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MEMBERSHIP

October 27, 2020

Non-consolidated Financial Results for the Fiscal Year Ended September 30, 2020 <under Japanese GAAP>

Company name: Makuake, Inc.
 Listing: Tokyo Stock Exchange
 Stock code: 4479
 URL: <http://www.makuake.com/>
 Representative: Ryotaro Nakayama, CEO
 Inquiries: Yuki Tamura, Corporate Officer and General Manager of Business Management Division
 TEL: +81-3-6328-4038 (from overseas)
 Scheduled date of annual general meeting of shareholders: December 10, 2020
 Scheduled date to commence dividend payments: –
 Scheduled date to file annual securities report: December 15, 2020
 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, 2020 (from October 1, 2019 to September 30, 2020)

(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, 2020	3,225	139.9	510	308.5	512	302.2	369	315.3
September 30, 2019	1,344	40.3	124	(19.1)	127	(18.5)	89	(21.1)

	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, 2020	33.03	30.88	25.1	13.5	15.8
September 30, 2019	8.91	–	37.0	10.8	9.3

Reference: Share of profit (loss) of entities accounted for using equity method
 For the fiscal year ended September 30, 2020: ¥– million
 For the fiscal year ended September 30, 2019: ¥– million

Note: For the diluted earnings per share for the fiscal year ended September 30, 2020, because the Company's shares were listed on the Mothers section of the Tokyo Stock Exchange on December 11, 2019, the figure is calculated using the average share price from the date the shares were newly listed to the end of the fiscal year under review as the average share price for the period.

(2) Financial position

	Total assets	Net assets	Equity ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
September 30, 2020	6,173	2,673	43.1	228.20
September 30, 2019	1,399	285	20.4	28.57

Reference: Equity

As of September 30, 2020

¥2,662 million

As of September 30, 2019

¥285 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, 2020	2,564	(247)	1,913	5,109
September 30, 2019	388	(223)	20	879

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			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Fiscal year ended September 30, 2019	–	0.00	–	0.00	0.00	–	–	–
Fiscal year ended September 30, 2020	–	0.00	–	0.00	0.00	–	–	–
Fiscal year ending September 30, 2021 (Forecast)	–	0.00	–	0.00	0.00		–	

3. Earnings forecasts for the fiscal year ending September 30, 2021 (from October 1, 2020 to September 30, 2021)

(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, 2021	5,172	60.4	620	21.5	617	20.6	450	21.8	38.61

Note: As the Company manages its operations on an annual basis, earnings forecasts for the first six months are omitted.

*** 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: None
- (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, 2020	11,667,700 shares
As of September 30, 2019	9,986,000 shares

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

As of September 30, 2020	24 shares
As of September 30, 2019	– shares

(iii) Average number of shares during the period

For the fiscal year ended September 30, 2020	11,190,371 shares
For the fiscal year ended September 30, 2019	9,986,000 shares

* Financial results reports are exempt from audit 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**(1) Balance sheet**

(Thousands of yen)

	As of September 30, 2019	As of September 30, 2020
Assets		
Current assets		
Cash and deposits	879,340	5,109,351
Accounts receivable - trade	194,694	530,318
Prepaid expenses	8,280	12,721
Other	-	2,443
Allowance for doubtful accounts	(3,569)	(6,996)
Total current assets	1,078,746	5,647,838
Non-current assets		
Property, plant and equipment		
Buildings	40,010	38,404
Accumulated depreciation	(3,225)	(6,849)
Buildings, net	36,784	31,554
Tools, furniture and fixtures	19,149	25,886
Accumulated depreciation	(5,623)	(10,471)
Tools, furniture and fixtures, net	13,526	15,414
Total property, plant and equipment	50,310	46,969
Intangible assets		
Software	116,134	291,441
Software in progress	84,474	65,017
Total intangible assets	200,608	356,458
Investments and other assets		
Investment securities	-	10,001
Leasehold and guarantee deposits	48,746	63,919
Deferred tax assets	20,626	35,918
Other	7,537	7,537
Allowance for doubtful accounts	(7,537)	(7,537)
Total investments and other assets	69,373	109,839
Total non-current assets	320,292	513,267
Deferred assets	-	12,340
Total assets	1,399,039	6,173,446

(Thousands of yen)

	As of September 30, 2019	As of September 30, 2020
Liabilities		
Current liabilities		
Short-term borrowings	50,000	–
Current portion of long-term borrowings	27,500	–
Accounts payable - other	131,100	793,421
Accrued expenses	49,819	77,819
Accrued consumption taxes	7,750	99,767
Income taxes payable	31,524	155,480
Deposits received	800,817	2,345,603
Total current liabilities	1,098,511	3,472,093
Non-current liabilities		
Provision for continuous services benefits	15,257	28,336
Total non-current liabilities	15,257	28,336
Total liabilities	1,113,769	3,500,429
Net assets		
Shareholders' equity		
Share capital	132,995	1,136,847
Capital surplus		
Legal capital surplus	132,995	1,136,847
Total capital surpluses	132,995	1,136,847
Retained earnings		
Other retained earnings		
Retained earnings brought forward	19,279	388,949
Total retained earnings	19,279	388,949
Treasury shares	–	(115)
Total shareholders' equity	285,270	2,662,529
Share acquisition rights	–	10,488
Total net assets	285,270	2,673,017
Total liabilities and net assets	1,399,039	6,173,446

(2) Statement of income

(Thousands of yen)

	Fiscal year ended September 30, 2019	Fiscal year ended September 30, 2020
Net sales	1,344,217	3,225,281
Cost of sales	258,808	568,845
Gross profit	1,085,408	2,656,435
Selling, general and administrative expenses	960,505	2,146,185
Operating profit	124,903	510,249
Non-operating income		
Lecture fees and other income	3,445	4,707
Subsidy income	–	2,225
Other	333	858
Total non-operating income	3,779	7,790
Non-operating expenses		
Interest expenses	370	111
Commission expenses	1,000	–
Amortization of share issuance costs	–	4,515
Loss on retirement of non-current assets	–	1,359
Total non-operating expenses	1,370	5,985
Ordinary profit	127,312	512,054
Profit before income taxes	127,312	512,054
Income taxes - current	39,256	157,676
Income taxes - deferred	(959)	(15,291)
Total income taxes	38,297	142,384
Profit	89,014	369,670

(3) Statement of changes in equity

Fiscal year ended September 30, 2019

(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	132,995	132,995	132,995	(69,735)	(69,735)	–	196,255	–	196,255
Changes during period									
Issuance of new shares	–	–	–				–		–
Issuance of new shares - exercise of share acquisition rights	–	–	–				–		–
Purchase of treasury shares						–	–		–
Profit				89,014	89,014		89,014		89,014
Net changes in items other than shareholders' equity								–	–
Total changes during period	–	–	–	89,014	89,014	–	89,014	–	89,014
Balance at end of period	132,995	132,995	132,995	19,279	19,279	–	285,270	–	285,270

Fiscal year ended September 30, 2020

(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	132,995	132,995	132,995	19,279	19,279	–	285,270	–	285,270
Changes during period									
Issuance of new shares	970,892	970,892	970,892				1,941,784		1,941,784
Issuance of new shares - exercise of share acquisition rights	32,960	32,960	32,960				65,920		65,920
Purchase of treasury shares						(115)	(115)		(115)
Profit				369,670	369,670		369,670		369,670
Net changes in items other than shareholders' equity								10,488	10,488
Total changes during period	1,003,852	1,003,852	1,003,852	369,670	369,670	(115)	2,377,259	10,488	2,387,747
Balance at end of period	1,136,847	1,136,847	1,136,847	388,949	388,949	(115)	2,662,529	10,488	2,673,017

(4) Statement of cash flows

(Thousands of yen)

	Fiscal year ended September 30, 2019	Fiscal year ended September 30, 2020
Cash flows from operating activities		
Profit before income taxes	127,312	512,054
Depreciation	30,515	65,409
Increase (decrease) in allowance for doubtful accounts	3,469	3,426
Increase (decrease) provision for continuous services benefits	5,896	13,078
Interest expenses	370	111
Amortization of share issuance costs	–	4,515
Decrease (increase) in trade receivables	(55,479)	(335,624)
Increase (decrease) in accounts payable - other	76,819	663,177
Increase (decrease) in accrued expenses	(15,789)	28,000
Increase (decrease) in deposits received	293,393	1,544,786
Increase (decrease) in accrued consumption taxes	(24,097)	92,017
Other, net	3,856	20,756
Subtotal	446,266	2,611,710
Interest paid	(354)	(97)
Income taxes refund	459	–
Income taxes paid	(58,019)	(47,272)
Net cash provided by (used in) operating activities	388,352	2,564,340
Cash flows from investing activities		
Purchase of property, plant and equipment	(56,449)	(6,736)
Purchase of intangible assets	(167,211)	(213,397)
Purchase of investment securities	–	(10,001)
Payments of leasehold and guarantee deposits	–	(17,426)
Net cash provided by (used in) investing activities	(223,661)	(247,561)
Cash flows from financing activities		
Proceeds from issuance of shares	–	1,990,848
Proceeds from short-term borrowings	50,000	–
Repayments of short-term borrowings	–	(50,000)
Repayments of long-term borrowings	(30,000)	(27,500)
Purchase of treasury shares	–	(115)
Net cash provided by (used in) financing activities	20,000	1,913,232
Net increase (decrease) in cash and cash equivalents	184,691	4,230,011
Cash and cash equivalents at beginning of period	694,649	879,340
Cash and cash equivalents at end of period	879,340	5,109,351