

# FY6/2022 Q2 Financial Results

February 9, 2022



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### Notes for this entire material

1. EBITDA = Operating Profit + Depreciation and Amortization + Loss on Retirement of Non-current Assets + Impairment Loss (For Segment EBITDA, applied Segment Profit instead of Operating Profit)
2. Revenue of each segment and region is shown using gross value including intersegment / interregional revenue, and the total amount of revenue of both segments or regions does not match the consolidated revenue (the difference is the amount of intersegment / interregional elimination)
3. Constant FX figures are calculated by applying the rate of the current fiscal year to the financial results of the same period of the previous fiscal year. We present financials results on a constant currency basis because we believe that this provides a framework for assessing how Macromill’s business and, in particular, overseas businesses including MetrixLab and Macromill EMBRAIN, performed without taking into account the effect of the fluctuations between the euro and the yen since the same period in the prior year, but please note , it only excludes the effect of currency exchange between the Euro/Yen and the Won/Yen, but not exclude the effects of currency exchange on all local currencies (for example, between the Euro/USD). Please see the following table for the actual exchange rate applied.

	Q2 YTD (6 Months)		Q2 Standalone (3 months)	
	FY6/2021 Q2 YTD	FY6/2022 Q2 YTD	FY6/2021 Q2 Standalone	FY6/2022 Q2 Standalone
1 Euro =	124.05	130.32	124.03	130.45
1 KRW =	0.0913	0.0960	0.0923	0.0963

## ■ Achieved highest Revenue and OP in Q2 standalone due to an increase in demand for our services

- Revenue 13.53bn JPY ( YoY +13% / +12% in CFX ), achieved historical high as Q2 standalone Revenue
- OP 2.58bn JPY ( YoY +19% / +18% in CFX ), increased at higher rate than Revenue and achieved historical high as Q2 standalone OP

## ■ Achieved double-digit growth in both Revenue and OP, exceeding Initial Guidance on 1H OP

- Revenue 24.43bn JPY ( YoY +16% / +14% in CFX ), achieved historical high as Q2 YTD Revenue and returned to a growth trend
- On the other hand, the pace of headcount increase is slower than initial expectation, and operational capacity is still limited
- With a significant increase of OP at 3.71bn JPY ( YoY +30% / +29% in CFX ), we will pay our first interim dividend (8.00 JPY/share)

## ■ Both Revenue and Profits overachieved the Initial Guidance, but our Guidance for FY6/2022 will remain unchanged

- We positioned the FY6/2022 as the turning point from recovery from Covid-19 to a growth phase
- Revenue forecast seems to progress steadily, but we expect a further increase in expenses, such as an increase in Outsourcing Expenses to overcome the operational capacity shortage, an increase in Total Employee Expenses due to investment for future growth and also for catching up to the current recruitment plan, and possible impact from potential re-declaration of the State of Emergency due to the Omicron Variant
- Although we are smoothly transitioning ourselves into the growth phase as expected, the Initial Guidance remains unchanged because of the reasons above

## ■ Aim for a further Revenue expansion and steady recovery in OP to achieve our new Mid-term Business Plan (MTBP)

- FY6/2024 Target: Revenue 57.00bn JPY (+9.7% 3Y CAGR), OP Margin 15% (🔗 [Click here](#) for more detail about the new MTBP)
- We will transform our business model into a “Professional Marketing Services Company” to provide a one-stop support to our clients on their marketing issues
- Existing Research Business is progressing in line with our expectations, and Digital and Other New Business is growing faster than our expectations

# **FY6/2022 Q2 Financial Update**

# FY6/2022 Q2: Consolidated Results - Summary

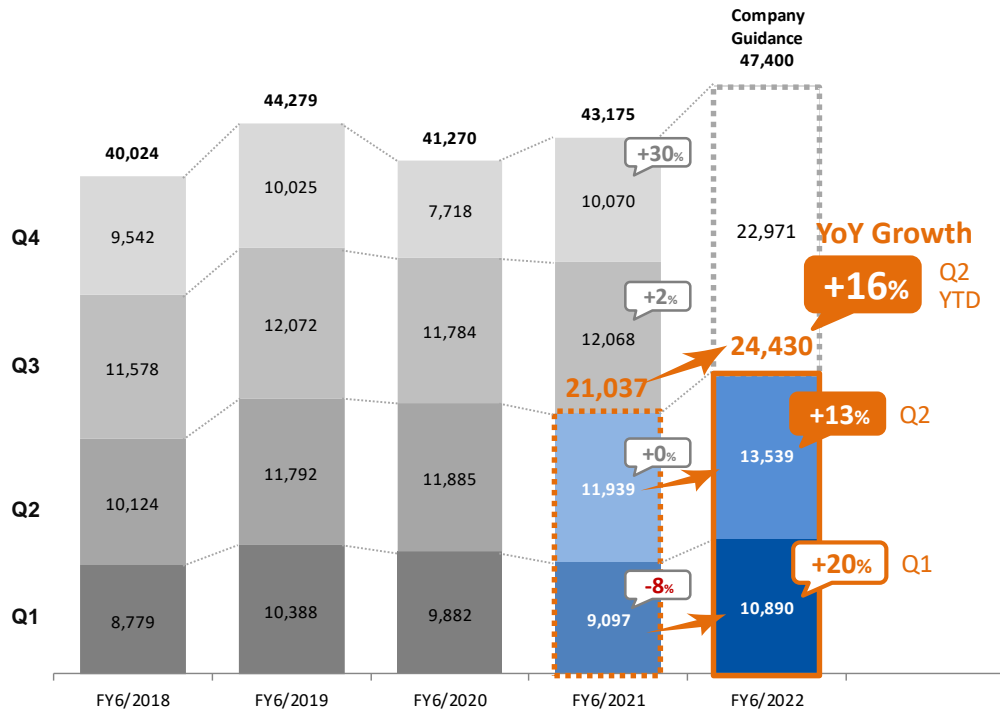
Clients' demand has continued to increase and achieved a historical high in both Q2 standalone and YTD Revenue

Due to this trend, OP significantly increased on both standalone and YTD basis beyond Revenue growth

## Revenue

Consolidated (IFRS)  
(JPY in Millions)

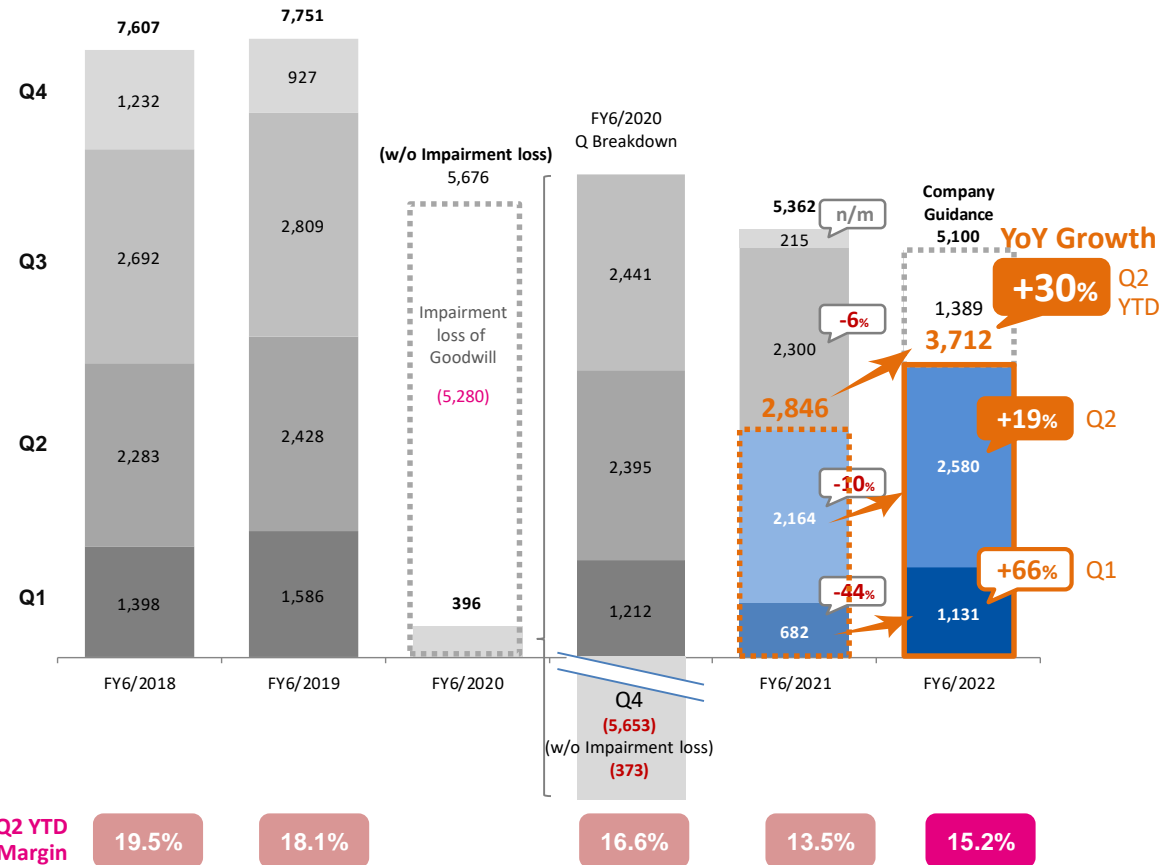
YoY Growth Full year: +11%      -7%      +5%      +10%  
Q2 YTD: +17%      -2%      -3%      +16%



## Operating Profit (OP)

Consolidated (IFRS)  
(JPY in Millions)

YoY Growth Full year: +2%      -95%      +1,251%      -5%  
Q2 YTD: +9%      -10%      -21%      +30%



Q2 YTD  
OP Margin

19.5%

18.1%

16.6%

13.5%

15.2%

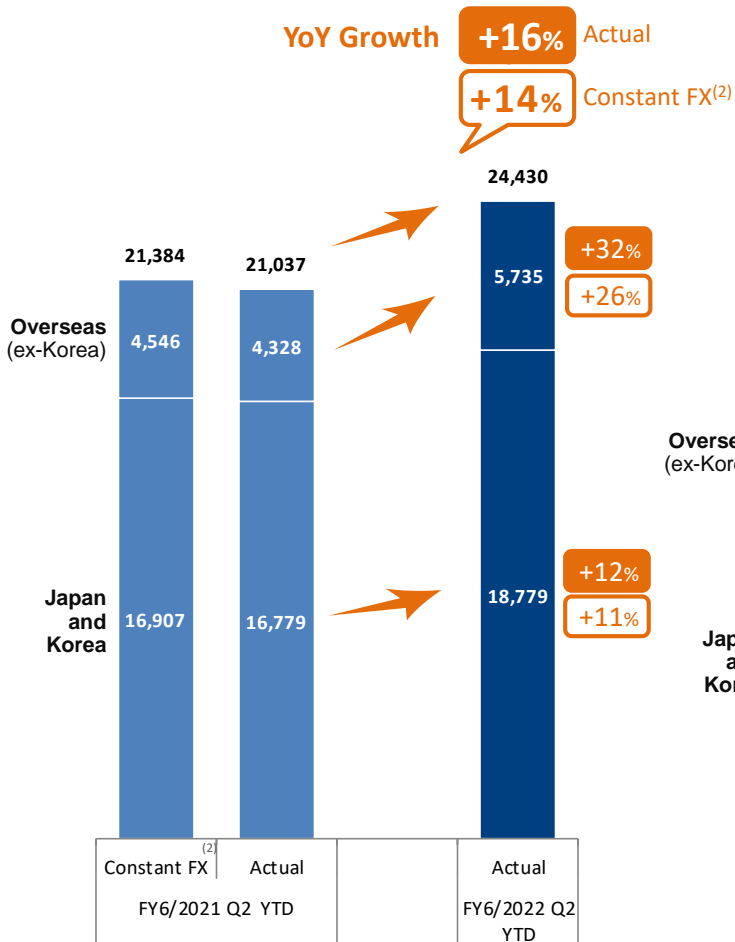
# Quarterly Revenue Trends

Q2 and Q3 have consistently been our strongest quarters, and this trend continues this year

Continuing from Q1, Q2 Revenue in both segments achieved double-digit growth, and the strong growth trend continues

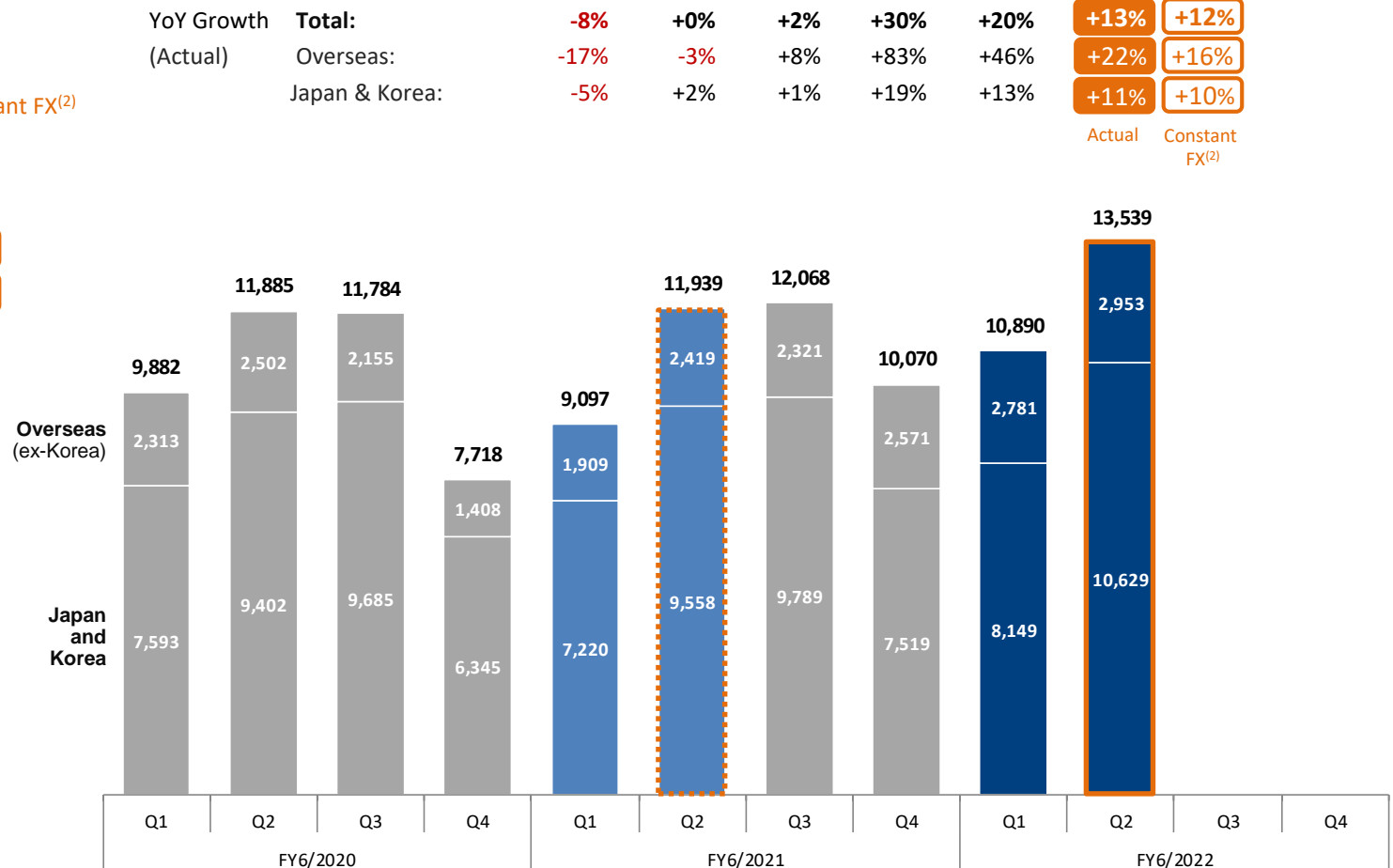
Q2 YTD Revenue (6 Months)<sup>(1)</sup>

Consolidated (IFRS)  
(JPY in Millions)



Quarterly Revenue Trends – By Segment<sup>(1)</sup>

Consolidated (IFRS)  
(JPY in Millions)



Notes

1. Revenue of each segment is shown using gross value including intersegment revenue. Please see the common footnote on p.2 for more detail.
2. Please see the common footnote on p.2 for the calculation method and the significance of constant FX figures.

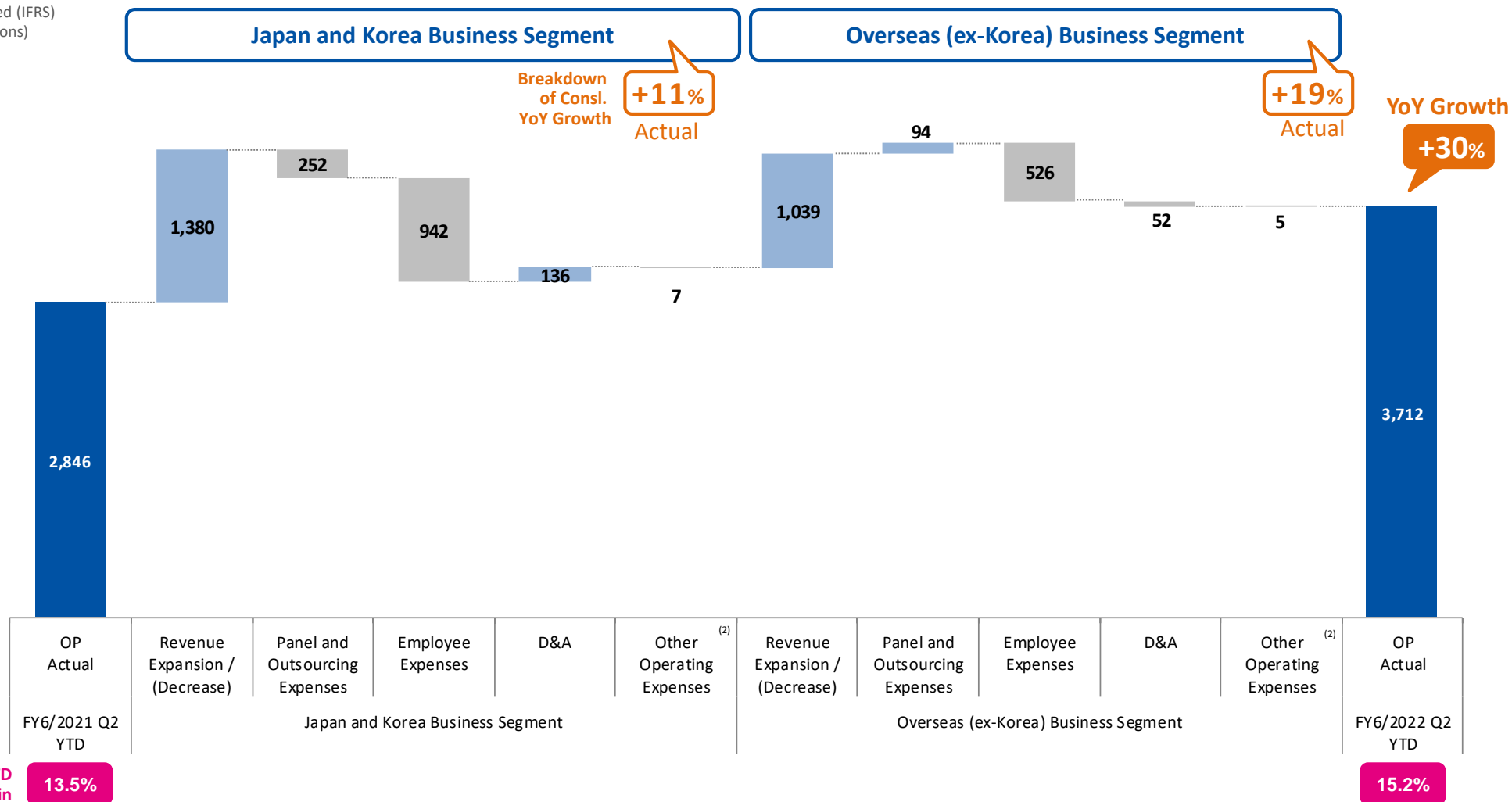
# FY6/2022 Q2 : Operating Profit Waterfall

Q2 YTD (6 Months)

Although there was a rise in Total Employee Expenses in both segments and an increase in Outsourcing Expenses in Japan and Korea Business Segment, Revenue expansion offset those costs and generated +30% growth in OP YoY

## Operating Profit (OP) Waterfall Analysis<sup>(1)</sup> – FY6/2021 Q2 YTD vs. FY6/2022 Q2 YTD

Consolidated (IFRS)  
(JPY in Millions)



### Notes

- The impact of "Revenue Expansion/(Decrease)" effects and "Panel and Outsourcing Expenses" on "Operating Profit" is calculated and described based on margin improvement/deterioration. "Employee Expenses", "D&A", and "Other Operating Expenses" are shown using actual differences from the same period of the previous year.
- Other Operating Expenses includes Other Operating Income, Other Operating Expenses, and Share of the Profit on Investments Accounted for Using the Equity Method in addition to Other in Operating Expenses

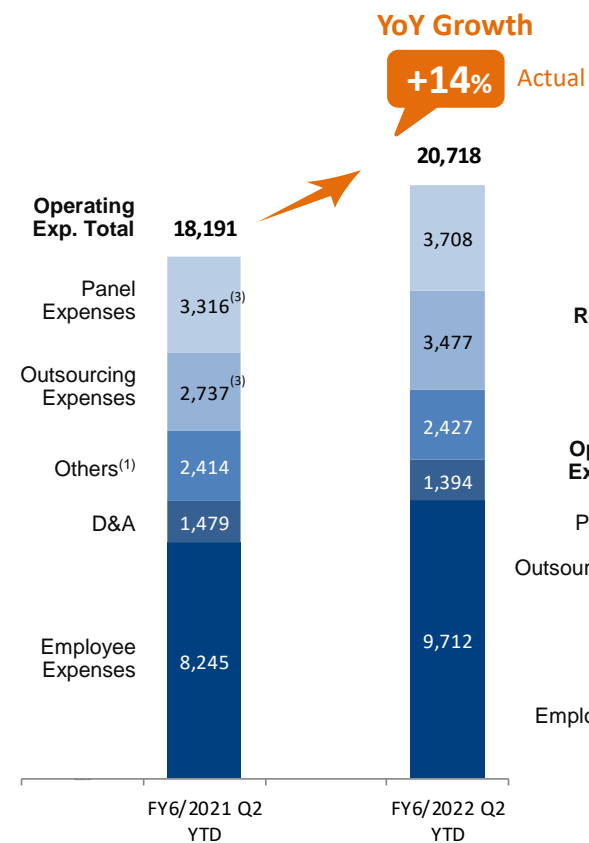
# Quarterly Operating Cost Trends

D&A decreased due to a partial office return

Based on Revenue growth trend, Operating Expenses grew in double-digit due to continuous increase of Total Employee Expenses to expand operational capacity and Outsourcing Expenses at their all-time high

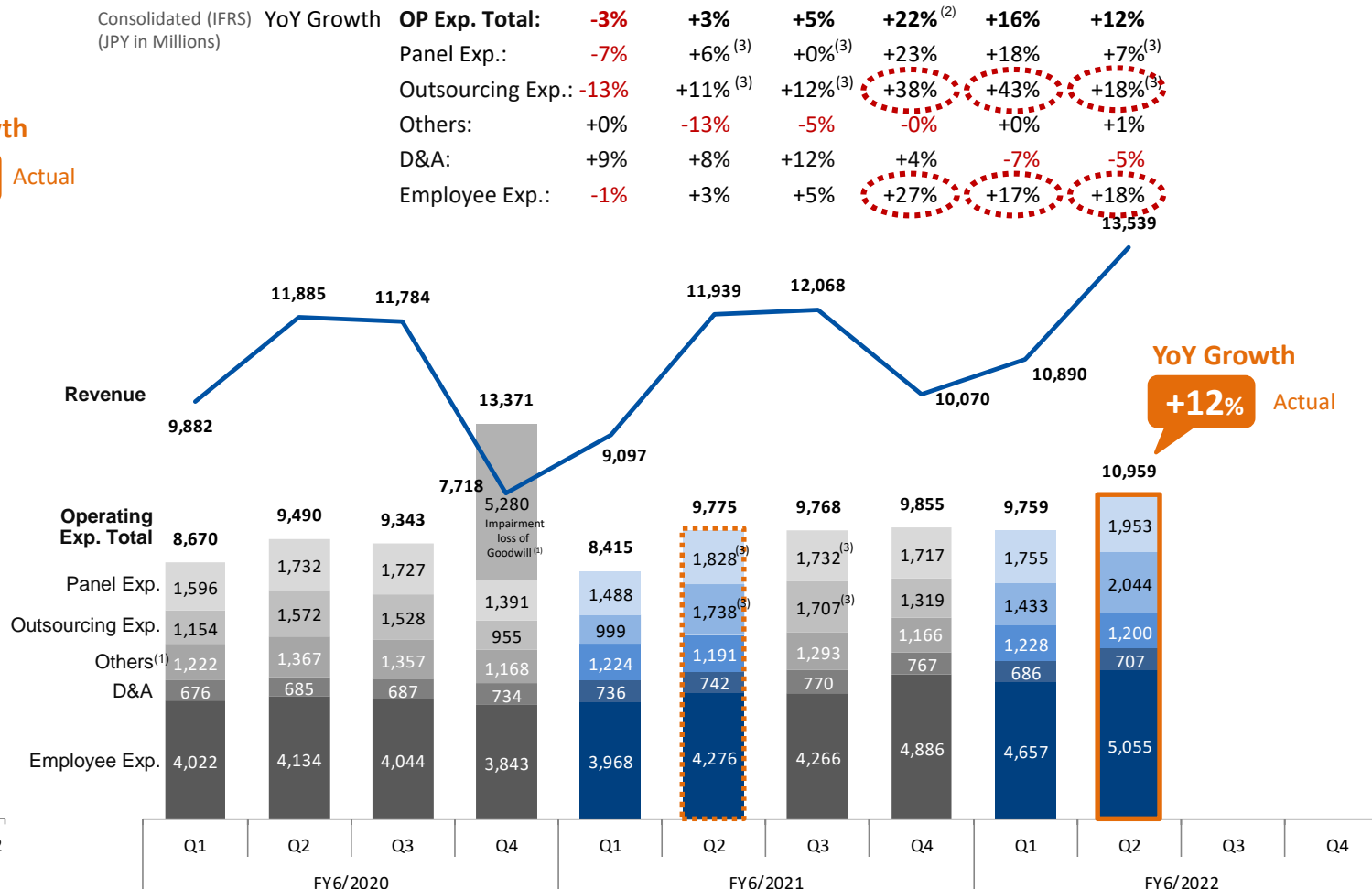
## Q2 YTD Operating Cost (6 Months)

Consolidated (IFRS)  
(JPY in Millions)



## Quarterly Operating Cost Trends

Consolidated (IFRS)  
(JPY in Millions)



### Notes

- Others includes Other Operating Income, Other Operating Expenses, and Share of the Profit on Investments Accounted for using the Equity Method in addition to Other in Operating Expenses. For FY6/2020 Q4, the impairment Loss Charge of Goodwill is illustrated in the figure separately.
- Exclude the impairment loss on goodwill.
- There was a mix-up of approximately 190M JPY between Panel Expenses and Outsourcing Expenses in FY6/2021 Q2 at Macromill EMBRAIN, the Group's Korean Business entity. The Group adjusted this mix-up in FY6/2021 Q3. To compare the year-on-year growth without the mix-up impact, the above graph displays Pro-forma figures and growth rates by using the adjusted Panel Expenses and Outsourcing Expenses in Q2 and Q3 of FY6/2021.

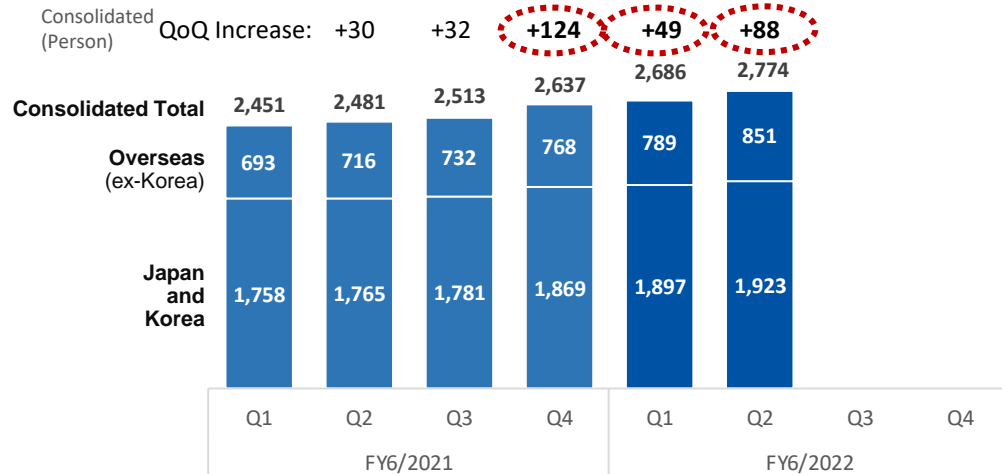


# Outlook for OP Margin expansion

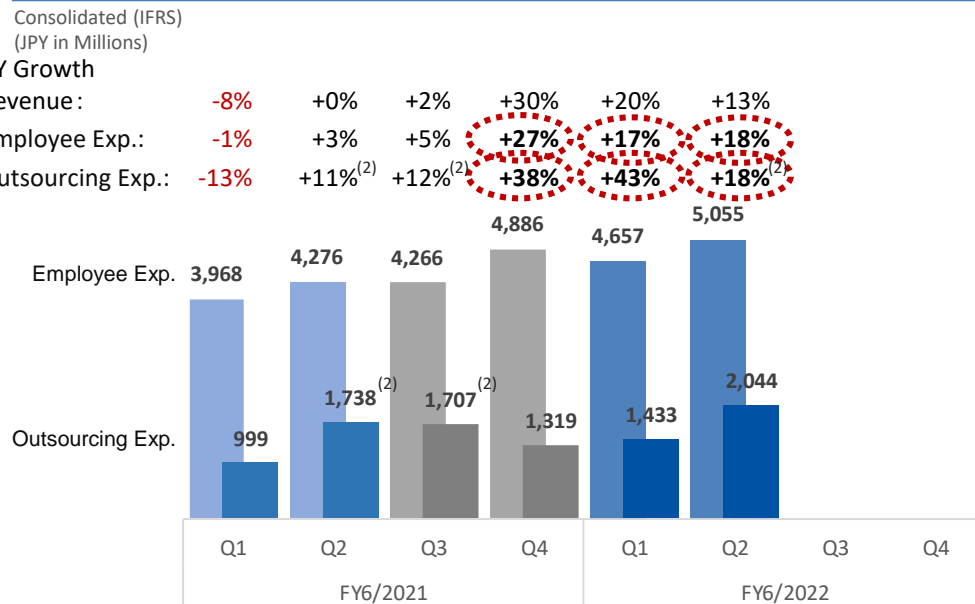
We are currently in step 1 of the anticipated path to improve OP margin

With clients' strong demand continuing to exceed our expectation while our headcount expanding slower than our initial plan, it is necessary to utilize the outsourcing and continue to expand headcount in the 2H

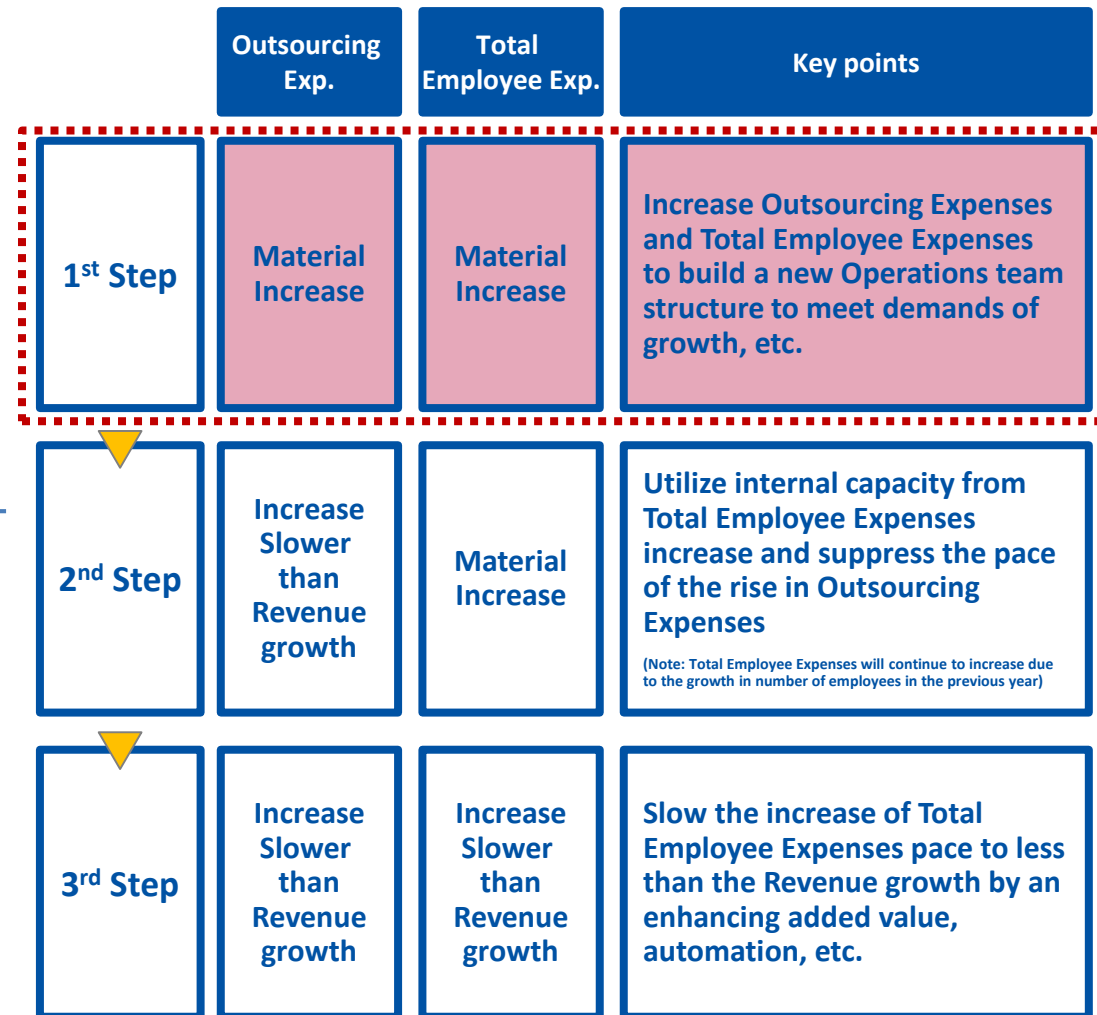
Headcount Trend<sup>(1)</sup>



Trend in Total Employee Expenses and Outsourcing Expenses



Anticipated steps to improve OP Margin



Notes

- Headcount figures do not include temporary employees
- For more details, please refer to footnote 3 on page 8

# Consolidated Statements of Operations (P/L)

## Summary of Consolidated Statements of Operations

(JPY in Millions)	IFRS			
	6 Months			
	FY6/2021 Q2	FY6/2022 Q2	Variance	YoY Growth
<b>Revenue</b>	<b>21,037</b>	<b>24,430</b>	<b>3,393</b>	<b>16.1%</b>
Japan and Korea Business Segment <sup>(1)</sup>	16,779	18,779	2,000	11.9%
Overseas (ex-Korea) Business Segment <sup>(1)</sup>	4,328	5,735	1,406	32.5%
Total Employee Expenses	(8,245)	(9,712)	(1,467)	17.8%
Panel Expenses	(3,126) <sup>(2)</sup>	(3,708)	(582) <sup>(2)</sup>	18.6% <sup>(2)</sup>
Outsourcing Expenses	(2,928) <sup>(2)</sup>	(3,477)	(548) <sup>(2)</sup>	18.7% <sup>(2)</sup>
Depreciation and Amortization	(1,479)	(1,394)	85	(5.8%)
Others	(2,410)	(2,424)	(14)	0.6%
<b>Operating Profit (Loss)</b>	<b>2,846</b>	<b>3,712</b>	<b>865</b>	<b>30.4%</b>
Japan and Korea Business Segment	2,883	3,198	315	10.9%
Overseas (ex-Korea) Business Segment	(36)	513	550	-
Finance Income and Costs	(277)	(129)	148	(53.4%)
<b>Profit before Tax</b>	<b>2,569</b>	<b>3,583</b>	<b>1,013</b>	<b>39.5%</b>
Income Tax Expenses	(816)	(1,130)	(313)	38.4%
Profit attributable to non-controlling interest	(419)	(506)	(87)	20.8%
<b>Profit Attributable to Owners of the Parent</b>	<b>1,333</b>	<b>1,946</b>	<b>613</b>	<b>46.0%</b>
<b>EBITDA</b>	<b>4,331</b>	<b>5,113</b>	<b>781</b>	<b>18.1%</b>
Japan and Korea Business Segment	4,019	4,198	179	4.5%
Overseas (ex-Korea) Business Segment	311	914	602	193.2%
<b>EPS (Basic Earnings per Share) (Yen)</b>	<b>33.07</b>	<b>49.33</b>	<b>16.26</b>	<b>49.2%</b>
<b>Operating Profit Margin</b>	<b>13.5%</b>	<b>15.2%</b>	<b>1.7%</b>	
Japan and Korea Business Segment	17.2%	17.0%	(0.2%)	
Overseas (ex-Korea) Business Segment	(0.8%)	8.9%	9.8%	
<b>EBITDA Margin</b>	<b>20.6%</b>	<b>20.9%</b>	<b>0.3%</b>	
Japan and Korea Business Segment	24.0%	22.4%	(1.6%)	
Overseas (ex-Korea) Business Segment	7.2%	15.9%	8.8%	

### Notes

- Revenue of each segment is shown using gross value including intersegment revenue. Please see the common footnote on p.2 for more detail.
- Previous year figures here are those disclosed in our financial statements, thus they are different from those shown on p.8 and p.9.

## FY6/2022 Q2 YTD P/L Commentary

### (Variance Factors)

- Revenue:
  - Japan and Korea Business Segment: driven by online survey business, as well as digital and other new business, revenue has significantly increased from prior year 1H which was damaged by Covid-19
  - Overseas Business (ex-Korea) Segment: driven mainly by Europe and Other Regions, revenue recovered significantly from prior year 1H which was damaged by Covid-19.
- Total Employee Expenses:
  - Increased in faster pace than revenue growth due to new hiring to resolve shortfall of resource capacity and to drive future growth
- Panel Expenses:
  - Increased in line with revenue growth. (Due to last year's accounting treatment in Korea Business related to panel expenses and outsourcing expenses, Panel Expenses YoY Growth% is higher than actual. Please see note 3 on P.8 for details.)
- Outsourcing Expenses:
  - Continued to increase in order to deal with higher-than-expected revenue recovery. (As mentioned above, Outsourcing Expenses YoY Growth% is lower than actual. Please see note 3 on P.8 for details.)
- Depreciation and Amortization:
  - Depreciation expense recorded by IFRS 16 decreased by cancellation of a part of offices
- Others:
  - Remained almost the same from prior year
- Profit attributable to non-controlling interest:
  - Increased due to profit growth of subsidiaries that make up Japan and Korea business
- Operating Profit Margin and EBITDA Margin:
  - While decreased in Japan and Korea Business Segment due to increased outsourcing expenses and employee expenses, improved significantly in Overseas Business Segment driven by its revenue growth outpacing cost increase

# Consolidated Statements of Financial Position (B/S)

## Summary of Consolidated Statements of Financial Position

(JPY in Millions)	IFRS		
	FY6/2021 (6/30/2021)	FY6/2022 Q2 (12/31/2021)	Variance
<b>Total Assets</b>	<b>84,041</b>	<b>80,200</b>	<b>(3,841)</b>
Cash and Cash Equivalents	19,079	12,769	(6,310)
Trade and Other Receivables	9,515	12,139	2,624
Property, Plant and Equipment	2,703	2,677	(26)
Goodwill	41,701	41,725	23
Japan and Korea Business Segment	39,144	39,144	0
Overseas (ex-Korea) Business Segment	2,556	2,581	24
Other Intangible Assets	6,948	6,611	(336)
Other Assets	4,093	4,277	183
<b>Total Liabilities</b>	<b>51,107</b>	<b>45,698</b>	<b>(5,409)</b>
Borrowings and Bonds	37,587	31,806	(5,780)
Current portion of Borrowings and Bonds	17,652	11,859	(5,792)
Long-term borrowings and Bonds	19,934	19,946	11
Trade and Other Payables	4,266	5,058	791
Other Liabilities	9,254	8,833	(420)
<b>Total Equity</b>	<b>32,933</b>	<b>34,502</b>	<b>1,568</b>

## FY6/2022 Q2 B/S Commentary

- Working capital :
  - Accounts Receivable Turnover 88.9 days
  - Accounts Payable and Provision for Panel Points Turnover 54.7 days
- Goodwill :
  - Slight fluctuation due to FX valuation
- Borrowings and Bonds
  - The first bond (3-year bond) maturing in July 2021, 5 billion yen was redeemed
  - Contract repayment of existing bank loan, 800 million yen
- Financing cost (excluding lease liabilities):
  - Q2 average interest rate: 0.85% (FY6/2021 Q2: 1.01%)
    - ◆ Borrowings: 1.25%
    - ◆ Bonds: 0.62%
  - Credit rating (from R&I): BBB+ (Outlook: Stable)
- Leverage related (LTM base):
  - Net Debt/EBITDA: 2.19x (FY6/2022 Q1: 2.55x)
    - ◆ Net Debt: 20,705 million yen
    - ◆ LTM EBITDA: 9,462 million yen
  - Interest Coverage Ratio: 17.41x (FY6/2021 Q2 12.69x\*)  
(\*excluding the impact from impairment loss on goodwill recognized in FY6/2020)
- Capital efficiency related (LTM base) :
  - ROE: 11.63% (FY6/2021 Q2 7.37%\*)  
(\*excluding the impact from impairment loss on goodwill recognized in FY6/2020)

# Consolidated Statements of Cash Flows (C/F)

## Summary of Consolidated Statements of Cash Flows

	IFRS	
	6 Months	
	FY6/2021 Q2YTD	FY6/2022 Q2YTD
(JPY in Millions)		
<b>Cash Flows from Operating Activities</b>	<b>984</b>	<b>1,360</b>
Profit (Loss) before Tax	2,569	3,583
Depreciation and Amortization	1,479	1,394
Finance Income and Costs	277	129
Change in Working Capital <sup>(1)</sup>	(1,893)	(1,978)
Others <sup>(2)</sup>	(769)	(504)
Sub Total	<b>1,663</b>	<b>2,623</b>
Interest and Dividends Received	8	6
Interest Paid	(103)	(114)
Income Taxes Paid	(584)	(1,154)
<b>Cash Flows from Investing Activities</b>	<b>(611)</b>	<b>(291)</b>
Capex <sup>(3)</sup>	(610)	(557)
Others <sup>(2)</sup>	(1)	266
<b>Free Cash Flows <sup>(4)</sup></b>	<b>476</b>	<b>1,184</b>
<b>Cash Flows from Financing Activities</b>	<b>(2,124)</b>	<b>(7,362)</b>
Proceeds from Borrowings and Bonds <sup>(5)</sup>	50	-
Repayment of Borrowings <sup>(5)</sup>	(826)	(825)
Redemption of Bonds	-	(5,000)
Repayment of Lease Liabilities	(659)	(575)
Purchase of treasury stock	-	(74)
Others <sup>(2)</sup>	(688)	(885)

### Notes

- The sum of Decrease (Increase) in Trade and Other Receivables and Increase (Decrease) in Trade and Other Payables
- Others in Cash Flows from Operating Activities are the sum of Share of the Profit or Loss on Investments Accounted for using the Equity Method and Other. Others in Cash Flows from Investing Activities are the sum of Proceeds from the sale of property, plant and equipment, Proceeds from Sale of Investments and Other. Others in Cash Flows from Financing Activities are the sum of Dividends paid, Dividends Paid to Non-controlling Interests and Other.
- The sum of Purchase of Property, Plant and Equipment and Purchase of Intangible Assets
- Free cash flow = Cash flows from operating activities ± cash flows from investing activities - interest paid
- The sum of Long-term Borrowings and Short-term Borrowings

## FY6/2022 Q2 YTD C/F Commentary

■ Cash Flows from Operating Activities	1,360	(YoY	+376)
- Increase in Profit before Tax	1,013		
- Increase in Income Taxes Paid	569		
■ Cash Flows from Investing Activities	-291	(YoY	+320)
- Proceeds from sales of investment securities	297		
■ Free Cash Flows	1,184	(YoY	+707)
■ Cash Flows from Financing Activities	-7,362	(YoY	-5,237)
- Redemption of Bonds	5,000		
■ Cash and Cash Equivalents at the end of the period	12,769	(YoY	+1,062)

	IFRS	
	6 Months	
	FY6/2021 Q2YTD	FY6/2022 Q2YTD
Increase/(decrease) in Cash Equivalents	(1,751)	(6,292)
Cash and Cash Equivalents at the beginning of the period	13,310	19,079
Effect of Exchange Rate Changes on Cash and Cash Equivalents	147	(17)
<b>Cash and Cash Equivalents at the end of the period</b>	<b>11,706</b>	<b>12,769</b>

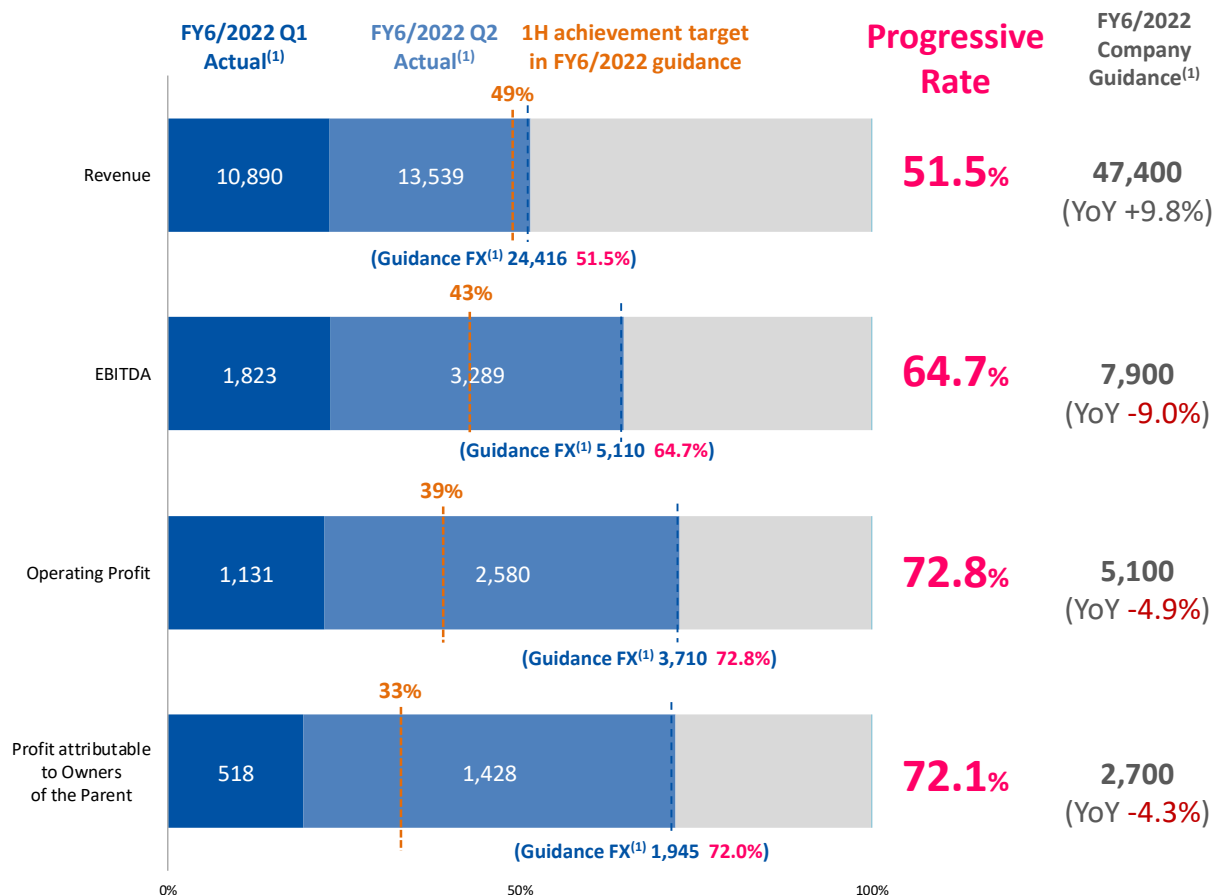
# FY6/2022 Q2 Results: % of Achievement vs. Guidance

Both the 1H Revenue and Profits over-achieved the Initial Guidance due to the increased demand from clients. This is particularly true on Profits, which are progressing significantly higher than guidance

However, our Guidance for FY6/2022 remains unchanged due to acceleration of investment in talent to meet continued increase in client demand while also paying close attention to the impact of the Omicron variant

## FY6/2022 Q2 YTD vs. FY6/2022 Company Guidance

Consolidated (IFRS)  
(JPY in Millions)



- **Revenue “Above Expectation”**
  - Both segments exceeded 1H forecast set as a guidance in August 2021
  - 2H Revenue seems to progress steadily, though we need to pay close attention to the Omicron variant
- **EBITDA/Operating Profit/ Profit Attributable to Owners of the Parent: “Above Expectation”**
  - In both segments, Revenue exceeding 1H forecast resulted to boost profits
  - In addition, Total Employee Expenses and others were lower than 1H forecast, and partial IT Expenses (approx. 100M JPY) have shifted to 2H. As a result, Profits materially exceeded the forecast
  - In 2H, human resources investment needs to be accelerated, thus Operating Expenses will increase compare to 1H
- **FX: “Almost as expected”**
  - Almost the same as the guidance rate, both for Euro and KRW

**Note**

1. Financials for FY6/2022 Q2 (Actual) are presented by using the period-average of 1Euro = JPY 130.32 and 1KRW = JPY 0.0960. Company guidance for FY6/2022 are based on FX rate of 1Euro = JPY 130.00 and 1KRW = JPY 0.0960.

# **Japan and Korea Business Segment Update**

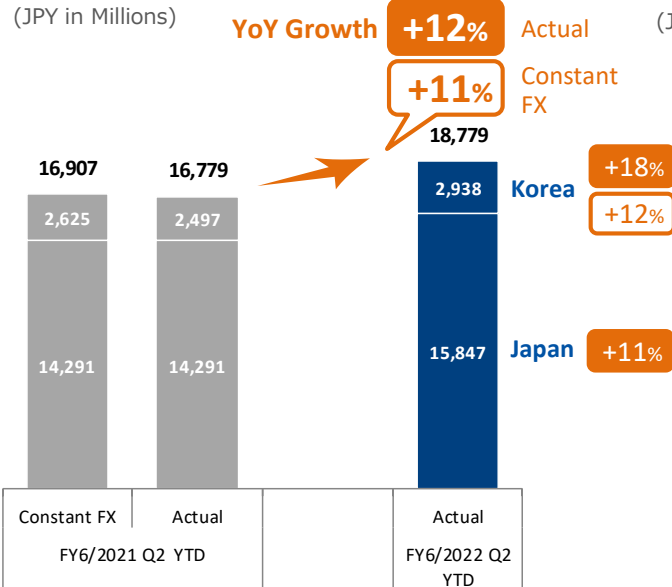
# FY6/2022 Q2: Segment Performance Summary



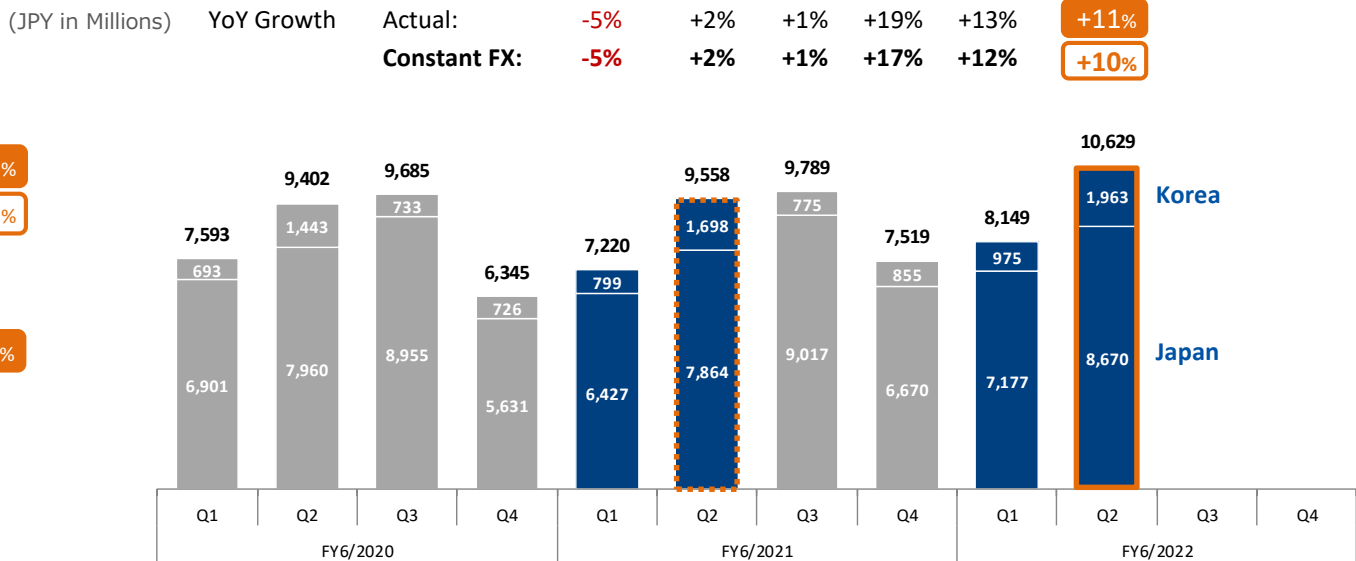
Continuing from Q1, Q2 standalone Japan and Korea Segment Revenue achieved double-digit growth

The Japan and Korea Business Segment Profit grew along with Revenue growth

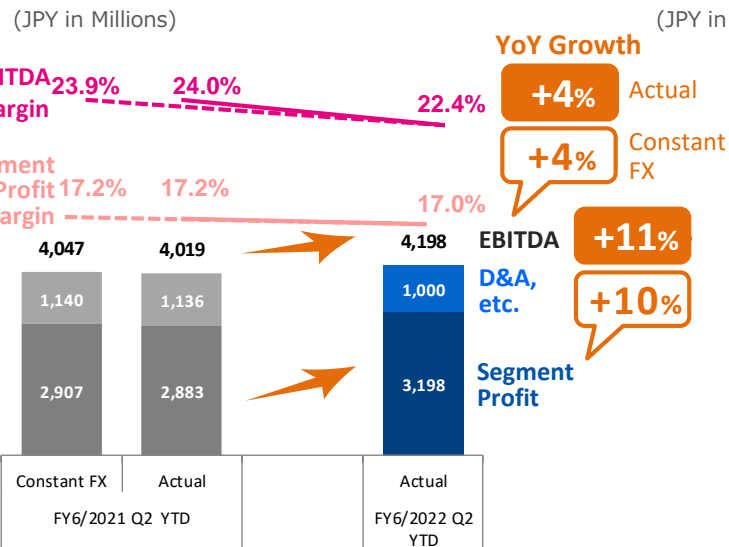
## Q2 YTD Segment Revenue (6 Months)



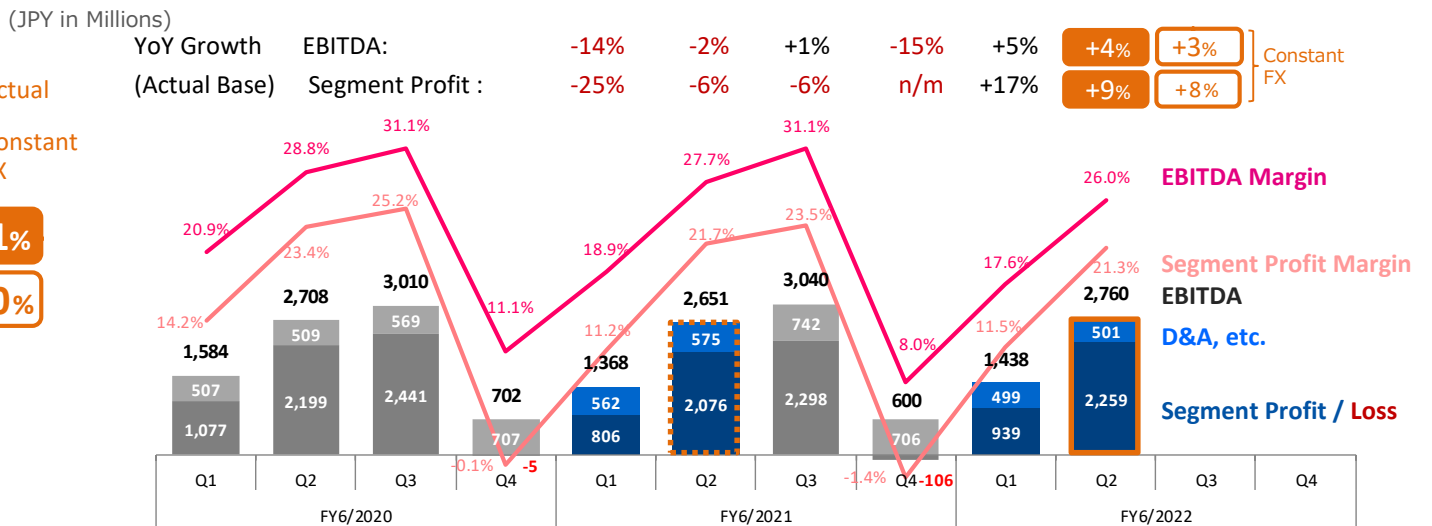
## Quarterly Segment Revenue Trends



## Q2 YTD Segment EBITDA and Profit (6 Months)



## Quarterly Segment EBITDA and Profit Trends



# FY6/2022 Q2: Japan Business Summary

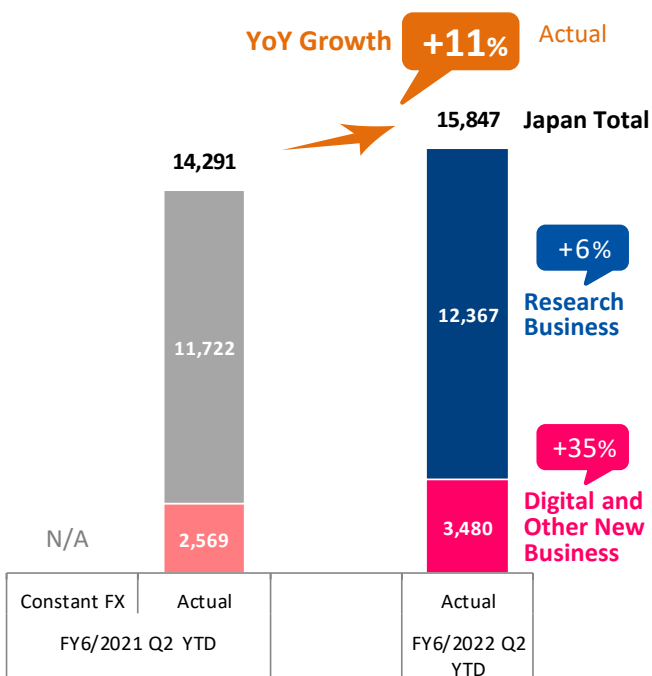


## Online Research continues to perform well in the Research Business

In addition, Digital and Other New Business grew significantly, and Revenue in the total Japan business increased by double digits compared to last year

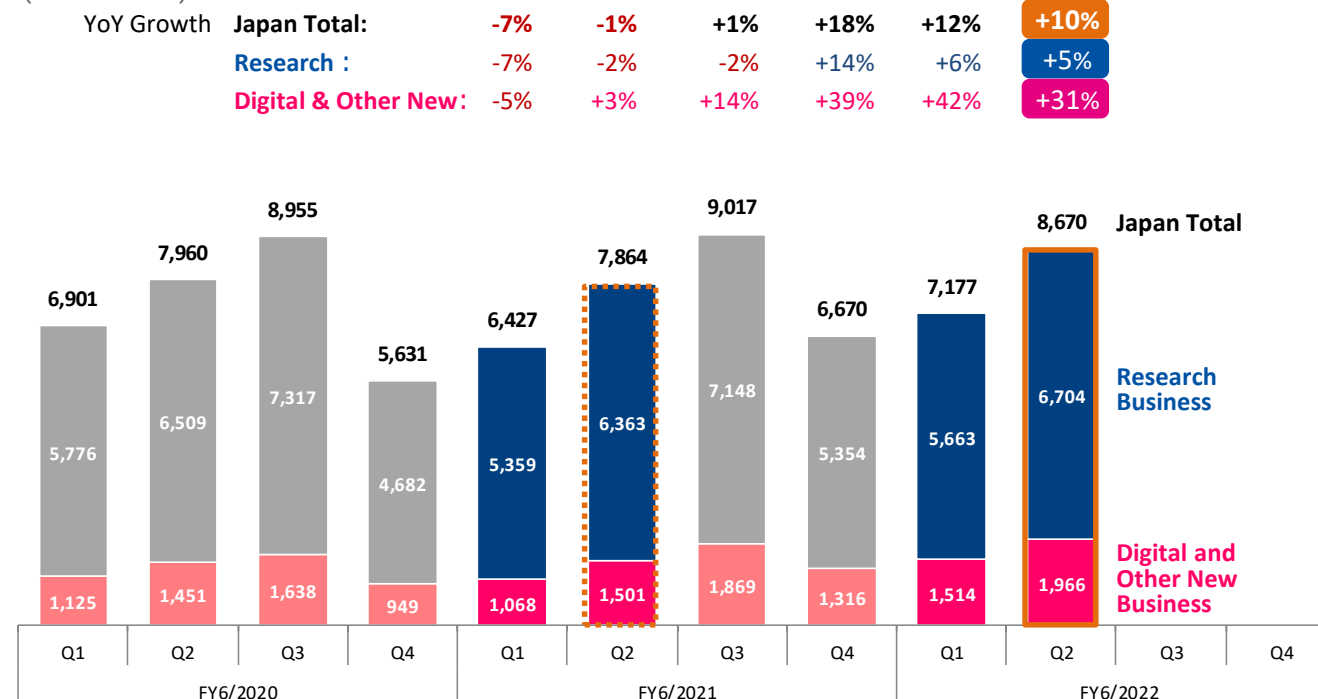
### Q2 YTD Japan Revenue (6 Months)

(JPY in Millions)



### Quarterly Japan Revenue Trends

(JPY in Millions)



### Revenue breakdown in Japan Business

- From FY6/2022, we have changed the Revenue breakdown in Japan as in below (based on the New MTBP breakdown (We have recalculated the past two years' performance, based on the new breakdown))

#### “Research Business”

- Online Research: Market share 32%, No.1 in domestic Online quantitative research
- Offline Research: FGI, DI, CLT, HUT<sup>(1)</sup>, etc.
- Database Service: Provide purchase data (QPR, MHS, etc.)
- Others

#### “Digital & Other New Business”

- Digital Measurement: Ad measurement based on digital behavioral log (AccessMill, etc.)
- DMP Sync: Identify the Macromill panel included in the client's DMP and analyze/provide various data
- Other New Business: New business such as Data Utilization Support (Data Consulting), Marketing Activation Support (Ad distribution, etc.), Life Science and Southeast Asia Business, etc.

#### Note

1. FGI: Focus Group Interview; DI: Depth Interview; CLT: Central Location Test; HUT: Home Use Test (See solution portfolio on p.46 for more details)



# FY6/2022 Q2: Japan Business – Business Performance

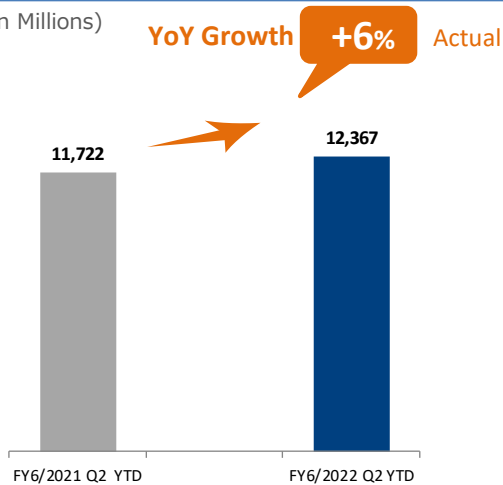


The Research Business is growing in line with the target growth rate of the new MTBP

Digital and Other New Business is continuing to over-achieve the target growth rate in the new MTBP

## Q2 YTD Research Business Revenue (6 Months)

(JPY in Millions)



## Q2 Business Performance Commentary

### Research Business

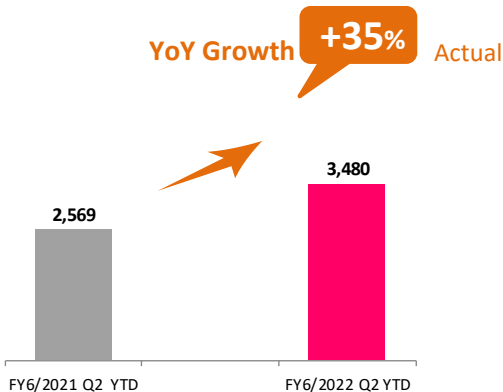
Target Growth Rate in MTBP:

Per Annum **6%**

- Continuing from Q1, clients' demand for our services has expanded beyond our expectations
- Initiative to partner with clients (Sales and delivery structure, Macromill Consortium, etc.) succeeded and the size of the project continues to expand
- Online Research grew even compared with FY6/2020, pre-Covid-19
- However, although Offline Research has resumed due to the lifting of the State of Emergency, it has not fully recovered
- Due to client demand exceeding our operational capacity, we experienced some opportunity loss

## Q2 YTD Digital & Other New Business Revenue (6M)

(JPY in Millions)



### Digital and Other New Business

Target Growth Rate in MTBP:

Per Annum **20%**

- On a value basis, Revenue increased by more than 900M JPY compared to last year, exceeding the Research Business
  - Digital measurement service, which includes YouTube Ad measurement and DMP sync service, continued double-digit growth
  - Steadily proceeding each initiative with domestic/global Platform Providers for the Cookieless future
  - Data Utilization Support (Data Consulting) and Life Science grew significantly in Other New Business
- ⇒ For more details on these, please refer to the 4<sup>th</sup> section (p.25 & 26)

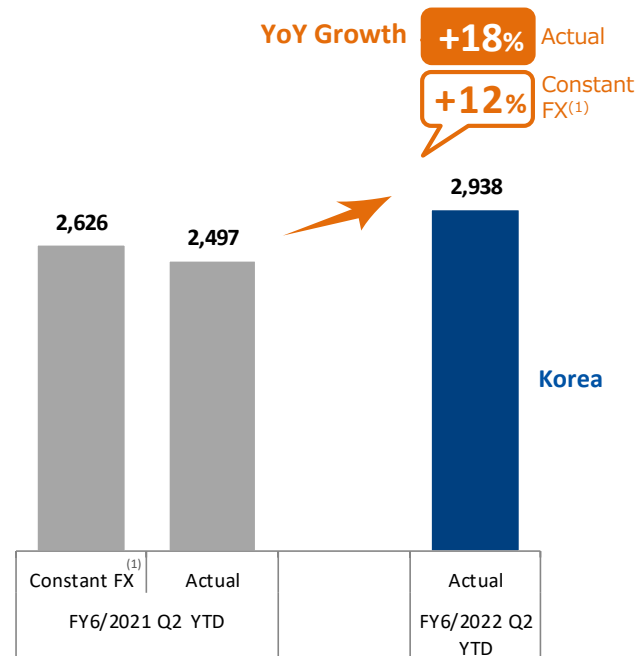
# FY6/2022 Q2: Korea Business Summary



## Continued to achieve the double-digit Revenue growth in Q2 led by the continuous shift from Offline Research to Online Research

### Q2 YTD Korea Revenue (6 Months)

(JPY in Millions)

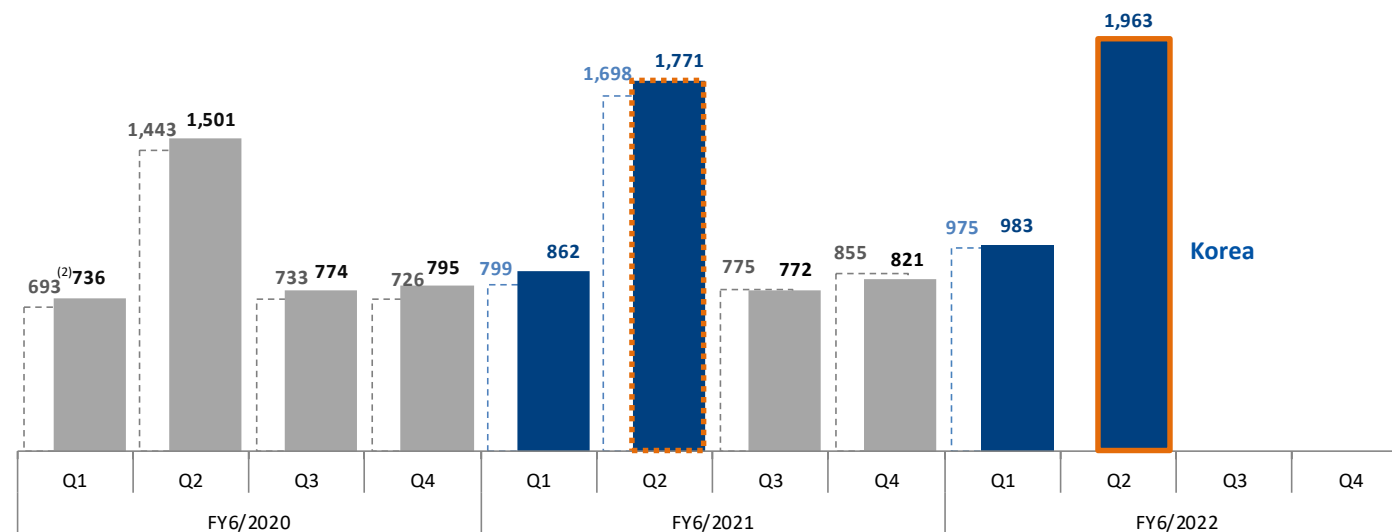


### Quarterly Korea Revenue Trends

(JPY in Millions)

□ Actual  
■ Constant FX<sup>(1)</sup>

YoY Growth	Actual:	+15%	+18%	+6%	+18%	+22%	<b>+16%</b>
Constant FX <sup>(1)</sup> :	<b>+17%</b>	<b>+18%</b>	<b>-0%</b>	<b>+3%</b>	<b>+14%</b>	<b>+11%</b>	



### Q2 YTD Korea Business Performance Commentary

**Target Growth Rate in MTBP:**  
Per Annum **16%**

- We have achieved robust growth (+22% YoY) in Online Research with our clear competitive advantage. As the shift from Offline Research to Online Research continue, we captured the business opportunity and grew in the Korea market
- Macromill Group is the only research company that owns a proprietary consumer panel in Korea. We aim to further expand digital Revenue by leveraging this asset. We are preparing to launch a new purchase data service similar to the Japan purchase panel, QPR
- Digital service suites, including the purchase data service, grew +101% YoY, and Revenue from the public sector is experiencing in a growth trend
- Digital will continue to be our growth driver this year and beyond, including the expansion of new digital services rooted in our panel data

#### Notes

1. Please refer to the common footnotes on p.2 for the calculation method of the Constant FX and its significance
2. The Macromill Group's business entity in Korea, Macromill Embrain shifted a part of the Revenue, from which Macromill Group has recorded in FY6/2019 Q4 at the consolidated level, to FY6/2020 Q1 as a result of the discussion for the listing on the KOSDAQ market of Korea Exchange in July 2020 with an auditing corporation. As a result, please be aware that the Group consolidated financial disclosure and Embrain's financial disclosure has some misalignment of timing between the concerned quarters.

**Overseas (ex-Korea) Business  
Segment Update**

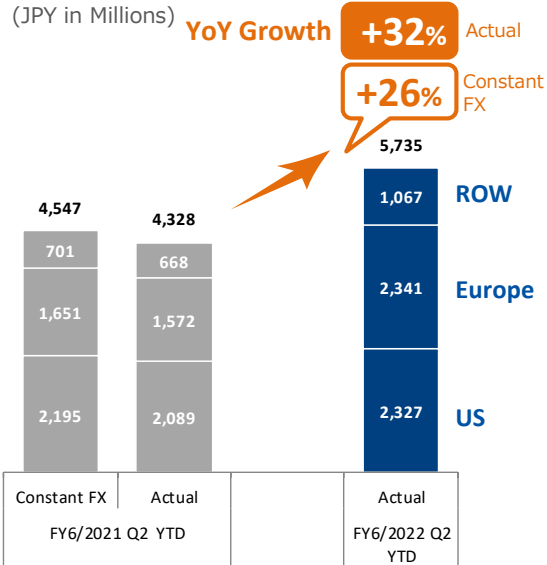
# FY6/2022 Q2: Segment Performance Summary



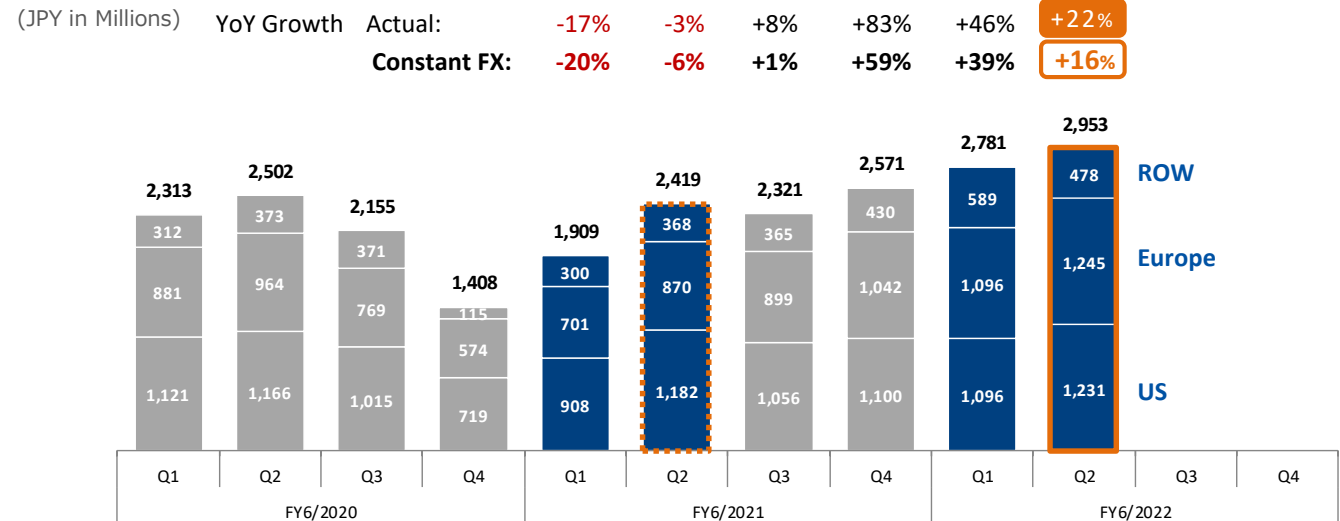
Q2 Revenue continued to increase from increased demand and strengthening of client relationships

Segment Profits significantly improved from Revenue increase and one-off Covid-19 subsidy<sup>(1)</sup>

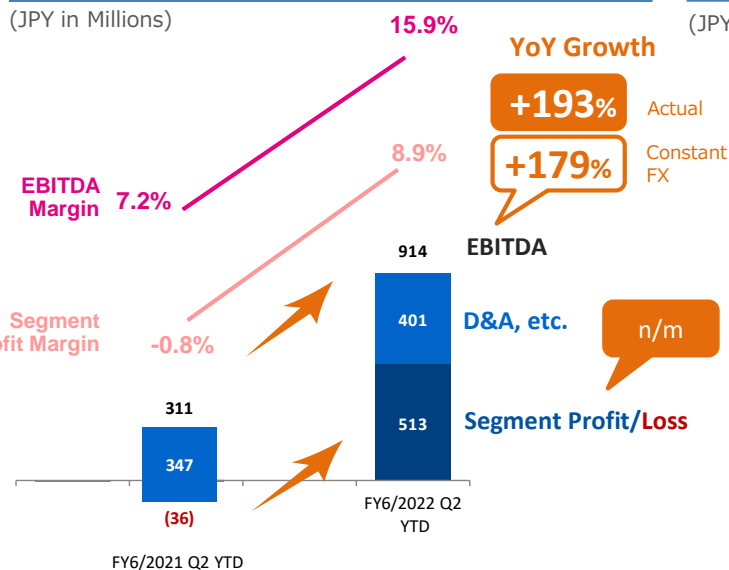
## Q2 YTD Segment Revenue (6 Months)



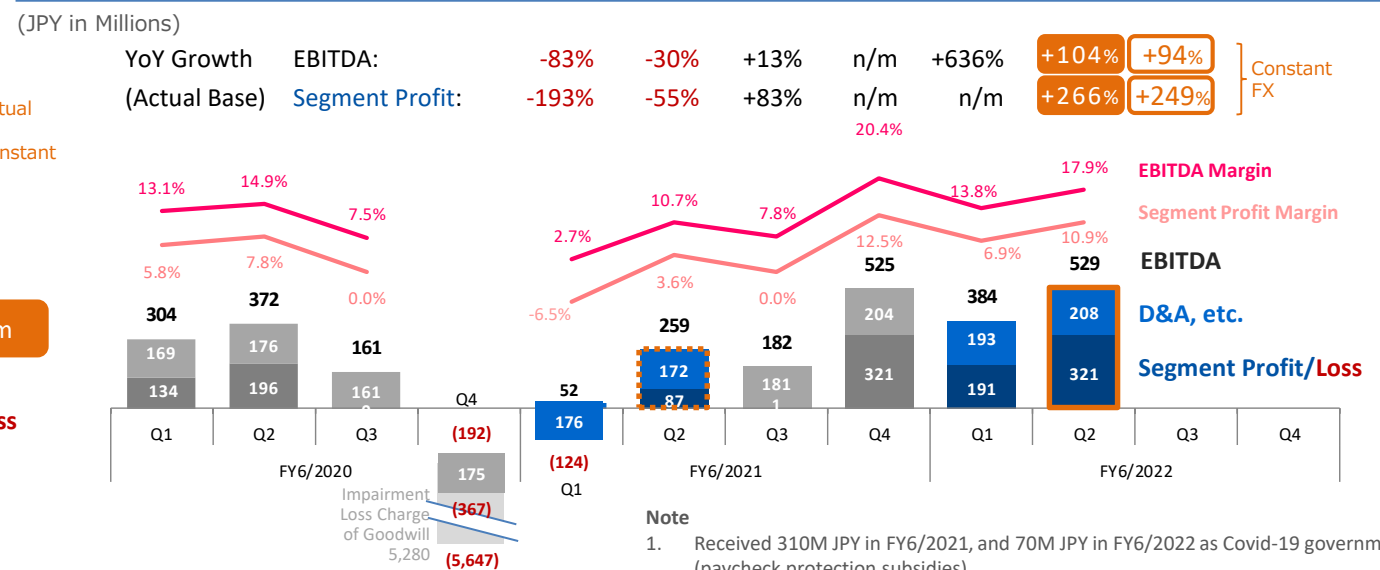
## Quarterly Segment Revenue Trends



## Q2 YTD Segment EBITDA and Profit (6 Months)



## Quarterly Segment EBITDA and Profit Trends



# FY6/2022 Q2: Overseas Business Summary



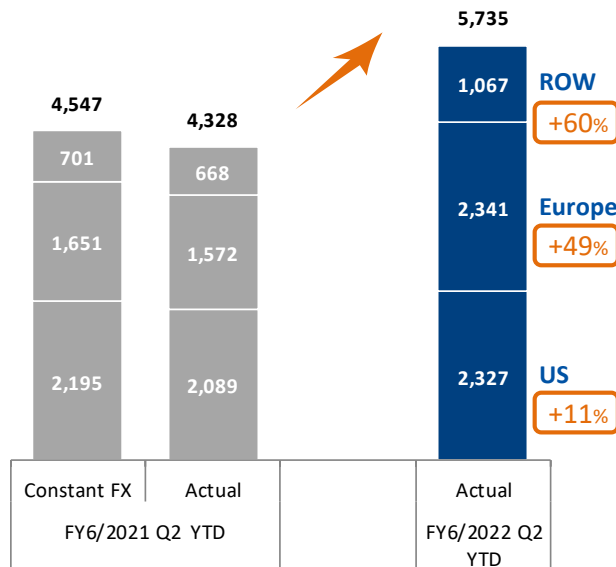
Q2 Revenue continued double-digit growth from Q1 due to strong client demand in Europe and ROW, achieving double-digit growth across all regions on YTD bases and 25%+ growth in Segment Revenue

The enhanced approach to expand wallet share of existing clients delivered the Revenue recovery

## Q2 YTD Overseas(ex-Korea) Revenue (6 Months)

(JPY in Millions)

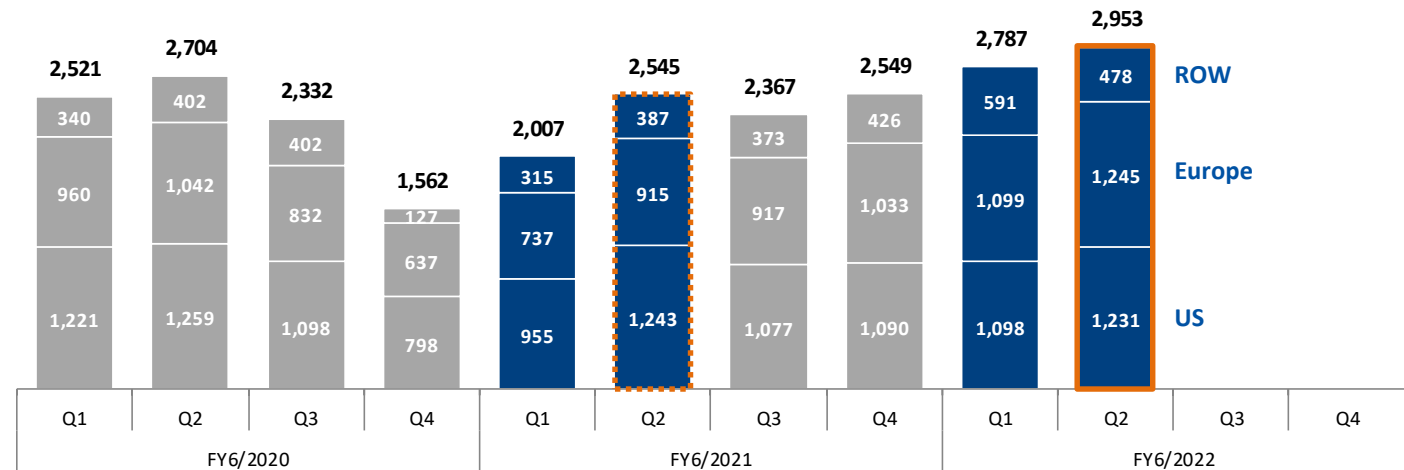
YoY Growth **+32%** Actual  
**+26%** Constant FX



## Quarterly Overseas (ex-Korea) business Revenue trends in Constant FX

(JPY in Millions)

YoY Growth Actual: -17% -3% +8% +83% +46% **+22%**  
 Constant FX: -20% -6% +2% +63% +39% **+16%**



## Q2 YTD Overseas(ex-Korea) Business Performance Commentary

Target Growth Rate in MTBP:  
Per Annum **9%**

- FMCG, Media & Advertising, Oil and Financial segment industries are in a growth trend, and we continue to win global pitches for strategic accounts
- Talent resourcing keeps being a key challenge across all regions, especially in the US.
- In Europe increase 'share of wallet' with several clients as well as new client wins leading to high growth.
- In Emerging Markets, there is a strong Revenue growth, especially in China and Singapore
- Covid-19 continues to impact operations (Remote work, Talent attraction, Business development, etc.) as well as Revenue in some industries and clients (e.g., Travel, Entertainment, etc.)

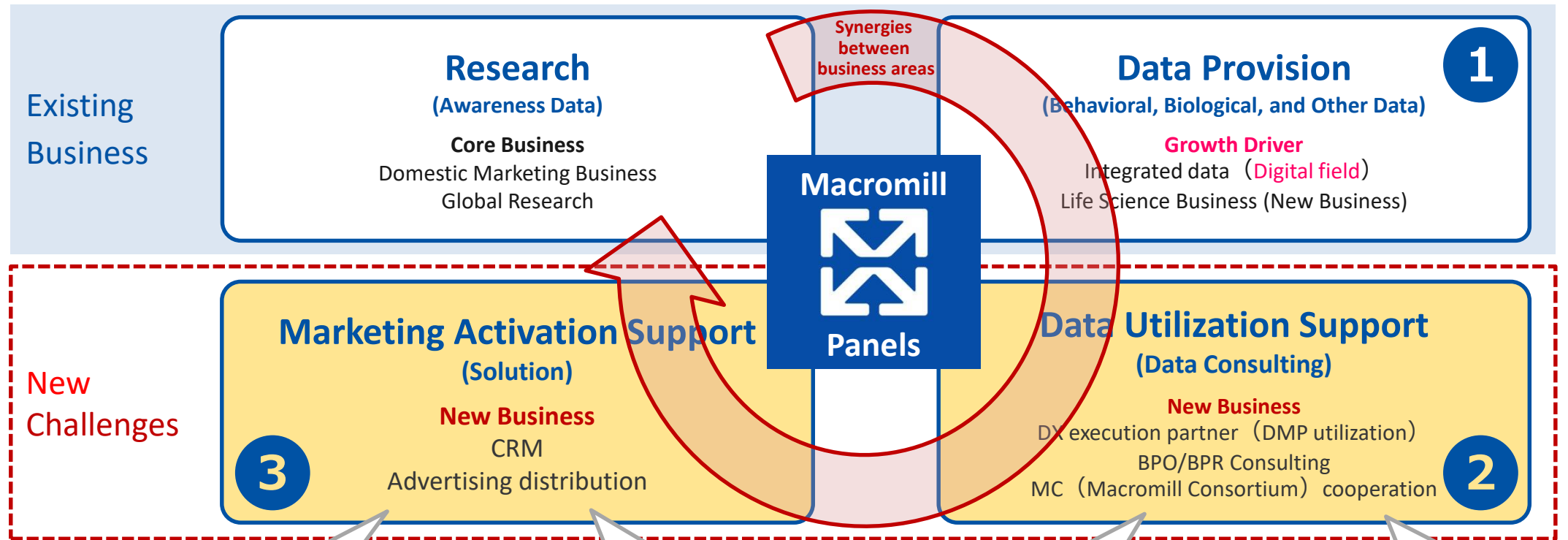
**Update for  
the Digital and Other New Business Initiatives  
(Japan Business)**

# Japan Business: Transforming Our Business Model



Expecting strong synergies with our existing business in Research and Data Provision, we launched “Data Utilization Support (Data Consulting) Business” and “Marketing Activation Support Business” at a full scale this fiscal year based on a high demand from our clients

## Our Business Fields



## Clients' voice (Needs)

- “Is it possible to make our marketing initiatives more effective by measuring their impact using research?”
- “Can Macromill support us in developing marketing initiatives based on data analysis we jointly conducted?”
- “How can we turn our internal data into “more useful” data by matching up with data provided by Macromill?”
- “...at the same time, we cannot take our internal data outside, so can Macromill work with our team in our internal environment?”

**Our “proprietary panel” will continue to be the source of value creation and differentiator in both existing and new business fields**

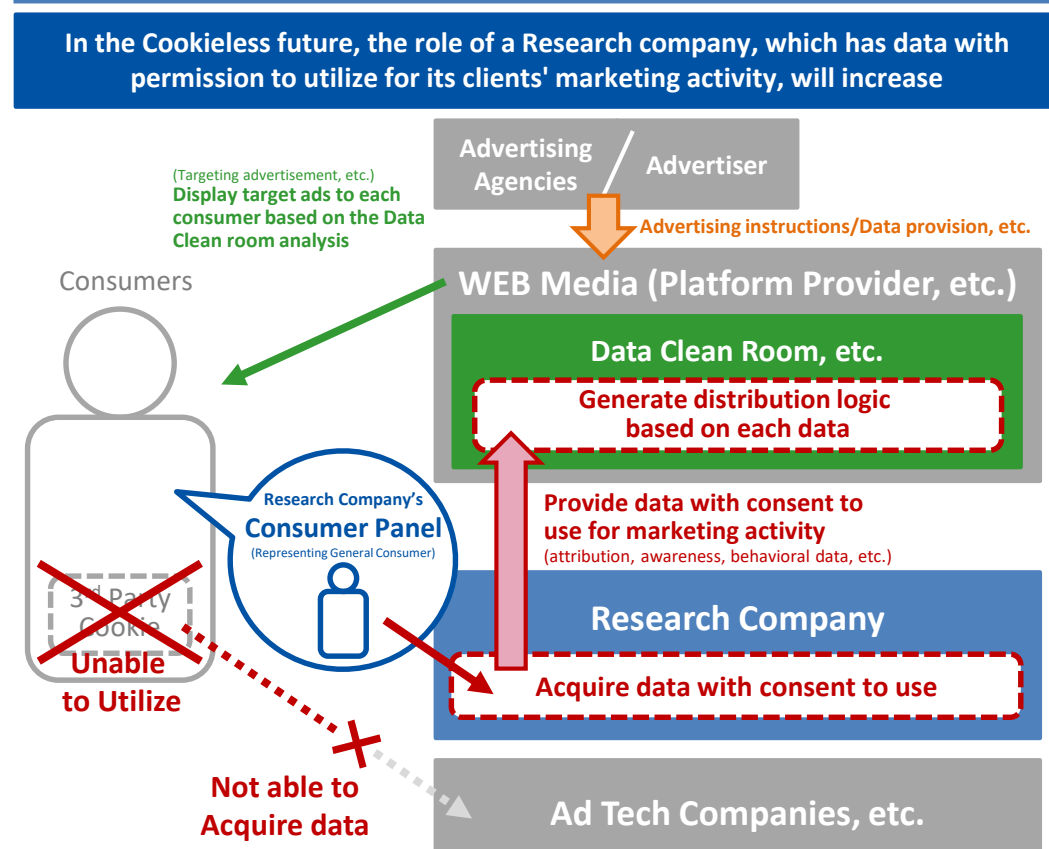
# 1 Digital Field: For Cookieless Future



For the upcoming Cookieless future, we proceed with initiatives with domestic/global platform providers

Platform providers value highly of our ability to acquire not only awareness data but digital behavioral log data and other additional data from our 1.3M+ proprietary panels that can be utilized for our clients' marketing activities

Macromill's Point of View about Challenges in the Cookieless Future (image)



Platform Providers we have desire to pursue individual initiatives with



With platform providers being required to provide high transparency in users' personal data protection, Ad effectiveness measurement, data utilization, and etc., Macromill can contribute in this field in a unique way ( For more details, please refer to the Earnings Announcement Material of FY6/2022 Q1 (p.23-25) )



## 2 New Business: Data Utilization Support (Consulting)



By connecting our Research data with our clients' proprietary data, we proceed to turn the dataset into “more valuable (able to analyze, verify, and utilize)” data in our clients' marketing activity

In addition to providing a consulting service, our unique strength lies in the fact that we also have our own data to provide

### Update in this business field

- DX related market has 800bn JPY <sup>(1)</sup> market size in Japan
- This market is rapidly growing in recent years and is also expected to grow at a high rate in the future
- Clients' requests for Macromill's support in this area are also growing significantly



Press release on December 20<sup>th</sup>, 2021

### Launch of "DX Buddy", the Core Service in the Data Utilization Support (Data Consulting) Business

- Supports Digital Transformation from the Execution Phase -



### Case study in this business field

Press release  
on February 9<sup>th</sup>, 2022 (Today)



### Launch of a collaboration between Sumitomo Mitsui Card's cashless transaction data analytics and support services and Macromill's online research system

- Conduct online surveys to Sumitomo Mitsui Card's Card Holders by distributing questionnaires via Macromill's proprietary online research system. Responses from surveyed Card Holders (awareness data) will be linked to their respective credit card purchase histories (behavioral data) for combined data analysis
- Questionnaires are designed to collect a variety of data, including the reasons and background for their choice to pay with a credit card, their values and preferences, and their activities and behavior not involving the use of a credit card. This will allow Macromill to provide analysis and verification regards a whole set of data on the perception and behavior of Card Holders
- This collaborative initiative between Sumitomo Mitsui Card and Macromill is part of our business alliance formed in September 2020 to facilitate the strategic use of data by companies

Consulting project size is relatively large compared to research business, and a monetization method for the business is new for Macromill since a project charges a unit price per person / hour for the provision of services

Note  
1. Source: Fuji Chimera Research Institute "Future prospect of Digital Transformation Market 2020", October 23, 2020

# 3 New Business: Marketing Activation Support



We have started this service to directly support our clients' marketing activities

Offer a niche and unique solution that could also support existing ad distribution players improve their values by leveraging our strength in providing “seeds (data)” from our panels

## Update in this business field

- Advertising market has a 6.16tn JPY<sup>(1)</sup> market size in Japan
- Within above, the Internet Ad Market has a 2.23tn JPY<sup>(1)</sup> market size
- Both markets are exceedingly large markets, and we have an opportunity to expand our business by leveraging our unique strength while co-existing with existing players



Press release on August 12<sup>th</sup>, 2021

### Launch of Macromill Ads, a Digital Advertising Business

- Started to provide a one-stop solution to support advertising / promotion by utilizing data from consumer panel

**MACROMILL ADS**

- In addition, we started to provide “Macromill Ads Creative” a creative production solution in October

## Case study in this business field

Press release on December 17<sup>th</sup>, 2021



### Case study for service

*“Would like to decide brand strategy of ‘UL OS’ with Macromill, a company that prioritize ‘data strength’ and ‘connection between people’ ”*

- Provided “Macromill Ads” in the promotion of “UL OS”, a male cosmetic brand produced by Otsuka Pharmaceutical Co., Ltd.
- Based on a research result, extracted a target group who distressed on their body odor and distributed the ads (Yahoo! display ads, YouTube ads)

- This case has been introduced in MarkeZine, a specialized media for marketers, on Nov. 19th as a case study that improved cost efficiency by 80% compared with conventional advertising distribution based on search history targeting



**With tighter regulations against 3rd Party Cookies, many companies are looking for an alternative advertising method Marketing Activation Support is expected to become another business with a new monetization method for Macromill**

Note  
1. Source: Dentsu “Overview of Advertising Expenditures in Japan for 2020”, February 25, 2021

# Build your Data Culture

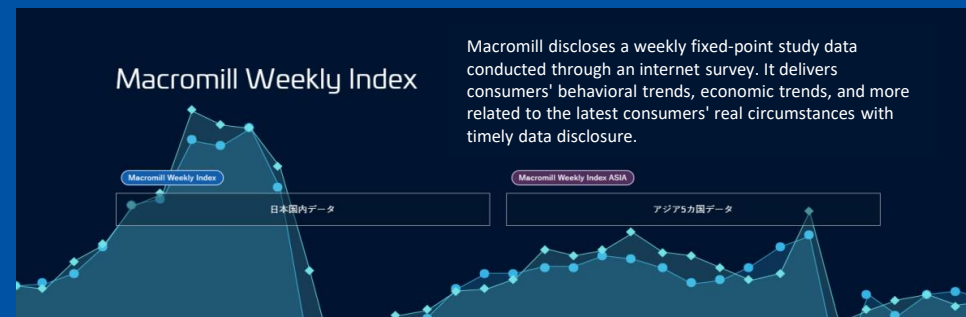


## DATA & INSIGHTS

Macromill discloses approaches and methods to utilize diverse data and a point of view of thinking about the value of marketing research for our clients' better decision making. (Japanese Only)



☞ **【FREE】** Market research report: Market research report (Self-study report) conducted by Macromill, analysis report, and know-how book are available for free (Japanese Only)



☞ Macromill Weekly Index, fixed-point survey data is referred to in "Documents for Cabinet Committee on Monthly Economic Report and Other Relative Issues" provided by the Cabinet Office. (Japanese Only)

# Appendix

- i. [FY6/2022 Q2 Financial Results Supplemental Material](#)
- ii. [Market size, Historical Revenue Trends and our Mid-term Business Plan](#)
- iii. [Summary of our Company](#)

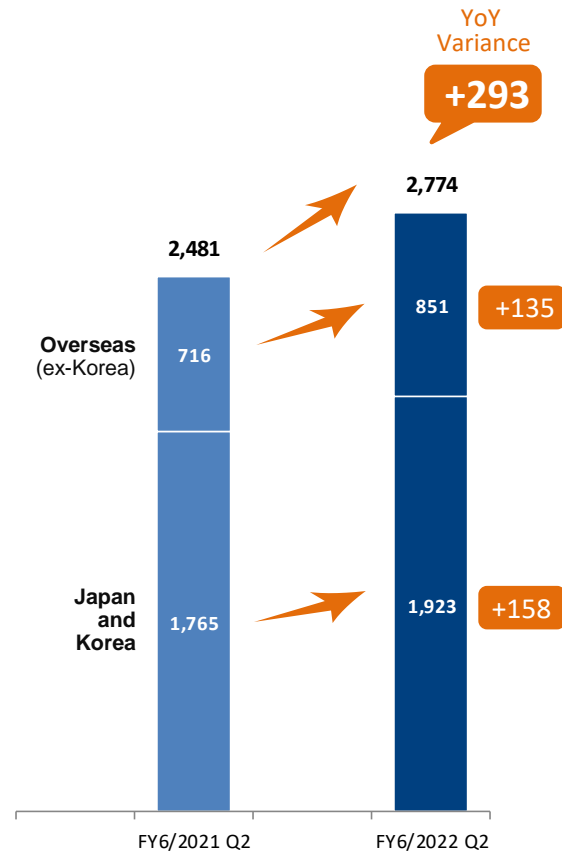
# Quarterly Headcount Trends

We have increased the total headcount by approximately 300 people YoY in both segments due to an increase in demand for our services

With clients' strong demand continuing to exceed our expectation while our headcount expanding slower than our initial plan, we need to accelerate headcount growth in the 2H

Q2 Headcount<sup>(1)</sup> (As of the end of the Quarter)

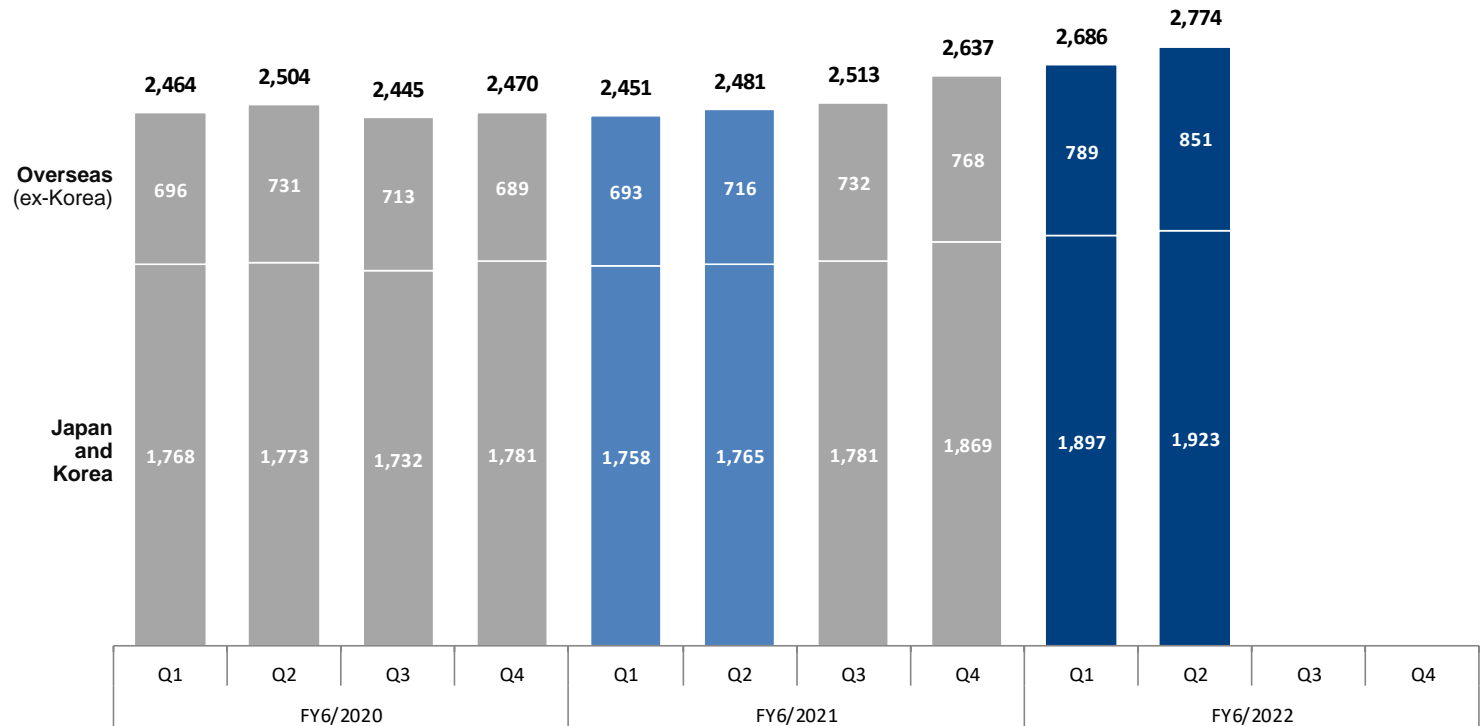
Consolidated (Person)



Quarterly Headcount<sup>(1)</sup> Trends – By Segment

Consolidated (Person)

YoY Growth	Consol. Total:	-13	-23	+68	+167	+235	+293
Overseas:		-3	-15	+19	+79	+96	+135
Japan & Korea:		-10	-8	+49	+88	+139	+158



Note

1. Headcount figures do not include temporary employees

# Appendix

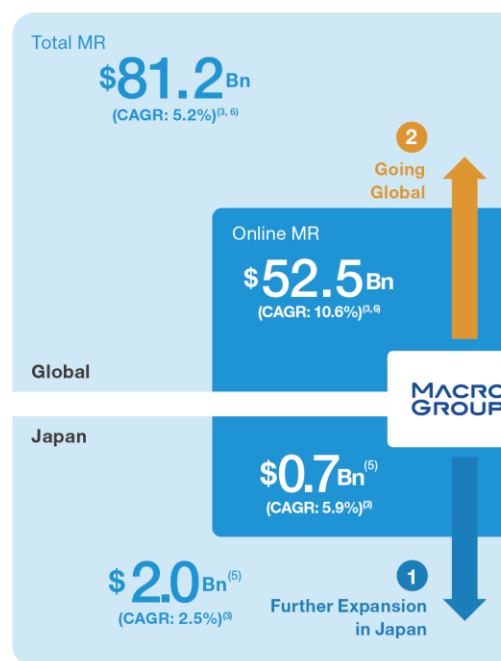
- i. FY6/2022 Q2 Financial Results Supplemental Material
- ii. [Market size, Historical Revenue Trends and our Mid-term Business Plan](#)
- iii. Summary of our Company

# Big Market Opportunity and Our New Mid-term Business Plan

## Our Market Opportunity<sup>(1)</sup>

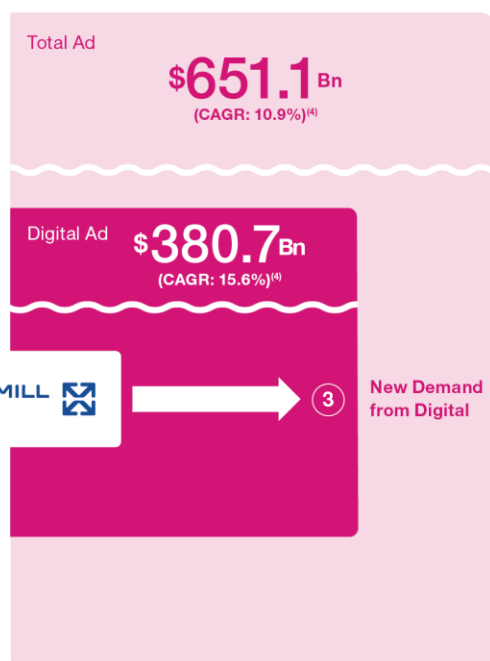
### Market Research

Market Research Spending Size: (Global) 2021E (Japan) 2020A  
Actual CAGR: (Global) 2017A-2021E (Japan) 2015A-2020A



### Digital Marketing<sup>(2)</sup>

Ad Spending Size: 2020A  
Forecast CAGR: 2020A-2025E



#### Source

Global Market Research spending: ESOMAR - Global Market Research (9/2021)  
Japan Market Research spending: Japan Marketing Research Association (7/2016, 6/2021)  
Ad spending: eMarketer - Worldwide Ad Spending (10/2021)

#### Notes

- The diagram is for illustrative purpose only and is not intended to depict relative market size to scale, or to show the current or future revenue or profit of Macromill group in each market
- The market size includes solutions which Macromill group does not offer currently, and shows the size of the digital ad market as a sub-component of the total ad market. We generally do not plan to expand our business to cover all of this market, but believe it is helpful to show because we believe that there is a correlation between the growth of this market and the growth of sales of our digital marketing solutions.
- Historical CAGR for (Global) 2017A-2021E (Japan) 2015A-2020A
- Future estimate CAGR for 2020A-2025E
- Exchange rate: USD/JPY = 110
- Source: ESOMAR Global Market Research 2021, announced by the European Society for Opinion and Marketing Research (ESOMAR) in September 2021. ESOMAR has expanded the definition of the global marketing research market since last year (from the 2020 report). We state a global market size according to the new definition provided by ESOMAR from this year. (Since ESOMAR report 2021 does not disclose Scenario 2, which is described in the report 2020, the closest definition to the former market size). In addition, we state the market size based on the estimation on 2021, newly provided by ESOMAR in its 2021 report (ESOMAR had only reported a past performance in its report previously. But from the report 2021, ESOMAR has newly disclosed the future estimates for 2021 since there is an impact of Covid-19 on 2020 figure).

## New Mid-term Business Plan (3 years) Target: FY6/2024

Market Position	We aspire to be “ <b>Global Top 10</b> ” and “ <b>No.1 in Japan and No.1 in Asia</b> ”
Revenue	Revenue JPY <b>57.0</b> bn Implied Annual Growth Rate: <b>9.7%</b> (3Y CAGR)
Profit	OP Margin <b>15%</b> ROE <b>10%</b> or higher
Leverage	Maintain credit rating <b>BBB+</b> or higher      Net Debt / EBITDA <b>2.0x-2.5x</b>
Shareholder Return	Consolidated dividend payout ratio <b>20% ~ 30%</b> <b>Share Buyback</b> in a timely manner

# Historical Trends - Global Market vs. Our Revenue

- Global Marketing Research Market growth is led by Online Marketing Research Market growth
- Macromill Group's revenue growth exceeds overall market growth

## Market Trends – Global Marketing Research Market

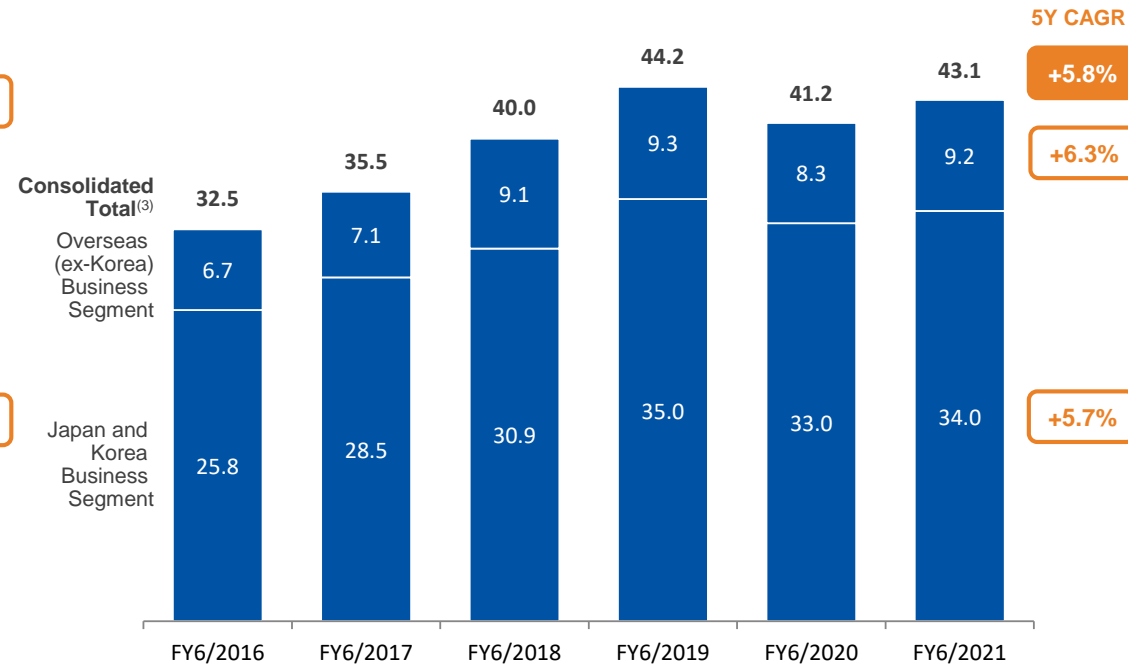
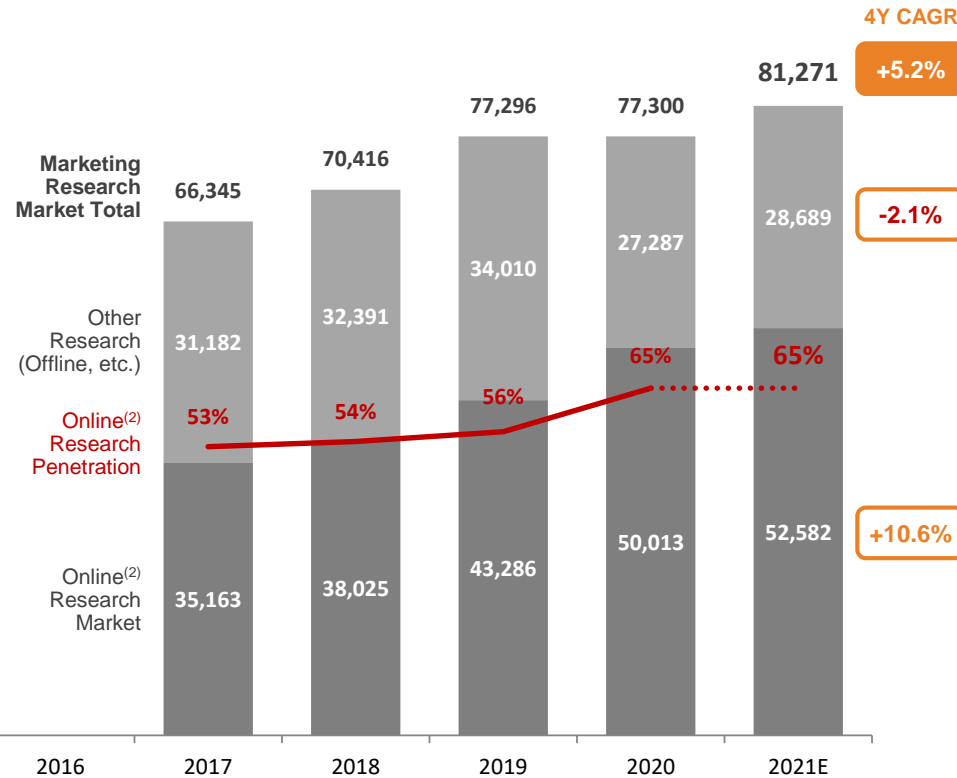
ESOMAR<sup>(1)</sup>  
(USD in Millions)

YoY Growth	<b>Total:</b>	<b>+6%</b>	<b>+10%</b>	<b>+0%</b>	<b>+5%</b>
	Others:	+4%	+5%	-20%	
	Online:	+8%	+14%	+16%	

## Revenue Trends – Macromill Consolidated Group All

Consolidated (IFRS)  
(JPY in Billions)

YoY Growth	<b>Consolidated:</b>	<b>+9%</b>	<b>+13%</b>	<b>+11%</b>	<b>-7%</b>	<b>+5%</b>
	Overseas:	+5%	+29%	+2%	-11%	+10%
	Japan & Korea:	+11%	+9%	+13%	-6%	+3%



Notes

- Source: ESOMAR, Global Market Research (9/2021) ESOMAR has expanded the definition of the global marketing research market since last year (from the 2020 report). We state a global market size according to the new definition provided by ESOMAR from this year. (Since ESOMAR report 2021 does not disclose Scenario 2, which is described in the report 2020, the closest definition to the former market size). In addition, we state the market size based on the estimation on 2021, newly provided by ESOMAR in its 2021 report (ESOMAR had only reported a past performance in its report previously. But from the report 2021, ESOMAR has newly disclosed the future estimates for 2021 since there is an impact of Covid-19 on 2020 figure).
- Online research consists Online / Mobile quantitative, Audience measurement, Online Traffic / Web Analytics, Automated digital / Electronic, Social Media Monitoring, Online / Mobile Qual qualitative (Group / Depth Interview, etc.) and Online Research Communities (incl. Blogging). To calculate the size of 2021 Online Marketing Research Market figure, multiplying the 2021 Estimated total Marketing Research Market by 2020 Actual % of Online Marketing Research
- Revenue of each segment is shown using gross value including intersegment revenue, and the total amount of revenue of both segments does not match the consolidated revenue (the difference is intersegment revenue)



# Historical Trends – Japanese Market vs. Revenue in Japan

- Overall Japan marketing research market growth of 3.2% (5Y CAGR)
- Macromill Japan revenue growth exceeds that of the overall marketing research growth in Japan, strongly driven by Digital revenue which is a growth driver for Macromill Japan

## Market Trends – Japanese Marketing Research Market

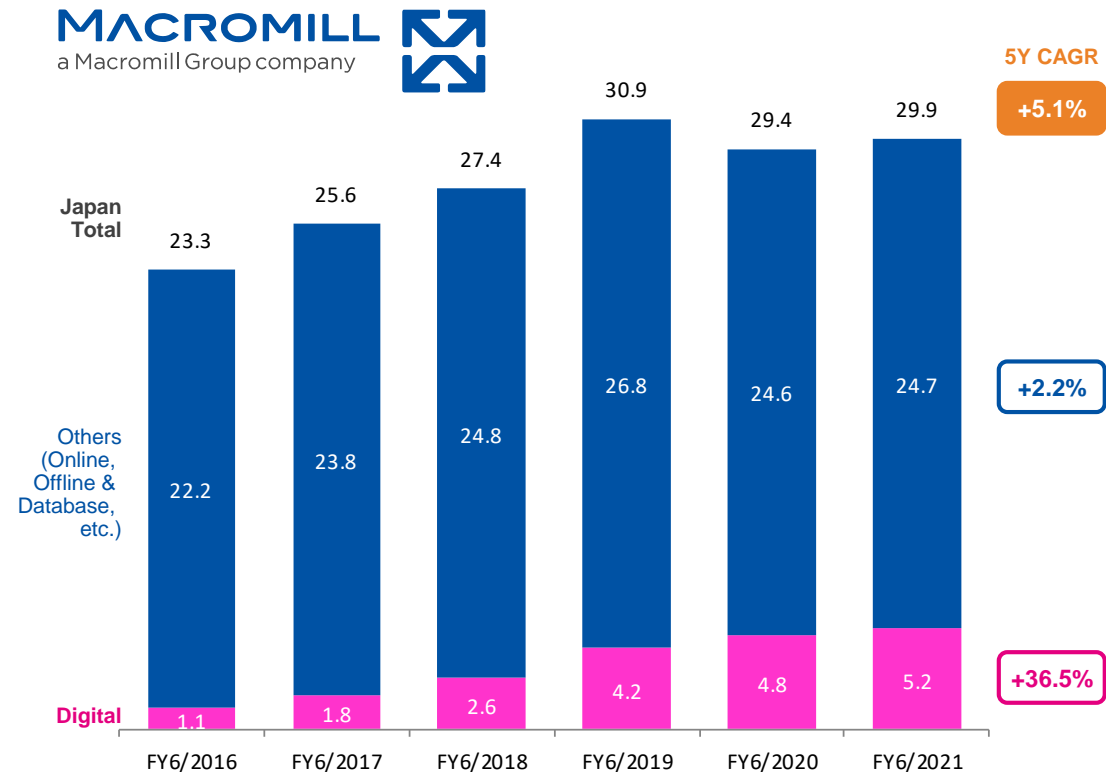
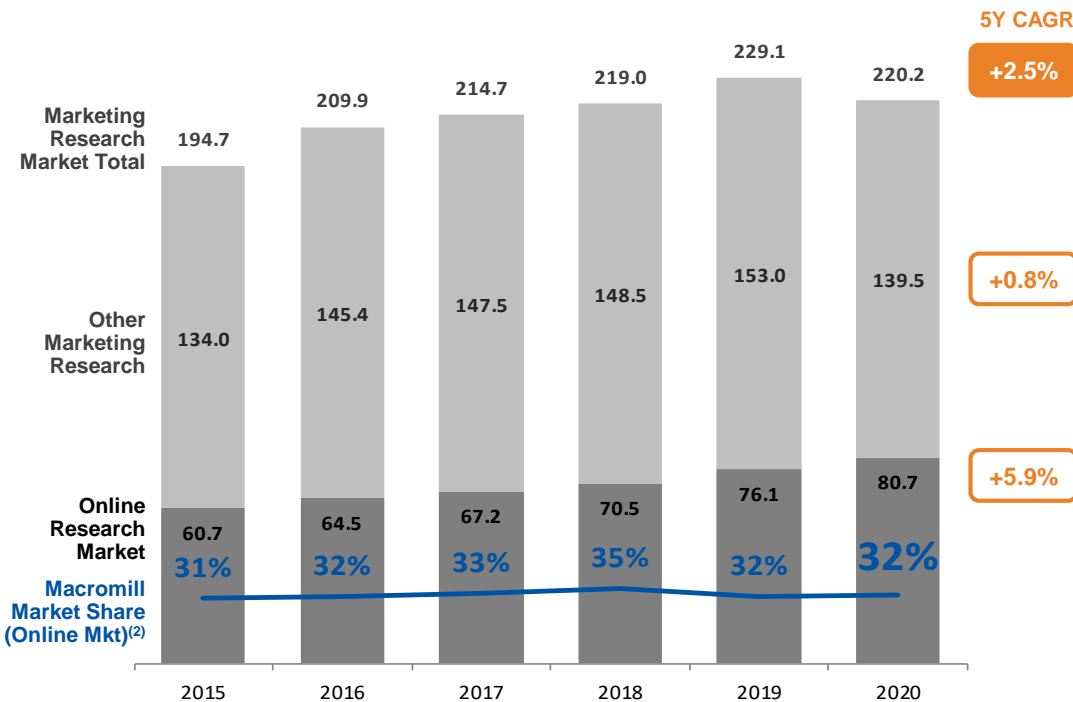
JMRA<sup>(1)</sup>  
(JPY in Billions)

YoY Growth	<b>Total:</b>	<b>+8%</b>	<b>+2%</b>	<b>+2%</b>	<b>+5%</b>	<b>-4%</b>
	Others:	+9%	+1%	+1%	+3%	-9%
	Online:	+6%	+4%	+5%	+8%	+6%

## Revenue Trends – Macromill Group Revenue in Japan

Consolidated (IFRS)  
(JPY in Billions)

YoY Growth	<b>Japan Total:</b>	<b>+10%</b>	<b>+7%</b>	<b>+13%</b>	<b>-5%</b>	<b>+2%</b>
	Others:	+7%	+4%	+8%	-8%	+1%
	Digital:	<b>+63%</b>	<b>+47%</b>	<b>+59%</b>	<b>+16%</b>	<b>+7%</b>



Notes

1. Source: Japan Marketing Research Association (JMRA) - Management statistics (2021/6) The Ad-hoc internet survey is described as Ad-hoc Online
2. Macromill's market share is estimated by the Company

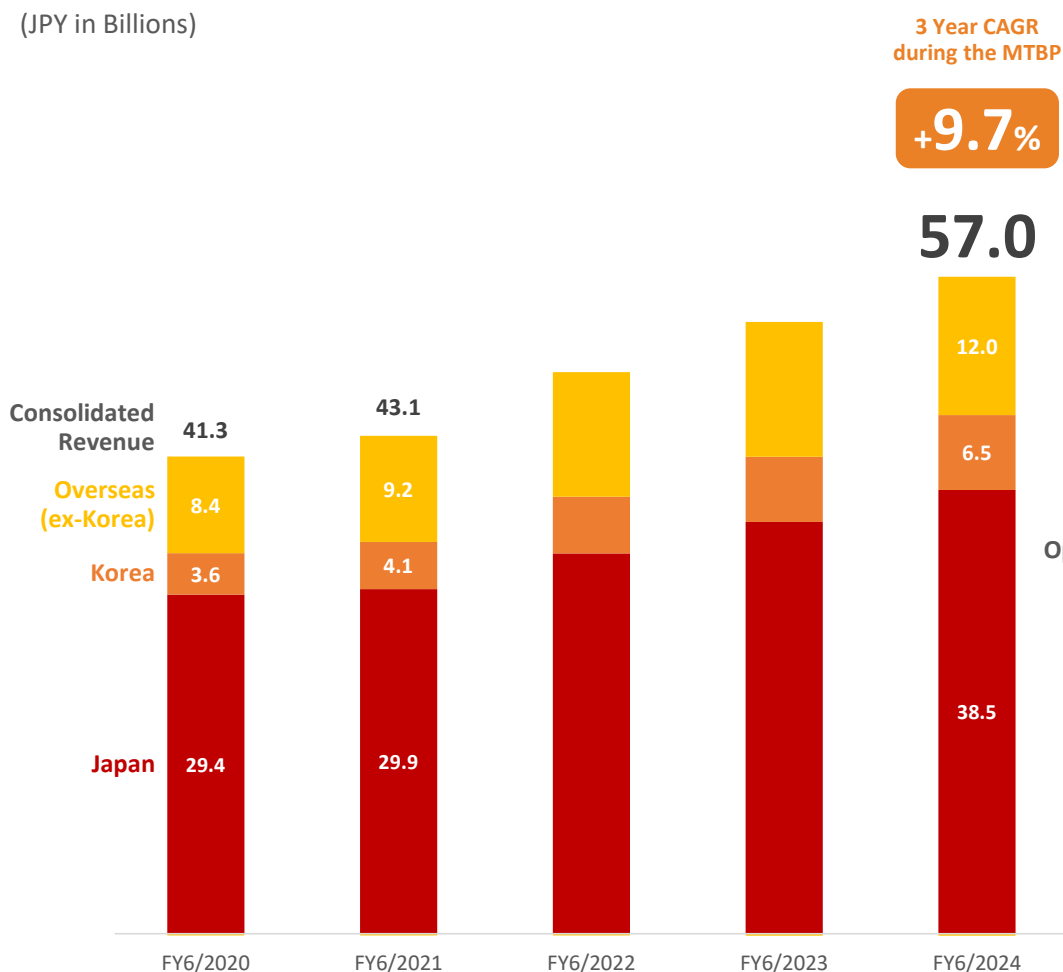
# Mid-Term Business Plan (Cont')

The trends until FY6/2024 for Revenue, Operating Profit, and OP Margin are anticipated as below

For the Japan business, we aim to achieve the target with the mixture of "Research Business" and "Digital and Other New Business" described on the next page

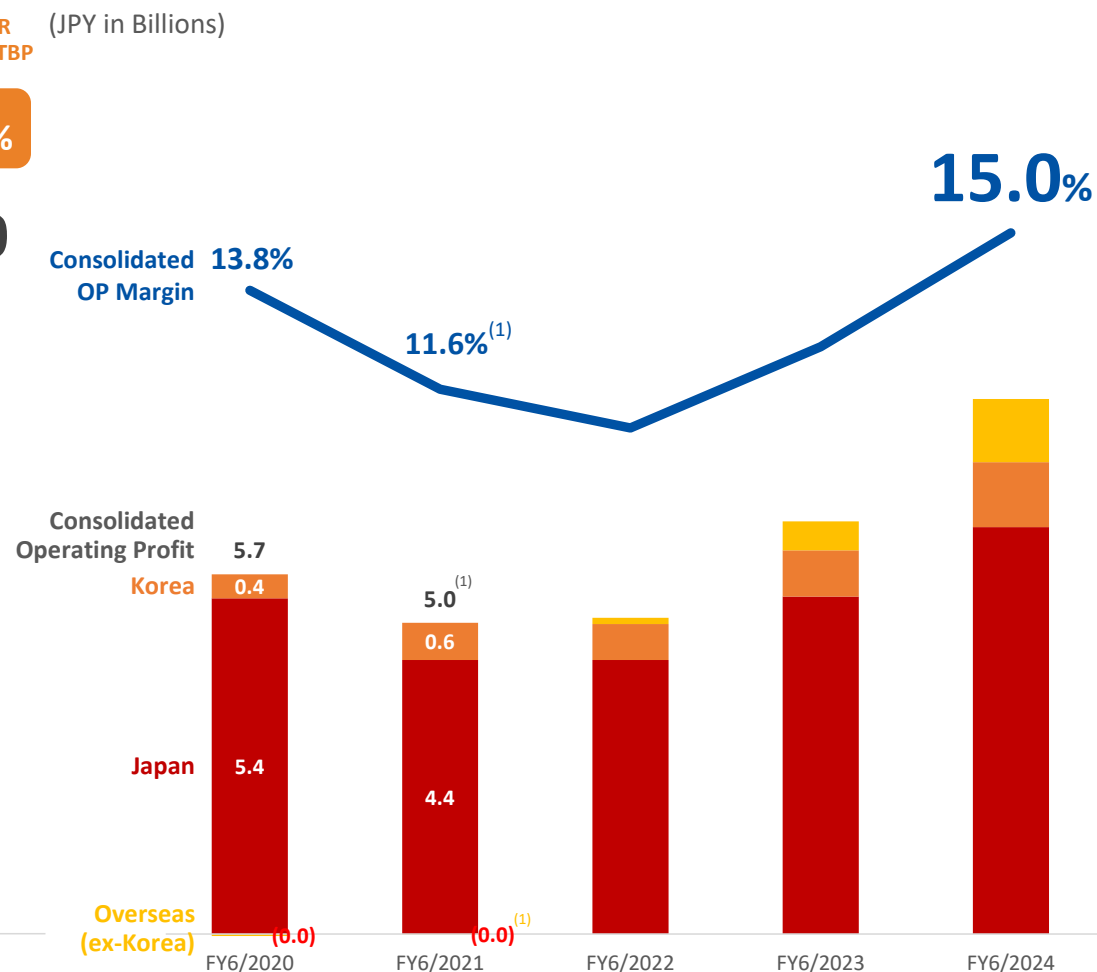
Anticipated Consolidated Revenue Trend

(JPY in Billions)



Anticipated Consolidated Operating Profit (OP) and OP Margin Trend

(JPY in Billions)



Note

1. FY6/2021 Consolidated OP Margin, Consolidated OP and its breakdown are adjusted base, excluding the impact of paycheck protection subsidies related to Covid-19

# Japan Business: Outlook for Next 3 Years



Aim to achieve target Revenue with higher growth in "Digital and Other New Business" and maintain stable growth in "Research Business" co-working with all group companies in Japan

## Japan Business Breakdown

	Research Business	Digital and Other New Business
Business Entities	a Macromill Group company +  a Macromill Group company (Joint venture with Dentsu) +  a Macromill Group company (Joint venture with Hakuholdo) + other consolidated subsidiaries	
Classification	<ul style="list-style-type: none"> <li>Online Research Business (Market share 32%, 1<sup>st</sup> position)</li> <li>Conventional Research Business (Market share 10%+)                         <ul style="list-style-type: none"> <li>Offline Research, such as FGI, DI, CLT, HUT<sup>(1)</sup>, etc.</li> </ul> </li> <li>Database business: Purchase data (QPR, MHS, etc.) sales, etc.</li> </ul>	<ul style="list-style-type: none"> <li>Digital Business</li> <li>Data Utilization Support (Data Consulting)</li> <li>Marketing Support (Solutions (i.e. Ads, etc.))</li> <li>Other new business (Life Science, Southeast Asia, etc.)</li> </ul>
Target Growth Rate	Annual Growth Rate: <b>6% (3Y CAGR)</b>	Annual Growth Rate: <b>20% (3Y CAGR)</b>
Target Revenue in FY6/2024	FY6/2021 JPY 24.1bn → JPY <b>28.5bn</b> (56% ⇒ 50%) <small>Composition Ratio in Consl. Revenue</small>	FY6/2021 JPY 5.8 bn → JPY <b>10.0bn</b> (13% ⇒ 18%) <small>Composition Ratio in Consl. Revenue</small>

Note

1. FGI: Focus Group Interview; DI: Depth Interview; CLT: Central Location Test; HUT: Home Use Test (For more information, please refer to solution portfolio page in Appendix)

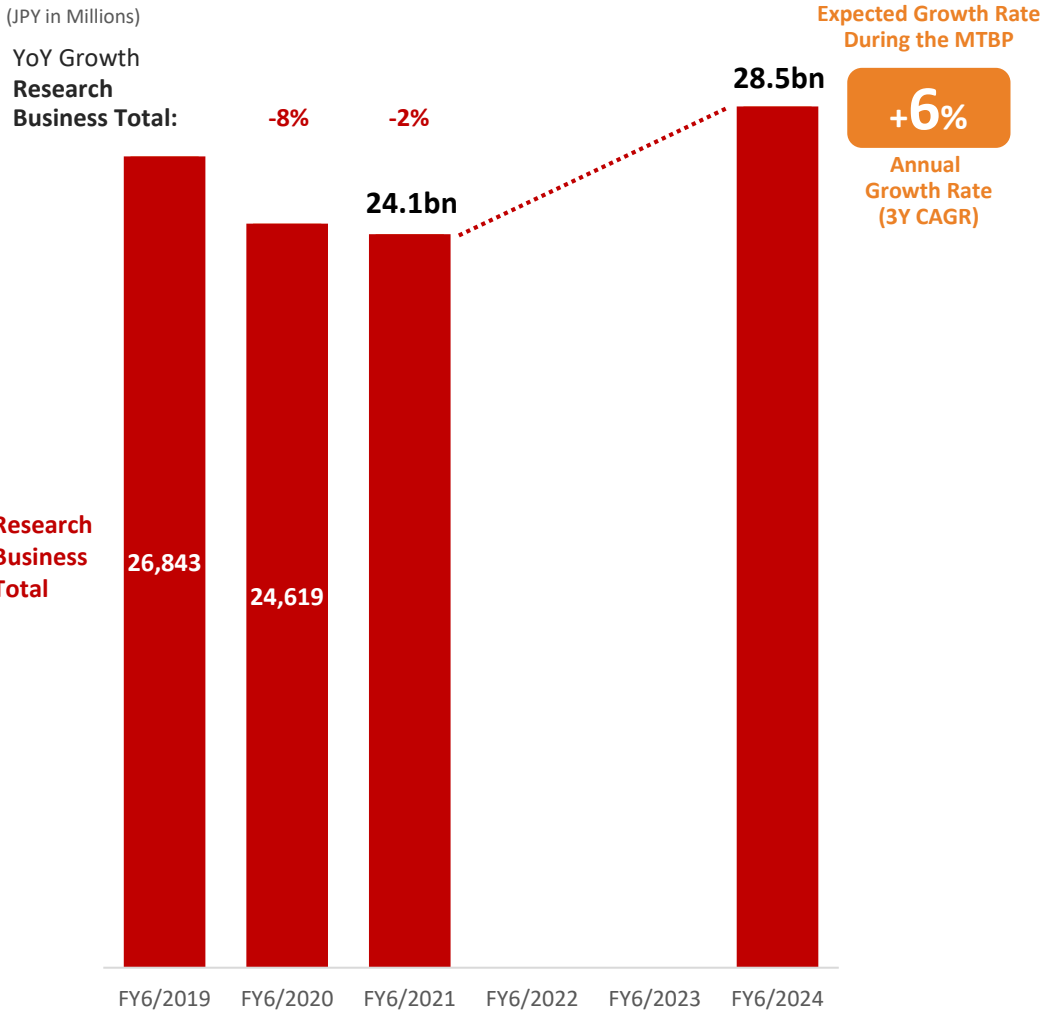
# Japan Business: Research Business



Anticipating a stable growth backed by market growth of around 5%

The further shift from Offline Research to Online Research has accelerated due to Covid-19, acting as a tailwind for our market share expansion

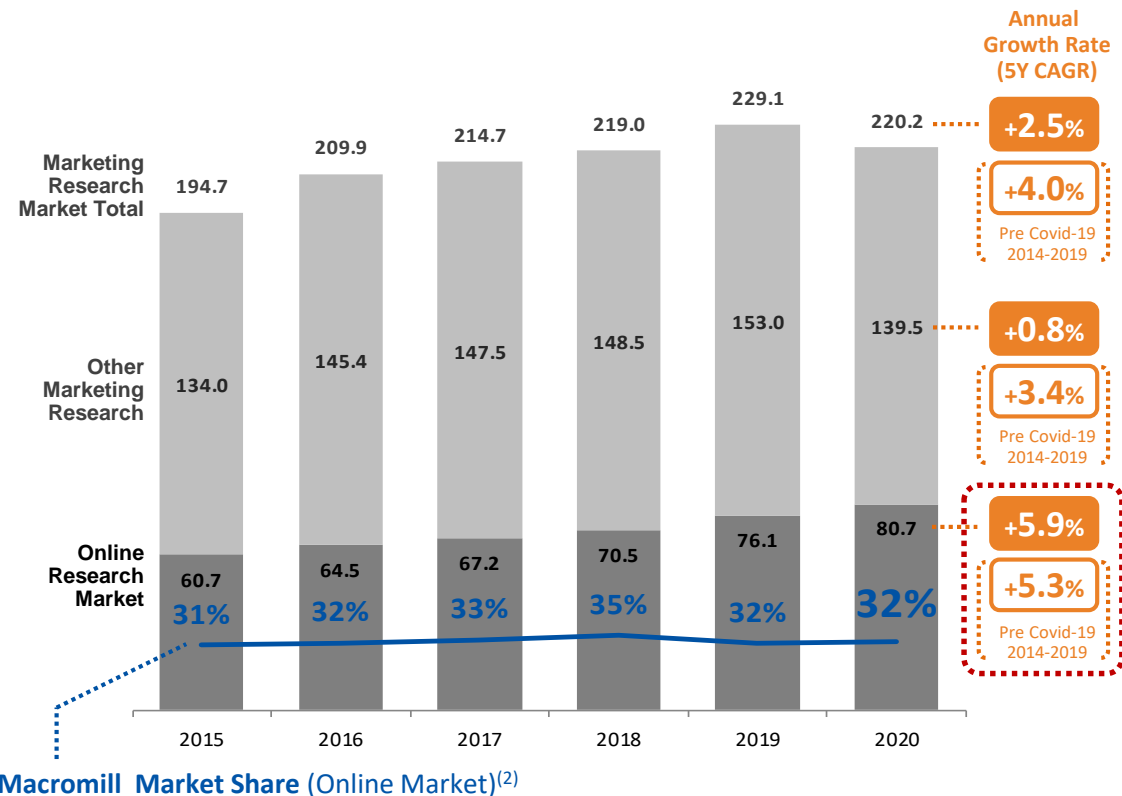
## Revenue Trend and Future Expected Growth Rate in this Business Field



## Japanese Marketing Research Market

JMRA <sup>(1)</sup>  
(JPY in Billions)

YoY Growth	Total	Others	Online
	+8%	+9%	+6%
	+2%	+1%	+4%
	+2%	+1%	+5%
	+5%	+3%	+8%
	-4%	-9%	+6%



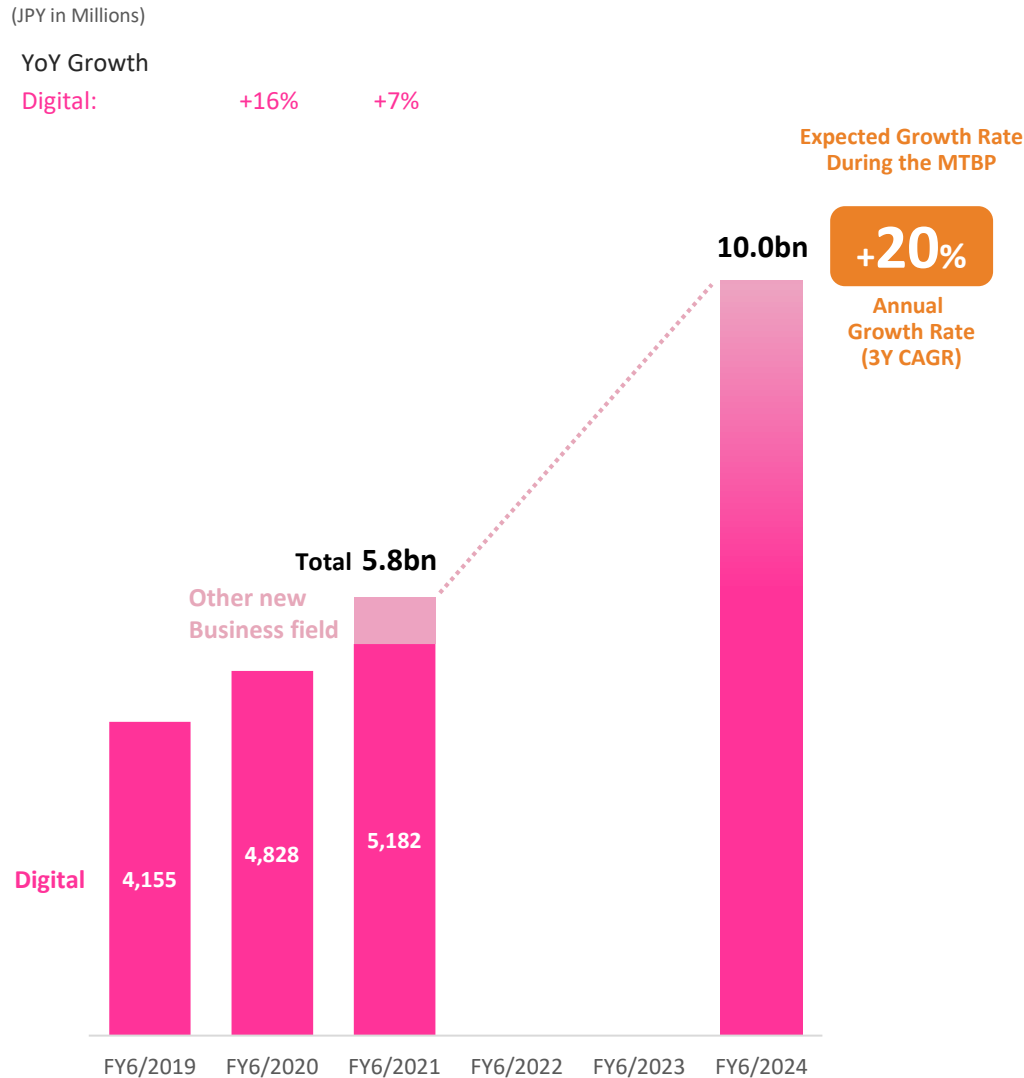
Notes  
1. Source: Japan Marketing Research Association (JMRA) - Management statistics (2021/6) The Ad-hoc internet survey is described as Ad-hoc Online  
2. Macromill's market share is estimated by the Company



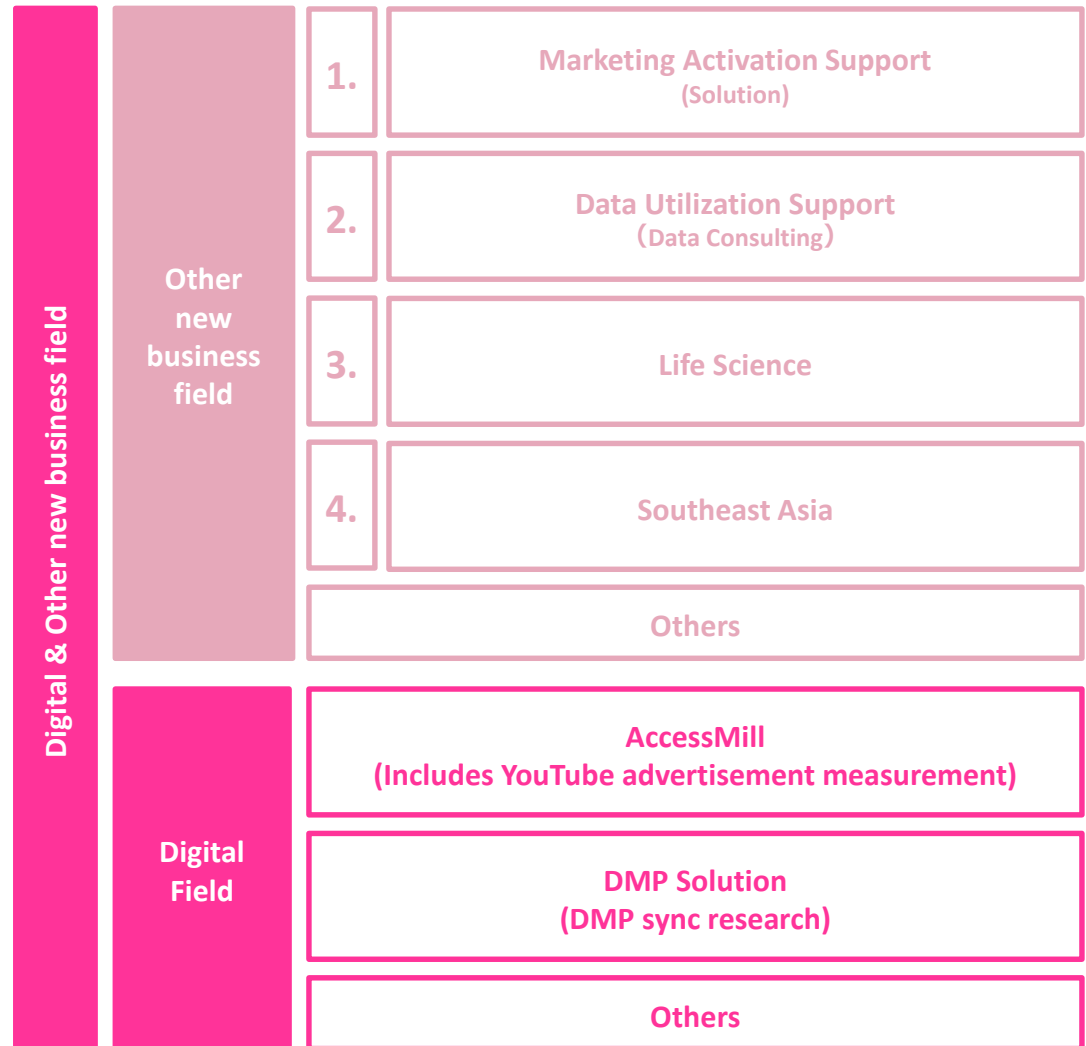
## The Digital field remains our strong growth driver

## Entering the new business fields in full-scale

### Revenue Trend and Future Expected Growth Rate in this Business Field



### New Business Field Breakdown



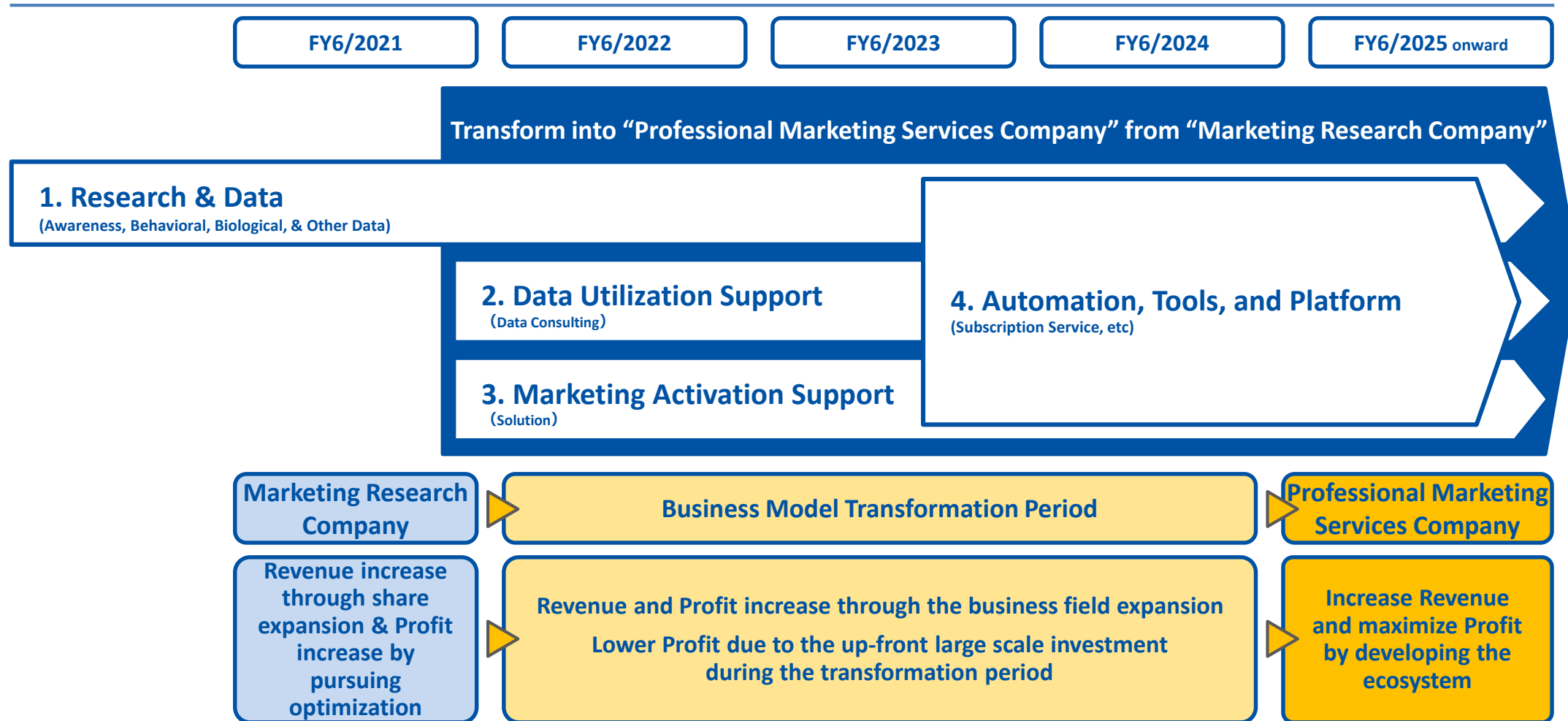
# Japan Business: The Road to Transformation



Set the next 3 years as the business model transformation period

Accelerate the strategic up-front investment in talent for existing and new business fields

Our Targeted Business Model





Although the investment will impact the profit margin,  
we will proceed with a strong will in order to grow our Enterprise Value

# Overseas Business: Outlook for Next 3 Years



Regarding the Overseas business, we aim to demonstrate its strength corresponding to each market

As a result, we aim to achieve the following target growth rate and Revenue, respectively

	Korea Business	Overseas (ex-Korea) Business
Business Entities	 <p><b>EMBRAIN</b> a Macromill Group company</p>	 <p><b>METRIXLAB</b> a Macromill Group company</p>
Market size and Market growth <sup>(1)</sup>	<ul style="list-style-type: none"> <li>Market size: Total JPY 55.0bn / Online Research JPY 18.2bn</li> <li>Growth rate (5Y CAGR): Total 1.4% / Online Research <u>5.6%</u></li> </ul>	<ul style="list-style-type: none"> <li>Market size: Total USD 46.5bn / Online Research USD 20.2bn</li> <li>Growth rate (5Y CAGR): Total 1.2% / Online Research <u>10.8%</u></li> </ul>
Market position and strength	<ul style="list-style-type: none"> <li>No.1 in Korean Online Research Market                             <ul style="list-style-type: none"> <li>Continue to leverage the strengths of Online and Digital</li> </ul> </li> <li>Moved up to 4<sup>th</sup> place in overall Marketing Research</li> </ul>	<ul style="list-style-type: none"> <li>Disruptor/ Challenger against the Big 4 firms                             <ul style="list-style-type: none"> <li>Capable of competing for global client shares even as an emerging player</li> </ul> </li> <li>Market share is still limited in outside of Japan and Korea</li> </ul>
Target Growth Rate	<p>Annual Growth Rate: <b>16%</b> (3Y CAGR)</p>	<p>Annual Growth Rate: <b>9%</b> (3Y CAGR)</p>
Target Revenue in FY6/2024	<p>FY6/2021 JPY 4.1bn → JPY <b>6.5</b>bn (10% ⇒ 11%)</p> <p style="text-align: right; font-size: small;">Composition Ratio in Consl. Revenue</p>	<p>FY6/2021 JPY 9.2bn → JPY <b>12.0</b>bn (21% ⇒ 21%)</p> <p style="text-align: right; font-size: small;">Composition Ratio in Consl. Revenue</p>

Note  
 1. Market size in 2019, Market growth rate (5Y CAGR) between 2014 and 2019 (Source: ESOMAR, Global Market Research (9/2020, 9/2019, 9/2015)); FX Assumption 1 USD = JPY 110 and 1KRW = 0.0940

# Outlook for Expenses and Profits

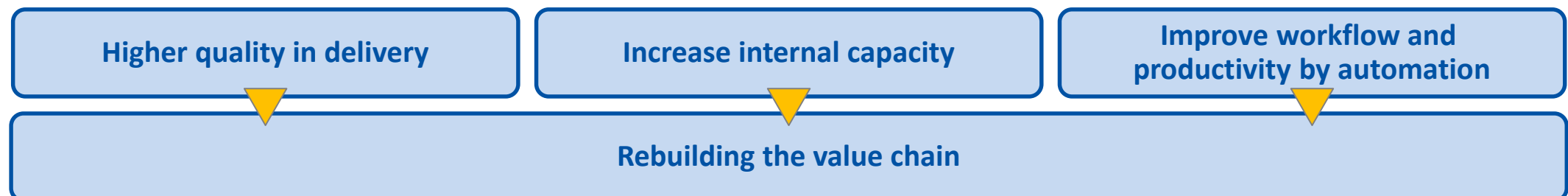
The increasing pace of Operating Expenses slows after building a new operations team structure

Aim to expand OP Margin by achieving Revenue increase at a faster pace than Operating Expenses increase (Operating leverage)

Anticipated steps to expand OP Margin

	Outsourcing Exp.	Total Employee Exp.	Key points
1 <sup>st</sup> Step	Material Increase	Material Increase	Increase Outsourcing Expenses and Total Employee Expenses to build a new operations team structure for demand growth, etc.
2 <sup>nd</sup> Step	Increase slower than Revenue growth	Material Increase	Utilize internal capacity from Total Employee Expense increase and suppress the pace of Outsourcing Expenses increase <small>(Note: Total Employee Expenses will continue to increase as the increase in Total Employee Expenses in the previous year will make a full contribution)</small>
3 <sup>rd</sup> Step	Increase slower than Revenue growth	Increase slower than Revenue growth	Control the increase of Total Employee Expenses to ensure the pace is slower than the Revenue growth by achieving the following initiatives

Initiatives to decrease Operating Expenses





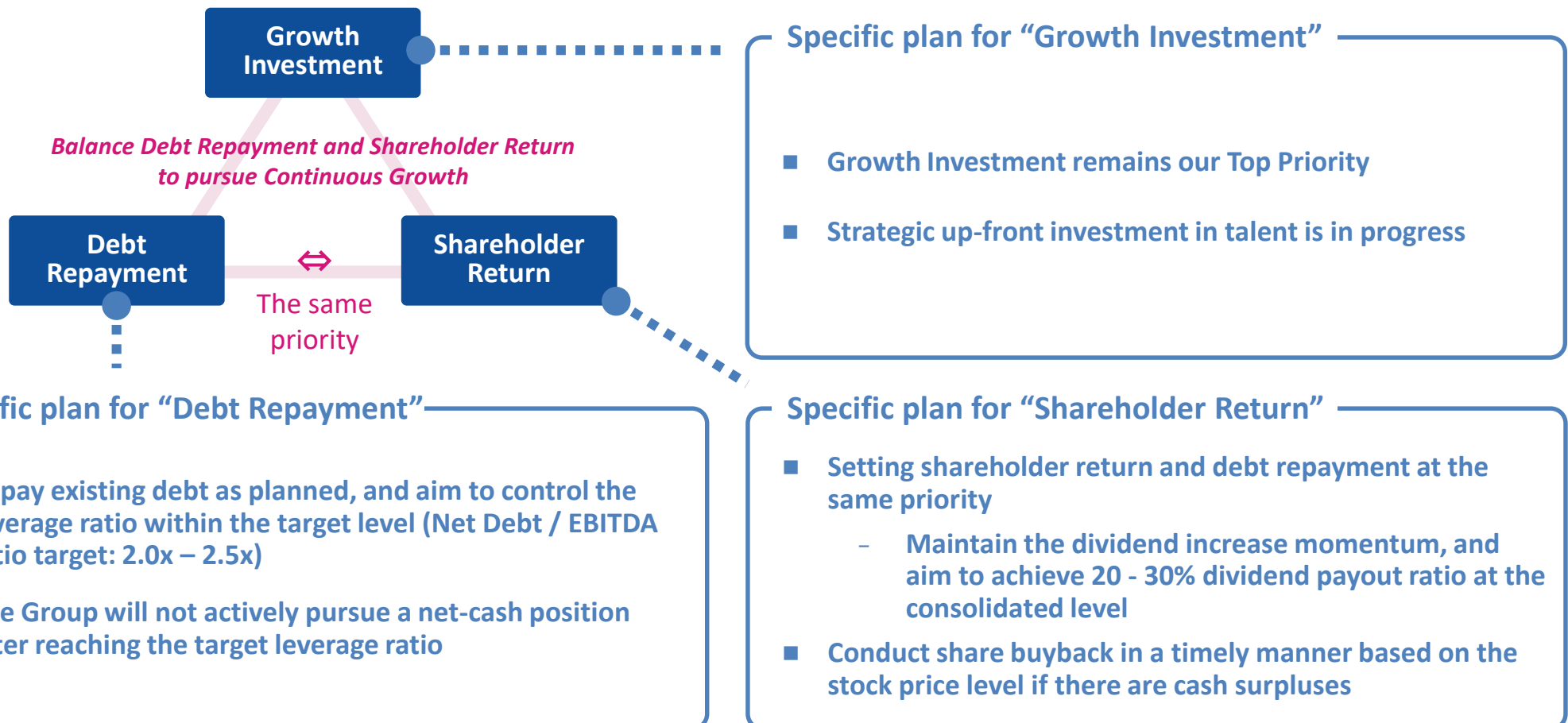
# Capital Allocation

“Growth investment” remains our top priority going forward

Both “Debt Repayment” and “Shareholder Return” are set at the same priority level (= Enhance shareholder return)

Maintain the dividend increase momentum to achieve 20 - 30% of the Consolidated Dividend Payout Ratio, and conduct share buyback in a timely manner

## Priority in Capital Allocation

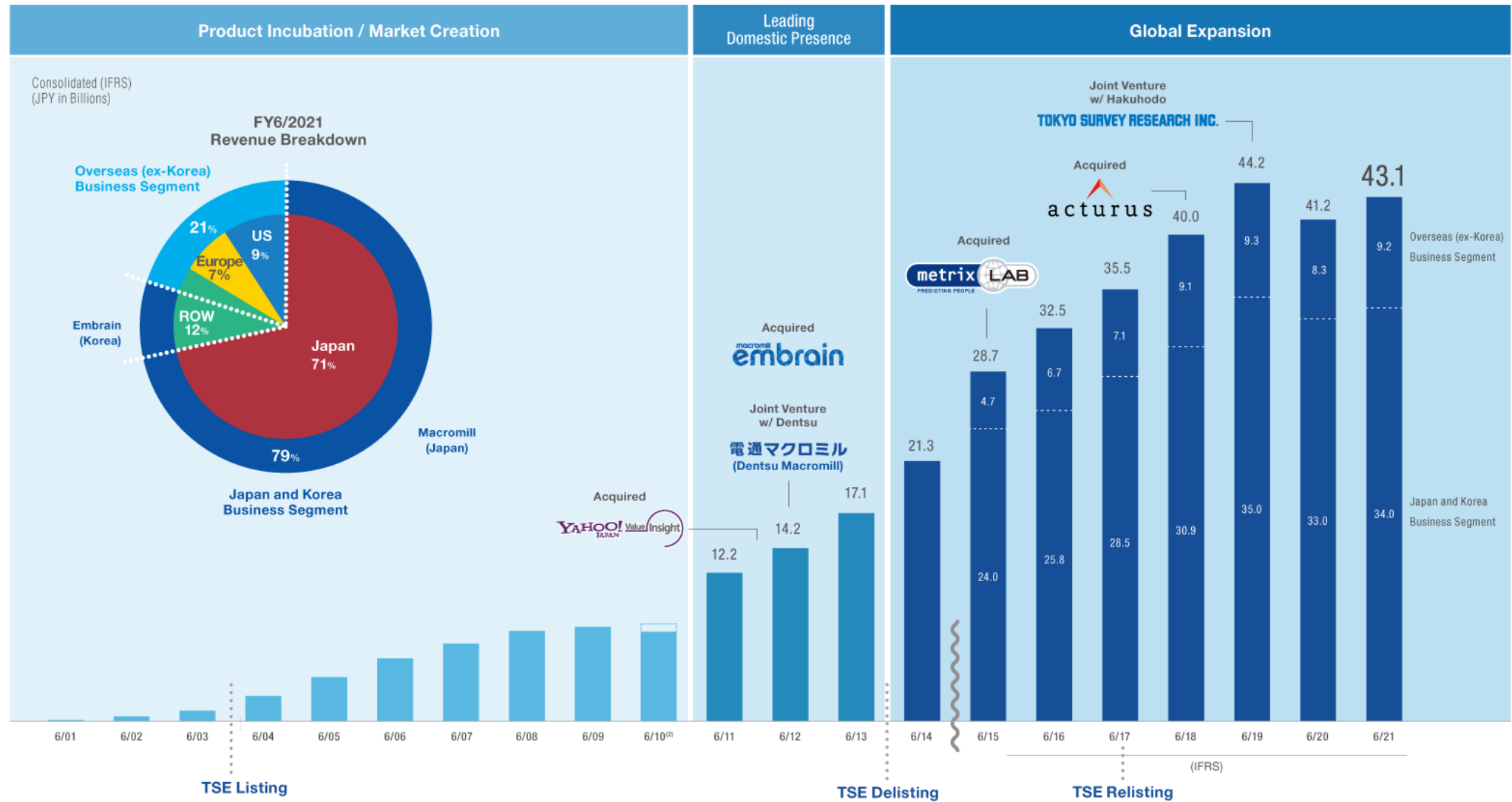


# Appendix

- i. FY6/2022 Q2 Financial Results Supplemental Material
- ii. Market size, Historical Revenue Trends and our Mid-term Business Plan
- iii. [Summary of our Company](#)

# We are Fast Growing Market Research Company

## Consolidated Revenue<sup>(2)</sup>



**Notes**

1. J-GAAP based financials for FY6/2001-6/2014 and IFRS-based financials for FY6/2015 onwards. J-GAAP and IFRS financial information are prepared based on different accounting principles and are not directly comparable. Macromill believes, however, that the presentation of consolidated revenues on a J-GAAP basis as compared to IFRS would only require immaterial adjustments and that the presentation above appropriately and accurately reflects the consolidated revenue trends for the four fiscal years ended June 30, 2017
2. The dotted line indicates potential revenue contribution from the subsidiary (AIP) divested in this year.

# Who we work with

- Serving more than 4,000 blue-chip clients globally across a diversified set of brands, agencies and industries
- Revenue concentrated with long-term clients and high retention
- Majority of revenue from direct relationships with brands
- Strategic agency relationships including jointly managed subsidiaries (Dentsu, Hakuhodo)

## Highlights

### Number of Clients

c. **4,300** clients, 90+ countries

c. **2,600** clients  
in Japan

c. **1,700** clients  
in Overseas

### Client Retention Rate of Large Clients<sup>(1)</sup>

**95.7%**  
in Japan<sup>(2)</sup>

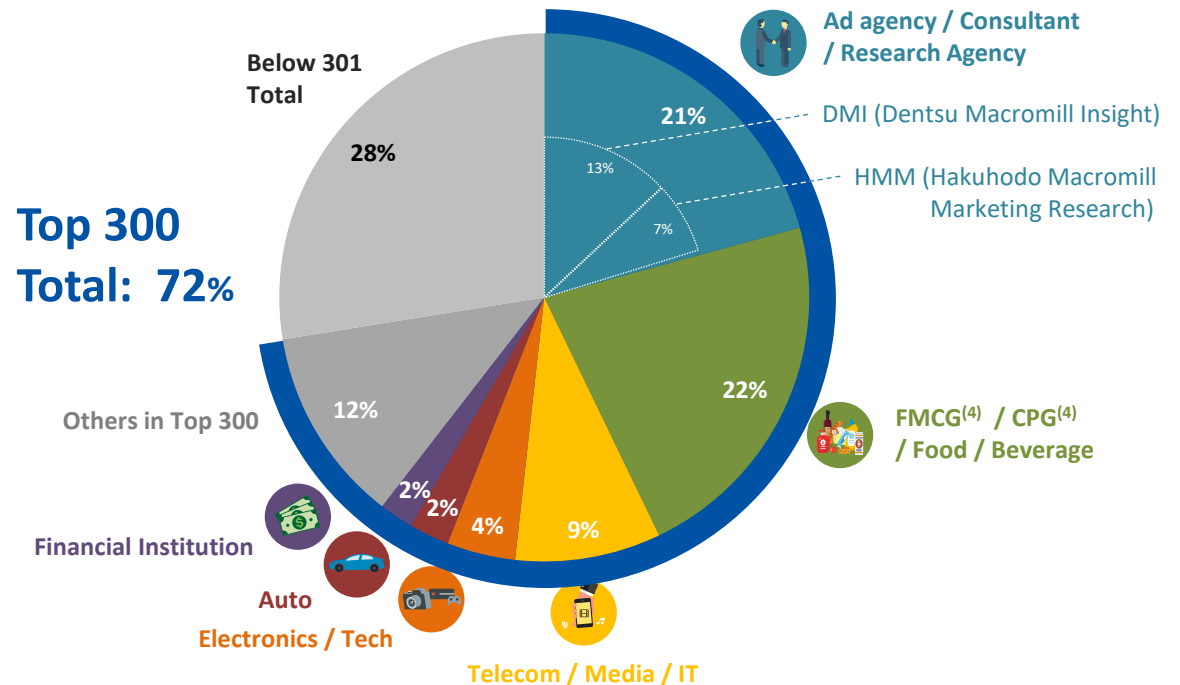
**90.1%**  
in Global<sup>(3)</sup>  
(excl. Japan)

#### Notes

1. Large Accounts with annual revenue of > JPY10MM or Euro 0.1MM
2. Retention Rate in Japan = (No. of large clients of Macromill standalone providing over JPY10MM in annual revenue for which Macromill's solutions were rendered and invoiced in the previous year, and for which there were solutions provided or invoiced in the current year) ÷ (No. of large clients of Macromill (standalone) providing over JPY 10MM in the previous year). 5 year average from FY6/17 to FY6/21
3. Retention Rate for Global (excl. Japan) = (No. of large clients of MetrixLab providing over 0.1MM Euro in annual revenue for which solutions were rendered and invoiced in the previous year, and for which there were solutions provided or invoiced in the current year) ÷ (No. of large clients of MetrixLab providing over 0.1MM Euro in the previous year). 5 year average from FY6/17 to FY6/21
4. FMCG = Fast Moving Consumer Goods / CPG: Consumer packaged goods (incl. non-durable goods such as soft drinks, toiletries, etc.)

## FY6/2021 Revenue Breakdown by Client Industries

Consolidated (IFRS)



**Well diversified client portfolio**

Macromill's comprehensive set of research solutions are utilized at all phases of our clients' marketing value chain

### Clients' Marketing Process



### Macromill Group Solutions



**10M**  
Proprietary Panel

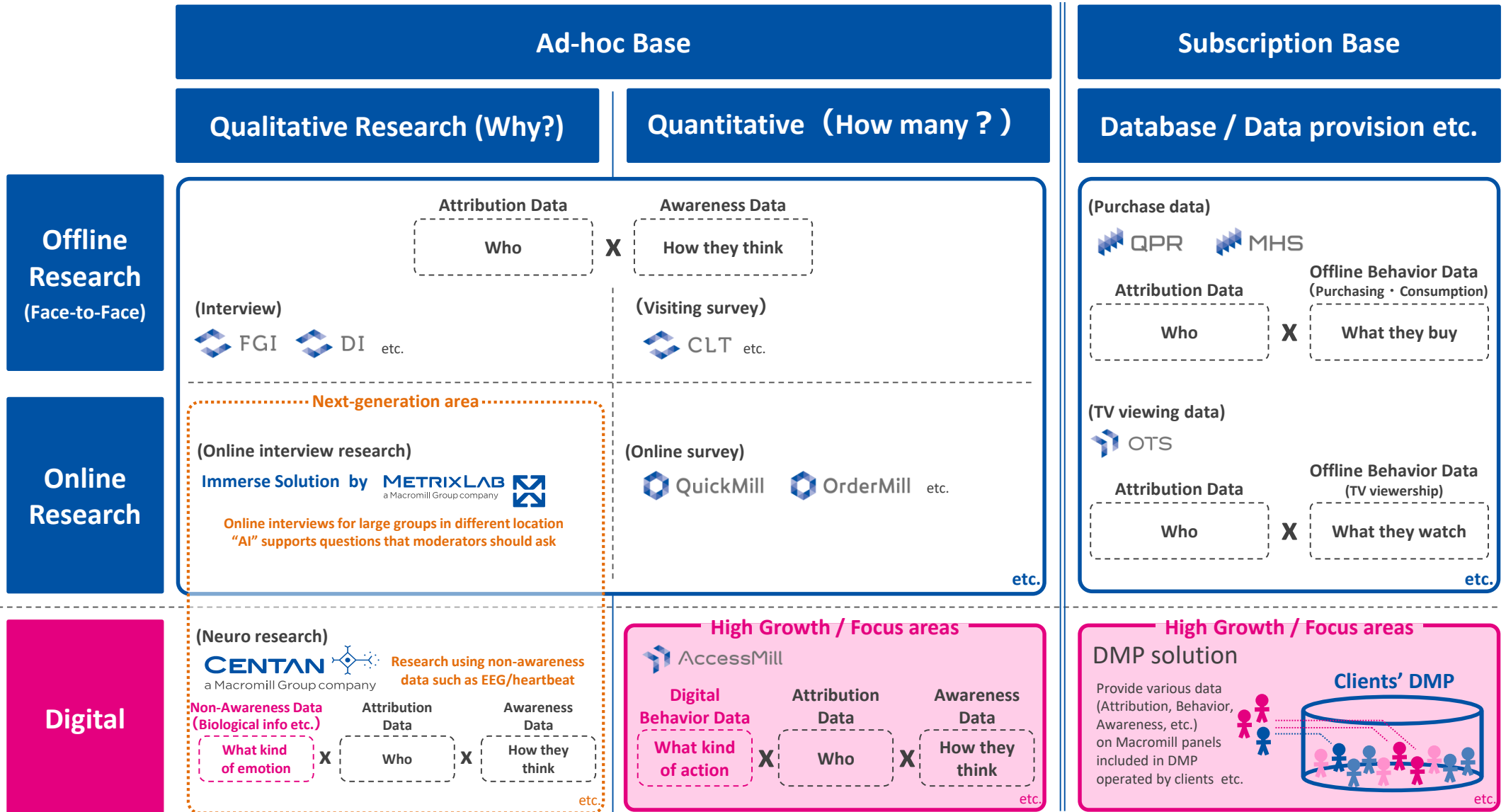


Total 110M Global Consumer Research Panel

**100M**  
Global Panel Network

# Industry-Leading One-Stop Solution Portfolio in Japan

- Our solution portfolio allows one-stop full-service to clients
- Focus on high growth “Digital” area that is differentiated and difficult to imitate
- Simultaneously conduct investment and R&D in “Next-generation area” that drives next growth with Group Companies

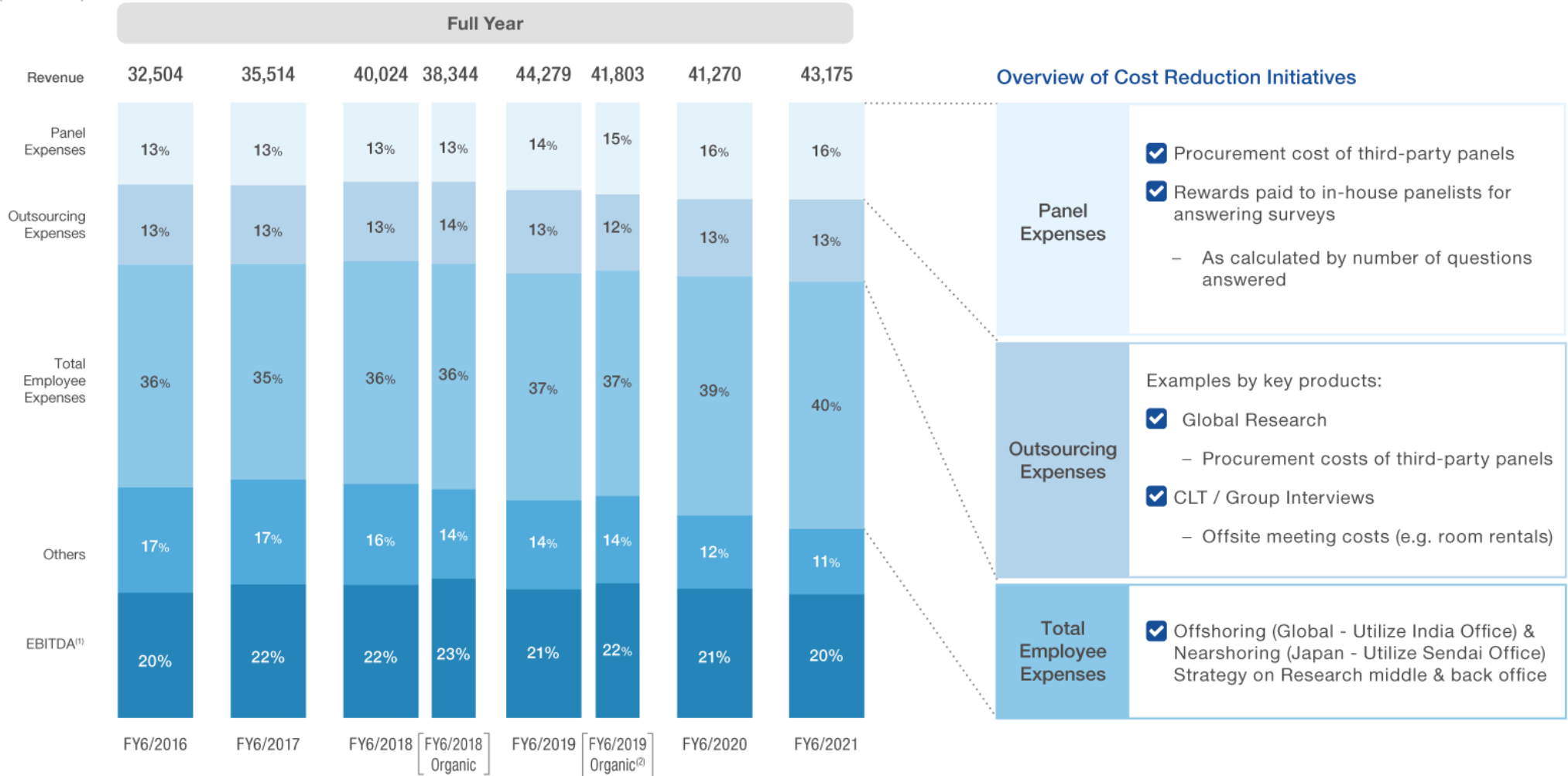


# With a stable cost structure, generate a steady cashflow

## Operating leverage deliver strong profit growth under Revenue expansion phase

### Breakdown of Key Cost Items

Consolidated (IFRS)  
(JPY in Millions)



**Notes**

























1. EBITDA = Operating Profit + Depreciation and Amortization + Loss on Retirement of Non-current Assets + Impairment Loss

2. Acturus Inc. which we had acquired in the second quarter of FY6/2018 had completely merged with MetrixLab U.S. as of July 2, 2018. As a consequence, we will no longer be able to segregate and disclose the two entities separately, so the M&A contribution for FY6/2019 is sum of HMM (Q1-Q4) and CENTAN (Q1-Q2, CENTAN has become 51% subsidiary since FY6/2018 Q3) only.

# 3-Pillars M&A Strategy for Value Creation



## Proven M&A Track Record

<p>2010 Acquisition<sup>(1)</sup> </p>  <div style="display: flex; justify-content: space-around; margin-top: 10px;"> <div style="border: 1px solid gray; padding: 2px;">Regional Expansion</div> <div style="background-color: #e91e63; color: white; padding: 2px;">Panel</div> <div style="border: 1px solid gray; padding: 2px;">Technology / Solution</div> </div> <p>✓ Doubled Panel Access</p>	<p>2011 Acquisition </p>  <div style="display: flex; justify-content: space-around; margin-top: 10px;"> <div style="border: 1px solid gray; padding: 2px;">Regional Expansion</div> <div style="border: 1px solid gray; padding: 2px;">Panel</div> <div style="background-color: #008080; color: white; padding: 2px;">Technology / Solution</div> </div> <p>✓ Acquired Social Analysis Capabilities</p>	<p>2012 Acquisition </p>  <div style="display: flex; justify-content: space-around; margin-top: 10px;"> <div style="background-color: #0070c0; color: white; padding: 2px;">Regional Expansion</div> <div style="background-color: #e91e63; color: white; padding: 2px;">Panel</div> <div style="border: 1px solid gray; padding: 2px;">Technology / Solution</div> </div> <p>✓ Access to Asian Client and Panels</p>
<p>2012 Joint Venture with Dentsu </p>  <div style="display: flex; justify-content: space-around; margin-top: 10px;"> <div style="background-color: #0070c0; color: white; padding: 2px;">Wallet Share Expansion</div> <div style="border: 1px solid gray; padding: 2px;">Panel</div> <div style="border: 1px solid gray; padding: 2px;">Technology / Solution</div> </div> <p>✓ Securing earnings stability and improving our ability to develop service in new domains</p>	<p>2013 Acquisition </p>  <div style="display: flex; justify-content: space-around; margin-top: 10px;"> <div style="border: 1px solid gray; padding: 2px;">Regional Expansion</div> <div style="background-color: #e91e63; color: white; padding: 2px;">Panel</div> <div style="background-color: #008080; color: white; padding: 2px;">Technology / Solution</div> </div> <p>✓ Access to US Panels</p>	<p>2014 Acquisition </p>  <div style="display: flex; justify-content: space-around; margin-top: 10px;"> <div style="background-color: #0070c0; color: white; padding: 2px;">Regional Expansion</div> <div style="background-color: #e91e63; color: white; padding: 2px;">Panel</div> <div style="background-color: #008080; color: white; padding: 2px;">Technology / Solution</div> </div> <p>✓ Global Client &amp; Panel Base Access</p>
<p>2015 Strategic Alliance </p>  <div style="display: flex; justify-content: space-around; margin-top: 10px;"> <div style="border: 1px solid gray; padding: 2px;">Regional Expansion</div> <div style="border: 1px solid gray; padding: 2px;">Panel</div> <div style="background-color: #008080; color: white; padding: 2px;">Technology / Solution</div> </div> <p>✓ Access to Solutions for Government</p>	<p>2017 Strategic &amp; Capital Alliance 2018 Acquisition </p>  <div style="display: flex; justify-content: space-around; margin-top: 10px;"> <div style="border: 1px solid gray; padding: 2px;">Regional Expansion</div> <div style="border: 1px solid gray; padding: 2px;">Panel</div> <div style="background-color: #008080; color: white; padding: 2px;">Technology / Solution</div> </div> <p>✓ Access to Neuro / Biometric marketing Solutions ✓ 10% minority investment &gt; 51% majority acquisition</p>	<p>2017 Acquisition </p>  <div style="display: flex; justify-content: space-around; margin-top: 10px;"> <div style="background-color: #0070c0; color: white; padding: 2px;">Regional Expansion</div> <div style="border: 1px solid gray; padding: 2px;">Panel</div> <div style="background-color: #008080; color: white; padding: 2px;">Technology / Solution</div> </div> <p>✓ Expand experts, clients base and influencer solutions in the US and UK</p>
<p>2017 Strategic &amp; Capital Alliance 2019 Acquisition </p>  <div style="display: flex; justify-content: space-around; margin-top: 10px;"> <div style="background-color: #0070c0; color: white; padding: 2px;">Regional Expansion</div> <div style="background-color: #e91e63; color: white; padding: 2px;">Panel</div> <div style="border: 1px solid gray; padding: 2px;">Technology / Solution</div> </div> <p>✓ Access to Southeast Asian Client and Panels ✓ 10% minority investment &gt; 51% majority acquisition</p>	<p>2018 Joint Venture with Hakuhodo (51% Majority Acquisition) </p>  <div style="display: flex; justify-content: space-around; margin-top: 10px;"> <div style="background-color: #0070c0; color: white; padding: 2px;">Wallet Share Expansion</div> <div style="border: 1px solid gray; padding: 2px;">Panel</div> <div style="background-color: #008080; color: white; padding: 2px;">Technology / Solution</div> </div> <p>✓ Seeking wallet share expansion and enhancement of online/offline integrated solutions</p>	<p>2019 Asset Purchase </p>  <div style="display: flex; justify-content: space-around; margin-top: 10px;"> <div style="background-color: #0070c0; color: white; padding: 2px;">Regional Expansion</div> <div style="background-color: #e91e63; color: white; padding: 2px;">Panel</div> <div style="border: 1px solid gray; padding: 2px;">Technology / Solution</div> </div> <p>✓ Expand consumer panel in Southeast Asia ✓ Succession/Acquisition of Online panel asset only</p>

**Note**

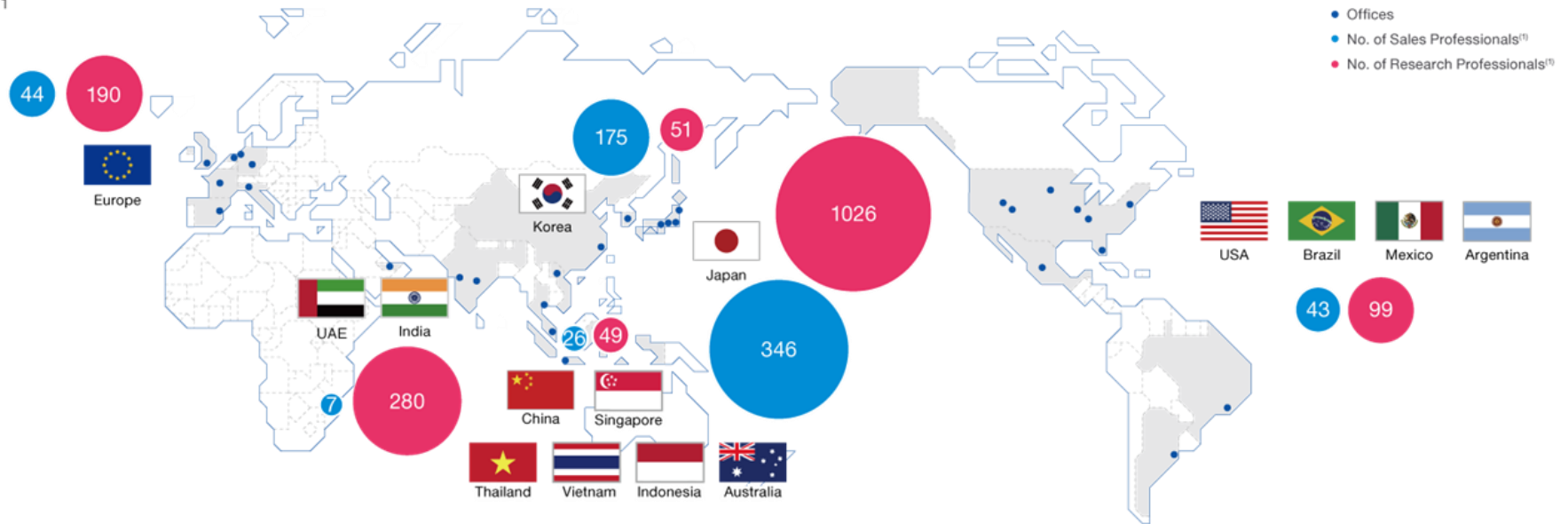
1. Acquired market research business only



# Worldwide Sales & Research Delivery

## Sales and Research Breakdown for Selected Key Markets<sup>(1)</sup>

As of end of December, 2021



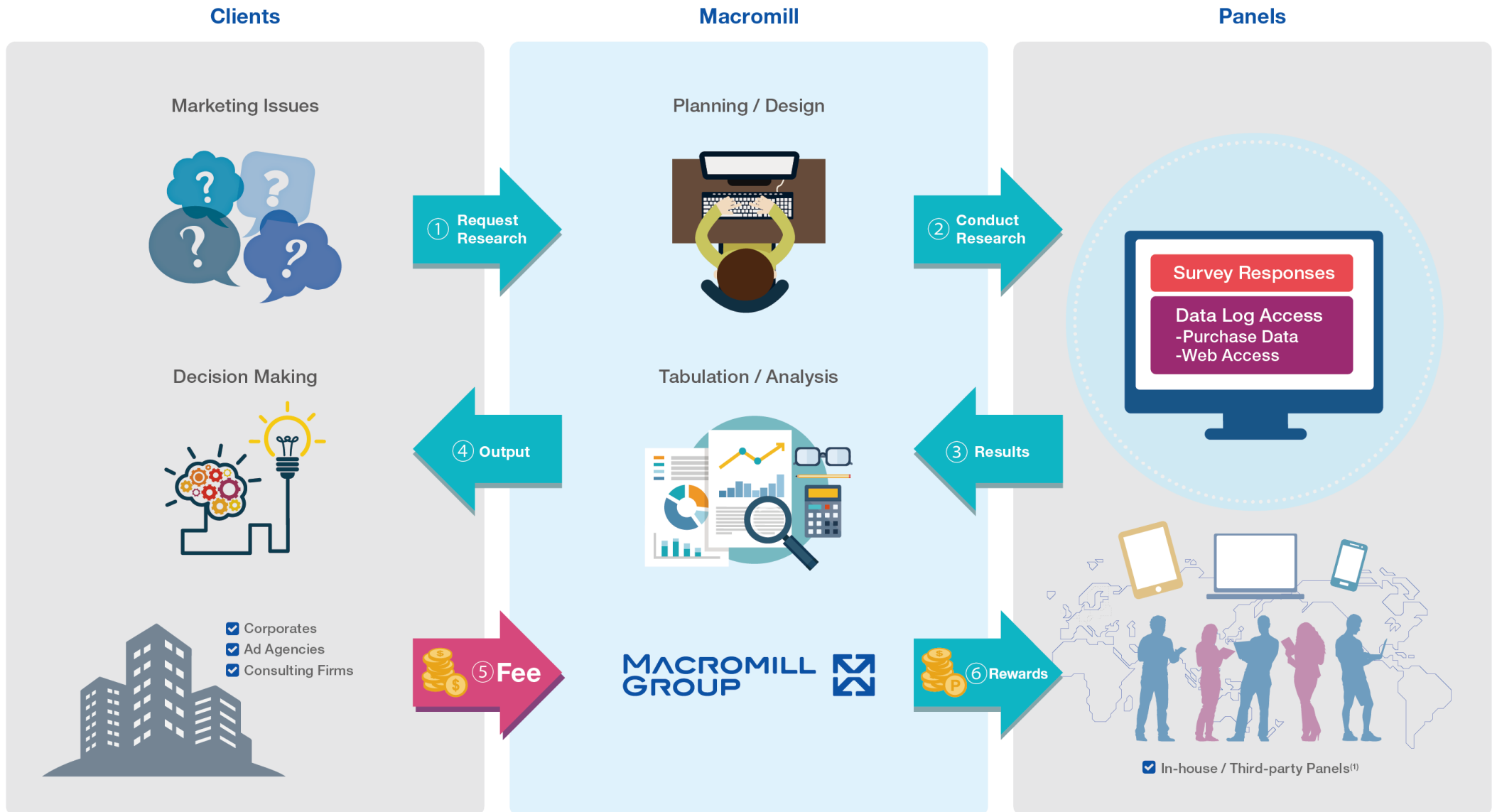
2,700+<sup>(2)</sup> Employees in 50 Offices Worldwide

	Local Deeper Local Consumer Insights	Global Coordinated Cross-Border Client Coverage
<b>Sales</b>	<ul style="list-style-type: none"> <li>Localized Sales Teams c. 640<sup>(1)</sup> professionals across 50 offices worldwide</li> </ul>	<ul style="list-style-type: none"> <li>CEO-led Experienced Sales Professionals Deliver Coordinated GKA<sup>(3)</sup> Coverage</li> </ul>
<b>Research</b>	<ul style="list-style-type: none"> <li>Seamless Coordination with Local Research Professionals</li> </ul>	<ul style="list-style-type: none"> <li>Best Practice Sharing and Real-time Support from the Global Competence Center in India</li> <li>Export Superior Japanese <i>Kaizen</i> Operational Quality</li> </ul>

**Notes**

- Sales and research professionals are defined as full-time employees committed to sales and research positions respectively
- Number of full-time-equivalent employees
- GKA ("Global Key Accounts") are customers that typically are multinational companies with a large research and marketing spending budget of which they have purchased or we believe have the potential to purchase market research from us and for which we have placed particular emphasis in our sales efforts

## Typical market research workflow



**Note**  
1. Third-party panels are maintained by third-party panel suppliers worldwide and are used as our clients' research projects require

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