



Makuake

Financial Results Briefing Materials for Q2 of FY2022/9
(ending March 31, 2022)

Makuake, Inc.

The World Makuake Aspires For

- Guided by our vision and mission, we are striving for society enriched through the connection of the "new" that consumers seek and the "new" that companies wish to introduce to the world

Vision

Create a world where worthy things can come to be, grow and endure

Mission

Connect the world through the creation of the “new”

Standard

- We have a vision
- We love challenges and ring up the curtain by ourselves
- We embrace technology and deliver value to society
- We do not give up striving to understand
- We insist on 360-degree success
- We are a group of professionals playing as one team
- Let's aim for greatness

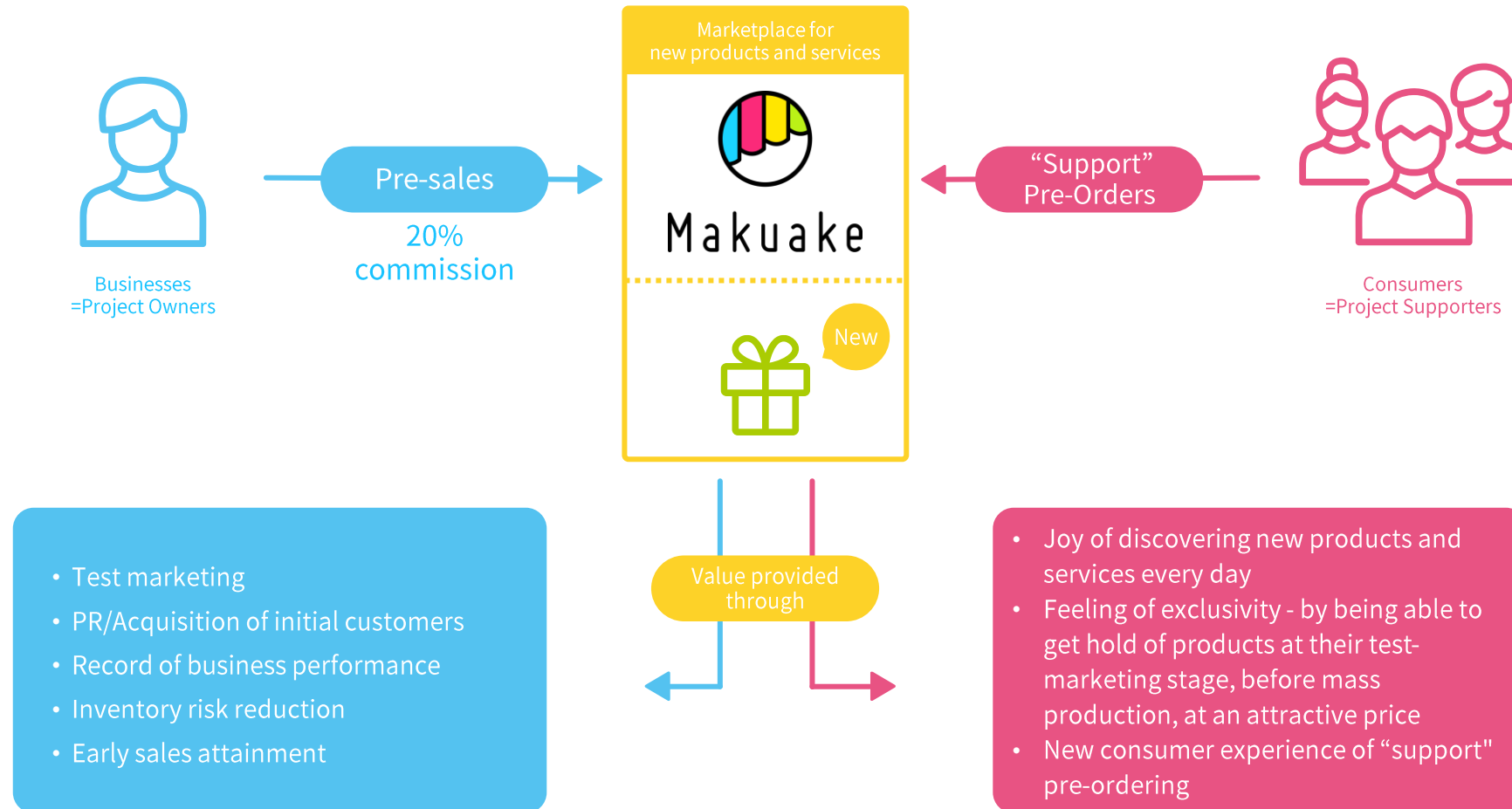
Makuake - , a Venue for Launch of New Products and Services

- We are a marketplace where consumers can buy premiering new products and services faster through “support“ pre-orders



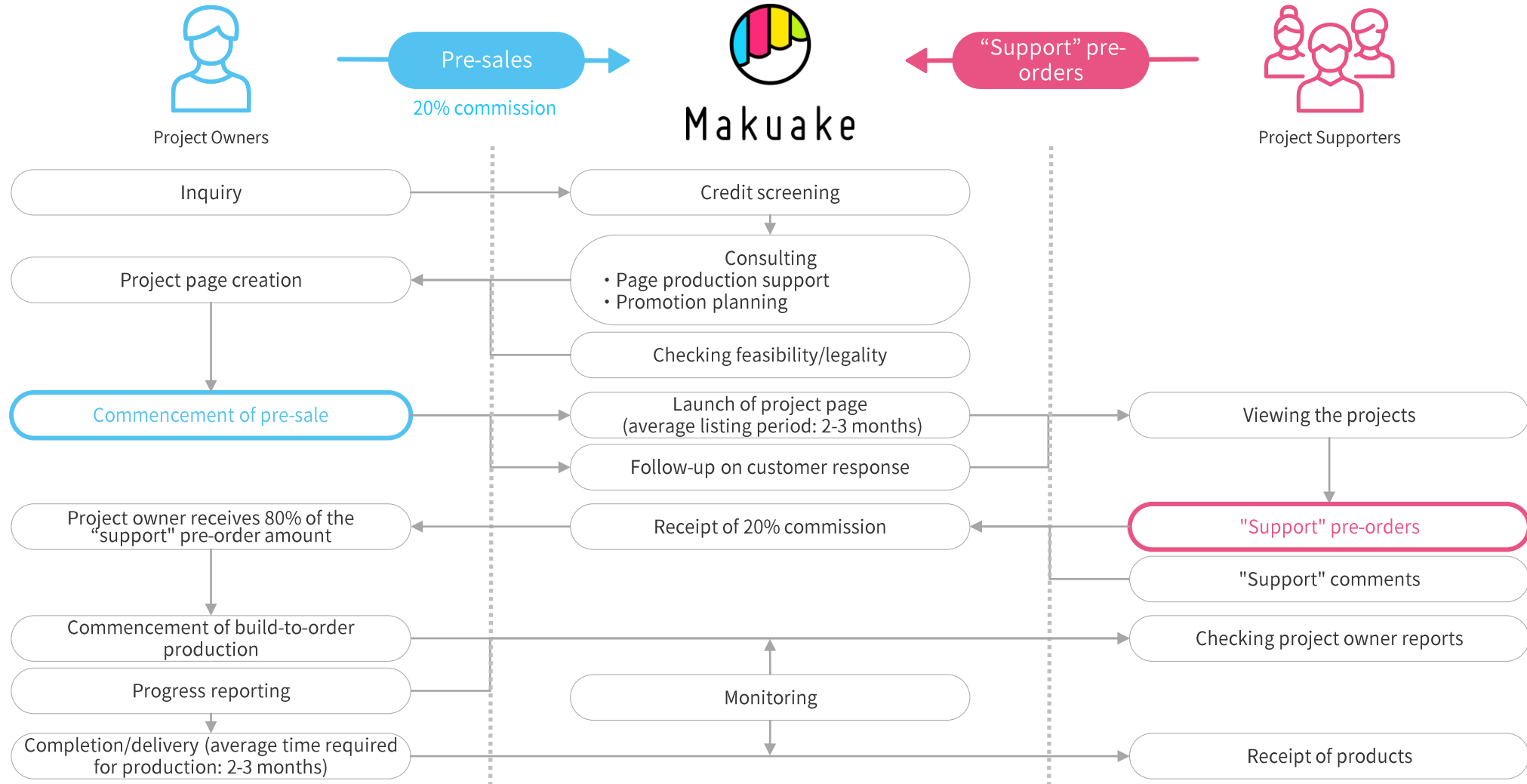
Makuake's Business Model

- Businesses can pre-sell their new products and services still in the planning phase on Makuake, while consumers, in the spirit of cheering on, can pre-purchase their products of interest through “support” pre-ordering



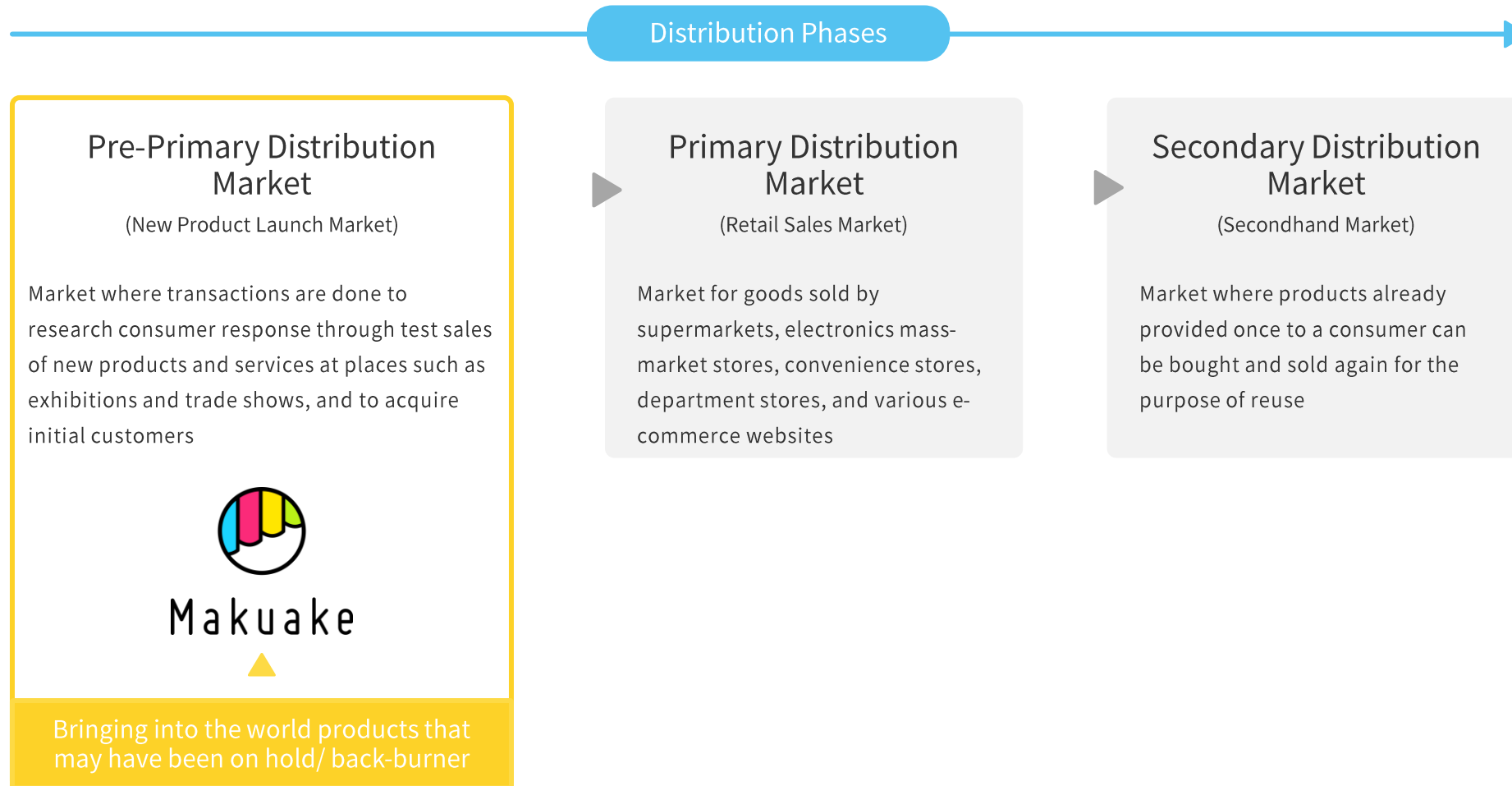
Makuake Workflow

- From the time of the inquiry to publish a project to the delivery of the product to the consumer, we are working on both maximizing the project's appeal and making sure it stays sound



Target Market

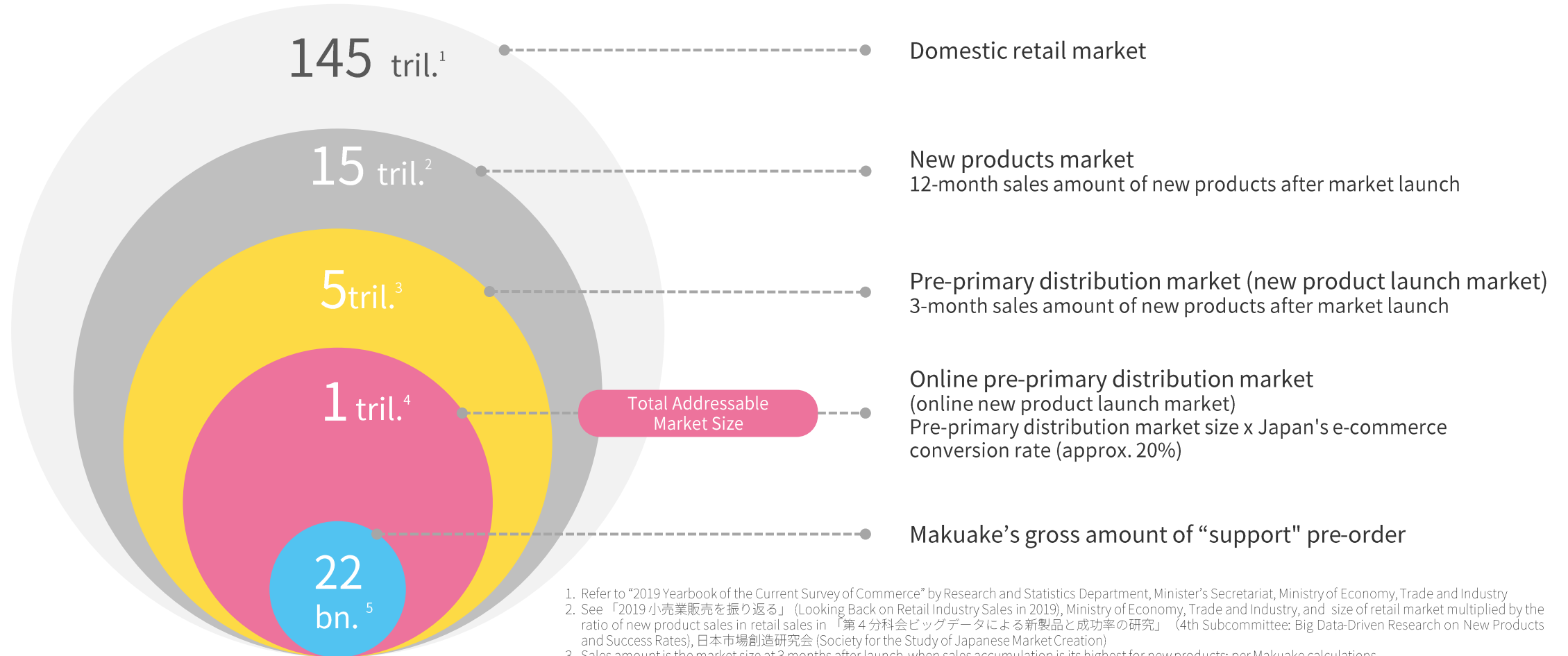
- By developing and fostering a new market--the "Pre-Primary Distribution Market", which no one was able to move online due to technological barriers and operational complexity, Makuake continues to strive to create an environment that makes it easier for new products and services to come into being



Total Addressable Market Size

- We recognize that the JPY 1 trillion online pre-primary distribution market, which is a subset of the pre-primary distribution market (the new product launch market), is the total addressable market for Makuake

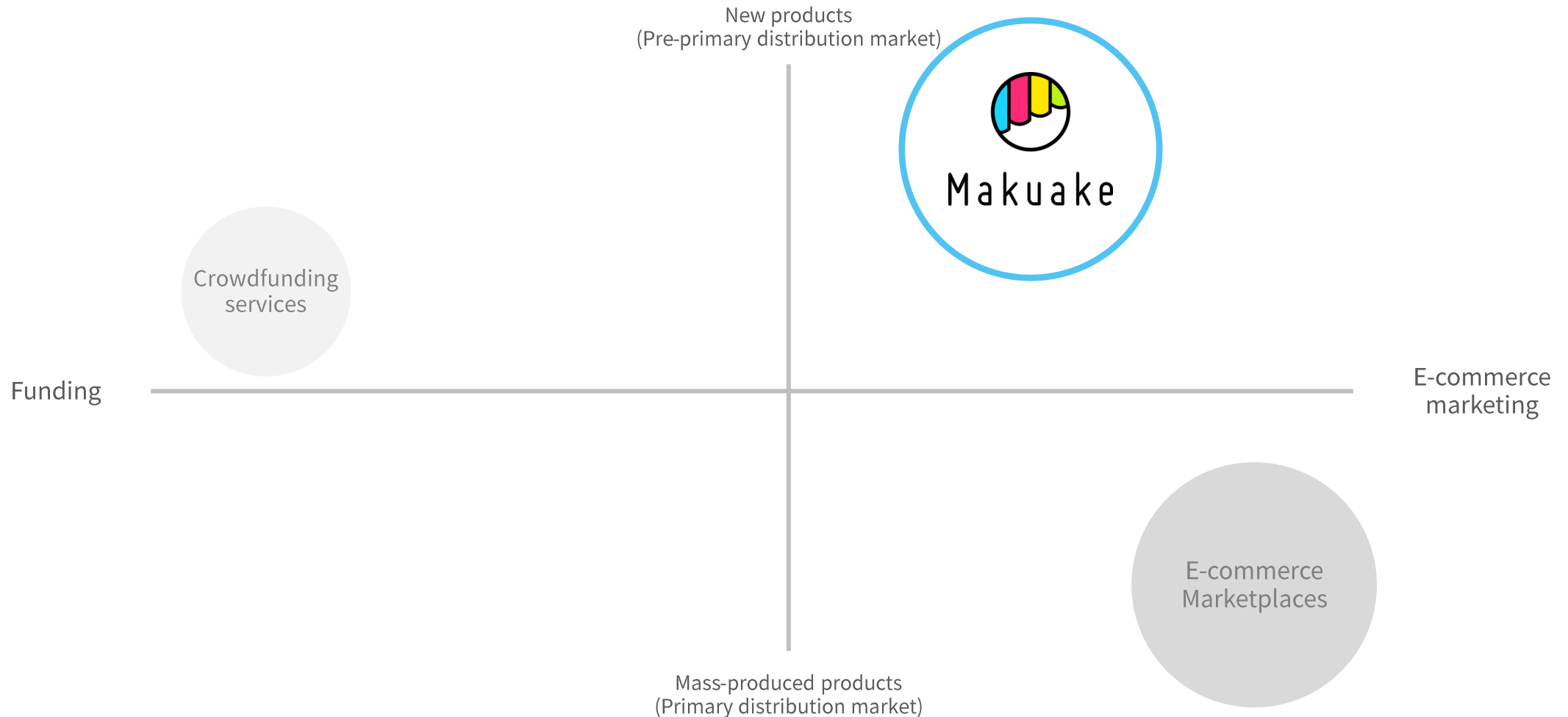
(Units: yen)



1. Refer to "2019 Yearbook of the Current Survey of Commerce" by Research and Statistics Department, Minister's Secretariat, Ministry of Economy, Trade and Industry
2. See 「2019 小売業販売を振り返る」 (Looking Back on Retail Industry Sales in 2019), Ministry of Economy, Trade and Industry, and size of retail market multiplied by the ratio of new product sales in retail sales in 「第4分科会ビッグデータによる新製品と成功率の研究」 (4th Subcommittee: Big Data-Driven Research on New Products and Success Rates), 日本市場創造研究会 (Society for the Study of Japanese Market Creation)
3. Sales amount is the market size at 3 months after launch, when sales accumulation is its highest for new products: per Makuake calculations
4. E-commerce market size in the new product launch market: per Makuake calculations / Based on growth rate of the B2C EC market in IT Navigator 2019 Edition, Nomura Research Institute
5. Estimate of Makuake's gross amount of "support" pre-orders in FY2022/9

Makuake's Competitive Environment

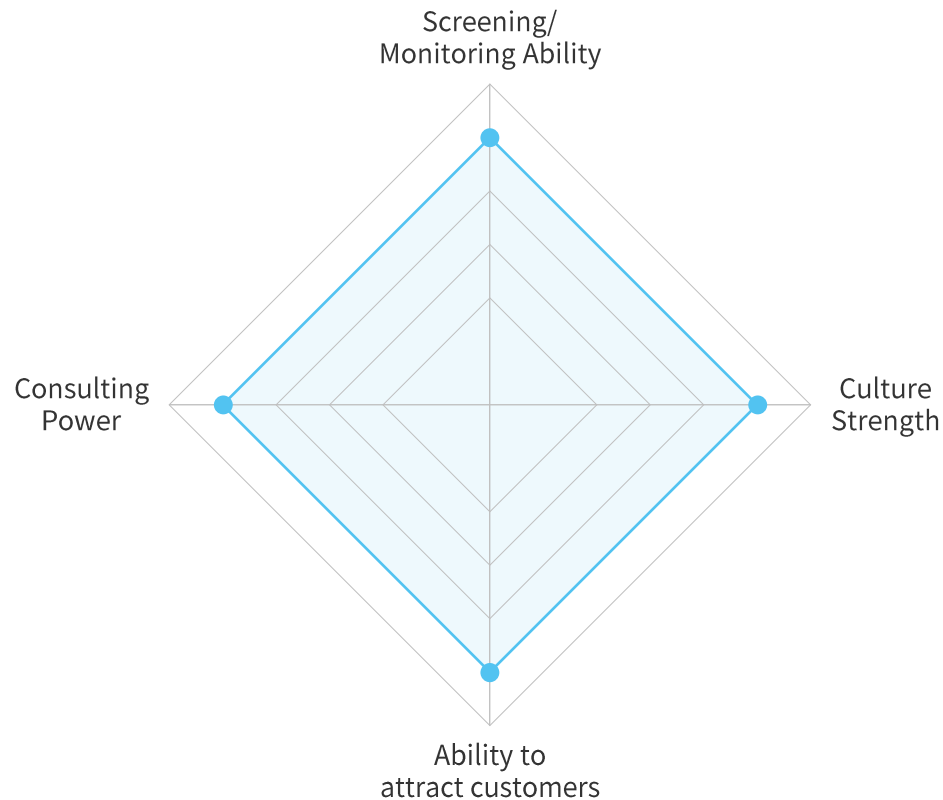
- By establishing a pre-sales model that specializes in new products and services before their general distribution, we have established a unique position differentiated from conventional e-commerce marketplaces and crowdfunding sites--we are thus operating our business as a standalone player



Makuake's Competitive Strengths in Generating the "New"

- For a marketplace for new products and services, all 4 "strengths"--every single one of them--are needed, and maintaining the right balance among them is important. Our accumulated knowhow honed over many years gives us a strong competitive edge

Makuake's Competitive Edge



"Strengths" Needed by Marketplaces Launching New Products and Services

Screening/ Monitoring Ability

The ability to screen new products/services on their feasibility prior to their production/implementation, probability of being able to explain them to the users and product/services' compliance with the relevant laws and regulations

Consulting Power

The power to bring out the appeal of the product and maximize it--achieved through communication with the project owner to get the appeal of the product properly conveyed

Culture Strength

It's not about buying cheap and having fast delivery. It's about our "shared values" culture strength--ethical and values-based consumption--buying things one has preference for from project owner one wants to support

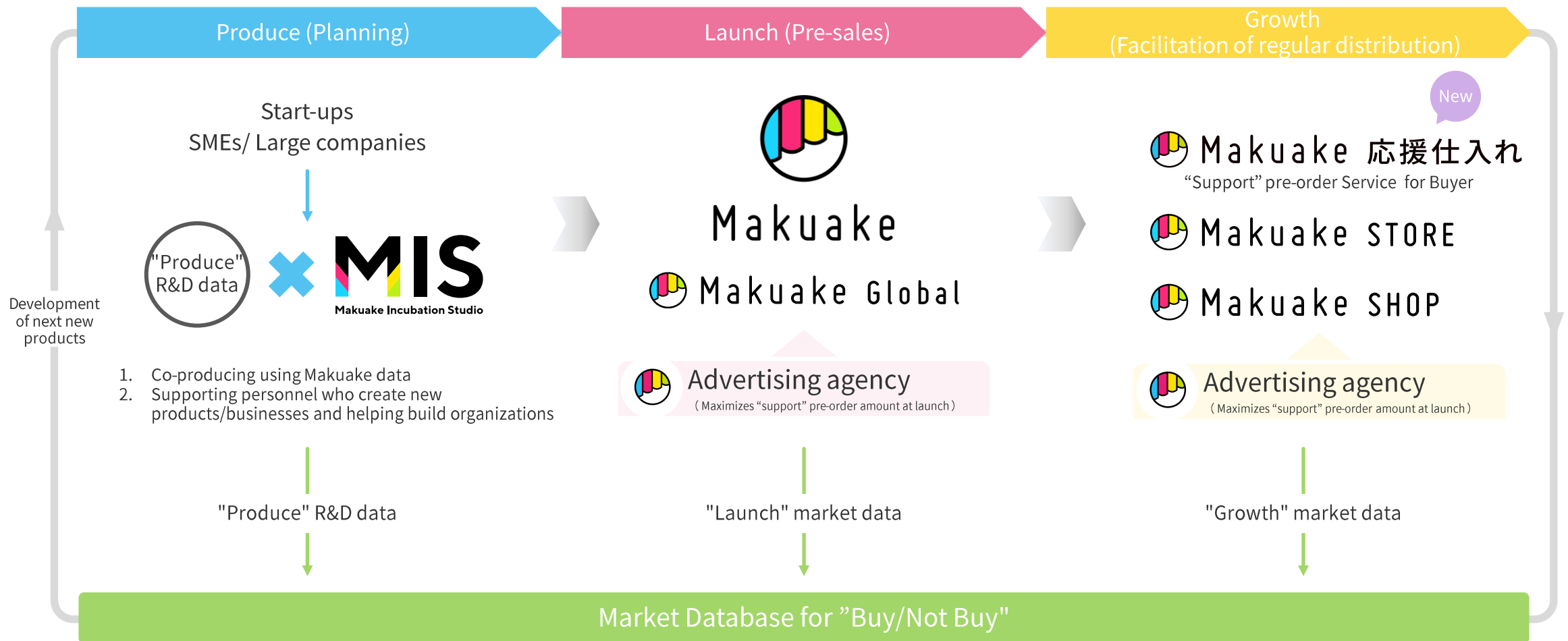
Ability to attract customers

Ability to attract customers as a venue that anticipates what consumers will need next and a marketplace where dozens of new products and services come into being everyday

Other companies make continuous efforts to enter the market, but they are not getting off the ground for this reason: high barriers to entry

Ecosystem Created by Makuake-Related Services

- By supporting everything from new product and service planning to market launch, and to sales expansion after mass-production, we can accumulate a variety of market data, give hints to businesses about the next new product, and continue to provide new products to consumers





Financial Results

Results

- The gross amount of "support" pre-orders (GMV) declined 5.2% YoY because operational and functionality improvements to address lesser user experience attributable to our rapid growth as a result of the pandemic were still a work in progress

KPI

- The number of published new projects declined QoQ due to strengthening of screening/monitoring standards in addition to seasonality (fewer business days in Q2) but was up 16.3% YoY
- Access UUs were down slightly QoQ due to a decline in the number of published new projects and lesser media exposure but were up 28.2% YoY
- Initiatives to raise CVR bore fruit by the end of Q2, with CVR up 0.1 pt QoQ

Organi- zatio

- Moving into a training phase now that hiring for operational improvements is largely complete
- Adding personnel to the development team to deal with the task of enhancing user experience
- Going ahead with raising operational efficiency of curators by utilizing Data Lab-generated analytics

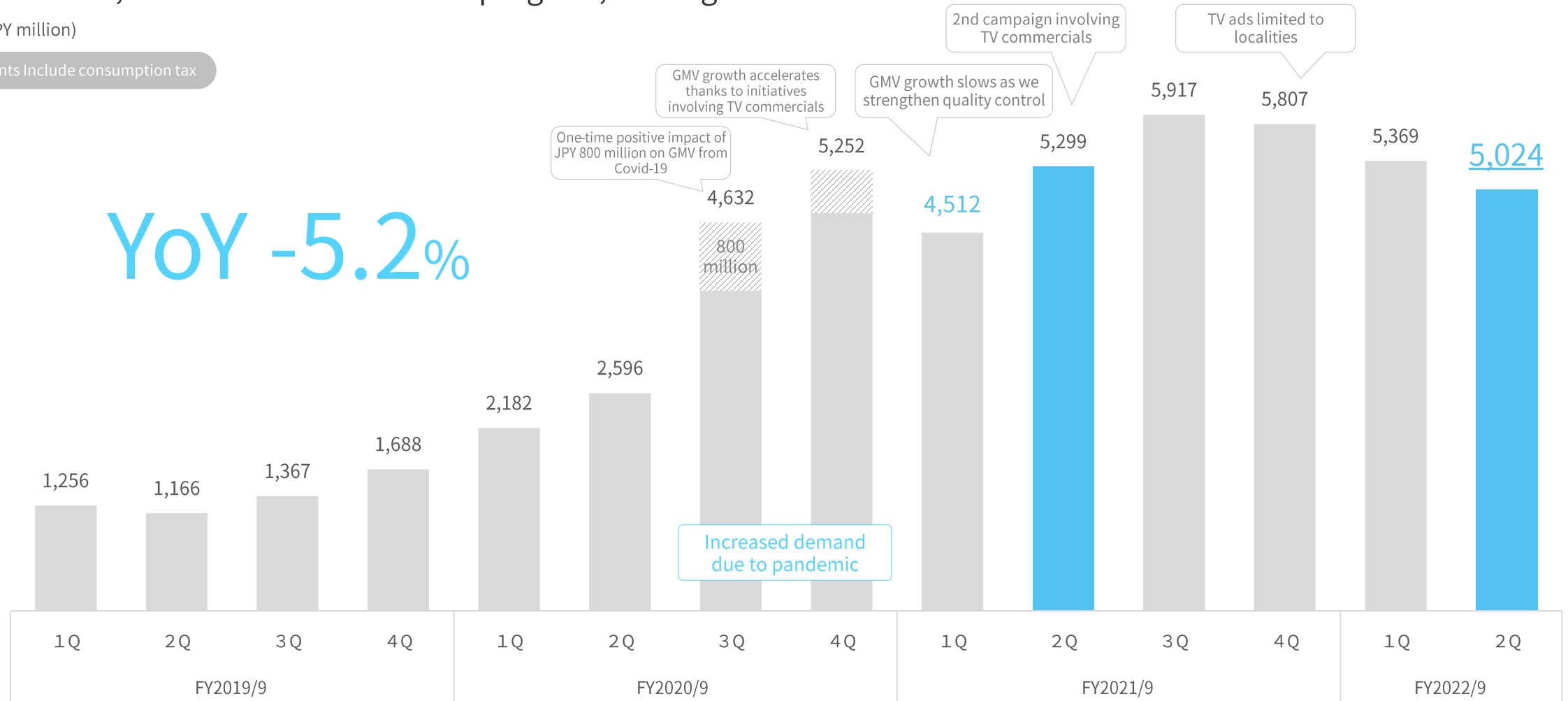
Gross Amount of "Support" pre-orders (GMV), Quarterly

- As a consequence of our rapid growth due to the impact of the pandemic, user experience on Makuake platform deteriorated. While we have been striving to enhance user experience through operational improvements and development of new functionalities, these were still a work in progress, leading to a decline in GMV

(Unit: JPY million)

Amounts include consumption tax

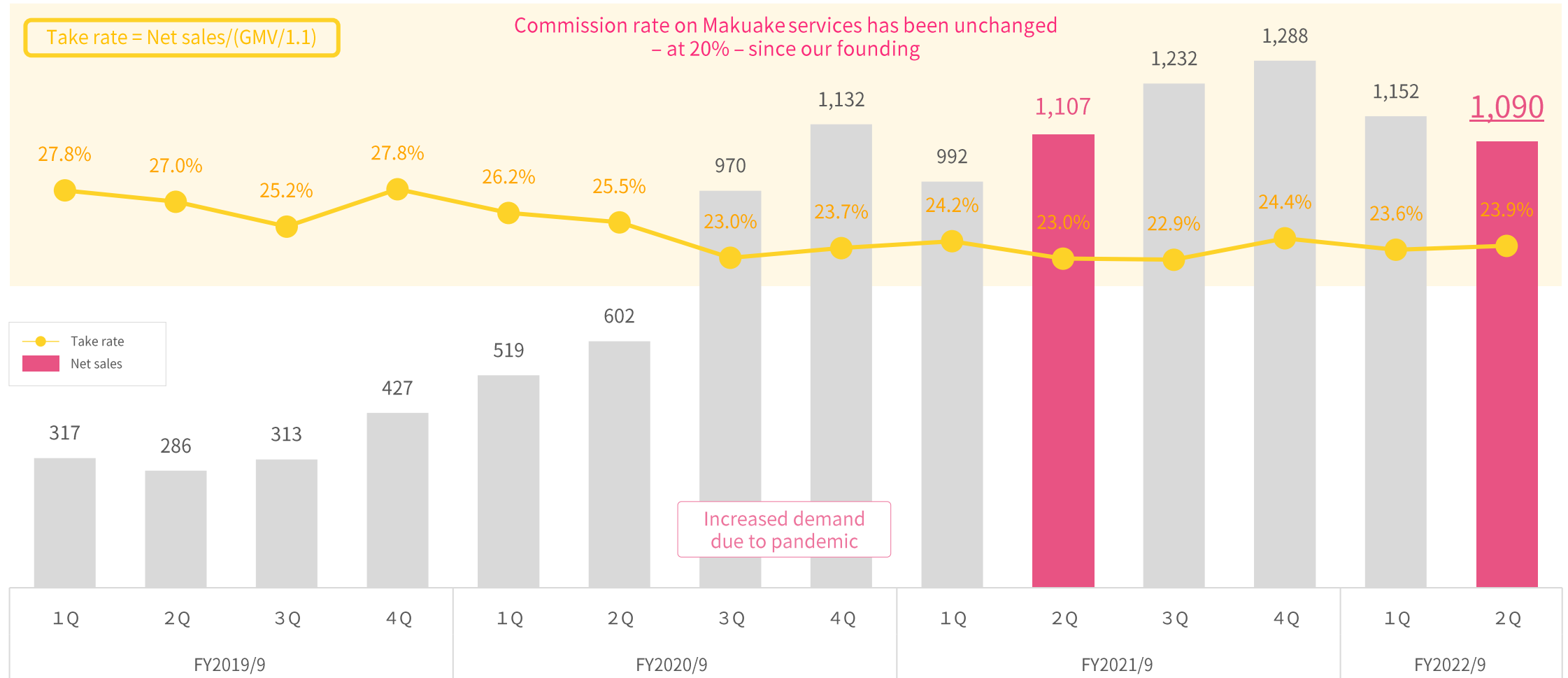
YoY -5.2%



Net Sales and Take Rate

- While net sales were down 1.5% YoY due to a decline in GMV, sales outside of Makuake platform grew YoY, leading to a 0.9 pt increase in the take rate

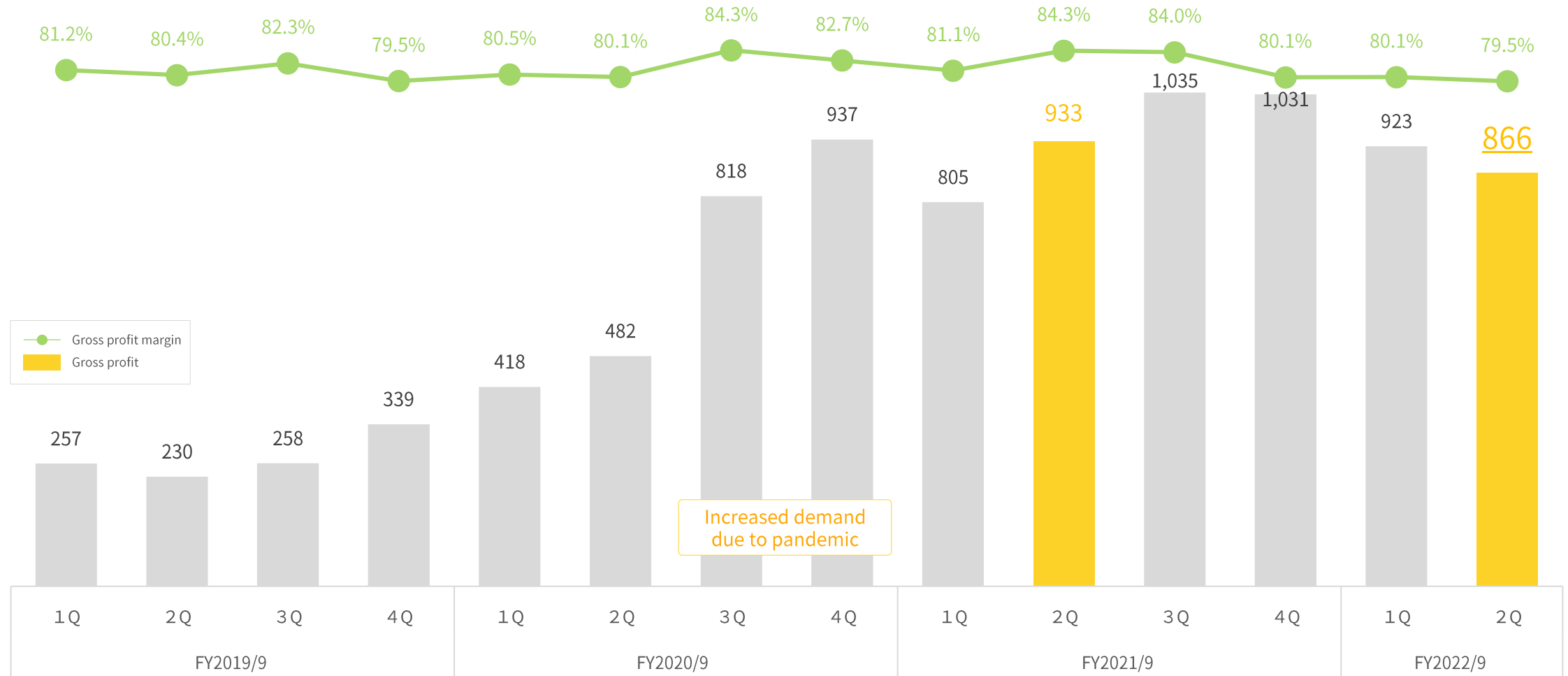
(Unit: JPY million)



Gross Profit and Gross Profit Margin

- Gross profit was down 7.1% YoY on higher software depreciation charges related to release of new functionalities and higher server usage fees due to increased headcount. Further, gross profit margin declined 4.8% YoY

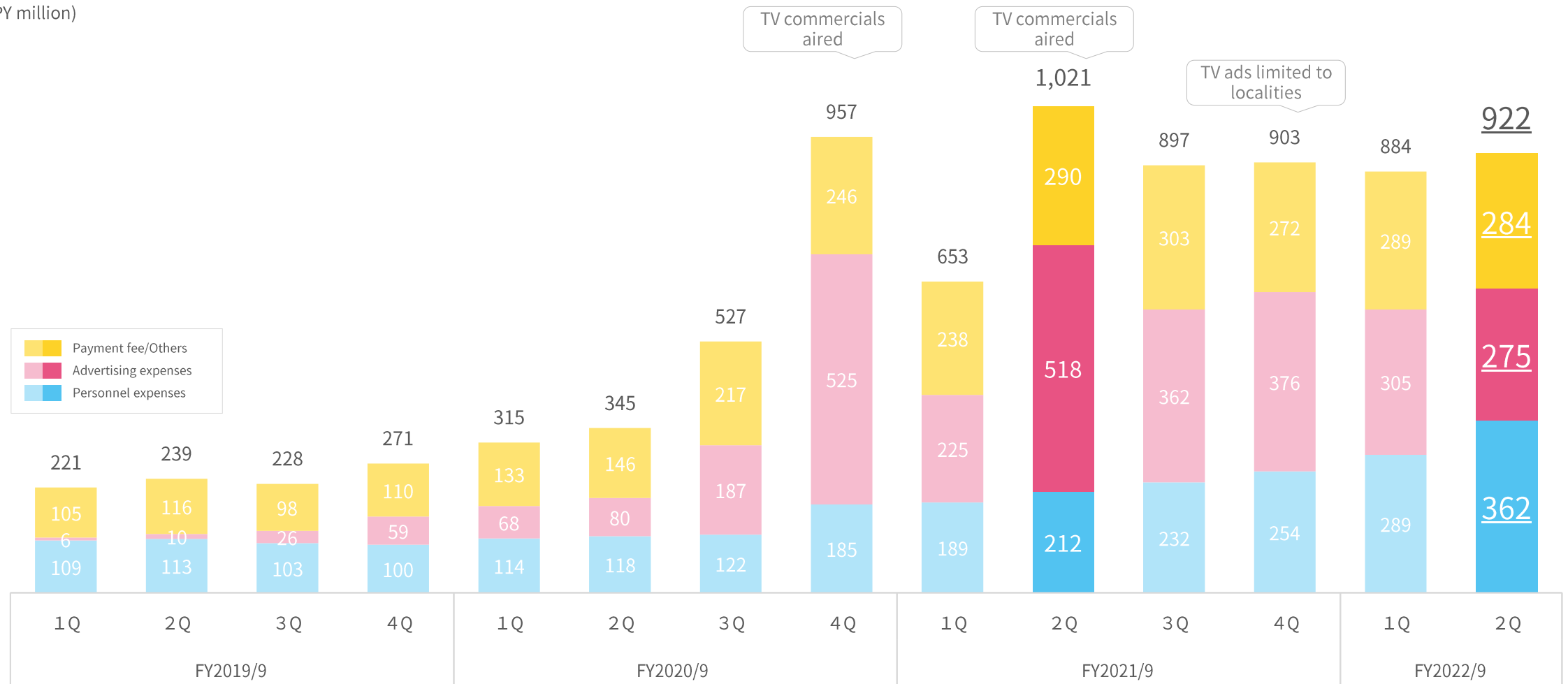
(Unit: JPY million)



Selling, General and Administrative Expenses

- While personnel expenses increased in the 1st half as we made aggressive upfront investments in hiring to achieve operational improvements, advertising and promotion expenses declined as we did not run large-scale promotions. Accordingly, SG&A expenses were down 9.7% YoY

(Unit: JPY million)

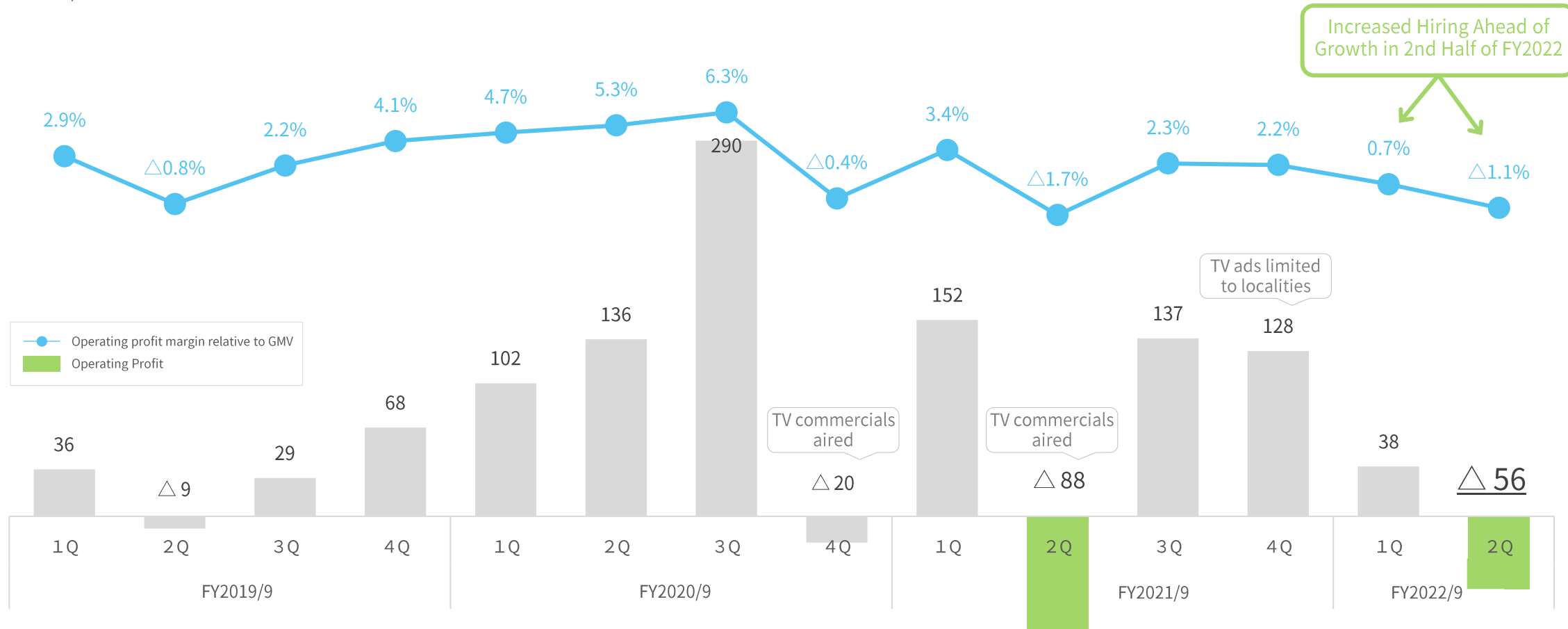


Note: Account titles aggregated into personnel expenses were revised as of Q2 FY2022/9

Operating Profit and Operating Profit Margin Relative to GMV

- Operating income for Q2 dipped into the red temporarily as we strengthened upfront investment in hiring

(Unit: JPY million)

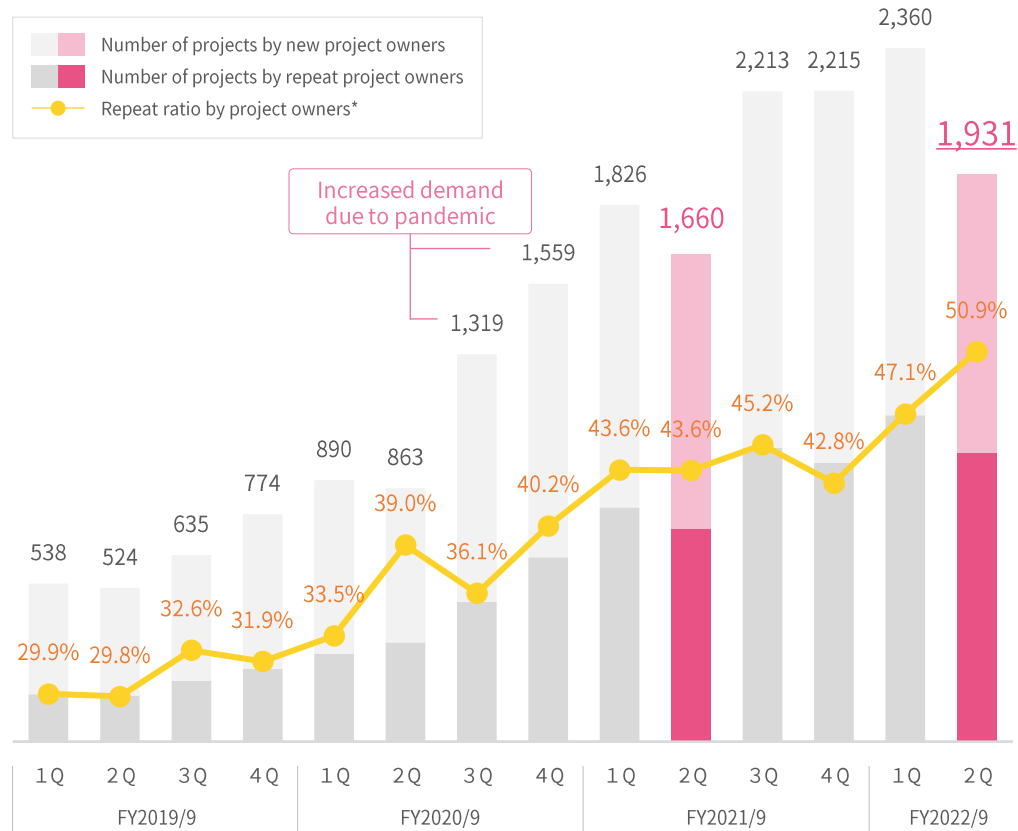


Key Performance Indicators (1)

- The number of published new projects was down QoQ as we strengthened screening/monitoring and due to Q2 seasonality, but was up 16.3% YoY. The ratio of repeat "support" pre-orders remained high at over 70%

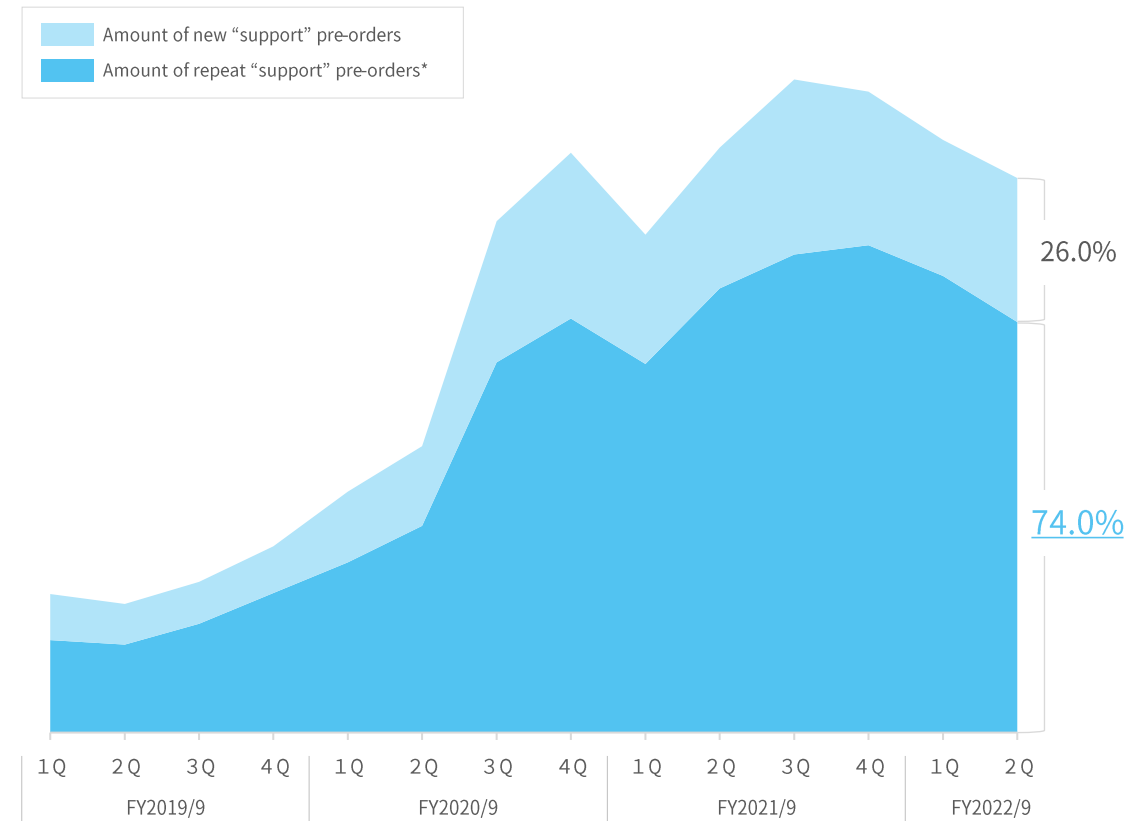
(Unit: project)

No. of New Projects



*Ratio of new projects published during the period by owners who had had a previous project with us within the prior 12 months to total number of published new projects

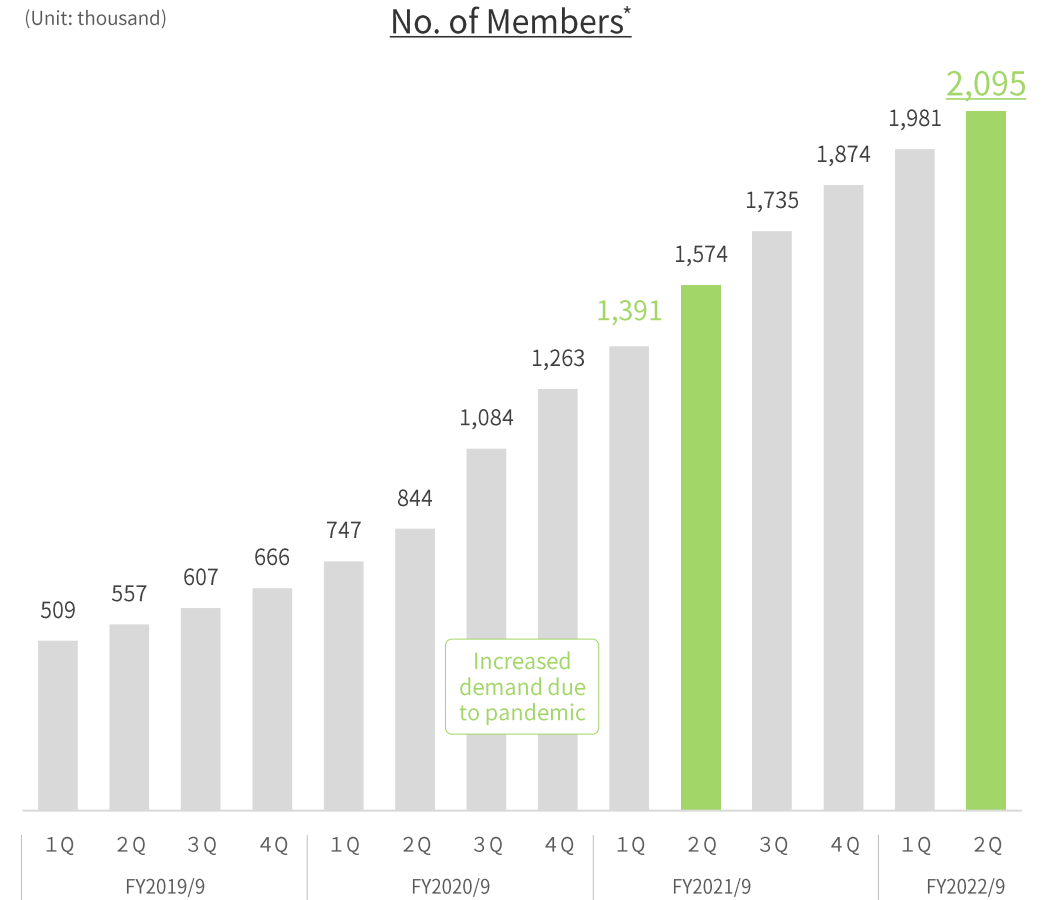
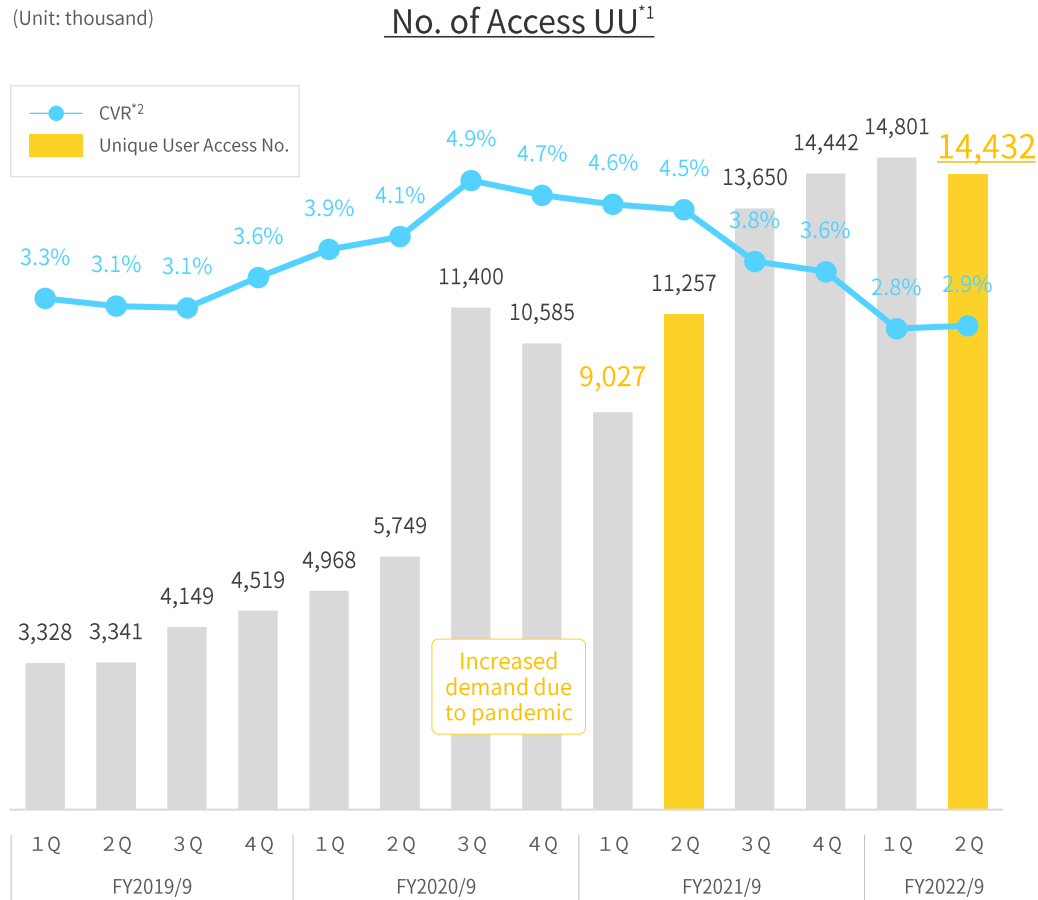
Repeat "Support" pre-order Rate



*Ratio of gross amount of "support" pre-orders placed during the period by supporters who had had a previous "support" pre-order within the prior 12 months to total gross amount of "support" pre-orders via Makuake's services. Note that as of FY2020/9, we are using an improved calculation method with better data accuracy.

Key Performance Indicators (2)

- Access UUs were down slightly QoQ on a decline in the number of published new projects and lower media exposure but grew 28.2% YoY. The number of members was not impacted by the slight decline in access UUs and is growing robustly

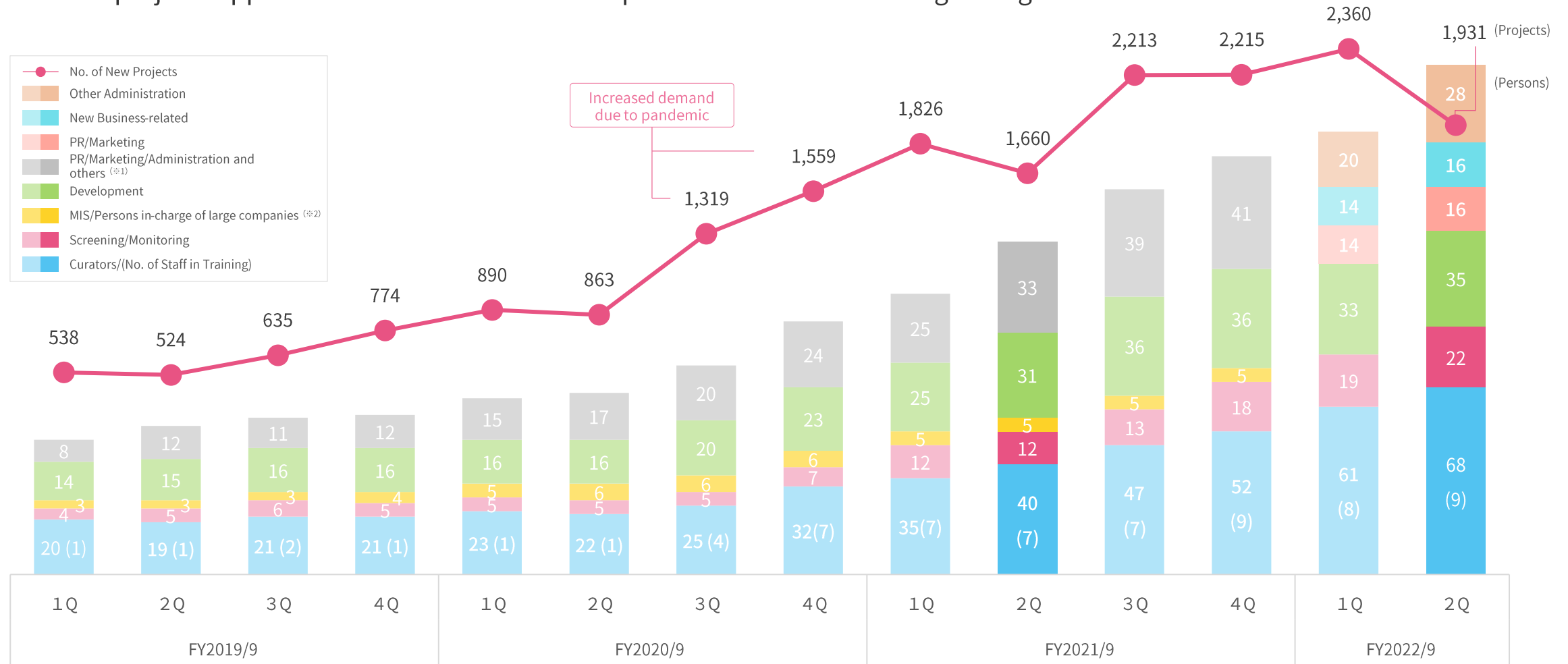


^{*1} Number of persons who visited Makuake during the period
^{*2} CVR: Conversion Rate: the ratio of access UU on Makuake who placed a "support" pre-order to total access UU (number of "support" pre-orders ÷ total access UU). Please see Appendix for the number of "support" pre-orders.

^{*} Cumulative number of registered members = persons who placed at least one "support" pre-order

Number of Published New Projects and Employee Count

- In Q2, we were able to secure an adequate number of curators and screening/monitoring staff members who can deal with the volume of published new projects that rapidly increased due to the pandemic. Further, we are on our way to acquire personnel to take care of accumulation of project supporter and brand assets in anticipation of medium- and long-term growth



*1: Note 1: From Q1 FY2022/9, we are breaking down the personnel numbers of "PR/Marketing/Administration and others" into "PR/Marketing", "New Business-related" and "Other Administration-related"

*2: Given that MIS/Persons in charge of large companies are increasingly co-performing curator duties, we are adding their numbers to the headcount of the curator organization from Q1 FY2022/9

Major Projects Launched in Q2 FY2022/9

- While projects involving gadgets and similar items remained popular, projects giving it a try-through collaboration with other companies--with new products addressing different preferences from those seen before stood out

日本初登場
ECOVACSブランド
最高峰
吸引+水拭き
モップまで自動洗浄&乾燥!
DEEBOT TURBO
by Jacob Jensen Design

応援購入総額 68,372,500円
目標金額 1,000,000円
58.17%

サポーター 659人
残り 終了
終了しました

ロボット掃除機一筋の専門家ECOVACSが贈る最高傑作 | DEEBOT TURBO

Robotic Vacuum

M
Hello,
MIRROR FIT.
に映る新しい私。

応援購入総額 53,783,260円
目標金額 1,000,000円
53.78%

サポーター 332人
残り 15日
応援購入する

自宅をジムに。あなたの続けられるにフィットする、『MIRROR FIT.』

IoT Fitness Appliance

WATCH BY KNOT
Knott
独立時計師
牧原大造

応援購入総額 34,007,000円
目標金額 3,000,000円
11.8%

サポーター 160人
残り 25日
応援購入する

日本人でわずか3人、独立時計師・牧原大造氏とKnotが初のコラボレーショ

Watch Created Through Collaboration

BRAIN SLEEP
ALL IN ONE
これひとつで
どこでも
快適な寝りへ

応援購入総額 45,679,700円
目標金額 1,000,000円
45.67%

サポーター 830人
残り 終了
終了しました

ミニマル高機能 ブレインスリープ マットレス・枕・布団が一つになったスリ

All-in-one Bed with Mattress, Pillow and Blanket

北の拳 黒王号セット
覇者の風格漂う黒王号ボトルと焼酎グラスを先行

応援購入総額 8,835,200円
目標金額 1,650,000円
53%

サポーター 98人
残り 終了
終了しました

『北の拳 黒王号セット』覇者の風格漂う黒王号ボトルと焼酎グラスを先行

"Fist of the North Star" Shochu (Japanese Liquor) Bottle Set

MAX 70km
超長距離
走行可能
"電動バイク"
COSWHEEL MIRAI

応援購入総額 124,095,200円
目標金額 1,000,000円
12.49%

サポーター 724人
残り 46日
応援購入する

街乗りも、冒険も。近未来型3WAY電動バイク「COSWHEEL MIRAI」

3WAY Bike (Electric/Hybrid/Bicycle)

日本発 & Made in Japan
コンディション管理用スマートリング
ソクサイ
SOXAI Ring
睡眠状態 活動量 ストレ

指から本当の自分を
知ること、生活が変わる。

応援購入総額 46,759,000円
目標金額 1,000,000円
46.75%

サポーター 1,815人
残り 45日
応援購入する

睡眠・心身の状態を正確に分析可能な日本発スマートリング | SOXAI Ring

Smart Ring Originated in Japan

幻のデニム
RAINBOW JEANS
～大豪雨からの復活を目指して～

応援購入総額 30,757,100円
目標金額 1,000,000円
50.75%

サポーター 1,171人
残り 25日
応援購入する

豪雨災害で途絶えた幻のデニム生地『レインボー』を復活させたい!

Iridescent "Rainbow" Denim

ネクストゴール挑戦
飛騨高山の廃校を
ウイスキー蒸溜所へ

応援購入総額 32,001,000円
目標金額 2,000,000円
1.66%

サポーター 735人
残り 45日
応援購入する

おかげ様で、開始5日間で2,500万円超を達成!
3,500万円達成で校庭に桜景色を取り戻します。

飛騨高山の廃校をウイスキー蒸溜所へ、学びと笑顔あふれる場所に

Whiskey by Distillery Located in Former School

Major Projects Launched in Q2 FY2022/9 (Large Companies)

- In addition to the launch via Makuake of leading-edge new products utilizing R&D technology of large enterprises supported by MIS, we continue to see increased use of Makuake by major food makers

MIS Proj

水の力で、もっと自分らしく。Hydraid Hair Show

髪と地肌をいたわる「薬髪ケア」先行施術体験 | Hydraid Hair Show

AISIN CORPORATION

MIS Proj

濡るまじい。つづく温もり

驚きのポカポカ感！U字ヘッドと大玉ミストで身体を湯で包むシャワー | SHI

NITTO CERA Corporation, a subsidiary of LIXIL Corporation

雨すらも待ち遠しい。SANYOCOAT 1946 JAPAN

どんな日でも、クラシックな貫きぬし。クラシックコートのデザインで、驚きの耐水性。天気も季節も選ばないサン

SANYO SHOKAI LTD.

「つくる」から「食べる」までこれひとつ

テンプル料理できるお皿 新・IHホットプレート

まるでお皿！1人だけ気軽においしく。新・IHホットプレート“HOT DISH”

ELECOM CO., LTD.

究極!? もちもちな おこめ丸パン

【Kameda未来研究所第二弾】お米好きのための、もちもち米粉パン

KAMEDA SEIKA CO.,LTD.

新感覚 ジャーキー、誕生。DRY MEATS

お肉のおいしさを手軽に楽しむ新たな間食。新感覚ジャーキー-DRY MEATS。

NH Foods Ltd.

2 x KAGOME

たまごじゃないたまご。絶品

【2foods x カゴメ】食のテクノロジーと職人の技が創った絶品ふわとろオム

2foods x KAGOME CO.,LTD.

Glico

ヨウ素の子カラで抗菌・抗ウイルス

江崎グリコの食品素材研究が生んだ機能性マスク I-53 MASK

マスクについての菌、気になりませんか？安心感続く抗菌力。新しいウイルス

Ezaki Glico Company, Limited

涼CAMP パジャマ


COOL & RELAX キャンプウェアが誕生

コロナ開発、暑い夏の夜を快適にする冷感機能搭載キャンプパジャマ誕

Columbia Sportswear Company

SDGs-related Projects Launched in Q2 FY2022/9

- Projects implementing SDGs were launched in a multitude of categories such as projects addressing waste to promote sustainable development and projects aiming to eliminate inequality



708,550円
目標金額 189,000円

174%

92人 サポーター

終了 終了

終了しました

廃棄炊飯米に新たな輝きを！お米でできた『箔米クラフトビール』ついに完

2 飢餓をゼロに

12 つくる責任 つかう責任

Craft Beer Made from Discarded Cooked Rice



2,314,710円
目標金額 150,000円

141%

204人 サポーター

終了 終了

終了しました

見た目は超ペーシング 1秒でボタンが留まる！

高機能 Shirts

一瞬でボタンが留まる！アイロン掛け不要！忙しい朝にゆとりを生む、究極

8 働きがいも 経済成長も

9 産業と技術革新の 基盤をつくらう

10 人や国の不平等 をなくそう

Shirt that Can Be Buttoned in 1 Second



3,481,350円
目標金額 100,000円

141%

490人 サポーター

終了 終了

終了しました

卵のチョコが織りなす 至極のジェラート


【田中農場とMinimalが会った】 Makuake限定ショコラジェラート誕生

8 働きがいも 経済成長も

12 つくる責任 つかう責任

15 陸の豊かさも 守ろう

Gelato Made with Eggs of Chickens Fed Discarded Cocoa Bean Husks



8,245,500円
目標金額 3,000,000円

164%

884人 サポーター

終了 終了

終了しました

知的障害のある作家が描いた異彩のアートで、新たなライフスタイルブランドを。

ヘラルポニー、異彩の作家、日本の職人が手がける新たなライフスタイル

3 すべての人に 健康と福祉を

8 働きがいも 経済成長も

9 産業と技術革新の 基盤をつくらう

10 人や国の不平等 をなくそう

Art Brand Created by Artist with Mental Impairment



6,036,800円
目標金額 10,000,000円

60%

528人 サポーター

37日 残り

花壇購入する

関牛乳が廃棄乳問題に挑む！ スイーツにおかずにもなる新感覚バター

廃棄乳を減らせ！関牛乳がつくる“フレーバーバター”と“脱脂乳アイス”

6 安全な水とトイレ を世界中に

9 産業と技術革新の 基盤をつくらう

12 つくる責任 つかう責任

Novel Butter Addressing Waste Milk Issue



734,000円
目標金額 500,000円

148%

179人 サポーター

終了 終了

終了しました

和を彩る「お茶いろ」クレヨン

創業150年の老舗茶屋が共同開発！和を彩る「お茶いろ」クレヨン

4 質の高い教育を みんなに

9 産業と技術革新の 基盤をつくらう

12 つくる責任 つかう責任

15 陸の豊かさも 守ろう

Crayon Made with Tea Leaves Slated for Disposal

Topics: PR Releases (Strengthening Platform Soundness)

Announcement of our own "Makuake Quality Standards" to Promote Operation of Safe-and-Sound Platform



Makuake Quality Standards

- Project Owners: providing a quick and efficient way to check "feasibility" and "safety" of the project as well as that of the business setup, allows project owners to challenge new projects in a more fitting manner
- Project Supporters: can relay more deeply to and, in the spirit of cheering on, place pre-orders for projects whose owners have passed "Makuake Quality Standards"

Announcement of "Makuake Basic Policy" on our Approach and Standards Applied to Projects



Makuake Basic Policy

These are our basic standards on what we consider to be the "New", "Support Pre-orders" and our thinking as to what kind of projects should be on our platform

<Standards for Project Publication>

- Elements of the project include the "New"
- There is a "challenge" and a "story" from the project owner
- The project meets all of our basic requirements

Announcement on Creation of "Panel of Outside Experts"



Panel of Outside Experts

An organization with the participation of experts in a wide range of fields, composed of project managers and project supporters
Slated to discuss concrete initiatives and technical issues in various genres based on Makuake Basic Policy

Topics: PR Releases (Other Alliance-related)

Started to Display and Sell some 40 Popular Makuake-originated Products at Maruzen Marunouchi Store



A lineup of products with wide-ranging themes for seasonal and other events

- Cat-themed products
- Useful everyday sundries
- Products for businesspersons
- White Day reciprocal gifts
- Goods to support young people starting new independent lives

Providing Support for the Creation of New Products in Localities in Cooperation with Government Bodies



- Cooperation with the Ministry of Agriculture, Forestry and Fisheries
- Support for product creation utilizing local agricultural products through multi-industry cooperation

Cooperation Between Asahi Television Broadcasting Corporation's "Good Morning from Asahi" Program and Makuake



Introducing products from projects currently running on Makuake on "Check the Hits" corner, a long-format morning news show that has been airing in Kansai area for some 43 years, thanks to a tie-up. The idea is to present features and explain attractiveness of products picked up by the corner from among the project owners nationwide supported by Makuake



Progress on Growth Strategy for FY2022/9

Growth Strategy for FY2022

- In FY2022, we will diligently work on raising Makuake's media value and operational excellence

1

Increase the Number of High-Quality Projects

2

Raise the Number of Customers

3

Raise CVR

Q2 Progress on Growth Strategy

- While the optimization of the new organizational structure proceeded smoothly, the time required to implement it impacted our performance. We expect to see concrete results in all of our initiatives from the 2nd half

1 Increase the Number of High-Quality Projects

Select and Concentrate in Mainline Genres

- Acquire projects in mainline genres through webinars, online consultation meetings and holding events
- △ Insufficient measures to raise awareness in the highest-priority mainline genres

Curators to Operate as Team of Professionals

- Have been optimizing the new organizational structure--while running it--for 6 months
- △ More time needed to optimize the new organizational structure with the results coming in from the 2nd half of the year

Early Acquisition and Training of Important Talent

- Acquisition of adequate number of curators and screening/monitoring personnel to support future growth
- △ Issue of Training Newly-Hired Personnel to Maintain Project Quality and Robustness of Platform

2 Raise the Number of Customers

Increase Exposure through Ads/PR

- ... Continued exposure in web media and TV
- ... New collaborations with TV programs
- △ Lower WEB media exposure due to opinions on some of the projects

Enhance CRM

- ... Contribution to GMV due to customer inflow to newsletters thanks to improved transmission logic
- △ Improving app push notifications experience

Development of App-Centered New Functionalities

- Continuing with releases of "today's recommendation" and "projects surging in popularity" app functionalities
- △ Functionality to increase repeat visits still in development

3 Raise CVR

Pursue Ease of Encountering and Ease of Use

- ... Increase in the number of visits per user due to release of new functionalities
- ... Adding staff to the development team to improve user experience
- △ User experience improvement inadequate--planning to release new functionalities in Q3 with major improvements

Continuous improvement in curator consulting

- Better consulting abilities as MIS consulting knowhow transferred to curators through study meetings
- △ Time needed to optimize the new organizational structure to build a consulting framework that can take care of project features/characteristics, results to come from 2nd half

Q2 Progress Report on Upfront Investment in Accumulation of Assets

- Continuing from Q1, we focused in Q2 on upfront investment in recruitment and were able to secure adequate personnel. Further, in April, we launched a dedicated site for "Support" pre-order Service for Buyer, one of our new services to expand Makuake's ecosystem

1 Brand assets

Upfront Investment in Advertising

- Successfully attracting customers through web ads
- ▲ Holding off on aggressive investments as CVR is expected to improve from the second half

2 Human Assets

Upfront Investment in Personnel

- Hiring of curators and screening/monitoring personnel proceeding smoothly
- ▲ Temporary increase in costs due to upfront investment to support future growth. The issue of training going forward

3 Ecosystem Assets

Data utilization functionalities

- ⋯ Finished with the additions to personnel
- Considering raising operational efficiency of curators through the use of data and initiatives to accumulate customer assets

Makuake Global

- Increasing number of projects outside Japan and access UUs
- ▲ The issue of raising the number of published new projects and "stickiness" of user visits

"Support" pre-order Service for Buyer

- Started operating a dedicated website in April

Buildup of Makuake Store

- Developing a renewed website (planning to open in September)

Progress vs 1st Half Plan

- Results for the 1st half came in below plan due to delays in optimizing organizational structure. Q2 KPIs were impacted by seasonality and strengthening of screening/monitoring of overseas projects, and did not reach their 1st half plan

1st Half Results

Lagging operational improvements impacted GMV progress vs plan and operating profits

| | |
|---|---|
| <p>Net Sales Progress Rate: 80.9%</p> | <p>Operating Profits Progress Rate: -</p> |
|---|---|

Curators

Optimization of new organizational setup running 2.5 months late vs original plan

Q1:
Transition to the new organizational setup was running 1.5 months late
Hiring proceeded smoothly

Q2:
Continued with optimizing the new organizational setup. Late 1 month vs plan
Ample number of personnel. Building a structure to strengthen training

Screening/Monitoring/Legal

Additions to achieve appropriate employee headcount were running 2-3 months late vs original plan

Q1:
The talent we hired started joining the company in Q2. Achieving adequate number of personnel was late 2-3 months vs plan

Q2:
Were unable to reduce operational workloads
The number of personnel at an appropriate level
Many still in training due to hiring delays

1st Half KPIs

Largely in line with the plan but strengthening of screening/monitoring of overseas projects led to a temporary negative impact in Q2

| | |
|---|-----------------------------|
| <p>Number of published new projects vs Plan ⊖</p> | <p>Access UUs vs Plan ⊖</p> |
|---|-----------------------------|

No. of New Projects

Behind plan due to Q2 seasonality and strengthening of screening/monitoring

Q1:
Net increase without large-scale promotions, in line with the plan

Q2:
Fewer number of business days and a slow start for the new calendar year
Operational complexity up on strengthening of screening/monitoring of overseas projects, behind plan

No. of Access UU

Q2 behind plan due to lower number of published new projects and media exposure

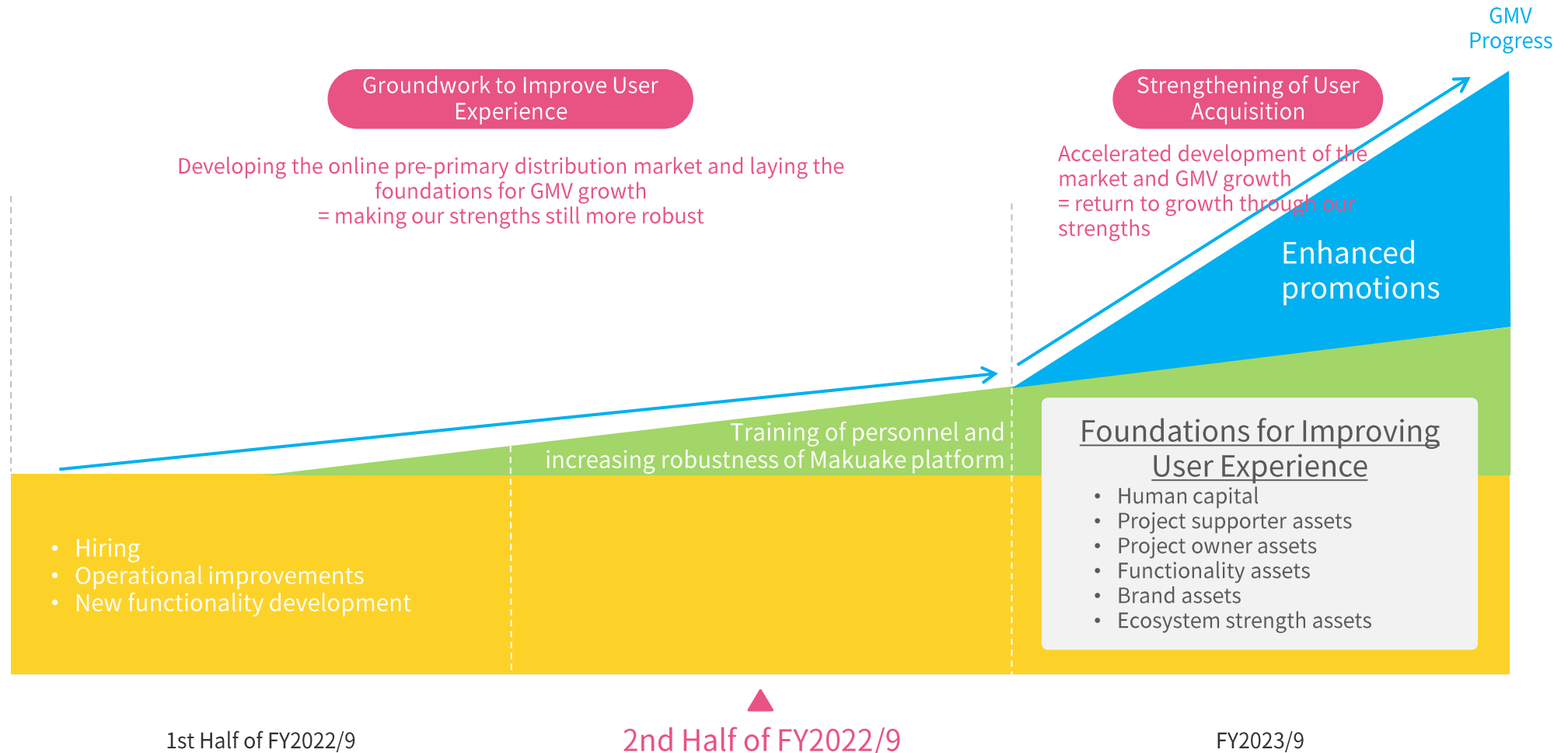
Q1:
Net increase without large-scale promotions, in line with the plan

Q2:

- Decline of access UUs from all channels due to lower number of published new projects
- Temporary decline in media exposure in February, behind plan

On Growth in 2nd Half of FY2022/9 and Next Fiscal Year

- Continuing from the 1st half, we will focus on the groundwork for better user experience through continued operational improvements and development of new functionalities, while at the same time concentrating on robustness of Makuake platform



Revised Full-Year Forecasts for FY2022/9 vs. Original

- Given the progress in our business results and KPIs in the 1st half, and in light of our growth story in the 2nd half and the next fiscal year, we reviewed our full-year forecasts for FY2022/9 and now expect to come in below our original plan

| (Units: Millions of yen) | FY2022/9 (Original Forecasts) | FY2022/9 (Revised Forecasts) | Change | Percentage change |
|--|----------------------------------|---------------------------------|--------|-------------------|
| Gross Amount of "Support" pre-orders: GMV (Tax included) | 30,000 | 22,000 | △8,000 | △26.7% |
| Net Sales | 6,200 | 4,700 | △1,500 | △24.2% |
| Operating Profit | 465 | 0 | △465 | △100.0% |
| Ordinary Profit | 460 | 20 | △440 | △95.7% |
| Net Income | 350 | 65 | △285 | △81.4% |



















Revised Full-Year Forecasts for FY2022/9 (YoY)

- We are aiming to grow GMV and net sales by a respective 2.1% and 1.7% YoY and stay in the black at the operating profit level

| (Units: Millions of yen) | FY2021/9 | FY2022/9 Forecasts | Change | Percentage change |
|--|----------|-----------------------|--------|-------------------|
| Gross Amount of "Support" pre-orders: GMV (Tax included) | 21,536 | 22,000 | +463 | +2.1% |
| Net Sales | 4,621 | 4,700 | +78 | +1.7% |
| Operating Profit | 329 | 0 | △329 | △100.0% |
| Ordinary Profit | 326 | 20 | △306 | △93.9% |
| Net Income | 246 | 65 | △181 | △73.6% |

Q3 Improvement Plan for Growth Strategy

- To maintain robustness of the platform, we will focus on personnel training, while at the same time push ahead with the development of new functionalities that will significantly change the user experience

| | | | |
|---|--|---|---|
| <p>1</p> <p><u>Increase the Number of High-Quality Projects</u></p> | <p>Select and Concentrate in Mainline Genres</p> <hr/> <p> Insufficient measures to raise awareness in the highest-priority mainline genres</p> <p> <u>Raise awareness of mainline genres through PR linked to consumer products' seasonality and outside tie-ups</u></p> | <p>Curators to Operate as Team of Professionals</p> <hr/> <p> More time needed to optimize the new organizational structure with the results coming in from the 2nd half of the year</p> <p> <u>Will grow the number of high-quality projects from Q3 with optimized new organizational structure</u></p> | <p>Early Acquisition and Training of Important Talent</p> <hr/> <p> Issue of Training Newly-Hired Personnel to Maintain Project Quality and Robustness of Platform</p> <p> <u>Will make adjustments to the training period of curators and screening/monitoring personnel and start with the new enhanced framework from Q3</u></p> |
| <p>2</p> <p><u>Raise the Number of Customers</u></p> | <p>Increase Exposure through Ads/PR</p> <hr/> <p> Lower WEB media exposure due to opinions on some of the projects</p> <p> <u>Increase communication about our initiatives to maintain robustness of the platform while focusing on media reports</u></p> | <p>Enhance CRM</p> <hr/> <p> Improving app push notifications experience</p> <p> <u>Will continue to improve push notification experience</u></p> <p> <u>Will analyze user on-site behavior to send "recommend" newsletters</u></p> | <p>Development of App-Centered New Functionalities</p> <hr/> <p> Functionality to increase repeat visits still in development</p> <p> <u>Continued revamp of the site's top page to encourage more repeat visits</u></p> |
| <p> 3</p> <p><u>Raise CVR</u></p> | <p>Pursue Ease of Encountering and Ease of Use</p> <hr/> <p> User experience improvement inadequate--planning to release new functionalities in Q3 with major improvements</p> <p> <u>New functionalities that will significantly change user experience to arrive in Q3</u></p> | <p>Continuous improvement in curator consulting</p> <hr/> <p> Time needed to optimize the new organizational structure to build a consulting framework that can take care of project features/characteristics, results to come from 2nd half</p> <p> <u>With optimized new organizational structure, will strive to raise the quality of consulting and CVR from Q3</u></p> | |

New Functionalities Arriving from Q3

- We intend to flesh out functionalities that provide for a fun and safe experience of "support" pre-ordering as a package, from encountering new products and services on visiting Makuake and "support" pre-ordering to the delivery of awaited products

Improvements to the Experience: from Encountering the "New" to its Delivery

Making First Interaction with Makuake a Safe Experience



Promoting the understanding of the site's culture and enhancing our credibility to those who visit Makuake for the first time

Note: the new functionalities on their release may look different from the above

Experience of seeing what you like lined up/ Experience of finding what you like



Further enhancing incidental/spontaneous encountering of new products and services

Experience of having fun after purchase and peace of mind being an owner



Making the production and shipment status of a product easier to grasp

Q3 Improvement Plan for Upfront Investment in Accumulation of Assets

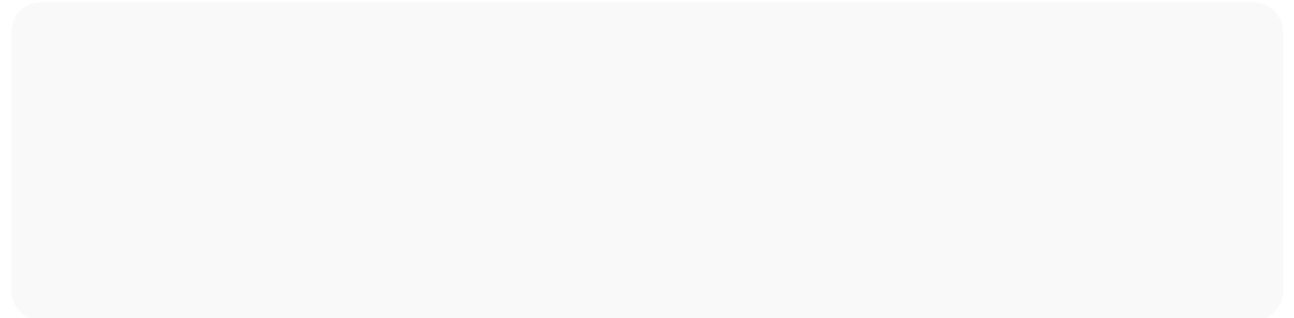
- We will accelerate the accumulation of human assets by focusing on training new employees who joined us in the 1st half, as well as continue improving initial-phase operation of our new services. In Q3, we do not anticipate making large upfront investments in advertising and promotion expenses

1
Brand assets

Upfront Investment in Advertising

▲ Holding off on aggressive investments as CVR is expected to improve from the second half

▼ Will raise investment once CVR improves

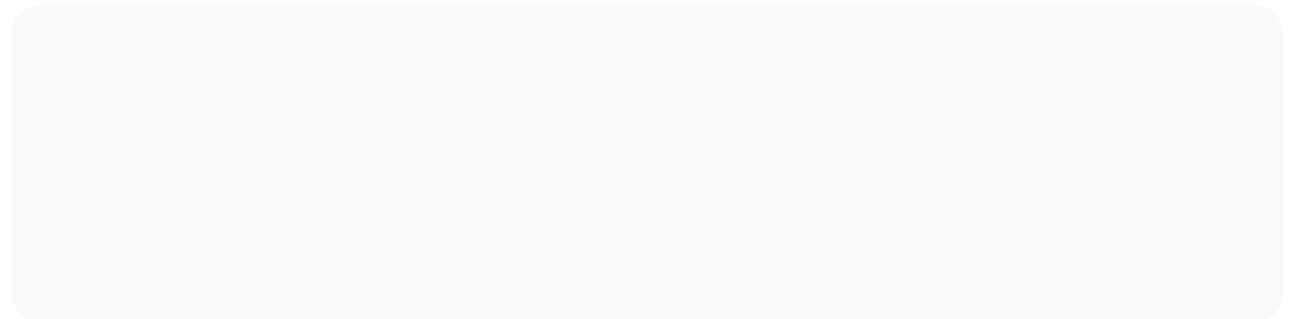


2
Human Assets

Upfront Investment in Personnel

▲ Temporary increase in costs due to upfront investment to support future growth. The issue of training going forward

▼ Will adjust the training period/organization of curators and screening/monitoring/legal personnel and start Q3 with the new strengthened structure



3
Ecosystem Assets

Data utilization functionalities

● With the new strengthened setup, will continue to raise operational efficiency of curators and accumulate customer assets

Makuake Global

▲ The issue of raising the number of published new projects and "stickiness" of user visits

▼

● Increasing the number of team members and expanding sales area

● Improving page UI/UX

"Support" pre-order Service for Buyer

● Focusing on initiatives to encourage use by buyer members after releasing a dedicated website

● Continued improvements to the site functionality

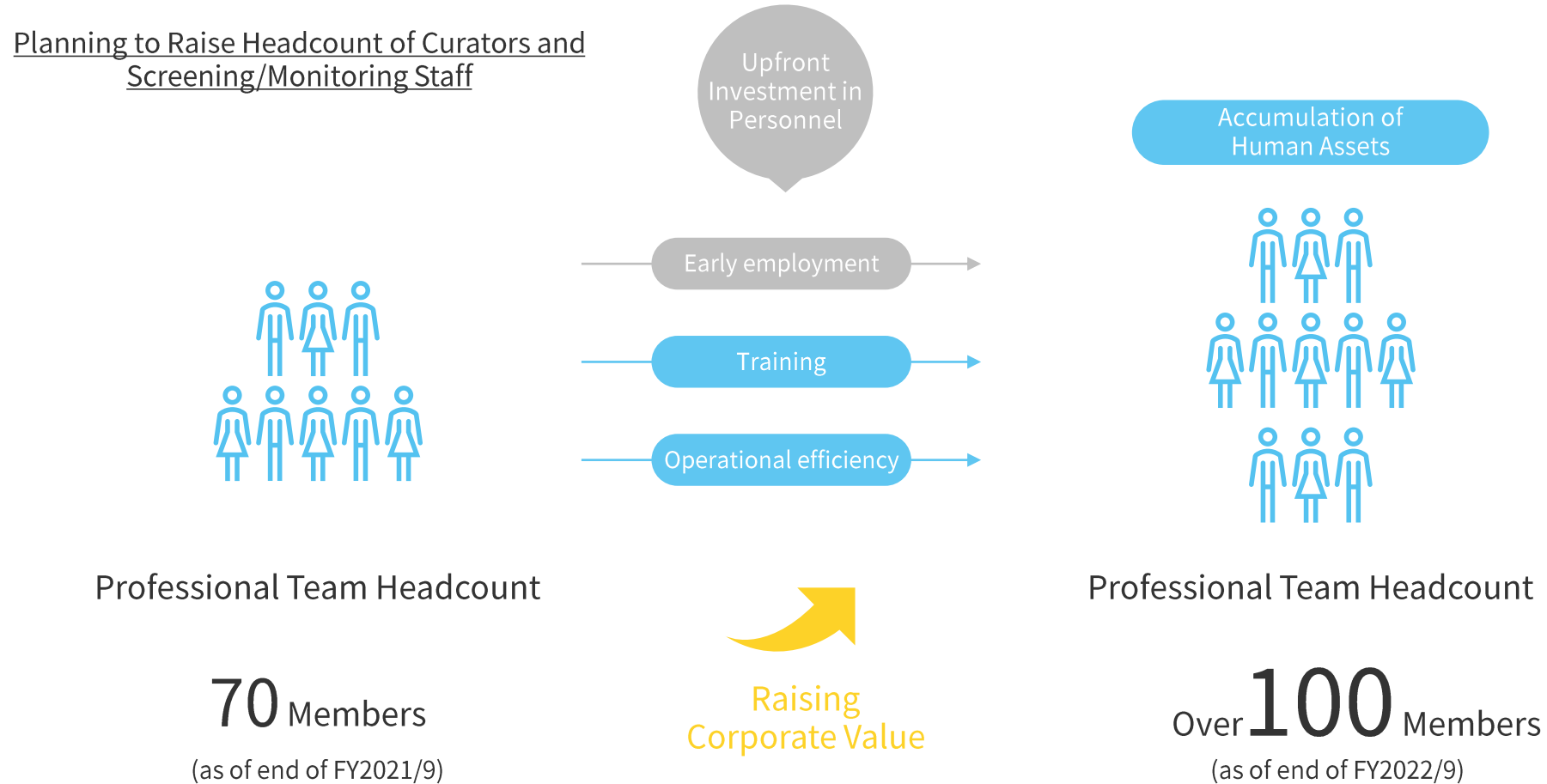
● Increase in the number of published projects

Buildup of Makuake Store

● Continuing development for September release

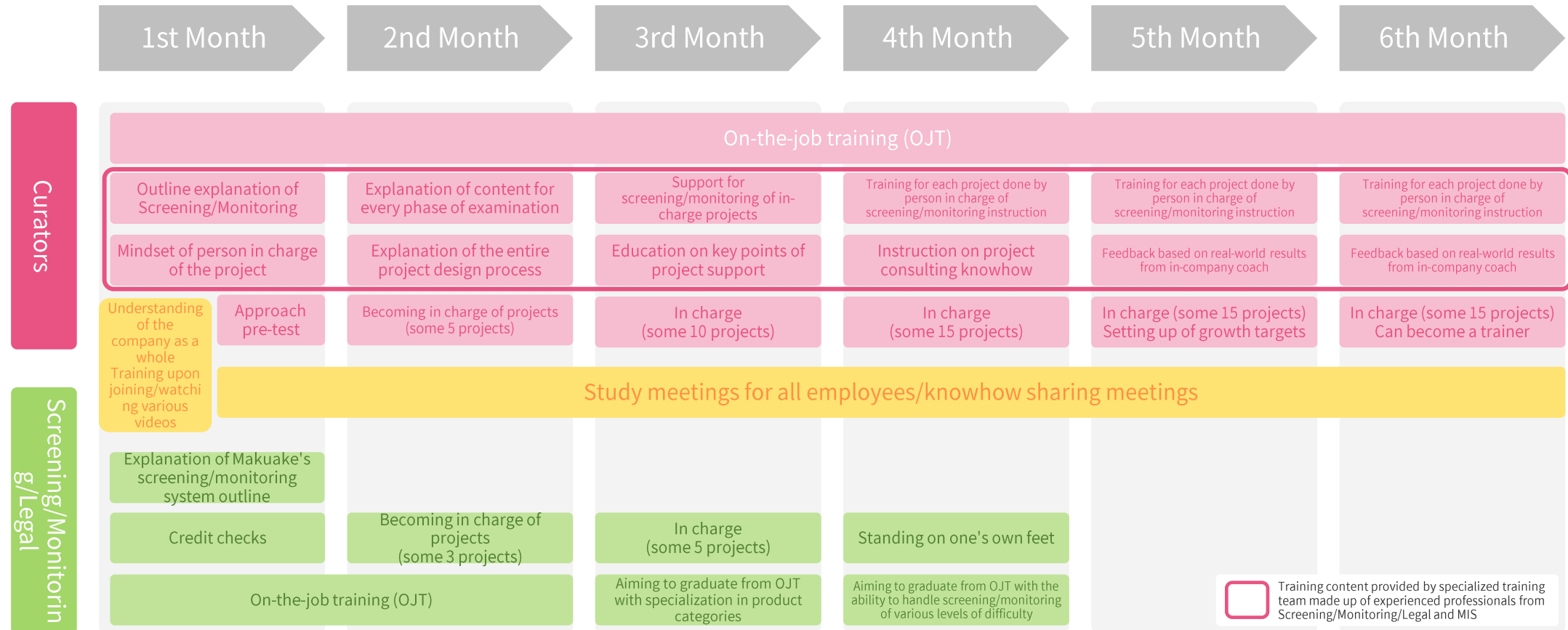
Accumulation of Human Assets Through Additions to Personnel and Improving CVR

- Given that the number of curators and screening/monitoring personnel reached 90 as of the end of Q2 and our initial hiring for the coming growth was achieved, we will push forward in the 2nd half with raising operational efficiency and improving profitability through personnel training



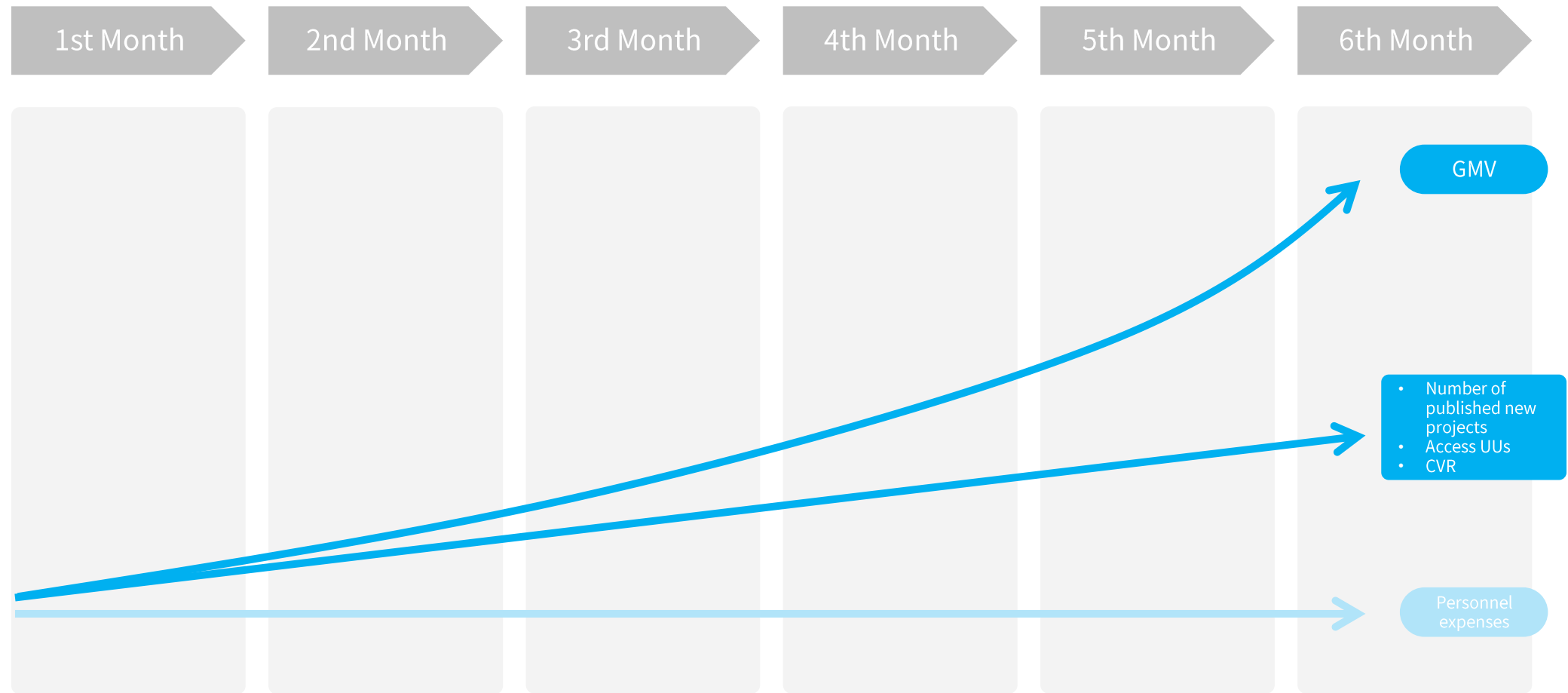
Training and Evaluation System for Curators and Screening/Monitoring Personnel

- The revamp of the curator training system devised in Q2 involves going through a 6-month training period to grow to become a trainer. For screening/monitoring/legal, it is a 4-month training after which they stand on their own feet as screening/monitoring personnel specialized in new products that do not yet exist in the world



Relationship Between Curator and Screening/Monitoring/Legal Personnel Training and Profitability Improvement

- The plan is to achieve accelerated GMV growth through the rising number of in-charge projects per curator, better operational quality, expanding coverage and higher KPIs as we implement the training program





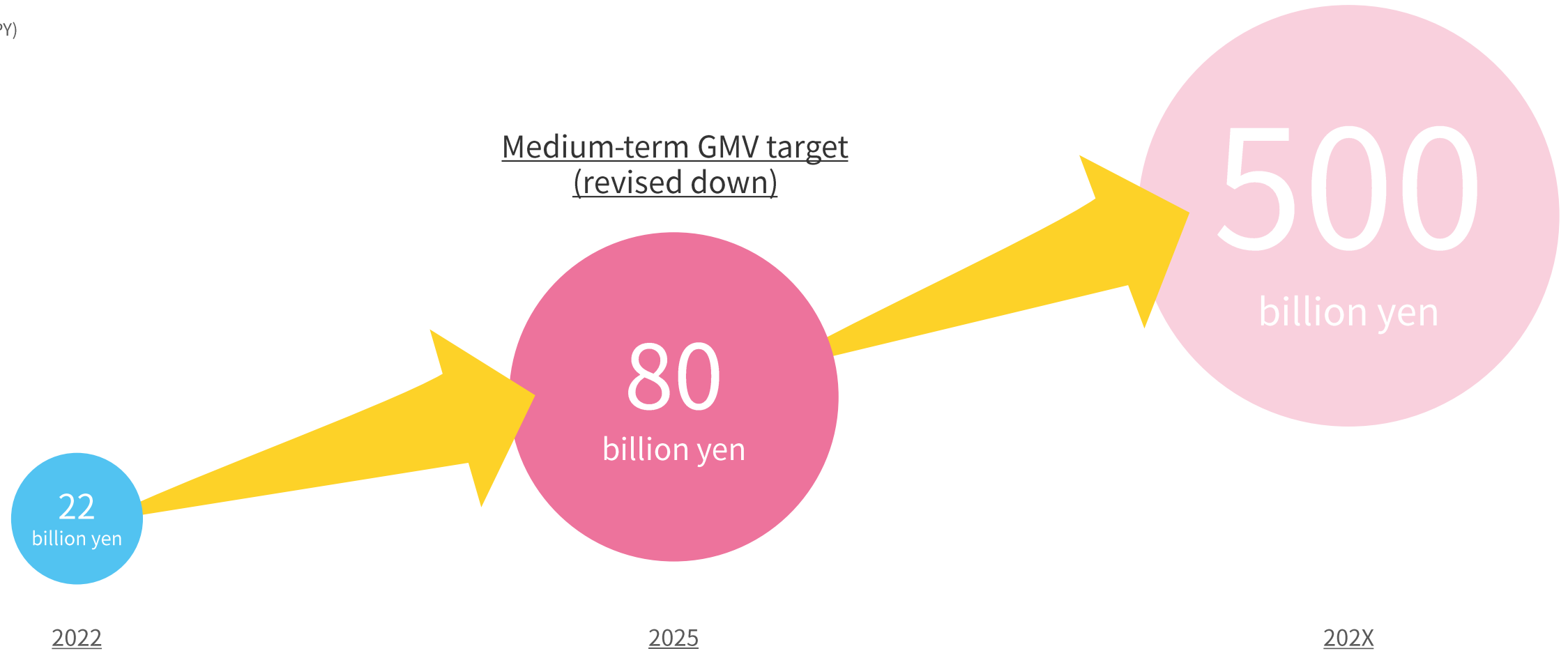
Medium-Term Business Plan and Progress Report

(FY2022-2025)

Medium-Term Goal for Gross Amount of “Support” Pre-orders (GMV)

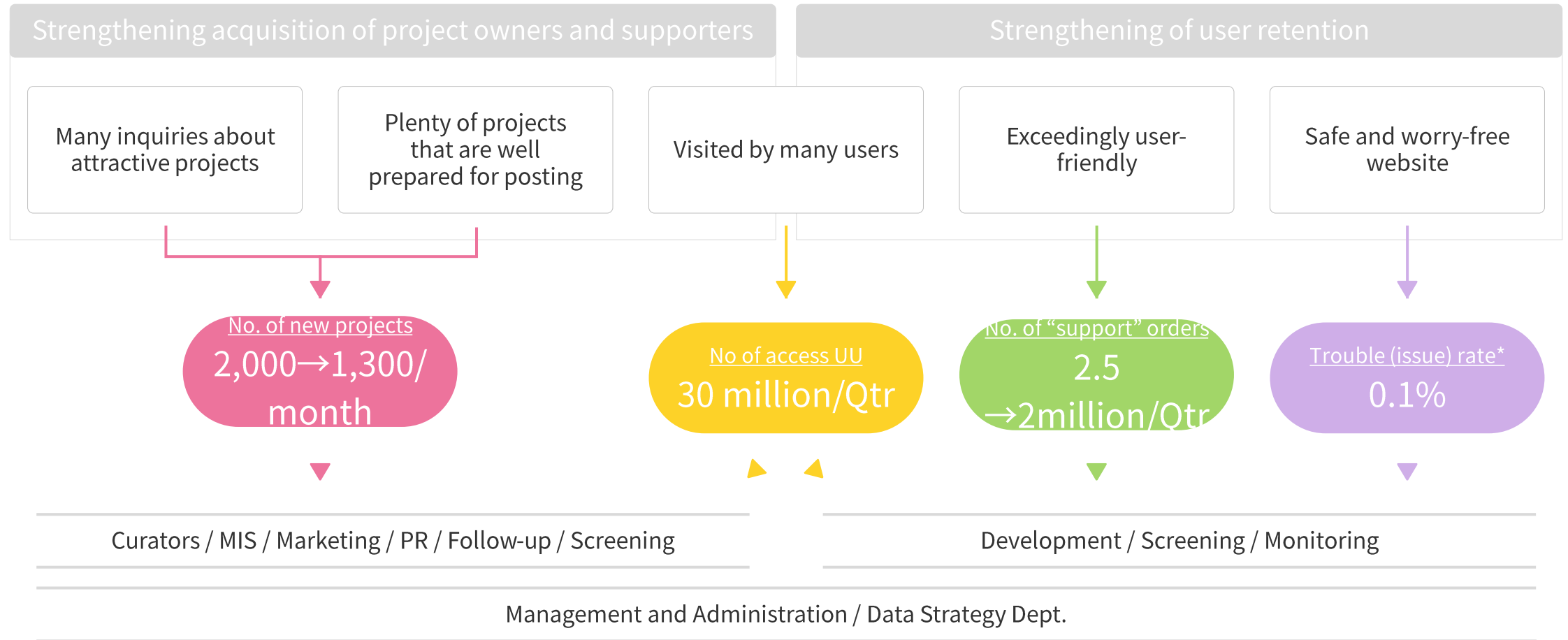
- With the revision of our full-term forecasts and on reexamination of the assumptions underlying our medium-term growth targets, we changed our GMV target from JPY 100 billion to JPY 80 billion

(Unit: JPY)



Medium-Term KPI Targets

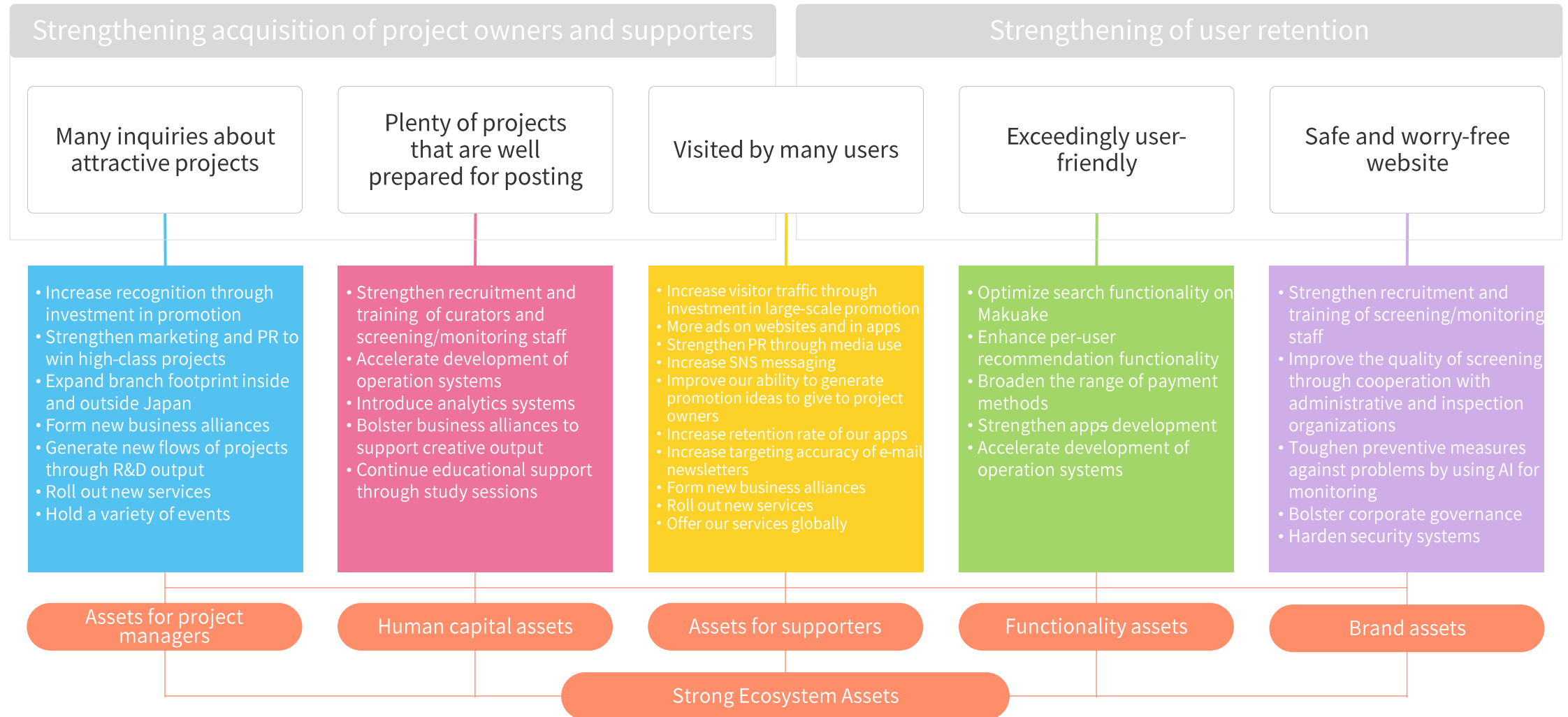
- In line with the change in GMV target, we adjusted the respective KPI values necessary to achieve that target: acquisition of new project owners and supporters as well as user retention



*Trouble (issue): a case where there is a material discrepancy between the content of a project page and that of an item actually returned to us, meaning we have been unable to deliver on the original purpose of "support" buying.

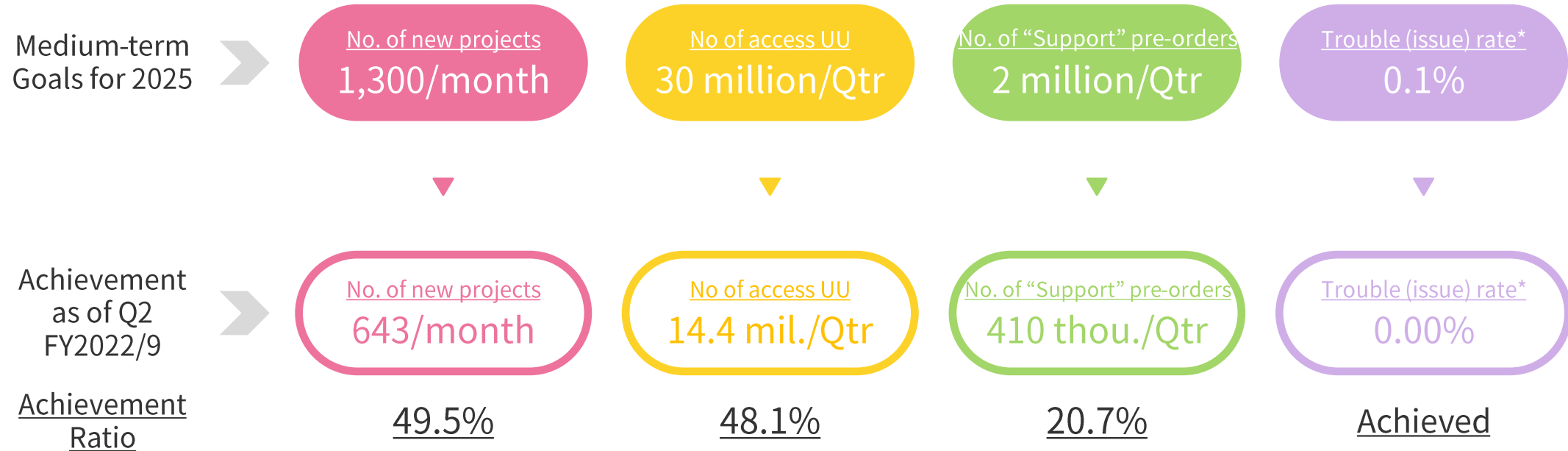
Accumulation of Assets Under Medium-Term Management Strategy

- We believe that accumulation of assets through a range of initiatives will become the foundation for the expansion and strengthening of Makuake's ecosystem



Current KPIs vs Medium-Term Targets

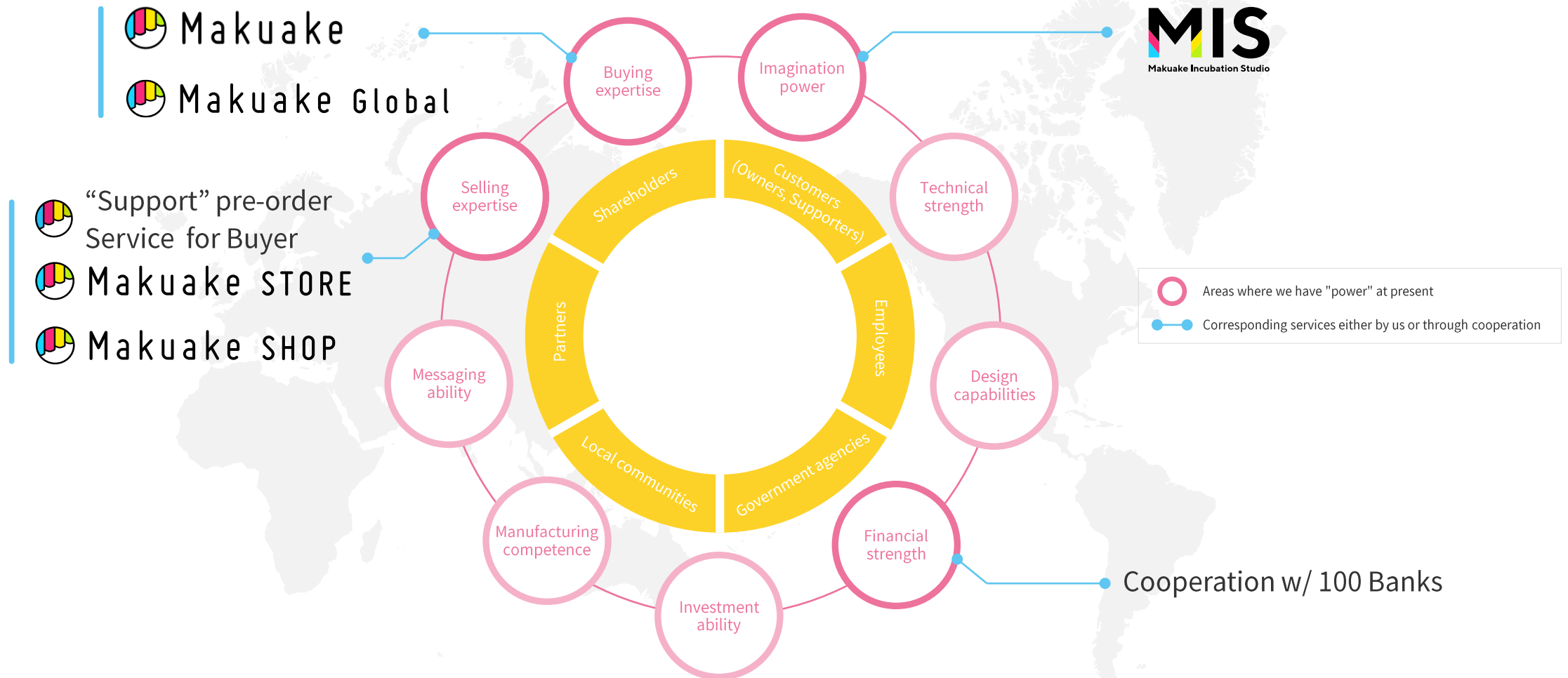
- The number of "support" pre-orders is a bit behind the revised target but the number of published new projects and access UUs are at about a midpoint of the target



*Trouble (issue): a case where there is a material discrepancy between the content of a project page and that of an item actually returned to us, meaning we have been unable to deliver on the original purpose of "support" buying.

Vision of Long-Term Growth

- By expanding and strengthening Makuake's ecosystem and consequently acting as part of social infrastructure, we help connect the diverse power of people and businesses around the world, and support creation and spread of new products and services



Risks Accompanying Growth and Countermeasures

- We will grasp, analyze, and evaluate risks that may emerge as we execute our medium-term growth plan, and implement countermeasures to control these risks

| | Possible risks | Impact on Business | Details of Impact | Measures against risks |
|---|---|--------------------|---|---|
| 1 | Leakage of personal information through hacking, etc. | High | Potential impact on our operations and business results due to loss of social credibility | <ul style="list-style-type: none"> • Regular security audits |
| 2 | Issues with projects, such as delivery delays | Medium | May be held accountable as platform operator | <ul style="list-style-type: none"> • Continuous operation and improvement of screening and monitoring systems |
| 3 | Considerable shrinkage of the Internet ad market due to the regulations on Internet ads | Medium | Potential impact on our operating results and financial condition due to a decline in our ability to attract customers | <ul style="list-style-type: none"> • Sharing of information with online ad media and agencies • Speedy proactive measures |
| 4 | Risks related to the securing and loss of personnel | Low | Potential impact on operating results and financial condition due to repercussions on our business growth if we are unable to secure planned-for personnel in a timely manner, and/or personnel training does not progress as planned, and/or there is an outflow of our employees to other companies | <ul style="list-style-type: none"> • Improvements to the flexibility of our arrangements accommodating remote work and diverse workstyles • Maintenance of an appropriate pay system supported by the sound financial standing • Securing a variety of career options by creating new businesses, business bases, etc. |

* For other risks, please see our Annual Securities Report



Appendix

Business Results Summary: YoY, cumulative through Q2

| (Unit: JPY million) | FY2021/9 Q1-2 | FY2022/9 Q1-2 | Change YoY | Percent Change YoY |
|--|------------------|------------------|---------------|-----------------------|
| Gross Amount of "Support" pre-orders: GMV (Tax included) | 9,811 | 10,393 | +581 | +5.9% |
| Net Sales | 2,100 | 2,243 | +142 | +6.8% |
| Gross Profit | 1,738 | 1,789 | +51 | +2.9% |
| Operating Profit | 63 | △17 | △81 | - |
| Ordinary Profit | 62 | 4 | △58 | △93.5% |
| Net Income (Qtr) | 40 | 61 | +21 | +52.3% |

Business Results Summary: YoY, standalone quarter

| (Unit: JPY million) | FY2021/9 Q2 (standalone) | FY2022/9 Q2 (standalone) | Change YoY | Percent Change YoY |
|--|-----------------------------|-----------------------------|---------------|-----------------------|
| Gross Amount of "Support" pre-orders: GMV (Tax included) | 5,299 | 5,024 | △275 | △5.2% |
| Net Sales | 1,107 | 1,090 | △17 | △1.5% |
| Gross Profit | 933 | 866 | △66 | △7.1% |
| Operating Profit | △88 | △56 | +32 | - |
| Ordinary Profit | △89 | △34 | +54 | - |
| Net Income (Qtr) | △65 | △28 | +36 | - |

Business Results Summary: QoQ, standalone quarter

| (Unit: JPY million) | FY2022/9 Q1 (standalone) | FY2022/9 Q2 (standalone) | Change QoQ | Percent Change QoQ |
|--|-----------------------------|-----------------------------|---------------|-----------------------|
| Gross Amount of "Support" pre-orders: GMV (Tax included) | 5,369 | 5,024 | △345 | △6.4% |
| Net Sales | 1,152 | 1,090 | △61 | △5.4% |
| Gross Profit | 923 | 866 | △56 | △6.1% |
| Operating Profit | 38 | △56 | △94 | - |
| Ordinary Profit | 38 | △34 | △73 | - |
| Net Income (Qtr) | 90 | △28 | △119 | - |

KPIs: YoY, standalone quarter

| | FY2021/9 Q2 (standalone) | FY2022/9 Q2 (standalone) | Change YoY | Percent Change YoY |
|---|-----------------------------|-----------------------------|---------------|-----------------------|
| No. of New Projects | 1,660 | 1,931 | +271 | +16.3% |
| Project Owners Repeat Rate (%) ^{*1} | 43.6 | 50.9 | - | +7.3pt |
| Repeat “Support” pre- order Rate (%) ^{*2} | 75.9 | 74.0 | - | △1.9pt |
| No. of Access Unique Users | 11,257,289 | 14,431,670 | +3,174,381 | +28.2% |
| No. of Members | 1,573,864 | 2,094,630 | +520,766 | +33.1% |
| No. of “Support” pre-orders | 507,850 | 413,512 | △94,338 | △18.6% |

^{*1} Ratio of new projects published during the period by owners who had had a previous project with us within the prior 12 months to total number of published new projects

^{*2} Ratio of gross amount of “support” pre-orders placed during the period by supporters who had had a previous “support” pre-order within the prior 12 months to total gross amount of “support” pre-orders via Makuake’s services. Note that as of FY2020/9, we are using an improved calculation method with better data accuracy

KPIs: QoQ, standalone quarter

| | FY2022/9 Q1 (standalone) | FY2022/9 Q2 (standalone) | Change QoQ | Percent Change QoQ |
|---|-----------------------------|-----------------------------|---------------|-----------------------|
| No. of New Projects | 2,360 | 1,931 | △429 | △18.2% |
| Project Owners Repeat Rate (%) ^{*1} | 47.1 | 50.9 | - | +3.8pt |
| Repeat “Support” pre- order Rate (%) ^{*2} | 77.0 | 74.0 | - | △3.0pt |
| No. of Access Unique Users | 14,801,463 | 14,431,670 | △369,793 | △2.5% |
| No. of Members | 1,981,004 | 2,094,630 | +113,626 | +5.7% |
| No. of “Support” pre-orders | 418,108 | 413,512 | △4,596 | △1.1% |

^{*1} Ratio of new projects published during the period by owners who had had a previous project with us within the prior 12 months to total number of published new projects

^{*2} Ratio of gross amount of “support” pre-orders placed during the period by supporters who had had a previous “support” pre-order within the prior 12 months to total gross amount of “support” pre-orders via Makuake’s services. Note that as of FY2020/9, we are using an improved calculation method with better data accuracy

As the company is currently in a state of growth, we believe that by retaining profits and prioritizing investment in expanding business size and improving earning power will lead to maximization of our corporate value and a continuous stream of profit return to shareholders.

As to future distribution of dividends out of surplus, our basic policy is to do so with consideration of balance versus retaining profits. For the time being, we have elected for policy prioritizing retaining profits, and no determination has been made as to the timing for issuing dividends.

Disclaimer and Caution Regarding Future Outlook

- While the content of this document has been prepared based on generally-recognized economic and social conditions as of April 26, 2022 and certain assumptions deemed reasonable by Makuake, Inc., it may change without notice due to shifts in business environment and other factors.
- When investing, please be sure to read prospectuses for issuance of new shares and stock offering (and any amendments thereto) prepared by the company before making any decision, at your own judgement, as an investor.
- Risk and uncertainty 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. is under no obligation to update or revise “outlook information” provided in this document, even if new information comes to light or material future events occur.



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Makuake