



May 15, 2023

To whom it may concern:

Company name: Macromill, Inc.
Representative: Toru Sasaki
Representative Executive Officer and Global CEO
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Notice Regarding Debt-Equity Swap of Loans to Consolidated Subsidiaries, Changes in Subsidiaries (Share Transfer), and Acquisition of Shares in Toluna Holdings Limited (Conversion into Equity-Method Affiliate)

Macromill, Inc. (Headquarters: Minato-ku, Tokyo, Representative Executive Officer and Global CEO: Toru Sasaki; hereinafter “Macromill”) hereby announces that its Board of Directors resolved in its meeting on May 15, 2023, to sign an agreement regarding a transaction (hereinafter the “Transaction”) in which Macromill will turn loans worth 63.5 million euro (intercompany loan) to Siebold Intermediate B.V. (hereinafter “Siebold”) and its group company MetrixLab Holding B.V., its consolidated subsidiary and the intermediate holding company holding the shares of the MetrixLab Group, into shares in a debt-equity swap (DES) and transfer them together with all the existing shares to Toluna Holdings Limited (hereinafter “Toluna”), and in return acquire a 17.4% stake in Toluna and a loan worth 63.5 million euro with conversion rights to shares in the company (vendor loan). The Transaction aims for the business integration of Toluna, the global research platform and panel provider and the MetrixLab Group, a group of companies composing of Macromill’s Overseas (ex-Korea) Business segment. The agreement was executed today.

Following the agreement, Siebold and the companies in the MetrixLab Group, which is under Siebold, will no longer be Macromill’s consolidated subsidiary after the scheduled date of the share transfer (June 1, 2023), and at the same time Macromill will dispatch one director to Toluna and Toluna will newly become an equity-method affiliate of Macromill.

1. Reasons for Changes in Subsidiaries, etc.

MetrixLab Group, which became a wholly owned subsidiary of Macromill in 2014, currently operates in market research and consumer insights business from 40 offices in about 15 countries around the world. It has been raising its presence in the global market research space by leveraging its vast portfolio of research solutions tailored to customer needs, developing strong relationships and trust with outstanding clients.

Meanwhile, the market research industry is in a major transition period. Specifically, transformation and integration of the market, going beyond the boundaries and definitions of industries, are occurring with the traditional “research business” turning into the “insight industry,” which includes digital data analysis and consulting fields.

In response to this situation, the Macromill Group has been driving forward transformation of its business model from a “Marketing Research Company” to a “Professional Marketing Services Company”. While the group so far has been implementing the transformation primarily in Japan, Korea, and other Asian businesses, we also believed a similar transformation was indispensable at the fundamental level with faster and larger scale at MetrixLab, which engages in the global market consisting primarily of Europe and the US, where the market scale is larger and technologies such as platform and solutions changes faster.

Headquartered in the UK, Toluna is the leading global insights company leveraging its proprietary technology and deep, sophisticated panel assets to build real-time insights solutions for companies around the world.

Macromill and Toluna determined that combining Toluna’s strength in technology and panel with MetrixLab’s strength of research solutions and client portfolio through a business integration would enable the combined company to better service its clients and respond to fast changing market dynamics. Moreover, this Transaction is expected to generate synergy effects including improvement of competitiveness through mutual complementation of solutions and products, cross selling to each other's client base, and increasing efficiency of its resources through the integration of personnel, business bases, and IT systems as well as strengthening of the business foundation and improvement in speed of business development.

After the Transaction, MetrixLab will no longer be Macromill’s consolidated subsidiary, but the company believes that it can enjoy the outcome of the growth in an integrated new company by making Toluna its equity-method affiliate, which is expected to benefit from enhanced market presence through the business integration of the two companies and generate the abovementioned synergy effects. At the same time, Macromill will concentrate its management resources in Japan, Korea, and other Asian markets, where it is more competitive, and accelerate its growth. Further, Macromill and Toluna will consider and discuss opportunities for global collaboration and generation of synergies and will pursue to realize this.

The Macromill Group aims to further increase its enterprise value through a series of these initiatives.

2. Overview of the Subsidiary Subject to Change

(as of March 31, 2023)

(1) Name	Siebold Intermediate B.V.			
(2) Address	Wilhelminakade 312, 3072 AR, Rotterdam, Netherlands			
(3) Title and name of representative	Director A Macromill, Inc. Director B Toru Sasaki			
(4) Main business	An intermediate holding company that owns the MetrixLab Group, which is a group of companies composing Macromill’s overseas business segment (ex-Korea)			
(5) Share Capital	1 euro*1			
(6) Date of incorporation	October 6, 2014			
(7) Major shareholders and their holding ratios	Macromill: 100%			
(8) Relationship between the involved companies	Capital relationship	A wholly owned subsidiary of Macromill		
	Personnel relationship	One employee concurrently serving as an officer		
	Business relationship	Payment and receipt of interest regarding the loan to the MetrixLab Group (intercompany loan) exist between two companies, while the loan is provided via this intermediate holding company		
(9) Consolidated operating results and financial position in the most recent three business years (in 1,000 euro)				
	Fiscal year ended	FY6/2020	FY6/2021	FY6/2022
	Net assets	(3,886)	(3,498)	(387)
	Total assets	93,375	96,760	106,606
	Net assets per share (euro)	(3,886)	(3,498)	(387)
	Revenue	69,904	72,577	92,971
	Operating income	(44,342)	2,254	6,362
	Net income attributable to the parent company shareholder	(44,650)	1,060	2,604
	Net income per share (euro)	(44,650)	1,060	2,604
	Dividend per share (euro)	-	-	-

Note *1 Share Capital is to change to 2 euro as of June 1, 2023, following the implementation of 5. Debt-equity Swap (DES) of Loan to the Consolidated Subsidiary, etc.

3. Overview of the Counterpart of the Share Transfer

(as of March 31, 2023)

(1) Name	Toluna Holdings Limited	
(2) Address	85 Uxbridge Road, London, Attn: Legal Dept, W5 5TH, United Kingdom	
(3) Title and name of representative	CEO Frederic-Charles Petit	
(4) Main business	Provision of global research platform and panel, etc.	
(5) Share Capital	193.4 million GBP	
(6) Date of incorporation	January 14, 2011	
(7) Major shareholders and their holding ratios	Verlinvest SA 53.0% Eurovestech plc 17.0% BRONCO HOLDCO, LLC 10.8%	
(8) Relationship between the involved companies	Capital relationship	None
	Personnel relationship	None
	Business relationship	A business relationship with the Macromill Group as one of suppliers of external panels primarily overseas
(9) Consolidated total assets and net assets at the most recent fiscal year end	Consolidated total assets in the fiscal year ending December 2022	303.1 million GBP
	Consolidated net assets in the fiscal year ending December 2022	113.3 million GBP

4. Number of Shares to Be Transferred, Consideration for Share Transfer, Transfer Value, and Number of Shares Held Pre- and Post-Transfer

(1) Number of shares held before the change	2 shares*2 (Number of voting rights: 2) (Voting rights ownership ratio: 100%)
(2) Number of shares to be transferred	2 shares*2 (Number of voting rights: 2)
(3) Consideration for share transfer and transfer value	3,992,990,374 shares in common stock of Toluna (Number of voting rights: 3,992,990,374) (Voting rights ownership ratio: 17.4%) and a loan with conversion rights to shares of the company (vendor loan notes) to Toluna: 63.5 million euro in total The above consideration for share transfer was decided through negotiations with the counterpart based comprehensively on the result of the calculation of the enterprise values of Toluna and the MetrixLab Group business using methods such as the comparable companies method of listed companies, comparable transactions method, DCF method, etc. The enterprise value, equity value, and details of the conversion rights of the loan are withheld due to the counterpart's request and in accordance with the non-disclosure agreement.
(4) Number of shares held after the change	0 shares (Voting rights ownership ratio: 0%)

Note *2 The above number of shares is the number following the implementation of 5. Debt-equity Swap (DES) of Loan to the Consolidated Subsidiary, etc.

5. Debt-equity Swap (DES) of Loan to the Consolidated Subsidiary, etc.

(1) Overview	To carry out debt-equity swap of loans extended by Macromill to Siebold and its group companies and allot the shares Siebold will newly issue to Macromill
(2) Reasons and background	To improve financial standings of Siebold Intermediate B.V. and the MetrixLab Group made up of its group companies to resolve the negative net assets ahead of the implementation of the Transaction
(3) Target loan	Loans extended by Macromill to Siebold Intermediate B.V. and its group company MetrixLab

	Holding B.V. (intercompany loan): 63.5 million euro in total
(4) Share Capital after capital increase	2 euro
(5) Holding ratio after capital increase	Macromill (100%)
(6) Effective date	June 1, 2023
(7) Impact on consolidated business performance of the Macromill Group	The Transaction is expected to have no impact, as all assets, liabilities, and net assets accounts will be offset between the parent and subsidiary companies.

6. Schedule of the Changes

(1) Date of signing the contract	May 15, 2023
(2) Date of implementing the share transfer and stake acquisition (closing date)	June 1, 2023 (tentative*3)

Note *3 The above date may change upon agreement between the two companies if there is a change or delay in the completion of various procedures required to obtain approval on any antitrust filings and procedures to transfer and acquire the shares or for other reasons.

7. Future Outlook

In light of the Transaction, Macromill plans to classify the Overseas (ex-Korea) Business as discontinued operations after today (in the middle of fourth quarter of the fiscal year ending June 2023) and respectively record about 5.0 billion yen in the consolidated financial results as the capital gains, etc. from the transaction and simultaneously about 5.0 billion yen in the non-consolidated financial results as an extraordinary gain (both are rough estimates, the estimated amount may change due to the change in business performance, FX rate and other factors in the future.) in the financial results for fiscal year ending June 2023. See the “Announcement Regarding Recognition of Gains on Share Transfer and Revision of the Consolidated Full-year Financial Forecasts” announced today for the impact of the Transaction, including the recording of the abovementioned profit, on the Macromill Group’s performance.

Further, Toluna will become an equity-method affiliate of Macromill from June 1, 2023, and Macromill aims to enjoy the outcome of its future growth as an integrated new company. In addition to this, Macromill will, through repeated meetings and discussions, pursue the realization of global cooperation with Toluna and possibilities for creating synergies.

Macromill Group aims to maximize its enterprise value through a series of these initiatives and it plans to include the specific impact on its performance from the next term onwards in its forecast of financial results for the fiscal year ending June 2024 to be disclosed along with the financial results for the year ending June 2023.

(Reference) Results for the fiscal year ending June 2022 of the abovementioned subsidiary, etc. subject to change

Revenue: 12,293 million yen

Operating income: 841 million yen

Ends,