

FY2023.8 Full-Year Financial Results

coconala Inc. (TSE Growth Market: 4176)

October 13, 2023

01

Results



Matching Service



An EC-type service (skills marketplace)



A service focused on purchases for business purposes.



A business outsourcing agent type service for IT freelancers



Matching IT freelancers with companies. Scheduled to link and utilize the evaluation data at both coconala and coconala Agent.



A web service that connects users with lawyers



Users can browse and post legal Q&As at no charge, as well as search and inquire about 4,000 lawyers by field or region. (Advertising revenue model)



FY2023 Full-Year Financial Highlights

Consolidated

- FY2023 full-year consolidated sales increased by 22% YoY to 4.6 billion yen
- FY2023 full-year non-GAAP operating profit was in the black, achieving the aim to achieve profitability for the full year in FY2025 early by two fiscal years

Skill Market

- FY2023 full-year GMV grew by 15% YoY, and Sales grew by 16% YoY
- Implemented a wide range of product updates, including functions serving to improve usability such as reservation management function and AI assistant function and functions serving to expand purchasers such as refer-a-friend campaign and coupon distribution function

Legal Consultation

- FY2023 full-year sales maintained a high growth rate, increasing by 40% YoY
- Strong growth in both the number of paid subscribing lawyers and ARPPU

Topics

- In Q1, started coconala Tech Agent. In Q4, incorporated PORT ENGINEERING INC. into the group, strengthening the business
- In September FY2024, reached a basic agreement with Mizuho Bank to establish a joint venture company, Mizuho coconala
- In September FY2024, launched several new services



FY2023 Q4 and Full-Year Financial Results

(Unit: MM JPY)	FY2023 Q4 (Jun. - Aug.)	FY2022 Q4 (Jun. - Aug.)	YoY	FY2023 Full-Year (Sep. - Aug.)	FY2022 Full-Year (Sep. - Aug.)	YoY
Sales ^{*1}	1,322	1,049	+26.0%	4,679	3,837	+21.9%
Skill Market ^{*2}	1,174	938	+25.1%	4,146	3,455	+20.0%
Legal Consultation	147	110	+33.5%	533	382	+39.5%
Operating profit ^{*3}	94	(122)	-	(126)	(515)	-
Skill Market ^{*2}	69	(125)	-	(164)	(508)	-
Legal Consultation	33	7	+363.6%	69	4	+1,376.1%
Non-GAAP operating profit ^{*4}	146	(116)	-	29	(501)	-
Ordinary profit	94	(120)	-	(168)	(511)	-
Profit attributable to owners of parent	90	(112)	-	(75)	(494)	-

*1: The figures up to FY2023 Q3 show operating revenue.

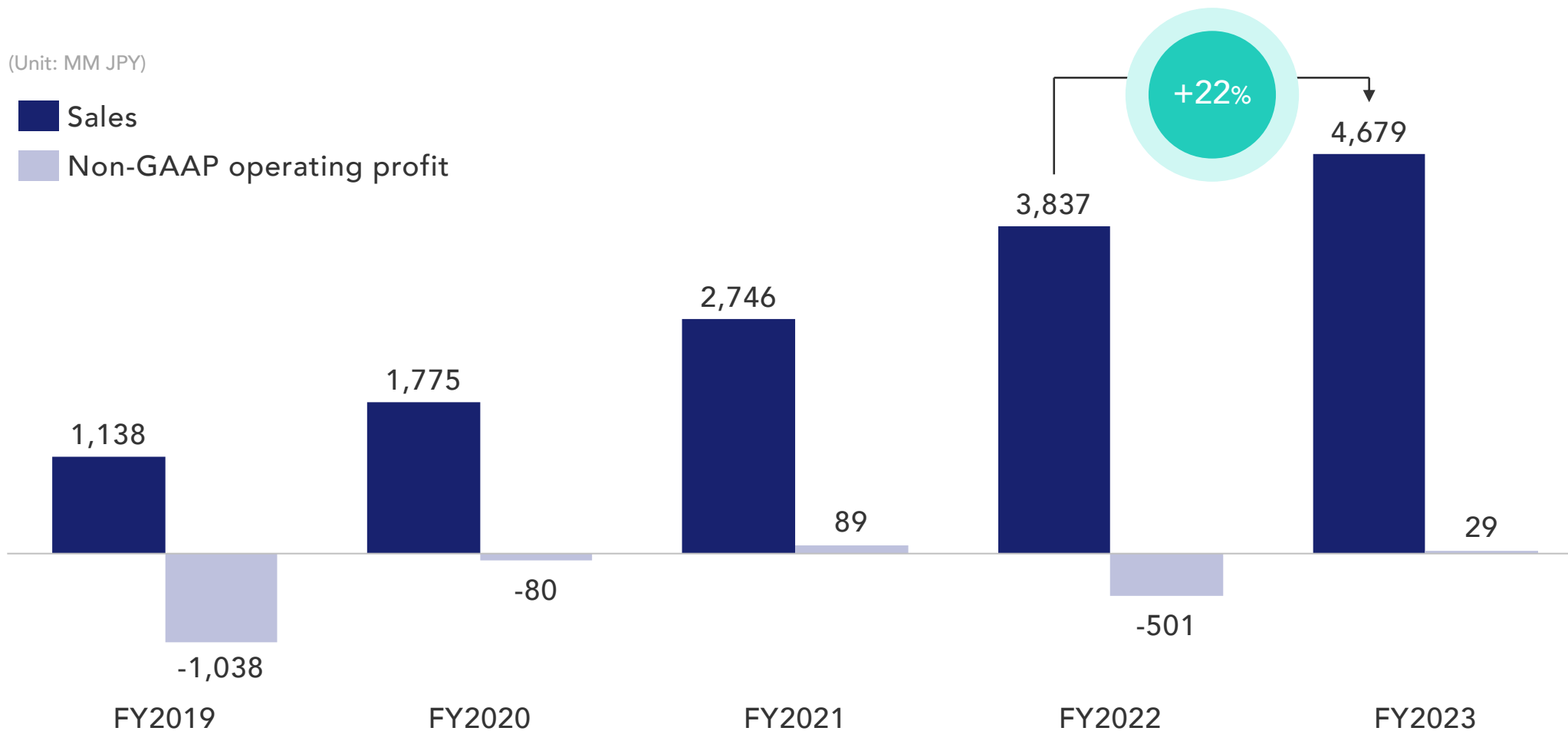
*2: Including Tech Agent

*3: Consolidated figures do not match the sum of Skill Market and Legal Consultation's figures, as they include the subsidiary coconala Skill Partners.

*4: Non-GAAP operating profit = operating profit + share-based payment expenses + coconala Skill Partners expenses.

Full-Year Financial Results

Sales*¹ increased by 22% YoY to 4.6 billion yen, and Non-GAAP operating profit*² was in the black.



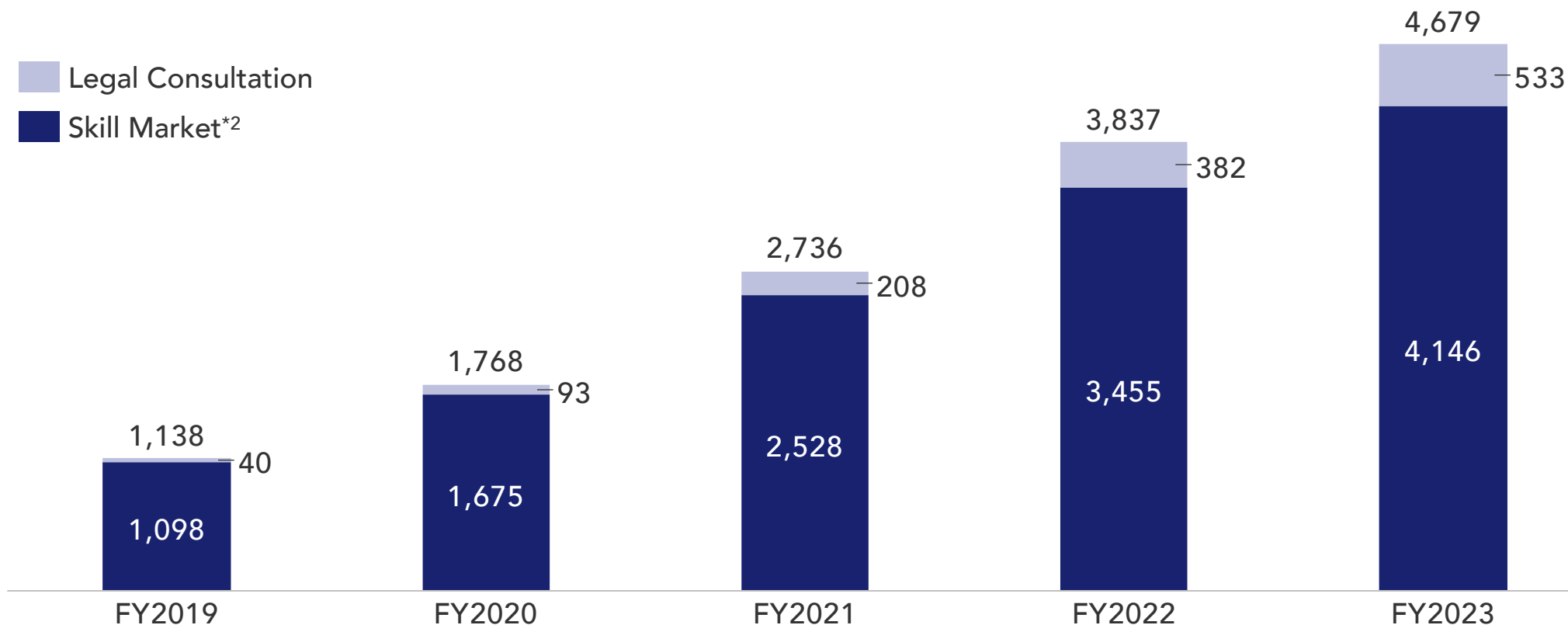
*1: The figures up to FY2023 Q3 show operating revenue.

*2: Non-GAAP operating profit = operating profit + share-based payment expenses + coconala Skill Partners expenses.

Sales (Full Year)

Sales*¹ growth in both the Skill Market and Legal Consultation.

(Unit: MM JPY)

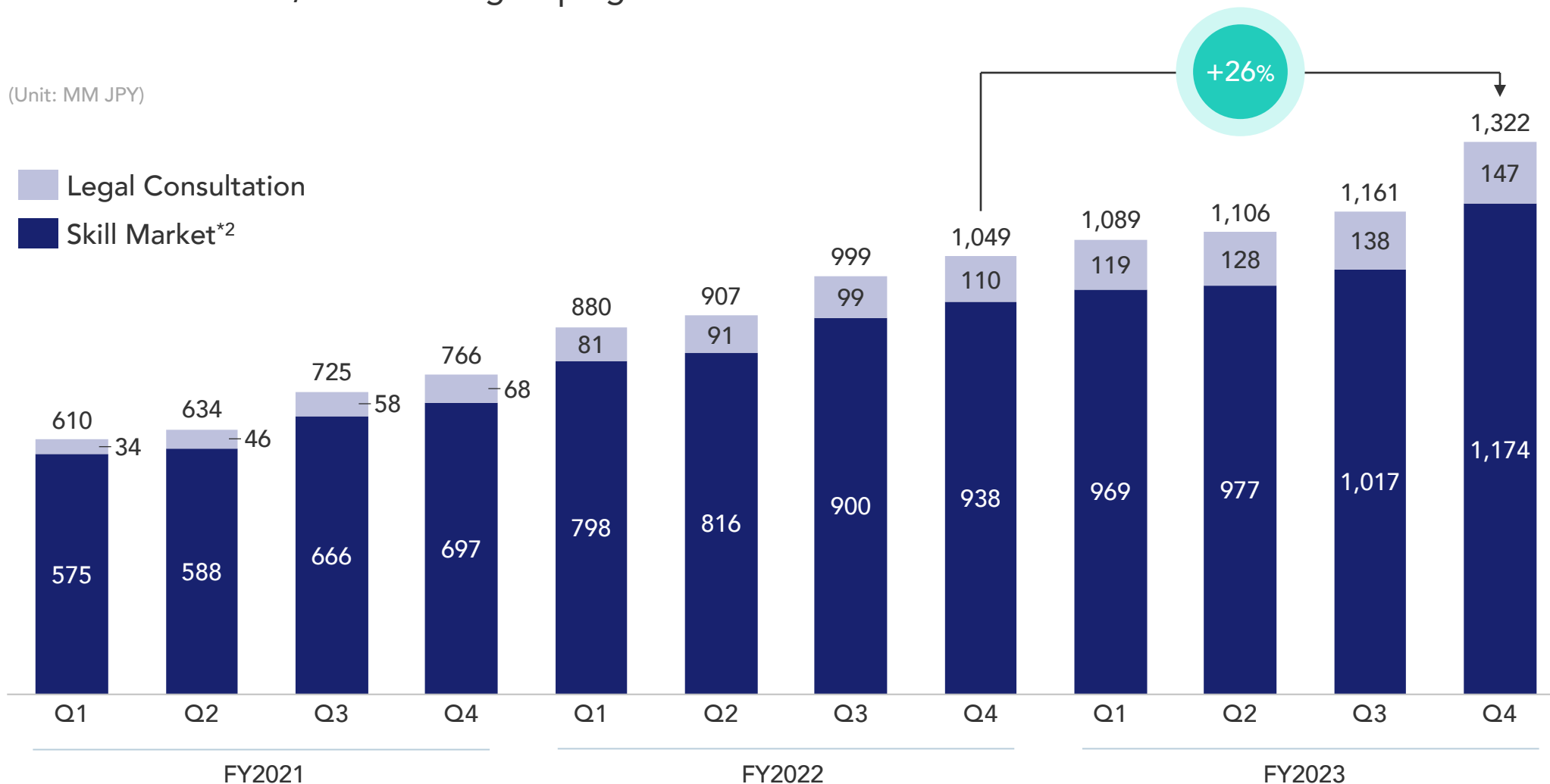


*1: The figures up to FY2023 Q3 show operating revenue. On this page of the financial result presentation, the new revenue recognition standard has been applied retroactively to FY2020 and FY2021 for purposes of comparison, and the figures therefore differ from the disclosure figures in the financial statements.

*2: Including Tech Agent

Sales (Quarter)

Sales*¹ increased 26% YoY, due to the grouping of PORT ENGINEERING INC.

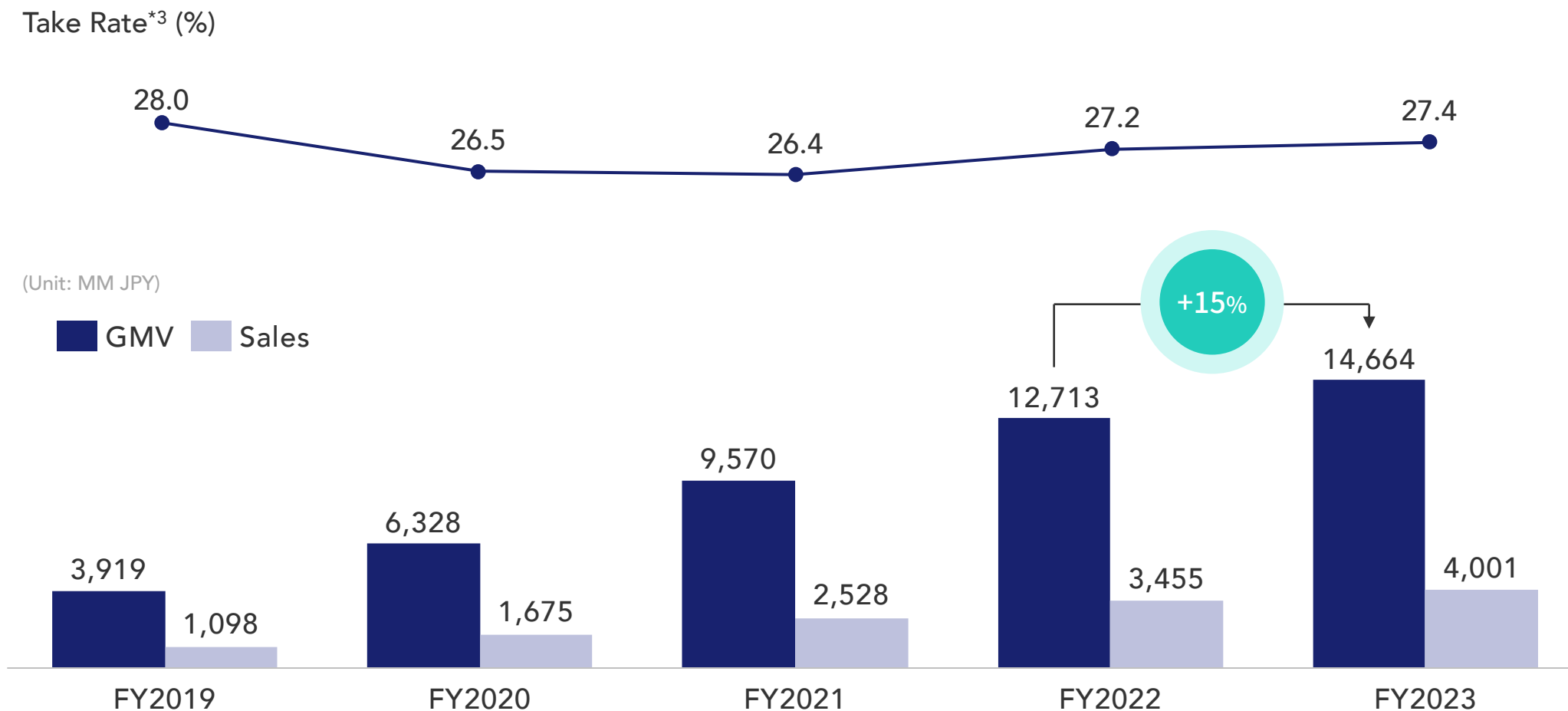


*1: The figures up to FY2023 Q3 show operating revenue. On this page of the financial result presentation, the new revenue recognition standard has been applied retroactively to FY2020 and FY2021 for purposes of comparison, and the figures therefore differ from the disclosure figures in the financial statements.

*2: Including Tech Agent

Skill Market: GMV, Sales, and Take Rate (Full Year)

GMV^{*1} grew 15% YoY, and Sales^{*2} grew 16% YoY.



*1: Retroactively revised due to a change in the definition of GMV. Including coconala Blog. Not including Tech Agent

*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 FY2020 and FY2021 for purposes of comparison, and the figures therefore differ from the disclosure figures in the financial statements.

*3: Take rate = operating revenue ÷ GMV

Skill Market: GMV, Sales, and Take Rate(Quarter)

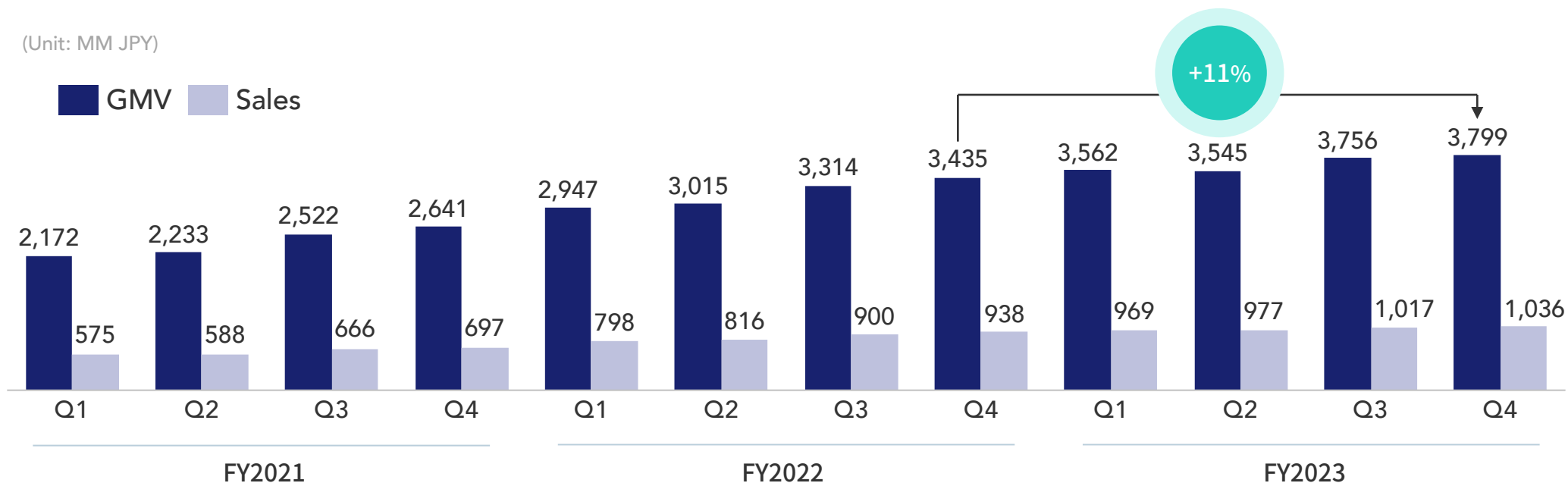
GMV^{*1} grew 11% YoY, and Sales^{*2} grew 10% YoY.

Take Rate^{*3} (%)



(Unit: MM JPY)

■ GMV ■ Sales



*1: Retroactively revised due to a change in the definition of GMV. Including coconala Blog. Not including Tech Agent

*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 FY2020 and FY2021 for purposes of comparison, and the figures therefore differ from the disclosure figures in the financial statements.

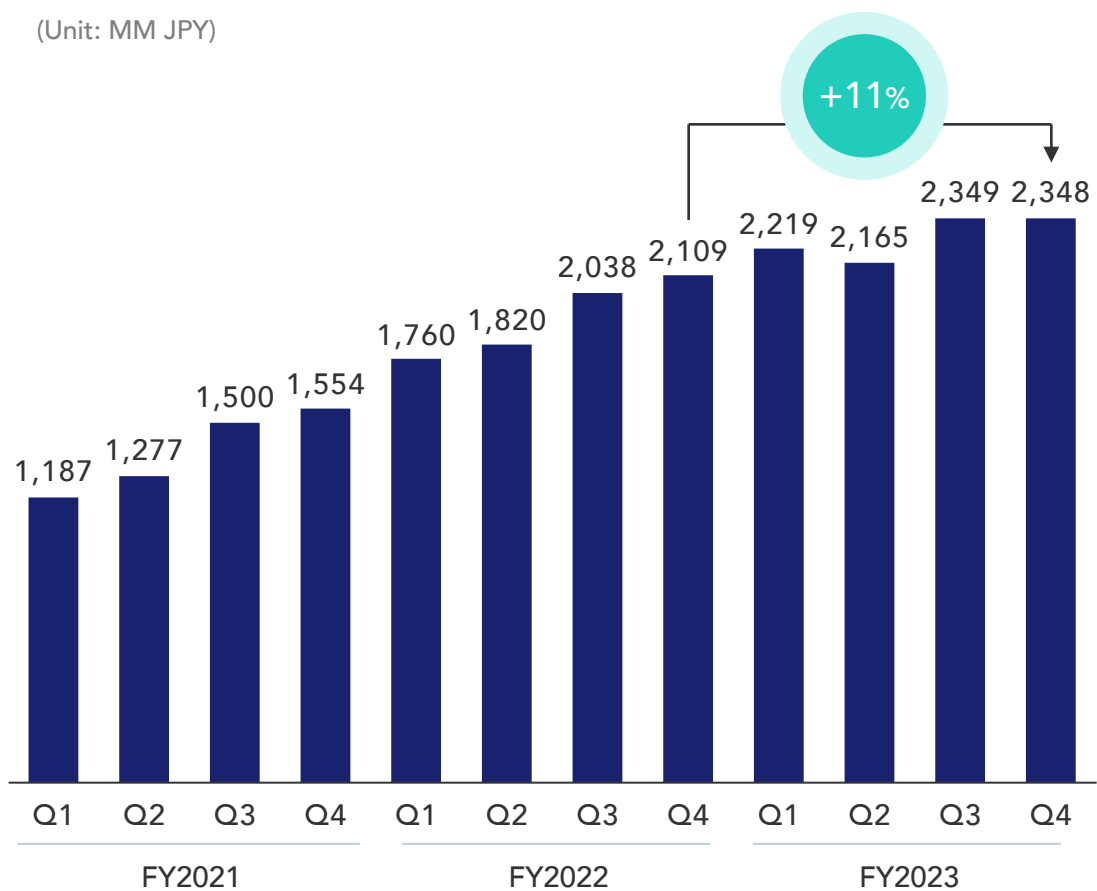
*3: Take rate = operating revenue ÷ GMV

Skill Market: GMV by Category (Quarter)

The creative/business category*¹ grew by 11% YoY, while the consultation/private category*¹ grew by 9% YoY.

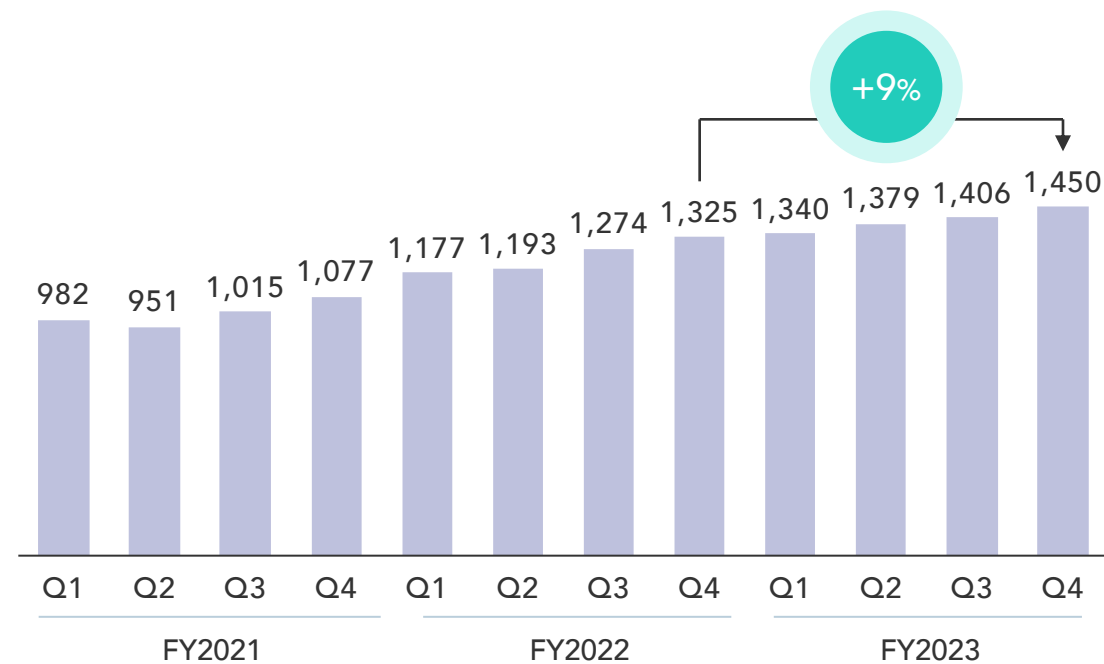
Creative/business

(Unit: MM JPY)



Consultation/private

(Unit: MM JPY)



Skill Market: Buyer-Side KPIs (Quarter)

As a result of strategic reductions in marketing initiatives with low ROI, unique buyers declined slightly YoY while purchase amount per buyer*¹ grew by 11% YoY.

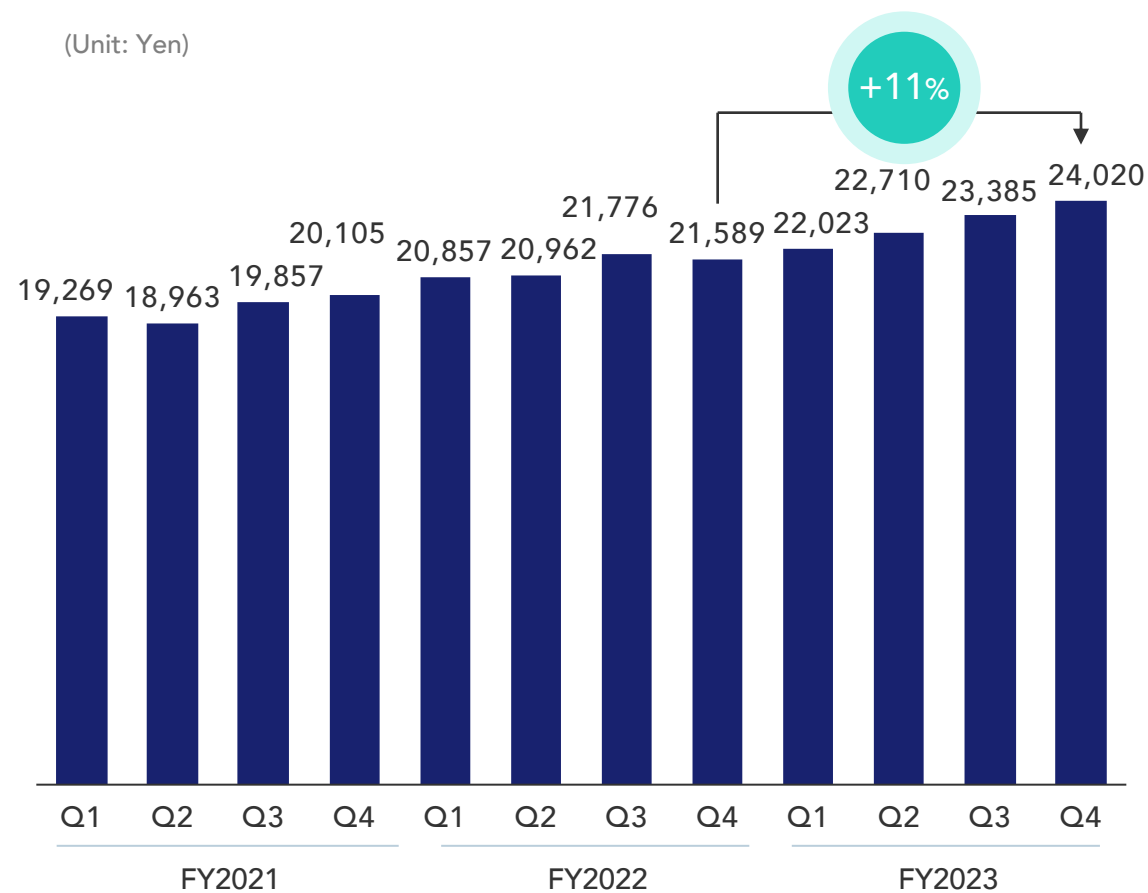
Unique Buyers

(Unit: People)



Purchase Amount Per Buyer

(Unit: Yen)

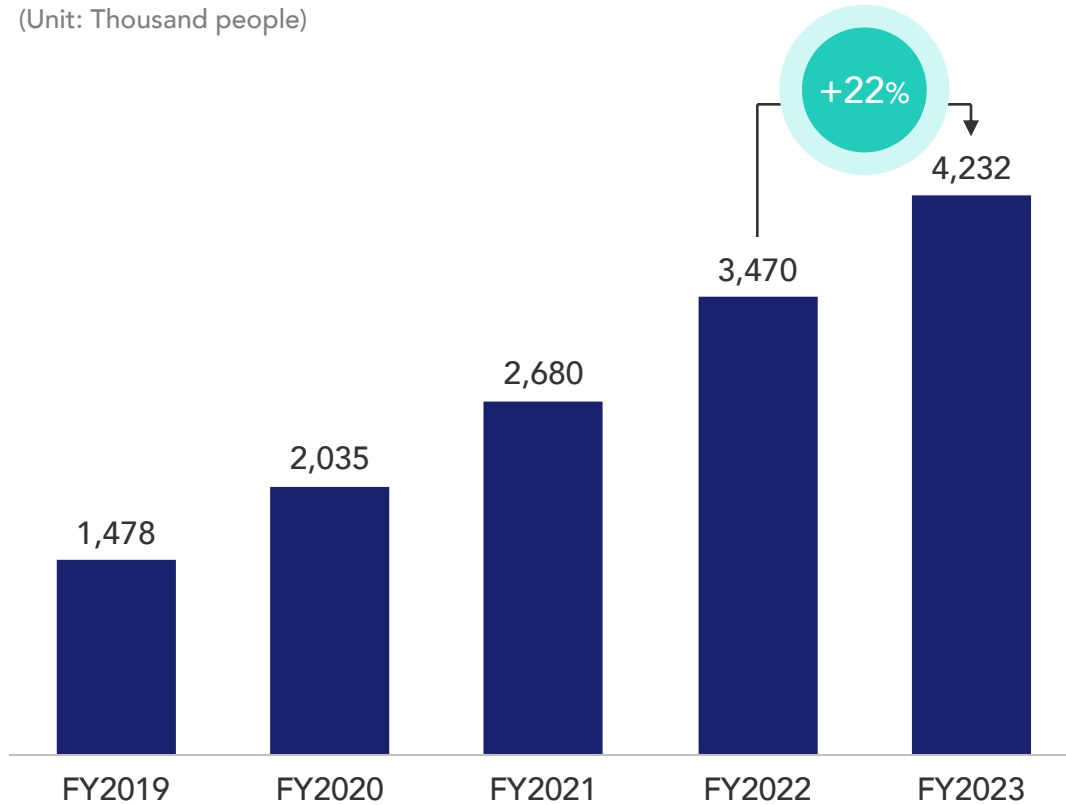


Skill Market: Registered Users, Annual Unique Buyers (Full Year)

There was steady growth in each KPI

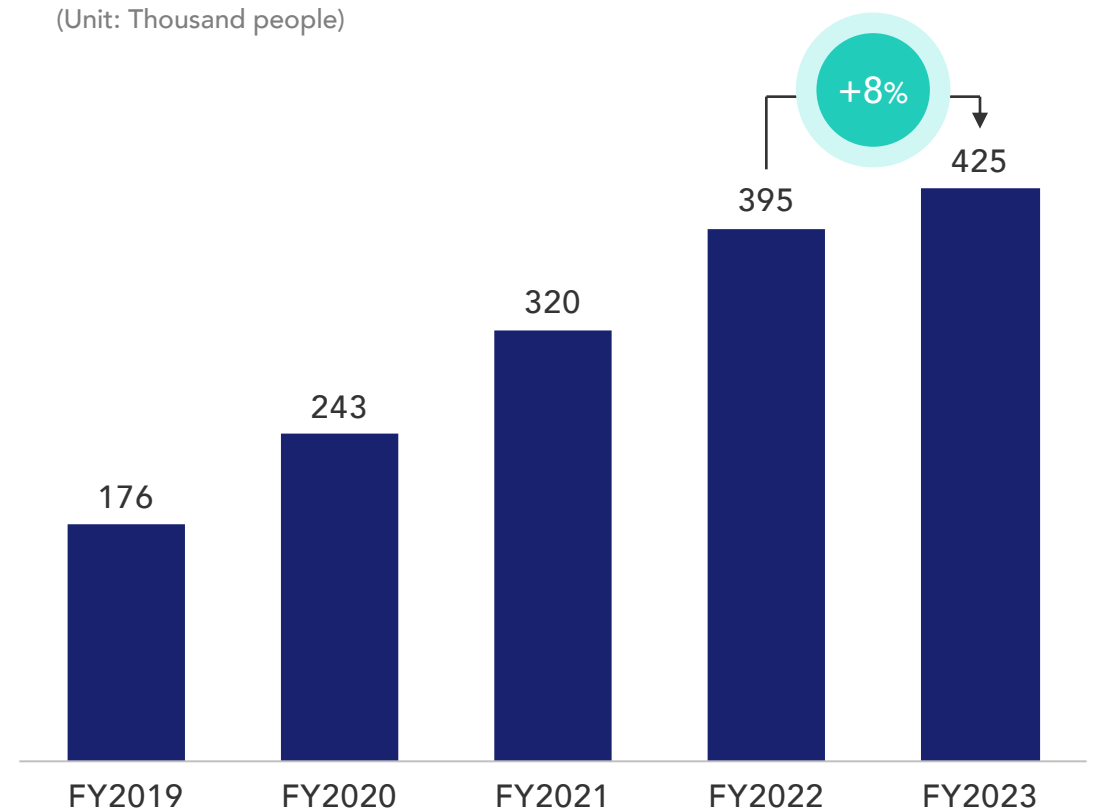
Registered Users*¹ (End of Each Fiscal Year)

(Unit: Thousand people)



Annual Unique Buyers

(Unit: Thousand people)

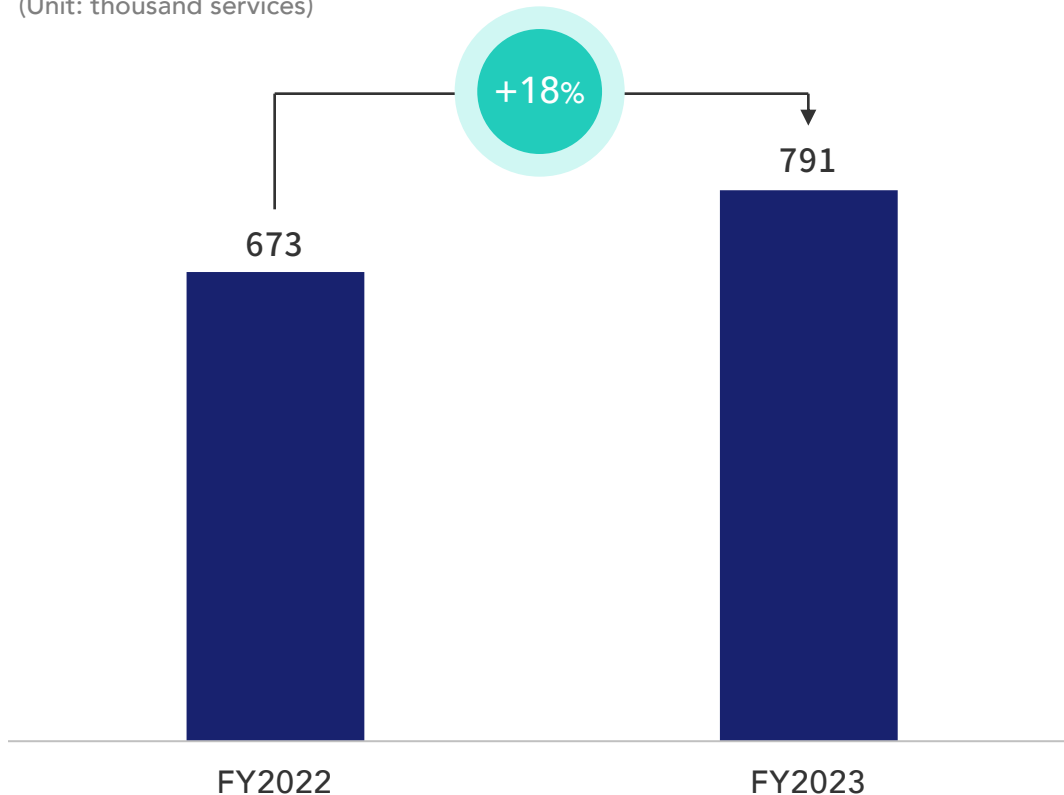


Skill Market: Number of Services on Offer, Number of Sellers (Full Year)

There was steady growth in each KPI

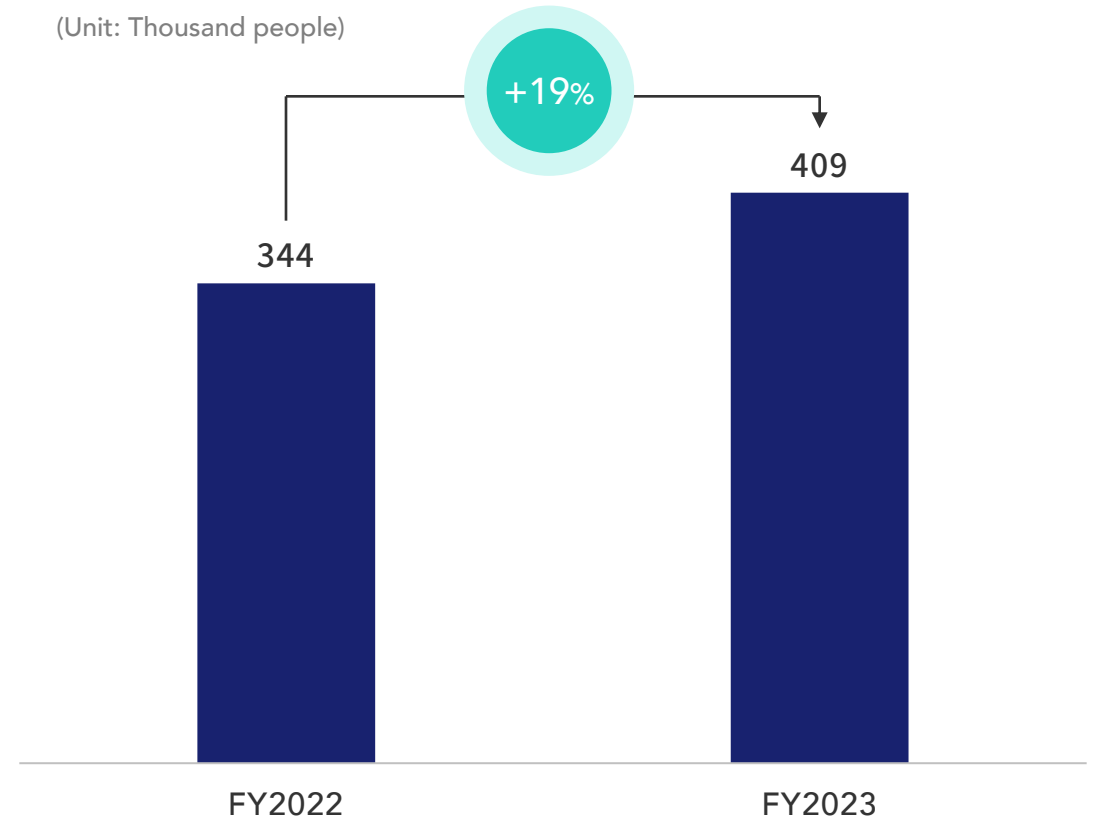
Number of Services on Offer*¹ (End of Each Fiscal Year)

(Unit: thousand services)



Number of Sellers*¹ (End of Each Fiscal Year)

(Unit: Thousand people)



Skill Market: Product Update Examples in FY2023

Pursuing ease of use while continuing to gather user feedback

Release of reservation management function

Addition of coupon distribution function

Introduction of Japanese language analysis system (Sudachi)

Released "AI Assistant Function (β)"

Released a function for selecting suitable categories

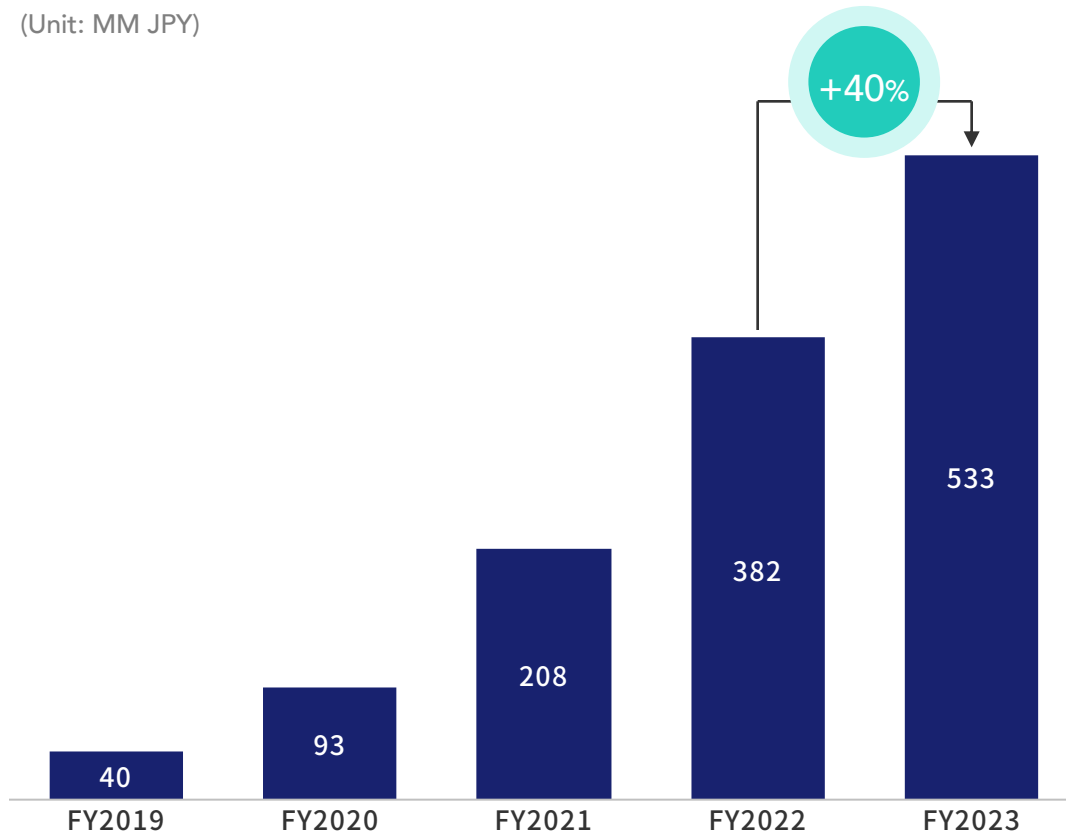
Renewed the display of evaluation on service pages

Legal Consultation: Sales and Number of Registered Lawyers (Full Year)

FY2023 full-year Sales maintained a high growth rate, increasing by 40% YoY.

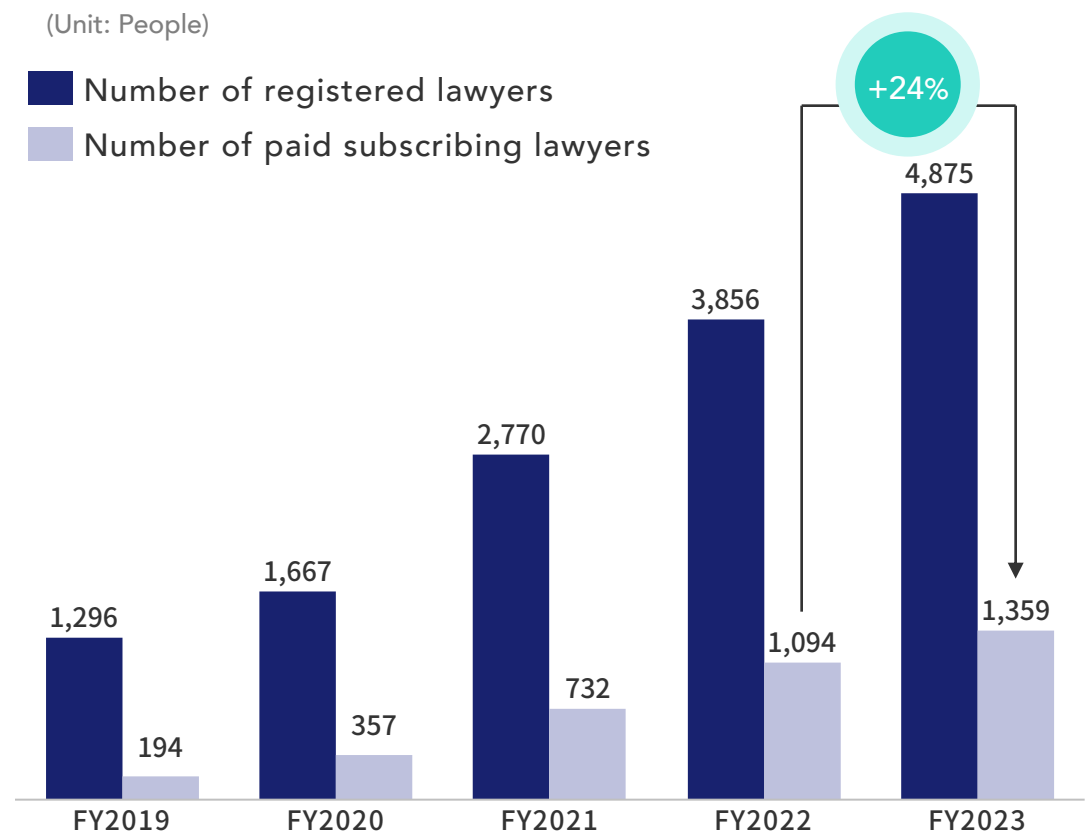
Sales

(Unit: MM JPY)



Number of Registered Lawyers

(Unit: People)

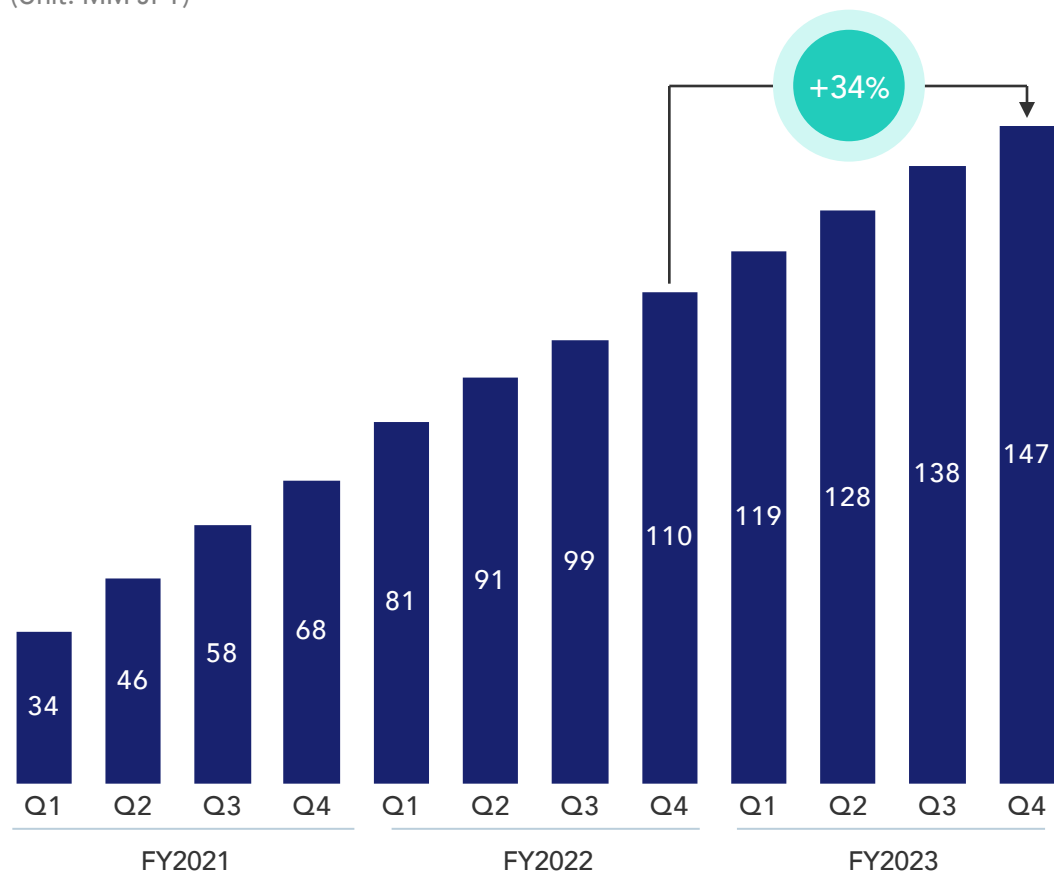


Legal Consultation: Sales and Number of Registered Lawyers (Quarter)

Sales*¹ maintained a high growth rate of 34% YoY due to an increase in the number of paid subscribing lawyers (+24% YoY).

Sales

(Unit: MM JPY)



Number of Registered Lawyers

(Unit: People)

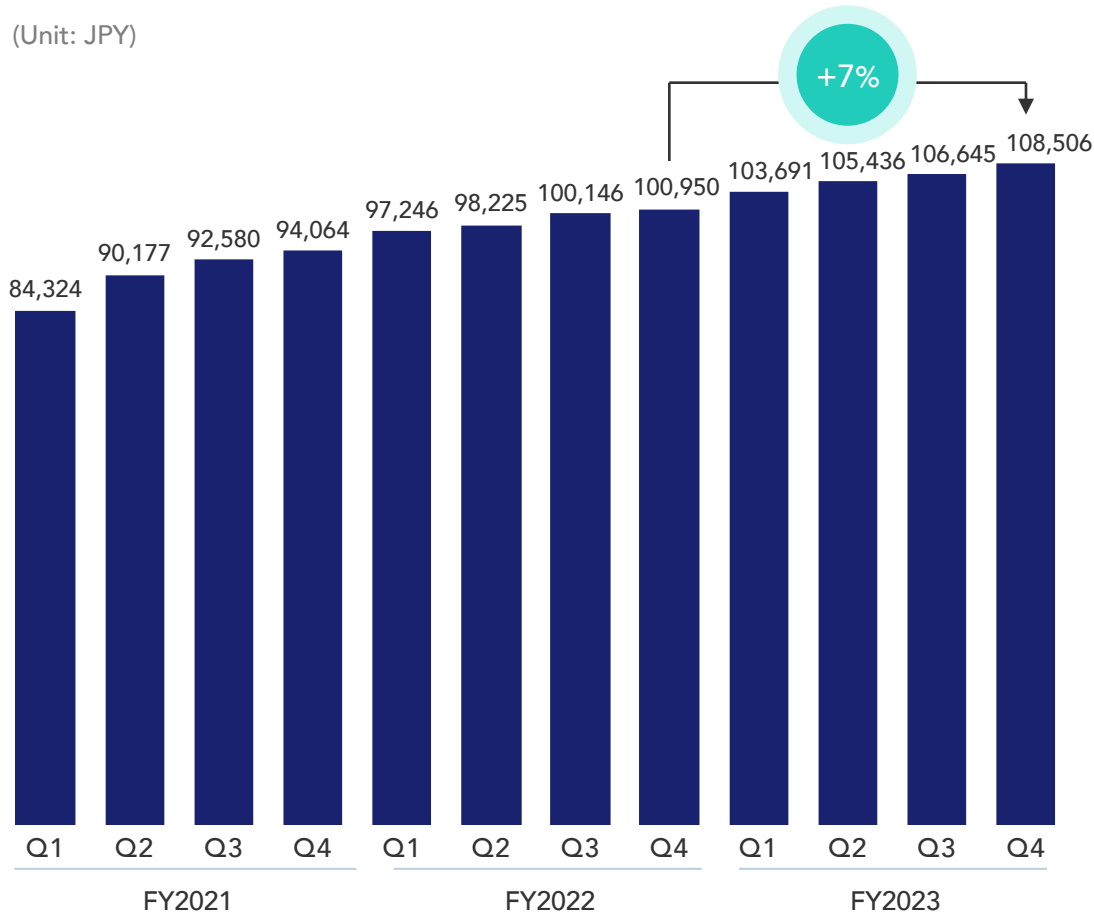


Legal Consultation: ARPPU, Churn Rate (Quarter)

ARPPU*¹ increased by 7% YoY. The churn rate*² remains stable at 1.1%.

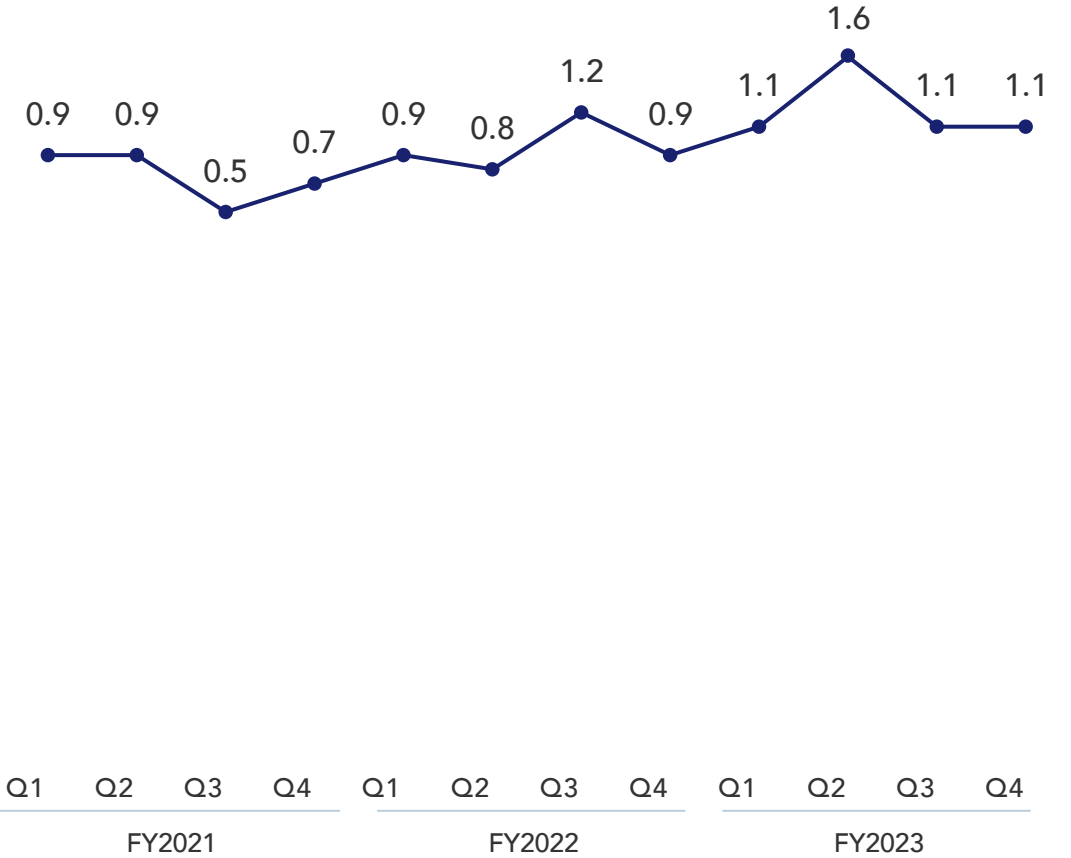
ARPPU

(Unit: JPY)



Churn Rate

(Unit: %)



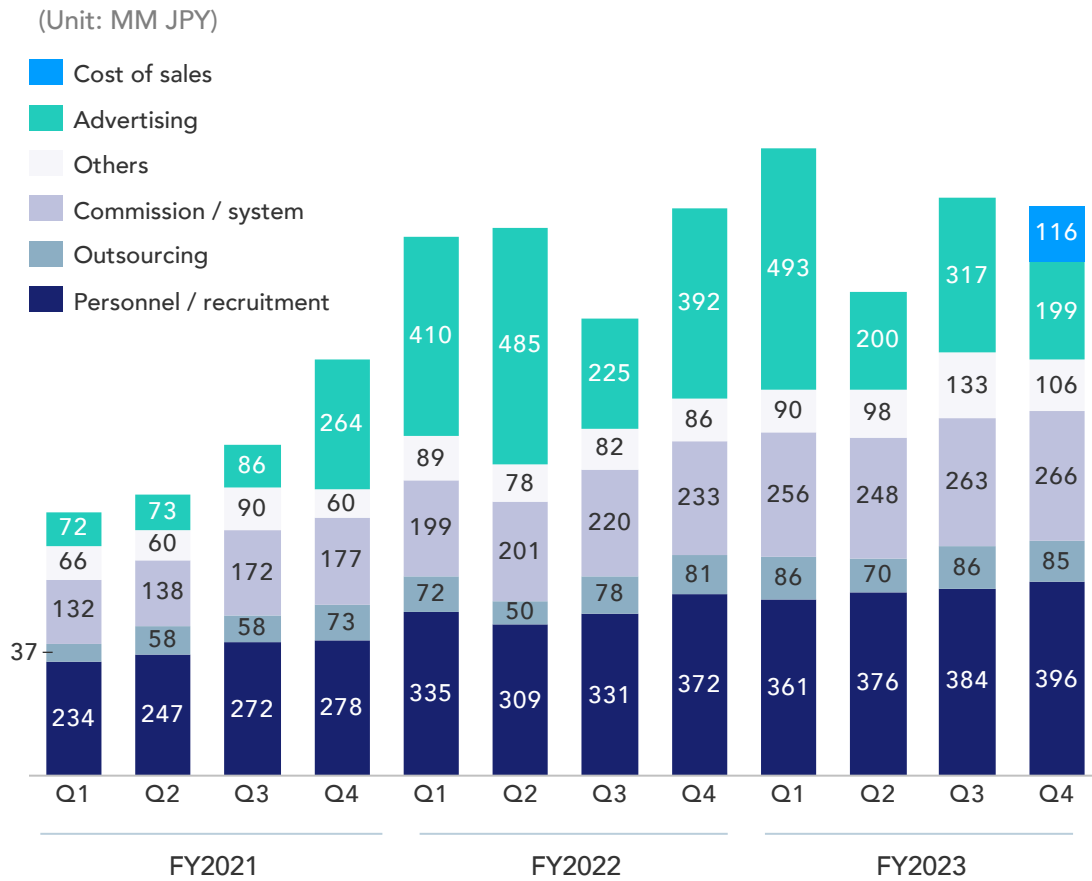
*1: ARPPU = average revenue per paid user.

*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).

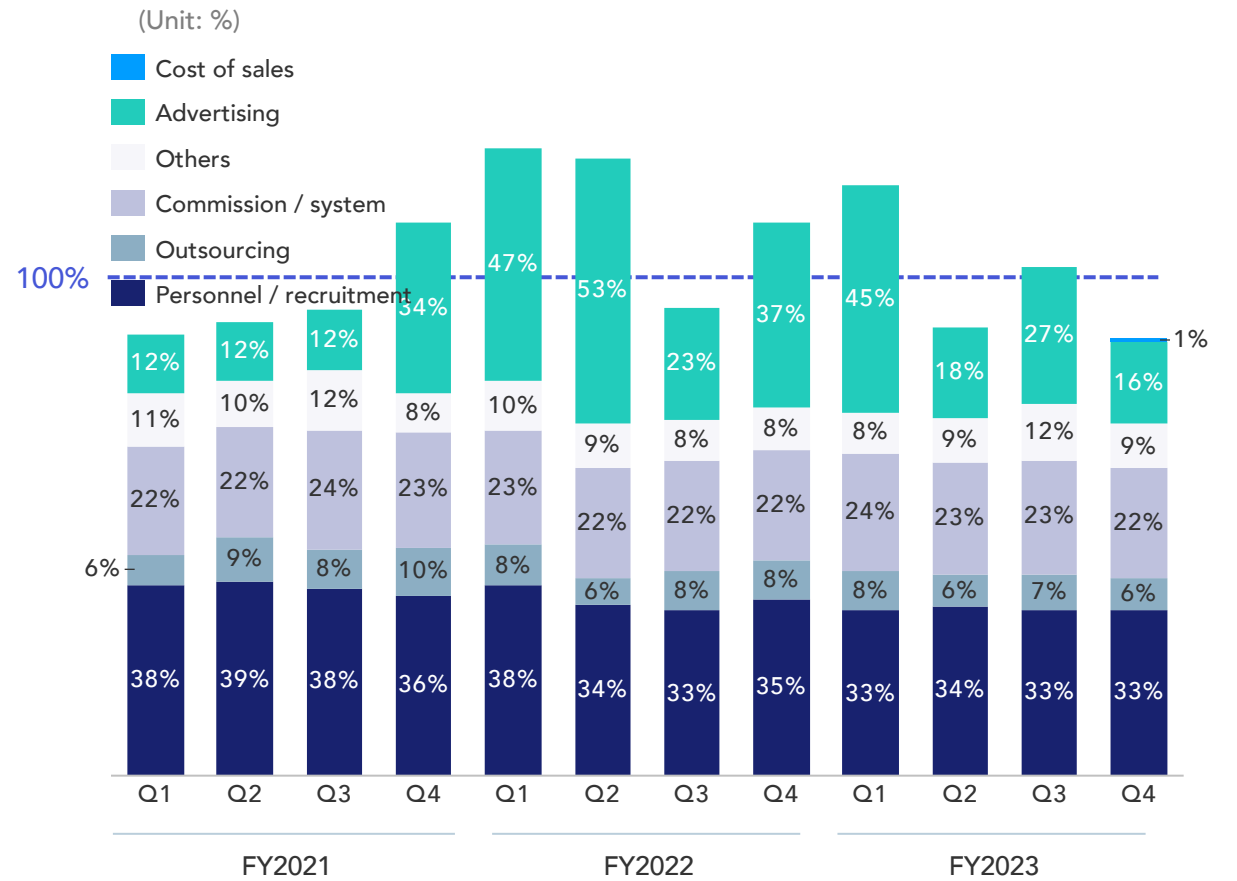
Cost of sales + Operating expenses

Cost of sales at Tech Agent is incurred from this fiscal year. Going forward, we will maintain our policy of implementing appropriate cost control.

Cost of sales + Operating expenses*1



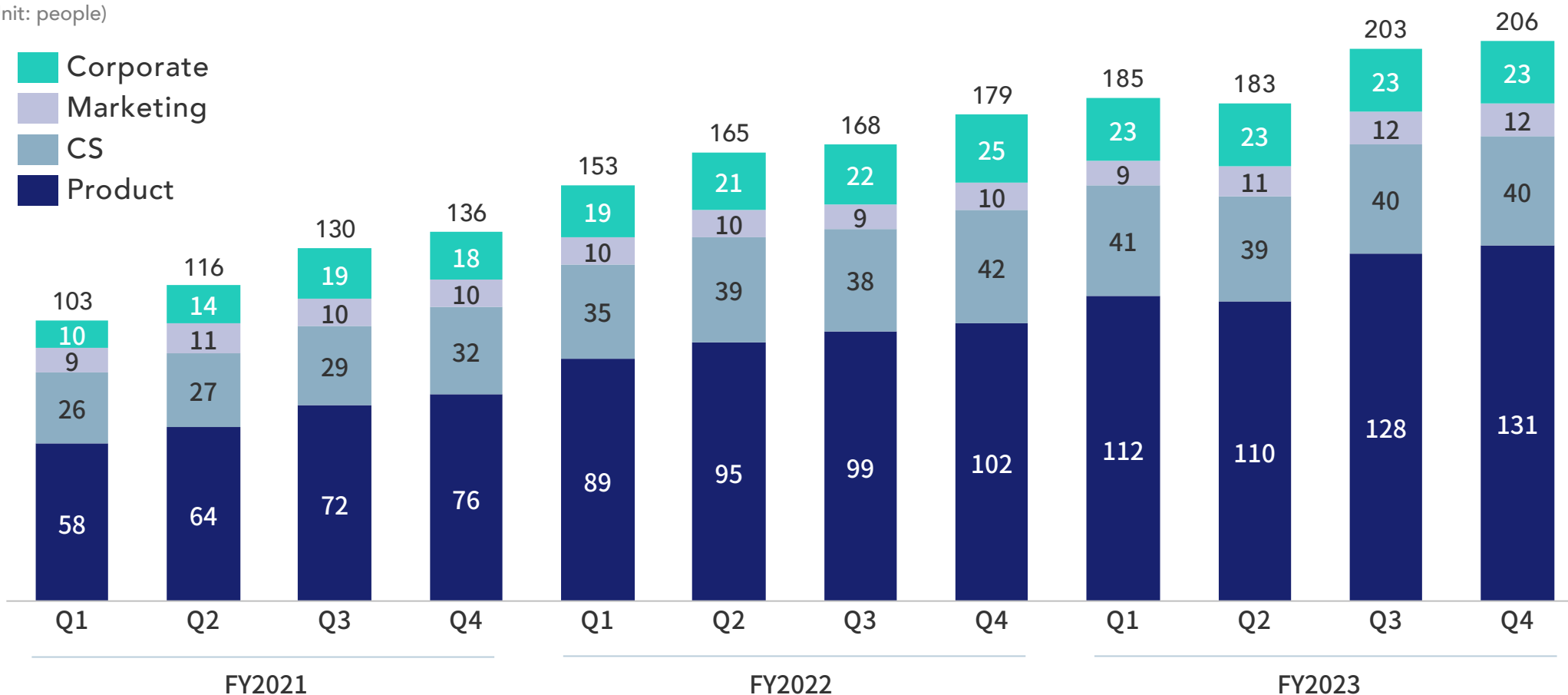
Relative to Sales



Number of Employees by Job Category

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

(Unit: people)



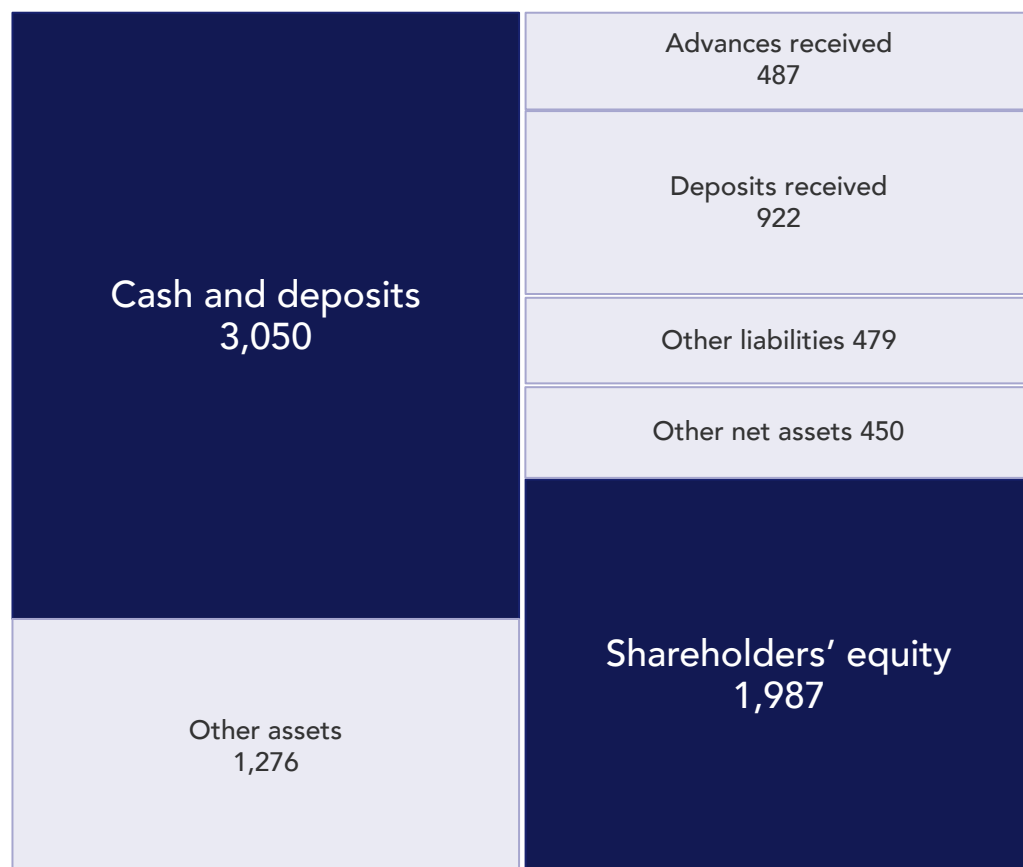


Financial Foundation

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

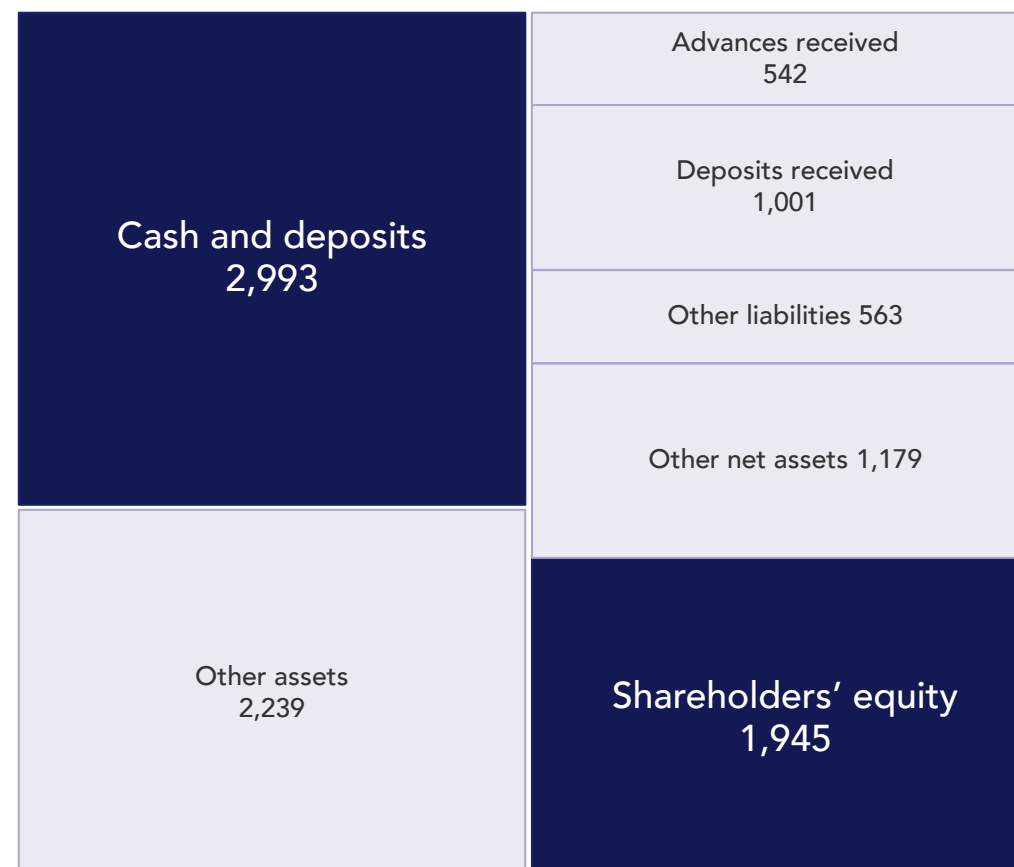
Aug. 2022 (Consolidated)

(Unit: MM JPY)



Aug. 2023 (Consolidated)

(Unit: MM JPY)



02

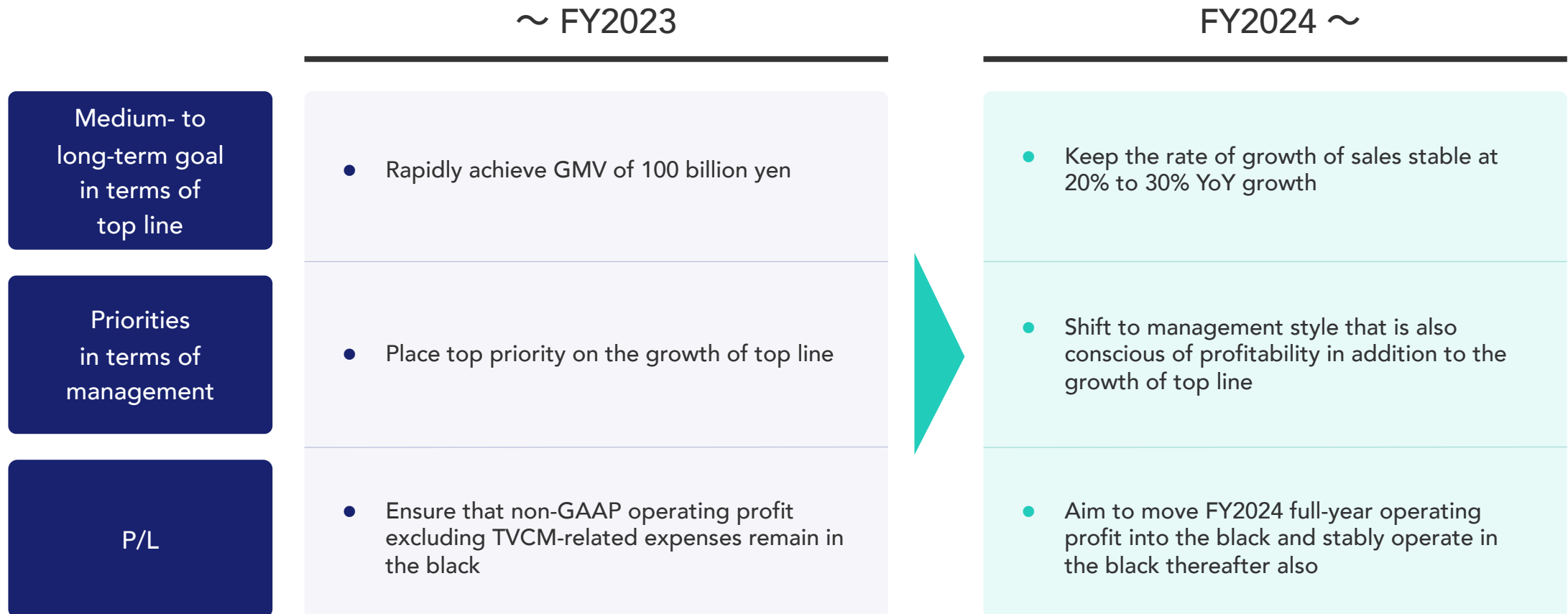
FY2024 Forecast



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.





Financial Forecast for FY2024

(Unit: MM JPY)	FY2023 Results	FY2024 Forecast	YoY
Sales	4,679	5,848	+25.0%
EBITDA ^{*1}	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

03

Future Policy





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



coconala's mid-term strategic direction

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

- Building Ecosystem functions (landing pages, entry forms) and a common database to meet all needs
- Development of corporate accounts using Mizuho coconala's team

2. Regrowth of Skill Market

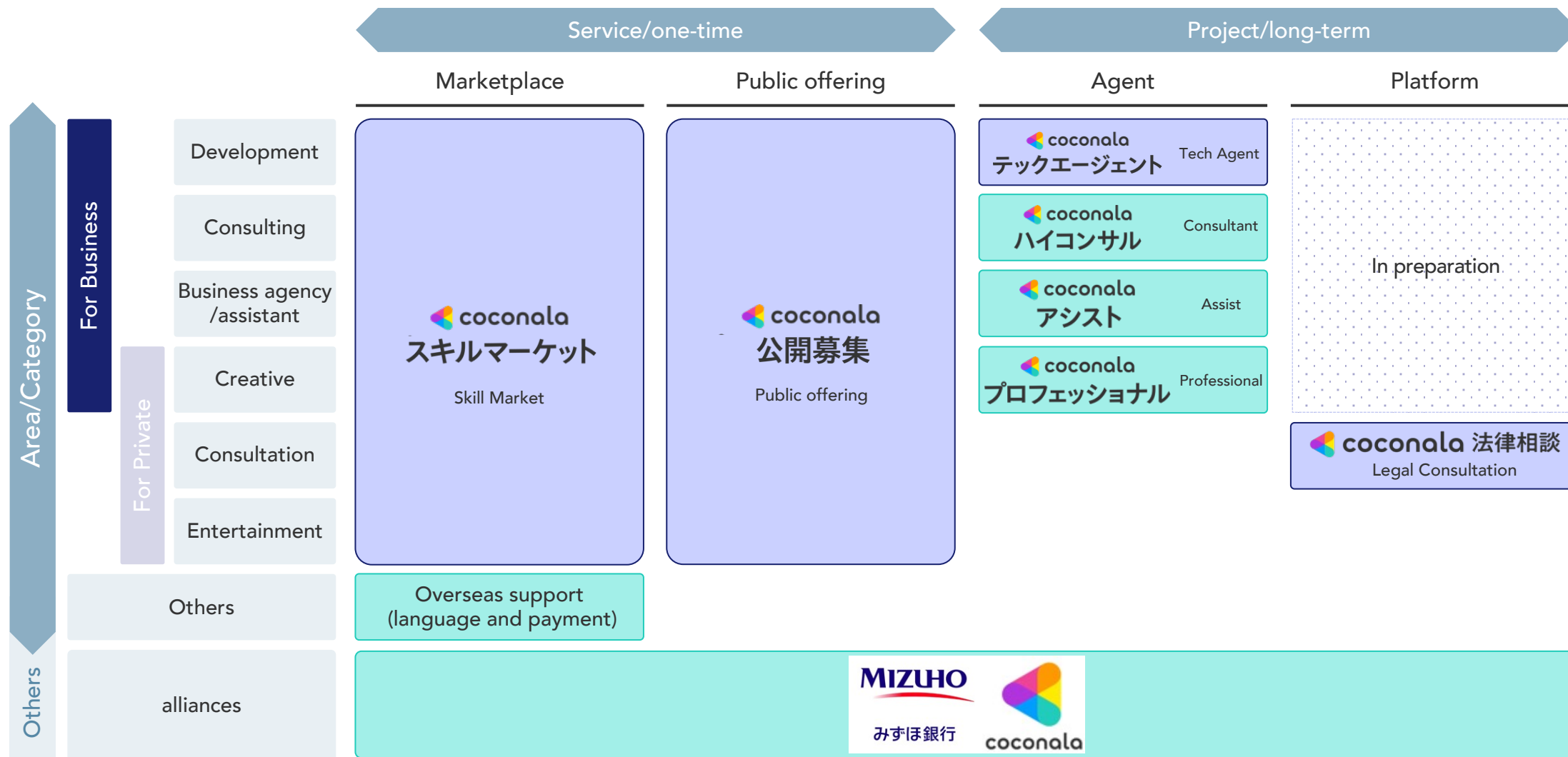
- Capture overseas demand by supporting foreign languages and payments
- Develop functions that facilitate the generation of high unit price and repeat business
- Enhancement of Public offering function

3. New business development for project-based matching

- Expansion of coconala Tech Agent (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








coconala's Ecosystem

Existing New In preparation

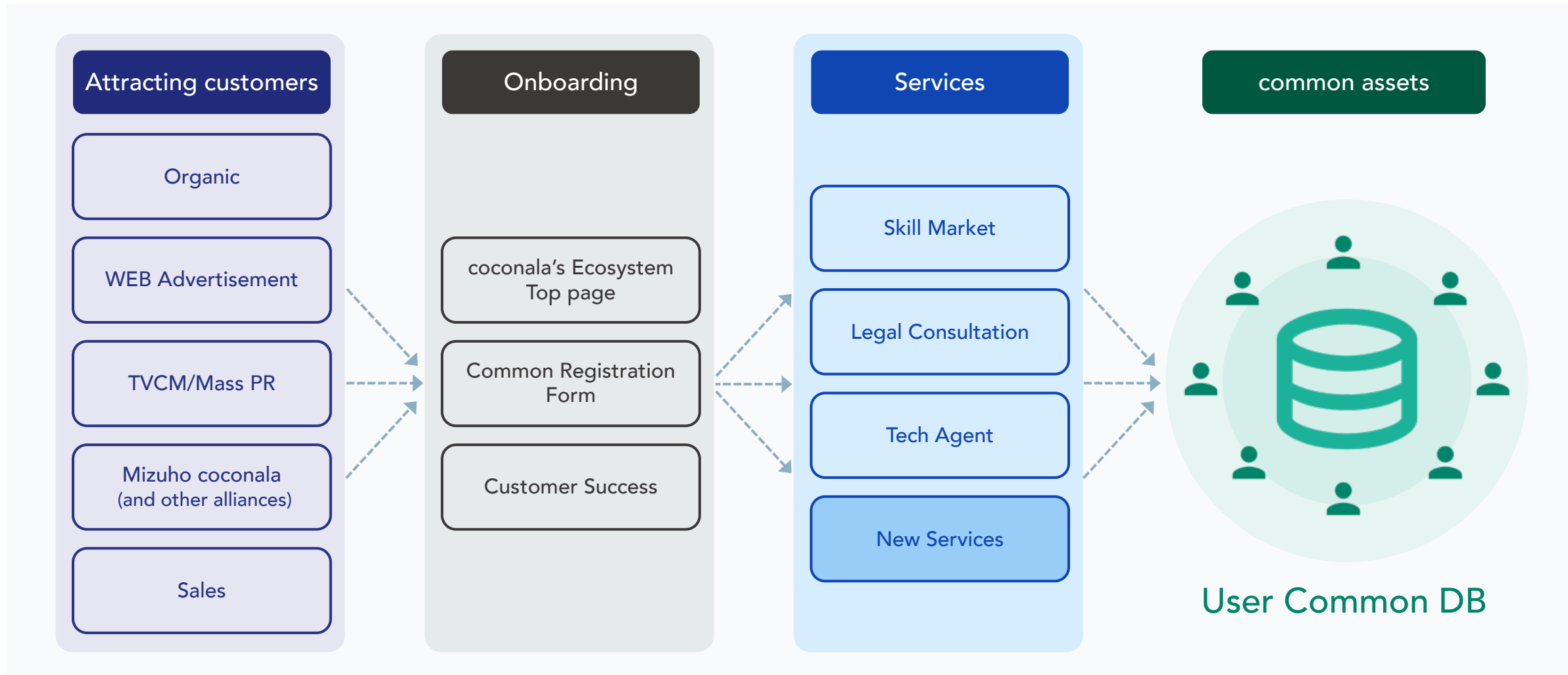




Service Lineup

Service	Overview	Category	Matching Method	billing model
 coconala スキルマーケット Skill Market	An EC-type skills marketplace	Creative, Consulting, Consultation, Entertainment	Direct order	Spot
 coconala 公開募集 Public offering	Publicly post projects and solicit proposals	Creative, Consulting	Direct order	Spot
 coconala プロフェッショナル Professional	coconala introduces high-class creators with real names	Creative	Intermediated by coconala	Spot
 coconala テックエージェント Tech Agent	Outsourcing in IT Development Introducing Engineers and Designers	IT Development	Intermediated by coconala	Time charge
 coconala ハイコンサル Consultant	High-Class Outsourcing Introducing Consultants	Management, Business Development, Marketing	Intermediated by coconala	Time charge
 coconala アシスト Assist	Referrals to business agents who charge hourly rates for the amount of time needed	Administrative and secretarial, Accounting, Human Resources, Customer Support	Intermediated by coconala	Time charge
 coconala 法律相談 Legal Consultation	Matching consultants and lawyers through lawyer media	Legal consultation	Direct order	Advertising revenue

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



Major renewal of the top page, the entrance to the coconala's Ecosystem

Major renewal of the top page enables service guidance suited to the diverse needs of users.



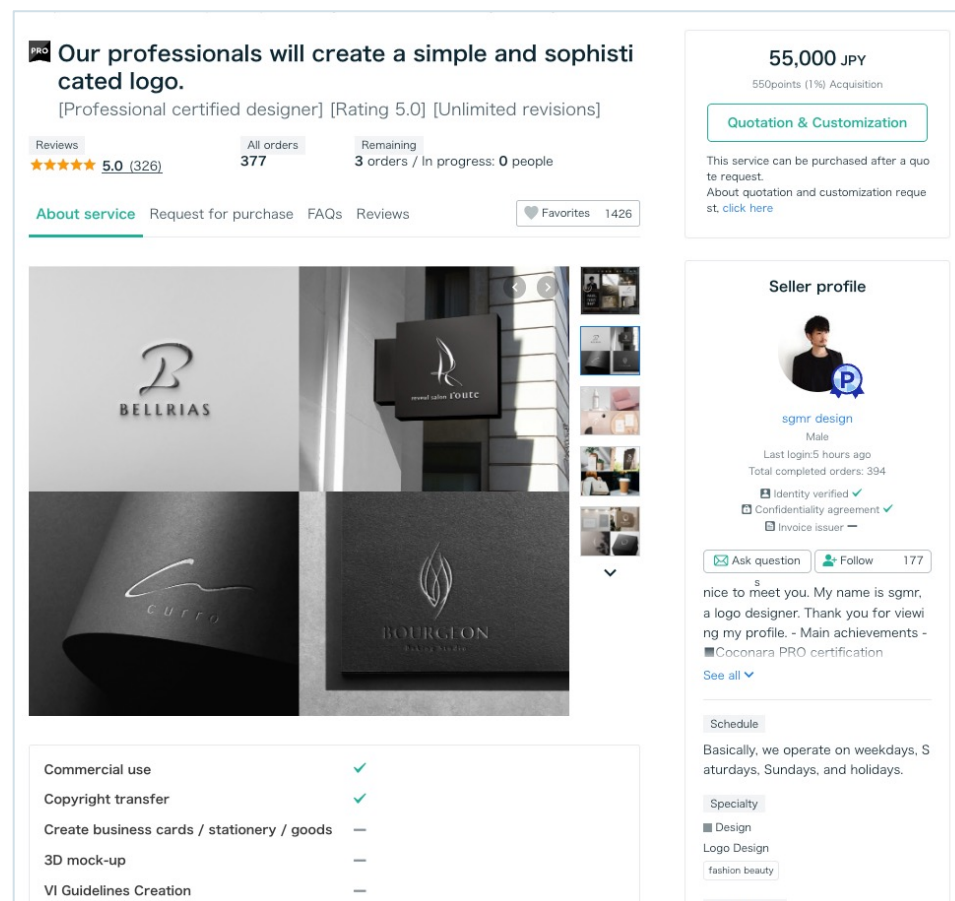
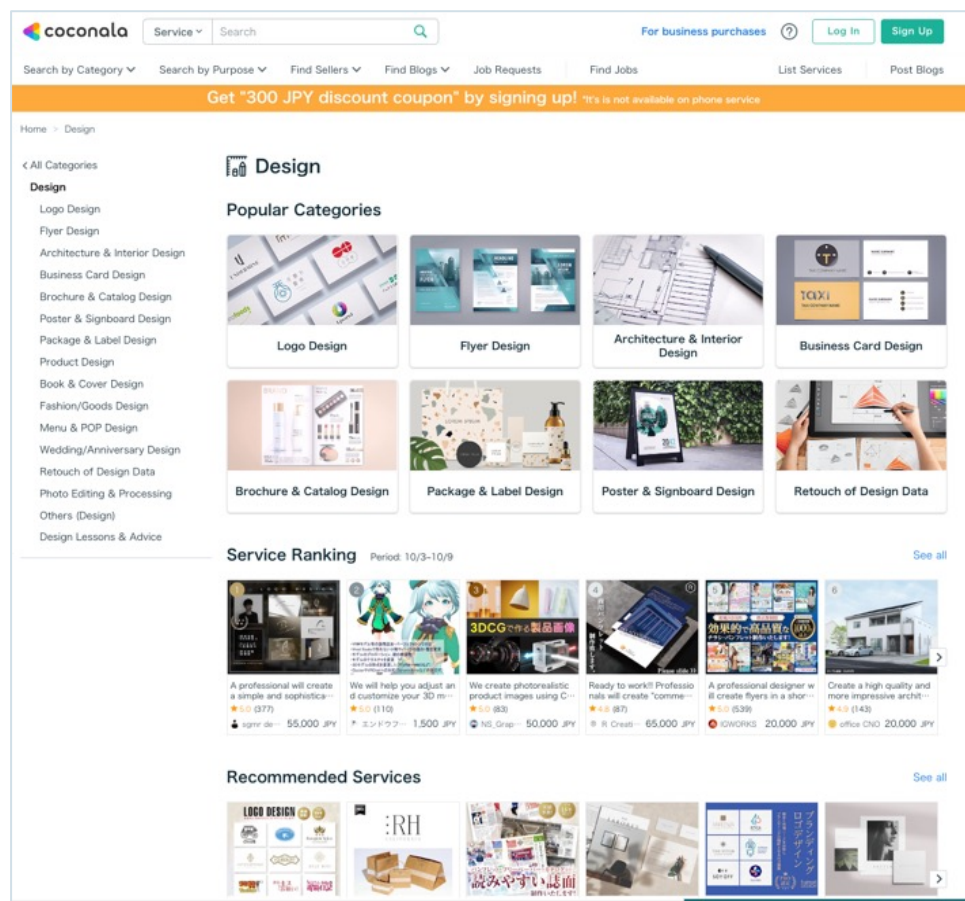


Basic agreement with Mizuho Bank to establish a joint venture company, Mizuho coconala



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



Launched several new services

Launched agent-type matching business in the areas of the high unit-price creative, high-class consulting and business agency/assistant



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



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



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

04

Appendix



Segment Change

Segments were changed to "Skill Market," "Legal Consultation," and "Tech Agent".

Before

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



After

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



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 / Chairperson

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.



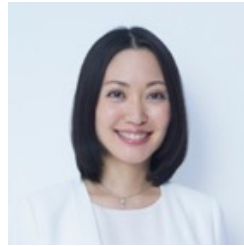
Kentaro Yadomi / Outside Director (Audit and Supervisory Committee Member)

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.

Skill Market: Features

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

Point 1

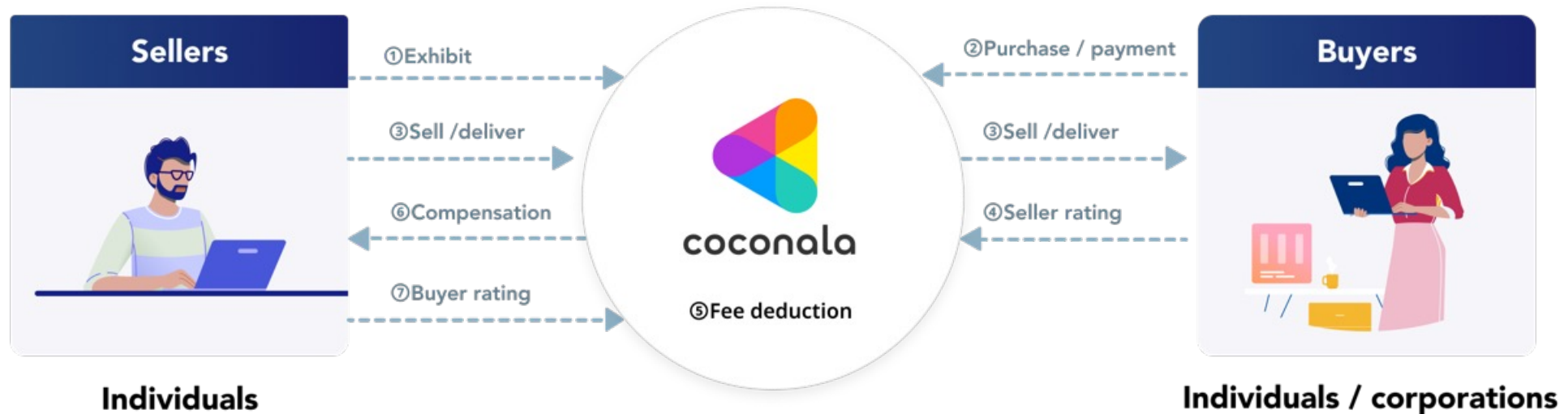
Easy purchase/sale with e-commerce model

Point 2

Complete online

Point 3

With range of categories





Skill Market: 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

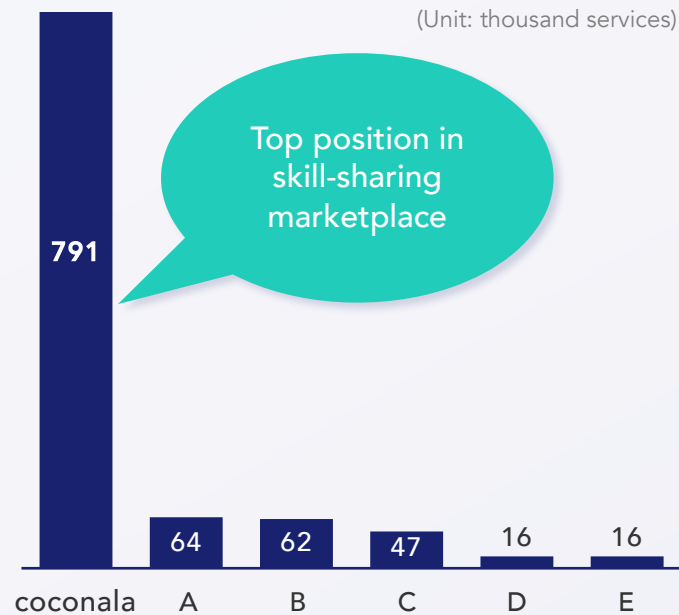


Skill Market: Strengths

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

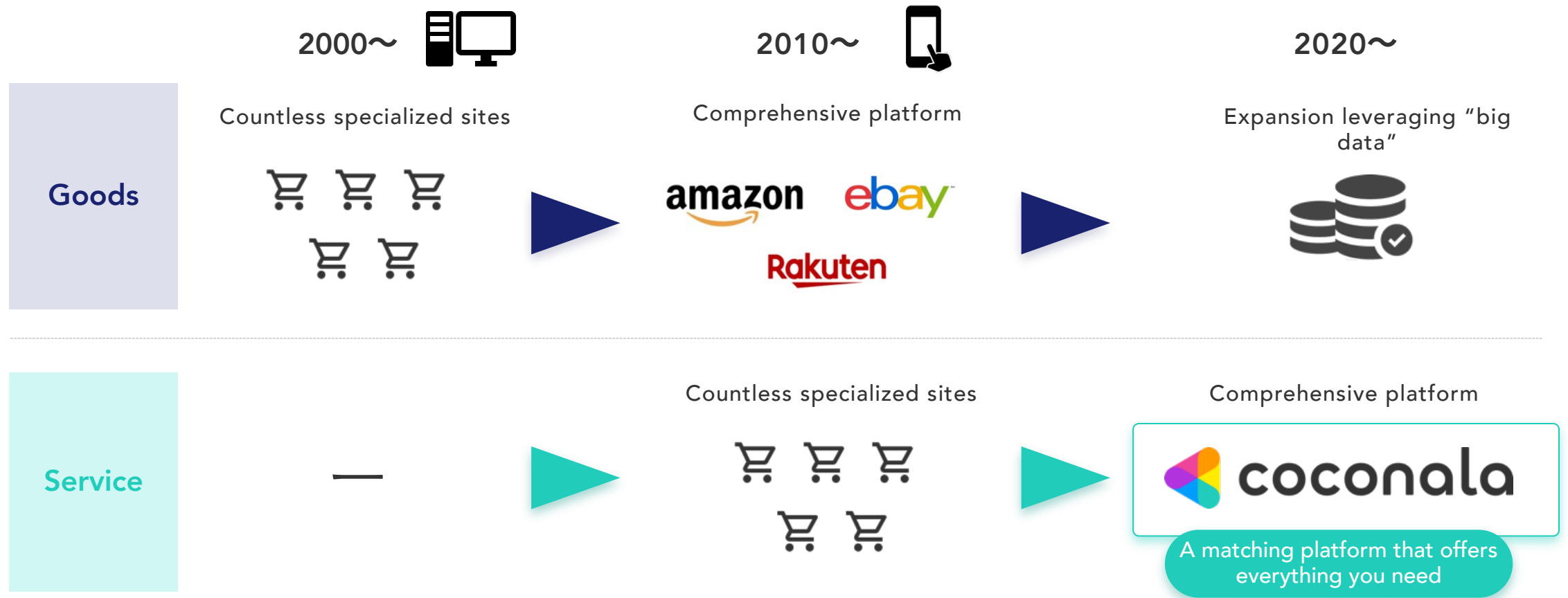
- Since we handle services, which are intangible, we have accumulated the know-how to match users with appropriate expectations by the visualization of information
- We are constantly improving our products based on user requests collected at user events and through the opinion box (More than 300 measures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

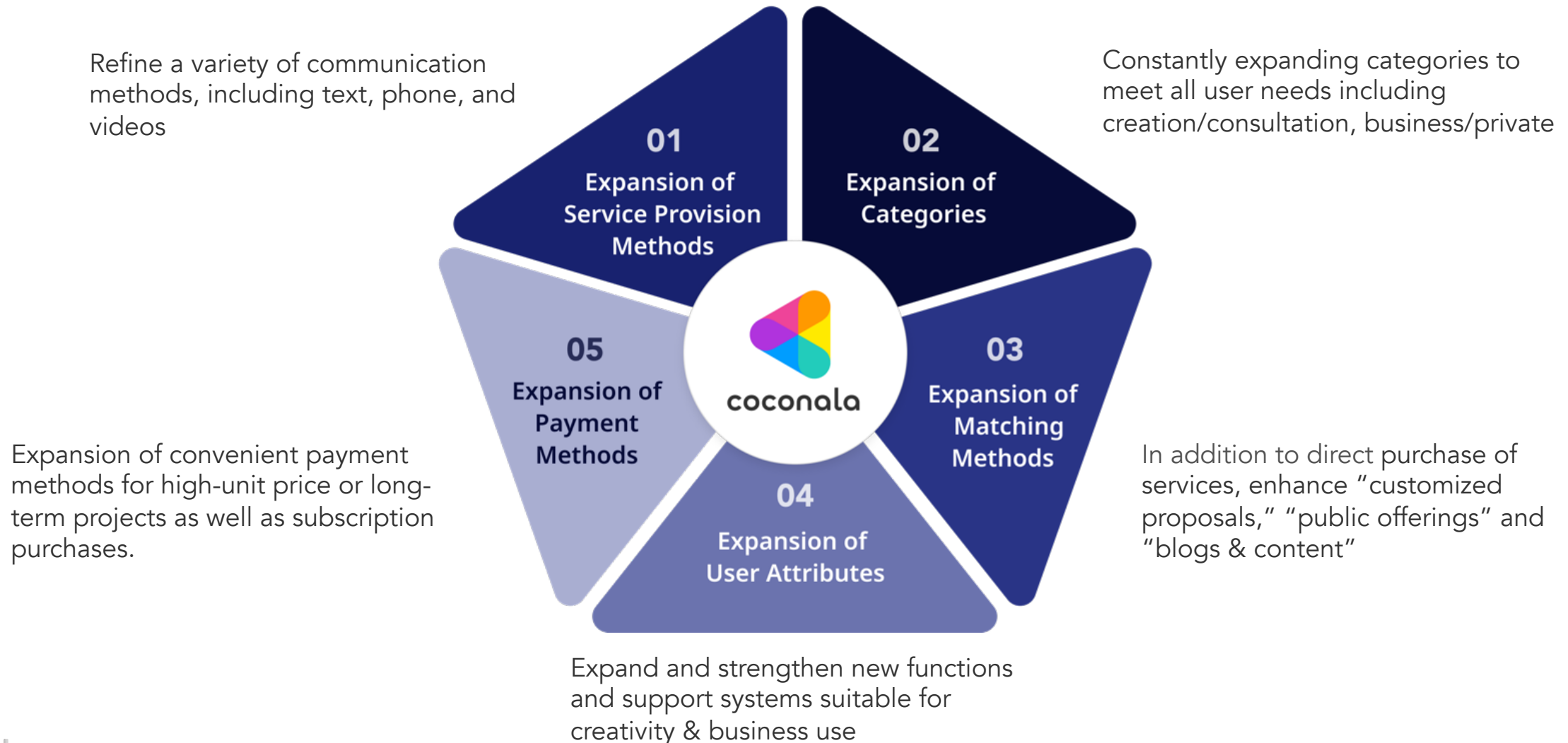
Skill Market: Strategic Concept

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.



Skill Market: Expansion of the Product

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

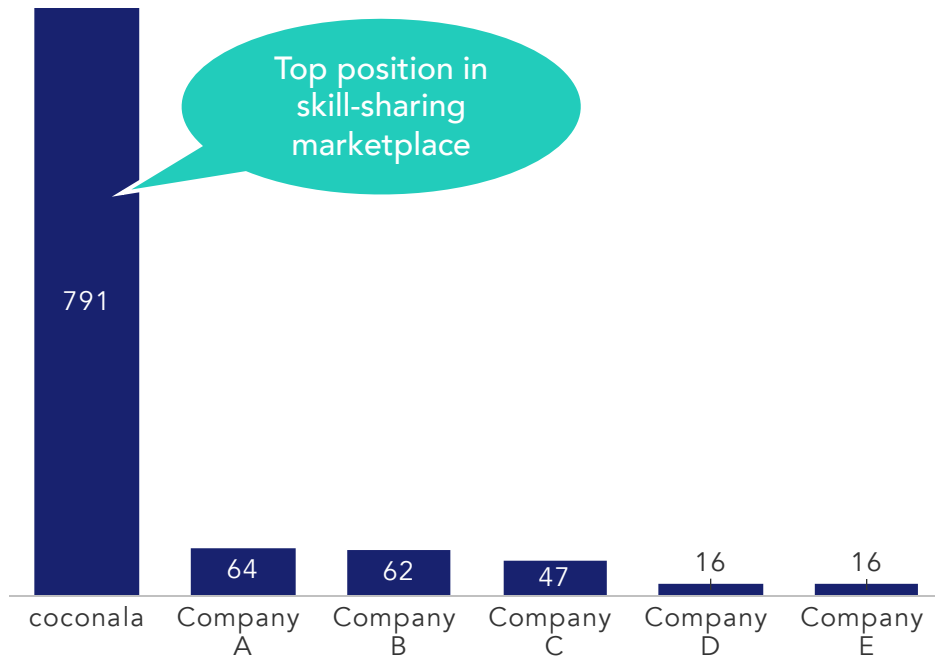


Skill Market: Large Number of Services on Offer and Reviews

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

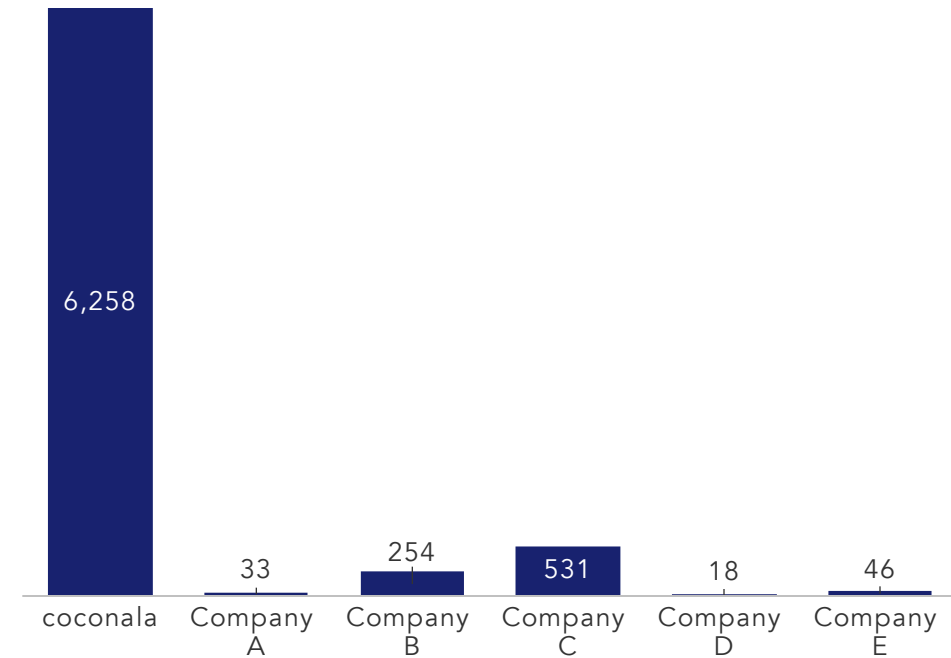
Number of Services on Offer*1

(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.

Skill Market: 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.

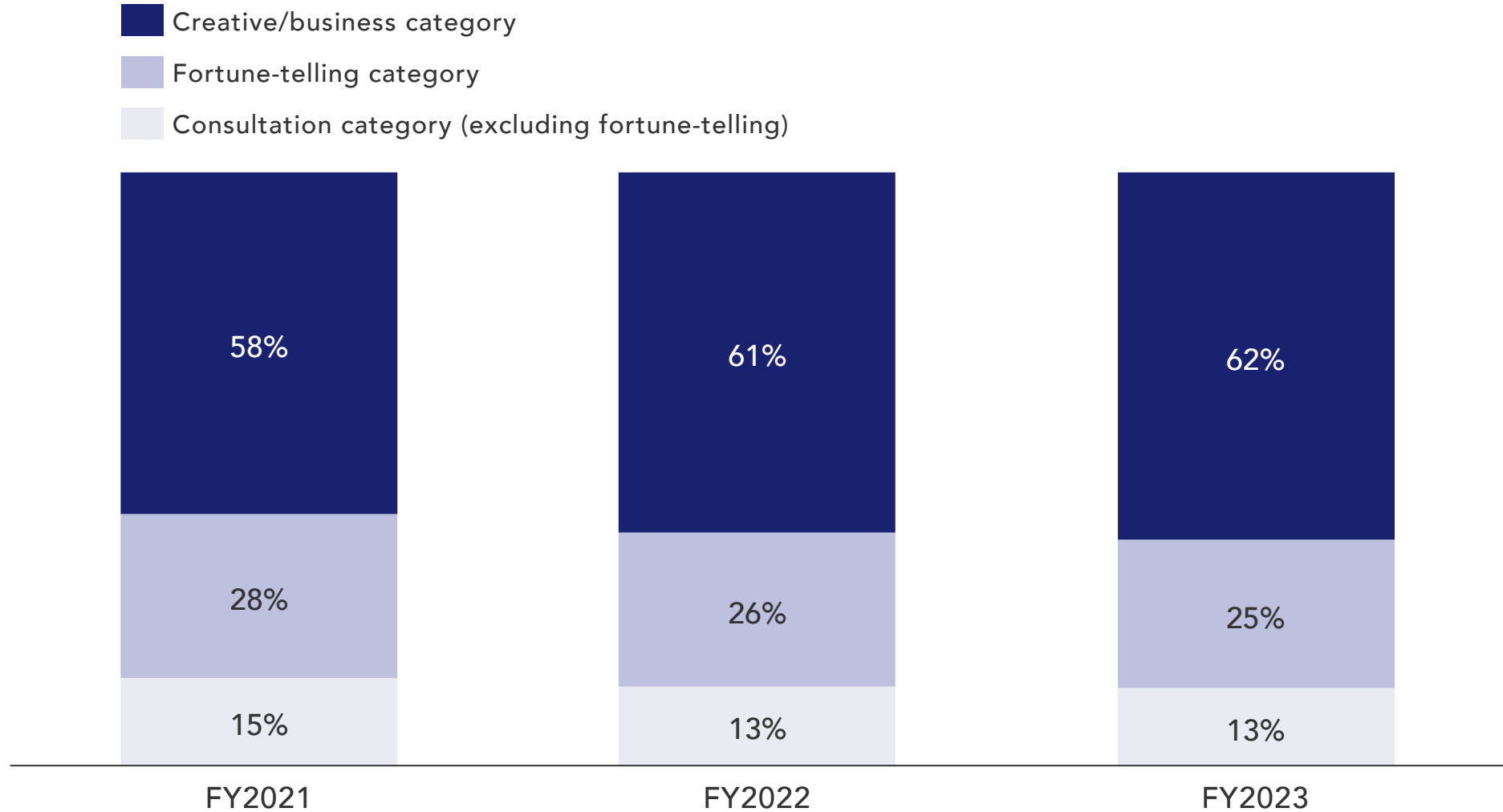


Skill Market: Examples of Major Services by User



Skill Market: Changes in GMV Composition

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



Skill Market: Major KPIs (Buyer-side and Seller-side KPIs)

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





Skill Market: 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.



Skill Market: 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.



Skill Market: 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.



Skill Market: 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).



Skill Market: 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

coconala Business: Service Overview

Overview of coconala Business

Site focused on business purchases



- Displays only selected services and exhibitor lineups
- Project management functions that make it easy for teams and departments to collaborate
- Dedicated team support (chat, call, etc.)
- Invoice payment, withholding, etc.

Used by companies of various sizes and across multiple industries*1



Panasonic



Use Case by Business Users

New business

Diversification in new business development and new measures, quick delivery and verification with limited budget

Resource shortage Support for / operational efficiency

Utilizing the skills of external human resources to respond to resource shortages / absences and improve the efficiency of internal operations

Purchasing cost reduction

Reduce service purchasing costs by diversifying and switching suppliers

Legal Consultation: Features

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.

Tech Agent: Features

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



Tech Agent: Why coconala is Engaged in the Agent Business

Expansion of coconala's ecosystem

- Capable of responding to various needs of users through people/projects type matching
- Accelerate the attraction of business users that has been difficult with coconala's existing services through matching in the form of business outsourcing which is often seen in Japan

High growth potential of the market

- While it is difficult to secure full-time IT personnel, the securement of engineers and designers in the form of business outsourcing is becoming common mainly at IT startups
- While various and new lifestyles are spreading also among IT personnel amid the COVID-19 pandemic, more workers, especially engineers, choose to work as freelancers

Acquisition of freelancers by using position as top skill-sharing marketplace

- Currently, more than 400,000 sellers are registered with coconala, and coconala has the potential as a place to match these personnel with the business outsourcing projects of companies
- By linking the evaluation at "coconala Agent" to "coconala," the evaluation of the performance for projects of companies will be accumulated at coconala, and the promotion of sales at coconala can be expected

Acquisition of Port Engineering, Inc

Company Overview

Company Name	Port Engineering, Inc
Establishment	April 2023 (Port split off this business)
Business	Freelance engineer agent business (Brand Name: Futurizm)
Financials	Revenues: Approx. 650 million yen (Fiscal year ending March 31, 2023)
Number of registrants	3,500 IT freelance engineers

Deal Summary

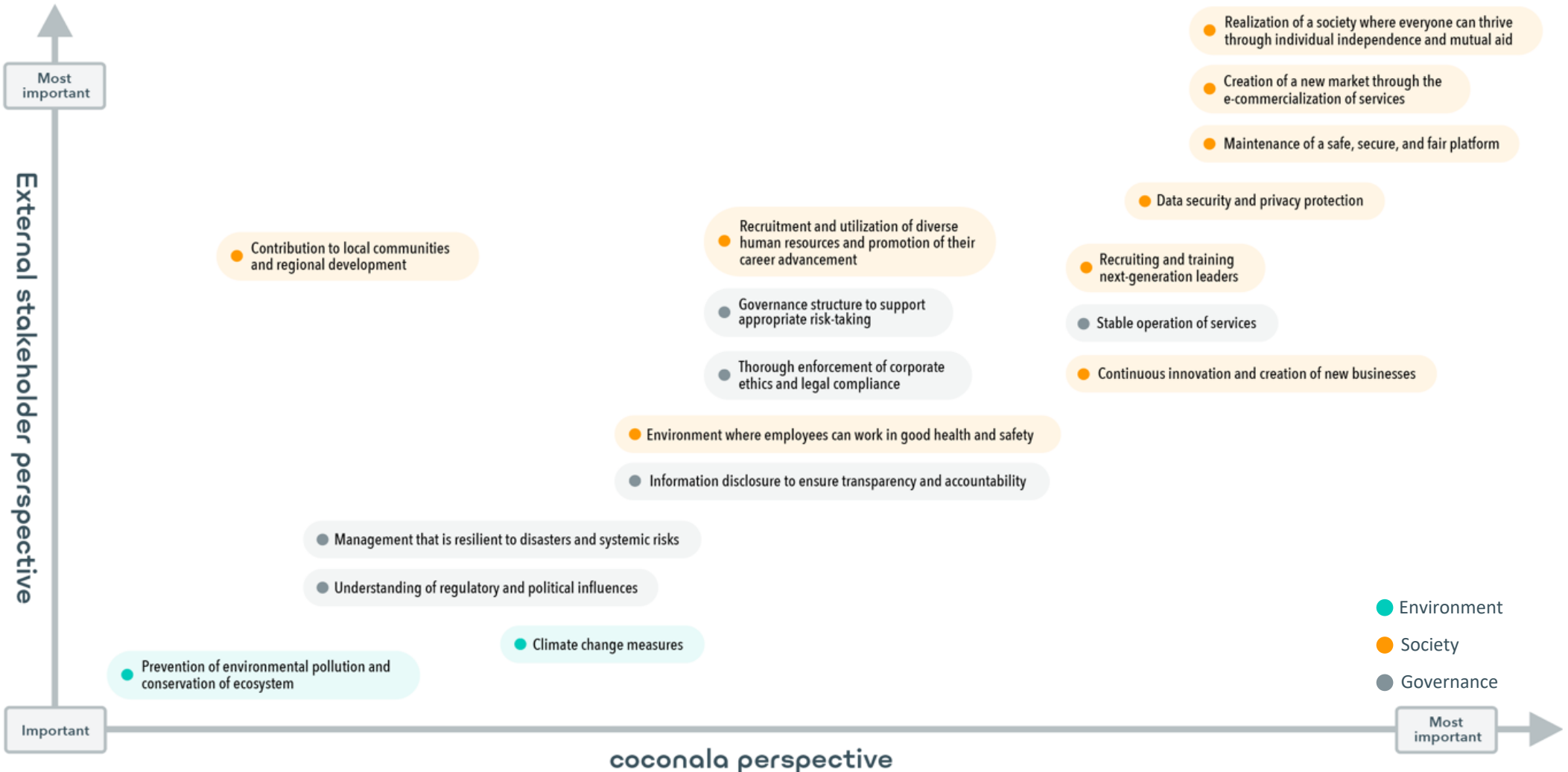
- Closing date: July 3, 2023
- Acquisition cost: 254 million yen
- Finance: Cash on hand
- To be incorporated into the consolidated financial statement from July 2023



The screenshot shows the Futurizm website homepage. The header includes the logo and navigation links: 案件検索, キャリア相談Q&A, お役立ちコラム, and 無料登録. Below the header is a search bar with filters: フリーランス案件検索, 言語から探す, 職種から探す, 単価から探す, and エリアから探す. The main content area features a large blue banner with the text: 「ITエンジニア案件を最適マッチング」, フリーランスの安定的な稼働を実現。, and a large headline: ご希望条件にマッチした案件をご提案します。 Below the banner is a search input field with the placeholder text: 言語 勤務地などで検索, a search button labeled 検索, and a footer with the text: おすすめキーワード: 渋谷 Ruby Java リモート.

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."