

TSUKURUBA

TSE Growth: 2978

Financial Results FY2023

September 14, 2023

FY2023

August 1, 2022 to July 31, 2023

Agenda

- 1. Financial Highlights**
- 2. Financial Results for FY2023 Q4**
- 3. Financial Results for FY2023**
- 4. Forecast for FY2024**
- 5. Investment Highlights**

1. Financial Highlights

Financial Highlights

In Q4, we recorded all-time highs in both revenue and gross profit, returning to profitability. For FY2023, we exceeded the annual forecast. In 2024, we will focus on the sustained generation and growth of profit via company-wide productivity improvements.

Financial Results FY2023 Q4 (May 2023-Jul. 2023)

Non-consolidated*¹

• All-time highs in revenue and gross profit, returning to profitability

Revenue	JPY 1,486 million (+ 78 % YoY)
Gross Profit	JPY 725 million (+ 25 % YoY)
Operating Profit	JPY 69 million (+ 174 million YoY)

Financial Results FY2023 (Aug. 2022-Jul. 2023)

Non-consolidated*¹

• Revised the annual forecast upward to finish above initial expectations

Revenue	JPY 4,152 million (+ 50 % YoY, + 4 % vs. forecast)
Gross Profit	JPY 2,522 million (+ 37 % YoY, + 1 % vs. forecast)
Operating Profit	JPY -132 million (+ 641 million YoY, + 88 million vs. forecast)

Forecast FY2024 (Aug. 2023-Jul. 2024)

Consolidated*²

• Focus on profit generation via company-wide productivity improvements

Revenue	JPY 5,200 million (+ 25 % YoY* ¹ , + 35 % adjusted YoY* ^{1,3})
Gross Profit	JPY 2,800-3,000 million (+ 11-19 % YoY* ¹ , + 15-23 % adj. YoY* ^{1,3})
Operating Profit	JPY 150 million (+ 282 million YoY* ¹)

*¹ Non-consolidated basis prior to FY2023

*² Transitioning to consolidated basis as of FY2024

*³ With the decision to sell our Property Planning & Design (PPD) business to Mr. Masahiro Nakamura, announced on September 14, 2023 and effective November 1, 2023, “adjusted YoY” shows the growth rate of just the cowcamo segment

2. Financial Results for FY2023 Q4

Company-wide | FY2023 Q4 - Quarterly Financial Summary

Continued topline growth by contribution from the cowcamo business, as well as the strengthening of cost management that started in February 2022, have resulted in a return to profitability.

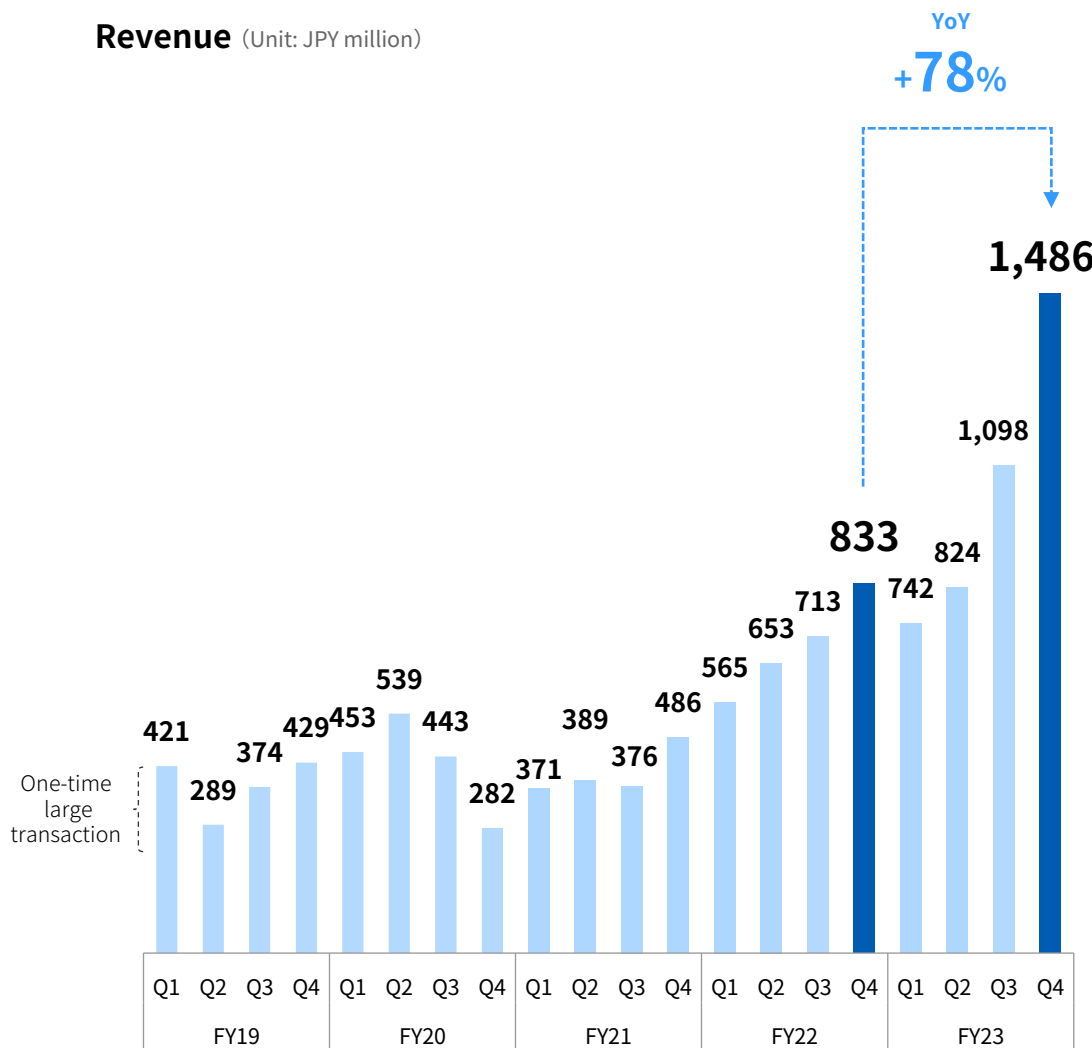
	FY2023 Q4 (2023/5-2023/7)	FY2022 Q4 (2022/5-2022/7)	YoY
Revenue	1,486	833	+78%
Gross Profit	725	579	+25%
Operating Profit	69	-104	+174
Ordinary Profit	64	-111	+176
Net Profit	54	-113	+167

(Unit: JPY million)

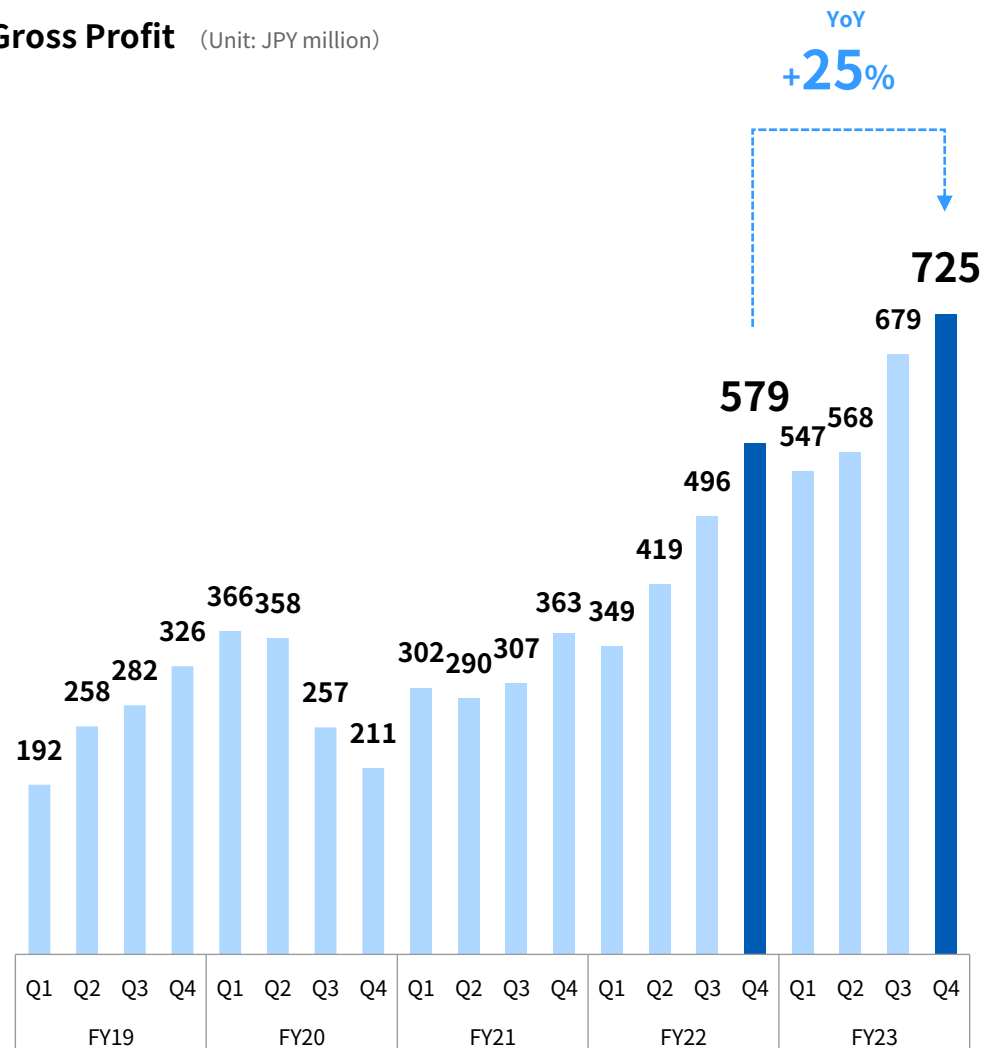
Company-wide | Revenue and Gross Profit

Both revenue and gross profit continue to increase steadily, recording all-time highs.

Revenue (Unit: JPY million)



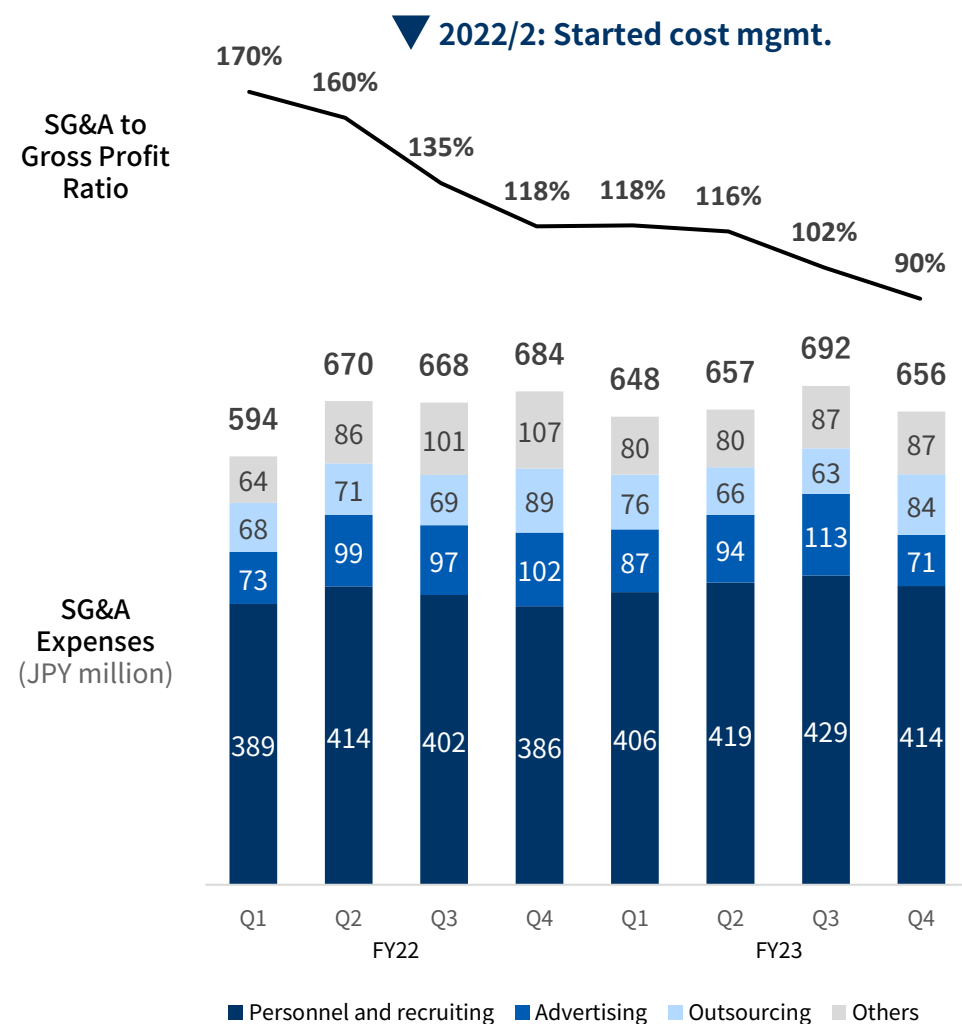
Gross Profit (Unit: JPY million)



Company-wide | SG&A Expenses and Gross Profit SG&A Ratio

Our SG&A to gross profit ratio has steadily decreased as a direct outcome of the emphasis on cost management. Going forward, we will place emphasis on productivity improvements of sales and marketing activities.

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



Status of Cost Management

Personnel and recruiting expenses

- Continue to expand sales force to facilitate increased transactions (directly contributing to gross profit), while undertaking productivity improvements
- Streamline hiring and personnel allocation in corporate functions

Advertising expenses

- Continue to adjust advertising expenses with consideration of the projected seasonality, while carefully evaluating the ROI for possible improvements

Outsourcing expenses

- Reduce external payments by focusing on enhancing internal operational efficiency and optimizing personnel allocation
- Expect a limited increase in the contractor and outsourcing expenses going forward, as a more cost-effective alternative to our current corporate structure

Others

- Continue to carefully monitor expenses to reduce company-wide SG&A
- Expect some increase in sales-related expenses to facilitate a greater number of transactions

Segments | FY2023 Q4 – Quarterly Financial Summary by Business Segment

Overall company growth was buoyed by a strong performance in our core business, the cowcamo segment.

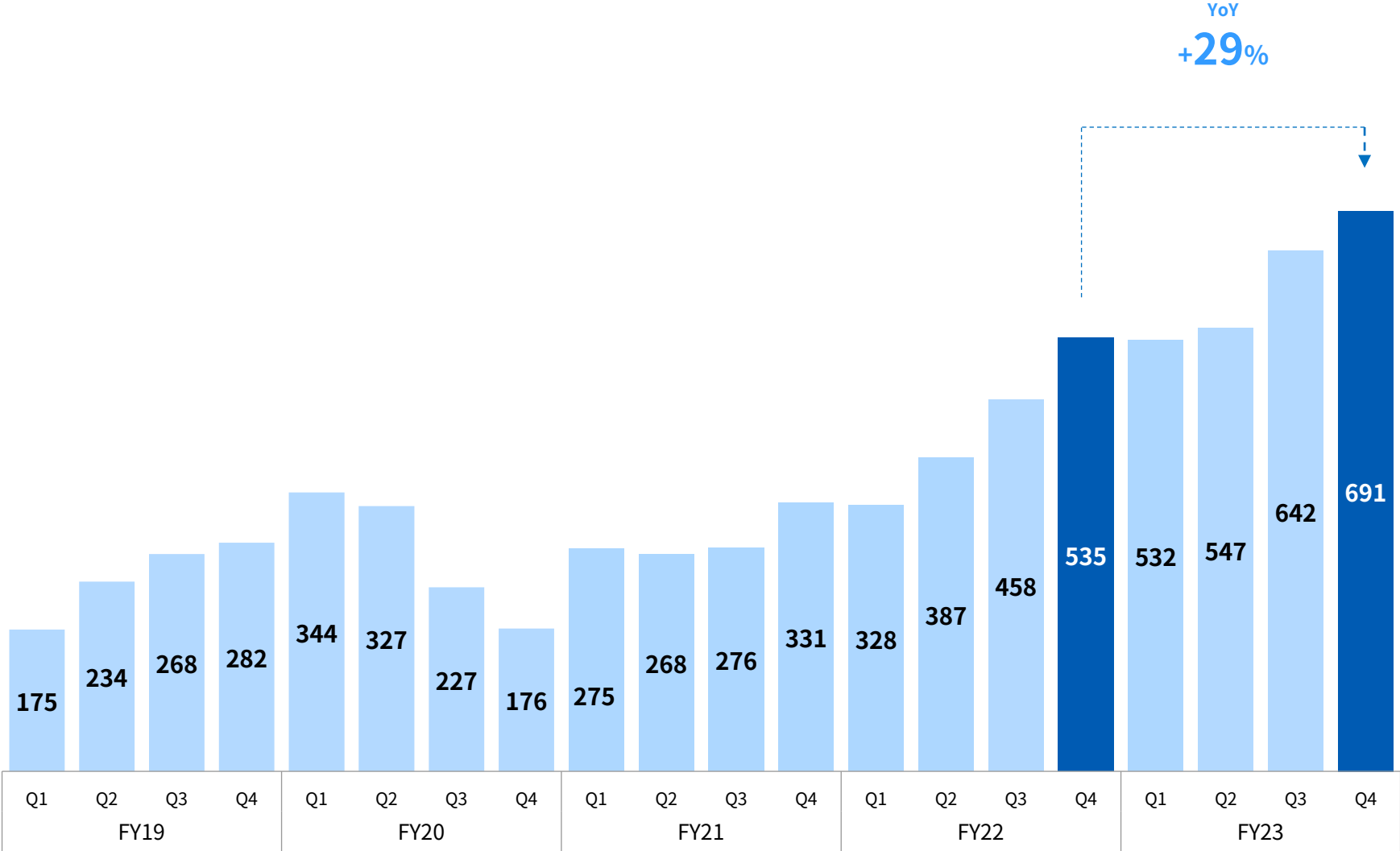
(Unit: JPY million)

		FY2023 Q4 (2023/5-2023/7)	FY2022 Q4 (2022/5-2022/7)	YoY
cowcamo	Revenue	1,399	724	+93%
	Gross Profit	691	535	+29%
	Segment Profit *	260	84	+209%
PPD	Revenue	87	108	-20%
	Gross Profit	34	44	-24%
	Segment Profit *	16	26	-38%
Others	Corporate Expense *	-207	-215	-

* In order to more accurately represent our financial results by segment, we conducted a review of corporate allocation (“new policy”) in Q2. The segment profit figures on this page, including those from prior accounting periods, have been calculated based on the new policy.

cowcamo | Gross Profit

Gross profit of the cowcamo segment has increased steadily at +29% YoY with expansion on both the seller and buyer side.

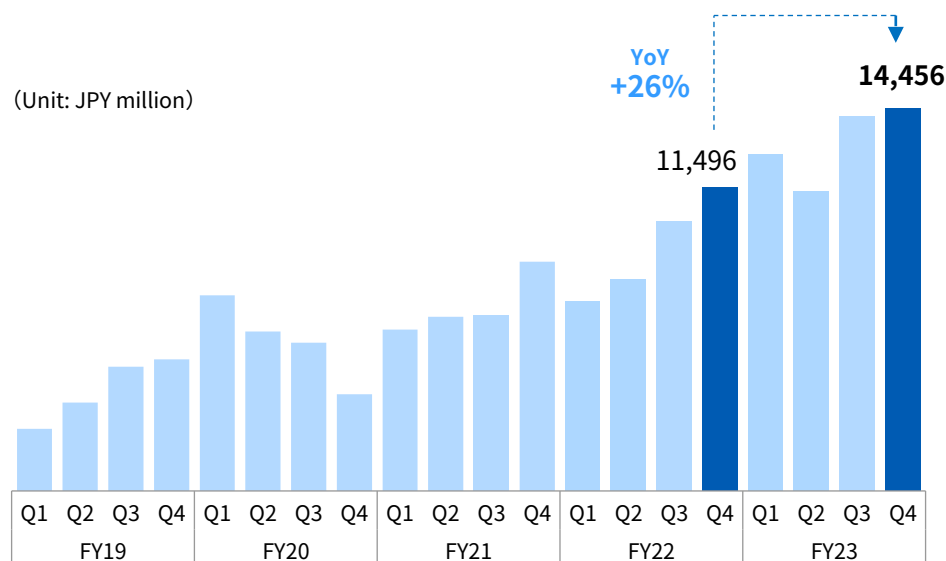


(Unit: JPY million)

cowcamo | GMV and Take Rate

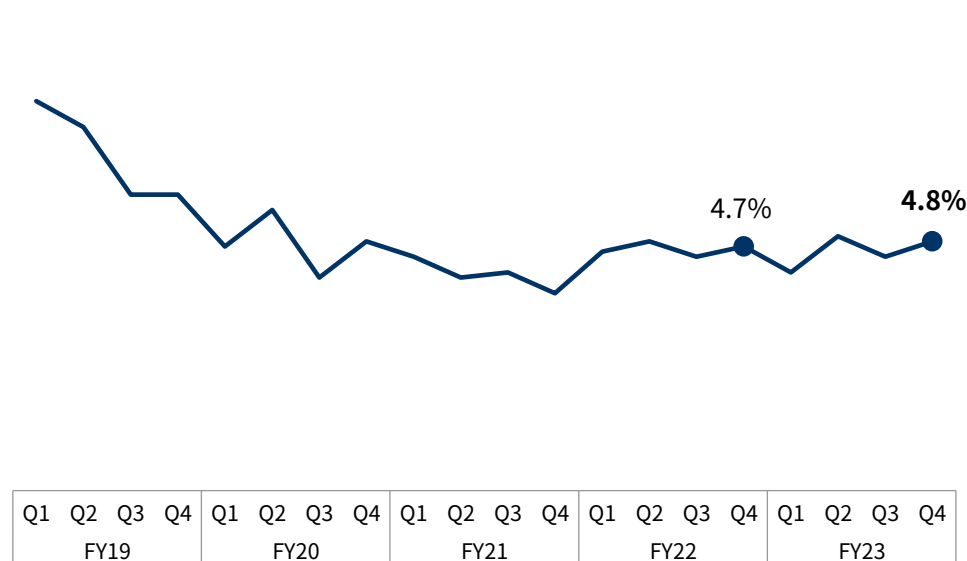
GMV has continued to increase steadily, recording an all-time high in Q4, while take rate has shown a small increase YoY. Gross profit growth will continue to be driven by GMV expansion, while we aim to improve profitability through “structural take rate improvement” measures (P16) in the mid to long-term.

GMV [Payment basis] ^{*1}



- In the early going of 2023, the number of transactions market-wide had been on a decline, but demand showed a slight uptick in Q4, as Japan officially entered the post-pandemic phase. Meanwhile, transactions through the cowcamo platform has continued to increase above the market rate, with GMV growing at +26% YoY
- In Q4, the largest contribution to GMV came from the buyer side, as well as increased sales of in-house planned products

Take Rate ^{*2}



- There were no major changes in the market supply-demand environment to influence the take rate, which has shown a small increase YoY
- In Q4, strong sales of ancillary services for buyers, namely renovation services, as well as increased portion of sales where cowcamo acted as the broker to both the buyer and the seller, contributed positively to take rate
- We will continue to promote efforts to structurally improve our take rate, but do not expect significant changes in the short-term

^{*1} GMV: Gross Merchandise Value is the sum of the prices of all products and services traded on the cowcamo platform, including properties and renovation services

^{*2} Take Rate: The commission rate charged on GMV, calculated by dividing the gross profit of cowcamo (payment basis) by GMV

Reference | Quarterly Financial Results and Business KPIs

	Old Policy ^{*1}								New Policy ^{*1}							
	FY20				FY21				FY22				FY23			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
(Unit: JPY million)																
Revenue	453	539	443	282	371	389	376	486	565	653	713	833	742	824	1,098	1,486
Gross Profit	366	358	257	211	302	290	307	363	349	419	496	579	547	568	679	725
cowcamo	344	327	227	176	275	268	276	331	328	387	458	535	532	547	642	691
PPD	22	30	30	34	26	21	30	32	20	31	37	44	15	21	37	34
Operating Expense ^{*1}	341	346	327	328	348	363	426	485	594	670	668	684	648	657	692	656
cowcamo	203	193	196	198	223	261	298	335	379	448	447	450	442	442	470	430
PPD	17	14	16	15	24	21	19	25	20	18	16	18	18	14	19	17
Corporate	120	138	114	114	99	80	107	124	193	203	205	215	188	201	202	207
Operating Profit	24	11	-69	-117	-45	-72	-118	-121	-244	-251	-172	-104	-100	-89	-12	69

Business KPI																	
GMV ^{*2}	(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	11,518	15,257	13,358
GMV ^{*3}	(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	11,333	14,169	14,456
Take Rate ^{*2}	(%)	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	4.8	4.2	4.6
Take Rate ^{*3}	(%)	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	4.9	4.5	4.8
No. of Transactions ^{*2}		123	121	95	93	130	118	166	159	180	179	225	214	216	239	273	258

^{*1} In order to more accurately represent our financial results by segment, we conducted a review of corporate allocation ("new policy") in Q2. Operating expense figures before FY21 are calculated based on the previously disclosed figures ("old policy"), while figures after FY22 are calculated based on the new policy.

^{*2} Contract basis | ^{*3} Payment basis

Key initiatives in FY2023 Q4

In accordance with our business policy announced at the beginning of FY2023*, we implemented measures to ensure continued growth of the cowcamo business and improve our operational deficit. In particular, “expansion of GMV on both seller/buyer side” and “strengthening of cost management” yielded remarkable results.

A

Expand GMV on both seller/buyer side

Expansion of GMV on both seller and buyer side was our highest priority for FY2023 with steady progress through Q4

- Buyer side: Steady progress in expansion of sales force (A1) and sale of ancillary services (A2)
- Seller side: Continued focus on sale of brokered properties (A3)

B

Promote “structural take rate improvement”

Continue to steadily drive initiatives for take rate contribution in the mid to long-term

- On the buyer side, expansion and renewed focus on the sale of ancillary services contributed positively to take rate. We will look to capture further upside by improving our margin and sales ratio
- Sales of in-house planned products increased in Q4, in line with initial expectations. We will make future expansion decisions with consideration of the market environment and financial terms
- On the seller side, we are currently prioritizing the expansion of GMV through focus on sale of brokered properties. As such, we are not expecting a short-term contribution to take rate, for example by prioritizing the sale of said properties to cowcamo buyers

C

Strengthen cost management (including cash management)

Company-wide efficiency initiatives through FY2023. Focus on productivity going forward (P7)

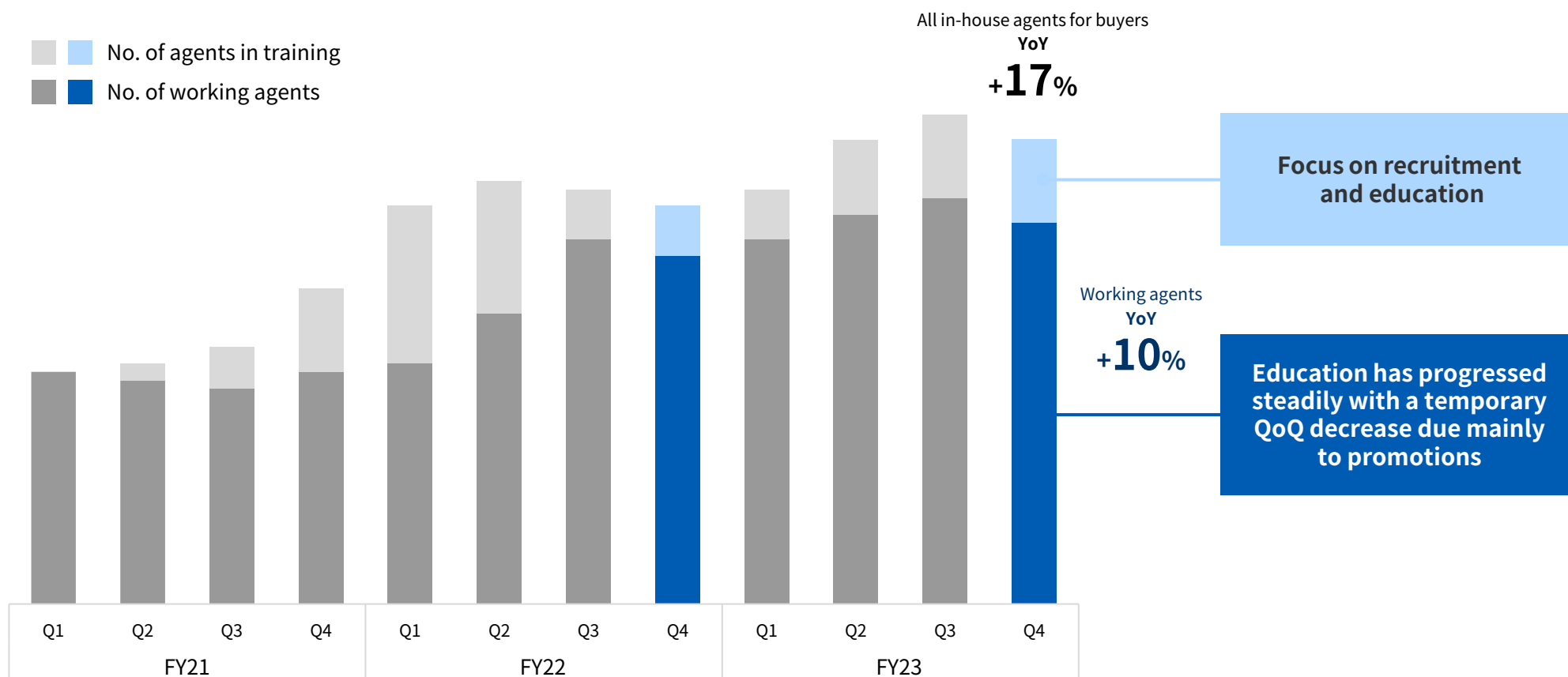
- We achieved steady progress in reducing outsourcing expenses in FY2023. For personnel and advertising expenses that directly contribute to business expansion, we will continue to make investment decisions with careful consideration of their returns
- At the same time, we are strengthening management of cash and investments, including allocation of budgets for the in-house planned products business, as well as for future growth initiatives

* The above items (A-C) correspond to the policy outlined 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

cowcamo | A1. Expansion of sales force (buyer side)

The number of in-house working agents* at the end of July 2023 increased +10% YoY, directly contributing to GMV growth through an increase in the number of transactions. On a QoQ basis, the number decreased due to managerial promotions and internal movements. We will continue to place emphasis on recruitment and education as we expand our sales force.

Number of in-house agents (at quarter-end)

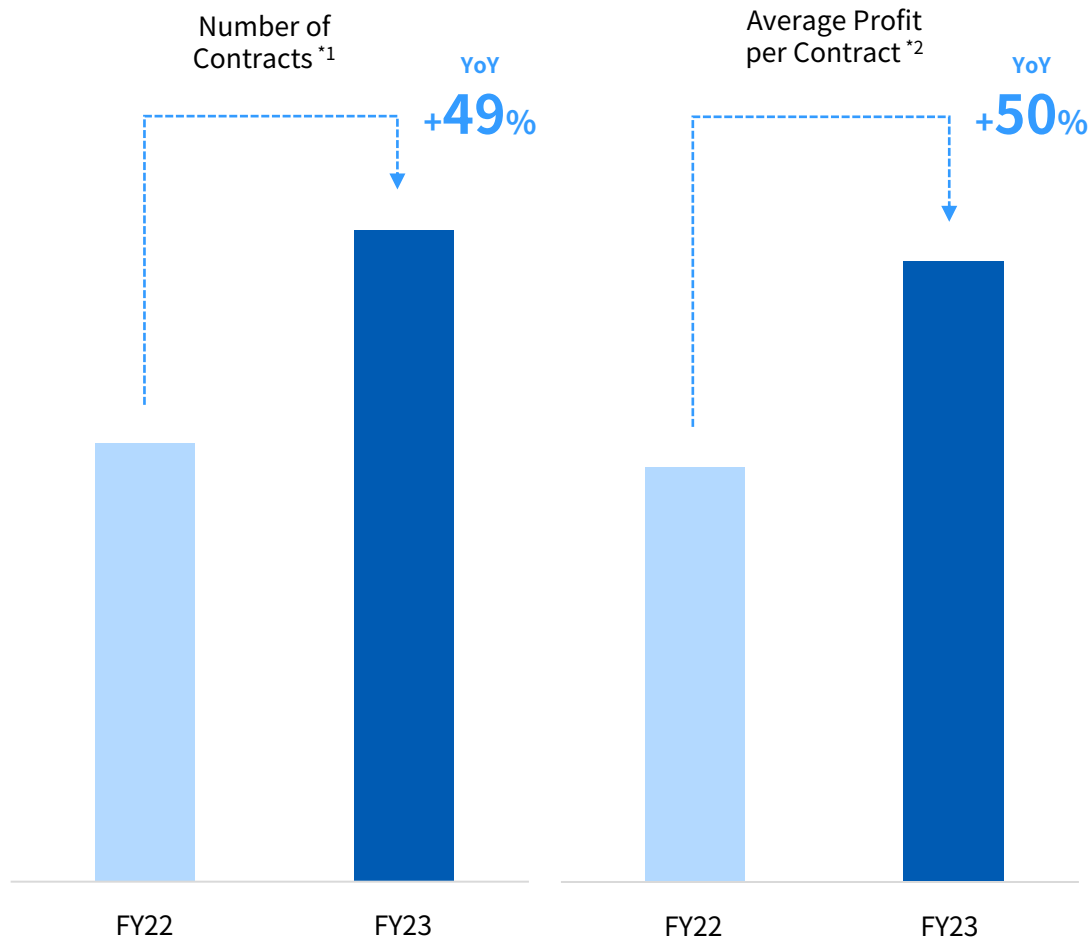


* The term "in-house agent" refers to a full-time employee of TSUKURUBA engaging in brokerage sales. The number of agents on this page reflects those serving cowcamo buyers

cowcamo | A2. Sale of ancillary services (buyer side)

Renewed focus on the sale of LifeCatalog, our fixed price renovation package, has resulted in an increase of both the number of contracts, as well as the average profit per contract. We will continue to expand our product offering, as well as strengthen sales efforts.

Breakdown of Profit from Renovation Services



*1 Payment basis

*2 Average gross profit per contract (payment basis)

Reference | Fixed Price Renovation Package

In 2022, we started offering fixed price packages for full and partial renovation. Sales have steadily increased, as the design and price are fixed by package, making it easy for users to choose based on their taste and budget. In April 2023, we launched a new design called “Mahoroba.”

Fixed Price Renovation Package “LifeCatalog”



Hotel Days (ホテルデイズ)



in Nature (イン ネイチャー)



Doan.touan (ダウンドットタウン)



Mahoroba (マホロバ)



Atelier Kitchen (アトリエキッチン)



Cats! Cats! Cats! (キャッツキャッツキャッツ)

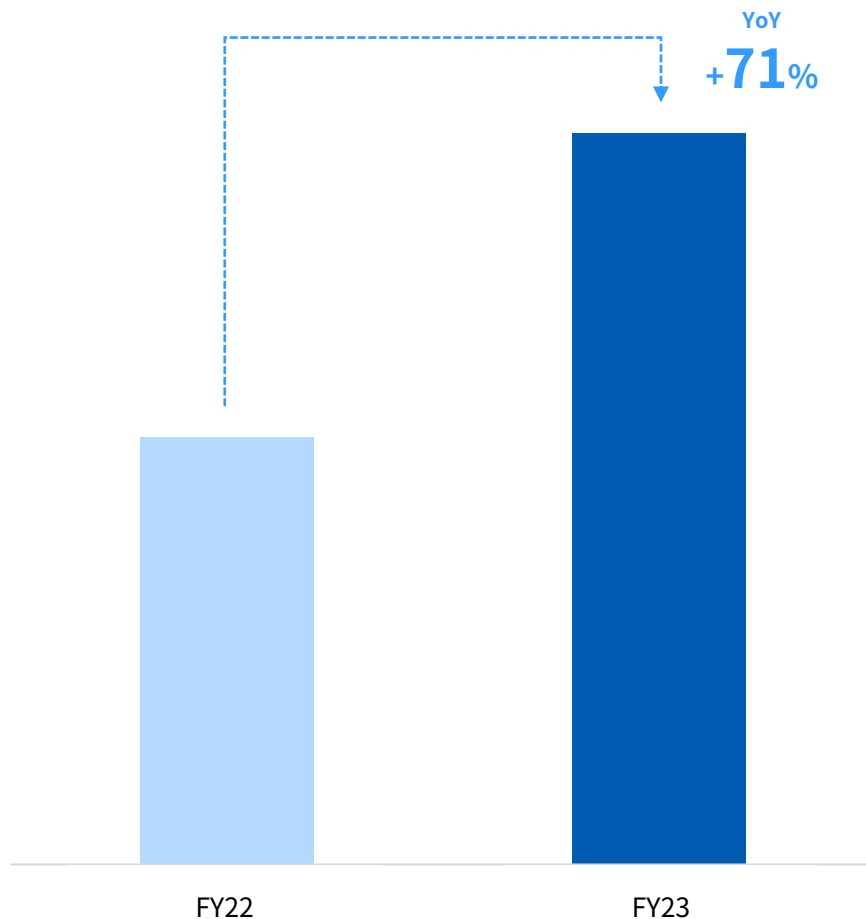


SIMPLE.+ (シンプルプラス)

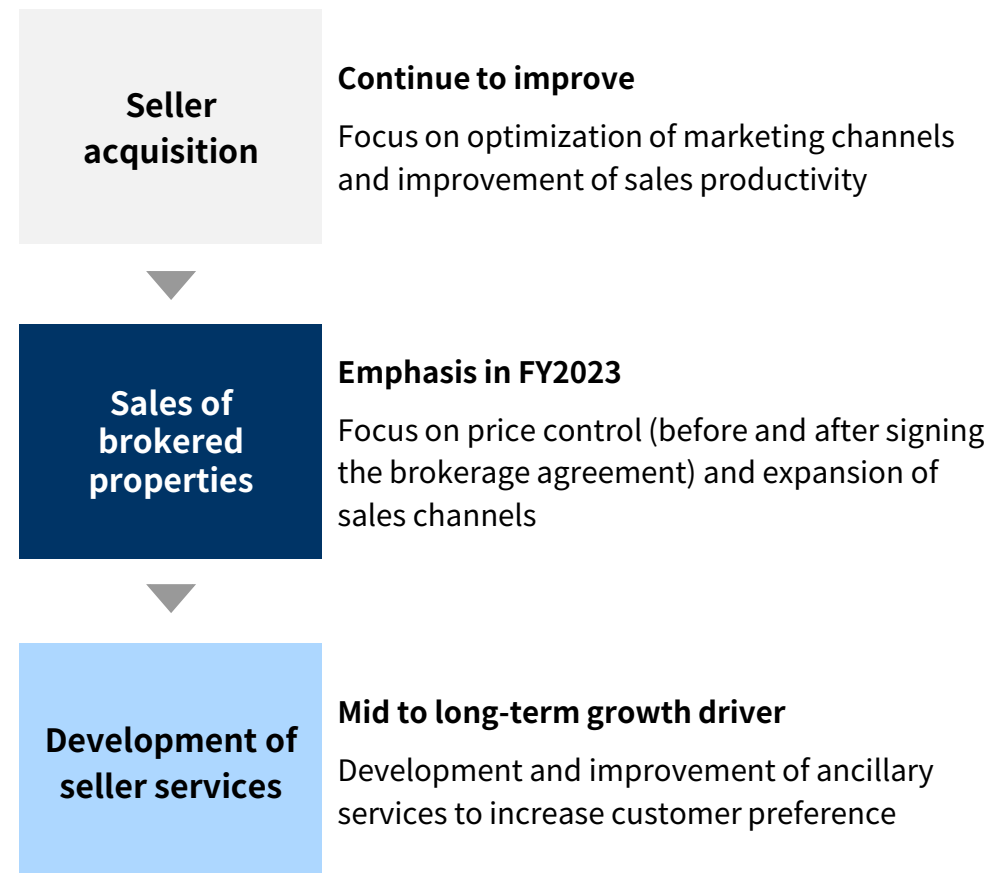
cowcamo | A3. Sale of brokered properties (seller side)

GMV of individual seller brokerage increased +71% YoY YTD, as our emphasis on the sale of brokered properties in FY2023 has proved to be effective. We will also pursue the optimization of marketing channels and improvement of sales productivity going forward.

Individual Seller Brokerage GMV (payment basis)



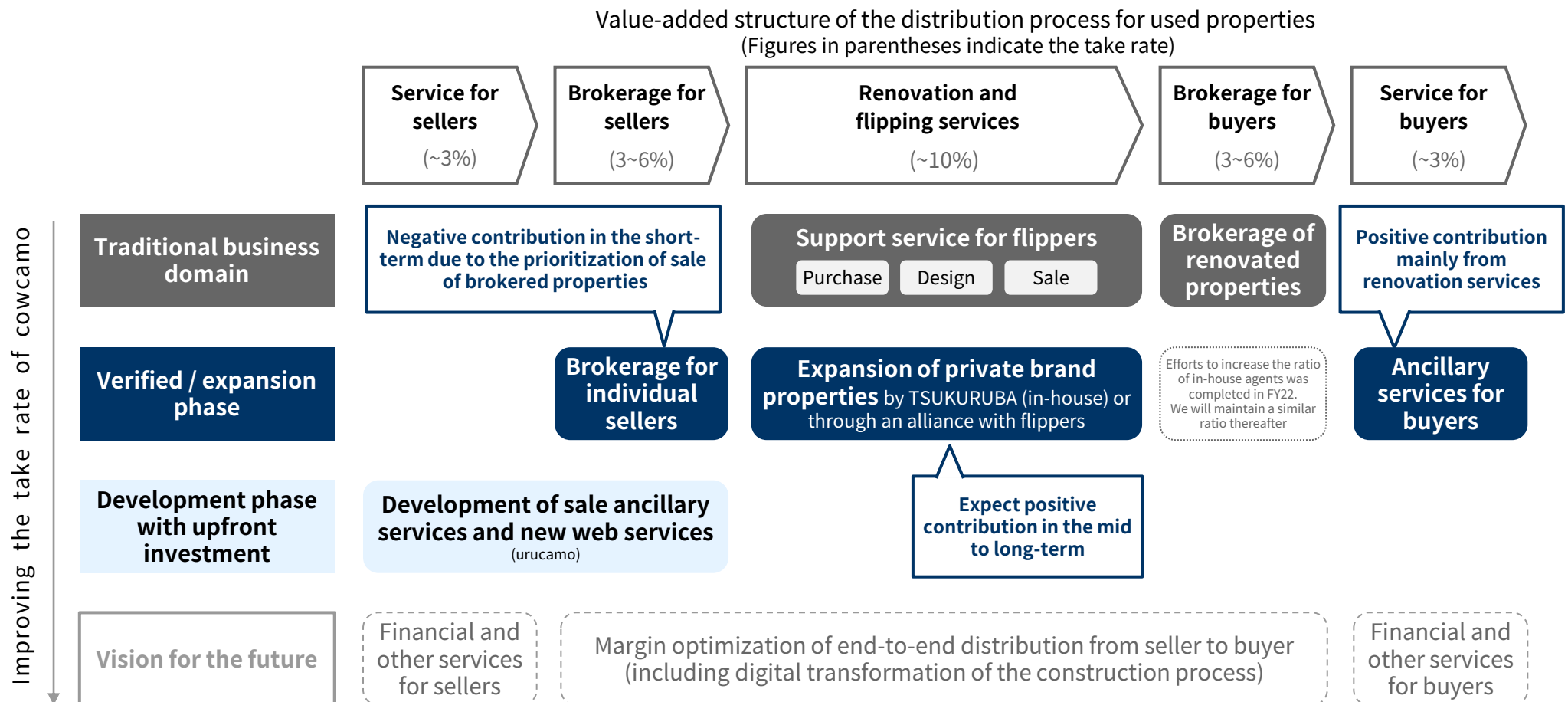
Initiatives on the Seller Side



cowcamo | B. Promote “structural take rate improvement”

In Q4, expansion of renovation services, as well as increased portion of sales where cowcamo acted as the broker to both the buyer and the seller, contributed positively to take rate. In the mid to long-term, we will continue to pursue a structural improvement of take rate.

Contribution of each initiative to take rate in Q4



3. Financial Results for FY2023

Company-wide | FY2023 - Financial Summary

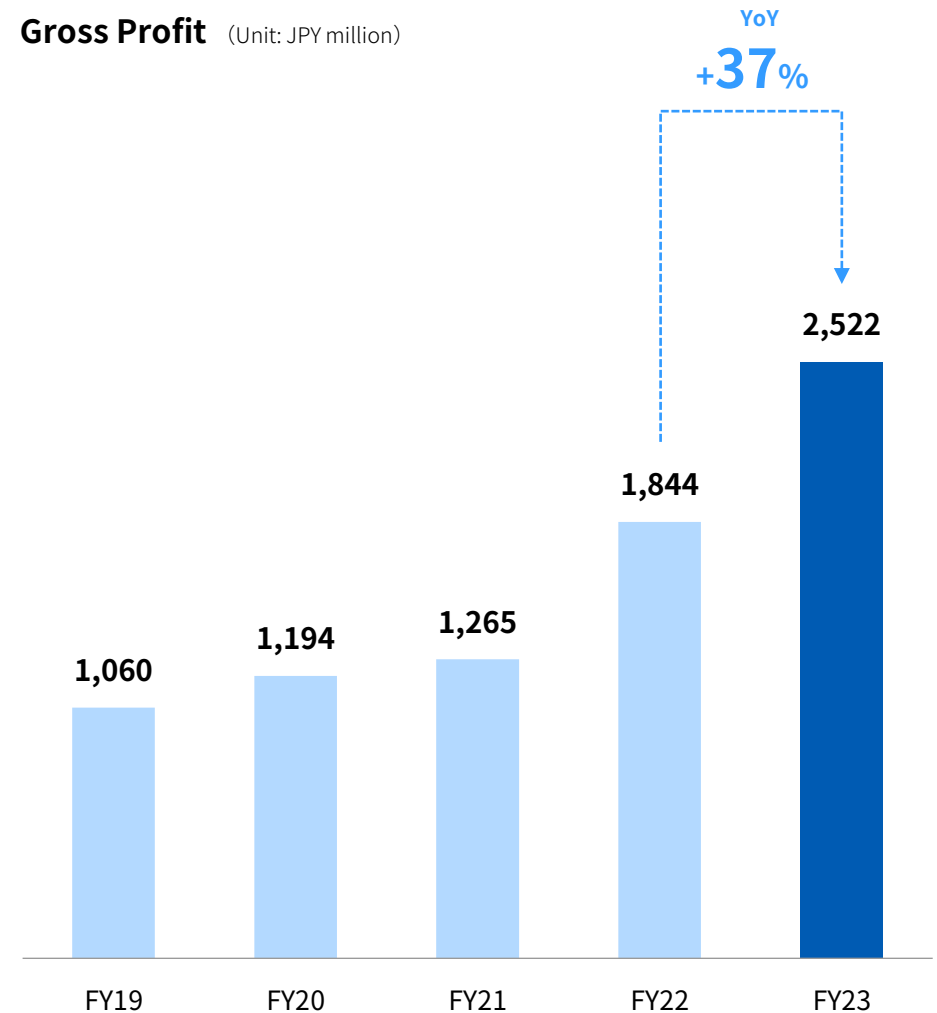
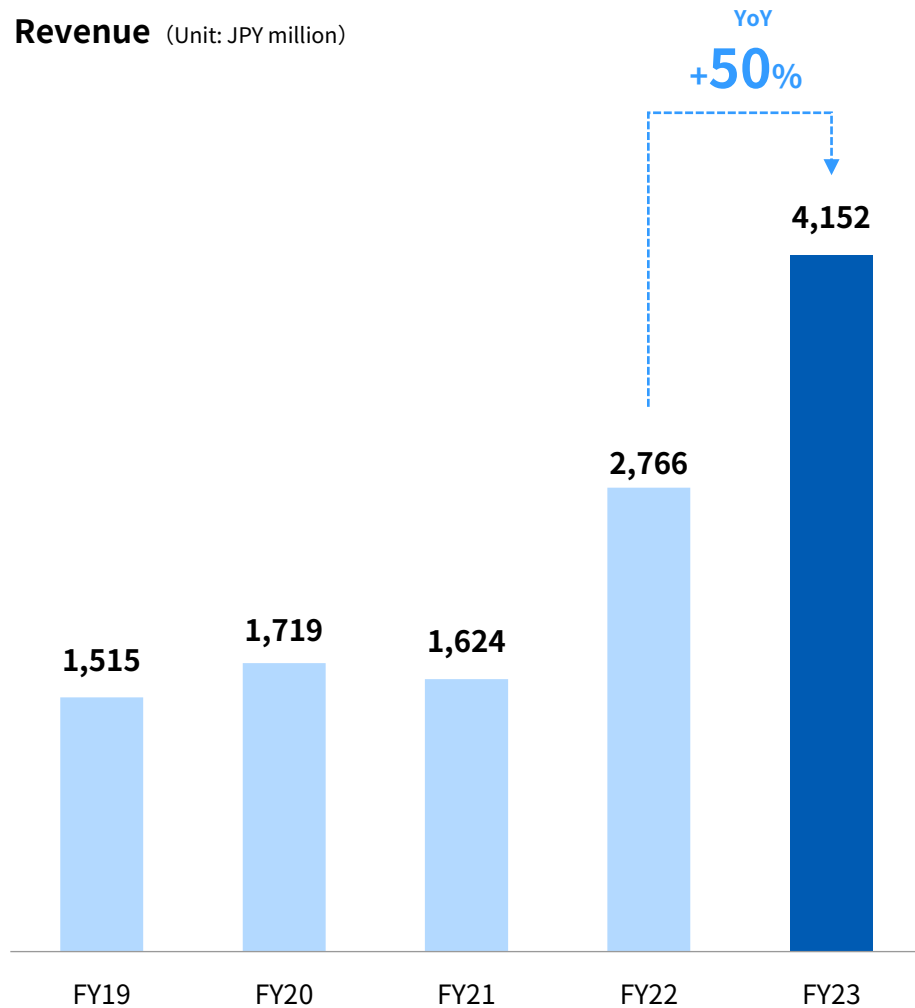
Steady expansion of cowcamo's GMV and increased sales of in-house planned products have contributed to drive revenue and gross profit above the initial forecast. In addition to topline growth, strengthening of cost management has resulted in profit measures coming in above expectation.

(Unit: JPY million)

	FY2023 (2022/8-2023/7)	FY2022 (2021/8-2022/7)		FY2023 Forecast	
		Actual	YoY	Forecast	vs. Forecast
Revenue	4,152	2,766	+50%	4,000	+4%
Gross Profit	2,522	1,844	+37%	2,500	+1%
Operating Profit	-132	-773	+641	-220	+88
Ordinary Profit	-150	-795	+644	-241	+90
Net Profit	-165	-822	+656	-242	+76

Company-wide | Revenue and Gross Profit

Revenue and gross profit both recorded all-time highs, achieving steady growth.



Segments | FY2023 Financial Highlights by Business Segment

cowcamo segment delivered strong gross profit growth to turn profitable at the segment level.

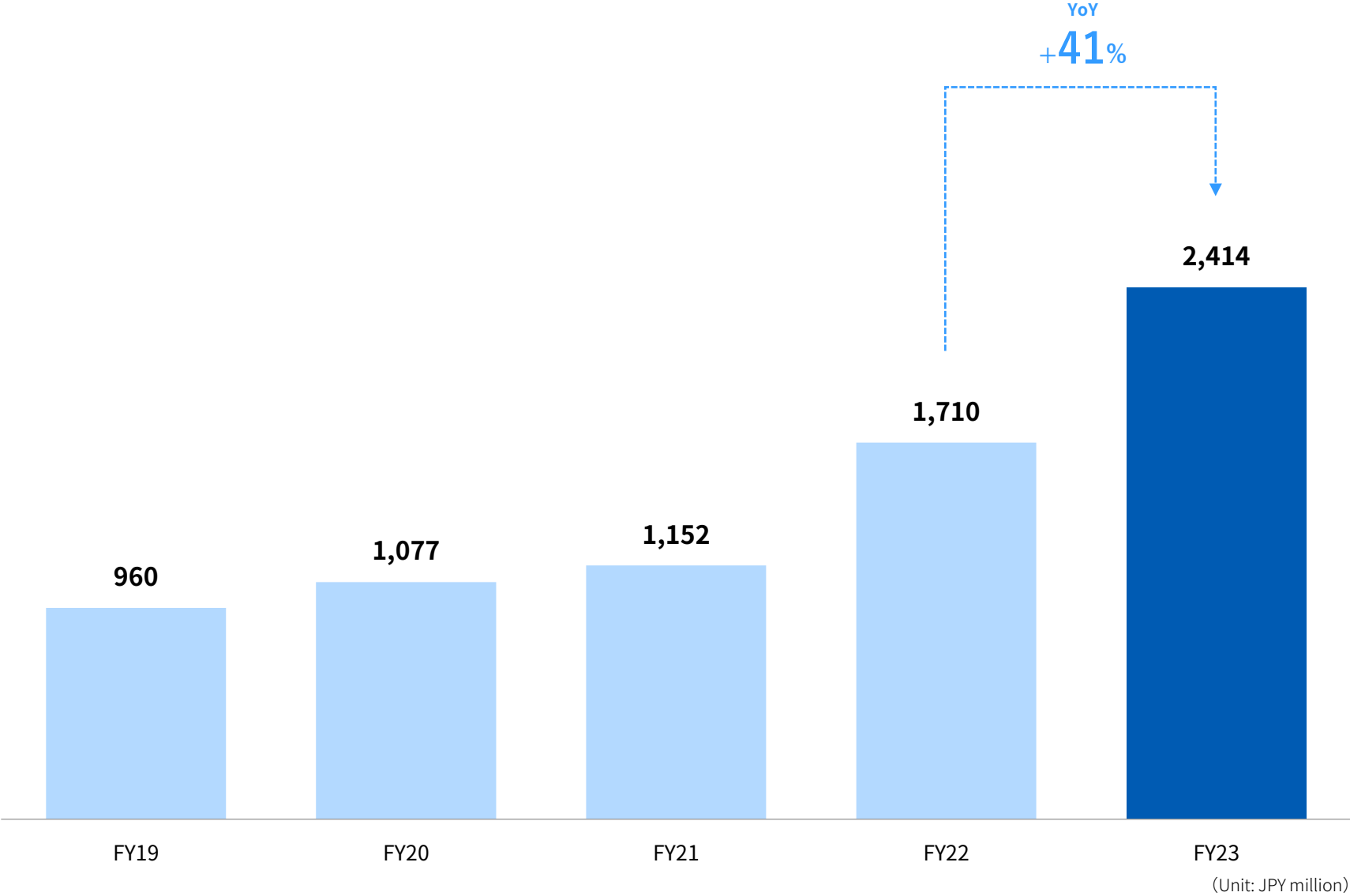
(Unit: JPY million)

		FY2023 (2022/8-2023/7)	FY2022 (2021/8-2022/7)	YoY
cowcamo	Revenue	3,797	2,363	+61%
	Gross Profit	2,414	1,710	+41%
	Segment Profit *	628	-16	-
PPD	Revenue	355	403	-12%
	Gross Profit	108	134	-19%
	Segment Profit *	38	60	-37%
Others	Corporate Expense *	-799	-817	-

* In order to more accurately represent our financial results by segment, we conducted a review of corporate allocation ("new policy") in Q2. The segment profit figures on this page, including those from prior accounting periods, have been calculated based on the new policy.

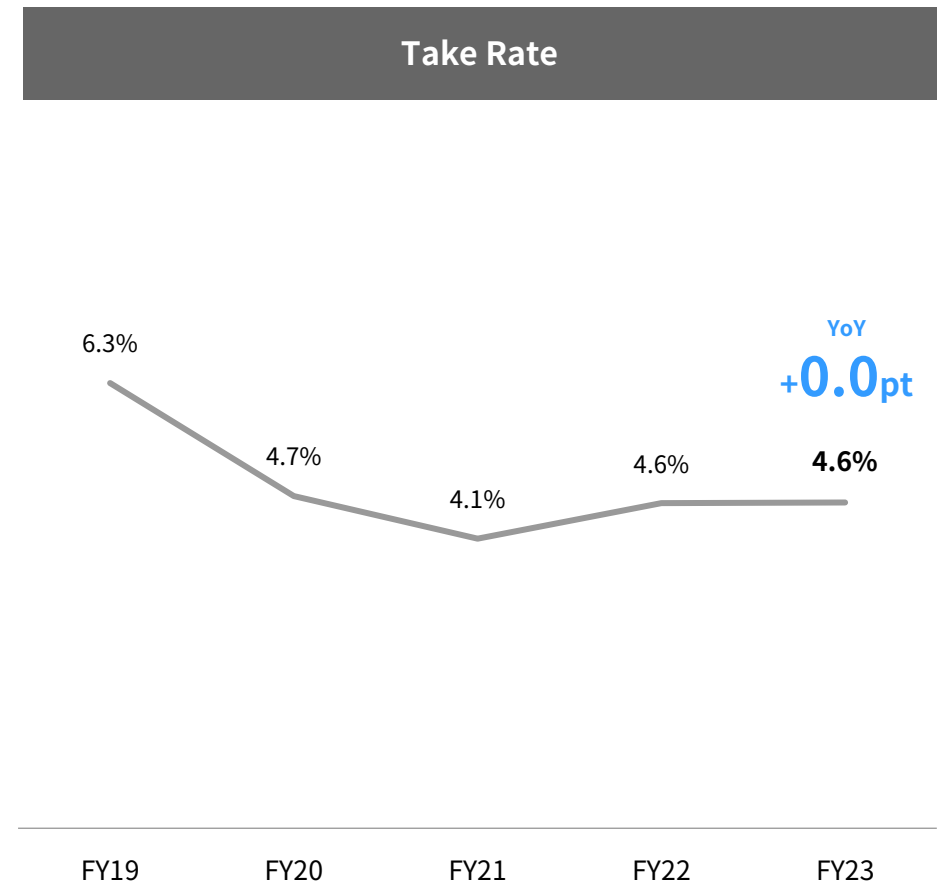
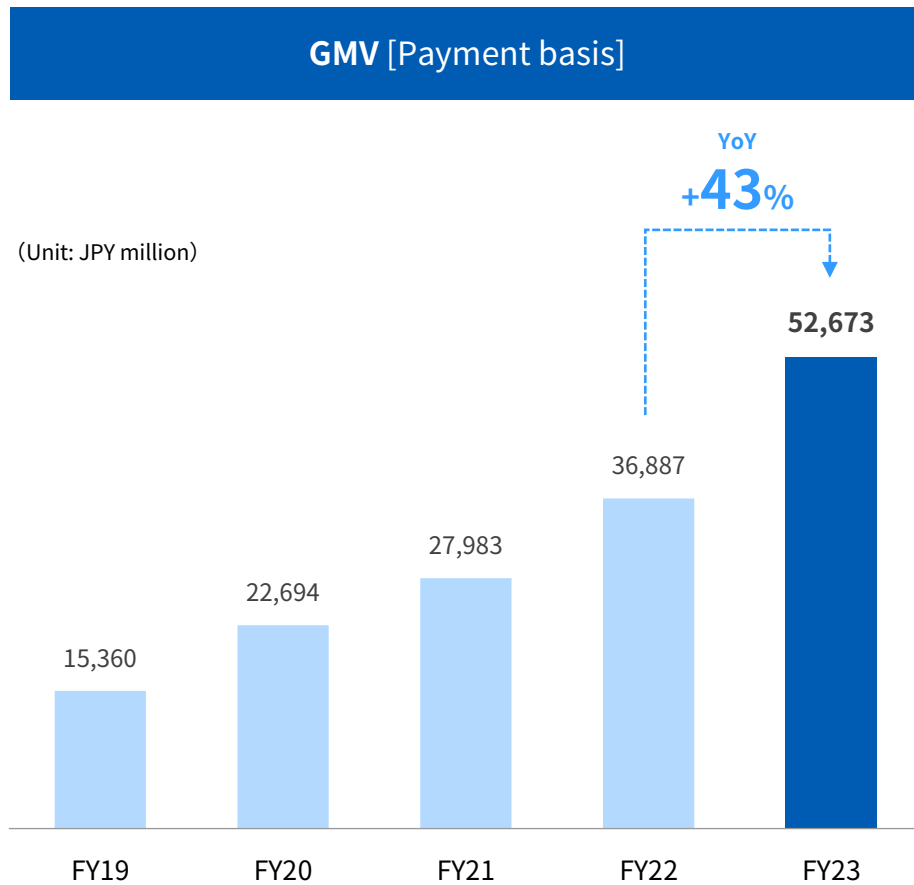
cowcamo | **Gross Profit**

Gross profit of cowcamo reached an all-time high, delivering +41% YoY growth.



cowcamo | GMV and Take Rate

Through FY2023, we pursued the continued growth of cowcamo primarily via GMV expansion. As a result, both GMV and take rate came in close to initial expectations*.



* FY2023 forecast of cowcamo, announced on December 15, 2023, was based on +40% GMV growth and take rate on par with FY2022 levels.

4. Forecast for FY2024

Forecast of Financial Results for FY2024

For FY2024 ending July 31, 2024, we forecast revenue of JPY 5.2 billion (+25% YoY), gross profit of JPY 2.8-3.0 billion (+11-19% YoY) and operating profit of JPY 150 million.

Forecast of Financial Results

(Unit: JPY million)

	FY2024 Actual (Consolidated) ^{*2}	FY2023 Actual (Non-consolidated) ^{*2}	YoY	Adjusted YoY ^{*3}
Revenue	5,200	4,152	+25%	+35%
Gross Profit	2,800 -3,000	2,522	+11-19%	+15-23%
Operating Profit (of which, stock-based compensation)	150 (-88)	-132 (-39)	-	-
Ordinary Profit	130	-150	-	-
Net Profit Attributable to Shareholders	125	-165	-	-

*1 Non-consolidated basis prior to FY2023

*2 Transitioning to consolidated basis as of FY2024

*3 With the decision to sell our Property Planning & Design (PPD) business to Mr. Masahiro Nakamura, announced on September 14, 2023 and effective November 1, 2023, “adjusted YoY” shows the growth rate of just the cowcamo segment

FY2024 Forecast – Key Assumptions

Forecast for FY2024 is based on the following assumptions. The forecast primarily factors in an improvement of company-wide productivity, as well as continued GMV expansion in cowcamo due to service enhancements. The forecast does not take into account a material increase in SG&A expenses.

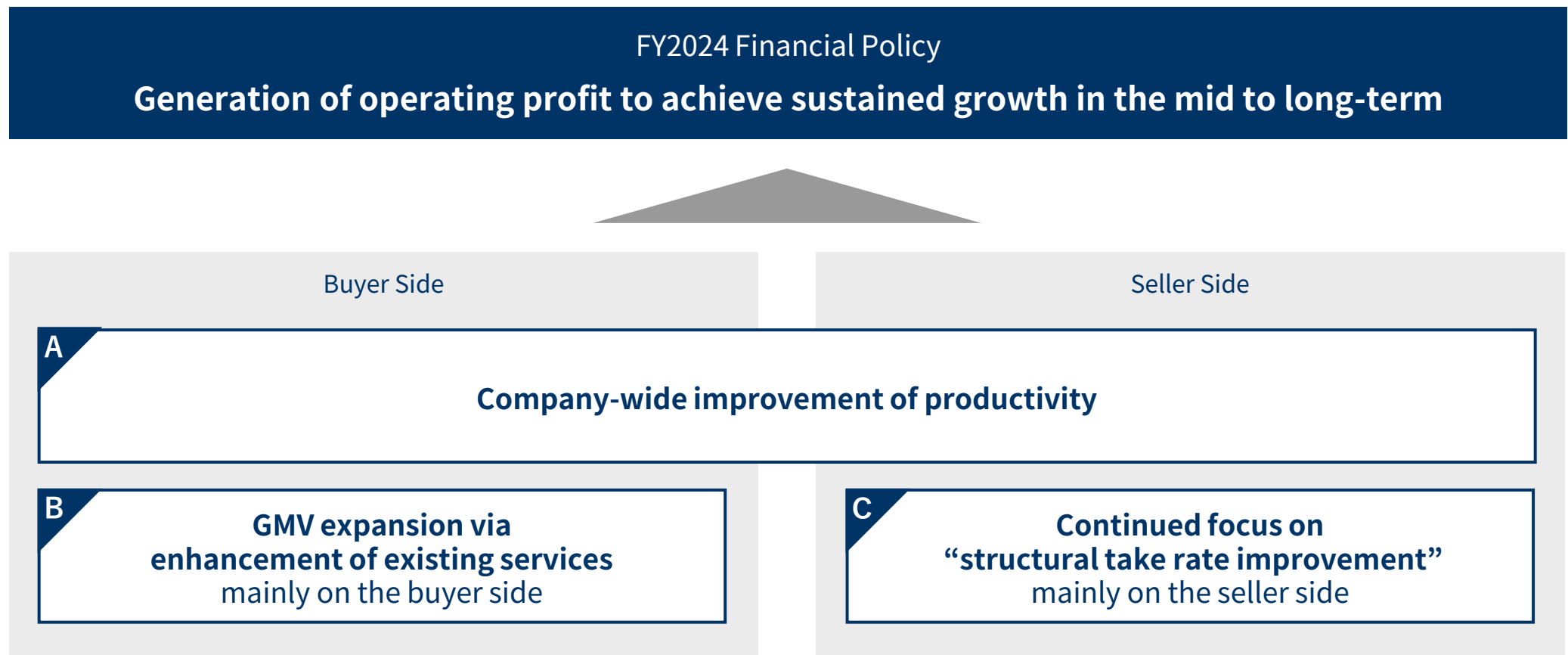
Key Assumptions for the FY2024 Forecast

cowcamo	<ul style="list-style-type: none"> • Market: Assume a gradual and continued growth in demand while keeping a close eye on macro trends, including interest rates and real estate prices • GMV: Expect >15% YoY growth as a result of uplift in sales and marketing productivity, as well as enhancement of existing services, mainly on the buyer side • Take Rate: Expect a slight YoY increase, as we position FY2024 as a year to build the foundation for a mid to long-term uplift in take rate, by undertaking the integration of individual sellers and in-house planned products businesses, as well as fostering the growth of urucamo • Expense: No material increase in SG&A, rather focusing on productivity improvements
PPD	<ul style="list-style-type: none"> • The sale of our PPD business was announced on September 14, 2023, to be effective as of November 1, 2023. Accordingly, the forecast only accounts for its revenue and gross profit contribution in Q1
Corporate Expense	<ul style="list-style-type: none"> • In line with the FY2024 policy to pursue company-wide improvement of productivity, the forecast factors in operational optimization and cost rationalization of non-sales departments • Expect JPY 80 million in incremental expenses from the transition to consolidated accounting, as well as a projected increase in office space aligned with the current hiring strategy
Others	<ul style="list-style-type: none"> • With the sale of our PPD business to Mr. Masahiro Nakamura, anticipate extraordinary income of JPY 46 million* in FY2024 • Non-finalized transactions, extreme real estate market fluctuations, new businesses and M&A are not taken into account

* Estimate as of September 14, 2023

Financial Policy and Initiatives for FY2024

In FY2024, our primary focus will be on generating operating profit, which we will undertake through a company-wide improvement of productivity, GMV expansion via enhancement of existing services mainly on the buyer side, as well as continued focus on driving “structural take rate improvement” mainly on the seller side.



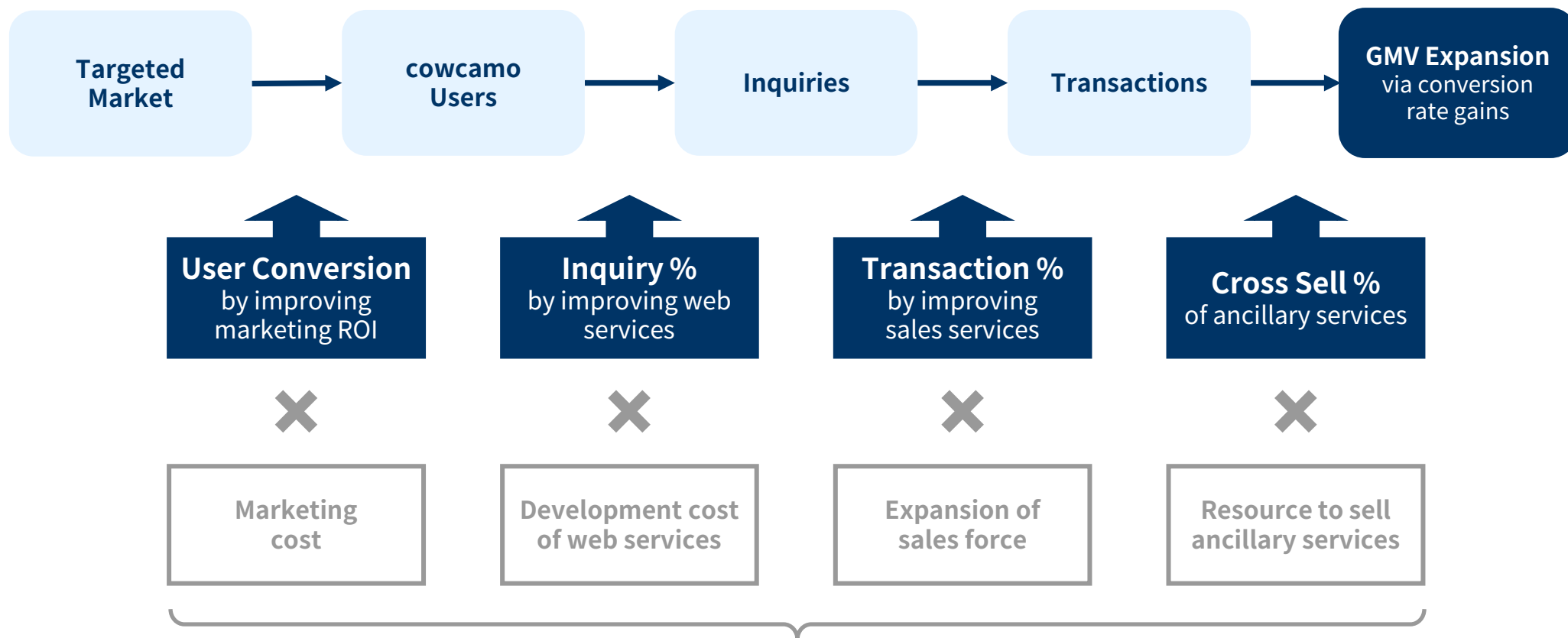
Company-wide improvement of productivity

In FY2024, we will focus on productivity improvements in sales and marketing, as well as capital invested in the in-house planned products business. As for corporate functions, we will continue to drive efforts on cost management and undertake BPR.



B | GMV expansion via enhancement of existing services

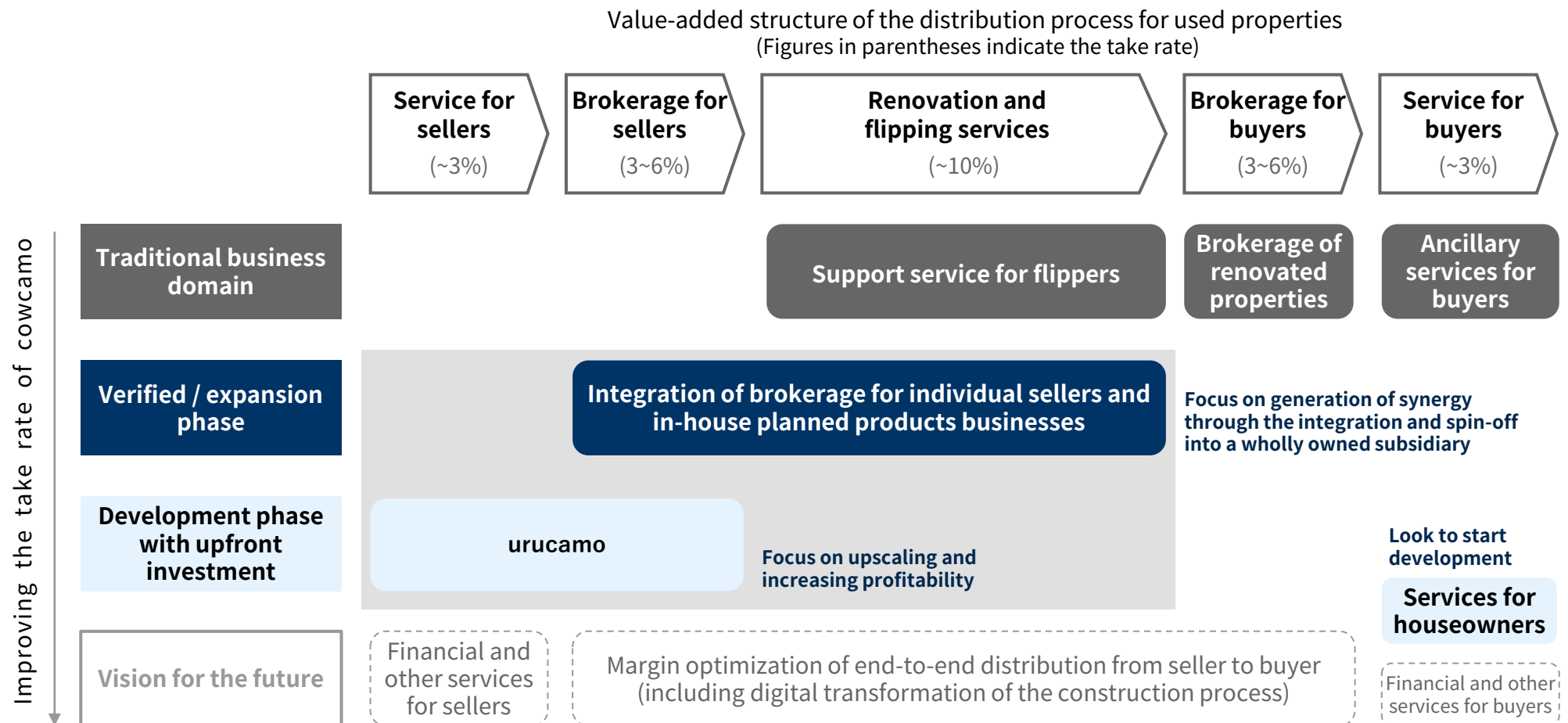
In FY2024, we look to expand GMV via improvement of conversion rate across each funnel of our existing services, in addition to the aforementioned focus on productivity gains. While we do not anticipate a material increase in SG&A at this point, we will evaluate incremental sales and marketing investments to achieve future growth, based on the progress vs. forecast through the year.



No material increase planned, in line with the policy to pursue “company-wide improvement of productivity”

C | Continued focus on “structural take rate improvement”

We position FY2024 as a year to build the foundation for a mid to long-term uplift in take rate, by pursuing the integration of individual sellers and in-house planned products businesses, as well as fostering the growth of urucamo.



Mid to Long-Term Financial Policy

In the mid to long-term, we look to achieve sustained growth by re-investing the cashflow, which will be enhanced by the FY2024 improvement in the profitability of our core business, to further bolster its customer preference and competitive advantage.

Mid to Long-Term Financial Policy

Achievement of sustained growth through a re-investment of cashflow, enhanced by the improved profitability of our core business, to further bolster its customer preference and competitive advantage

- **Topline Growth:** Leveraging productivity gains realized in FY2024, continue to achieve high topline (gross profit) growth by re-investing the cashflow into our core business
- **Profitability:** Achieve YoY increase in operating profit post re-investment
- **Investment:** By primarily utilizing operating cashflow and debt, invest to establish and bolster customer preference and competitive advantage of our core business. In the long-term, proactively explore growth opportunities including M&A



FY2024 Financial Policy

Generation of operating profit to achieve sustained growth in the mid to long-term

Update to our Management Team and Governance Structure

We plan to transition to a company with an Audit & Supervisory Committee^{*1}, in order to strengthen our governance structure. At the same time, we plan to appoint 3 new external directors as members of the Audit & Supervisory Committee^{*1}, to improve the quality and speed of our corporate decision making, so as to maximize our enterprise value.

Update to the Management Team

- TSUKURUBA will have 2 internal directors and 5 external directors, including 3 new external directors, following approval at the next General Meeting of Shareholders^{*1}

Title	Name
Representative Director	Hiroki Murakami
Director	Hiroshi Kitahara
External Director	Shin Takeuchi
External Director	Yoshinori Fukushima
External Director (Audit & Supervisory Committee, fulltime)	Chieko Nishiura
External Director (Audit & Supervisory Committee)	Kenji Kobayashi
External Director (Audit & Supervisory Committee)	Tadatsugu Ishimoto

Background of the New Outside Directors

- Through the appointment of Ms. Nishiura, Mr. Kobayashi and Mr. Ishimoto, we seek to enhance the quality and speed of our corporate decision making, so as to maximize our enterprise value

Chieko Nishiura

- Dec. 2006 Joined ShinNihon (nka Ernst & Young ShinNihon)
- Dec. 2009 Certified public accountant
- Sep. 2014 Established Nishiura Certified Public Accountant Office (current)
- Jun. 2016 Advisor at S & N Partners Law & Accounting Office (current)
- Jul. 2016 Fulltime auditor at JapanTaxi (nka GO Inc.)
- Jul. 2023 External auditor at NSD Co., Ltd. (current)

Kenji Kobayashi

- Apr. 2005 Joined Corporate Directions
- Apr. 2009 Joined DeNA
- Jun. 2011 Board member at DeNA
- Jun. 2015 Director at DeNA
- Jul. 2017 Co-founder at Signifiant (current)
- Oct. 2020 External director at Raksul (current)

Tadatsugu Ishimoto

- Aug. 1997 Joined KPMG Peat Marwick (nka KPMG)
- Apr. 2000 Certified public tax accountant
- Oct. 2002 Representative partner at Mentor Capital Tax Office (nka Mentor Capital Tax Corporation) (current)
- Oct. 2002 Representative director at Mentor Capital FAS (current)
- Jun. 2016 External director at UNITED, Inc. (current)
- Feb. 2020 External director at Visional (current)^{*2}
- Oct. 2021 External director at i-mobile (current)^{*2}

^{*1} We will submit a proposal for the appointment of the new management team at the 12th Ordinary General Meeting of Shareholders, scheduled on October 27, 2023

^{*2} Serving as a member of the Audit & Supervisory Committee

5. 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 using design and technology.

Property Planning & Design (PPD)



We create new business by leveraging accumulated expertise in our spatial design and consulting business, as well as our 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 by leveraging 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 intermediaries
- Lack of IT and inefficient processes

Technology Progress



Proliferation of mobile devices



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

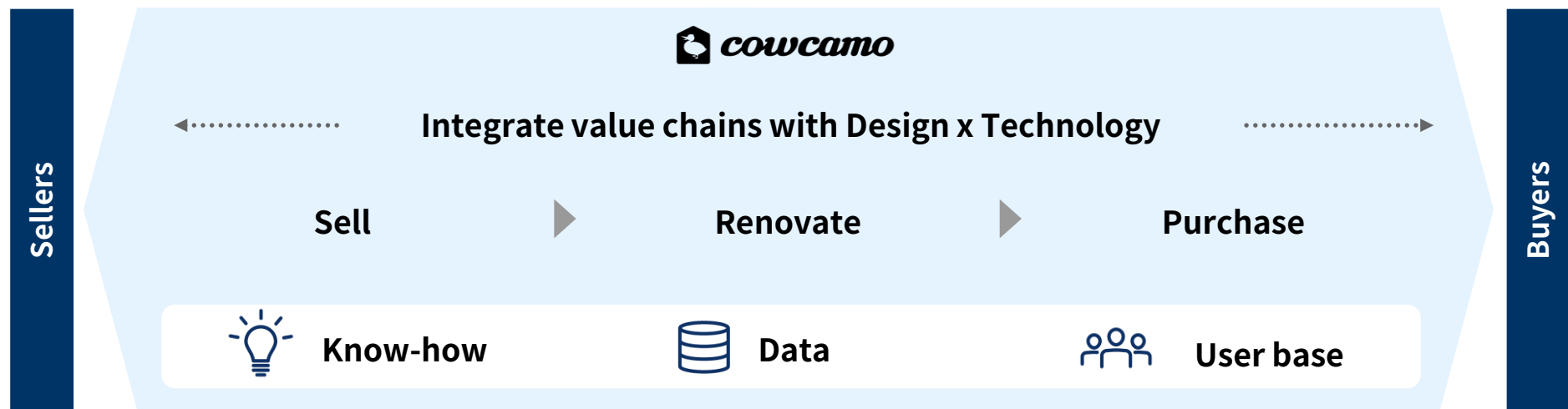


Efficient Management
through DX

Market | Unique position to integrate value chain via 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

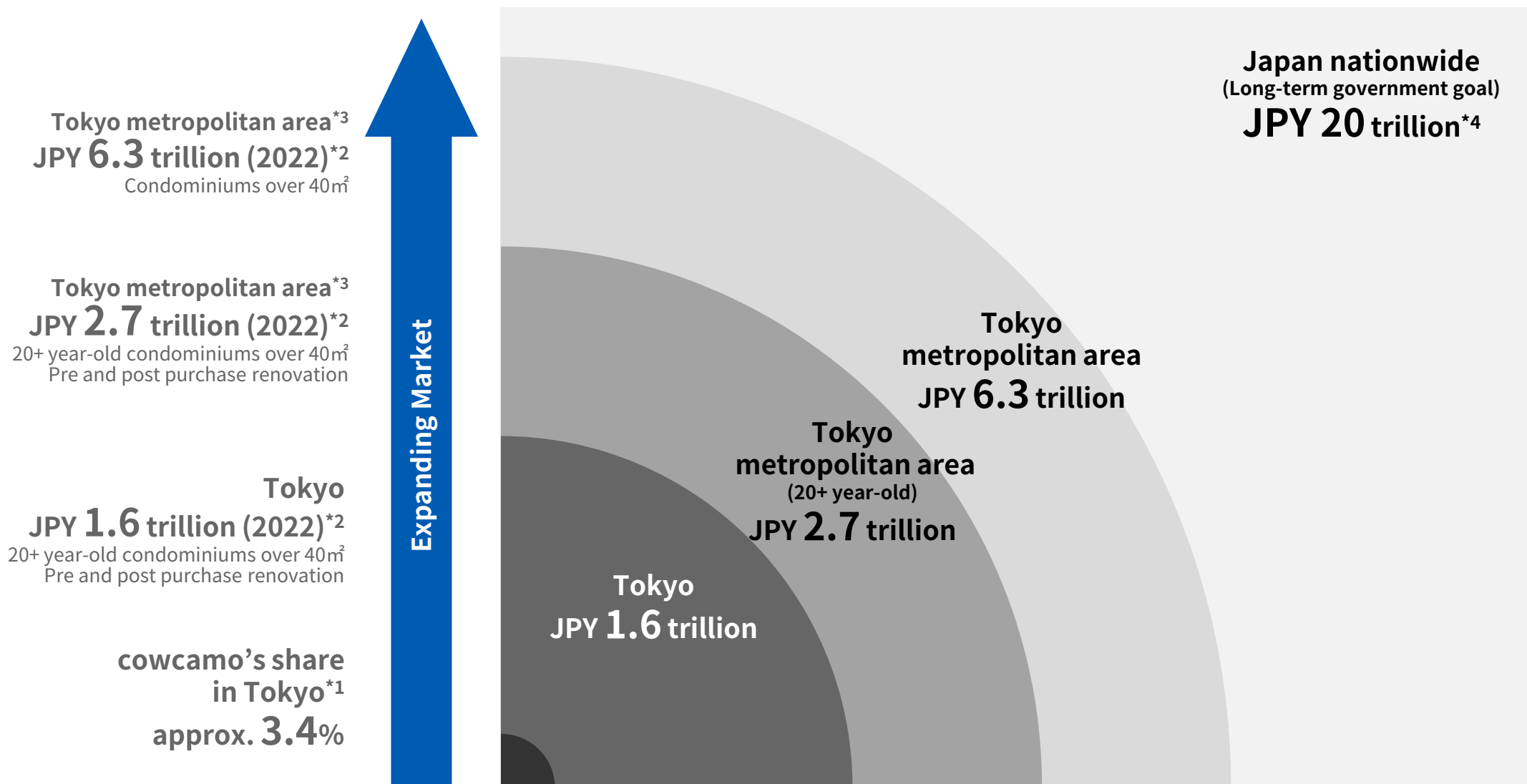


Traditional value chain



Market | Used & renovated properties market expected to grow to JPY 20 trillion

cowcamo, a distribution platform connecting 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 FY22 GMV by the estimated 2022 market size of existing condominiums in Tokyo that are 20 years old or older, over 40m², and renovated pre and post purchase

*2 Estimated by TSUKURUBA based on East Japan Real Estate Information Network's "Annual Report Market Watch FY2022", 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 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 illustration and does not necessarily accurately represent the difference in values by area ratio

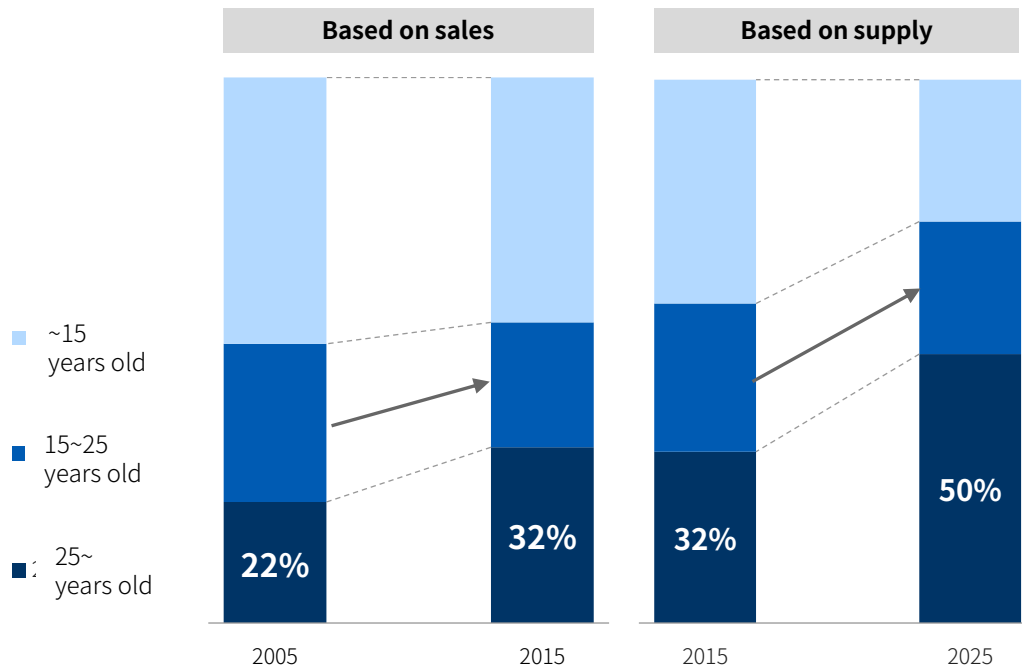
Market | Renovation becoming mainstream due to structural changes in the market

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

Properties that are 25+ years old will comprise half the market

The share of 25+ year old properties will increase from just 22% in 2005 to 50% by 2025.

Share of used condominiums 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

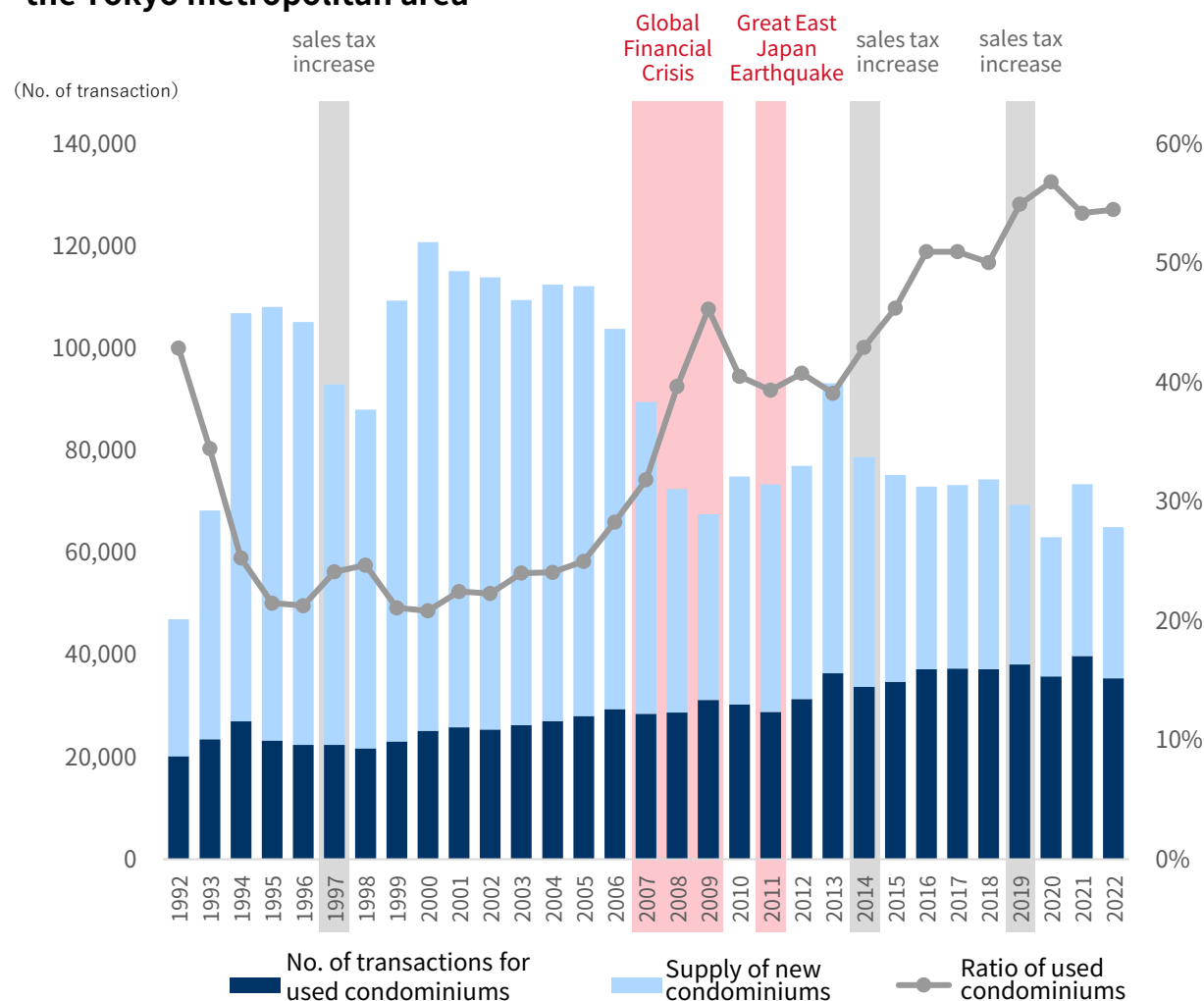
Renovation has fast become a popular choice when purchasing a house in the Tokyo metropolitan area, allowing buyers to tailor each property to their needs and lifestyles.



Market | Used condominium market is resilient to macroeconomic downturns

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

The number of new and used condominiums in circulation in the Tokyo metropolitan area



The resilient used condominiums 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 condominiums are a “flow” supply and are strongly affected by the economic environment through changes in land price and material supply, while used condominiums are supplied from accumulated “stock” and function as a substitute for new condominiums even as the macroeconomic environment changes.
- Therefore, even as adverse macroeconomic changes materialize, stable growth of the used condominiums 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



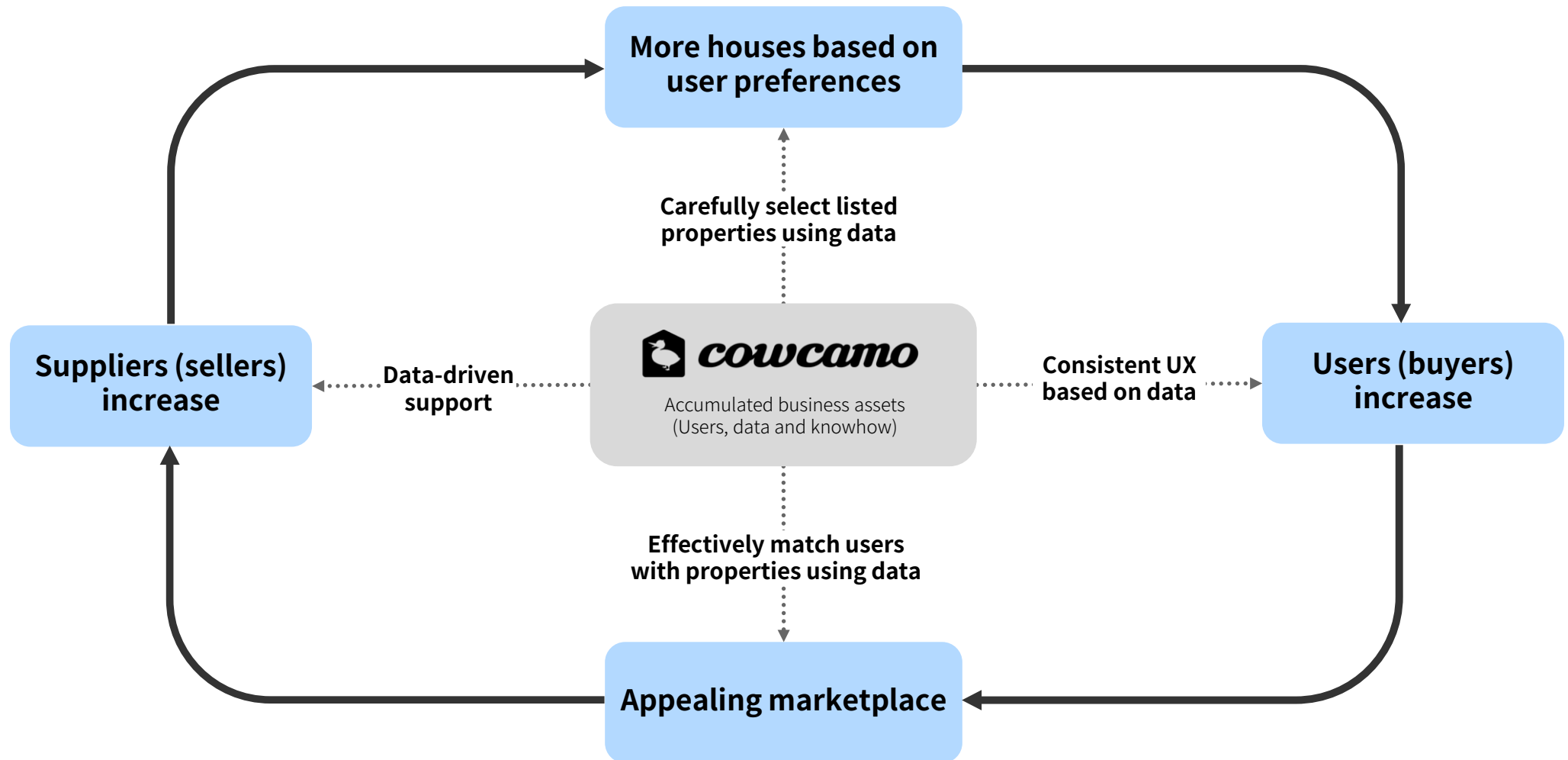
**Extending
the Value Chain**



**Expansion of
services**

Growth | 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 mid-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 a lifetime**

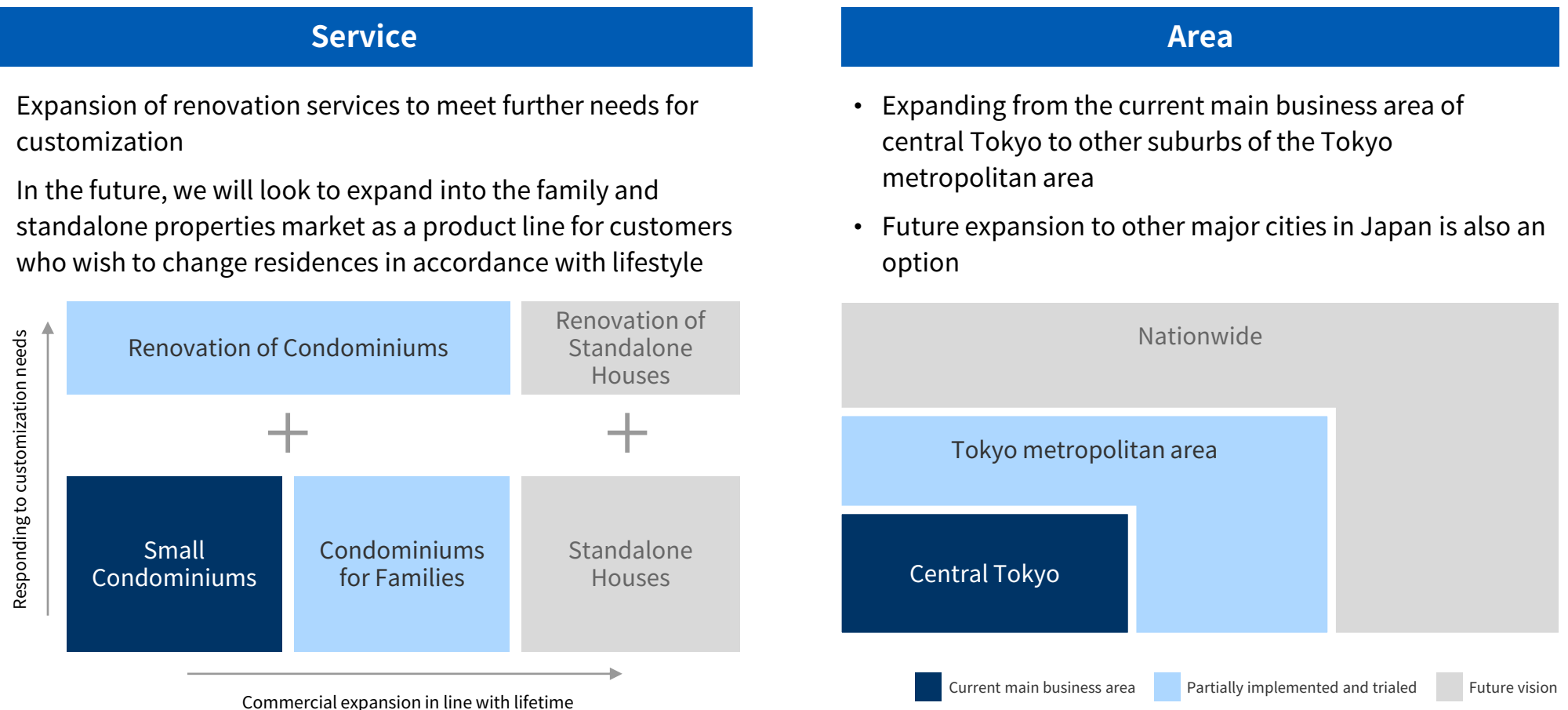
**Market creation through the
formation of market
mechanisms and promotion
of resettlement**

*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 by Service x Area

In the future, we will expand SOM through expansion of target markets in terms of both service and area.

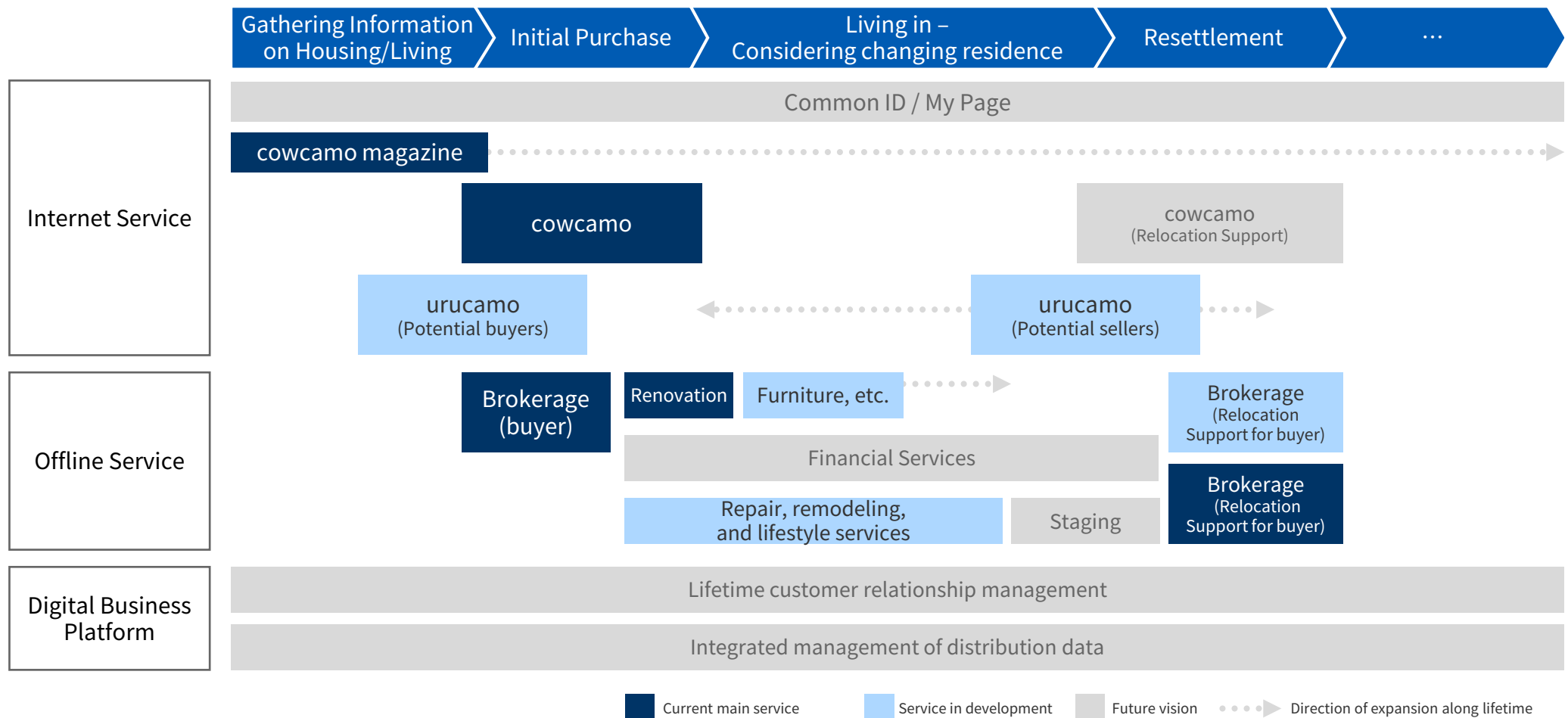
Conceptual image of target market expansion based on Service x Area



Developing customer relationships over a lifetime through 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

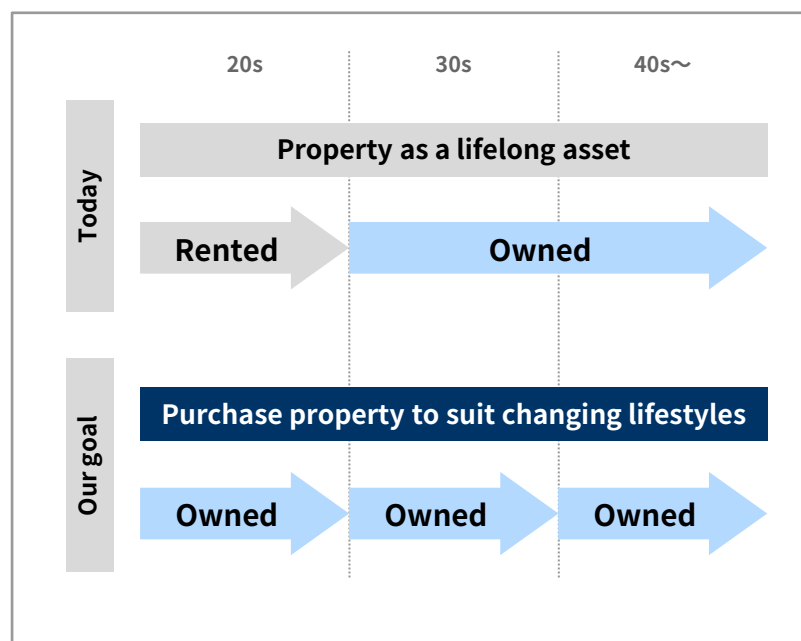
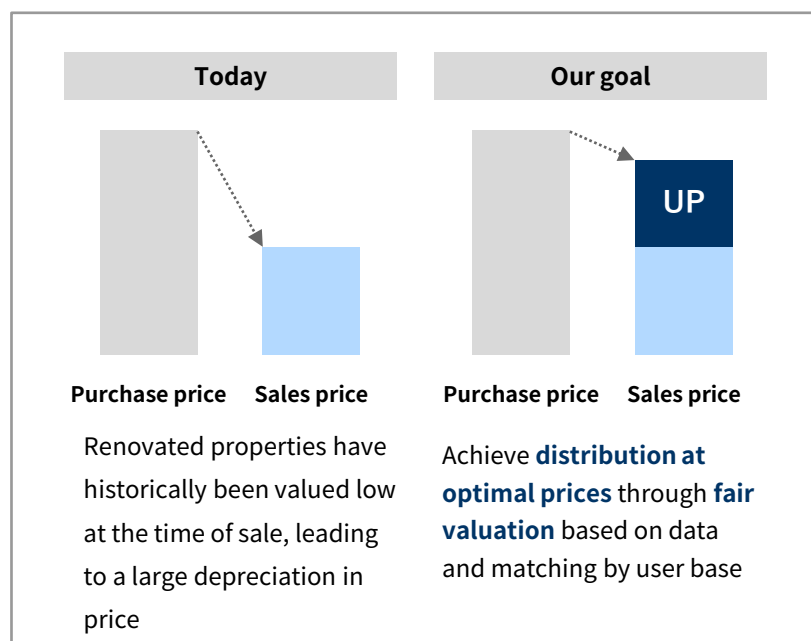
- Fair valuation of renovated properties through data accumulation
- Matching potential buyer/seller needs



Increase frequency of home purchases

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

= **Market Creation**



Reference

Reference | A management team with background in technology, business and design*

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



Hiroki Murakami
CEO

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



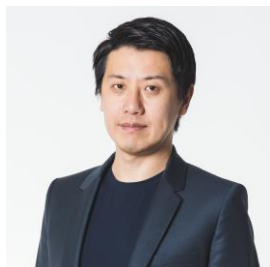
Hiroshi Kitahara
COO

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



Masahiro Nakamura
Director and Co-founder

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



Shin Takeuchi
External Director

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



Hidekazu Suzuki
External Director

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



Yoshinori Fukushima
External Director

Founded Gunosy in 2012 which was listed on TSE Mothers (now TSE Growth) in just 2.5 years, followed by a promotion to the TSE 1st Section (now TSE Prime). 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.



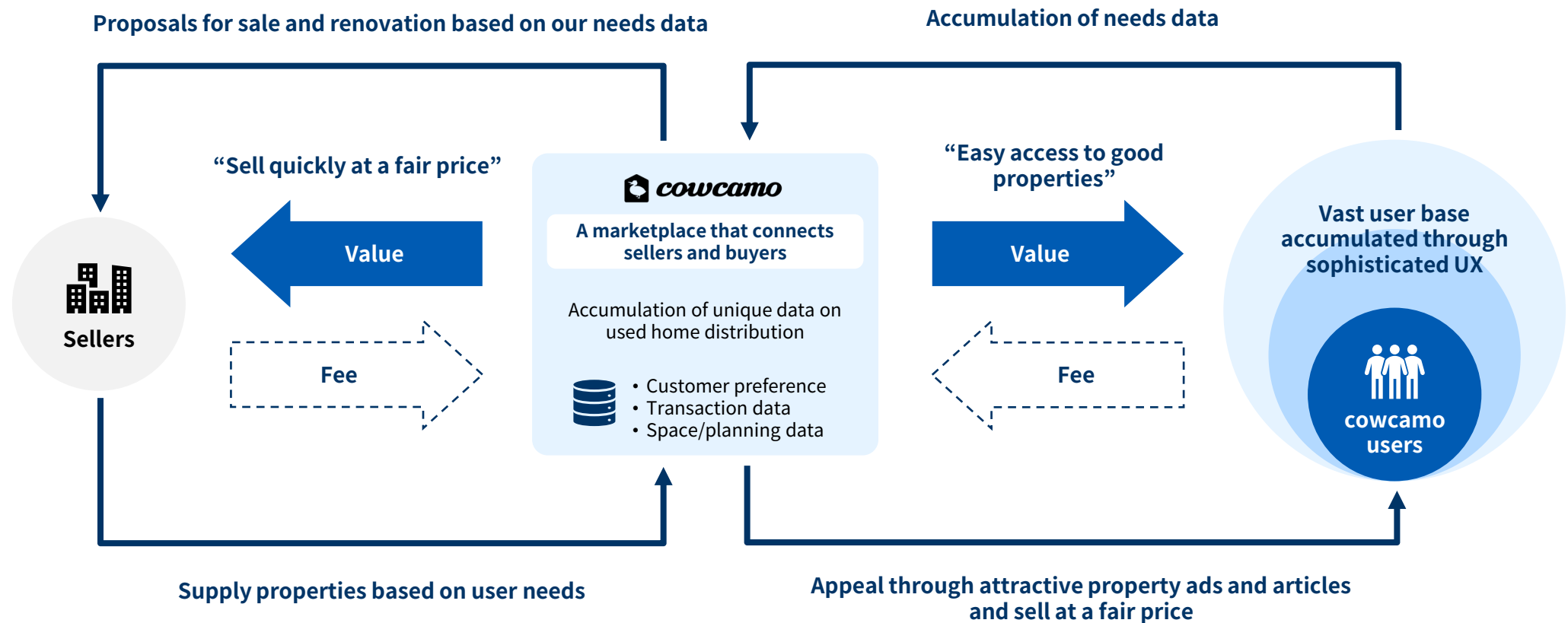
Keiko Hatano
External Auditor

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.

* As of September 14, 2023

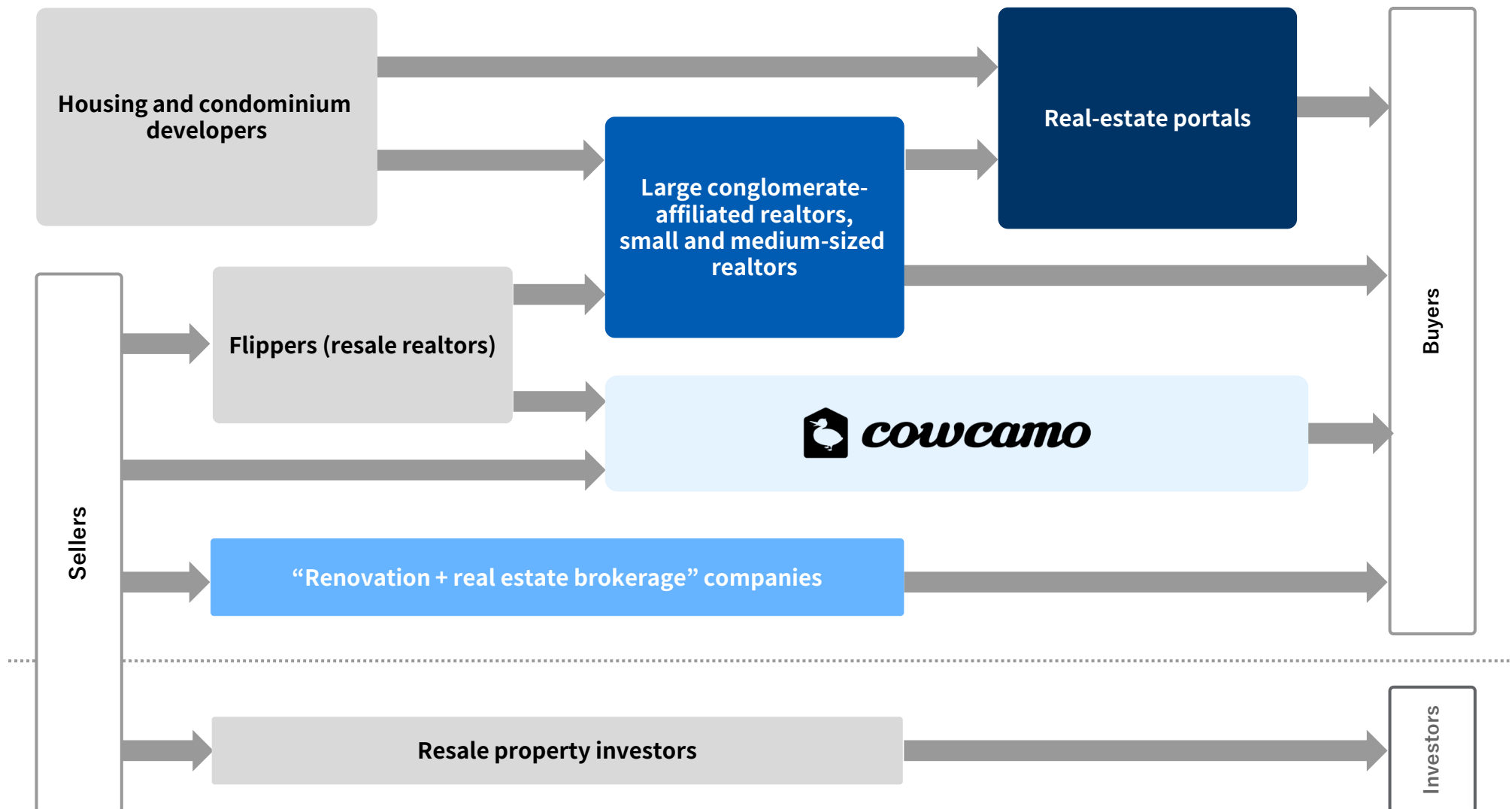
Reference | Business model of cowcamo

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 facilitating the distribution of properties supplied by sellers, cowcamo provides unique value to both sellers and buyers to build a growth cycle of property transactions.



Reference | Competitive environment

By integrating a real estate portal site with the 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.



Reference | Feedback from 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 buy and sell 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.”



Reference | Balance Sheet

In November 2022, convertible bonds held by Marui Group Inc. were converted to equity through a new issuance of Class A shares with a subsequent repurchase and retirement of the bonds. Our current capital ratio is trending healthily at 45%.

As of July 31, 2022

	Assets	Liabilities	
Cash and deposits	1,653	327	Other liabilities
		232	Short-term borrowings
		710	Long-term borrowings
		700	Convertible bonds
Others	1,225	909	Net assets (of which, share acquisition rights account for 90)

(Unit: JPY million)

Capital ratio : 28%

As of July 31, 2023

	Assets	Liabilities	
Cash and deposits	1,772	364	Other liabilities
		449	Short-term borrowings
		739	Long-term borrowings
Others	1,292	700	Class A shares
		813	Net assets (of which, share acquisition rights account for 124)

(Unit: JPY million)

Capital ratio : 45%

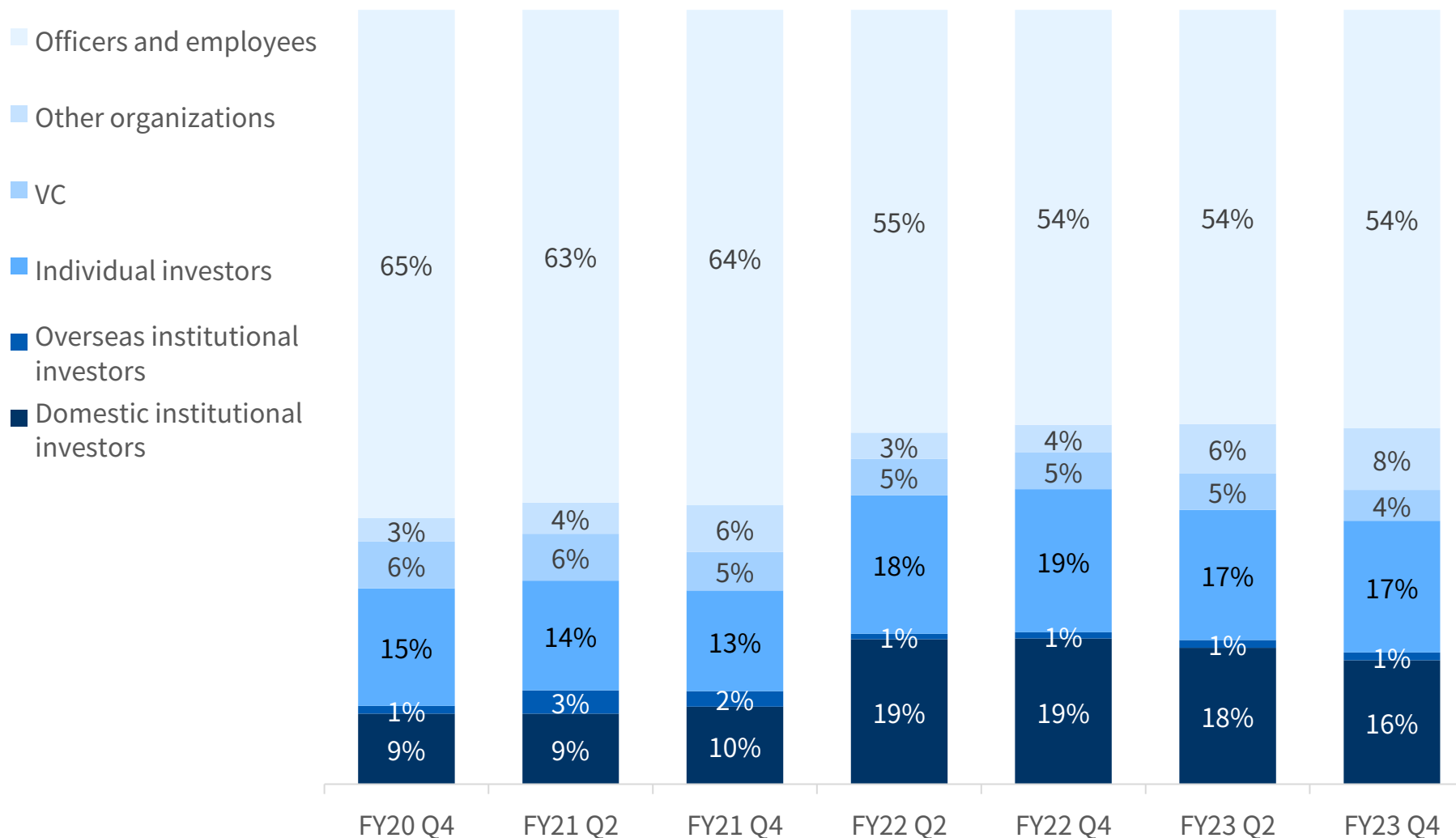
Reference | Share Price and Trading Volume

We aim to improve our share price and trading volume over the mid to long-term by increasing awareness and understanding of our company through transparent and thorough IR activities.



Reference | Shareholder Composition *

Changes in the shareholder composition ratio are as follows. We will continue to make insightful information available to all investors, while striving to make timely disclosures contributing to the investment decisions of long-term investors.



* Shareholder composition of common shares (excludes Class A shares)

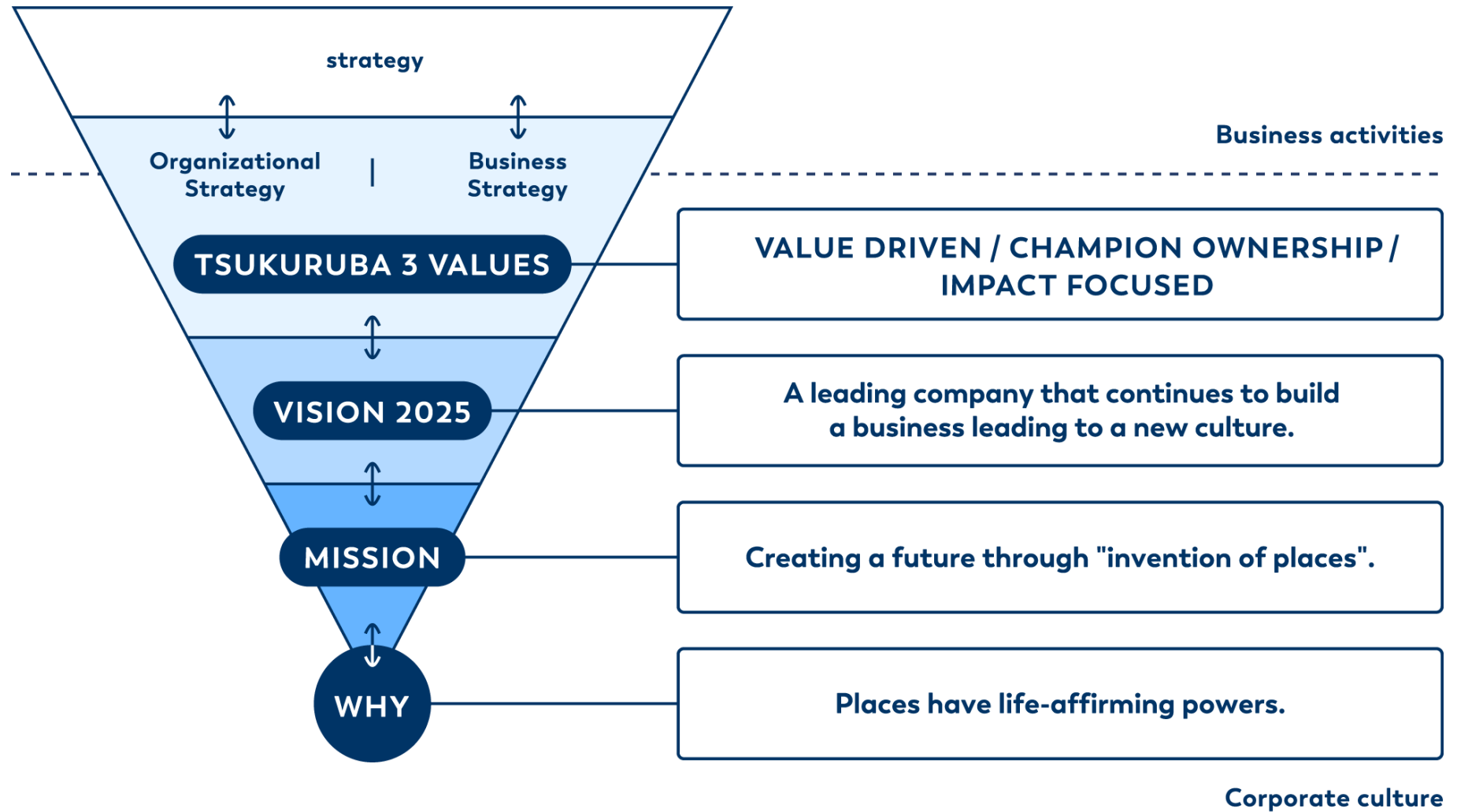
Reference | Q&A

Category	Question	Answer
Company	What are the company's thoughts on the outlook for future upfront investments?	Given the prevailing macroeconomic environment, we have reviewed costs, focusing on containment of fixed costs. With regards to future investments, we will carefully select investments that have a high probability of directly contributing to profit. By doing so, we intend to continue delivering steady gross profit growth and reduction of operating 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 are expected to reflect a lagged decline, resulting in a temporary decline of real estate transactions. However, we believe that the impact of the macroeconomic environment will be limited compared to investment properties and newly built properties, as demand for used and renovated 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 business is brokerage, the impact of falling real estate prices will also be limited. On December 20, 2022, the Bank of Japan ("BOJ") announced a widening of its target band for long-term interest rates, but we anticipate limited impact to our full-year FY2023 forecast. Also, we will carefully observe the impact of any fiscal policy changes from the appointment of the new BOJ governor, Kazuo Ueda.
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 the current level for the foreseeable future. As for delays relating to the procurement of materials, we are not seeing material impact now.
cowcamo	What are the growth indicators for cowcamo?	The financial KPI is gross profit, and the business KPIs are GMV and take rate. As for leading indicators of growth, MAU has historically been our primary figure, but now that a sufficient user base has been acquired through the platform, we will rely on the number of transactions (contract basis) as the leading indicator of growth going forward.
cowcamo	Why is there quarterly volatility in the GMV?	Past trends show that performance tends to be better later in the fiscal year, when we see both the number of employees and sales activities peak. In addition, the number of transactions on a contract basis tends to be the highest in Q3 (from February to April), when there is a large movement of people. Accordingly, gross profit (which we recognize on a payment basis) tends to peak in Q4, as a direct result of contracts signed in Q3. Therefore, the progress of our full-year forecast also tends to be less than 25% in the first two quarters of the fiscal year, recovering in the last two quarters.
cowcamo	What is the outlook of the in-house planned products business?	As TSUKURUBA's financials continue to improve in the coming quarters, we will be able to expand our in-house planned products business, as well as other businesses utilizing the balance sheet. We will carefully consider the timing of expansion, given recent macroeconomic trends around interest rates and real-estate prices, but will actively seek an expansion given the business' high take rate.

Reference | **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	194 employees (as of July 2023)
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>

Reference | 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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