

Makuake

Financial Results for the
Three Months Ended December 31, 2020

Makuake, Inc.
(Securities code: 4479)

Vision

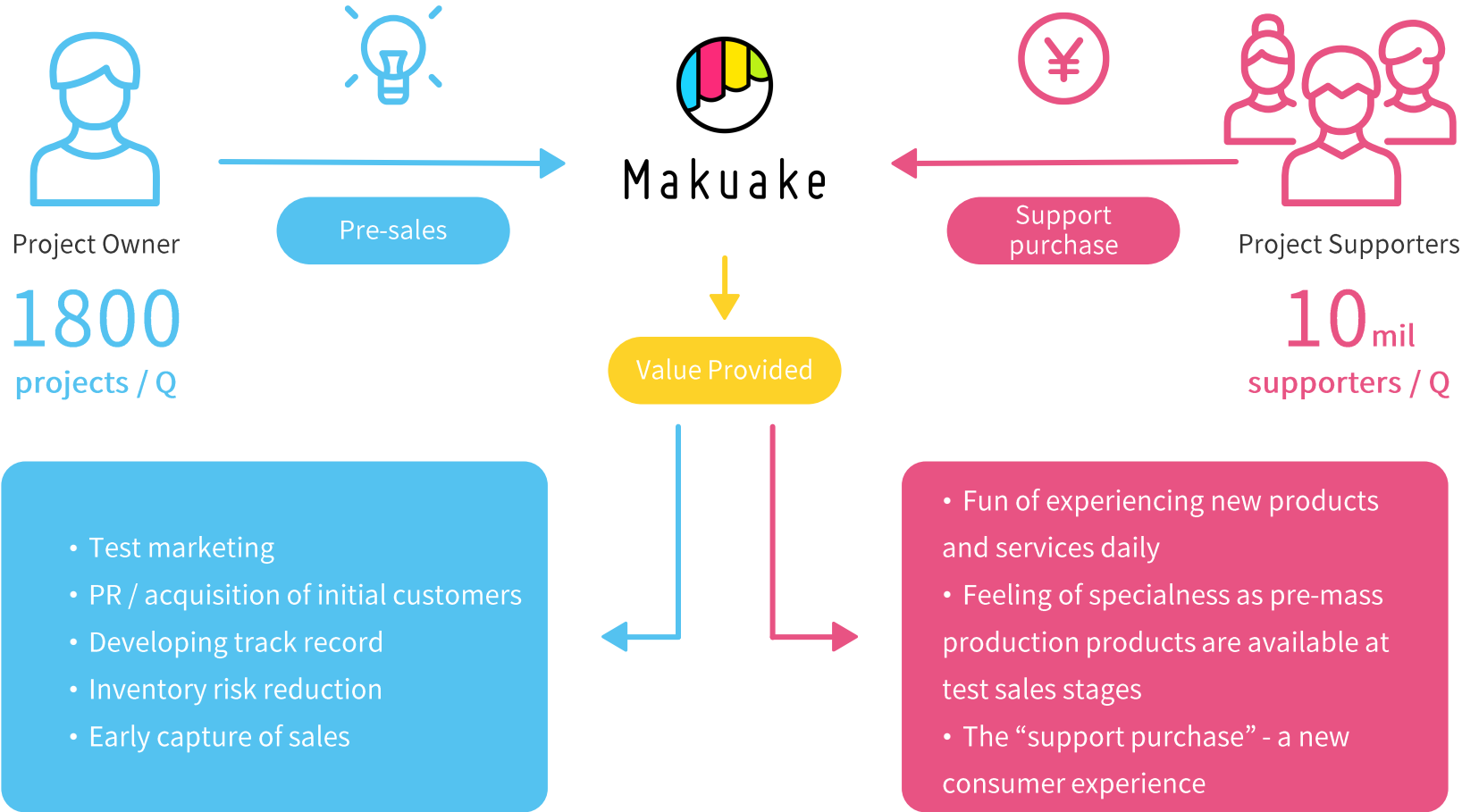
A world where all great things can be
born, grown & preserved.

Mission

Connect the world through the creation
of new things.

Business Overview

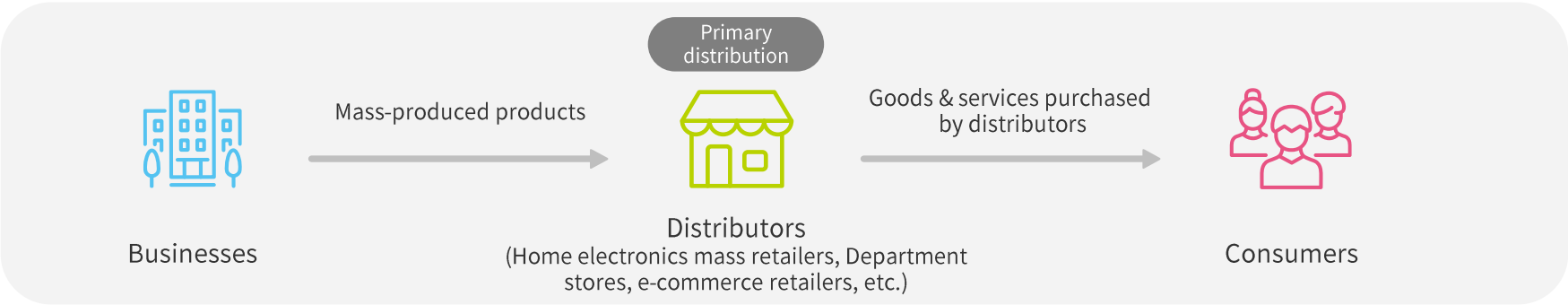
- We operate the Makuake service, a platform for people to make support purchases of new things and experiences.



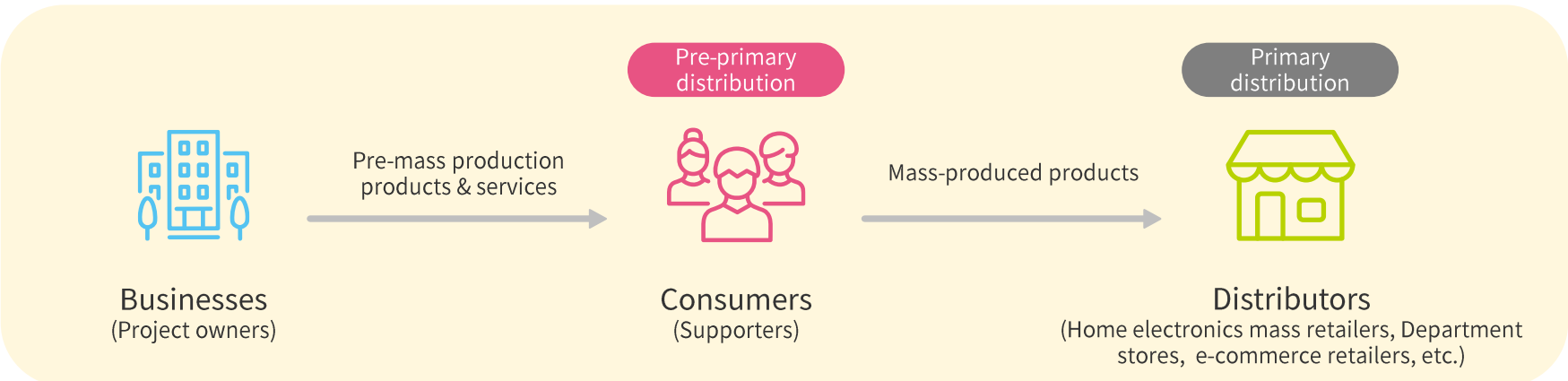
A New Style of Commercial Distribution, Created and Popularized by Makuake

- With Makuake, we have created and are popularizing “pre-primary” distribution, where new products before the mass production stages, as well as services, are offered for sale to consumers on an advance basis.

Traditional Distribution



Makuake's New Commercial Distribution



Financial Results

1

Focused on strengthening the quality assurance system in anticipation of further growth

2

Demand from project owners remains strong, while inflow of supporters declines due to reduced promotion

3

Even though temporary COVID-driven impact has subsided, total support purchase value has doubled year-on-year

Focused on Further Strengthening the Quality Assurance System

• This quarter was a period of further strengthening of our quality assurance system, a Makuake strength, in response to the rapid growth of our business in the second half of the fiscal year ending September 2020.

Curator division

- Strengthening recruitment / training
- Strengthening sharing systems for expertise
- Strengthening consulting capabilities

Inspection and legal division

- Strengthening recruitment / training
- Re-examining inspection items in each category
- Improving efficiency in inspection flow

Monitoring division

- Strengthening automation of monitoring systems
- Strengthening operations for incident prevention

Development division

- Building / increasing efficiency of operations systems
- Conducting interviews, primarily with new users
- Strengthening access infrastructure

Performance Summary: Year-on-Year

- Total support purchase value is over double, with operating income at 1.5x - the platform has shown great growth in scale

(Units: Millions of yen)	FY 2020/9 1 Q	FY 2021/9 1 Q	Change (YoY)	Percent Change (YoY)
Total Support Purchase Value: GMV (Tax included)	2,182	4,512	+2,329	+106.7%
Net Sales	519	992	+473	+91.1%
Gross Profit	418	805	+387	+92.6%
Operating Income	102	152	+49	+47.7%
Ordinary Income	103	152	+48	+47.1%
Quarterly Net Income	72	105	+33	+46.7%

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

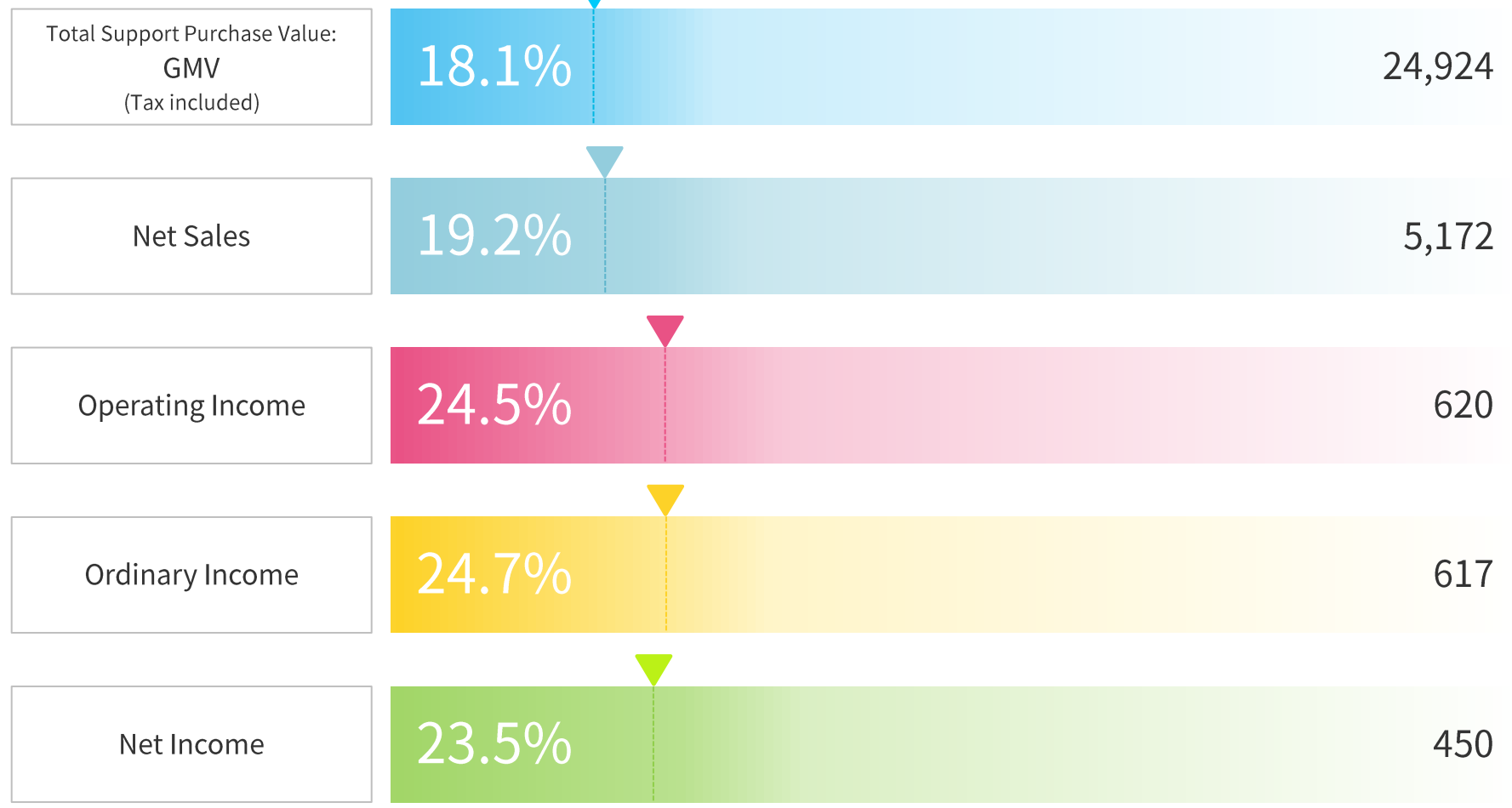
- As a result of focusing on our quality assurance system and reducing promotions, though the total value of support purchases declined versus the previous quarter, operating income increased.

(Units: Millions of yen)	FY 2020/9 4 Q (Single Qtr.)	FY 2021/9 1 Q (Single Qtr.)	Change (QoQ)	Percent Change (QoQ)
Total Support Purchase Value: GMV (Tax included)	5,252	4,512	(740)	(14.1%)
Net Sales	1,132	992	(140)	(12.4%)
Gross Profit	937	805	(131)	(14.0%)
Operating Income	(20)	152	+172	-
Ordinary Income	(18)	152	+170	-
Quarterly Net Income	14	105	+91	+648.1%

Percentage of Progress Toward Full-Year Forecasts

- As we were able to focus on strengthening our quality assurance system in 1Q, we are able to make preparations for accelerated growth in the second half, as planned.

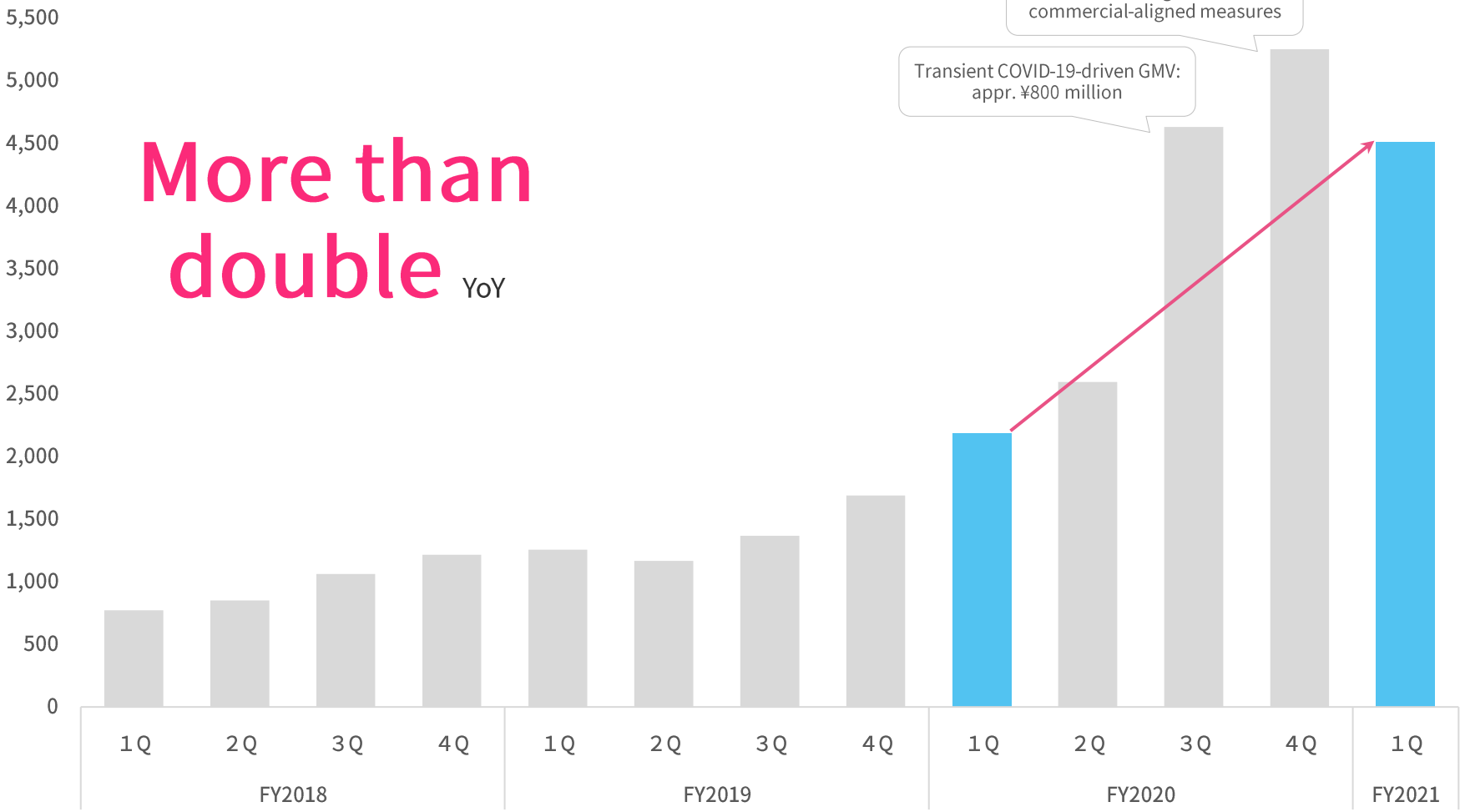
(Units: Millions of yen)



Total Support Purchase Value Over Time

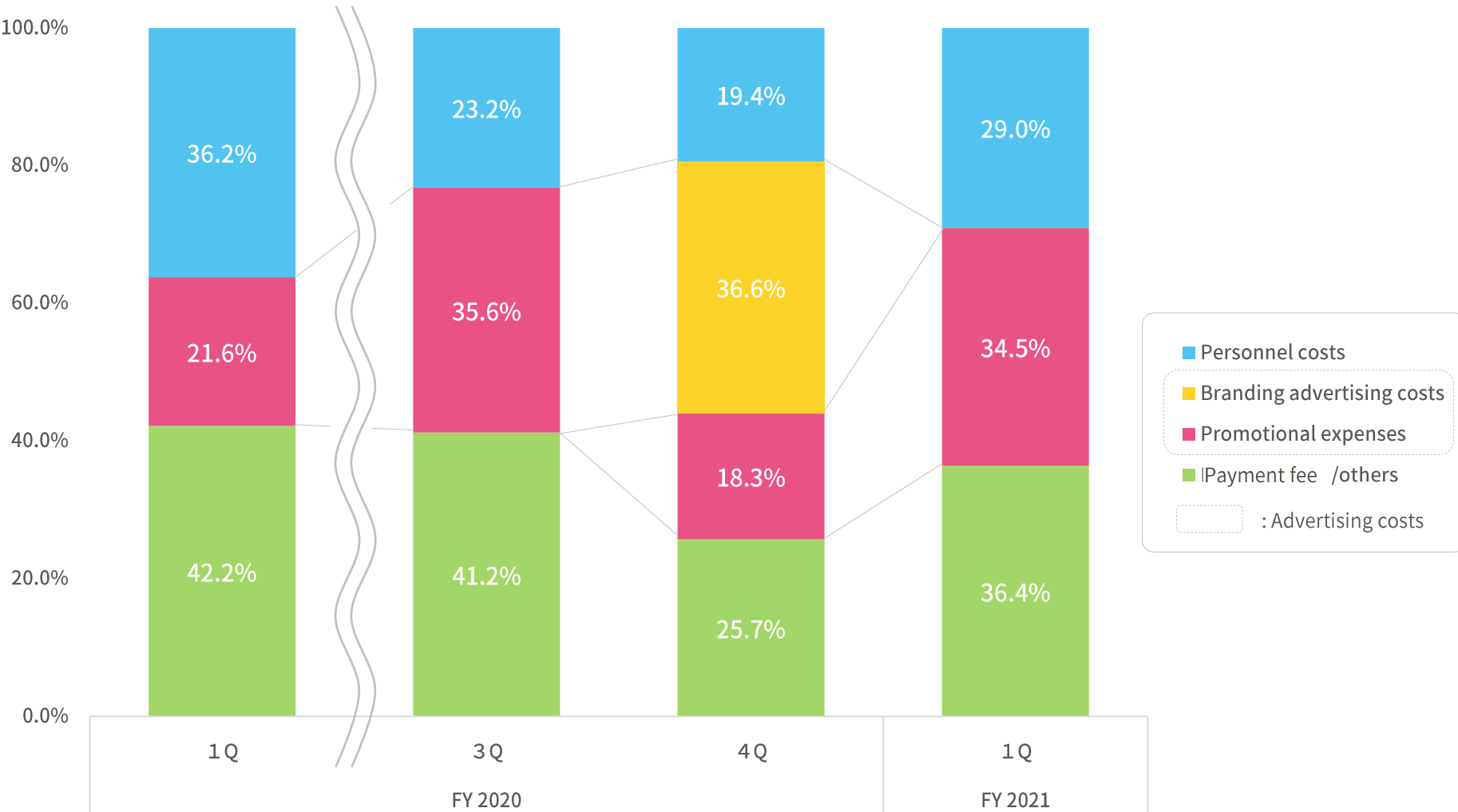
- Even after the rapid growth seen in the second half of the fiscal year ending September 2020, our leaps in single-quarter GMV scope have become stable, with a doubling of GMV showing continued growth.

(Units: Millions of yen)



Composition of Selling, General and Administrative Expenses

- Though the ratio of promotional expenses rose year-on-year, branding advertising expenses as a share of the whole has fallen versus the second half of the fiscal year ending September 2020.



Balance Sheet: Quarter-on-Quarter

- Shareholders' equity ratio rose to a high level of 82.6%, when excluding deposits for project owners of the value of support purchases.

(Units: Millions of yen)	FY 2020 4 Q	FY 2021 1 Q	Change (YoY)	Percent Change (YoY)
Current Assets	5,647	4,809	(838)	(14.9%)
Non-current Assets	513	675	+161	+31.6%
Total Assets	6,173	5,495	(678)	(11.0%)
Current Liabilities	3,472	2,678	(793)	(22.9%)
Deposits	2,345	2,142	(203)	(8.7%)
Non-current Liabilities	28	31	+3	+11.4%
Total Liabilities	3,500	2,709	(790)	(22.6%)
Net Assets	2,673	2,785	+112	+4.2%

Profit Margin: Year-on-Year

- Though promotion was reduced in the quarter for the purpose of strengthening the quality assurance system, profit margins decreased slightly as a result of advance hiring for strengthening the aforementioned system in response to rapid growth.

	FY 2020 1 Q	FY 2021 1 Q	Percent Change (YoY)
Operating Income to GMV	4.7%	3.4%	(1.3pt)
Gross Profit Margin	80.5%	81.1%	+0.6pt
Operating Income Margin	19.8%	15.3%	(4.5pt)
Ordinary Income Margin	19.9%	15.3%	(4.6pt)
Quarterly Net Income Margin	13.9%	10.7%	(3.2pt)

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

- Profit margins increased quarter-on-quarter as a result of branding advertising costs impacting margin in the previous quarter.

	FY 2020 4 Q (Single Qtr.)	FY 2021 1 Q (Single Qtr.)	Percent Change (QoQ)
Operating Income to GMV	(0.4%)	3.4%	+3.8pt
Gross Profit Margin	82.7%	81.1%	(1.6pt)
Operating Income Margin	(1.8%)	15.3%	+17.1pt
Ordinary Income Margin	(1.6%)	15.3%	+17.0pt
Quarterly Net Income Margin	1.2%	10.7%	+9.4pt

KPIs: Year-on-Year

- New postings more than doubled, with strong growth in all indicators.

	FY 2020 1 Q	FY 2021 1 Q	Change (YoY)	Percent Change (YoY)
No. of New Postings	890	1,826	+936	+105.2%
Project Owners Repeat Rate (%) ⁽¹⁾	33.5	43.6	-	+10.2pt
Repeat Support Purchase Rate (%) ⁽²⁾	70.8	74.1	-	+3.3pt
No. of Access Unique Users	4,967,639	9,026,738	+4,059,099	+81.7%
No. of Members	746,553	1,391,071	+644,518	+86.3%
No. of Payments	196,128	414,324	+218,196	+111.3%

⁽¹⁾ The share of new projects posted during the fiscal year by project owners who had previously posted a project within the last year

⁽²⁾ 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)

KPIs: Quarter-on-Quarter (Single Quarter)

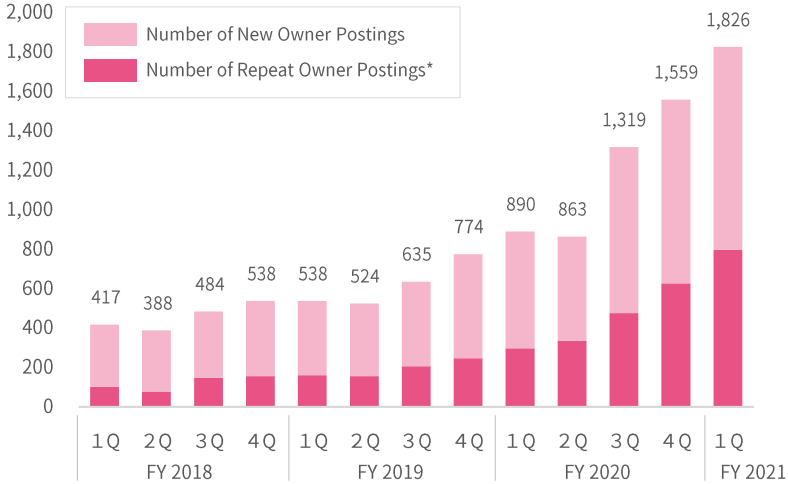
- Although the number of new postings increased by 17%, the number of unique users decreased by about 15% as a result of reducing promotion to focus on strengthening the quality assurance system.

	FY 2020 4 Q (Single Qtr.)	FY 2021 1 Q (Single Qtr.)	Change (QoQ)	Percent Change (QoQ)
No. of New Postings	1,559	1,826	+267	+17.1%
Project Owners Repeat Rate (%) ⁽¹⁾	40.2	43.6	-	+3.4pt
Repeat Support Purchase Rate (%) ⁽²⁾	71.4	74.1	-	+2.6pt
No. of Access Unique Users	10,585,274	9,026,738	(1,558,536)	(14.7%)
No. of Members	1,262,758	1,391,071	+128,313	+10.2%
No. of Payments	499,418	414,324	(85,094)	(17.0%)

⁽¹⁾ The share of new projects posted during the fiscal year by project owners who had previously posted a project within the last year
⁽²⁾ 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)

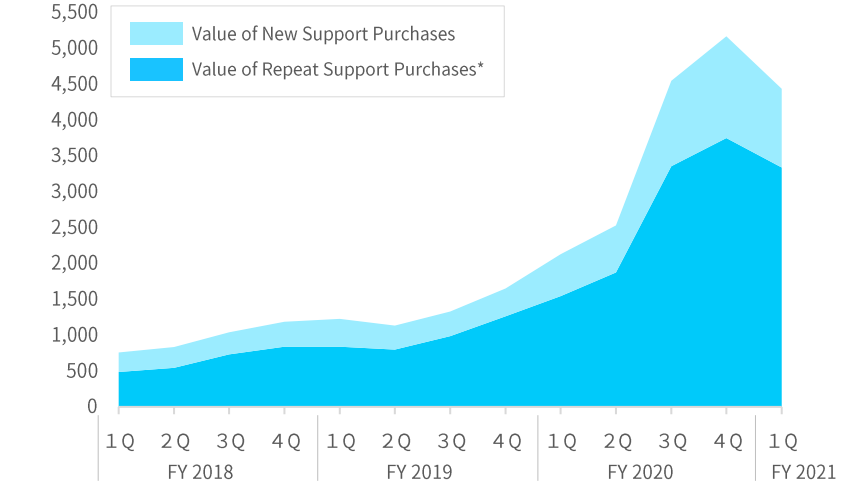
Key Indicator Performance Over Time

No. of New Postings



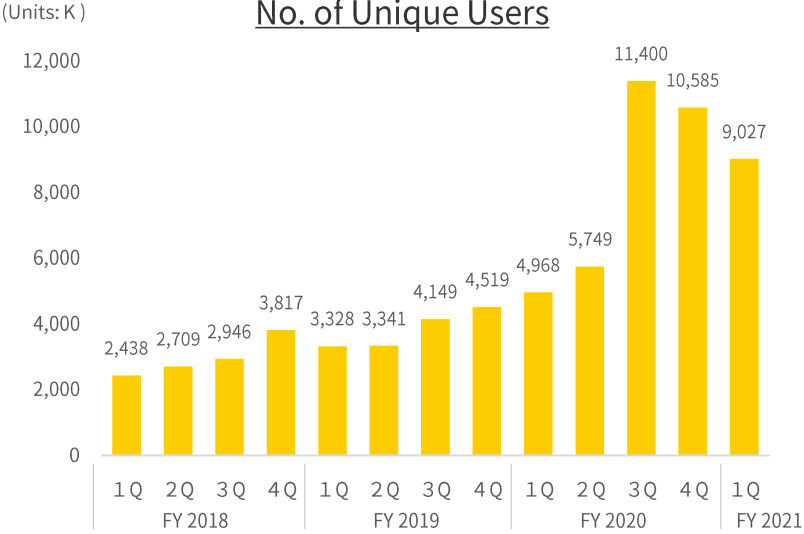
* The share of new projects posted during the fiscal year by project owners who had previously posted a project within the last year

Repeat Support Purchase Rate

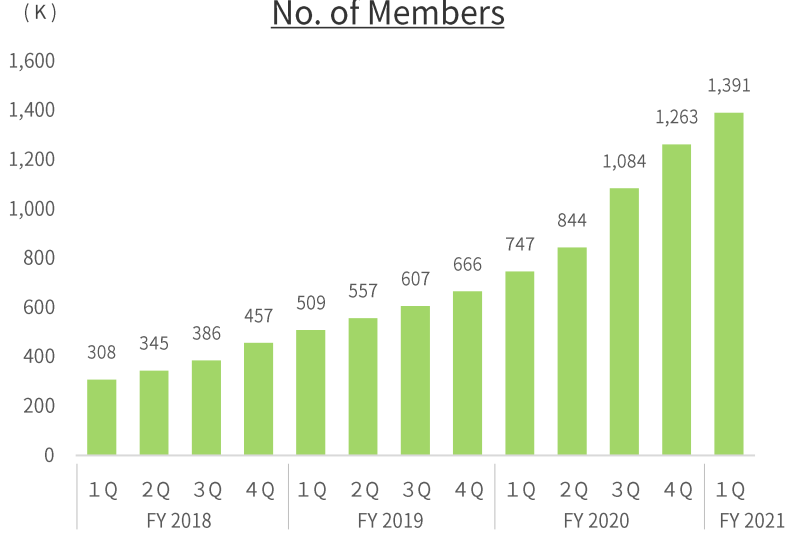


* Of the total value of support purchases on the Makuakeservice, the share of the value of support purchases from project supporters who have made a support purchase in the past year (as of FY2020, we have improved our data aggregation methods, increasing accuracy)

No. of Unique Users



No. of Members



FY2021: Major Projects Launched in 1Q

As before, 1Q saw a number of new challenges launched on Makuake for a number of industries, with an expanding base of genres.

「スタンフォード式 最高の睡眠」から生まれた
RECOVERY DOME
眠りに集中する
新体験の睡眠ヘムドーム

応援購入総額 **19,234,380円**
目標金額 1,000,000円

34%
サポーター **261人**
残り **終了**

終了しました

毎日睡眠でリカバリーを。睡眠と回復のための集中空間「ドームコンフォ

Made-in-Japan Products

うるうる
煌めく。
MINAMO
-Sugar-
VORONOI

応援購入総額 **21,541,500円**
目標金額 300,000円

718%
サポーター **874人**
残り **終了**

終了しました

水のような煌めき！新しいセッティング方法で「うるうる煌めく」新感覚

Fashion

eShades x EVA RACING
**コラボサングラス
計画**
限定版
0.1秒瞬間調光サングラス eShades (イージェド)

応援購入総額 **7,418,700円**
目標金額 1,000,000円

741%
サポーター **264人**
残り **16日**

応援購入する

EVA RACING x eShades <コラボ企画> 瞬間調光サングラス

Entertainment

新天地・北海道東川で拓く
三千穂酒造の新境地
三ヶ米三位一体の挑戦
SHIRAZAKURA

応援購入総額 **6,519,000円**
目標金額 3,000,000円

217%
サポーター **607人**
残り **5日**

応援購入する

岐阜から北海道へ「三千穂」143年目の挑戦 新天地【東川町初仕込み】限

Japanese Sake

ずっしり
ミルク感。

応援購入総額 **10,766,821円**
目標金額 500,000円

2153%
サポーター **2,054人**
残り **4日**

応援購入する

きっかけは農業研修——。白い恋人のイシヤが考えた「しあわせをつくる口

Food (Order Products)

コンパクト、軽量、快適を
追求した
寝袋&エアマット
NANGA

応援購入総額 **45,360,480円**
目標金額 500,000円

9072%
サポーター **1,105人**
残り **37日**

応援購入する

NANGA発！快適な睡眠を得ることを追求した、超軽量ダウン寝袋&エアマッ

Outdoor

『焼き芋』をとことん追求!!
超蜜やまいもトースター

応援購入総額 **10,236,476円**
目標金額 300,000円

3412%
サポーター **635人**
残り **25時間**

応援購入する

【究極を追求した超蜜やまいも！】砂糖を使わず甘さトロける、焼き芋専用

Convenience Goods

はっこく

応援購入総額 **2,740,130円**
目標金額 1,000,000円

274%
サポーター **208人**
残り **終了**

終了しました

食ベログ4.2超え！銀座『はっこく』がMakuake支援者限定のランチ営業を

Restaurants

Catlog Board
お使いのトイレはそのまま。
猫様の体重と排泄情報を自動で記録。

応援購入総額 **15,490,000円**
目標金額 100,000円

1549%
サポーター **2,086人**
残り **終了**

終了しました

いつものトイレで猫様の体重と尿量・回数を自動で記録するCatlog Board

Startups

FY2021: Major Projects Launched in 1Q (Major Firms)

- Usage of Makuake continues to grow among major companies.

応援購入総額 **14,900,000円** (Success)
 目標金額 1,000,000円
 100%
 サポーター **500人**
 残り **終了**
 応援購入する

さらば煩悩も、快適な会議室に。
 騒音下でもクリアな音声を届ける。NECのテクノロジーを結集したヒアラブルデバイス

NEC

応援購入総額 **12,855,400円** (Success)
 目標金額 1,000,000円
 1785%
 サポーター **364人**
 残り **23時間**
 応援購入する

つらいコリに、
15分のケア
PIP Z:SPINNER
 ピップ ジースピナー

【エレキパンのピップが開発】本当につらいコリを血行改善 ピップ ジースピ

Pip

応援購入総額 **2,911,680円** (Success)
 目標金額 1,000,000円
 291%
 サポーター **743人**
 残り **終了**
 応援購入する

寝る前1枚
にゃ〜みん

寝る前フィルムを口に入れるだけ！アロマ広がる睡眠サポート食品「にゃ〜

Calbee

応援購入総額 **474,500円** (Success)
 目標金額 300,000円
 158%
 サポーター **98人**
 残り **58日**
 応援購入する

会議10分前の新習慣。
Lämmin
 Bring you brightness & confidence

大事な場面に、パツとひとくちで顔色めざめる！資生堂のフィルム型サブリル

Shiseido fibona

応援購入総額 **8,320,000円** (Success)
 目標金額 1,000,000円
 832%
 サポーター **72人**
 残り **45日**
 応援購入する

人にも猫にも寄り添う壁を。
猫壁
 にゃんべき

性格や年齢に合わせ着脱自由！LIXILのキャットウォール「猫壁（にゃんべ

LIXIL

応援購入総額 **4,448,950円** (Success)
 目標金額 3,000,000円
 148%
 サポーター **255人**
 残り **終了**
 応援購入する

JAXA BEAMS

BEAMS（ビームス）が宇宙で活躍する野口宇宙飛行士の挑戦を応援します

BEAMS

応援購入総額 **2,837,340円** (Success)
 目標金額 1,500,000円
 189%
 サポーター **376人**
 残り **43日**
 応援購入する

Anti Smell
ジャケット
 nano

CHECK!
 首元汚れと不快なニオイにさようなら ナノ・ユニバースが贈るジャケット

nano・universe

応援購入総額 **3,652,000円** (Success)
 目標金額 1,000,000円
 365%
 サポーター **168人**
 残り **42日**
 応援購入する

オーダーシューズで叶える
**ジャストフィットで
 快適な毎日**
 by ISETAN MITSUKOSHI

三越伊勢丹が送るセミオーダーシューズ、撥水加工＆フラットアイテムも新

Mitsukoshi Isetan

応援購入総額 **7,135,200円** (Success)
 目標金額 500,000円
 1427%
 サポーター **474人**
 残り **終了**
 応援購入する

REFINE DOWN

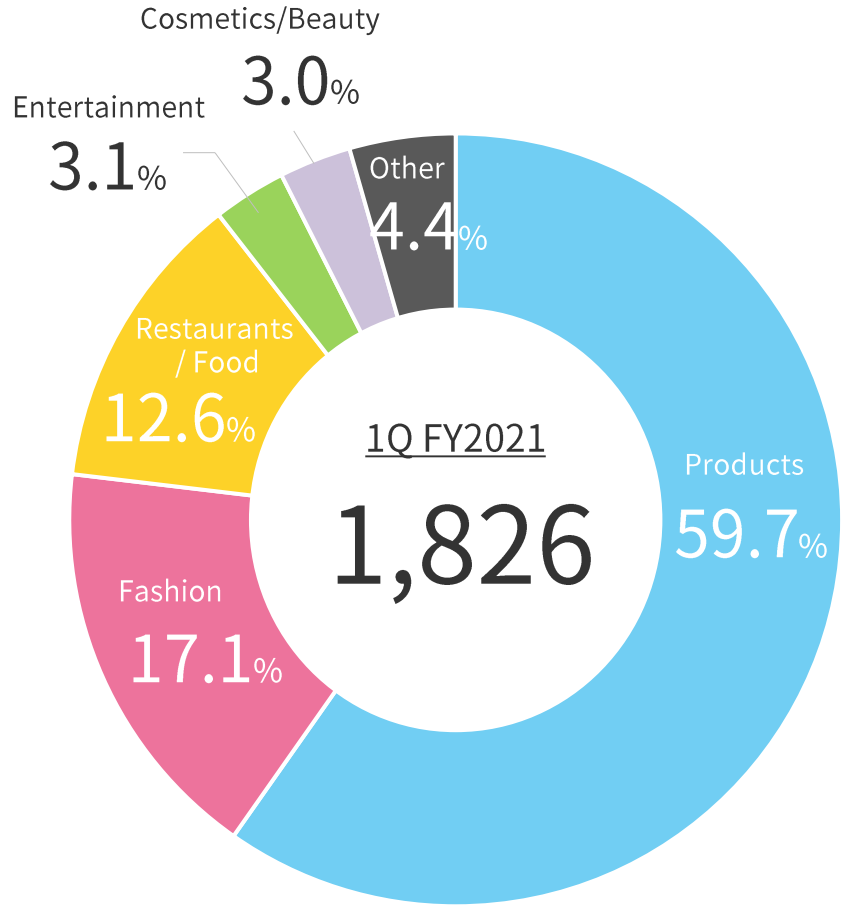
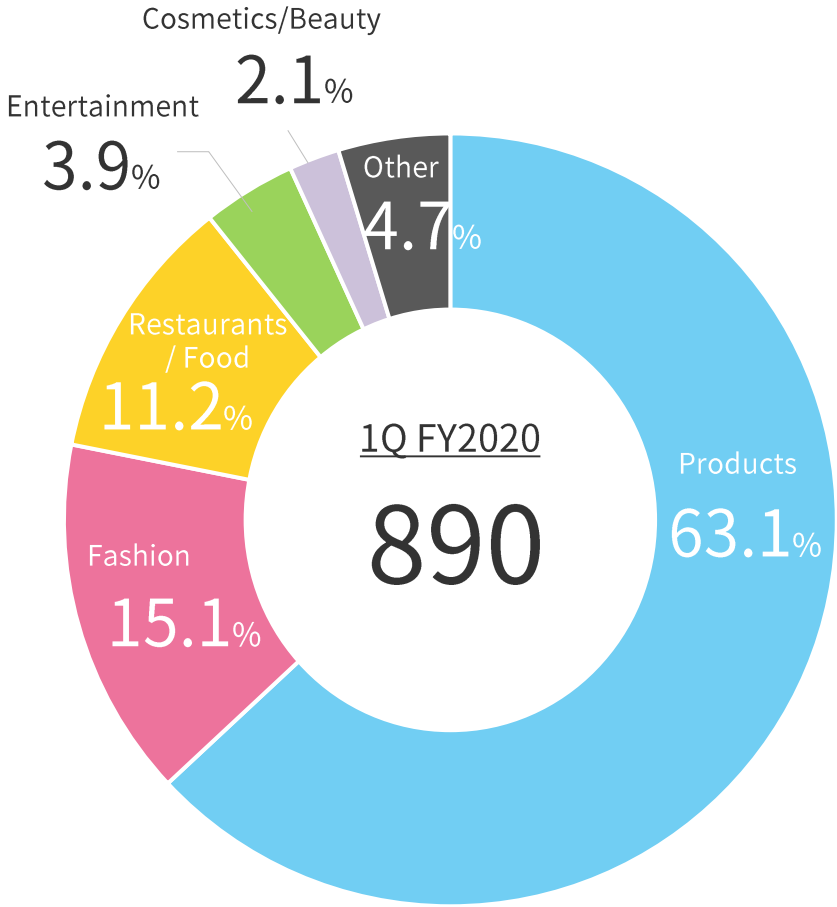
新毛よりも暖かく
 新毛よりもクリーンで軽い
次世代の羽毛ふとん

羽毛本来の暖かさと軽さを引き出した次世代の羽毛ふとん REFINE DOWN

Moririn

Composition Ratios by Project Category

- As project genres expand, fashion products have high item counts and are comprising greater percentages of all Makuake postings. Further, COVID-driven increases in ordering demand are causing increases in the ratio of food products.



Topics

American funding platform
Indiegogo partners with Makuake

INDIEGOGO.  Makuake

Makuake becomes a JAL CLASS EXPLORER member organization:
Begins offering award miles for support purchases

JAL DIGITAL EXPERIENCE   Makuake

Makuake forms business alliance with BEAMS:
Launched partner page dedicated to BEAMS

  Makuake

Cambria Palace
Features Makuake on-air, Jan 28

Cambria Palace

Online Events: Makuake hosts a special select sweets feature for Daimaru Tokyo



Our online event function is:
A mechanism that allows department stores and other users to present a collection of new partner product projects, to be posted on a special Makuake page.

Makuake launches support for the food and beverage industry during the COVID pandemic

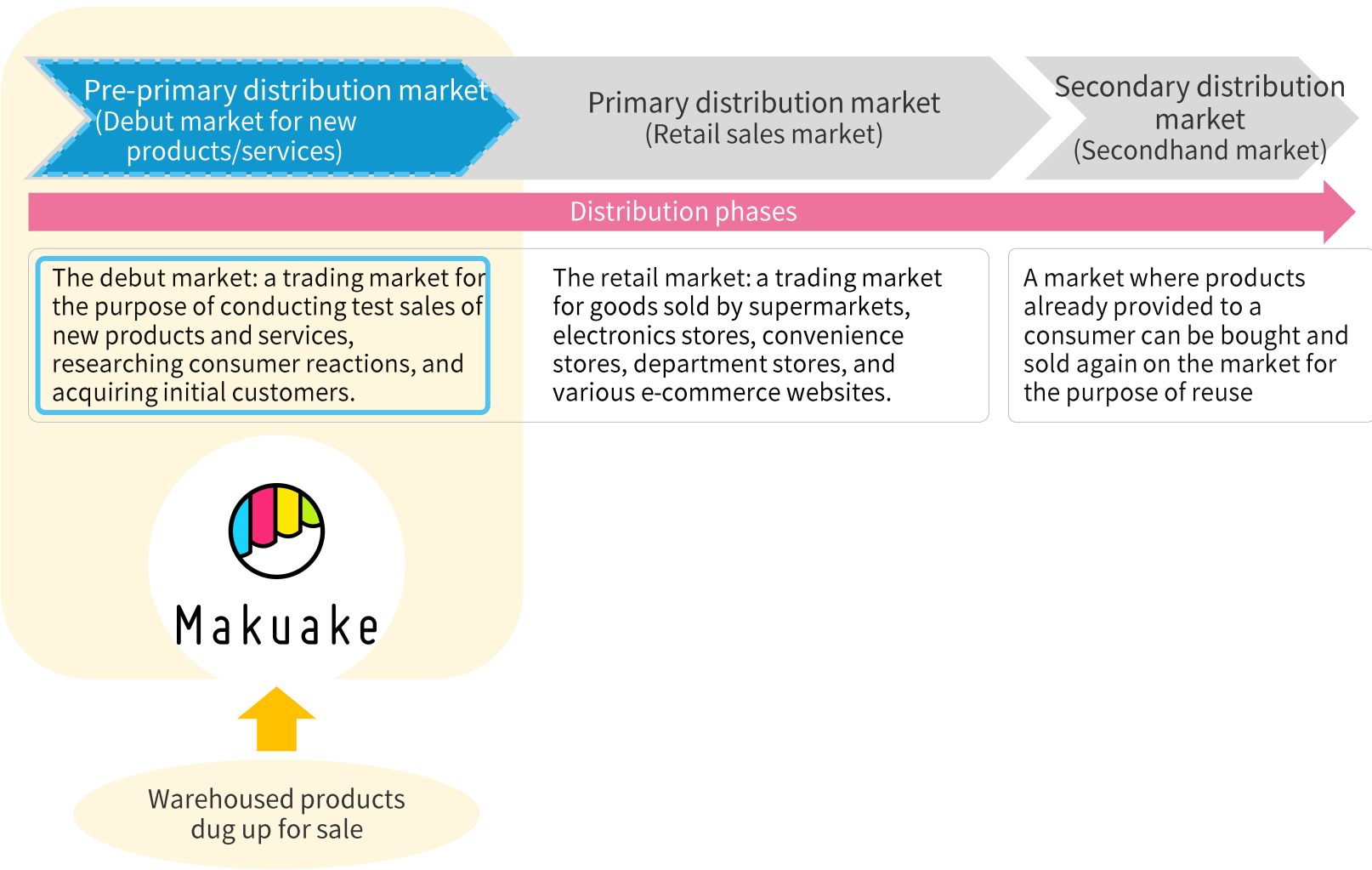


- 1) Rollout of a special F&B establishment support plan: Fee discounts and project page production
- 2) Holding the second Online Japanese Sake Market

Mid-term Growth Strategy

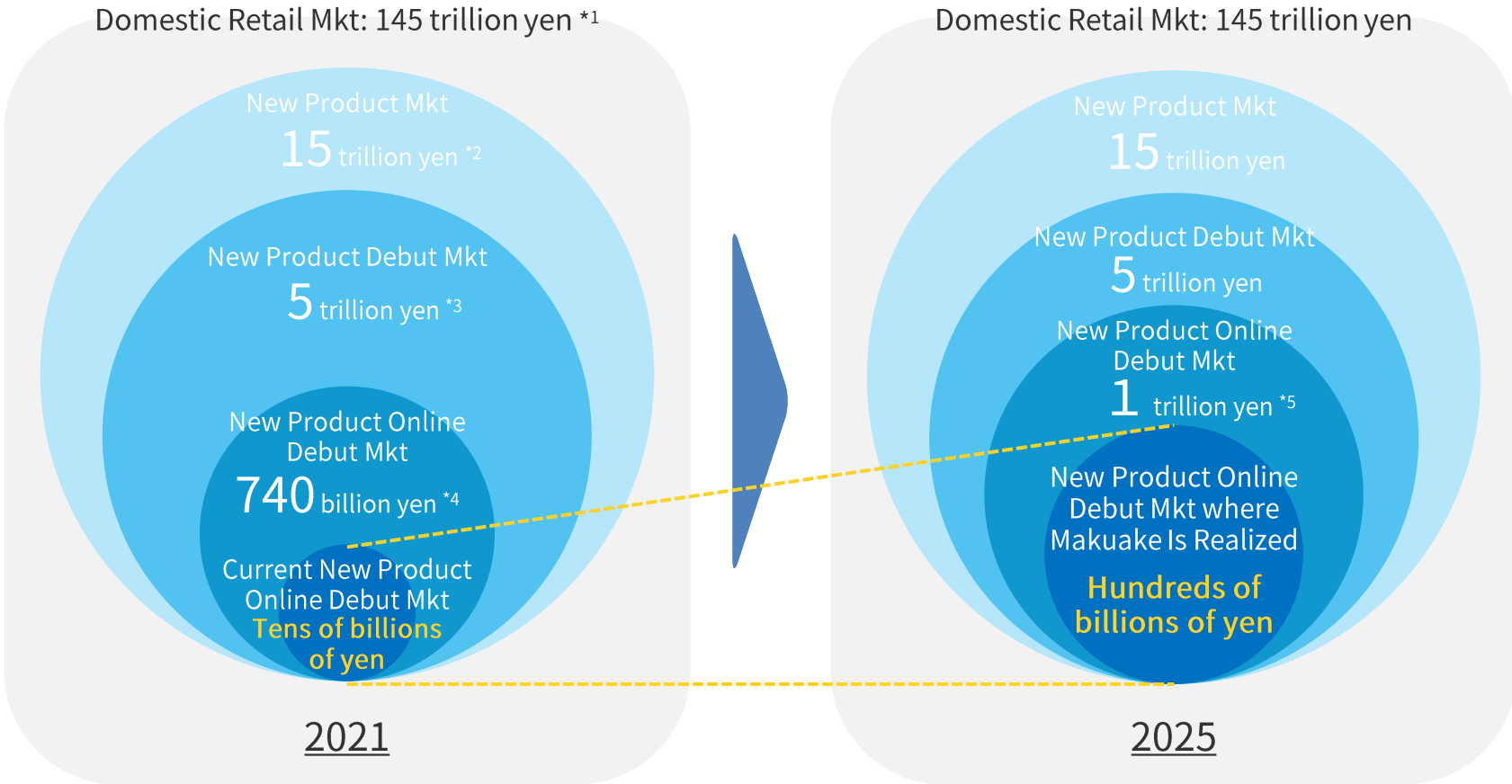
Position in Distribution Markets

- Our platform specialized in the pre-primary distribution market, where new products and services have their market debut.



Scope and Scalability of the New Product E-Commerce Market

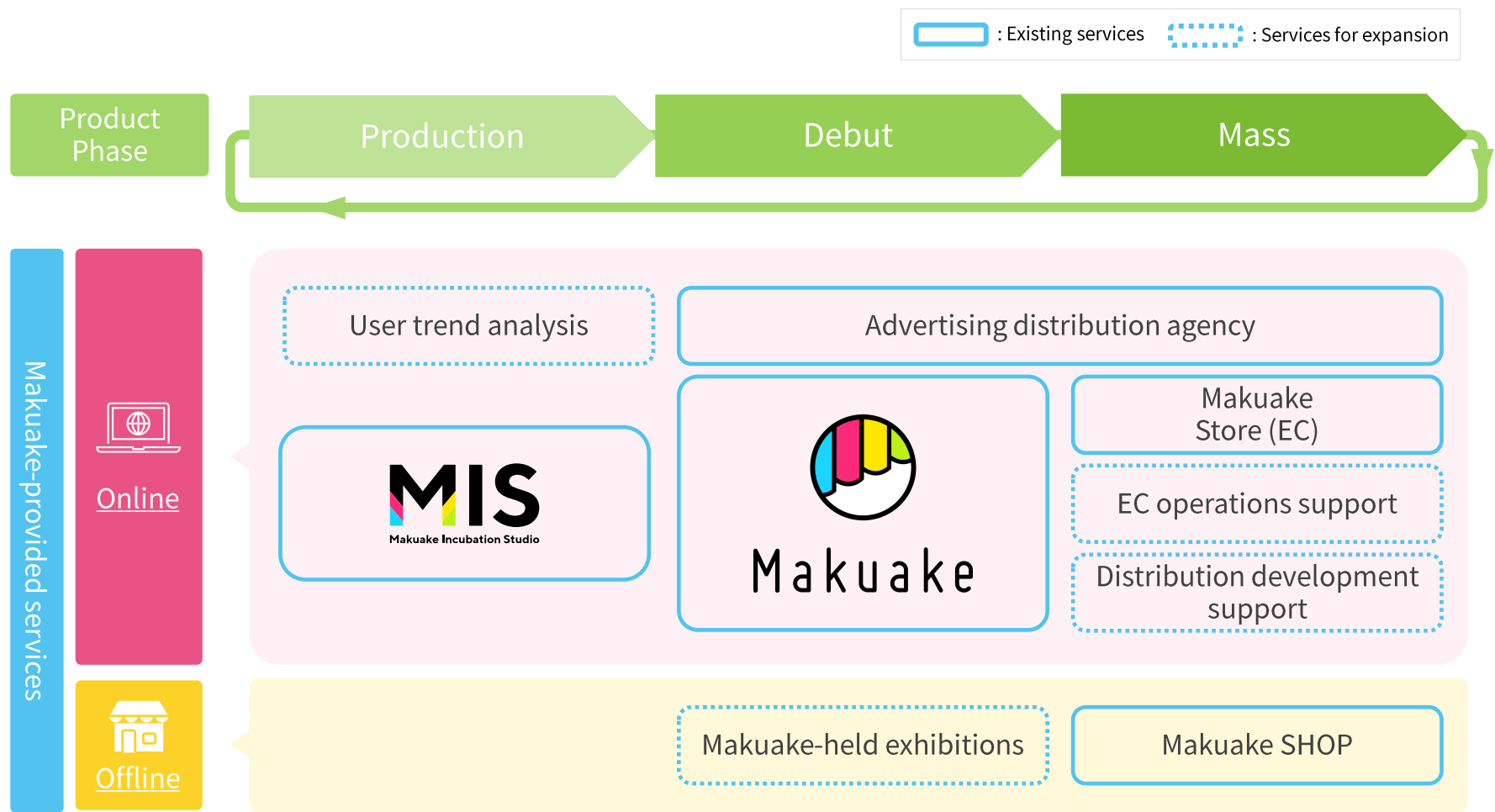
- Makuake has defined its target market as the subsection of the e-commerce market in the three months after a product's debut, where sales amounts have the greatest accumulation; this market is estimated to be worth one trillion yen in 2025.



¹ See Annual Report of Commercial Dynamics Statistics 2019, Ministry of Economy, Trade and Industry
² See Looking Back on Retail Industry Sales in 2019, Ministry of Economy, Trade and Industry, and 4th Subcommittee: Big Data-Driven Research on New Products and Success Rates, Japan Market Creation Study Group
 Size of retail market multiplied by new product sales as a share of retail sales
³ Market size for 3 months after debut, when sales accumulation is highest for new products: per Makuake calculations
⁴ E-commerce market size in the new product debut market: per Makuake calculations
⁵ Per Makuake calculations based on growth rate of the B2C EC market in IT Navigator 2019 Edition, Nomura Research Institute

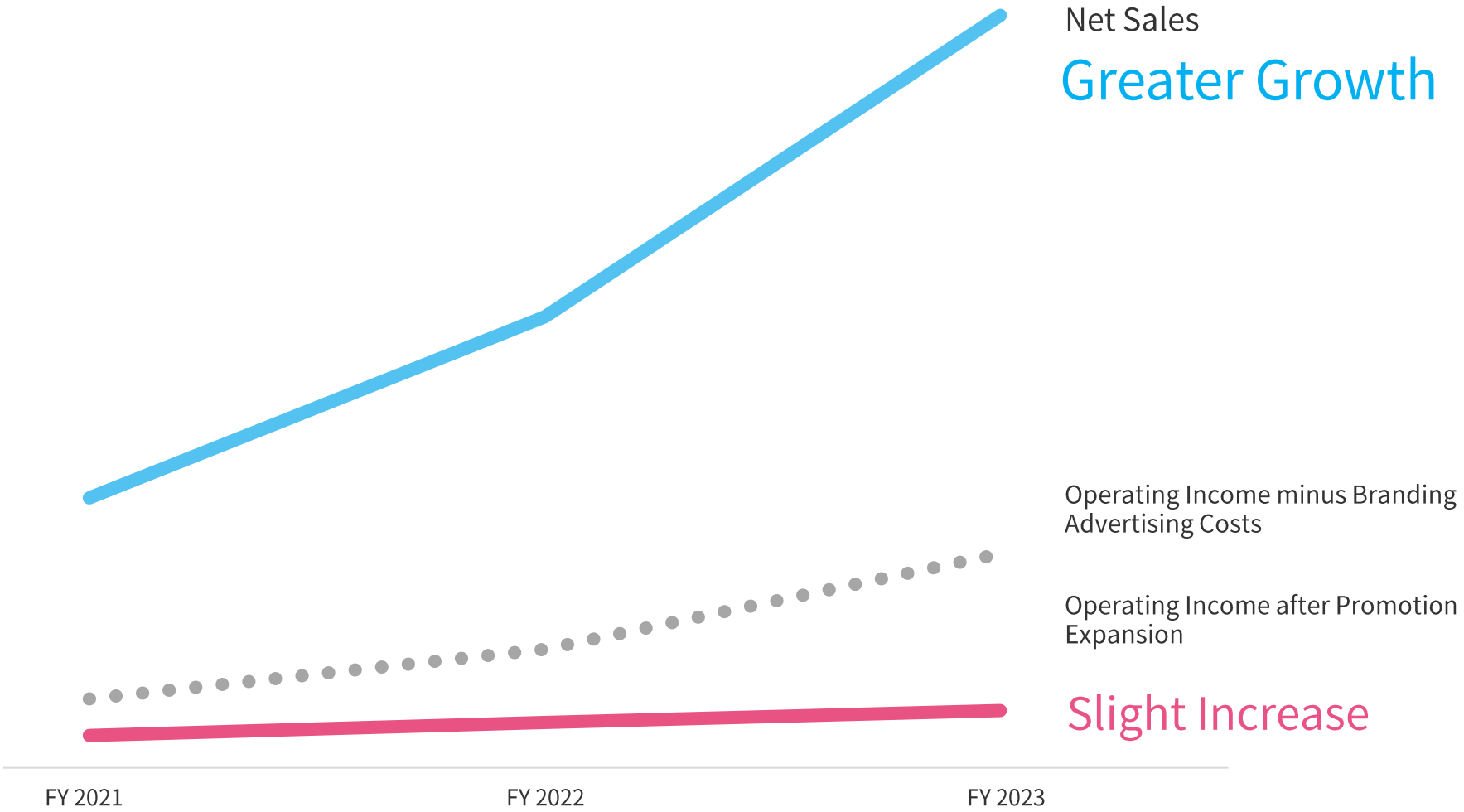
Expansion of Services for a Stronger Makuake Ecosystem

- By expanding various services that strengthen Makuake's ecosystem, we will establish a strong position as a gateway for new product debuts.



Investment in Promotion with Top Priority of Expanding Total Value of Support Purchases

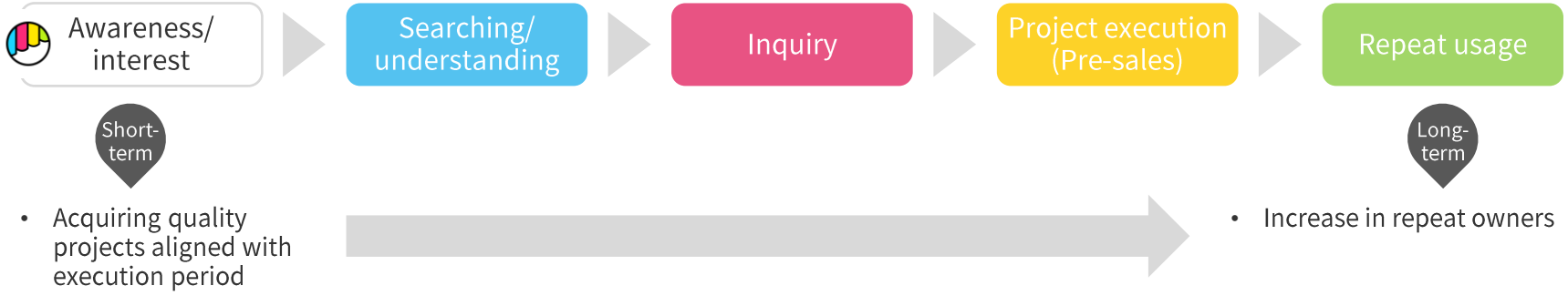
- Our continued policy from the fiscal year ended September 2020 is to limit growth in operating income to slight increases, strengthening promotion as an investment in future growth and expanding our platform base.



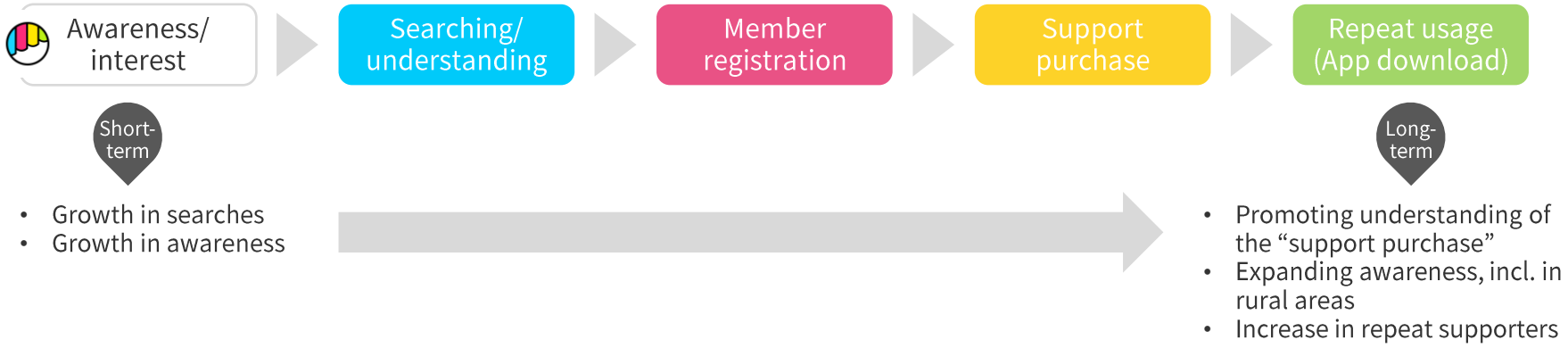
Conducting Branding Advertising to Expand Awareness

- By repeating branding advertising conducted in the fiscal year ended September 2020, we will accumulate repeat usage while simultaneously analyzing and scrutinizing the degree of advertising impact on business performance in greater detail.

Reactive Impact from Project Owners



Reactive Impact from Project Supporters

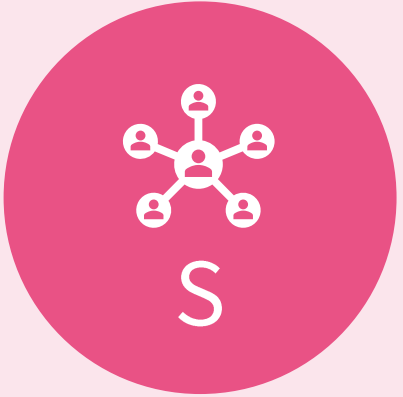


ESG-Oriented Business Expansion

• 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

- Our forecast for the full year remains unchanged; 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	FY 2021	Change	Percent Change
Total Support Purchase Value (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

Management Team Introduction

• At the General Meeting of Shareholders on December 10, 2020, the Company transitioned to become a company with an audit and supervisory committee to strengthen governance.



Ryotaro Nakayama
CEO



Kana Bogaki
Co-founder / Director



Fumiaki Kiuchi
Co-founder / Director



Yohei Ikunai
Director



Go Nakayama
Non-executive Director



Hisashi Katsuya
Non-executive Director



Kuniyoshi Mabuchi
Non-executive Director



Yoshie Shinoki
Executive Director



Noriaki Kushida
Non-executive Director



Haruki Oyama
Non-executive Director



Yuki Tamura
Executive Officer and CFO



Kanako Yanai
Executive Officer and GM of PR

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

Financial Statements

Income Statement

(Millions of yen)	FY 2021 1Q
Net Sales	992
Cost of Sales	(187)
Gross Profit	805
Selling, General, and Administrative Expenses	(653)
Operating Income	152
Non-operating Income	1
Non-operating Expenses	(1)
Ordinary Income	152
Income before Taxes	152
Income Taxes	(46)
Net Income	105
EPS	¥9.07 yen

Balance Sheet

(Millions of yen)	FY 2020 (September 30, 2020)	FY 2021 1Q (December 31, 2020)
Current Assets	5,647	4,809
Cash and cash equivalents	5,109	4,417
Accounts receivable	530	365
Other	15	32
Allowance for Doubtful Accounts	(6)	(6)
Non-current Assets	513	675
Tangible fixed assets	46	49
Intangible Fixed Assets	356	402
Investments and Other Assets	109	223
Deferred Assets	12	10
Total assets	6,173	5,495
Liabilities	3,500	2,709
Current Liabilities	3,472	2,678
Non-current Liabilities	28	31
Net Assets	2,673	2,785
Shareholders' Equity	2,662	2,769
Capital	1,136	1,137
Capital Surplus	1,136	1,137
Retained Earnings	388	494
Treasury Stock	(0)	(0)
Stock Acquisition Rights	10	15
Total Liabilities and Net Assets	6,173	5,495

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 issuing dividends.

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 January 26th, 2021 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