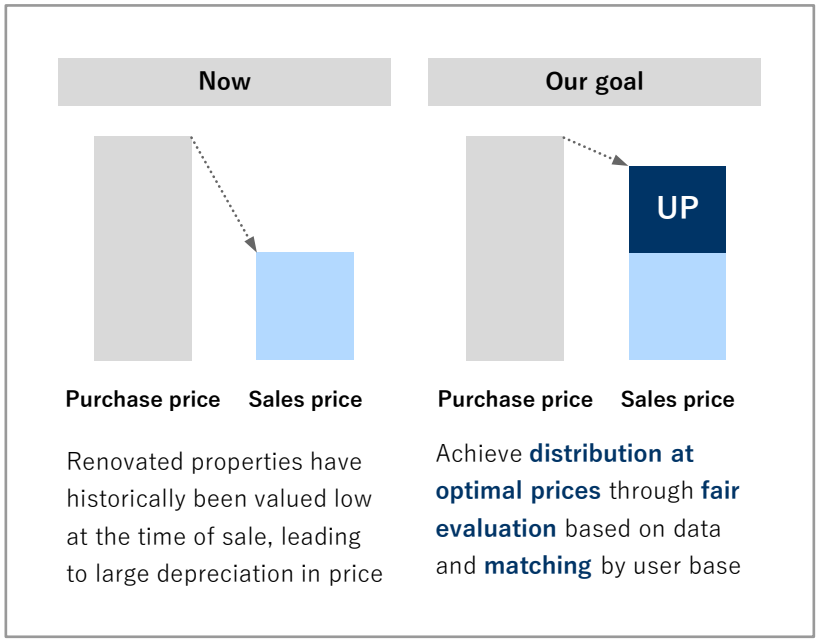
© 2021 TSUKURUBA Inc.

cowcamo | Long-term Goal of Improving QOL & Leading the Used Property Market

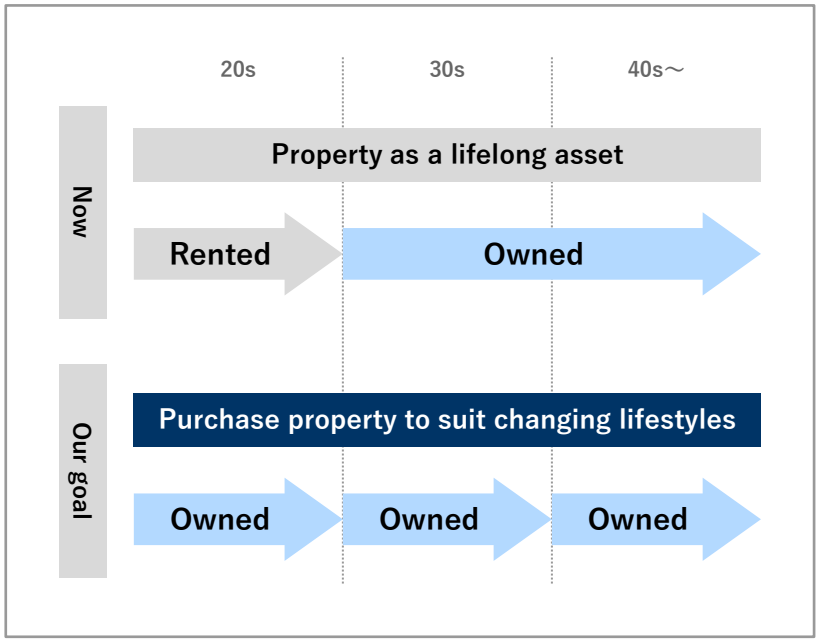
In the long term, cowcamo will promote the change of residence in accordance with lifestyles by forming a system to properly evaluate renovations, thereby contributing to the improvement of QOL (quality of life) and the expansion of the used property distribution market.

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

- **Fair evaluation of renovated properties through data accumulation**
- **Optimal matching through a rich user base**



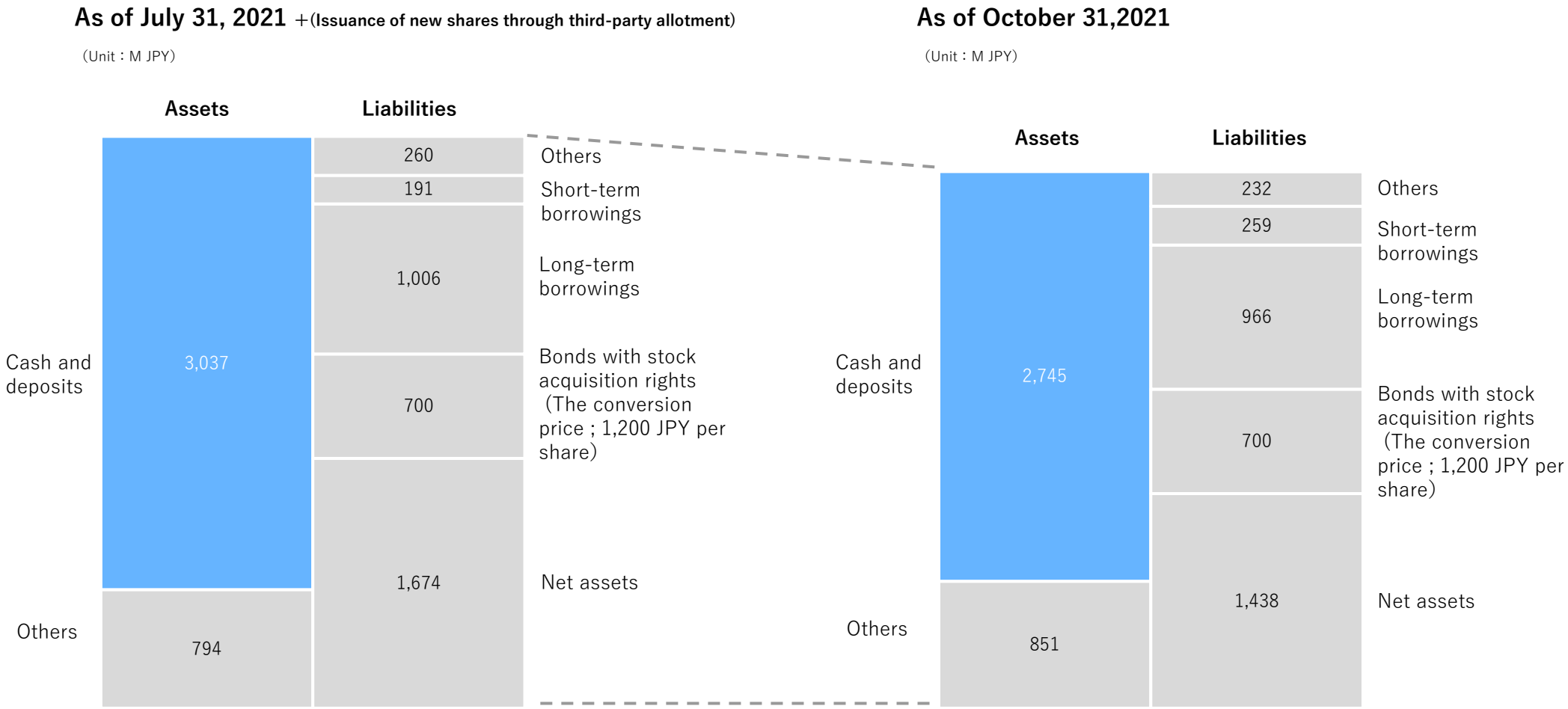
- **Promote new home purchases to suit changing lifestyles**
- **Improve the economics of new purchases by removing middleman costs**



© 2021 TSUKURUBA Inc.

Topics | **Balance Sheet**

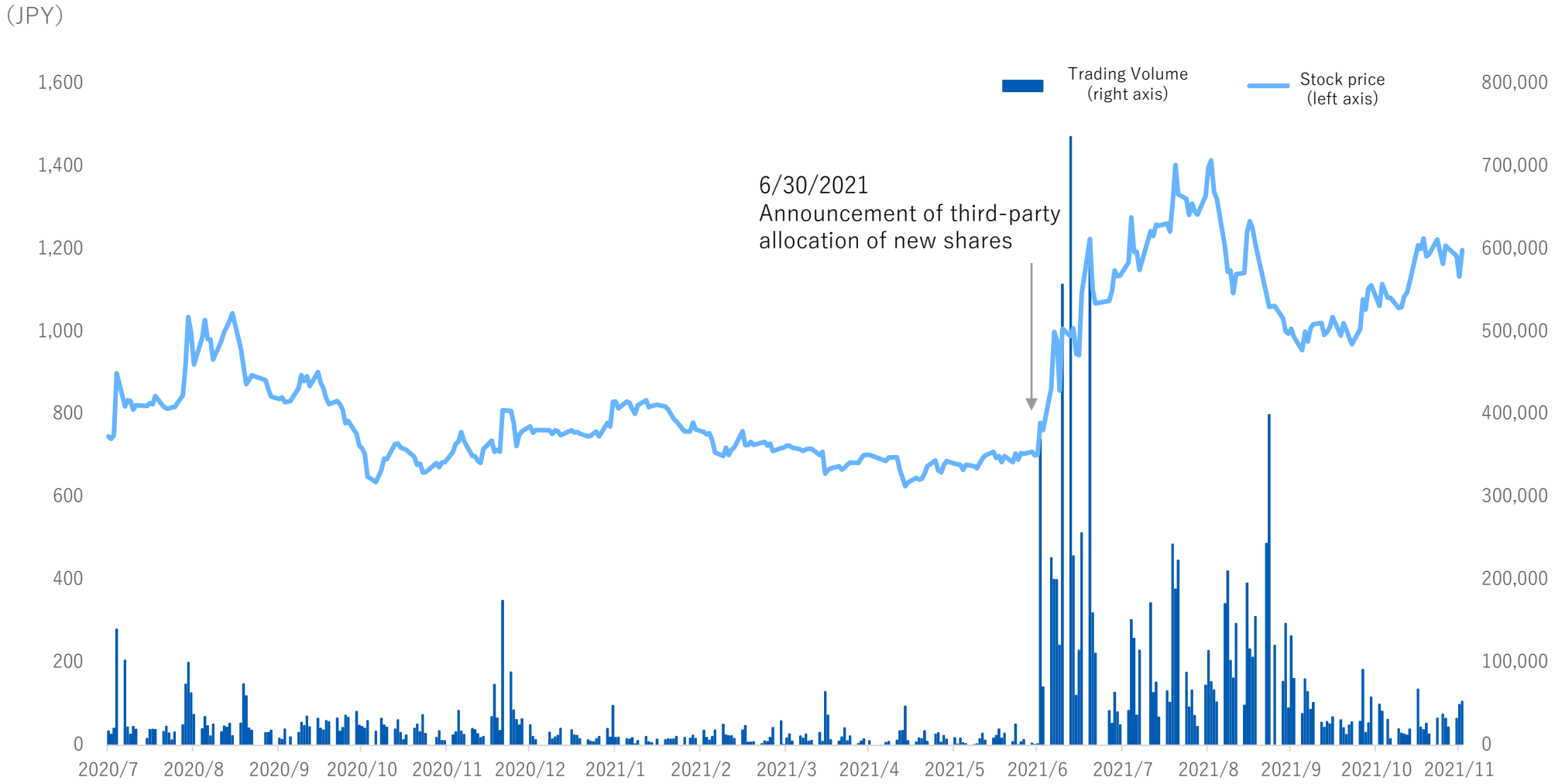
After the issuance of new shares through third-party allotment in August 2021, we have actively made upfront investment to achieve continuous high growth in gross profit. As a result, cash and deposits have decreased, however, we still have more than 2.7 billion yen in cash and deposits as of the end of October, and we will continue to invest as planned.



© 2021 TSUKURUBA Inc.

(For Reference) **Share Price and Trading Volume**

Although stock price and trading volume had been low under COVID-19, they have been on a recovery trend since the announcement of third-party allocation of new shares on June 30, 2021. The recent share price has averaged around 1,000 JPY. Our basic policy is to improve the recognition and understanding of TSUKURUBA through proactive IR activities, and to continue to improve trading volume of our shares.



© 2021 TSUKURUBA Inc.

Q&A

Category	Questions	Answers
Company	Revenue was +52% YoY, exceeding the guidance announced at the beginning of this fiscal year, however, why was gross profit +17% YoY?	The 52% YoY increase in revenue was due to the impact of some purchase and sales transactions of cowcamo's own products. The gross profit is progressing as expected, and the rate of progress toward the full-year-forecast is 20%. In addition, we are currently expanding its staffing structure throughout the year, and we believe that the company's performance will tend to be more weighted toward the second half of the year than the first half.
Company	With regard to the upfront investments, upfront investments that are expected to be recovered in FY2022 and the investment for strengthening the organization for continued growth appear to be larger than the estimated annual amount. Would there be a problem?	There is no problem. We are on schedule. In terms of upfront investments that are expected to be recovered in FY2022, investments were made mainly in costs related to offices and personnel expenses. In addition, in order to strengthen the organization for continued growth, expenses increased mainly for additional personnel costs for executives and managers. Both of these expenses were within the expected range as they were measures to focus on investment in the first half.
cowcamo business	What is the impact of lumber shortage?	There is almost no impact at this point. Even if the price of lumber rises in the future, the impact on the sales price of renovated condominiums will be limited, and the impact on the current fiscal year‘s performance is also expected to be limited.
cowcamo business	What are the growth indicators for cowcamo?	In the past, we used MAU as a leading indicator, but now that we have acquired a sufficient user base, we would like investors to look at gross profit as a financial KPI and GMV and Take Rate as business KPIs as growth indicators.
cowcamo business	Why is there volatility in GMV quarter by quarter?	Quarterly volatility in GMV occurs as a result of the market conditions, which are affected by seasonal factors.
PPD business	What is the policy on future investment in the Property Planning and Design(PPD) business?	We will focus on cowcamo for the foreseeable future. We will invest in the PPD business with financial discipline, while analyzing the investment return on each property.

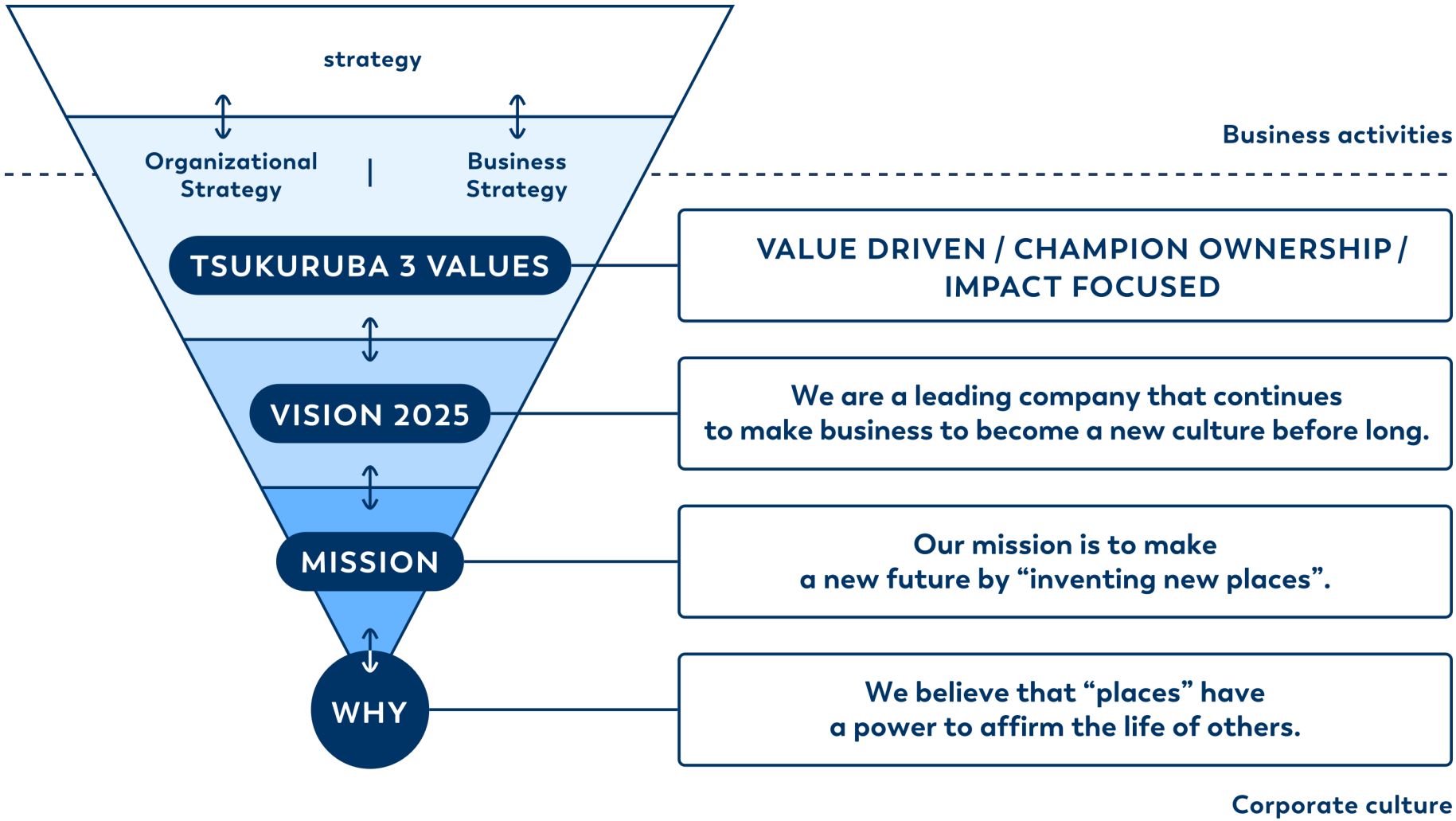
© 2021 TSUKURUBA Inc.

Company Overview

Name	TSUKURUBA Inc.
Address	2F Ikura Building, 1-1-5 Kamimeguro, Meguro-ku, Tokyo, Japan
Founded	August 2011
Founders	Hiroki Murakami
Employees	164 full-time employees（As of July 2021）
Businesses	“cowcamo Business”, an end-to-end real estate online brokerage platform for used and renovated properties - cowcamo Platform Business - cowcamo Agent Service Business “Property, Planning and Design Business“ - working business as a mission in producing new value in the real estate domain. - operating “co-ba”, subscription-based co-working offices - spatial design and consulting business
Awards	Deloitte Technology Company Japan Technology Fast 50 2017/2018/2019/2020

© 2021 TSUKURUBA Inc.

Corporate Philosophy



© 2021 TSUKURUBA Inc.

Disclaimer

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.

Information within this material on other topics besides TSUKURUBA is quoted from published information and other sources. As such, the accuracy, appropriateness, etc. of such information has not been verified, nor are any guarantees provided thereof.

Contact Us

Email ：ir@tsukuruba.com
IR Information：https://tsukuruba.com/ir/

© 2021 TSUKURUBA Inc.

TSUKURUBA