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MEMBERSHIP

April 26, 2022

Non-consolidated Financial Results for the Six Months Ended March 31, 2022 <under Japanese GAAP>

Company name: Makuake, Inc.
 Listing: Tokyo Stock Exchange
 Stock code: 4479
 URL: <http://www.makuake.com/>
 Representative: Ryotaro Nakayama, CEO
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 Scheduled date to file quarterly securities report: April 27, 2022
 Scheduled date to commence dividend payments: —
 Preparation of supplementary materials for quarterly financial results: Yes
 Holding of quarterly financial results presentation meeting: Yes

(Millions of yen with fractional amounts discarded, unless otherwise noted)

1. Performance for the six months ended March 31, 2022 (from October 1, 2021 to March 31, 2022)

(1) Operating results (cumulative)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Six months ended								
March 31, 2022	2,243	6.8	(17)	—	4	(93.5)	61	52.3
March 31, 2021	2,100	87.2	63	(73.6)	62	(73.9)	40	(75.4)

	Basic earnings per share	Diluted earnings per share
Six months ended	Yen	Yen
March 31, 2022	4.95	4.84
March 31, 2021	3.44	3.27

(2) Financial position

	Total assets	Net assets	Equity ratio
As of	Millions of yen	Millions of yen	%
March 31, 2022	10,222	6,979	67.9
September 30, 2021	10,331	6,873	66.2

Reference: Equity

As of March 31, 2022

¥6,937 million

As of September 30, 2021

¥6,841 million

2. Cash dividends

	Annual dividends				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended September 30, 2021	—	0.00	—	0.00	0.00
Fiscal year ending September 30, 2022	—	0.00			
Fiscal year ending September 30, 2022 (Forecast)			—	0.00	0.00

Note: Revisions to the cash dividend forecasts most recently announced: None

3. Earnings forecasts for the fiscal year ending September 30, 2022 (from October 1, 2021 to September 30, 2022)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Fiscal year ending September 30, 2022	4,700	1.7	0	(100.0)	20	(93.9)	65	(73.6)	5.19

Note: Revisions to the earnings forecasts most recently announced: Yes

*** Notes**

- (1) Application of special accounting treatments for the preparation of quarterly financial statements: None
- (2) Changes in accounting policies, changes in accounting estimates, and restatement
- (i) Changes in accounting policies due to revisions to accounting standards and other regulations: Yes
 - (ii) Changes in accounting policies due to other reasons: None
 - (iii) Changes in accounting estimates: None
 - (iv) Restatement: None

(3) Number of issued shares (common shares)

(i) Total number of issued shares at the end of the period (including treasury shares)

As of March 31, 2022	12,568,700 shares
As of September 30, 2021	12,404,700 shares

(ii) Number of treasury shares at the end of the period

As of March 31, 2022	87 shares
As of September 30, 2021	87 shares

(iii) Average number of shares during the period (cumulative from the beginning of the fiscal year)

For the six months ended March 31, 2022	12,487,381 shares
For the six months ended March 31, 2021	11,788,431 shares

* Quarterly financial results reports are exempt from quarterly review conducted by an audit corporation.

* Proper use of earnings forecasts, and other special matters

The forward-looking statements, including earnings forecasts, contained in these materials are based on information currently available to the Company and on certain assumptions deemed to be reasonable. These statements do not purport that the Company pledges to realize such statements. Actual business and other results may differ substantially due to various factors.

Quarterly financial statements

(1) Quarterly balance sheet

(Thousands of yen)

	As of September 30, 2021	As of March 31, 2022
Assets		
Current assets		
Cash and deposits	5,949,943	5,807,312
Segregated deposits	2,641,311	2,513,130
Accounts receivable - trade	551,330	498,637
Other	134,259	149,314
Allowance for doubtful accounts	(7,282)	(7,282)
Total current assets	9,269,563	8,961,113
Non-current assets		
Property, plant and equipment	43,119	55,818
Intangible assets	593,873	747,712
Investments and other assets		
Other	412,131	450,761
Allowance for doubtful accounts	(7,537)	(7,537)
Total investments and other assets	404,594	443,224
Total non-current assets	1,041,587	1,246,755
Deferred assets	20,396	14,641
Total assets	10,331,547	10,222,509
Liabilities		
Current liabilities		
Income taxes payable	72,286	67,919
Deposits received	2,652,462	2,526,863
Other	690,611	596,378
Total current liabilities	3,415,360	3,191,161
Non-current liabilities		
Provision for retirement benefits	337	883
Provision for continuous services benefits	42,516	51,045
Total non-current liabilities	42,853	51,929
Total liabilities	3,458,214	3,243,090
Net assets		
Shareholders' equity		
Share capital	3,103,387	3,120,279
Capital surplus	3,103,387	3,120,279
Retained earnings	635,591	697,405
Treasury shares	(499)	(499)
Total shareholders' equity	6,841,867	6,937,465
Share acquisition rights	31,464	41,953
Total net assets	6,873,332	6,979,419
Total liabilities and net assets	10,331,547	10,222,509

(2) Quarterly statement of income

(Thousands of yen)

	Six months ended March 31, 2021	Six months ended March 31, 2022
Net sales	2,100,387	2,243,204
Cost of sales	361,654	453,463
Gross profit	1,738,733	1,789,740
Selling, general and administrative expenses	1,675,370	1,807,439
Operating profit (loss)	63,362	(17,699)
Non-operating income		
Interest income	0	1
Dividend income	–	8
Lecture fees and other income	3,344	5,415
Subsidy income	–	20,744
Other	19	1,553
Total non-operating income	3,364	27,722
Non-operating expenses		
Amortization of share issuance costs	3,815	5,755
Other	–	201
Total non-operating expenses	3,815	5,956
Ordinary profit	62,911	4,065
Extraordinary income		
Gain on sale of investment securities	–	97,500
Total extraordinary income	–	97,500
Profit before income taxes	62,911	101,565
Income taxes - current	25,206	43,604
Income taxes - deferred	(2,891)	(3,852)
Total income taxes	22,314	39,752
Profit	40,597	61,813

(3) Quarterly statement of cash flows

(Thousands of yen)

	Six months ended March 31, 2021	Six months ended March 31, 2022
Cash flows from operating activities		
Profit before income taxes	62,911	101,565
Depreciation	43,671	71,125
Amortization of goodwill	666	1,999
Loss (gain) on sale of investment securities	–	(97,500)
Increase (decrease) in provision for retirement benefits	–	546
Increase (decrease) provision for continuous services benefits	6,680	8,529
Interest and dividend income	(0)	(9)
Amortization of share issuance costs	3,815	5,755
Decrease (increase) in trade receivables	87,812	52,692
Increase (decrease) in accounts payable - other	(314,125)	(93,441)
Increase (decrease) in accrued expenses	(25,552)	14,524
Increase (decrease) in deposits received	236,213	(125,599)
Increase (decrease) in accrued consumption taxes	(79,192)	(28,207)
Other, net	(86,928)	(26,159)
Subtotal	(64,029)	(114,177)
Interest and dividends received	0	1
Income taxes paid	(136,405)	(38,083)
Income taxes refund	148	38
Net cash provided by (used in) operating activities	(200,286)	(152,220)
Cash flows from investing activities		
Purchase of property, plant and equipment	(7,678)	(17,840)
Purchase of intangible assets	(140,121)	(208,931)
Purchase of investment securities	(83,176)	(40,020)
Proceeds from sale of investment securities	–	112,500
Payments of leasehold and guarantee deposits	(62,536)	(2,660)
Proceeds from refund of leasehold and guarantee deposits	–	4,907
Payments for investments in capital	–	(330)
Net cash provided by (used in) investing activities	(293,512)	(152,374)
Cash flows from financing activities		
Proceeds from issuance of shares	3,876,335	33,784
Net cash provided by (used in) financing activities	3,876,335	33,784
Net increase (decrease) in cash and cash equivalents	3,382,537	(270,811)
Cash and cash equivalents at beginning of period	5,109,351	8,591,254
Increase in cash and cash equivalents resulting from merger	1,810	–
Cash and cash equivalents at end of period	8,493,699	8,320,443