

To whom it may concern:

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Notice Regarding Our New Mid-term Business Plan

Macromill, Inc. (Headquarters: Minato-ku, Tokyo; hereinafter, “Macromill”) 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.

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

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

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.

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 and background of developing the new MTBP, please refer to the appendix from the next page and earnings presentation material “FY6/2023 Full Year Financial Results, Mid-term Business Plan& FY6/2024 Guidance” released today, on August 14, 2023.

Ends,

**New Mid-term Business Plan
(3 years, FY6/2024 – FY6/2026)**

New Mid-term Business Plan (MTBP): Where we are going

Based on the key points and review described in the previous section, we re-formulated the Mid-term Business Plan (MTBP) one year ahead of schedule

The core principals of the new the Mid-term Business Plan are the following two points

Key points in the new Mid-term Business Plan

1

Refocus on our core “Online and Digital research”

Achieving Steady improvement
in Profit Margins with strong will

2





Continuing “Business Model Transformation”

Aiming for medium- to long-term
continuation of stable Revenue growth

New MTBP: Change in segmentation



From FY6/2024, we disclose two business segments: the Japan business segment and the Korea business segment
 In each segment, we aim to achieve the following average annual growth rates and target Revenue

	Japan Business Segment	Korea Business Segment
Business Entities	   <p>+ Other subsidiaries</p>	
Market size & Growth rate ⁽¹⁾	<ul style="list-style-type: none"> Market size: Insight Industry Total approx. 430bn JPY, Research Industry Total approx. 260bn JPY, Online Research approx. 80bn JPY Growth rate (5Y CAGR): Research Total 3.8%, Online Research 3.4% 	<ul style="list-style-type: none"> Market size: Research Industry Total approx. 75bn JPY, Online Research 30bn JPY Growth Rate (5Y CAGR): Research Total 3.0%, Online Research 11.1%
Market Positioning & Core Competence	<ul style="list-style-type: none"> Aiming to move from No.1 in Online Research to No.1 in the industry by leveraging our strong panel asset Transforming business model into a “Professional Marketing Services Company” 	<ul style="list-style-type: none"> Aiming to be No. 1 in Online Research and top 3 in the industry by leveraging the industry's largest proprietary panel asset
Target Growth Rate	<p>Annual Growth Rate: 10% (3Y CAGR)</p>	<p>Annual Growth Rate : 7% (3Y CAGR)</p>
FY6/2026 Target Revenue	<p>FY6/2023 34.9bn JPY → 46.0bn JPY</p>	<p>FY6/2023 5.7bn JPY → 7bn JPY</p>

Note

1. Market size in Japan is 2022, in Korea is in 2021. Market growth rate is average annual growth rate (5Y CAGR) from 2017 to 2022 in Japan and from 2016 to 2021 in Korea (Source: for Japan - Japan Marketing Research Association (JMRA) and for Korea – ESOMAR (Exchange rate assumptions 1 USD = JPY 140))

Changes in the industry: “Research” to “Insight Industry”

The marketing research industry is redefined as an “insight industry” that also involves peripheral industries

What is “Insight Industry”?

An industry that collects and analyzes various data and provides insights to clients

Representative players in each area exemplified in the JMRA report⁽¹⁾



Note

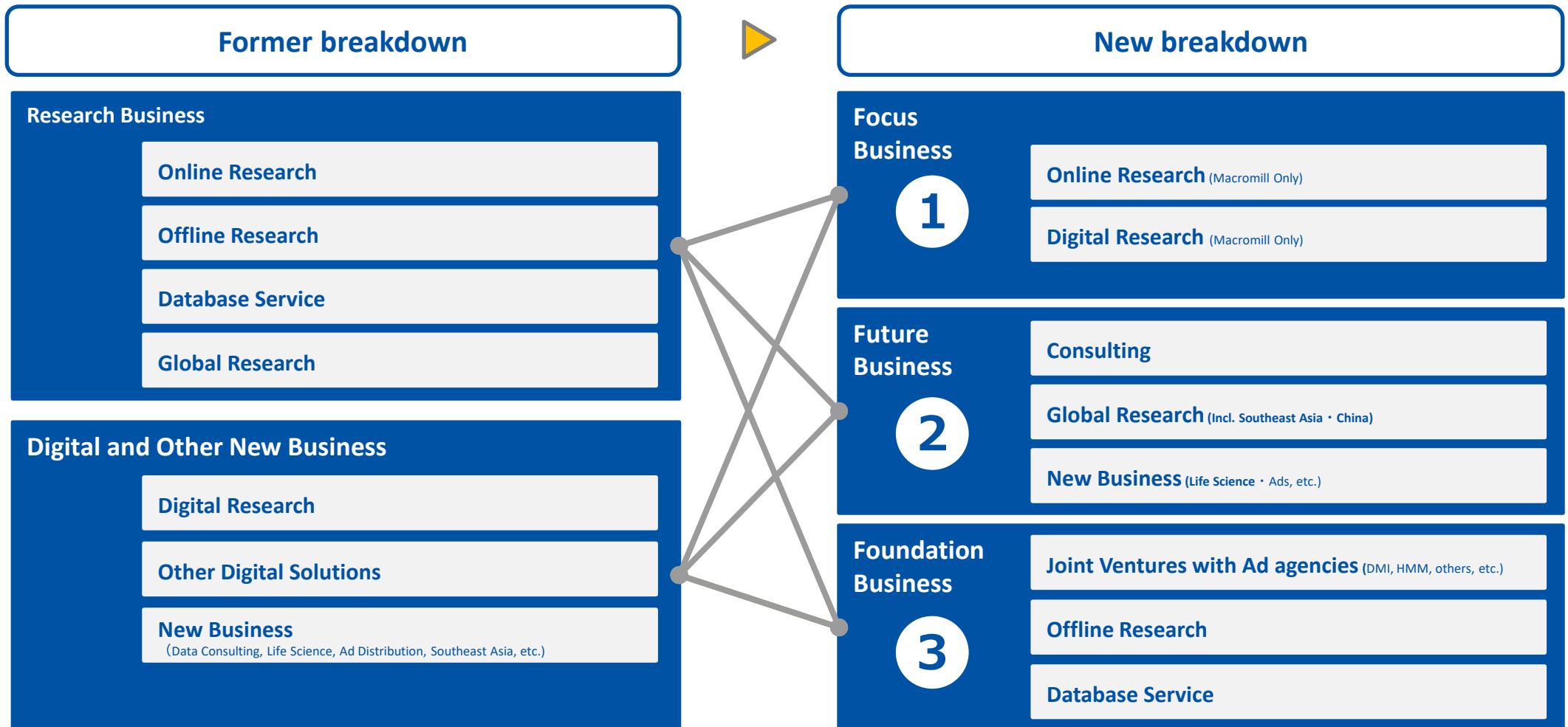
1. Source: Japan Marketing Research Association (JMRA) Annual General Meeting Keynote Speech ESOMAR GMR Japan Ambassador Hiroyuki Ichinose "The Inevitability and Prospects of 'Evolving into the Insight Industry' - Global Trends and Opportunities in the Japanese Market" (May 26, 2022)

New MTBP: Revenue Breakdown in Japan

In order to clearly track the improvement of the profit of the Japan business, we are dividing the Japan business into the following three categories, and setting basic strategies and targets in four areas, including Korea (👉 See details from next page)

In addition, along with the spread of Digital Transformation (DX), the digital domain is distributed to all categories

New categorization



① Japan Business: Focus Business (Online & Digital Research)

Refocus on profitable Online Research and Digital Research

We will focus on Revenue and Profit growth in this business category and achieve steady improvement in Profit Margins with a strong will

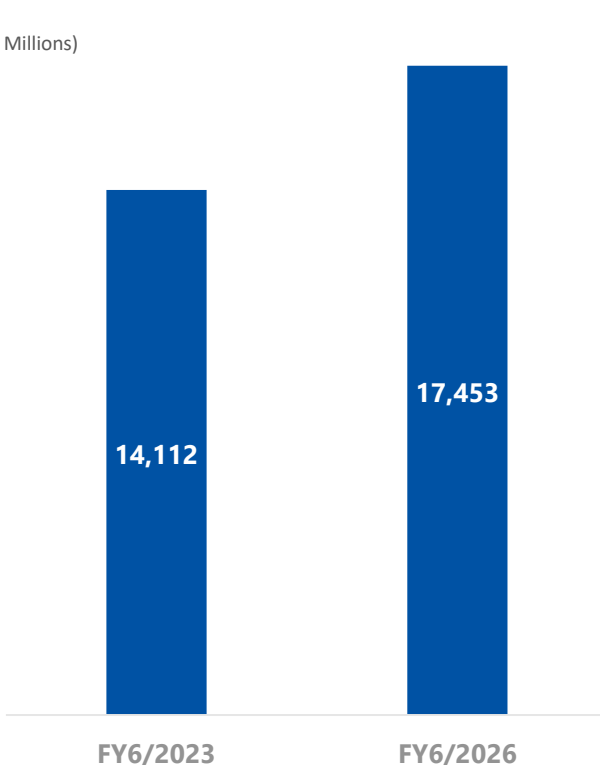
Revenue targets and key points for future business plans

Revenue Target
Average growth rate: **7% (3Y CAGR)**

Positioning
Goals:

Pursuit of high profitability and stable growth

(JPY in Millions)



- Rebuild strengths in the Online and Digital domains and aim for a recovery to Revenue growth exceeding the market growth rate
- Gross profit margin for FY6/2023: Around 60%
- Revenue growth is the most impactful profit improvement driver
- Furthermore, we will focus on improving productivity, such as proceeding with automation and renovating core research systems. Through these initiatives, we aim to maximize profit margins and profits
- Revenue per salesperson
- Ratio of employee expenses at the first cost level + outsourcing expenses to Revenue

② Japan Business: Future Business (Consulting, Global, Other New Business)

Continue to transform our business model, expand new businesses (including consulting), provide solutions, and promote platform development

Through initiatives in this business domain, we aim to maintain stable Revenue growth over the medium to long term as the Group

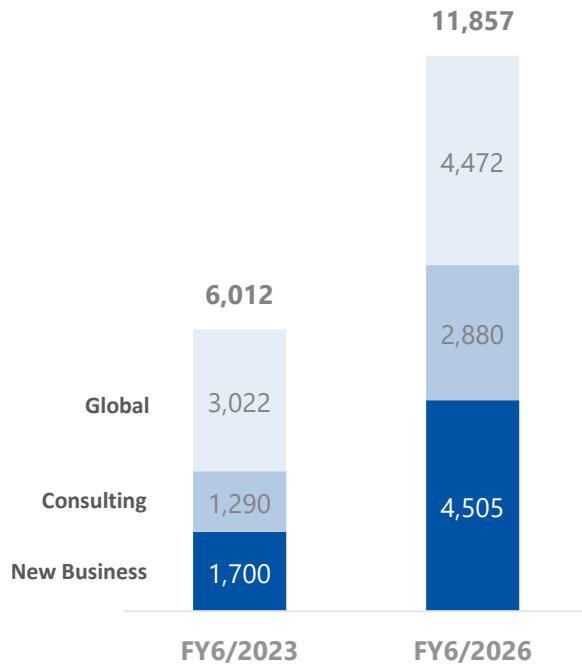
Revenue targets and key points for future business plans

Revenue Target Average growth rate: **25%+ (3Y CAGR)**

Positioning Goals:

Double-digit Revenue growth, future profit contribution

(JPY in Millions)



Revenue

- Aiming for Revenue growth of more than 25% by leveraging our unique strengths as the market continues to grow at a high rate

Operating Profit (OP)

- Gross profit margin for FY6/2023: around 25%
- Aggressive investment for Revenue growth
- Volatility is expected to remain high during the period of the Mid-term Business Plan, but we aim to maximize profits over the medium to long term as a pillar of our new business

KPI

- New Initiatives and Client Cases

This business domain aims to maintain and strengthen the business for the purpose of establishing competitive advantages and building entry barriers

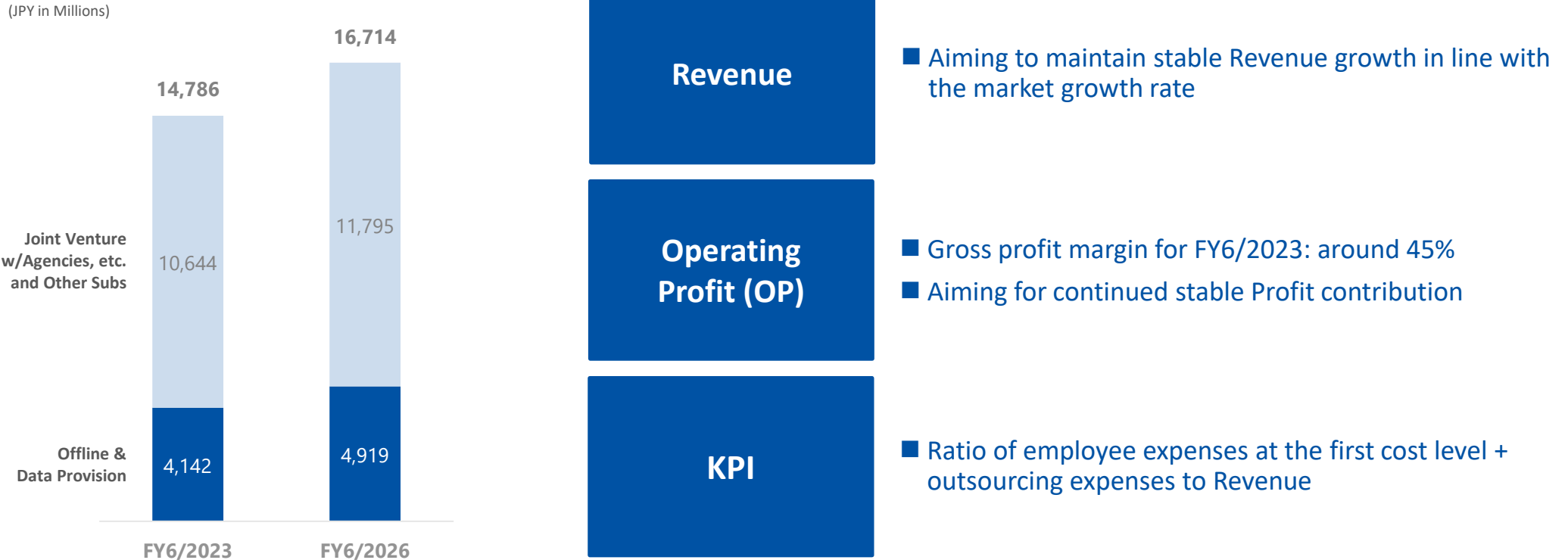
Aim to maintain stable Revenue and Profit contribution in this business domain

Revenue targets and key points for future business plans

Revenue Target
Average growth rate: **4% (3Y CAGR)**

Positioning
Goals:

Establishment of competitive advantages and barriers to entry



4 Korea Business



In response to the expansion of market share in the Korean market, we have entered a growth phase different from the past

Since the new business expansion is also expected, we are disclosing Korea Business independently and its profit structure as well

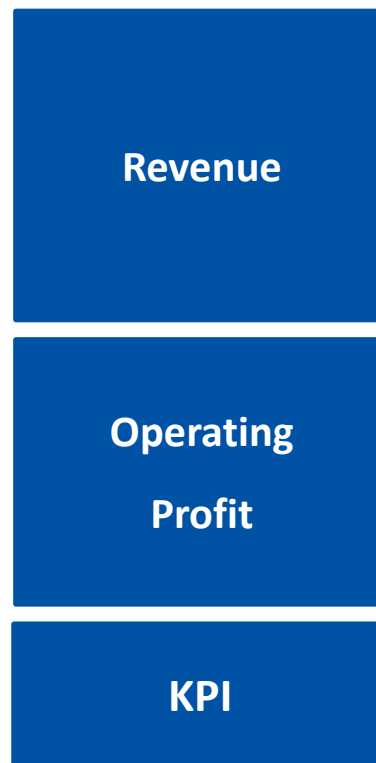
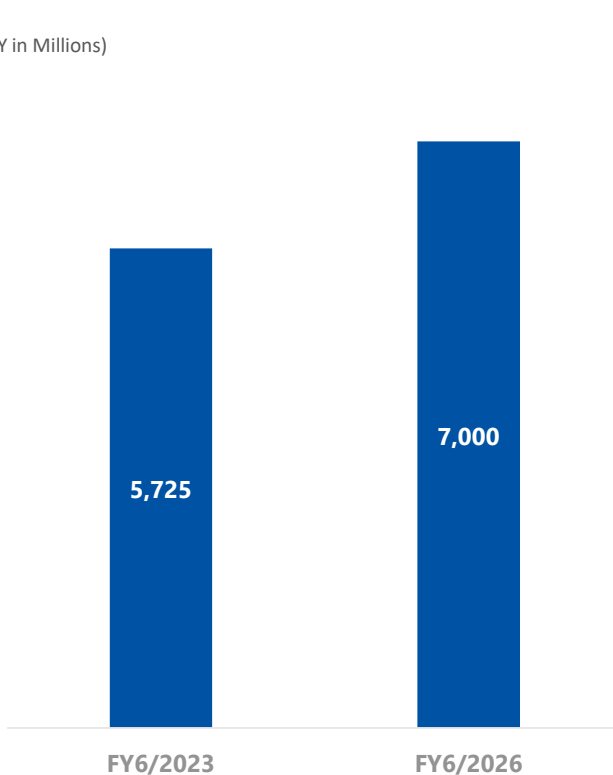
Revenue targets and key points for future business plans

Revenue Target
Average growth rate: **7% (3Y CAGR)**

Positioning
Goals:

Reproduction of the growth process of the Japan business

(JPY in Millions)

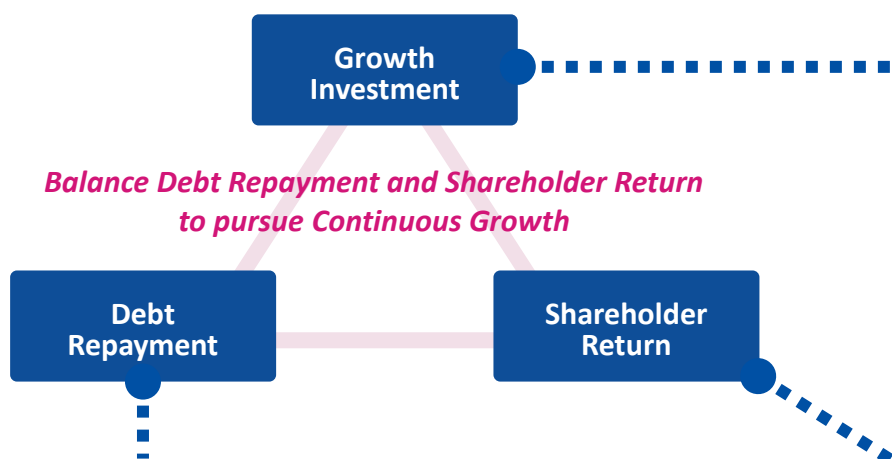


- We have expanded our market share and shifted to a new growth phase, and set targets that are lower than before
- Promoting business model reforms, including the full-scale launch of the successful data provision business in Japan in Korea
- Aggressive investment in data provision business
- Anticipating the change in the profit model and expansion of the data provision business
 - Aiming for return in the final year of the plan (FY6/2026)
- Contribution to Revenue and Profits of new initiatives and client case studies

In the three years until FY6/2026, “Growth investment” remains our top priority, and we balancing “Debt Repayment” and “Shareholder Return” and pursuing appropriate capital allocation

Maintain the dividend increase momentum to achieve 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 investment in IT and Information Security related 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
- The Group will not actively pursue a net-cash position after reaching the target leverage ratio

Specific plan for “Shareholder Return”

- Strengthen shareholder returns compared to the past
- Continue stable and steady expansion of dividend per share and maintain dividend increase momentum
- Conduct share buyback in a timely manner based on the stock price level and cash surpluses

New MTBP: Financial Target

Aim to achieve the financial targets listed below through the realization of the strategies, policies, and points described on the previous page

Consolidated Financial Targets

	FY6/2023 (Previous Fiscal Year Actual)	New MTBP Target FY6/2026 (3Yrs later)
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Leverage	Credit Rating (R&I) BBB+ (Stable) + Net Debt/EBITDA 3.5x	Maintain Credit Rating BBB+ and higher + Net Debt/EBITDA 2.0x – 2.5x
Shareholder Return	Consolidated Dividend Ratio Continued Operation (Excl. gain of sale) 45.9% + Consolidated (Incl. gain of sale) 10.9% + Share buyback ⁽³⁾ 1.2 bn JPY [vs NSO ⁽⁴⁾ : 3.5%]	Consolidated Dividend Ratio 30% + Share buyback In a timely manner

Note

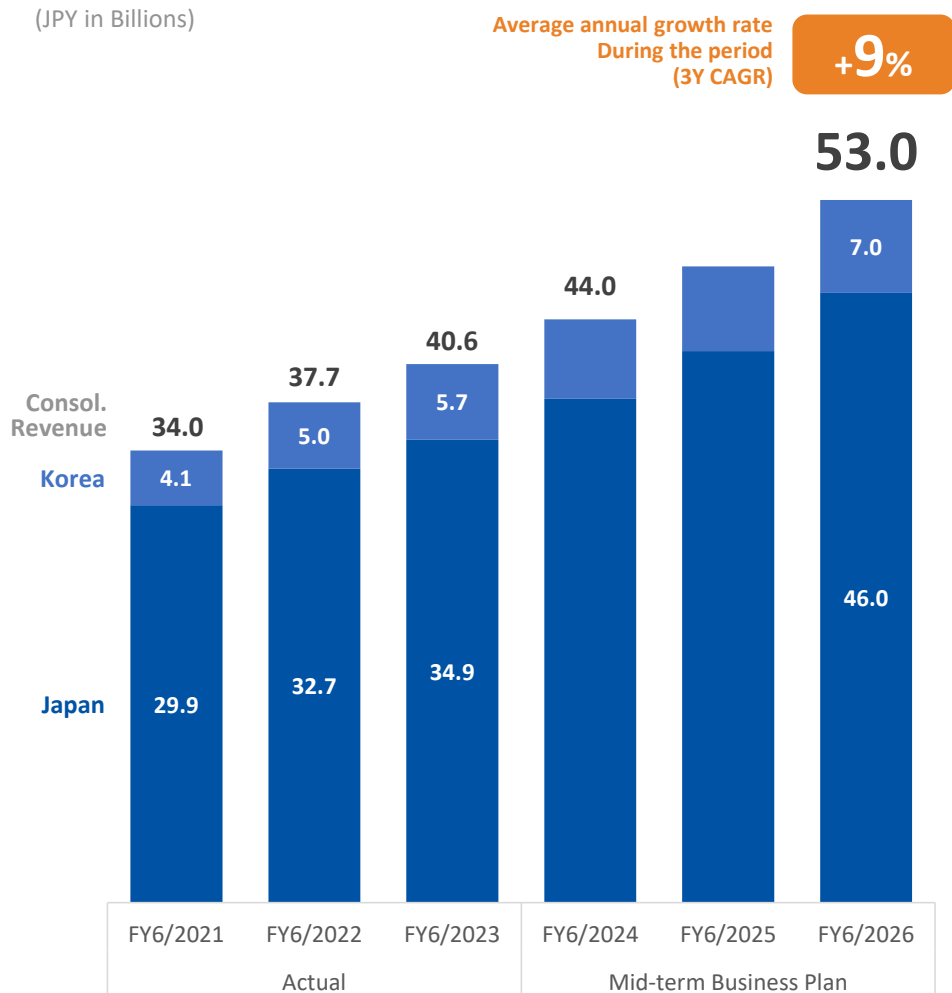
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2. ROE: Return On Equity Return on Equity Attributable to Owners of Parent for Continuing Operations;
3. Period of acquisition : May 16, 2023 – June 23, 2023;
4. NSO: Number of Shares Outstanding

New MTBP: Financial Target (Continued)

In order to achieve the Revenue and Operating Profit targets in FY6/2026, we anticipate the following growth trends

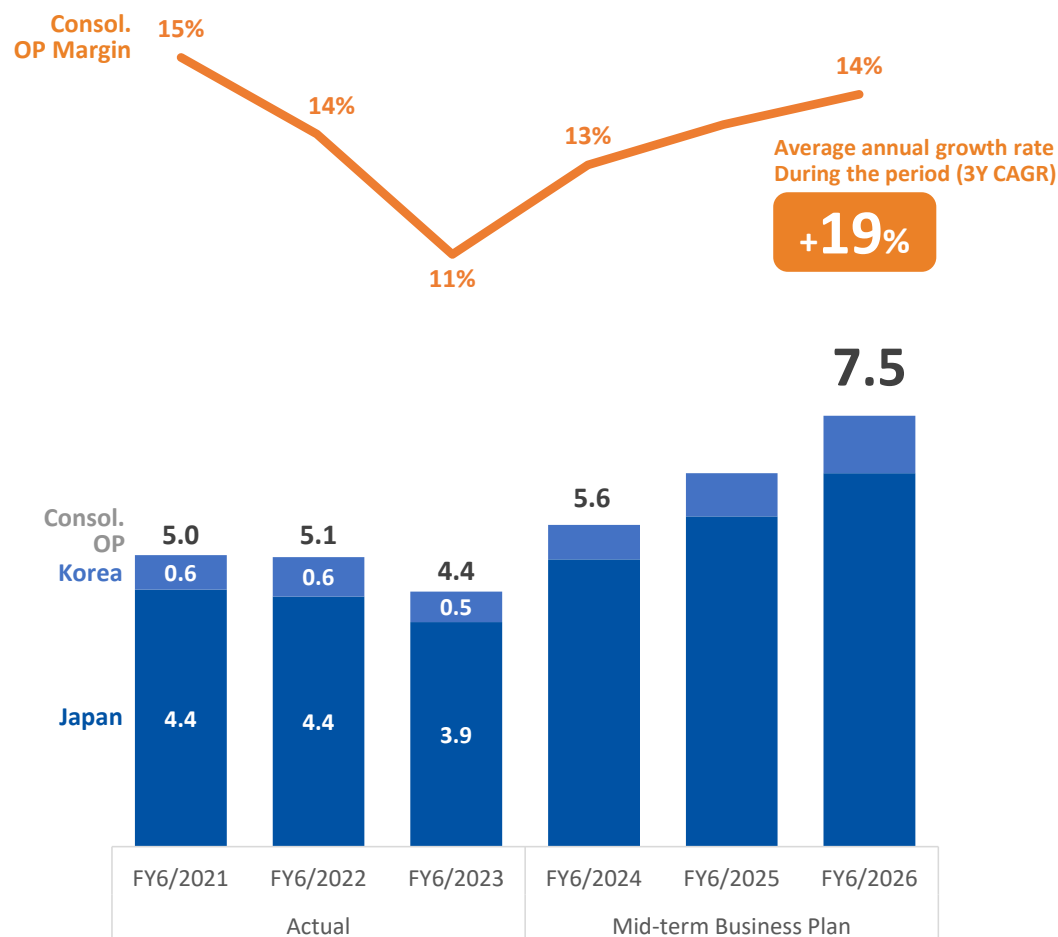
Trends in Projected Consolidated Revenue

(JPY in Billions)



Trends in Projected Consolidated Operating Profit and OP Margin

(JPY in Billions)



Note
1. The above plan does not include Toluna's equity-method profit or loss and gains on sales in the event that shares are sold