

TSUKURUBA

TSE Growth: 2978

Financial Results
FY2024 Q2 (Nov.-Jan.)

March 15, 2024

FY2024

August 1, 2023 to July 31, 2024

Agenda

- 1. Financial Highlights**
- 2. Financial Results for FY2024 Q2**
- 3. Forecast for FY2024**
- 4. Investment Highlights**

1. Financial Highlights

Financial Highlights

In Q2, we continued to achieve growth in both revenue and gross profit, while improving our operating profit. Progress through H1 is has been steady, and we expect to meet our fiscal-year forecast.

Financial Results FY2024 Q2 (Nov. 2023-Jan. 2024)

Consolidated

Continued to achieve growth in both revenue and gross profit, despite the sale of the PPD business. Operating profit improved considerably on a YoY basis (P6 for further details)

| | |
|----------------------------|---|
| Revenue ^{*1} | JPY 892 million (+8% YoY ^{*2} , +20% adjusted YoY ^{*2,3}) |
| Gross Profit ^{*1} | JPY 596 million (+5% YoY ^{*2} , +9% adjusted YoY ^{*2,3}) |
| Operating Profit | JPY -12 million (+76 million YoY ^{*2}) |

<cowcamo business KPI ^{*4}>

| | |
|-----------|---|
| GMV | JPY 12,833 million (+13% YoY ^{*2}) |
| Take Rate | 4.7 % (-4% YoY ^{*2}) |

Forecast FY2024

(Aug. 2023-Jul. 2024)

Consolidated

Progress through H1 is has been steady, and we expect to meet our fiscal-year forecast

| | |
|------------------|--|
| Revenue | JPY 5,200 million (+25% YoY ^{*2} , +35% adjusted YoY ^{*2,3}) |
| Gross Profit | JPY 2,800-3,000 million (+11-19% YoY ^{*2} , +15-23% adj. YoY ^{*2,3}) |
| Operating Profit | JPY 150 million (+282 million YoY ^{*2}) |

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

*2 Non-consolidated basis before FY2023

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

*4 Payment basis

2. Financial Results for FY2024 Q2

Company-wide | FY2024 Q2 - Quarterly Financial Summary

In Q2, we continued to achieve growth in both revenue and gross profit, while considerably improving our operating profit on a YoY basis. Please refer to P6 for further details on financial performance this quarter, as well as outlook for the remainder of the fiscal year.

(Unit: JPY million)

| | FY2024 Q2 (2023/11-2024/1) Consolidated | FY2023 Q2 (2022/11-2023/1) Non-consolidated* | YoY* | FY2024 H1 (2023/8-2024/1) Consolidated | FY2023 H1 (2022/8-2023/1) Non-consolidated* | YoY* |
|-------------------------|---|--|-------------|--|---|-------------|
| Revenue | 892 | 824 | +8% | 2,045 | 1,567 | +30% |
| Gross Profit | 596 | 568 | +5% | 1,283 | 1,116 | +15% |
| Operating Profit | -12 | -89 | +76 | 37 | -189 | +226 |
| Ordinary Profit | -21 | -90 | +69 | 23 | -197 | +220 |
| Net Profit | 78 | -91 | +169 | 123 | -201 | +324 |

* Non-consolidated basis before FY2023

Reference | FY2024 Q2 - Financial Performance and Outlook

Key factors influencing gross profit, operating expense and extraordinary income are as below. In Q2, cowcamo segment's GMV came in below expectation, but it has since recovered and currently trending steadily. In H2, we anticipate growth in line with the fiscal-year assumption.

FY2024 Q2 - Financial Performance and Outlook

Gross Profit

- **cowcamo segment:** Gross profit increased +9% YoY, trending below the fiscal-year assumption (+15~23% YoY)
<Breakdown by business KPI>
 - **GMV:** Both the number of transactions and value per transaction came in below expectation, as GMV was limited to a +13% YoY increase. Both metrics have since recovered and currently trending steadily
 - **Take Rate:** Came in at 4.7%, roughly on par with fiscal-year assumption. Expect to trend at a similar level for the remainder of the year
- **Sale of the PPD business:** With the completion of the sale, there is JPY -21 million YoY impact to gross profit

Operating Expense

- **Personnel and recruiting expenses:** JPY -39 million YoY decrease* in line with planned progress of personnel strategy, as well as Q2 recruiting targets being achieved early in Q1. For H2, expect an increase with new graduates joining in April, as well as an increase in recruiting activities, per fiscal-year policy
- **Sale of the PPD business:** With the completion of the sale, there is JPY -14 million YoY impact to operating expense (mostly personnel-related)

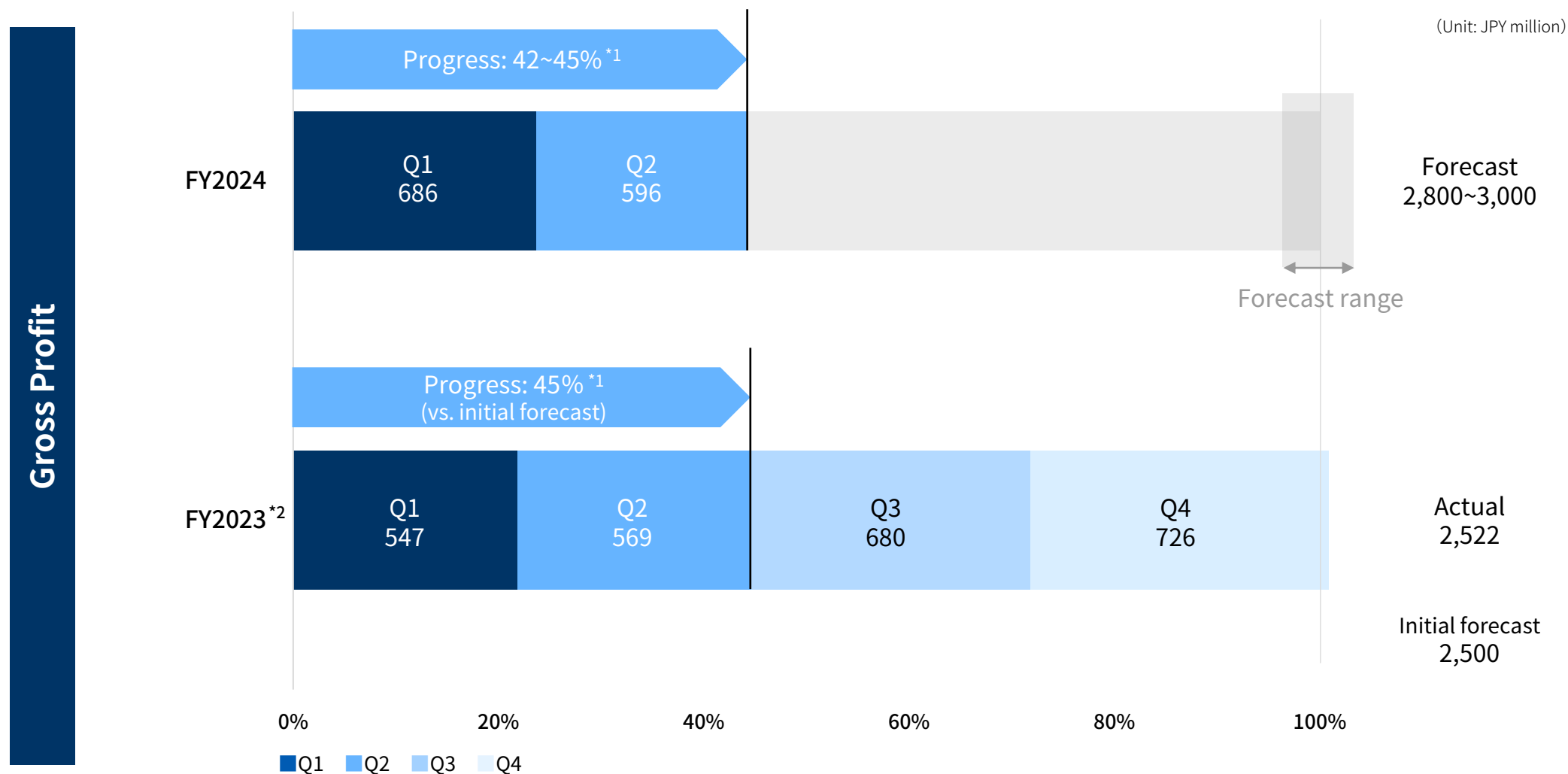
Extraordinary Income

- **Sale of the PPD business:** With the completion of the sale, there is JPY 49 million extraordinary income in Q2
- **Sale of investment securities (announced Dec. 14, 2023):** There is JPY 50 million extraordinary income in Q2

* Excluding decrease in personnel expenses from the sale of the PPD business

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

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



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

*2 Non-consolidated basis before FY2023

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

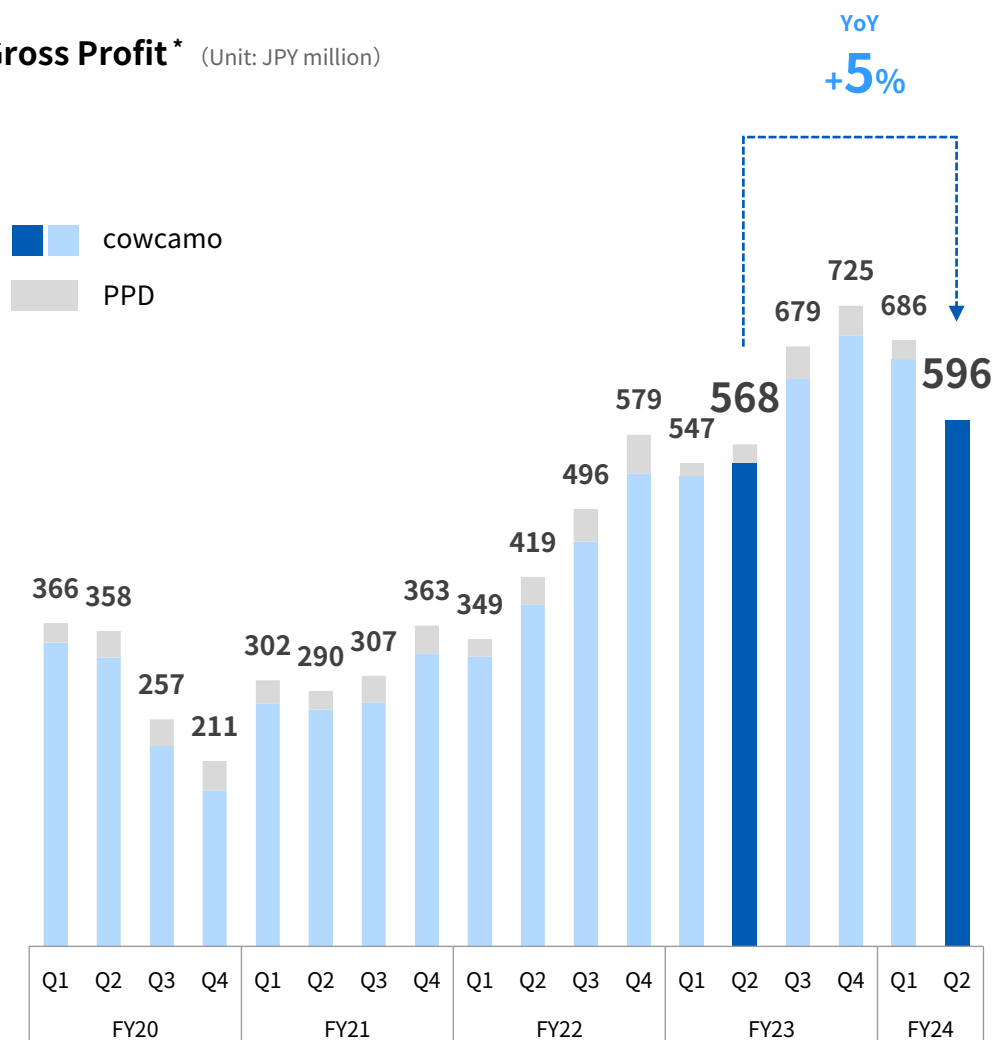
Our revenue structure can be divided into commission revenue (net revenue) and sales revenue (gross revenue). As such, we position gross profit as our financial KPI. For business KPI, we disclose GMV and take rate, which accurately represent the state of our business, irrespective of the type of revenue.

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

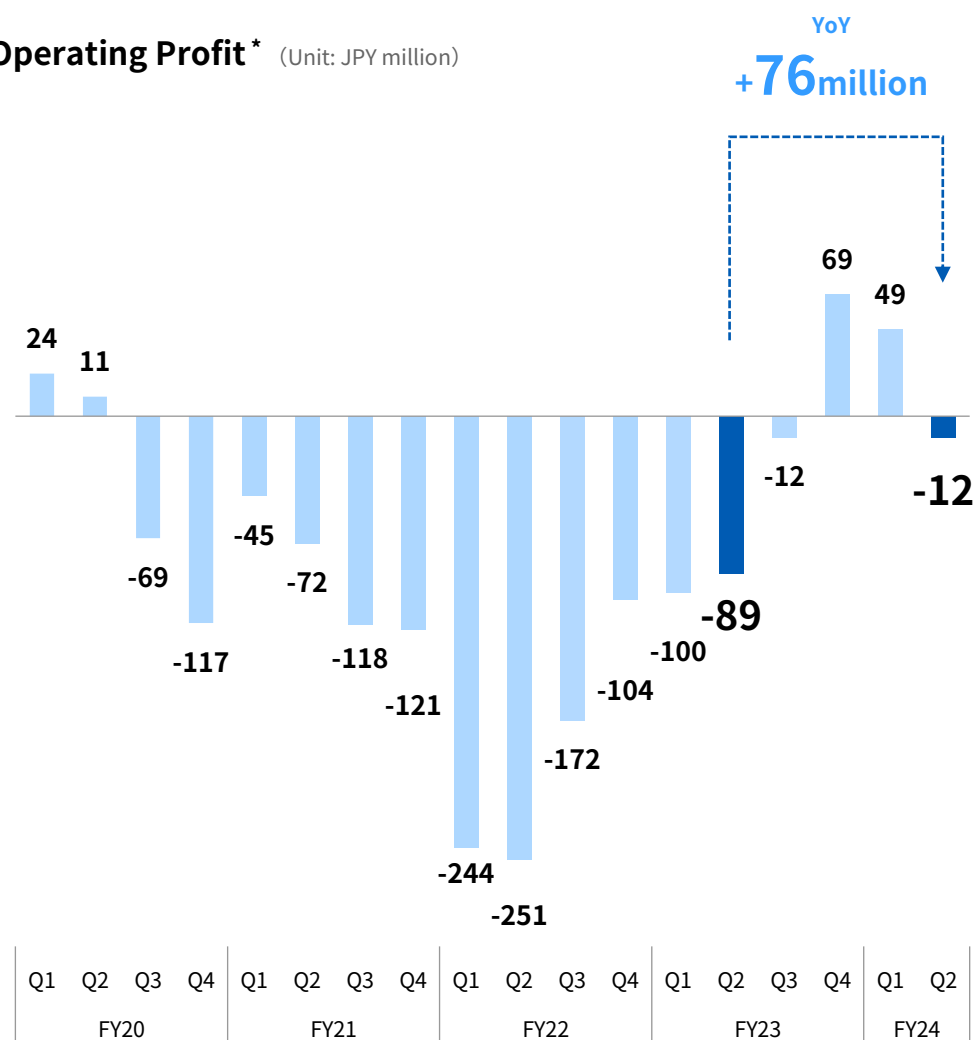
Company-wide | Gross Profit and Operating Profit

We continued to achieve growth in both revenue and gross profit, despite the sale of the PPD business. As per fiscal-year policy, operating profit improved considerably on a YoY basis.

Gross Profit* (Unit: JPY million)



Operating Profit* (Unit: JPY million)

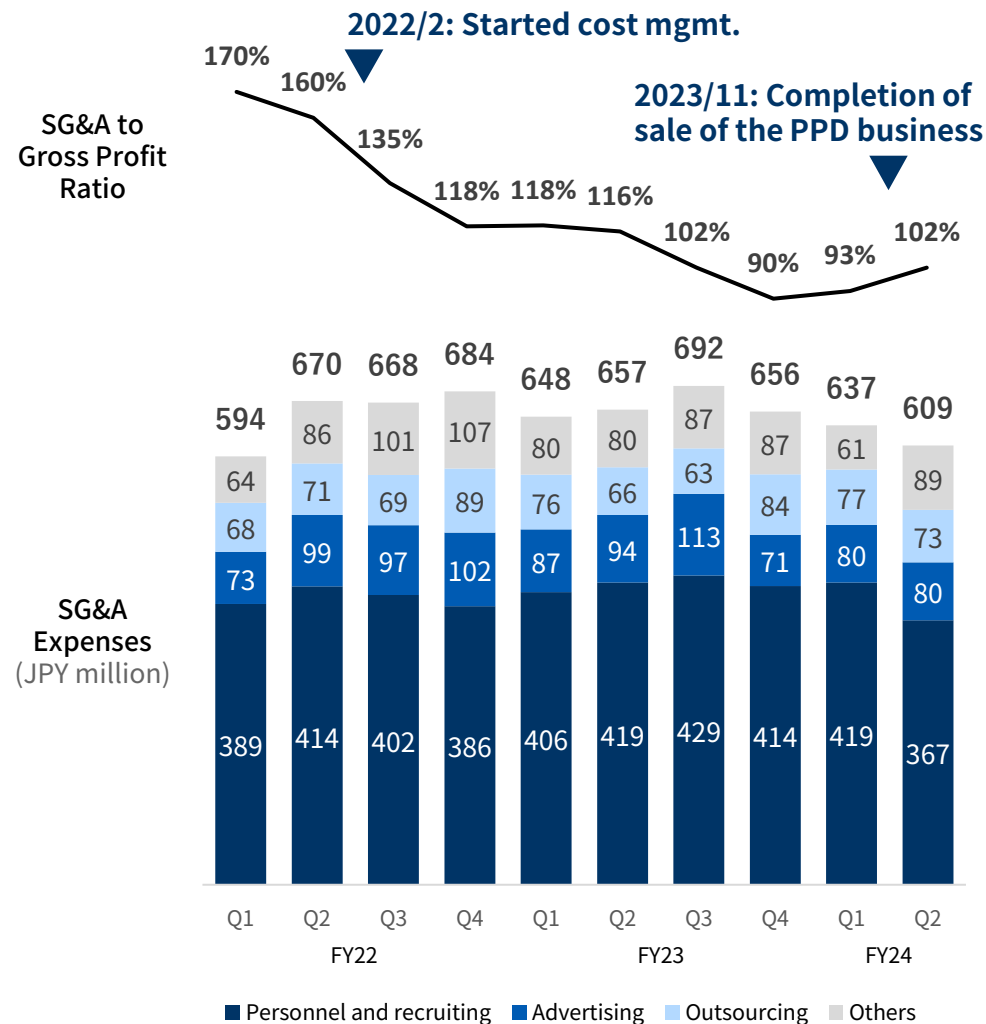


* Non-consolidated basis before FY2023

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

SG&A to gross profit ratio improved +12% (14pt) on a YoY basis, in line with the fiscal-year policy to increase gross profit while maintaining previous-year level of expenses. Personnel and recruiting expenses decreased due to sale of the PPD business, as well as planned progress of personnel strategy.

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



State of SG&A Expenses

Personnel and recruiting expenses

- Personnel and recruiting expenses decreased in Q2 with completion of the sale of the PPD business, as well as planned progress of personnel strategy and Q2 recruiting targets being achieved early in Q1
- After Q3, expect an increase with new graduates joining in April, as well as an increase in recruiting activities. We also plan to undertake accelerated expansion of sales force to achieve FY25 goals, with consideration of progress vs. fiscal-year forecast

Advertising expenses

- Focus on optimization of marketing methods and channels
- In Q3, expect an increase in line with seasonality (peak season for real estate)

Outsourcing expenses

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

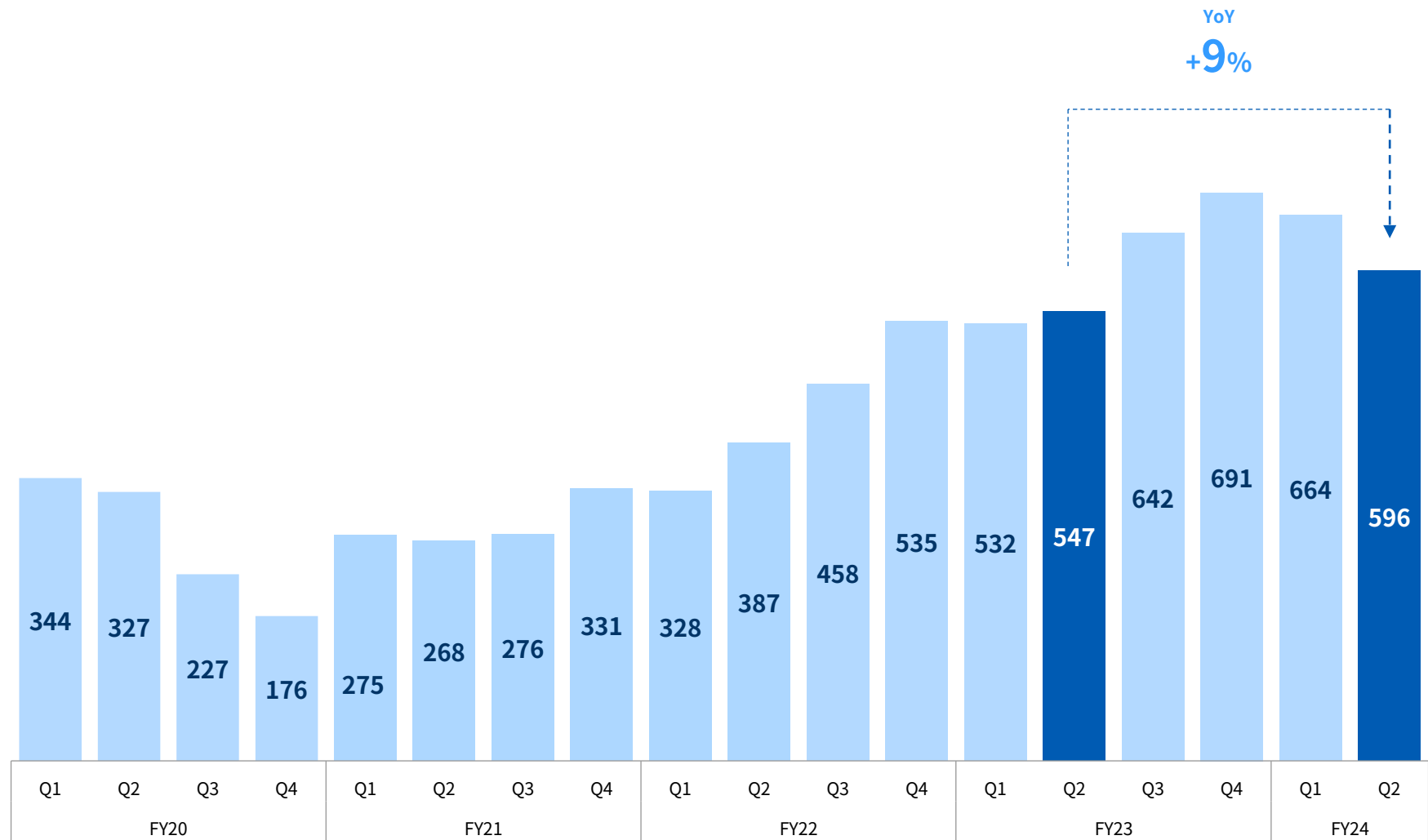
Others
incl. stock-based compensation expenses of JPY 18 million

- Continue to carefully monitor expenses to reduce company-wide SG&A
- After Q3, expect an increase from expansion of office space, in line with fiscal-year policy

* Non-consolidated basis before FY2023

cowcamo | Gross Profit *

Gross profit of the cowcamo segment increased +9% YoY in Q2, trending below the fiscal-year assumption (+15~23% YoY). However, progress through H1 has been steady.



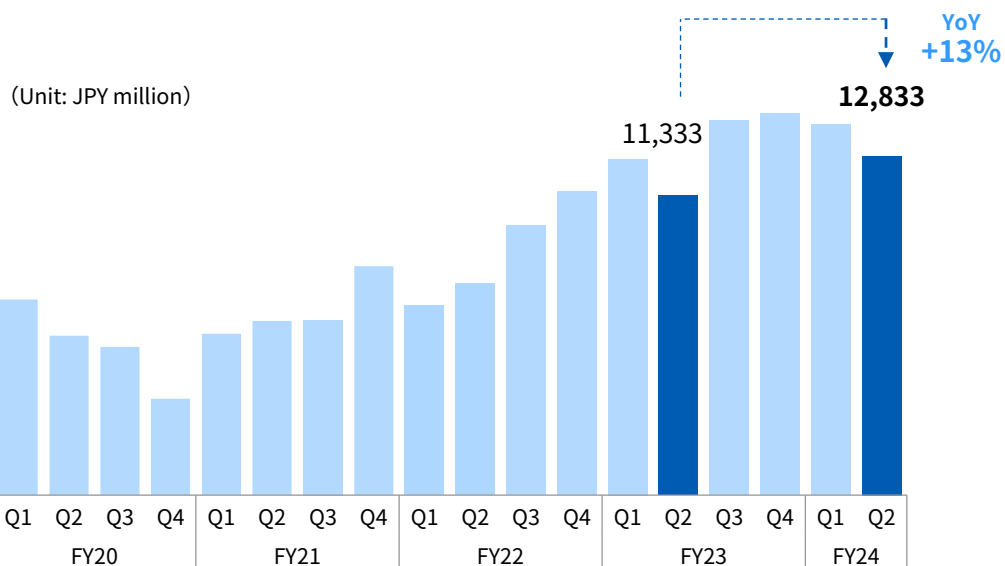
(Unit: JPY million)

* Non-consolidated basis before FY2023

cowcamo | GMV and Take Rate

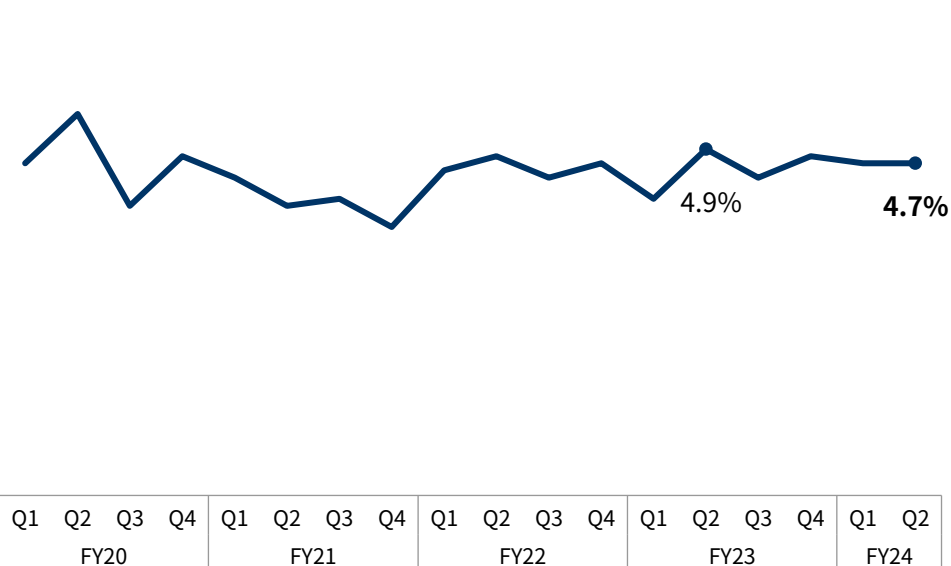
In Q2, GMV increased +13% YoY, while take rate decreased -4% YoY. GMV came in below expectation, but it has since recovered and currently trending steadily.

GMV [Payment basis] *1



- GMV was limited to a +13% YoY increase, as both the number of transactions and value per transaction came in below expectation
 - Despite outpacing market growth, the number of transactions came in below expectation due to a shortfall in the number of customers, especially given the increase of in-house agents
 - Value per transaction came in below expectation due to a one-time change in customer composition
- GMV has since recovered and currently trending steadily. In H2, we anticipate GMV growth in line with the fiscal-year assumption

Take Rate *2



- There were no major changes in the market supply-demand environment to influence the take rate in Q2. As a result, take rate came in at 4.7%, roughly on par with fiscal-year assumption
- Sales of renovation services and in-house planned products contributed positively to take rate, but lower take rate of brokerage for sellers resulted in a -4% YoY decline
- We will continue to drive improvements on the seller (supply) side, but do not expect significant changes to take rate in the short-term

*1 GMV: Gross Merchandise Value is the sum of the prices of all products and services traded on the cowcamo platform, including properties and renovation services

*2 Take Rate: The commission rate charged on GMV, calculated by dividing the gross profit of cowcamo (payment basis) by GMV

Reference | Quarterly Financial Results and Business KPIs

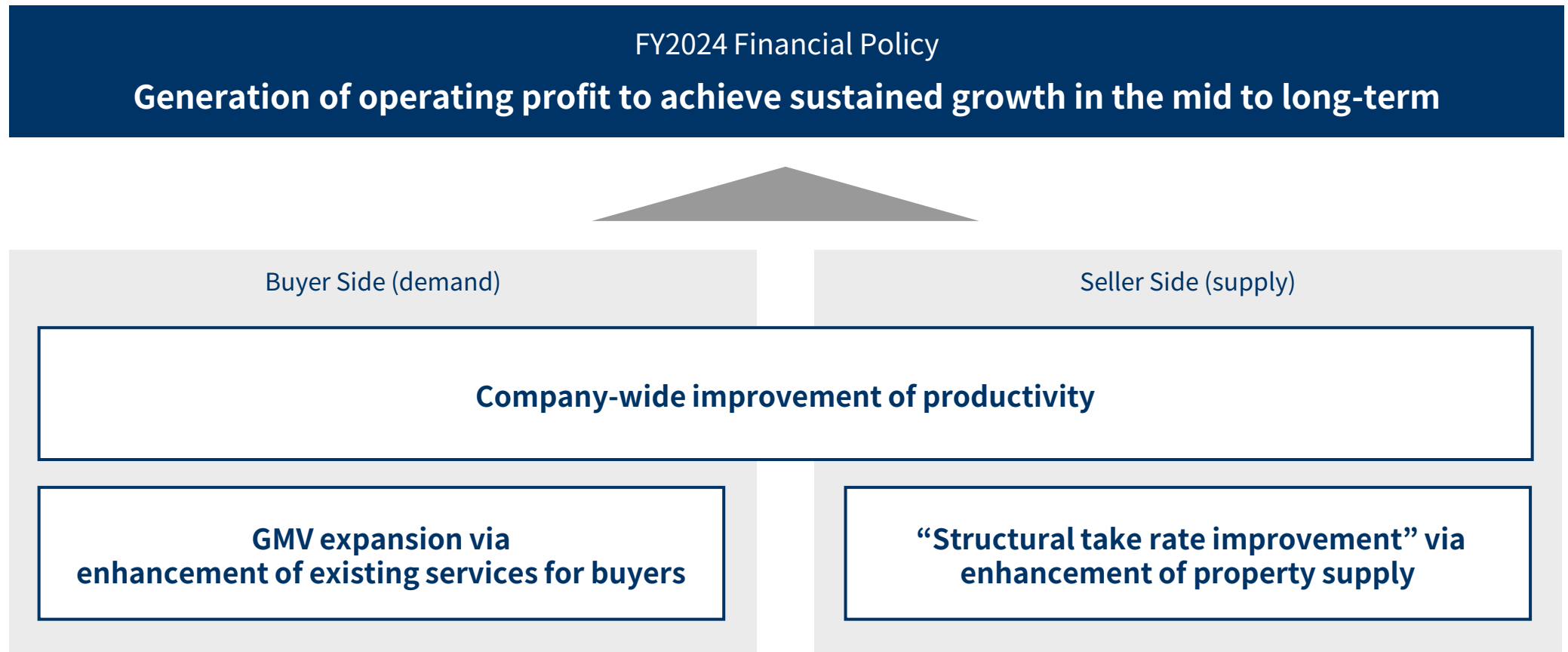
| | Old Policy ^{*1} | | | | New Policy ^{*1} | | | | | | | | | |
|--|--------------------------|--------------|--------------|--------------|--------------------------|--------------|---------------|---------------|--------------------|---------------|---------------|---------------|---------------|---------------|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

^{*1} In order to more accurately represent our financial results by segment, we conducted a review of corporate allocation ("new policy") in Q2. Operating expense figures before FY21 are calculated based on the previously disclosed figures ("old policy"), while figures after FY22 are calculated based on the new policy

^{*2} Non-consolidated basis before FY2023 | ^{*3} Contract basis | ^{*4} Payment basis

Financial Policy and Initiatives for FY2024 *

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



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

Key Initiatives in FY2024 Q2

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

A

Company-wide improvement of productivity

Continued increase in company-wide productivity via improvement of front-office ratio (P16)

- Sales productivity decreased due to a shortfall in the number of customers, while the number of in-house agents continued to increase (P17). Going forward, we will look to increase sales productivity by strengthening marketing efforts to attract more customers, and by improving sales processes (incl. increased penetration of SFA tools introduced in Q2)
- Continue to increase efficiency of back-office operations, also contributing to company-wide productivity via improvement of front-office ratio
- Improve cost-effectiveness of resources invested in key business activities, such as customer acquisition, property procurement and product development

B

GMV expansion via enhancement of existing services for buyers

GMV expansion on the buyer side driven by improvement of customer service and consequent uplift of contract rate (P18)

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

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

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

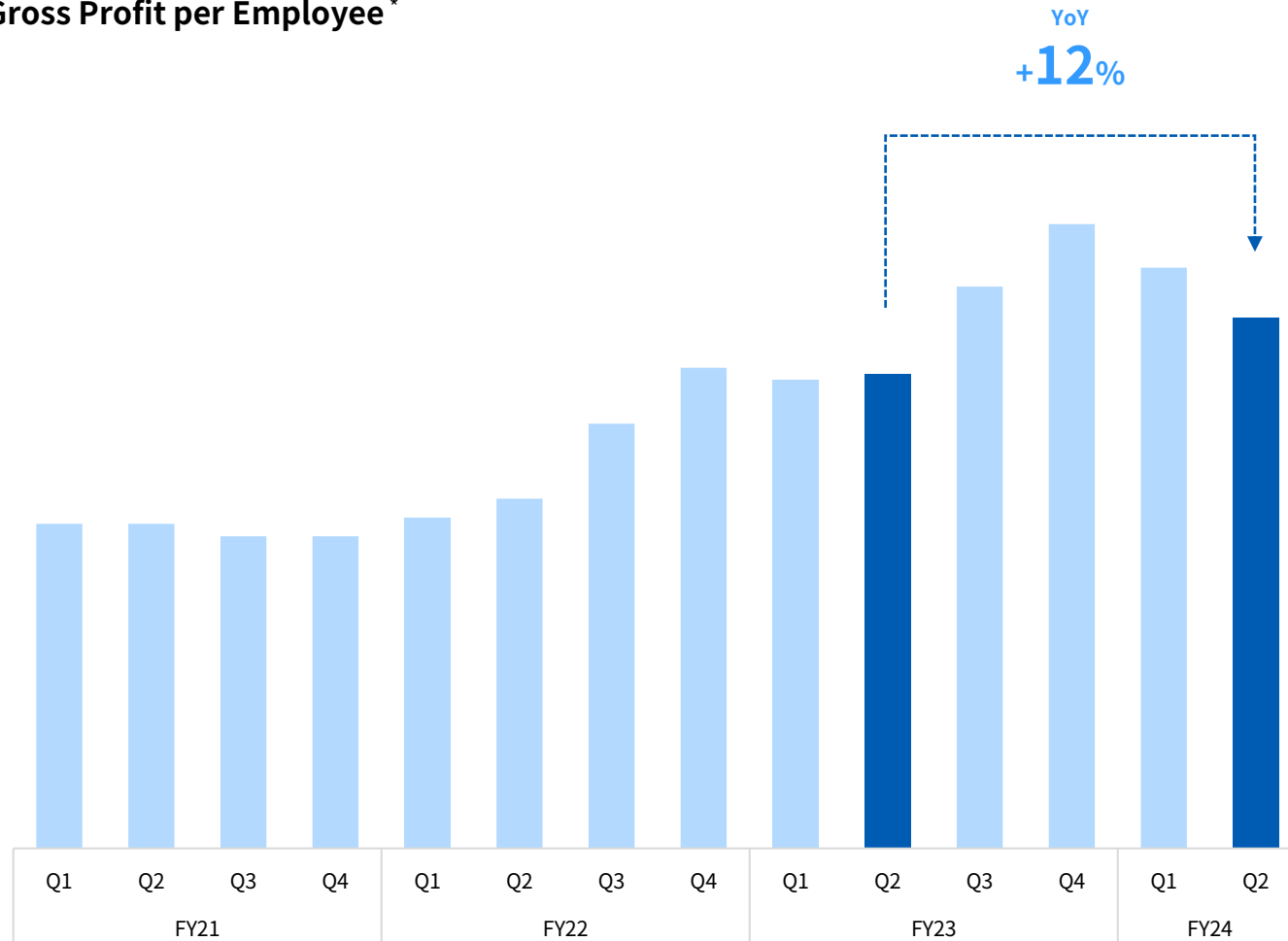
- Strengthen the business structure for property procurement (brokerage for sellers and acquisition) to create a foundation to enable continuous and stable procurement of properties
- For in-house planned products, we are currently focused on improving turnover ratio (shorter time for development and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

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

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

Continued improvement in front-office ratio has resulted in a +12% YoY uplift of company-wide productivity, as measured by gross profit per employee.

Gross Profit per Employee *

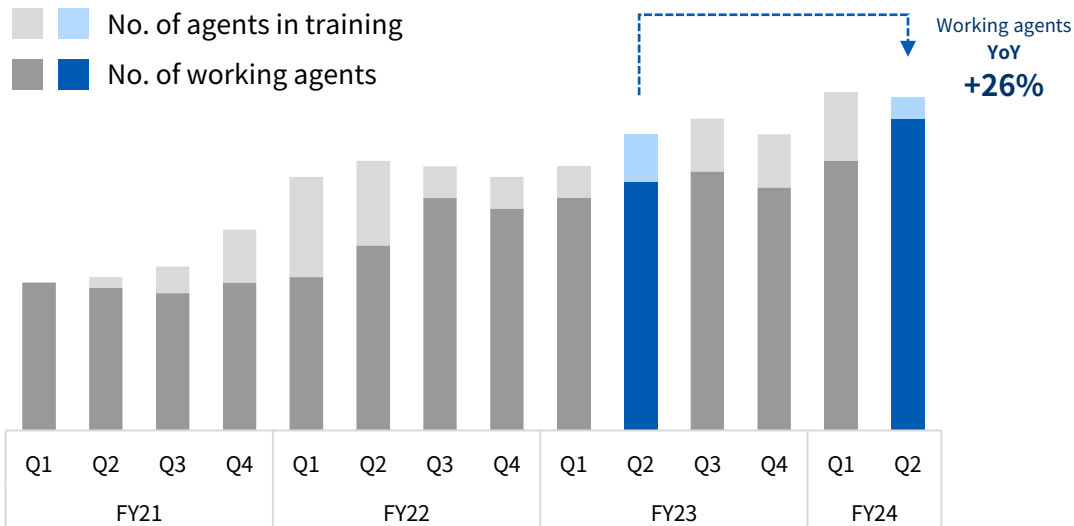


* Non-consolidated basis before FY2023

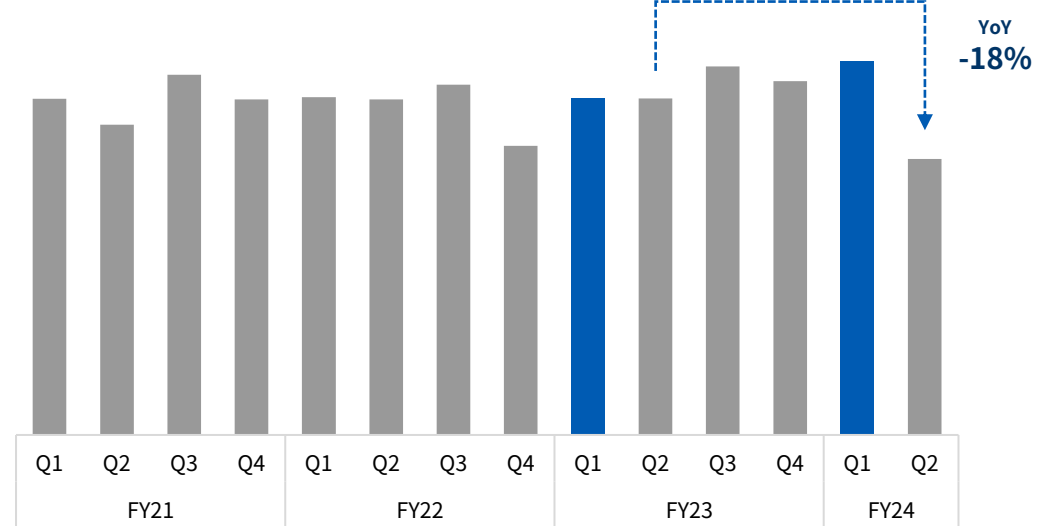
A Company-Wide Productivity (2/2): Improvement of Sales Process and Management Structure

The number of in-house working agents*¹ at the end of January 2024 increased +26% YoY. On the other hand, transactions per in-house agent decreased -18% YoY, mainly due to a shortfall in the number of customers.

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



Transactions per in-house agent*²



- The number of working agents increased +26% YoY, mainly due to the conversion of agents in training to working agents. In line with our fiscal-year policy, we prioritized training over recruiting in Q2, and the total number of in-house agents increased +13% YoY
- Accelerated expansion of sales force to achieve FY25 goals is planned to be undertaken with consideration of progress vs. fiscal-year forecast. In addition, we will focus on management training to optimally support the increasing number of in-house agents

- In Q2, transactions per in-house agent decreased -18% YoY due to a shortfall in the number of customers, in the face of increasing number of in-house agents
- Going forward, we plan to strengthen marketing efforts to attract more customers, while also undertaking further improvement of sales processes, including increased penetration of SFA tools introduced in Q2

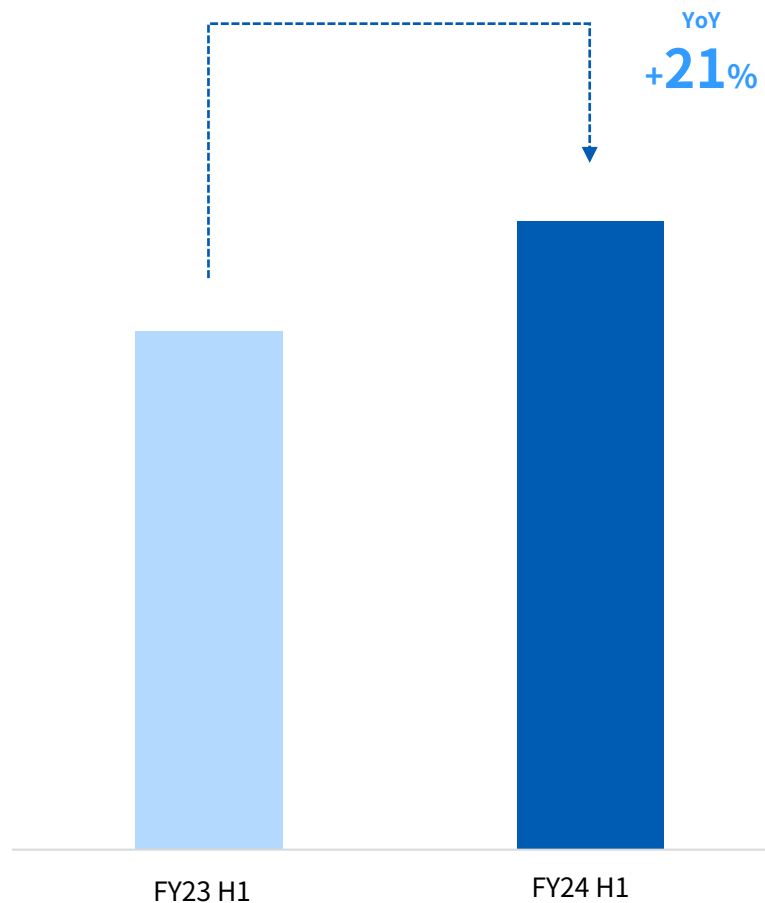
*1 "In-house agent" refers to a full-time employee engaging in brokerage sales. The number of agents on this page reflects those serving cowcamo buyers

*2 Contract basis

B GMV Expansion via Enhancement of Existing Services for Buyers

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

Buyer Side GMV ^{*1*2}



Contribution of Service Enhancement to GMV Expansion in Q2

Customers

- Only slightly increased the number of customers in H1, instead focusing on contract rate
- Going forward, look to increase the number of customers through strengthening of marketing and product

Contract Rate
% of customers completing transactions ^{*1}

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

Value per Transaction
GMV per transaction ^{*1}

- Headwind to value per transaction due to the limited capacity of renovation providers ameliorated in Q2, as value per transaction slightly increased in line with rising property prices in the market
- Going forward, we will look to improve the renovation service and other ancillary services to increase the value per transaction

*1 Contract basis

*2 Includes transactions where we act as the broker on both the buyer and seller side

3. Forecast for FY2024

Forecast of Financial Results for FY2024

There are no changes to the fiscal-year forecast in Q2.

Forecast of Financial Results

(Unit: JPY million)

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

*1 Non-consolidated basis prior to FY2023

*2 Transitioning to consolidated basis as of FY2024

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

FY2024 Forecast – Key Assumptions

Forecast for FY2024 is based on the following assumptions. The only change in Q2 is related to the completion of the sale of the PPD business; extraordinary income from the sale is unchanged from the estimate quoted in the Q1 Financial Results presentation on December 14, 2023.

Key Assumptions for the FY2024 Forecast *

| | |
|---------------------------------|--|
| <p>cowcamo</p> | <ul style="list-style-type: none"> • Market: Assume a gradual and continued growth in demand while keeping a close eye on macro trends, including interest rates and real estate prices • GMV: Expect >15% YoY growth as a result of uplift in sales and marketing productivity, as well as enhancement of existing services, mainly on the buyer side • Take Rate: Expect a slight YoY increase, as we position FY2024 as a year to build the foundation for a mid to long-term uplift in take rate, by undertaking the integration of individual sellers and in-house planned products businesses, as well as fostering the growth of urucamo • Expense: No material increase in SG&A, rather focusing on productivity improvements |
| <p>PPD</p> | <ul style="list-style-type: none"> • <u>The sale of the PPD business was completed on November 1, 2023.</u> Accordingly, the forecast only accounts for its revenue and gross profit contribution in Q1 |
| <p>Corporate Expense</p> | <ul style="list-style-type: none"> • In line with the FY2024 policy to pursue company-wide improvement of productivity, the forecast factors in operational optimization and cost rationalization of non-sales departments • Expect JPY 80 million in incremental expenses from the transition to consolidated accounting, as well as a projected increase in office space aligned with the current recruiting strategy |
| <p>Others</p> | <ul style="list-style-type: none"> • With the sale of the PPD business to Mr. Masahiro Nakamura, <u>there is extraordinary income of JPY 49 million in FY2024 Q2.</u> There is an additional extraordinary income of JPY 50 million in FY2024 Q2 due to the sale of investment securities • Non-finalized transactions, extreme real estate market fluctuations, new businesses and M&A are not taken into account |

* Changes are bolded and underlined

4. Investment Highlights

Investment Highlights

1

Unique position in the expanding used and renovated housing market

2

Continued gross profit growth through expansion of GMV x Take Rate

3

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

Market | Transformation of Housing Distribution through Design x Technology

In our core business, cowcamo, we aim to revolutionize customer-oriented housing distribution by leveraging Design x Technology.

Issues in Real Estate Distribution

Society

- Revitalization of distribution of old houses
- Responding to diverse lifestyles

Customers

- Few products that meet the needs
- Information asymmetry with suppliers

Industry

- Distribution friction due to intermediaries
- Lack of IT and inefficient processes

Technology Progress



Proliferation of mobile devices



Rise of new technologies



Diffusion of electronic transactions

Changes in Industry Environment



Diversification of needs



Promotion of Stock Utilization



Soaring prices of new properties

Utilizing Design x Technology
in mechanisms and
experiences

Promoting the future of customer-oriented housing distribution by utilizing Design x Technology



Highly liquid housing distribution market



Customer-oriented service

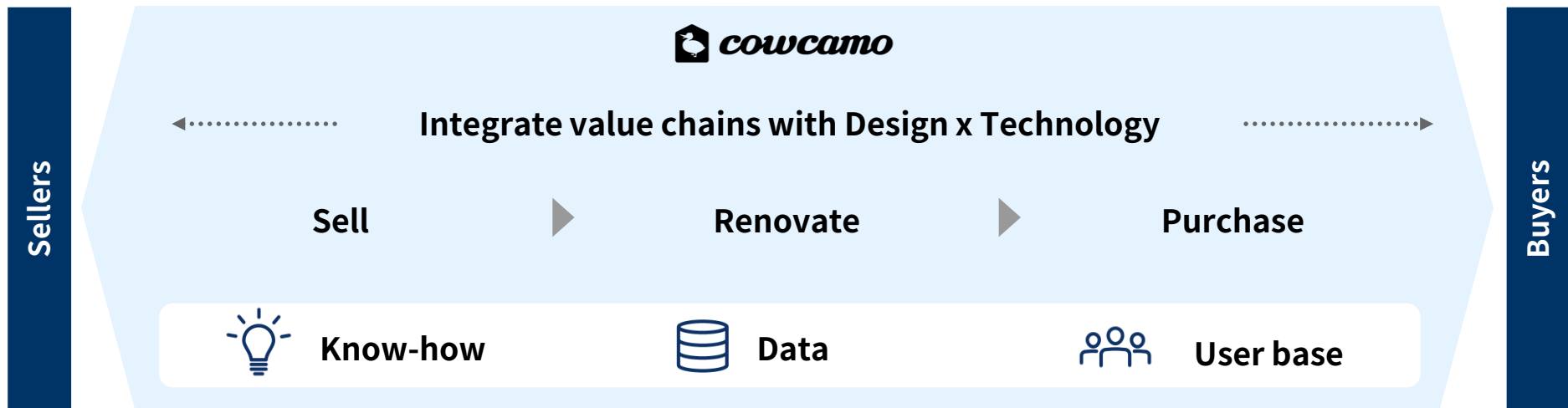


Efficient Management through DX

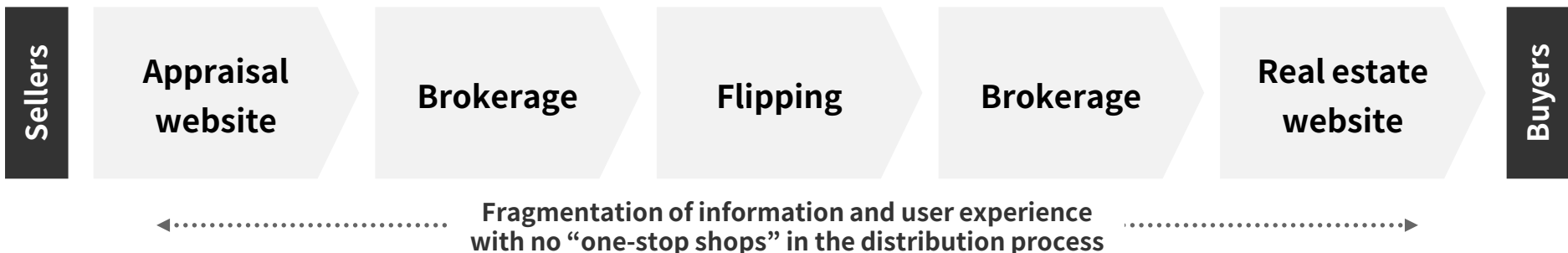
Market | Unique position to integrate value chain via Design x Technology

We integrate fragmented distribution structures through design and technology and update them to be more user-oriented. This will enable a more efficient distribution structure with higher customer value by utilizing the user base, data, and know-how accumulated through this process.

cowcamo's value chain

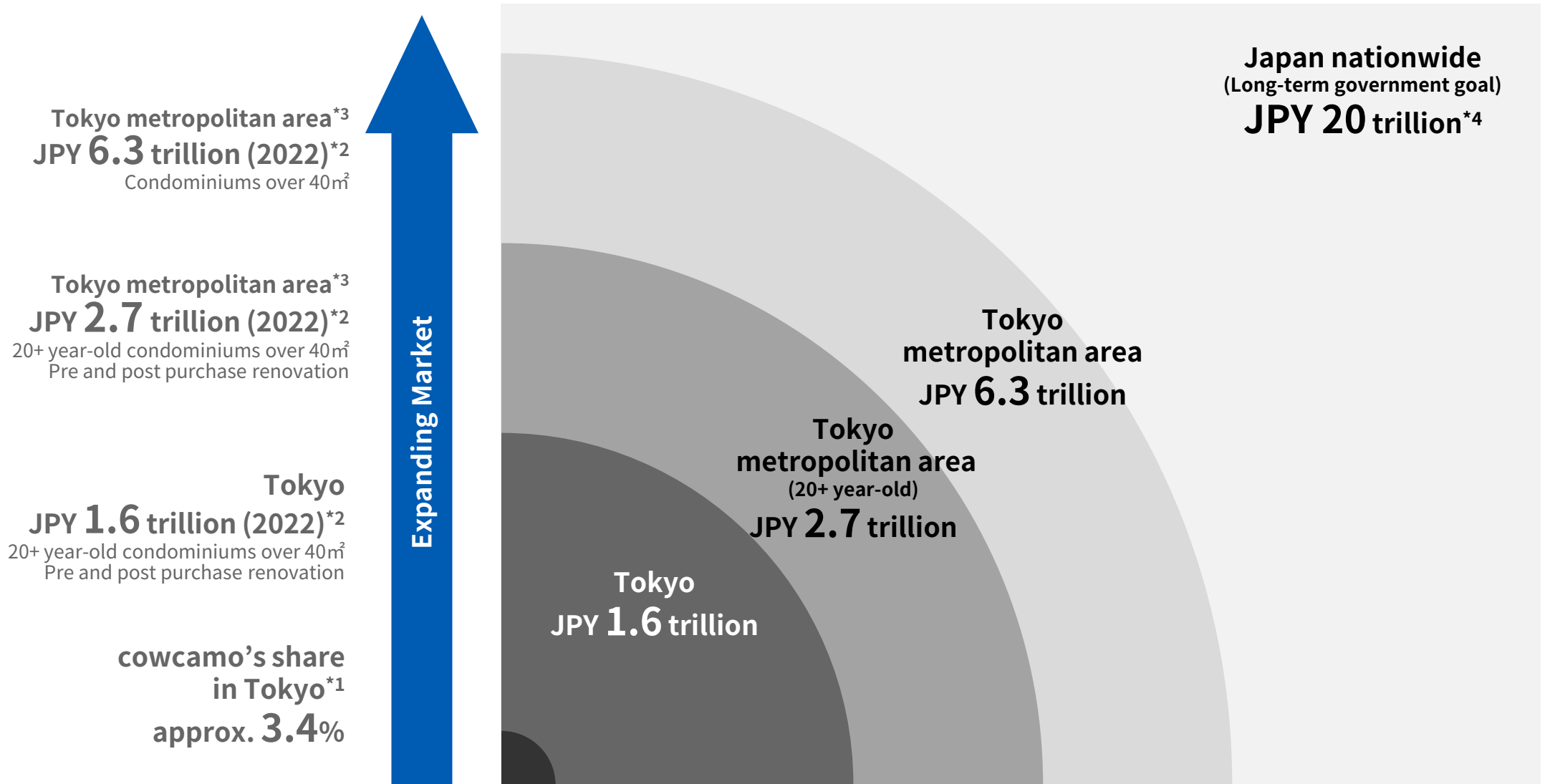


Traditional value chain



Market | Used & renovated properties market expected to grow to JPY 20 trillion

cowcamo, a distribution platform connecting sellers and buyers, targets the used home and renovation market. Currently, we are focusing on the Tokyo metropolitan area, but there is strong potential nationwide.



*1 Calculated by dividing cowcamo's FY22 GMV by the estimated 2022 market size of existing condominiums in Tokyo that are 20 years old or older, over 40m², and renovated pre and post purchase

*2 Estimated by TSUKURUBA based on East Japan Real Estate Information Network's "Annual Report Market Watch FY2022", Real Estate Information Center's "2020 Real Estate Industry Statistics (March revision) 3 Real Estate Distribution", and "Used House Renovation Market Data Book 2022-2023" by Reform Sangyo Shimbun

*3 The Tokyo Metropolitan Area includes Tokyo, Saitama, Chiba and Kanagawa prefectures

*4 Ministry of Land, Infrastructure, Transport and Tourism, "Basic Plan for Housing and Living" (March 9, 2021), total of existing home distribution market and renovation market

Note: The above is an illustration and does not necessarily accurately represent the difference in values by area ratio

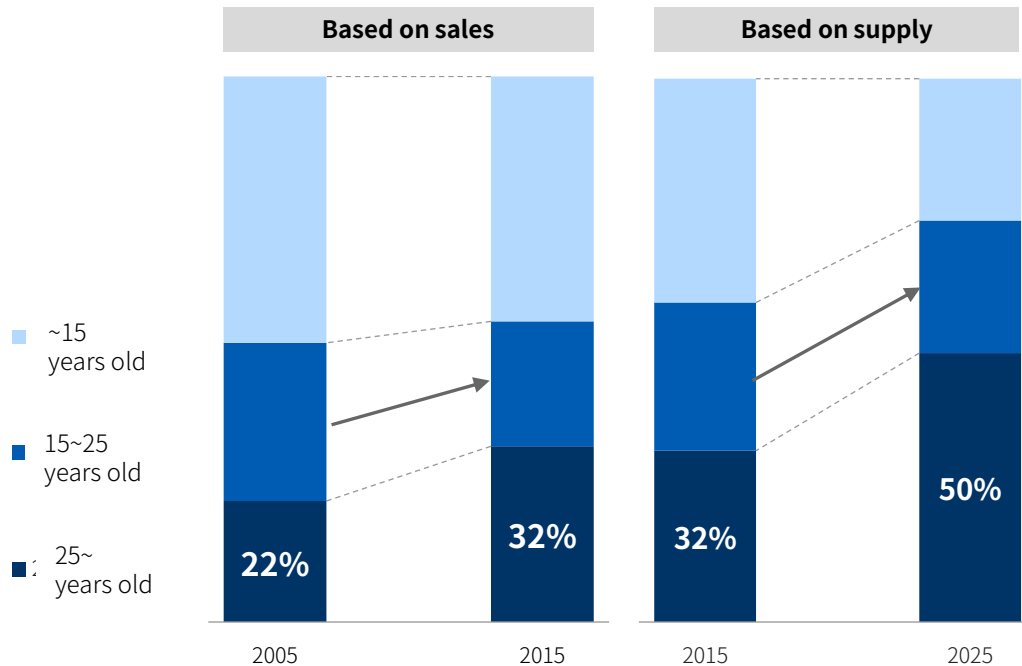
Market | Renovation becoming mainstream due to structural changes in the market

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

Properties that are 25+ years old will comprise half the market

The share of 25+ year old properties will increase from just 22% in 2005 to 50% by 2025.

Share of used condominiums in the Tokyo metropolitan area by age (2005-2025)



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

Renovation will become a mainstream option

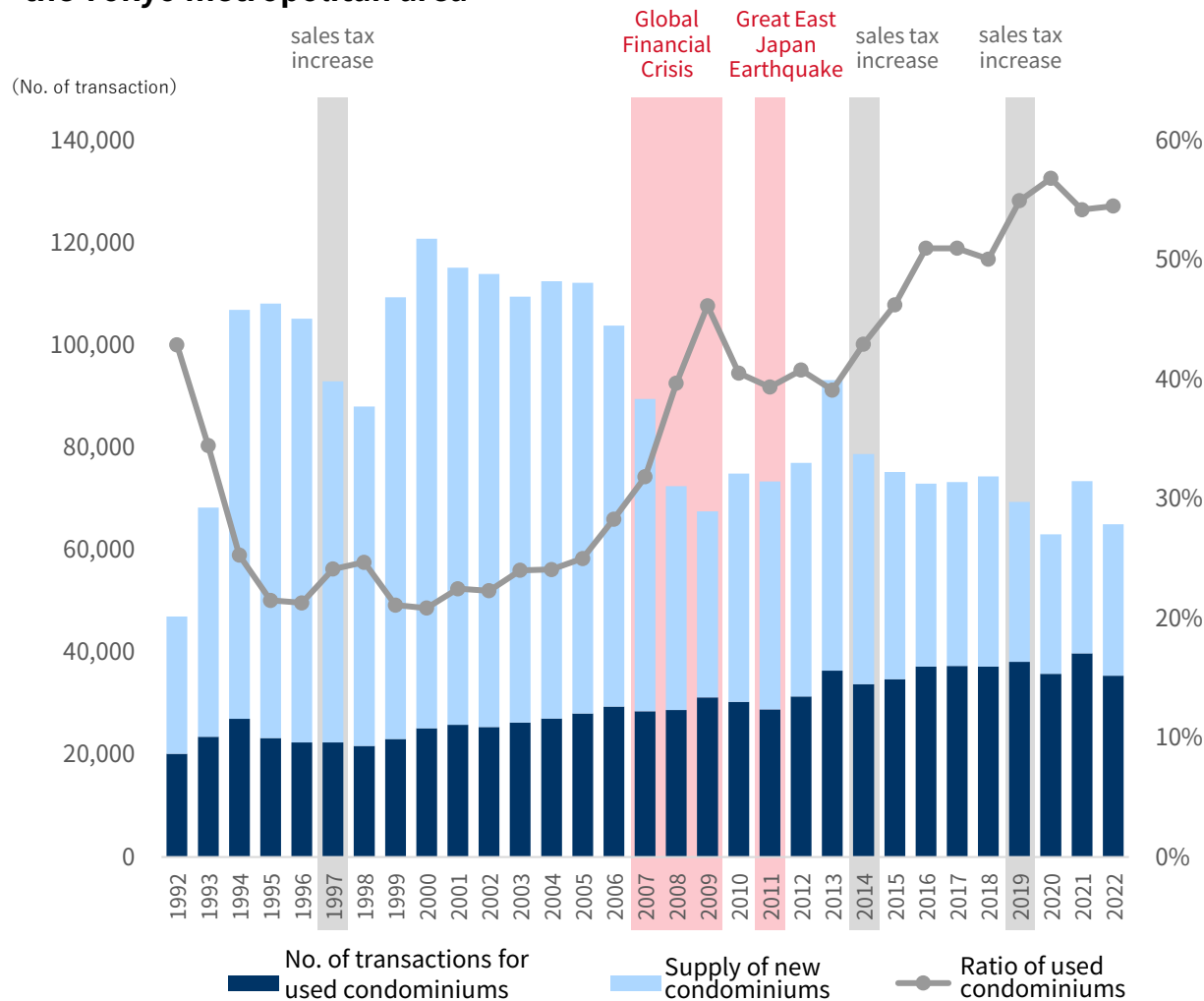
Renovation has fast become a popular choice when purchasing a house in the Tokyo metropolitan area, allowing buyers to tailor each property to their needs and lifestyles.



Market | Used condominium market is resilient to macroeconomic downturns

Compared to the supply of new condominiums, the number of transactions for used condominiums has shown a continuous increase without being significantly affected by macroeconomic downturns. We assume that growth will continue in the mid to long-term as existing condominiums accumulate as stock.

The number of new and used condominiums in circulation in the Tokyo metropolitan area



The resilient used condominiums market - background

- Actual demand for housing is less affected by the economic environment as it is generated by changes in various life stages such as childbirth, transfers and inheritance among families.
- New condominiums are a “flow” supply and are strongly affected by the economic environment through changes in land price and material supply, while used condominiums are supplied from accumulated “stock” and function as a substitute for new condominiums even as the macroeconomic environment changes.
- Therefore, even as adverse macroeconomic changes materialize, stable growth of the used condominiums market is expected to continue.

Growth | High gross profit growth rate due to GMV expansion and higher take rate

We will continue to expand GMV by continuously growing our customer base and offering differentiated experiences and products, while improving take rate by extending the value chain and expanding services and continue to achieve high growth in gross profit.

Continued high gross profit growth

Expansion of GMV



Continued customer expansion



Differentiated experiences and products

Improvement of Take Rate



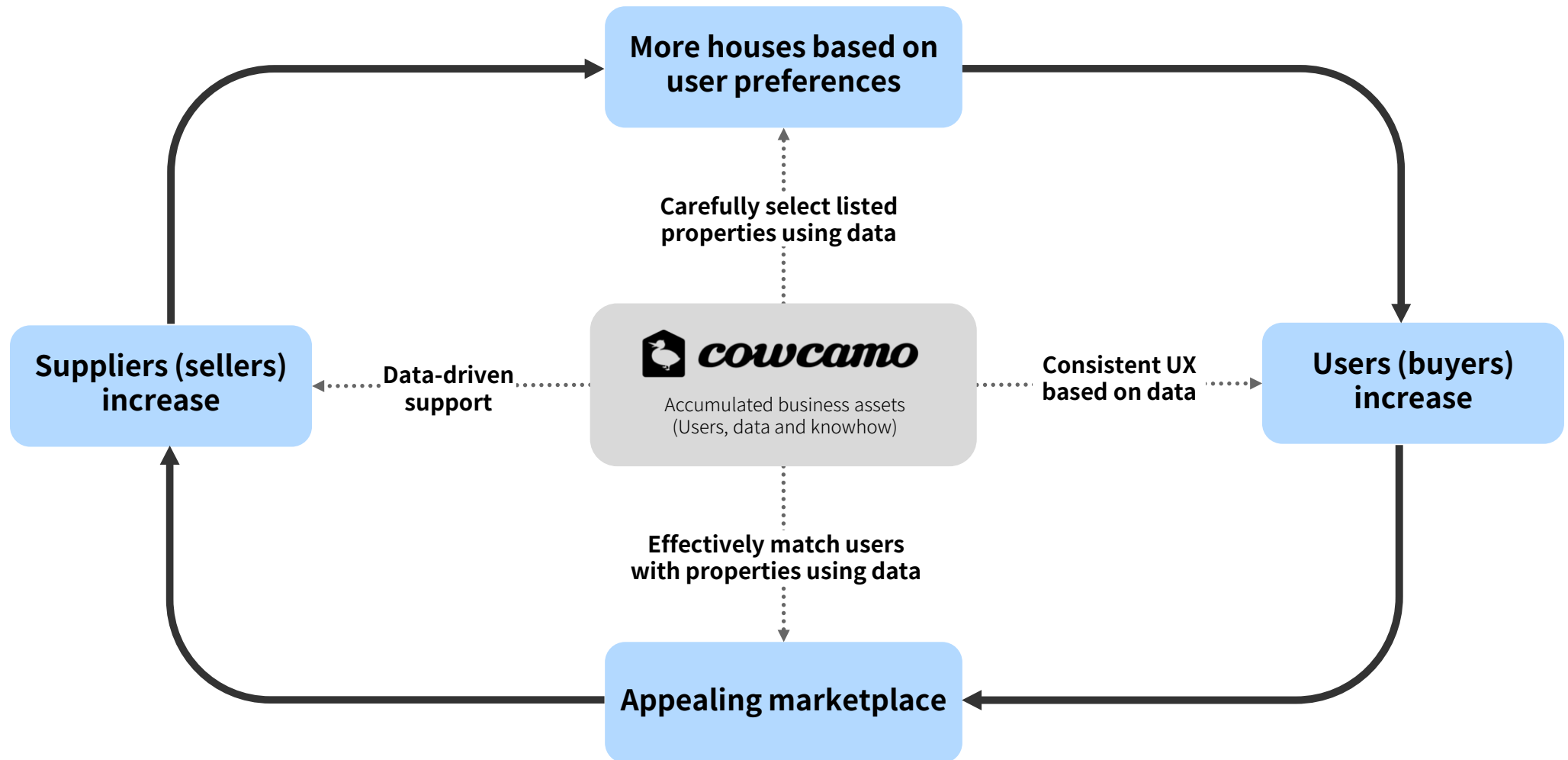
Extending the Value Chain



Expansion of services

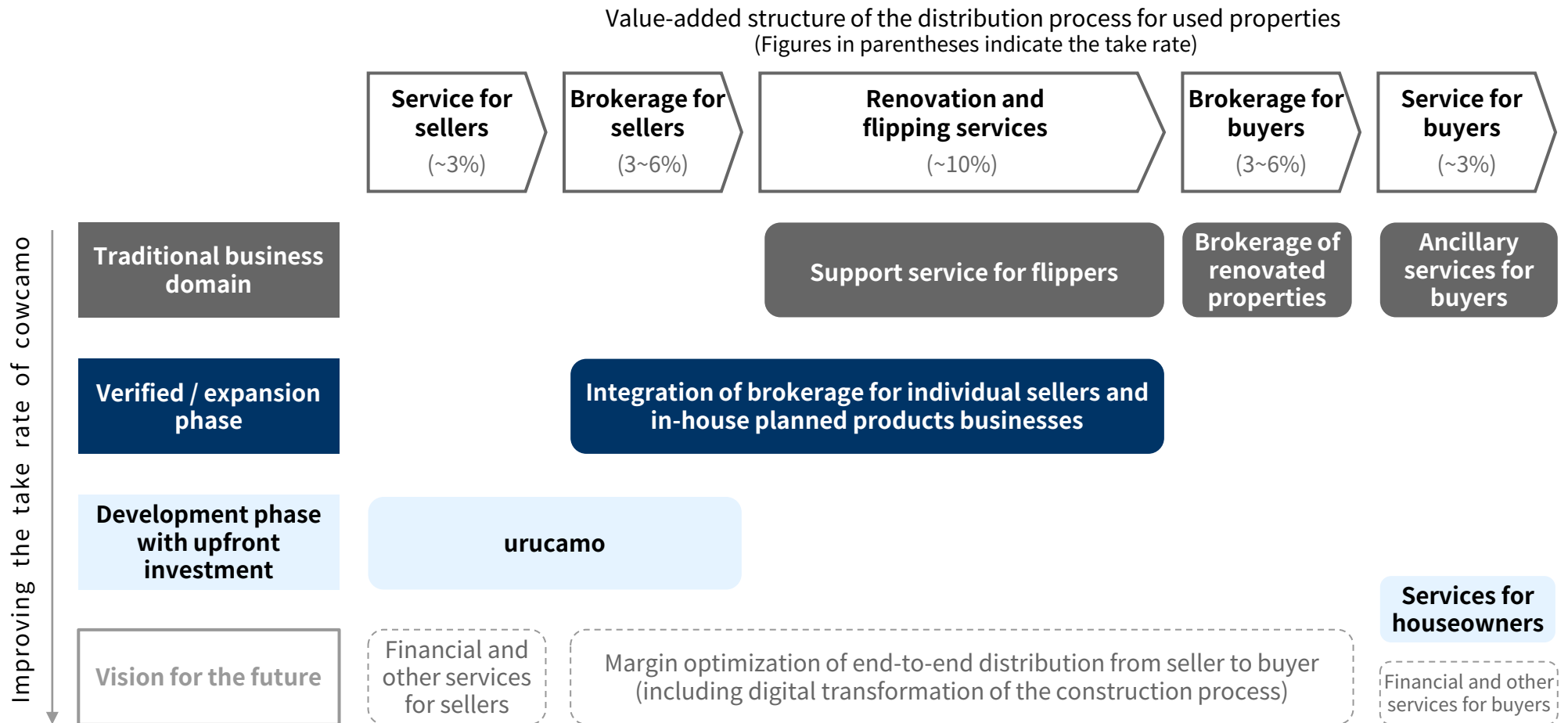
Growth | Growth cycle through a virtuous cycle of sellers and buyers on both sides

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



Growth | Continued focus on “structural take rate improvement”

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



Potential

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

After expanding business in existing domains in the mid-term, in the long-term, we aim to achieve further business expansion through expansion of target markets, deepening of LTVs, and market creation, and to become a future leader in housing distribution and housing culture in Japan.

Mid-term
business
expansion
policy

(Business expansion in existing domains)
Increase gross profit by expanding GMV and improving take rate



Long-term
growth potential

Expansion of SOM*
through expansion of target markets x deep cultivation of LTV x market creation
→ **Become a business that leads the future of housing distribution and culture in Japan**

Expansion of target market by Properties x Areas **Developing customer relationships over a lifetime** **Market creation through the formation of market mechanisms and promotion of resettlement**

*SOM (Serviceable Obtainable Market): The size of the market for a given product or service that can be offered and captured at a given point in time in the target market. In this case, it means that the market size that can be acquired will be expanded through future business development of the cowcamo business

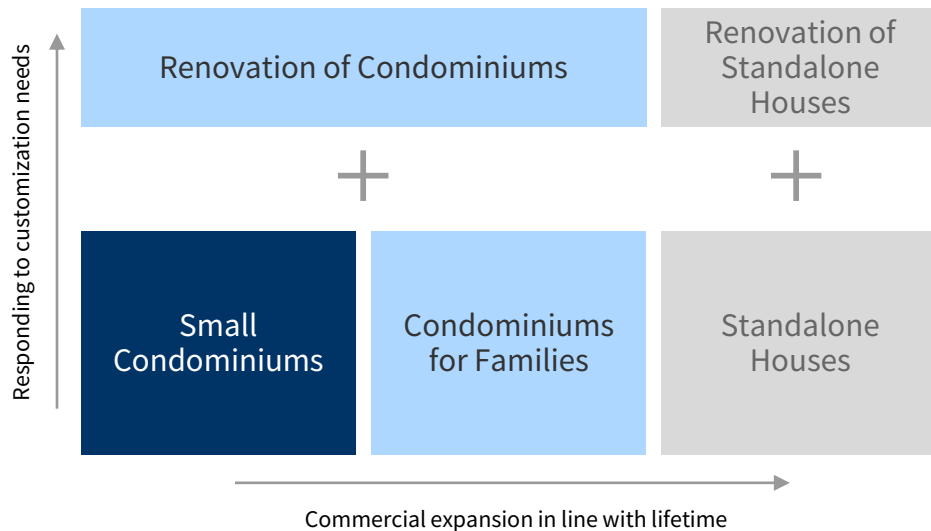
Potential | Expansion of target market by Service x Area

In the future, we will expand SOM through expansion of target markets in terms of both service and area.

Conceptual image of target market expansion based on Service x Area

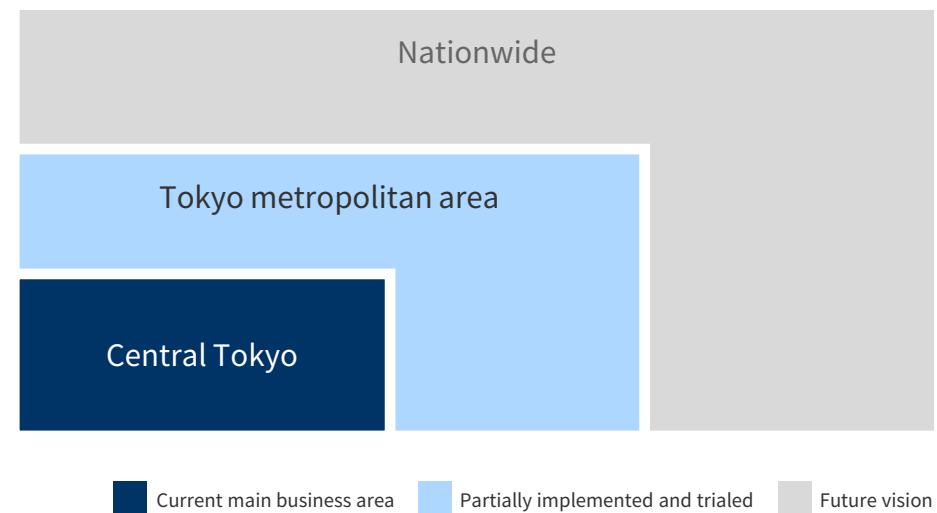
Service

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



Area

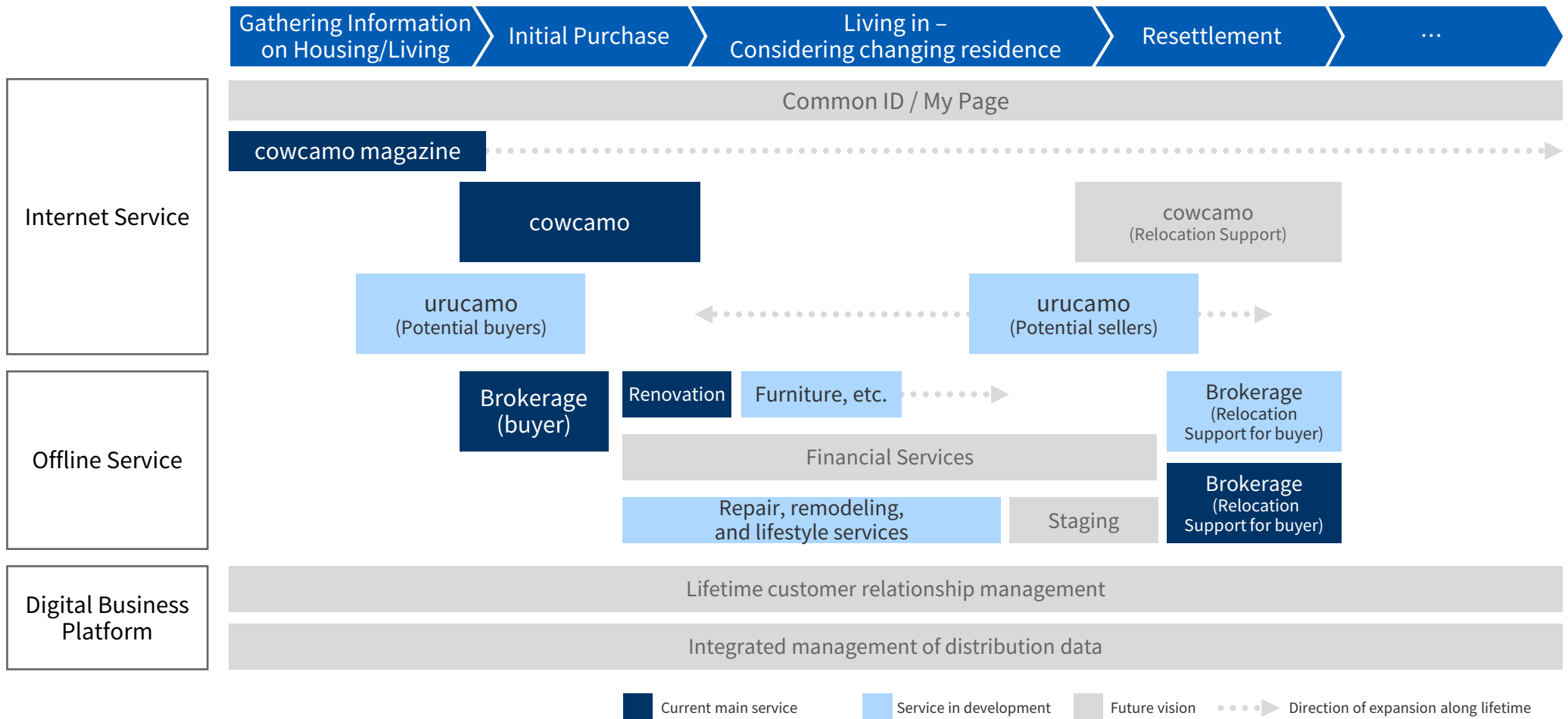
- Expanding from the current main business area of central Tokyo to other suburbs of the Tokyo metropolitan area
- Future expansion to other major cities in Japan is also an option



Developing customer relationships over a lifetime through technology

We will build sustainable relationships with customers over their lifetimes by integrating services that leverage the characteristics of the Internet, offline services related to home distribution and living, and our digital business infrastructure.

Service development in line with customer lifetime



Market creation through the formation of market mechanisms and promotion of resettlement

In the long-term, cowcamo will create a new market by forming a market mechanism for price evaluation and matching potential sellers/buyers, and by promoting resettlement.

Forming a market mechanism

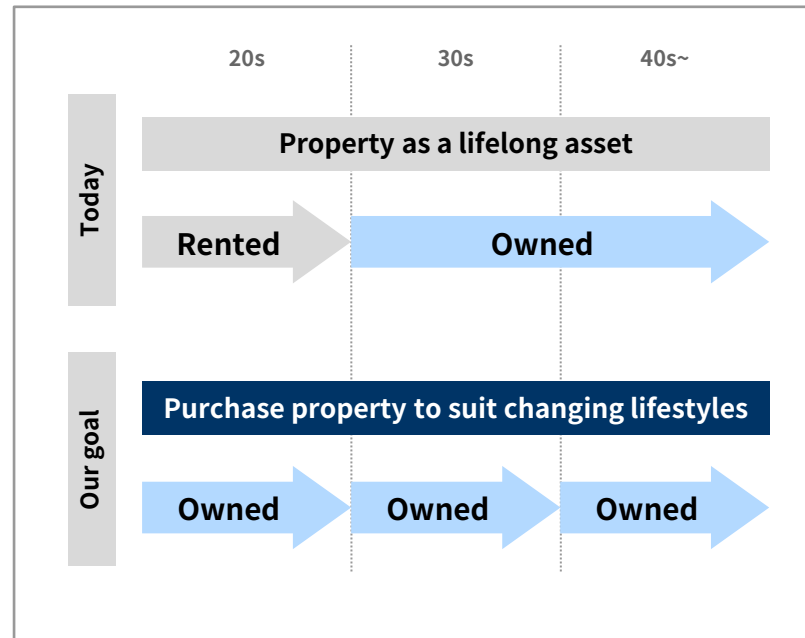
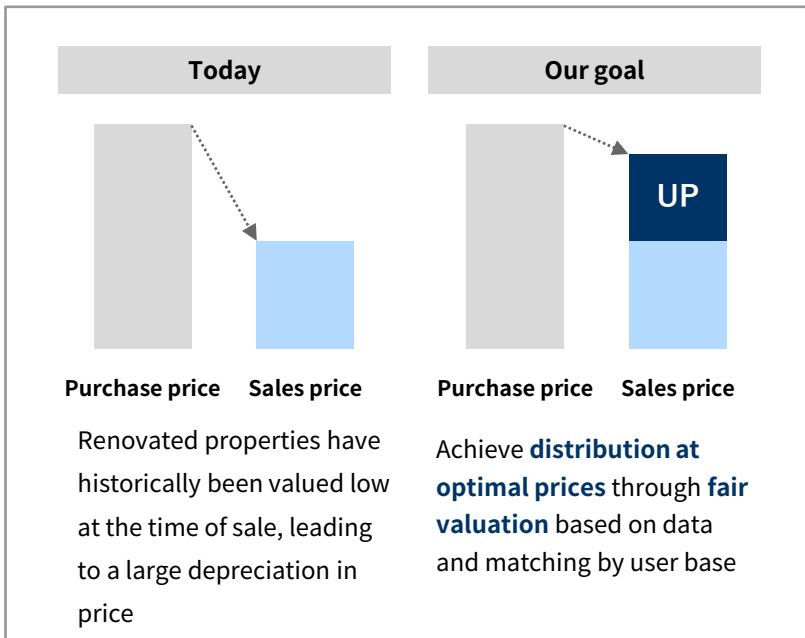
- Fair valuation of renovated properties through data accumulation
- Matching potential buyer/seller needs



Increase frequency of home purchases

- Promote new home purchases to suit changing lifestyles
- Improve the economics of new purchases by removing brokerage fees

= Market Creation



Reference

Reference | A management team with background in technology, business and design*

TSUKURUBA is managed by members experienced in technology with a wealth of knowledge in design to create added value in real estate.



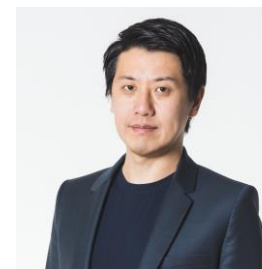
Hiroki Murakami
CEO

Formerly involved with the development and management of Lifull Home's, Japan's no.1 portal site for real estate and housing. Founded TSUKURUBA in August 2011 with Masahiro Nakamura. Graduate of Rikkyo University.



Hiroshi Kitahara
CSO

PhD in engineering from the Tokyo Institute of Technology, and an MBA from Université Paris-Dauphine. Worked at Corporate Directions, Deloitte Tohmatsu Consulting and Deloitte Consulting Southeast Asia. Joined TSUKURUBA in 2016 and was appointed COO in 2018, CSO in 2023.



Shin Takeuchi
External Director

Started his career at Fujisoft and became a freelancer in March 2007. Served as Director of BizReach and serves as Director of the Japan CTO Association. Appointed as Director and CTO of Visional since Feb. 2020.



Yoshinori Fukushima
External Director

Founded Gunosy in 2012 which was listed on TSE Mothers (now TSE Growth) in just 2.5 years, followed by a promotion to the TSE 1st Section (now TSE Prime). Became CEO of Layer X in 2018. Selected as one of Forbes Asia's 30 under 30 category.



Chieko Nishiura
External Director*

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



Kenji Kobayashi
External Director*

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



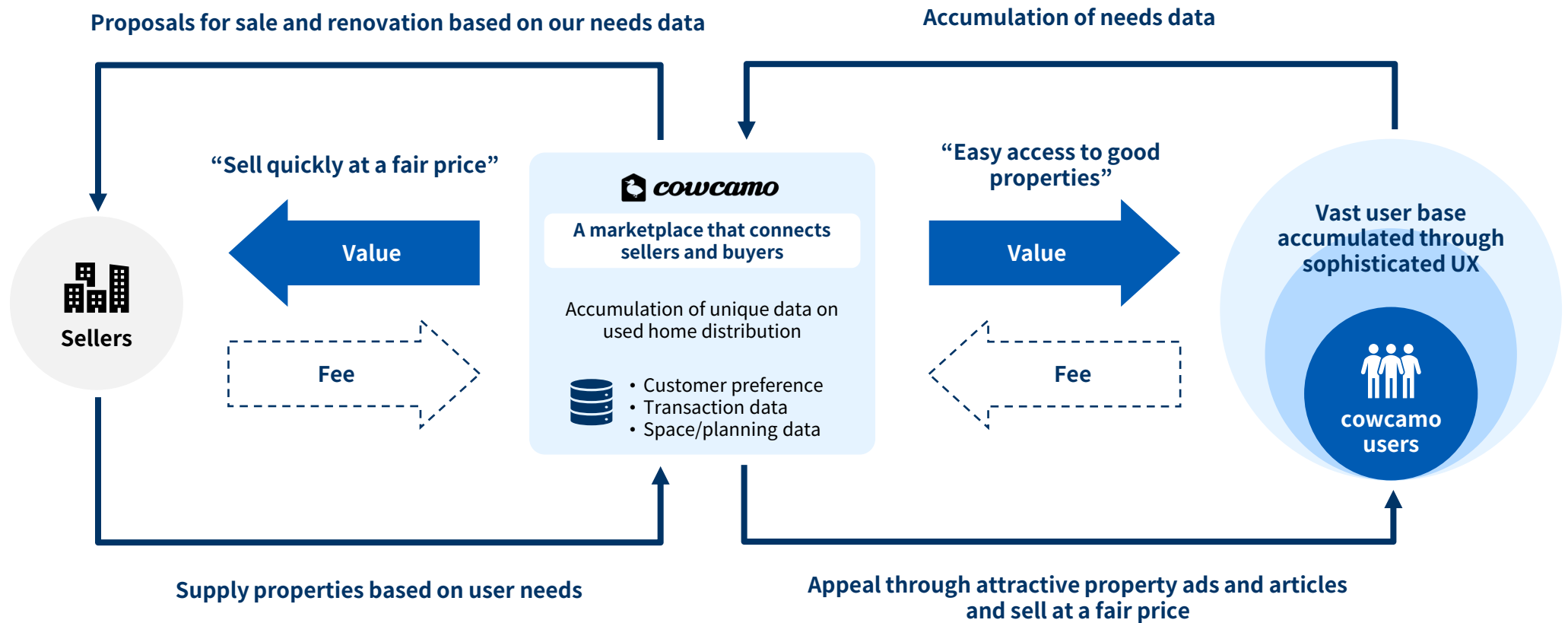
Tadatsugu Ishimoto
External Director*

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

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

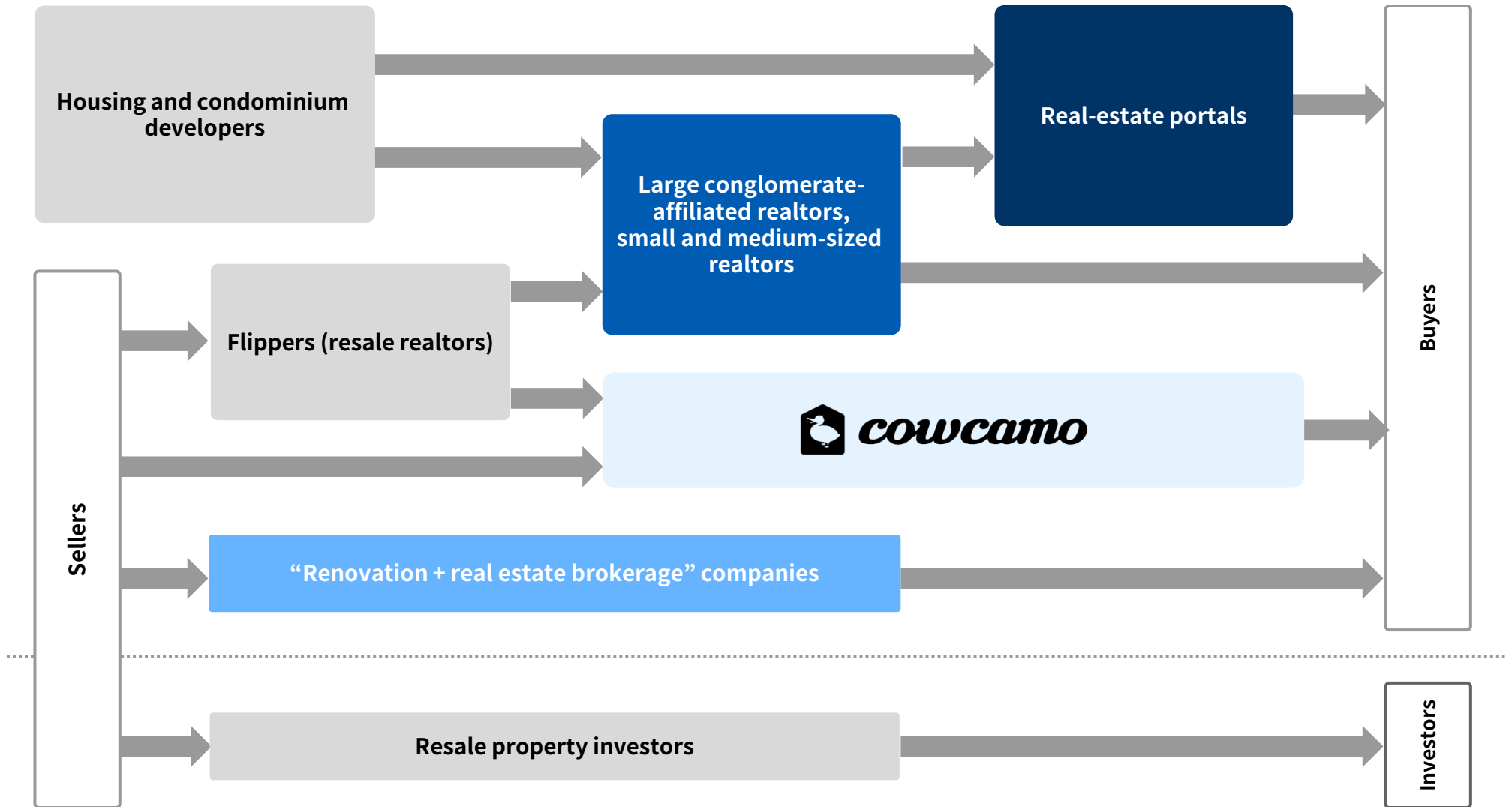
Reference | Business model of cowcamo

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



Reference | Competitive environment

By integrating a real estate portal site with the brokerage business, cowcamo has built a unique position based on a “fun-to-view customer experience” and “fast and appropriate matching” based on accumulated users and data.



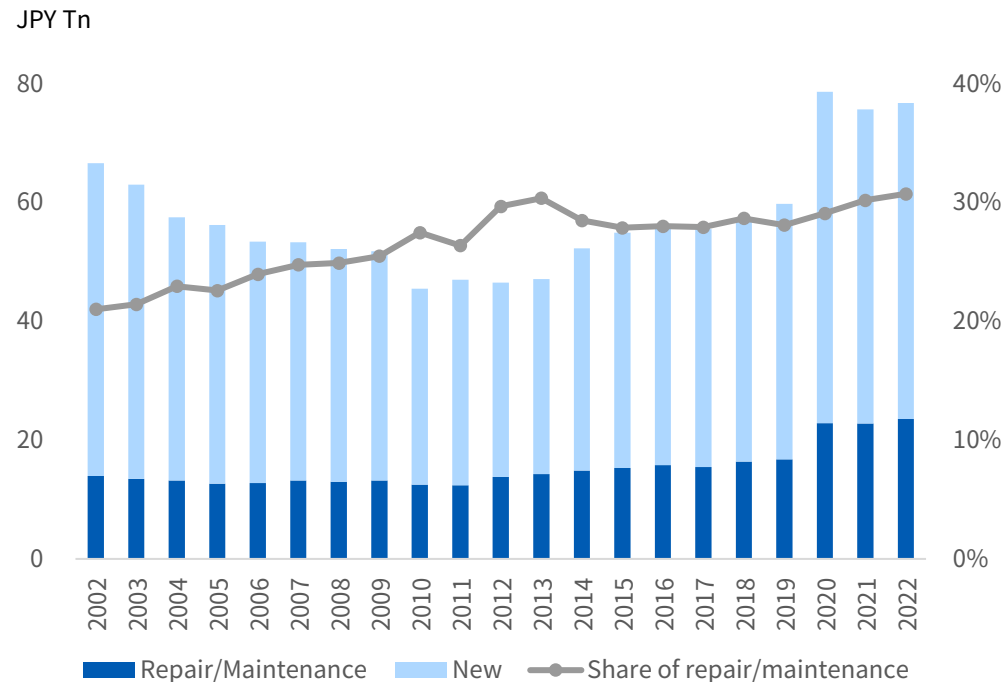
Reference | Market opportunities from changes in the construction industry

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

Share of repair and maintenance steadily increasing

The residential construction industry is continuing to grow. The share of repair and maintenance within the industry has also increased from 21% in 2002^{*1} to 31% in 2022

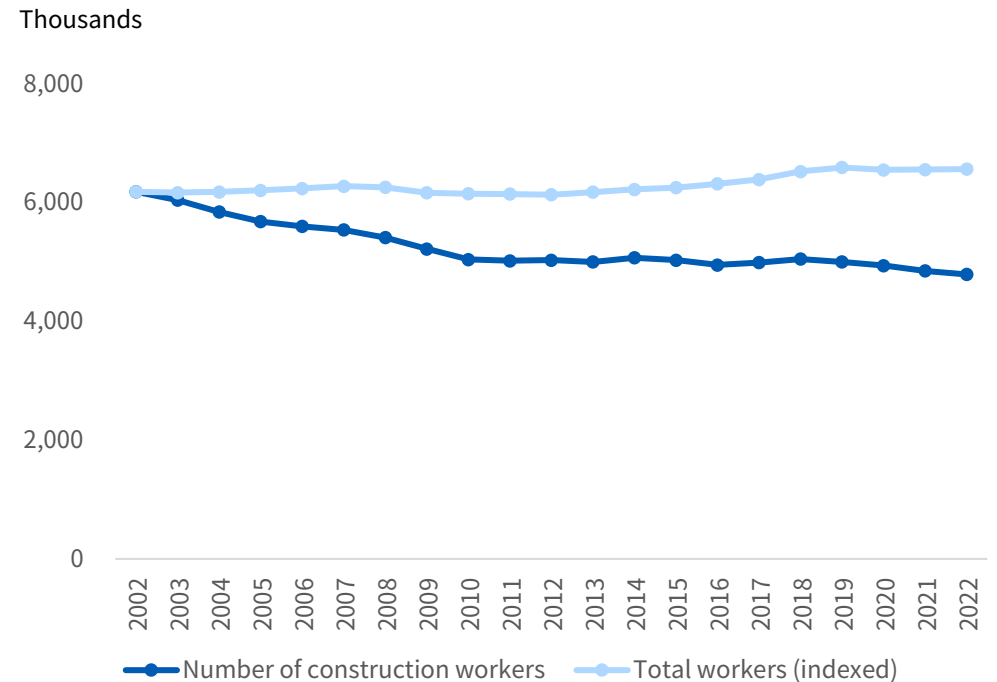
Breakdown of the residential construction industry (2002-2022) ^{*2}



Renovated housing expected to become mainstream

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

Number of workers in the construction industry (2002-2022) ^{*3}



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

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

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

Reference | Feedback from customers

Here are some examples of what users say about cowcamo. By providing not only quantitative but also qualitative information including the surrounding area, we are able to support our customers to buy and sell quickly at a fair price.

Sellers' Feedback

- “A broker we dealt with told us that our price was too high, and I only received one private viewing through them.
- . . . but after our listing was published on cowcamo, we received private viewings one after another. Within a week, we were able to finalize a deal with the current owner. The broker above was surprised by this.”



Buyers' Feedback



- “We enjoyed viewing the wonderful properties listed on cowcamo, along with a wealth of photos and information.”
- “The app was easy to use, and the chat function was convenient.”
- “I was able to easily create a renovation plan that suited my needs.”



Reference | Balance Sheet

Our current capital ratio is trending healthily at 45%.

As of October 31, 2023 (Consolidated)

| | Assets | Liabilities | |
|-------------------|--------|-------------|--|
| Cash and deposits | 1,626 | 262 | Other liabilities |
| | | 592 | Short-term borrowings |
| | | 663 | Long-term borrowings |
| Others | 1,478 | 700 | Class A shares |
| | | 887 | Net assets (of which, share acquisition rights account for 108) |

(Unit: JPY million)

Capital ratio: 48%

As of January 31, 2024 (Consolidated)

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

(Unit: JPY million)

Capital ratio: 45%

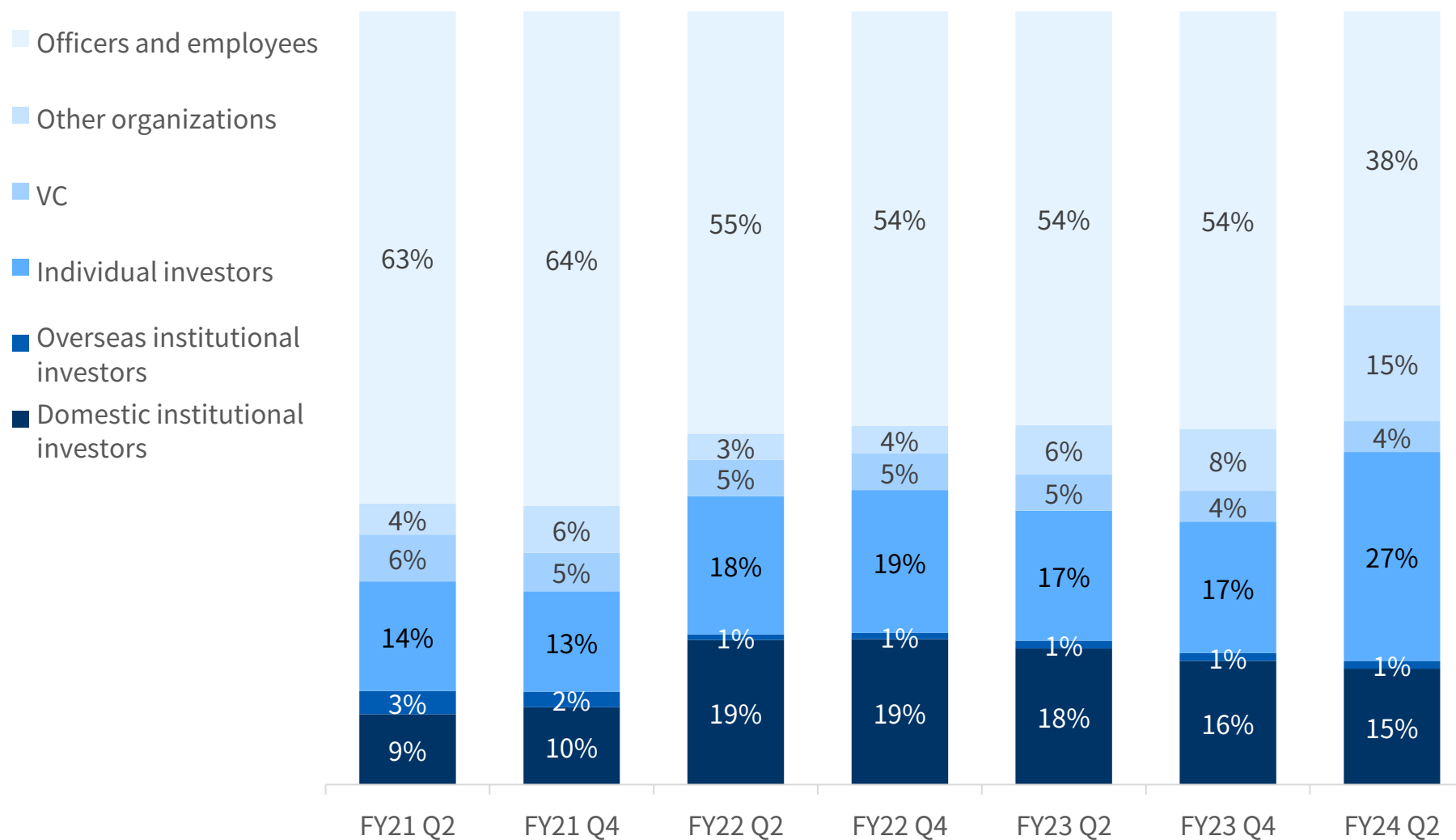
Reference | Share Price and Trading Volume

We aim to improve our share price and trading volume over the mid to long-term by increasing awareness and understanding of our company through transparent and thorough IR activities.



Reference | Shareholder Composition *

Changes in the shareholder composition ratio are as follows. We will continue to make insightful information available to all investors, while striving to make timely disclosures contributing to the investment decisions of long-term investors.



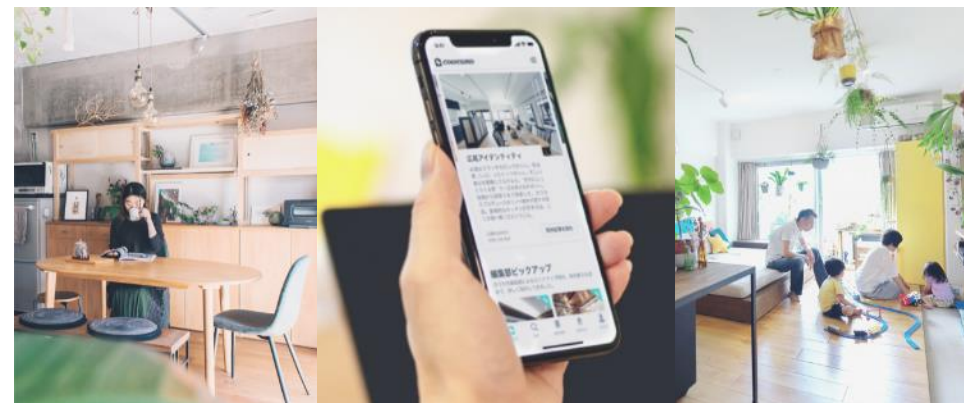
* Shareholder composition of common shares (excludes Class A shares)

Reference | Q&A

| Category | Question | Answer |
|----------|--|---|
| Company | What are the company's thoughts on the outlook for future upfront investments? | Given the prevailing macroeconomic environment, we have reviewed costs, focusing on containment of fixed costs. With regards to future investments, we will carefully select investments that have a high probability of directly contributing to profit. By doing so, we intend to continue delivering steady gross profit growth and reduction of operating deficit. |
| Company | What is the background of the partnership with MUFG Bank? Is the fiscal-year forecast inclusive of the partnership? | On March 15, 2024, we disclosed the commencement of discussions with MUFG Bank on a potential partnership around digital transformation of the used and renovated homes industry. The fiscal-year forecast does not include any impact from the partnership, and we will make further disclosures once the terms of the partnership are finalized. |
| cowcamo | While housing market conditions are deteriorating overseas due to rising interest rates, what are the chances of housing market conditions worsening in Japan as monetary easing is lifted and floating mortgage rates rise? | If mortgage rates were to rise, real estate prices are expected to reflect a lagged decline, resulting in a temporary decline of real estate transactions. However, we believe that the impact of the macroeconomic environment will be limited compared to investment properties and newly built properties, as demand for used and renovated homes, which is the main product of cowcamo, is generated by changes in life stages and can also serve as a receptacle for newly built properties. In addition, since cowcamo's main business is brokerage, the impact of falling real estate prices will also be limited. |
| cowcamo | What is the impact of the weak yen, the situation in Ukraine, etc. on your business? | Material prices have remained high and are expected to remain at the current level for the foreseeable future. As for delays relating to the procurement of materials, we are not seeing material impact now. |
| cowcamo | What are the growth indicators for cowcamo? | The financial KPI is gross profit, and the business KPIs are GMV and take rate. As for leading indicators of growth, MAU has historically been our primary figure, but now that a sufficient user base has been acquired through the platform, we will rely on the number of transactions (contract basis) as the leading indicator of growth going forward. |
| cowcamo | Why is there quarterly volatility in the GMV? | Past trends show that performance tends to be better later in the fiscal year, when we see both the number of employees and sales activities peak. In addition, the number of transactions on a contract basis tends to be the highest in Q3 (from February to April), when there is a large movement of people. Accordingly, gross profit (which we recognize on a payment basis) tends to peak in Q4, as a direct result of contracts signed in Q3. Therefore, the progress of our fiscal-year forecast also tends to be less than 25% in the first two quarters of the fiscal year, recovering in the last two quarters. |
| cowcamo | What is the outlook of the in-house planned products business? | As TSUKURUBA's financials continue to improve in the coming quarters, we will be able to expand our in-house planned products business, as well as other businesses utilizing the balance sheet. We will carefully consider the timing of expansion, given recent macroeconomic trends around interest rates and real-estate prices, but will actively seek an expansion given the business' high take rate. |

Reference | Company Overview

| | |
|------------|--|
| Name | TSUKURUBA Inc. |
| Address | 2F Ikura Building, 1-1-5 Kami-meguro, Meguro-ku, Tokyo 153-0051 Japan |
| Founded | August 2011 |
| Founder | Hiroki Murakami |
| Employees | 194 employees (as of July 2023) |
| Businesses | “cowcamo Business,” an end-to-end real estate online brokerage platform for used and renovated properties - cowcamo Platform Business - cowcamo Agent Service Business |
| Awards | Deloitte Technology Company Japan Technology Fast 50 (2017-2020) 2021 The 4th WOMAN's VALUE AWARD, Excellence Award |



Disclaimer

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

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

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

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

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