



Makuake

Financial Results Briefing Materials for Q1 FY2023/9

Makuake, Inc.



Financial Results

Overview of Q1 FY2023/9

Results

- Sales, including the gross amount of "support" pre-orders, and operating profit came in line with the plan thanks to expanded and strengthened support to project owners
- Gross profit margin improved to 82% due to a significant decline in software depreciation charges in our costs after we posted a software-related fixed asset impairment loss in the previous fiscal year

KPI

- The number of published projects by repeat project owners increased as we strengthened support provided to project owners based on their track record with Makuake
- New large projects were started and the amount of new "support" pre-orders grew as we expanded and strengthened support to project supporters
- Our efforts to create a framework to support project managers in providing project supporter care are underway. We expect this to show in the increased amount of repeat "support" pre-orders from around the second half of the fiscal year

Organization

- In order to raise service quality, we set up cross-functional teams in the organization. By making decisions on the order of priority of initiatives and appropriate allocation of resources, we are advancing selection and concentration, as well as efficiency
- Data Lab has set up the data infrastructure for sales and marketing strategies to support initiatives by cross-functional teams to raise service quality

External Environment

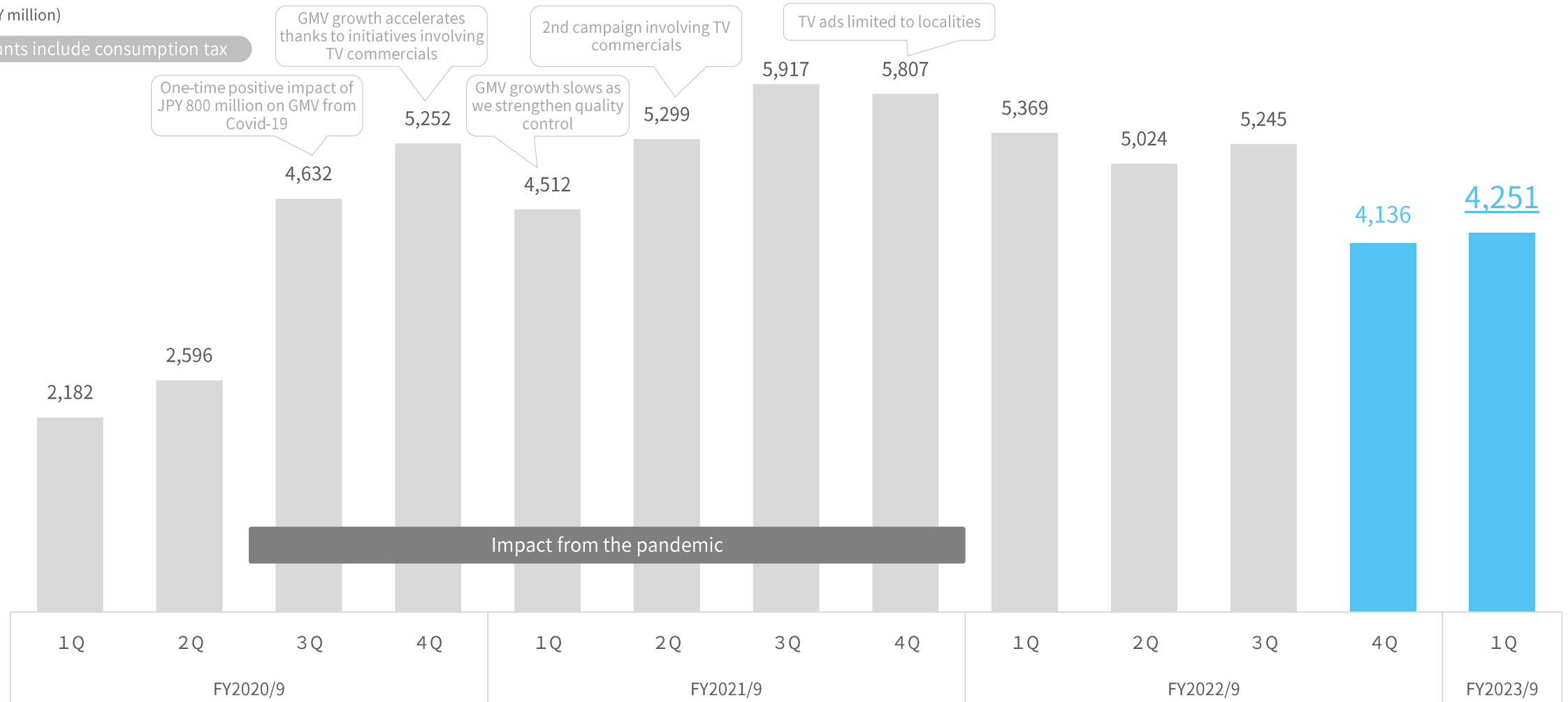
- Consumption of travel and hotels/lodging services expanded on continued support for nationwide travel
- Offline spending on catering/restaurants and shopping continued to increase
- While we are seeing some signs that the depreciation of the yen and high prices are calming down, the outlook remains uncertain

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

- Even as consumption of travel, hotels/lodging and catering/restaurants services and offline shopping grew in a trend continued from the previous quarter, GMV increased 2.8% QoQ as we started to see results from our initiatives to expand and strengthen support to project managers

(Unit: JPY million)

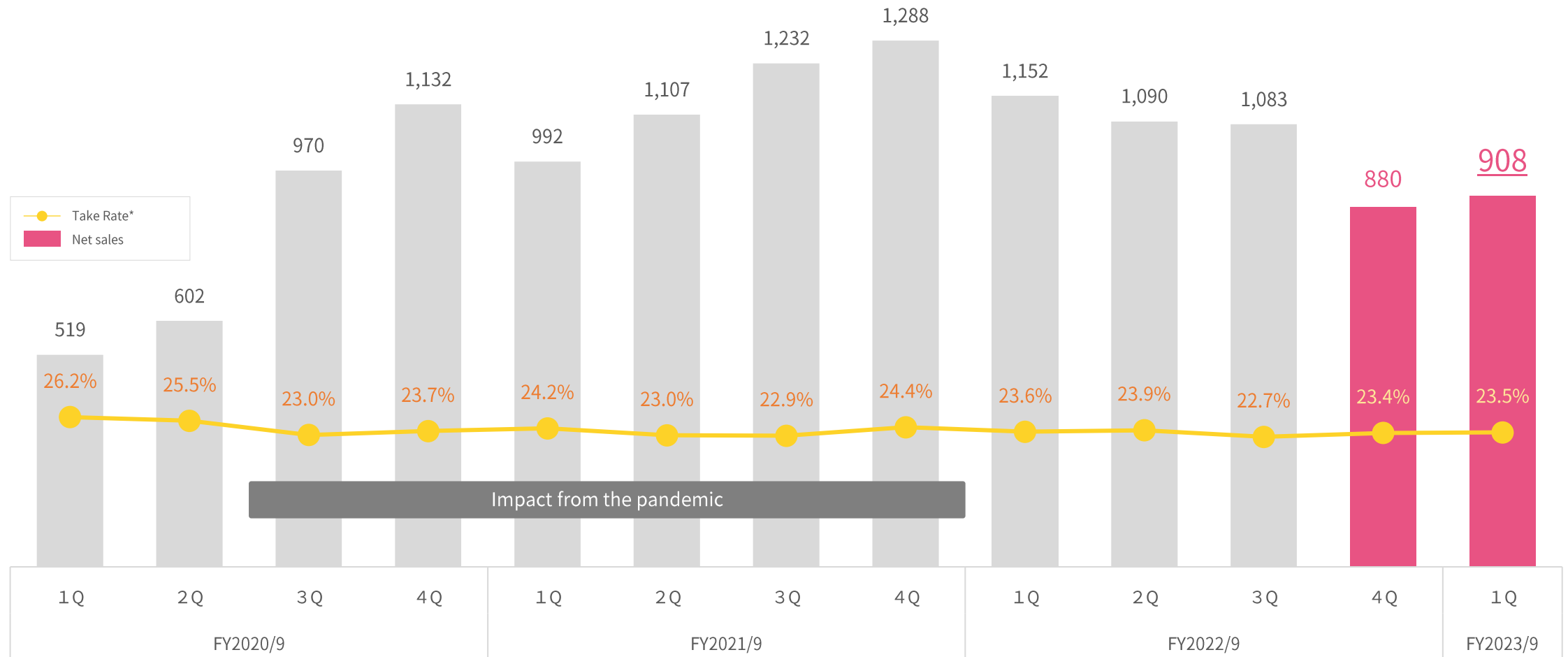
Amounts include consumption tax



Net Sales and Take Rate

- Sales were up 3.2% QoQ as, in addition to the growth of GMV, MIS sales expanded. Makuake's take rate--at 20%--remained unchanged. When other sales are included, our take rate remained at the previous quarter's level

(Unit: JPY million)

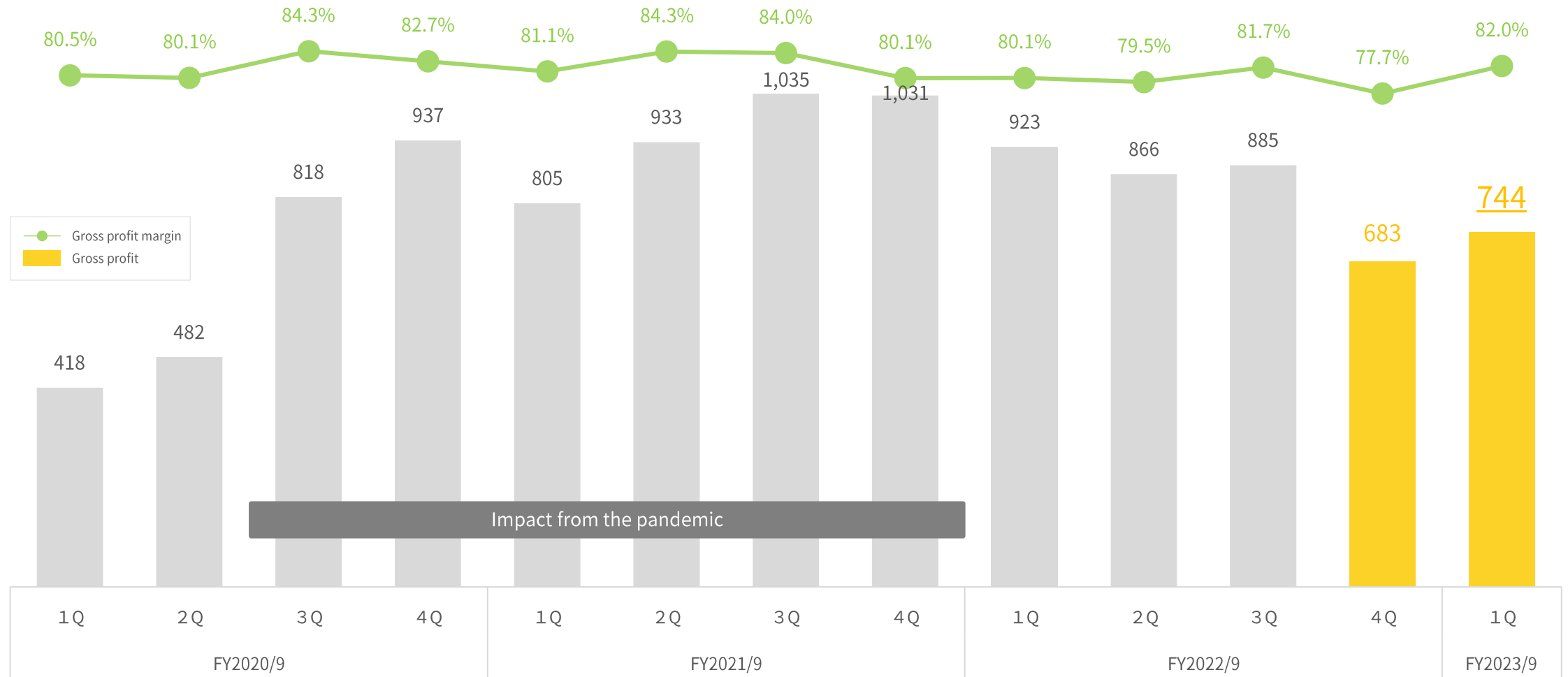


*Take Rate = Net Sales/(GMV/1.1). Commission rate on Makuake services has been unchanged -- at 20% -- since our founding

Gross Profit and Gross Profit Margin

- Gross profit increased, with gross profit margin reaching 82%, on significantly lower software depreciation charges in our costs after posting a fixed asset impairment loss on software and software in progress in the previous fiscal year

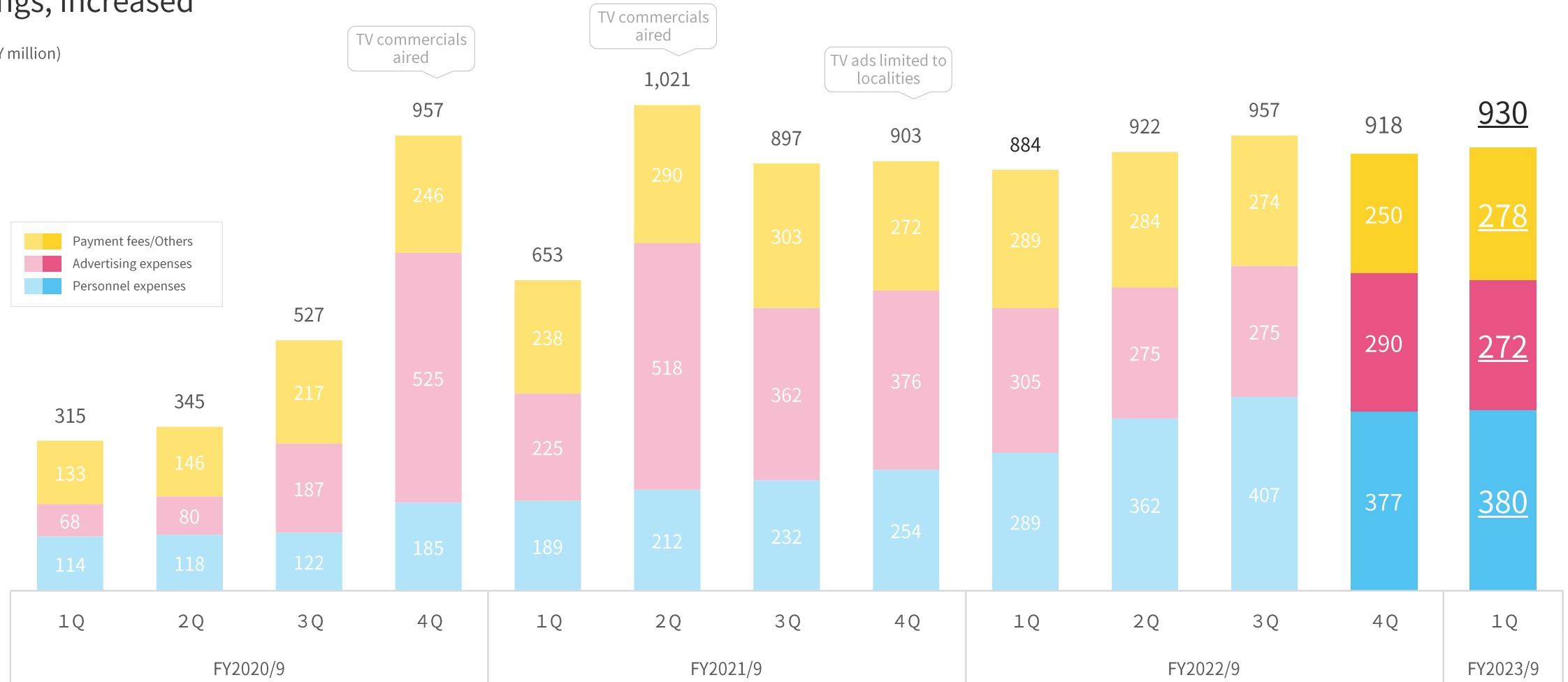
(Unit: JPY million)



Selling, General and Administrative Expenses

- Advertising and promotion expenses were down slightly on the absence of expenses related to events held in the previous quarter. On the other hand, in addition to the increase in payment fees which rose in lockstep with GMV, other fees, which include expenses such as for outsourcing expenses related to system development, and fees related to shareholders' meetings, increased

(Unit: JPY million)

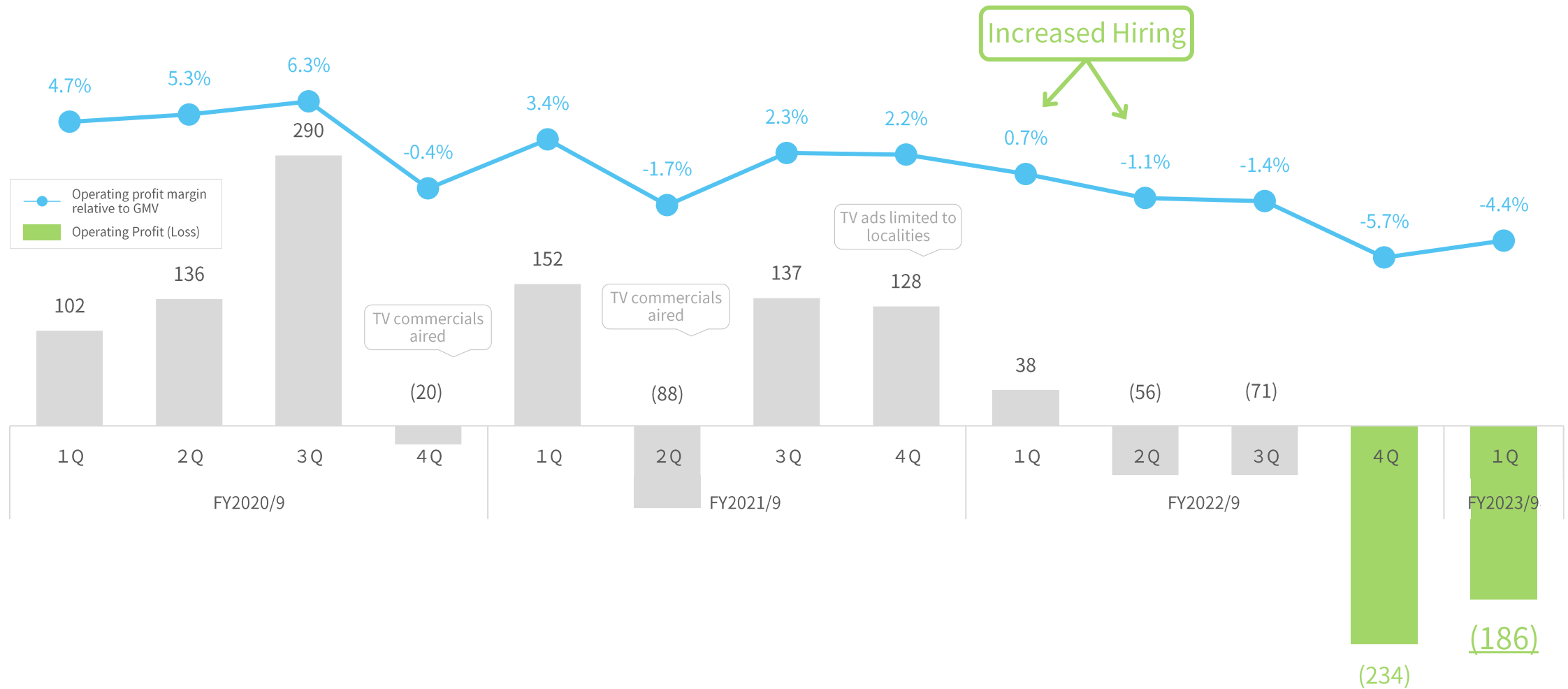


Note: Account titles aggregated into personnel expenses were revised as of Q2 FY2022/9

Operating Profit (Loss) and Operating Margin Relative to GMV

- Operating loss shrunk by some JPY 50 million from the previous quarter as sales increased and, further, overall cost controls worked

(Unit: JPY million)

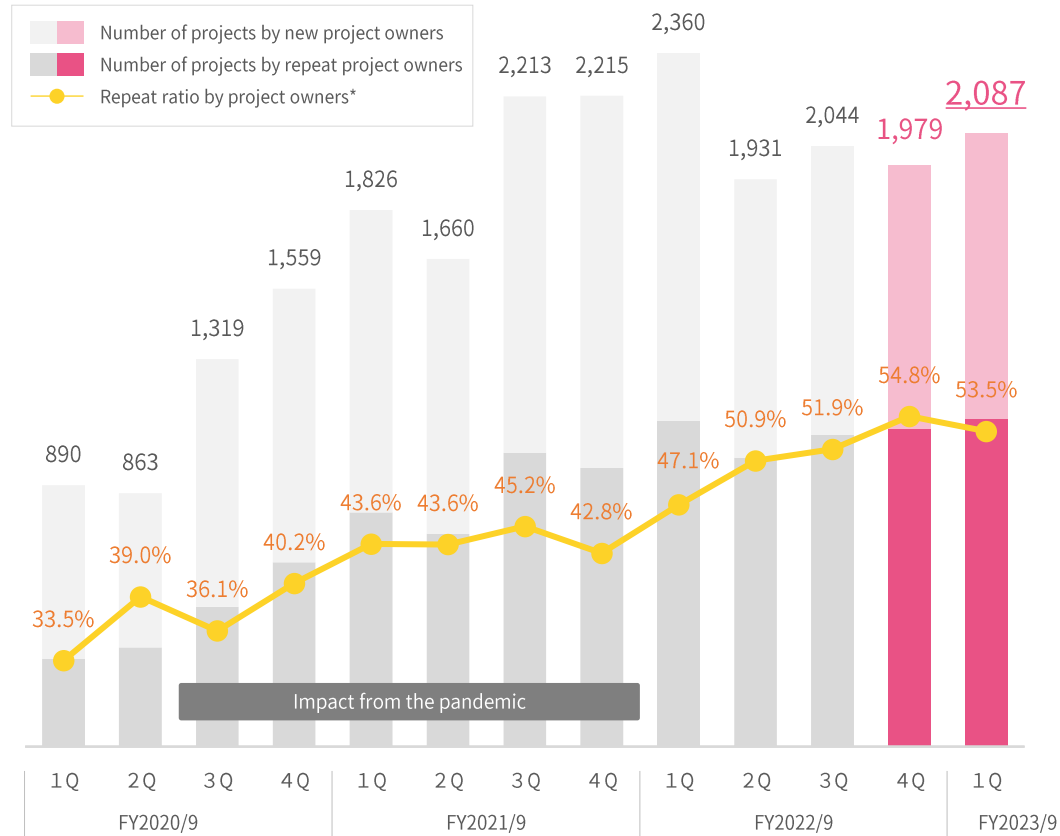


Key Performance Indicators (1)

- The number of published projects rose 5.5% QoQ thanks to expanded and strengthened support to project owners. Further, the repeat "support" pre-order rate continued at a high level

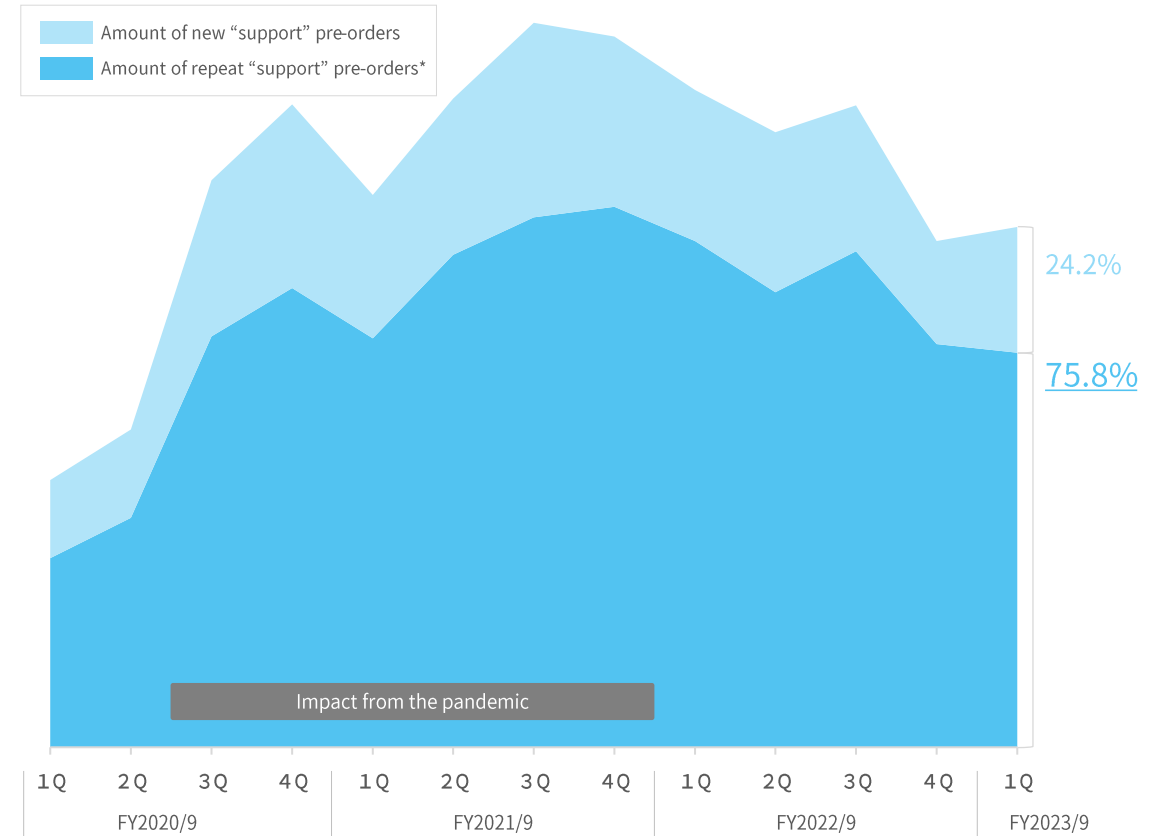
(Unit: project)

No. of Published Projects



*Ratio of projects published during the period by project owners who had had a previous project with us within the prior 1 year to total number of published projects

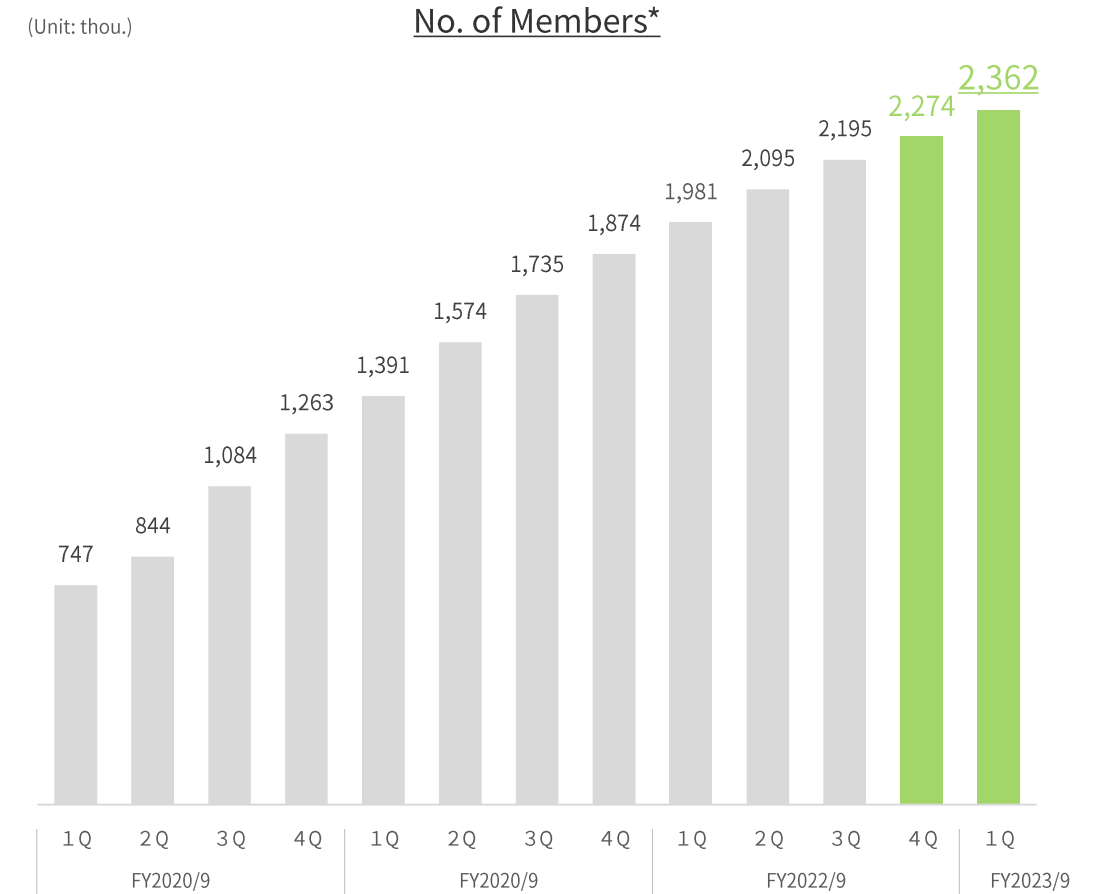
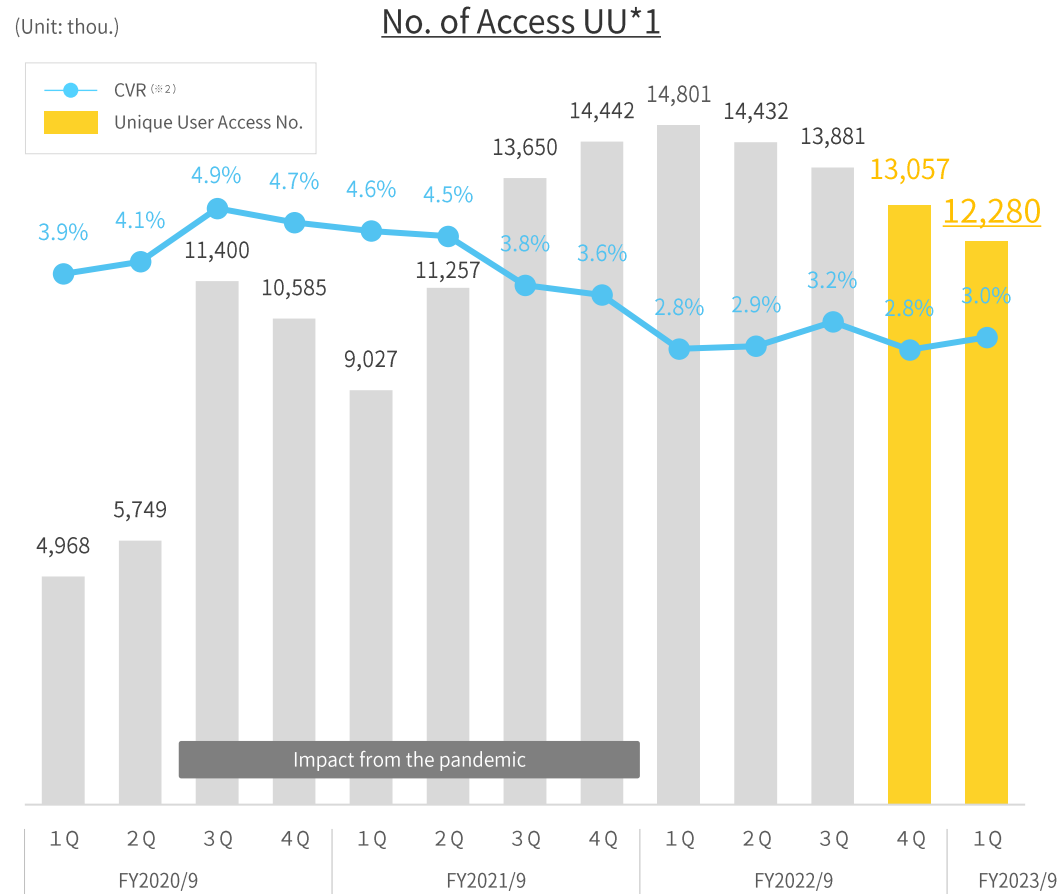
Repeat "Support" Pre-Order Rate



*Ratio of gross amount of "support" pre-orders placed during the period by project supporters who had had a previous "support" pre-order within the prior 1 year to total gross amount of "support" pre-orders via Makuake's services

Key Performance Indicators (2)

- Access UUs remained on a downtrend due to the impact of continuing growth in offline spending on catering/restaurants and shopping, as well as higher consumption of travel and hotels/lodging services. On the other hand, CVR rose on better project quality thanks to support provided to project owners

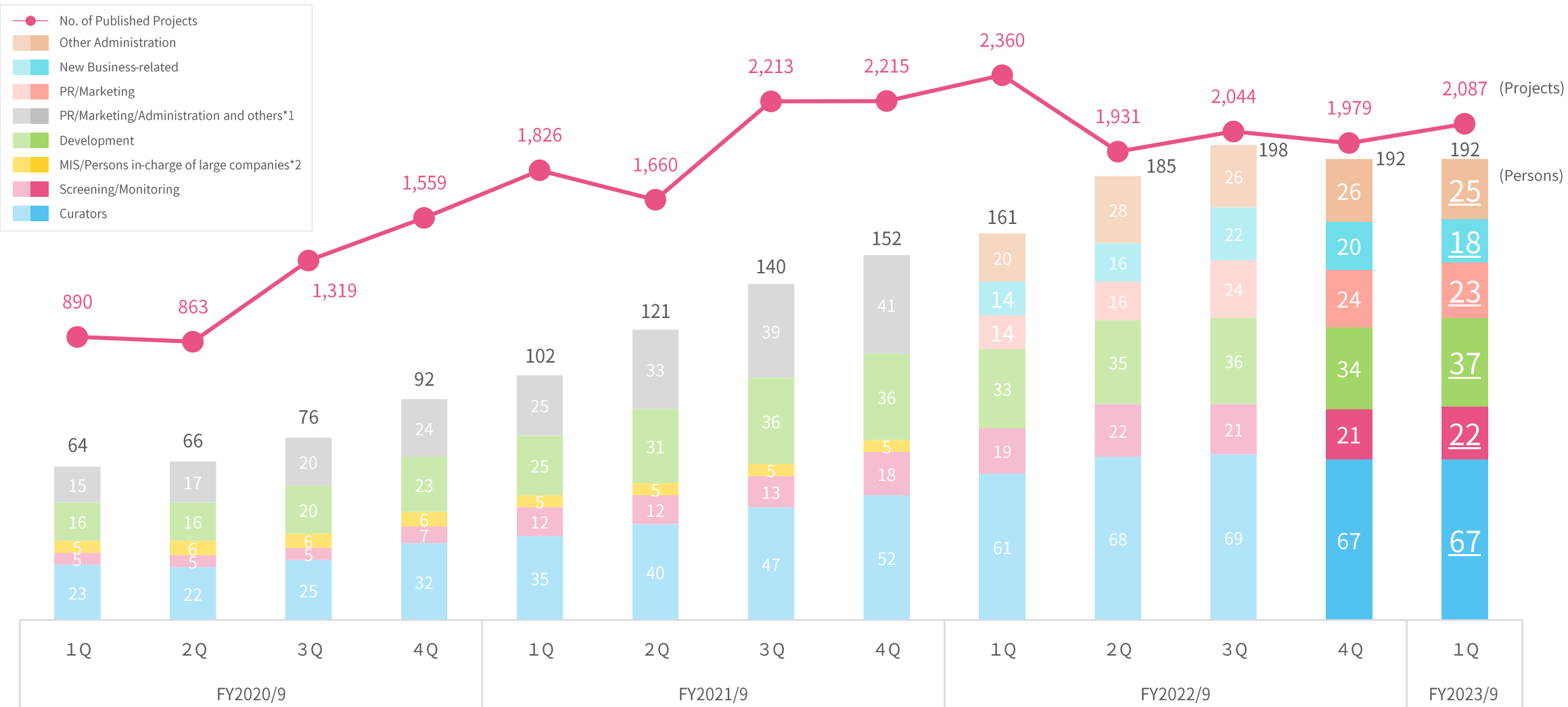


*1 Number of persons who visited Makuake during the period. Tabulated according to Google Analytics standards
 *2 CVR: Conversion Rate: the ratio of access UU on Makuake who placed a "support" pre-order to total access UU (number of "support" pre-orders ÷ total access UU). Please see Appendix for the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

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

Number of Published Projects and Employee Count

- Overall employee headcount remained unchanged even as the number of published projects rose



*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 Q1 FY2023/9

- New large projects sprang up as we expanded and strengthened support to project managers. Further, we had many "support" pre-orders for products enriching people's lives at home even in the times of "with corona"

Model of Hand Created through Collaboration with Kagami Takahiro

Low-Carb Rice Cooker

Relaxing Pants for Home Use

Earthenware Pot

Keyboard Carved Out of Natural Wood by Traditional Craftsmen

Kumano-fude 2-Way Body Brush with Detachable Handle

Craft Gin

New-Sensation Jewelry Glittering like Surface of Water

1980s-Style Boom Box

Major Projects Launched in Q1 FY2023/9 (Large Companies)

- Repeat use of Makuake by large companies stood out as the number of companies, whose professionals in charge of developing new products incorporate into their thinking the launch on Makuake of their ambitious new products utilizing in-company technology, has grown



宇宙素材「エアロゲル」使用！
たった3cm。
不思議なほどに暖かい
毛布のいらないオールインワン掛け布団 第2弾

応援購入総額 105,602,500円
目標金額 1,000,000円
1054%

サポーター 4,005人
販売中

応援購入する

大好評「エアロゲル掛け布団」第2弾！真冬でも1枚でOK。驚きの薄さ&お

Moririn



LG Electronics 日本初上陸
LG SMART Monitor

映像以上に明日が変わる。
Work Smarter, Play Better

応援購入総額 40,458,500円
目標金額 1,000,000円
4045%

サポーター 578人
残り 6日

応援購入する

仕事も遊びも、この1台。31.5型 4K大画面『LG スマートモニター』

LG



押すたびに心とまめく
私のしるし

LIPIN

応援購入総額 11,755,660円
目標金額 500,000円
2351%

サポーター 2,477人
残り 終了

応援購入する

終了しました

シヤチハタから気分が上がる、なつ印体験を。リップケース型ネーム印LIPIN

Shachihata



本革スニーカー
texcy luxe
ビジネスパーソンのために開発した

応援購入総額 9,223,940円
目標金額 1,000,000円
922%

サポーター 901人
残り 14日

応援購入する

アシックス商事の技術をオフィスカジュアルに。本革『品格・快適』ビジネス

ASICS



トーストに合う、理想の一杯を。

応援購入総額 32,043,000円
目標金額 1,000,000円
3204%

サポーター 999人
残り 42日

応援購入する

バイバズドリップで雑味を抑えた美味しいコーヒーを。アラジン コーヒー

AIC Japan



眠りのこころを、科学する

ワコールが新開発。毎日の眠りに、快適なフィット感。枕&オーパーレイ(マットレス)

Wacoal 睡眠科学

応援購入総額 2,409,411円
目標金額 300,000円
803%

サポーター 97人
残り 終了

応援購入する

終了しました

「ワコール/睡眠科学」がこころよい眠りを追求した、枕&オーパーレイ(マ

Wacoal



自宅でステージに！

映像界のトップランナーが開発！臨場感が違うカラオケサウンドバー-KARA×

応援購入総額 1,510,310円
目標金額 300,000円
503%

サポーター 26人
残り 30日

応援購入する

Kyodo Television



作務衣×ダウン
鎌倉発、日本の新アウター

Maker's|鎌|Shirt|倉|

応援購入総額 5,733,420円
目標金額 300,000円
1911%

サポーター 149人
残り 終了

応援購入する

終了しました

鎌倉シャツが、お寺と一緒に開発。日本の伝統とテクノロジーを融合「ダウ

Maker's Shirt Kamakura



本格チョコレートドリンクを
ボタンひとつで。

meiji

応援購入総額 28,388,704円
目標金額 1,000,000円
2838%

サポーター 3,059人
残り 29日

応援購入する

日常にカカオ香る贅沢な一杯を。板チョコで作る、明治のチョコレートドリ

Meiji Holdings

SDGs-Related Projects Launched in Q1 FY2023/9

- We published projects addressing the waste problem in Japan such as "upcycled" products made with the use of materials that would have previously been discarded, and projects cognizant of diversity that provide economic opportunities such as facility development

SHIPSの挑戦。江戸時代から続く本藍染の経年変化を体感する洋服へアップサ

Clothes Made by Applying Indigo Dye to Deadstock Items

9 産業と技術革新の基盤をつくろう

12 つくる責任 つかう責任

ホタテ貝殻から製造

サステナブルで 耐久性抜群のヘルメット

Helmet Made from Normally-Discarded Seashells

11 住み続けられるまちづくりを

14 海の豊かさを 守ろう

京都西陣京町家でクラフトビール醸造所で障がい福祉施設を作る！

Opening Welfare Facility for People with Disabilities at Beer Brewery

3 すべての人に 健康と福祉を

11 住み続けられる まちづくりを

農業の隠れフードロスなくしたい！〜規格外野菜でつくった加工食品〜

京都の農家がつくった京野菜入り こだわり3品！

Processed Products Made with Nonstandard (Shape, Size, Etc.) Kyoto-Grown Vegetables

11 住み続けられる まちづくりを

12 つくる責任 つかう責任

Ocean Leather

革製品に魚があつたっていいじゃないか。

本物の魚から作った【新素材！】鱗模様が美しいフィッシュレザー革製品

Fish Leather Products Created from Normally-Discarded Fish Waste

9 産業と技術革新の基盤をつくろう

12 つくる責任 つかう責任

14 海の豊かさを 守ろう

サステナブルで、心地いい。

99%UVカット 100%リサイクル ブルーライトカット眼鏡

Sunglasses Made with Recycled Plastic from Eyedrop Containers

12 つくる責任 つかう責任

Makuake Received METI Minister Award in the 4th Nihon Service Award



(evaluation points)

- For establishing the pre-primary distribution market that brings the "new" to the world, with no inventory risk
- For systematizing the know-how accumulated for over 9 years in 3 areas—support, screening/monitoring and site construction
- For building a marketplace, driven by joint development, based on the concept of “support” pre-orders, and creating—for the first time in Japan—a completely new market and distribution channels

Announced Project and Company Prize Winners at "Makuake Award 2022"



(about Makuake Award)

This is an event to present "Makuake of the Year" awards to projects selected from among those implemented on Makuake within or close to the most recent one-year period, and to award partner businesses we cooperate with
This year, we presented GOLD, SILVER and BRONZE awards to 3 projects chosen from among 25 nominees, and also awarded 5 special prizes

Started providing "Makuake PL Insurance Plan" Exclusively to Project Managers



We teamed up with Sompo Japan Insurance Inc. to provide the exclusive "Makuake PL Insurance Plan" to project managers who implement their projects on Makuake and Makuake Global
Should an accident happen, we--as a platform--will work to support a reduction the financial burden of the affected project manager and smooth compensation from the project manager to project supporters

Launched "Makuake Magazine"— Makuake's Own In-House Media

Acquisition of Project Supporters



Makuake Magazine

アタラシイを生み出すための挑戦と応援をつなぐメディア

Launched content pages of "Makuake Magazine"--our own in-house media

Going forward, we will be developing the magazine as a gateway to Makuake that relays the appeal of and ways to enjoy "support" pre-ordering by connecting--through interviews with various people associated with Makuake--project owners who are taking up the challenge of a project with project supporters who are cheering them on

Started offering the functionality of "support' pre-order coupons" that provide a discount at pre-order time

Acquisition of Project Supporters



A functionality that applies a discount to the amount of "support" pre-order when a project supporter preorders a product from Makuake

We are aiming to further broaden the extent of "support" preordering through such techniques as offering to a project supporter, who had placed numerous "support" pre-orders with us in the past, an opportunity to preorder products from a different genre, and promoting pre-orders to first-time project supporters or supporters who are visiting us after a long break



Progress on Growth Strategies for FY2023/9

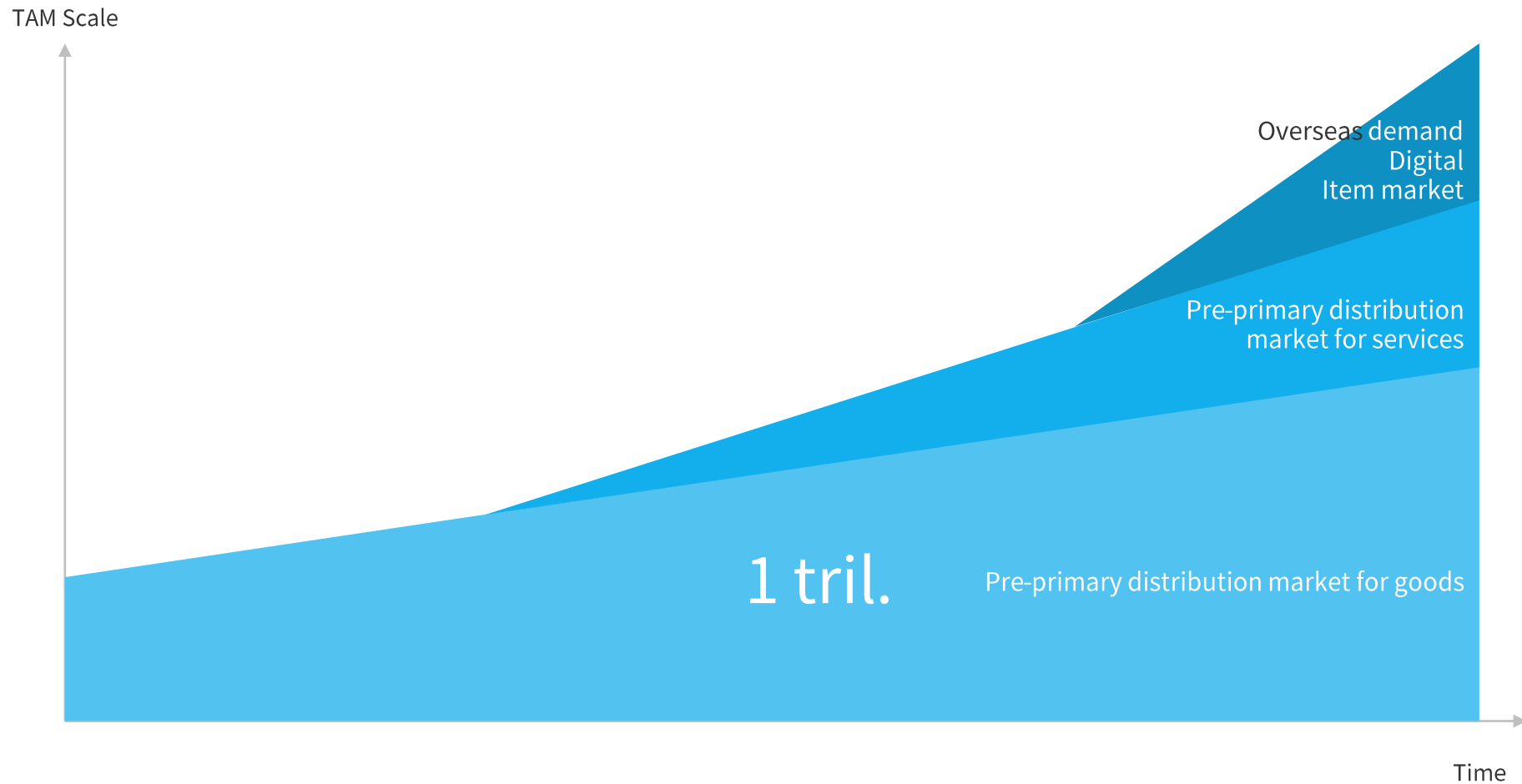
FY2023/9 Full-Year Forecasts

- Sales, including the gross amount of "support" pre-orders, and operating profit came in largely in line with the plan. At this time, there are no changes to our full-year earnings estimates

(Unit: JPY million)	FY2022/9	FY2023/9 Forecasts	Change	Percentage change
Gross Amount of "Support" pre-orders: GMV (Tax included)	19,776	18,000	(1,776)	(9.0)
Net Sales	4,206	3,840	(366)	(8.7)
Operating Profit (Loss)	(324)	(880)	(555)	-
Ordinary Profit (Loss)	(302)	(880)	(577)	-
Net Income (Loss)	(1,347)	(890)	457	-

Potential for Expansion of Total Addressable Market for Makuake Service Under Harsh External Environment

- Our TAM is expanding--starting from the travel, lodging and catering industries rejuvenated by economic reopening--to future overseas demand for new products from Japan and the launch of new products and services on the Metaverse



Growth of Service-Related Projects in Q1 FY2023/9

- We are seeing higher sales of new products related to offline experiences such as memberships and meal tickets for restaurants/eating establishments, and vouchers for accommodation facilities and saunas

31,520,500円
目標金額 300,000円
1000%
1,150人
残り 13日

至高の味を1万円で。鮨界の重鎮が握る本格江戸前鮨『鮨あか』人形町で会員

Membership in Members-Only Nigirizushi (Sushi) Restaurant

32,490,000円
目標金額 500,000円
6498%
755人
残り 14日

【週4限定】一石三鳥の集大成。住所非公開・完全会員制焼肉を新橋にオープン

Membership in Members-Only Yakiniku (Grilled Meat) Restaurant with Undisclosed Address

6,823,000円
目標金額 500,000円
1364%
249人
残り 終了

毛蟹、たらば蟹、ずわい蟹を贅沢に使用した、三大蟹尽くしを味わえる限定

Limited Member Special Certificates to Savor the "Big Three" Kinds of Crabs

2,200,500円
目標金額 100,000円
2200%
237人
残り 終了

【完全予約制】ついに札幌市大通に、あなただけのプライベートサウナが誕生

Special Certificate to Experience Members-Only Private Sauna

792,000円
目標金額 500,000円
158%
84人
残り 終了

本格フィンランドサウナで体も仕事もとのろ！日本橋にコワーキング併設

Coupons and Membership Discount Tickets for Sauna with Working Area

630,000円
目標金額 200,000円
315%
8人
残り 終了

【1日1組限定】石垣島の海をワンちゃんと一緒に眺める最高峰ヴィラで極上

Accommodation Voucher for Villa with Panoramic Views That Also Allows Dogs

11,967,120円
目標金額 500,000円
2393%
1,036人
残り 終了

創作18年 老舗【サインの達人】の職人がマイサインを限定先行作成販売

Your Signature Created by Professional Signature Designer

1,236,000円
目標金額 1,000,000円
123%
226人
残り 終了

学生×デザイン×長野限定商品 & スペシャル冬体験

"Experience" Tickets for Limited Collaboration Products Created by Nagano Students and Businesses

2,050,000円
目標金額 2,000,000円
102%
51人
残り 終了

アートの手で醍醐寺を後世に。鶴田一郎による特別展覧会を開催、絵画奉納

Support for Opening of Special Exhibition of Ichiro Tsuruta's Works/Donation of Painting

Basic Policy for Growth in FY2023/9

- We will actualize our potential market (TAM) by expanding the foundation for stable business growth created by our repeat customers through further strengthening of our initiatives to raise customer satisfaction, while at the same time building an organization dedicated to customer acquisition and growing our customer base

Raising Customer Satisfaction

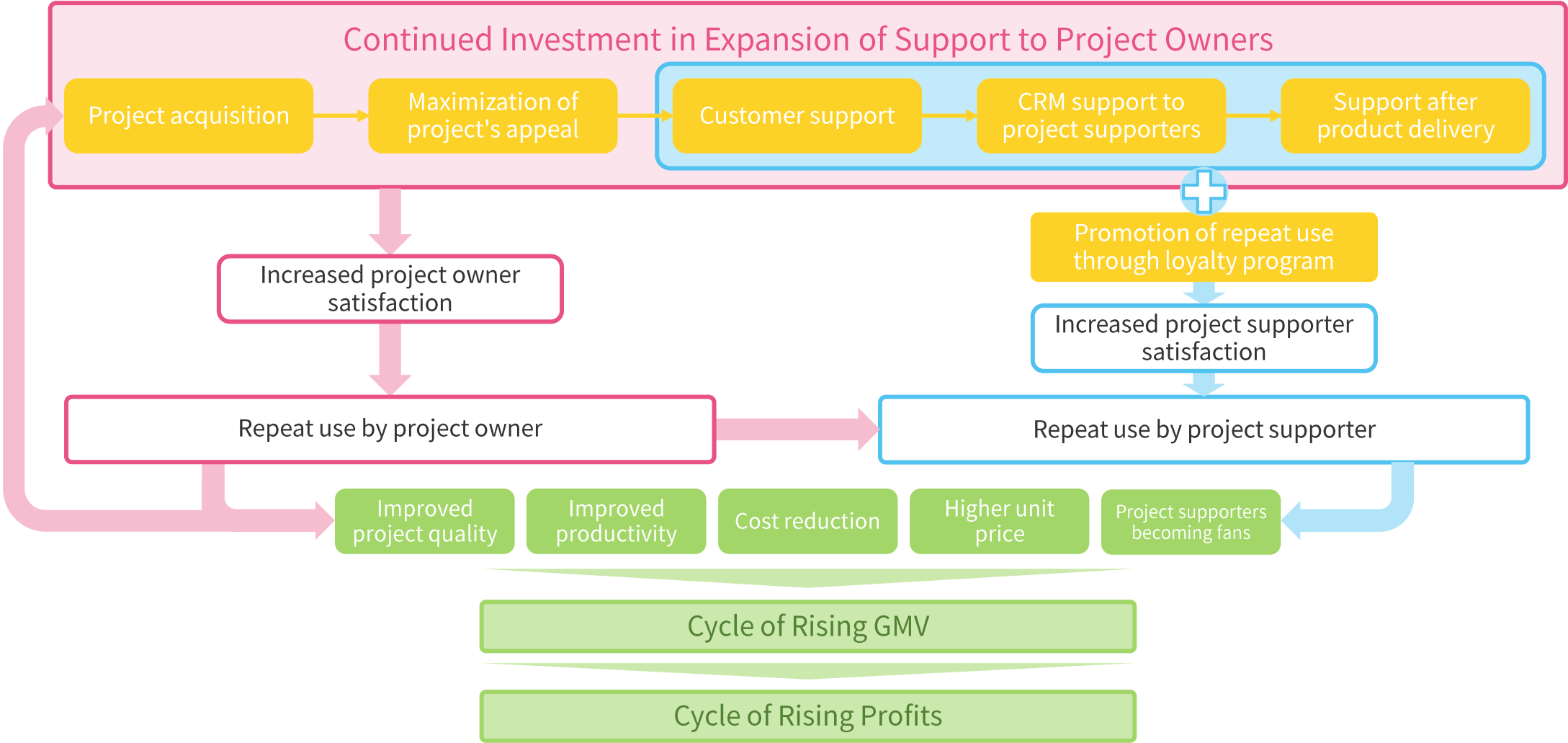
- Will focus on creating a structure that increases the necessity of repeat use of Makuake by expanding and strengthening support to project owners and improving their satisfaction
- Will improve and expand the framework for boosting repeat use by project supporters, invest in CRM initiatives and accelerate the process of turning project supporters into fans
- Will prevent disengagement of project supporters by expanding the framework for supporting project owners in providing project supporter care, and by strengthening soundness
- Will focus on improvements to the customer support framework, its proper operation and customer feedback management in order to increase customer satisfaction. As we train our existing employees, we will work on their optimal placement and make upfront investments in personnel expenses to accumulate human capital

Expanding Customer Base

- To address this huge potential market, will bolster our marketing unit to secure new project managers and promote acquisition of new project managers
- Will strengthen the development of our "weapons"--tools to assuredly go after this promising potential market, as well as invest in marketing for acquisition initiatives
- Will further strengthen acquisition of consumers who have strong preferences as to their lifestyles and those who sympathize with Makuake's worldview
- Will implement new initiatives to bring in those with high disposable income

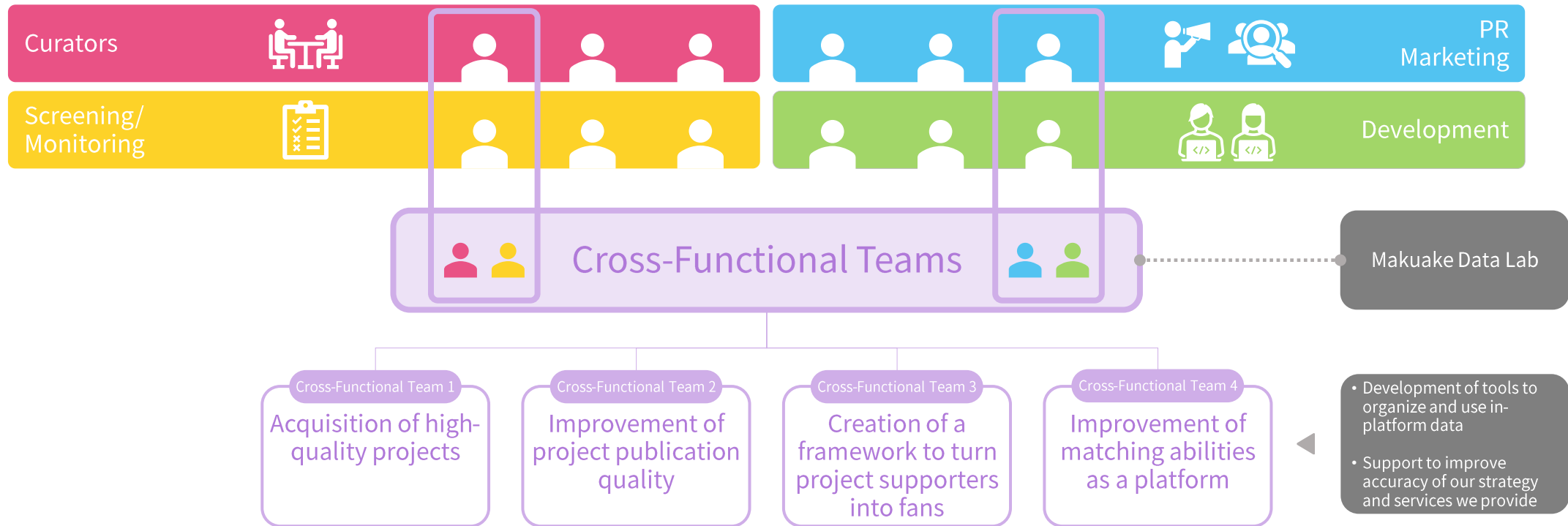
Focus of Attention for FY2023/9: Framework for Repeatable User Experience

- We will work to create a cycle of rising GMV as we increase satisfaction of project owners and project supporters by raising the quality of support provided to project managers, and at the same time offering a program to project supporters that promotes repeat use



New Framework in Makuake Service

- We set up cross-functional teams involving every department, and are focusing on creating a framework for repeat use of the platform through strengthening and expanding support to project managers and raising their satisfaction



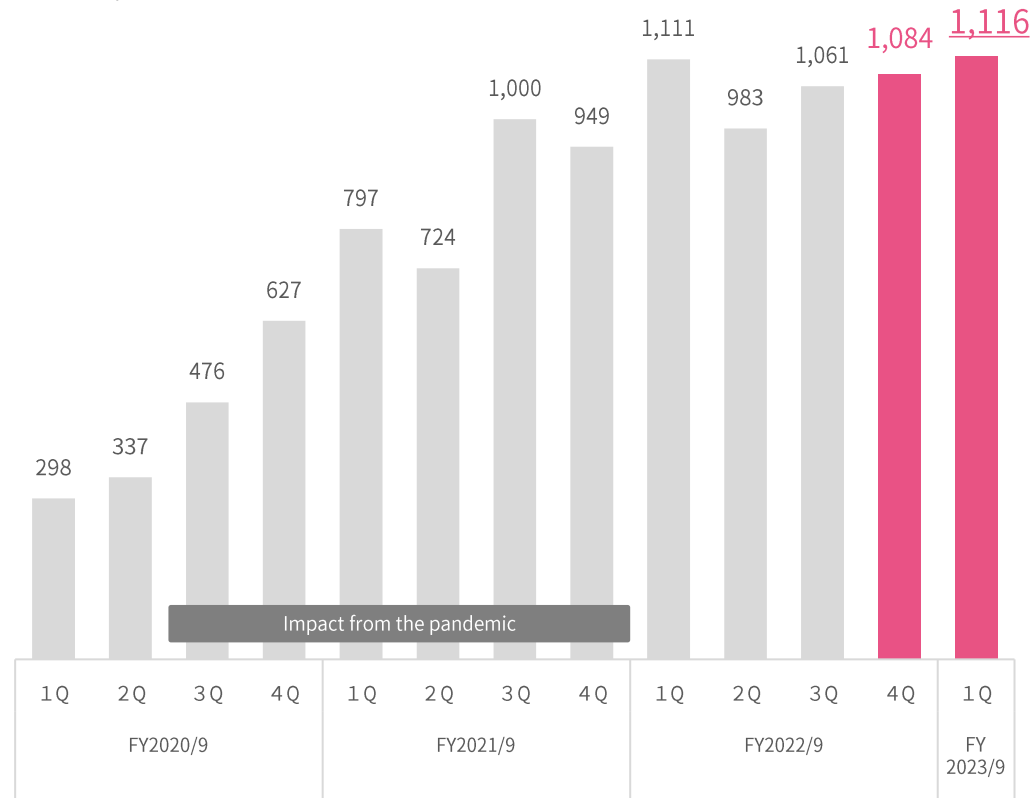
Better efficiency through selection and concentration
Making WHO/WHAT/HOW more clear

Most Important Indicators for FY2023/9 Growth

- The number of published projects by repeat project managers increased thanks to the strengthening of support to repeat project managers based on their track record with Makuake. We expect the results of our current initiatives to show in the amount of "support" pre-orders from the second half of this fiscal year

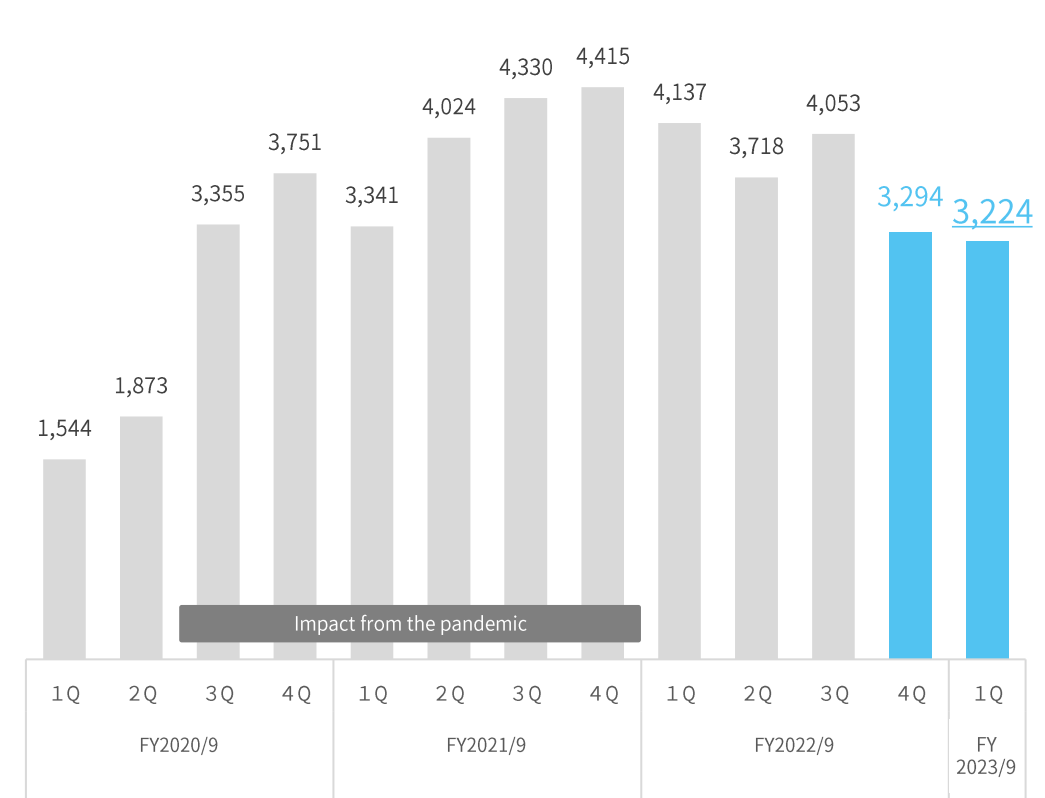
Number of projects by repeat project owners

(Unit: project)



Amount of repeat "Support" Pre-orders

(Unit: JPY million)





On Revision of Medium- Term Business Plan

Reasons for Revision of Medium-Term Business Plan

- After recalculating our own potential in the absence of growth drivers in light of the most recent financial results and the continuing uncertainty in the current external environment, we have determined it is necessary to revise our medium-term business plan which was aiming at JPY 80 billion in GMV, and are presently working on this task

Revising to our own potential in the absence of growth drivers in light of the most recent financial results

Continuing uncertainty in the external environment surrounding us

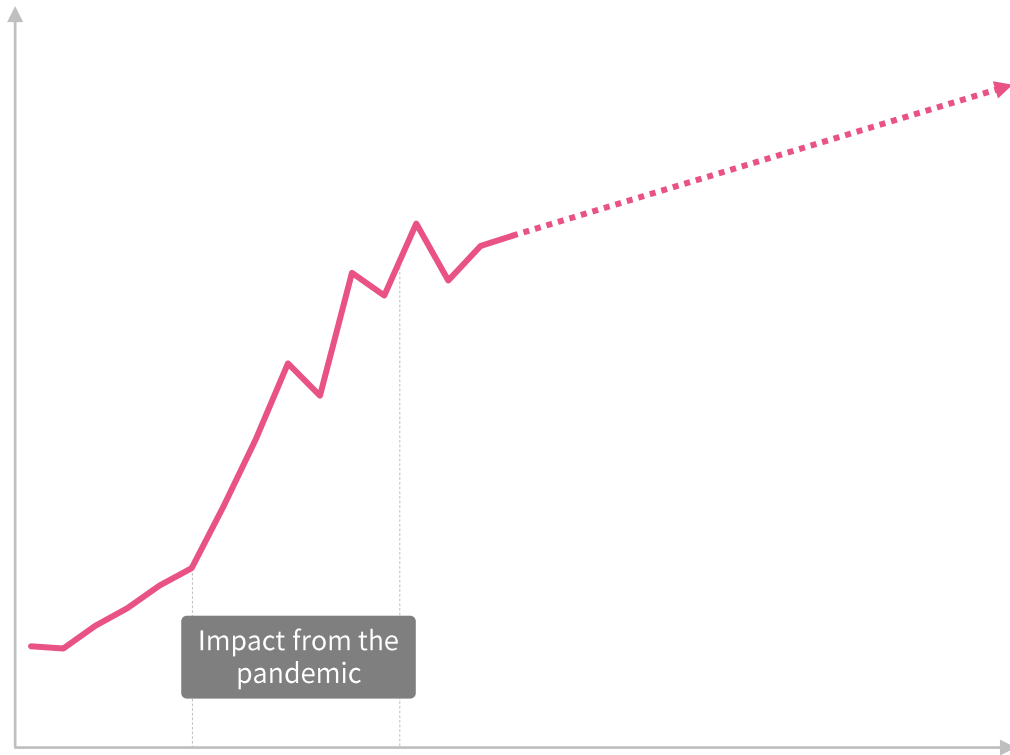
In forecasting future business results, the impact of variable factors--the reality we have to deal with--outweighs the company's own efforts

Given current conditions, it has become necessary to revise the medium-term business plan

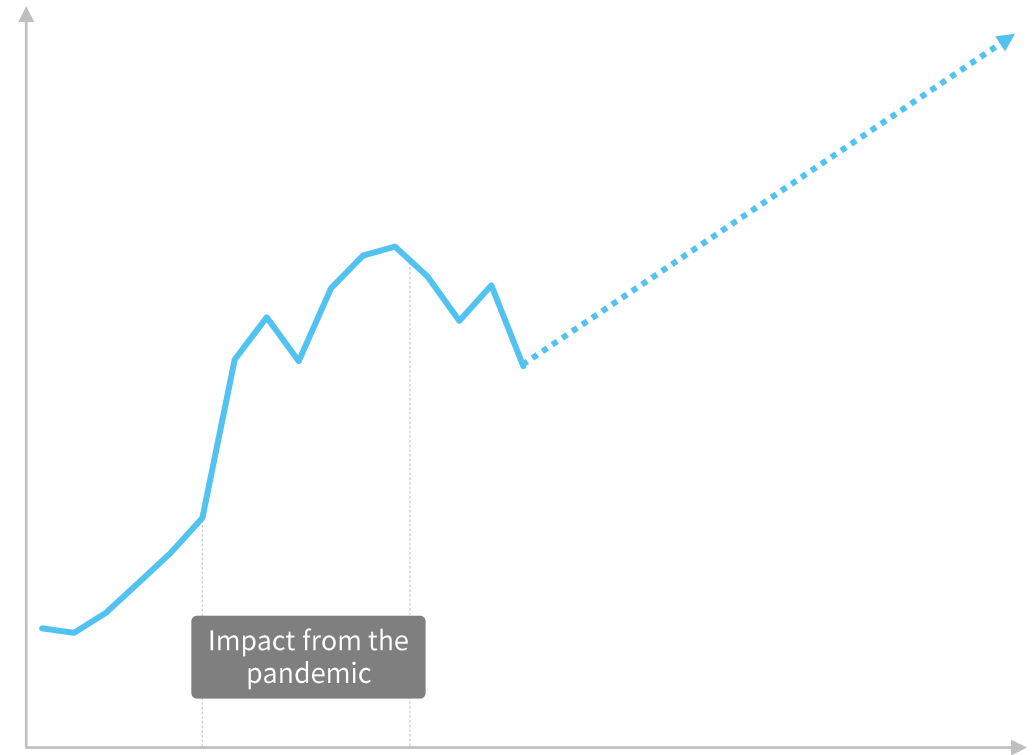
On Disclosure of Medium-Term Targets

- We deem it difficult to disclose at this point our medium-term targets due to many uncertain factors in the current external environment. On the other hand, we believe that what is most important from the standpoint of measuring our progress towards continued growth are KPIs related to repeat business given to us by project owners and project supporters

Envisioned Progress in
the Number of Published Projects by Repeat Project Owners



Envisioned Progress in
the Amount of "Support" Pre-orders





Appendix

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

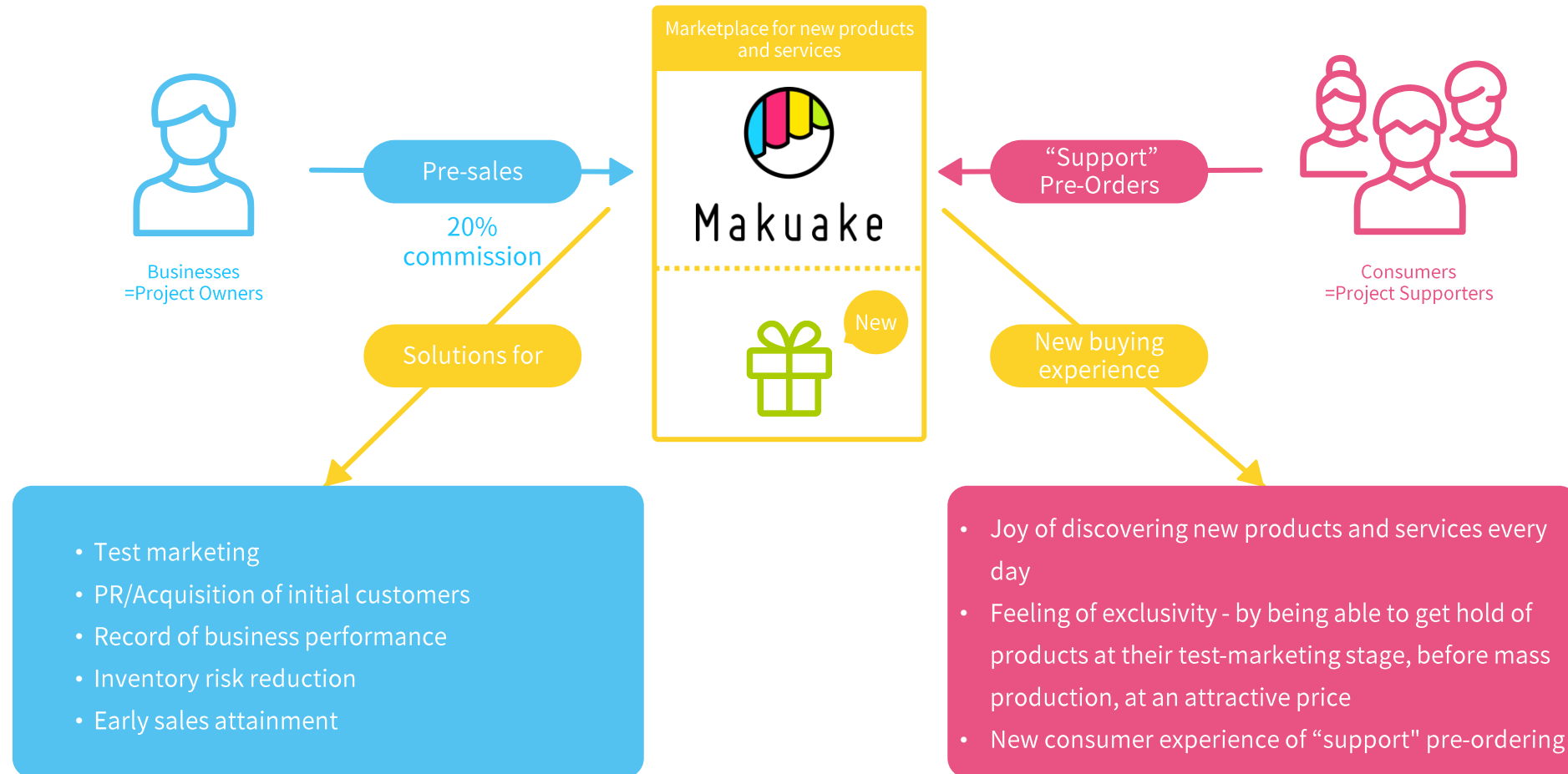
Makuake -- a Venue for Launch of New Products and Services

- 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



Business Results Summary: YoY, standalone quarter

(Unit: JPY million)	FY2022/9 Q1	FY2023/9 Q1	Change YoY	Percent Change YoY
Gross Amount of “support” pre-orders: GMV (Tax included)	5,369	4,251	(1,117)	(20.8)
Net Sales	1,152	908	(244)	(21.2)
Gross Profit	923	744	(178)	(19.3)
Operating Profit (Loss)	38	(186)	(224)	-
Ordinary Profit (Loss)	38	(183)	(221)	-
Net Income (Loss)	90	(185)	(276)	-

Business Results Summary: QoQ, standalone quarter

(Unit: JPY million)	FY2022/9 Q4 (standalone)	FY2023/9 Q1 (standalone)	Change QoQ	Percent Change QoQ
Gross Amount of “support” pre-orders: GMV (Tax included)	4,136	4,251	114	2.8
Net Sales	880	908	28	3.2
Gross Profit	683	744	61	8.9
Operating Profit (Loss)	(234)	(186)	48	-
Ordinary Profit (Loss)	(235)	(183)	52	-
Net Income (Loss)	(1,354)	(185)	1,168	-

KPIs: YoY, standalone quarter

	FY2022/9 Q1	FY2023/9 Q1	Change YoY	Percent Change YoY
No. of New Projects	2,360	2,087	(273)	(11.6)
No. of New Projects by Repeat Project Owners	1,111	1,116	5	0.5
Project Owners Repeat Rate (%)*1	47.1	53.5	-	6.4pt
Amount of Repeat "Support" Pre-Orders (JPY million)	4,137	3,224	(912)	(22.1)
Repeat "Support" Pre-Order Rate (%)*2	77.0	75.8	-	(1.2)pt
No. of Access Unique Users	14,801,463	12,279,539	(2,521,924)	(17.0)
No. of Members	1,981,004	2,362,033	381,029	19.2
No. of "Support" Pre-Orders	418,108	367,985	(50,123)	(12.0)

*1 Ratio of projects published during the period by project owners who had had a previous project with us within the prior 1 year to total number of published projects

*2 Ratio of gross amount of "support" pre-orders placed during the period by project supporters who had had a previous "support" pre-order within the prior 1 year 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 Q4 (standalone)	FY2023/9 Q1 (standalone)	Change QoQ	Percent Change QoQ
No. of New Projects	1,979	2,087	108	5.5
No. of New Projects by Repeat Project Owners	1,084	1,116	32	3.0
Project Owners Repeat Rate (%)*1	54.8	53.5	-	(1.3)pt
Amount of Repeat "Support" Pre-Orders (JPY million)	3,294	3,224	(69)	(2.1)
Repeat "Support" Pre-Order Rate (%)*2	79.6	75.8	-	(3.8)pt
No. of Access Unique Users	13,057,289	12,279,539	(777,750)	(6.0)
No. of Members	2,273,866	2,362,033	88,167	3.9
No. of "Support" Pre-Orders	367,131	367,985	854	0.2

*1 Ratio of projects published during the period by project owners who had had a previous project with us within the prior 1 year to total number of published projects

*2 Ratio of gross amount of "support" pre-orders placed during the period by project supporters who had had a previous "support" pre-order within the prior 1 year 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 Cautions Regarding Future Outlook

- While the content of this document has been prepared based on generally recognized economic and social conditions as of January 24, 2023 and certain assumptions deemed reasonable by Makuake, Inc., it may change due to shifts in business environment and other factors.
- When investing, please be sure to read our financial reports and other documents released by us before making any decision, at your own judgement, as 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., may, based on certain assumptions deemed reasonable by Makuake, Inc., update or revise “outlook information” provided in this document if new information comes to light or material future events occur.



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Makuake