

FY6/2022 Q3 Financial Results

May 12, 2022



This document has been prepared solely for the purpose of presenting relevant information regarding Macromill, Inc. (“Macromill”). This document does not constitute an offer to sell or the solicitation of an offer to buy any security in the United States, Japan or any other jurisdiction. The securities of Macromill have not been and will not be registered under the U.S. Securities Act of 1933, as amended, and may not be offered or sold in the United States absent registration or an applicable exemption from registration requirements.

This presentation is based on the economic, regulatory, market and other conditions as in effect on the date hereof, and Macromill does not guarantee that the information contained in this presentation is true, accurate or complete. It should be understood that subsequent developments may affect the information contained in this presentation, which neither Macromill nor its advisors or representatives are under an obligation to update, revise or affirm. The information in this presentation is subject to change without prior notice and such information may change materially. Neither this presentation nor any of its contents may be disclosed to or used by any other party for any purpose without the prior written consent of Macromill.

This presentation contains statements that constitute forward-looking statements within the meaning of the U.S. Private Securities Litigation Reform Act of 1995, including estimations, forecasts, targets and plans. Such forward-looking statements do not represent any guarantee by management of future performance. In many cases, but not all, we use such words as “aim,” “anticipate,” “believe,” “continue,” “endeavor,” “estimate,” “expect,” “initiative,” “intend,” “may,” “plan,” “potential,” “probability,” “project,” “risk,” “seek,” “should,” “strive,” “target,” “will” and similar expressions to identify forward-looking statements. You can also identify forward-looking statements by discussions of strategy, plans or intentions. Any forward-looking statements in this document are based on the current assumptions and beliefs of Macromill in light of the information currently available to it, and involve known and unknown risks, uncertainties and other factors. Such risks, uncertainties and other factors may cause Macromill’s actual results, performance, achievements or financial position to be materially different from any future results, performance, achievements or financial position expressed or implied by such forward-looking information.

Except as otherwise indicated, the views, statements and outlook indicated herein are those of Macromill. The information related to or prepared by companies or parties other than Macromill is based on publicly available and other information as cited, and Macromill has not independently verified the accuracy and appropriateness of, nor makes any warranties regarding, such information.

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.

	Q3 YTD (9 Months)		Q3 Standalone (3 months)	
	FY6/2021 Q3 YTD	FY6/2022 Q3 YTD	FY6/2021 Q3 Standalone	FY6/2022 Q3 Standalone
1 Euro =	125.37	130.39	127.91	130.52
1 KRW =	0.0925	0.0963	0.0966	0.0972

■ Continued to achieve highest Revenue in Q3 standalone due to increased demand for our services

- Revenue 13.52bn JPY (YoY +12% / +12% in CFX), achieved historical high as Q3 standalone Revenue
- Meanwhile, the pace of headcount increase is materially slower than our initial expectations, and operational capacity remains limited
- OP 2.4bn JPY (YoY +5% / + 5% in CFX), increased Total Employee Expenses and Outsourcing Expenses for maintaining operational capacity

■ Achieved double-digit growth in both Q3 YTD Revenue and OP, continuing from 1H

- Revenue 37.95bn JPY (YoY +15% / +13% in CFX), achieved historical high in Q3 YTD basis
- OP 6.11 bn JPY (YoY +19% / +18% in CFX)

■ Both Revenue and Profits overachieved the Initial Guidance, and thus we revise our Guidance for FY6/2022

- 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 a) Outsourcing Expenses to overcome the operational capacity shortage in Q4 b) Total Employee Expenses due to investment for future growth and catching up to the current recruitment plan, and c) OPEX such as M&A related Expenses
- Based on the Guidance revision, we will increase 2nd Half dividend per share by 1.00 JPY (8.00 JPY → 9.00 JPY/share)

■ 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
- Appointed New Executive Officers (CCO, CFO, and CTO), and progressing initiatives to steadily achieve our new MTBP with the new management team

FY6/2022 Q3 Financial Update

FY6/2022 Q3: Consolidated Results - Summary

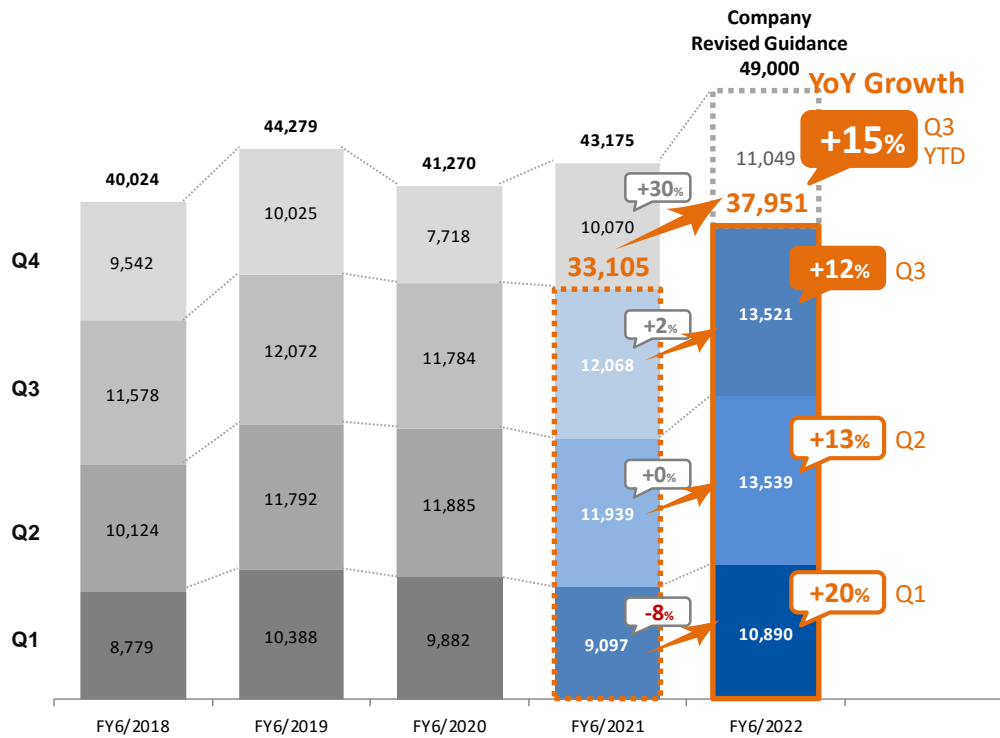
Clients' demand has continued to increase and achieved a historical high in both Q3 standalone and YTD Revenue

OP is also continuing to increase due to this trend

Revenue

Consolidated (IFRS)
(JPY in Millions)

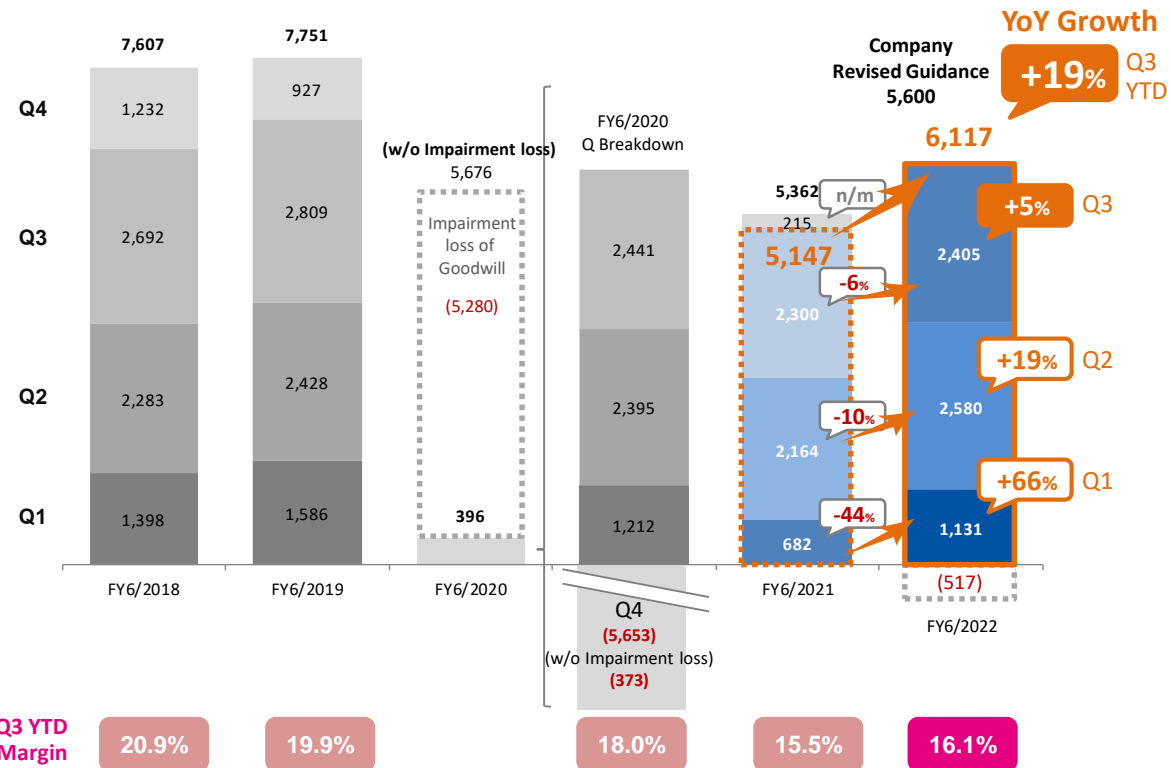
YoY Growth Full year: +11% -7% +5% +14%
Q3 YTD: +12% -2% -1% +15%



Operating Profit (OP)

Consolidated (IFRS)
(JPY in Millions)

YoY Growth Full year: +2% -95% +1,251% +4%
Q3 YTD: +7% -11% -15% +19%



Q3 YTD
OP Margin

20.9%

19.9%

18.0%

15.5%

16.1%

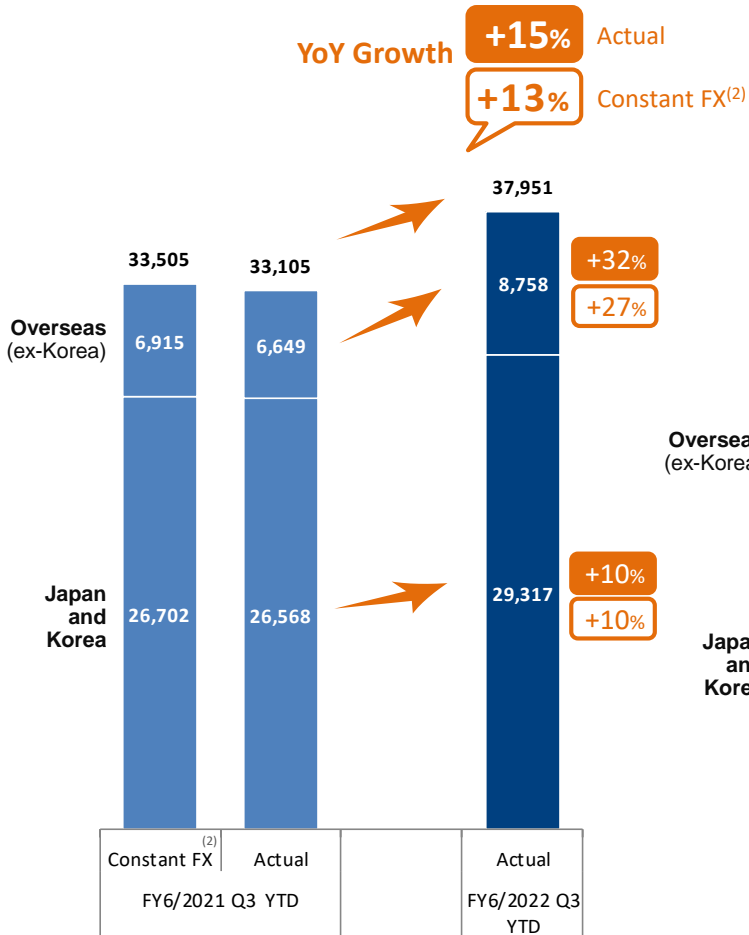
Quarterly Revenue Trends

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

Progressing from H1, Q3 Revenue achieved double-digit growth, and the strong growth trend continues

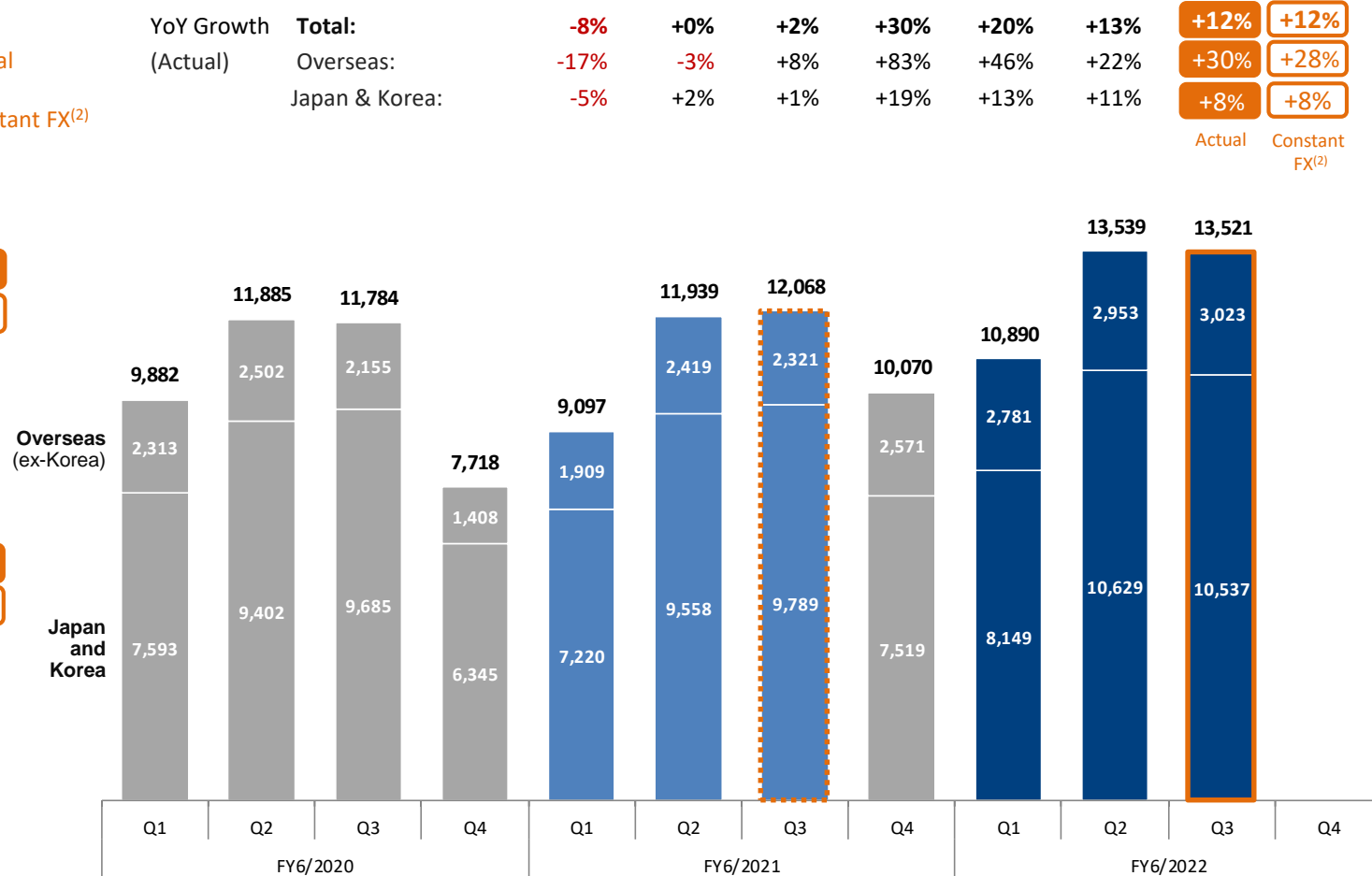
Q3 YTD Revenue (9 Months)⁽¹⁾

Consolidated (IFRS)
(JPY in Millions)



Quarterly Revenue Trends – By Segment⁽¹⁾

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.

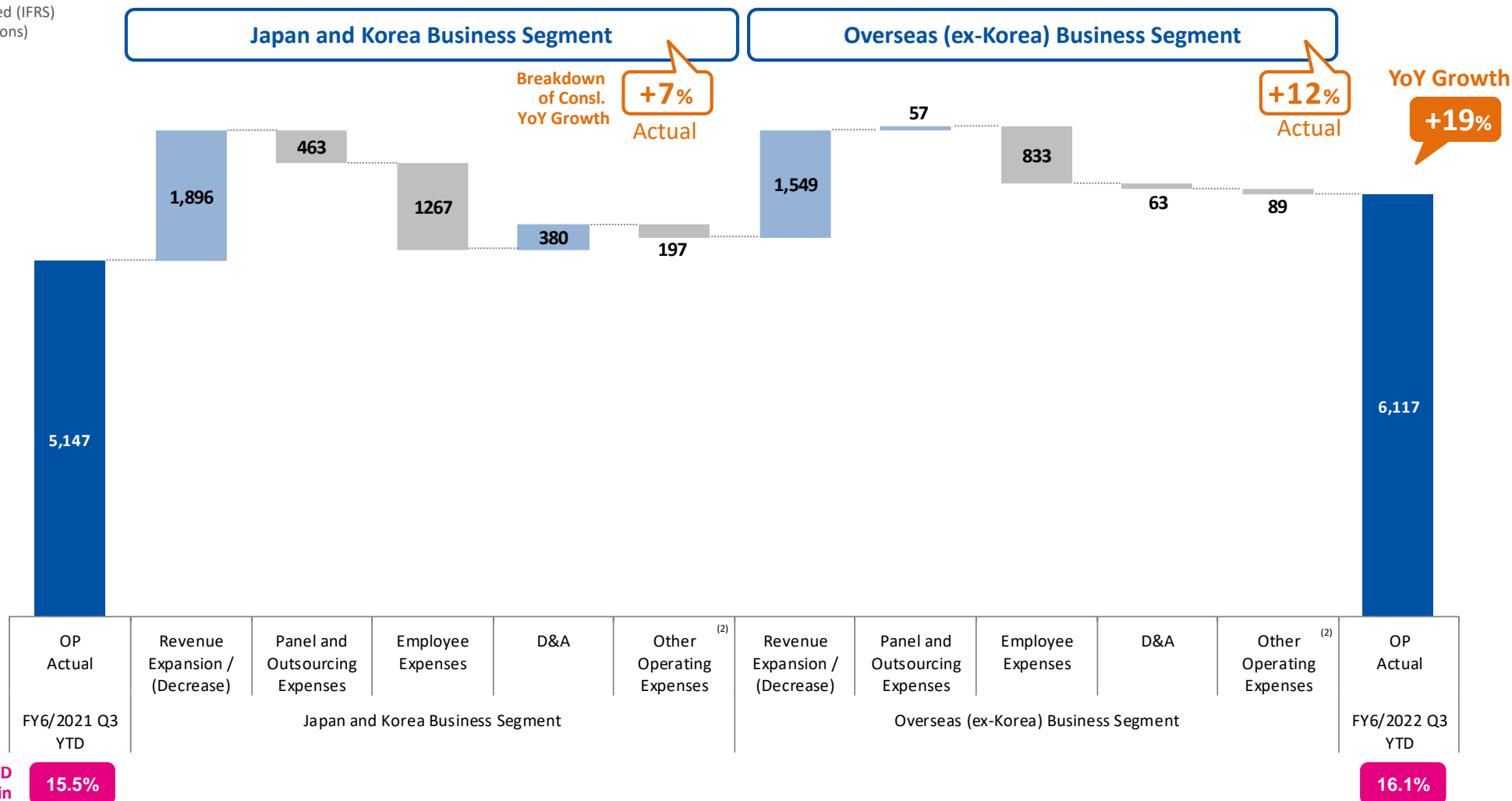
FY6/2022 Q3 : Operating Profit Waterfall

Q3 YTD (9 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 these cost increases and generated +19% growth in OP YoY

Operating Profit (OP) Waterfall Analysis⁽¹⁾ – FY6/2021 Q3 YTD vs. FY6/2022 Q3 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

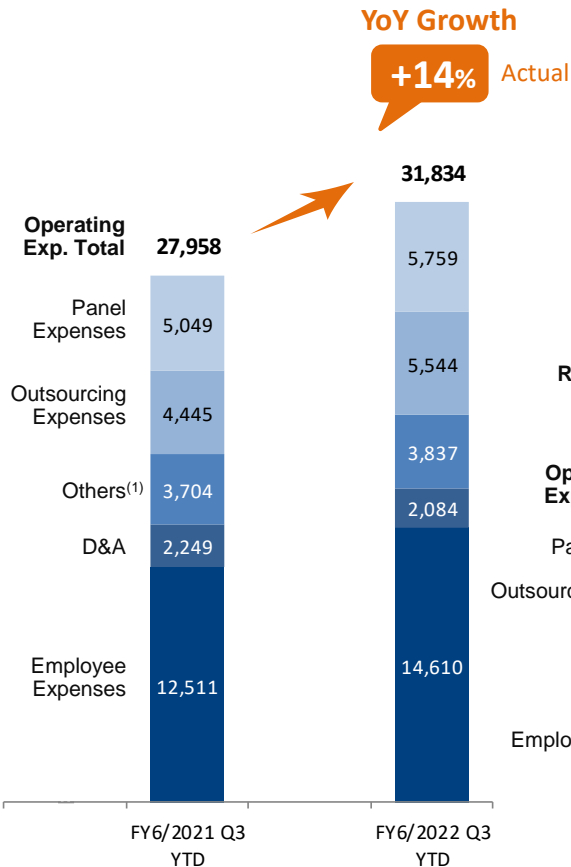
Quarterly Operating Cost Trends

D&A decreased due to a partial office return

Based on our Revenue growth trend, the increase in Total Employee Expenses and Outsourcing Expenses will continue in order to expand operational capacity

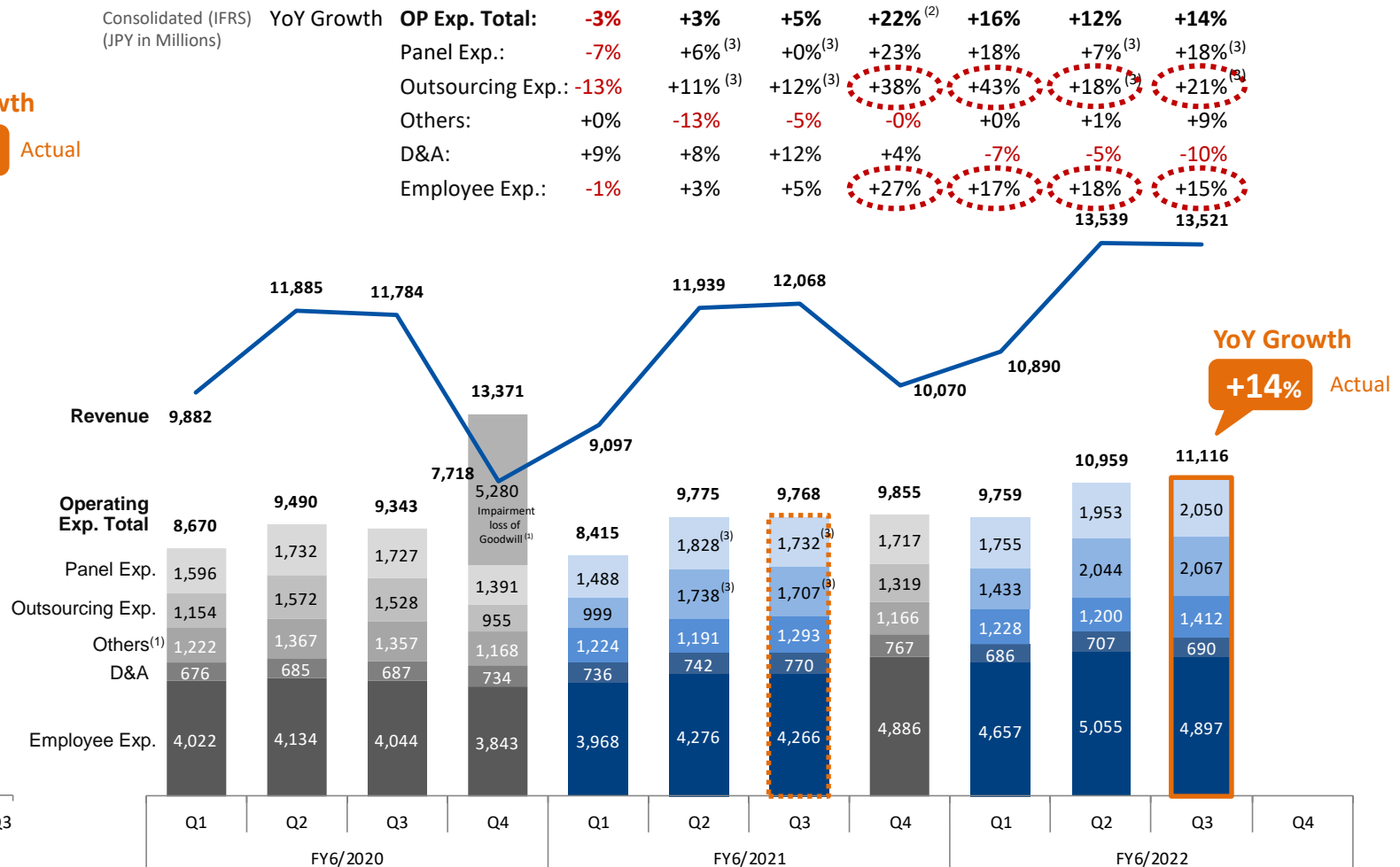
Q3 YTD Operating Cost (9 Months)

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.

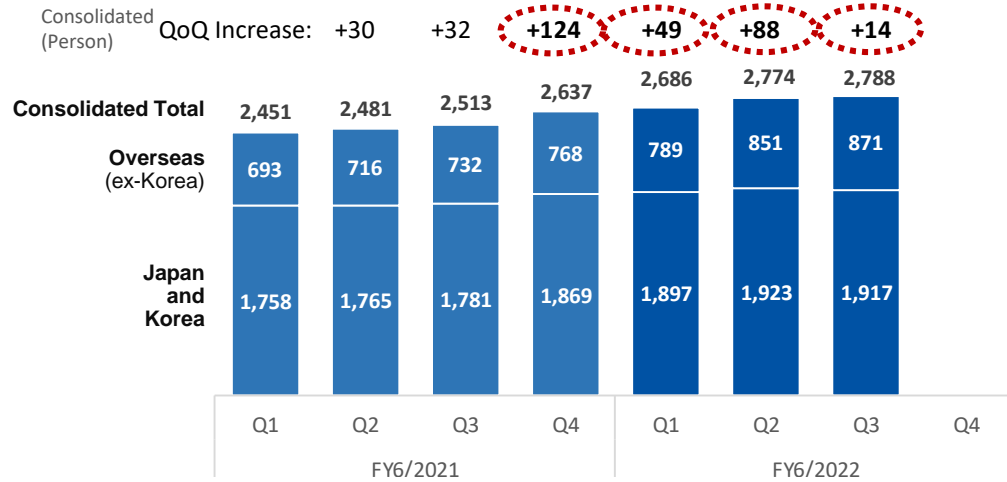
Outlook for OP Margin expansion

Step 1 of the anticipated path to improve OP margin (bottom right figure) continues

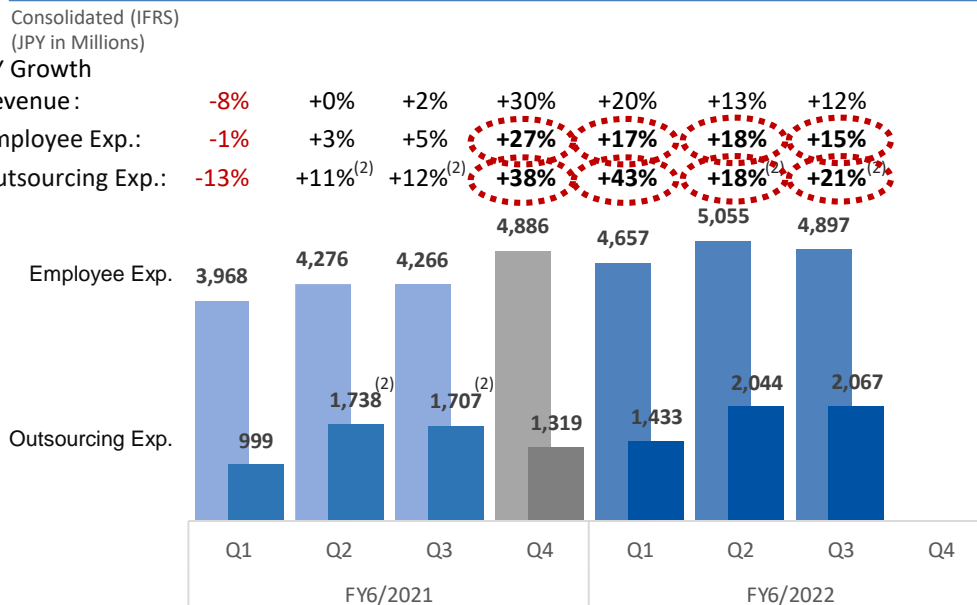
Our headcount expansion is slower than our initial plan, requiring additional time to optimize our operational capacity

Q4 Total Employee Expenses is expected to increase (e.g. new graduates joining team in Japan, etc.)

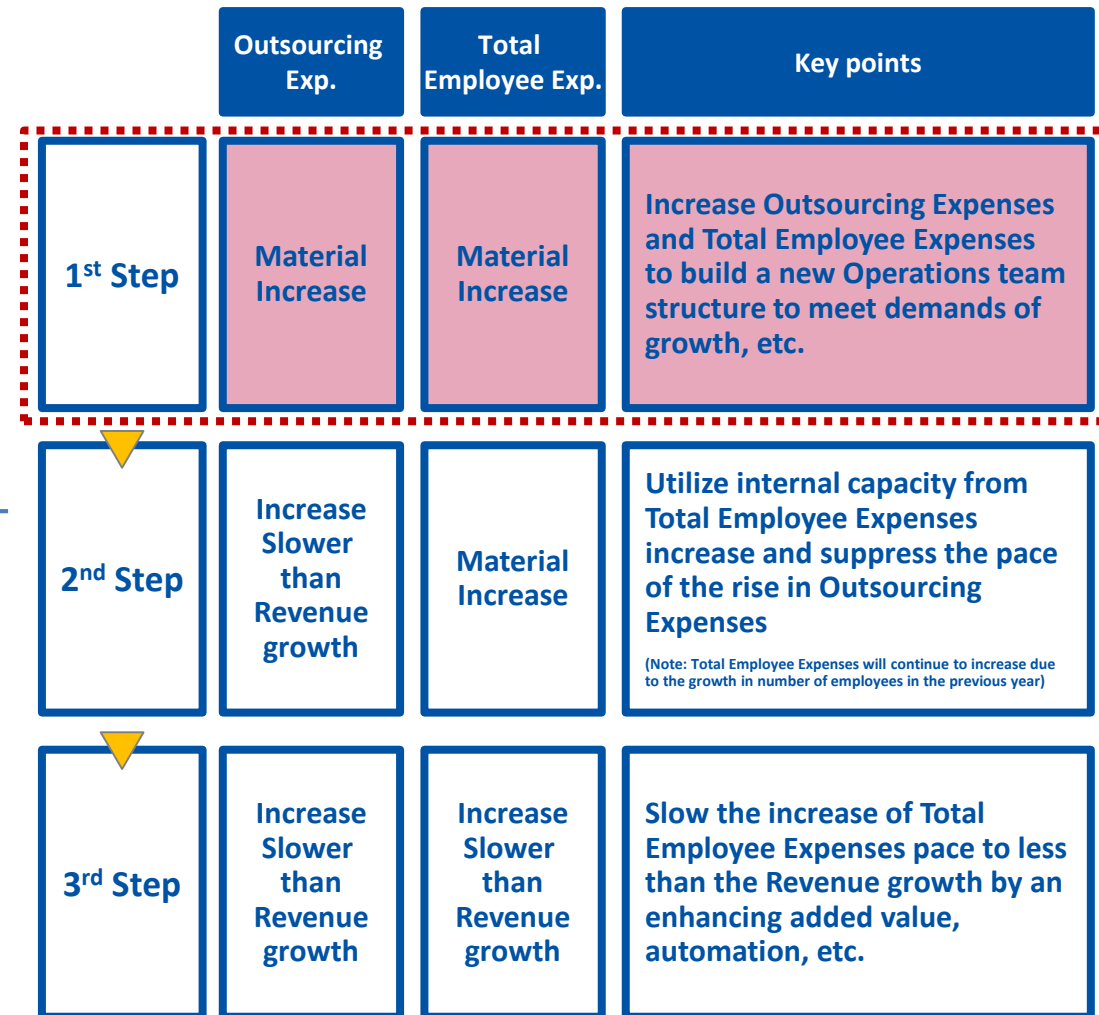
Headcount Trend⁽¹⁾



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			
	9 Months		Variance	YoY Growth
	FY6/2021 Q3	FY6/2022 Q3		
Revenue	33,105	37,951	4,846	14.6%
Japan and Korea Business Segment ⁽¹⁾	26,568	29,317	2,748	10.3%
Overseas (ex-Korea) Business Segment ⁽¹⁾	6,649	8,758	2,109	31.7%
Total Employee Expenses	(12,511)	(14,610)	(2,098)	16.8%
Panel Expenses	(5,049)	(5,759)	(709)	14.0%
Outsourcing Expenses	(4,445)	(5,544)	(1,098)	24.7%
Depreciation and Amortization	(2,249)	(2,084)	165	(7.3%)
Others	(3,701)	(3,835)	(134)	3.6%
Operating Profit (Loss)	5,147	6,117	970	18.9%
Japan and Korea Business Segment	5,182	5,531	349	6.7%
Overseas (ex-Korea) Business Segment	(34)	586	621	—
Finance Income and Costs	(357)	(193)	164	(45.9%)
Profit before Tax	4,789	5,924	1,134	23.7%
Income Tax Expenses	(1,452)	(1,804)	(352)	24.3%
Profit attributable to non-controlling interest	(603)	(721)	(118)	19.7%
Profit Attributable to Owners of the Parent	2,734	3,397	663	24.3%
EBITDA	7,554	8,208	654	8.7%
Japan and Korea Business Segment	7,060	7,030	(29)	(0.4%)
Overseas (ex-Korea) Business Segment	494	1,178	684	138.4%
EPS (Basic Earnings per Share) (Yen)	67.80	86.10	18.30	27.0%
Operating Profit Margin	15.5%	16.1%	0.6%	
Japan and Korea Business Segment	19.5%	18.9%	(0.6%)	
Overseas (ex-Korea) Business Segment	(0.5%)	6.7%	7.2%	
EBITDA Margin	22.8%	21.6%	(1.2%)	
Japan and Korea Business Segment	26.6%	24.0%	(2.6%)	
Overseas (ex-Korea) Business Segment	7.4%	13.5%	6.0%	

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.

FY6/2022 Q3 YTD P/L Commentary

(Variance Factors)

- Revenue:
 - Japan and Korea Business Segment: driven by Online Research, as well as Other New Business, Revenue has significantly increased from prior year results which was impacted by Covid-19
 - Overseas (ex-Korea) Business Segment: driven mainly by Europe and ROW Regions, Revenue recovered significantly from prior year results which was impacted by Covid-19
- Total Employee Expenses:
 - Increased in faster pace than Revenue growth due to new hiring to resolve shortfall of operational capacity and to drive future growth
- Panel Expenses:
 - Increased in line with Revenue growth
- Outsourcing Expenses:
 - Continued to increase in order to deal with the client demands for our services, which is exceeding our expectation
- Depreciation and Amortization:
 - Depreciation Expense recorded by IFRS 16 decreased by cancellation of a part of office spaces
- Others:
 - Several Expenses continued to decrease due to Covid-19 such as Travel and Transportation
- Profit attributable to non-controlling interest:
 - Increased due to Profit growth of subsidiaries that pushed up Japan and Korea Business Segment
- Operating Profit Margin and EBITDA Margin:
 - While the margins decreased in Japan and Korea Business Segment due to an increase in Outsourcing Expenses and Total Employee Expenses, they have 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 Q3 (3/31/2022)	Variance
Total Assets	84,041	82,360	(1,680)
Cash and Cash Equivalents	19,079	13,304	(5,775)
Trade and Other Receivables	9,515	13,268	3,753
Property, Plant and Equipment	2,703	3,055	352
Goodwill	41,701	41,867	166
Japan and Korea Business Segment	39,144	39,147	3
Overseas (ex-Korea) Business Segment	2,556	2,719	163
Other Intangible Assets	6,948	6,782	(165)
Other Assets	4,093	4,082	(11)
Total Liabilities	51,107	46,299	(4,807)
Borrowings and Bonds	37,587	31,674	(5,912)
Current portion of Borrowings and Bonds	17,652	633	(17,018)
Long-term borrowings and Bonds	19,934	31,040	11,105
Trade and Other Payables	4,266	5,357	1,091
Other Liabilities	9,254	9,267	13
Total Equity	32,933	36,060	3,127

FY6/2022 Q3 B/S Commentary

- Working capital :
 - Accounts Receivable Turnover 93.6 days
 - Accounts Payable and Provision for Panel Points Turnover 56.0 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
 - Completed the Contract repayment of existing bank loan of 0.82 billion yen in Sept. 2021 and 11.87 billion yen in Mar. 2022. Refinanced with new bank loan of 11.8 billion yen in Mar. 2022.
- Financing cost (excluding lease liabilities):
 - Q3 average interest rate 0.83% (FY6/2021 Q3 0.99%)
 - ◆ Borrowings 1.18%
 - ◆ Bonds 0.62%
 - Credit rating (from R&I): BBB+ (Outlook: Stable)
- Leverage related (LTM base):
 - Net Debt/EBITDA: 2.20x (FY6/2021 2.55x)
 - ◆ Net Debt: 20,567 billion yen
 - ◆ LTM EBITDA: 9,334 billion yen
 - Interest Coverage Ratio: 18.87x (FY6/2021 Q3 12.65x*)
(*excluding the impact from impairment loss of Goodwill recognized in FY6/2020)
- Capital efficiency related (LTM base) :
 - ROE: 11.26% (FY6/2021 Q3 7.08%*)
(*excluding the impact from impairment loss of Goodwill recognized in FY6/2020)

Consolidated Statements of Cash Flows (C/F)

Summary of Consolidated Statements of Cash Flows

(JPY in Millions)	IFRS	
	9 Months	
	FY6/2021 Q3YTD	FY6/2022 Q3YTD
Cash Flows from Operating Activities	2,770	2,532
Profit (Loss) before Tax	4,789	5,924
Depreciation and Amortization	2,249	2,084
Finance Income and Costs	357	193
Change in Working Capital ⁽¹⁾	(2,961)	(2,789)
Others ⁽²⁾	(112)	(592)
Subtotal	4,323	4,820
Interest and Dividends Received	11	8
Interest Paid	(210)	(173)
Income Taxes Paid	(1,353)	(2,123)
Cash Flows from Investing Activities	(953)	(496)
Capex ⁽³⁾	(898)	(755)
Others ⁽²⁾	(54)	259
Free Cash Flows ⁽⁴⁾	2,027	2,208
Cash Flows from Financing Activities	(3,273)	(7,989)
Proceeds from Borrowings and Bonds ⁽⁵⁾	50	11,800
Repayment of Borrowings ⁽⁵⁾	(1,652)	(12,699)
Redemption of Bonds	-	(5,000)
Repayment of Lease Liabilities	(1,001)	(865)
Proceeds from Issue of Shares	20	55
Purchase of treasury stock	-	(74)
Others ⁽²⁾	(689)	(1,205)

FY6/2022 Q3 YTD C/F Commentary

■ Cash Flows from Operating Activities	2,532	(YoY	-238)
– Increase in Profit before Tax	1,134		
– Increase of bonus payment, etc.	480		
– Increase in Income Taxes Paid	770		
■ Cash Flows from Investing Activities	-496	(YoY	+456)
– Expenditure on acquisition of assets	143		
– Proceeds from sales of investment securities	297		
■ Free Cash Flows	2,208	(YoY	+181)
■ Cash Flows from Financing Activities	-7,989	(YoY	-4,716)
– Redemption of Bonds	5,000		
■ Cash and Cash Equivalents at the end of the period	13,304	(YoY	+1,215)

	IFRS	
	9 Months	
	FY6/2021 Q3YTD	FY6/2022 Q3YTD
Increase/(decrease) in Cash and Cash Equivalents	(1,455)	(5,954)
Cash and Cash Equivalents at the beginning of the period	13,310	19,079
Effect of Exchange Rate Changes on Cash and Cash Equivalents	233	178
Cash and Cash Equivalents at the end of the period	12,088	13,304

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: The Full-year Initial Guidance Revision

Revising the Initial Guidance upward since the client demand expanded more than expected

Increase 2nd Half dividend by 1.00 JPY due to the Guidance revision

New guidance after the revision (Disclosed on May 12)

	FY6/2021 Actual (a)	FY6/2022 Original Forecast (b)	FY6/2022 Revised Forecast (c)	Variance (c-b)	% Change (c/b) - 1	YoY Growth (c/a) - 1
Revenue	43,175	47,400	49,000	1,600	3.4%	13.5%
EBITDA	8,680	7,900	8,400	500	6.3%	(3.2%)
Operating Profit	5,362	5,100	5,600	500	9.8%	4.4%
Profit attributable to owners of the parent	2,822	2,700	2,950	250	9.3%	4.5%

(Per Share Data)

EPS ⁽¹⁾ (Yen)	70.08	68.47	74.70	6.23	9.1%	6.6%
Divident per share (Yen)	13.00	16.00	17.00	1.00	6.3%	30.8%
Dividend payout ratio (%)	18.6%	23.4%	22.8%	(0.6pt)	-	-

(FX Assumptions)

JPY/EUR (Yen)	127.06	130.00	131.05	1.05	0.8%	3.1%
JPY/KRW (Yen)	0.0940	0.0960	0.0969	0.0009	0.9%	3.1%

Q4 Outlook

■ Revenue

- Although uncertainty remains, such as the impact of Covid-19, Ukraine crisis and inflation, expecting an increase in Q4 Revenue by approximately 10% year-on-year

■ Operating Expenses

- Expecting continuous increase in Outsourcing Expenses compared to the last fiscal year
- New grads join in the beginning of Q4 in Japan. Continue investment in talent in all regions. Aim to successively increase Revenue and to suppress the Outsourcing Expenses in next fiscal year and after
- Expecting increase in Other Expenses due to new acquisition related costs and future investment

■ Operating Profit

- Expecting loss in Q4 because of the increase in Expenses (including some one-time costs) mentioned above

Japan and Korea Business Segment Update

FY6/2022 Q3: Segment Performance Summary

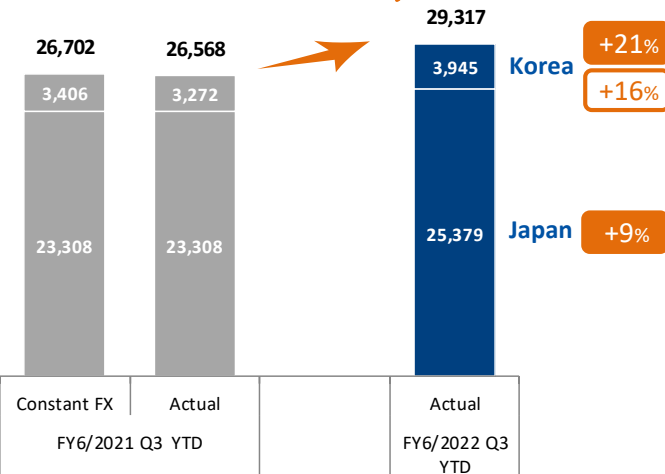


Japan and Korea Segment Standalone Revenue grew steadily, and maintained double-digit growth in Q3 YTD
 Standalone Segment Profit growth is limited due to an increase in Total Employee and Outsourcing Expenses

Q3 YTD Segment Revenue (9 Months)

(JPY in Millions)

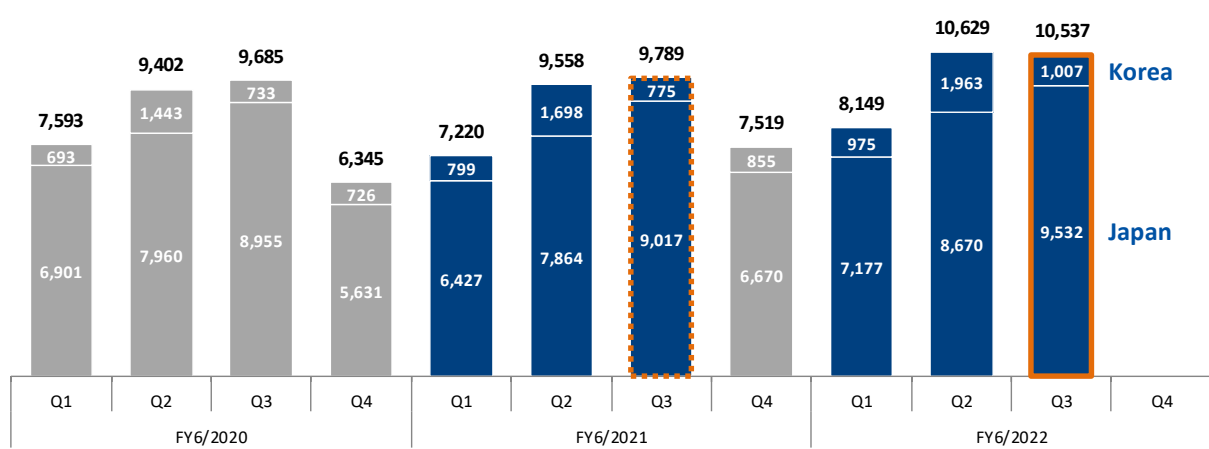
YoY Growth **+10%** Actual
+10% Constant FX



Quarterly Segment Revenue Trends

(JPY in Millions)

YoY Growth Actual: -5% +2% +1% +19% +13% +11% **+8%**
 Constant FX: -5% +2% +1% +17% +12% +10% **+8%**



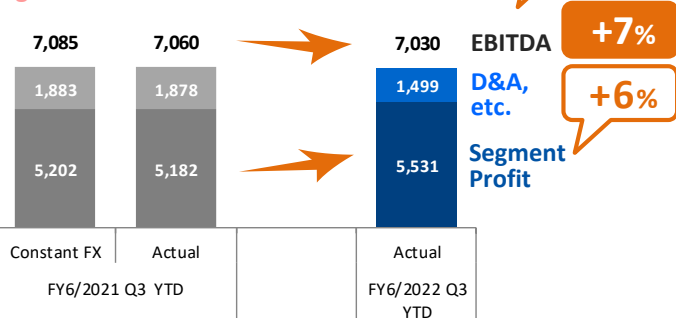
Q3 YTD Segment EBITDA and Profit (9 Months)

(JPY in Millions)

YoY Growth **-0%** Actual
-1% Constant FX

EBITDA Margin **26.5%** Actual
26.6% Constant FX

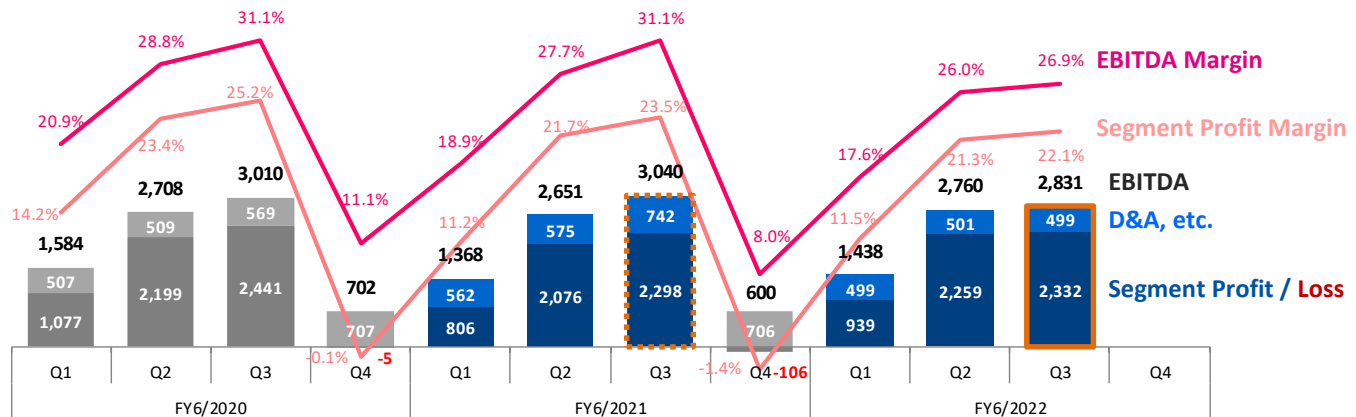
Segment Profit Margin **19.5%** Actual
19.5% Constant FX



Quarterly Segment EBITDA and Profit Trends

(JPY in Millions)

YoY Growth EBITDA: -14% -2% +1% -15% +5% +4% **-7%** Constant FX
 Segment Profit: -25% -6% -6% n/m +17% +9% **+1%** **+2%**



FY6/2022 Q3: Japan Business Summary



Research demand from our client remains strong, but there is opportunity loss due to operational capacity shortage

The impact is predominantly in the Research and Digital business field

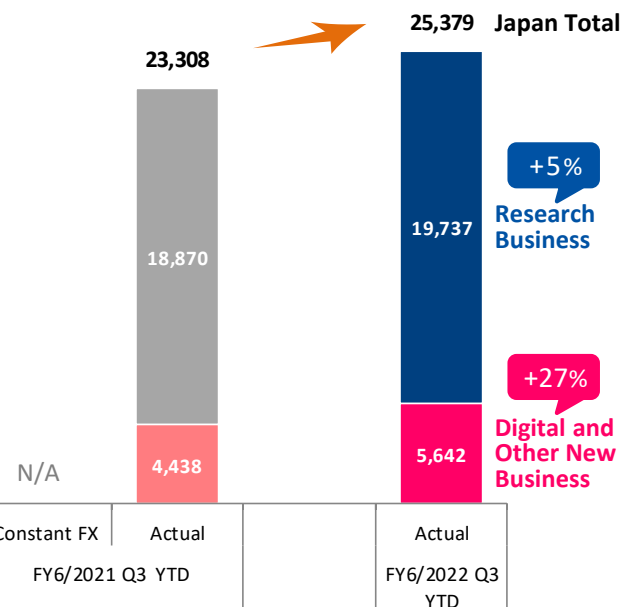
Q3 YTD Japan Revenue (9 Months)

(JPY in Millions)

YoY Growth

+9%

Actual

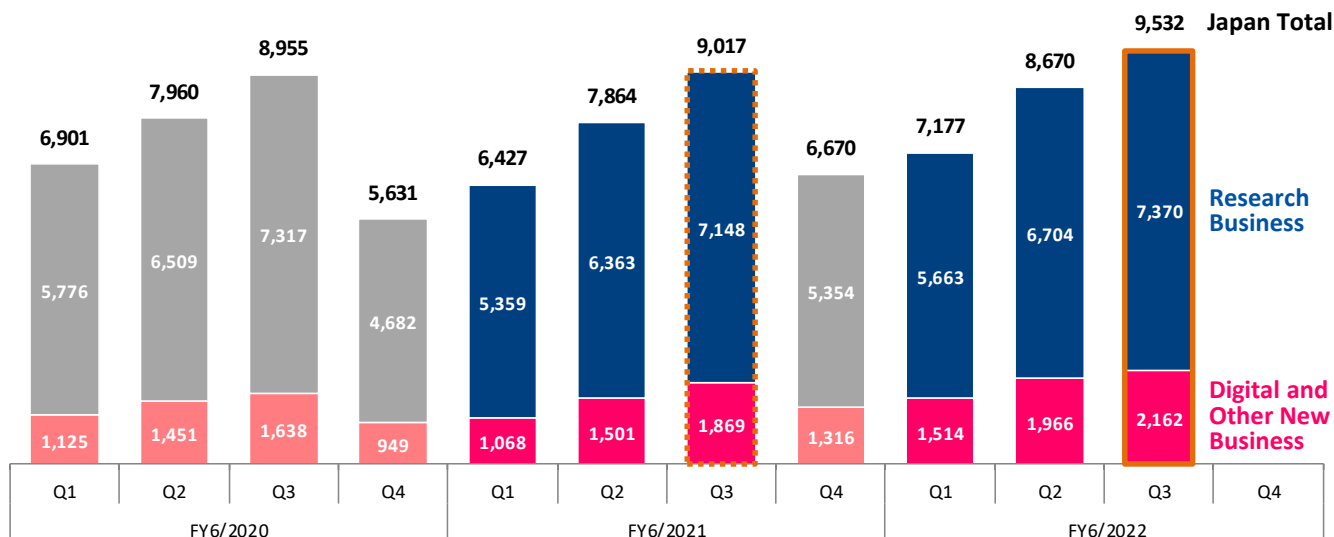


Quarterly Japan Revenue Trends

(JPY in Millions)

YoY Growth

Category	FY6/2020 Q1	FY6/2020 Q2	FY6/2020 Q3	FY6/2020 Q4	FY6/2021 Q1	FY6/2021 Q2	FY6/2021 Q3	FY6/2021 Q4	FY6/2022 Q1	FY6/2022 Q2	FY6/2022 Q3
Japan Total	-7%	-1%	+1%	+18%	+12%	+10%	+6%				
Research	-7%	-2%	-2%	+14%	+6%	+5%	+3%				
Digital & Other New	-5%	+3%	+14%	+39%	+42%	+31%	+16%				



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⁽¹⁾, 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.47 for more details)

FY6/2022 Q3: Japan Business – Business Performance

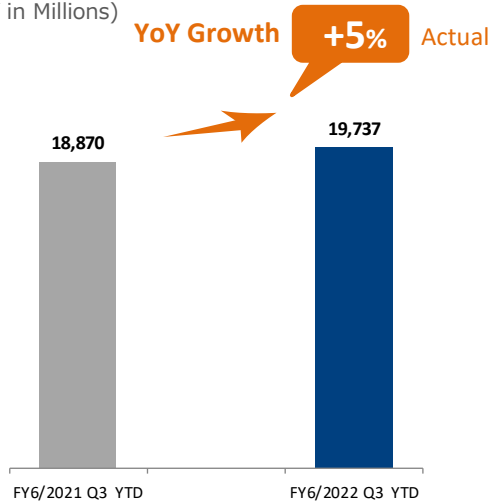


Based on the Q3 result, the Research Business is slightly slower than the target growth rate of the new MTBP

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

Q3 YTD Research Business Revenue (9 Months)

(JPY in Millions)



Q3 Business Performance Commentary

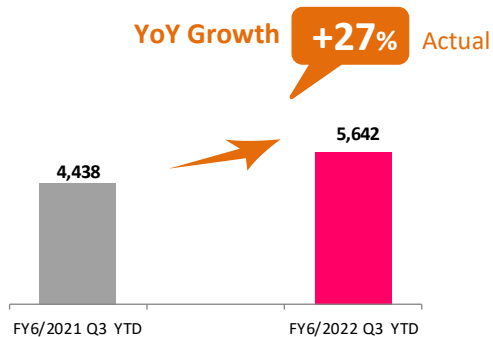
Research Business

Target Growth Rate in MTBP:
Per Annum **6%**

- Continuing from 1st Half, clients' demand for our services has expanded beyond our expectations
- Initiatives 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 when compared with FY6/2020, pre-Covid-19. However, due to client demand exceeding our operational capacity, opportunity loss is expanding in Q3
- Although Offline Research has resumed due to the lifting of the State of Emergency, it has not fully recovered

Q3 YTD Digital & Other New Business Revenue (9M)

(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 1.2bn JPY compared to last year, exceeding the Research Business
 - Digital measurement and DMP Sync service declined due to operational capacity shortage
 - Launched Tagless ad effectiveness measurement service for Amazon Ads (Press release today)
 - In Other New Business, Data Utilization Support (Data Consulting) and Life Science continue to grow strongly and deliver a significant increase
- ⇒ For more details on these, please refer to p.25 and 26

FY6/2022 Q3: Korea Business Summary

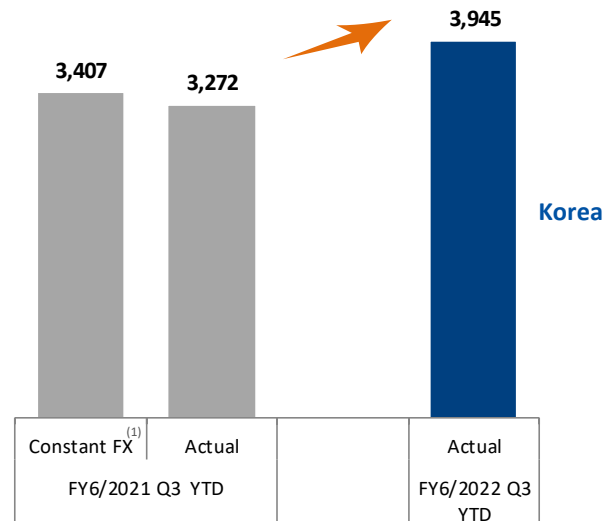


Continued to achieve the double-digit Revenue growth in Q3 led by the continuous shift from Offline Research to Online Research

Q3 YTD Korea Revenue (9 Months)

(JPY in Millions)

YoY Growth **+21%** Actual
+16% Constant FX⁽¹⁾

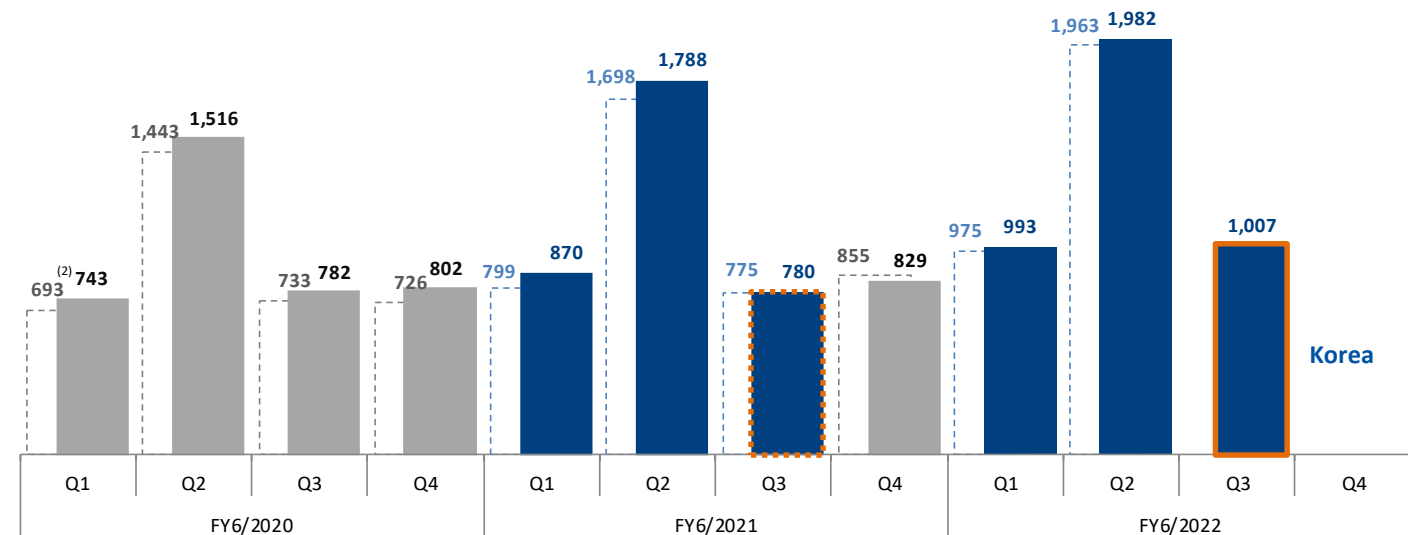


Quarterly Korea Revenue Trends

(JPY in Millions)

Actual
 Constant FX⁽¹⁾

YoY Growth	Actual:	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Actual:	+15%	+18%	+6%	+18%	+22%	+16%	+30%		
Constant FX ⁽¹⁾ :	+17%	+18%	-0%	+3%	+14%	+11%	+29%		



Q3 YTD Korea Business Performance Commentary

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

- We have achieved robust growth (+23% YoY in YTD) in Online Research with our clear competitive advantage. As the shift from Offline Research to Online Research continues, 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 +81% YoY on YTD basis, and Revenue from the public sector is experiencing 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 auditory 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.

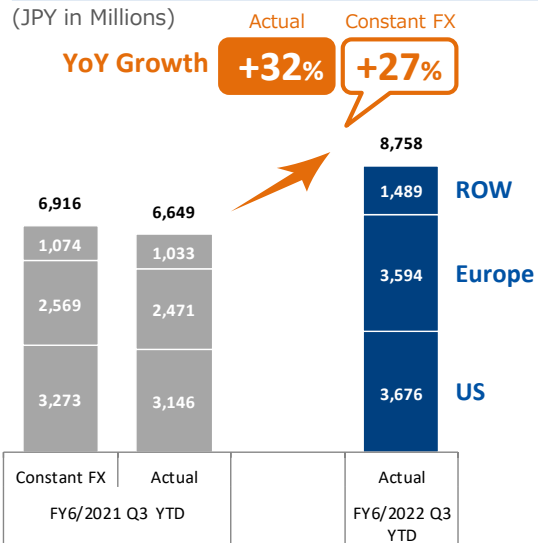
**Overseas (ex-Korea) Business
Segment Update**

FY6/2022 Q3: Segment Performance Summary

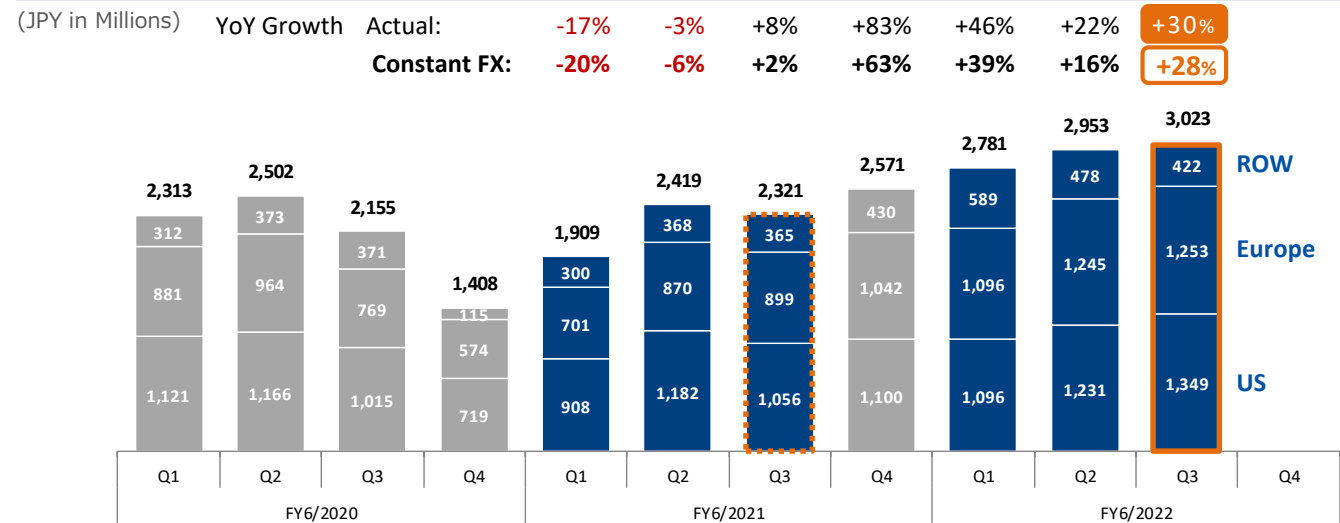


Q3 Revenue continued to grow due to increased demand and strengthening of our client relationships
 Segment Profits also increase on a YTD basis, but slowed QoQ due to cost increases for future growth

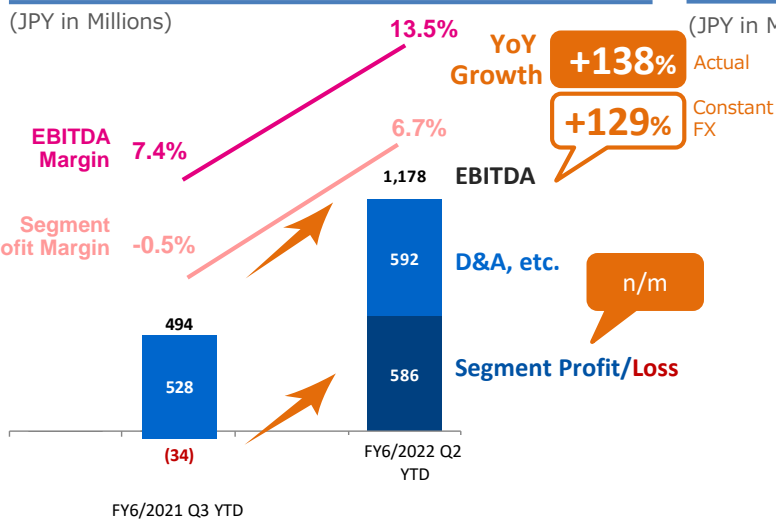
Q3 YTD Segment Revenue (9 Months)



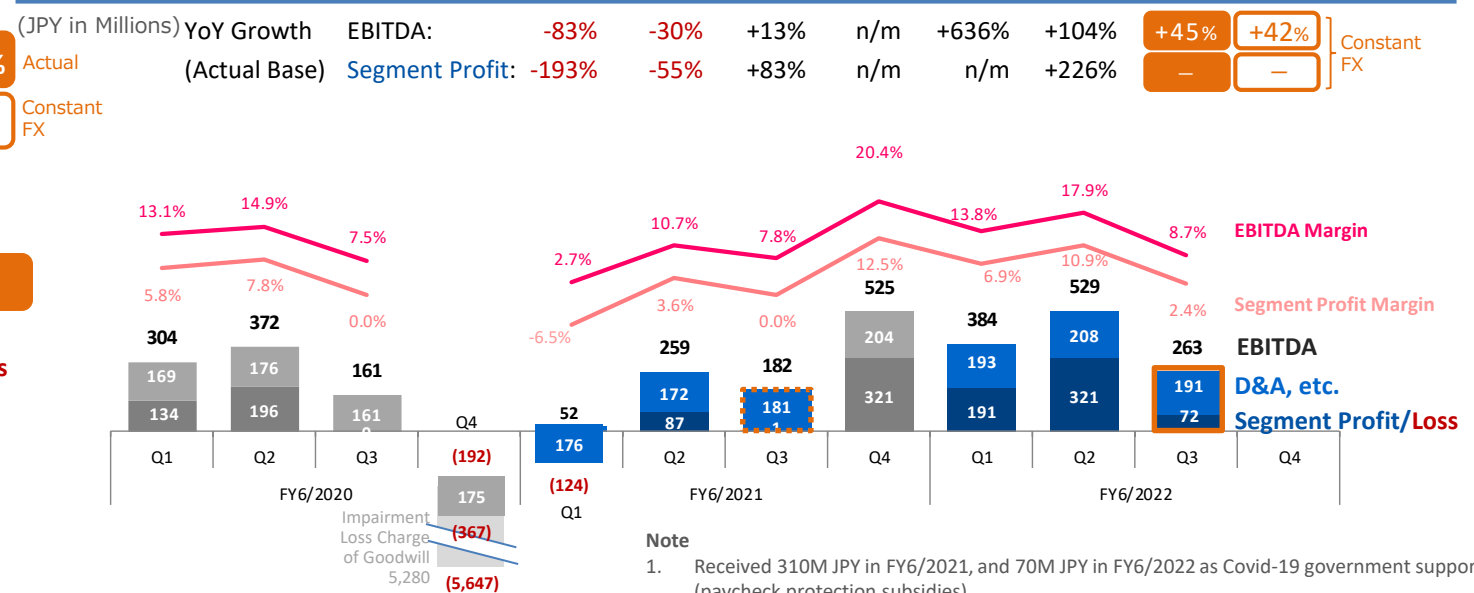
Quarterly Segment Revenue Trends



Q3 YTD Segment EBITDA and Profit (9 Months)



Quarterly Segment EBITDA and Profit Trends



FY6/2022 Q3: Overseas Business Summary



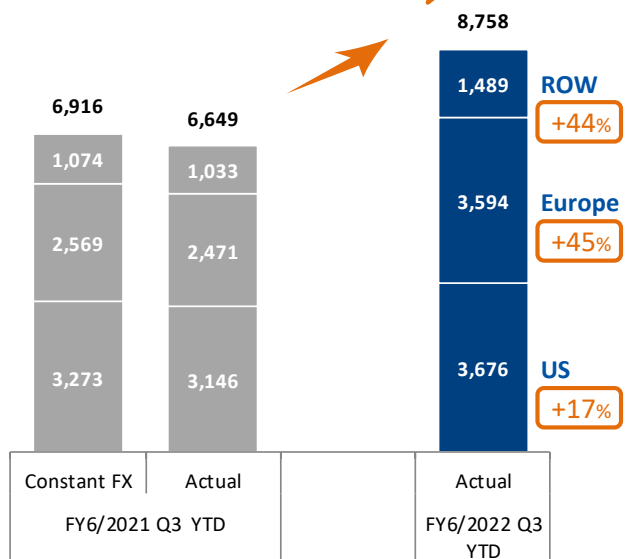
Q3 Revenue continued double-digit growth across all regions

As a result, both Q3 Standalone and YTD Segment Revenue grew +30%

Q3 YTD Overseas(ex-Korea) Revenue (9 Months)

(JPY in Millions)

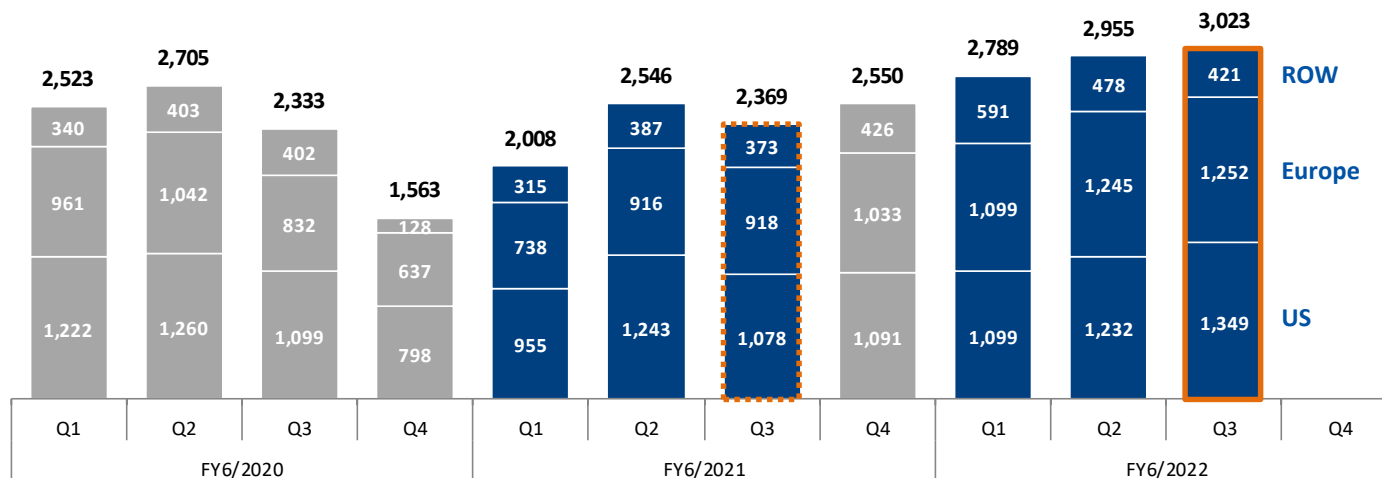
YoY Growth **+32%** Actual
+27% Constant FX



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

(JPY in Millions)

YoY Growth	Actual:	Q1	Q2	Q3	Q4	YTD
		-17%	-3%	+8%	+83%	+22%
	Constant FX:	-20%	-6%	+2%	+63%	+39%
						+30%
						+28%



Q3 YTD Overseas(ex-Korea) Business Performance Commentary

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

- FMCG, Media & Advertising, and Alcoholic Beverages industries are leading Revenue growth
- We are investing in Talent to increase operational capacity for rapidly growing demand from our clients
- In Europe, we delivered an increase in 'share of wallet' with several existing clients, as well as new client wins leading to high growth
- In Emerging Markets, there is a strong Revenue growth, especially in Singapore and Brazil
- We opened new offices in South Africa, Poland, and Philippines

**Update for Transforming our Business Model
(Japan Business)**

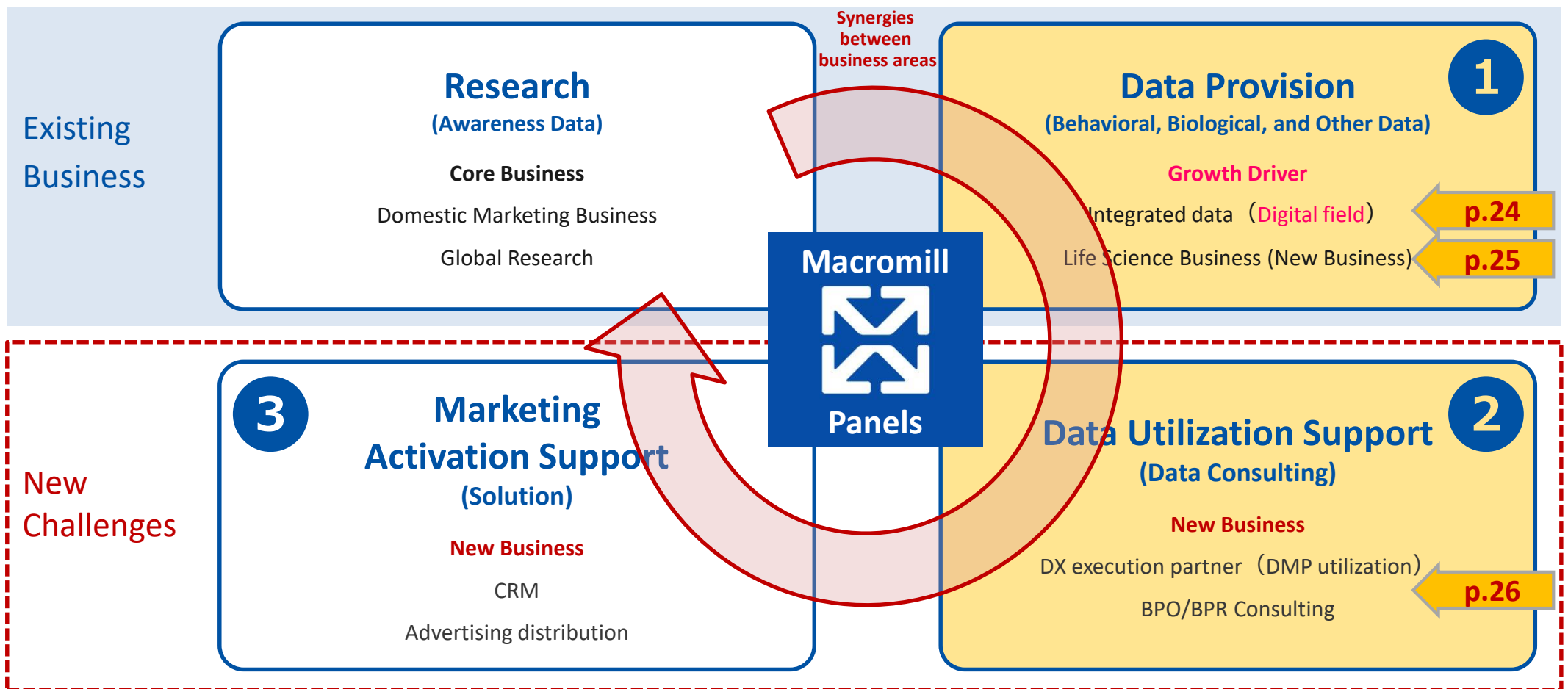
Japan Business: Transforming Our Business Model



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

Update on this material

Our Business Fields



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

Platform Providers we have desire to pursue individual initiatives



Case studies

Press release on May 12, 2022 (Today)



Macromill launches a tagless ads effectiveness measurement solution for Amazon Ads

- Unlike conventional methods that typically use tags for measurement, this method allows server-side collaboration between Amazon Ads and Macromill
- It enables Macromill to verify the brand-lifting effects as we can conduct a survey after determining the reach of ads to our survey panel based on data sent via the server
- Macromill and Amazon will further progress data clean room utilization initiatives

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))

1 New Business: Life Science Business



We started the “Life Science Business” in May 2021, aiming to support our clients in the health promotion and disease prevention area⁽¹⁾ by leveraging our existing business assets

Our project track record with clients are accumulating, and Revenue is growing significantly

Case Study in this business field

“me-fullness” Project*: 1st initiative

POLA R&M
POLA CHEMICAL INDUSTRIES, INC.

Supported the development of “me-fullness”, an App that supports switching of feelings with analysis and five senses stimulation

- Conducted technology development support, such as human clinical trials to acquire data on skin/ saliva etc., collecting facial motion video data, and examination to gain proper data of autonomic nerve through the app
- Conducted product development support, such as the app usability and user interface improvement research, concept acceptance research, and verification of stress reduction effect using the app



* “me-fullness” Project

The term “me-fullness” expresses that one’s mind and body are fulfilled. Pola Chemical Industries, Inc. focuses on the fact that many people have problems in this area, such as not being able to relax, focus, or perform to one’s potential ability. We are aiming to create a world where anyone can reach their true potential by realizing “me-fullness”.

Life Science Business is highly compatible with research, allowing us to solve client issues in a unique way, such as providing solutions that combine human clinical trials⁽²⁾ and research

Our clients also value our high-quality panel in this business field, and it has a strong retention rate

Note

1. Healthcare for health promotion and disease prevention: Actions or health management for the maintenance or promotion of health in a pre-symptomatic state without disease

2. Human clinical trials: Trials conducted to demonstrate the efficacy or safety of non-pharmaceutical products such as food, cosmetics and supplements

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

M&A Update in this business field

Press release on May 12, 2022 (Today)



Notice Regarding Company Split (Simple Absorption-type Company Split) and Subsidiary Acquisition of Succeeding Company

- Conducted a company split (Simple Absorption-type company split) that South Inc., which runs a marketing consulting business, succeeds Macromill’s data consulting business (Date of company split: July 1st,2022)
- Through this company split, Macromill acquires 71% of South Inc. share. South Inc. will become a subsidiary of Macromill and change its company name to Eight Hundred, Inc. (EHI)
- Through this acquisition, the new integrated company will run our data consulting business, and will expands its business size and market position. As a result, we will aim to accelerate Revenue/Profit expansion

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

Updates for Management Structure

Appointed new CCO, CFO, and CTO⁽¹⁾ and strengthened our management structure

Our Management Team Structure



Global CCO⁽¹⁾
Taro Dohi

- Graduated from Keio University
- Joined Mercedes-Benz Japan Co., Ltd. and served for Finance, Sales Planning, and Human Resources departments
- Before joining Macromill, he took successive service in various posts, such as Chief Human Resources Officer, Chief Corporate Officer, and other significant roles at OYO Japan Co., Ltd. He owns over 30 years of experience as a senior global HR leader at German, US, and Indian companies



Global CFO⁽¹⁾
Shintaro Hashimoto

- Holds a Master of Business Administration degree from Dartmouth College
- Worked for Andersen Consulting (now Accenture plc) on various global projects in both Japan and the U.S. Later joined DeNA Co., Ltd., with responsibility for Global Operations & IT Strategy, Business Development & Corporate Strategy, and Corporate M&A & Alliance
- Joined Macromill in Sep. 2019 and recently served as Vice President, Head of Corporate Strategy



Global CTO⁽¹⁾
Ken Inoue

- Graduated from Business School at Waseda University
- After experiencing machine translation tech-sales and system integrator, he successively held East Asia regional manager of IT department, product development units at internet department and entertainment department, in both Japan and the U.S. at Microsoft
- After that, he worked for Amazon Japan and joined Macromill in January 2022

With our renewed management team, we aim to achieve our MTBP

Note

1. CCO: Chief Corporate Officer, CFO: Chief Financial Officer, CTO: Chief Technology Officer

Build your Data Culture

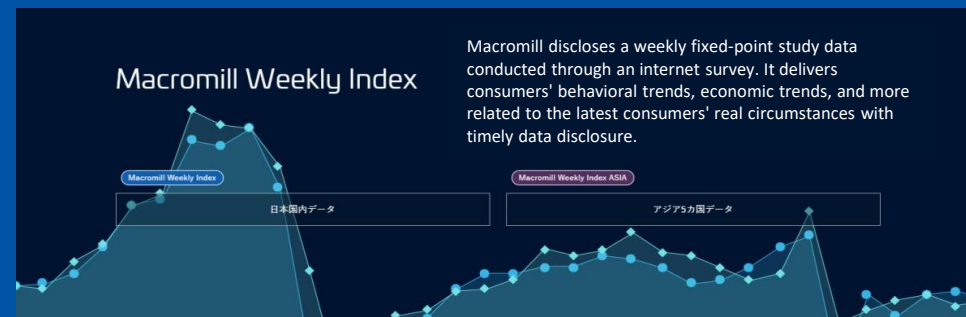


DATA & INSIGHTS

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 Q3 Financial Results Supplemental Material**
- ii. Market size, Historical Revenue Trends and our Mid-term Business Plan
- iii. Summary of our Company

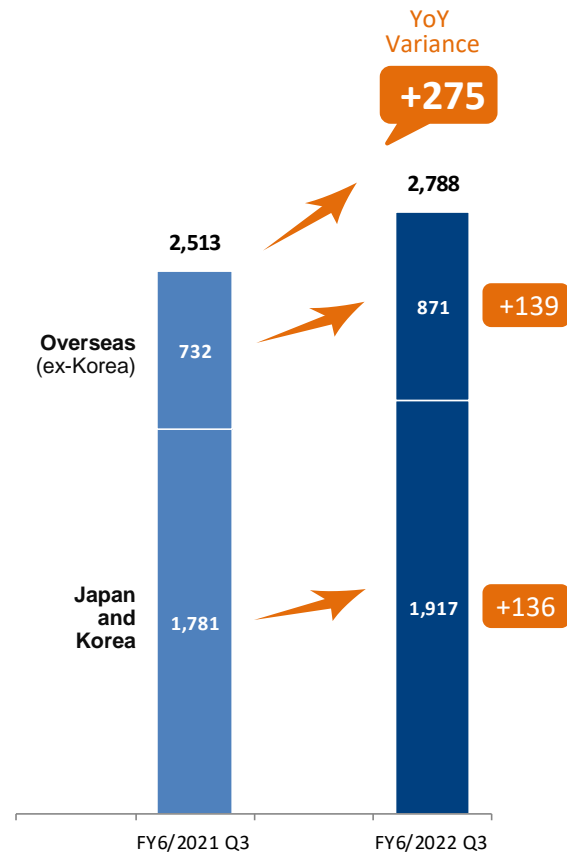
Quarterly Headcount Trends

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

Q3 Headcount⁽¹⁾ (As of the end of the Quarter)

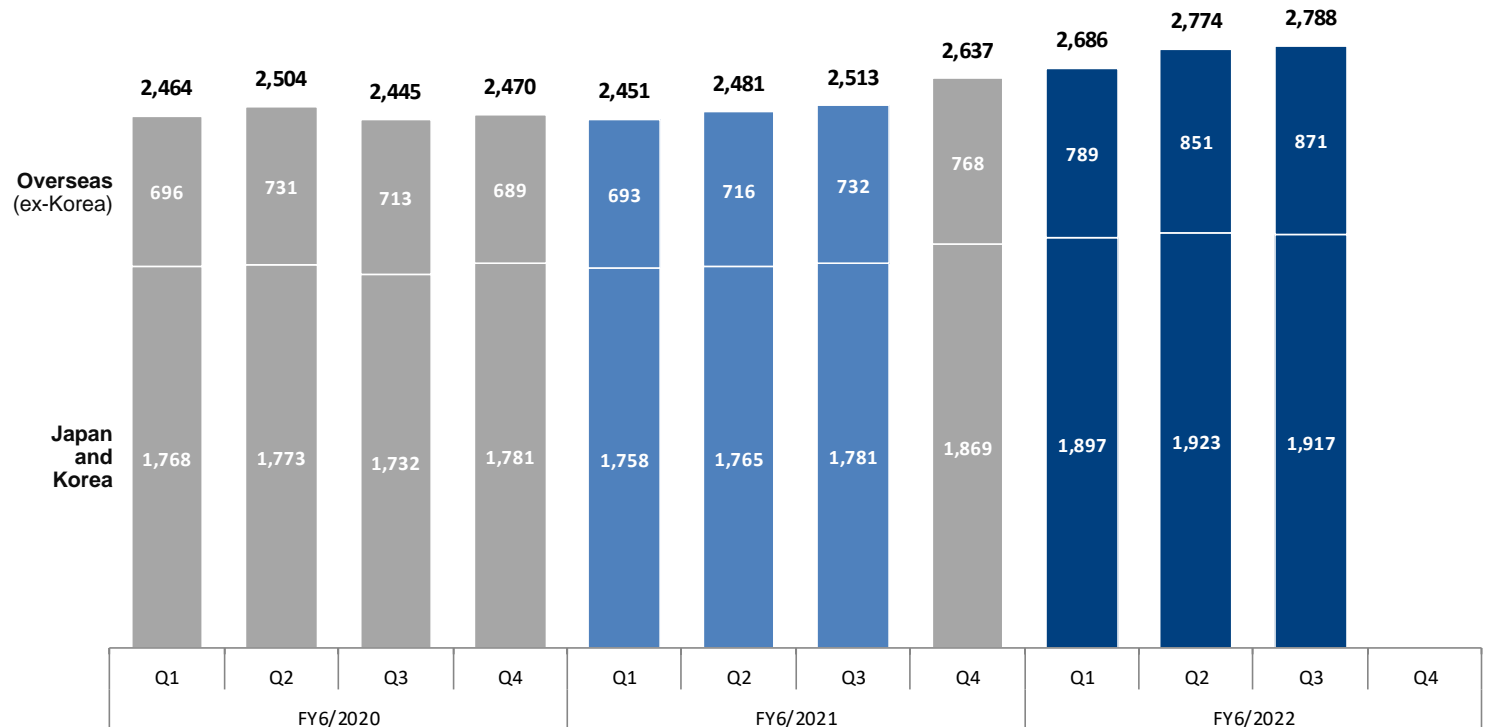
Consolidated (Person)



Quarterly Headcount⁽¹⁾ Trends – By Segment

Consolidated (Person)

YoY Growth	Consol. Total:	-13	-23	+68	+167	+235	+293	+275
Overseas:		-3	-15	+19	+79	+96	+135	+139
Japan & Korea:		-10	-8	+49	+88	+139	+158	+136



Note

1. Headcount figures do not include temporary employees

Appendix

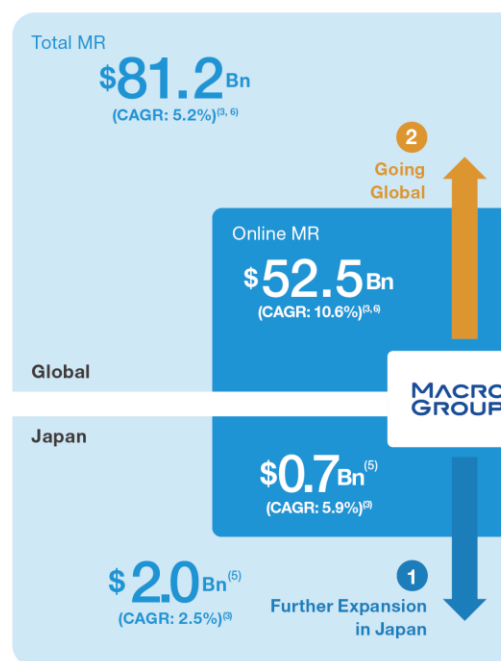
- i. FY6/2022 Q3 Financial Results Supplemental Material
- ii. [Market size, Historical Revenue Trends and our Mid-term Business Plan](#)
- iii. Summary of our Company

Big Market Opportunity and Our New Mid-term Business Plan

Our Market Opportunity⁽¹⁾

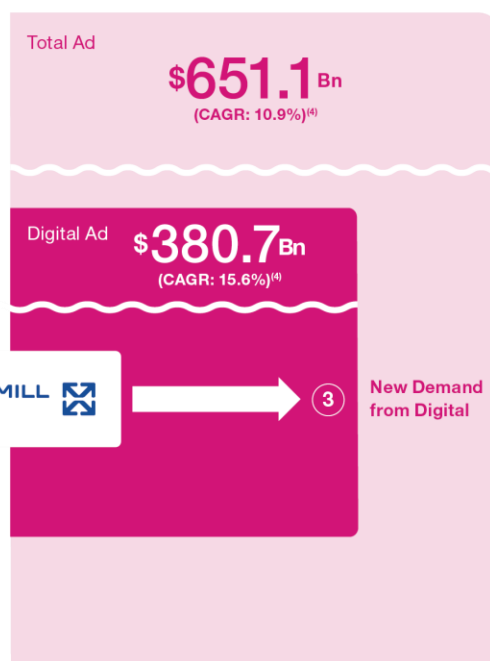
Market Research

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



Digital Marketing⁽²⁾

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

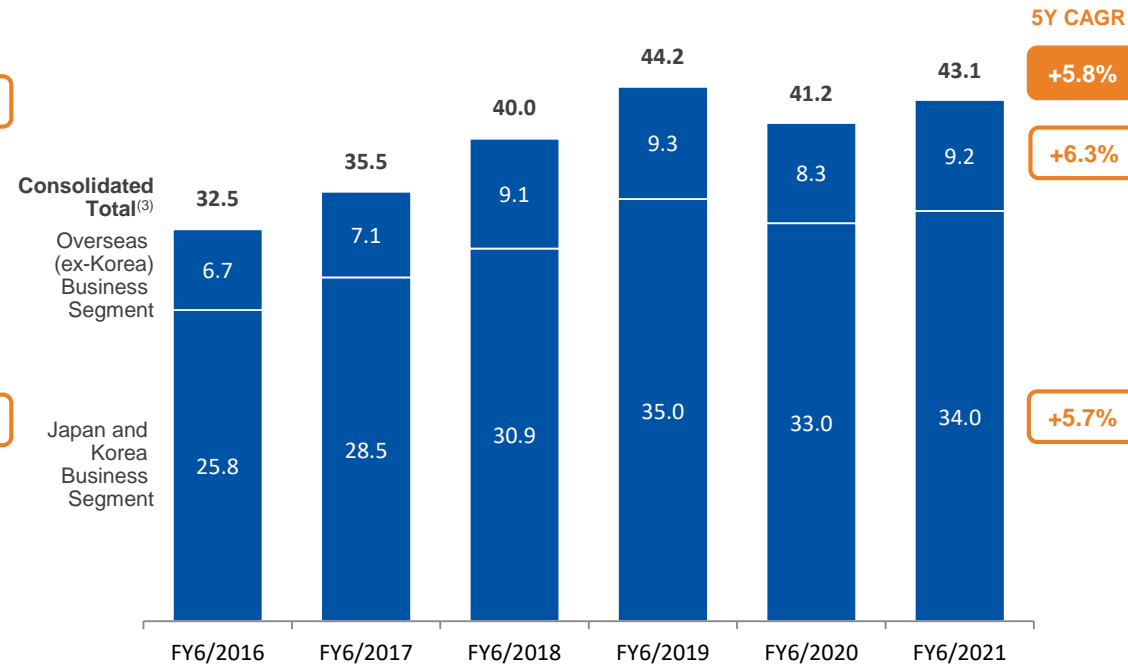
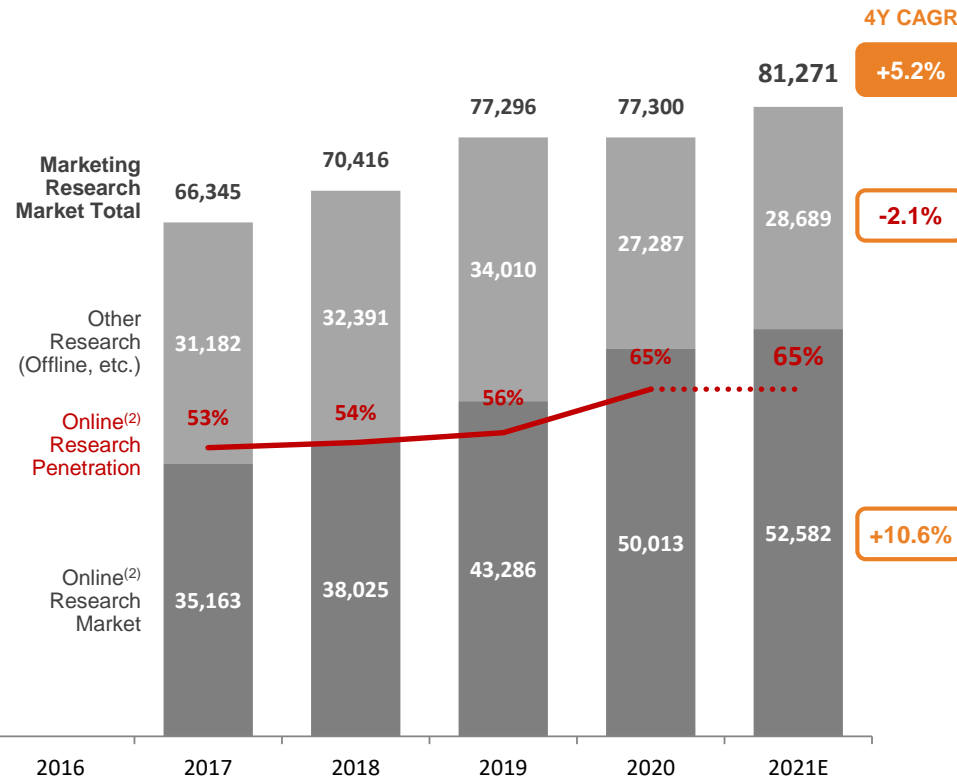
ESOMAR⁽¹⁾
(USD in Millions)

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

Revenue Trends – Macromill Consolidated Group All

Consolidated (IFRS)
(JPY in Billions)

YoY Growth	Consolidated:	+9%	+13%	+11%	-7%	+5%
	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

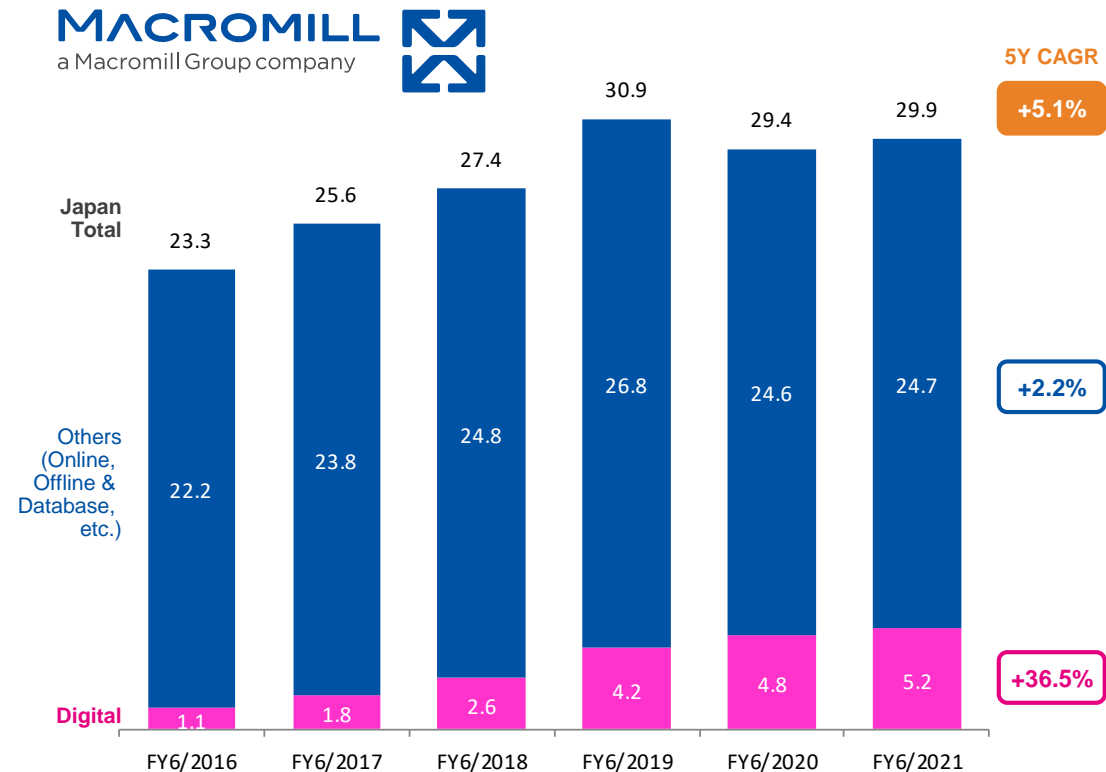
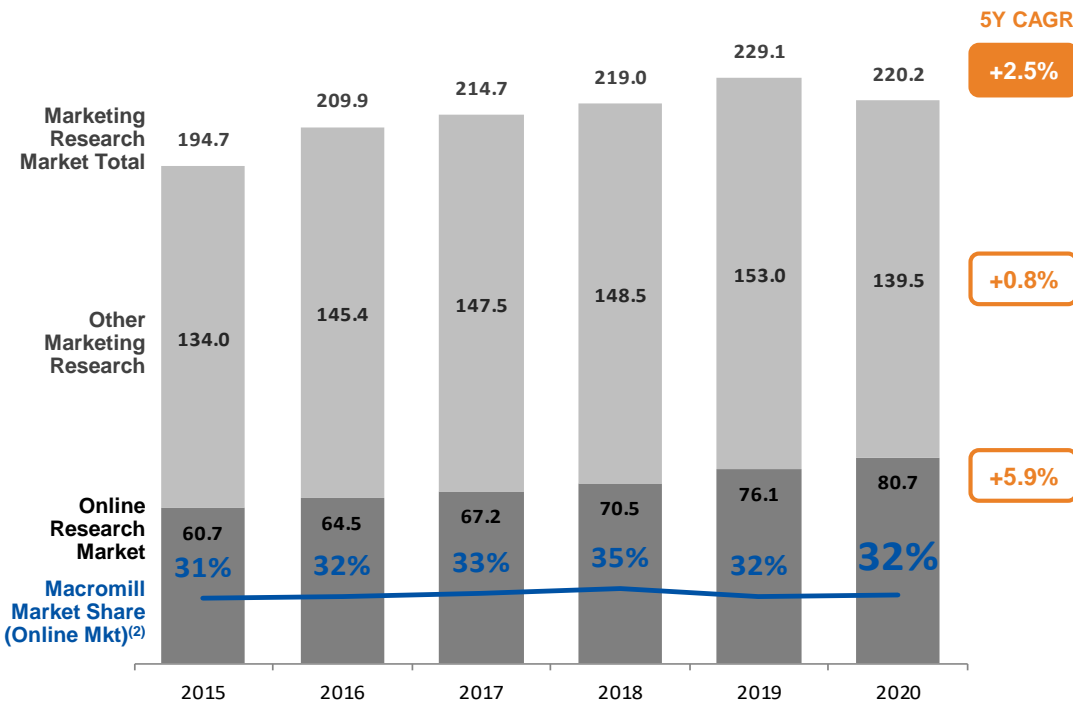
JMRA⁽¹⁾
(JPY in Billions)

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



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

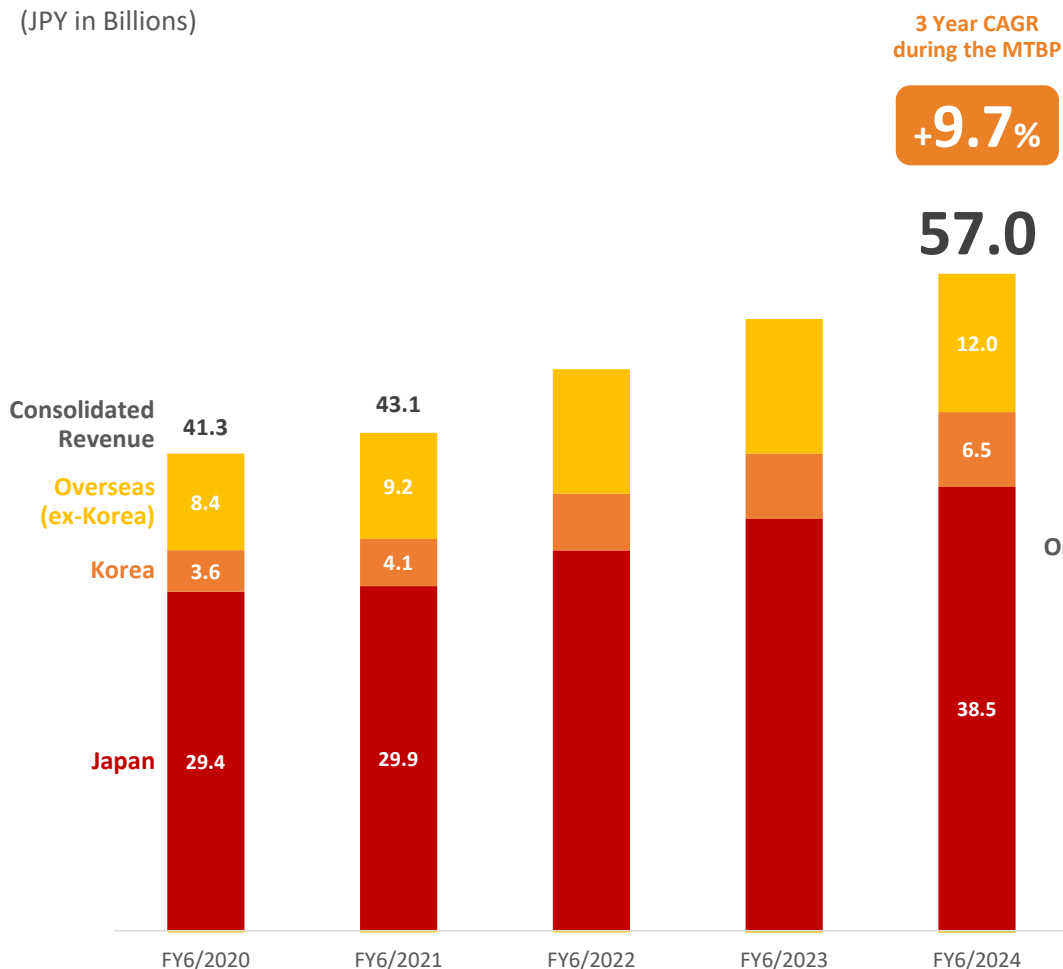
Mid-Term Business Plan (Cont')

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

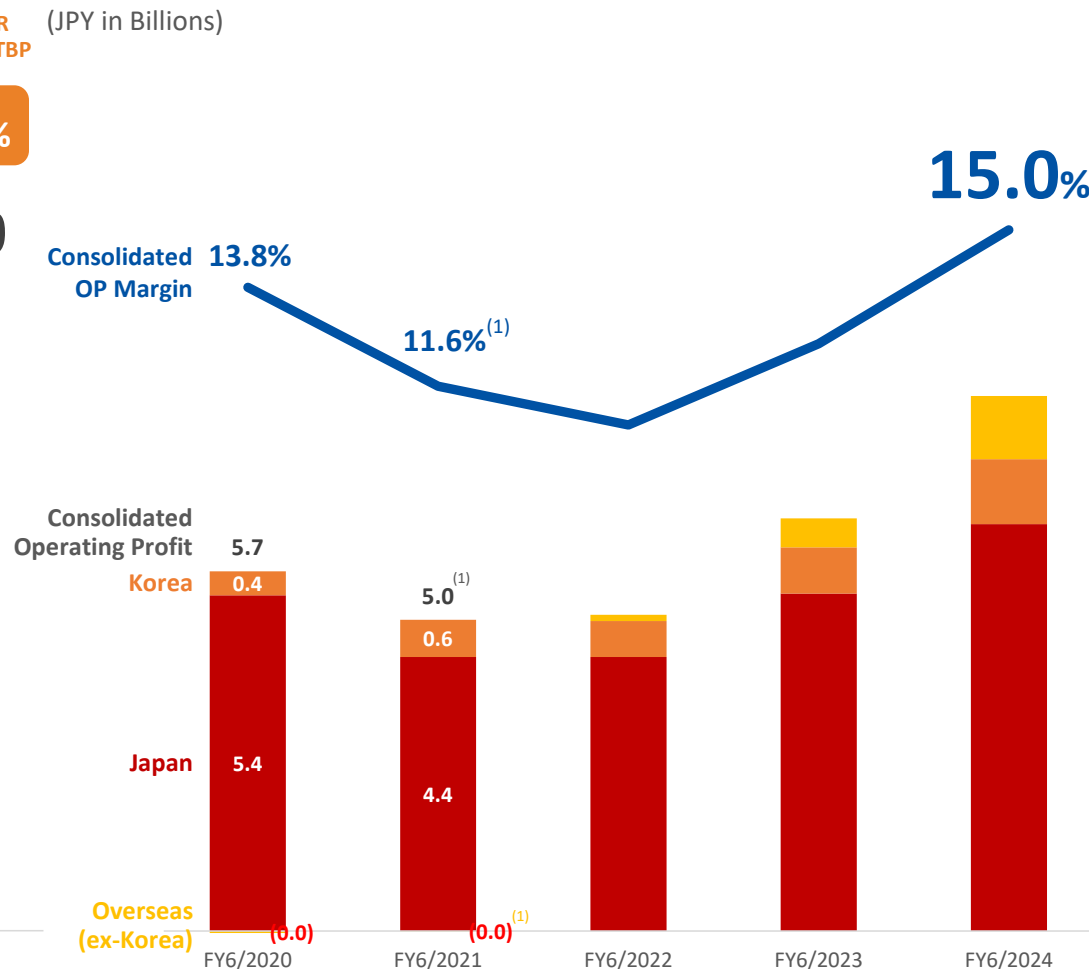
Anticipated Consolidated Revenue Trend

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

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 47 in Appendix)

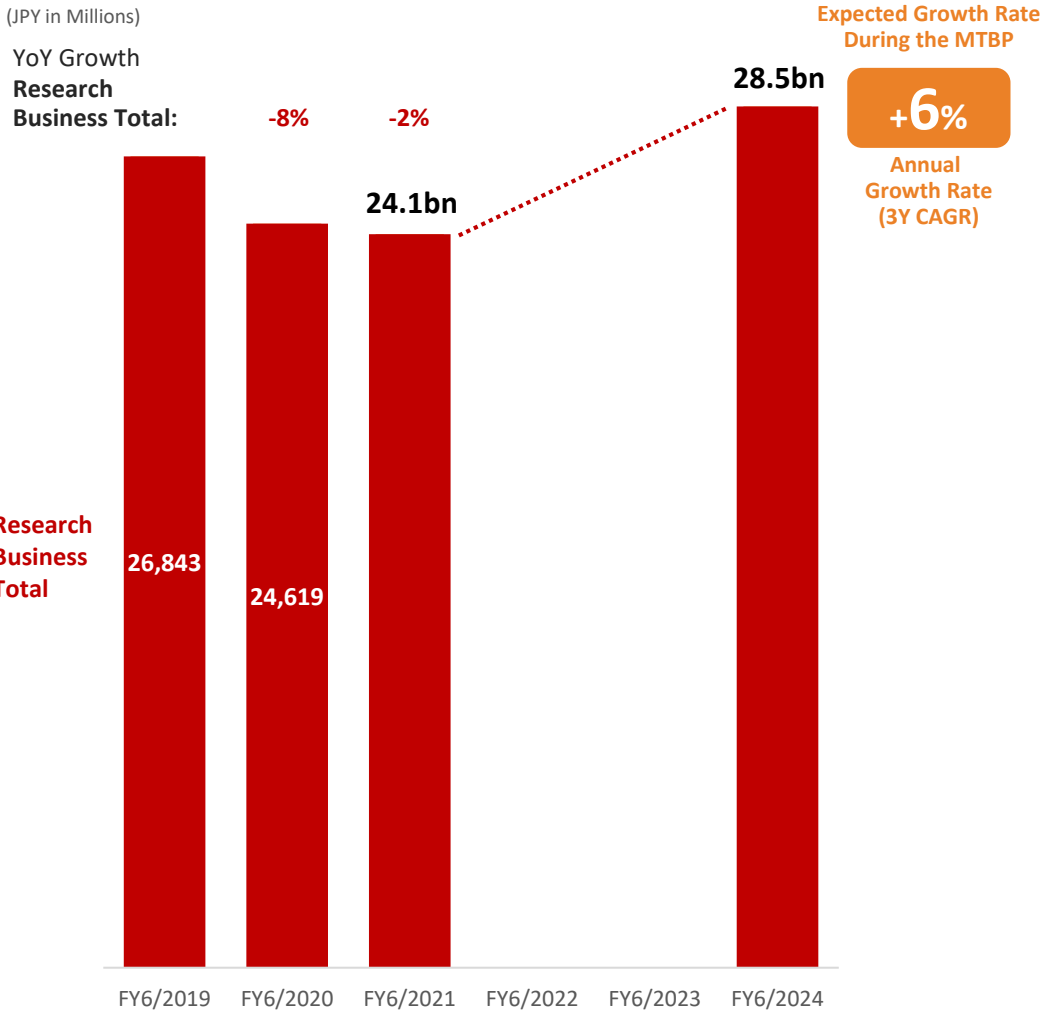
Japan Business: Research Business



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

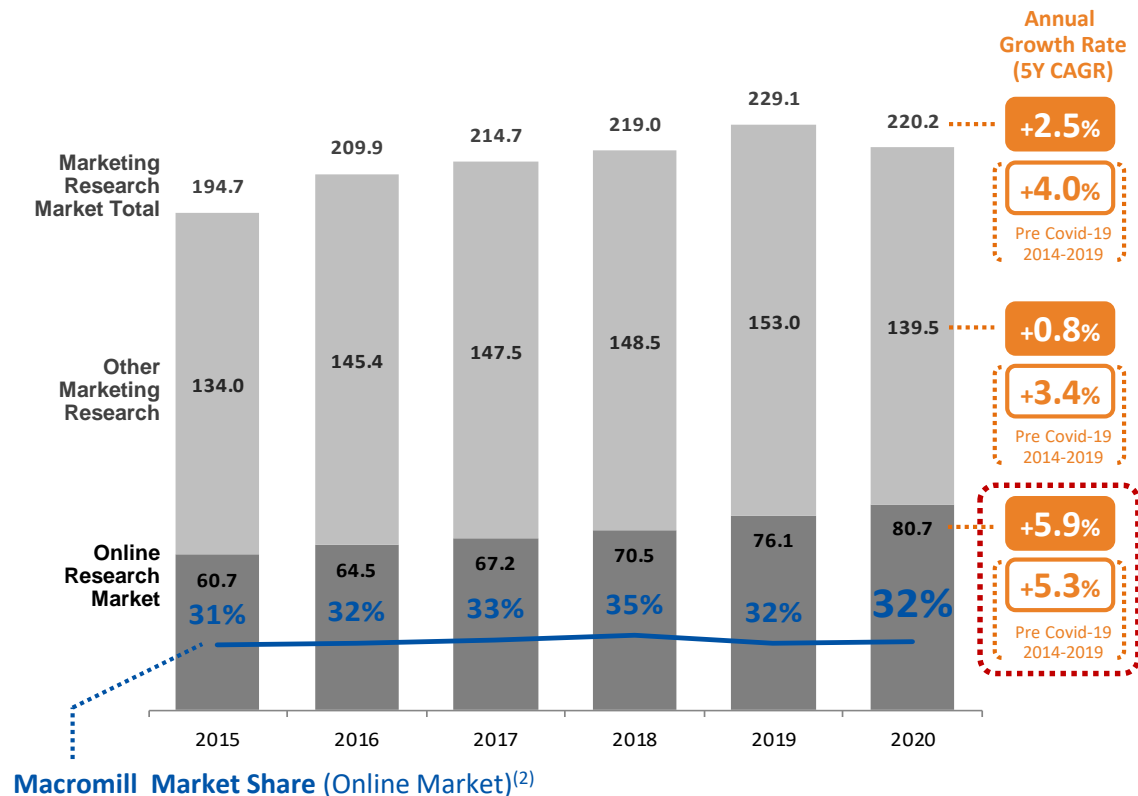
Revenue Trend and Future Expected Growth Rate in this Business Field



Japanese Marketing Research Market

JMRA (1)
(JPY in Billions)

YoY Growth	Total	Others	Online
2015-2016	+8%	+9%	+6%
2016-2017	+2%	+1%	+4%
2017-2018	+2%	+1%	+5%
2018-2019	+5%	+3%	+8%
2019-2020	-4%	-9%	+6%



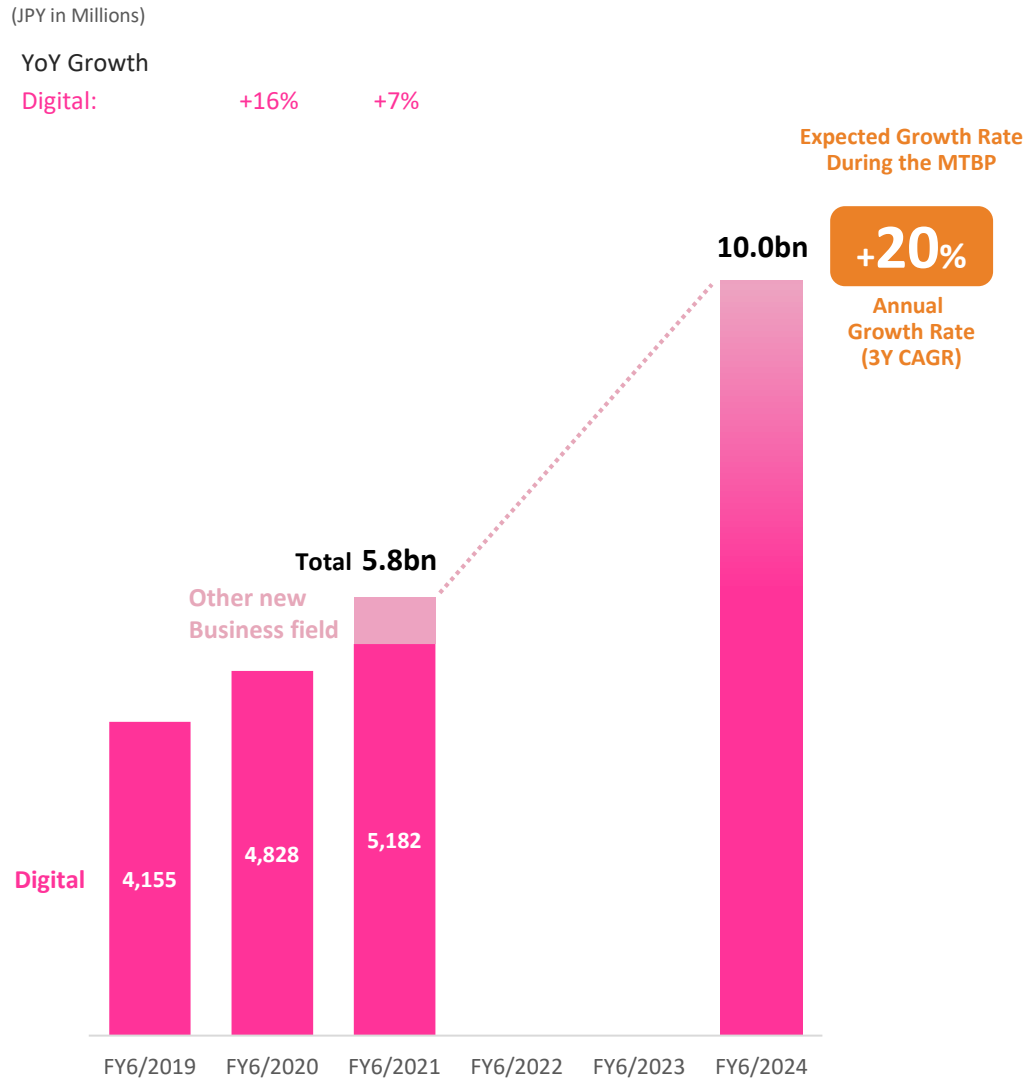
Notes
 1. Source: Japan Marketing Research Association (JMRA) - Management statistics (2021/6) The Ad-hoc internet survey is described as Ad-hoc Online
 2. Macromill's market share is estimated by the Company



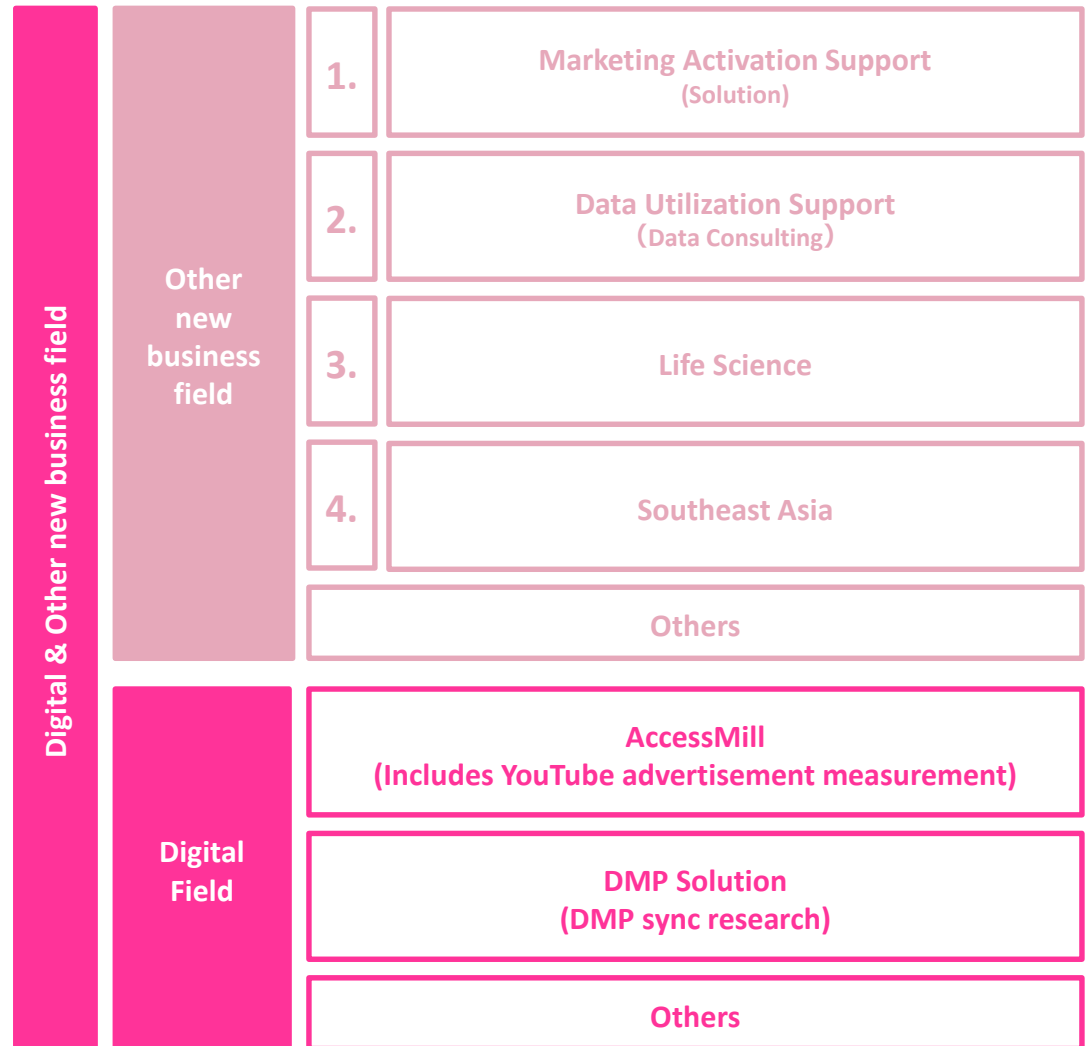
The Digital field remains our strong growth driver

Entering the new business fields in full-scale

Revenue Trend and Future Expected Growth Rate in this Business Field



New Business Field Breakdown



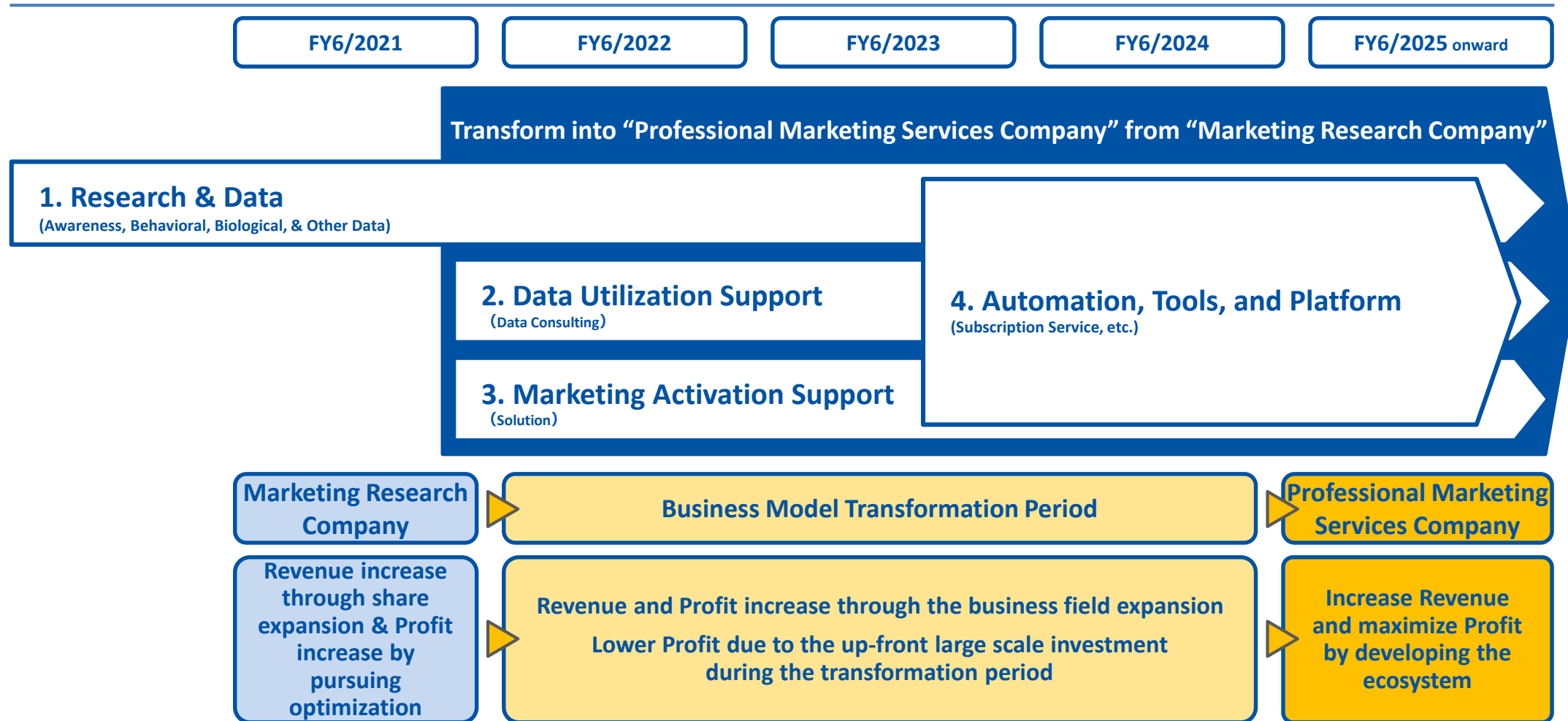
Japan Business: The Road to Transformation



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

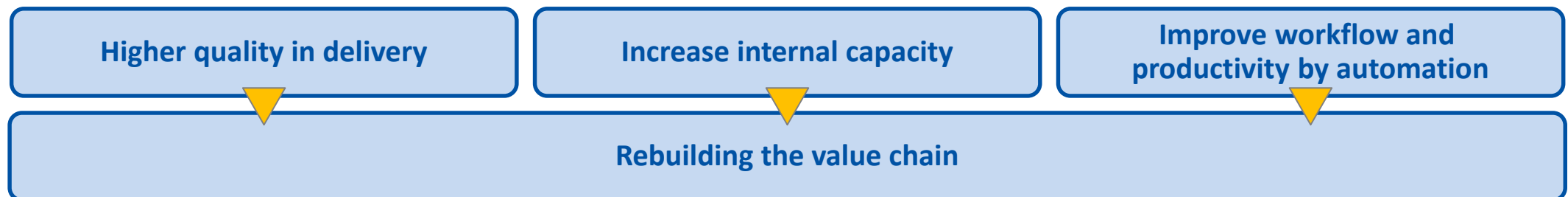
The increasing pace of Operating Expenses slows after building a new operations team structure

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 st Step	Material Increase	Material Increase	Increase Outsourcing Expenses and Total Employee Expenses to build a new operations team structure for demand growth, etc.
2 nd 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 rd 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



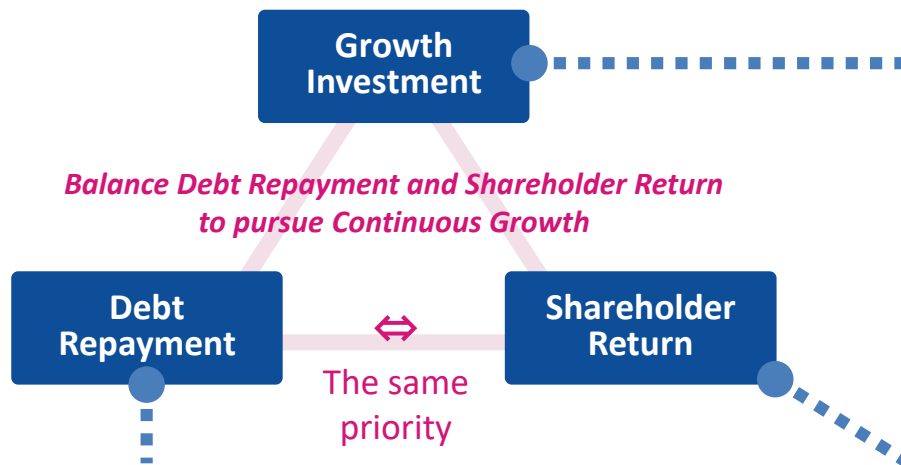
Capital Allocation

“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



Specific plan for “Growth Investment”

- Growth Investment remains our Top Priority
- Strategic up-front investment in talent is in progress

Specific plan for “Debt Repayment”

- Repay existing debt as planned, and aim to control the leverage ratio within the target level (Net Debt / EBITDA ratio target: 2.0x – 2.5x)
- The Group will not actively pursue a net-cash position after reaching the target leverage ratio

Specific plan for “Shareholder Return”

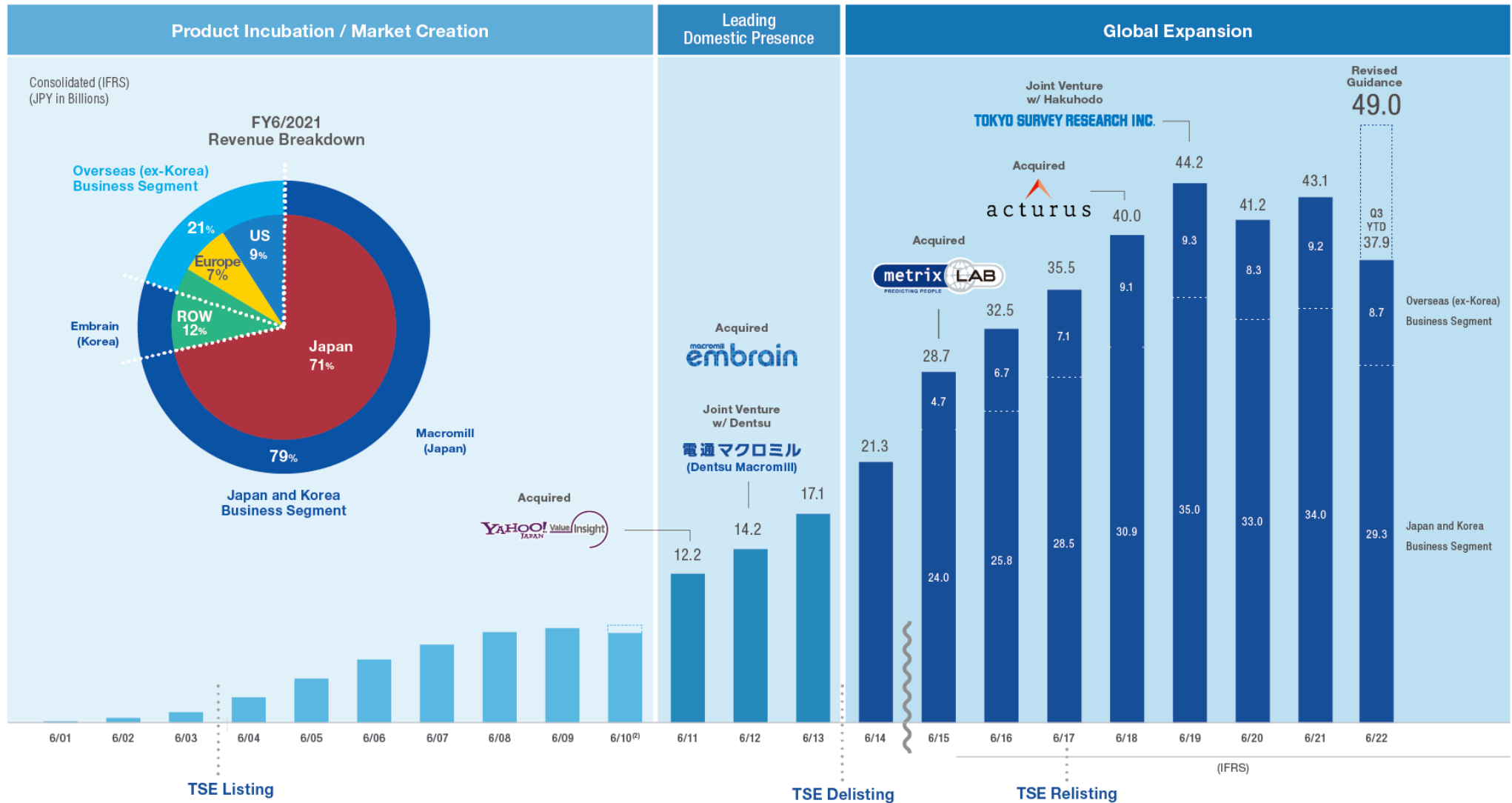
- Setting shareholder return and debt repayment at the same priority
 - Maintain the dividend increase momentum, and aim to achieve 20 - 30% dividend payout ratio at the consolidated level
- Conduct share buyback in a timely manner based on the stock price level if there are cash surpluses

Appendix

- i. FY6/2022 Q3 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⁽¹⁾



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.
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⁽¹⁾

95.7%
in Japan⁽²⁾

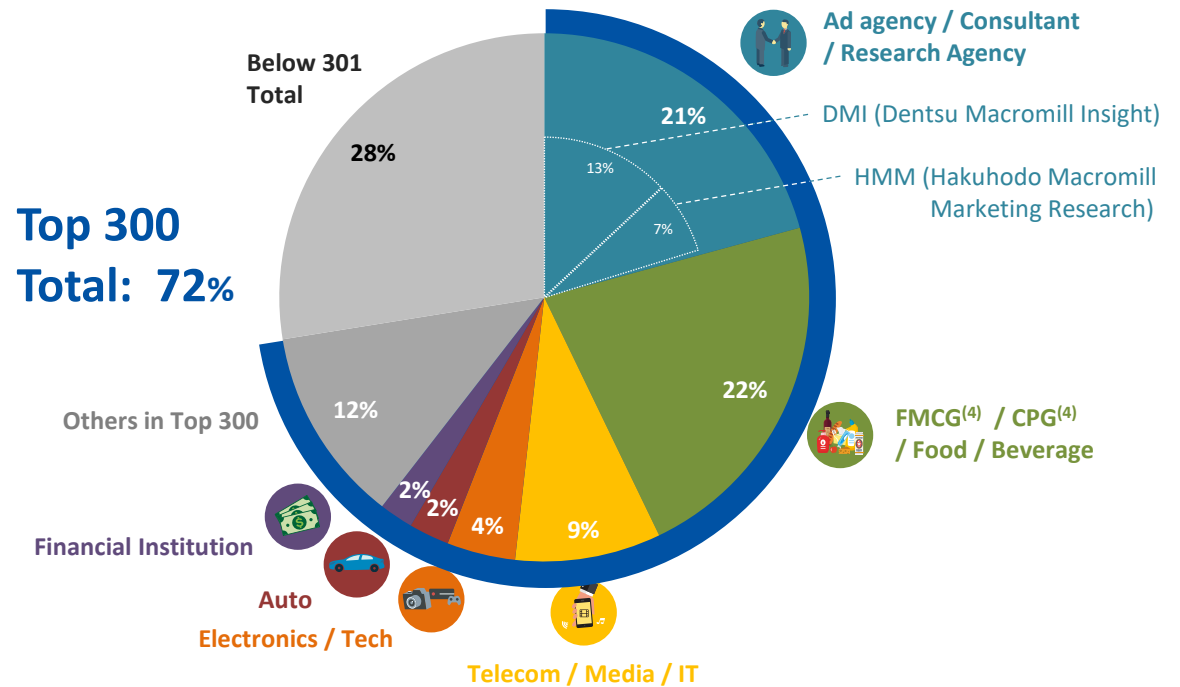
90.1%
in Global⁽³⁾
(excl. Japan)

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

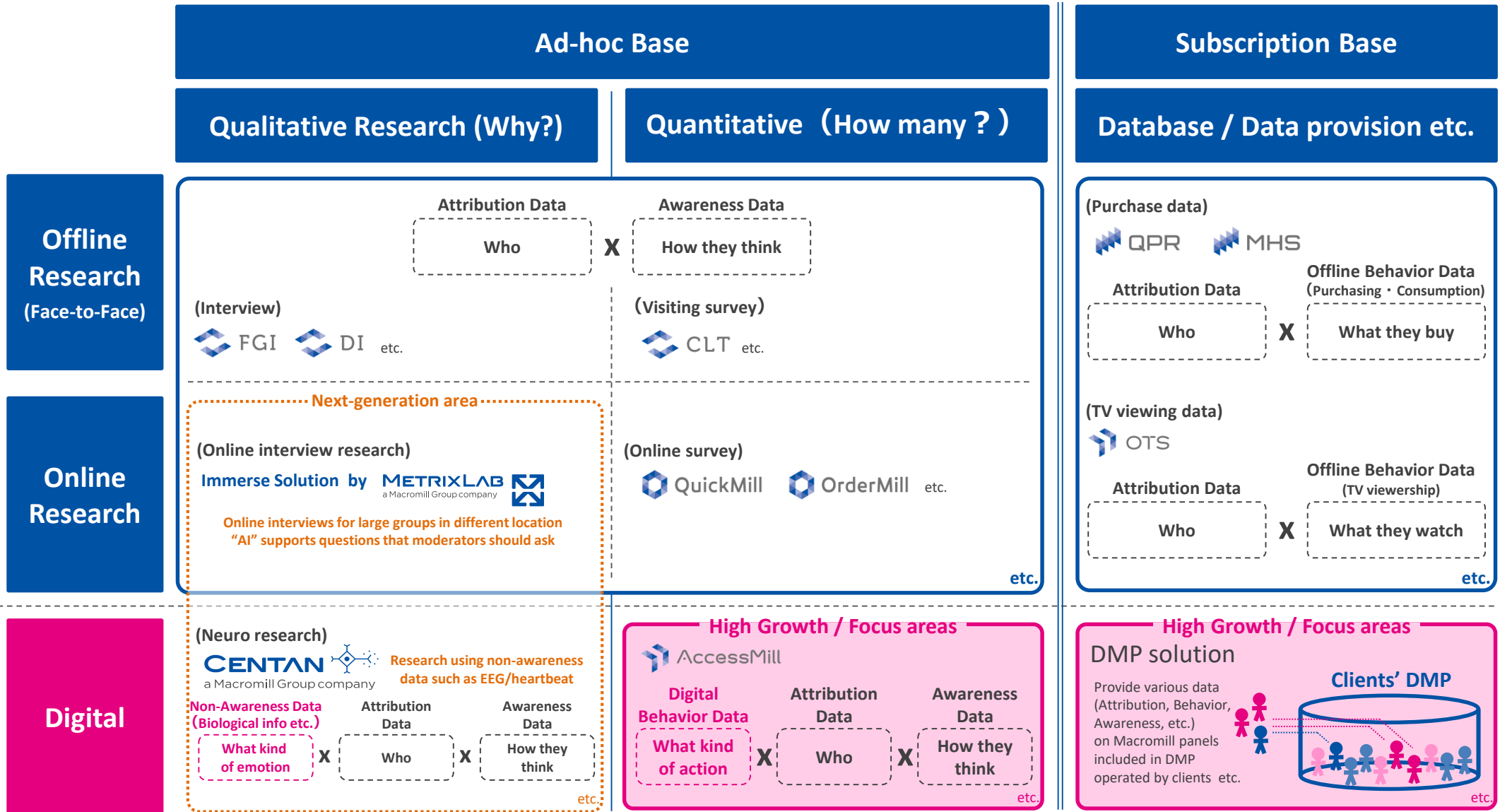


Macromill Group Solutions



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

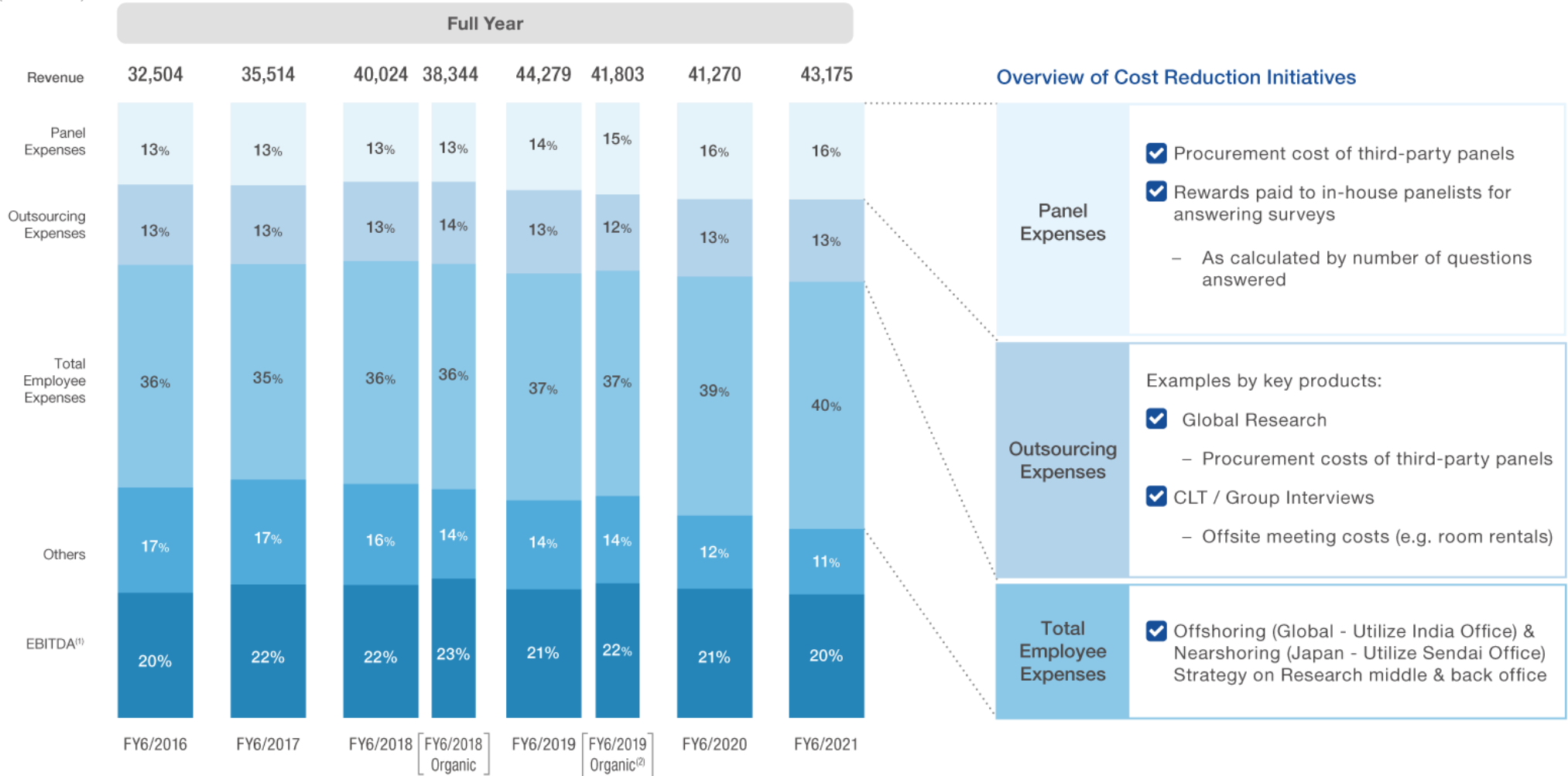


With a stable cost structure, generate a steady cashflow

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⁽¹⁾ </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: #008080; 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: #008080; 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: #008080; 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 & 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 & 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 > 51% majority acquisition</p>	<p>2017 Acquisition </p>  <div style="display: flex; justify-content: space-around; margin-top: 10px;"> <div style="background-color: #008080; 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 & Capital Alliance 2019 Acquisition </p>  <div style="display: flex; justify-content: space-around; margin-top: 10px;"> <div style="background-color: #008080; 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 > 51% majority acquisition</p>	<p>2018 Joint Venture with Hakuodo (51% Majority Acquisition) </p>  <div style="display: flex; justify-content: space-around; margin-top: 10px;"> <div style="background-color: #008080; 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: #008080; 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>

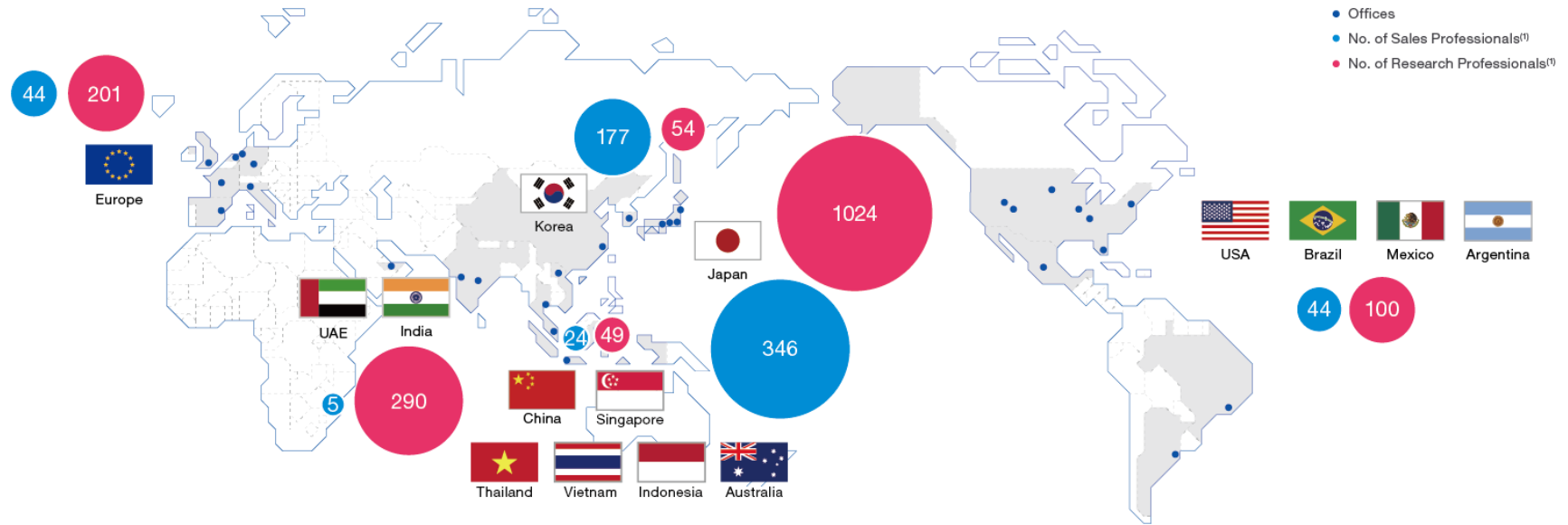
Note

1. Acquired market research business only

Worldwide Sales & Research Delivery

Sales and Research Breakdown for Selected Key Markets⁽¹⁾

As of end of March, 2022



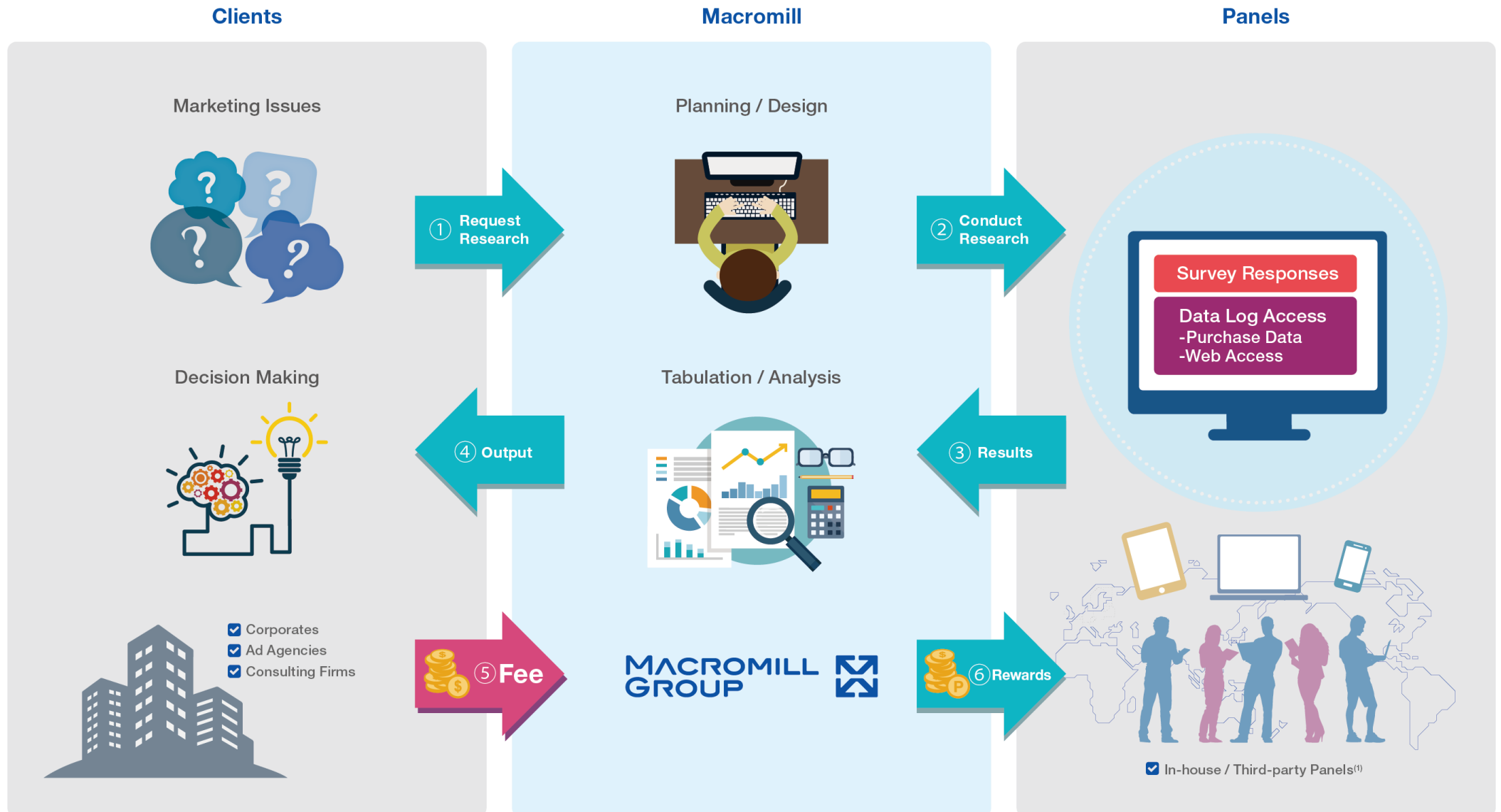
2,700+⁽²⁾ Employees in 50 Offices Worldwide

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

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

