

Makuake

FY2020

Materials for Financial Results Presentation

Makuake, Inc.

(Securities code : 4479)

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01

Company Overview

The Makuake Vision and Mission

Vision

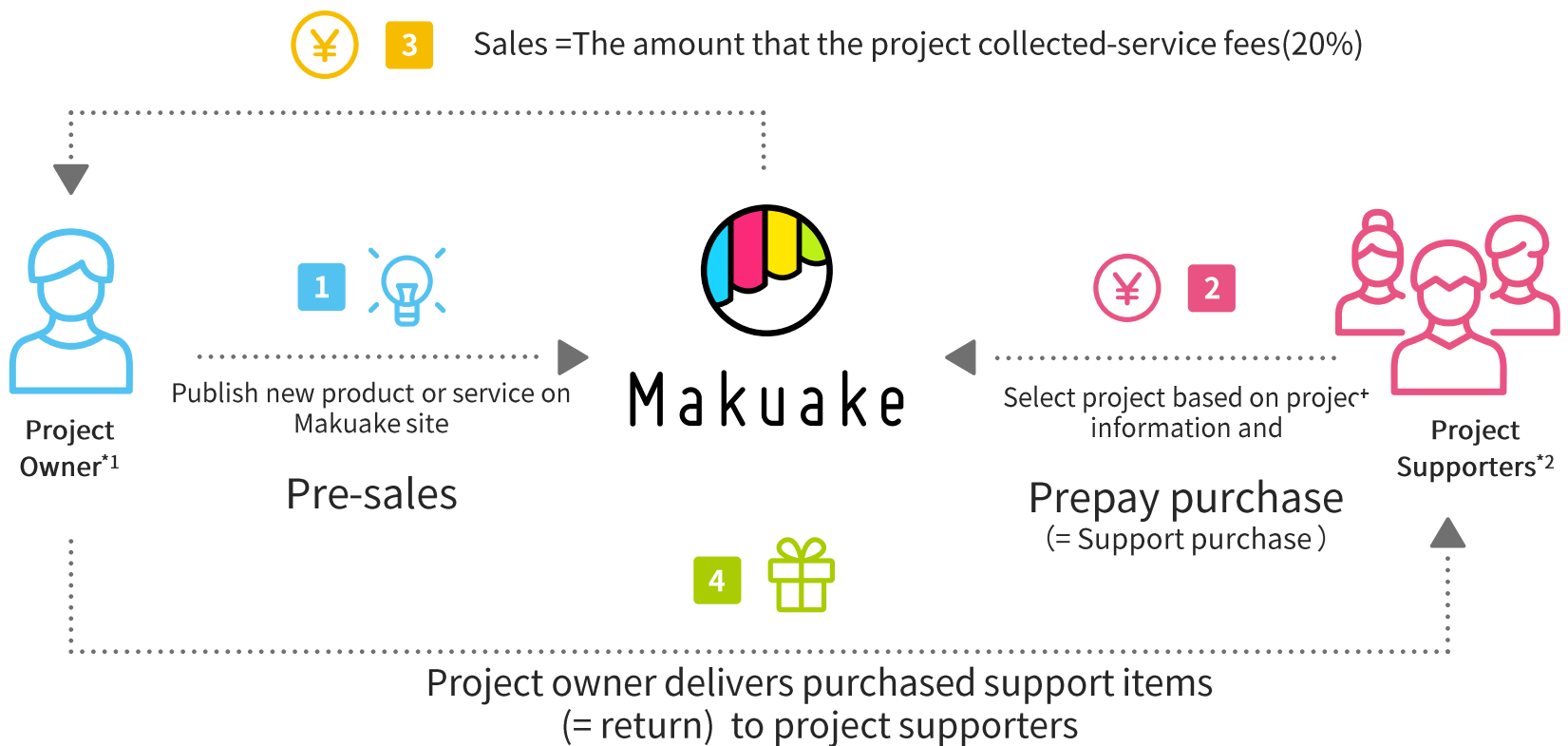
A World where all great things can be
born, grown & preserved.

Mission

Connect the world through the
creation of new things.

Business Details 1 : Makuake

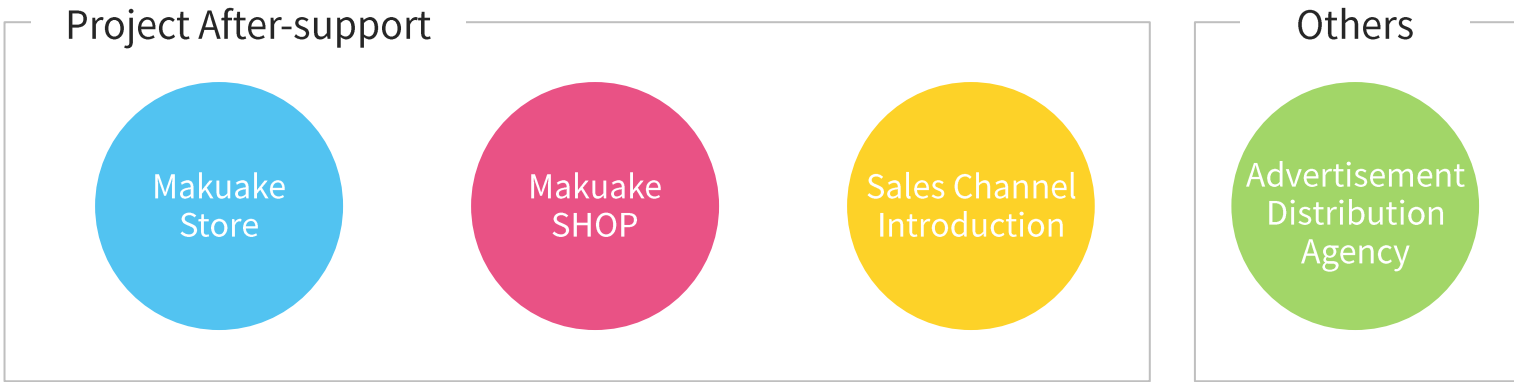
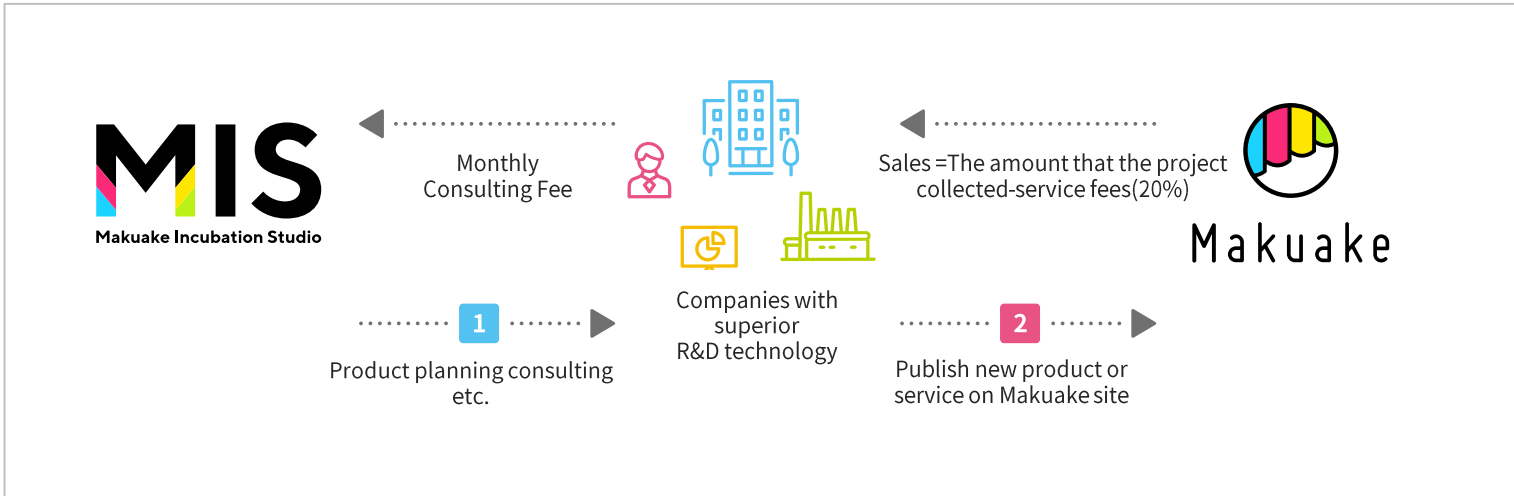
- At Makuake, you can discover, support, and buy the latest innovative products and experiences before they hit the market.



*1 Owner: An organization or individual executing a new product/service
*2 Supporters: Individuals supporting a project and buying its returns

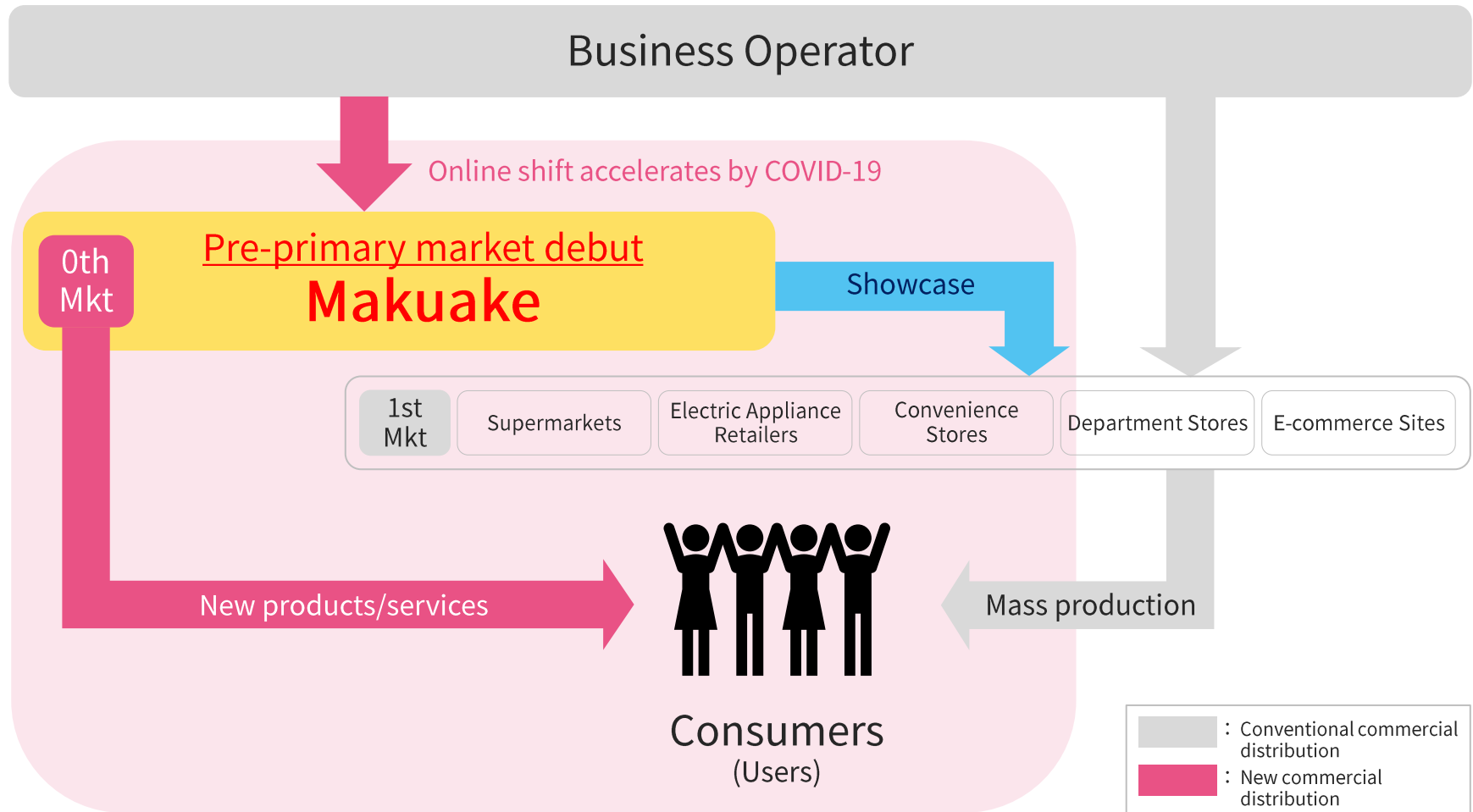
Business Details 2 : MIS & Other Services

- We provide various services that create Makuake's ecosystem, including MIS, a new product development support service that utilizes corporate research and development technology.



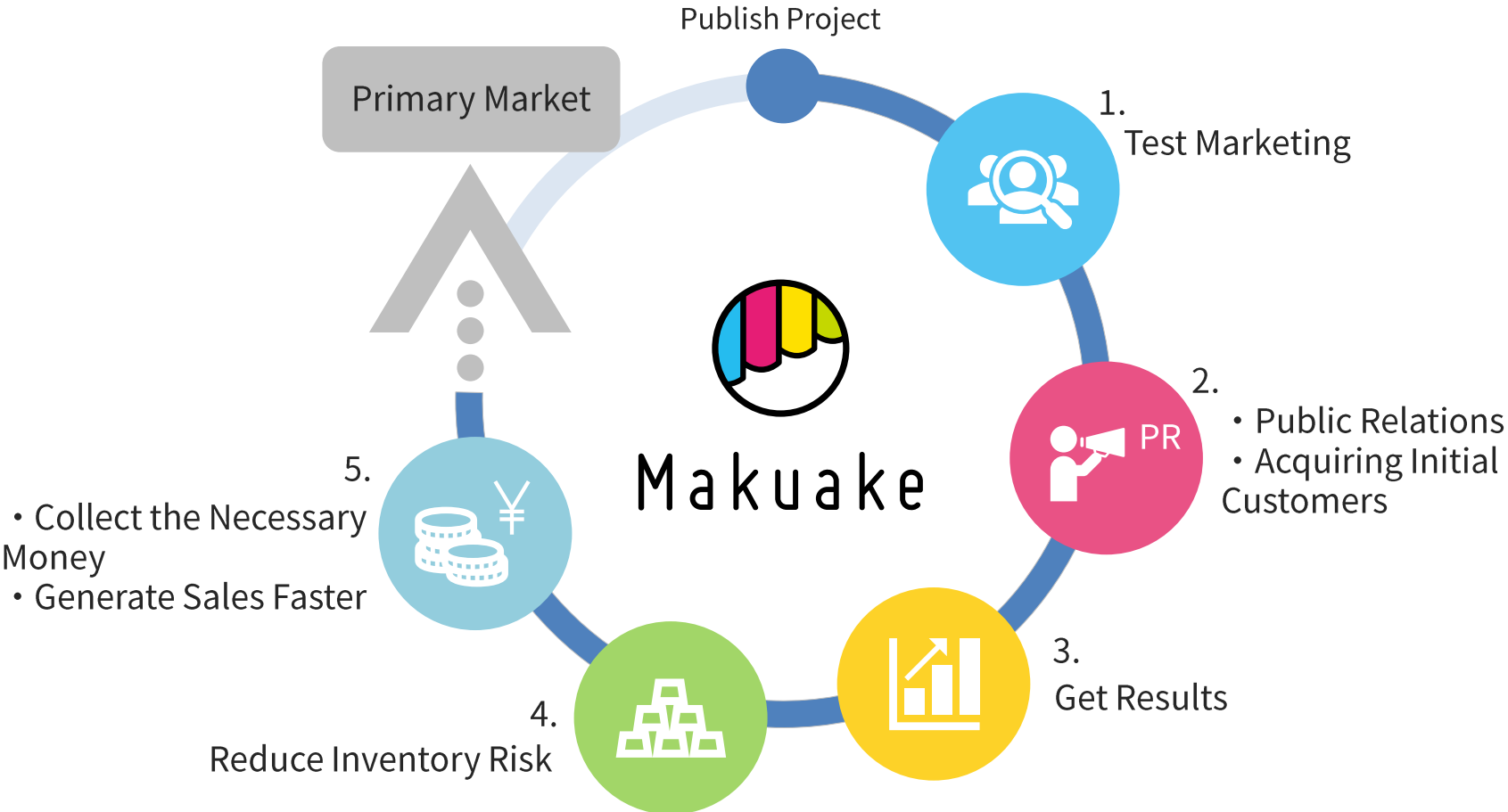
A New, Makuake-driven Business Model

- Makuake provides consumers with new products and new services marketed ahead of mass production and supports deployment into the primary market after project conclusion.



Reasons Why Project Owners Are Using Makuake

- When pre-marketing new products/services, project owners can take advantage of several elements needed ahead of market launch. These can be leveraged each time a new product or service is deployed.



Support Purchase : A New, Enjoyable Purchasing Experience for Makuake Supporters

- This new consumption style lets consumers show support by making purchases.

Purchasing



Sample: Letter openers made by Seki blade crafters



Sample: Gateau chocolate specialty store in Yoyogi Uehara



- Get to know:
 - Project background
 - Creator(s)
 - Product/service uniqueness

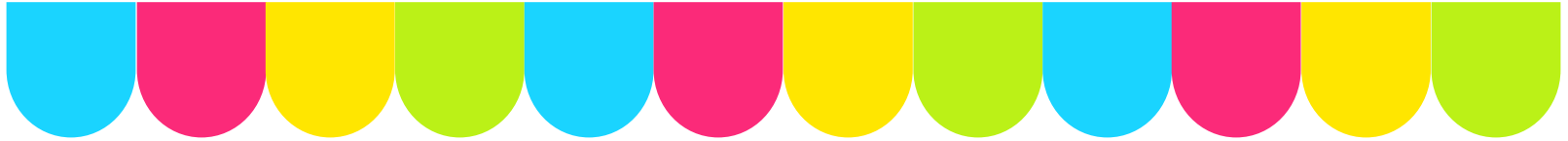
Supporting



Sample: Recruiting supporters for the Kyoto Gion Festival



- Enables participation in unique experiences
- Offers special merchandise

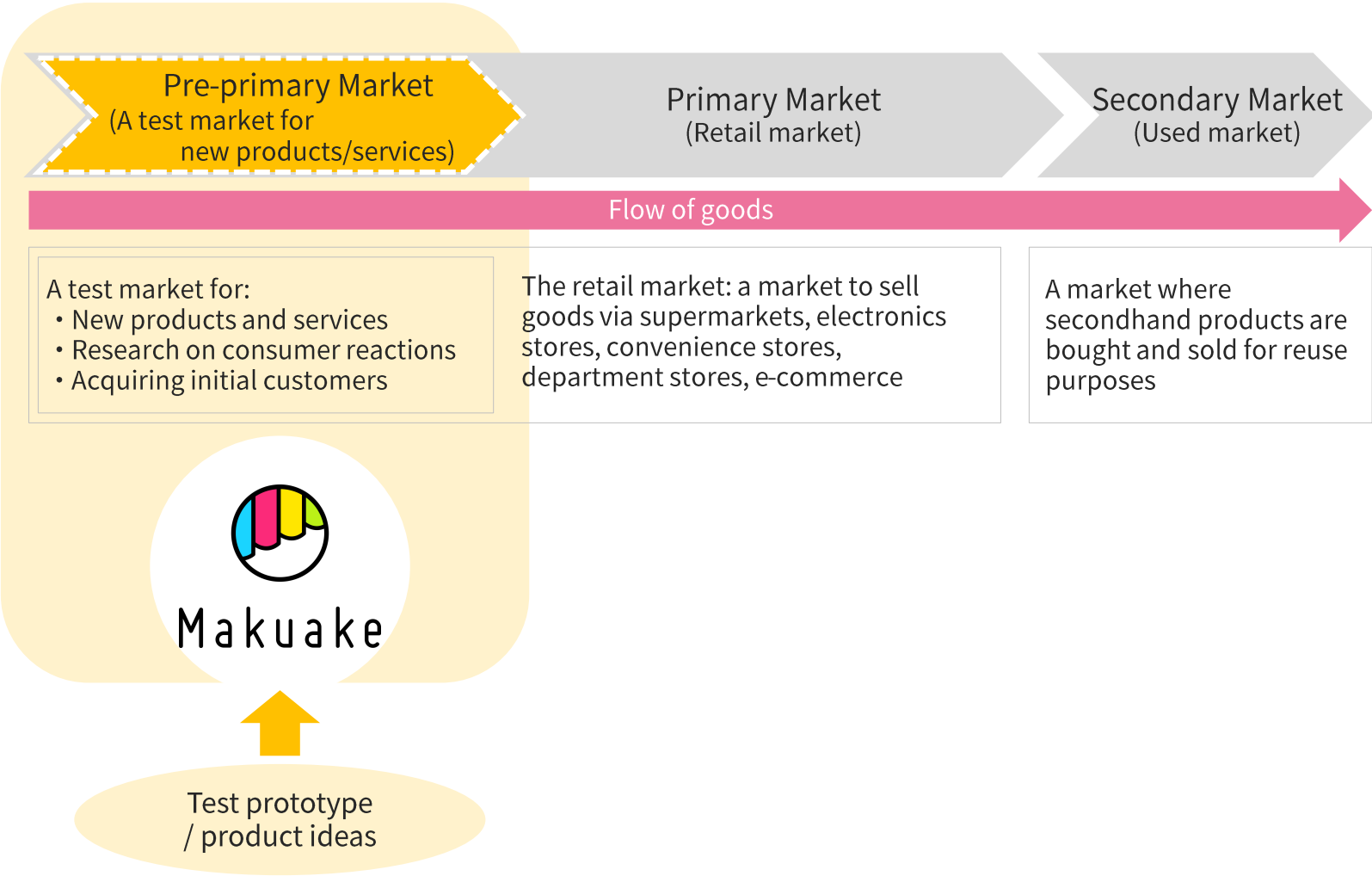


02

Market Environment

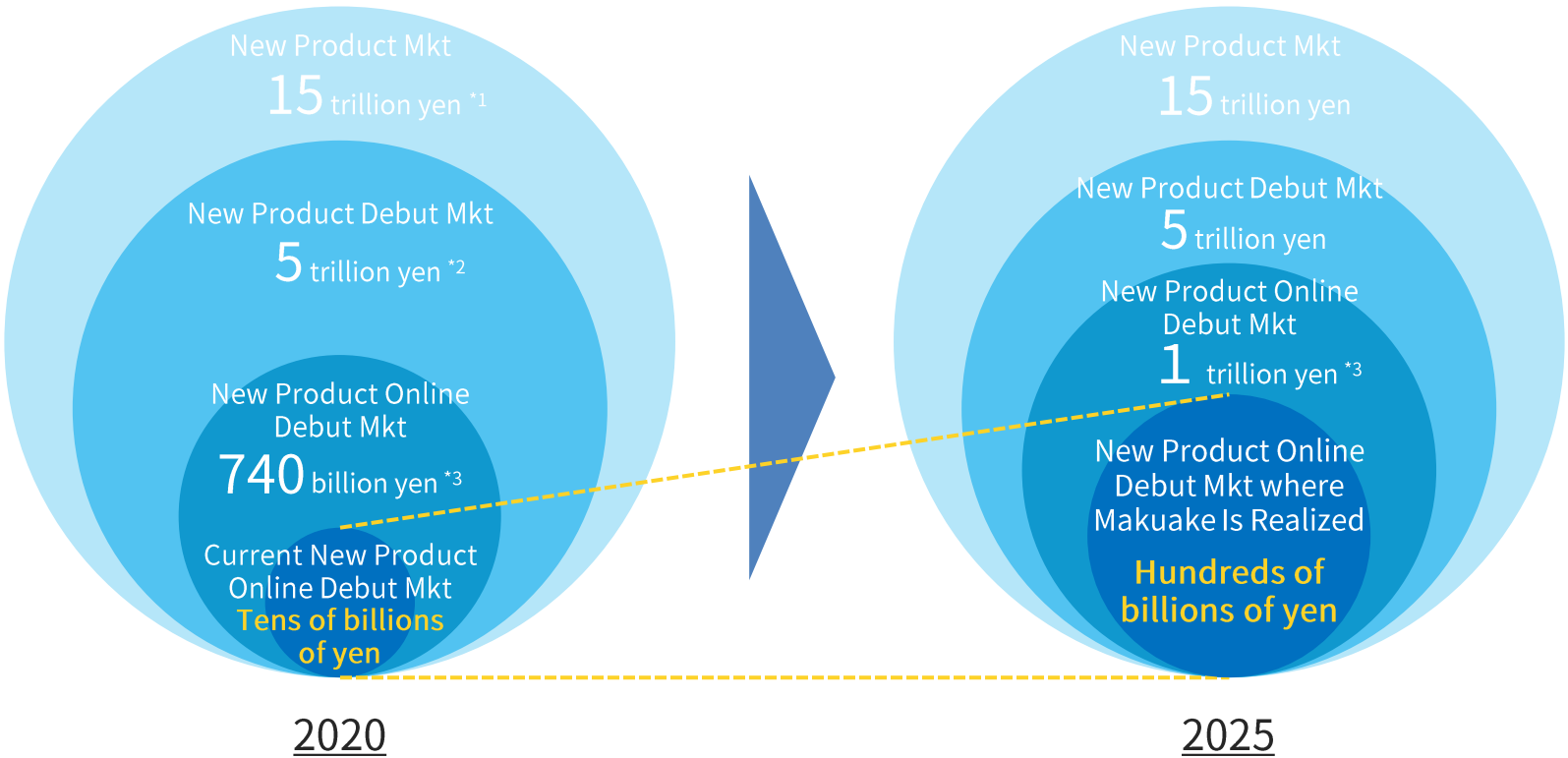
Market Position

- Our platform is specialized in what we call the pre-primary market, or debut market, for new products and services.



Expansion Potential of New Products in EC Markets

- Our target market is the new products debuting in the e-commerce (EC) market from debut until a period of 3 months, which is the period where the highest amount of sales are accumulated. We estimate that after 5 years, this market will be worth 1 trillion yen.



*1 Source for 4th Subcommittee: Research on Big Data and its Effects on New Products and Success Rates / New Product Sales Ratios, Japan Market Creation Study Group
 *2 Calculated based on Makuake research: Market from debut until a period of 3 months, which is the period where the highest amount of sales
 *3 EC market scale in new product debut market: Calculated by Makuake
 *4 Calculated by Makuake based on B2C market growth rates from IT Navigator 2019, Nomura Research Institute



03

Financial Results

Overview of FY2020

Makuake

- Increasing market penetration and ongoing growth of Makuake usage by project owners/supporters
- Transient demand from 3Q due to the COVID-19 pandemic offers supplement and knock-on effect in 4Q as well, leading to growth in total support purchase value
- TV ads run in 4Q greatly raise brand awareness

MIS

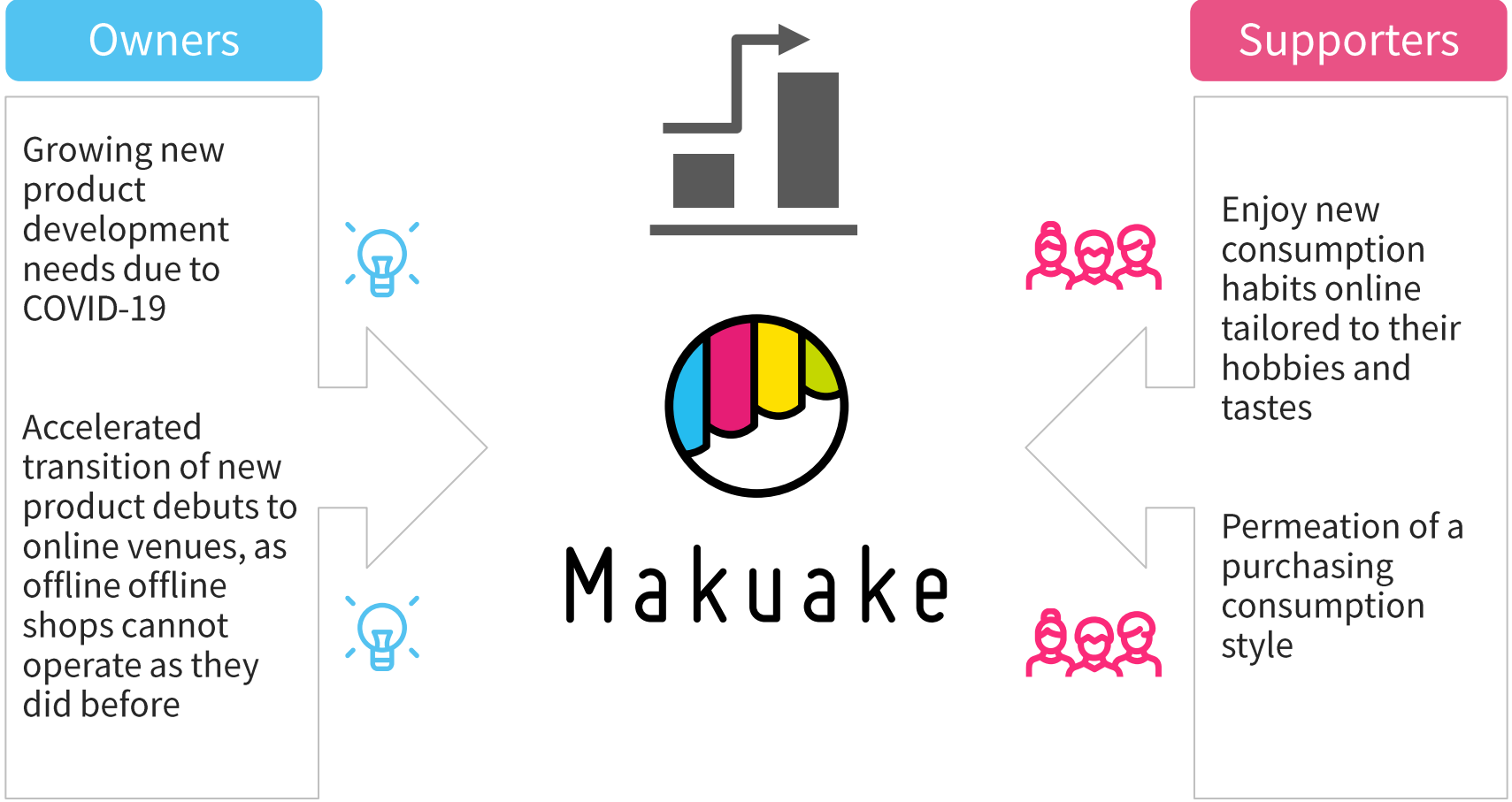
- Increasing number of major companies posting projects to Makuake after use of MIS services
- Actively held online seminars in the second half for large companies preparing for an era of coexistence with COVID-19

Other

- With growth in launched projects, owner posting advertisements increase, leading to growth in total support purchase amounts
- Makuake SHOP (partner brick-and-mortar stores) management pivoted for branding purposes so customers can experience a support purchase hands-on

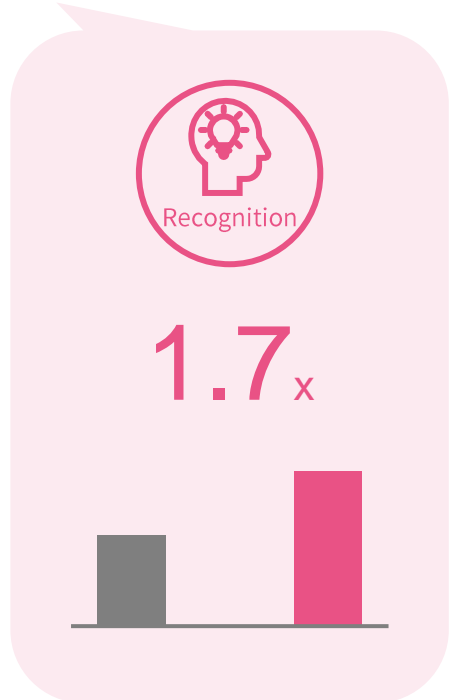
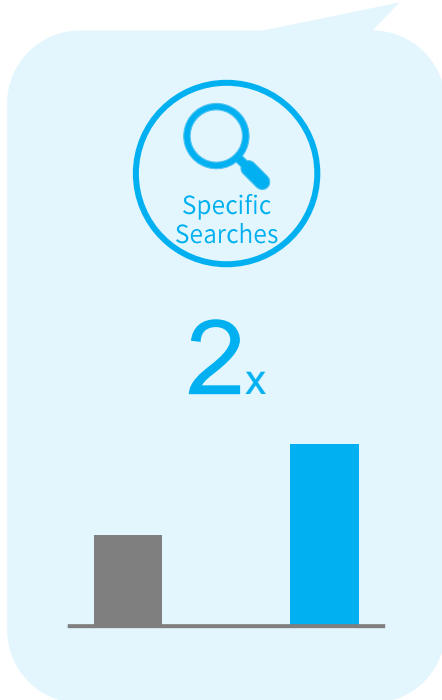
Changes in the Time of COVID-19: A Higher Level of Penetration for Makuake Usage

- With the COVID-19 pandemic, there is an ongoing debut of new products online and a continued shift from shopping offline to online (DX), with penetration of Makuake usage rising.



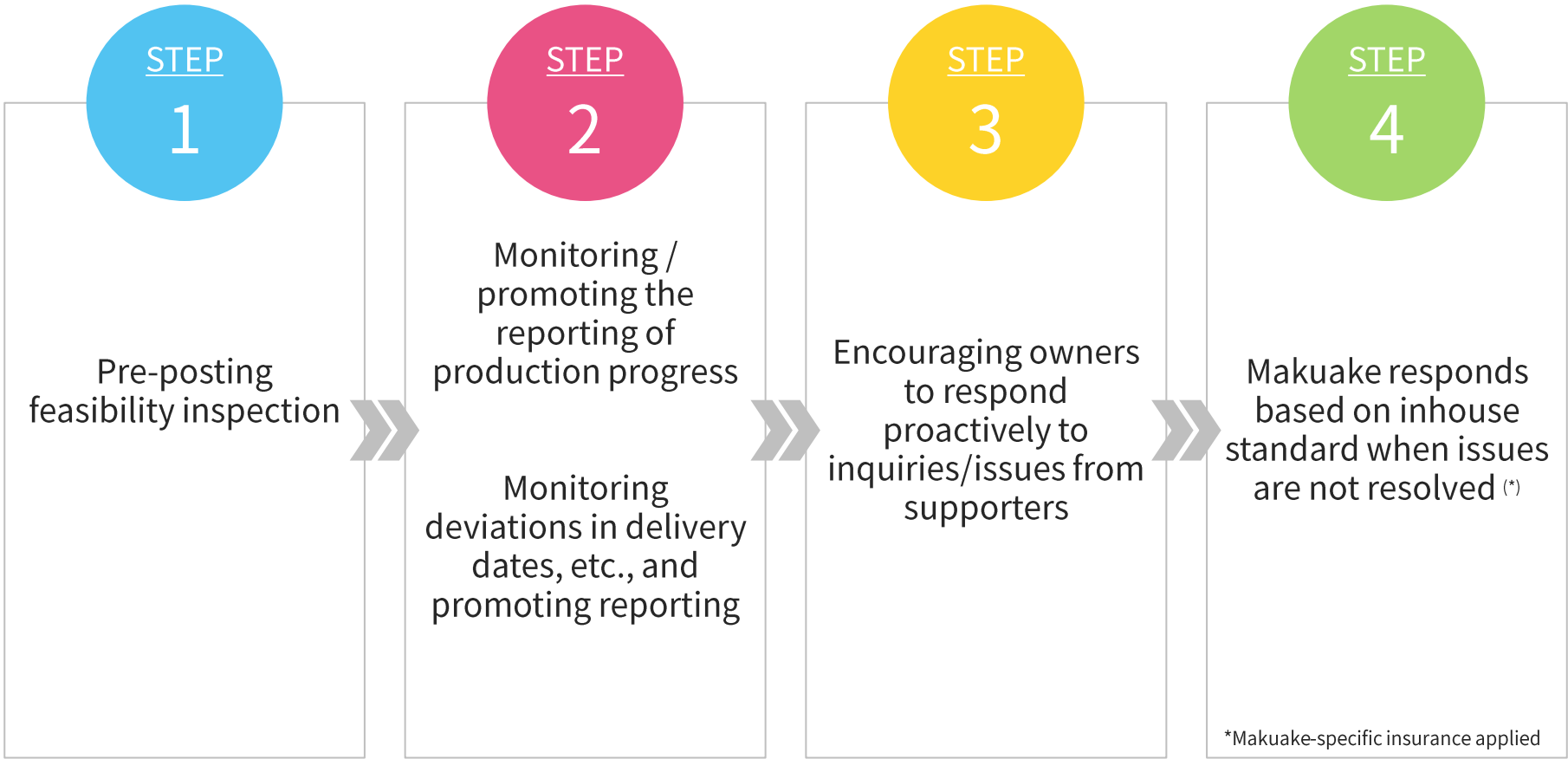
Impact of TV Ads

- A month of TV ads targeting brand recognition have resulted in significant increases in specific search numbers and recognition.



Structure for and Approach to Consumer Protection

- In addition to building a monitoring system covering from before project posting to product delivery, we also take measures to protect consumers in the event of issues arising.



FY2020 Performance Summary: vs. Planning

- Results exceeded performance forecasts even after the upward revision disclosed in July 2020.

(Units: Millions of yen)	FY 2020/9 (Forecasted)	FY 2020/9 (Performance)	Change	Percent Change
Total Support Purchase Value: GMV (Tax included)	13,700	14,664	+963	+7.0%
Net Sales	2,974	3,225	+250	+8.4%
Operating Income	480	510	+30	+6.3%
Ordinary Income	479	512	+32	+6.8%
Net Income	332	369	+37	+11.1%

FY2020 Performance Summary: Year-on-Year (Full-Year)

- Total support purchase value has grown 2.7x year-on-year, with operating income at 4x, showing significant growth.

(Units: Millions of yen)	FY 2019/9	FY 2020/9	Change (YoY)	Percent Change (YoY)
Total Support Purchase Value: GMV (Tax included)	5,480	14,664	+9,183	+167.6%
Net Sales	1,344	3,225	+1,881	+139.9%
Gross Profit	1,085	2,656	+1,571	+144.7%
Operating Income	124	510	+385	+308.5%
Ordinary Income	127	512	+384	+302.2%
Net Income	89	369	+280	+315.3%

FY2020 Performance Summary: Year-on-Year (Single Quarter)

- Investments in promotion led to total support purchase value and net sales growing significantly year-on-year, with profit negative.

(Units: Millions of yen)	FY 2019/9 4 Q (Single Qtr.)	FY 2020/9 4 Q (Single Qtr.)	Change (YoY)	Percent Change (YoY)
Total Support Purchase Value: GMV (Tax included)	1,688	5,252	+3,563	+211.0%
Net Sales	427	1,132	+705	+165.0%
Gross Profit	339	937	+597	+175.8%
Operating Income	68	(20)	(89)	(129.8%)
Ordinary Income	68	(18)	(86)	(127.3%)
Quarterly Net Income	47	14	(32)	(69.9%)

FY2020 Performance Summary: Quarter-on-Quarter

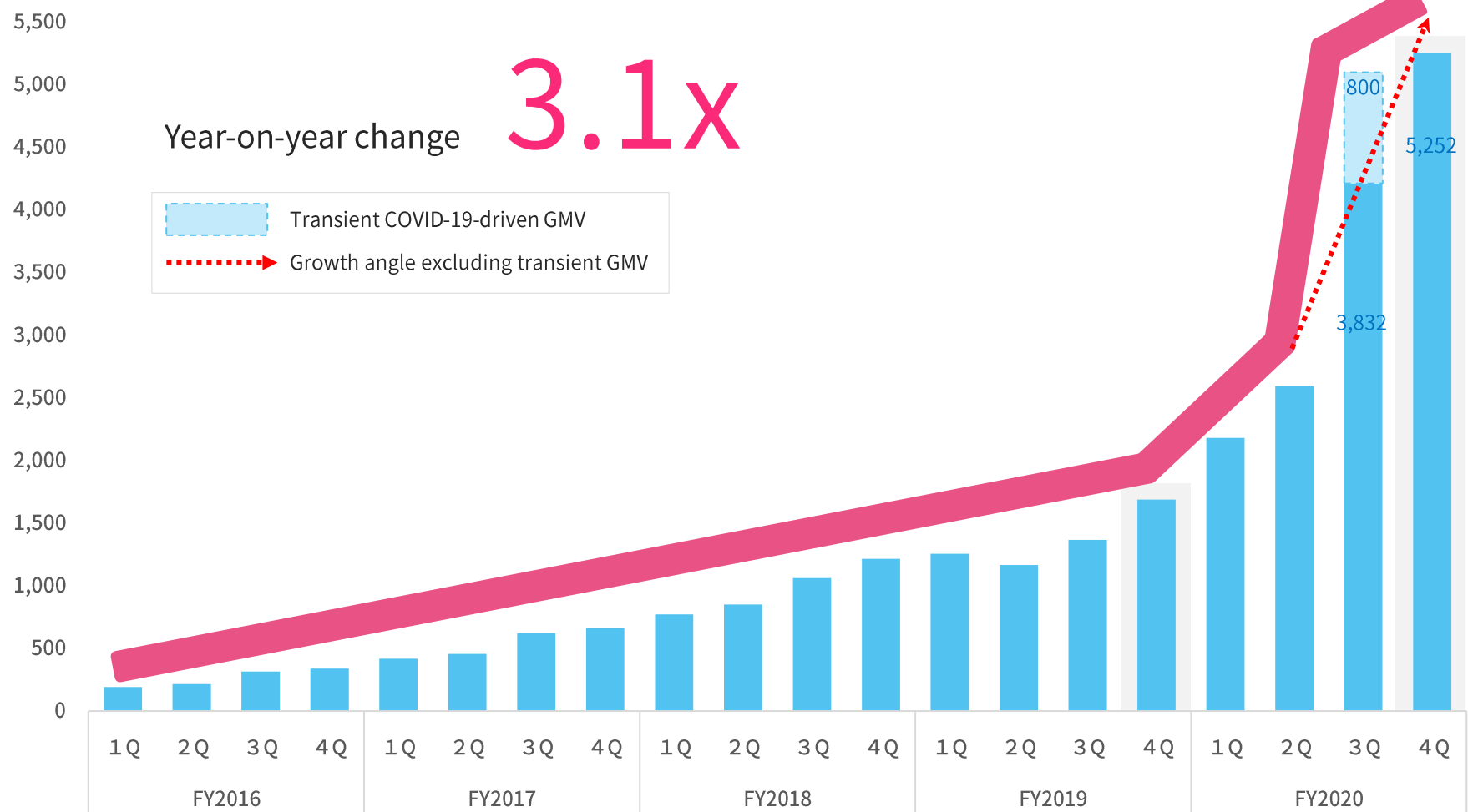
- Even in 3Q, investments in promotion led to total support purchase value and sales growing, with profit negative.

(Units: Millions of yen)	FY 2020/9 3 Q (Single Qtr.)	FY 2020/9 4 Q (Single Qtr.)	Change (QoQ)	Percent Change (QoQ)
Total Support Purchase Value: GMV (Tax included)	4,632	5,252	+620	+13.4%
Net Sales	970	1,132	+162	+16.7%
Gross Profit	818	937	+118	+14.5%
Operating Income	290	(20)	(311)	(107.0%)
Ordinary Income	289	(18)	(308)	(106.4%)
Quarterly Net Income	190	14	(176)	(92.6%)

Total Support Purchase Value Over Time

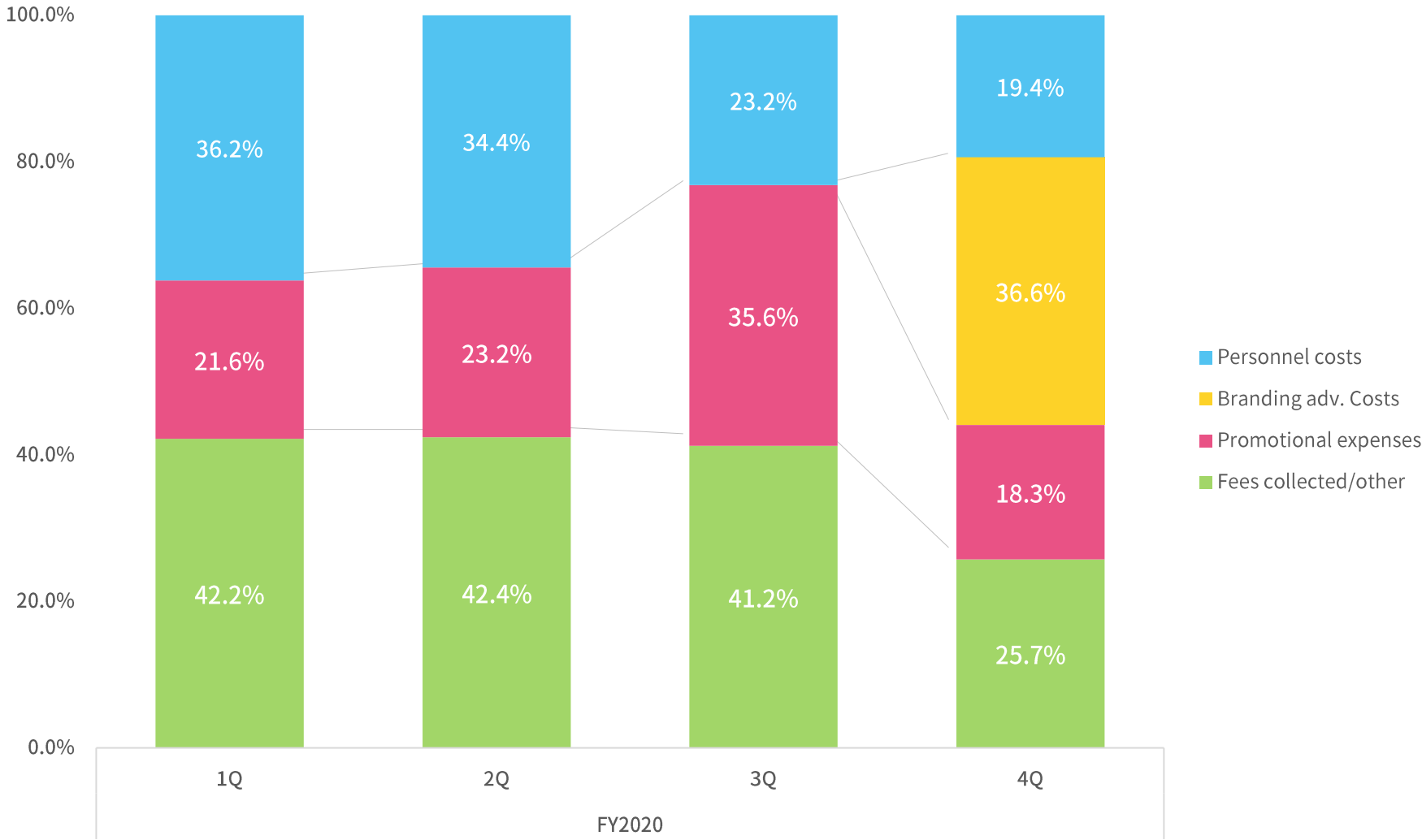
- Transient demand from 3Q due to the COVID-19 pandemic offers supplement and knock-on effect in 4Q as well, leading to growth in total support purchase value.

(Units: Millions of yen)



Composition of Selling, General and Administrative Expenses

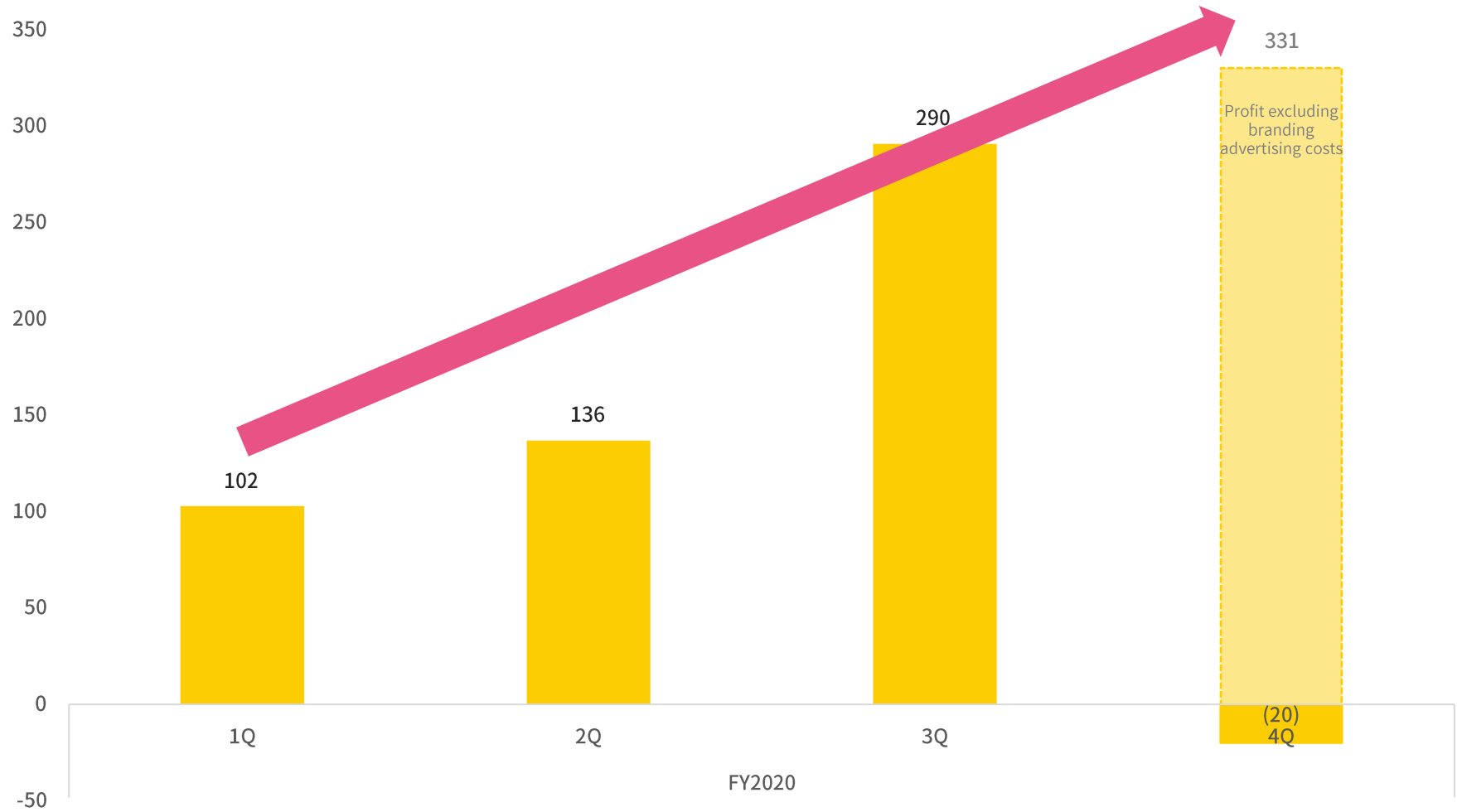
- In 4Q, due to spending on branding advertising expenses, the ratio of advertising expenses as a share of SG&A increased significantly.



Operating Income Over Time (Excluding Branding Advertising Costs)

- Excluding branding advertising expenses invested in 4Q for further growth, operating income is increasing with total support purchases.

(Units: Millions of yen)



FY2020 Balance Sheet: Year-on-Year

- Shareholders' equity ratio was 69.6%, when excluding deposits for project owners of the value of support purchases.

(Units: Millions of yen)	FY 2019/9	FY 2020/9	Change (YoY)	Percent Change (YoY)
Current Assets	1,078	5,647	+4,569	+424%
Non-current Assets	320	513	+192	+60%
Total Assets	1,399	6,173	+4,774	+341%
Current Liabilities	1,098	3,472	+2,373	+216%
Deposits	800	2,345	+1,544	+193%
Non-current Liabilities	15	28	+13	+86%
Total Liabilities	1,113	3,500	+2,386	+214%
Net Assets	285	2,673	+2,387	+837%

FY2020 Profit Margin: Year-on-Year (Full-Year)

- Operating income margins increased significantly, and operating income margins increased versus GMV.

	FY 2019/9	FY 2020/9	Percent Change (YoY)
Operating Income to GMV	2.3%	3.5%	+1.2pt
Gross Profit Margin	80.7%	82.4%	+1.6pt
Operating Income Margin	9.3%	15.8%	+6.5pt
Ordinary Income Margin	9.5%	15.9%	+6.4pt
Net Income Margin	6.6%	11.5%	+4.8pt

FY2020 Profit Margin: Year-on-Year (Single Quarter)

- As a result of promotions for brand recognition, operating income in 4Q was negative, and the year-on-year profit margin was negative.

	FY 2019/9 4 Q (Single Qtr.)	FY 2020/9 4 Q (Single Qtr.)	Percent Change (YoY)
Operating Income to GMV	4.1%	(0.4%)	(4.5pt)
Gross Profit Margin	79.5%	82.7%	+3.2pt
Operating Income Margin	16.1%	(1.8%)	(17.9pt)
Ordinary Income Margin	15.9%	(1.6%)	(17.6pt)
Quarterly Net Income Margin	11.0%	1.2%	(9.8pt)

FY2020 Profit Margin: Quarter-on-Quarter (Single Quarter)

- As a result of promotions for brand recognition, operating income in 4Q was negative, and the profit margin was negative versus 3Q.

	FY 2020/9 3 Q (Single Qtr.)	FY 2020/9 4 Q (Single Qtr.)	Percent Change (QoQ)
Operating Income to GMV	6.3%	(0.4%)	(6.7pt)
Gross Profit Margin	84.3%	82.7%	(1.6pt)
Operating Income Margin	30.0%	(1.8%)	(31.8pt)
Ordinary Income Margin	29.9%	(1.6%)	(31.5pt)
Quarterly Net Income Margin	19.7%	1.2%	(18.4pt)

FY2020 KPIs: Year-on-Year (Single Quarter)

- New postings more than doubled, with significant growth in most indicators.

	FY 2019/9 4 Q (Single Qtr.)	FY 2020/9 4 Q (Single Qtr.)	Change (YoY)	Percent Change (YoY)
No. of New Projects	774	1,559	+785	+101.4%
Repeat Support Purchase Rate (%)	74.9	71.4	-	(3.5pt)
No. of Access Unique Users	4,518,702	10,585,274	+6,066,572	+134.3%
No. of Members	666,242	1,262,758	+596,516	+89.5%
No. of Payments	160,456	499,418	+338,962	+211.2%

FY2020 KPIs: Quarter-on-Quarter (Single Quarter)

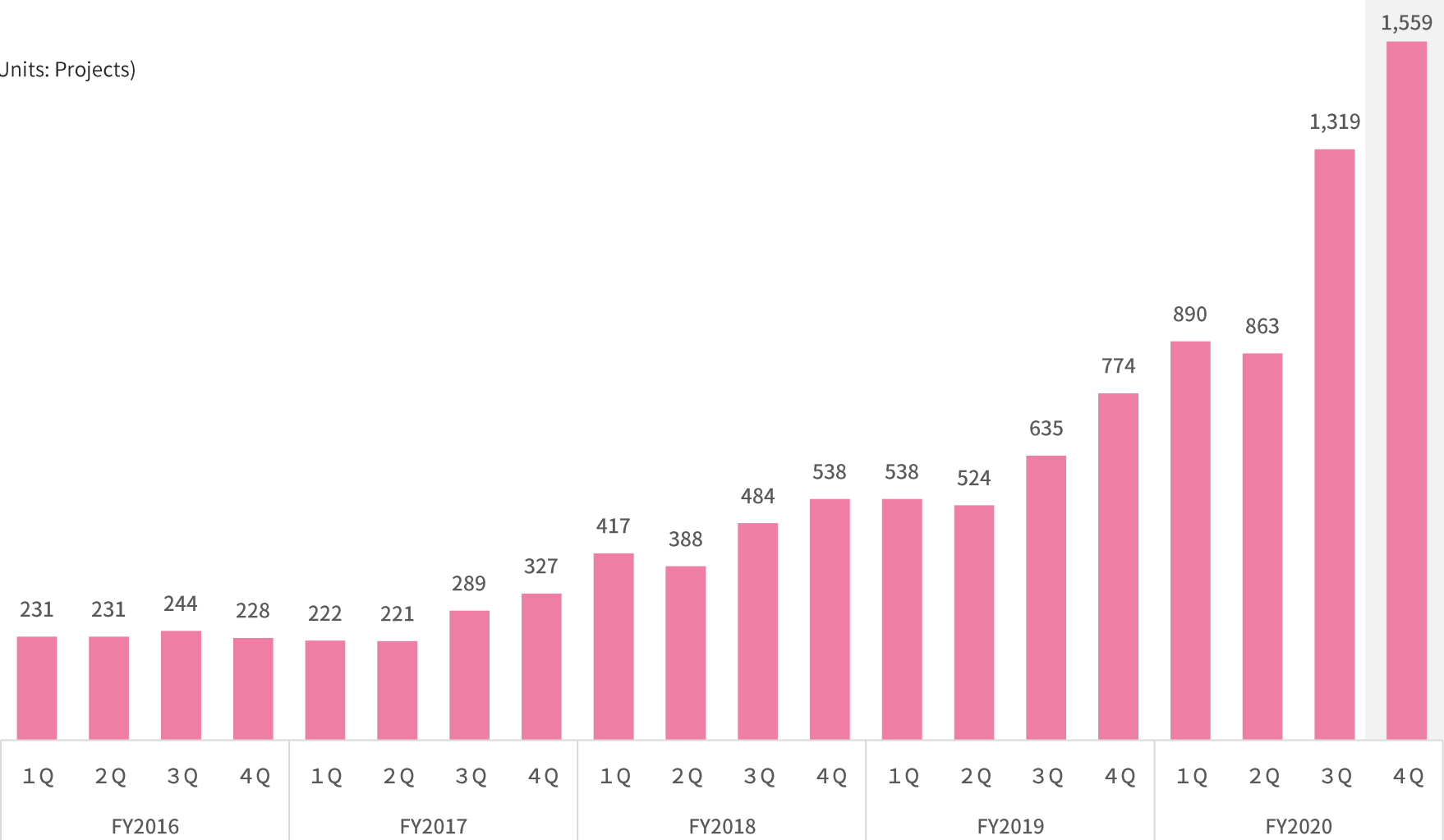
- Compared to 3Q, the number of postings and the number of members increased, and unique users also maintained high levels caused by the COVID-19.

	FY 2020/9 3 Q (Single Qtr.)	FY 2020/9 4 Q (Single Qtr.)	Change (QoQ)	Percent Change (QoQ)
No. of New Projects	1,319	1,559	+240	+18.2%
Repeat Support Purchase Rate (%)	72.4	71.4	-	(1.0pt)
No. of Access Unique Users	11,400,156	10,585,274	(814,882)	(7.1%)
No. of Members	1,084,016	1,262,758	+178,742	+16.5%
No. of Payments	561,796	499,418	(62,378)	(11.1%)

No. of New Publishings (Key Indicators)

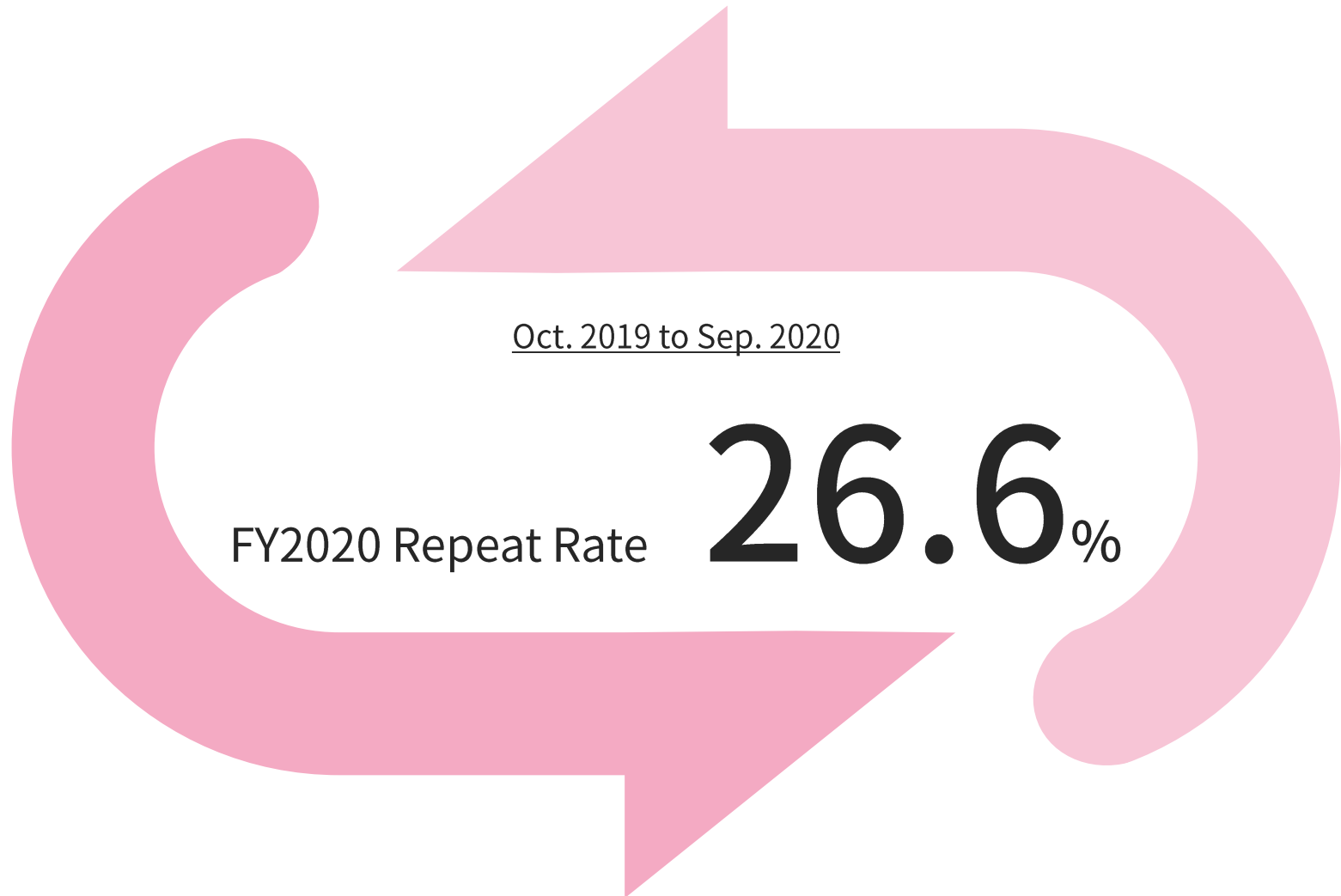
- Project count growth continues at a high rate even after a major bump in 3Q.

(Units: Projects)



Project Owner Makuake Repeat Utilization Rate


- In one year, nearly 30% of project owners used Makuake a second time.

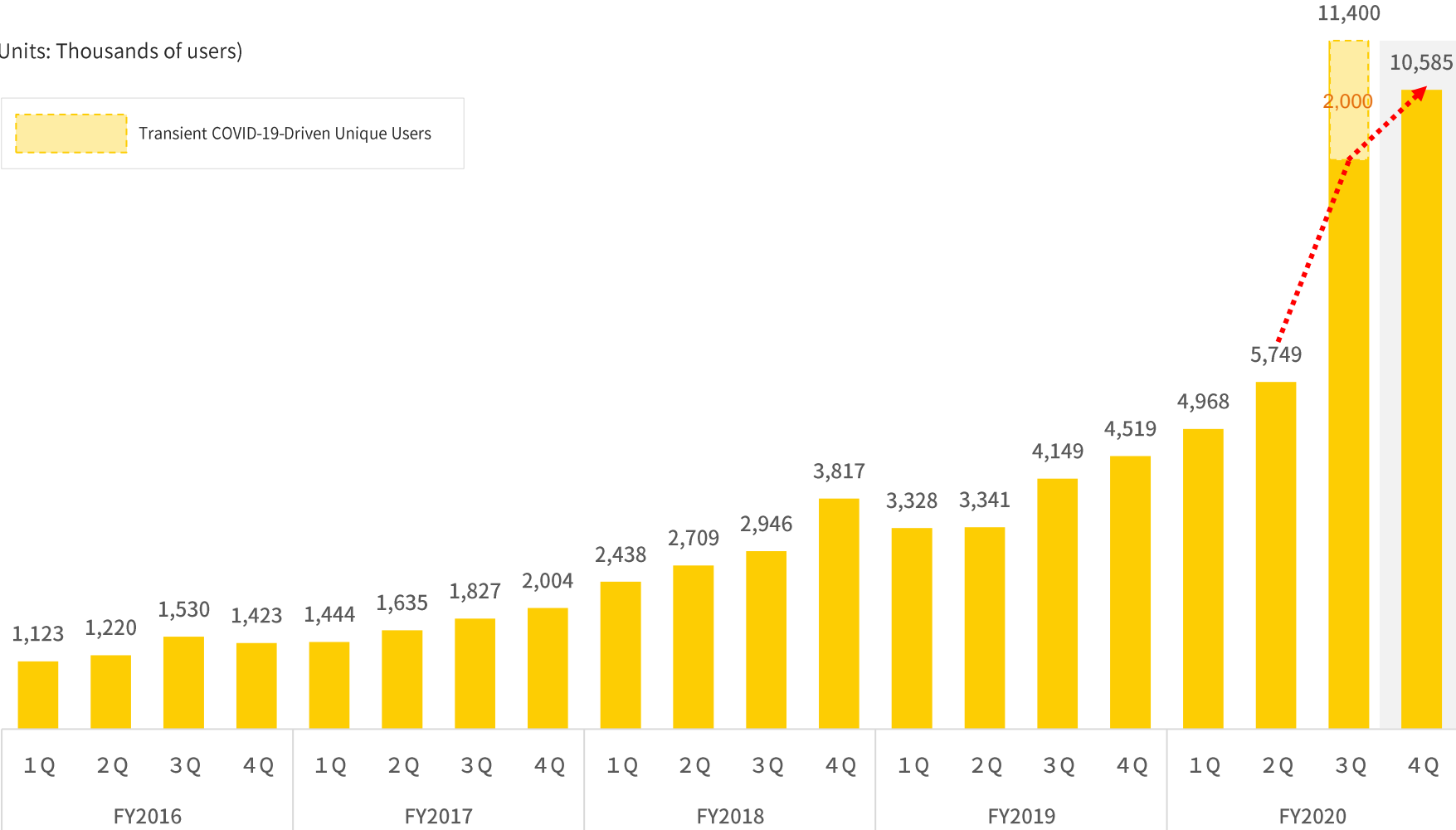


Unique Users Over Time (Key Indicators)

- Unique users maintain a high level even after a temporary influx caused by the COVID-19 pandemic.

(Units: Thousands of users)

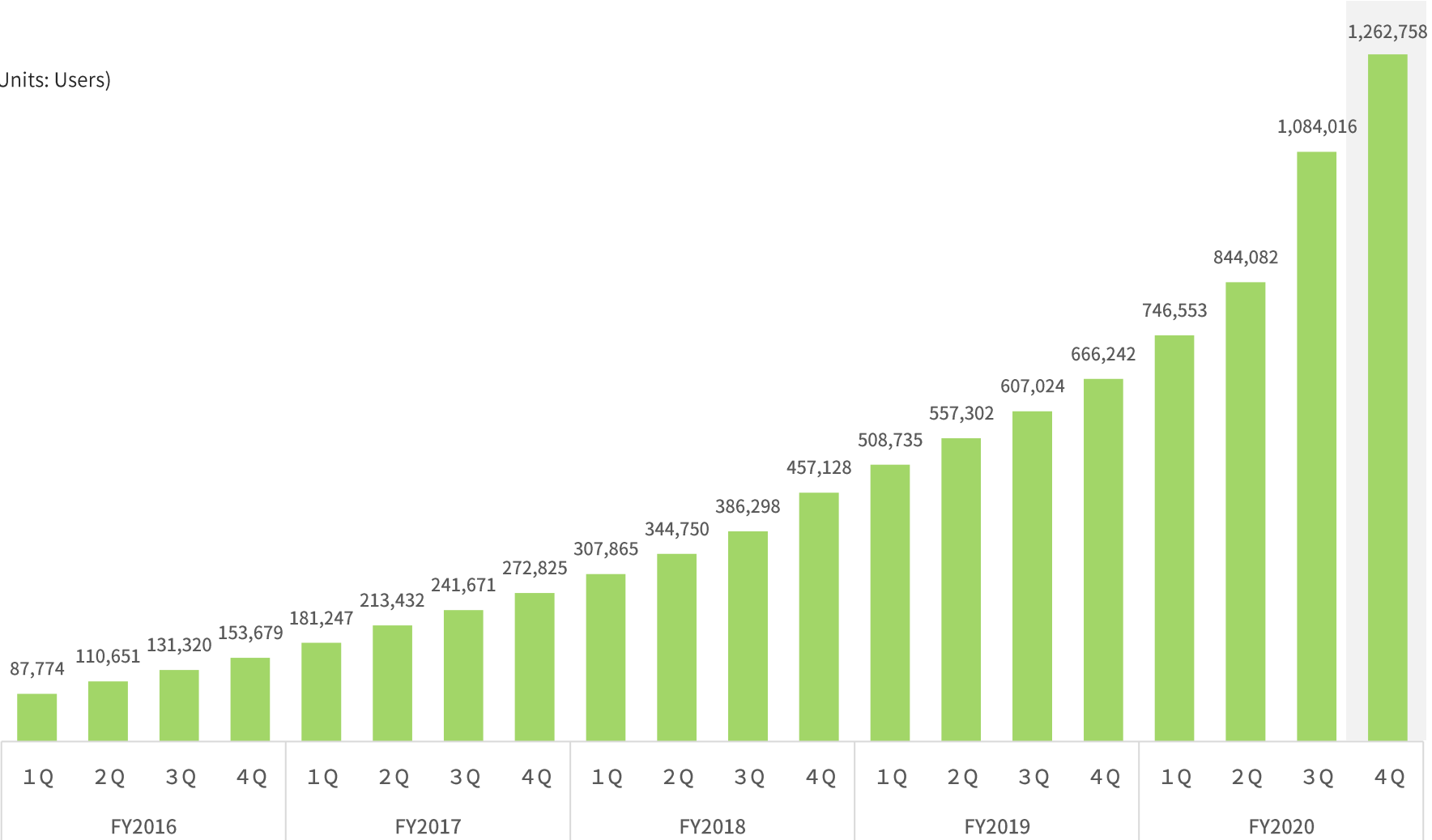
 Transient COVID-19-Driven Unique Users



Number of Members Over Time

- Member counts increased at a faster rate during FY2020, performing well.

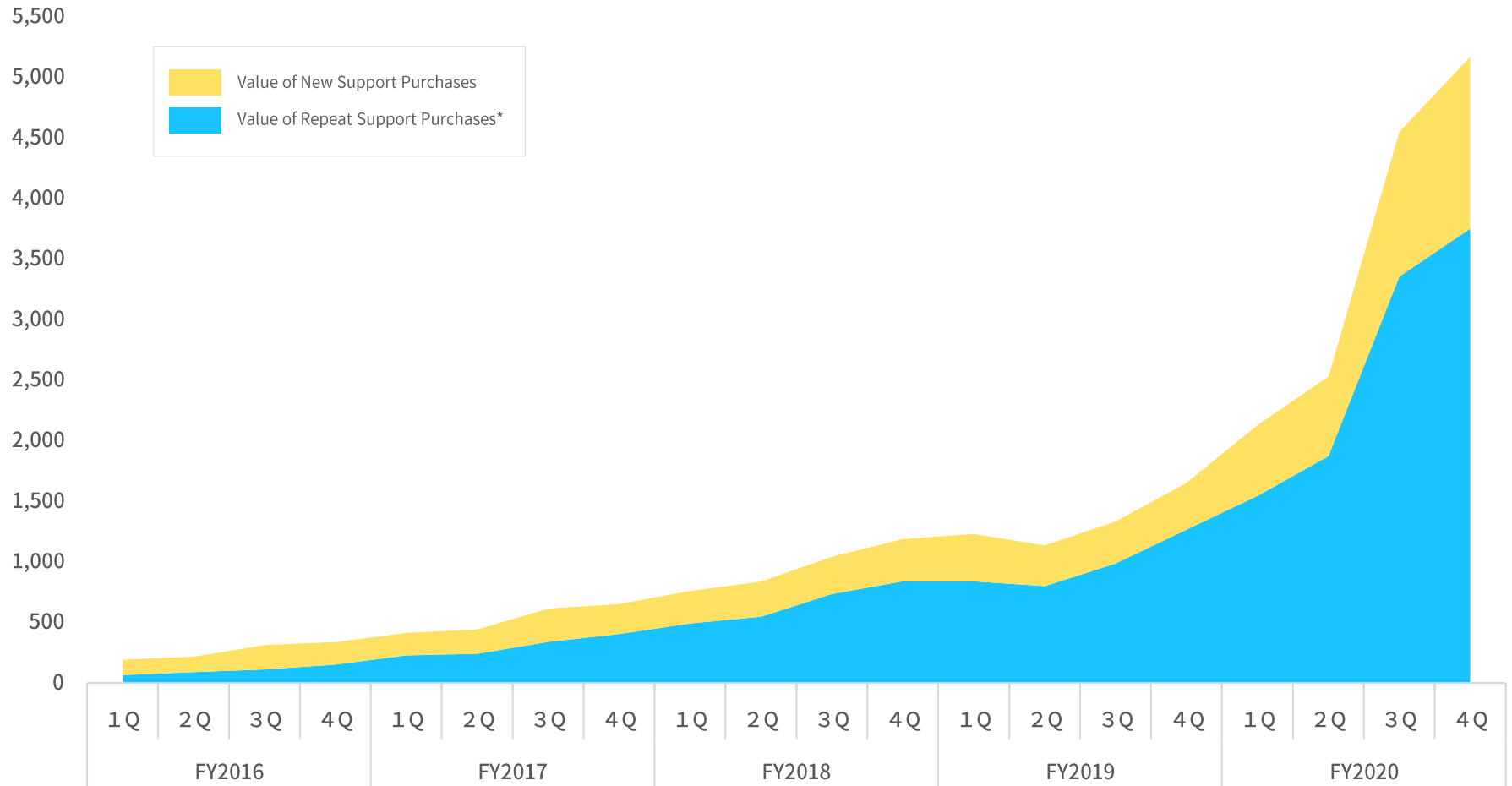
(Units: Users)



Value of Repeat Support Purchases Over Time

- We maintained a high repeat rate while new user support purchase values grew.

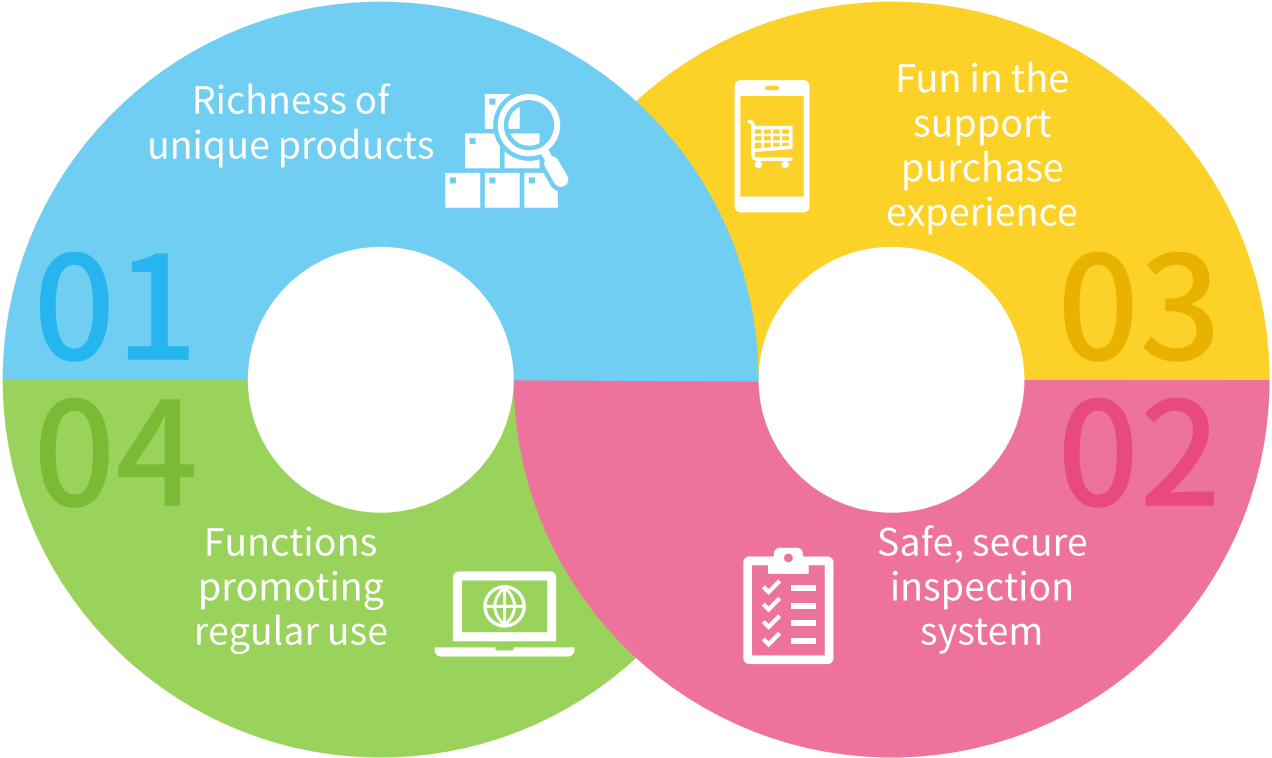
(Units: Millions of yen)



* Of the total value of support purchases on the Makuake service, the share of the value of support purchases from project supporters who have made a support purchase in the past year (as of FY2020, we have improved our data aggregation methods, increasing accuracy)

Basis for Maintaining High Repeat Support Purchase Rate

- Due to a service structure that encourages repeat visits to Makuake, we have maintained a repeat rate of over 70% even as the scale of our total support purchase value expands.



FY2020: Major Projects Launched in 4Q

As before, this quarter saw Makuake launch a number of new challenges for multiple industries.

応援購入総額: 373,325,800円 (Success)
 目標金額: 500,000円
 進捗: 7665%
 サポーター: 2,726人
 残り: 終了
 終了しました

モニター級、登場！次世代ポータブル・パワーステーション「Monster」

Products/Outdoor

応援購入総額: 110,387,600円 (Success)
 目標金額: 300,000円
 進捗: 3675%
 サポーター: 14,101人
 残り: 終了
 終了しました

簡単装着！100億個のマイクロファインバブルで洗濯革命「SAWAWA 洗濯」

Technology/Made-in-Japan

応援購入総額: 11,354,000円 (Success)
 目標金額: 2,500,000円
 進捗: 45%
 サポーター: 1,378人
 残り: 終了
 終了しました

豚組の新たな挑戦。「豚組しゃぶ庵」オンライン移転&店舗再出店プロジェクト

Restaurants/Membership Programs

応援購入総額: 11,718,000円 (Success)
 目標金額: 1,000,000円
 進捗: 1171%
 サポーター: 380人
 残り: 19日
 応援購入する

たった500gでダウンの暖かさ 空気をまとう「エア-ライトジャケット」

Fashion/Outdoors

応援購入総額: 12,242,500円 (Success)
 目標金額: 1,000,000円
 進捗: 1224%
 サポーター: 604人
 残り: 9日
 応援購入する

どこでも簡単に、会社よりも集中できる書斎を。『Think Lab HOME』

Convenience Goods/Portables

応援購入総額: 12,212,000円 (Success)
 目標金額: 1,000,000円
 進捗: 1221%
 サポーター: 579人
 残り: 終了
 終了しました

コントローラーを腕に装着！【ロックマン】のゲームをつくるプログラミング

Games/For Children

応援購入総額: 12,688,700円 (Success)
 目標金額: 300,000円
 進捗: 4229%
 サポーター: 4,257人
 残り: 終了
 終了しました

アウトドアスパイス ほりにし の辛口(レッド) が新登場！

Food/Order Products

応援購入総額: 10,941,810円 (Success)
 目標金額: 300,000円
 進捗: 3647%
 サポーター: 908人
 残り: 終了
 終了しました

ソロキャンパー向け、L字型の新発想。収納に困らない美しい焚火台 flame

Camping/Convenience Goods

応援購入総額: 7,461,500円 (Success)
 目標金額: 3,000,000円
 進捗: 248%
 サポーター: 500人
 残り: 27日
 応援購入する

東京蔵前に蒸留所！廃棄される運命の酒粕やビールをリユースし至高のジン

Japanese Sake/Regional Vitalization

FY2020: Major Projects Launched in 4Q (Major Firms)

- Industry mainstream use of Makuake is growing.

応援購入総額 **31,428,540円** (Success)
 目標金額 1,000,000円
 1142%
 サポーター 999人
 残り 終了
 終了しました

のぞきながら撮れる！キヤノンの望遠鏡型カメラ PowerShot ZOOM

Canon Marketing Japan Inc.

シューズが、
コーチになる。

応援購入総額 **37,065,275円** (Success)
 目標金額 3,000,000円
 1235%
 サポーター 1,106人
 残り 7日
 応援購入する

ランナーの目標達成を。アシックスのスマートシューズ EVORIDE ORPHE

asics smartshoes

応援購入総額 **3,684,120円** (Success)
 目標金額 1,000,000円
 368%
 サポーター 149人
 残り 19日
 応援購入する

運転中の「まさか」にプロがリアルタイムでお助け。パイオニア通信ドライ

Pioneer Corporation

オンラインで学ば！
AIロボットプログラミング

応援購入総額 **1,386,000円** (Success)
 目標金額 500,000円
 277%
 サポーター 84人
 残り 終了
 終了しました

AIロボットプログラミングのオンライン授業を実施します（ロボホン貸し出

Sharp Corporation

PLAY OFF SUIT

応援購入総額 **2,202,750円** (Success)
 目標金額 1,000,000円
 220%
 サポーター 102人
 残り 65日
 応援購入する

ビジネス、カジュアル、プレーまで。ルコックゴルフが提案する、究極の着

le coq sportif (Golf)

水を纏う
T-SHIRT

応援購入総額 **2,159,190円** (Success)
 目標金額 300,000円
 73%
 サポーター 243人
 残り 終了
 終了しました

【世界先行販売】東レグループの先端開発技術投入した革新商品”水を纏

Toray Diplomode New Business Development Team

「触れる」をまもる。
スタイルに合わせて選べるタッチレスツールMgrip/Re-Leaf

応援購入総額 **3,442,028円** (Success)
 目標金額 150,000円
 3294%
 サポーター 640人
 残り 25日
 応援購入する

触れるをまもる。スタイルに合わせて選べるタッチレスツールMgrip/Re-Leaf

Tokai Rika Co., Ltd.

おうち時間を至福の時間に NeOchi Pillow
"Special Human Time"

応援購入総額 **28,539,806円** (Success)
 目標金額 200,000円
 14269%
 サポーター 2,798人
 残り 終了
 終了しました

ゲームがしやすい。スマホが見やすい。長時間でもスゴク楽。優しく包む

CROSSPLUS.INC

雨の日を快適に
ビヨンと伸びる！
傘カバー

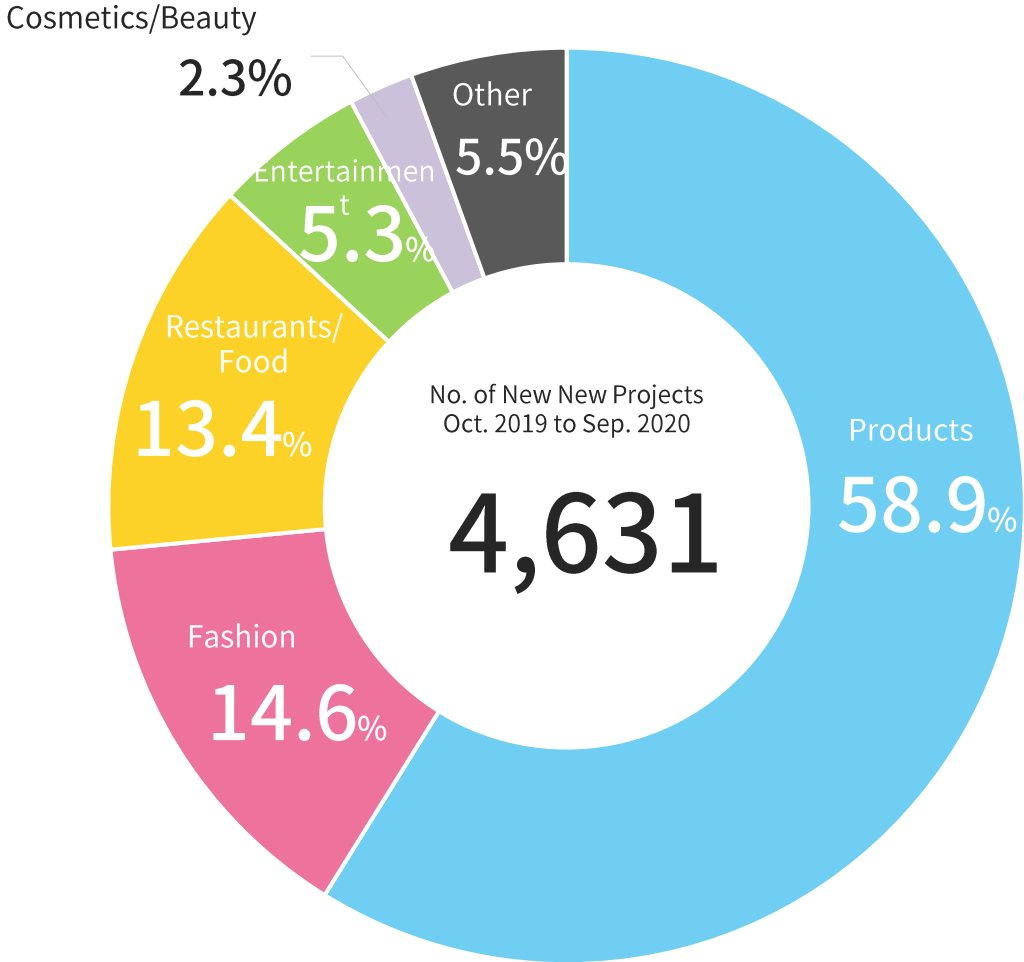
応援購入総額 **5,341,600円** (Success)
 目標金額 500,000円
 1065%
 サポーター 2,301人
 残り 終了
 終了しました

濡れない&濡らさない！！びよんと伸びるスマート傘カバーで雨の日を快

Gravity x Toyoshima

FY2020: Projects Launched by Genre

- The largest number of projects are in the product genres, followed by the fashion, restaurants, and food genres.



Topics

At Tokyu Plaza Ginza / Haneda Airport stores:
Makuake product display/sales launched



Makuake-sponsored awards event
Makuake Award 2020 held online

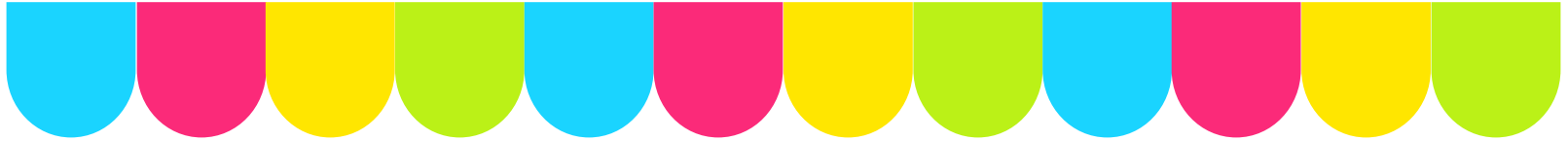


On the SmartNews platform,
a new “Makuake Channel” is launched



Strengthening promotion of Makuake use in the Tokai region
Established a Makuake location in Nagoya





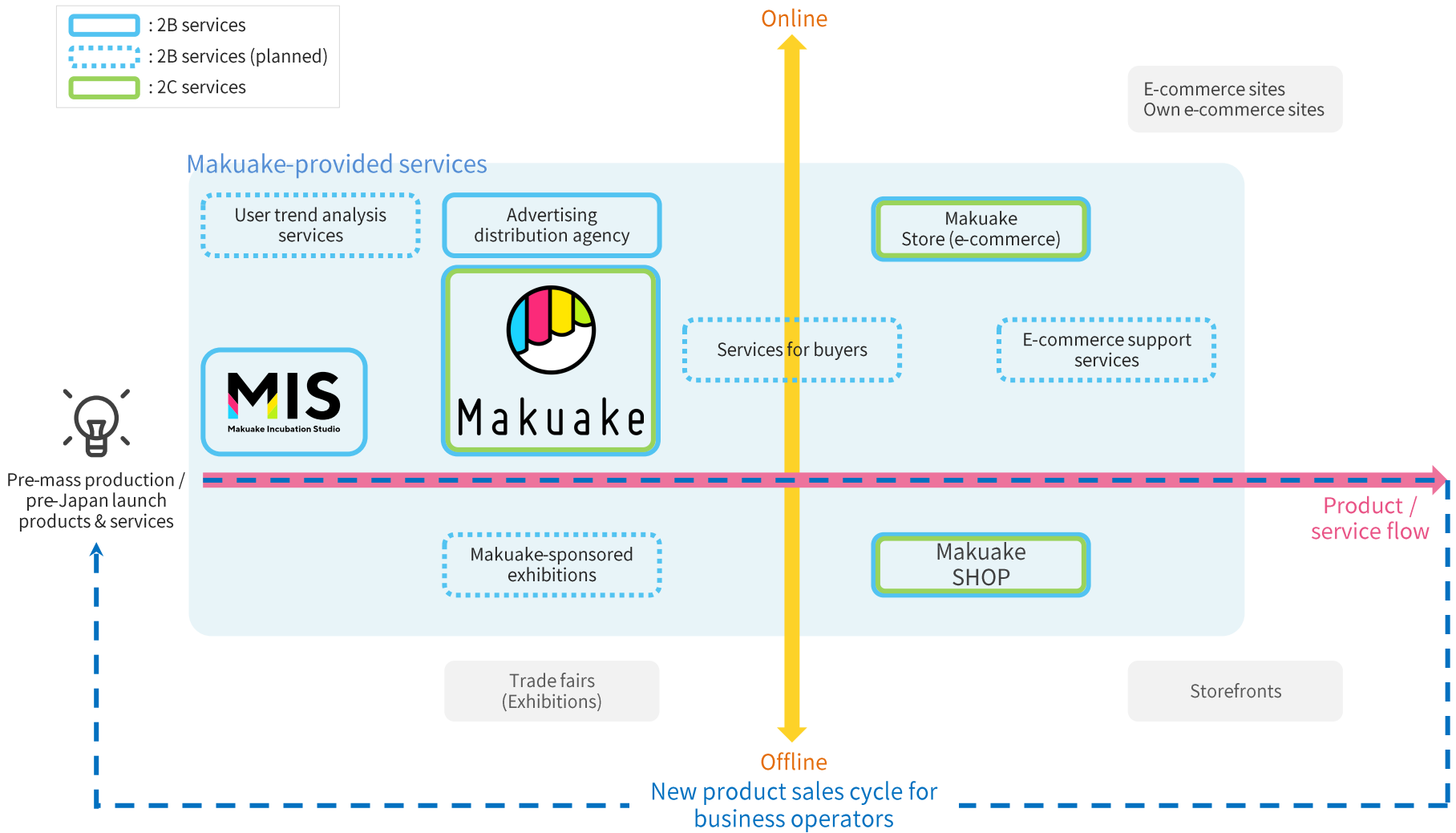
04

Mid-term Growth Strategy

Strengthening the Makuake Ecosystem

- We will strengthen Makuake's ecosystem and establish a strong position as a gateway for new product debuts.

 : 2B services
 : 2B services (planned)
 : 2C services



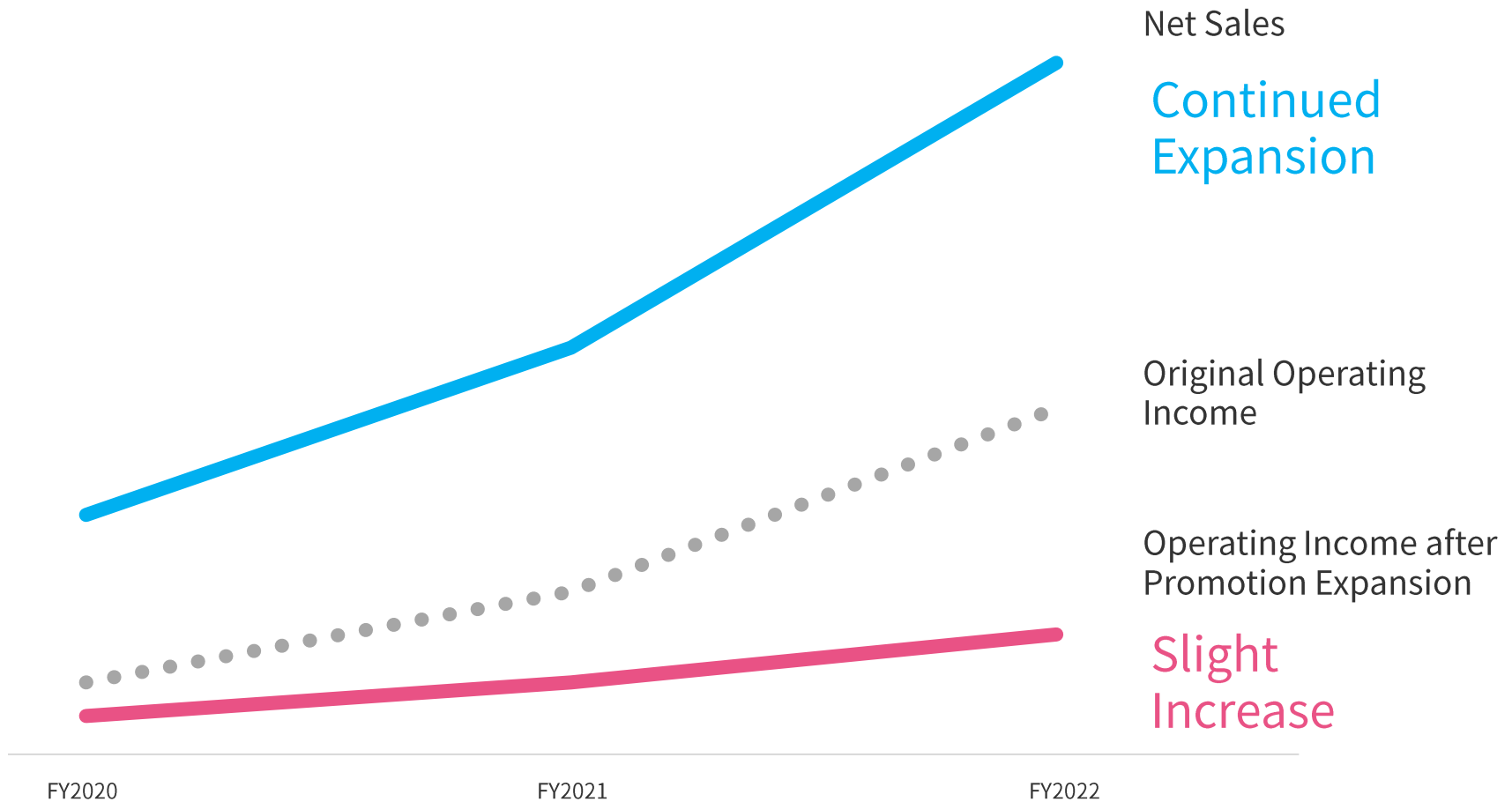
Proactive Investment in Branding Advertising to Increase Recognition

- Through TV advertisements, we will gain medium- to long-term membership by boosting recognition of our brand, with the aim of increasing our total support purchase value.



Adjusting Profit with Expanding Total Support Purchase Value as Top Priority

- We will limit growth in operating income to slight increases, bolstering promotion as an investment in future growth and expanding our platform base.



ESG-Oriented Business Expansion

• We recognize that the continuous expansion of our business has provided significant contribution to the realization of a sustainable society, and we will continue to realize our vision by actively working toward ESG perspectives.



- Reduce energy consumption by using system development to improve work efficiency
- Implement remote work to reduce mobility, cutting CO₂ emissions
- Protect the environment through recycling



- Revitalize local communities through business development based on our vision
- Discover new products and services, prevent lost opportunities for businesses/consumers
- Aid company sustainability of business operators through continuity support
- Support socioeconomic aspects through donation projects during disasters



- Build and strengthen corporate governance system
- Promote risk management
- Build systems for service management information security and in-house information management

FY2021 Full-Year Performance Forecast

- We forecast a 1.7x growth in the total support purchase value, and an approximately 1.2x growth in operating income.

(Units: Millions of yen)	FY 2020/9	FY 2021/9	Change	Percent Change
Total Support Purchase Value: GMV (Tax included)	14,664	24,924	+10,260	+70.0%
Net Sales	3,225	5,172	+1,947	+60.4%
Operating Income	510	620	+109	+21.5%
Ordinary Income	512	617	+105	+20.6%
Net Income	369	450	+80	+21.8%



Appendix

Financial Statements

Income Statement

(Units: Millions of yen)

FY2020

Net Sales	3,225
Cost of Sales	(568)
Gross Profit	2,656
Selling, General and Administrative Expenses	(2,146)
Operating Income	510
Non-operating Income	7
Non-operating Expenses	(5)
Ordinary Income	512
Income before Taxes	512
Income Taxes	(142)
Net Income	369
EPS	¥33.03

Balance Sheet

(Units: Millions of yen)

FY2019

FY2020

(ending September 30, 2019) (ending September 30, 2020)

Current Assets	1,078	5,647
Cash and Deposits	879	5,109
Accounts Receivable	194	530
Prepaid expenses	8	12
Other	-	2
Allowance for Doubtful Accounts	(3)	(6)
Non-current Assets	320	513
Tangible Fixed Assets	50	46
Intangible Fixed Assets	200	356
Investments and Other Assets	69	109
Deferred Assets	-	12
Total Assets	1,399	6,173
Liabilities	1,113	3,500
Current Liabilities	1,098	3,472
Non-current Liabilities	15	28
Net Assets	285	2,673
Shareholders' Equity	285	2,662
Common Stock	132	1,136
Capital Surplus	132	1,136
Retained Earnings	19	388
Treasury Stock	-	(0)
Stock Acquisition Rights	-	10
Total Liabilities and Net Assets	1,399	6,173

Management Team Introduction



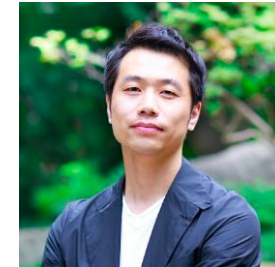
Ryotaro Nakayama

CEO



Kana Bogaki

Co-founder/Director



Fumiaki Kiuchi

Co-founder/Director



Go Nakayama

Nonexecutive Director



Hisashi Katsuya

Nonexecutive Director



Kuniyoshi Mabuchi

Nonexecutive Director



Yohei Ikunai

Executive Officers CTO



Yuki Tamura

Executive Officers CFO



Kanako Yanai

Executive Officers/GM of PR

Dividend Policy

The company is currently in a state of growth. We believe that securing retained earnings and prioritizing investment in expansion of business scale and stronger profitability will lead to maximized corporate value and a continuous stream of profit return.

Our fundamental policy for future dividends of surplus is to distribute with consideration of balance versus securing retained earnings. However, at present we have elected for policy prioritizing retained earnings, and no determination has been made as to the timing for shifting to a more balanced approach.

Disclaimer and Caution Regarding Future Outlook

- The information contained in this material has been prepared based on commonly-recognized economic and social conditions as of October 27th, 2020 and certain assumptions deemed reasonable by Makuake, Inc. These underlying conditions and assumptions may change without notice with shifts in the business environment or with changes in other factors.
- When investing, please be sure to read the prospectuses for issuance of new shares and stock offering (and notices of amendments thereto) prepared by the company before making any decision as an investor.
- Risk and uncertainty are present in any transaction, and are applicable to general industry and market conditions as well as general domestic and international economic conditions, including fluctuations in interest rates and currency exchange rates.
- Note that Makuake, Inc. does not bear any duty to update or revise outlook information provided in this document, even if new information comes to light or future events occur.



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Makuake