

# **TSUKURUBA**

TSE Growth: 2978

**Financial Results**  
**FY2024 Q3 (Feb.-Apr.)**

June 14, 2024

**FY2024**

August 1, 2023 to July 31, 2024

# Agenda

- 1. Financial Highlights**
- 2. Financial Results for FY2024 Q3**
- 3. Forecast for FY2024**
- 4. Investment Highlights**

# 1. Financial Highlights

# Financial Highlights

In Q3, we recorded all-time highs in revenue, gross profit and operating profit. Given the progress vs. our fiscal-year forecast, we will make investments in Q4 with an eye on growth in FY2025.

## Financial Results FY2024 Q3 (Feb. 2024-Apr. 2024)

Consolidated

**Continued to achieve growth in both revenue and gross profit. Operating profit improved considerably on a YoY basis on the back of improvement in company-wide productivity**

Revenue <sup>*1</sup>	JPY <b>1,722</b> million (+ <b>57%</b> YoY <sup>*2</sup> , + <b>74%</b> adjusted YoY <sup>*2,3</sup> )
Gross Profit <sup>*1</sup>	JPY <b>825</b> million (+ <b>21%</b> YoY <sup>*2</sup> , + <b>29%</b> adjusted YoY <sup>*2,3</sup> )
Operating Profit	JPY <b>137</b> million (+ <b>149</b> million YoY <sup>*2</sup> )

### <cowcamo business KPI <sup>\*4</sup>>

GMV	JPY <b>15,936</b> million (+ <b>12%</b> YoY <sup>*2</sup> )
Take Rate	<b>5.2</b> % (+ <b>13%</b> YoY <sup>*2</sup> )

## Forecast FY2024 (Aug. 2023-Jul. 2024)

Consolidated

**As of Q3, we have exceeded our fiscal-year forecast for operating profit. In Q4, we will make investments with an eye on growth in FY2025, and will therefore make no changes to the fiscal-year forecast at this time**

Revenue	JPY <b>5,200</b> million (+ <b>25%</b> YoY <sup>*2</sup> , + <b>35%</b> adjusted YoY <sup>*2,3</sup> )
Gross Profit	JPY <b>2,800-3,000</b> million (+ <b>11-19%</b> YoY <sup>*2</sup> , + <b>15-23%</b> adj. YoY <sup>*2,3</sup> )
Operating Profit	JPY <b>150</b> million (+ <b>282</b> million YoY <sup>*2</sup> )

\*1 The increase in the gap between revenue and gross profit is due to greater sales of in-house planned products (P7 for further details)

\*2 Non-consolidated basis before FY2023

\*3 With the completion of the sale of our Property Planning & Design (PPD) business, effective November 1, 2023, "adjusted YoY" shows the growth rate of the cowcamo segment

\*4 Payment basis

# Reference | FY2024 Q3 - Financial Performance and Outlook

As of Q3, we have exceeded our fiscal-year forecast for operating profit. In Q4, we will make investments with an eye on growth in FY2025, expanding sales force and strengthening marketing efforts of the cowcamo business.

## Key Factors in Q3

## Outlook in Q4

### Gross Profit

- Gross profit of the cowcamo business increased +29% YoY, trending above the fiscal-year assumption (+15~23% YoY), mainly due to the increase in take rate  
 <Breakdown by business KPI>
  - **GMV:** Achieved all-time high of JPY 15,936 million (+12% YoY), partly due to the accelerated payment of some contracts
  - **Take Rate:** Came in at 5.2% (+13% YoY), due to increased sales of renovation services and in-house planned products

- **GMV:** Expect a decrease on a QoQ basis (in part due to the accelerated payment of some contracts in Q3)
- **Take Rate:** Expect to be flat on a QoQ basis

### Operating Expenses

- **Personnel and recruiting expenses:** Per fiscal-year policy, expanded sales force while keeping total expense flat on a YoY basis
- **Advertising expenses:** Expanded marketing efforts with careful consideration of ROI
- **Other expenses:** Expanded office space with increasing number of employees

- **Personnel and recruiting expenses:** Expect an increase on a QoQ basis due to the expansion of sales force with an eye on achieving growth in FY2025
- **Advertising expenses:** Expect to be flat on a QoQ basis, including marketing investment for FY2025

### Extraordinary Expenses

- **Extraordinary expenses:** With prioritization of expanding bank formation, initial costs such as administrative fees and bond issuance costs exceeded expectations

- **Extraordinary expenses:** Expect to be flat on a QoQ basis

# Future Outlook

In FY2024, we are focusing on the generation of operating profit through improvement in company-wide productivity. In FY2025, we will make investments with an eye on mid-term growth of the cowcamo business, while increasing profit.

## FY2025 Financial Outlook

### **Make investments with an eye on mid-term growth, while increasing profit**

- Given the gain in company-wide productivity in FY2024, we will strengthen marketing and expand sales force of the cowcamo business in FY2025
- In addition, we will reinvest profit to achieve mid-term growth, including launch of new businesses, improvement of products and services, and strengthening management and business processes

## Market Environment

### **Continue to expect mild market growth**

- We expect continued growth in the used condominiums market with minimum effect of macroeconomic changes, as a substitute for new condominiums (P29 for further details)
- We also expect minimum effect from changes in the interest rate and exchange rate (P46 for further details)

## Mid-Term Policy

### **Focus on the sustained generation and growth of operating profit, while reinvesting the returns to grow our core business. In the long-term, we look to become an indispensable service for society by continuing to innovate housing distribution**

We will maintain the high growth of cowcamo's GMV, while undertaking efficiency improvements in our sales and marketing activities, as well as capturing synergies from the integration of value chains. As a result, we will achieve the sustained generation and growth of operating profit

- We will reinvest free cash flow into the growth of our core cowcamo business, while actively considering entry into adjacent domains and inorganic growth opportunities
- By providing a service where everyone can freely and easily enjoy housing transactions, we look to becoming an indispensable service in the expanding used and renovated properties market

## 2. Financial Results for FY2024 Q3

# Company-wide | FY2024 Q3 - Quarterly Financial Summary

In Q3, we continued to achieve growth in both revenue and gross profit, while considerably improving our operating profit on a YoY basis on the back of improvement in company-wide productivity.

(Unit: JPY million)

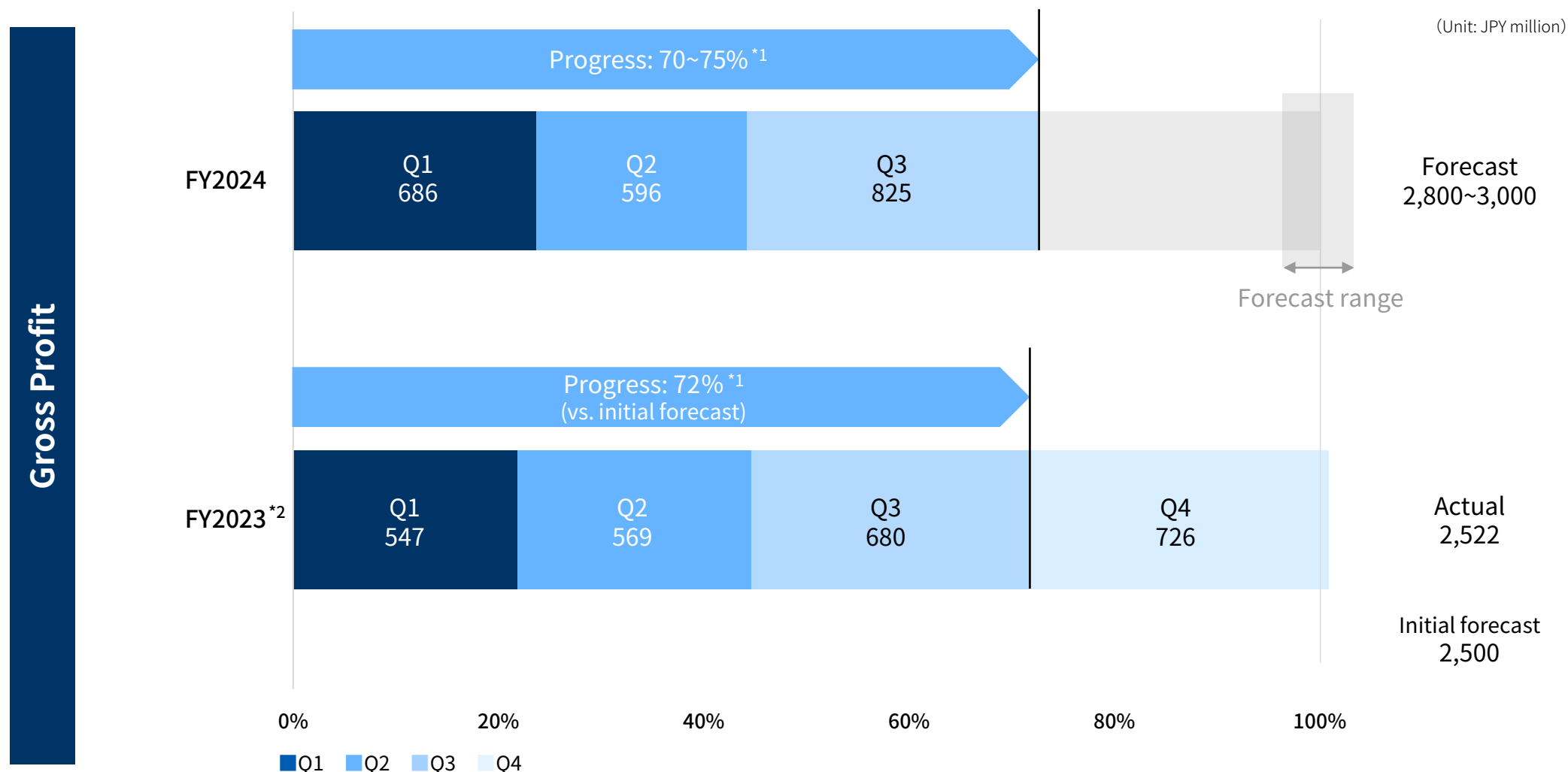
	<b>FY2024 Q3</b> (2024/2-2024/4) Consolidated	<b>FY2023 Q3</b> (2023/2-2023/4) Non-consolidated*	<b>YoY*</b>	<b>FY2024 YTD</b> (2023/8-2024/4) Consolidated	<b>FY2023 YTD</b> (2022/8-2023/4) Non-consolidated*	<b>YoY*</b>
<b>Revenue</b>	<b>1,722</b>	<b>1,098</b>	<b>+57%</b>	<b>3,767</b>	<b>2,665</b>	<b>+41%</b>
<b>Gross Profit</b>	<b>825</b>	<b>679</b>	<b>+21%</b>	<b>2,109</b>	<b>1,796</b>	<b>+17%</b>
<b>Operating Profit</b>	<b>137</b>	<b>-12</b>	<b>+149</b>	<b>174</b>	<b>-201</b>	<b>+376</b>
<b>Ordinary Profit</b>	<b>120</b>	<b>-18</b>	<b>+139</b>	<b>144</b>	<b>-215</b>	<b>+359</b>
<b>Net Profit</b>	<b>121</b>	<b>-18</b>	<b>+140</b>	<b>244</b>	<b>-220</b>	<b>+464</b>

\* Non-consolidated basis before FY2023



# Company-wide | Progress towards our fiscal-year forecast for FY2024

Compared to FY2023, when we finally revised our fiscal-year forecast upward, our progress vs. gross profit forecast has been steady. In line with fiscal-year policy, the sale of our PPD business was completed as of November 1, 2023. As such, there will only be revenue and profit contribution from the cowcamo segment after Q2.



\*1 Given the sale of our PPD business completed on November 1, 2023, the rate of progress shows the progress of just the cowcamo business

\*2 Non-consolidated basis before FY2023

# Reference | Our revenue structure and its effect on financial metrics and KPI

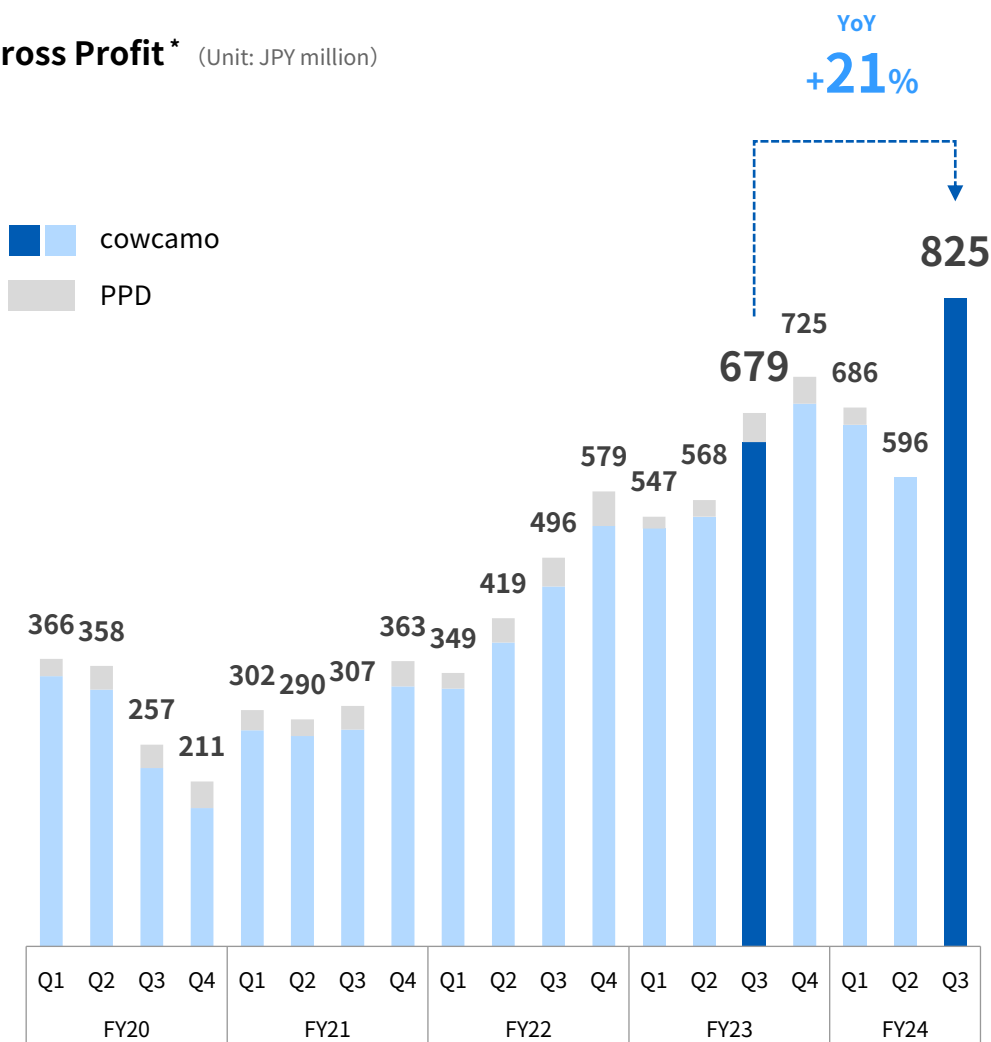
Our revenue structure can be divided into commission revenue (net revenue) and sales revenue (gross revenue). As such, we position gross profit as our financial KPI. For business KPI, we disclose GMV and take rate, which accurately represent the state of our business, irrespective of the type of revenue.

		Buyer (demand) side			Seller (supply) side	
		Brokerage Commission	Ancillary Service Commission	Furniture / Interior Sales	Brokerage Commission	Property Sales
		Commission originating from brokerage to buyers	Commission received from renovation and ancillary service partners	Revenue from sale of furniture and interior decoration	Commission originating from brokerage to sellers	Revenue from sale of in-house planned products
Financial Metrics	Revenue	Net Revenue (commission)	Net Revenue (commission)	Gross Revenue (sale price)	Net Revenue (commission)	Gross Revenue (sale price)
	Financial KPI Gross Profit	Transaction value × Commission rate	Transaction value × Commission rate	Sale price × Gross margin	Transaction value × Commission rate	Sale price × Gross margin
Business KPI	GMV	Transaction value of property	Transaction value of ancillary services	Sale price of furniture and interior decoration	Transaction value of property	Sale price of property
	Take Rate	Commission rate (brokerage)	Commission rate (customer referral)	Gross margin	Commission rate (brokerage)	Gross margin

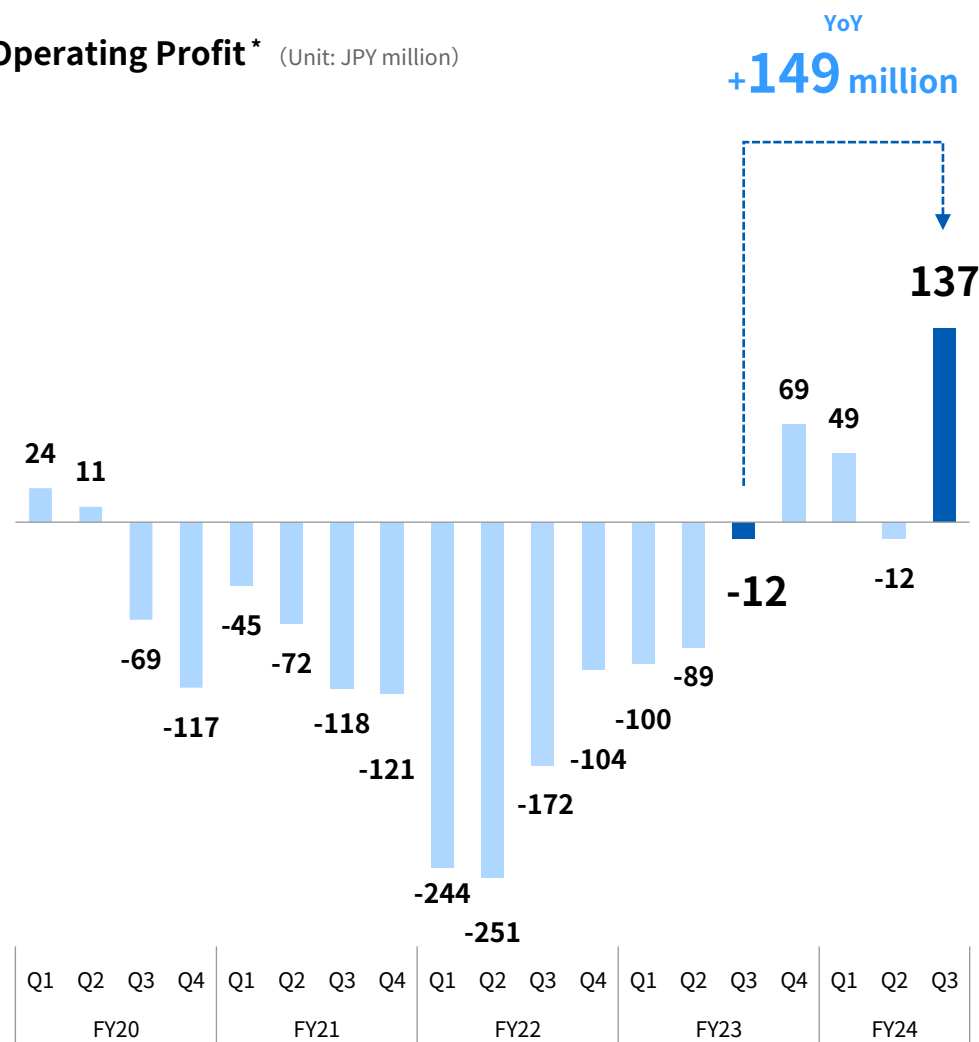
# Company-wide | Gross Profit and Operating Profit

In Q3, gross profit increased +21% and operating profit improved +149 million on a YoY basis, with both recording all-time highs.

**Gross Profit\*** (Unit: JPY million)



**Operating Profit\*** (Unit: JPY million)

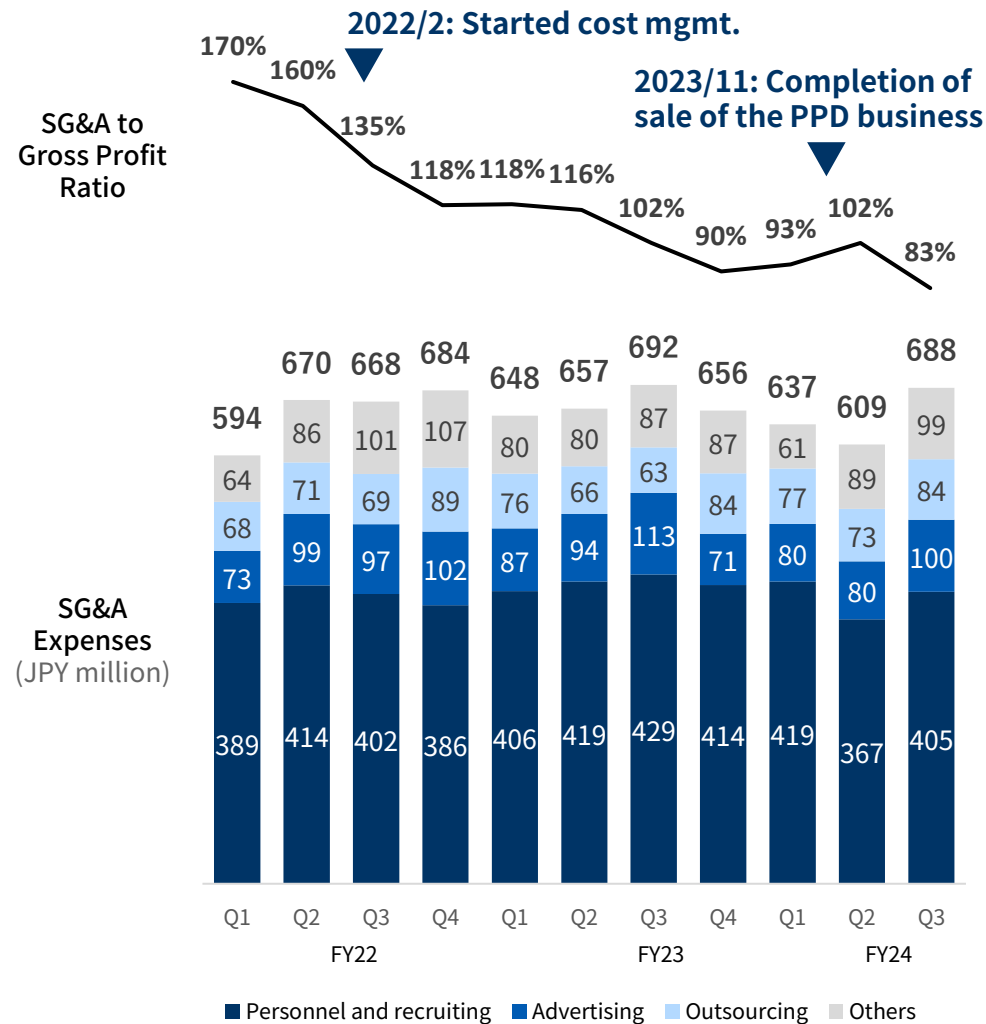


\* Non-consolidated basis before FY2023

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

In Q3, we managed to control our SG&A expenses at -1% YoY, despite expanding our sales force per fiscal-year policy, increasing advertising expenses, and expanding office space. As a result, SG&A to gross profit ratio improved +19% on a YoY basis.

## SG&A Expenses and SG&A to Gross Profit Ratio \*



## State of SG&A Expenses

**Personnel and recruiting expenses**

- In Q3, expansion of sales force progressed steadily, as per fiscal-year policy
- Given the progress vs. fiscal-year forecast, we are undertaking an accelerated expansion of sales force with an eye on achieving growth in FY2025. As such, we expect personnel expenses to increase in Q4 on a QoQ basis

**Advertising expenses**

- In Q3, we expanded marketing efforts with careful consideration of ROI
- In Q4, we expect advertising expenses to be flat on a QoQ basis, including investment for FY2025

**Outsourcing expenses**

- Limit the increase in outsourcing expenses from the transition to consolidated accounting and other corporate actions
- Leverage the use of external services as a cost-effective alternative to in-house solutions

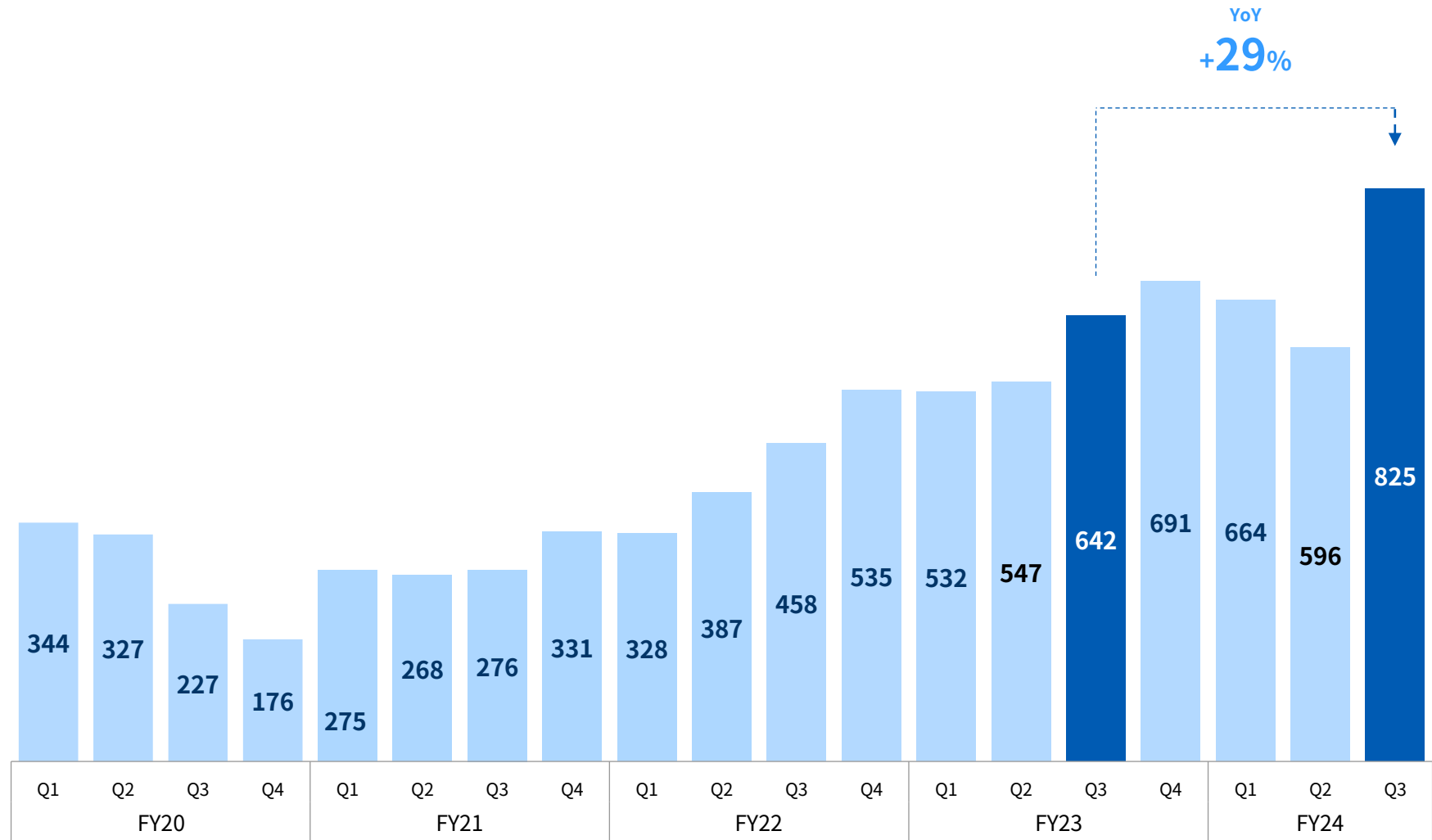
**Others**  
incl. stock-based compensation expenses of JPY 15 million

- Continue to carefully monitor expenses to reduce company-wide SG&A
- In Q3, expanded office space with increasing number of employees, in line with fiscal-year policy

\* Non-consolidated basis before FY2023

# cowcamo | Gross Profit\*

Gross profit of the cowcamo segment increased +29% YoY in Q3, mainly due to the increase in take rate from increased sales of renovation services and in-house planned products.



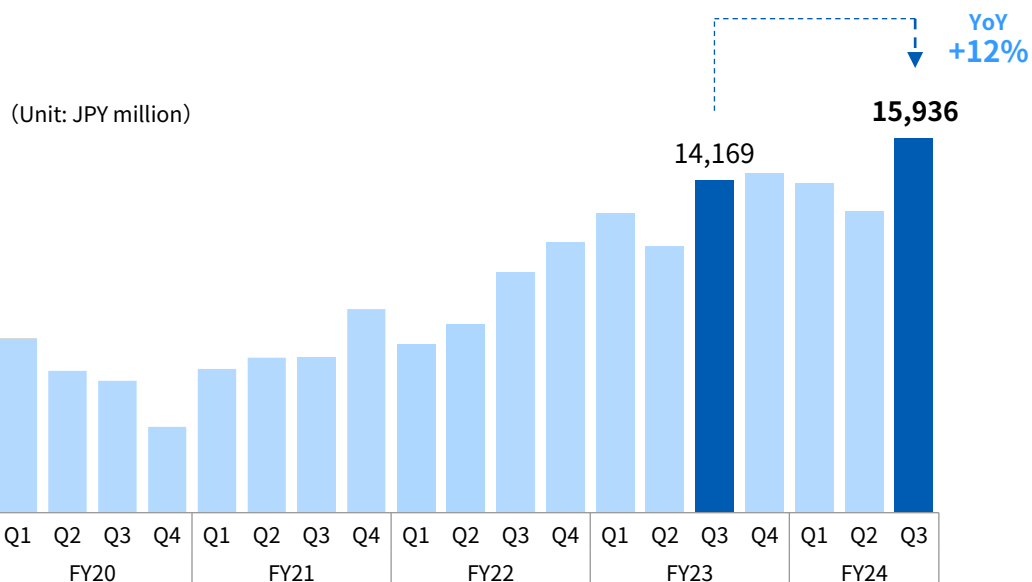
(Unit: JPY million)

\* Non-consolidated basis before FY2023

# cowcamo | GMV and Take Rate

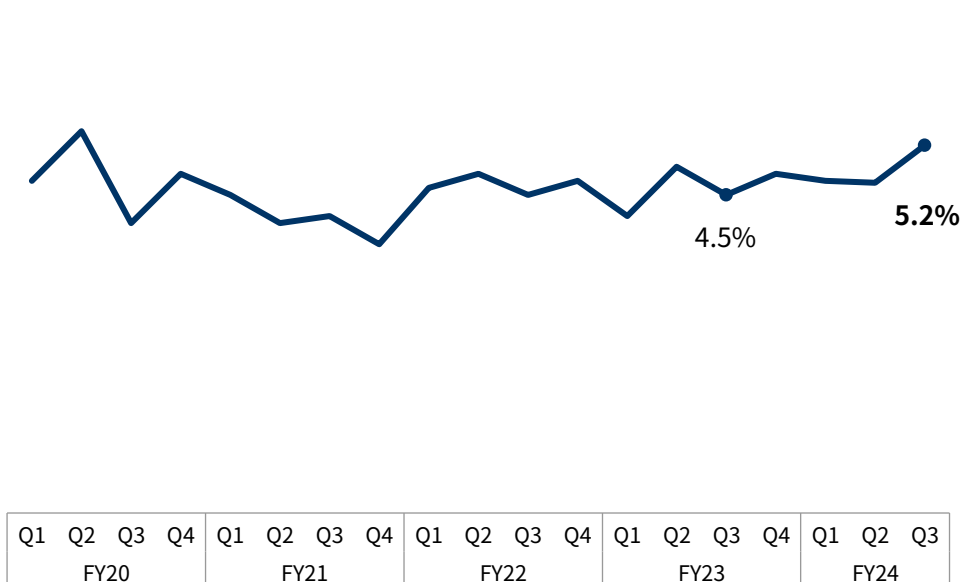
In Q3, GMV increased +12% YoY and take rate increased +13% (+0.7pt) YoY.

## GMV [Payment basis] <sup>\*1</sup>



- GMV increased steadily at +12% YoY to an all-time high JPY 15,936 million, partly due to the accelerated payment of some contracts
- In Q4, expect GMV to decrease on a QoQ basis, partly due to the accelerated payment mentioned above

## Take Rate <sup>\*2</sup>



- There were no major changes in the market supply-demand environment to influence the take rate in Q3. However, take rate increased +13% YoY to 5.2%, due to increased sales of renovation services and in-house planned products
- In Q4, expect take rate to trend at a similar level as Q3

\*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

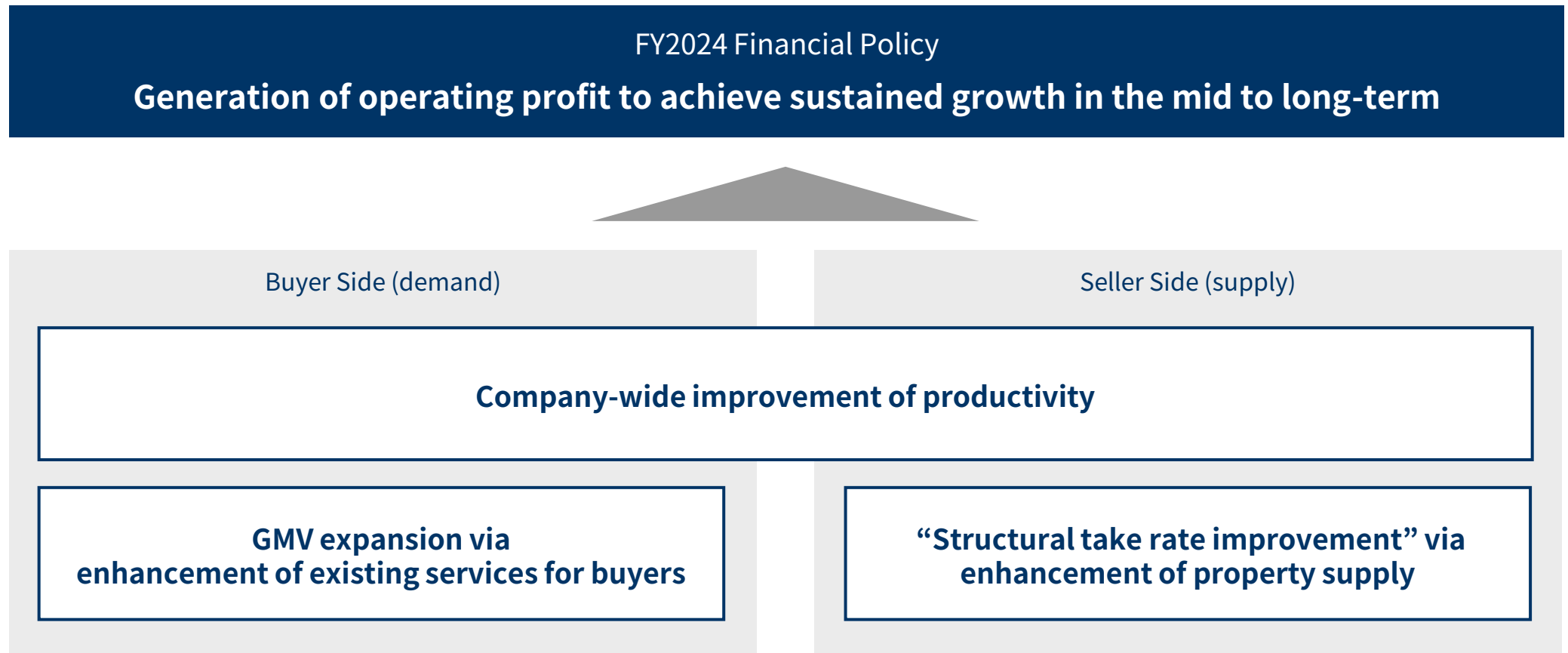
	Old Policy <sup>*1</sup>				New Policy <sup>*1</sup>										
	FY21 <sup>*2</sup>				FY22 <sup>*2</sup>				FY23 <sup>*2</sup>				FY24		
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3
(Unit: JPY million)															
<b>Revenue</b>	<b>371</b>	<b>389</b>	<b>376</b>	<b>486</b>	<b>565</b>	<b>653</b>	<b>713</b>	<b>833</b>	<b>742</b>	<b>824</b>	<b>1,098</b>	<b>1,486</b>	<b>1,152</b>	<b>892</b>	<b>1,722</b>
<b>Gross Profit</b>	<b>302</b>	<b>290</b>	<b>307</b>	<b>363</b>	<b>349</b>	<b>419</b>	<b>496</b>	<b>579</b>	<b>547</b>	<b>568</b>	<b>679</b>	<b>725</b>	<b>686</b>	<b>596</b>	<b>825</b>
cowcamo	275	268	276	331	328	387	458	535	532	547	642	691	664	596	825
PPD	26	21	30	32	20	31	37	44	15	21	37	34	22	-	-
<b>Operating Expense <sup>*1</sup></b>	<b>348</b>	<b>363</b>	<b>426</b>	<b>485</b>	<b>594</b>	<b>670</b>	<b>668</b>	<b>684</b>	<b>648</b>	<b>657</b>	<b>692</b>	<b>656</b>	<b>637</b>	<b>609</b>	<b>688</b>
cowcamo	223	261	298	335	379	448	447	450	442	442	470	430	428	408	455
PPD	24	21	19	25	20	18	16	18	18	14	19	17	13	-	-
Corporate	99	80	107	124	193	203	205	215	188	201	202	207	194	200	232
<b>Operating Profit</b>	<b>-45</b>	<b>-72</b>	<b>-118</b>	<b>-121</b>	<b>-244</b>	<b>-251</b>	<b>-172</b>	<b>-104</b>	<b>-100</b>	<b>-89</b>	<b>-12</b>	<b>69</b>	<b>49</b>	<b>-12</b>	<b>137</b>
<hr/>															
<b>Business KPI</b>															
<b>GMV <sup>*3</sup></b> (JPY million)	<b>6,436</b>	<b>5,429</b>	<b>8,867</b>	<b>7,886</b>	<b>8,370</b>	<b>8,810</b>	<b>11,016</b>	<b>12,342</b>	<b>11,087</b>	<b>11,518</b>	<b>15,257</b>	<b>13,358</b>	<b>14,621</b>	<b>11,238</b>	<b>16,895</b>
<b>GMV <sup>*4</sup></b> (JPY million)	<b>6,105</b>	<b>6,590</b>	<b>6,623</b>	<b>8,663</b>	<b>7,173</b>	<b>8,004</b>	<b>10,212</b>	<b>11,496</b>	<b>12,715</b>	<b>11,333</b>	<b>14,169</b>	<b>14,456</b>	<b>14,021</b>	<b>12,833</b>	<b>15,936</b>
<b>Take Rate <sup>*3</sup></b> (%)	<b>4.3</b>	<b>4.9</b>	<b>3.1</b>	<b>4.2</b>	<b>3.9</b>	<b>4.4</b>	<b>4.2</b>	<b>4.3</b>	<b>4.8</b>	<b>4.8</b>	<b>4.2</b>	<b>4.6</b>	<b>4.7</b>	<b>4.8</b>	<b>5.2</b>
<b>Take Rate <sup>*4</sup></b> (%)	<b>4.5</b>	<b>4.1</b>	<b>4.2</b>	<b>3.8</b>	<b>4.6</b>	<b>4.8</b>	<b>4.5</b>	<b>4.7</b>	<b>4.2</b>	<b>4.9</b>	<b>4.5</b>	<b>4.8</b>	<b>4.5</b>	<b>4.7</b>	<b>5.2</b>
<b>No. of Transactions <sup>*3</sup></b>	<b>130</b>	<b>118</b>	<b>166</b>	<b>159</b>	<b>180</b>	<b>179</b>	<b>225</b>	<b>214</b>	<b>216</b>	<b>239</b>	<b>273</b>	<b>258</b>	<b>283</b>	<b>224</b>	<b>333</b>

<sup>\*1</sup> 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

<sup>\*2</sup> Non-consolidated basis before FY2023 | <sup>\*3</sup> Contract basis | <sup>\*4</sup> Payment basis

# Financial Policy and Initiatives for FY2024 \*

In FY2024, our primary focus is on generating operating profit, which we will undertake through a company-wide improvement of productivity, GMV expansion via enhancement of existing services for buyers, and take rate improvement by enhancing the supply of properties.



\* While the financial policy and initiatives remain unchanged, some wording has been updated from when they were first made public on September 14, 2023



# Key Initiatives in FY2024 Q3

In accordance with the financial policy announced at the beginning of FY2024\*, we primarily focused on the company-wide improvement of productivity. In addition, we have made progress to expand GMV via enhancement of existing services for buyers and improve property supply on the seller side.

**A**

**Company-wide improvement of productivity**

## **Continued increase in company-wide productivity via improvement of front-office ratio (P17)**

- Continued to increase efficiency of back-office operations, contributing to company-wide productivity via improvement of front-office ratio
- Sales productivity decreased temporarily, as the increase in in-house agents lead the increase in the number of customers (P18). Going forward, we will look to increase sales productivity by strengthening marketing efforts to attract more customers, as well as by improving sales processes (including increased penetration of SFA tools)
- Improved cost-effectiveness of resources invested in key business activities, such as customer acquisition, property procurement and product development

**B**

**GMV expansion via enhancement of existing services for buyers**

## **GMV expansion on the buyer side driven by improvement of customer service and consequent uplift of contract rate (P19)**

- Contract rate (% of customers completing transactions) increased through improvement of the quality of proposals and customer experience, as well as emphasis on the quality of marketing
- Going forward, we will promote optimization of marketing methods and channels, as well as enhancement of customer experience to increase the number of customers and contract rate. We will also continue improvement of renovation services and products to increase the value per transaction

**“Structural take rate improvement” via enhancement of supply of properties**

## **Pursuing “structural take rate improvement” via enhancement of property supply**

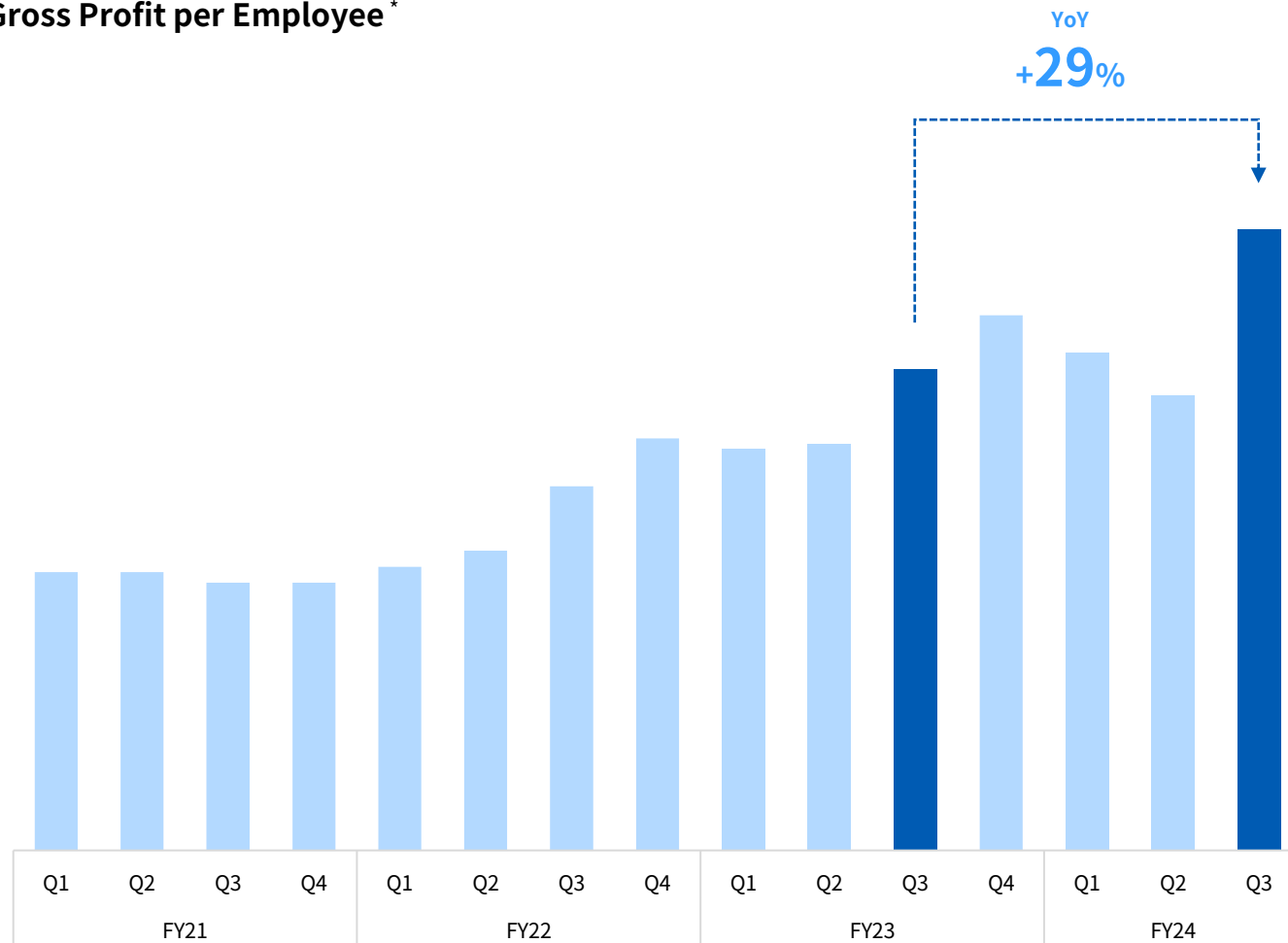
- Strengthen the business structure for property procurement (brokerage for sellers and acquisition) to create a foundation to enable continuous and stable procurement of properties
- For in-house planned products, we have steadily improved turnover ratio (shorter time for development and sales) as well as contract rate (% of procured properties leading to transactions)
- Going forward, we will focus on further improving turnover ratio and contract rate by strengthening the connection to buyer side customers and utilizing user data

\* The policy on P26 of "Financial Results for FY2023" released on September 14, 2023

# A Company-Wide Productivity (1/2): Gross Profit per Employee

Continued improvement in front-office ratio has resulted in a +29% YoY uplift of company-wide productivity, as measured by gross profit per employee.

Gross Profit per Employee \*

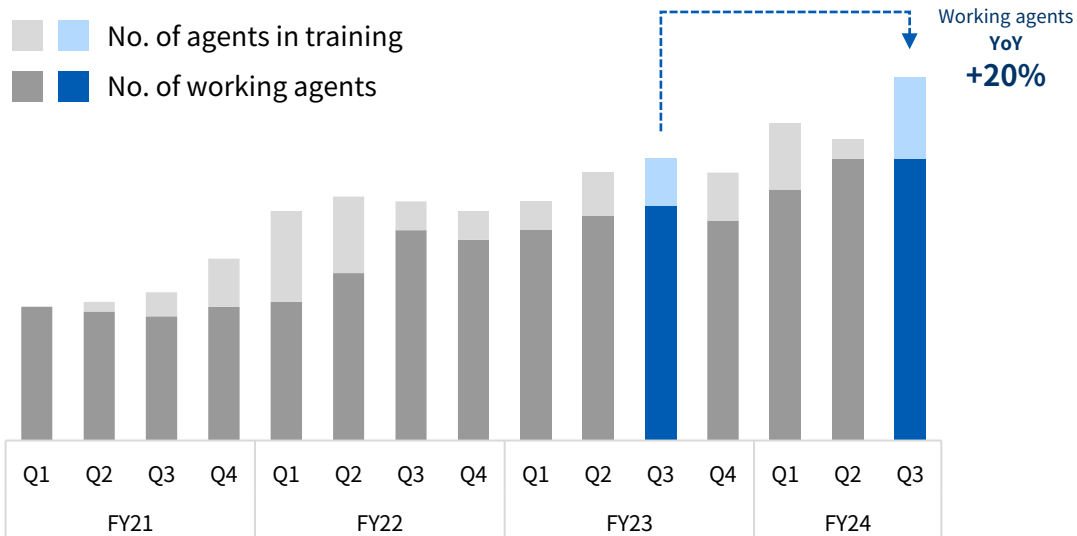


\* Non-consolidated basis before FY2023

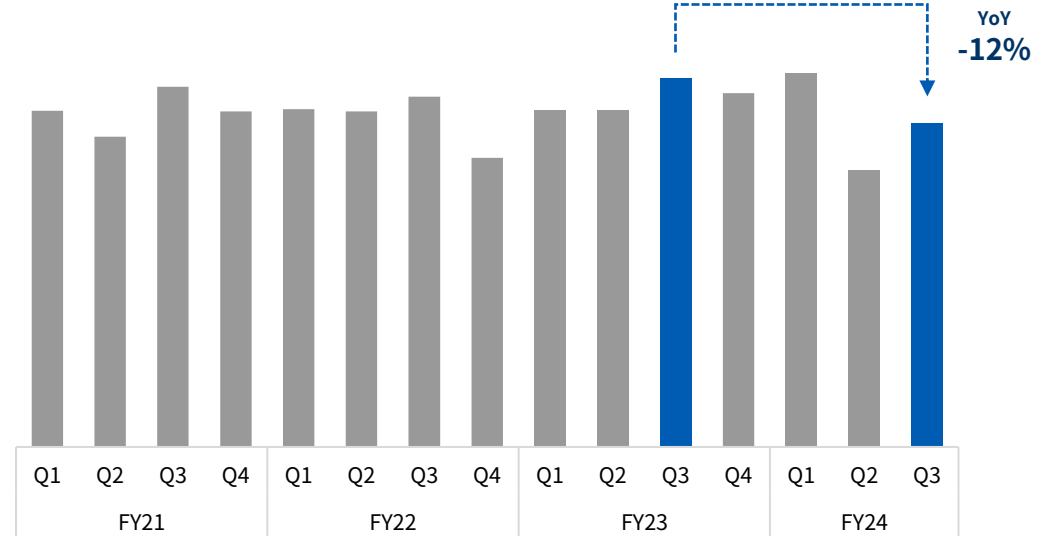
# A Company-Wide Productivity (2/2): Improvement of Sales Process and Management Structure

The number of in-house working agents\*<sup>1</sup> at the end of April 2024 increased +20% YoY. On the other hand, transactions per in-house agent decreased -12% YoY. Improvement of company-wide productivity (P17) is driven by the improvement in front-office ratio and uplift of take rate.

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



Transactions per in-house agent\*<sup>2</sup>



- In Q4, the number of working agents increased +20% YoY. Recruiting efforts progressed steadily, in line with fiscal-year policy, as the total number of in-house agents increased +29% YoY
- Given the progress vs. fiscal-year forecast, we are undertaking an accelerated expansion of sales force with an eye on achieving growth in FY2025. In addition, we will continue to focus on management training to optimally support the increasing number of in-house agents

- In Q3, sales productivity (transactions per in-house agent) decreased temporarily at -12% YoY, as the increase in in-house agents lead the increase in the number of customers
- Going forward, we plan to strengthen marketing efforts to attract more customers, while also undertaking further improvement of sales processes, including increased penetration of SFA tools

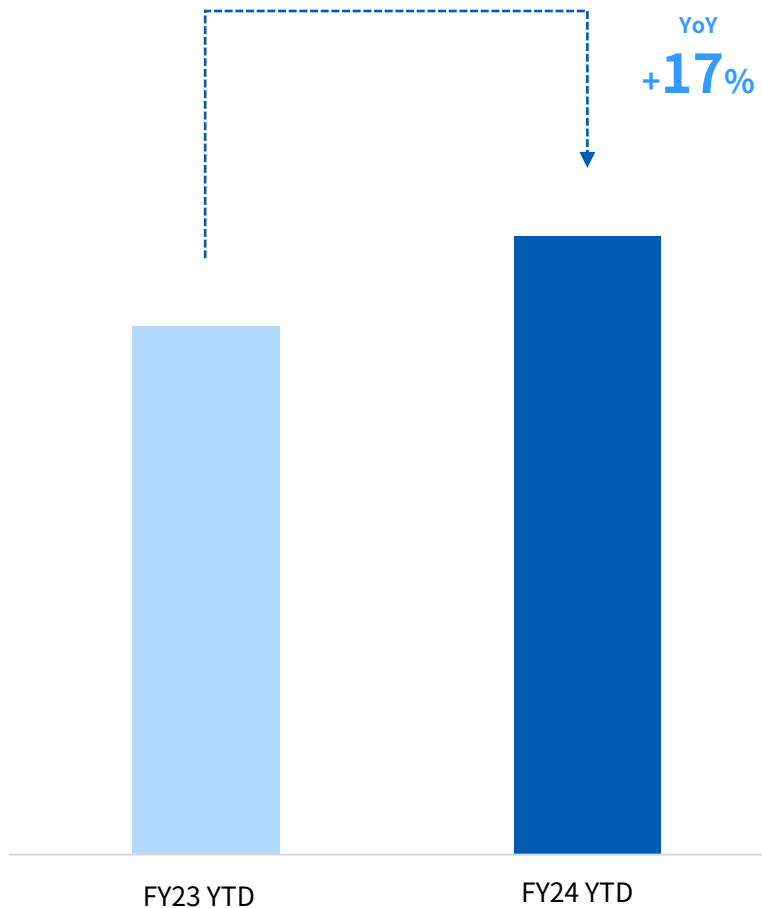
\*1 "In-house agent" refers to a full-time employee engaging in brokerage sales. The number of agents on this page reflects those serving cowcamo buyers

\*2 Contract basis

# B GMV Expansion via Enhancement of Existing Services for Buyers

Improvement of customer service and emphasis on the quality of marketing have resulted in an uplift of contract rate, thereby leading to GMV expansion on the buyer side. Going forward, we will continue to pursue improvement of customer service and marketing to increase the number of customers and contract rate; and improvement of renovation service to increase the value per transaction.

## Buyer Side GMV <sup>\*1\*2</sup>



## Contribution of Service Enhancement to GMV Expansion in Q3

**Customers**

- In Q3, prioritized the quality of marketing
- Going forward, look to also increase the number of customers through strengthening of marketing

**Contract Rate**  
% of customers completing transactions <sup>\*1</sup>

- Improvement of the quality of proposals and customer experience, as well as emphasis on the quality of marketing led to an increase in the contract rate
- Going forward, we look to achieve further uplift of the contract rate through improvement of customer experience and service quality, as well as emphasis on quality of marketing

**Value per Transaction**  
GMV per transaction <sup>\*1</sup>

- In Q3, increased sales of renovation services led to an increase in the value per transaction
- Going forward, we will continue to improve the renovation service and other ancillary services to increase the value per transaction

<sup>\*1</sup> Contract basis

<sup>\*2</sup> Includes transactions where we act as the broker on both the buyer and seller side

### 3. Forecast for FY2024

# Forecast of Financial Results for FY2024

There are no changes to the fiscal-year forecast in Q3.

## Forecast of Financial Results

(Unit: JPY million)

	<b>FY2024 Actual</b> (Consolidated) *2	<b>FY2023 Actual</b> (Non-consolidated) *2	<b>YoY</b>	<b>Adjusted YoY</b> *3
<b>Revenue</b>	<b>5,200</b>	<b>4,152</b>	<b>+25%</b>	<b>+35%</b>
<b>Gross Profit</b>	<b>2,800</b> <b>~ 3,000</b>	<b>2,522</b>	<b>+11%</b> <b>~ 19%</b>	<b>+15%</b> <b>~ 23%</b>
<b>Operating Profit</b> (of which, stock-based compensation)	<b>150</b> (-88)	<b>-132</b> (-39)	-	-
<b>Ordinary Profit</b>	<b>130</b>	<b>-150</b>	-	-
<b>Net Profit Attributable to Shareholders</b>	<b>175</b>	<b>-165</b>	-	-

\*1 Non-consolidated basis prior to FY2023

\*2 Transitioning to consolidated basis as of FY2024

\*3 "Adjusted YoY" shows the growth rate of just the cowcamo segment with the sale of the PPD business effective November 1, 2023

# FY2024 Forecast – Key Assumptions

There are no changes to the assumptions behind the fiscal-year forecast.

## Key Assumptions for the FY2024 Forecast \*

<b>cowcamo</b>	<ul style="list-style-type: none"><li>• <b>Market:</b> Assume a gradual and continued growth in demand while keeping a close eye on macro trends, including interest rates and real estate prices</li><li>• <b>GMV:</b> Expect &gt;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</li><li>• <b>Take Rate:</b> 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</li><li>• <b>Expense:</b> No material increase in SG&amp;A, rather focusing on productivity improvements</li></ul>
<b>PPD</b>	<ul style="list-style-type: none"><li>• The sale of the PPD business was completed on November 1, 2023. Accordingly, the forecast only accounts for its revenue and gross profit contribution in Q1</li></ul>
<b>Corporate Expense</b>	<ul style="list-style-type: none"><li>• 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</li><li>• 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 recruiting strategy</li></ul>
<b>Others</b>	<ul style="list-style-type: none"><li>• With the sale of the PPD business to Mr. Masahiro Nakamura, there is extraordinary income of JPY 49 million in FY2024 Q2. There is an additional extraordinary income of JPY 50 million in FY2024 Q2 due to the sale of investment securities</li><li>• Non-finalized transactions, extreme real estate market fluctuations, new businesses and M&amp;A are not taken into account</li></ul>

## 4. Investment Highlights



# Investment Highlights

**1**

**Unique position in the expanding used and renovated housing market**

**2**

**Continued gross profit growth through expansion of GMV x Take Rate**

**3**

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

# Market | 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

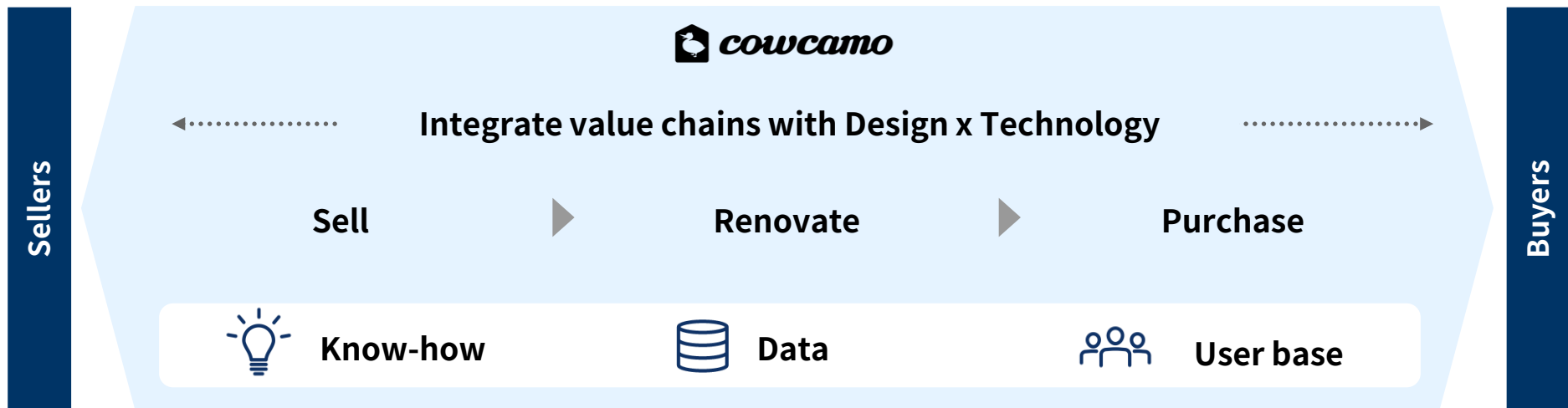


Efficient Management through DX

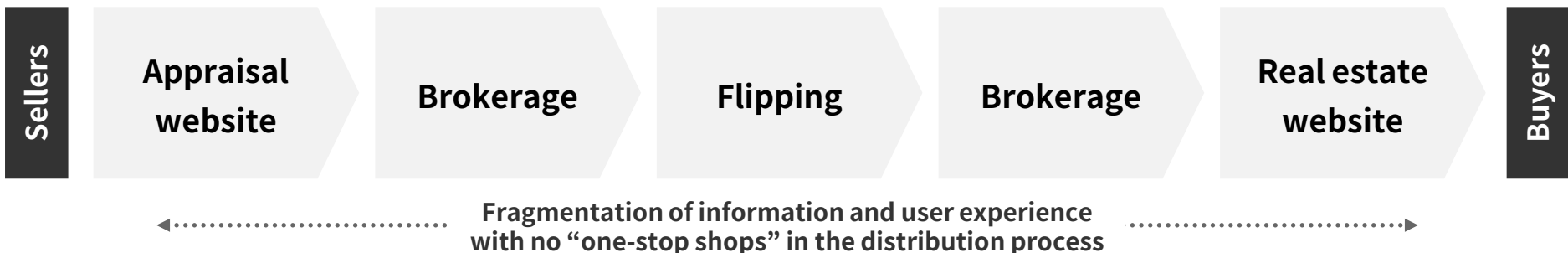
# Market | Unique position to integrate value chain via Design x Technology

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

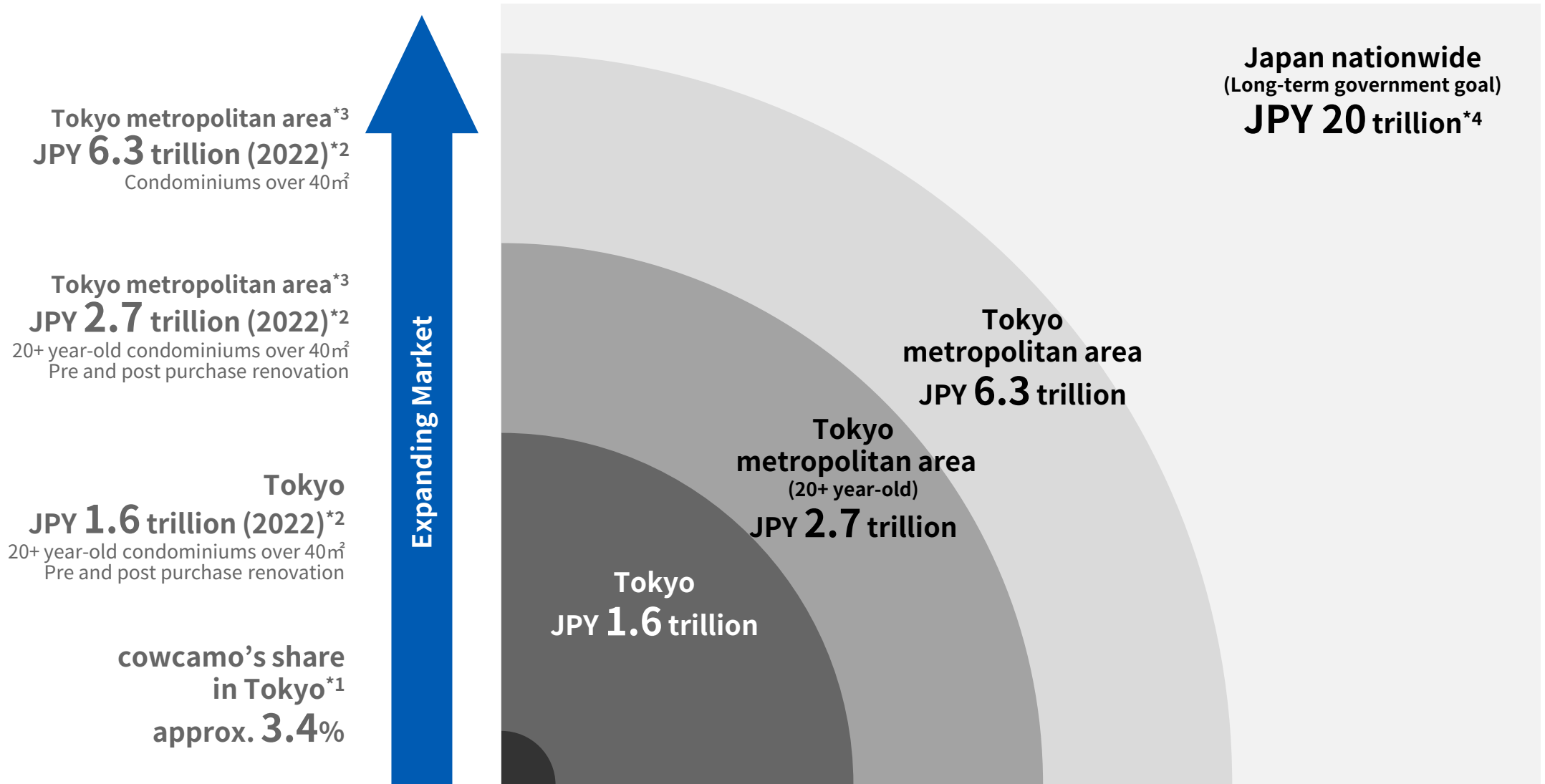


## Traditional value chain



# 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 40m<sup>2</sup>, 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

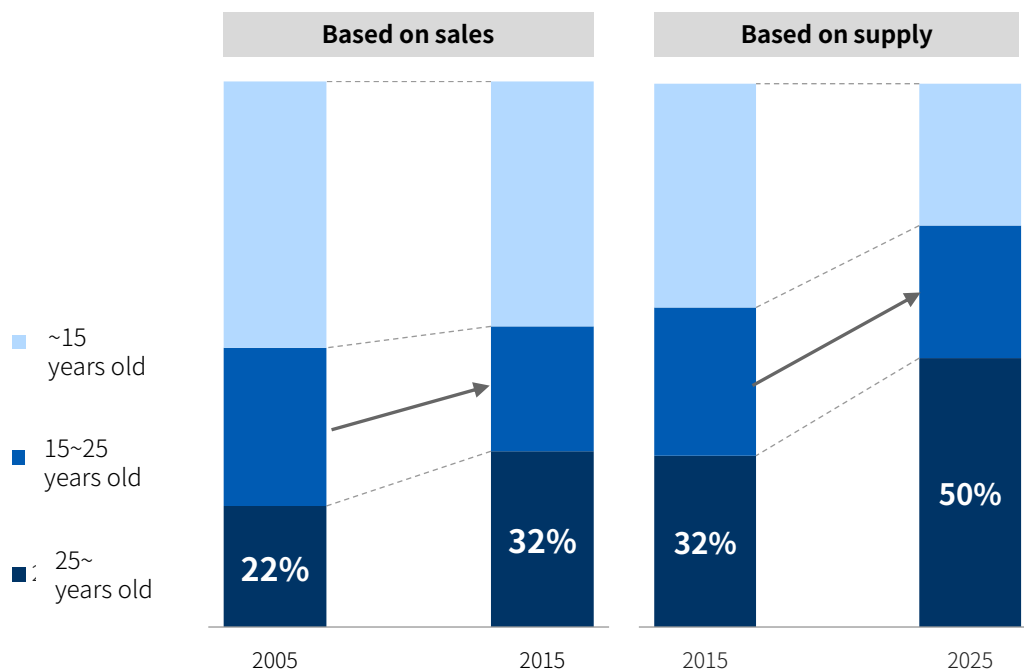
# Market | Renovation becoming mainstream due to structural changes in the market

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)



## 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.

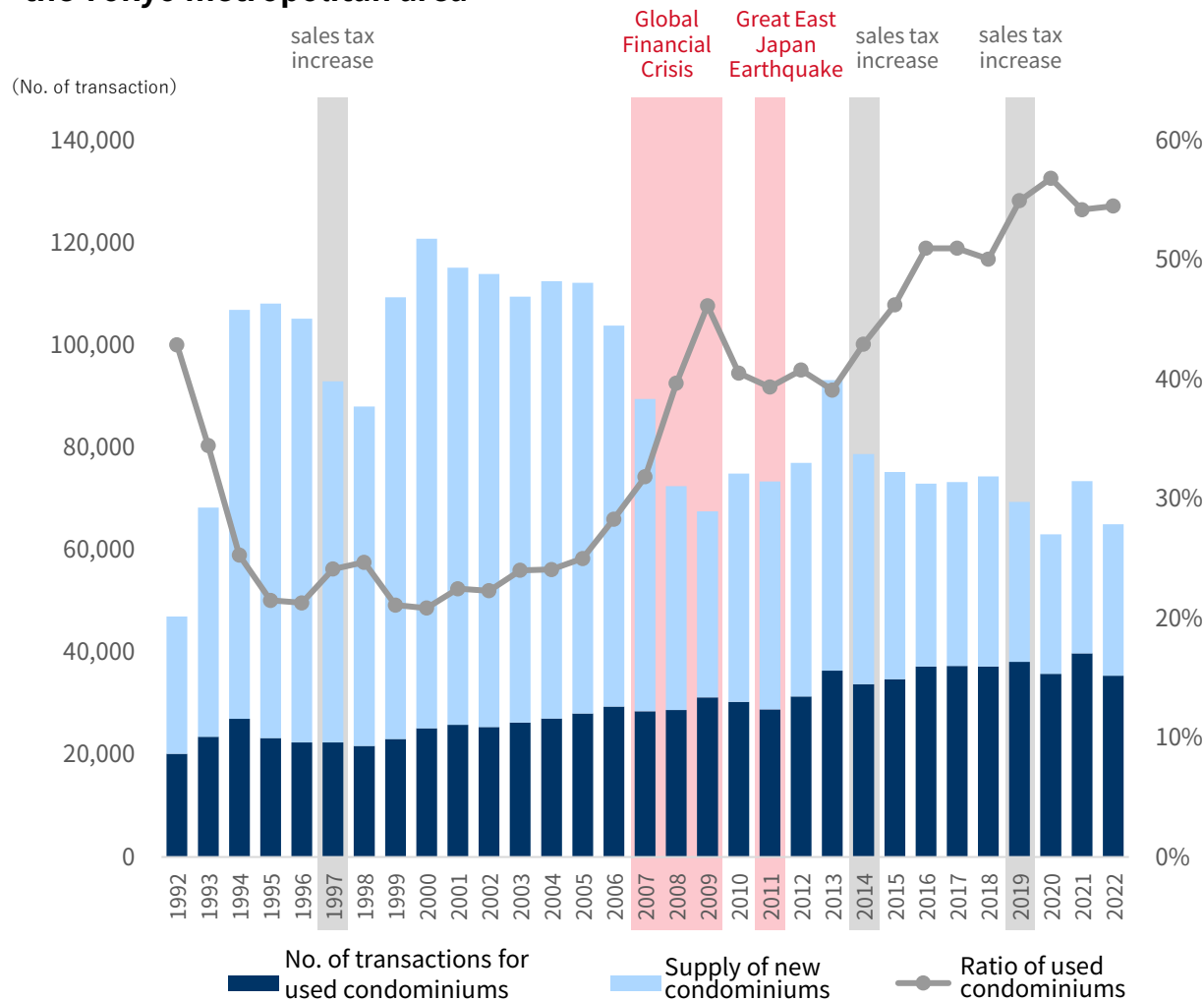


Source: The above graph was created using data provided by Real Estate Information Network for East Japan.

# 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



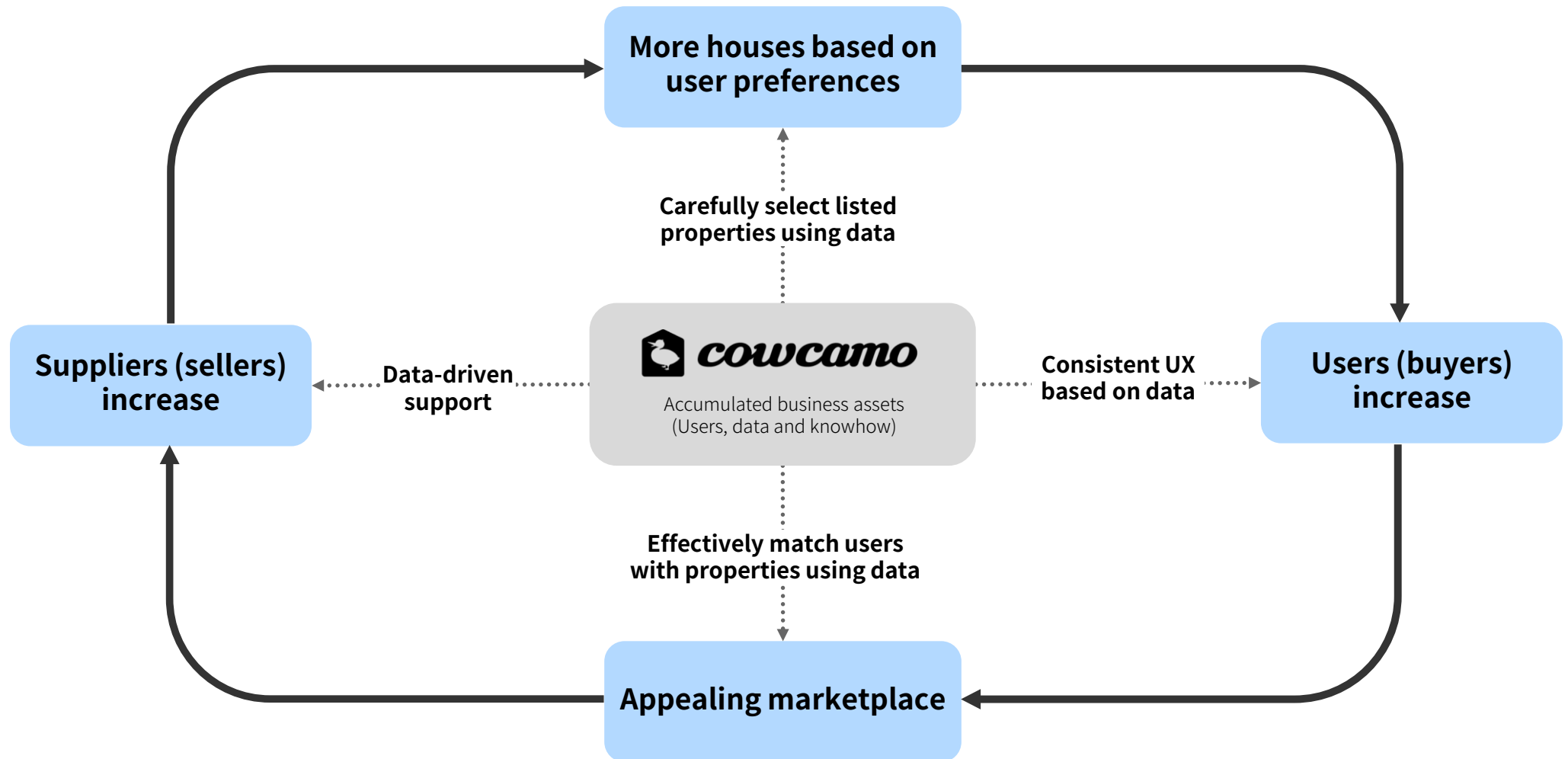
Extending the Value Chain



Expansion of services

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

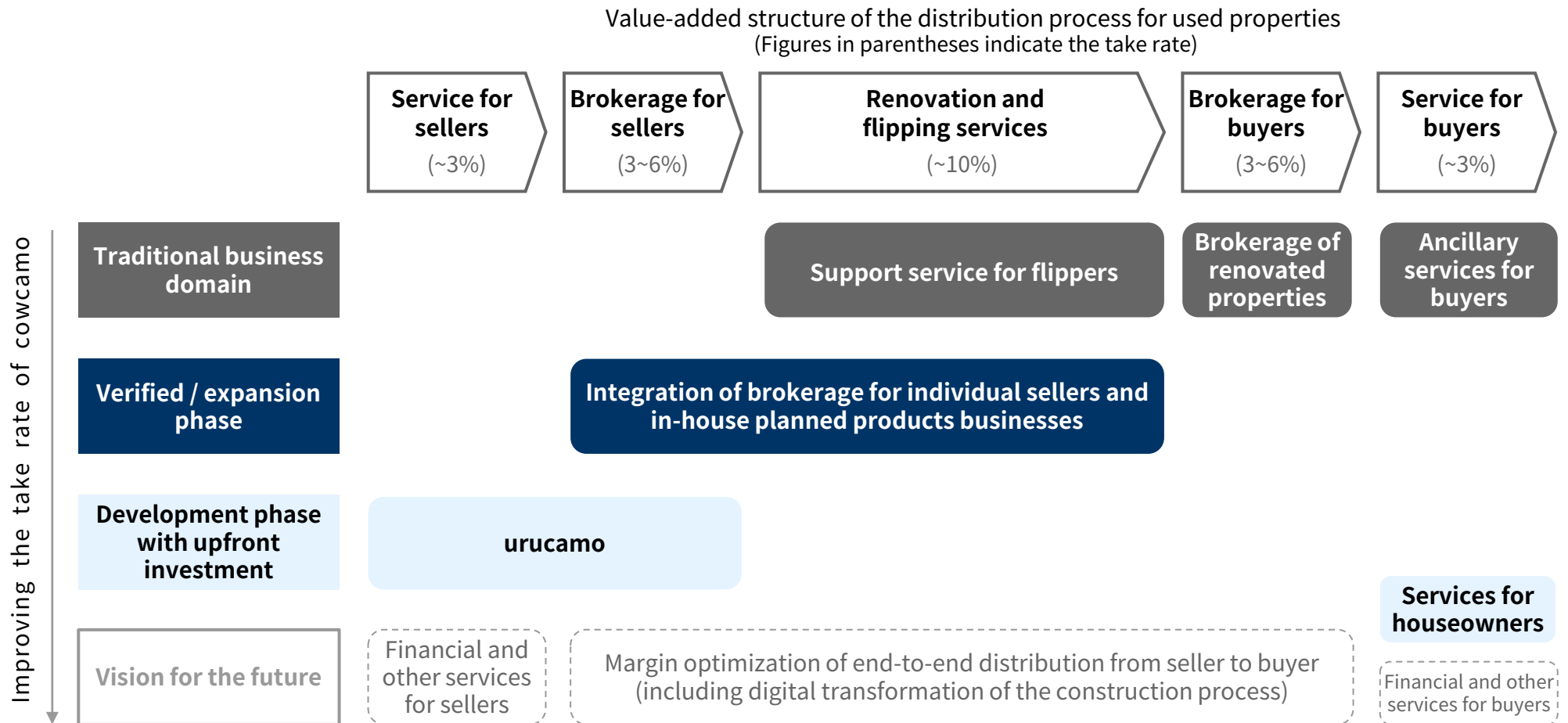
cowcamo's business model is based on a virtuous cycle: as the number of buyers increases, transactions increase, the incentive for sellers to participate increases, and the number of properties that buyers want increases. Leveraging our existing buyer user base, we will continuously improve the value provided to customers on both sides.





# Growth | Continued focus on “structural take rate improvement”

TSUKURUBA will continue to focus on the structural improvement of our take rate, through business expansion in each phase of the distribution process of used properties.



# Potential

## 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

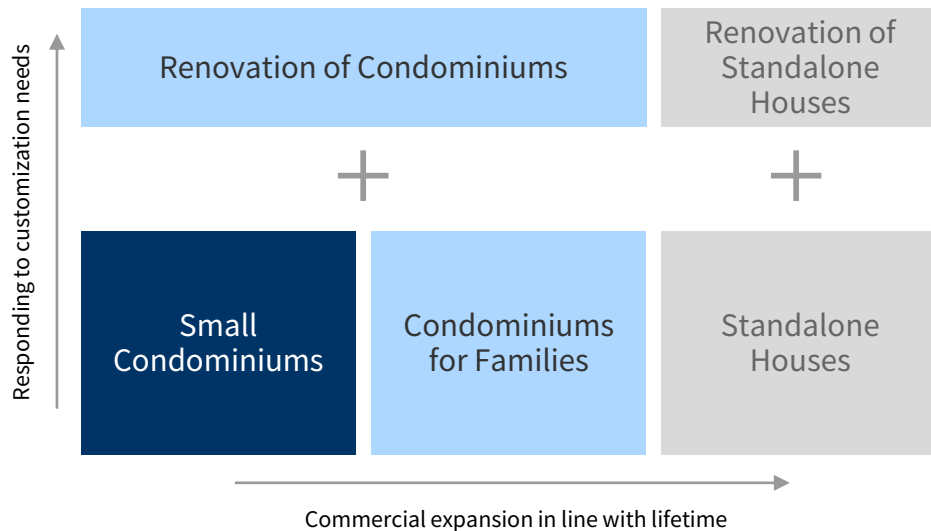
# Potential | Expansion of target market by Service x Area

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

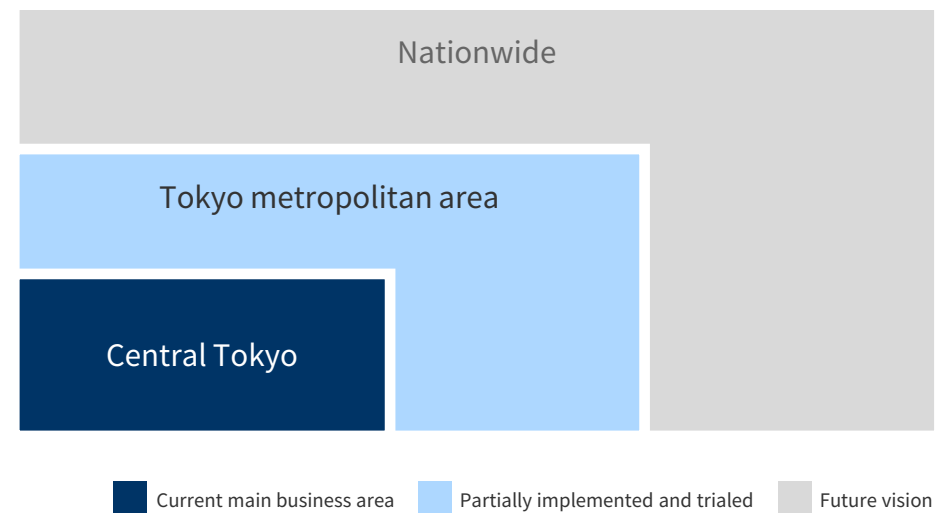
### Service

- Expansion of renovation services to meet further needs for customization
- In the future, we will look to expand into the family and standalone properties market as a product line for customers who wish to change residences in accordance with lifestyle



### Area

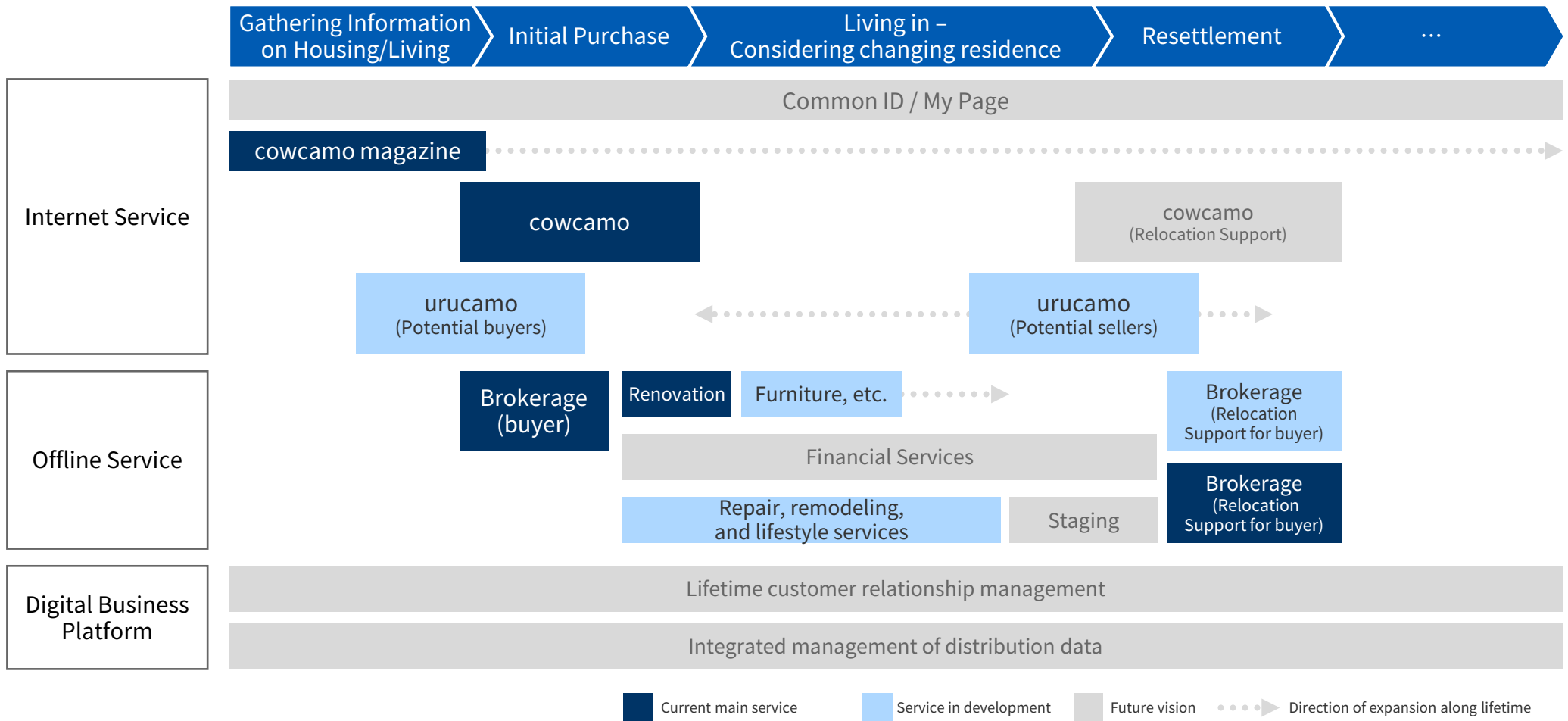
- Expanding from the current main business area of central Tokyo to other suburbs of the Tokyo metropolitan area
- Future expansion to other major cities in Japan is also an option



# 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

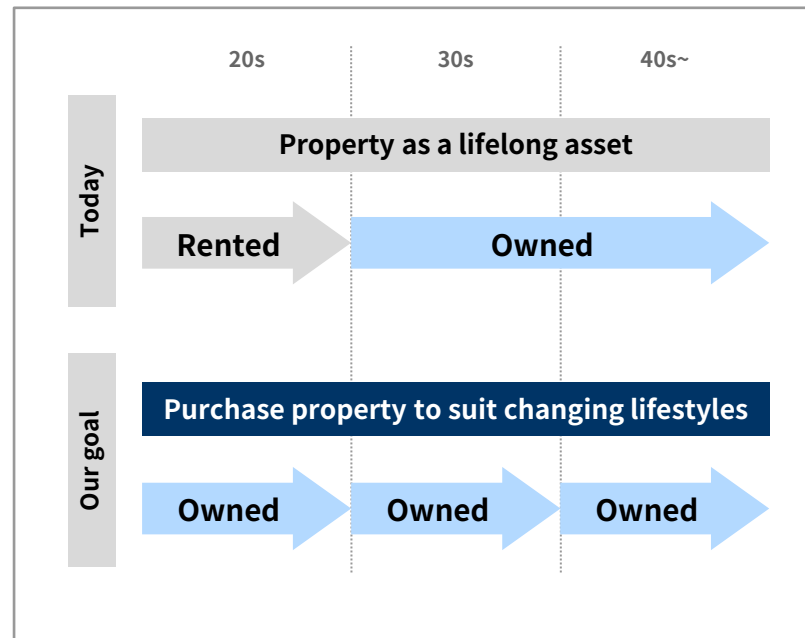
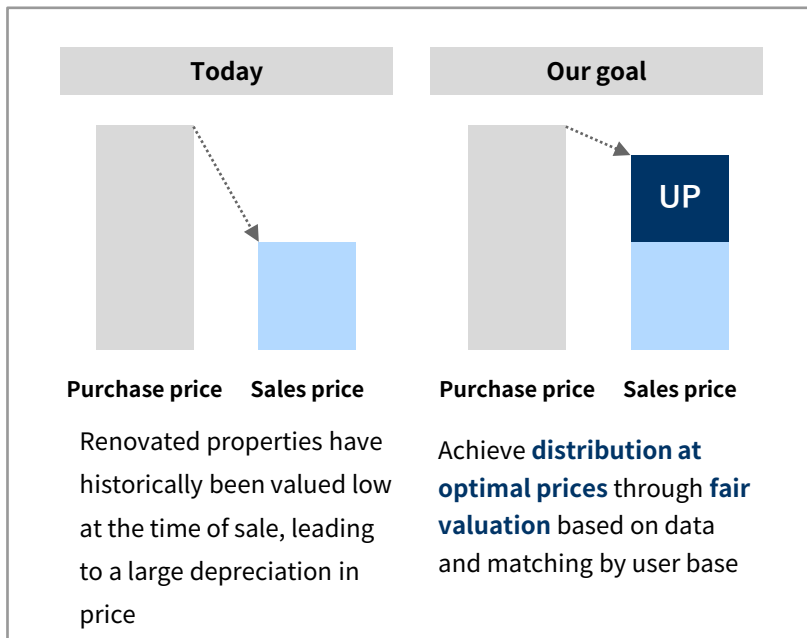
- Fair valuation of renovated properties through data accumulation
- Matching potential buyer/seller needs



## 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.



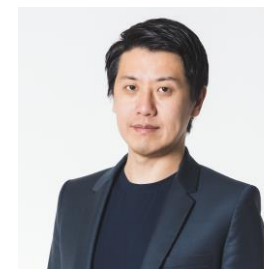
**Hiroki Murakami**  
CEO

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.



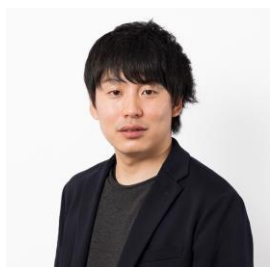
**Hiroshi Kitahara**  
CSO

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, CSO in 2023.



**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.



**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.



**Chieko Nishiura**  
External Director\*

CPA. Provided accounting audits and internal control advisory services at Ernst & Young ShinNihon. Opened Nishiura Certified Public Accountants in 2014. Previously a full-time auditor of JapanTaxi (now GO), now serving as an external auditor of Takumino and an external auditor of NSD.



**Kenji Kobayashi**  
External Director\*

Joined DeNA in 2009, serving as its director from 2011 to 2015. Founded Signifiant in 2017, investing in SmartHR and other companies with an emphasis on engagement to sustain growth. Also serving as an external director of Raksul and executive advisor to Nstock.



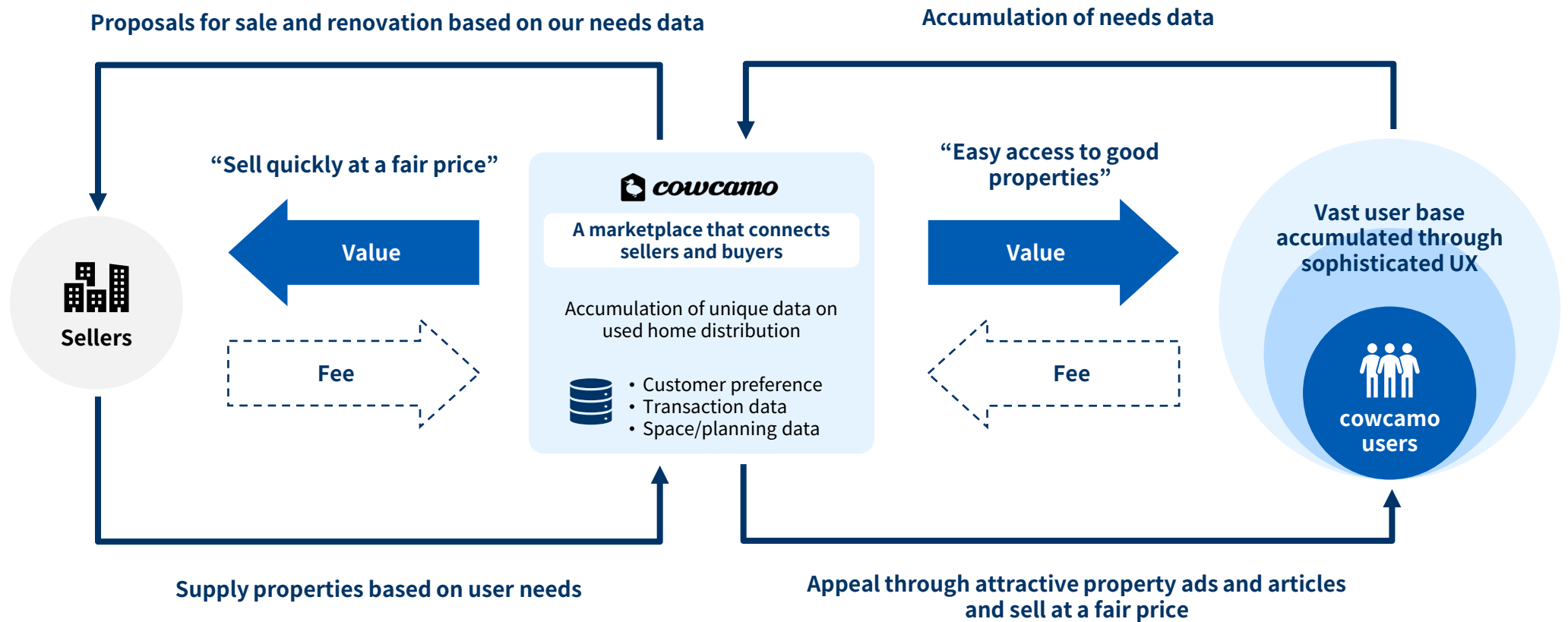
**Tadatsugu Ishimoto**  
External Director\*

Joined KPMG Peat Marwick, providing international tax and M&A advisory services, before becoming the CFO of a medical imaging venture company. Founded a boutique accounting firm, Mentor Capital Tax Office, in 2001. Served as an external director of public and private start-ups.

\* Also serving as members of the Audit & Supervisory Committee, of which Chieko Nishiura is a full-time member

# Reference | Business model of cowcamo

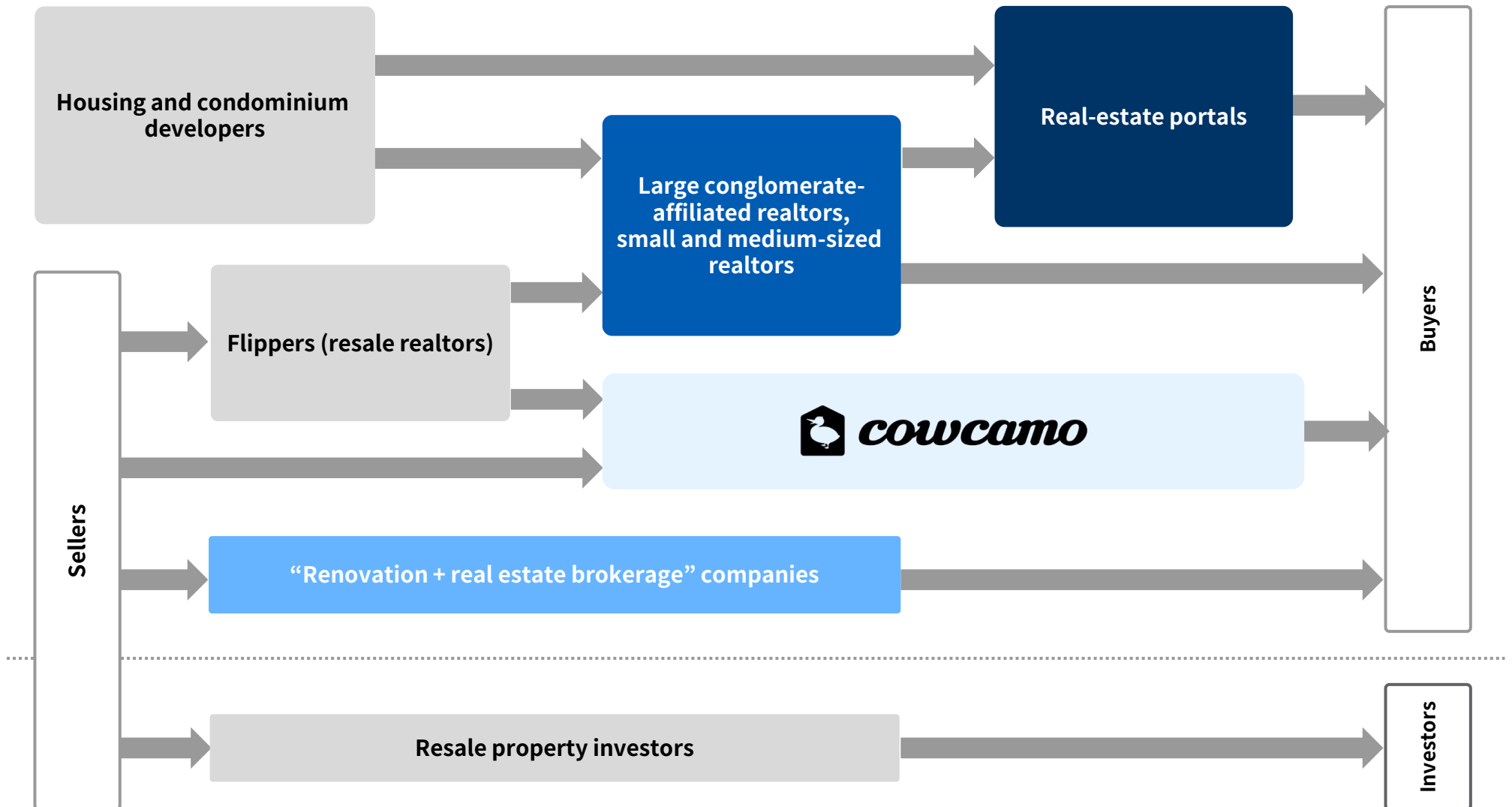
cowcamo is a marketplace-type platform that mediates between sellers and buyers of used and renovated housing. By using accumulated data of buyers' preferences and spatial data, and by facilitating the distribution of properties supplied by sellers, cowcamo provides unique value to both sellers and buyers 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.



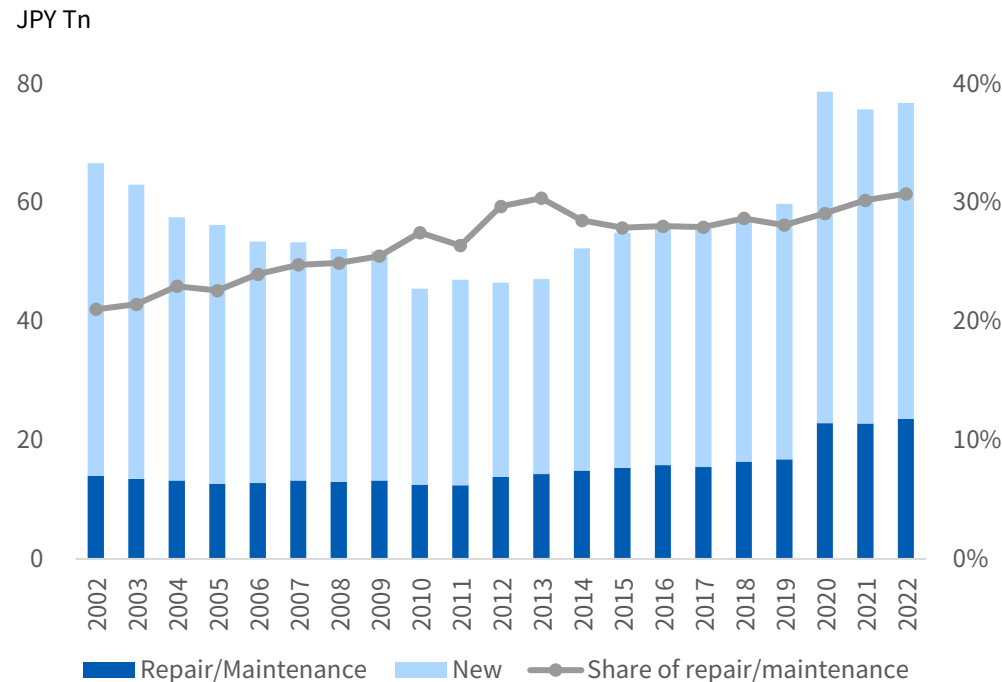
# Reference | Market opportunities from changes in the construction industry

In the residential construction industry, share of repair and maintenance has steadily increased over the last 20 years. Combined with the fact that the number of construction workers is decreasing every year, renovated housing is expected to become a mainstream option.

## Share of repair and maintenance steadily increasing

The residential construction industry is continuing to grow. The share of repair and maintenance within the industry has also increased from 21% in 2002<sup>\*1</sup> to 31% in 2022

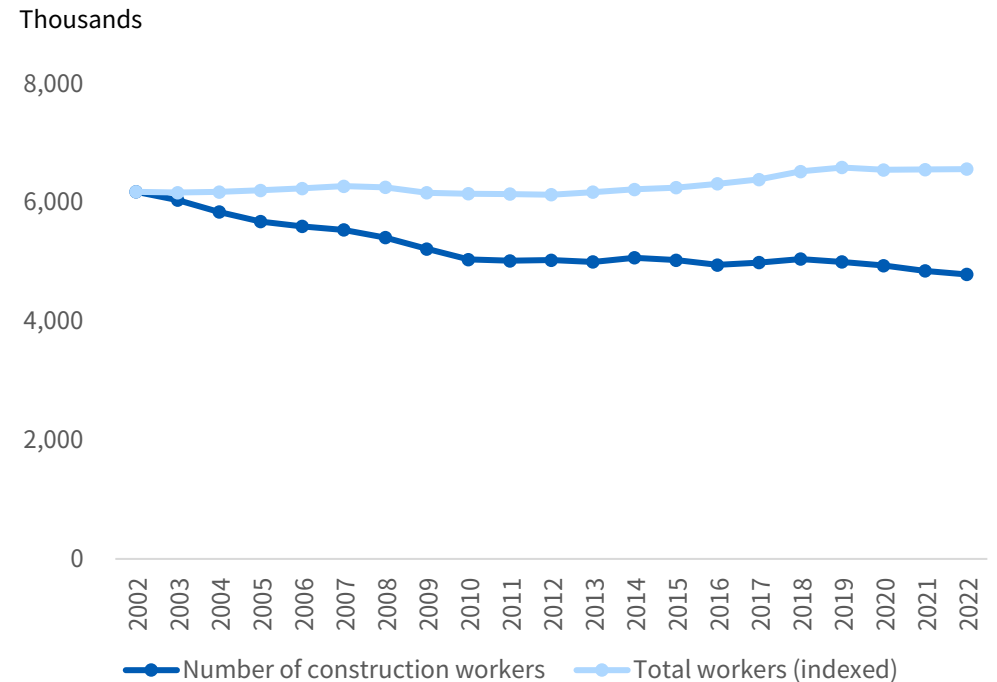
### Breakdown of the residential construction industry (2002-2022) <sup>\*2</sup>



## Renovated housing expected to become mainstream

Compared to the number of total workers, the number of construction workers is on a clear downtrend. Renovated housing, requiring less personnel and resources compared to construction of new houses, is expected to become a mainstream option in the coming years.

### Number of workers in the construction industry (2002-2022) <sup>\*3</sup>



\*1 Includes repair, renovation and relocation and disaster recovery to maintain the previous function of existing structures

\*2 Ministry of Land, Infrastructure, Transport and Tourism. "New construction" includes some components of renovation, so the total share of renovation is expected to be higher

\*3 Ministry of Internal Affairs and Communications, Labor Force Survey

# 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 Q3, debt increased mainly due to the increase in sales of in-house planned products. Our current capital ratio continues to trend healthily at 37%.

## As of January 31, 2024 (Consolidated)

	Assets	Liabilities	
Cash and deposits	1,426	237	Other liabilities
		955	Short-term debt
Other assets	2,048	596	Long-term debt
		700	<b>Class A shares</b>
		986	<b>Net assets</b> (of which, share acquisition rights account for 125)

(Unit: JPY million)

Capital ratio: 45%

## As of April 30, 2024 (Consolidated)

	Assets	Liabilities	
Cash and deposits	2,247	415	Other liabilities
		1,693	Short-term debt
Other assets	2,282	597	Long-term debt
		700	<b>Class A shares</b>
		1,124	<b>Net assets</b> (of which, share acquisition rights account for 138)

(Unit: JPY million)

Capital ratio: 37%

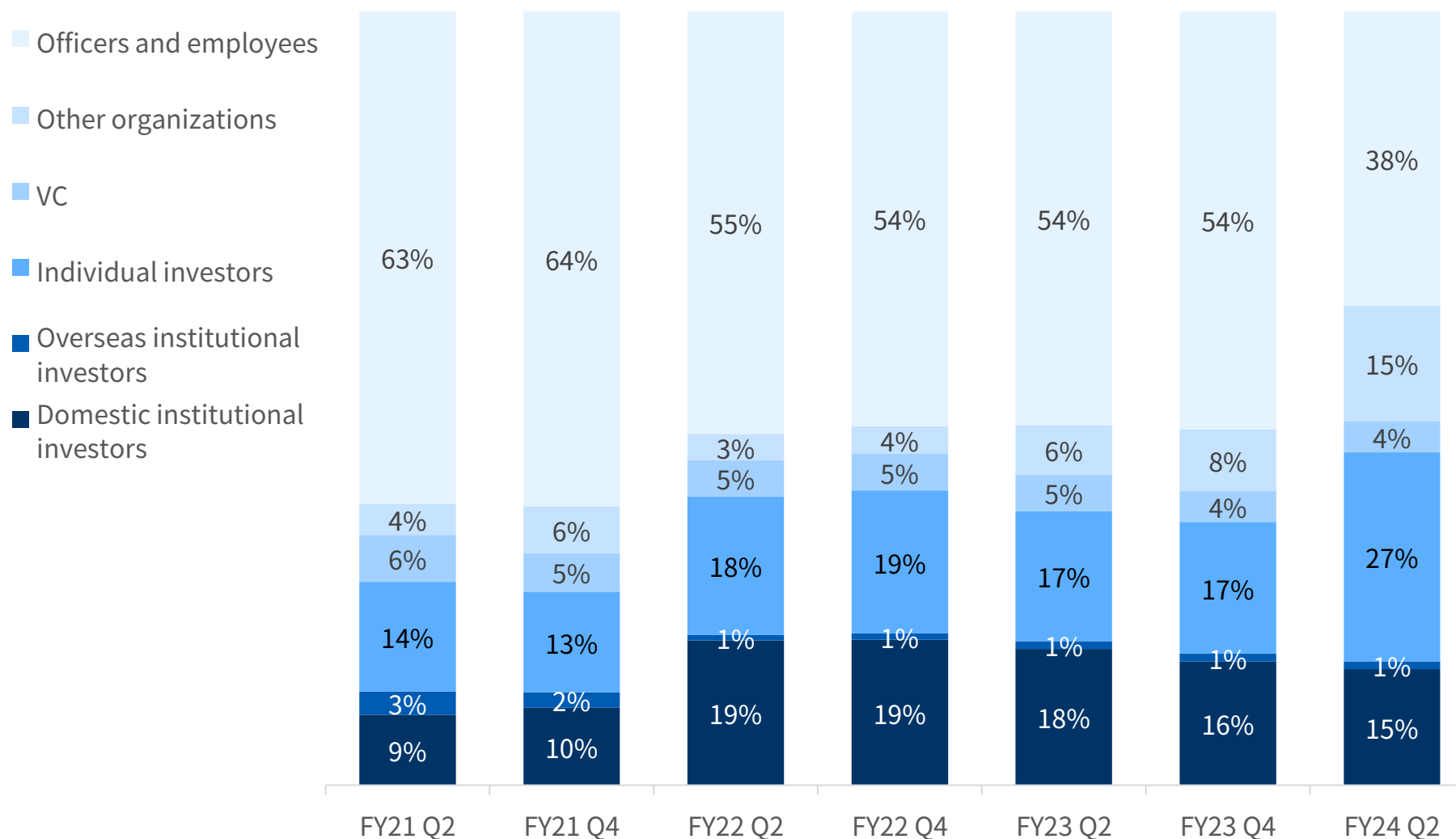
# Reference | Share Price and Trading Volume

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.



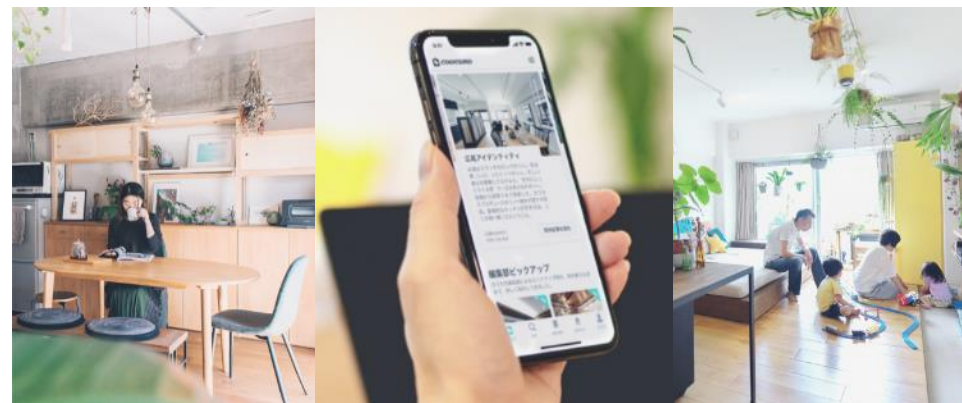
\* Shareholder composition of common shares (excludes Class A shares)

## Reference | Q&A

Category	Question	Answer
Company	What is the background of the partnership with MUFG Bank? Is the fiscal-year forecast inclusive of the partnership?	On March 15, 2024, we disclosed the commencement of discussions with MUFG Bank on a potential partnership around digital transformation of the used and renovated homes industry. The fiscal-year forecast does not include any impact from the partnership, and we will make further disclosures once the terms of the partnership are finalized.
cowcamo	What is the impact of interest rate fluctuations on your business?	Most of our customers who use mortgage financing use floating-rate mortgages, and floating interest rates are linked to the short-term prime rate. Currently, there is no consensus in the Japanese financial market for the short-term interest rates to rise, and thus there is little concern that floating interest rates will rise in the near future. Even if short-term interest rates were to rise, the impact on our business is expected to be limited, compared to investment properties and new condominiums, as demand for used condominiums is expected to continue to increase, as it is driven by changes in life stages such as childbirth, transfers and inheritance among families. Even if there is a temporary decline in demand due to higher interest rates, demand is expected to recover with the corresponding decline in real estate prices. As such, we do not anticipate any changes to the mid- to long-term outlook of our business.
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 fiscal-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	“cowcamo Business,” an end-to-end real estate online brokerage platform for used and renovated properties - cowcamo Platform Business - cowcamo Agent Service Business
Awards	Deloitte Technology Company Japan Technology Fast 50 (2017-2020) 2021 The 4th WOMAN's VALUE AWARD, Excellence Award





# Disclaimer

This material includes forward-looking statements which were made based on information available at the time of writing. They do not guarantee future results and may involve certain risks and uncertainties. Please note that actual results may differ materially from those discussed in the forward-looking statements due to changes in the environment surrounding TSUKURUBA and other factors.

The factors which may affect actual results include, but are not limited to, Japanese and global economic and market conditions under which TSUKURUBA operates.

TSUKURUBA is not obligated to update or revise its forward-looking statements in this material, even when new information becomes available or events take place.

Information within this material on topics other than TSUKURUBA is quoted from published information and other sources. As such, the accuracy, appropriateness, etc. of such information has not been verified, nor are any guarantees provided thereof.

## Contact:

Email: [ir@tsukuruba.com](mailto:ir@tsukuruba.com)

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

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