

ロコガイド

Financial Results for the 2nd Quarter of the Fiscal Year Ending on March 31, 2021

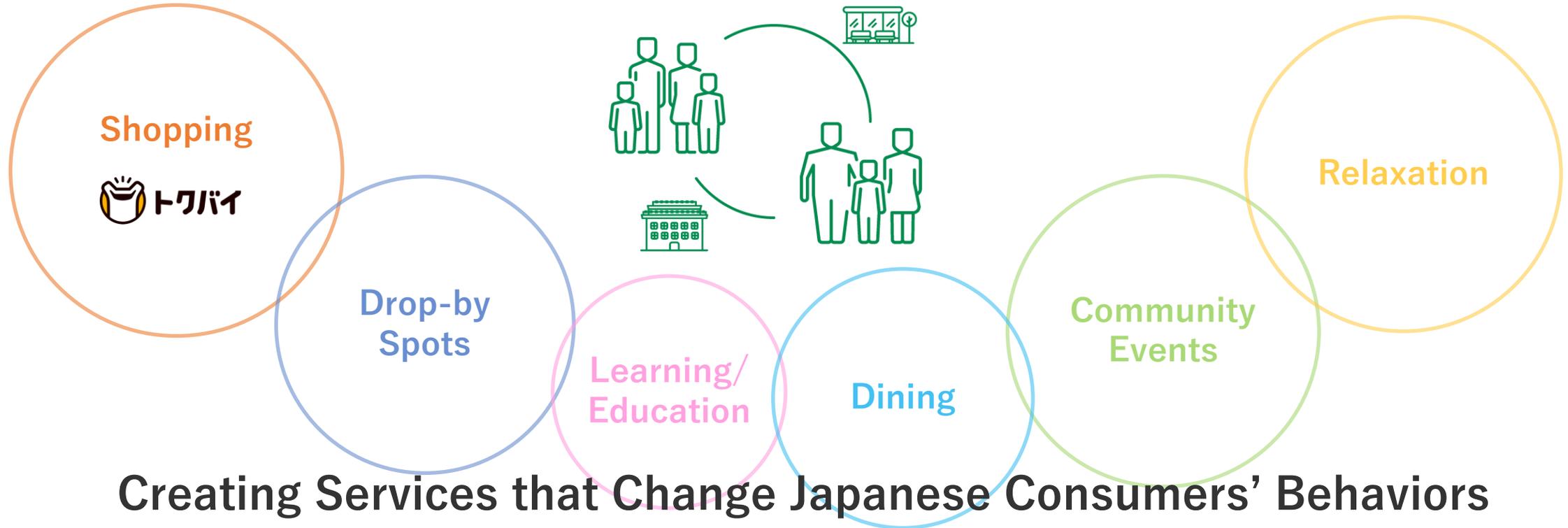
Locoguide Inc.

November 13, 2020

To Deliver Smarter and More Enjoyable Way of Living the Local Community Life



To Deliver Safety



Creating Services that Change Japanese Consumers' Behaviors
by Maximizing Value of "Time" x "Place"

1. Outline of Financial Results for the 2nd Quarter of FY2021
2. Transition of KPIs
3. Strategies for the 3rd Quarter of FY2021 and After
4. Appendix

1 1st half of FY2021: 10.5% increase in revenue YoY and 20.8% increase in operating profit YoY, but lower than expectation.

2 KPIs are improving as expected.

- Monthly Active Users: 14.4% increase YoY
- Subscriber Shops: 12.7% increase YoY, including shops with pay-for-performance contract in addition to shops with fixed price contract
- Average Unit Price per Subscriber Shop: 9.8% increase YoY

3 New businesses such as local information business and investment are going well.

- Acquired budgets for digitalization from local governments and other customers, with successful popularization of “Congestion Lamp”
- Positive recognition of investment business that improves corporate value of investees through business

1. Outline of Financial Results for the 2nd Quarter of FY2021

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Results for the 1st Half of FY2021

- ✓ 10.5% increase in revenue YoY and 20.8% increase in operating profit YoY
- ✓ Revenue from “Tokubai” service has increased due to measures for unit price increase; Revenue from advertisements has decreased due to weakening environment; Operating profit has increased despite aggressive investment for human resources

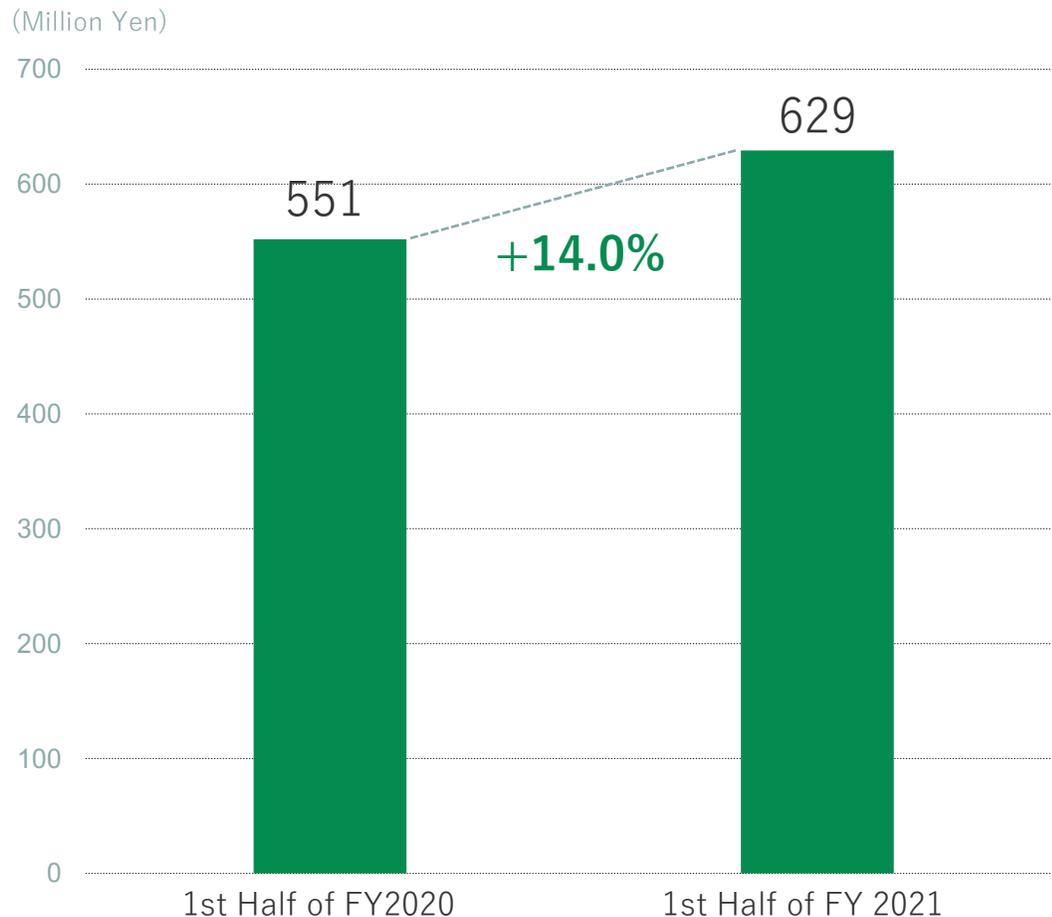
Results for the 1st Half of FY2021

(Million Yen)

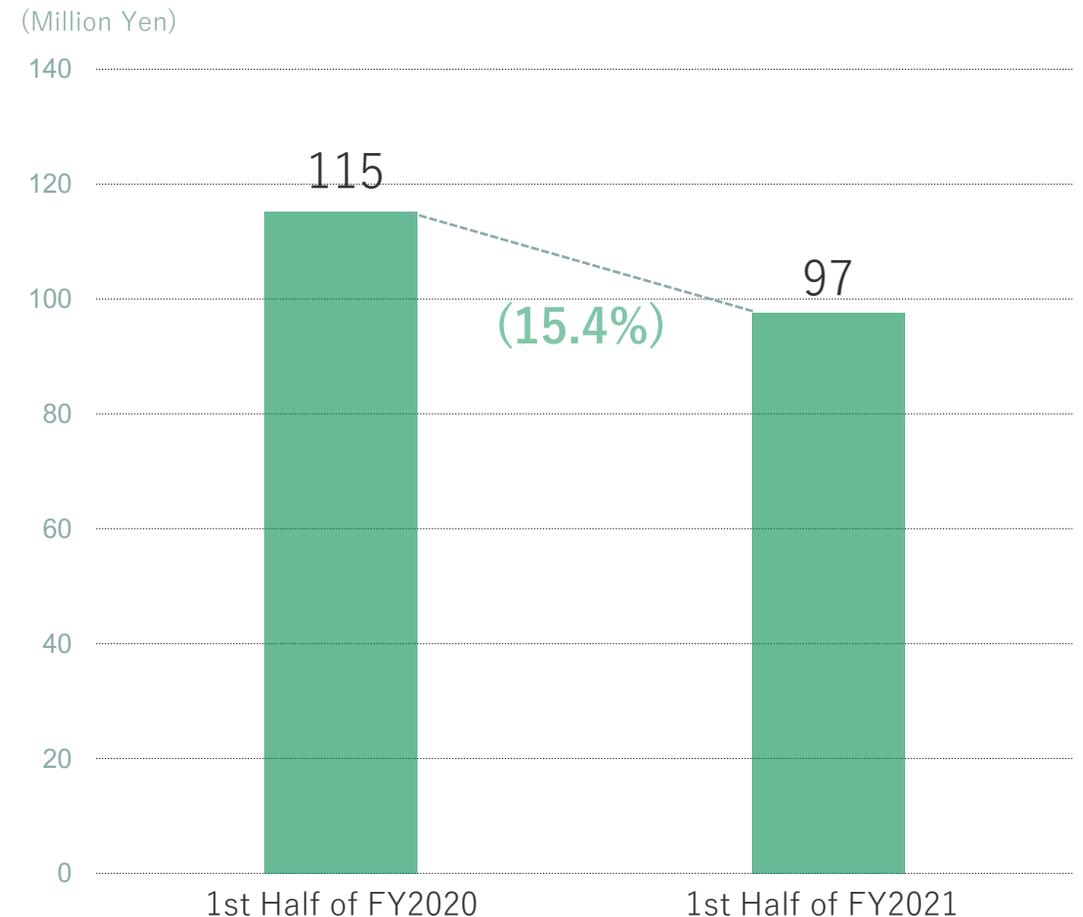
	1st Half of FY2020	1st Half of FY2021	YoY
Revenue	674	745	+10.5%
Operating Profit	127	154	+20.8%
Ordinary Profit	126	149	+18.5%

- ✓ Revenue from “Tokubai” service: 14.0% increase YoY due to increase in number of subscribers and unit price
- ✓ Revenue from advertisements: 15.4% drop due to 24.1% drop in unit price of ad-network advertisements

Revenue from “Tokubai” Service

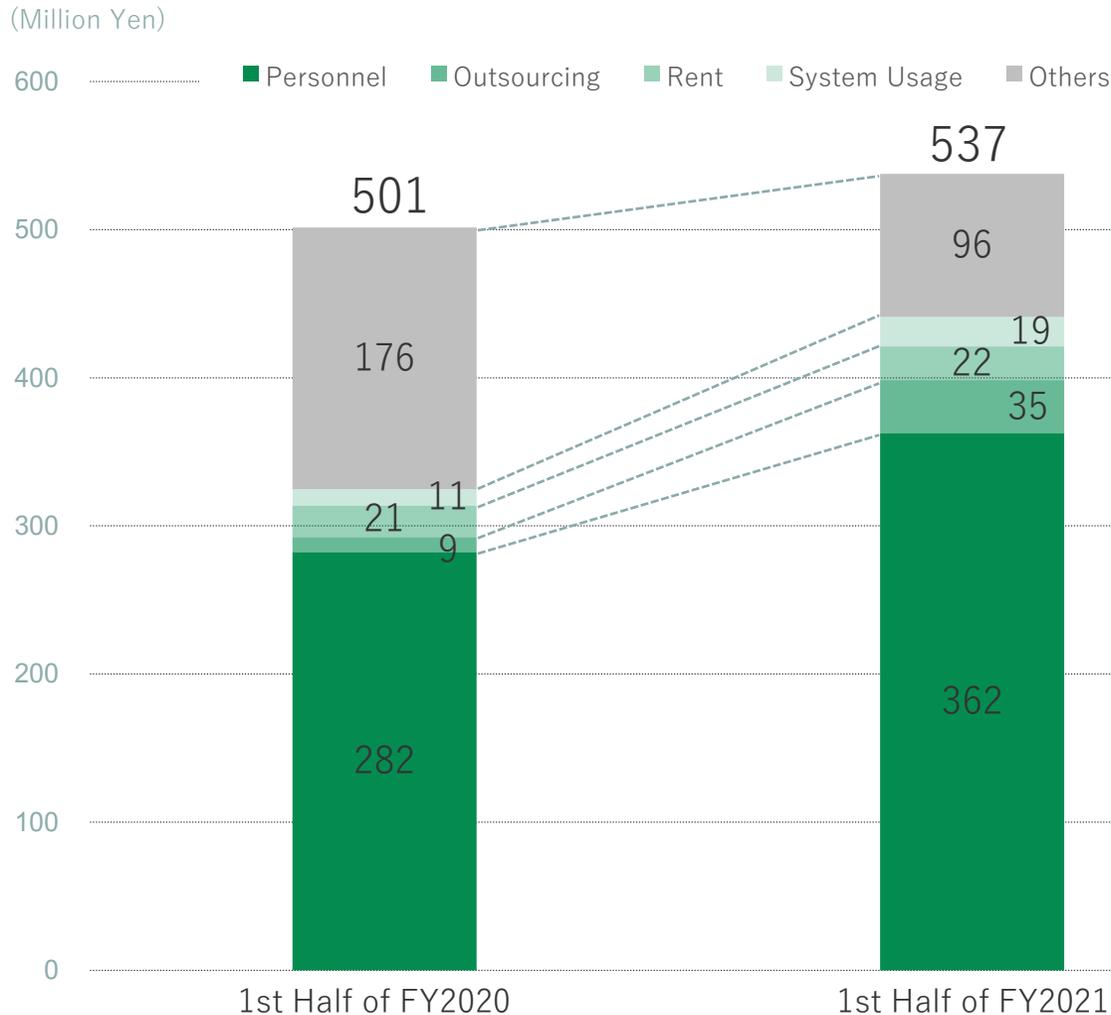


Revenue from Advertisements



SGA Expenses in the 1st Half of FY2021

- ✓ Aggressive recruiting for business development, resulting in +17 employees YoY
- ✓ Reduced expenses for promotion, travel, and others



Breakdown of SGA Expenses	
Personnel Expenses	106 employees at the end of the 2nd quarter (89 employees at the same timing of last year)
Outsourcing Expenses	Mainly for service development and content creation
Rent	Rent of office
System Usage Fees	Usage fees for various systems

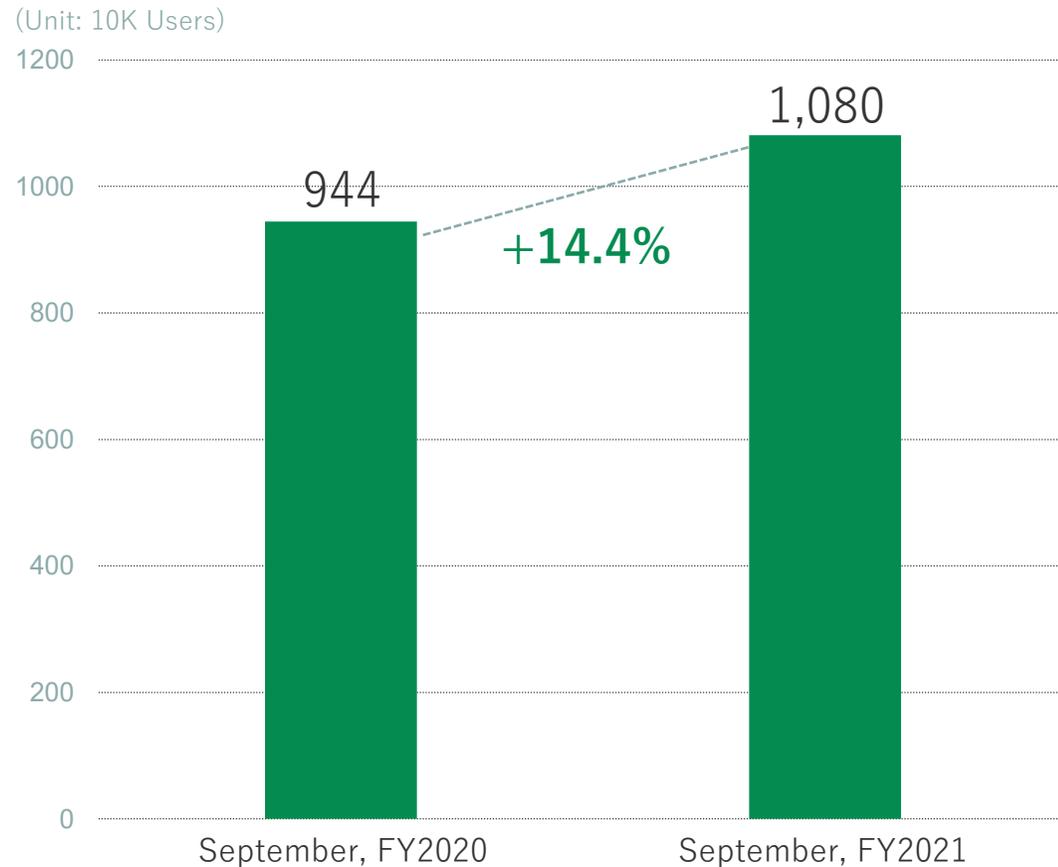
2. Transition of KPIs

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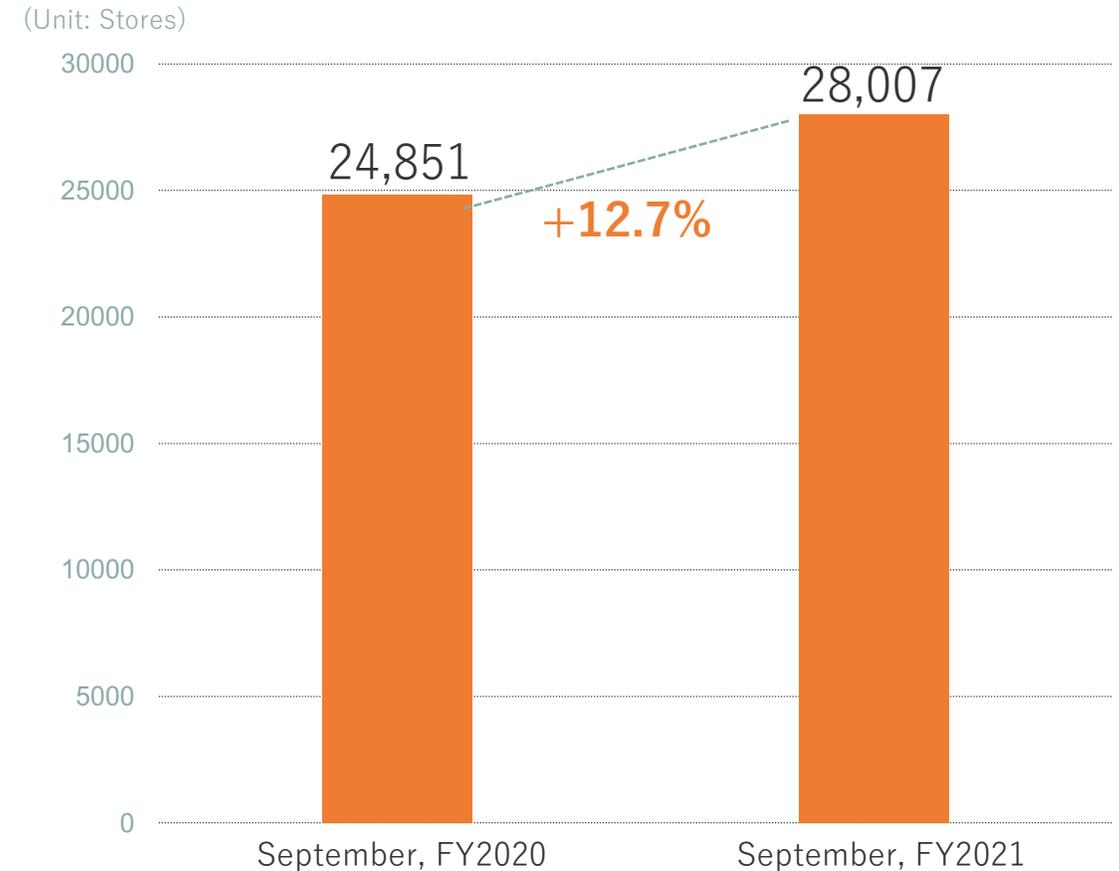
- ✓ Monthly active users: 14.4% increase YoY due to enhancement of contents
- ✓ Subscriber stores: 12.7% increase YoY due to recontract of stores that have temporarily stopped operation due to COVID-19 and increase of stores with pay-for-performance contract

Monthly Active Users*1



*1 Total of users of "Tokubai," "Tokubai News," "Tokubai Minnano Cafe," and "Loconavi"

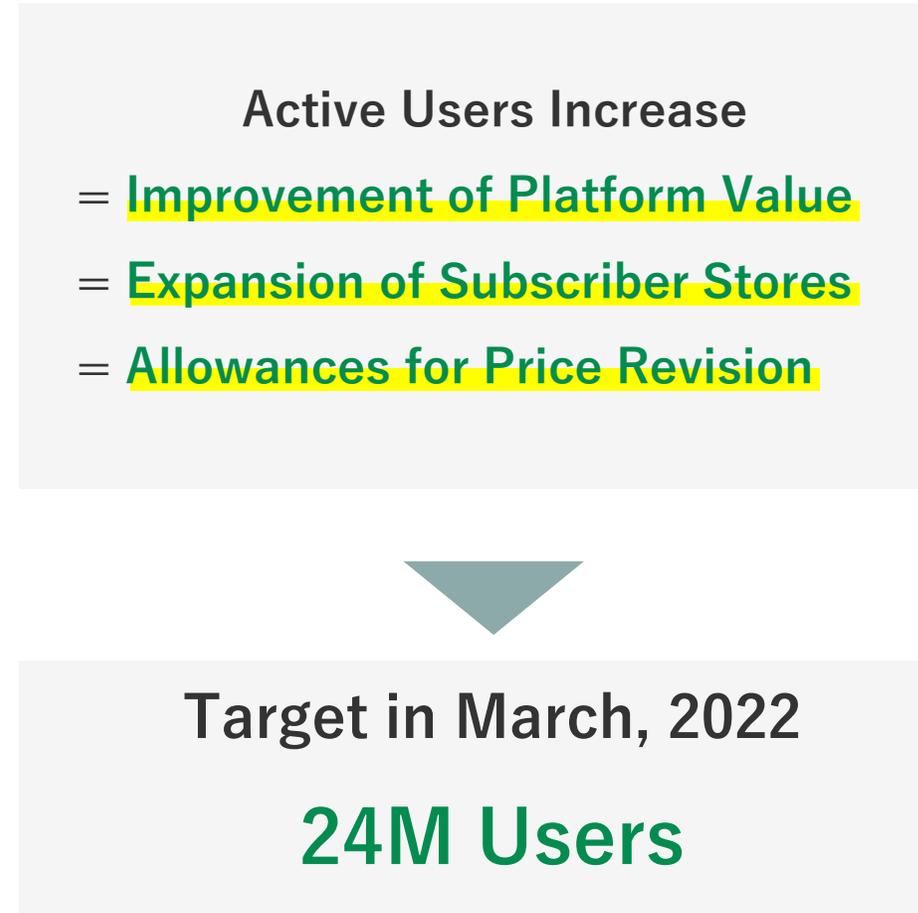
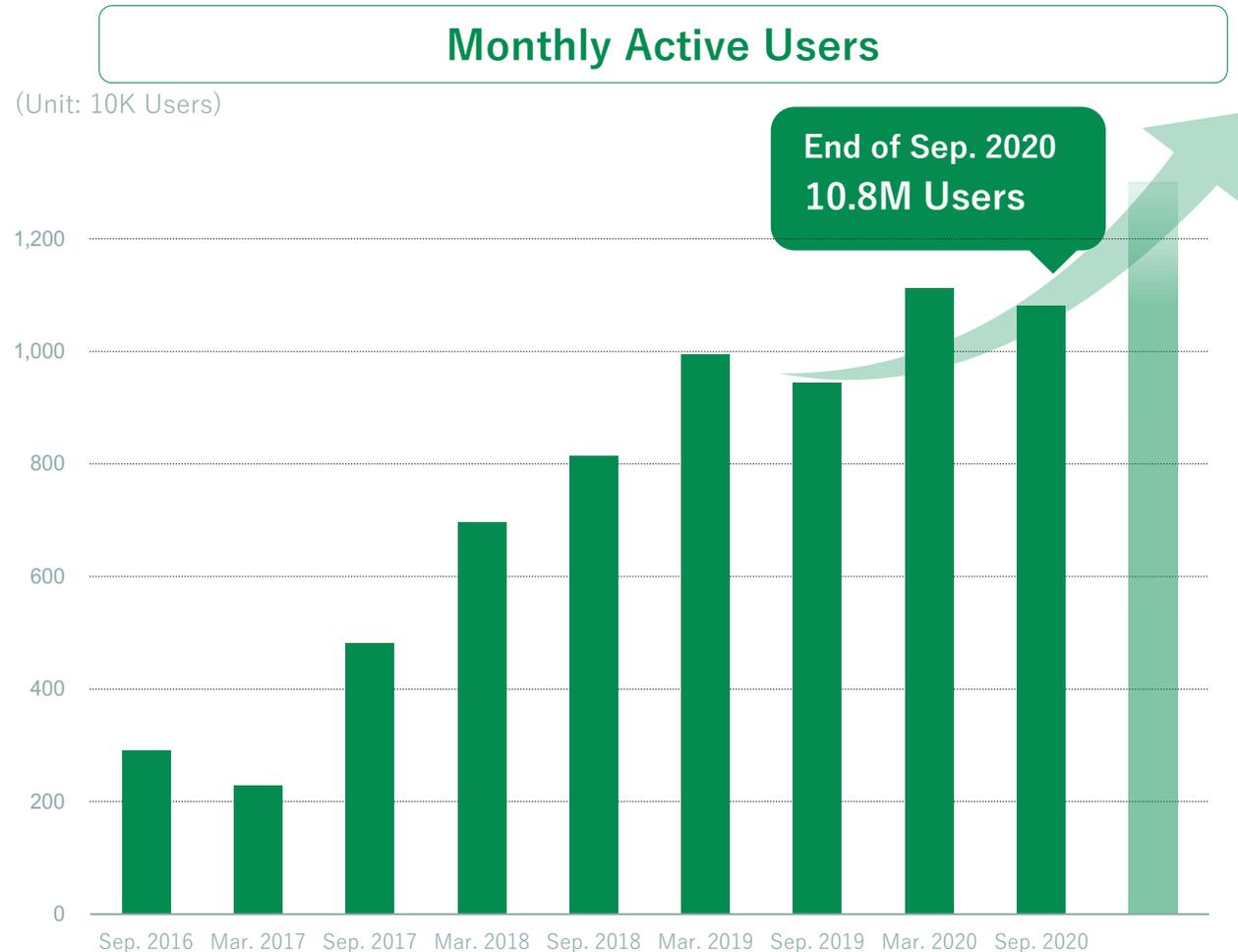
Subscriber Stores*2



*2 Total of subscriber stores with monthly fixed price contract and pay-for-performance contract

Monthly Active Users

- ✓ **Increasing due to expansion of categories of information and enrichment of contents**
- ✓ Continue efforts for achieving 24 million users at the end of FY2022



*Until March 2017: Users of "Tokubai"

*From June 2017: Users of "Tokubai," "Tokubai News," "Tokubai Minnano Cafe," and "Loconavi"

- ✓ Enriching contents on “Tokubai News”
- ✓ Generated some popular articles with large number of viewers



調理方法・準備 2020年7月30日

もやしは洗うべき？洗い物を出さないもやしの下処理ハウツー

 広田千尋
管理栄養士。病院や保健センターで赤ちゃんから妊婦、高齢者まで幅広い年代の栄養をサポート。現在…

[いいね!](#) [シェア](#) [ツイート](#) [LINEで送る](#)

もやしは安くて色々な料理に使える優秀食材。でも、もやしを洗うのにザルやボウルを使うのは、洗い物が増えてちょっと面倒ですね。そもそも、もやして洗う必要があるのかも気になるところ。この記事では改めて知っておきたいもやしの下処理について、手軽な方法を中心に紹介します。





スーパー・コンビニ・専門店 2020年8月23日

セリアのアウトドア用のドリンククリップが実は自宅で大活躍！その理由は……？

 仙水るっか
小説を書いたり、イラストを描いたり、アクセサリを作ってみたり。何かをつくるのが大好きな、フリーの…

[いいね!](#) [シェア](#) [ツイート](#) [LINEで送る](#)

セリアのアウトドアコーナーで発見した「ドリンククリップ」。机やテーブルに挟むだけの1ステップで、500mlサイズのペットボトルもしっかりホールドしてくれる優秀さ！アウトドア用品ですが、テーブルやサイドボードなどマルチに対応できるので、自宅の限られたスペースを賢く使いちゃいますよ。





調理方法・準備 2020年9月7日

切った後でも大丈夫！かたいアボカドをカンタンにやわらかくする方法！

 合同会社HITOOMO!
「好きな人のための手料理で幸せな食卓づくりを。」をミッションに掲げ、レシピ開発や撮影、食に関するコ…

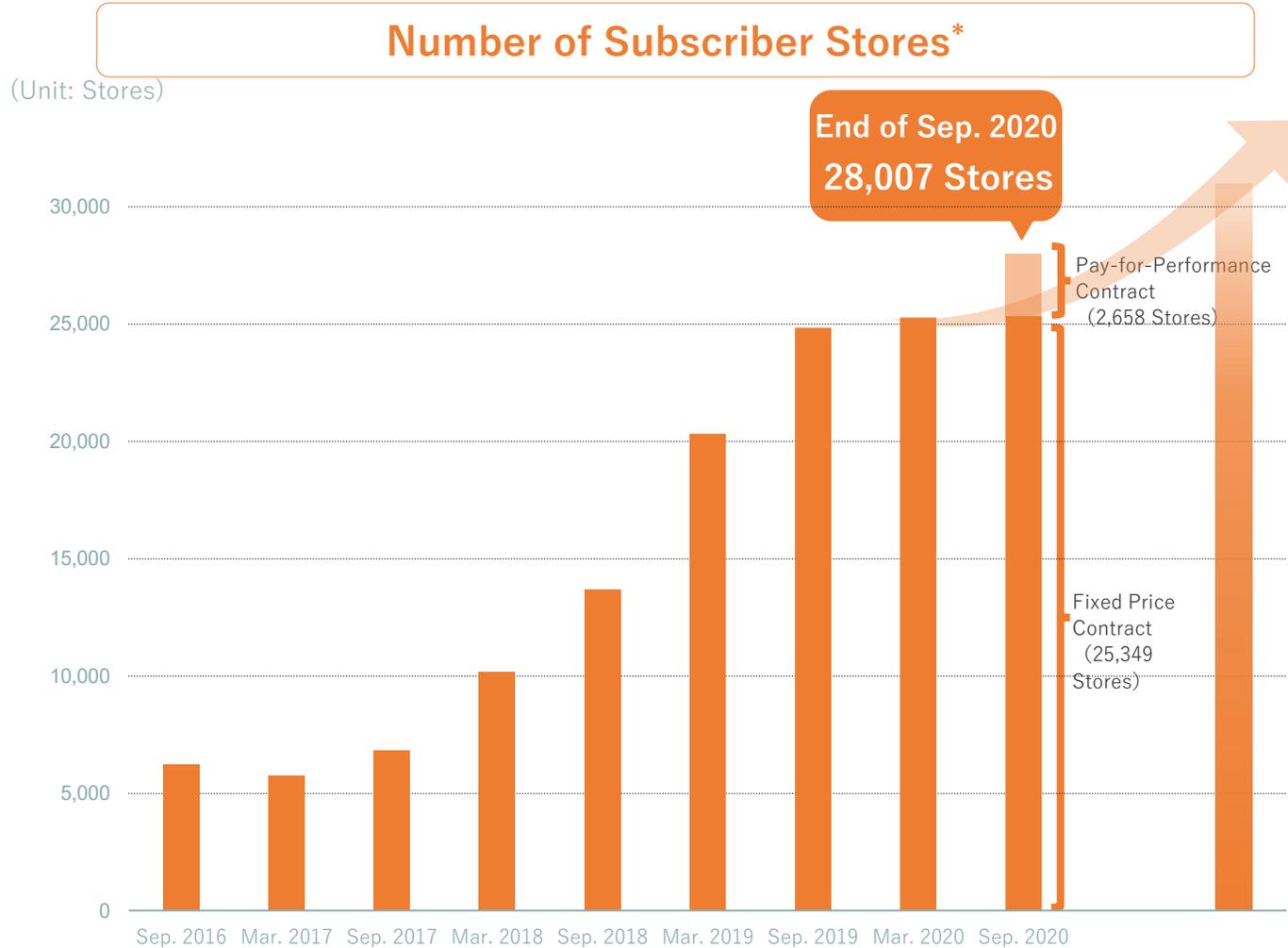
[いいね!](#) [シェア](#) [ツイート](#) [LINEで送る](#)

食べ頃の見極めが難しいアボカド、いざ切ってみたら硬かった……という経験はありませんか？今回はアボカドを切った後でもすぐにやわらかくできる方法や、食べ頃のやわらかさまで熟させるおすすめの方法を解説いたします！



Number of Subscriber Stores

- ✓ **Number of subscriber stores with fixed price contract rebounded and increased to the maximum in the past**
- ✓ **Started listing fitness gyms and other facilities as pay-for-performance subscribers**



Expansion of Business Categories
Optimization for each Business Category
Various Price Options



Target in March, 2022
37,000 Stores

New Listings of Subscribers with Pay-for-Performance Contract

- ✓ Started listings of pay-for-performance subscriber stores in addition to fixed price subscriber stores.
2,658 pay-for-performance subscriber stores now
- ✓ **More sales opportunities with service providers** such as restaurant chains, private-tutoring schools, fitness gyms, relaxation services, and mobile phone shops due to various paying options



Accelerating expansion by providing functions optimized for each business

✓ **Maintaining low level** excluding stores that have temporarily stopped operation due to COVID-19



*1 $\text{Churn Rate} = 1 - (\text{Revenue from subscribers in this month} - \text{Revenue from new subscribers in this month}) \div \text{Revenue from subscribers in preceding month}$
Revenue excludes additional sales due to plan change

*2 Churn rate excludes stores that have temporarily stopped operation due to COVID-19

Efforts for Increasing Unit Price

✓ **9.8% increase in unit price YoY** by introduction of up-selling plan

Details of Up-Selling Plan

Better Promotional Messages

- Enabling detailed information provision such as unique feature of items and event information

Detailed Reports

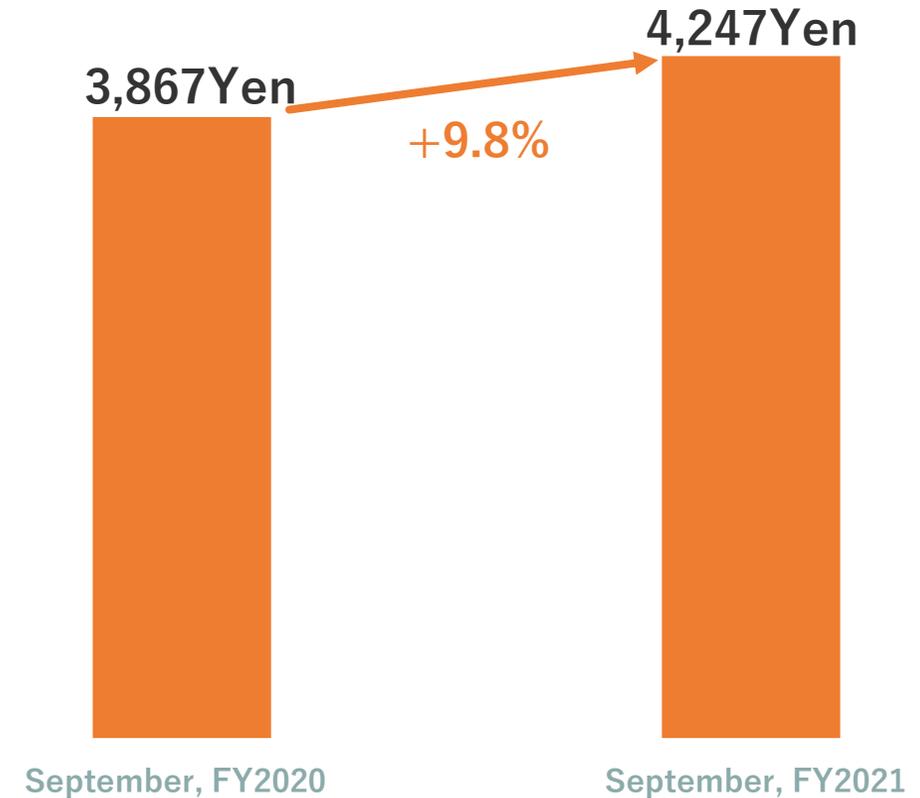
- Enabling detailed analysis such as evaluation from consumers and comparison with competitors

Better Exposure to Consumers

- Getting more attention of consumers by prioritized display and distribution of news



Unit Price for Fixed Price Subscribers



Development of Optional Functions to Increase Unit Price

- ✓ Plan to release new functions as options, such as information distribution within stores and automated information distribution by data linkage
- ✓ **Plan to achieve increase in unit price with option plans, in addition to new price plan**

Existing Plan / Up-Selling Plan



Option Plans

	Existing Plan 5,000 Yen	Up-Selling Plan 7,500 Yen	Up-Selling Plan 10,000 Yen
Listing of Basic Information (Ads, Products, News)	○	○	○
Basic Reports (Number of Followers and Viewers)	○	○	○
Better Promotional Messages (Customization of Listed Information)	×	○	○
Detailed Reports (User Actions and more)	×	○	○
Better Exposure to Consumers (Push Distribution of News and more)	×	×	○

- Information distribution to users within shops
- Information distribution utilizing data and more

*Price is monthly price per store

3. Strategies for the 3rd Quarter of FY2021 and After

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Strategies for the 3rd Quarter of FY2021 and After

Platform for Retailers and Facilities

- Aggressive sales activities to get more subscribers
- Introduction of new optional functions to fixed price subscribers to increase unit price
- Accelerating increase of pay-for-performance subscribers such as service providers

Advertisement Business

- Aggressive development of new advertisement services in addition to ad-network advertisements

Local Information Business

- Acquire new revenue source by pursuing DX support service for various local information, with popularization of “Congestion Lamp”

Investment Business

- Improve corporate value of investees through business

- ✓ Introduction of “Congestion Lamp” to local governments across Japan, adopted by 139 service counters of local government offices at the end of September, 2020
- ✓ **Working with local governments to promote digitalization of local stores and facilities**

Local Governments

Prefectures



Cities
(in order of
municipality code)



New

Hamamatsu City



Kurume City



Retail Stores



Gifu City “Awaiting Kirin” Gifu Taiga Drama Museum



Gifu City Museum of History



Locoguide provides congestion information for 22,322 retail stores and 269 service counters in local governments offices/facilities

- ✓ Aggressively pursuing service for supporting digital transformation of local communities cooperating with local governments

Example of Digital Transformation of Facilities

(Development of App. and Website)



(Annual Passport)



Example of Digital Transformation of Local Governments

(Digitalization of Congestion Information of Evacuation Center)

Utilizing information of "Congestion Lamp" as information in disaster

Image of Posting

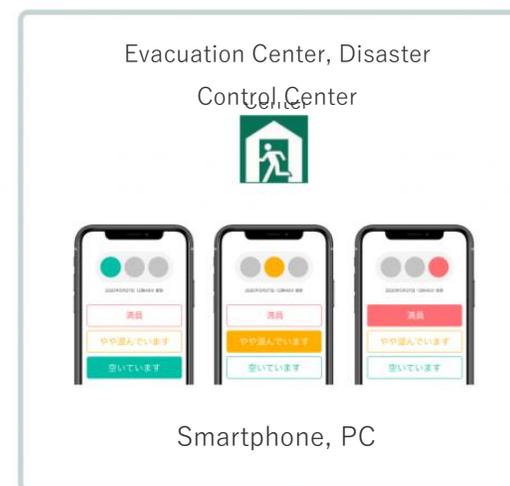


Image of Review



- ✓ Acquired shares of Shizuoka Online Co., Ltd. to accelerate digitalization of local information
- ✓ Shizuoka Online covers local information in home and outside activities categories in Shizuoka area, and there are more allowances for digitalization

List of Media and Services

WEB

Apps.



Websites



Paper

Free Magazines



Publications

Off-Line

Events and Seminars



From seminars with a few participants to gourmet festival with 2,000 people

Shops



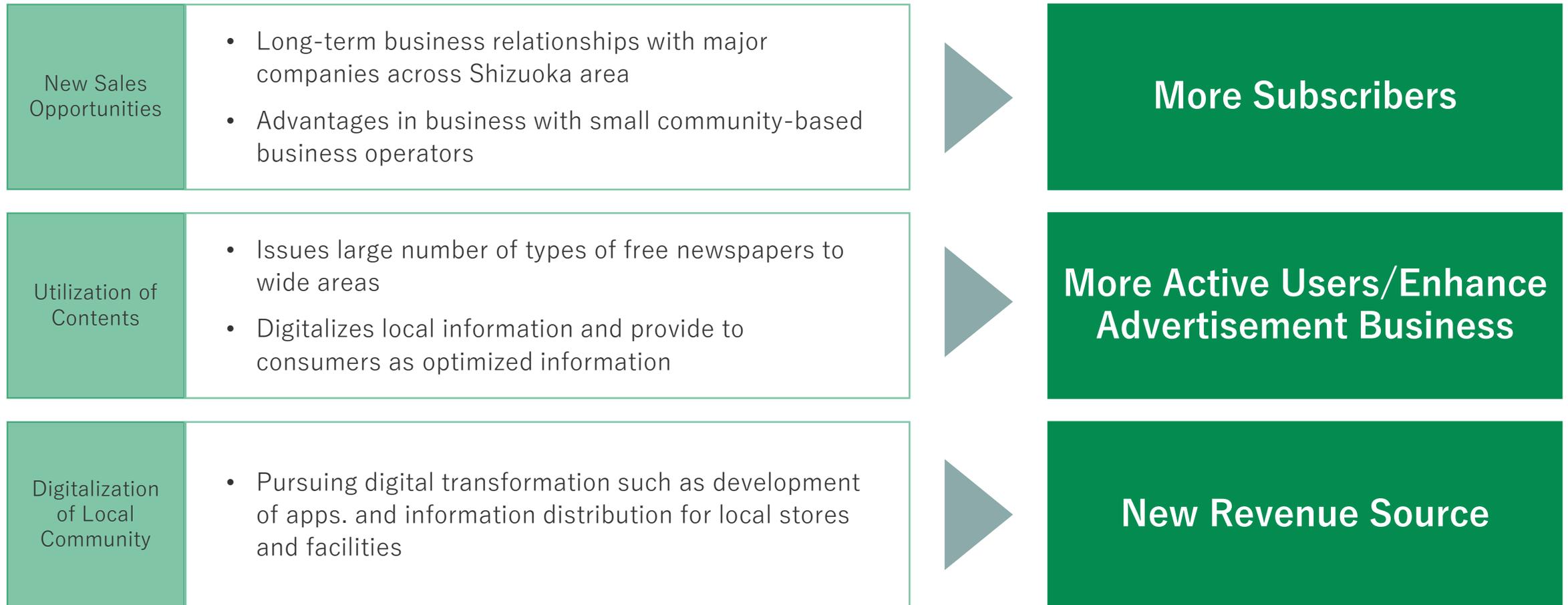
5 home consulting counters in addition to paper and web media

Productions



In-Bound Business





**Utilizing advantages of community-based company
to pursue digitalization for increasing revenue and enriching information**

- ✓ Accepted allocation of new shares of istyle Inc., which operates Japan’s largest comprehensive website for cosmetics and beauty
- ✓ Yoshiteru Akita, Representative Director of Locoguide, will serve as outside director of istyle*

Company Profile

- Company Name: istyle Inc.
- Location: Minato-ku, Tokyo
- Capital: 3.703 Billion Yen (as of June 30, 2020)
- Date of Stock Assignment: November 25, 2020
- Price for Assignment: 2.104 Billion Yen (345 Yen per share)
- Our Ownership: 8.5% (after deduction of treasury stock)

Business

- Operation of “@cosme”, Japan’s largest comprehensive website for cosmetics and beauty with 310 million PVs per month and 16 million MAUs, listing 16 million comments since its start in 1999
- Actively expanding in Asia in addition to retail business at brick-and-mortar shops and e-commerce



*Subject to approval by the 22nd general shareholders’ meeting of istyle to be held in September, 2021

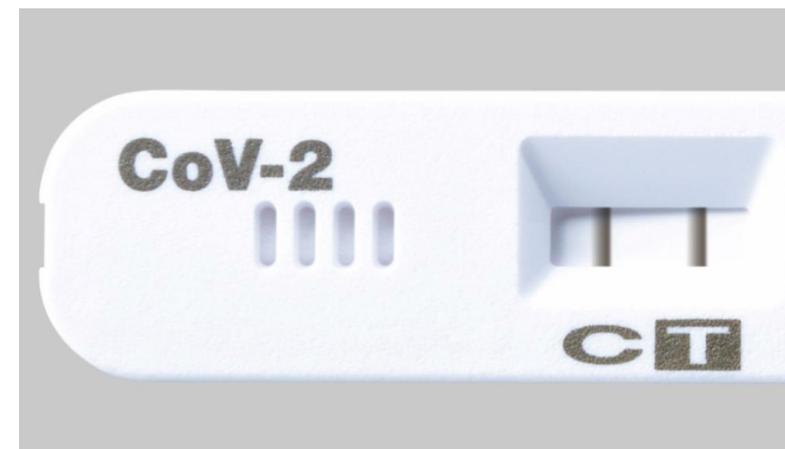
- ✓ Acquired Shares of Tauns Holdings, who supply COVID-19 antigen test kits

Company Profile

- Company Name: Tauns Holdings
- Location: Izunokuni, Shizuoka
- Capital: 100 Million Yen
- Date of Stock Assignment: October 26, 2020
- Our Ownership: 3.0%

Business

- Specialized manufacturer and developer of test kits (in-vitro diagnostic agents) such as flu antigen test kits
- No. 2 market share in flu antigen test kits with excellent R&D capabilities
- Successful in development of COVID-19 antigen test kits and started selling in October



✓ Antigen test kits for COVID-19 have **great potential as future essential item in local life**

Test Type	PCR Test	Antigen Qualitative Test (Simple Kit)
Specimen	Gene arrangement characterizing virus	Protein characterizing virus
Accuracy	Able to detect with less virus than antigen qualitative test	Require certain amount of virus
Test Location	Need to deliver specimen to examination agency	Able to examine at place where specimen is collected
Time Required	Few hours plus time required for delivery to examination agency	Approx. 30 minutes (15 minutes by Tauns kit)

*Source: "Examination of COVID-19," website of Ministry of Health, Labour, and Welfare

- **Plan to improve capacity of antigen qualitative tests for COVID-19 with simple kits** to ensure local clinics can easily and rapidly examine patients (approx. 200 thousand cases per day)
* "Future plan against COVID-19" dated August 28, 2020 by Cabinet Secretariat COVID-19 Task Force
- As of November 12 2020, **only Tauns and 2 other suppliers acquired approval for antigen simple kit**
*Source: Information on approval of in-vitro diagnostic agents (test kits) against COVID-19, website of Ministry of Health, Labour, and Welfare
- **Testing for flu and COVID-19 with the same specimen** is only possible when test kits are made by the same supplier (only the three suppliers supply both kits),
* "Guidance for hospitals and clinics against patients in preparation for flu season" dated October 16, 2020, Ministry of Health, Labour, and Welfare COVID-19 Task Force

Locoguide's thoughts on COVID-19 antigen test kits

Expect to improve comfort and safety in local life by making antigen test kits available OTC and making testing possible at home

4. Appendix

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Results for the 2nd Quarter of FY2021

- ✓ Revenue: 8.0% increase YoY; 2.2% increase QoQ
- ✓ Operating Profit: 61.4% increase YoY; 34.7% drop QoQ
 - Expenses increased QoQ due to enhancement of human resources acquisition

Results for the 2nd Quarter of FY2021

(Million Yen)

	2nd Quarter of FY2020	1st Quarter of FY2021	2nd Quarter of FY2021	YoY	QoQ
Revenue	348	368	376	+8.0%	+2.2%
Operating Profit	37	93	60	+61.4%	(34.7%)
Ordinary Profit	36	90	59	+62.8%	(34.7%)

- ✓ Trend of 2nd half bias. 7 points (revenue) and 6 points (operating profit) behind from the same timing of last year

Progression of Revenue and Operating Profit

(Million Yen)

		1st Half		2nd Half		Full Year	
		Actual	Progression Rate	Actual	Progression Rate	Actual	Progression Rate
FY2020	Revenue	674	47%	749	53%	1,424	100%
	Operating Profit	127	37%	214	63%	342	100%
FY2021	Revenue	745	40%			1,873	100%
	Operating Profit	154	31%			505	100%

* Full year is based on estimates for FY2021 on "Earnings Summary of the 2nd Quarter of FY2021" disclosed on November 13, 2020.

Company name	Locoguide Inc. (Renamed from Tokubai Inc. on August 1, 2019)	
Head office	Minato-ku Tokyo, Japan	
Establishment	July, 2016	
Management team	<p>Yoshiteru Akita, Representative Director</p> <p>Yuichiro Okimoto, Director</p> <p>Takatoshi Maeda, Director</p> <p>Yu Katagiri, Director</p> <p>Takuji Ikeda, Director</p>	<p>Tetsuya Fujiwara, Director (Audit and supervisory committee member)</p> <p>Hironari Hashioka, Independent Director (Audit and supervisory committee member)</p> <p>Kenji Kumasaka, Independent Director (Audit and supervisory committee member)</p> <p>Koh Yoshizawa, Independent Director (Audit and supervisory committee member)</p>
Number of employees	106 employees (as of September 30, 2020)	
History	<p>Jul. 2016: Spun off from Cookpad Inc. by company split</p> <p>Dec. 2016: Became independent from Cookpad Inc. through MBO by management team</p> <p>Jun. 2020: Listed on Tokyo Stock Exchange Mothers</p>	

Yoshiteru Akita, Representative Director

- Yoshiteru Akita served as Representative Director and CEO of Kakaku.com. Inc., where he led the listing of the company's stock on the Tokyo Stock Exchange Mothers in 2003. The company's stock was reassigned to the 1st section of the Tokyo Stock Exchange in 2005
- Mr. Akita served as Representative Executive Officer of Cookpad Inc. after serving the company as an outside director. Cookpad's stock was listed on the Tokyo Stock Exchange Mothers in 2009 and reassigned to the 1st section of the Tokyo Stock Exchange in 2011
- Mr. Akita has been the Chairman of the Board of Directors at Kufu Company Inc., which was established through a management integration between O-uccino, Inc. and Minnano Wedding Co., Ltd.
- He assumed the current position in April 2017

Yu Katagiri, Director and COO

- Yu Katagiri served INTAGE Inc., where he launched new services and businesses, before joining Cookpad Inc., where he served as Division Manager of the Advertising Business
- He assumed the current position in September 2018

Yuichiro Okimoto, Director and CFO

- Yuichiro Okimoto served Cookpad Inc. and launched the predecessor business of Locoguide by assuming the position as the Division Manager responsible for the new business in 2013
- Mr. Okimoto led to establish Locoguide Inc. in 2016 by spinning off the business from Cookpad through a simplified incorporation-type demerger

Takatoshi Maeda, Director and CTO

- Takatoshi Maeda has led the system development for the predecessor business of Locoguide since 2014
- He assumed the current position in December 2016

Takuji Ikeda, Director

- Takuji Ikeda served as executive officer at Cookpad Inc. after his careers at NIFTY Corporation and Hatena Co., Ltd.
- He assumed the current position in September 2017

Transition from Shopping Information Service Provider
to Service Provider that can Change Consumers' Behaviors

Local Shopping

Groceries,
Daily necessities,
Hobby items...

Services

Dining,
Recreation/Relaxation,
Learning/Education...

Drop-by spots

Community events,
Outing,
Tourism/Sightseeing...

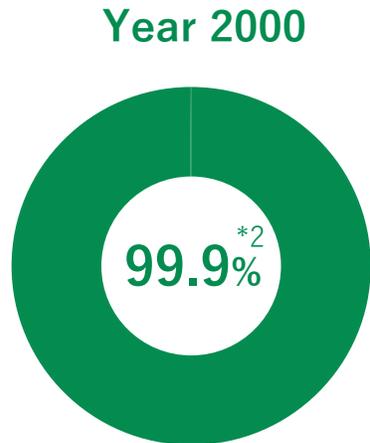
- ✓ **Digitalizes** local information that is ubiquitous in print media
- ✓ **Wide & real-time coverage**, enhanced user experience (easy-to-use & convenient)
- ✓ Information feeds **customized to each and every user/consumer**

Background: Japanese Newspaper Advertising Flyers

- ✓ Newspaper advertising flyers has evolved uniquely in Japan as advertising method where flyers are inserted into newspapers and distributed to subscribers across the nation
- ✓ Size of the newspaper advertising flyers market is still large at 355.9 billion Yen (as of 2019)*1

Nationwide door-to-door newspaper delivery

- Newspaper coverage ratio of Japanese households was 100% as of 2000
- Since then, the ratio has been declining but still remains high at approximately 66% in 2019



Evolution of newspaper advertising flyers

- Flyers are inserted into newspapers and delivered to each house every day
- Average of 13 flyers are delivered per household per day

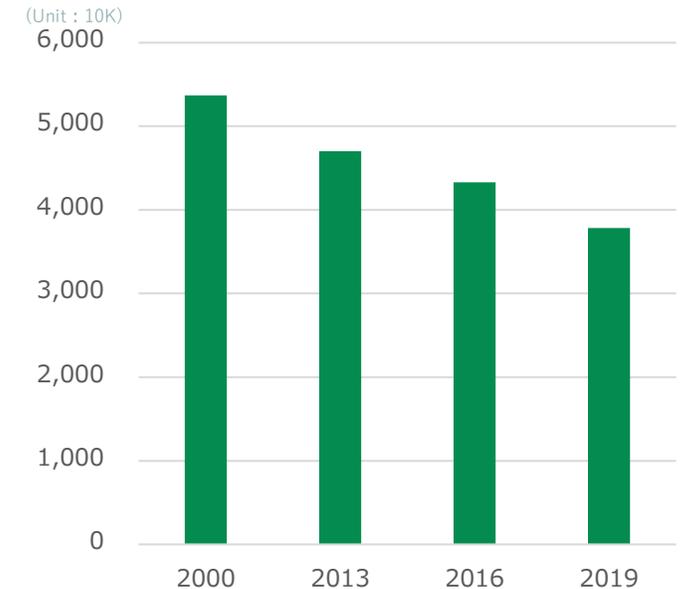
Average number of flyers delivered per household per year

4,662 sheets*3



Changes in newspaper circulation*4

- Newspaper circulation is rapidly declining



*1 "Advertising Expenditures in Japan in 2019," Dentsu, Inc.

*2 Coverage ratio is the ratio of circulation of general newspapers to the total number of households. The Japan Newspaper Publishers & Editors Association

*3 "Statistics on Nationwide Newspaper Advertising Flyer 2019," Japan-Newspaper Orikomi Advertising Agencies Association

*4 The Japan Newspaper Publishers & Editors Association

Direct Mails

- Estimated 5,740 million mails in a year are sent to target customers *2

364.2B
Yen*1



Free-of-charge Local Magazines

- Local information and ads are placed
- Estimated 1,419 companies issue 350 million copies *1

211.0B
Yen*1



Posting

- Posting of local job ads and real estate ads is increasing

120.7B
Yen*1



✓ Accelerating digitalization of print media-based local information

✓ Support packages for IT utilization

Source: *1 “Advertising Expenditures in Japan in 2019,” Dentsu, Inc.

*2 Annual number of mails delivered by Japan Post, calculation by Japan Direct Mail Association (2017)

Photo AC (soeG, umii, シロップ)

Business Overview of Shopping Domain Service “Tokubai”

- ✓ Provides real-time information of supermarkets, drug stores, and hardware stores
- ✓ Aims to influence and change Japanese consumers’ behaviors



“Tokubai” has won
Google Play Awards
two consecutive years

* Google Play Best Daily Helper Apps of 2017 Grand prize
Google Play Best Users' Choice Apps of 2018 Nomination



Values Offered by Tokubai

- ✓ Enables users to browse information in real time, even on the move, that is not possible by newspaper advertising flyers

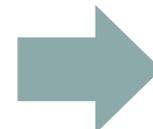
Coupons



Limited-time special offers



Store support functions



Values offered to consumers

Guide for smart & fun shopping

- No need to keep and bring newspaper ad flyers
- **Real-time** access to information
- Information of visiting destinations is also browsable

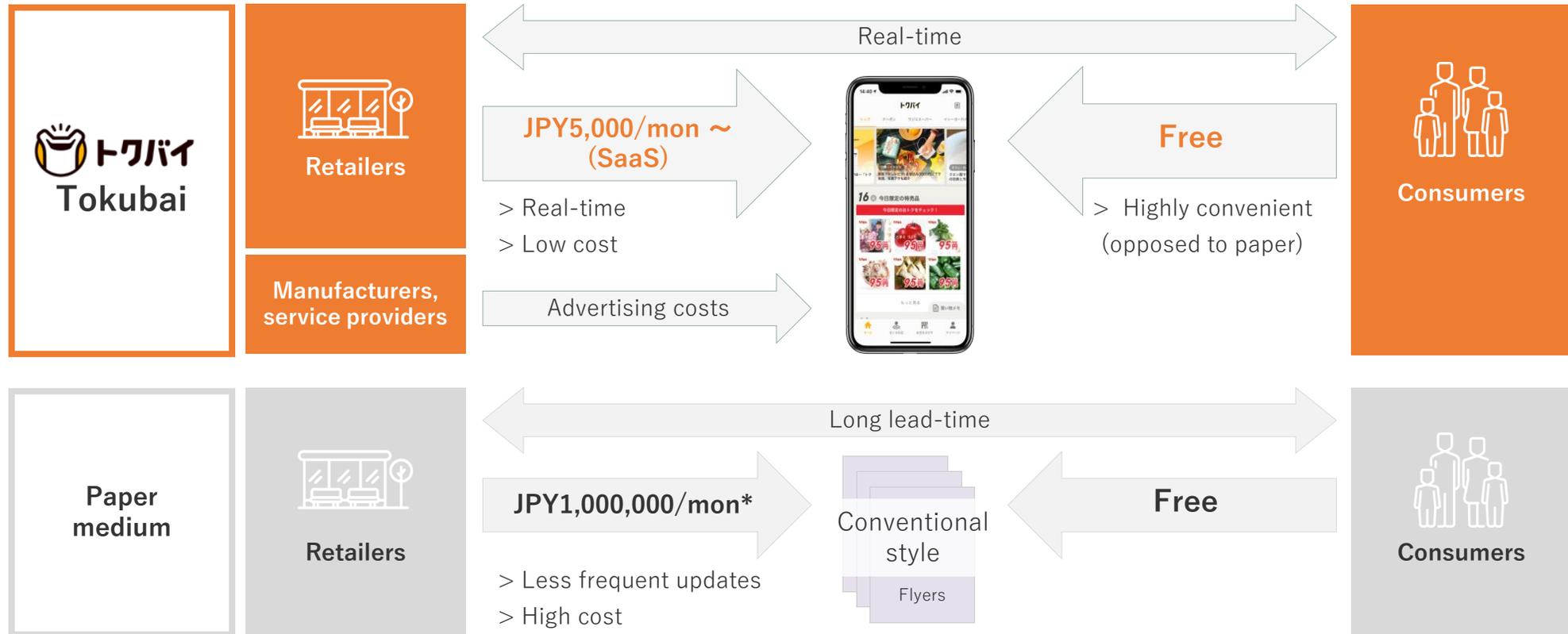
Values offered to stores

Unconventional marketing tool, featuring:

- Platform that **gathers store sales / visitor data at low cost**
- Flexible sales promotion responding to weather conditions and demand
- Access to visiting consumers

Tokubai's Scheme

- ✓ **SaaS service providing cost-effective sales promotions** replacing legacy newspaper ad flyers
- ✓ Consumers can enjoy **wide coverage, browsability, and searchability by smartphones**



*Average cost of newspaper advertising flyer issued by supermarkets is about 10 yen per sheet including production, printing, and newspaper insertion fee. The above monthly costs are estimated by assuming that a supermarket issues 12,500 sheets of flyers 8 times per month.

✓ Advantages in price, churn rate, and coverage

1

Price

- Cheaper than paper advertisements and competitors
- Fixed price system

2

Churn Rate

- Keeping low platform churn rate
- SaaS business model: new customers directly lead to revenue

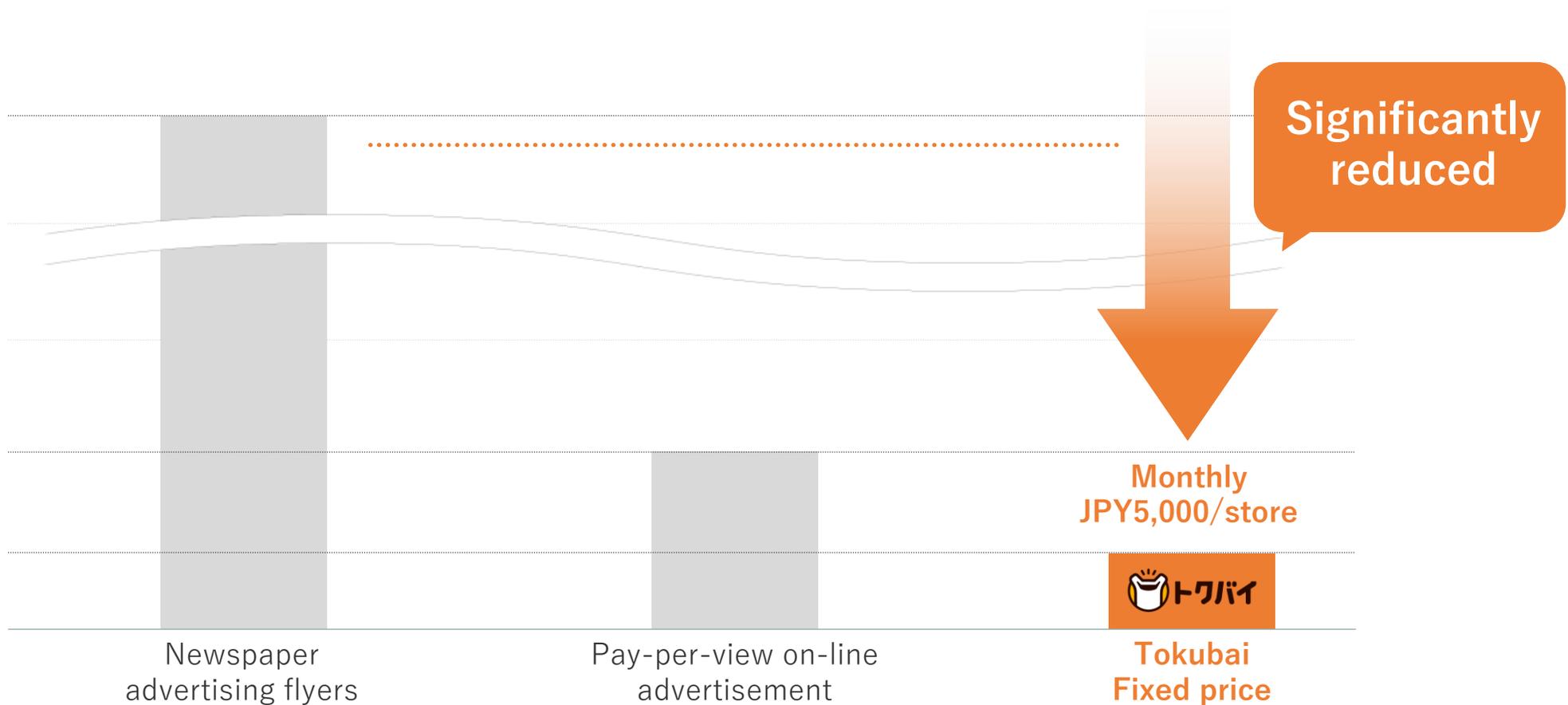
3

Coverage

- High coverage of supermarkets and drug stores
- High recognition by consumers and clients in business with high consumer use

Competitive Advantages: Low-Cost Services

- ✓ Offers **lower cost solutions compared to newspaper advertising flyers and peer's pay-per-view on-line advertising solutions**
- ✓ Enables clients to **reduce operating expenses** by replacing expensive newspaper advertising flyers



Competitive Advantages: High Coverage Ratio

- ✓ **High coverage ratio** in major retail and distribution industries, which account for more than 50% of the newspaper advertising flyers market

Coverage of Subscriber Stores by “Tokubai” by Store Category



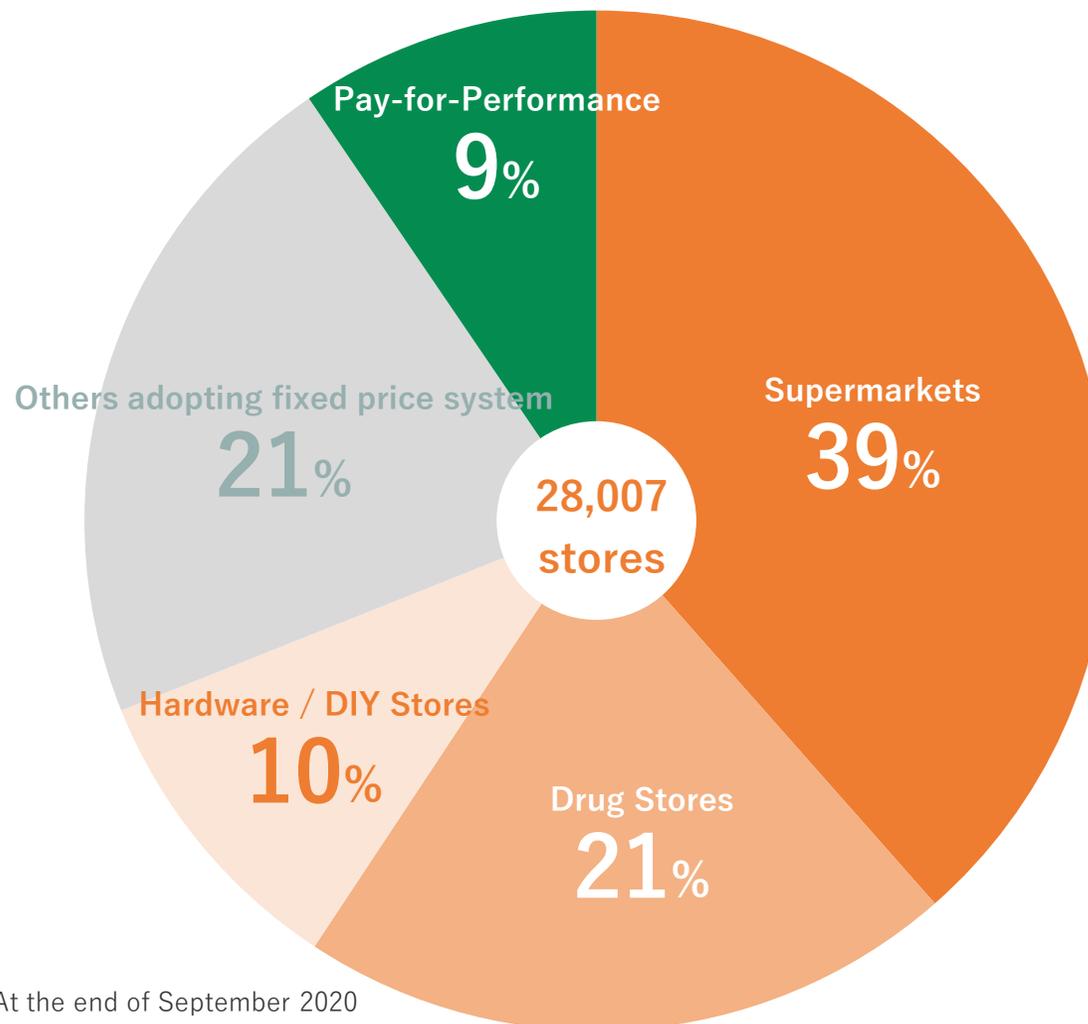
*The coverage ratio is as of Mar 31, 2020

Grocery supermarkets: Data released by National Supermarket Association of Japan
 Drug stores: Data released by Japan Association of Chain Drug Stores
 Hardware / DIY stores: Data released by Japan DIY Industry Association

Breakdown of Subscriber Stores by Business Categories

✓ Proportion of subscriber stores adopting pay-for-performance price has increased

Breakdown of Subscriber Stores by Business Categories



*At the end of September 2020

- ✓ A drug store chain operating 165 stores in the central Japan has achieved significant reduction in “Costs” and “Processes”

Measures

- Introduced “Tokubai” service in 2015
- Delivers real-time store information of each store to consumers, including coupons and campaigns for the customer loyalty points program
- Total number of consumers registered on the page of the chain on “Tokubai” has reached 100,000

Result

- The company has completely terminated issuances of mail magazines and newspaper advertising flyers, which were placed several times every year, and achieved **significant reduction in costs and processes of sales promotions**



*The above examples are based on specific customer examples and do not necessarily provide an objective indication of the benefits that our company services can provide.

- ✓ Subscriber companies have been increasing their sales volume by posting sales information on “Tokubai” instead of issuing newspaper advertising flyers or in-store notices

Grocery supermarket chain operator B

- Store clerks post real-time information on bargain products at each sales floor
- As a result, sales volume of the products sold at stores using “Tokubai” has increased to **3 to 8 times** the sales volume of the stores that have not used “Tokubai” service



Fresh meat retail chain operator C

- The company C posts information on recommended products and daily bargain items to “Tokubai” Such information used to be only announced on in-store bulletin boards.
- As a result, sales volume of the products sold at stores using “Tokubai” has increased to **2 times** the sales volume of the stores that have not used “Tokubai” service



Drug store chain operator D

- The company D posts information on bargain products to “Tokubai” on daily basis. Such information used to be only announced on in-store bulletin boards on a monthly basis without issuing newspaper flyers
- As a result, sales volume of the products posted on “Tokubai” has **increased to 2 to 3 times** the sales volume before using “Tokubai” service

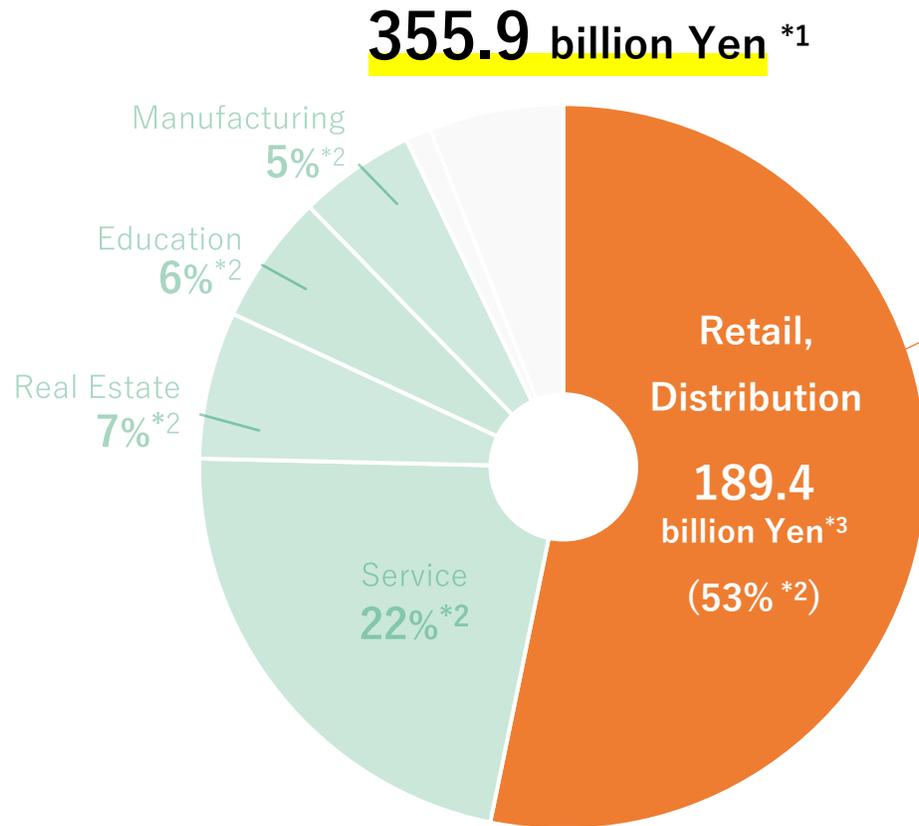


*The above examples are based on specific customer examples and do not necessarily provide an objective indication of the benefits that our company services can provide.

Current Target Market in Japan

- ✓ Daily shopping information for grocery supermarkets, drug stores, and other retail stores account for market size of approximately 190 billion Yen

Newspaper Advertising Flyers Market



- Grocery supermarkets
- Drug stores
- Hardware / DIY stores, etc.



*1 "Advertising Expenditures in Japan in 2019," Dentsu, Inc.

*2 Percentage of the number of inserts in "National orikomi advertisement statistical data 2019," Japan Newspaper Orikomi Advertising Agencies Association

*3 According to our estimation based in research by Dentsu Inc. and Japan Newspaper Orikomi Advertising Agencies Association

Market Opportunities Beyond Retailing

✓ Sectors other than retailing account for almost half of the entire flyer ad market size

Flyer Ad Market Size (other than retailing) 166.5 billion Yen

Services



Real estate



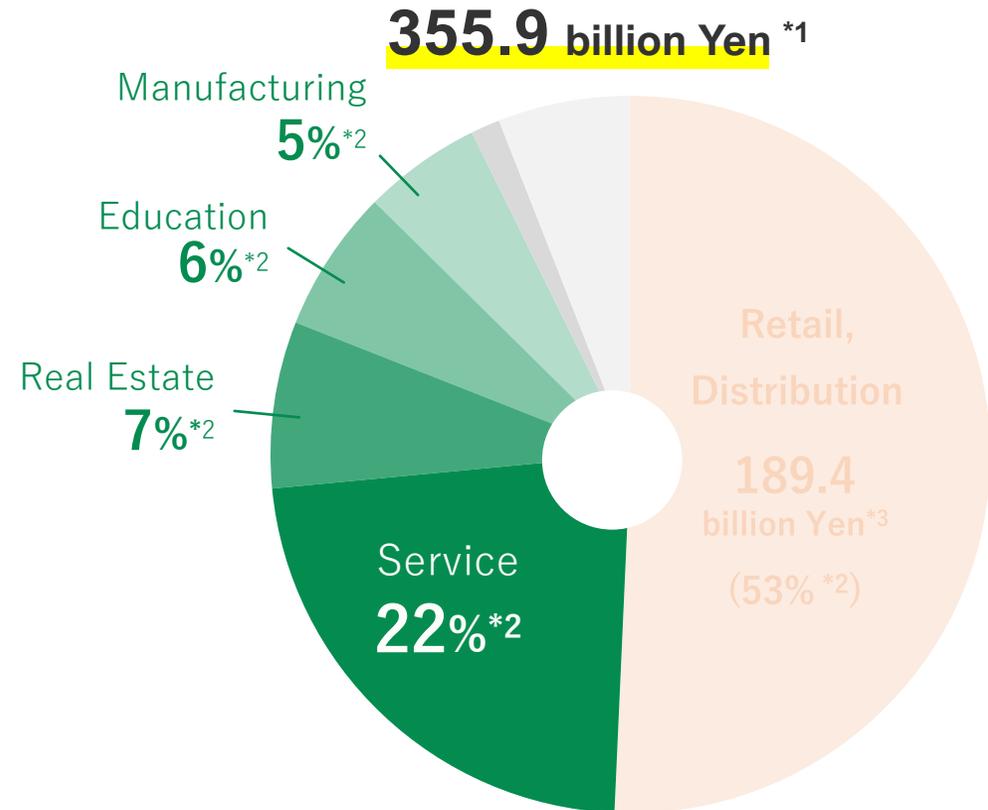
Education



Manufacturing



Newspaper Advertising Flyers Market



*1 "Advertising Expenditures in Japan in 2019," Dentsu, Inc.

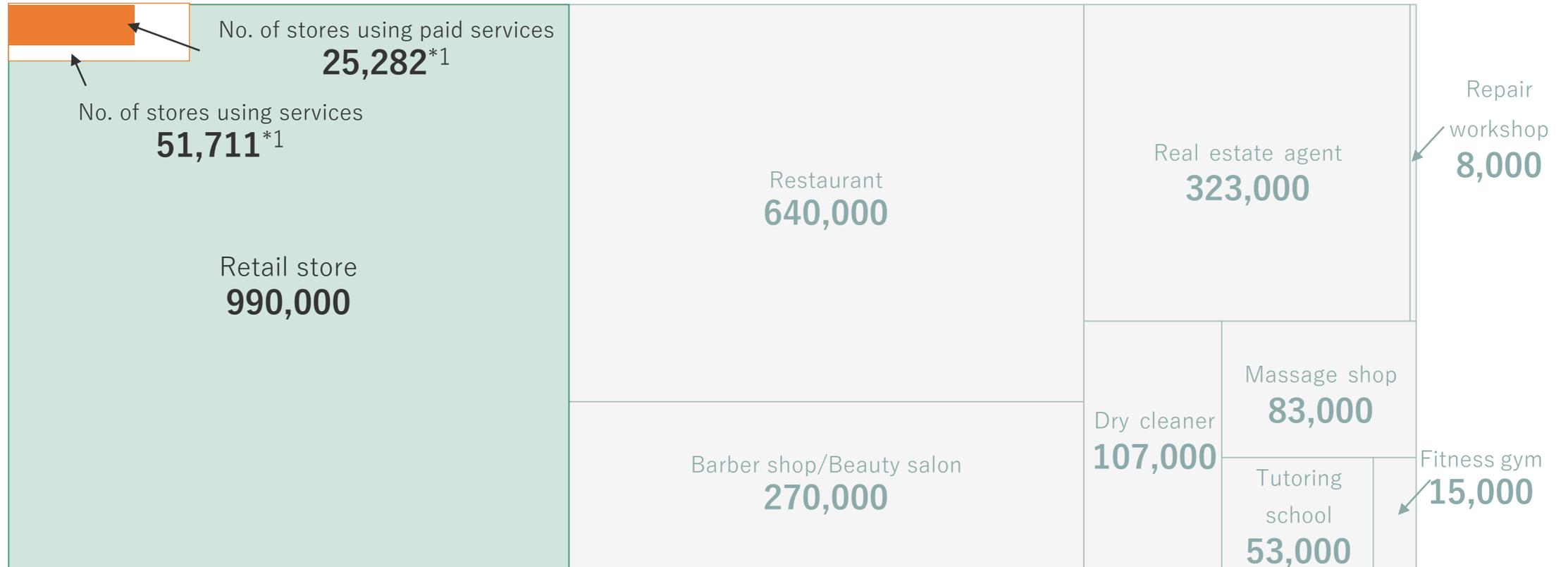
*2 Percentage of the number of inserts in "National orikomi advertisement statistical data 2019," Japan Newspaper Orikomi Advertising Agencies Association

*3 According to our estimation based in research by Dentsu Inc. and Japan Newspaper Orikomi Advertising Agencies Association

*photo AC (カメラ兄さん, FineGraphics,とちぎ)

- ✓ **Target markets are enormous** compared to the current number of stores using paid services of about 25,000 and the total number of stores using services of about 50,000

Target Markets: Total 2.48 million*2 (Unit: no. of stores)



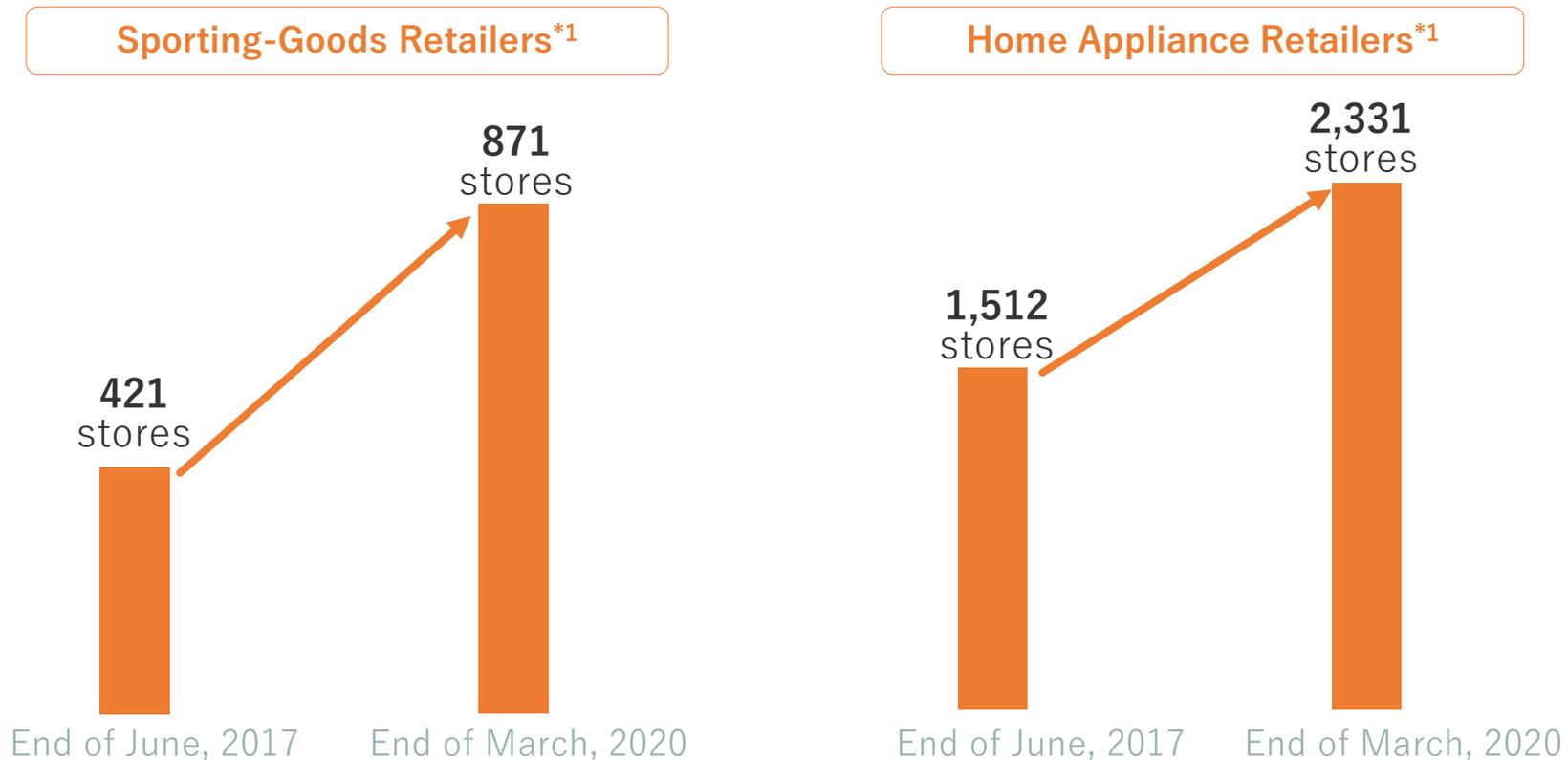
*1 As of March 31, 2020

*2 "2016 Economic Census," Ministry of Internal Affairs and Communications

Expanding Customers from Major Categories to Others in Retailing Industry ロゴガイド

- ✓ Locoguide has been steadily increasing the number of stores using its services in new categories of the retailing industry, including home appliance retailers and sporting-goods retailers
- ✓ There are more allowances for expanding the customer base in the retailing industry with total of 990,000 stores nationwide

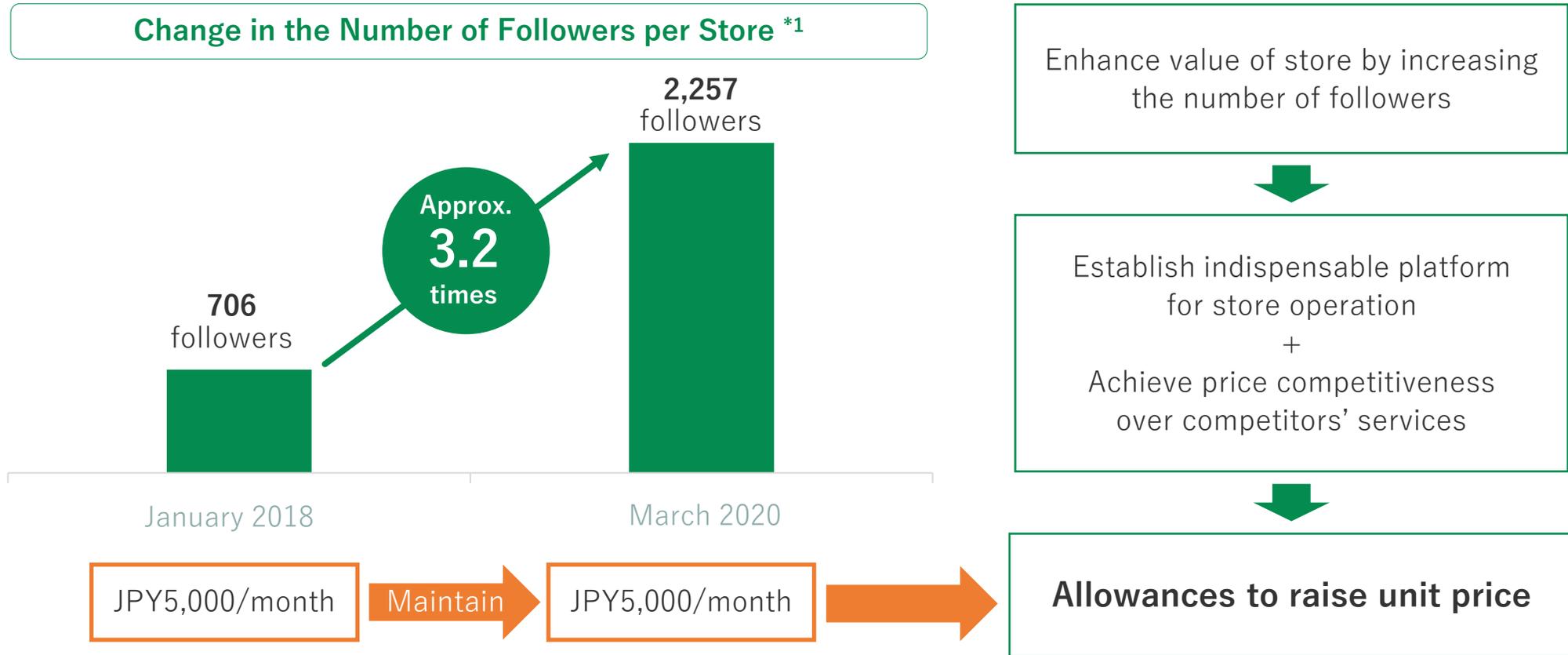
Increase in the Number of Stores using Services in New Retail Categories



*1 The number of stores using services : the number of stores that post information at least once a month

More Allowances for Raising Prices

- ✓ Benefits of using the services in store operation are expanding.
There are more allowances to raise unit price.
- ✓ It is also possible to shift to pay-per-use system and expand the scope of offered services such as operational support



*1 The number of followers per store of grocery supermarkets that started information posting between July and December 2017

- ✓ **Launched up-selling plans** in FY2021
- ✓ Added new functions “better promotional messages,” “detailed reports,” “better exposure to consumers,” etc.

Better Promotional Messages

- User stores can deliver information about details of their products, events, and campaigns



SALE 厳選鮮魚コーナー

当店ではおすすめの鮮魚を取り揃えています！
産地直送の新鮮なお魚をぜひ購入して見てください！



マグロ (店頭発表)

神奈川県産
店頭発表のコメントはこ…

店頭発表



ほたて (店頭発表)

神奈川県産
店頭発表のコメントはこ…

店頭発表

Detailed Reports

- User stores can analyze customer feedback, competitor stores' services, etc.

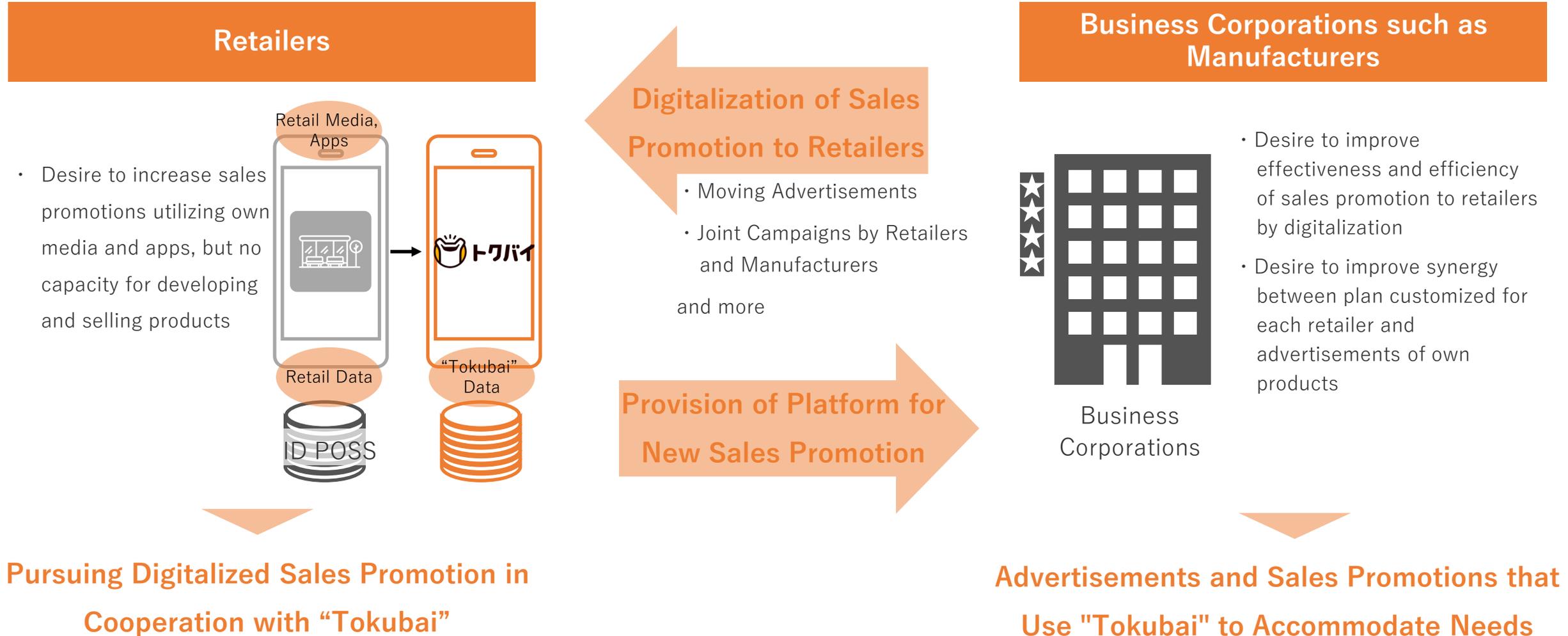


Better Exposure to Consumers

- User stores can attract customers' attention by prioritized display and sending campaign information



- ✓ Promoting digitalization of sales promotion by business corporations such as manufacturers to retailers
- ✓ Providing systems to accommodate various advertisement and sales promotion needs by cooperation with retail media and apps



- ✓ Developed and released new advertisement services

Joint Campaigns by Retailer and Manufacturer

- Developed lottery system that can be easily customized according to campaign planned by retailers

Vedrug × SUNTORY

24日間 毎日当たる

DARK HORSE 驚きの濃い旨ワイン
ダークホース

合計24名様
当たる!

ガラボンチャレンジ
Campaign

必ず2回に1回は当たる!! ルビットポイント 100ポイント

応募期間: 2020.9.7(月)~9.30(水)

ストップ120歳未満飲酒・飲酒運転。妊娠中や授乳期の飲酒はやめましょう。お酒はなによりも適量です。サントリー酒類(株)

Moving Advertisements

- Providing various formats for distributing moving advertisements

Conventional
Advertisement



Moving Advertisement



Creating opportunities by sales activities

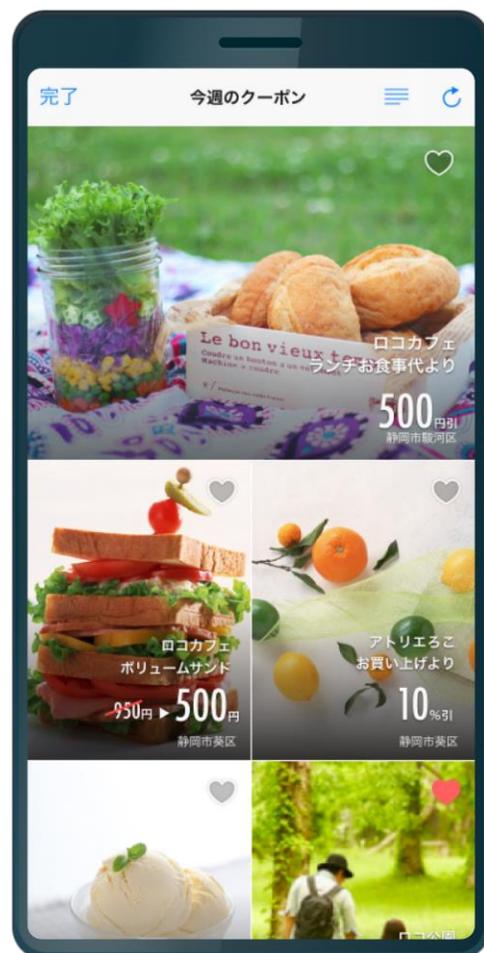
Expanding Business into Local Information Area : Releasing New Services ロコガイド

- ✓ “Your Town’s Best Deals” was released in limited areas (October 2019)
- ✓ Consider introduction of paid services to local tourist spots and local governments

Top of
“Your Town’s Best Deals”



List of Discount Coupons



List of Events



Featured Articles



- ✓ Launched “Congestion Lamp” **as service to support new ways of life** in response to COVID-19

“Congestion Lamp” Service

- Provision of information enabling consumers to check congestion of stores in one glance
- Started with retailers and expanded to various businesses
- Also targeting public facilities, cultural facilities, and service providers



Information Update Management Tool

- Possible to update congestion information on real-time basis on online management page on smartphone and PC
- Physical button device also available for customers who are not able to use smartphone

On-Line Management Page



Button Device



Exposure in the Media

✓ Increased appearances in media about cooperation with local governments

(July 7, Chunichi Shimbun)

窓口の混雑状況 スマホに
桑名市 3段階で配信

桑名市は、市役所窓口の混雑状況をスマートフォンアプリでリアルタイムに確認できるサービスを開始した。東海3県の自治体では初めての取り組みで、市は手続にかかる時間の短縮、新型コロナウイルス対策の「3密回避」につながることを期待している。

（谷村 雄一）

伊藤市長は「市役所は市民の生活に身近な存在であり、市民の生活に寄り添うことが大切だ」と話した。市は「市民の生活に寄り添うことが大切だ」と話した。市は「市民の生活に寄り添うことが大切だ」と話した。

3密回避にも期待

(August 29, Shizuoka Shimbun)

デジタル活用推進へ協定
浜松市と市民サービス向上期待

浜松市と情報サービス会社「ロコガイド」(東京都)は28日、ITを活用した地方創生に関する連携協定を締結した。市は今後、デジタルを活用した情報発信を中心に、市民サービスや地域の魅力向上を目指す。

「コロナ禍を機に、新たな生活様式が求められることや、市が情報通信技術（ICT）を駆使し、持続可能な都市づくりを推進したい」とロコガイドの代表取締役社長は「協定に基づき、市民サービスの向上を図りたい」と話した。市は「市民の生活に寄り添うことが大切だ」と話した。

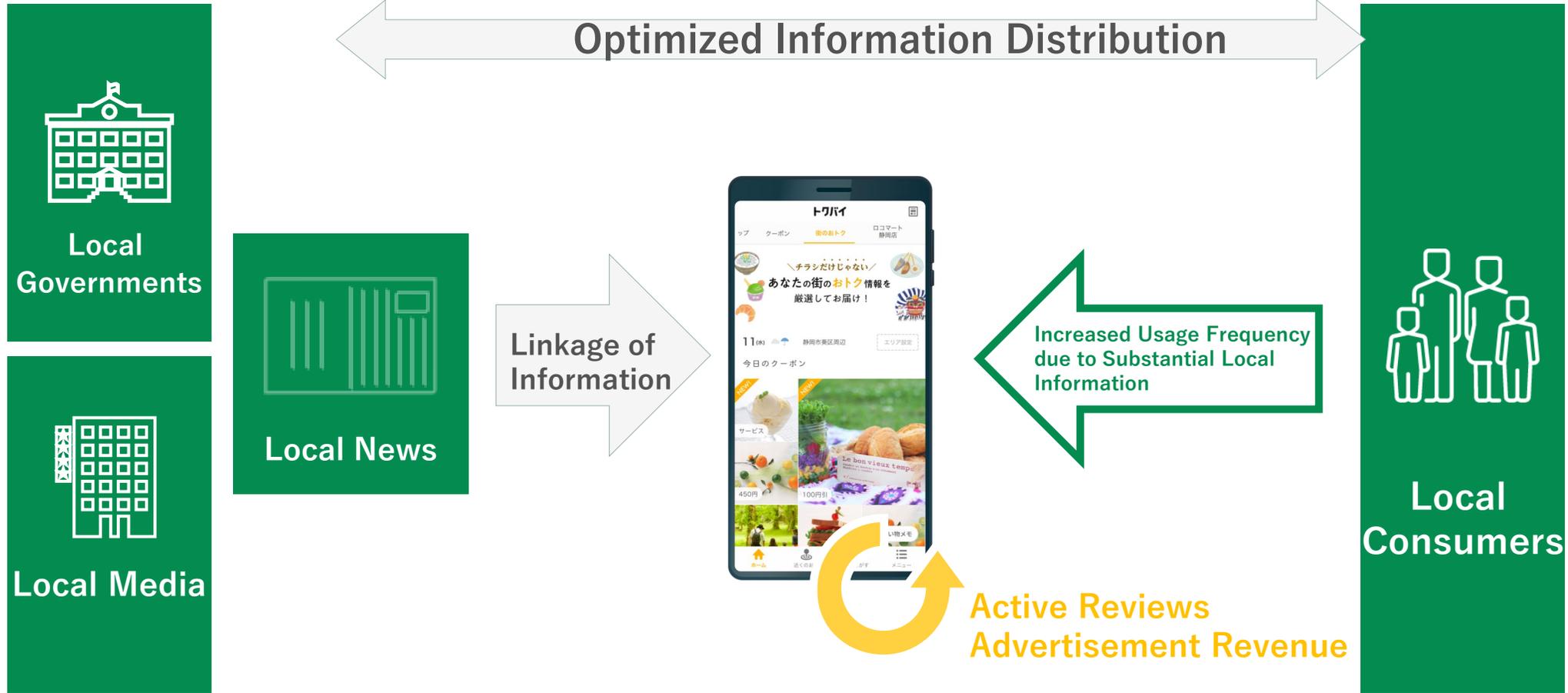
ロコガイドの代表取締役社長は「協定に基づき、市民サービスの向上を図りたい」と話した。市は「市民の生活に寄り添うことが大切だ」と話した。

(Major media that featured “Congestion Lamp” between July and September, 2020)

- July 4, Chubu Yomiuri Shimbun
- July 7, Chunichi Shimbun
- July 16, Mainichi Shimbun
- July 27, Asahi Shimbun
- July 31, Shizuoka Telecasting
- August 1, Shizuoka Shimbun
- August 4, Nikkei Shimbun
- August 7, Nikkei Sangyo Shimbun
- August 13, Shizuoka Shimbun
- August 22, Mainichi Shimbun
- August 24, Asahi Shimbun
- August 26, Gifu Shimbun
- August 29, Shizuoka Shimbun
- September 1, Tokyo Yomiuri Shimbun
- September 1, NHK “News Watch 9”
- September 4, Osaka Yomiuri Shimbun
- September 8, NHK “Gyugyutto Wakayama”
- September 9, Wakayama Shimpō
- September 11, Chubu Yomiuri Shimbun
- September 29, Chunichi Shimbun
- September 29, Asahi Shimbun
- September 30, Osaka Yomiuri Shimbun

Digitalization by Linkage of Local Information

- ✓ Digitalizing local community information in cooperation with free-of-charge magazines, local governments, and local news



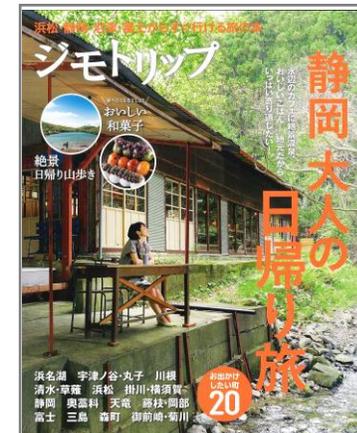
- ✓ Acquired shares of Shizuoka Online in order to accelerate activities for “To Deliver Smarter and More Enjoyable Way of Living the Local Community Life”

Company Profile

- Company Name: Shizuoka Online Co., Ltd.
- Location: Aoi-ku, Shizuoka
- Capital: 10 Million Yen
- Date of Stock Assignment: October 7, 2020
- Our Ownership: 34.3%
- Impact: Minor impact on our FY2021 business results

Business

- Publication of free newspapers for women and free newspapers and magazines about houses
- Operation of online media for local information
- Operation of counseling, events, and seminars related to home purchases
- Production of websites and magazines



- ✓ **Expansion of paying customers from retailers to various service providers** due to new information demand from impact of COVID-19

Provision of Must-Buy Information

Featured Products Information
Limited-time Offers
Coupons

- Retailers such as grocery supermarkets and drug stores



Provision of New Information

Congestion
Operating Hours
Notices Requiring Timeliness

- Public facilities such as city offices and libraries
- Cultural facilities such as museums
- Amusement and sports facilities
- Service providers such as relaxation and beauty and barbers
- Dining and take-out food

- ✓ **Established “Retail Research Institute Inc.”** to study and research retail/distribution industries
- ✓ Started distributing information on digitalization via “Retail Guide,” specialized medium.
Accelerating business meetings with top management of retailers

Company Information

- Company Name:
Retail Research Institute Inc.
- Location: Minato-ku, Tokyo
- Establishment: October 1, 2020
- Capital: 1 Million Yen
- Representative: Koichiro Takeshita
- Business:
Study and research on retail/distribution industries, operation of “Retail Guide” information service
- Shareholder: Locoguide Inc. (100%)



From Paper to Digital

From Far to Near

**From Contact to Contact-
Less**



**Social changes are our business
opportunities and
we create new services “To Deliver Smarter,
More Enjoyable, and Safer
Way of Living the Local Community Life”**

Important notes

This document contains forward-looking statements. These forward-looking statements are based only on the information made available to Locoguide as of the date this document were 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 Locoguide.

Locoguide 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 is Locoguide is derived from publicly available information. Accordingly, Locoguide does not verify nor guarantee the accuracy, completeness and correctness of such information.