



TAKU

SCREEN-FREE SMART TOYS FOR KIDS

Executive Summary

WHAT WE DO:

- Takiu is a safe fun screen-free WIFI-based toy for kids aged 3 to 12 that can send/receive voice messages to/from grownups' smart devices, play audio files from a library, and more.
- We are focused on the dolls, plush toys, and young electronics market (\$5B USD/YR in the U.S. and \$1B USD/YR in Vietnam).

CURRENT STATUS

- We are pre-revenue, having a functional prototype and a strategic partner on board.
- We are seeking \$25K in funding to run our marketing campaign and the first production batch of 500 units.

TEAM EXPERIENCE



For questions and inquiries, please contact Kelly at kelly@takiu.com or kelly.tran.ha@gmail.com



SCALABLE
IDEA THAT SOLVES
PREVALENT PROBLEMS



LARGE GROWING
MARKET LOCALLY
AND GLOBALLY



STRATEGIC
PARTNERSHIP TO
SCALE THE
BUSINESS FAST



STRONG TEAM
WITH RELEVANT
EXPERTISE

Meet our team!



Ha "Kelly" Tran

CEO
KPMG, HSBC

B.B.A, Finance and Accounting
Villanova University, School of Business



Tu "Clarke" Nguyen

CTO
Sea (Garena), Google, Misfit (Fossil)

B.S., Computer Science
HCMC University of Science



Thai Minh

Software Engineer
Sea, KMS Inc, Chopp Inc, Connekt

B.S., Computer Science
HCMC University of Science



Quan To

Software Engineer
Sea, Misfit, ACM Finalist
B.S., Computer Science
HCMC University of Science



Long Vu

Firmware Engineer
Hubble Connected, EduNet, AMPM
B.S., Control and Automation
HCMC University of Technology



Cuong Le

Advisor
Trade60, SIG, Mashape, Chute



Nga Nguyen

Advisor
WowLen

CHILDREN NEED A KID-FRIENDLY DEVICE FOR COMMUNICATION, EDUCATION, AND ENTERTAINMENT



Children want to **connect** with their loved ones, **learn** about the world, and **have fun**.



Working parents are always **on the go**. Extended families **live apart** from each other. Grownups cannot always be there for their children.



Children under 10 should not own a phone because of **security-, health-, and vision-related** concerns.

(further explanations and information can be found in Appendix 1)



Our solution **TAKIU**

A safe fun screen-free WIFI-based messaging toy for kids



handmade,
various
designs to
choose from



engaging
and
interactive
for kids



easing the
concerns
of parents

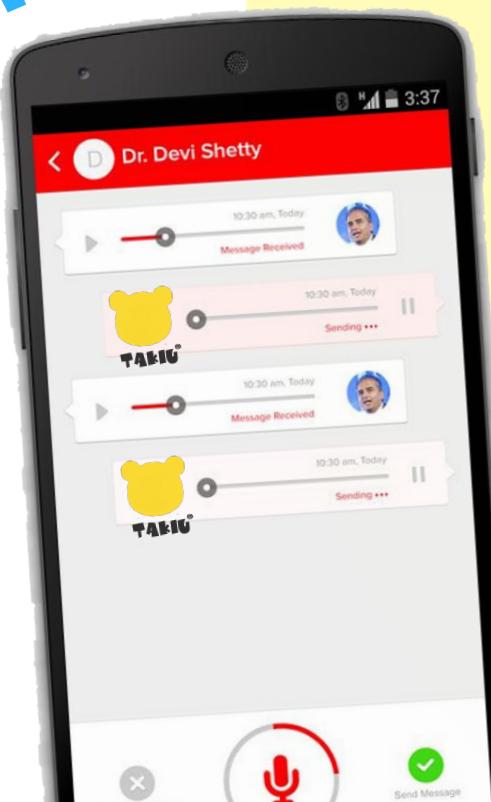
With a click of a button, children as young as 3 can:

- **Send and receive** voice messages to grownups and friends
- **Sing along** to a fun song
- **Listen to** a bedtime story
- **Learn** foreign words
- **Count** numbers
- **Know** the alphabet
- **And more!**

Takiu keeps your babies from the glaring screens of smartphones and tablets!



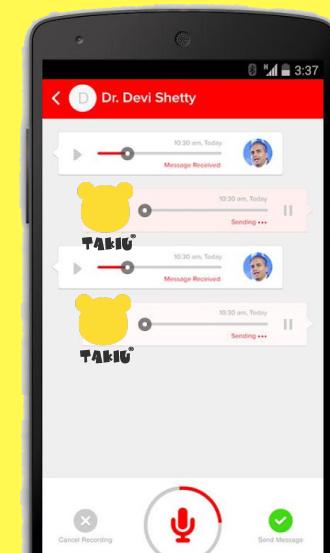
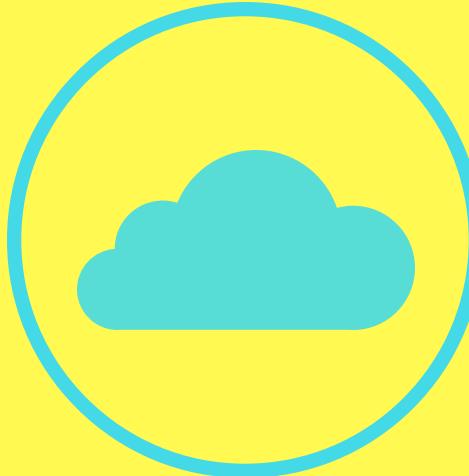
How it works



- The hidden component (**TakiuBody**) fits perfectly inside any Takiu dolls. It is removable and compatible with smartphones and tablets.
- With the **TakiuApp**, users can receive and send voice messages, as well as get access to an extensive library of music, lessons, and stories.
- The doll skin can be washed and changed easily.



TakiuBody, Cloud Service, and TakiuApp



TakiuBody

- Receive voice messages
- Send voice messages
- Play audio files from library
- Connect to smartphones and tablets with a unique TakiuID
- Secure data with end-to-end encryption

Extensive library of:

- Bedtime stories
- Lullabies
- Audio children's books
- Popular songs
- Karaoke songs
- Language lessons

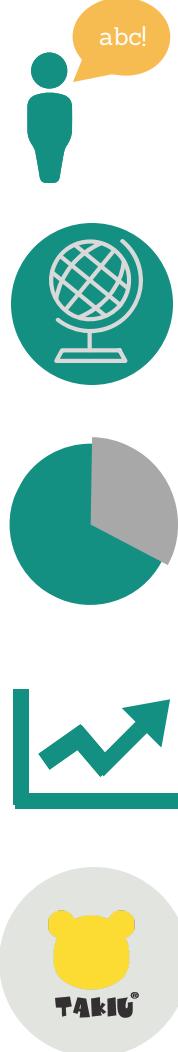
in Vietnamese and English

TakiuApp (iOS and Android)

- Receive voice messages
- Send voice messages in different pitches (original, animals, characters, etc.)
- Browse library
- Control registered TakiuBody with a unique TakiuID
- Secure data with end-to-end encryption

Market Validation

Source: childstats.gov, the NDP Group, statista.com, thanhnien.vn



CHILDREN
UNDER 12

TOTAL
AVAILABLE
MARKET

SERVICEABLE
AVAILABLE
MARKET

AVERAGE
GROWTH RATE

SHARE OF
MARKET

PROJECTED BY
2021

Vietnam

21M
1/4 POPULATION

\$5B
USD/YR

\$1B
USD/YR

15%
YOY

\$10M
USD/YR
(1% of available market)

United States

50M
1/6 POPULATION

\$27B
USD/YR

\$5B
USD/YR

10%
YOY

\$25M
USD/YR
(0.5% of available market)

TOTAL TOY
MARKET

DOLLS, PLUSH
TOYS, AND YOUNG
ELECTRONICS

(further information about the U.S. toy market and trend in the
toy market can be found in Appendix 2 and 3)



Our strategic partner **WOWLEN**



We have partnered with **Wowlen** (wowlen.vn), a leading high-end handmade toy company in Vietnam to produce **Takiu** dolls with the best designs and highest quality as well as to scale our startup fast.

Wowlen will open its first store in the U.S. in 2019.

(further information about Wowlen and other potential partners can be found in Appendix 4A and 4B)



Competitive landscape



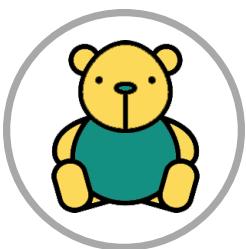
SCALABLE IDEA

that solves prevalent problems of connecting grownups and young kids without putting kids behind screens.



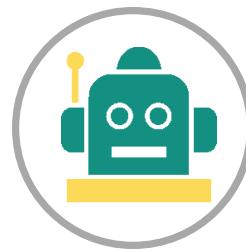
STRATEGIC PARTNERSHIP

with WowLen provides us with the economies of scale necessary to produce a wide variety of products at very competitive prices.



HANDMADE SKINS

at low labor cost (Vietnam) allow further customization, more premium feel, and higher margin.



PROGRAMMABLE PLATFORM

with open API makes it accessible for outside developers to develop features and build content (will charge 30% commission).



STRONG TEAM

of passionate entrepreneurs and engineers with needed knowledge and skills to do whatever it takes to make Takiu a success.

Vietnam



1ST TO MARKET

Takiu is the 1st screen-free messaging toy in Vietnam.

The United States

WRIST PHONE

Tinytell -

- Expensive at \$99 to \$149
- Only available on resale sites - the company will cease its operations starting Sept 2018

CONNECTED TOY

Cloudpets

- Lower-end product (\$30)
- Short range Bluetooth (requiring pairing frequently and having a phone nearby)
- 10s limit

Toymail

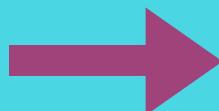
- Similar price point (\$49)
- Cannot adjust volume
- Hard to use smoothly even for adults (having three different buttons)
- Rated 1.5/5 on QVC.com

BUSINESS MODEL AND REVENUE PROJECTION (*)

Conservatively, below is the projection for our foreseeable plan that captures 1% of the available market in Vietnam.

2-4 YEARS

(Please refer to Appendix 5 for details)



\$10M (+\$7M)

*From selling
Takiu dolls*

*From other
revenue streams*

Devices

A Takiu skin with **TakiuBody** plus **free TakiuID** (send/receive messages + free limited content)

Retail price \$49

$$\$49 \times 0.2M = \$9.8M$$

(0.2M is approximately 1% of Vietnam's children under 12 population)

Other potential alternative revenue streams

- Takiu skins: Retail price \$19
 $\$19 \times 0.1M = \$1.9M$
- Unlimited Content Subscription: \$5/month
 $\$5 \times 12 \times 0.05M = \$3M$
- Partial Content Subscription (Stories/Songs/Lessons): \$2/month
 $\$2 \times 12 \times 0.1M = \$2.4M$

We will build a team to record audio content, buy content from third parties, or let people build content on our platform and charge 30% commission)

(*) Assessing the children's goods market only. There are opportunities in the gifting market also.



FUNDING AND MARGIN ESTIMATION



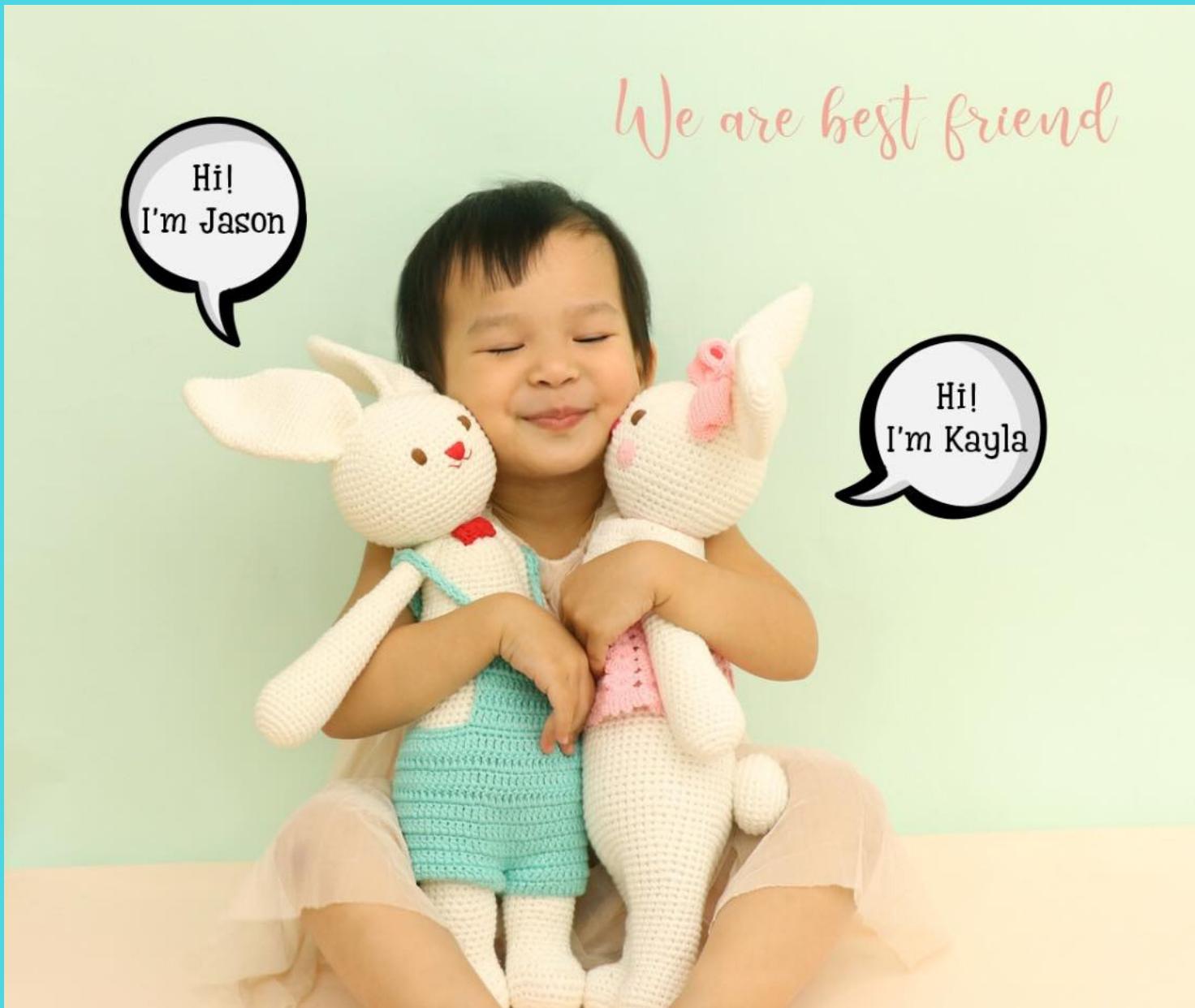
We are raising **\$25K** to fund the first production batch of 500 units.

PRODUCT COST								
Direct Materials + Manufacturing Overhead Cost	Quantity (unit)	Best-case Scenario		Worst-case Scenario		Most-likely-Case Scenario		
		Cost per unit (USD)	Cost (USD)	Cost per unit (USD)	Cost (USD)	Cost per unit (USD)	Cost (USD)	
1 Printed circuit board (PCB)	500	0.5	250	1.0	500	0.8	375	
2 Case	500	0.5	250	2.0	1,000	1.3	625	
3 Main board (including main chip)	500	4.0	2,000	7.0	3,500	5.5	2,750	
4 Audio chip, microphone, and speaker	500	2.0	1,000	4.0	2,000	3.0	1,500	
5 Doll skin (Wowlen) + Packaging	500	7.0	3,500	8.0	4,000	7.5	3,750	
6 Server			500		1,000		750	
7 Manufacturing Overhead			500		1,000		750	
Total			8,000		13,000		10,500	
Direct Labor Cost	Count	Duration (months)	Best-case Scenario		Worst-case Scenario		Most-likely-Case Scenario	
			Monthly Compensation (USD)	Cost (USD)	Monthly Compensation (USD)	Cost (USD)	Monthly Compensation (USD)	Cost (USD)
1 Hardware & Firmware Developers	2	3	700	4,200	1,000	6,000	850	5,100
Total				4,200		6,000		5,100
Total Product Cost				12,200		19,000		15,600
PERIOD COST								
	Quantity (unit)	Best-case Scenario		Worst-case Scenario		Most-likely-Case Scenario		
		Cost per unit (USD)	Cost (USD)	Cost per unit (USD)	Cost (USD)	Cost per unit (USD)	Cost (USD)	
1 Marketing	500	1.0	500	5.0	2,500	3.0	1,500	
2 Handling & Shipping	500	0.5	250	1.0	500	0.8	375	
Total Period Cost			750		3,000		1,875	
TOTAL COST				12,950		22,000		17,475
Per unit			500		25.90		44.00	
								34.95

Total units	Product Cost per unit	Period Cost per unit	Total	Margin (Retail price = \$49)
0 - 500	31	4	35	29%
500 - 5,000	25	3	28	43%
5,000 - 50,000	20	2	22	55%
50,000+	13	2	15	69%



Appendix Slides



APPENDIX 1 - HOW SMARTPHONES AFFECT CHILDREN



Parents do not let their **kids under 10** own a phone because of security-, health-, and vision-related concerns

Children are 50% more likely to experience pain in their fingers and wrists for every hour per day they play video games



Beside nearsightedness, children who spend more time in front of screens and less time outside have narrower blood vessels in their eyes - an issue linked to cardiovascular disease



The light that emits from a screen suppresses the sleep hormone melatonin, and shifts children's natural sleep-wake cycle.



61% of obese boys and 63% of obese girls reported watching videos for 2+ hours each day

Smartphones are addictive and causing mental health issues in children, even putting them at risk for suicide



Young children who own a smartphone are at greater risk of bullying, and are MORE likely to pick on others. They are also exposed to security, safety and privacy risk



In one study, students couldn't concentrate on their homework for more than TWO minutes without distracting themselves with screens.

Source: The Huffington Post, The Wall Street Journal, Forbes, and other major medias.

APPENDIX 2 - ANNUAL U.S. TOY SALES DATA

U.S. market size for the total toy industry is approximately **\$27 billion**.

Year-end sales data for 2017 shows a **1 percent increase** in domestic toy sales from 2016.

(This data is representative of retailers that participate in The NPD Group's Retail Tracking Service, representing approximately 80% of the U.S. retail market for toys. When factoring up to 100% for a total market figure, NPD estimates the 2017 U.S. market size for the total toy industry to be \$27 billion)

Traditional Toy Categories	2015	2016	2017	2015 vs 2016 % change	2016 vs 2017 % change
Grand Total	\$19.43	\$20.53	\$20.74	6%	1%
Action Figures & Accessories	\$1.46	\$1.44	\$1.37	-1%	-5%
Arts & Crafts	\$1.03	\$0.98	\$0.90	-5%	-8%
Building Sets	\$2.02	\$1.97	\$1.85	-3%	-6%
Dolls	\$2.62	\$2.90	\$3.02	11%	4%
Games/Puzzles	\$1.64	\$2.02	\$2.09	23%	3%
Infant/Toddler/Preschool Toys	\$3.11	\$3.20	\$3.24	3%	1%
Youth Electronics	\$0.62	\$0.58	\$0.59	-6%	1%
Outdoor & Sports Toys	\$3.41	\$3.73	\$3.76	9%	1%
Plush	\$1.04	\$1.17	\$1.26	13%	8%
Vehicles	\$1.43	\$1.46	\$1.42	2%	-3%
All Other Toys	\$1.07	\$1.09	\$1.25	2%	15%

*Dollar amounts shown in billions.

Source: The NPD Group, Inc.

APPENDIX 3 - Trends in the toy market

"Millennial Nostalgia": Though the generation has been defined by its obsession with technology, millennial parents (the majority of young parents in the U.S. today) are turning to classic toys and retro brands. Classic toy categories continue to perform very well – in 2017, U.S. plush sales grew 8% and doll sales were up 4%.

 Toys that Teach: "Play with a purpose" is a buzz-phrase among educators and parents ... and the toy industry has stepped up to the plate to create teaching toys in a major way.

 Parents are willing to play with children but free time is limited due to busier work schedule. Among married-couple families with children, 96.8% had at least one employed parent and 61.1% had both parents employed.

 As disposable incomes level rise while the US economy recovers from the recession, sales of higher-end toys will increase alongside a growing market for traditional and learning-oriented toys.

 Market demand in the gift industry for handmade goods has risen exponentially in the last few years. Handmade products exude warmth and a sense of love, says a new study - that's why many people prefer handmade products over machine made ones, especially when gifting one to a dear one.

Local toy market

 A wave of anti Chinese-made products (~80% market share) - scandals containing toxicity and having low quality. The first 10 pages of Google's search results for "do choi Trung Quoc" (Chinese-made toys) show negative concerns and harsh criticism from parents and major local media outlets.

 The living standard of families with kids under 10 is increasing significantly - 30 million "middle-class and above" consumers by 2020.

 Vietnam is expected to be one of Southeast Asia's leading markets for international toy brands manufacturer.

APPENDIX 4A - OUR STRATEGIC PARTNER WOWLEN



About WowLen:

- A leading high-end handmade toy company in Vietnam
- Scale: over 250 staffs
- Current capacity is 200,000 units/year.
- Products have been tested by Intertek Vietnam and received Certificate of Safety Toy for kid from year 0+.
- Products exported to Korea, Singapore, US, UK, etc.
- Will open its 1st store in the U.S. in 2019.

Our Win-Win Relationship:

Value for **WOWLEN**: gaining more sales, both domestically and internationally.

Wowlen exports most of their products overseas. They believe the technology added to the dolls can justify its high price point, especially in the domestic market.

Value for **TAKIU** : not worrying about the production of the doll skins to get lazer focus on the technology. In addition, Takiu can benefit from Wowlen's distribution channel and network in the early stage of the startup.

UNITED STATES

VIETNAM

APPENDIX 4B - FUTURE POTENTIAL PARTNERS

RETAIL



CONTENT



LICENSING



APPENDIX 5 - PATH TO SELLING 0.2M UNITS IN VIETNAM

