

May 15, 2023

To whom it may concern:

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Announcement Regarding Recognition of Gains on Share Transfer and Revision of the Consolidated Full-year Financial Forecasts

Macromill, Inc. (Headquarters: Minato-ku, Tokyo; Toru Sasaki, Representative Executive Officer, Global CEO; hereinafter, “the Company”) announces the following revisions to its consolidated financial forecasts for the fiscal year ending June 30, 2023 (July 1, 2022 – June 30, 2023) from the previous forecasts announced on August 9, 2022, reflecting the announcement “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)” released today, and the recent business performance.

1. Regarding the revision of Full-year Forecasts

(1) Revised Consolidated Full-year Forecasts for FY6/2023 (July 1, 2022 - June 30, 2023)

(Millions in Yen, unless otherwise stated)

	Revenue	EBITDA	Operating Profit	Profit before Tax	Profit for the year	Profit attributable to owners of the parent	Basic Earnings per Share (Yen)
Previous forecasts (a)	56,000	9,550	6,550	6,350	4,420	3,720	94.03
Revised forecasts (b)	40,500	6,550	4,300	4,200	9,200	8,500	215.16
Variance (b-a)	(15,500)	(3,000)	(2,250)	(2,150)	4,780	4,780	121.13
% change (b/a)	(27.7%)	(31.4%)	(34.4%)	(33.9%)	108.1%	128.5%	128.8%
(Ref.) Results for FY6/2022(c)	37,736	7,107	5,038	4,962	3,895	3,147	79.71
% change (b/c)	+7.3%	(7.8%)	(14.6%)	(15.4%)	136.2%	170.1%	169.9%

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, the Company discloses revised Revenue, EBITDA, Operating Profit, and Profit before Tax as the continuing business retroactively from the beginning of the period. Profit for the year and Profit attributable to owners of the parent include both the continuing business and the discontinued business.
- In line with the change in note 1 above, the Company discloses previous year (FY6/2022) Revenue, EBITDA, Operating Profit, and Profit before Tax as the continuing business excluding the discontinued business. (The figures are not audited)
- The Basic Earnings per Share is estimated based on the press release “Notice Regarding Approval of Share Buyback Program” announced today.

(Reference: Full-year Forecasts for the continuing business)

(Millions in Yen, unless otherwise stated)

	Revenue	EBITDA	Operating Profit	Adjusted Operating Profit ^(*)	Profit before Tax
Previous forecasts					
Continuing business (a)	42,700	8,000	5,800	—	5,700
Revised forecasts (b)	40,500	6,550	4,300	4,760	4,200
Variance (b-a)	(2,200)	(1,450)	(1,500)	(1,040)	(1,500)
% change (b/a)	(5.2%)	(18.1%)	(25.9%)	(17.9%)	(26.3%)
(Ref.) Results for FY6/2022 (c)	37,736	7,107	5,038	—	4,962
% change (b/c)	+7.3%	(7.8%)	(14.6%)	(5.5%)	(15.4%)

Note

1. Operating Profit after adjustment is an Operating Profit excluding transaction-related fees recognized in the continuing business.

(2) Reason for the revision

As written on the press release “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)” announced today, the Company transferred 100 % share of its consolidated subsidiary, Siebold intermediate B.V., which is a holding company that holds MetrixLab group, to Toluna Holdings Limited (hereinafter, Toluna), a global research panel and research platform provider. The purpose of this transaction is to integrate MetrixLab group business, which composes the Company’s overseas (ex-Korea) business segment, with Toluna. In exchange for the transfer, the Company acquired Toluna’s share, etc. and agreed to progress the transaction (hereinafter, this transaction) to make Toluna an Equity-Method Affiliate.

Thus, the Company discloses its Overseas (ex-Korea) business segment as discontinued business after today (in the middle of the fourth quarter of FY6/2023). Thereby, the Company discloses revised Revenue, EBITDA, Operating Profit, and Profit before Tax as the continuing business retroactively from the beginning of the period. Profit for the year and Profit attributable to owners of the parent include both continuing and discontinued businesses.

The Company revises Revenue, EBITDA, Operating Profit, and Profit before tax in its full-year annual guidance because it anticipates Japan and Korea Business segment (continuing business) falls below the initial guidance in addition to the abovementioned impact that the Company excludes discontinued business retroactively from the beginning of the period.

On the other hand, Profit for the year and Profit attributable to owners of the parent are expected to significantly exceed the initial guidance due to the recording of gains on transfer, etc. related to this transaction. Thus, the Company revises its guidance Profit for the year and Profit attributable to owners of the parent upward.

In Japan Business, internal capacity was limited due to overdemand to our services until the first half. In the second half of the fiscal year, the Company have made progress in improving our internal capacity, and have been actively conducting sales activities. However, the capture of customer demand in the third quarter was lower than expected, and some client companies cut their research budgets due to the deterioration in business sentiment. Consequently, Revenue growth was sluggish, centered on online research, which has a high profit contribution.

As a result, EBITDA, Operating Profit, Profit Before Tax are expected to fall below the initial guidance because the Company expects the abovementioned transaction related fees in addition to the impact of struggling revenue. Regarding the content of the revision in the existing business, please refer to “Reference: Full-year Forecasts for the continuing business” in end of previous section.

On the other hand, the Company plans to recognize about 5 billion JPY gain on transfer of shares, etc. regarding profit for the year and profit attributable to owners of the parent. Due to the fact, profit for the year and profit attributable to owners of the parent are expected to materially exceed the initial guidance.

Although Toluna will be an equity-method affiliate on June 1, 2023, and onward, the Company did not include

investment gains and losses from this transaction in the fiscal year ending June 30, 2023 because a capturing period is only one month and it does not have material impact on the Company's financial results.

By this transaction, MetrixLab will be removed from the consolidated subsidiary. However, this transaction allows MetrixLab and Toluna increase their competitiveness and presence in the market. The Company believes that by making Toluna, new integrated company, which the Company anticipates synergy effects, an equity-method affiliate, the Company will be able to enjoy the result of future growth of both companies.

In addition, the Company believes the Group's business stability will be more stable through this transaction. The Company will focus its management resources on Japan, Korea, and other Asian businesses, where the Company is more competitive, and aims to accelerate its growth.

The Group will aim to increase the enterprise value of the Group through a series of initiatives.

- Note:
1. The Company assumes JPY and 1KRW = 0.1039 JPY for the revised forecast
 2. The Company prepared the forecast of consolidated financial results based on information accessible as of the date of its announcement. A variety of future factors may cause actual financial results to differ from its forecasts.

Ends,