

# FY2024.8 Second Quarter Financial Results

coconala Inc. (TSE Growth Market: 4176)

April 15, 2024

01

# Company Overview

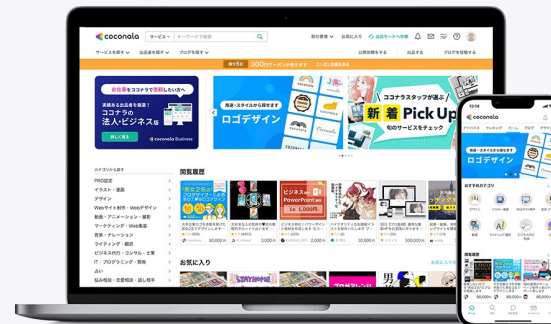


# Business Overview of coconala

## Marketplace



Skills marketplace for  
buying and selling services online



## Media



Matching of legal advice seekers  
and lawyers. through media for  
searching for lawyers



Referral of engineers and designers for  
outsourcing projects in IT development



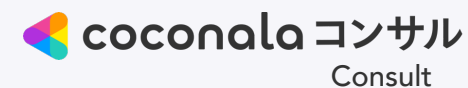
Referral of high-class creators in their real  
names with contracts made via coconala



## Agent



Referral of people to assist in business  
on an as-needed and time charge basis



Referral of high-class consultants for  
outsourcing projects (in preparation)





### Vision

**Create a world where each person lives their "own story."**

### Mission

**Provide a platform to empower individuals by making their knowledge, skills and experience visible and connecting them to those who need them**

# 01 Opportunity for Everyone

- For Business / For Private
- Individual / Corporation
- Buyers / Sellers
- Amateurs / Professionals



# 02 Free from Constraints

- Time
- Place
- Environment
- Age



# 03 Fair Trade

- Visualization of information
- Optimization of matching



Akiyuki Design

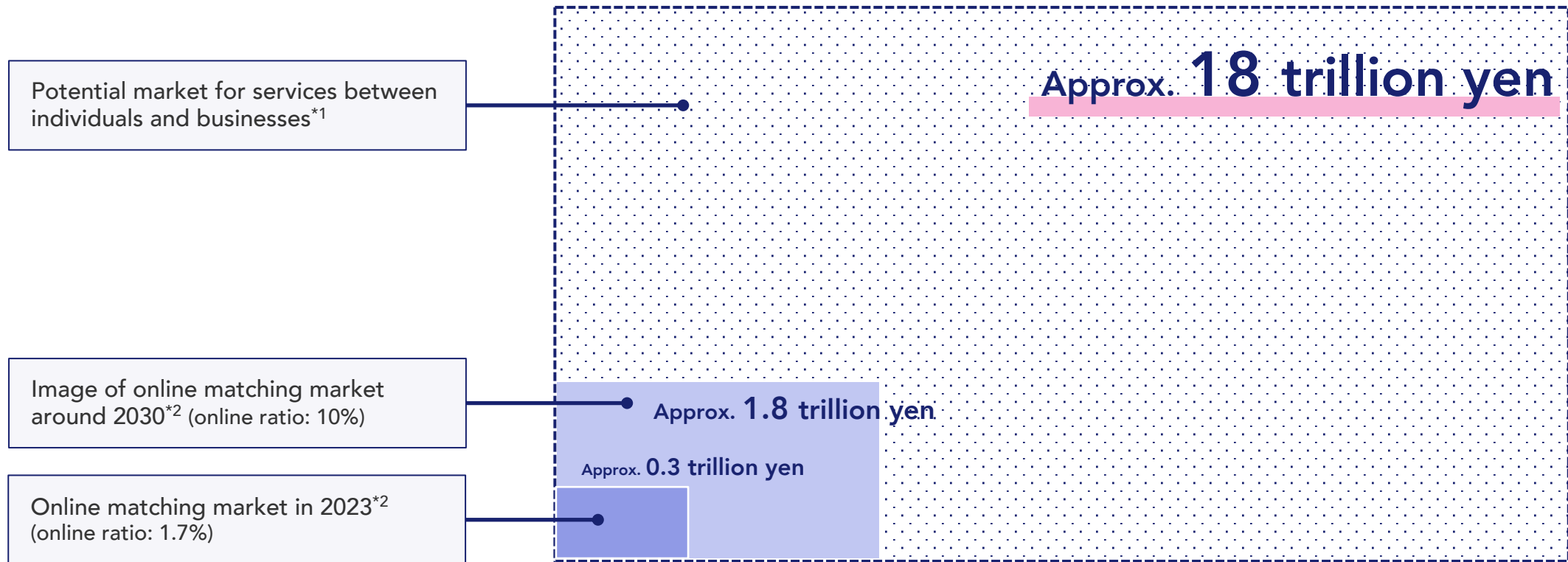
★★★★★ 5.0(120)

Designer for 10 years

# Image of the Size of the Market Targeted by coconala

With business expansion, the size of the targeted market is also expanding. The market has high social importance given the arrival of 100-year lifespans and significant changes in lifestyles under work-style reform.

## ■ Size of Market for Online Matching Between Individuals and Businesses



\*1: Market size of non-face-to-face services transaction between individuals/SMB and individuals/SMB that could be potentially shifted to e-commerce.

Forecast of e-commerce market size for non-face-to-face skill-sharing services surveyed and created by InfoCom Research Inc. in Sep. 2021.

\*2: Regardless of who the skill-provider is, such as a company, sole proprietor, or individual, it is assumed that the content and quality of the service can now be determined by looking at reviews on a single website or smartphone application, or that issues such as lack of recognition and concerns about safety regarding services provided by individuals have been resolved.

**02**

**Results**





## FY2024 Second Quarter Financial Highlights

### Consolidated

- Consolidated sales increased by 24% YoY to 1.37 billion yen
- Consolidated operating profit was in the black

### Marketplace (Skill Market)

- GMV grew by 7% YoY and sales by 7% YoY
- Updated user profile function and coconala Job Requests function

### Media (Legal Consultation)

- With the number of paid subscribing lawyers increasing, sales grew by 24% YoY
- ARPPU increased by 3% YoY and the churn rate remains stable at 1.3%

### Agent

- Sales increased, due to the grouping of PORT ENGINEERING INC.
- coconala Assist and coconala Pro also smoothly launched

### Topics

- Mizuho coconala: Commencement of services in April





## FY2024 Second Quarter Financial Results

(Unit: MM JPY)	FY2024 Q2 (Dec. - Feb.)	FY2023 Q2 (Dec. - Feb.)	YoY
Sales <sup>*1</sup>	1,379	1,106	+24.6%
Marketplace (Skill Market)	1,051	977	+7.5%
Media (Legal Consultation)	159	128	+24.2%
Agent	168	-	-
Gross profit	1,184	-	-
Operating profit <sup>*2</sup>	88	72	+22.2%
Marketplace (Skill Market)	94	65	+44.6%
Media (Legal Consultation)	42	11	+281.8%
Agent	(39)	-	-
EBITDA <sup>*3</sup>	146	116	+25.8%
Ordinary profit	55	74	(25.6%)
Profit attributable to owners of parent	55	83	(33.7%)

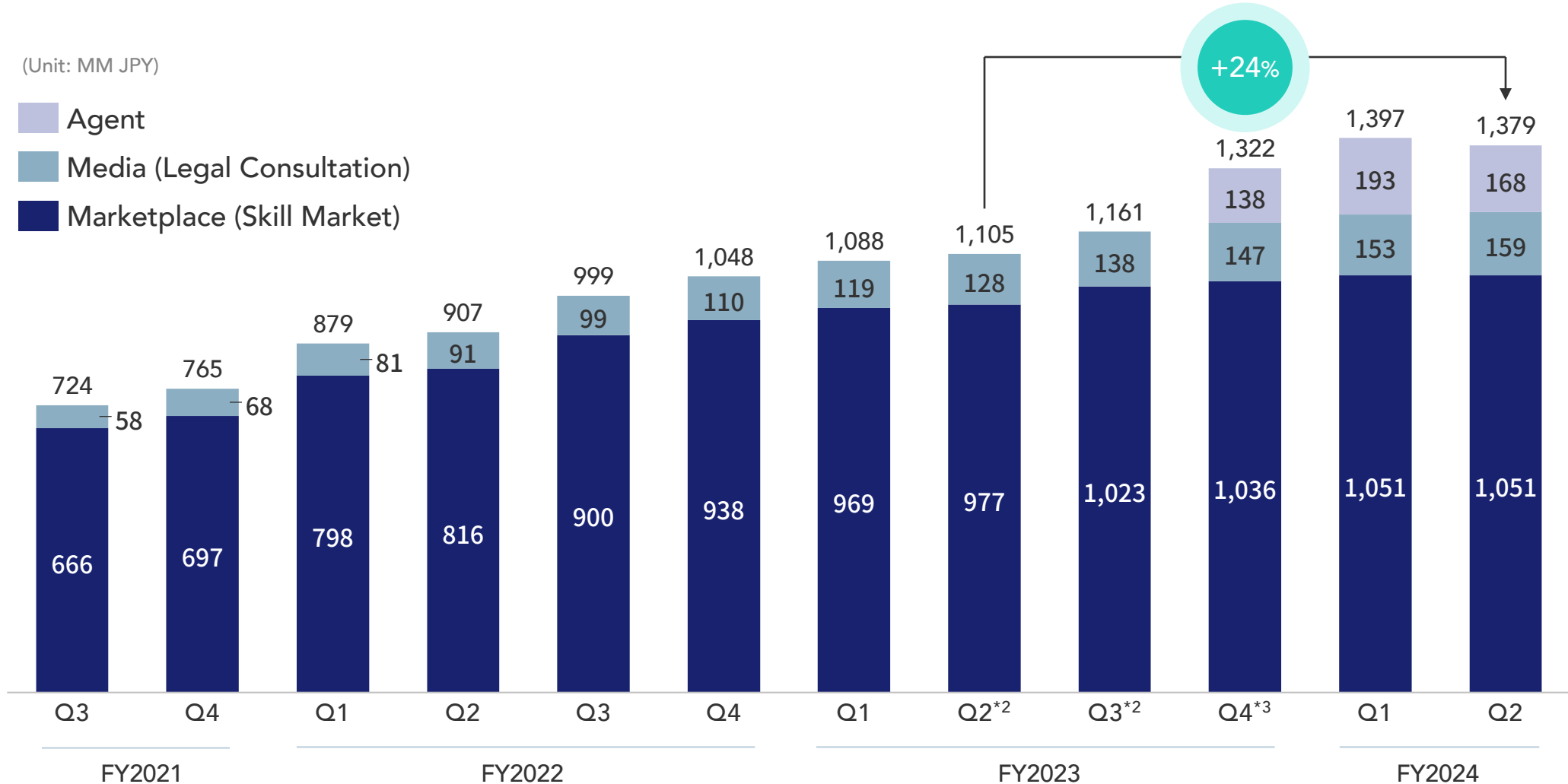
\*1: The figures for FY2023 Q2 show operating revenue.

\*2: Consolidated figures include the subsidiary coconala Skill Partners, and therefore do not match the sum of Marketplace (Skill Market), Media (Legal Consultation), and Agent.

\*3: EBITDA = operating profit + share-based payment expenses + coconala Skill Partners expenses + depreciation + amortization of goodwill

# Sales

Sales\*1 grew by 24% YoY, due to the grouping of PORT ENGINEERING INC.



\*1: The figures up to FY2023 Q3 show operating revenue. On this page of the financial result presentation, the new revenue recognition standard has been applied retroactively to FY2021 for purposes of comparison, and the figures therefore differ from the disclosure figures in the financial statements.

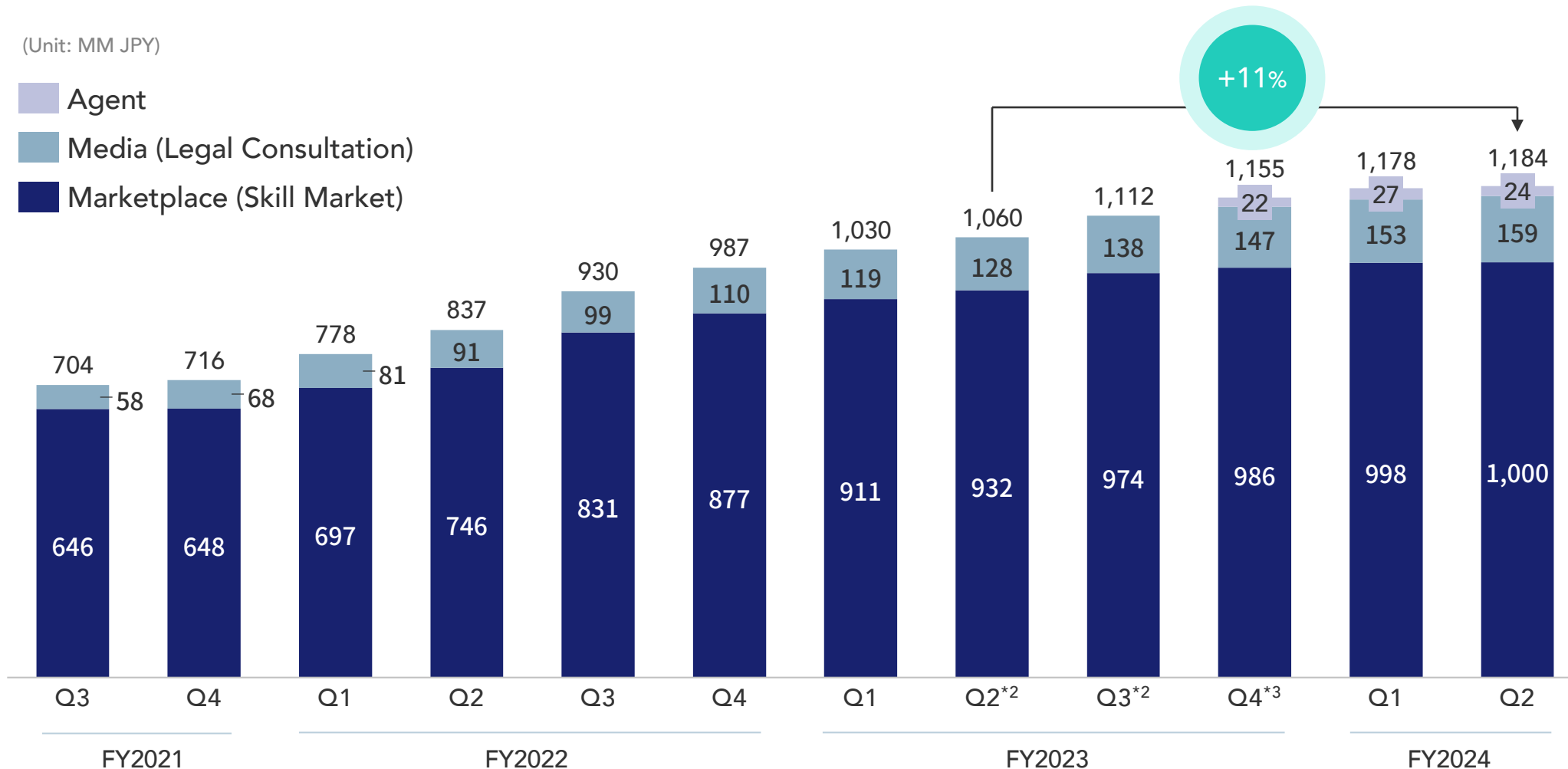
\*2: For FY2023 Q2 and Q3, Agent sales are included in Marketplace (Skill Market).

\*3: For FY2023 Q4, Agent sales include only PORT ENGINEERING INC.'s sales for two months.



## Gross Profit

Solid performance in Marketplace businesses and Media businesses. Gross profit\*<sup>1</sup> grew by 11% YoY.



\*1: Gross profit up to FY2023 Q3 shows cost of sales applied retroactively, and the figures therefore differ from the disclosure figures in the financial statements.

\*2: For FY2023 Q2 and Q3, Agent gross profit is included in Marketplace (Skill Market).

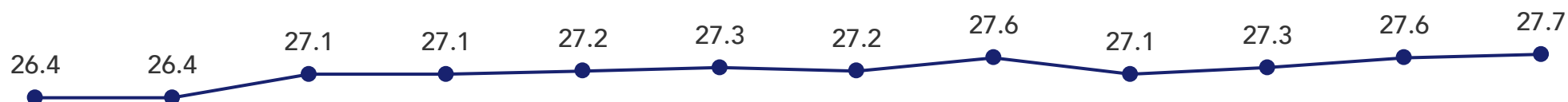
\*3: For FY2023 Q4, Agent gross profit includes only PORT ENGINEERING INC.'s sales for two months.



## Marketplace: GMV, Sales, and Take Rate

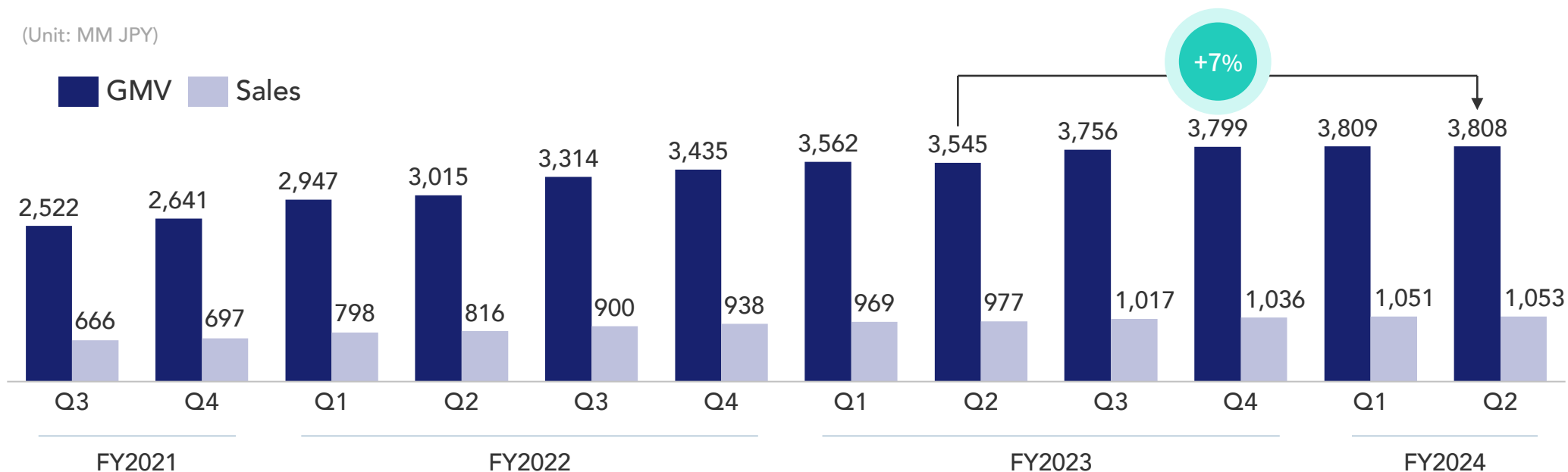
GMV\*<sup>1</sup> grew 7% YoY, and Sales\*<sup>2</sup> grew 7% YoY.

Take Rate\*<sup>3</sup> (%)



(Unit: MM JPY)

■ GMV ■ Sales



\*1: Including coconala Blog

\*2: The figures up to FY2023 Q3 show operating revenue. On this page of the financial result presentation, the new revenue recognition standard has been applied retroactively to FY2021 for purposes of comparison, and the figures therefore differ from the disclosure figures in the financial statements.

\*3: Take rate = operating revenue ÷ GMV



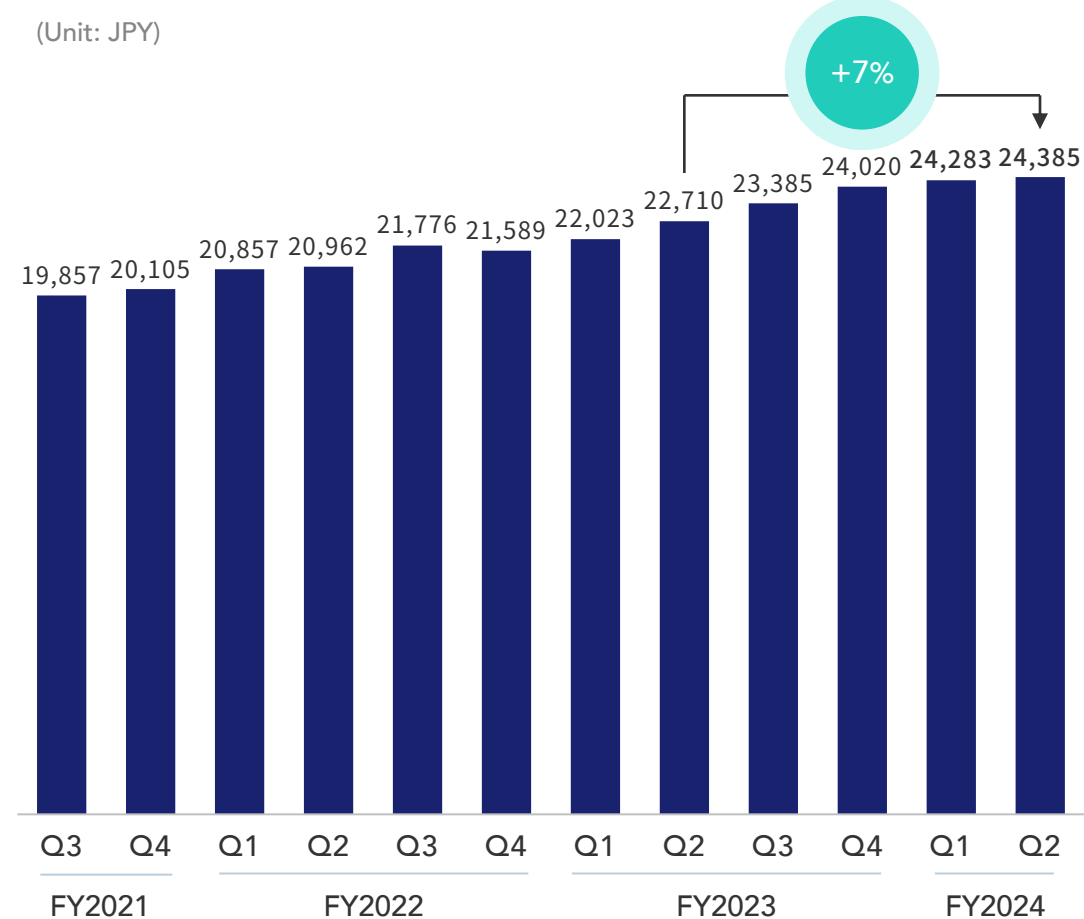
## Marketplace: Buyer-Side KPIs

Unique buyers remained unchanged YoY and purchase amount per buyer grew by 7% YoY.

### Unique Buyers



### Purchase Amount Per Buyer

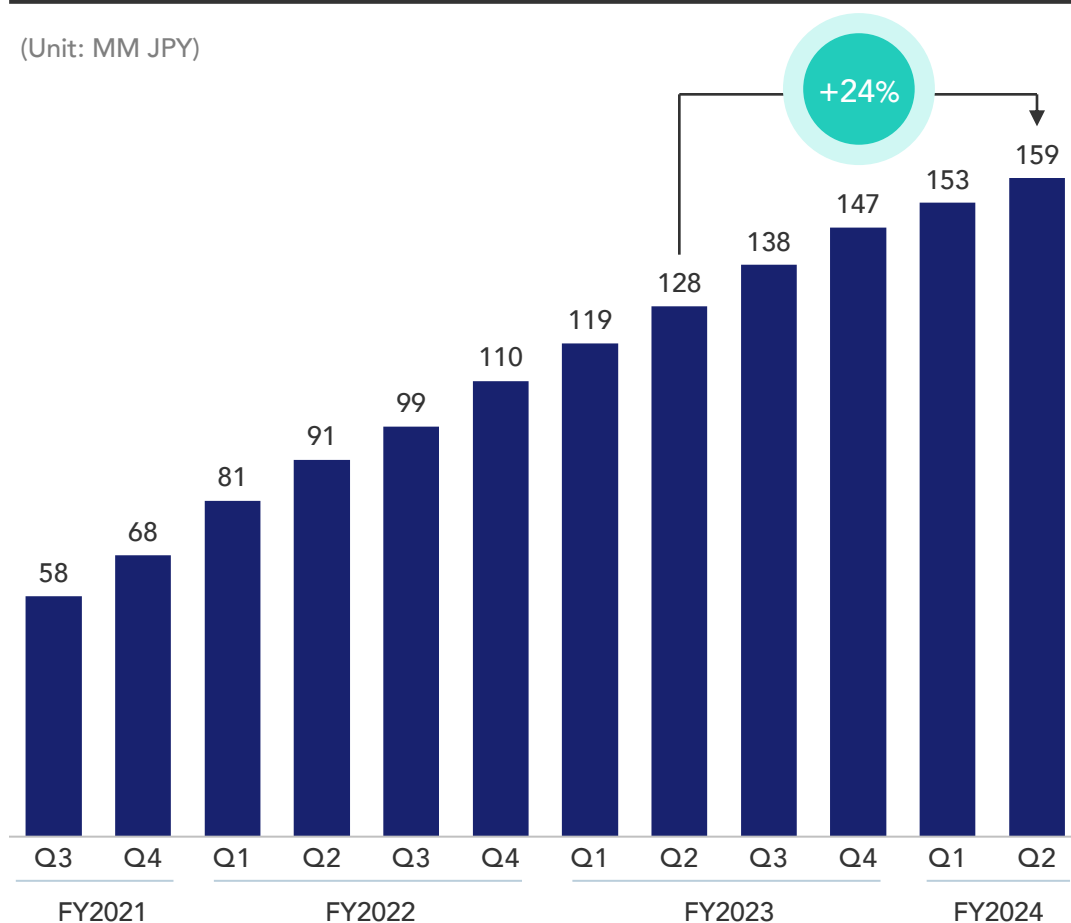


## Media (Legal Consultation): Sales and Number of Registered Lawyers

Sales\*<sup>1</sup> maintained a high growth rate of 24% YoY due to an increase in the number of paid subscribing lawyers (+19% YoY).

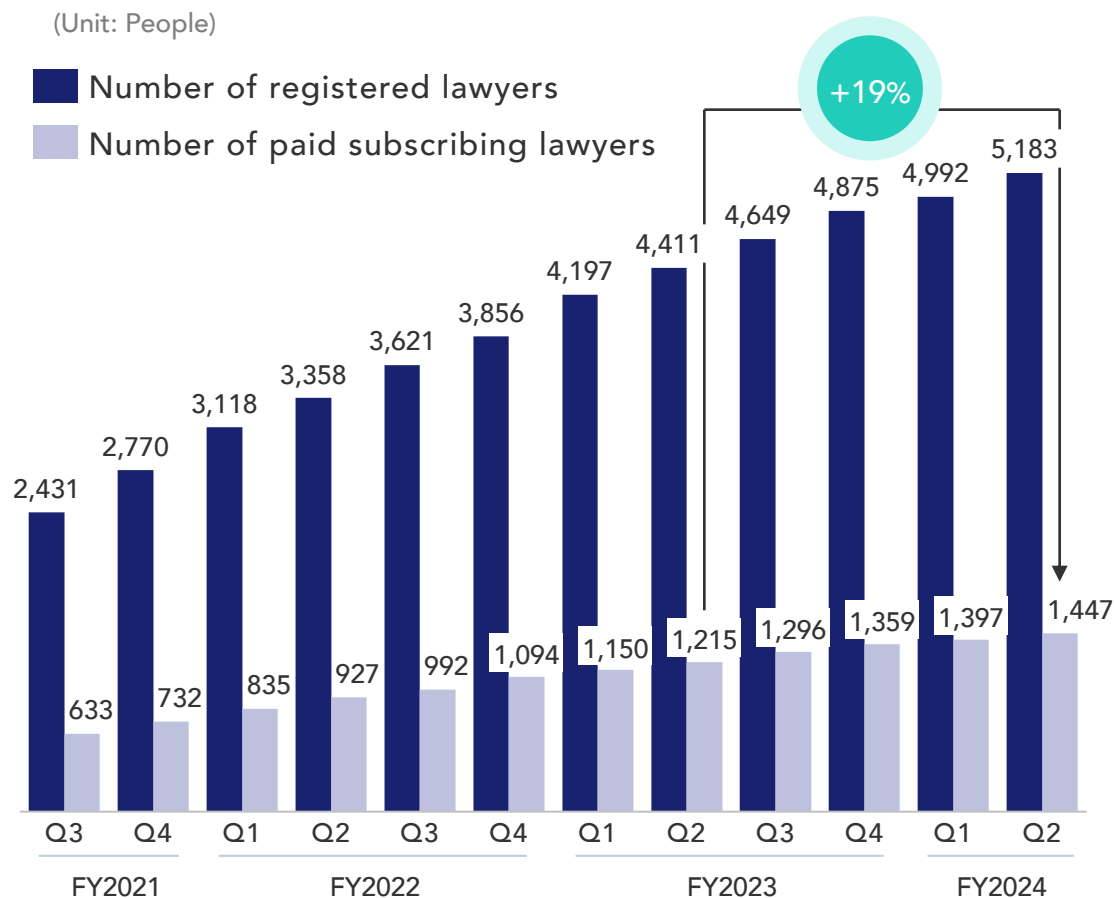
### Sales

(Unit: MM JPY)



### Number of Registered Lawyers

(Unit: People)

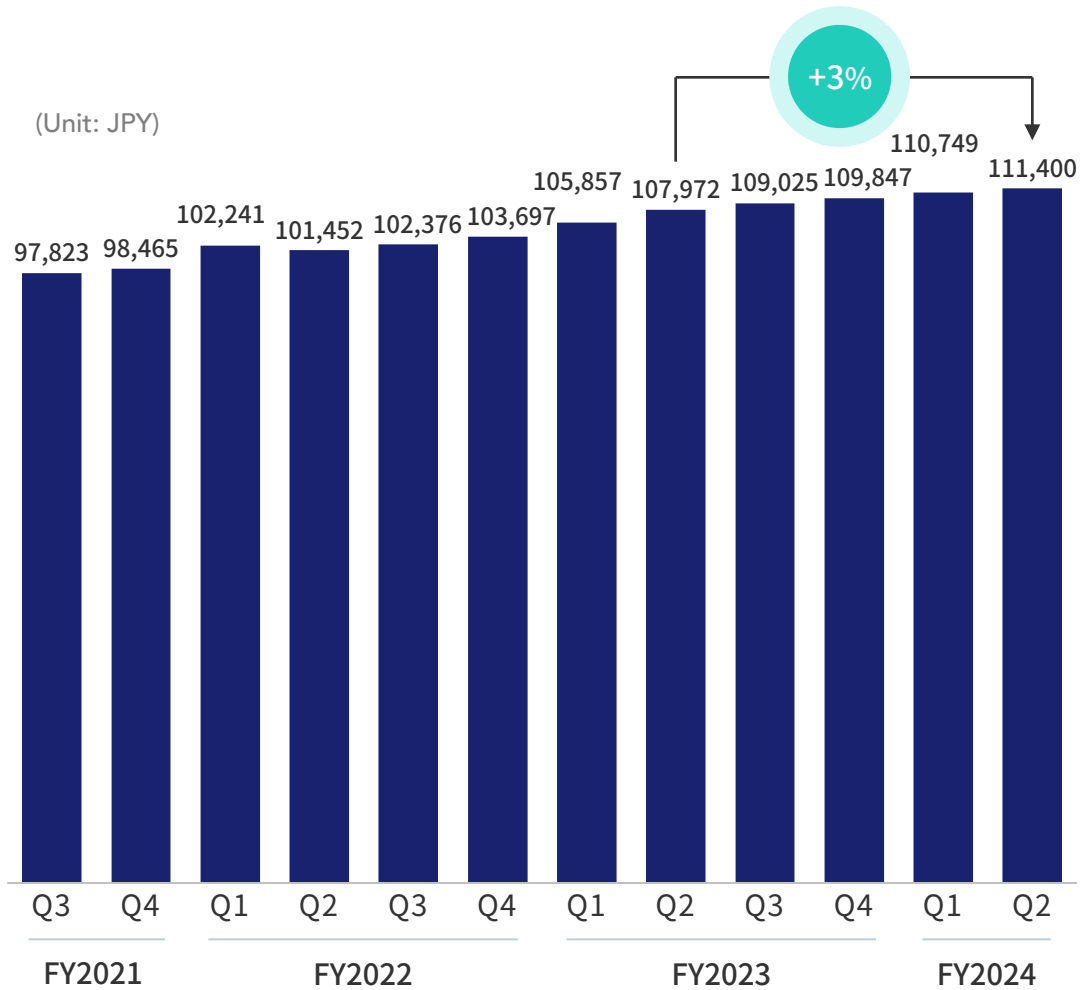




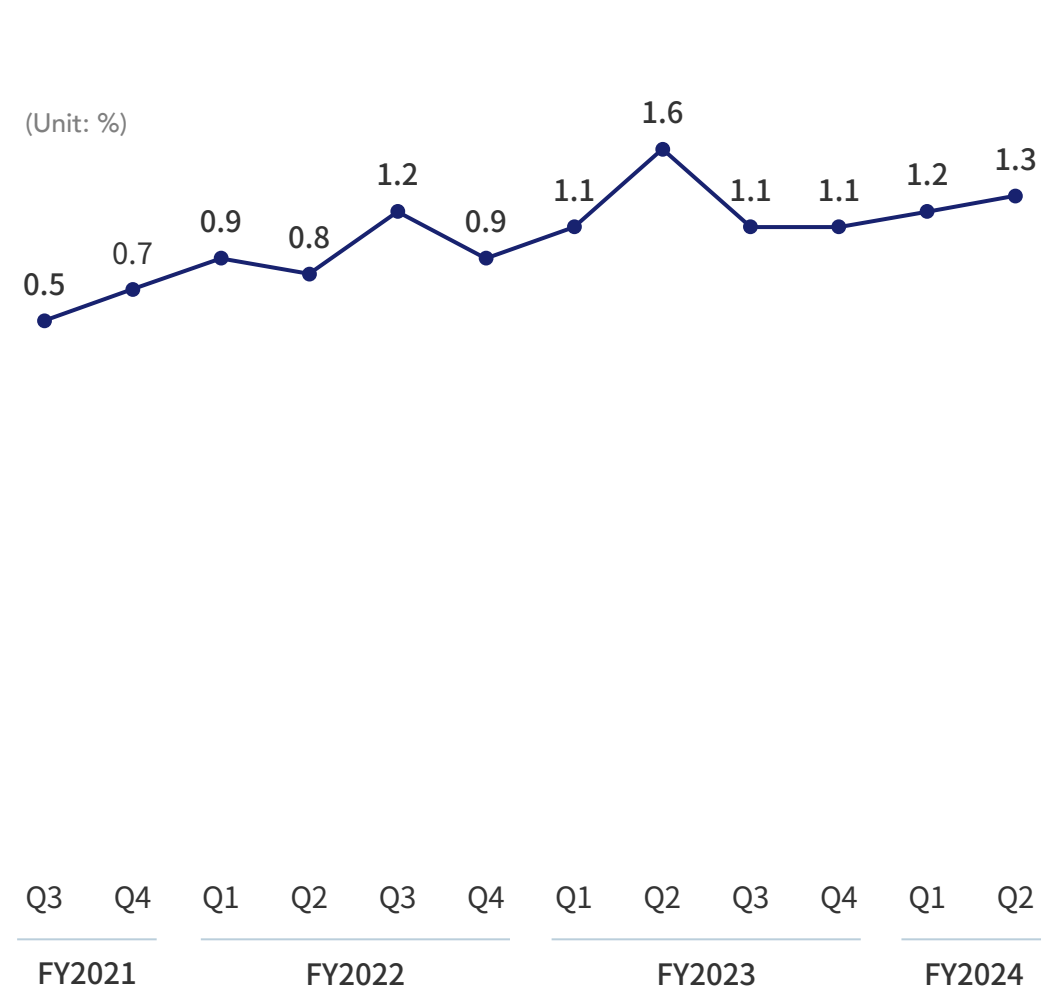
## Media (Legal Consultation): ARPPU, Churn Rate

ARPPU\*<sup>1</sup> increased by 3% YoY. The churn rate\*<sup>2</sup> remains stable at 1.3%.

### ARPPU



### Churn Rate



\*1: ARPPU = average revenue per paid user. The ARPPU calculation method has been changed from the second quarter of 2024 and has been retroactively applied before the first quarter of 2024, so the figures differ from past disclosures.

\*2: Churn rate = quarterly average of monthly churn rate (number of cancellations in a given month ÷ number of paid subscribing lawyers at the end of the previous month).

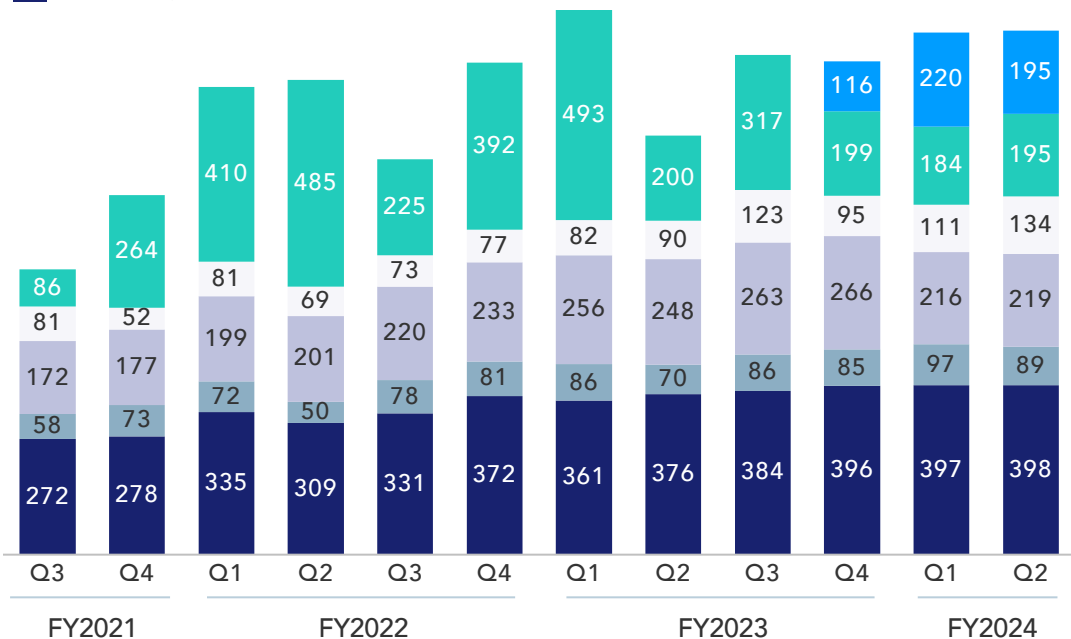
# Cost of sales + Operating expenses

From this fiscal year, the company-wide cost management system was revised, and in addition to agency costs, a portion of system costs, communication costs, etc., were included in cost of sales.

### Cost of sales + Operating expenses\*1

(Unit: MM JPY)

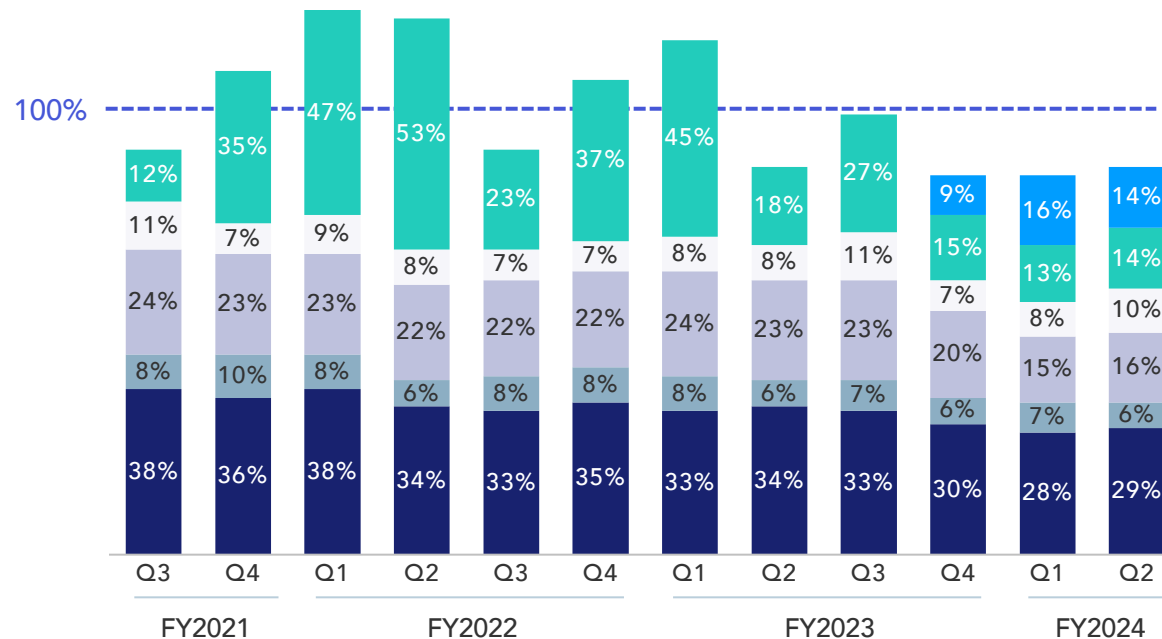
- Cost of sales
- Advertising
- Others
- Commission / system
- Outsourcing
- Personnel / recruitment



### Relative to Sales

(Unit: %)

- Cost of sales
- Advertising
- Others
- Commission / system
- Outsourcing
- Personnel / recruitment



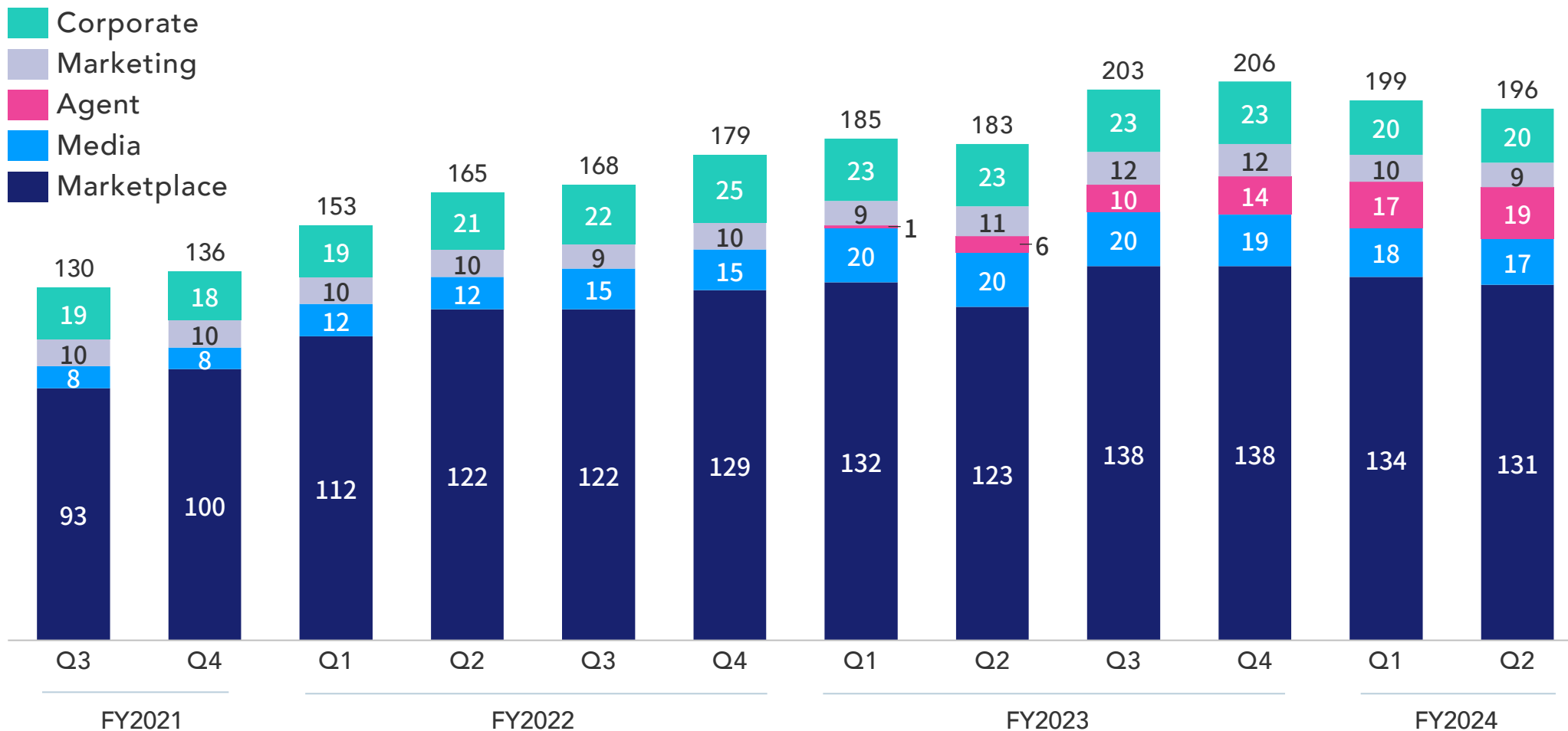




## Number of Employees by Business

Continue investing in new businesses, while investing in appropriate personnel based on the market environment.

(Unit: People)





We are maintaining a sound financial base with sufficient cash and capital levels.

### Aug. 2023 (Consolidated)

(Unit: MM JPY)

Cash and deposits 2,993	Advances received 542
	Deposits received 1,001
	Other liabilities 563
	Other net assets 1,179
Other assets 2,239	Shareholders' equity 1,945

### Feb. 2024 (Consolidated)

(Unit: MM JPY)

Cash and deposits 3,523	Advances received 631
	Deposits received 965
	Other liabilities 606
	Other net assets 1,618
Other assets 2,394	Shareholders' equity 2,097

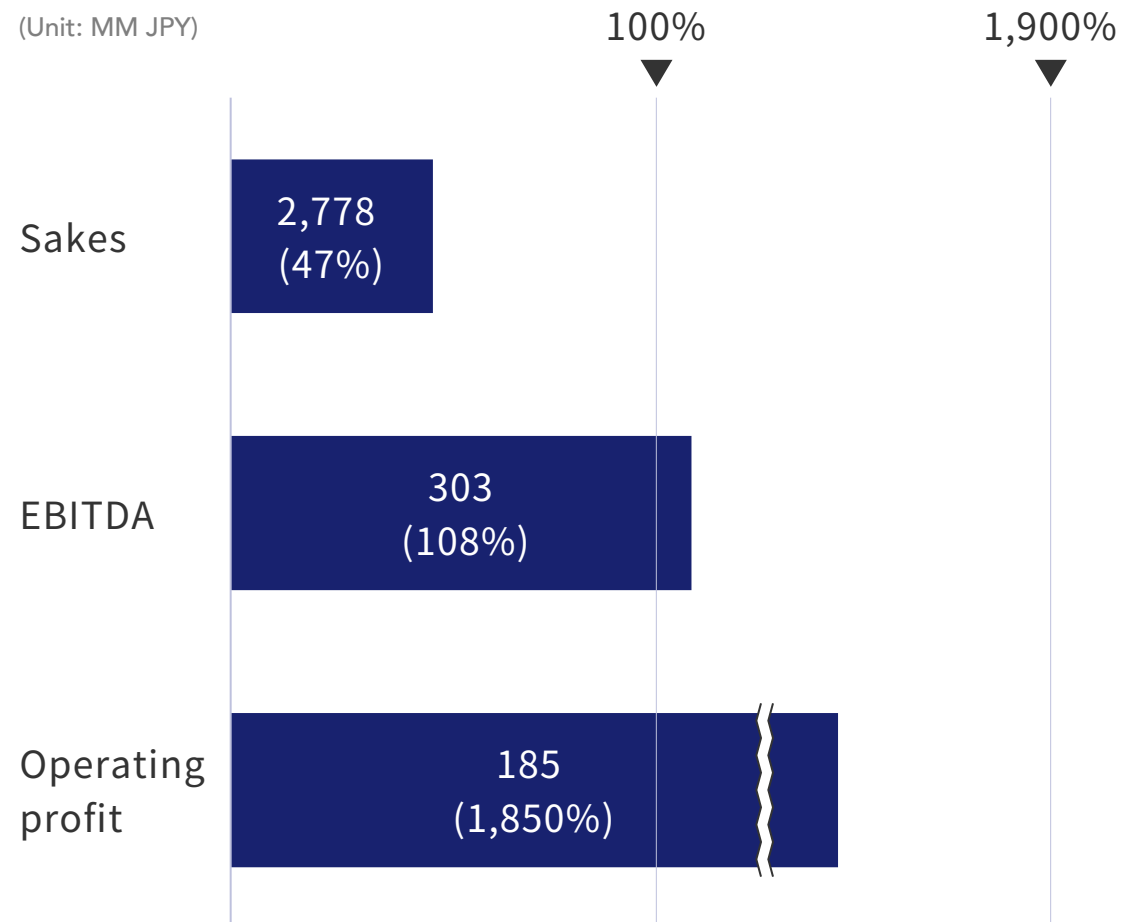
## Progress Rate Against the Full-Year Earnings Forecast

The progress rate against the full-year earnings forecast for sales is the same as FY2023.  
Making progress in EBITDA and operating profit better than forecast.

### Full-Year Earnings Forecast (no change from the initial forecast)

(Unit: MM JPY)	FY2023 Results	FY2024 Forecast	YoY
Sales	4,679	5,848	+25.0%
EBITDA* <sup>1</sup>	70	280	+300.0%
Operating profit	(126)	10	to turn profitable
Ordinary profit	(168)	24	to turn profitable
Profit attributable to owners of parent	(75)	1	to turn profitable

### Status of Progress in FY2024\*<sup>2</sup>



\*1: EBITDA = operating profit + share-based payment expenses + coconala Skill Partners expenses + depreciation + amortization of goodwill

\*2: Percentage figures indicate the progress rate against the full-year earnings forecast.

**03**

**Topics**



# Update of coconala Job Requests in February 2024

Updated coconala Job Requests, one of the functions of Skill Market, in February 2024. Major update that would significantly improve user experience is planned for around spring.





## Update of User Profile Function

Significantly updated the user profile function in an aim to build Japan's top database for making use of outside talent.

### New Item Additions & Updates

#### New Additions

##### "Tools and programming languages"

Can now register by selecting from over 300 types of tools and languages.

##### "Language proficiency"

Can now register by selecting from over 1,000 types of qualifications and certifications.

##### "Career summary upload"

Can now register résumé, skills sheet, and other documents, and GitHub and other URLs.

#### Updates

##### "Employment experience" and "Education"

Sellers' personal history can now be presented in detail for greater appeal.

##### "Qualifications/Certifications"

Can now register by selecting from over 1,000 types of qualifications and certifications.

##### "Availability"

Can now enter the time period (weekdays during daytime / weekdays during nighttime / Saturdays, Sundays, and national holidays) and the number of hours a day available to work, among other new items.

##### "Areas of work"

The names of the areas of work that are used in the seller search are now aligned with the listed categories.



# Mizuho coconala: Product Launch and Commencement of Services in April

Establishment of Mizuho coconala, a joint venture with Mizuho Bank, was completed in January 2024 and services commenced in April 2024.

## Overview of Initiatives

- Combines Mizuho Bank’s customer base with coconala’s products, and planning, development, and operation know-how
- Mizuho Bank refers corporate customers with accounts at Mizuho Bank to Mizuho coconala
- Dedicated concierge attends to customer needs and proposes optimal services

### Challenges upon starting a business

Want to create company website, logo, card, etc., but do not know who to consult



### Solution 1 Start-up support package

What is required upon starting a business, such as company website, logo, card, store design, menu, etc. can all be created at Mizuho coconala.

### Challenges with staffing

Operations not running smoothly because not enough resources within the company



### Solution 2 Refers assistants

Can refer assistants to work fully remotely for a wide range of operations, such as secretarial, sales, HR, accounting, and marketing.

### Challenges with skilled personnel

Have no personnel possessing knowledge and expertise in specific fields



### Solution 3 Assigns professionals

Can assign an array of professional talent in marketing, management consulting, data science, etc.

**04**

# Future Policy

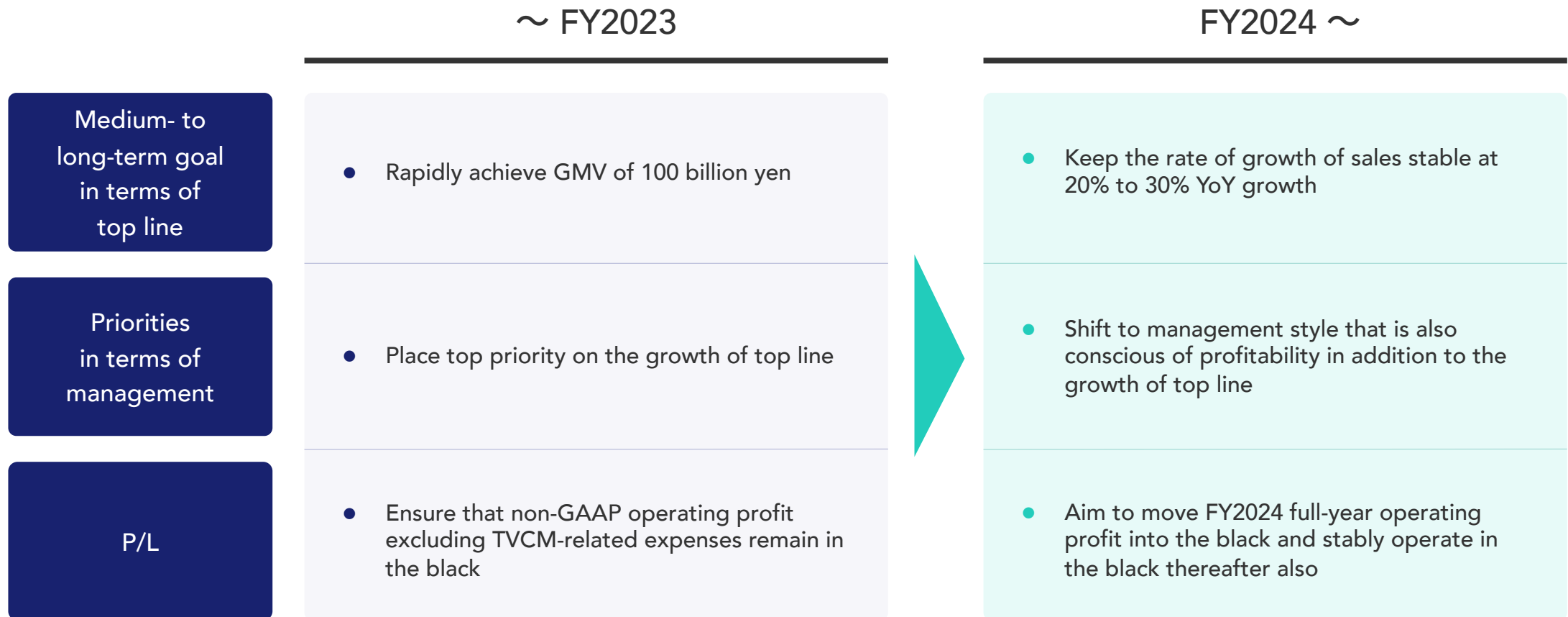




# Financial Policies

In addition to top-line growth, the Company has shifted to a management conscious of profitability.

Aiming to return to profitability on an operating income basis in FY2024, based on the achievement of full-year profitability on a Non-GAAP operating income basis ahead of schedule.





## coconala's mid-term strategic direction

### 1. Construction of coconala's Ecosystem and promotion of corporate use

- Building Ecosystem functions (top page, common registration form) and a common database to meet all needs
- Development of corporate accounts using Mizuho coconala's team

### 2. Regrowth of Skill Market

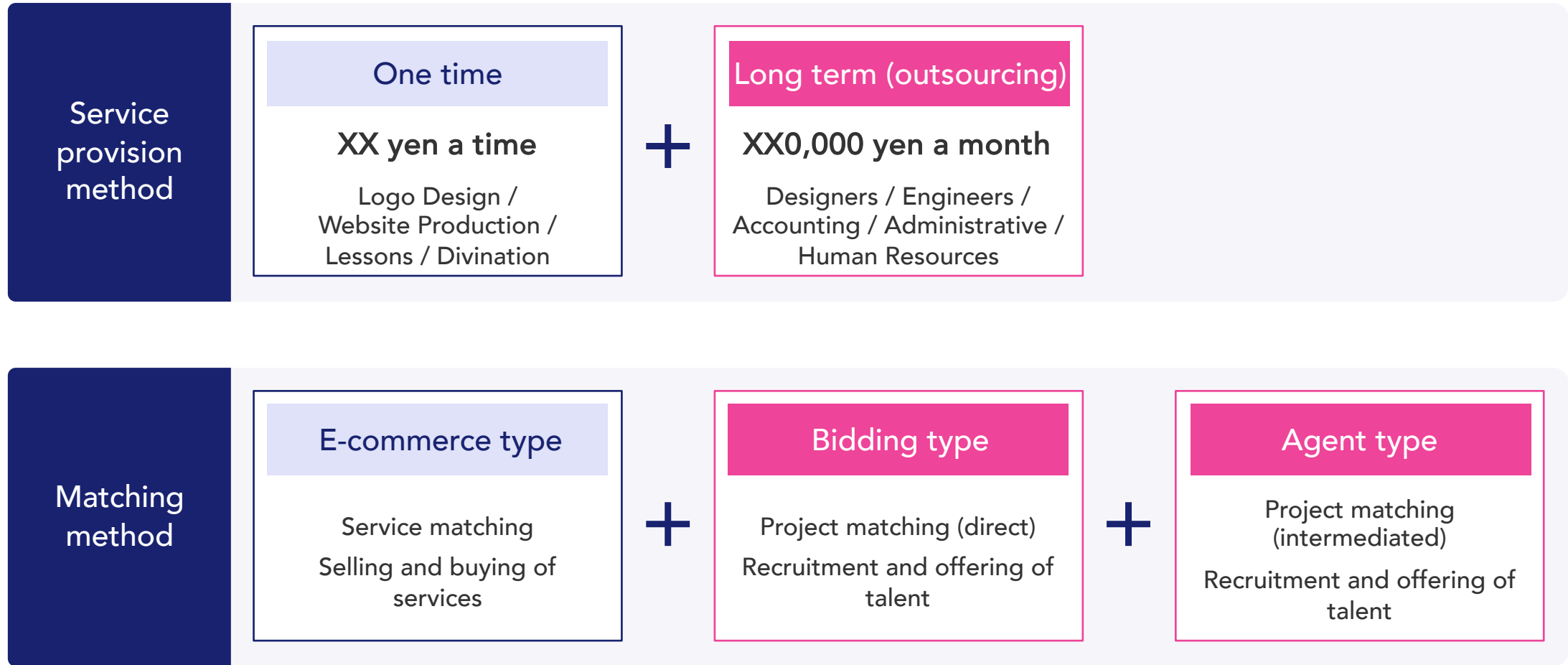
- Capture overseas demand by supporting foreign languages and payments
- Develop functions that facilitate the generation of high unit price and repeat business
- Enhancement of job requests function

### 3. New business development for project-based matching

- Expansion of coconala Tech (including M&A)
- Launched agent-type matching business in the areas of the high unit-price creative, high-class consulting and business agency/assistant
- Development of new matching methods using technology

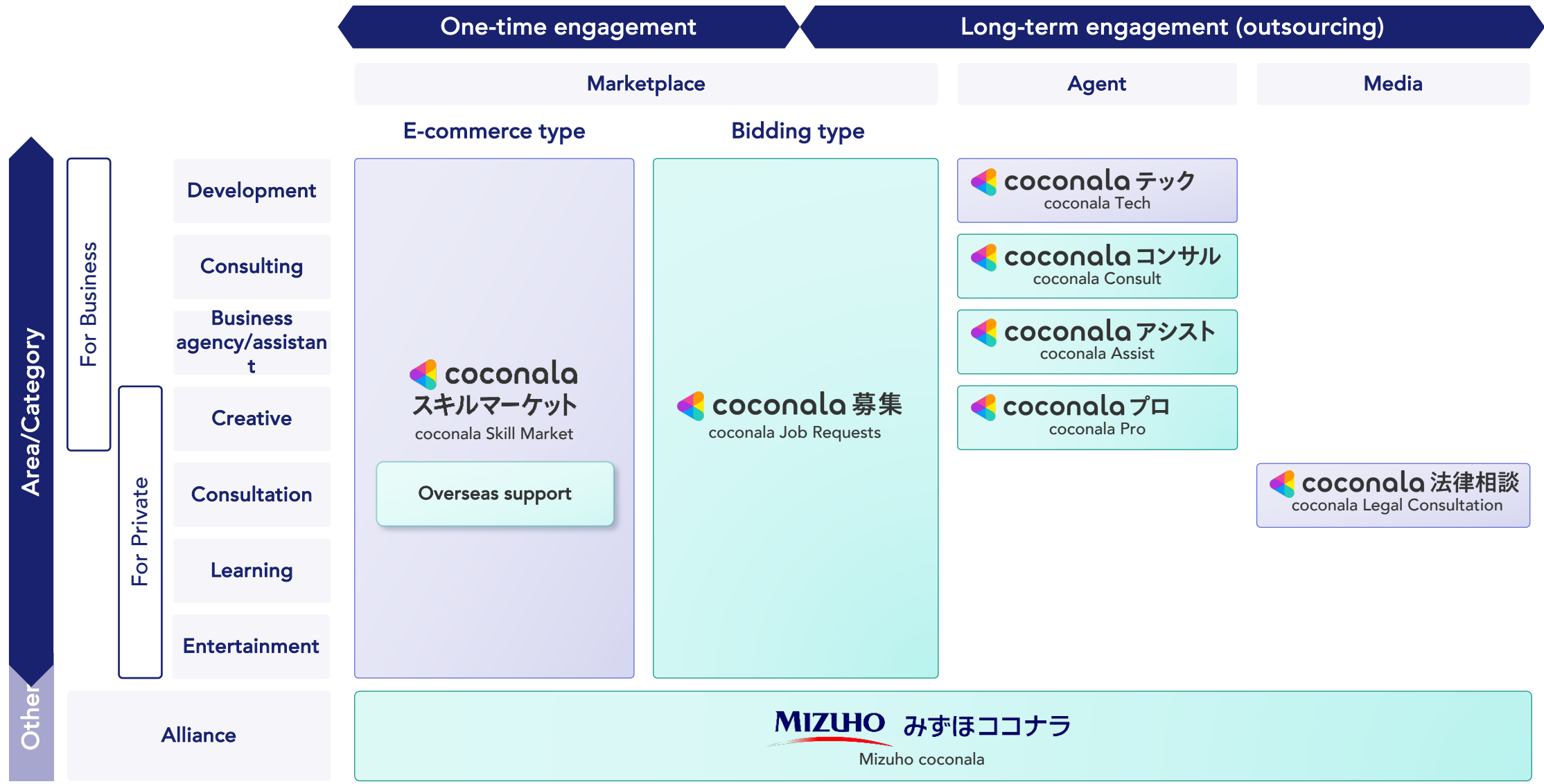


# Extension of Value Provided by coconala's Ecosystem



# Expansion of coconala's Ecosystem

Existing New



# Matching Commenced in New Services

coconala Assist, coconala Pro, and coconala Consult were launched in October 2023. Matching of clients and workers commenced

## coconala アシスト coconala Assist

<https://assist.coconala.com/enterprise>

月40時間・月額8万円から依頼できる！  
フルリモートのアシスタントに  
手間の業務をまるっとお任せ

～No.1スキルマーケット「ココナラ」の選抜～  
登録数 20万 以上  
年間稼働時間 140時間 以上

まずは無料でお問合せ

目の前の多忙を解消し、コア業務に集中する時間を創出

ココナラアシストの担当者が間に入り、最適な人材をご紹介します

〇〇の業務ができる人いますか？  
私にお任せください！

お客様 → ご依頼 → 担当者 → 選定 → 専任スキルを持ったアシスタント

対応業務例

事務・秘書	人事・採用	経理・労務	カスタマーサポート	デザイン・制作	マーケティング
<ul style="list-style-type: none"> <li>データ入力/集計</li> <li>日報調整/予約手配</li> <li>メール返信対応</li> <li>資料作成/デザイン</li> <li>リサーチ/リスト作成</li> <li>など</li> </ul>	<ul style="list-style-type: none"> <li>求人媒体運用</li> <li>応募者対応</li> <li>スカウト文面作成</li> <li>エージェント対応</li> <li>採用進捗管理</li> <li>など</li> </ul>	<ul style="list-style-type: none"> <li>仕訳/記帳</li> <li>月次決算業務</li> <li>請求書発行/送付</li> <li>領収書処理</li> <li>給与計算</li> <li>など</li> </ul>	<ul style="list-style-type: none"> <li>メール送受信対応</li> <li>チャットサポート</li> <li>受発/在庫代行</li> <li>サイトの動作テスト</li> <li>ヘルプ/FAQの作成</li> <li>など</li> </ul>	<ul style="list-style-type: none"> <li>WEBサイト更新</li> <li>LP/バナーの制作</li> <li>記事ライティング</li> <li>コーディング</li> <li>動画編集</li> <li>など</li> </ul>	<ul style="list-style-type: none"> <li>SNS運用</li> <li>広告運用</li> <li>ECサイト運用</li> <li>メルマガ運用</li> <li>レポート作成</li> <li>など</li> </ul>

## coconala プロ coconala Pro

<https://professional.coconala.com/>

ココナラとの契約で品質を保証  
あなたの案件に最適な  
トップクリエイターをご紹介します

簡単・無料で会員登録

～No.1スキルマーケット「ココナラ」の選抜～  
登録数 20万 以上  
年間稼働時間 140時間 以上

ANA Panasonic RECRUIT CyberAgent 住友生命 東 島  
清水建設 GMO パーソナルキャリア odakyu MS&AD

専任スタッフを通じて  
厳選・非公開のトップクリエイターに発注

有名アーティストを手がける  
グラフィックデザイナー  
発注例：ロゴ 60万円～  
※東京家介・嵐・EXILEなど9CDジャケットを担当  
全日本プロ野球、Japan POP Festival  
と受賞歴多数

HP制作、マーケティングのブ  
ロによるWeb制作チーム  
発注例：Webサイト 100万円～  
大手広告代理店のプランナー、Google  
やサイバーエージェント出身の担当者が  
在籍。

大企業との取引経験が豊富な  
動画クリエイター  
発注例：広告動画 100万円～  
ベネッセやLIXIL不動産ショップなどの  
大手企業との取引実績多数。企画、  
コピー、デザインまで一貫して対応可  
能。

広告制作数5000本超のグラ  
フィックディレクター  
発注例：ポスター 50万円～  
リクルート、パソニック、オムロンな  
ど大手企業との取引実績多数。企画、  
コピー、デザインまで一貫して対応可  
能。

サービスの特徴

## coconala コンサル coconala Consult

<https://consul.coconala.com/>

短時間・フレキシブルに働ける  
経営や専門スキルのコンサル・  
アドバイザー業務をご紹介します

コンサルタントとして無料登録

～No.1スキルマーケット「ココナラ」の選抜～  
登録数 20万 以上  
年間稼働時間 140時間 以上

各業界の知見を活かせる、コンサルやアドバイザー案件をご紹介します

経営アドバイザー	新規事業開発	マーケティングコンサル
2万円/時	80万円/月 40時間/月	70万円/月 30時間/月

専任スタッフが最適な案件をご提案！  
稼働後も、安心して働けるようなサポートが充実！








ご利用ステップ

1. 無料会員登録  
フォームから項目を入力するだけで、カンタン会員登録。
2. カウンセリング  
専任スタッフがご経歴、ご希望を詳しくお伺いした上で、案件をご提案します。
3. 紹介・面談  
ご希望の案件を選んでいただき、企業様を含めた三者面談を設定します。
4. 契約・業務開始  
単価交渉から契約までサポート。稼働中もしっかりフォローいたします。

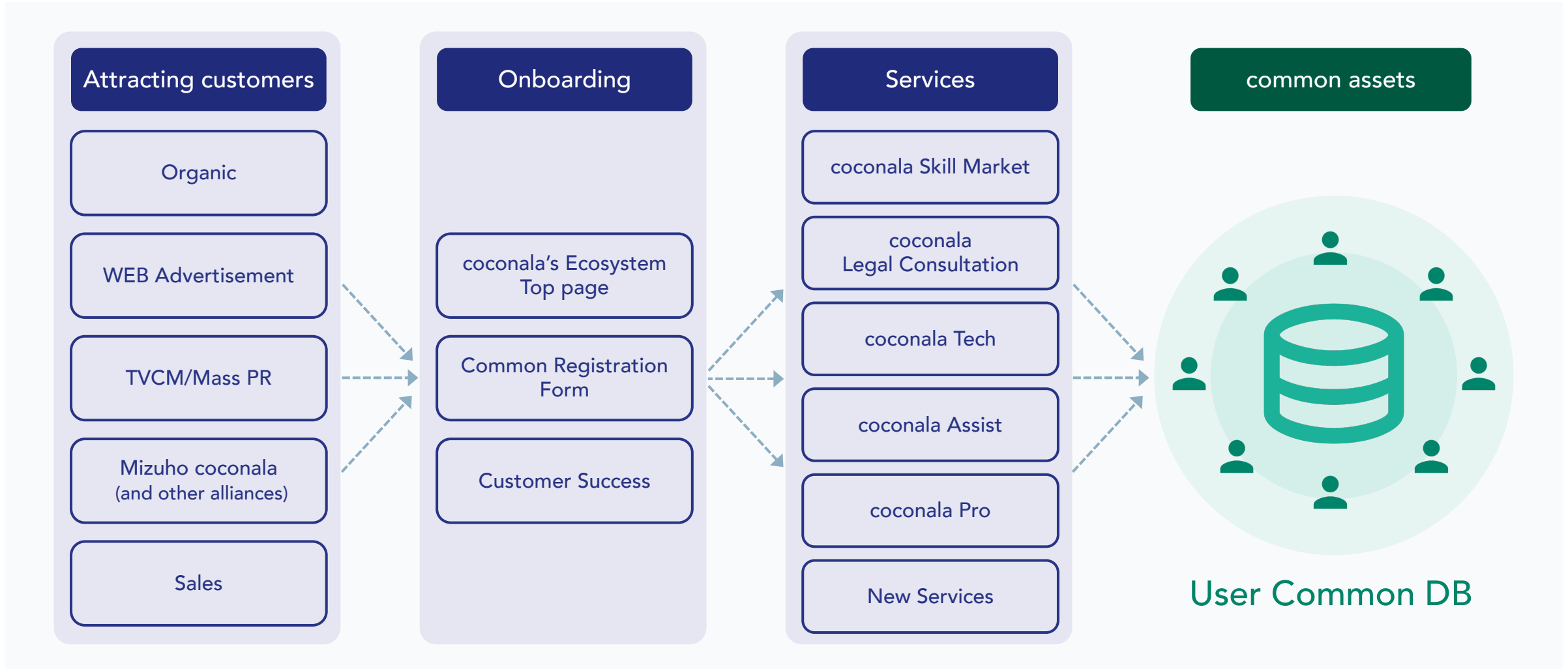
コンサルタントとして無料登録



# Service Lineup

Service	Overview	Category	Matching Method	billing model
 <b>coconala スキルマーケット</b> coconala Skill Market	Skills marketplace for buying and selling services online	Creative / Consulting / Consultation / Entertainment	Direct order	Spot
 <b>coconala 募集</b> coconala Job Requests	Posting of open invitations for proposals to requests (future plan is to support not only spot but also time charge)	Creative / Consulting	Direct order	Spot/Time charge
 <b>coconala 法律相談</b> coconala Legal Consultation	Matching of legal advice seekers and lawyers through media for searching for lawyers	Legal Consultation	Direct order	Advertising revenue
 <b>coconala テック</b> coconala Tech	Referral of engineers and designers for outsourcing projects in IT development	IT Development	Intermediated by coconala	Time charge
 <b>coconala アシスト</b> coconala Assist	Referral of people to assist in business on an as-needed and time charge basis	Administrative and Secretarial / Accounting / Human Resources / Customer Support	Intermediated by coconala	Time charge
 <b>coconala コンサル</b> coconala Consult	Referral of high-class consultants for outsourcing projects	Management / Business Development / Marketing	Intermediated by coconala	Time charge
 <b>coconala プロ</b> coconala Pro	Referral of high-class creators in their real names with contracts made via coconala	Creative	Intermediated by coconala	Spot

# coconala's Ecosystem Concept for Medium- and Long-term Growth



**05**

**Appendix**







# Management Team



**Ayumu Suzuki** / CEO

Graduated from Waseda University. Gained experience in product planning and sales as well as new business development in Ad-technology at Recruit Co., Ltd. Later worked in the overseas business planning division at Recruit Holdings Co., Ltd. and joined coconala Inc. in May 2016.



**Akiyuki Minami** / Company director

Graduated from Keio University and Saïd Business School (MBA) at Oxford University. Worked as an analyst at Sumitomo Banking Corporation (current Sumitomo Mitsui Banking Corporation), then oversaw corporate buyout at Advantage Partners Inc. Founded WelSelf Inc. (current coconala Inc.) in January 2012.



**Atsushi Akaike** / Outside Director

A partner of CVC, one of the world's largest private equity investment firms with 26 offices around the world, and CEO of CVC Asia Pacific Japan K.K. Director of our company since August 2018.



**Kentaro Yadomi** / Outside Director (Audit and Supervisory Committee Member)

Certified Public Accountant. After joining KPMG AZSA (now KPMG AZSA LLC), he was engaged in accounting audits based on Japanese GAAP, U.S. GAAP, and IFRS, as well as financial due diligence work related to domestic and international M&A and business restructuring support. Auditor of our company since March 2017.



**Yuki Sato** / Outside Director (Audit and Supervisory Committee Member)

A partner of So & Sato Law Offices from January 2019, after working at the Tokyo office of a global law firm as a partner. Experienced various support in finance, fund and Artificial Intelligence industries. Director of our company since November 2021.



**Yuka Hattori** / Outside Director (Audit and Supervisory Committee Member)

After working at Recruit Co., Ltd. in human resources and business development, established Inclusion Japan Inc. which provides incubation services and became its representative director. Auditor of our company since August 2015.

# Marketplace: Features

A matching platform that commercializes knowledge, skills and experience and enables users to sell and buy them similar to "e-commerce".

## Point 1

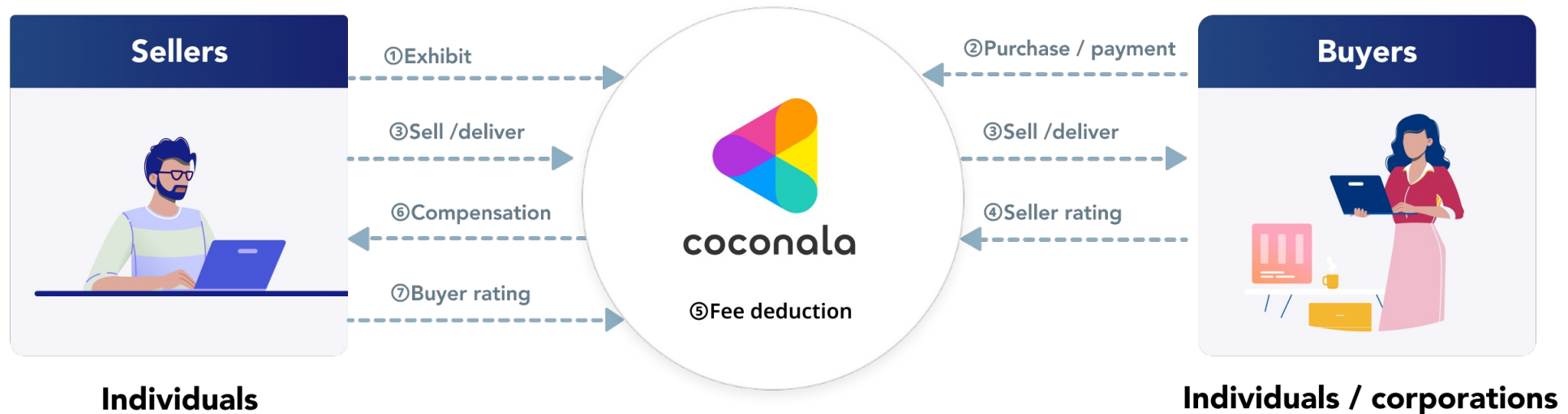
Easy purchase/sale with e-commerce model

## Point 2

Complete online

## Point 3

With range of categories





# Marketplace: Added Value of E-commerce Shift of the Skill-Sharing Market

coconala aims to become a one-of-a-kind service e-commerce platform by replacing daily offline transactions on the web and make them more convenient.

	Until Now (Legacy Transactions)	coconala's Added Value	What Can Be Achieved
Matching Scope	Only reaches people in the know, or a handful of people online	A database of 400,000 experts	Easily reach sellers who can solve a variety of problems
Time & Place	Need to coordinate schedule with seller Only active in large trading areas	Comprehensive communication methods allow you to complete the entire flow online	Speedy communication regardless of time/place
Information	No way to know the quality of the seller beforehand	Visual representation of seller's skills (track record, reviews, portfolio, response speed)	Able to compare different sellers so it's more reassuring than face-to-face transactions
Price	Cost includes store rent, organization maintenance fees and subcontractor margins, etc.	Directly matches you with experts online	Cheaper than the market rate, with the same quality

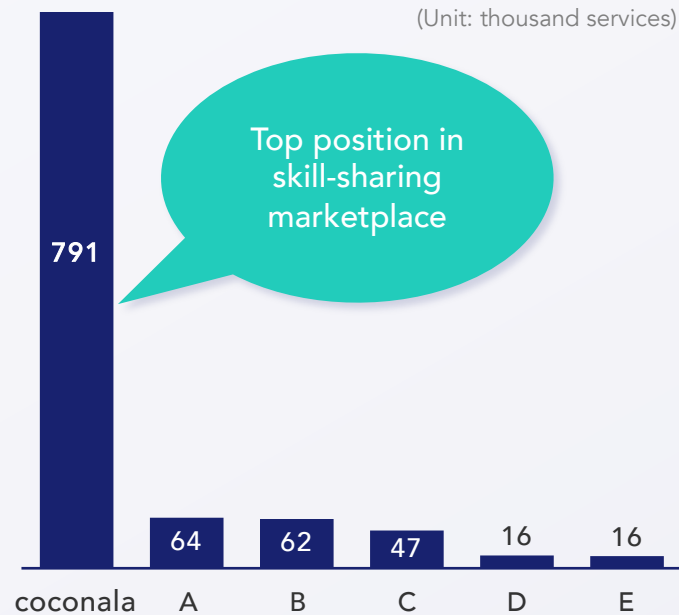


# Marketplace: Strengths

Provision of an attractive platform due to having the most services on offer, a strong capacity to organically attract customers, and UI/UX cultivated by providing online service matching.

## No. 1 in number of services on offer

- The overwhelming number of services on offer and reviews\*1 forms a high barrier to entry



## Strong capacity to organically attract customers

- The abundance of highly original seller pages enables us to be prominently displayed by search engines and acquire users in a highly predictable way
- There is also a synergistic effect with brand visibility obtained from TV commercials run in the past; as a result, many new buyers reach us via organic searches



## UI/UX cultivated by providing online service matching

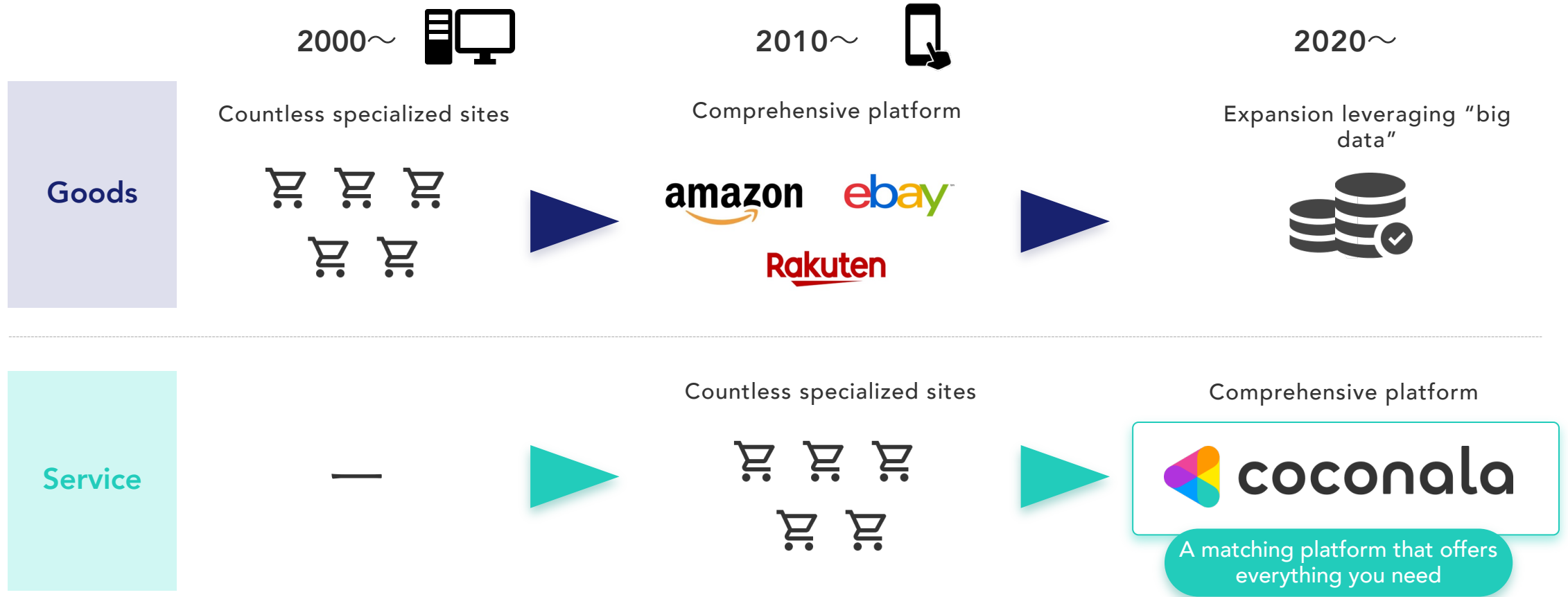
- Since we handle services, which are intangible, we have accumulated the know-how to match users with appropriate expectations by the visualization of information
- We are constantly improving our products based on user requests collected at user events and through the opinion box (More than 300 measures were implemented in FY2023)



\*1 Data as of. August 2023(coconala), October 2023(other companies). Source: For data related to other companies, we refer to their service pages. Aggregation method (coconala): The number of listing services on the service website. The number of our listing services does not include proposals from sellers to public or private requests from buyers to sellers. (Unlike the listing services on the service sites of each company, this is not a pre-listed EC-type service.) Aggregation method (other companies): The number of services displayed on the service search screen in the service site.

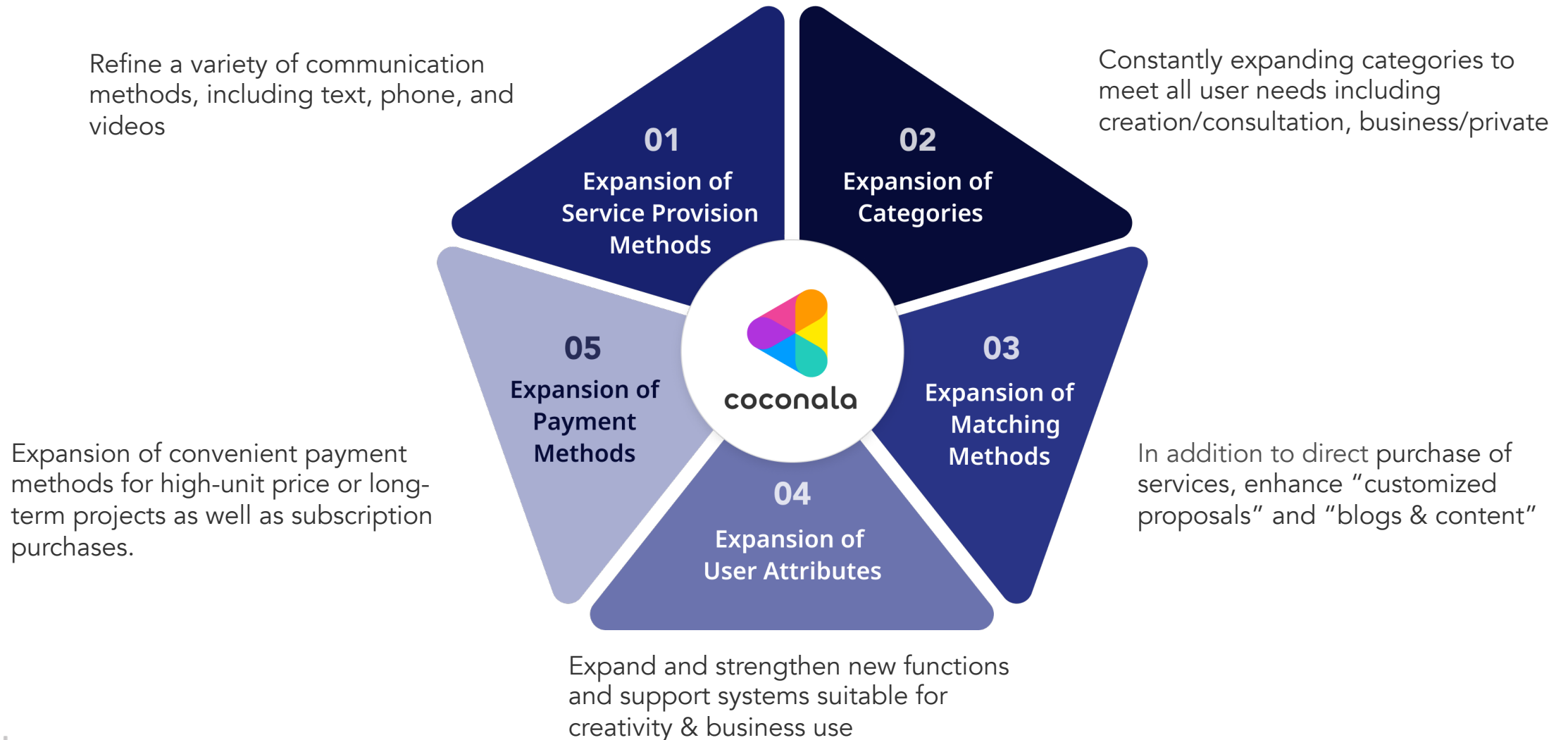
# Marketplace: Strategic Concept

The service e-commerce industry is 10-20 years behind the goods e-commerce industry. coconala aims to be a comprehensive "service e-commerce" platform.



# Marketplace: Expansion of the Product

Further updating the user experience by expanding products in five directions to encourage use.

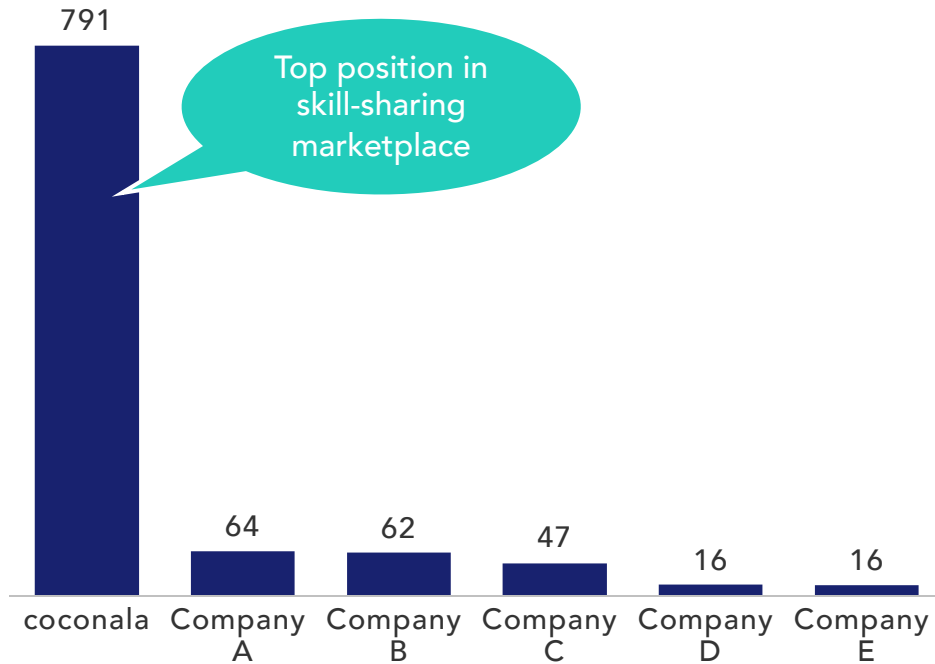


# Marketplace: Large Number of Services on Offer and Reviews

A market-leading platform providing an abundance of inventories and reviews

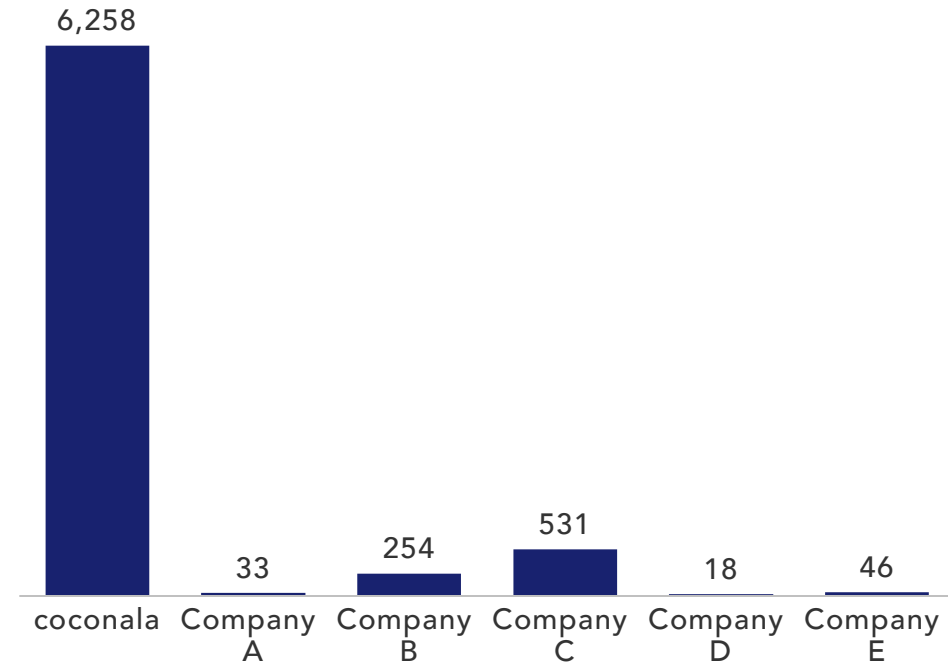
## Number of Services on Offer\*1

(Unit: thousand services)



## Number of Reviews\*2

(Unit: thousand reviews)



\*1 Data as of August 2023(coconala), October 2023(other companies).

Source: For data related to other companies, we refer to their service pages.

Aggregation method (coconala): The number of listing services on the service website. The number of our listing services does not include proposals from sellers to public or private requests from buyers to sellers. (Unlike the listing services on the service sites of each company, this is not a pre-listed EC-type service.)

Aggregation method (other companies): The number of services displayed on the service search screen in the service site.

\*2 Data as of October 2023.

Source: For data related to other companies, we refer to their service pages.

Aggregation method (coconala): The number of on-offer service reviews on the service website.

Aggregation method (other companies): The number of on-offer service reviews from buyers and sellers displayed on the service/seller search page on the service website. As each company has its own review system, review systems of buyers may be different.

# Marketplace: Category List

coconala can handle various issues and concerns of users with 15 main categories and more than 450 subcategories.

 Creative & Business

 Consultation & Private



## Design

Logo creation, flyer creation/design, brochure/catalogue design, etc.



## Film / Animation / Photography

Film editing, film shooting, animation, photo processing/correction, etc.



## Web Marketing / Customer Acquisition

SNS marketing, SEO measures, EC marketing, website analytics, etc.



## Housing / Beauty / Lifestyle / Entertainment

Housing, lifestyle, beauty and fashion consultation, contents sales, hobbies, games, etc.



## Illustration / Cartoon

Illustration, portrait creation, cartoon/comic production, character creation, character modeling, etc.



## Business Agency / Consultation / Professional Consultation

Creation/support for documents and proposals, EC consulting/operation agency, preparation of contracts/various documents, legal consultation, etc.



## Fortune-telling

Romance fortune-telling, marriage fortune-telling, life/spirituality, fortune-telling method/advice, etc.



## Online Lessons / Advice

Language lessons / advice, music / instrument lessons / advice, exercise lessons, etc.



## Website Creation / Website Design

Website creation, EC site creation, LP creation, application design, etc.



## IT / Programming / Development

Programming, Excel/VBA creation, web system development/site construction, IT support/consultation, etc.



## Consultation / Love Counseling / Conversation

Conversation partner, air one's grievances, love counseling/advice, family and nursing care counseling, etc.



## Money / Side Job / Affiliate Ad

Consultations on FX, consultations on stocks/various investments, methods of side jobs/earning, etc.



## Music / Narration

Composition/arrangement, narration/reading, demo/session singing, mix/mastering, etc.



## Writing / Translation

Articles/web content creation, novels, proofreading, catchphrases, translation, etc.



## Career / Job Hunting / Qualifications / Studying

Learning method consultation, job change/career/study abroad consultation, qualification consultation, etc.





# Marketplace: Examples of Major Services by User

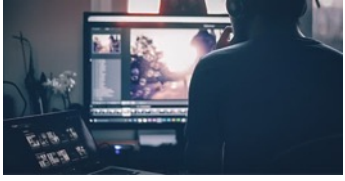
For Business

Creative

Logo Creation



Movie Editing



Business Agency

Presentation Materials



Data Analysis



Consulting /Consultation

SNS Marketing



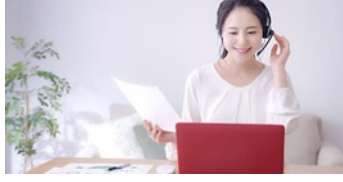
SEO Measures



For Private

Learning /Know-how

Foreign Language Lessons



Career Consultation

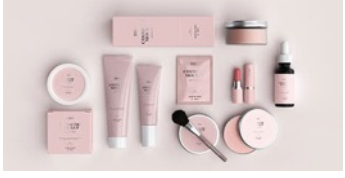


Fortune-Telling /Entertainment

Fortune-Telling

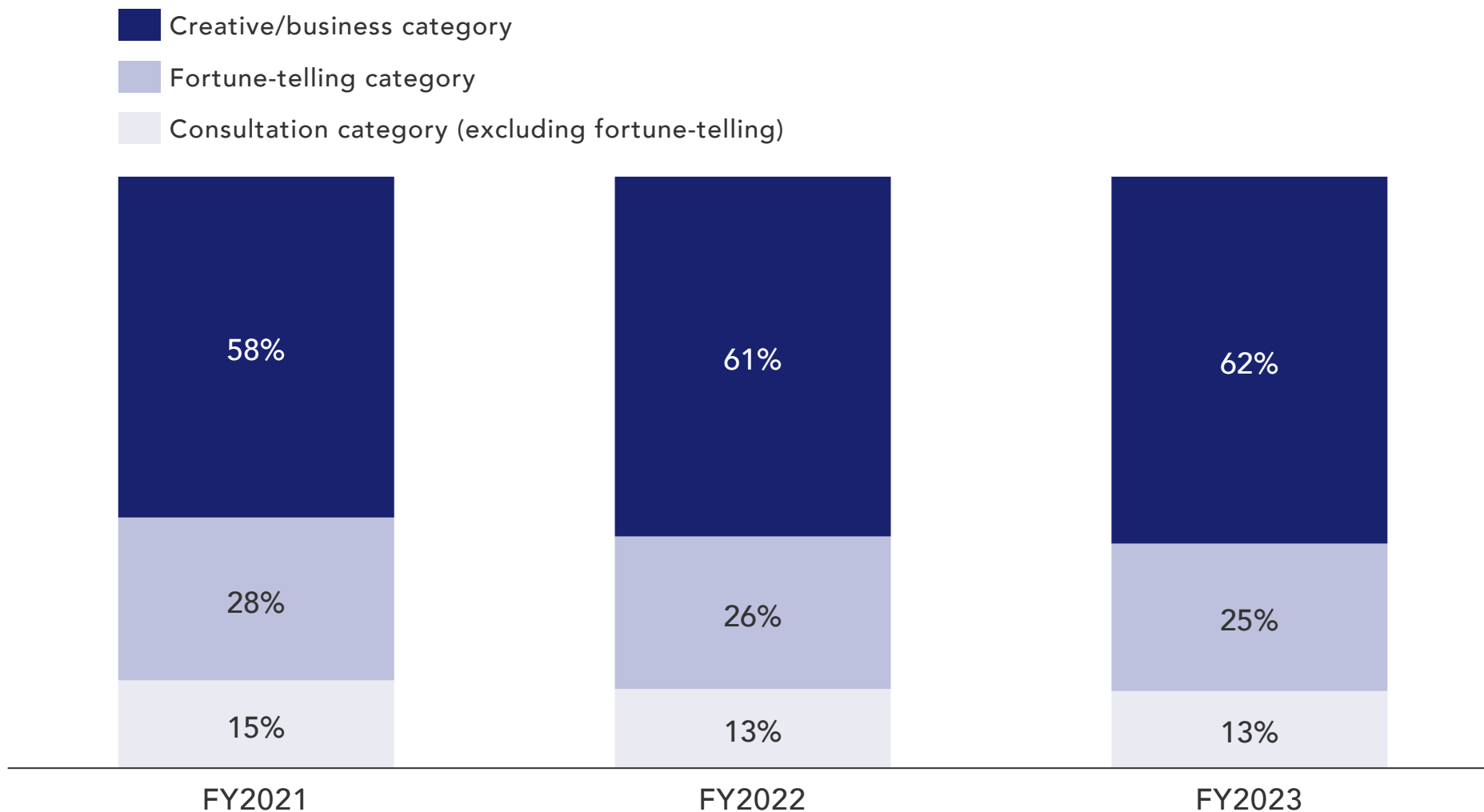


Beauty Consultation



## Marketplace: Changes in GMV Composition

GMV grew in the creative/business category, resulting in a decrease in the composition ratio of the fortune-telling category.



# Marketplace: Buyer-side and Seller-side KPIs

On both the buyer and seller sides, all major KPIs grew steadily.

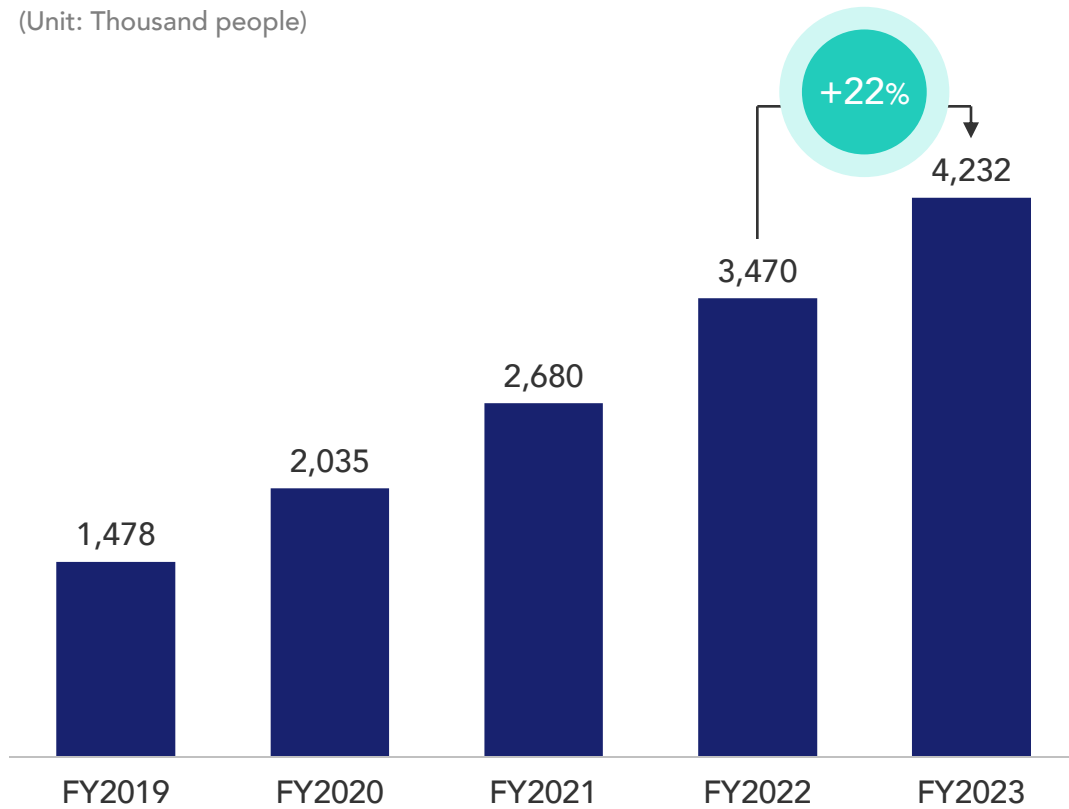


# Marketplace: Registered Users, Annual Unique Buyers

There was steady growth in each KPI

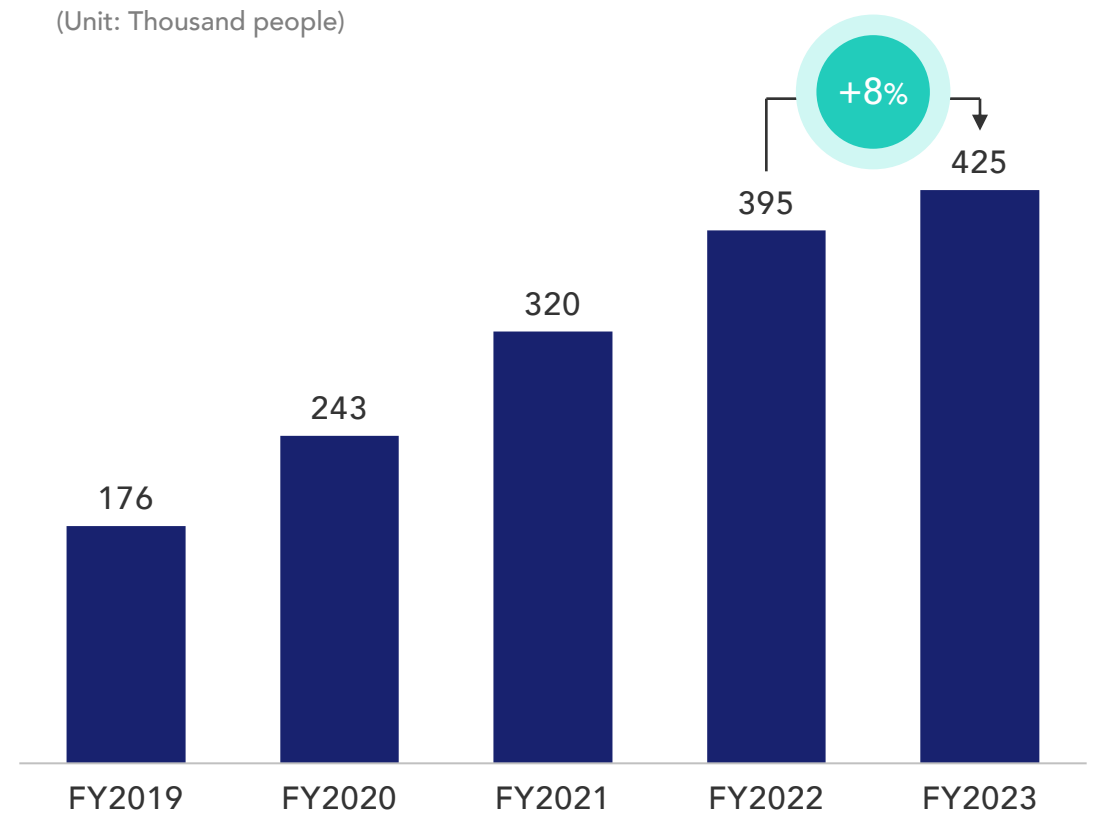
## Registered Users\*<sup>1</sup>(End of Each Fiscal Year)

(Unit: Thousand people)



## Annual Unique Buyers

(Unit: Thousand people)

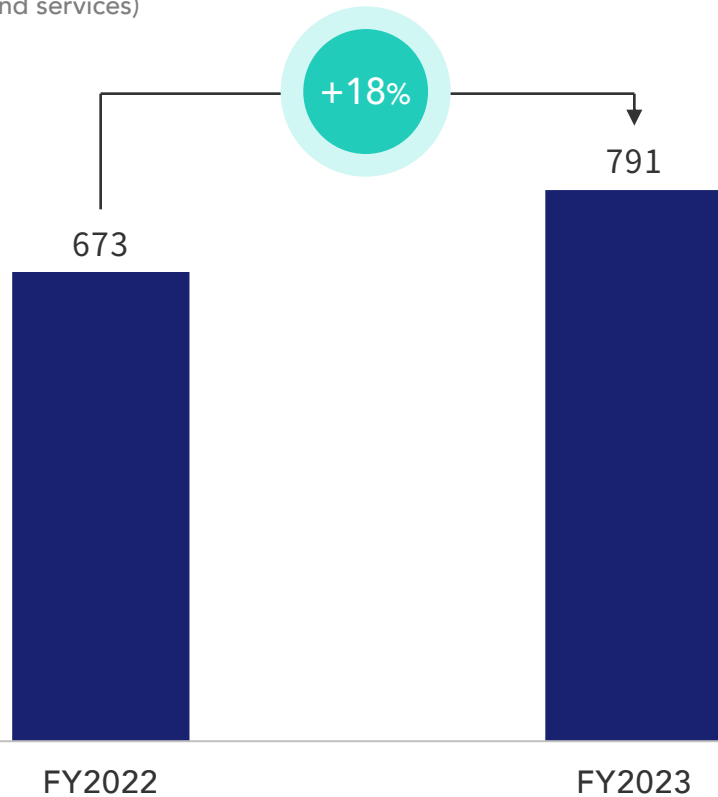


# Marketplace: Number of Services on Offer, Number of Sellers

There was steady growth in each KPI

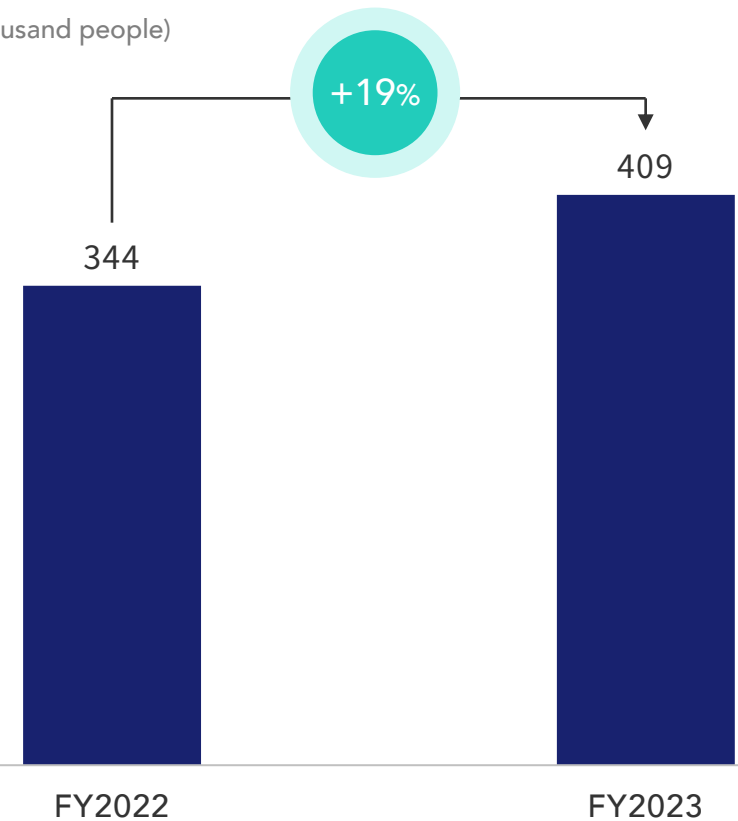
## Number of Services on Offer\*<sup>1</sup> (End of Each Fiscal Year)

(Unit: thousand services)



## Number of Sellers\*<sup>1</sup> (End of Each Fiscal Year)

(Unit: Thousand people)





# Marketplace: Thoughts Behind Preventing Disintermediation

## Product

- Users will try to avoid the risk of their account being halted and no longer being able to generate sales.
- Users will try to avoid the risk of payment/delivery issues that might occur with external transactions.
- Users expect to be able to accumulate a track record, such as number of transactions and reviews.

## Operation

- Using machine learning and other tools have created a system to detect communications that show an intention to cut out the intermediary.
- If detected, send a warning to the relevant individuals. We have a dedicated team for suspending the accounts of repeat offenders.



## Marketplace: Thoughts Behind Barrier to Entry

### Japanese Major Companies

- With a track record of over 10 years, we have an overwhelming number of services and reviews compared with competitors.
- Buyers tend to buy from businesses offering more services, so even if competitors run offers like “no service charge,” it will probably do little to attract buyers.
- Since sellers cannot transfer their own reviews to other platforms, it’s likely that they have little reason to move to a new platform.

### Overseas Competitors

- Since few Japanese users can use services in a full English environment, it’s possible that they’ll find that using overseas services will be cumbersome unless competitors are localized properly.
- Different cultures have different expectations towards service quality, so it’s possible that Japanese users will not want to buy overseas services in the same way.



## Marketplace: Thoughts Behind the Take Rate

### Thoughts Behind the Take Rate

- The take rate is unlikely to be impacted as there are no major competitors.
- Competitors exist for phone-based consultations, but coconala's fee (approx. 50%) is lower than theirs.
- Until now, we've never carried out any marketing to attract sellers, and seller retention rate is high, meaning that the take rate is probably not an issue.

### Potential Measures to Raise the Take Rate Further

- Increase revenue in ways other than service charge by offering fee-based services to sellers, such as an in-site ad.
- We will continue to develop the product to provide more value to both sellers and buyers.





## Marketplace: Our Marketing Operation

### Our Marketing Operation

- Marketing considering unit economics
- Strictly control the payback period by considering ROI from CAC at the time of acquisition based on the historical LTV.
- For web ads, we have organized an in-house marketing team for meticulous ad management.
- For TVCM, we visualize the effects and implement a weekly PDCA cycle to reduce CAC.

### Payback Period of Our Marketing Investment

- Because we acquire the vast majority of users organically (unpaid), the payback period<sup>\*1</sup> for new user acquisition is one month; the payback period<sup>\*1</sup> for web ad alone (excl. organic) is about one year.
- TVCM can also be paid back in a few years<sup>\*1</sup> (incl. indirect effects<sup>\*2</sup>).

\*1: A period needed to achieve a positive ROI.

\*2: "Direct effect" refers to the revenue earned from users acquired during the TV ads period that exceed the user acquisition level immediately prior to the TV ads period, and "indirect effect" refers to the revenue earned from users acquired after the TV ads period that exceed the user acquisition level that takes into account the growth trend prior to the TV ads period (the estimated value after disregarding the effect of TV ads, the effect of advertisements other than TV ads, such as web advertising, and other factors in FY2019 and FY2020).



# Marketplace: Measures Taken for Safety and Reliability of Marketplace

## KYC of Sellers



Identification of sellers to increase credibility by buyers

## Monitoring System



Round-the-clock monitoring of services and corresponding inquiries carried out by full-time staff

Publicizing prohibited services and conduct defined in the guideline

## Escrow Settlement



Purchase payments to be escrowed until delivery of services

## User Mutual Review System



Mutual review system for sellers and buyers that is open to the public

## Sharing Economy Trust Mark



Obtained certification by fulfilling compliance standard defined by Cabinet Secretariat IT General Strategy Office

## Enhanced IT System



Investment in and daily monitoring of IT system for stable and robust operation

# Marketplace: Start of Offering in Different Languages

Researching potential by the start of service provision to individuals overseas by first offering in different languages and overseas payment support as the initial step to expand to overseas markets of large market size

The screenshot shows the Coconala marketplace interface. At the top, there's a search bar and navigation links like 'Log In' and 'Sign Up'. Below the search bar, there are filters for 'Search by Category', 'Search by Purpose', 'Find Sellers', 'Find Blogs', 'Job Requests', and 'Find Jobs'. A prominent orange banner offers a '300 JPY discount coupon' for signing up. The main content area is titled 'Design' and features a sidebar with various design categories like Logo Design, Flyer Design, and Business Card Design. The central part displays 'Popular Categories' with thumbnails for Logo Design, Flyer Design, Architecture & Interior Design, Business Card Design, Brochure & Catalog Design, Package & Label Design, Poster & Signboard Design, and Retouch of Design Data. Below this is a 'Service Ranking' section for the period 10/3-10/9, showing several service listings with their respective ratings and prices. The bottom section is 'Recommended Services' with more design-related offerings.

The screenshot shows a detailed service listing for logo design. The title is 'Our professionals will create a simple and sophisticated logo.' It includes a professional certification badge, a 5.0 rating from 326 reviews, and 377 total orders. A 'Quotation & Customization' button is visible. The service description mentions '[Professional certified designer] [Rating 5.0] [Unlimited revisions]'. Below the text are links for 'About service', 'Request for purchase', 'FAQs', 'Reviews', and 'Favorites'. A gallery of logo designs is shown, including 'BELLRIAS', 'BOURGLON', and 'CUTFO'. To the right, the seller's profile is displayed, showing a profile picture, name 'sgmr design', gender 'Male', last login '5 hours ago', and total completed orders '394'. The profile also lists 'Identity verified', 'Confidentiality agreement', and 'Invoice issuer' as verified services. A 'Schedule' section indicates that the service is available on weekdays, Saturdays, Sundays, and holidays. A table at the bottom lists service details: Commercial use (checked), Copyright transfer (checked), Create business cards / stationery / goods (unchecked), 3D mock-up (unchecked), and VI Guidelines Creation (unchecked).



## Media : Features of coconala Legal Consultation

A platform connecting “people seeking advice on legal concerns” and lawyers that is based on a business model of generating advertising revenue from lawyers



- **Strong in attracting customers through organic searches**

People seeking advice can post and browse legal Q&As at no charge. The number of legal Q&As posted exceeds 30,000 cases and much of the traffic is from organic searches.

- **Attracting also sole proprietors and SMEs**

Can expect advice to be sought by also “coconala Skill Market”-using freelancers, sole proprietors and SMEs

- **Reassuring framework of follow-up after paid ad placement**

Persons in charge of follow-up are assigned to periodically monitor view count and number of inquiries after paid ad placement. Also flexibly responding to requests from lawyers.

# Agent: Features of coconala Tech

A business outsourcing agent type service for IT freelancers of a monthly retainer type with growth companies and large companies mainly in the IT industry as main targets



- **Specializing in IT freelance**

Specializing in IT-related jobs with high corporate demand for freelance work, centering on IT engineers and designers

- **Attracting talent by linking with coconala Skill Market**

Referring a diverse array of highly skilled talent by utilizing the database of 400,000 people. Future plan is to link and utilize the evaluation data at the two services.

- **Assigning at fastest response from matching to start of work**

Able to engage in projects as quickly as "3 days at the earliest," the contracting, interviewing, etc. included



# Segment Change

With the launch of new businesses, segments were changed to the three segments "Marketplace," "Agent," and "Media."

Up to FY2023 Q3

Segment	Service
coconala	coconala Skill Market coconala Tech Agent
coconala Legal Consultation	coconala Legal Consultation



FY2023 Q4

Segment	Service
Skill Market	coconala Skill Market
Tech Agent	coconala Tech Agent
Legal Consultation	coconala Legal Consultation

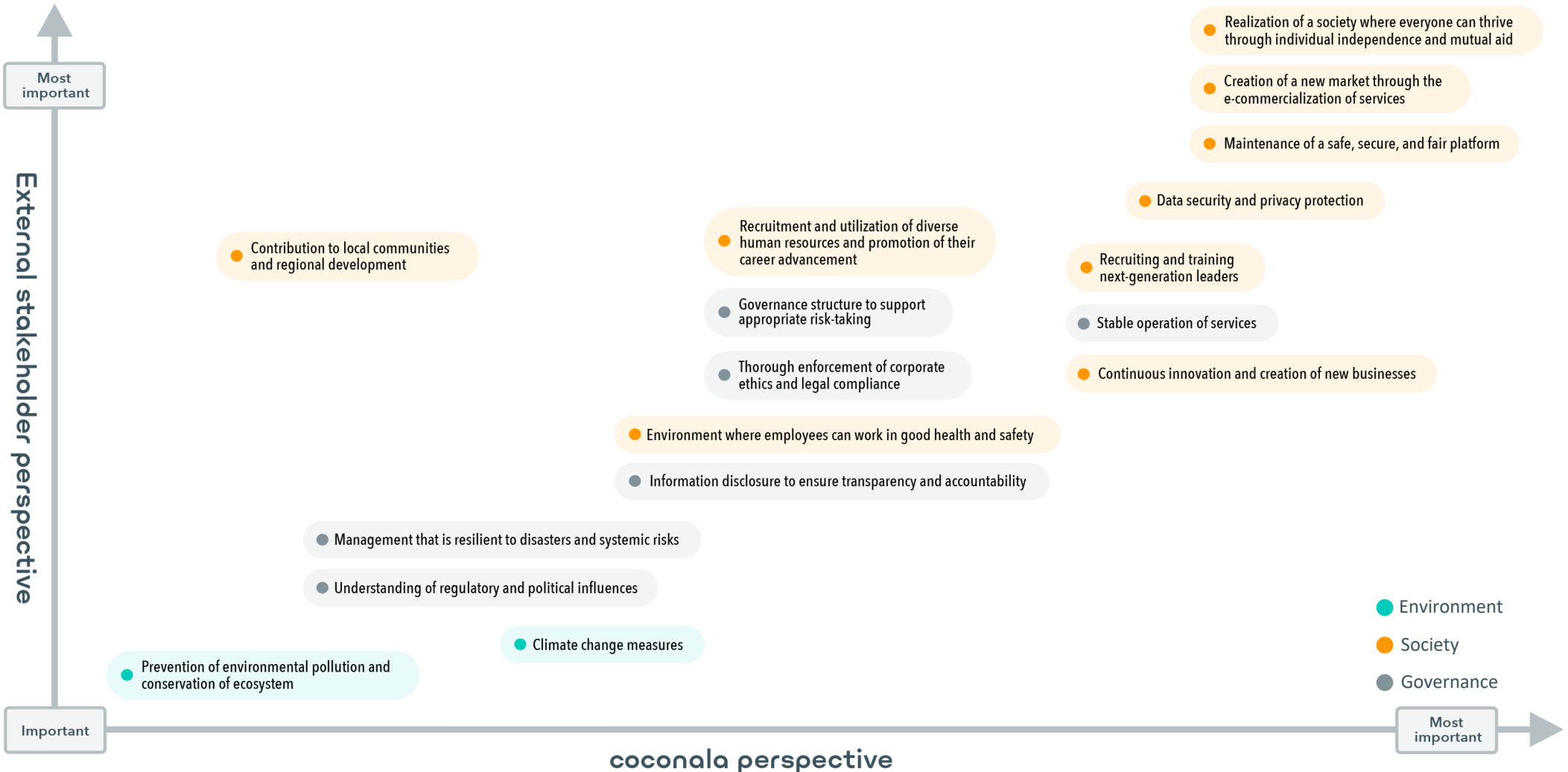


From FY2024 Q1

Segment	Service
Marketplace	coconala Skill Market
Agent	coconala Tech coconala Assist coconala Pro coconala Consult
Media	coconala Legal Consultation

# ESG Materiality Map

Formulated materiality map based on discussions with internal and external stakeholders. coconala places particular importance on social issues.





## Disclaimer

This material includes forward-looking statements.

Such statements do not guarantee the realization of such outlook and includes risks and uncertainties.

Please note that the actual performance may differ from the future outlook due to environmental changes, etc.

In addition, the information on companies other than coconala in this material are cited from the disclosed information, etc., and coconala does not verify nor guarantee the accuracy and adequacy of such information.





Create a world where each person lives their "own story."