



TSE Mothers : 2978

**Financial Results**  
**Q2 Fiscal Year 2019**  
Mar 12<sup>th</sup> 2020

**FY 2019**  
Aug 1<sup>st</sup> 2019 to Jul 31<sup>st</sup> 2020

# Agenda

- 1. Company Overview**
- 2. FY2019 2Q Financial Highlights**
- 3. Business Overview**
- 4. Q&A**
- 5. Reference Materials**

# 1. Company Overview



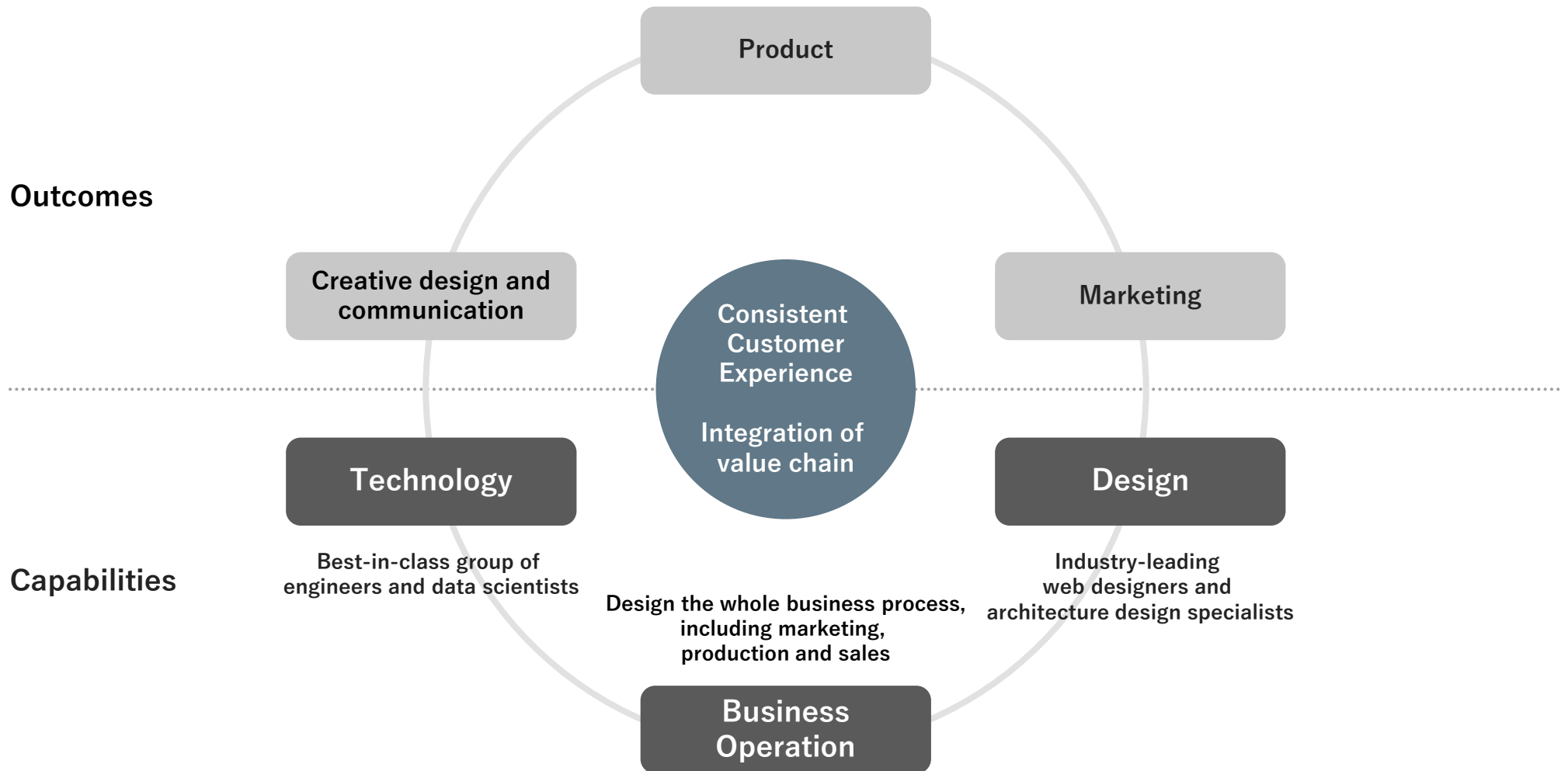
# Revolutionizing the Real Estate Industry

Our unique and innovative approach to business creation

	Competitive approach		tsukuruba approach
Strategic concept	Expand and maintain a large market share in an existing market by establishing a competitive advantage	▶	Create new markets through redefinition and re-imagination of existing markets
Source of competitive advantage	Superior functions or cost structure	▶	High engagement through a consistent customer experience
Customer value	Economic or functional value	▶	Emotional value and experience
Operational model	Direct source of competitive advantage Specializes in and exceeds at specific functions	▶	Full integration of complex and disperse operations using technology and design
Organizational structure	Designed to efficiently execute limited and specific functions within a regulated framework	▶	Designed for diverse and talented professionals and functions to co-exist and co-create

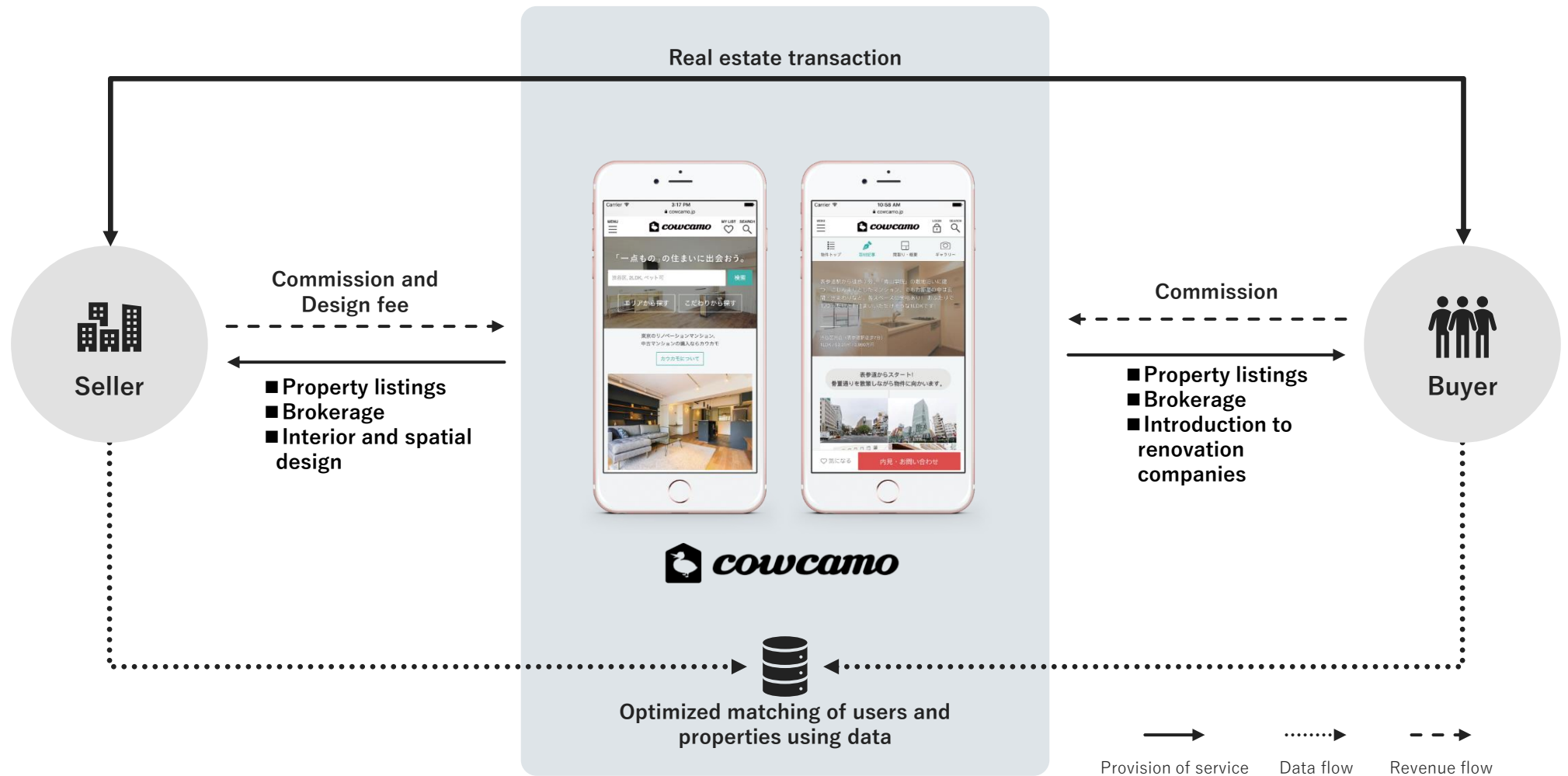
# Our Strength for Building a Consistent Customer Experience

Our capabilities and outcomes



# cowcamo: Technology-Powered Real Estate Brokerage Platform for Used and Renovated Properties\*1

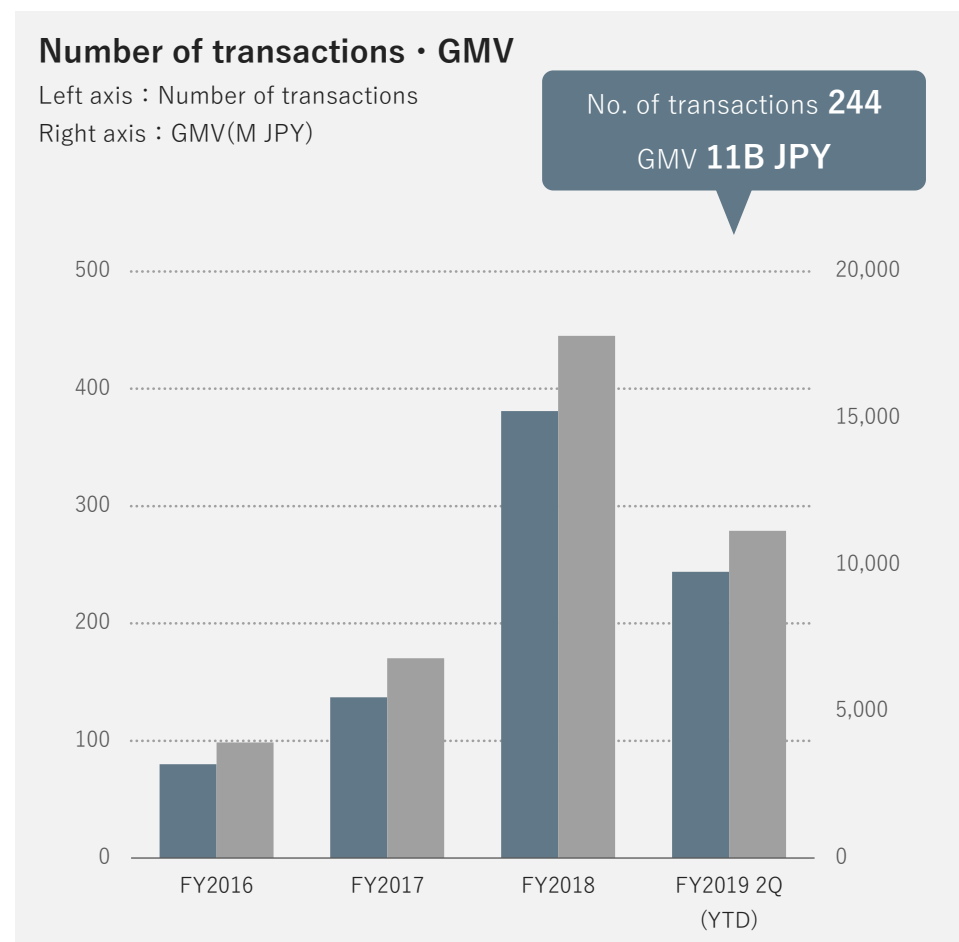
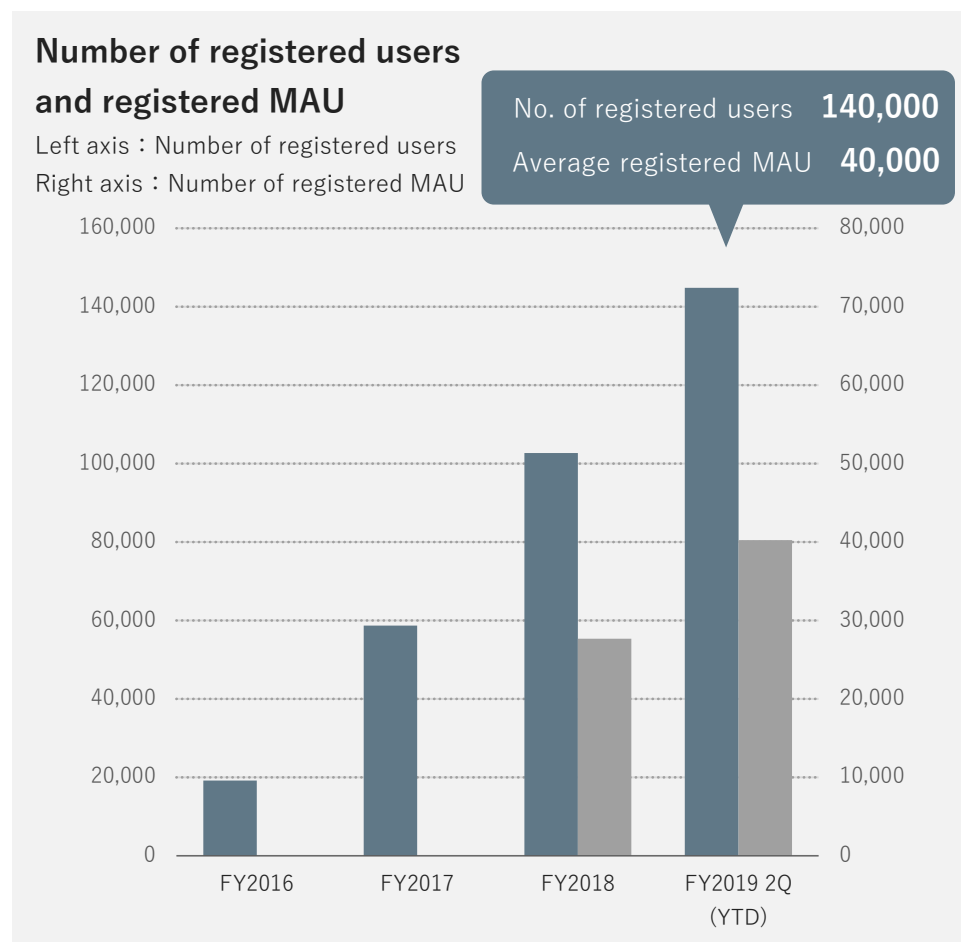
What is cowcamo?



\*1 : Used properties refer to properties which meet any of the following criteria:  
- Previously pre-occupied by a resident  
- One year has passed since the completion including those properties which have not been preoccupied)

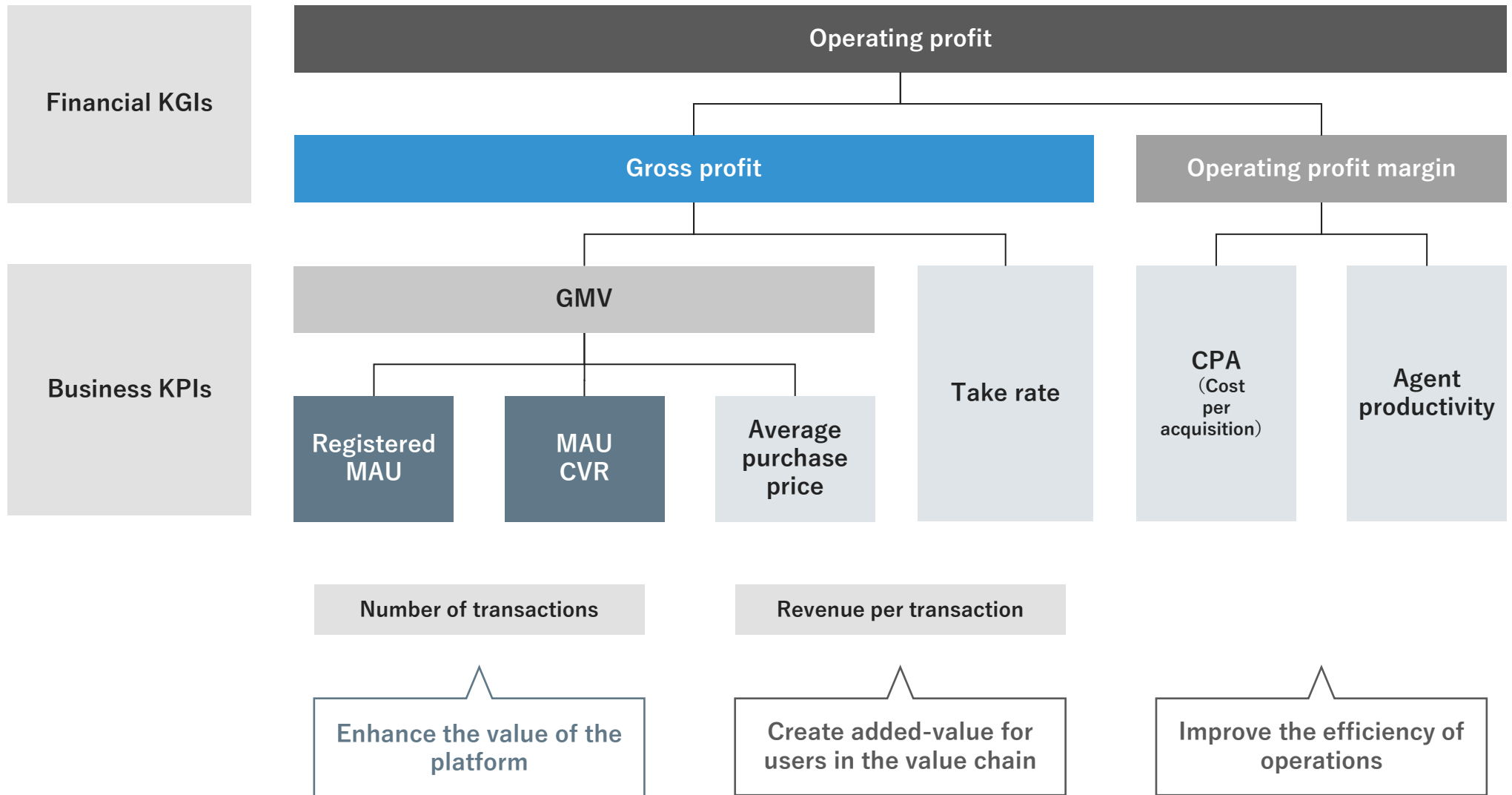
# cowcamo's Strong Growth Trajectory

## cowcamo's main KPIs





# Maximizing the Gross Profit by Enhancing the Value of the Platform



## 2. FY2019 2Q Financial Highlights

# FY20191Q Financial and Business KPI Highlights

## Company Financials (Q1~Q2 Total)

Revenue **992** M JPY (YoY **+40**%)

Gross Profit **724** M JPY (YoY **+61**%)

## Business KPIs (Q1~Q2 Total)

### cowcamo Business

GMV **11** B JPY

Gross Profit **672** M JPY

### Shared Workplace Business

Registered Users **144** K\*1 Revenue **160** M JPY

Registered MAU **43** K\*2 Gross Profit **52** M JPY

## Activities

- Began participation in and support of **a real estate fund for renovated properties** with **LayerX Inc.**, to expand the supply of higher quality properties for cowcamo users

\*1 Number of registered users at the end of FY20192Q

\*2 Number of registered MAU in January FY2019

# FY2019 Quarterly Financial Highlights

Both revenue and gross profit show strong growth and achieved profitability overall

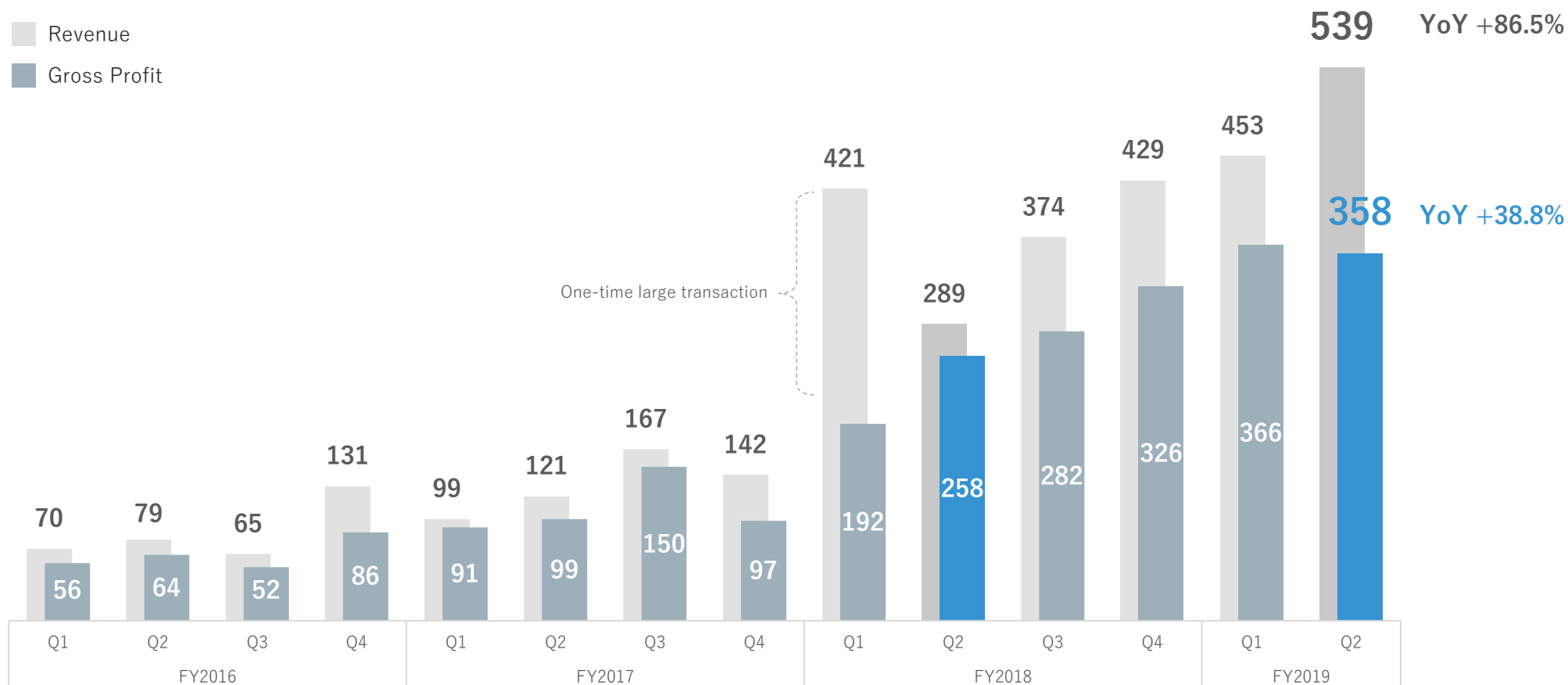
(Unit : M JPY)

	FY20182Q (2018/8~2019/1)	FY20192Q (2019/8~2020/1)	YoY
Revenue	711	992	+40 %
Gross Profit	450	724	+61 %
Operating Profit	-38	36	(Positive Profit)
Ordinary Profit	-40	36	(Positive Profit)
Net Profit	-40	28	(Positive Profit)

# Revenue and Gross Profit

Both revenue and gross profit grow steadily on a YoY basis

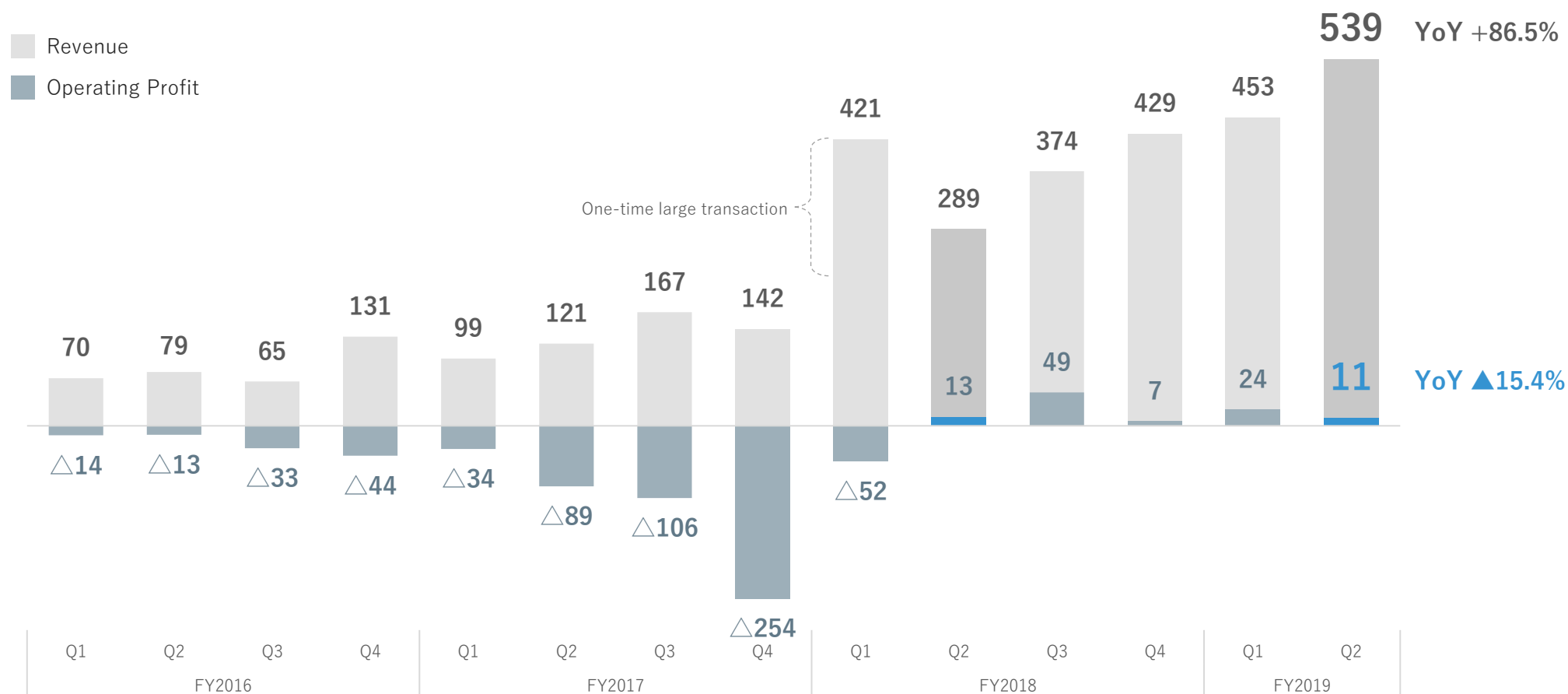
(Unit : M JPY)



# Operating Profit

Topline continues to maintain high growth rate and operating profit achieved profitability

(Unit : M JPY)



# FY2019 Quarterly Financial Highlights by Business Segments

cowcamo's gross profit, which accounts for a majority, grew by 1.5x, while its business segment profit doubled

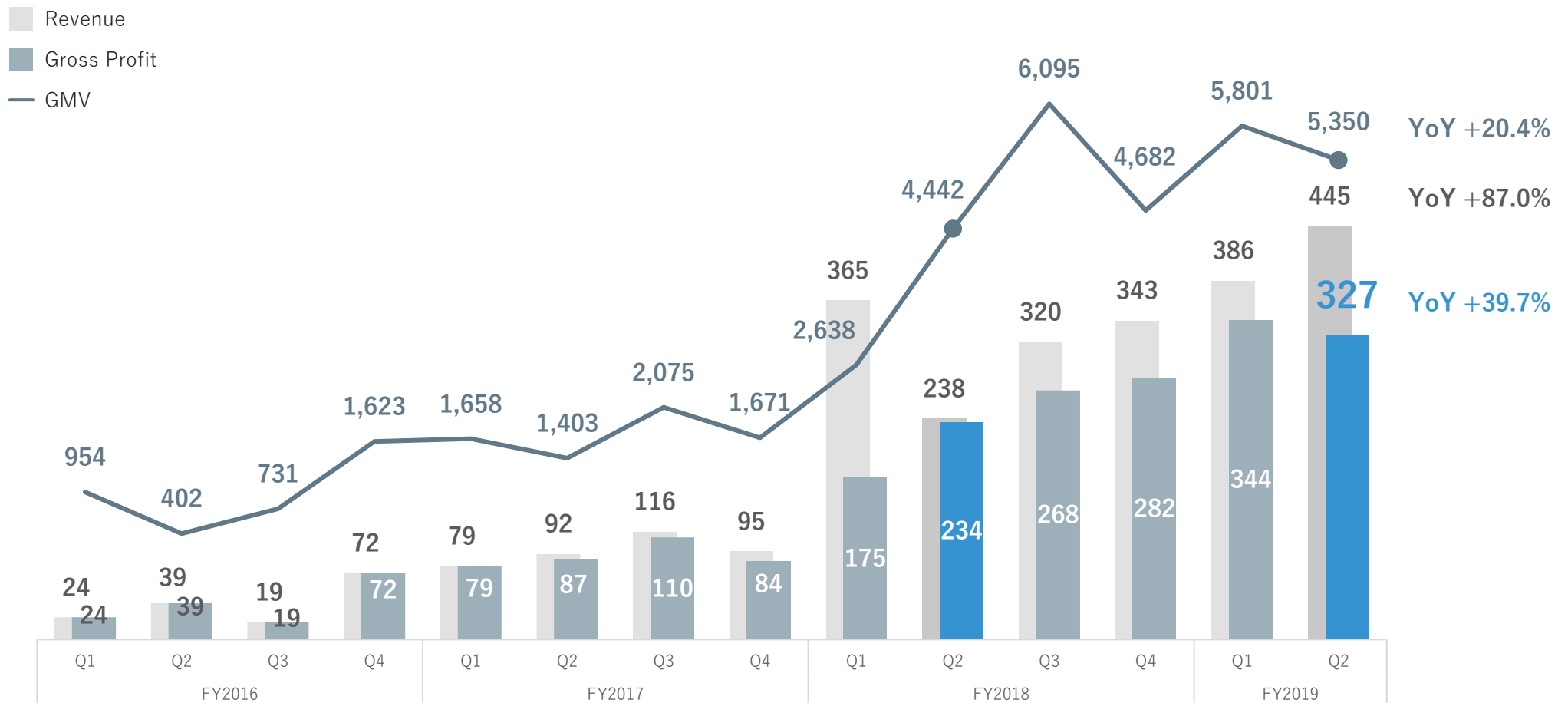
(Unit : M JPY)

		FY20182Q (2018/8~2019/1)	FY20192Q (2019/8~2020/1)	YoY
cowcamo	Revenue	604	832	+38%
	Gross Profit	409	672	+64%
	Business Segment Profit	122	275	+125%
Shared Workplace	Revenue	107	160	+50%
	Gross Profit	41	52	+27%
	Business Segment Profit	12	20	+67%

# cowcamo's Top-line KGI (GMV, Revenue and Gross Profit)

cowcamo's profit grew by +40% on a YoY basis

(Unit : M JPY)

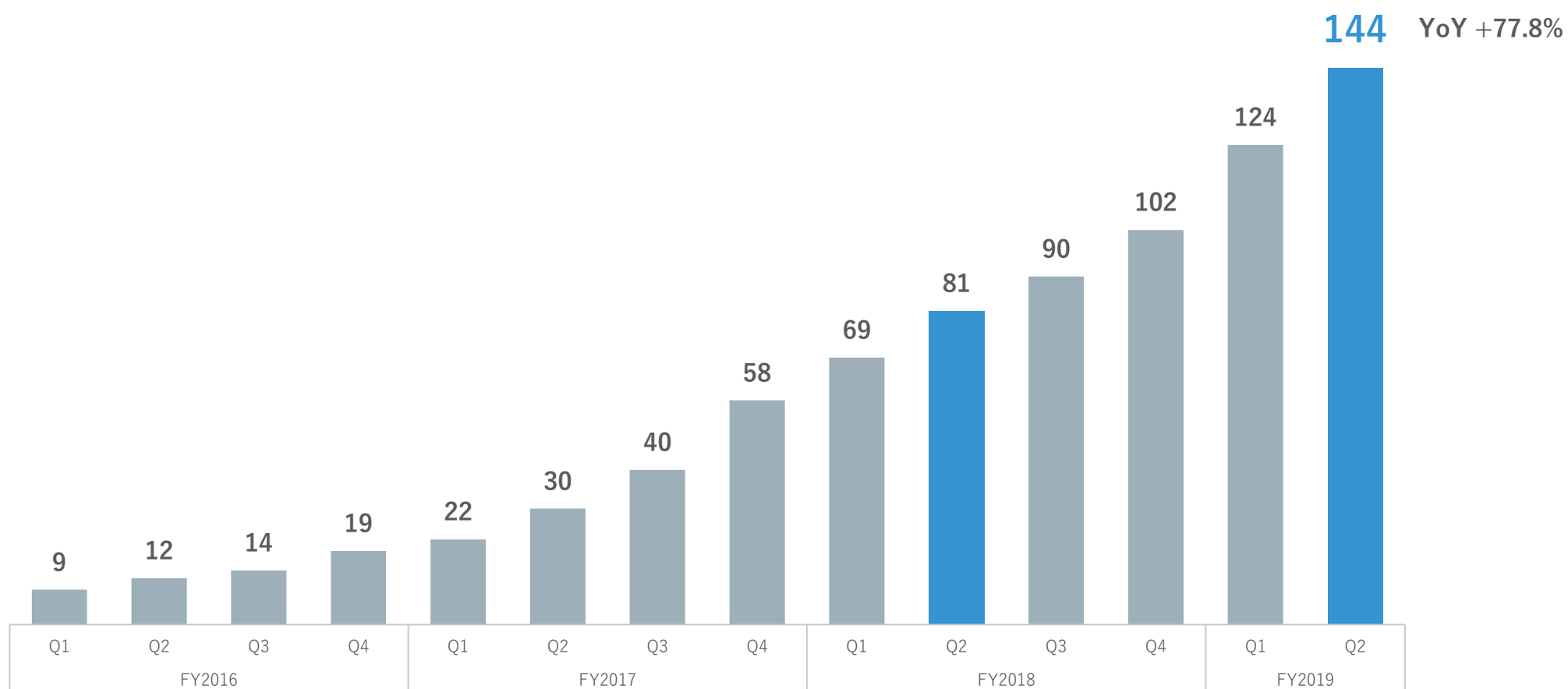




# cowcamo's Registered Users<sup>\*1</sup>

Registered users continue to accumulate as new users are acquired more cost effectively

(Unit : K )

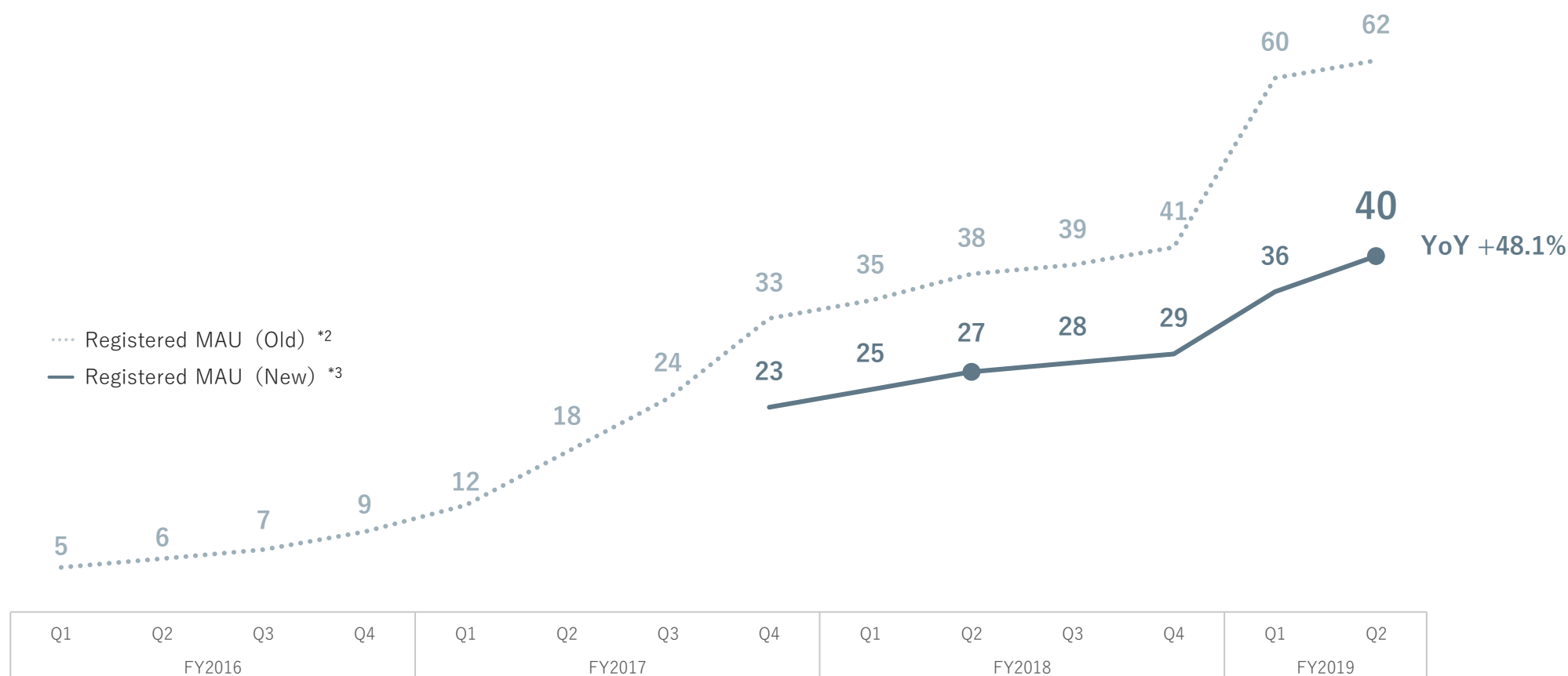


\*1 Number of registered users at the end of each quarter

# cowcamo's Registered MAU<sup>\*1</sup>

As with registered users, registered MAU continues to accumulate

(Unit : K)



## ※Regarding the change in the definition of registered MAU

We previously defined a “Registered MAU” as the sum of users using the cowcamo app and visiting the cowcamo website. Hence, a user who used the app and visited the website was calculated as 2 registered MAUs. However, to provide a more accurate disclosure, a “Registered MAU” has been redefined as a user who has both used the cowcamo app and visited the website. Under this new definition, a user who uses the cowcamo app and visits the cowcamo website is calculated as 1 MAU. Please note that we began tracking registered MAUs using the new definition in Q4 FY2017. There are no figures based on the new definition prior to this. Therefore, the graph shows the number of registered MAU from Q4 FY2017.

<sup>\*1</sup> Quarterly average of registered MAU

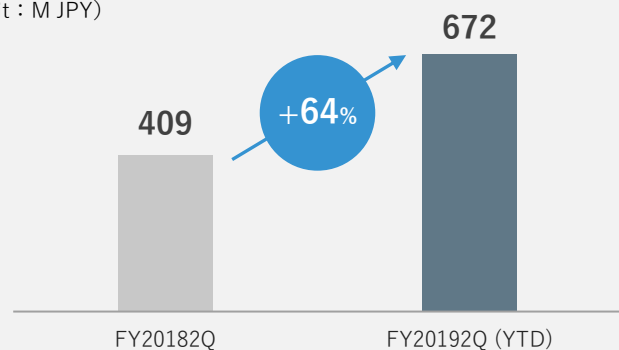
<sup>\*2</sup> Sum of registered MAUs who used the cowcamo app and visited the cowcamo website

<sup>\*3</sup> Distinct number of registered MAUs who used the cowcamo app and visited the cowcamo website

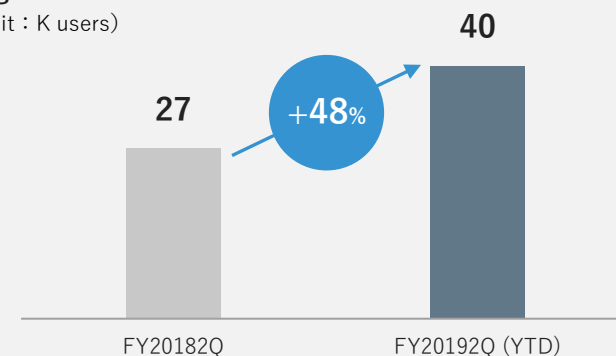
# Gross Profit = Registered MAU \* Gross Profit per Registered MAU

Gross profit per registered MAU is growing, while increasing registered MAU

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

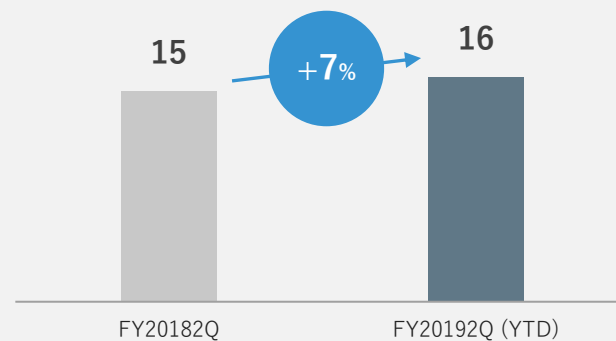


**Registered MAU\*1**  
(Unit : K users)



No. of registered MAUs calculated based on the new definition.  
No. of registered MAUs based on the old definition is 60,000.

**Gross Profit per Registered MAU**  
(Unit : K JPY)

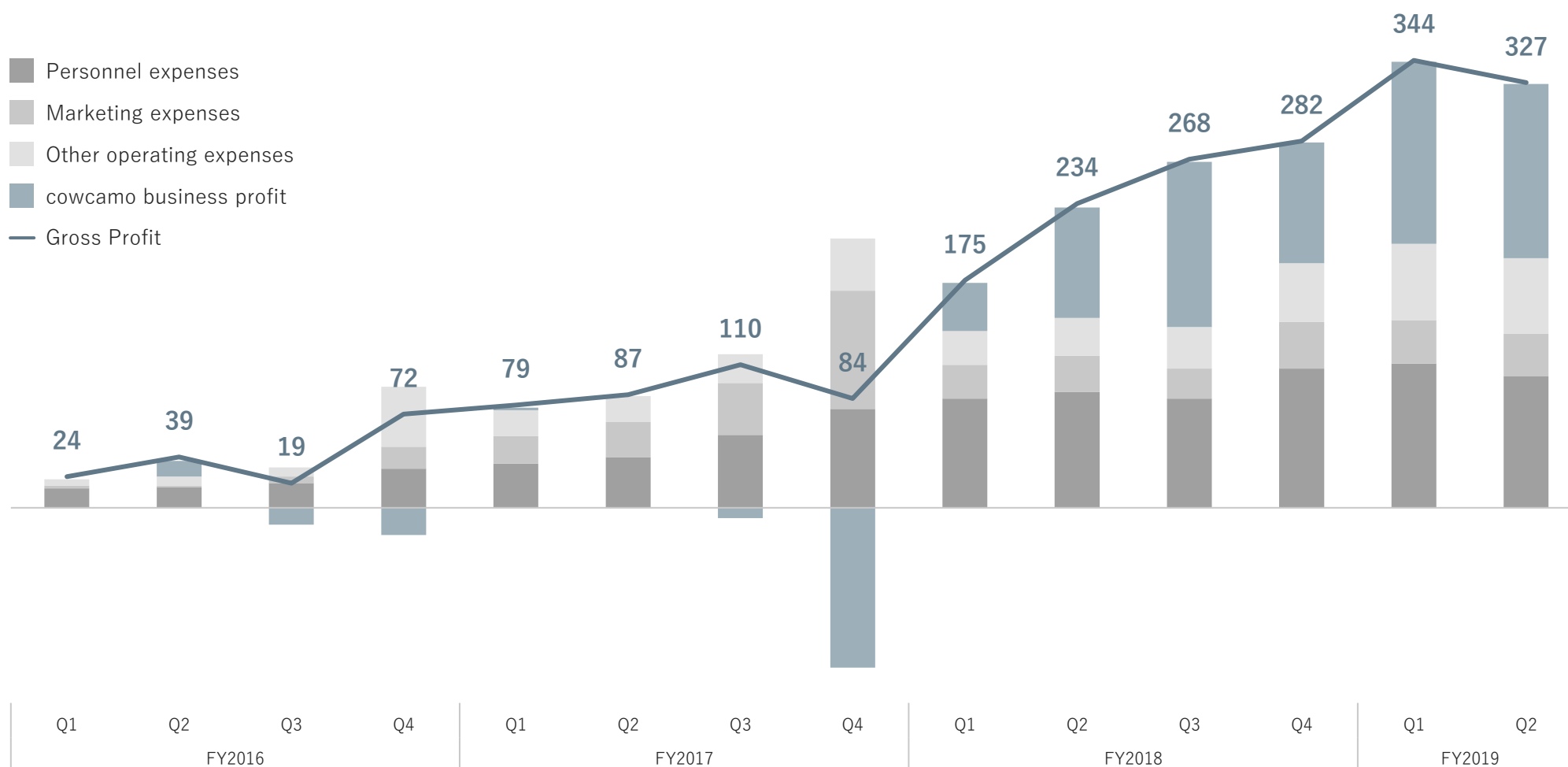


\*1 Average MAU for financial year

# Operating Cost Composition of the cowcamo business

cowcamo continues to generate business segment profit, while controlling operating costs

(Unit : M JPY)



# Accelerate the Expansion of Higher Quality Properties by Leveraging Data, Finance, and Technology

## Collaboration Partner

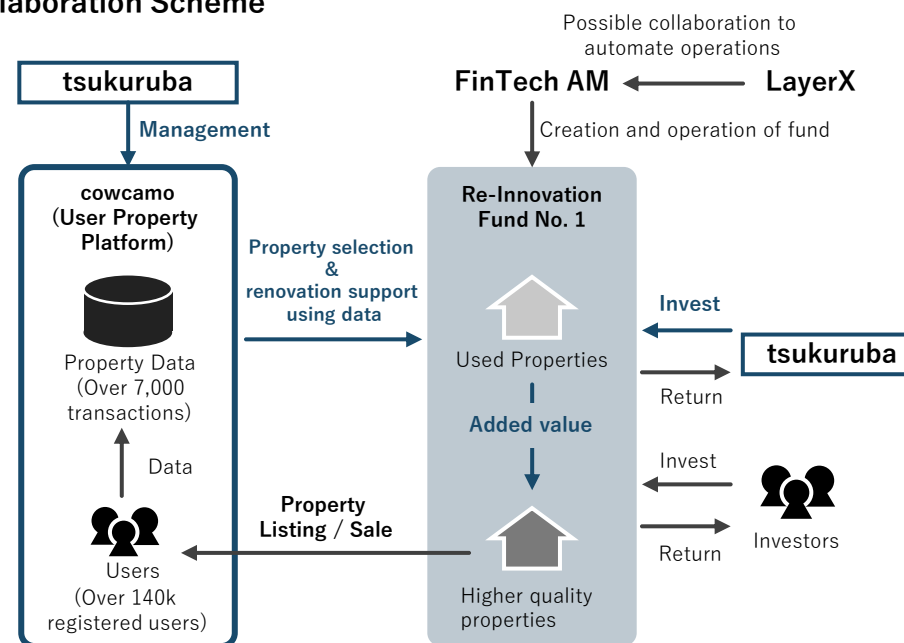
### FinTech Asset Management Incorporated

Name	FinTech Asset Management Incorporated
Office	Meguro Central Square 15th Floor, 3-1-1 Kamiosaki, Shinagawa-ku, Tokyo
Founded	December 14, 2005
Representative	Representative Director and President, Naoko Yoshioka
Capital	50M JPY (as of August 5, 2011)
Business Descriptions	Financial instruments business operator (investment management, investment advisory and agency business, type II financial instruments business)  Real estate asset management  Financial arrangement  Investment fund formation
Holdings Company	FinTech Global Incorporated (100% Holdings Company, TSE Mothers: 8789)

## Collaboration Overview

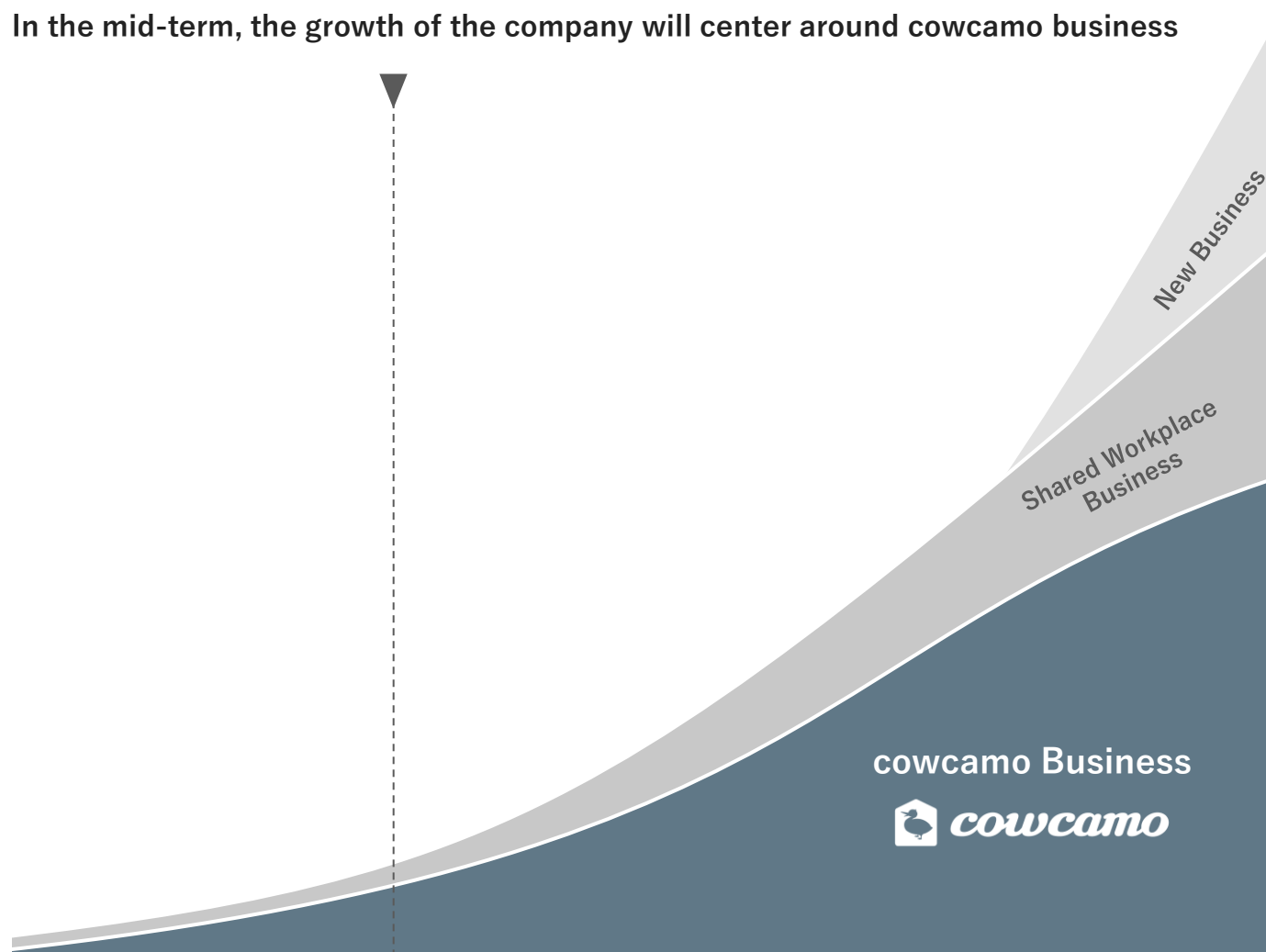
- tsukuruba will utilize its data and knowhow, accumulated through cowcamo, to improve the investment return of Re-Innovation Fund No. 1. tsukuruba will support property selection, increasing the margin of sales, and provide listings for sales transactions.
- The fund will also collaborate with LayerX Inc. to automate the operations related to the management of the fund
- Supply of higher quality renovated properties will be increased overall leading to greater stimulation of the used property market

### Collaboration Scheme



# Future Direction of tsukuruba's Growth Strategy

In the mid-term, the growth of the company will center around cowcamo business



In the long-term, we plan to launch new businesses which can create synergies with our existing businesses

We will expand the Shared Workplace business by investing into new workplaces with discipline

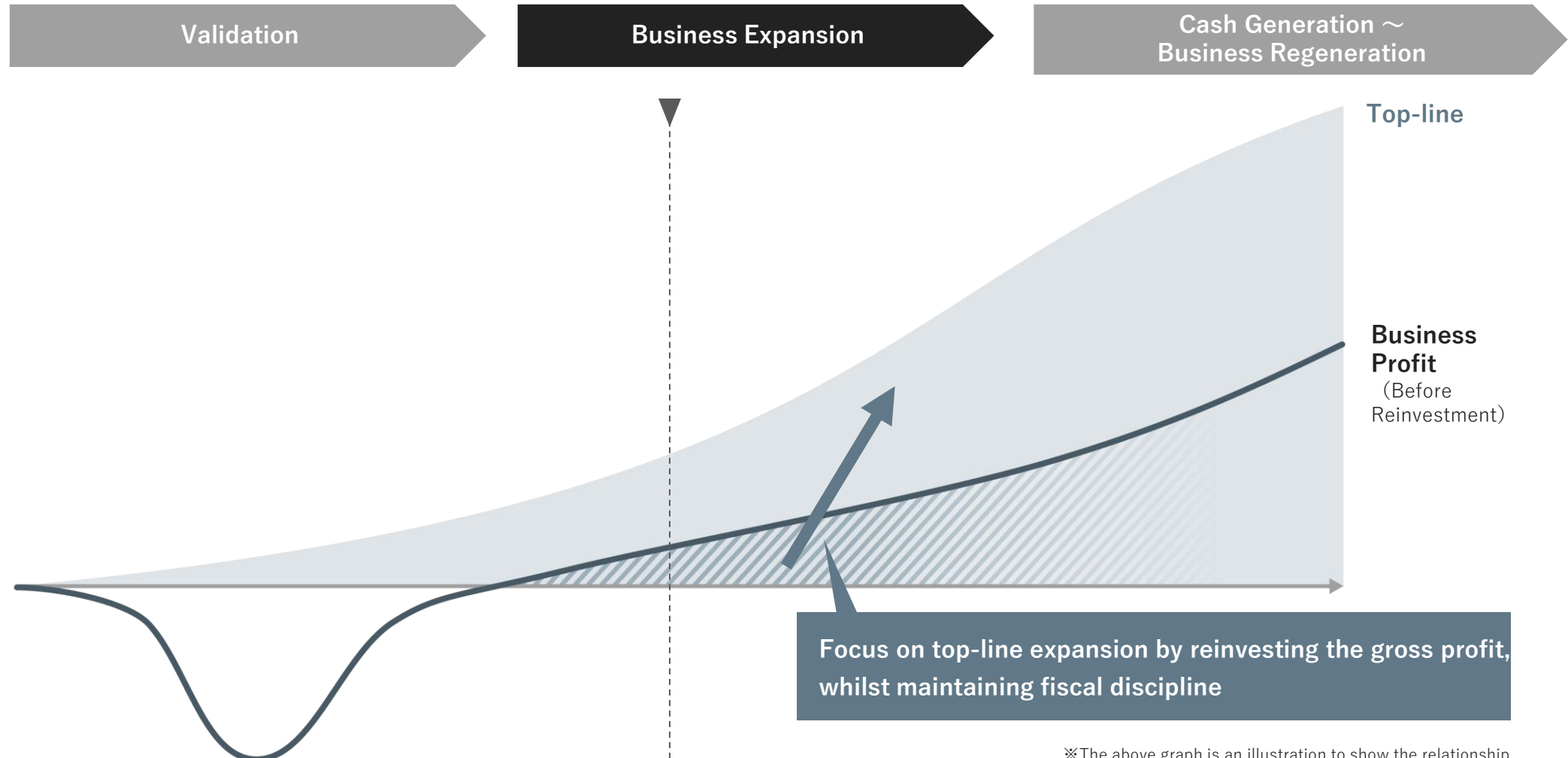
cowcamo will be the driver of growth for the foreseeable future.

We will focus on reinvesting gross profit to achieve continuous growth.

※The above graph is an illustration of our growth strategy and is not a representation of any business plan.

# Growth Stages of cowcamo Business

Focus on the continuous growth of the top-line by reinvesting the gross profit generated into cowcamo business



※The above graph is an illustration to show the relationship between the top-line and the business profit

## cowcamo's Growth Roadmap





### 3. Business Overview

# Company Highlights

**1**

**Establishing a unique position in the growing used and renovated property market**

**2**

**Enhancing our self-sustaining growth model based on product and marketing capabilities**

**3**

**Building and consolidating our assets and competitive advantage through the integration of the value chain**

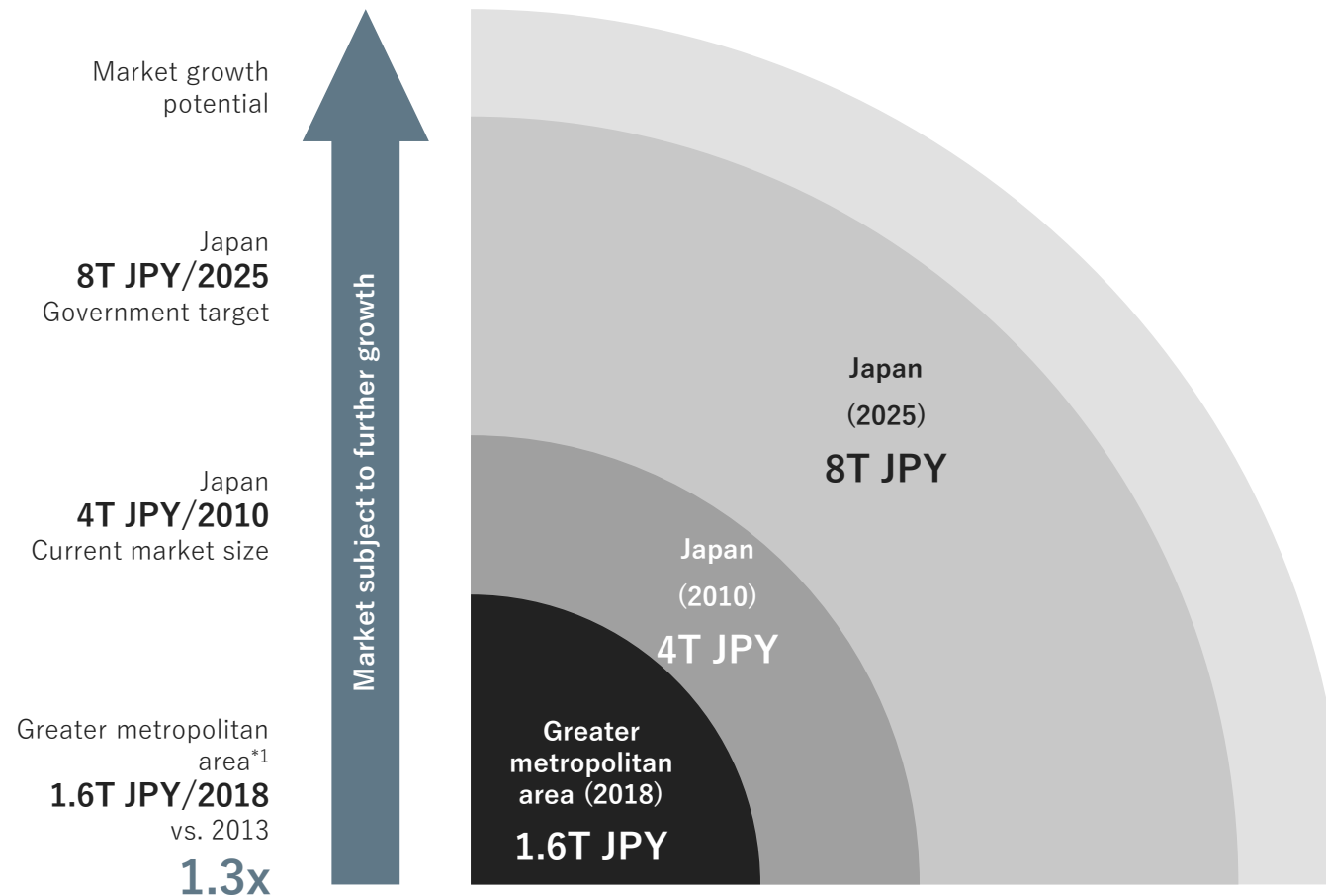
**4**

**Growing and strengthening our user base**

## 1

# Future Growth Expectations of the Used and Renovated Property Market

The Greater metropolitan market was estimated to be 1.8 trillion JPY, while the Japanese government aims to further invigorate the market to 8 trillion JPY as a whole

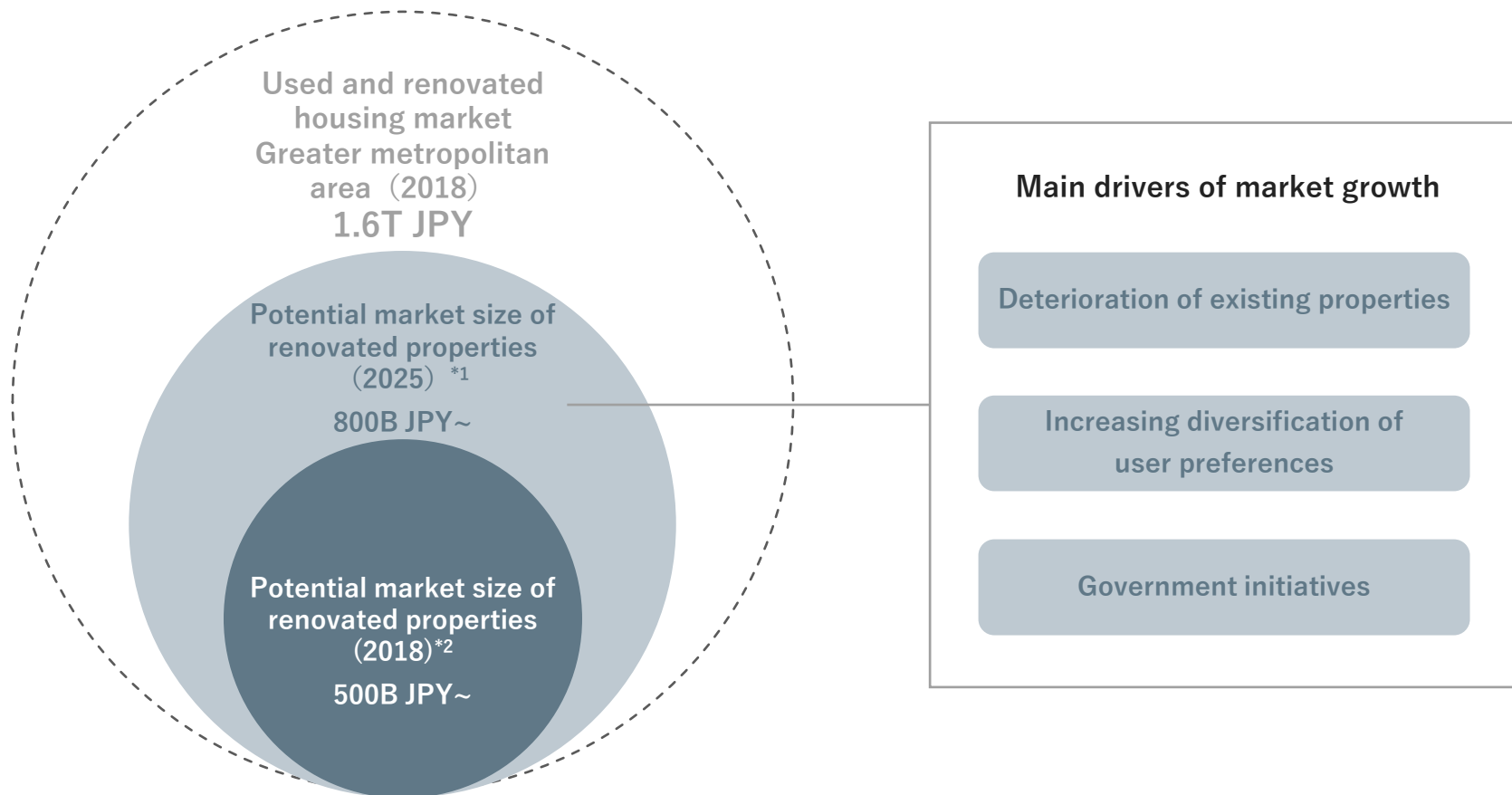


\*1 Greater metropolitan area : Tokyo, Saitama, Chiba and Kanagawa prefectures

Source: Real Estate Information Network for East Japan / Prime Minister's Office of Japan, "Growth Strategy 2017"

# 1 Strong Growth Potential of the Renovated Property Market

The renovated housing market is expected to experience a rapid growth due to a number of factors



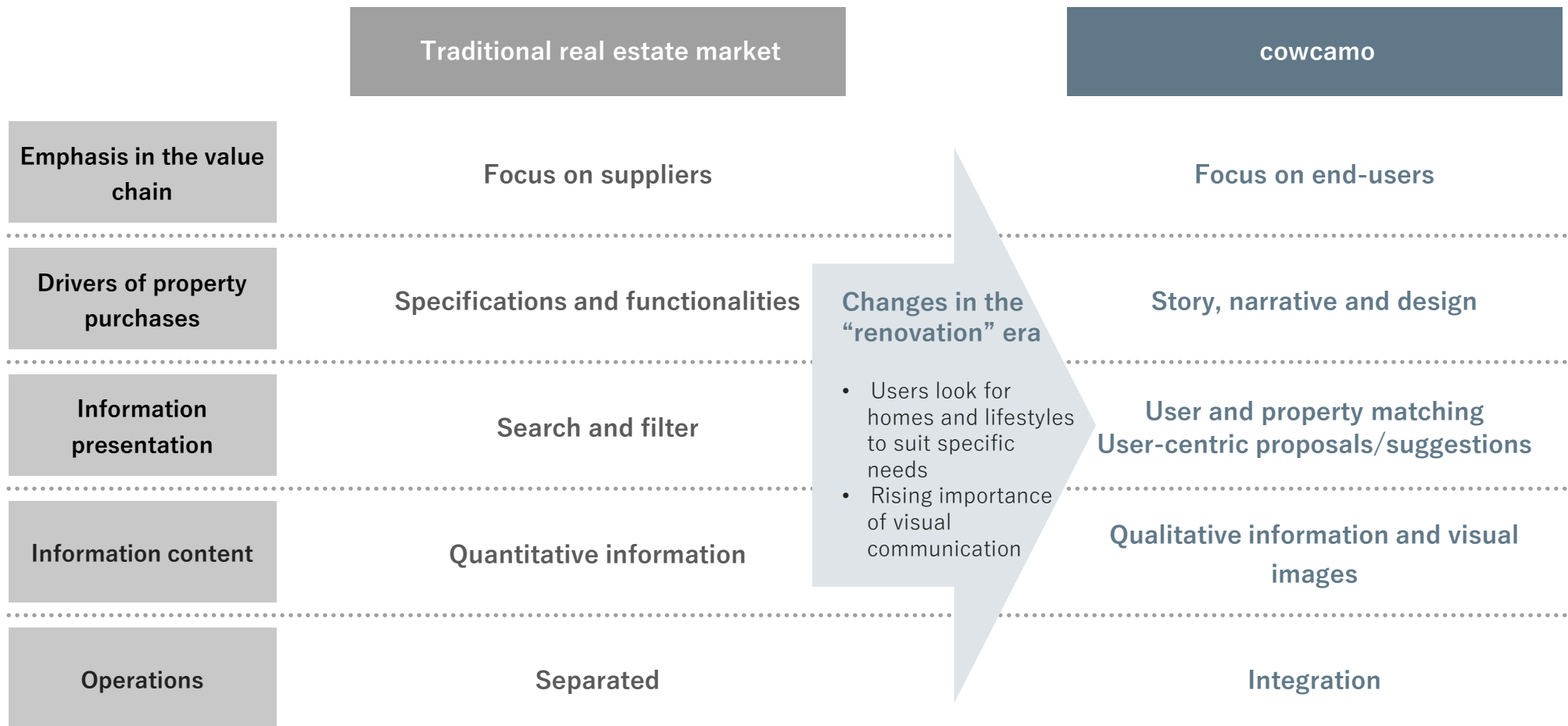
\*1 Calculated based on the market size of the used property market in 2018 x the number of used apartments which are 25 years or older in supply in 2025 (estimated data)

\*2 Calculated based on the market size of the used property market in 2018 x the number of used apartments which are 25 years or older in supply in 2015 (actual data)

Source: Real Estate Information Network for East Japan "Market trend of Real Estate Market in the Greater Metropolitan Area", Mizuho Trust & Banking Co., Ltd. "Real Estate Market Report 2016.5"

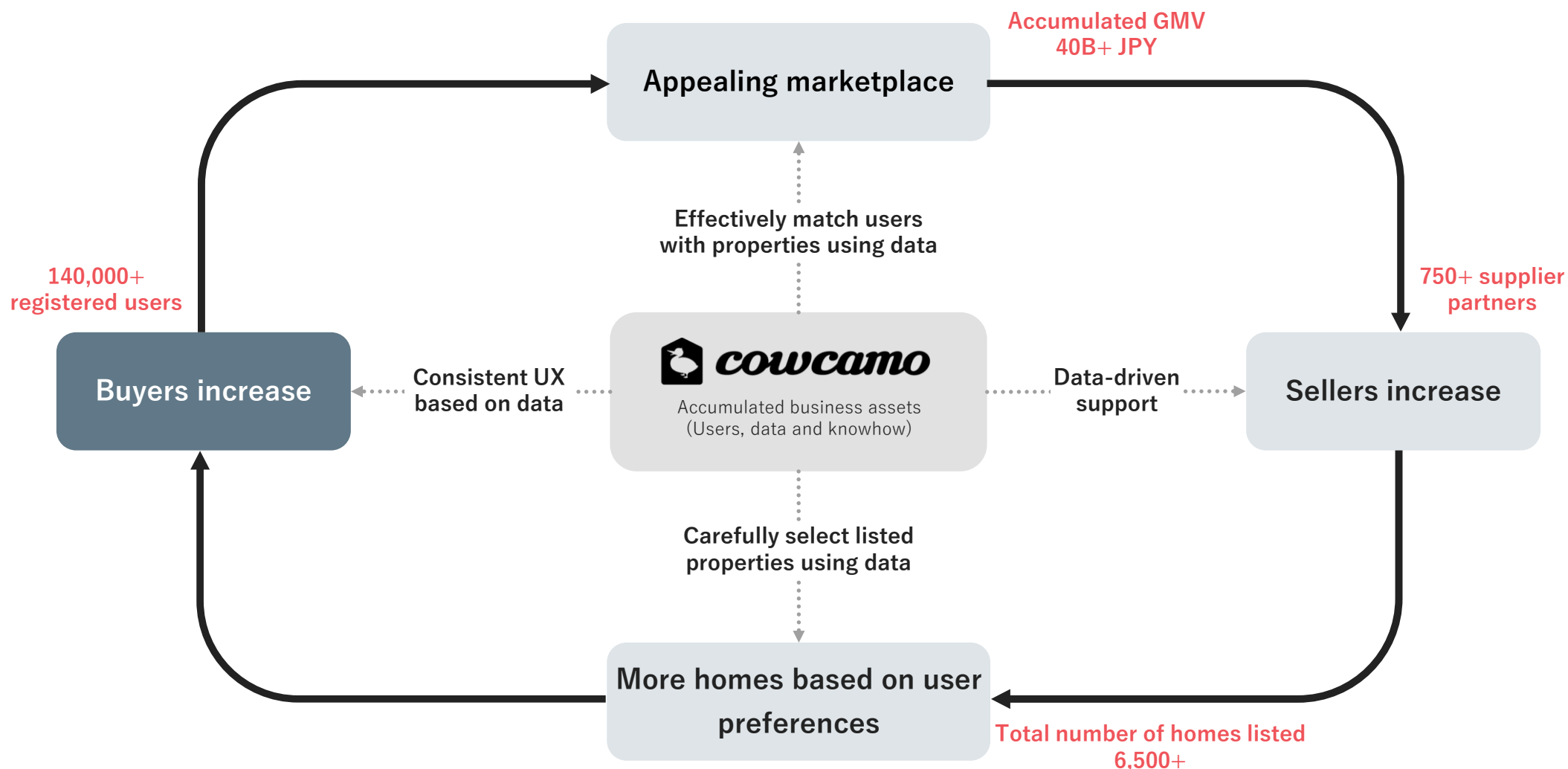
# 1 Our Unique Market Position as a Platform for Residential Properties

Changes in the principle of competition in the “renovation” era and cowcamo’s market positioning



## 2

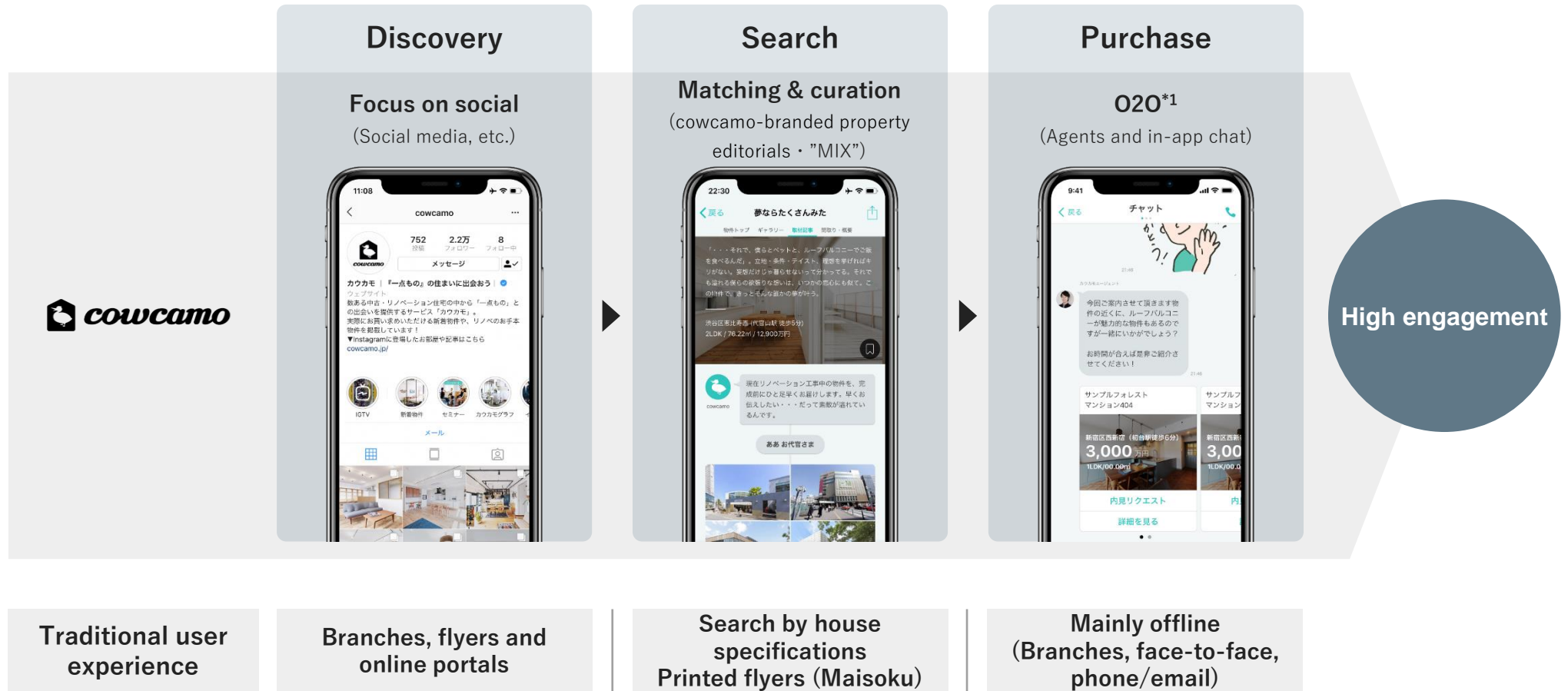
## Our User-Driven Self-Sustaining Growth Cycle



## 2

# Our User-Centric Home Shopping Journey

Design and manage the end-to-end user experience to deliver a first-class home shopping journey



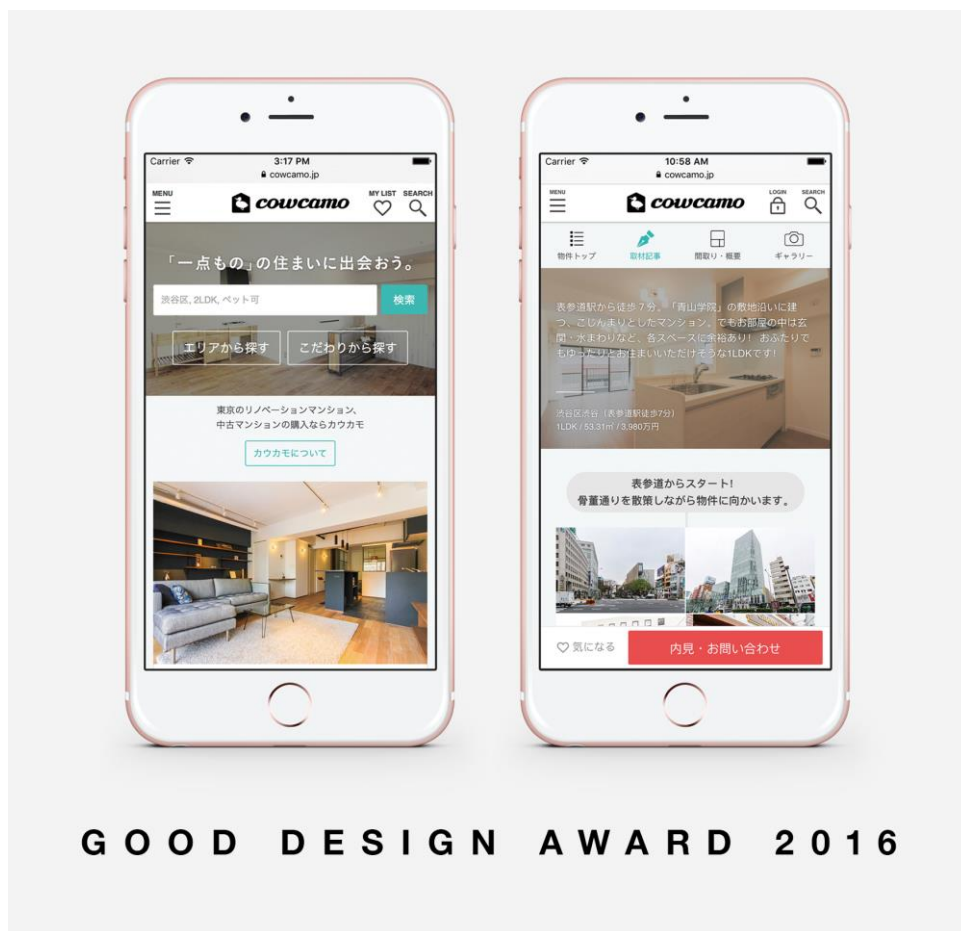
\*1 O2O: Online to Offline

\*2 "Maisoku" : Printed flyers with listed property information which real estate agents traditionally hand out

# Past Awards

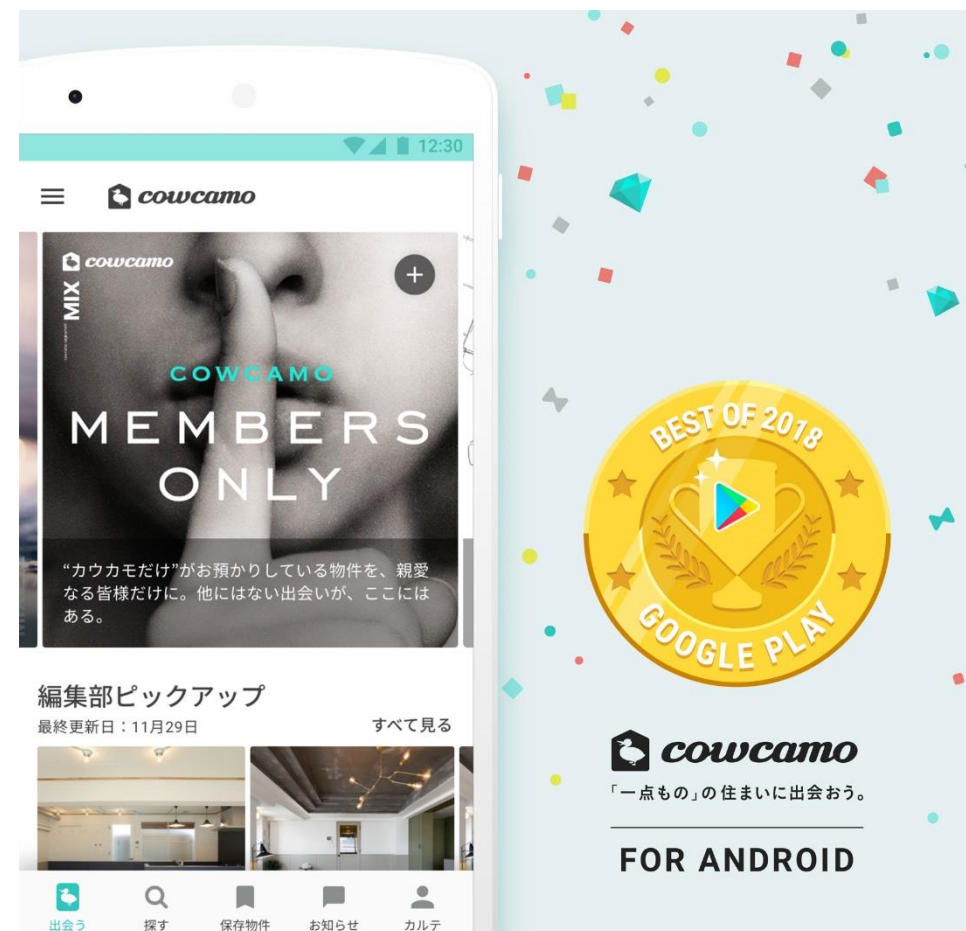
## cowcamo.jp (Website)

GOOD DESIGN AWARD 2016



## cowcamo for android (app)

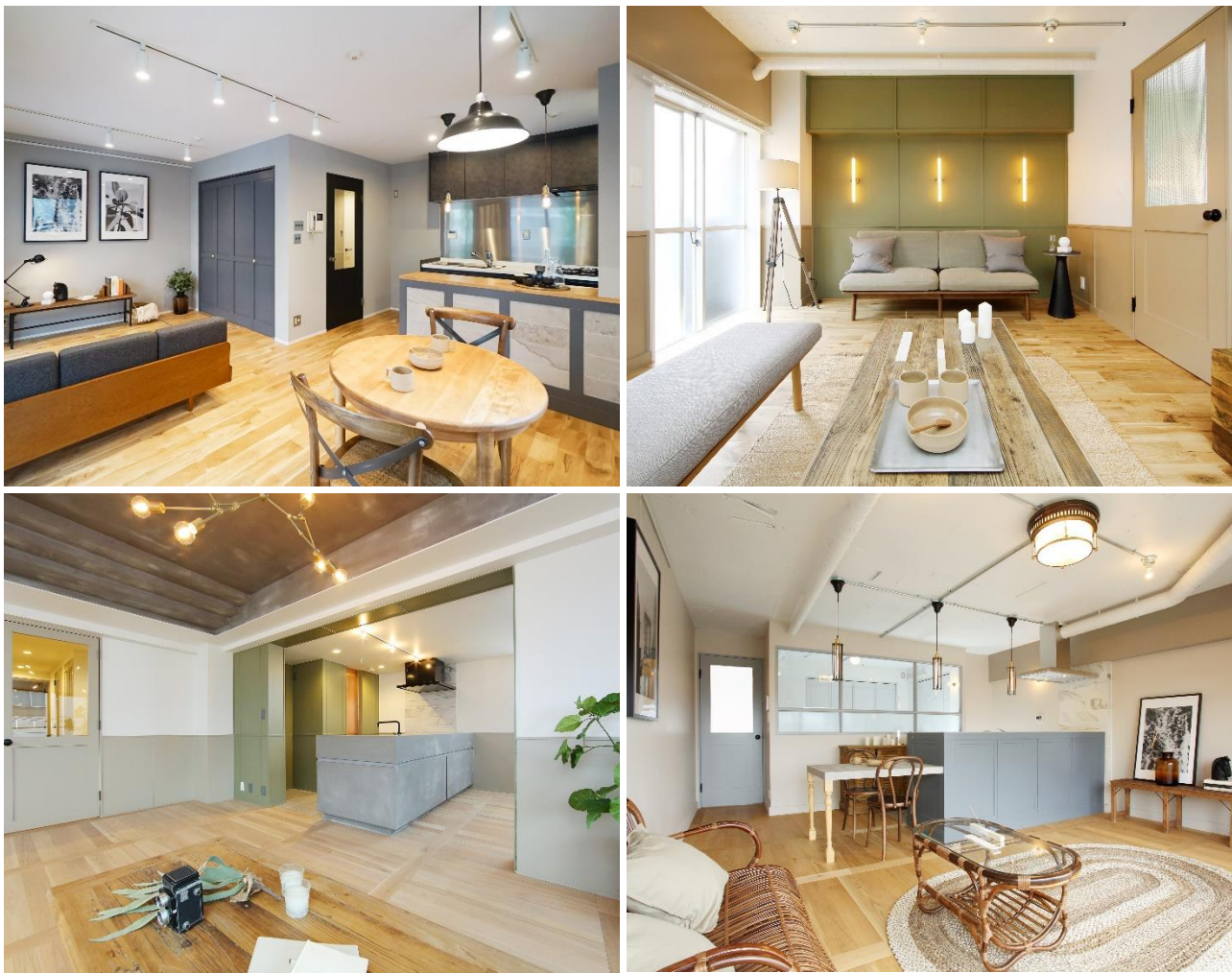
Google Play Best of 2018



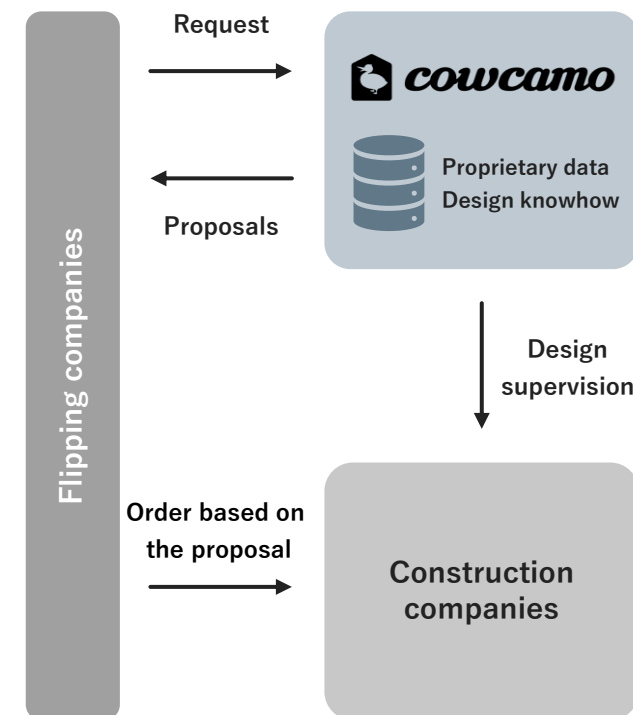


## 2 Creating New Business Opportunities with Supplier Partners

Property designs by cowcamo

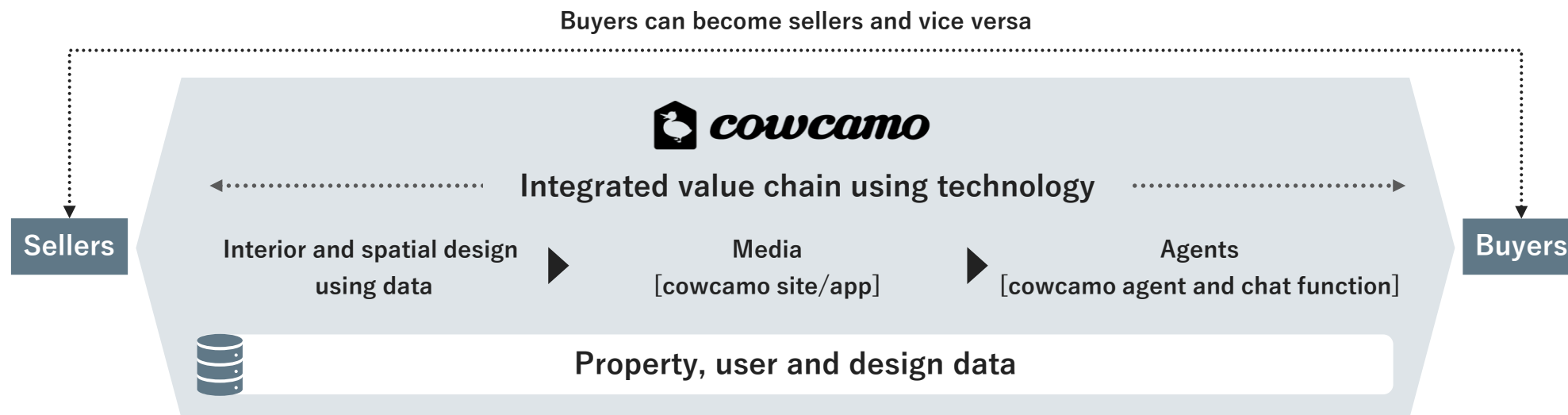


Business flow of our interior and spatial design business scheme

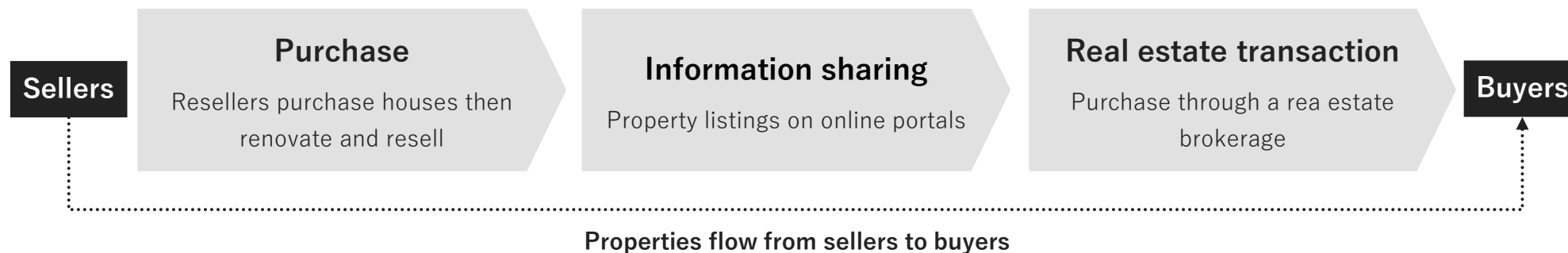


### 3 A Fully-Integrated Used and Renovated Property Value Chain

cowcamo's value chain

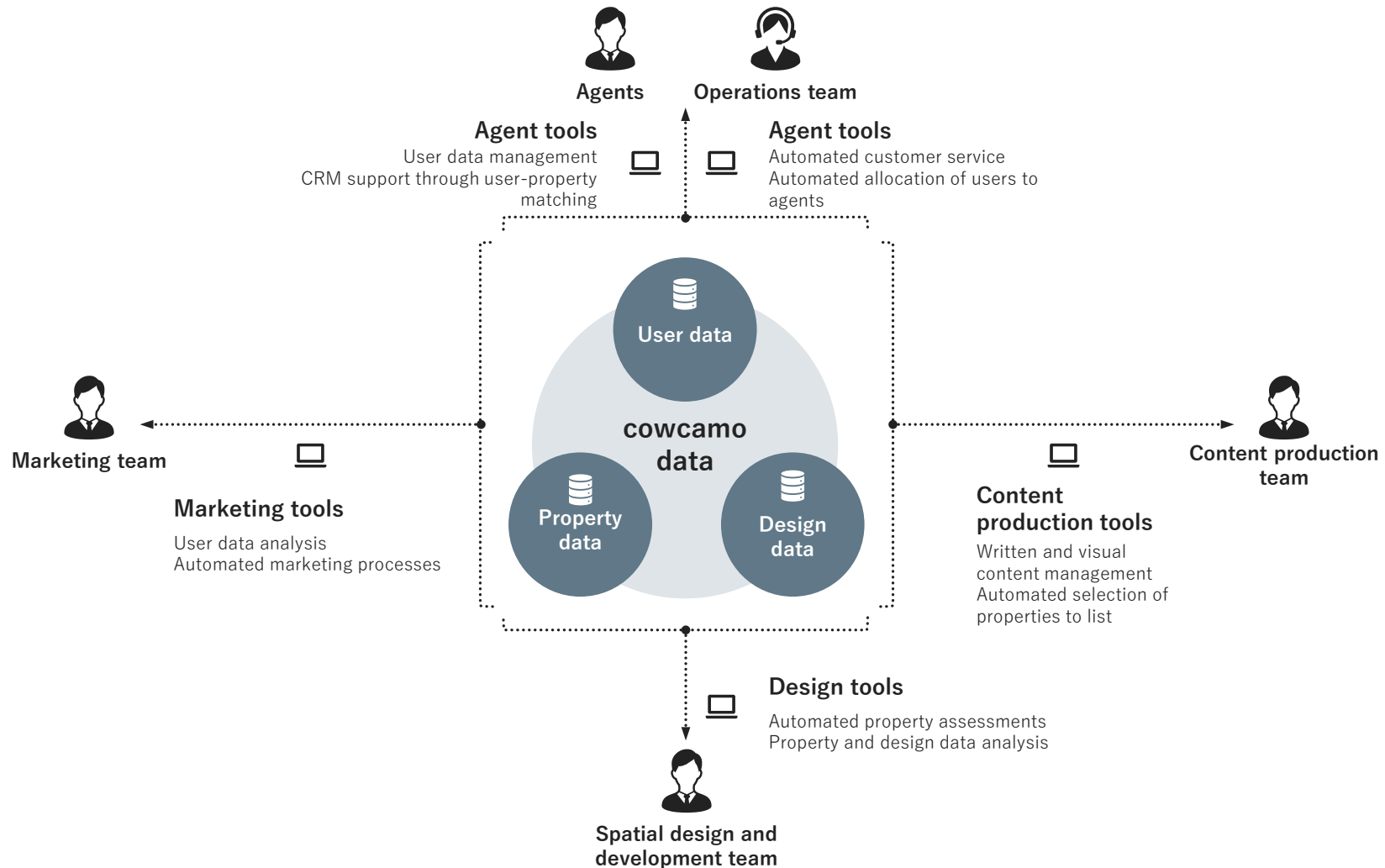


Traditional value chain



# Our Comprehensive Suite of Tools and Technology Solutions

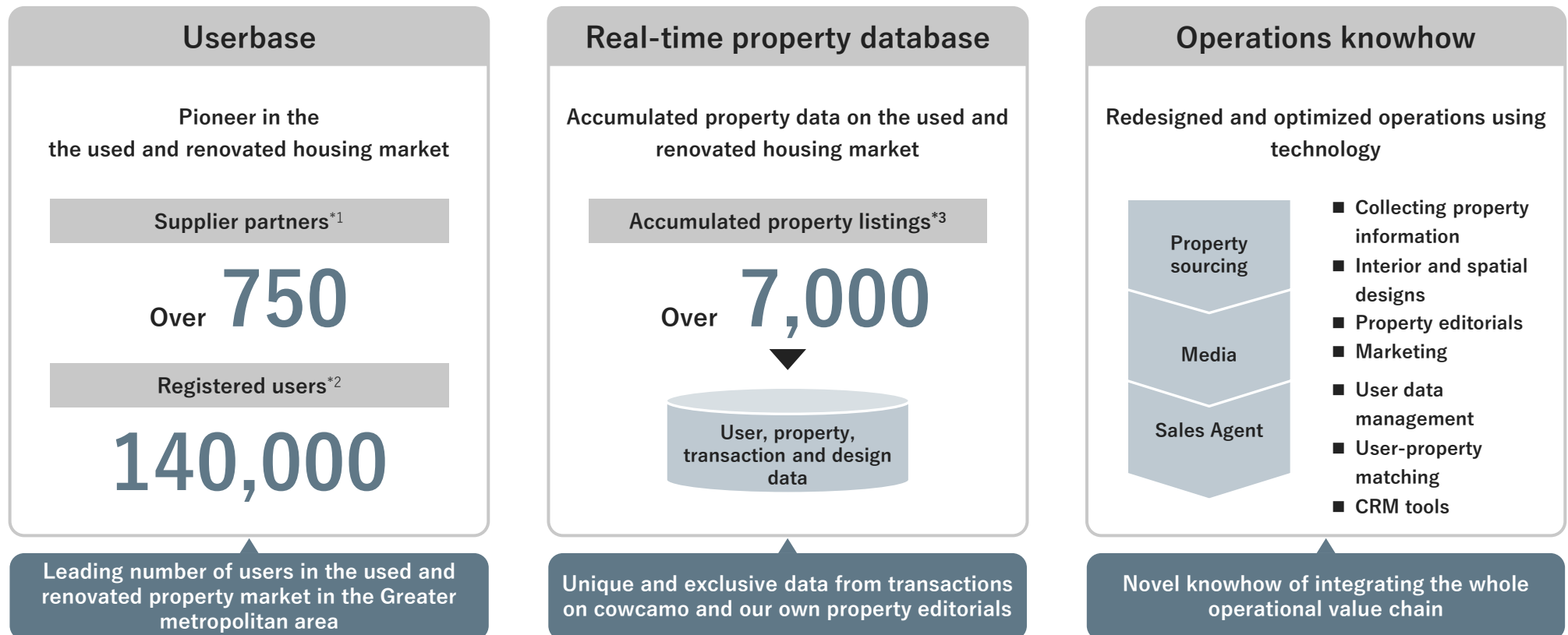
Optimization of various processes using data and technology



## 3

## Our Sustainable Competitive Advantage

Accumulated userbase, data and know-how through business operations



\*1 : Sellers and flipping companies which have been covered in cowcamo's editorials

\*2 : Accumulated number of registered users (as of January 2020)

\*3 : Properties listed on cowcamo

## 4

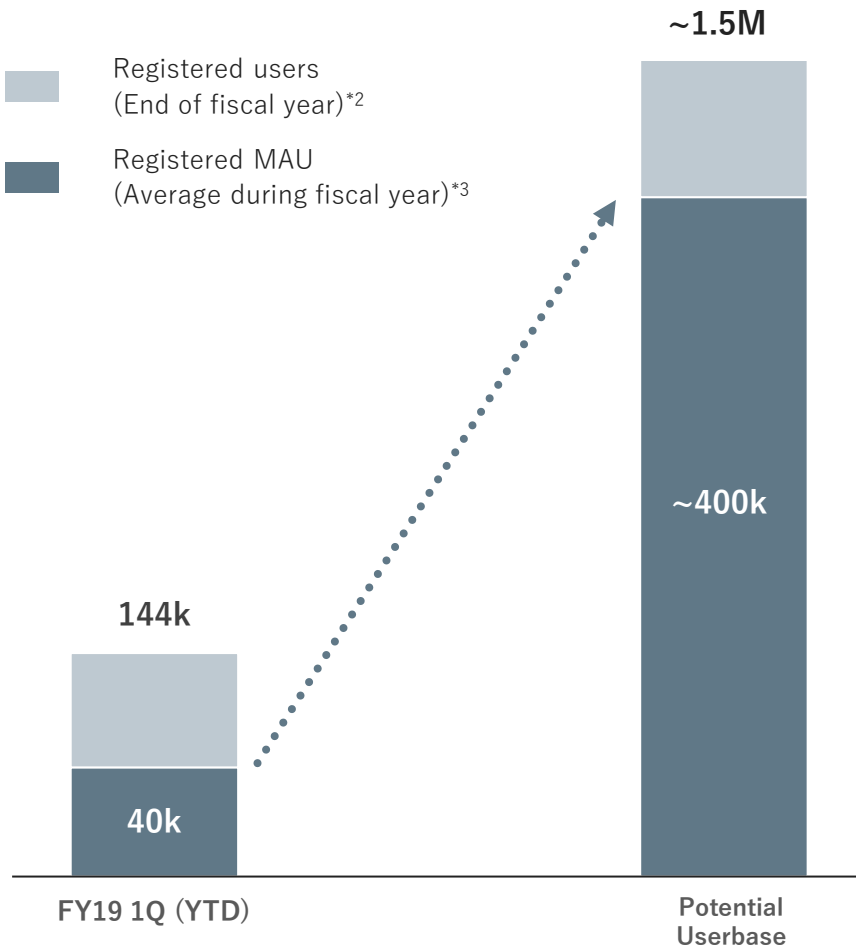
# Our Growth Roadmap



# 4

## Opportunities for Future Growth of Our Userbase

### Potential for user growth in the Tokyo metropolitan area\*1

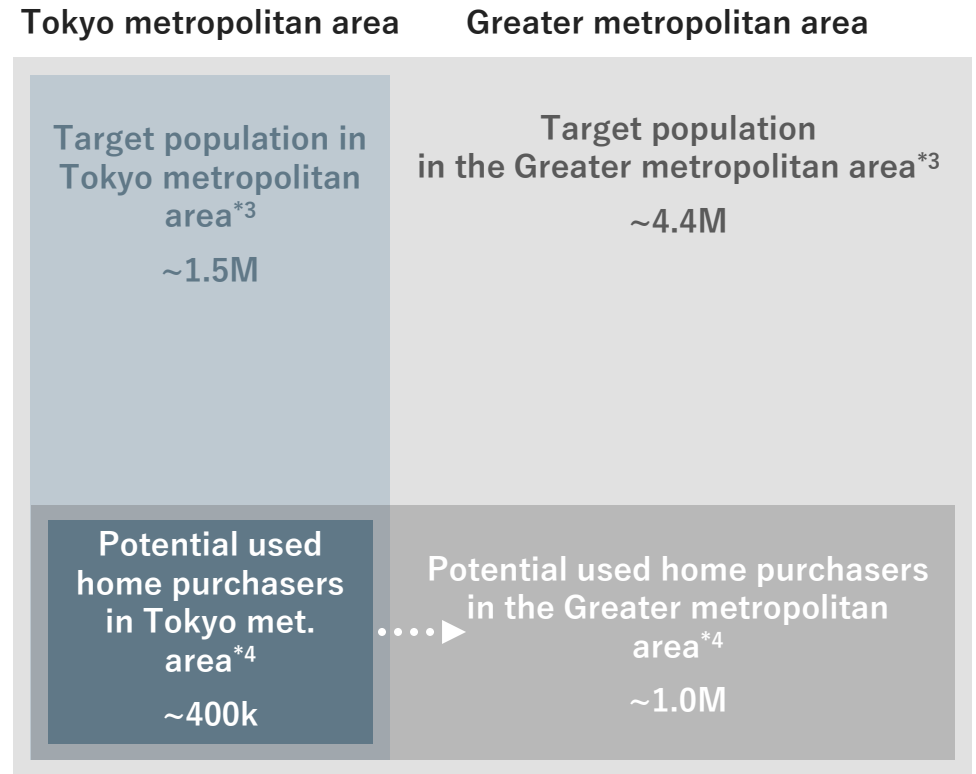


- \*1 : Tokyo metropolitan area refers to the 23 wards in Tokyo prefecture  
 \*2 : Registered users refers to users who have registered on cowcamo by the last day of a given period, including users who have not made any transactions  
 \*3 : Registered MAU refers the average number of registered monthly active users in a given period

#### ※Regarding the change in the definition of registered MAU

We previously defined a "Registered MAU" as the sum of users using the cowcamo app and visiting the cowcamo website. However, to provide a more accurate disclosure, a "Registered MAU" has been redefined as a user who has both used the cowcamo app and visited the website.

### Potential for user growth through area expansion



\*3 : In Tokyo metropolitan area (A1) and Greater metropolitan area (A2), calculated based on: the population between the age of 25 to 50 years old x estimated potential home ownership rate (B) x estimated potential used home ownership rate (C)

A1 : Tokyo Metropolitan Government Bureau of General Affairs "Census: Population and Households in Tokyo (2019.1)"

A2 : Tokyo Metropolitan Government Bureau of General Affairs "Current Population Estimates as of October 1, 2018"

B : Ministry of Land, Infrastructure, Transport and Tourism "2019 Real Estate Market Data: 3. Perception of Japanese Citizens Towards" Housing  
 Exclude respondents who answered "Rented properties" as their desired future property ownership from all respondents who currently live in a rented property (66.2%)

C : Ministry of Land, Infrastructure, Transport and Tourism "2019 Real Estate Market Data: 3. Perception of Japanese Citizens Towards" Housing  
 Share of respondents who live in a rented property and answered "Used property" or "No preference" as desired future property ownership (44.1%)

\*4 : Calculated based on the target population x share of those who want to move houses within the next 5 years (D)

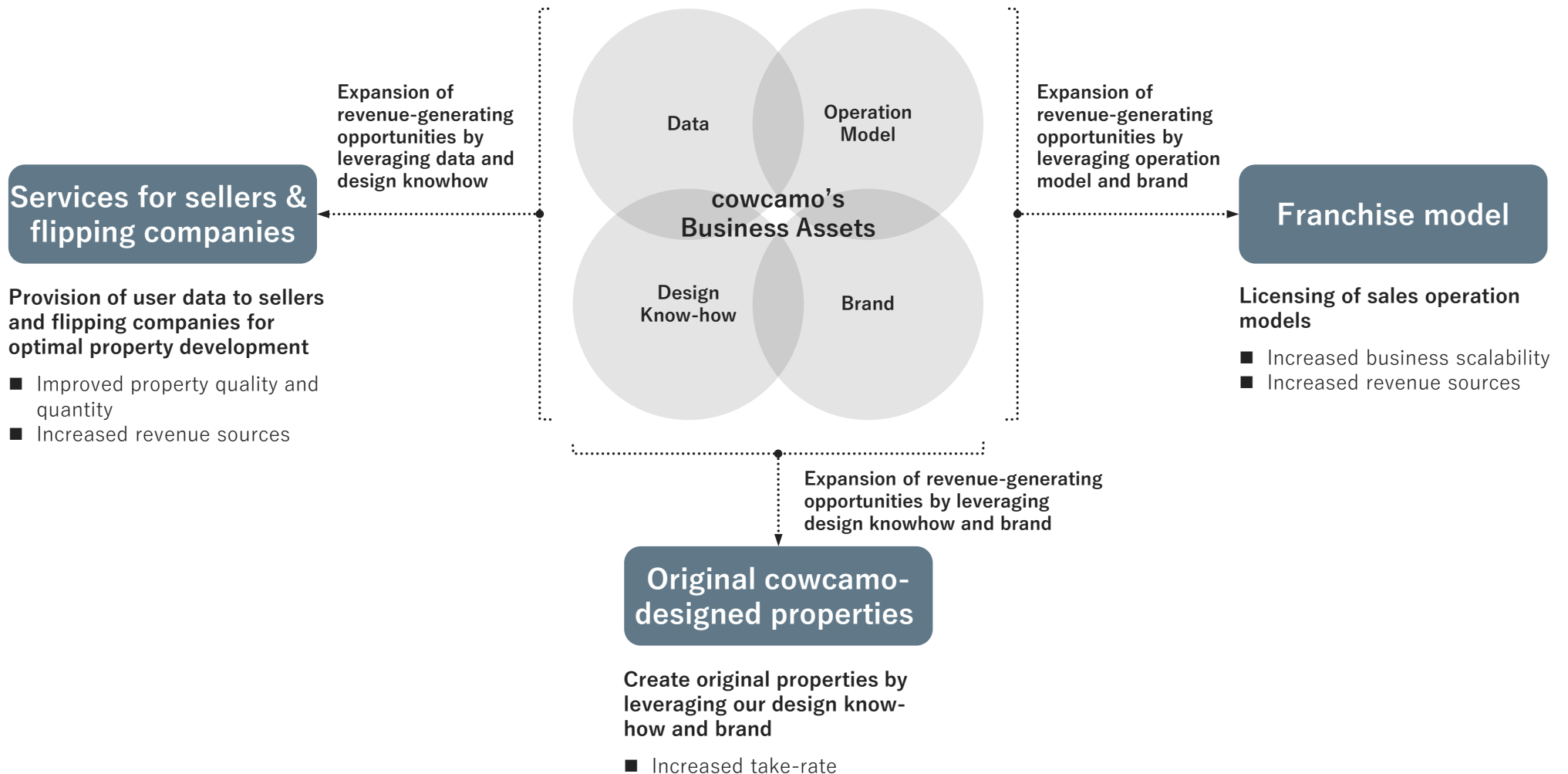
D : Tokyo Metropolitan Government Bureau of General Affairs "Intentions to Relocate Houses/Improve Living Conditions (5 categories)/Age of the Head of Household (8 categories)

Share of households, for which the head of household is under the age of 50, who answered "I want to change residential property" within the next 5 years (23.6%)

## 4

# Revenue-Generating Opportunities By Leveraging Business Assets

cowcamo's business assets and revenue-generating opportunities



## 4 Long-term Goal of Leading the Used Property Market

We aim to lead the acceleration of the market expansion by changing the public perception of used properties. This will allow us to change how used properties are priced and increase the frequency of purchases

### Increase Price

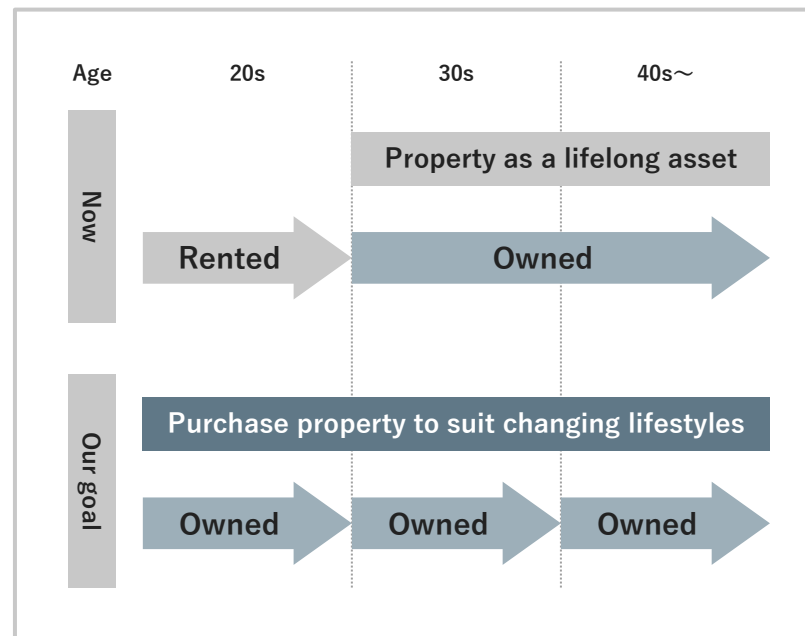
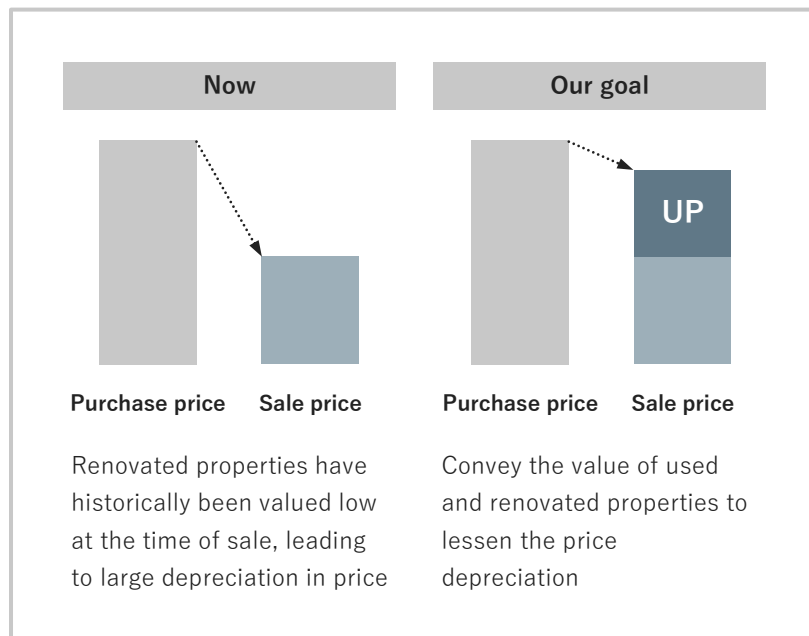
- Fair and accurate assessment of renovated real estate using our own property data
- Ability to market the quantitative and qualitative value of renovated properties



### Increase frequency of home purchases

= Expand TAM

- Promote new home purchases to suit changing lifestyles
- Improve the economics of new purchases by removing middleman costs





## 4. Q&A

# Q&A

Category	Questions	Answers
All	What is the financial forecast for this fiscal year?	As announced at the start of the fiscal year, we aim to grow both revenue and gross profit by over 40% YoY. Profit forecast is undisclosed, but we will reinvest our gross profit whilst maintaining profitability.
cowcamo business	What are the growth indicators for cowcamo?	The growth indicators are gross profit, GMV and MAUs.
cowcamo business	What are the reasons for the decrease in the GMV and gross profit compared to the previous quarter?	The number of transactions and take rate have increased compared to the previous quarter. However, as the share of single and DINKS users increased, the share of smaller-sized properties increased, which in turn led to lower average purchase price.
cowcamo business	Why is there volatility in GMV quarter by quarter?	Quarterly volatility in GMV occurs as a result of the number of transactions and the property purchase price, which are affected by market conditions. The GMV of Q3FY2018 was a better-than-expected result and cowcamo as a platform continues to grow continuously.
cowcamo business	What are the reasons for the collaboration with FinTech Asset Management Inc. (FAM)?	We will leverage our data to support FAM's fund in three ways: property selection, increasing the margin of sales, and provide listings for sales transactions. We aim to provide cowcamo users with more attractive properties by selling the properties which are purchased and renovated through the fund.
Shared Workplace business	What is the policy on future investment in the Shared Workplace business?	We will focus on cowcamo for the foreseeable future. We will expand the Shared Workplace business by investing into new workplaces with financial discipline, while analyzing the investment return on each property.

## 5. Reference Materials

# Company Overview

Name	tsukuruba inc.
Address	2F Ikura Building, 1-1-5 Kamimeguro, Meguro-ku, Tokyo, Japan
Founded	August 2011
Founders	CEO Hiroki Murakami CCO Masahiro Nakamura
Employees	121 full-time employees (As of July 2019)
Businesses	Creating and operating technology-powered property-related services: - "cowcamo", an end-to-end real estate online brokerage platform for used and renovated properties - "co-ba", subscription-based co-working offices
Awards	Deloitte Technology Company Japan Technology Fast 50 2017/2018

# Team of Experienced Management with Backgrounds in Business, Design and Technology



**Hiroki Murakami**  
Co-founder and CEO

Formerly involved with the development and management of LIFULL HOME'S, Japan's No.1 portal site for real estate and housing information. Founded tsukuruba in August 2011 with Masahiro. Graduate of Rikkyo University.



**Hiroshi Kitahara**  
COO

Former consultant at Corporate Directions Inc., Deloitte Tohmatsu Consulting LLC and Deloitte Consulting Southeast Asia. Joined tsukuruba in November 2016 and was appointed as COO in May 2018. Has a PhD in Engineering from Tokyo Institute of Technology, and an MBA from Université Paris-Dauphine.



**Masahiro Nakamura**  
Co-founder & CCO

Named in Nikkei Architecture's "100 Next Generation Innovators". Founded tsukuruba in August 2011 with Hiroki after working in design studios. Received a Masters degree in Architecture and Building Engineering from Tokyo Institute of Technology.



**Ryohei Koike**  
CFO

Registered as a Certified Public Accountant in 2007. Prior position was at Star Festival Inc. as CFO. Originally tsukuruba's external auditor and was appointed as CFO in May 2018.



**Shinichi Takano**  
External Director

Served as an Executive Officer at COSMOS INITIA Co., Ltd, before working at Recruit Co., Ltd. In 2010, appointed as an Executive Director at Nihon Kotsu Co., Ltd., after serving as an Executive Director and General Manager at Gyosei Co.



**Hidekazu Suzuki**  
External Director

Worked at Daiwa Securities, conducting advisory services to establish internal control systems to deal with assessments by the Tokyo Stock Exchange, as well as valuation and fundraising. Joined Atrac Inc. in December 2018 as CFO.



**Yoshinori Fukushima**  
External Director

Founded Gunosy Inc. in 2012. In just 2.5 years, it was listed on the Mothers market of the Tokyo Stock Exchange, followed by being listed on the First Section. Became CEO of Layer X in 2018. Selected in Forbes Asia's 30 under 30.

# Balance Sheet

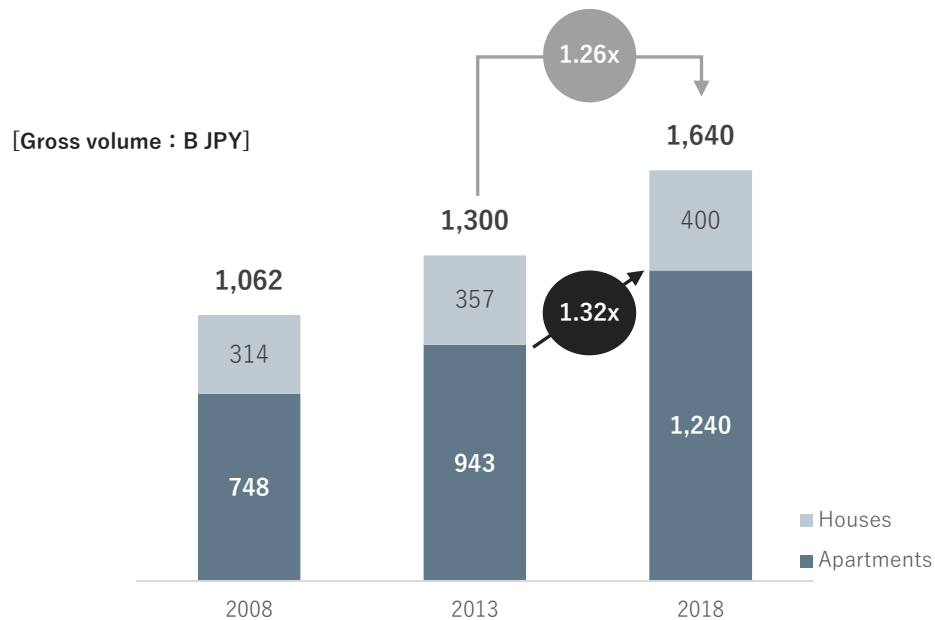
(Unit: M JPY)

	FY2018 4Q	FY2019 2Q
<b>Current Assets</b>	<b>1,505</b>	<b>1,345</b>
<b>Cash &amp; Deposits</b>	<b>1,420</b>	<b>1,213</b>
<b>Non-Current Assets</b>	<b>363</b>	<b>488</b>
<b>Total Assets</b>	<b>1,869</b>	<b>1,833</b>
<b>Current Liabilities</b> (of which, interest-bearing liabilities )	<b>269</b> (64)	<b>213</b> (48)
<b>Non-Current Liabilities</b> (of which, interest-bearing liabilities)	<b>124</b> (116)	<b>116</b> (98)
<b>Net Assets</b>	<b>1,475</b>	<b>1,503</b>
<b>Equity Capital</b>	<b>594</b>	<b>594</b>
<b>Retained Earnings</b>	<b>1,307</b>	<b>1,307</b>
<b>Total Liabilities &amp; Net Assets</b>	<b>1,869</b>	<b>1,833</b>

# Used and Renovated Property Market in the Greater Metropolitan Area is Estimated at 1.6T JPY

## Used and renovated property market is growing rapidly

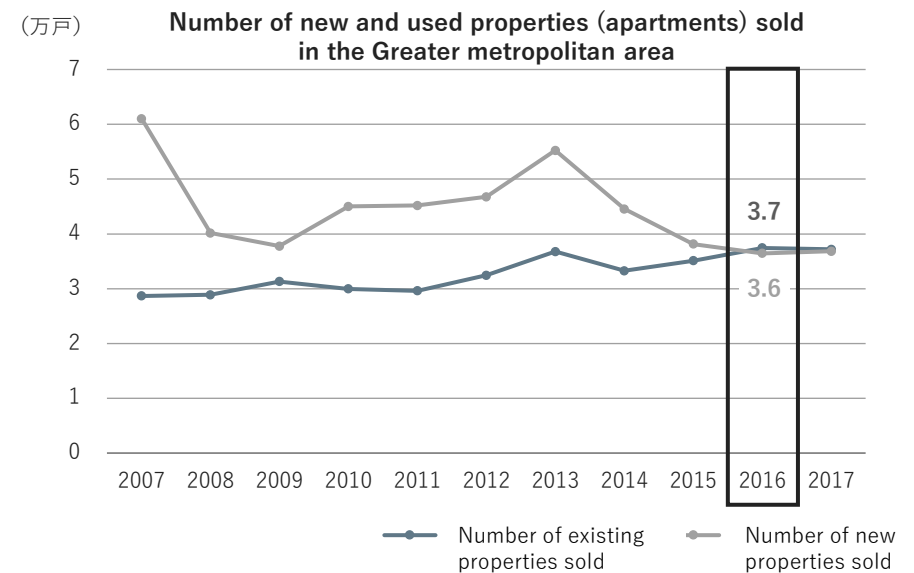
- The market has grown 1.26x since 2013
- The apartment market has grown 1.32x during the same period



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

## Used properties are fast-becoming a first choice for purchasers over new properties

- The number of used apartments sold in 2016 surpassed the number of new apartments sold

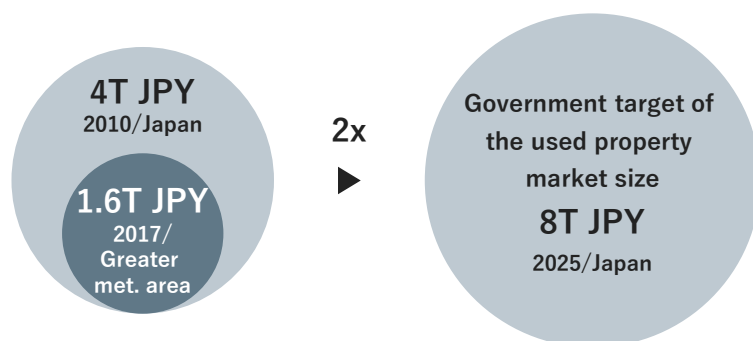


Source : Number of existing properties : Real Estate Information Network for East Japan "Market trend of Real Estate Market in the Greater Metropolitan Area" (2018/4/17 Report)  
 Number of new properties : Real Estate Economic Institute Co., Ltd. "Market Trend of Apartments in the Greater Metropolitan Area"  
 ※Existing and new properties refer to used apartments (exclude used houses)

# Growth Expected of the Used Property Market

## Growth potential of TAM

The government aims to double the used property market



### Growth Strategy 2017 — Strategic Areas for Society 5.0

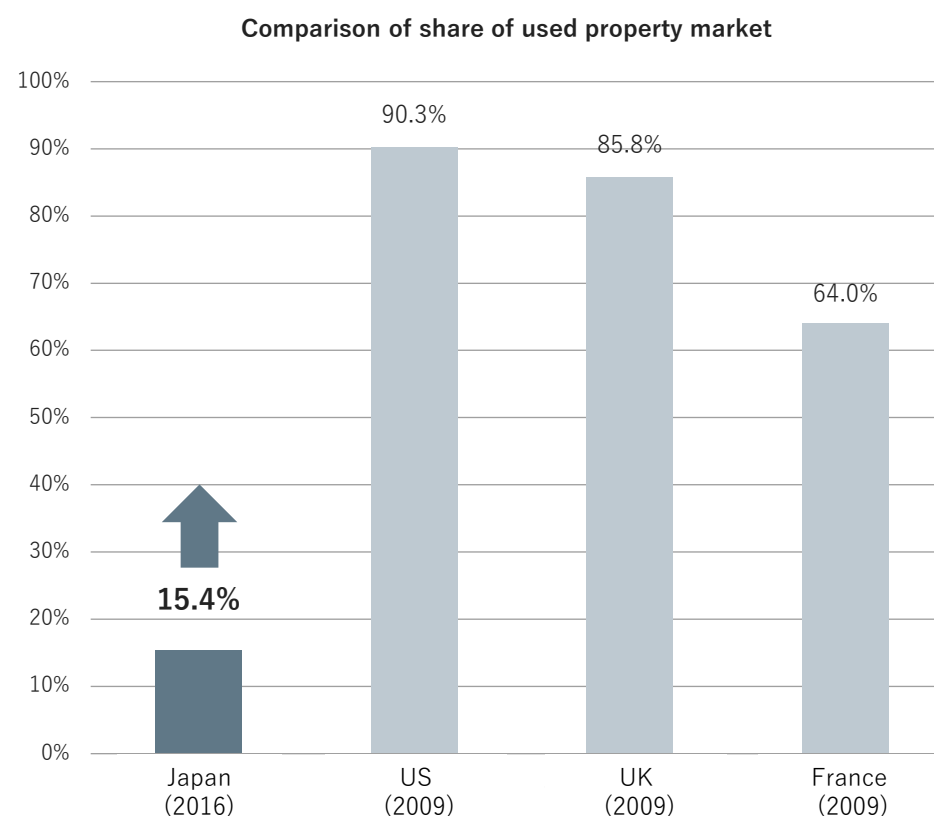
1	Extension of Healthy Lifespan
2	Realization of Mobility Revolution
3	Creating of Next-generation Supply Chains
4	Building and Developing Pleasant Infrastructure and Towns
5	Advancement of FinTech
6	Overcoming energy and environmental constraints and expanding investment
7	Robot Revolution / Bio Material Revolution
8	<b>Revitalization of housing market centering on the existing housing distribution / renovation</b>

■ 《KPI》 To expand the market size of used property market to 8 trillion JPY by 2025 (4 trillion yen in 2010)

■ Aim to achieve the above by 2020 as much as possible

Source: Prime Minister's Office of Japan "Growth Strategy 2017"

## Share of used property market by countries



Source : Ministry of Land, Infrastructure, Transport and Tourism "Promotion and Utilization of Used Properties (Appendix) "  
Figure of Japan is an estimated figure form the Remodeling Business Journal "Used Property Market Data 2018"

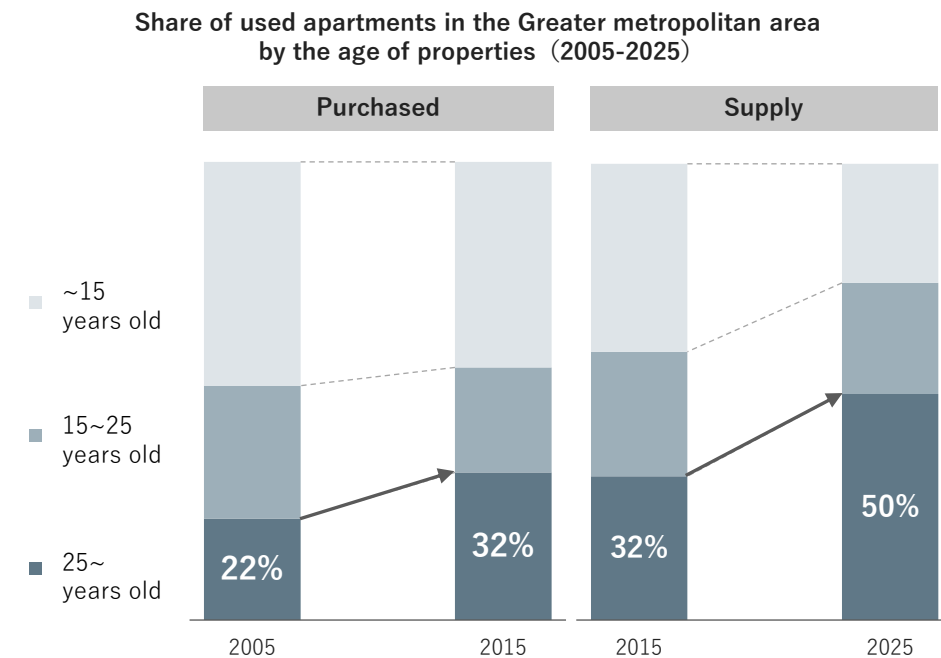


# Renovated Properties Will Become a Mainstream Option by 2025

## Changes in the market structure as the used property market expands

### Properties that are 25 years old or more will occupy half of the market

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



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

### Renovation will become a mainstream option

- Number of changes are expected as renovation becomes mainstream in the Greater metropolitan area

#### Formation of renovated apartment market

- Fairer pricing of renovated properties
- Renovate to suit lifestyles and preferences, and not for cheaper prices

#### Diversification of types of used apartments

- Renovate used apartments
- Already-renovated apartments
- Renovated + additional renovation

#### Changes in the used property businesses

- Increase in the number of flippers
- Growth of services, specific for renovated apartments

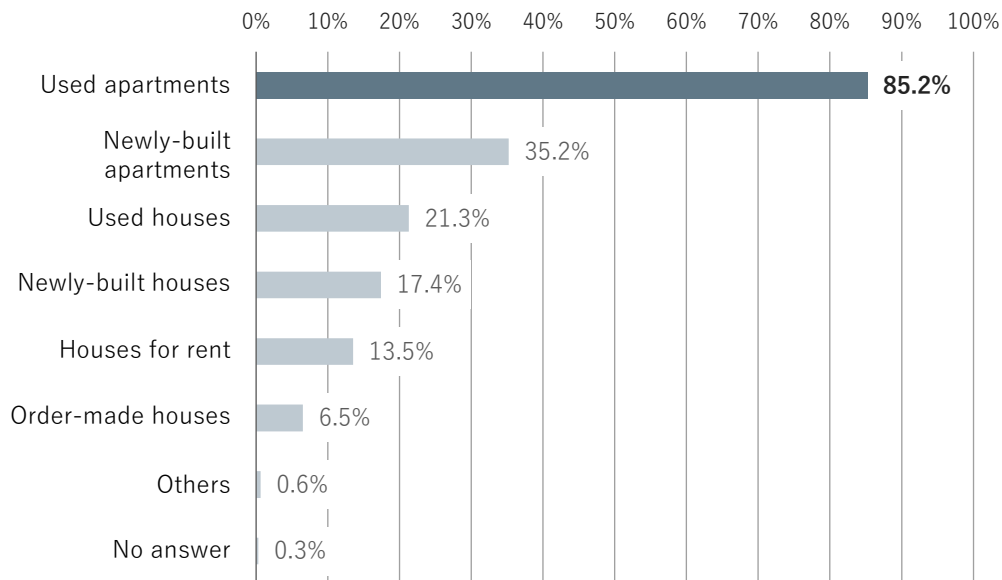
# Urban Lifestyle Consumers as Main Target Population

## cowcamo's target users

### Preferences for used apartments

- Over 85% of users considered used apartments at the time of purchase

Types of properties compared at the time of purchase (Used apartment purchasers)

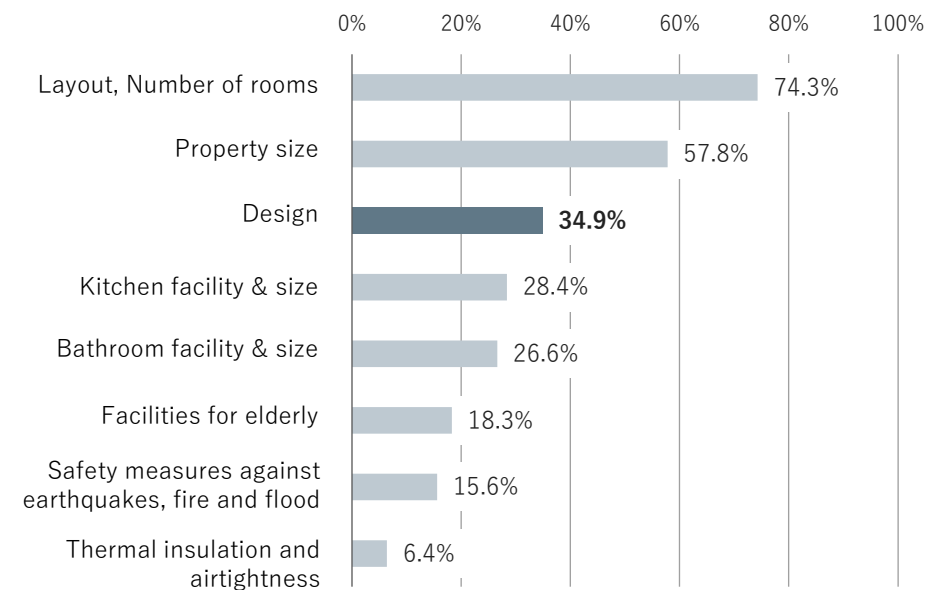


Source: Ministry of Land, Infrastructure, Transport and Tourism Housing Bureau "Report on the Housing and Property Trend 2016"

### Importance of interior and spatial design of used apartments

- Used apartment purchasers place an emphasis on the design, after the specifications of the property (such as size, number of rooms)

Main reasons for the purchase of properties



Source: Ministry of Land, Infrastructure, Transport and Tourism Housing Bureau "Report on the Housing and Property Trend 2016"

# Disclaimer

## Handling of this material

This material includes forward-looking statements. These forward-looking statements were created based on the information available at the time they were created. They do not guarantee our future results and 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 environments surrounding tsukuruba or any other factors.

The factors which may affect actual results include but are not limited to: Japanese and global economic conditions, and conditions of markets in which tsukuruba operates.

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Information within this material on other topics besides 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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