September 9, 2022

(For Translation Purposes Only)

Company Name: Makuake, Inc.
Representative: President and Representative Director Ryotaro Nakayama
Tokyo Stock Exchange code: 4479
Contact: Executive Officer and General Manager of Business Management Division Yuki Tamura
TEL. 03-6328-4038

Notice of Revisions to Full-Year Financial Forecasts

Please be advised that Makuake, Inc. ("Makuake", "the company" or "we") has revised its full-year financial forecasts for the fiscal year ending September 2022 (October 1, 2021 to September 30, 2022), which were announced in "Notice of Revision to Full-Year Financial Forecasts" on April 26, 2022, as shown below.

1. Revisions to Full-Year Financial Forecasts for the Fiscal Year Ending September 30, 2022 (October 1, 2021 to September 30, 2022)

	Net sales	Operating profit (loss)	Ordinary profit (loss)	Net income (loss)	Earnings per share (loss)
Previously announced forecast (A)	Million yen 4,700	Million yen 0	Million yen 20	Million yen 65	Yen 5.19
Revised forecast (B)	4,200	(360)	(340)	(350)	(27.94)
Difference (B-A)	(500)	(360)	(360)	(415)	-
Change (%)	(10.6)	-	-	-	-
(Reference) Results for the previous fiscal year (Year ended September 2021)	4,621	329	326	246	20.44

2. Reason for Revisions

We primarily operate Makuake service which allows for purchasing of new items and experiences through "support" pre-orders, and a range of related services forming an ecosystem that makes it easier for new products and services to come into being. Over the 3 years from the fiscal year ending September 2017, the gross amounts of distribution and "support" pre-orders for the service grew at an average annual growth rate of 59.1%. Further, the demand for the launch of new product and services continued to expand due to the pandemic (fiscal years ending September 2020 and 2021), posting an extremely high average annual growth rate of 98.2%. A of fiscal year ending September 2022, we recognized that our staffing levels, operational structure and development system were not adequately prepared to handle the pandemic-induced rapid increase in the gross amount of "support" pre-orders and meeting the relevant KPIs. For that reason, we have been focusing on strengthening the foundations for our future growth by building up our internal systems to provide a higher quality service to project owners and project supporters.

As a result, we have been able to secure—through Q3—the adequate number of personnel, make continued progress in raising the quality of the service, and achieve the repeat ratio of project owners (new projects done within 1 year of the previous one) of 51.9%, an improvement of 6.7 pt from the previous year. Further, the conversion ratio (CVR)—one of the metrics capturing user satisfaction—is also on an improving trend.

However, our external environment is changing significantly. While, on the one hand, the movement from offline to online rapidly progressed due to the pandemic, there emerged a pent-up demand for offline experiences (real storefronts, etc.) which had been placed under restrictions. As these restrictions were recently greatly relaxed, the food and drink, shopping, travel and similar offline experiences are now booming. This return to offline has been stronger than we had anticipated, and we think it may last for a period of time, with its speed exceeding that of going online for the things the world has to offer. As such, we believe this development will significantly impact our Q4 results. Further, considering the recent jump in manufacturing costs for businesses due to the steep depreciation of the yen and the revamp of parts procurement due to the international situation may push back the schedule for the start of pre-sales of new products, we are revising our full-year financial estimates. We now expect to fall short of the financial estimates announced on April 26, 2022. Our new estimates are based on our financial performance through August 2022 and KPIs such as the number of published projects, access UUs and CVR as of September 2022.

1. Net Sales: The number of published projects by project owners is declining as the holding of "real" events—exhibitions, trade shows and similar—vigorously came back and, consequently, the opportunity to launch new products offline increased. In addition, as a result of increasing consumer spending on offline food and drink, shopping and travel, the ratio of customers who visit us and place a "support" pre-order is down in Q4, leading to a decline in CVR. We are thus revising our net sales numbers to reflect a significant fall in the gross amount of "support" pre-orders vs. our plan due to the deterioration of the above-KPIs. We now expect the amount of "support" pre-orders to come in at JPY 19.68 billion.
2. Operating Profit: Our personnel expenses are up as we have been securing personnel—through Q3—to prepare for growth from the next fiscal year. Further, there is no change in plans with regard to advertising and promotional expenses as these contribute to continued user acquisition and acceleration of sales growth. We

are revising our operating profit number due to the large impact of the sales decline.

(Caution regarding forward-looking statements)
Forward-looking statements in this document such as projections of future financial performance are based on the information currently available to Makuake and certain assumptions Makuake considers reasonable, and do not constitute a promise by the company to achieve them. Actual financial results may be materially different due to various factors.

###