

TSUKURUBA

TSE Growth: 2978

Financial Results
FY2023 Q1 (Aug.-Oct.)
Dec. 15, 2022

FY 2023

Aug. 1, 2022 to July 31, 2023

Agenda

- 1. Financial Highlights**
- 2. Financial Results for FY2023 Q1**
- 3. Forecast for FY2023**
- 4. Investment Highlights**

1. Financial Highlights

Highlights

The initial policy of "continued growth in gross profit and improvement in operating income (narrowing of deficit)" is progressing as expected.

FY2023 Financial Results FY2023 Q1 (Aug. 2022-Oct. 2022)

- Continued high top-line growth driven by strong growth in GMV of cowcamo business.
- In addition, operating profit/loss improved significantly due to cost management.

Revenue	JPY 742 million (+31% YoY)
Gross Profit	JPY 547 million (+57% YoY)
Operating Profit	-100 million (+144 million YoY)

<cowcamo business KPI>

GMV	12,715 million (+77% YoY)
Take rate	4.2 % (△0.4pt YoY)

Forecast FY2023 (Aug. 2022-July 2023)

- Continued gross profit growth and improvement in operating income from the second quarter onward and expect to achieve full-year forecasts for FY2023.

2. Financial Results for FY2023 Q1

Companywide | FY2023 Q1 - Quarterly Financial Summary

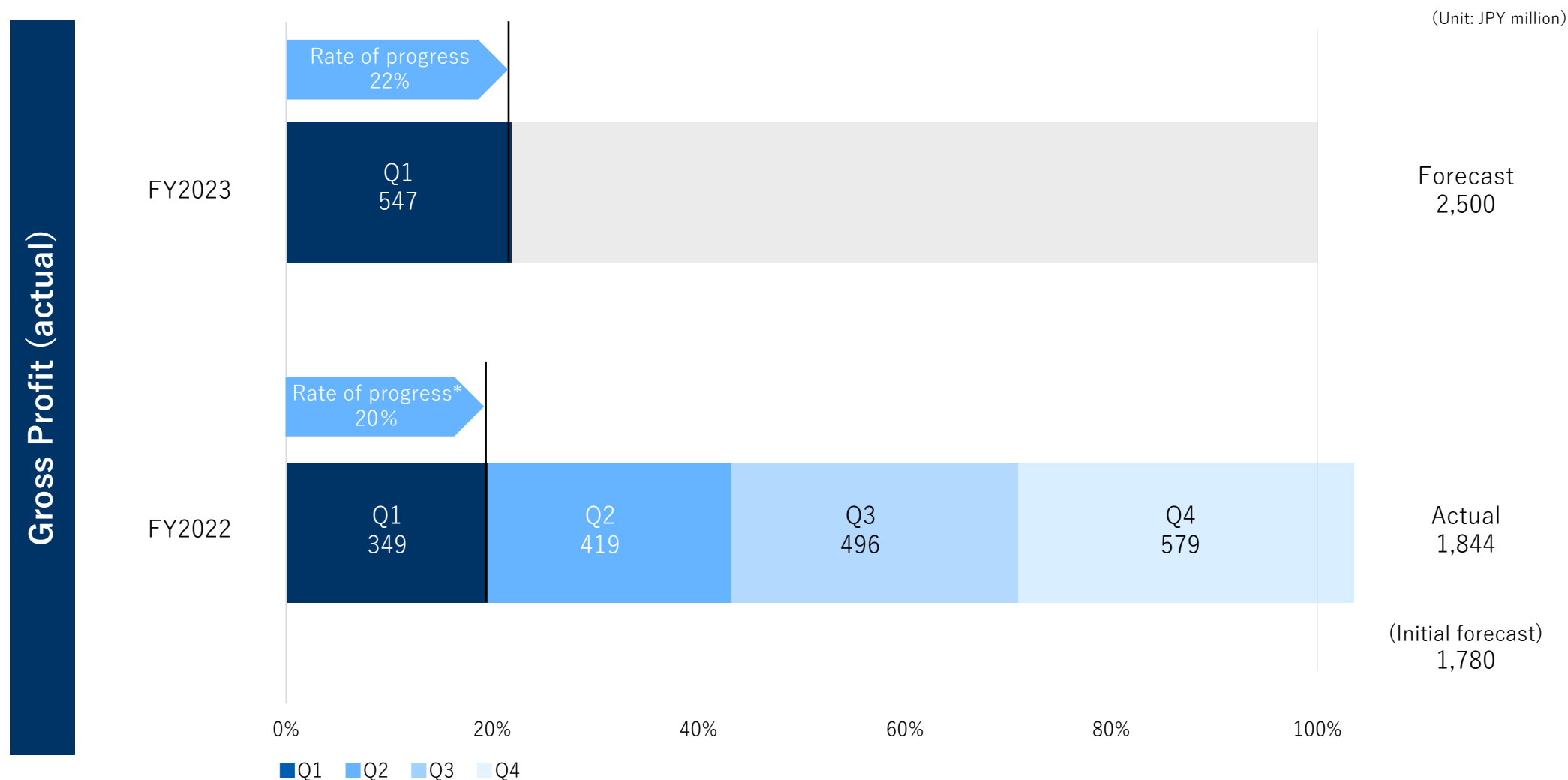
Both continued top-line growth through business expansion centered on the cowcamo business and the strengthening of cost management, which began in February 2022, have made steady progress, resulting in a significant improvement in operating income/loss compared with the same period of the previous year.

	FY2023 Q1 (2022/8-2022/10)	FY2022 Q1 (2021/8-2021/10)	YoY
Revenue	742	565	+31%
Gross Profit	547	349	+57%
Operating Profit	-100	-244	+144
Ordinary Profit	-106	-253	+146
Net Profit	-110	-253	+142

(Unit: JPY million)

Companywide | Progress towards our full-year forecast for FY2023

Compared to FY2022, when we finally revised our full-year forecast upward, the rate of progress in FY2023 Q1 has been favorable. In addition, with respect to the forecast FY2023, progress is expected to accelerate in the second half of the year, taking into account past seasonality trends and organizational growth.

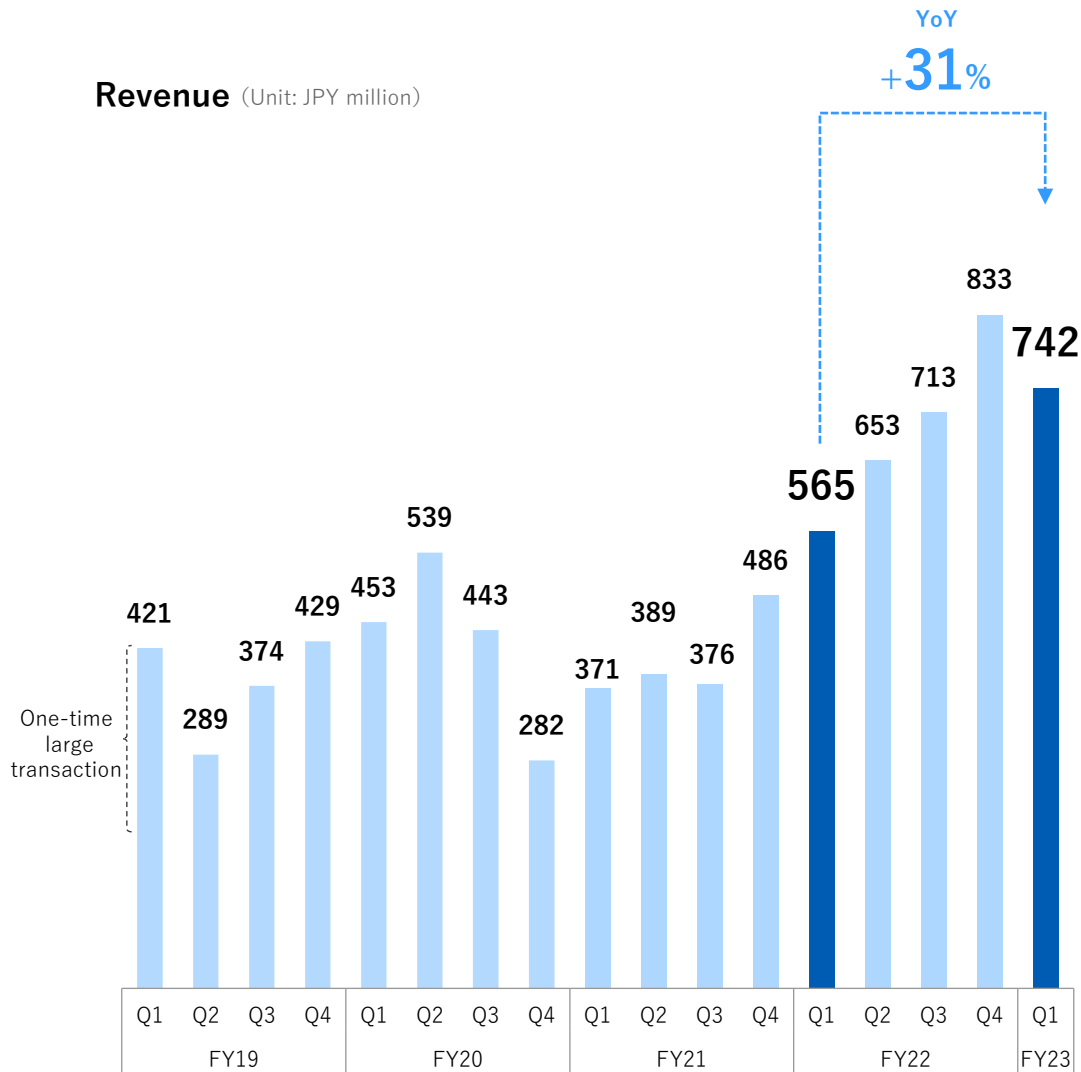


* compared to initial forecast.

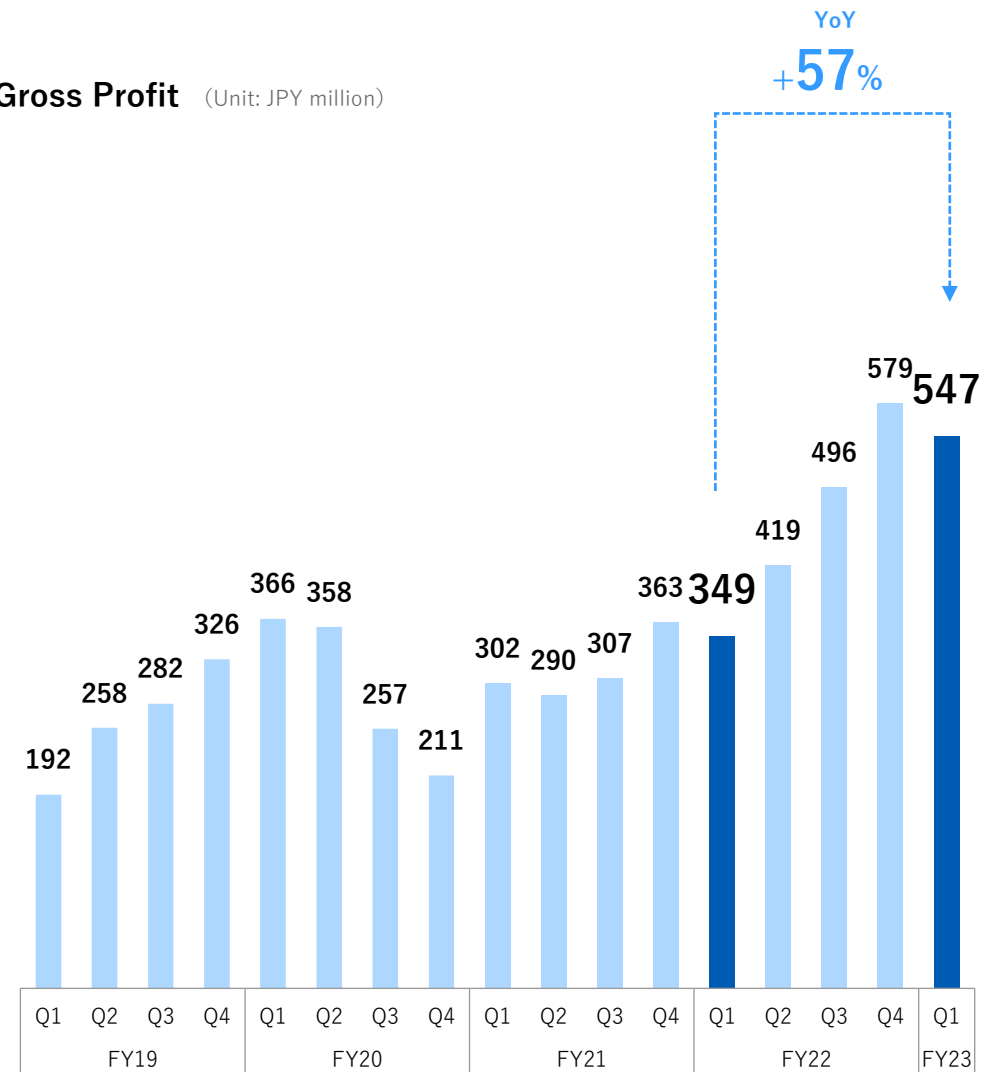
Companywide | Revenue and Gross Profit

Both revenue and gross profit remained steady.

Revenue (Unit: JPY million)



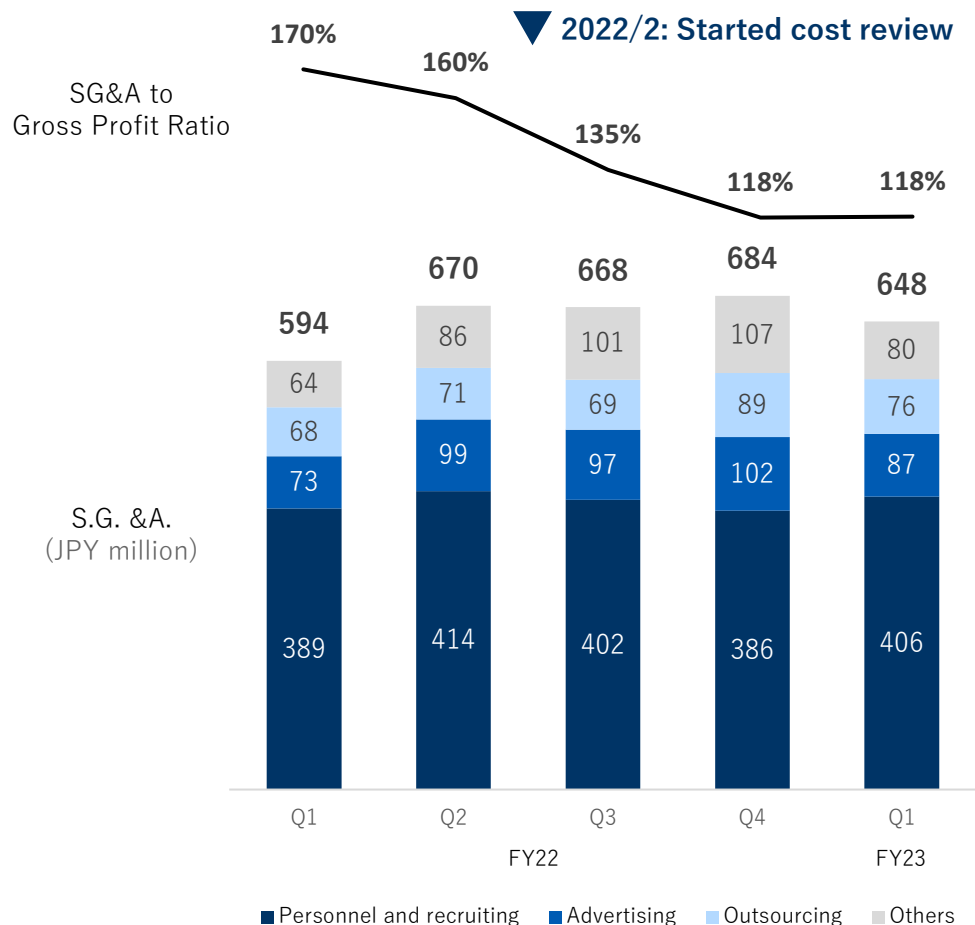
Gross Profit (Unit: JPY million)



Companywide | SG&A Expenses and Gross Profit SG&A Ratio

Since February 2022, SG&A expenses have been reduced as a result of ongoing cost review. We expect to continue to improve the gross profit SG&A-to-sales ratio by growing gross profit while controlling the increase in SG&A expenses.

SG&A Expenses and SG&A to Gross Profit Ratio



Status of Cost Review

Personnel and recruiting expenses

- Continue to expand sales force to accommodate increased transactions.
- Promote streamlining of hiring and personnel allocation, mainly internally, in addition to improving operational efficiency.

Advertising expenses

- 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

- Reduce external payment costs by focusing on improving operational efficiency internally

Others

- Reduce sales-related expenses by improving operational efficiency in the sales division
- Promote company-wide rationalization, focusing on business locations, indirect business tools, systems, equipment, etc.

Segments | FY 2023 Q1 – Quarterly Financial Summary by Business Segment

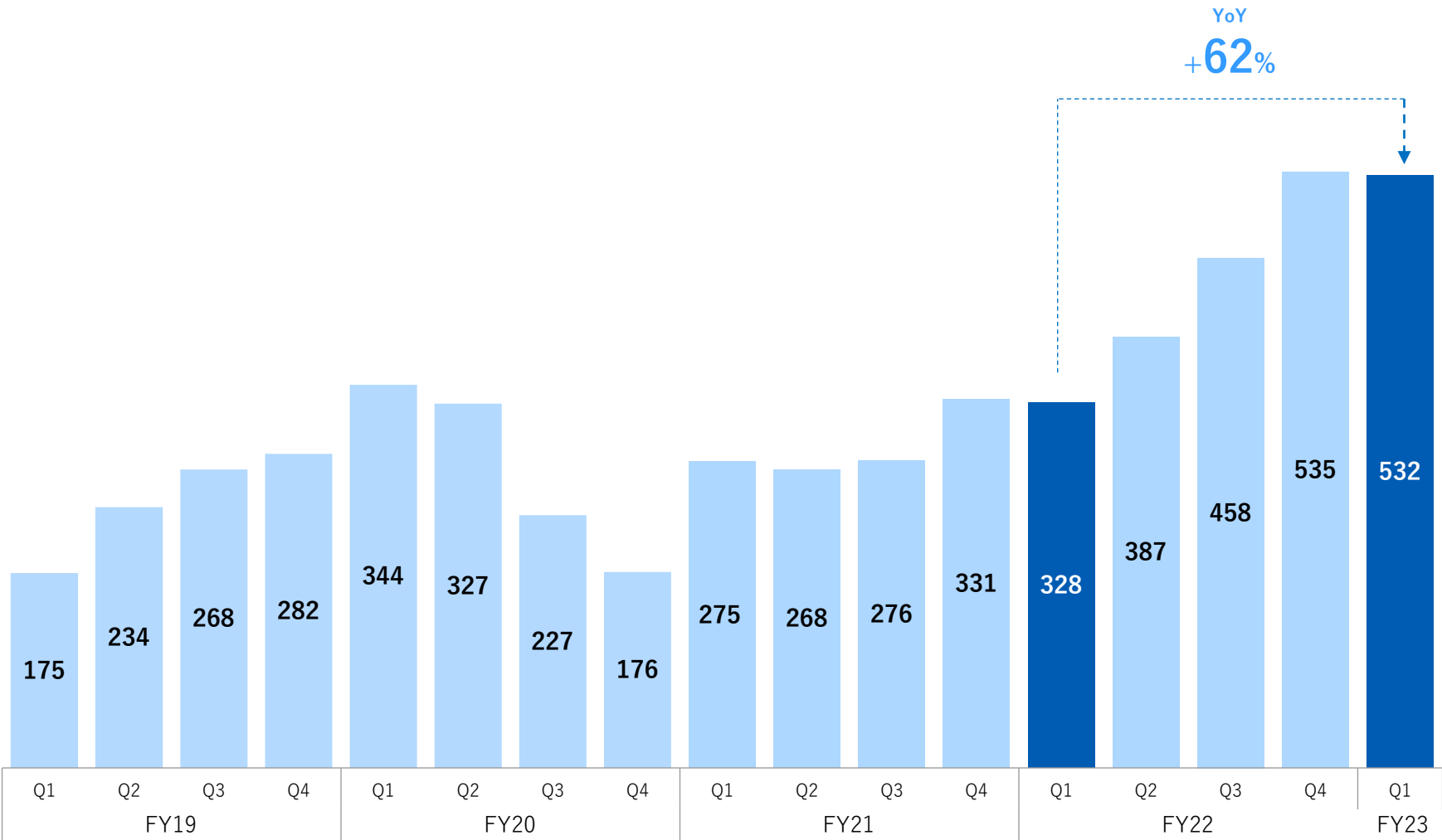
In cowcamo business, segment income turned profitable due to growth in gross profit and contributions from cost management.

		FY2023 Q1 (2022/8-2022/10)	FY2022 Q1 (2021/8-2021/10)	YoY
cowcamo	Revenue	661	478	+38%
	Gross Profit	532	328	+62%
	Business Segment Profit	90	-103	+194
PPD	Revenue	81	87	-8%
	Gross Profit	15	20	-27%
	Business Segment Profit	-3	-1	-1
Others	Corporate Expense	-188	-139	-48

(Unit: JPY million)

cowcamo | **Gross Profit**

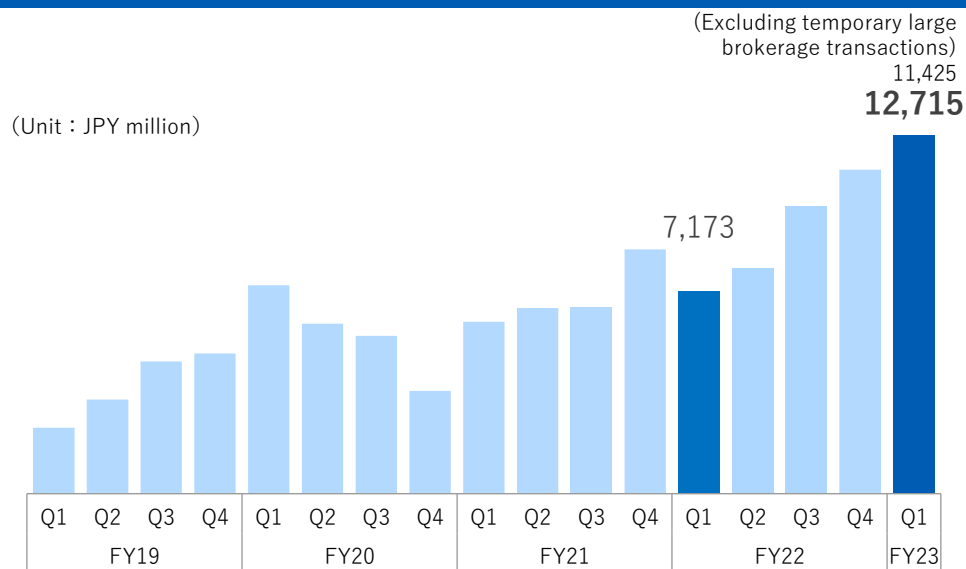
Gross profit in the cowcamo business remained steady at +62% YoY due to solid business expansion on both the seller/buyer side.



cowcamo | GMV • Take Rate

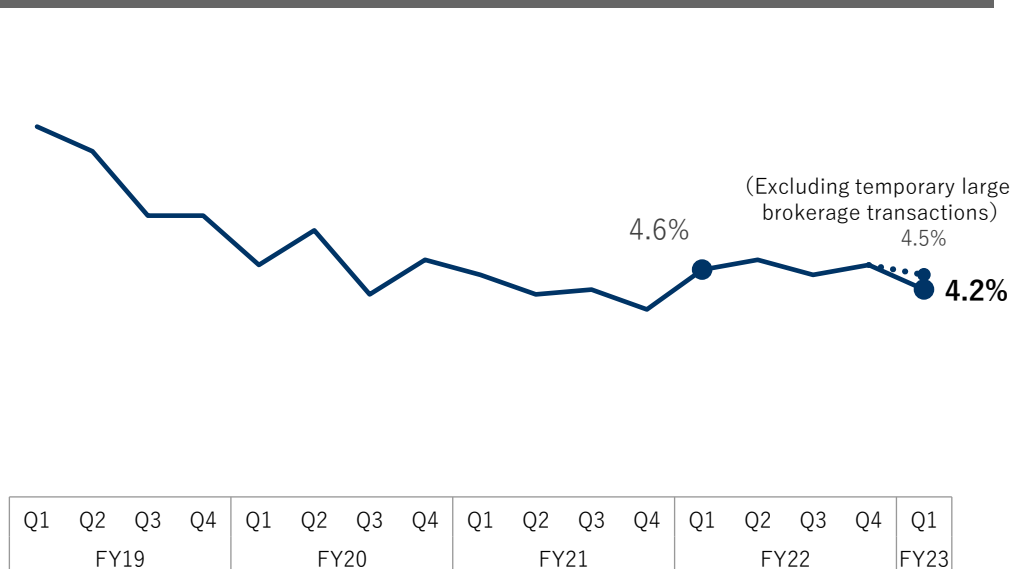
GMV remained strong due to business expansion on both the seller/buyer side. Take rates declined, mainly due to the impact of a one-time large brokerage transaction*¹. Gross profit growth will continue to be driven by GMV expansion, and we aim to improve profitability through "structural take rate improvement" (P17) over the medium to long term.

GMV [Payment basis]



- Despite a lull in the rise in the number of transactions in the market, the number of transactions increased due to solid progress in our business. (P13)
- As price trends in the market remained high, sales prices of properties handled by us were higher than expected.
- We will continue to promote expansion of GMV on both sides of sellers and buyers. High growth is expected to continue.

Take Rate*²



- No significant changes in the market supply-demand environment.
- The main reason for the decline in take rate in Q1 was the impact of a one-time large brokerage transaction.
- Other factors affecting the take rate were strong sales of ancillary services for purchases (+), planned product transactions through in-house procurement (+), and an increase in the number of external transactions*³ on the seller side (-) (P17)
- We will continue to promote efforts to "improve structural take rate," but do not expect a large increase or decrease in take rate in the short term.

*¹ Due to co-brokerage in a large one-time brokerage transaction with a GMV in excess of 1 billion.

*² Take rate: Gross profit/GMV [payment basis] (P41)

*³ This means transactions in which another real estate company acts as an intermediary on the buyer's side.

For Reference | Quarterly Financial and Business KPIs

(Unit : JPY million)	FY20				FY21				FY22				FY23
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q
Revenue	453	539	443	282	371	389	376	486	565	653	713	833	742
Gross Profit	366	358	257	211	302	290	307	363	349	419	496	579	547
cowcamo	344	327	227	176	275	268	276	331	328	387	458	535	532
PPD	22	30	30	34	26	21	30	32	20	31	37	44	15
Operating Expense	341	346	327	328	348	363	426	485	594	670	668	684	648
Cowcamo	203	193	196	198	223	261	298	335	432	518	503	497	442
PPD	17	14	16	15	24	21	19	25	22	20	17	19	18
Others	120	138	114	114	99	80	107	124	139	131	148	166	188
Operating Profit	24	11	-69	-117	-45	-72	-118	-121	-244	-251	-172	-104	-100

Business KPI													
GMV *1 (JPY million)	5,801	5,350	4,386	4,045	6,436	5,429	8,867	7,886	8,370	8,810	11,016	12,342	11,087
GMV *2 (JPY million)	7,400	6,035	5,606	3,651	6,105	6,590	6,623	8,663	7,173	8,004	10,212	11,496	12,715
Take Rate *1 (%)	5.9	6.1	5.2	4.4	4.3	4.9	3.1	4.2	3.9	4.4	4.2	4.3	4.8
Take Rate *2 (%)	4.7	5.4	4.1	4.8	4.5	4.1	4.2	3.8	4.6	4.8	4.5	4.7	4.2
No. of transactions *1	123	121	95	93	130	118	166	159	180	179	225	214	216
MAU *3 (K)	36	40	44	50	54	59	62	59	64	57	53	54	56

*1 contract basis | *2 payment basis | *3 Quarterly average registered MAU

Major initiatives for FY2023 Q1

In accordance with our business policy announced at the beginning of FY2023, we implemented measures to ensure continued growth of the cowcamo business and to improve operating profit/loss. In particular, "expansion of GMV on both sides of seller/buyer" and "strengthening of cost management" are showing remarkable results, and we are making steady progress toward the full-year forecast.

A

**Expansion of GMV
on both seller/buyer sides**

The highest priority. Q1 results exceeded initial expectations. Expansion of GMV will drive our growth going forward.

- Buyer side: Steady progress in expanding sales structure (A1) and purchase ancillary services (A2).
- Seller side: Building the process of acquiring brokerage properties has been completed through the expansion of the individual seller channel and we focus on strengthening sales of acquired properties (A3).

- Increased number of transactions, including external transactions* due to strengthening sales, contributes to GMV expansion, although a temporary decrease in take rates occurred as a side effect.

B

**Continue to promote
"structural take rate
improvement"**

Continuing efforts from a mid- to long-term perspective. Although take rate declined in 1Q due to temporary factors, we plan to improve it from a mid- to long-term perspective.

- Continuing efforts centered on expansion of in-house planned products. Margins for planned products purchased by us, which directly contribute to higher take rates, remain high, however, we will make expansion decisions while keeping a close eye on the market environment and financial conditions.
- Expansion of ancillary services for buyers contributed more than expected. Aiming for constant improvement of take rate contribution by improving margins and sales ratio.
- The effect of higher take rate from sales of acquired properties on the seller's side to cowcamo buyers is not factored in in the short term, as we place a priority on expanding GMV (a temporary factor for lower take rate).

C

**Strengthen cost management
(including cash management)**

Company-wide efforts underway throughout FY2023 (P8)

- Progress was made in reducing indirect expenses. Next, efforts are underway to improve operational efficiency by reviewing the operations of sales and indirect divisions.
- At the same time, we are promoting strengthening management of cash and investment, such as allocating budgets for working capital for the purchase of planned products and for trial growth measures.

Note: The above items(A-C) correspond to the policy in "Business Policy for profit and loss plan for FY2023" on P28 of the "Financial Results for FY2022 Ended July 31, 2022" released on September 12, 2022.

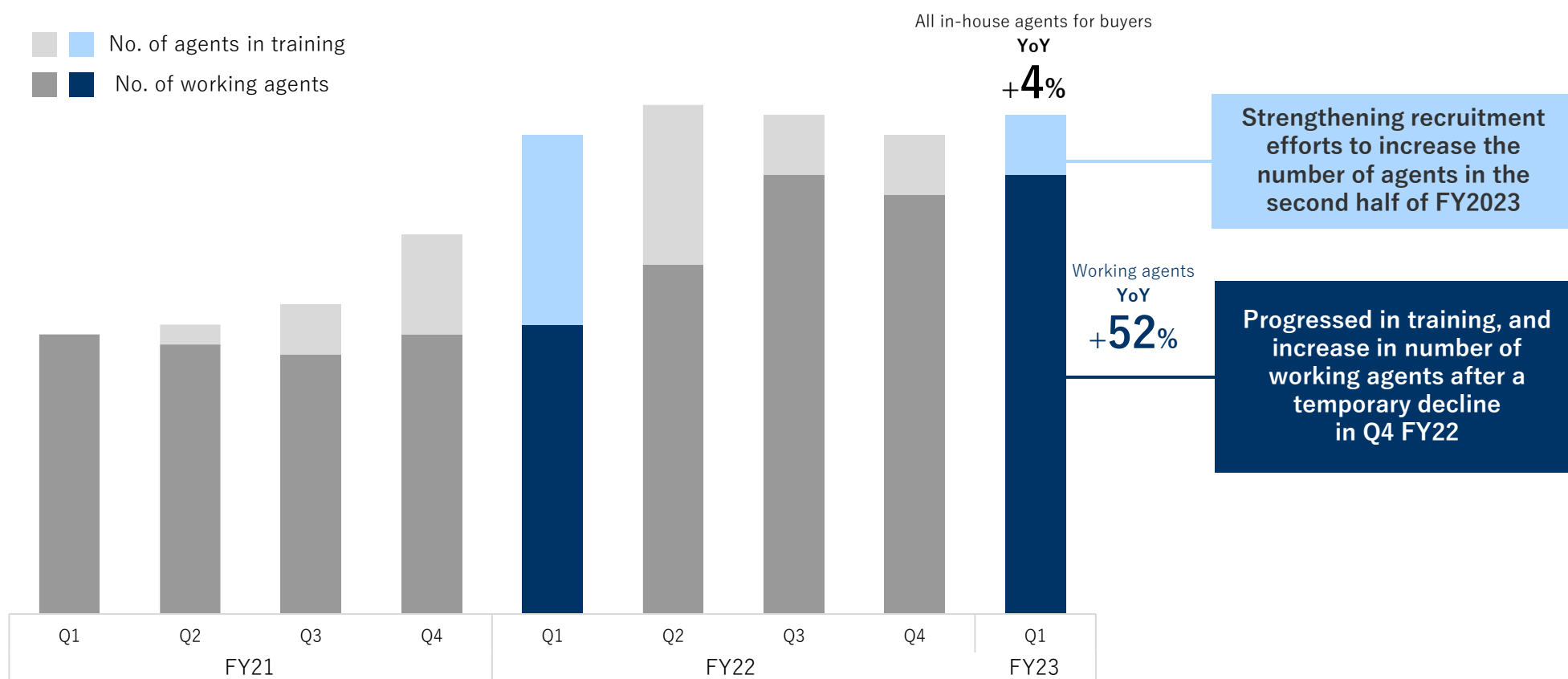
* means transactions in which another real estate company acts as intermediary on the buyer's side for a transaction in which cowcamo acts as intermediary on the seller's side.

cowcamo | A1. Expansion of sales force dedicated to buyers

The number of in-house working agents* at the end of October 2022 was +52% YoY, steadily contributing to GMV growth through an increase in the number of transactions. We aim to continuously increase the number of transactions and GMV by strengthening recruitment to increase the number of active agents in the second half of FY2023 and by improving the productivity of active agents.

Change in the number of in-house agents

(Number of enrollment at the end of each quarter)

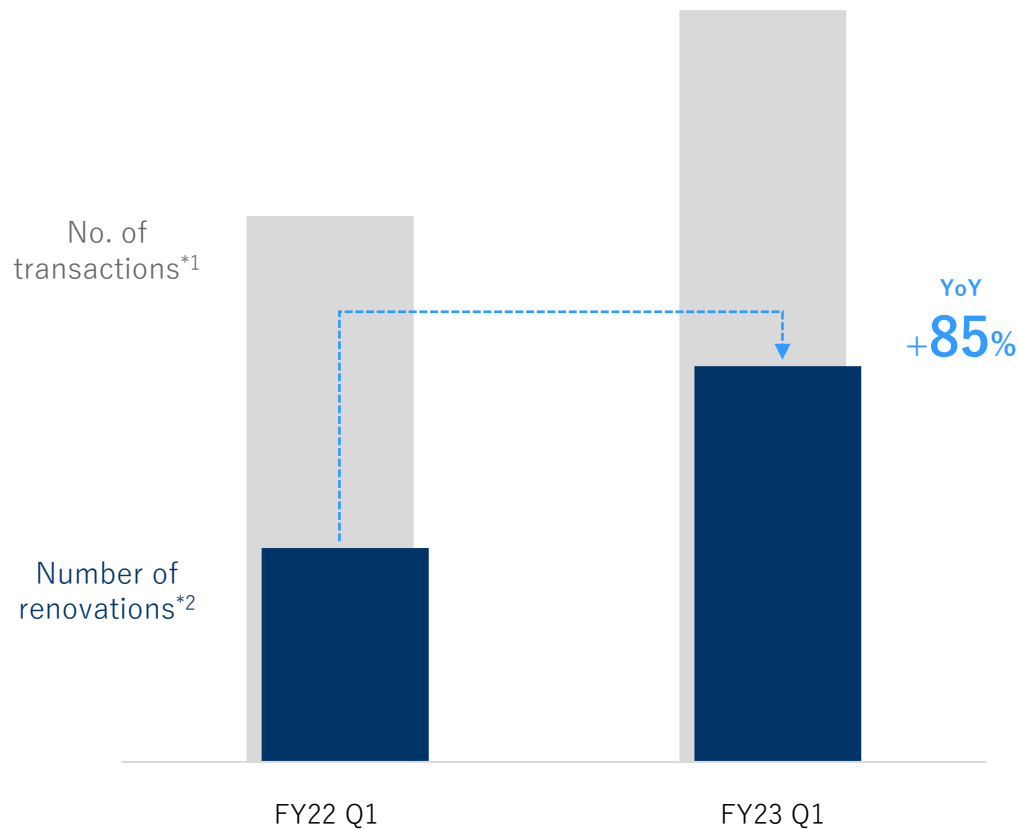


* The term "in-house agent" means an individual engaged in brokerage sales who is employed by Tsukuruba. The number of agents on this page reflects those engaged in brokerage sales for buyers.

cowcamo | A2. Expansion of purchase ancillary services for buyers

Renovation services, the core of our purchase ancillary services, performed well. We will continue to expand our product lineup to increase GMV and improve take rate.

Number of Renovations



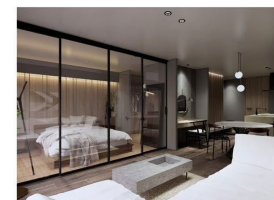
*1 Number of all transactions: Total number of transactions on the buyer's side (contract basis)

*2 Number of renovations: Number of renovations made at the time of purchase (contract basis)

Reference | Expansion of Fixed Price Package Renovation Services

Started offering fixed price renovation services for full and partial renovations. The number of contracts is steadily increasing, as the design and price are determined by package, making it easy for users to choose according to their tastes and budget.

Fixed Price Package Renovation “LifeCatalog”



Hotel Days 22 万/㎡



Atelier Kitchen 16 万/㎡



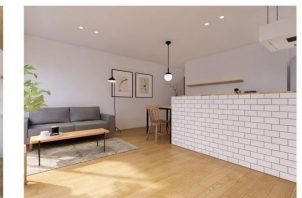
in Nature 16 万/㎡



Douan.Touan 15 万/㎡



Cats! Cats! Cats! 16 万/㎡

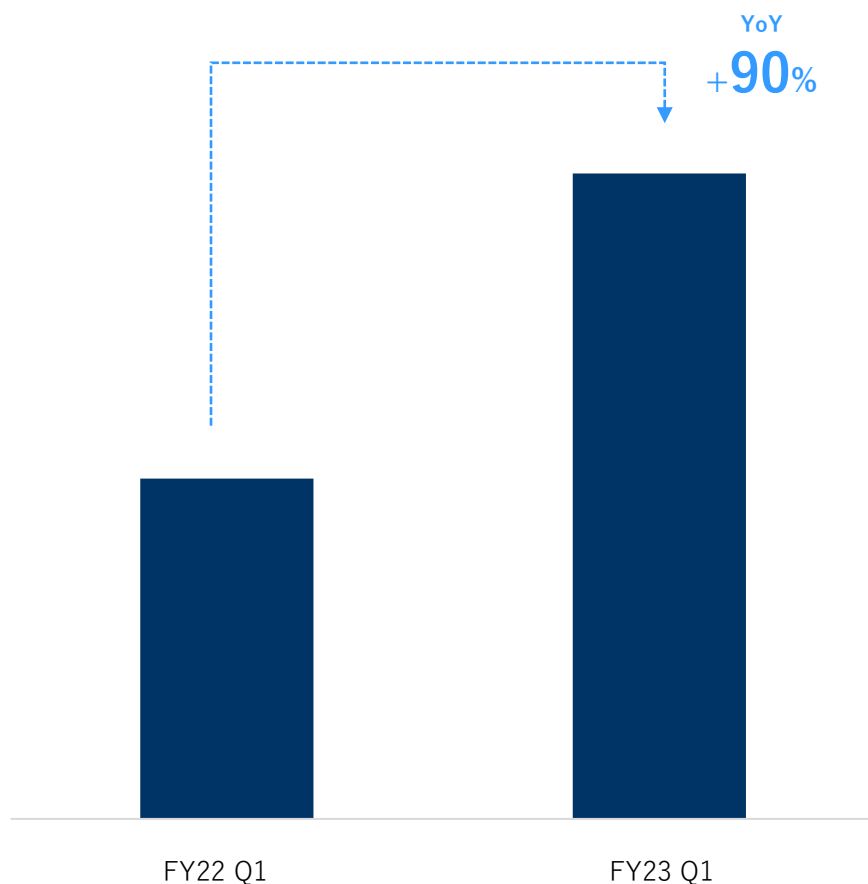


SIMPLE+ 13.5 万/㎡

cowcamo | A3. Seller-side efforts to continue and expand GMV

GMV of individual seller brokerage expanded +90% YoY. Having completed the establishment of the basic lead and intermediary acquisition process through the previous fiscal year, we will focus on strengthening sales of intermediary properties from the first half of FY2023. Over the mid- to long-term, we aim to establish a seller side service that is preferred by sellers.

Individual seller Brokerage GMV (Payment basis)



*The impact of higher average transaction prices was significant in FY2023 Q1. In the mid-term, average prices will converge, so we are focusing on continued growth in the number of transactions (+43% YoY growth in the number of transactions).

Efforts on the seller's side

Strengthen seller acquisition (marketing and sales)

Start-up completed in FY2022, entering a phase of continuous improvement

Continue to improve marketing and sales process to acquire intermediaries

Strengthen sales of intermediary properties

Focus Areas for FY2023

Strengthening the selling power of intermediary properties through price control and sales channel management

Development of services for sellers

Mid- to long-term growth driver

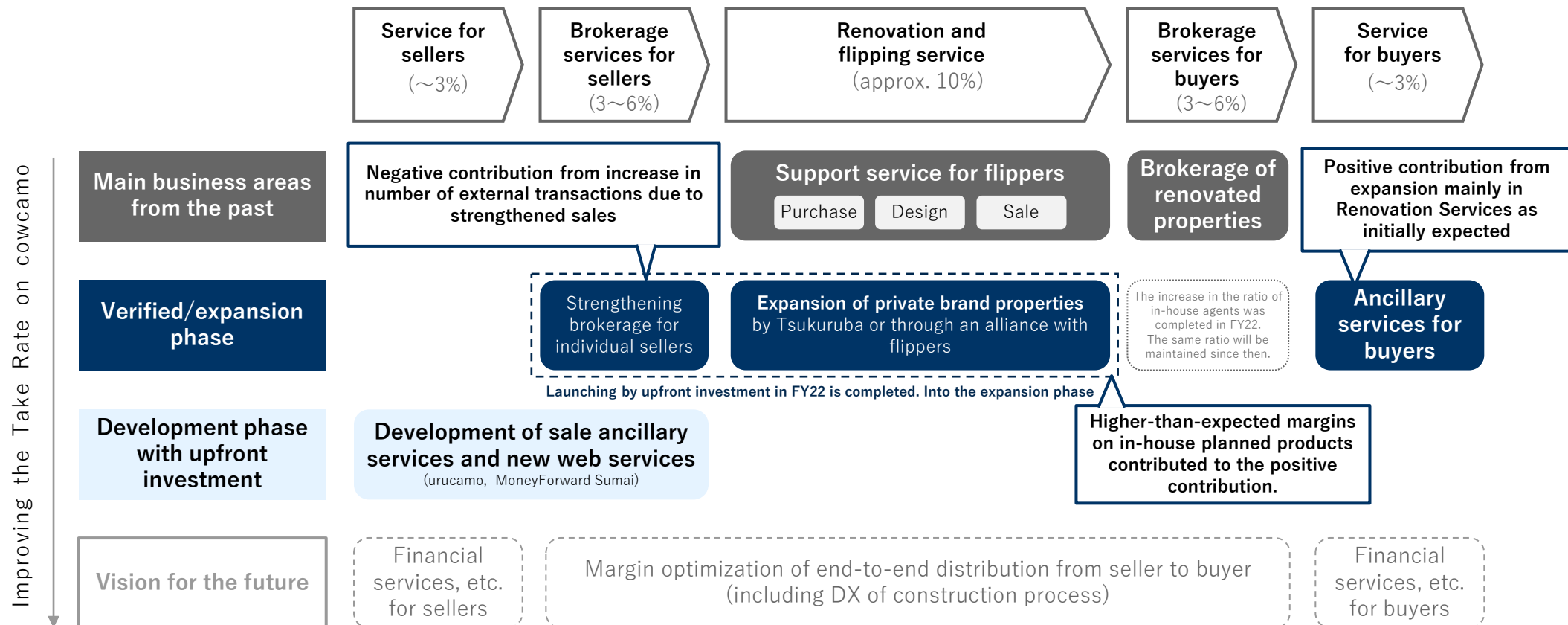
Contribute to mid- to long-term sustainable growth by increasing customer preference for our services. The upfront development of services for sellers continues to be implemented.

cowcamo | B. Continue to promote “structural take rate improvement”

In FY2023 ending July 31, 2023, we will focus on the expansion of the "strengthening of brokerage services for individual sellers" and "expansion of planned products," both of which were launched in FY2022.

Contribution of each initiative to Take Rate in Q1

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



* This means transactions in which another real estate company acts as an intermediary on the buyer's side.

3. Forecast for FY2023

FY 2023 Forecast - key assumptions (update)

The full-year forecast for FY2023 remains unchanged at 4,000 million yen in revenue, 2,500 million yen in gross profit, and -220 million yen in operating loss. Some assumptions have been updated to reflect the aforementioned seller-side efforts.

	Assumptions announced on September 12, 2022	Update from September 12, 2022
cowcamo	<p>Market: Assume gradual and continued growth in demand, while keeping a close eye on interest rate trends and real estate price trends.</p> <p>GMV: Expect growth of about +30% YoY due to an increase in the number of transactions.</p> <p>Take Rate: Expect growth about +10% YoY due to expansion of sales brokerage transactions, expansion of planned products, and ancillary services.</p> <p>Cost: Factoring in the effects of company-wide cost management, such as strengthening the sales structure to increase gross profit and a slight increase in advertising expenses</p>	<p>Market: No change in assumptions</p> <p>GMV: Expect growth of approx. 40% YoY due to an increase in the number of transactions from both the buyer and seller sides (including the effect of higher GMV due to the increase in external transactions*)</p> <p>Take Rate: Assuming the same level of take rate as the previous year in light of changes in the transaction mix due to an increase in external transactions on the seller's side (no change in the direction of mid- to long-term improvement in take rate)</p> <p>Cost: No change in assumptions</p>
PPD	<ul style="list-style-type: none"> • Prioritizing continued growth of cowcamo, no major investments have been factored in. • Although revenue is expected to decrease due to the impact of the termination of a rental office in FY2022, the impact on company-wide operating income/loss is expected to be negligible. 	<ul style="list-style-type: none"> • No change in assumptions
Expense	<ul style="list-style-type: none"> • Plans to curb costs by promoting rationalization and operational efficiency in indirect departments as part of strengthening company-wide cost management 	<ul style="list-style-type: none"> • No change in assumptions
Others	<ul style="list-style-type: none"> • Other large transactions not yet finalized, extreme real estate market fluctuations, new businesses and M&A are not taken into account. 	<ul style="list-style-type: none"> • No change in assumptions

* This means transactions in which another real estate company acts as an intermediary on the buyer's side.

4. Investment Highlights

Investment Highlights

1

Unique position in the expanding used and renovated housing market

2

Continued gross profit growth through expansion of GMV x Take Rate

3

Long-term growth potential through
“Target Market Expansion x LTV Deepening x Market Creation”

Market | **Design x technology company in the housing and real estate domain**

As a design x technology company in the housing and real estate domain, Tsukuruba operates in two business domains: cowcamo business and the property planning & design business (“PPD”).

cowcamo



Through the planning, development, and operation of "cowcamo," a distribution platform for used and renovated homes, we are working to revolutionize the distribution structure of homes through the use of design and the Internet.

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.

Market | Transformation of Housing Distribution through Design x Technology

In our core business, cowcamo, we aim to revolutionize customer-oriented housing distribution through using Design x Technology.

Issues in Real Estate Distribution

Society

- Revitalization of distribution of old houses
- Responding to diverse lifestyles

Customers

- Few products that meet the needs
- Information asymmetry with suppliers

Industry

- Distribution friction due to many intermediaries
- Lack of IT and inefficient processes

Technology Progress



Highly functional
mobile device



Rise of New
Technologies



Diffusion of electronic
transactions

Changes in Industry Environment



Diversification of
needs



Promotion of
Stock Utilization



Soaring prices of
new properties

Utilizing Design x Technology
in mechanisms and
experiences

Promoting the future of customer-oriented housing distribution by utilizing Design x Technology



Highly liquid housing
distribution market



Customer-oriented service

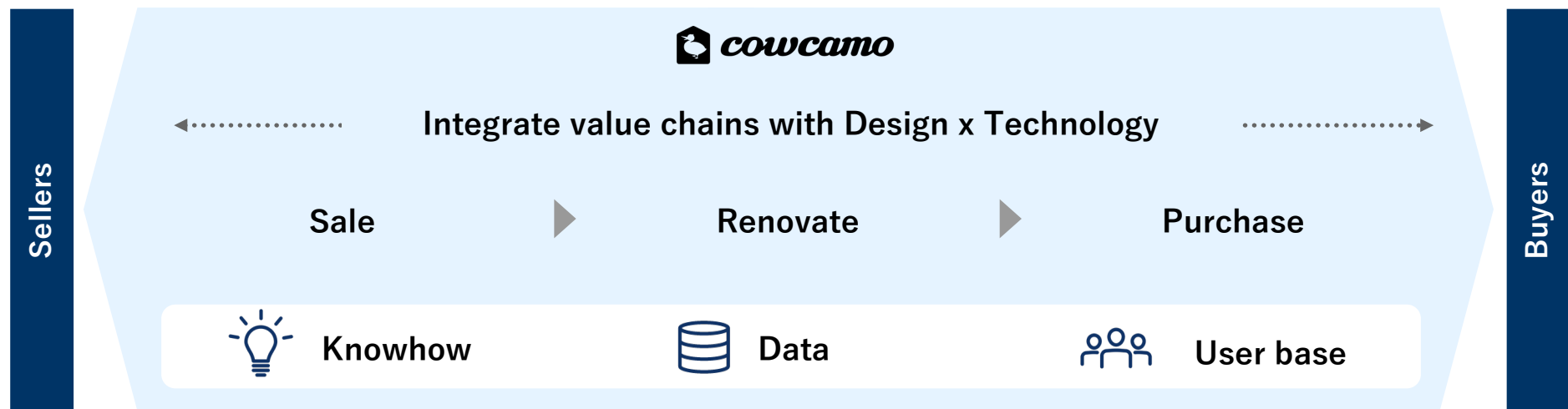


Efficient Management
through DX

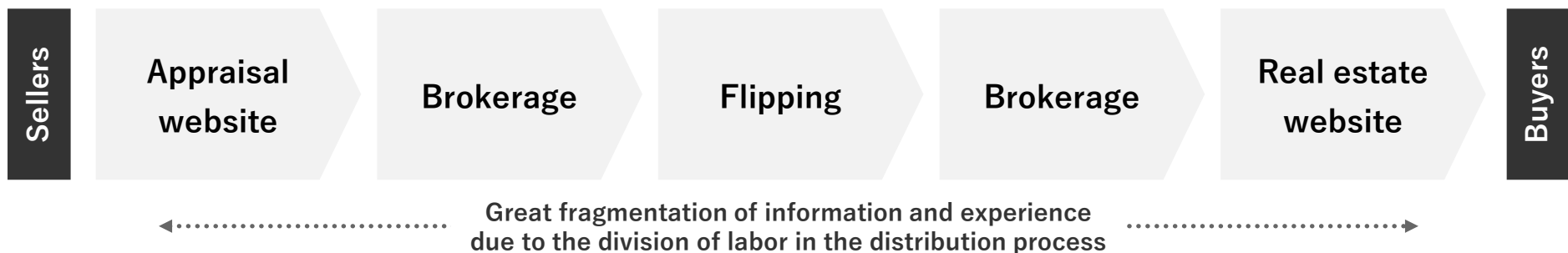
Market | Unique position to integrate value chain through Design x Technology

We integrate fragmented distribution structures through design and technology and update them to be more user-oriented. This will enable a more efficient distribution structure with higher customer value by utilizing the user base, data, and know-how accumulated through this process.

cowcamo's value chain

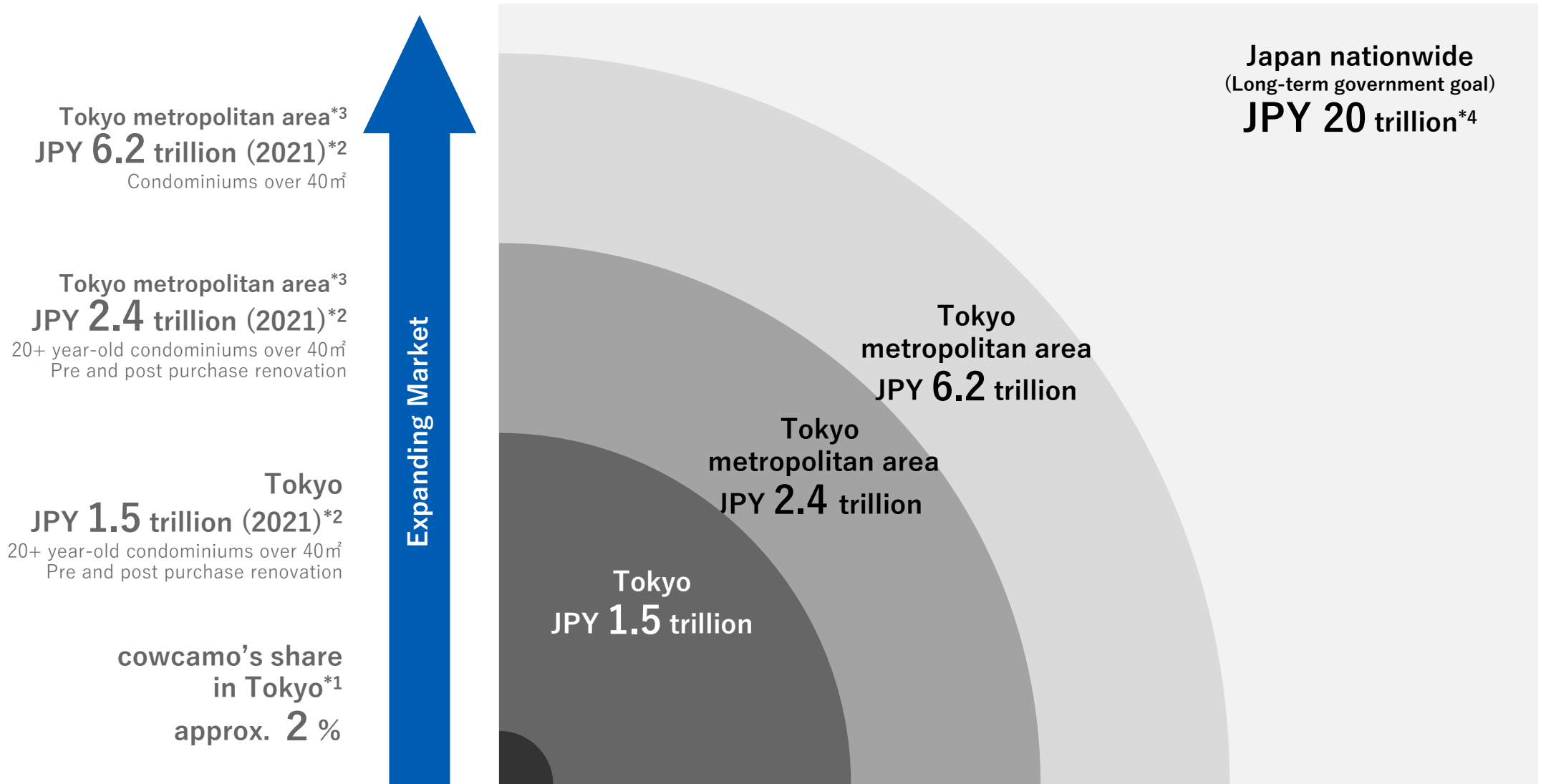


Traditional value chain



Market | Used house and renovation market expected to grow to JPY 20 trillion

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 2021 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 FY2021," Real Estate Information Center's "2020 Real Estate Industry Statistics (March revision) 3 Real Estate Distribution," and "Used House Renovation Market Data Book 2022-2023" by Reform Sangyo Shimibun.

*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.

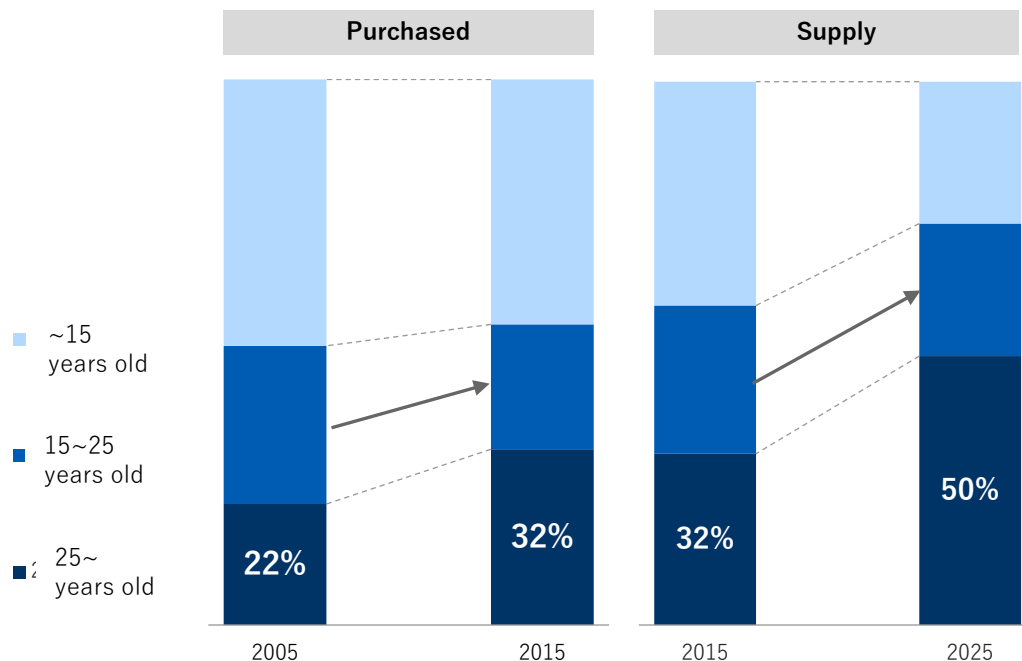
cowcamo | Renovation will become a mainstream due to structural changes in the market

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

Share of used condos in the Tokyo metropolitan area by age (2005-2025)



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

Renovation will become a mainstream option

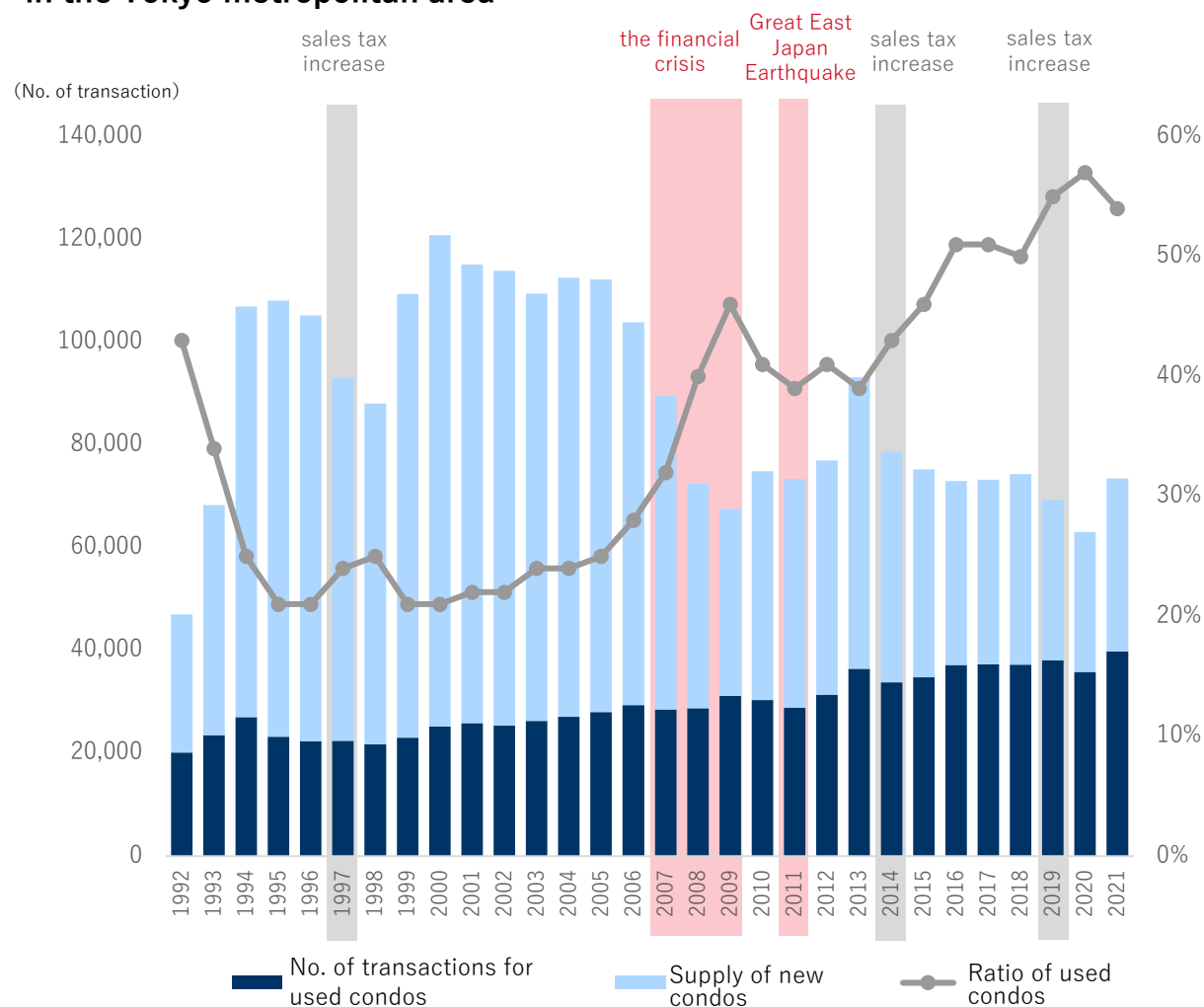
The option to renovate a home in the Tokyo metropolitan area with a taste for your own lifestyle is becoming a major choice when purchasing a home in the metropolitan area.



Market | Used condo market less susceptible to macro environment than new condos

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 among 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.

Growth | **High gross profit growth rate due to GMV expansion and higher Take Rate**

We will continue to expand GMV by continuously growing our customer base and offering differentiated experiences and products, while improving take rate by extending the value chain and expanding services and continue to achieve high growth in gross profit.

Continued high gross profit growth

Expansion of GMV



Continued customer expansion



Differentiated experiences and products

Improvement of Take Rate



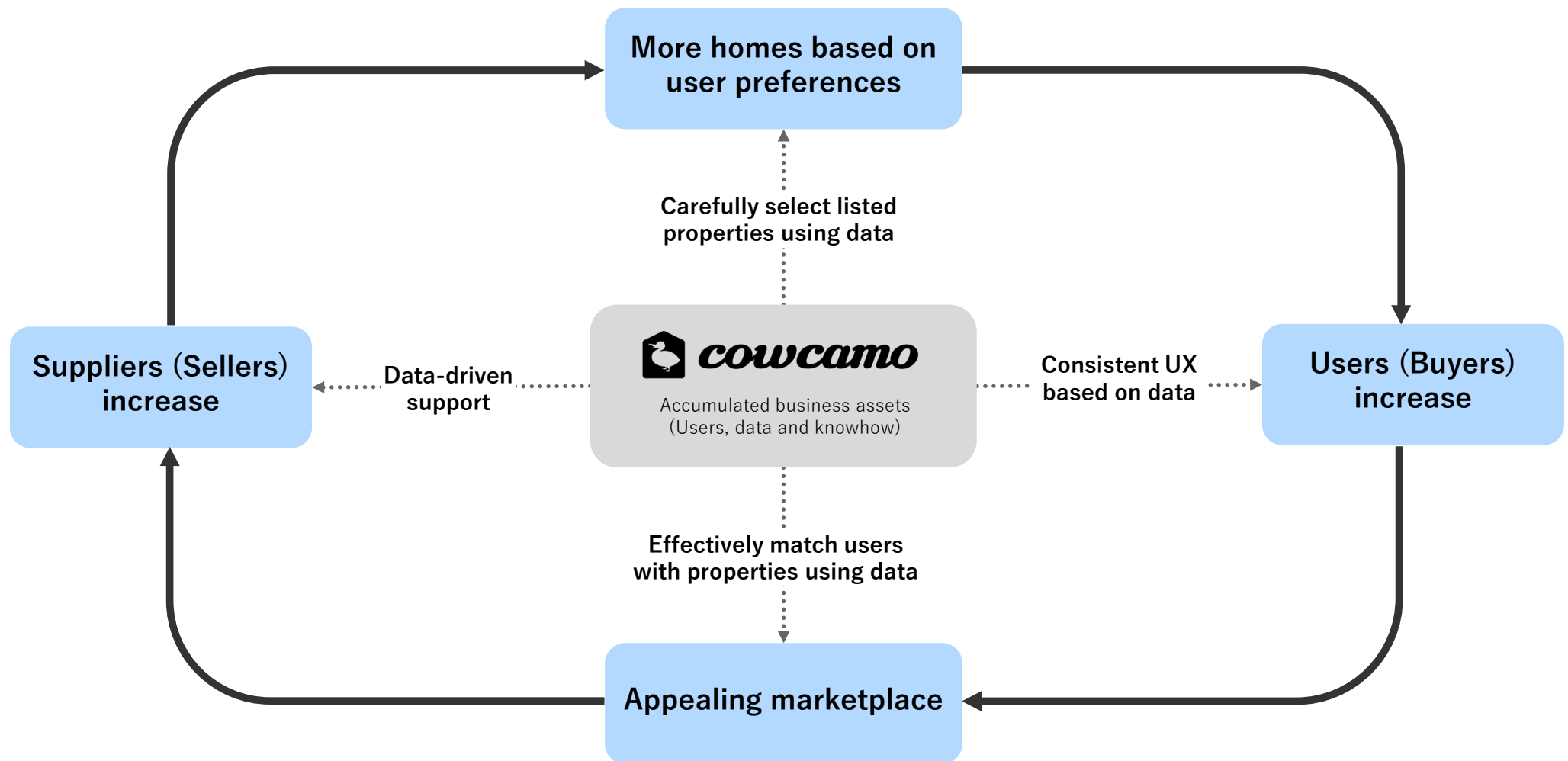
Extending the Value Chain



Expansion of services

Growth cycle through a virtuous cycle of sellers and buyers on both sides

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 continuously improve the value provided to customers on both sides.



Long-term growth potential through “Target Market Expansion x LTV Deepening x Market Creation”

After expanding business in existing domains in the medium term, in the long term, we aim to achieve further business expansion through expansion of target markets, deepening of LTVs, and market creation, and to become a future leader in housing distribution and housing culture in Japan.

**Mid-term
business
expansion policy**

(Business expansion in existing domains)
Increase gross profit by expanding GMV and improving Take Rate



**Long-term
growth potential**

Expansion of SOM*
through expansion of target markets x deep cultivation of LTV x market creation
→ **Become a business that leads the future of housing distribution and culture in Japan**

**Expansion of target market
by Properties x Areas**

**Developing customer
relationships over life time**

**Market creation through the
formation of market
mechanisms and promotion
of resettlement**

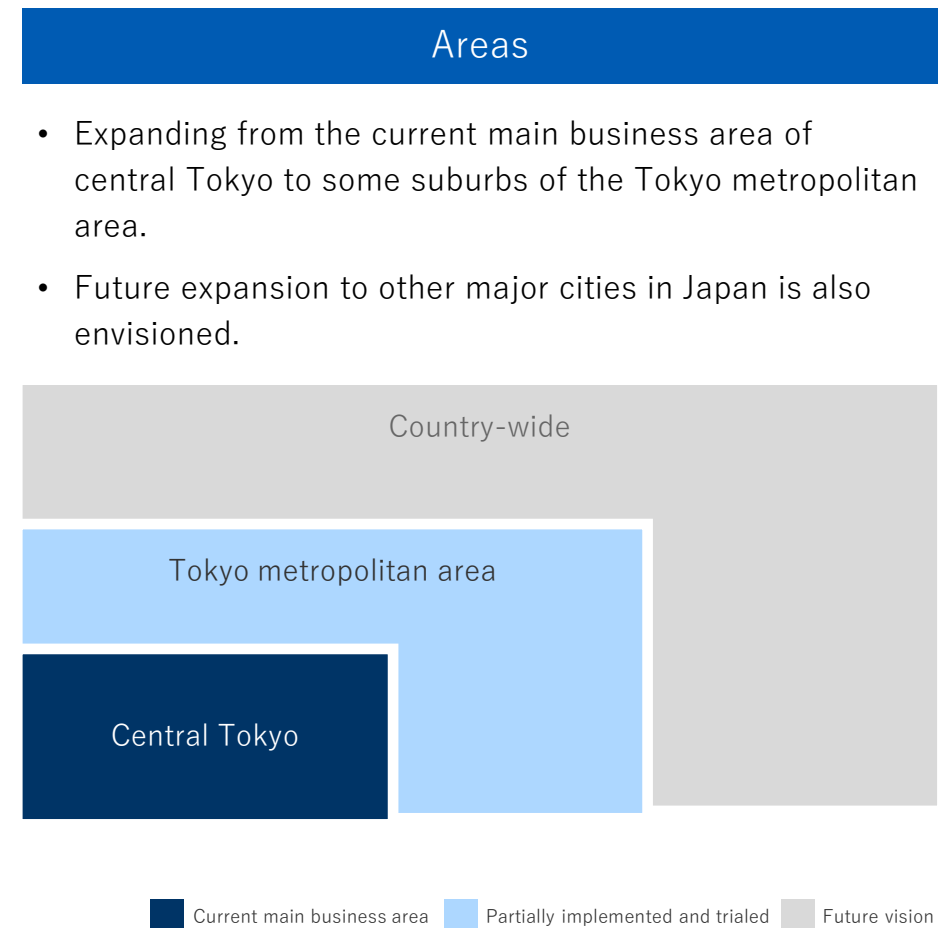
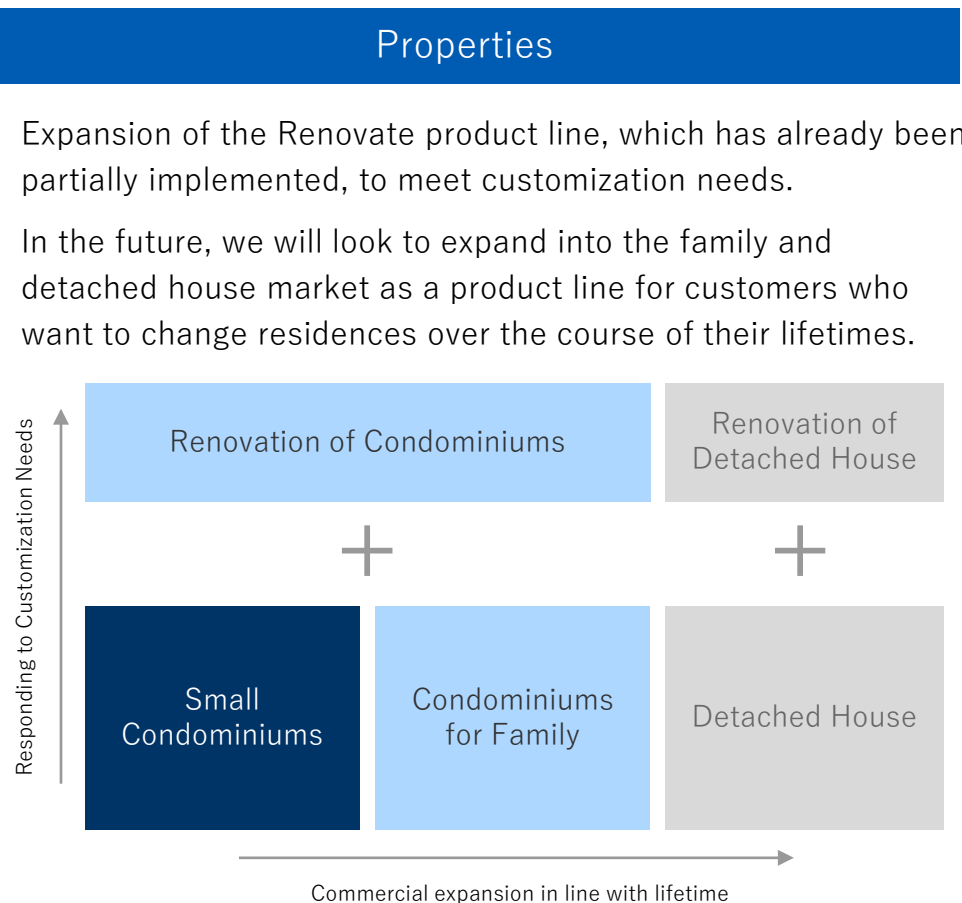
*SOM (Serviceable Obtainable Market) :

The size of the market for a given product or service that can be offered and captured at a given point in time in the target market. In this case, it means that the market size that can be acquired will be expanded through future business development of the cowcamo business.

Potential | Expansion of target market in terms of Properties x Areas

In the future, we will expand SOM through expansion of target markets in terms of properties and areas.

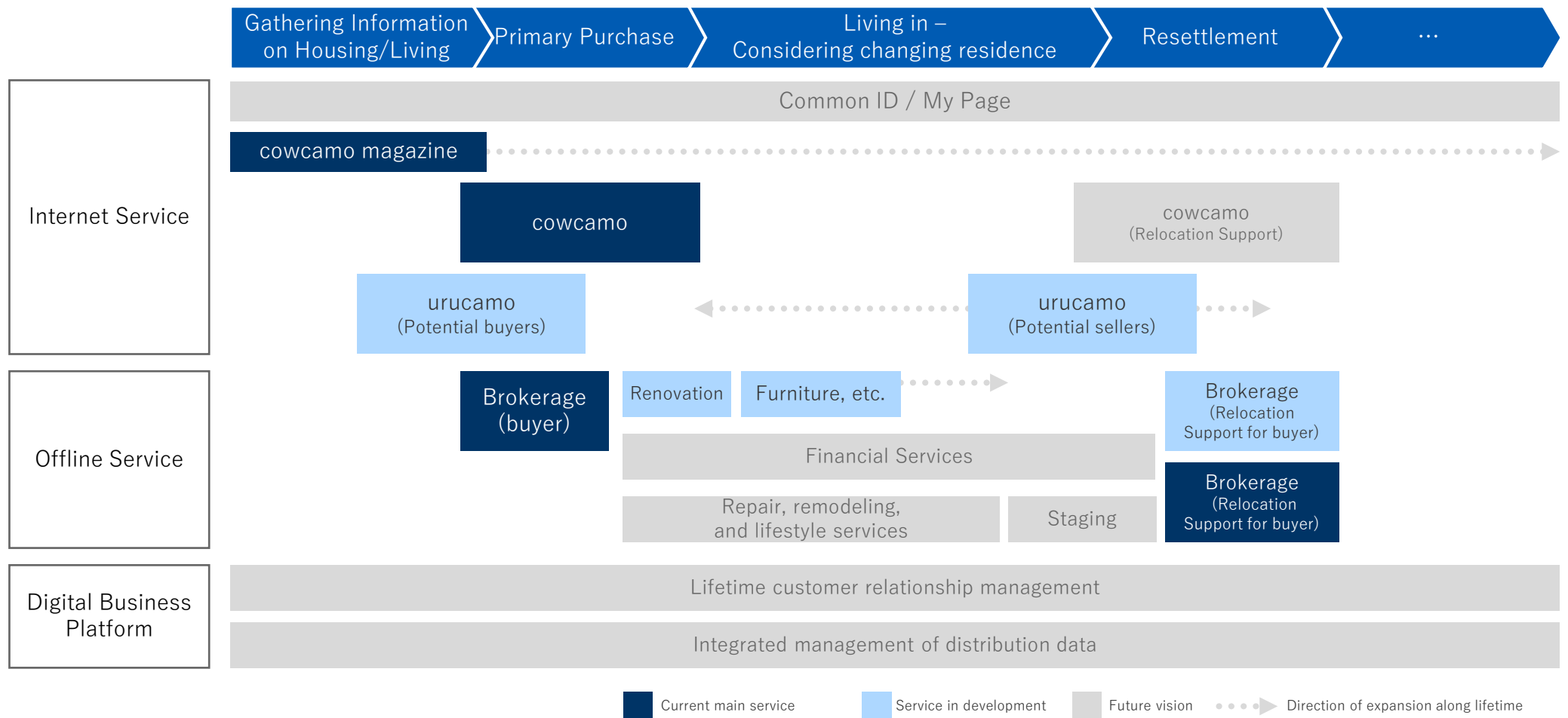
Image of target market expansion based on Properties x Areas



Developing customer relationships over a lifetime utilizing technology

We will build sustainable relationships with customers over their lifetimes by integrating services that leverage the characteristics of the Internet, offline services related to home distribution and living, and our digital business infrastructure.

Service development in line with customer lifetime



Market creation through the formation of market mechanisms and promotion of resettlement

In the long term, cowcamo will create a new market by forming a market mechanism for price evaluation and matching potential sellers/buyers, and by promoting resettlement.

Forming a market mechanism

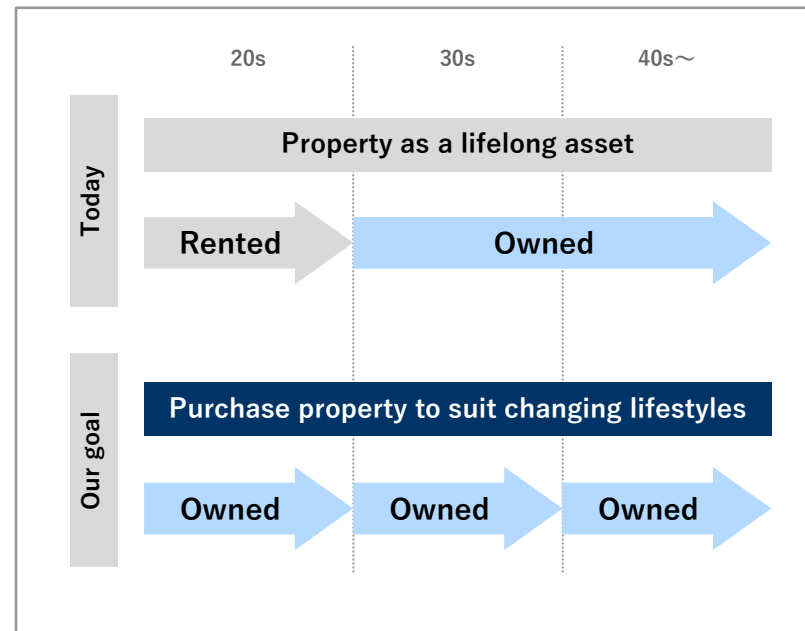
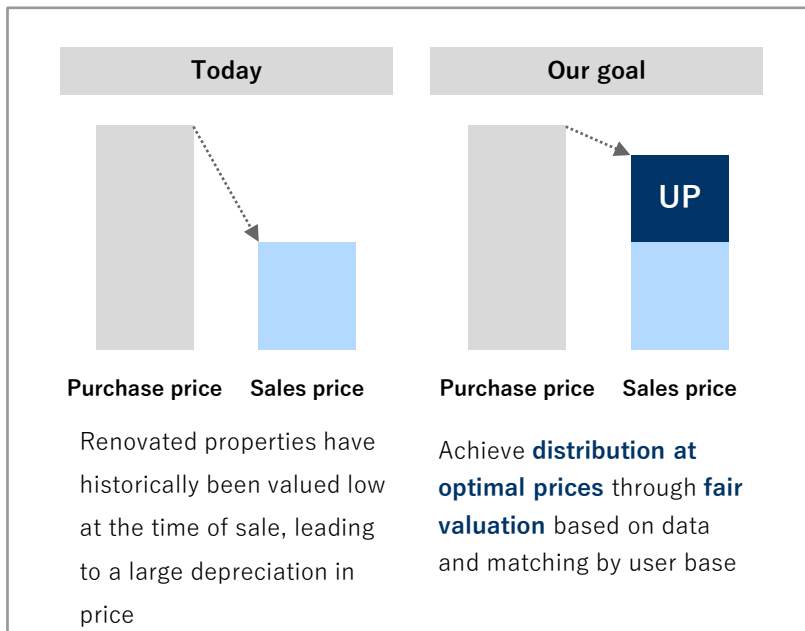
- Fair valuation of renovated properties through data accumulation
- Matching potential buyer/seller needs



Increase frequency of home purchases

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

= **Market Creation**



References

References | A management team with backgrounds 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.

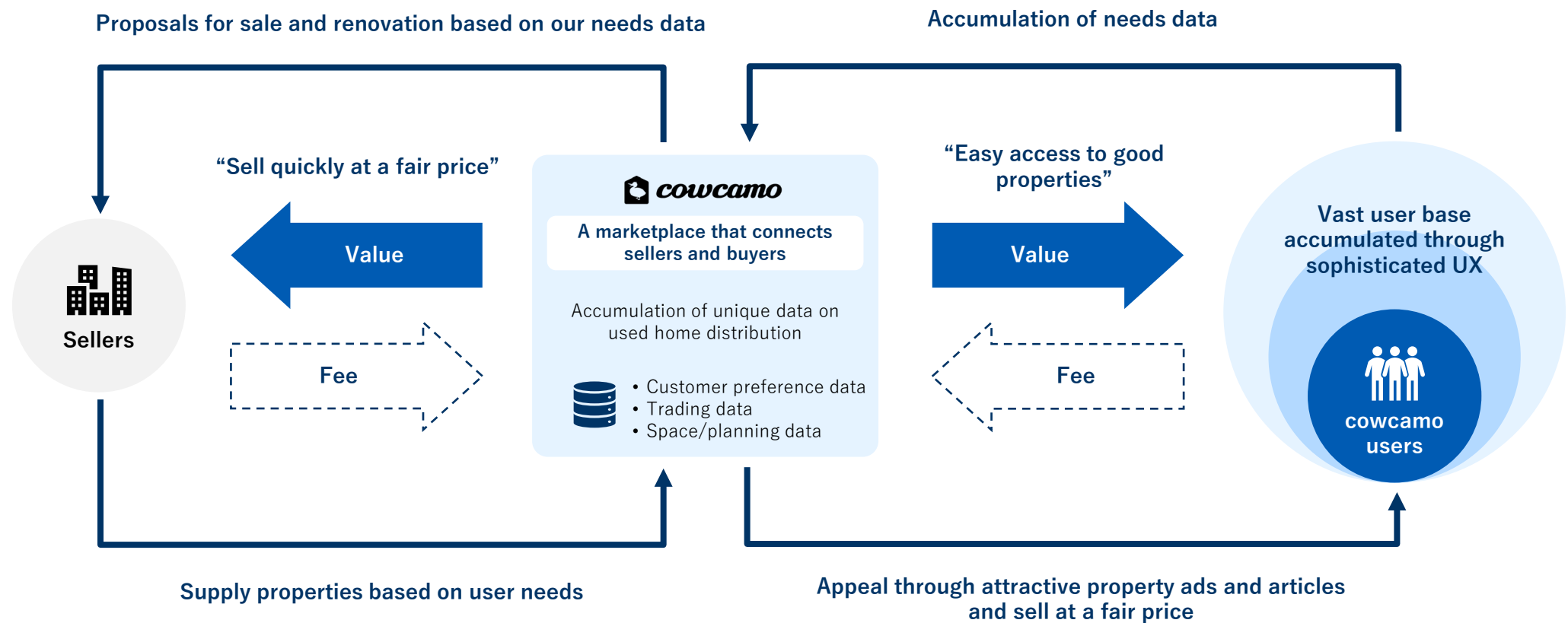


Keiko Hatano
External Auditor

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.

References | Business model of cowcamo

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.



References | 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 our listing 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.”



References | 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

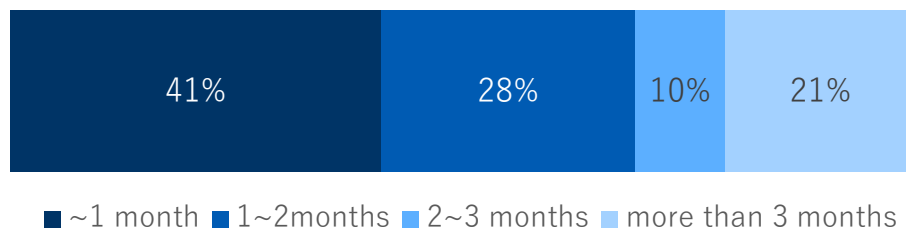
Sold at desired price^{*1}

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

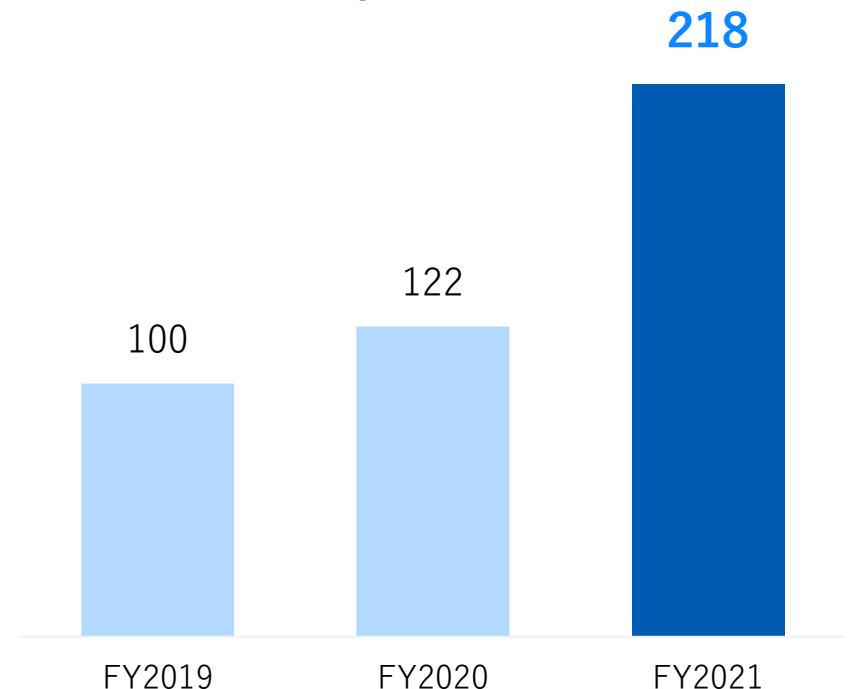
- Contracts closed in an average of **2.03** months^{*3} compared to the average of 4.15 months^{*2} in the Tokyo metropolitan area^{*2}
- Compared to the average of 55%,^{*2} **79%** of listings sold within 3 months



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)

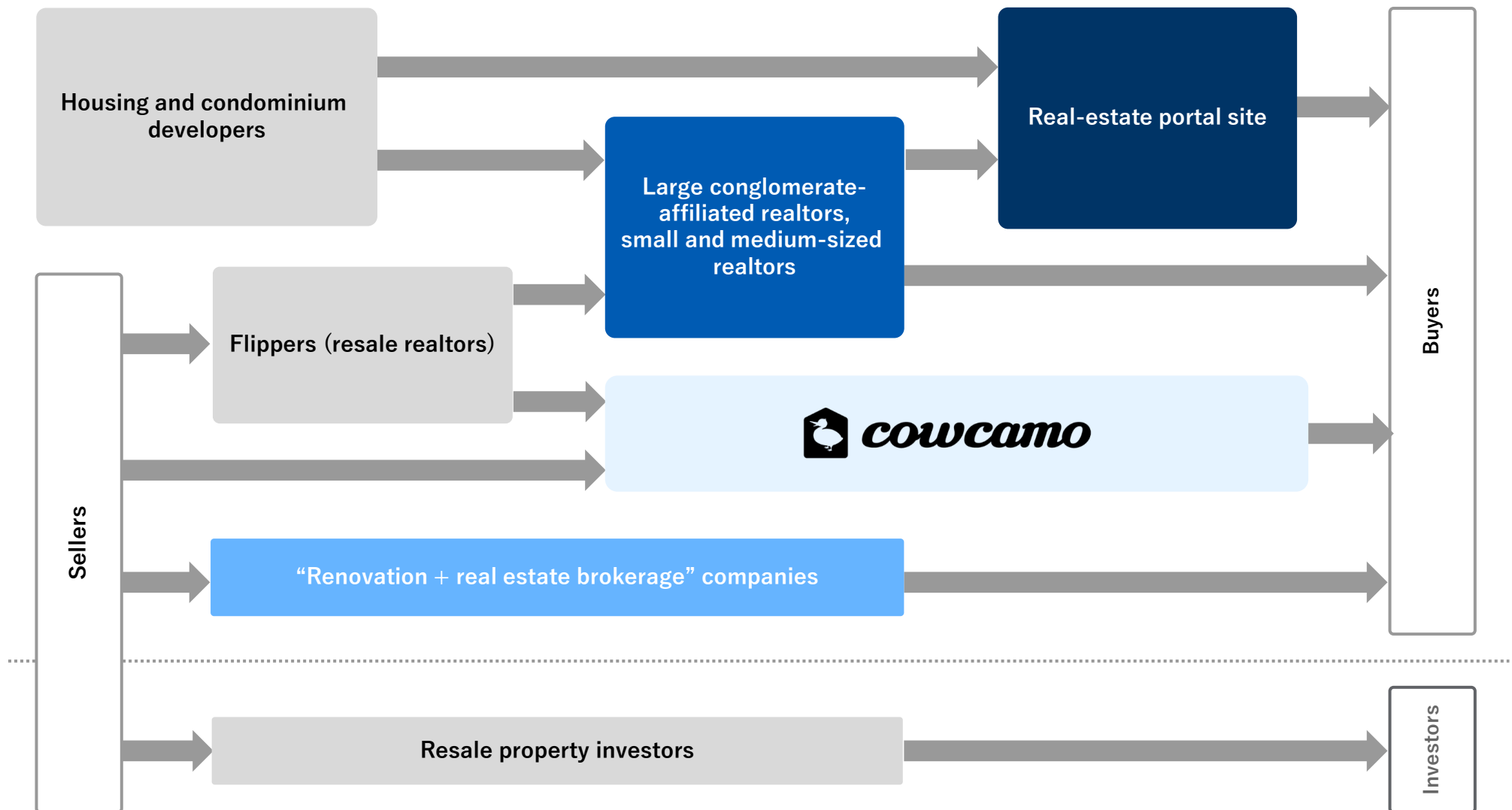
^{*3} cowcamo average: The average number of days during FY2021 in which cowcamo acted as intermediary for contracted properties and published articles.

^{*4} Distribution of the number of days it took from mediation to contract signing for FY2021.

^{*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.

References | Competitive environment

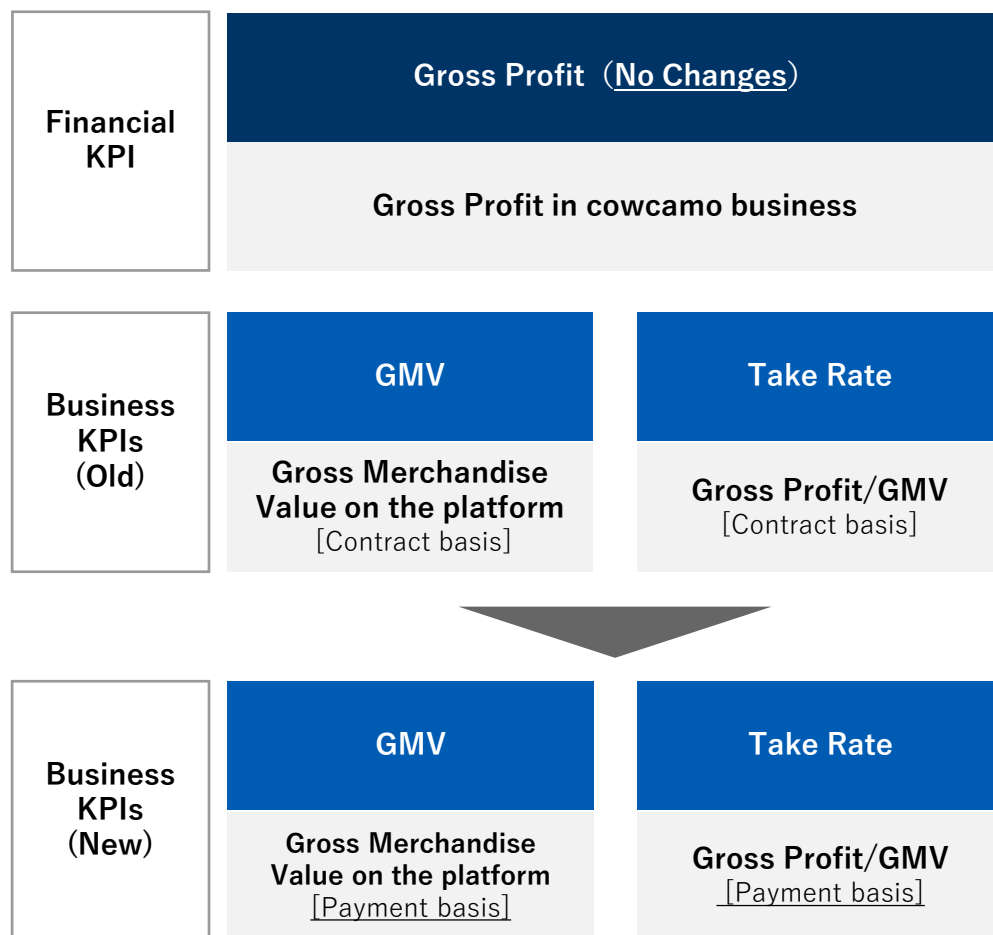
By integrating its real estate portal site with its brokerage business, cowcamo has built a unique position based on a "fun-to-view customer experience" and "fast and appropriate matching" based on accumulated users and data.



References | Change in calculation criteria for cowcamo KPIs

In order to disclose more accurately the take rate, a KPI of cowcamo business, from FY2023 ending July 31, 2023, the calculation basis of GMV used to calculate the take rate will be changed from a contract basis to a payment basis. Gross profit will remain unchanged. We will continue to disclose contract-based GMV and the number of transactions as leading indicators.

Change in calculation criteria



Background of the change in calculation criteria

- Until now, we have disclosed contract-based GMV as a leading indicator and have calculated take rate by dividing gross profit by GMV and disclosed it as a business KPI.
 - Since gross profit was recorded at the time of transaction payment and GMV was based on contracts, the take rate was an indicator that included the time lag between the signing of a contract and its payment. Since the majority of transactions in cowcamo had a contract-to-payment period of approximately one month, the time lag has been recognized as being within the acceptable range.
- Through FY2022, Our transactions began to diversify to include the purchase and sale of its own properties, brokerage of properties for private sellers, and renovation mediation, and as a result, the error in the calculation of the take rate due to the variation in the contract-to-payment period for each transaction has increased.
- Since FY2023, the GMV used to calculate the take rate will be payment-based to eliminate the above error. As a result, all business KPIs will be payment-based indicators.
 - GMV based on contracts and the number of transactions will continue to be disclosed as leading indicators for reference.

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.

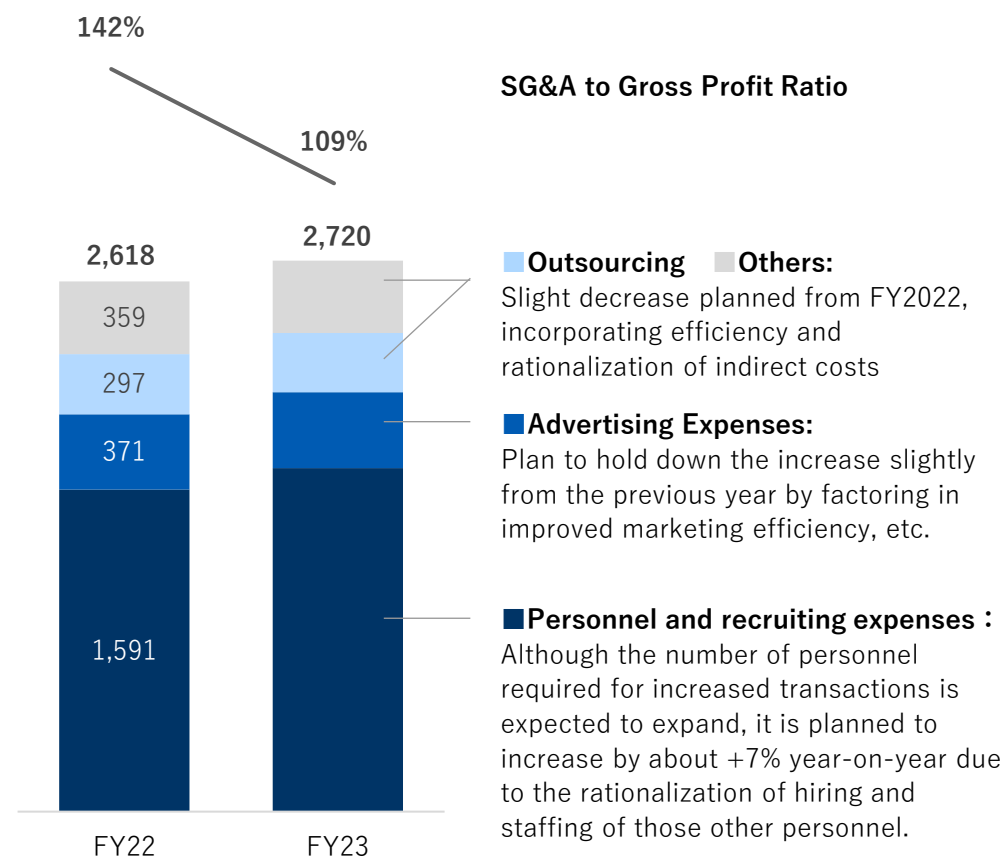
References | Forecast of Financial Results for FY2023

For FY2023 ending July 31, 2023, we forecast revenue of 4 billion yen (up 45% YoY), gross profit of 2.5 billion yen (up 36% YoY), and an operating loss of 220 million yen. We expect a significant improvement in the operating income/loss ratio by increasing gross profit while controlling the increase in SG&A expenses.

Forecast of Financial Results (Unit: JPY million)

	FY2023 Forecast	FY2022 Actual	YoY
Revenue	4,000	2,766	+ 45%
Gross Profit	2,500	1,844	+36%
S.G.&A	2,720	2,618	+4%
Operating Profit (of which, expenses for stock-based compensation)	-220 (-60)	-773 (-46)	-

SG&A Expenses and SG&A to Gross Profit Ratio (Unit: JPY million)



Business Policy for profit and loss plan for FY2023

Based on the results of prior investments and measures taken by FY2022 ending July 31, 2022, we will promote GMV expansion on both the selling/buying side and continue "structural take rate improvement." At the same time, we will strengthen cost management to achieve both gross profit growth and improvement in operating income (narrowing the deficit).

Business Policy for profit and loss plan for FY2023 Continued growth in gross profit and improvement in operating income

A Expansion of GMV on both seller/buyer sides

Increased number of transactions and GMV on both the seller/buyer side while improving economics (user acquisition per transaction, cost of providing services)

B Continue to promote "structural take rate improvement"

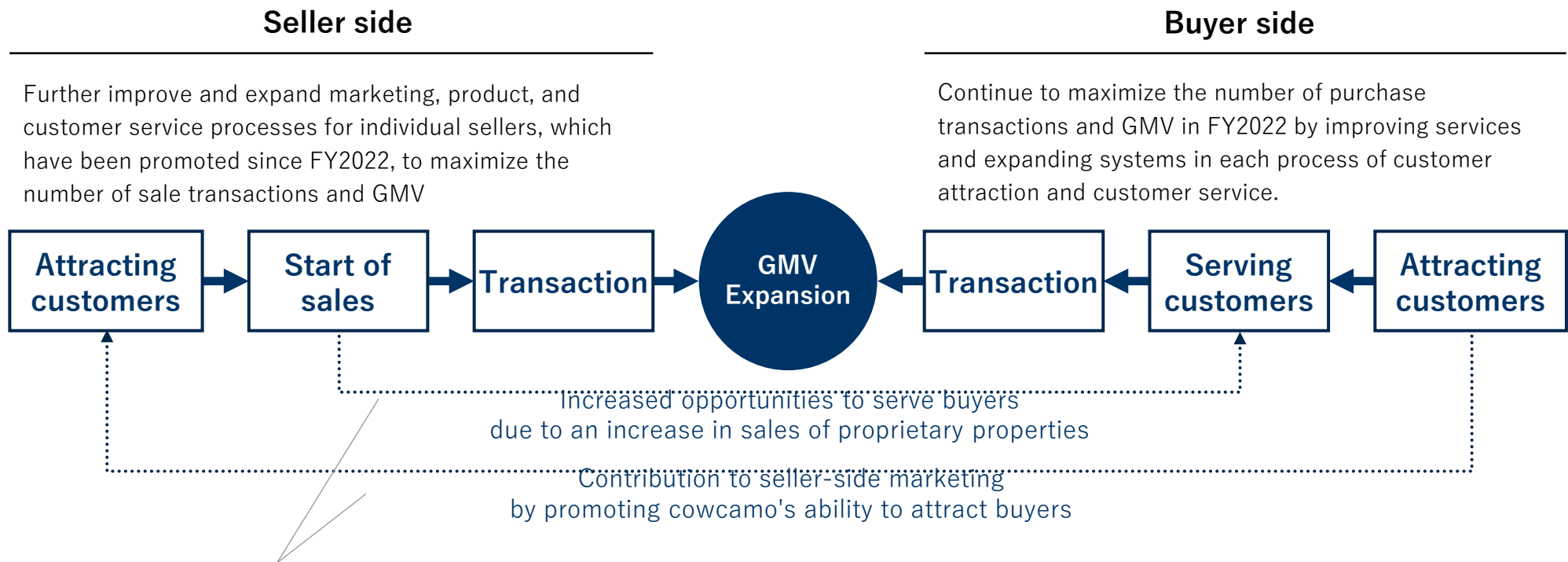
Continuously improve take rate by expanding brokerage transactions for sellers and in-house planned products

C Strengthen cost management

Improve cost efficiency required for business expansion, rationalize overhead costs and increase operational efficiency

A. Expansion of GMV on both seller/buyer sides

After building the seller-side business that we have been promoting in FY2022, we will expand GMV from both the seller/buyer side. In particular, we will expand business by improving marketing, product, and customer service processes from customer attraction to transaction, while improving economics (user acquisition and service provision cost per transaction). Synergistic effects from collaboration between the two sides are positioned as an upside and are not incorporated in the plan for the current fiscal year.

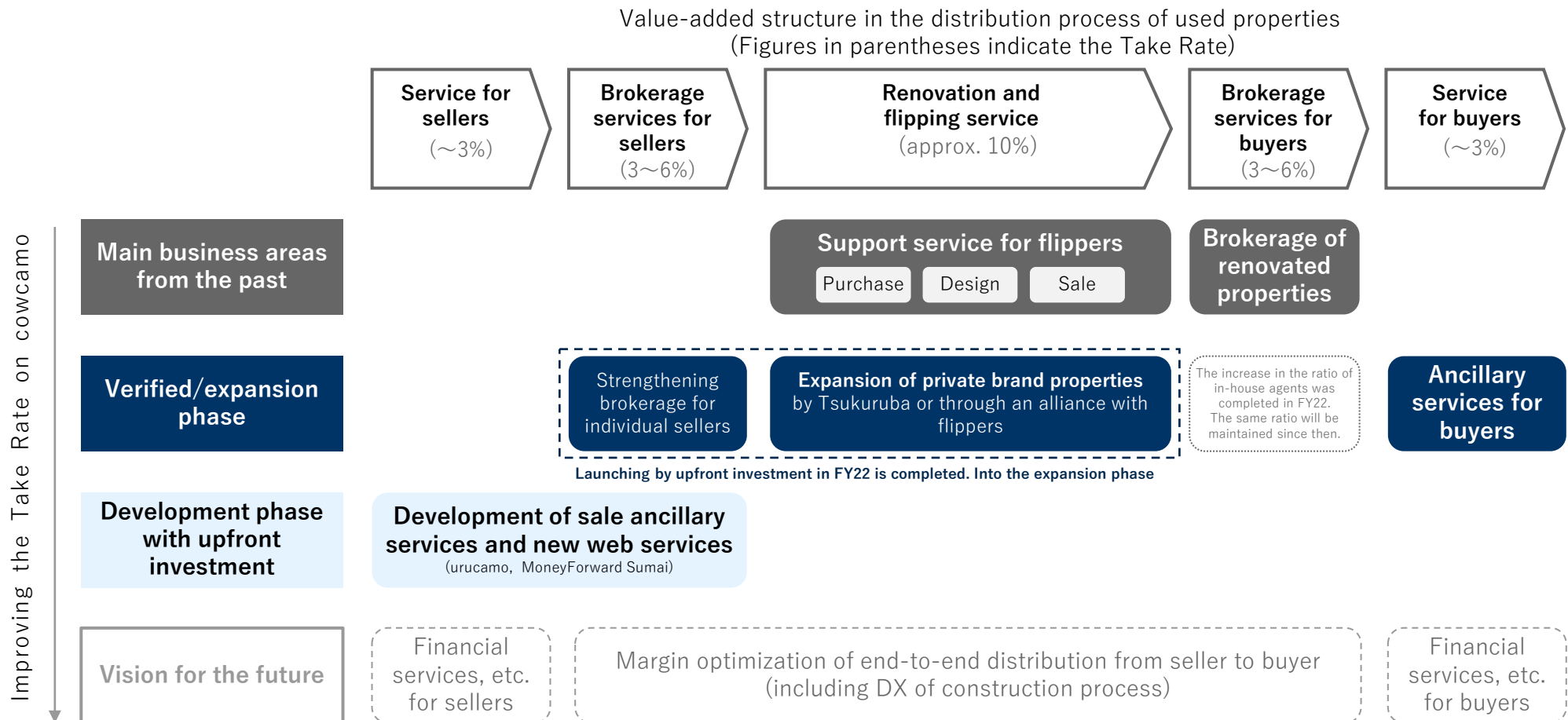


Synergistic effects from seller/buyer side collaboration:

After the startup of the seller side business, synergistic effects on GMV expansion for both sides are expected through collaboration between the seller side and the buyer side (positioned as upside and not incorporated in the plan for FY2023).

B. Continue to promote “structural take rate improvement”

In FY2023 ending July 31, 2023, we will focus on the expansion of the "strengthening of brokerage services for individual sellers" and "expansion of planned products," both of which were launched in FY2022.



C. Strengthen cost management

We will make decisions on expenditures and investments required for business expansion (expenditures required to increase gross profit in the current fiscal year and investments required for medium-term business and service development), while assessing the probability of recovery during the current fiscal year and the return on investment in the medium term. In addition, we will improve the operating profit/loss ratio through streamlining and improving the efficiency of internal departments throughout the company.

Management of costs and investments required for business expansion

Expenses required to increase gross profit for FY23 (mainly sales personnel expenses and advertising expenses)

- Sales personnel expenses and advertising expenditures in existing marketing channels and methods, which are highly likely to be recovered during the current fiscal year, will be spent while improving productivity and efficiency.

Investments for medium-term business and service development

- Make decisions on investments in medium-term strategic areas, such as the development of new services, urucamo and Money Forward Residence, and the creation of synergies between the seller and buyer sides of the business, while assessing the return on investment.

Management of internal department costs

Rationalization of internal expenses

- Rationalize internal expenses across the company, focusing on offices and business locations, internal business tools, systems and equipment, etc.

Improving operational efficiency in internal departments

- Promote rationalization of personnel hiring and assignment, and reduction of external payment costs, mainly in the internal departments, in conjunction with operational efficiency improvement.

References | Balance Sheet

The convertible bonds has been converted to equity in November 2022 through a new issuance of class A shares to Marui Group Inc. and the purchase and retirement of the convertible bonds. This significantly improves the assumed equity ratio to 50% and strengthens the company's financial base.

As of October 31, 2022

	Assets	Liabilities	
Cash and deposits	1,344	250	Others
		340	Short-term borrowings
		720	Long-term borrowings
Others	1,479	700	Convertible bonds (with a conversion price of JPY 1,200 per share)
		812	Net assets

(Unit: JPY million)

Capital ratio : 25%

As of October 31, 2022*

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

	Assets	Liabilities	
Cash and deposits	1,344	250	Others
		340	Short-term borrowings
		720	Long-term borrowings
Others	1,479	700	Class A shares (with a conversion price of JPY 1,200 per share)
		812	Net assets (excluding class A shares)

(Unit: JPY million)

Capital ratio : 50%

* Assumed balance sheet as of October 31, 2022, after taking into account the issuance of Class A shares and the repurchase and cancellation of existing convertible bonds

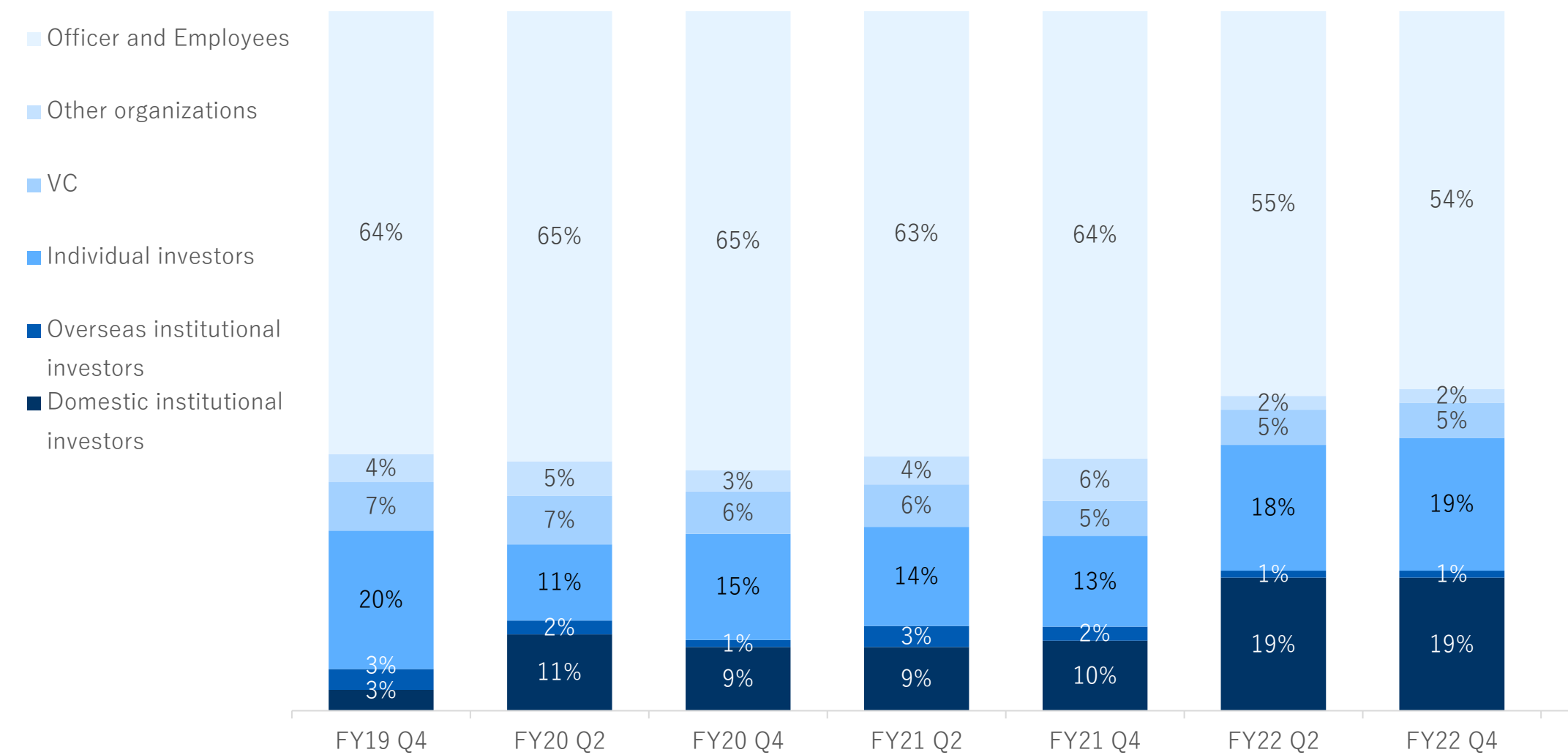
References | Share Price and Trading Volume

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.



References | **Shareholder Composition**

Changes in the shareholder composition ratio are as follows. We will make greater efforts to provide information to individual investors and institutional investors and strive to enhance disclosure that contributes to the investment decisions of long-term investors.



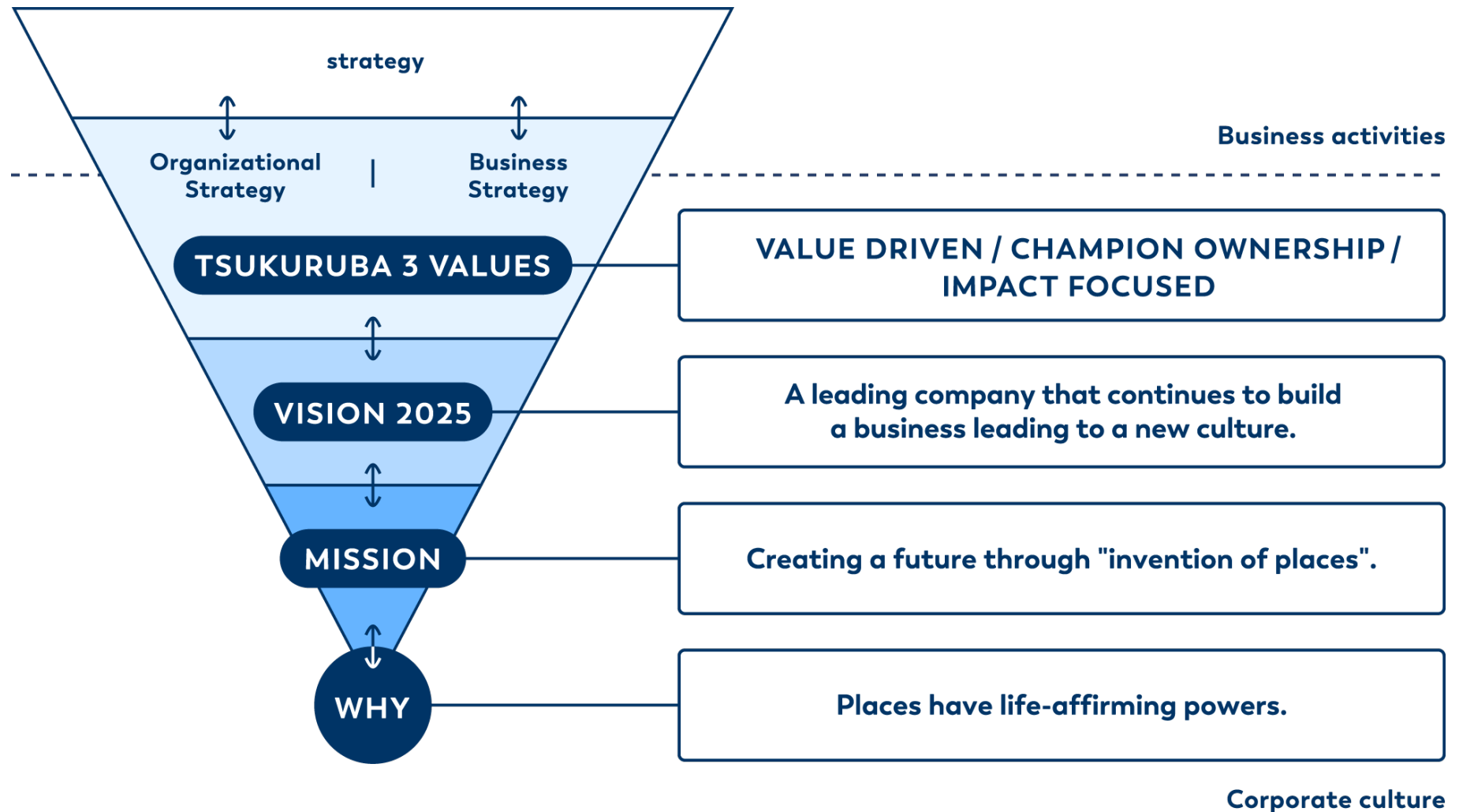
参考 | Q&A

カテゴリー	質問	回答
Company	What are the company's thoughts on the outlook for future upfront investments?	In light of the recent macro environment, we have reviewed costs, focusing on fixed cost containment. With regard to investments, we will carefully select investments that have a high probability of contributing to profits. By doing so, we intend to continue high growth rate and narrow the deficit.
cowcamo	While housing market conditions are deteriorating overseas due to rising interest rates, what are the chances of housing market conditions worsening in Japan as monetary easing is lifted and floating mortgage rates rise?	If mortgage rates were to rise, real estate prices would lag behind and decline, resulting in a temporary decline in real estate transactions. However, we believe that the impact of the macro environment will be limited compared to investment properties and newly built properties, as demand for existing homes, which is the main product of cowcamo, is generated by changes in life stages and can also serve as a receptacle for newly built properties. In addition, since cowcamo's main transactions are brokerage, the impact of falling real estate prices will also be limited. We will continue to closely monitor whether the "sustained inflation of 2%" (sustained wage growth) is achieved, which is a precondition for the lifting of monetary easing, and the time lag between base rate and market interest rate fluctuations, which will affect variable interest rates.
cowcamo	What is the impact of the weak yen, the situation in Ukraine, etc. on your business?	Material prices have remained high and are expected to remain at this level for a while. Procurement of materials, such as hot water heaters, has recovered slightly, and the procurement process, which used to take about three months, has been shortened to about one month.
cowcamo	What are the growth indicators for cowcamo?	The financial KPI is gross profit, and the business KPIs are GMV and take rate, which are growth indicators. As for leading indicators, MAUs were previously used as leading indicators, but now that a sufficient user base has been acquired, we would like to see the number of transactions (payment basis) as a leading indicator going forward.
cowcamo	Why is there quarterly volatility in the GMV?	Past trends show that performance tends to be better in later fiscal year, when both personnel and measures are enhanced. In addition, the number of contracts entered into tends to be highest in Q3 (from February to April), when there is a large movement of people, and gross profit recorded on a payment basis tends to be best in Q4, which comes after Q3. Therefore, the progress of the earnings forecast also tends to be less than 25% in 1H of a fiscal year, and then recovers in 2H of a fiscal year.

References | 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*	193 employees (as of July 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>

* In the “Financial Results FY 2022” announced on September 12, 2022, the “Employees” included the number of contract employees, however, the number of full-time employees only has been included in the number of “Employees” in order to conform to the previous disclosure parity.



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.

Contact:

email: ir@tsukuruba.com

IR information: <https://tsukuruba.com/ir/>

TSUKURUBA