

FY6/2022 Full Year Financial Results & FY6/2023 Guidance

August 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.

	Full Year (12 Months)		Q4 Standalone (3 months)	
	FY6/2021	FY6/2022	FY6/2021 Q4 Standalone	FY6/2022 Q4 Standalone
1 Euro =	127.06	132.23	131.65	137.02
1 KRW =	0.0940	0.0980	0.1002	0.1048

FY6/2022 Key Takeaways

Consolidated Business Performance	Full Year (12 Months)		Q4 Standalone (3 Months)		
	Revenue :	49.81 bn JPY	YoY +15%	Revenue :	11.85 bn JPY
OP :	5.81 bn JPY	YoY +8%	OP :	-0.30 bn JPY	YoY -241%

- Q4 Standalone Revenue continued to perform well while OP resulted in a deficit due to investment for future growth and talent
- Full-year Revenue achieved double-digit growth and OP delivered +8% growth YoY following strong demand for our services

- FY6/2022 Full-year business performance overachieved the upward revised guidance disclosed in May
- FY6/2023 Guidance anticipates double-digit growth in both Revenue and OP with increase in dividend by 4.0 JPY (17.0 JPY → 21.0 JPY)

- To achieve the Mid-term Business Plan (MTBP), we will focus on improvements in operational efficiency to solve the operational capacity shortage
- Through this initiative, we will pursue sustainable Revenue growth and improvement in OP Margin

FY6/2022 Full Year Financial Update

FY6/2022: Consolidated Results - Summary

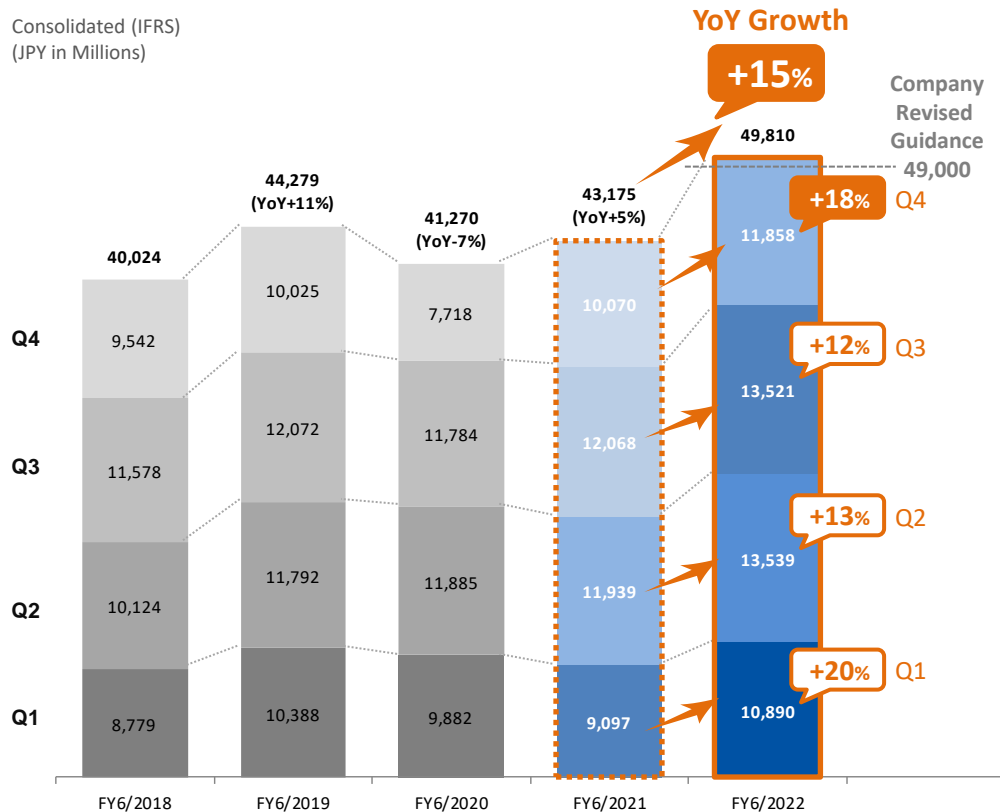
Driven by strong client demand, Q4 Standalone Revenue performed well, and Full-year Revenue also achieved double-digit growth

Due to seasonality and our investment in future growth/talent, Q4 posted a deficit. However, we achieved +8% YoY growth on a Full-year basis

As both Revenue and Profits overachieved the revised guidance announced in the Q3 Earnings Announcement, we will pay a year-end dividend as announced (9.0 JPY/share, 17.0 JPY/share for the year)

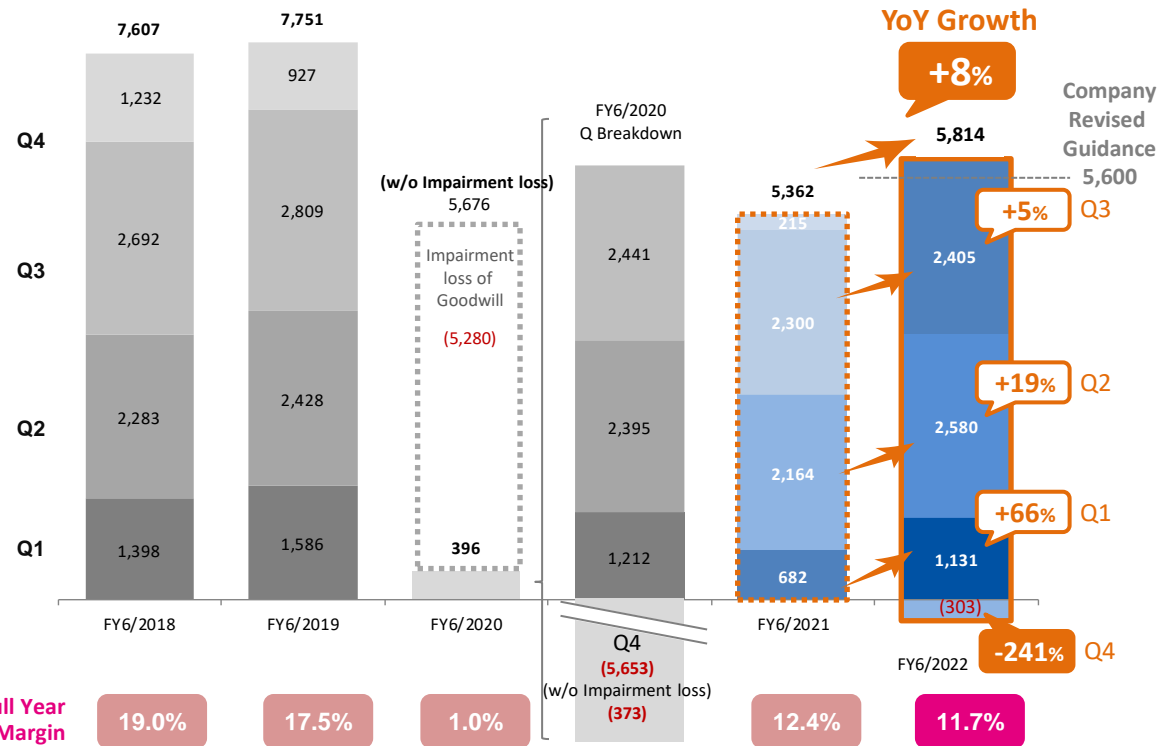
Revenue

Consolidated (IFRS)
(JPY in Millions)



Operating Profit (OP)

Consolidated (IFRS)
(JPY in Millions)



Full Year
OP Margin

19.0%

17.5%

1.0%

Q4
(5,653)
(w/o Impairment loss)
(373)

12.4%

11.7%

Quarterly Revenue Trends

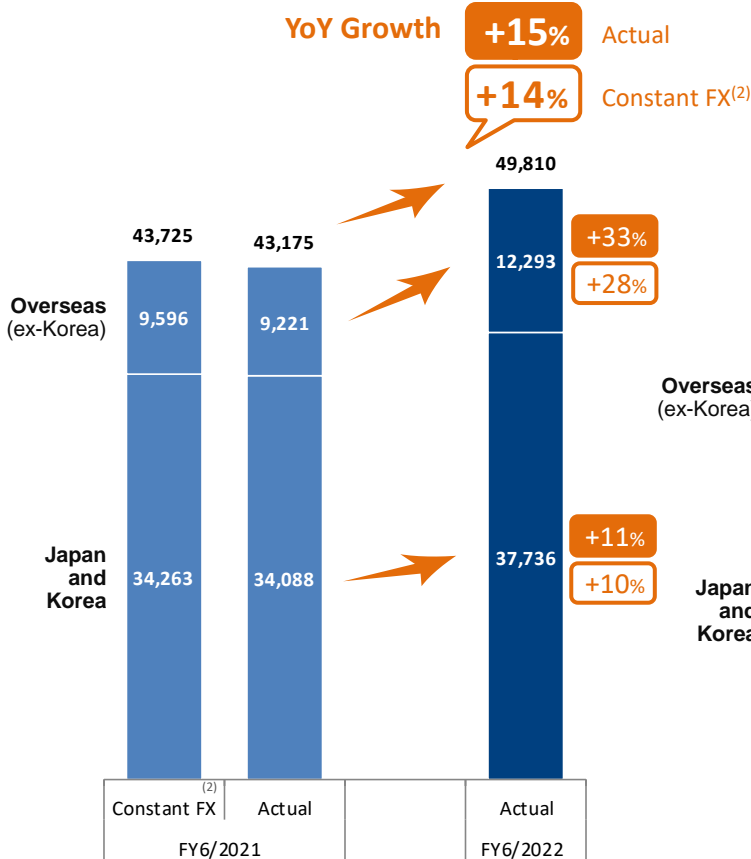
Q2 and Q3 have consistently been our strongest quarters, and the trend continues this year

Q4 Revenue achieved double-digit growth in both segments on a YoY basis, and this strong growth trend continues

As a result, Full-year Revenue also achieved double-digit Revenue growth in both segments

Revenue (12 Months)⁽¹⁾

Consolidated (IFRS)
(JPY in Millions)

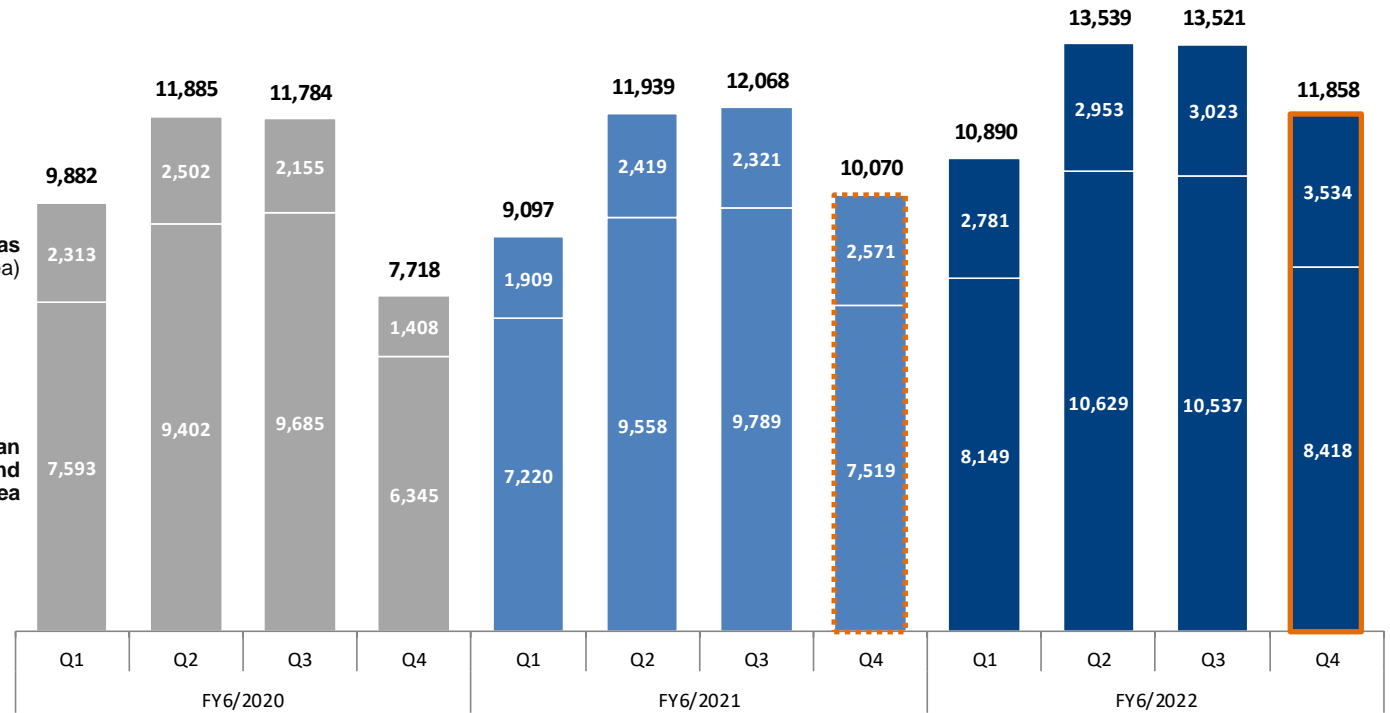


Quarterly Revenue Trends – By Segment⁽¹⁾

Consolidated (IFRS)
(JPY in Millions)

YoY Growth (Actual)	Total:	-8%	+0%	+2%	+30%	+20%	+13%	+12%
Overseas:	-17%	-3%	+8%	+83%	+46%	+22%	+30%	
Japan & Korea:	-5%	+2%	+1%	+19%	+13%	+11%	+8%	

+18%	+16%
+37%	+32%
+12%	+11%
Actual	Constant FX ⁽²⁾



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 : Operating Profit Waterfall

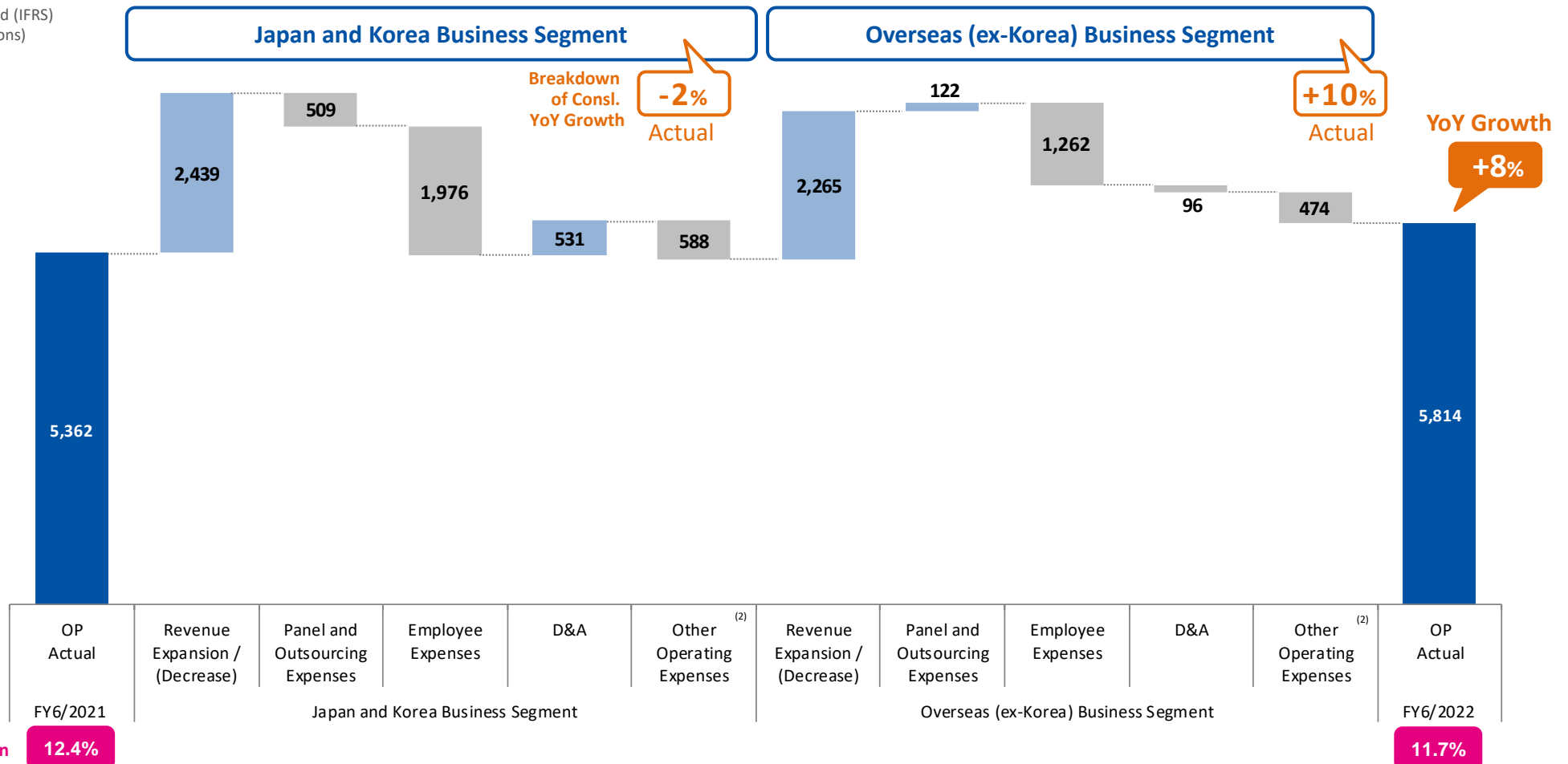
Full Year (12 Months)

The significant Revenue increase in both segments was offset by a cost increase in Total Employee Expenses and Other OPEX

In the Japan and Korea business segment, Outsourcing Expenses also increase and drove a decrease in OP. On the other hand, Revenue in the Overseas business segment grew more than costs, which resulted in +8% YoY growth in Consolidated OP

Operating Profit (OP) Waterfall Analysis⁽¹⁾ – FY6/2021 Full Year vs. FY6/2022 Full Year

Consolidated (IFRS)
(JPY in Millions)



OP Margin 12.4%

11.7%

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

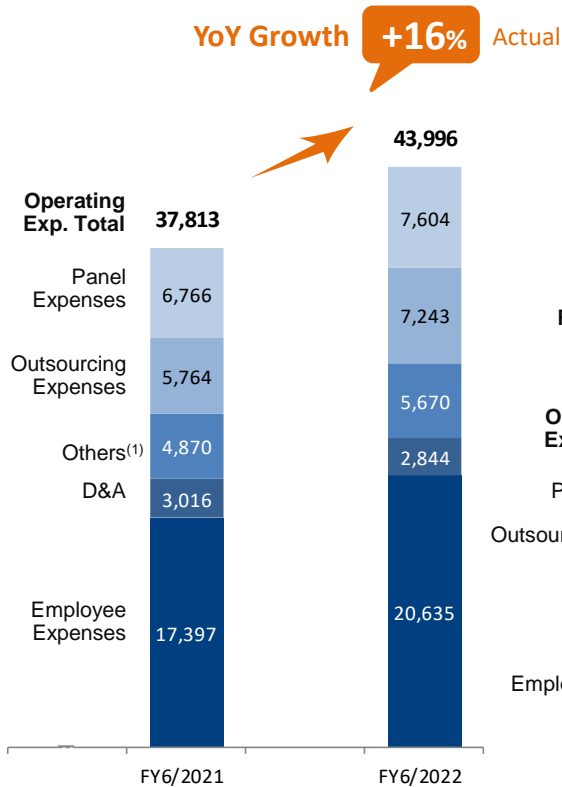
Quarterly Operating Cost Trends

Along with our continuous Revenue growth trend, increases in Total Employee Expenses and Outsourcing Expenses continue to expand our operational capacity

Other OPEX in Q4 also grew significantly due to an increase in M&A and IT related Expenses, etc.

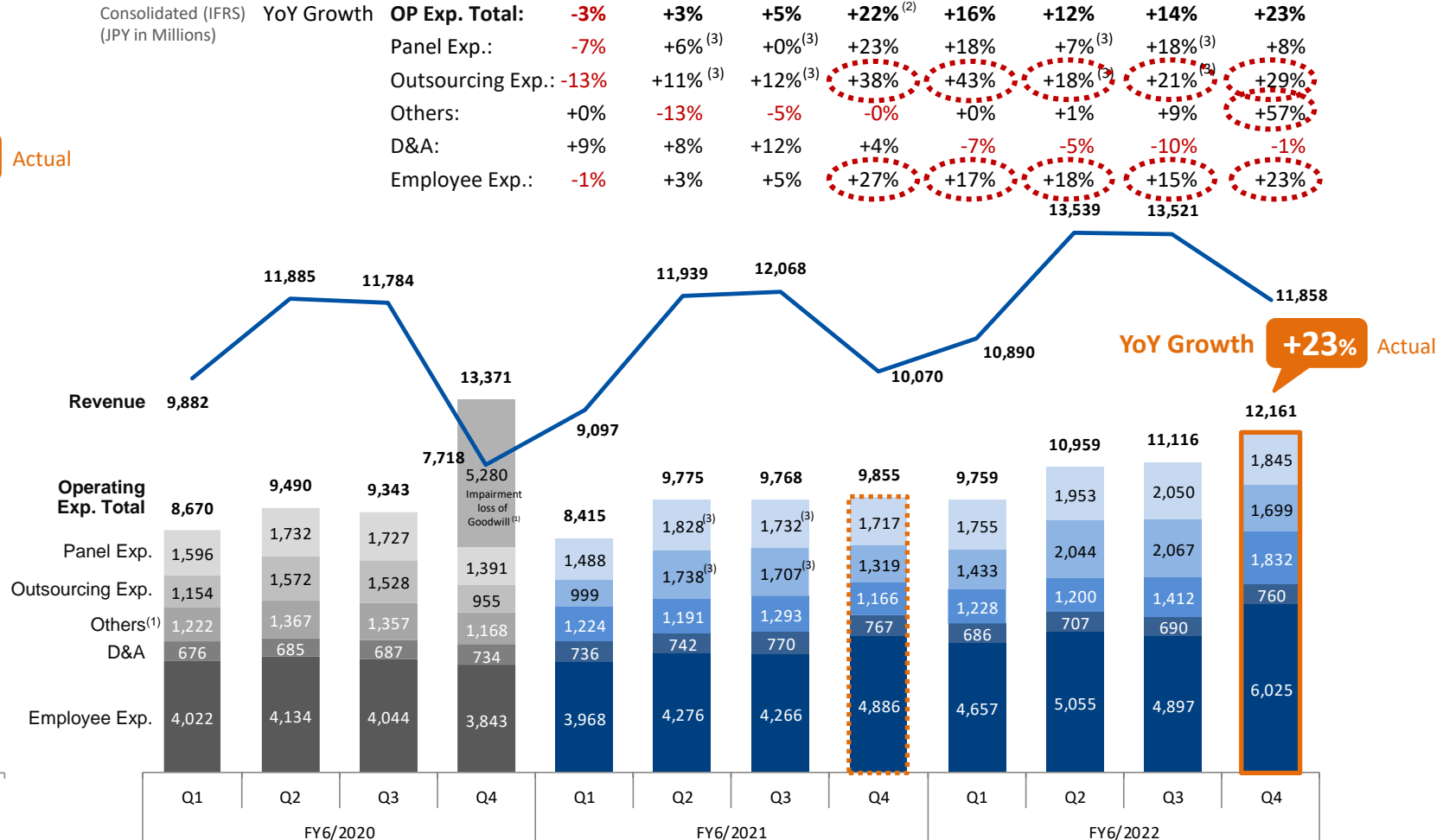
Operating Cost (12 Months)

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.

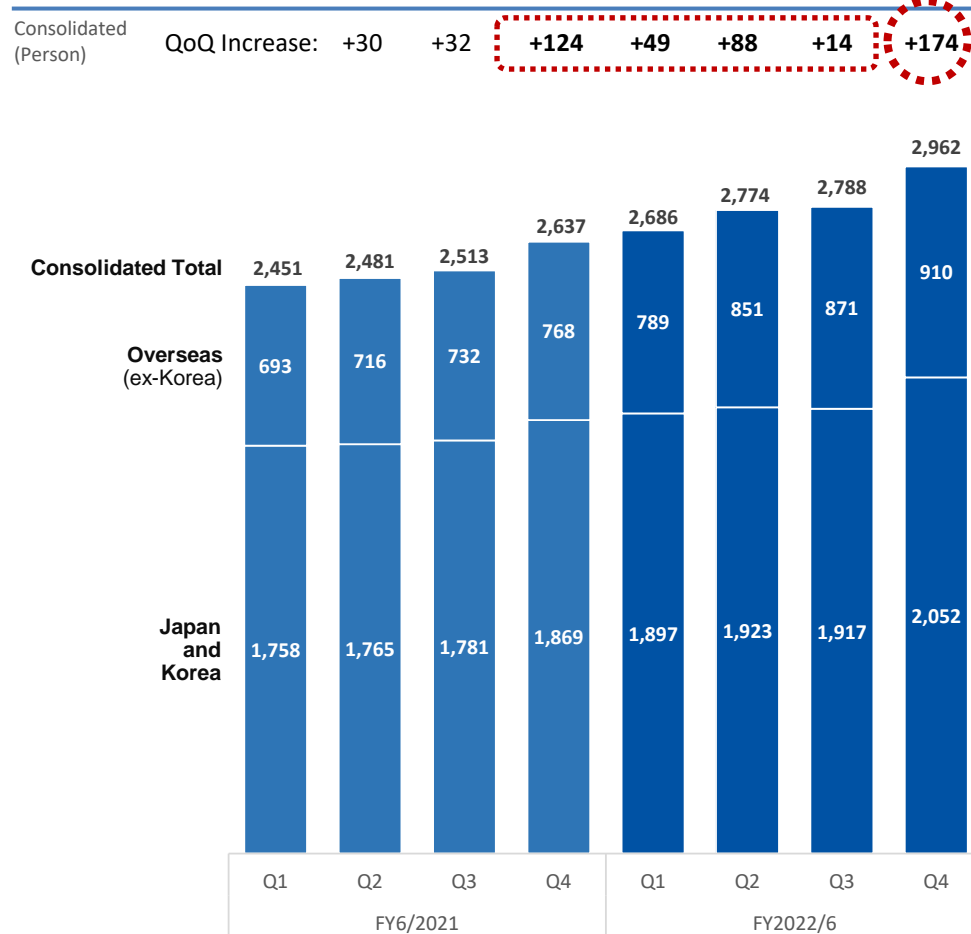
Outlook for OP Margin expansion

In the Japan and Korea Business Segment, the number of employees has significantly increased due to the success of our mid-career hires as well as the intake of new graduates

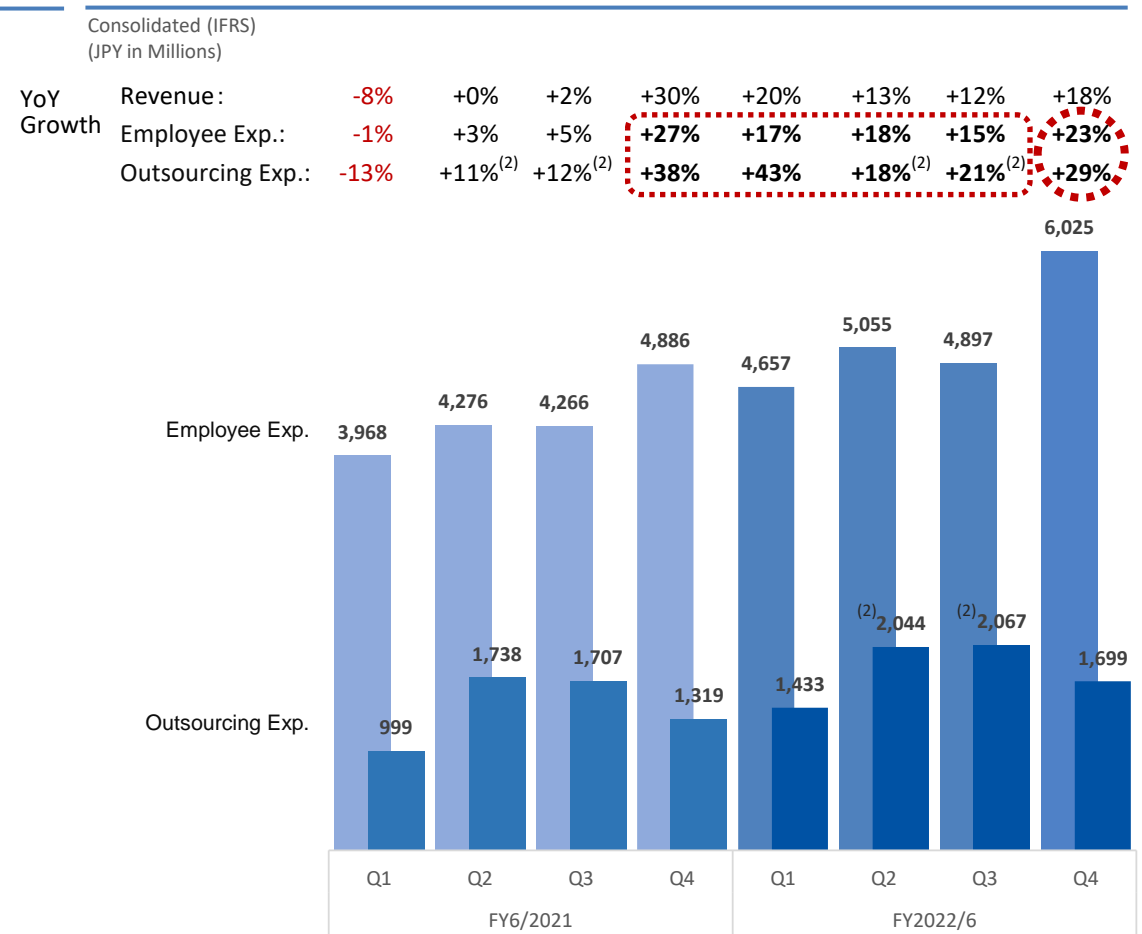
We will focus on the operational efficiency increase from newly joined employees and aim to shift to the next step in FY6/2023

Further details on this point are shown later (p.25) in this material

Headcount Trend⁽¹⁾



Trend in Total Employee Expenses and Outsourcing Expenses



Notes
 1. Headcount figures do not include temporary employees
 2. For more details, please refer to footnote 3 on page 8

Consolidated Statements of Operations (P/L)

Summary of Consolidated Statements of Operations

	IFRS			
	12 Months		Variance	YoY Growth
(JPY in Millions)	FY6/2021	FY6/2022		
Revenue	43,175	49,810	6,634	15.4%
Japan and Korea Business Segment ⁽¹⁾	34,088	37,736	3,647	10.7%
Overseas (ex-Korea) Business Segment ⁽¹⁾	9,221	12,293	3,071	33.3%
Total Employee Expenses	(17,397)	(20,635)	(3,238)	18.6%
Panel Expenses	(6,766)	(7,604)	(838)	12.4%
Outsourcing Expenses	(5,764)	(7,243)	(1,478)	25.7%
Depreciation and Amortization	(3,016)	(2,844)	172	(5.7%)
Others	(4,868)	(5,667)	(799)	16.4%
Operating Profit (Loss)	5,362	5,814	452	8.4%
Japan and Korea Business Segment	5,076	5,038	(37)	(0.7%)
Overseas (ex-Korea) Business Segment	286	841	554	193.6%
Finance Income and Costs	(474)	(209)	265	(55.8%)
Profit before Tax	4,887	5,605	717	14.7%
Income Tax Expenses	(1,394)	(1,709)	(315)	22.6%
Profit attributable to non-controlling interest	(671)	(747)	(76)	11.3%
Profit Attributable to Owners of the Parent	2,822	3,147	325	11.5%
EBITDA	8,680	8,697	17	0.2%
Japan and Korea Business Segment	7,660	7,091	(568)	(7.4%)
Overseas (ex-Korea) Business Segment	1,020	1,670	650	63.8%
EPS (Basic Earnings per Share) (Yen)	70.08	79.71	9.63	13.7%
Operating Profit Margin	12.4%	11.7%	(0.7%)	
Japan and Korea Business Segment	14.9%	13.4%	(1.5%)	
Overseas (ex-Korea) Business Segment	3.1%	6.8%	3.7%	
EBITDA Margin	20.1%	17.5%	(2.6%)	
Japan and Korea Business Segment	22.5%	18.8%	(3.7%)	
Overseas (ex-Korea) Business Segment	11.1%	13.6%	2.5%	

FY6/2022 Full Year P/L Commentary

(Variance Factors)

- Revenue:
 - Japan and Korea Business Segment: driven by online survey business, as well as Other New Business, Revenue has significantly increased from prior year results which was damaged by Covid-19
 - Overseas Business (ex-Korea) Segment: Revenue recovered significantly from prior year results which was damaged by Covid-19
- Total Employee Expenses:
 - Increased in faster pace than Revenue growth due to new hiring and employee retention allowance to resolve shortfall of resource capacity to drive future growth
- Panel Expenses:
 - Increased in line with Revenue growth
- Outsourcing Expenses:
 - Continued to increase in order to deal with higher-than-expected client demand
- Depreciation and Amortization:
 - Depreciation Expense recorded by IFRS 16 decreased by cancellation of a part of offices
- Others:
 - By progress to get back to normal, increased Travel expense and Utility expense.
 - Besides, put IT expense and M&A transaction costs for future growth
- Profit attributable to non-controlling interest:
 - Increased due to profit growth of subsidiaries that make up Japan and Korea Business
- Operating Profit (OP) Margin:
 - While decreased in Japan and Korea Business Segment due to increased Outsourcing Expenses and Total Employee Expenses, improved significantly in Overseas Business Segment driven by its Revenue growth outpacing cost increase
 - However full year consolidated Operating Profit ratio slightly decreased because of Japan and Korea Business Segment business scale

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.

Consolidated Statements of Financial Position (B/S)

Summary of Consolidated Statements of Financial Position

(JPY in Millions)	IFRS		Variance
	FY6/2021 (6/30/2021)	FY6/2022 (6/30/2022)	
Total Assets	84,041	83,634	(407)
Cash and Cash Equivalents	19,079	14,756	(4,323)
Trade and Other Receivables	9,515	11,181	1,665
Property, Plant and Equipment	2,703	3,383	680
Goodwill	41,701	42,928	1,226
Japan and Korea Business Segment	39,144	39,957	812
Overseas (ex-Korea) Business Segment	2,556	2,970	414
Other Intangible Assets	6,948	7,073	125
Other Assets	4,093	4,310	217
Total Liabilities	51,107	47,806	(3,301)
Borrowings and Bonds	37,587	31,555	(6,032)
Current portion of Borrowings and Bonds	17,652	648	(17,003)
Long-term borrowings and Bonds	19,934	30,906	10,971
Trade and Other Payables	4,266	5,815	1,549
Other Liabilities	9,254	10,435	1,181
Total Equity	32,933	35,827	2,894

FY6/2022 B/S Commentary

- Working capital :
 - Accounts Receivable Turnover 79.7 days
 - Accounts Payable and Provision for Panel Points Turnover 57.9 days
- Goodwill :
 - Increased in Japan and Korea Business segment of about 800 million yen due to small M&As
 - Fluctuated of about 400 million yen in Oversea business segment due to FX valuation
- Borrowings and Bonds
 - The first bond (3-year bond) matured in July 2021, 5 billion yen was redeemed
 - Bank loan repayment 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):
 - Q4 average interest rate 0.66% (FY6/2021 Q4 0.96%)
 - ◆ Borrowings 0.74%
 - ◆ Bonds 0.62%
 - Credit rating (from R&I): BBB+ (Outlook: Stable)
- Leverage related (LTM base):
 - Net Debt/EBITDA: 2.21x (FY6/2021 2.33x)
 - ◆ Net Debt: 19,228 million yen
 - ◆ LTM EBITDA: 8,697 million yen
 - Interest Coverage Ratio: 21.64x (FY6/2021 Q4 12.92x)
- Capital efficiency related (LTM base) :
 - ROE: 10.33% (FY6/2021 Q4 9.94%)

Consolidated Statements of Cash Flows (C/F)

Summary of Consolidated Statements of Cash Flows

(JPY in Millions)	IFRS	
	12 Months	
	FY6/2021	FY6/2022
Cash Flows from Operating Activities	6,023	5,514
Profit (Loss) before Tax	4,887	5,605
Depreciation and Amortization	3,016	2,844
Finance Income and Costs	474	209
Change in Working Capital ⁽¹⁾	(856)	(238)
Others ⁽²⁾	143	(279)
Subtotal	7,665	8,141
Interest and Dividends Received	14	11
Interest Paid	(237)	(236)
Income Taxes Paid	(1,418)	(2,400)
Cash Flows from Investing Activities	(1,133)	(1,658)
Capex ⁽³⁾	(1,142)	(1,228)
Acquisition of Subsidiaries	-	(872)
Others ⁽²⁾	8	442
Free Cash Flows ⁽⁴⁾	5,128	4,093
Cash Flows from Financing Activities	631	(8,510)
Proceeds from Borrowings and Bonds ⁽⁵⁾	14,990	11,800
Repayment of Borrowings ⁽⁵⁾	(11,652)	(12,880)
Redemption of Bonds	-	(5,000)
Repayment of Lease Liabilities	(1,302)	(1,181)
Proceeds from Issue of Shares	27	55
Purchase of treasury stock	(727)	(74)
Others ⁽²⁾	(703)	(1,228)

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 Full Year C/F Commentary

■ Cash Inflow from Operating Activities	5,514	(YoY -508)
- Increase in Profit before Tax	717	
- Increase in Income Taxes Paid	982	
■ Cash outflow from Investing Activities	1,658	(YoY +524)
- Increase in assets acquisition expenditure	86	
- Expenditure on acquisition of subsidiaries	872	
- Proceeds from sales of investment securities	297	
■ Free Cash Flows	4,093	(YoY -1,034)
■ Cash outflow from Financing Activities	8,510	(YoY +9,141)
- Redemption of Bonds	5,000	
- Decrease in Proceeds from Borrowings and Bonds	3,190	
- Increase in Repayment of Borrowings	1,227	
■ Cash and Cash Equivalents at the end of the period	14,756	(YoY -4,323)

	IFRS	
	12 Months	
	FY6/2021	FY6/2022
Increase/(decrease) in Cash and Cash Equivalents	5,521	(4,653)
Cash and Cash Equivalents at the beginning of the period	13,310	19,079
Effect of Exchange Rate Changes on Cash and Cash Equivalents	247	329
Cash and Cash Equivalents at the end of the period	19,079	14,756

Japan and Korea Business Segment Update

FY6/2022 : Segment Performance Summary

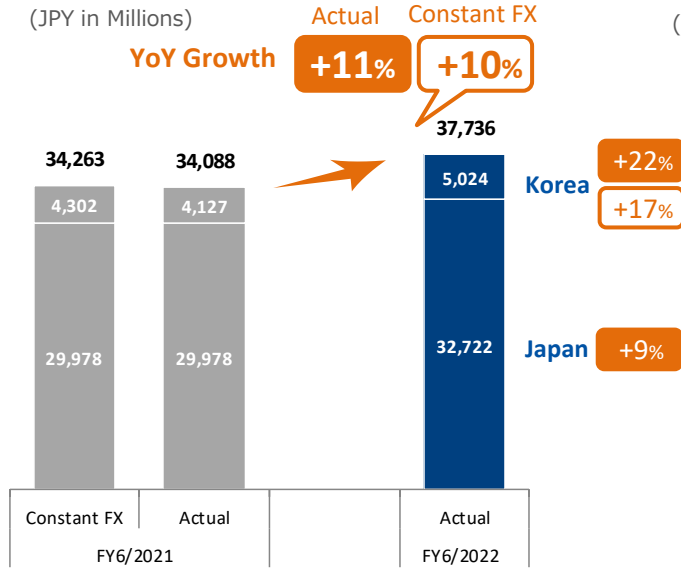


Q4 Standalone Revenue returned to double-digit growth and also achieved it on a Full-year basis

Q4 Segment Profit is in deficit due to the cost increase for future growth, and is flat on a full-year basis

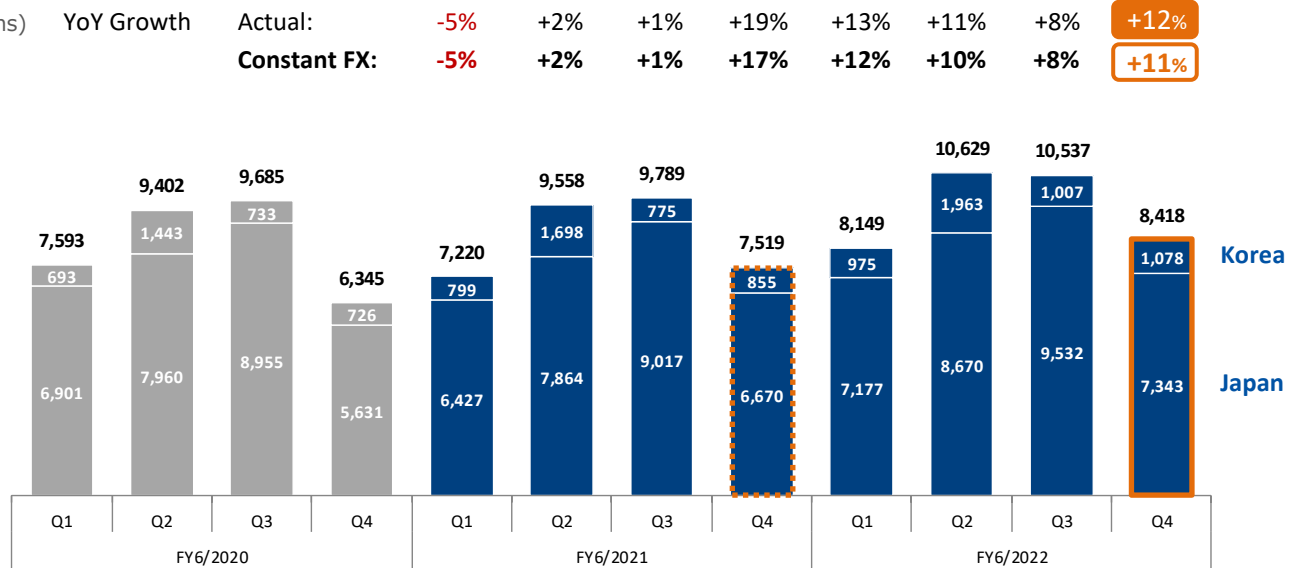
Segment Revenue (12 Months)

(JPY in Millions)



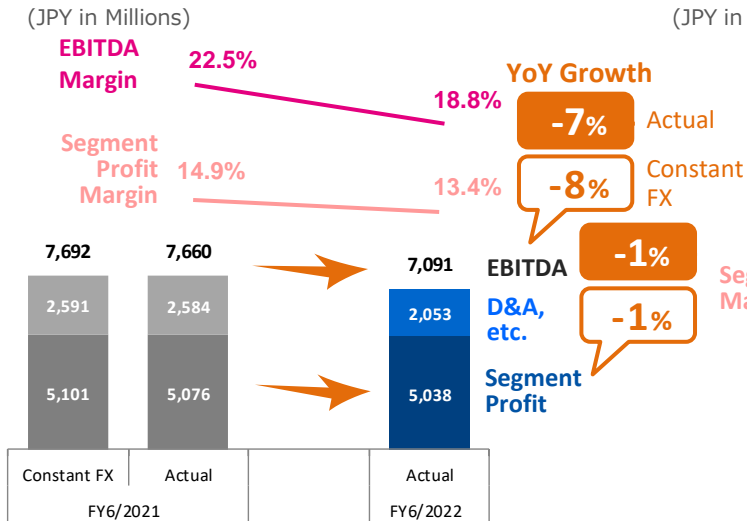
Quarterly Segment Revenue Trends

(JPY in Millions)



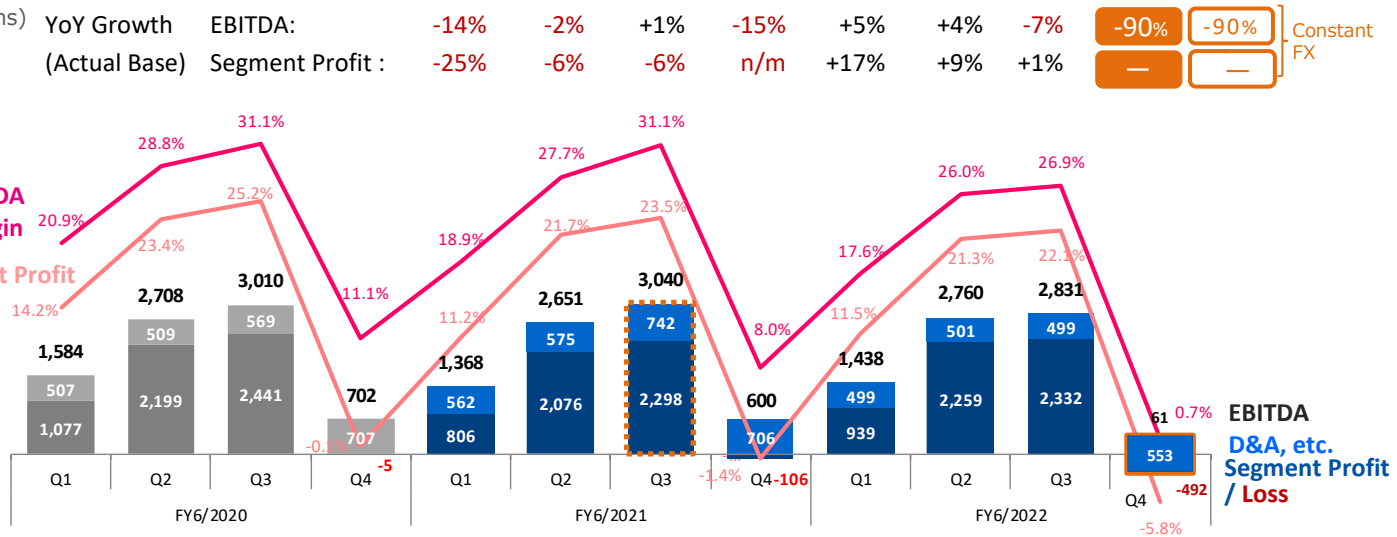
Segment EBITDA and Profit (12 Months)

(JPY in Millions)



Quarterly Segment EBITDA and Profit Trends

(JPY in Millions)



FY6/2022 : Japan Business Summary



Research demand from our clients remains strong, but the opportunity loss due to operational capacity shortage decreased in Q4 as a result of Revenue seasonality

As a result, the Q4 Research as well as Digital and Other New business field Revenue growth recovered

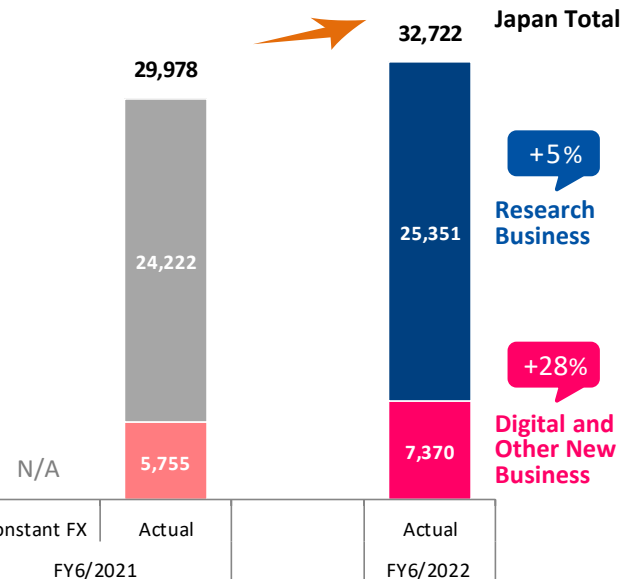
Japan Revenue (12 Months)

(JPY in Millions)

YoY Growth

+9%

Actual

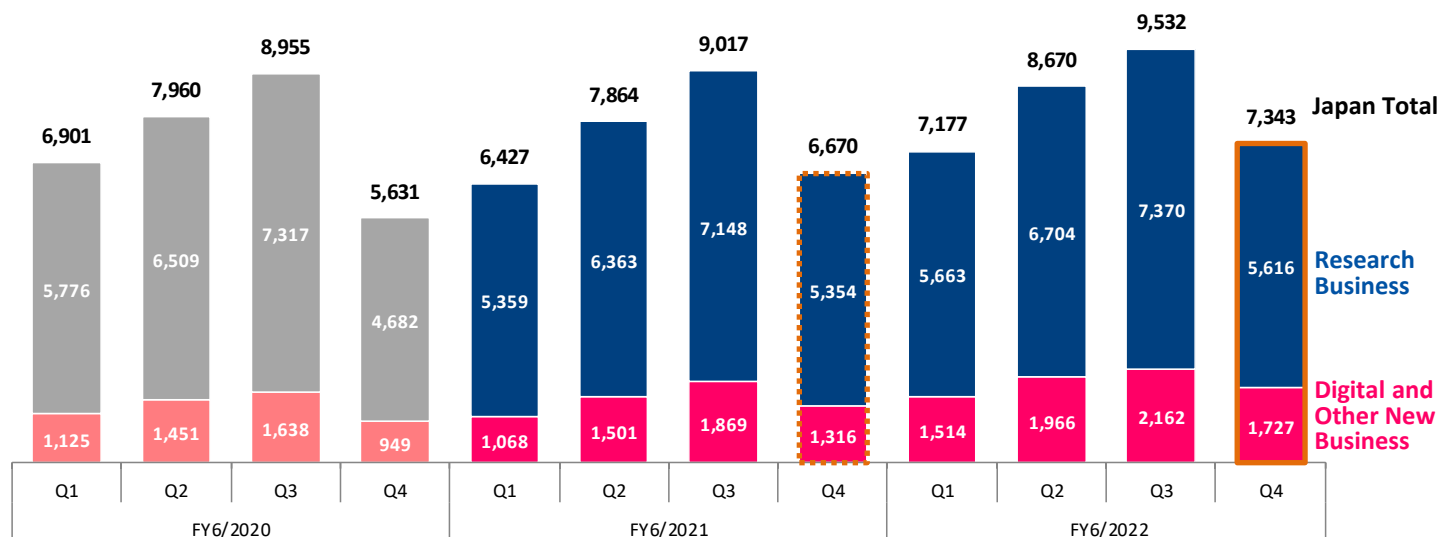


Quarterly Japan Revenue Trends

(JPY in Millions)

YoY Growth

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



Revenue breakdown in Japan Business

- From FY6/2022, we have changed the Revenue breakdown in Japan as shown 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 a 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

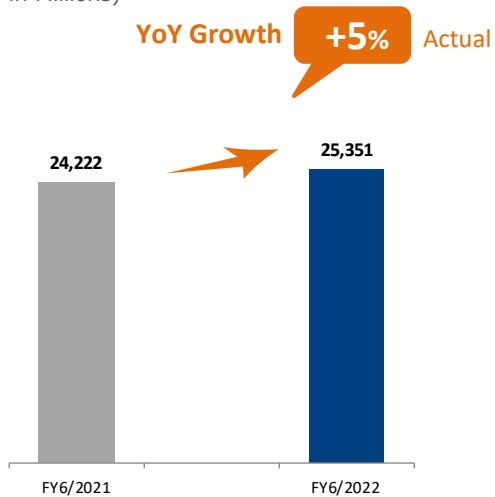


Research Business is slightly slower than the target growth rate of the new MTBP due to an opportunity loss

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

Research Business Revenue (12 Months)

(JPY in Millions)



Q4 Business Performance Commentary

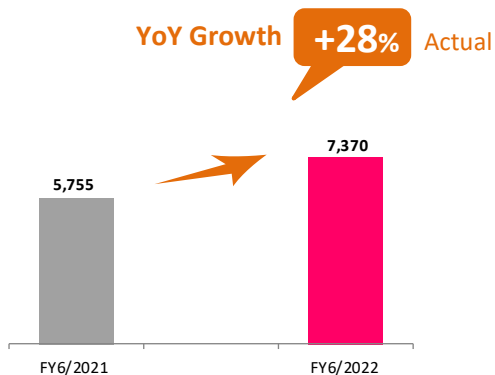
Research Business

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

- Client demand is continuing to be strong and exceed our expectations
- Initiatives to partner with clients (Sales and delivery structure, Macromill Consortium, etc.) succeeded and the size of the project continues to expand
- However, there was an opportunity loss occurred due to operational capacity shortage
- Online Research grew even when compared with FY6/2020, pre-Covid-19. However, our operational capacity is continuing to be an issue
- Although Offline Research has resumed, it has not fully recovered
- Under these circumstances, full-year Revenue increased more than 1.1 bn JPY compared to the last fiscal year on a value basis

Digital & Other New Business Revenue (12M)

(JPY in Millions)



Digital and Other New Business

Target Growth Rate in MTBP:
Per Annum **20%**

- On a value basis, full-year Revenue increased by more than 1.6bn JPY compared to last year, exceeding the Research Business
- Digital measurement and DMP Sync service, which temporarily declined in Q3 due to operational capacity shortage, recovered in Q4
- In Other New Business, Data Utilization Support (Data Consulting) and Life Science continue to grow strongly and deliver a significant increase

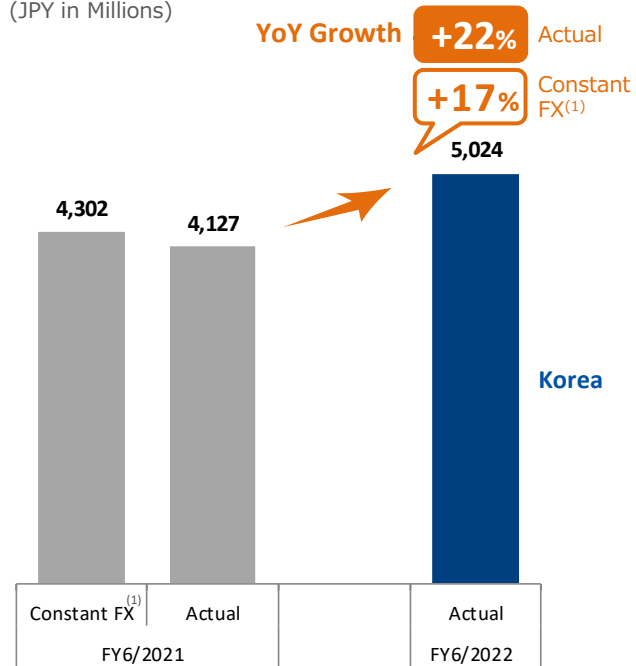
FY6/2022 : Korea Business Summary



Continued to achieve the double-digit quarterly Revenue growth throughout the fiscal year led by the continuous shift from Offline Research to Online Research

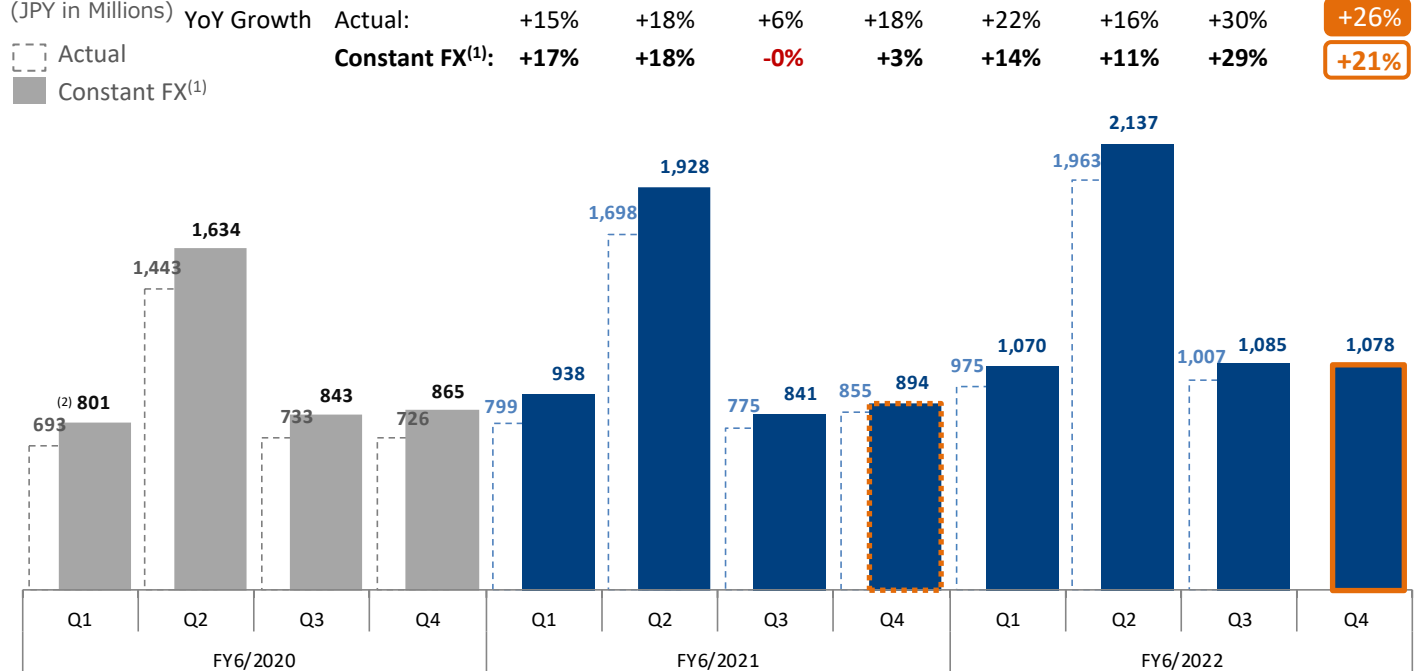
Korea Revenue (12 Months)

(JPY in Millions)



Quarterly Korea Revenue Trends

(JPY in Millions)



Korea Business FY6/2022 Performance Commentary

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

- We have achieved robust growth (+19% YoY on full year basis) 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 will launch a new purchase data service in FY6/2023 Q1, which is already operational in Japan
- Digital service suites, including Panel Big Data, grew +60% YoY on a Full-year basis
- Digital will continue to be our growth driver this year and beyond. This will include 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**

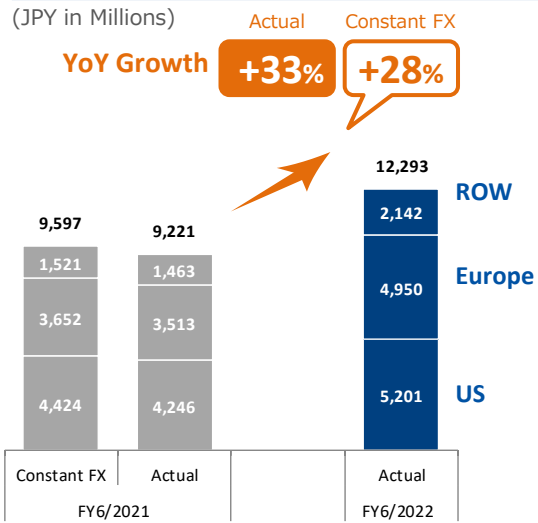
FY6/2022 : Segment Performance Summary



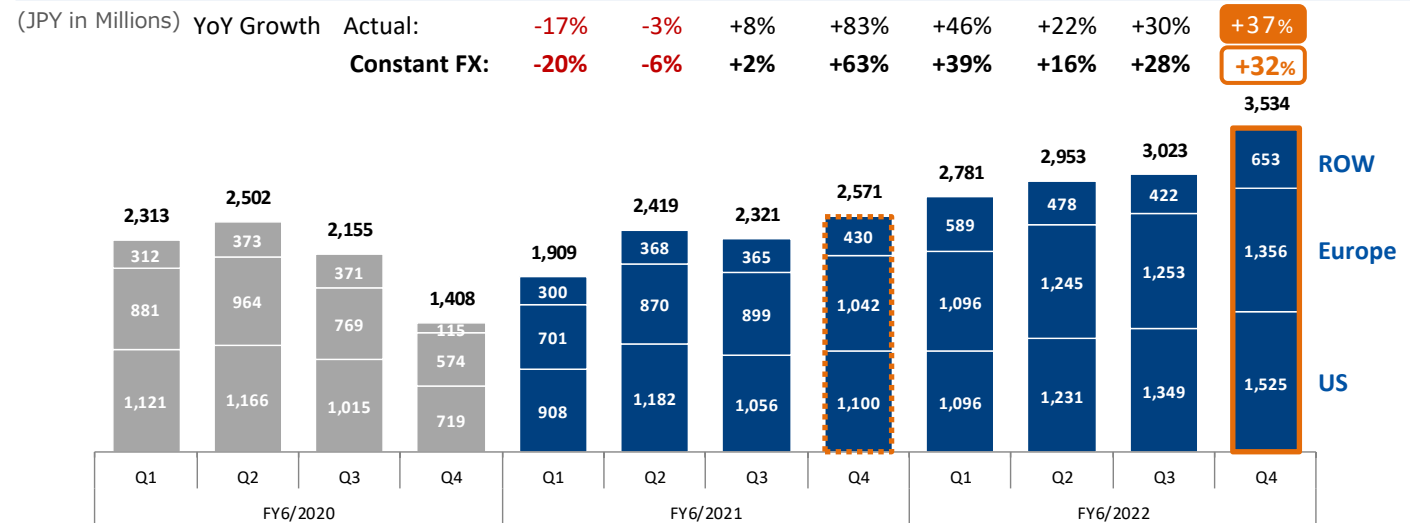
Q4 Revenue continued to grow, and achieved significant growth of approx. 30% YoY on a Full-year basis

Segment Profits also increased on both a Full-year & Q4 standalone basis, excluding Covid-19-related subsidy

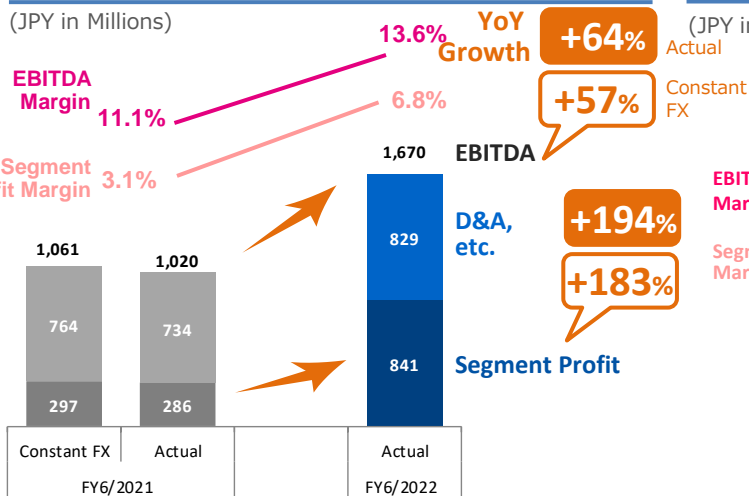
Segment Revenue (12 Months)



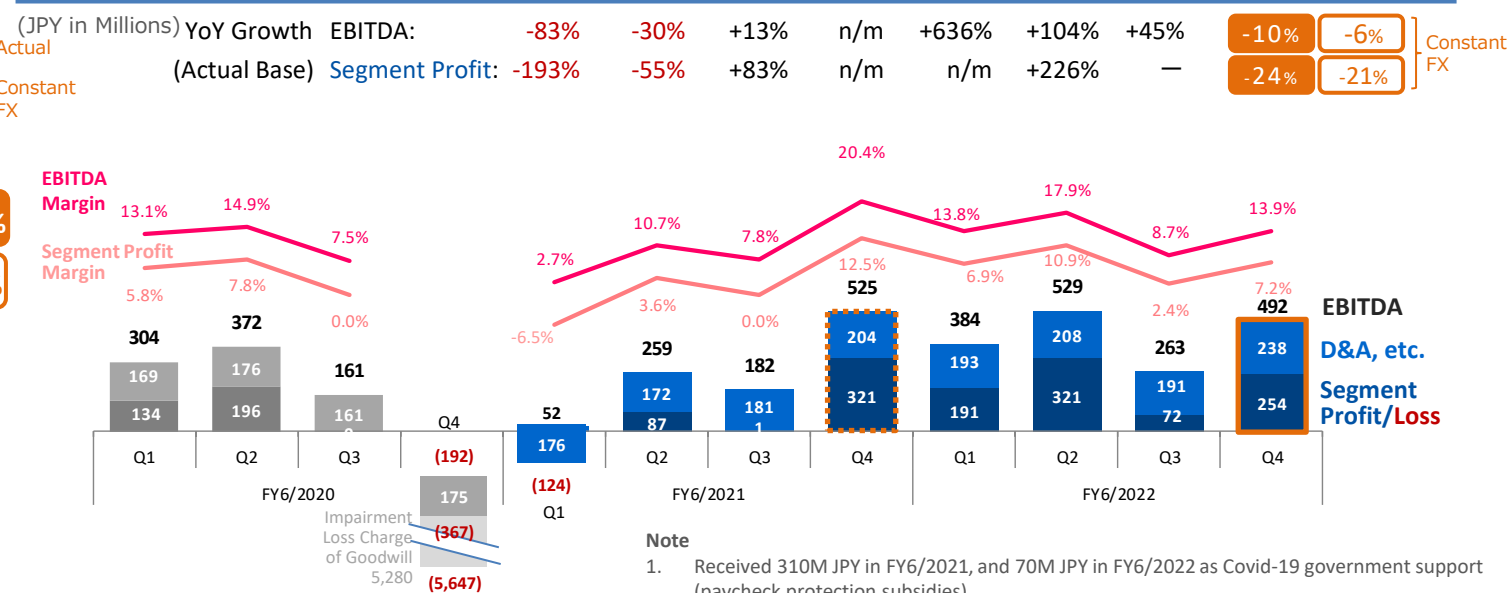
Quarterly Segment Revenue Trends



Segment EBITDA and Profit (12 Months)



Quarterly Segment EBITDA and Profit Trends



FY6/2022 : Overseas Business Summary

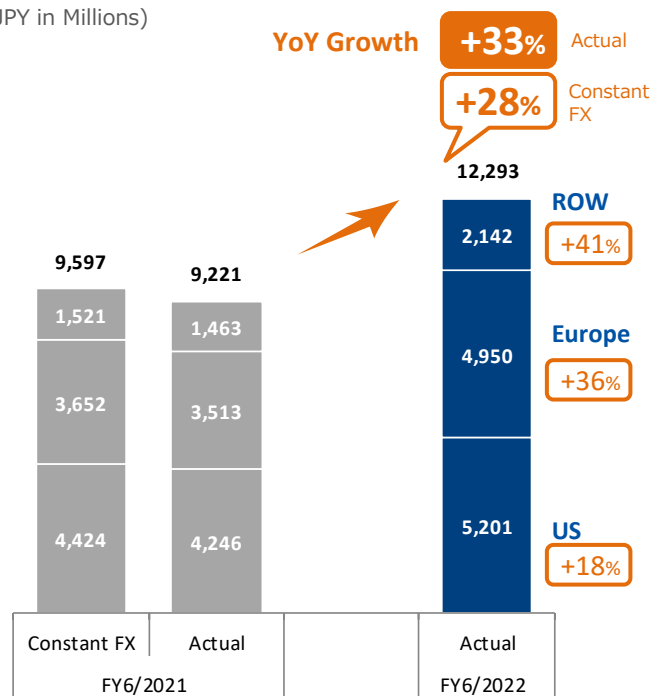


Q4 Standalone Revenue continued significant growth due to increased demand and strengthening of our client relationships, and achieved historical record in quarterly Revenue

Both Q4 Standalone and Full-year Segment Revenue grew double-digit YoY across all regions

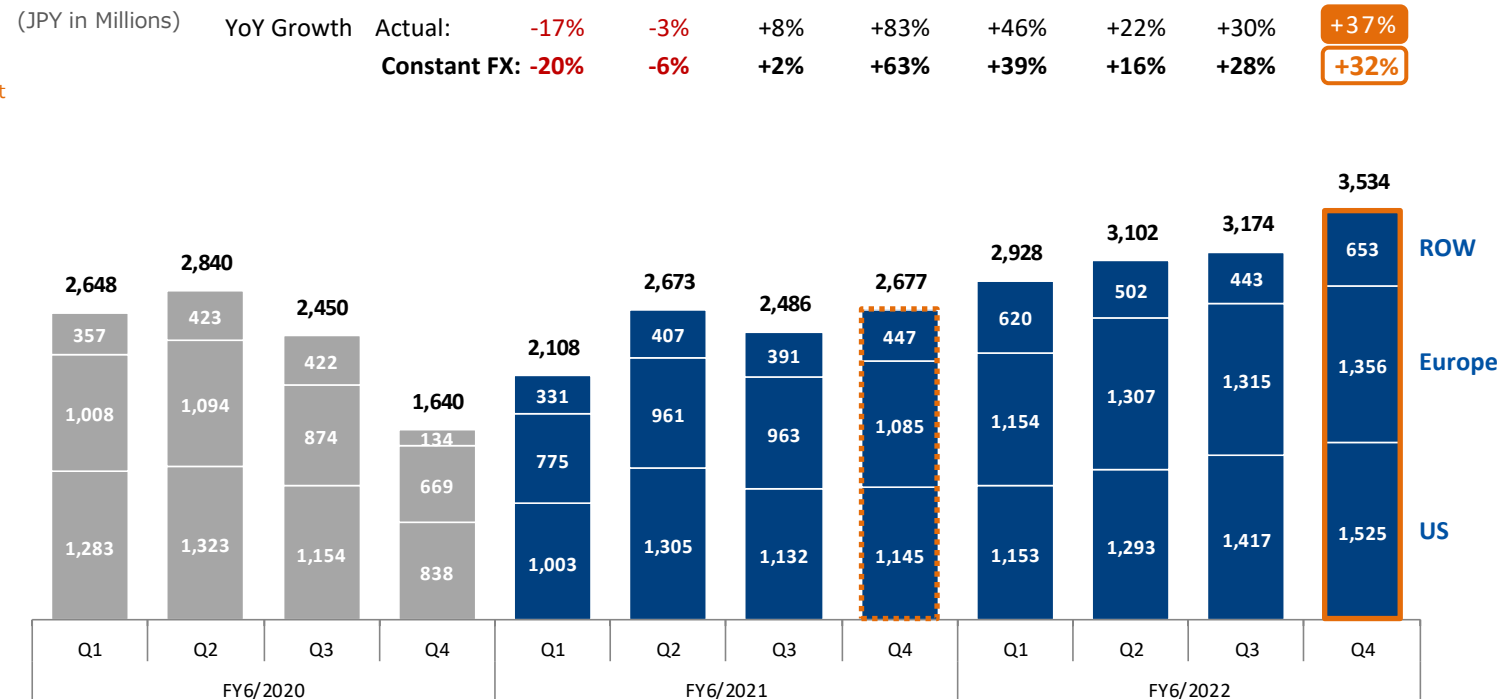
Overseas(ex-Korea) Revenue (12 Months)

(JPY in Millions)



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

(JPY in Millions)



Overseas(ex-Korea) Business FY6/2022 Performance Commentary

Target Growth Rate in MTBP:

Per Annum **9%**

- Client demand is continuously expanding, and double-digit Revenue growth continues on a QoQ basis (vs. Q3)
- FMCG, Media & Advertising, and Alcoholic Beverages industries are leading Revenue growth
- We are investing in Talent to increase operational capacity to meet rapidly increasing demand from our clients
- In Europe, we delivered on 'the share of wallet' strategy with several existing clients, as well as winning new clients which has delivered high growth
- In Emerging Markets, we are experiencing strong Revenue growth, as we also delivered on 'share of wallet' strategy for existing clients

FY6/2023 Management Strategy & Guidance

MTBP: 2nd year - Transitional year to the final year

Continue to pursue the FY6/2024 Revenue and OP Margin target set in the Mid-Term Business Plan (MTBP)

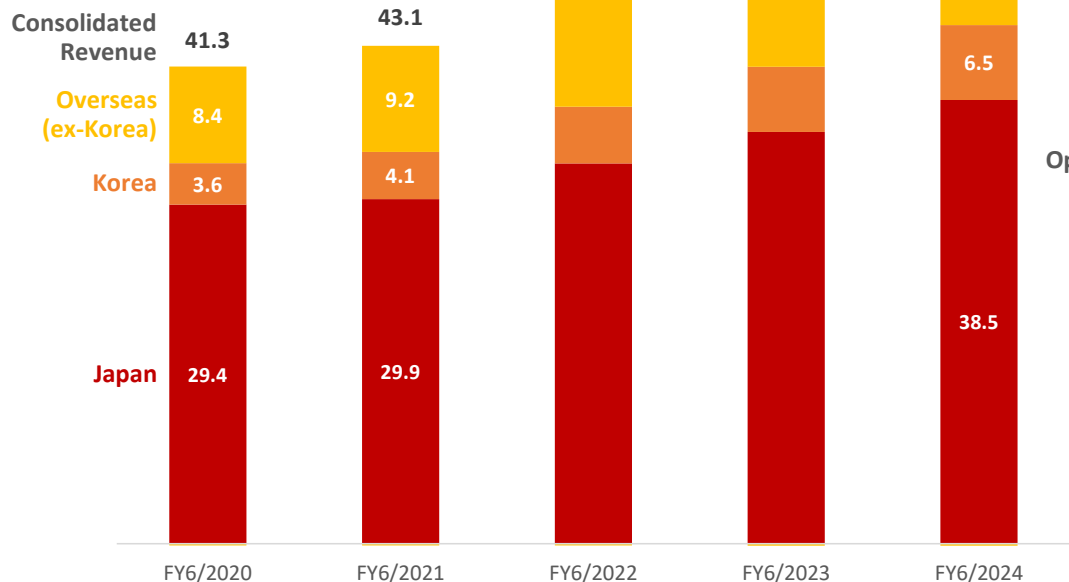
We are on track to meet the Revenue target for the final year while additional improvement is required to meet the Profit target. FY6/2023 Guidance is a transition year to achieve the MTBP target in the final year

Anticipated Consolidated Revenue Trend

(JPY in Billions)

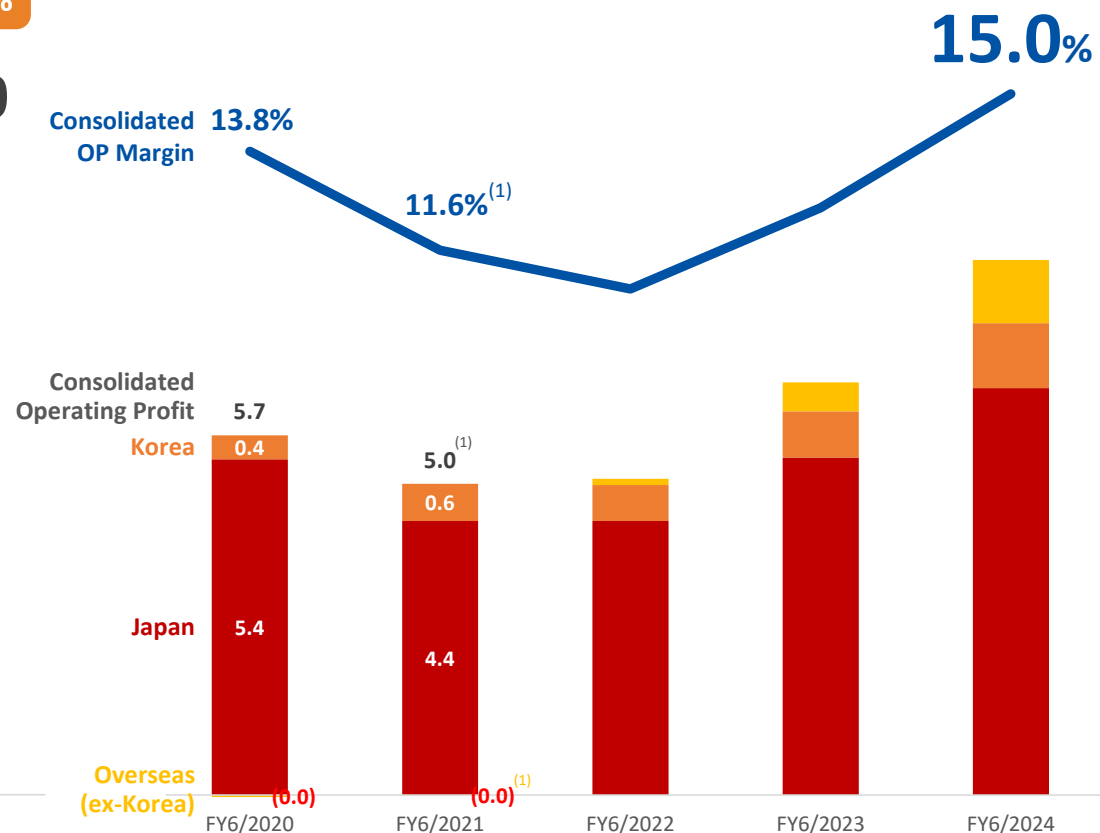
3 Year CAGR during the MTBP

+9.7%



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

FY6/2023 Annual Guidance

We anticipate continued strong demand from our clients and double-digit Revenue growth

Target double-digit OP growth by Revenue expansion and cost control while continuing investment

Anticipate a dividend per share of 21.0 JPY (+4.0 JPY, Consolidated dividend payout ratio of 22%)

FY6/2023 Annual Guidance

Consolidated (IFRS) (JPY in Millions)	FY6/2022 Actual (a)	FY6/2023 Forecast (b)	Variance (b-a)	YoY Growth (b/a)
Revenue	49,810	56,000	+6,190	+12.4%
EBITDA	8,697	9,550	+853	+9.8%
Operating Profit	5,814	6,550	+736	+12.7%
Profit attributable to owners of the parent	3,147	3,720	+573	+18.2%

(Per Share Data)

EPS ⁽¹⁾ (Yen)	79.71	94.03	+14.32	+18.0%
Divident per share (Yen)	17.0	21.0	+4.0	+23.5%

(FX Assumptions)

JPY/EUR (Yen)	132.23	135.00	2.77	0.02
JPY/KRW (Yen)	0.0980	0.1000	0.0020	0.0204

Note

1. Basic Earnings per Share

Major Assumptions

■ Revenue

- Even though some products may continue to be affected by Covid-19 or inflation, the strong client demand in Japan and abroad, is expected
- Backed by online survey business steady growth, as well as other new business significant growth, Revenue is expected to increase by 12.4% compared to last year

■ EBITDA, Operating Profit and Net Income

- Outsourcing are expected to increase faster than Revenue growth
- Besides, made progress to get back to normal, Others are expected to increase faster than Revenue growth due to Travel expense, Utility expense, IT expense and M&A transaction costs
- In contrast, contributed by boost productivity, Total Employee Expenses are expected to increase less than Revenue growth
- In consequent of the above, the profit is expected to be slightly higher than Revenue growth

■ Dividend per share

- (A consolidated payout ratio is expected 22%) Both Interim and Year End dividends are increased by JPY 2.0 JPY, Full year base JPY 21.0 per share is planned in FY2023

FY6/2023 Guidance: Half year Breakdown

Guidance Breakdown and YoY Growth Rate			
	Full Year	1 st Half	2 nd Half
Revenue	56.0bn (YoY Growth +12%)	27.0bn (YoY Growth +11%)	29.0bn (YoY Growth +14%)
EBITDA	9.5bn (YoY Growth +10%)	4.1bn (YoY Growth -19%)	5.3bn (YoY Growth +50%)
Operating Profit	6.5bn (YoY Growth +13%)	2.7bn (YoY Growth -26%)	3.8bn (YoY Growth +81%)
Net Income ⁽¹⁾	3.7bn (YoY Growth +18%)	1.5bn (YoY Growth -23%)	2.1bn (YoY Growth +83%)

■ Revenue

- Backed by online survey business steady growth, as well as other new business significant growth, both 1H and 2H are expected to achieve double-digit-growth in Revenue

■ EBITDA/OP/Net Income

- Expense assumptions

- ◆ Outsourcing and Panel expenses: outsourcing expenses are expected to grow along revenue growth to resolve the capacity shortfall. Both 1H and 2 H outsourcing expense ratio is expected to increase almost same level year on year
- ◆ Total Employee Expenses: Total Employee Expenses are expected to increase higher than revenue growth in 1H due to FY2022 personnel increase, in contrast Total Employee Expenses are expected to keep less than revenue growth in 2H, therefore full year Total Employee Expenses are expected to increase slightly less than revenue growth

- EBITDA/OP/Net Income assumption

- ◆ EBITDA/OP/Net Income are expected to decrease in 1H due to Outsourcing and Total Employee Expenses, however they are expected to improve significantly in 2H

Note

1. Profit Attributable to Owners of Parent

Outlook for OP Margin expansion

In the FY6/2023 guidance, we will switch into improving operational efficiency, and we have revised the steps explained to achieve the OP Margin target in the MTBP in the following way

Anticipated steps to improve OP Margin (Updated)

		Outsourcing Expenses	Total Employee Expenses	Key Points
1 st Step	FY6/2022	Material Increase (Exceeds Revenue Growth)	Material Increase (Exceeds Revenue Growth)	<ul style="list-style-type: none"> Respond to the current increase in client demand by leveraging Outsourcing Expenses and rapidly hiring new talent to fill the demand/supply gap
	1H	Material Increase (Exceeds Revenue Growth)	Material Increase (Exceeds Revenue Growth)	<ul style="list-style-type: none"> Significantly increased due to headcount uplift in the last year Expand the internal capacity by pursuing operational efficiency with increased proficiency of the new employees Leverage Outsourcing until internal capacity increases
2 nd Step	2H	Suppress increase trend (However, exceeds Revenue Growth)	Increase in normal pace (Slower than Revenue Growth)	<ul style="list-style-type: none"> Gradually control the Total Employee Expenses increase to a pace below the Revenue growth including added value improvement and automation Leverage the expanded internal operational capacity and suppress outsourcing
3 rd Step	FY6/2024	Compressed to the original level (Slower than Revenue growth, in this fiscal year)	Increase in normal pace (Slower than Revenue Growth)	<ul style="list-style-type: none"> Maximize the expanded internal operational capacity and suppress Outsourcing Expenses to their original level. Manage the growth in Outsourcing Expenses down to less than Revenue increase on a YoY basis

We aim to achieve the OP Margin target of the MTBP through the steps above



Research Business

FY6/2022 Actual Revenue Growth: **5%**
Target Growth Rate (MTBP):
Per Annum **6%**

1

- During the first half of the year, we will slow the pace of recruitment, improve productivity by next Q3, the busiest period, and increase operational capacity

2

- While we expect the strong demand from our clients to continue, we will maximize Revenue through the above-mentioned increase in operational capacity and realize profit expansion from the second half

3

Digital and Other New Business

FY6/2022 Actual Revenue Growth: **28%**
Target Growth Rate (MTBP):
Per Annum **20%**

- Maintain and expand the pace of Revenue and Profit growth in new businesses such as the Data Consulting Business, Life Science Business, and Advertising Distribution Business
- Aim to expand our Digital Revenue by pursuing individual initiatives with each platform provider along with embracing the Cookieless future

1 2 Research Business: Operational Capacity



The headcount rise is almost completed, and we will grow the operational capacity by increasing operational efficiency

Specifically, we aim to achieve certain results by next Q3, the busiest period, by strengthening initiatives to retain existing employees and introducing measures to improve productivity through technology

Specific Initiatives

Introduced an incentive system that uses productivity as an indicator in the research project management department

Strengthen retention initiatives based on the pay-for-performance concept

Reinforcement of sales and delivery organizational restructuring

“Coverage” x “Product” organization (so-called vertical and horizontal organization)

Reduce work coordination load between departments / Aim to improve customer satisfaction

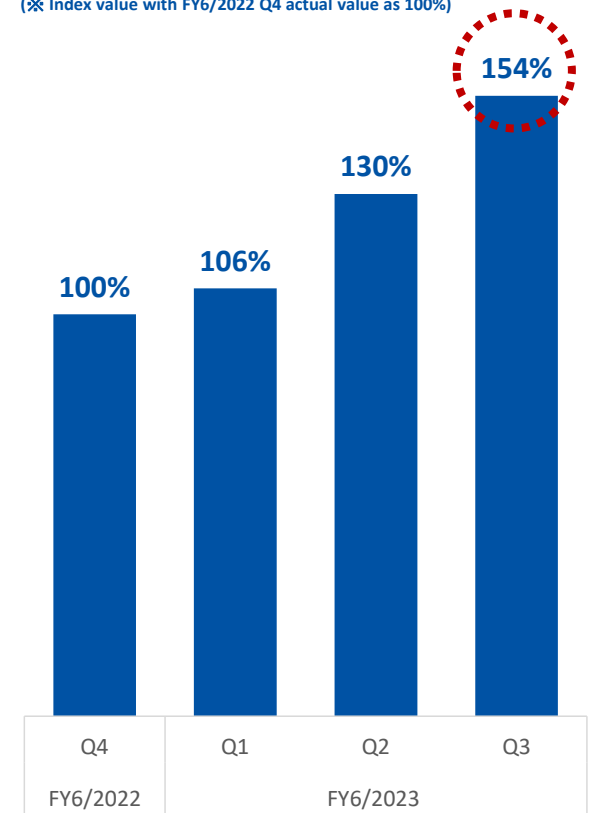
Accelerate automation and maximize our use of tools technology

Increase frequency of working in the office

Accelerate acquisition of business knowledge by new graduates and mid-career employees

Anticipated Capability

Operational Capacity : Internal + External (Outsourcing)
(※ Index value with FY6/2022 Q4 actual value as 100%)



Plan to combine various initiatives to expand operational capacity to more than 1.5 times compared to the last Q4
Based on the capacity expansion, improve the profit margin from the 2nd half through the steps described on p.25



In the Data Utilization Support Business field, we aim to achieve total Revenue of more than 3.0bn JPY within the MTBP period (by the end of FY6/2024)

Current M&A Projects

ACCLIMATE
a Macromill Group company



Holding Portion: **100%**

**Consolidated
Subsidiary**

¥ 800

Holding Portion: **71%**

**Consolidated
Subsidiary**



Holding Portion: **40%**

**Equity Method
Affiliate Company**

- Acclimate Co., Ltd. was established in 2016. It owns a human resource matching platform that has many registered professionals necessary for new business and DX promotion
- In anticipation of the urgent need to reinforce various professionals, including consultants, Acclimate Co., Ltd. became a wholly owned subsidiary on April 1, 2022

- Eight Hundred, Inc. was established on July 1, 2022 by integrating our Data Consulting Business with SOUTH Co., Ltd. - The Data Consulting Business has been spun off from Macromill through a company split
- While positioned as a core subsidiary of Macromill's Data Consulting Business, it will manage its own branding and aim for early expansion of the business scale

- Established in 1985, Citation Japan Co., Ltd. is consistently engaged in the marketing research, data analysis, and consulting businesses
- Macromill invested approx. a 15% stake in 2008 and has been in a collaborative relationship ever since. On August 1, 2022, Macromill acquired an additional 25% stake, strengthening the collaborative structure as an equity-method affiliate



In response to the global market trends shown in the ESOMAR report, the Japan Marketing Research Association (JMRA) also newly defined the "insight industry" and announced market size estimates for eight sub-segments

In Japan as well, with the increasing complexity and sophistication of marketing, the trend is for the conventional "research industry" to merge into the "insight industry" beyond industry boundaries and definitions

Estimated size of 8 segments in the Japanese market in FY2021 (provisional)

(Unit: JPY in Billions, unless mentioned)

Segment	Global Player	Domestic and Foreign Capital Domestic Companies	2021 Estimated Market Size in Japan	Composition Ratio	Composition Ratio in ESOMAR 2020
1. Established Marketing Research	Nielsen, Kantar, Ipsos, GfK	JMRA member companies	209.04	64.6%	38.8%
8. Industry Reports and Research	Gartner, HIS Markit, IDC	Fuji Keizai Group, Yano Research Institute, JD Power	18.00	5.6%	15.0%
6. Sample Panel Providers	Dynata, Cint, Prodege	GMO Research	4.60	1.4%	1.9%
4. Self Service Platforms	Qualtrics, Survey Monkey	Toluna	2.97	0.9%	2.2%
3. Enterprise Feedback Management	Medallia, Verint, Forsta		5.54	1.7%	2.2%
2. Digital Data Analytics(Mar Teck)	Adobe, Salesforce, Oracle	BrainPad, ALBERT	11.34	3.5%	19.5%
5. Social Listening and Communities	Cision, Sprinkir, Meltwater	Hottolink	5.34	1.7%	6.7%
7. Consulting Firms	McKinsey, BCG, Accenture	NRI, MRI, FUJITSU RESEARCH INSTITUTE	66.80	20.6%	13.7%
Total			323.63	100.0%	100.0%

Ahead of the changes in the industry in Japan, we are promoting initiatives with a view of targeting the digital data analysis and consulting area (market size of about 80.0 billion yen)



Korea Business

FY6/2022 Actual Revenue Growth: **17%**⁽¹⁾
Target Growth Rate (MTBP):
Per Annum **16%**

- Achieved double-digit growth that exceeded targets and steadily improved market position in the previous fiscal year by leveraging strengths in the online/digital field

- Maximizing the strength of owning our proprietary panel, we will start providing purchase data, and costs are expected to come first. For Revenue, we aim to continue achieving the target Revenue growth set out in the MTBP

Overseas (ex-Korea) Business

FY6/2022 Actual Revenue Growth: **28%**⁽¹⁾
Target Growth Rate (MTBP):
Per Annum **9%**

- Achieved double-digit growth in Revenue and profit in the previous fiscal year, surpassing targets due to a strategy change (strengthening focus on existing customers) under the Covid-19 circumstances

- We will continue to aim to achieve the target Revenue growth set in the MTBP, mainly by expanding the share of wallet amongst existing customers

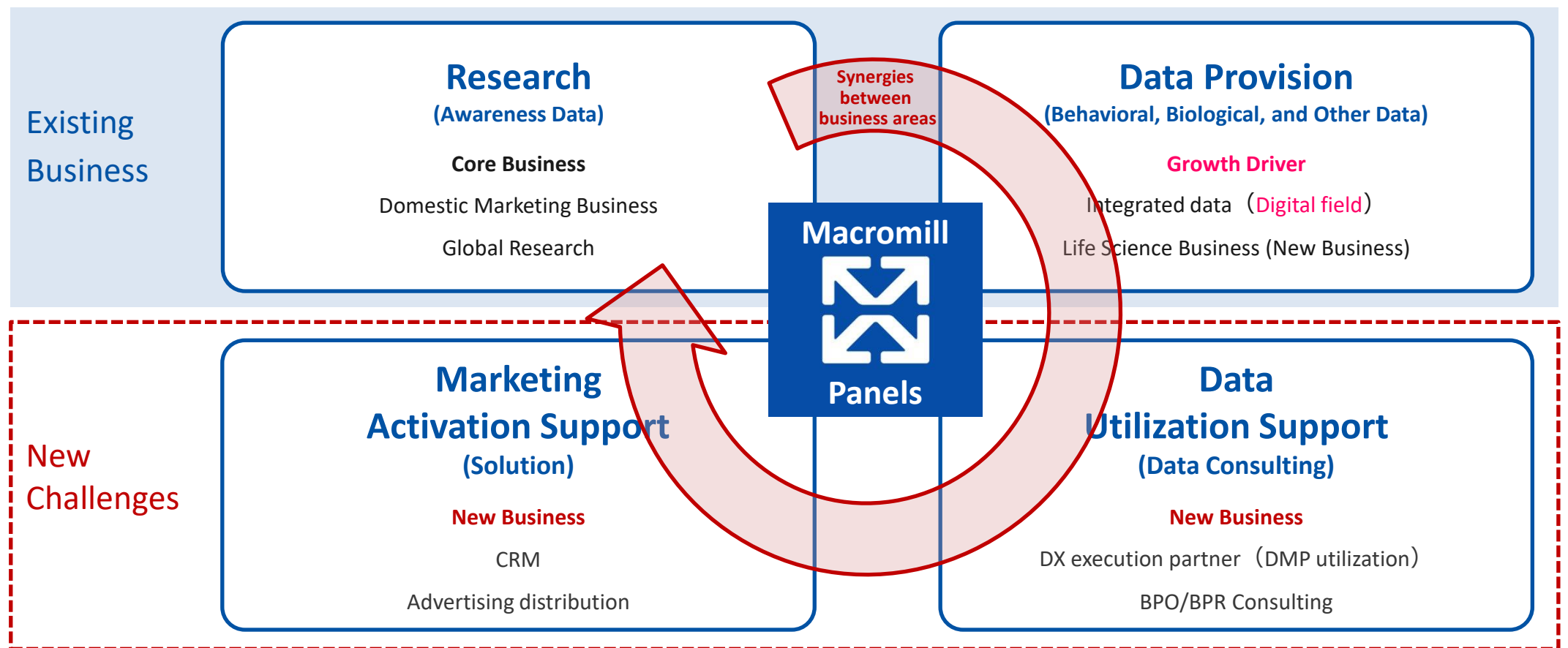
Note

1. The shown figure is a Constant FX basis

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 - Together with measures to improve the OP margin, this will be the driver for achieving the MTBP

Our Business Fields



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

Build your Data Culture

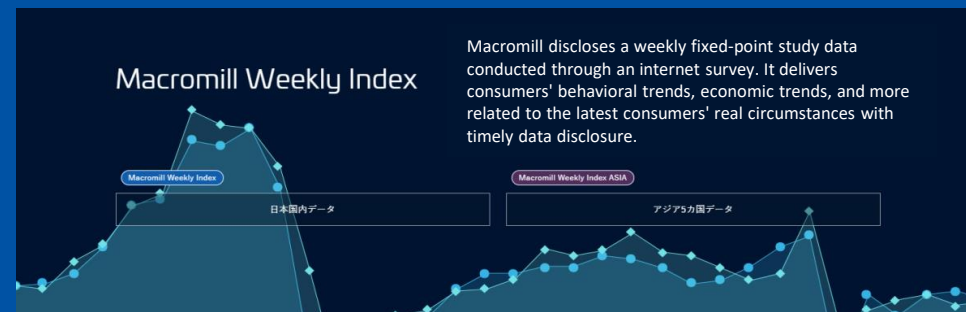


DATA & INSIGHTS

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)