

# くふうカンパニー

Kufu Company Inc.

## FY2023.9 Q1 Presentation Material

February 14, 2023



# Agenda

## 1. Consolidated Financial Results for FY2023.9 Q1

## 2. Business Overview by Segment

- Daily Life Business
- Life Event Business



# 1. Consolidated Financial Results for FY2023.9 Q1

# Group Composition (Main Group Companies as of February 2023)

## Daily Life Business

Daily and community life domain



Shopping information service and lifestyle information media



Regional information media



Household budget service



Educational app

## Life Event Business

Home domain

Marriage domain



Management consulting service



Consulting service for high-net-worth individuals



Wedding information media and service



Home and real estate specialized media and purchase and resale service

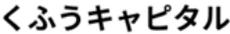
\*Established through the merger of O-uccino, Inc. and Ouchino Kufu Co., Ltd. on October 1, 2022

## Investment and Incubation Business

Investment and business development domain



Holding company (Investment)



Investment management



Travel/outing media



Insurance sales agency



Development and sales of insurance products

(Affiliate)



Informational website for trips with children

## Others

Design development domain

Technology development domain

Business management domain



Research and development



Holding company (Support for operating companies)

# Consolidated Financial Results

- In FY2023.9 Q1, EBITDA was 685 million yen.  
Progress toward full-year consolidated earnings forecasts was generally good

	FY2020.9*	FY2021.9*	FY2022.9	FY2023.9			
	Result	Result	Result	FY2023.9 forecast	YoY	Q1 result	Progress
<b>Net Sales</b>	6,042	11,256	18,625	21,000	112.8%	4,883	23.3%
<b>Operating profit</b>	604	1,000	1,558	2,000	128.4%	433	21.7%
<b>EBITDA</b>	890	1,617	2,581	3,100	120.1%	685	22.1%

(JPY MM)

• Results for FY2020.9 (Oct. 2019 to Sep. 2020) and FY2021.9 (Oct. 2020 to Sep. 2021) are the simple aggregate of consolidated earnings results for the former KUFU COMPANY INC. and Locoguide Inc. for each period (unaudited).

# Highlights of FY2023.9 Q1 Consolidated Financial Results

- In FY2023.9 Q1, EBITDA was 685 million yen.  
Progress toward full-year consolidated earnings forecasts was generally good

## Progress by segment

<b>Daily Life Business</b>	<b>Daily and community life domain</b> <ul style="list-style-type: none"><li>• The Tokubai business was in line with the plan. Focused on proposal activities in preparation for price revision from March onward</li><li>• Profit decreased both YoY and QoQ mainly due to the decrease in profit of SHIZUOKAONLINE, but other companies generally performed well</li></ul>
<b>Life Event Business</b>	<b>Home domain</b> <ul style="list-style-type: none"><li>• Sales of SaaS tools for real estate agencies were steady. The purchase and resale service business took a wait-and-see stance in expectation for a market downturn, while the business for high-net-worth individuals made good progress in signing contracts, which contributed to earnings</li><li>• HyAS &amp; Co. Inc. decreased sales and profit both YoY and QoQ due to a slowdown of new orders and concentrated deliveries in the second half. Acquired shares in OM Solar, Inc. specializing in development and sale of solar heat utilization systems and made it a consolidated subsidiary (consolidated only on the balance sheet for Q1)</li></ul> <b>Marriage domain</b> <ul style="list-style-type: none"><li>• Seasonal advertising products in the Media business contributed to earnings, while customers of dress sales decreased due to suspension of event-related business</li></ul>
<b>Investment and Incubation Business</b>	<b>Investment and business development domain</b> <ul style="list-style-type: none"><li>• Acquired shares in the operator of travel and going out service “RETRIP” and made it a consolidated subsidiary (consolidated only on the balance sheet for Q1)</li><li>• Profit associated with disposal of a part of operational investment securities was recorded</li></ul>

# Consolidated Quarterly Financial Results

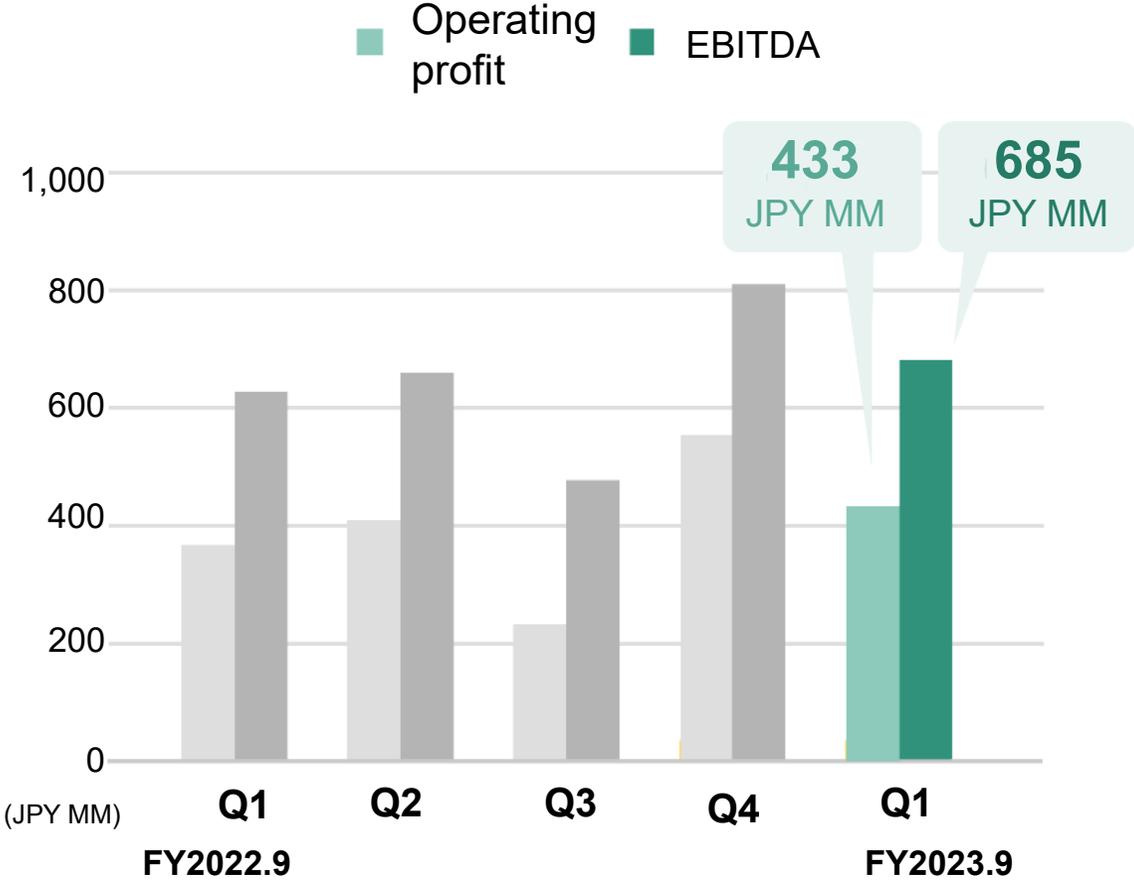
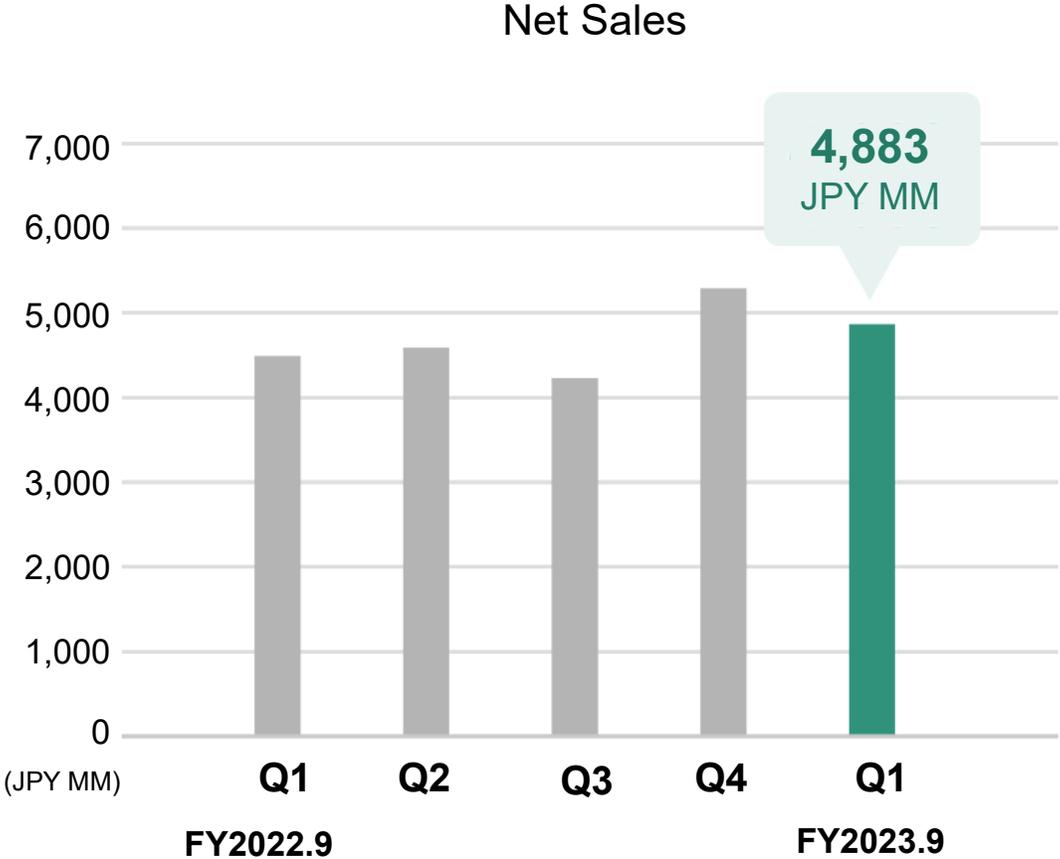
- Sales and profit both grew year on year

	FY2022.9				FY2023.9		
	Q1	Q2	Q3	Q4	Q1	YoY	QoQ
<b>Net Sales</b>	4,528	4,599	4,175	5,321	4,883	107.8%	91.8%
<b>Operating profit</b>	369	403	233	551	433	117.3%	78.6%
<b>EBITDA</b>	626	658	488	808	685	109.5%	84.8%

(JPY MM)

# Consolidated Financial Results – Quarterly Trends

- Sales and profit both grew year on year



# Consolidated Quarterly Financial Results – Net Sales by Segment

- Against the backdrop of fluctuations in the real estate market, sales of the home domain of the Life Event Business decreased
- Sales associated with disposal of part of operational investment securities were posted

		FY2022.9				FY2023.9		
		Q1	Q2	Q3	Q4	Q1	YoY	QoQ
Net Sales	Daily Life Business	1,101	1,101	1,056	1,143	1,110	100.8%	97.1%
	Life Event Business	3,401	3,473	3,092	3,675	2,938	86.4 %	79.9%
	Investment and Incubation Business	25	16	24	495	828	3,242.8%	167.2%
	Other	36	39	30	39	50	137.9%	128.1%
	Adjustment	-36	-31	-28	-32	-43	-	-

(JPY MM)

# Consolidated Quarterly Financial Results – OP by Segment

- In the Daily Life Business, profit decreased both YoY and QoQ mainly due to the decrease in profit of SHIZUOKAONLINE, but other companies generally performed well
- Profit of the Life Event Business decreased mainly due to the decrease in profit of the home domain
- Profit associated with disposal of a part of operational investment securities was recorded

		FY2022.9				FY2023.9		
		Q1	Q2	Q3	Q4	Q1	YoY	QoQ
Operating profit	Daily Life Business	365	351	278	282	259	71.0%	91.7%
	Life Event Business	251	287	206	302	191	75.9%	63.1%
	Investment and Incubation Business	-8	-6	-5	202	313	-	155.4%
	Other	-31	-27	-34	-31	-61	-	-
	Adjustment	-208	-202	-211	-204	-269	-	-

(JPY MM)

# Consolidated Financial Results – B/S

	As of end-Sep. 2022	As of end-Dec. 2022		
			Change	Change factors
Current assets	14,826	14,784	-42	
(Cash and deposits)	7,269	6,916	-352	▪ Cash and deposits declined by 352 million yen mainly due to the acquisition of shares in subsidiaries, offsetting cash acquired through operating activities and borrowings
(Operational investment securities)	2,979	2,948	-30	
(Real estate for sale)	2,758	2,516	-241	
Non-current assets	6,498	7,677	1,179	▪ Goodwill increased by 554 million yen due to the start of consolidation of RETRIP, Inc. and OM Solar, Inc.
(Goodwill)	3,526	4,080	554	
(Investments and other assets)	2,047	2,220	173	▪ Real estate for sale declined by 241 million yen due to the inventory reduction
<b>Assets</b>	<b>21,329</b>	<b>22,464</b>	<b>1,134</b>	
Liabilities	9,666	10,602	935	
(Short-term and long-term borrowings)	5,856	6,123	267	
Net assets	11,663	11,862	199	
(Retained earnings)	1,191	1,404	213	▪ Short-term borrowings and long-term borrowings increased by 267 million yen
(Treasury shares)	-443	-443	0	
(Valuation difference on available-for-sale securities)	399	367	-31	
<b>Total liabilities and net assets</b>	<b>21,329</b>	<b>22,464</b>	<b>1,134</b>	

\*Items in parentheses are included in totals.

(JPY MM)

# Group Business Foundations (as of Dec. 31, 2022)



Support users' activities through three contact points with them



**Media**  
Maximize contact points with users

Monthly active users\*1

Approx. **52 million**

**SaaS**  
Indirectly provide services to users through support for business operators

Contract accounts\*2

Approx. **62,500**

**Tool / Agent**  
Provide useful tools for daily life and specialized services for life events

Total tool downloads\*3

Approx. **25.8 million**

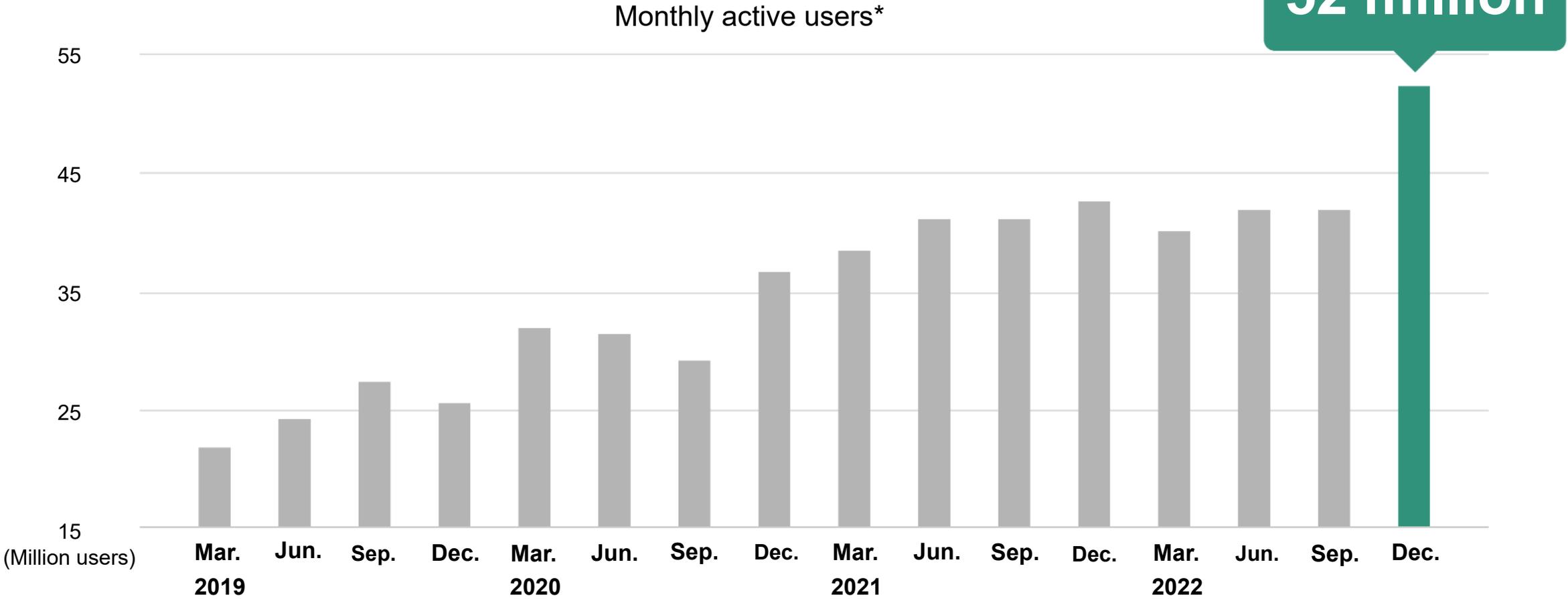
Services provided annually\*4

Approx. **4,300**

\*1: Total users as of the end of Dec. 2022 for the main media and tools in each domain (browser or device base). Based on simple aggregate, without taking into consideration users of multiple media or tools.  
 \*2: Total as of the end of Dec. 2022 of stores using "Tokubai" (paid and unpaid), stores posting ads and using tools and services to support operations offered by O-uccino, Inc., member companies for services provided by HyAS & Co. Inc., and trading partner venues of anymarry Co., Ltd.  
 \*3: Total cumulative apps downloaded as of the end of Dec. 2022 for "Tokubai," "Zaim," and "Gokko Land."  
 \*4: Total of number of consultations in "Ietate Sodan Counter" over the past one year in SHIZUOKAONLINE CO., LTD., number of services offered over the past one year in home domain (ex. HyAS & Co. Inc.), and estimate of annual wedding ceremonies produced by anymarry Co., Ltd. as of Dec. 2022

# Group-wide Media Monthly Active Users

- Due to group participation, users of the travel and going out service “RETRIP” have been added up from Dec. 2022
- Group-wide media monthly active users have grown to approx. 52 million on a simple aggregate base

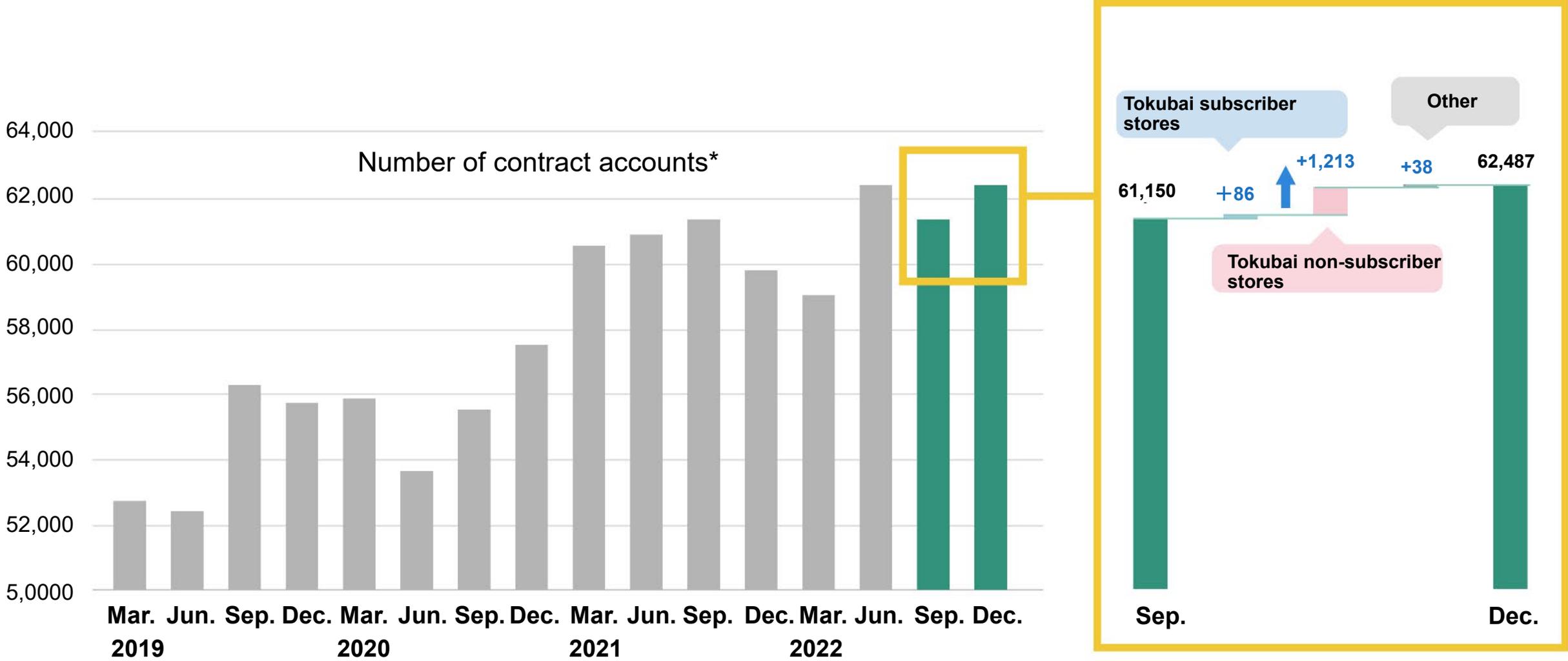


52 million

\* Total users for the main media and tools in each of the domains (browser or device base). Based on simple aggregate, without taking into consideration users of multiple media or tools.

# Group-wide Contract Accounts

- Tokubai is boosting sales activities in preparation for price revision from March onward



\* Total of stores using "Tokubai" (paid and unpaid; excluding accounts linked with initiatives with approx. 16,000 convenience stores), stores posting ads and using tool services to support operations offered by Kufu Sumai Inc., member companies for services provided by HyAS & Co. Inc., and trading partner venues of anymarry Co., Ltd.

# Group Management Target by FY2026.9 (5th Term)

## Group EBITDA\*1 10 billion yen\*2

50% Ratios of main business segments\*3 50%

**Daily Life Business**

Daily and community life domain



**Life Event Business**

Marriage domain Home domain\*4



\*1: EBITDA (operating profit + depreciation and amortization)  
\*2: Target to be achieved through organic growth of each group companies  
EBITDA plus costs for stock-related compensation upon the resolution to issue the 8th and the 9th share acquisition rights (stock options with charge)  
\*3: Ratio of each business segment based on the sum of the Daily Life Business and the Life Event Business.  
In September 2022, some of the business segments and domains were revised. The composition ratio was calculated based on the revised amounts.  
\*4: The home domain includes HyAS & Co. Inc.

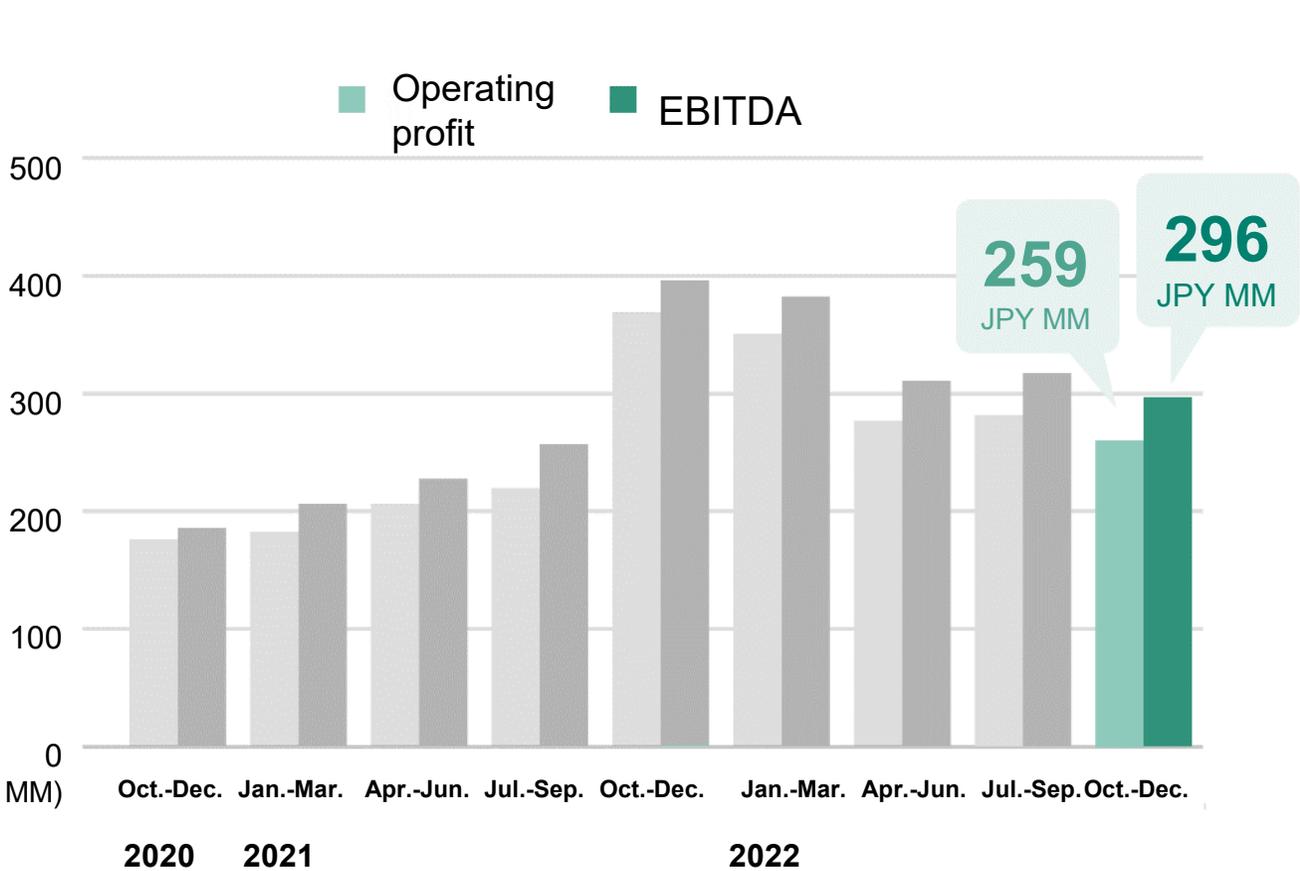
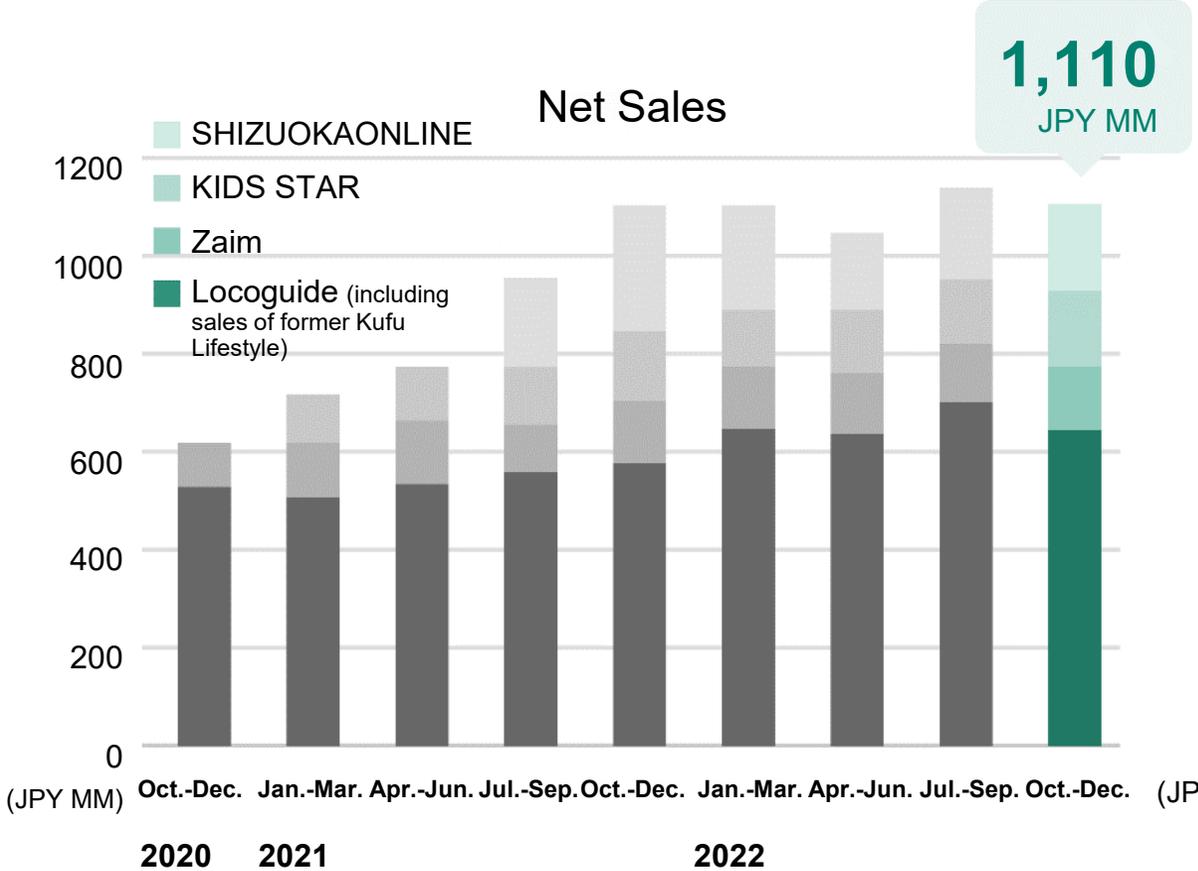
## 2. Business Overview by Segment

# Daily Life Business



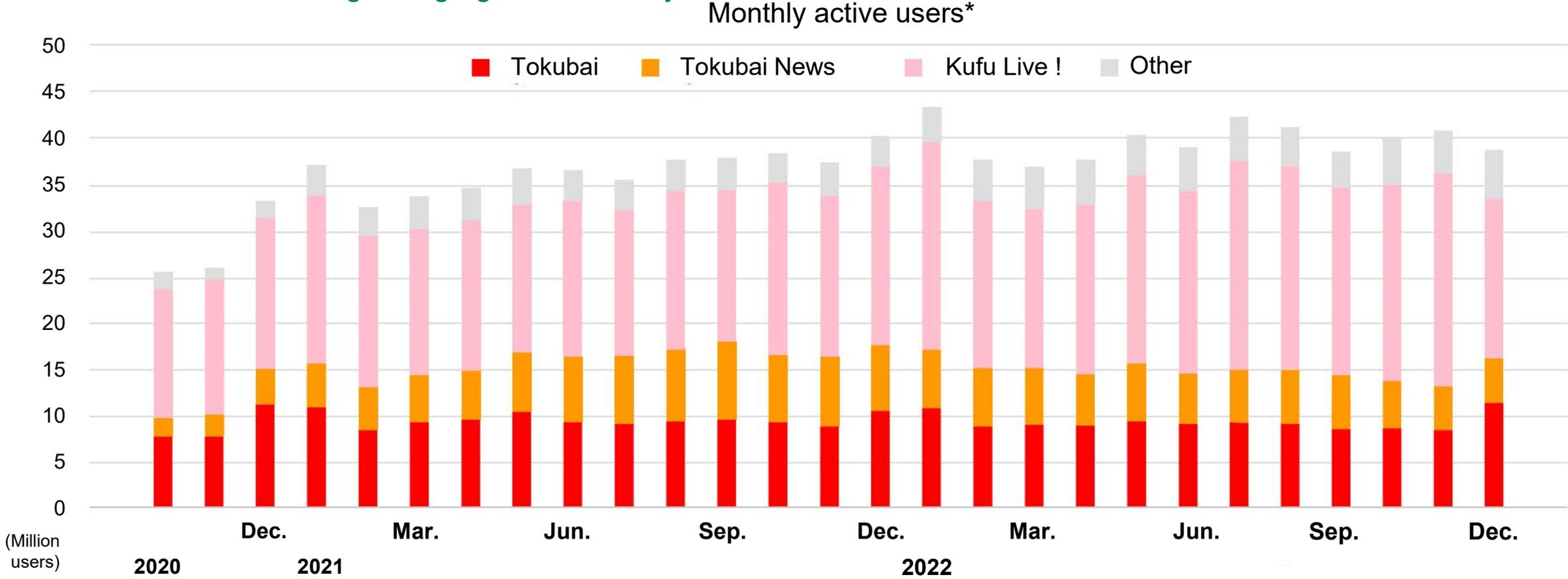
# Daily Life Business – Financial Results – Quarterly Trends

- As for Locoguide, net sales decreased QoQ in reaction to the growth in earnings due to the event held by Retail Research Institute inc. (a subsidy of Locoguide Inc.) in the pervious quarter. The Tokubai business has grown steadily
- Primarily due to the decreased sales of SHIZUOKAONLINE, profit decreased both YoY and QoQ, but other companies generally performed well



# Daily and Community Life Domain – Monthly Active Users

- Tokubai active users increased partly due to sales promotion to meet needs of searching for operating hours of stores during year end and new-year holidays
- Accesses dropped temporarily in December due to the domain change along with the rebranding from “Yomuno” to “Kufu Live!” but started growing again in January



\* Total users for the main media and tools in the daily and community life domain (browser or device base). Based on simple aggregate, without taking into consideration users of multiple media or tools.

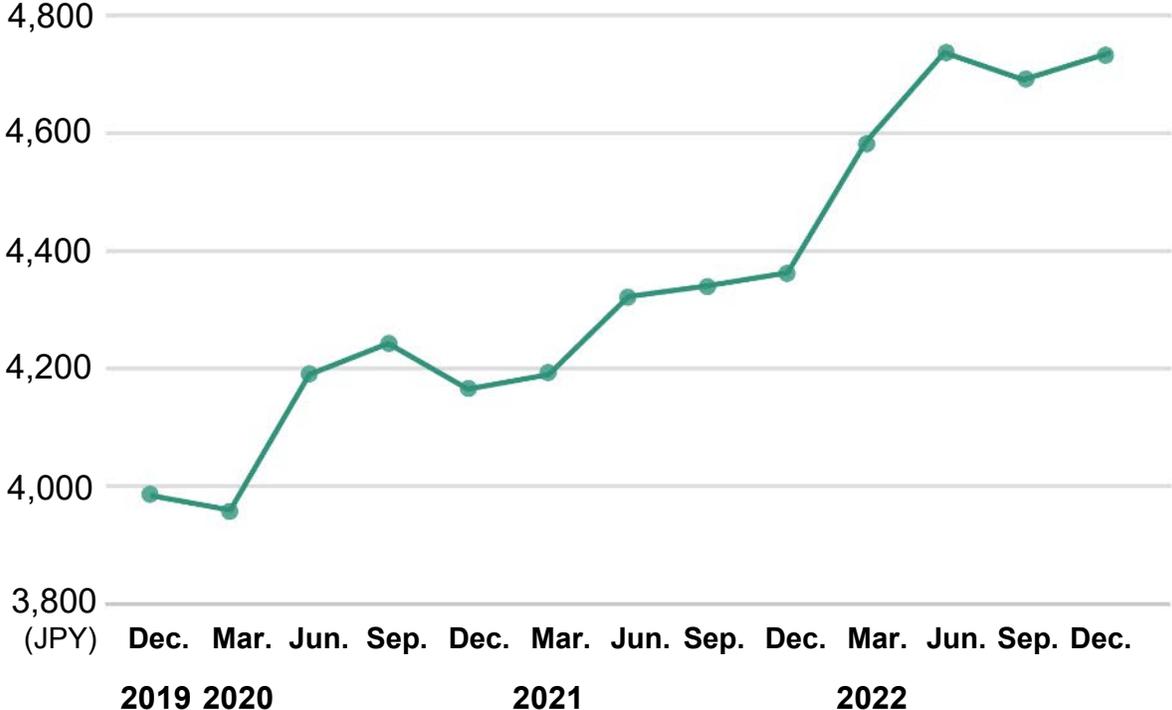
# Number of Subscriber Stores for Tokubai Services and Average Unit Price

- As of the end of December 2022, there were 39,309 subscriber stores (Stores with fixed price contracts were up 9.7 % YoY to 30,647)
- Average unit prices rose partly due to major retailers' adoption of service options

Subscriber stores



Average unit prices at fixed price contract stores



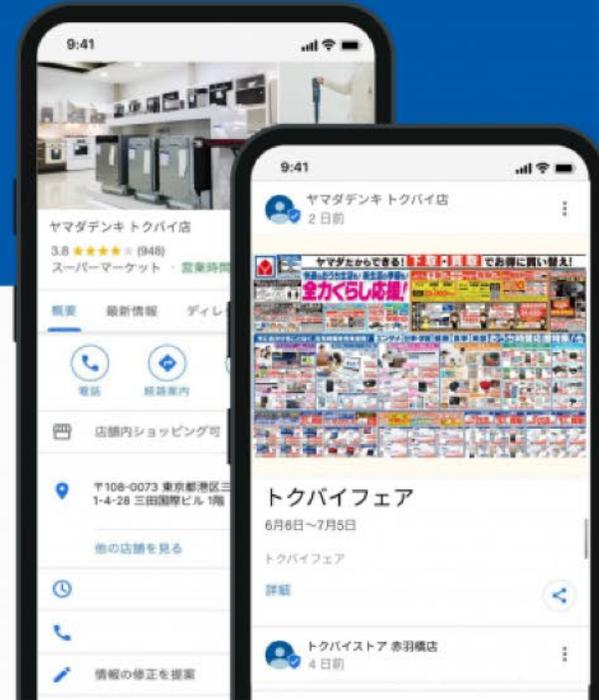
# Expansion of Companies Introducing Tokubai Service Options

- In December, 780 Yamada Denki stores in total started introducing “Auto-linkage function with Google Business Profile”
- Made entry into new domains including major electric appliance retail chains and increased companies introducing service options

Get automatically linked with Google Business Profile just by posting flier information on Tokubai!

Linkage with Yamada Denki stores nationwide started

Tokubai × 



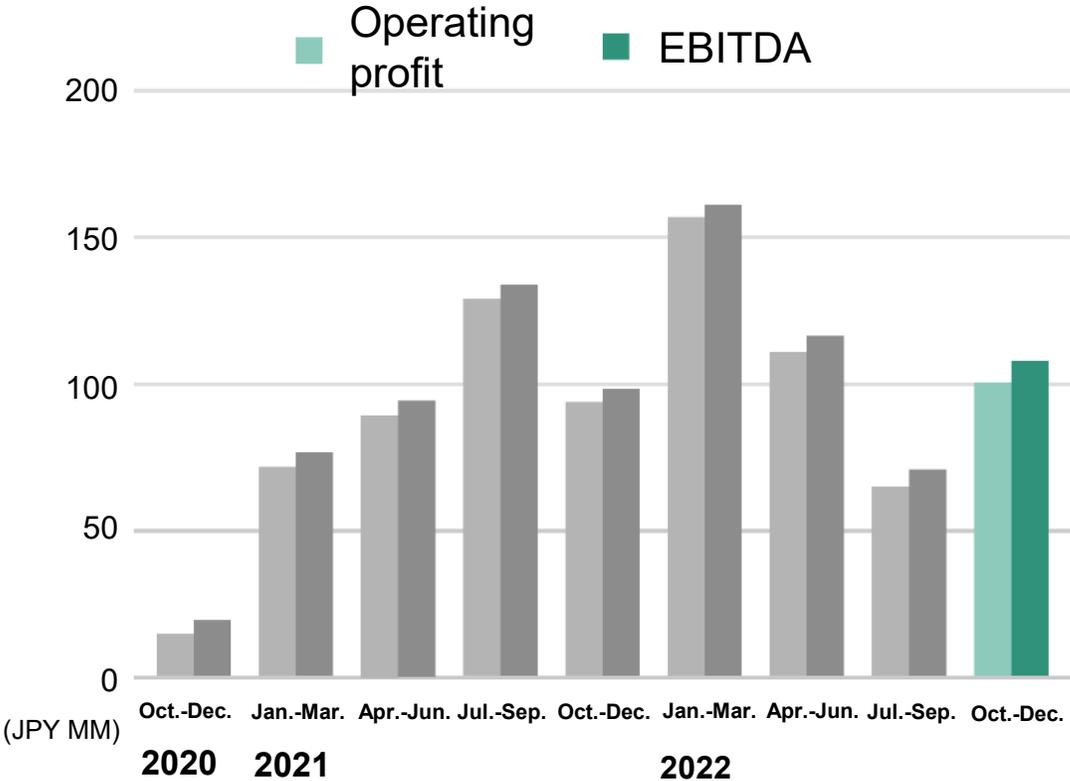
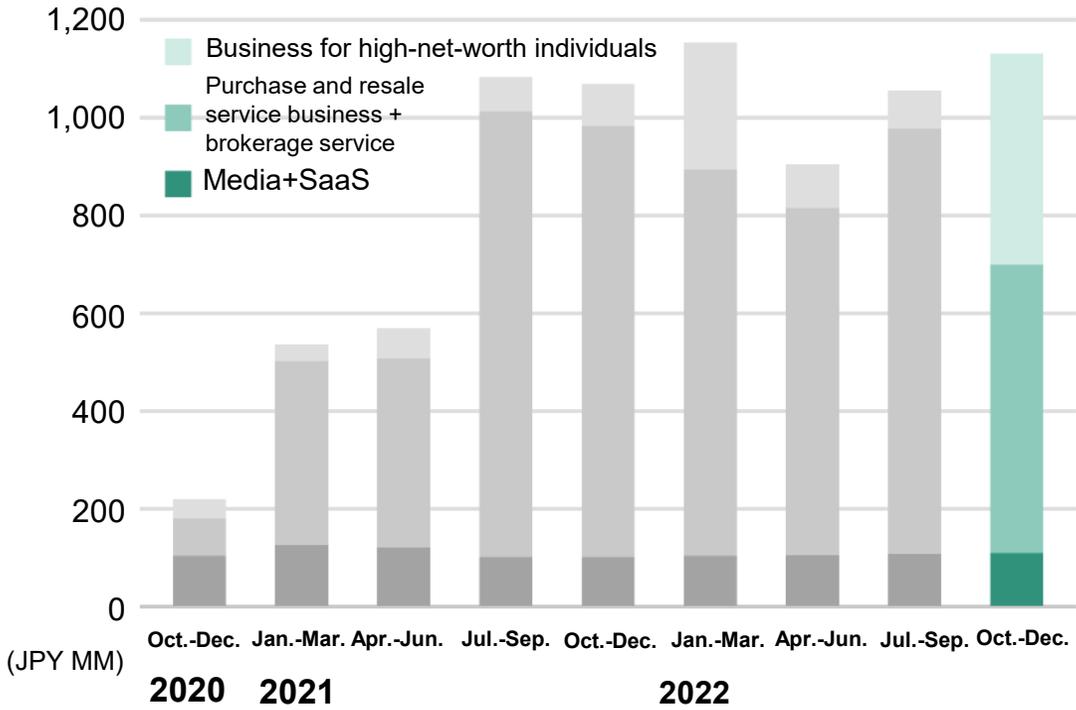
# Life Event Business



# Home Domain (Ex. HyAS) Business – Financial Results\*1 – Quarterly Trends

- Sale of SaaS tools remained steady. Media monthly active users were on a recovery trend due to enhancement of content, which is expected to contribute to future earnings
- The purchase and resale service business took a wait-and-see stance in expectation for a market downturn
- The business for high-net-worth individuals has steadily increased contracts and contributed to earnings

Net Sales\*2

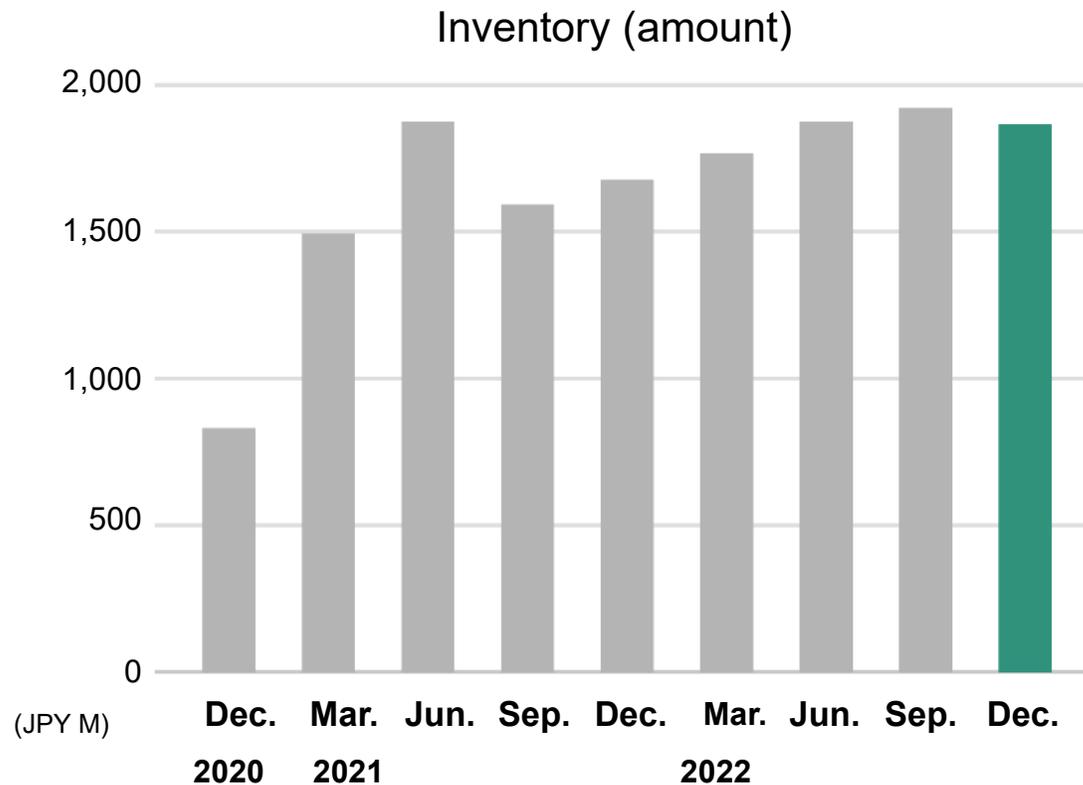


\*1: The simple aggregate of Kufu Sumai Inc. and SSI Corporation (includes some intragroup transactions). O-uccino, Inc. and Ouchino Kufu Co., Ltd. were integrated into Kufu Intermediate Holding Company Inc. which was renamed as Kufu Sumai Inc. as of October 1, 2022.

\*2: The business for high-net-worth individuals shows sales of SSI Corporation, and others show sales of Kufu Sumai Inc. For net sales in September 2022 or before, Media +SaaS represents sales of former O-uccino, Inc. and Purchase and resale service business + brokerage service represents results of former Ouchino Kufu Co., Ltd.

# Inventory Status in Purchase and Resale Service Business

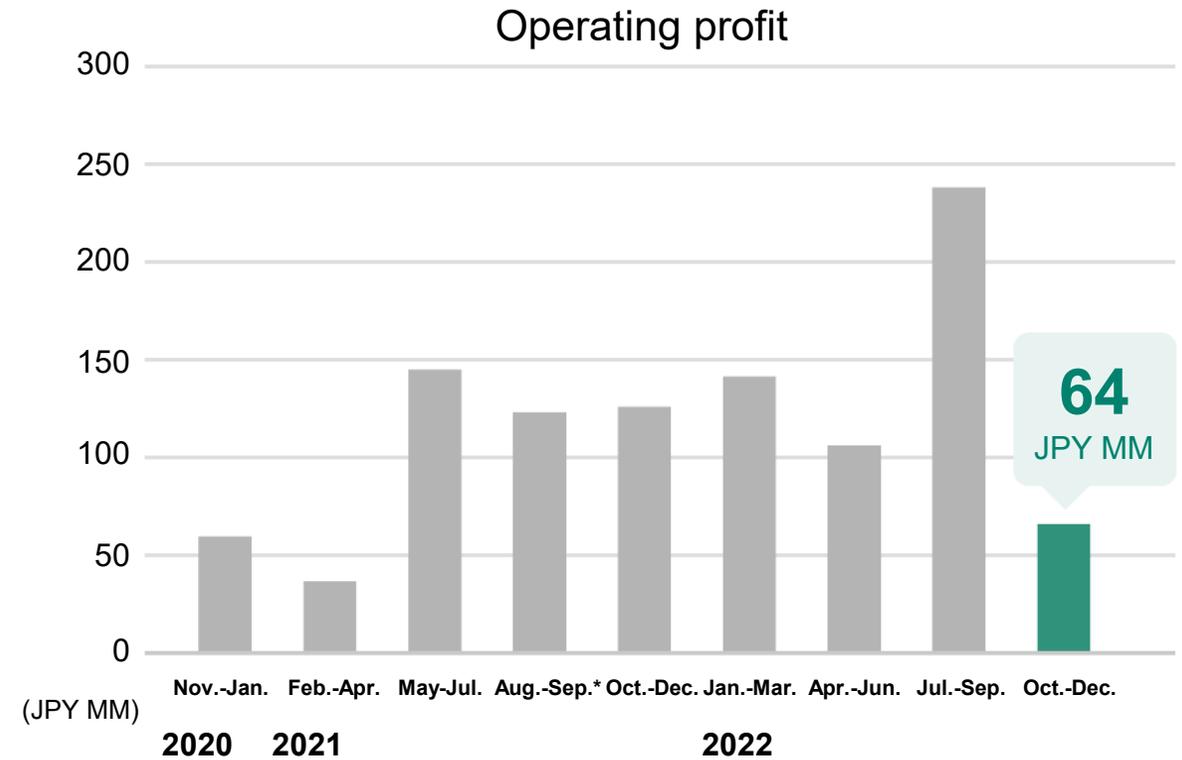
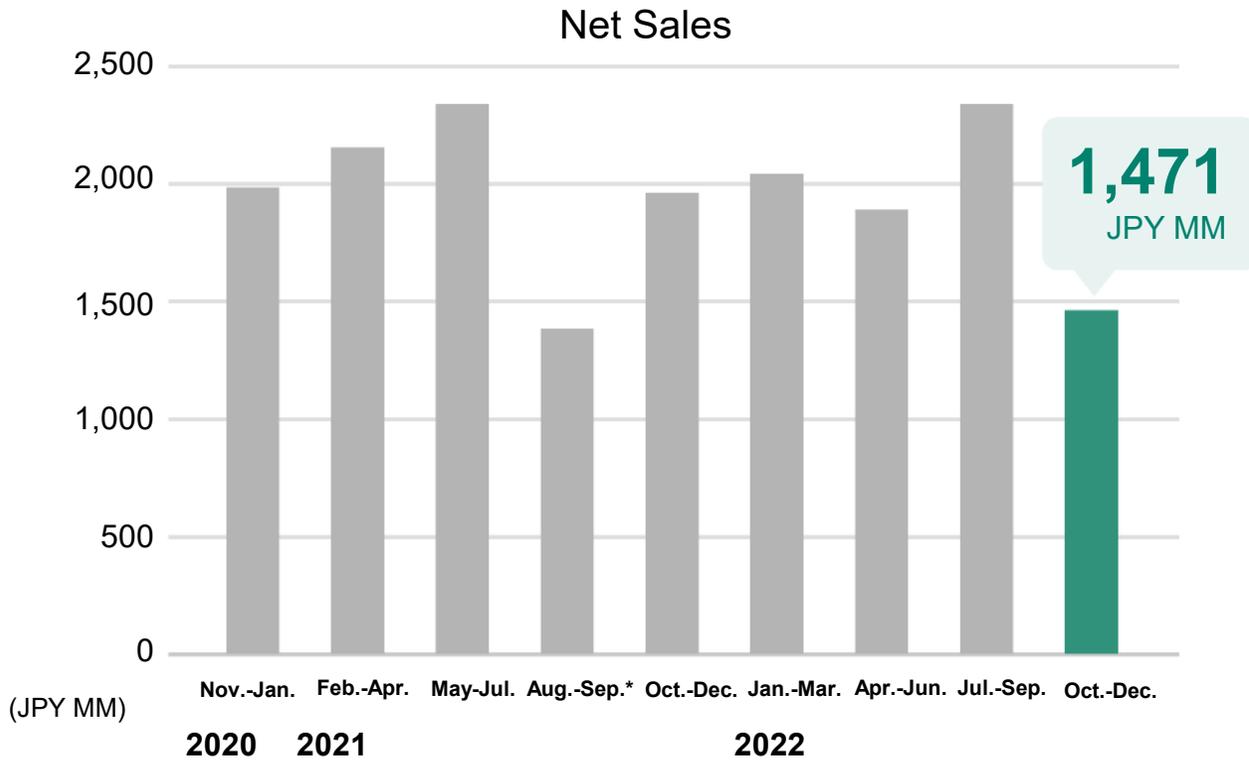
- Gross margin in the Oct.-Dec. quarter was 6.9 % (9.8 % in Jul.-Sep.), and inventory turnover (days)\* was 260 days as of the end of December (160 days as of the end of September)
- Controlled purchasing in light of market situation and lowered prices to increase cash reserves, and the inventory amount slightly reduced



\* Inventory turnover (days) = Average inventory amount / amount of property sales (ex. amount for rental properties. Amount of property sales were calculated on a pro rata basis for the quarter)

# HyAS & Co. Inc. Consolidated Financial Results – Quarterly Trends

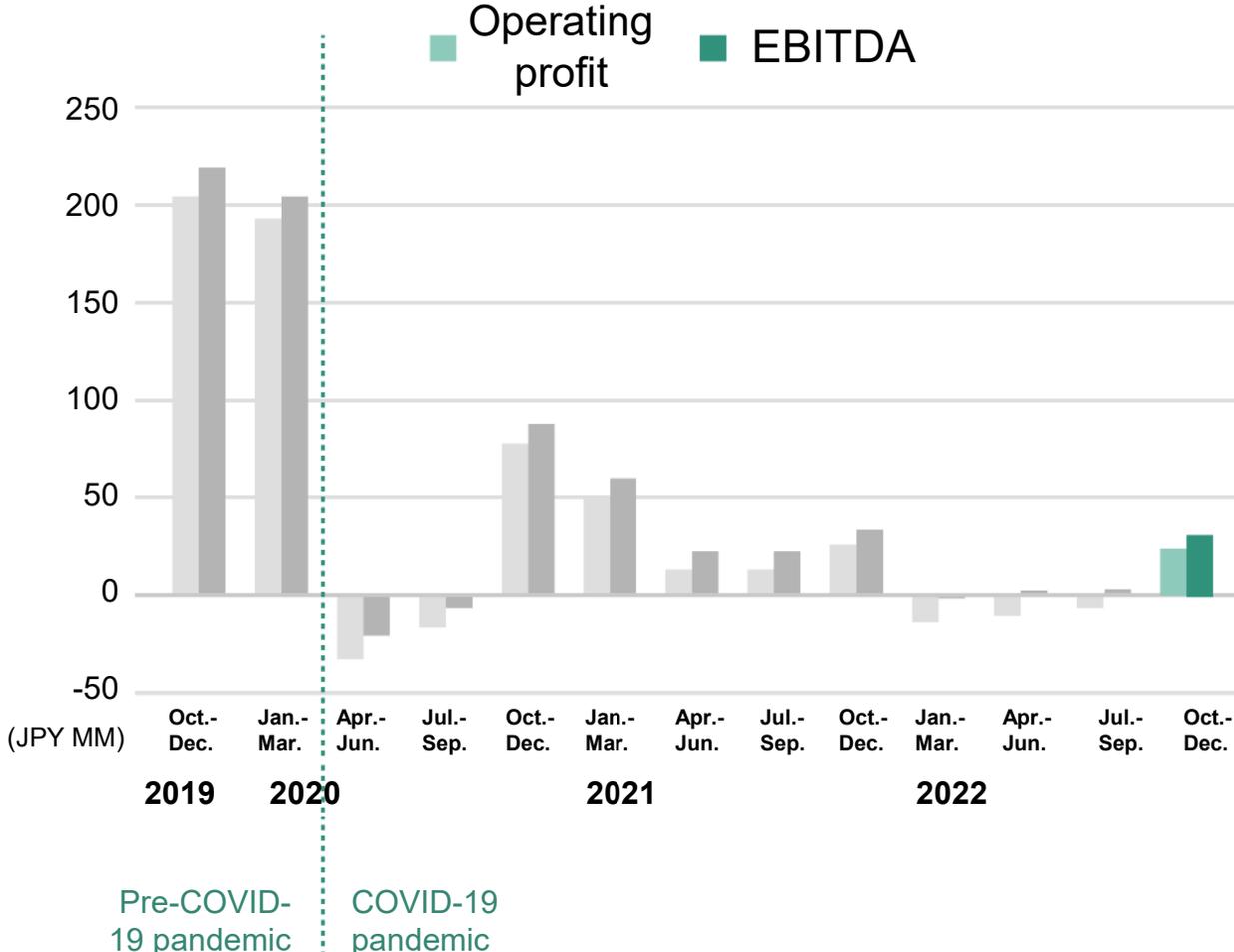
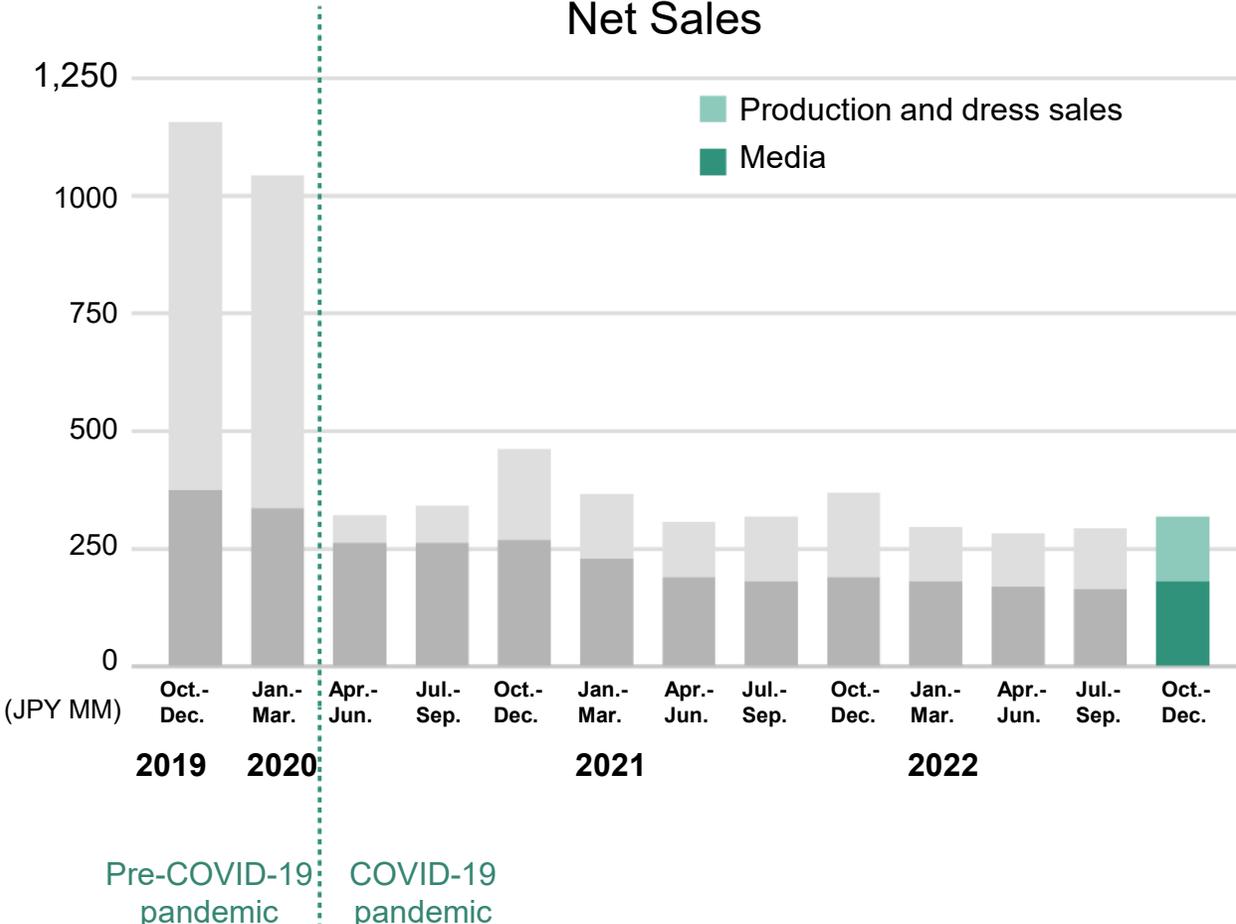
- The growth of new orders in the R + house business was stagnant. Focused on various support activities for member companies
- Efforts were made to establish an efficient and effective operational system for the construction business, but concentrated deliveries of houses are expected in the second half
- After making OM Solar, Inc. a consolidated subsidiary, full-year forecasts of net sales and operating profit were revised to 8,200 million yen and 520 million yen respectively



\*Results for Aug. 1, 2021, to Sep. 30, 2021 (two-month period), owing to irregular accounting period caused by change of accounting period.

# Marriage Domain Business – Financial Results – Quarterly Trends

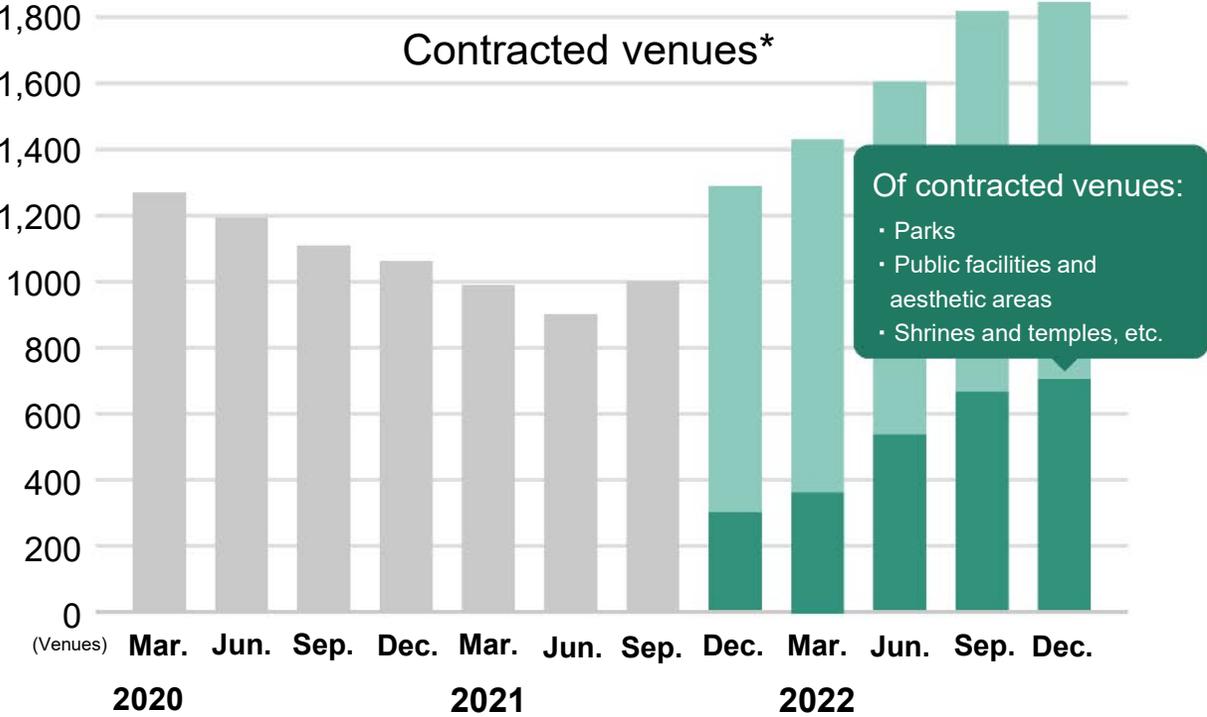
- Seasonal advertising products in the media business contributed to earnings, and customers of dress sales decreased due to suspension of event-related business



# Marriage Domain Initiatives

- The expansion of venues with production contracts has slowed down from the previous year. We will focus on proposing new ways of a wedding ceremony this year
- In FY2023.9 Q1, we improved and increased content of actual wedding cases and started to enhance consulting and advisory function mainly online

## Expansion of venues “other than” conventional wedding venues



## Enhancement of consulting and advisory function

Support users in choosing a wedding ceremony with no regrets, with information provided in the media and know-how shared by a wedding consultant



\*Total of venues with paid ad postings or production contracts (number of unique venues, with venues with multiple contracts counted as a single venue).

## Important notes

This document contains forward-looking statements. These forward-looking statements are based only on the information made available to Kufu Company as of the date this document was prepared. These statements are not guarantees of future results and involve risks and uncertainties. Accordingly, the actual results may differ materially from those projected herein depending on operating environment and other factors.

Actual results could be affected by, but are not limited to, domestic and international economic conditions and industry trends surrounding Kufu Company.

Kufu Company undertakes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

Information that is not related to Kufu Company is derived from publicly available information. Accordingly, Kufu Company does not verify nor guarantee the accuracy, completeness and correctness of such information.

### **=Inquiries=**

**IR Representative, Corporate Communications Department**

E-mail: [ir@kufu.co.jp](mailto:ir@kufu.co.jp)

Website: <https://kufu.company/en>