



## Summary of Consolidated Financial Statements for the Fiscal Year Ended June 30, 2023 [IFRS]

August 14, 2023

Listed Company: MACROMILL, INC.  
 Stock Exchange: Tokyo Stock Exchange  
 Code Number: 3978  
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 Scheduled date of ordinary general meeting of shareholders: September 27, 2023  
 Scheduled date of the start of dividends payment: September 28, 2023  
 Scheduled date to submit annual securities report: September 28, 2023  
 Supplementary material for financial results: Yes  
 Briefing on financial results: Yes (for analysts and institutional investors)

### 1. Consolidated Financial Results for the Year Ended June 30, 2023 (from July 1, 2022 to June 30, 2023)

#### (1) Consolidated Business Performance

(Amounts of less than one million yen are rounded off.)

(Percentages calculated on year-on-year basis.)

|                          | Revenue     |        | Operating profit |        | Profit before tax |        | Profit for the period |       | Profit attributable to owners of the parent |       | Total comprehensive income for the period |       |
|--------------------------|-------------|--------|------------------|--------|-------------------|--------|-----------------------|-------|---|-------|---|-------|
|                          | Million yen | %      | Million yen      | %      | Million yen       | %      | Million yen           | %     | Million yen                                 | %     | Million yen                               | %     |
| Year ended June 30, 2023 | 40,616      | 7.6    | 4,498            | (11.9) | 3,728             | (25.9) | 8,394                 | 115.5 | 7,575                                       | 140.7 | 9,255                                     | 110.1 |
| Year ended June 30, 2022 | 37,736      | (12.6) | 5,106            | (4.8)  | 5,030             | 2.9    | 3,895                 | 11.5  | 3,147                                       | 11.5  | 4,404                                     | 23.2  |

  

|                          | Basic earnings per share | Diluted earnings per share | Return on equity (ROE) | Return on assets (ROA) | Operating profit to revenue |
|--------------------------|--------------------------|----------------------------|------------------------|------------------------|-----------------------------|
|                          | Yen                      | Yen                        | %                      | %                      | %                           |
| Year ended June 30, 2023 | 191.89                   | 190.32                     | 21.8                   | 4.2                    | 11.1                        |
| Year ended June 30, 2022 | 79.71                    | 79.03                      | 10.3                   | 6.0                    | 13.5                        |

(Reference) Investment profit on equity method Year ended June 30, 2023: 120 million yen Year ended June 30, 2022: 6 million yen

※In June 2023, the Company decided to sell all of the shares in Siebold Intermediate B.V. Therefore, in FY06/23, the Company classifies Siebold Intermediate B.V. and its subsidiaries as discontinued operations. Accordingly, the Company retroactively reclassified revenue, operating profit, and profit before tax for the previous consolidated fiscal year into figures for continuing operations, excluding discontinued operations.

(Reference)

|                          | EBITDA      |        | EBITDA margin |
|--------------------------|-------------|--------|---------------|
|                          | Million yen | %      | %             |
| Year ended June 30, 2023 | 6,898       | (3.9)  | 17.0          |
| Year ended June 30, 2022 | 7,175       | (17.3) | 19.0          |

#### (2) Consolidated Financial Position

|                     | Total assets | Total equity | Equity attributable to owners of the parent | Ratio of equity attributable to owners of the parent | Owners' equity per share |
|---------------------|--------------|--------------|---|--|--------------------------|
|                     | Million yen  | Million yen  | Million yen                                 | %  | Yen                      |
| As of June 30, 2023 | 94,154       | 42,330       | 37,657                                      | 40.0   | 985.95                   |
| As of June 30, 2022 | 83,634       | 35,827       | 31,704                                      | 37.9   | 801.37                   |

#### (3) Consolidated Cash Flow

|                          | Cash flows from operating activities | Cash flows from investing activities | Cash flows from financing activities | Cash and cash equivalents at end of period |
|--------------------------|--------------------------------------|--------------------------------------|--------------------------------------|--|
|                          | Million yen                          | Million yen                          | Million yen                          | Million yen                                |
| Year ended June 30, 2023 | 2,909                                | (5,234)                              | 5,658                                | 18,255                                     |
| Year ended June 30, 2022 | 5,514                                | (1,658)                              | (8,510)                              | 14,756                                     |

### 2. Dividends

|                                      | Dividend per share |                    |                    |          |        | Total amount of dividends | Dividend payout ratio (consolidated) | Dividend on equity (consolidated) |
|--------------------------------------|--------------------|--------------------|--------------------|----------|--------|---------------------------|--------------------------------------|-----------------------------------|
|                                      | End of 1st quarter | End of 2nd quarter | End of 3rd quarter | Year end | Annual |                           |                                      |                                   |
|                                      | Yen                | Yen                | Yen                | Yen      | Yen    | Million yen               | %                                    | %                                 |
| Year ended June 30, 2022             | —                  | 8.00               | —                  | 9.00     | 17.00  | 671                       | 21.3                                 | 2.2                               |
| Year ended June 30, 2023             | —                  | 10.00              | —                  | 11.00    | 21.00  | 816                       | 10.9                                 | 2.3                               |
| Year ending June 30, 2024 (forecast) | —                  | 12.00              | —                  | 13.00    | 25.00  |                           | 29.8                                 |                                   |

### 3. Forecast of Consolidated Financial Results for the Year Ending June 30, 2024 (from July 1, 2023 to June 30, 2024)

(Percentages calculated on year-on-year basis.)

|           | Revenue     |     | Operating profit |      | Profit before tax |      | Profit for the period |        | Profit attributable to owners of the parent |        | Basic earnings per share |
|-----------|-------------|-----|------------------|------|-------------------|------|-----------------------|--------|---|--------|--------------------------|
|           | Million yen | %   | Million yen      | %    | Million yen       | %    | Million yen           | %      | Million yen                                 | %      | Yen                      |
| Full year | 44,000      | 8.3 | 5,600            | 24.5 | 5,900             | 58.3 | 4,000                 | (52.4) | 3,200                                       | (57.8) | 83.78                    |

(Reference)

|           | EBITDA      |      | EBITDA margin |
|-----------|-------------|------|---------------|
|           | Million yen | %    | %             |
| Full year | 7,700       | 11.6 | 17.5          |

\* Notes

(1) Changes in significant subsidiaries during the period (changes in specific subsidiaries accompanied by a change in the scope of consolidation): Yes  
New: –

Excluded: 2company (Macromill Research India LLP, MACROMILL CHINA, INC.)

(2) Changes in accounting policies and changes of accounting assumptions

- (i) Changes in accounting policies as required by IFRS: No  
(ii) Changes in accounting policies other than (i): No  
(iii) Changes in accounting assumptions: No

(3) Number of shares outstanding (common stock)

- (i) Number of shares issued (including treasury stock) at the end of the term:  
As of June 30, 2023 40,480,500 shares As of June 30, 2022 40,480,500 shares  
(ii) Number of shares of treasury stock at the end of the term:  
As of June 30, 2023 2,285,835 shares As of June 30, 2022 917,835 shares  
(iii) Average number of shares during the period:  
Year ended June 30, 2023 39,478,598 shares Year ended June 30, 2022 39,489,023 shares

(Reference) Summary of individual operating results

1. Individual Operating Results for the Year Ended June 30, 2023 (from July 1, 2022 to June 30, 2023)

(1) Individual Operating Results

(Percentages calculated on year-on-year basis.)

|                          | Revenue     |       | Operating profit |        | Recurring profit |       | Profit for the period |      |
|--------------------------|-------------|-------|------------------|--------|------------------|-------|-----------------------|------|
|                          | Million yen | %     | Million yen      | %      | Million yen      | %     | Million yen           | %    |
| Year ended June 30, 2023 | 23,916      | (1.9) | (536)            | –      | (840)            | –     | (53)                  | –    |
| Year ended June 30, 2022 | 24,383      | 8.3   | 865              | (33.1) | 1,299            | (2.9) | 524                   | 46.1 |

|                          | Earnings per share | Earnings per share after adjustment of potentially dilutive shares |
|--------------------------|--------------------|--|
|                          | Yen                | Yen  |
| Year ended June 30, 2023 | (1.35)             | –  |
| Year ended June 30, 2022 | 13.28              | 13.16  |

(2) Individual Financial Position

|                     | Total assets | Net equity  | Equity ratio | Book value per share |
|---------------------|--------------|-------------|--------------|----------------------|
|                     | Million yen  | Million yen | %            | Yen                  |
| As of June 30, 2023 | 57,228       | 11,628      | 20.3         | 304.45               |
| As of June 30, 2022 | 50,104       | 13,606      | 27.2         | 343.91               |

(Reference) Net worth equity capital As of June 30, 2023 11,628 million yen As of June 30, 2022 13,606 million yen

<Reason for the difference from the previous fiscal year's results for non-consolidated results>

There is a discrepancy between the actual figures for the previous fiscal year and the actual figures for the current fiscal year due to factors such as the recording of advisory expenses associated with the sale of shares of a subsidiary in the current fiscal year.

\* This summary of financial results is not subject to audits conducted by certified public accountants or audit firms.

\* Note regarding proper use of results forecasts and other special comments

- (1) The Company has decided to conduct a share buyback program at the Board of Directors meeting held on May 15, 2023. This transaction based on the above resolution of the Board of Directors has completed on June 23, 2023. Regarding this transaction of the share buyback program, refer to the “Notice Regarding the Status of Share Buyback Program and its Completion” disclosed on June 26, 2023. The basic earnings per share in the financial forecasts have included the impact of the share buyback.
- (2) The Group applies the International Financial Reporting Standards (hereinafter “IFRS”) to and after the fiscal year ended June 30, 2017.
- (3) The forward-looking statements, such as results forecasts, included in this document are based on information available to the management as of the date of the document and certain assumptions that the management considers reasonable. The Company does not promise that the forecasts will be achieved. Actual results may differ significantly due to a range of factors.
- (4) EBITDA = operating profit + depreciation and amortization + loss on retirement of non-current assets + impairment loss
- (5) EBITDA margin = EBITDA / revenue
- (6) EBITDA and EBITDA margin are not the indicators specified by IFRS, but are the financial indicators that the Group considers useful for investors to evaluate the business results of the Group.
- (7) EBITDA and EBITDA margin should not be considered as indicators to replace the other indicators shown in accordance with IFRS because they do not include some of the items that affect the profit for the year, so they are subject to significant restrictions as a means of analysis. EBITDA and EBITDA margin disclosed by the Group may be less useful in comparison with the same or similar indicators of other competitors because they are calculated according to a different method from that of such other companies.

## Accompanying Materials - Contents

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## 1. Overview of Operating Results, etc.

### (1) Overview of operating results for the fiscal year ended June 30, 2023

#### (i) Explanation of the operating environment

During the fiscal year (July 1, 2022 to June 30, 2023), restrictions on economic activities due to the Covid-19 pandemic were eased in Japan and the world, and there were signs of recovery in corporate activities. However, the economic outlook remained uncertain due to policy interest rate hikes in various countries, exchange rate fluctuations, the prolonged war in Ukraine, and rises in prices of resources, energy, and raw materials, among other factors.

Looking specifically at the insight industry (including marketing research and related sectors), the total global marketplace reached an estimated value of \$98.4 billion, with online marketing research, the Company's main business, accounting for \$64.0 billion (\*1). In Japan, the size of the overall insight sector was 431.5 billion yen, with online marketing research at 79.6 billion yen (\*2). Although the global market and the Japanese market were both adversely affected by the Covid-19 pandemic for a period of time, the marketing research sector has returned to a steady growth trend for the medium to long term, as marketing research shifts even further online amid the pandemic.

In this economic and market environment, the Group disclosed in August 2021 a new MTBP (Mid-term Business Plan) for the three years to the fiscal year ending June 30, 2024. The Group has developed strategies to achieve the Plan's targets and is striving to expand the business scale and profit. In the fiscal year ended June 30, 2023, the second year of the Mid-term Business Plan, the Company will continue to transform its business model from a marketing research company to a Professional Marketing Services Company to support solving all the marketing issues that client companies face beyond marketing research issues under the vision stated in the Mid-term Business Plan.

In this situation, as described in the 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) published on May 15, 2023, the Group transferred the business of the MetrixLab Group, a group of companies composing Macromill's Overseas (ex-Korea) Business segment, to UK-based Toluna and in return acquired considerations including a 17.4% stake in Toluna. In addition, the Company dispatched a director to Toluna, a newly integrated company, and made Toluna an equity-method affiliate.

The Overseas (ex-Korea) Business is classified as discontinued operations from the fourth quarter under review. The revenue, operating profit and profit before tax disclosed are figures for continuing operations and do not include figures for discontinued operations. The profit attributable to owners of the parent is profit in continuing operations plus profit in discontinued operations.

#### (ii) Explanation of the operating results

An overview of the Group's operating results is as follows: (\*3)

| Consolidated financial results<br>(Million yen unless otherwise indicated) | Year ended<br>June 30, 2022 | Year ended<br>June 30, 2023 | Increase/decrease | Change rate |
|--|-----------------------------|-----------------------------|-------------------|-------------|
| Revenue  | 37,736                      | 40,616                      | 2,880             | +7.6%       |
| EBITDA   | 7,175                       | 6,898                       | (276)             | (3.9%)      |
| Operating profit   | 5,106                       | 4,498                       | (607)             | (11.9%)     |
| Adjusted operating profit (*3)   | 5,106                       | 4,960                       | (146)             | (2.9%)      |
| Profit before tax  | 5,030                       | 3,728                       | (1,302)           | (25.9%)     |
| Profit attributable to owners of the parent                                | 3,147                       | 7,575                       | +4,427            | +140.7%     |

Year-on-year growth in revenue in the research business in Japan in the fiscal year was in single digits, reflecting a recovery in revenue generated by offline research services from the levels seen amid the COVID-19 pandemic and strong revenue from global research, the effects of which were partially offset by reductions in research budgets at certain client companies in the third quarter, a busy season, attributable to a decline in business sentiment.

In the Digital and Other New Business, revenue from digital research declined due to the removal of third-party cookies, which is planned in the second half of 2024, and a period of transition to new ad effectiveness measurement methods and a decline in branding advertising reflecting advertising market conditions. Meanwhile, in other new businesses, data utilization support (consulting), which started in earnest in the previous fiscal year, performed well and strong growth was achieved. The decrease in revenue from digital research was more than offset by a significant increase in other new businesses, and revenue in the Digital and Other New Business recorded double-digit year-on-year growth.

The Company experienced excess demand for online research and was not able to handle orders due to limits on internal human resources until the first half. In the second half, the Company expanded internal capacity to meet demand and opportunity losses were reduced. In the second half, the Company resumed consultative selling, which it had ceased due to brisk demand. The Company will tap into more demand and expand earnings by improving internal human resources productivity and controlling outsourcing expenses.

In Korea, the Group achieved double-digit year-on-year growth in revenue in the first six months, reflecting the replacement of offline research by online research amid the Covid-19 pandemic and the positive effect of exchange rates. In the third quarter, growth slowed, reflecting business sentiment. In the fourth quarter, revenue increased significantly, reflecting revenue from government-related research projects. As a result, the Group achieved double-digit year-on-year growth in revenue in the Korea Business in the fiscal year.

On the expense front, employee expenses increased from the level in the previous year as the Group has been actively recruiting from the previous fiscal year to expand its operational capacity to receive orders for research projects in response to expanding revenue. The Group took steps to fully use external capacity through outsourcing to capture expanding client demand. As a result, outsourcing expenses also rose. In addition, other expenses increased chiefly due to the expansion of operating activities resulting from the recovery from the Covid-19.

The Company incurred expenses of 461 million yen related to the transaction transferring the business of the MetrixLab Group to Toluna. The Company states operating profit minus this expense as adjusted operating profit.

Consequently, the Group recorded earnings before interest, taxes, depreciation and amortization (EBITDA) (\*4) of 6,898 million yen (down 3.9% year-on-year), reflecting an increase in personnel expenses, etc., operating profit of 4,498 million yen (down 11.9% year-on-year), adjusted operating profit of 4,960 million yen (down 2.9% year-on-year), profit before tax of 3,728 million yen (down 25.9% year-on-year) for the fiscal year ended June 30, 2023.

In the fourth quarter, a total of 5,796 million yen was posted for profit attributable to owners of the parent in discontinued operations. Profit attributable to owners of the parent, therefore, stood at 7,575 million yen (up 140.7% year-on-year).

Continuing operations' Return on equity (ROE: calculated using the data for the preceding 12 months) stood at 5.1% (down 4.3 points year-on-year). The interest coverage ratio (\*5: calculated in the last 12 months) came to 24.3 times (21.5 times in the corresponding period of the prior fiscal year).

Financial results including revenue of MACROMILL EMBRAIN CO., LTD. in the Japan and Korea Business segment are recorded in Korean won. Exchange rates are as stated below.

| Computation period<br>(12 months) | Year ended June 30, 2022 | As of June 30, 2023 | Change rate |
|-----------------------------------|--------------------------|---------------------|-------------|
| JPY/KRW (yen)                     | 0.0980                   | 0.1042              | +6.3%       |

The average currency exchange rates used for trades during the fourth quarter are shown below:

| Computation period<br>(3 months) | Three month period ended<br>June 30, 2022 | Three month period ended<br>June 30, 2023 | Change rate |
|----------------------------------|---|---|-------------|
| JPY/KRW (yen)                    | 0.1048                                    | 0.1046                                    | (0.2%)      |

Notes:

- (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 2020, the closest definition to the former market size).
- (2) Reference: JMRA 48th Annual Business Management Survey, announced by Japan Marketing Research Association (JMRA) in June 2023.
- (3) Operating profit less expenses related to the transfer of the Overseas (ex-Korea) Business, which is considered discontinued operations
- (4) EBITDA: Earnings before interest, taxes, depreciation and amortization. The Company defines EBITDA as operating profit + depreciation and amortization + loss on retirement of non-current assets + impairment loss. The Company uses it as a major management indicator to measure the profitability of each business as it enables us to calculate the size of cash flow generated from each business more accurately.
- (5) Interest Coverage Ratio = (operating profit + interest income + dividends income) / interest expense.

(2) Overview of financial position during the fiscal year ended June 30, 2023

At the end of the fiscal year under review, assets totaled 94,154 million yen, an increase of 10,519 million yen from the end of the previous fiscal year. This was mainly the result of increases of 10,035 million yen in long term loans receivable, 6,595 million yen in investments accounted for using equity method and 3,498 million yen in cash and cash equivalents, which more than offset decreases of 4,511 million yen in other intangible assets, 2,895 million yen in goodwill, 1,489 million yen in contract assets and 1,099 million yen in right-of-use assets.

Liabilities stood at 51,823 million yen, up 4,016 million yen from the end of the previous fiscal year. This was mainly due to an increase in bonds and borrowings of 9,365 million yen, more than offsetting decreases of 1,557 million yen in trade and other payables, 1,226 million yen in other current liabilities and 1,148 million yen in deferred tax liabilities.

Equity was worth 42,330 million yen, an increase of 6,503 million yen from the end of the previous fiscal year. The increase was largely attributable to profit for the period of 8,394 million yen, which offset dividends paid of 1,218 million yen and purchase of treasury shares of 1,203 million yen.

(3) Overview of cash flows in the period of the fiscal year ended June 30, 2023

Cash and cash equivalents (“cash”) at the end of the fiscal year increased 3,498 million yen from the end of the previous fiscal year to 18,255 million yen. The status of each of the cash flow segments and contributing factors for the fiscal year are as follows:

(Cash flow from operating activities)

Net cash provided in operating activities amounted to 2,909 million yen (down 2,605 million yen year-on-year).

This was mainly the result of profit before tax from continuing operations of 3,728 million yen, profit before tax from discontinued operations of 4,903 million yen and depreciation and amortization of 3,022 million yen, partially offset by gain on sale of shares of subsidiaries and associates of 5,247 million yen, income taxes paid of 1,589 million yen.

Trade receivable turnover in days and trade payable/panel point reserves turnover in days stood at 54.0 days (down 25.7 days year-on-year) and 37.7 days (down 20.2 days year-on-year), respectively.

(Cash flow from investing activities)

Net cash used in investing activities came to 5,234 million yen (down 3,576 million yen year-on-year).

The cash outflow primarily reflected payments for the sale of shares of subsidiaries of 2,598 million yen, acquisition of intangible assets of 1,158 million yen and purchase of shares of associates of 772 million yen.

(Cash flow from financing activities)

Net cash used in financial activities was 5,658 million yen (up 14,168 million yen year-on-year).

Cash outflows primarily included 1,204 million yen for purchase of treasury shares, 1,203 million yen for repayments of lease liabilities, 751 million yen for dividends paid and 673 million yen for repayments of long-term borrowings, which were partially offset by proceeds from issuance of bonds of 10,000 million yen.

#### (4) Future prospects

##### 1) Mid-term prospects

The Group disclosed in August 2021 an MTBP (Mid-term Business Plan) for the three years leading up to the fiscal year ending June 30, 2024. Subsequently, the Group formulated a new MTBP for three years from the fiscal year ending June 30, 2024 to the fiscal year ending June 30, 2026, which reflects the effects of the transfer of the Overseas (ex-Korea) Business and the current business environment.

The financial targets stated in the new MTBP include consolidated revenue of 53.0 billion yen and consolidated operating profit of 7.5 billion yen. The Company aims to achieve a record profit. In addition, the target level of financial leverage will remain the same as previously, and the Company will aim to control its Net Debt/EBITDA ratio between 2.5x and 2.0x range while maintaining its existing credit rating. The policy of strengthening shareholder return will also remain the same. The shareholder return targets are a consolidated dividend payout ratio of 30% and share buybacks in a timely manner.

#### Consolidated Financial Targets

|                           | FY6/2023 (Previous Fiscal Year Actual)   | New MTBP Target FY6/2026 (3Yrs later)  |
|---------------------------|--|--|
| <b>Revenue</b>            | Revenue <b>40.6bn JPY</b><br>Average Growth Rate: <b>9%</b> (2Y CAGR)  | Revenue <b>53.0bn JPY</b><br>Average Growth Rate: <b>9%</b> (3Y CAGR)              |
| <b>Profit</b>             | Adjusted <sup>(1)</sup> OP <b>4.9bn JPY</b>  | OP <b>7.5bn JPY</b><br>Average Growth Rate: <b>19%</b> (3Y CAGR)                   |
|                           | Consolidated ROE <sup>(2)</sup> <b>5.1%</b>  | Consolidated ROE <sup>(2)</sup> <b>10% and over</b>                                |
| <b>Leverage</b>           | Credit Rating (R&I) <b>BBB+</b> (Stable) + Net Debt/EBITDA <b>3.5x</b>   | Maintain Credit Rating <b>BBB+</b> and higher + Net Debt/EBITDA <b>2.0x – 2.5x</b> |
| <b>Shareholder Return</b> | Consolidated Dividend Ratio<br>Continued Operation (Excl. gain of sale) <b>45.9%</b> + Consolidated (Incl. gain of sale) <b>10.9%</b> + Share buyback <sup>(3)</sup> <b>1.2bn JPY</b> [vs NSO <sup>(4)</sup> : <b>3.5%</b> ] | Consolidated Dividend Ratio <b>30%</b> + Share buyback <b>In a timely manner</b>   |

Note

1. Continuing operations (Japan and Korea business segments), excluding expenses related to the transfer of overseas subsidiaries (M&A)  
 2. ROE: Return On Equity Return on Equity Attributable to Owners of Parent for Continuing Operations; 3. Period of acquisition : May 16, 2023 – June 23, 2023; 4. NSO: Number of Shares Outstanding

In the Japan Business, the Group's flagship business, the Company will focus on restoring the growth of the online research and digital research businesses which are profitable. To develop the businesses that will drive sales and profit, the Company will expand business in Asia and strengthen global research. The Company will also develop data utilization support (data consulting) and platform-type solutions. The Company will accelerate the transformation of its business model to increase its presence as a Professional Marketing Services Company. Through these business activities, the Company aims to record revenue of 46.0 billion yen (a three-year CAGR of 10%) in 2026.

In the Korea Business, the Company will start the development of a service based on the data from the proprietary consumer panel in earnest. This includes providing purchase data, which the Company has already started to provide in Japan. The Company aims to post revenue of 7.0 billion yen (a three-year CAGR of 7%) in 2026.

While expanding revenue, through redefining added value and the scope of services, reviewing prices, improving research processes and revamping the core research system, the Company will take steps to increase operational efficiency and productivity to maximize earnings.

For details, please refer to "FY6/2023 Full Year Financial Results, Mid-term Business Plan& FY6/2024 Guidance" published

on August 14, 2023.

2) Forecast for the Fiscal Year Ending June 30, 2024

| Consolidated financial results<br>(Million yen unless otherwise indicated) | As of June 30, 2023 | Fiscal year ending<br>June 30, 2024 | Increase/decrease | Change rate |
|--|---------------------|-------------------------------------|-------------------|-------------|
| Revenue  | 40,616              | 44,000                              | +3,383            | +8.3%       |
| EBITDA   | 6,898               | 7,647                               | +749              | +10.9%      |
| Operating profit   | 4,498               | 5,600                               | +1,101            | +24.5%      |
| Adjusted operating profit (*3)   | 4,960               | 5,600                               | +640              | +12.9%      |
| Profit before tax  | 3,728               | 5,900                               | +2,172            | +58.3%      |
| Profit attributable to owners of the parent                                | 7,575               | 3,200                               | (4,375)           | (57.8%)     |

In Japan, the Company has developed and expanded its operational capacity to meet orders. The Company will resume and promote its active sales activities, which it had ceased until the first half of the fiscal year ended June 30, 2023, aiming to expand sales of online and digital research. The Company expects that global research and new businesses, such as data utilization support (data consulting) and life science, will continue to perform well. The Company made Monitas, Inc., which operates a monitor alliances business, a consolidated subsidiary in July 2023 and expects that the Group's consumer panel will expand and the quality of the panel will improve. The Company also expects that the new subsidiary will contribute to consolidated revenue.

On the expense front, outsourcing expenses and personnel expenses are expected to increase, reflecting increases in revenue in global research and new businesses, such as data utilization support and life science, and the addition of the consolidated subsidiary. The Company will expand revenue from online research, where the profit margin is high, and increase the productivity of the business to slow the pace of the increase in the above expenses. Revenue from businesses where panel expenses account for a lower percentage of expenses, primarily the data utilization support business, is expected to expand, and the percentage of expenses that are panel expenses will likely decline.

In Korea, revenue growth is likely to slow due to the continued adverse effect of deteriorating business sentiment. However, revenue is expected to continue to increase as the service providing purchase panel data is developing in earnest. On the expense front, outsourcing expenses are likely to increase chiefly due to an increase in investment in the new business. However, the increase in expenses is expected to be more than offset by a rise in revenue from the new business, and the Company expects that profit will rise.

As a consequence, the Company expects that in the fiscal year ending June 30, 2024, it will post revenue of 44,000 million yen (up 8.3% year-on-year), operating profit of 5,600 million yen (up 26.7% year-on-year) and profit before tax of 5,900 million yen (up 58.3% year-on-year).

Profit attributable to owners of the parent is expected to be 3,200 million yen. In the fiscal year ended June 30, 2023, a total of 5,796 million yen, was posted as profit attributable to owners of the parent in discontinued operations, and consequently, profit attributable to owners of the parent is expected to decline significantly. However, profit attributable to owners of the parent in continuing operations will rise 79.9% year-on-year.

The above forecasts are based on the assumptions of JPY/KRW 0.1000 yen.

In addition, the above financial results forecasts were made based on the information available as of the date when this document was prepared, and therefore actual results may differ from the forecast figures due to a variety of factors.

(5) Basic policy on profit distribution and dividends for the current and next fiscal years

The Company is aware that returning profits to shareholders is an important measure for management. On the other hand, the Company also considers it is important to comprehensively take into account returning profits to shareholders, enhancing internal reserves required for future growth investment, and establishing its financial foundation. Therefore, where there are investments which provide a return greater than the Company's cost of capital, the Company implements strategic investments which will



lead to an increase in the corporate value, realizes sustainable growth in revenues and profits and prioritizes establishment of a sound financial foundation which enables them. The Company considers that those will contribute to the achievement of its and its shareholders' common interests.

Therefore, with targeting a consolidated dividend payout ratio of around 30%, for the time being, the Company's basic policy is to make dividends of surplus to its shareholders in the form of realizing a steady and continuous increase in dividends within the scope of the approach above.

Regarding the purchase of treasury stock, the Company maintains its basic policy of considering the flexible purchase as part of its measures to return profits to shareholders, comprehensively taking into account our business development, investment plans, level of retained earnings and trends in business performance.

Moreover, since the Company's Articles of Incorporation provide that "Unless otherwise stipulated, the matters set forth in the respective items of Article 459, Paragraph 1 of the Companies Act such as dividends of surplus shall be determined by a resolution of the Board of Directors, not by the resolution of the general meeting of shareholders," the Company is able to make dividends and repurchase its own share in an agile manner.

In accordance with these plans, for the current fiscal year (ended June 30, 2023), we will pay an interim dividend of 10 yen and a year-end dividend of 11 yen for an annual dividend of 21 yen per share, and are forecasting 25 yen per share (an interim dividend of 12 yen and a year-end dividend of 13 yen) for the next fiscal year (ending June 30, 2024).

## 2. Basic Approach to the Selection of Accounting Standards

The Group has adopted IFRS from the fiscal year ended June 30, 2016 in order to improve the international comparability of financial information in equity markets and for greater convenience.

(Segment information)

### (1) Overview of reportable segments

The Group's reportable segments are the Company's constituent units for which separate financial information is available and for which the Board of Directors performs periodic reviews for the purposes of determining management resources allocation and evaluating performance.

The Group's main business is online marketing research in Japan and overseas. The Group had two reportable segments based on the geographical areas where the Group companies operate. One is the Japan and Korea Business and the other is the Overseas Business (ex-Korea), which operates in North Americas, Europe, Latin America, Middle East and certain Asian countries, excluding Japan and Korea. From this fiscal year under review, the Group has a single reportable segment, the Japan and Korea Business.

The Group has changed its reportable segments because the Company sold all of the shares it held in Siebold Intermediate B.V., which was a consolidated subsidiary and an intermediate holding company that held shares of the MetrixLab Group, a group of companies that comprised the Company's Overseas Business (ex-Korea), to Toluna Holdings Limited on June 1, 2023, and the Overseas Business (ex-Korea) has been classified as discontinued operations.

The "Japan and Korea Business" consists of the Company and its subsidiaries, including DENTSU MACROMILL INSIGHT, INC., a joint venture with the advertising agency, H.M. Marketing Research, Inc., and MACROMILL EMBRAIN CO., LTD., which operates the Korean business.

### (2) Revenues and business results by segment

Financial results including revenue of MACROMILL EMBRAIN CO., LTD. in the Japan and Korea Business segment are prepared based on the Korean won. The rate of exchange is below.

| Computation period<br>(Twelve months) | Fiscal year ended<br>June 30, 2022 | Fiscal year ended<br>June 30, 2023 | Change rate |
|---------------------------------------|------------------------------------|------------------------------------|-------------|
| JPY/KRW (yen)                         | 0.0980                             | 0.1042                             | 6.3%        |

(Operating expenses)

The breakdown of operating expenses is as follows:

|  | Fiscal year ended<br>June 30, 2022 | Fiscal year ended<br>June 30, 2023 |
|--|------------------------------------|------------------------------------|
|  | Million yen                        | Million yen                        |
| Employee expenses                      | 14,245                             | 15,363                             |
| Panel expenses                         | 4,687                              | 5,027                              |
| Outsourcing expenses                   | 7,023                              | 7,856                              |
| Depreciation and amortization expenses | 2,029                              | 2,187                              |
| Other                                  | 4,685                              | 5,649                              |
| Total                                  | <u>32,671</u>                      | <u>36,084</u>                      |

(Earnings per share)

The basic earnings per share and diluted earnings per share are as follows.

|  | Fiscal year ended<br>June 30, 2022 | Fiscal year ended<br>June 30, 2023 |
|--|------------------------------------|------------------------------------|
| Profit attributable to owners of the parent (million yen)                                    | 3,147                              | 7,575                              |
| Adjustment   | -                                  | -                                  |
| Profit used for calculating diluted earnings per share<br>(million yen)                      | <u>3,147</u>                       | <u>7,575</u>                       |
| Weighted-average number of ordinary shares outstanding<br>during the period                  | 39,489,023                         | 39,478,598                         |
| Increase in the number of ordinary shares due to the<br>exercise of share acquisition rights | 338,745                            | 325,617                            |
| Weighted-average number of ordinary shares outstanding<br>during the period - diluted        | <u>39,827,768</u>                  | <u>39,804,215</u>                  |
| Basic earnings per share (yen)   |                                    |                                    |
| Continuing operations  | 73.83                              | 45.05                              |
| Discontinued operations  | 5.88                               | 146.84                             |
| Basic earnings per share   | 79.71                              | 191.89                             |
| Diluted earnings per share (yen)   |                                    |                                    |
| Continuing operations  | 73.21                              | 44.68                              |
| Discontinued operations  | 5.83                               | 145.64                             |
| Diluted earnings per share   | 79.03                              | 190.32                             |

There are no dilutive shares that are not included in the calculation of the amount of fully diluted earnings per share due to absence of any dilutive effect.