

FY2024.8 Third Quarter Financial Results

coconala Inc. (TSE Growth Market: 4176)

July 12, 2024

01

Company Overview

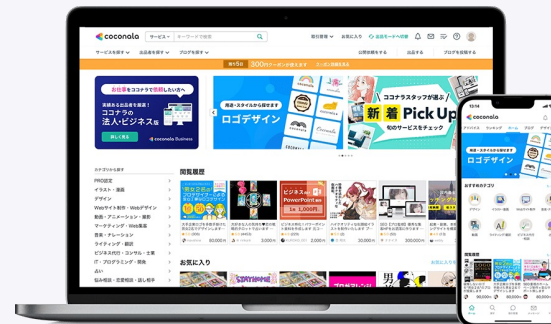


Business Overview of coconala

Marketplace



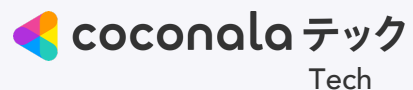
Skills marketplace for
buying and selling services online



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



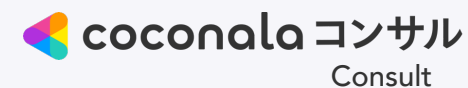
Referral of high-class creators in their real
names with contracts made via coconala



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)

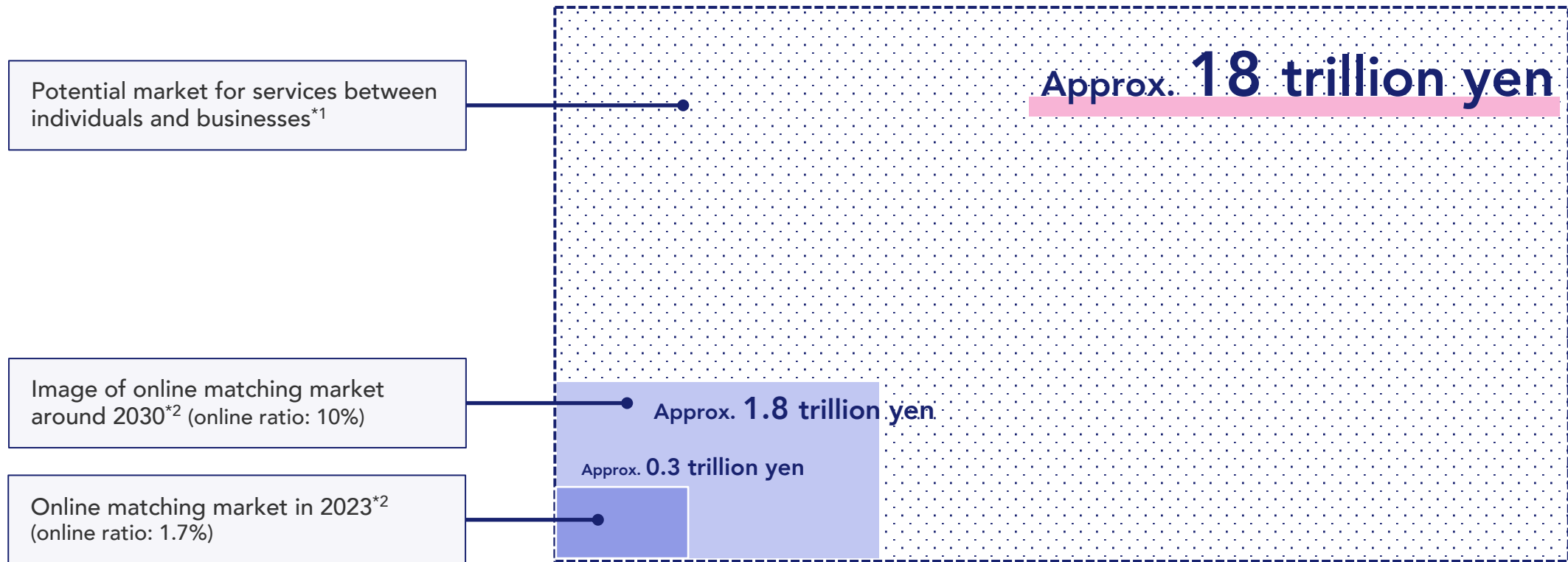
Designer for 10 years



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 Third Quarter Financial Highlights

Consolidated

- Consolidated sales increased by 24% YoY to 1.45 billion yen
- Consolidated operating profit was in the black

Marketplace (Skill Market)

- GMV grew by 8% YoY and sales by 10% YoY
- Updated coconala Job Requests, corporate functions, and service categories

Media (Legal Consultation)

- With the number of paid subscribing lawyers increasing, sales grew by 20% YoY
- ARPPU increased by 4% YoY and the churn rate remains stable at 1.2%

Agent

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

Topics

- an consulting Inc. joins the Group
- Upward revision of the full-year earnings forecast



FY2024 Third Quarter Financial Results

(Unit: MM JPY)	FY2024 Q3 (Mar. - May.)	FY2023 Q3 (Mar. - May.)	YoY
Sales ^{*1}	1,450	1,161	+24.8%
Marketplace (Skill Market)	1,127	1,023	+10.1%
Media (Legal Consultation)	166	138	+20.2%
Agent	156	-	-
Gross profit	1,262	-	-
Operating profit ^{*2}	114	(72)	-
Marketplace (Skill Market)	117	(75)	-
Media (Legal Consultation)	43	12	+258.3%
Agent	(38)	-	-
EBITDA ^{*3}	170	(19)	-
Ordinary profit	57	(70)	-
Profit attributable to owners of parent	101	(59)	-

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

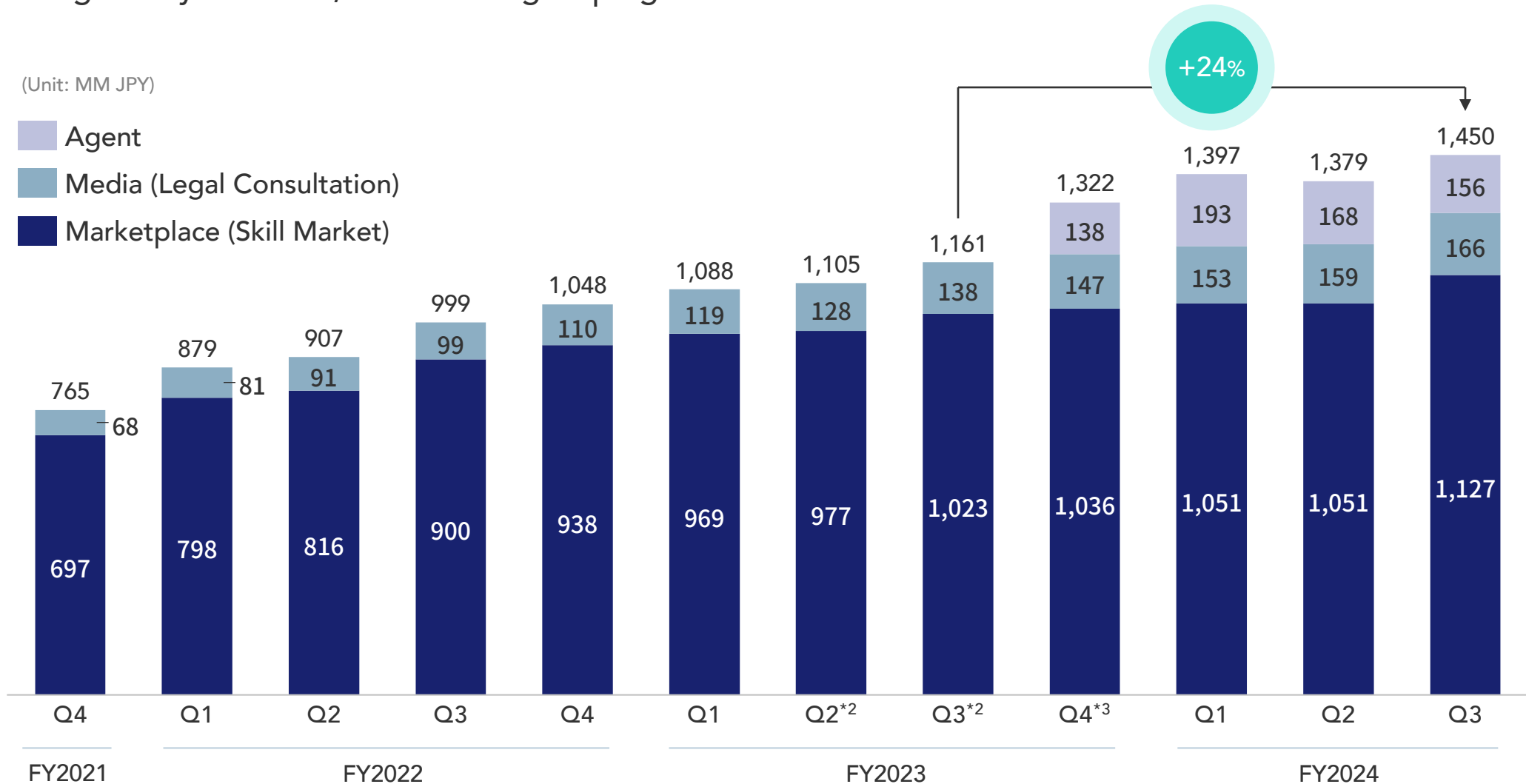
*2: Consolidated figures include the subsidiary coconala Skill Partners, and therefore do not match the sum of Marketplace (Skill Market), Media (Legal Consultation), and Agent.

*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.

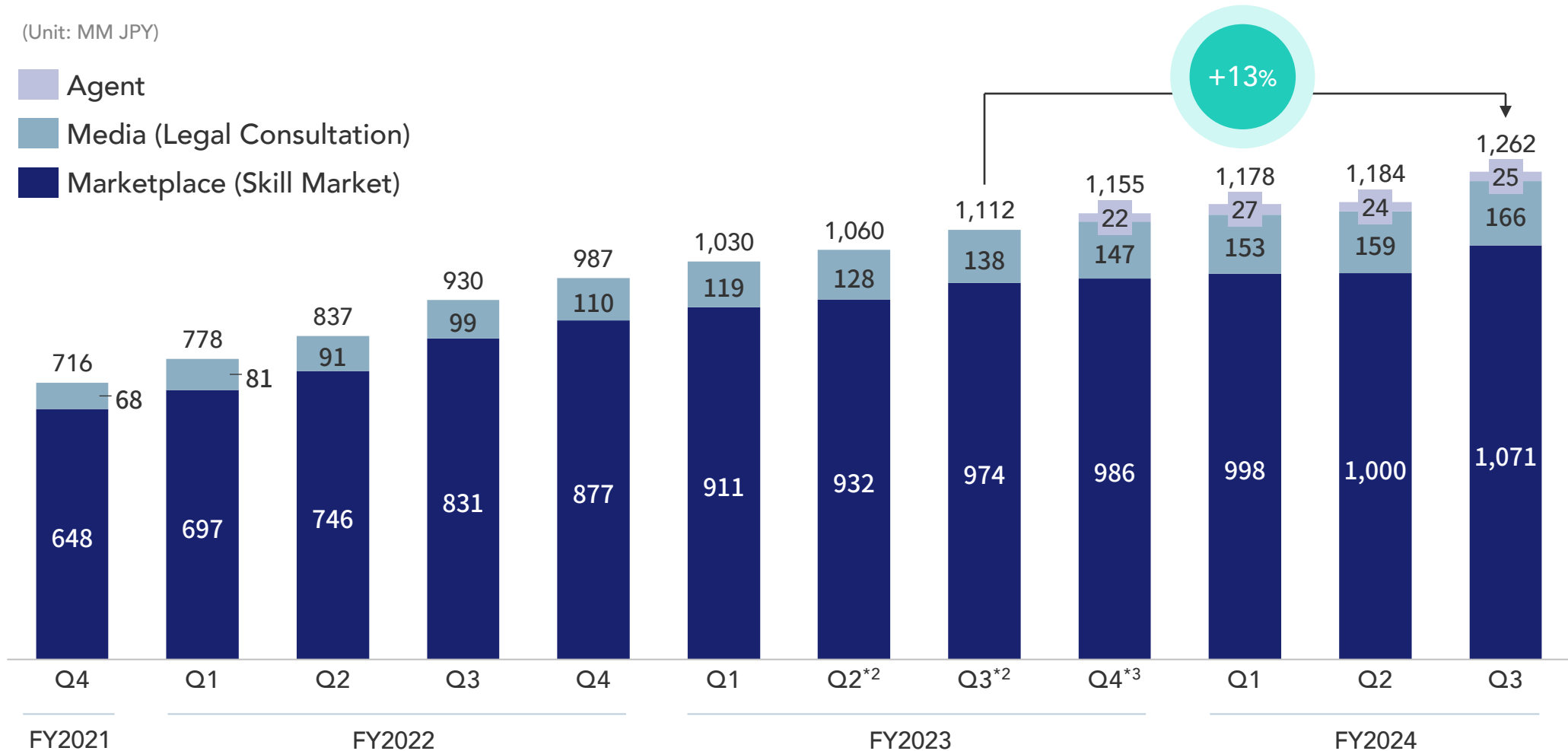
*2: For FY2023 Q2 and Q3, Agent sales are included in Marketplace (Skill Market).

*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*1 grew by 13% 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).

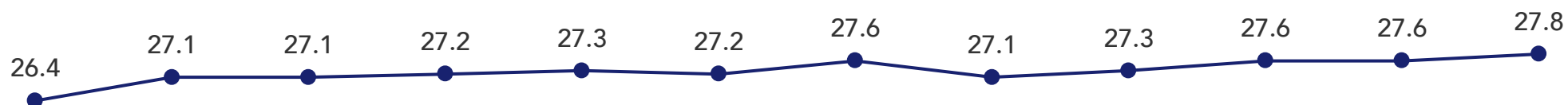
*3: For FY2023 Q4, Agent gross profit includes only PORT ENGINEERING INC.'s sales for two months.



Marketplace: GMV, Sales, and Take Rate

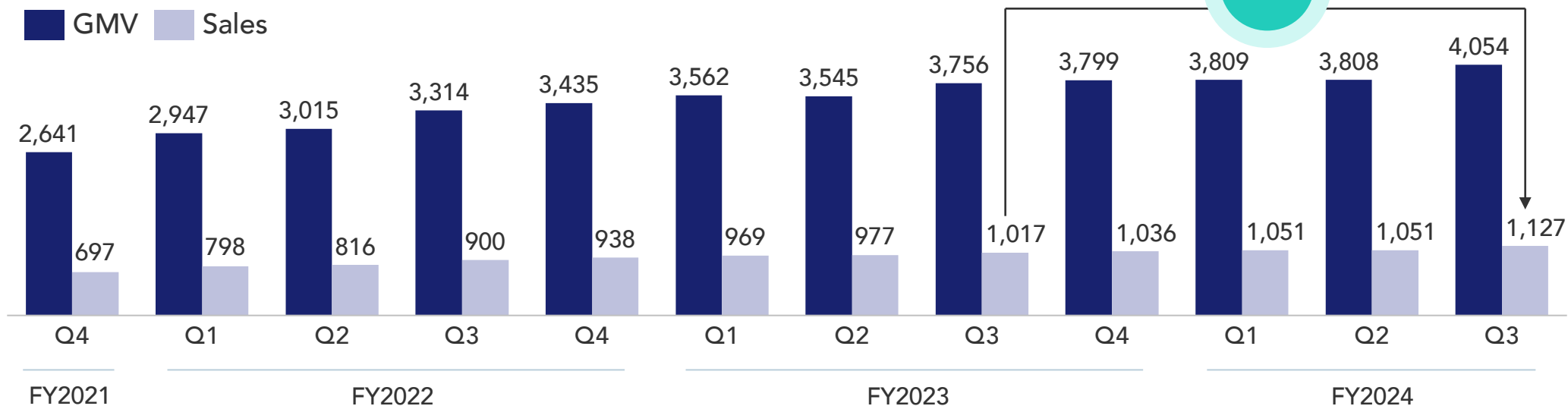
GMV*¹ grew 8% YoY, and Sales*² grew 10% YoY.

Take Rate*³ (%)



(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



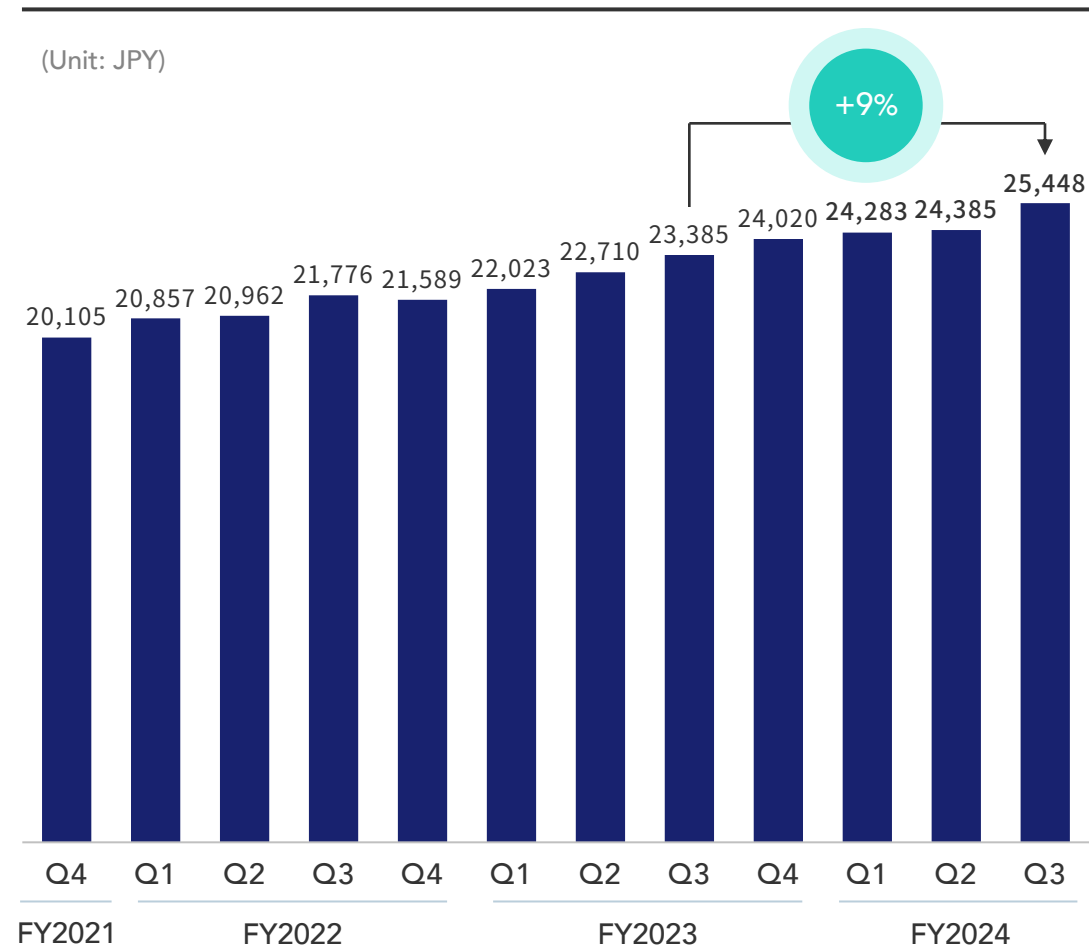
Marketplace: Buyer-Side KPIs

Unique buyers remained decreased YoY and purchase amount per buyer grew by 9% YoY.

Unique Buyers



Purchase Amount Per Buyer



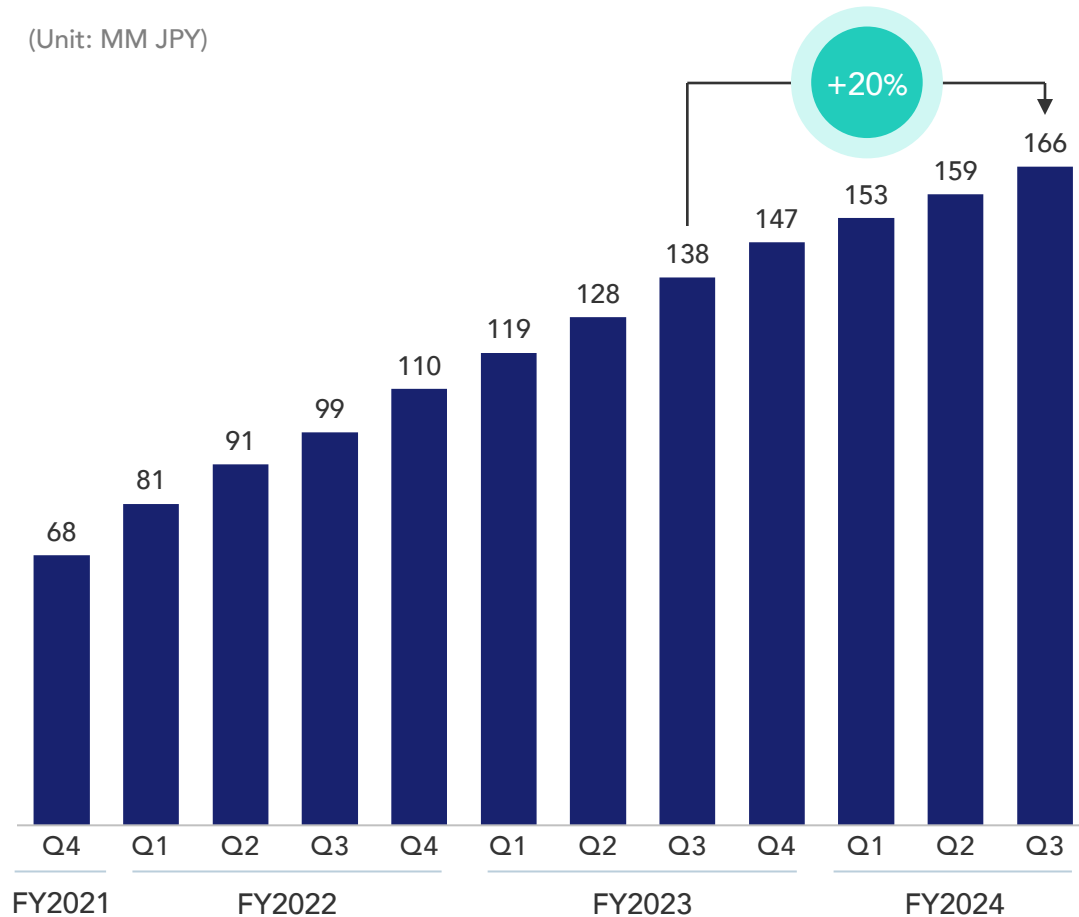


Media (Legal Consultation): Sales and Number of Registered Lawyers

Sales*1 maintained a high growth rate of 20% YoY due to an increase in the number of paid subscribing lawyers (+15% YoY).

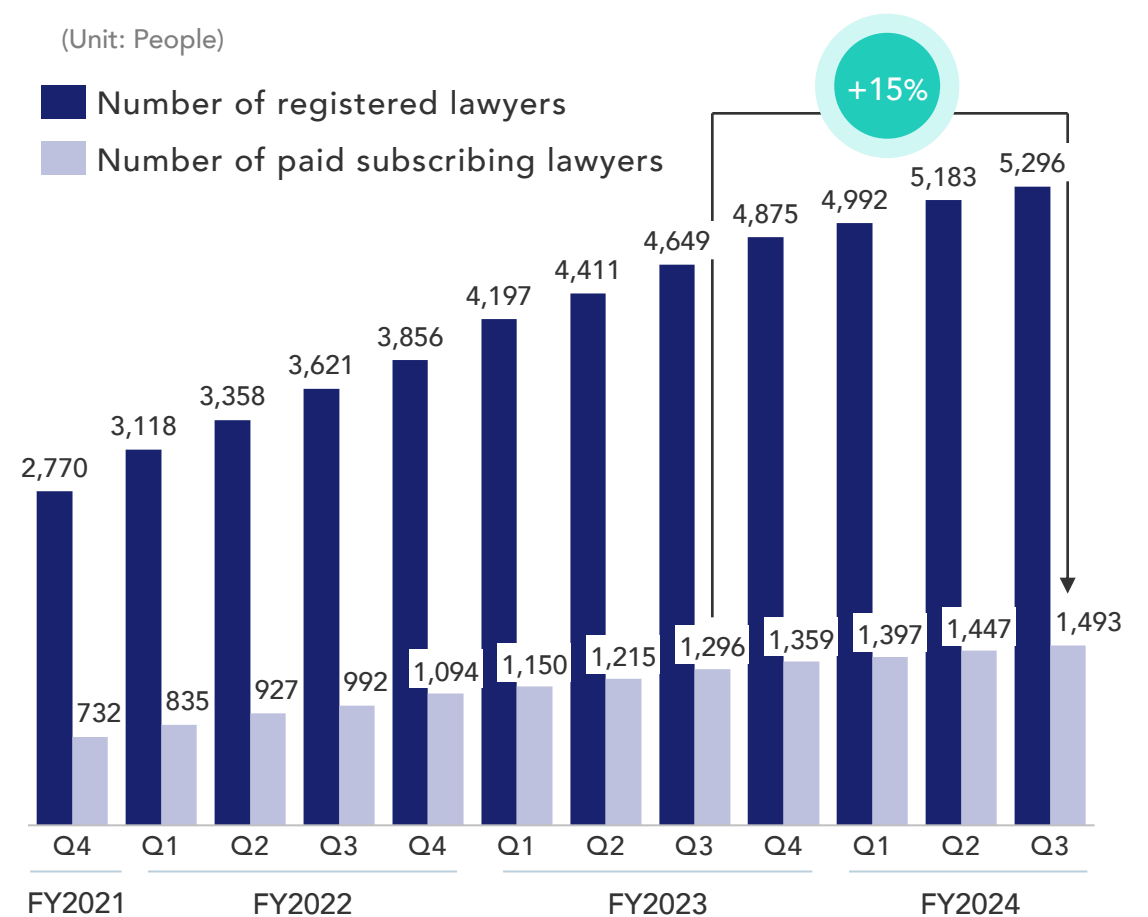
Sales

(Unit: MM JPY)



Number of Registered Lawyers

(Unit: People)

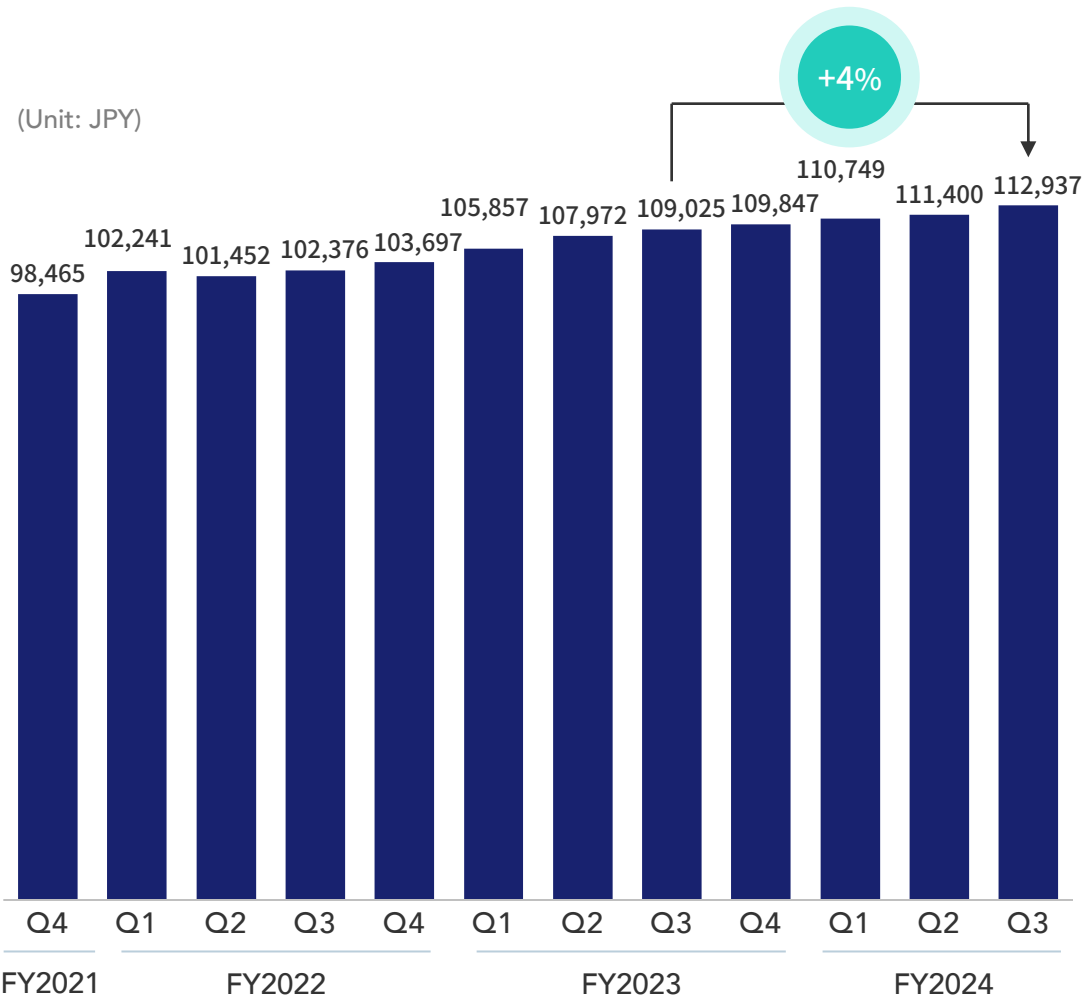




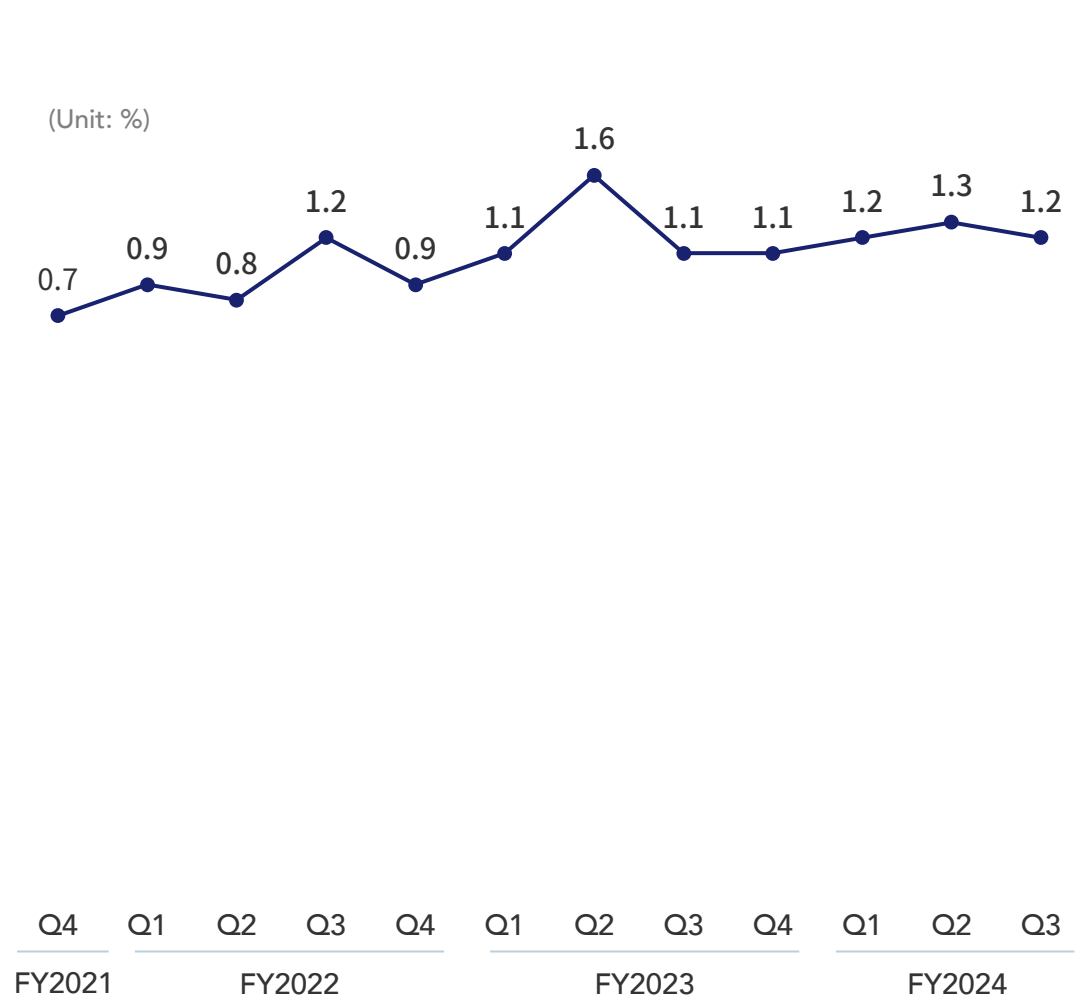
Media (Legal Consultation): ARPPU, Churn Rate

ARPPU*¹ increased by 4% YoY. The churn rate*² remains stable at 1.2%.

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).

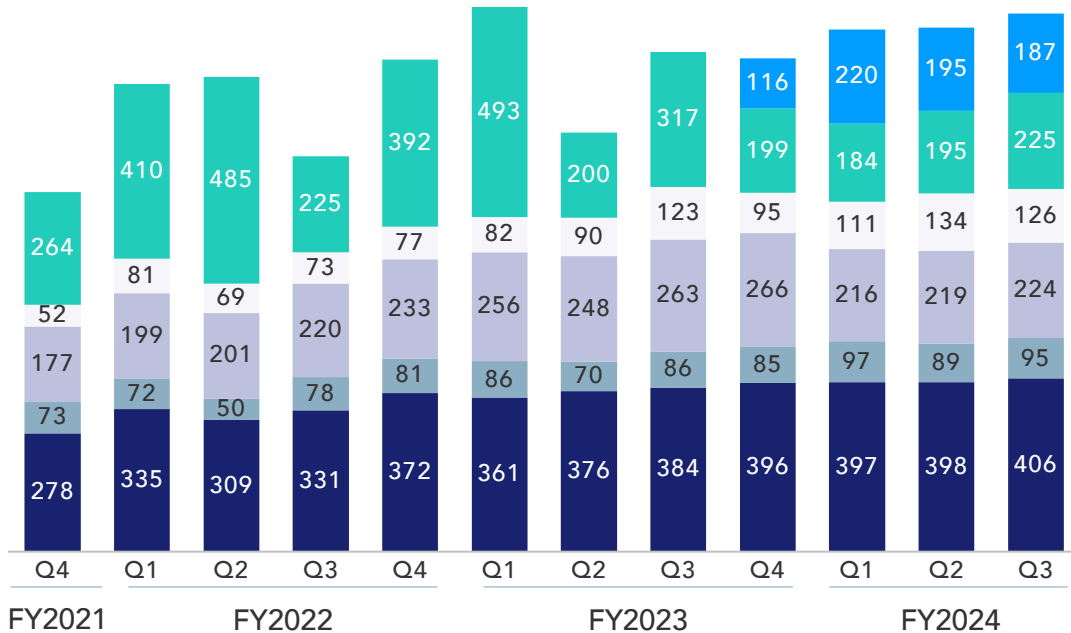
Cost of sales + Operating expenses

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)

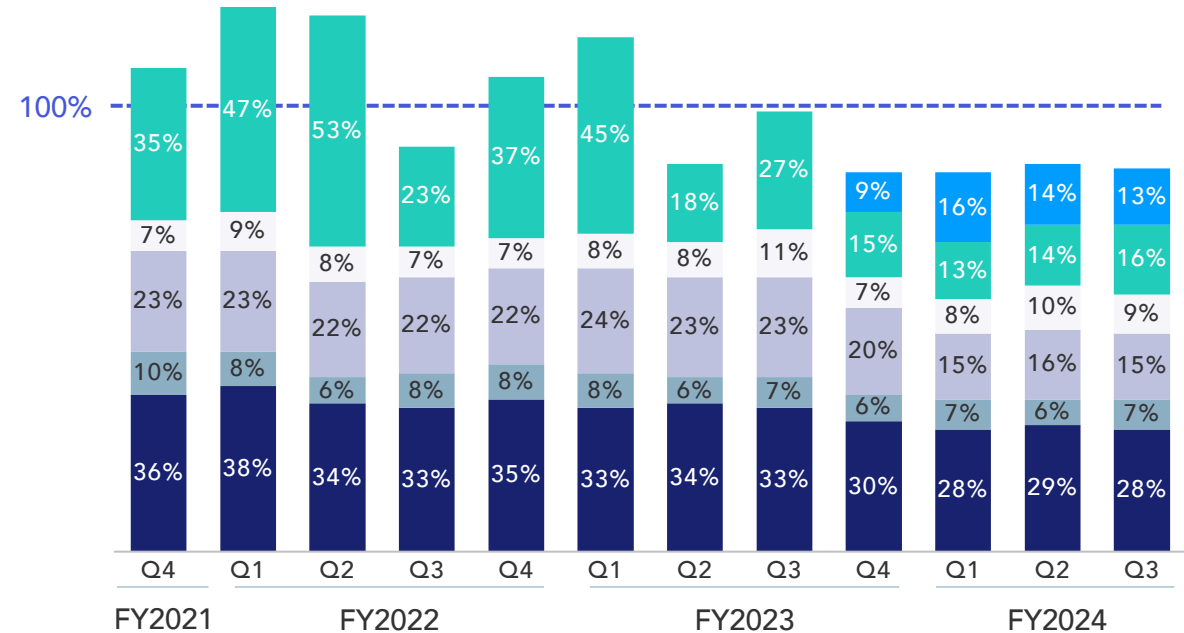
- Cost of sales
- Advertising
- Others
- Commission / system
- Outsourcing
- Personnel / recruitment



Relative to Sales

(Unit: %)

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

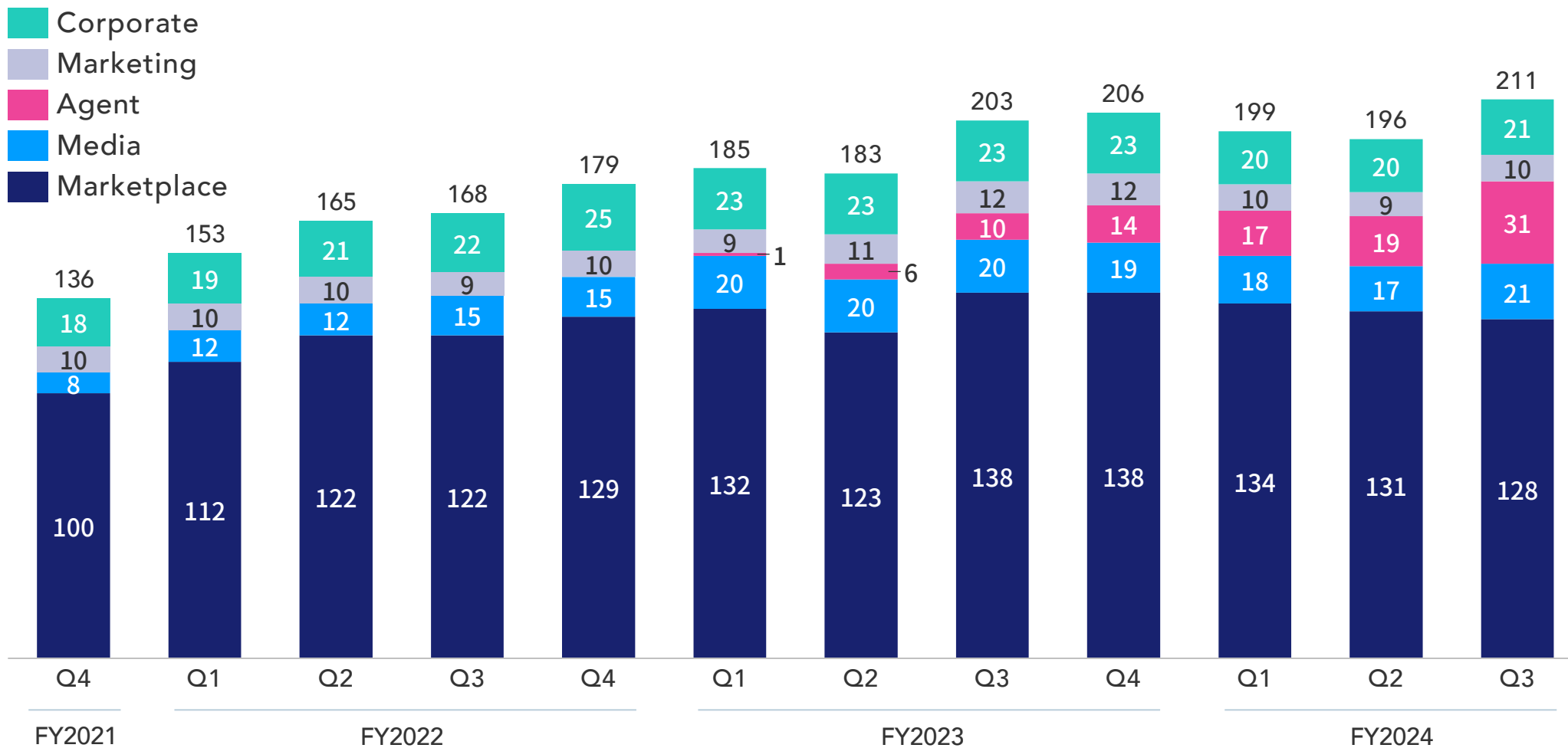




Number of Employees by Business

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

(Unit: People)





Financial Foundation

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

May. 2024 (Consolidated)

(Unit: MM JPY)

Cash and deposits 3,590	Advances received 619
	Deposits received 1,027
	Other liabilities 612
	Other net assets 1,582
Other assets 2,448	Shareholders' equity 2,198



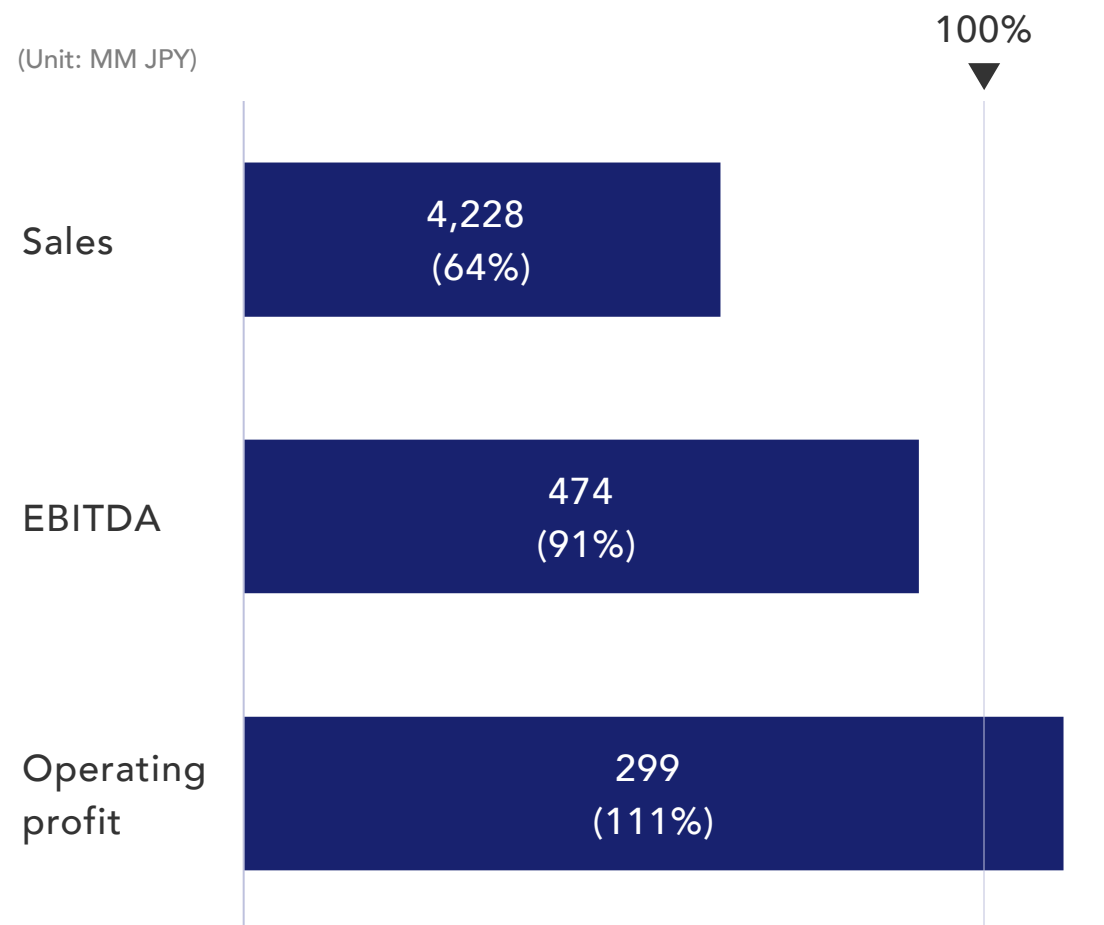
Upward Revision of and Progress Rate Against the Full-Year Earnings Forecast

The full-year earnings forecast was revised upward in May. an consulting Inc. is consolidated starting from the fourth quarter. Full-year earnings is assumed to be the same as the revised earnings forecast as investments in new businesses, etc. are expected during the fourth quarter.

Full-Year Earnings Forecast (revised upward in May 2024)

(Unit: MM JPY)	FY2023 Results	FY2024 Initial Forecast	FY2024 Revised Forecast	YoY
Sales	4,679	5,848	6,570	+40.4%
EBITDA* ¹	70	280	520	+642.8%
Operating profit	(126)	10	270	to turn profitable
Ordinary profit	(168)	24	240	to turn profitable
Profit attributable to owners of parent	(75)	1	150	to turn profitable

Status of Progress in FY2024*²



*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



Complete Overhaul of coconala Job Requests

Enhanced to offer not only "one-time engagement" (can request one-time jobs) but now also "long-term engagement" (can make long-term requests by outsourcing).



Easily start request in **5 minutes**
Several professionals
will soon gather

Platform for matching job openings/requests

Two ways to request according to needs

Request for one time



- ✓ Can request one-time jobs
- ✓ Pay for delivered product

Job categories to order

Design / Web production / Illustration

Web development

Video / Music

Marketing

Writing

Consulting

Business agency

..., etc.

How to use

- 

1. Post job you want to request

Enter budget and deadline by filling out the form. You can post the job you want to request that easily.
- 

2. Select proposal to order

Just wait and you will receive proposals from professionals. You can immediately order any request you like.
- 

3. Receive delivery

Transaction will become complete upon your approval after confirming the content of the delivery.

Request for long term (outsourcing) new



- ✓ Can request long-term jobs
- ✓ Pay for time worked

Job categories to contract

Sales

Marketers

Business development

Engineers

Designers

Customer support

Corporate

Consultants

..., etc.

How to use

- 

1. Job posting

Post job by providing job details, and terms and conditions
- 

2. Document screening

Screen documents based on the content of the applications received
- 

3. Three-way interview

Conduct three-way interview with candidate and coconala operating staff
- 

4. Contract and work commencement

Work commences after terms and conditions are finalized, intermediated by coconala operating staff

Integration of coconala Business into coconala Skill Market

With the increase in use for business, coconala Business has been integrated into coconala Skill Market. The corporate functions (invoice payment, project management, etc.) are now available to all users registered with coconala.

The screenshot displays the coconala website interface. At the top, there is a navigation bar with the coconala logo, a search bar with the text "サービス" and "キーワードで検索", and various utility links like "プロジェクト", "取引管理", "募集管理", "お気に入り", "受注モードへ切替", and notification icons. Below the navigation bar, there are dropdown menus for "カテゴリから探す", "目的から探す", "出品者を探す", and "ブログを探す". A "募集をする" button is prominently displayed. The main content area features three large promotional banners: 1. "請求書払いや帳票発行など" (Invoice payment and statement issuance) with a "法人向け機能" (Corporate function) and "使い方を見る" (View usage) button. 2. "まるっとお任せ! Webサイト・デザイン制作" (Fully entrusted! Website and design production) with subtext "ホームページ・EC・LP etc.". 3. "集客力アップ! マーケティング・Web集客" (Increase customer acquisition! Marketing and web customer acquisition) with subtext "SNSマーケティング・SEO etc.". Below the banners, there is a "おすすめカテゴリ" (Recommended categories) section with a list of categories: PRO認定, 人気のご利用シーン, イラスト・漫画, デザイン, and Webサイト制作・Webデザイン. To the right of this list are icons for "ライティング・翻訳", "イラスト・漫画", "ビジネス代行・コンサル・土業", "デザイン", "Webサイト制作", "動画・アニメーション", "マーケティング・Web集客", and "占い". A link "すべてのカテゴリを見る" (View all categories) is also present.




Revamp of Service Categories

Categories for which demand has been growing within coconala in recent years and categories for which demand is seen to grow in the future have been newly established/expanded. Main categories have increased from 15 categories to now 19 categories.

Creative & Business


Consultation & Private

 **Design**

Logo creation, flyer creation/design, brochure/catalog design, booth design, etc.

 **IT / Programming / Development**

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

 **Digital Marketing**

Social media marketing, search engine optimization (SEO) measures, e-commerce marketing, website analysis, affiliate marketing, etc.

 **Online Lessons / Advice**

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

 **Illustration & Manga**

Illustration creation, portrait creation, manga/comic production, character creation, character modeling, game illustration creation, TRPG illustration creation, etc.

 **Writing/Translation**


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

 **Fortune-telling**


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

 **Money / Side Job / Affiliate Ad**

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

 **Website Creation / Website Design**

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

 **Consulting/Professional** new


Business/management consulting, professional consulting, business startup and start-up consulting, etc.

 **Consultation / Love Counseling / Conversation**


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

 **Handmade Goods** new

Fashion, hobbies/toys, jewelry, stationery, bags/wallets/accessories, etc.

 **Music / Narration**

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

 **AI** new

AI chatbot creation, general AI application creation, machine learning, ChatGPT advice/prompt creation, etc.

 **Career/Job Hunting / Qualifications / Studying**

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



 **Photo Shoot/On-site Services** new


Photo shoot (profile photos, event/party, wedding, etc.), performance/MC, etc.

 **Film / Animation / Photography**

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

 **Business Agency/Assistant** new

Document/material creation, accounting/finance/tax agency, data analysis/sorting/aggregation, e-commerce operation, sales agency, etc.

 **Housing / Beauty / Lifestyle/ Entertainment**

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



Mizuho coconala Starts Full-Fledged Operations

Services of Mizuho coconala, a joint venture with Mizuho Bank, commenced in April. Full-fledged operations started from late May.

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.

an consulting Inc. Joins the Group

an consulting Inc., operator of an IT freelance support business, joined the Group in June 2024. Seeking to boost presence in the industry at an accelerating pace (this acquisition increases the number of workers by approximately fivefold).



an consulting Inc.

Head office location	Yebisu Garden Place Tower 29F 4-20-3 Ebisu, Shibuya-ku, Tokyo
Date of establishment	January 27, 2011
Capital	65 million yen
Business description	IT freelance support business

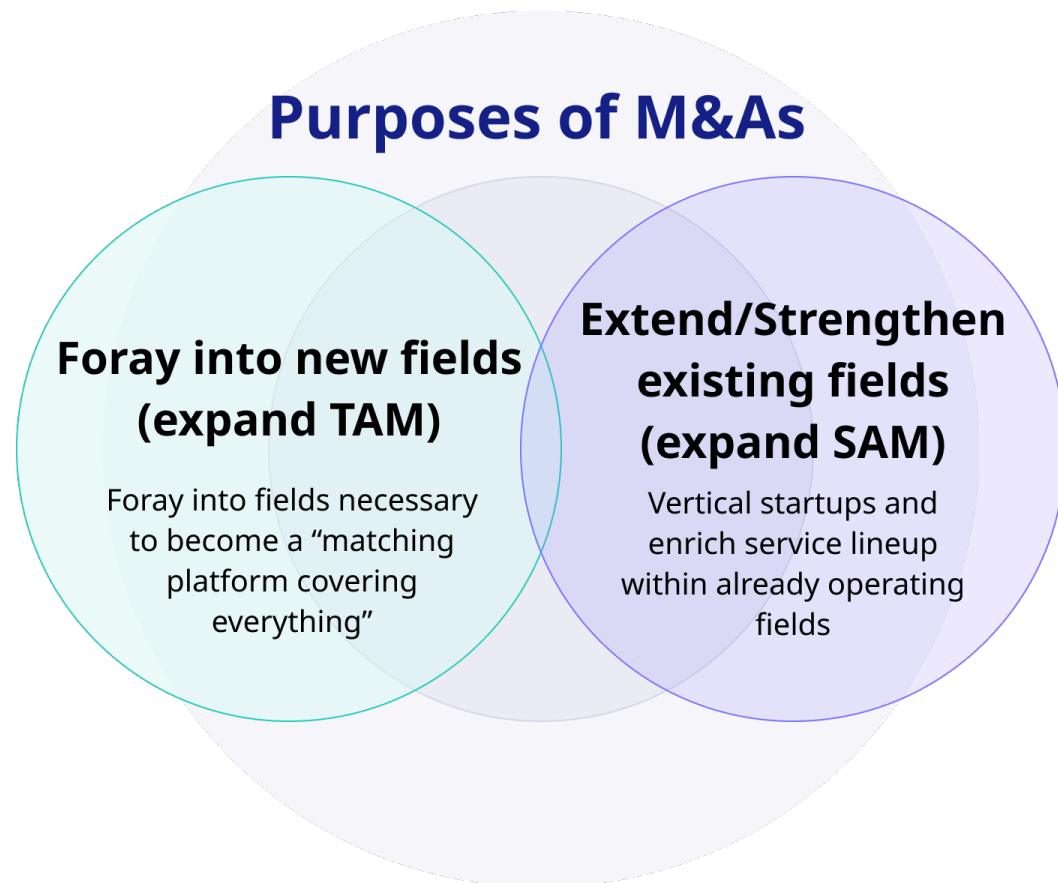


Purpose of M&A Realize early expansion of the agent business in the IT field



coconala's M&A Strategy

Execute M&As by targeting businesses that would contribute to expanding coconala's Ecosystem and based on appropriate valuation.



Valuation Discipline

- Avoid buying at high prices based on PMI
- Avoid amortization of goodwill exceeding income in principle

PMI Policy

- Demonstrate synergies by utilizing coconala's talent database
- Provide marketing and other know-how

04

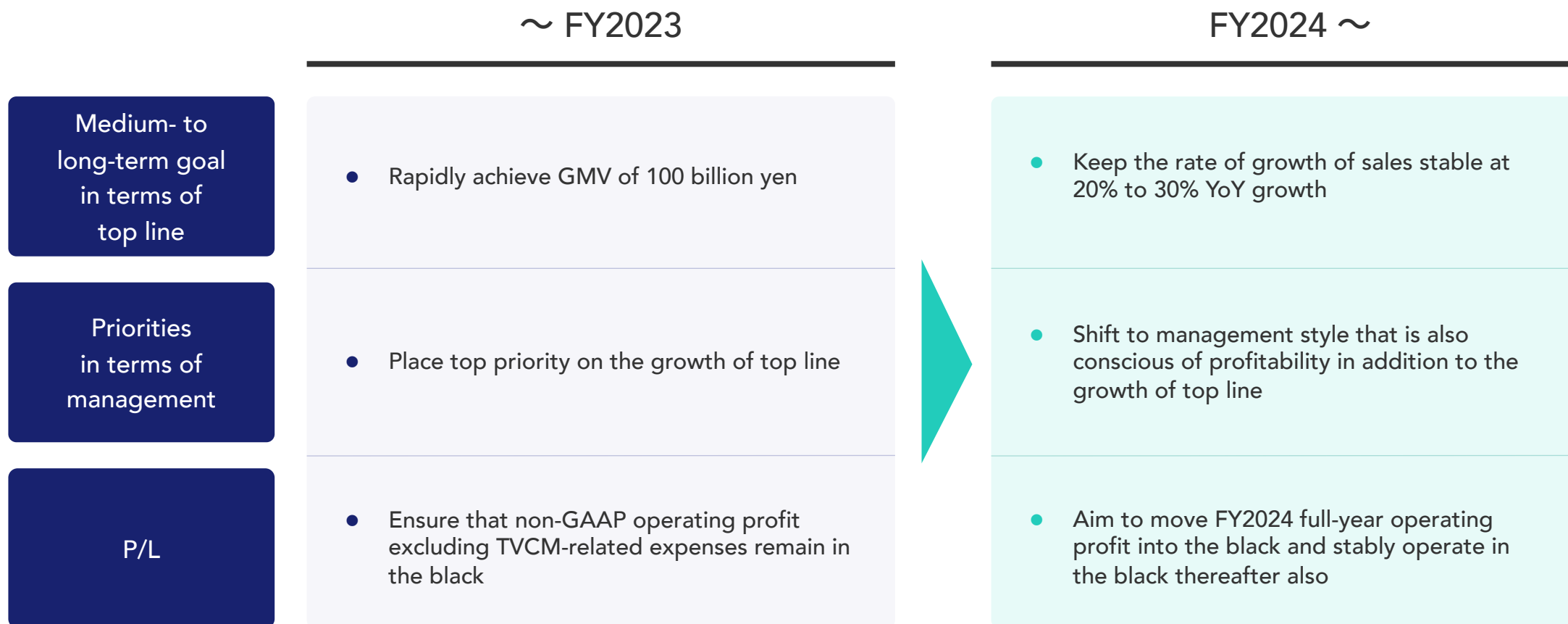
Future Policy



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

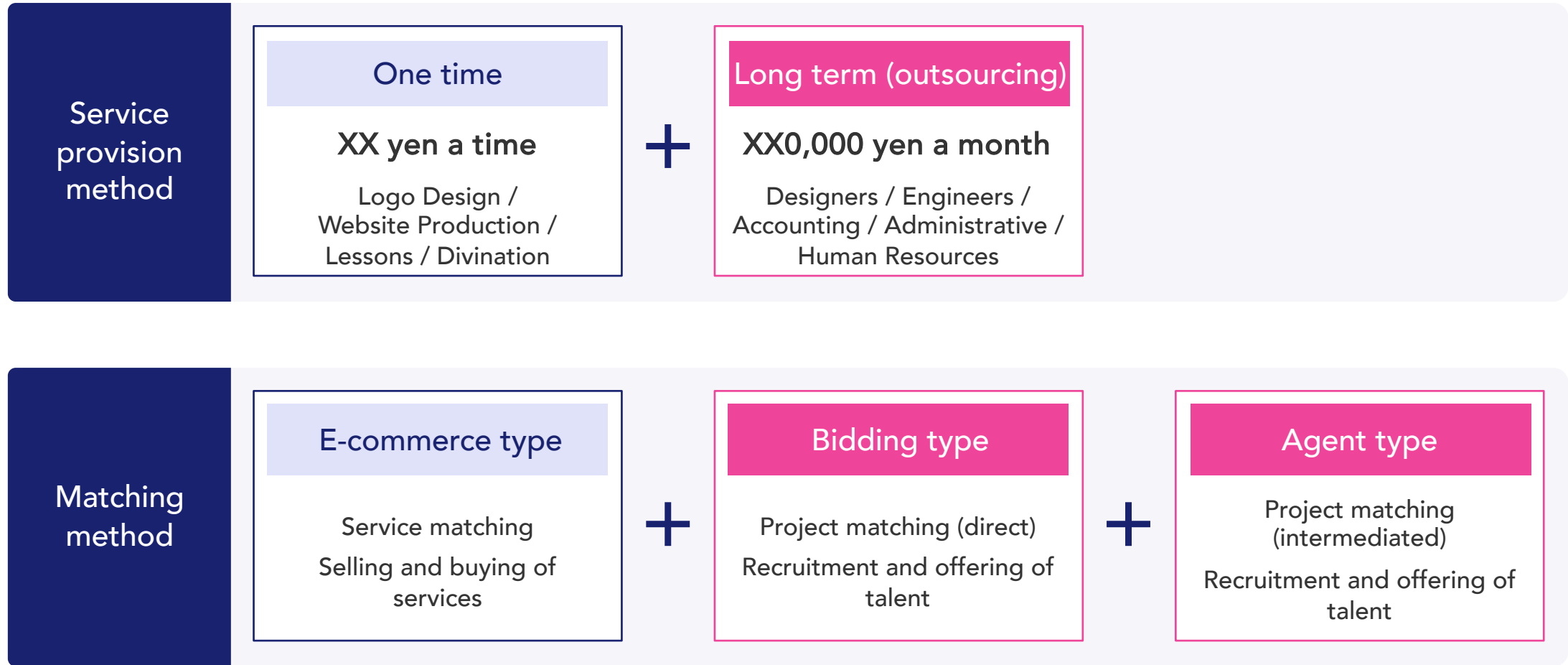
2. Regrowth of Skill Market

- 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

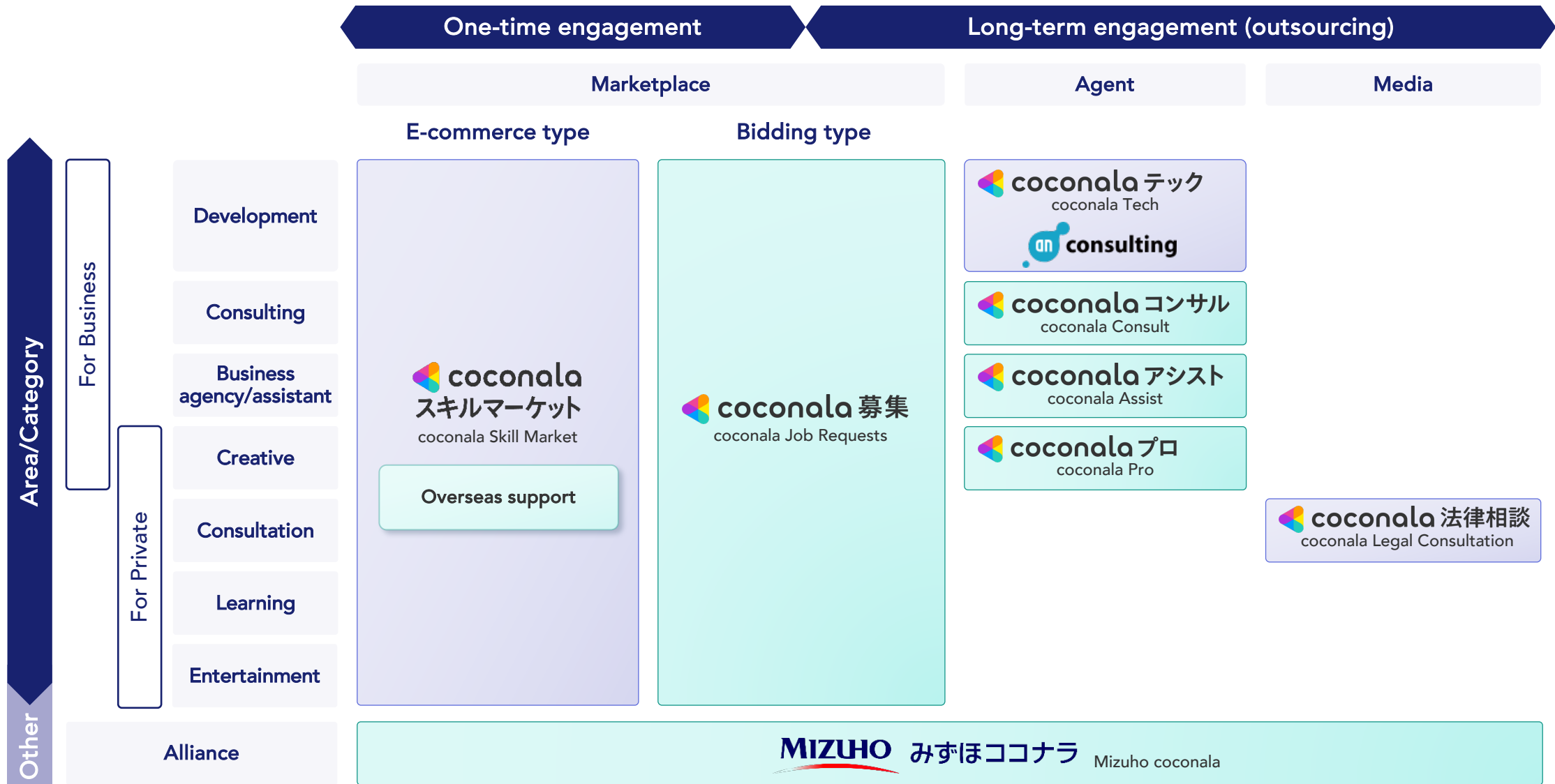
- Expansion of coconala Tech (including M&A)
- Launched agent-type matching business in the areas of the high unit-price creative, high-class consulting and business agency/assistant
- Development of new matching methods using technology

Extension of Value Provided by coconala's Ecosystem










Expansion of coconala's Ecosystem

Existing New

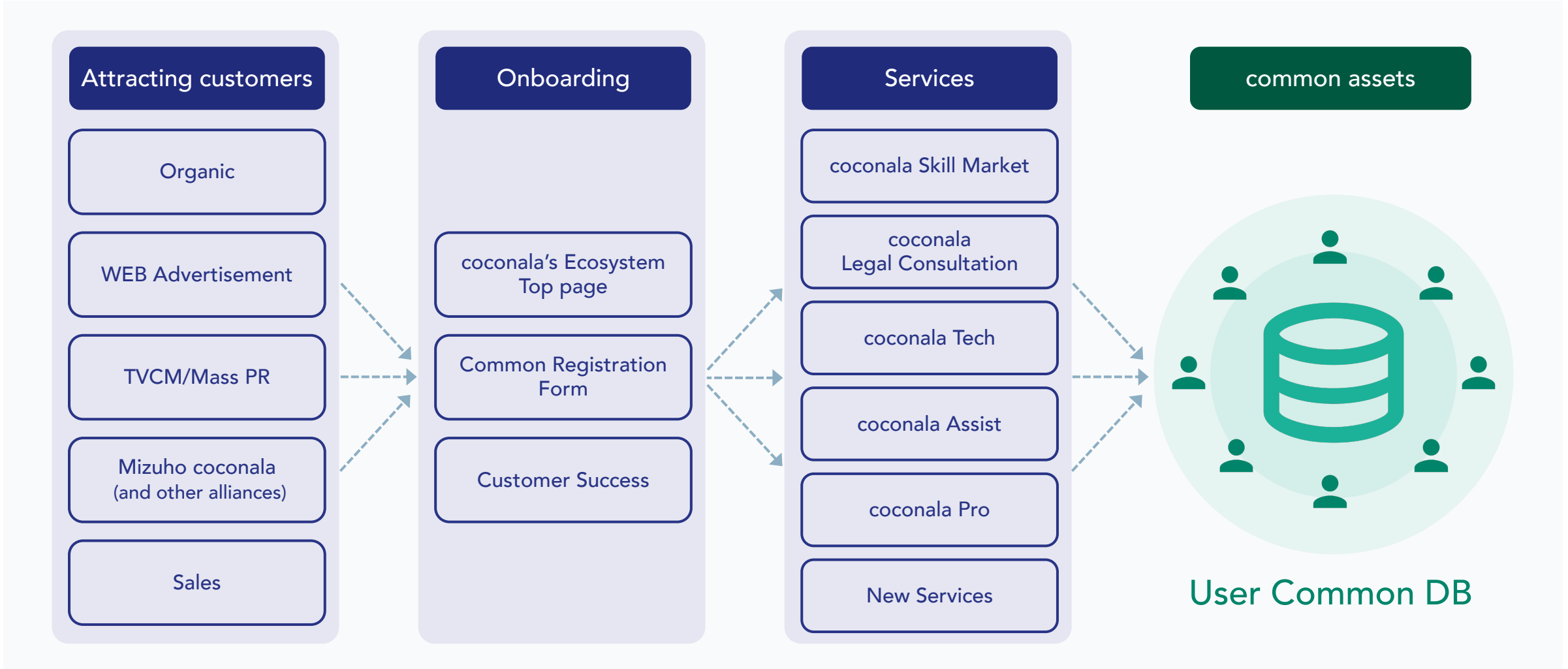




Service Lineup

Service	Overview	Category	Matching Method	billing model
 coconala スキルマーケット coconala Skill Market	Skills marketplace for buying and selling services online	Creative / Consulting / Consultation / Entertainment	Direct order	Spot
 coconala 募集 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
 coconala 法律相談 coconala Legal Consultation	Matching of legal advice seekers and lawyers through media for searching for lawyers	Legal Consultation	Direct order	Advertising revenue
 coconala テック coconala Tech	Referral of engineers and designers for outsourcing projects in IT development	IT Development	Intermediated by coconala	Time charge
 coconala アシスト 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
 coconala コンサル coconala Consult	Referral of high-class consultants for outsourcing projects	Management / Business Development / Marketing	Intermediated by coconala	Time charge
 coconala プロ 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

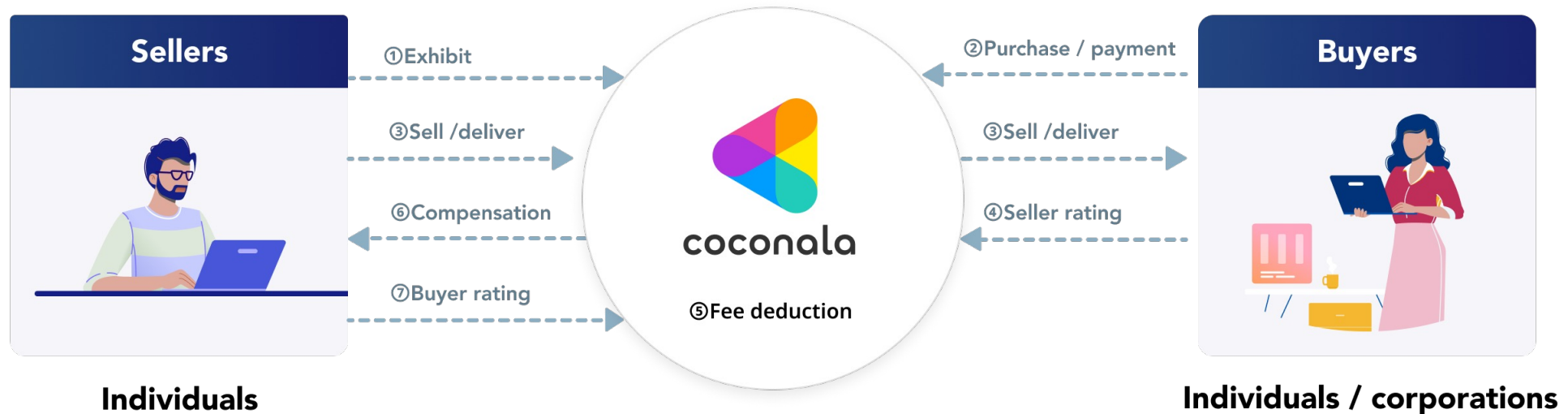
Easy purchase/sale with e-commerce model

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

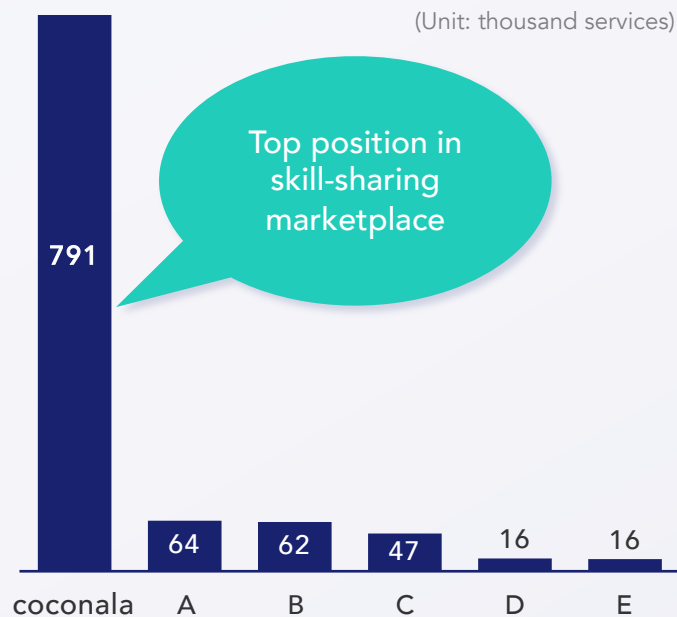


Marketplace: Strengths

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



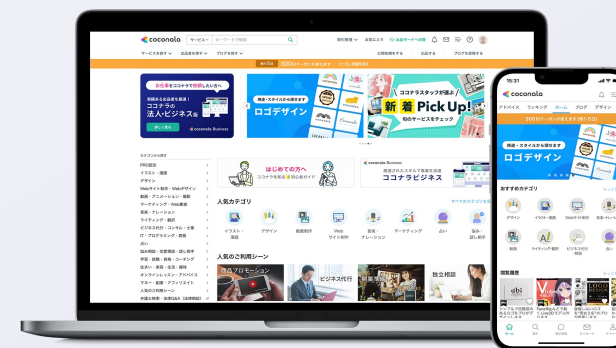
Strong capacity to organically attract customers

- 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

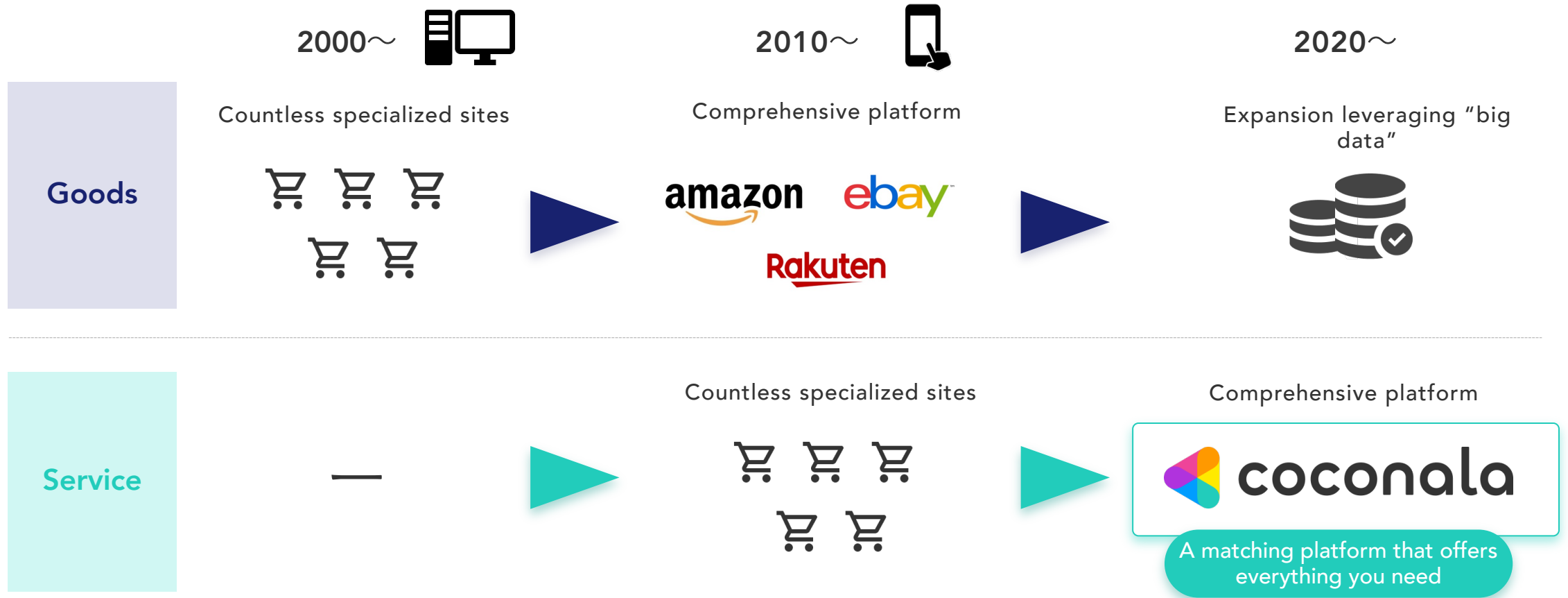
- Since we handle services, which are intangible, we have accumulated the know-how to match users with appropriate expectations by the visualization of information
- We are constantly improving our products based on user requests collected at user events and through the opinion box (More than 300 measures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

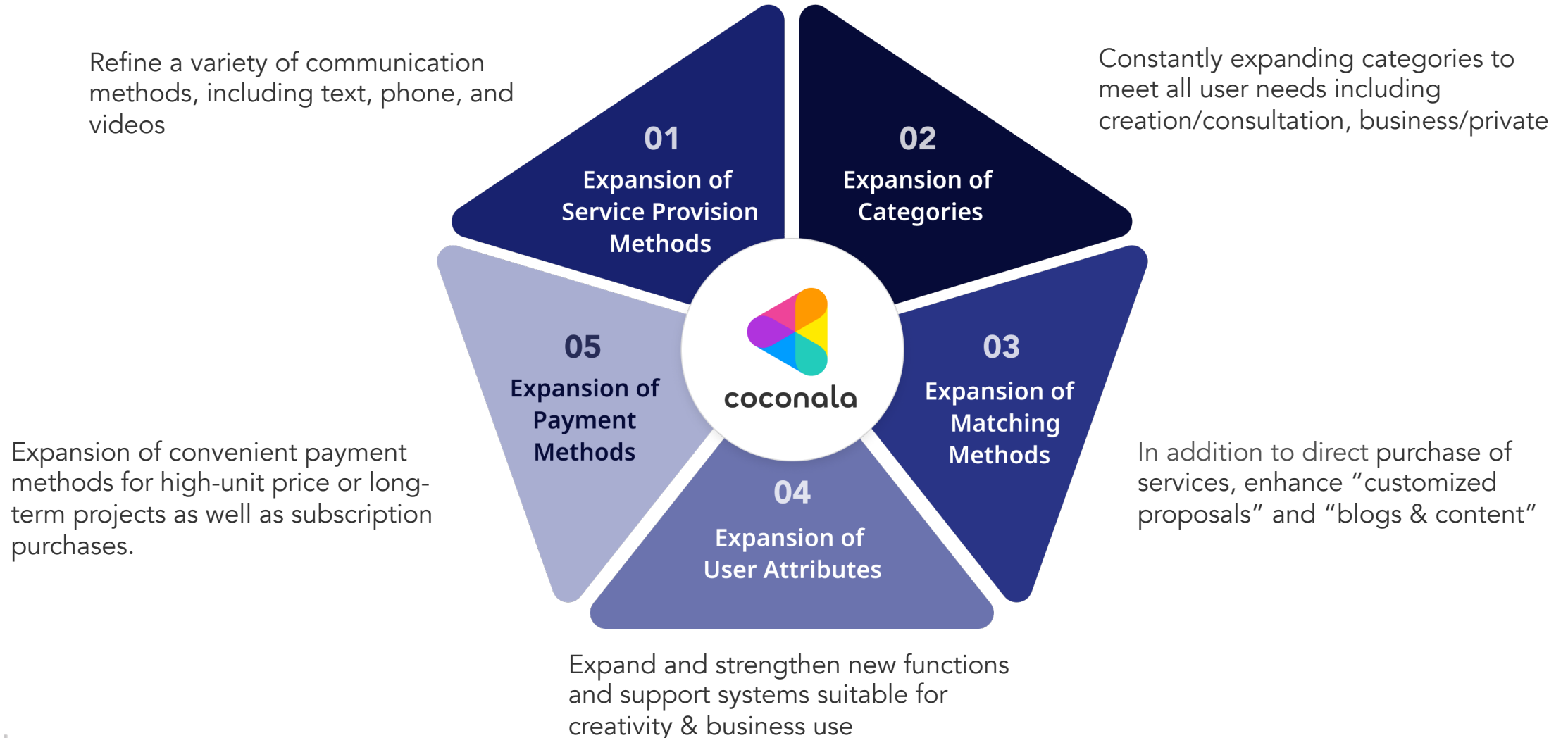
The service e-commerce industry is 10-20 years behind the goods e-commerce industry. coconala aims to be a comprehensive "service e-commerce" platform.





Marketplace: Expansion of the Product

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



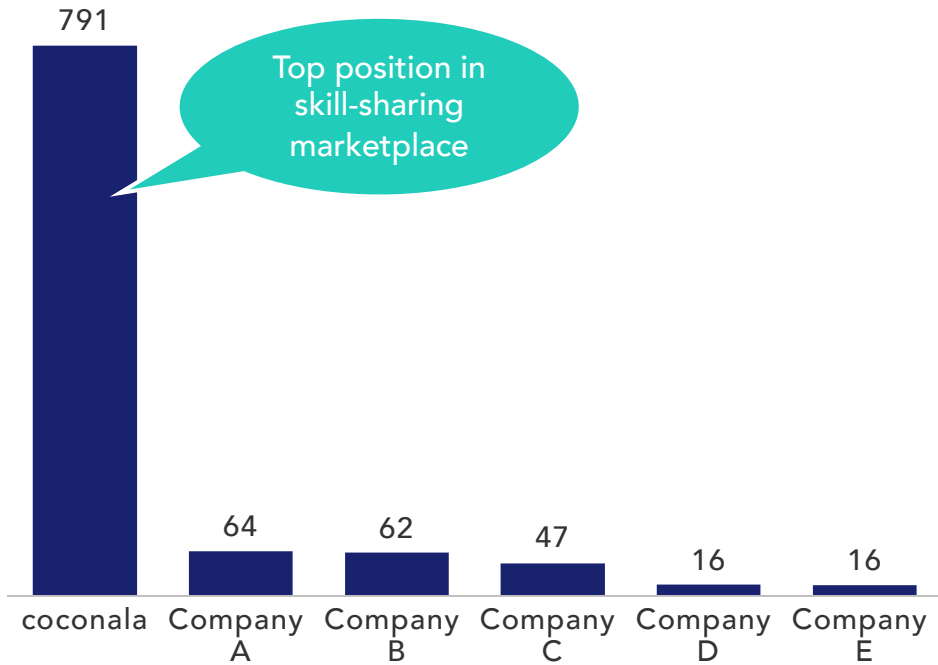


Marketplace: Large Number of Services on Offer and Reviews

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

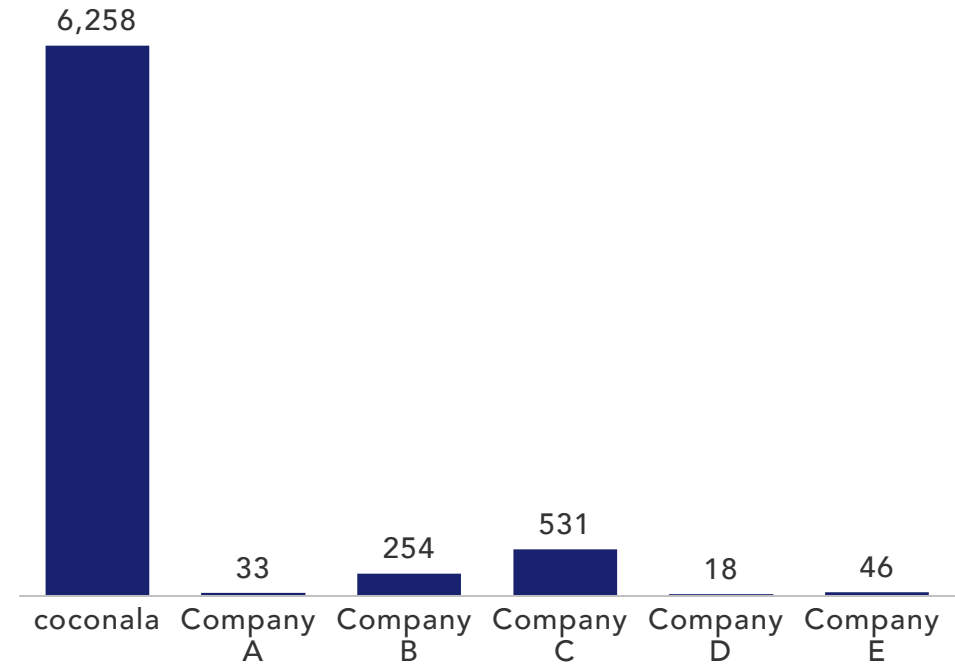
Number of Services on Offer*1

(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: Examples of Major Services by User

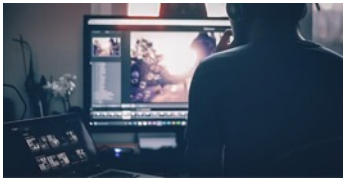
For Business

Creative

Logo Creation



Movie Editing



Business Agency

Presentation Materials



Data Analysis



Consulting /Consultation

SNS Marketing



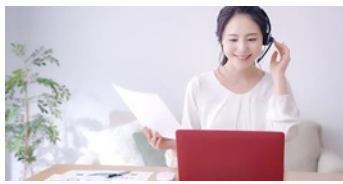
SEO Measures



For Private

Learning /Know-how

Foreign Language Lessons



Career Consultation

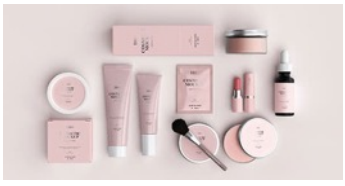


Fortune-Telling /Entertainment

Fortune-Telling



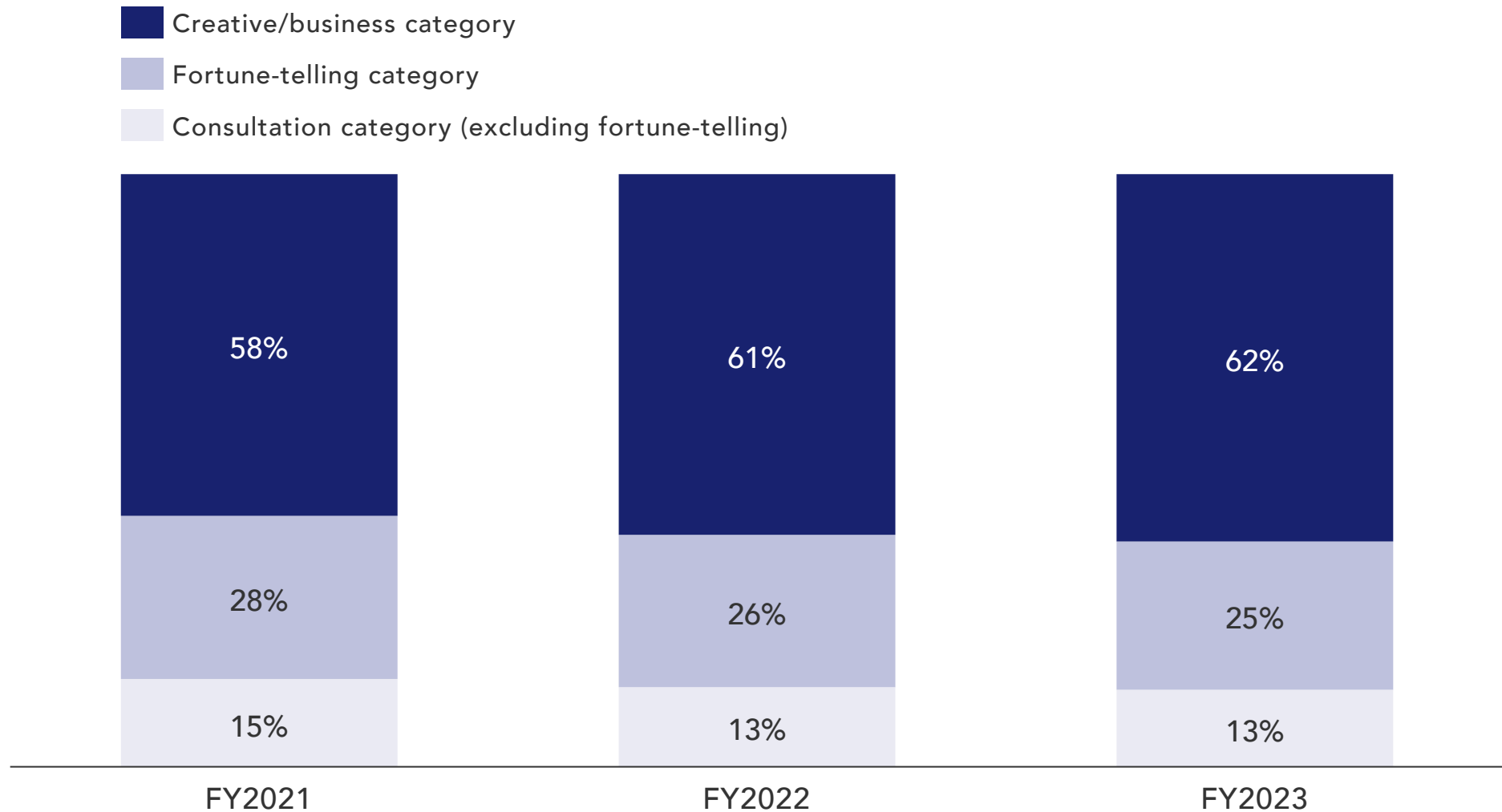
Beauty Consultation





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.



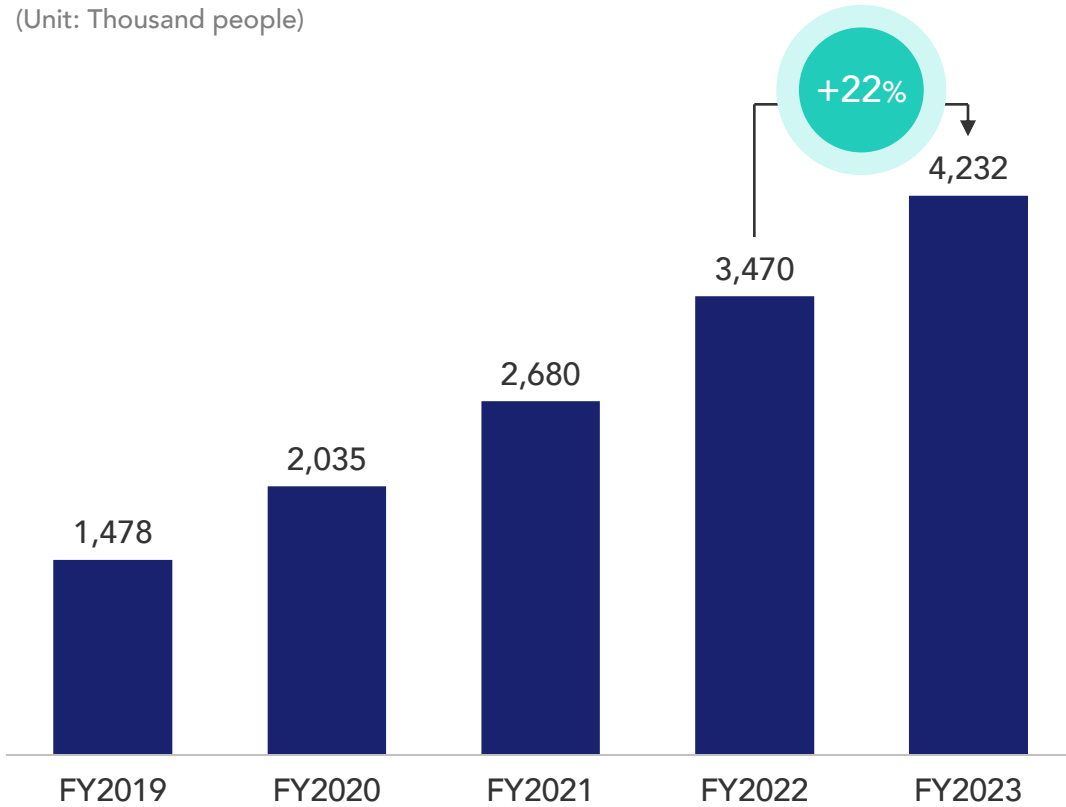


Marketplace: Registered Users, Annual Unique Buyers

There was steady growth in each KPI

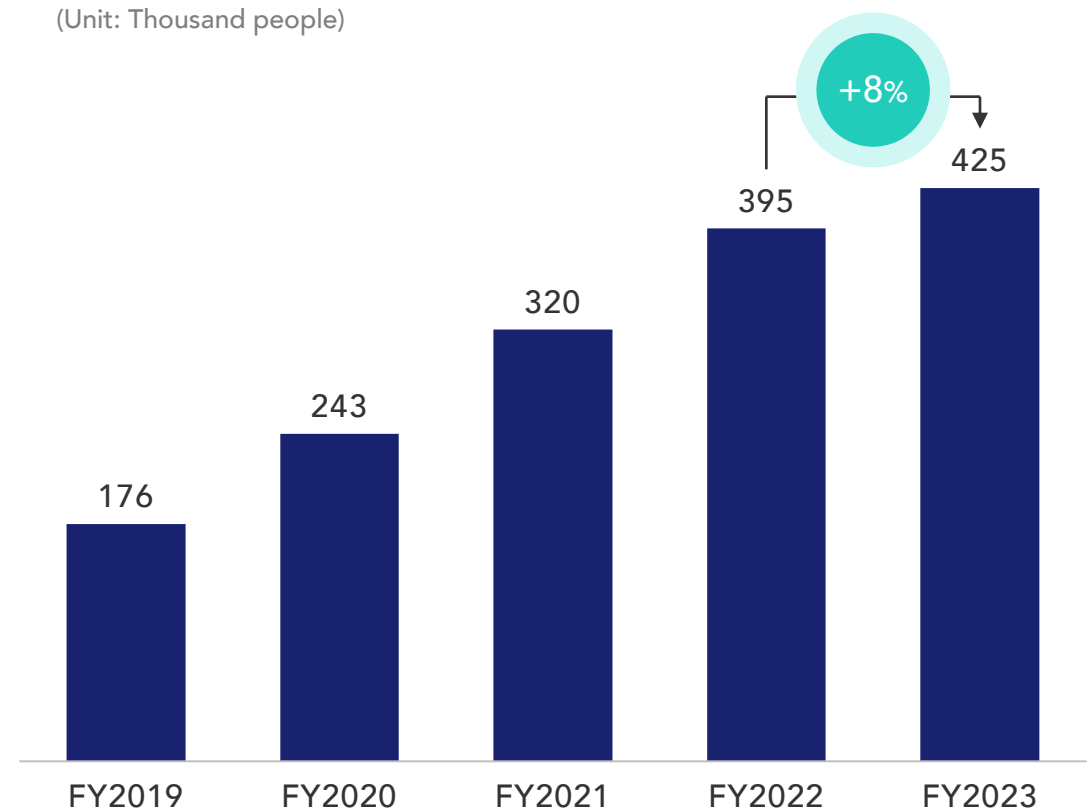
Registered Users*¹(End of Each Fiscal Year)

(Unit: Thousand people)



Annual Unique Buyers

(Unit: Thousand people)

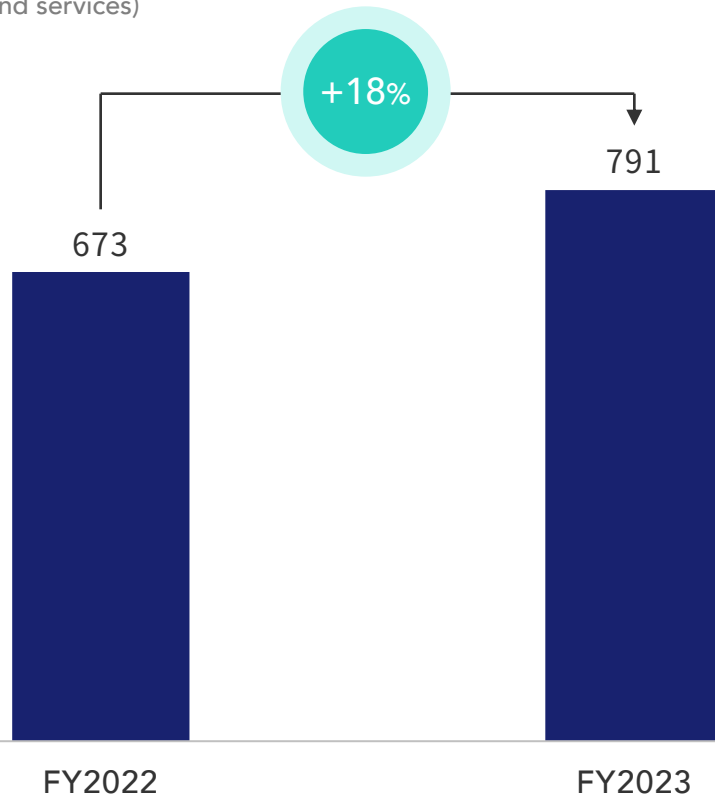


Marketplace: Number of Services on Offer, Number of Sellers

There was steady growth in each KPI

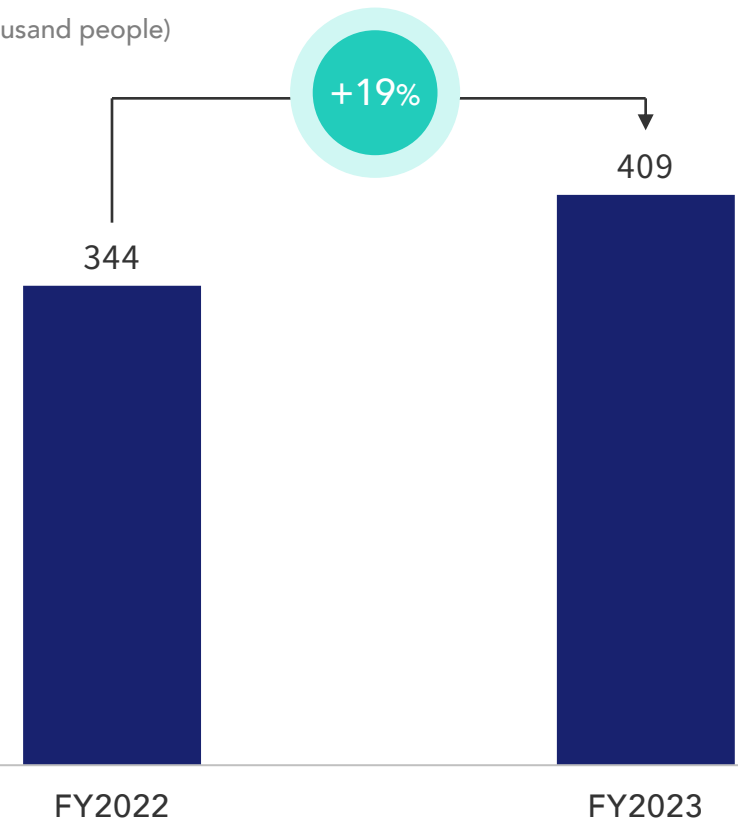
Number of Services on Offer*¹ (End of Each Fiscal Year)

(Unit: thousand services)



Number of Sellers*¹ (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^{*1} for new user acquisition is one month; the payback period^{*1} for web ad alone (excl. organic) is about one year.
- TVCM can also be paid back in a few years^{*1} (incl. indirect effects^{*2}).

*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



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

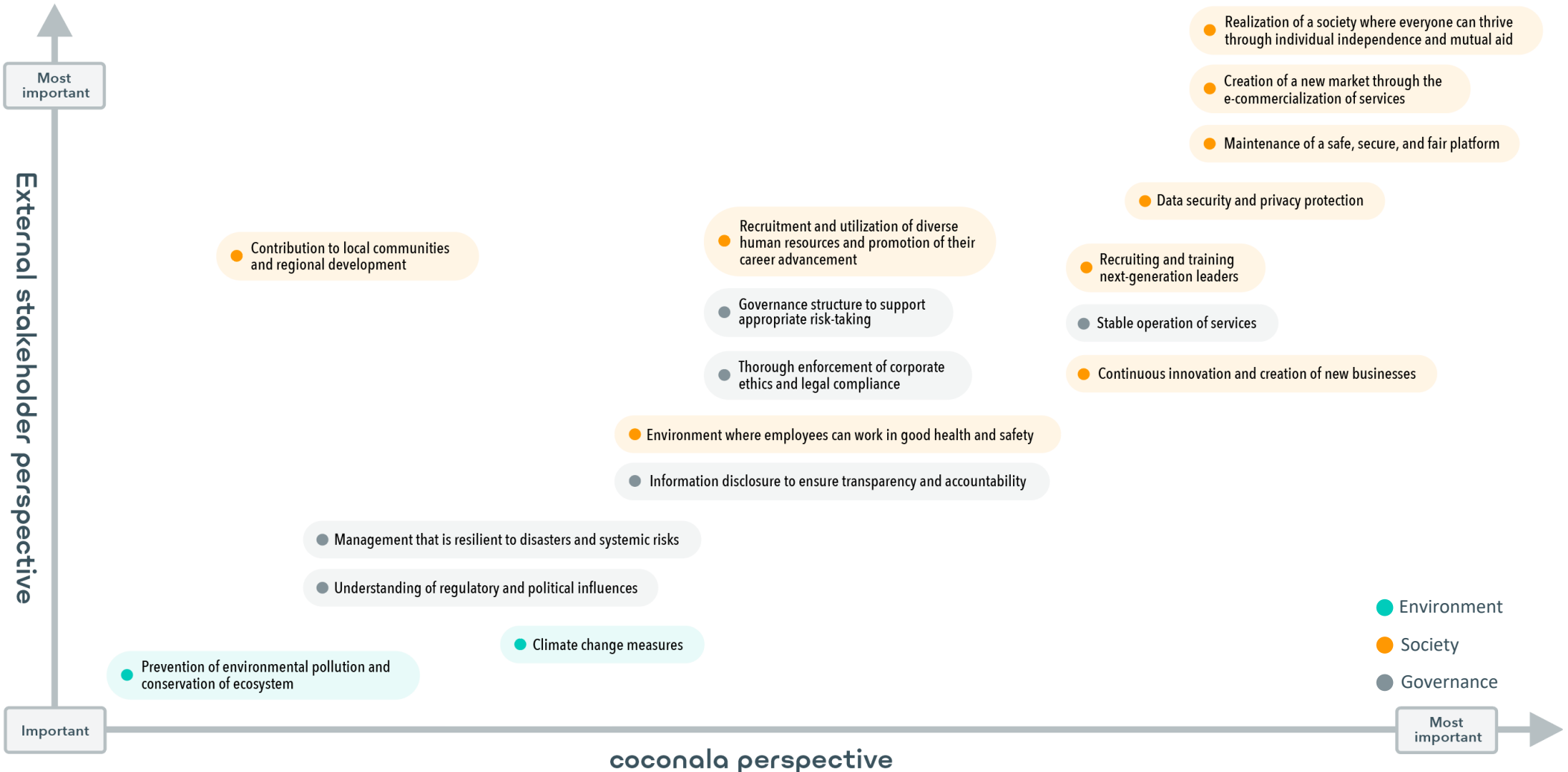


From FY2024 Q1

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."