

# **Supplementary Materials for Consolidated Financial Results for the Three Months Ended September 30, 2023**

**INTAGE HOLDINGS Inc.**

Security code: 4326

November 8, 2023

# Summary of Consolidated Statements of Income

Net sales for three month ended September 30, 2023 increased a slight 1.3% year on year, but operating profit fell a sharp -65.4% year on year. The profit decrease expanded as the recovery of projects was delayed due mainly to the continued contraction of customers' budgets, resulting in only the slight increase of revenue. That led to a failure to cover the increase in costs and personnel expenses.

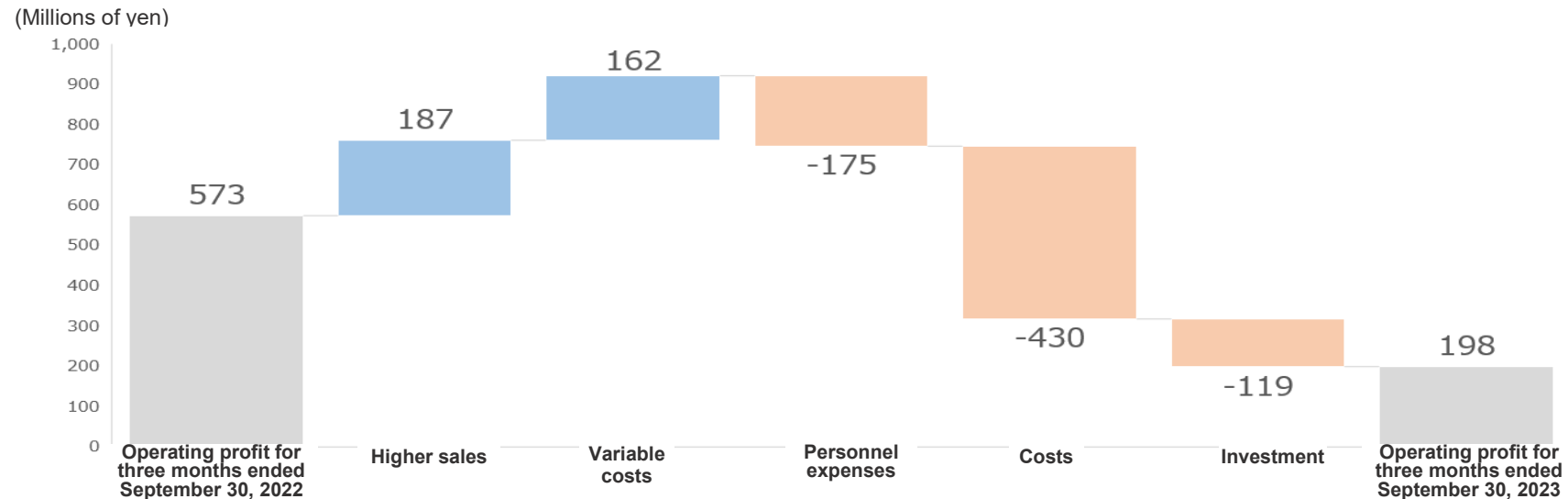
## Consolidated Statement of Income

(Millions of yen)

	3 months ended Sep. 30, 2021	3 months ended Sep. 30, 2022	3 months ended Sep. 30, 2023	Change	Rate of achievement against annual planned target (%)	Full-year Plan	2Q Plan
Net sales	13,804	14,119	14,306	+1.3	22.2	64,500	31,000
Operating expenses	12,929	13,545	14,108	+4.2	—	—	—
Operating profit	874	573	198	-65.4	5.0	4,000	2,000
Ordinary profit	950	907	314	-65.3	7.3	4,300	2,250
Profit attributable to owners of parent	783	691	150	-78.3	5.0	3,000	1,500
EPS (yen)	19.62	17.66	3.95	-77.63	—	78.80	39.40

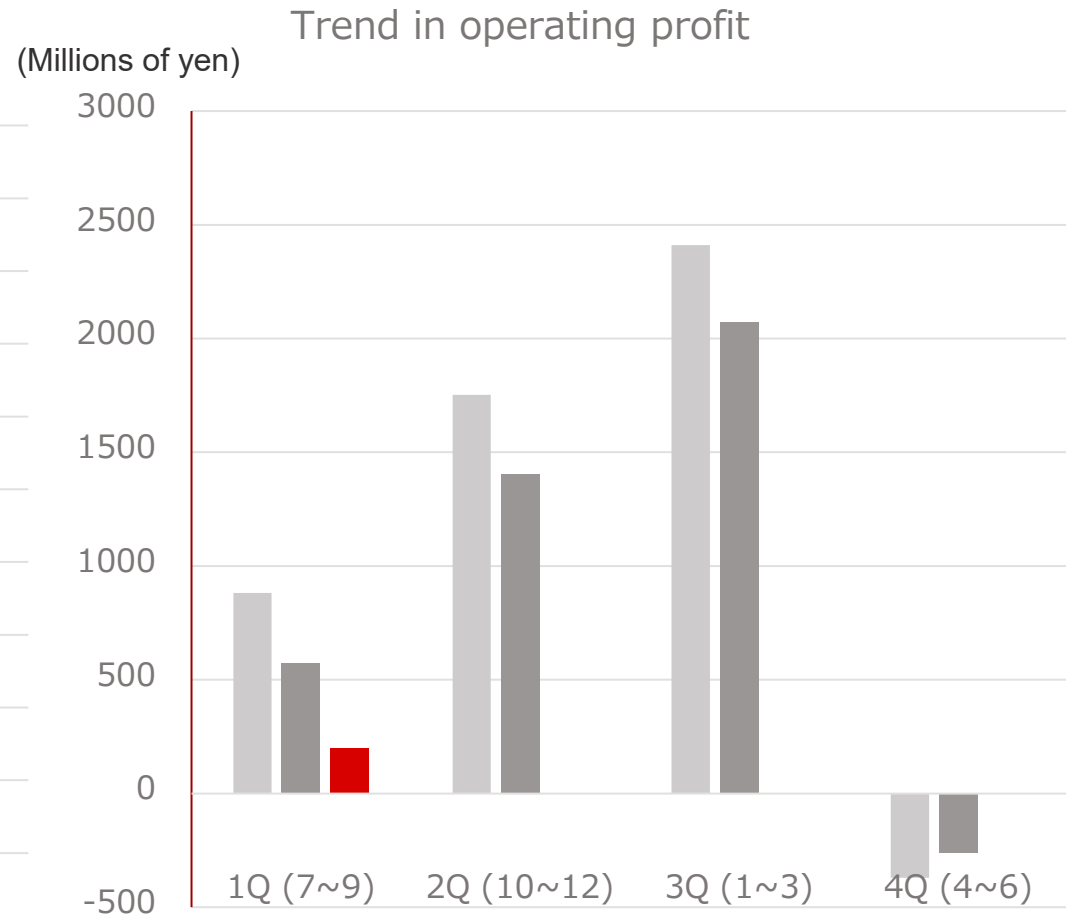
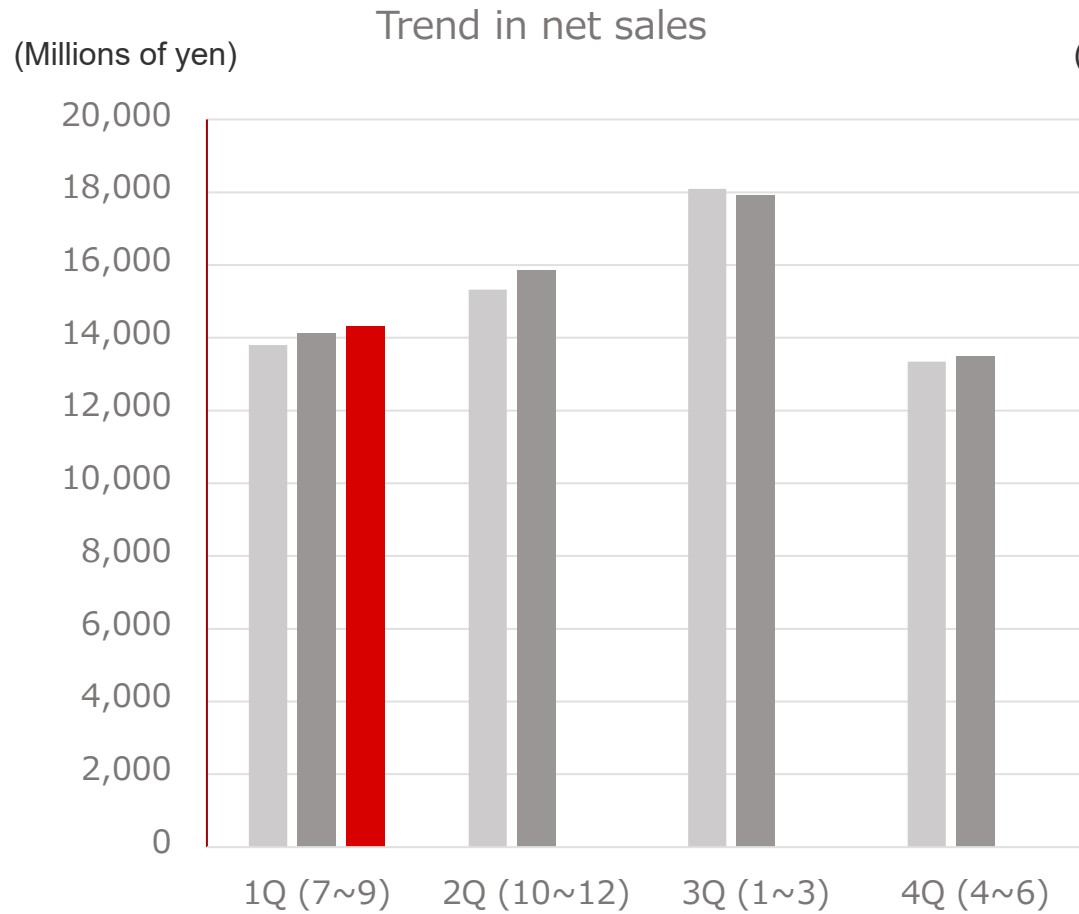
# Factors Contributing to Changes in Operating Profit

- Sales were substantially below the planned target given adverse circumstances surrounding customers' businesses. This included, for certain consumer goods manufacturers, a decline in their earnings after a sharp spike in raw materials costs and difficulties in raising prices strategically, as well as a decrease in the number of new products.
- Operating profit fell sharply given the inability to offset the increases in costs, personnel expenses and investment in association with the sales growth plan.



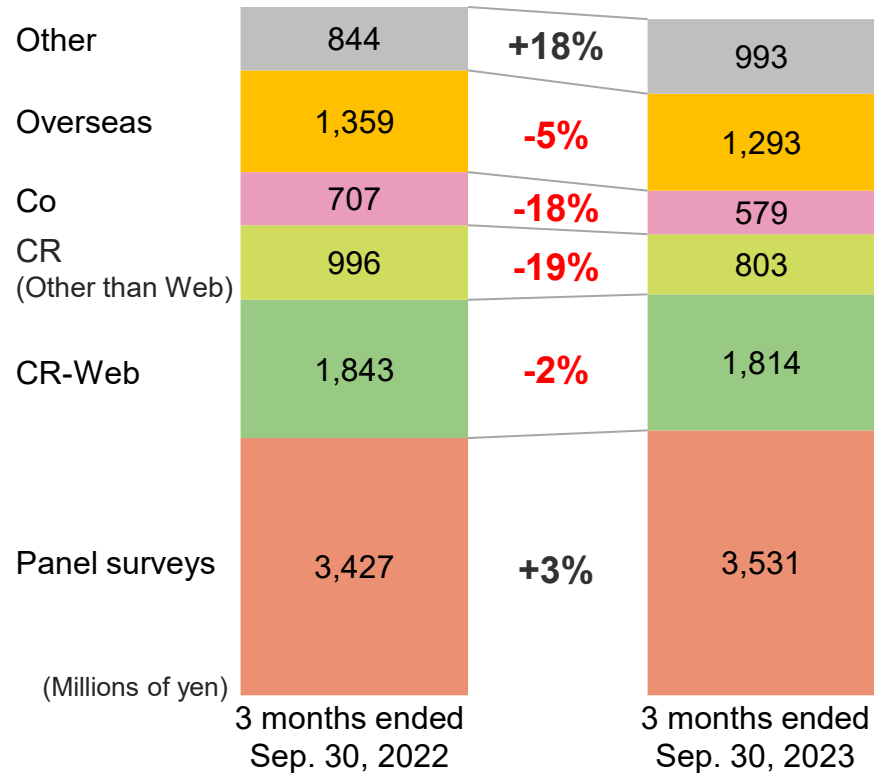
## Business conditions and major factors contributing to the decrease in profit (including unplanned factors)

- Net Sales**
  - Some customers, many of whom are consumer goods manufacturers, tightened their budgets. That resulted in net sales falling below target.
  - In Intage Healthcare Co., Ltd.'s custom research, Internet surveys were sluggish while qualitative surveys were healthy. Net sales ended far below the target.
- Personnel expenses**
  - Personnel expenses increased as planned, with the aim of strengthening the structure in anticipation of sales growth.
  - An increase in TOB-related expenses.
  - After KYOWA KIKAKU Ltd. won a large project, expenses (costs) for product and data purchases increased.
- Investment**
  - Investments in CX Marketing Platform and in the revamp of SCI were made as planned and costs rose accordingly.



■ Year ended June 30, 2022    ■ Year ended June 30, 2023    ■ Year ended June 30, 2024

## Net sales breakdown by product



- **Other:** Public-sector projects, Research and Innovation's CODE, etc.
- **Overseas:** Sales from overseas subsidiaries (excluding healthcare)
- **Co:** Communications area (i-SSP, Media Gauge, di-PiNK, etc.)
- **CR (Other than Web):** Custom research through methods other than Internet surveys (such as qualitative research, offline survey, and outbound)
- **CR-Web:** Internet surveys of custom research areas
- **Panel surveys:** SRI+, SCI, etc.

## Decrease in sales and profits

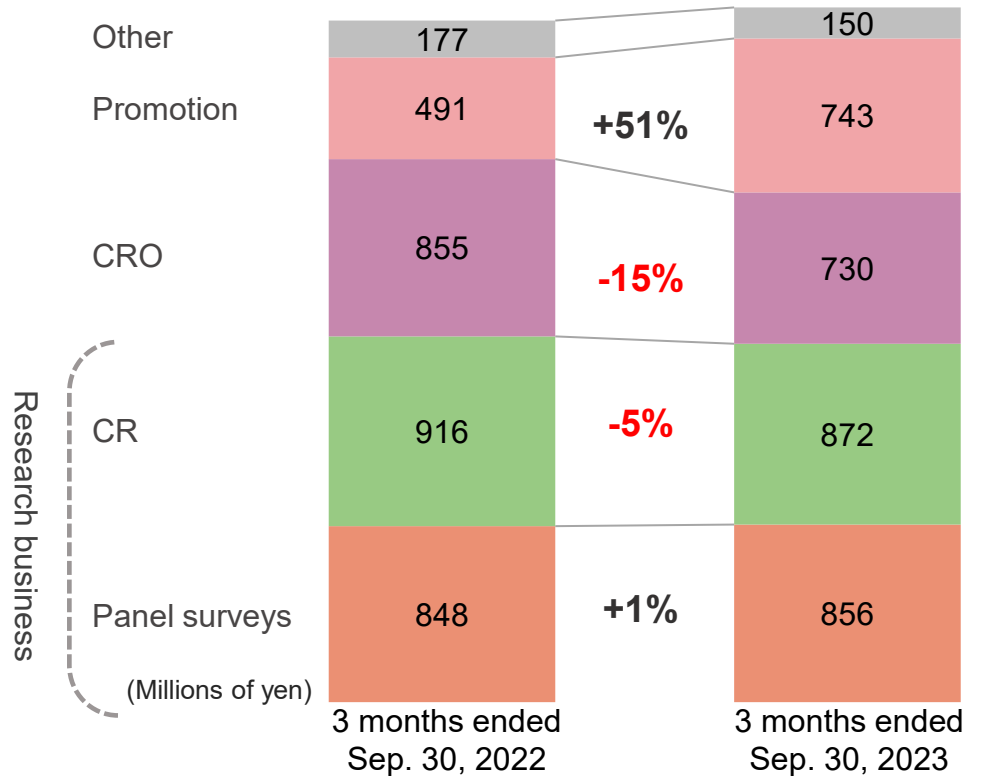
(Millions of yen)

	22/9	23/9	Y/Y	Operating profit margin
Net sales	9,179	9,015	-1.8%	
Operating profit	112	-295	-	-

### <Financial Results Highlights>

- Mainstay panel surveys attained brisk results.
- Results in custom research dropped year on year as customers tightened their marketing budgets amid soaring raw material prices.
- Research and Innovation Co., Ltd., the provider of research using CODE, posted healthy sales.
- In overseas business, sales were strong in Vietnam and in Thailand, while they were weak in dataSpring Inc. and in Singapore.
- Investment activities were carried out as planned towards establishing CX Marketing Platform and revamping SCI.
- Profit decreased, chiefly because net sales were below the forecast and investment expenses increased.

### Net sales breakdown by product



- Other:** Healthcare sales of overseas subsidiaries, etc.
- Promotion:** Promotion-related business conducted by Kyowa Kikaku Ltd.
- CRO (Contract Research Organization):** Post-marketing surveillance, etc.
- CR:** Custom Research
- Panel surveys:** SRI+, Impact Track, prescription DB, etc.

## Sales increased, but profit decreased

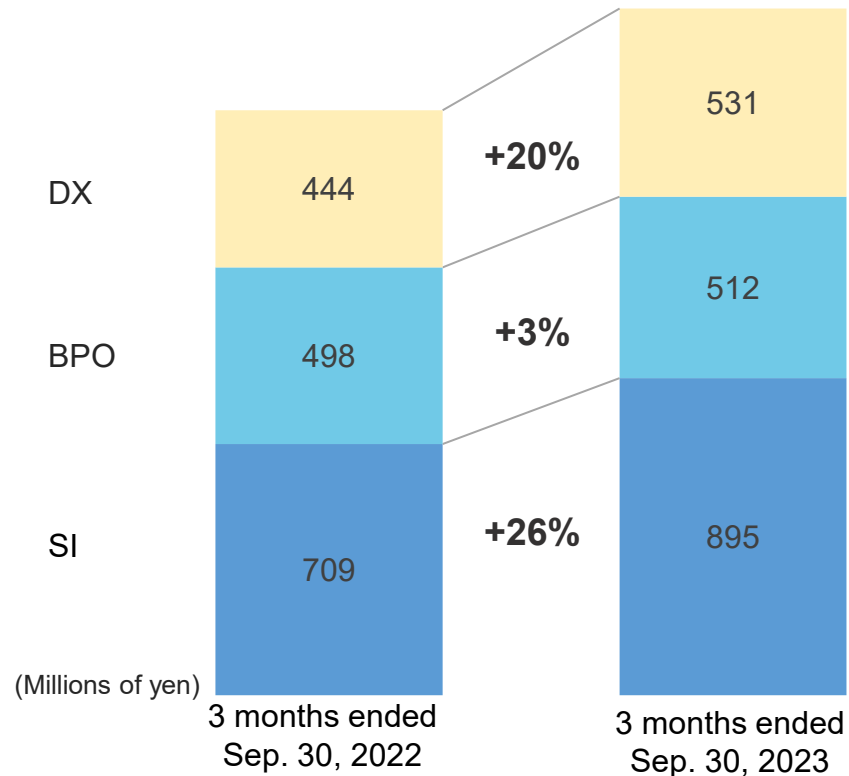
(Millions of yen)

	22/9	23/9	Y/Y	Operating profit margin
Net sales	3,289	3,353	+2.0%	
Operating profit	374	255	-31.9%	7.6%

### <Financial Results Highlights>

- At Intage Healthcare Inc., the mainstay research business record results that fell short of those posted in the same period a year earlier.
- Currently, the performance of the research business is moving into a recovery.
- Sales of the contract research organization (CRO) business were down year on year. This is a reactionary fall after a large project in the previous fiscal year.
- KYOWA KIKAKU Ltd. saw net sales rise after winning a new drug launch project and a large project. It is working to improve the gross margin.
- Profit dropped after a decline in sales in high profitability areas of the research business.

Net sales breakdown by area



- **DX:** Support for promotion of DX-related areas in companies
- **BPO and maintenance operations:** BPO services such as business process efficiency improvement, system maintenance and management, etc.
- **SI:** System development, etc.

## Increase in sales and profit

(Millions of yen)

	22/9	23/9	Y/Y	Operating profit margin
Net sales	1,650	1,938	+17.4%	
Operating profit	86	239	+176.1%	12.3%

### <Financial Results Highlights>

- At INTAGE TECHNOSPHERE Inc., as the COVID-19 pandemic drew to an end, the order backlogs for SI projects steadily accumulated, particularly for the travel industry, exceeding the level of a year earlier. .
- Sales were bullish in the DX support area and in the health information area.
- Buildsystem Co., Ltd. and NSK Co., Ltd. achieved higher sales than in the same period of the previous fiscal year.
- Profit rose due to sales growth.

### INTAGE TECHNOSPHERE Inc.'s business lineup

INTAGE TECHNOSPHERE provides IT solutions to INTAGE Group clients. It is engaged in the establishment and operation of systems, the operation of data centers, etc.

Examples of solutions: Payment systems for travel agencies, health management support services, pharmaceutical companies' sales information systems, publishing POS systems, trade area analyses, AI solutions.

# Synergy from Capital and Business Alliance with NTT DOCOMO

On September 6, 2023, the Company announced a tender offer for its shares by, and a capital and business alliance agreement with, NTT DOCOMO, INC. On October 23, the tender offer was successfully completed. As NTT Docomo held a 51% stake, the Company became a consolidated subsidiary, while its stock listing on the Tokyo Stock Exchange Prime Market was maintained.



Maximize the value of NTT Docomo's customer base of 97 million people (as of September 2023) and the abundance of behavioral data with the Intage Group's data handling capabilities, including data collection, aggregation, analysis and visualization

## Seek to produce five synergy effects

(1) ID-based and one-stop marketing support centering on consumers for daily consumer goods manufacturers

(2) Comprehensive support for distribution and retailing value chains

(3) Entry into new business domains in the areas of customer satisfaction (CS) and employee satisfaction (ES)

(4) Full-funnel marketing support with a focus on consumers for durable consumer goods manufacturers and service operators

(5) Strengthening of capacity of healthcare-related industries to solve social issues

Development of a tool for offering **CX Marketing Platform** underway

Alliance with NTT DOCOMO will increase opportunities of exhibiting value

Realization of Synergy Effect (1): Make integrated use of the two companies' management resources to construct a virtual customer relationship management (CRM) platform that allows companies without a member base to communicate with individual customers in a bid to realize ID-based and one-stop individual customer marketing covering all processes including research, communication, sales promotion and customer cultivation

Offer one-stop research, advertising and sales promotion services with the integrated use of the new SCI and CODE







appendix

# Quarterly net sales breakdown by product

(Millions of yen)		1 Q			2 Q (Cumulative)			2 Q (Noncumulative)		
		Year ended June 30, 2022	Year ended June 30, 2023	Year ended June 30, 2024	Year ended June 30, 2022	Year ended June 30, 2023	Year ended June 30, 2024	Year ended June 30, 2022	Year ended June 30, 2023	Year ended June 30, 2024
C G & S	Panel Surveys	3,355	3,427	3,531	7,007	7,139		3,652	3,712	
	CR-WEB	1,788	1,860	1,814	4,091	4,290		2,303	2,430	
	CR (Other than WEB)	951	977	803	2,050	2,047		1,099	1,070	
	Co	631	713	579	1,330	1,377		699	664	
	Overseas	1,043	1,359	1,293	2,128	2,796		1,085	1,437	
	Other	845	839	993	1,558	1,589		713	750	
H C	Panel Surveys	859	848	856	1,821	1,824		962	976	
	CR	1,030	914	872	2,435	2,247		1,405	1,333	
	CRO	794	855	730	1,662	1,749		868	894	
	Promotion	608	491	743	1,251	1,125		643	634	
	Other	171	177	150	336	352		165	175	
B I	SI	814	709	895	1,606	1,471		792	762	
	BPO and maintenance	549	498	512	1,054	1,032		505	534	
	DX	361	444	531	798	917		437	473	

※ Because of changes in product categories within the same segment, some of the sales may differ from the sales by product disclosed until the previous fiscal year. (The figures in this section are consistent with the sales by product and by sector in pages 5 through 7 of this document.)

※ The division of the BI segment has been changed from the 4Q of the fiscal year ended June 30 of 2023, and the figures for the previous fiscal years are retrospectively revised.

# Quarterly net sales breakdown by product

(Millions of yen)	3 Q (Cumulative)			3 Q (Noncumulative)			4 Q (Cumulative)			4 Q (Noncumulative)		
	Year ended June 30, 2022	Year ended June 30, 2023	Year ended June 30, 2024	Year ended June 30, 2022	Year ended June 30, 2023	Year ended June 30, 2024	Year ended June 30, 2022	Year ended June 30, 2023	Year ended June 30, 2024	Year ended June 30, 2022	Year ended June 30, 2023	Year ended June 30, 2024
C G & S	Panel Surveys	10,653	10,830		3,646	3,691		14,269	14,561		3,616	3,731
	CR-WEB	6,600	6,683		2,509	2,393		8,148	8,321		1,548	1,638
	CR (Other than WEB)	3,402	3,471		1,352	1,424		4,103	4,358		701	887
	Co	2,104	2,040		774	663		2,794	2,713		690	673
	Overseas	3,566	4,385		1,438	1,589		4,574	5,355		1,008	970
	Other	3,934	4,000		2,376	2,411		4,611	4,842		677	842
H C	Panel Surveys	2,712	2,732		891	908		3,578	3,620		866	888
	CR	3,663	3,422		1,228	1,175		4,507	4,422		844	1,000
	CRO	2,603	2,572		941	823		3,438	3,180		835	608
	Promotion	1,924	1,721		673	596		2,438	2,276		514	555
	Other	470	506		134	154		589	654		119	148
B I	SI	2,486	2,415		880	943		3,235	3,054		749	639
	BPO and maintenance	1,627	1,668		573	635		2,221	2,148		594	480
	DX	1,271	1,438		473	521		1,721	1,879		451	441

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