



FY2021.3 Financial Results

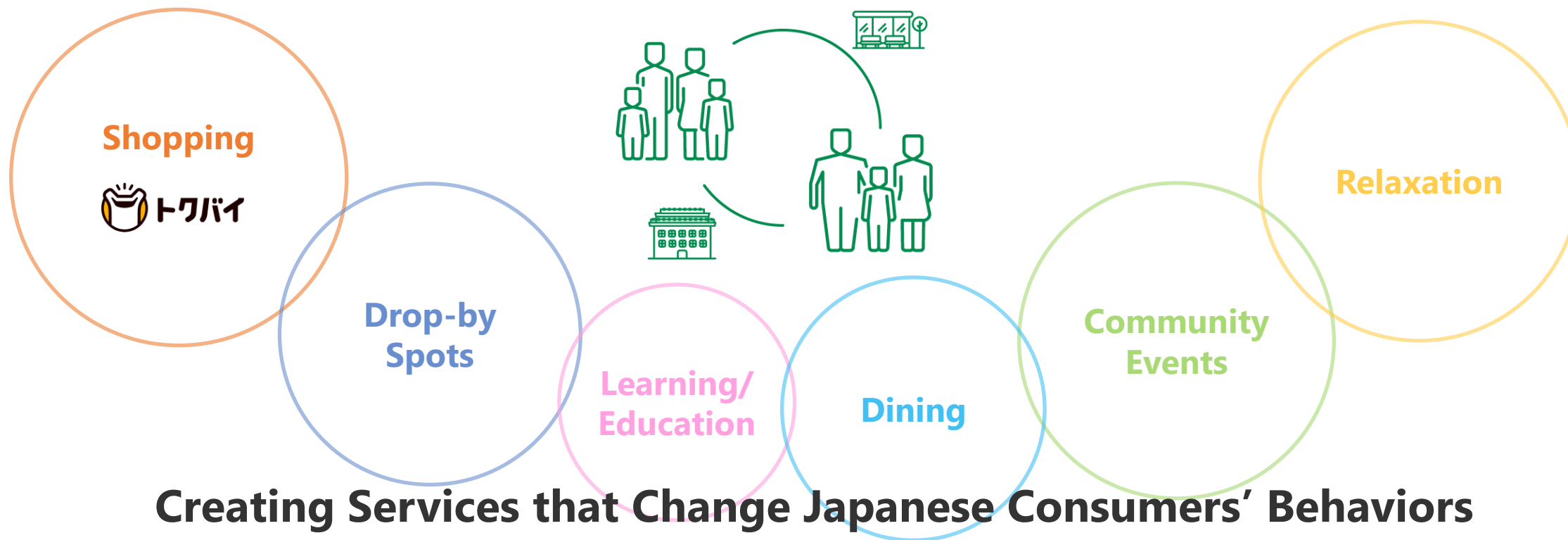
Locoguide Inc.

May 14, 2021

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



**To Deliver
Safety**



- 1. FY2021.3 Financial Highlights**
- 2. KPI Trend**
- 3. 4Q FY2021.3 Business Highlights**
- 4. FY2022.3 Corporate Strategy**
- 5. Business Integration with Kufu Company**

1. FY2021.3 Financial Highlights

KPIs

Number of Monthly Active Users

16.3_{MM}

(YoY+46.4%)

Number of Subscribers

33,719_{stores}

(YoY+33.4%)

Churn Rate

0.61%

FY2021.3 Financial Results

Revenue

JPY 2,023_{MM}

(YoY+42.1%)

Operating Profit

JPY 480_{MM}

(YoY+40.5%)

Congestion Lamp

Number of Adopting Local Governments

420

(QoQ+90.9%)

* Consolidated financial statements has been prepared since 3rd quarter of FY2021

✓ Achieved revenue growth for the four consecutive fiscal year

FY2021.3 Consolidated Financial Results

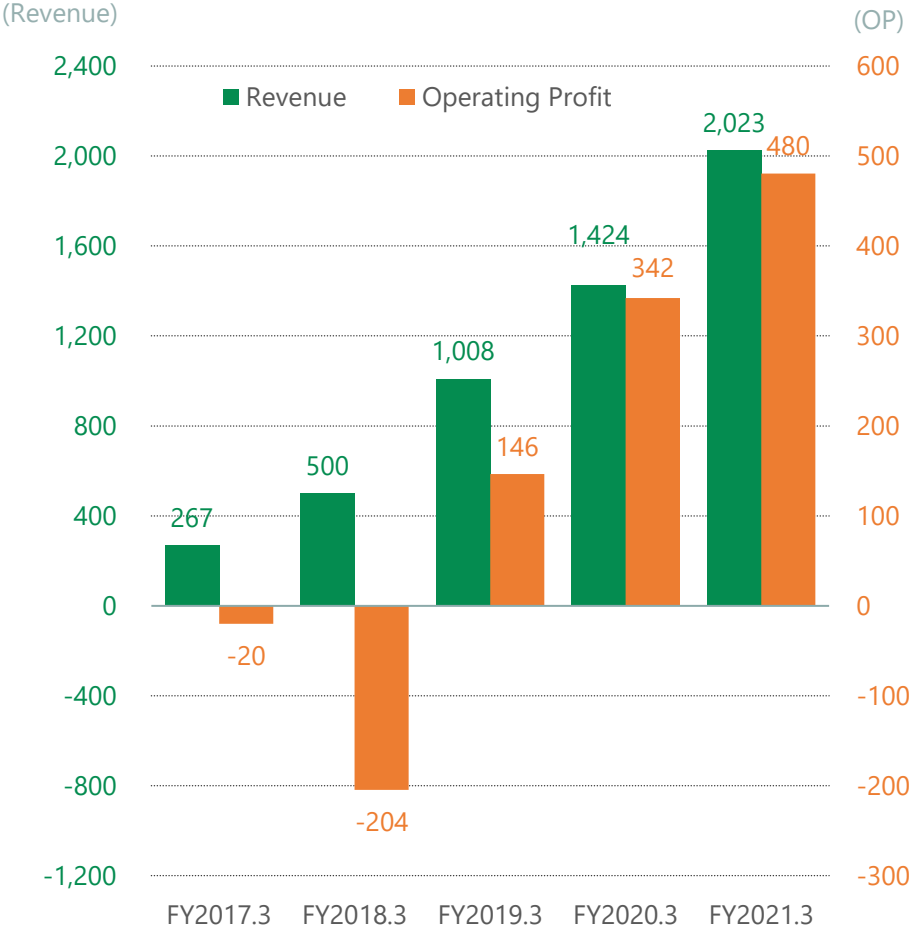
(JPY MM)

	FY2020.3	FY2021.3	YoY
Revenue	1,424	2,023	+42.1 %
Operating Profit	342	480	+40.5 %
Net Profit	221	354	+59.9 %

* Consolidated financial statements has been prepared since 3rd quarter of FY2021

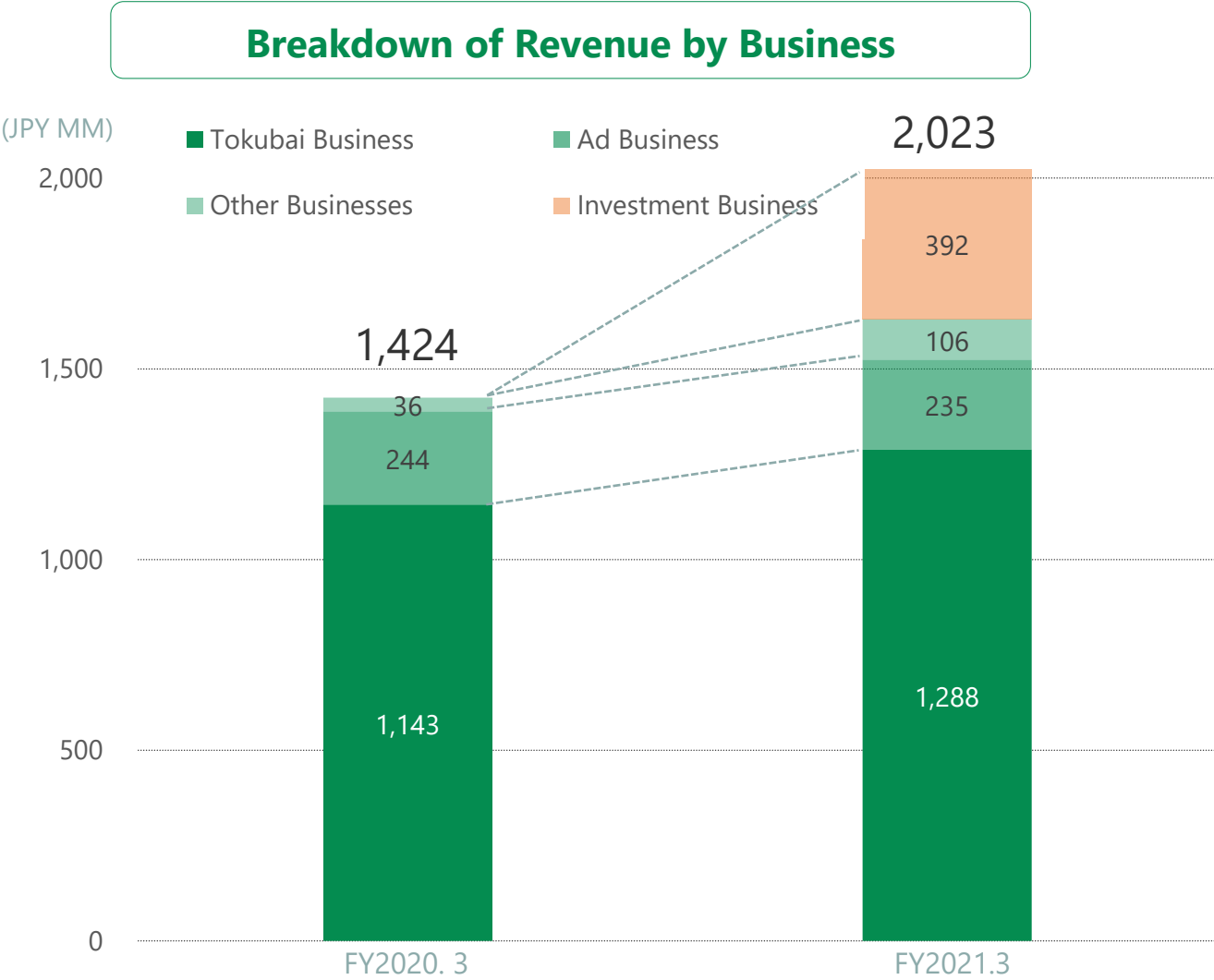
Trend of Revenue & OP

(JPY MM)



Revenue Breakdown by Business Segment

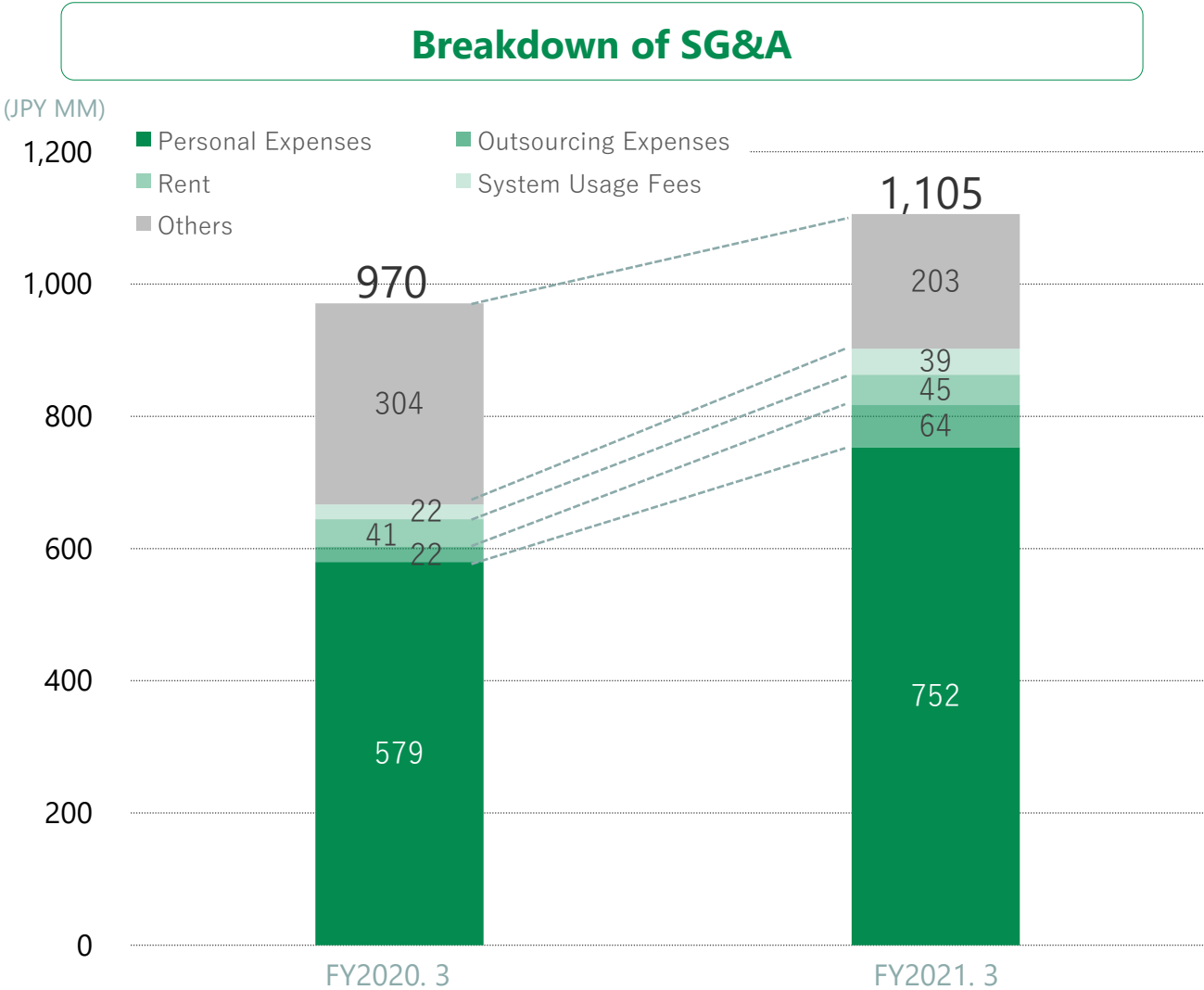
- ✓ 42.1% increase in revenue YoY
- ✓ Revenue expansion of Tokubai business and monetization of newly launched Investment Business contributed to revenue hike



Key Achievement of each Business Segment	
Tokubai Business	Kept strong momentum, 12% increase in subscriber stores YoY
Ad Business	Kept previous fiscal year`s level despite temporary decrease of demand in the 1st half year affected by Covid-19
Other Businesses	Soared 195.5% YoY mainly driven by successful monetization of local information business
Investment Business	Launched investment business in 3Q 2021.3

*Consolidated financial statements has been prepared since 3rd quarter of FY2021

- ✓ 13.9% increase in SG&A YoY
- ✓ Aggressive recruiting for business development, resulting in +17 employees YoY



Key SG&A items	
Personnel Expenses	111 employees at the end of FY2021 (94 employees at the same timing of last year)
Outsourcing Expenses	Mainly for service development and content creation
Rent	Office rent
System Usage Fees	Usage fees for various systems

*Consolidated financial statements has been prepared since 3rd quarter of FY2021

2. KPIs Trend

ロコガイド

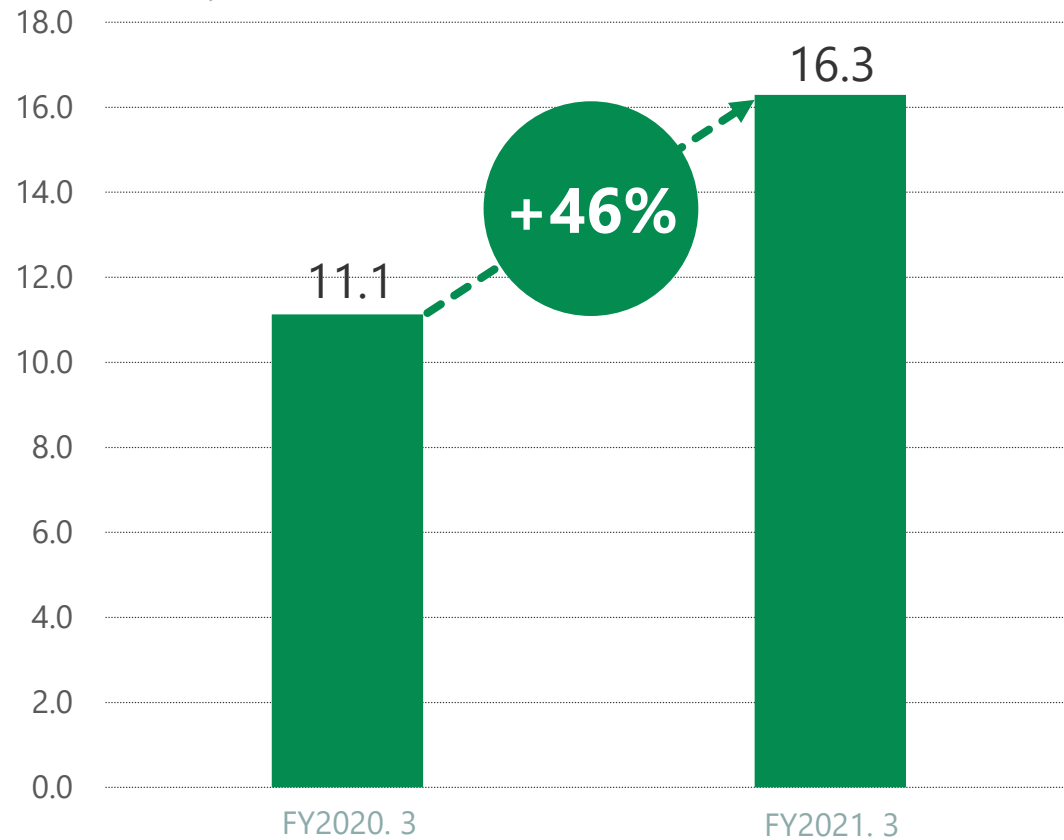
Locoguide Inc.

Number of Monthly Active Users and Subscriber Stores

- ✓ Monthly Active Users significantly increased mainly driven by enrichment of Tokubai content, up 46.4% YoY
- ✓ Number of Subscriber Stores increased in both fixed price contract & pay-for-performance contract, up 33.4% YoY

of Monthly Active Users*₁

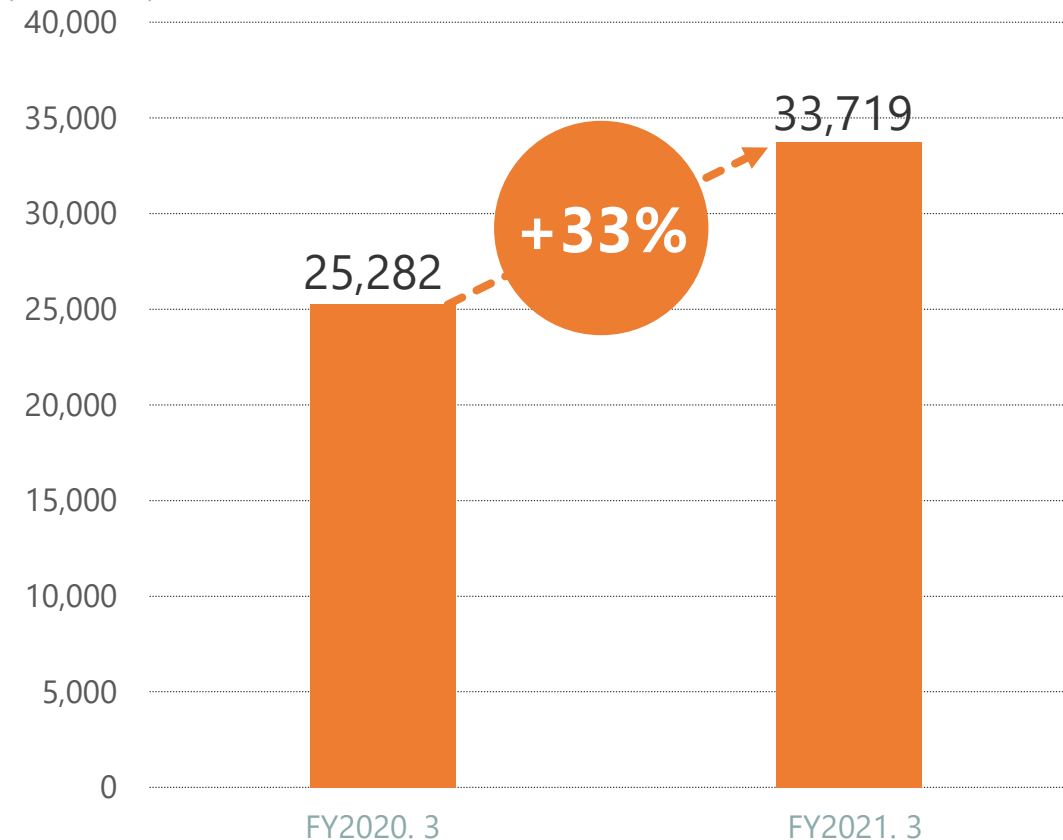
(Unit: Million Users)



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

of Subscriber Stores*₂

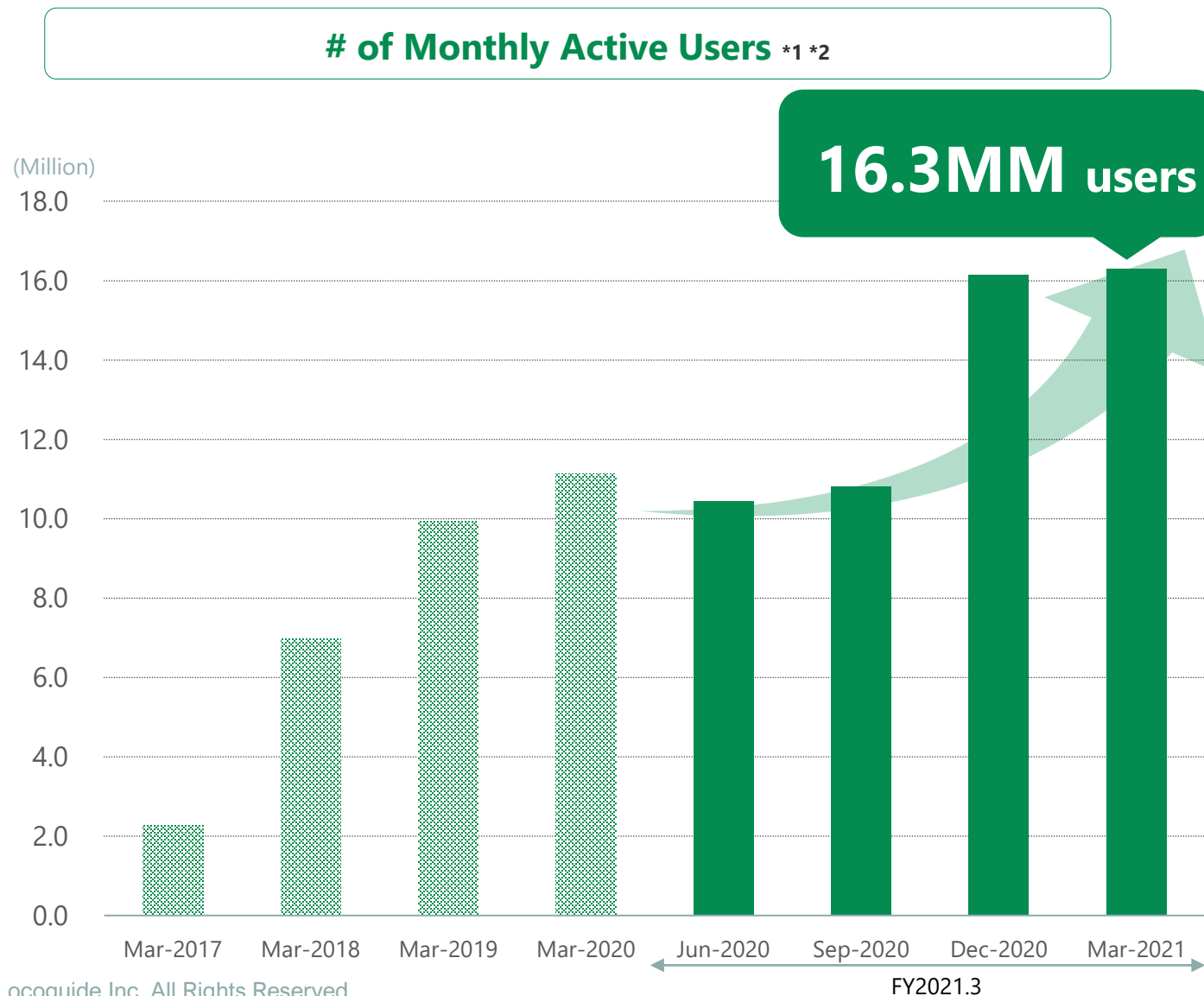
(Unit: Stores)



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

Number of Monthly Active Users

- ✓ **Achieved historically high # of Monthly Active Users** with keeping strong momentum since last year



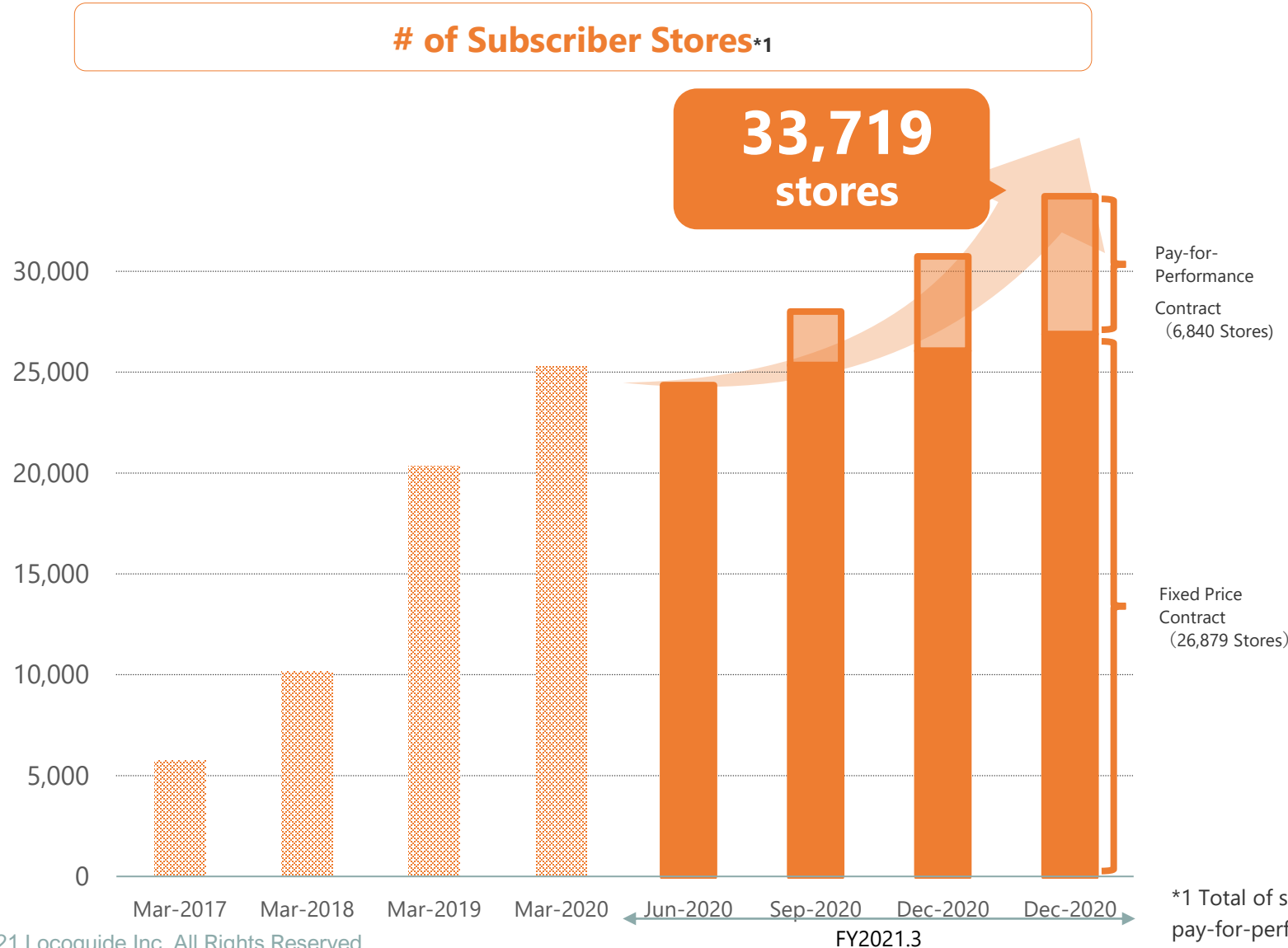
- ✓ Improvement of coverage of information
- ✓ Enhancement of user convenience
- ✓ Enrichment of content of articles and communities

*1 Until March 2017: Users of "Tokubai"

*2 From March 2018: Users of "Tokubai," "Tokubai News," "Tokubai Minnano Cafe," and "Loconavi"

Number of Subscriber Stores

- ✓ **Achieved historically high # of Subscriber Stores** driven by increase of both fixed price and pay-for-performance contracts



Target in March 2022

37,000 Stores

- ✓ **Expansion of business categories**
- ✓ **Optimization for each business category**
- ✓ **Various price options**

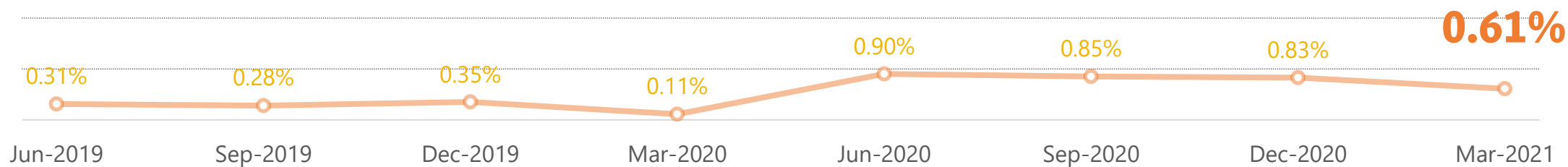
*1 Total of subscriber stores with monthly fixed price contract and pay-for-performance contract

- ✓ **Maintaining low level** regardless of contract renewal season

12-Months Average Churn Rate*1

Churn Rate as of March 2021

0.61%



*1 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

3. 4Q FY2021.3 Business Highlights

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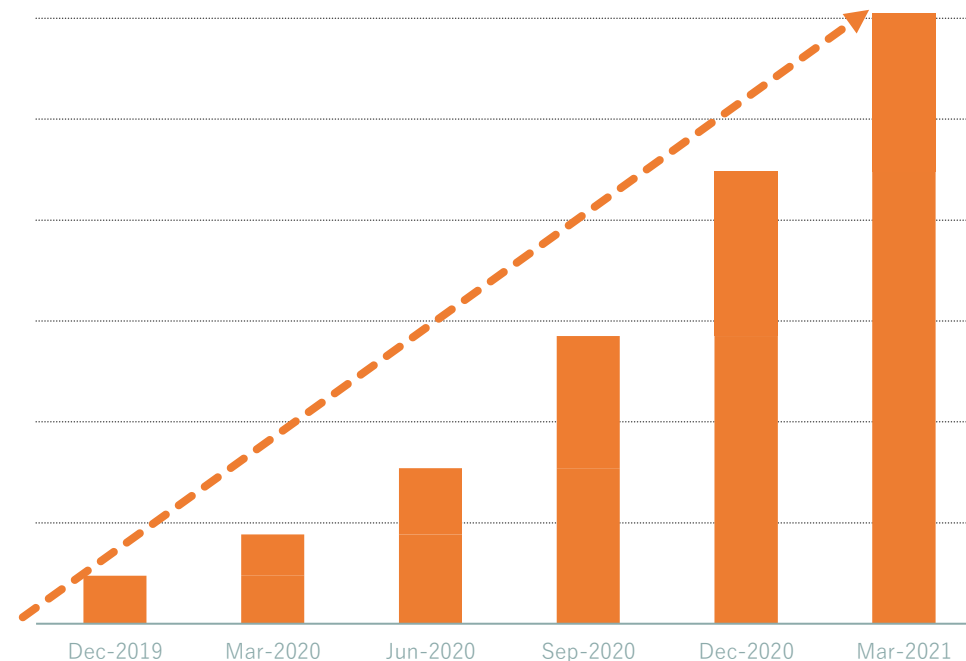
Locoguide Inc.

- ✓ Provided vast of unique contents which meet users` needs through reinforcement of our editorial team

Example of Tokubai Unique News



of Newly Posted Tokubai Content (Accumulated)



Reinforcement of the Editorial Team

- ✓ Achieved continuous expansion of fixed price contracts

Example of newly Contracted Stores*

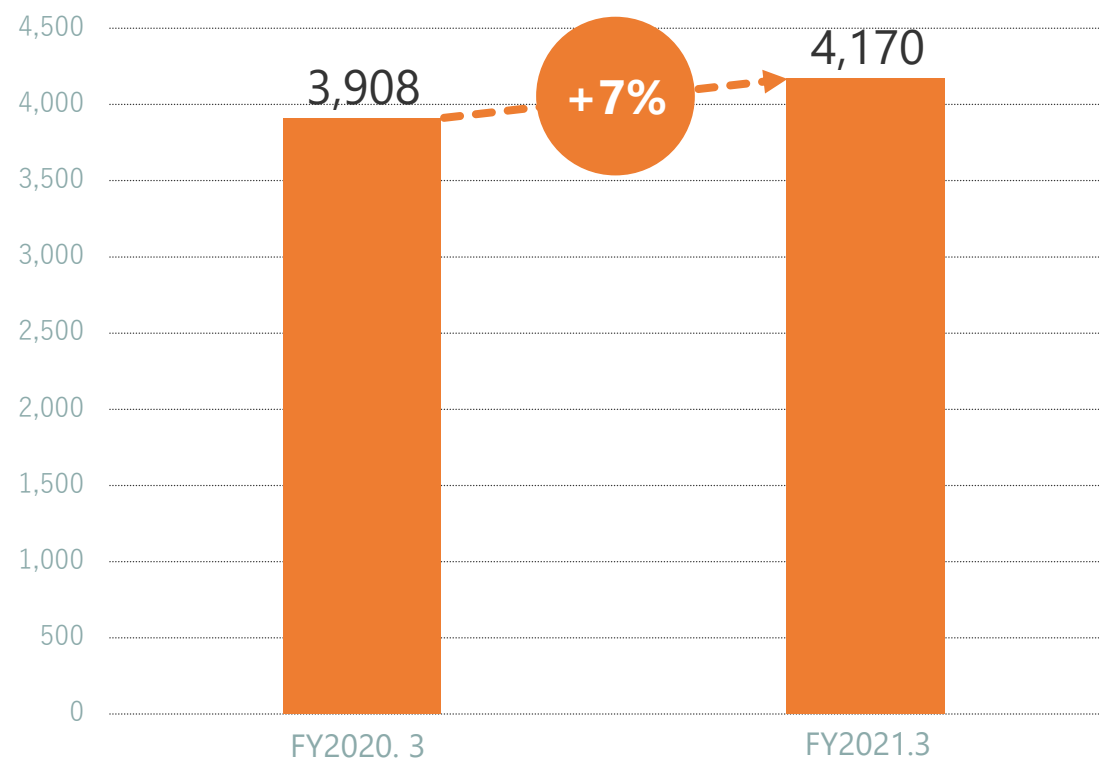


- Congestion Situation
- Announcement of campaign
- Advertisement
- etc.

* Example of a major chain drug store

Trend of Average Unit Price*

- New Customer : Proposal for test installation
- Existing Customer : Proposal for Up-Selling Price Plan



* Average unit price for fixed price stores

Monetization of Pay-for-Performance Contracts

- ✓ Expect to **push up on average unit price** by stabilizing revenue from pay-for-performance subscribers

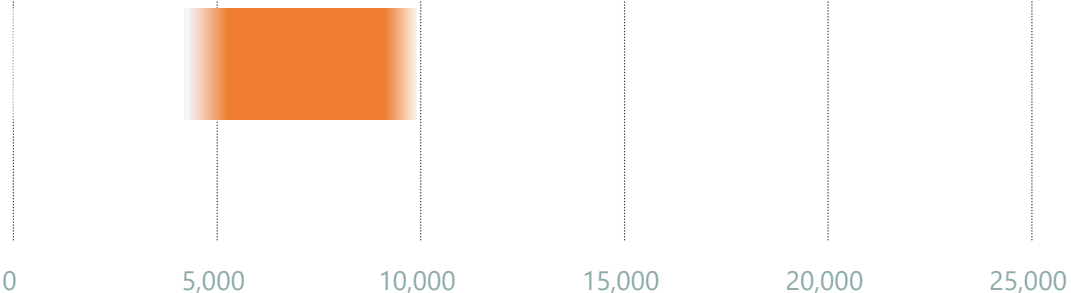
Price Range of each Contract

- Expansion of pay-for-performance contract may increase entire average unit price

Unit Price Range of Pay-for-Performance Contract



Unit Price Range of Fixed Price Contract



Example of Pay-for-Performance Initiatives

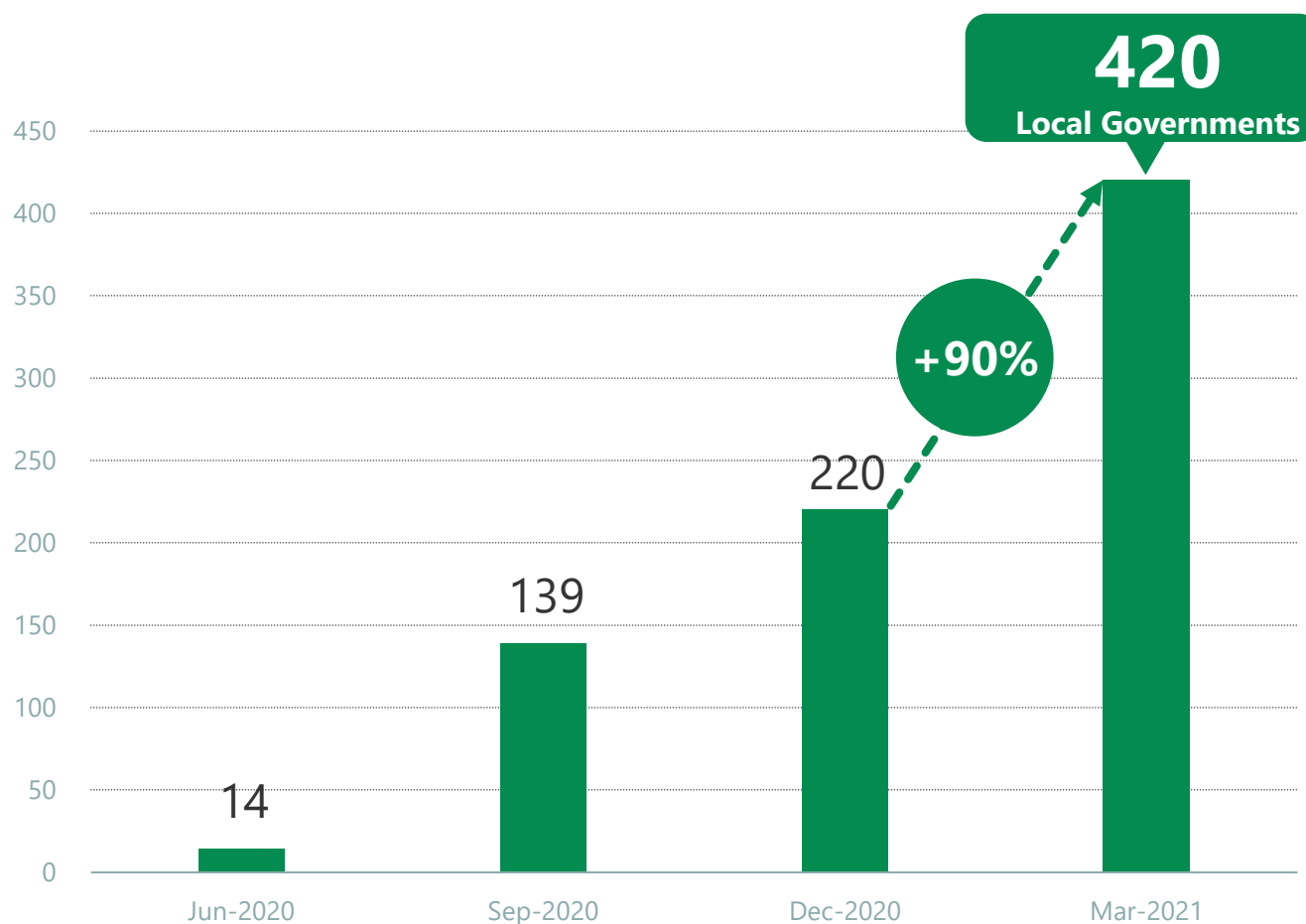
Two promotional posters for Carps and Tokubai. The left poster is for 'Spring Savings Festival' (春のおトク祭) with a 10-day event from March 22 to March 31, 2021, featuring a 500 yen off coupon and a 500 yen off coupon. The right poster is for 'Carps New Life Support' (カーブス新生活応援) with a 14-day event, featuring a 300 yen off coupon and a 500 yen off coupon.

- Unparalleled promotion method which enables users to find new information in each region
- Aiming to stabilize pay-for-performance model together with contractors

Partnership with Local Governments through Introduction of “Congestion Lamp”

- ✓ Congestion Lamp has been adopted by 420 local governments (# of local governments' facilities and stores: 615)
- ✓ Congestion Lamp has been used in **wide range of occasions**, from city hall to polling station

of Adopting Local Governments



Newly Adopted Governments



Etc...

Example of Utilization



Medical Institution



PCR Testing Center

- ✓ Launched new initiative which supports digitalization of local governments` existing service and information
- ✓ Our know-how can be scalable to many local governments as they have similar needs for digitalization

Example of Local Government`s Digitalization : Fukushima Prefecture`s Introduction of Environment App

- Provide information regarding garbage collection, etc.



Local Governments` Similar Needs for Digitalization

- ✓ Environment
- ✓ Parenting Support
- ✓ Local Community
- etc.



Our Strength and Capability as the Pioneer for Local Digital Transformation

4. FY2022.3 Corporate Strategy

ロコガイド

Locoguide Inc.

- ✓ Accelerate core strategies to achieve KPI targets and maximize profit

1. Improvement of Comprehensiveness

2. Content Optimization for Users

3. Scale-up of Subscriber Stores

4. Increase in Average Unit Price

5. Enrichment of Local Information

1. Improvement of Comprehensiveness of Tokubai Information

- ✓ Make Tokubai more comprehensive platform through offering / gathering wide range of unique information

Information from Stores

- Advertisement
- Campaign
- etc.



Information from Locoguide

- News article
- Seasonal / Timely news
- etc.

【最新】3度目の「緊急事態宣言」発令! 私たちの生活はどう変わる?【政府発表資料まとめ】

#新型コロナウイルス



トクバイニュース編集部

トクバイニュース編集部では「わくわくする買物で、ちょっといい日常を」をコンセプトに、楽しいお買い物情報や役に立つ...

2021年4月25日、新型コロナウイルスの流行を受けて一都二府一県で緊急事態宣言が出されました。政府が発表している資料をもとに、私たちの生活どうのように制限されるのか、分かっている情報をまとめました。

Information from Users

- Word of mouth
- Information community
- etc.

クチコミ

この店のブラジル産豚味噌コースが、どこのお店で買った豚肉よりも柔らかくて美味しかったです!

sunny-day

13時間前



投稿する

クチコミは、ユーザーが実際に店舗を利用した当時の主観的なご意見・ご感想です。最新の情報は異なる場合がございます。必ず事前にご確認の上、ご利用ください。

2. Content Optimization for Users

- ✓ Providing optimized information to each user by utilizing personal browsing history and local unique information



Various Stores`
Information

Living Information
(ex. News article and recipe)



Build new platform which enable Tokubai users to find optimized / customized information accordingly

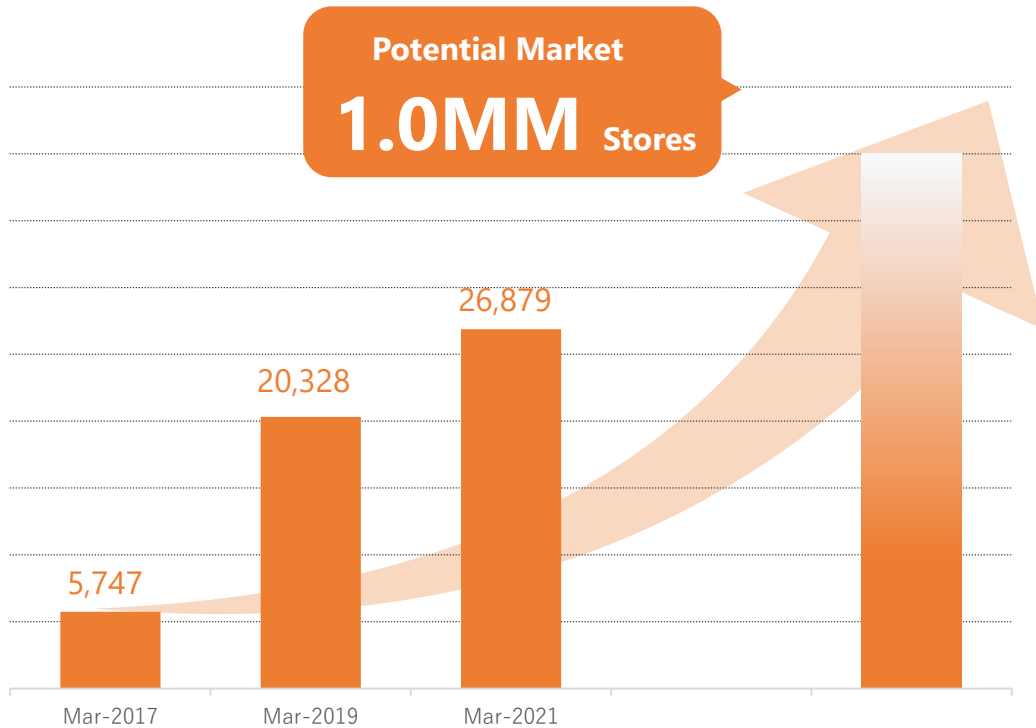
3. Scale-up of Subscriber Stores

- ✓ Significant growth opportunity for both fixed price and pay-for-performance contracts

Fixed Price Subscriber Store

- Potential Key Clients : Drug stores, etc.

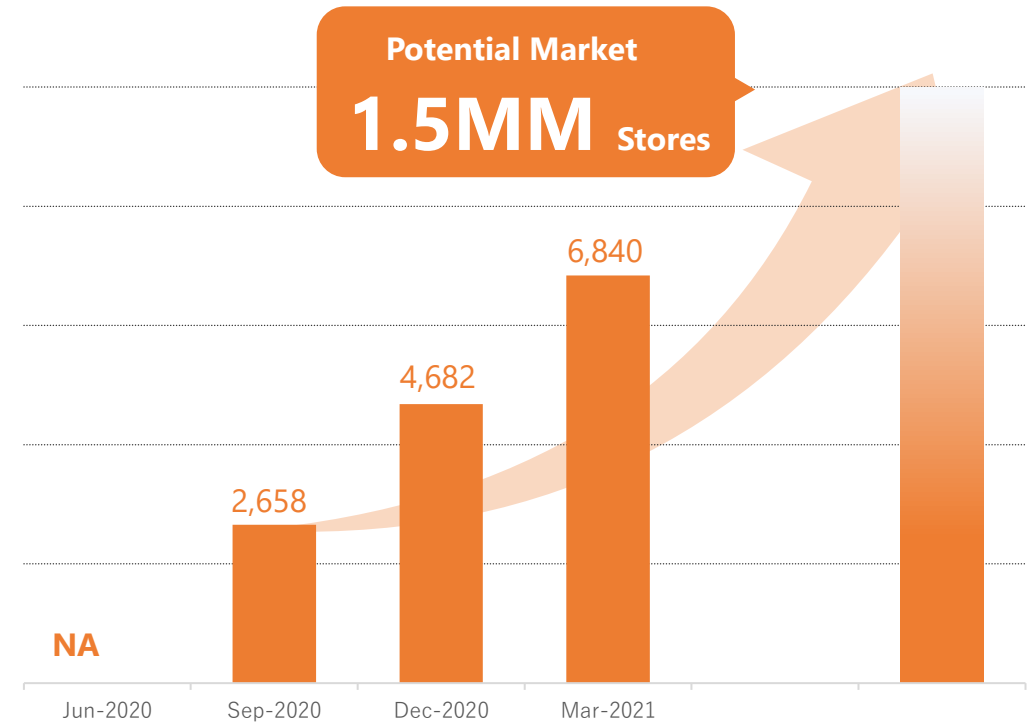
Illustrative # of Fixed Price Subscribers



Pay-for-Performance Subscriber Stores

- Potential Key Clients : Gym, Private-tutoring school and Relaxation facility, etc.

Illustrative # of Pay-for-Performance Subscribers



4. Increase in Average Unit Price

- ✓ Launched Up-Selling Price Plan last year and will accelerate diversification of price plan in FY2022.3 and onward to achieve higher average unit price

Until FY2020.3

In FY2021. 3

in FY2022.3 and
Onward

New
Customer

- ✓ Free Plan

- ✓ Pay-for-Performance
Plan

- ✓ Test Installation
- ✓ Enrichment of Tokubai
Content

Existing
Customer

- ✓ Fixed Price plan
(JPY5,000*)

- ✓ Up-Selling Price Plan
(JPY7,500 -
JPY10,000*)

- ✓ Increase in Average
Unit Price for Pay-for-
Performance Plan
- ✓ Diversification of Fixed
Price Plan

* Price per month / per store

5. Enrichment of Local Information

- ✓ Acquired remaining 65.7 % share of Shizuoka Online Co., Ltd. to accelerate digitalization of local information

Overview of Shizuoka Online

Company Overview

- Capital : JPY10MM
- Acquisition Date : April 1st, 2021
- Revenue : JPY820MM (FY2020. 12)
- Operating Profit : JPY86MM (FY2020.12)

Business Description

- Issuing wide range of free newspapers in Shizuoka area
- Offering internet media which provide local information in home and outside activities categories
- Operating real estate information services and contract development of websites and magazines for third party



5. Enrichment of Local Information

- ✓ More focus on Local Digital Transformation as demand from local governments, local media and tourist facilities is strong

420
Local Governments

Selected Adopted Governments

東京都

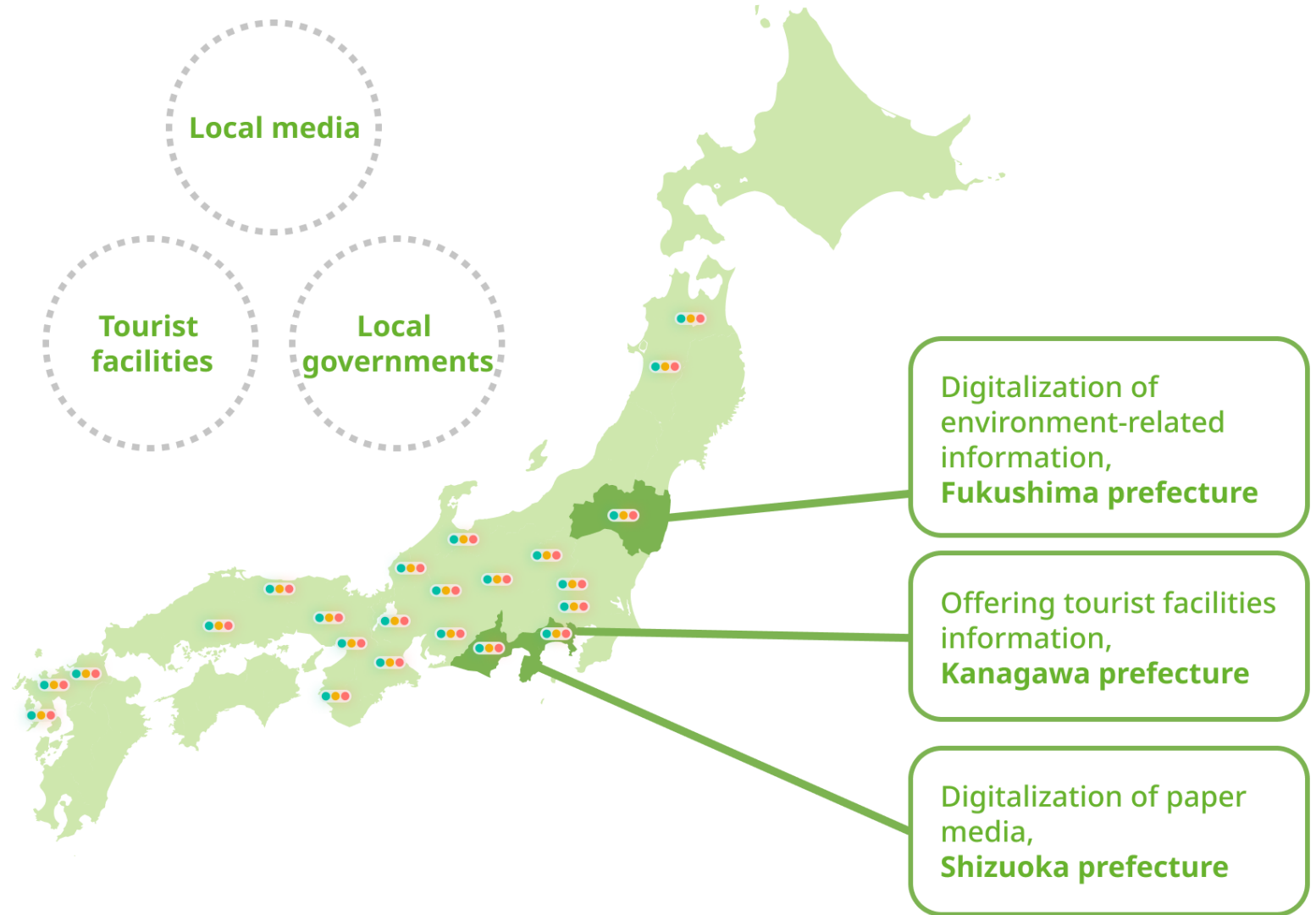


横浜市
City of Yokohama

名古屋市

堺市
SAKAI CITY

etc..



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”**

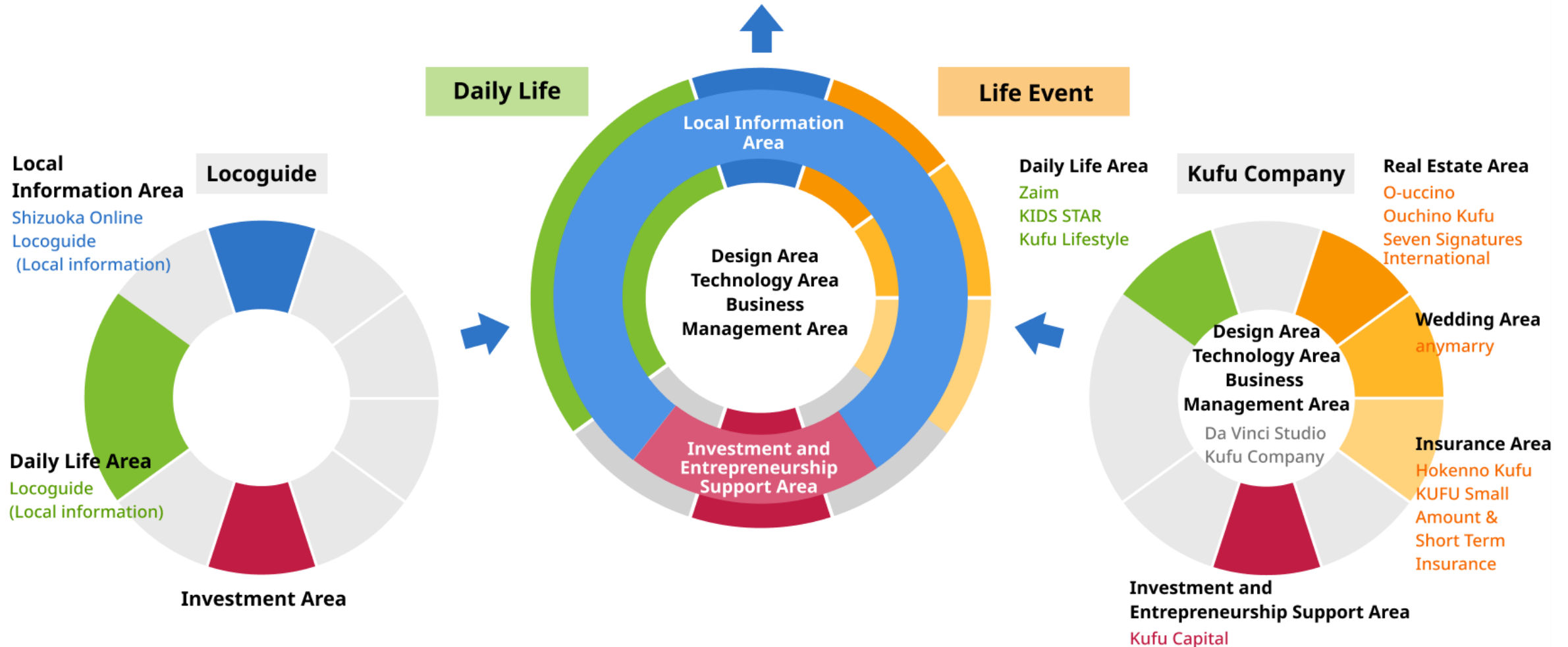
5. Business Integration with Kufu Company

Company Name	Kufu Company Inc. (Newly established holding company) ※ Current Kufu Company`s corporate name will be changed
Method of Business Integration	Locoguide and Kufu Company(Current) will establish the Holding Company through the Joint Share Transfer. Locoguide and Kufu Company(Current) will become wholly-owned subsidiaries of the Holding Company upon the establishment of the Holding Company.
Share Transfer Ratio	Locoguide 4.10 : Kufu Company(Current) 1.00 (1) 4.10 shares of common stock of the Holding Company per one share of common stock of Locoguide (2) 1.00 share of common stock of the Holding Company per one share of common stock of Kufu Company(Current)
Effective date of the Business Integration	October 1, 2021 (Scheduled)
Corporate Governance Structure	The Holding Company will be a company with a nominating committee in which majority member will be comprised of independent outside directors
	CEO : Yoshiteru Akita ※ Other executive officers will be announced once confirmed

Business Portfolio of the New Integrated Company

Aiming to be the best "User First" company by leveraging Locoguide and Kufu Company's expertise

Every Consumer (User)



- 1. Being Comprehensive Life and Living Media Company**
- 2. Developing New Shopping Support Service through Collaboration with Personal Family Finance Service**
- 3. Providing Community-Based Life Event Service**
- 4. Utilizing Common Platform and Both Parties` Expertise**
- 5. Expanding Business Portfolio by Investing in Partners and Human Resources**

May 14, 2021 (Today)	Meeting of the board of directors to approve the share transfer plan (both companies)
May 15, 2021 (Scheduled)	Notice regarding record date for extraordinary general meeting of shareholders (Kufu Company)
May 29, 2021 (Scheduled)	Record date for the extraordinary general meeting of shareholders (Kufu Company)
June 24, 2021 (Scheduled)	Ordinary general meeting of shareholders to approve the share transfer plan (Locoguide)
July 7, 2021 (Scheduled)	Extraordinary general meeting of shareholders to approve the share transfer plan (Kufu Company)
September 29, 2021 (Scheduled)	Last trading day on the TSE (both companies)
October 1, 2021 (Scheduled)	Integration date (Joint holding company establishment registration date)
	Joint holding company listing date

*The above is the current planned schedule, but this may be changed upon discussion between the both companies when necessary due to the progress status of approval procedures for the Business Integration or for other reasons.

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.