

TSUKURUBA

TSE Growth: 2978

Financial Results
FY 2021 Q3 (Feb.-Apr.)
Jun. 13th 2022

FY 2021

Aug. 1st 2021 to July 31st 2022

Agenda

- 1. Financial Highlights for FY2021 Q3**
- 2. Financial Results for FY2021 Q3**
- 3. Forecast for FY2021**
- 4. Reference**

1. Financial Highlights for FY2021 Q3

Highlights

Financial Results FY2021 Q3 (Feb. 2022-Apr. 2022)

- Continued growth with record revenue and gross profit

Revenue JPY **713** million (+**89**% YoY)

Gross Profit JPY **496** million (+**61**% YoY)

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

GMV JPY **11,016** million (+**24**% YoY)

Take Rate **4.2** % (+**1.1** pts YoY, -**0.2** pts QoQ)

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

- Continuing to review costs, focusing on controlling fixed cost, in line with the change in management policy announced in the Q2 earnings announcement.
- At this time, we maintain our full-year forecast for FY2021 ending July 31, 2022.

Updated Capital and Business Alliance with Marui Group

- No additional potential dilution in this case
- Issuance of 700 million yen of Class A shares to Marui Group
- Plans to repurchase and retire 700 million yen of existing convertible bonds in conjunction with the issuance of Class A shares
- Establish a stronger financial base and strengthen the capital relationship with Marui Group

Updated Capital and Business Alliance with Marui Group | **Summary**

Summary

- **Issuance of Class A shares to Marui Group through third-party allotment and purchase and cancellation of existing convertible bonds**

These transactions are in effect a conversion of the bonds to equity, with no additional potential dilution in this case.

Purpose

- **Strengthen capital and business alliance with Marui Group**
- **Strengthen financial base by improving capital adequacy ratio**

Overview of Class Share

- **Put option (stock consideration): Conversion price JPY 1,200**

Dilution ratio: 5.12%* (no change from the previous period due to the purchase and cancellation of the convertible bonds)

- **Put option (cash consideration): Exercisable after August 1, 2027**

*Based on total number of issued shares

Updated Capital and Business Alliance with Marui Group | **Summary of Class A Share**

Issue price		• JPY 700 million
Preferred dividend		• 1% (cumulative, nonparticipating)
Voting right		• None
Put option	Stock consideration	• Conversion price: 1,200 yen (same conversion price as existing convertible bonds)
	Cash consideration	• Exercisable after August 1, 2027
Acquisition clause		• We can acquire Class A shares if the share price is more than 130% of the conversion price for a certain period.

Updated Capital and Business Alliance with Marui Group | Balance Sheet

The new issuance of Class A shares and the purchase and retirement of bonds with stock acquisition rights will significantly improve the assumed equity ratio to 54% and strengthen the company's financial base.

As of Apr. 30, 2022

(Unit: JPY million)

	Assets	Liabilities	
		309	Others
		247	Short-term borrowings
Cash and deposits	1,952	723	Long-term borrowings
		700	Convertible bonds (with a conversion price of JPY 1,200 per share)
Others	1,044	1,016	Net assets

Capital ratio: 31%

As of Apr. 30, 2022*

(After taking into account the issuance of Class A shares and the purchase and cancellation of existing convertible bonds)

(Unit: JPY million)

	Assets	Liabilities	
		309	Others
		247	Short-term borrowings
Cash and deposits	1,952	723	Long-term borrowings
		700	Class A shares (with a conversion price of JPY 1,200 per share)
Others	1,044	1,016	Net assets

Assumed capital ratio: 54%

* Assumed balance sheet as of April 30, 2022, after taking into account the issuance of Class A shares and the repurchase and cancellation of existing convertible bonds

Updated Capital and Business Alliance with Marui Group | **Initiatives to date**

Since July 2020, we have been promoting co-creation initiatives with the Marui Group. We will continue to empower individuals through synergies with Marui Group and work together to realize a society in which each individual can realize his or her own individuality.

Initiatives to date

- In July 2020, we entered into a capital and business alliance with Marui Group as the first listed company to generate synergies in their businesses under the Marui Group's "Co-Creation Investment."
- In April 2021, Marui Group established a dedicated "tsukuruba division" within "okos," an incubation company, and promotes innovation that combines co-creation investment and new business investment together with us.
- In March 2022, we launched "co-coono," a community-style renovated rental apartment brand with a workplace, and in May, we opened "cowcamo shop," cowcamo's first interactive store, in the Marui Kichijoji Store. Under the capital and business alliance with Marui Group, employees from both companies worked together as a project team with the same goal, realizing a "new form of work-home integration."
- As the co-creation is taking shape and yielding results, the two companies have decided to update their capital relationship in order to further deepen the relationship and promote co-creation.

"co-coono," a community-style renovated rental apartment brand



cowcamo shop in Marui Kichijoji



Updated Capital and Business Alliance with Marui Group | **Schedule**

Plans to issue Class A shares and repurchase and cancel existing convertible bonds according to the following schedule.

June 13, 2022

- **Resolution of the Board of Directors regarding the Third-Party Allotment**

Sept. 12, 2022

- **Board of Directors' resolution to submit a proposal for the Third-Party Allotment to the Ordinary General Meeting of Shareholders (planned)**

Oct. 27, 2022

- **Resolution at the ordinary general meeting of shareholders (planned)**

Nov. 15, 2022

- **Class A shares payment date (planned)**

Nov. 16, 2022

- **Purchase and extinguishment of convertible bonds (planned)**

1. Financial Highlights for FY2021 Q3

Companywide | FY2021 Q3 - Quarterly Financial Summary

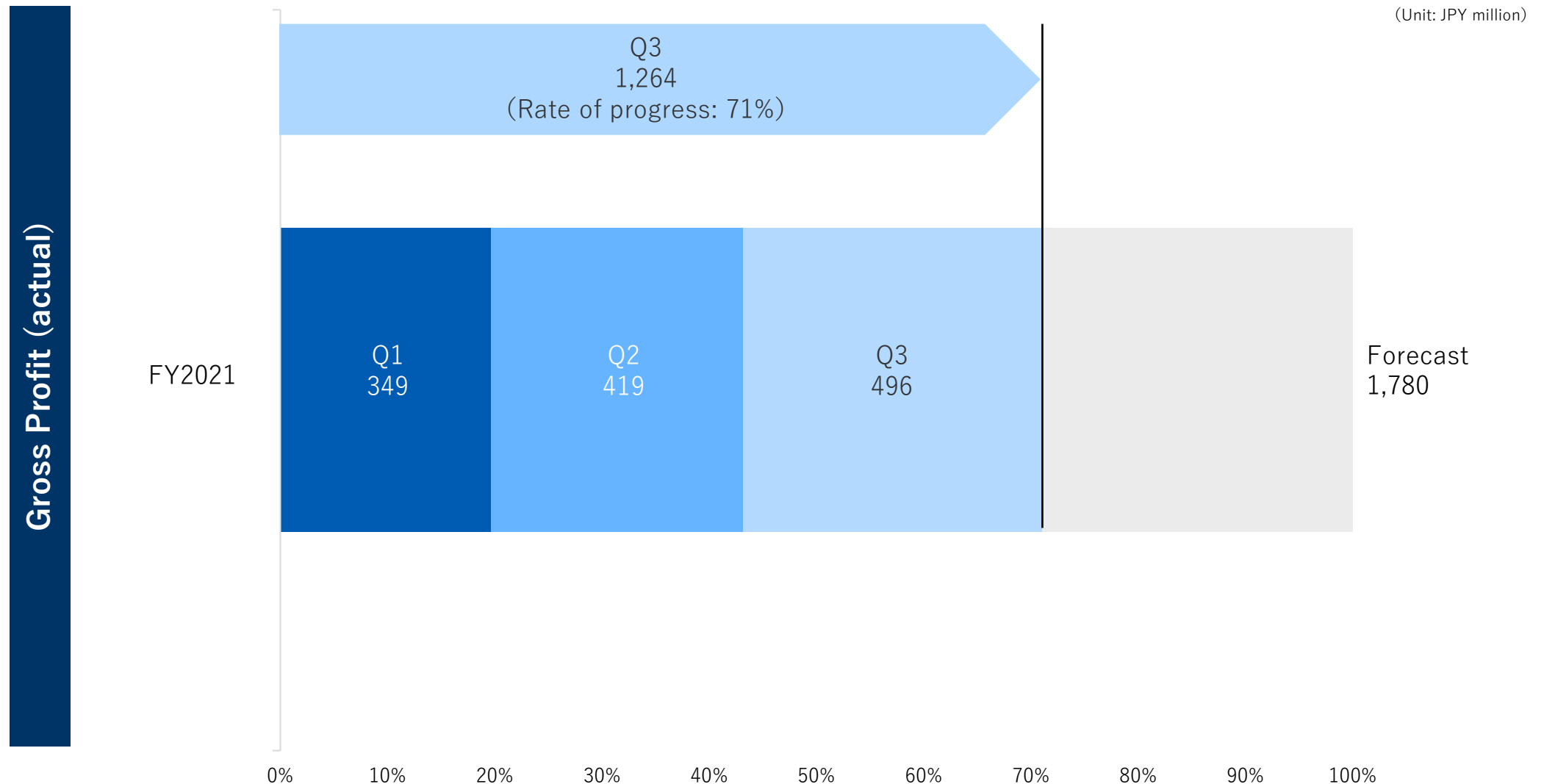
Revenue and gross profit reached a record high. An extraordinary loss of 26 million yen was incurred during the quarter due to head office reductions related to cost review and the termination of a fixed-term lease contract in the real estate planning and design business.

(Unit: JPY million)

	FY2022 Q3 (2022/2-2022/4)	FY2021 Q3 (2021/2-2021/4)	YoY	FY2022 Q3 (2021/8-2022/4)	FY2021 Q3 (2020/8-2021/4)	YoY
Revenue	713	376	+89%	1,933	1,137	+70%
Gross Profit	496	307	+61%	1,264	900	+40%
Operating Profit	-172	-118	-	-669	-236	-
Ordinary Profit	-176	-120	-	-683	-232	-
Net Profit	-202	-133	-	-709	-253	-

Companywide | Progress towards our full-year forecast for FY2021

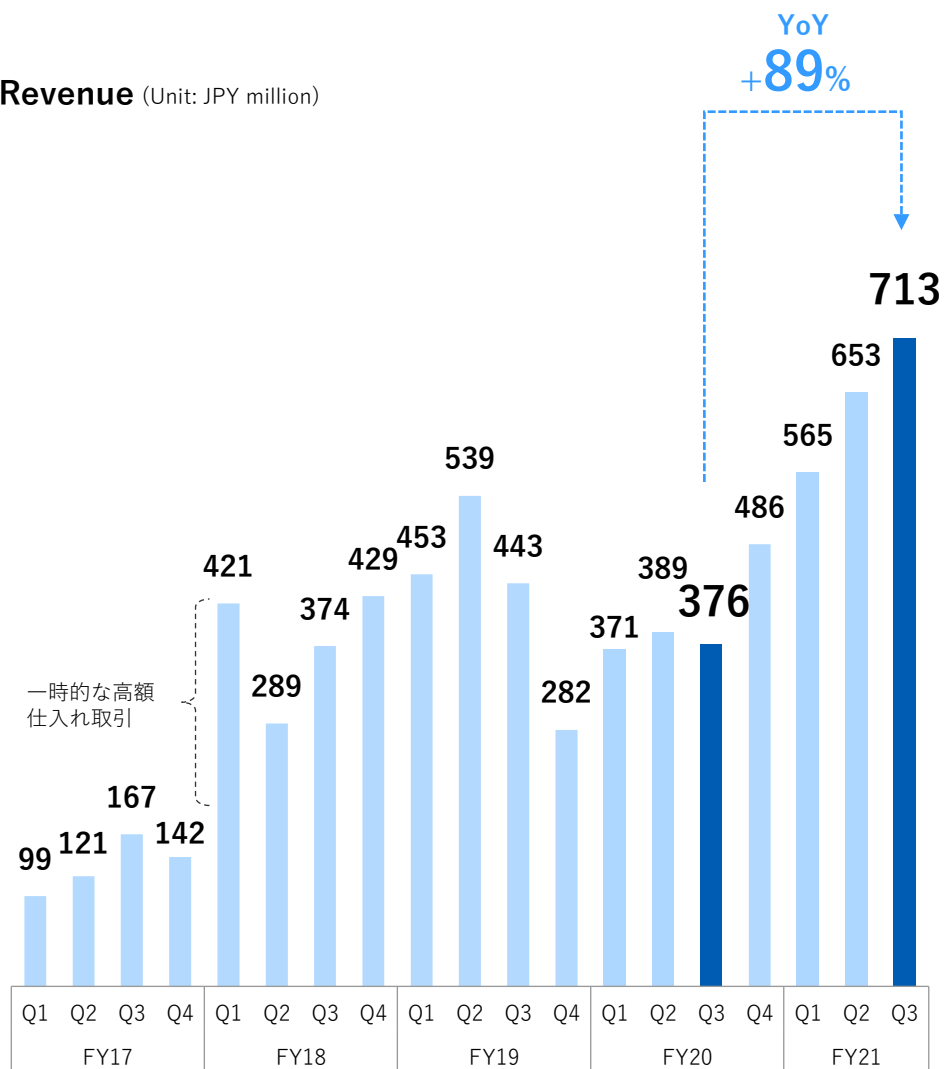
Progress rate increased by +28% through the third quarter, in line with the forecast for growth in the second half of the year, taking into account seasonality and growth. Progress is being made against the full-year forecast as planned.



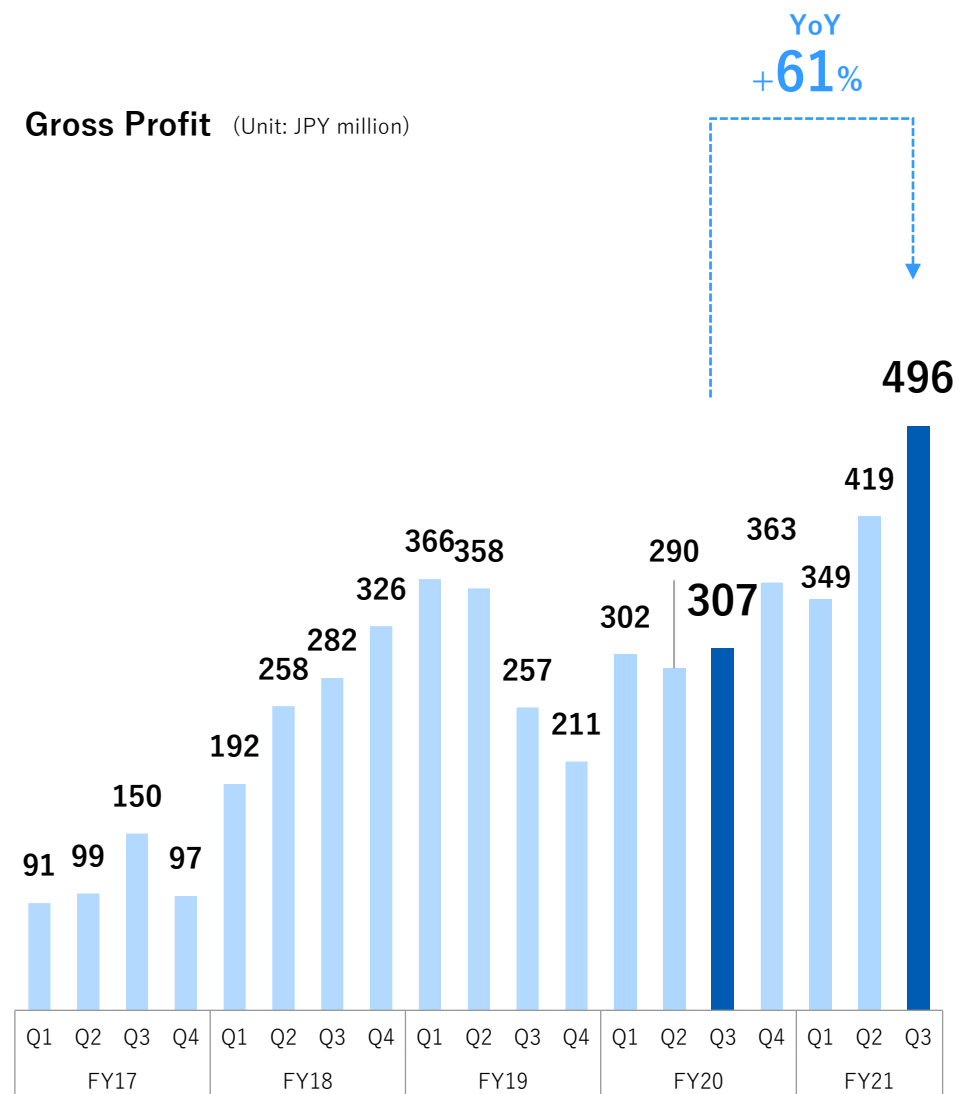
Companywide | Revenue and Gross Profit

Revenue and gross profit reached record highs.

Revenue (Unit: JPY million)



Gross Profit (Unit: JPY million)



Segments | FY 2021 Q3 - 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 Q3 (2022/2-2022/4)	FY2021 Q3 (2022/2-2022/4)	YoY	FY2021 Q3 (2021/8-2022/4)	FY2021 Q3 (2021/8-2022/4)	YoY
cowcamo	Revenue	605	277	+118%	1,638	859	+91%
	Gross Profit	458	276	+66%	1,175	821	+43%
	Business Segment Profit	-44	-22	-	-279	37	-
PPD	Revenue	107	99	+9%	294	278	+6%
	Gross Profit	37	30	+20%	89	79	+13%
	Business Segment Profit	19	11	+72%	29	13	+116%
Others	Corporate Expense	-148	-107	-	-419	-287	-

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

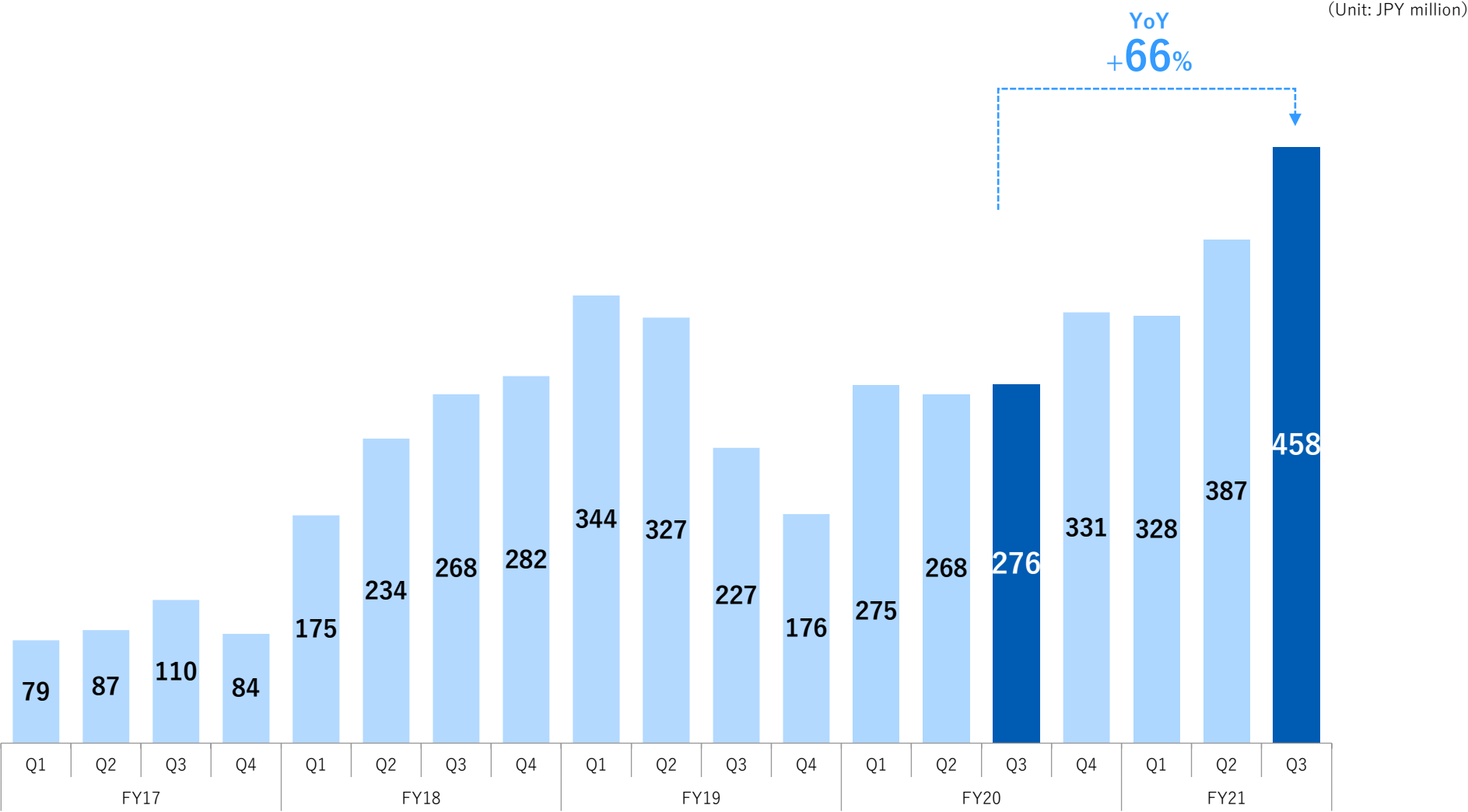
GMV: Gross Merchandise Value is total circulation on the platform. GMV is the sum of the prices of all products and services traded on the cowcamo platform, including properties and renovation services.

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, +66% YoY.

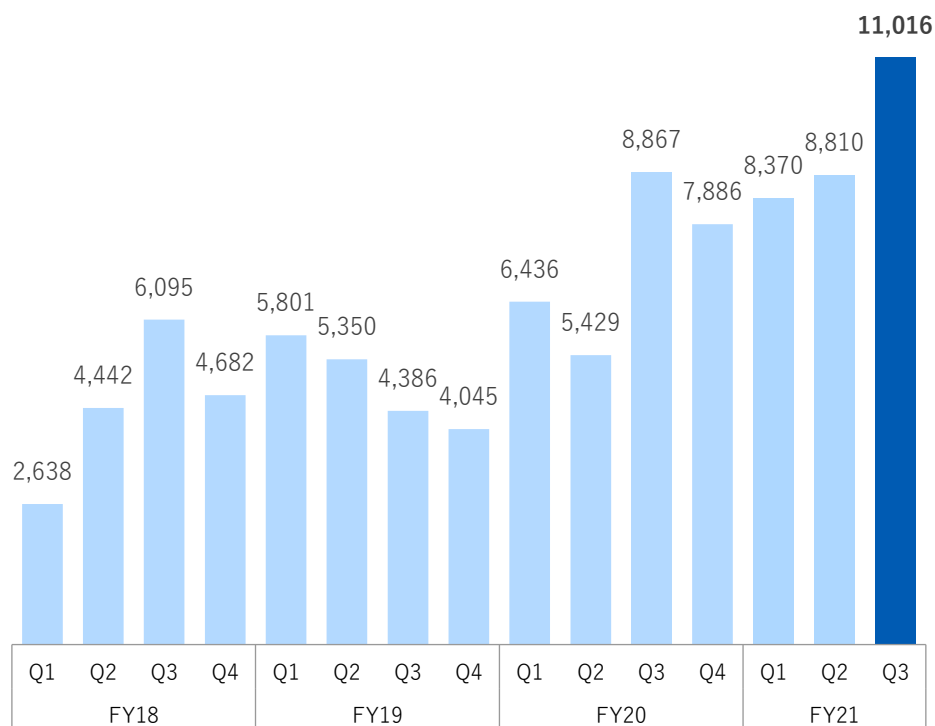


cowcamo | GMV • Take Rate

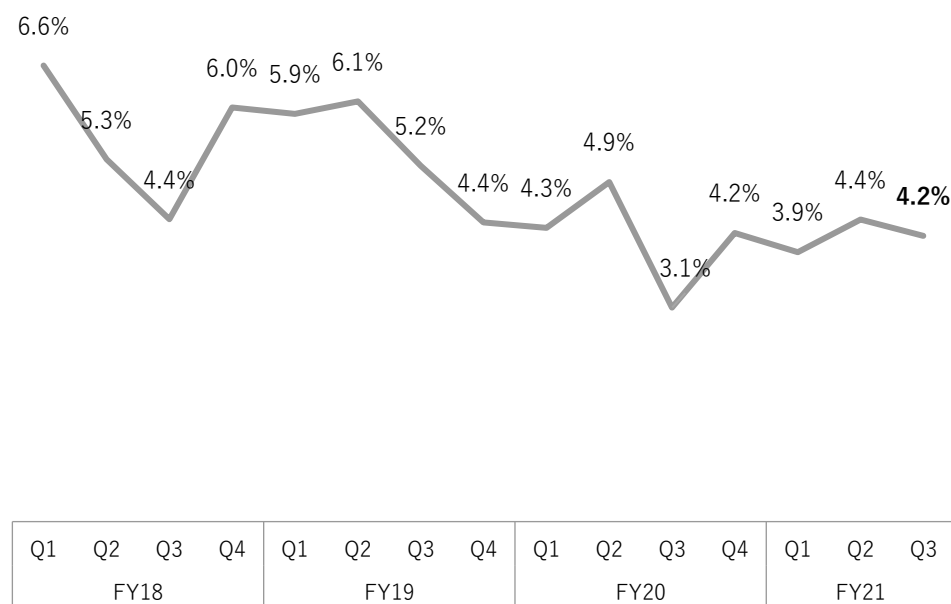
GMV reached a record high due to steady growth in our services. Take Rate, which had remained at a low level due to the lower number of condominiums in the market, has been recovering through Q3. We expect the Take Rate to improve over the medium to long term (see p. 18).

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	3Q
Revenue	421	289	374	429	453	539	443	282	371	389	376	486	565	653	713
Gross Profit	192	258	282	326	366	358	257	211	302	290	307	363	349	419	496
cowcamo	175	234	268	282	344	327	227	176	275	268	276	331	328	387	458
PPD	17	24	14	44	22	30	30	34	26	21	30	32	20	31	37
Operating Expense	244	244	232	318	341	346	327	328	348	363	426	485	594	670	668
cowcamo	137	148	140	189	203	193	196	198	223	261	298	335	432	518	503
PPD	14	14	10	18	17	14	16	15	24	21	19	25	22	20	17
Other	91	81	81	110	120	138	114	114	99	80	107	124	139	131	148
Operating Profit	-52	13	49	7	24	11	-69	-117	-45	-72	-118	-121	-244	-251	-172

Business KPI

GMV*1	2,638	4,442	6,095	4,682	5,801	5,350	4,386	4,045	6,436	5,429	8,867	7,886	8,370	8,810	11,016
Take Rate (%)	6.6	5.3	4.4	6.0	5.9	6.1	5.2	4.4	4.3	4.9	3.1	4.2	3.9	4.4	4.2
No. of transactions*1	59	98	119	105	123	121	95	93	130	118	166	159	180	179	225
MAU*2 (K)	25	27	28	29	36	40	44	50	54	59	62	59	64	57	53

*1 - based on contracts

*2 - Quarterly average registered MAU

cowcamo | Business conditions related to KPIs for FY2021 Q3

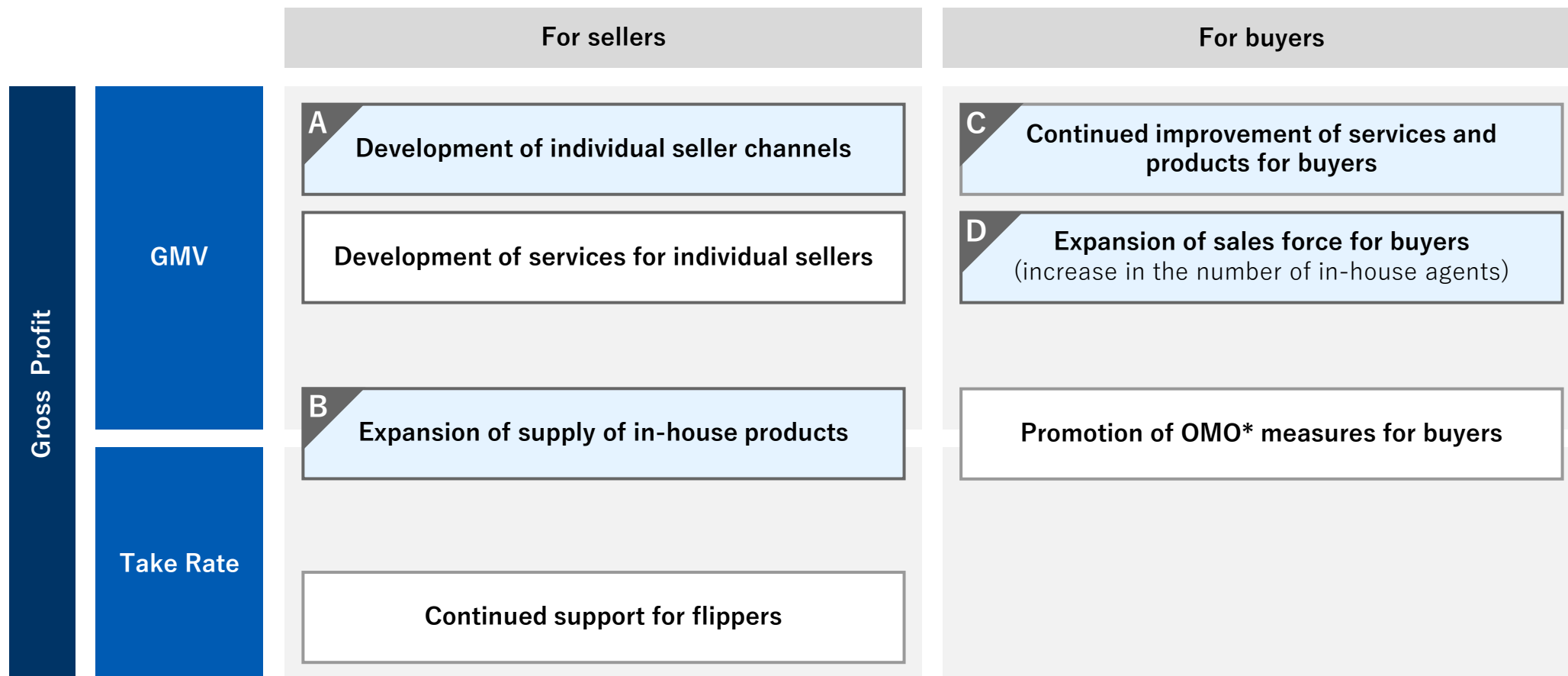
In Q3, the GMV and Take Rate were solid due to steady growth in services and business on the seller's side. Our full-year forecasts for FY2021 for both the GMV and Take Rate remain unchanged*

		Results for FY2021 Q3	Major developments in FY2021 Q3
Gross Profit	GMV	JPY 11,016 million + 24% YoY	<ul style="list-style-type: none"> [Market Environment] The number of contracts concluded in the pre-owned condominium market in the Tokyo metropolitan area remained steady. Looking ahead, although there is uncertainty due to changes in the macro environment, stable growth in the used condominium market is expected to continue (p. 26). [Q3 Results] The development of the private seller channel contributed to the growth. No. of transactions reached a record high of 225 (+36% YoY) [Outlook] GMV continues to make steady progress in expanding its sales force, developing the private seller channel, and increasing self-designed properties. In addition, area expansion and the expansion of renovation services are contributing to the number of transactions, and GMV growth is expected to continue.
	Take Rate	4.2% + 1.1.pt YoY (- 0.2.pt QoQ)	<ul style="list-style-type: none"> [Market environment] Decrease in the supply of used condominiums due to COVID-19 has improved. On the other hand, the impact of rising property prices on commission rates will be closely monitored going forward. [Q3 results] Steady improvement due to increased supply of self-designed properties and higher ratio of in-house agents, resulting in higher gross profits than in the same period of the previous year. [Outlook] Progress is being made in efforts to structurally improve the take rate, and continuous improvement is expected from the fourth quarter through the next fiscal year.

* Full-year forecast for cowcamo: Expected YoY growth of about 30% in GMV and 10% in the Take Rate (see p. 27)

cowcamo | Major initiatives for FY2021 Q3

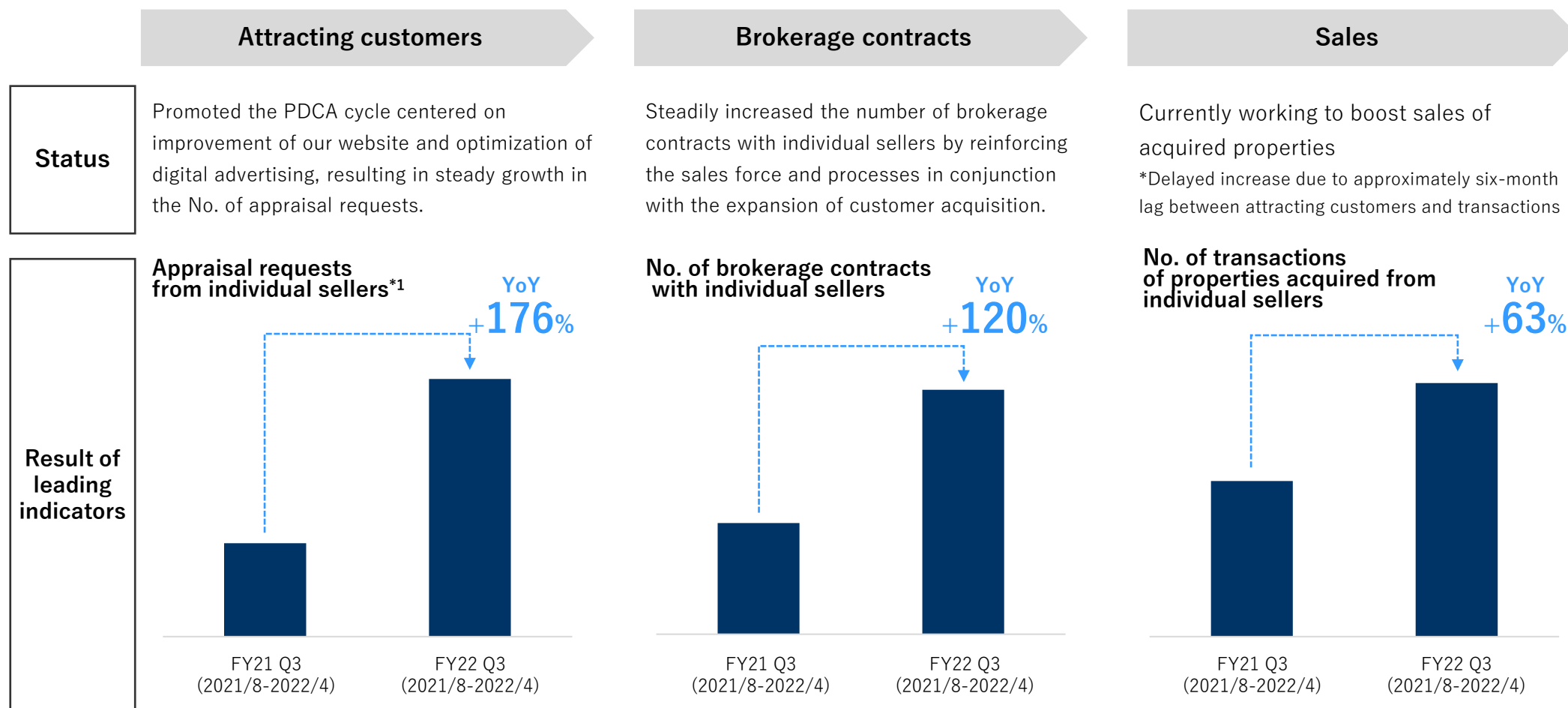
For FY2021 Q3, based on our stated goals at the beginning of FY2021, we have been implementing various measures for sellers and buyers that contribute to improving the GMV and Take Rate.



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 the policy for FY2021, we are promoting expansion of the individual seller channel. As the number of requests for appraisal and brokerage contract from individual sellers, which are leading indicators, increased, the number of contracts also began to rise. This is expected to contribute to continued GMV growth in the future.



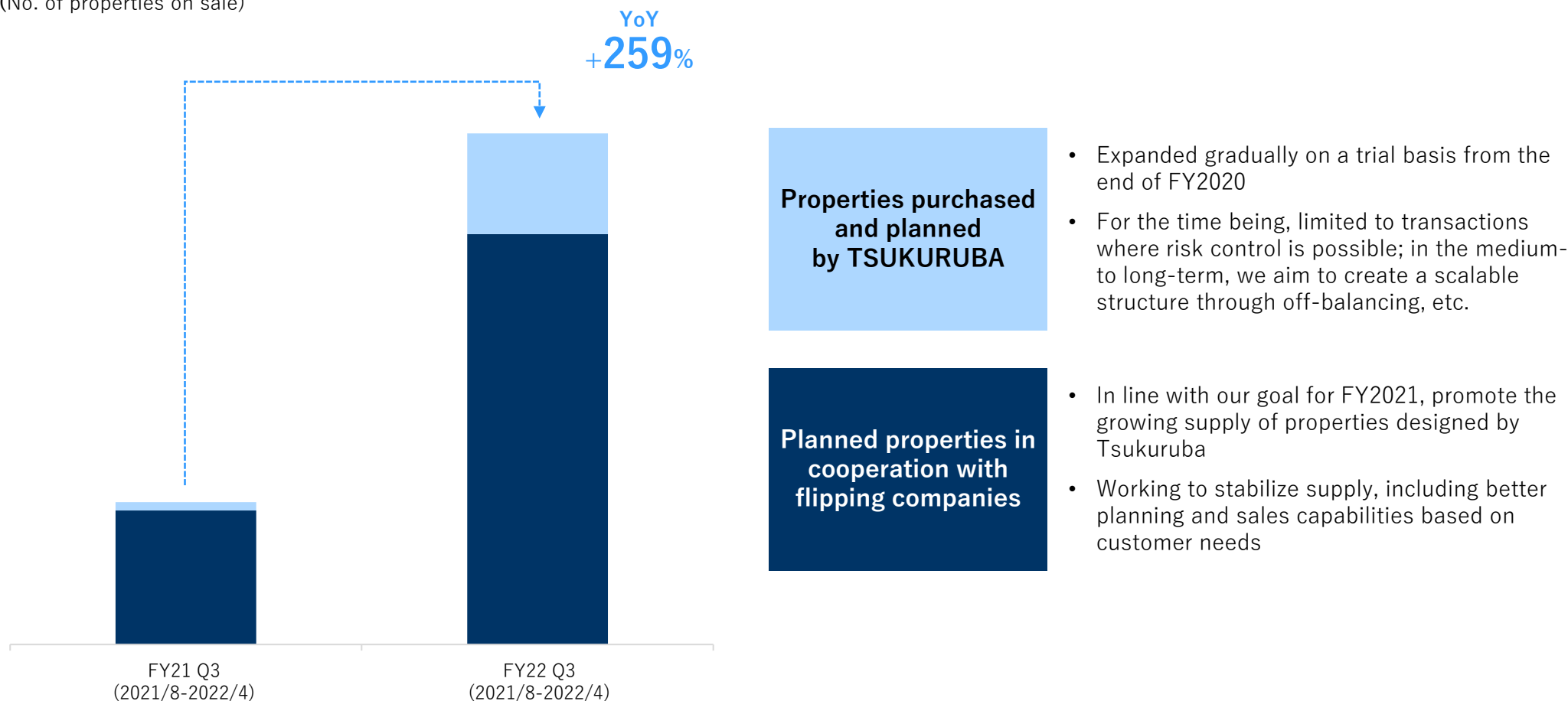
*1 The total number of appraisal requests from individual sellers through cowcamo website or partner companies. In accordance with in-house standards, 20% of the actual number of appraisal requests is used to convert the number of appraisal requests by customers sent from partner companies.

cowcamo | B. Higher supply of self-designed properties

In line with our goals, we have increased the supply of our own planned products. In FY2021 Q3 (2021/8-2022/4), the number of such properties on sale increased by 259%^{*1} compared to the same period last year. We expect to see a steady increase in supply, as well as a contribution to the GMV and Take Rate^{*2} for the full year through the closing of property transactions.

Change in the number of our planned products

(No. of properties on sale)



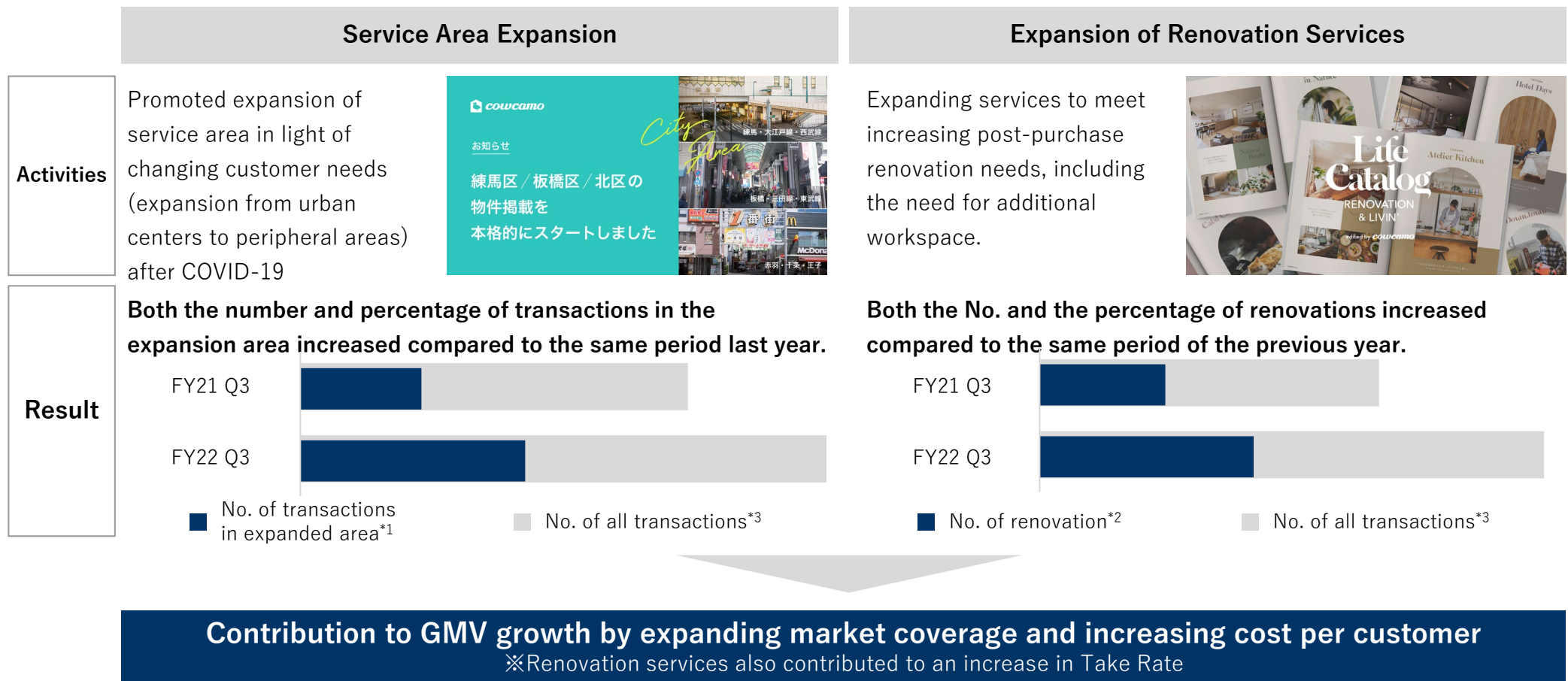
^{*1} “on sale” refers to when a property is released on cowcamo after procurement, planning, and development. In general, it takes 2-3 months from purchase to start of sale, and 4-5 months from start of sale to settlement (recording of sale)

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

cowcamo | C. Continued improvement of services and products for buyers

We continue to expand our service area and renovation services, which we have been working on since the beginning of FY2021. While responding to changing customer needs, we will expand GMV by expanding market coverage and raising revenue per customer.

Activities and Results to Q3



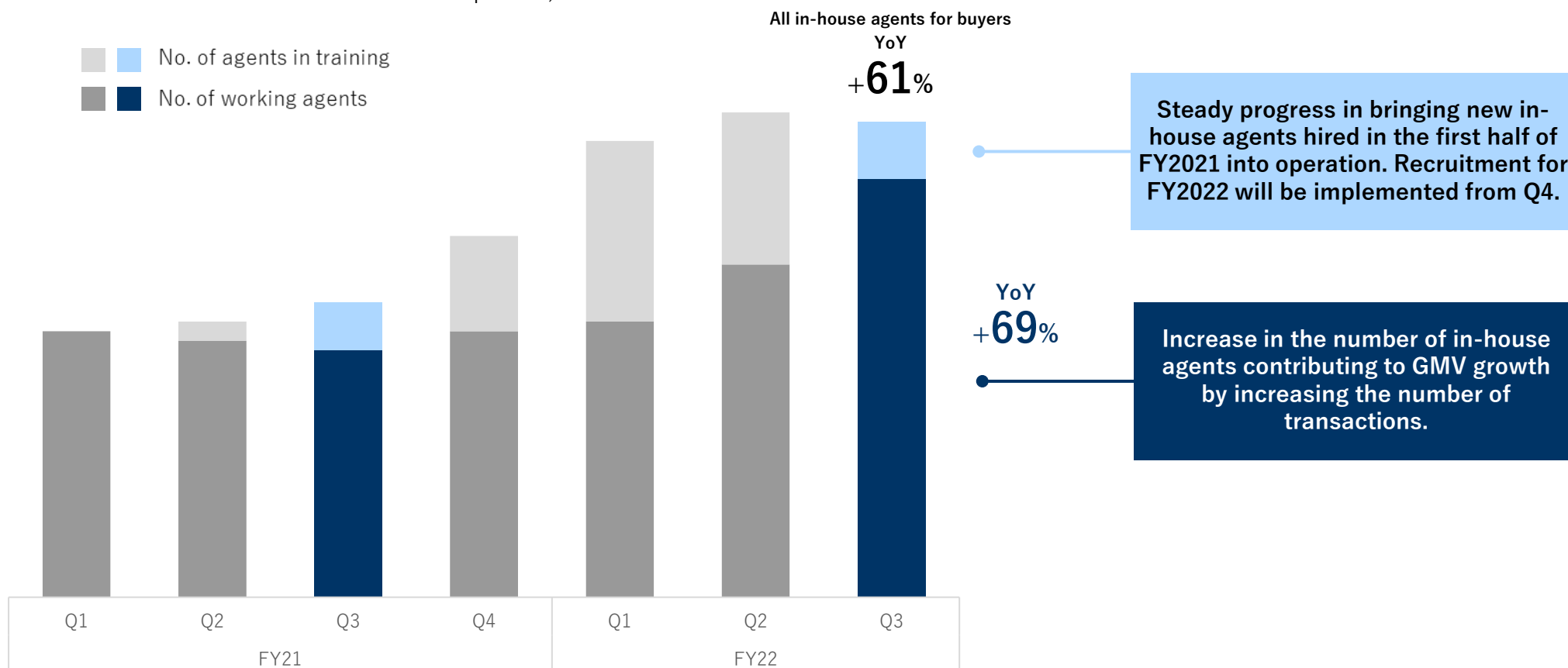
*1 Number of transactions in expanded area: Number of transactions in Tokyo area except Minato, Meguro, Shibuya, Shinjuku, Setagaya, Shinagawa, Suginami, Chuo-ku, Chiyoda, Bunkyo, Nakano, Ota, Musashino and Mitaka cities and outside Tokyo (contract basis). *2 Number of renovations: Number of renovations conducted at the time of purchase (contract basis) *3 Number of all transactions: Total number of transactions on the buyer's side (contract basis)

cowcamo | D. Expansion of sales force dedicated to buyers

The sales force expanded in the first half of FY2021, and the number of in-house agents* in operation at the end of 3Q was up 69% year-on-year, steadily contributing to the growth of GMV through an increase in the number of transactions.

Change in the number of in-house agents

(Number of enrollment at the end of each quarter)



* 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.



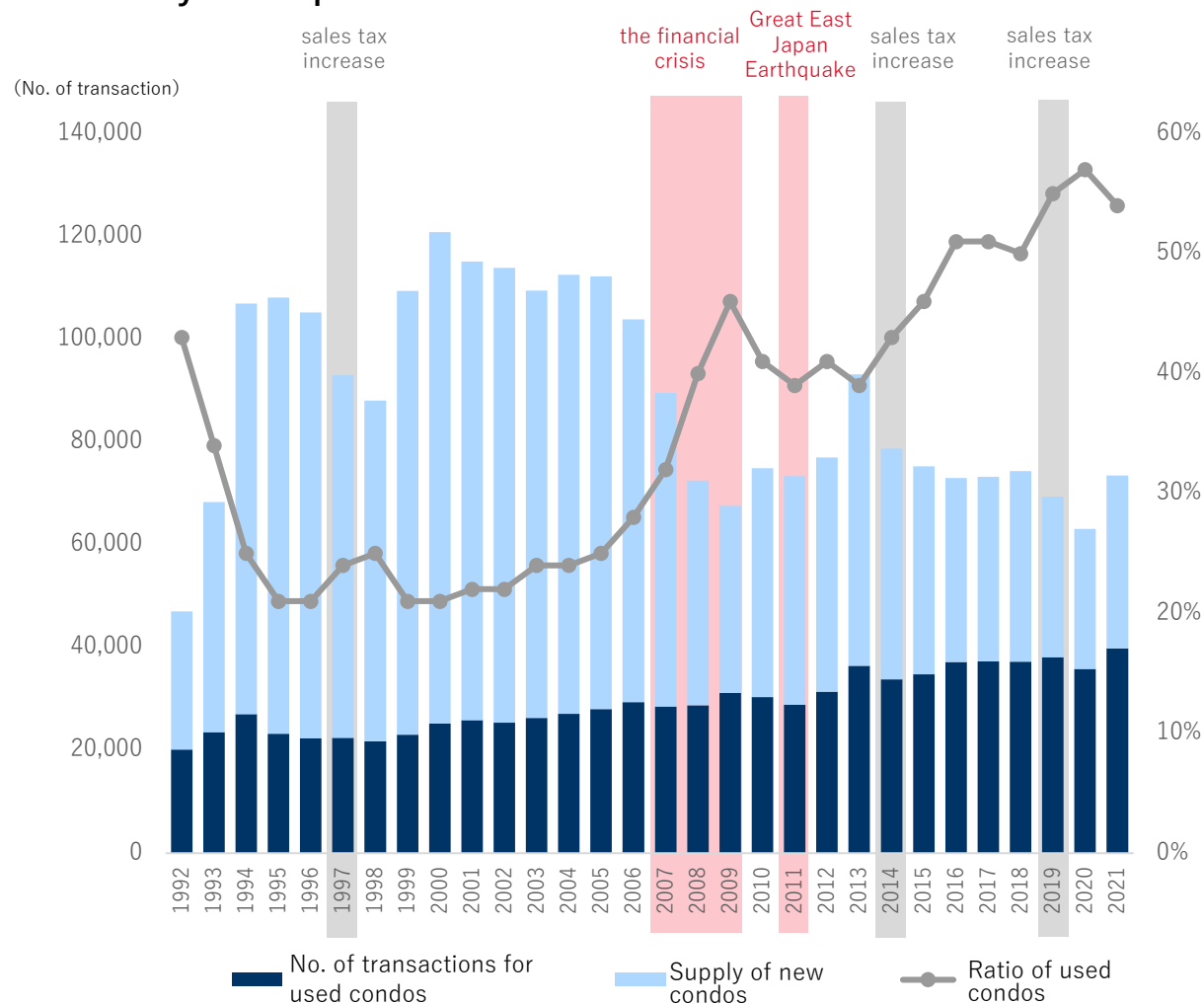
Management Goals and Forecast

- **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>Market: The sudden change in the business environment caused by COVID-19 has subsided. We expect continued growth in demand.</p> <p>GMV: 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>Take Rate: Expected to rise by approx. 10% YoY by expanding private brand products and increasing the ratio of in-house agents</p> <p>Cost: Incorporate upfront investments for continued growth in gross profit</p>	<p>Market: 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>GMV: No change in assumptions</p> <p>Take rate: No change in assumptions</p> <p>Expenses: 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"> We have not taken into account major changes in both gross profit and SG&A expenses as we prioritize the growth of cowcamo. We will continue to provide logistical support for cowcamo and conduct business trials for the medium to long term. 	<ul style="list-style-type: none"> No change in assumptions
Expenses	<ul style="list-style-type: none"> Incorporate expenses for recruitment, personnel and stock-based compensation (reinforcement of organization for continued growth) 	<ul style="list-style-type: none"> 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.
Others	<ul style="list-style-type: none"> Impact of a new service with Money Forward has yet to be seen. Only costs are considered into the forecast (Medium-term growth investment) Pending large-scale transactions, extreme market fluctuations, new businesses and M&A are not taken into account. 	<p>[Change in assumptions regarding extraordinary losses]</p> <ul style="list-style-type: none"> Impairment loss was incurred due to the reduction of the head office following a cost review and the termination of a fixed-term lease contract in the real estate planning and design business.

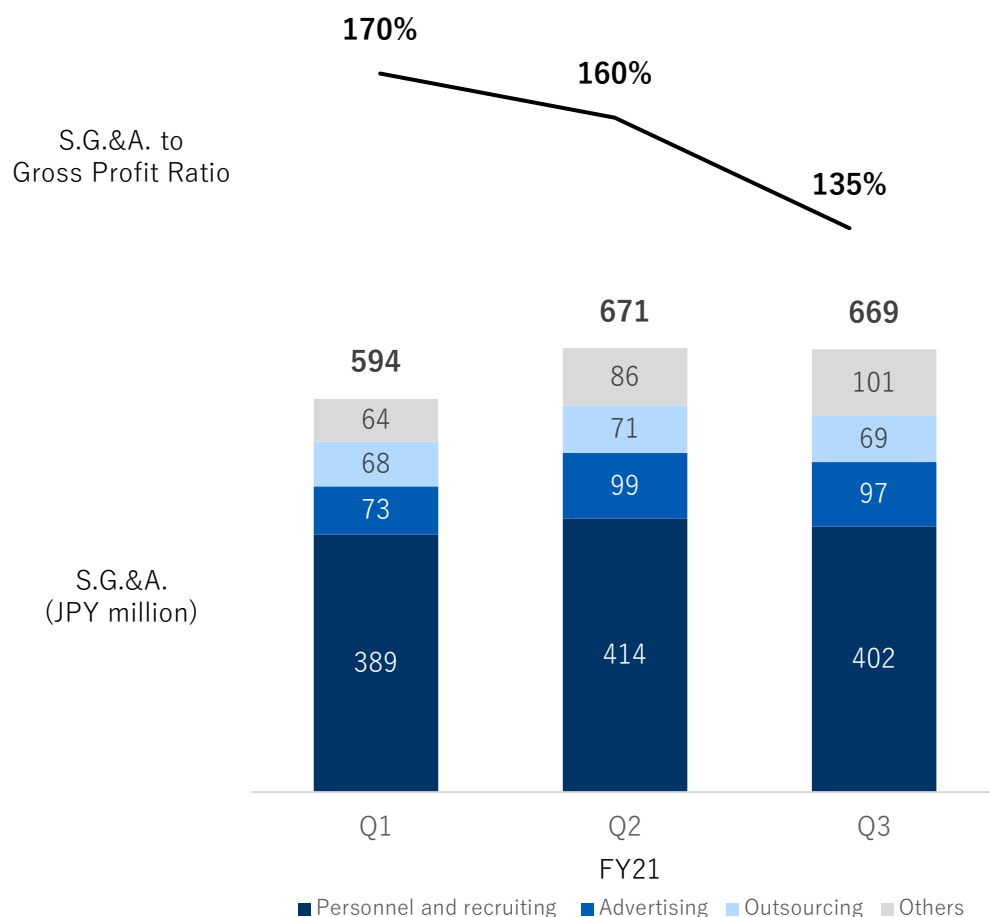
* Note: () in the above corresponds to each item in "Upfront investments in SG&A expenses" on slide 23.

Reference | Status of Cost Review

In line with the aforementioned policy, we continued to review costs in Q3, resulting in a reduction in SG&A-to-gross profit ratio. We will continue to improve costs, mainly by streamlining overhead expenses and improving operational efficiency, while maintaining expenditures required to expand services and transactions, mainly by increasing sales personnel and customer acquisition costs.

S.G.&A. Expenses and S.G.&A. to Gross Profit Ratio

(Q1-Q3, 2021/8-2022/4)



Policy for future cost review

Personnel and recruiting expenses	<ul style="list-style-type: none"> Continue to expand sales force to accommodate increased transactions. Promote streamlining of hiring and personnel allocation, mainly in indirect department, in addition to improving operational efficiency.
Advertising expenses	<ul style="list-style-type: none"> Continue to spend on advertising necessary to maintain and expand the scale of services while improving the efficiency of existing marketing channels and methods. Make decisions on expenditures for new marketing channels and methods based on cost-effectiveness.
Outsourcing	<ul style="list-style-type: none"> Reduce external payment costs by focusing on improving operational efficiency in indirect departments
Others	<ul style="list-style-type: none"> Promote company-wide rationalization, focusing on business locations, indirect business tools, systems, equipment, etc.

*Note that many of the effects of the above cost review will be reflected in financial results over a period of several months to a year, so there will be no immediate impact on the forecast for FY2021.

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 Atrac 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

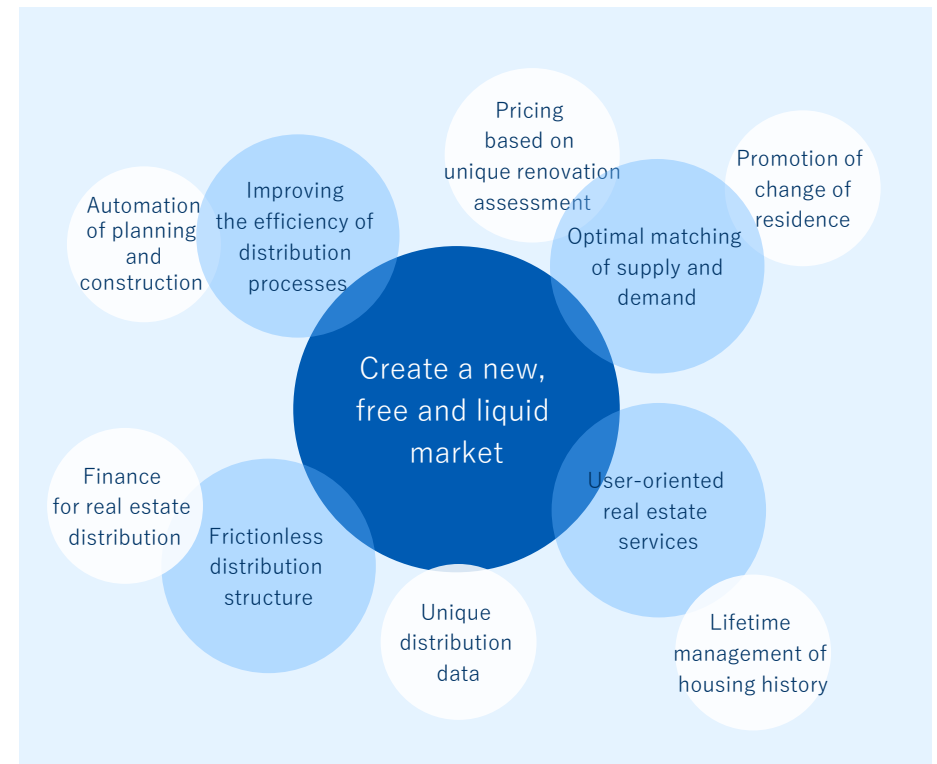
Attorney at Mori Law Office since 2008. A member of the JFBA Housing Dispute Settlement Agency Examination Committee and a Corporate Compliance Committee Advisor. Appointed Auditor of Star Festival.

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.

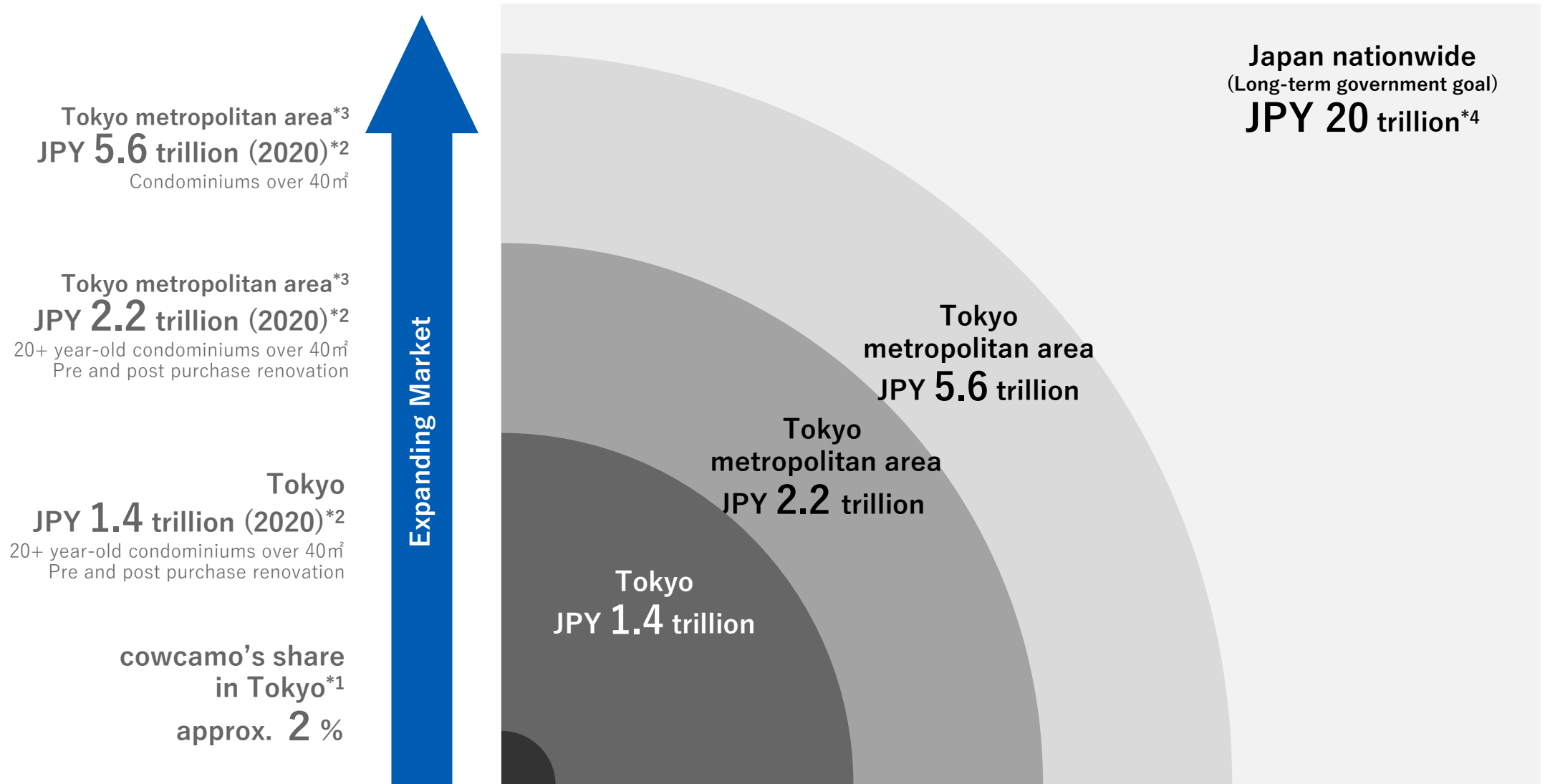
Issues with the existing distribution system

- 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 m2 , 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

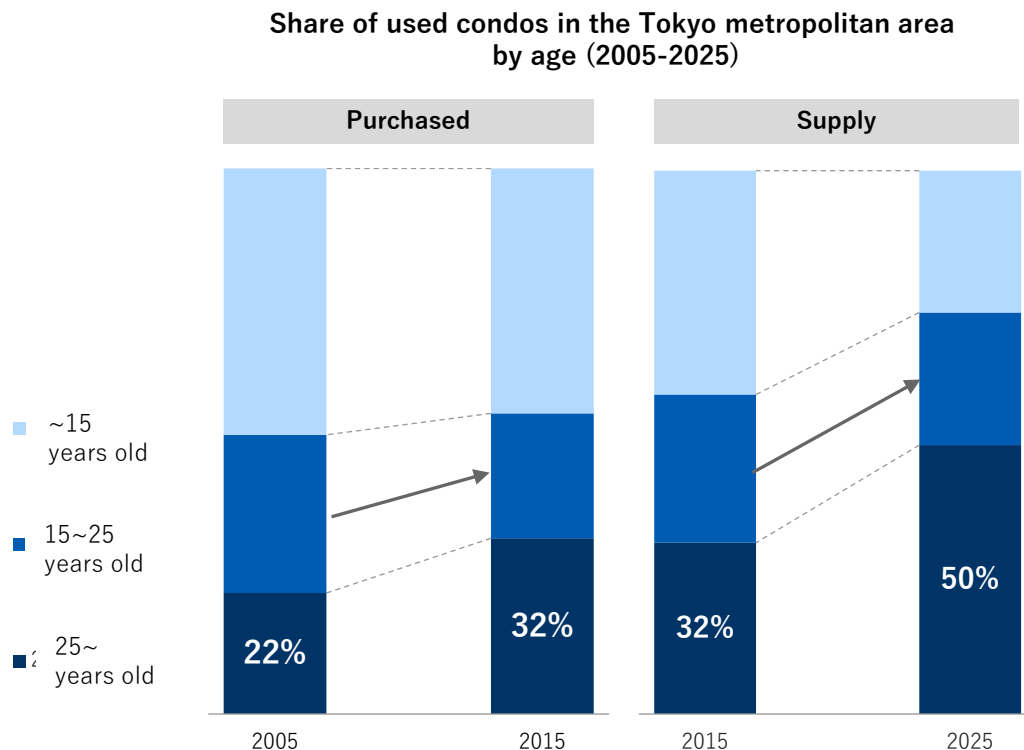
Note: The above is an image and does not necessarily accurately represent the difference in values by area ratio.

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

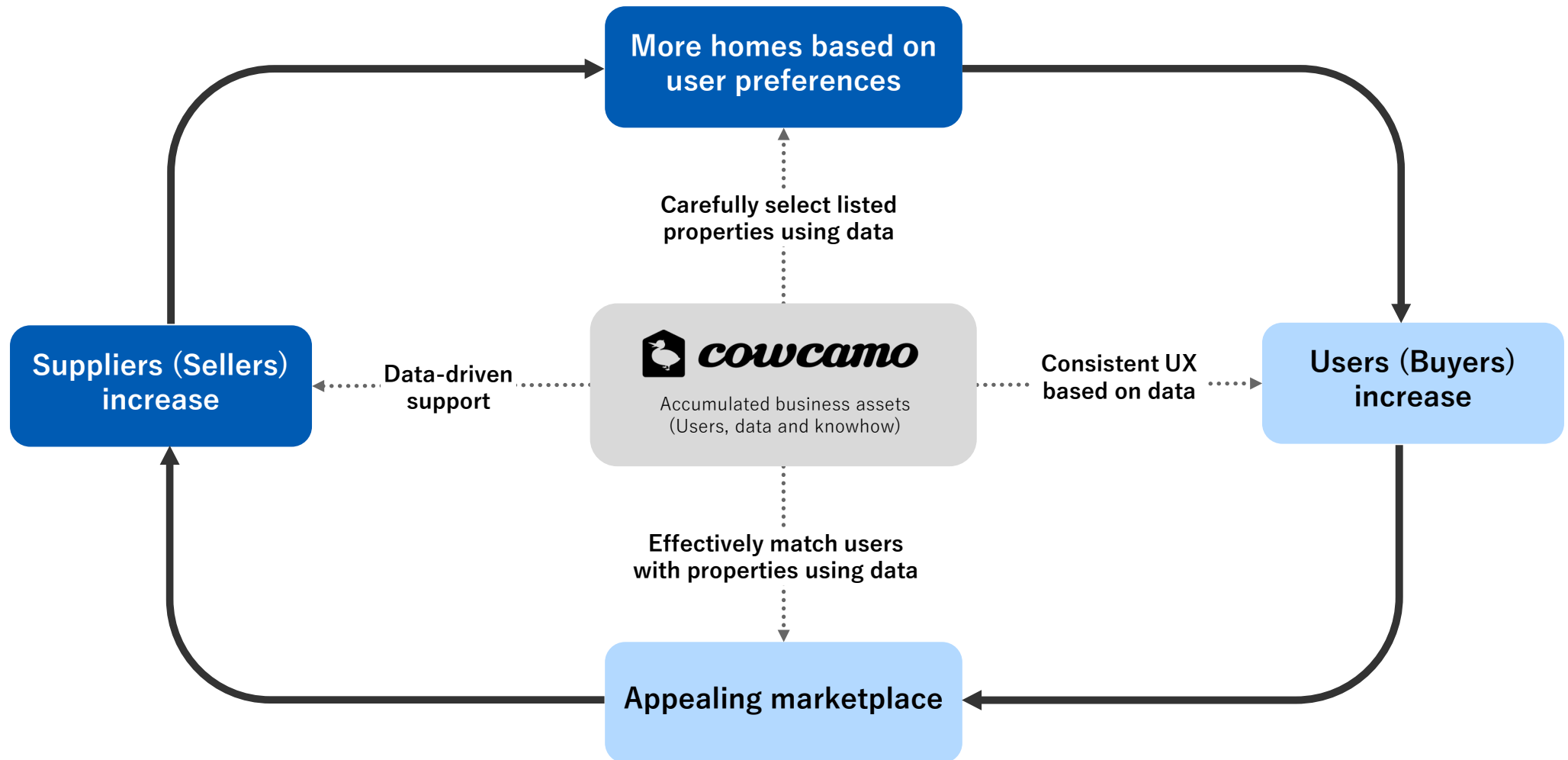
- Condos to be renovated
- Renovated condos
- Renovated condos with additional renovation

Changes in the used property businesses

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

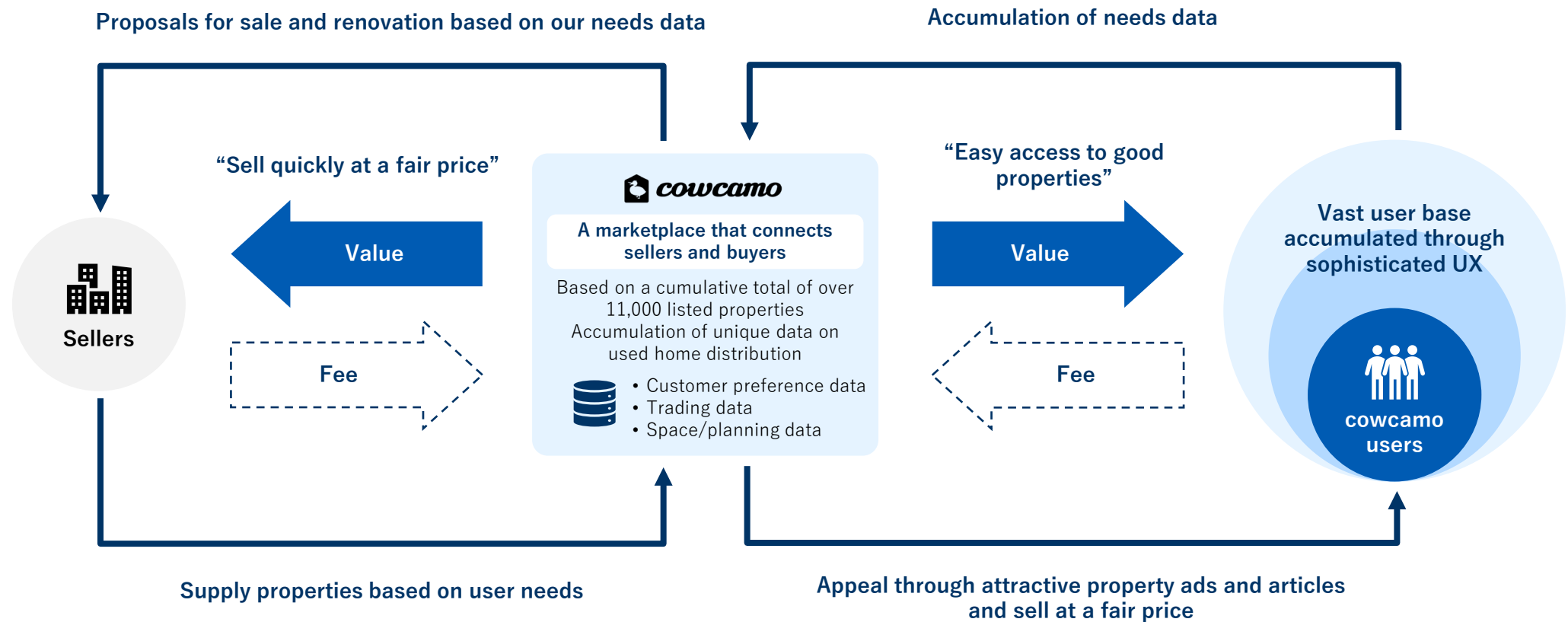
Promoting growth of the real estate brokerage platform for used and renovated properties

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.

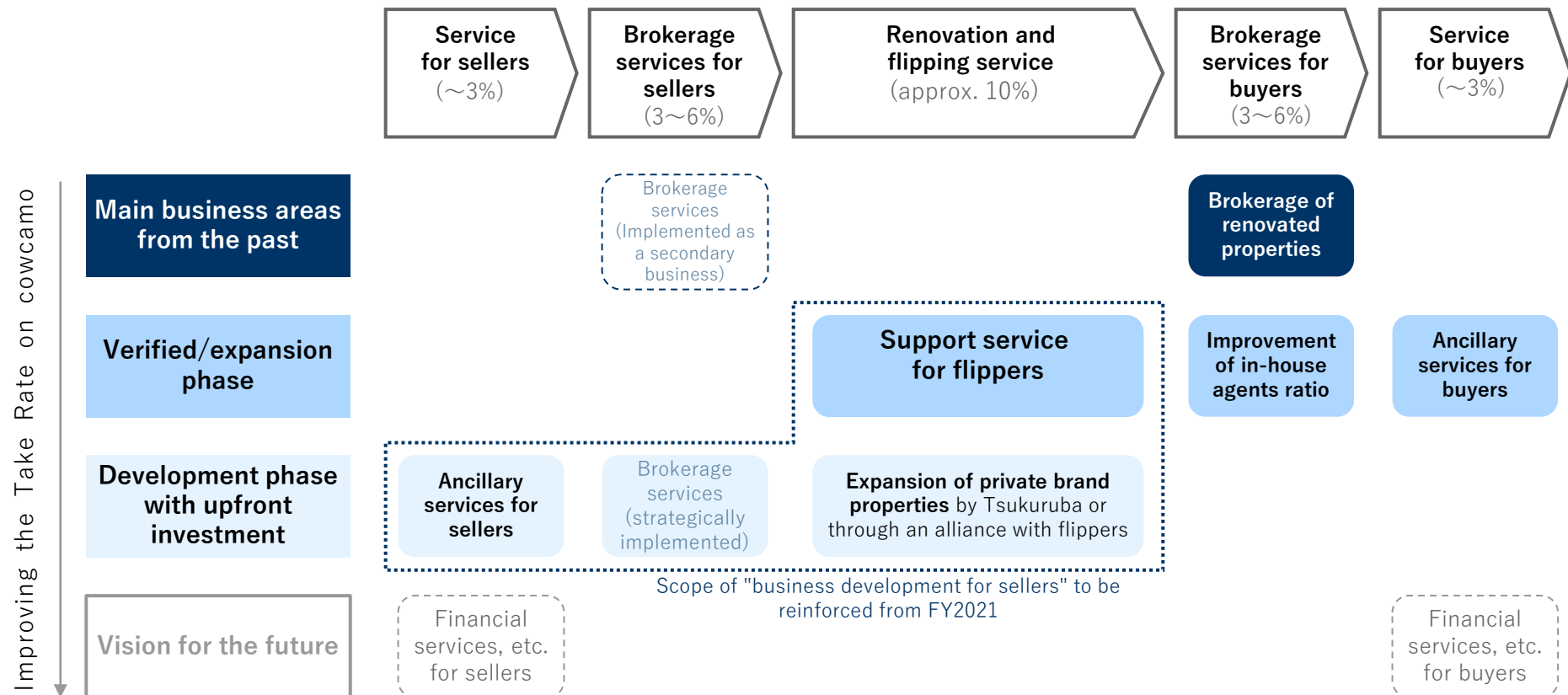
		For Sellers	For Buyers
Gross Profit	GMV	<p><u>Expansion of property supply by building business for sellers (A)</u></p> <ul style="list-style-type: none"> • Develop individual seller channel • Expand supply by strengthening cooperation with flipping companies • Continue to develop new services for sellers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

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

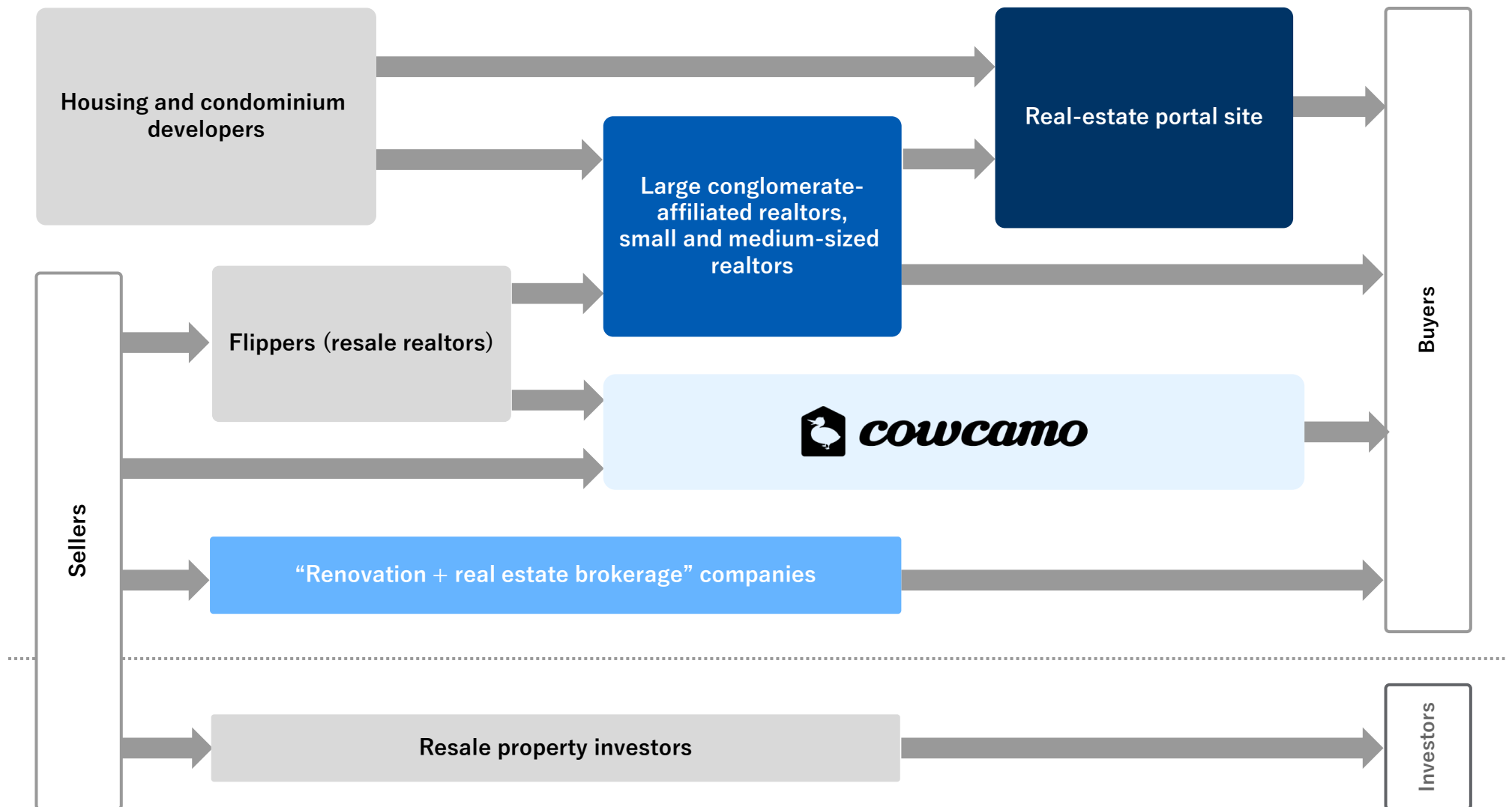
cowcamo has been developing its business by focusing on brokerage fees received from intermediaries between flipping companies and individual buyers. From FY2021, we plan to reinforce our business for sellers, and through expansion, we will structurally improve the Take Rate of cowcamo in the distribution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

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



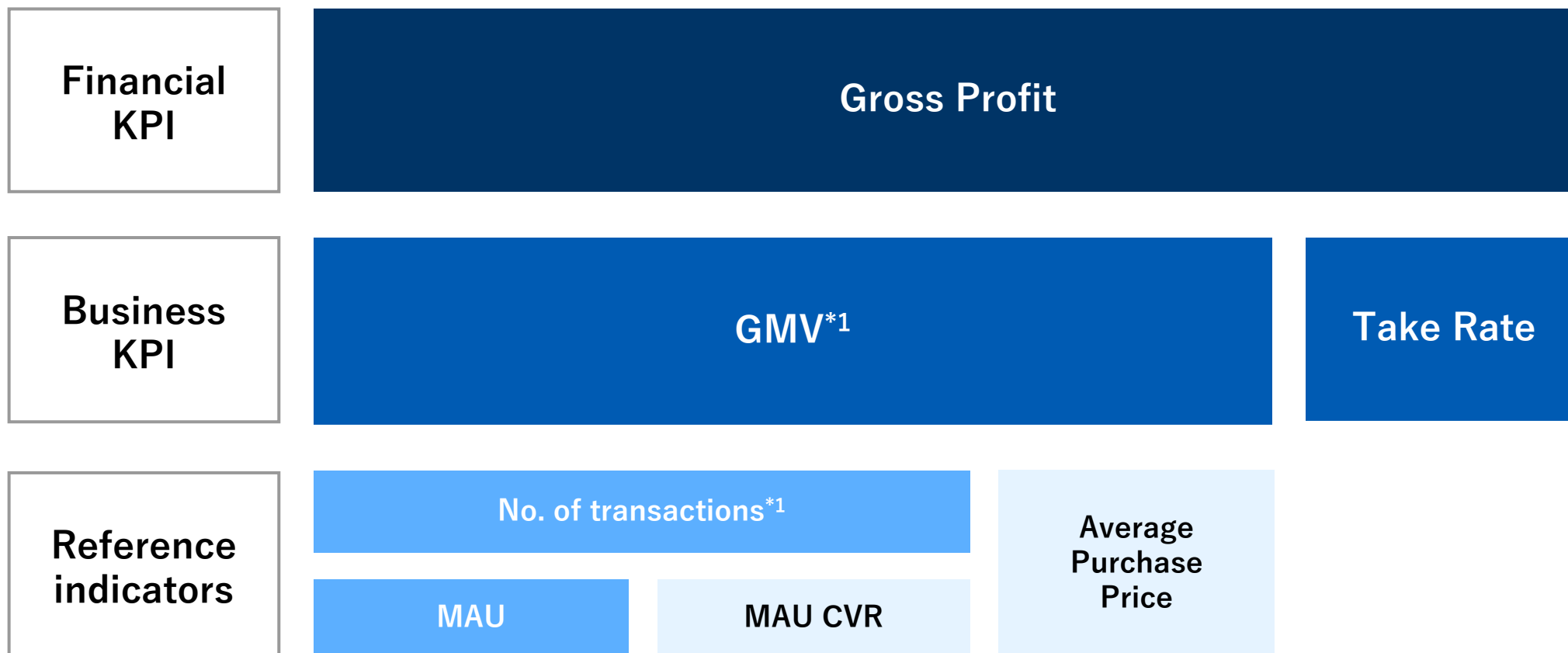
cowcamo | Competitive environment

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.

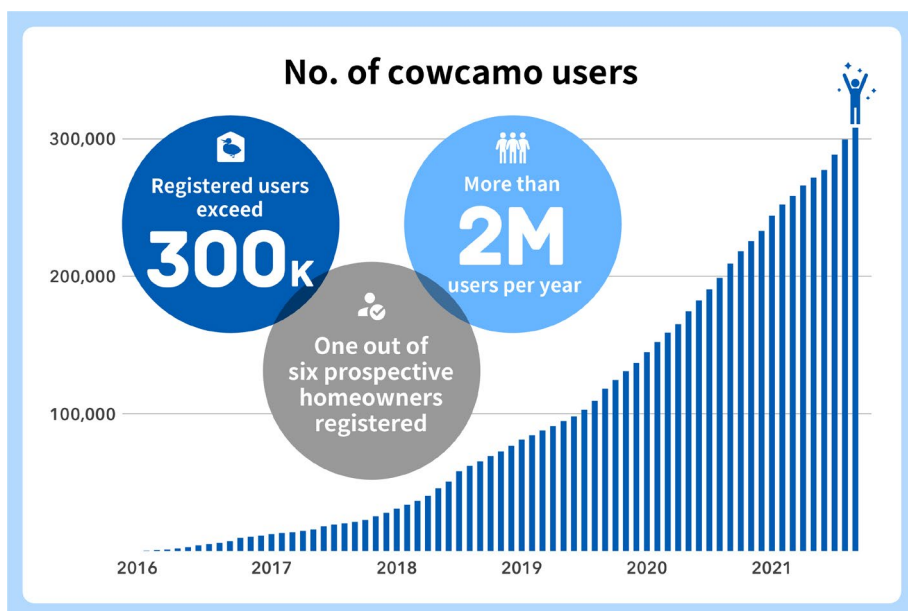
MAU: Monthly Active Users

*¹ calculated based on contracts

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

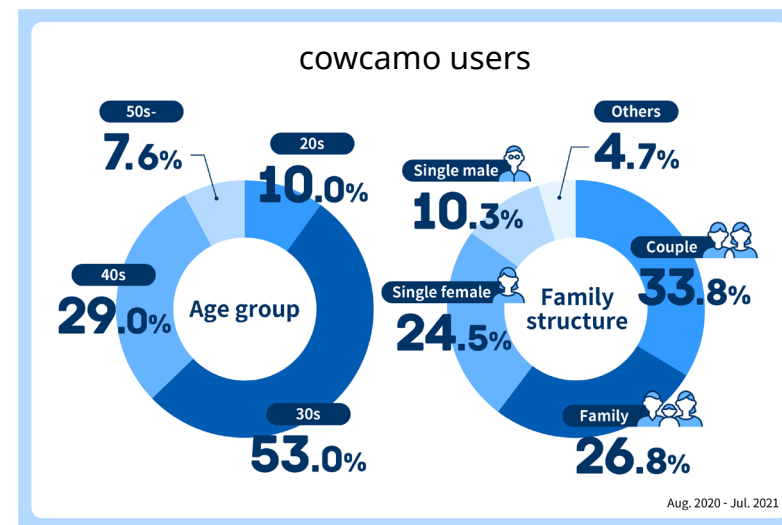
The number of registered cowcamo members exceeded 300,000 in Sept. 2021. The number of platform users surpassed 2 million* in the past year. We are steadily growing as a platform.

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.

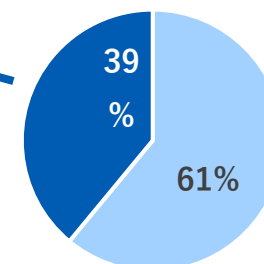
Distribution of customers



Percentage of customers who renovate their own homes

Partial & full renovation

* Survey of people who bought homes through cowcamo in the second half of FY2020



No renovation by customers

* 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

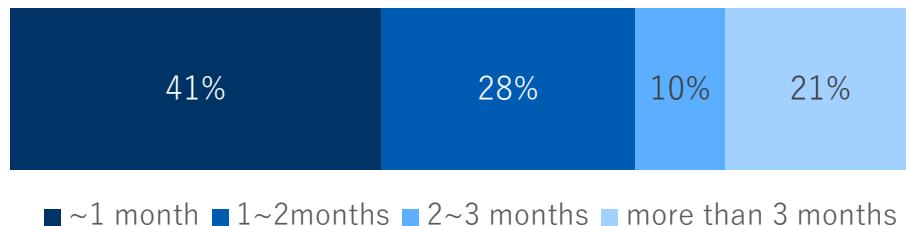
Sold at desired price*¹

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*².

Listing period

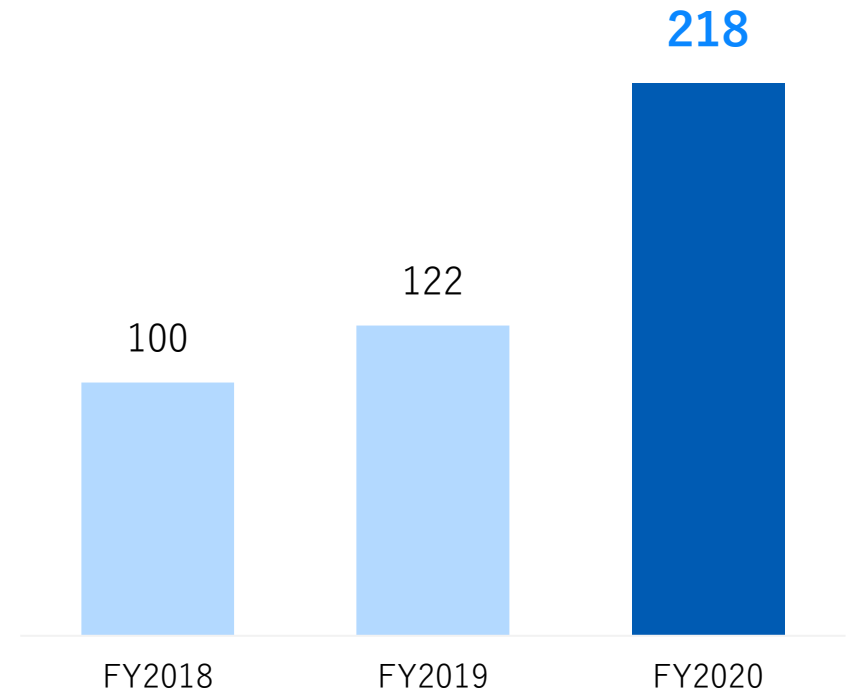
- Contracts closed in an average of **2.03** months*³ compared to the average of 4.15 months*² in the Tokyo metropolitan area*²
- Compared to the average of 55%,*² **79%** of listings sold within 3 months



Create properties that meet user needs

- The key is "the number of attractive properties that match user needs."
- "The number of attractive properties that match user needs" \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*⁵
(The index is calculated using FY2019 as 100)



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

*² The Tokyo metropolitan area average: https://www.kantei.ne.jp/report/108kairi_shuto.pdf (Tokyo Kantei, July 29, 2021)

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

*⁴ Distribution of the number of days it took from mediation to contract signing for FY2020.

*⁵ 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

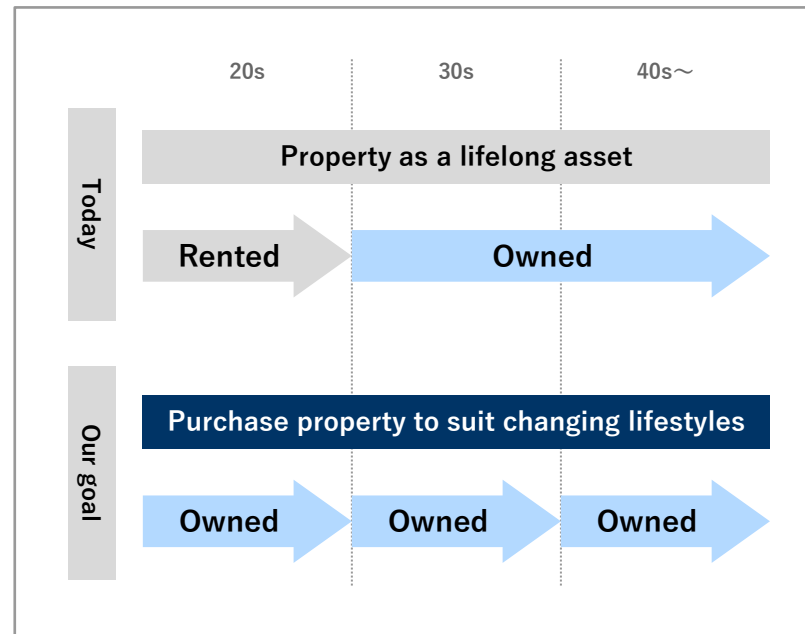
- Fair valuation of renovated properties through data accumulation
- Optimal matching through a vast user base



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

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

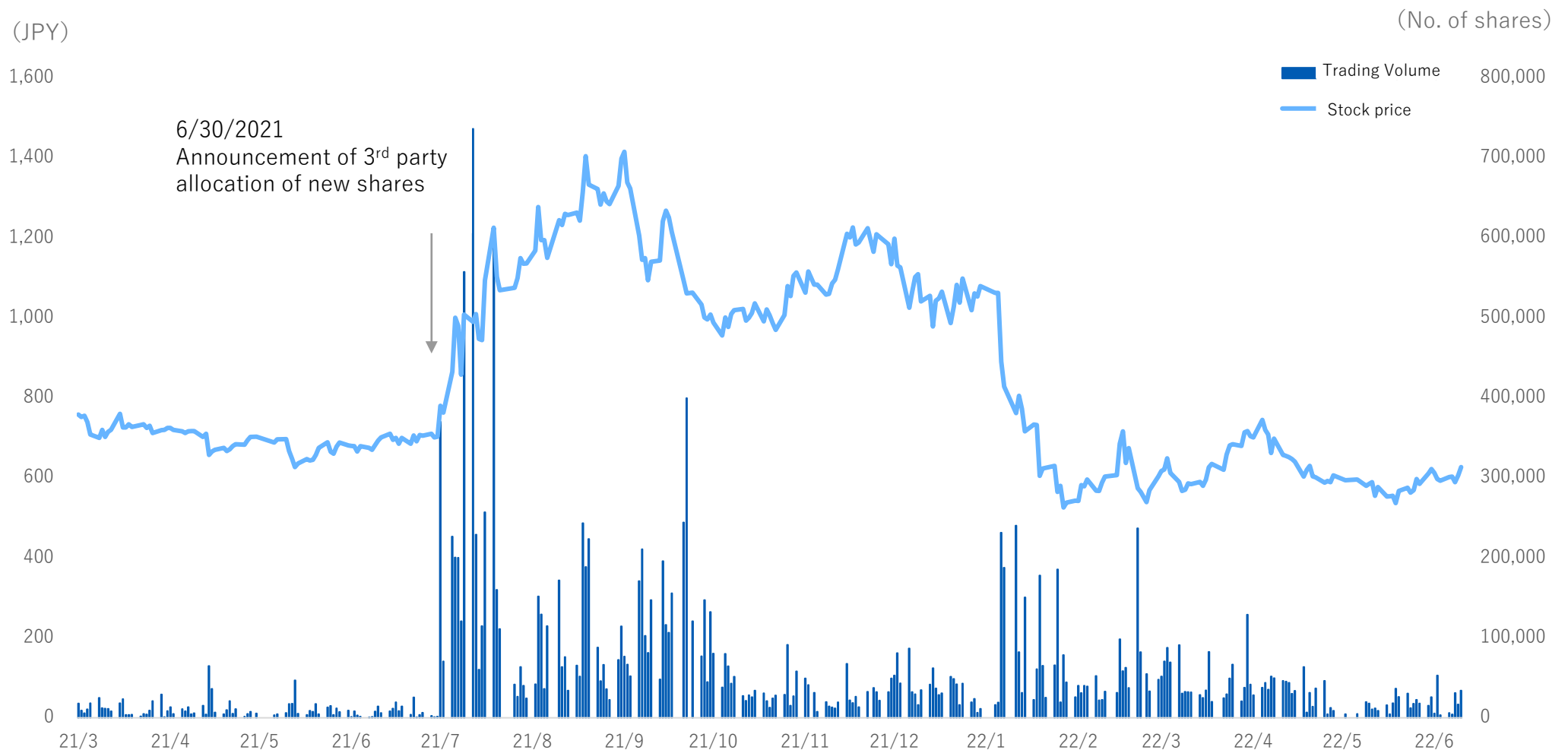
As of Apr. 30, 2022

(Unit: JPY million)

	Assets	Liabilities	
		309	Others
		247	Short-term borrowings
		723	Long-term borrowings
		700	Convertible bonds (with a conversion price of JPY 1,200 per share)
Cash and deposits	1,952		
Others	1,044	1,016	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.



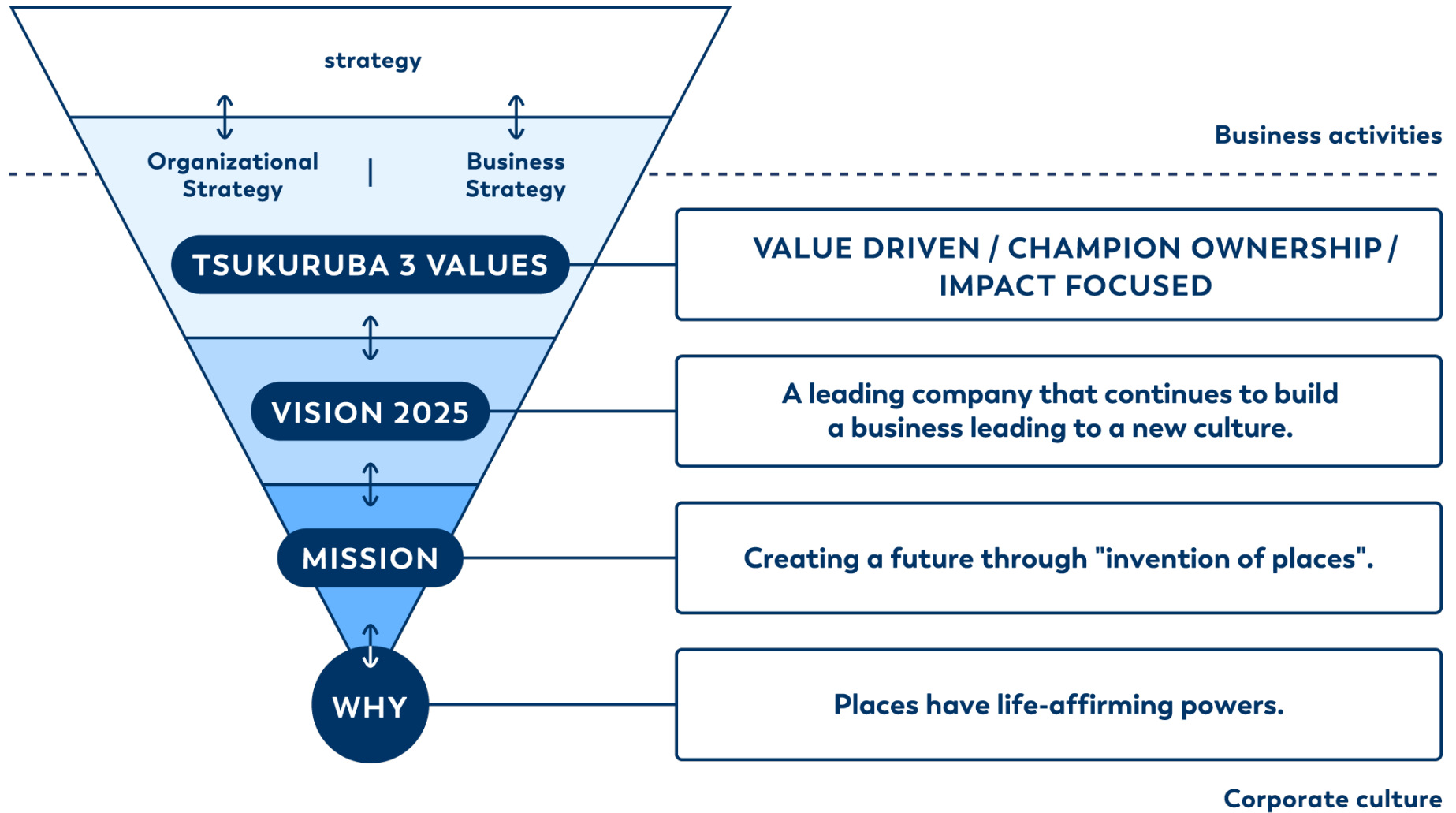
Q&A

Category	Questions	Answers
Company	Revenue was +70% YoY, exceeding the guidance announced at the beginning of the fiscal year. However, why was gross profit +40% YoY?	The 70% 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 +41%.
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">- cowcamo Platform Business- cowcamo Agent Service Business <p>“Property, Planning and Design (PPD) Business“</p> <ul style="list-style-type: none">- Mission: producing new value in the real estate domain- Operation of “co-ba”, subscription-based co-working offices- Spatial design and consulting business
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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