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(For Translation Purposes Only)

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**Notice of Booking of Extraordinary Loss and Difference Between Financial Forecasts and Results
for Fiscal Year Ended September 2022**

Please be advised that Makuake, Inc. (“Makuake” or “the company”) has booked an extraordinary loss for fiscal year ended September 2022 (October 1, 2021 to September 30, 2022), as shown below. In this notice, the company also announces differences between the revised financial forecasts issued on September 9, 2022 and results for the fiscal year ended September 2022 announced today.

1. Booking of Extraordinary Loss

Makuake detected signs of impairment when reviewing its business plan in light of its profit and loss levels for the fiscal year ended September 2022. In accordance with the “Accounting Standard for Impairment of Fixed Assets,” the company conducted a comparative review of future cashflows, book value and remaining useful life of fixed assets and, as result, booked a fixed asset impairment loss of JPY 1,009 million, mainly on software.

2. Differences Between Financial Forecasts and Results for the Fiscal Year Ending September 2022 (October 1, 2021 to September 30, 2022)

	Net sales	Operating profit (loss)	Ordinary profit (loss)	Net income (loss)	Earnings per share (loss)
Previous forecasts (A)	Million yen 4,200	Million yen (360)	Million yen (340)	Million yen (350)	Yen (27.94)
Results (B)	4,206	(324)	(302)	(1,347)	(107.55)

Difference (B)-(A)	+6	+35	+37	(997)	-
Change (%)	+0.2	-	-	-	-
(Reference) Results for the previous fiscal year (ended September 2021)	4,621	329	326	246	20.44

3. Reasons for Differences in Forecasts and Results

Since the revision of financial forecasts for the fiscal year ended September 2022 on September 9, 2022, Makuake has been carefully examining--while looking at the current progress in its business results—the degree to which the uncertainty in the external environment surrounding the company is impacting its business. Most recently, as the return of distribution channels and consumption back to offline due to economic reopening continues to manifest itself, the depreciation of the yen and skyrocketing raw material costs further increase the uncertainty as to future trends among businesses and consumers. For these reasons, Makuake has reexamined its potential, taking into account positive and negative factors in the external environment, and its future business plan and, for the fiscal year ending September 2023, forecasts net sales of JPY 3,840 million (down 8.7% YoY), operating loss of JPY 880 million (compared to operating loss of JPY 324 million for the previous fiscal year), ordinary loss of JPY 880 million (compared to ordinary loss of JPY 302 million for the previous fiscal year) and net loss of JPY 890 million (compared to net loss of JPY 1,347 million for the previous fiscal year).

As a result, in accordance with the “Accounting Standard for Impairment of Fixed Assets,” the company conducted a comparative review of future cashflows, book value and remaining useful life of fixed assets and booked a fixed asset impairment loss of JPY 1,009 million, mainly on software. Accordingly, net loss came in at JPY 1,347 million.

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