



TSE Mothers : 2978

Financial Results
Q 3 Fiscal Year 2019
Jun 11th 2020

FY 2019
Aug 1st 2019 to Jul 31st 2020



COVID-19's spread across the world has caused a significant impact on our daily lives. We express our condolences to those who have passed away as well as our deepest sympathy to the families of the deceased. We also pray for the swift recovery of those who have been infected.

Furthermore, we would like to extend our sincere gratitude to medical professionals and others who are fulfilling their duties to treat patients and prevent the spread of the disease.

Based upon the mission "Making a New Future by Inventing New Places," tsukuruba exists as a company that contributes to society through our business.

As an integral member of society, we would like our business to contribute in a way that enables everyone to realize a fulfilling new lifestyle during and after the COVID-19 crisis.

All of our employees will continue to make a concerted effort towards this aim.

Sincerely,

Hiroki Murakami, CEO / Masahiro Nakamura, CCO

Agenda

- 1. Company Overview**
- 2. Impact of and Measures Against COVID-19**
- 3. FY2019 3Q Financial Highlights**
- 4. Revised Forecast of Financial Results for FY2019**
- 5. Business Overview**
- 6. Q&A**
- 7. Reference Materials**

1. Company Overview



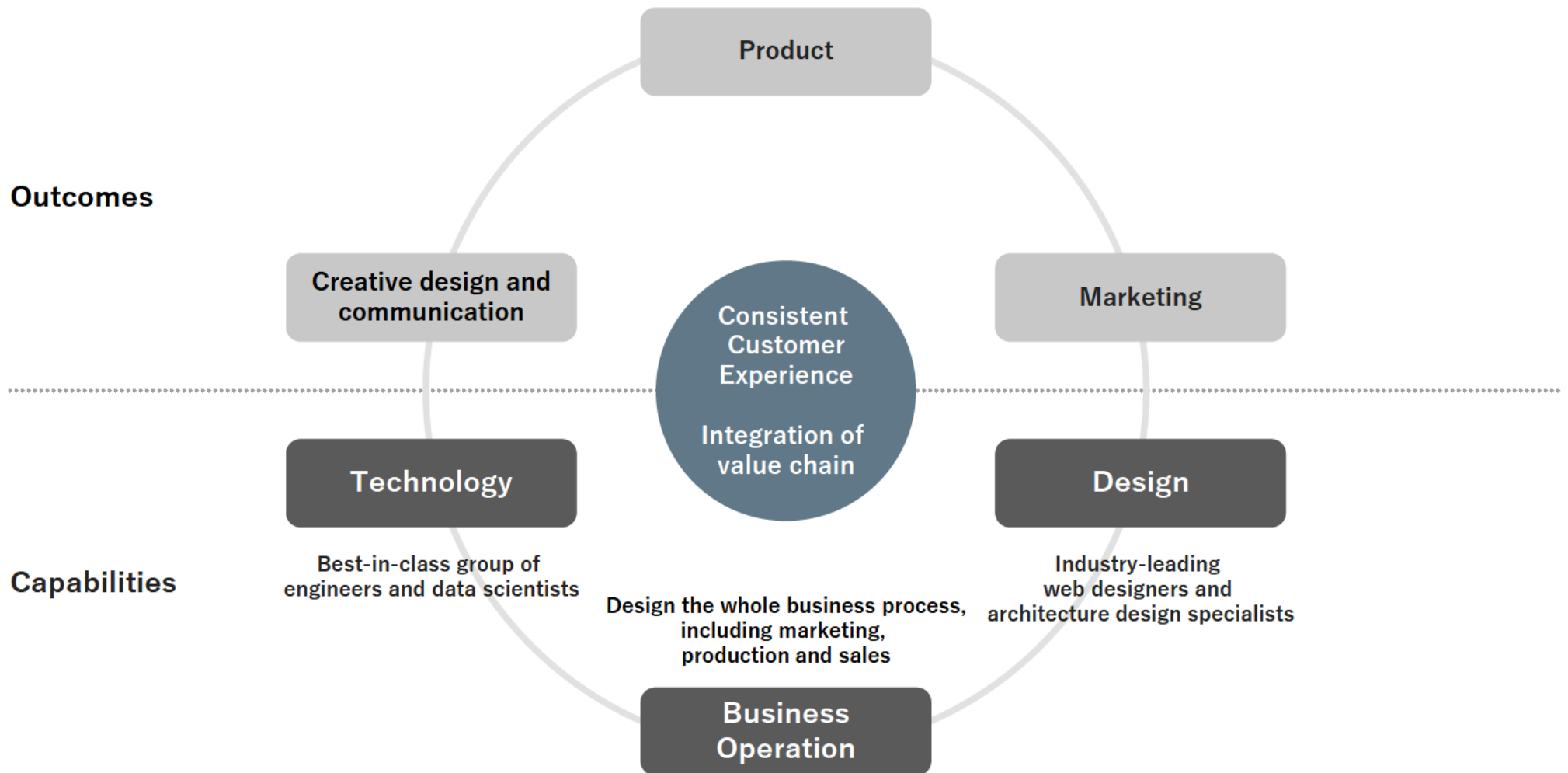
Revolutionizing the Real Estate Industry

Our unique and innovative approach to business creation

	Competitive approach		tsukuruba approach
Strategic concept	Expand and maintain a large market share in an existing market by establishing a competitive advantage	▶	Create new markets through redefinition and re-imagination of existing markets
Source of competitive advantage	Superior functions or cost structure	▶	High engagement through a consistent customer experience
Customer value	Economic or functional value	▶	Emotional value and experience
Operational model	Direct source of competitive advantage Specializes in and exceeds at specific functions	▶	Full integration of complex and disperse operations using technology and design
Organizational structure	Designed to efficiently execute limited and specific functions within a regulated framework	▶	Designed for diverse and talented professionals and functions to co-exist and co-create

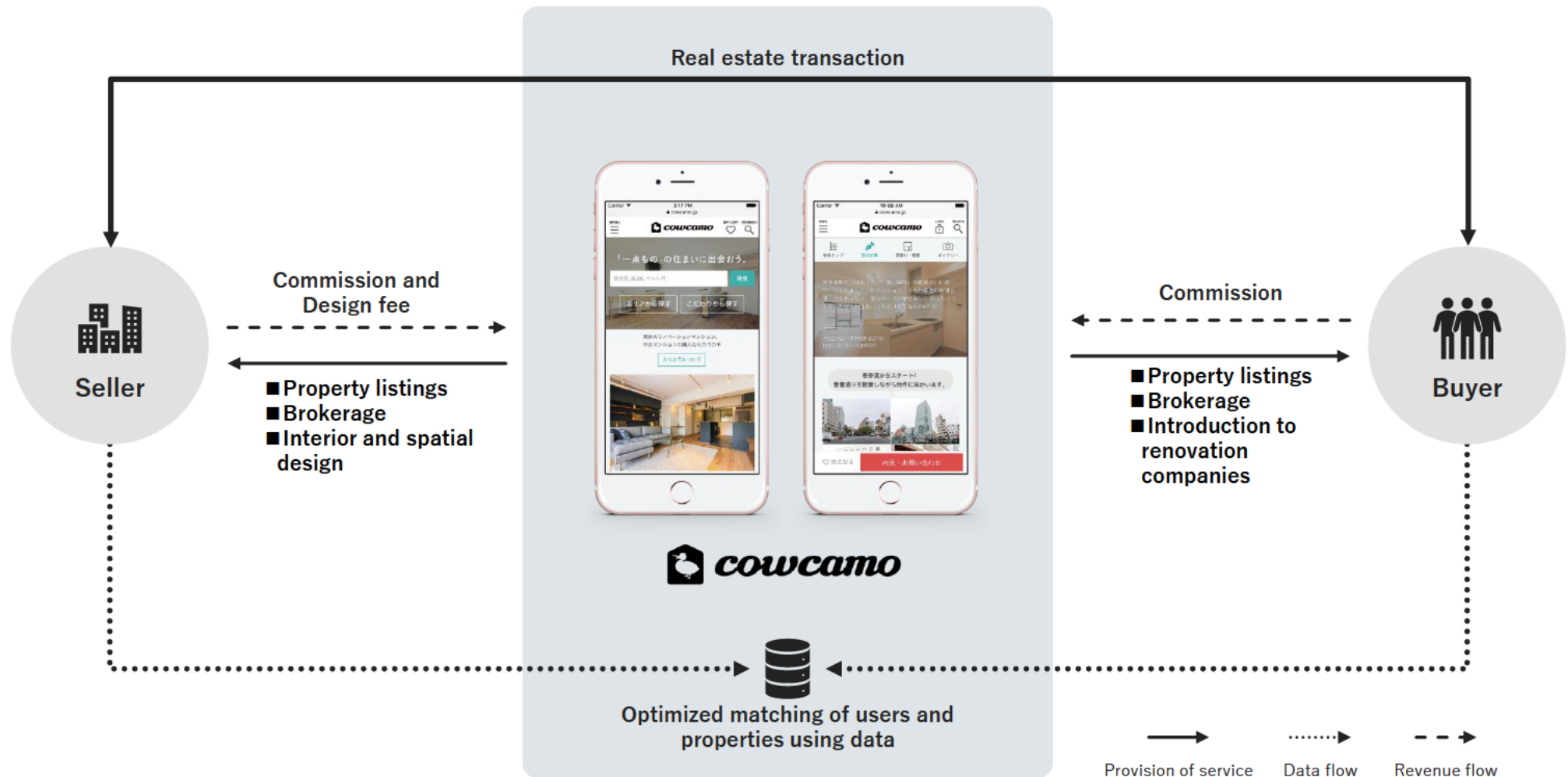
Our Strength for Building a Consistent Customer Experience

Our capabilities and outcomes



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

What is cowcamo?

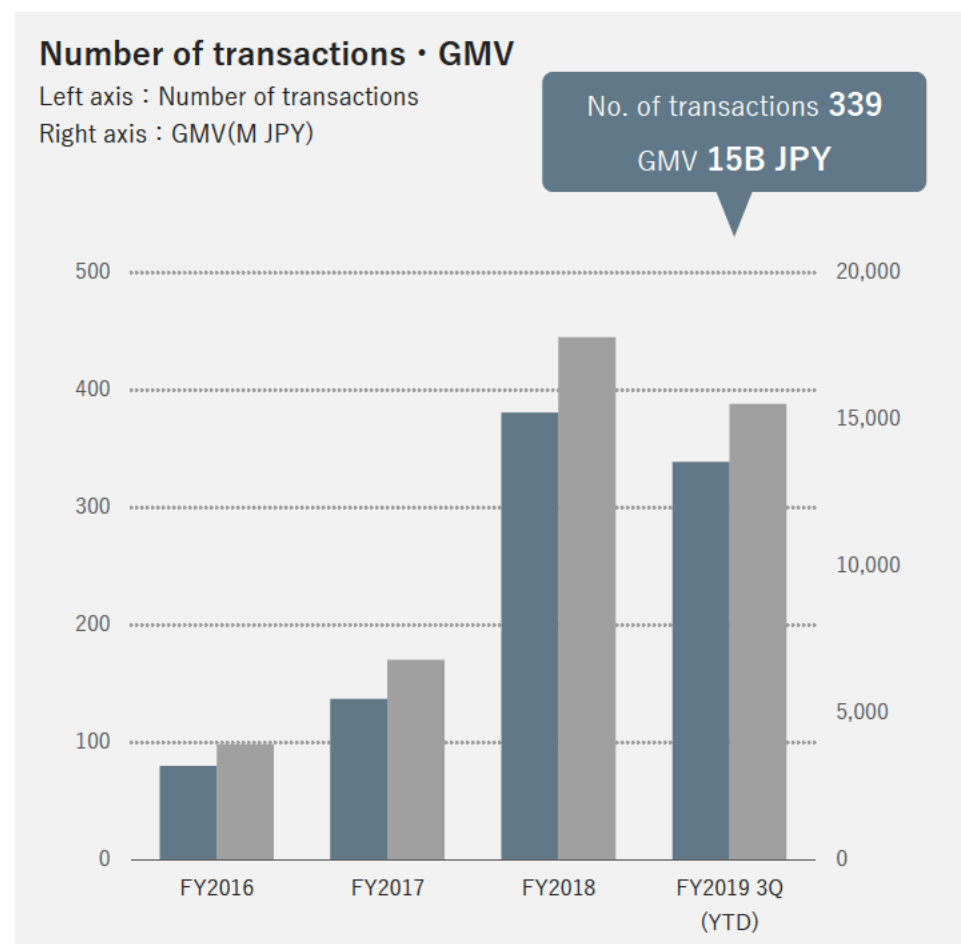
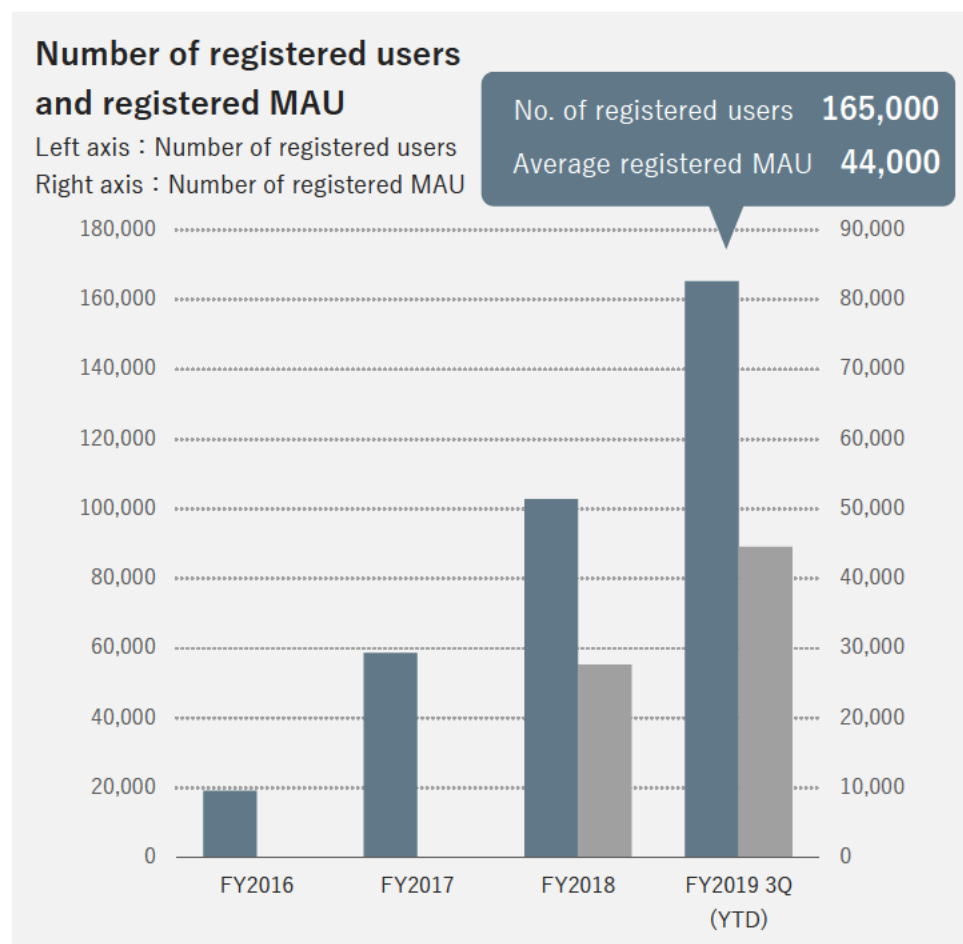


*1 : Used properties refer to properties which meet any of the following criteria:

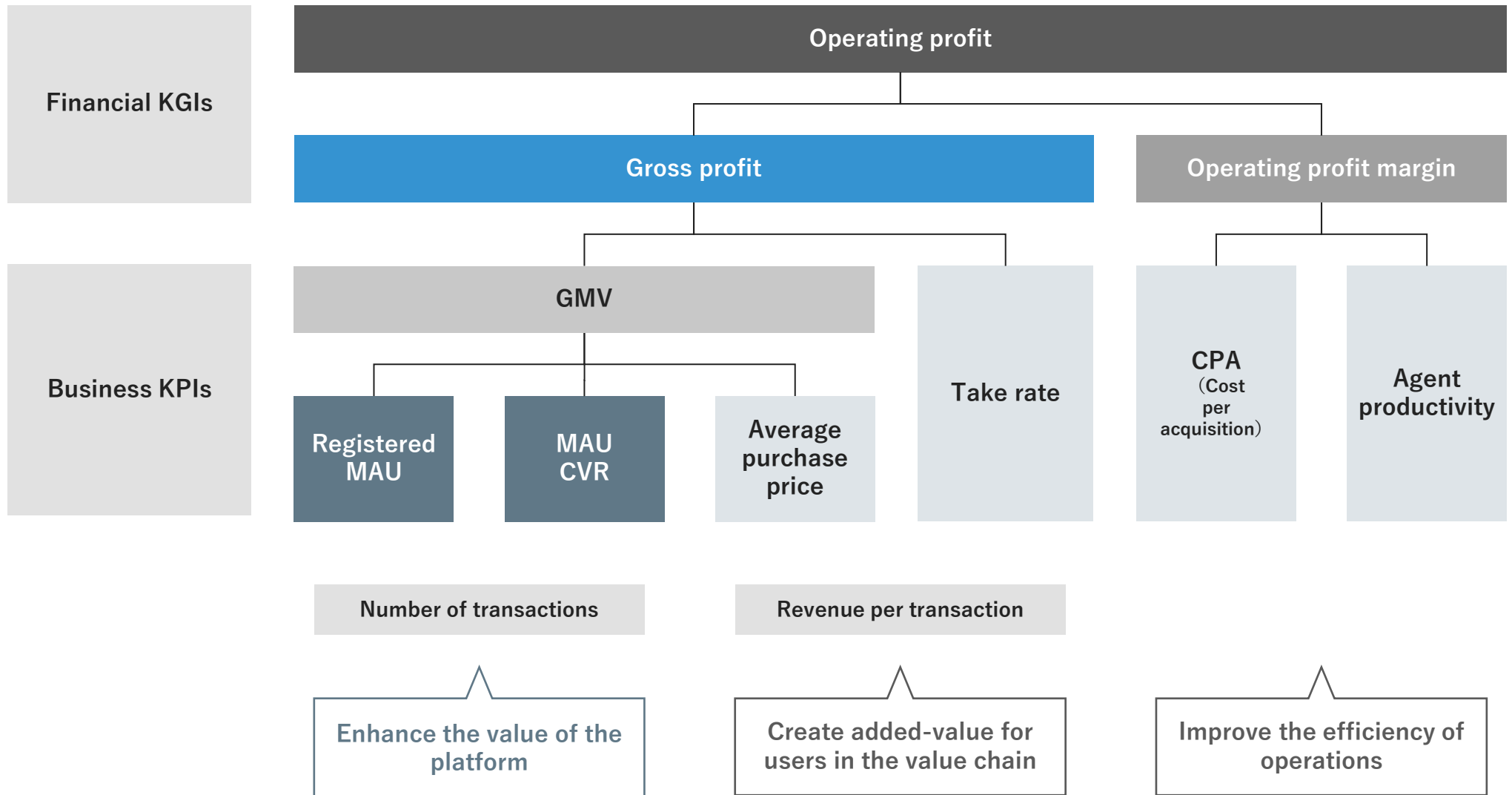
- Previously pre-occupied by a resident
- One year has passed since the completion including those properties which have not been preoccupied)

cowcamo's Strong Growth Trajectory

cowcamo's main KPIs



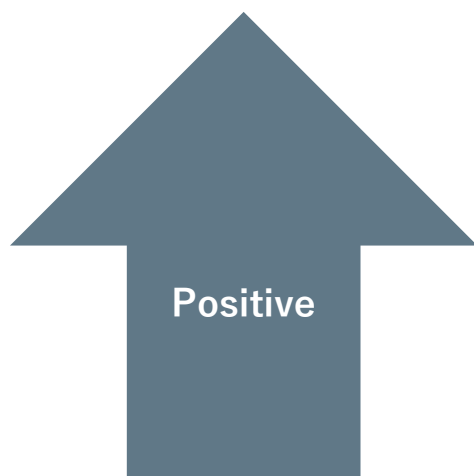
Maximizing the Gross Profit by Enhancing the Value of the Platform



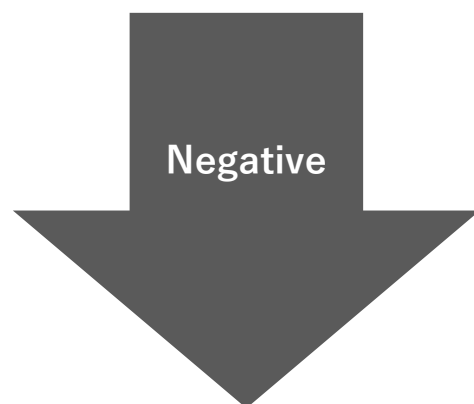
2. Impact of and Measures Against COVID-19

Our Situation Summary Related to COVID-19

Built a solid financial base, flexibility determining investment for growth in post-COVID-19



- **1.3 billion Net Cash**
※ Net cash is the amount obtained by deducting long-term debt and bonds payable within one year from the cash and deposits on Balance Sheet.
- **Registered MAU, the leading indicator, continues to grow even under COVID-19**
- **Prompt transition into online seminars and online round-table discussions**
- **Smooth transition to remote work**



-
- **Temporarily suspending a part of business of cowcamo and co-ba**
(trying to limit the impact by prompt transition to online)
 - **Decrease the needs of observing property due to users refraining from going out**
 - **Decrease in property supply due to contraction of business activities by property supplier**

Summary of Impact of COVID-19

Revenue decrease in the short term, the impact on MAU, the leading indicator, is limited. Changes in social structure benefit our business

Impact in Short and Medium Term

Impact in Long Term

Impact on Business and Our Response

- ✓ Prompt countermeasures against communicable diseases and smooth transition to remote work
- ✓ Short-term loss of sales, however, trying to limit the impact with prompt transition to online
- ✓ MAU, a leading indicator of sales, continues to grow

- ✓ Promote business and service development in anticipation of changes in social structure
- ✓ Strengthening the financial base in case of lengthening of COVID-19

Impact Factors under COVID-19

- Our main business, cowcamo, earns profits from transactions (flows) generated from the accumulated user pool (stock)
- The number of transactions decreased due to a request for refraining from going out during the COVID-19 pandemic and the suspension of some services in response to this request

- Diversification of work styles, and increasing needs of living conditions through the spread of Work From Home
- Reorganizing and optimizing the supply structure of homes and offices due to COVID-19

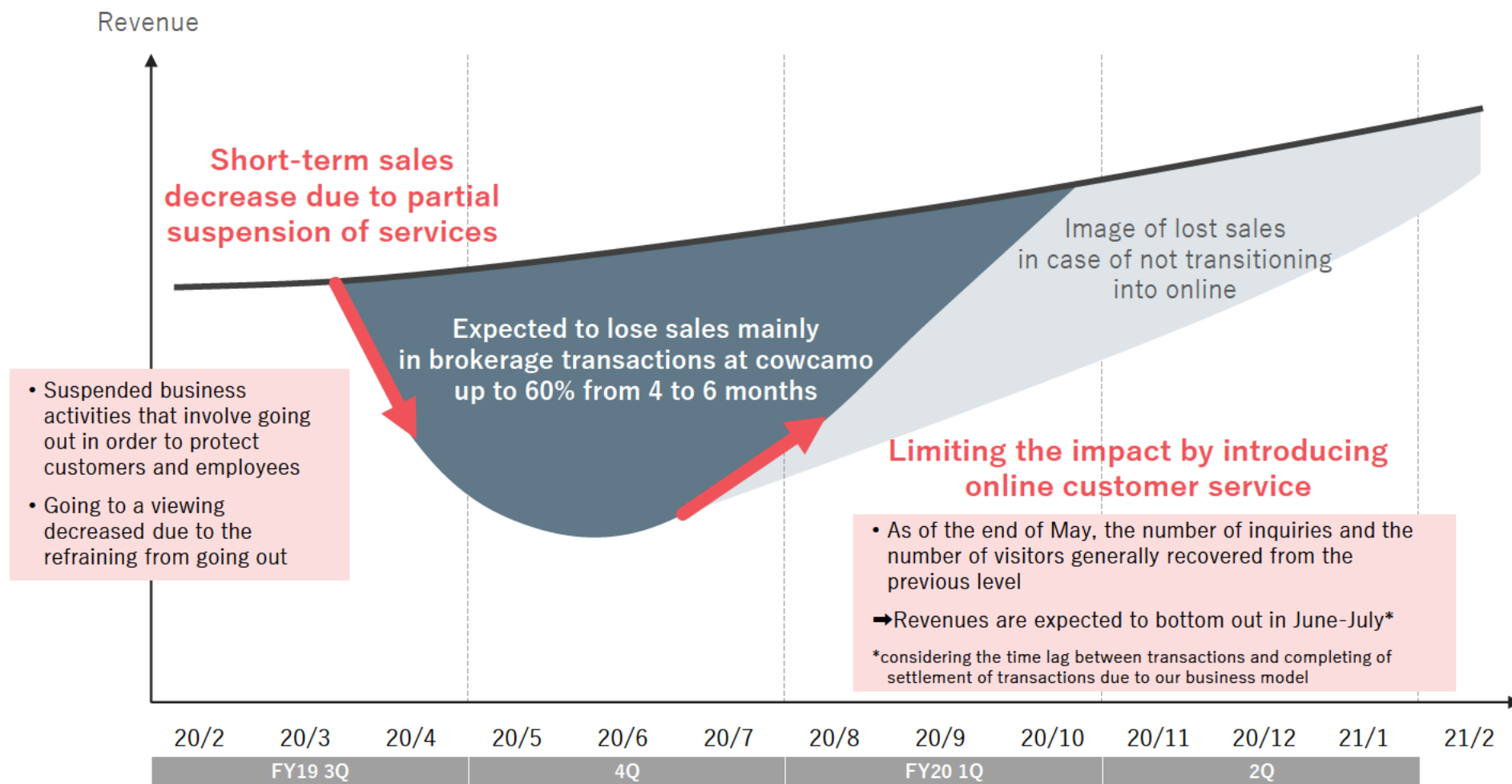
Our Response to COVID-19

Implementing measures that put the health of customers, business partners and all employees first

	Internal and Employees	Customers and Business Partners
February	<ul style="list-style-type: none"> Prepared masks and disinfectant Encouraged staggered commute Required temperature measurement when coming to work from February 27, etc. 	<ul style="list-style-type: none"> Cancelled or postponed events Introduced online consultation
March	<ul style="list-style-type: none"> Granted special leave (paid) due to temporary closure of elementary schools, etc. Prompt transition to remote work from March 26 	<ul style="list-style-type: none"> Continued above measures
April	<ul style="list-style-type: none"> Adopted remote work as a general rule 	<ul style="list-style-type: none"> co-ba: Stopped accepting 1 day drop in of co-ba cowcamo: Stopped going to a viewing and coverage of property cowcamo: Introduced online roundtable discussion and seminar
May	<ul style="list-style-type: none"> Partial leave and training for employees From May 18, normalized business operations 	<ul style="list-style-type: none"> cowcamo: From May 18, normalized business operations
June	<ul style="list-style-type: none"> Normalized business operation under permanent introduction of remote work 	<ul style="list-style-type: none"> co-ba: Normalized business operations gradually

Although sales are lost in the short term, the impact will be limited by online customer service, etc.

Image of short-term impact for revenue



※This graph is an image showing a trend of sales under the influence of COVID-19. It is assumed that our business will continue to operate as usual.

Examples of our online service

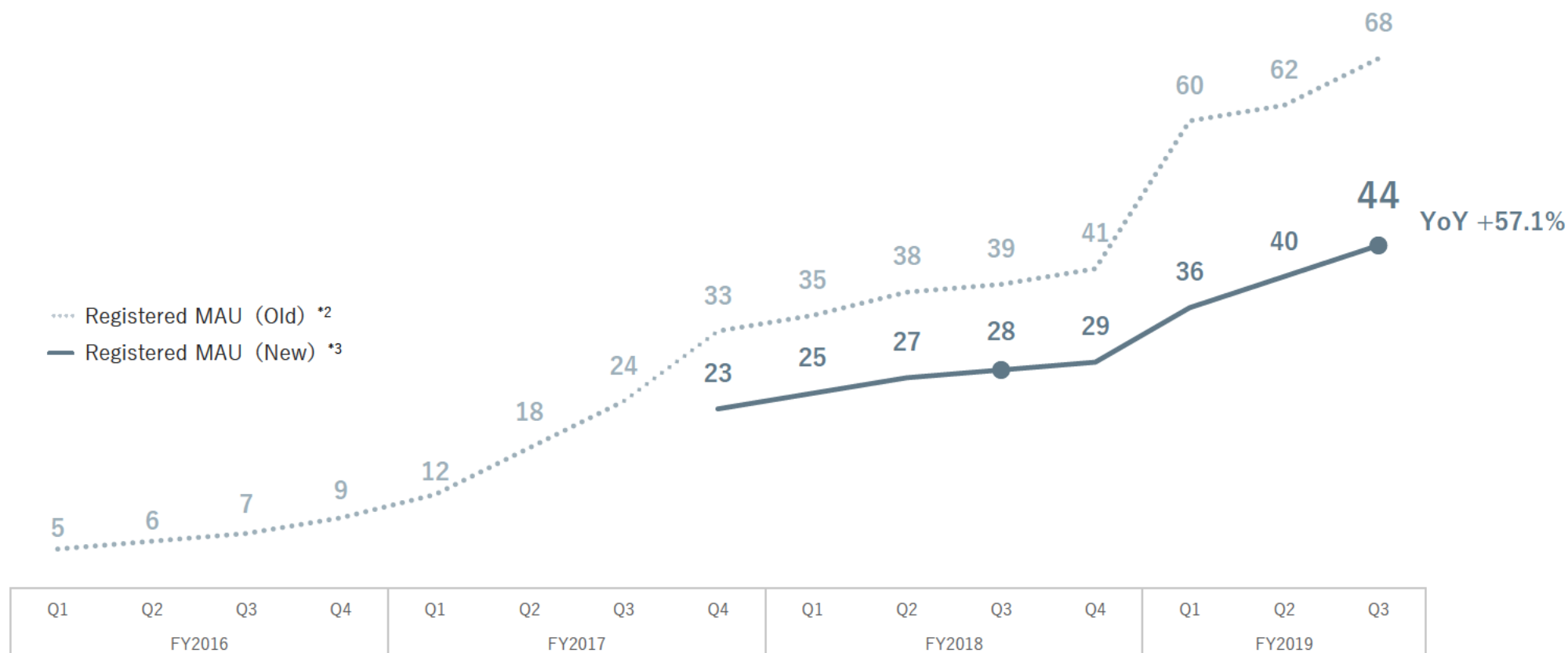
Promptly introduced online consultations from March, and expanded online round-table discussions and seminars from April



Registered MAU^{*1}, a leading indicator of sales, continues to grow

MAU continues to accumulate despite the suspension of some service operations

(Unit : K)



※Regarding the change in the definition of registered MAU

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

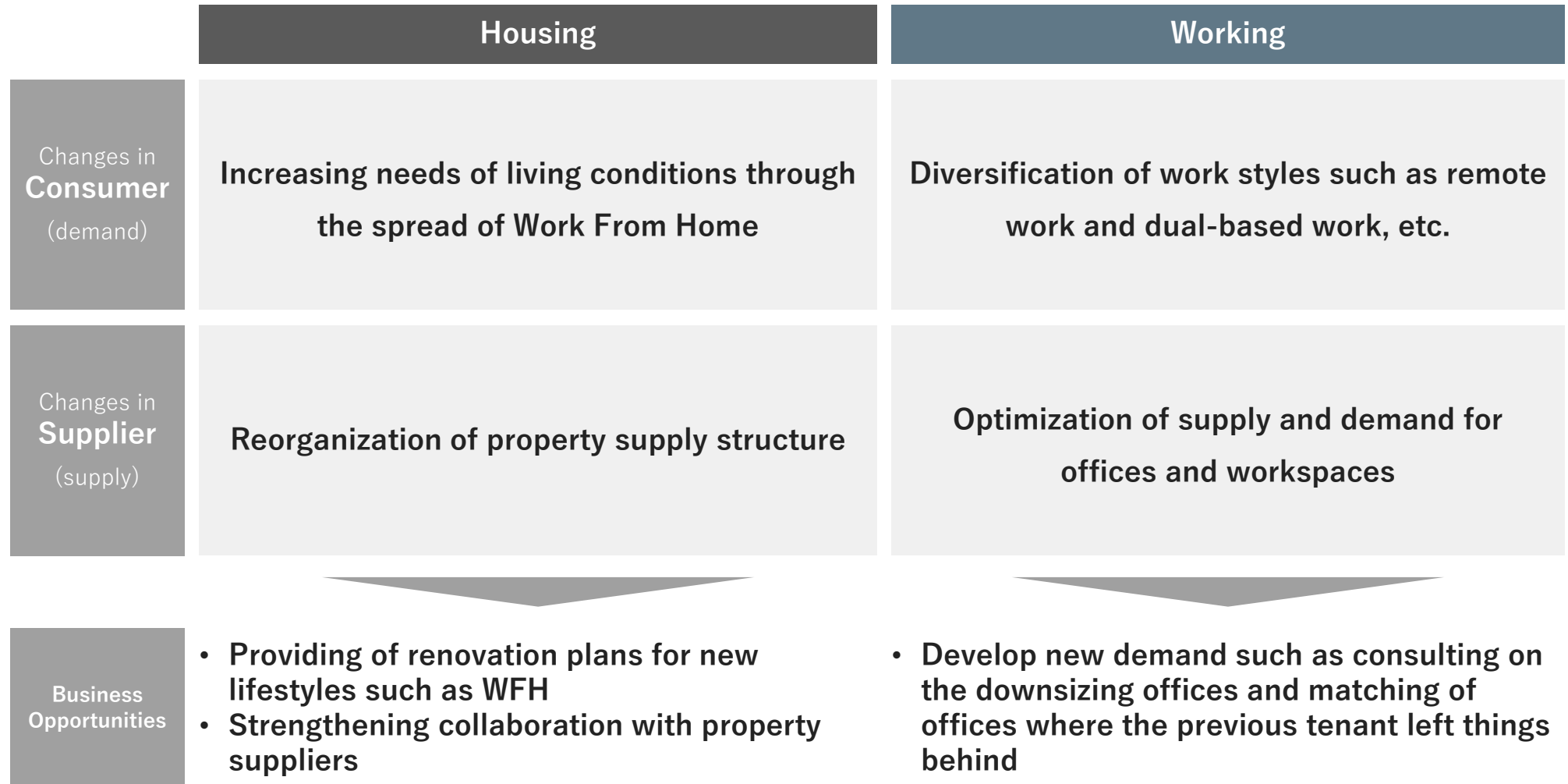
^{*1} Quarterly average of registered MAU

^{*2} Sum of registered MAUs who used the cowcamo app and visited the cowcamo website

^{*3} Distinct number of registered MAUs who used the cowcamo app and visited the cowcamo website

Promote business in anticipation of changes in social structure

Structural changes in the “housing” and “working” areas will be our business opportunities



Built a solid financial base

Under the assumption of a worst scenario, we have built a solid financial base which enables future growth

- ✓ Secured sufficient short-term liquidity at the IPO last year
- ✓ Procured 475 million JPY through long-term debts financing, etc. in preparation for long-term risks of COVID-19 and flexible investment for growth After COVID-19
- ✓ Maintain a high liquidity ratio and equity ratio due to the characteristics of the business model as a platform
- ✓ Reduced fixed cost (planned to reduce head office area by 44%) due to smooth transition to remote work

(Unit : M JPY)

	At the end of FY2019 3Q
Cas and deposits	1,466
Current portion of long-term borrowings	156
Net Cash	1,309
Capital adequacy ratio	64.8%
Current ratio	500.8%

3. FY2019 3Q Financial Highlights

FY2019 3Q Financial and Business KPI Highlights

Company Financials (Q1~Q3 Total)

Revenue **1,436** M JPY (YoY **+32%**)

Gross Profit **982** M JPY (YoY **+34%**)

Business KPIs (Q1~Q3 Total)

cowcamo Business

GMV **15** B JPY

Gross Profit **900** M JPY

Shared Workplace Business

Registered Users **165** K*¹

Revenue **273** M JPY

Registered MAU **44** K*²

Gross Profit **82** M JPY

Activities

- Impact of and Measures Against **COVID-19**
- Extraordinary loss **due to reduction of office area because of the transition to remote work**

*1 Number of registered users at the end of FY20193Q

*2 Number of registered MAU in April FY2019

FY2019 Quarterly Financial Highlights

Revenue and gross profit increased on a YoY basis, even under difficult conditions

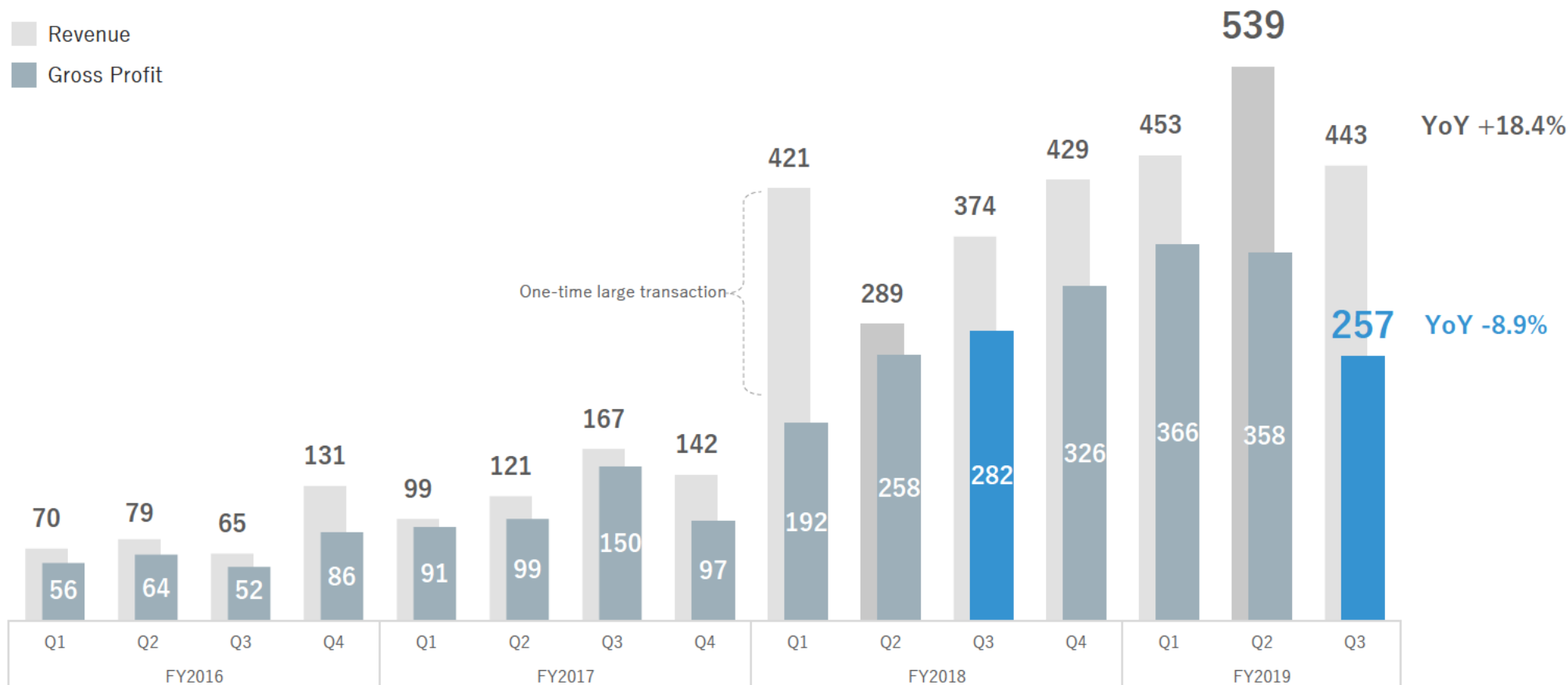
(Unit : M JPY)

	FY20183Q (2018/8~2019/4)	FY20193Q (2019/8~2020/4)	YoY
Revenue	1,085	1,436	+32 %
Gross Profit	733	982	+34 %
Operating Profit	11	-32	-
Ordinary Profit	6	-38	-
Net Profit	6	-91	-

Revenue and Gross Profit

Gross profit decreased on a YoY basis due to COVID-19

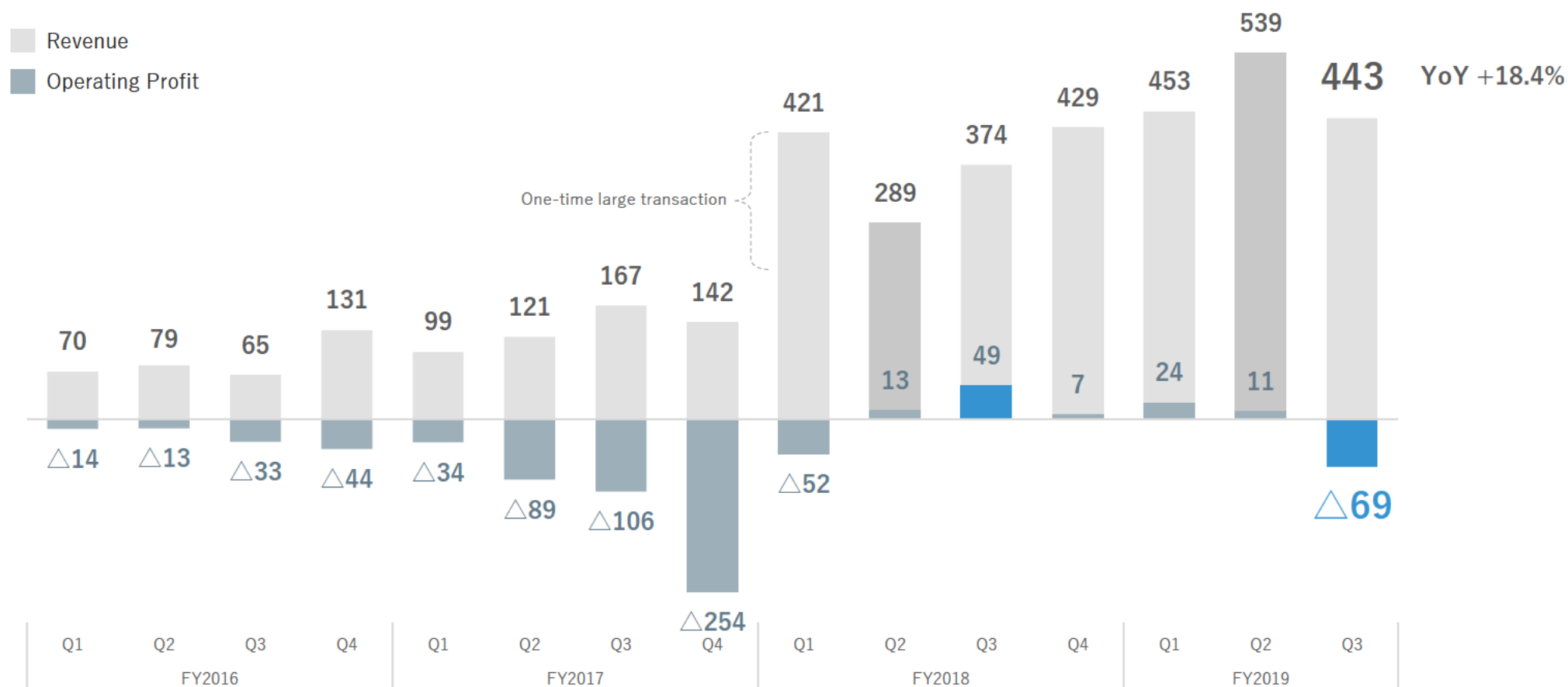
(Unit : M JPY)



Operating Profit

Operating profit in 3Q is negative due to COVID-19

(Unit : M JPY)



FY2019 Quarterly Financial Highlights by Business Segments

Growth slowed down due to 3Q under COVID-19

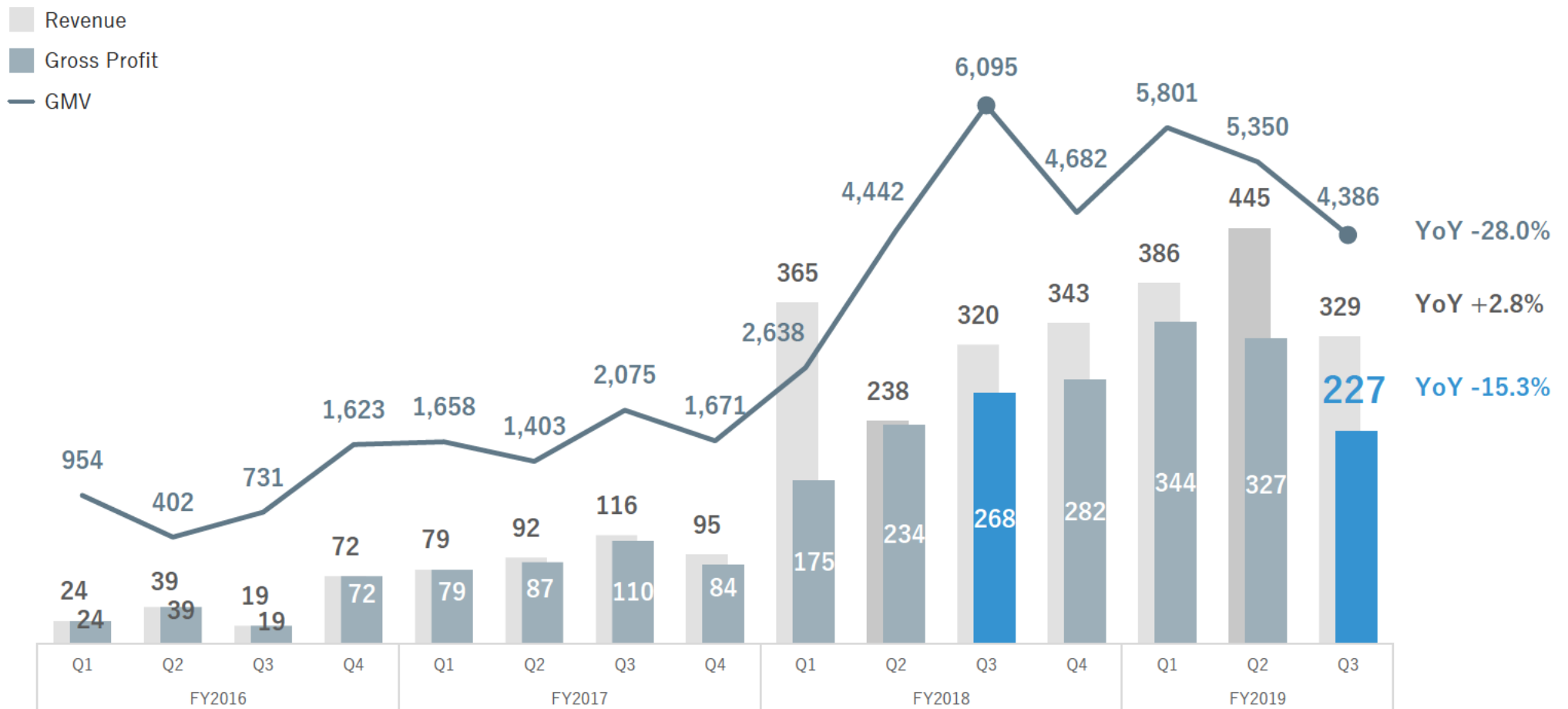
(Unit : M JPY)

		FY20183Q (2018/8~2019/4)	FY20193Q (2019/8~2020/4)	YoY
cowcamo	Revenue	924	1,162	+26%
	Gross Profit	677	900	+33%
	Business Segment Profit	250	305	+22%
Shared Workplace	Revenue	160	273	+71%
	Gross Profit	55	82	+49%
	Business Segment Profit	16	34	+116%

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

cowcamo's gross profit decreased on a YoY basis due to COVID-19

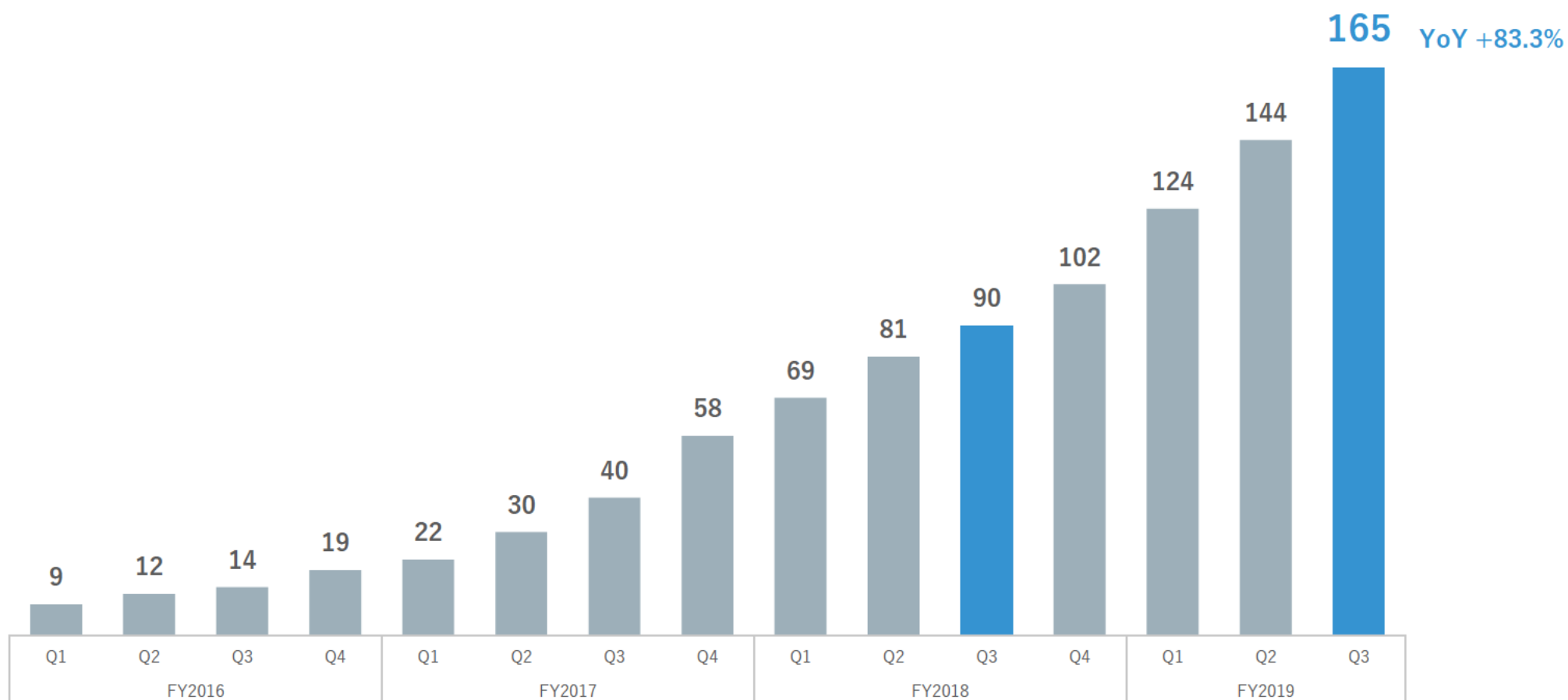
(Unit : M JPY)



cowcamo's Registered Users^{*1}

Registered users continue to accumulate despite COVID-19

(Unit : K)

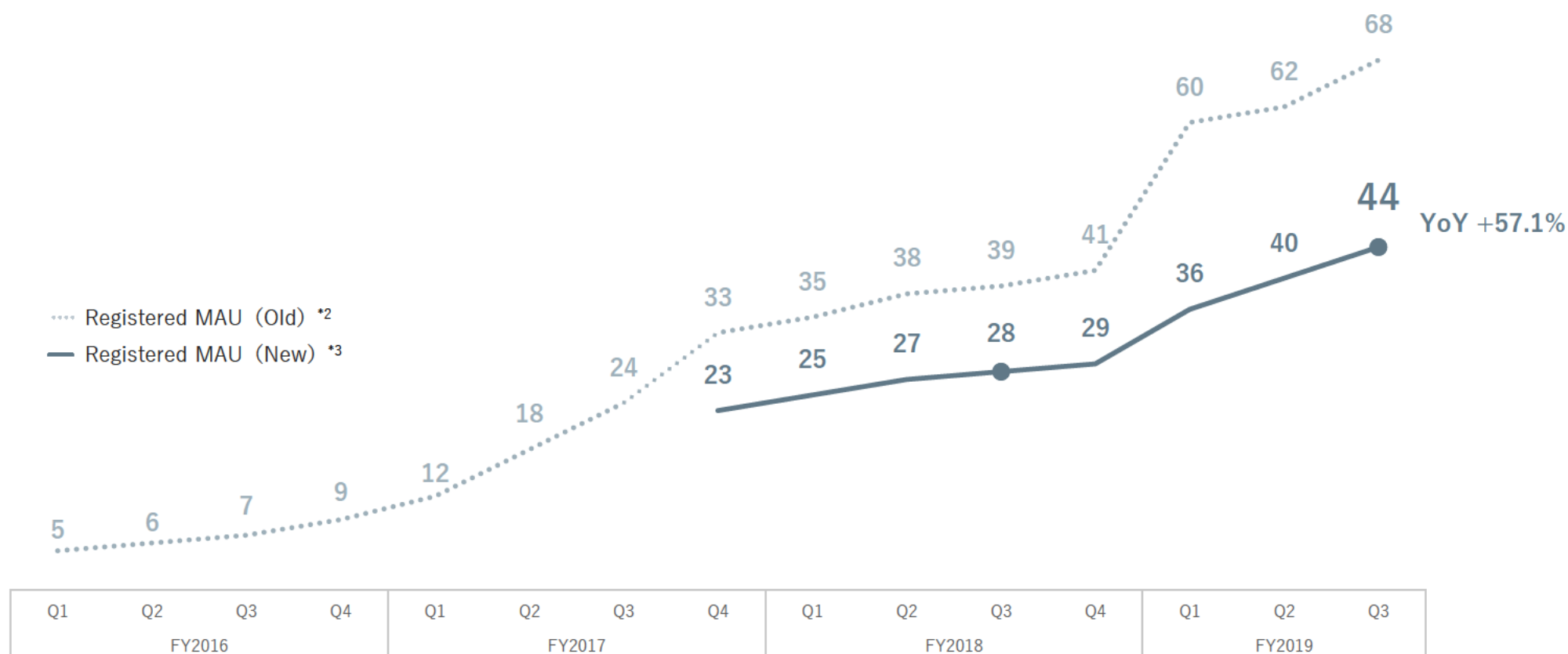


*1 Number of registered users at the end of each quarter

cowcamo's Registered MAU^{*1}

As with registered users, registered MAU continues to accumulate

(Unit : K)



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^{*1} Quarterly average of registered MAU

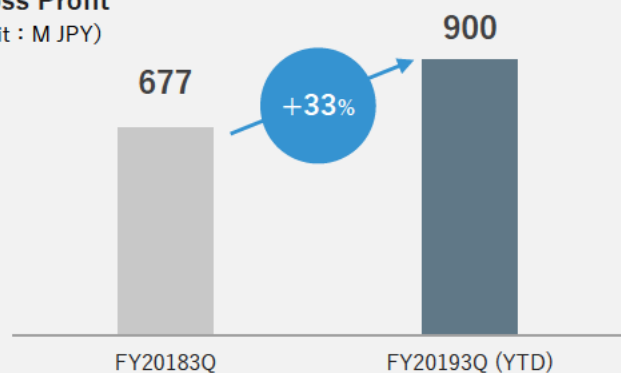
^{*2} Sum of registered MAUs who used the cowcamo app and visited the cowcamo website

^{*3} Distinct number of registered MAUs who used the cowcamo app and visited the cowcamo website

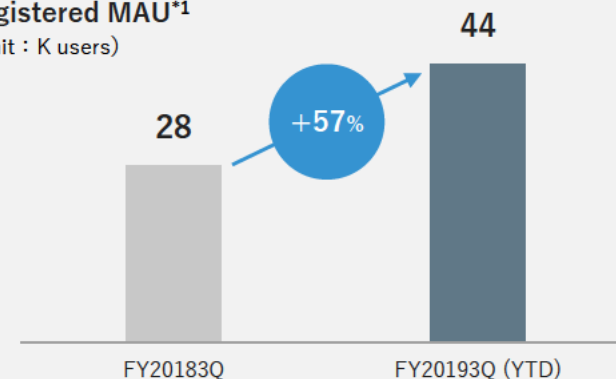
Gross Profit = Registered MAU * Gross Profit per Registered MAU

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

Gross Profit
(Unit : M JPY)

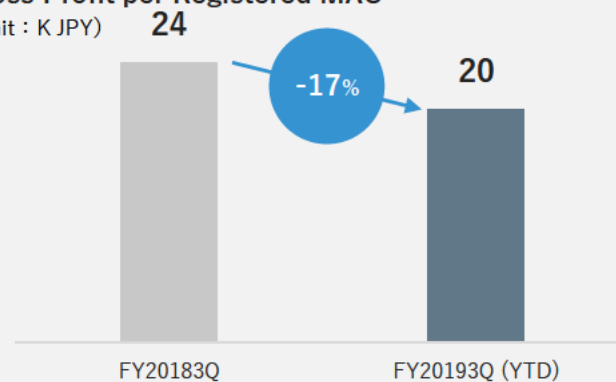


Registered MAU*1
(Unit : K users)



No. of registered MAUs calculated based on the new definition.
No. of registered MAUs based on the old definition is 68,000.

Gross Profit per Registered MAU
(Unit : K JPY)

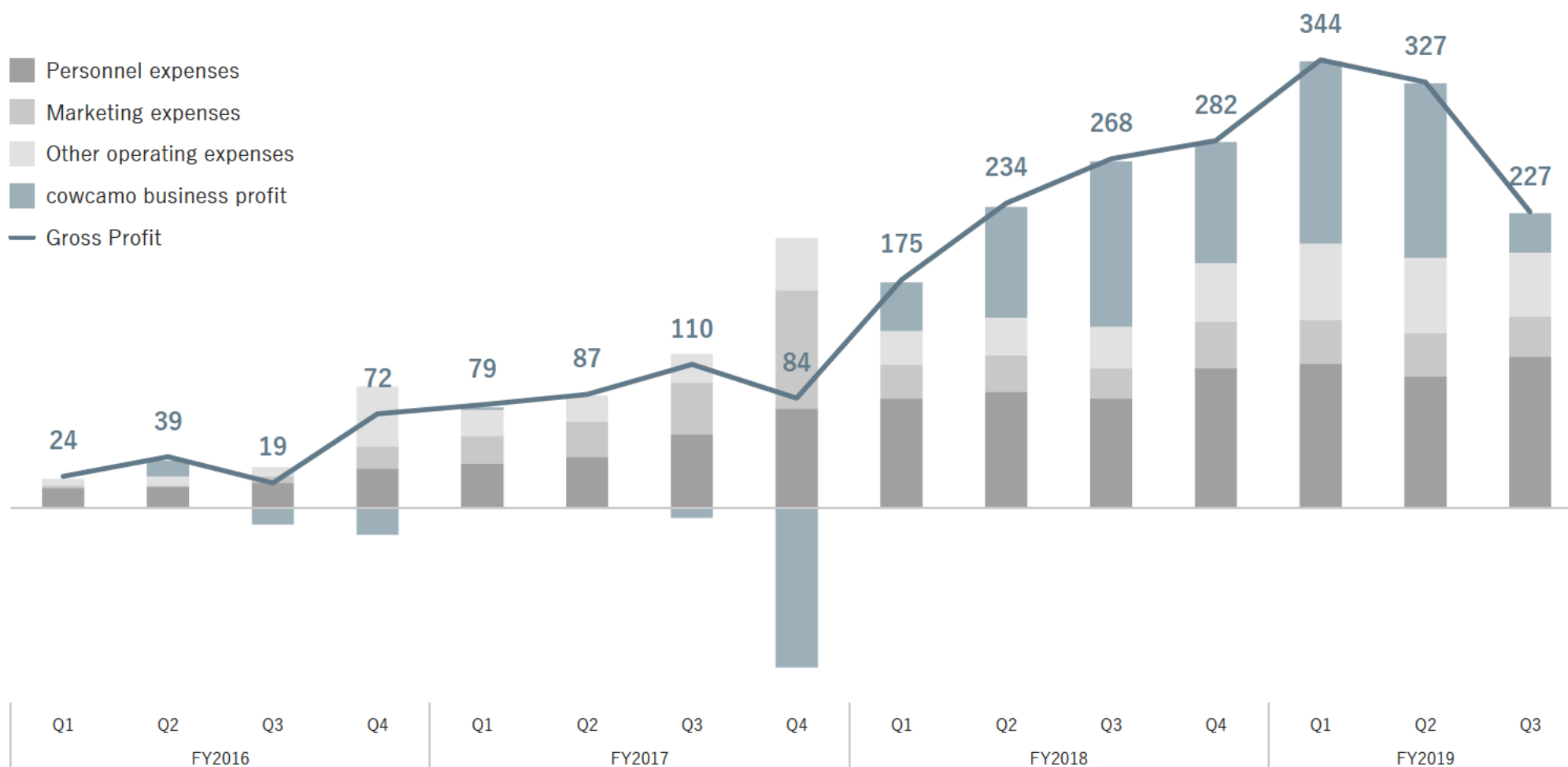


*1 Quarterly average of registered MAU

Operating Cost Composition of the cowcamo business

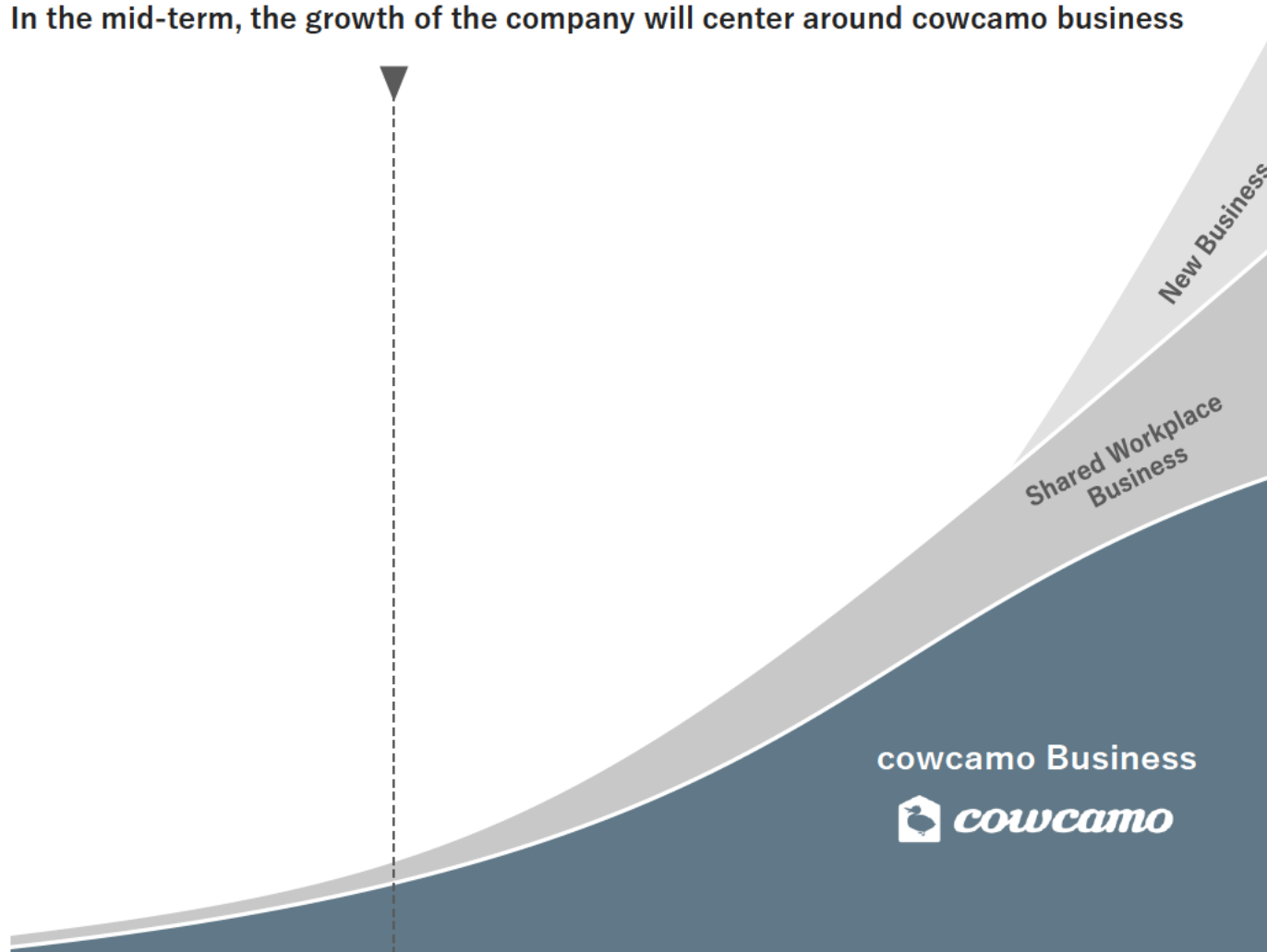
cowcamo business profit decreased due to decrease in gross profit

(Unit : M JPY)



Future Direction of tsukuruba's Growth Strategy

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



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

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

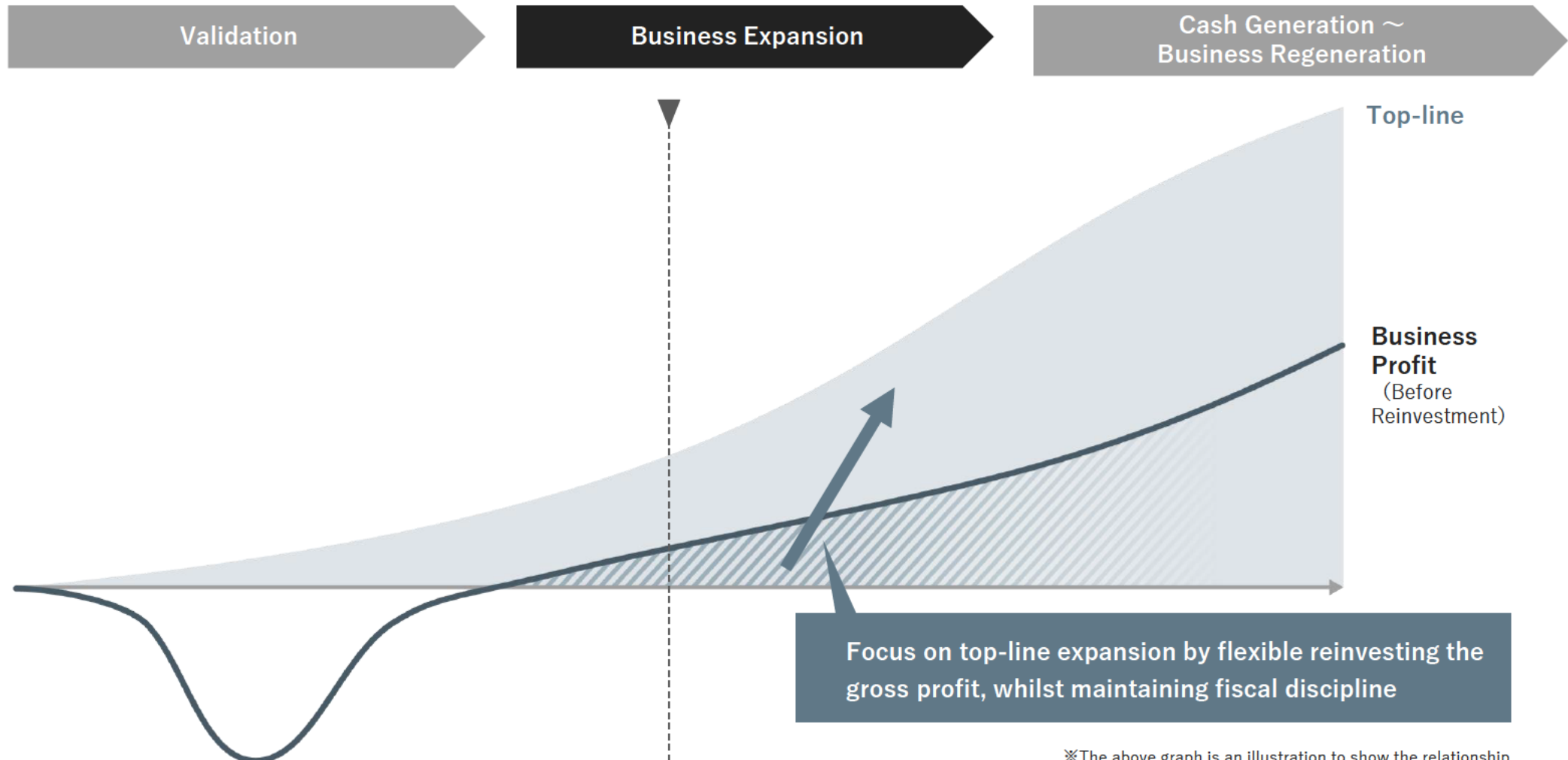
cowcamo will be the driver of growth for the foreseeable future.

We will flexibly reinvest gross profit to achieve continuous growth.

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

Growth Stages of cowcamo Business

Focus on the continuous growth of the top-line by reinvesting the gross profit generated into cowcamo business



※The above graph is an illustration to show the relationship between the top-line and the business profit

cowcamo's Growth Roadmap



4. Revised Forecast of Financial Results for FY2019

Revised Forecast of Financial Results for FY2019

- ✓ Gross profit, which is the source of corporate value, is expected to be 1,130 M JPY (+6.6% on a YoY basis)
- ✓ As the impact of COVID-19 is continuing from 3Q to 4Q, we expect to go into the red for FY2019
- ✓ Preparing for FY2020 after COVID-19 by reducing fixed costs and building a solid financial base by financing

Assumption for Revised Forecast of Financial Results

- ✓ Loss of revenue of 472 M JPY (-41% in the second half) and gross profit of 352 M JPY (-46% in the second half) due to COVID-19
- ✓ Revenue is expected to bottom out from June to July, due to the effect of refraining from going out until May.

(As of the end of May, the number of inquiries and the number of visitors almost recovered to the previous level. The above forecast considers the time lag between transactions and completing of settlement of transactions due to our business model)

- ✓ The revised forecast included extraordinary loss due to reduction of fixed cost and estimated non-operating expenses for financing as temporary expenses

(Unit : M JPY)

The impact in Full Year	FY2019		
	Revised forecast(A)	Earlier forecast(B)	(A)-(B)
Revenue	1,650	※2,122	-472
Gross Profit	1,130	※1,482	-352
Operating Profit	-285	Positive	
Ordinary Profit	-290	Positive	
Net Profit	-372	Positive	

The impact in Second Half	FY2019		
	((A) - Q2results)(C)	((B) - Q2results)(D)	(D)-(C) (D)/(C)(%)
Revenue	658	1,130	-472 41%
Gross Profit	406	757	-352 46%

※At the beginning of FY2019, both revenue and gross profit are expected to grow at an annual rate of 40% or more

5. Business Overview

Company Highlights

1

Establishing a unique position in the growing used and renovated property market

2

Enhancing our self-sustaining growth model based on product and marketing capabilities

3

Building and consolidating our assets and competitive advantage through the integration of the value chain

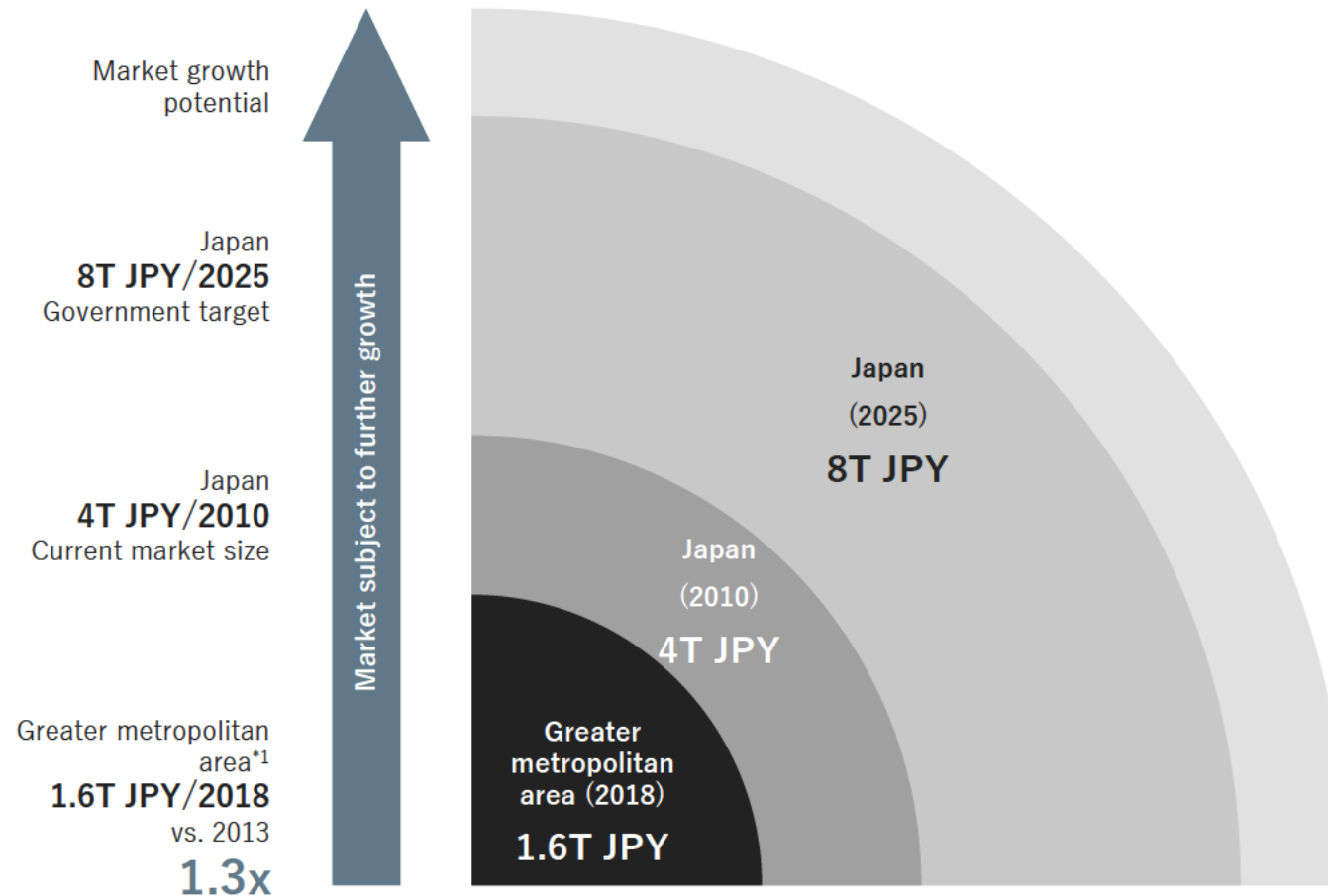
4

Growing and strengthening our user base

1

Future Growth Expectations of the Used and Renovated Property Market

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

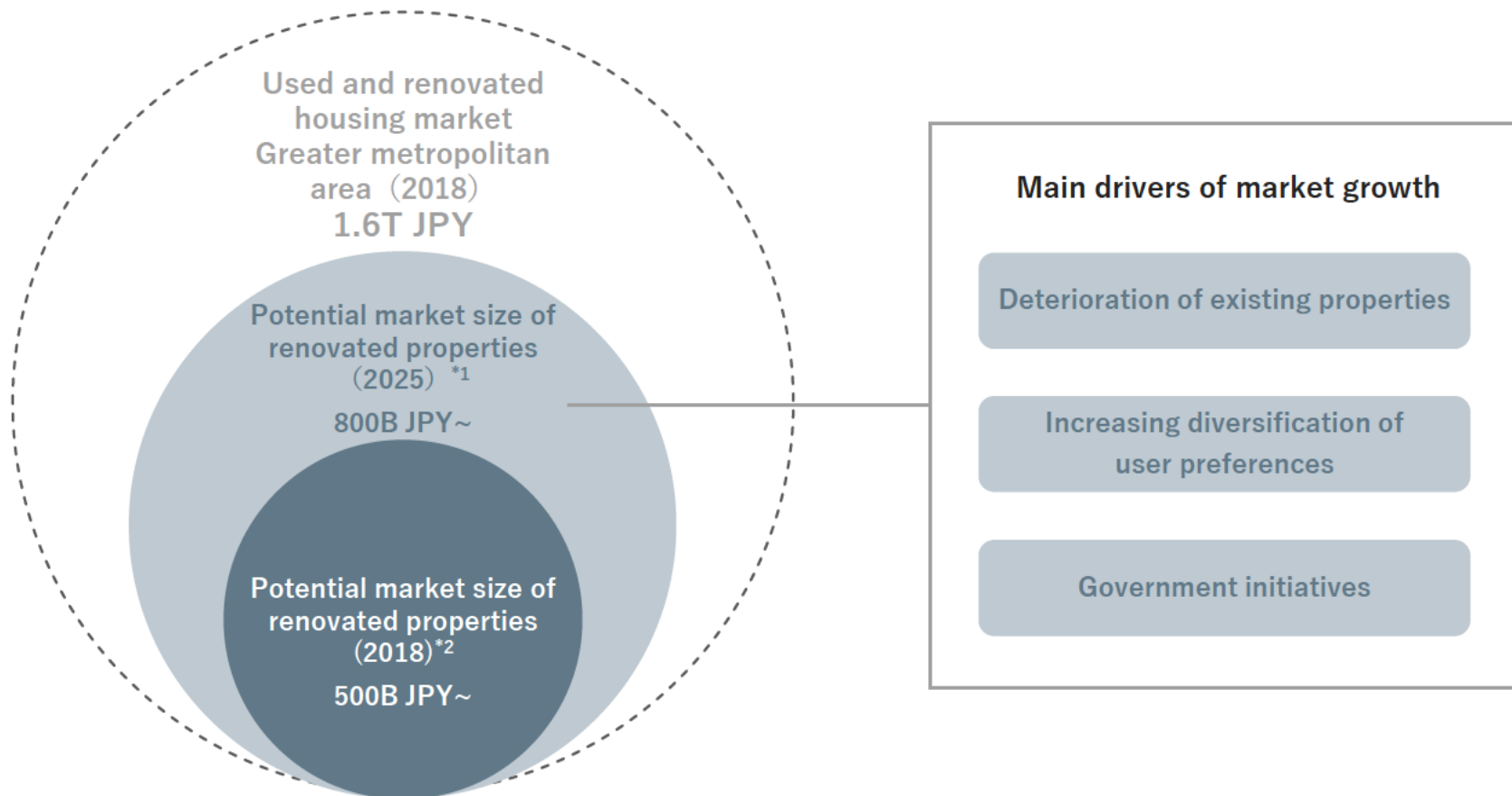


*1 Greater metropolitan area : Tokyo, Saitama, Chiba and Kanagawa prefectures

Source: Real Estate Information Network for East Japan / Prime Minister's Office of Japan, Growth Strategy 2017

1 Strong Growth Potential of the Renovated Property Market

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



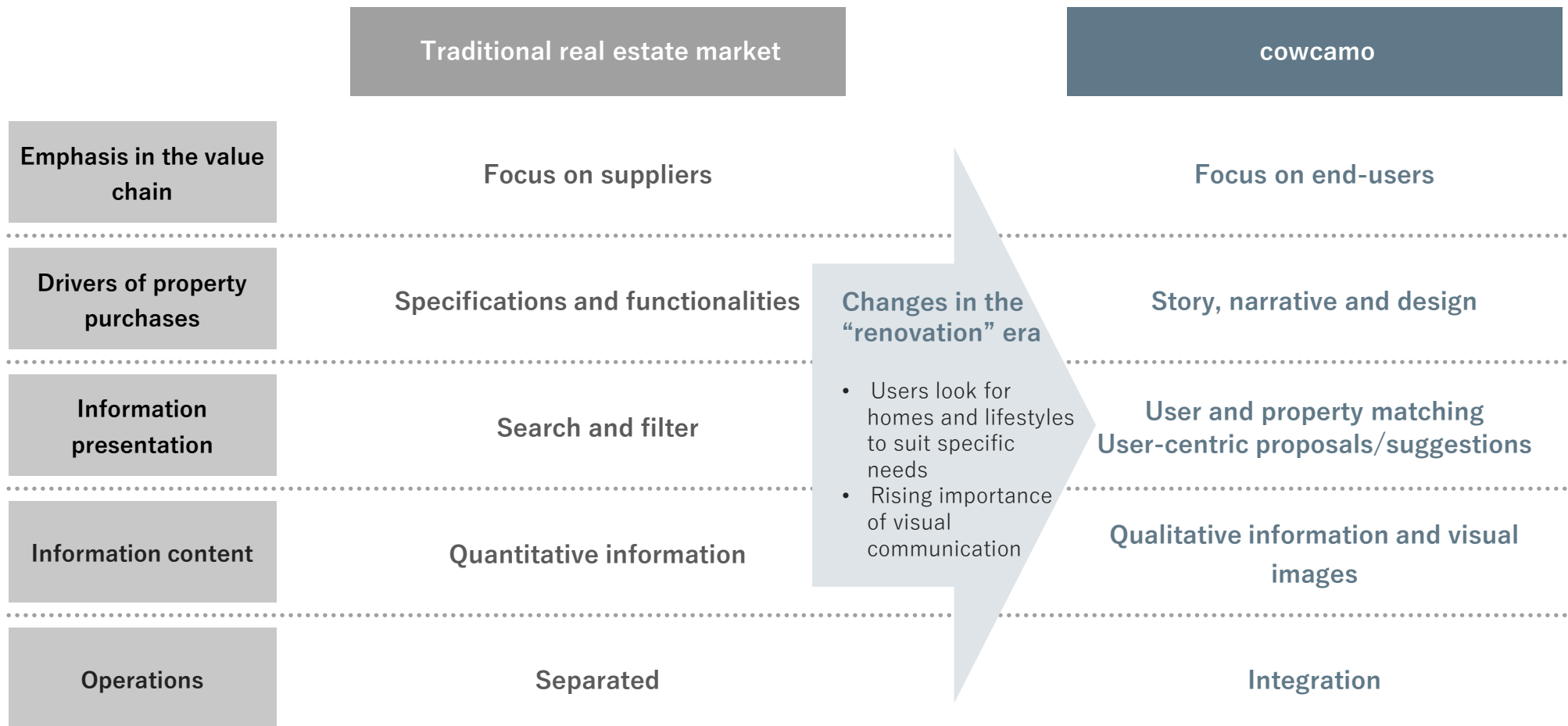
*1 Calculated based on the market size of the used property market in 2018 x the number of used apartments which are 25 years or older in supply in 2025 (estimated data)

*2 Calculated based on the market size of the used property market in 2018 x the number of used apartments which are 25 years or older in supply in 2015 (actual data)

Source: Real Estate Information Network for East Japan Market trend of Real Estate Market in the Greater Metropolitan Area, Mizuho Trust & Banking Co., Ltd. Real Estate Market Report 2016.5

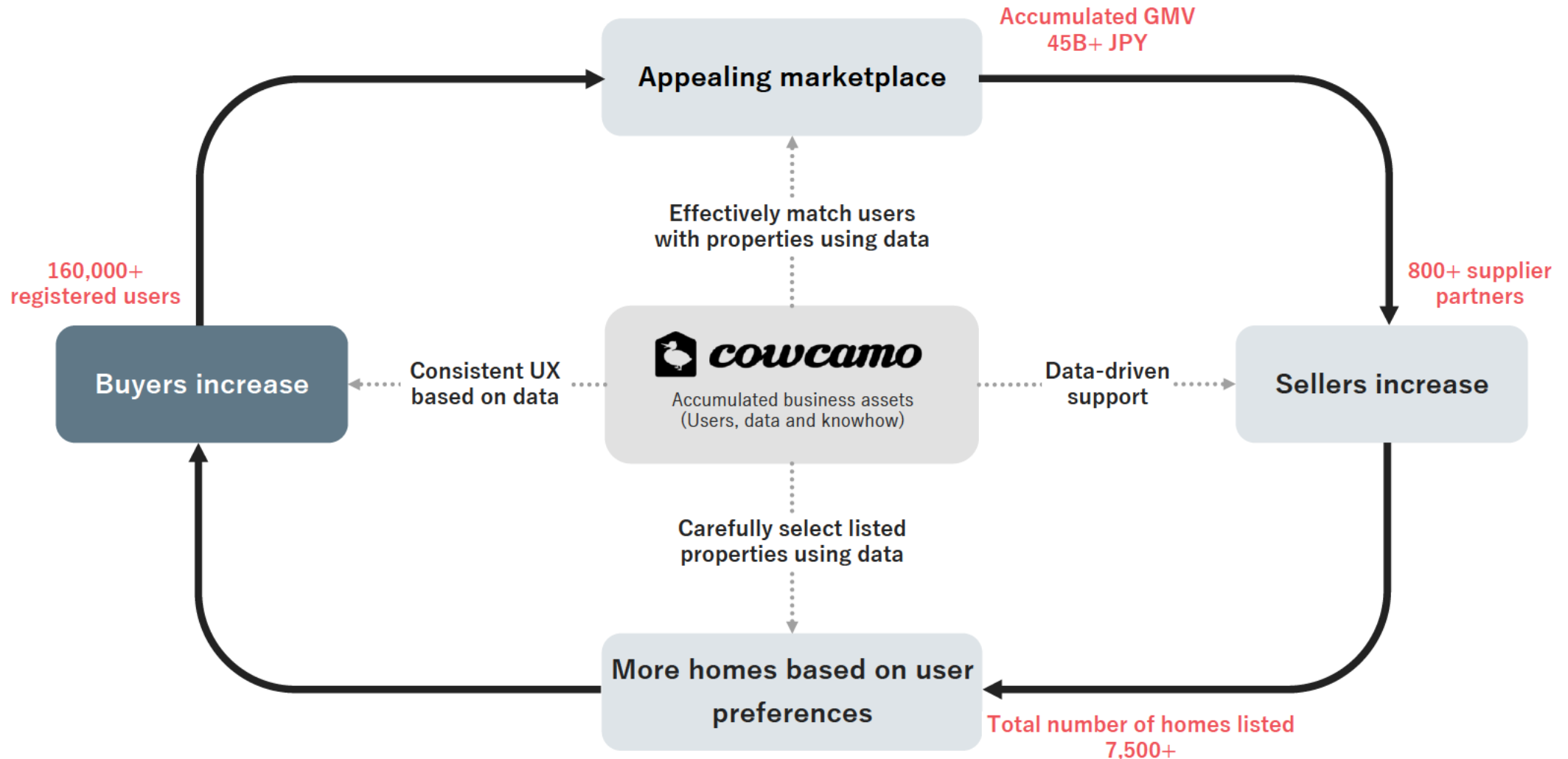
1 Our Unique Market Position as a Platform for Residential Properties

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



2

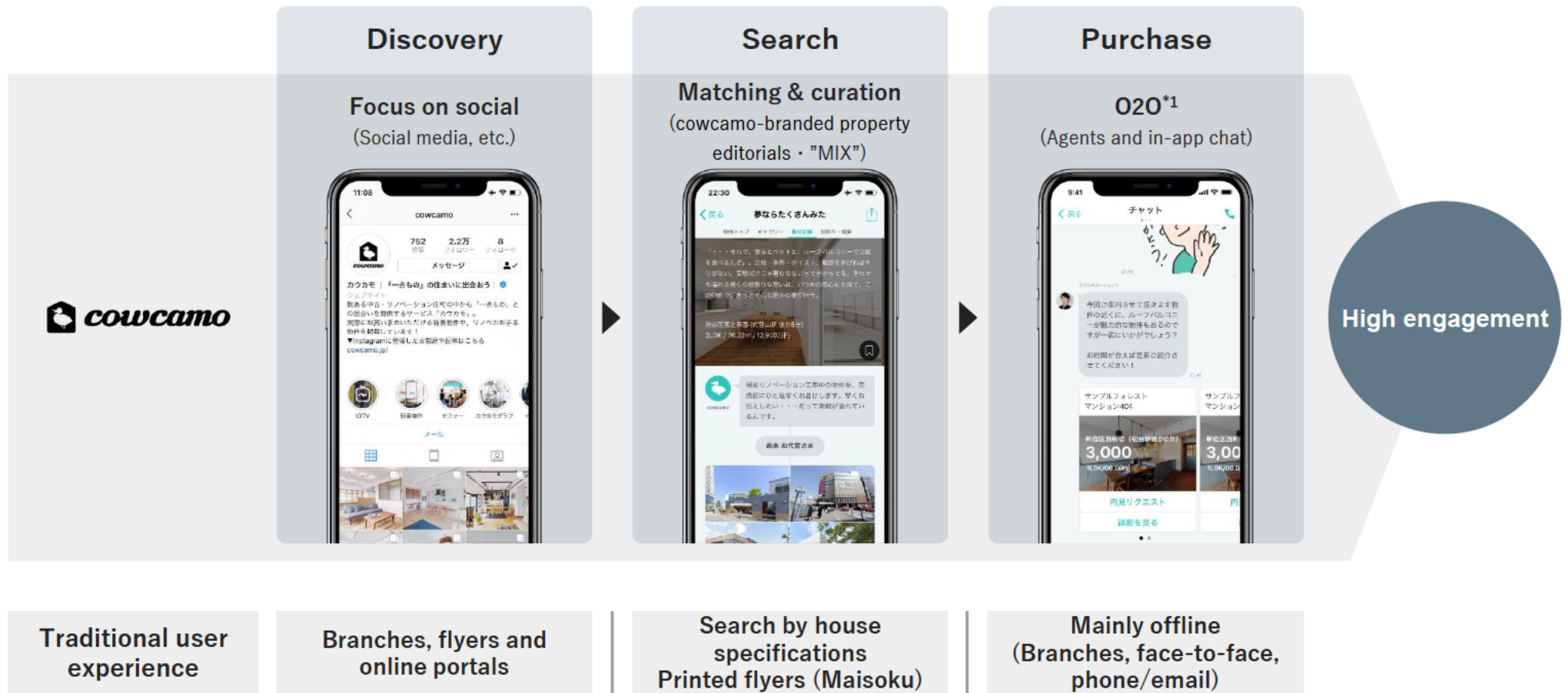
Our User-Driven Self-Sustaining Growth Cycle



2

Our User-Centric Home Shopping Journey

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



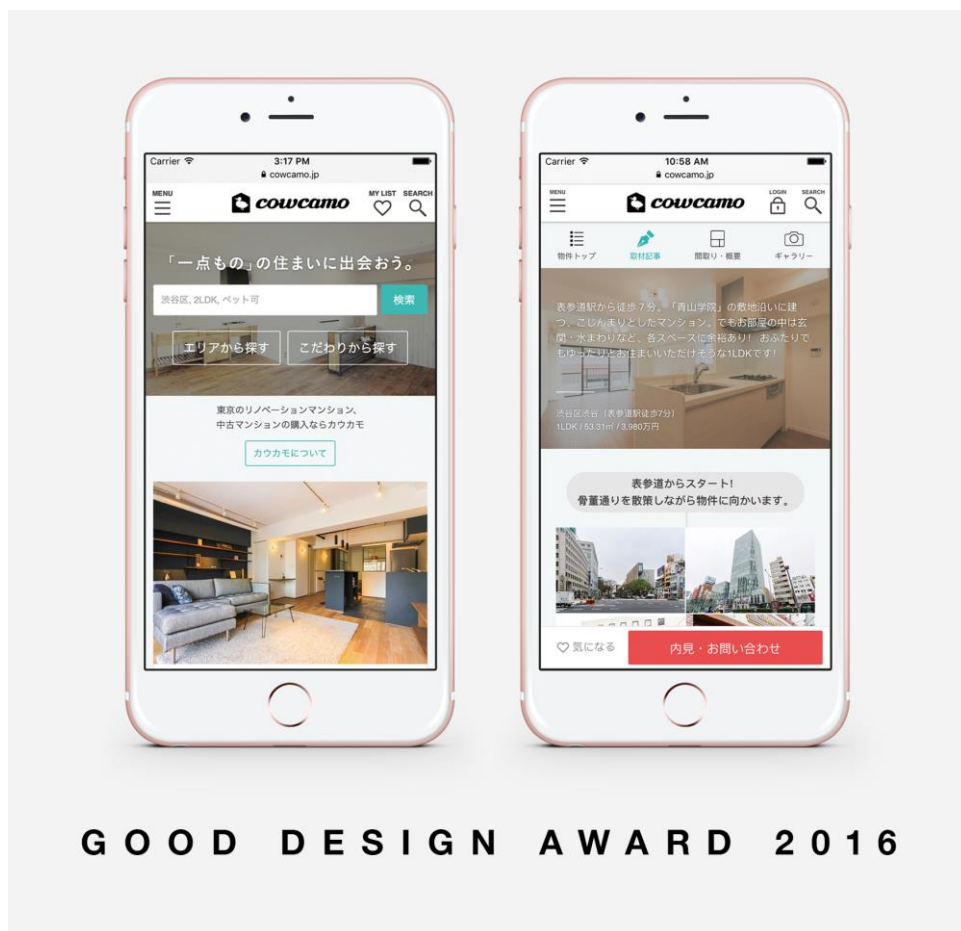
*1 O2O: Online to Offline

*2 Maisoku : Printed flyers with listed property information which real estate agents traditionally hand out

Past Awards

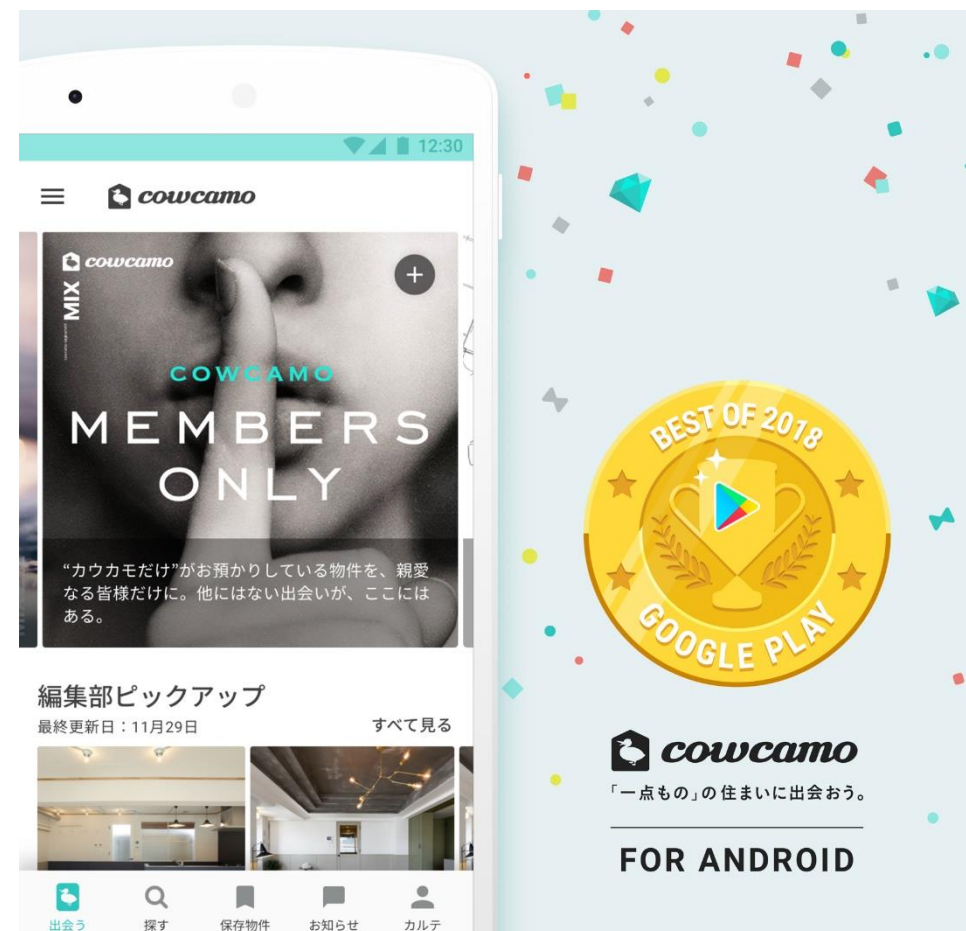
cowcamo.jp (Website)

GOOD DESIGN AWARD 2016



cowcamo for android (app)

Google Play Best of 2018

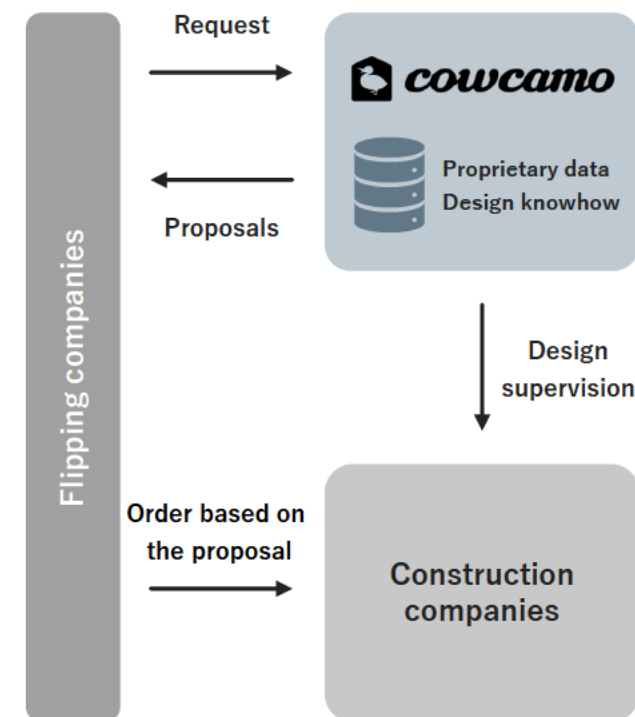


2 Creating New Business Opportunities with Supplier Partners

Property designs by cowcamo

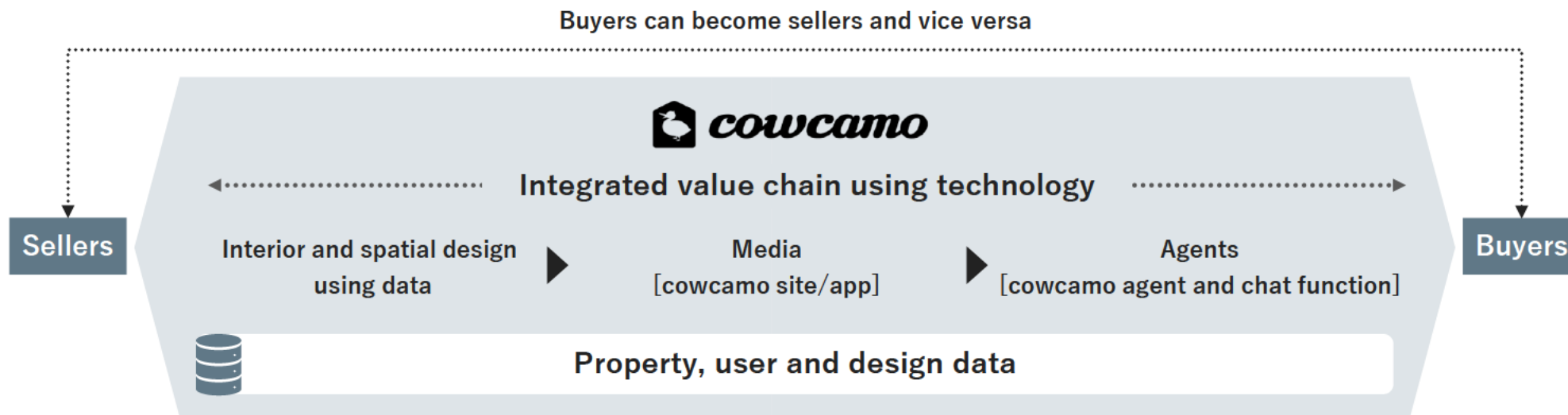


Business flow of our interior and spatial design business scheme

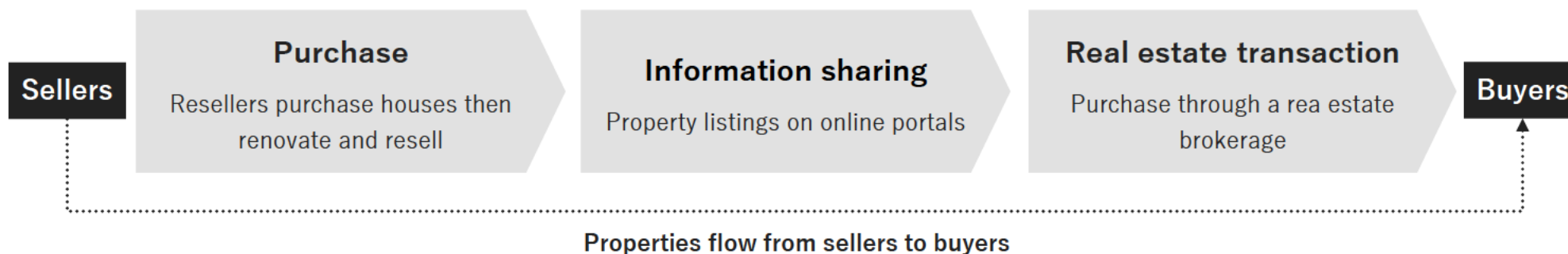


3 A Fully-Integrated Used and Renovated Property Value Chain

cowcamo's value chain

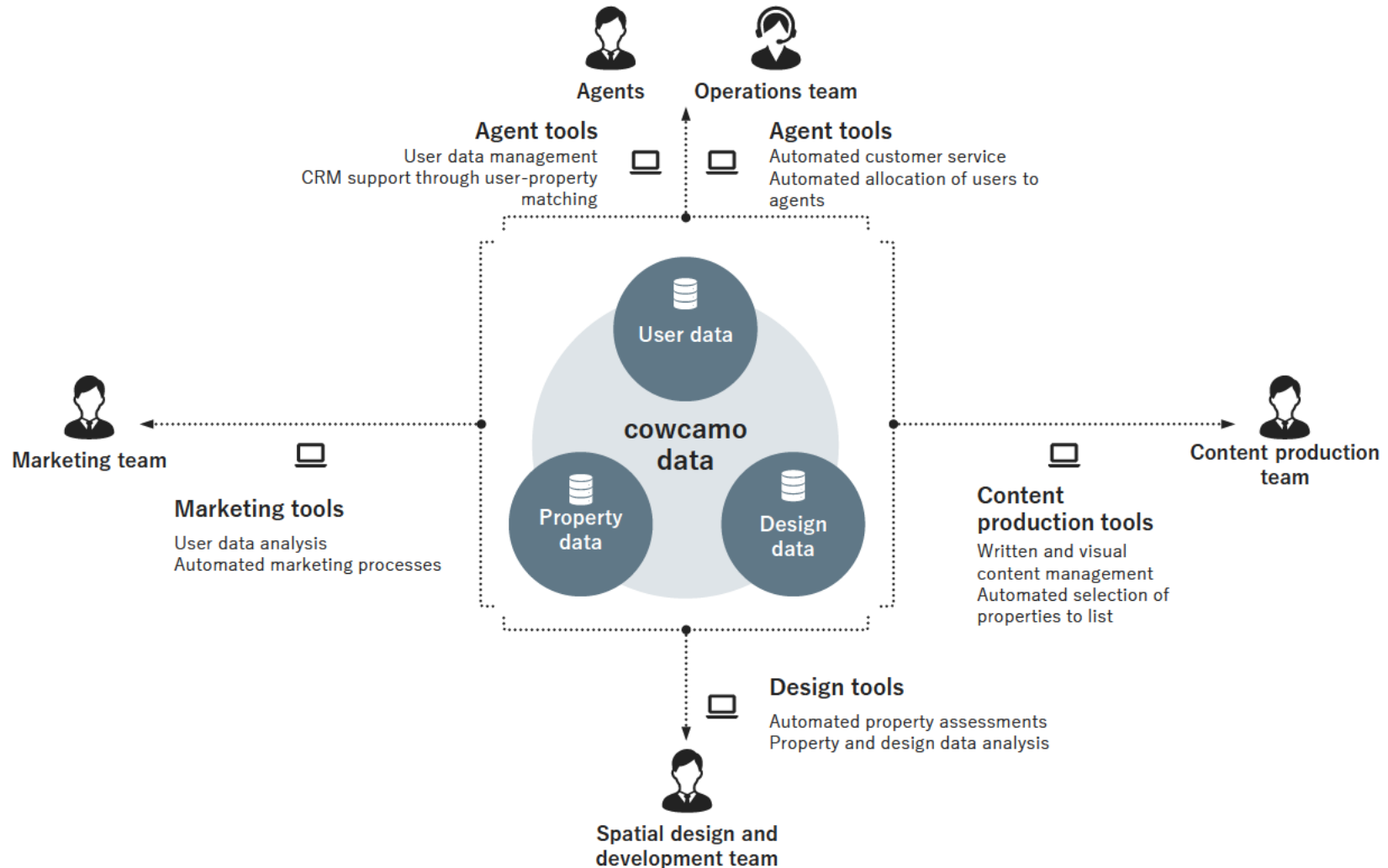


Traditional value chain



Our Comprehensive Suite of Tools and Technology Solutions

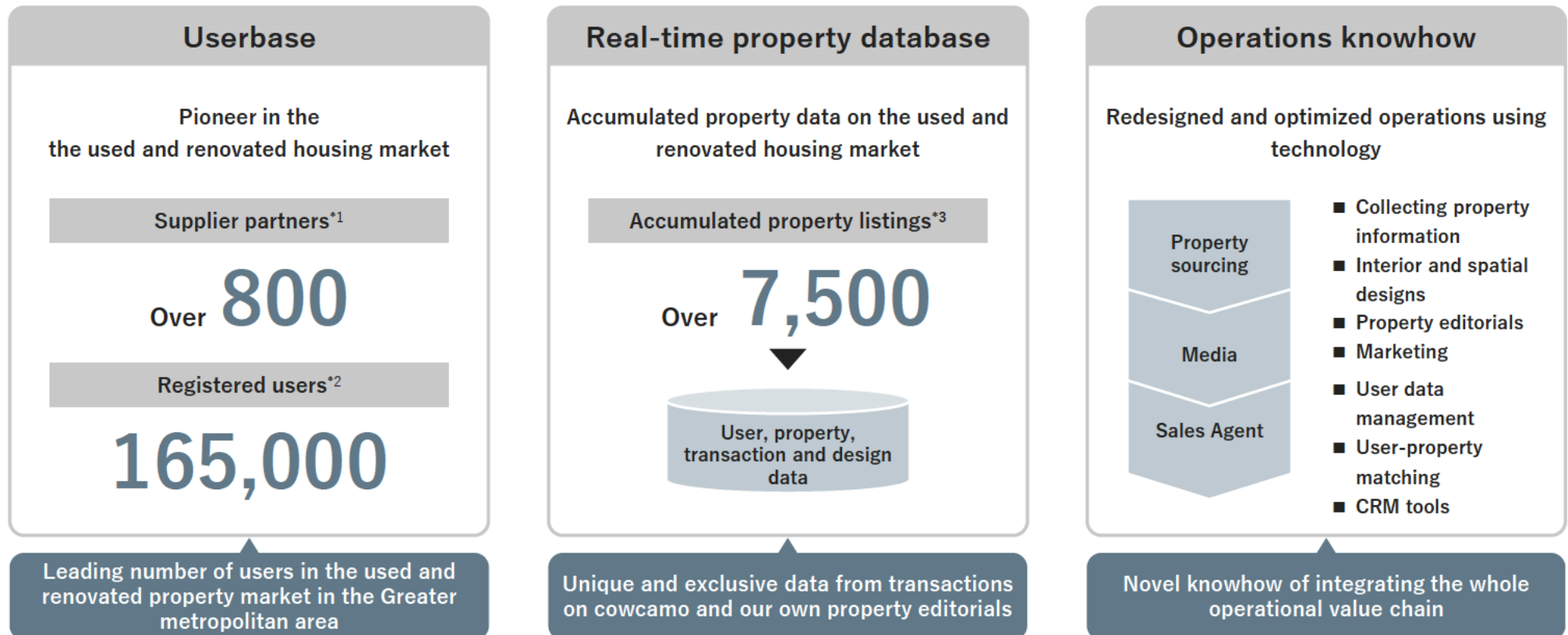
Optimization of various processes using data and technology



3

Our Sustainable Competitive Advantage

Accumulated userbase, data and know-how through business operations



*1 : Sellers and flipping companies which have been covered in cowcamo's editorials

*2 : Accumulated number of registered users (as of April 2020)

*3 : Properties listed on cowcamo

4

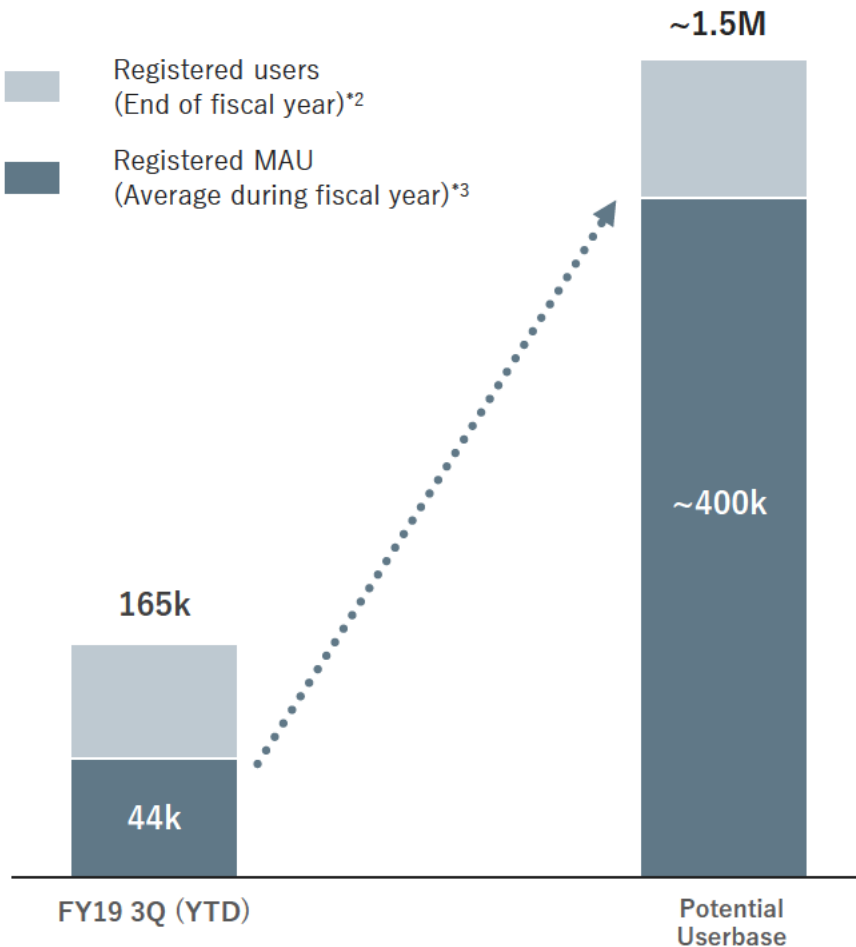
Our Growth Roadmap



4

Opportunities for Future Growth of Our Userbase

Potential for user growth in the Tokyo metropolitan area*1

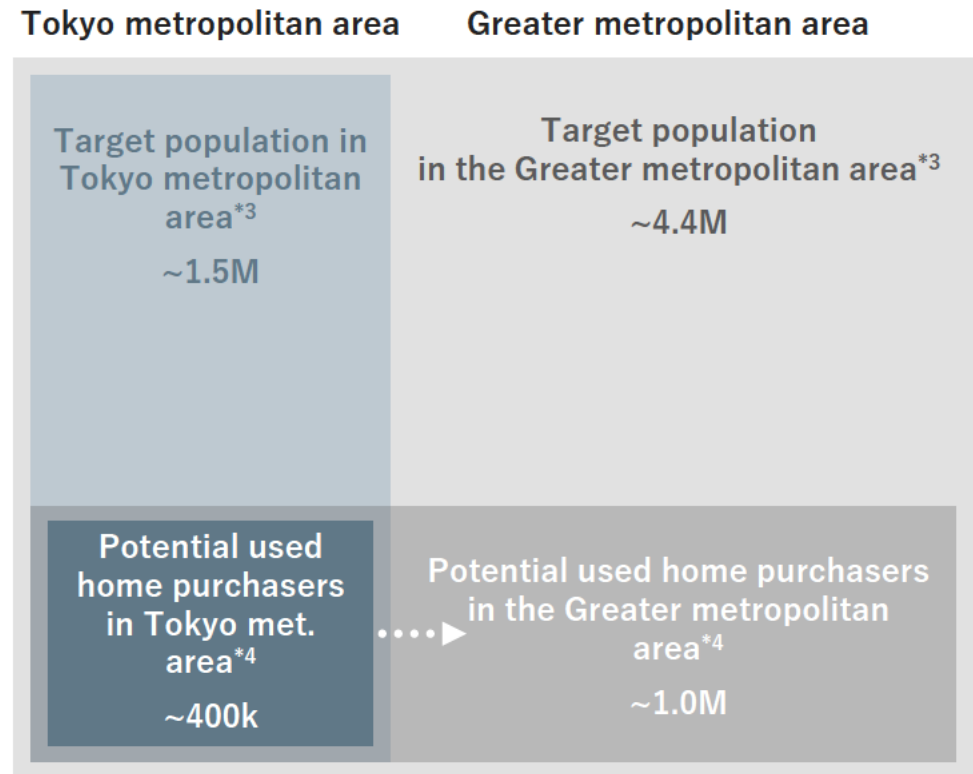


- *1 : Tokyo metropolitan area refers to the 23 wards in Tokyo prefecture
- *2 : Registered users refers to users who have registered on cowcamo by the last day of a given period, including users who have not made any transactions
- *3 : Registered MAU refers the average number of registered monthly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

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Potential for user growth through area expansion



*3 : In Tokyo metropolitan area (A1) and Greater metropolitan area (A2), calculated based on: the population between the age of 25 to 50 years old x estimated potential home ownership rate (B) x estimated potential used home ownership rate (C)

A1 : Tokyo Metropolitan Government Bureau of General Affairs "Census: Population and Households in Tokyo (2019.1)"

A2 : Tokyo Metropolitan Government Bureau of General Affairs "Current Population Estimates as of October 1, 2018"

B : Ministry of Land, Infrastructure, Transport and Tourism "2019 Real Estate Market Data: 3. Perception of Japanese Citizens Towards" Housing
Exclude respondents who answered "Rented properties" as their desired future property ownership from all respondents who currently live in a rented property (66.2%)

C : Ministry of Land, Infrastructure, Transport and Tourism "2019 Real Estate Market Data: 3. Perception of Japanese Citizens Towards" Housing
Share of respondents who live in a rented property and answered "Used property" or "No preference" as desired future property ownership (44.1%)

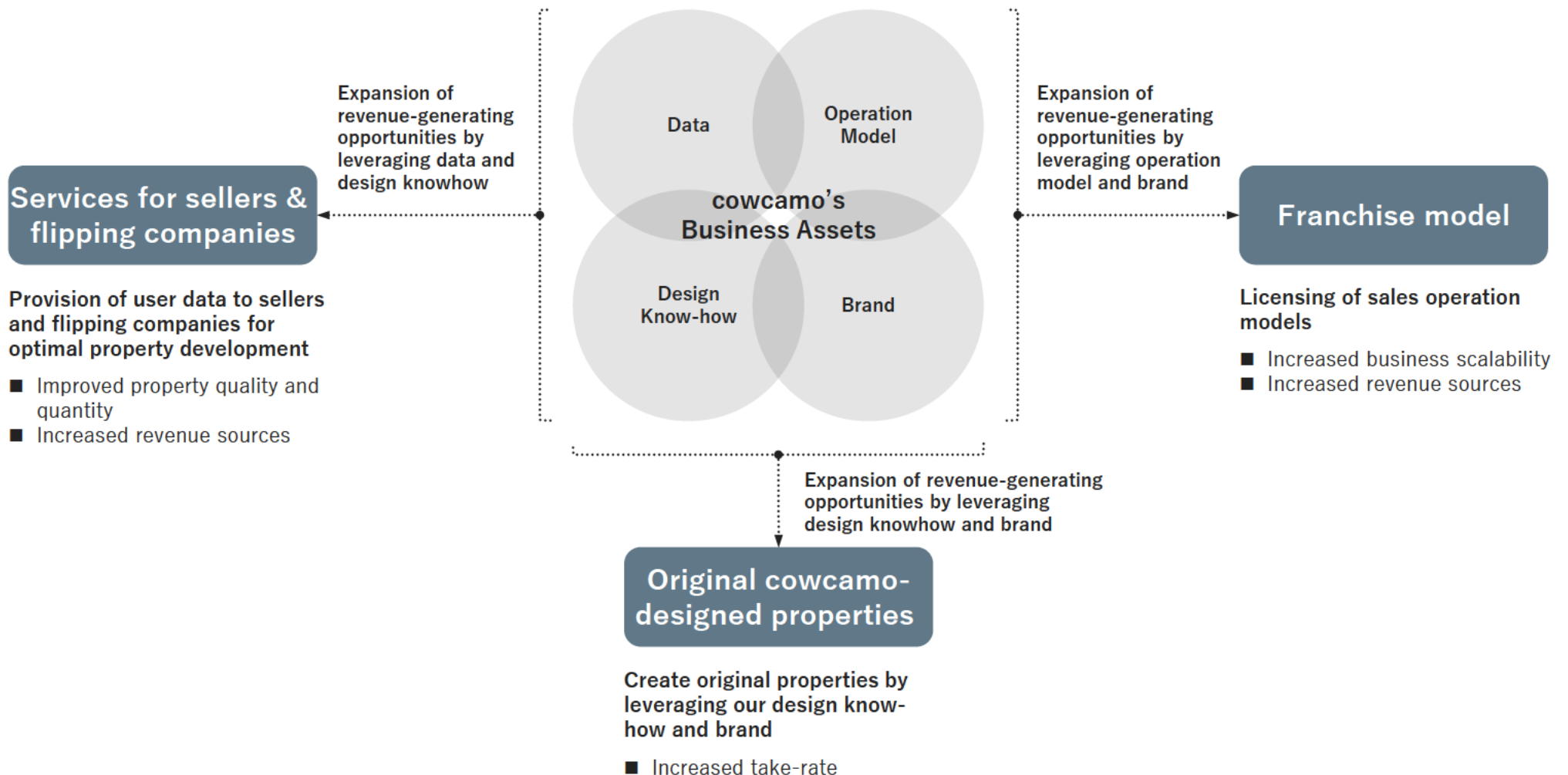
*4 : Calculated based on the target population x share of those who want to move houses within the next 5 years (D)

D : Tokyo Metropolitan Government Bureau of General Affairs "Intentions to Relocate Houses/Improve Living Conditions (5 categories)/Age of the Head of Household (8 categories)
Share of households, for which the head of household is under the age of 50, who answered "I want to change residential property" within the next 5 years (23.6%)

4

Revenue-Generating Opportunities By Leveraging Business Assets

cowcamo's business assets and revenue-generating opportunities



4 Long-term Goal of Leading the Used Property Market

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

Increase Price

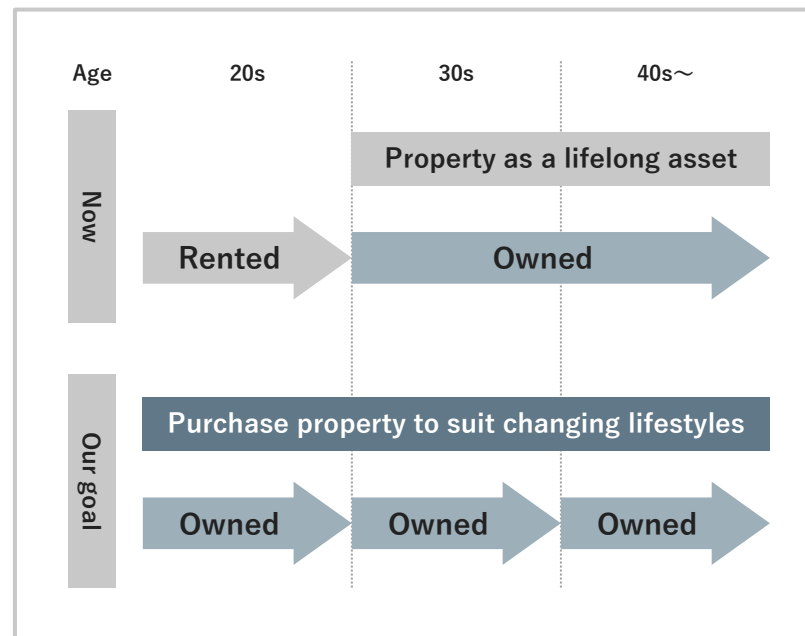
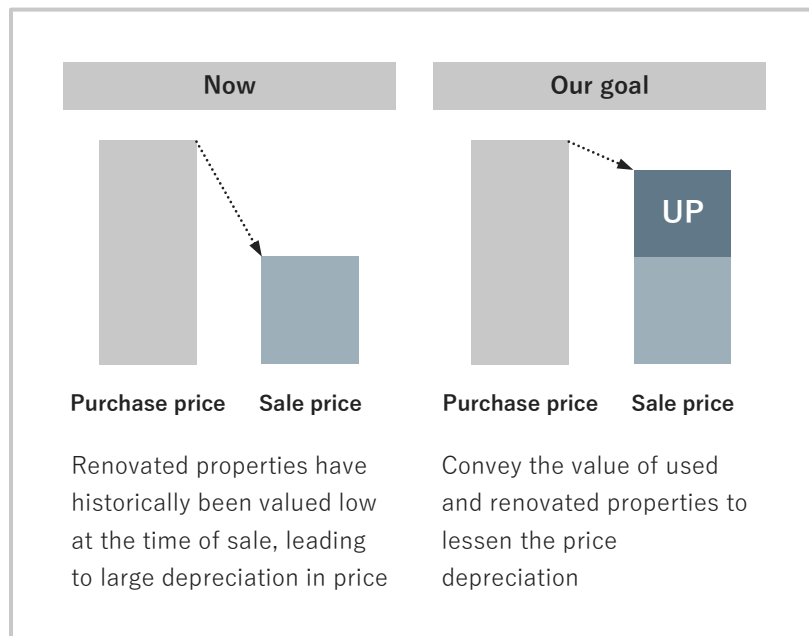
- Fair and accurate assessment of renovated real estate using our own property data
- Ability to market the quantitative and qualitative value of renovated properties



Increase frequency of home purchases

= Expand TAM

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



6. Q&A

Q&A

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

5. Reference Materials

Company Overview

Name	tsukuruba inc.
Address	2F Ikura Building, 1-1-5 Kamimeguro, Meguro-ku, Tokyo, Japan
Founded	August 2011
Founders	CEO Hiroki Murakami CCO Masahiro Nakamura
Employees	121 full-time employees (As of July 2019)
Businesses	Creating and operating technology-powered property-related services: - "cowcamo", an end-to-end real estate online brokerage platform for used and renovated properties - "co-ba", subscription-based co-working offices
Awards	Deloitte Technology Company Japan Technology Fast 50 2017/2018/2019

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



Hiroki Murakami
Co-founder and CEO

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



Hiroshi Kitahara
COO

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



Masahiro Nakamura
Co-founder & CCO

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



Ryohei Koike
CFO

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



Shinichi Takano
External Director

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



Hidekazu Suzuki
External Director

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

Balance Sheet

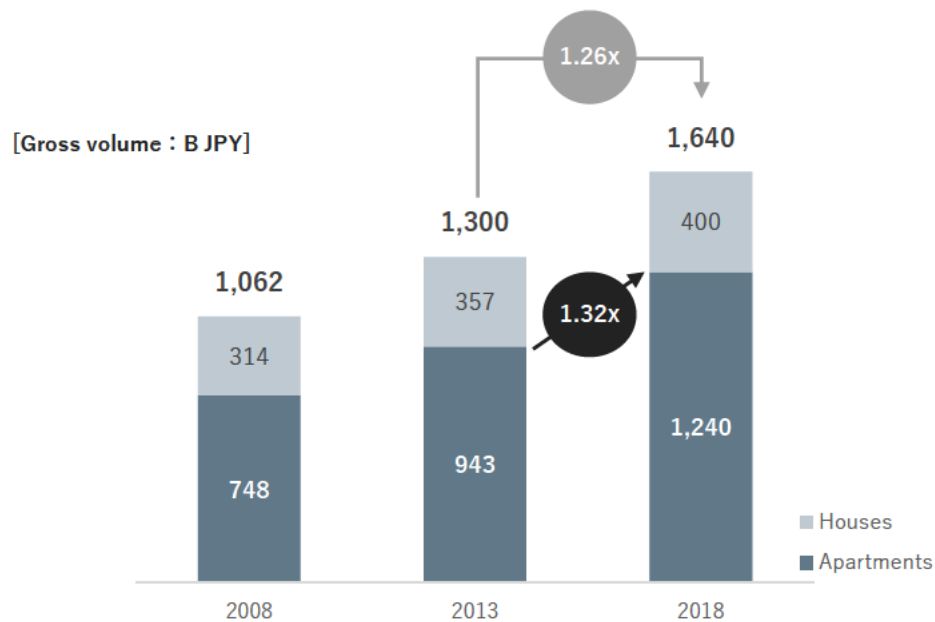
(Unit: M JPY)

	FY2018 4Q	FY2019 2Q
Current Assets	1,505	1,530
Cash & Deposits	1,420	1,466
Non-Current Assets	363	650
Total Assets	1,869	2,181
Current Liabilities (of which, interest-bearing liabilities)	269 (64)	305 (156)
Non-Current Liabilities (of which, interest-bearing liabilities)	124 (116)	461 (443)
Net Assets	1,475	1,414
Equity Capital	594	609
Retained Earnings	1,307	1,322
Total Liabilities & Net Assets	1,869	2,181

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

Used and renovated property market is growing rapidly

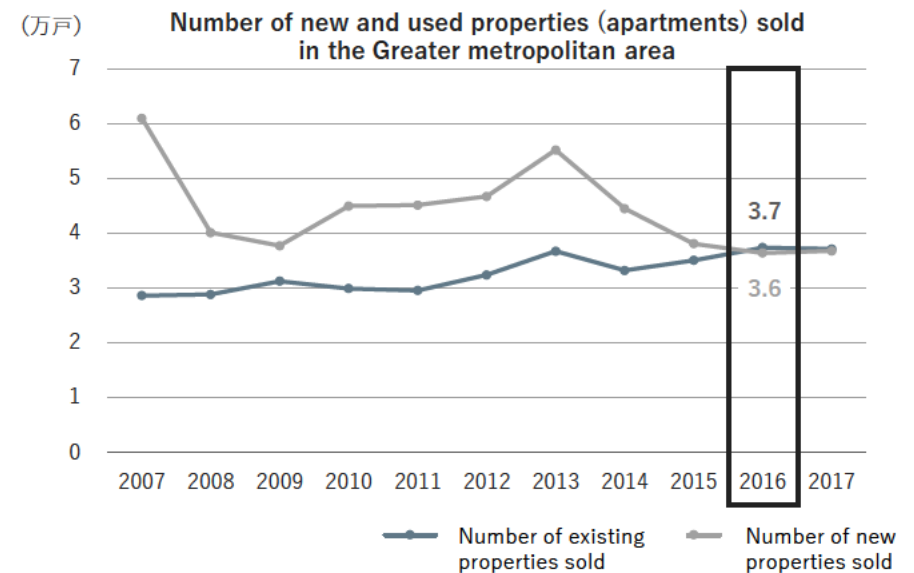
- The market has grown 1.26x since 2013
- The apartment market has grown 1.32x during the same period



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

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

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

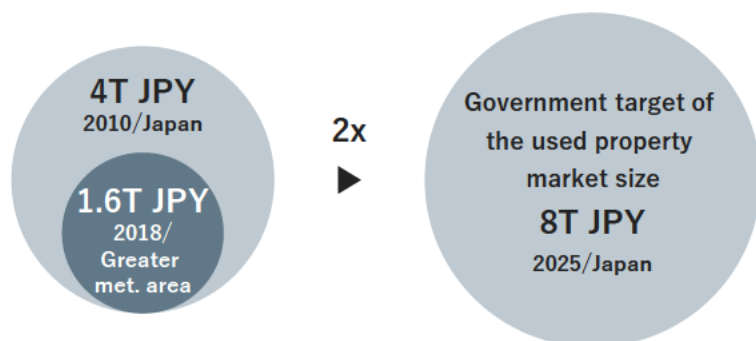


Source : Number of existing properties : Real Estate Information Network for East Japan Market trend of Real Estate Market in the Greater Metropolitan Area (2018/4/17 Report)
 Number of new properties : Real Estate Economic Institute Co., Ltd. Market Trend of Apartments in the Greater Metropolitan Area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

Growth Expected of the Used Property Market

Growth potential of TAM

The government aims to double the used property market



Growth Strategy 2017 — Strategic Areas for Society 5.0

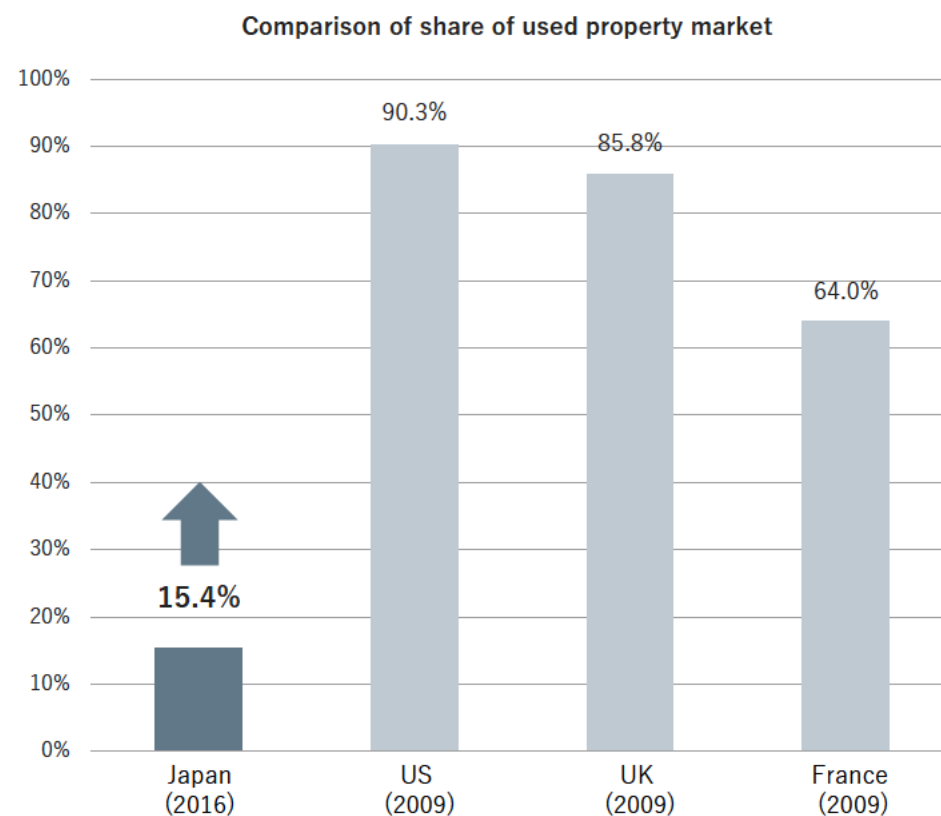
1	Extension of Healthy Lifespan
2	Realization of Mobility Revolution
3	Creating of Next-generation Supply Chains
4	Building and Developing Pleasant Infrastructure and Towns
5	Advancement of FinTech
6	Overcoming energy and environmental constraints and expanding investment
7	Robot Revolution / Bio Material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

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

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

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

Share of used property market by countries



Source : Ministry of Land, Infrastructure, Transport and Tourism Promotion and Utilization of Used Properties (Appendix)

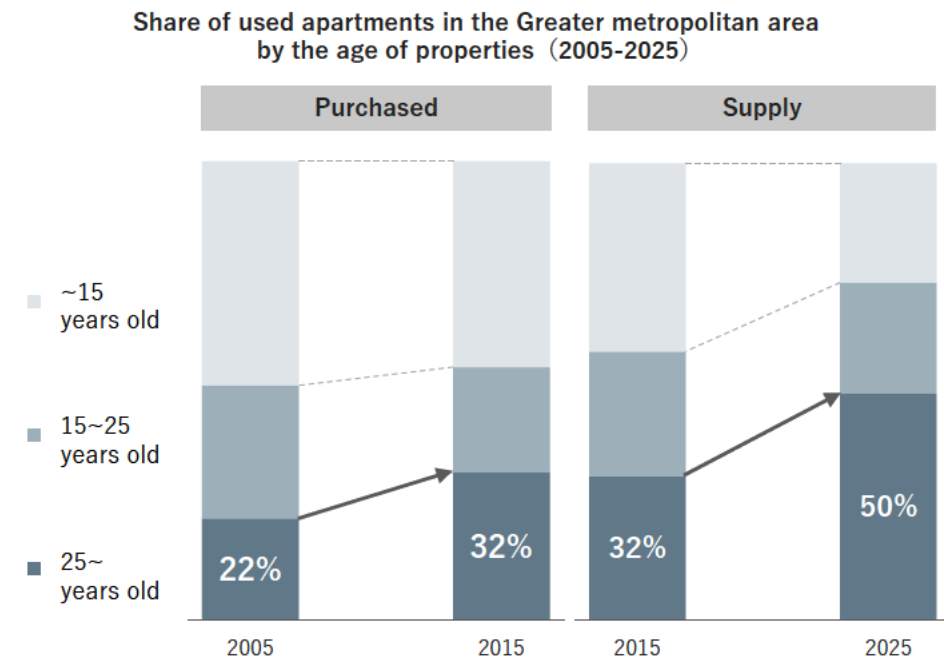
Figure of Japan is an estimated figure from the Remodeling Business Journal Used Property Market Data 2018

Renovated Properties Will Become a Mainstream Option by 2025

Changes in the market structure as the used property market expands

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

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



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

Renovation will become a mainstream option

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

Formation of renovated apartment market

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

Diversification of types of used apartments

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

Changes in the used property businesses

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

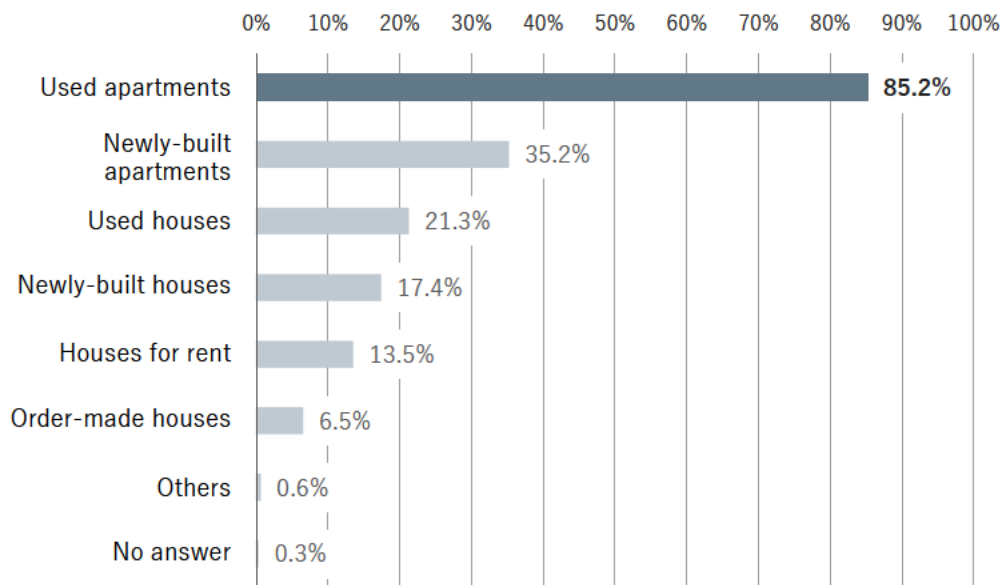
Urban Lifestyle Consumers as Main Target Population

cowcamo's target users

Preferences for used apartments

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

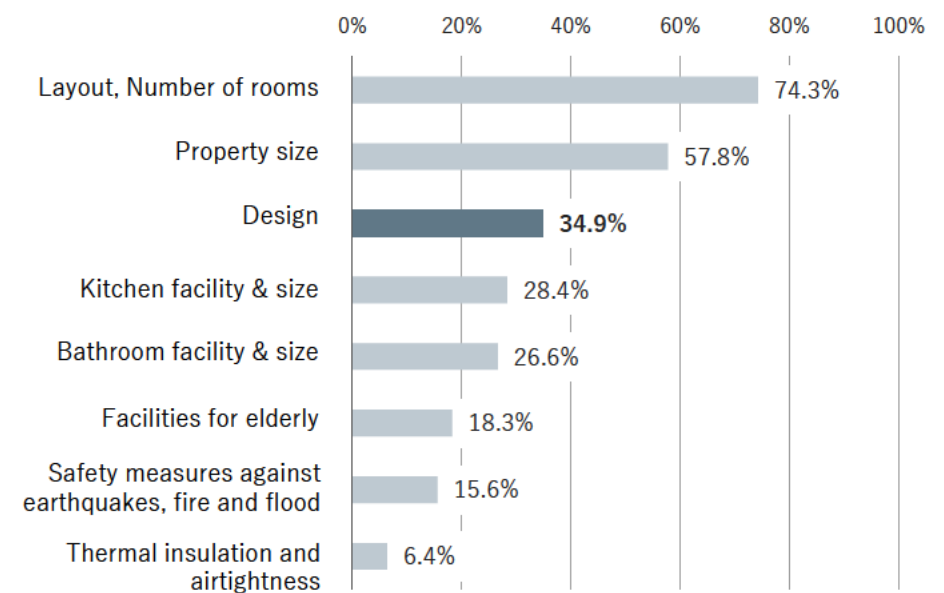
Types of properties compared at the time of purchase (Used apartment purchasers)



Importance of interior and spatial design of used apartments

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

Main reasons for the purchase of properties



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

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

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.

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