

# **TSUKURUBA**

TSE Mothers : 2978

**Financial Results**  
**Fiscal Year 2020**  
Sep 13<sup>th</sup> 2021

**FY 2020**

Aug 1<sup>st</sup> 2020 to Jul 31<sup>st</sup> 2021

# Disclaimer

Handling of this material

This material includes forward-looking statements. These forward-looking statements were created based on the information available at the time they were created. They do not guarantee our future results and involve certain risks and uncertainties. Please note that actual results may differ materially from those discussed in the forward-looking statements due to changes in environments surrounding TSUKURUBA or any other factors.

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

TSUKURUBA is not obligated to update or revise any contents of the forward-looking statements within this material, even in cases such as where new information becomes available or future events take place.

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

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# Agenda

- 1. FY2020 Financial Highlights**
- 2. Actual Financial Results for FY 2020 4Q**
- 3. Actual Financial Results for FY 2020**
- 4. Business Policy and Forecast of Financial Results for FY2021**
- 5. Reference Materials**

# 1. FY2020 Financial Highlights

# FY2020 Financial Highlights

## Financial Results (FY2020 Q4)

- **Impact of COVID-19 has bottomed out and gross profit has reached a record-high level**

Revenue **486** M JPY (YoY **+72%**)

Gross Profit **363** M JPY (YoY **+72%**)

## Financial Results (FY2020 total)

- **Full year results exceeded the initial forecast**

Revenue **1,624** M JPY (YoY **-5%**, vs Initial Forecast **+152** M JPY)

Gross Profit **1,264** M JPY (YoY **+6%**, vs Initial Forecast **+27** M JPY)

Operating Profit **-358** M JPY (vs Initial Forecast **+205** M JPY)

## Forecast of Financial Results (FY 2021)

- **Re-Acceleration of growth in revenue and gross profit**

Revenue **2,450** M JPY (YoY **+51%**)

Gross Profit **1,780** M JPY (YoY **+41%**)

- **Make aggressive upfront investments to build competitiveness of the platform, allowing for limited losses towards growth** (Operating Profit -890 M JPY)

## 2. Actual Financial Results for FY 2020 4Q

# Companywide | FY2020 Q4 Quarterly Financial Highlights

Results for FY2020 Q4 showed a significant recovery compared to FY2019 4Q, which was significantly affected by COVID-19.

(Unit : M JPY)

	FY2020 Q4 (2021/5~2021/7)	FY2019 Q4 (2020/5~2020/7)	YoY
Revenue	486	282	+72%
Gross Profit	363	211	+72%
Operating Profit	-121	-117	-
Ordinary Profit	-125	-120	-
Net Profit	-229	-340	-

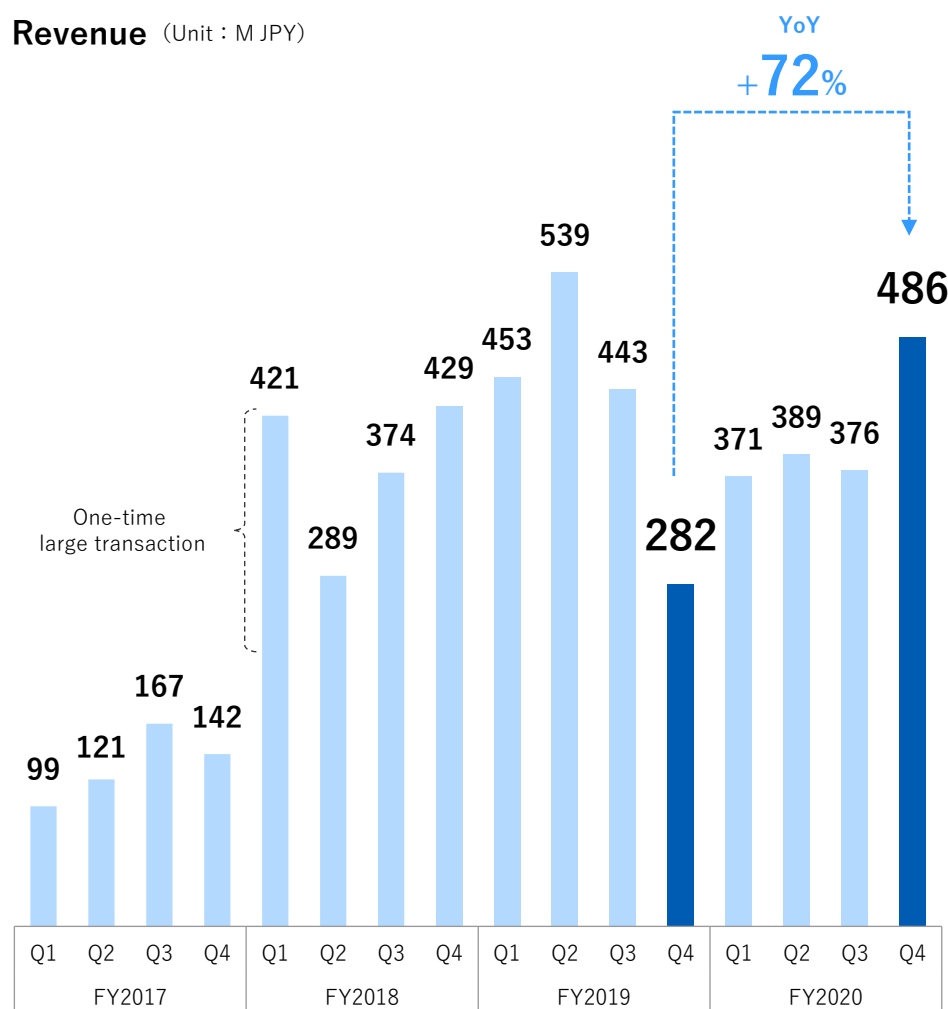
## Activities (Q4)

- 1B JPY was raised by way of issuance of new shares through third-party allotment
- Business alliance with Money Forward, Inc.
- Our first showroom of a renovated apartment room newly opened

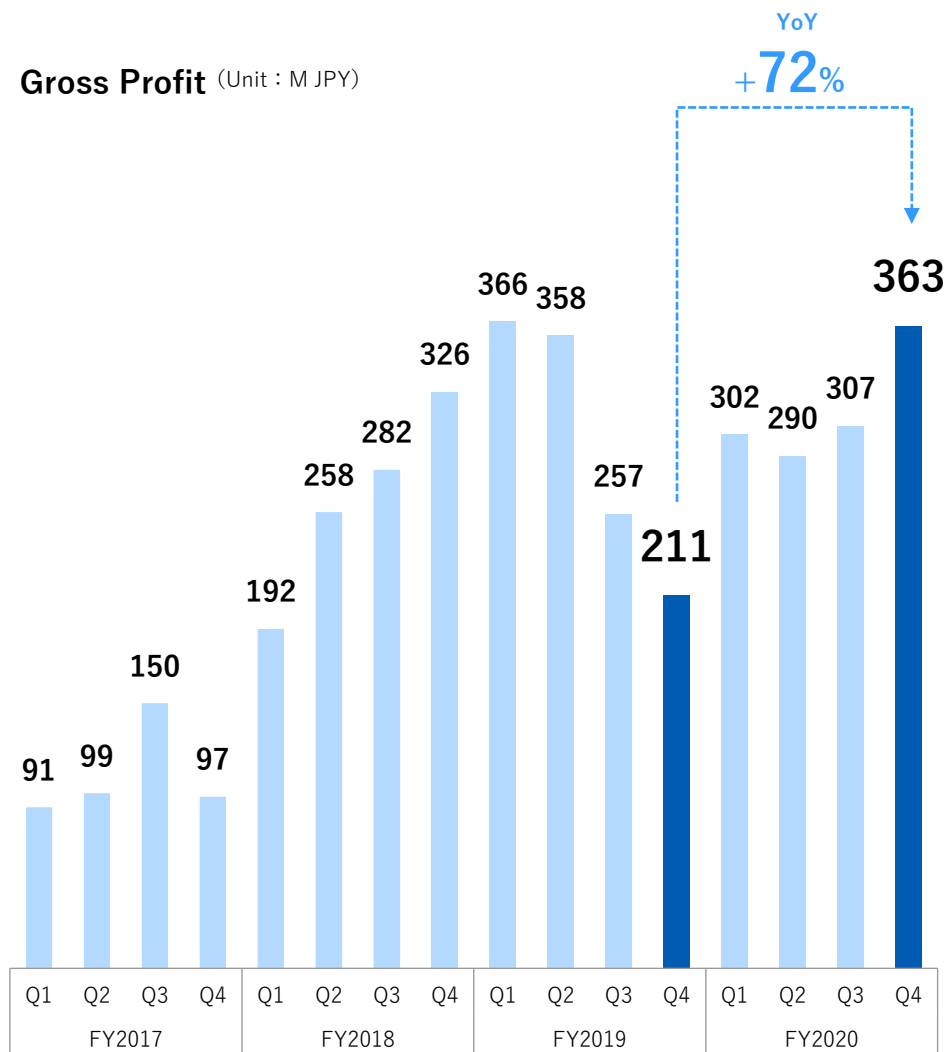
# Companywide | Revenue and Gross Profit

Impact of COVID-19 has bottomed out and gross profit has reached a record-high level.

Revenue (Unit : MJPY)



Gross Profit (Unit : MJPY)





# Segments | FY 2020 Q4 Financial Highlights by Business Segments

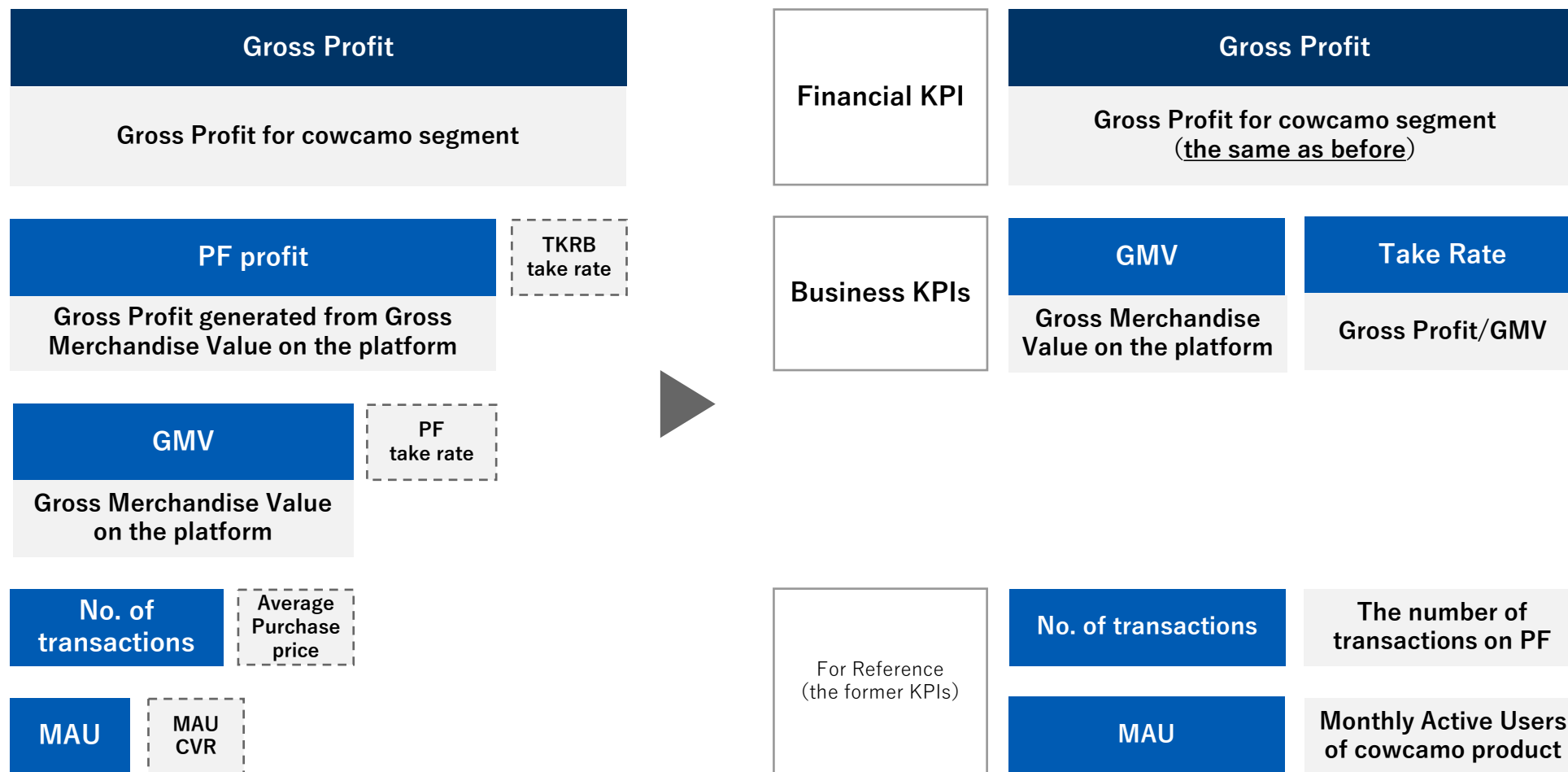
Impact of COVID-19 has bottomed out and cowcamo revenue and gross profit grew significantly

(Unit : M JPY)

		FY2020 Q4 (2021/5~2021/7)	FY2019 Q4 (2020/5~2020/7)	YoY
cowcamo	Revenue	381	177	+115%
	Gross Profit	331	176	+88%
	Business Segment Profit	-4	-21	-
PPD	Revenue	105	105	0%
	Gross Profit	32	34	-6%
	Business Segment Profit	6	18	-64%
Other	Corporate Expenses	-124	-114	-

# cowcamo | New KPIs for cowcamo platform

In FY2020, we focused on risk management for COVID-19 and Expansion of GMV. As for KPIs, we change our KPIs of cowcamo business to GMV and Take Rate in order to make the disclosure more investor friendly.



GMV : Gross Merchandise Volume Total circulation GMV on the platform, calculated by multiplying number of transactions by unit price.

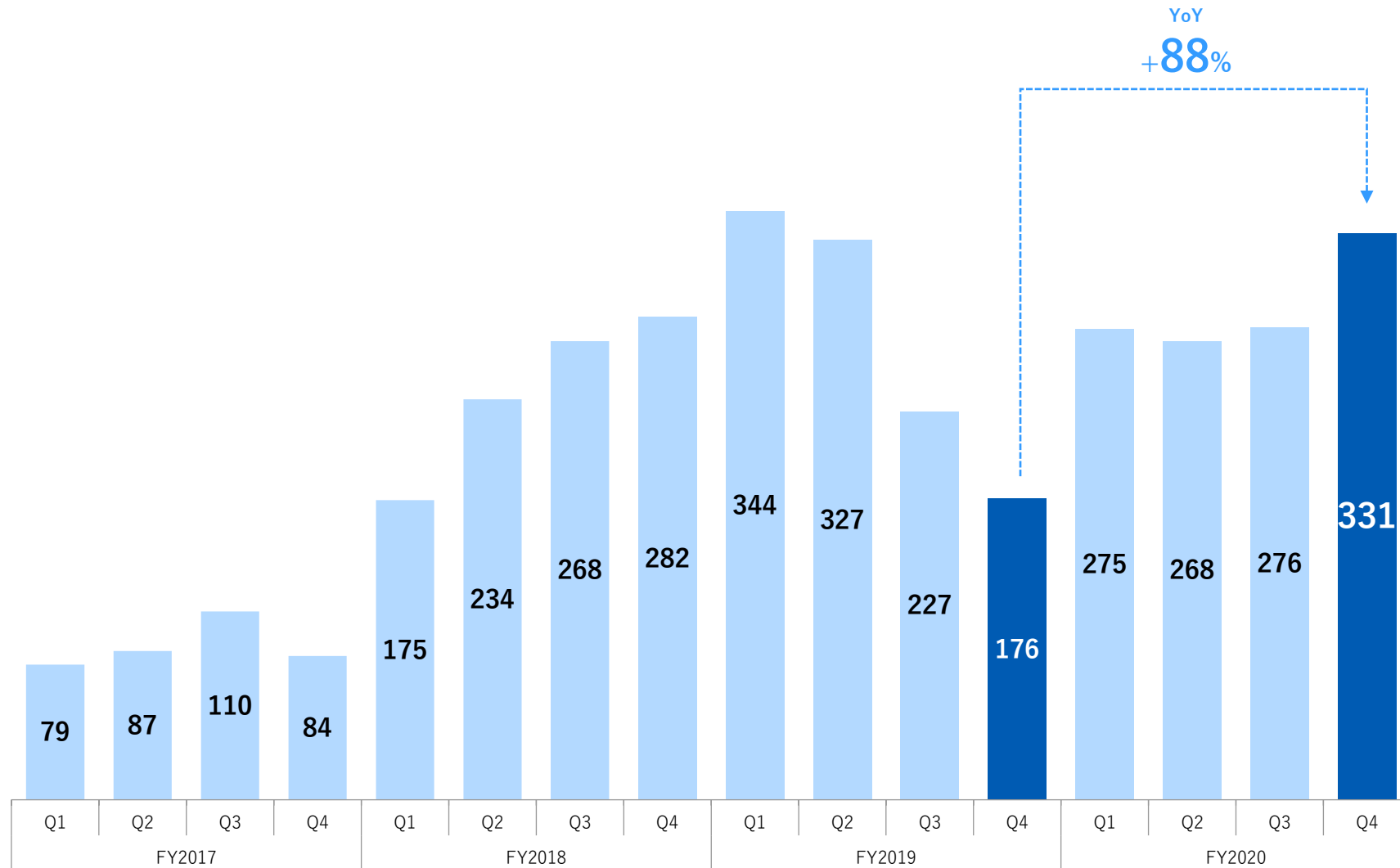
Take Rate : the commission rate charged for GMV, calculated by dividing the gross profit of cowcamo by GMV.

TKRB take rate: the ratio of PF profit that TSUKURUBA gains, calculated by dividing cowcamo's gross profit by PF profit.

PF take rate: the commission rate charged for PF GMV, calculated by dividing PF profit by GMV.

# cowcamo | Gross Profit

Impact of COVID-19 has bottomed out in FY2019 Q4 and gross profit of cowcamo has reached a record-high level



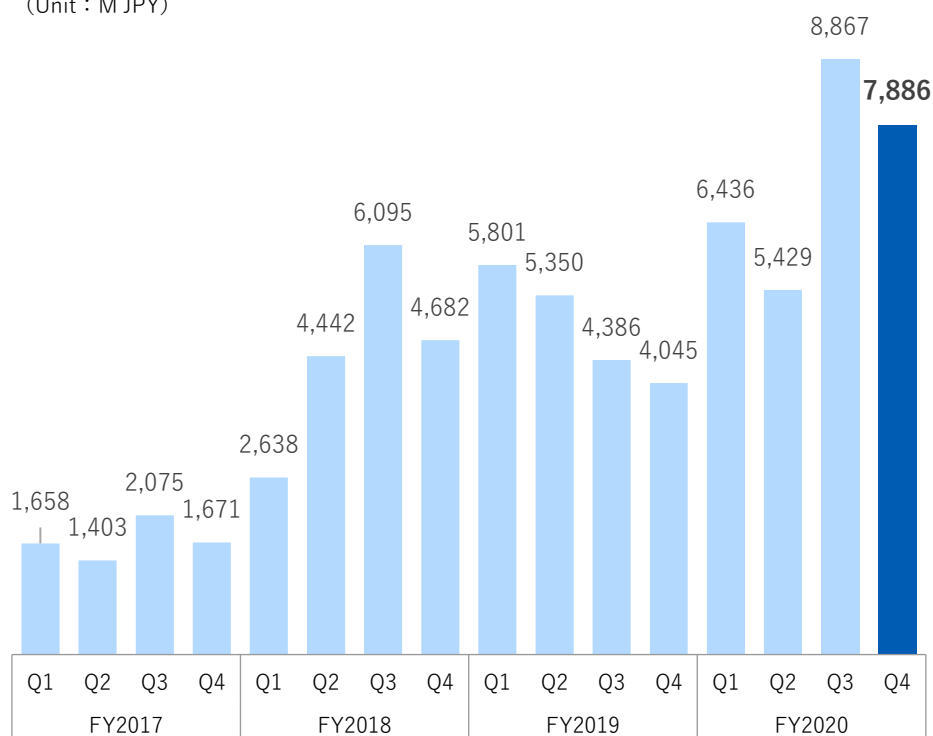
(Unit : M JPY)

# cowcamo | GMV • Take Rate

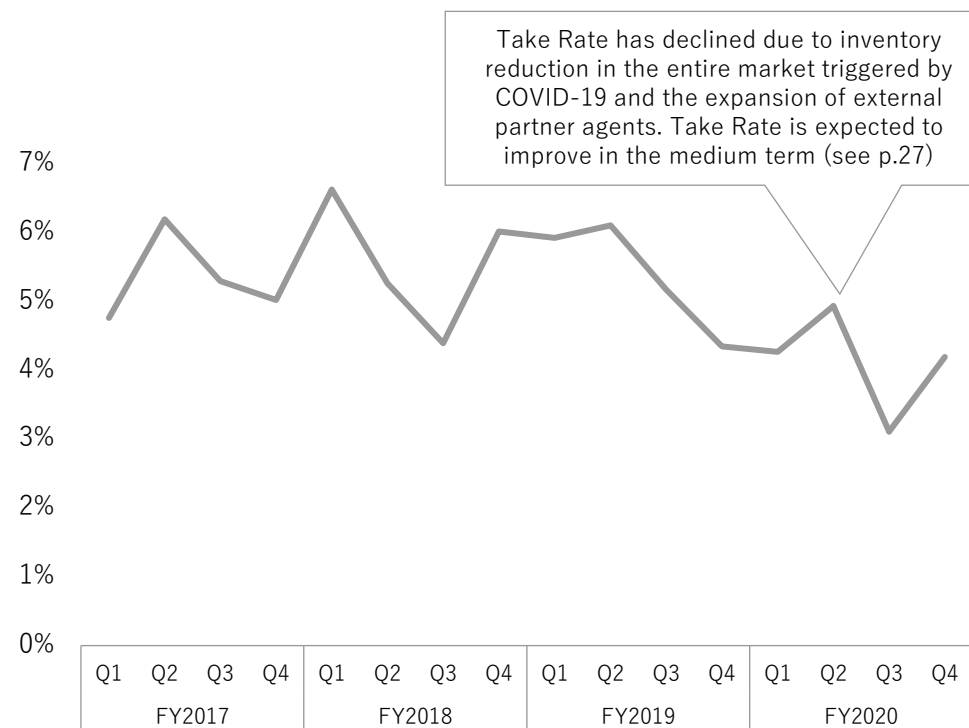
In FY2020, GMV grew significantly. As for Take Rate, the brokerage commission rate declined temporarily due to the impact of the market-wide inventory decline triggered by COVID-19 and the expansion of external partner agents as a risk control measure. Take Rate is expected to improve with the improvement of the supply and demand environment\* and the implementation of structural measures to improve Take Rate (see page 27).

## GMV

(Unit : M JPY)



## Take Rate



\* The number of condominiums in inventory in the Tokyo metropolitan area, which had been decreasing month-on-month for 13 consecutive months until June 2021, increased month-on-month in July and August 2021, showing signs of an improvement in the supply-demand environment at present.  
 (Source: East Japan Marketing and Communications Organization, "Monthly Flash Report: Market Watch Summary Report for August 2021")

# For Reference | Quarterly Financial and Business KPI Highlights

(Unit : M JPY)

	FY2018				FY2019				FY2020			
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
<b>Revenue</b>	<b>421</b>	<b>289</b>	<b>374</b>	<b>429</b>	<b>453</b>	<b>539</b>	<b>443</b>	<b>282</b>	<b>371</b>	<b>389</b>	<b>376</b>	<b>486</b>
Gross Profit	192	258	282	326	366	358	257	211	302	290	307	363
cowcamo	175	234	268	282	344	327	227	176	275	268	276	331
PPD	17	24	14	44	22	30	30	34	26	21	30	32
<b>Operating Expense</b>	<b>244</b>	<b>244</b>	<b>232</b>	<b>318</b>	<b>341</b>	<b>346</b>	<b>327</b>	<b>328</b>	<b>348</b>	<b>363</b>	<b>426</b>	<b>485</b>
cowcamo	137	148	140	189	203	193	196	198	223	261	298	335
PPD	14	14	10	18	17	14	16	15	24	21	19	25
Other	91	81	81	110	120	138	114	114	99	80	107	124
<b>Operation Profit</b>	<b>△52</b>	<b>13</b>	<b>49</b>	<b>7</b>	<b>24</b>	<b>11</b>	<b>△69</b>	<b>△117</b>	<b>△45</b>	<b>△72</b>	<b>△118</b>	<b>△121</b>

## Business KPIs

<b>GMV*1</b>	<b>2,638</b>	<b>4,442</b>	<b>6,095</b>	<b>4,682</b>	<b>5,801</b>	<b>5,350</b>	<b>4,386</b>	<b>4,045</b>	<b>6,436</b>	<b>5,429</b>	<b>8,867</b>	<b>7,886</b>
<b>take rate (%)</b>	<b>6.6</b>	<b>5.3</b>	<b>4.4</b>	<b>6.0</b>	<b>5.9</b>	<b>6.1</b>	<b>5.2</b>	<b>4.4</b>	<b>4.3</b>	<b>4.9</b>	<b>3.1</b>	<b>4.2</b>
PF profit*2, 3	175	234	268	282	344	327	227	176	296	291	310	402
No. of transactions*1	59	98	119	105	123	121	95	93	130	118	166	159
MAU (K)	25	27	28	29	36	40	44	50	54	59	62	59

\*1 based on contracts

\*2 based on payment and settlement

\*3 As PF profit is our old KPI, IR team will check the usage by investors and consider whether to continue disclosure.

## Topics | Issuance of new shares through third-party allotment

### Purpose for Offering

- Mid to long-term growth in cowcamo GMV

### Overview of Offering

- We have issued common shares through a third-party to Mr. Sago and One Globe Capital, Inc.
  - Number of new shares: 1,250,000 shares (Dilution Ratio: 12.66%)
  - Issue price : 800 JPY per share
    - Premiums applied to the recent (June 29) share price and the average share prices over the past one month, three months, and six months
  - Estimated net proceeds : 994 M JPY
  - Payment date : Aug 6<sup>th</sup> 2021

### Use of Funds

- In order to expand cowcamo GMV, we plan to utilize the procured funds on:
  - Personnel and hiring costs to enhance the service lineup to improve the customer experience
  - The expenses related to marketing aimed at acquiring users.

### Expected Effects

- Secure 3 billion yen in cash and deposits after raising funds, increase capital adequacy ratio and strengthen the financial base
- Involvement as advisors of both investors who have extensive experience in the financial industry and as executives, etc.

# Topics | Balance Sheet

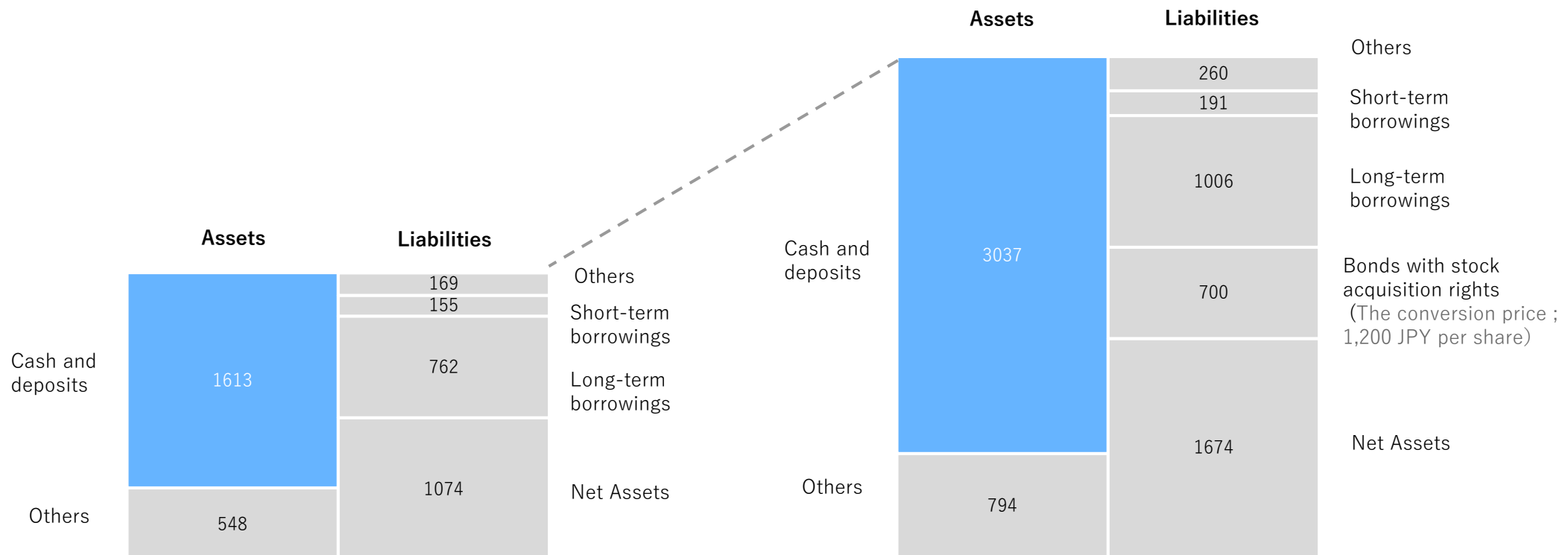
We have sufficient investment capacity with cash and deposits of over 3 billion yen. The balance sheet as of July 31, 2021 has been prepared after taking into account the impact of the third-party allotment of new shares conducted on August 6, 2021 (announced on June 30).

## As of July 31, 2020

(Unit : M JPY)

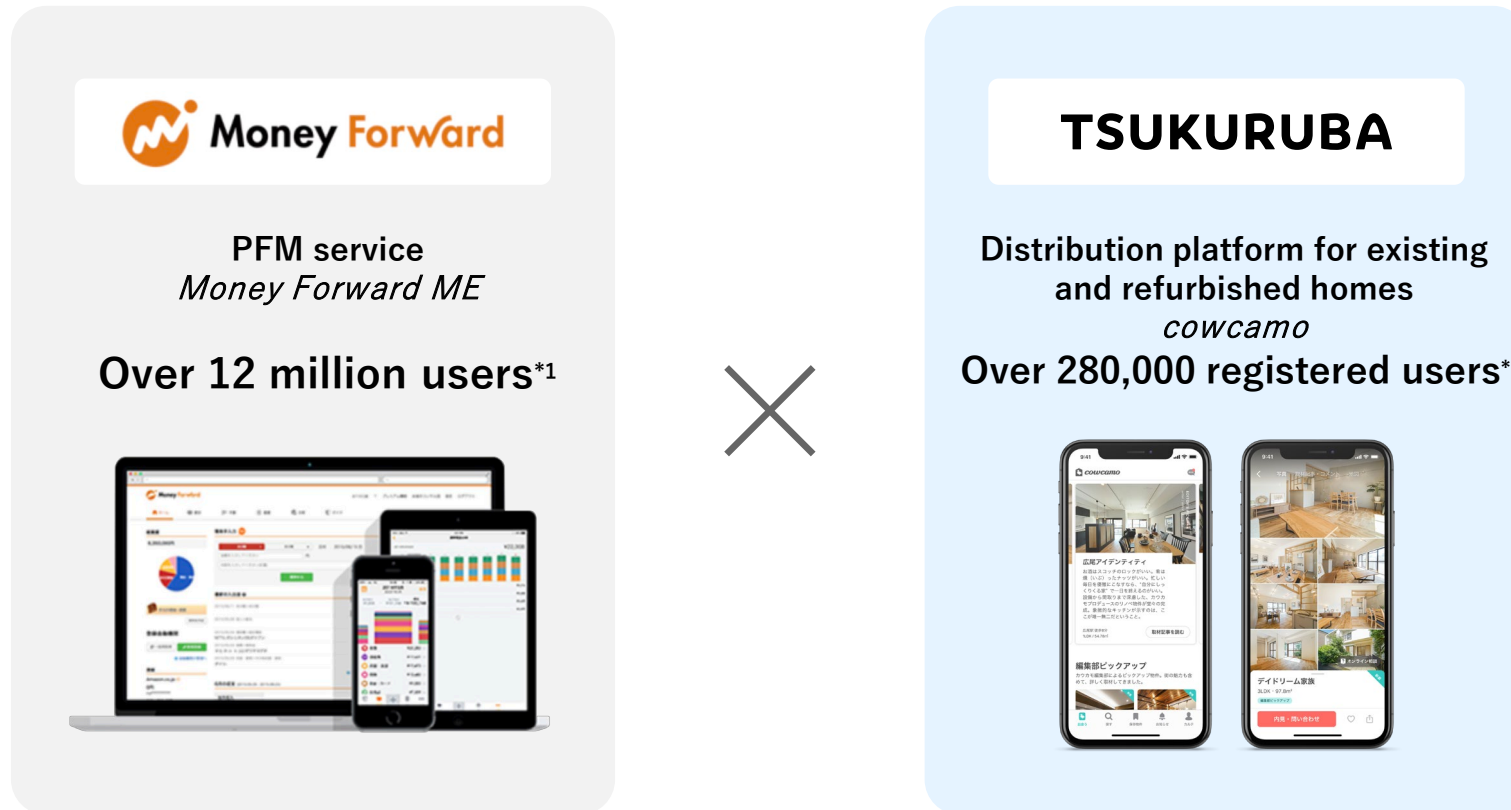
## As of July 31, 2021 + (Issuance of new shares through third-party allotment)

(Unit : M JPY)



# Topics | Business alliance with Money Forward, Inc.

Signed a business alliance agreement with Money Forward, Inc. and plan to launch support for home relocations through asset management in 2022, targeting residential real estate owners.



**Supports changes in customers' lifestyle  
through offering asset management solutions for real estate owners**

\*1 as of June 30, 2021

\*2 as of July 31, 2021



# Topics | Full-scale opening of renovation showroom

Opened a showroom in Jiyugaoka, Tokyo where customers can experience the renovation of cowcama using VR. In the trial, the showroom experience significantly improved the closing rate \*1, and the sophisticated user experience both online and offline will realize the opportunity of "buying a good house easily".

## User Experience



By actually experiencing the improvement of the quality of home through renovation, customers will be able to develop an image of their own life.



By experiencing the changes caused by renovation using VR, the image of renovation will be improved.



Learning through exhibits and tools of renovation will improve customers' understanding of renovation and relieve their concerns.

## Effect

**Improve closing rate through "customer experience"**  
**Increase in cross-selling of additional renovations, etc.**

\*1 Of the customers served in the first six months after the opening of the renovation showroom in Jiyugaoka ("SR"), we have obtained data showing that the customer closing rate of those who experienced SR exceeds three times of those who did not experience SR (customer closing rate: the number of people who signed contracts by September 9, 2021 divided by the number of people served, divided by the customer service closing rate of those who did not experience SR).

\*2 Some of the above photos are different from the actual ones.

### **3. Actual Financial Results for FY 2020**

# Companywide | FY2020 Full Year Financial Highlights

The financial results for FY2020 exceeded the initial forecast.

(Unit : M JPY)

	FY2020 (2020/8~2021/7)	FY2019 (2019/8~2020/7)		FY2020 Financial Forecast	
		Actual	YoY	Forecast	vs Initial Forecast
Revenue	1,624	1,718	△5%	1,472	+152
Gross Profit	1,264	1,194	+6%	1,237	+27
Operating Profit	△358	△150	-	△563	+205
Ordinary Profit	△358	△159	-	△573	+215
Net Profit	△482	△431	-	△587	+105

# Segments | FY 2020 Financial Highlights by Business Segments

In FY2020, GMV grew significantly beyond the initial forecast, but gross profit increased slightly due to a decrease in Take Rate. Made upfront investments in personnel and advertising costs in cowcamo while controlling business risk of COVID-19.

(Unit : M JPY)

		FY2020 (2020/8~2021/7)	FY2019 (2019/8~2020/7)	YoY	
cowcamo	Revenue	1,240	1,339	△7%	
	Gross Profit	1,152	1,077	+7%	
	Business Segment Profit	32	283	△89%	
	Business KPI	GMV	28,618	19,582	+46% (vs Initai Forecast : +1,318)
		Take Rate	4.0%	5.5%	△1.5pt
(Old KPI) PF profit		1,298	1,077	+21% (vs Initai Forecast : △2)	
PPD	Revenue	383	378	+1%	
	Gross Profit	111	116	△4%	
	Business Segment Profit	20	53	△61%	
Other	Corporate Expenses	△411	△487	-	

# cowcamo | Efforts related to KPIs

In FY2020, we focused to expand GMV and address the risk of COVID-19.

		Actual Results for FY2020	Major conditions and efforts for FY2020
Gross Profit	GMV	28,618 M JPY (YoY+46%)	<ul style="list-style-type: none"> <li>The impact of COVID-19 has bottomed out, and demand is recovering, with market prices continuing to rise (unit price per square meter, July 2021 YoY +8.4%*)</li> <li>Significant growth in MAU due to continuous user acquisition and development and improvement of services and products</li> <li>Expansion of operation area, large increase in property listings in Yokohama area</li> <li>Promoted improvement of customer experience across online and offline, including expansion of ancillary services such as renovation and opening of renovation showrooms</li> </ul>
	Take Rate	4.0% (YoY-1.5pt)	<ul style="list-style-type: none"> <li>Favorable trial of self-designed products (2.4 times the number of products supplied compared to FY2019)                             <ul style="list-style-type: none"> <li>Strong supply of "SELEC", a product planned in partnership with Star Mica</li> <li>Made progress in expanding the in-house brand product development system</li> </ul> </li> <li>Expanded brokerage of properties for individual sellers through marketing trials (2.2 times the number of brokerage properties acquired compared to FY2019)</li> </ul>
			<ul style="list-style-type: none"> <li>As the policy at the beginning of the fiscal year, we expanded the number of external agents to handle the risk of COVID-19, and established a system that enables GMV expansion while limiting the risk. As a result, Take Rate declined in FY2020 due to the outflow of a portion of gross profit (the impact of this measure on Take Rate was recognized as bottoming out in FY2020).</li> <li>Brokerage commission rate temporarily decreased due to inventory decrease in the market affected by COVID-19 and supply decrease by some flipping companies.</li> </ul>

\* Source: "Monthly Flash Report Market Watch Summary Report July 2021", East Japan Real Estate Information Organization

## 4. Business Policy and Forecast of Financial Results for FY2021

# Assumptions for Forecast of Financial Results for FY2021

This forecast has been prepared based on the following assumptions. As a basic policy, we will focus on the continued growth of cowcamo. Based on the strengthening of our financial base in FY2020, we have considered a large amount of SG&A expenses as upfront investment in FY2021.

## cowcamo

**Market:** The sudden change in the supply-demand environment caused by COVID-19 has subsided, and we expect continued growth in demand.

**GMV :** Expect approximately 30% growth YoY due to increase in number of customers, expansion of sales force and services, and strengthening of property supply

- Continue to acquire new customers at the same level as before
- Continue to expand sales force and services for buyers
- Expand supply by building business for sellers

**Take Rate :** Expect to increase by approximately 10% YoY by expanding private brand products and increasing the ratio of in-house agents

- Improved profitability through expansion of private brand property
- Increase in the ratio of in-house agents due to improved outlook for COVID-19

**Cost :** Incorporate upfront investment for continued growth in gross profit

- Advertising expenses to acquire customers [Upfront investment expected to be recovered in FY2022]
- Expansion of customer service bases and sales staff [Upfront investment expected to be recovered in FY2022]
- Development of services and products for buyers [Medium-term growth investment]
- Investment in growth of business for sellers [Medium-term growth investment]

## PPD

- We have not taken into account major changes in both gross profit and SG&A expenses as we prioritize the growth of cowcamo.
- We will continue to provide logistical support for cowcamo and develop trial of businesses for the medium to long term.

## Corporate Expenses

- Incorporate expenses for recruitment, personnel and stock-based compensation to strengthen the organization for continued growth [Strengthening the organization for continued growth]

## Other

- The impact of the new service with Money Forward has yet to be determined. Only costs are considered into the forecast [Medium-term growth investment].
- Other undetermined large transactions, extreme market fluctuations, new businesses and M&A are not taken into account.

\* Note: [ ] in the above corresponds to each item in "Upfront investment in SG&A expenses" on the next page.

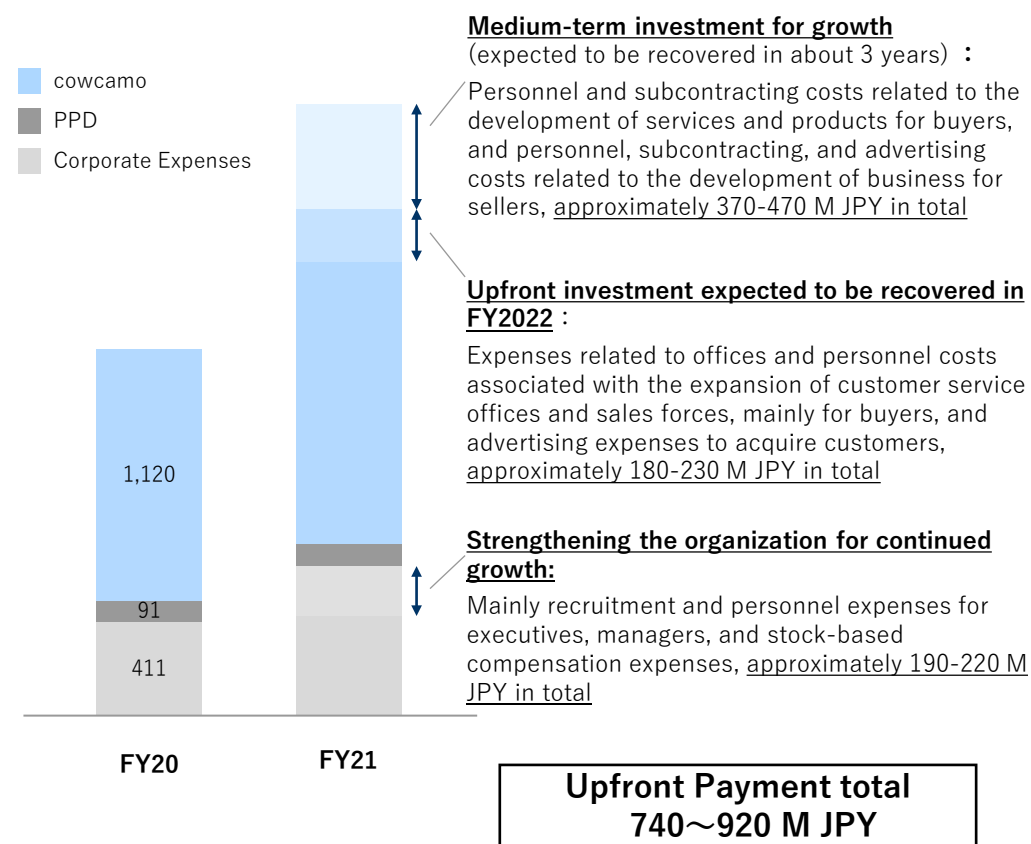
# Forecast of Financial Results for FY2021

From FY2021, we will aim for high growth in gross profit. Although the operating margin is expected to temporarily deteriorate due to upfront investments, we plan to set this period as the lowest level. We will make upfront investments while closely monitoring the business environment and business progress.

## Forecast of Financial Results (unit: M JPY)

	2022年7月期 業績予想	2021年7月期 通期実績	対前期 増減率
<b>Revenue</b>	<b>2,450</b>	<b>1,624</b>	<b>+ 51%</b>
<b>Gross Profit</b>	<b>1,780</b>	<b>1,264</b>	<b>+41%</b>
<b>Operating Profit</b> (of which, expenses for stock-based compensation)	<b>△890</b> (△57)	<b>△358</b> (△34)	<b>—</b>

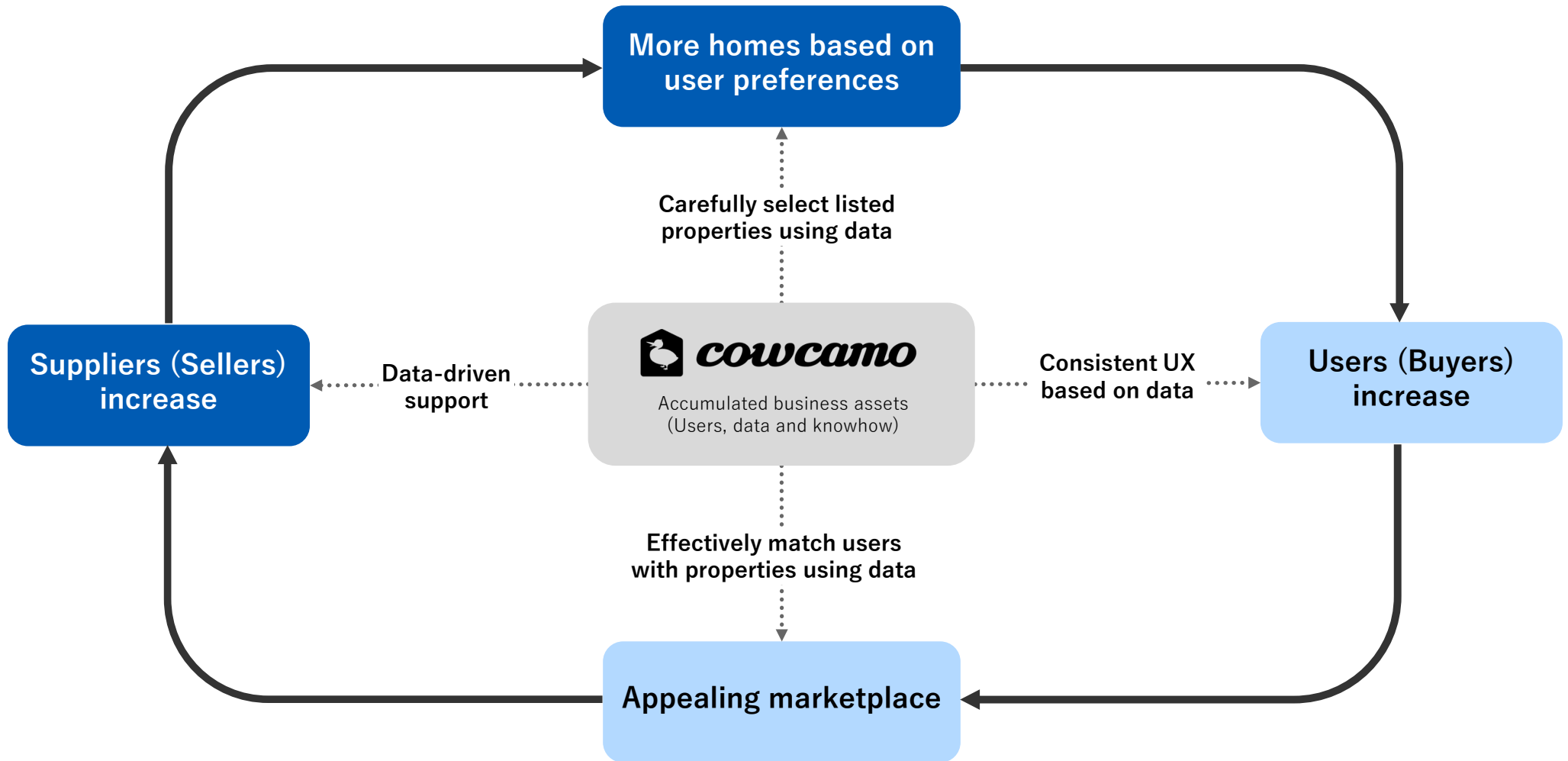
## Upfront investment of SG&A expenses (Unit : M JPY)





# Promoting the growth of a real estate brokerage platform for used and renovated properties

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 strengthen our measures to acquire sellers and expand our supply.



# cowcamo | FY2021 Business policy for the growth of gross profit

In order to achieve high growth in gross profit, we will work to improve GMV and Take Rate from both the seller and buyer sides. In FY2021, we will focus on increasing the supply of properties and improving Take Rate structurally through development of business for sellers.

		For Sellers	For Buyers
Gross Profit	GMV	<p><b><u>Expansion of property supply by building business for sellers (A)</u></b></p> <ul style="list-style-type: none"> <li>• Develop individual seller channel</li> <li>• Expand supply by strengthening cooperation with flipping companies</li> <li>• Continue to develop new services for sellers through the alliance with Money Forward</li> </ul>	<p><b>Promote user acquisition, improve CX, and expand scale of operations as before</b></p> <ul style="list-style-type: none"> <li>• Continue to grow user base</li> <li>• Continuously improve services and products</li> <li>• Expansion of operation area</li> <li>• Improve CX at OMO* (customer service locations, seminars, etc.)</li> </ul>
	Take Rate	<p><b><u>Promotion of structural Take Rate improvement (B)</u></b></p> <ul style="list-style-type: none"> <li>• Expansion of support services for flipping companies (increase in planning fees, etc.)</li> <li>• Expansion of private brand properties (acquisition of added value related to the development and planning)</li> <li>• Trial of additional services for sellers</li> <li>• Expansion of additional services for buyers (up-selling to buyers)</li> <li>• Expansion of sales force (increase in ratio of in-house agents due to improved outlook for COVID-19)</li> </ul>	

OMO: Abbreviation for Online Merges with Offline. It is a customer-oriented concept that integrates online and offline to create a better customer experience.

# cowcamo | A: Expansion of property supply by building business for sellers

In order to build the business for sellers, we will accelerate our efforts to "develop the individual seller channel" and "expand supply by strengthening cooperation with flipping companies. By doing so, we will expand the supply of unique properties that can be sold on cowcamo platform and contribute to the improvement of GMV by enhancing the product lineup and customer experience for buyers.

## Development of the individual seller channel

## Expand supply by strengthening cooperation with flipping companies

### Overview

#### Strengthen marketing, and development of services for individual sellers

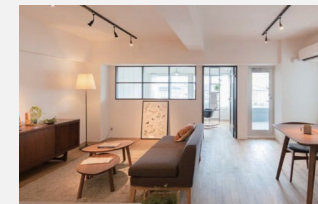
- Matching with groups of prospective buyers of used and renovated properties
- Appropriate evaluation and assessment of renovation



※The partnership with Money Forward will continue as a service development for individual sellers.

#### Expand the supply of properties in cooperation with flipping companies, focusing on the following measures

- Expansion of support services for flipping companies
- Expand supply of private brand properties\* through alliances with flipping companies



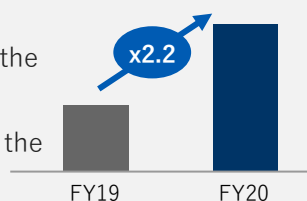
### Contribution to GMV

In addition to the direct increase in the number of transactions, it also contributed to the indirect increase in the number of transactions by strengthening the product lineup for buyers and increasing the number of customers changing their residence.

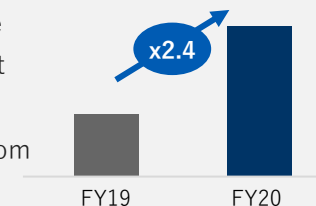
In addition to the direct increase in the number of transactions due to the increase in sales of private brand properties, this will indirectly contribute to the increase in the number of transactions by strengthening the product lineup and improving the customer experience for buyers.

### Trial results for FY21

As a result of improvements of the sale website and trials of marketing measures, the number of brokerage contracts\* with individual sellers increased **2.2** times from the previous fiscal year.



As a result of strengthening the alliance with Star Mica and piloting the "Support Service for flipping companies", private brand properties increased **2.4** times from the previous fiscal year.



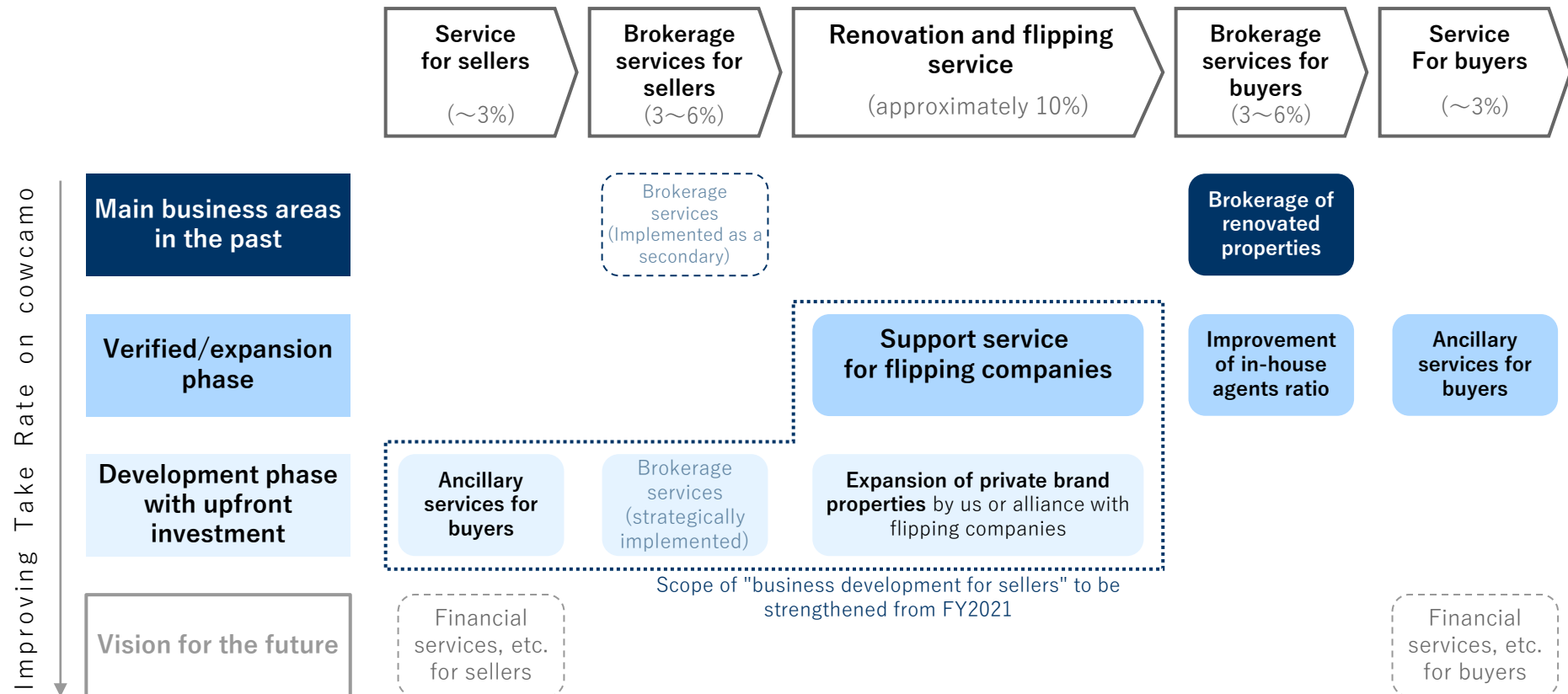
Number of brokerage contracts: Number of brokerage contracts concluded.

Private brand properties: Properties for which we have planned and developed renovations utilizing our own data. (Sold to clients as "branded" or "produced" properties on the cowcamo platform)

# cowcamo | B : Promotion of structural Take Rate improvement

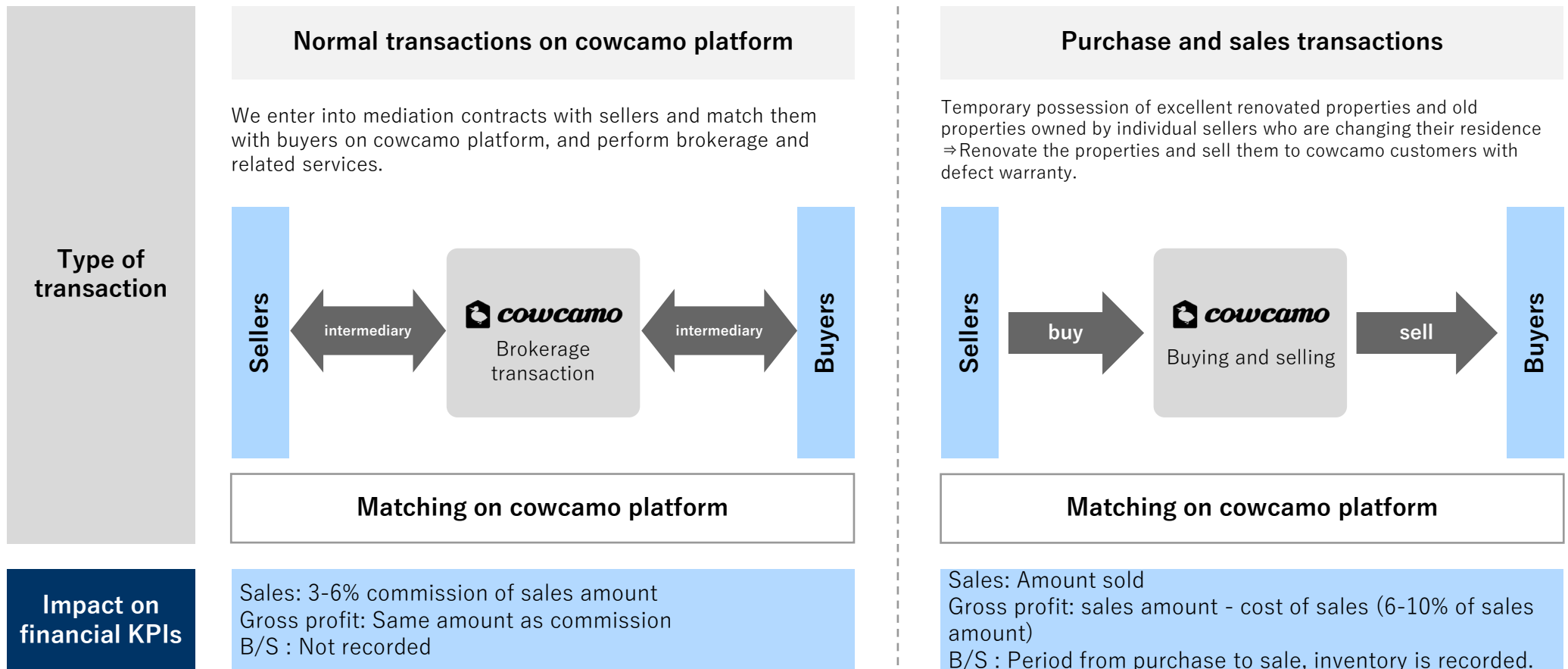
From FY2019, we have been experimenting with ancillary services for buyers and support services for flipping companies. In addition, from FY2021, we plan to strengthen our efforts to build business for sellers. By expanding these initiatives, we will structurally improve Take Rate of cowcamo business.

Value-added structure in the distribution process of used property  
(Figures in parentheses indicate the Take Rate that can be obtained)



# (Reference) Partial Occurrence of Purchase and Sales Transactions for Private brand properties by us

As part of the measures to strengthen services for sellers based on our growth strategy, we will conduct purchase and sales transactions mainly with individual seller customers of cowcamo. Transactions will be limited to those where risk can be controlled based on our copious customer needs data. In the medium to long term, we plan to use our accumulated proprietary data, rather than capital strength, as our strength, and to create a scalable structure through off-balancing.



## 5. Reference Materials

# Technology company in the housing and real estate field

TSUKURUBA is a technology company in the housing and real estate field. It operates two business segments: the cowcamo business, a distribution platform for used and renovated properties, and the property planning and design business, which works with other companies to create the next core pillar of our own business.

## cowcamo Business



We are working on innovation of the distribution structure of houses by planning, developing and running “cowcamo”, our end-to-end real estate brokerage platform for used and renovated properties.

## Property Planning and Design(“PPD”) Business



We will create new businesses by utilizing the know-how and assets cultivated in our spatial design and consulting business and our own shared workplace business, and by actively collaborating with external partners.

# Management team with background in technology, business and design (as of September 13, 2021)

TSUKURUBA is managed by management members who are experienced in the field of technology and have a wealth of knowledge in design that creates added value in the real estate field. Our members' backgrounds are a necessary fit for a technology company in the housing and real estate field. We have changed from two representative director system to a single representative director system for the purpose of quick decision making.



**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 information. Founded TSUKURUBA in August 2011 with Masahiro. Graduate of Rikkyo University.



**Hiroshi Kitahara**  
COO

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



**Ryohei Koike**  
CFO

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



**Masahiro Nakamura**  
Director & Co-founder

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



**Shinichi Takano**  
External Director

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



**Hidekazu Suzuki**  
External Director

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



**Yoshinori Fukushima**  
External Director

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

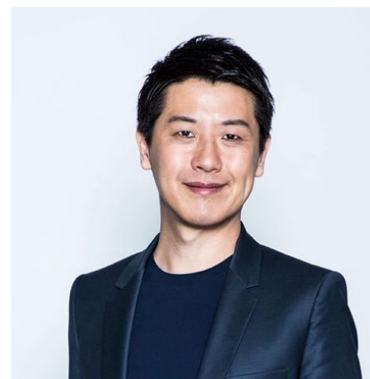


# Plans to change management structure to improve corporate value

Mr. Takeuchi is scheduled to be invited as a new outside director with the aim of strengthening the corporate governance system as a technology company. TSUKURUBA will have three internal directors and three external directors including the new candidate.

Title	Name
Representative director	Hiroki Murakami
Director	Hiroshi Kitahara
Director	Masahiro Nakamura
<b>Outside director (new)</b>	<b>Shin Takeuchi</b>
Outside director	Hidekazu Suzuki
Outside director	Yoshinori Fukushima
Fulltime auditor	Keiko Hattori
<b>Auditor (new)</b> ※change from outside director	<b>Shinichi Takano</b>
Outside director	Keiko Hatano

With respect to the officers whose terms of office will expire at the conclusion of the 10th Ordinary General Meeting of Shareholders, it was also resolved to submit a proposal for their reappointment, and the members of the Board of Directors after the said General Meeting of Shareholders are planned to be as above.



**Applicant of new outside director**  
**Shin Takeuchi**  
CTO of Visional, Inc.

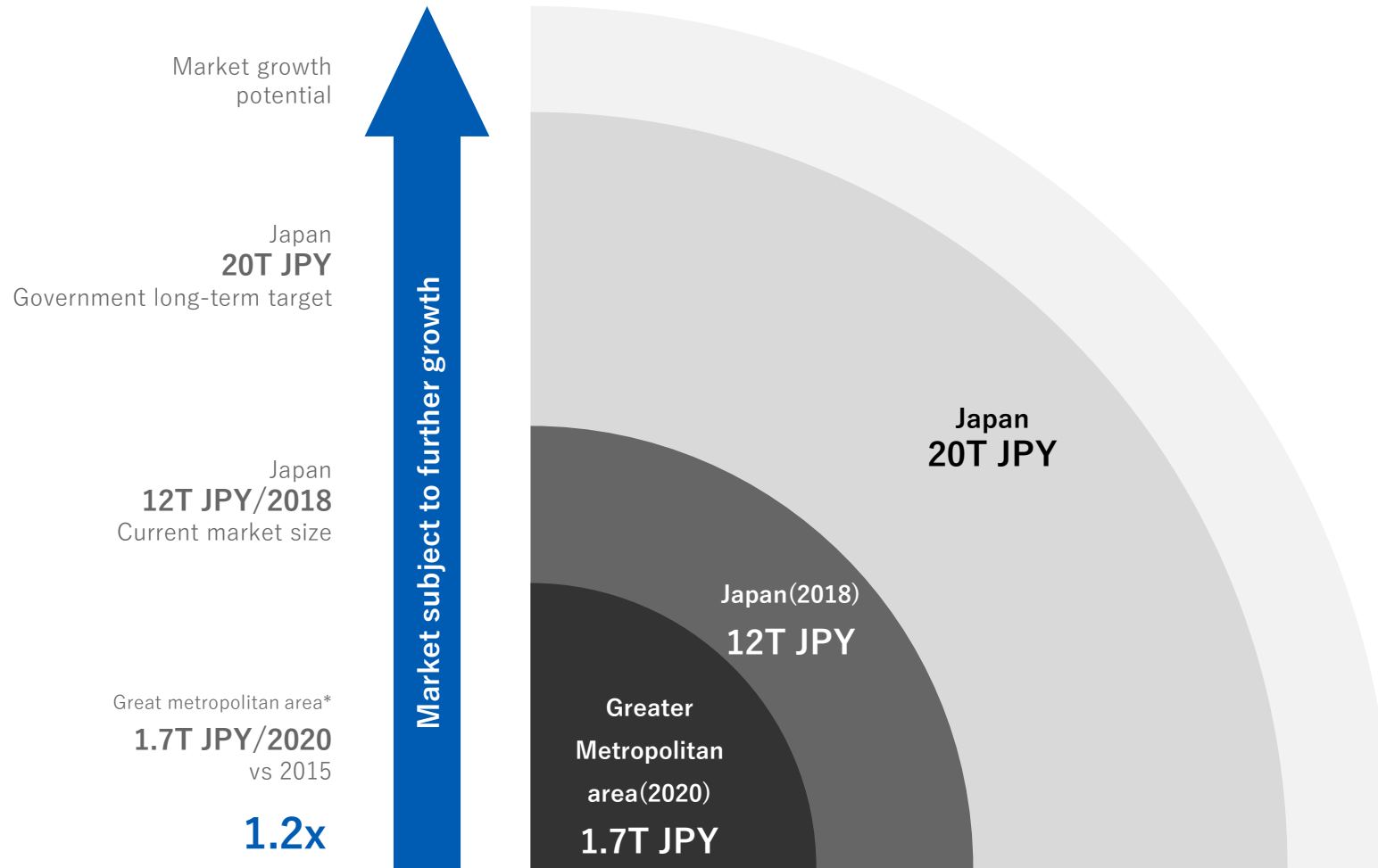
## <Purpose of the appointment of candidates>

- Supervision of decision-making aimed at maximizing corporate value
- Strengthen governance as a tech growth company

Career	
Apr. 2001	Joined FUJI SOFT INCORPORATED
Mar. 2007	Started own business as a freelancer
Dec. 2008	Joined BizReach Inc.
Jan. 2013	Appointed Director of BizReach Inc.
Sep. 2019	Appointed as Director of Japan CTO Association (current)
Feb. 2020	Appointed as CTO of Visional, Inc. (current)

# The used home and renovation market is expected to grow to 20 trillion yen over the long term

The used home and renovation market is expected to grow to 20 T JPY over the long term.



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

Source: Real Estate Information Network for East Japan / Prime Minister's Office of Japan, "Growth Strategy 2017", Ministry of Land, Infrastructure, Transport and Tourism "Basic Plan for Housing and Living" (March 9, 2021)

# cowcamo | Structural changes in the market due to the expansion of used housing

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

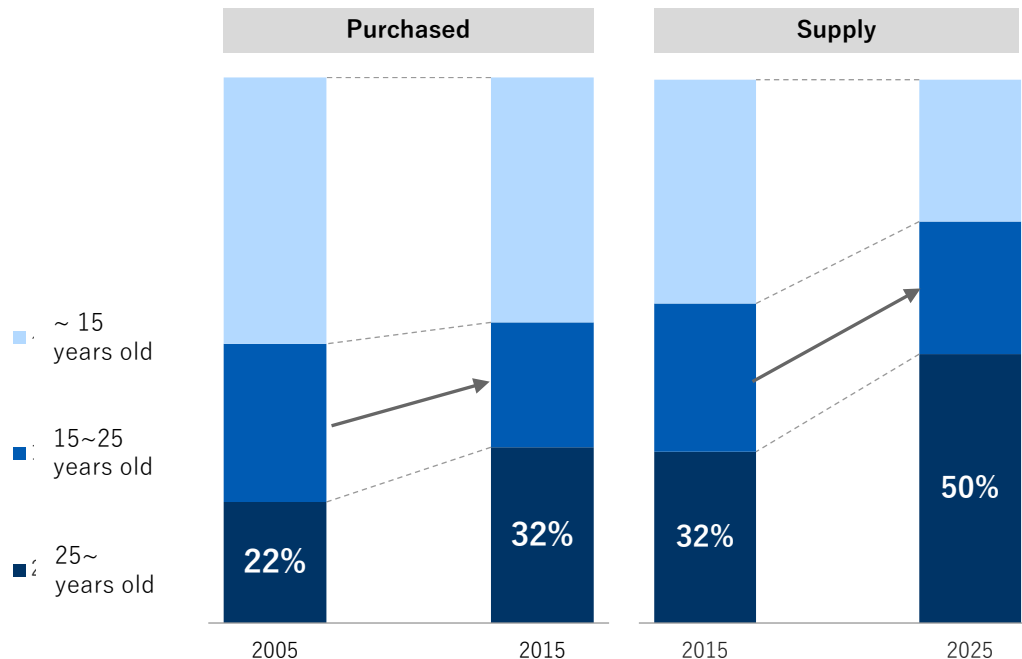
## Properties that are 25 years old or more will occupy half of the market

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

## Renovation will become a mainstream option

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

Share of used apartments in the Greater metropolitan area by the age of properties (2005-2025)



### Formation of renovated apartment market

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

### Diversification of types of used apartments

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

### Changes in the used property businesses

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

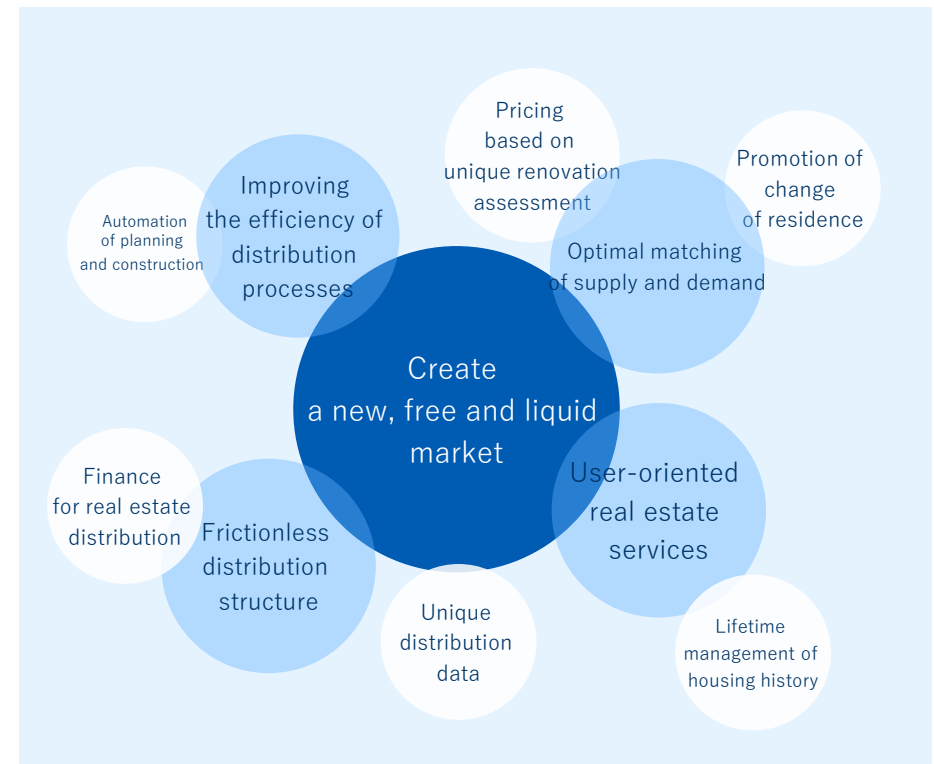
Source: Above graph was created using data provided by Real Estate Information Network for East Japan

## cowcamo | Social issues addressed by cowcamo

By providing user-oriented real estate services and improving the efficiency of the distribution process based on accumulated data, we will reduce distribution structure friction and optimize the matching of supply and demand, thereby creating a new market that is free and highly liquid. We will form a new market with a high degree of freedom and liquidity. Through these activities, we will contribute to the realization of a society in which high-quality housing stock is accumulated and circulated, which is considered a social issue.

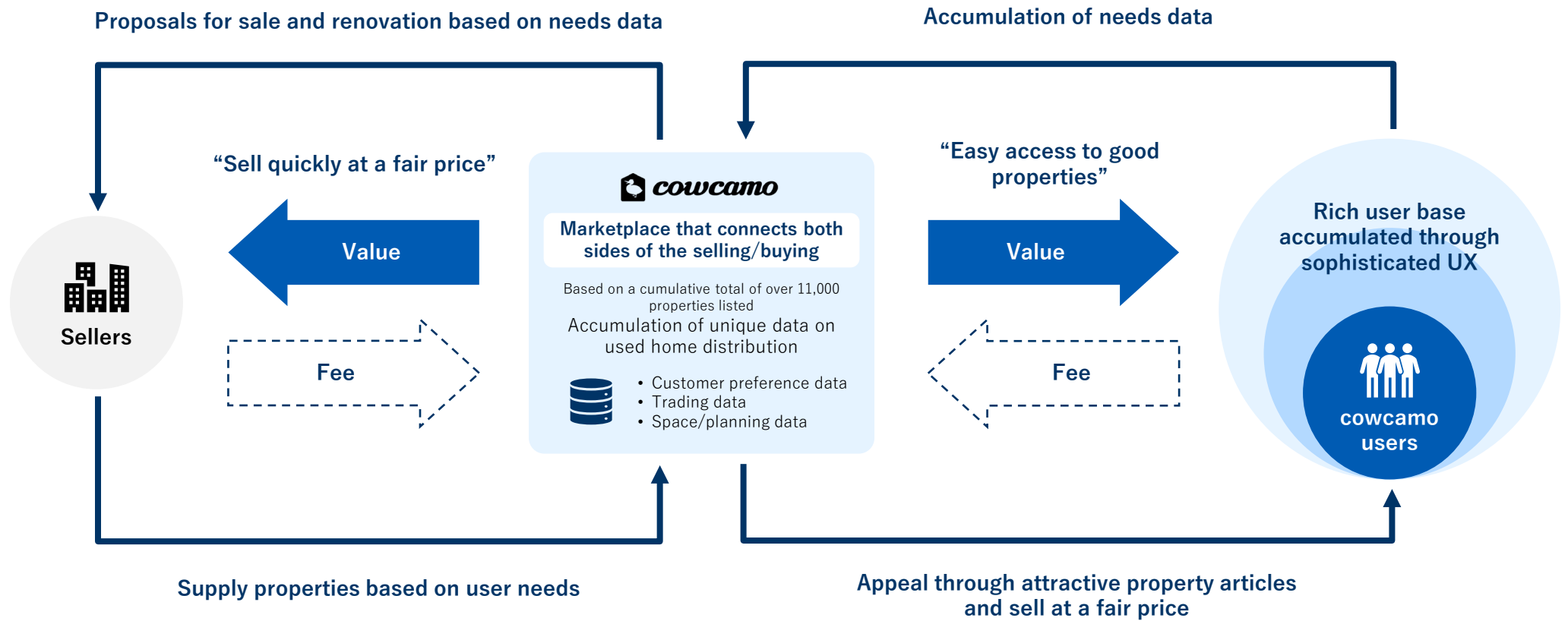
### < Issues with the existing distribution system >

- High level of intermediary exploitation due to involvement of many intermediary businesses
- Inefficient distribution process due to lack of IT
- Renovation value and qualitative use value are difficult to be incorporated into property prices.
- The industry structure is operator-oriented, making it difficult to supply products and services that meet user needs.



# cowcamo | Business model

cowcamo is a marketplace-type platform that mediates between sellers and buyers of used and renovated housing. By utilizing accumulated data on buyers' preferences and spatial data, and by intervening in the distribution of properties supplied by sellers, cowcamo provides unique value to both sellers and buyers and builds a growth cycle of selling and buying.

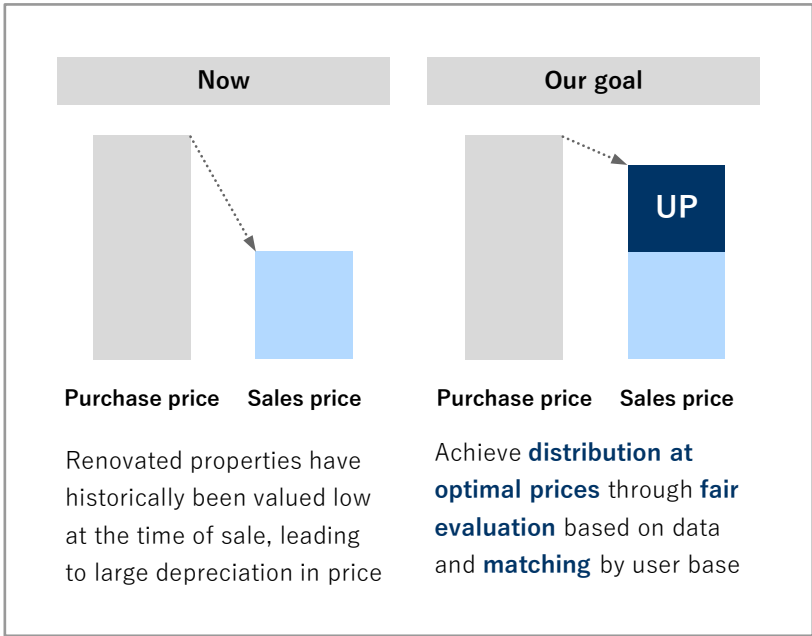


# cowcamo | Long-term Goal of Improving QOL & Leading the Used Property Market

In the long term, cowcamo will promote the change of residence in accordance with lifestyles by forming a system to properly evaluate renovations, thereby contributing to the improvement of QOL (quality of life) and the expansion of the used property distribution market.

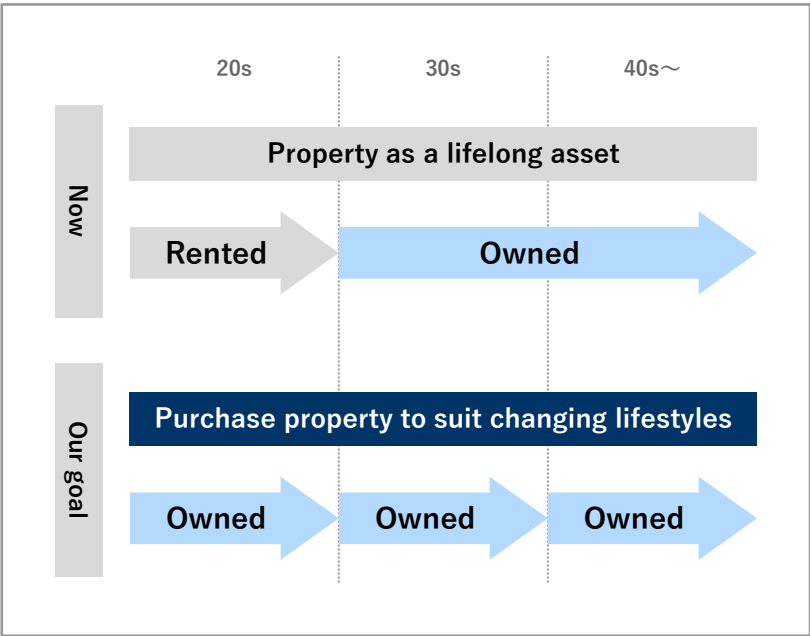
## Increase Price

- Fair evaluation of renovated properties through data accumulation
- Optimal matching through a rich user base



## Increase frequency of home purchases

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



= Expand TAM

# Balance Sheet

(Unit : M JPY)

	As of Jul 31, 2020	As of Jul 31, 2021
<b>Current Assets</b>	<b>1,660</b>	<b>2,646</b>
<b>Cash &amp; Deposits</b>	<b>1,613</b>	<b>2,243</b>
<b>Non-Current Assets</b>	<b>502</b>	<b>390</b>
<b>Total assets</b>	<b>2,162</b>	<b>3,037</b>
<b>Current Liabilities</b> (of which, interest-bearing liabilities)	<b>305</b> (155)	<b>430</b> (191)
<b>Non-Current Liabilities</b> (of which, interest-bearing liabilities)	<b>781</b> (762)	<b>1,727</b> (1,706)
<b>Net assets</b>	<b>1,074</b>	<b>879</b>
<b>Share Capital</b>	<b>610</b>	<b>30</b>
<b>Capital Surplus</b>	<b>1,322</b>	<b>1,149</b>
<b>Total Liabilities &amp; Net Assets</b>	<b>2,162</b>	<b>3,037</b>

## (For Reference) Share Price and Trading Volume

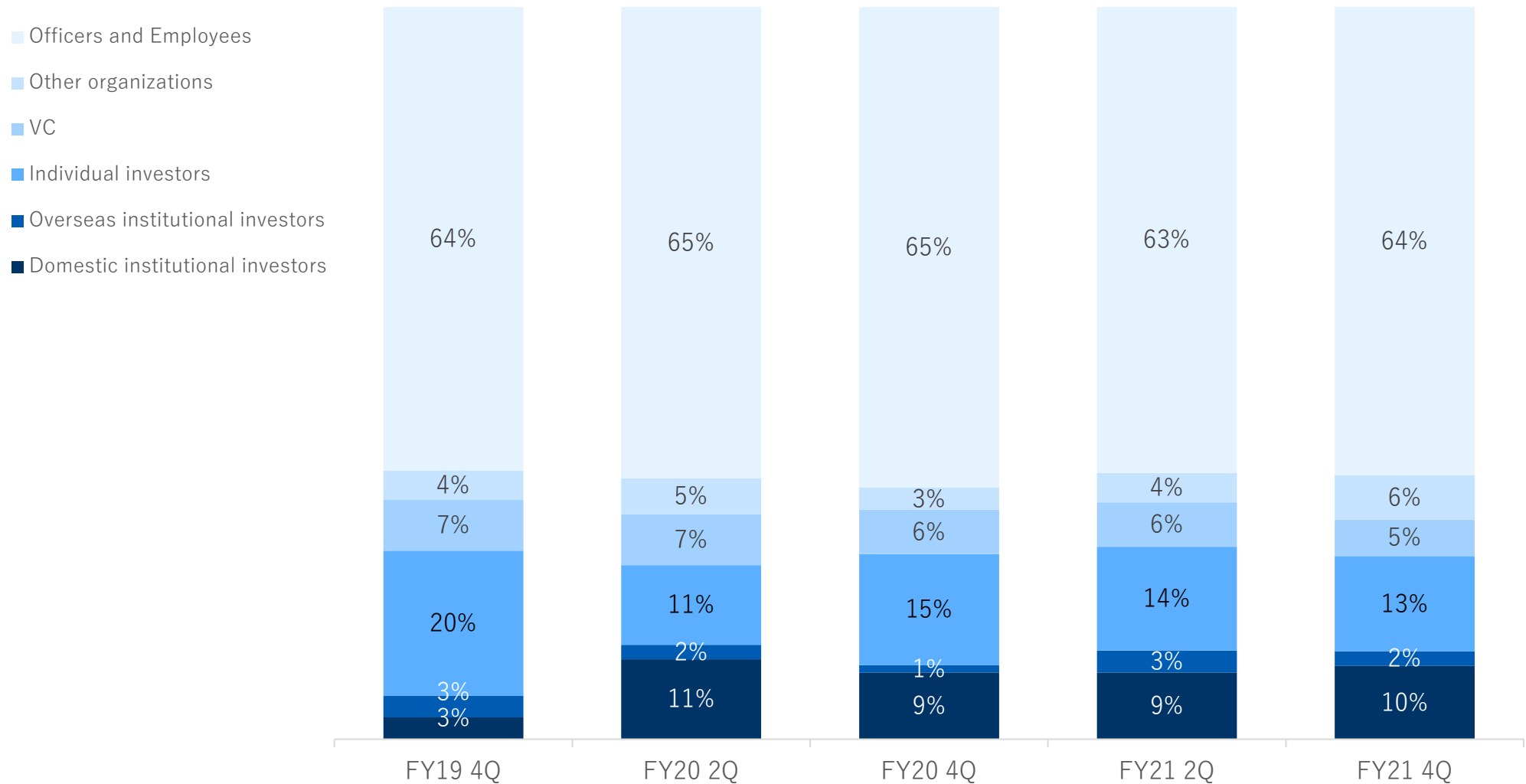
Although stock price and trading volume had been low under COVID-19, they have been on a recovery trend since the announcement of third-party allocation of new shares on June 30, 2021. Our basic policy is to improve the recognition and understanding of TSUKURUBA through proactive IR activities, and to continue to improve trading volume of our shares.





## (For Reference) Shareholder Composition

Changes in the shareholder composition ratio are as follows. We will make greater efforts to provide information to individual investors and institutional investors and strive to enhance disclosure that contributes to the investment decisions of long-term investors.



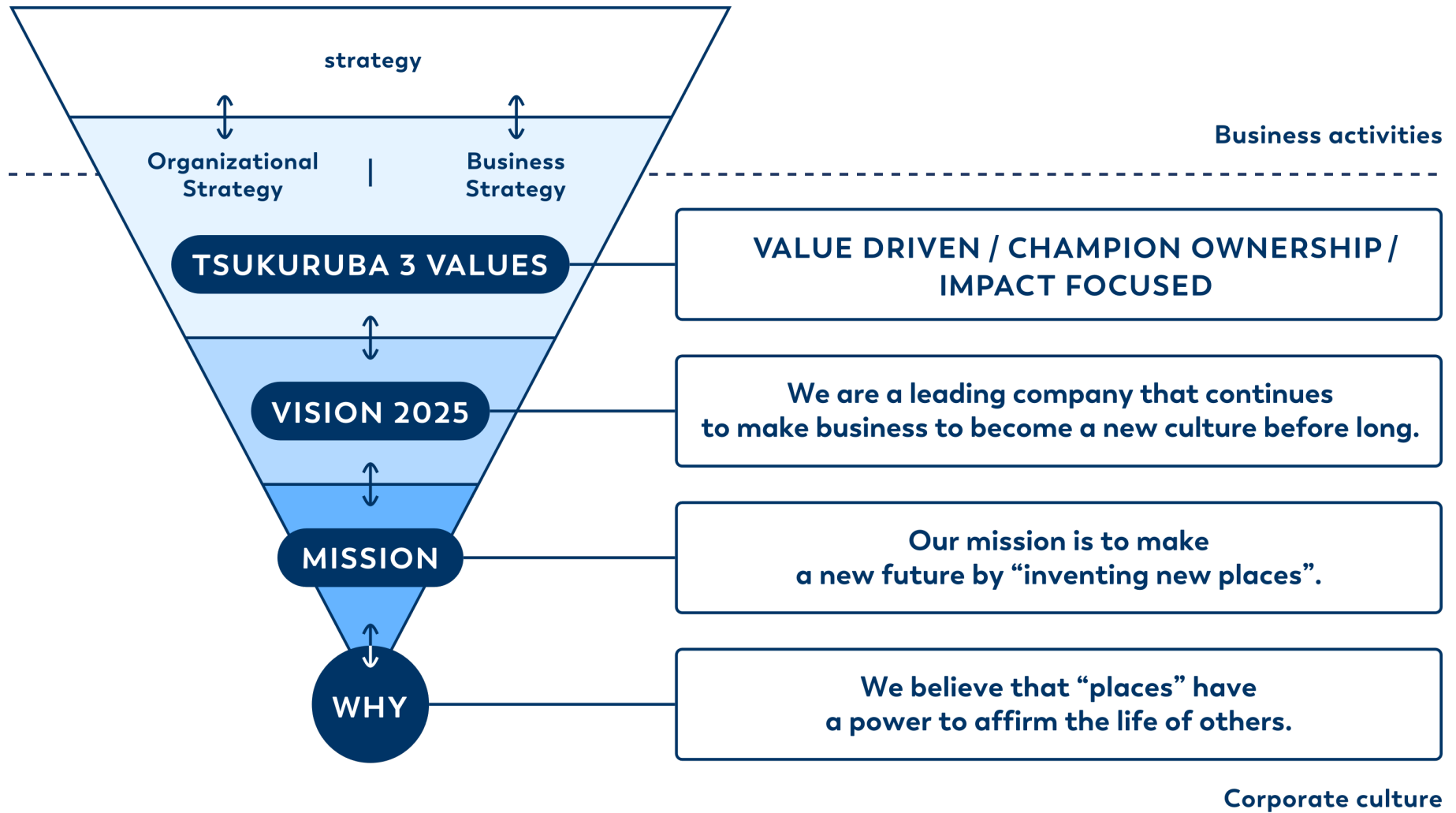
# Q&A

Category	Questions	Answers
cowcamo business	What is the impact of the App Tracking Transparency (“ATT”) feature in iOS 14.5 released in April 2021?	May-June 2021 membership MAU was affected by ATT but recovered to a higher level in July due to prompt action. Since we have already secured a sufficient user base, we will focus on improving Take Rate and closing ratio per MAU by utilizing the existing user base.
cowcamo business	Why is the gross profit of cowcamo only +7% compared to GMV's +46% from FY2019?	Due to the impact of COVID-19, the number of properties in inventory in the used condominium market in the Tokyo metropolitan area decreased, resulting in a decrease in the commission rate (as of July 2021, the number of properties in inventory in the used condominium market in the Tokyo metropolitan area was down 23% YoY). In addition to signs of a bottoming out of the decline in the number of properties in inventory in the market in July-Aug. 2021, TSUKURUBA plans to acquire individual sellers and strengthening services for sellers by creating and supplying properties that meet user needs through utilizing data.
cowcamo business	What is the impact of lumber shortage?	There is almost no impact at this point. Even if the price of lumber rises in the future, the impact on the sales price of renovated condominiums will be limited, and the impact on the current fiscal year's performance is also expected to be limited.
cowcamo business	What are the growth indicators for cowcamo?	In the past, we used MAU as a leading indicator, but now that we have acquired a sufficient user base, we would like investors to look at gross profit as a financial KPI and GMV and Take Rate as business KPIs as growth indicators.
cowcamo business	Why is there volatility in PF GMV quarter by quarter?	Quarterly volatility in PF GMV occurs as a result of the market conditions, which are affected by seasonal factors.
PPD business	What is the policy on future investment in the Property Planning and Design(PPD) business?	We will focus on cowcamo for the foreseeable future. We will invest in the PPD business with financial discipline, while analyzing the investment return on each property.

# Company Overview

Name	TSUKURUBA Inc.
Address	2F Ikura Building, 1-1-5 Kamimeguro, Meguro-ku, Tokyo, Japan
Founded	August 2011
Founders	Hiroki Murakami
Employees	164 full-time employees (As of July 2021)
Businesses	<p>“cowcamo Business”, an end-to-end real estate online brokerage platform for used and renovated properties</p> <ul style="list-style-type: none"><li>- cowcamo Platform Business</li><li>- cowcamo Agent Service Business</li></ul> <p>“Property, Planning and Design Business“</p> <ul style="list-style-type: none"><li>- working business as a mission in producing new value in the real estate domain.</li><li>- operating “co-ba”, subscription-based co-working offices</li><li>- spatial design and consulting business</li></ul>
Awards	Deloitte Technology Company Japan Technology Fast 50 2017/2018/2019/2020

# Corporate Philosophy



**TSUKURUBA**