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MEMBERSHIP

April 25, 2023

**Non-consolidated Financial Results
for the Six Months Ended March 31, 2023
<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 26, 2023
 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, 2023
(from October 1, 2022 to March 31, 2023)**

(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, 2023	1,789	(20.2)	(378)	–	(374)	–	(379)	–
March 31, 2022	2,243	6.8	(17)	–	4	(93.5)	61	52.3

	Basic earnings per share	Diluted earnings per share
Six months ended	Yen	Yen
March 31, 2023	(30.20)	–
March 31, 2022	4.95	4.84

(2) Financial position

	Total assets	Net assets	Equity ratio
As of	Millions of yen	Millions of yen	%
March 31, 2023	7,756	5,206	66.4
September 30, 2022	8,255	5,576	67.0

Reference: Equity

As of March 31, 2023

¥5,148 million

As of September 30, 2022

¥5,528 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, 2022	—	0.00	—	0.00	0.00
Fiscal year ending September 30, 2023	—	0.00			
Fiscal year ending September 30, 2023 (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, 2023
(from October 1, 2022 to September 30, 2023)**

(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, 2023	3,840	(8.7)	(880)	—	(880)	—	(890)	—	(70.81)

Note: Revisions to the earnings forecasts most recently announced: None

*** 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: None
- (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, 2023	12,568,700 shares
As of September 30, 2022	12,568,700 shares

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

As of March 31, 2023	130 shares
As of September 30, 2022	130 shares

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

For the six months ended March 31, 2023	12,568,570 shares
For the six months ended March 31, 2022	12,487,294 shares

* Quarterly financial results reports are exempt from quarterly review conducted by certified public accountants or 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 and significant notes thereto

(1) Quarterly balance sheet

(Thousands of yen)

	As of September 30, 2022	As of March 31, 2023
Assets		
Current assets		
Cash and deposits	5,193,507	4,509,199
Cash segregated as deposits	2,128,290	2,021,413
Accounts receivable - trade	339,328	418,646
Other	238,683	173,144
Allowance for doubtful accounts	(7,282)	(7,282)
Total current assets	7,892,528	7,115,122
Non-current assets		
Property, plant and equipment	–	4,710
Intangible assets	–	282,637
Investments and other assets		
Other	361,257	356,674
Allowance for doubtful accounts	(7,537)	(7,537)
Total investments and other assets	353,719	349,136
Total non-current assets	353,719	636,484
Deferred assets	8,886	4,865
Total assets	8,255,134	7,756,471
Liabilities		
Current liabilities		
Income taxes payable	14,565	24,436
Deposits received	2,138,393	2,030,331
Other	463,481	435,001
Total current liabilities	2,616,440	2,489,768
Non-current liabilities		
Provision for retirement benefits	1,658	2,502
Provision for continuous services benefits	60,685	57,792
Total non-current liabilities	62,344	60,295
Total liabilities	2,678,784	2,550,063
Net assets		
Shareholders' equity		
Share capital	3,120,279	3,120,279
Capital surplus	3,120,279	3,120,279
Retained earnings	(711,764)	(1,091,341)
Treasury shares	(625)	(625)
Total shareholders' equity	5,528,170	5,148,592
Share acquisition rights	48,179	57,814
Total net assets	5,576,349	5,206,407
Total liabilities and net assets	8,255,134	7,756,471

(2) Quarterly statement of income

(Thousands of yen)

	Six months ended March 31, 2022	Six months ended March 31, 2023
Net sales	2,243,204	1,789,246
Cost of sales	453,463	326,193
Gross profit	1,789,740	1,463,052
Selling, general and administrative expenses	1,807,439	1,841,452
Operating loss	(17,699)	(378,399)
Non-operating income		
Interest income	1	1
Dividend income	8	24
Lecture's fee income	5,415	5,215
Subsidy income	20,744	3,326
Other	1,553	367
Total non-operating income	27,722	8,936
Non-operating expenses		
Amortization of share issuance costs	5,755	4,021
Other	201	666
Total non-operating expenses	5,956	4,687
Ordinary profit (loss)	4,065	(374,151)
Extraordinary income		
Gain on sale of investment securities	97,500	–
Total extraordinary income	97,500	–
Profit (loss) before income taxes	101,565	(374,151)
Income taxes - current	43,604	5,426
Income taxes - deferred	(3,852)	–
Total income taxes	39,752	5,426
Profit (loss)	61,813	(379,577)

(3) Quarterly statement of cash flows

(Thousands of yen)

	Six months ended March 31, 2022	Six months ended March 31, 2023
Cash flows from operating activities		
Profit (loss) before income taxes	101,565	(374,151)
Depreciation	71,125	2,712
Amortization of goodwill	1,999	–
Loss (gain) on sale of investment securities	(97,500)	–
Increase (decrease) in provision for retirement benefits	546	844
Increase (decrease) provision for continuous services benefits	8,529	(2,893)
Interest and dividend income	(9)	(26)
Amortization of share issuance costs	5,755	4,021
Decrease (increase) in trade receivables	52,692	(79,318)
Increase (decrease) in advances received	–	5,773
Increase (decrease) in accounts payable - other	(93,441)	(30,583)
Increase (decrease) in accrued expenses	14,524	2,740
Increase (decrease) in deposits received	(125,599)	(108,062)
Increase (decrease) in accrued consumption taxes or consumption taxes refund receivable	(28,207)	1,697
Other, net	(26,159)	32,237
Subtotal	(114,177)	(545,008)
Interest and dividends received	1	27
Income taxes paid	(38,083)	(2,588)
Income taxes refund	38	51,725
Net cash provided by (used in) operating activities	(152,220)	(495,843)
Cash flows from investing activities		
Purchase of property, plant and equipment	(17,840)	(5,294)
Purchase of intangible assets	(208,931)	(291,177)
Purchase of investment securities	(40,020)	–
Proceeds from sale of investment securities	112,500	–
Payments of leasehold and guarantee deposits	(2,660)	–
Proceeds from refund of leasehold and guarantee deposits	4,907	1,130
Payments for investments in capital	(330)	–
Net cash provided by (used in) investing activities	(152,374)	(295,341)
Cash flows from financing activities		
Proceeds from issuance of shares	33,784	–
Net cash provided by (used in) financing activities	33,784	–
Net increase (decrease) in cash and cash equivalents	(270,811)	(791,185)
Cash and cash equivalents at beginning of period	8,591,254	7,321,798
Cash and cash equivalents at end of period	8,320,443	6,530,613