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MEMBERSHIP

October 24, 2023

Non-consolidated Financial Results for the Fiscal Year Ended September 30, 2023 <under Japanese GAAP>

Company name: Makuake, Inc.
 Listing: Tokyo Stock Exchange
 Stock code: 4479
 URL: <http://www.makuake.com/>
 Representative: Ryotaro Nakayama, CEO
 Inquiries: Junghyun Kim, Head of Investor Relations
 TEL: +81-3-6328-4038 (from overseas)
 Scheduled date of annual general meeting of shareholders: December 7, 2023
 Scheduled date to commence dividend payments: –
 Scheduled date to file annual securities report: December 8, 2023
 Preparation of supplementary materials for financial results: Yes
 Holding of financial results presentation meeting: Yes

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

1. Performance for the fiscal year ended September 30, 2023 (from October 1, 2022 to September 30, 2023)

(1) Operating results

(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	%
Fiscal year ended								
September 30, 2023	3,810	(9.4)	(489)	–	(482)	–	(491)	–
September 30, 2022	4,206	(9.0)	(324)	–	(302)	–	(1,347)	–

	Basic earnings per share	Diluted earnings per share	Return on equity	Ordinary profit/total assets	Operating profit/net sales
Fiscal year ended	Yen	Yen	%	%	%
September 30, 2023	(38.98)	–	(9.3)	(6.0)	(12.8)
September 30, 2022	(107.55)	–	(21.8)	(3.3)	(7.7)

Reference: Share of profit (loss) of entities accounted for using equity method

For the fiscal year ended September 30, 2023: ¥– million

For the fiscal year ended September 30, 2022: ¥– million

(2) Financial position

	Total assets	Net assets	Equity ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
September 30, 2023	7,955	5,105	63.5	399.72
September 30, 2022	8,255	5,576	67.0	439.84

Reference: Equity

As of September 30, 2023 ¥5,051 million

As of September 30, 2022 ¥5,528 million

(3) Cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
Fiscal year ended	Millions of yen	Millions of yen	Millions of yen	Millions of yen
September 30, 2023	(339)	(582)	14	6,414
September 30, 2022	(827)	(475)	33	7,321

2. Cash dividends

	Annual dividends					Total cash dividends (Total)	Dividend payout ratio	Ratio of dividends to net assets
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total			
Fiscal year ended September 30, 2022	Yen —	Yen 0.00	Yen —	Yen 0.00	Yen 0.00	Millions of yen —	% —	% —
Fiscal year ended September 30, 2023	—	0.00	—	0.00	0.00	—	—	—
Fiscal year ending September 30, 2024 (Forecast)	—	0.00	—	0.00	0.00		—	

3. Earnings forecasts for the fiscal year ending September 30, 2024 (from October 1, 2023 to September 30, 2024)

(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, 2024	3,925	3.0	16	—	21	—	5	—	0.40

Note: As the Company manages its operations on an annual basis, earnings forecasts for the first six months are omitted. For further details, please refer to the attached materials, “(4) Future outlook” under “1. Overview of operating results and others.”

*** Notes****(1) 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

(2) Number of issued shares (common shares)**(i) Total number of issued shares at the end of the period (including treasury shares)**

As of September 30, 2023	12,636,700 shares
As of September 30, 2022	12,568,700 shares

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

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

(iii) Average number of shares during the period

For the fiscal year ended September 30, 2023	12,598,066 shares
For the fiscal year ended September 30, 2022	12,528,045 shares

* Financial results reports are exempt from audits 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.

Financial statements and significant notes thereto

(1) Balance sheet

(Thousands of yen)

	As of September 30, 2022	As of September 30, 2023
Assets		
Current assets		
Cash and deposits	5,193,507	4,148,698
Cash segregated as deposits	2,128,290	2,265,771
Accounts receivable - trade	339,328	483,759
Prepaid expenses	121,814	79,408
Other	116,869	90,932
Allowance for doubtful accounts	(7,282)	(7,282)
Total current assets	7,892,528	7,061,287
Non-current assets		
Property, plant and equipment		
Buildings	15,214	15,214
Accumulated depreciation	(15,214)	(15,214)
Buildings, net	–	–
Tools, furniture and fixtures	24,429	31,206
Accumulated depreciation	(24,429)	(26,541)
Tools, furniture and fixtures, net	–	4,664
Total property, plant and equipment	–	4,664
Intangible assets		
Software	–	346,386
Software in progress	–	195,233
Total intangible assets	–	541,620
Investments and other assets		
Investment securities	153,984	129,587
Investments in capital	330	330
Long-term prepaid expenses	8,073	1,153
Leasehold and guarantee deposits	191,331	190,888
Deferred tax assets	–	23,754
Other	7,537	7,537
Allowance for doubtful accounts	(7,537)	(7,537)
Total investments and other assets	353,719	345,713
Total non-current assets	353,719	891,998
Deferred assets		
Share issuance costs	8,886	1,924
Total deferred assets	8,886	1,924
Total assets	8,255,134	7,955,211

(Thousands of yen)

	As of September 30, 2022	As of September 30, 2023
Liabilities		
Current liabilities		
Accounts payable - other	381,679	372,707
Accrued expenses	81,027	83,980
Advances received	775	4,211
Income taxes payable	14,565	28,866
Deposits received	2,138,393	2,301,067
Total current liabilities	2,616,440	2,790,834
Non-current liabilities		
Provision for retirement benefits	1,658	2,435
Provision for continuous services benefits	60,685	55,132
Other	–	992
Total non-current liabilities	62,344	58,560
Total liabilities	2,678,784	2,849,394
Net assets		
Shareholders' equity		
Share capital	3,120,279	3,127,283
Capital surplus		
Legal capital surplus	3,120,279	3,127,283
Total capital surplus	3,120,279	3,127,283
Retained earnings		
Other retained earnings		
Retained earnings brought forward	(711,764)	(1,202,840)
Total retained earnings	(711,764)	(1,202,840)
Treasury shares	(625)	(625)
Total shareholders' equity	5,528,170	5,051,101
Share acquisition rights	48,179	54,715
Total net assets	5,576,349	5,105,816
Total liabilities and net assets	8,255,134	7,955,211

(2) Statement of income

(Thousands of yen)

	Fiscal year ended September 30, 2022	Fiscal year ended September 30, 2023
Net sales	4,206,839	3,810,185
Cost of sales	847,925	750,708
Gross profit	3,358,913	3,059,477
Selling, general and administrative expenses	3,682,993	3,548,509
Operating loss	(324,080)	(489,032)
Non-operating income		
Interest income	2	5
Dividend income	17	38
Lecture's fee income	9,398	7,529
Subsidy income	–	3,996
Subsidy income	20,744	–
Other	2,916	1,951
Total non-operating income	33,079	13,522
Non-operating expenses		
Amortization of share issuance costs	11,510	6,961
Other	51	–
Total non-operating expenses	11,561	6,961
Ordinary loss	(302,562)	(482,471)
Extraordinary income		
Gain on sale of investment securities	97,500	–
Gain on reversal of share acquisition rights	–	3,100
Total extraordinary income	97,500	3,100
Extraordinary losses		
Impairment losses	1,009,307	–
Loss on valuation of investment securities	49,768	24,397
Total extraordinary losses	1,059,076	24,397
Loss before income taxes	(1,264,138)	(503,768)
Income taxes - current	9,708	11,062
Income taxes - deferred	73,508	(23,754)
Total income taxes	83,217	(12,691)
Loss	(1,347,356)	(491,076)

(3) Statement of changes in equity

Fiscal year ended September 30, 2022

(Thousands of yen)

	Shareholders' equity							Share acquisition rights	Total net assets
	Share capital	Capital surplus		Retained earnings		Treasury shares	Total shareholders' equity		
		Legal capital surplus	Total capital surplus	Other retained earnings Retained earnings brought forward	Total retained earnings				
Balance at beginning of period	3,103,387	3,103,387	3,103,387	635,591	635,591	(499)	6,841,867	31,464	6,873,332
Changes during period									
Issuance of new shares - exercise of share acquisition rights	16,892	16,892	16,892				33,784		33,784
Purchase of treasury shares						(125)	(125)		(125)
Loss				(1,347,356)	(1,347,356)		(1,347,356)		(1,347,356)
Net changes in items other than shareholders' equity								16,714	16,714
Total changes during period	16,892	16,892	16,892	(1,347,356)	(1,347,356)	(125)	(1,313,697)	16,714	(1,296,983)
Balance at end of period	3,120,279	3,120,279	3,120,279	(711,764)	(711,764)	(625)	5,528,170	48,179	5,576,349

Fiscal year ended September 30, 2023

(Thousands of yen)

	Shareholders' equity							Share acquisition rights	Total net assets
	Share capital	Capital surplus		Retained earnings		Treasury shares	Total shareholders' equity		
		Legal capital surplus	Total capital surplus	Other retained earnings	Total retained earnings				
Balance at beginning of period	3,120,279	3,120,279	3,120,279	(711,764)	(711,764)	(625)	5,528,170	48,179	5,576,349
Changes during period									
Issuance of new shares - exercise of share acquisition rights	7,004	7,004	7,004				14,008		14,008
Loss				(491,076)	(491,076)		(491,076)		(491,076)
Net changes in items other than shareholders' equity								6,535	6,535
Total changes during period	7,004	7,004	7,004	(491,076)	(491,076)	-	(477,068)	6,535	(470,532)
Balance at end of period	3,127,283	3,127,283	3,127,283	(1,202,840)	(1,202,840)	(625)	5,051,101	54,715	5,105,816

(4) Statement of cash flows

(Thousands of yen)

	Fiscal year ended September 30, 2022	Fiscal year ended September 30, 2023
Cash flows from operating activities		
Loss before income taxes	(1,264,138)	(503,768)
Depreciation	157,240	28,459
Impairment losses	1,009,307	–
Amortization of goodwill	4,000	–
Increase (decrease) in provision for retirement benefits	1,321	776
Increase (decrease) provision for continuous services benefits	18,169	(5,553)
Amortization of share issuance costs	11,510	6,961
Interest and dividend income	(20)	(44)
Decrease (increase) in trade receivables	212,002	(144,431)
Loss (gain) on sale of investment securities	(97,500)	–
Loss (gain) on valuation of investment securities	49,768	24,397
Gain on reversal of share acquisition rights	–	(3,100)
Increase (decrease) in advances received	775	3,436
Increase (decrease) in accounts payable - other	(222,312)	(1,391)
Increase (decrease) in accrued expenses	19,738	2,953
Increase (decrease) in deposits received	(514,069)	162,674
Increase (decrease) in accrued consumption taxes or consumption taxes refund receivable	(57,660)	4,134
Other, net	(58,754)	36,094
Subtotal	(730,621)	(388,401)
Interest and dividends received	19	46
Income taxes refund	38	51,725
Income taxes paid	(96,758)	(2,588)
Net cash provided by (used in) operating activities	(827,321)	(339,218)
Cash flows from investing activities		
Purchase of property, plant and equipment	(20,546)	(7,320)
Purchase of intangible assets	(488,544)	(575,278)
Purchase of investment securities	(80,020)	–
Proceeds from sale of investment securities	112,500	–
Payments of leasehold and guarantee deposits	(4,729)	(650)
Proceeds from refund of leasehold and guarantee deposits	5,877	1,130
Payments for investments in capital	(330)	–
Net cash provided by (used in) investing activities	(475,792)	(582,118)
Cash flows from financing activities		
Proceeds from issuance of shares	33,784	14,008
Purchase of treasury shares	(125)	–
Net cash provided by (used in) financing activities	33,658	14,008
Net increase (decrease) in cash and cash equivalents	(1,269,455)	(907,328)
Cash and cash equivalents at beginning of period	8,591,254	7,321,798
Cash and cash equivalents at end of period	7,321,798	6,414,469