FY2025.8 First Quarter Financial Results

coconala Inc. (TSE Growth Market: 4176)
January 14, 2025

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Vision

Create a world where each person lives their "own story"

Growth Policies

By leveraging shared assets such as databases and products, we aim to establish a comprehensive service platform that encompasses everything

Business domains

- Marketplace
- Agent
- New Business Domains

Assets and Competitive Advantages

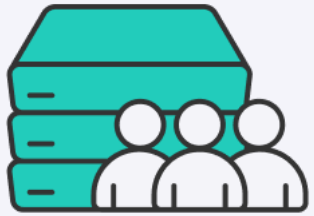
- Database Infrastructure
- Product Infrastructure
- Marketing and Sales Infrastructure

-Key Message- coconala's Assets and Competitive Advantages

coconala

Keep generating vertical startup of businesses and synergies across businesses by utilizing assets, making use of database, product, and marketing and sales infrastructure. Products are launched smoothly with the market being a tailwind especially in the utilization of talent database

Database Infrastructure



- **Talent (skills, knowledge, and experience) database**
- **client(Buyer, job) database**
- **Matching (transaction info and reviews) database**

Marketplace Function



- Common account infrastructure
- Talent profile infrastructure
- Matching infrastructure
- Payment infrastructure
- Management (sales and messages) infrastructure

Marketing and Sales Infrastructure



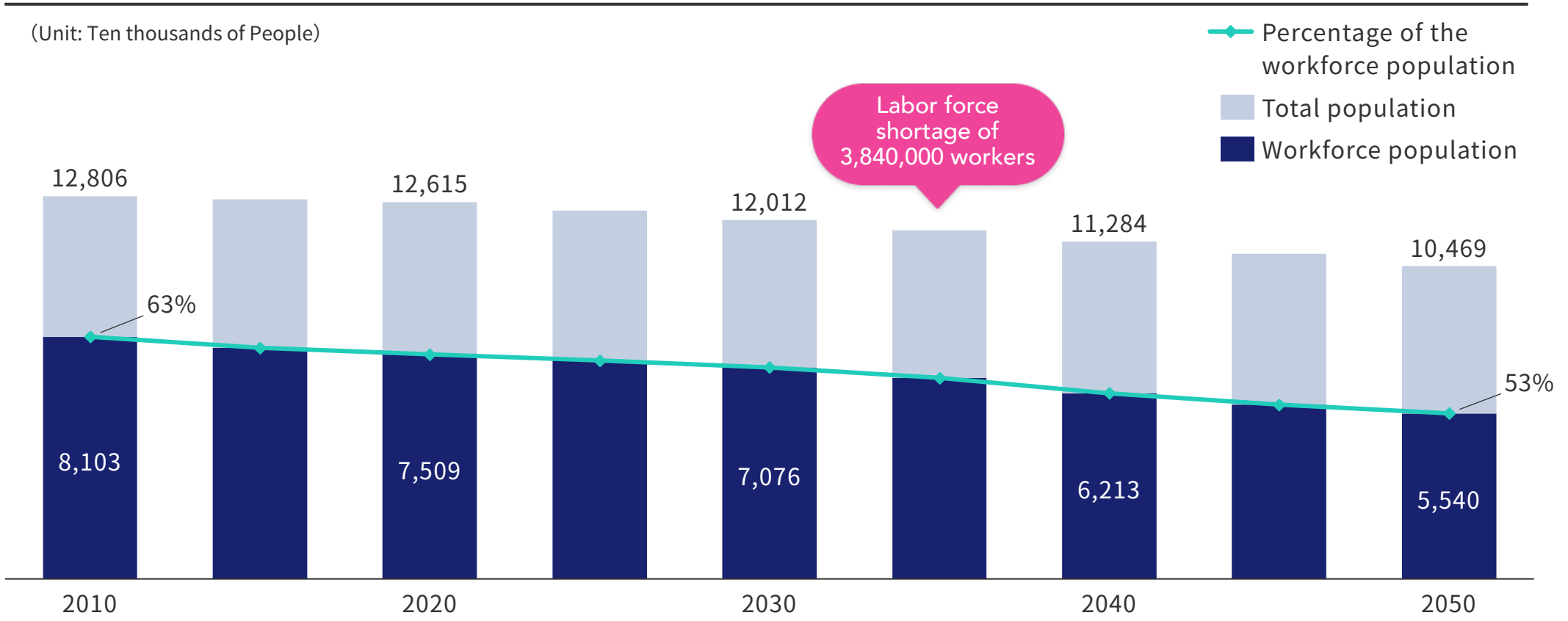
- High awareness rate (general: 50%; business: 75%) driving traffic from branded keywords
- Long-tail SEO with the vast listing content
- Reach extending to Mizuho Bank's 400,000 corporate accounts through Mizuho coconala

-Key Message- Advent of a Society Where Workers Have an Advantage

coconala

Japan faces an increasing labor shortage; this trend is expected to continue due to a decreasing workforce population, with the advent of an era where people select companies and working styles. We predict that costs and efforts to acquire scarce workers will be greater, so that there will be significant differences in competitiveness between companies selected and not selected by workers

Estimation of the working population of Japan*1



*1: Created by coconala Inc. on the basis of the 2024 White Paper on Aging Society (in June 2024, by Cabinet Office).

-Key Message- coconala's Competitive Advantage

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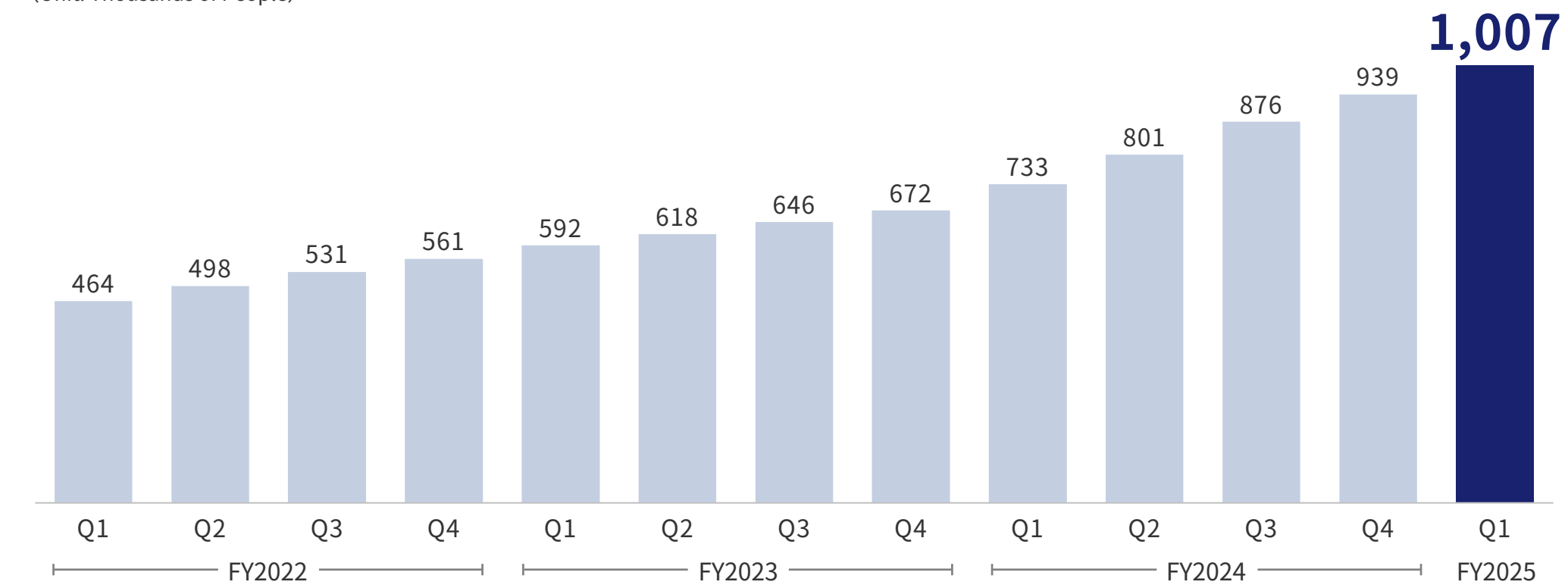
coconala Skill Market has become Japan's largest marketplace for skills,*1 with the number of workers (the number of people registered with their skills) exceeding 1 million. With detailed skill information of workers, it is the one and only human resource database that is rich in both quantity and quality

Number of Skill Registrants



*1: Market research on skill-sharing platforms (search for No. 1), by Trending Future Research Institute inc. (as of September 26, 2024)

-Key Message- Management Strategy Centering on Talent Database

Marketplace



Without incurring marketing costs, individuals with a wide range of skills gather, serving as the gateway to the Cocona ecosystem

- coconala スキルマーケット (Skill Market)
- coconala 募集 (Job Request)
- coconala スカウト (Scout)
- coconala コンテンツマーケット (Content Market)

Agent



Capable of significantly reducing the acquisition cost of active workers by utilizing talent database

- coconala テック (Tech)
- coconala アシスト (Assist)
- coconala プロ (Pro)
- coconala コンサル (Consult)

Talent database

New Business Domains



Launched a speedy business and created synergies in M&As by utilizing talent database

- coconala AIスタジオ (AI Studio)
- coconala アカデミー (Academy)

-Key Message- coconala's Assets and Competitive Advantages

Marketplace

coconala スカウト
Scout

Preparing a new matching method (scouting) utilizing the talent database

To expand matching methods in order to meet various needs of companies seeking talent. Currently developing a service to scout excellent talents by enabling client companies to directly access the talent database

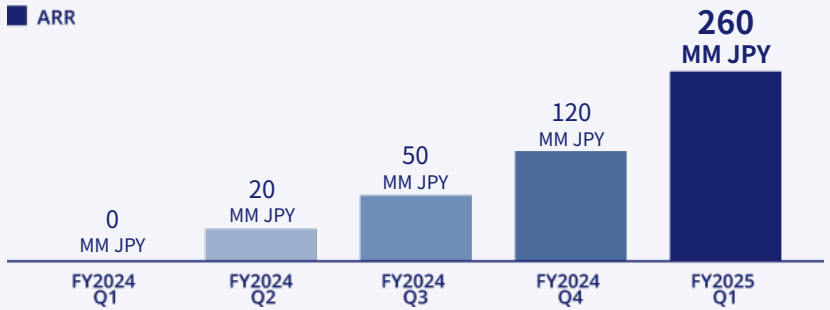


Agent

coconala アシスト
Assist

ARR increased to 260 million yen after a little over half a year from the release

Coconala Assist commenced operation on a full scale in April 2024. ARR increased to 260 million yen as of the end of November 2024 with the utilization of talent database The cumulative advertising expenses until now is only approximately 30 million yen for the acquisition of clients

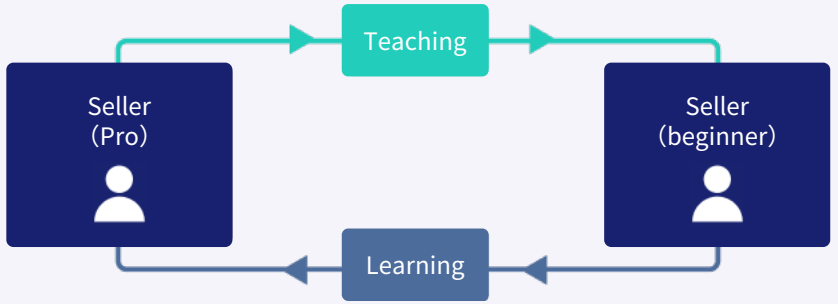


New Business Domains

coconala アカデミー
Academy

Scheduled to develop learning and listening business

"We plan to launch a business focused on helping individuals acquire skills, knowledge, and experience. Leveraging a talent database with approximately 2.3 million registered users (including professionals with teaching skills and individuals with a desire to learn), we aim to offer new services"



FY2025 First Quarter Financial Highlights

coconala

Company-Wide Summary

Sales of 2,373 million yen, gross profit of 1,513 million yen, and EBITDA (non-GAAP) *1 of 207 million yen

- Revenue, gross profit, and EBITDA all reached record highs
- The growth of each business coupled with coconala Tech (formerly an consulting) joining the Group resulted in sales growing substantially by 69.7% YoY
- There were no revisions to the full-year earnings forecast

Marketplace*2

Sales of 1,373 million yen, gross profit of 1,317 million yen, Segment profit*3 of 434 million yen

- Sales of the Marketplace businesses (excluding Legal Consultation) increased by 13.9% YoY with growth accelerating following the previous quarter
- Unique buyers reached a record high of 163,000 people

Agent

Sales of 1,000 million yen, gross profit of 196 million yen, Significant Improvement in Segment Profitability

- Segment profit increased by 68 million yen YoY due to cost control conscious of financial discipline
- Coconala Assist, which started in April 2024, grew steadily

Topic

Launched products one after another towards the realization of a service platform that encompasses everything

- Released “subscription” function that enables users to repeatedly purchase services on offer automatically every month
- Started providing services of coconala AI studio in November 2024

*1: EBITDA (non-GAAP) = operating profit + depreciation + amortization of goodwill + share-based payment expenses + coconala Skill Partners expenses. Referred to as simply EBITDA hereinafter
*2: From FY2025, the Media segment, which had been disclosed until FY2024, will be integrated into the Marketplace segment
*3: Segment profit is calculated as segment revenue minus cost of sales and selling, general, and administrative expenses (excluding corporate expenses), plus depreciation and goodwill amortization

Regarding segment change

From FY2025, the Media segment will be integrated into the Marketplace segment. New businesses are planned to be disclosed under the Marketplace segment

Segments Before Change (Up to FY2024)



Segments After Change (From FY2025)



Regarding the acquisition of treasury stock

Considering the current stock price level, we plan to repurchase our own shares up to a maximum of 150 million yen. Going forward, we will continue to flexibly evaluate and implement such measures, taking into account market trends and our financial position

Overview of Share Repurchase

Class of shares to be acquired	Company’s common shares
Total number of shares to be acquired	500,000 shares (upper limit) ※Approximately 2.0% of the Total Outstanding Shares (Excluding Treasury Shares)
Total acquisition price of shares	150,000,000 yen (upper limit)
Acquisition period	January 15, 2025 to March 31, 2025
Acquisition method	Market purchase at the Tokyo Stock Exchange

1. Earning Report

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FY2025 First Quarter Financial Results

coconala

(Unit: MM JPY)	First Quarter		
	FY2024 Q1 (Sep. - Nov.)	FY2025 Q1 (Sep. - Nov.)	YoY
Sales*1	1,398	2,373	+69.7%
Marketplace*2	1,205	1,373	+13.9%
Agent	193	1,000	+417.7%
Gross profit	1,178	1,513	+28.4%
Marketplace	1,151	1,317	+14.3%
Agent	26	196	+640.4%
EBITDA	158	207	+31.4%
Operating profit	97	108	+11.4%
Ordinary profit	100	79	-20.7%*3
Profit attributable to owners of parent	84	105	+24.9%

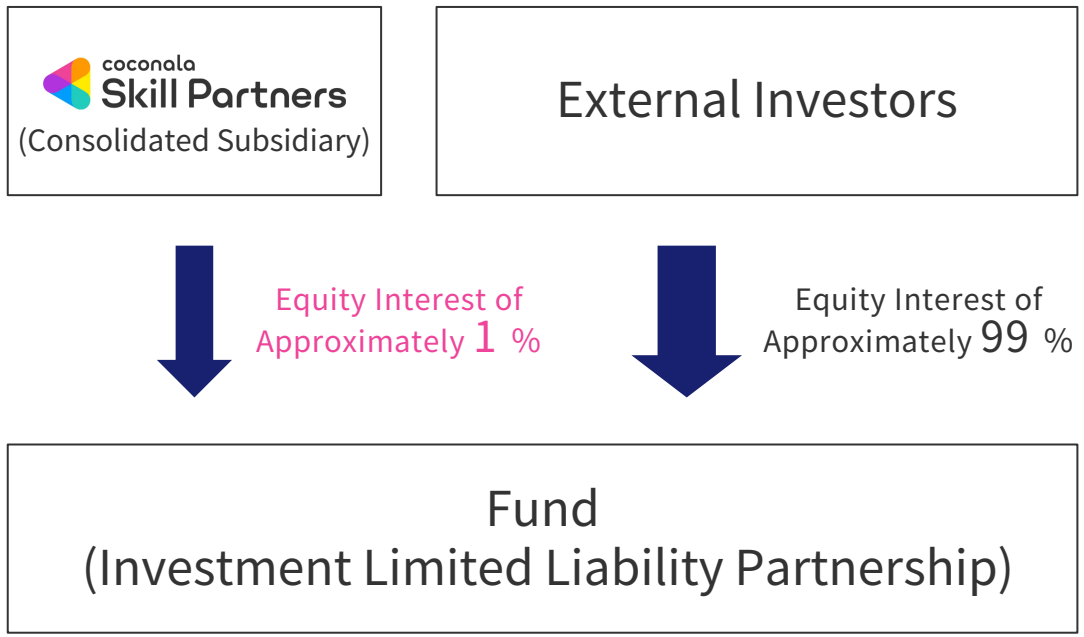
*1: Operating profit (non-GAAP) = Operating profit + Goodwill amortization + share-based payment expenses + Coconala Skill Partners expenses.
*2: Effective from the fiscal year ending August 2025, the Media Segment has been integrated into the Marketplace Segment. For the fiscal year ending August 2024, the combined performance figures of both segments will be presented.
*3:For operating profit, additional details are provided on page 14.

Consolidated

Regarding the accounting treatment of coconala Skill Partners

In the event of an impairment loss in a fund operated by coconala Slill Partners, although it is initially recorded in non-operating expenses according to accounting rules, since our equity interest in the fund is minimal, nearly the entire loss is reversed at the net profit attributable to parent shareholders level.

Equity Investment Structure



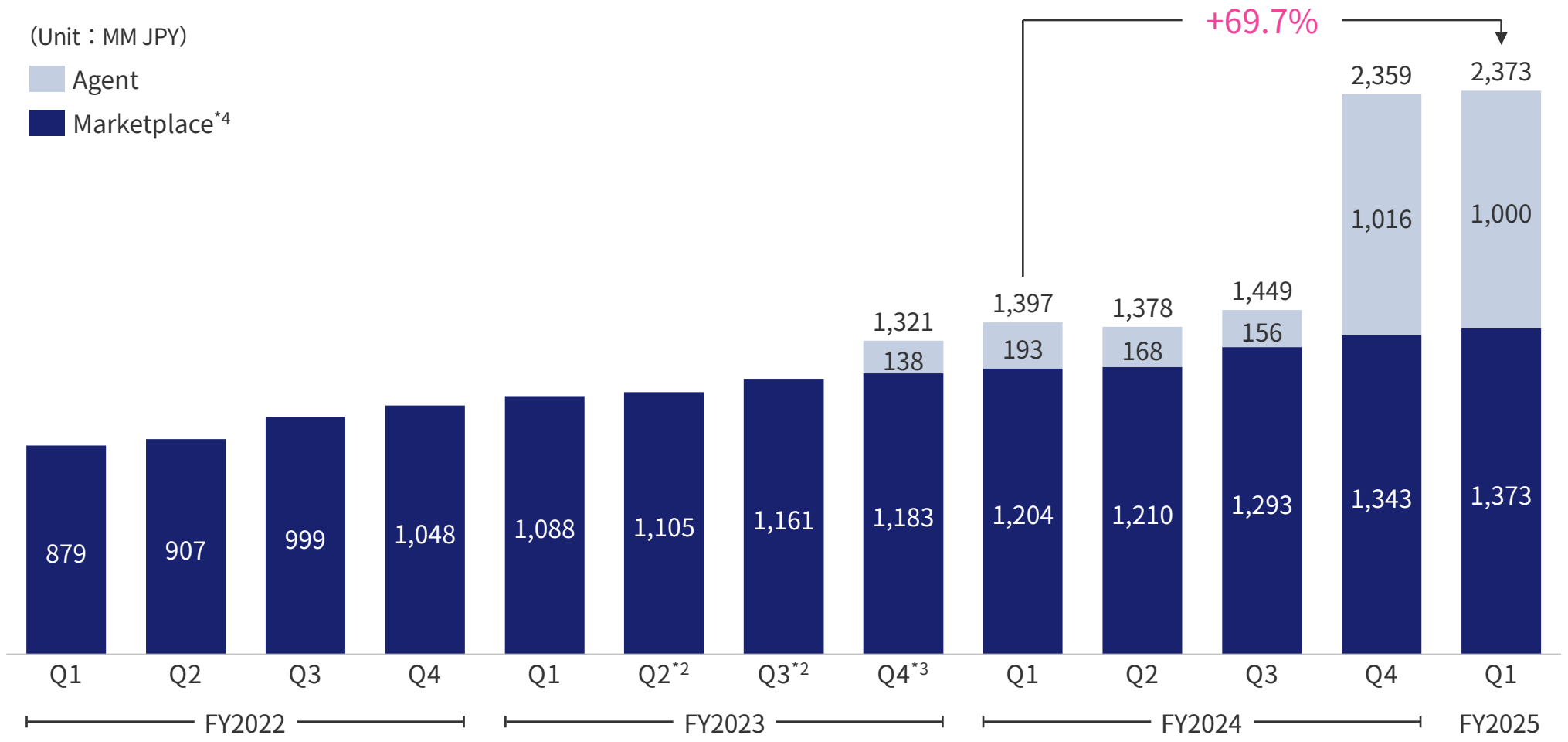
Accounting Impact for FY2025 Q1

(Unit: MM JPY)	Actual Performance	Result	Impairment Impact
Operating Profit	108	108	No Impact
Ordinary profit	109	79	▲30 MM JPY In accordance with accounting rules, the full impairment loss is recorded
Profit attributable to owners of parent	105	105	+30MM JPY Based on the equity interest, nearly the entire loss is reversed

Quarterly Sales

coconala

Revenue*1 reached a new all-time high, with a YoY increase of 69.7% to 2,373 million yen

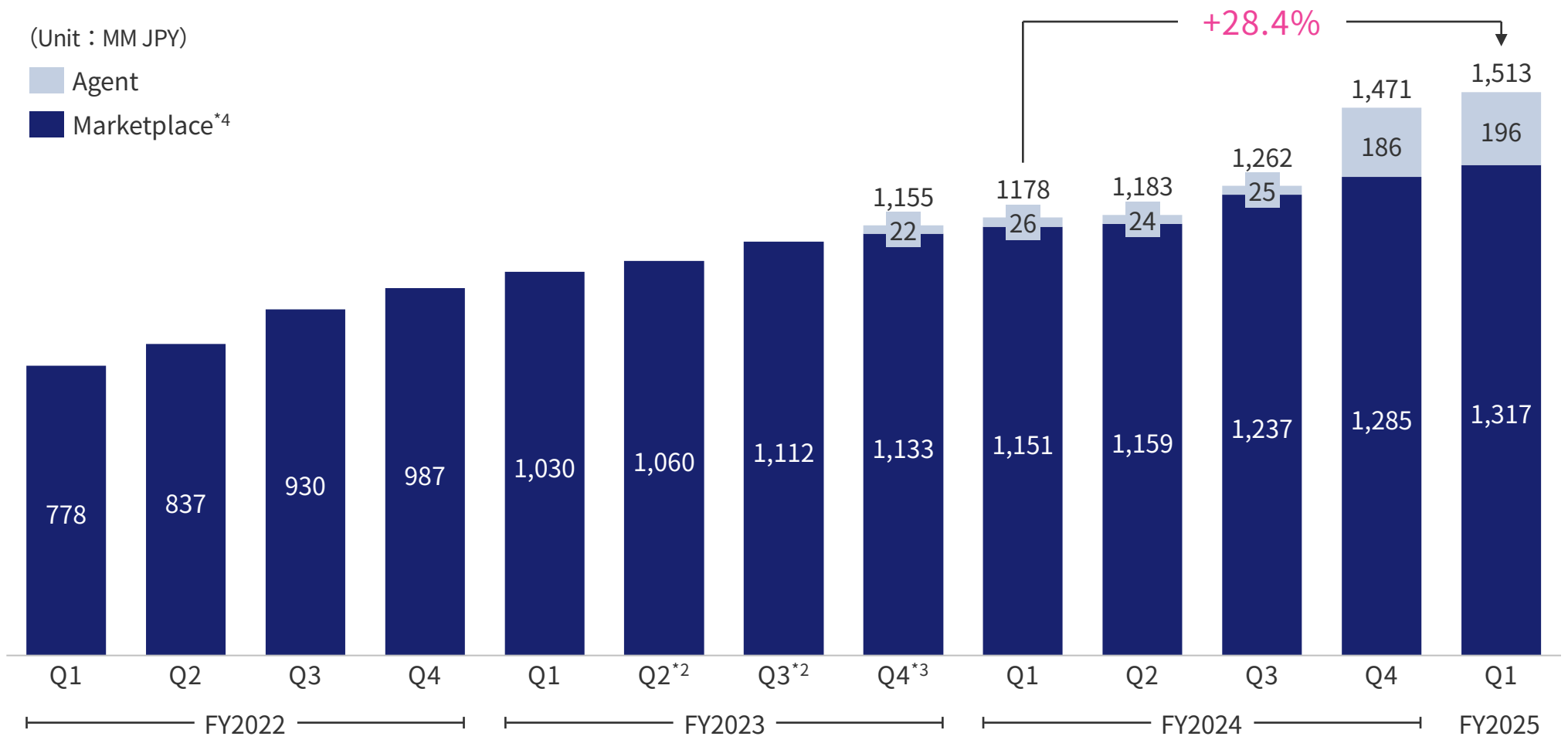


*1: The figures up to FY2023 Q3 show operating revenue
*2: For FY2023 Q2 and Q3, Agent sales are included in Marketplace
*3: For FY2023 Q4, Agent Sales includes only PORT ENGINEERING INC.'s sales for two months
*4: Starting from the fiscal year ending August 2025, the Media Segment has been integrated into the Marketplace Segment. For fiscal year August 2024 and earlier, combined performance of both segments is shown

Quarterly Gross Profit

coconala

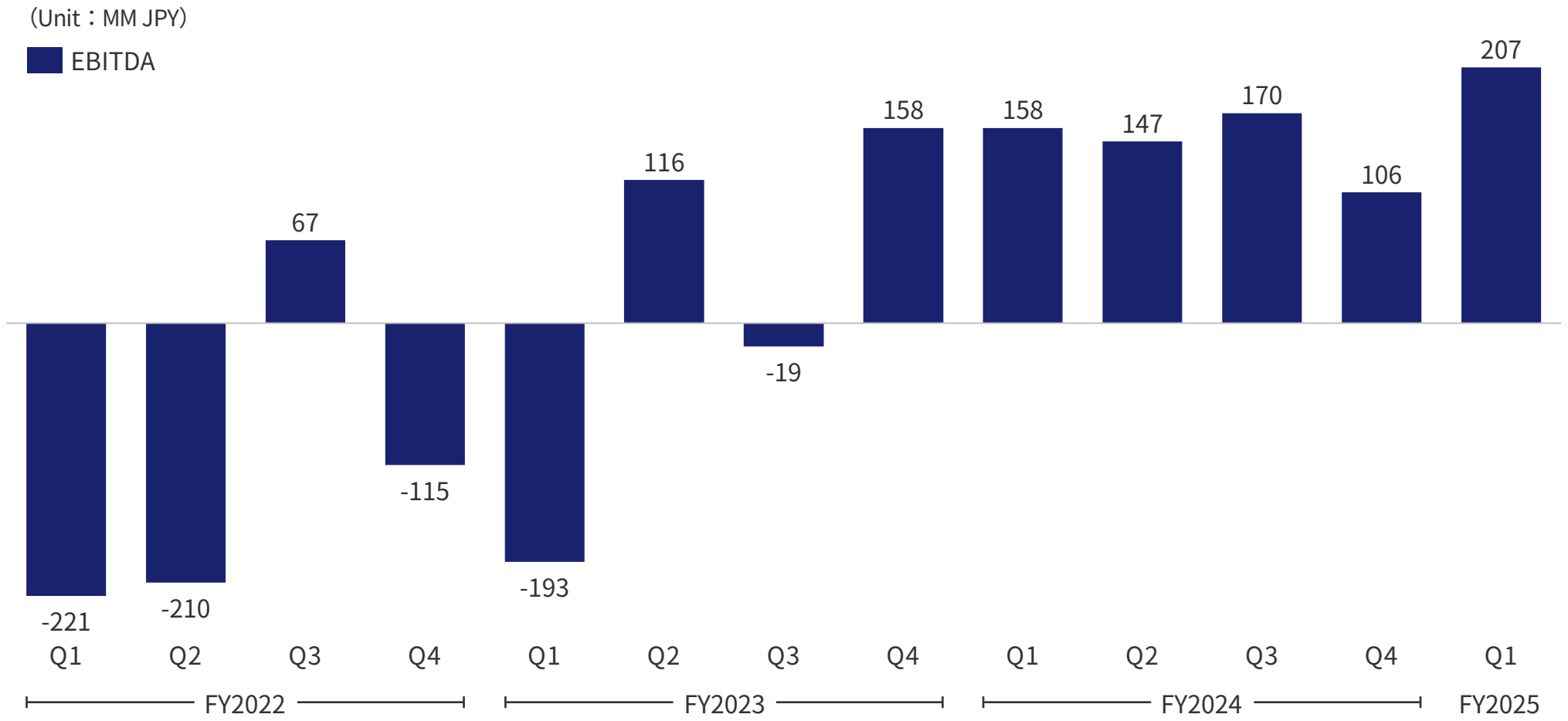
Revenue*1 reached a new all-time high, with a YoY increase of 28.4% to 1,513 million yen



*1: Gross profit up to FY2023 Q3 shows cost of sales applied retroactively, and the figures therefore differ from the disclosure figures in the financial statements.
*2: For FY2023 Q2 and Q3, Agent gross profit are included in Marketplace
*3: For FY2023 Q4, Agent gross profit includes only PORT ENGINEERING INC.'s gross profits for two months
*4: Starting from the fiscal year ending August 2025, the Media Segment has been integrated into the Marketplace Segment. For fiscal year August 2024 and earlier, combined performance of both segments is shown

Quarterly EBITDA

EBITDA reached a new all-time high, closing at 207 million yen in profit



Consolidated

Cost of sales + Operating expenses

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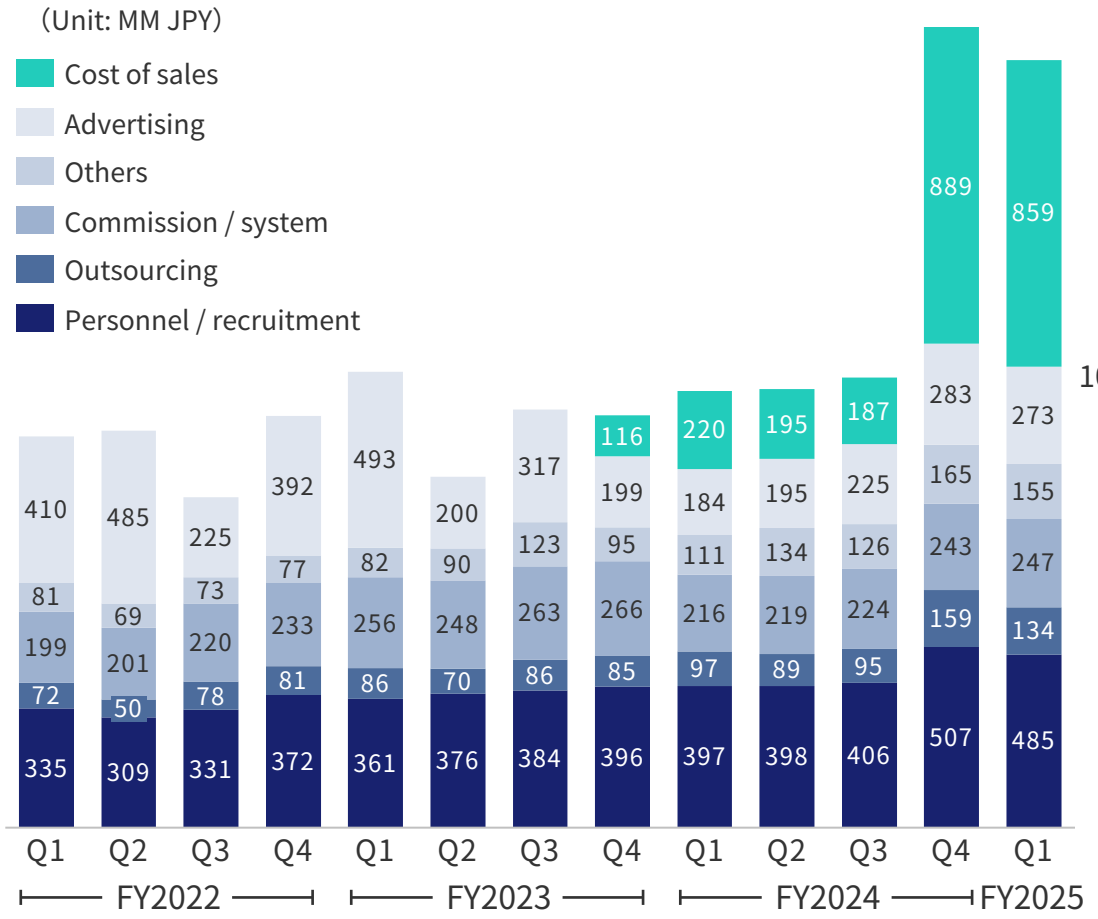
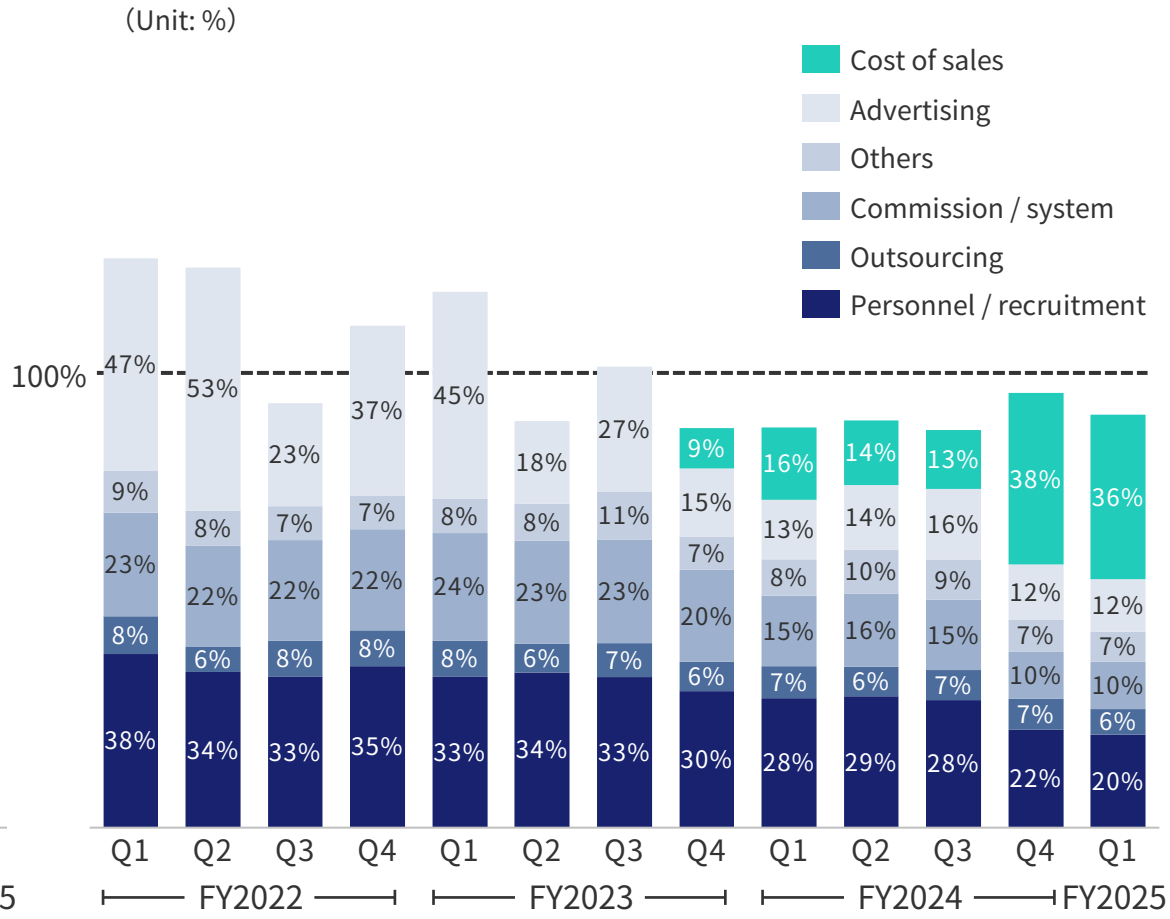
From this fiscal year, the company-wide cost management system was revised, and in addition to agency costs, a portion of system costs, communication costs, etc., were included in cost of sales

Cost of sales + Operating expenses*1



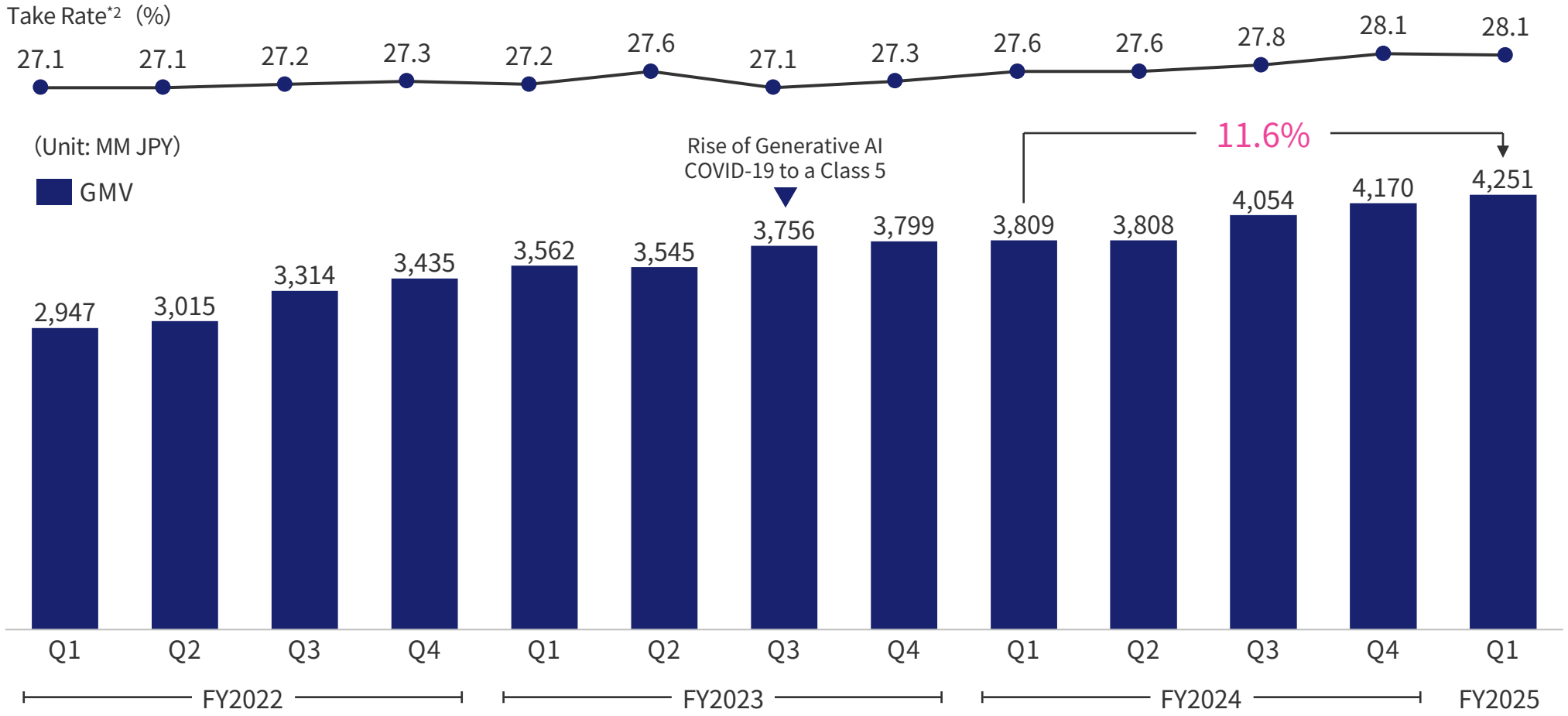
Relative to Sales



*1: Excluding stock-based compensation expenses, coconala Skill Partners expenses, Depreciation and Amortization of goodwill

Marketplace (excluding legal consultations) : GMV and Take Rate

GMV*1 increased by 11.6% YoY. In FY2024, environmental factors such as the rise of generative AI and the transition of COVID-19 to a Class 5 infectious disease temporarily slowed growth. However, the negative impact has largely subsided, and growth has accelerated from +9.8% in the previous quarter to +11.6%



*1: Including coconala Blog
*2: Take rate = operating revenue ÷ GMV

Marketplace (excluding legal consultations) : Sales and Segment Profit

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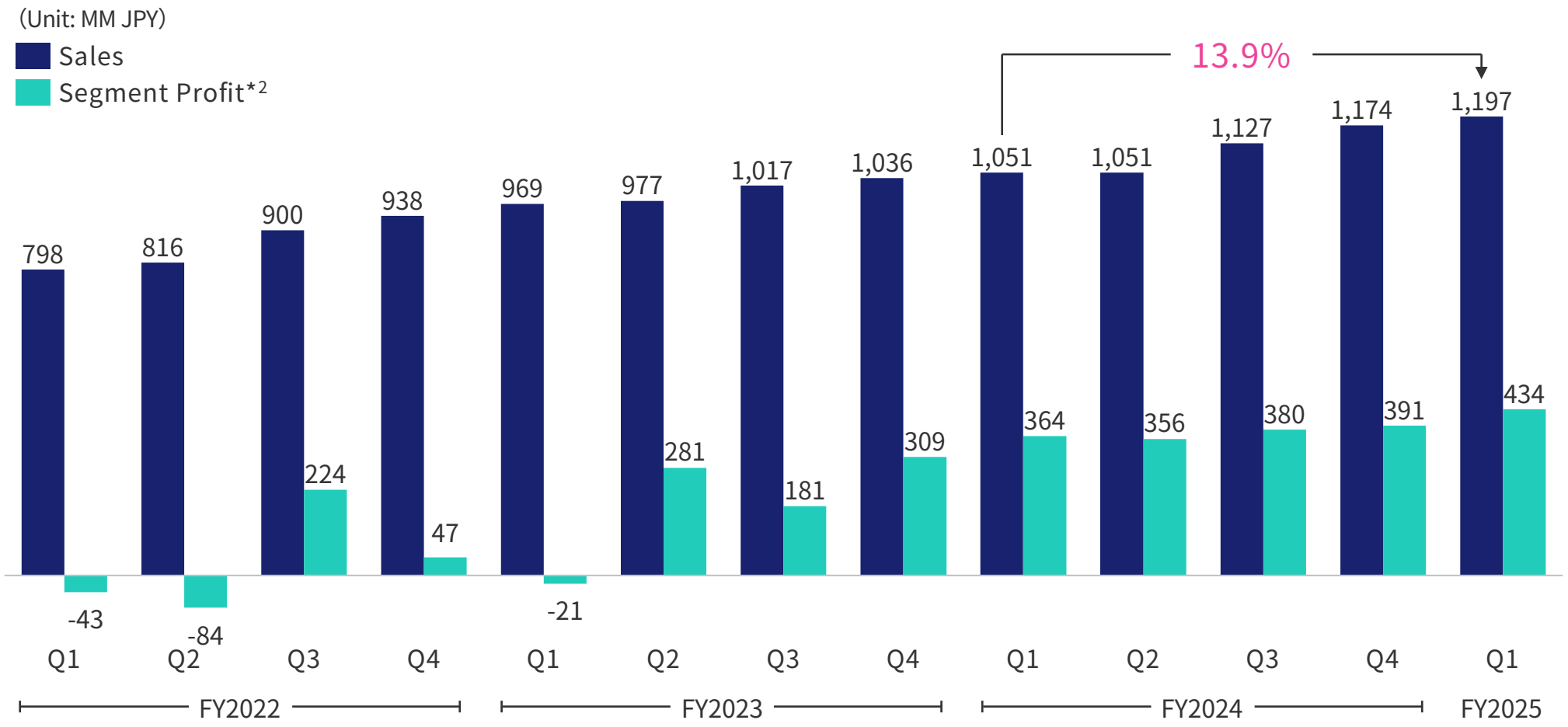
Revenue*1 grew by 13.9% YoY, and the segment profit margin remains at a high level of 36%



*1: Figures for revenue represent operating revenue for periods up to Q3 of the fiscal year ending August 2023
*2: Segment profit is calculated as segment revenue minus cost of sales and selling, general, and administrative expenses (excluding corporate expenses), plus depreciation and goodwill amortization

Marketplace (excluding legal consultations) : KPIs

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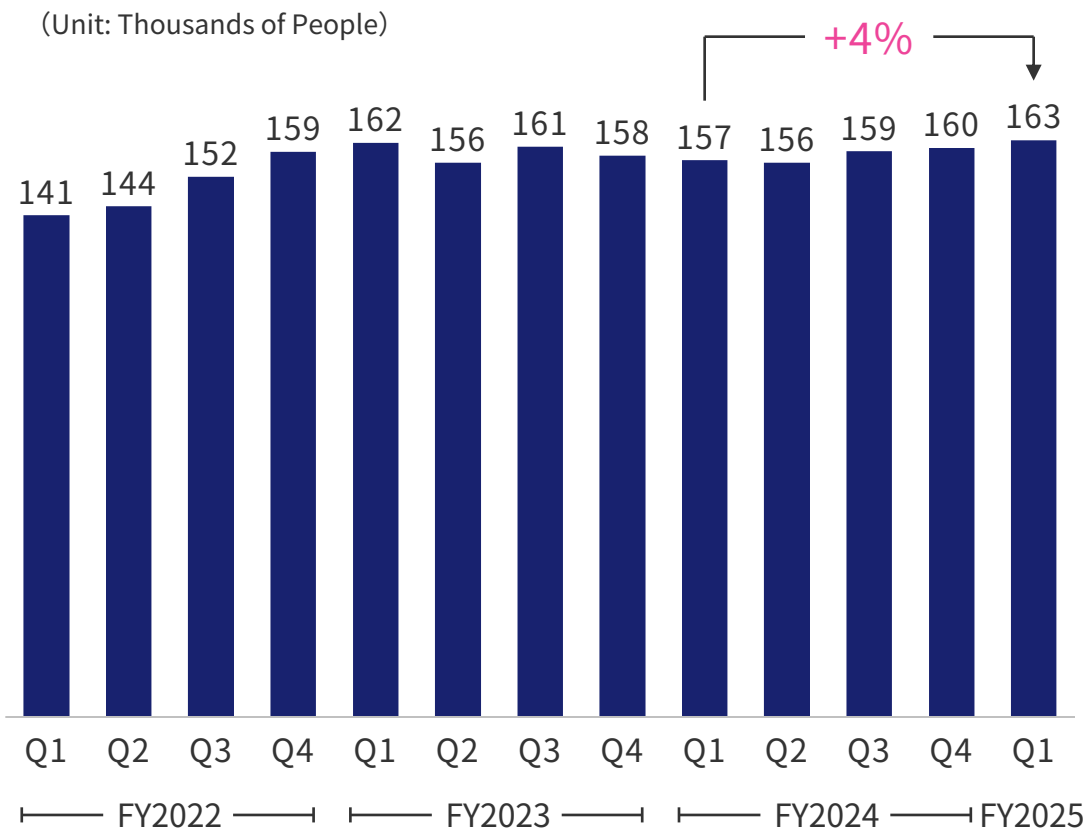
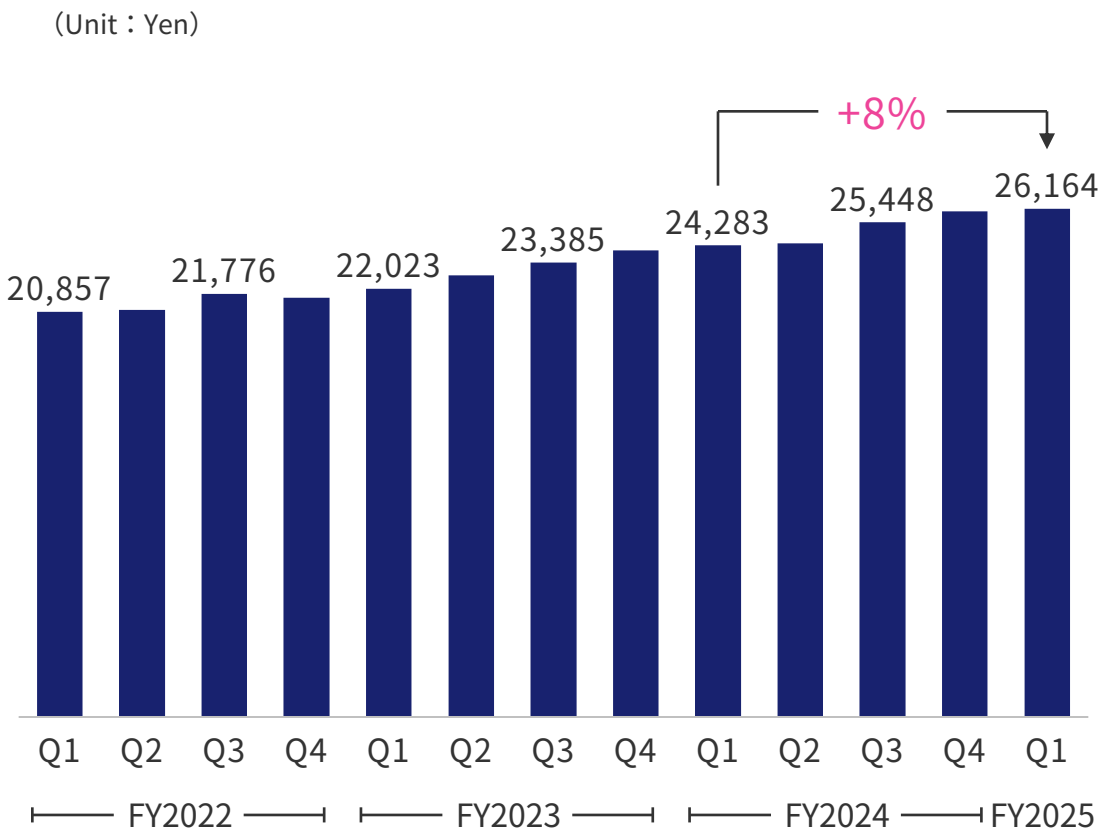
The number of unique buyers increased by 4% YoY, recording the highest figure to date. The average purchase amount per buyer also grew by 8% compared to the previous year, showing steady growth

Unique Buyers*1



Purchase Amount Per Buyer



*1: In the first quarter of 2024, temporary large transactions by some sellers led to discrepancies in the data. Therefore, these impacts have been excluded

Marketplace (excluding legal consultations) : KPIs

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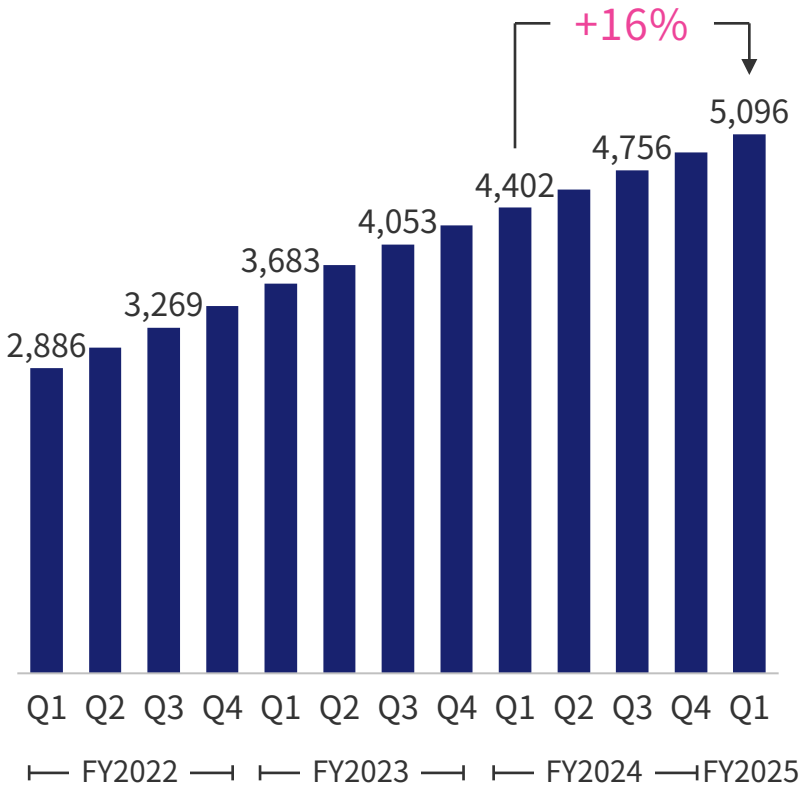
The number of registered Users has surpassed 5 million, and the number of skill registrants has also exceeded 1 million. It is now a platform with one of the largest talent databases in Japan

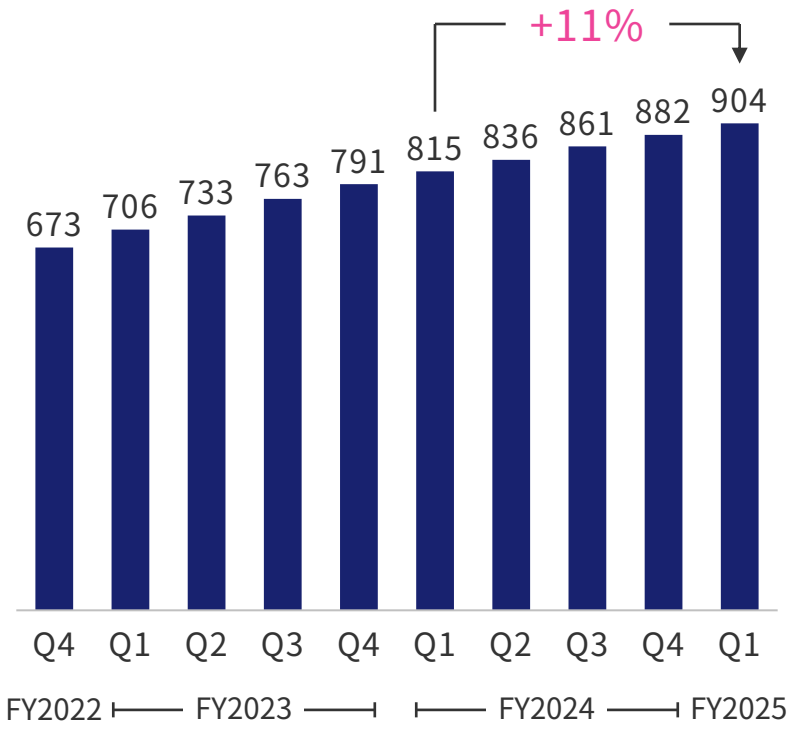
Registered Users

(Unit：Thousands of People)



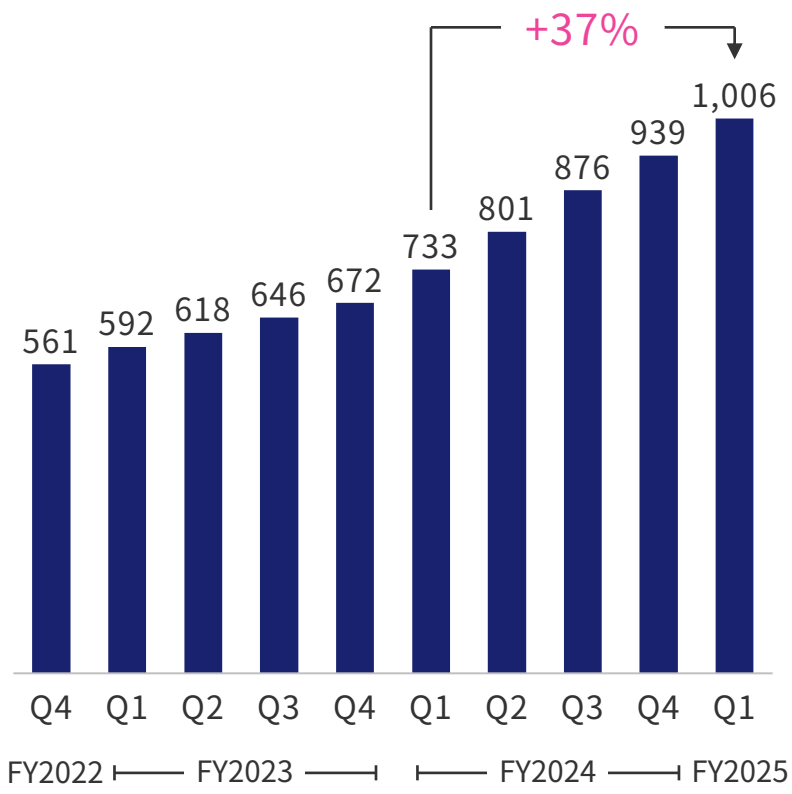
Number of Service Listings*1

(Unit：Thousands)



Number of Skill Registrants

(Unit：Thousands of People)

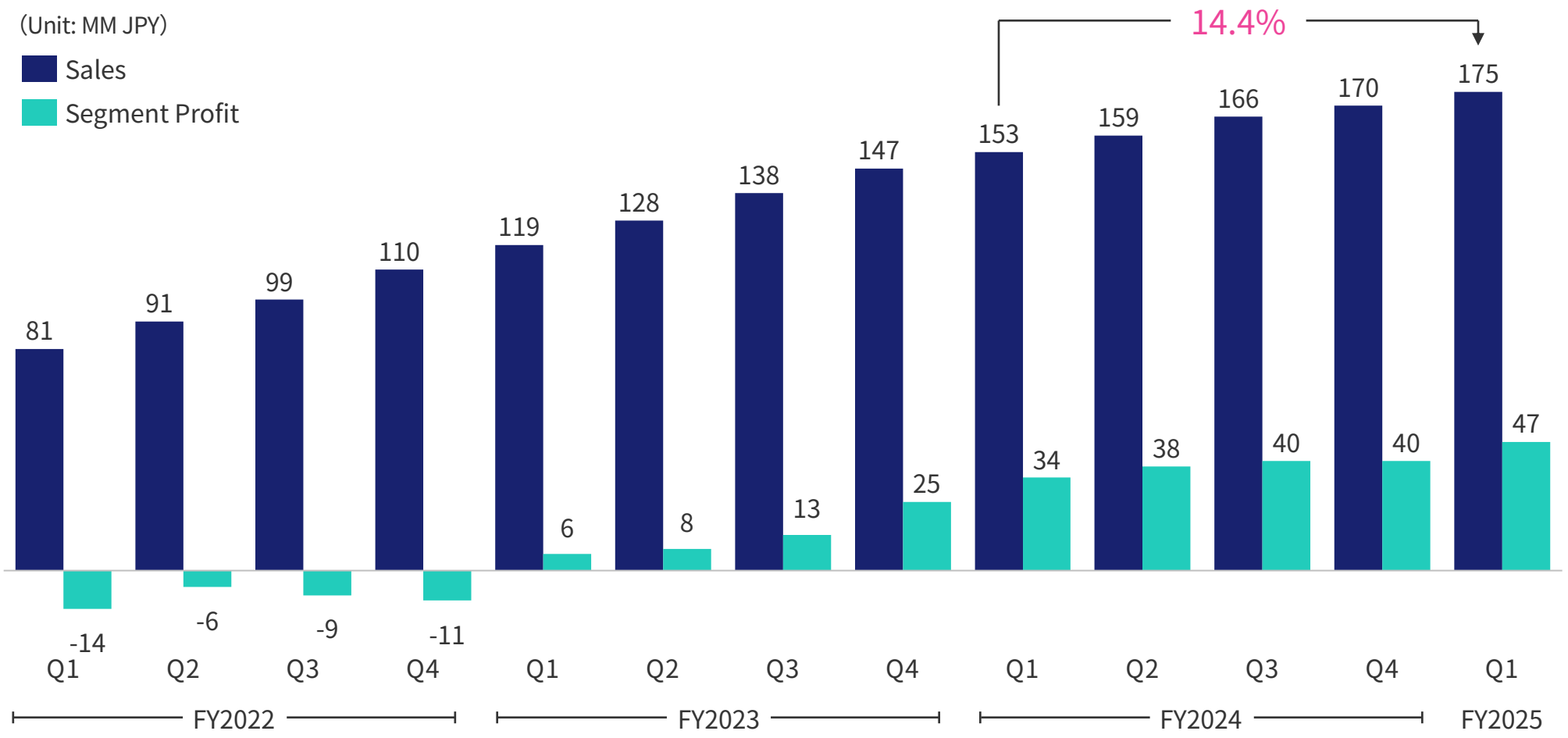


*1: The definition of service listings has been changed. Only information from FY2022 onward is provided under the new definition, which can be applied retroactively

Marketplace (legal consultations) : Quarterly Financial Results*1

coconala

It has been progressing smoothly, with revenue showing a YoY growth of 14.4%



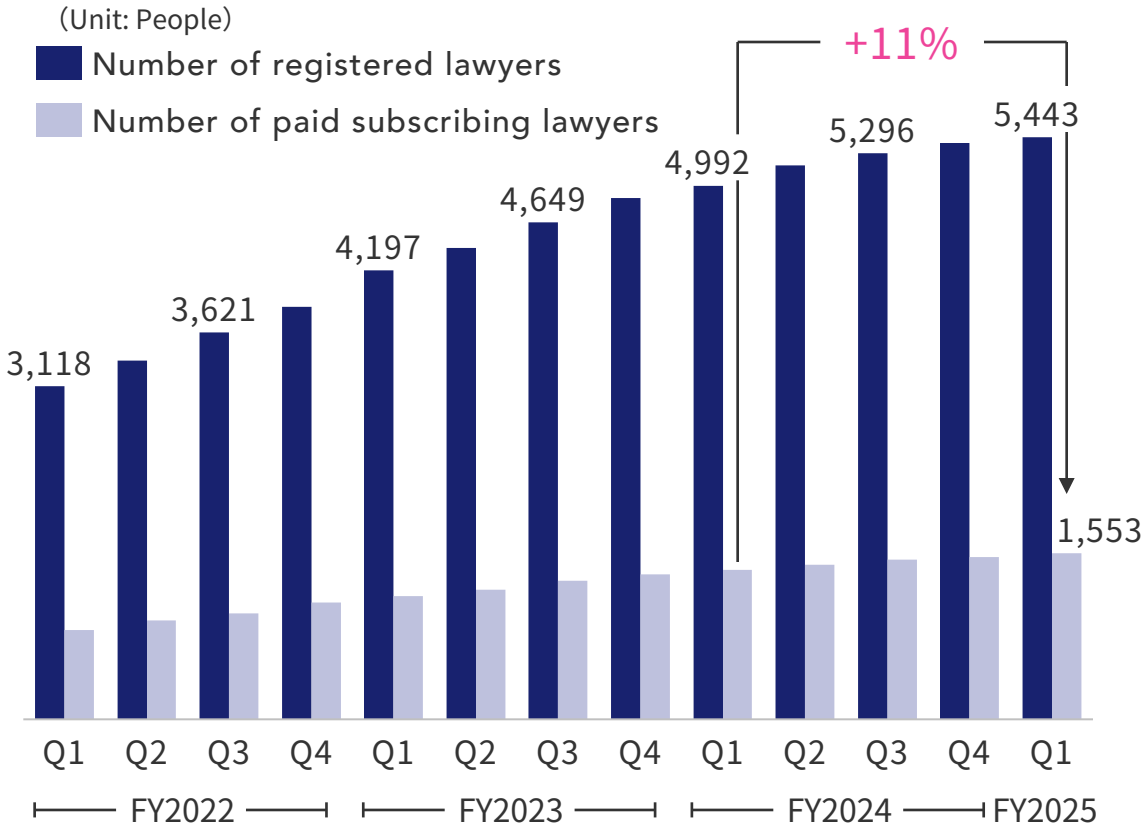
*1: Consistent with the performance of the Media Segment disclosed up to the fiscal year ending August 2024

Marketplace (legal consultations) : KPIs

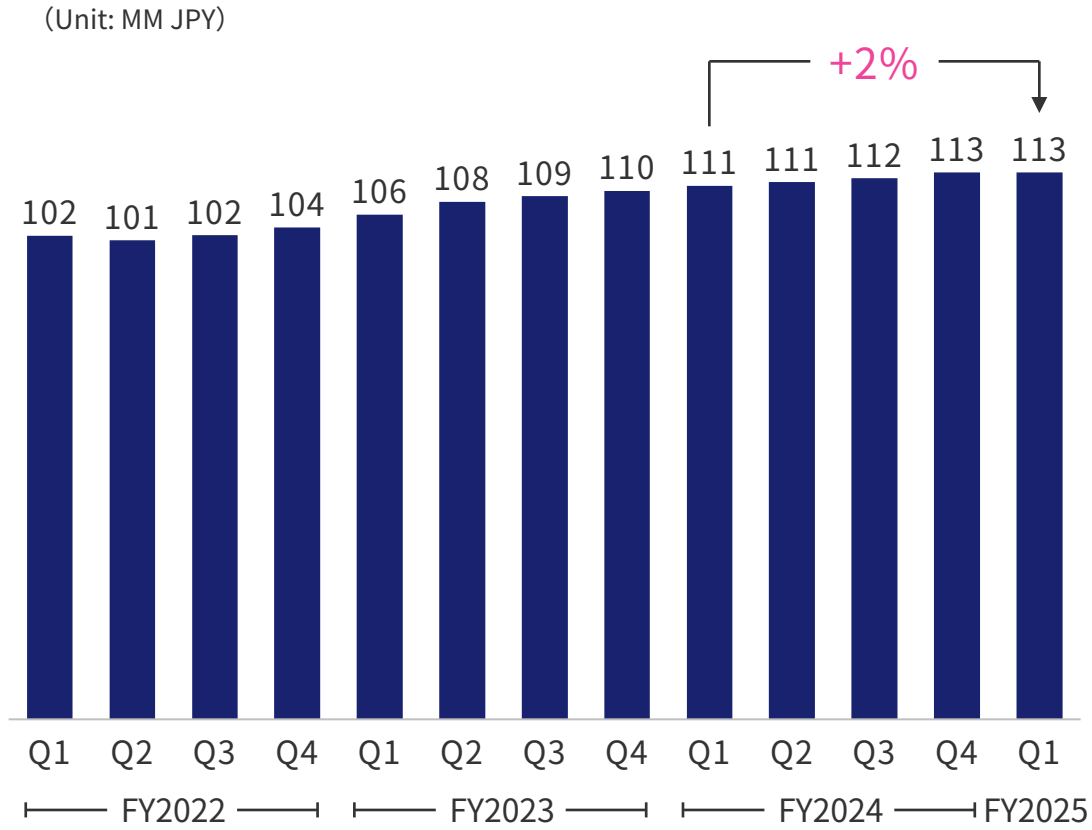
coconala

The number of paid registered lawyers grew by 11% YoY, and the Average Revenue Per User (ARPU*1) also improved by 2% YoY

Number of Registered Lawyers



ARPU

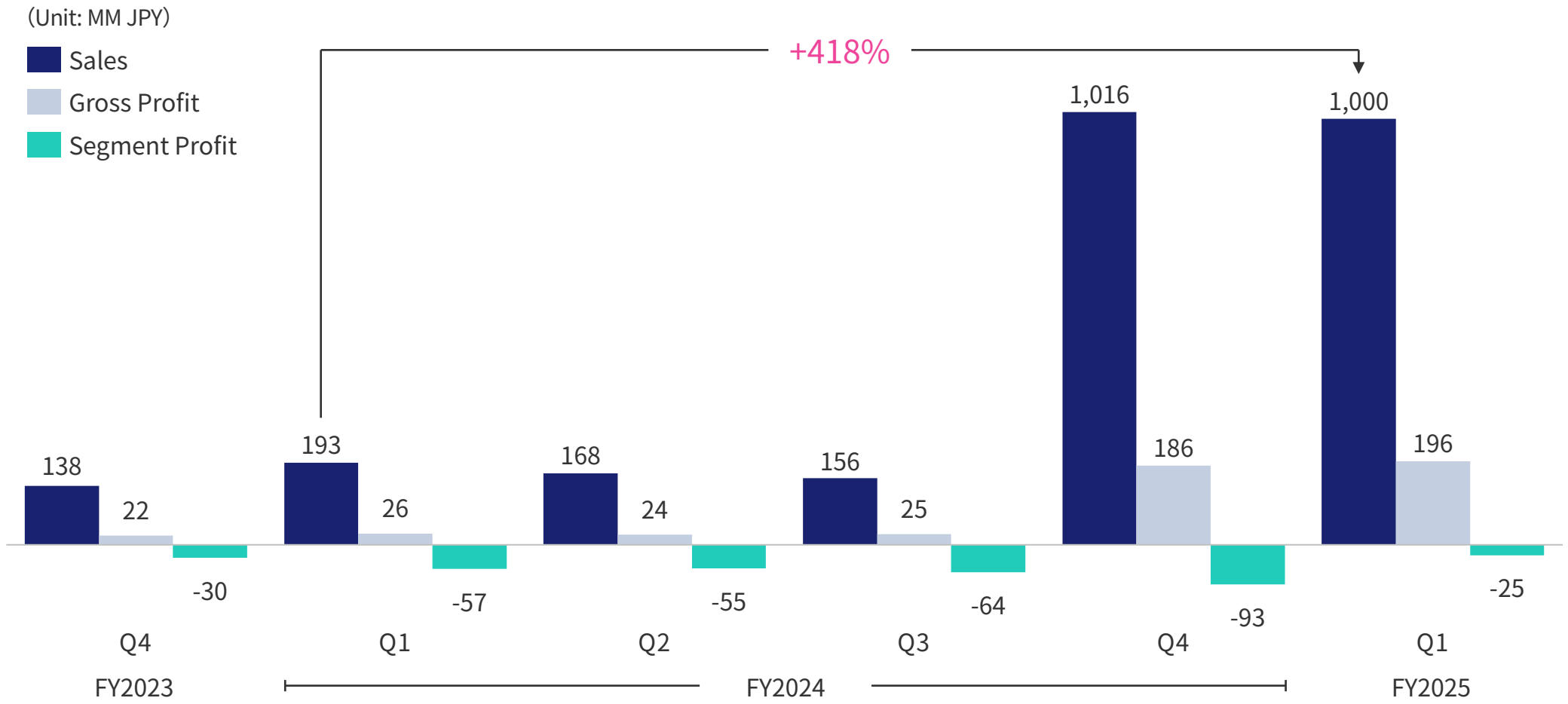


*1: Starting from Q4 2024, the term "Average Revenue Per User" will be used to refer to revenue per user. The calculation definition remains the same as that disclosed in Q3 2024.

Agent : Quarterly Financial Results *1

coconala

With the group integration of coconala Tech (formerly an consulting) revenue grew significantly by 418% YoY. Through disciplined cost control with a focus on financial prudence, segment profit increased by 68 million yen compared to the previous quarter



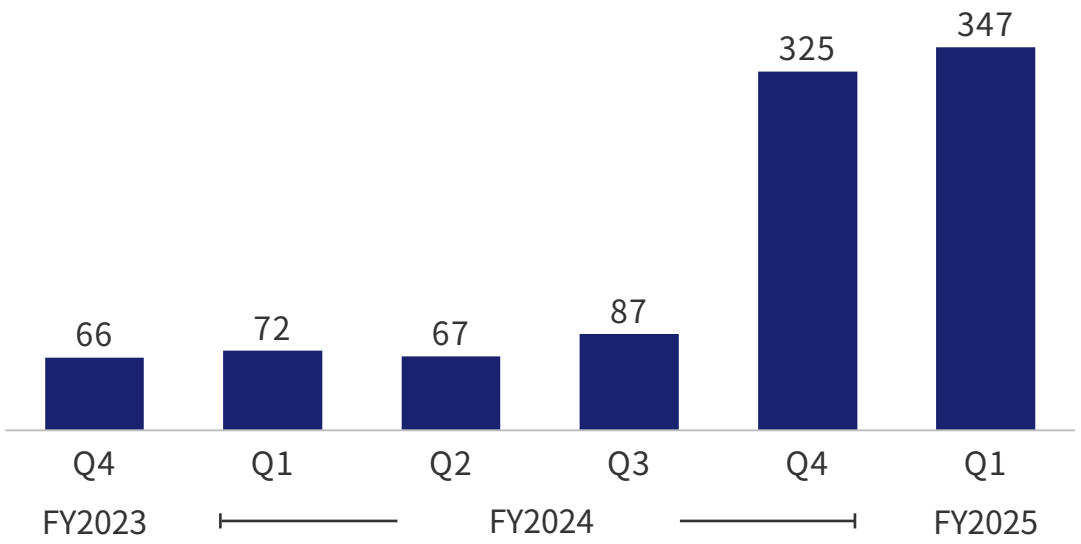
*1: Segment disclosure began in Q4 of the fiscal year ending August 2023.

Agent : KPIs

With the group integration of coconala Tech (formerly an consulting) and the rapid growth of Coconala Assist have led to a significant increase in both the number of clients and active workers

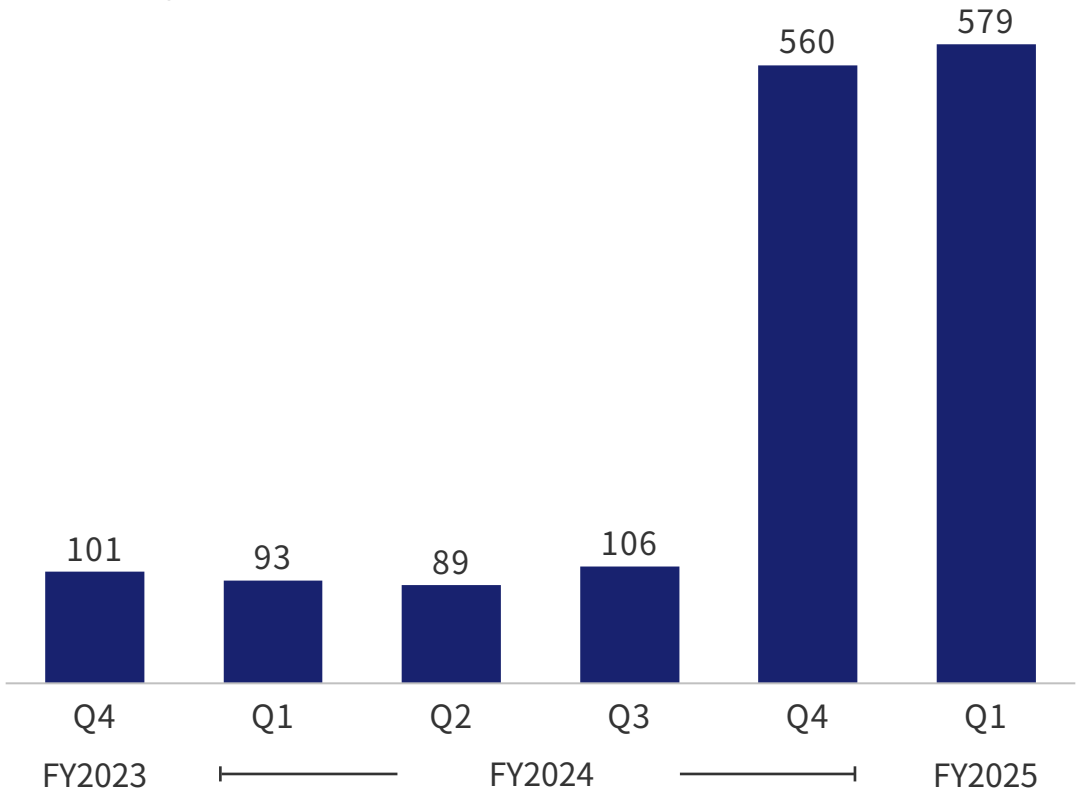
Clients*1

(Unit: Companies)



Active Workers*2

(Unit: People)



*1: The total number of contracted companies in each agent business as of the end of each quarter
*2: The total number of active workers in each agent business as of the end of each quarter

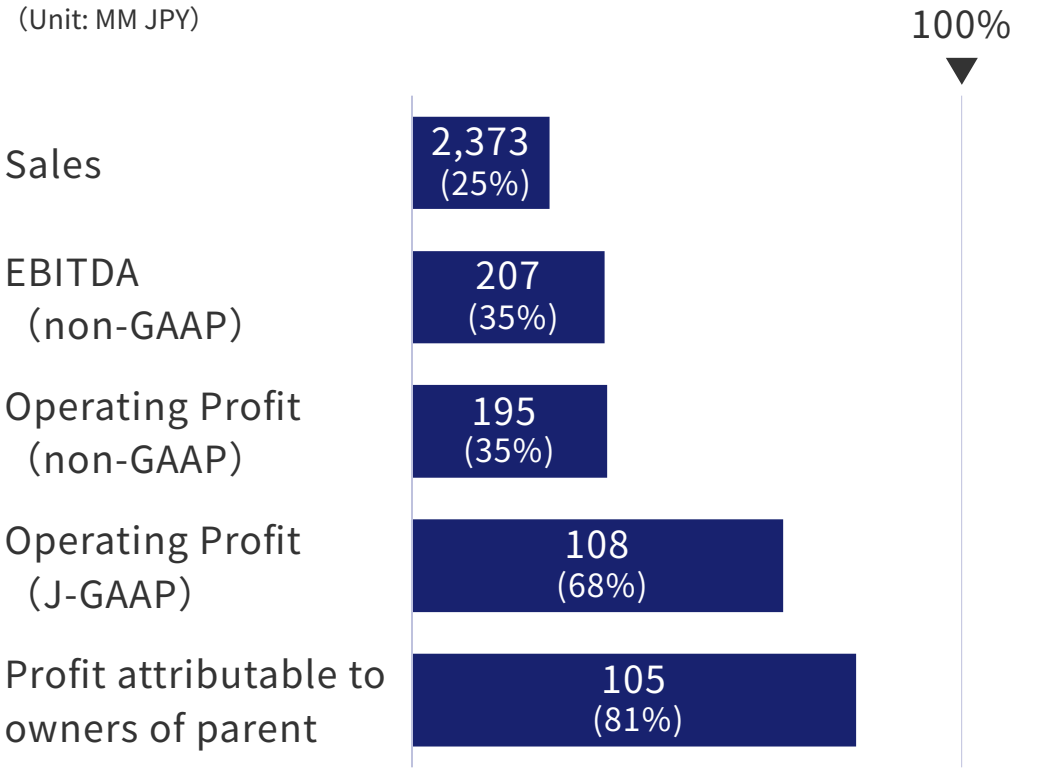
Progress Rate Against the Full-Year Earnings Forecast

All indicators are steadily progressing. Considering factors such as cost concentration in the second half, there are no changes to the full-year performance forecast

Full-Year Earnings Forecast

(Unit : MM JPY)	FY2024 Result	FY2025 Forecast	YoY
Sales	6,588	9,500	+44.2%
EBITDA（non-GAAP）	583	590	+1.2%
Operating profit（non-GAAP）*1	546	550	+0.7%
Operating profit（J-GAAP）	304	160	-47.3%
Profit attributable to owners of parent	243	130	-46.5%

Status of Progress



*1: Operating profit (non-GAAP) = Operating profit + Goodwill amortization + share-based payment expenses + Coconala Skill Partners expenses.

Topic

Released subscription function

coconala

Released “subscription” function that enables users to repeatedly purchase services on offer automatically every month.
It will become easier for sellers to manage schedules and buyers to control costs, and smooth communication will also be achieved.
Mutual understanding will deepen through repeated transactions, leading to the enhancement of the quality of the provided services

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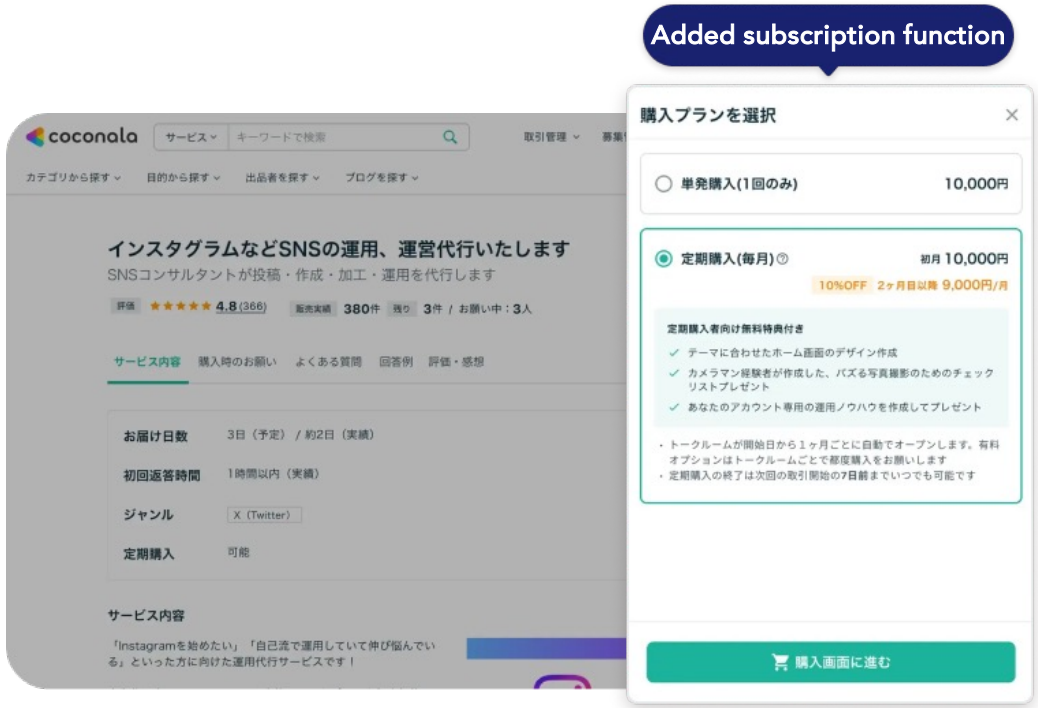
Can be repeatedly purchased automatically every month!

Released subscription plan!





Launched coconala AI studio

Started providing services of “coconala AI studio”, an operational support AI tool for businesses, in November 2024. Aim to create an environment where not only sellers of coconala but also many business people can concentrate on their area of specialty

Available from 1,900 yen per month

coconala AIスタジオ
AI Studio

01

Equipped with a wide range of the latest AI

A variety of AIs available starting from 1,900 yen per month



02

Can be used immediately in business!

More than 600 generation templates optimized for each output



03

Knowledge of AI is unnecessary!

Simply entering information according to the form Desired generative experience for everyone

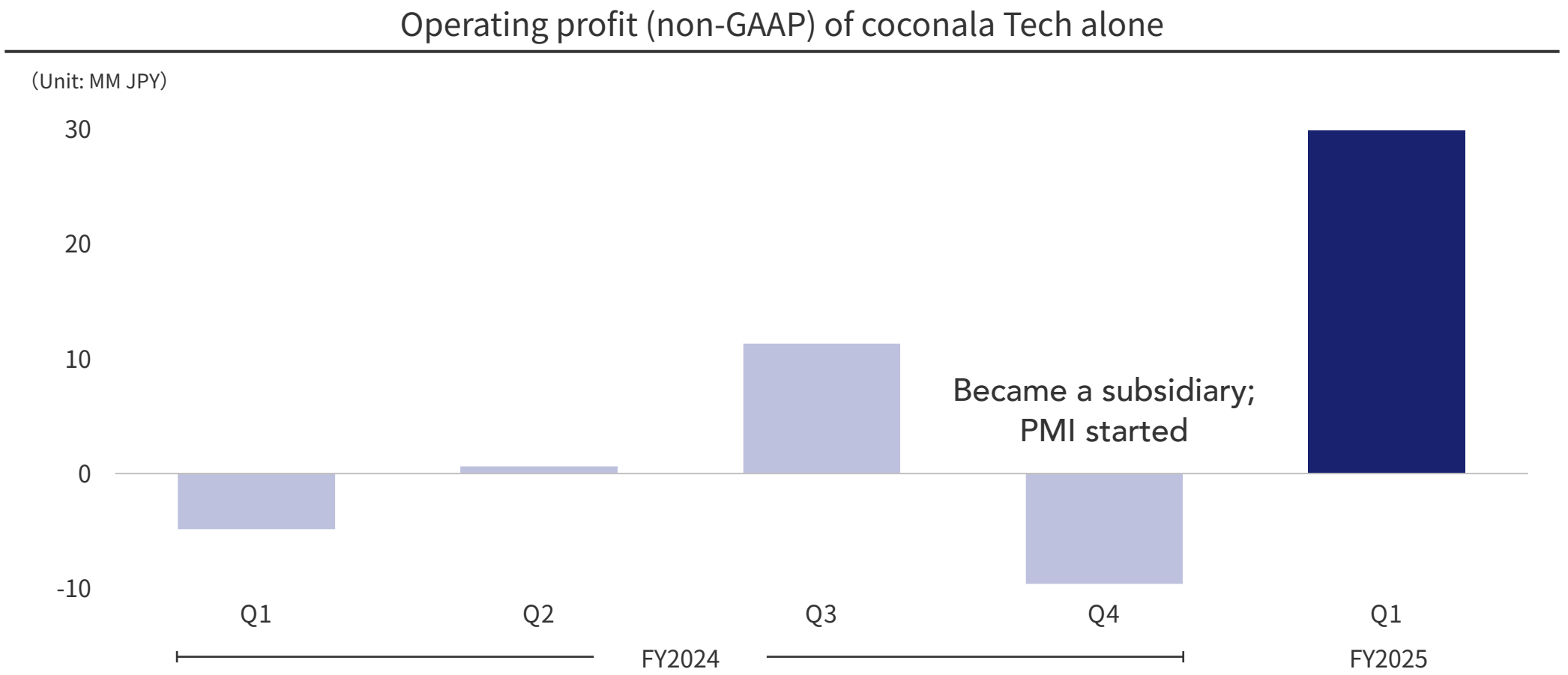


Topic

About the Progress of coconala Tech PMI

coconala

They built a PMI support system and has promoted structural reform since consolidation in June 2024. From the first quarter of fiscal 2025, they have created profits that are far larger than those before they were made a subsidiary. To create further synergies with the coconala group, we will provide support in terms of management, marketing, and sales



2. Growth Policies

coconala

Vision

Create a world where each person lives their “own story”

Mission

Provide a platform to empower individuals by making their knowledge, skills and experience visible and connecting them to those who need them

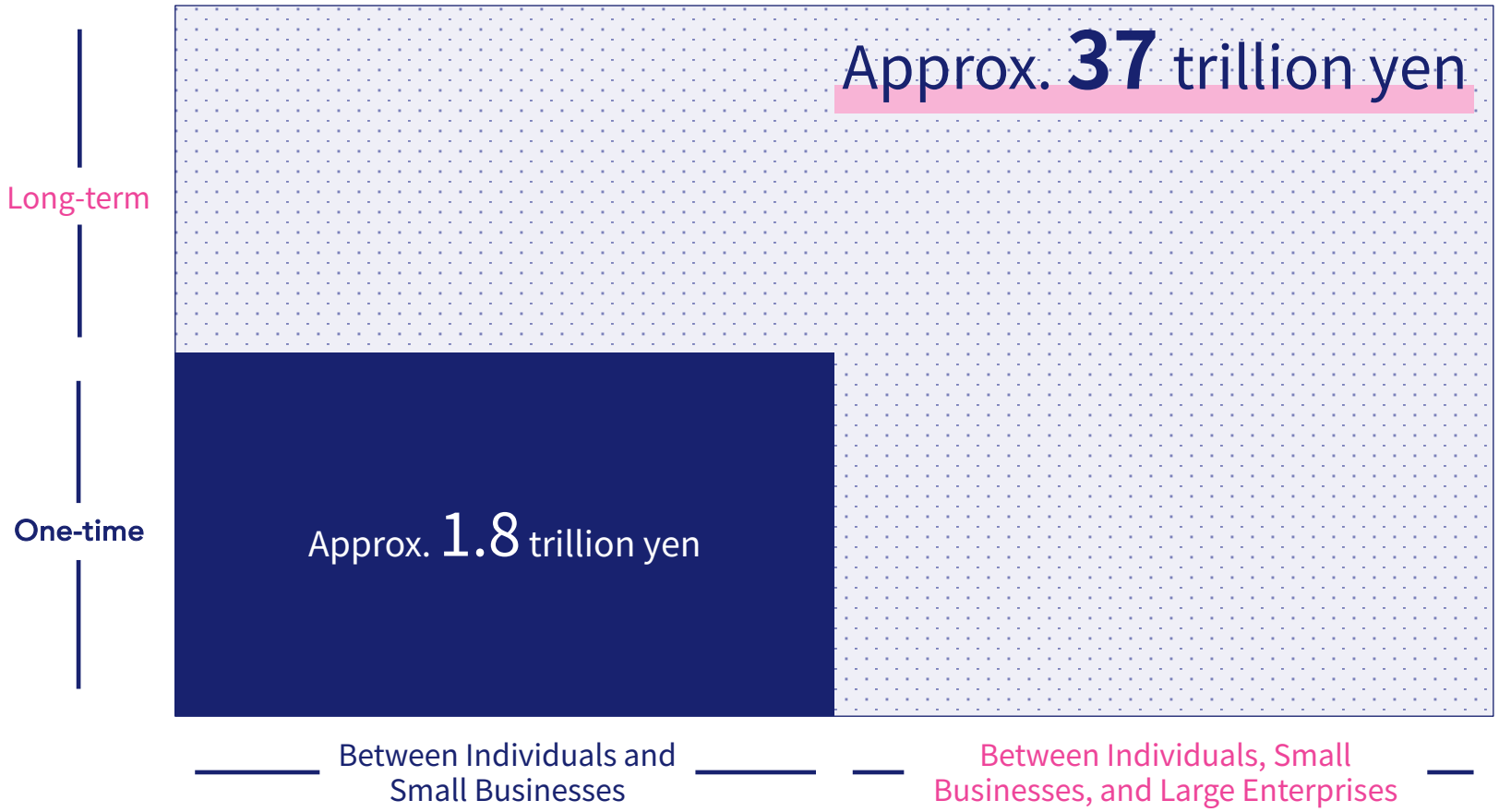
Growth Policies

By leveraging shared assets such as databases and products, we aim to establish a comprehensive service platform that encompasses everything

TAM：Image of the Size of the Market Targeted by coconala

In addition to the single-service areas we have targeted thus far, we aim to accelerate growth by expanding our marketplace product lineup through the utilization of our existing database and product assets, thereby adding the area of ongoing services as a target

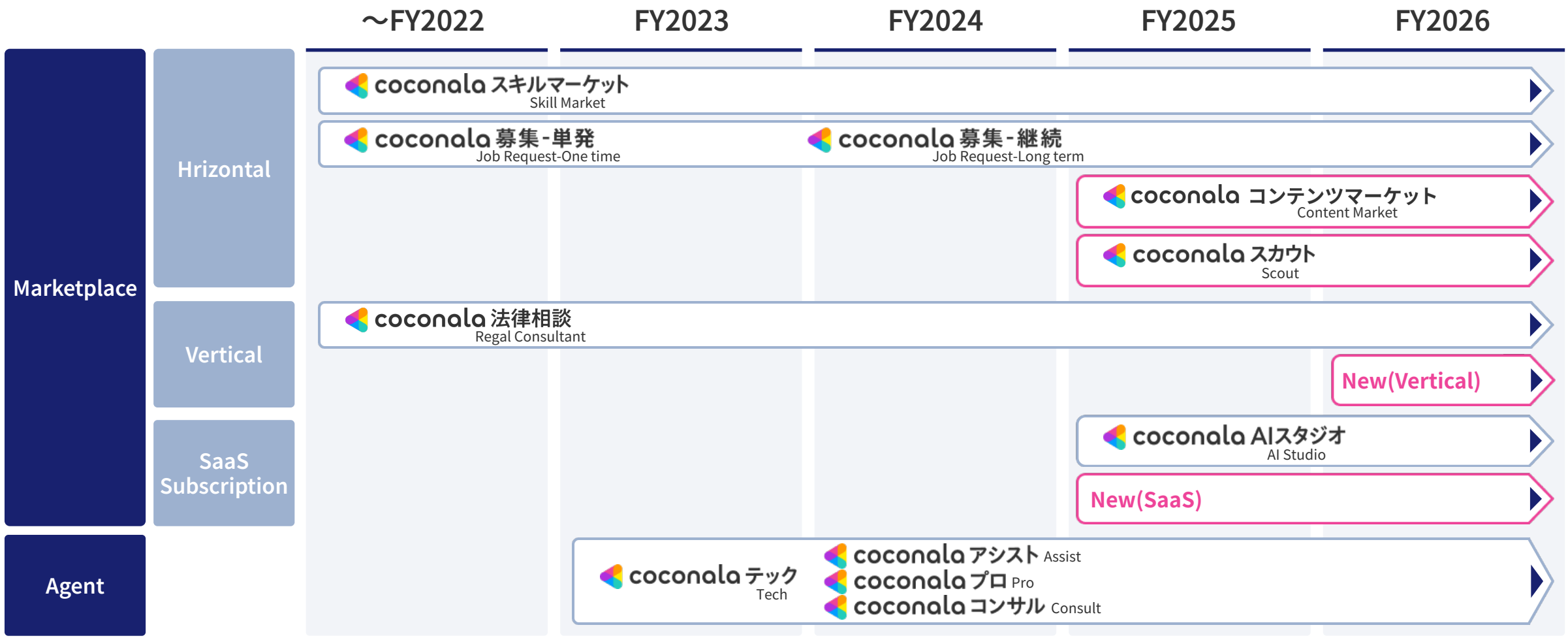
■ Size of Market for Online Matching Between Individuals and Businesses*1



*1: The total revenue for industries classified as capable of providing services through online matching, calculated from the Economic Census. This was commissioned by us to the Japan Research Institute, which prepared the market size for online matching services in August 2024.

Towards a Comprehensive Service Platform (Evolution of Business Initiatives and Future Plans)

We will officially begin diversification starting from the fiscal year ending August 2024. From the fiscal year ending August 2025 onward, we aim to strengthen business development based on the talent, client database, and product foundation cultivated in the marketplace, with a particular focus on accelerating the growth of the highly profitable marketplace business



Mission by Segment

	Business Policies	Progress for Q1 of 2025
Corporate-Wide	● Make databases (talent and clients) enriched and common to serve as the source of competitiveness ● Make business lineup additions to meet needs for matching skills, knowledge, and experience ● Make use of horizontal business expansion for integrated sales and marketing and network effects that would lead to overwhelming growth	● Promoting the development of a common platform to facilitate company-wide utilization of talent and customer databases ● Currently strengthening the organization to enable cross-functional sales activities
Marketplace	● Enrich product lineup through compound strategy by utilizing databases ● Promote matching and lighten user burden by utilizing AI ● Develop functions that would contribute to better retention rate	● Several new matching-style services, such as cocoonala Scout, are currently in development ● To promote matching opportunities and reduce user burden, "AI Purchase Assist" and "Service Listing Assist" have been released ● To improve retention rates, a subscription function has been released
Agent	● Create matching by utilizing the talent database ● Improve matching efficiency by utilizing AI ● Maximize gaining efficiency through cross-selling and marketing	● Through the use of cocoonala's talent database for matching, cocoonala Assist and cocoonala Pro have been steadily growing ● Progressing the integration with cocoonala Tech to drive more efficient advertising and sales initiatives
Business Development	● Select businesses that have the potential of expanding value proposition in the fields consistent with coconala's vision and mission ● Realize vertical startup by utilizing coconala assets or capabilities ● Build the framework for demonstrating mutual synergies as one of the Ecosystem lineup	● As a new form of value creation, cocoonala AI Studio has been released, aiming to create an environment where individuals can fully leverage their skills ● Preparing to launch coconala Academy in the reskilling domain

coconala's Ecosystem

coconala

Existing　New　In preparation

Service/one-time　**Project/long-term**

Marketplace　**Agent**　**Business Development**

EC（horizontal）　EC（vertical）　Recruitment/Scouting

Area/Category

- Development
- Consulting
- Business agency
- Creative
- Consultation
- Learning
- Entertainment

EC（horizontal）
- coconala スキルマーケット Skill Market
- coconala コンテンツマーケット Content Market

EC（vertical）
- Vertical EC
- coconala 法律相談 Regal Consultant
- Vertical EC

Recruitment/Scouting
- coconala 募集 Job Request
- coconala スカウト Scout

Agent
- coconala テック Tech
- coconala コンサル Consult
- coconala アシスト Assist
- coconala プロ Pro

Business Development
- coconala AIスタジオ AI Studio
- coconala アカデミー Academy

3. Appendix

- Company Overview
- Detailed Growth Strategy
- Overview of Each Service
- Market Environment Serving as Tailwinds
- Supplementary Materials

coconala

3. Appendix

- **Company Overview**
- Detailed Growth Strategy
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Company Overview

Company Name		coconala Inc.
Address		Tokyo Headquarters 20-1 Shibuya Infoss Tower 6F, Sakuragaoka-cho, Shibuya-ku, Tokyo, Japan, 150-0031
CEO		Ayumu Suzuki
Founding Date		January 4, 2012 （March 19, 2021 Listed on the Tokyo Stock Exchange Mothers Market）
Business Overview		Addressing management and human resource challenges through various services. — coconala Skil Market — coconala Job Requests — coconala Legal Consultation — coconala Tech — coconala Assist — coconala Pro

Management Team

Transition to the following structure upon approval at the November 2024 Shareholders' Meeting. Mr. Koike will leverage his expertise in launching and scaling new businesses, while Mr. Imamura will apply his specialized knowledge in human resources, organizational management, and corporate planning to enhance our corporate value



Ayumu Suzuki/ CEO

Graduated from Waseda University. Gained experience in product planning and sales as well as new business development in Ad-technology at Recruit Co., Ltd. Later worked in the overseas business planning division at Recruit Holdings Co., Ltd. and joined coconala Inc. in May 2016



Akiyuki Minami/ Company director

Graduated from Keio University and Saïd Business School (MBA) at Oxford University. Worked as an analyst at Sumitomo Banking Corporation (current Sumitomo Mitsui Banking Corporation), then oversaw corporate buyout at Advantage Partners Inc. Founded WelSelf Inc. (current coconala Inc.) in January 2012

New



Masahide Koike/ Outside Director

As Executive Vice President at CyberAgent, Inc., he was responsible for launching and scaling various media platform models, including Ameba and ABEMA, as well as other businesses such as gaming. Subsequently, he founded Gratch Scaling Inc. and assumed the role of President and CEO. Outside Director of our company since November 2024



Kentaro Yadomi/ Outside Director (Audit and Supervisory Committee Member)

Certified Public Accountant. After joining KPMG AZSA (now KPMG AZSA LLC), he was engaged in accounting audits based on Japanese GAAP, U.S. GAAP, and IFRS, as well as financial due diligence work related to domestic and international M&A and business restructuring support. Auditor of our company since March 2017

New



Kenichi Imamura/ Outside Director (Audit and Supervisory Committee Member)

At Recruit Co., Ltd., he served as Head of Corporate Planning and Head of Human Resources, overseeing a wide range of HR functions, including system design, as well as leading management and overseas business development for the holding company. He later became Executive Officer and Head of Human Resources at Z Holdings Corporation before assuming the role of Chief People Officer (CPO) at ispace, Inc. Outside Director of our company since November 2024 (Audit and Supervisory Committee Member)



Yuka Hattori/ Outside Director (Audit and Supervisory Committee Member)

After working at Recruit Co., Ltd. in human resources and business development, established Inclusion Japan Inc. which provides incubation services and became its representative director. Auditor of our company since August 2015

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coconala's Assets and Competitive Advantages

coconala

Keep generating vertical startup of businesses and synergies across businesses by utilizing assets, making use of database, product, and marketing and sales infrastructure

① Database Infrastructure

- Talent (skills, knowledge, and experience) database
- Client(buyer, job) database
- Matching (transaction info and reviews) database

② Product Infrastructure

- Common account infrastructure
- Talent profile infrastructure
- Matching infrastructure
- Payment infrastructure
- Management (sales and messages) infrastructure

③ Marketing and Sales Infrastructure

- High awareness rate (general: 50%; business: 80%) driving traffic from branded keywords
- Long-tail SEO with the vast listing content
- Reach extending to Mizuho Bank's 400,000 corporate accounts through Mizuho coconala

① Databases: Common and Full Utilization of Infrastructure

coconala

The data and transaction info pool from 5 million registered users become seeds for the next business and forms barriers to entry

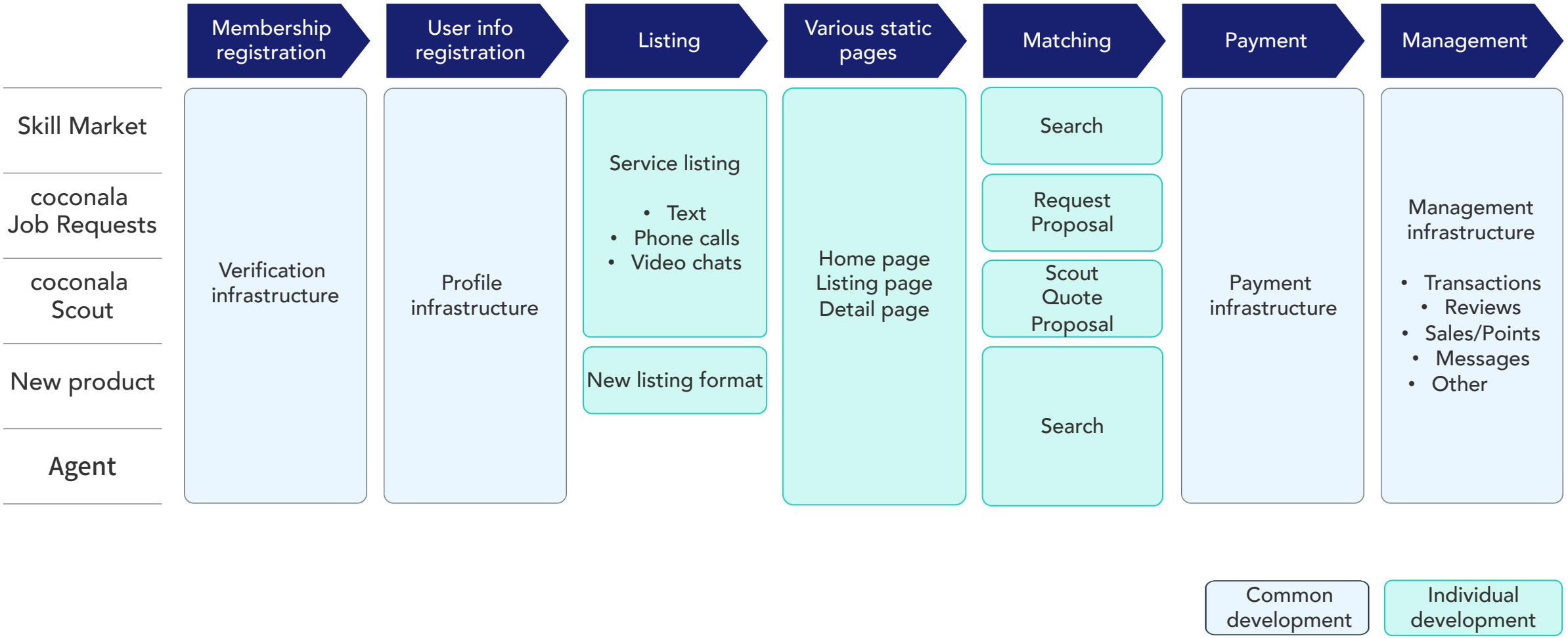
	In Figures	Competitive Advantages
Talent Database 	● Registered skills: 900,000 people ● Services on offer: 900,000 services ● Categories available: Over 740	● With talent for various needs, vertical startup of businesses feasible as long as request needs can be secured ● Network effects work to gather buyers if there are many services on offer and those buyers bring in sellers
Client Database 	● Buying users: 2,100,000 accounts ● Of which, corporate: 500,000 accounts	● Boasts skills, knowledge, and experience marketplace of Japan's largest size in terms of GMV*1 ● Size expanding with network effects of clients attracting working talent and working talent attracting clients ● Japan's largest number of reviews with behind-the-scenes matching of service provision giving credibility to services ● Having reviews makes the cost of transition to other services high ● Can expand business based on the credit data formed by the reviews and transaction info
Matching Database 	● Cumulative transactions: 12,000,000 ● Cumulative reviews: 15,000,000 (sum of both buyer and seller sides)	

*1: According to market research on skill matching platforms (Trending Future Research's No. 1 Verification Research as of September 26, 2024). Details are presented on page ○ of this financial result presentation.

② Marketplace Features: Improvement of Efficiency Through Compound Development

coconala

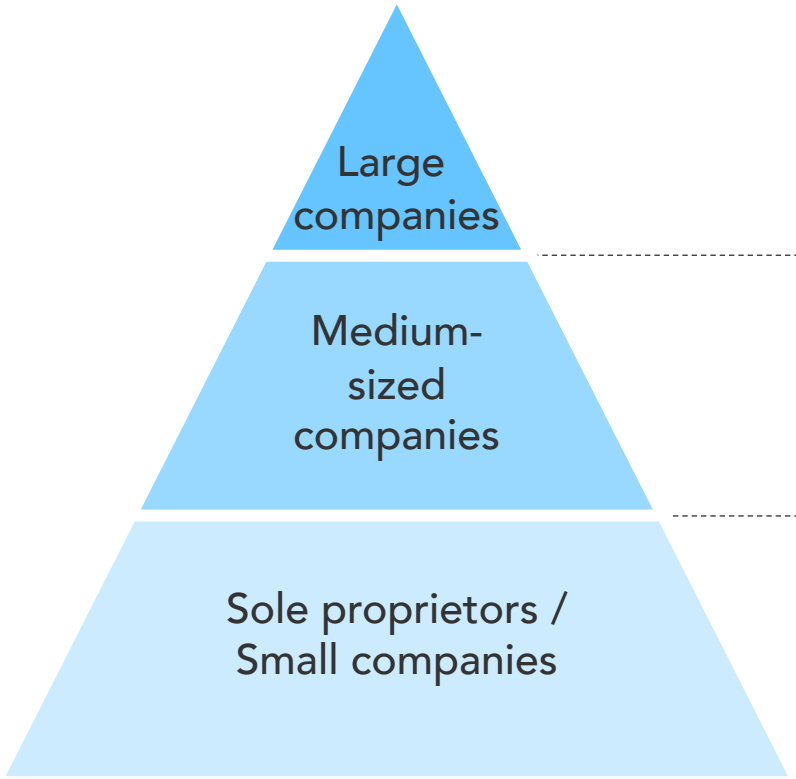
By making most of the features common, development is efficiently of mainly the user interface portion when developing new products



③ Marketing and Sales: Go-to-Market Strategy

coconala

Capturing various client needs of varying sizes through a wide range of reach methods from the utilization of technologies to sales

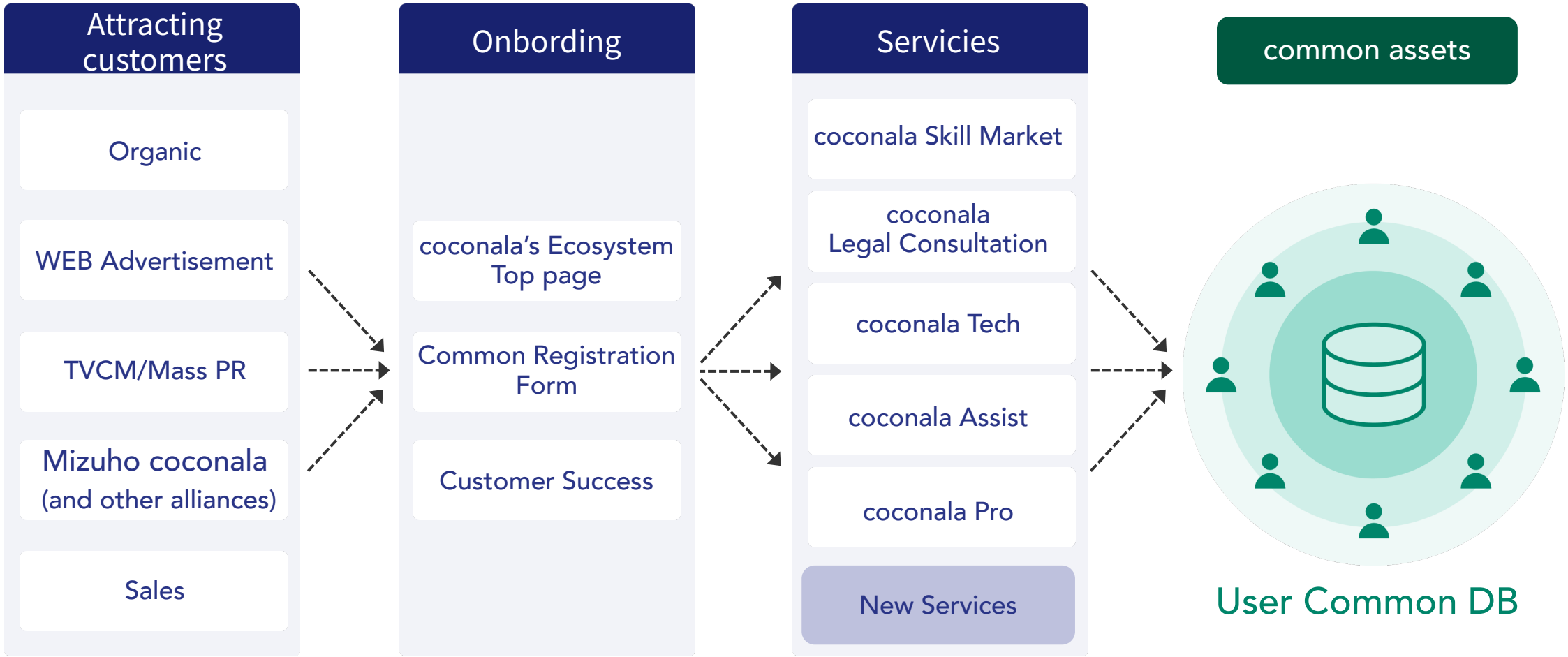


Measures to Gain Buyers/Clients

SEO Web ad TVCM	Mizuho coconala	Inside sales
[Strengths] High awareness rate driving traffic from branded keywords • General awareness: 50% • Business awareness: 80% Gaining through long-tail keywords with the vast range of highly original, user-generated listing pages (over 800,000)	**[Strengths]** Potential to reach 400,000 corporate accounts	**[Strengths]** Sales across services facilitating early capturing of needs and cross-selling

Reference: User Onboarding Process

coconala



Compound Growth Strategy That Makes the Most of Assets

coconala

Marketplace

coconala スキルマーケット
Skill Market

coconala 募集
Job Request

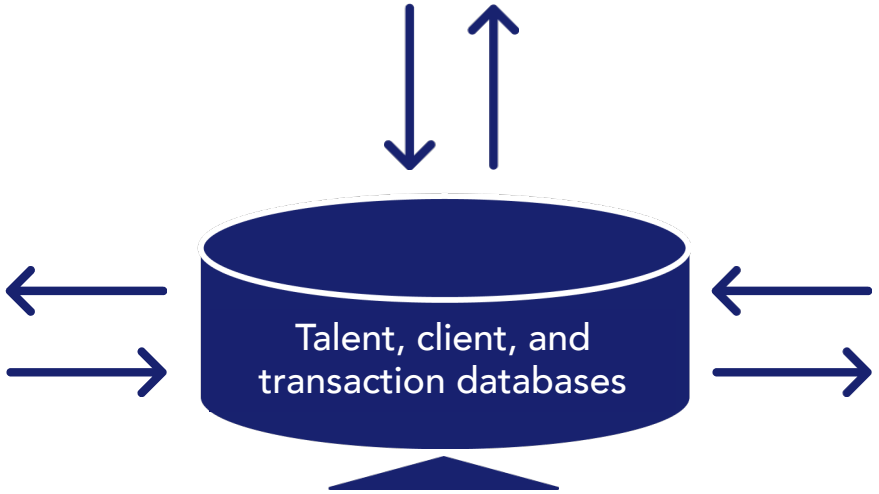
① Extended value proposition through enriched product lineup

- coconala Scout
- coconala Content Market
- Vertical e-commerce

Agent

② Launch of businesses by utilizing assets

- coconala テック Tech
- coconala アシスト Assist
- coconala コンサル Consult
- coconala プロ Pro



③ Utilization of AI

Matching support, recommendations, productivity improvements, etc.

Business Development

④ Extended value proposition through new businesses

- xxx
- xxx

① Extended Value Proposition Through Enriched Product Lineup

coconala

Pursue growth through compound product lineup with provision fields, matching methods and deepening by category

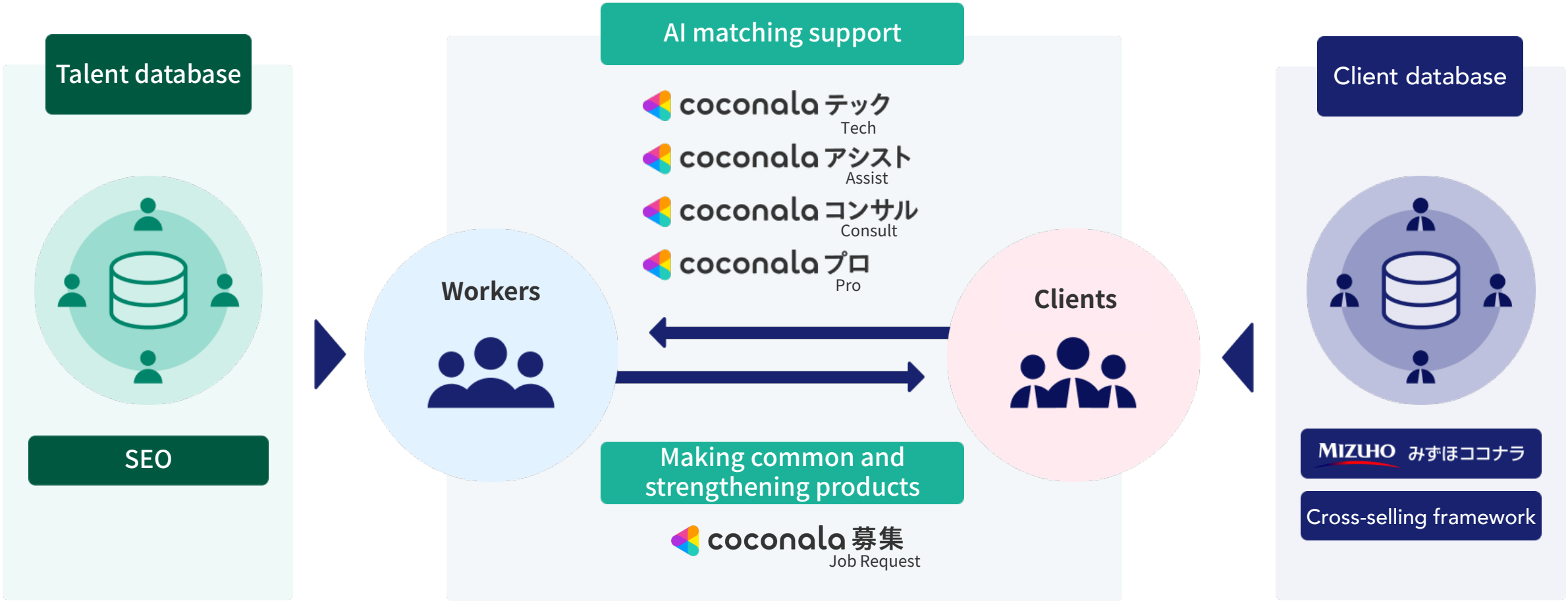
	Service provision fields	Matching method	Deepening by category
Content of extension	One-time engagement + Long-term engagement (outsourcing)	E-commerce + Bidding + Scout	Horizontal e-commerce – services + Horizontal e-commerce – content + Vertical e-commerce
Points	• Providing matching of work that continues to generate over a long term (IT development, assistant operations, consulting)	• Preparing matching forms in line with IT literacy, needs, and corporate size	• Capable of providing UI/UX comparable to specialized products • Refining content, consulting, divination, and other categories with ample room for growth with professional organizations
Impact on KPIs	• Improving LTV with better retention rates and unit prices	• Increasing matching count • Increasing medium-sized and enterprise clients	• Boosting GMV with growth of individual categories

② Launch of Agent Businesses by Utilizing Assets

coconala

Fully utilize assets to keep realizing more efficient worker and client gaining and matching

Maximizing matching efficiency



③Utilization of AI

In addition to improving the convenience of clients and contractors and maximizing matching efficiency, we prioritize the implementation of AI across all businesses to enhance employee productivity

Marketplace

【Order/Request】

- Support for Estimate Request/Response Input
- Support for Posting Job Opening/Applications
- Support for Inputting Listing Information

【Ordering】

- AI Chat Purchase Assistance
- Image Recommendations
- Keyword Search Suggestions

【Internal】

- Service Listing Health Check
- Optimization of Service Category Classification

Agent

【Internal】

- Matching Assistance

【Active Workers】

- Recommended Projects at Registration

Others

【Interanal】

- Improving Productivity of Routine Operations
- Automating Marketing Operations

【Product】

Launching New Businesses Utilizing Generative AI

④Value Expansion through New Business - AI Product Business

coconala

Officially launched in
November 2024

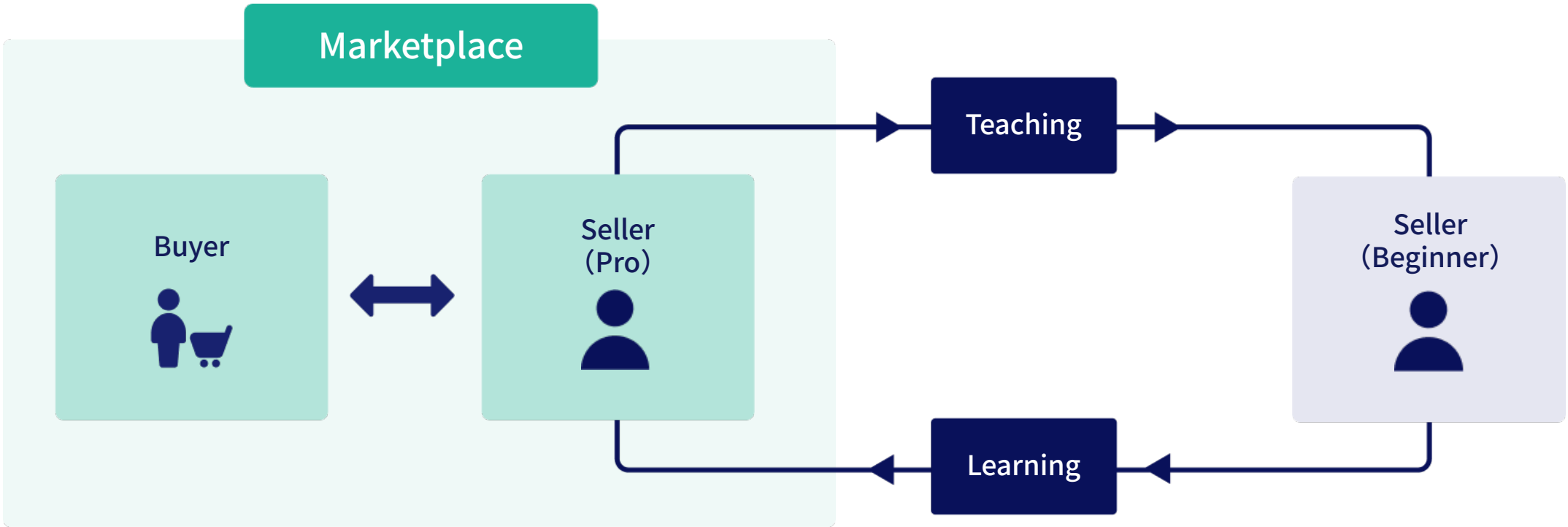
coconala
AIスタジオ
AI Studio

A platform service that utilizes the latest AI technologies, such as ChatGPT and Imagen, to generate various types of content, including text and images



④Value Expansion through New Business - Learning and Reskilling Business

In addition to the "ordering and delivering" of skills, knowledge, and experience, we are developing a business focused on "acquiring" skills, knowledge, and experience



Financial Policies

Financial Policies by Segment

Corporate-Wide

- Stably keep up sales growth in the range between +20% and +30% YoY
- Continue to invest in strategic fields while keeping up profitable management

Marketplace

- In the medium to long term, further increase profit margin (currently over 30%) to form a high profit structure
- In terms of core businesses, place emphasis on medium- to long-term growth and use any increase in contribution margin as the source of funds for making reinvestments

Agent

- Enrich business lineup from the perspective of extending the fields of value proposition, but keep eliminating deficits early
- Continue to consider enriching through M&As within the scope that operating profit after amortization of goodwill is in the black

Business Development

- Consider active investment premised on maintaining or expanding profitability in terms of consolidated operating profit

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coconala スキルマーケット

Skill Market

Service Overview

Japan's largest skill market where "knowledge, skills and experience" can be sold and bought



Marketplace

- A horizontal platform where services of more than 740 different categories are listed
- Solves various issues whether for business or for private use

Can be used in various matching forms

- Various matching forms are available depending on the needs of users including not only direct purchase but also estimate consultation
- Compatible with both PCs and smartphones. Approximately half of the transactions are made via smartphone apps

Easy and speedy transactions with e-commerce model

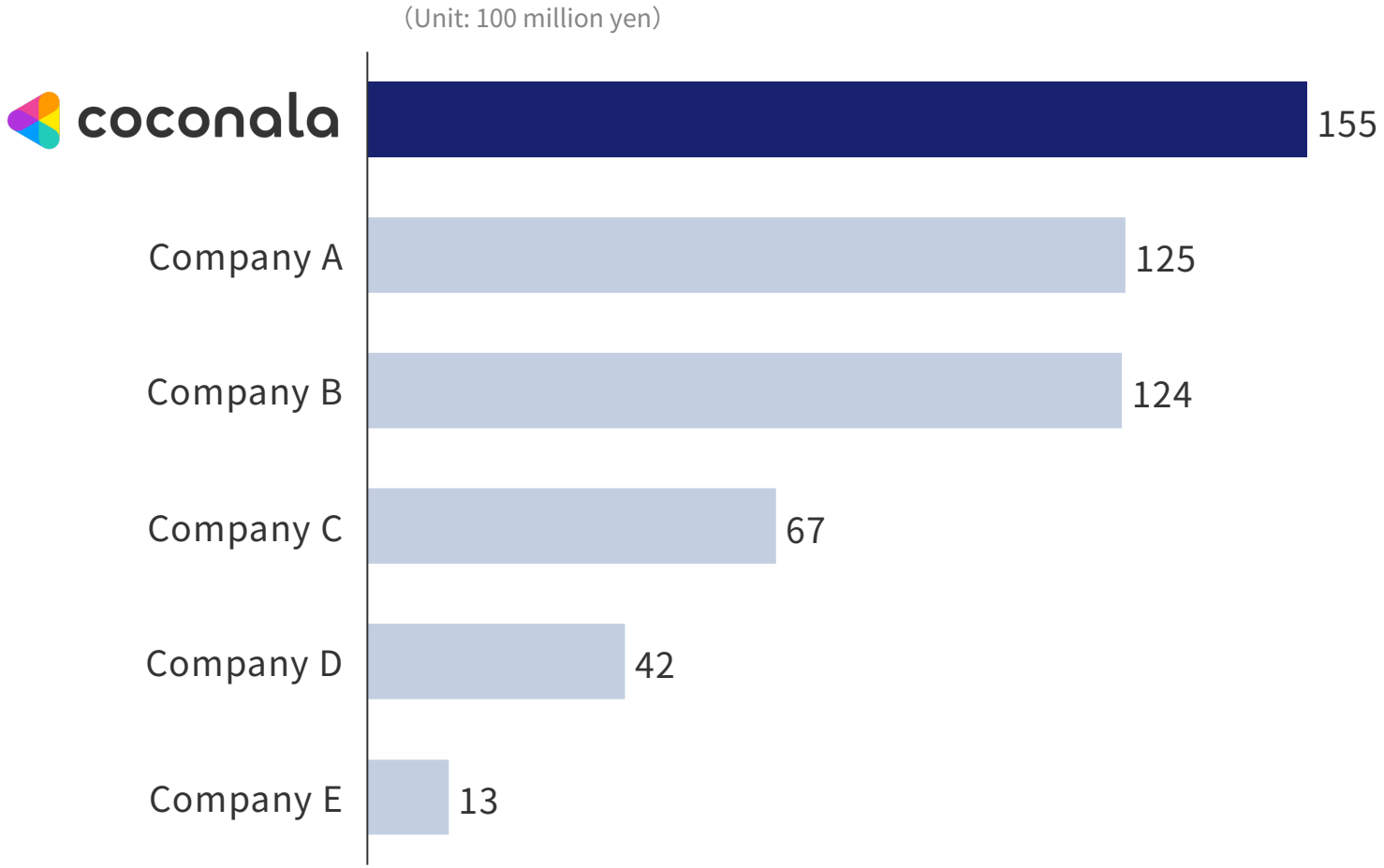
- The high awareness rate (general: 50%; business: 75%) has kept the number of registered users increasing, hitting 5.0 million people
- Size expanding with network effects of clients attracting working talent and working talent attracting clients

Actual Results

coconala Skill Market boasts the No. 1 share of the skill-sharing platform services industry in terms of GMV



According to market research on skill matching platforms
(Trending Future Research's No. 1 Verification Research)
* As of September 26, 2024



Use Cases of Customers

coconala Skill Market is used by a wide range of clients from large companies to self-employed people

NIJIYA Cafe & Dining



What they ordered

- Logo creation
- Creation of shop's perspective drawings
- Creation of shop cards and business cards
- Creation of shift rosters

PERSOL CAREER Co., Ltd.



What they ordered

- Brushing up company/work brochures

Kenmin Foods Co., Ltd.



What they ordered

- Logo creation
- Brushing up documents
- Designing recipe cards

SHIMIZU CORPORATION



What they ordered

- English translation of technical matters
- Overseas business research
- Designing food posters


coconala 募集
Job Request

Service Overview

A bidding type service that receives applications from a large number of professionals by just posting job openings



Immediate matching is possible by just posting projects

- Number of skill registrants has reached more than 1 million
- Received applications from registered users with various “skills, knowledge and experience”
- Screening based on the profile with detailed skills and portfolio as well as the performance and reviews at coconala is possible

Can be used in various matching forms

- No initial costs and fee for sending scouts are charged
- No closing cost
- Pay-per-use model charging only for actual work

Easy and speedy transactions with e-commerce model

- Online interviews can be conducted after matching
- Complicated procedures are unnecessary as the agent will handle the contract procedures in the case of ongoing projects

Two ways to request according to needs

Request for one time



✓ **Can request one-time jobs**
✓ **Pay for delivered product**

Job categories to order

Design / Web production / Illustration
Web development | Video / Music | Marketing
Writing | Consulting | Business agency ···, etc.

How to use



1. Post job you want to request
Enter budget and deadline by filling out the form. You can post the job you want to request that easily.



2. Select proposal to order
Just wait and you will receive proposals from professionals. You can immediately order any request you like.



3. Receive delivery
Transaction will become complete upon your approval after confirming the content of the delivery.

Request for long term
(outsourcing)



✓ **Can request long-term jobs**
✓ **Pay for time worked**

Job categories to contract

Sales | Marketers | Business development
Engineers | Designers | Customer support
Corporate | Consultants ···, etc.

How to use



1. Job posting
Post job by providing job details, and terms and conditions

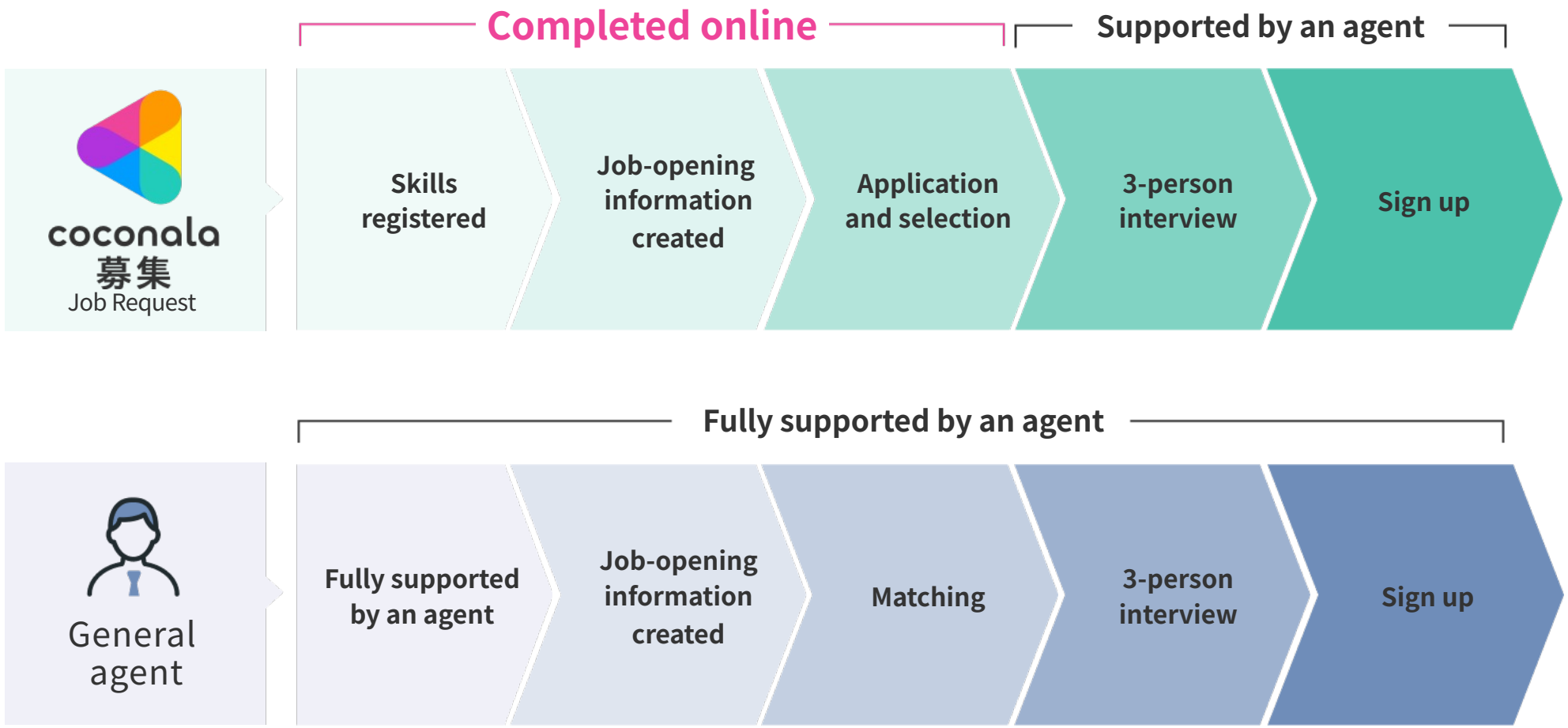
2. Document screening
Screen documents based on the content of the applications received

3. Three-way interview
Conduct three-way interview with candidate and coconala operating staff

4. Contract and work commencement
Work commences after terms and conditions are finalized, intermediated by coconala operating staff

Business Model Advantage

In the case of continuing services, matching is possible with far fewer man-hours of sales staff than the case of the agent business. An agent attends from an interview to provide support until the conclusion of a contract; this provides the sense of security for the company and simplifies procedures.Rolling out successful cases of matching in the agent business provides top-line growth more efficiently



Use Cases

Can also meet the needs that could not be met by using a new matching method

WORKHERO Inc.



Needs and troubles

Provides BPO services of back offices, and had struggled to recruit operators who actually does the work

What they ordered

Recruitment of back office staff for accounting, labor and taxation

Reason why they have chosen coconala Job Requests

Wanted to use a medium that may be able to recruit multiple experienced workers all together at the desired hourly wage, while struggling to recruit operators

Feedback on usage

Want to use it in the sales area as well since we recently plan to focus more on such area

Sai Co., Ltd.



Needs and troubles

Wanted to renew the design of the corporate website, and sought ways to make requests by easily comparing the request destination

What they ordered

Design of home page of corporate website

Reason why they have chosen coconala Job Requests

We had a feeling of satisfaction as we were able to choose from multiple proposals

Feedback on usage

Very satisfied with the high quality


coconala 法律相談
Regal Consultant

Service Overview

A Japan's leading media platform for legal consultation, in which more than one in ten domestic lawyers is registered. A recurring-revenue business model that collects a monthly charge from lawyers subscribing to a subscription plan



From simple problems to professional problems Solved on websites

- Possible to consult with lawyers by just posting on the media
- Posting legal Q&As for free. The number of legal Q&As posted has hit 50,000 cases, which is the largest number[*1] of legal Q&As that can be browsed at no charge

Matching with the right lawyer

- Platform registered by more than 4,000 domestic lawyers
- Possible to set and narrow down the details such as the fields, regions and conditions of each lawyer

High-quality contents

- It contains exclusive interviews filmed.

Actual Results

It has accumulated results steadily since the start of its services in 2016 and become Japan's top-class*1 platform in the area of legal consultation







*1: Market research on legal consultation platforms (search for No. 1), by Trending Future Research Institute inc. (as of September 26, 2024)

Strong support for law offices to attract customers online

Sadanaga Law Office

貞永法律事務所
Sadanaga Law Office



Area of expertise

Corporate legal work with close attention to an actual situation, by taking advantage of working experience as an employee at an automobile company and a game company

What they ordered

We were struggling to implement SEO measures in the early years after launching the office.

We considered it superior as a tool to provide office information instantly.

Effect of services

Accepted four cases in one month after published for a charge

Habataki Law Office

はばたき法律事務所
HABATAKI LAW OFFICE



Area of expertise

Addressing various needs from familiar legal troubles to corporate legal work as a local counselor entrenched in Gunma Prefecture

What they ordered

We thought that a portal site would allow us to reach customers extensively as a means in the early stage of attracting customers online.

Effect of services

We received more online inquiries including through our website.


coconala テック
Tech

Service Overview

Agent service that matches IT freelancers with various “skills, knowledge and experience” with companies



Solving the problems of companies regarding IT/DX

- Referring IT-related talent with high demand for freelance work, centering on IT engineers and designers
- Flexible requests can be made depending on the project

Responding flexibly also to sudden requests

- Able to engage in projects as quickly as “3 days at the earliest,” the interviewing, contracting, etc. included

Referring talent with various skills

- Able to propose talent with various skills from the users registered for the service and the talent database of coconala Skill Market

Performance

coconala Tech (formerly an consulting) , which has a history of over ten years, joined the Group in June 2024. The value that can be provided expanded significantly for both clients and freelancers

Track record of supporting freelancers for more than ten years*1

Cumulative number of client companies	Retention rate of customer service	Cumulative number of registered freelancers	Retention rate of freelance service
6,445	98.9%	21,170	95.9%

*1: 2024年11月末時点実績

Use Cases

The service is used by a wide range of clients from large companies to self-employed people

Uzabase, Inc.



Needs and troubles

With our development team expanding rapidly along with business growth, we needed to secure engineers that fit our organization in order to maintain and expand the team without impairing our development culture.

What they ordered

Full-stack software engineers

Feedback on usage

All persons who joined us hone their skills every day with an interest in technology and a desire for self-improvement; we want them to work for a long period of time.

International Sports Marketing Co., Ltd.



Needs and troubles

Employees in charge of reviewing codes were overwhelmed by work, and we were looking for a person that we can ask to do review work for about 20 hours a month.

What they ordered

Person for code review

Reason why they have chosen coconala Tech

- Speedy suggestion within the same day
- Staffing of a person who matches needs pinpointed


coconalaアシスト
Assist

Service Overview

Agent business that matches full remote assistants who fit the job type, level and experience with companies



Referring talent suitable for the needs of companies

- Referring a diverse array of talent by utilizing the database of 1 million people
- Referrals range widely from administrative, secretarial, and other assistants to HR, accounting, creative, and other skilled talent

Placing requests is easy, starting from 40 hours a month

- Requests do not necessarily have to be full time but can also be cases like “when needed during busy season” or “only during the morning every day”

Zero recruitment cost, starting from 80,000 yen per month

- No additional costs such as recruitment fees or referral fees
- As we introduce professionals with relevant work experience, no training costs are required

Use Cases

Introducing persons who just match various needs of clients

Sato Special Oil Co., Ltd.

佐藤特殊製油株式會社



Needs and troubles
Along with business expansion, they decided to hire new graduates for the first time in five years. However, there was no person with knowledge in the company.

What they ordered
Advice and support regarding all aspects of new-graduate employment

Reason why they have chosen coconala Assist
We were able to ask a person with knowledge on the spot.

Feedback on usage
We received an introduction to a perfectly fitting person; it was very helpful. For other areas such as marketing, we want to consider making a request too.

Nippon Care Communications Co.,Ltd.

株式会社 日本ケアコミュニケーションズ



Needs and troubles
Along with employee's leave of absence, they considered outsourcing some business in his charge.

What they ordered
Creation and operation of a corporate website

Reason why they have chosen coconala Assist
We were able to ask for work on a one-to-one basis.
It carefully helped us define personnel requirements.

Feedback on usage
We felt that business opportunities with external resources with deep knowledge also lead to improvement of internal staff's skills.


coconalaプロ
Pro

Service Overview

Top creators perform production tasks with the reconsignment by coconala with contracts (contracting) made via coconala
coconala is in charge of the assignment of the right talent and project management



Contract is with coconala

- coconala provides fine-tuned support for operations to proceed smoothly as the go-between with the creators, catering to the needs of corporate clients that cannot place orders directly with individuals

Performed by top creators in their real names

- Dedicated persons in charge refer top creators in their real names optimal to the client

High cost performance

- Realizing high cost performance as there is no going through production companies or agencies

Use Cases

Provide high-quality services mainly to major companies and major company groups

TOHKnet Co., Inc.



Needs and troubles

・There was a need to quickly produce flyers, sales materials, white papers, etc., within limited time and human resources
・It was necessary to create each piece of material with a marketing perspective to drive website traffic and support inside sales activities

What they ordered

Creation of various materials

Reason why they have chosen coconala Pro

・Based on the basic contract with Coconala, I was able to easily introduce multiple skilled professionals who met my needs with a simple procedure
・I was introduced to creators with the required knowledge and excellent skills in crafting catchy content, allowing for smooth production with just one meeting and material sharing

Mizuho Pochette Co., Ltd.



Needs and troubles

Fining a company that can provide high-quality output without failure within a limited time was an issue

What they ordered

Creation of logo and company brochure

Reason why they have chosen coconala Pro

They have a good understanding of businesses, and introduced the right expert More time can be spent on the main business as they promptly responded to the requests

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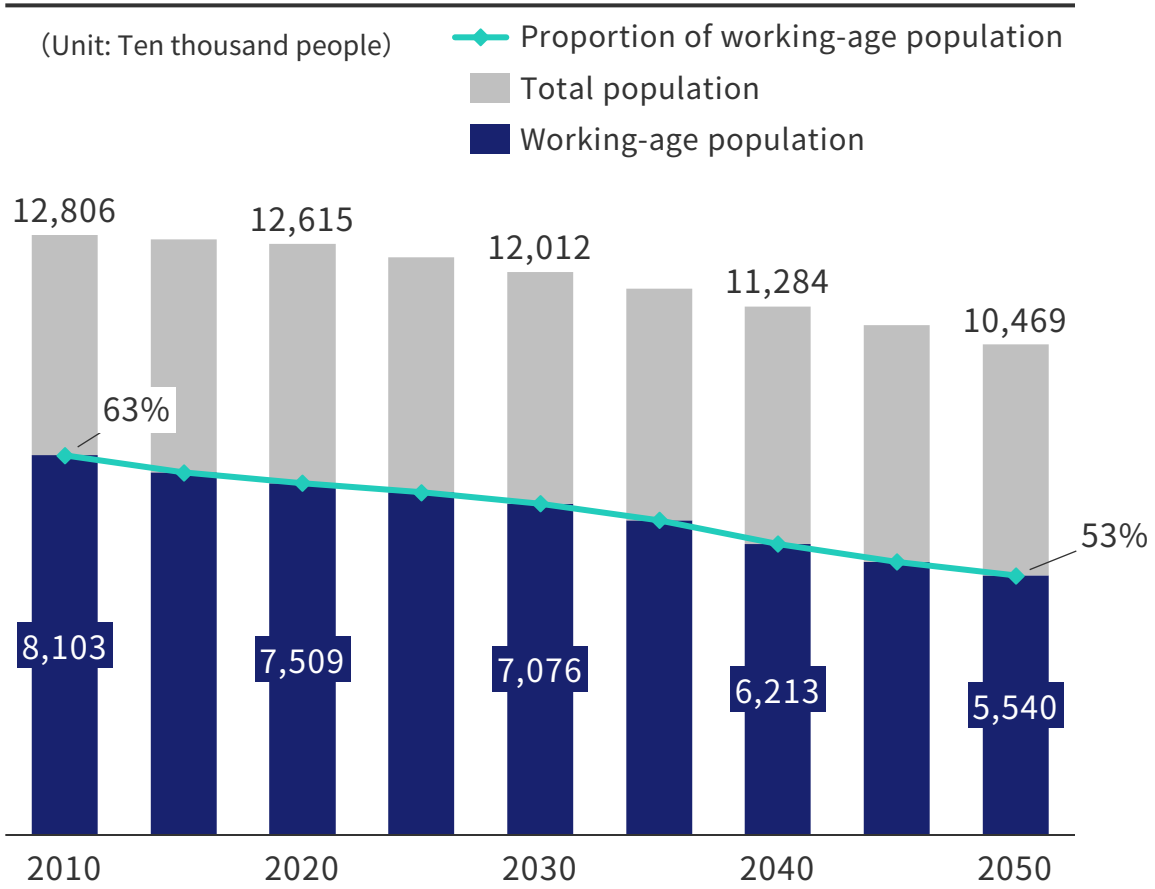
Market Environment Serving as Tailwinds – Changes in Japan's Labor Market

Projections of Japan's working-age population gradually decreasing suggest that securing work force through full-time employment would become increasingly challenging going forward, calling for solutions for tackling labor shortages

Japan's Labor Force Projection*1



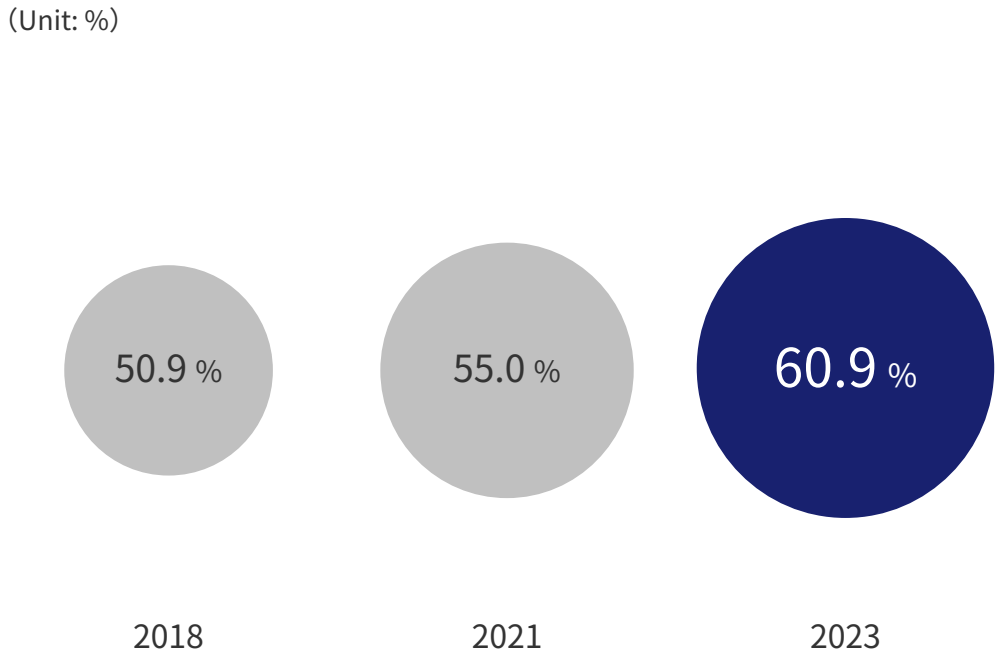
- ✓ With the fertility rate decreasing year by year in Japan, total population is projected to fall below 100 million in 2056
- ✓ Working-age population to decrease to approximately 50% in 2050
- ✓ Securing workers is expected to become more and more challenging going forward
- ✓ Need for new solutions not bound to full-time employment as the single way to work

*1: Prepared by coconala Inc. based on the Cabinet Office's "Annual Report on the Ageing Society FY2024" (June 2024)

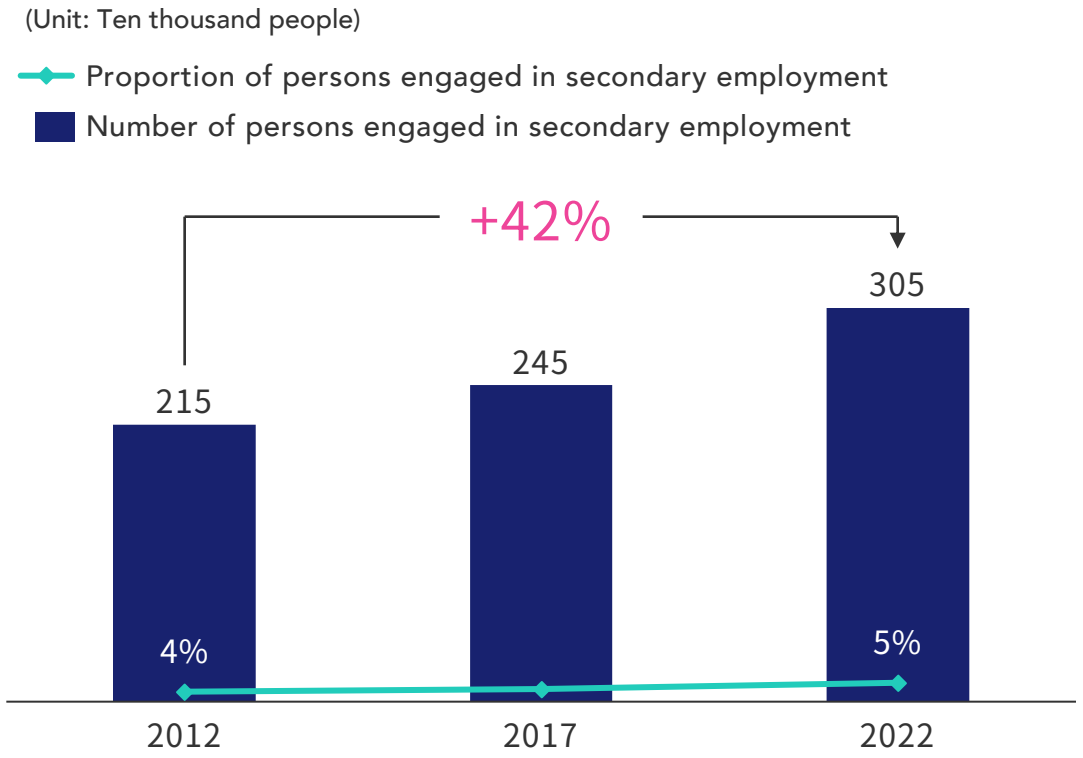
Market Environment Serving as Tailwinds – Greater Participation by Persons Taking on Secondary Employment

The proportion of Japanese companies not banning secondary employment has exceeded 60% in recent years, and the number of persons engaged in secondary employment, too, has increased by more than 40% over the past decade.
The environment is increasingly becoming one that would facilitate easier participation by persons taking on secondary employment

Proportion of Japanese Companies Not Banning Secondary Employment*1



Population Engaged in Secondary Employment in Japan*2



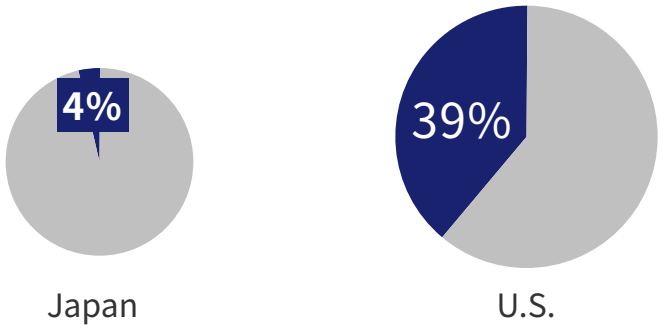
*1: Prepared by coconala Inc. based on PERSOL RESEARCH AND CONSULTING's "Third Quantitative Survey on the Actual Situation and Awareness of Secondary Employment" (October 2023)
*2: Prepared by coconala Inc. based on the Statistics Bureau of the Ministry of Internal Affairs and Communications' "2022 Employment Status Survey" (July 2023)

Market Environment Serving as Tailwinds – Potential of the Freelance Market

With ample room for growth in Japan's freelance population, corporate utilization opportunities will, too, highly likely increase.
Able to approach from both the freelancer and corporate sides, the service offering of coconala's Ecosystem is quite highly capable of contributing to tackling Japan's social issue of labor shortages

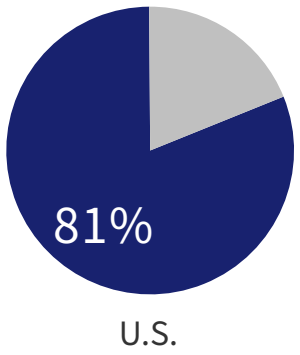
Proportion of Freelance Population (Japan vs. the U.S.)*1

(Unit: %)



Proportion Utilizing Freelancers (U.S.)*2

(Unit: %)



- ✓ The proportion of the freelance population differs from the U.S. by a substantial 35%, meaning that there is plenty of room for much of Japan's labor force to participate as freelance talent
- ✓ The utilization of freelancers is highly likely to serve as one solution for Japanese companies facing labor shortage concerns
- ✓ The opportunities and environment for making freelancing available as a choice of the way of working for workers and the environment for making freelancing available as an option for Japanese companies can both be provided through the service offering of coconala's Ecosystem

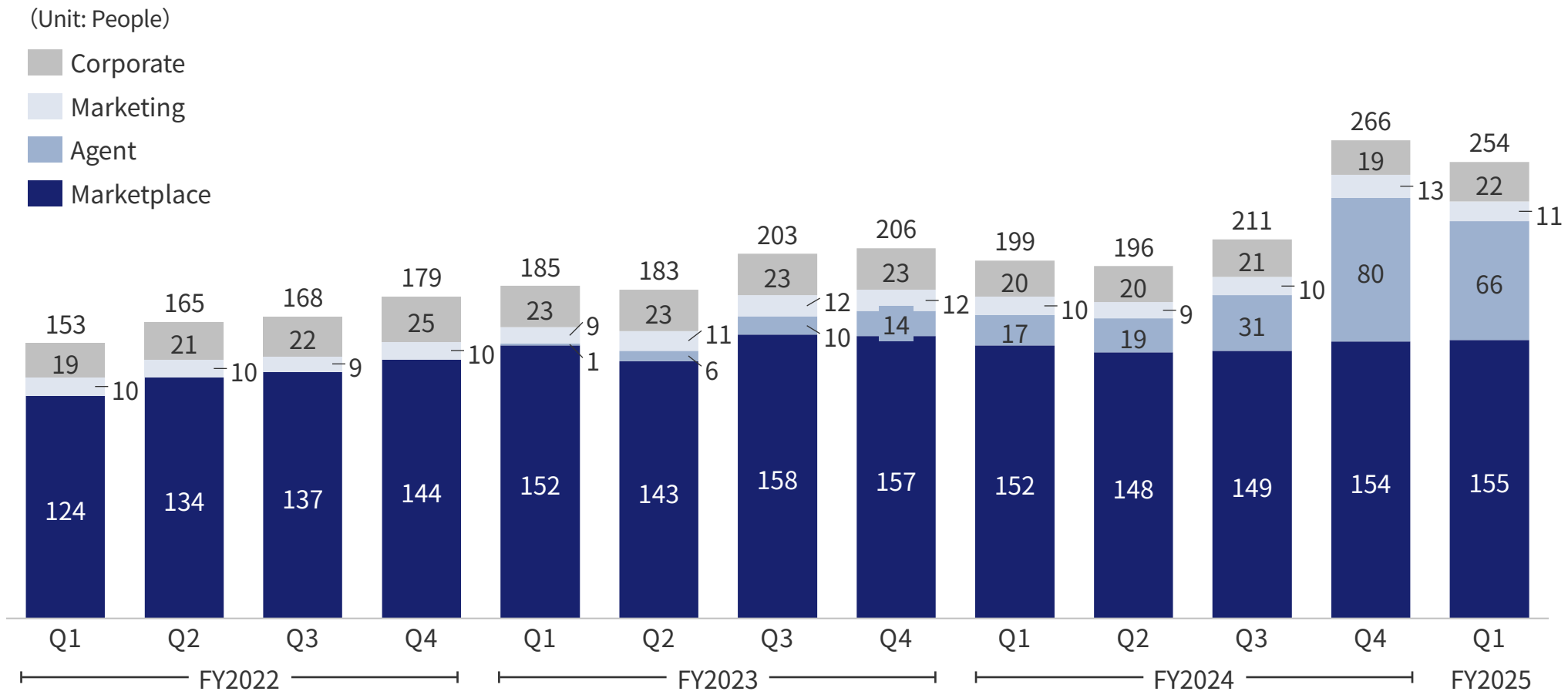
*1: Prepared by coconala Inc. based on the Statistics Bureau of the Ministry of Internal Affairs and Communications' "Freelancers' Ways of Working Grasped for the First Time as Fundamental Statistics (2022 Employment Status Survey)" (July 2023) and Upwork's "Freelance Forward 2022" (December 13, 2022)
*2: Prepared by coconala Inc. based on Fiverr's "PRESS RELEASE: 85% of U.S. Business Owners Plan to Implement a Hiring Freeze During Economic Downturn, According to New Data from Fiverr Business" (August 2022)

3. Appendix

- Company Overview
- Detailed Growth Strategy
- Overview of Each Service
- Market Environment Serving as Tailwinds
- **Supplementary Materials**

Number of Employees by Business

Continue investing in new businesses, while investing in appropriate personnel based on the market environment

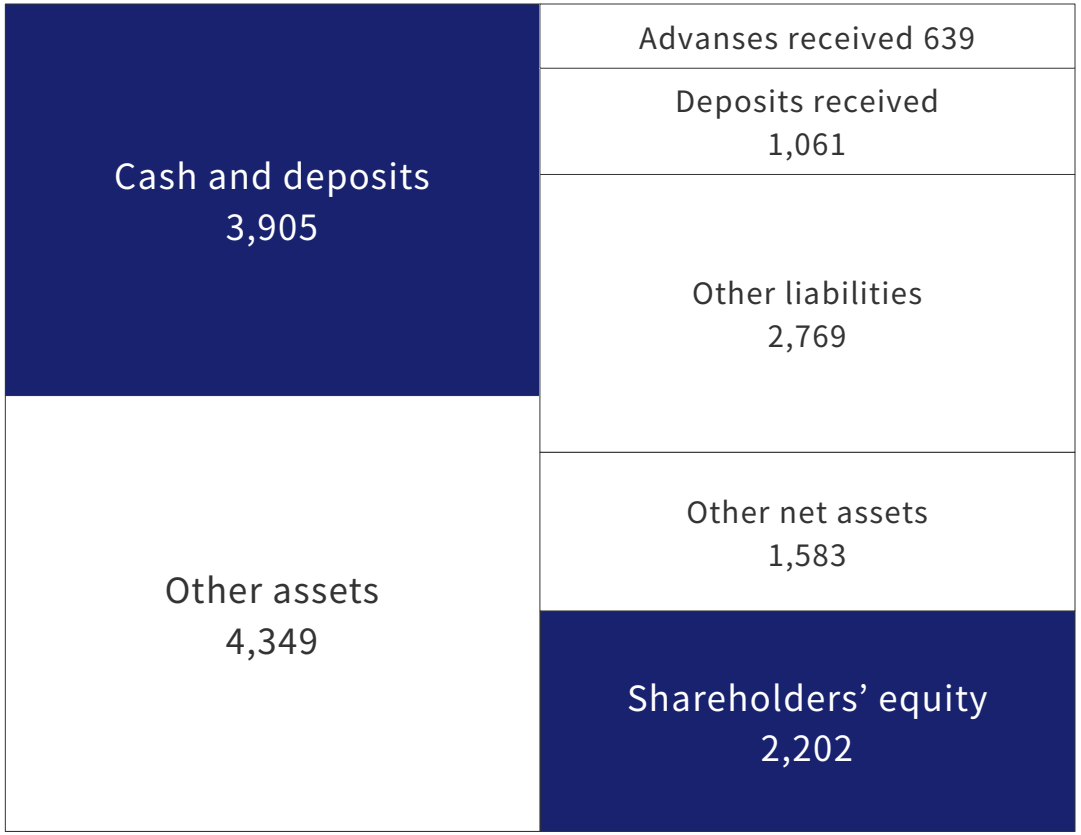


Balance Sheet

We are maintaining a sound financial base with sufficient cash and capital levels

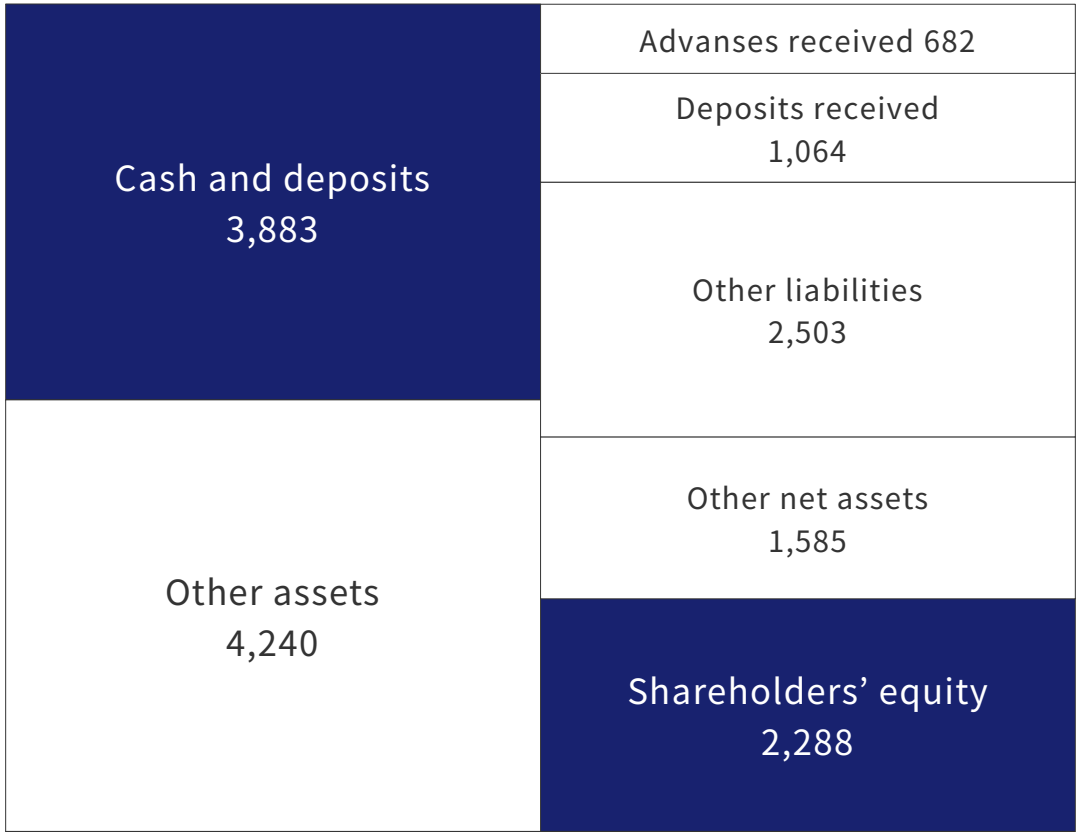
Aug. 2024 (Consolidated)

(Unit: MM JPY)



Nov. 2024 (Consolidated)

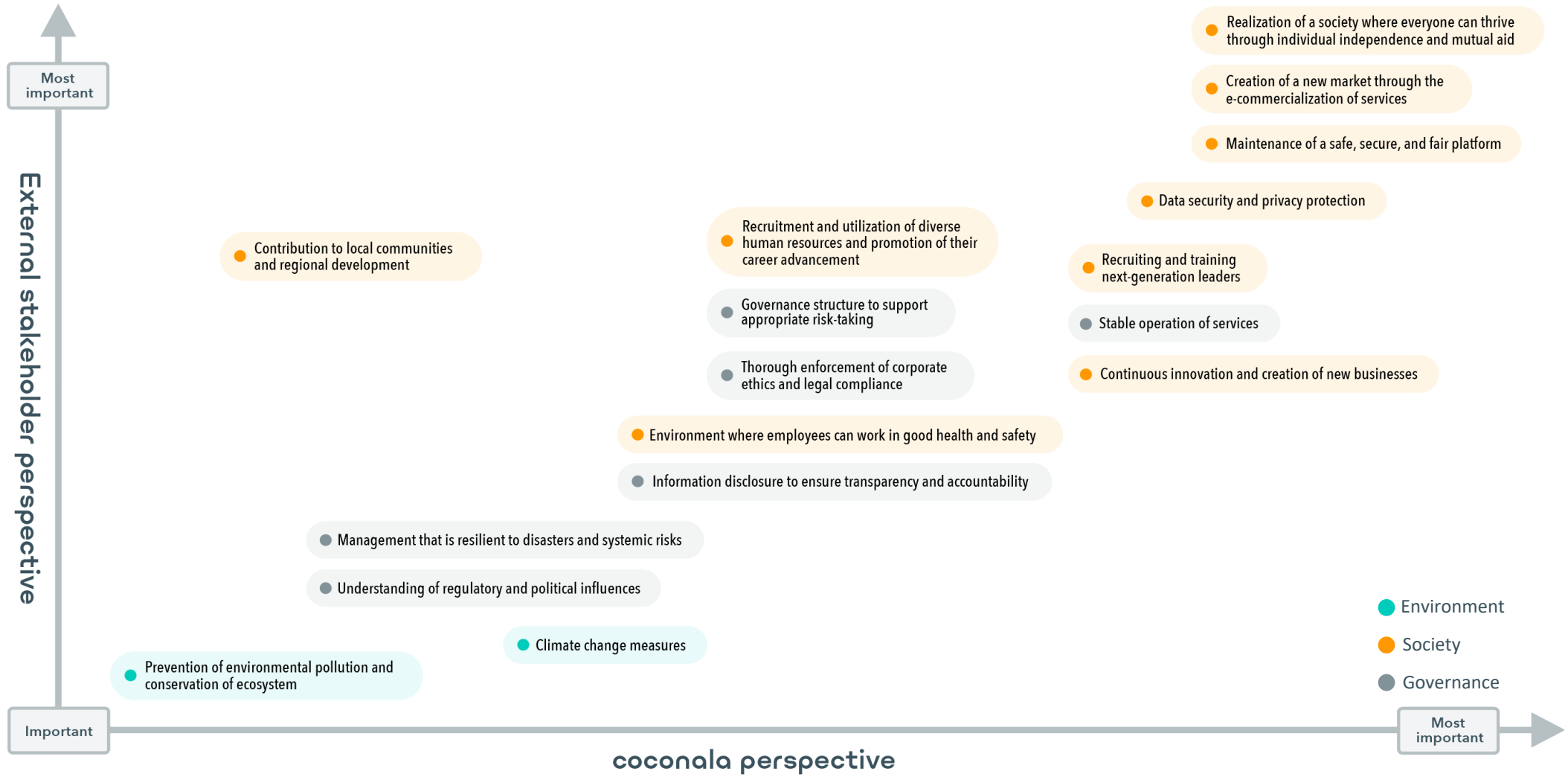
(Unit: MM JPY)



ESG Materiality Map

coconala

Formulated materiality map based on discussions with internal and external stakeholders. coconala places particular importance on social issues



Disclaimer

This material includes forward-looking statements.
Such statements do not guarantee the realization of such outlook and includes risks and uncertainties.
Please note that the actual performance may differ from the future outlook due to environmental changes, etc.

In addition, the information on companies other than coconala in this material are cited from the disclosed information, etc., and coconala does not verify nor guarantee the accuracy and adequacy of such information.



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Create a world where each person lives their “own story”