



Kufu Company Inc.

FY2023.9 Q3

Presentation Material

August 14, 2023



Agenda

1. Consolidated Financial Results for FY2023.9 Q3

2. Business Overview by Segment

- Daily Life Business
- Life Event Business



1. Consolidated Financial Results for FY2023.9 Q3

Group Composition (Main Group Companies as of August 1, 2023)

Daily Life Business

Daily and community life domain



Shopping information service *2



Regional/lifestyle information media *1, *2



Household budget service *3



Educational app

Life Event Business

Home domain



Management consulting service

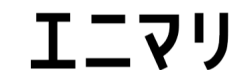


Consulting service for high-net-worth individuals



Home and real estate specialized media and purchase and resale service *1

Marriage domain



Wedding information media and service

Investment and Incubation Business

Investment and business development domain



Holding company (Investment)



Investment management



Travel/outing media



Insurance sales agency



Development and sales of insurance products



(関連会社)
Informational website for trips with children

Others

Design development domain

Technology development domain

Business management domain



Research and development *3



Holding company (Support for operating companies)

*1: Ietate business run by SHIZUOKA ONLINE CO. LTD. was succeeded (the absorption-type split) by Kufu Sumai Inc. on April 1, 2023.

*2: Media and local business run by Locoguide Inc. was succeeded (business transfer) by SHIZUOKA ONLINE CO. LTD. on July 1, 2023.

*3: Da Vinci Studio Co., Ltd. merged into Zaim Inc., and Zaim Inc. changed its name to Kufu AI Studio Inc. on July 1, 2023.

- Cumulative net sales for the third quarter of FY2023.9 were 15,789 million yen, which was 75.2% of the full-year consolidated earnings forecast

	FY2022.9	FY2023.9			
	Q3 Cumulative	Q3 ^{*1} Cumulative	YoY	Forecast	Progress
Net sales	13,303	15,789	118.7 %	21,000	75.2 %
Daily Life Business ^{*2}	3,258	3,252	99.8 %	-	-
Life Event Business ^{*2}	9,968	9,604	96.4 %	-	-
Investment and Incubation Business	66	2,898	4,347.5 %	-	-
Other	106	194	182.5 %	-	-
Adjustment	▲96	▲159	-	-	-

(JPY MM)

^{*1}: The Life Event Business started consolidating profit (loss) of OM Solar, Inc. and the Investment and Incubation Business started consolidating profit (loss) of RETRIP, Inc. in the second quarter of FY2023.9.
^{*2}: As a result of the organizational restructuring, some businesses were changed their segment from the Daily Life Business to the Life Event Business from the third quarter of FY2023.9.

Consolidated Operating Profit / EBITDA

- Cumulative EBITDA for the third quarter of FY2023.9 was 2,389 million yen, which was 77.1% of the full-year consolidated earnings forecast

	FY2022.9	FY2023.9			
	Q3 Cumulative	Q3 *1 Cumulative	YoY	Forecast	Progress
Operating profit	1,006	1,608	159.9 %	2,000	80.4 %
Daily Life Business *2	995	752	75.6 %	-	-
Life Event Business *2	746	616	82.6 %	-	-
Investment and Incubation Business	▲20	1,149	-	-	-
Other	▲92	▲145	-	-	-
Adjustment	▲622	▲764	-	-	-
EBITDA	1,773	2,389	134.8 %	3,100	77.1 %

(JPY MM)

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- Cumulative EBITDA for the third quarter of FY2023.9 was 2,389 million yen, which was 77.1% of the full-year consolidated earnings forecast

Progress by segment (Apr. - Jun.)

Daily Life Business	Daily and community life domain <ul style="list-style-type: none">• Locoguide experienced difficulties in raising prices in the Tokubai business and a decline in advertising sales due to lower media users• Due to organizational restructuring, Ietate business run by SHIZUOKA ONLINE CO. LTD. changed its segment to the Life Event Business
Life Event Business	Home domain <ul style="list-style-type: none">• Sales of SaaS tools for real estate agencies were steady, purchase and resale services promoted inventory reduction, and services for high-net-worth individuals and brokerage services contributed by large-scale spot projects• HyAS & Co. was sluggish in new orders, but made good progress against full-year earnings forecast. Marriage domain <ul style="list-style-type: none">• Media business declined due to a decrease in the number of paid advertising venues, resulting in a loss in Apr.-Jun.• Wedding Producing business showed a recovery trend, and the number of case studies in the media and the use of wedding counseling services increased.
Investment and Incubation Business	Investment and business development domain <ul style="list-style-type: none">• Investment business significantly increased sales and profits due to the sale of operating investment securities

Consolidated Quarterly Financial Results

- Increased sales and profits both year-on-year and quarter-on-quarter

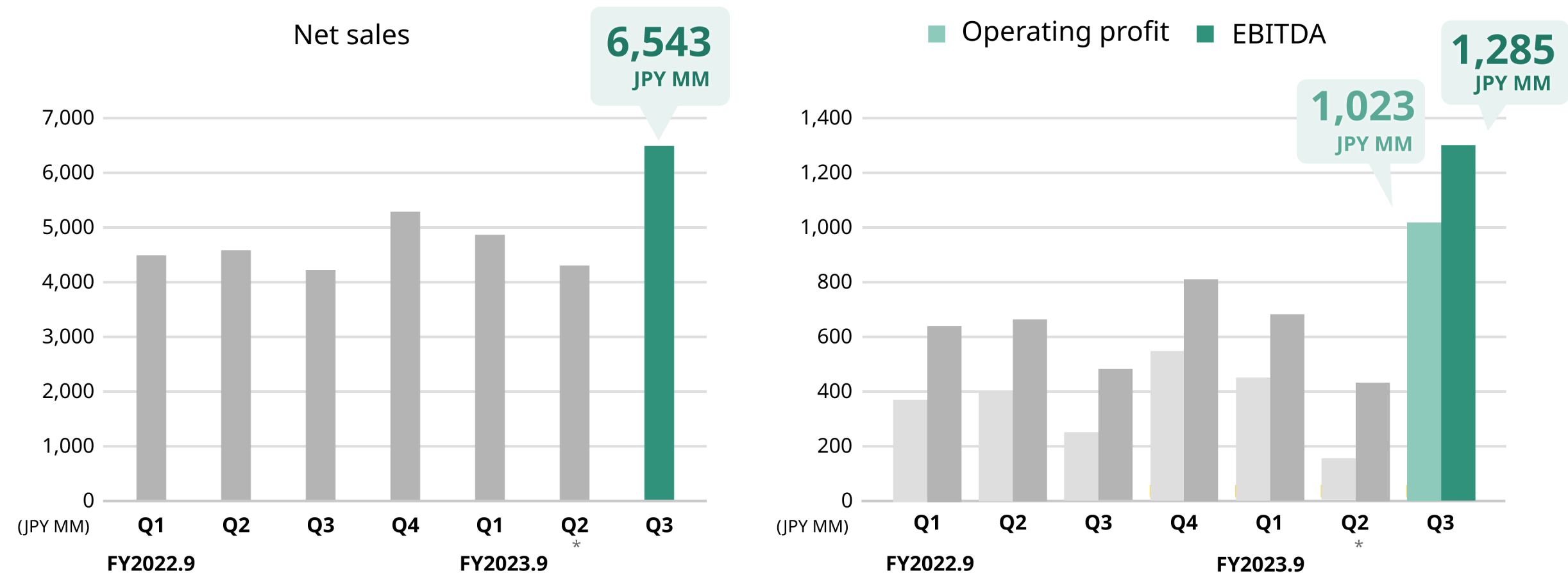
	FY2022.9				FY2023.9				
	Q1	Q2	Q3	Q4	Q1	Q2 *2	Q3	YoY	QoQ
Net sales	4,528	4,599	4,175	5,321	4,883	4,362	6,543	156.7 %	150.0 %
Operating profit	369	403	233	551	433	151	1,023	438.9 %	676.5 %
EBITDA	626	658	488	808	685	418	1,285	263.3 %	307.0 %

(JPY MM)

* The Life Event Business started consolidating profit (loss) of OM Solar, Inc. and the Investment and Incubation Business started consolidating profit (loss) of RETRIP, Inc. in the second quarter of FY2023.9. 7

Consolidated Financial Results – Quarterly Trends

- Increased sales and profits both year-on-year and quarter-on-quarter



* The Life Event Business started consolidating profit (loss) of OM Solar, Inc. and the Investment and Incubation Business started consolidating profit (loss) of RETRIP, Inc. in the second quarter of FY2023.9. 8

Consolidated Quarterly Financial Results – Net Sales by Segment くふうカンパニー

- Due to organizational restructuring, some businesses were changed their segment from the Daily Life Business to the Life Event Business
- While Locoguide declined in the Daily Life Business, the Life Event Business increased due to growth in the home domain
- Investment and Incubation Business increased significantly due to the sale of operating investment securities

		FY2022.9				FY2023.9				
		Q1	Q2	Q3	Q4	Q1	Q2 *1	Q3 *2	YoY	QoQ
Net sales	Daily Life Business	1,101	1,101	1,056	1,143	1,110	1,211	930	88.1%	76.8%
	Life Event Business	3,401	3,473	3,092	3,675	2,938	3,037	3,628	117.3%	119.5%
	Investment and Incubation Business	25	16	24	495	828	97	1,972	8,102.7%	2,025.2%
	Other	36	39	30	39	50	60	82	272.1%	137.3%
	Adjustment	▲36	▲31	▲28	▲32	▲43	▲44	▲70	-	-

(JPY MM)

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Consolidated Quarterly Financial Results – OP by Segment くふうカンパニー

- While the Daily Life Business declined in mainly due to lower sales of Locoguide, the Life Event Business increased driven by the home domain
- Investment and Incubation Business increased significantly with the sale of operating investment securities

		FY2022.9				FY2023.9				
		Q1	Q2	Q3	Q4	Q1	Q2 *1	Q3 *2	YoY	QoQ
Operating profit	Daily Life Business	365	351	278	282	259	313	179	64.3%	57.1%
	Life Event Business	251	287	206	302	191	118	306	148.5%	258.0%
	Investment and Incubation Business	▲8	▲6	▲5	202	313	3	832	-	22,447.8%
	Other	▲31	▲27	▲34	▲31	▲61	▲42	▲41	-	-
	Adjustment	▲208	▲202	▲211	▲204	▲269	▲242	▲252	-	-

(JPY MM)

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*2: As a result of the organizational restructuring, some businesses were changed their segment from the Daily Life Business to the Life Event Business from the third quarter of FY2023.9.

	As of end-Sep. 2022	As of end-Jun. 2023	Change	Change factors
Current assets	14,826	14,307	▲519	<ul style="list-style-type: none"> Cash and deposits increased by 1,971 million yen due to the sale of operating investment securities and cash acquired through operating activities offsetting the acquisition of shares in subsidiaries and other spending
(Cash and deposits)	7,269	9,240	1,971	
(Operational investment securities)	2,979	1,313	▲1,665	
(Real estate for sale)	2,758	1,649	▲1,108	
Non-current assets	6,498	7,056	557	<ul style="list-style-type: none"> Real estate for sale decreased by 1,108 million yen due to the inventory reduction
(Goodwill)	3,526	3,756	230	
(Investments and other assets)	2,047	1,904	▲142	
Assets	21,329	21,363	33	<ul style="list-style-type: none"> Due to the start of consolidation RETRIP, Inc. and OM Solar, Inc. and amortization of goodwill, goodwill increased by 230 million yen
Liabilities	9,666	9,851	185	<ul style="list-style-type: none"> Short-term and long-term borrowings decreased by 98 million yen Treasury shares increased by 465 million yen due to share buybacks
(Short-term and long-term borrowings)	5,856	5,758	▲98	
Net assets	11,663	11,511	▲151	
(Retained earnings)	1,191	1,764	573	
(Treasury shares)	▲443	▲909	▲465	
(Valuation difference on available for-sale securities)	399	▲13	▲412	
Total liabilities and net assets	21,329	21,363	33	

* Items in parentheses are included in totals.

(JPY MM)



Users



Support users' activities through three contact points with them

Media



SaaS



Tool / Agent

Maximize contact points
with users

Indirectly provide services to users
through support for business operators

Provide useful tools for daily life and
specialized services for life events

Monthly active users *1

Contract accounts *2

Total tool downloads *3

Services provided
annually *4

Approx. 42 million

Approx. 61,000 Approx. 29.0million Approx. 4,400

*1: Total users as of the end of June 2023 for the main media and tools in each domain (browser or device base). Based on simple aggregate, without taking into consideration users of multiple media or tools.

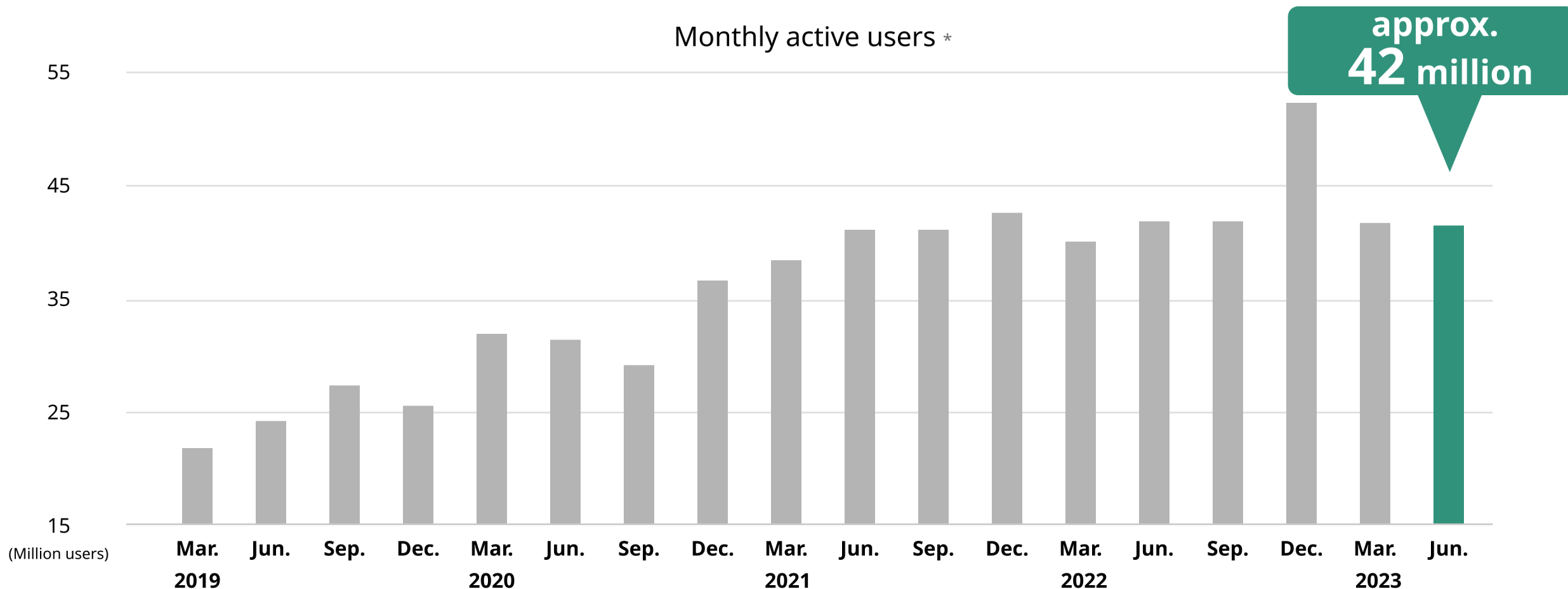
*2: Total as of the end of June 2023 of stores using "Tokubai" (paid and unpaid), stores posting ads and using tools and services to support operations offered by Kufu Sumai Inc., member companies for services provided by HyAS & Co. Inc. Group, and trading partner venues of anymarry Co., Ltd.

*3: Total cumulative apps downloaded as of the end of June 2023 for "Tokubai," "Zaim," "Gokko Land," and "RETRIP."

*4: Total of number of services (incl. housing counseling services "Ietate Sodan Counter") offered over the past one year in home domain (ex. HyAS & Co. Inc. Group,) , and estimate of annual wedding ceremonies produced by anymarry Co., Ltd. as of June 2023.

Group-wide Media Monthly Active Users

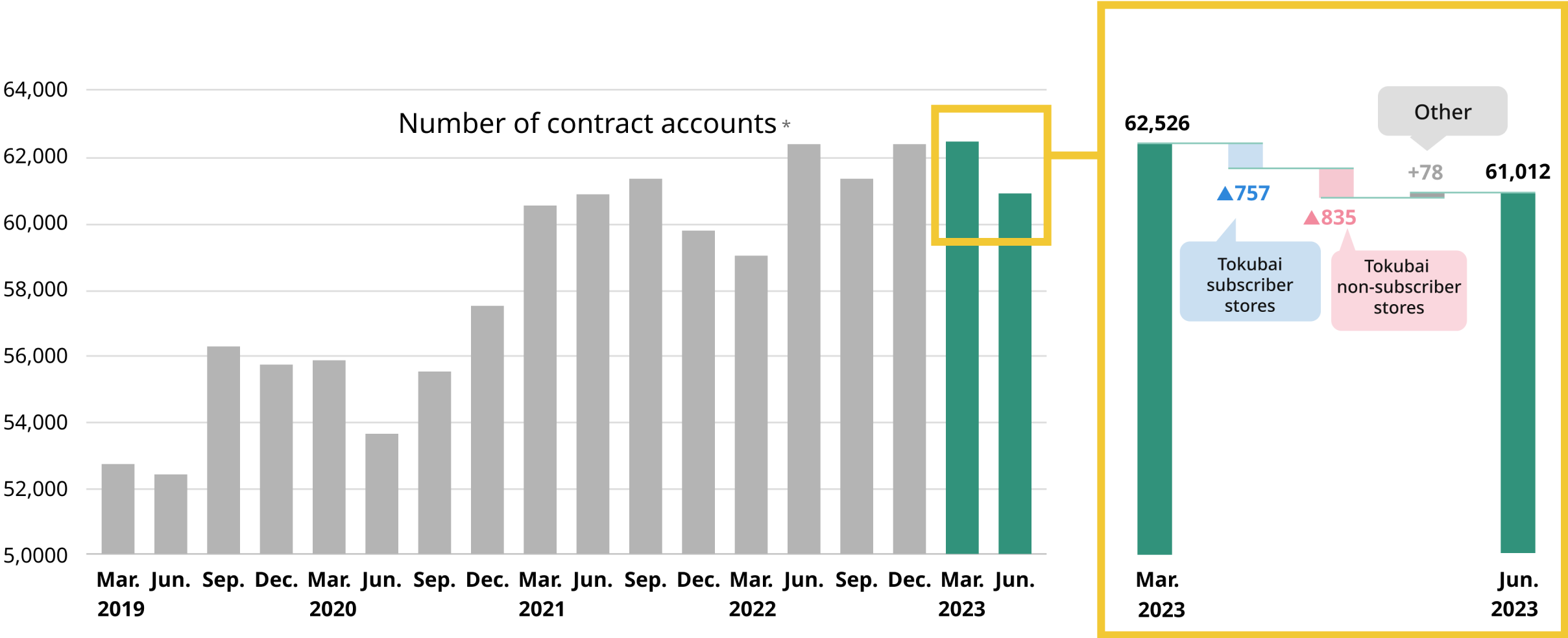
- The number of monthly active users was approximately 42 million on a simple aggregate base at the end of June 2023
- "Kufu Live!" did not recover from the decrease in the number of users due to a change in a search engine algorithm



* Total users for the main media and tools in each of the domains (browser or device base). Users of "RETRIP" have been added up from December 2022.
Based on simple aggregate, without taking into consideration users of multiple media or tools.

Group-wide Contract Accounts

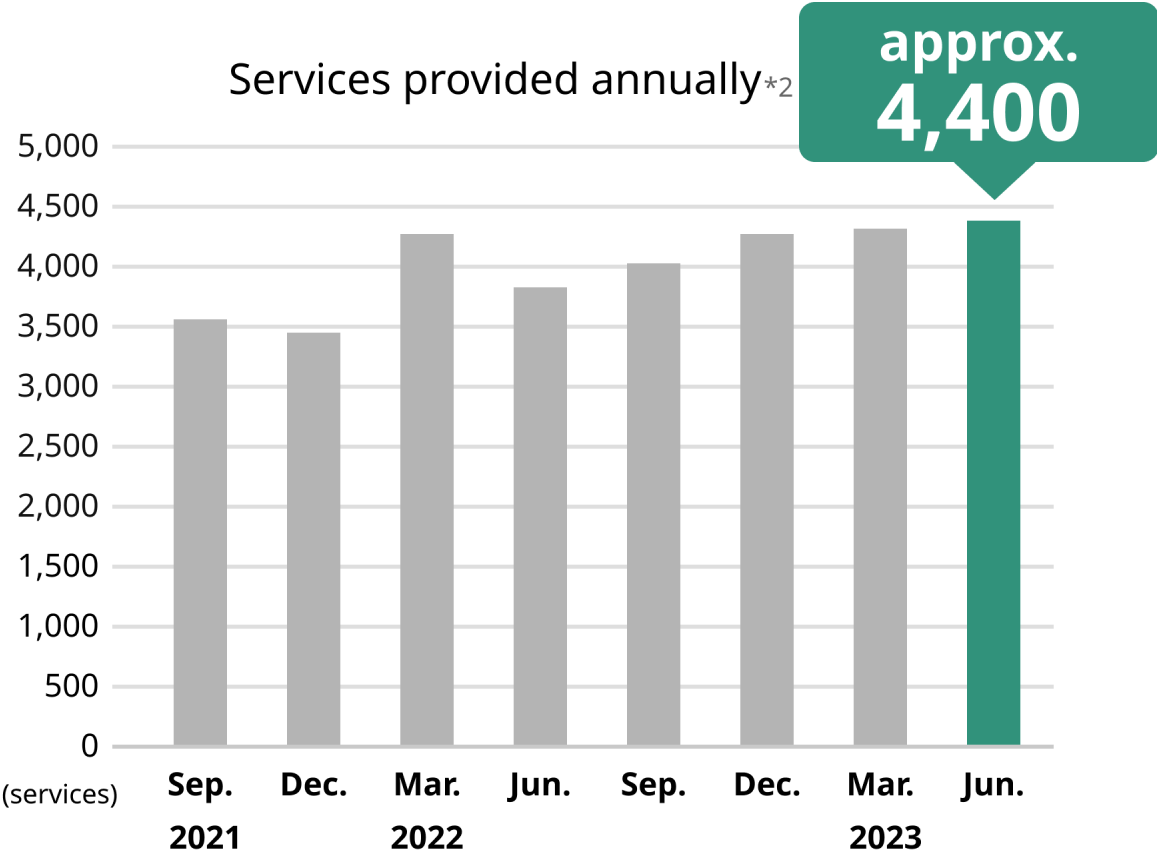
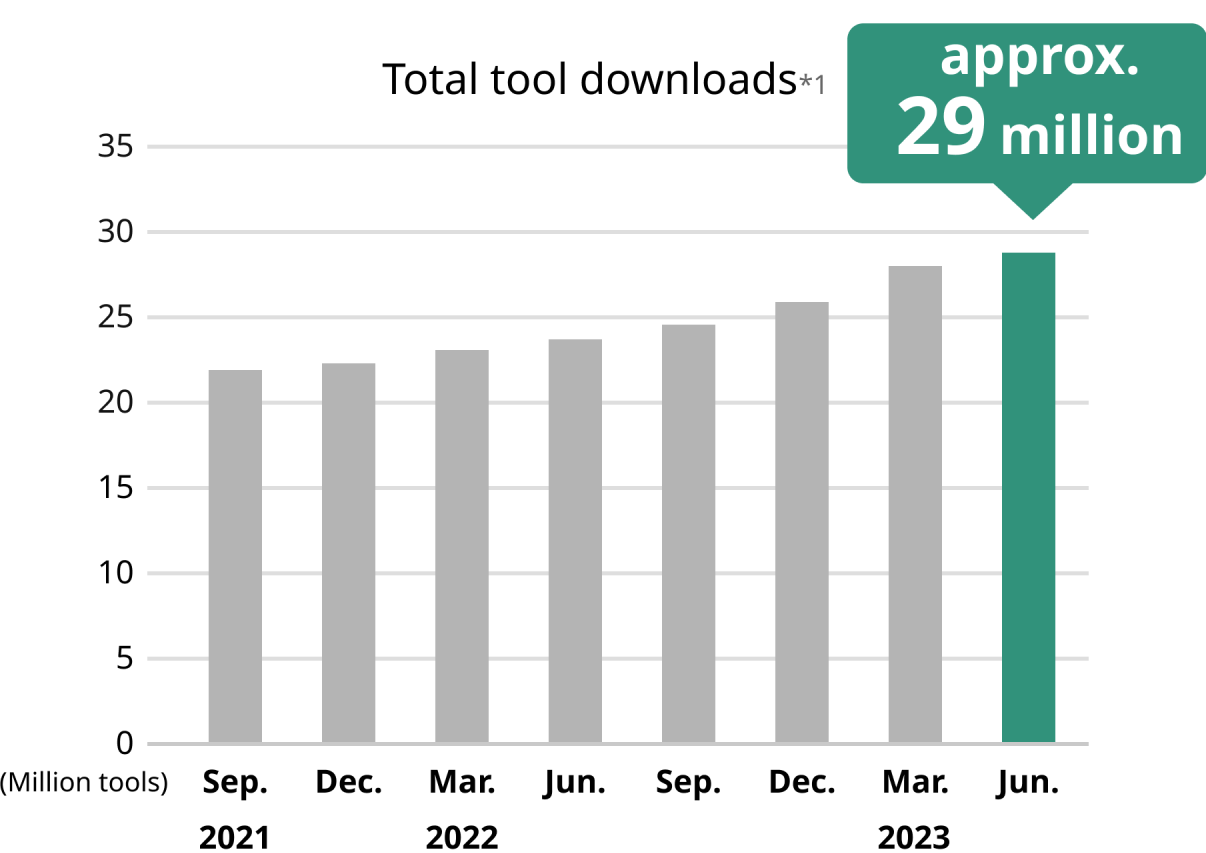
- The number of contract accounts decreased



* Total of stores using "Tokubai" (paid and unpaid; excluding accounts linked with initiatives with approx. 16,000 convenience stores), stores posting ads and using tool services to support operations offered by Kufu Sumai Inc., member companies for services provided by HyAS & Co. Inc. Group (added for OM Solar, Inc. in and after June 2023), and trading partner venues of anymarry Co., Ltd.

Group-wide Tool Downloads and Services Provided Annually くふうカンパニー

- Total tool downloads and services provided annually increased steadily



*1: Total cumulative apps downloaded as of the end of June 2023 for "Tokubai," "Zaim," "Gokko Land," and "RETRIP (in and after March 2023)." Some of the aggregation methods revised in June 2023 (retrospectively corrected for past data).

*2: Total of number of services (incl. housing counseling services "Ietate Sodan Counter") offered over the past one year in home domain (ex. HyAS & Co. Inc. Group,) , and estimate of annual wedding ceremonies produced by anymarry Co., Ltd. at each point in time.

Group EBITDA ^{*1} 10 billion yen ^{*2}

Ratios of main
business segments ^{*3}

50 %

50 %

Daily Life Business

Daily and community life domain



Life Event Business

Marriage domain

Home domain ^{*4}



^{*1}: EBITDA (operating profit + depreciation and amortization)

^{*2}: Target to be achieved through organic growth of each group companies

EBITDA plus costs for stock-related compensation upon the resolution to issue the 8th and the 9th share acquisition rights (stock options with charge)

^{*3}: Ratio of each business segment based on the sum of the Daily Life Business and the Life Event Business.

In September 2022, some of the business segments and domains were revised. The composition ratio was calculated based on the revised amounts.

^{*4}: The home domain includes HyAS & Co. Inc. Group.

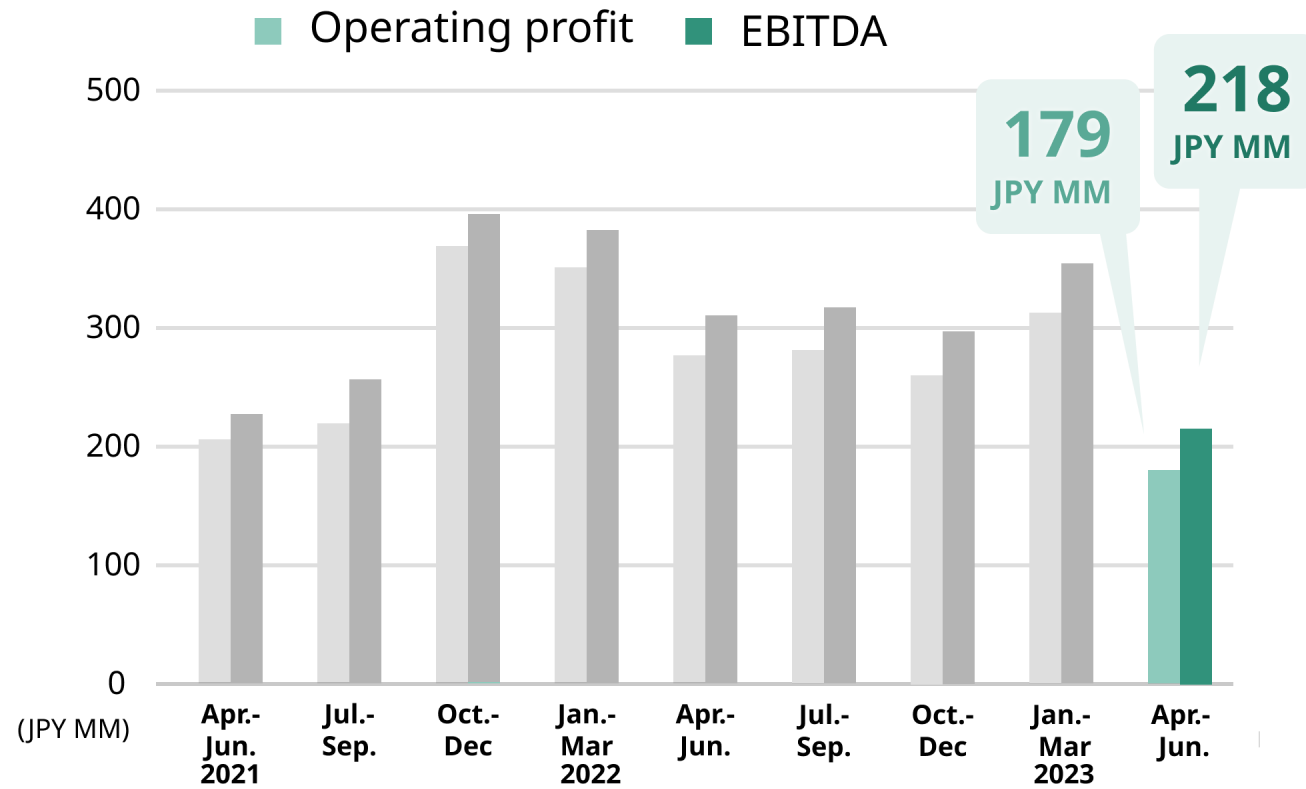
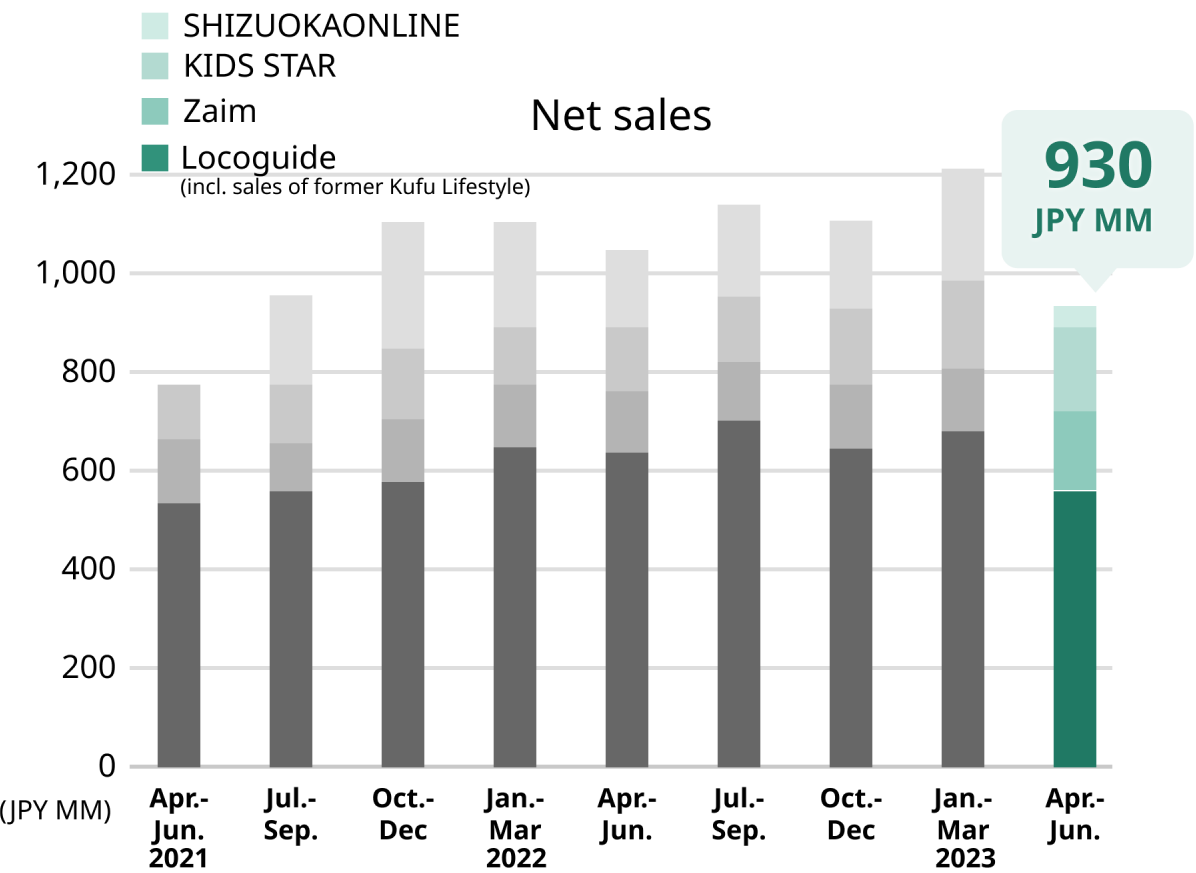
2. Business Overview by Segment

Daily Life Business



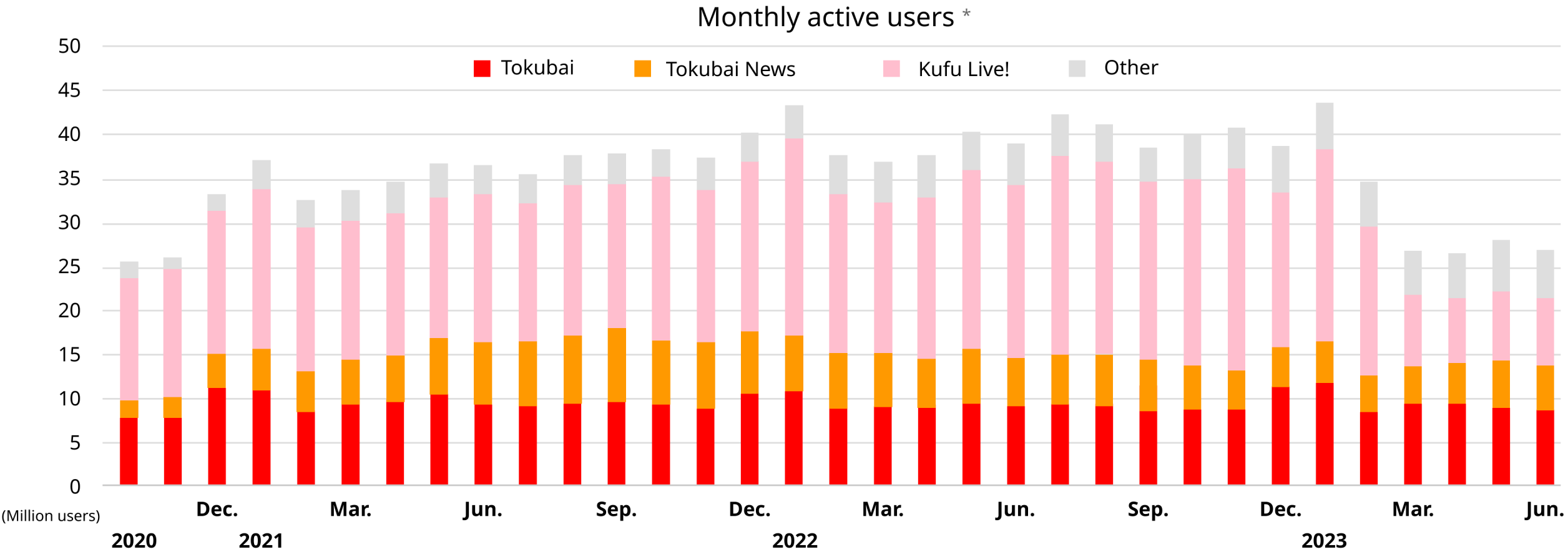
Daily Life Business – Financial Results – Quarterly Trends くふうカンパニー

- Locoguide experienced difficulties in raising prices in the Tokubai business and a decline in advertising sales due to lower media users
- Due to organizational restructuring, Ietate business run by SHIZUOKAONLIN changed its segment to the Life Event Business
- Operating profit declined mainly due to lower sales of Locoguide



Daily and Community Life Domain – Monthly Active Users

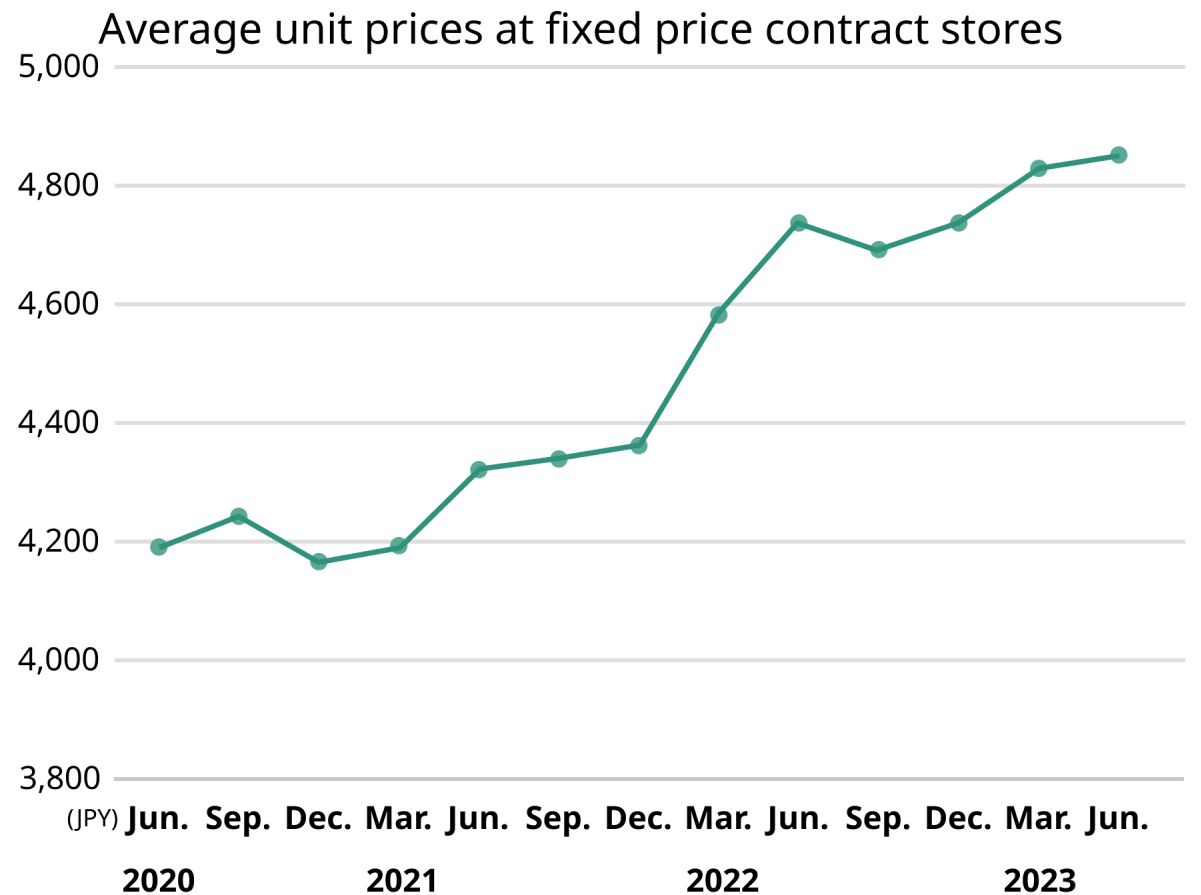
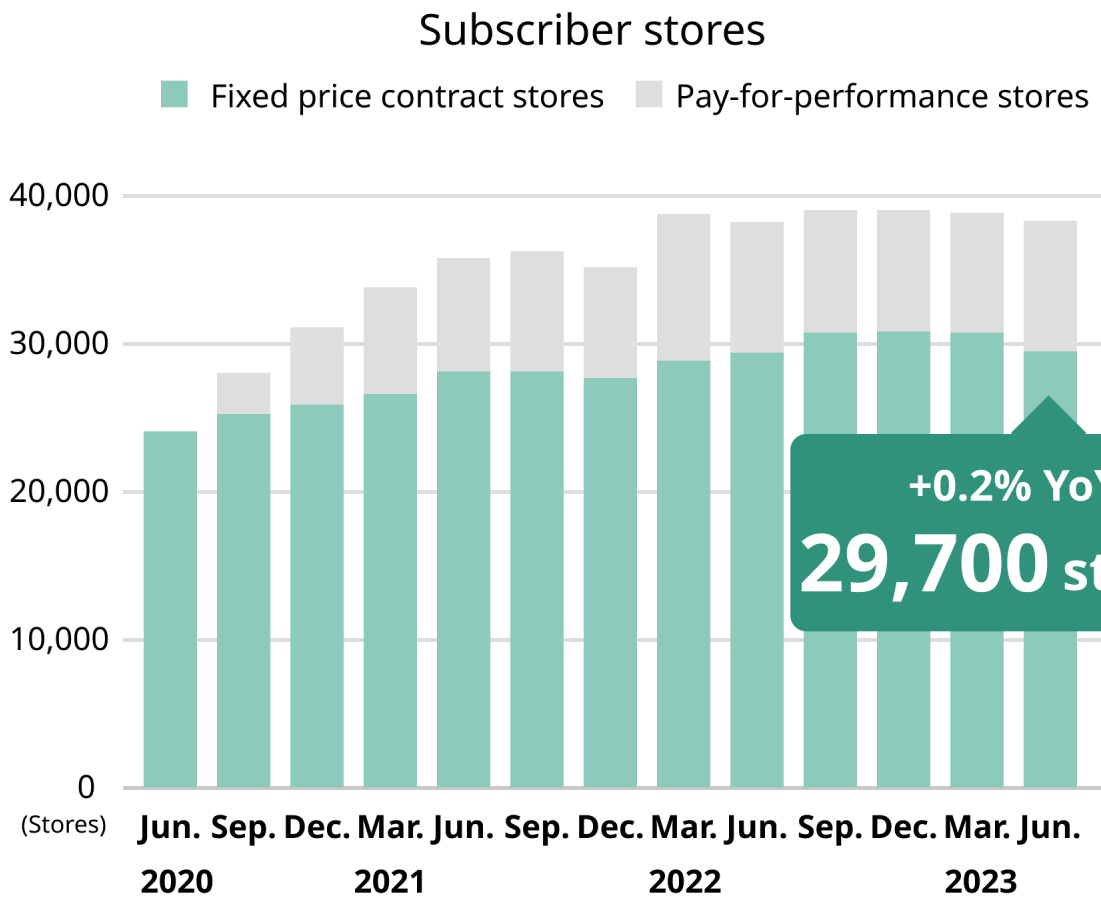
- The inflow of users on “Kufu Live!” decreased partly due to a change in a search engine algorithm



* Total users for the main media and tools in the daily and community life domain (browser or device base). Based on simple aggregate, without taking into consideration users of multiple media or tools. 20

Number of Subscriber Stores for Tokubai Services and Average Unit Price * くふうカンパニー

- As of the end of June 2023, there were 38,366 subscriber stores (Stores with fixed price contracts were up 0.2 % YoY to 29,700)
- The number of stores with fixed price contracts decreased due to the cancellation of some major chain stores



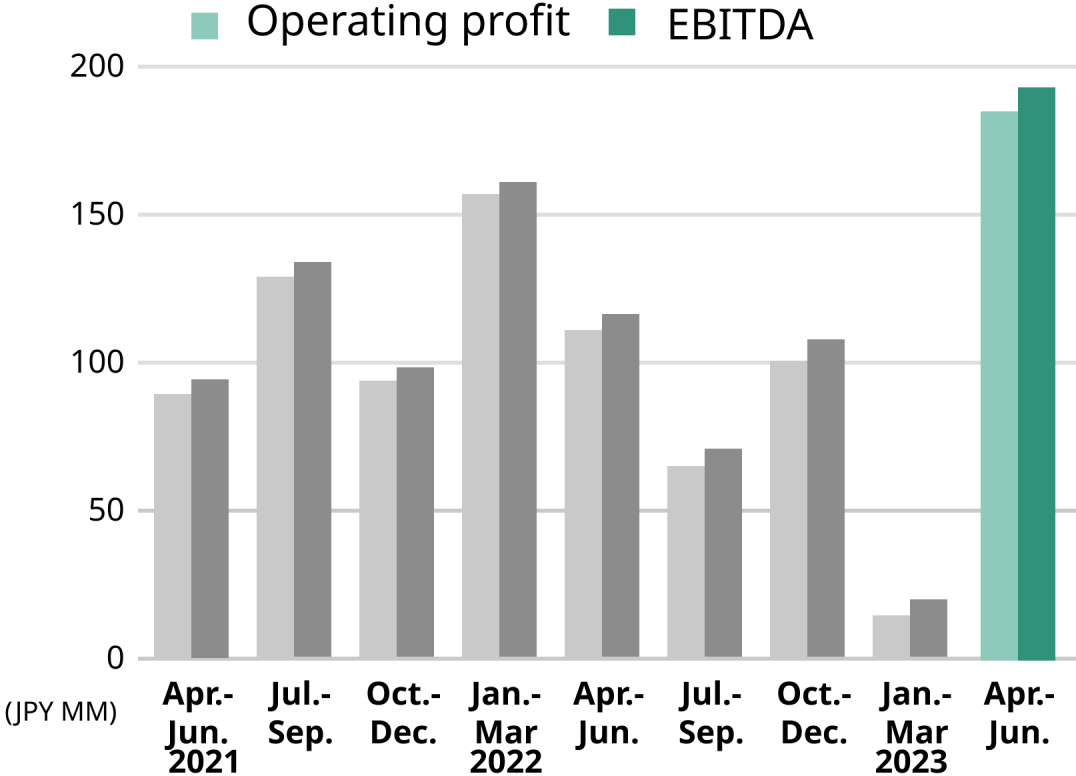
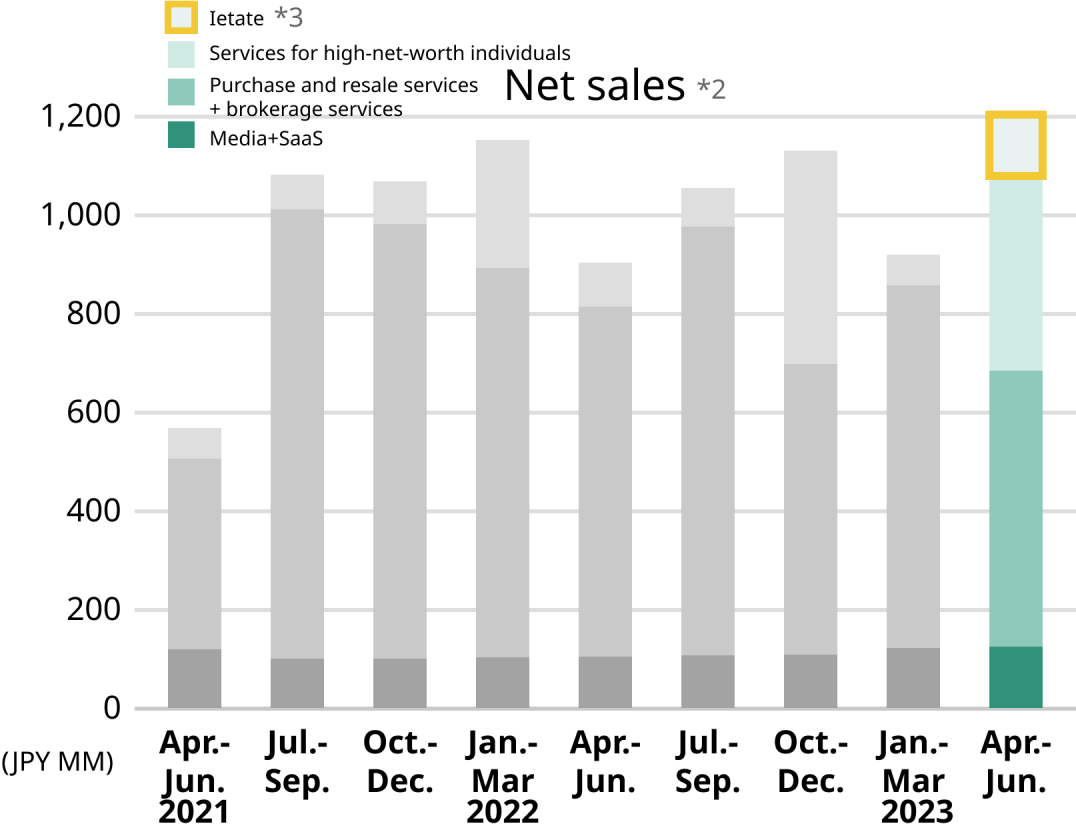
* The number of subscriber stores and the average unit prices do not include the initiative with approximately 16,000 convenience stores.

Life Event Business



Home Domain (Ex. HyAS & Co.) Business – Financial Results *1 – Quarterly Trends くふうカンパニー

- Sales of SaaS tools remained steady, purchase and resale services promoted inventory reduction
- Services for high-net-worth individuals and brokerage services contributed by large-scale spot projects
- On April 1, 2023, Kufu Sumai Inc. took over Ietate business from SHIZUOKAONLINE CO. LTD. and will focus on future business expansion

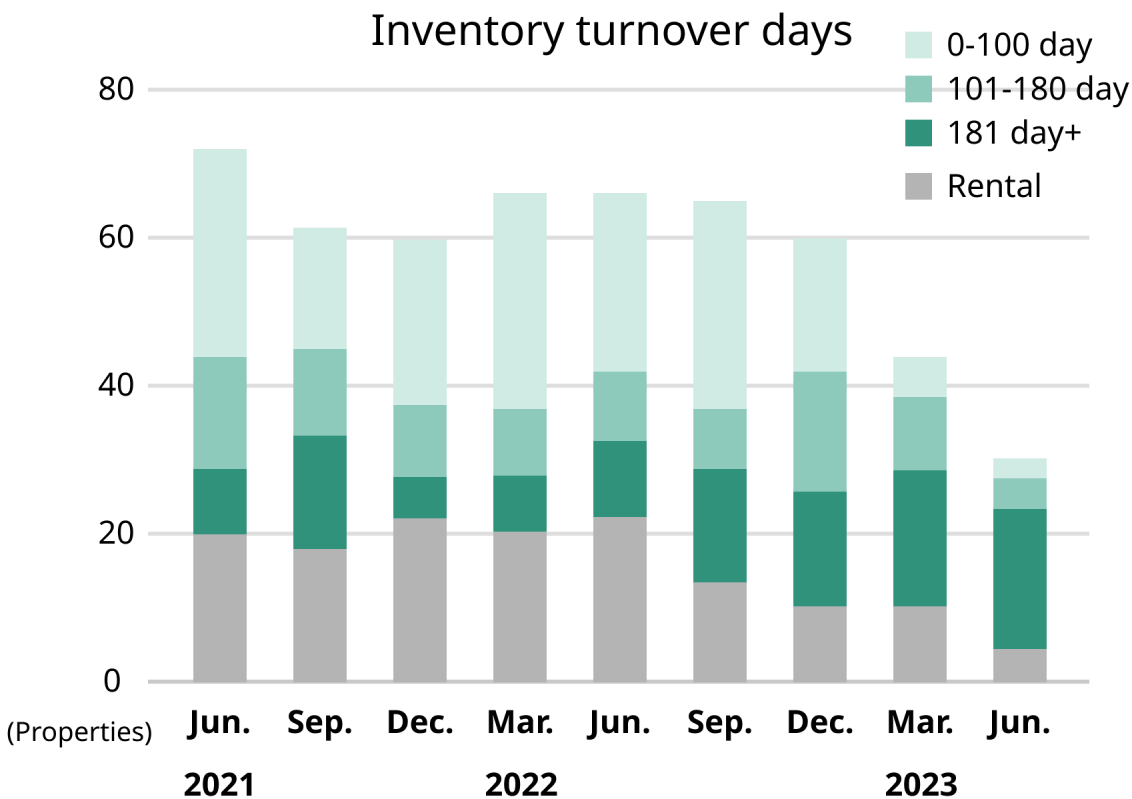
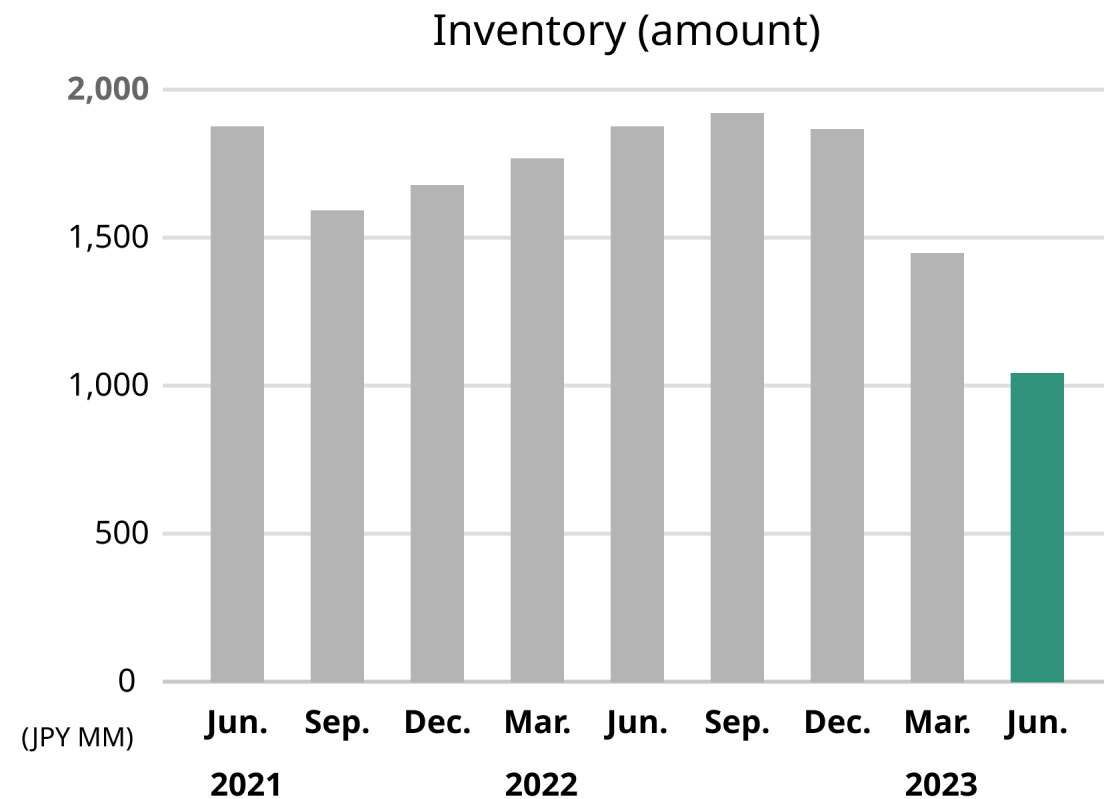


*1: The simple aggregate of Kufu Sumai Inc. and SSI Corporation (includes some intragroup transactions). O-uccino, Inc. and Ouchino Kufu Co., Ltd. were integrated into Kufu Intermediate Holding Company Inc. which was renamed as Kufu Sumai Inc. as of October 1, 2022.

*2: Services for high-net-worth individuals show sales of SSI Corporation, and others show sales of Kufu Sumai Inc. For net sales in September 2022 or before, Media +SaaS represents sales of former O-uccino, Inc. and purchase and resale services + brokerage services represents results of former Ouchino Kufu Co., Ltd.

*3: Local housing information media "Ietate" and housing counseling services "Ietate Sodan Counter" (these businesses were taken over from SHIZUOKAONLINE CO. LTD. to Kufu Sumai Inc. on April 1, 2023)

- Gross margin in the Apr.-Jun. quarter was 3.1% (6.8% in Jan.-Mar.), and inventory turnover (days)* was 204 days as of the end of June (179 days as of the end of March)



* Inventory turnover (days) = Average inventory amount / amount of property sales (ex. amount for rental properties. Amount of property sales were calculated on a pro rata basis for the quarter) 24

Expanding community-based housing information media and services with the succession of the Ietate business

Media

イエタテ

Website

Free magazine



- About 350 builders listed
- Approximately 2,400 examples posted
- Issued four times a year
- Approximately 120,000 copies distributed each time
- Free housing counseling desk and builder referral services
- 6 stores in total in Shizuoka, Aichi, and Yamanashi

Operating websites, free magazines, and housing counseling desk, together with local builders mainly in Shizuoka Prefecture. Aiming for growth by expanding the area based on its high share as a portal of builders in Shizuoka Prefecture.

Services

イエタテ
相談カウンター



Promoting service development using AI (e.g. "AI Property Search Support")



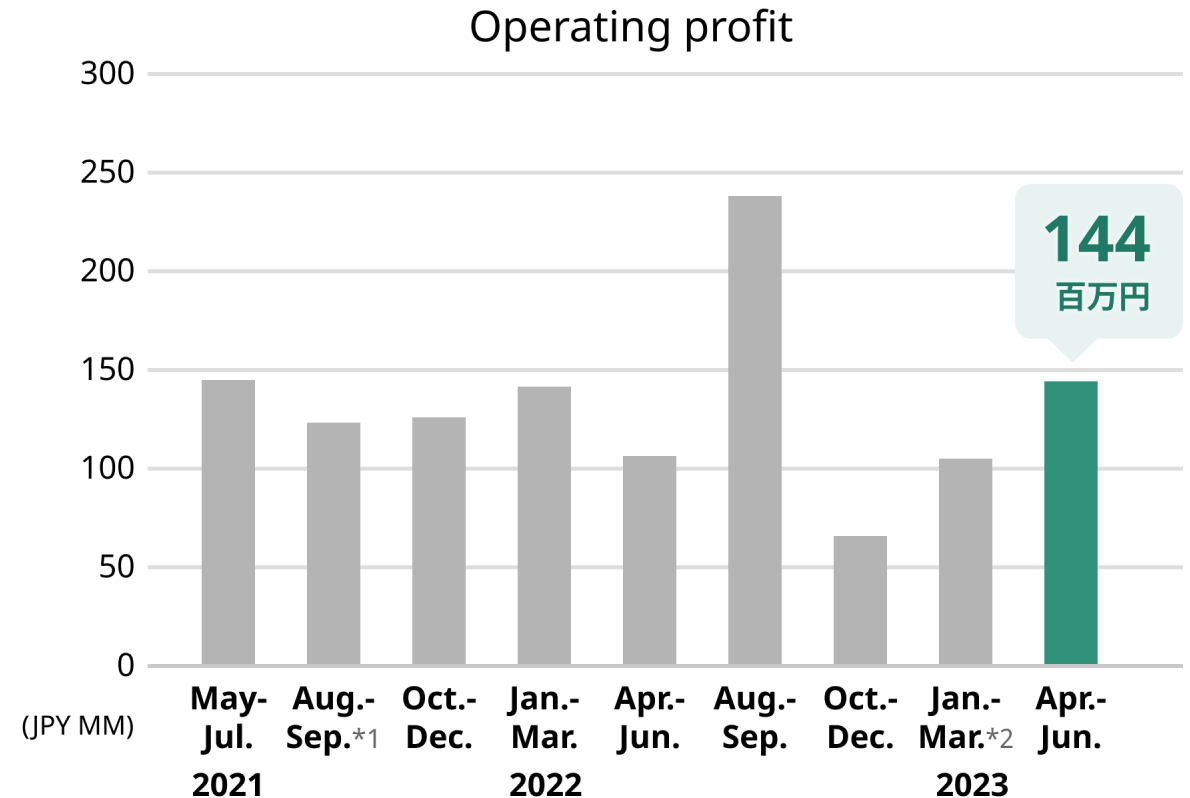
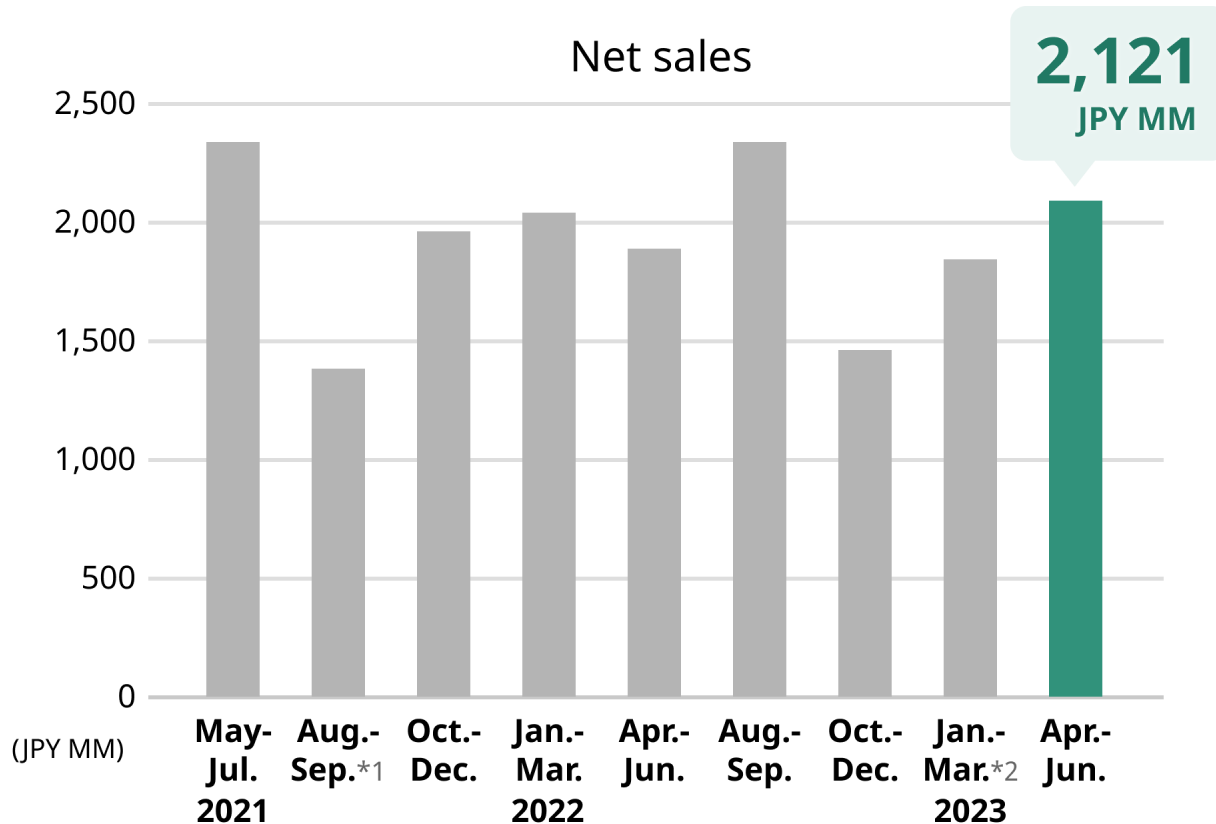
マンションのポイント

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In addition to the property search function, AI is used to explain contents that are difficult for beginners to understand, such as rights and repair reserves.

HyAS & Co. Inc. Consolidated Financial Results – Quarterly Trends くふうカンパニー

- The growth of new orders in “R + house,” a core business of the consulting business, was stagnant.
Promoted “model house construction support” and other activities for member companies
- The construction business is expected to contribute to profits in the fourth quarter when deliveries of houses concentrate



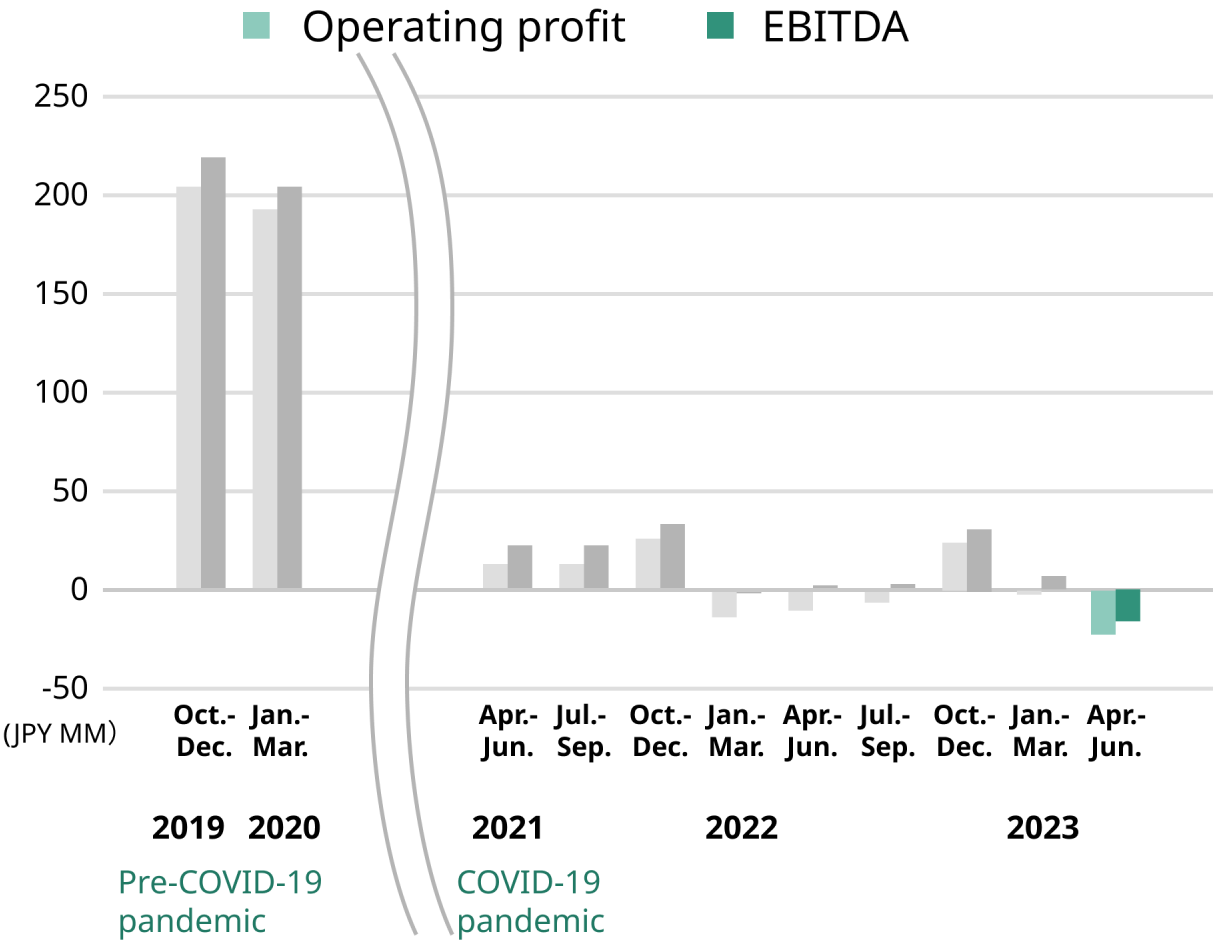
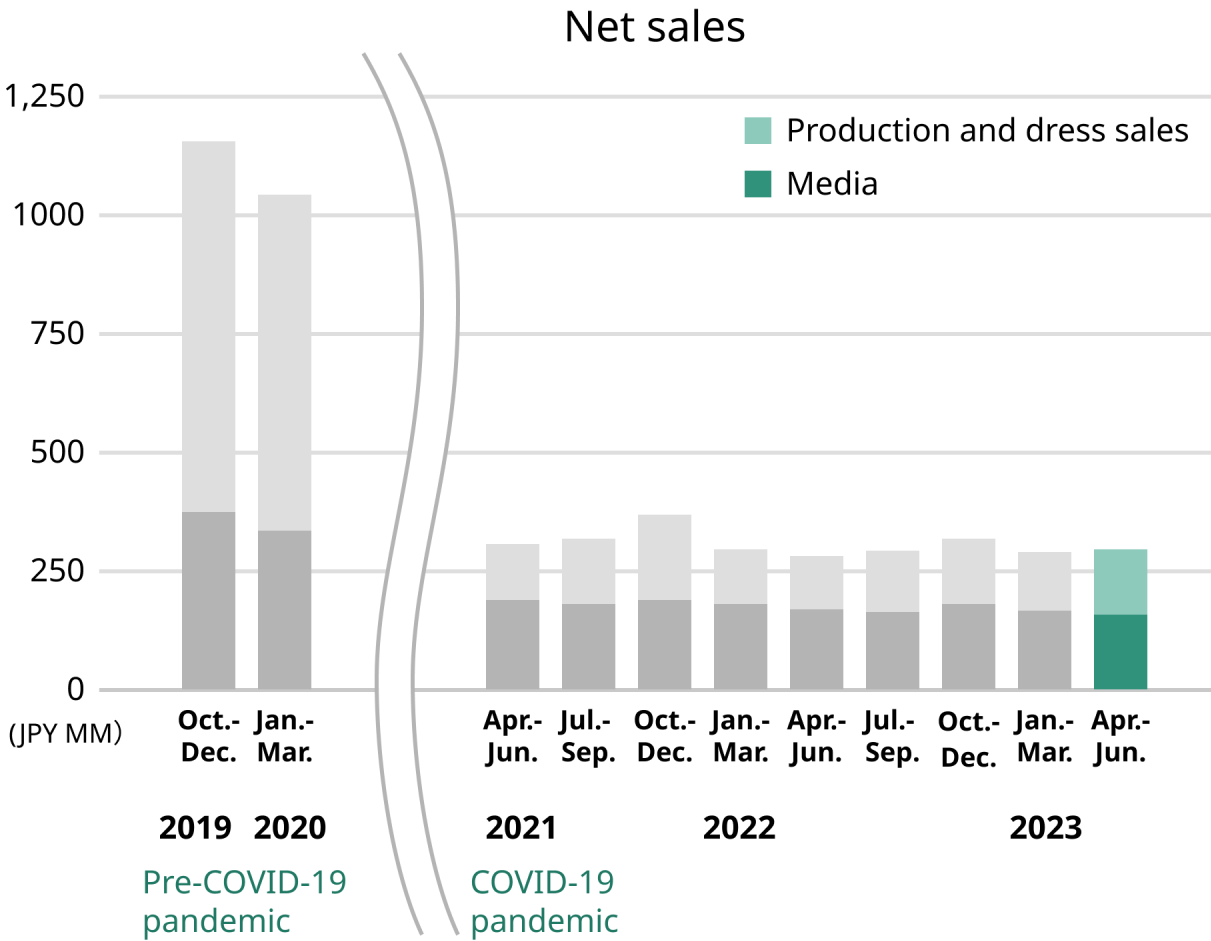
*1: Results for August 1, 2021, to September 30, 2021 (two-month period), owing to irregular accounting period caused by change of accounting period.

*2: Profit (loss) of OM Solar, Inc. was consolidated starting from the Jan.-Mar. quarter

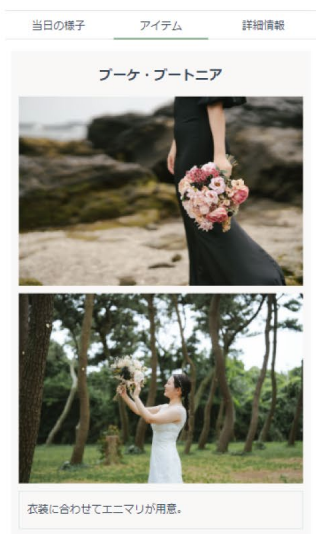
Marriage Domain – Financial Results – Quarterly Trends



- Media business declined due to a decrease in the number of paid advertising venues, resulting in a loss in Apr.-Jun.
- Wedding Producing business showed a recovery trend, and the number of case studies in the media and the use of wedding counseling services increased.



Creating an experience of choosing a wedding based on the cases of newlywed couples



- Expanding contents that introduce the cases of newlywed couples (concept, cost, items, etc.) with photos and stories
- Cases introduced increased from 3,600 in March to 5,000 in June

Released a special web page on experiential photo weddings that combine original ceremonies and dinner parties



- Proposing an experiential photo wedding plan as one of the low-cost wedding choices
- Along with the release of the special web page, experiential photo wedding services proposed by our exclusive planner released

Important notes

This document contains forward-looking statements. These forward-looking statements are based only on the information made available to Kufu Company as of the date this document was prepared. These statements are not guarantees of future results and involve risks and uncertainties. Accordingly, the actual results may differ materially from those projected herein depending on operating environment and other factors.

Actual results could be affected by, but are not limited to, domestic and international economic conditions and industry trends surrounding Kufu Company.

Kufu Company undertakes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

Information that is not related to Kufu Company is derived from publicly available information. Accordingly, Kufu Company does not verify nor guarantee the accuracy, completeness and correctness of such information.

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