



Kufu Company Inc.

**FY2024.9 Q3**

# **Presentation Material**

August 14, 2024



# Agenda

## 1. Consolidated Financial Results for FY2024.9 Q3

## 2. Business Overview by Segment

- Daily Life Business
- Life Event Business



# 1. Consolidated Financial Results for FY2024.9 Q3

# Highlights of Consolidated Financial Results for FY2024.9 Q3 くふうカンパニー

- Net sales: 11,515 million yen (72.9% YoY), Operating profit: 343 million yen (21.3% YoY), EBITDA: 1,133 million yen (47.4% YoY)

## Progress by segment

### Daily Life Business

- In the Tokubai business, the growth in the number of subscriber stores was sluggish.
- Although efforts were made to reduce costs, the effects were hardly realized in the third quarter.

### Life Event Business

#### Home domain

- Although market conditions continue to be severe, Kufu Sumai Consulting Inc.\* has had a certain effect on attracting customers on the web in the housing construction consulting business. Delivery delays in the in-house construction business have almost been resolved, and deliveries are expected to be concentrated in the fourth quarter.
- At Kufu Sumai Inc., an increase in the number of contracts concluded at the consultation counters in the "Ietate" business contributed to business results, and the number of consultations increased at both existing and new counters.

#### Marriage domain

- Steady progress toward full-year profitability. Although market conditions in the media business were tough, we are promoting product expansion to strengthen profitability. In the wedding producing business, the number of weddings held increased, and orders remained steady.

### Investment and Incubation Business

- In the investment business, a gain on the sale of operating investment securities was recorded.

\* As of August 1, 2024, HyAS & Co. Inc. changed its name to Kufu Sumai Consulting Inc.

# Forecast of Consolidated Financial Results for FY2024.9 くふうカンパニー

- In FY2024.9, we expect to post operating profit of 700 million yen (37.2% YoY) and EBITDA of 1,800 million yen (61.5% YoY)
- Medium-term plan (group management target) is currently under review

	FY2020.9 *	FY2021.9 *	FY2022.9	FY2023.9	FY2024.9	
	Result	Result	Result	Result	Forecast	YoY
<b>Net sales</b>	6,042	11,256	18,625	20,486	<b>16,000</b>	78.1 %
<b>Operating profit</b>	604	1,000	1,558	1,882	<b>700</b>	37.2 %
<b>EBITDA</b>	890	1,617	2,581	2,926	<b>1,800</b>	61.5 %

(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).

# Consolidated Net Sales

- Cumulative net sales for the third quarter of FY2024.9 were 11,515 million yen (72.9% YoY), which was 72.0% of the full-year consolidated earnings forecast

	FY2023.9	FY2024.9			
	Q3 Cumulative	Q3 * Cumulative	YoY	Forecast	Progress
<b>Net Sales</b>	<b>15,789</b>	<b>11,515</b>	72.9%	<b>16,000</b>	72.0%
Daily Life Business	2,275	2,296	100.9%	-	-
Life Event Business	8,727	6,656	76.3%	-	-
Investment and Incubation Business	4,762	2,803	58.9%	-	-
Other	189	-	-	-	-
Adjustment	-165	-241	-	-	-

(JPY MM)

\* The Investment and Incubation Business started consolidating P/L of Gold Eggs Inc. in the second quarter of FY2024.9.

# Consolidated Operating Profit / EBITDA

- Cumulative EBITDA for the third quarter of FY2024.9 was 1,133 million yen (47.4% YoY), which was 63.0% of the full-year consolidated earnings forecast

	FY2023.9	FY2024.9			
	Q3 Cumulative	Q3 Cumulative	YoY	Forecast	Progress
<b>Operating profit</b>	<b>1,608</b>	<b>343</b>	21.3 %	<b>700</b>	49.1 %
Daily Life Business	645	490	76.1 %	-	-
Life Event Business	434	320	73.8 %	-	-
Investment and Incubation Business	1,442	390	27.1 %	-	-
Other	-149	-	-	-	-
Adjustment	-764	-858	-	-	-
<b>EBITDA</b>	<b>2,389</b>	<b>1,133</b>	47.4 %	<b>1,800</b>	63.0 %

(JPY MM)

\* The Investment and Incubation Business started consolidating P/L of Gold Eggs Inc. in the second quarter of FY2024.9.

# Consolidated Quarterly Financial Results

- The third quarter was profitable

	FY2023.9				FY2024.9				
	Q1	Q2	Q3	Q4	Q1	Q2 *	Q3	YoY	QoQ
<b>Net Sale</b>	4,883	4,362	6,543	4,696	3,263	3,627	4,623	70.7%	127.5%
<b>Operating profit</b>	433	151	1,023	274	-117	-47	507	49.6%	-
<b>EBITDA</b>	685	418	1,285	536	134	219	779	60.6%	355.8%

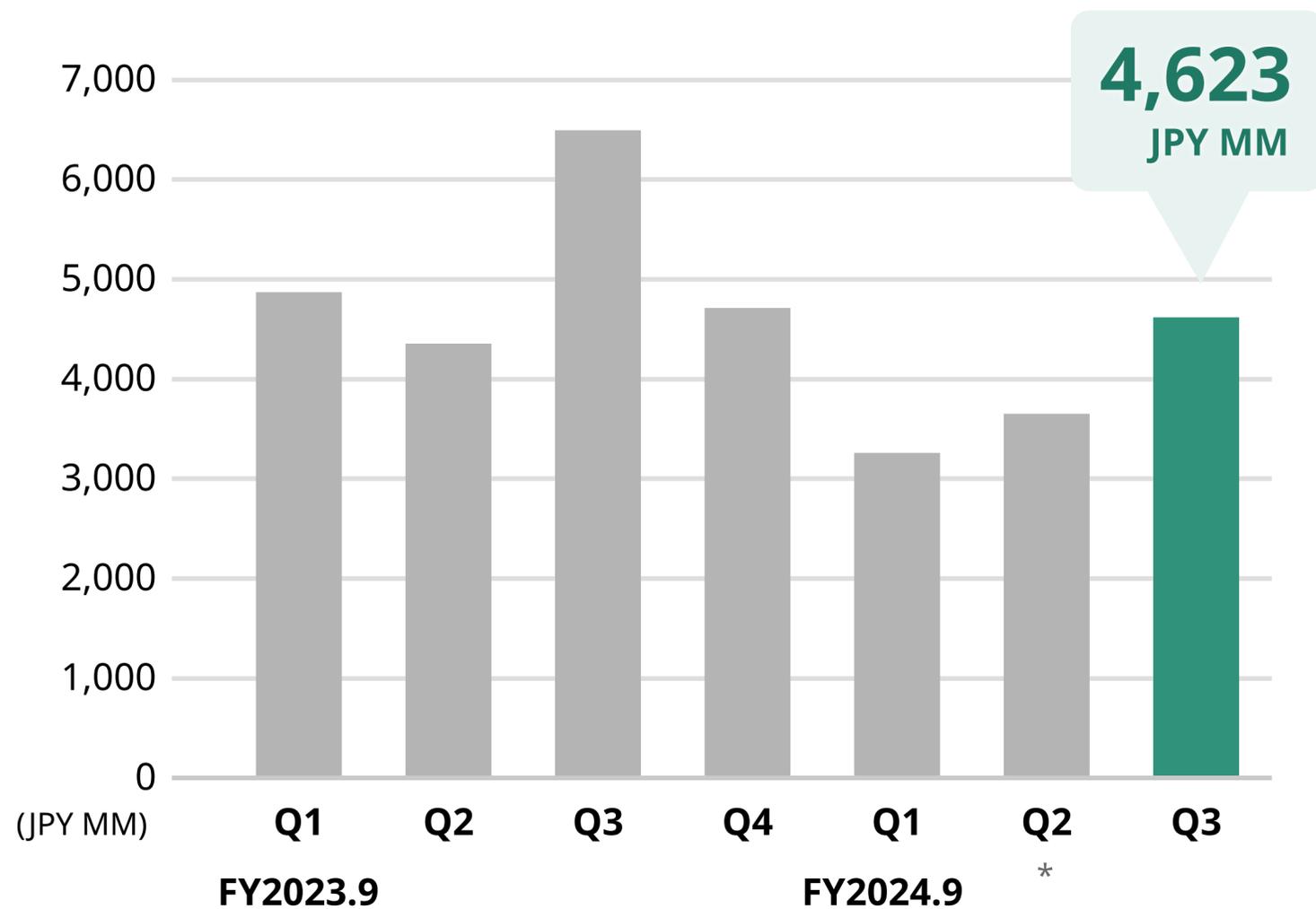
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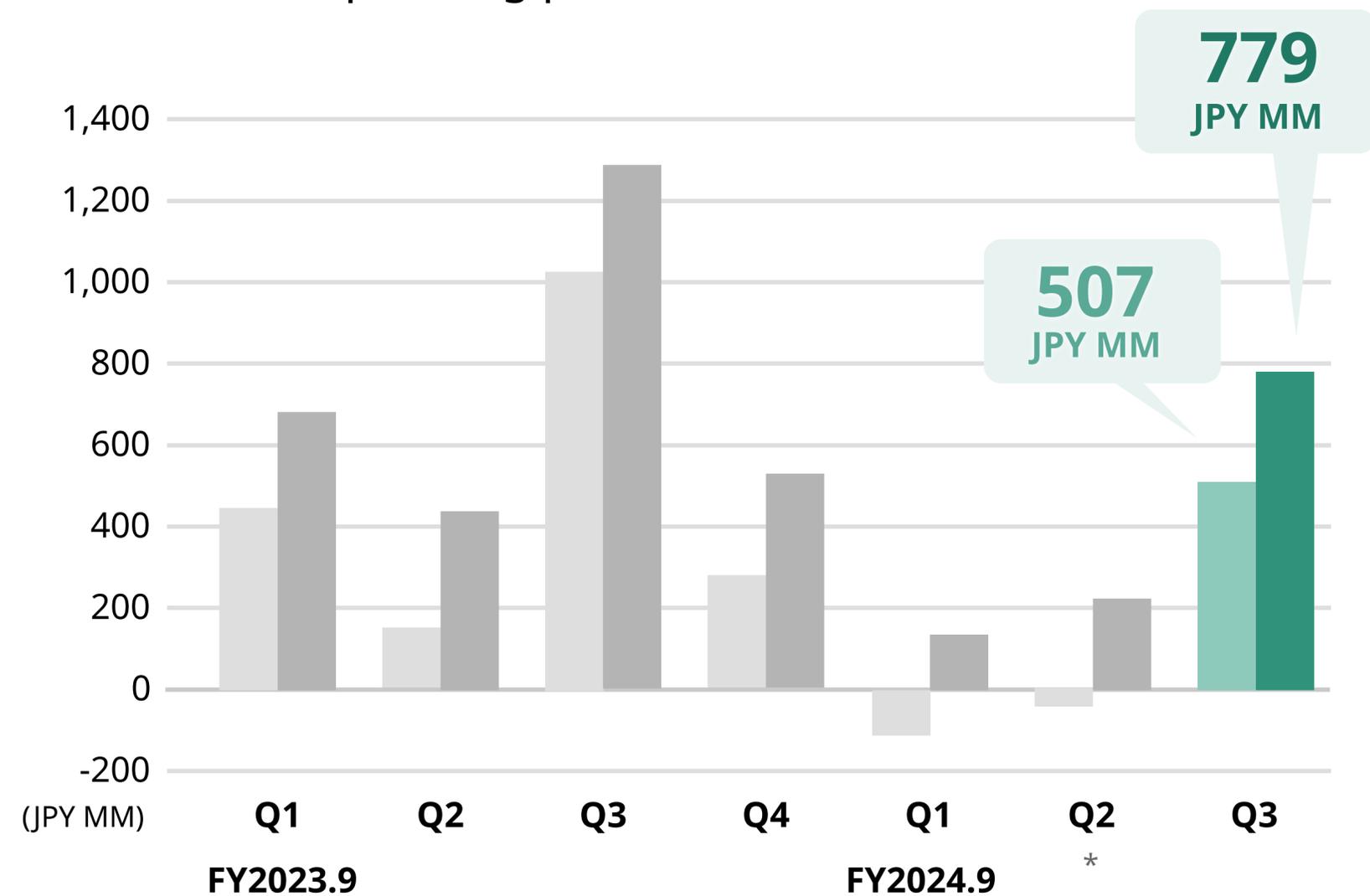
# Consolidated Financial Results – Quarterly Trends

- The third quarter was profitable

Net sales



Operating profit EBITDA



\* The Investment and Incubation Business started consolidating P/L of Gold Eggs Inc. in the second quarter of FY2024.9.

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

- In the Daily Life Business, the growth in the Tokubai business was sluggish
- The Investment and Incubation Business increased with the sale of operating investment securities

		FY2023.9				FY2024.9				
		Q1	Q2	Q3 *1	Q4 *2	Q1	Q2 *3	Q3	YoY	QoQ
Net sales	Daily Life Business	771	806	698	856	772	764	759	108.8%	99.4%
	Life Event Business	2,515	2,975	3,236	3,076	2,150	2,320	2,184	67.5%	94.1%
	Investment and Incubation Business	1,590	569	2,602	852	426	625	1,752	67.3%	280.2%
	Other	50	58	80	-	-	-	-	-	-
	Adjustment	-43	-47	-74	-88	-86	-82	-72	-	-
<b>Total</b>		<b>4,883</b>	<b>4,362</b>	<b>6,543</b>	<b>4,696</b>	<b>3,263</b>	<b>3,627</b>	<b>4,623</b>	<b>70.7%</b>	<b>127.5%</b>

(JPY MM)

\*1 : As a result of the organizational restructuring, some businesses were changed their segment from the Investment and Incubation Business to the Life Event Business from the third quarter of FY2023.9.

\*2 : Da Vinci Studio Co., Ltd. merged into Zaim Inc. on July 1, 2023, and the sales 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.

\*3 : The Investment and Incubation Business started consolidating P/L of Gold Eggs Inc. in the second quarter of FY2024.9.

# Consolidated Quarterly Financial Results – OP by Segment

- In the Daily Life Business, profit decreased quarter-on-quarter due to sluggish growth in the Tokubai business and delays in cost reduction effects
- The Life Event Business recovered from the delays in the first half, and the Investment and Incubation Business recorded a gain on the sale of operating investment securities

		FY2023.9				FY2024.9				
		Q1	Q2	Q3 *1	Q4 *2	Q1	Q2 *3	Q3	YoY	QoQ
Operating profit	Daily Life Business	250	251	143	183	163	182	144	100.6%	79.2%
	Life Event Business	109	132	192	246	8	80	231	120.5%	289.0%
	Investment and Incubation Business	405	53	983	107	-58	-12	460	46.8%	-
	Other	-61	-44	-44	-	-	-	-	-	-
	Adjustment	-269	-242	-252	-263	-231	-297	-329	-	-
<b>Total</b>		<b>433</b>	<b>151</b>	<b>1,023</b>	<b>274</b>	<b>-117</b>	<b>-47</b>	<b>507</b>	<b>49.6%</b>	<b>-</b>

(JPY MM)

\*1 : As a result of the organizational restructuring, some businesses were changed their segment from the Investment and Incubation Business to the Life Event Business from the third quarter of FY2023.9.

\*2 : 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.

\*3 : The Investment and Incubation Business started consolidating P/L of Gold Eggs Inc. in the second quarter of FY2024.9.

# Consolidated Financial Results B/S

	As of end-Sep. 2023	As of end-Jun. 2024	Change	Change factors
Current assets	14,122	10,653	-3,469	
(Cash and deposits)	9,405	4,455	-4,949	<ul style="list-style-type: none"> <li>• Cash and deposits decreased by 4,949 million yen due to acquisition of subsidiary shares, repayment of borrowings, and share buyback, etc.</li> </ul>
(Operational investment securities)	1,334	1,360	26	
(Real estate for sale)	1,232	1,243	11	
(Other current assets)	525	2,419	1,893	
Non-current assets	6,851	6,800	-50	<ul style="list-style-type: none"> <li>• Other current assets increased by 1,893 million yen due to an increase in deposits of investment funds, etc.</li> </ul>
(Goodwill)	3,591	3,627	36	
(Investments and other assets)	1,795	1,795	0	
<b>Assets</b>	<b>20,973</b>	<b>17,453</b>	<b>-3,519</b>	
Liabilities	9,376	7,120	-2,255	<ul style="list-style-type: none"> <li>• Short-term and long-term borrowings decreased by 1,568 million yen.</li> </ul>
(Short-term and long-term borrowings)	5,349	3,781	-1,568	
Net assets	11,596	10,333	-1,263	<ul style="list-style-type: none"> <li>• Capital surplus increased by 979 million yen due to the transfer of increased capital and capital reserves related to the stock exchange, etc.</li> <li>• Treasury stock increased by 1,075 million yen due to share buyback by the end of June, etc.</li> <li>• Non-controlling interests decreased by 1,218 million yen due to making Kufu Sumai Consulting (formerly HyAS) a wholly owned subsidiary, etc.</li> </ul>
(Capital stock)	13	30	16	
(Capital surplus)	8,452	9,431	979	
(Retained earnings)	1,739	1,744	4	
(Treasury stock)	-132	-1,208	-1,075	
(Valuation difference on available for-sale securities)	-13	18	31	
(Non-controlling interests)	1,157	298	-1,218	
<b>Total liabilities and net assets</b>	<b>20,973</b>	<b>17,453</b>	<b>-3,519</b>	

\* Items in parentheses are included in totals.

(JPY MM)

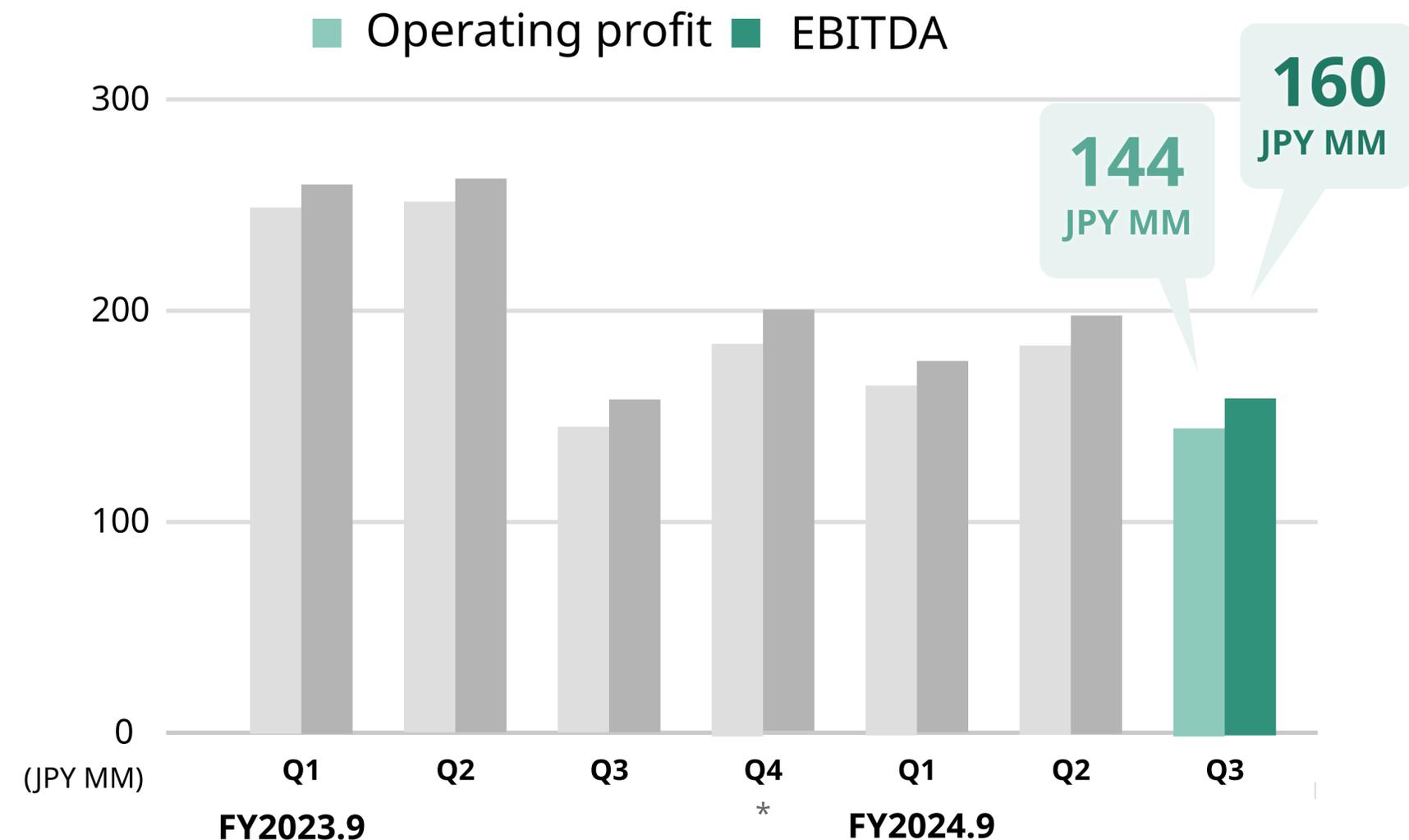
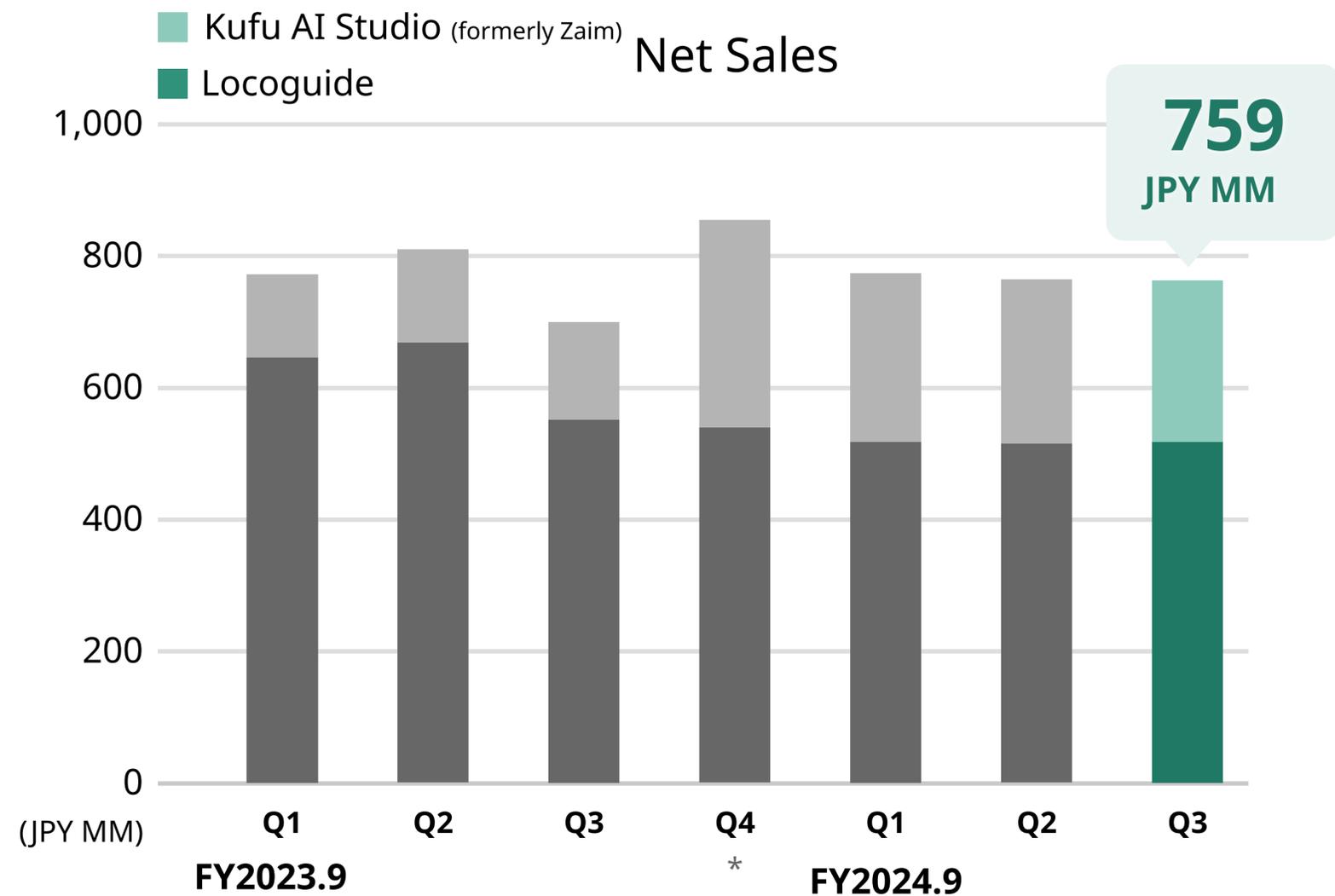
## 2. Business Overview by Segment

# Daily Life Business



# Daily Life Business – Financial Results – Quarterly Trends

- In the Tokubai business, the growth in the number of subscriber stores was sluggish
- Although efforts were made to reduce costs, the effects were hardly realized in the third quarter



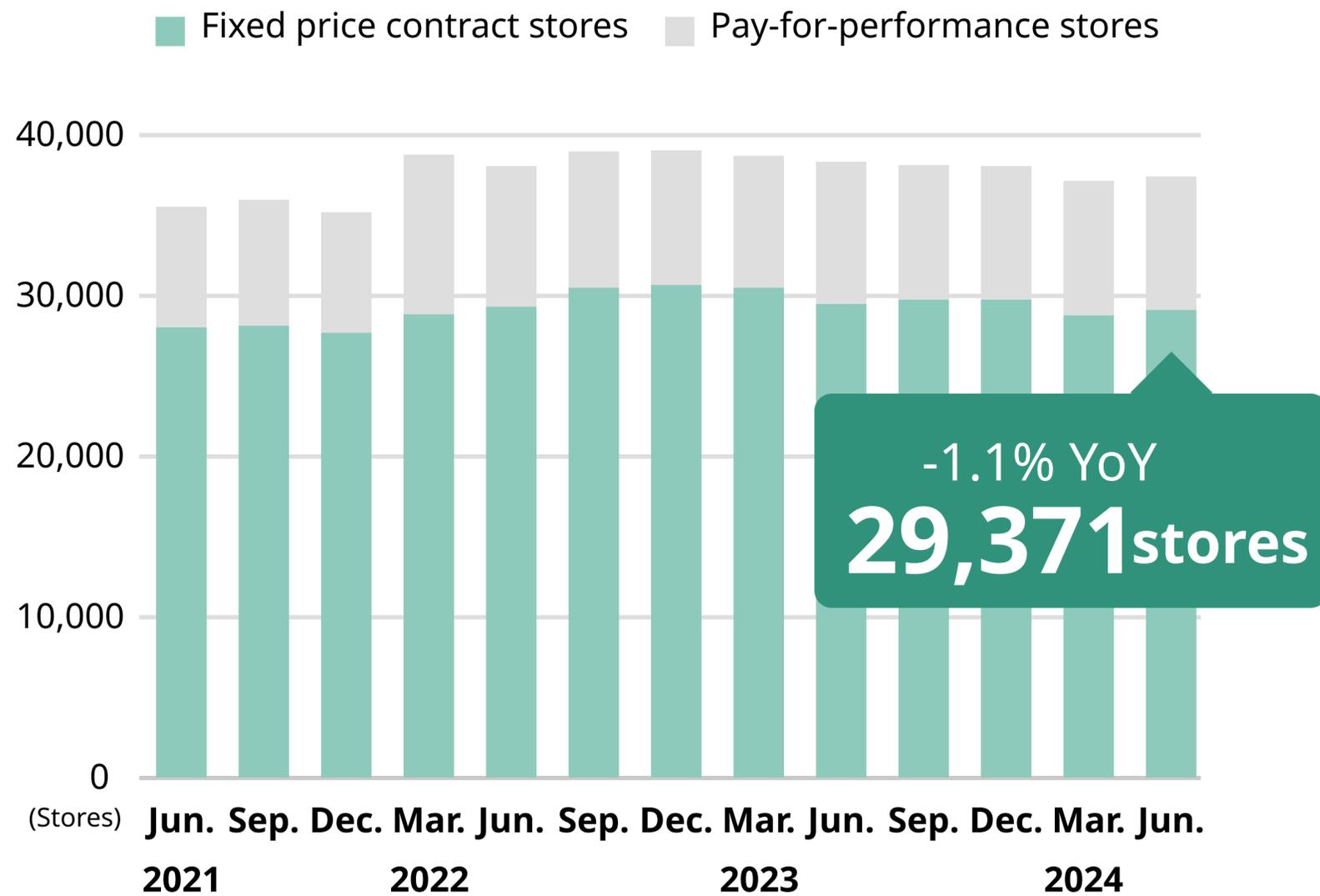
\* Da Vinci Studio Co., Ltd. merged into Zaim Inc., and Zaim Inc. changed its name to Kufu AI Studio Inc. on July 1, 2023.

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

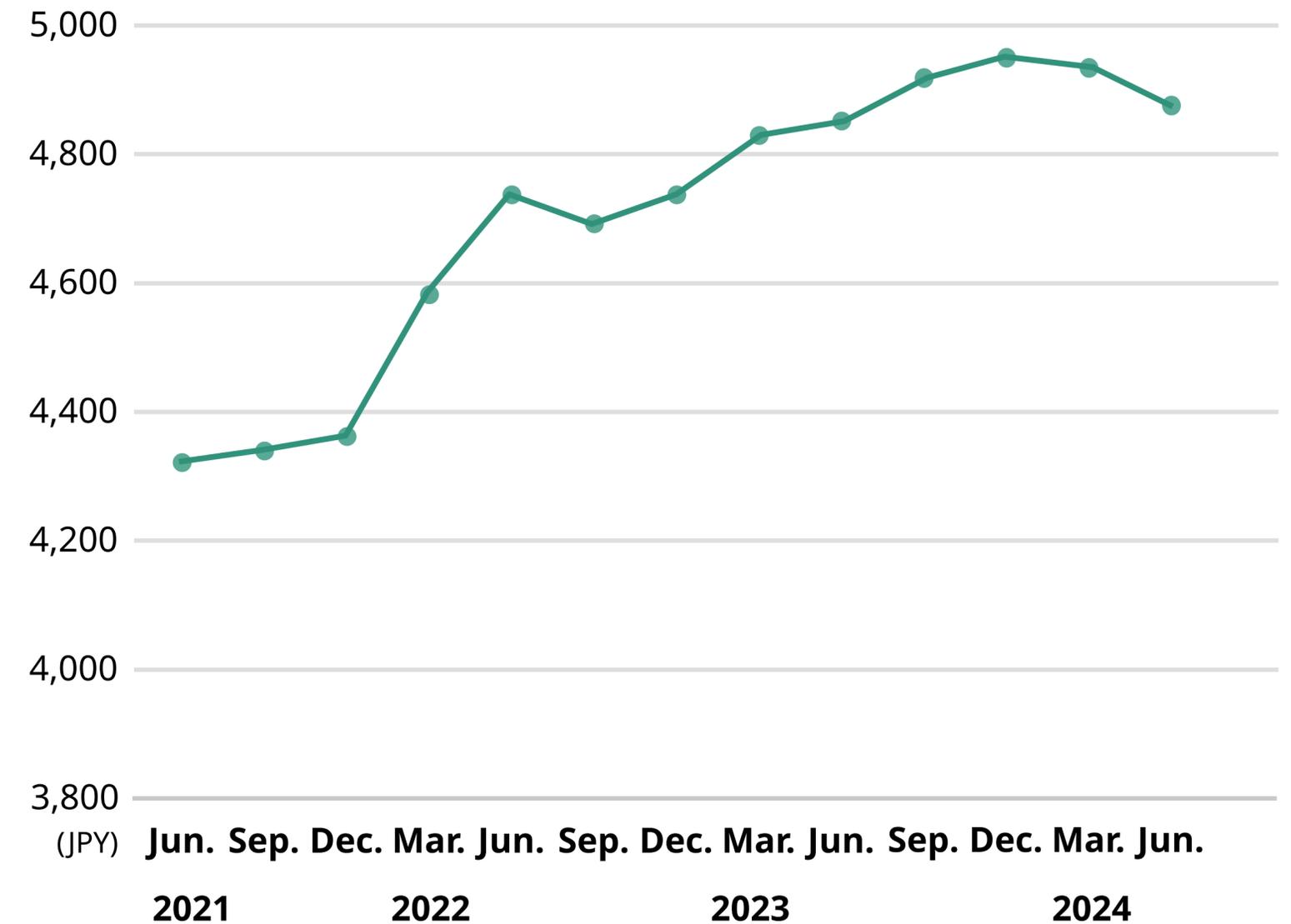


- As of the end of June 2024, there were 37,682 subscriber stores  
(stores with fixed price contracts were down 1.1 % YoY to 29,371)

### Subscriber stores



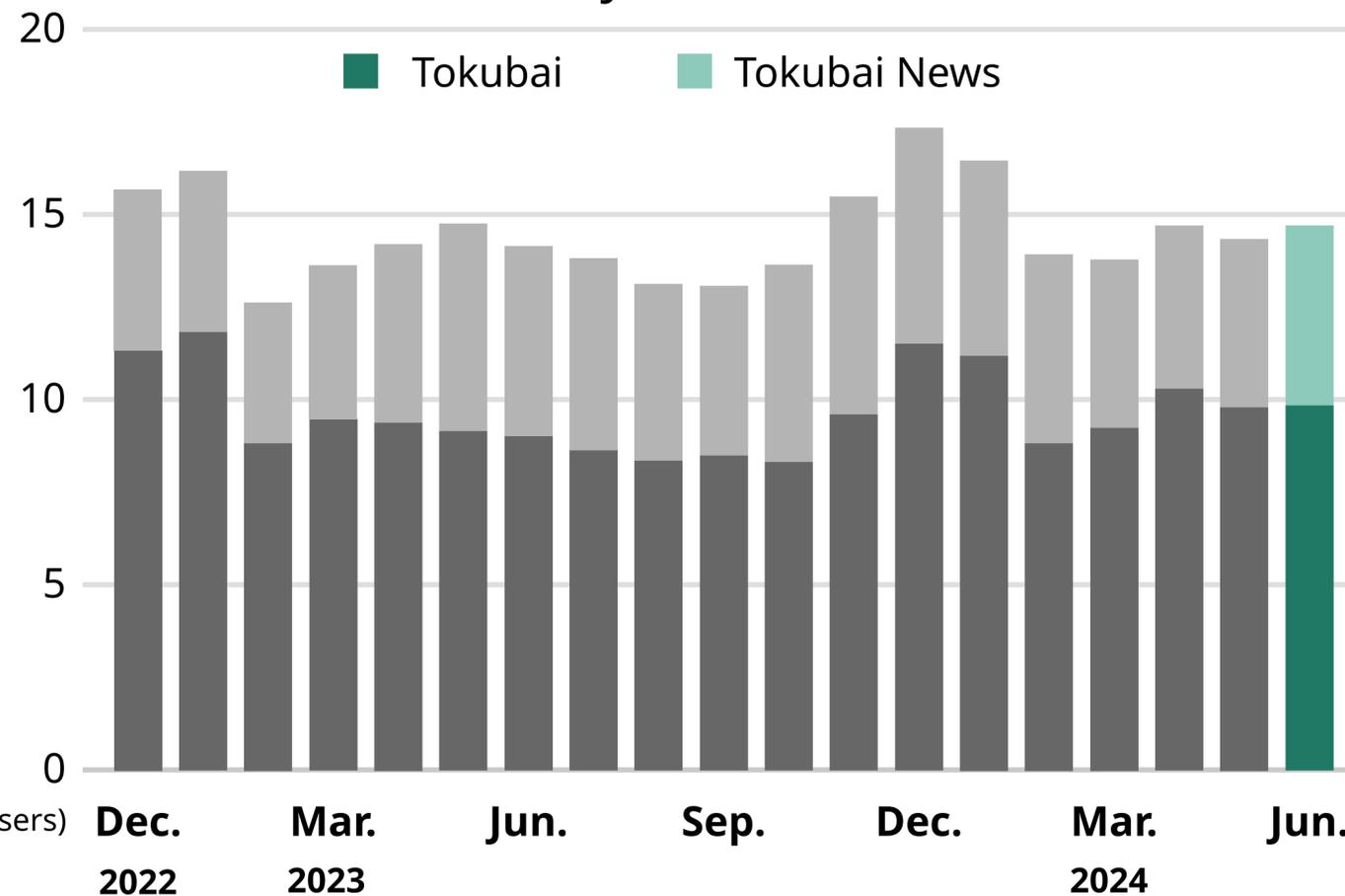
### Average unit prices at fixed price contract stores



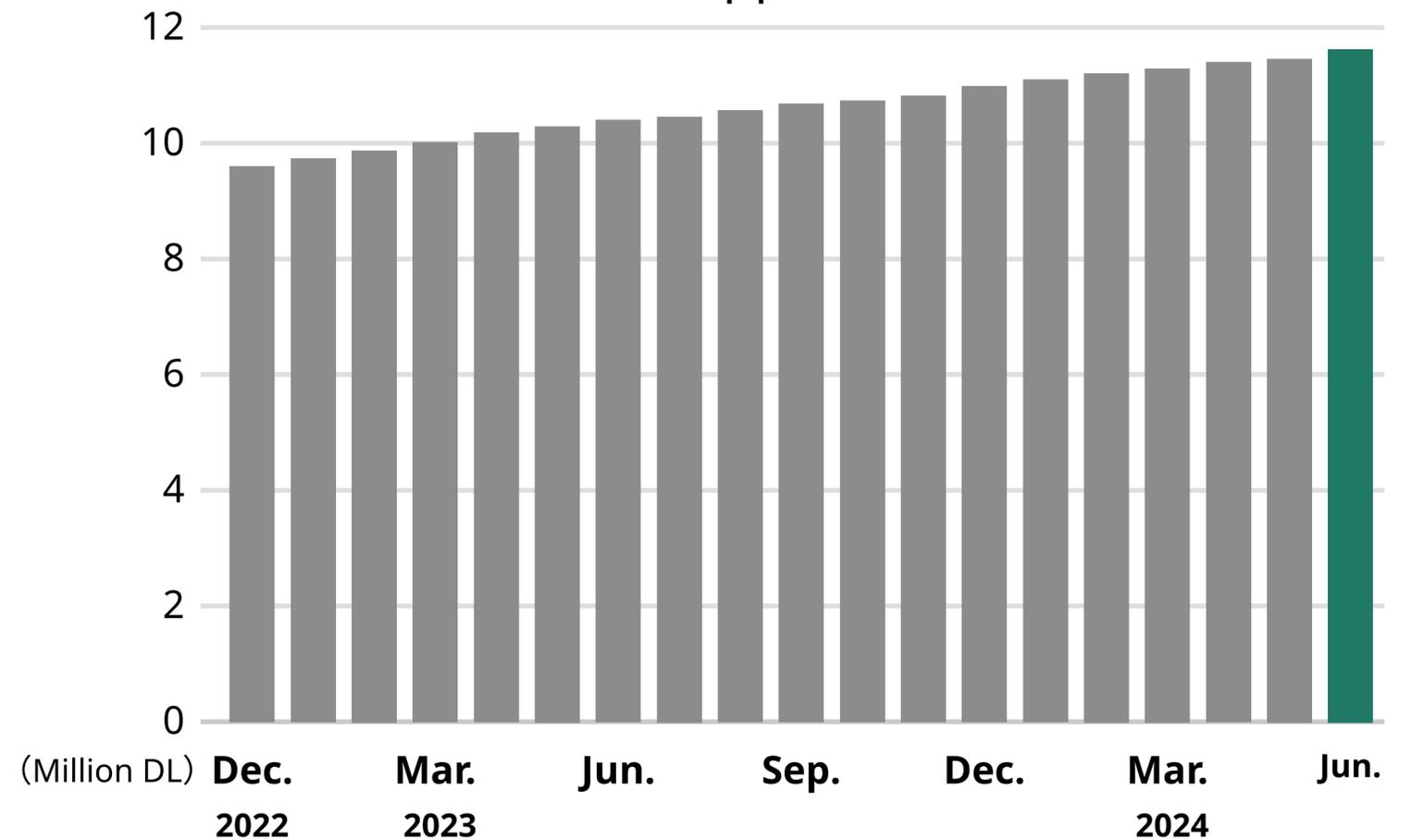
\* The number of subscriber stores and the average unit prices do not include the initiative with approximately 16,000 convenience stores.

- As of the end of June 2024, the number of monthly active users of Tokubai service was approximately 15 million, and the cumulative number of app downloads was approximately 12 million
- As of the end of June 2024, the number of core users \* was 3.64 million (3.31 million as of the end of June 2023)

### Monthly active users



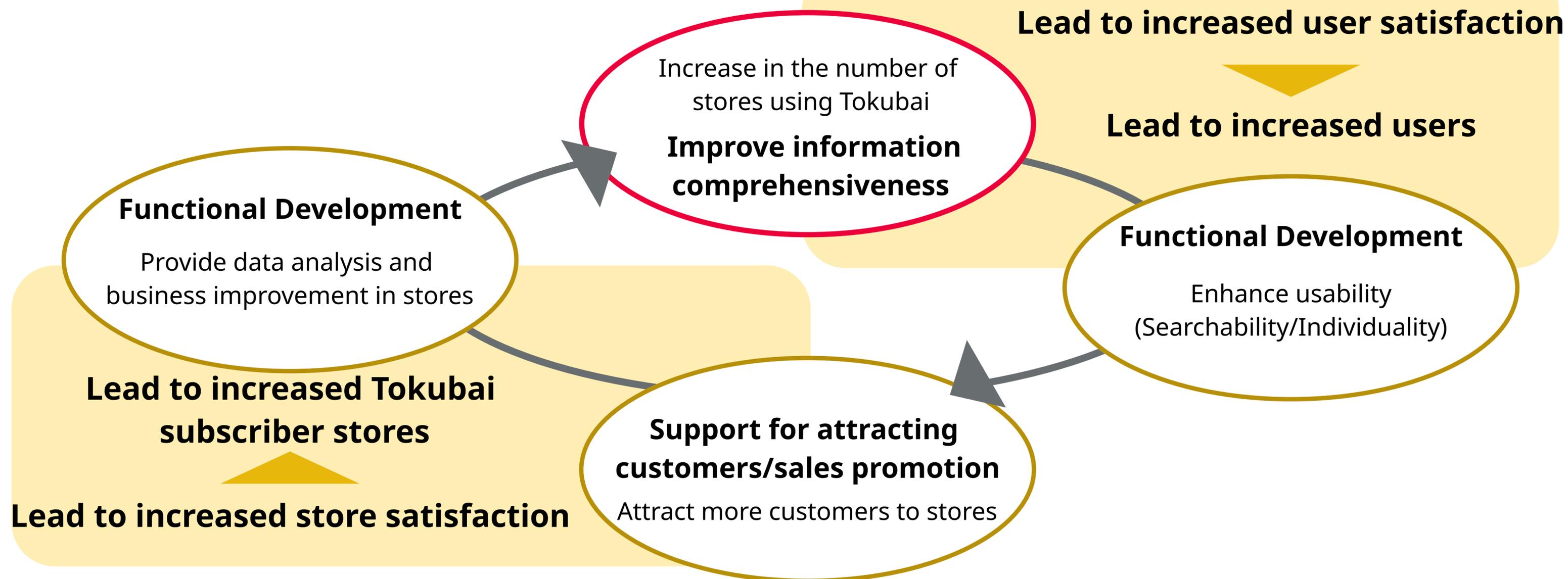
### Total app downloads



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

- The fact that “improvement of information comprehensiveness” which serves as a starting point of the growth cycle, is currently stagnant has become a bottleneck for growth
- Restructuring into a strong sales organization toward increased stores using “Tokubai” is urgently required

## Starting point of the growth cycle



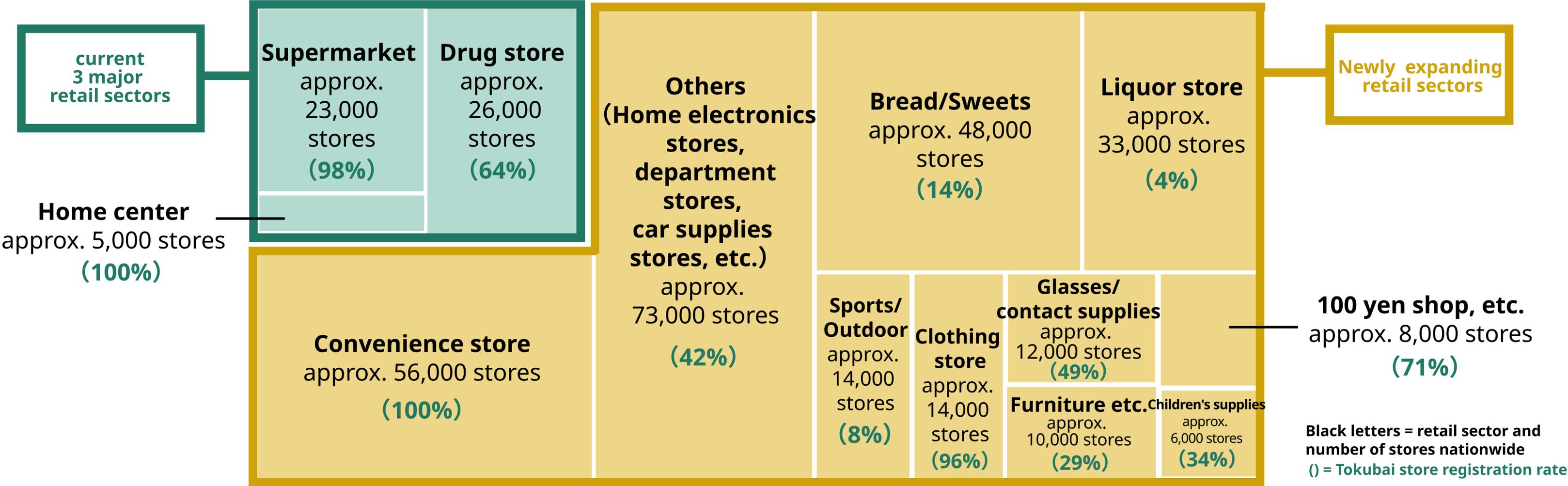
# Expanding Retail Sectors to Increase Information Posting



- In addition to supporting users' diverse shopping activities, we will strengthen sales promotion support for each retail sector

**Total market for focus retail sectors (approx. 25 sectors): approx. 330,000 stores \***

**Number of stores registered for Tokubai service as of end-June 2024:  
approx. 170,000 stores (registration rate 52%)**



Black letters = retail sector and number of stores nationwide  
( ) = Tokubai store registration rate

\*Calculated by our company based on Ministry of Internal Affairs and Communications "Economic Census", published values by associations of each retail sector and other research companies, etc.

# Focusing on Improvement of Information Comprehensiveness in Each Retail Sector

- We are currently enhancing the coverage rate of Tokubai registered stores in the retail sectors following supermarkets, drug stores, and home centers
- We will realize the improvement of information comprehensiveness and business growth, through an increase in the number of stores using Tokubai and the amount of information posted per store

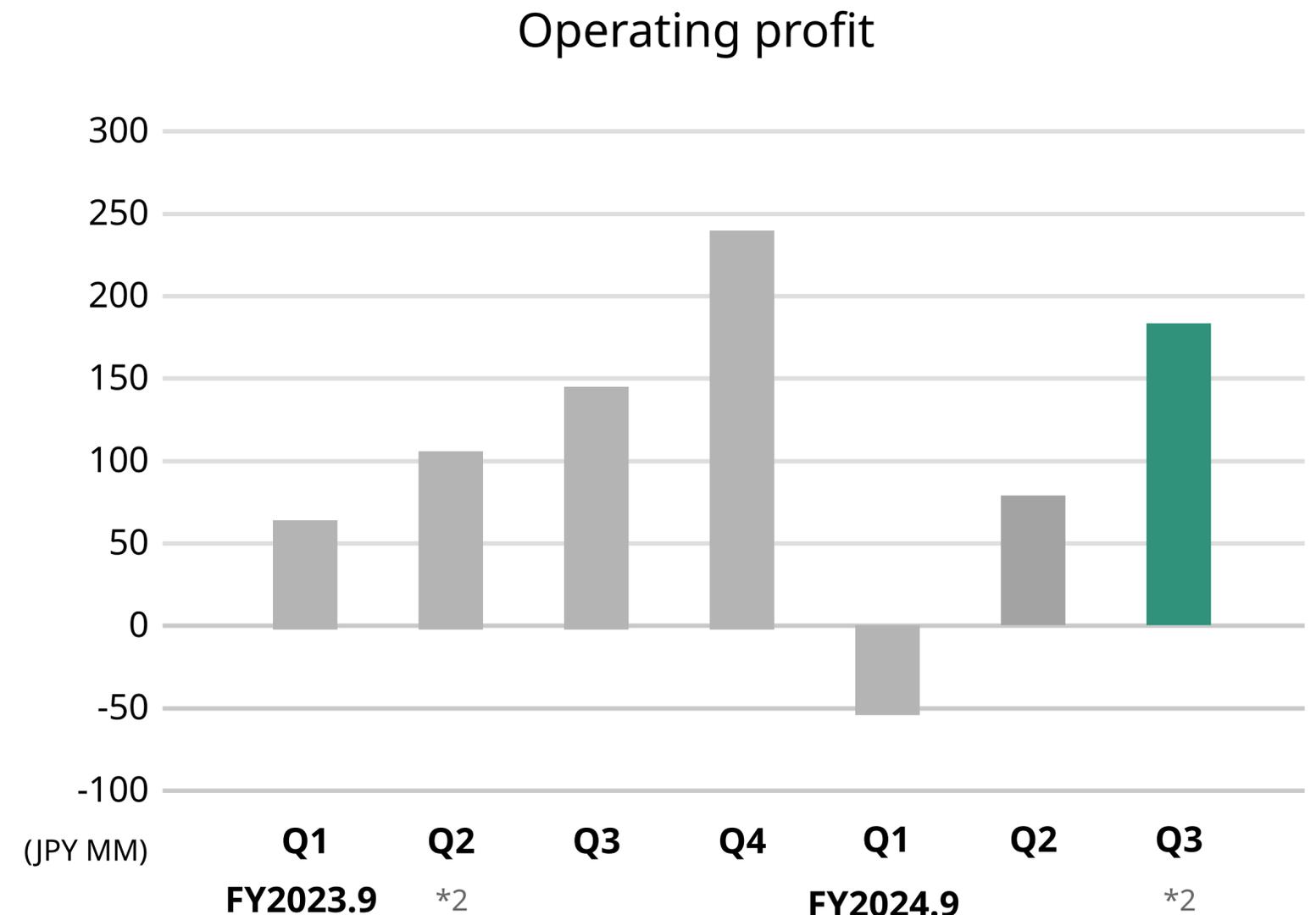
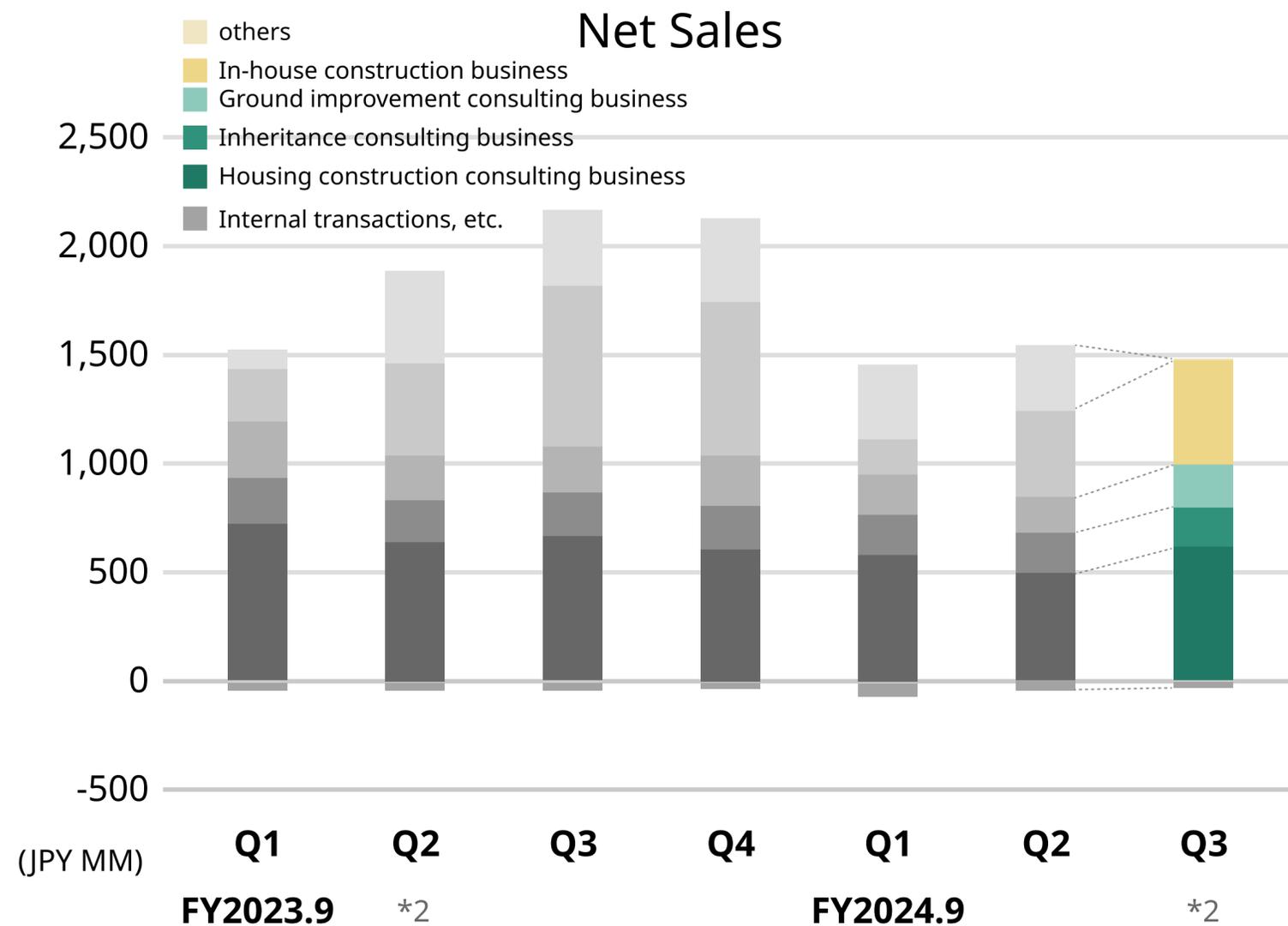


**We will expand our business,  
while improving information  
comprehensiveness**

# Life Event Business



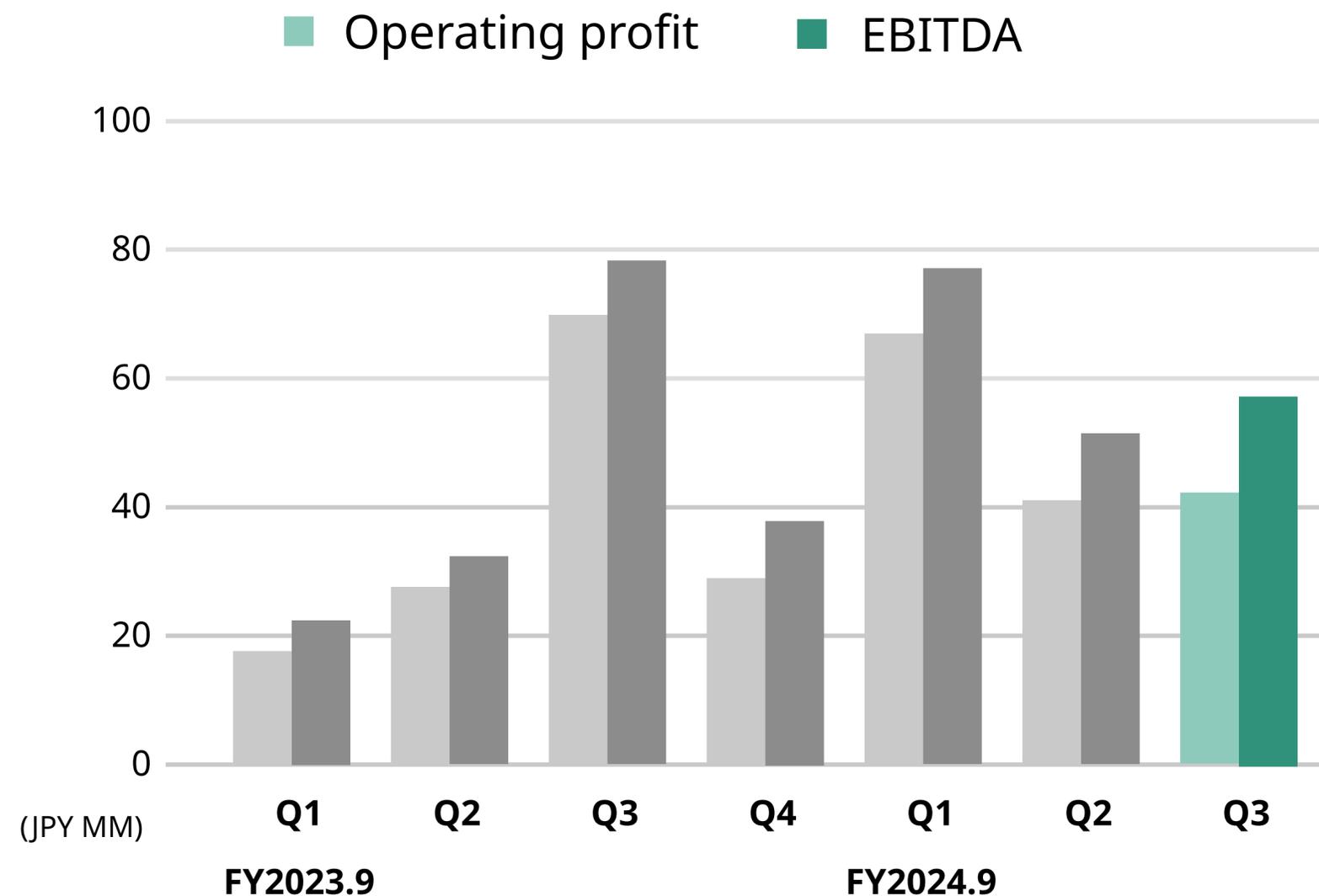
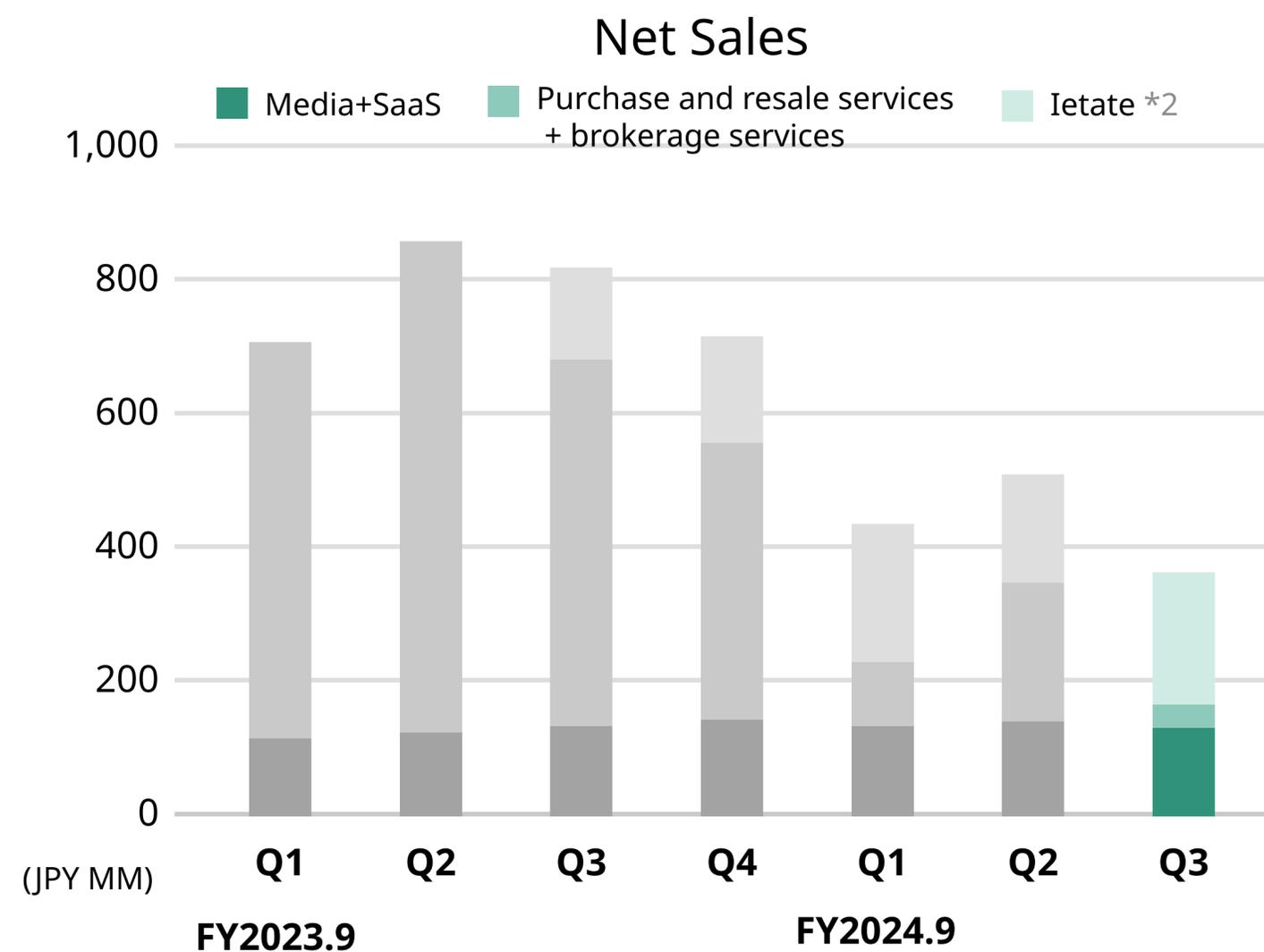
- Although market conditions continue to be severe, the housing construction consulting business has had a certain effect on attracting customers on the web
- Delivery delays in the in-house construction business have almost been resolved, and deliveries are expected to be concentrated in the fourth quarter
- OM Solar was excluded from consolidation from the third quarter due to a stock transfer, and profitability is improving as a result of continuous efforts to liquidate unprofitable businesses since the previous fiscal year



\*1 : HyAS & Co. Inc. became wholly owned subsidiary on February 1, 2024 and changed its name to Kufu Sumai Consulting Inc. on August 1, 2024.

\*2 : P/L of OM Solar, Inc. was consolidated starting from the second quarter of FY2023.9, and it was excluded from consolidation from the third quarter of FY2024.9 due to a stock transfer.

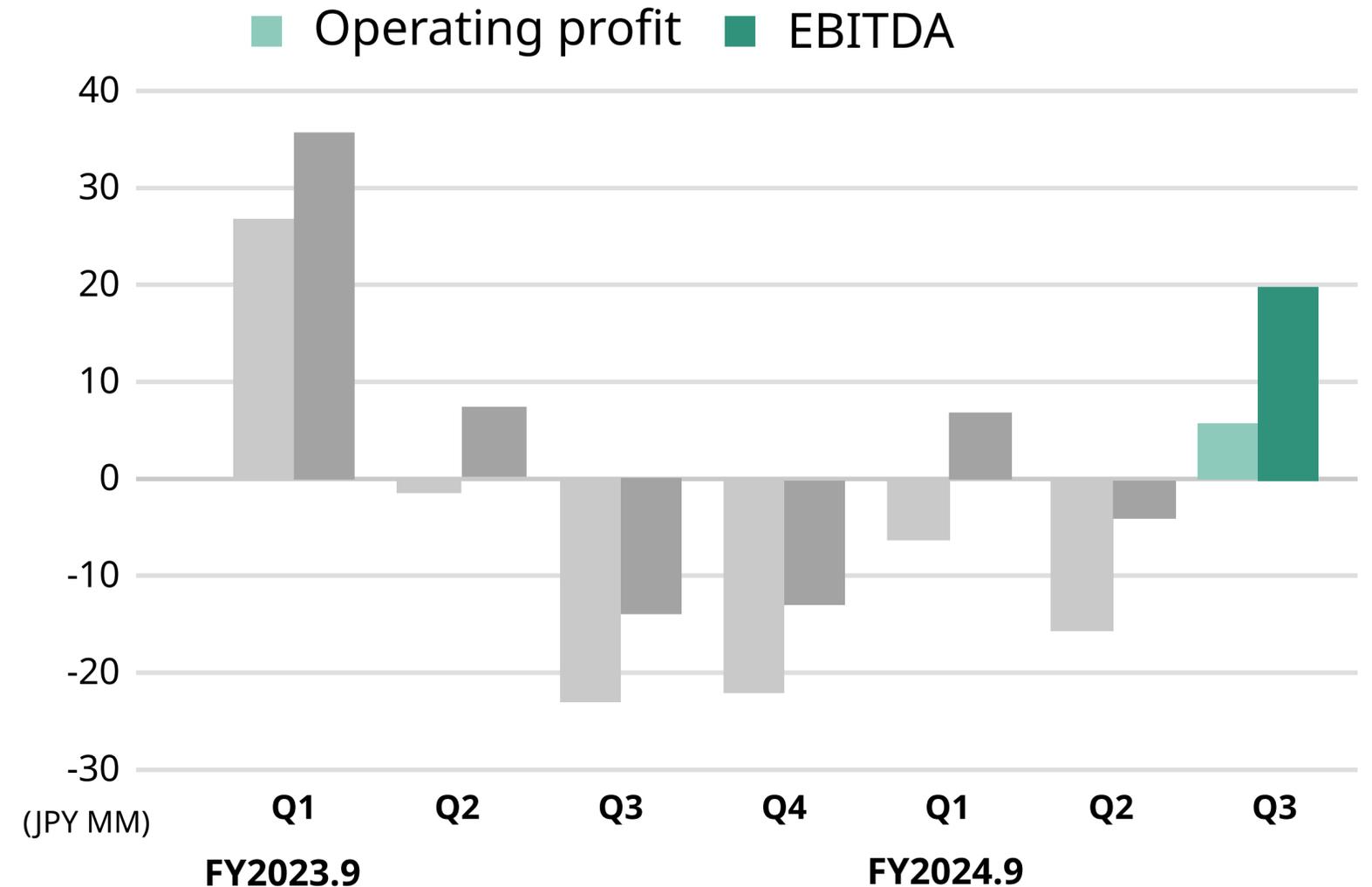
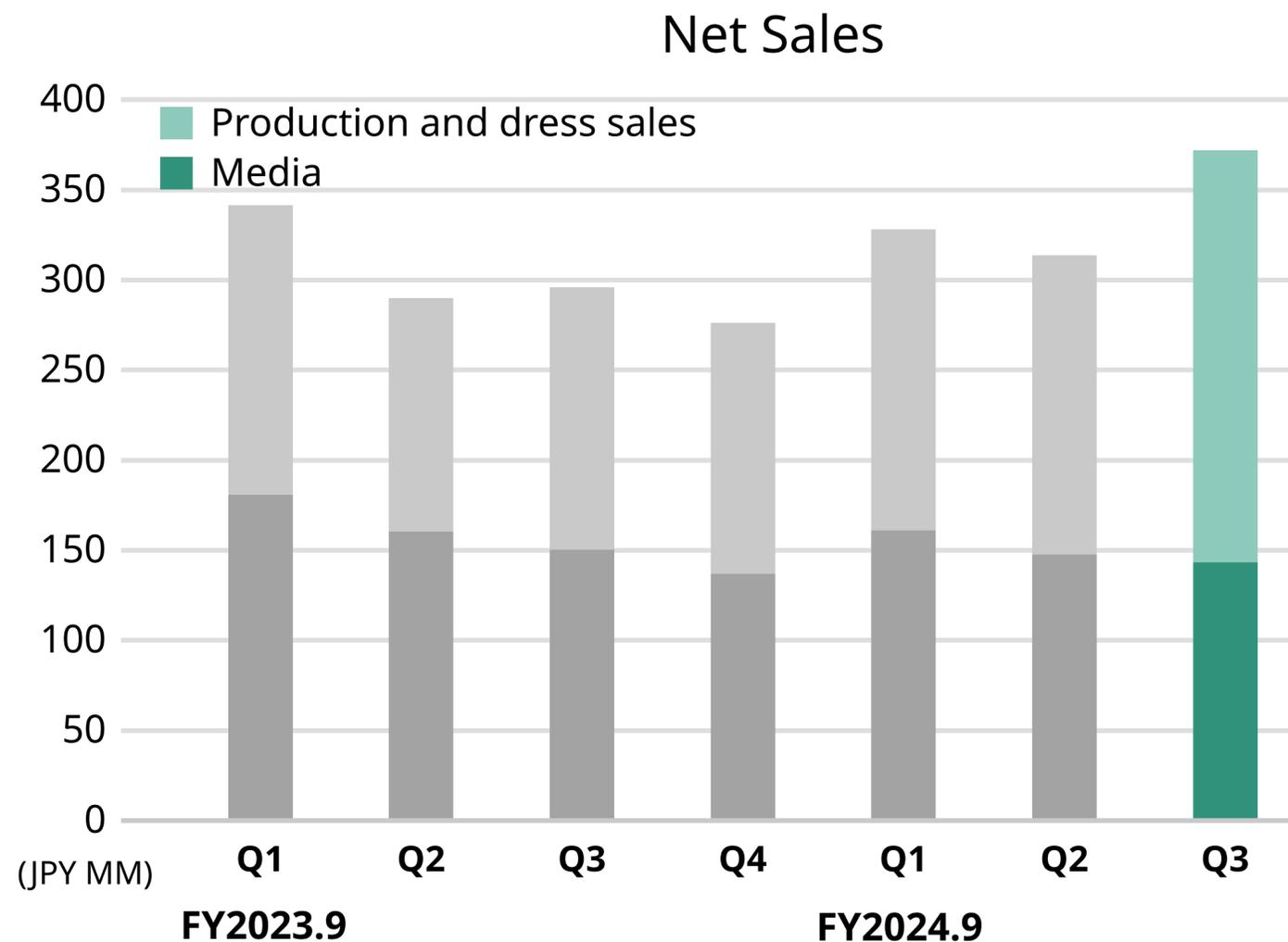
- Sales of SaaS tools remained steady
- An increase in the number of contracts concluded at the consultation counters in the "Ietate" business contributed to business results, and the number of consultations increased at existing counters and new counters (2 opened in March, 1 opened in April)
- Purchase and resale services made progress in reducing inventory, which has been underway since the previous fiscal year



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

- Steady progress toward full-year profitability
- Although market conditions in the media business were tough, we acquired the web invitation service business in May 2024 and are promoting product expansion to strengthen profitability
- In the wedding producing business, the number of weddings held increased and orders remained steady



## Being 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 contracted 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

## 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=**

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