

# FY6/2023 Q3 Financial Results

May 15, 2023



Ticker Code: 3978 (TSE Prime)

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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 and operating profit of each segment and region are shown using figures before elimination of inter-segment offsets, and the total amount of revenue and operating profit of both segments or regions do not match the consolidated revenue and operating profit (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)	
	FY6/2022 Q3 YTD	FY6/2023 Q3 YTD	FY6/2022 Q3 Standalone	FY6/2023 Q3 Standalone
1 Euro =	130.39	142.40	130.52	143.19
1 KRW =	0.0963	0.1041	0.0972	0.1051

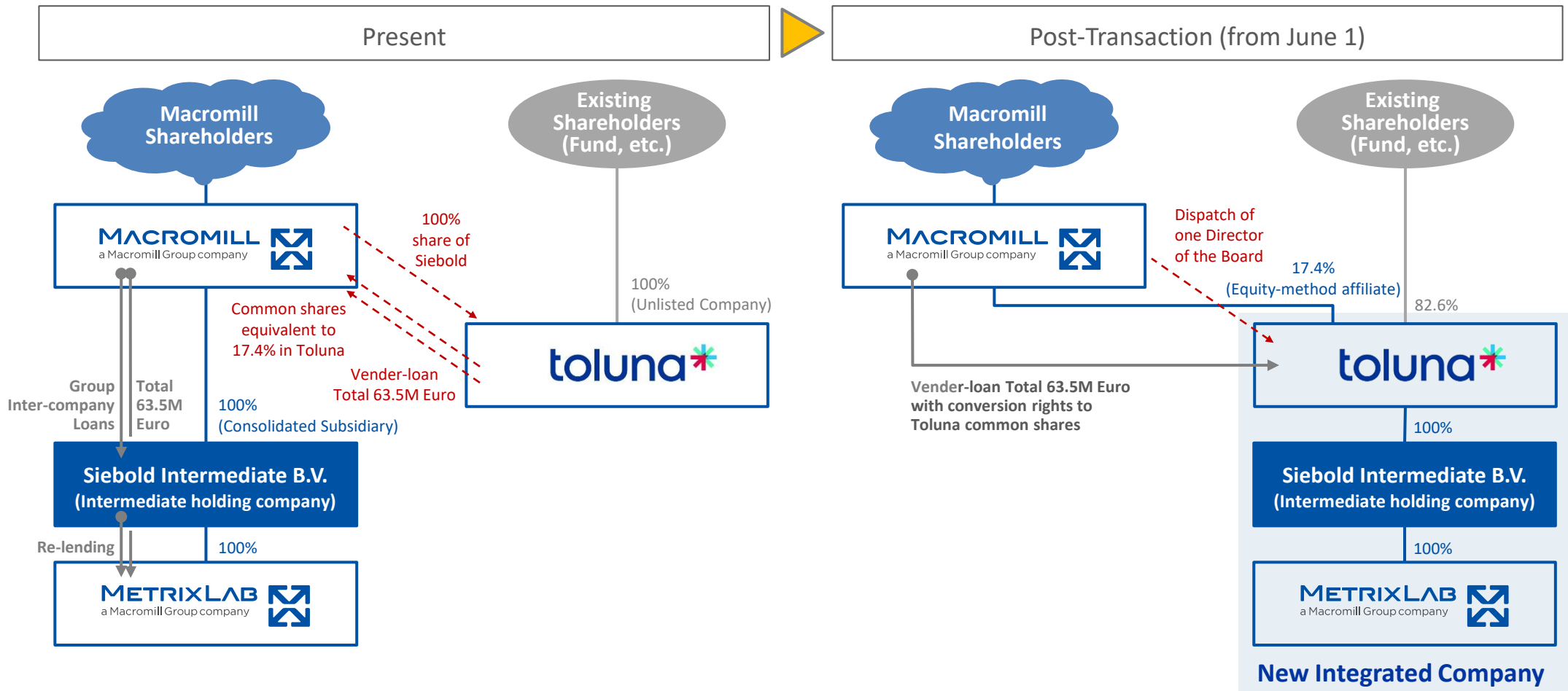
**M&A Update Announced Today  
& Strategy Going Forward**

# Scheme of M&A Transaction announced today

Macromill will transfer 100% shares of MetrixLab to Toluna in return for a minority share of newly integrated company

With a 17.4% stake and a board seat, Toluna will become an equity-method affiliate of Macromill

## Summary of the Transaction Scheme



# Market change: from “Research” to “Insight” Industry\*

Market research industry is in a major transition period with transformation & integration going beyond boundaries & definitions of industries

Turning traditional research business into insight industry, which includes digital data analysis & consulting

## Key Points on Changing Market Conditions

Redefined industry is now significantly larger and changed competitors in the field

Global market expands  
approx. **2.0x**

Japanese market expands  
approx. **1.5x**

M&A became quite active in the industry

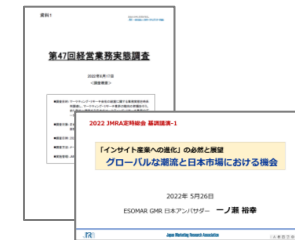
Merger of Nielsen IQ and GfK

Bain Capital’s acquisition of a majority stake of Kantar

ESOMAR  
“Global Market Research 2020”



JMRA (Japan Market Research Association)  
“2022 JMRA Annual General Meeting  
Keynote Speech”



With “New Opportunities” arising in the changing market environment, we determined that it was necessary to rebuild our strategy

Note

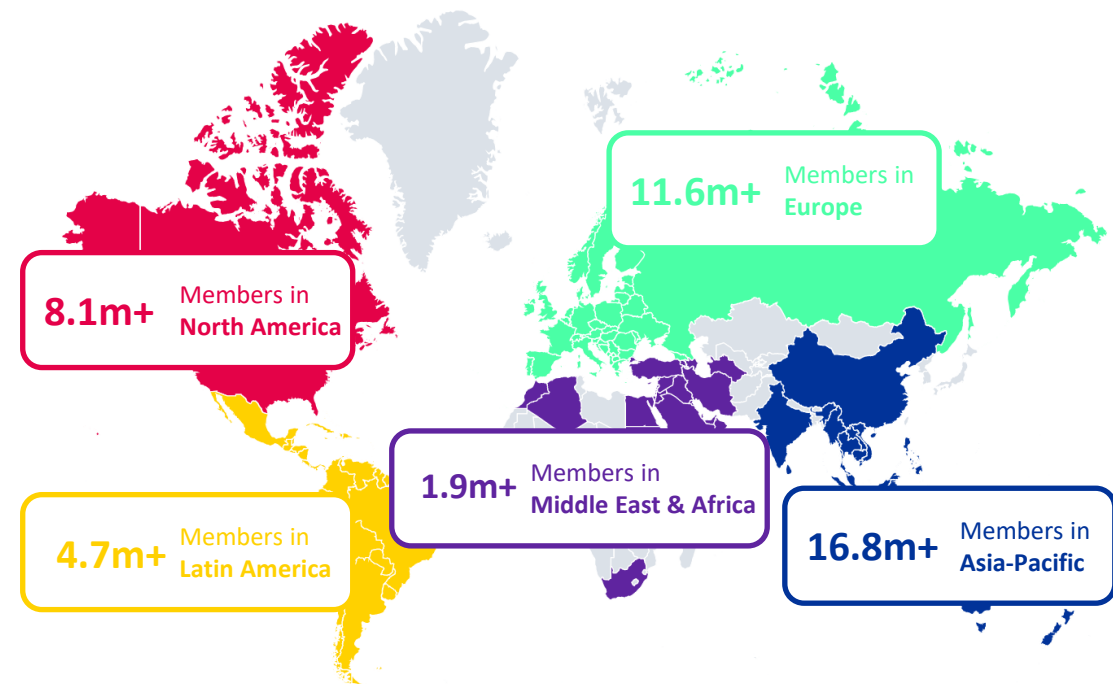
\* Insight Industry : Redefining as an industry that collects and analyzes various data and provides insights to clients. Please refer to the attached document p.55 for more details.

# Strategic Shift in our Overseas (ex-Korea) Business Segment

Global market consisting primarily of Europe and the US, where the market scale is larger and technologies change faster, we determined that combining MetrixLab's strength with an external partner would enable the company to better service its clients and respond to fast changing market dynamics

New Partner for Macromill

**toluna** 



70+ Countries · Over 44M+ respondent community

Headquartered in the UK, Toluna is the leading global insights technology and panel provider  
Going forward, Overseas (ex-Korea) business will proceed its business under partnership with Toluna

# Strategy of the New Integrated Company (equity-method affiliate)

Combining the strengths of both Toluna and MetrixLab will create one of the world's leading global insights firms

## Combining Strengths of Both Companies



**Global Client Portfolio**

**Variety of Research Solutions**

**Large Global Panel**

**Strong Consulting Salesforce**

**Industry Leading Research Platform  
using Innovative Technology**

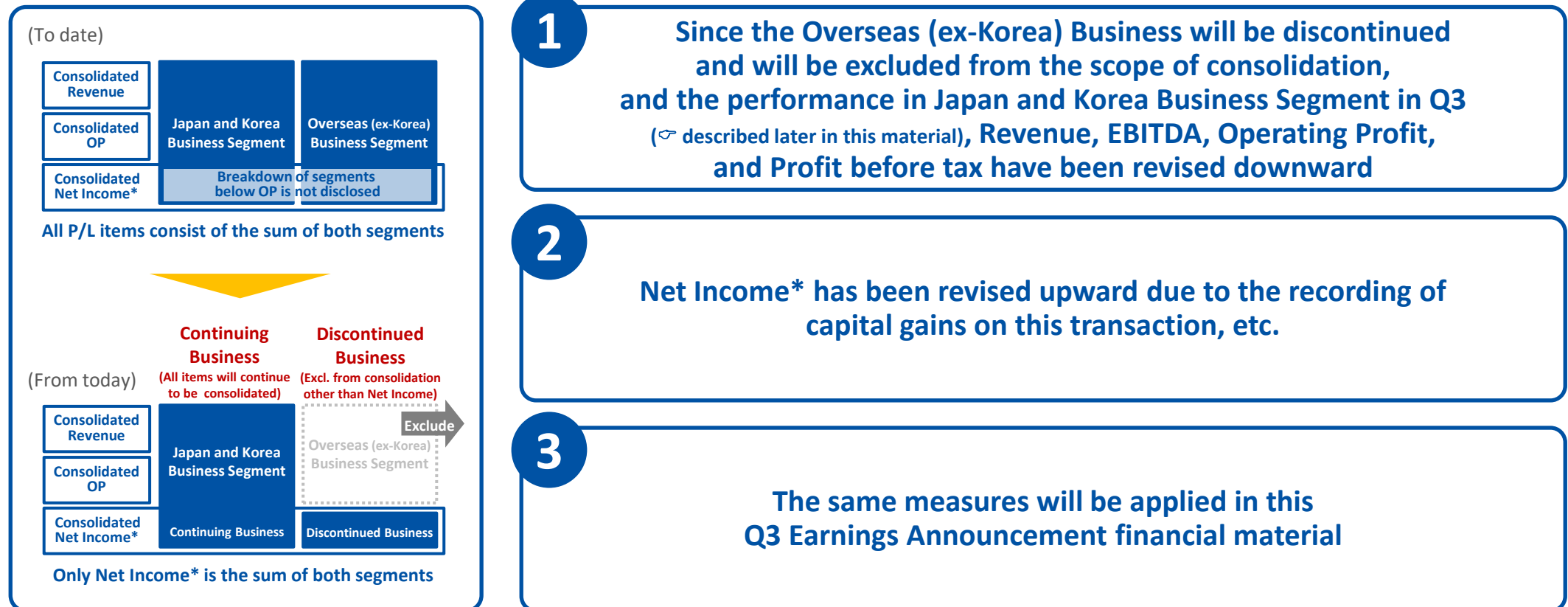
# Revision of Consolidated Full-year Guidance

Due to this transaction, the Overseas (ex-Korea) Business will be separately disclosed as “discontinued business” after today (from the middle of the fourth quarter)

Based on International Financial Reporting Standards (IFRS), discontinued business is retroactively excluded from Revenue, EBITDA, Operating Profit, and Profit before tax from the beginning of the fiscal year

Only Net Income\* will be affected by the portion of discontinued business (including capital gain of this transaction, etc. in addition to its business performance)

## Key points for the Consolidated full-year Guidance Revision



Note

\* All of "Profit for the period" and "Profit attributable to owners of the parent" and "Earnings Per Share (EPS)"



# Macromill Group's Strategy Going Forward

**We will concentrate our management resources in Japan, Korea, and other Asian markets to accelerate our growth while we pursue opportunities for global collaboration & synergies in our new partnership with Toluna**

## Key Points for the Basic Strategy Going Forward

**MACROMILL**  
a Macromill Group company



**Concentrate all management resources into the more competitive Japan and Korea business segments (including Southeast Asia business)**

**Once again, we will pursue transformation of our business model by realizing “Stable growth through Research Business” + “High growth through Digital and Other New Business”**

**With Overseas (ex-Korea) Business Segment with relatively low profit margins being excluded from our figures, we will focus on improving productivity and profit margins**



**Promote collaboration and pursue synergies based on global partnership with Toluna**

**With this transaction, we plan update and announce our new Mid-term Business Plan one year ahead of schedule at the time of the full-year financial results announcement in August**

# Share Buyback Program

As a result of this transaction, the stability of our business will improve since Overseas (ex-Korea) business with high business volatility will be excluded from the scope of consolidation

Based on this outlook and the current stock price level, we will implement a share buyback of 1.2bn yen

## Detail of Share Buyback Program

### Conduct Share Buyback Program of 1.2bn yen (planned)

Total amount : Up to **1.2bn yen**

Total number of shares: Up to **1,500,000** shares

% to the number of shares outstanding (excluding treasury stock) : **3.8%**

Share Buyback Planning Period: **May 16, 2023 to September 30, 2023**

# Japan and Korea Business Segment Update (Continuing Business)

## (Assumptions for disclosure from this section onwards)

(To date)

Consolidated Revenue	Japan and Korea Business Segment	Overseas (ex-Korea) Business Segment
Consolidated OP		
Consolidated Net Income*	Breakdown of segments below OP is not disclosed	

All P/L items consist of the sum of both segments

(From today)

	Continuing Business (All items will continue to be consolidated)	Discontinued Business (Excl. from consolidation other than Net Income)
Consolidated Revenue	Japan and Korea Business Segment	Overseas (ex-Korea) Business Segment
Consolidated OP		
Consolidated Net Income*	Continuing Business	Discontinued Business

Exclude →

Only Net Income\* is the sum of both segments

- Based on the M&A transaction announced today, Overseas (ex-Korea) Business will be separately disclosed as “discontinued business” after today (from the middle of the fourth quarter)
- Accordingly based on the provisions of International Financial Reporting Standards (IFRS), regarding results excluding Net Income (All of "Profit for the period" and "Profit attributable to owners of the parent", and "Earnings Per Share (EPS)"), the Company will retroactively remove Overseas (ex-Korea) Business from the beginning of the fiscal year ending June, 2023, and plans to disclose only the continuing business at the full-year financial earnings announcement for the fiscal year ending June, 2023
- In this financial results briefing material, we take this disclosure policy in advance from the current third quarter financial results, and disclose information based on this policy

# FY6/2023 Q3 Key Takeaways

Consolidated Performance	Q3 Standalone (3 months)			Q3 YTD (9 months)		
	Revenue:	<b>11.21</b> bn JPY	YoY <b>+6%</b> (in CFX +6%)	Revenue:	<b>31.70</b> bn JPY	YoY <b>+8%</b> (in CFX +7%)
OP:	<b>2.01</b> bn JPY	YoY <b>-13%</b> (in CFX -14%)	OP:	<b>4.65</b> bn JPY	YoY <b>-16%</b> (in CFX -17%)	

- As we were unable to fully capture demand in March, which is the busiest season in Japan, Revenue increased but did not reach our expectations, and Profits continued to stay in decline YoY
- We revise the Full-year Guidance downward reflecting this slow Revenue growth in high-margin Online Research

- On the other hand, after the Covid-19 pandemic, Research demand continues to expand, so we are continuing to strengthen outbound sales activities (👉 For more details, please refer to p.17)

- We have completed the preparation of Operational Capacity and team structure. We will review the sales team structure and strategy, and focus on recovering Online Research Revenue and improving productivity
- Based on the above, going forward, we will focus on improving the Operating Profit Margin

# FY6/2023: Full-year Guidance Revision

Full-year Revenue is expected to be below the Initial Guidance due to Online Research revenue shortage, which has a large contribution to Profit

As a result, amount of YoY Revenue growth becomes almost half of the Initial Guidance, and the Profit also revised downward

## FY6/2023 Full-year Guidance

Consolidated IFRS  
(JPY in Millions)

	FY6/2022			FY6/2023			
	Actual (a)	Original Forecast (b)	Rivised Forecast (c)	Variance vs. Original (c-b)	% Change vs. Original (c/b) - 1	YoY Variance (c-a)	YoY % Change (c/a) - 1
<b>Continuing Business* Only</b>							
Revenue	37,736	42,700	40,500	(2,200)	(5.2%)	+2,764	+7.3%
Operating Profit (OP)	5,038	5,800	4,300	(1,500)	(25.9%)	(738)	(14.6%)
Adj Operating Profit (Adj OP) (Excl. the transaction related fees, etc.)	5,038	5,800	4,760	(1,040)	(17.9%)	(278)	(5.5%)
Adj Operating Profit Margin (Excl. the transaction related fees, etc.)	13.4%	13.6%	11.8%	(1.8pt)	(13.5%)	(1.6pt)	(12.0%)

Note

\* Based on the M&A transaction announced today, Overseas (ex-Korea) Business will be separately disclosed as “discontinued business” after today (from the middle of the fourth quarter). Accordingly based on the provisions of International Financial Reporting Standards (IFRS), regarding the results excluding Net Income (All of “Profit for the period” and “Profit attributable to owners of the parent”, and “Earnings Per Share (EPS)”), the Company will retroactively remove Overseas (ex-Korea) Business from the beginning of the fiscal year ending June, 2023, and plans to disclose only the continuing business at the full-year financial earnings announcement for the fiscal year ending June, 2023. In this financial results briefing material, we take this disclosure policy in advance from the current third quarter financial results, and disclose information based on this policy. The Company's past performance and guidance forecast on this page are also limited to continuing operations based on the above concept.

With the end of pandemic, Research demand continues to expand

We resolved Operational Capacity issues but have delay in client returns

## Environmental Factors behind the Revision

### Changes in External Environment

- **Low awareness and preference amongst potential clients due to our inability to take on additional demands for a period when we had capacity shortages**
  - ⇒ Pursued outbound sales activity volume, but did not deliver expected results
- **Research budget cuts and restraints due to downward business sentiment, especially for some large clients**
  - ⇒ **At the same time, the trend of expanding Research demand in the overall market continues**
    - ◆ With the Covid-19 pandemic ending, the thoughts and behavior of consumers are changing again

### Changes in Internal Environment

- **Resolved Operational Capacity Issues**
  - Significantly lower employee turnover rate and steady progress in initiatives on productivity improvement and automation, etc.
- **Seminars/webinars resumed in full-scale, and the number of attendees for the seminars reached a record high**
- **Need to change sales operation from inbound to outbound (proposal) style**
  - Since the "quantity" of contact points with clients has recovered, a "qualitative" approach is required

**Countermeasures: Focus on resolving side effects caused by our past capacity shortage issues**

# FY6/2023: Revision Background - Operating Profit

In the second half of this fiscal year, the increase in Total Employee Expenses and Outsourcing Expenses will be moderate, and the rising pace compared to the previous year is expected to be slower

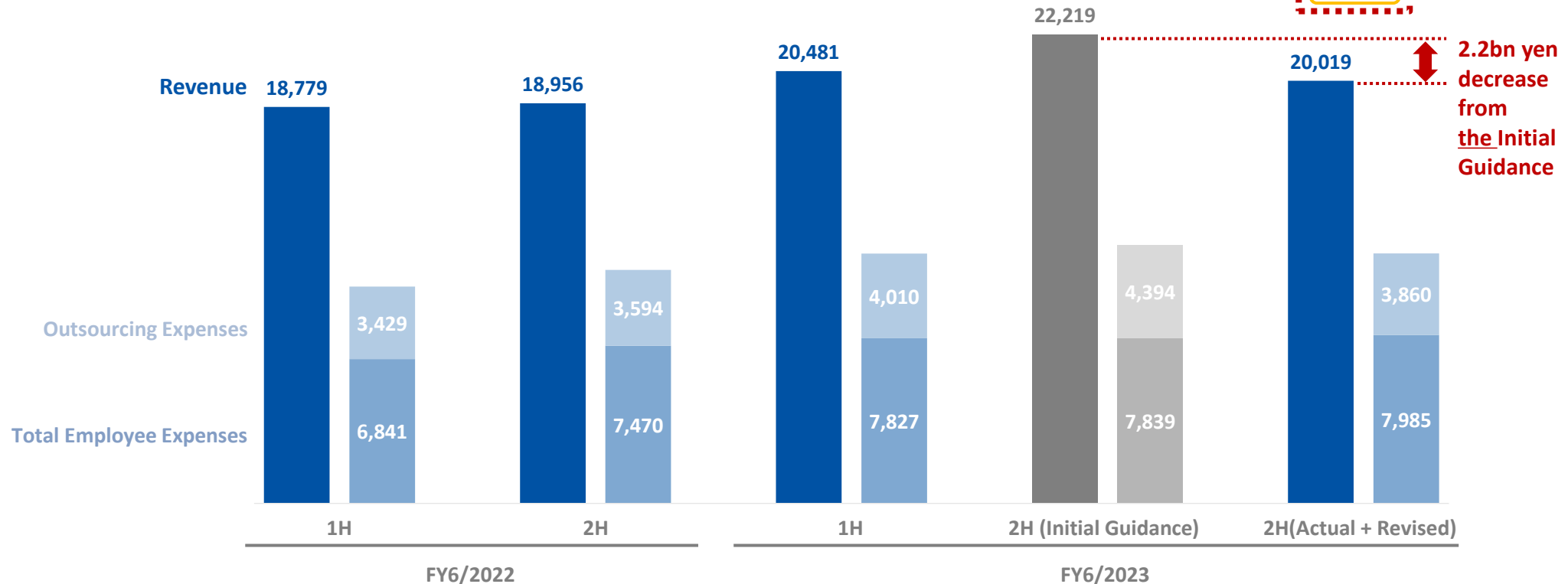
We have completed the establishment of a structure that can demonstrate leverage effects by increasing Revenue

## Changes in Revenue, Total Employee Expenses, and Outsourcing Expenses by 1H and 2H

Consolidated (IFRS)  
(JPY in Millions)

YoY Growth	Revenue :	+12%	+10%	+9%	+17%
	Outsourcing Expenses :	+19%	+28%	+17%	+22%
	Total Employee Expenses :	+16%	+16%	+14%	+5%

+6%
+7%
+7%



Countermeasures: Basic measures have already been implemented, and once the pace of Revenue growth accelerates, it will be possible to generate large profits

# FY6/2023: Steps for OP Margin Expansion

Going forward, Revenue growth rate will be a key point in the steps toward improving Profit Margins

## Anticipated steps to improve OP Margin

		Outsourcing Expenses	Total Employee Expenses	Key Points
FY6/2022	1st Step	Material Increase (Exceeds Revenue Growth)	Material Increase (Exceeds Revenue Growth)	<ul style="list-style-type: none"> <li>Respond to the current increase in client demand by leveraging Outsourcing Expenses and rapidly hiring new talent to fill the demand/supply gap</li> </ul>
1H		Material Increase (Exceeds Revenue Growth)	Material Increase (Exceeds Revenue Growth)	<ul style="list-style-type: none"> <li>Significantly increased due to headcount uplift in the last year</li> <li>Expand the internal capacity by pursuing operational efficiency with increased proficiency of the new employees</li> <li>Leverage Outsourcing until internal capacity increases</li> </ul>
FY6/2023	2H Initial Guidance	Suppress increase trend (However, exceeds Revenue Growth)	Increase at a normal pace (Slower than Revenue Growth)	<ul style="list-style-type: none"> <li>Gradually control the Total Employee Exp. increase to a pace below the Revenue growth including added value improvement and automation</li> <li>Leverage the expanded internal operational capacity and suppress outsourcing</li> </ul>
	2H Actual + Revised	Suppress increase trend (However, slightly exceeds Revenue Growth)	Suppress increase trend (However, slightly exceeds Revenue Growth)	<ul style="list-style-type: none"> <li><b>Revenue growth fell short of expectations, and we were unable to generate leverage effects</b></li> <li>Total Employee Exp. are higher than initial plan due to low turnover, but are expected to settle down to single-digit YoY growth</li> <li>Outsourcing Exp. growth is also expected to be in the single-digit level</li> </ul>
FY6/2024	3rd Step	Compressed to the original level (Slower than Revenue growth)	Increase at a normal pace (Slower than Revenue Growth)	<ul style="list-style-type: none"> <li>Maximize the expanded internal operational capacity and suppress Outsourcing Exp. to their original level. Manage the growth in Outsourcing Exp. down to less than Revenue increase on a YoY basis</li> </ul>

By accelerating Revenue growth in FY6/2024, we aim to shift to the 3rd step, which we had envisioned in the past



# Initiatives for Improvement in OP Margin

Aiming to steadily implement the steps to improve profitability listed on the previous page  
Specifically, we will further focus on measures to expand Revenue

## Measures to Expand Operating Profit Margin



# FY6/2023 Q3 Financial Update

## (Assumptions of financial information in this section)

- Revenue, EBITDA, Operating Profit, and Profit before tax show the amounts of continuing business, while Profit for the period and Profit attributable to owners of the parent show the sum of continuing and discontinued businesses
- Revenue, EBITDA, and Operating Profit for the previous fiscal year (FY6/2022) are reclassified into figures for continuing business excluding discontinued business

# FY6/2023 Q3: Segment Performance

Continuing  
Business



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Q3 (YTD) Revenue increased in both Japan and Korea, resulting in the entire Segment Revenue increased by +8% YoY  
Segment Profit decreased by 16% YoY mainly due to an increase in Total Employee Expenses in Japan

## FY6/2023 Q3 YTD (9 Months)

(JPY in Millions)

	FY6/2022 Q3 YTD Actual	FY6/2023 Q3 YTD Actual	Variance	YoY Growth	YoY Growth Constant FX <sup>(1)</sup>
Japan and Korea Business Segment Revenue	29,317	31,700	+2,383	+8%	+7%
Japan	25,379	27,248	+1,868	+7%	+7%
Korea	3,945	4,463	+517	+13%	+5%
Segment Profit	5,531	4,650	(881)	(16%)	(17%)

Note

1. Please refer to the common footnotes on p.2 for the calculation method of the Constant FX and its significance

# FY6/2023 Q3: Operating Expenses

Continuing  
Business



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Roughly half of the increase in Operating Expenses was due to an increase in Total Employee Expenses

Outsourcing Expenses also continue to increase to expand of Operational Capacity

As for Other Expenses, in addition to an increase due to system-related expenses, etc., expenses related to this transaction of 56 million yen were recorded

## FY6/2023 Q3 YTD (9 Months)

(JPY in Millions)

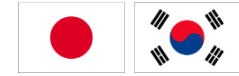
	FY6/2022 Q3 YTD Actual	FY6/2023 Q3 YTD Actual	Variance	YoY Growth
<b>Revenue (Segment Revenue)</b>	<b>29,317</b>	<b>31,700</b>	<b>+2,383</b>	<b>+8%</b>
Panel Expenses	3,662	3,884	+221	+6%
Outsourcing Expenses	5,401	6,252	+851	+16%
Others <sup>(1)</sup>	3,077	3,634	+556	+18%
[ Transaction related fees, etc. in Others <sup>(1)</sup>	N/A	56	N/A	N/A ]
D&A	1,504	1,625	+121	+8%
Employee Expenses	10,140	11,653	+1,513	+15%
<b>Operating Expenses Total</b>	<b>23,785</b>	<b>27,050</b>	<b>+3,264</b>	<b>+14%</b>
<b>Adjusted<sup>(2)</sup> Operating Expenses Total</b>	<b>23,785</b>	<b>26,994</b>	<b>+3,208</b>	<b>+13%</b>

Note

1. 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
2. Adjusted Operating Expenses is subtracted the Transaction related fees, etc. from the Operating Expenses Total.

# FY6/2023 Q3: Segment Profit Waterfall

Continuing Business

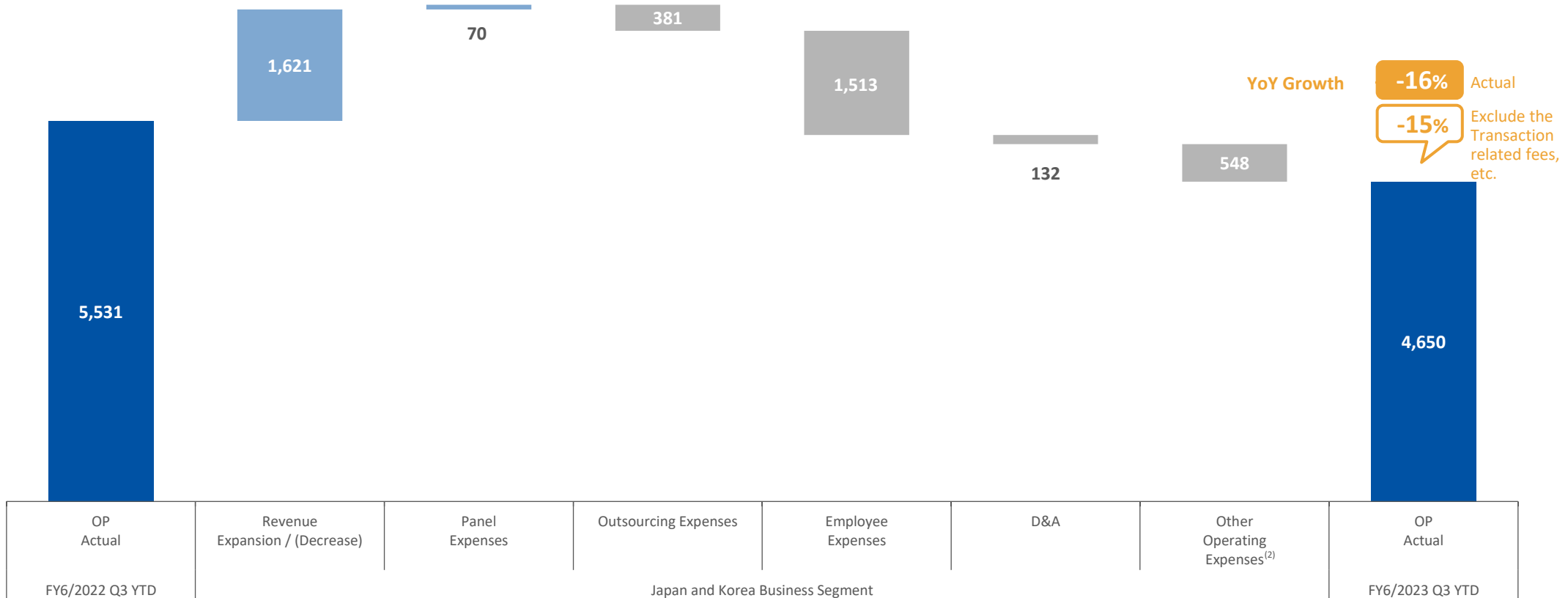


The amount of increase in Revenue was not enough to cover the total amount of Operating Expenses up to Q3 (YTD) shown on the previous page

Excluding the impact of this transaction, Segment Profit was down by 15% YoY

## Q3 YTD Segment Profit (OP) Waterfall Analysis<sup>(1)</sup>

(JPY in Millions)



Note

- 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

# FY6/2023 Q3: Quarterly Performance

Continuing Business



Q3 segment Revenue was expected to exceed Q2, but as a result, fell short of Q2

Although the Segment Profit Margin is improving, it is trending below our plan due to slow Revenue growth

## Quarterly Segment Revenue Trend

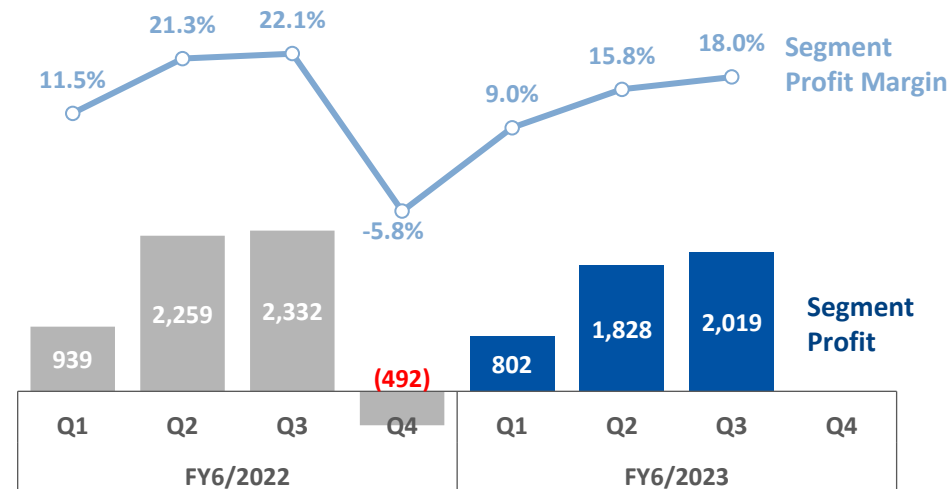
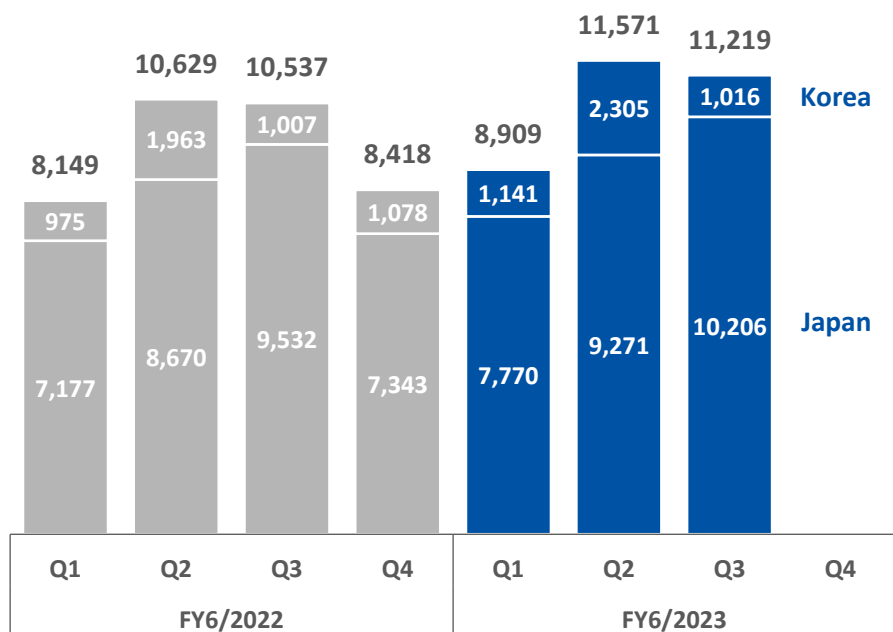
(JPY in Millions)

YoY Growth	Actual:	+9%	+9%	<b>+6%</b>
	Constant FX <sup>(1)</sup> :	+8%	+7%	<b>+6%</b>

## Quarterly Segment Profit and Profit Margin Trend

(JPY in Millions)

YoY Growth	Actual:	-15%	-19%	<b>-13%</b>
	Constant FX <sup>(1)</sup> :	-15%	-20%	<b>-14%</b>



Note

1. Please refer to the common footnotes on p.2 for the calculation method of the Constant FX and its significance

# FY6/2023 Q3: Japan Business - Summary



In the Q3 (standalone) Research business, Online Research was slow, and the pace of Revenue growth remained at the same level as in Q2

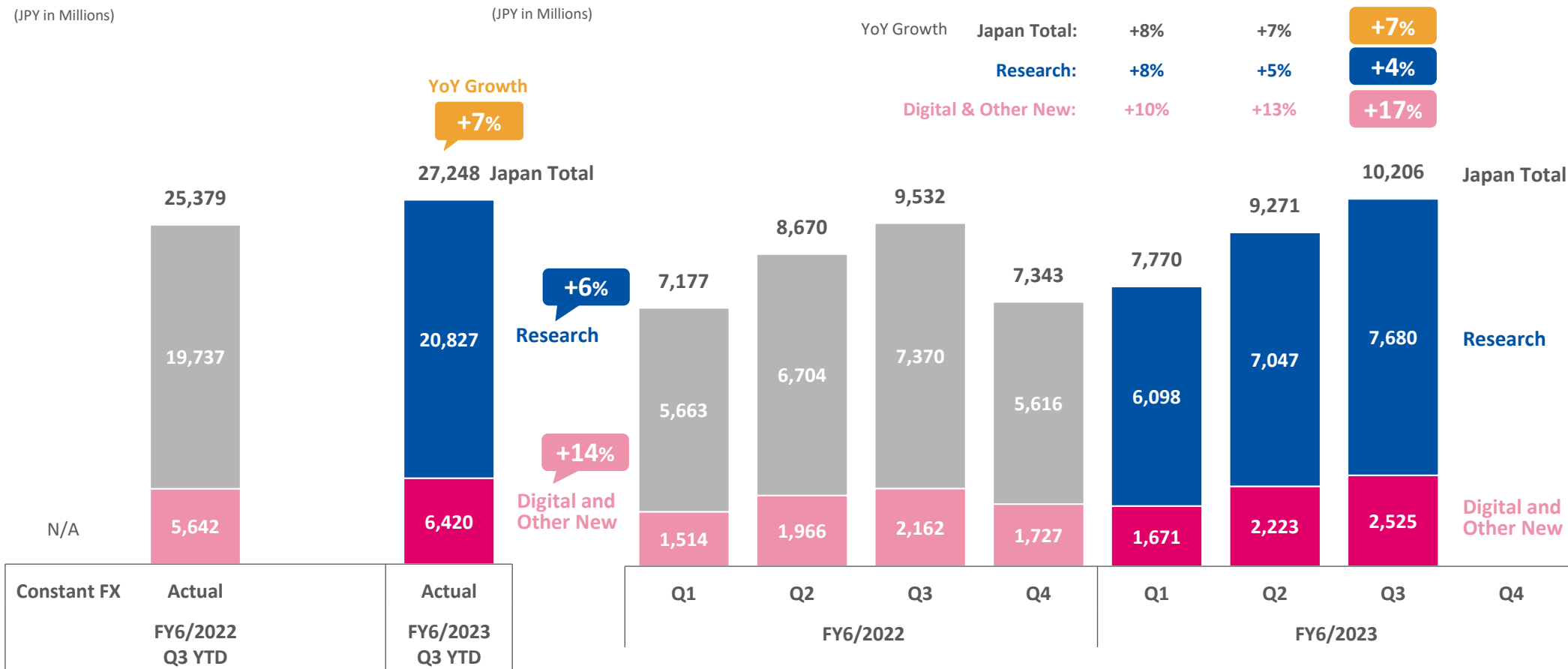
On the other hand, the pace of Revenue growth for Digital and Other New Business continues to expand

## Q3 YTD Japan Revenue (9 months)

## Quarterly Japan Revenue Trends

(JPY in Millions)

(JPY in Millions)



Note

1. Please refer to the solution portfolio page (p.48) for each solution

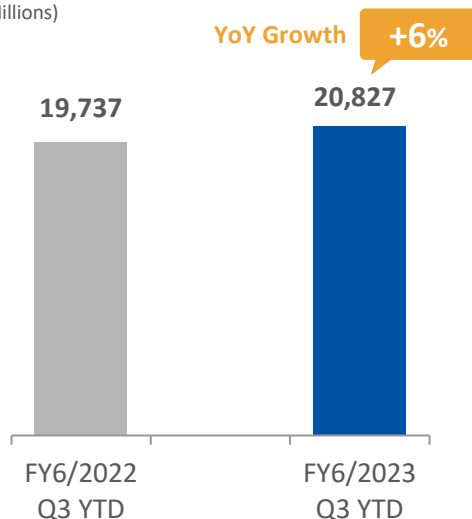


Operational Capacity issues in the Research business have been resolved, but the strengthening of outbound sales activity was not enough to fully capture the expanding demand

In Digital and Other New Businesses, data utilization support (consulting) continued to be strong, driving Revenue growth

## Q3 YTD Research Business Revenue (9 months) Q3 YTD Business Performance Commentary

(JPY in Millions)



### Research Business

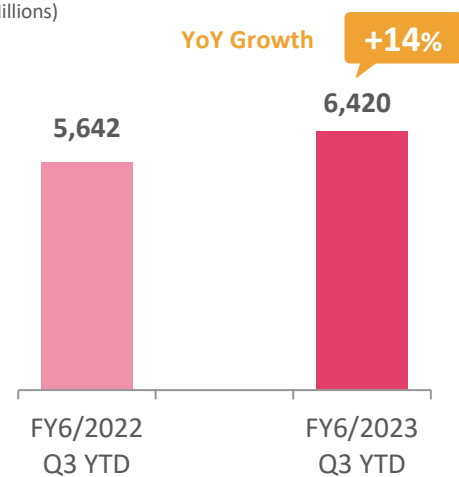
Target Growth Rate in MTBP:

Per Annum **6%**

- Rebound in Offline Research due to recovery from Covid-19, global research continues to perform well
- Initiatives to partner with clients (Sales and delivery structure, Macromill Consortium, etc.) succeeded and the size of the project continues to expand
- On the other hand, slow growth in highly profitable Online Research is an issue, but there are many latent needs that can be captured
- We will continue to introduce measures such as strengthening outbound sales activities, and to improve both the quality and quantity of Revenue.

## Q3 YTD Digital & Other New Business Revenue (9m)

(JPY in Millions)



### Digital and Other New Business

Target Growth Rate in MTBP:

Per Annum **20%**

- We are in the transition period to a measurement method that will replace 3rd party cookies, which are scheduled to be abolished in the second half of 2024, and the impact of a decline in branding advertising due to market conditions. Trend expected to continue
- On the other hand, the environment for using the PF Data Clean Room is being improved → We will start a service to support clients' Data Clean Room utilization from Q4
- Among Other New Businesses, the data utilization support (consulting) business continued to perform well
  - Concluded a partnership agreement with Tokyo University of Science to promote industry-academia collaboration to train data scientists



# FY6/2023 Q3: Korea Business - Summary



Double-digit growth continued in the 1H due to the switching demand from Offline Research to Online, which is impacted by Covid-19

On the other hand, Q3 standalone Revenue declined on the Constant FX basis due to decrease in Research demand, which is impacted by the economic downturn

## Q3 YTD Korea Revenue (9 Months)

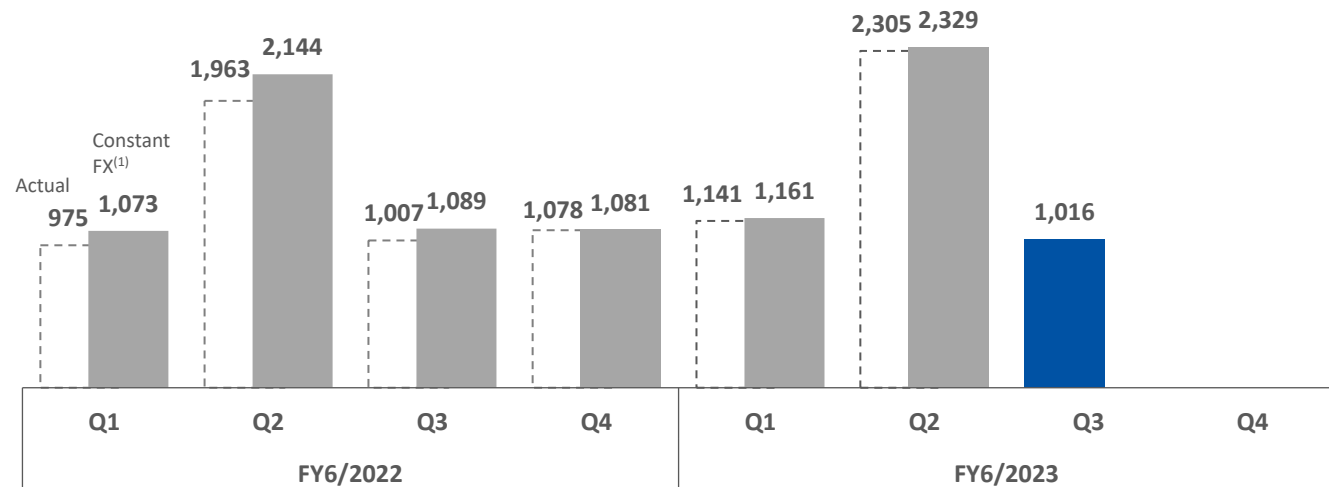
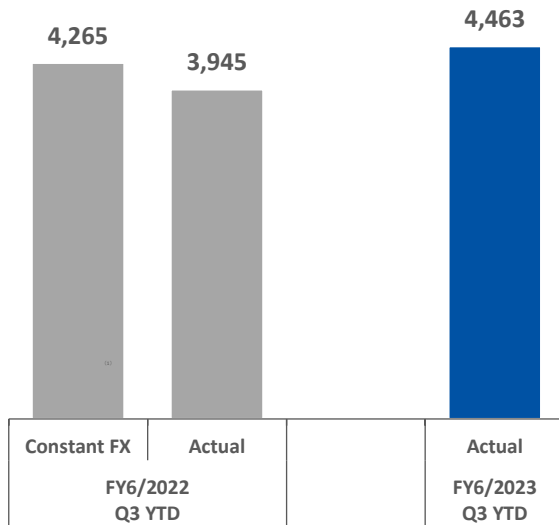
(JPY in Millions)

YoY Growth **+13%** Actual  
**+5%** Constant FX<sup>(1)</sup>

## Quarterly Korea Revenue Trends

(JPY in Millions)

YoY Growth Actual : +17% +17% **+1%**  
 Constant FX<sup>(1)</sup> : +8% +9% **-7%**



## Q3 YTD Korea Business Performance Commentary

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

- Online Research Revenue, which grew significantly in the previous fiscal year, slowed down due to the impact of the economic downturn. In particular, the impact of budget cuts on the public sector is large
- 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 launched a new subscription-type purchase data service in FY6/2023 Q1, which is already operational in Japan
- 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

Note

1. Please refer to the common footnotes on p.2 for the calculation method of the Constant FX and its significance

# Consolidated Statement of Operations (P/L)

Q3 YTD (9 Months)

26

Q3 (YTD) Continuing business Revenue increased by +8% YoY, while Operating Profit decreased by -16% YoY

Capital gain on this transaction to be recorded in Q4

## FY6/2023 Q3 YTD (9 Months)

Consolidated (IFRS)  
(JPY in Millions, except specified)

	FY6/2022 Q3 YTD	FY6/2023 Q3 YTD	YoY Growth	YoY Variance
<b>Revenue</b>	29,317	31,700	+2,383	+8%
Operating Expenses	23,785	27,050	+3,264	+14%
<b>EBITDA</b>	7,042	6,291	(751)	(11%)
<b>Operating Profit</b>	5,531	4,650	(881)	(16%)
Operating Profit Margin	18.9%	14.7%	(4.2pt)	
<b>Adjusted Operating Profit</b>	5,531	4,706	(825)	(15%)
Adjusted Operating Profit Margin	18.9%	14.8%	(4.1pt)	
<b>Profit attributable to Owners of the Parent<sup>(1)</sup></b>	3,397	2,654	(743)	(22%)

Japan and  
Korea  
Business

(Continuing  
Business)

Consolidated  
(Incl. Discontinued  
Business)

Note

- The Company categorizes the Overseas (ex-Korea) Business Segment as discontinued business after today (in the middle of the fourth quarter of FY6/2023). Thereby, Profit for the year and Profit attributable to owners of the parent include both the continuing business and the discontinued business

# Consolidated Statements of Financial Position (B/S)

Q3 YTD profit decreased YoY, resulted in the rise of Net Debt/EBITDA ratio and the decrease in ROE  
Cash decrease from the end of previous fiscal year to Q3 end caused Net Debt increase

## FY6/2023 Q3

Consolidated (IFRS)  
(JPY in Millions)

	FY6/2022 as of June 30, 2022	FY6/2023 as of March 31, 2023	Variance
<b>Total Current Asset</b>	<b>27,759</b>	<b>28,995</b>	<b>+1,236</b>
Cash and cash equivalents	14,756	12,508	(2,248)
Trades and Other Receivables	7,966	11,778	+3,812
<b>Total Non-current Asset</b>	<b>55,874</b>	<b>56,080</b>	<b>+205</b>
Goodwill	42,928	42,959	+31
Japan and Korea Business Segment	39,957	40,027	+69
Overseas (ex-Korea) Business Segment	2,970	2,932	(38)
<b>Total Liabilities</b>	<b>47,806</b>	<b>48,097</b>	<b>+290</b>
Borrowings and Bonds <sup>(1)</sup>	31,555	31,124	(430)
<b>Total Equity</b>	<b>35,827</b>	<b>36,979</b>	<b>+1,151</b>
<b>Target Financial KPIs</b>			
<b>Net Debt/ EBITDA</b>	<b>2.21 x</b>	<b>2.62 x</b>	
Net Debt	19,228	20,989	+1,760
EBITDA <sup>(2)</sup>	8,697	7,537	(1,159)
<b>ROE<sup>(2)</sup></b>	<b>10.3%</b>	<b>7.4%</b>	<b>(2.9pt)</b>

Note

1. The sum of Short-term Borrowings, Long-term Borrowings, and Bonds
2. Calculated in the last twelve months

# Consolidated Statements of Cash Flows (C/F)

Cash flow from Operating Activities lower than previous year due to the YoY decrease in profit

Cash flow from Financing Activities improved from last year, due to the absence of 5 billion yen bond redemption in this fiscal year and regular payment decrease from refinancing in March 2022

## FY6/2023 Q3 YTD (9 Months)

Consolidated (IFRS)  
(JPY in Millions)

	9 Months		Variance
	FY6/2022 Q3 Actual	FY6/2023 Q3 Actual	
Cash Flows from Operating Activities	2,532	1,738	(793)
Cash Flows from Investing Activities	(496)	(1,289)	(792)
Free Cash Flows <sup>(1)</sup>	2,208	572	(1,635)
Cash Flows from Financing Activities	(7,989)	(2,714)	+5,275
Increase/(decrease) in Cash and Cash Equivalents	(5,954)	(2,264)	+3,689
Cash and Cash Equivalents at the end of the period	13,304	12,508	(796)

Note

1. Free cash flow = Cash flows from operating activities ± cash flows from investing activities - interest paid

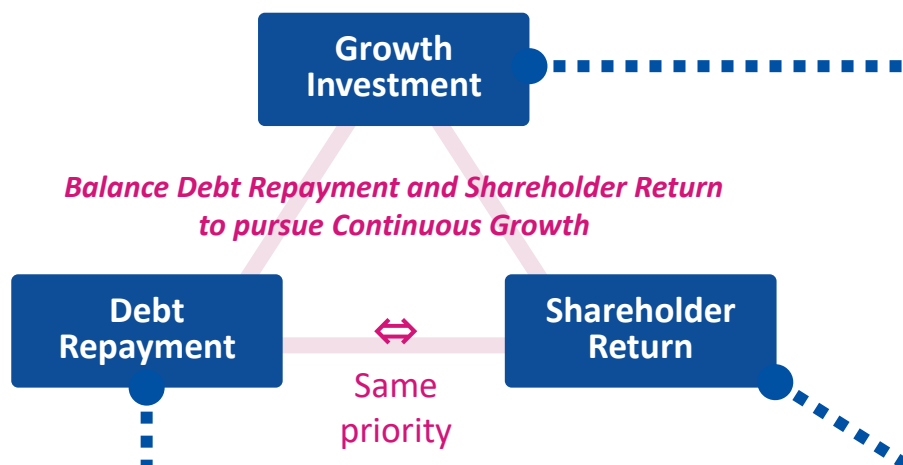


# Capital Allocation

“Growth investment” remains our top priority going forward, both “Debt Repayment” and “Shareholder Return” are set next at the same priority level

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
- In addition to organic growth, we plan to accelerate investments to realize inorganic growth going forward
  - Active pursuit of M&A
  - Talent and system investment in new business areas

### 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)
- On the other hand, we plan to issue new bonds to refinance the issued bonds
  - Scheduled to refinance the 2nd series of bonds (5-year bonds) toward the end of this fiscal year
- 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 and cash surpluses

# Appendix

- i. **FY6/2023 Q3 Financial Results Supplemental Material (Former Disclosure Basis)**
- ii. Overseas (ex-Korea) Business Segment Update (Discontinued Business)
- iii. Mid-term Business Plan (FY6/2022 – FY6/2024)
- iv. Summary of Our Company, Market Size, etc.

# Consolidated Statement of Operations (P/L)

Q3 Standalone (3months)

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\* Former disclosure basis including discontinued business

Q3 (standalone) Consolidated Revenue grew by double digits due to strong performance in Overseas (ex-Korea) Businesses Segment

Operating Profit increased in Overseas (ex-Korea) Businesses Segment, but Consolidated Operating Profit decreased due to double-digit declines in Japan and Korea Business Segment

## FY6/2023 Q3 Standalone (3 Months)

Consolidated (IFRS)  
(JPY in Millions)

	FY6/2022 Q3 Actual	FY6/2023 Q3 Actual	YoY Variance	YoY Growth
<b>Revenue</b>	<b>13,521</b>	<b>15,283</b>	<b>+1,762</b>	<b>+13 %</b>
Japan and Korea Business Segment	10,537	11,219	+682	+6 %
Overseas (ex-Korea) Business Segment	3,023	4,157	+1,133	+37 %
<b>EBITDA</b>	<b>3,095</b>	<b>3,151</b>	<b>+56</b>	<b>+2 %</b>
<b>Operating Profit</b>	<b>2,405</b>	<b>2,330</b>	<b>△74</b>	<b>△3%</b>
Japan and Korea Business Segment	2,332	2,019	△312	△13%
Overseas (ex-Korea) Business Segment	72	307	+234	+324 %
<b>Operating Profit Margin</b>	<b>17.8%</b>	<b>15.2%</b>	<b>△2.6pt</b>	
<b>Profit Attributable to Owners of the Parent</b>	<b>1,451</b>	<b>1,435</b>	<b>△15</b>	<b>△1%</b>

Note

1. Revenue and operating profit of each segment and region are shown using figures before elimination of inter-segment offsets. Please see the common footnote on p.2 for more detail.



# Operating Expenses Quarterly Trend

\* Retroactively added information on continuing business

Q3 standalone Total Employee Expenses and Outsourcing Expenses for continuing businesses decreased from Q2  
 In Q4, the number of employees in Japan is expected to increase due to new graduates join our team

## Quarterly Operating Expenses Trend Breakdown

Consolidated (IFRS)  
 (JPY in Millions)

	FY6/2021				FY6/2022				FY6/2023			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
<b>Consolidated Group (Including discontinued Business)</b>												
Operating expenses	8,380	9,808	9,606	10,034	9,745	11,043	11,135	12,164	11,681	13,721	13,000	
YoY	(3.3%)	+3.5%	+3.3%	+23.9%	+16.3%	+12.6%	+15.9%	+21.2%	+19.9%	+24.3%	+16.7%	
<b>Breakdown of Operating Expenses</b>												
Total employee expenses	3,968	4,276	4,266	4,885	4,657	5,055	4,897	6,025	5,711	6,429	6,111	
Panel expenses	1,488	1,637	1,923	1,717	1,755	1,953	2,050	1,845	2,008	2,353	2,055	
Outsourcing expenses	999	1,929	1,517	1,318	1,433	2,044	2,067	1,698	1,698	2,490	2,342	
Depreciation and amortization	736	742	770	766	686	707	690	759	718	756	819	
Other expenses	1,186	1,222	1,129	1,346	1,212	1,283	1,430	1,835	1,544	1,690	1,671	
<b>Japan and Korea Business Segment (Continued Business)</b>												
Operating expenses	6,409	7,525	7,366	7,487	7,205	8,405	8,223	8,904	8,144	9,754	9,213	
YoY	(1.6%)	+4.4%	+2.2%	+20.5%	+12.4%	+11.7%	+11.6%	+18.9%	+13.0%	+16.1%	+12.0%	
<b>Breakdown of Operating Expenses</b>												
Total employee expenses	2,862	3,036	2,973	3,462	3,251	3,590	3,298	4,172	3,661	4,165	3,825	
Panel expenses	969	1,012	1,373	1,020	1,055	1,261	1,344	1,025	1,188	1,348	1,346	
Outsourcing expenses	1,006	1,886	1,499	1,306	1,415	2,013	1,972	1,622	1,604	2,405	2,242	
Depreciation and amortization	564	574	593	565	497	503	502	525	503	532	589	
Other expenses	1,007	1,015	926	1,131	985	1,035	1,105	1,558	1,185	1,301	1,209	
<b>Number of Employee Headcount</b>												
Japan and Korea Business Segment (Only Continuing Business)												
Japan Business	1,507	1,499	1,513	1,590	1,617	1,643	1,632	1,737	1,729	1,733	1,749	
Korea Business	251	266	268	279	280	280	285	315	319	317	328	

 [Click here](#) for past figures from FY6/2018 to FY6/2023

File name: FY6/2023 Q3 Supplemental Financial Data (EXCEL)

# FY6/2023: Revision of Full-year Guidance (detailed version)

## Detail of Consolidated Full-year Guidance Revision

Consolidated (IFRS)  
(JPY in Millions, except specified)

	FY6/2022		FY6/2023 Initial Guidance		FY6/2023 Revised Guidance					
	Actual (a)	Original Forecast (b)	YoY Variance (b-a)	YoY % Change (b/a) - 1	Revised Forecast (c)	Variance vs. Original (c-b)	% Change vs. Original (c/b) - 1	YoY Variance (c-a)	YoY % Change (c/a) - 1	
<b>Continuing Business</b>  <b>Japan and Korea Business Segment</b>	Revenue	37,736	42,700	+4,964	+13.2%	40,500	(2,200)	(5.2%)	+2,764	+7.3%
	EBITDA	7,107	8,000	+893	+12.6%	6,550	(1,450)	(18.1%)	(557)	(7.8%)
	Adj Operating Profit (Excl. the transaction related fees, etc.)	5,038	5,800	+762	+15.1%	4,760	(1,040)	(17.9%)	(278)	(5.5%)
	Operating Profit (OP)	5,038	5,800	+762	+15.1%	4,300	(1,500)	(25.9%)	(738)	(14.6%)
	Profit attributable to owner of the parent	2,868	3,290	+422	+14.7%	2,200	(1,090)	(33.1%)	(668)	(23.3%)
	Adj Operating Profit Margin (Excl. the transaction related fees, etc.)	13.4%	13.6%	+0.2pt	+1.7%	11.8%	(1.8pt)	(13.5%)	(1.6pt)	(12.0%)
Operating Profit (OP) Margin	13.4%	13.6%	+0.2pt	+1.7%	10.6%	(3.0pt)	(21.8%)	(2.7pt)	(20.5%)	
<b>+</b>										
<b>Discontinued Business</b>  <b>Overseas (ex-Korea) Business Segment</b>	Profit attributable to owner of the parent	279	430	+151	+54.1%	6,300	+5,870	+1,365.1%	+6,021	+2,158.1%
	(Effect of its Business Performance)	279	430	+151	+54.1%	400	(30)	(7.0%)	+121	+43.4%
	(Effect of the Divestiture Transaction)	0	0	+0	n.m.	5,900 <sup>(1)</sup>	+5,900	n.m.	+5,900	n.m.
<b>=</b>										
<b>Continuing Business + Discontinued Business</b>  <b>(Former disclosure basis)</b>	Revenue	49,810	56,000	+6,190	+12.4%	40,500	(15,500)	(27.7%)	(9,310)	(18.7%)
	EBITDA	8,697	9,550	+853	+9.8%	6,550	(3,000)	(31.4%)	(2,147)	(24.7%)
	Operating Profit (OP)	5,814	6,550	+736	+12.7%	4,300	(2,250)	(34.4%)	(1,514)	(26.0%)
	Profit attributable to owner of the parent	3,147	3,720	+573	+18.2%	8,500	+4,780	+128.5%	+5,353	+170.1%
	EPS (Yen) Earnings per Share	79.71	94.03	+14.32	+18.0%	215.16	+121.13	+128.8%	+135.45	+169.9%

Note

- The Company expects to recognize approximately 5 billion capital gains, etc. on this transaction, and the variance gap includes tax effects, etc. (Both figures are estimation. The numbers may change due to fluctuation on business performance, FX rate, or other factors).
- FX Assumptions on FY6/2023 Full-year (revised forecast) figures are: 1 KRW = 0.1039 JPY

# Appendix

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# (Reference) FY6/2023 Q3: Segment Performance



ROW

36

Q3 YTD Segment Revenue achieved over 20% growth in all regions

Q3 YTD Segment Profit is similar level to the previous year as we continue to invest for future growth

## FY6/2023 Q3 YTD (9 Months)

(JPY in Millions)

	FY6/2022 Q3 YTD Actual	FY6/2023 Q3 YTD Actual	YoY Growth	Variance	Variance Constant FX <sup>(1)</sup>
<b>Overseas (ex-Korea) Business Segment Revenue</b>	<b>8,758</b>	<b>11,953</b>	<b>+3,194</b>	<b>+36%</b>	<b>+25%</b>
US	3,676	4,542	+865	+24%	+13%
Europe	3,594	4,911	+1,317	+37%	+25%
ROW	1,489	2,500	+1,011	+68%	+54%
<b>Segment Profit</b>	<b>586</b>	<b>567</b>	<b>△19</b>	<b>△3%</b>	<b>△11%</b>

### Note

1. Please refer to the common footnotes on p.2 for the calculation method of the Constant FX and its significance

# (Reference) FY6/2023 Q3: Quarterly Performance

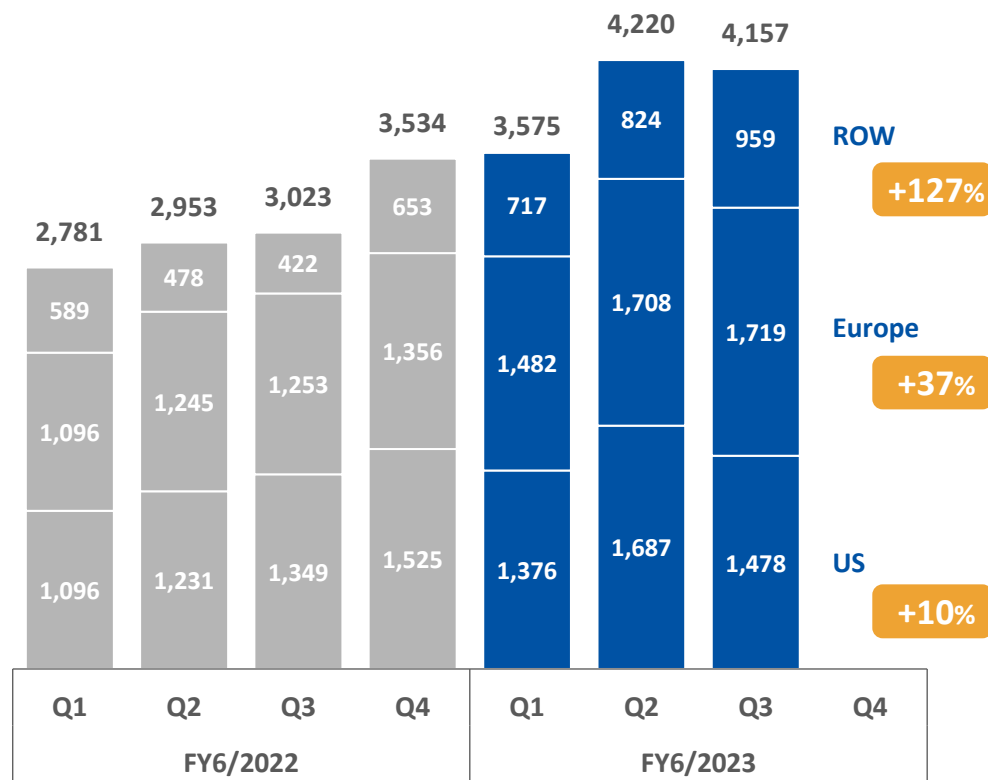


Q3 Standalone Revenue achieved double-digit growth in all regions, and Segment Revenue continued to grow over 20%. Segment Profit is in a recovery trend and materially grew compared to FY22 Q3, in which we have conducted large-scale recruitment. However, the Profit Margin improvement is limited due to continuous investment in future growth

## Quarterly Segment Revenue Trend

(JPY in Millions)

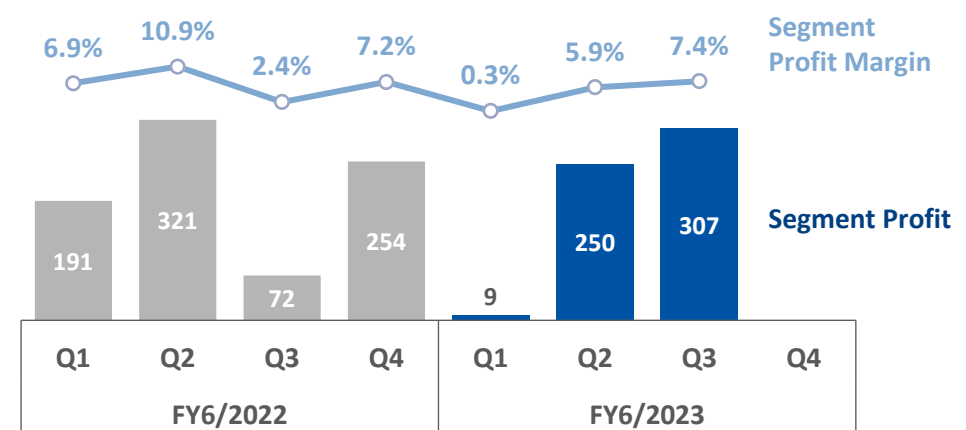
YoY Growth	Actual :	+29%	+43%	<b>+37%</b>
	Constant FX(1) :	+20%	+29%	<b>+25%</b>



## Quarterly Segment Profit and Profit Margin Trend

(JPY in Millions)

YoY Growth	Actual :	-95%	-22%	<b>+324%</b>
	Constant FX(1) :	-95%	-29%	<b>+281%</b>



Note

1. Please refer to the common footnotes on p.2 for the calculation method of the Constant FX and its significance

## Appendix

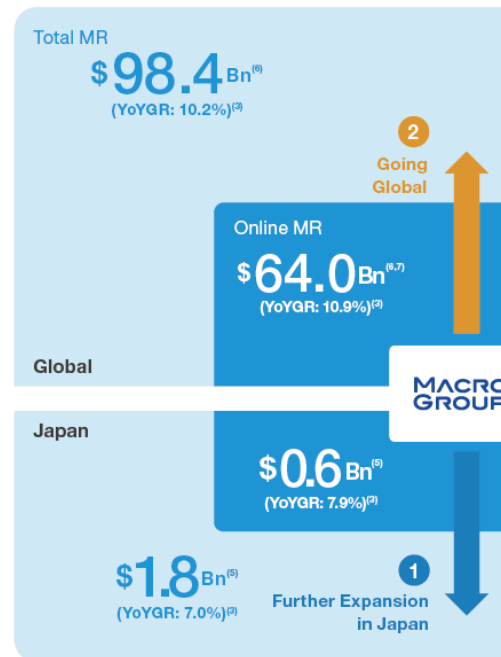
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# Big Market Opportunity and Our New Mid-term Business Plan

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

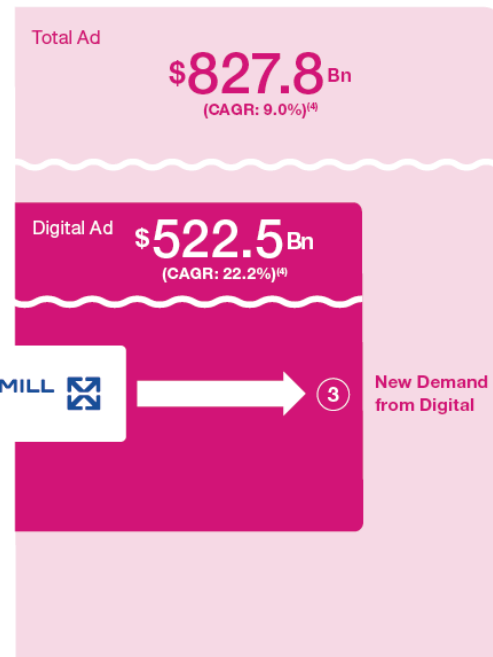
### Market Research

Market Research Spending Size: 2021A  
Actual YoYGR: 2020A-2021A



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

Ad Spending Size: 2021A  
Actual CAGR: 2016A-2021A



**Source**  
Global Market Research spending: ESOMAR - Global Market Research (9/2022)  
Japan Market Research spending: Japan Marketing Research Association (6/2022)  
Ad spending: eMarketer - Worldwide Ad Spending (9/2017, 10/2022)

**Notes**  
1. 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  
2. 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.  
3. Historical YoYGR(YoY Growth Rate) for 2020A-2021A, for the global market, the net (adjusted) growth rates excluding the inflation rate are shown.  
4. Historical CAGR(Compound Annual Growth Rate) for 2016A-2021A  
5. Exchange rate: USD/JPY = 130  
6. Source: ESOMAR Global Market Research 2022, announced by the European Society for Opinion and Marketing Research (ESOMAR) in September 2022. ESOMAR has expanded the definition of the global marketing research market since the 2020 report. From last year, we state a global market size according to the new definition, which includes Marketing Research and related sectors as an Insight industry, provided by ESOMAR. (Since ESOMAR report 2021 and 2022 do not disclose Scenario 2, which is described in the report 2020, the closest definition to the former market size).  
7. The size of the online MR market is calculated by multiplying the 2021 actual market size of the entire MR market by the 2021 actual composition ratio of online research.

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






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

# Outlook for Next 3 Years

In Japan business, 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

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

## Target Revenue and Growth Rate by Business Entities

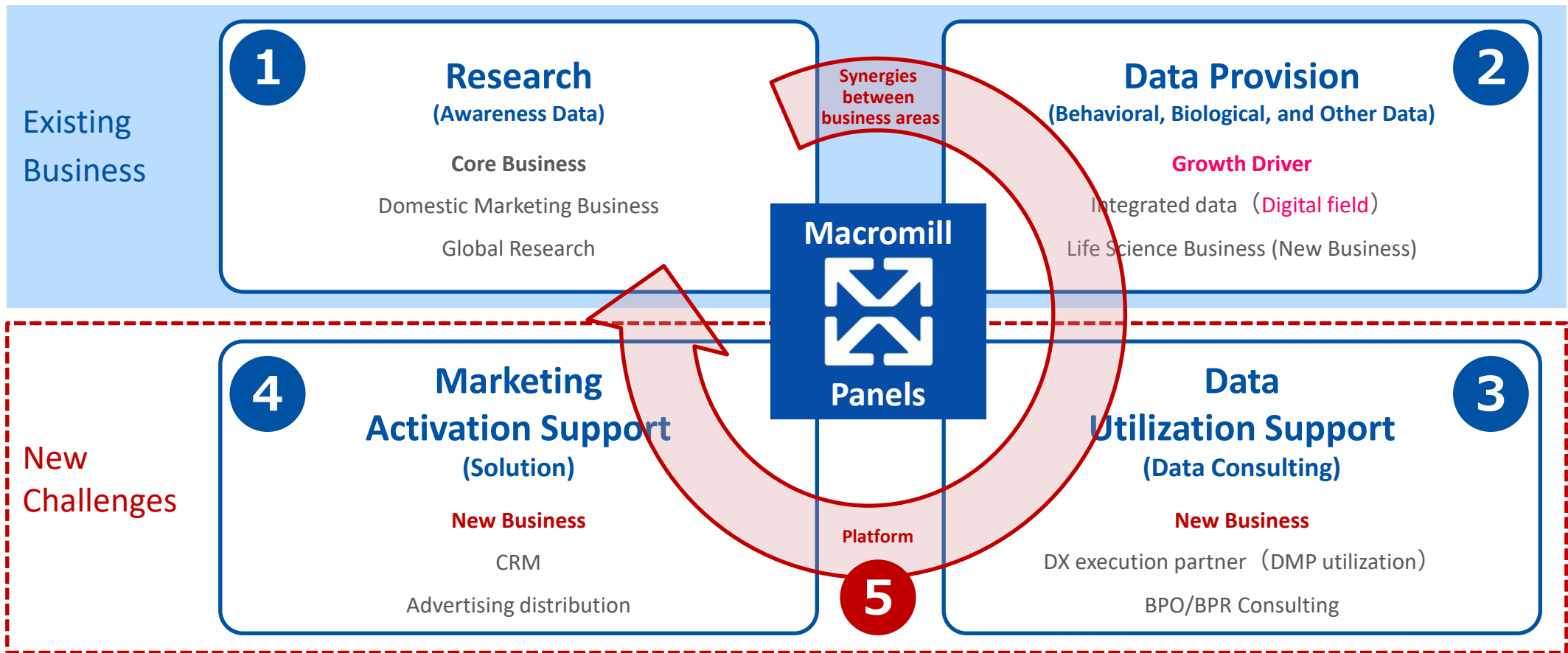
	Japan Business		Korea Business	Overseas (ex-Korea) Business
	Research Business	Digital and Other New Business		
Business Entities	MACROMILL  a Macromill Group company + DENTSU MACROMILL INSIGHT  a Macromill Group company <small>(Joint Venture with Dentsu)</small> + H. M. MARKETING RESEARCH  a Macromill Group company <small>(Joint Venture with Hakuhodo)</small> etc.		EMBRAIN  a Macromill Group company	METRIXLAB  a Macromill Group company
FY6/2021 Revenue Actual	<b>24.1bn</b> (Composition Ratio : 56%)	<b>5.8bn</b> (Composition Ratio : 13%)	<b>4.1bn</b> (Composition Ratio : 10%)	<b>9.2bn</b> (Composition Ratio : 21%)
Target Growth Rate	<b>Per Annum: 6%</b> (3Y CAGR)	<b>Per Annum: 20%</b> (3Y CAGR)	<b>Per Annum: 16%</b> (3Y CAGR)	<b>Per Annum: 9%</b> (3Y CAGR)
FY6/2024 Target Revenue	<b>28.5bn</b> (Composition Ratio : 50%)	<b>10.0bn</b> (Composition Ratio : 18%)	<b>6.5bn</b> (Composition Ratio : 11%)	<b>12.0bn</b> (Composition Ratio : 21%)
3 Years Variance	<b>+4.4bn</b> (Composition Ratio : -6%)	<b>+4.2bn</b> (Composition Ratio : +5%)	<b>+2.4bn</b> (Composition Ratio : +1%)	<b>+2.8bn</b> (Composition Ratio : +0%)



# Transforming Our Business Model

Transforming our business model from a “Research company” to a “Professional Marketing Services Company” and expanding our capabilities as a marketing partner to respond to changes in the market

## Our Business Fields



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

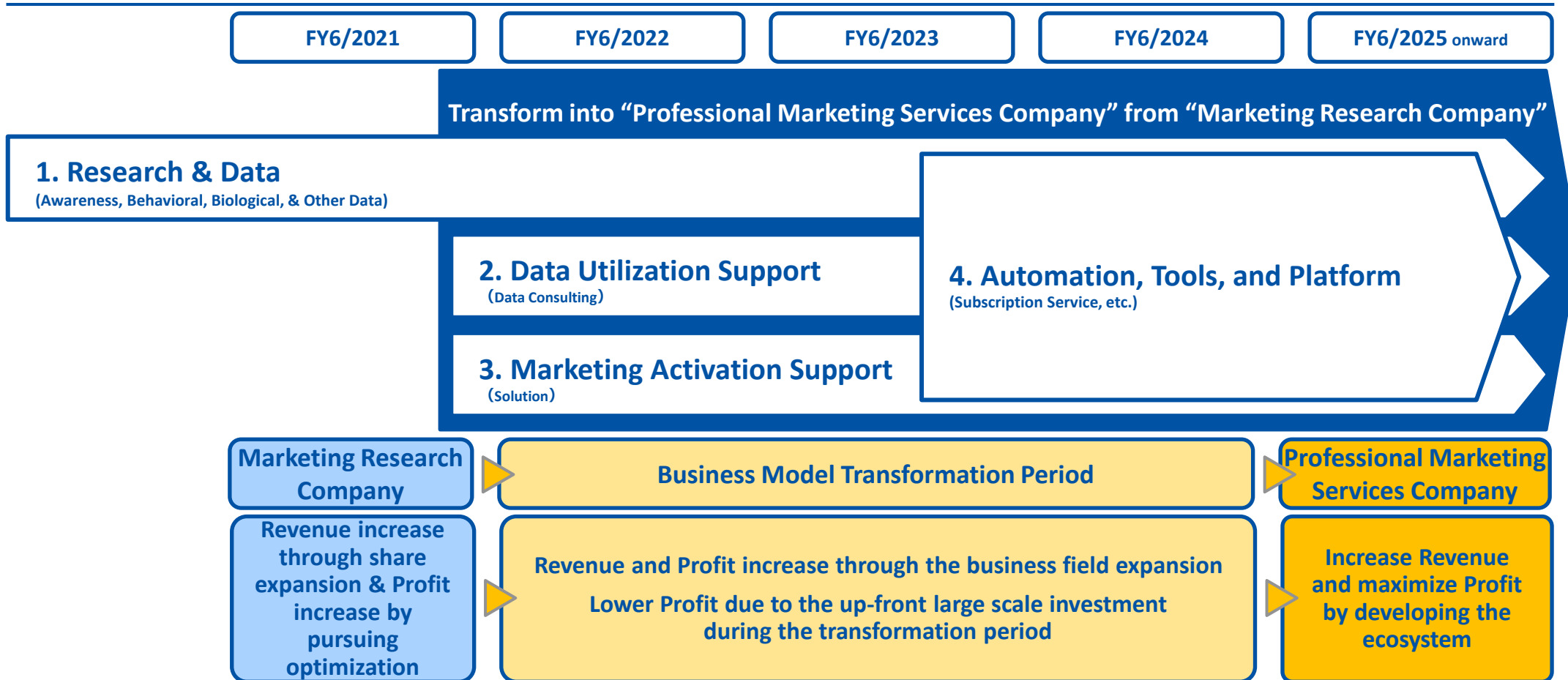
# Japan Business: The Road to Transformation



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



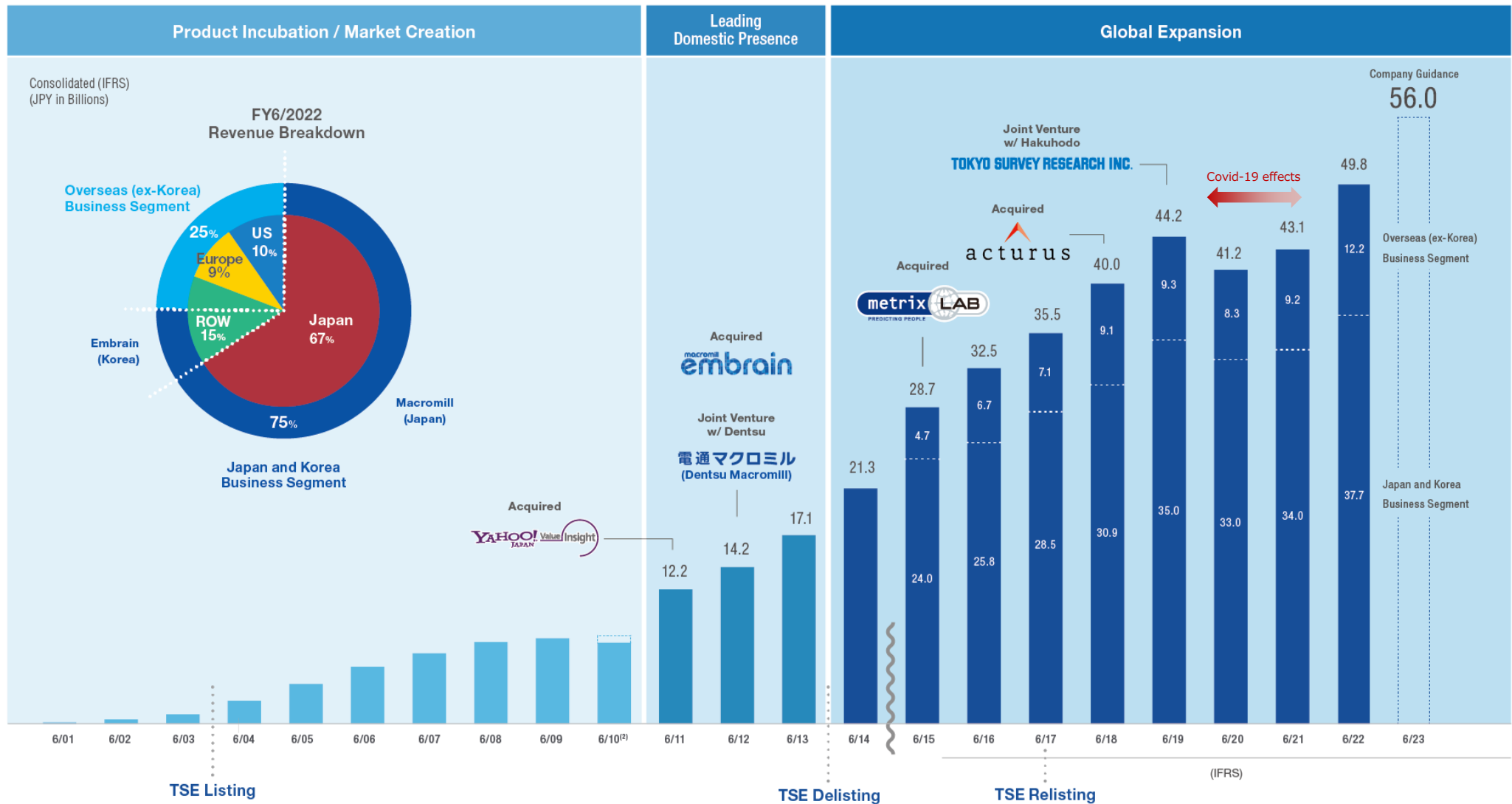
Although the investment will impact the profit margin, we will proceed with a strong will in order to grow our Enterprise Value

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# We are Fast Growing Market Research Company

## Consolidated Revenue<sup>(1)</sup>



**Notes**

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

# Who we work with

- Serving a diversified set of clients, but Revenue concentrated with long-term clients and high retention
- Strategic agency relationships including jointly managed subsidiaries (Dentsu, Hakuhodo)

## Highlights

### Number of Clients

c. **4,400** clients, 90+ countries

c. **2,500** clients  
in Japan

c. **1,900** clients  
in Overseas

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

**96.6%**  
in Japan<sup>(2)</sup>

**89.7%**  
in Global<sup>(3)</sup>  
(excl. Japan)

Case  
Studies



**ASAHI BREWERIES, LTD.:** One-stop support  
from product development to sales (\*Japanese Only)



**CAPCOM CO., LTD.:**  
Concept creation support

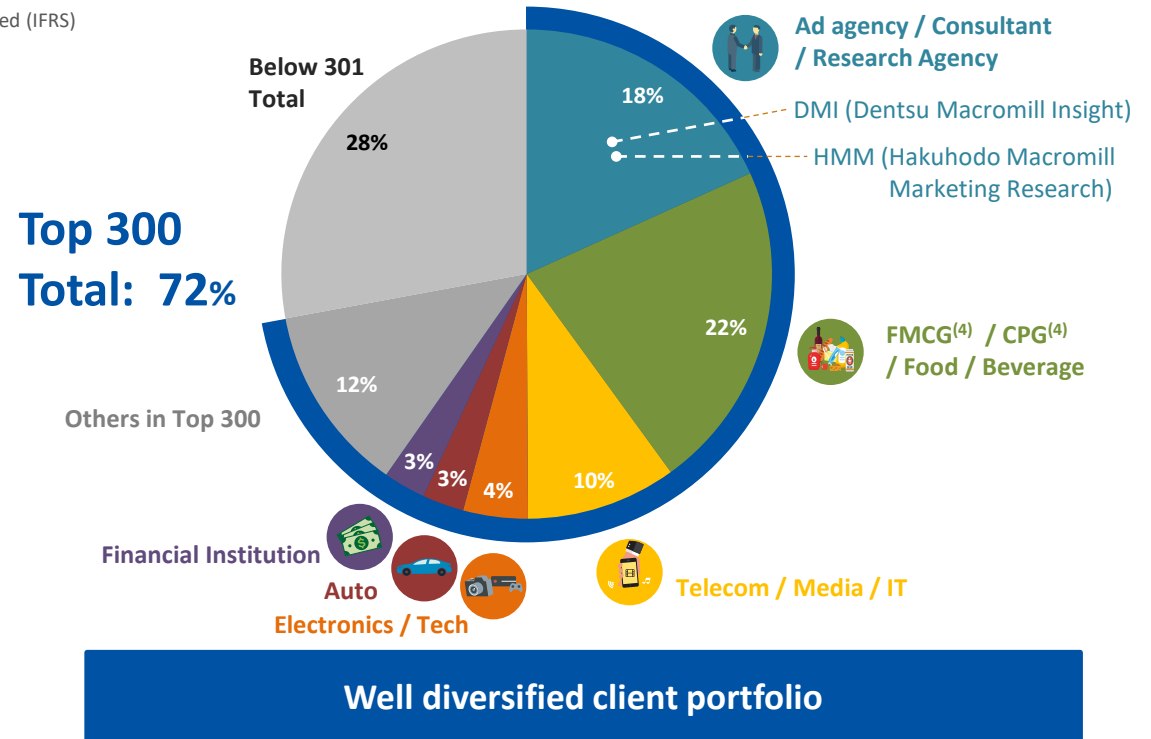


## Note

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.)

## FY6/2022 Revenue Breakdown by Client Industries

Consolidated (IFRS)



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  
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 4. FMCG = Fast Moving Consumer Goods / CPG: Consumer packaged goods (incl. non-durable goods such as soft drinks, toiletries, etc.)

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

### Clients' Marketing Process



### Macromill Group Solutions

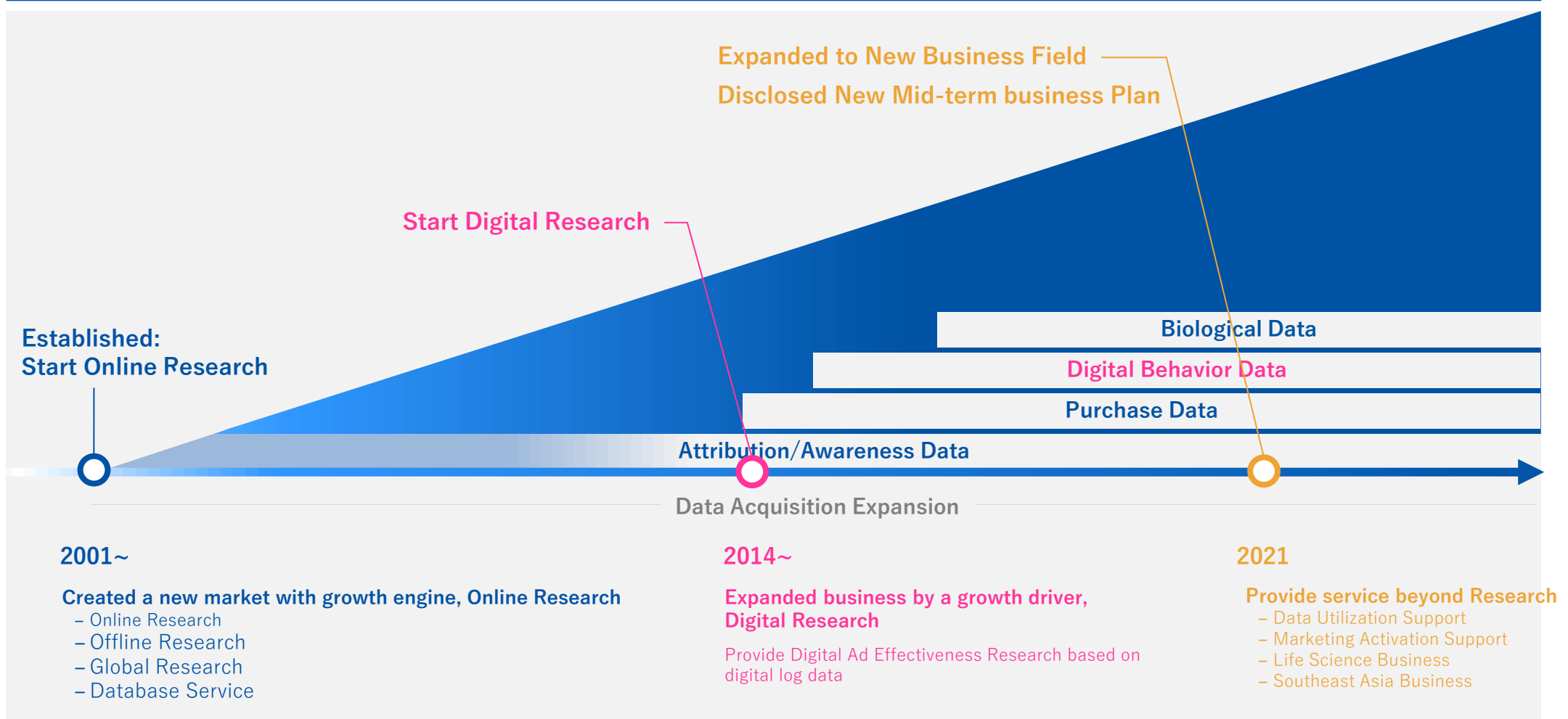


# Japan Business: Our service history



- We expanded our service by acquiring various data leveraging our proprietary panel
- We grew mainly in Online Research business, started Digital Research in 2014 and a new business beyond the Research field in 2021

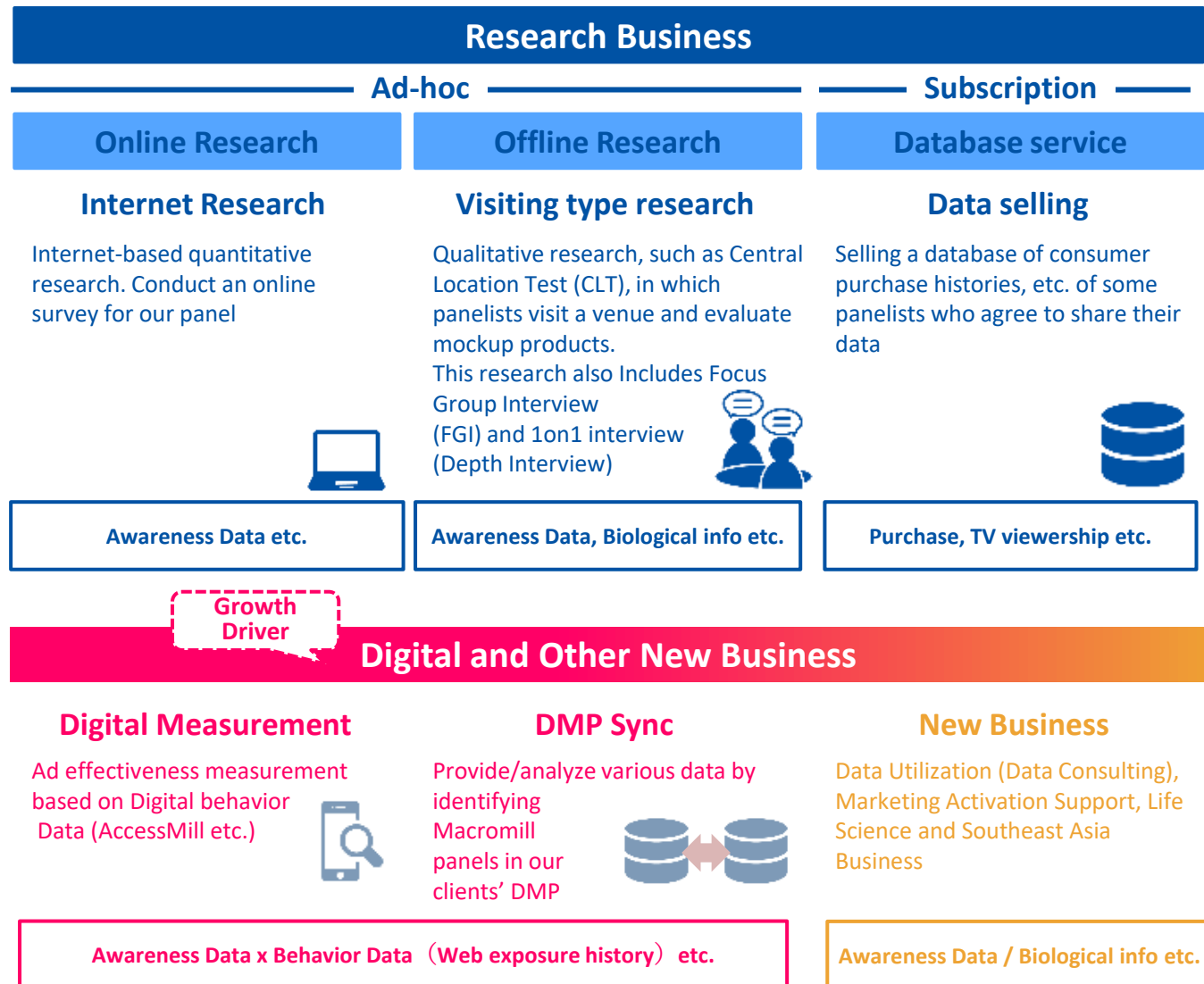
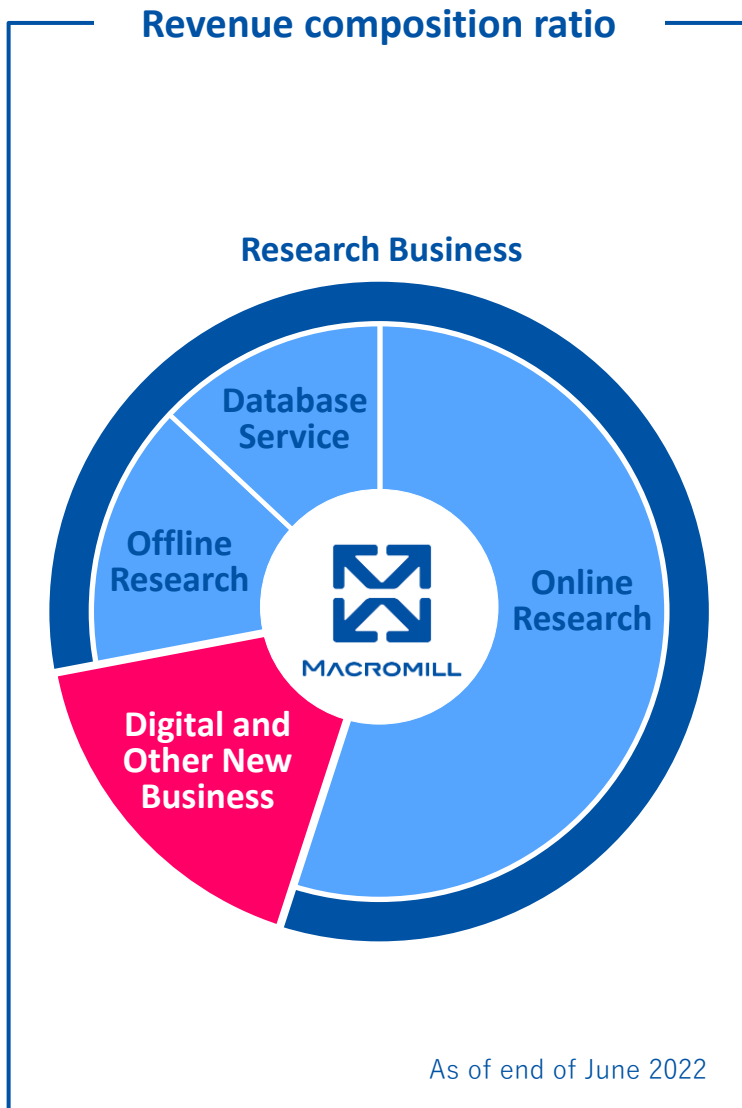
## Service Expansion History



“Marketing Research Company” to “Professional Marketing Services Company”

# Japan Business: Our Services

- Online research-related services have been our core business since its founding and account for the majority of Revenue
- Most of the Ad-hoc type projects have high retention rate for continuity perspective in research/analysis
- Digital and Other New Business are a growth driver





# Historical Trends - Global Market vs. Our Revenue

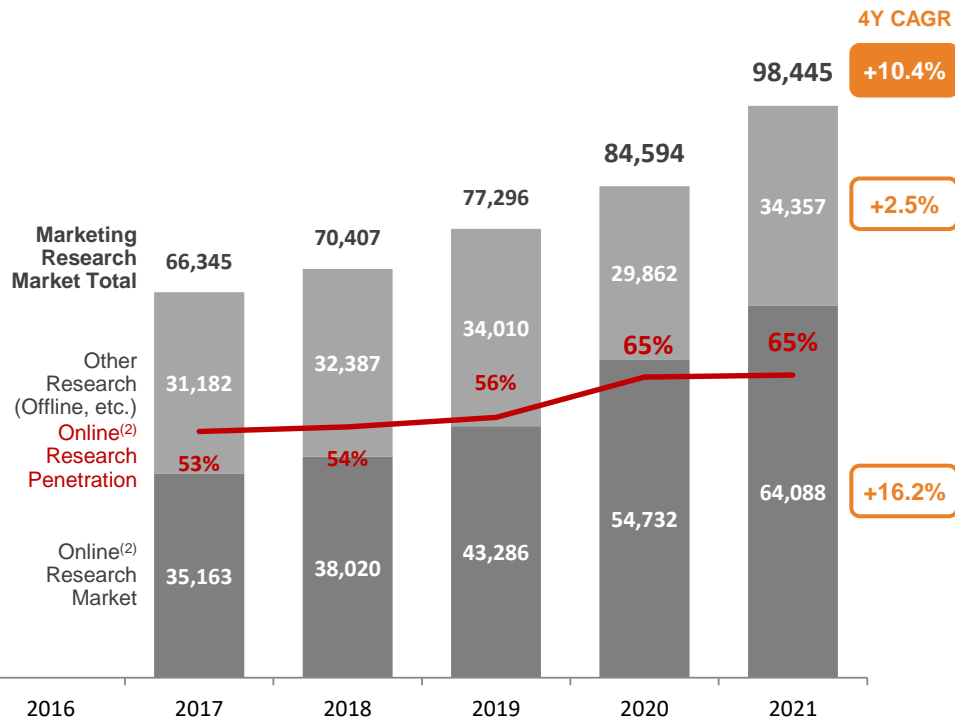
- Global Marketing Research Market growth is led by Online Marketing Research Market growth
- Macromill Group Revenue grows along with the global market growth

## Market Trends – Global Marketing Research Market

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

Inflation Adjusted  
'20-'21 YoY

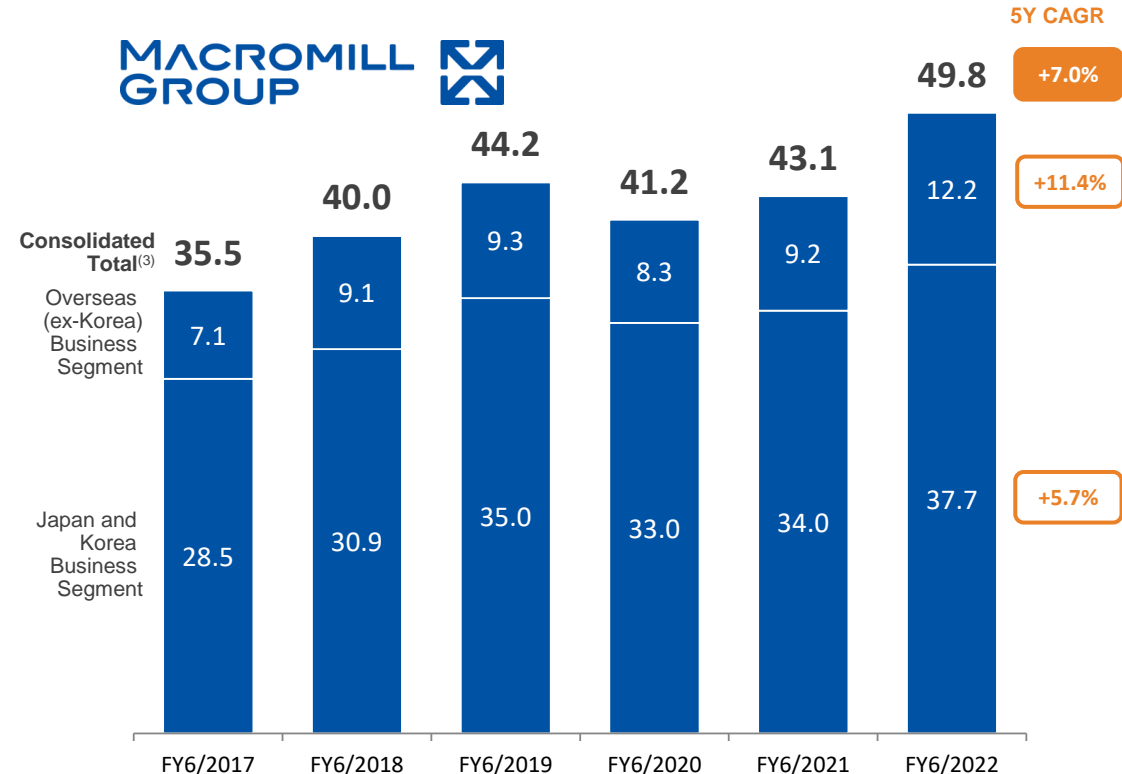
YoY Growth	<b>Total:</b>	<b>+6%</b>	<b>+10%</b>	<b>+9%</b>	<b>+16%</b>	<b>+10.2%</b>
	Others:	+4%	+5%	-12%	+15%	+9.0%
	Online:	+8%	+14%	+26%	+17%	+10.9%



## Revenue Trends – Macromill Consolidated Group All

Consolidated (IFRS)  
(JPY in Billions)

YoY Growth	<b>Consolidated:</b>	<b>+13%</b>	<b>+11%</b>	<b>-7%</b>	<b>+5%</b>	<b>+15%</b>
	Overseas:	+29%	+2%	-11%	+10%	+33%
	Japan & Korea:	+9%	+13%	-6%	+3%	+11%



Note

1. Source: ESOMAR Global Market Research 2022, announced by the European Society for Opinion and Marketing Research (ESOMAR) in September 2022. ESOMAR has expanded the definition of the global marketing research market since the 2020 report. From last year, we state a global market size according to the new definition, which includes Marketing Research and related sectors as an Insight industry, provided by ESOMAR. (Since ESOMAR report 2021 and 2022 do not disclose Scenario 2, which is described in the report 2021, the closest definition to the former market size).
2. 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
3. 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

- Macromill Japan market share in the online research market is stable at No.1
- Digital and Other New Business is our growth driver in Japan Business

## Market Trends – Japanese Marketing Research Market

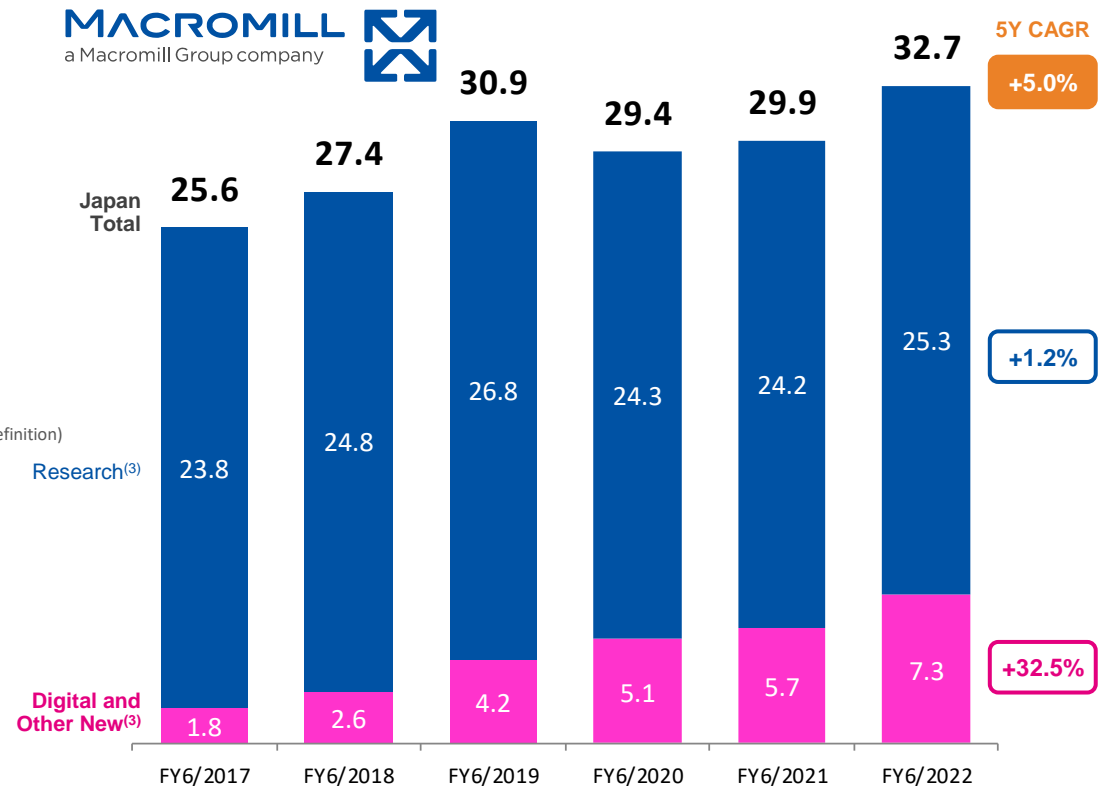
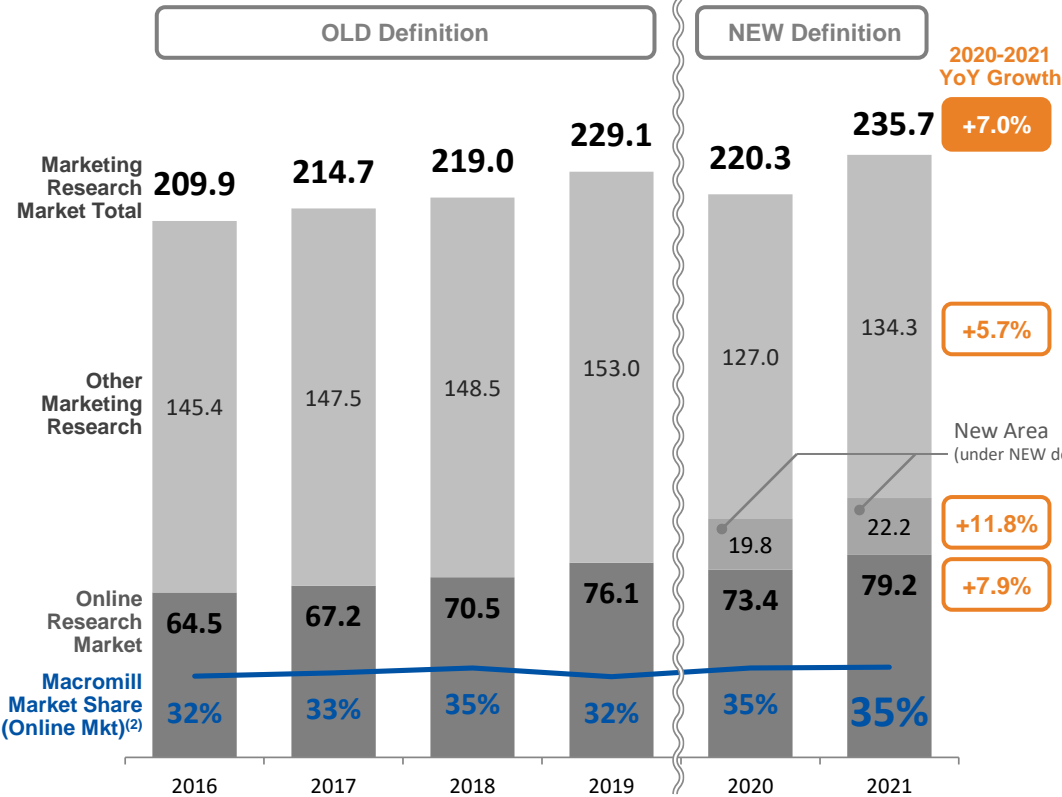
JMRA<sup>(1)</sup>  
(JPY in Billions)

YoY Growth	<b>Total:</b>	<b>+2%</b>	<b>+2%</b>	<b>+5%</b>	n/m	<b>+7%</b>
	Others:	+1%	+1%	+3%	n/m	+6%
	Online:	+4%	+5%	+8%	n/m	+8%

## Revenue Trends – Macromill Group Revenue in Japan

Consolidated (IFRS)  
(JPY in Billions)

YoY Growth	<b>Japan Total:</b>	<b>+7%</b>	<b>+13%</b>	<b>-5%</b>	<b>+2%</b>	<b>+9%</b>
	Research <sup>(3)</sup> :	+4%	+8%	-9%	-0%	+5%
	Digital and : Other New <sup>(3)</sup>	<b>+47%</b>	<b>+59%</b>	<b>+24%</b>	<b>+11%</b>	<b>+28%</b>



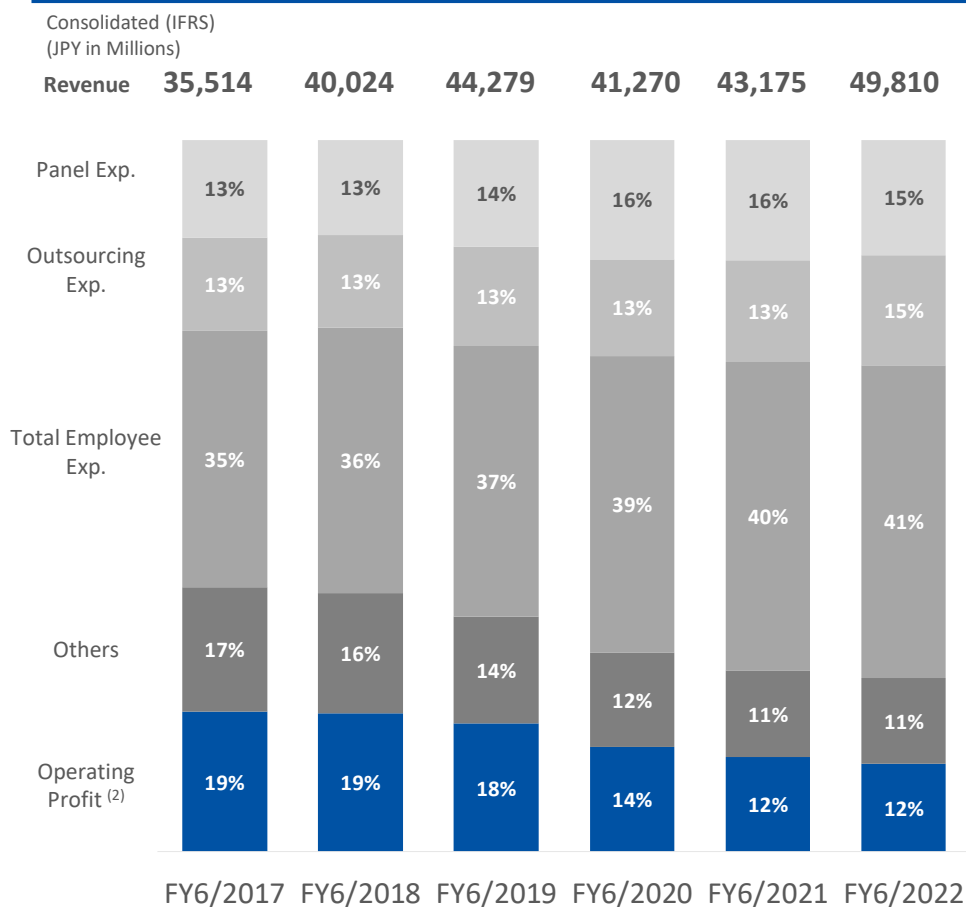
Note

1. Source: Japan Marketing Research Association (JMRA) - Management statistics (2017/7, 2018/7, 2019/7, 2020/9, 2022/6) The Ad-hoc internet survey is described as Ad-hoc Online
2. Macromill's market share is estimated by the Company
3. Prior to FY6/2019, the items disclosed under the categories of "Digital" and "Non-digital" have been applied to "Digital and Other New Business" and "Research Business," respectively.

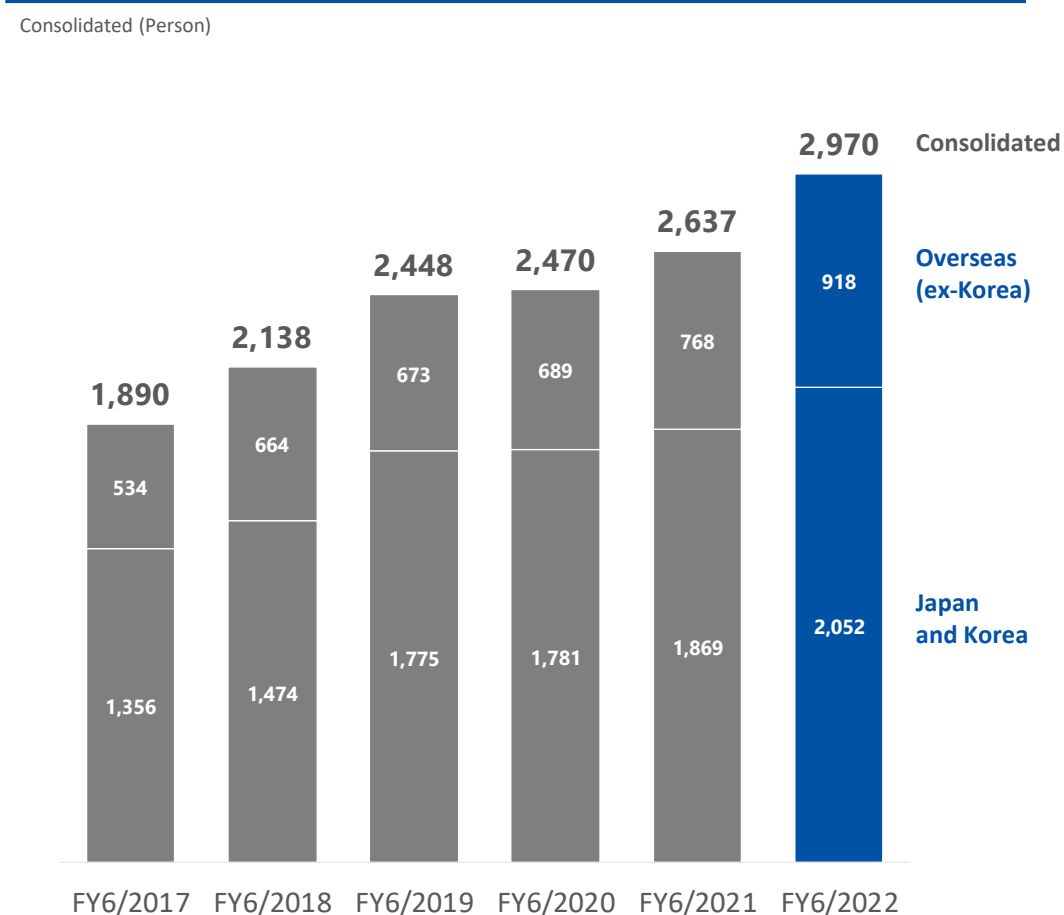
# Historical Trend – Cost structure and headcount trend

- With a stable cost structure, we generate a steady cashflow
- The number of consolidated employees increases as business grows

## Breakdown of Key Cost Items



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



### Note

1. Headcount figures do not include temporary employees
2. 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

# 3-Pillars M&A Strategy for Value Creation



## Proven M&A Track Record

2010 Acquisition<sup>(1)</sup>



✓ Doubled Panel Access



2012 Acquisition



✓ Access to Asian Client and Panels



2012 Joint Venture with Dentsu



✓ Securing earnings stability and improving our ability to develop service in new domains



2014 Acquisition



✓ Global Client & Panel Base Access



2017 Strategic & Capital Alliance  
2018 Acquisition



✓ Access to Neuro / Biometric marketing Solutions  
✓ 10% minority investment > 51% majority acquisition



2017 Acquisition



2017 Strategic & Capital Alliance  
2019 Acquisition



✓ Access to Southeast Asian Client and Panels  
✓ 10% minority investment > 51% majority acquisition



2018 Joint Venture with Hakuodo (51% Majority Acquisition)



✓ Seeking wallet share expansion and enhancement of online/offline integrated solutions



2019 Asset Purchase



✓ Expand consumer panel in Southeast Asia  
✓ Succession/Acquisition of Online panel asset only



2022 Acquisition



✓ Obtain human resource matching platform that has many registered professionals



2022 Acquisition through a company split



✓ Obtain 71% majority stake by integrating Macromill Data Consulting Business through a company split



2008 Strategic & Capital Alliance  
2022 Additional Stake Acquisition



✓ Strategic Alliance in Research Consulting Business field  
✓ 15% minority investment > 40% minority investment



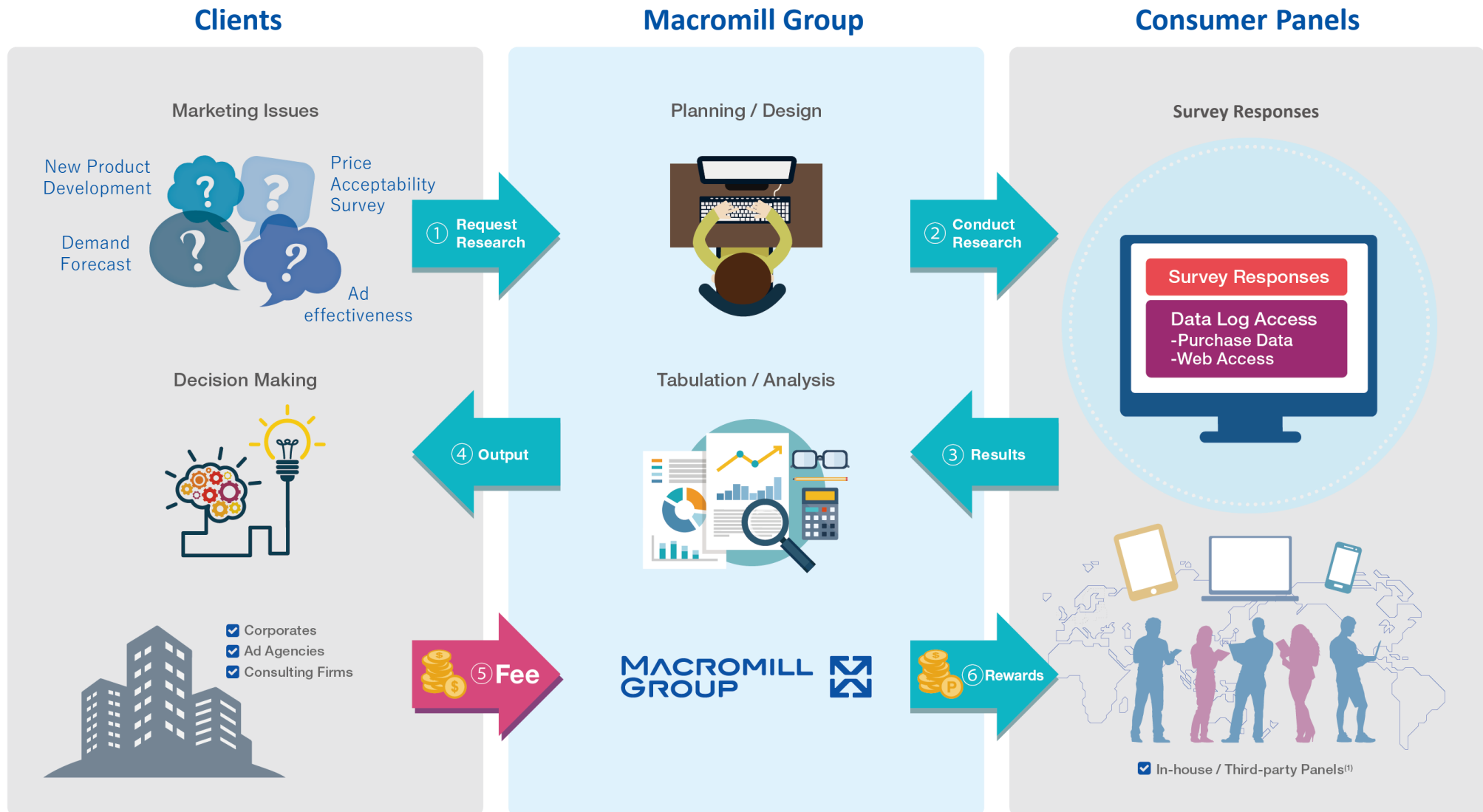
Note

1. Acquired market research business only

# Our Business Model

- Workflow of our main business, Online Research is as in below
- Monetize scheme is mainly based on “sample size x number of questions”

## Typical market research workflow














### Note

1. A consumer panel that we access through panel vendors around the world when our proprietary panel does not secure a sufficient number of samples when conducting a research project for a client company of our group

# Our commitment to Sustainability

The Group considers important issues for society and the Group to achieve sustainable growth from the perspective of the foundation of its corporate activities and the impact on stakeholders, and also considers opportunities and risks in light of changes in the business environment. Based on this, we have identified 9 material issues as in below

Stakeholders	Materiality	SDGs Goals	Detailed Information
Client Companies	1. Solving marketing issues	  	 <p><b>Macromill HP: Sustainability Report 2022</b></p> <p>For more details, please refer to Sustainability Report 2022</p>
	2. Creation of new value through data utilization		
Consumer Research Panels	3. Find more accurate consumer insights	 	
	4. Promote safe and secure data handling		
Human Capital	5. Establishing an environment where diversified people work together		
	6. Provide an opportunity to challenge new possibility		
	7. Educating data native talent		
Partner Companies	8. Open Innovation		
All	9. Governance		

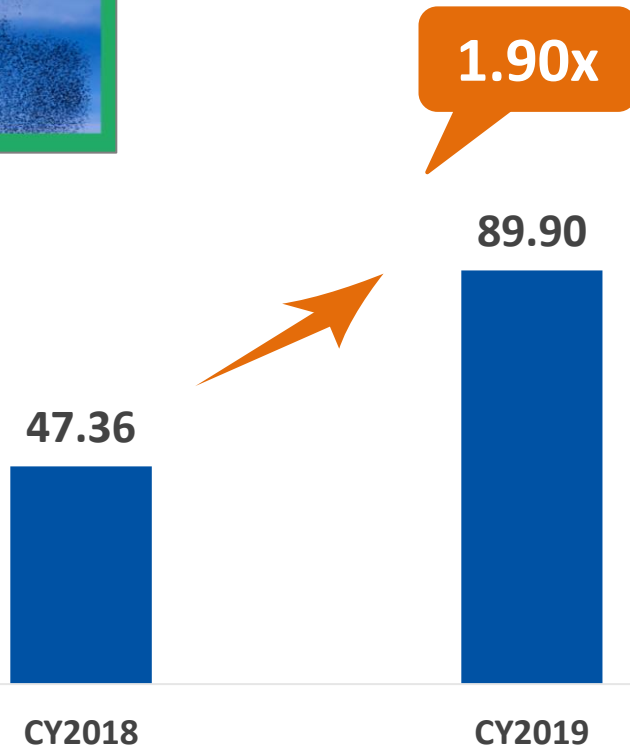
# Ref) Market Change: Research Industry to Insight Industry

Based on the redefinition of the market, the market size will expand significantly

## Estimated Global Market Size

(USD in billion)

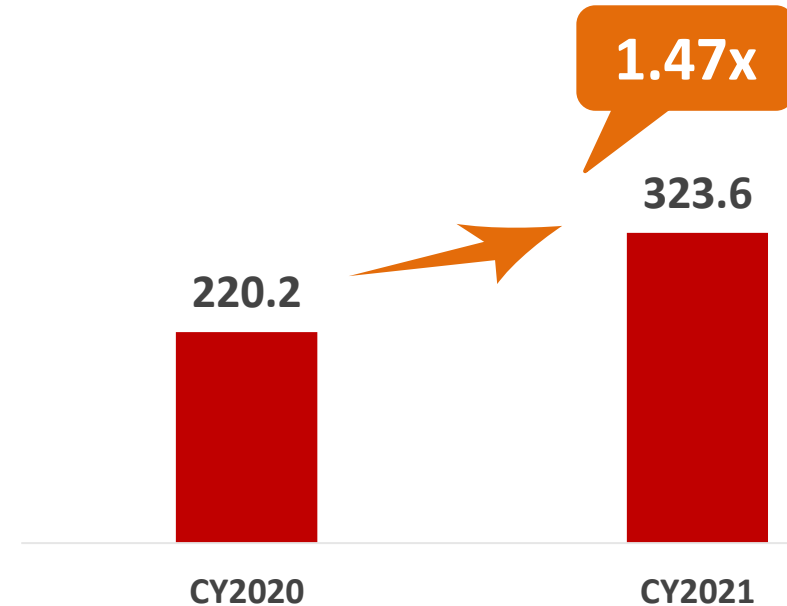
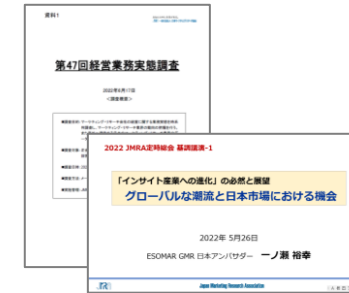
ESOMAR  
"Global Market Research 2020"



## Estimated Japanese Market Size

(JPY in billion)

JMRA (Japan Market Research Association)  
"2022 JMRA Annual General Meeting Keynote Speech"



It is estimated that the global market size will be doubled, and the Japanese market size will expand about 1.5x

# Build your Data Culture



## Contacts:

[ir@macromill.com](mailto:ir@macromill.com)

## Macromill IR Information:

[Disclosed Documents Archive](#)

## Fixed-point Survey Data:

[Macromill Weekly Index, etc.](#)

(\*Japanese Only)

## Market Research Report:

[Self-study Report Conducted by Macromill \(free\)](#) (\*Japanese Only)