

FAQ on Q1 FY2025/9 Results

We have prepared a list of questions that shareholders and investors are likely to ask about our Q1 FY2025/9 results. Please refer to our answers below, in conjunction with our Financial Statements and Financial Results Briefing Materials.

Review of Financial Results

Q1: The take rate in Q1 was 27.5%, up by 2.1pt QoQ. I would like to know the reasons for this.

The take rate in Q1 was 27.5% because of an increase in sales from Makuake services due to the revision of Makuake commissions and the booking of sales from secure system usage fees which impacted the entire quarter (October to December 2024). We think that the take rate will be in line with Q1 going forward.

Q2: Operating profit is already at 83.7% of the full-year forecast. Is this in line with your plans? Also, please let us know how you think operating profit will perform in the following quarters.

Operating profit in Q1 came in ahead of our forecast. The main reasons were curtailed personnel expenses for people involved in development and deferred outlays for human capital management investment due to a review of timing, as well as control of advertising and promotion expenses. We plan to maintain thorough management of SG&A expenses over the rest of the fiscal year, but expect to incur some of the planned outlays that were deferred, so there is no change to our initial operating profit forecast for this fiscal year, which remains at JPY 120 million.

Review of KPIs

Q1: There was a notable drop in the number of active projects in Q1. I would like to know your forecast for the number of active projects going forward.

As in the previous fiscal year, our company's business plans revolve around improving average project unit value. In Q1, average project unit value was above our forecast at JPY 1.18 million (up 4.6% from the previous quarter). As a consequence, in Q1, total transaction volume came in as forecast, despite a decline in the number of active projects.

Going forward, we plan to acquire high-quality project owners and projects to increase average project unit value while maintaining project numbers at a certain level, rather than significantly increasing the number of active projects. At the moment, heading toward 2H, we are rolling out our strategies to increase the number of repeat project owners and acquire projects in selected genres.

FY2025/9 Financial Forecasts

Q1: Your earnings forecast for FY2025/9 assumes that total transaction volume will decline YoY, but that net sales and operating profit will increase YoY. Please explain how this works.

This fiscal year, the company plans to strengthen operational stability by acquiring high-quality project owners and projects in the Makuake business and reducing the impact of seasonality. We also aim to solidify the earnings platform and build a track record to set the stage for expanding the scope of earnings from ancillary services next fiscal year and beyond. To that end, we are working to maintain total transaction volume roughly in line with the previous fiscal year before growing it from next fiscal year onward. Meanwhile, we are forecasting a YoY increase in net sales. This takes into account revisions to Makuake commissions and a fresh source of revenue (secure system usage fees) at the end of the previous fiscal year and forecasts growth in sales from some ancillary services. We think we will be able to book operating profit due to an improvement in net sales and thorough SG&A management, as in the previous quarter.

Q2: I would like to know how you plan to manage SG&A expenses by quarter in FY2025/9.

We do not disclose quarterly profit amounts, but intend to maintain thorough SG&A expense management. As a consequence, we are not expecting any significant increase in either personnel expenses or advertising and promotion expenses versus 2H FY2024/9.

Medium-Term Management Plan

Q1: Approximately when do you think you will launch potential future services that you have disclosed, namely “planning phase support services” and “general distribution phase support services”? Please also let us know when they will contribute to earnings.

“Planning phase support services” relate to the test sales stage, and “general distribution phase support services” relate to the test sales preparation stage. We are making steady progress in preparations with a view to a full-scale launch next fiscal year or later, but our forecasts for this fiscal year do not reflect any expectations for revenue growth in these services. We expect the impact on earnings to be from next fiscal year or later.

Q2: Approximately when do you intend to release your next medium-term management plan?

We are currently analyzing and scrutinizing our revenue assumptions and growth rates for the Makuake service.

We are also carefully assessing the potential future revenue impact and growth outlook for ancillary services.

We will promptly announce details as soon as they are suitable for disclosure.

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 January 28, 2025, and certain assumptions deemed reasonable by Makuake, Inc., it may change due to shifts in the business environment and other factors.

When investing, please be sure to read our financial reports and other materials released by us before making any decision, at your own judgement, as an investor.

Risks and uncertainties 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, update or revise “outlook information” provided in this document if new information comes to light or material future events occur.