



Makuake

Materials for New Investors

Makuake, Inc.

| | | |
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01 Company Overview

The World Makuake Aspires For

- Guided by our vision and mission, we are striving for society enriched through the connection of the "new" that consumers seek and the "new" that companies wish to introduce to the world

Vision

Create a world where worthy things
can come to be, grow and endure

Mission

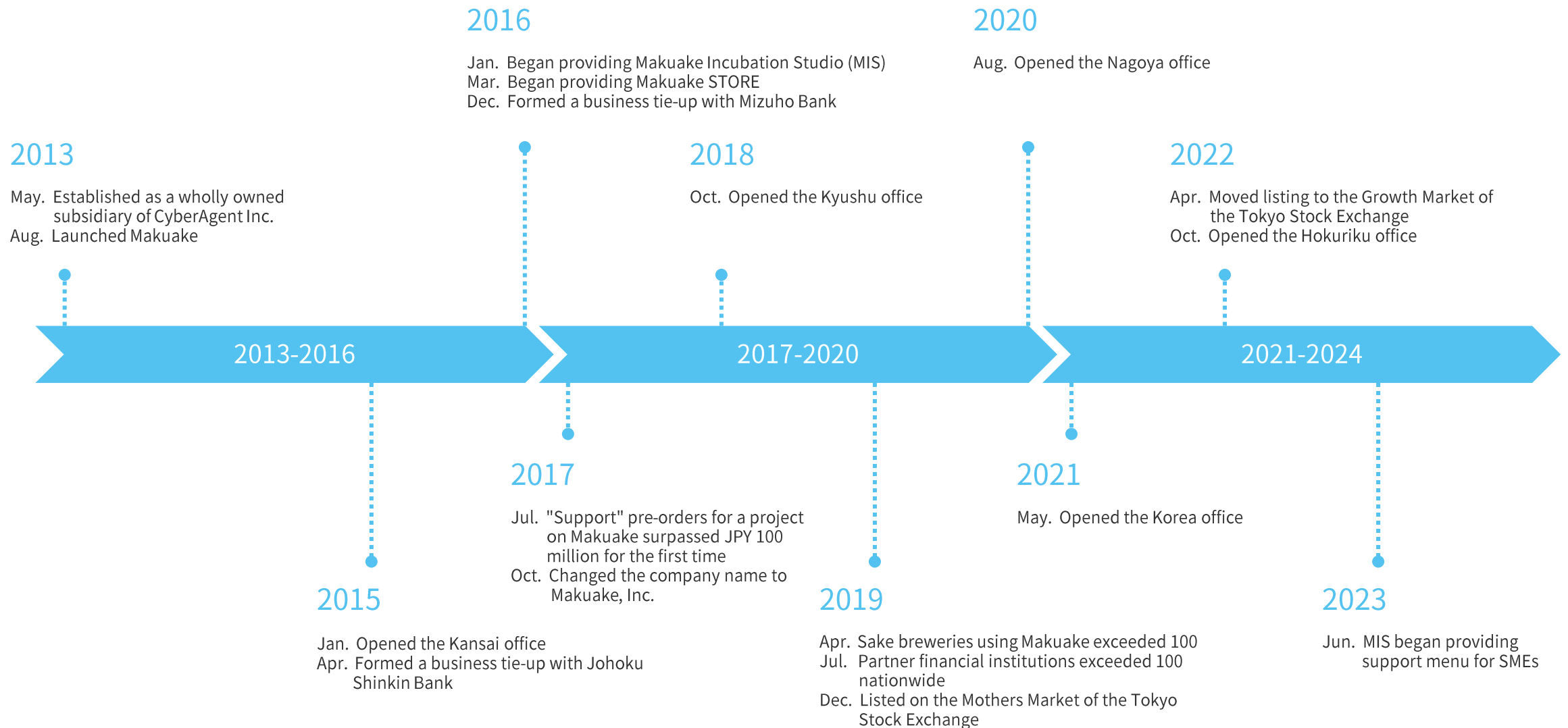
Connect the world through the
creation of the “new”

Standard

Support taking on challenges
Insist on speed
Aim for the sublime

| | |
|-----------------------|---|
| Company Name | Makuake, Inc. |
| Head Office Location | 2-16-1 Shibuya, Shibuya-ku, Tokyo |
| Listed Market | Tokyo Stock Exchange Growth Market |
| Date of Establishment | 1 May, 2013 |
| Capital | JPY 3,134 million (as of July 30, 2024) |

History



Management Team Introduction

— Non-Audit & Supervisory Committee Member Directors
— Audit & Supervisory Committee Member Directors



Ryotaro Nakayama
CEO



Kana Bogaki
Co-founder / Director



Humiaki Kiuchi
Co-founder / Director



Yohei Ikunai
Director



Go Nakayama
Non-executive Director



Hisashi Katsuya
Non-executive Director



Kuniyoshi Mabuchi
Non-executive Director



Chiaki Ashida
Non-executive Director



Noriaki Kushida
Non-executive Director



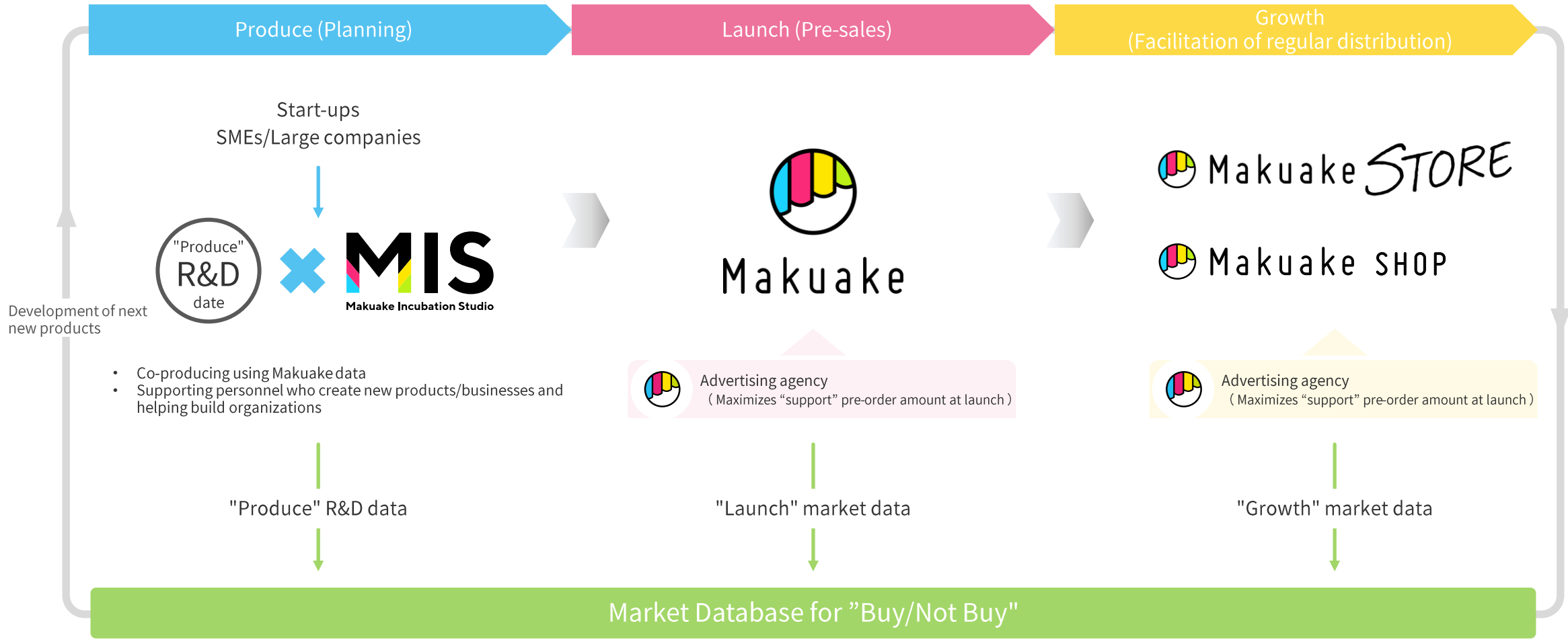
Haruki Oyama
Non-executive Director



02 Business Overview

Ecosystem of Makuake Service in the Distribution Market

- By providing wide-ranging support from new product and service planning phase to their launch and sales expansion after mass production, we accumulate various market data. Using these data, we provide businesses insights for their next new product while continuously offering consumers something new



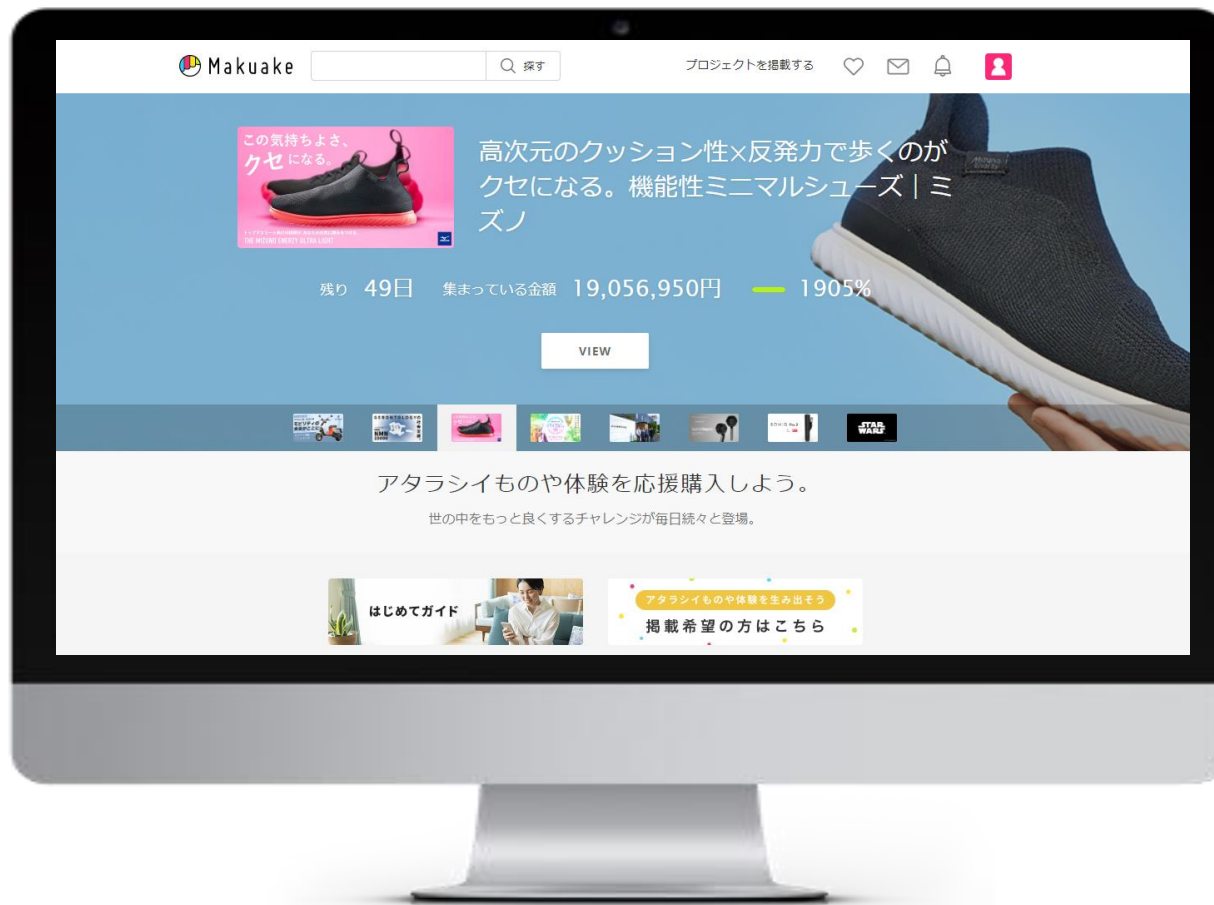


02 Business Overview

Makuake

Makuake—Venue for Launch of New Products and Services

- We are a marketplace where consumers can buy premiering new products and services faster through “support“ pre-orders



Products Launched through Makuake

- In addition to goods, a range of new products, including experiences such as new store openings and tickets to entertainment works, across a broad spectrum of genres from various regions are premiered daily on Makuake

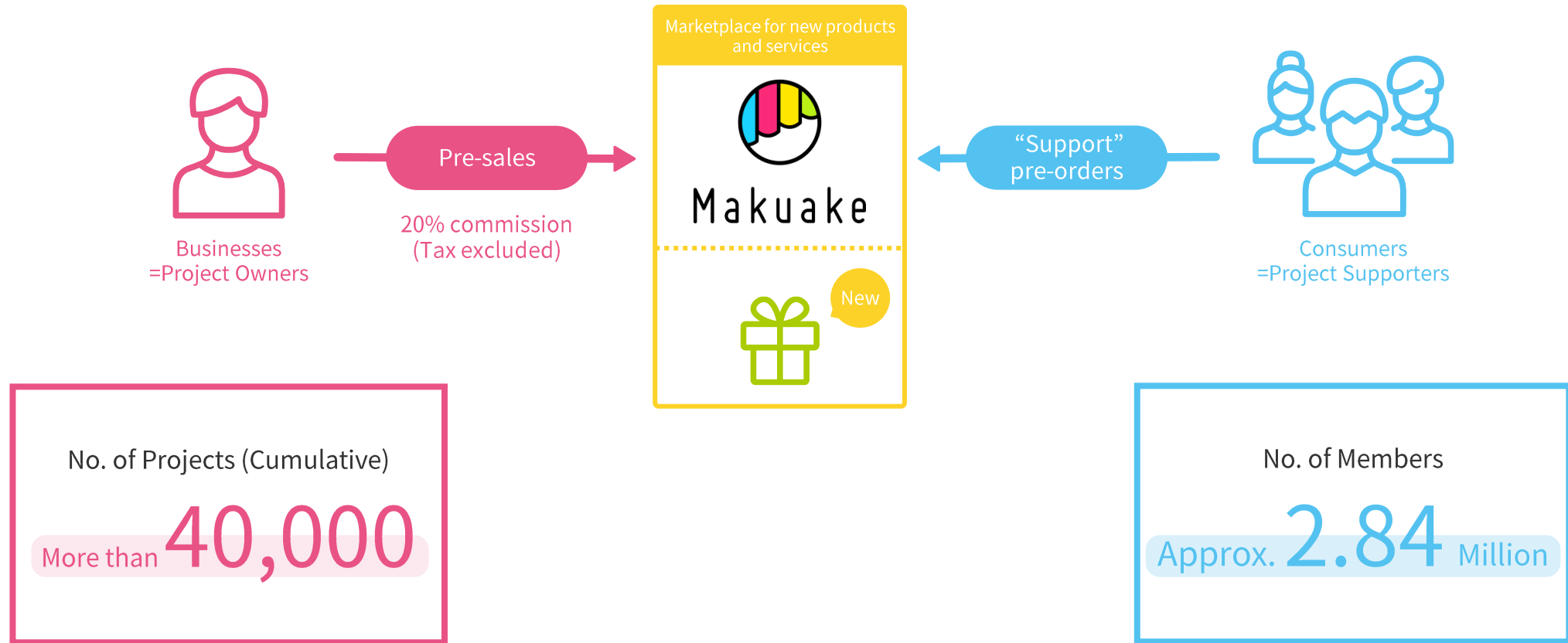
| | | | | | |
|---------|----------------------|---------------------|---------|-------------------------|--|
| | | | | | |
| | | | | | |
| Gadgets | | Alcoholic beverages | | Labor-saving essentials | |
| | | | | | |
| | | | | | |
| Fashion | Restaurants and food | | Leisure | Entertainment | |

Goods

Experiences

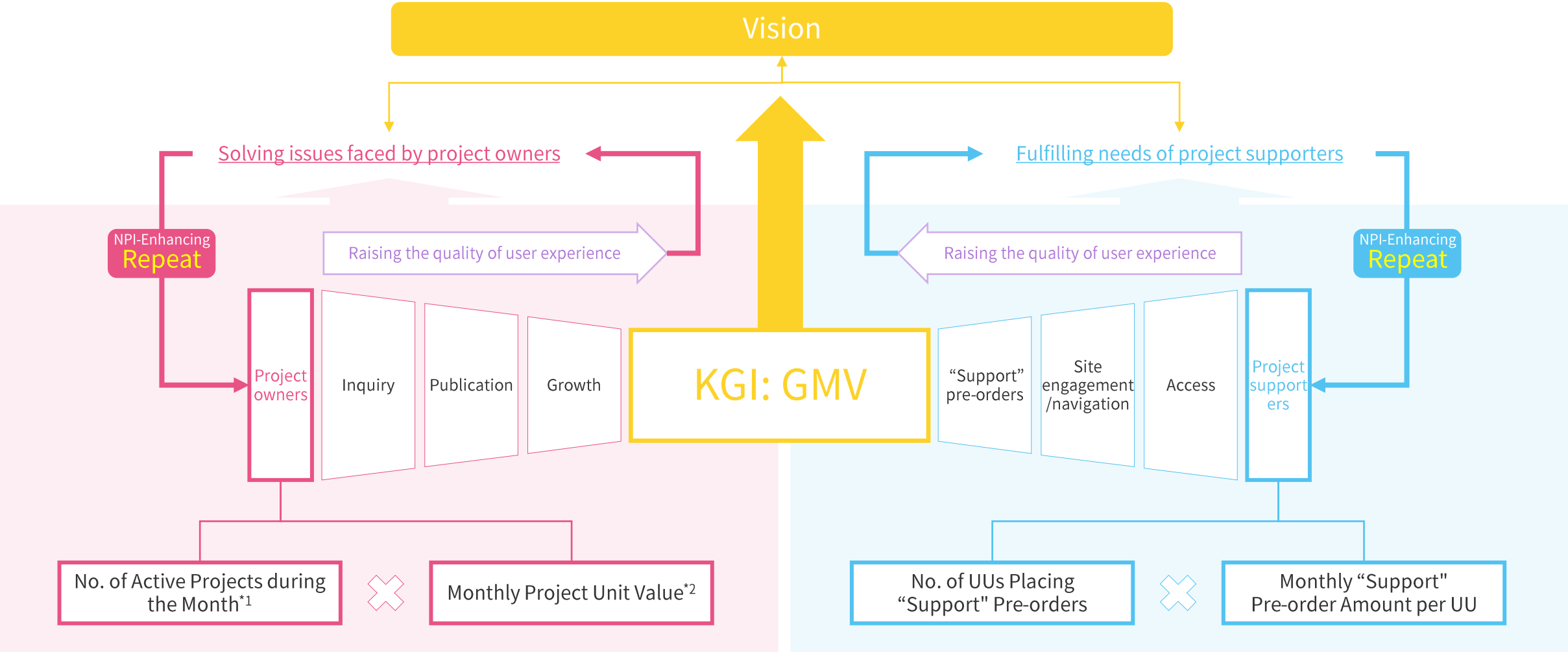
Makuake's Business Model

- Businesses can pre-sell their new products and services still in the planning phase on Makuake, while consumers, in the spirit of cheering on, can pre-purchase their products of interest through “support” pre-orders. We receive a 20% commission on sales of projects pre-sold on Makuake



Factor Analysis of Makuake's Service Structure

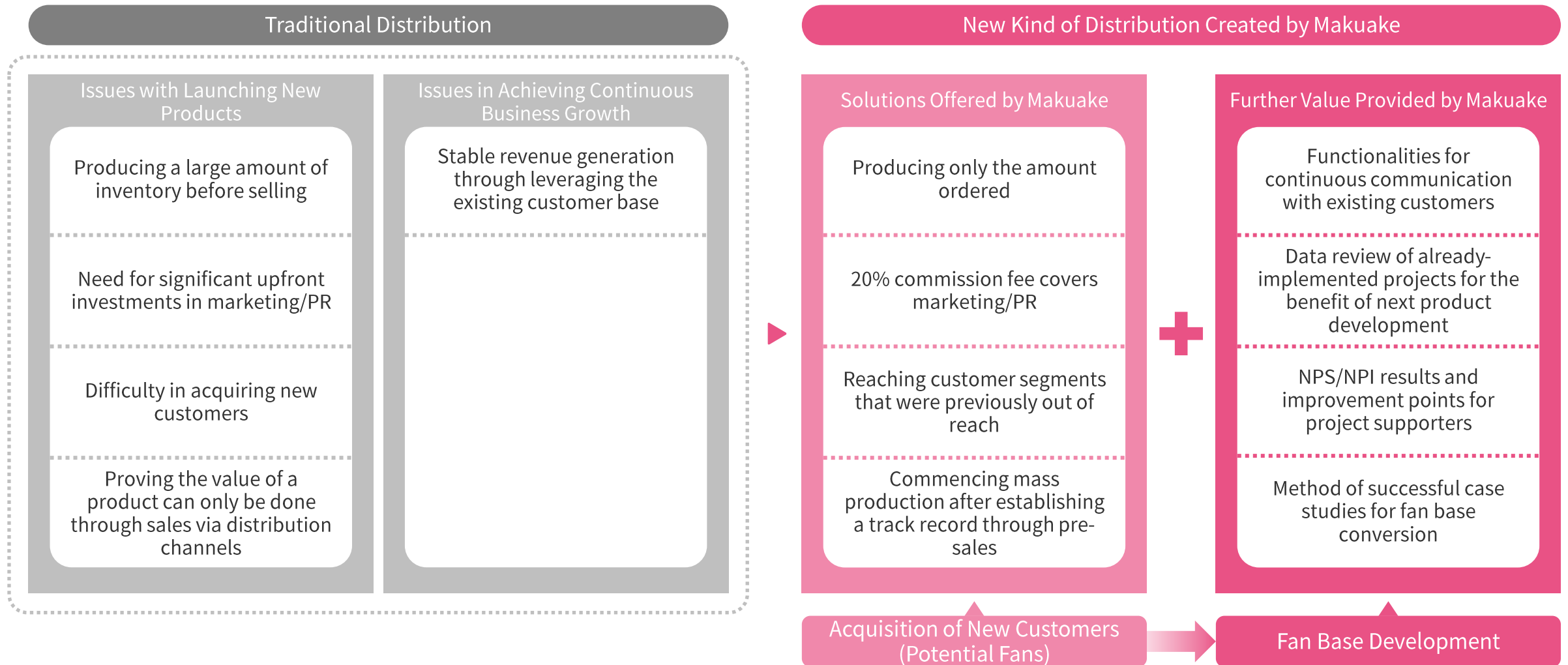
- GMV, a KGI of Makuake, can be broken down into factors relating to project owners and supporters. These factors multiply to drive accelerated growth



*1 Number of Active Projects during the Month: The total number of projects that had pre-sales during the month
 *2 Monthly Project Unit Value: The average amount of "support" pre-orders generated by active projects during the month

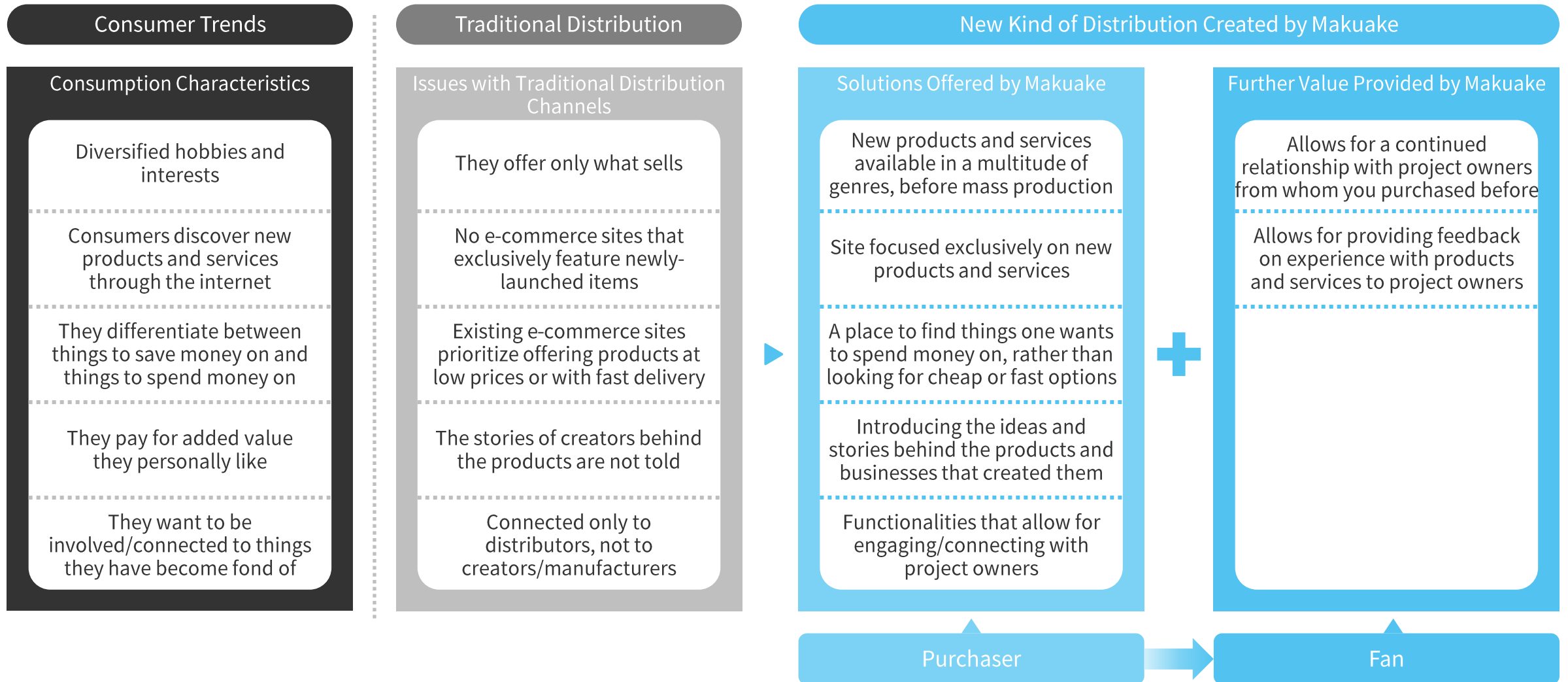
Value Provided by Makuake: Businesses


- We not only help businesses avoid the risks and burdens of distribution but also support the creation of a structure to develop new products for sustainable business growth and provide a mechanism that can turn customers of the businesses we serve into a loyal fan base



Value Provided by Makuake: Consumers

- We offer a unique purchasing experience that caters to the current needs of consumers, allowing them to go beyond being mere buyers. By connecting them with project owners and fostering mutual interaction, we help customers become fans of the project owners, and ultimately, fans of Makuake





02 Business Overview

Makuake Incubation Studio

Makuake Incubation Studio (MIS)

- We accompany businesses in accurately conveying the value of their technology and in branding it, supporting "social implementation of R&D technologies." We receive commissions based on the support we provide



Production of technology application development to commercialization

Co-produce new products and businesses with manufacturers, from the initial planning stage all the way through to market launch



Intrapreneur production

Offering a series of programs on mechanisms of business creation and development of human resources, based on real-world experience



Sales expansion production

Support planning and execution of marketing strategies for general sales, primarily online, following project launch and presale on Makuake

Case Study of Support Provided by Makuake Incubation Studio



SHARP

Garnered a record-breaking amount of "support" pre-orders in the alcoholic beverages category at the time, generating significant buzz. The product was featured in numerous media outlets, leading to an increase in B2B inquiries from various companies

- Establishment of vision/mission
- Product planning
- Business matching
- Brand naming
- Brand logo development
- Experience value design
- Development of copy and key visuals
- Creation of Makuake page
- Promotion support



Canon

Achieved sales of JPY 100 million within four days of launch on Makuake, setting a record for the platform at the time. By the end of the project, "support" pre-orders amounted to over JPY 160 million. The product also won the Good Design Award in 2021

- Experience value design
- Development of copy and key visuals
- Creation of Makuake page
- Promotion support



MIZUNO

All 2,000 pairs were sold out within 14 days of launch on Makuake, raising over JPY 23 million in "support" pre-orders by the end of the project. Subsequently, the product became the top-selling item in the shoes category on the client's own e-commerce site

- Product planning
- Experience value design
- Copy and key visual development support
- Creation of Makuake page
- Promotion support
- Brand website creation for general sales



LIXIL

Generated over JPY 58 million in "support" pre-orders by the time the project concluded on Makuake, attracting significant attention. The product was featured in various media outlets, leading to an increase in B2B inquiries from long-term care facilities among others

- Establishment of vision/mission
- Product planning
- Brand naming
- Brand logo development
- Experience value design
- Development of copy and key visuals
- Creation of Makuake page
- Promotion support



02 Business Overview

Other Services

Other Services

- We are aiming to maximize the Makuake ecosystem by offering various services related to Makuake's operations

Makuake STORE

Service selling products created in Makuake on Makuake-owned e-commerce website



Commission: 20% of sales

Makuake SHOP

Service exhibiting/selling products from project owners at Makuake-run physical storefronts



Commission:
Several percentage of sales

Advertising Delivery Agency

Online advertising agency services for projects listed on Makuake at the request of the project owner



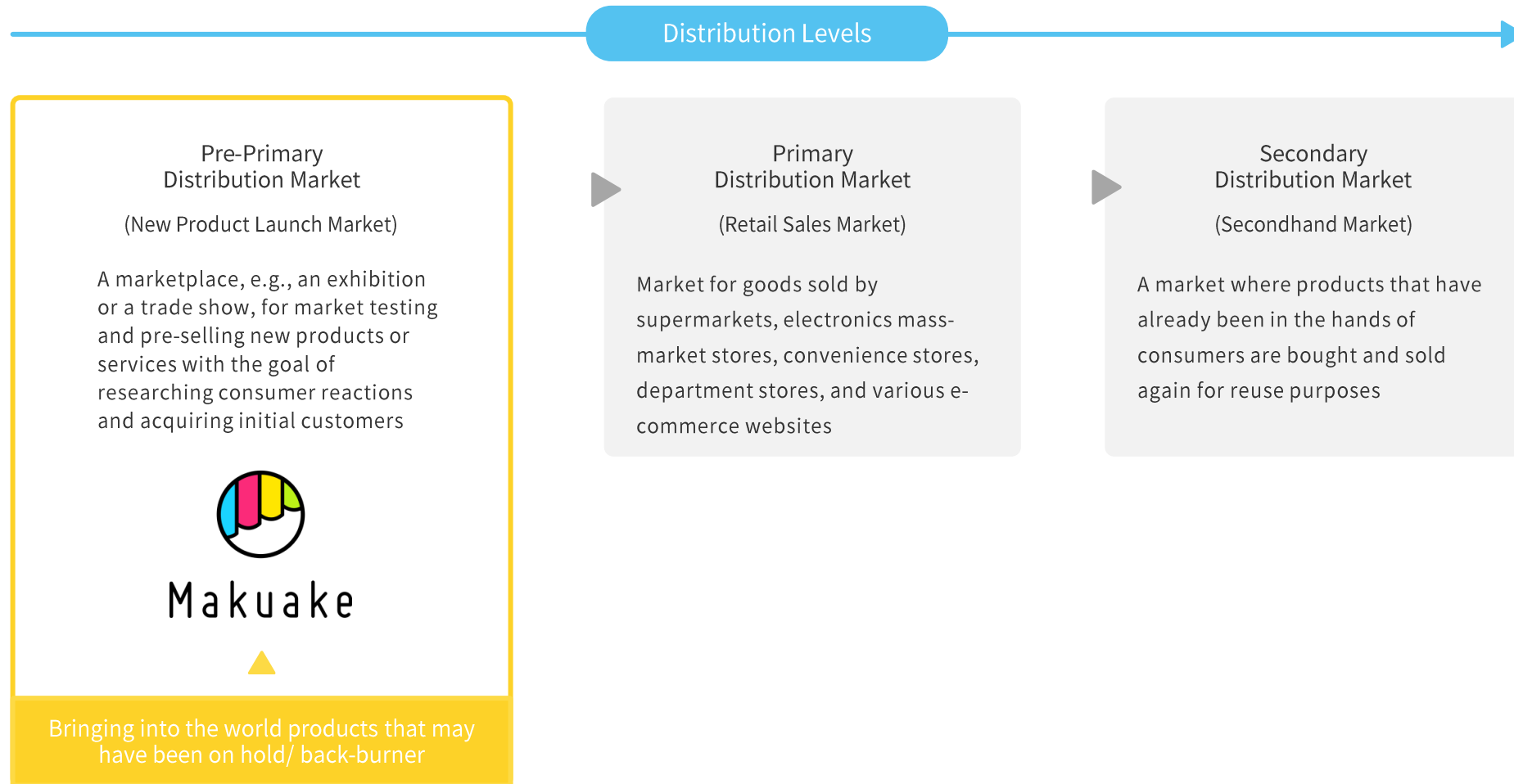
Commission:
Several percentage of ad distribution value



03 Target Markets and Market Environment

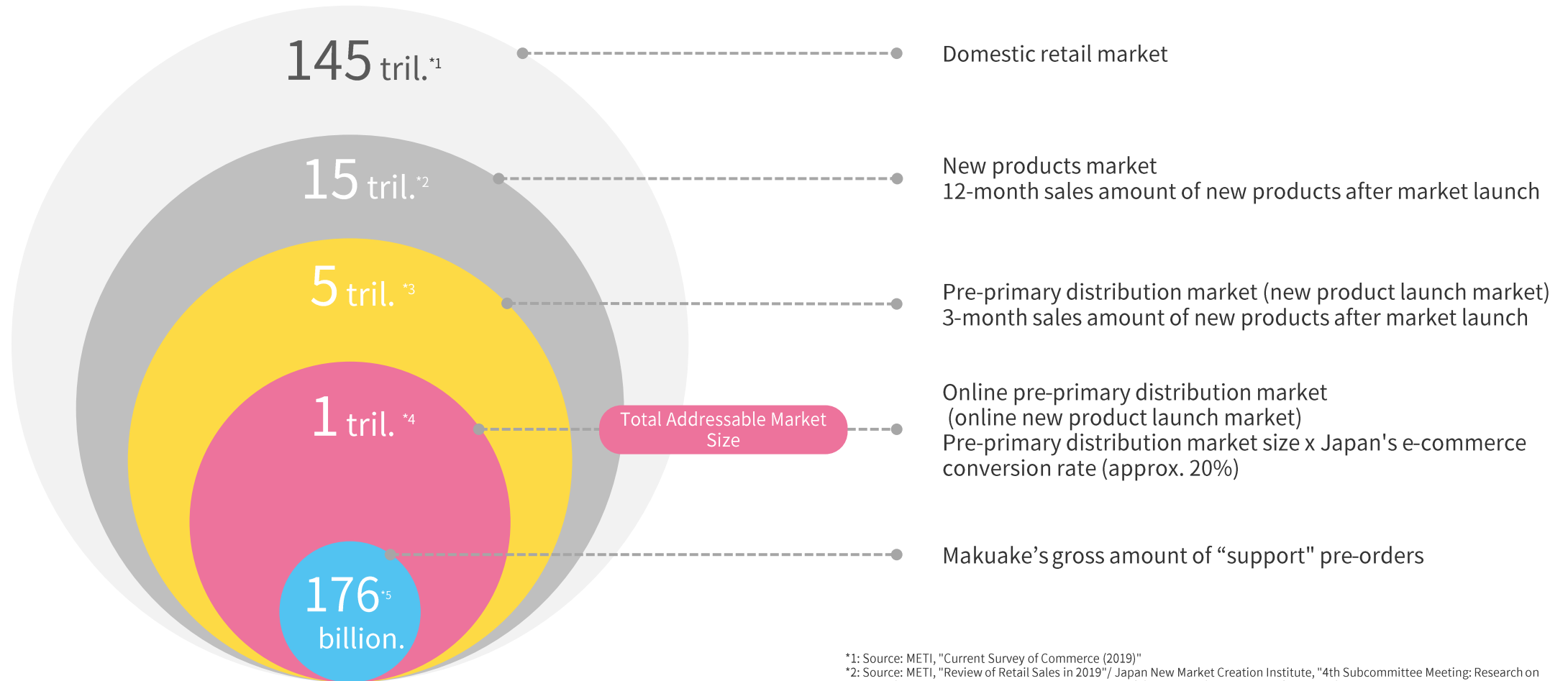
Target Market

- By developing and fostering a new market--the "Pre-Primary Distribution Market", which no one was able to move online due to technological barriers and operational complexity, Makuake continues to strive to create an environment that makes it easier for new products and services to come into being



Target Market Size: Maximum Potential Market Size for New Products (Goods)

- We recognize that the JPY 1 trillion online pre-primary distribution market, which is a subset of the pre-primary distribution market (the new product launch market), is the total addressable market for Makuake



*1: Source: METI, "Current Survey of Commerce (2019)"

*2: Source: METI, "Review of Retail Sales in 2019"/ Japan New Market Creation Institute, "4th Subcommittee Meeting: Research on New Product Success Using Big Data Analytics"; size of the retail industry x ratio of new product sales to retail sales

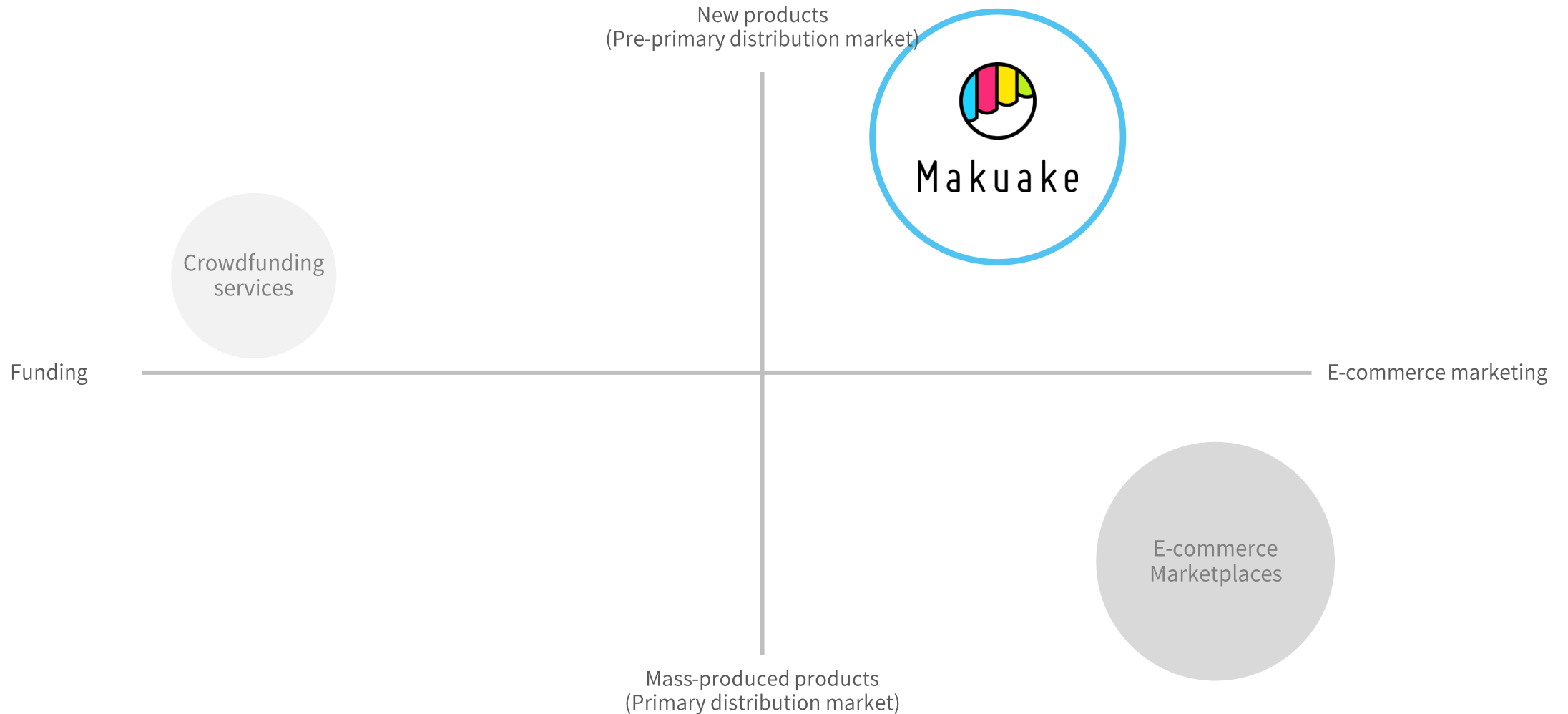
*3: Market size three months post-launch, when new product sales peak (Company estimate)

*4: Size of the e-commerce market within the new products market (Company estimate)/ Company estimate based on the growth rate of the B2C e-commerce market from NRI's "IT Navigator 2019 Edition"

*5: Total amount of "support" pre-orders for FY2023/9 at the Company

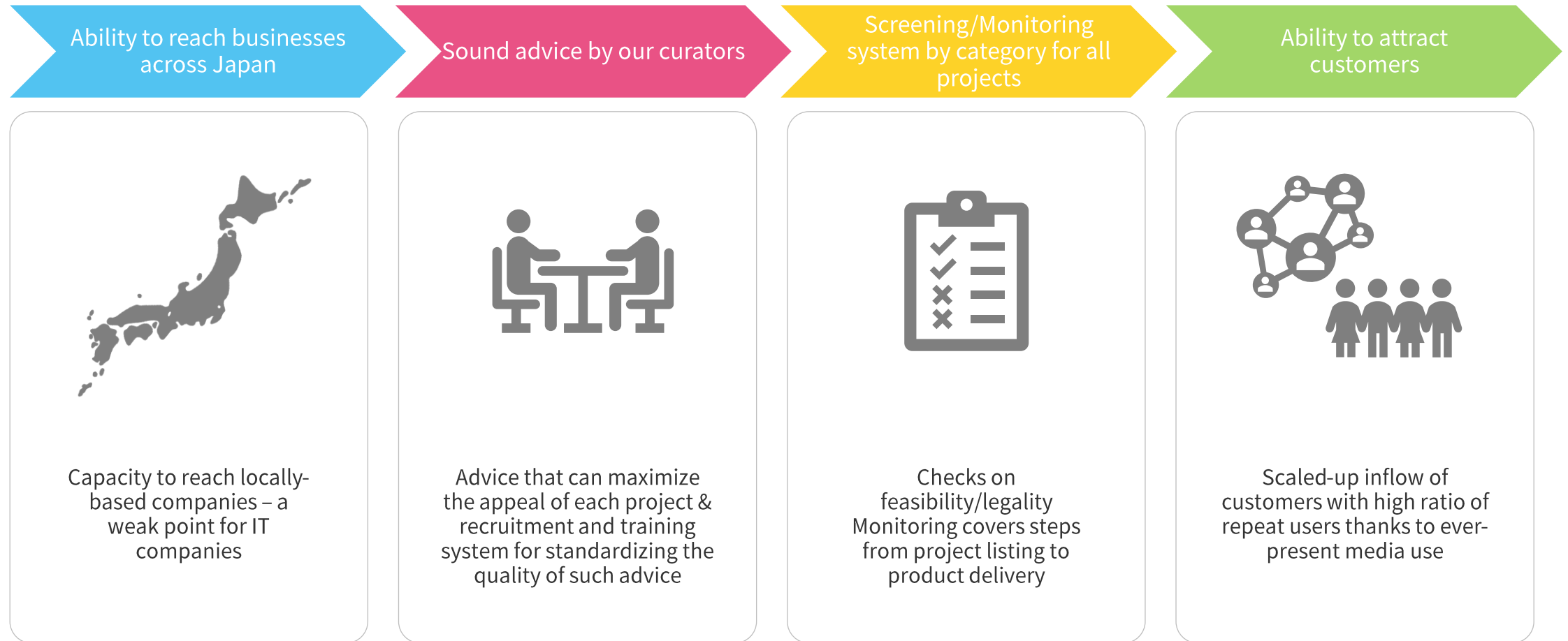
Makuake's Competitive Environment

- By establishing a pre-sales model that specializes in new products and services before their general distribution, we have established a unique position differentiated from conventional e-commerce marketplaces and crowdfunding sites--we are thus operating our business as a standalone player



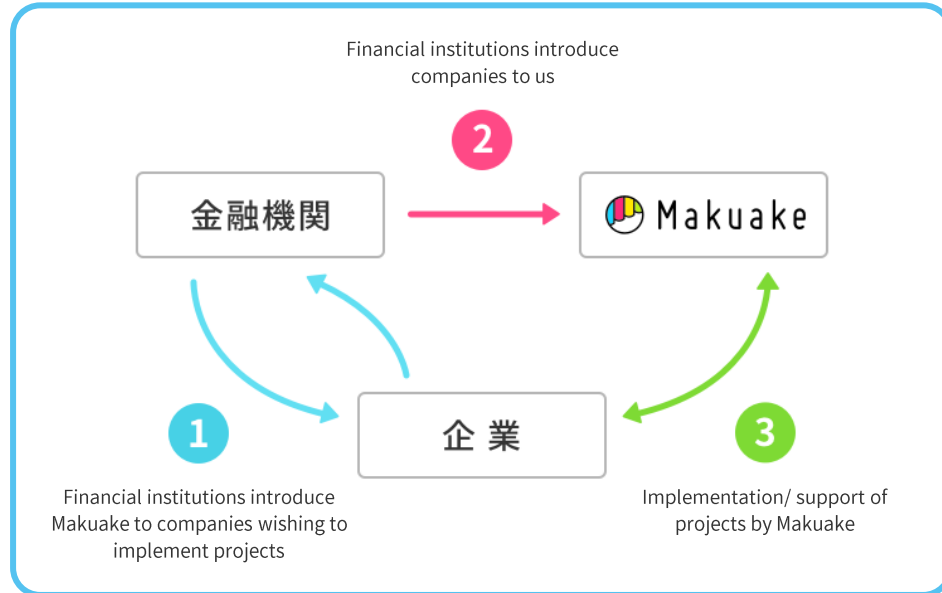
Competitive Advantage

- By combining our strengths, we are able to offer a service – continuous introduction of new products ahead of the primary distribution market – that was not possible before



Competitive Advantage (1) Ability to Reach Businesses Across Japan

- We have established a system for securing quality projects through tie-ups with over 100 financial institutions nationwide and Makuake Incubation Studio



Approximately 100 financial institutions in Japan with cooperation arrangements

Simultaneously raises local awareness of Makuake's name and provides for project listings from local companies



Leading Companies in their Respective Industries

MIS proactively collaborates with large companies to create groundbreaking products that attract significant attention

Competitive Advantage (2) Curator Consulting Maximizes Project Appeal

- For all projects, the curator in charge supports maximizing appeal of the product's project page and the amount of “advocacy” buying it generates

Maximization of Project Page Appeal



今回、Makuakeでも多くの実績を持つAFUSTが日本の正規輸入販売代理店として立ち、新しい電動アシスト自転車「naicsports power 2.0」のプロジェクトを立ち上げました。本プロジェクトで製品の魅力を伝え、自転車通者のパートナーにしたいだけだと思います。

「naicsports power 2.0」6つのポイント

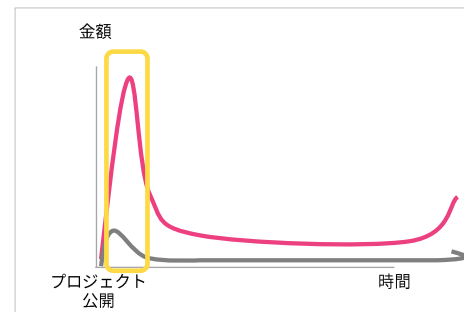
- ・2つのバッテリーで最大100km走行可能。さらに自由に。
- ・5段階のハイパワー電動アシストでどんな坂道も楽々走行。
- ・7段変速ギアで走りさらに快適に。
- ・スッキリとした美しいデザイン。
- ・街乗りに最適化したセッティング。
- ・折り畳み楽々で持ち運び自由自在。



- | | | |
|---|--|---|
|  ダブルバッテリー 100kmまで長距離対応 |  5段階電動アシスト 軽快な走行を実感 |  外装7段変速 信頼の高いシマノ製 |
|  18kgで持ち運び楽々 簡単に折りたためる |  20inchタイヤ 衝撃吸収＆安定性 |  6カラー展開 スタイリッシュな走り |

- Advise on product and service concept management
- Advise on managing the target customer base for each project
- Advise on project posting details, stories, and page contents
- Refer design firms for webpage creation

Maximization of the Amount of “Advocacy” Buying



- Advise on promotion strategies
- Support PR on news media
- Support notifications through mail magazines, push notifications, and SNS
- Support customer acquisition through advertising
- Support product displays at brick-and-mortar stores

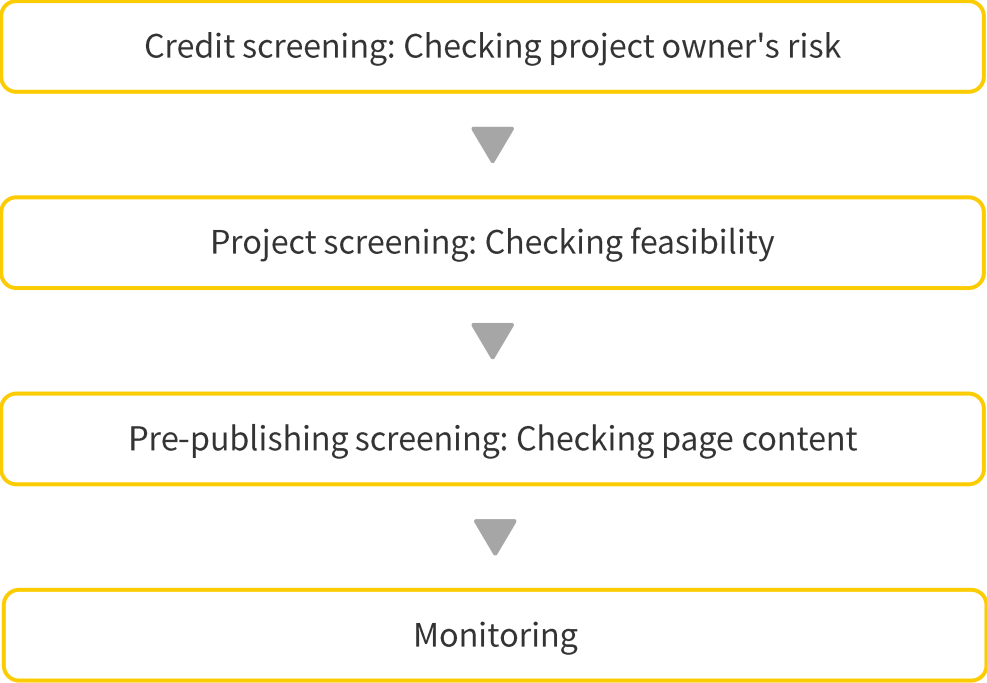


Competitive Advantage (3) Screening/Monitoring System by Category for all Projects

- In addition to inspecting all projects at three stages based on per-category screening items, we monitor execution from project listing to product delivery with the aim of building a safe and worry-free site, while continuously working on improving our operational efficiency

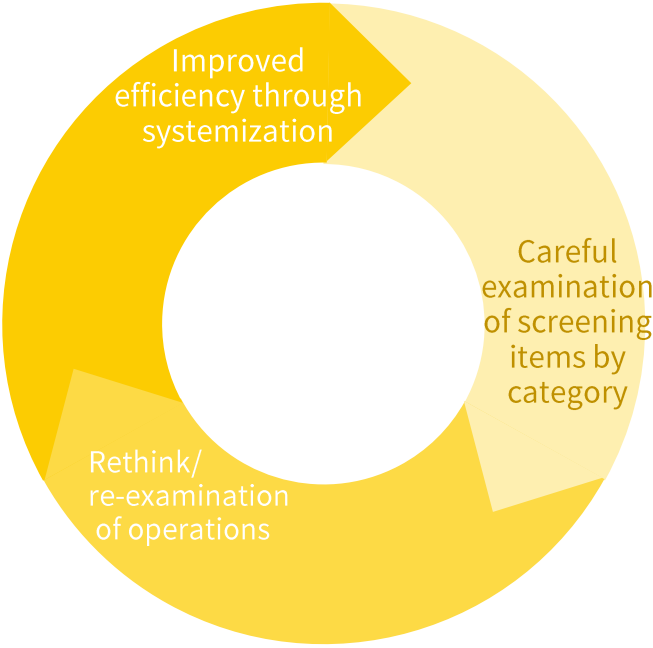
Screening/Monitoring System per Category

Screening/monitoring flow



Operations and Systems in Pursuit of Efficiency

Accumulated expertise on screening operations for over 10 years
Streamlined operations through systematization

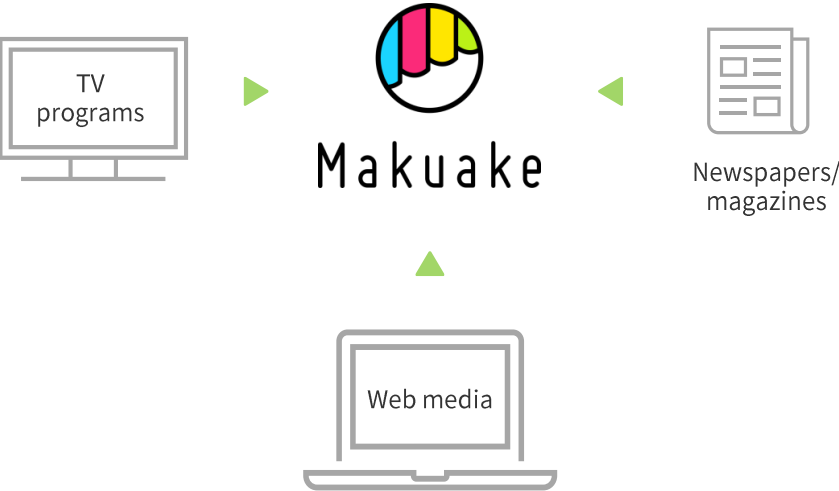


Competitive Advantage (4) Ability to Attract Customers

- In addition to an average of over 9,000 articles appearing every month in the news media about Makuake’s projects, our initiatives to attract customers have created a feedback effect where an increase in the number of projects leads to an increase in our ability to attract customers

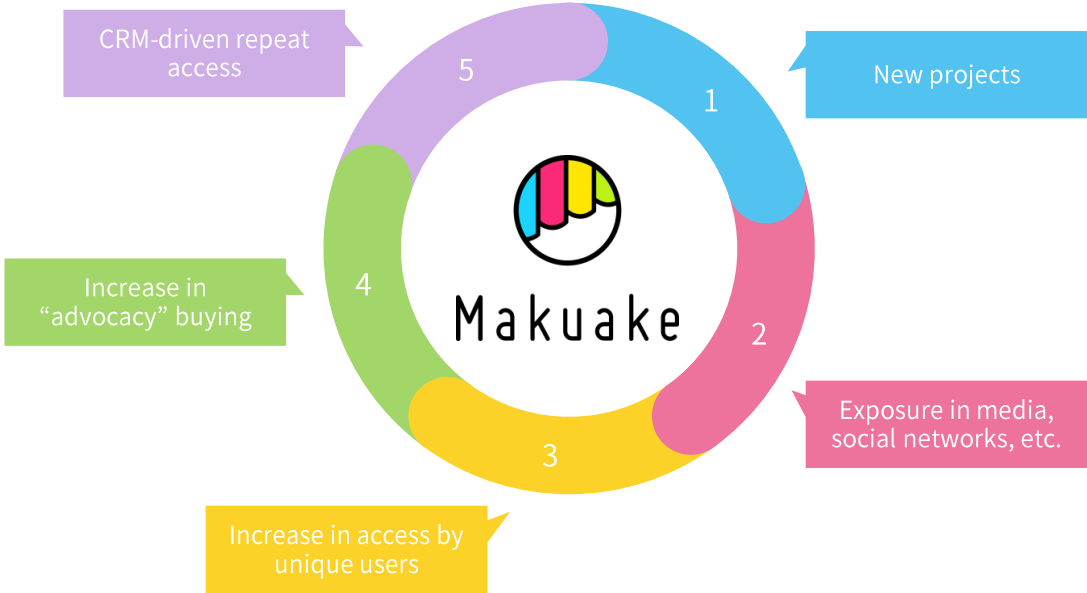
Average Monthly Media Coverage **9,000** articles

Makuake is recognized by the media as a marketplace where dozens of new products are launched every day, with an average of more than 9,000 Makuake-related articles written monthly



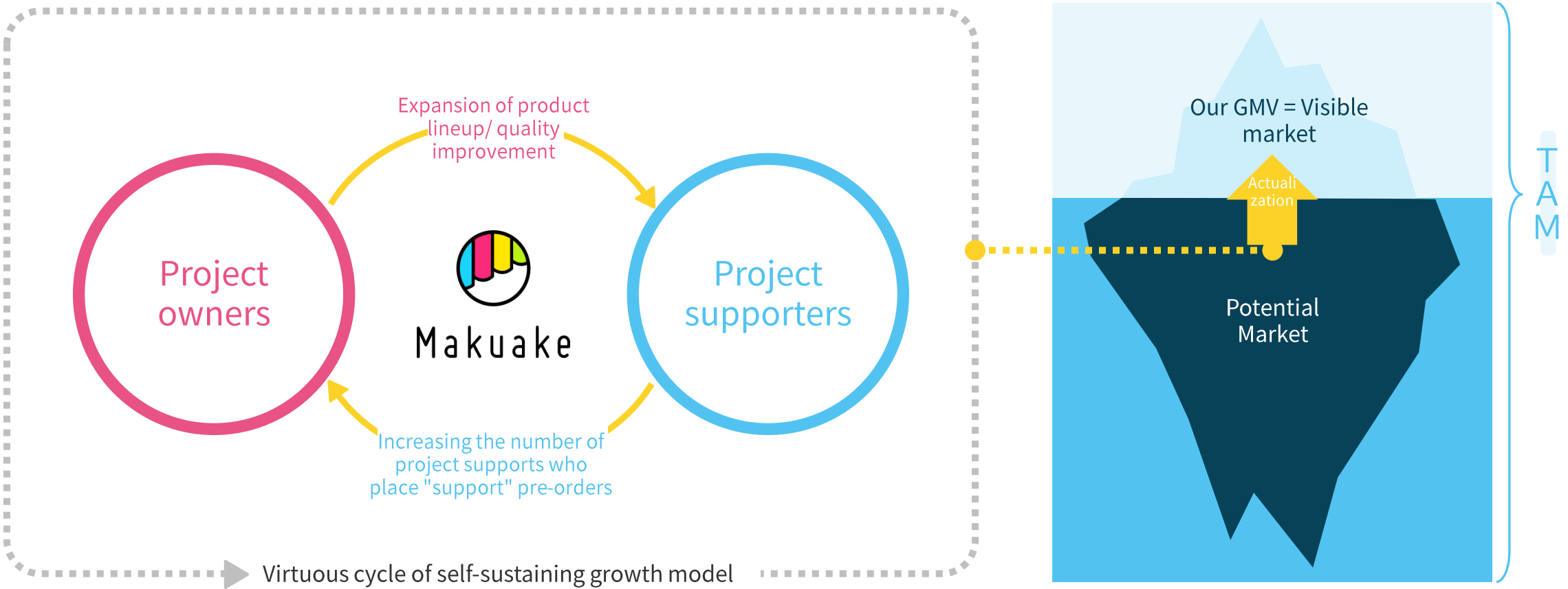
Access by Unique Users **900** Mil.+

Makuake is used as a medium for new products, a marketplace to encounter new products suiting users' own hobbies and tastes



Competitive Advantage (5) self-sustaining growth model

- Makuake operates on a self-sustaining growth model that enables both project owners and supporters to thrive, thus accelerating overall growth. We believe that the virtuous cycle of self-sustaining growth leads to GMV growth, which in turn actualizes our TAM





04 Growth Strategy

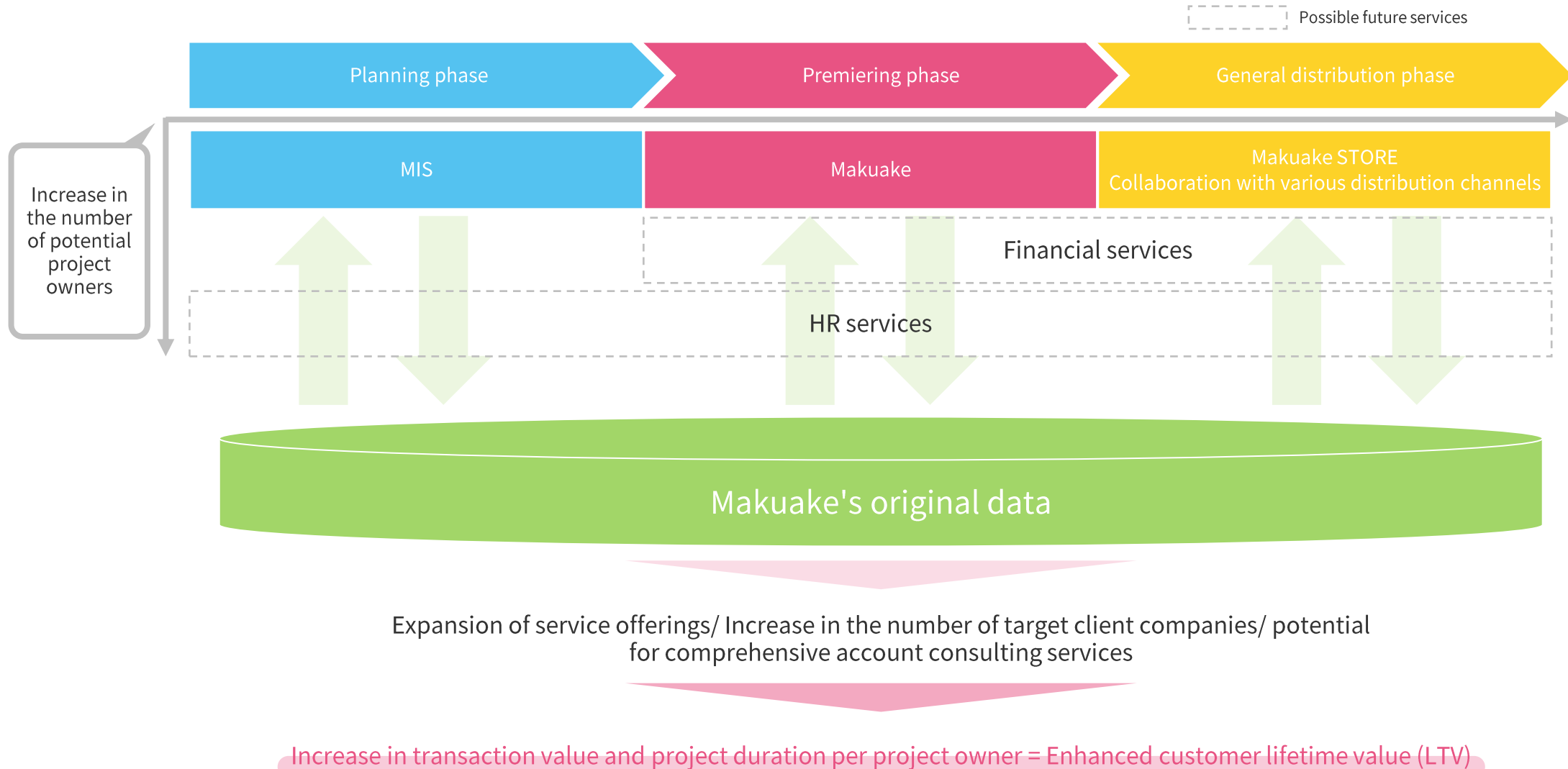


04 Growth Strategy

Growth Strategy Going Forward

For Project Owners: Provide end-to-end support backed by data, our competitive strength, for businesses to expand and survive

- We are aiming to increase the transaction amount and duration per business entity by leveraging accumulated data and providing seamless support for business development



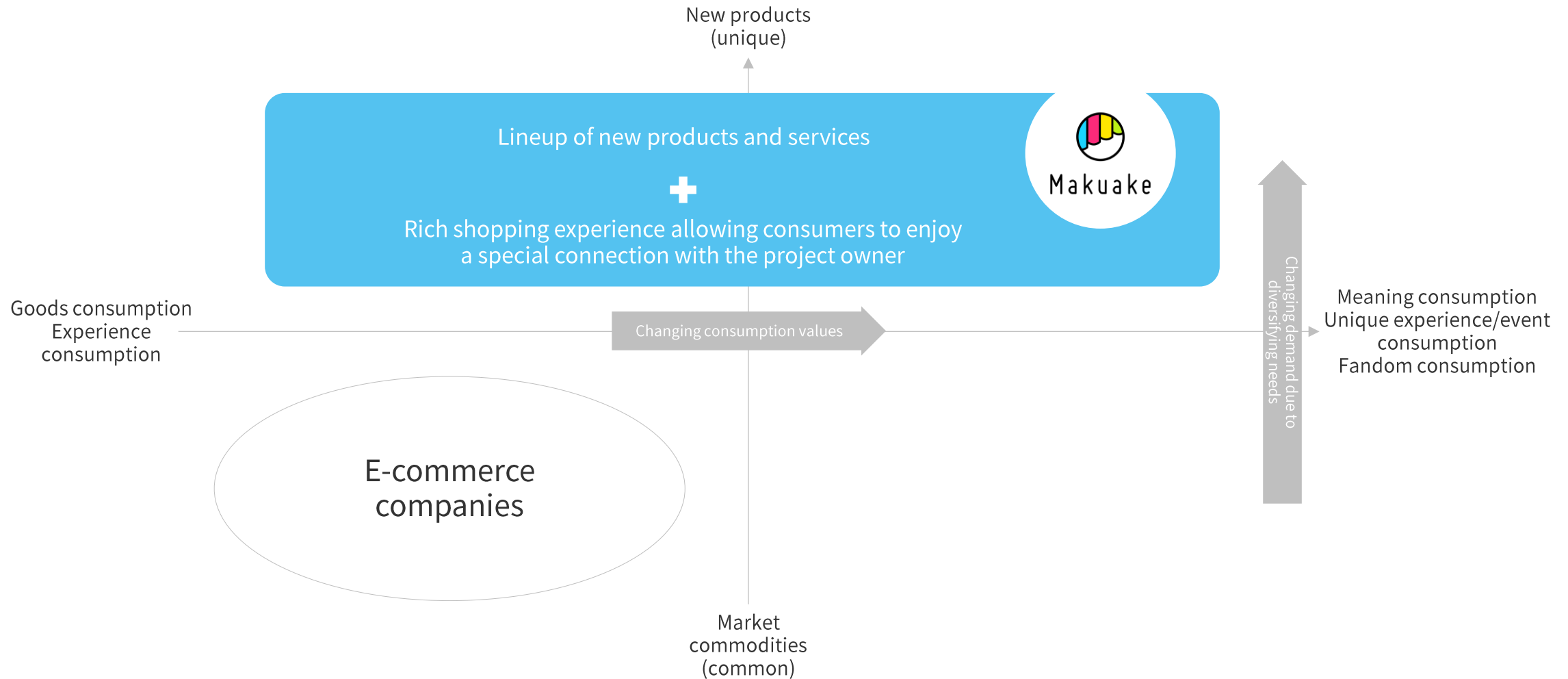
Expansion of service offerings/ Increase in the number of target client companies/ potential for comprehensive account consulting services

Increase in transaction value and project duration per project owner = Enhanced customer lifetime value (LTV)

For Supporters:

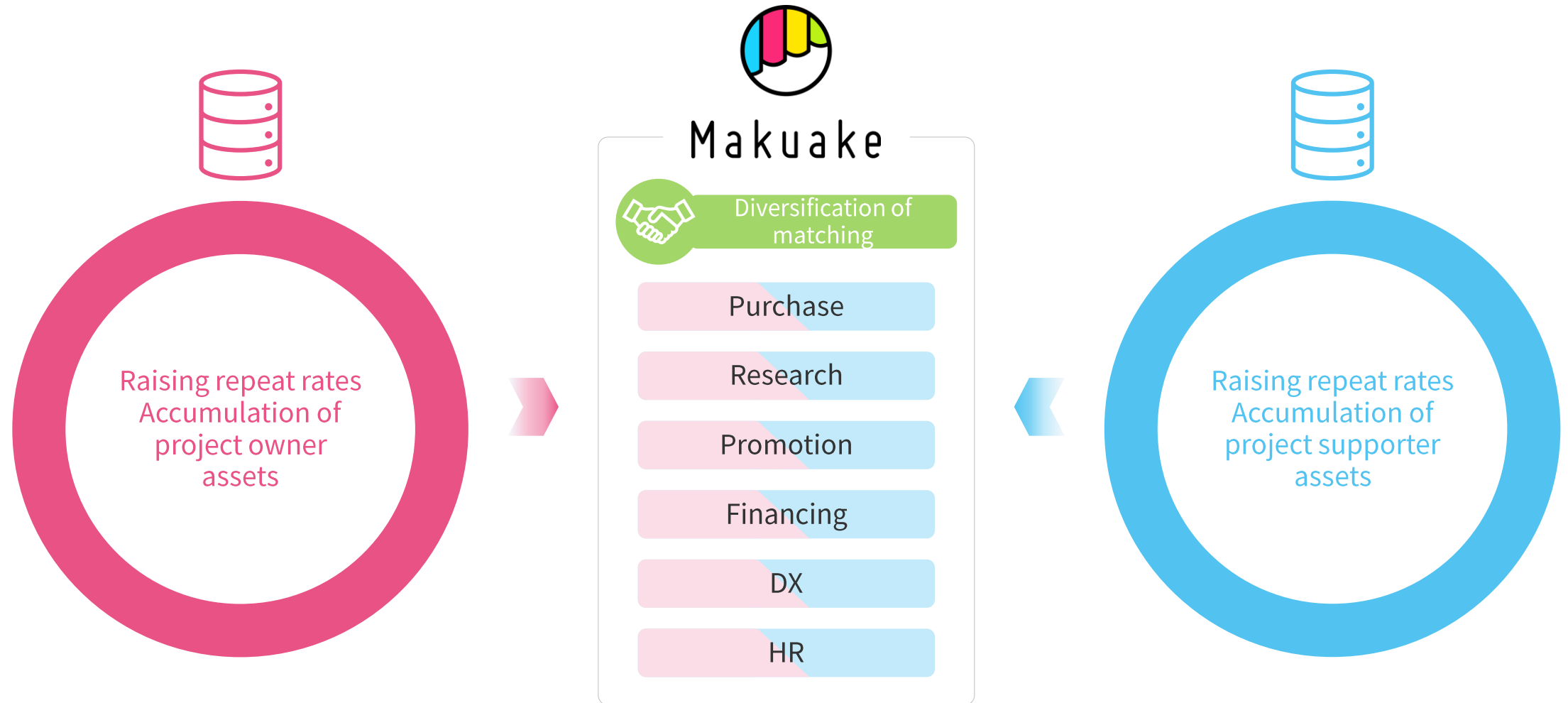
Enhance the unique purchasing experience we offer, further bolstering our competitive advantage

- As consumer needs diversify, the value of consumption is shifting from goods and experiences to meaning (purpose, social contribution), unique experiences (participation in unique events), and people (fandom). We intend to further enhance the unique purchasing experience we provide to consumers through Makuake, with the aim of solidifying our competitive strength



Medium- to Long-term Management Policy

- We are aiming to growth GMV and improve profitability by accumulating project owner and project supporter assets and diversifying our matching service that aligns the needs of both





04 Growth Strategy

Risk Factors and Countermeasures

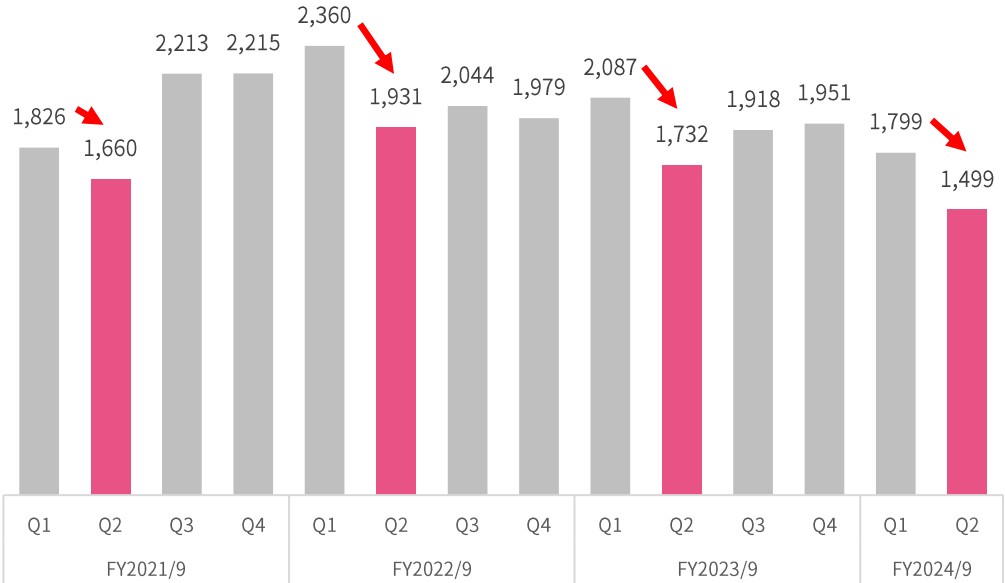
Seasonality for Makuake

- In Q2 (January–March), the number of projects published tends to be low compared with other quarters due to seasonal factors, including the quarter having fewer business days and an extremely slow start for businesses at the beginning of the year. As a result, the total amount of "support" pre-orders also tends to be low during this quarter

(Unit: project)

Number of Projects Published

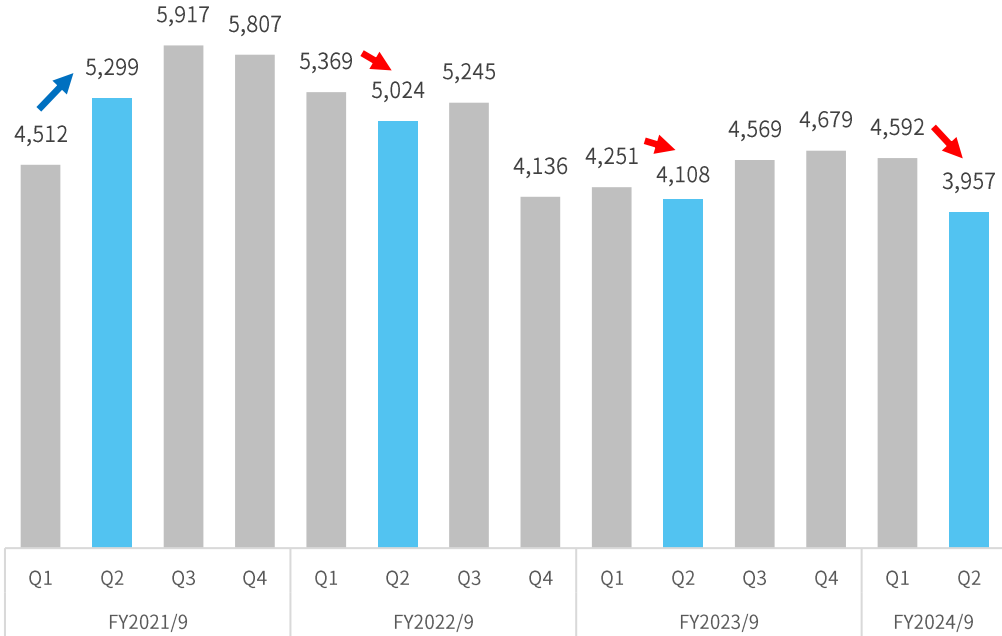
The number of projects published tends to decrease in Q2 due to seasonal factors



(Unit: JPY million)

Amount of "Support" Pre-orders

GMV tends to decline during this period as well



Countermeasures

Minimize the decline in the number of projects published per business day while working to increase the quarterly average number of projects published over the full year

Risk Factors and Countermeasures

- We will grasp, analyze, and evaluate risks that may emerge as we execute our medium-term growth plan, and implement countermeasures to control these risks

| Possible risks | Impact on Business | Details of Impact | Measures against risks |
|---|--------------------|---|--|
| <p>1 Leakage of personal information through hacking, etc.</p> | High | Potential impact on our operations and business results due to loss of social credibility | <ul style="list-style-type: none"> Carrying out of security audits |
| <p>2 Issues with projects, such as delivery delays</p> | Medium | May Be held accountable as platform operator | <ul style="list-style-type: none"> Continuous operation and improvement of screening and monitoring systems |
| <p>3 Considerable shrinkage of the Internet ad market due to the regulations on Internet ads</p> | Medium | Potential impact on our operating results and financial condition due to a decline in our ability to attract customers | <ul style="list-style-type: none"> Sharing of information with online ad media and agencies Speedy proactive measures |
| <p>4 Risks related to the securing and loss of personnel</p> | Medium | Potential impact on operating results and financial condition due to repercussions on our business growth if we are unable to secure planned-for personnel in a timely manner, and/or personnel training does not progress as planned, and/or there is an outflow of our employees to other companies | <ul style="list-style-type: none"> Improvements in flexibility of our arrangements to accommodate remote work and diverse workstyles Maintenance of an appropriate pay system supported by sound financial standing Securing a variety of career options by creating new businesses, business bases, etc. |

* For other risks, please see "Business and Other Risks" in our "Annual Securities Report"



04 Growth Strategy

Dividend Policy

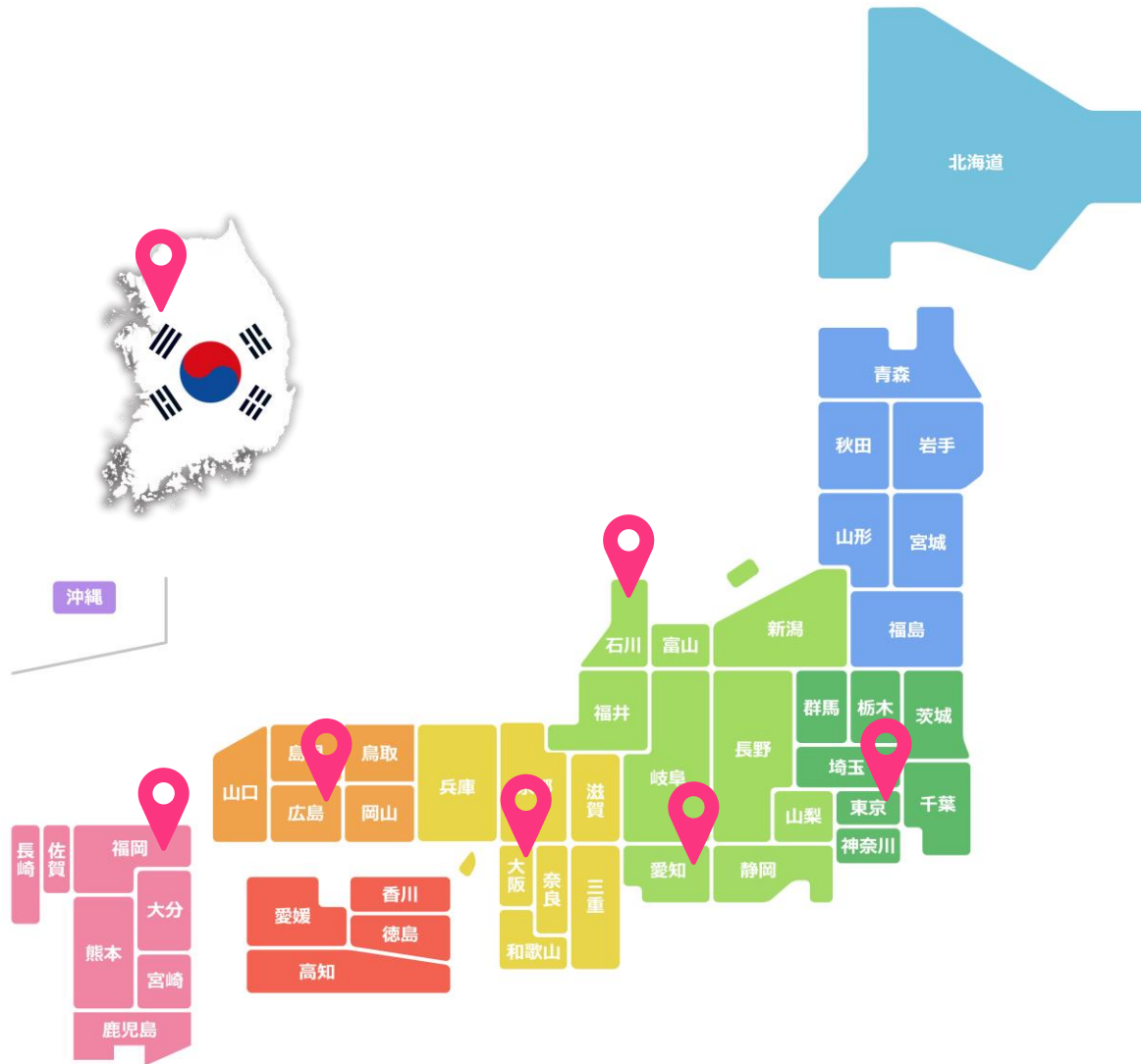
As the company is currently in a state of growth, we believe that by retaining profits and prioritizing investment in expanding business size and improving earning power will lead to maximization of our corporate value and a continuous stream of profit return to shareholders.

As to future distribution of dividends out of surplus, our basic policy is to do so with consideration of balance versus retaining profits. For the time being, we have elected for policy prioritizing retaining profits, and no determination has been made as to the timing for issuing dividends.



05 Appendix

Business Locations



- Head Office Tokyo
- Kansai Office Osaka
- Nagoya Office Aichi
- Chugoku and Shikoku Office Hiroshima
- Kyusyu Office Fukuoka
- Hokuriku Office Ishikawa
- Korea Office Seoul Special City

Disclaimer and Cautions Regarding Future Outlook

- While the content of this document has been prepared based on generally recognized economic and social conditions as of July 30, 2024 and certain assumptions deemed reasonable by Makuake, Inc., it may change due to shifts in business environment and other factors.
- When investing, please be sure to read our financial reports and other documents released by us before making any decision, at your own judgement, as an investor.
- Risk and uncertainty include general domestic and international economic conditions such as general industry and market conditions, and fluctuations in interest and currency exchange rates.
- Please note that Makuake, Inc., may, based on certain assumptions deemed reasonable by Makuake, Inc., update or revise “outlook information” provided in this document if new information comes to light or material future events occur.



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Makuake