



Kufu Company Inc.

FY2024.9 Q1

Presentation Material

February 14, 2024



Agenda

1. Consolidated Financial Results for FY2024.9 Q1

2. Business Overview by Segment

- Daily Life Business
- Life Event Business



1. Consolidated Financial Results for FY2024.9 Q1

Daily Life Business

Daily and community life domain



Shopping information service



Regional/lifestyle information media



Household budget service, Research and development



Educational app

Life Event Business

Home domain



Management consulting service



Consulting service for high-net-worth individuals



Home and real estate specialized media and consultation service

Marriage domain



Wedding information media and produce service

Investment and Incubation Business



Holding company (Investment)



Investment management



Travel/outing media



Location and behavioral data marketing



Development and sales of insurance products

(Affiliates)



Informational website for trips with children

Others



Holding company (Support for operating companies)

Highlights of FY2024.9 Q1 Consolidated Financial Results

- In FY2024.9 Q1, net sales were 3,263 million yen, operating loss was 117 million yen, and EBITDA was 134 million yen

Progress by segment

Daily Life Business	Daily and community life domain <ul style="list-style-type: none">• Under the change in the media strategy, lifestyle information media "Kufu Live!" was transferred• Although the Tokubai business maintained a slight increase in sales, the decline in profits from media advertising since March of last year had a significant impact on the Daily Life Business
Life Event Business	Home domain <ul style="list-style-type: none">• Under tough market conditions, HyAS group recorded operating loss due to a decline in sales with sluggish growth in the number of housing construction projects and a delay in housing delivery, in addition to acquisition costs. The group became wholly owned subsidiary on February 1st, 2024 and growth plans for the home domain are currently being considered• Sales of SaaS tools for real estate agencies were steady, and the "Ietate" business was contributed by an increase in the number of contracts at consultation counters Marriage domain <ul style="list-style-type: none">• As the decline in the number of paid advertising venues bottomed out and the number of weddings held and orders increased, the domain made steady progress toward full-year profitability
Investment and Incubation Business	Investment and business development domain <ul style="list-style-type: none">• The gain on sale of operating investment securities was recorded in FY2023.9 Q1, but no major transactions occurred in FY2024.9 Q1

Consolidated Quarterly Financial Results

- Both sales and profits decreased year-on-year

	FY2023.9					FY2024.9		
	Q1	Q2*	Q3	Q4	Full year	Q1	YoY	QoQ
Net sales	4,883	4,362	6,543	4,696	20,486	3,263	66.8 %	69.5 %
Operating profit	433	151	1,023	274	1,882	-117	-	-
EBITDA	685	418	1,285	536	2,926	134	19.7 %	25.2 %

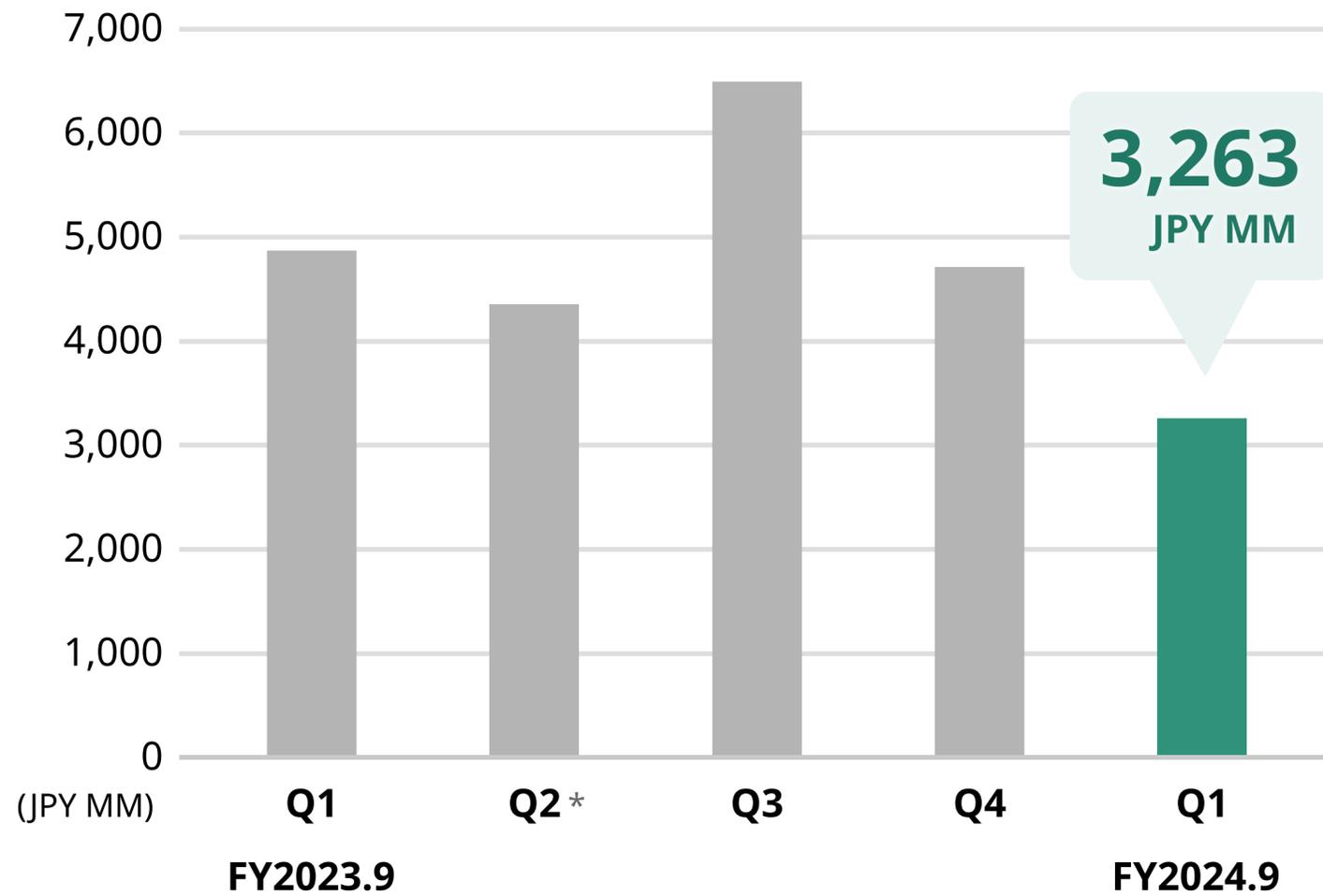
(JPY MM)

* The Life Event Business started consolidating profit (loss) of OM Solar, Inc. and the Investment and Incubation Business started consolidating profit (loss) of RETRIP, Inc. in the second quarter of FY2023.9.

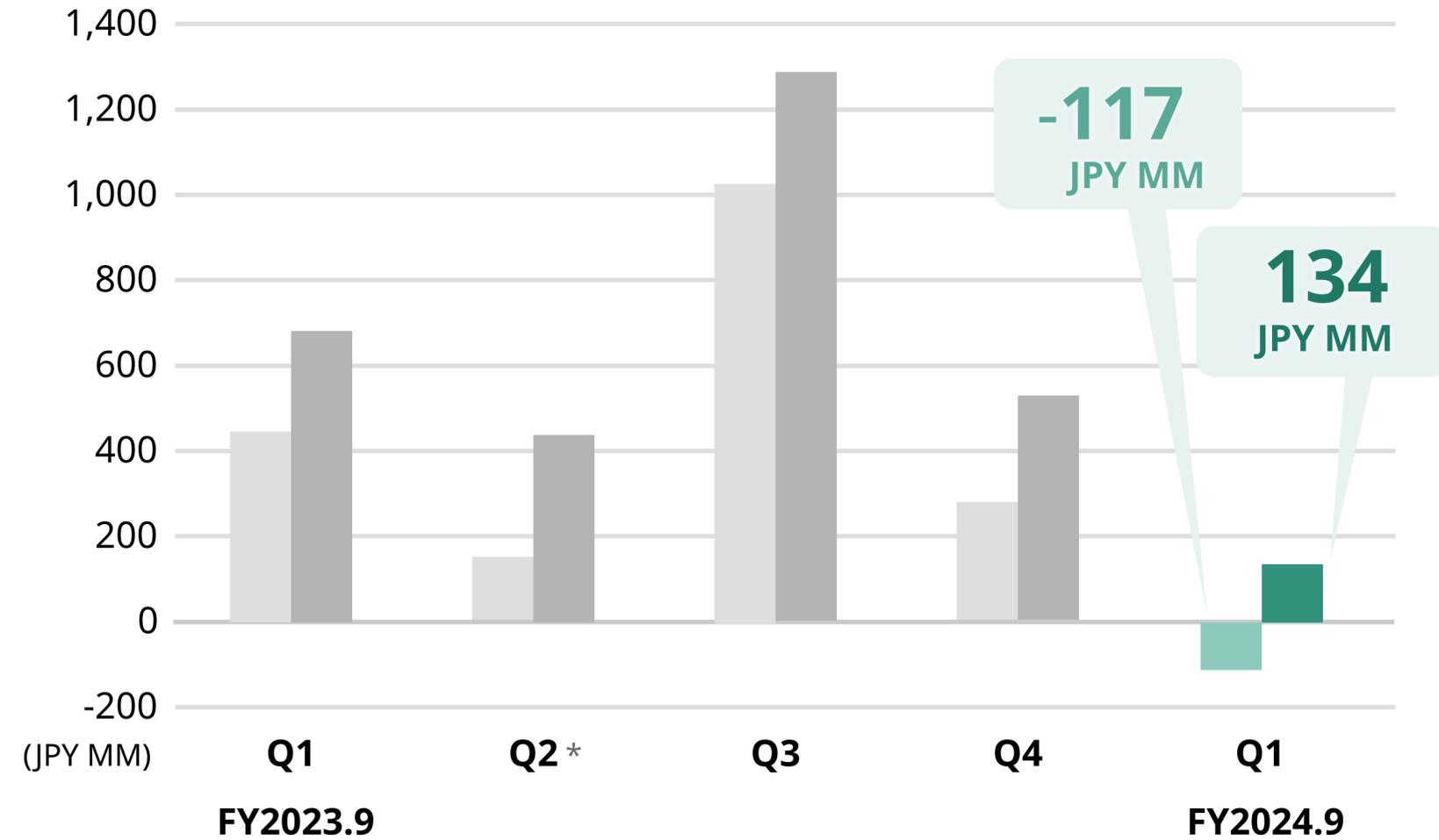
Consolidated Financial Results – Quarterly Trends

- Both sales and profits decreased year-on-year

Net sales



Operating profit EBITDA



* The Life Event Business started consolidating profit (loss) of OM Solar, Inc. and the Investment and Incubation Business started consolidating profit (loss) of RETRIP, Inc. in the second quarter of FY2023.9.

Consolidated Quarterly Financial Results – Net Sales by Segment くふうカンパニー

- In the Daily Life Business, sales decreased mainly due to the transfer of some media businesses in the first quarter
- In the Life Events Business, sales declined driven by the Home domain

	FY2023.9					FY2024.9		
	Q1	Q2 *1	Q3 *2	Q4 *3	Full year	Q1*4	YoY	QoQ
Net sales								
Daily Life Business	1,110	1,211	930	1,157	4,409	1,016	91.6%	87.8%
Life Event Business	2,938	3,037	3,628	3,549	13,154	2,233	76.0%	62.9%
Investment and Incubation Business	828	99	1,974	70	2,972	91	11.0%	128.9%
Others	50	58	80	-	189	-	-	-
Adjustment	-43	-44	-70	-80	-240	-77	-	-

(JPY MM)

*1: The Life Event Business started consolidating profit (loss) of OM Solar, Inc. and the Investment and Incubation Business started consolidating profit (loss) of RETRIP, Inc. in the second quarter of FY2023.9.

*2: As a result of the organizational restructuring, some businesses were changed their segment from the Daily Life Business to the Life Event Business from the third quarter of FY2023.9.

*3: Da Vinci Studio Co., Ltd. merged into Zaim Inc. on July 1, 2023, and the profit (loss) of the former Da Vinci Studio Co., Ltd. were changed their segment from the Other to the Daily Life Business from the fourth quarter of FY2023.9.

*4: Some businesses were changed their segment from the Other to the Investment and Incubation Business from the first quarter of FY2024.9.

Consolidated Quarterly Financial Results – OP by Segment くふうカンパニー

- In the Daily Lifestyle Business, the impact of the decline in profits from media advertising was large
- In the Life Events Business, profits declined mainly due to lower sales in the Home domain

		FY2023.9					FY2024.9		
		Q1	Q2 *1	Q3 *2	Q4 *3	Full year	Q1*4	YoY	QoQ
Operating profit	Daily Life Business	259	313	179	202	955	141	54.4%	69.6%
	Life Event Business	191	118	306	369	986	7	3.7%	1.9%
	Investment and Incubation Business	313	5	834	-35	1,118	-34	-	-
	Others	-61	-44	-44	-	-149	-	-	-
	Adjustment	-269	-242	-252	-263	-1,027	-231	-	-

(JPY MM)

*1: The Life Event Business started consolidating profit (loss) of OM Solar, Inc. and the Investment and Incubation Business started consolidating profit (loss) of RETRIP, Inc. in the second quarter of FY2023.9.

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Consolidated Financial Results – B/S

	As of end-Sep. 2023	As of end-Dec. 2023	Change	Change factors
Current assets	14,122	12,200	-1,921	
(Cash and deposits)	9,405	6,720	-2,685	• Cash and deposits decreased by 2,685 million yen due to acquisition of subsidiary shares, repayment of borrowings, and share buyback
(Operational investment securities)	1,334	1,420	86	
(Real estate for sale)	1,232	1,384	152	
(Other current assets)	525	982	456	• Other current assets increased by 456 million yen due to an increase in deposits of investment funds etc.
Non-current assets	6,851	7,449	598	
(Goodwill)	3,591	4,018	426	• Goodwill increased by 426 million yen due to the start of consolidation of Gold Eggs Inc., etc.
(Investments and other assets)	1,795	1,846	50	
Assets	20,973	19,649	-1,323	
Liabilities	9,376	8,680	-695	
(Short-term and long-term borrowings)	5,349	4,797	-552	• Short-term and long-term borrowings decreased by 552 million yen
Net assets	11,596	10,969	-627	
(Capital surplus)	8,452	8,220	-232	• Capital surplus decreased by 232 million yen due to acquisition of additional subsidiary shares, etc.
(Retained earnings)	1,739	1,534	-204	
(Treasury shares)	-132	-304	-171	• Treasury shares increased by 171 million yen due to share buyback by the end of December
(Valuation difference on available for-sale securities)	-13	-4	8	
Total liabilities and net assets	20,973	19,649	-1,323	

* Items in parentheses are included in totals.

(JPY MM)

Group EBITDA ^{*1}

10 billion yen ^{*2}

Ratios of main
business segments ^{*3}

50%

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.

The acquisition of naming rights for a new professional baseball team in Shizuoka is aimed at strengthening regional business



The acquisition of naming rights for a new professional baseball team in Shizuoka

- In January 2024, a capital and business alliance agreement was signed with Hayate 223, which became the first in Shizuoka Prefecture to enter professional baseball farm leagues
 - Acquired the naming rights of the team, and named it "Kufu Hayate Ventures Shizuoka"
- ◀ A press conference to announce the team name held in Tokyo on January 16, 2024, with the participation of over 20 media companies including TV and newspapers

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Strengthen regional business starting with Shizuoka

- SHIZUOKAONLINE CO. LTD. will change its name to "kufushizuoka Inc." (April 2024)
- Kufu Sumai rebranded "Ietate," a local housing information media and service operated mainly in Shizuoka, to "Kufu Ietate" (March 2024), and strengthen the opening of consultation counters

2. Business Overview by Segment

becoming No.1 service

in all businesses provided by Kufu Company Inc. Group,
by providing one-stop online and offline services

Shopping

Overwhelmingly No.1 in the number of registered stores & users
in 3 years

Home

No.1 in the number of housing-related constructions in 5 years

Marriage

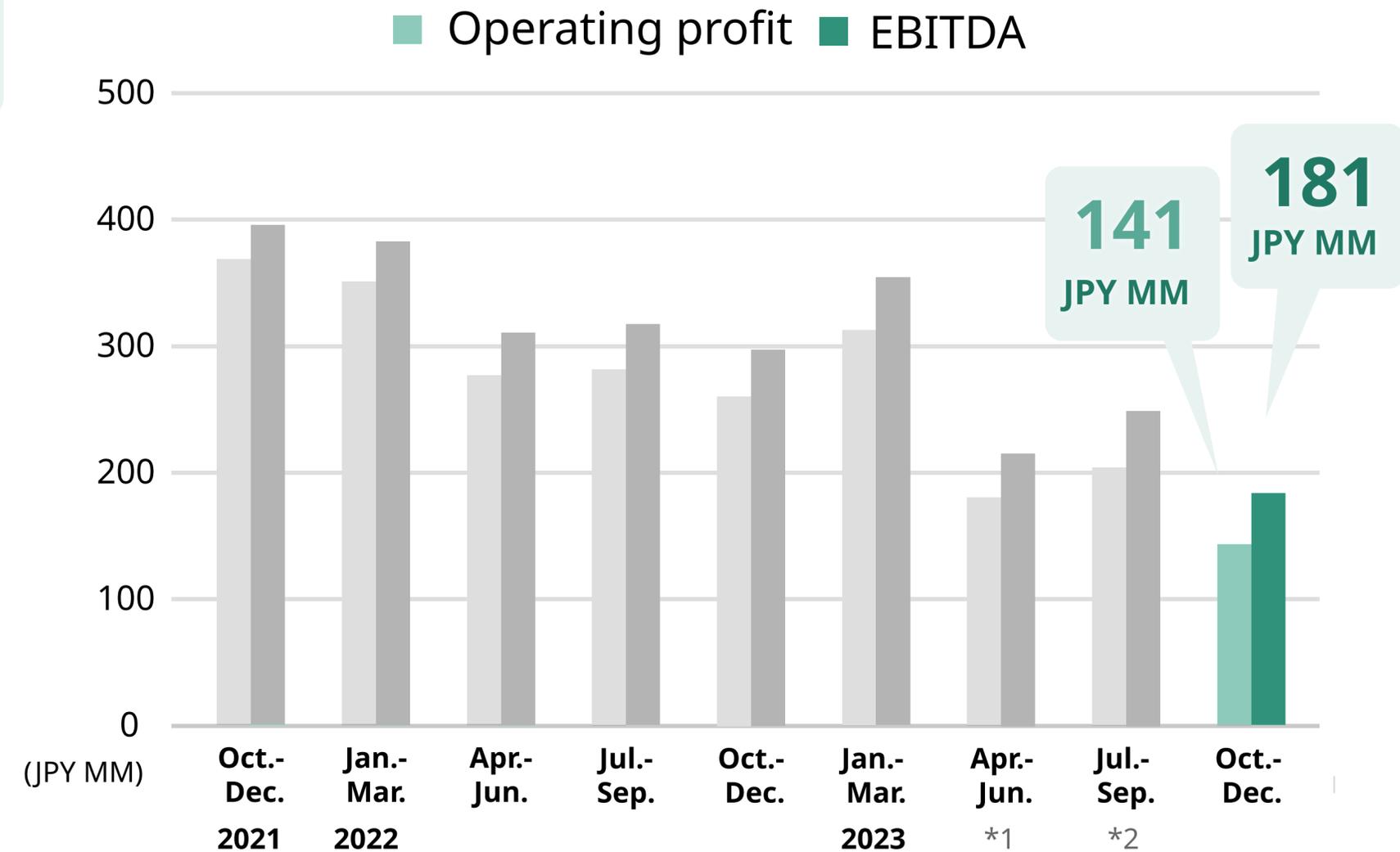
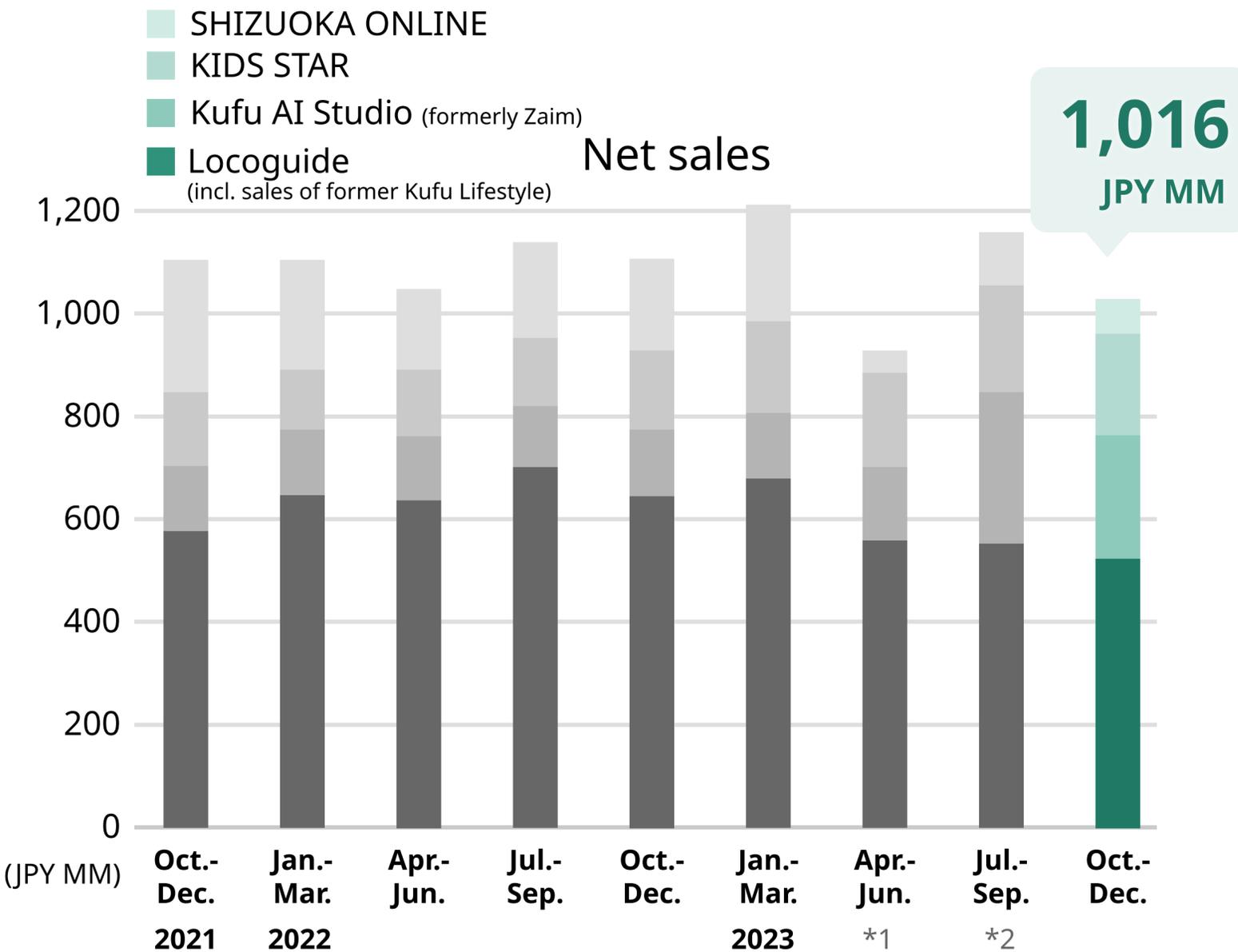
No.1 in the number of wedding creations in 5 years

Daily Life Business



Daily Life Business – Financial Results – Quarterly Trends

- Under the change in the media strategy, lifestyle information media "Kufu Live!" was transferred
- Although the Tokubai business maintained a slight increase in sales, the decline in profits from media advertising since March of last year had a significant impact on the Daily Life Business



*1 : "Ietate" business run by SHIZUOKA ONLINE Co. LTD, was succeeded by Kufu Sumai Inc, and its segment was changed to the life event business on April 1, 2023.

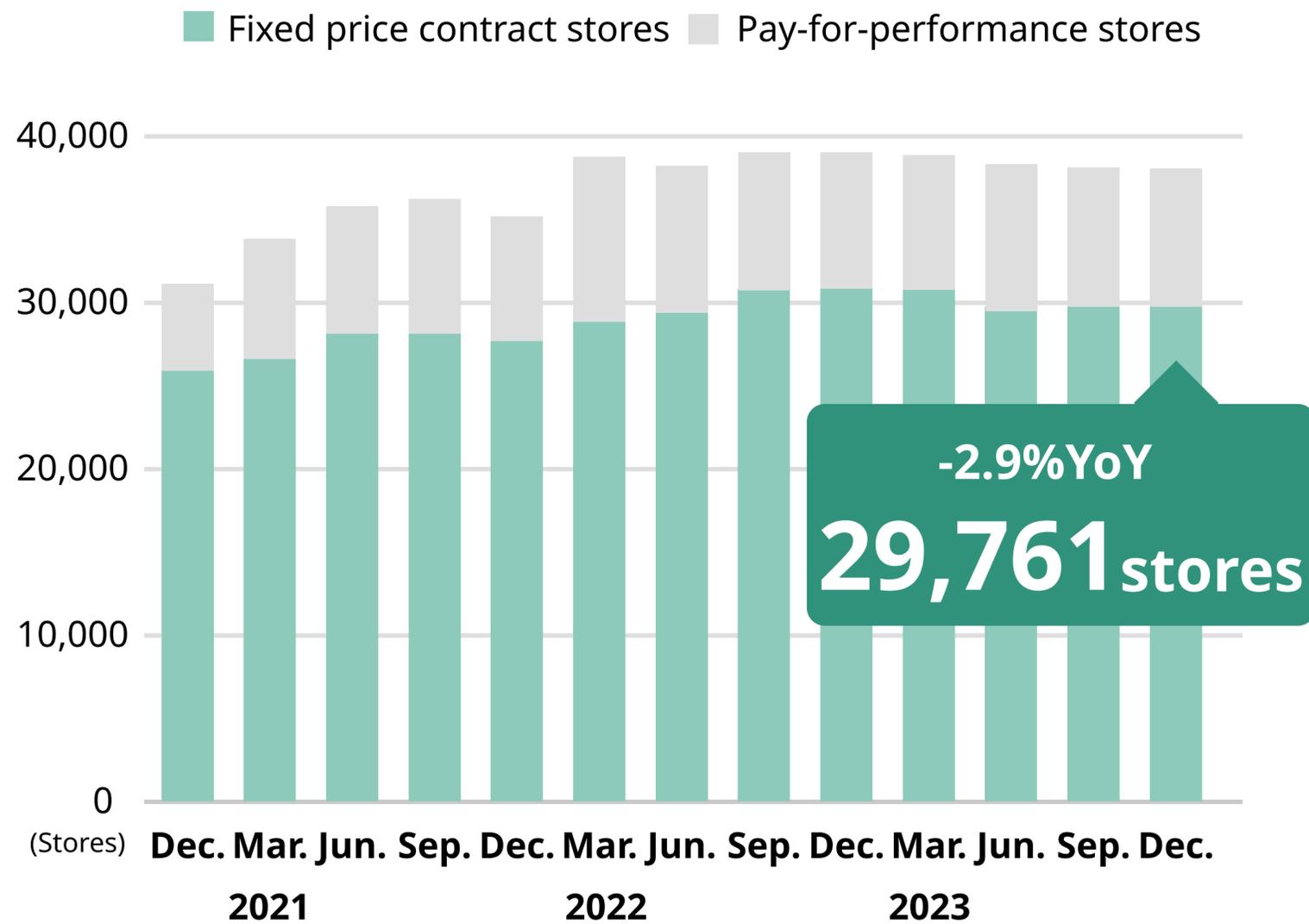
*2 : Da Vinci Studio Co., Ltd. merged into Zaim Inc., and Zaim Inc. changed its name to Kufu AI Studio Inc. on July 1, 2023.

Number of Subscriber Stores for Tokubai Service and Average Unit Price *

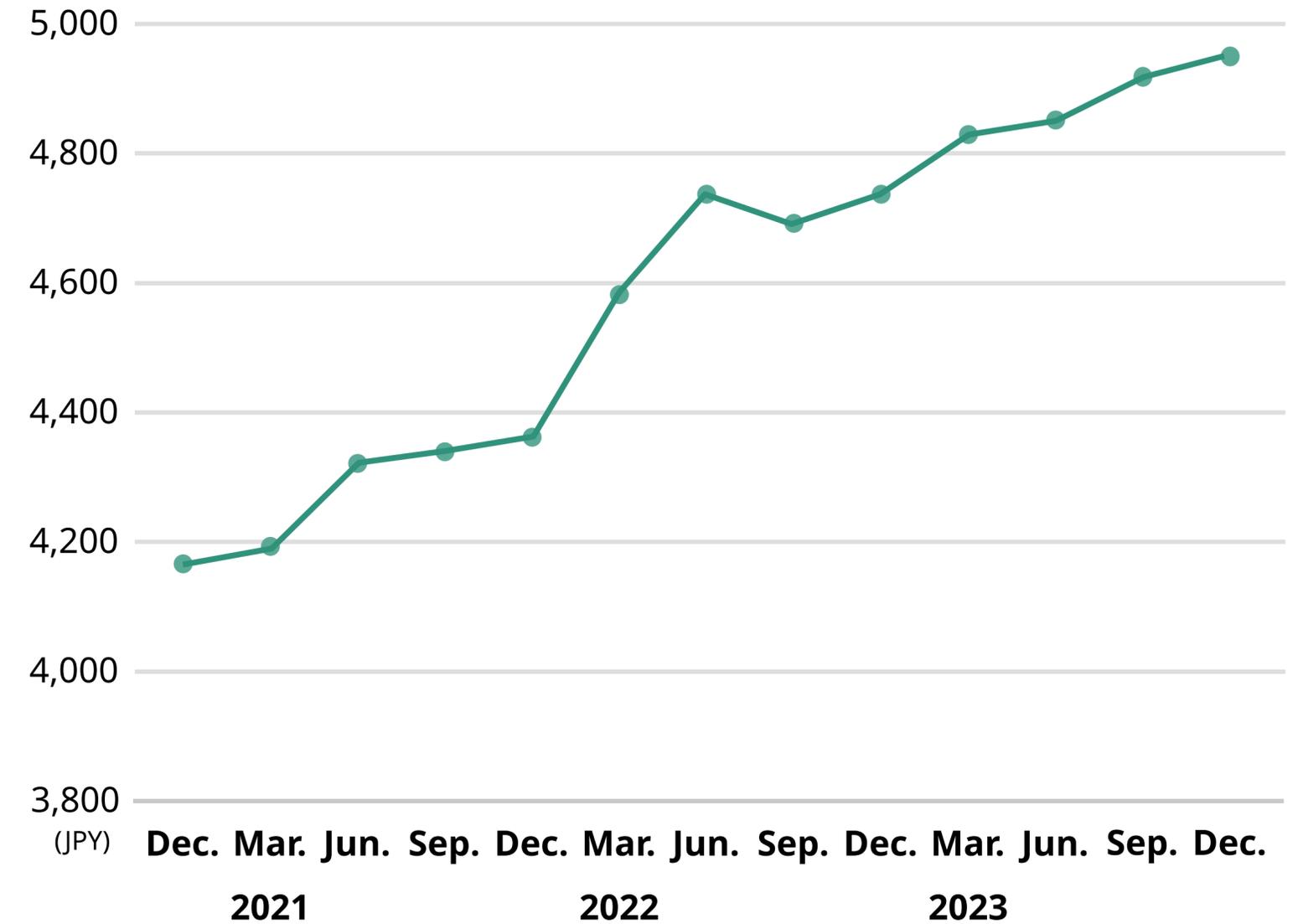


- As of the end of December 2023, there were 38,199 subscriber stores (stores with fixed price contracts were down 2.9 % YoY to 29,761)

Subscriber stores



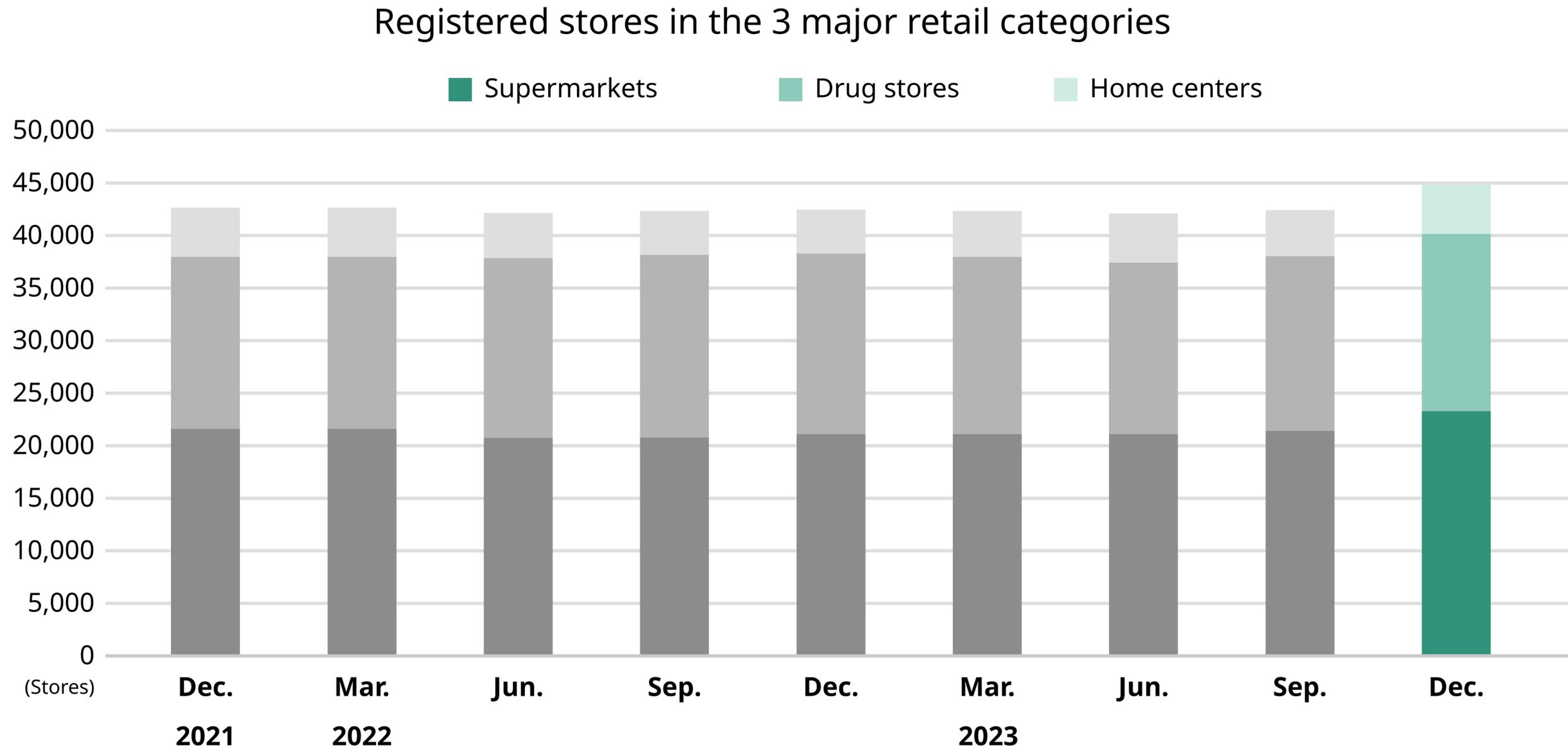
Average unit prices at fixed price contract stores



* The number of subscriber stores and the average unit prices do not include the initiative with approximately 16,000 convenience stores.

Number of stores registered for Tokubai service (3 major retail categories) くふうカンパニー

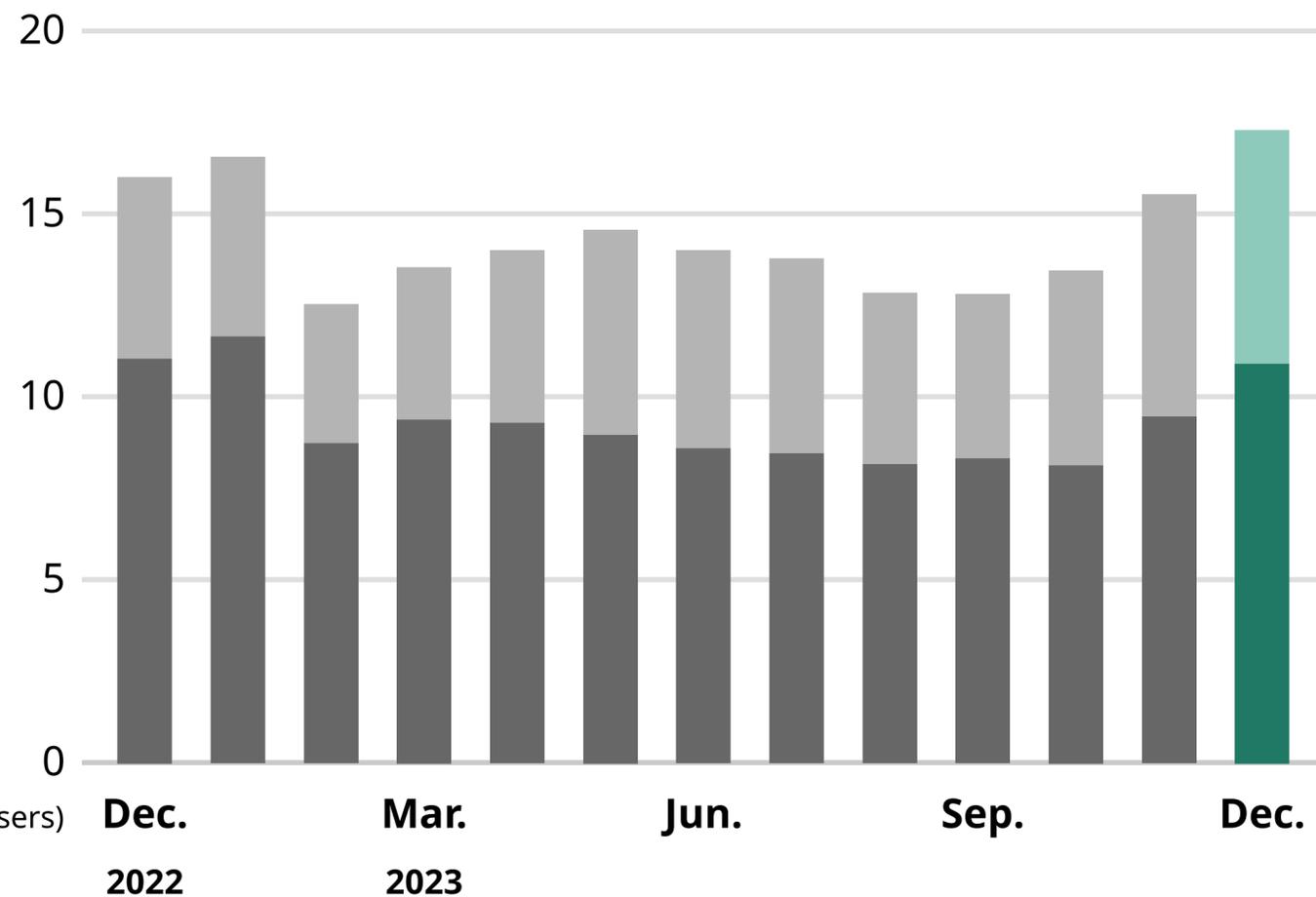
- Focusing on improving information comprehensiveness in the three major retail categories (supermarkets, drug stores, and home centers)



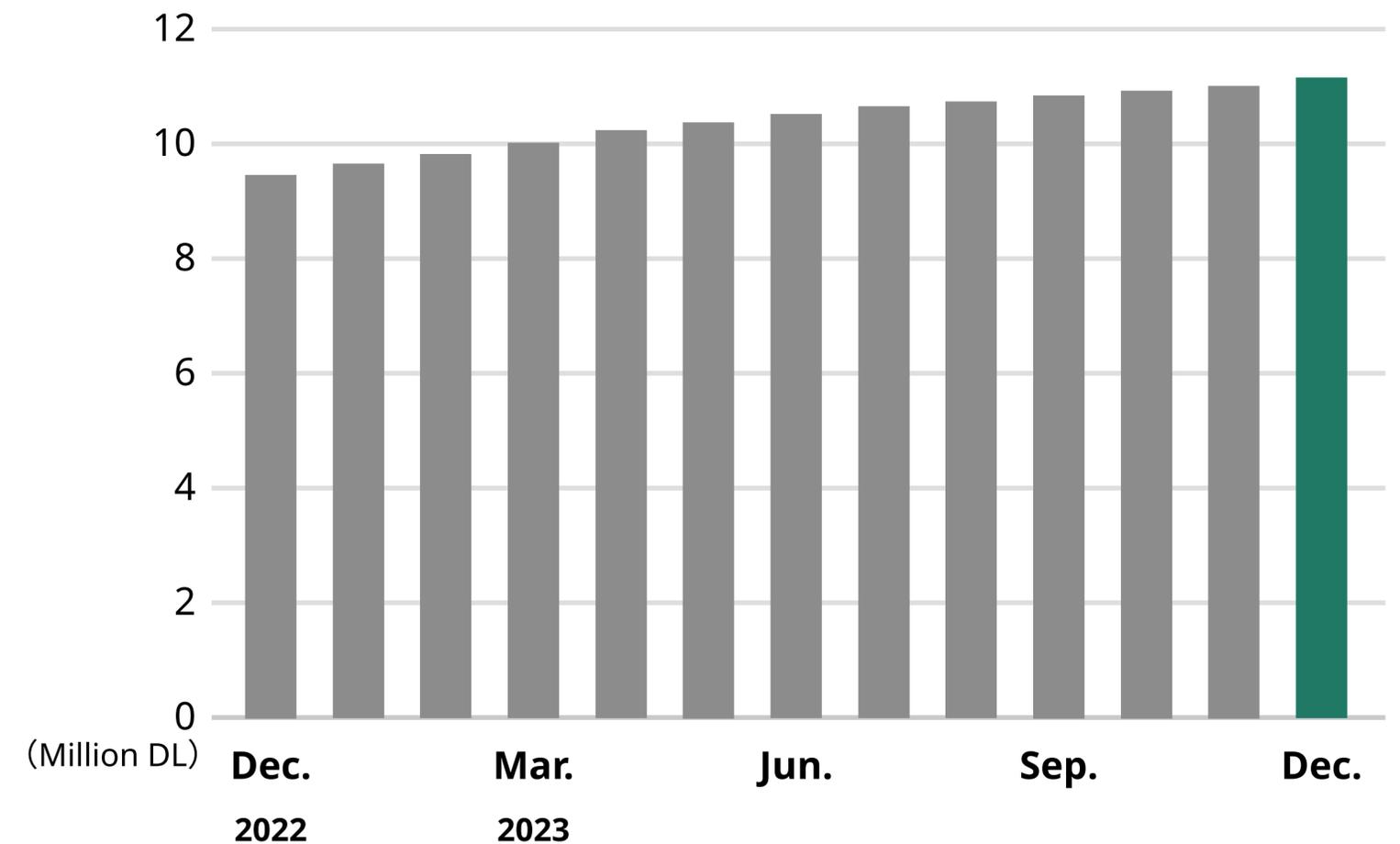
- As of the end of December 2023, the number of monthly active users of Tokubai service was approximately 17 million, and the cumulative number of app downloads was approximately 11 million
- As of the end of December 2023, the number of core users * was 3.37 million (3.52 million as of the end of December 2022)

Monthly active users

■ Tokubai ■ Tokubai News



Total App downloads

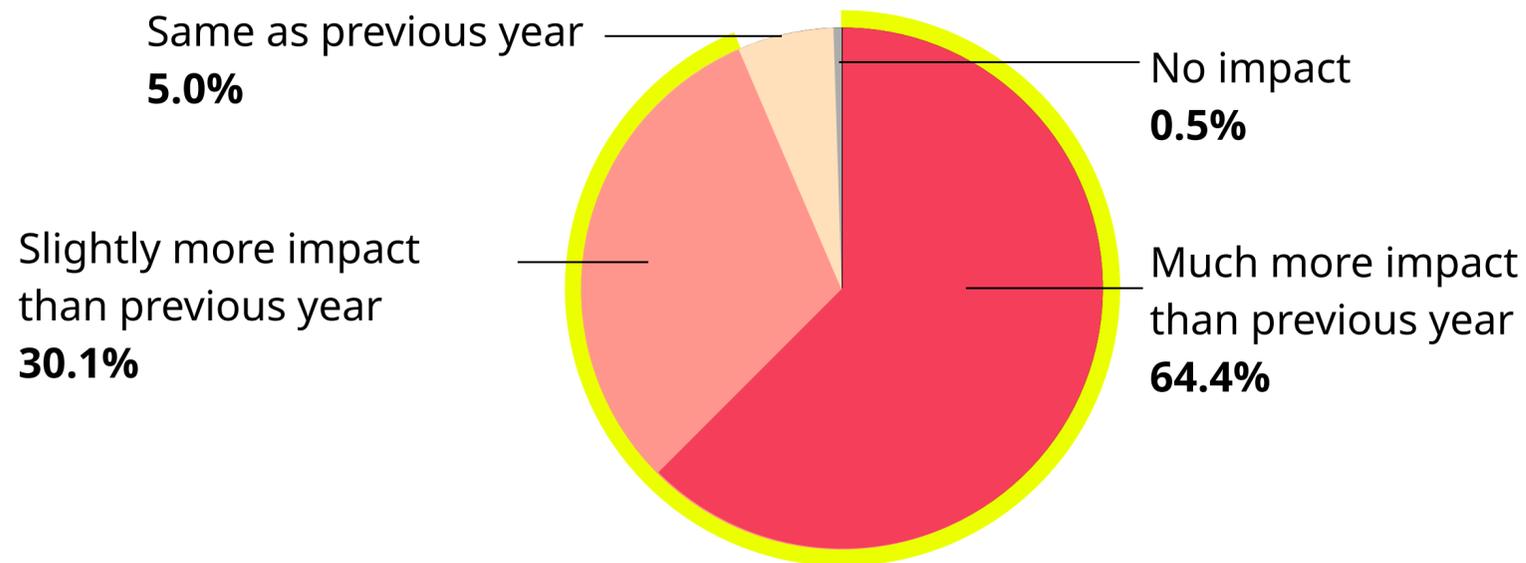


*Total users who use the functions, such as flyers, recipes, and coupon rather than articles or other light functions, at least once a week.

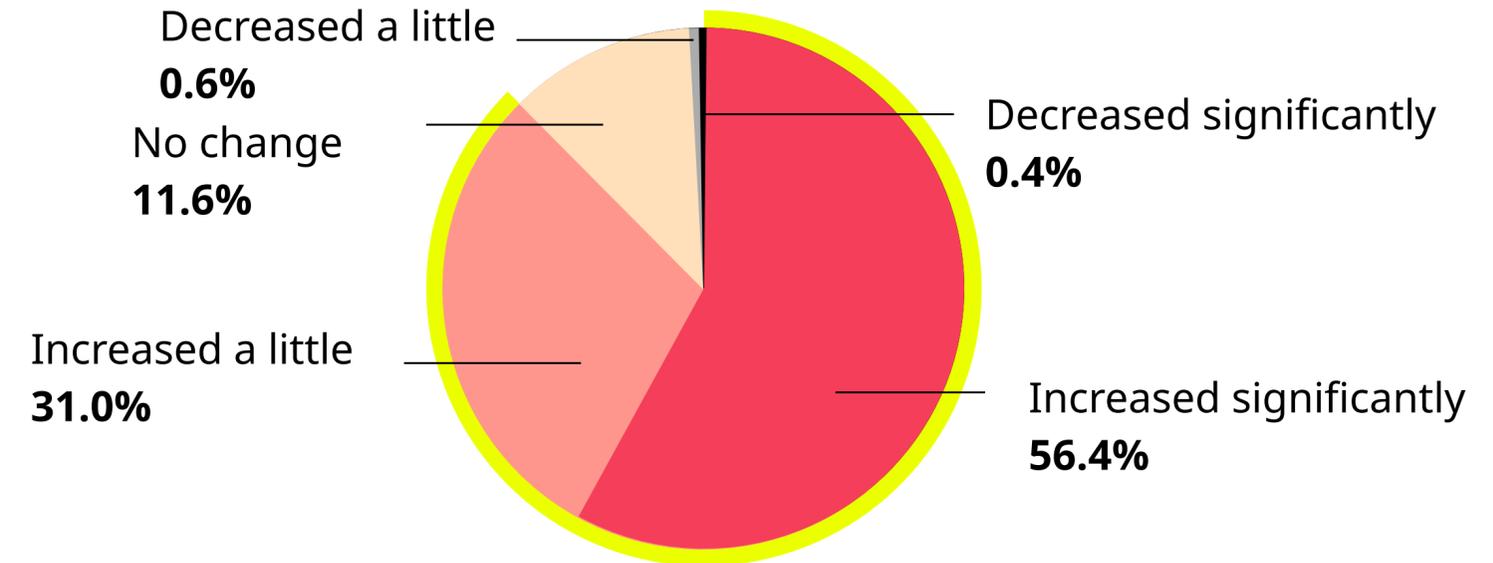
- According to a survey conducted among 2,593 Tokubai users, approximately 90% responded that they had increased the frequency of purchasing low-priced groceries compared to the previous year (2022)
- As long-term price increases further impact household budgets, the need to "buy at a better price" is expanding

Survey on High Prices (November 2023)

To what extent are price increases in 2023 affecting household budgets compared to previous year?
【single answer, n=2,593】



Do you buy low-priced groceries more often compared to previous year?
【single answer, n=2,593】



Survey method: Internet survey
Survey period: From November 17, 2023 to November 22, 2023
Survey target: 2,593 users of Tokubai service

New function "Tokubai Flyer Comparison" utilizing image analysis AI くふうカンパニー

- A function that allows you to display only the products you are looking for from multiple flyers in a list and easily compare them
- Further enhancing the convenience of the function, "viewing flyers of frequently visited stores all at once", which users find useful

Tokubai Flyer Comparison (Released November 2023)



Display only the products you are looking for from multiple flyers



Select the product you want to buy



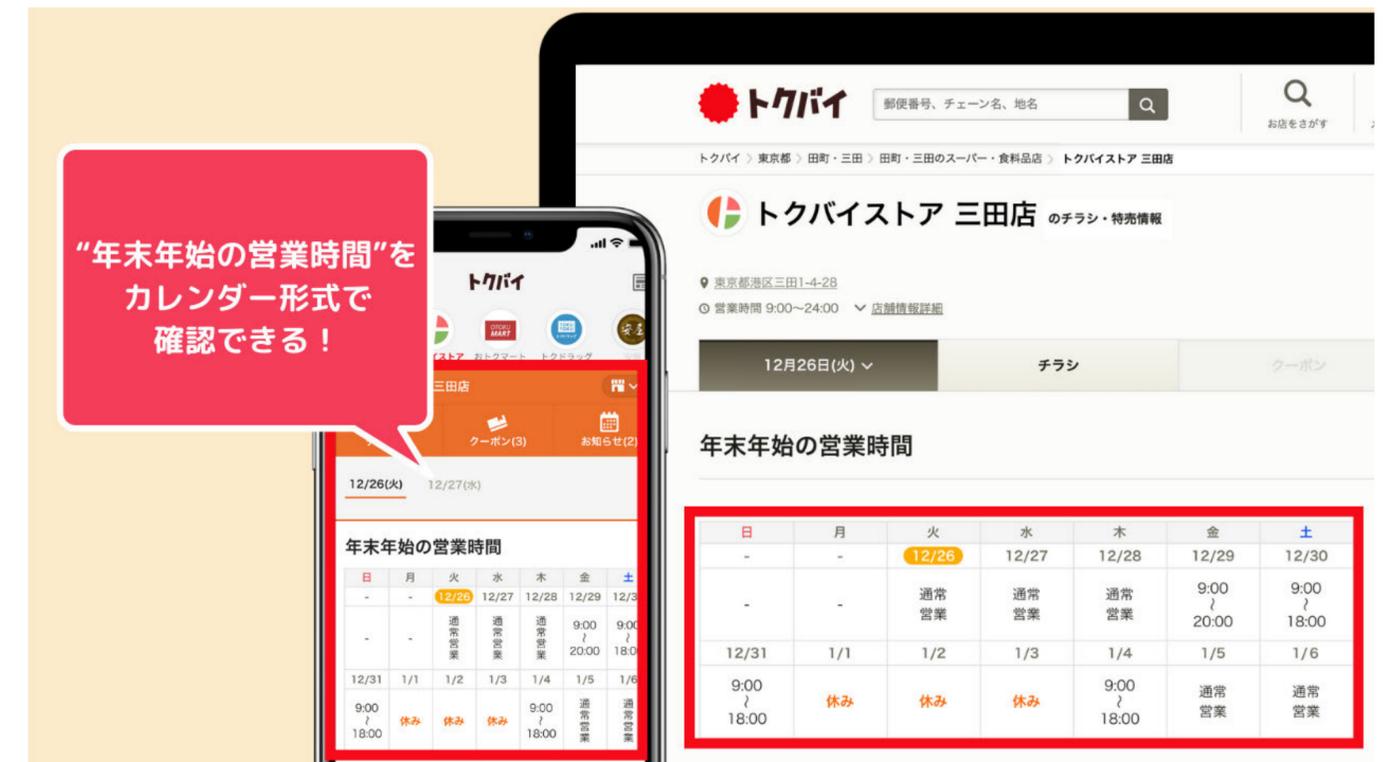
You can view the entire flyer of the store that sells the product you want to buy

- A web page featuring Black Friday was opened, approximately 25,000 stores participated, and a campaign was also held. Continuing to strengthen event features with high user needs
- A special web page that shows the irregular business days and hours of each store during the year-end and New Year holidays, which was well received last year

Featuring on Black Friday



Featuring on business hours during the year-end and New Year holidays

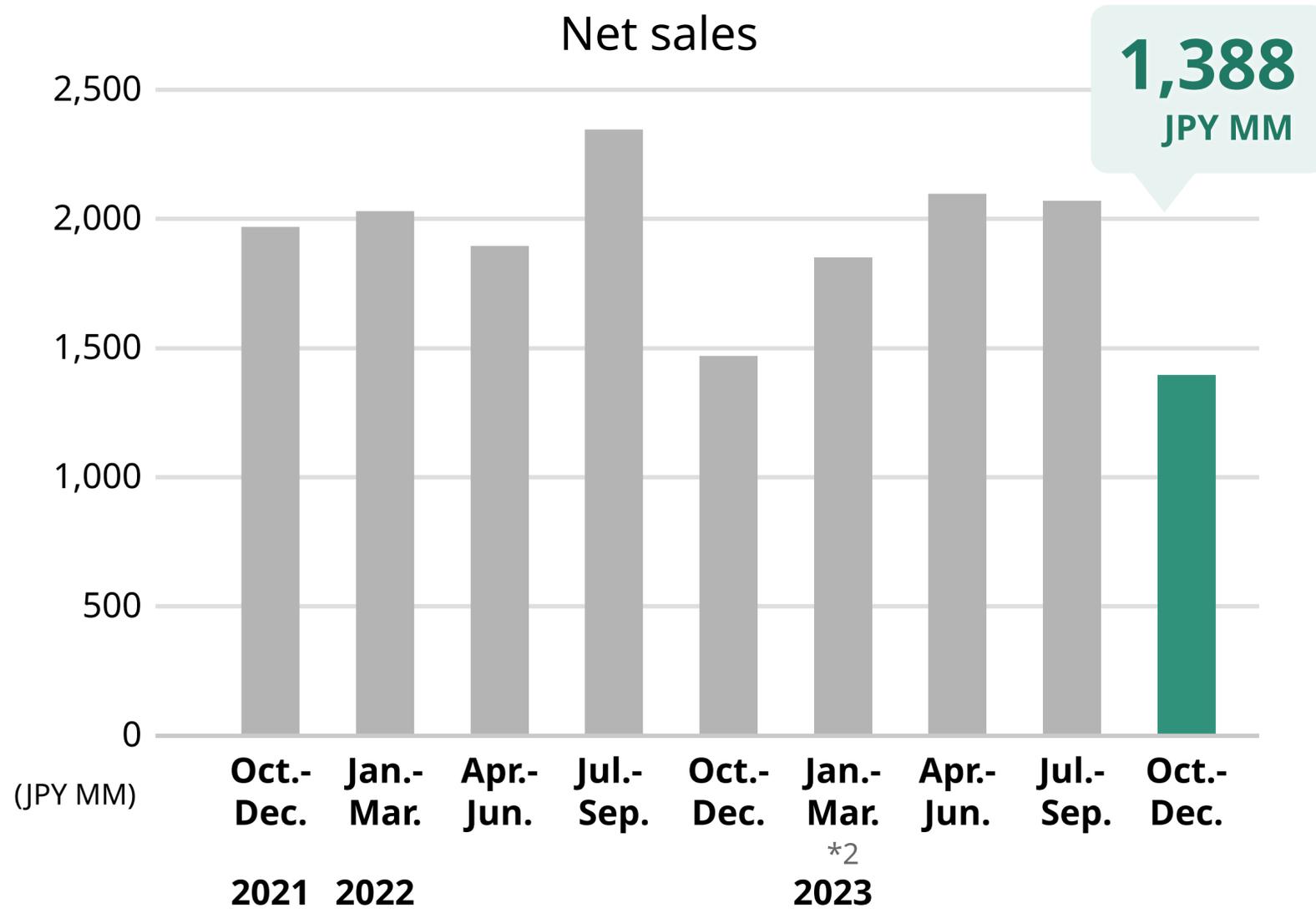


Life Event Business

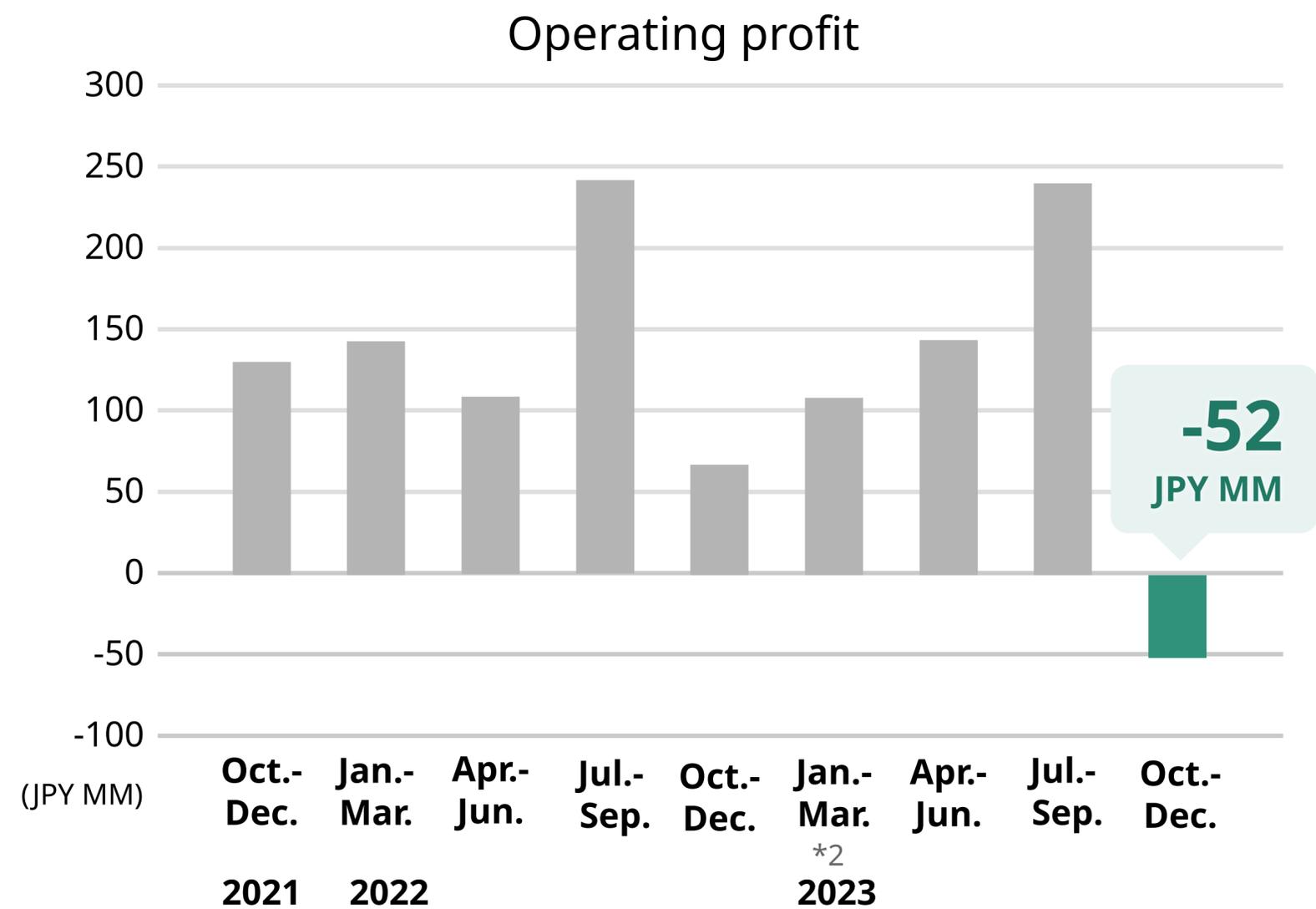


- Under tough market conditions there was sluggish growth in the consulting business and delivery delays in the construction business
- Despite falling into the red mainly due to decreased sales and acquisition costs, HyAS group became wholly owned subsidiary ^{*1} and growth plans for the home domain are currently being considered

Net sales



Operating profit



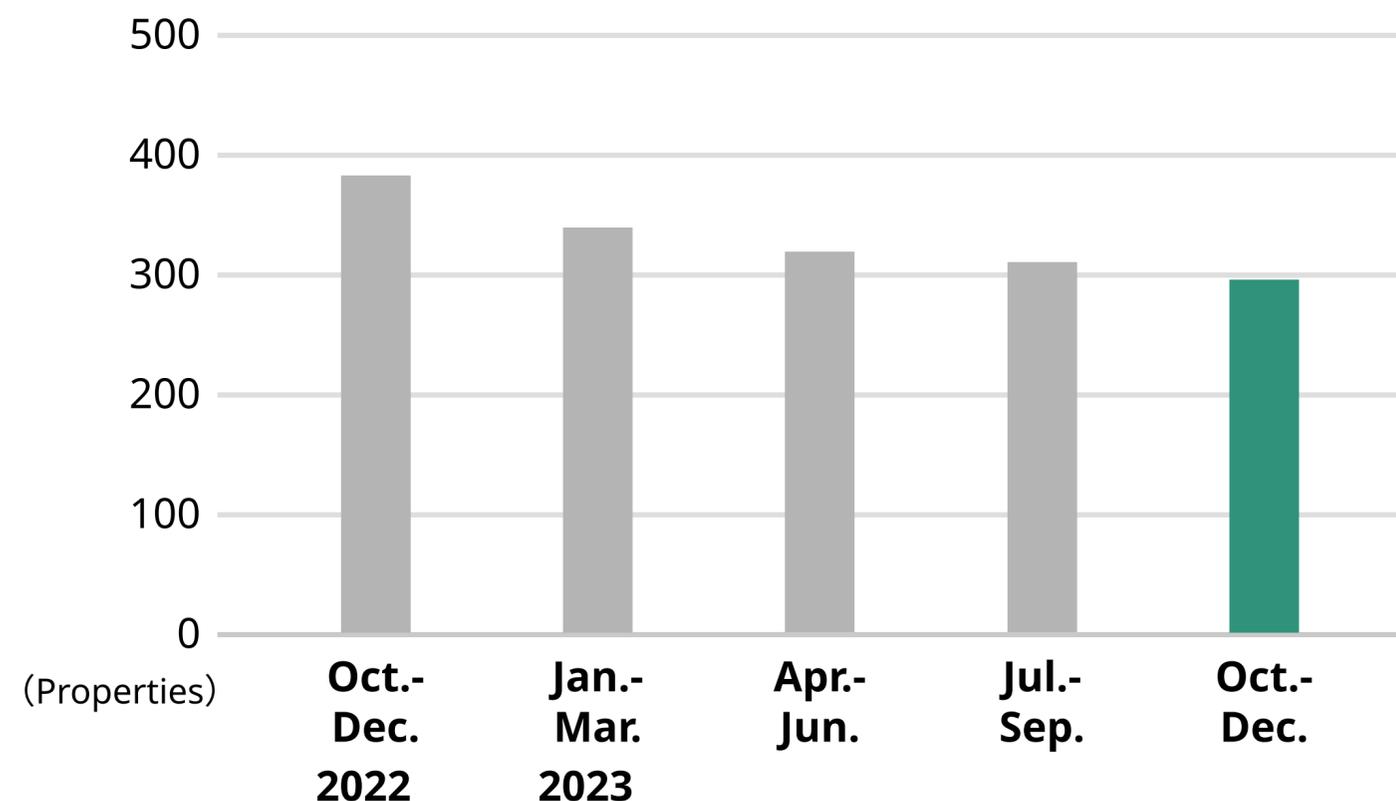
*1 : HyAS & Co. Inc. became wholly owned subsidiary on February 1, 2024.

*2 : Profit (loss) of OM Solar, Inc. was consolidated starting from Jan.-Mar. 2023.

HyAS strengthen response to diverse user needs and online customer attraction

- Under tough market conditions due to the soaring material prices, etc., the number of housing-related constructions by HyAS Group has been on a downward trend recently
- Strengthening new product introduction that meet diverse user needs, such as renovation products, and support for member construction companies to attract customers online, as the market is expected to continue to be tough

Number of housing-related constructions (HyAS Group) *



Strengthening response to diverse user needs and online customer attraction

Proposing renovation houses, in addition to custom-made houses

Strengthening support for member construction companies to attract customers online



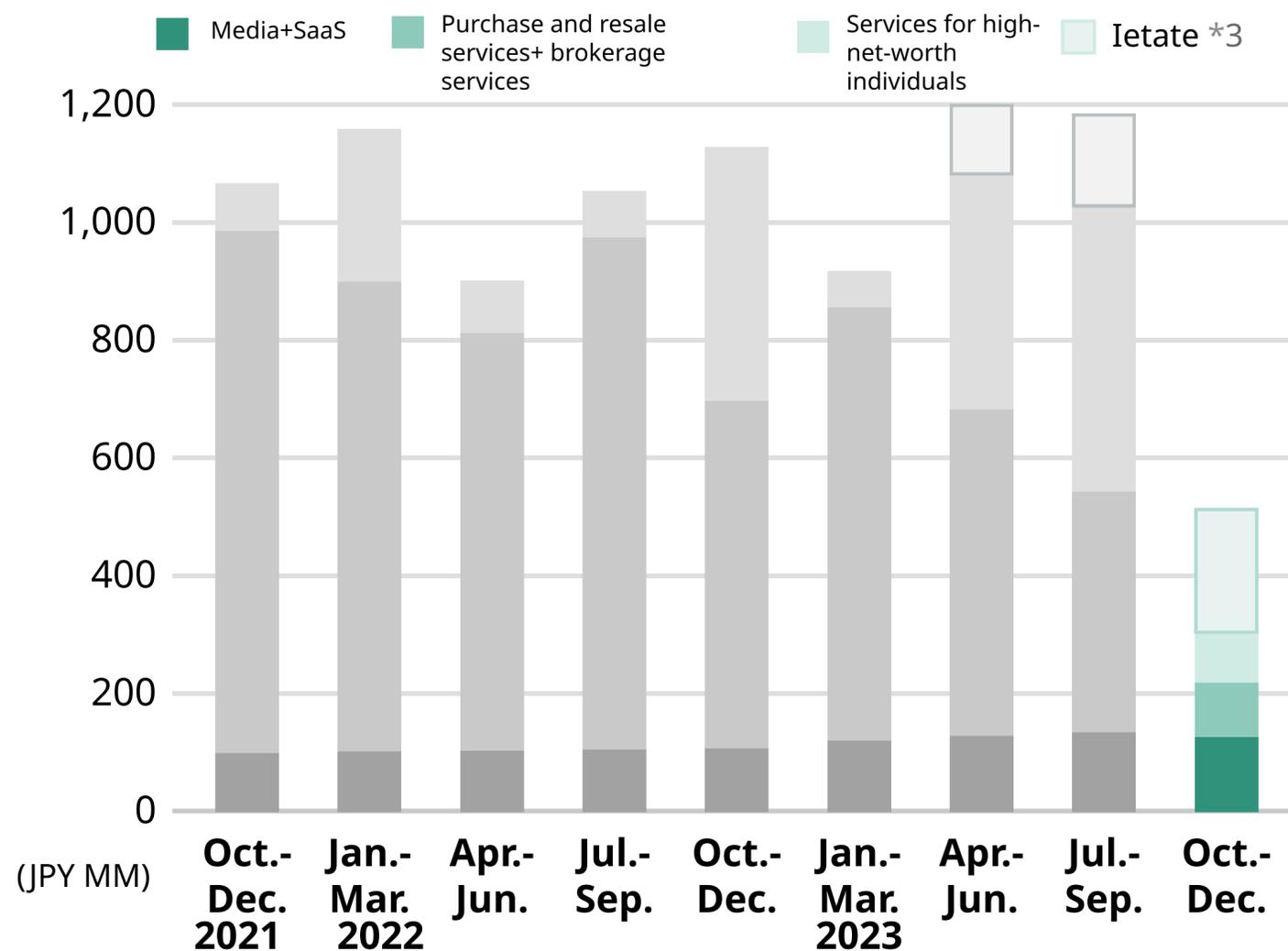
* Calculated based on the number of "R+house" constructions by member construction companies of HyAS & Co. Inc., the number of constructions by R+DM CO.LTD., and the number of system installations by OM Solar, inc. (all based on construction starts).

Home Domain Business (Kufu Sumai, SSI) – Financial Results ^{*1}

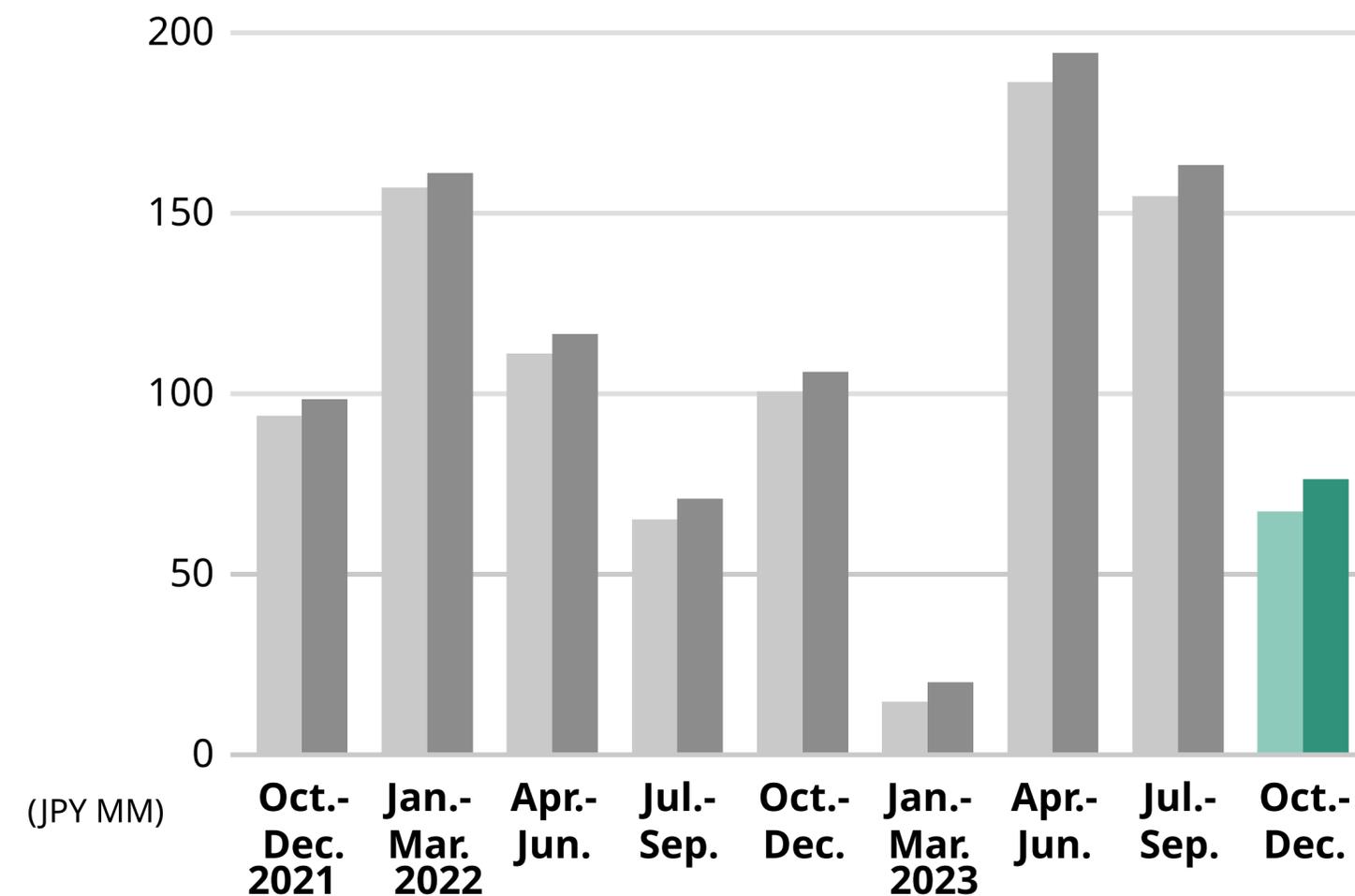
– Quarterly Trends

- Sales of SaaS tools remained steady, and the number of contracts at consultation counters increased in the Ietate business
- Purchase and resale services made progress in reducing inventory

Net sales ^{*2}



Operating profit EBITDA



*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.

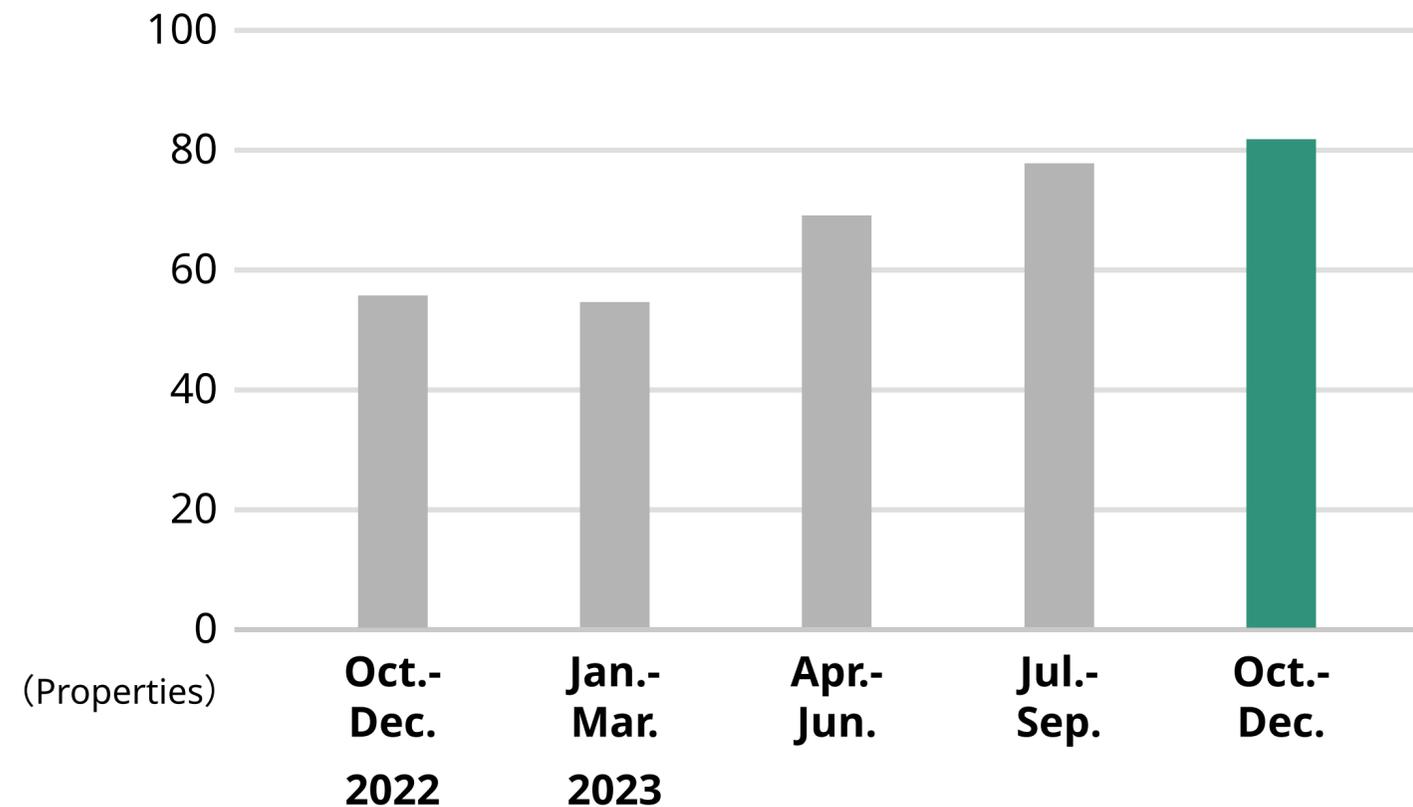
*2: Services for high-net-worth individuals show sales of SSI Corporation, and others show sales of Kufu Sumai Inc. For net sales in September 2022 or before, Media + SaaS represents sales of former O-uccino, Inc. and purchase and resale services + brokerage services represents results of former Ouchino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

*3: Local housing information media "Ietate" and consultation services "Ietate Soudan Counter" (these businesses were taken over from SHIZUOKAONLINE CO. LTD. to Kufu Sumai Inc. on April 1, 2023) .

As users become more price conscious, expanding the growth of consultation services

- Our consultation services (Ietate) have the strength of introducing local construction companies in a reasonable price range, and the number of contracts has increased
- As users become more price conscious, accelerating the increase in the number of users by expanding the product lineup and opening consultation counters

Number of housing-related constructions (Ietate) *



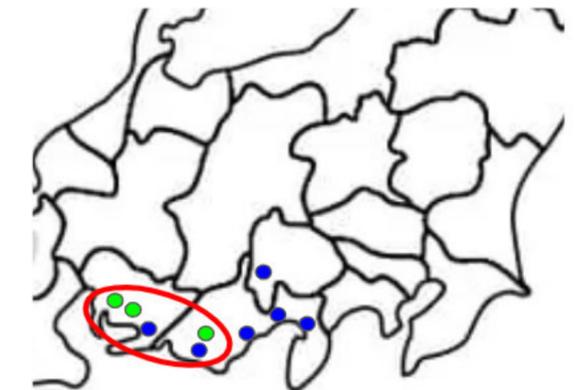
Promoting the expansion of consultation services

Product lineup expansion



Responding to the low-cost needs of users, such as planned houses and container houses (the photos show an example of 10~15 million yen)

Area expansion



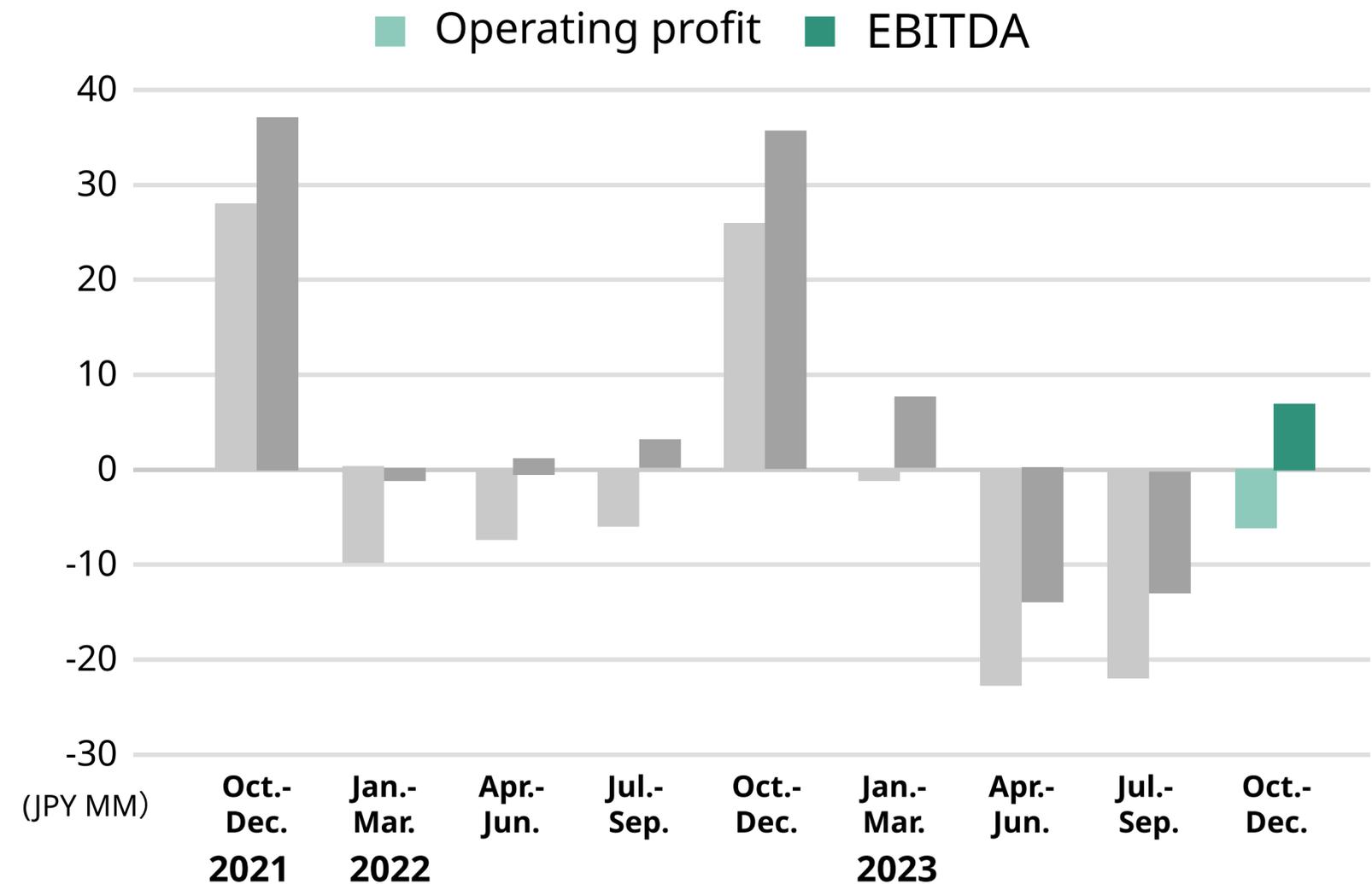
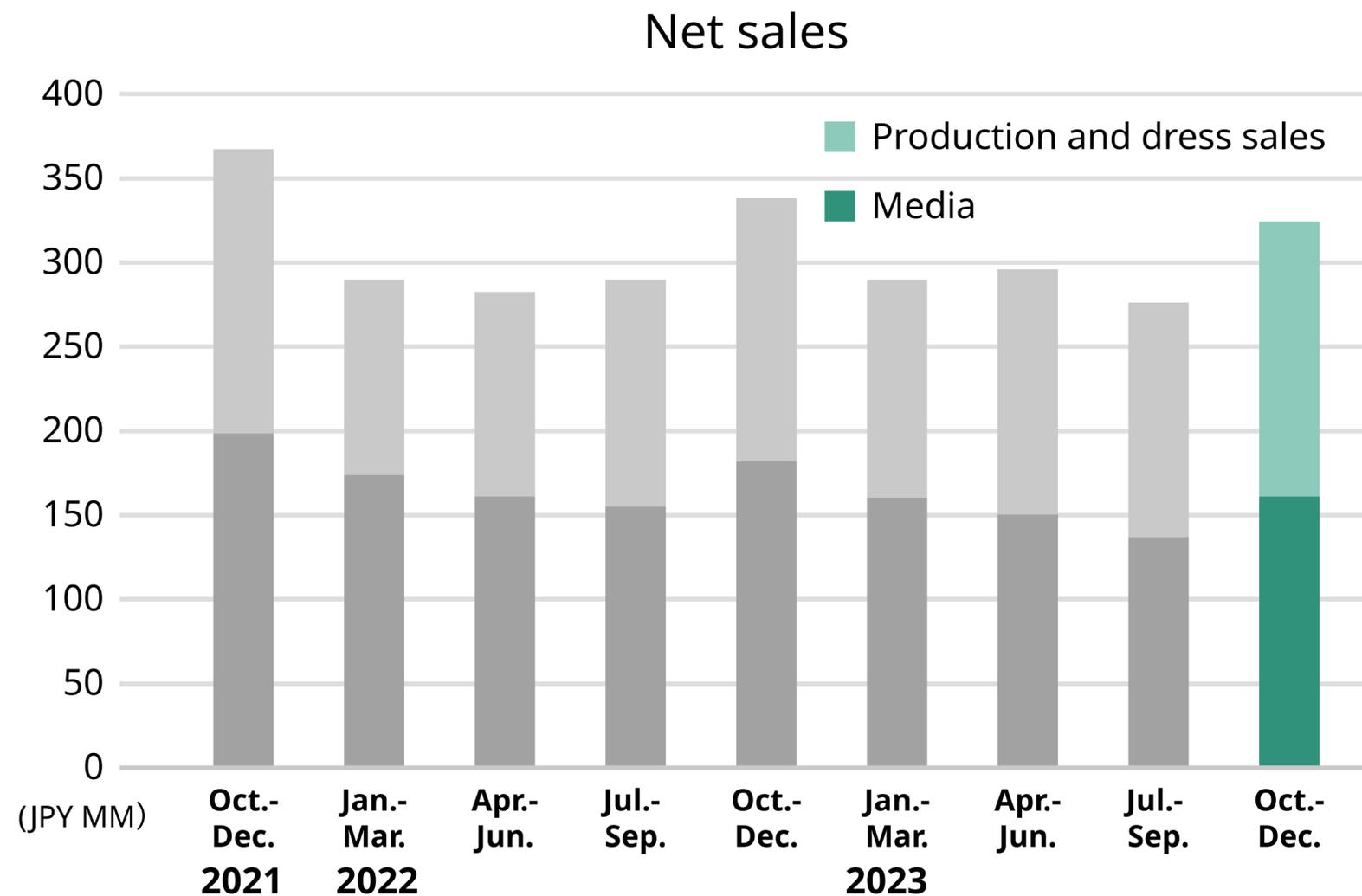
In addition to the existing 6 stores, 3 stores in total are scheduled to open in Shizuoka and Aichi prefectures in March~April

* Calculated based on the number of cases in which we confirmed that contracts were concluded through the local housing information media "Ietate" and the consultation services "Ietate Soudan Counter".

Marriage Domain Business- Financial Results – Quarterly Trends



- Steady progress toward full-year profitability
- In the media business, seasonal advertising products contributed, and the decline in the number of paid advertising venues bottomed out
- In the Wedding Producing business, the number of weddings held and orders increased



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.

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