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MEMBERSHIP

January 28, 2025

Non-consolidated Financial Results for the Three Months Ended December 31, 2024 <under Japanese GAAP>

Company name: Makuake, Inc.
 Listing: Tokyo Stock Exchange
 Stock code: 4479
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 Scheduled date to commence dividend payments: –
 Preparation of supplementary materials for financial results: Yes
 Holding of financial results presentation meeting: Yes

(Millions of yen with fractional amounts discarded, unless otherwise noted)

1. Performance for the three months ended December 31, 2024 (from October 1, 2024 to December 31, 2024)

(1) Operating results (cumulative)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Three months ended December 31, 2024	980	(4.8)	100	–	100	–	104	–
December 31, 2023	1,029	13.4	(16)	–	(15)	–	(6)	–

	Basic earnings per share	Diluted earnings per share
Three months ended	Yen	Yen
December 31, 2024	8.17	8.15
December 31, 2023	(0.48)	–

(2) Financial position

	Total assets	Net assets	Equity ratio
As of	Millions of yen	Millions of yen	%
December 31, 2024	6,726	5,115	75.4
September 30, 2024	6,645	5,014	74.7

Reference: Equity

As of December 31, 2024

¥5,074 million

As of September 30, 2024

¥4,966 million

2. Cash dividends

	Annual dividends				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended September 30, 2024	–	0.00	–	0.00	0.00
Fiscal year ending September 30, 2025	–				
Fiscal year ending September 30, 2025 (Forecast)		0.00	–	0.00	0.00

Note: Revisions to the cash dividend forecasts most recently announced: None

**3. Earnings forecasts for the fiscal year ending September 30, 2025
(from October 1, 2024 to September 30, 2025)**

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Fiscal year ending September 30, 2025	3,800	4.0	120	–	120	–	70	–	5.49

Note: Revisions to the earnings forecasts most recently announced: None

* **Notes**

- (1) Application of special accounting treatments for the preparation of quarterly financial statements: None
- (2) Changes in accounting policies, changes in accounting estimates, and restatement
- (i) Changes in accounting policies due to revisions to accounting standards and other regulations: None
- (ii) Changes in accounting policies due to other reasons: None
- (iii) Changes in accounting estimates: None
- (iv) Restatement: None

(3) Number of issued shares (common shares)

(i) Total number of issued shares at the end of the period (including treasury shares)

As of December 31, 2024	12,748,700 shares
As of September 30, 2024	12,726,700 shares

(ii) Number of treasury shares at the end of the period

As of December 31, 2024	180 shares
As of September 30, 2024	180 shares

(iii) Average number of shares during the period (cumulative from the beginning of the fiscal year)

For the three months ended December 31, 2024	12,743,737 shares
For the three months ended December 31, 2023	12,663,612 shares

* Review of the Japanese-language originals of the attached quarterly financial statements by certified public accountants or an audit firm: None

* Proper use of earnings forecasts, and other special matters

The forward-looking statements, including earnings forecasts, contained in these materials are based on information currently available to the Company and on certain assumptions deemed to be reasonable. These statements do not purport that the Company pledges to realize such statements. Actual business and other results may differ substantially due to various factors.

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1. Qualitative information on quarterly financial results

(1) Information on operating results

The forward-looking statements in this report were prepared based on information available as of the end of the quarter under review.

Based on its vision of “Create a world where worthy things can come to be, grow and endure,” the mission of Makuake, Inc. (the Company) is to “Connect the world through the creation of the ‘new.’” We operate the Makuake service, a “support” pre-order platform to connect project owners (Businesses) who are providing something new to the world with project supporters (Consumers) who purchase new items and experiences based on their knowledge of the background and the ideas of the project owners.

As ancillary services, we also provide Makuake Incubation Studio, which supports the generation of new businesses that leverage research and development technology owned by companies; agency operations for the distribution of advertisements to facilitate the growth of “support” pre-order value at Makuake; safety system initiatives that provide a platform and opportunities for project supporters to place “support” pre-orders with a sense of security; Makuake STORE, which enables continued sales on e-commerce sites even after projects have ended; and Makuake SHOP, which works with partner companies in a variety of formats nationwide to enable products launched on Makuake to be displayed and sold in real-world stores.

During the first three months of the fiscal year ending September 30, 2025 (from October 1, 2024 to December 31, 2024), the Japanese economy continued to experience a gradual recovery in personal consumption, partly due to the effects of various government policies on the employment and income environment. However, rising raw material prices due to the weak yen and the international situation, supply constraints, and other factors continued to drive up commodity prices, which resulted in a slowdown in personal consumption. Moreover, business conditions remain difficult for small and medium-sized enterprises, as the expanding interest rate gap between Japan and the United States, ongoing global inflation, and rising interest rates due to the Bank of Japan’s monetary policy slowed the pace of economic recovery, leaving the future still uncertain.

Regarding the market environment surrounding the Company, strong experiential consumption has been observed, particularly in offline activities such as traveling, participation in events, and dining out. This trend is believed to continue in the current fiscal year.

Against this backdrop, during the three months ended December 31, 2024, the Company continued to focus on increasing the unit price per project rather than increasing the number of project publications or the number of active projects.

For project owners, in order to encourage the creation of fine-quality projects, we offered support incentives aimed at maximizing the amount of “support” pre-orders for high-quality repeat owners who aim for high amounts of “support” pre-orders, and launched promotional campaigns to attract customers and support the debut of new products by repeat owners.

For project supporters, we worked to enhance the experience of “support” pre-orders through measures such as updating the “Review” feature, which displays evaluations and comments from supporters on the owner’s page, as well as introducing the “Encore Project,” which allows popular projects that have already completed their “support” pre-order period to be republished with a limited quantity available for “support” pre-orders once again before being launched in the primary distribution market.

As a result of these measures, the “support” pre-orders decreased by 16.6% year on year to ¥3,829,103 thousand. The total transaction volume, which includes the combined amount of “support” pre-orders and secure system usage fees, amounted to ¥3,920,327 thousand. The decrease in the total amount of “support” pre-orders was within the expected range, taking into account changes in the external environment for both owners and supporters, such as yen depreciation and price increases, which have accelerated since the same period of the previous fiscal year.

We have continued to thoroughly control SG&A expenses, particularly advertising expenses, based on our internal ROI standards, and have proactively scrutinized unnecessary costs, while at the same time striving to improve cost effectiveness.

As a result, for the period under review, the Company recorded net sales of ¥980,713 thousand (down 4.8% year on year), an operating profit of ¥100,462 thousand (operating loss of ¥16,900 thousand in the same period of the previous fiscal year), an ordinary profit of ¥100,866 thousand (ordinary loss of ¥15,619 thousand in the same period of the previous fiscal year) and a profit of ¥104,108 thousand (loss of ¥6,060 thousand in the same period of the previous fiscal year).

As the Company consists of a single business segment, the Makuake service, a platform for people to place “support” pre-orders of new things and experiences, information by segment is omitted.

(2) Information on financial position

Assets

At the end of the quarter under review, total assets increased by ¥80,263 thousand from the previous fiscal year-end to ¥6,726,139 thousand.

Current assets increased by ¥63,715 thousand to ¥5,709,229 thousand. The main components included an increase of ¥73,784 thousand in cash and deposits.

Non-current assets increased by ¥16,547 thousand to ¥1,016,909 thousand. The main components included an increase of ¥11,115 thousand in property, plant and equipment.

Liabilities

At the end of the quarter under review, liabilities decreased by ¥20,627 thousand from the previous fiscal year-end to ¥1,610,728 thousand.

Current liabilities decreased by ¥16,632 thousand to ¥1,565,208 thousand. The main components included a decrease of ¥17,259 thousand in income taxes payable.

Non-current liabilities decreased by ¥3,994 thousand to ¥45,520 thousand. The main components included a decrease of ¥4,341 thousand in provision for continuous services benefits.

Net assets

At the end of the quarter under review, net assets increased by ¥100,890 thousand from the previous fiscal year-end to ¥5,115,410 thousand. The main components included an increase of ¥104,108 thousand in retained earnings due to the recording of a profit.

In addition, the deficit in retained earnings brought forward was resolved through a resolution at the Company's General Meeting of Shareholders held on December 12, 2024.

(3) Explanation of forward-looking information including earnings forecasts

There is no change to the earnings forecasts for the fiscal year ending September 30, 2025 from the forecasts announced on October 29, 2024.

2. Quarterly financial statements and significant notes thereto

(1) Quarterly balance sheet

(Thousands of yen)

	As of September 30, 2024	As of December 31, 2024
Assets		
Current assets		
Cash and deposits	3,958,004	4,031,788
Cash segregated as deposits	1,103,548	1,154,519
Accounts receivable - trade	420,701	357,051
Other	170,541	173,234
Allowance for doubtful accounts	(7,282)	(7,365)
Total current assets	5,645,513	5,709,229
Non-current assets		
Property, plant and equipment	3,911	15,027
Intangible assets	800,033	804,005
Investments and other assets		
Other	203,954	205,413
Allowance for doubtful accounts	(7,537)	(7,537)
Total investments and other assets	196,417	197,876
Total non-current assets	1,000,362	1,016,909
Total assets	6,645,875	6,726,139
Liabilities		
Current liabilities		
Income taxes payable	35,451	18,192
Deposits received	1,110,474	1,153,558
Other	435,915	393,457
Total current liabilities	1,581,841	1,565,208
Non-current liabilities		
Provision for retirement benefits	3,982	4,329
Provision for continuous services benefits	45,532	41,190
Total non-current liabilities	49,515	45,520
Total liabilities	1,631,356	1,610,728
Net assets		
Shareholders' equity		
Share capital	3,136,553	3,138,819
Capital surplus	3,136,553	1,832,375
Retained earnings	(1,306,444)	104,108
Treasury shares	(659)	(659)
Total shareholders' equity	4,966,004	5,074,645
Share acquisition rights	48,515	40,765
Total net assets	5,014,519	5,115,410
Total liabilities and net assets	6,645,875	6,726,139

(2) Quarterly statement of income

(Thousands of yen)

	Three months ended December 31, 2023	Three months ended December 31, 2024
Net sales	1,029,895	980,713
Cost of sales	254,044	223,263
Gross profit	775,851	757,450
Selling, general and administrative expenses	792,751	656,987
Operating profit (loss)	(16,900)	100,462
Non-operating income		
Interest income	1	2
Dividend income	-	13
Lecture's fee income	1,968	80
Subsidy income	340	-
Subsidies for employment adjustment	388	406
Referral fees	196	197
Point redemption income	-	206
Other	2	18
Total non-operating income	2,897	925
Non-operating expenses		
Foreign exchange losses	172	521
Amortization of share issuance costs	1,443	-
Total non-operating expenses	1,616	521
Ordinary profit (loss)	(15,619)	100,866
Extraordinary income		
Gain on reversal of share acquisition rights	-	7,750
Total extraordinary income	-	7,750
Profit (loss) before income taxes	(15,619)	108,616
Income taxes - current	2,759	8,222
Income taxes - deferred	(12,318)	(3,714)
Total income taxes	(9,558)	4,507
Profit (loss)	(6,060)	104,108

(3) Notes to quarterly financial statements**Notes on premise of going concern**

No applicable items.

Notes on significant changes in the amount of shareholders' equity

Based on a resolution at the 12th Annual General Meeting of Shareholders held on December 12, 2024, the Company offset the deficit in retained earnings brought forward as of December 12, 2024. As a result, capital surplus decreased by ¥1,306,444 thousand, and retained earnings increased by ¥1,306,444 thousand, while the total amount of shareholders' equity remained unchanged.

As a result, at the end of the quarter under review, capital surplus stands at ¥1,832,375 thousand, and retained earnings stand at ¥104,108 thousand.

Segment informationSegment information

As the Company consists of a single business segment, the Makuake service, a platform for people to place “support” pre-orders of new things and experiences, this information is omitted.

Notes to statement of cash flows

The Company has not prepared the quarterly statement of cash flows for the three months ended December 31, 2024. Depreciation (including amortization of intangible assets) for the three months ended December 31, 2024 is as follows.

	(Thousands of yen)	
	Three months ended December 31, 2023	Three months ended December 31, 2024
Depreciation	23,398	40,282