

# **TSUKURUBA**

TSE Mothers: 2978

**Financial Results**  
**FY 2021 Q2 (Nov.-Jan.)**  
Mar. 15<sup>th</sup> 2022

**FY 2021**

Aug. 1<sup>st</sup> 2021 to July 31<sup>st</sup> 2022

# Agenda

- 1. Financial Highlights for FY2021 Q2**
- 2. Financial Results for FY2021 Q2**
- 3. Forecast for FY2021**
- 4. Reference**

# 1. Financial Highlights for FY2021 Q2

# Highlights

## Financial Results FY2021 Q2 (Nov. 2021-Jan. 2022)

- Continued growth with record revenue and gross profit

Revenue JPY **653** million (+**68**% YoY)

Gross Profit JPY **419** million (+**44**% YoY)

- Steady progress in cowcamo business in line with our goals for FY 2021

GMV JPY **8,810** million (+**62**% YoY)

Take Rate **4.4** % (**-0.5** pts YoY, **+0.5** pts QoQ)

## Forecast for FY2021 (Aug. 2021-Jul. 2022)

- In light of the recent macro environment changes, we will review costs, focusing on fixed cost reductions, and plan to reduce next fiscal year's deficit (see page 20)
- At this time, we maintain our full-year forecast for FY2021 ending July 31, 2022.

## 2. Financial Results for FY 2021 Q2

# Companywide | FY2021 Q2 - Quarterly Financial Summary

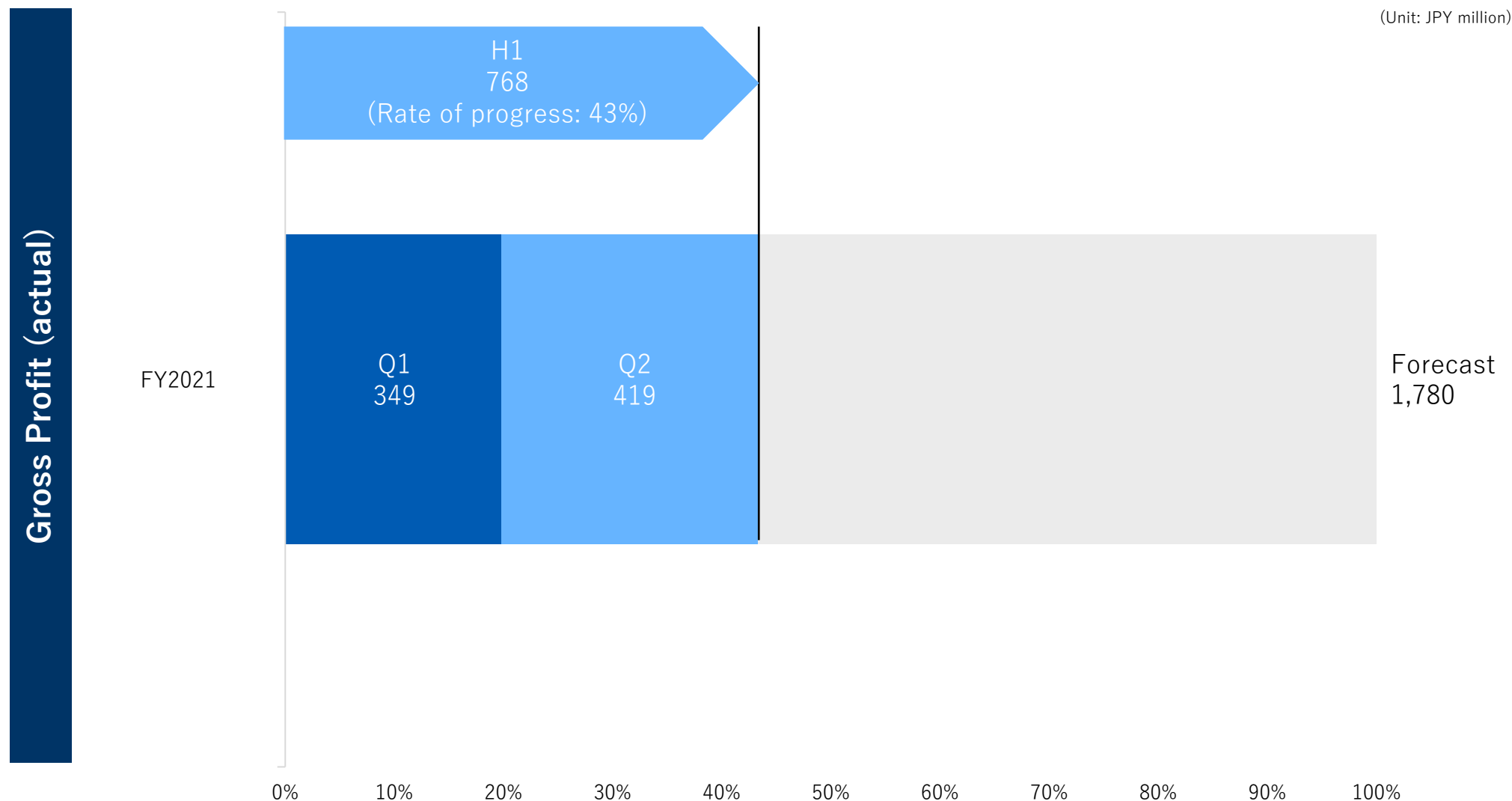
Revenue and gross profit reached a record high, and steady progress in investments are seen, in line with our plans

(Unit: JPY million)

	FY2022 Q2 (2021/11-2022/1)	FY2021 Q2 (2020/11-2021/1)	YoY	FY2022 H1 (2021/8-2022/1)	FY2021 H1 (2020/8-2021/1)	YoY
Revenue	653	389	+68%	1,219	760	+60%
Gross Profit	419	290	+44%	768	593	+30%
Operating Profit	-251	-72	-	-496	-118	-
Ordinary Profit	-253	-67	-	-506	-112	-
Net Profit	-253	-66	-	-506	-119	-

## Companywide | Progress towards our full-year forecast for FY2021

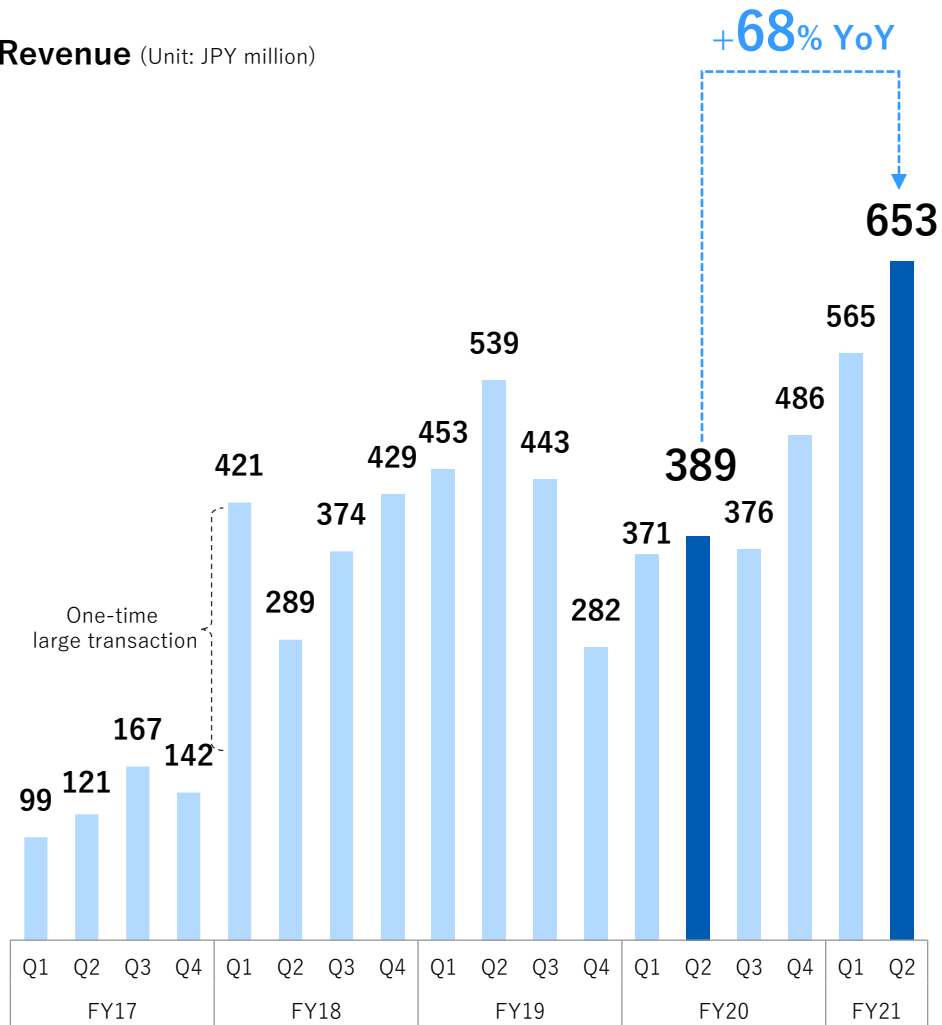
Considering the seasonality factor and growth potential in the second half of FY2021, the first half has progressed as planned. The assumptions underlying our forecast are discussed on page 22.



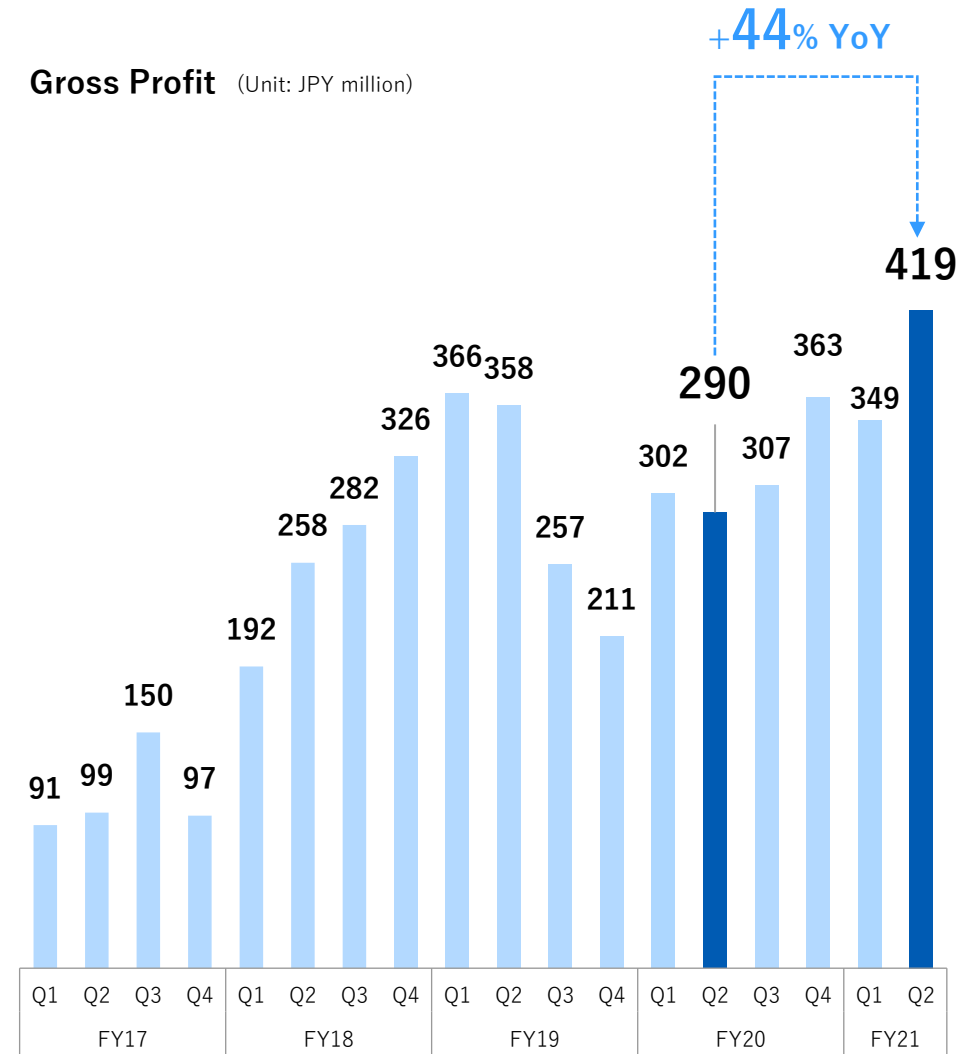
# Companywide | Revenue and Gross Profit

Revenue and gross profit reached record highs.

**Revenue** (Unit: JPY million)



**Gross Profit** (Unit: JPY million)





## Segments | FY 2021 Q2 - Financial Highlights by Business Segment

Gross profit in cowcamo, our mainstay business, has been steady. Revenue increased due to purchases of in-house products.

(Unit: JPY million)

		FY2021 Q2	FY2020 Q2	YoY	FY2021 H1	FY2020 H1	YoY
cowcamo	Revenue	554	305	+82%	1,032	581	+78%
	Gross Profit	387	268	+44%	716	544	+32%
	Business Segment Profit	-131	7	-	-234	59	-
PPD	Revenue	98	84	+17%	186	179	+4%
	Gross Profit	31	21	+46%	52	48	+8%
	Business Segment Profit	11	0	+4,011%	9	2	+345%
Others	Corporate Expenses	-131	-80	-	-271	-179	-

## cowcamo | KPIs for cowcamo

For better disclosure and understanding, we have changed the KPIs of cowcamo to the GMV and Take Rate. We will also continue to disclose the number of transactions and MAU as reference.

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

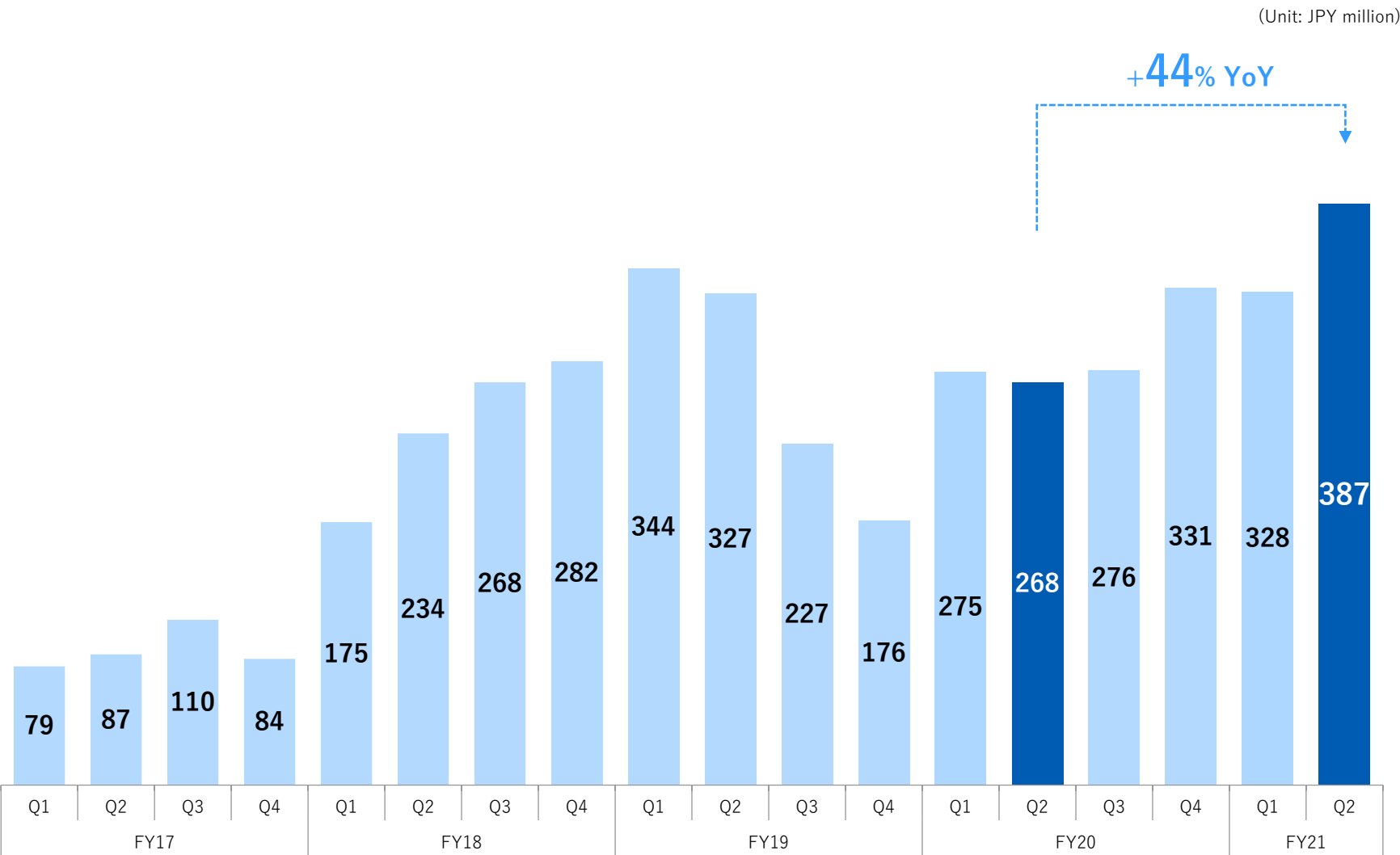
GMV: Gross Merchandise Value is total circulation on the platform. GMV is the sum of the prices of all products and services traded on the cowcamo platform, including properties and renovation services.

Take Rate: The commission rate charged under GMV, calculated by dividing the gross profit of cowcamo by GMV.

\*1 Calculated on a contract basis

cowcamo | **Gross Profit**

Gross profit reached a record high, +44% YoY.

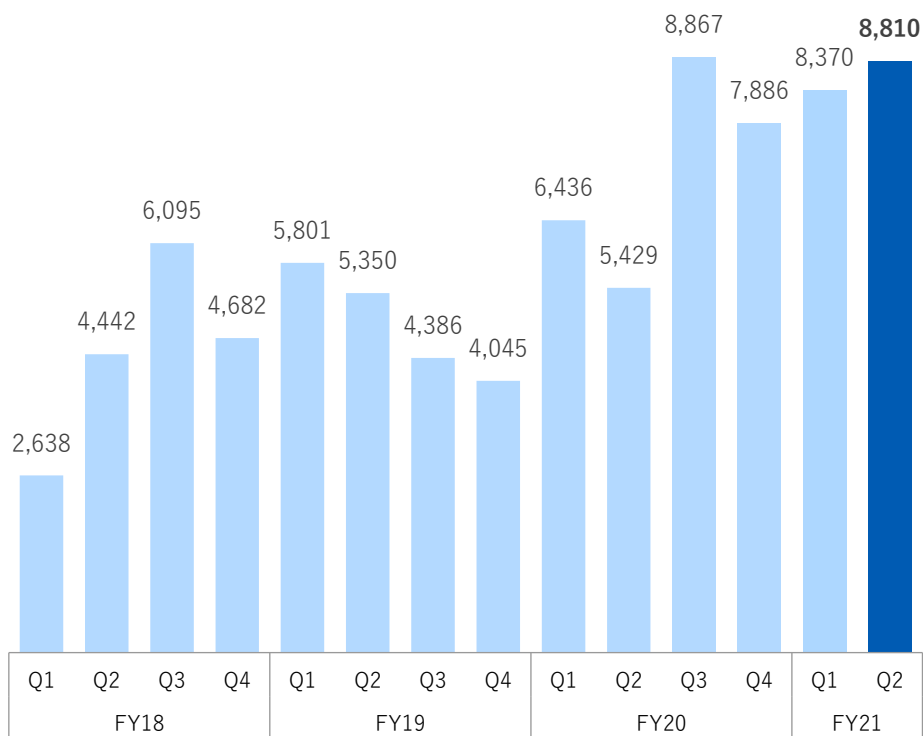


## cowcamo | GMV • Take Rate

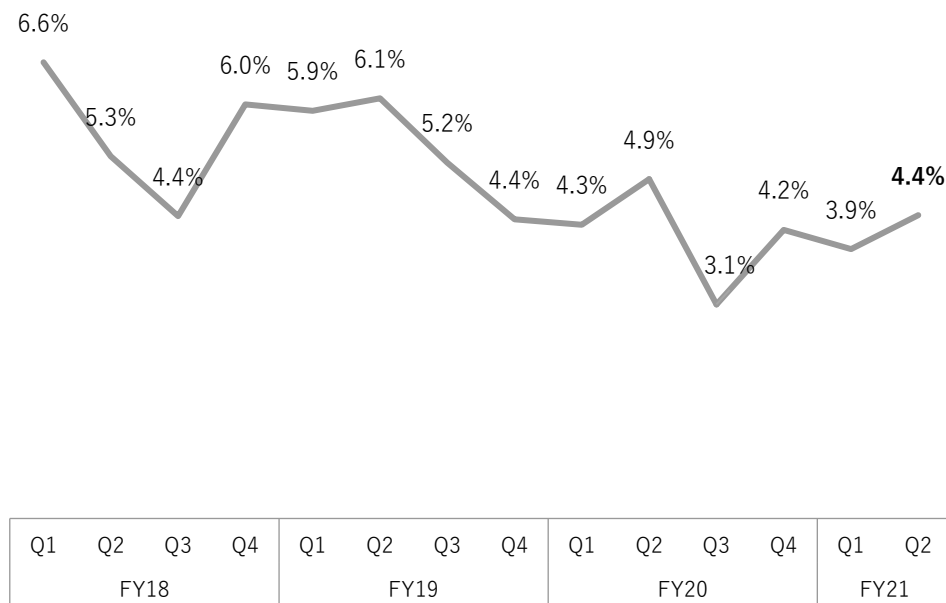
GMV remains high due to steady growth in services. Although the Take Rate remains low due to the lower number of condominiums in the market, the Take Rate has shown gradual improvement through the expansion of in-house products and a growing sales force (see p.14) We expect the Take Rate to improve over the medium to long term (see p.33)

### GMV

(Unit: JPY million)



### Take Rate



# For Reference | Quarterly Financial and Business KPI

(Unit: JPY million)

	FY18				FY19				FY20				FY21	
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q
<b>Revenue</b>	<b>421</b>	<b>289</b>	<b>374</b>	<b>429</b>	<b>453</b>	<b>539</b>	<b>443</b>	<b>282</b>	<b>371</b>	<b>389</b>	<b>376</b>	<b>486</b>	<b>565</b>	<b>653</b>
Gross Profit	192	258	282	326	366	358	257	211	302	290	307	363	349	419
cowcamo	175	234	268	282	344	327	227	176	275	268	276	331	328	387
PPD	17	24	14	44	22	30	30	34	26	21	30	32	20	31
<b>Operating Expense</b>	<b>244</b>	<b>244</b>	<b>232</b>	<b>318</b>	<b>341</b>	<b>346</b>	<b>327</b>	<b>328</b>	<b>348</b>	<b>363</b>	<b>426</b>	<b>485</b>	<b>594</b>	<b>670</b>
cowcamo	137	148	140	189	203	193	196	198	223	261	298	335	432	518
PPD	14	14	10	18	17	14	16	15	24	21	19	25	22	20
Other	91	81	81	110	120	138	114	114	99	80	107	124	139	131
<b>Operating Profit</b>	<b>-52</b>	<b>13</b>	<b>49</b>	<b>7</b>	<b>24</b>	<b>11</b>	<b>-69</b>	<b>-117</b>	<b>-45</b>	<b>-72</b>	<b>-118</b>	<b>-121</b>	<b>-244</b>	<b>-251</b>

<b>Business KPI</b>														
<b>GMV*1</b>	<b>2,638</b>	<b>4,442</b>	<b>6,095</b>	<b>4,682</b>	<b>5,801</b>	<b>5,350</b>	<b>4,386</b>	<b>4,045</b>	<b>6,436</b>	<b>5,429</b>	<b>8,867</b>	<b>7,886</b>	<b>8,370</b>	<b>8,810</b>
<b>Take Rate (%)</b>	<b>6.6</b>	<b>5.3</b>	<b>4.4</b>	<b>6.0</b>	<b>5.9</b>	<b>6.1</b>	<b>5.2</b>	<b>4.4</b>	<b>4.3</b>	<b>4.9</b>	<b>3.1</b>	<b>4.2</b>	<b>3.9</b>	<b>4.4</b>
No. of transactions*1	59	98	119	105	123	121	95	93	130	118	166	159	180	179
MAU*2 (K)	25	27	28	29	36	40	44	50	54	59	62	59	64	57

\*1 - based on contracts

\*2 - Quarterly average registered MAU

# cowcamo | Business conditions related to KPIs for FY2021 Q2

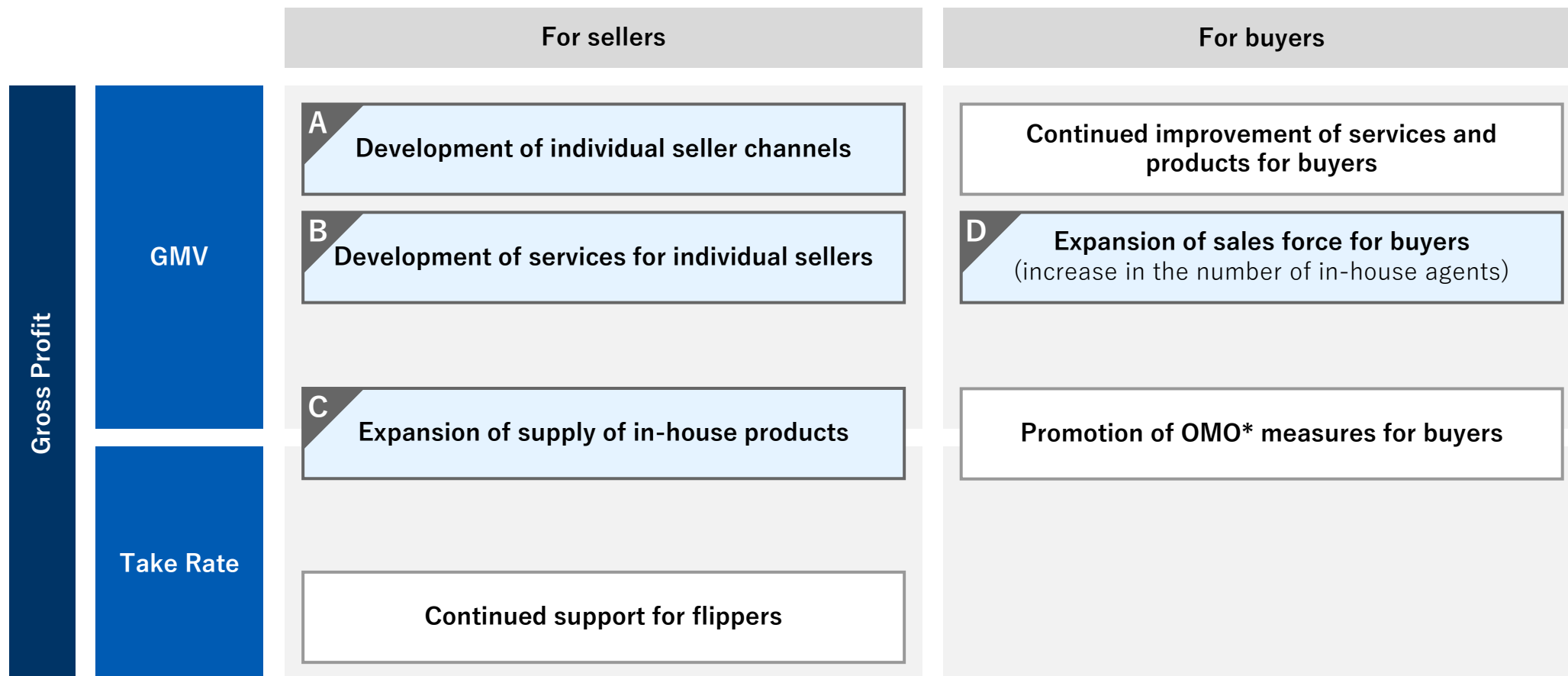
In Q2, the GMV and Take Rate were solid due to steady growth in services and business on the seller's side. Our full-year forecast for FY2021 for both the GMV and Take Rate remain unchanged\*

		Results for FY2021 Q2	Major developments in FY2021 Q2
Gross Profit	GMV	JPY 8,810 million +62% YoY	<ul style="list-style-type: none"> <li>A sudden shift in supply and demand caused by COVID-19 has subsided, and we expect continued growth in demand.</li> <li>In addition with steady growth in existing services, especially for buyers, the development of the private seller channel contributed to our growth. The number of transactions reached 179 (+52% YoY), a high level for two consecutive quarters.</li> <li>Steady progress was made in expanding the sales force, cultivating the private seller channel, and expanding in-house products. Full-year GMV growth forecast is in line with our forecast for FY2021.</li> </ul>
	Take Rate	4.4% -0.5 pts YoY +0.5 pts QoQ	<ul style="list-style-type: none"> <li>With the rise in inventory for the second consecutive quarter, the pressure to lower commission rates caused by the external environment is gradually subsiding.</li> <li>The Take Rate recovered to levels seen in the first half of FY2020, with steady improvement due to higher supply of our in-house products and a higher ratio of in-house agents.</li> <li>Progress is being made on measures to structurally improve the Take Rate which is expected to remain steady from the second half of the year.</li> </ul>

\* Full-year forecast for cowcamo: Expected YoY growth of about 30% in GMV and 10% in the Take Rate (see p.22)

## cowcamo | Major initiatives for FY2021 Q2

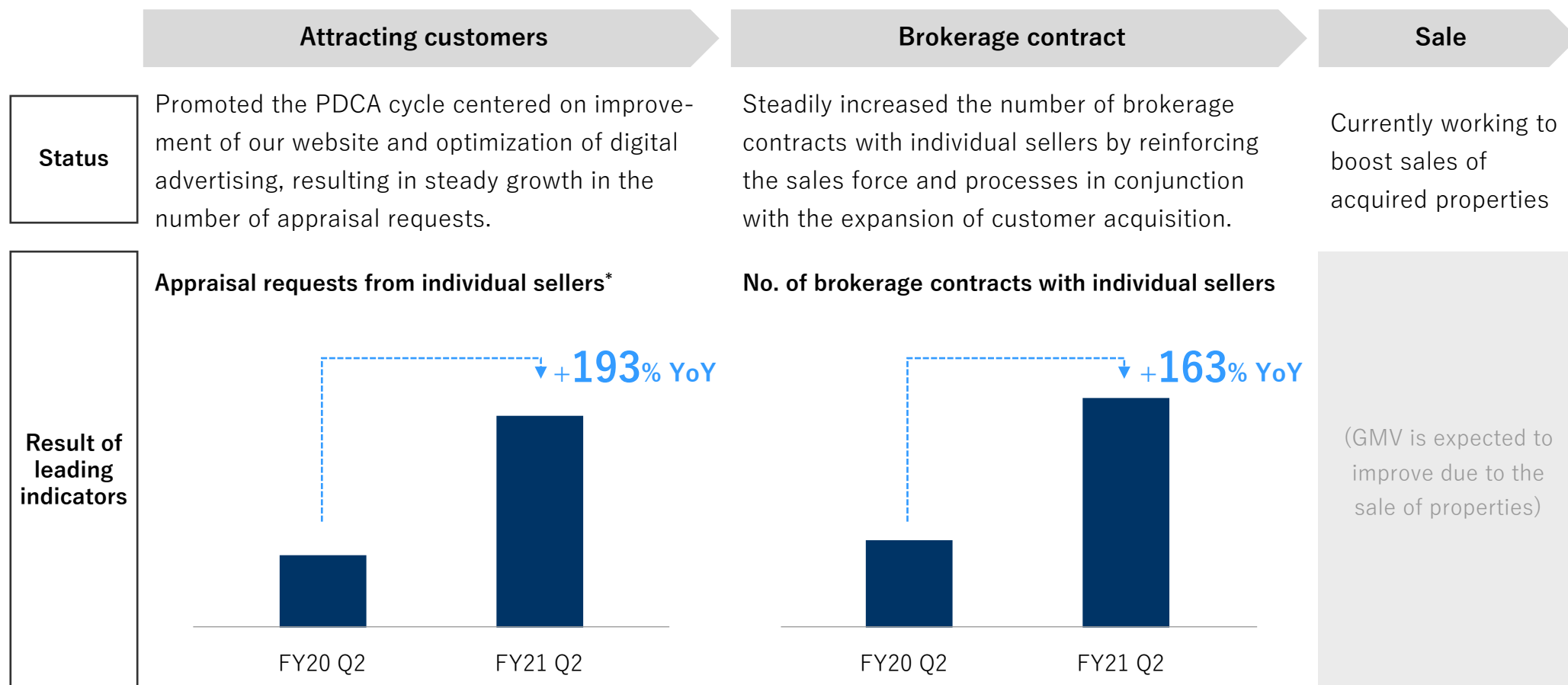
For FY2021 Q2, based on our stated goals at the beginning of FY2021, we have been implementing various measures for sellers and buyers that contribute to improving the GMV and Take Rate.



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

## cowcamo | A. Development of individual seller channels

In line with our goals stated at the beginning of FY2021, we have expanded the private seller channel. As a result, the number of appraisal requests from individual sellers and brokerage contracts, both key leading indicators, increased. We expect increased property sales for individual sellers to contribute to GMV for the full year.



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



## cowcamo | B. Development of services for individual sellers

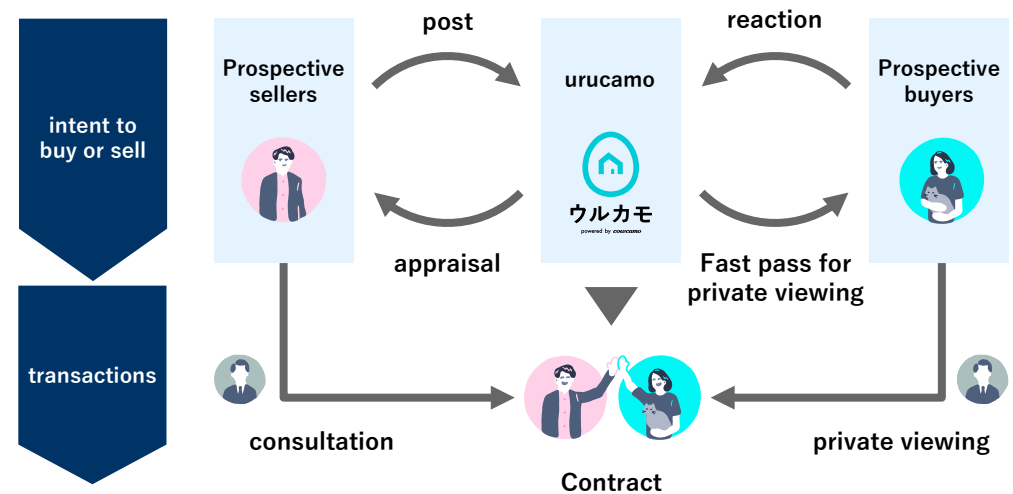
urucamo, the first matching platform for pre-sale, used real estate in Japan, was launched in February 2022. We expect the service to contribute to GMV expansion and structural Take Rate improvement through higher actual sales transactions (The impact of urucamo has not been factored into our earnings forecast for FY2021.)

### Service overview



- Aim to build a new property sales service in line with the sense of values held by today's potential sellers
- Matching platform for those with the "intent to sell or buy" where prospective sellers can easily post their property information and receive feedback from prospective buyers.
- After matching those with the intent to sell and buy, a smooth transition to the actual transaction is made with the full support of Tsukuruba's agents.

### Business impact



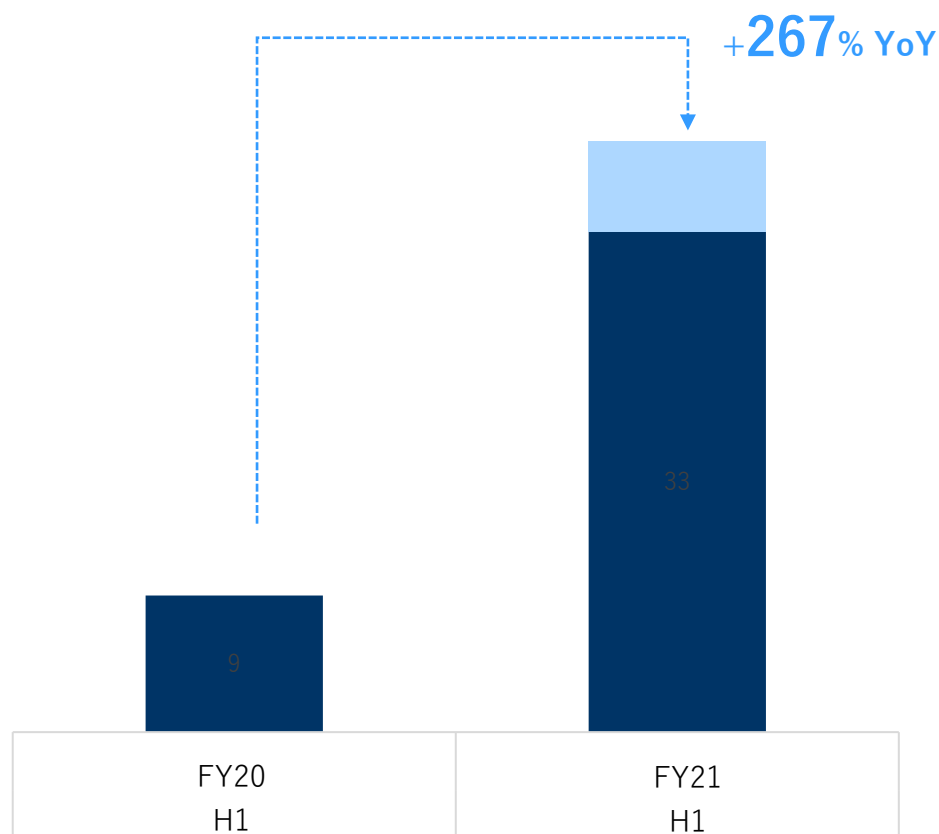
- This is part of our business expansion for sellers. We expect an increase in actual sales transactions originating from urucamo, which will contribute to GMV expansion (not factored into the earnings forecast of FY2021)
- In the mid-term, urucamo will contribute to the improvement in the structural Take Rate through end-to-end\* integration of the distribution process, together with cowcamo service.
- urucamo will contribute to "the formation of a new market with a high degree of liquidity."

\* End-to-end: refers to the entire distribution process between the individual seller and the individual buyer. With urucamo, individual sellers can sense the intentions of individual buyers, and through cowcamo, they can conduct the actual transaction. Compared to the conventional multi-stage distribution structure, this will bring us closer to a distribution structure that connects individuals on both sides of the process more directly. This will also contribute to the improvement of our Take Rate by increasing the value of our company's intervention.

## cowcamo | C. Higher supply of self-designed properties

In line with our goals, we have increased the supply of our own planned products. In FY2021 H1, the number of such properties on sale increased by 267%\*<sup>1</sup> compared to the same period last year. We expect to see a steady increase in supply, as well as a contribution to the GMV and Take Rate\*<sup>2</sup> for the full year through the closing of property transactions.

### Change in the number of our planned products (No. of properties on sale)



**Properties purchased  
and planned  
by TSUKURUBA**

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

**Planned properties in  
cooperation with  
flipping companies**

- In line with our goal at the beginning of FY2021, promote the growing supply of properties designed by Tsuruba
- Working to stabilize supply, including better planning and sales capabilities based on customer needs

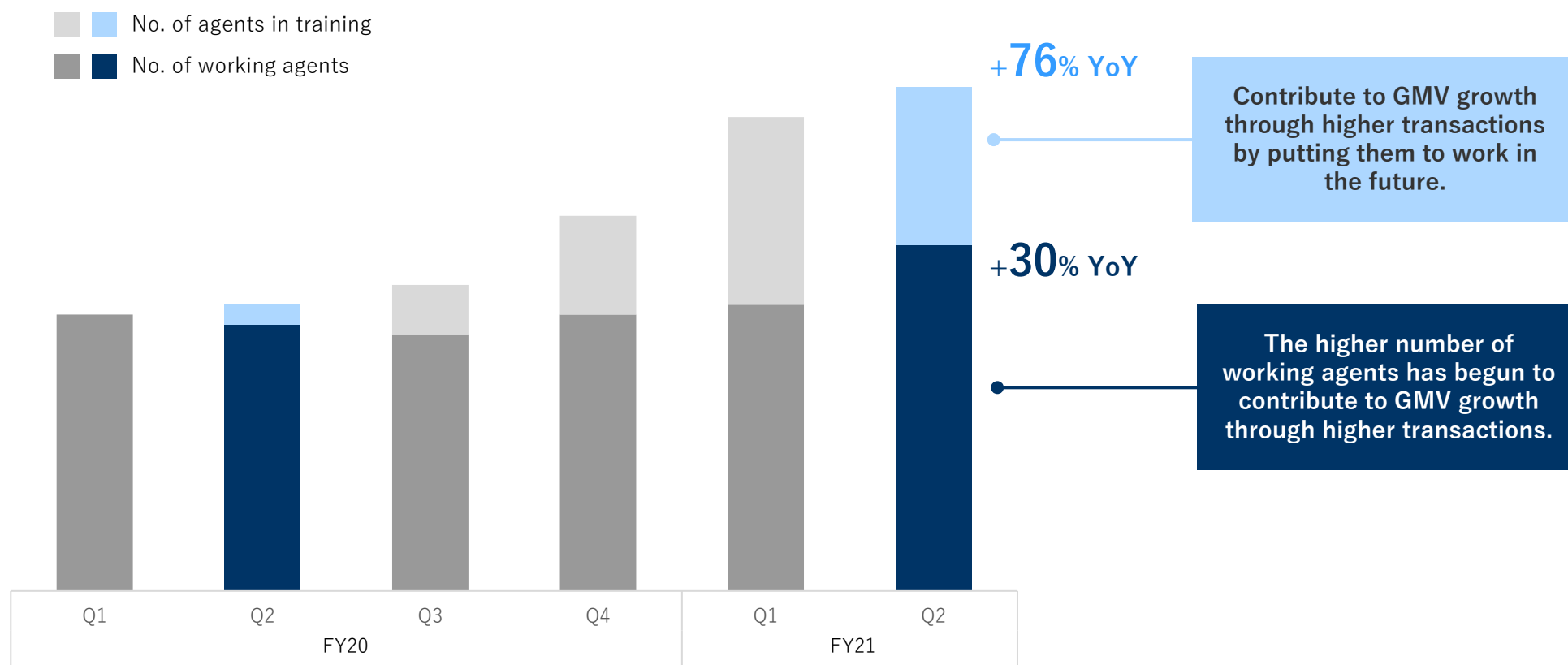
\*1 “on sale” refers to when a property is released on cowcamo after procurement, planning, and development. In general, it takes 2-3 months from purchase to start of sale, and 4-5 months from start of sale to settlement (recording of sale)

\*2 Properties purchased and sold by Tsukuruba will make an additional contribution to revenue.

## cowcamo | D. Expansion of sales force dedicated to buyers

Steady progress was made in expanding the sales force throughout the first half. The number of in-house agents\* at the end of the second quarter was up 76% and the number of working agents also increased 30% from the same period last year. We expect this to contribute to GMV through higher transactions.

### Change in the number of in-house agents



\* The term "in-house agent" refers to an individual engaged in brokerage sales who is employed by TSUKURUBA. The number of agents on this page reflects those engaged in brokerage sales for buyers.

### 3. Forecast for FY2021

# The Macroeconomic Environment and Tsukuruba's Goals

Although the impact of recent changes in the macroeconomic environment has been limited, we will review our costs, focusing on controlling fixed costs, and plan to reduce our losses in the next fiscal year.

## Change in the macro environment

- Tighter monetary policy and deteriorating sentiment in the capital markets due to concerns over inflation, especially in the US, are expected. Japan has seen continued low inflation, and an immediate change in interest rates is unlikely. However, we will keep a close eye on the indirect effects on the domestic economy.
- Assumed changes in the economic environment due to the war in Ukraine, including a sharp rise in global commodity prices, the impact on supply chains, and lower demand due to falling consumer confidence.

## Impact on our business environment

- **Impact on the real estate market:** Real estate prices are expected to fall when interest rates rise, and construction prices are expected to rise when material prices soar. However, actual demand for real estate is expected to remain stable over the long term.
- **Impact on the home distribution business:** This impact on real estate is expected to have a relatively large impact on new condominium market. In our main business domain, or the used condo distribution business, we expect demand substitution from the new condo market. In addition, the “flipping” business model will incur more risk as real estate prices decline, and therefore, we will need to control inventory risk.
- **Impact on the financial environment:** We recognize the need for more prudent financial management in light of the uncertain macro environment and declining procurement environment.



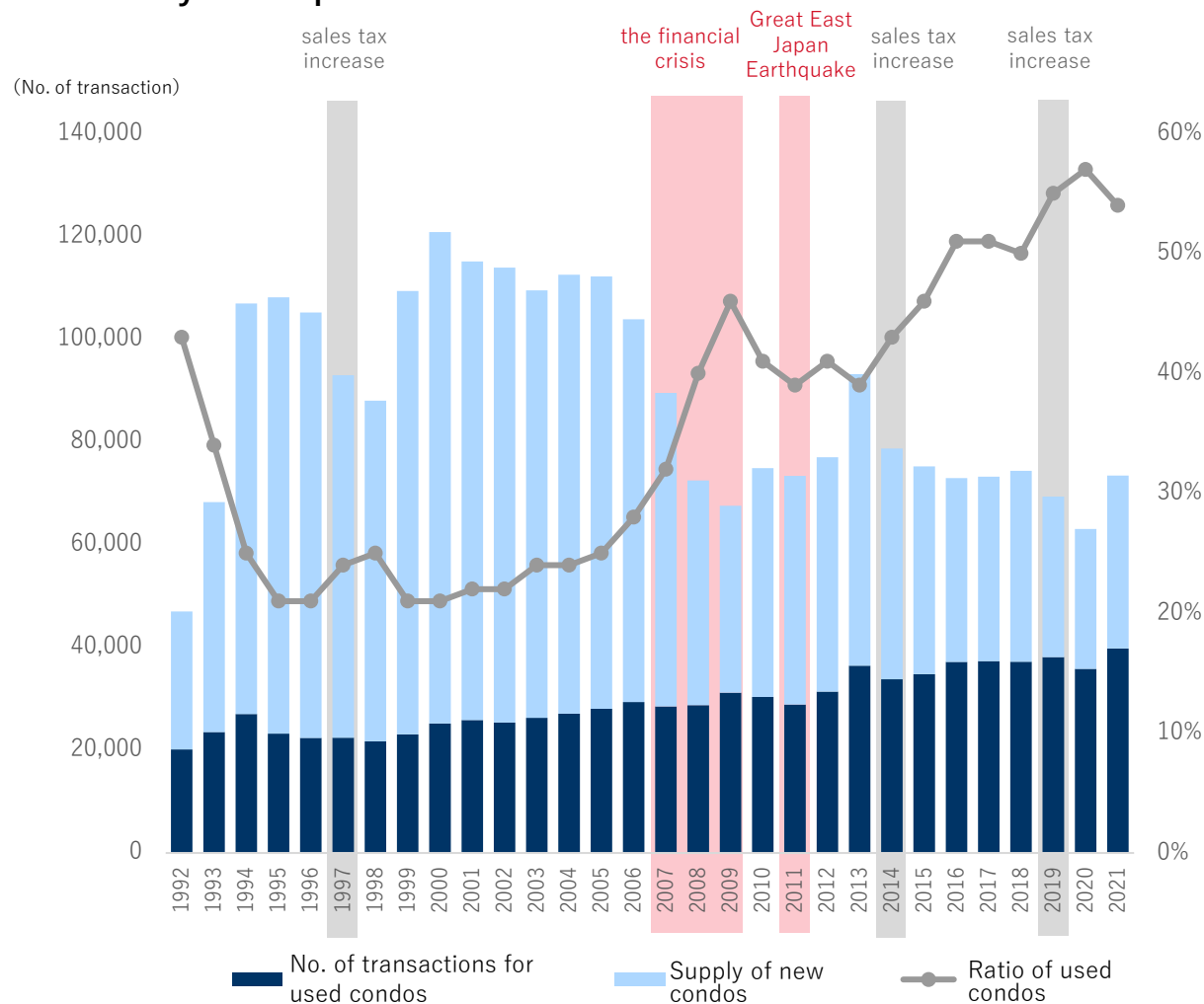
## Management Goals and Forecast

- **Management Goals:** Although the direct impact on our business will be limited at this time, we will closely monitor the impact on our financial environment. We plan to reduce our losses in the next fiscal year by reviewing costs, focusing on controlling fixed costs.
- **Forecast for FY2021:** As mentioned above, we will continue to review costs through the second half of the year. However, at this time, the full-year forecast for FY2021 remains unchanged.

# Reference | Impact of the macro environment on the used real estate market

Compared to the supply of new condos, the number of transactions for used condos has shown a continuous increase without being significantly affected by the economic environment. We assume that growth will continue over the mid- to long-term as existing condominiums accumulate as stock.

## Change in the number of new and used condos in circulation in the Tokyo metropolitan area



### The resilient used property market - background

- Actual demand for housing is less affected by the economic environment as it is generated by changes in various life stages such as childbirth, transfers and inheritance amongst families.
- New condos are a "flow" supply and are strongly affected by the economic environment through changes in land price and material supply, while used condos are supplied from accumulated "stock" and function as a substitute for new condos even as the macro environment changes.
- Therefore, even as macroeconomic changes described on the previous page become apparent, stable growth of the used condo market is expected to continue.

# FY 2021 Forecast - key assumptions (updated)

In accordance with our management goals, we have updated our assumptions and have reviewed our costs, focusing on controlling fixed costs. We maintain our forecast for FY2021: net sales of JPY 2,450 million, gross profit of JPY 1,780 million, and an operating loss of JPY 890 million.

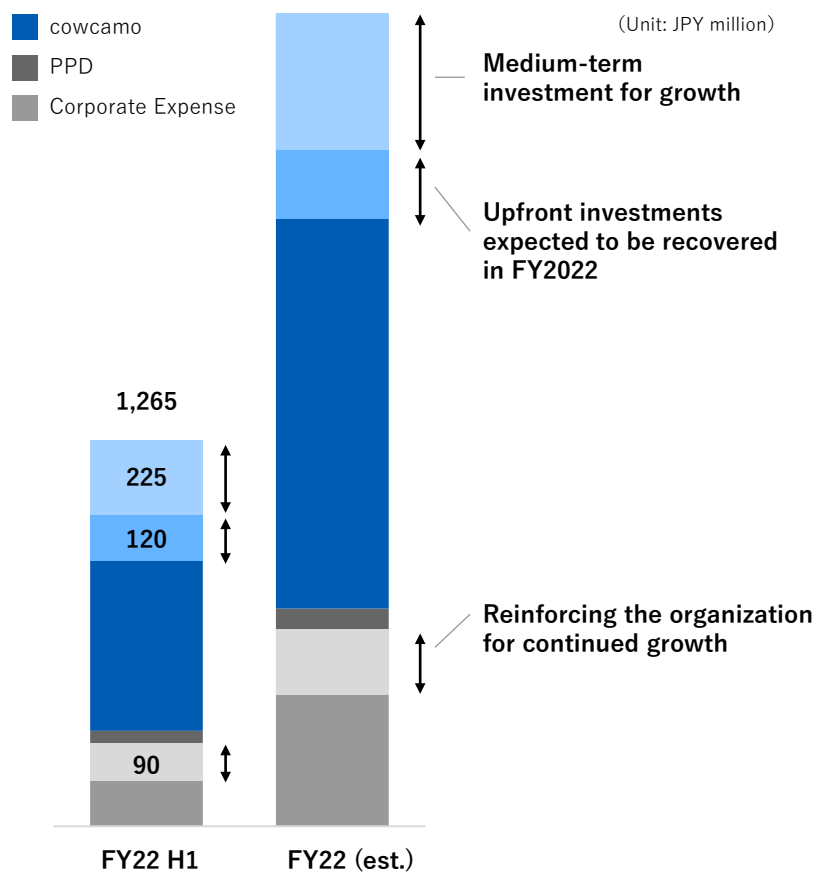
	Key assumptions (as of Sep. 13, 2021)	Updates since Sep. 13, 2021
cowcamo	<p><b>Market:</b> The sudden change in the business environment caused by COVID-19 has subsided. We expect continued growth in demand.</p> <p><b>GMV:</b> We expect approx. 30% growth YoY due to an increase in the number of customers, expansion of the sales force and services, and higher property supply.</p> <p><b>Take Rate:</b> Expected to rise by approx. 10% YoY by expanding private brand products and increasing the ratio of in-house agents</p> <p><b>Cost:</b> Incorporate upfront investments for continued growth in gross profit</p>	<p><b>Market:</b> In addition to the left, watch for the impact of sudden changes in the macroeconomic environment on both supply and demand (though any impact on this fiscal year's performance is expected to be limited)</p> <p><b>GMV:</b> No change in assumptions</p> <p><b>Take rate:</b> No change in assumptions</p> <p><b>Expenses:</b> Partial review of upfront investments (mainly recruiting, personnel and outsourcing expenses) in the second half of FY2021, with a focus on investments for the mid- to long-term</p>
PPD	<ul style="list-style-type: none"> <li>We have not taken into account major changes in both gross profit and SG&amp;A expenses as we prioritize the growth of cowcamo.</li> <li>We will continue to provide logistical support for cowcamo and conduct business trials for the medium to long term.</li> </ul>	<ul style="list-style-type: none"> <li>No change in assumptions</li> </ul>
Expenses	<ul style="list-style-type: none"> <li>Incorporate expenses for recruitment, personnel and stock-based compensation (reinforcement of organization for continued growth)</li> </ul>	<ul style="list-style-type: none"> <li>Curbed hiring and personnel expenses in the second half of FY2021, as a certain level of reinforcement of the organization was completed in the first half of FY2021.</li> </ul>
Others	<ul style="list-style-type: none"> <li>Impact of a new service with Money Forward has yet to be seen. Only costs are considered into the forecast (Medium-term growth investment)</li> <li>Pending large-scale transactions, extreme market fluctuations, new businesses and M&amp;A are not taken into account.</li> </ul>	<ul style="list-style-type: none"> <li>No change in assumptions</li> </ul>

\* Note: ( ) in the above corresponds to each item in "Upfront investments in SG&A expenses" on slide 23.

# Companywide | Progress in upfront investments in FY2021 H1

Upfront investments were made throughout the first half of FY2021 as initially planned. In accordance with our management goals, we will review some investments, focusing on curbing fixed costs.

## Upfront investment of SG&A expenses



## Actual upfront investment in FY2021 H1

Item	Actual (Forecast for FY2021)	Comments
cowcamo	Mid-term investment for growth (recovery expected in about 3 years)	JPY 225 million (JPY 370-470 million)
	Upfront investments expected to be recovered in FY2022	JPY 120 million (JPY 180-230 million)
Corporate Expense	Reinforcing the organization for continued growth	JPY 90 million (JPY 190-220 million)



## 4. Reference

# Tsukuruba - a technology company specializing in residential real estate

TSUKURUBA is a technology company in the residential real estate business. It operates two business segments: 1) the cowcamo business, a distribution platform for used and renovated properties, and 2) property planning and design (PPD), which collaborates with other companies to create the next core pillar of our business.

## cowcamo



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

## Property Planning & Design (PPD)



We create new businesses by using our accumulated expertise cultivated in our spatial design and consulting business, and our own shared workplace business, and by actively collaborating with external partners.

# A management team with background in technology, business and design

TSUKURUBA is managed by members experienced in technology with a wealth of knowledge in design to create added value in real estate.



**Hiroki Murakami**  
**CEO**

Formerly involved with the development and management of Lifull Home's, Japan's no.1 portal site for real estate and housing. Founded Tsukuruba in August 2011 with Masahiro Nakamura. Graduate of Rikkyo University.



**Hiroshi Kitahara**  
**COO**

PhD in engineering from the Tokyo Institute of Technology, and an MBA from Université Paris-Dauphine. Worked at Corporate Directions, Deloitte Tohmatsu Consulting and Deloitte Consulting Southeast Asia. Joined Tsukuruba in 2016 and was appointed COO in 2018.



**Masahiro Nakamura**  
**Director and Co-founder**

One of Nikkei Architecture's "100 Next Generation Innovators". Founded Tsukuruba in August 2011 with Hiroki Murakami after working in design studios. Received a MA in architecture and building engineering from the Tokyo Institute of Technology.



**Shin Takeuchi**  
**External Director**

Started his career at Fujisoft and became a freelancer in March 2007. Served as Director of BizReach and serves as Director of the Japan CTO Association. Appointed as Director and CTO of Visional since Feb. 2020.



**Hidekazu Suzuki**  
**External Director**

Worked at Daiwa Securities, conducting advisory services for internal control systems to deal with assessments by the TSE, as well as valuation and fundraising. Joined Atrae in Dec. 2018 as CFO.



**Yoshinori Fukushima**  
**External Director**

Founded Gunosy in 2012 which was listed on TSE Mothers in just 2.5 years, followed by a promotion to the TSE 1st Section. Became CEO of Layer X in 2018. Selected as one of Forbes Asia's 30 under 30 category.



**Keiko Hattori**  
**Auditor (Full-time)**

Japan and Delaware CPA. Worked at Mizuho Bank, JP Morgan, BNP Paribas, Ernst & Young ShinNihon and later started her own accounting firm. Joined Tsukuruba as an auditor in 2016.



**Shinichi Takano**  
**Auditor**

Served as an Executive Officer at Cosmos Initia before working for Recruit. In 2010, appointed as Executive Director at Nihon Kotsu after serving as an Executive Director and General Manager at Gyosei. Appointed as External Director of Tsukuruba in 2015.



**Keiko Hatano**  
**External Auditor**

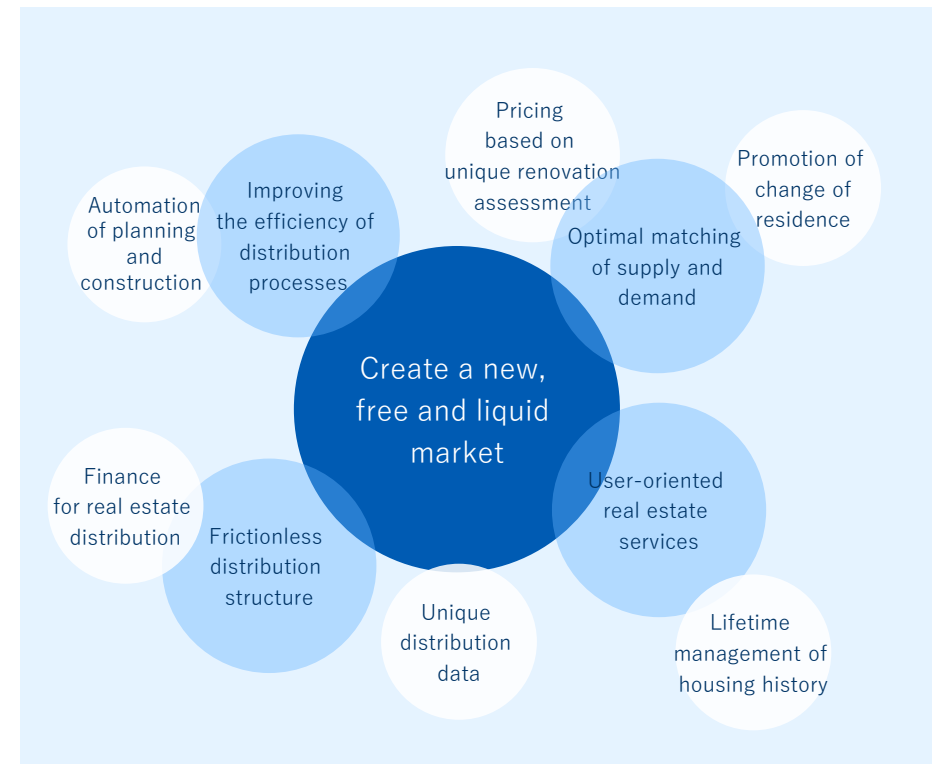
Attorney at Mori Law Office since 2008. A member of the JFBA Housing Dispute Settlement Agency Examination Committee and a Corporate Compliance Committee Advisor. Appointed Auditor of Star Festival.

## cowcamo | Social issues addressed by cowcamo

By providing user-oriented real estate services and improving the efficiency of the distribution process based on accumulated data, we seek to reduce distribution structure friction and to optimize the matching of supply and demand, thereby creating a new market that is free and highly liquid. Through these activities, we seek to solve a key social issue through the redistribution of accumulated high-quality housing stock.

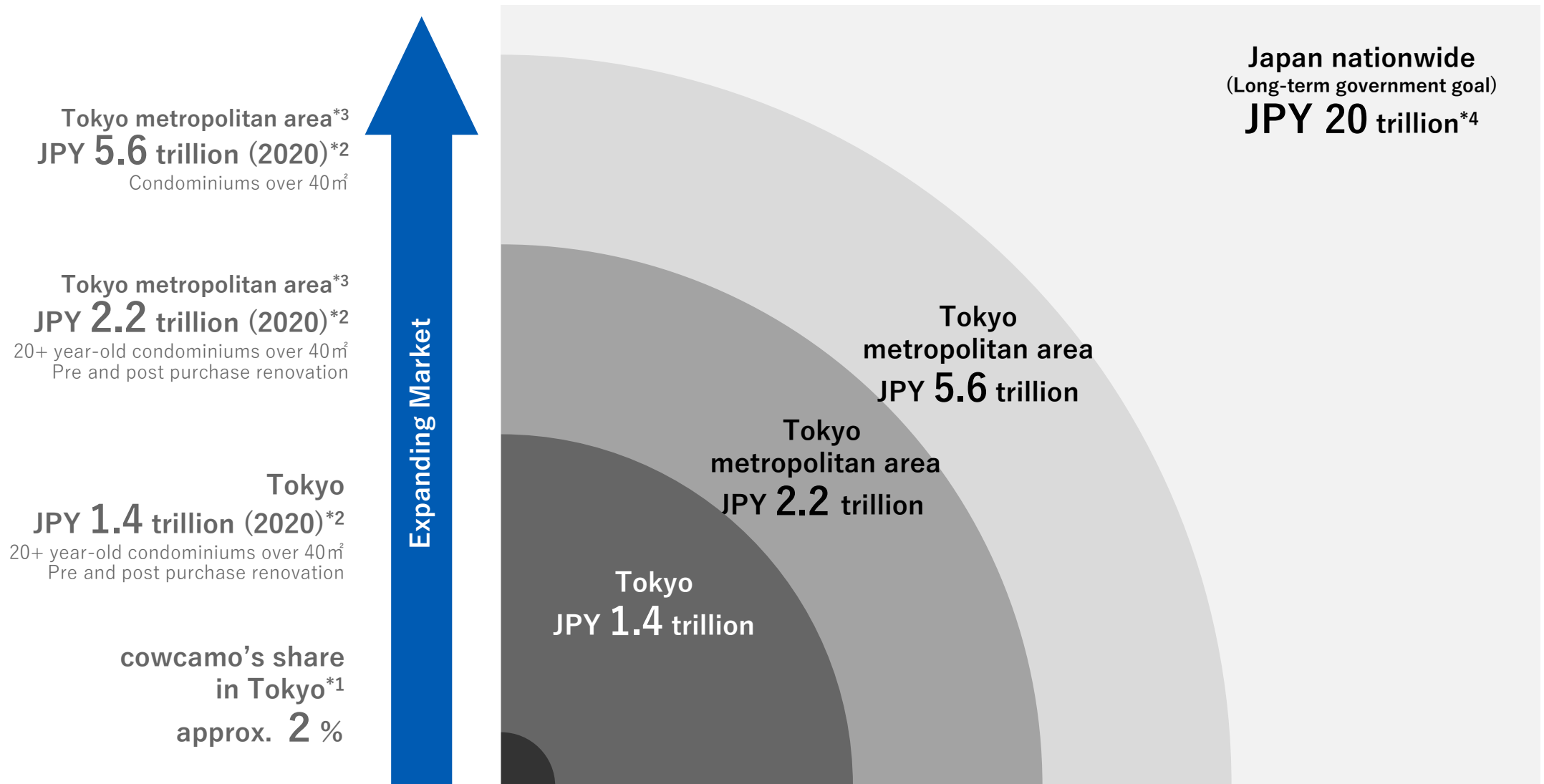
### Issues with the existing distribution system

- High level of exploitation due to the involvement of too many intermediaries
- Inefficient distribution process due to lack of IT
- Difficulty in incorporating the value of renovation and qualitative utility into property prices.
- An operator-oriented industrial structure makes it difficult to supply products and services that meet user needs.



# cowcamo | Strong potential in the Tokyo Metropolitan Area

cowcamo, a marketplace-type platform that mediates between sellers and buyers, targets the used home and renovation market. Currently, we are focusing on the Tokyo metropolitan area, but there is strong potential nationwide.



\*1 Calculated by dividing cowcamo's FY21 GMV by the estimated 2020 market size of existing condominiums in Tokyo that are 20 years old or older, over 40 m<sup>2</sup>, and renovated in pre and post purchase.

\*2 Estimated by TSUKURUBA based on East Japan Real Estate Information Network's "Annual Report Market Watch FY2020", Real Estate Information Center's "2019 Real Estate Industry Statistics (March revision) 3 Real Estate Distribution", and "Used House Renovation Market Data Book" by Reform Sangyo Shimbun.

\*3 The Tokyo Metropolitan Area includes Tokyo, Saitama, Chiba and Kanagawa prefectures.

\*4 Ministry of Land, Infrastructure, Transport and Tourism, "Basic Plan for Housing and Living" (March 9, 2021), total of existing home distribution market and renovation market

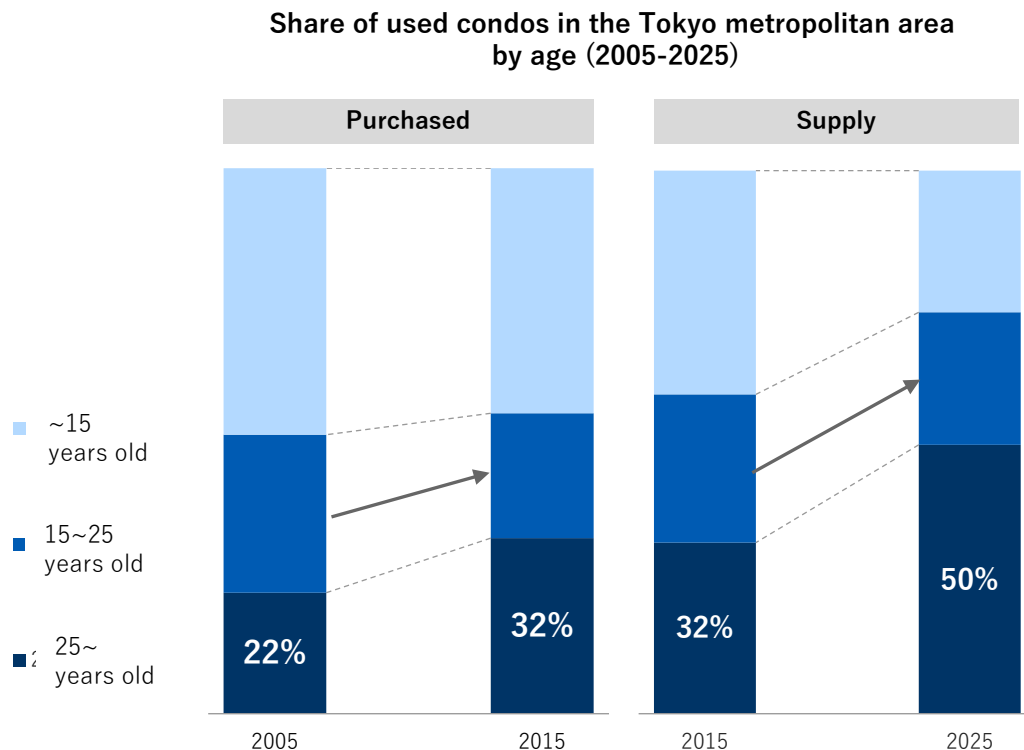
Note: The above is an image and does not necessarily accurately represent the difference in values by area ratio.

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

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

## Properties that are 25+ years old will take up half of the market

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



## Renovation will become a mainstream option

A number of changes are expected as renovation becomes mainstream in the Tokyo metropolitan area

### Evolution of a renovated condo market

- Fairer pricing of renovated properties
- Buying renovated condos to suit lifestyles and preferences, and for their price

### Diversification of types of used condos

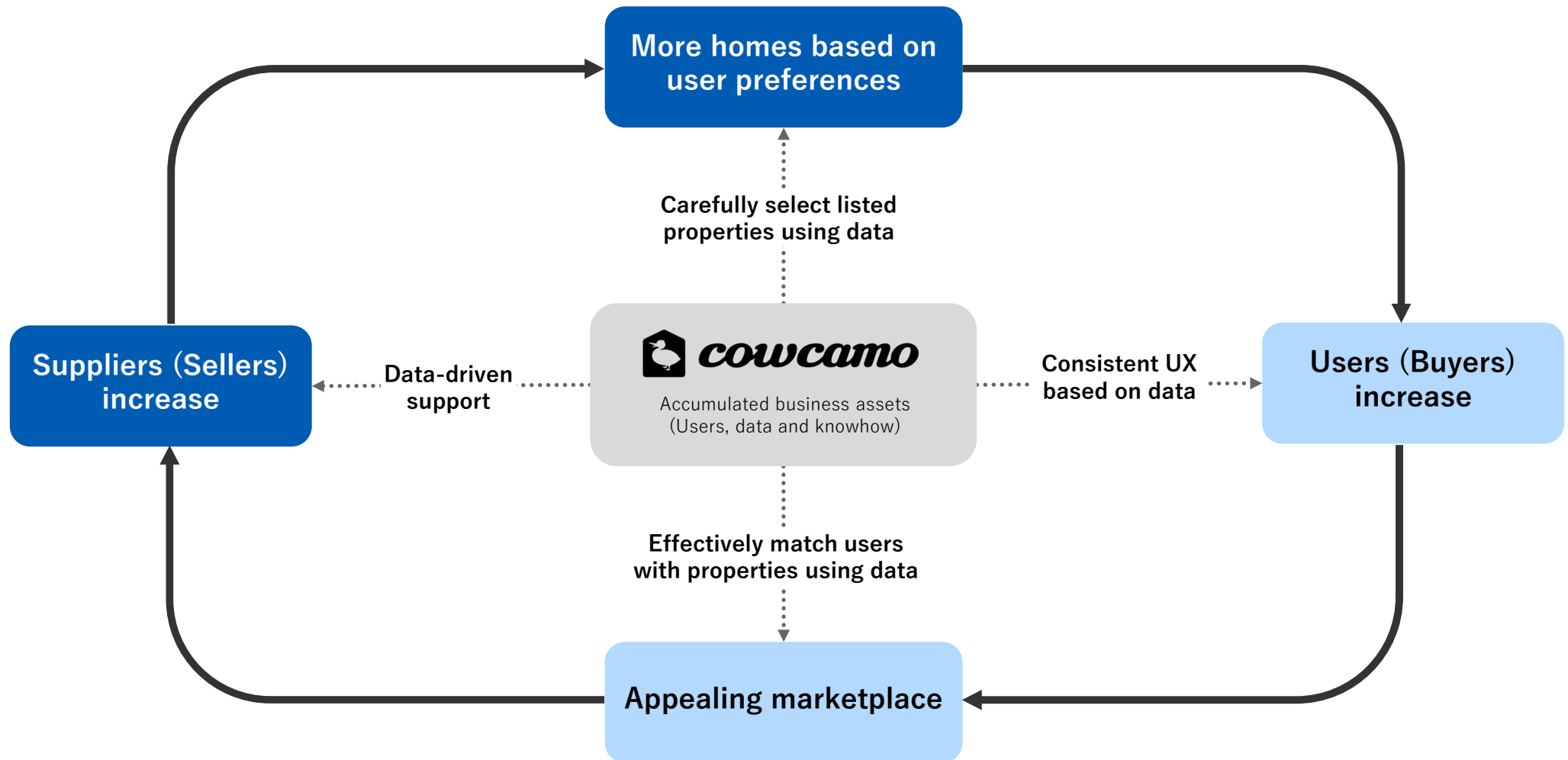
- Condos to be renovated
- Renovated condos
- Renovated condos with additional renovation

### Changes in the used property businesses

- Increase in the number of flippers and resale brokers
- Growth of services, specific for renovated condos

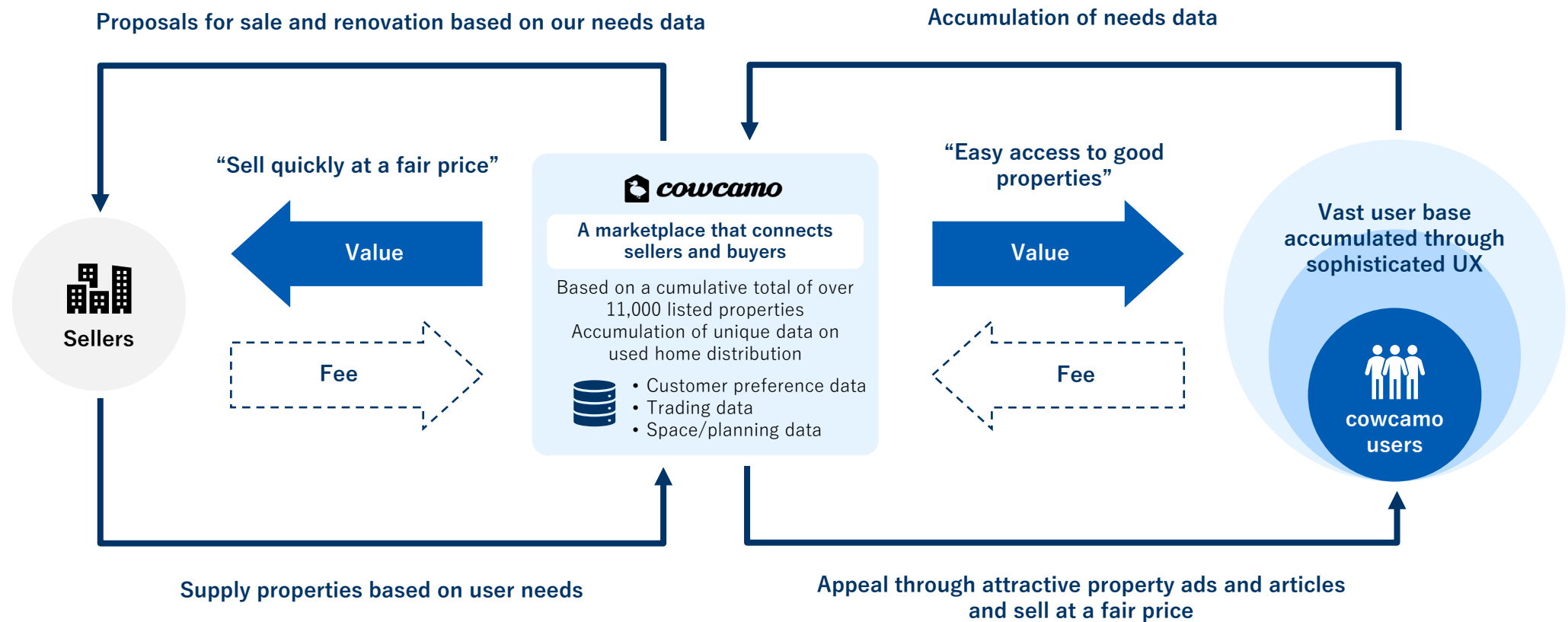
## Promoting growth of the real estate brokerage platform for used and renovated properties

cowcamo's business model is based on a virtuous cycle: as the number of buyers increases, transactions increase, the incentive for sellers to participate increases, and the number of properties that buyers want increases. Leveraging our existing buyer user base, we will boost measures to attract sellers and expand our supply.



## cowcamo | Business model

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





# cowcamo | FY2021 Business policy for the growth of gross profit

In order to achieve high growth in gross profit, we will work to improve GMV and Take Rate from both the seller and buyer sides. In FY2021, we will focus on increasing the supply of properties and improving Take Rate structurally through development of business for sellers.

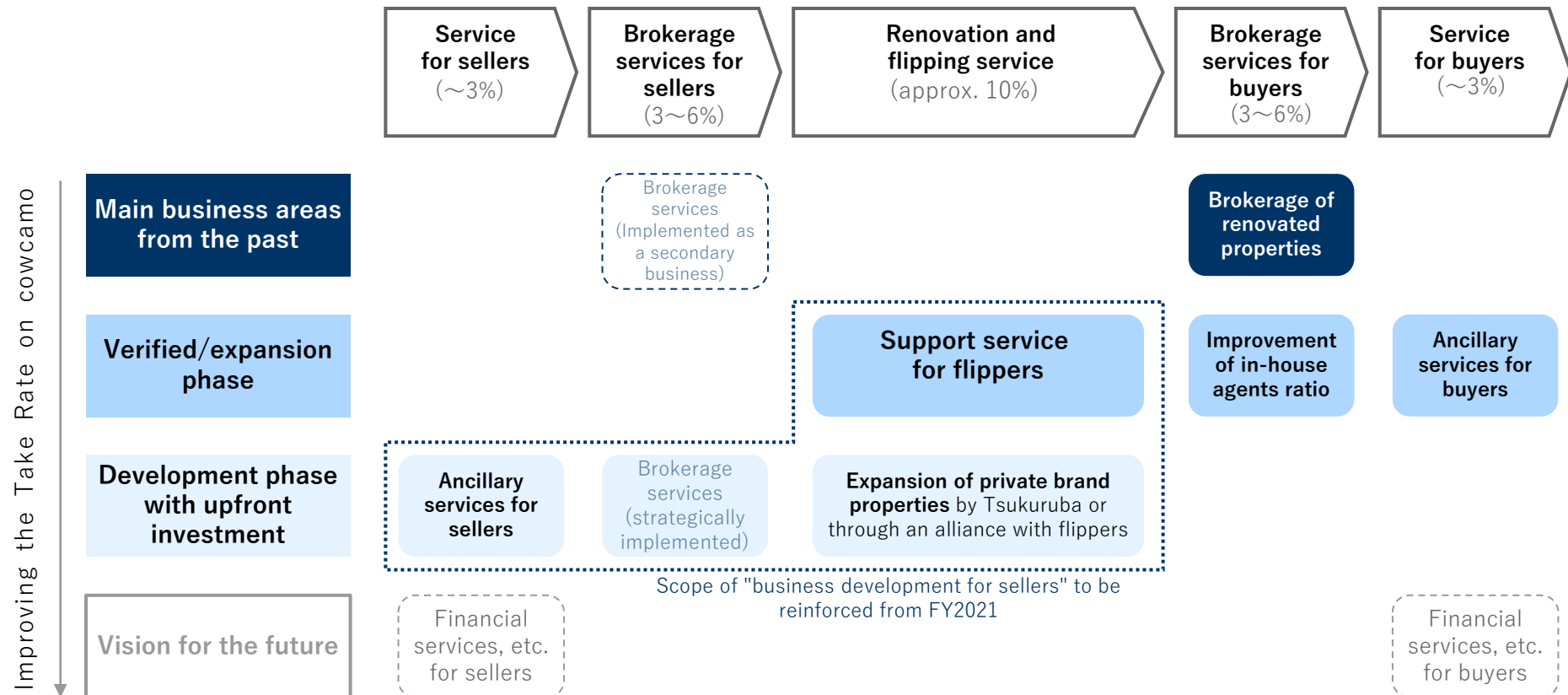
		For Sellers	For Buyers
Gross Profit	GMV	<p><b><u>Expansion of property supply by building business for sellers (A)</u></b></p> <ul style="list-style-type: none"> <li>• Develop individual seller channel</li> <li>• Expand supply by strengthening cooperation with flipping companies</li> <li>• Continue to develop new services for sellers through the alliance with Money Forward</li> </ul>	<p><b>Promote user acquisition, improve CX, and expand scale of operations as before</b></p> <ul style="list-style-type: none"> <li>• Continue to grow user base</li> <li>• Continuously improve services and products</li> <li>• Expansion of operation area</li> <li>• Improve CX at OMO* (customer service locations, seminars, etc.)</li> </ul>
	Take Rate	<p><b><u>Promotion of structural Take Rate improvement (B)</u></b></p> <ul style="list-style-type: none"> <li>• Expansion of support services for flipping companies (increase in planning fees, etc.)</li> <li>• Expansion of private brand properties (acquisition of added value related to the development and planning)</li> <li>• Trial of additional services for sellers</li> <li>• Expansion of additional services for buyers (up-selling to buyers)</li> <li>• Expansion of sales force (increase in ratio of in-house agents due to improved outlook for COVID-19)</li> </ul>	

OMO: Abbreviation for Online Merges with Offline. It is a customer-oriented concept that integrates online and offline to create a better customer experience.

# cowcamo | Improving the structural Take Rate

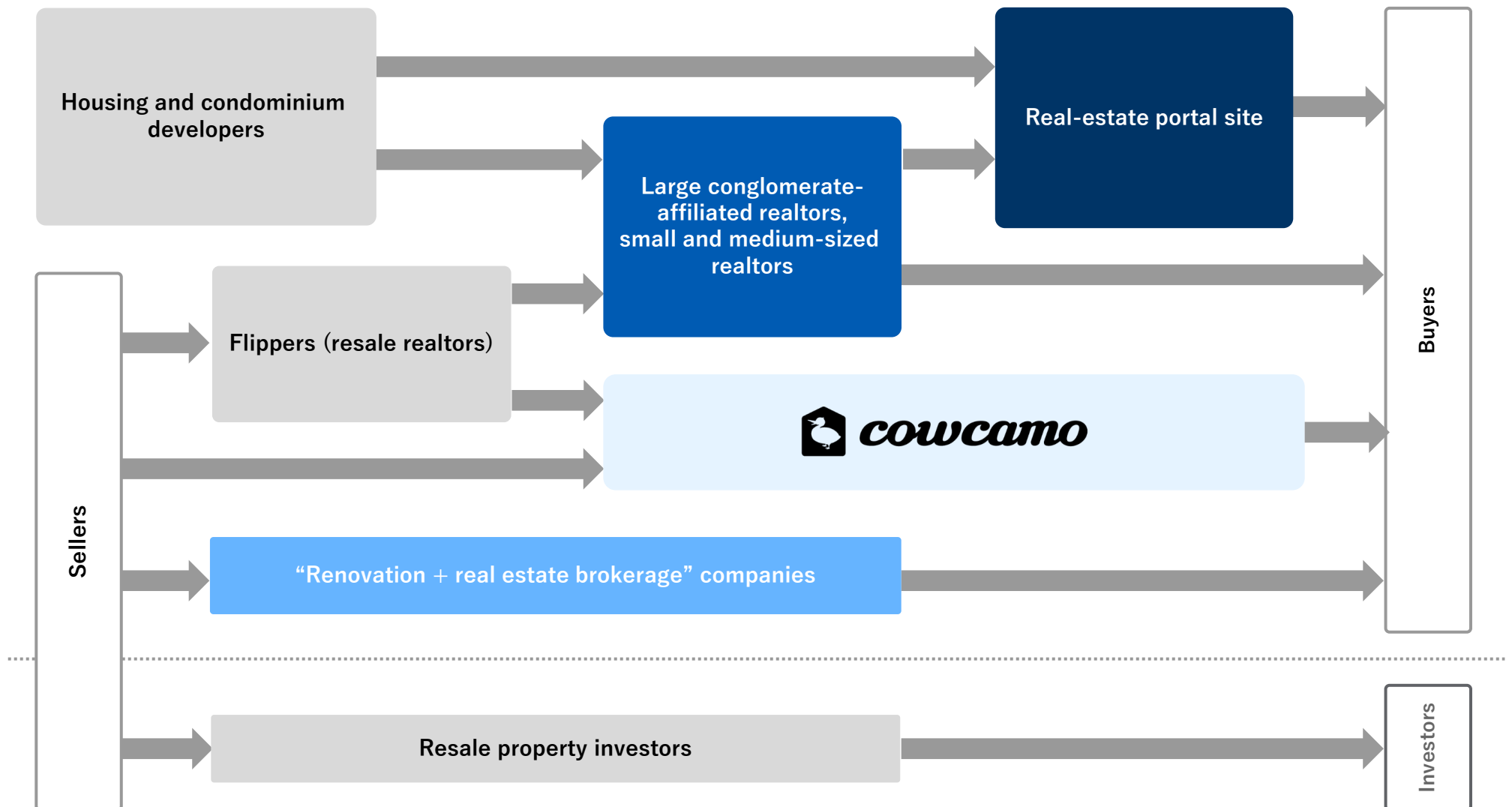
cowcamo has been developing its business by focusing on brokerage fees received from intermediaries between flipping companies and individual buyers. From FY2021, we plan to reinforce our business for sellers, and through expansion, we will structurally improve the Take Rate of cowcamo in the distribution process between sellers and buyers.

Value-added structure in the distribution process of used properties  
(Figures in parentheses indicate the Take Rate)



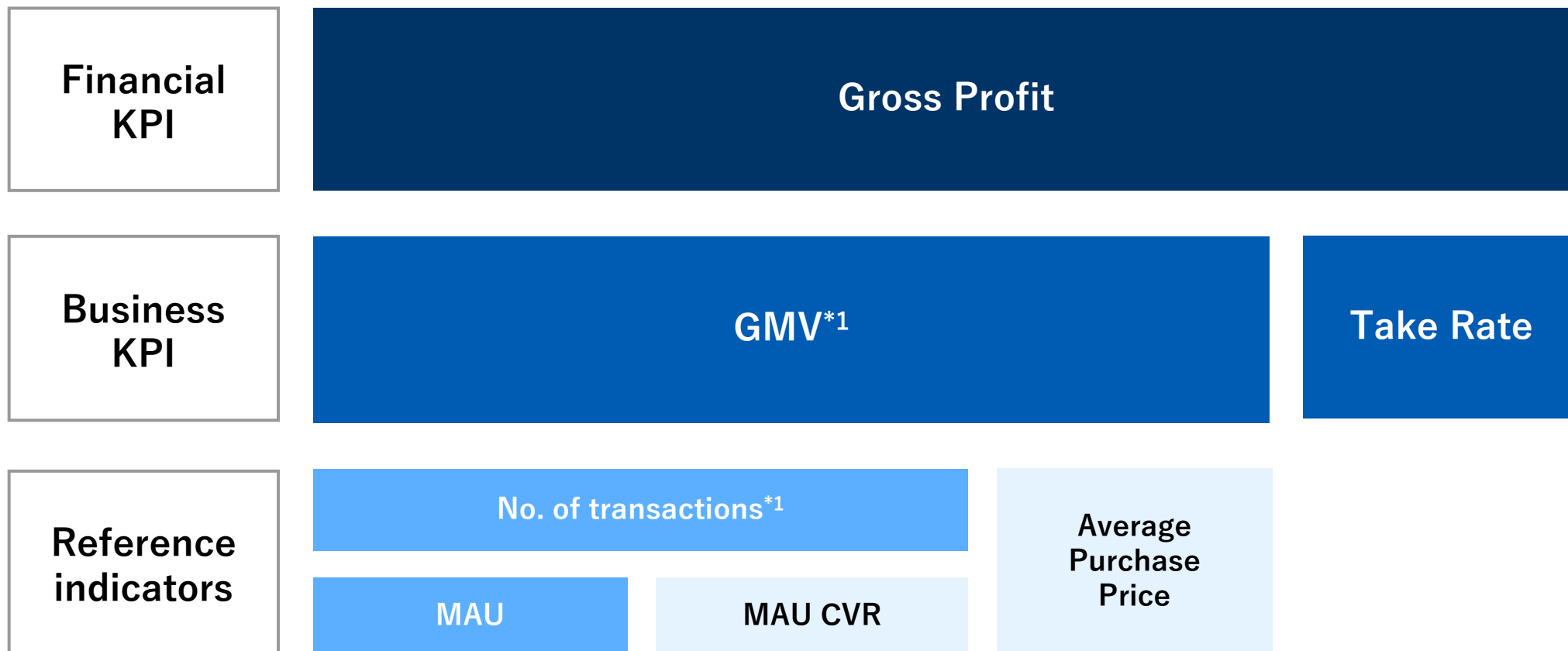
## cowcamo | Competitive environment

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



## cowcamo | KPI's

The KPI's for cowcamo's business is as follows. From FY2021, we have set Gross Profit as the financial KPI, and GMV and Take Rate as the business KPI. We will continue to work to maximize Gross Profit by expanding GMV and improving the Take Rate.



GMV: Gross Merchandise Value refers to total circulation on the platform. GMV is the sum of the prices of all products and services traded on the cowcamo platform, including properties and renovation services.

Take Rate: The commission rate charged for GMV, calculated by dividing the gross profit of cowcamo by GMV.

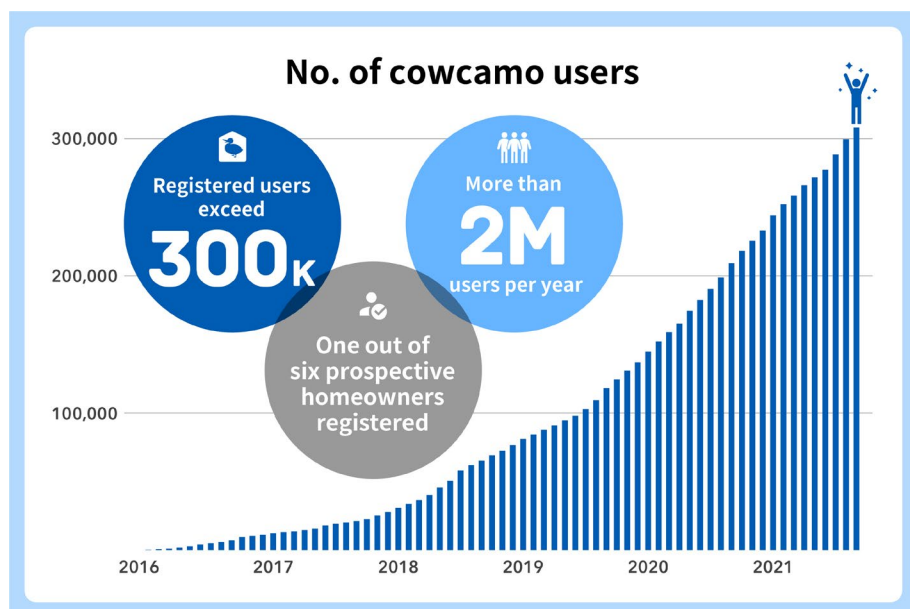
MAU: Monthly Active Users

\*<sup>1</sup> calculated based on contracts

# Topics | The number of registered cowcamo members exceeded 300,000 in Sept. 2021

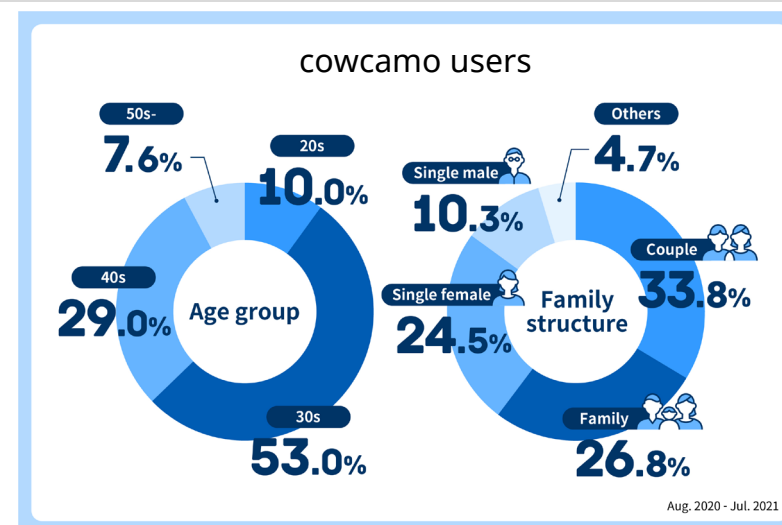
The number of registered cowcamo members exceeded 300,000 in Sept. 2021. The number of platform users surpassed 2 million\* in the past year. We are steadily growing as a platform.

## Accumulating users and data

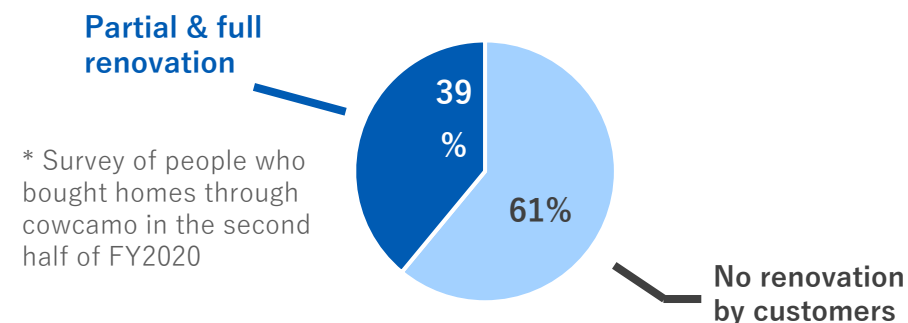


- cowcamo was launched in June 2015 and has grown 1.5 times in a year after surpassing 200,000 registered members in September of last year.
- The service has grown to include one out of every six people considering buying a used home in the Tokyo metropolitan area and parts of Yokohama, where it mainly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

## Distribution of customers



## Percentage of customers who renovate their own homes



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

# cowcamo | Effective sales and property creation using our user database

As shown in the previous slide, cowcamo employs user data to provide sellers with the value of "selling quickly at a fair price" and buyers with the value of "getting a good deal with ease. As a result, we have achieved the following:

## Selling quickly at a fair price

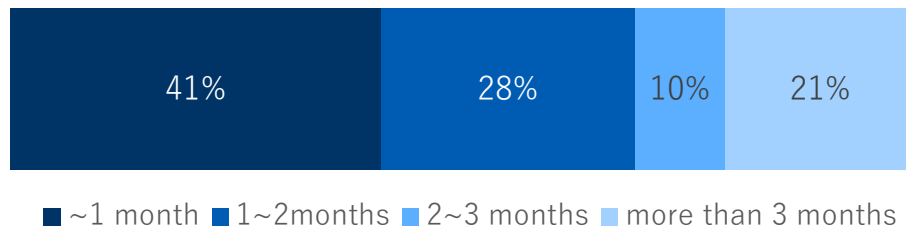
Sold at desired price<sup>\*1</sup>

85%

Reference: Of the properties in the Tokyo metropolitan area sold within 3 months, 20% sold at the listing price, and those which had price reductions of 5% or less were 37% of total<sup>\*2</sup>.

## Listing period

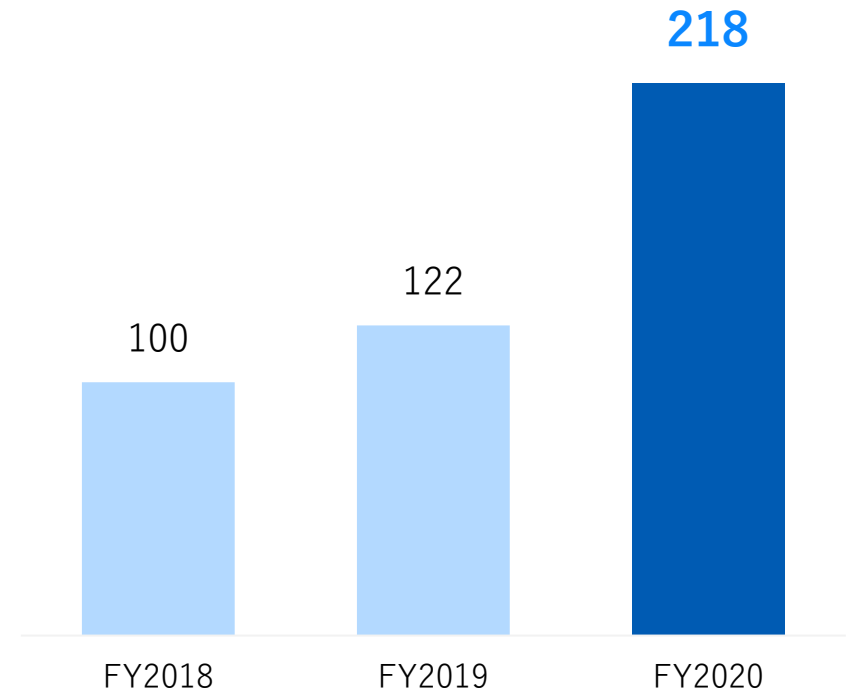
- Contracts closed in an average of **2.03** months<sup>\*3</sup> compared to the average of 4.15 months<sup>\*2</sup> in the Tokyo metropolitan area<sup>\*2</sup>
- Compared to the average of 55%,<sup>\*2</sup> **79%** of listings sold within 3 months



## Create properties that meet user needs

- The key is "the number of attractive properties that match user needs."
- "The number of attractive properties that match user needs"  $\div$  "the number of properties receiving many requests for viewing" is steadily increasing.

**The number of properties that meet the number of requests for viewing required for completing a sale within two weeks<sup>\*5</sup>**  
(The index is calculated using FY2019 as 100)



<sup>\*1</sup> The percentage of contracts concluded at "the upper limit of a challenging price range" or "the price range at which inquiries were received".

<sup>\*2</sup> The Tokyo metropolitan area average: [https://www.kantei.ne.jp/report/108kairi\\_shuto.pdf](https://www.kantei.ne.jp/report/108kairi_shuto.pdf) (Tokyo Kantei, July 29, 2021)

<sup>\*3</sup> cowcamo average: The average number of days during FY2020 in which cowcamo acted as intermediary for contracted properties and published articles.

<sup>\*4</sup> Distribution of the number of days it took from mediation to contract signing for FY2020.

<sup>\*5</sup> Number of properties that received 9 or more inquiries within two weeks. 9 was the median number of inquiries received before a property was sold.

# cowcamo | Happy customers

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

## Sellers' Feedback



- A broker we dealt with told us that our price was too high, and I only received one private viewing through them.
- ...but after an article was published on cowcamo, we received private viewings one after another. Within a week, we were able to finalize a deal with the current owner. The broker above was surprised by this.



## Buyers' Feedback



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

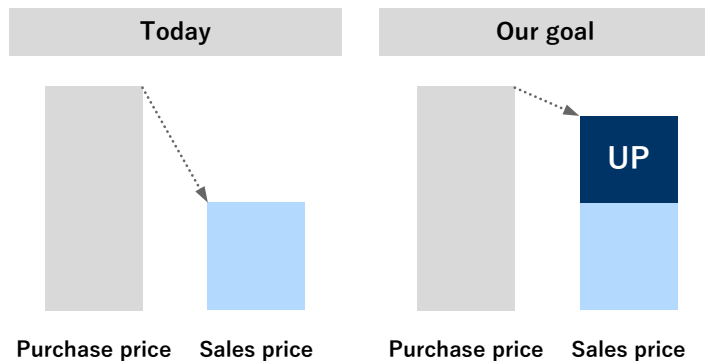


## cowcamo | Long-term goal of improving QOL & leading the Used Property Market

In the long term, cowcamo will promote residential upgrades in accordance with lifestyles through the evaluation of home renovations, thereby contributing to the improvement in QOL (quality of life), and through expansion of the used property market.

### Increase Home Prices

- Fair valuation of renovated properties through data accumulation
- Optimal matching through a vast user base



Renovated properties have historically been valued low at the time of sale, leading to a large depreciation in price

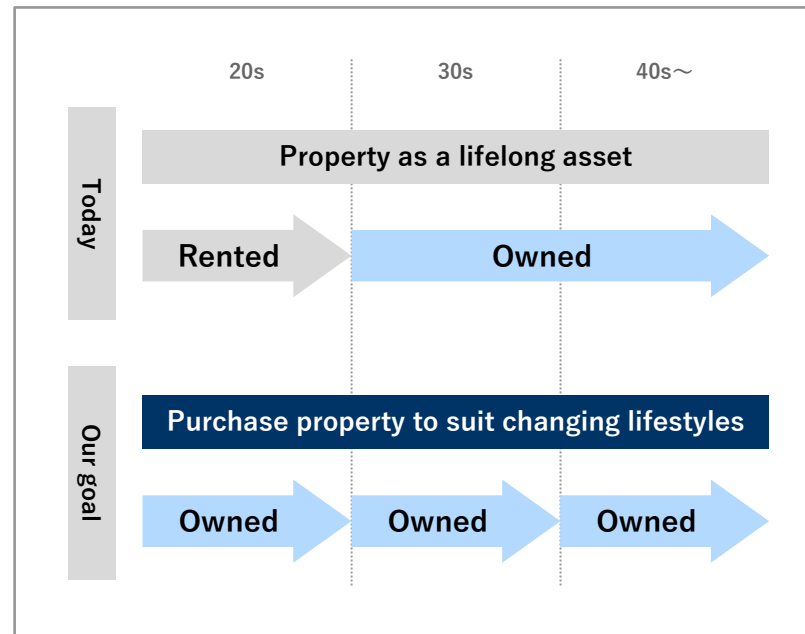
Achieve **distribution at optimal prices** through **fair valuation** based on data and **matching** by user base



### Increase frequency of home purchases

= Expand TAM

- Promote new home purchases to suit changing lifestyles
- Improve the economics of new purchases by removing intermediary fees





# Reference: Balance Sheet

Since the issuance of new shares through a 3rd party allocation in August 2021, we have actively invested to generate consistent growth in gross profits. As a result, the company holds in excess of JPY 2.5 billion in cash and deposits as of the end of January 2022. Whilst considering the macro environment, we will review our costs with a focus on fixed costs.

**As of Oct. 31, 2021**

(Unit: JPY million)

	Assets	Liabilities	
		232	Others
		259	Short-term borrowings
		966	Long-term borrowings
		700	Convertible bonds (with a conversion price of JPY 1,200 per share)
Cash and deposits	2,745		
Others	851	1,438	Net assets

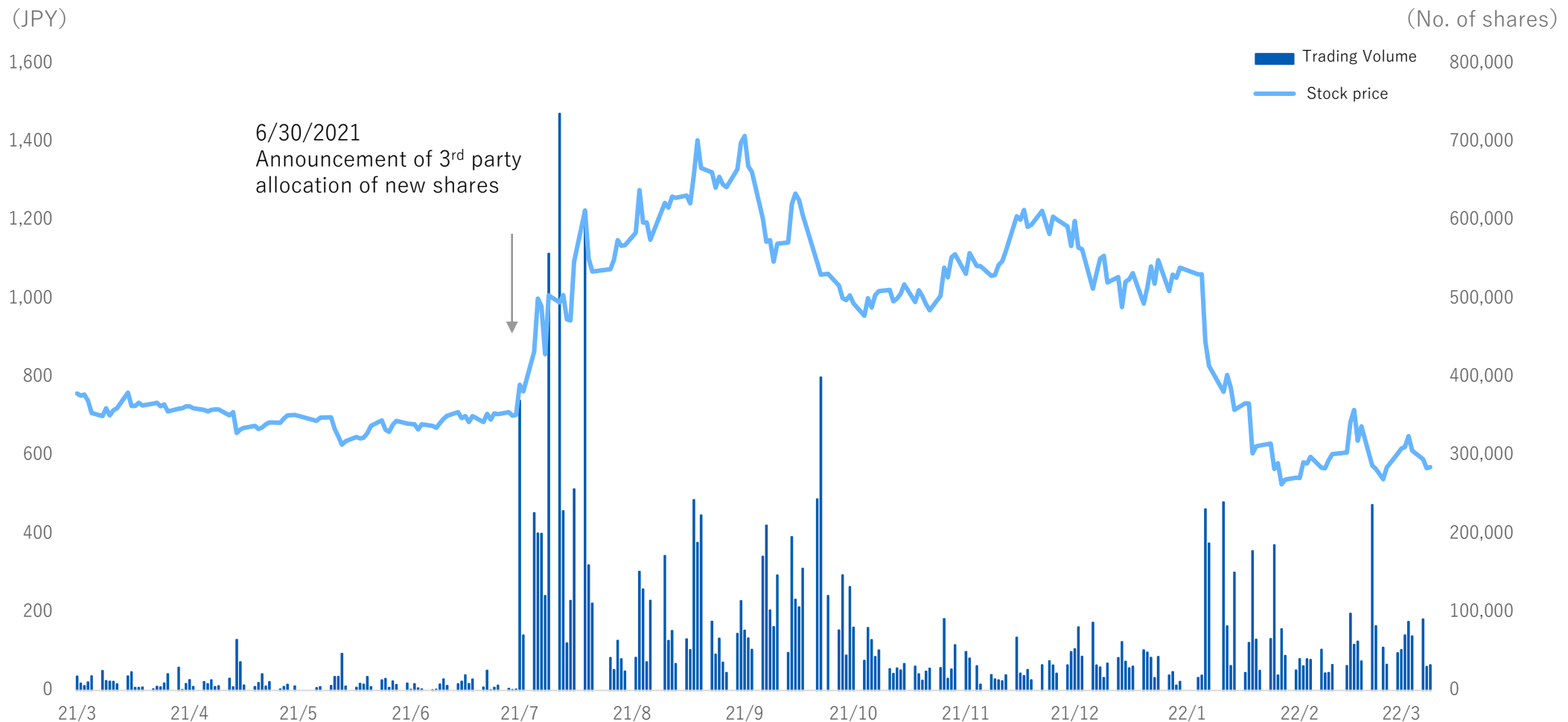
**As of Jan. 31, 2022**

(Unit: JPY million)

	Assets	Liabilities	
		257	Others
		303	Short-term borrowings
		915	Long-term borrowings
		700	Convertible bonds (with a conversion price of JPY 1,200 per share)
Cash and deposits	2,557		
Others	821	1,203	Net assets

# Reference: Share Price and Trading Volume

Since the beginning of 2022, the share price has been weak due to concerns over rising global interest rates and uncertainty. However, we aim to improve our share price and trading volume over the medium to long term by increasing awareness and an understanding of our company through ongoing IR activities.



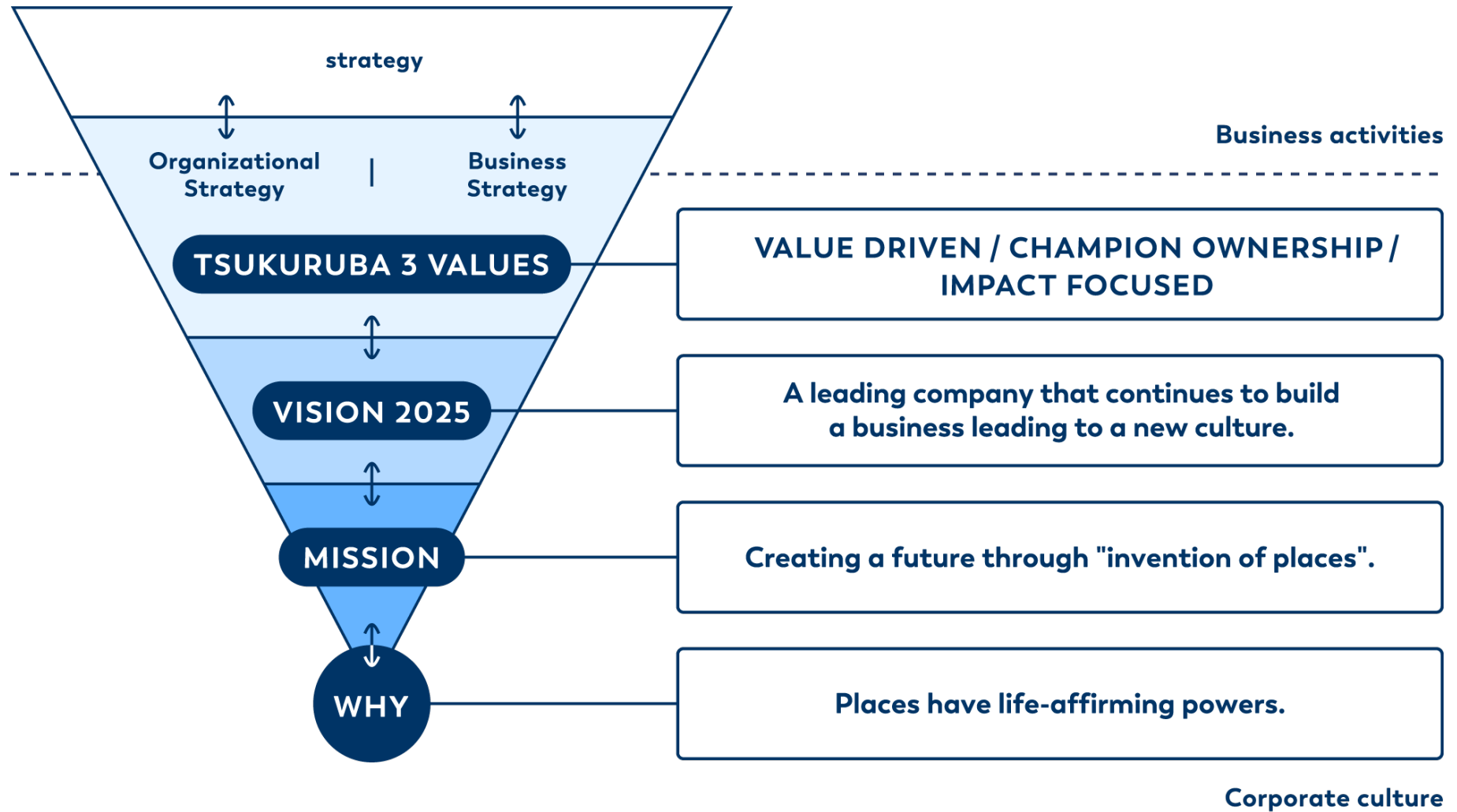
# Q&A

Category	Questions	Answers
Company	Revenue was +60% YoY, exceeding the guidance announced at the beginning of the fiscal year. However, why was gross profit +30% YoY?	The 60% YoY increase in revenue was due to the impact of purchase and sales transactions of cowcamo's own products. Gross profits are being generated as expected, and our full-year growth forecast is +43%. In addition, we will be expanding our staffing structure throughout the year, and believe that the company's performance will be skewed more towards the second half of the year than the first half.
Company	What are the company's thoughts on the outlook for future upfront investments?	Since the beginning of FY2021, the company has been aggressively investing upfront in order to achieve high gross profit growth. While the results are apparent, in light of the recent macro environment, the company has decided to review its costs, focusing on controlling fixed costs. In accordance with the above, we will continue to review costs in the second half of FY2021. However, we will maintain our earnings forecast for FY2021.
cowcamo	What is the impact of the war in Ukraine on your business?	There has been an impact stemming from the supply of lumber and semiconductor products. As for lumber, prices will rise by 15~20%. As for semiconductor products, the supply of stoves, hot water heaters, dishwashers, down lights, etc. will be affected. At this point, delivery of these items may be delayed by 1-3 months. However, the market inventory of properties are rising, and demand for property purchases is firm. Thus, at this point, there is no impact on our earnings forecast for FY2021.
cowcamo	What are the growth indicators for cowcamo?	In the past, we used MAU as a leading indicator. But now that we have acquired a sufficient user base, we ask that investors look at our gross profit as a financial KPI, and GMV and Take Rate as business KPIs as growth indicators.
cowcamo	The MAU declined. Was there a problem? What is your policy regarding MAU in the future?	MAU has been rising higher than originally planned, and there are still enough inquiries to raise the number of transactions and achieve our earnings forecast. Therefore, we believe that there is no problem. Currently, we are focusing on attracting inquiries rather than registered members. While it will gradually increase MAUs, we are more focused on improving the closing rate per MAU.
cowcamo	Why is there quarterly volatility in the GMV?	Quarterly volatility in GMV occurs as a result of market conditions, which are affected by seasonal factors.

# Company Overview

Name	TSUKURUBA Inc.
Address	2F Ikura Building, 1-1-5 Kami-meguro, Meguro-ku, Tokyo 153-0051 Japan
Founded	August 2011
Founder	Hiroki Murakami
Employees	201 full-time employees (as of January 2022)
Businesses	<p>“cowcamo Business”, an end-to-end real estate online brokerage platform for used and renovated properties</p> <ul style="list-style-type: none"><li>- cowcamo Platform Business</li><li>- cowcamo Agent Service Business</li></ul> <p>“Property, Planning and Design (PPD) Business“</p> <ul style="list-style-type: none"><li>- Mission: producing new value in the real estate domain</li><li>- Operation of “co-ba”, subscription-based co-working offices</li><li>- Spatial design and consulting business</li></ul>
Awards	<p>Deloitte Technology Company Japan Technology Fast 50 (2017-2020)</p> <p>2021 The 4th WOMAN's VALUE AWARD, Excellence Award</p>

# Corporate Philosophy



# Disclaimer

This material includes forward-looking statements which were made based on information available at the time of writing. They do not guarantee future results and may 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 the environment surrounding TSUKURUBA and other factors.

The factors which may affect actual results include, but are not limited to, Japanese and global economic and market conditions under which TSUKURUBA operates.

TSUKURUBA is not obligated to update or revise its forward-looking statements in this material, even when new information becomes available or events take place.

Information within this material on topics other than 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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**TSUKURUBA**