

FY6/2024 Q1 Financial Results

November 14, 2023



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Notes for this entire material

- 1. 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)
- 2. Figures of Korea Business may change after local auditor’s audit process
- 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 Macromill EMBRAIN, performed without taking into account the effect of the fluctuations since the same period in the prior year, but please note, it only excludes the effect of currency exchange between the Won/Yen, but not exclude the effects of currency exchange on all local currencies. Please see the following table for the actual exchange rate applied.

	Q1 (3 Months)	
	FY6/2023 Q1	FY6/2024 Q1
1 KRW =	0.1033	0.1107

Two Key Points in our New Mid-Term Business Plan (MTBP)

1

**Refocus on our Core Business
“Online and Digital Research”**

for our Profit Margin Improvement

2

**Continue our Effort on
“Business Model Transformation⁽¹⁾”**

for Continued & Stable Growth of our Revenue

Note

1. For more information, please refer to the appendix p.46

New MTBP: Business Segments & Growth Target

Reprint

We aim to improve Profit through steady growth and productivity improvement in Focus business and strong Revenue growth in Future business

			FY6/2024 Guidance & YoY Growth	FY6/2026 MTBP Target & 3Y CAGR
Consolidated Revenue	Japan Business Segment	Focus	14.9bn JPY YoY +5%	17.4bn JPY +7%
		Future	7.6bn JPY YoY +27%	11.8bn JPY +25%
		Foundation	15.7bn JPY YoY +6%	16.7bn JPY +4%
	Korea Business Segment		5.8bn JPY YoY +2%	7.0bn JPY +7%
	Consolidated Operating Profit			5.6bn JPY YoY +25%

FY24 OP growth rate to improve in 2H due to FY23's weakness in the same period while 1H OP growth rate to decrease (decrease in Q1, increase in Q2)

Assumptions of FY6/2024 announced in Full Year Earnings Announcement (Aug. 14th)

	Revenue	Operating Profit	Key Points
1H	<p>21.8bn JPY YoY +7%</p>	<p>2.6bn JPY YoY -7%</p>	<ul style="list-style-type: none"> Total Employee Expenses increased due to increase in headcount in 2nd Half of FY6/2023 As a result, we anticipate decrease in profit in 1st Half
2H	<p>22.2bn JPY YoY +10%</p>	<p>3.0bn JPY YoY +38%</p>	<ul style="list-style-type: none"> Q3 is the busy period for our highly profitable Focus business Increase in Total Employee Expenses to come to end and previous year's M&A expense not expected in this fiscal year As a result, we anticipate a significant increase in profit in 2H
Full Year	<p>44.0bn JPY YoY +8%</p>	<p>5.6bn JPY YoY +25%</p>	<ul style="list-style-type: none"> We anticipate increase in Total Employee Expenses to be slightly higher than Revenue growth We anticipate increase in Panel Expenses, Outsourcing Expenses, and Other Expenses to be lower than Revenue growth

FY6/2024 Q1: Key Takeaways

- Consolidated Q1 Revenue and Business Profit exceeded our Initial Guidance
- Main factors for the successful business progresses are due to improved productivity and strengthened sales activities in Japan Business
- Incurred an equity method loss of 383M JPY due to impact of business sentiment and PMI costs of Toluna

		FY6/2023 Q1 ⁽²⁾	FY6/2024 Q1	YoY Growth
Consolidated	Revenue	8.90bn JPY	9.60bn JPY	+8%
	Business Profit ⁽¹⁾	0.87bn JPY	0.71bn JPY	-18%
Japan Business Segment	Revenue	7.77bn JPY	8.49bn JPY	+9%
	Business Profit ⁽¹⁾	0.75bn JPY	0.68bn JPY	-9%
Korea Business Segment	Revenue	1.14bn JPY	1.11bn JPY	-2%
	Business Profit ⁽¹⁾	0.11bn JPY	0.02bn JPY	-82%

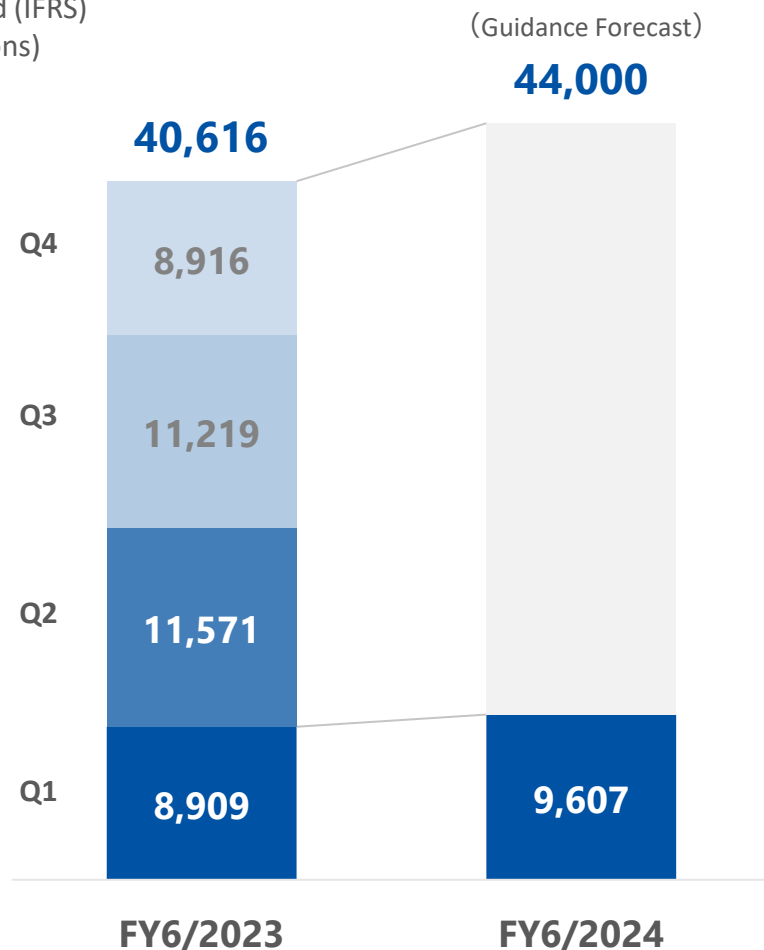
Note

1. The Company transferred its Overseas Business (ex-Korea) segment to Toluna in exchange for considerations, including a 17.4% stake in Toluna. This has resulted in Toluna being an equity-method affiliate of the Company from the fourth quarter of the fiscal year ended June 30, 2023. To show our actual business performance of the Macromill Group more accurately, we are showing our Business Profit, which subtracts equity method investment gains/losses related to Toluna from OP from FY24
2. Only the results related to continuing operations are shown

FY6/2024 Q1: Consolidated Revenue

Revenue growth exceeded the Initial Guidance
Steady growth will remain in Q2 onwards

Consolidated (IFRS)
(JPY in Millions)

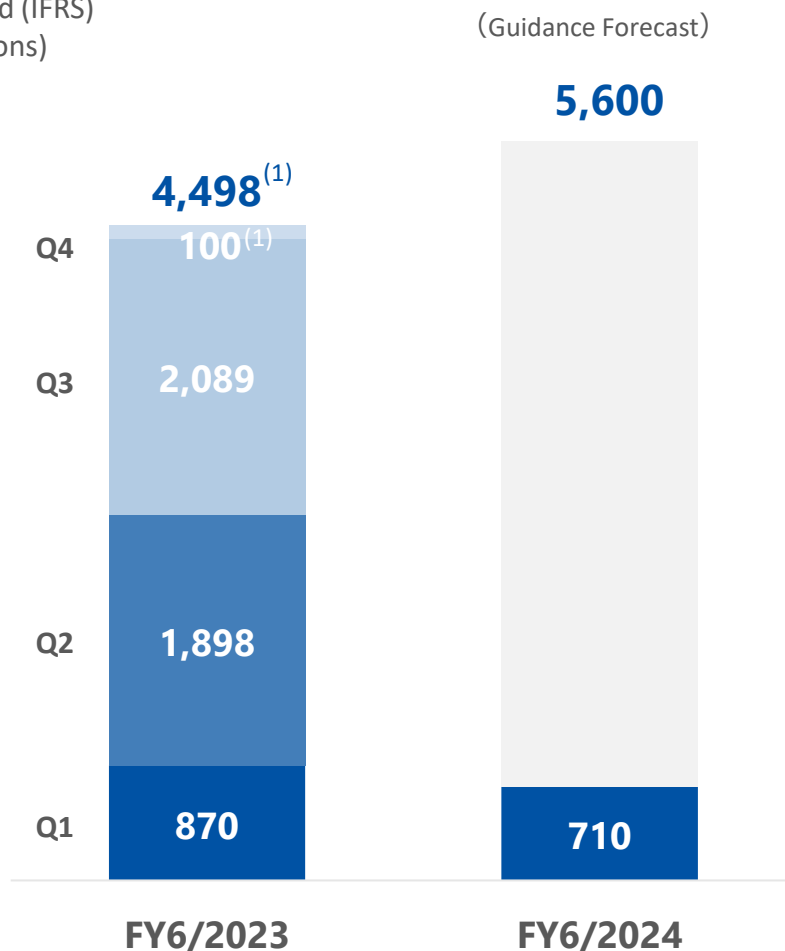


Q1 Actual
+8% YoY

FY6/2024 Q1: Consolidated Business Profit

Similar to our Revenue trend, Business Profit exceeded our Initial Guidance
In line with the Guidance, YoY Profit Increase likely from Q2

Consolidated (IFRS)
(JPY in Millions)



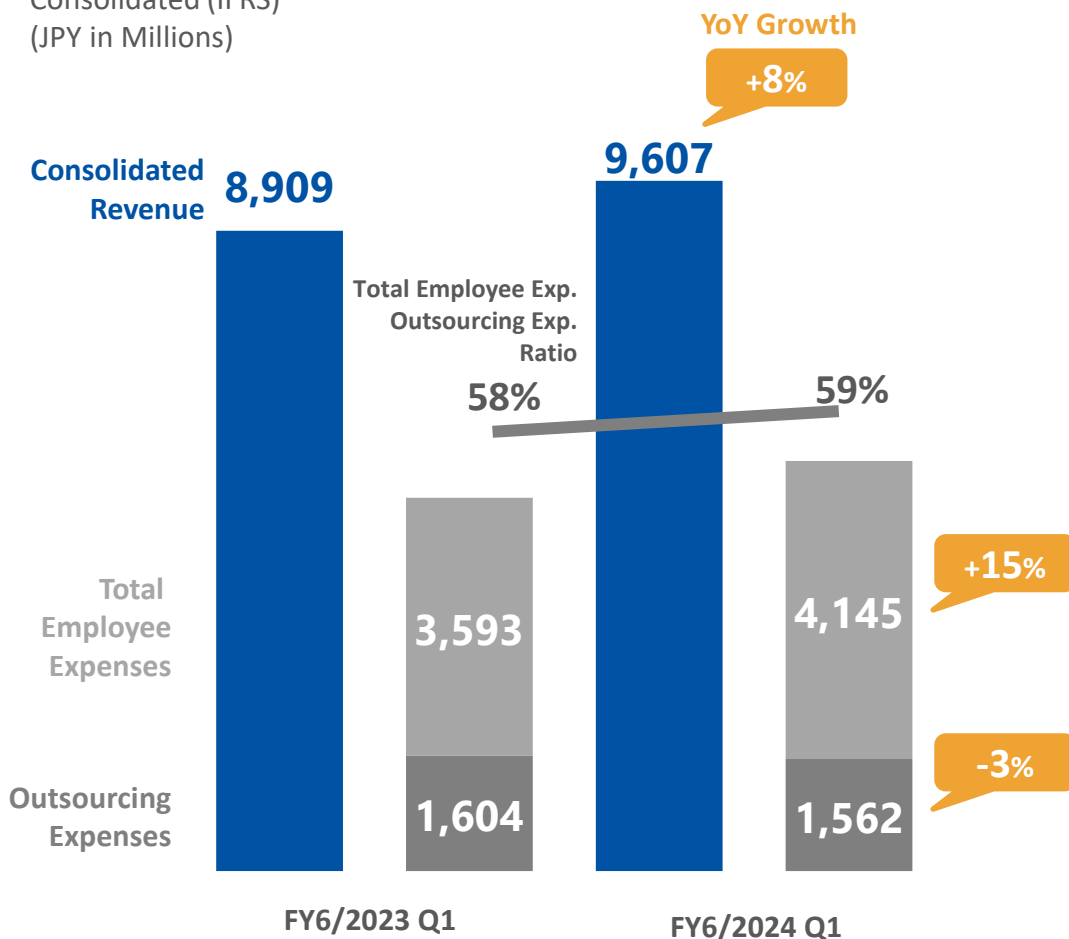
Q1 Actual
-18% YoY

Note
1. Figures for FY6/2023 full year and FY6/2023 Q4 exclude expenses recorded for the Overseas subsidiary transfer (M&A) transactions.

Controlled Total Employee Expenses as planned

Suppressed Outsourcing Expenses to the levels below FY6/2023 Q1

Consolidated (IFRS)
(JPY in Millions)

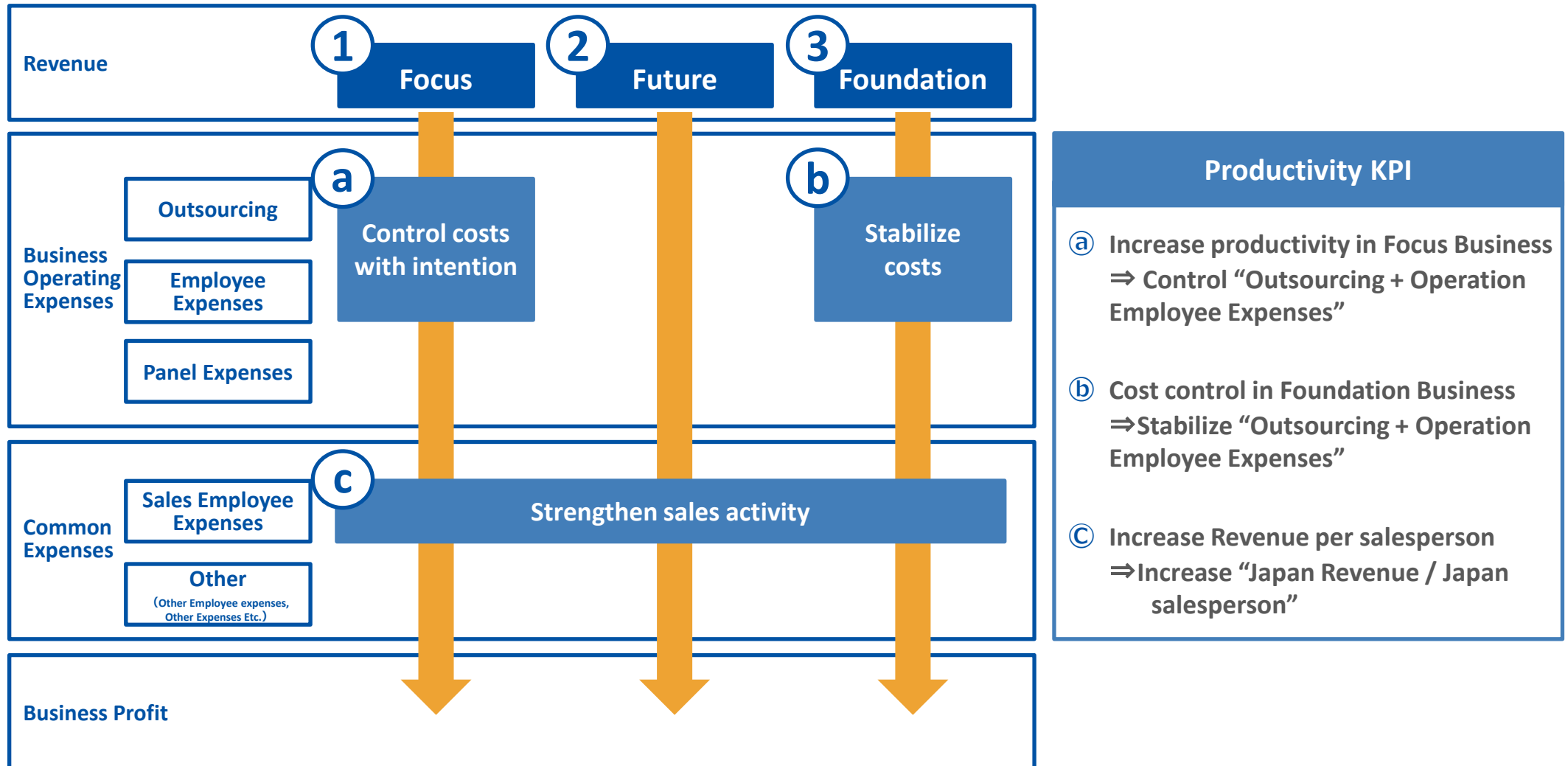


Key Point

- Total Employee Expenses:**
 Japan +476M JPY, Korea +75M JPY
 - Increase in headcount due to recruitment from FY23 2H (Compared to FY23 Q1, +141 Group, +129 in Japan, +12 in Korea)
 - Anticipate the reduction of the increase rate from 2H onwards
- Outsourcing Expenses:**
 JPY -11M JPY, Korea -28M JPY
 - Promoted in-house production as we have rebuilt research capacity in Japan
 - In addition, internal productivity has improved due to improvement of retention rate and proficiency
 - Continue to promote this initiative from Q2 onwards

**FY6/2024 Q1 Business Highlights
By Segments**

In Japan business, in addition to Revenue from each business “1 - 3”, implement initiatives “a - c” in cost perspective and disclose productivity KPIs

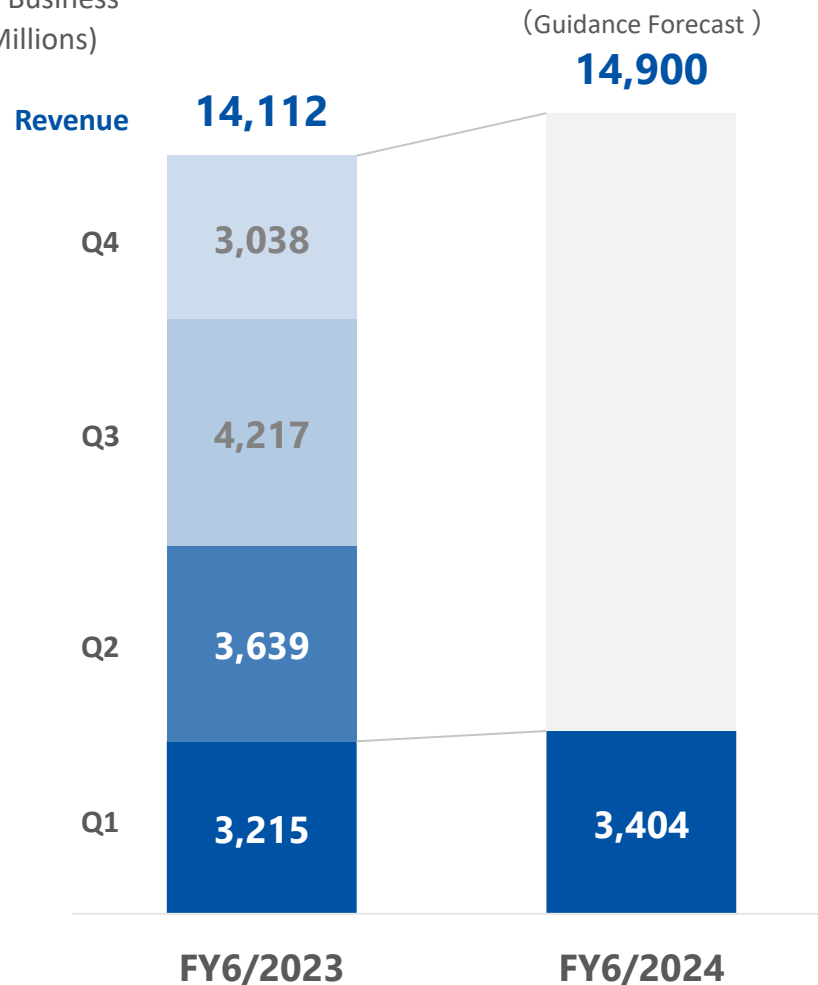


FY6/2024 Q1: Japan Segment ① Focus Business

+5% growth target for FY6/2024

Outbound sales activity is progressing favorably, making a good start from Q1

Japan Business Segment
① Focus Business
(JPY in Millions)



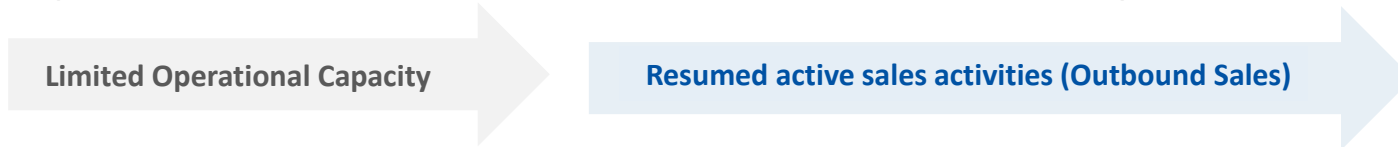
Q1 Actual
+6% YoY

① Services in Focus Business

- Online Research
- Digital Research (AccessMill • DMP Sync Research, etc.)

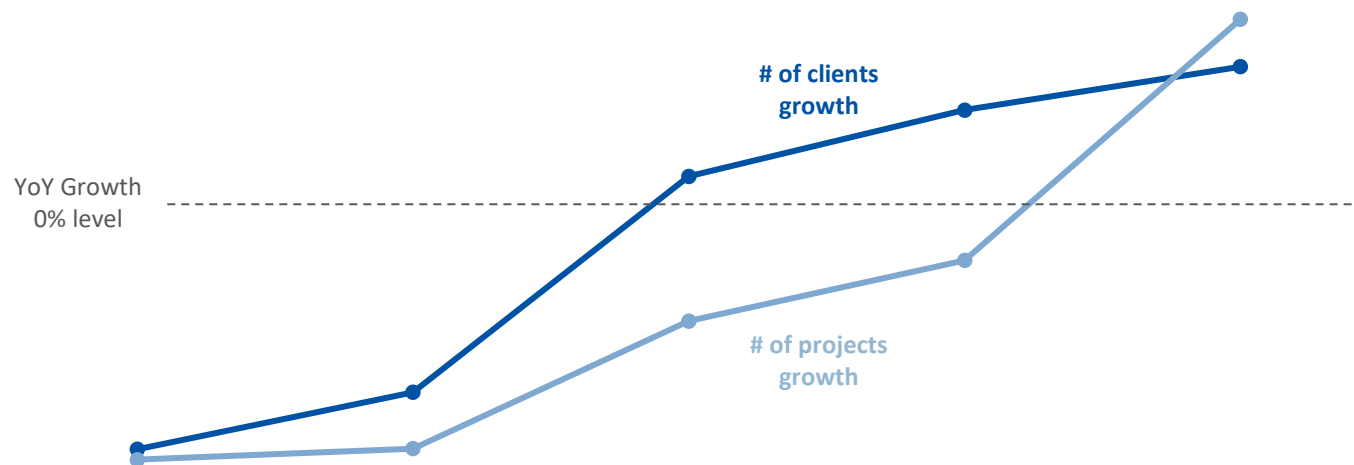
Resumed active outbound sales activities from FY23 2H

The number of companies and projects recovered in Q1 as we successfully rebuilt relationships with clients defected due to limited operational capacity



		FY6/2023				FY6/2024
		Q1	Q2	Q3	Q4	Q1
YoY growth	# of Clients	-13%	-10%	+2%	+5%	+7%
	# of Projects	-14%	-13%	-6%	-3%	+10%

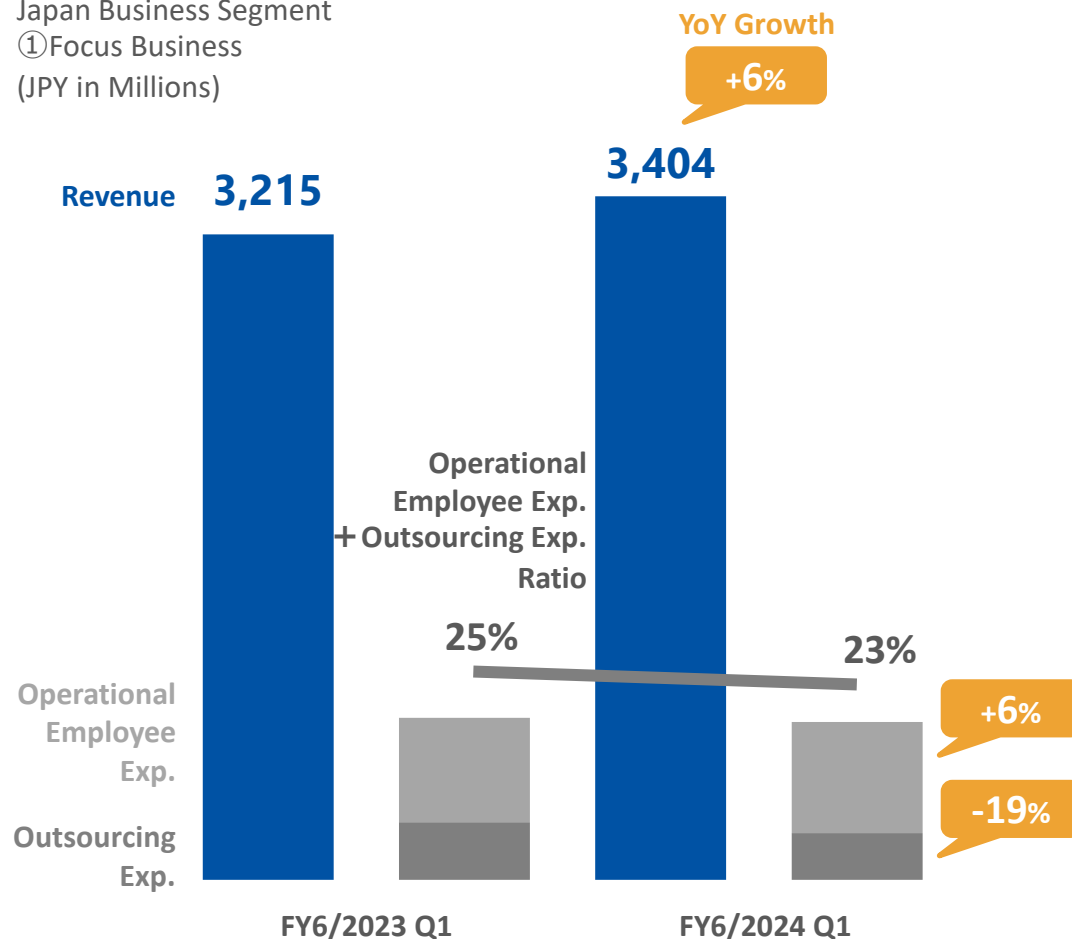
of Clients and Projects Quarterly YoY Growth Trend



Productivity improvement in Focus business is a key measure for FY24

By controlling Outsourcing Expenses, we improved the Outsourcing Expense + Operating Employee Expense ratio by 2 points

Japan Business Segment
①Focus Business
(JPY in Millions)



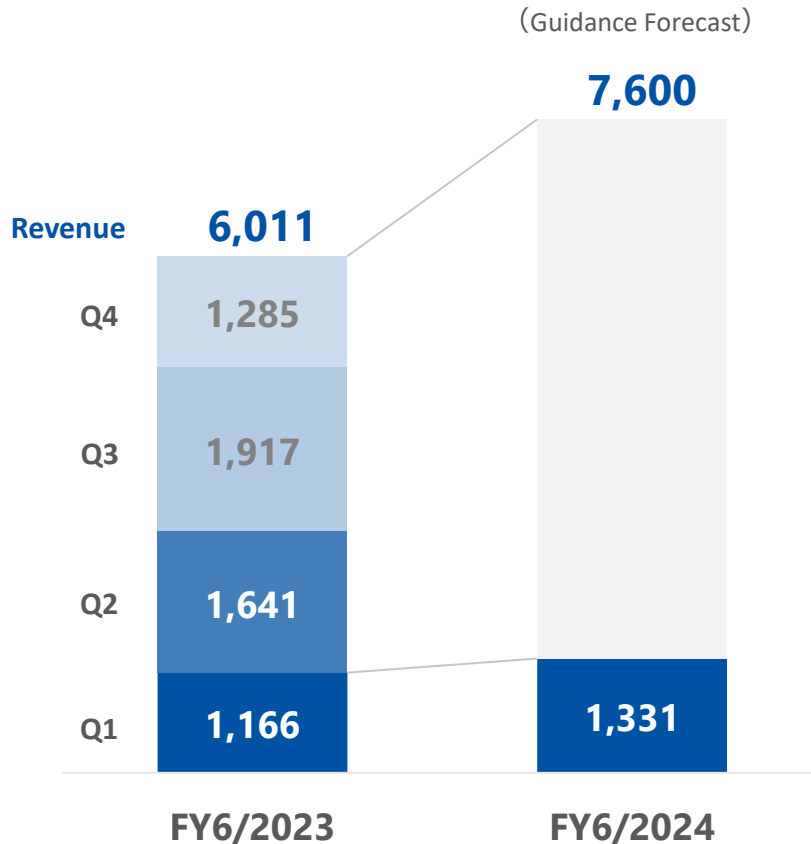
Key Point

- **Outsourcing Expenses: -19% YoY**
 - Outsourcing Expenses have decreased on an actual basis due to an increase in-house production and improved internal productivity
- **Operational Employee Expenses: +6% YoY**
 - Increased at the same level as Revenue growth rate
 - Reduced workload by reviewing operational processes
 - Implementing initiatives to promote business automation
 - Expand in-house production capacity through the initiatives above

FY6/2024 Q1: Japan Segment ②Future Business

Growth target of +27% for FY24, business group with large project scale
Consulting business performed well, and we anticipate New Business will accelerate the growth from Q2 onwards

Japan Business Segment
②Future Business
(JPY in Millions)



Q1 Actual
+ 14% YoY

② Services in Future Business

- Consulting
- Global Research (Southeast Asia, incl. China)
- New Business (Life Science, Ads, etc..)

Consulting

Data consulting from strategy to execution

Q1 Actual

345_{M JPY}
(YoY+32%)

- Recruitment is progressing well, and we anticipate strong growth will remain in Q2

Global Research

(Southeast Asia, including China)

Marketing research for Japanese companies in overseas markets
Marketing research in Southeast Asia

Q1 Actual

652_{M JPY}
(YoY+11%)

- Anticipate double-digit growth will continue in Q2 onward

New Business

(Life Science, Ads, etc.)

Life Science: Marketing support in the healthcare field
Ads: Real-time advertising distribution based on data, etc.

Q1 Actual

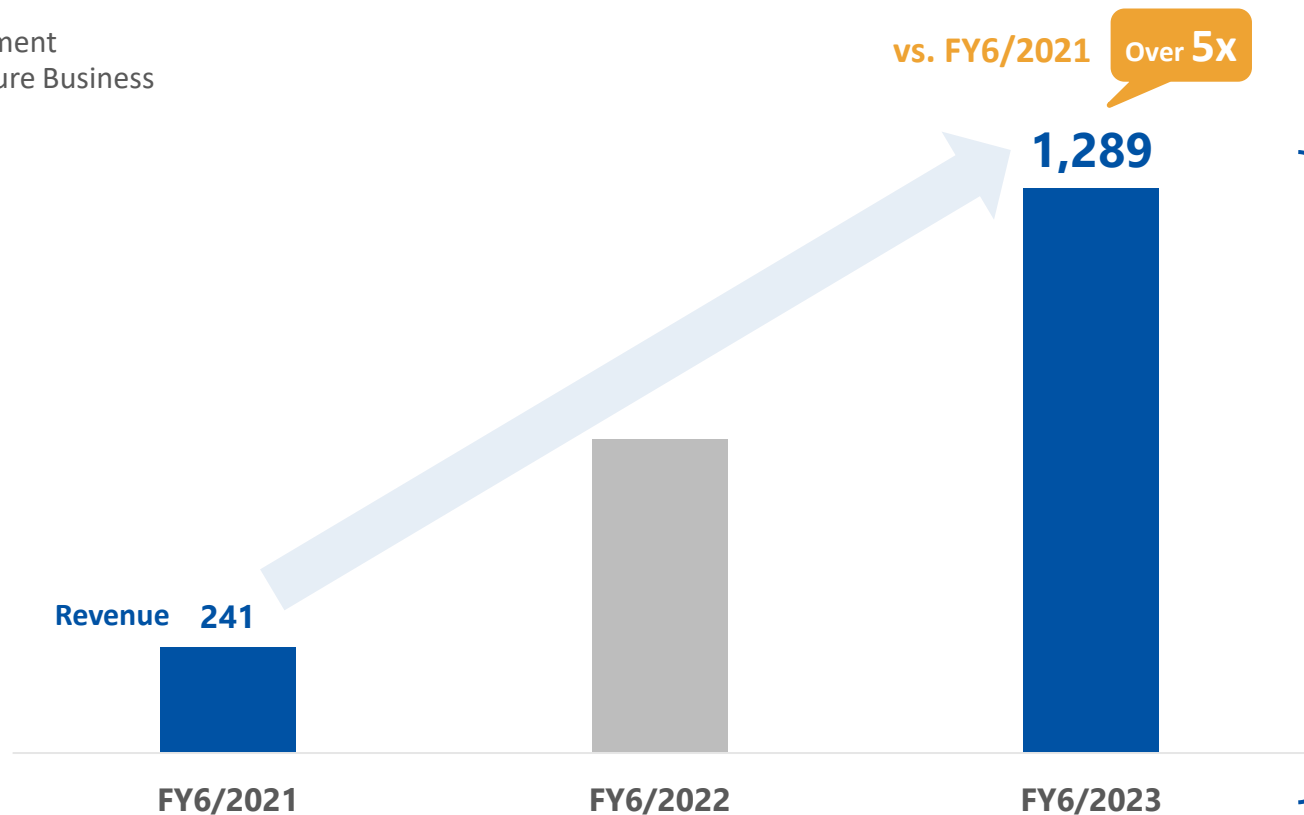
332_{M JPY}
(YoY+5%)

- Although Life Science temporarily slowed down in Q1, project orders are accumulating, and we anticipate Revenue will increase significantly from Q2 onwards
- Ads business is struggling due to market conditions

Consulting has grown into a business with Revenue of over 1 bn JPY within two years of starting the business

Powerfully driving the growth of Future Business

Japan Business Segment
 ②Consulting in Future Business
 (JPY in Millions)



Clients and Industries	
FMCG	Cosmetics
Payment Card Services	Banking
TV Broadcasting	Insurance
Convenience Stores	Clothing Brands

# of Company	2	→	28
# of Consultant	18	→	56

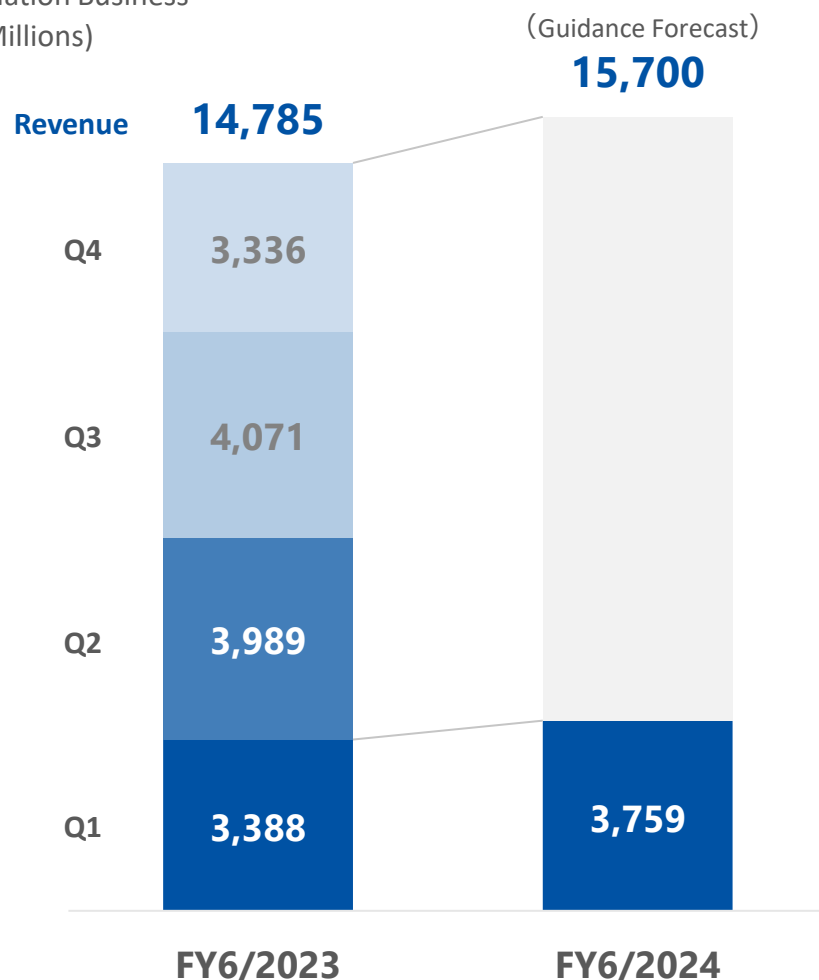
Expanding # of clients, Consultants in favorable pace

FY6/2024 Q1: Japan Segment ③ Foundation Business

Growth target of +6% for FY24, strong growth in Q1 due to the impact of acquisition of Monitas

We anticipate strong growth will remain in Q2 onward

Japan Business Segment
③ Foundation Business
(JPY in Millions)



Q1 Actual
+11% YoY

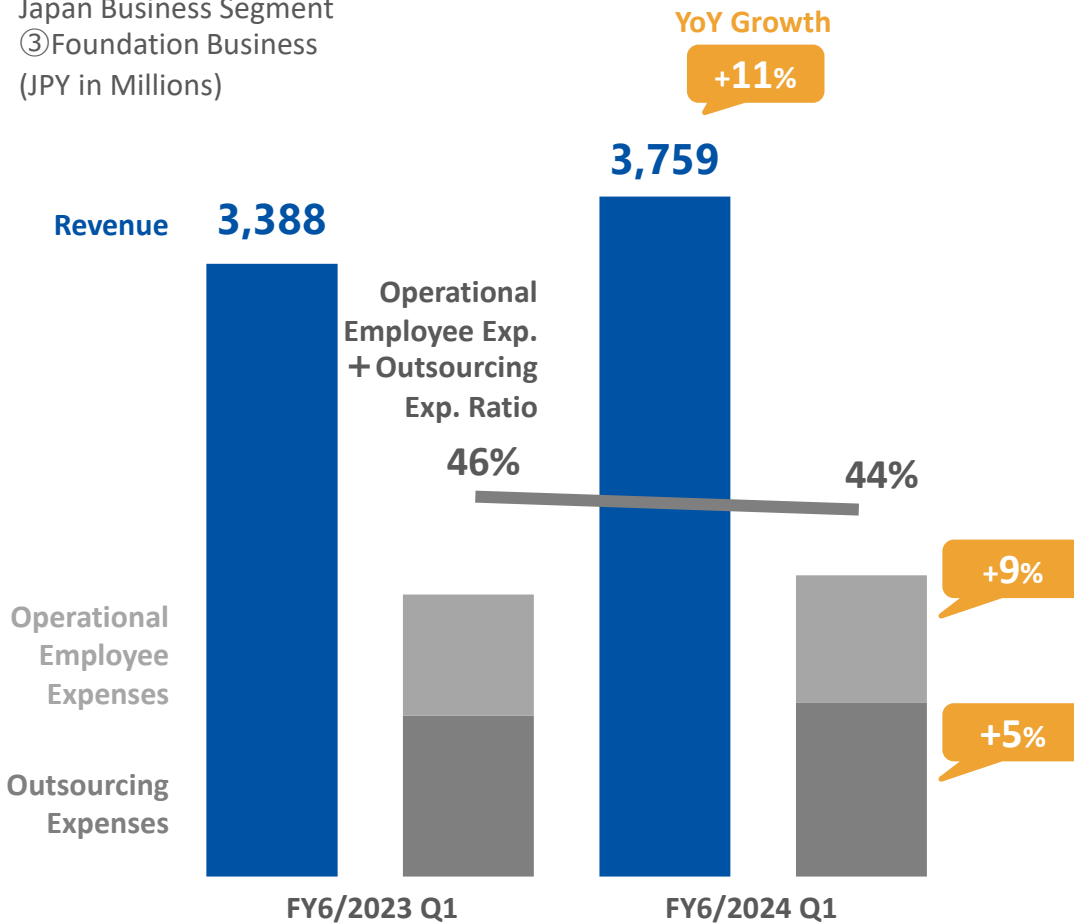
③ Services in Foundation Business

- Joint Ventures with Ad agencies (DMI, HMM, others, etc.)
- Offline Research
- Database Service

*Internal transactions between groups are offset and eliminated in this category for convenience due to the large scale of transactions with this category.

Revenue growth improved the Outsourcing Expenses + Operational Employee Expenses ratio by 2 points

Japan Business Segment
③Foundation Business
(JPY in Millions)

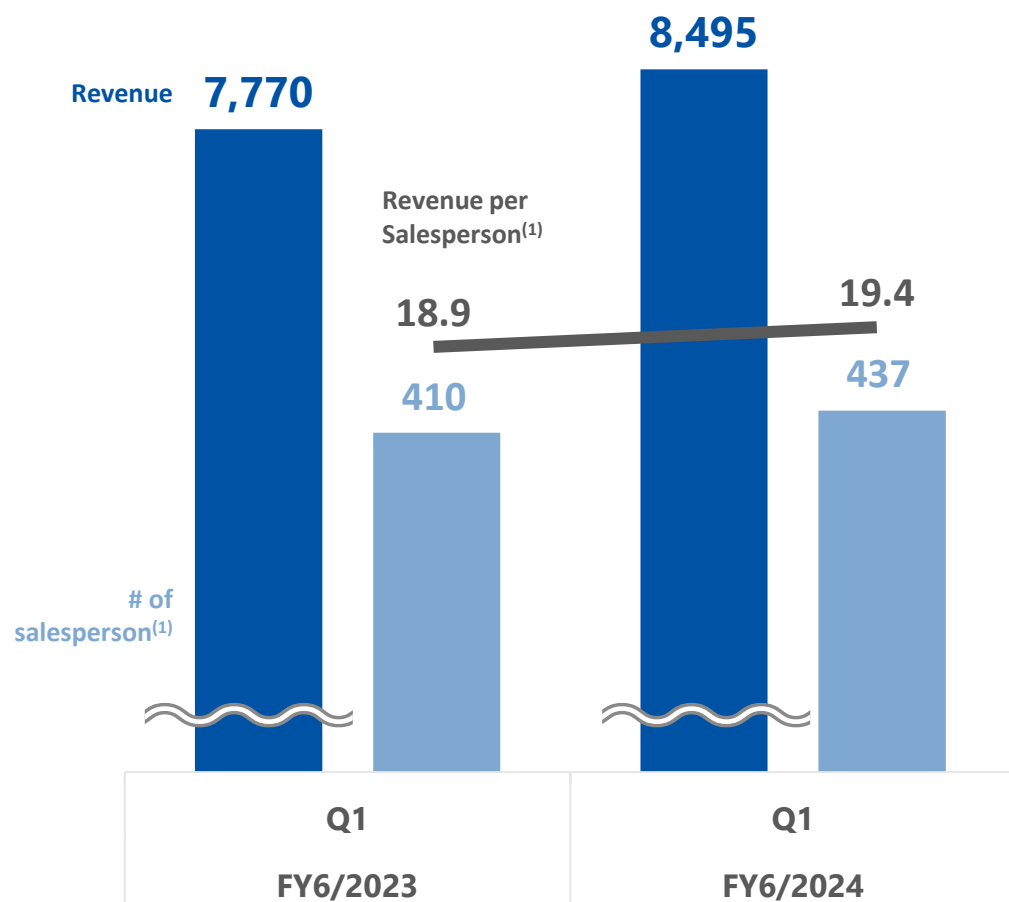


Key Point

- Outsourcing Expenses and Operational Employee Expenses to the Revenue have decreased due to increased Revenue, and improved sales mix at subsidiaries
- Outsourcing Expenses: +5% YoY
 - The increase was less than the Revenue growth
- Operational Employee Expenses: +9% YoY
 - The increase was less than the Revenue growth

Revenue per salesperson has increased by lifting the operational capacity restrictions

Japan Business Segment
(JPY in Millions, people)



Key Point

- **Salesperson Headcount: +27 people vs FY23 Q1**
 - Increase due to increase in headcount in new businesses, acquisition of Monitas, etc.
- **Revenue per Salesperson**
 - From Q2 onwards, Revenue per salesperson tends to expand due to an increase in Revenue scale as we enter the busy season
 - Furthermore, from Q2 onwards, we plan to expand the sales incentive design between group companies and strengthen mutual customer referrals

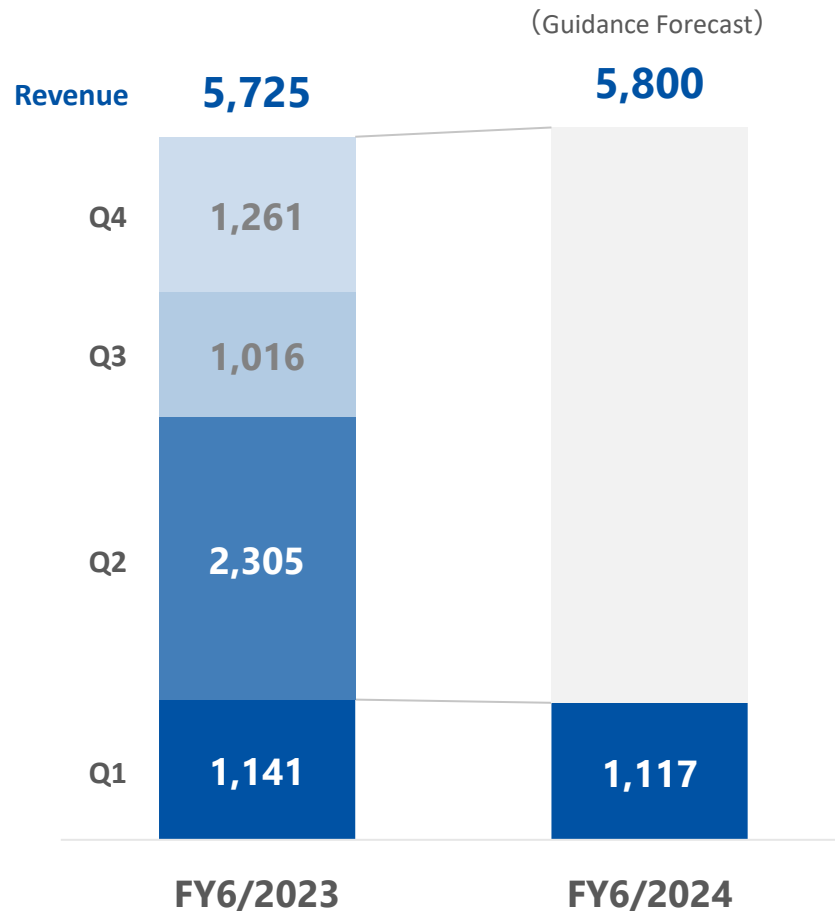
Note
1. Number of people involved in sales activities among all employees of our companies in Japan

FY6/2024 Q1: Korea Segment

+2% growth target for FY24

**The impact of economic downturn will continue in 1H,
and we aim to recover from 2H onwards**

Korea Business Segment
(JPY in Millions)



Q1 Actual

-2% YoY

(-9% in Constant FX)

FY6/2024 Q1 Financial and Business Update
By Segments

Consolidated Statement of Operations (P/L) ⁽¹⁾

Q1 (3 Months)

23

Q1 resulted in strong performance in Japan business, exceeding the Initial Guidance in Revenue and Business Profit

FY6/2024 Q1 (3 Months)

Consolidated (IFRS)
(JPY in Millions)

	FY6/2023 Q1 Actual	FY6/2024 Q1 Actual	YoY Growth	YoY Variance
Revenue	8,909	9,607	+698	+8%
Japan Business Revenue	7,770	8,495	+724	+9%
Korea Business Revenue	1,141	1,117	(23)	(2%)
EBITDA ⁽²⁾	1,337	1,212	(165)	(12%)
Business Profit ⁽³⁾	870	710	(160)	(18%)
Japan Business Business Profit ⁽³⁾	757	689	(67)	(9%)
Korea Business Business Profit	112	20	(92)	(82%)
Business Profit Margin	9.8%	7.4%	(2.4pt)	-
Gains and losses of equity method of Toluna	-	(383)	(383)	-
Operating Profit	870	326	(544)	(63%)
Quarterly Profit from Continuing Operations Attributable to Owners of the Parent Company	305	(113)	(419)	-

Note

1. Segment figures are before the elimination of inter-segment transactions.
2. EBITDA = Business profit + depreciation and amortization + loss on retirement of non-current assets + impairment loss
3. The Company transferred its Overseas Business (ex-Korea) segment to Toluna in exchange for considerations, including a 17.4% stake in Toluna. This has resulted in Toluna being an equity-method affiliate of the Company from the fourth quarter of the fiscal year ended June 30, 2023. To show the business performance of the Group, the Company states Business Profit which subtracts the equity method investment gains/losses related to Toluna from Operating Profit from the fiscal year ending June 30, 2024.

FY6/2024 Q1: Consolidated Operating Expenses

Q1 (3 Months)

24

We have successfully maintained costs lower than the Initial Guidance

Most of the increase was due to an increase in Total Employee Expenses due to the headcount increase in FY23 2H

Additionally, the increase in D&A and Other is due to upfront investments such as updating the core research system

FY6/2024 Q1 (3 Months)

Consolidated (IFRS)
(JPY in Millions)

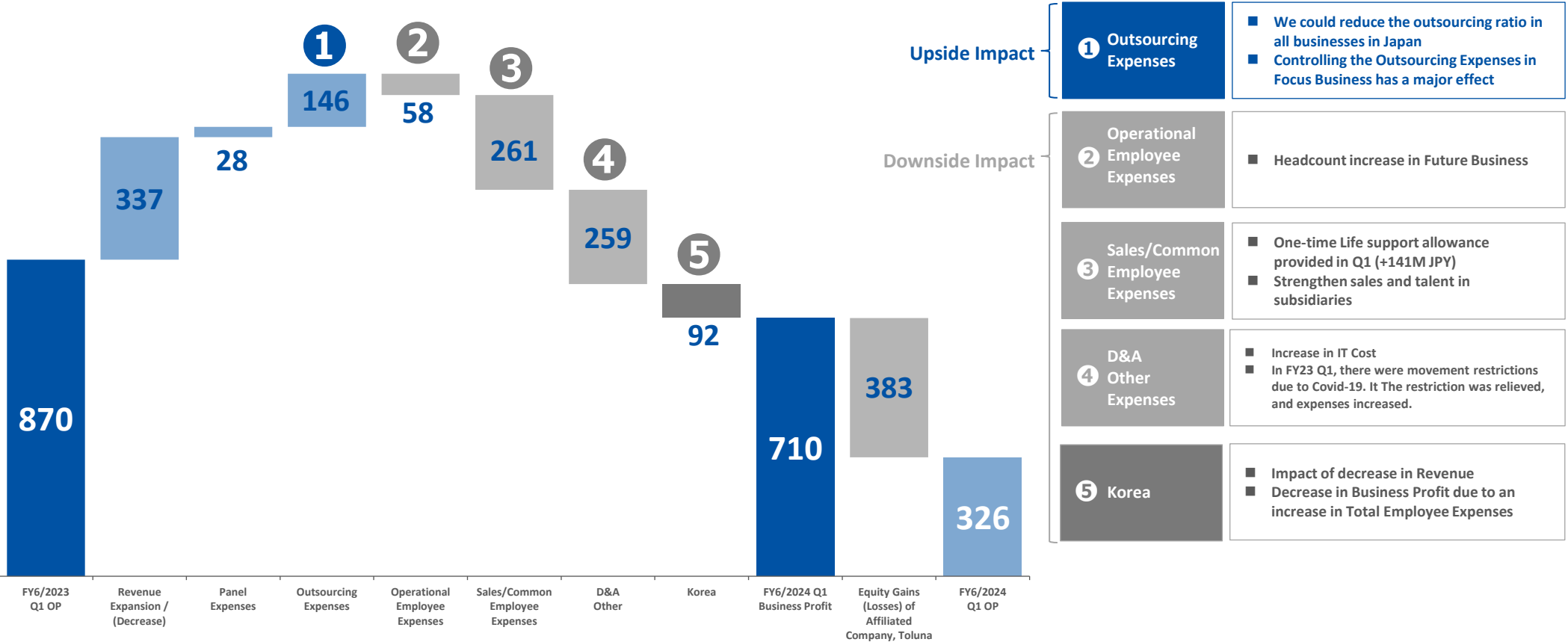
	FY6/2023 Q1 Actual	FY6/2024 Q1 Actual	YoY Growth	YoY Variance
Revenue	8,909	9,607	+698	+8%
Panel Expenses	1,188	1,258	+69	+6%
Outsourcing Expenses	1,604	1,562	(42)	(3%)
Total Employee Expenses	3,593	4,145	+552	+15%
D&A and Other Expenses	1,688	1,887	+198	+12%
Operating Expenses Total	8,075	8,854	+778	+10%

FY6/2024 Q1: Consolidated OP Waterfall

In addition to Revenue increase, we made progress in reducing Outsourcing Expenses, and it pushed up Business Profit
 On the other hand, Q1 Business Profit decreased mainly due to increases in Total Employee, D&A and Other Expenses
 From Q2 onwards, we anticipate Business Profit will increase due to Revenue expansion

FY6/2024 Q1 (3 Months) Consolidated OP Waterfall Analysis ⁽¹⁾

(JPY in Millions)



Note

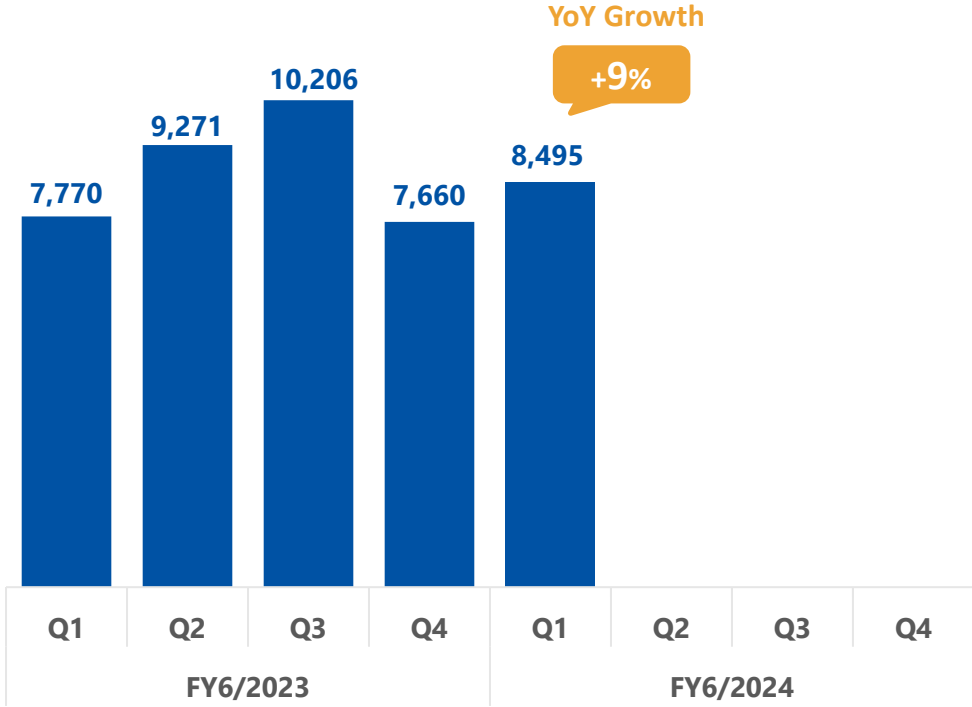
- The impact of Revenue Expansion/(Decrease) effect and Panel Expenses/Outsourcing Expenses/Operational Employee Expenses on Operating Profit is calculated and expressed based on margin improvement/deterioration, and Sales/common Employee Expenses, D&A, and Other Expenses are Actual difference compared to the same period last year
- Other Operating Expenses includes Other Operating Income, Other Operating Expenses, Other in Operating Expenses

FY6/2024 Q1: Japan Business Segment Quarterly Trend

Q3 is the busiest season for Japan Business, followed by Q2, and the same trend will continue this fiscal year
 Although Business Profit decreased due to upfront costs, Q1 Revenue was strong – Revenue and Business Profit exceeded the Initial Guidance
 As we enter the busy season from Q2, the Revenue will expand, and Business Profit turns into an increasing trend

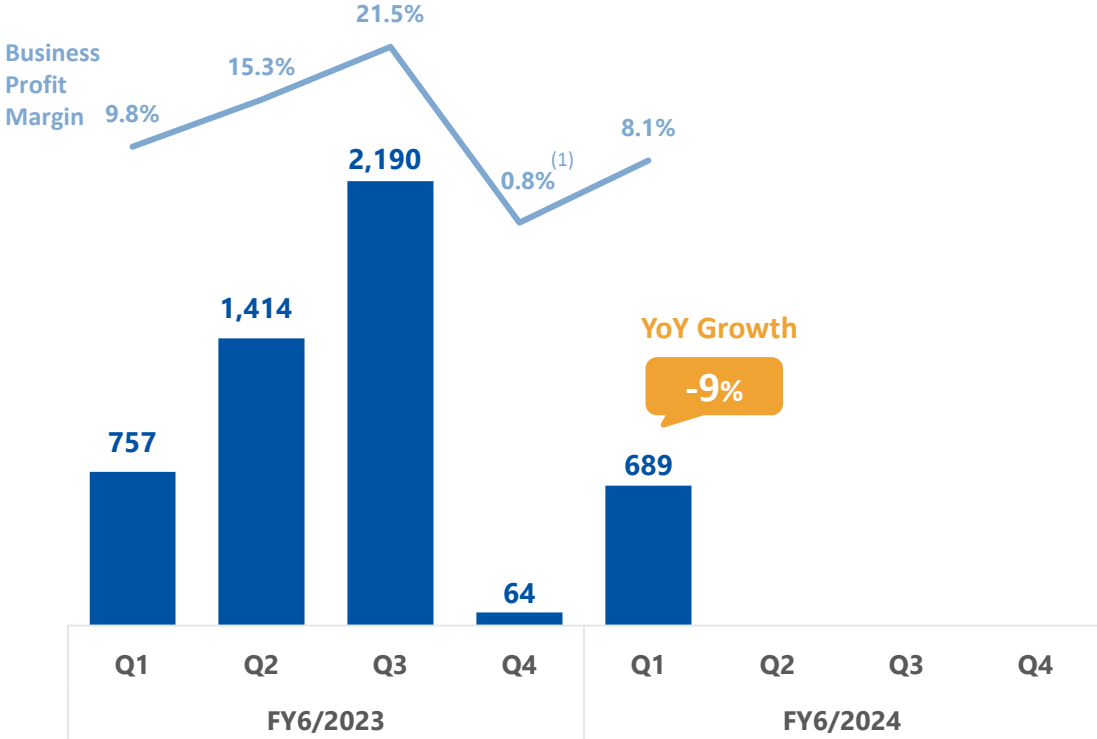
Japan Business Quarterly Revenue Trend

(JPY in Millions)



Japan Business Quarterly Business Profit⁽²⁾ Trend

(JPY in Millions)



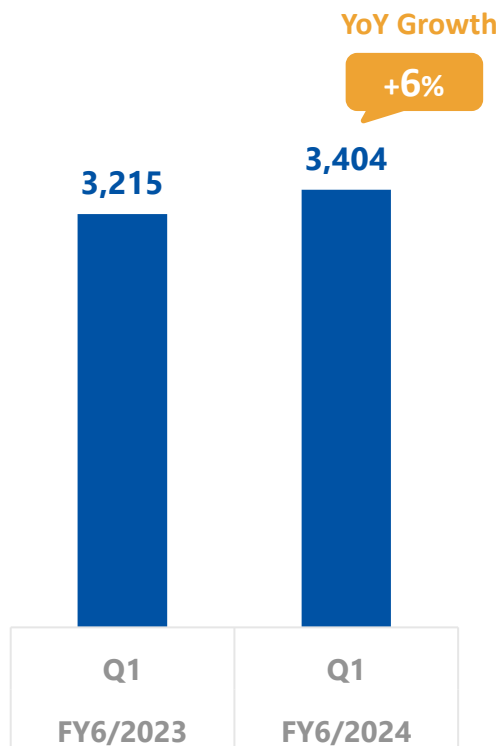
Note
 1. FY6/2023 Q4 figures are Operating Profit excluding expenses recorded for the Overseas subsidiary transfer (M&A) transactions
 2. Figures excluding equity gains (losses) of Toluna, which became an equity method affiliate

FY6/2024 Q1: Japan Focus Business Quarterly Trend

Online Research and Digital Research, which are high profitability services, consist Focus Business
Negative growth continued in FY23, but it turned to increase in Revenue due to Online Research growth in Q1

Focus Business Q1 Revenue (3 Months)

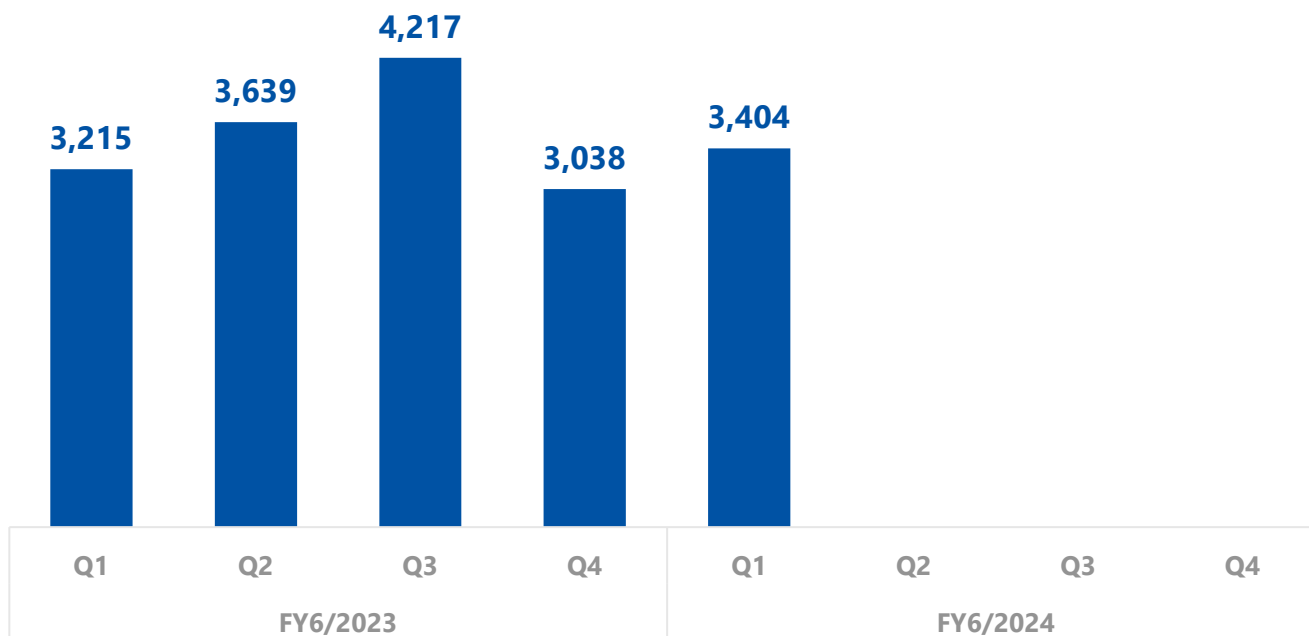
(JPY in Millions)



Focus Business Quarterly Revenue Trend

(JPY in Millions)

YoY Growth: +6%

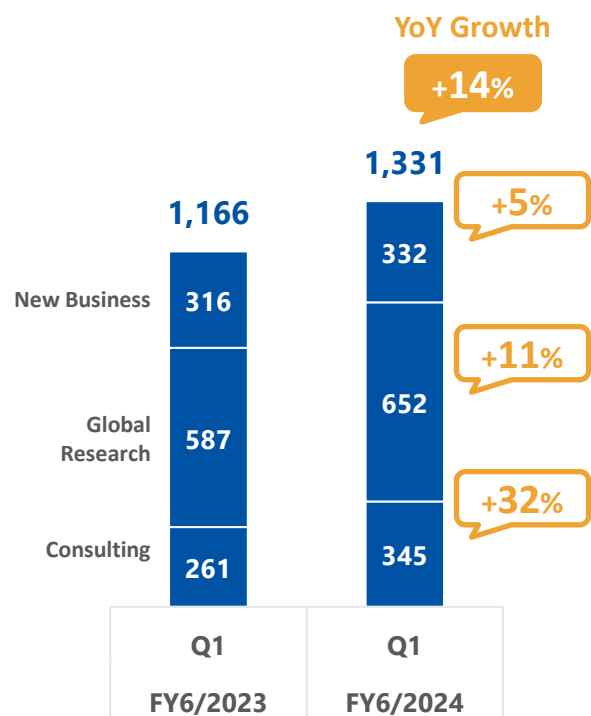


FY6/2024 Q1: Japan Future Business Quarterly Trend

Future Business consists of a group of businesses to achieve continued Revenue growth over the medium to long term
 Consulting and Global Research Revenue expanded as planned
 We anticipate Life Science will accelerate the growth of New Business from Q2 onwards

Future Business Q1 Revenue (3 Months)

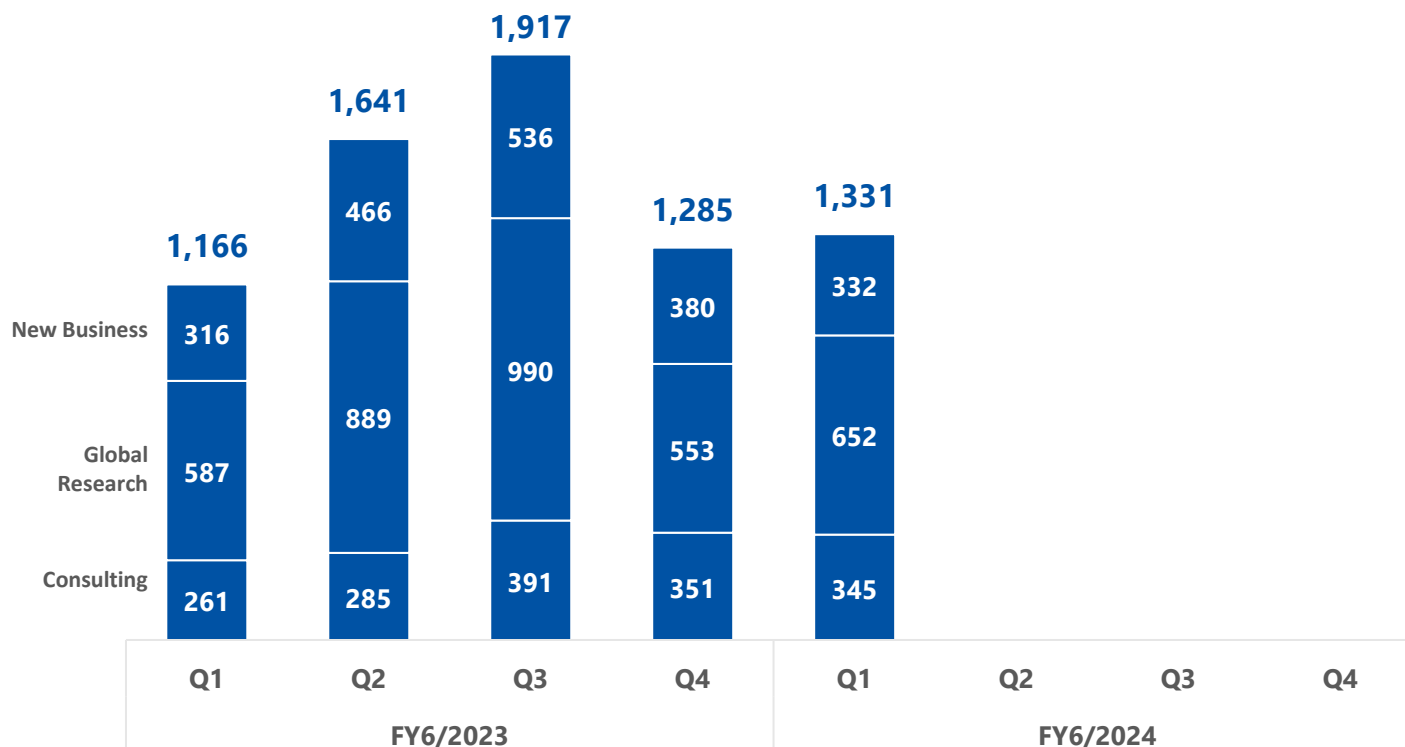
(JPY in Millions)



Future Business Quarterly Revenue Trend

(JPY in Millions)

YoY Growth : +14%



FY6/2024 Q1: Japan Foundation Business Quarterly Trend

The Foundation Business consists of a group of businesses aimed at building competitive advantage and entry barriers
 In July, we acquired Monitas, a panel provider, and the Group's panel size became the largest level in Japan
 In addition, the performance of the JV subsidiaries remained strong, resulting in double-digit Revenue growth

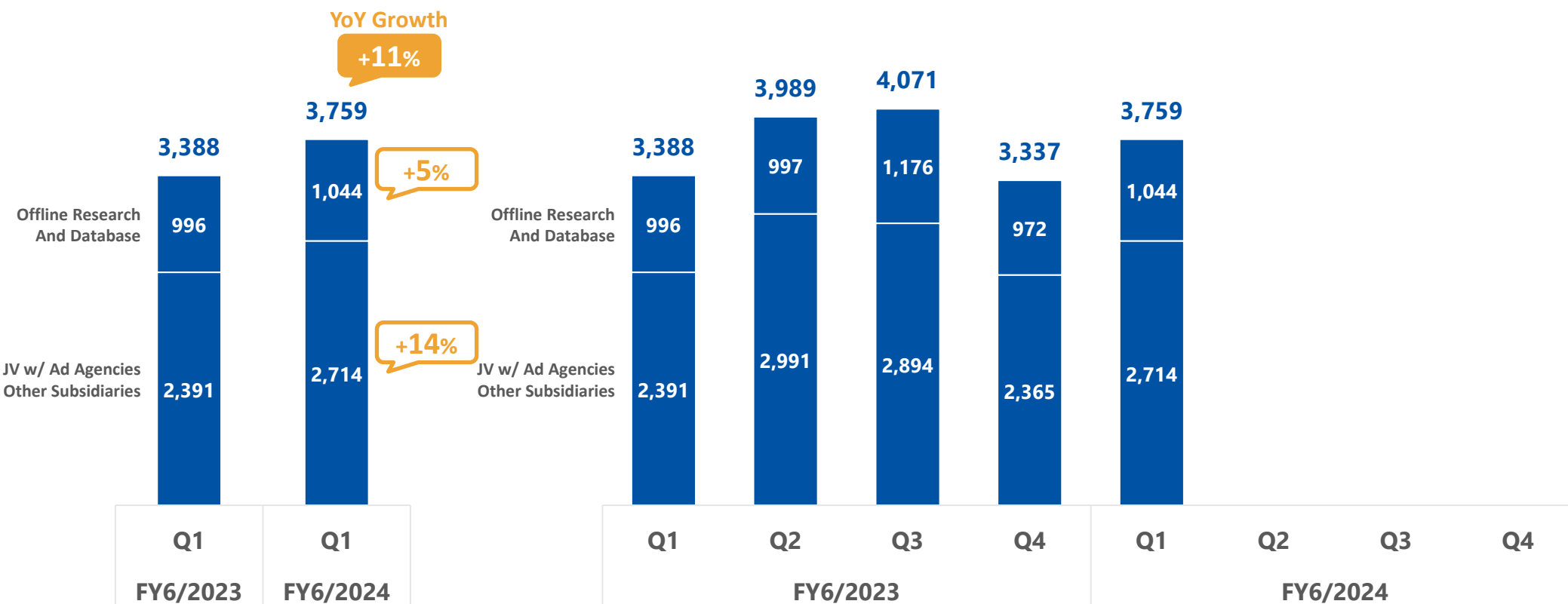
Foundation Business Q1 Revenue (3 Months)

(JPY in Millions)

Foundation Business Quarterly Revenue Trend

(JPY in Millions)

YoY Growth : +11%



FY6/2024 Q1: Korea Business Segment Quarterly Trend

Q2 is the busiest quarter in Korea, and this trend is continuing this fiscal year

Q1 Revenue decreased due to the impact of the economic downturn. Business Profit decreased due to the impact of Revenue decline and increased costs related to new business

We anticipate Business Profit will improve due to the improvement of Online Research sales mix in 2H onward

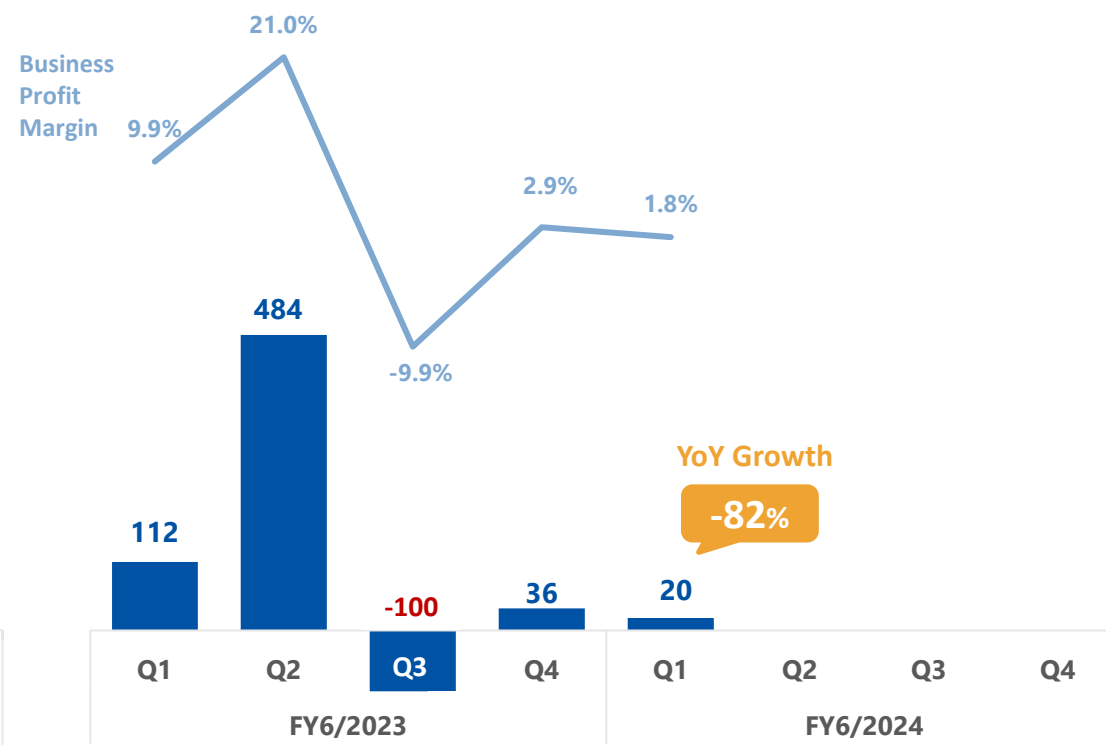
Quarterly Korea Revenue Trends

(JPY in Millions)



Quarterly Korea Business Profit Trends

(JPY in Millions)



FY6/2024 Q1: Korea Business Quarterly Revenue Trend

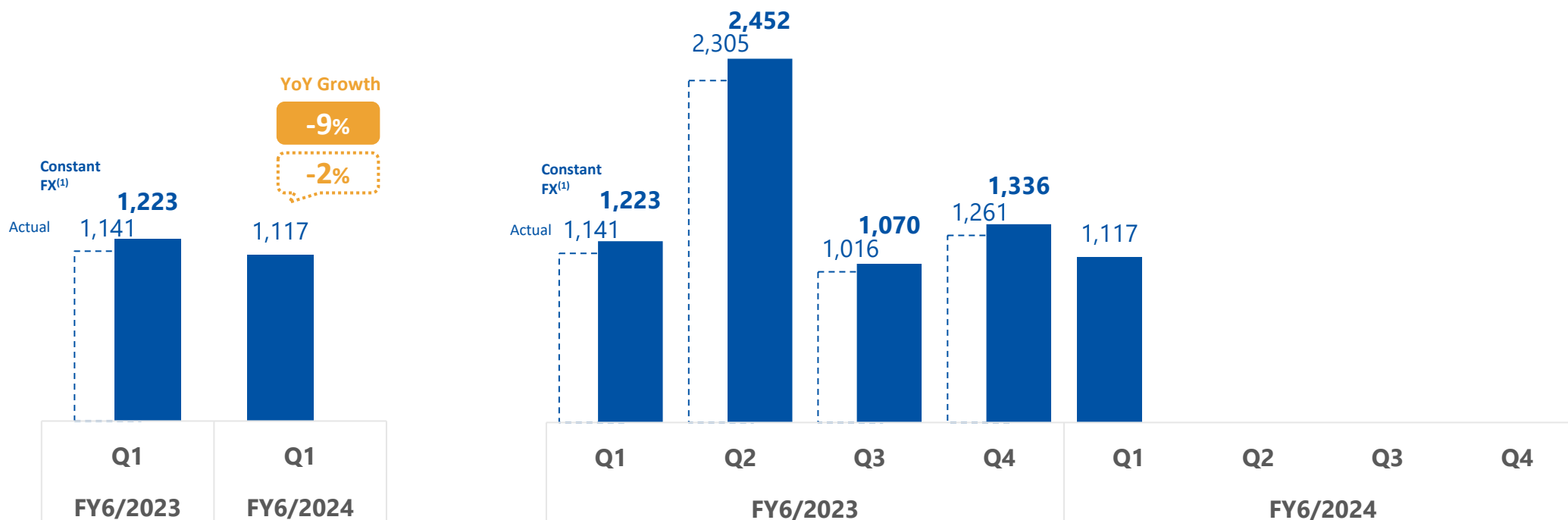
Revenue remained weak due to a decrease in public surveys conducted by the government, and the shrinking research budgets of major client companies

Revenue expansion in the new purchase data provision service is taking longer timeline than our expectations, but we will continue to invest in this service for future growth from the next fiscal year onward

FY6/2024 Q1 Korea Revenue (3 Months)

Quarterly Korea Revenue Trends

YoY Growth Actual : -2%
 Constant FX : -9%



Note

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

Consolidated Statements of Financial Position (B/S)

Redemption of bonds in July reduced both assets and liabilities by JPY 5 billion

Goodwill increased by ¥0.5bn due to the consolidation of Monitas in July

Q1 profit decreased YoY, resulted in the rise of Net Debt/EBITDA ratio and the decrease in ROE

FY6/2024 Q1

Consolidated (IFRS)
(JPY in Millions)

	FY6/2023 as of June 30, 2023	FY6/2024 as of Sept. 30, 2023	Variance
Total Current Asset	29,286	23,461	(5,824)
Cash and cash equivalents	18,255	10,866	(7,388)
Trades and Other Receivables	6,659	7,491	+831
Total Non-current Asset	64,867	64,934	+66
Goodwill	40,033	40,550	+517
Japan Business Segment	40,033	40,550	+517
Korea Business Segment	0	0	+0
Total Liabilities	51,823	46,756	(5,066)
Borrowings and Bonds ⁽¹⁾	40,920	36,063	(4,857)
Total Equity	42,330	41,639	(691)

Target Financial KPIs

Net Debt⁽²⁾/ Adj. EBITDA	3.29 x	3.74 x	
Net Debt	22,665	25,196	+2,531
Adj. EBITDA ⁽³⁾	6,898	6,733	(165)
ROE⁽³⁾	5.1%	4.0%	-1.1pt

Note

1. The sum of Short-term Borrowings, Long-term Borrowings, and Bonds
2. Net debt = (Borrowings + Bonds) - cash and cash equivalents; lease liabilities were included until the end of FY2023 but have been retroactively calculated using the new method.
3. Calculated in the last twelve months

Consolidated Statements of Cash Flows (C/F)

Negative cash flow in Q1 is usual

Cash flow from operating activities improved YoY due to the timing of the payment of cloud service fees, etc.

Cash flow from financing activities decreased by JPY 5 billion YoY due to the redemption of bonds in July

FY6/2024 Q1 (3 Months)

Consolidated (IFRS)
(JPY in Millions)

3 Months

	FY6/2023 Q1 Actual	FY6/2024 Q1 Actual	Variance
Cash Flows from Operating Activities	(1,641)	(625)	+1,015
Cash Flows from Investing Activities	(352)	(556)	(203)
Free Cash Flows ⁽¹⁾	(1,960)	(1,153)	+806
Cash Flows from Financing Activities	(1,065)	(6,222)	(5,156)
Increase/(decrease) in Cash and Cash Equivalents	(3,059)	(7,404)	(4,345)
Cash and Cash Equivalents at the end of the period	11,605	10,866	(739)

Note

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

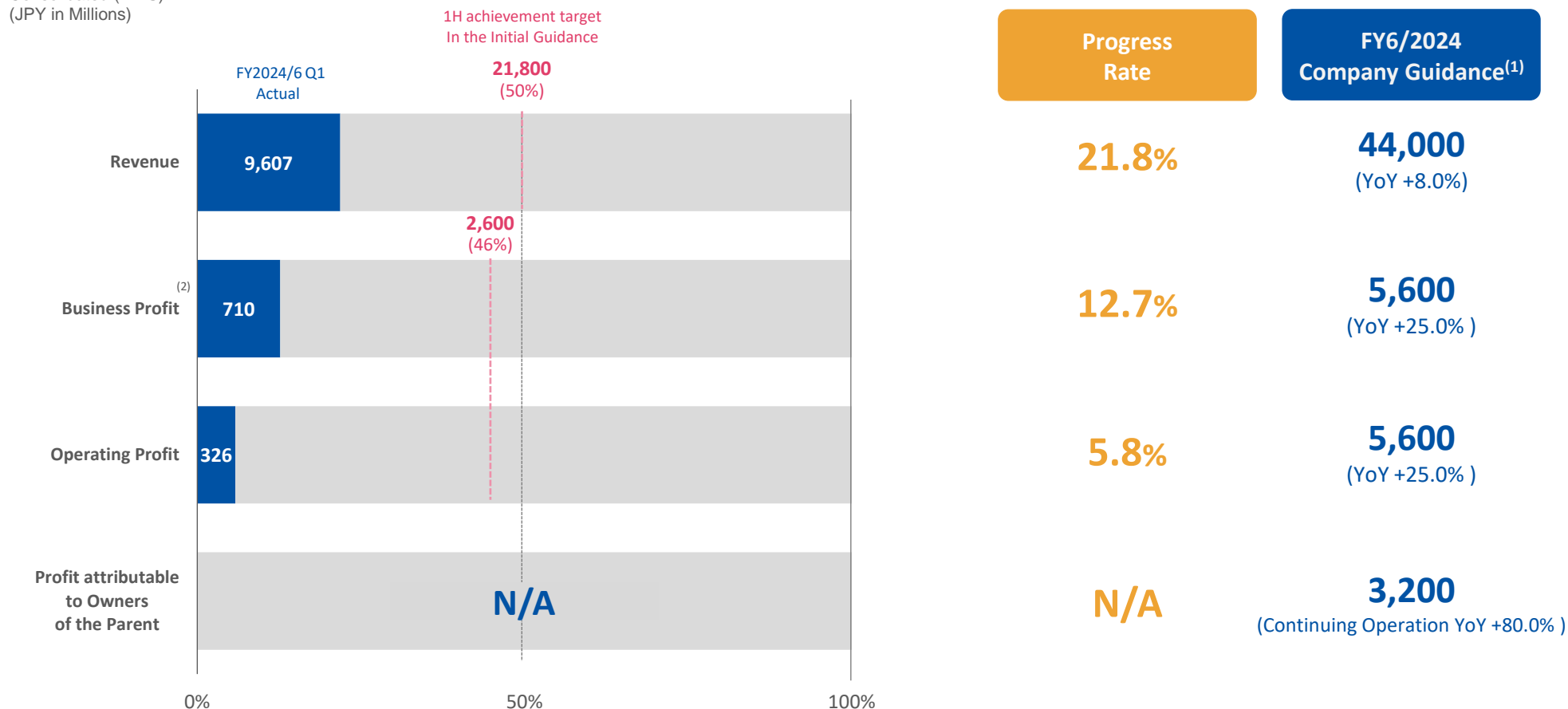
FY6/2024 Q1 Results: % of Achievement vs. Guidance

The Japan business strategy set forth in the MTBP is progressing well, and Q1 Revenue and Business Profit exceeded the Initial Guidance

We aim to steadily achieve our Initial Guidance despite the impact of Toluna's equity method losses

FY6/2024 Q1 Actual vs. FY6/2024 Company Guidance

Consolidated (IFRS)
(JPY in Millions)



Note

1. The full year 2024/6 (performance forecast) is based on the average exchange rate of 1 won = 0.1000 yen
2. Figures excluding equity gains (losses) of Toluna, which became an equity method affiliate

Appendix

- i. [FY6/2024 Q1 Financial Results Supplemental Material](#)
- ii. Summary of our Company, Market size, Historical Revenue Trends and our Mid-term Business Plan

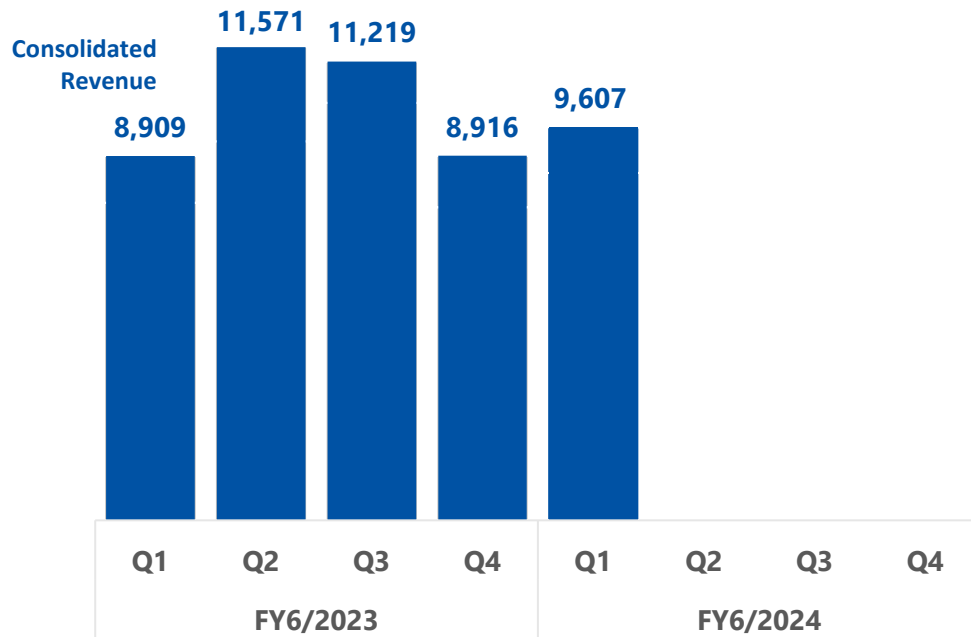
FY6/2024 Q1: Quarterly Performance

Consolidated Quarterly Revenue Trend

(JPY in Millions)

YoY Growth Actual:

+8%



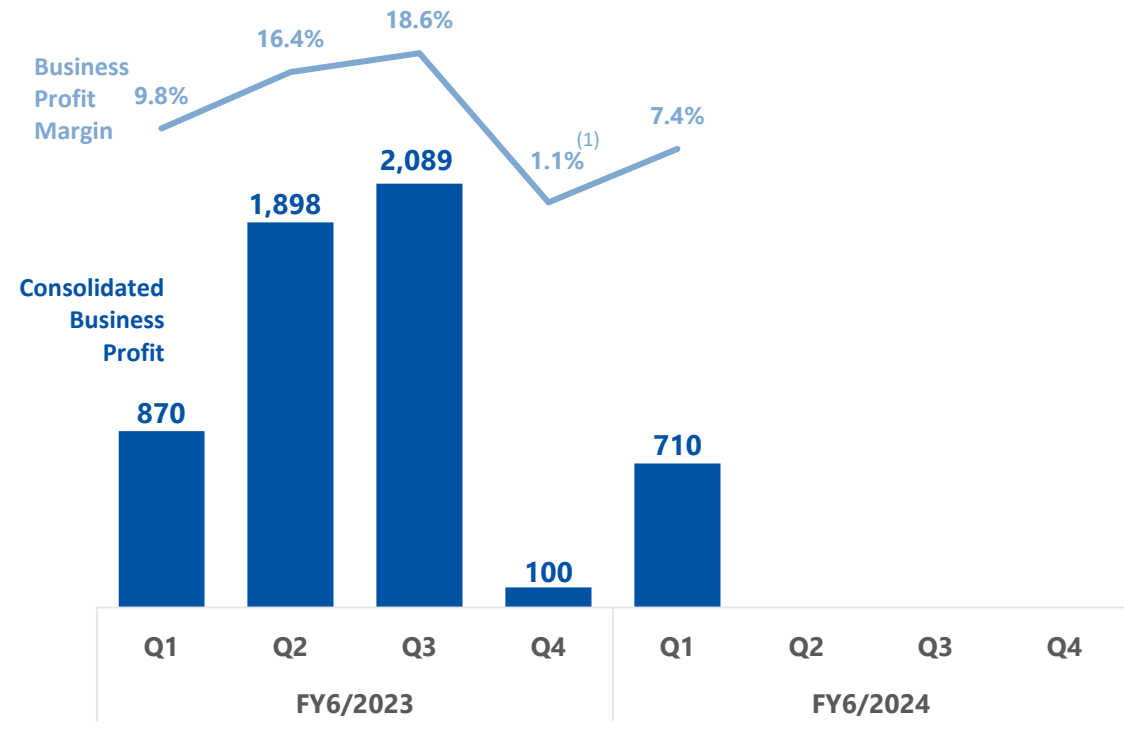
Consolidated Quarterly Business Profit⁽²⁾

(JPY in Millions)

YoY Growth

Actual:

-18%



Note

- FY6/2023 Q4 figures are Operating Profit excluding expenses recorded for the Overseas subsidiary transfer (M&A) transactions
- The Company transferred its Overseas Business (ex-Korea) segment to Toluna in exchange for considerations, including a 17.4% stake in Toluna. This has resulted in Toluna being an equity-method affiliate of the Company from the fourth quarter of the fiscal year ended June 30, 2023. To show the business performance of the Group, the Company states Business Profit which subtracts the equity method investment gains/losses related to Toluna from Operating Profit from the fiscal year ending June 30, 2024.

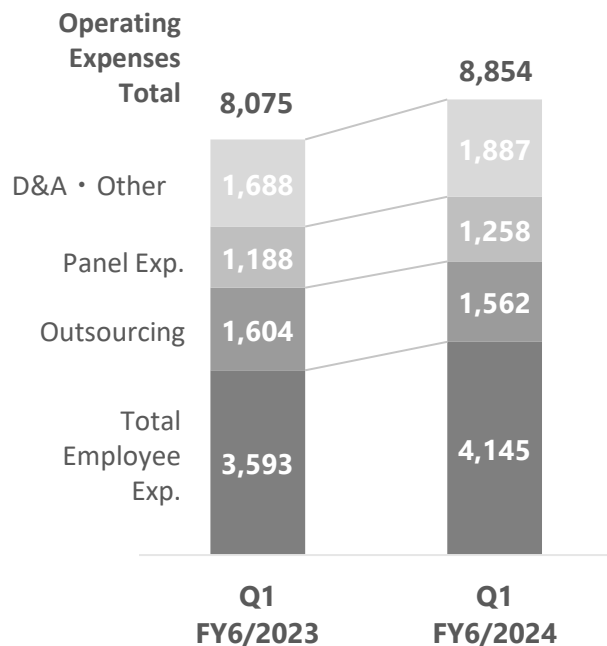
FY6/2024 Q1: Consolidated Quarterly Operating Exp.

👉 [Click here](#) for past figures from FY6/2021 to FY6/2023

File name: FY6/2024 Q1 Supplemental Financial Data (EXCEL)

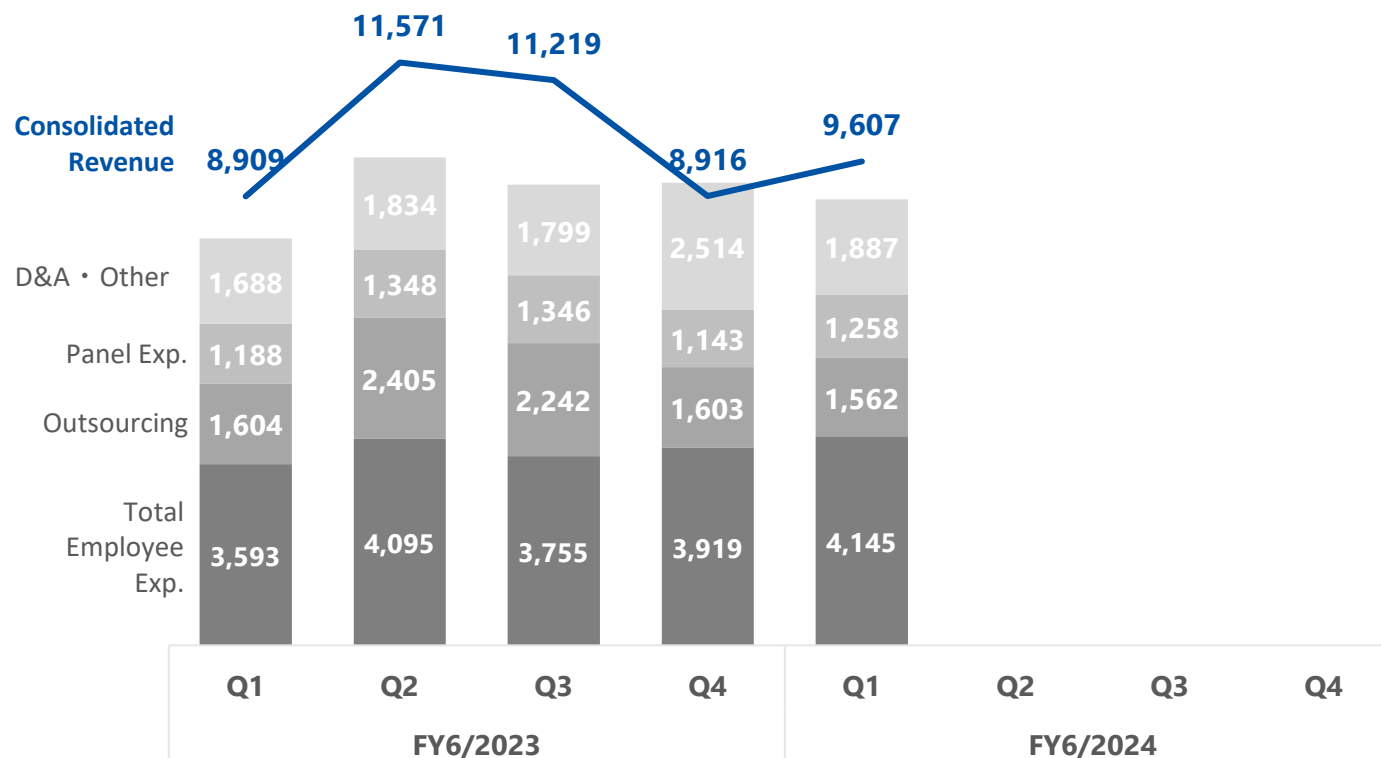
Operating Expenses FY23 Q1 vs FY24 Q1 (3Months)

(JPY in Millions)



Quarterly Operating Expenses Trend

(JPY in Millions)



Quarterly New Revenue Breakdown in Japan Business

We have changed the Revenue breakdown in Japan Business due to disclosing the New MTBP in FY24

Accordingly, we retroactively changed the past two years' actual performance to align with the new categories

Japan Business Quarterly Revenue Breakdown by New Business Categories

Consolidated (IFRS)
(JPY in Millions)

New Business Categories and breakdown in Japan Business

Focus Business

Online Research (Macromill Only)

Digital Research (Macromill Only)

Future Business

Consulting

Global Research (Incl. Southeast Asia • China)

New Business (Life Science • Ads, etc.)

Foundation Business

Joint Ventures with Ad agencies (DMI, HMM, others, etc.)

Offline Research

Database Service

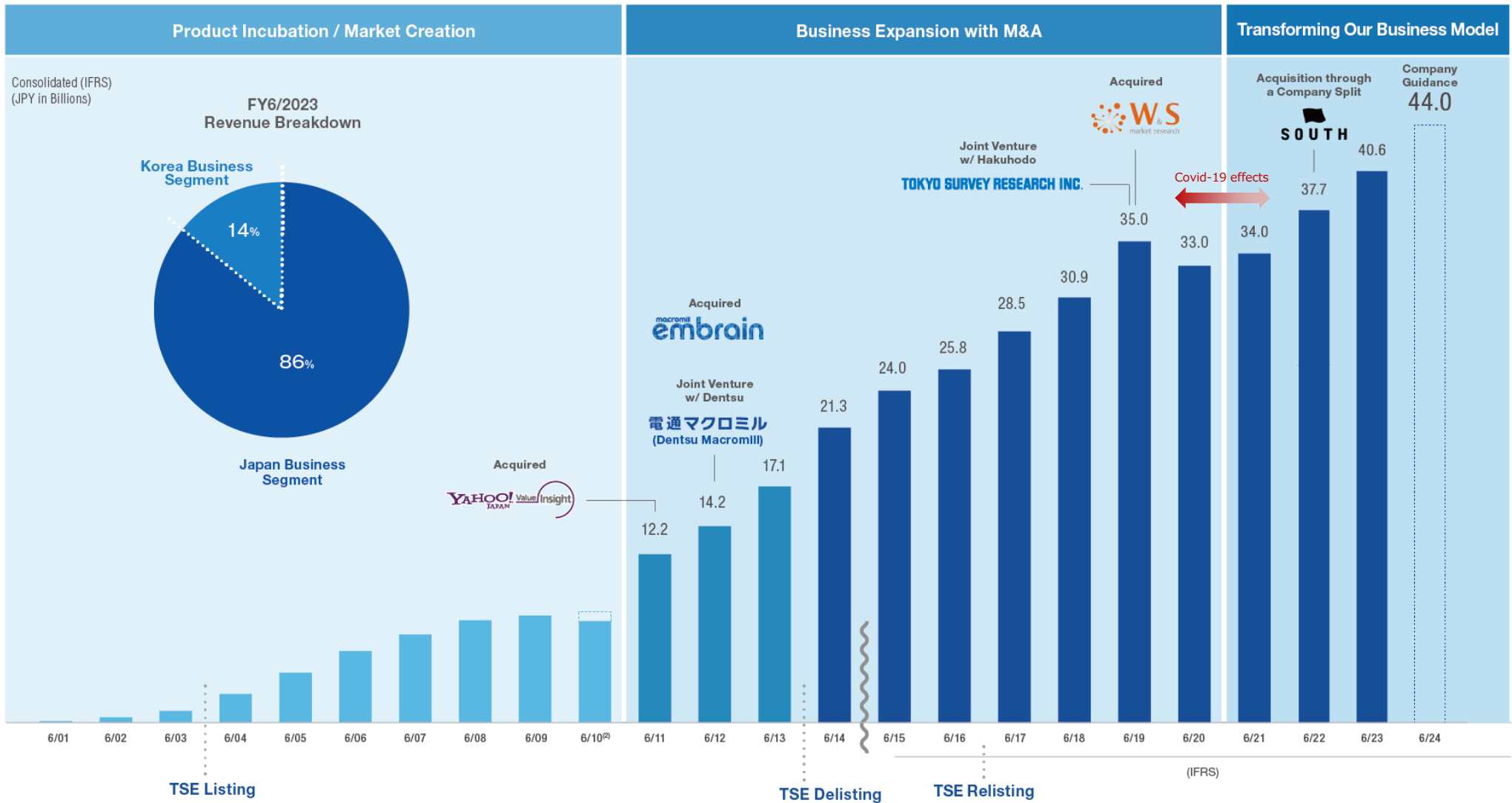
		FY6/2022					FY6/2023					FY6/2024
		Q1	Q2	Q3	Q4	Full Year	Q1	Q2	Q3	Q4	Full Year	Q1
Actual	Japan Revenue	7,177	8,670	9,531	7,342	32,723	7,770	9,271	10,206	7,660	34,909	8,495
	Focus Business	3,293	3,801	4,310	3,040	14,445	3,215	3,639	4,217	3,038	14,112	3,404
	Future Business	872	1,243	1,560	1,096	4,773	1,166	1,641	1,917	1,285	6,011	1,331
	Foundation Business	3,010	3,625	3,660	3,206	13,504	3,388	3,989	4,071	3,336	14,785	3,759
YoY	Japan Revenue						+8%	+7%	+7%	+4%	+7%	+9%
	Focus Business						-2%	-4%	-2%	-0%	-2%	+6%
	Future Business						+34%	+32%	+23%	+17%	+26%	+14%
	Foundation Business						+13%	+10%	+11%	+4%	+9%	+11%

Appendix

- i. FY6/2024 Q1 Financial Results Supplemental Material
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Historical Truck Records of Our Business Expansion since Foundation

Consolidated Revenue⁽¹⁾



Notes

- 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. In addition, the performance figures for MetrixLab, which was a consolidated subsidiary of the Group from FY6/2015 to FY6/2023, are excluded from this graph because 100% of its stake was sold as of June 1, 2023.
- The dotted line indicates potential revenue contribution from the subsidiary (AIP) divested in this year.

Our Core Competencies

- We have strengths in 3 core areas of our business: Consumer Panels, Talent, and Client Base
- Maximize each performance and aim to further improve our presence at the market undergoes major changes and redefinition from the Marketing Research Market to the “Insight Industry”

3 Strengths of our growth

Large and high-quality

Consumer Panel Network

36M Domestic Panel
(1.3M proprietary panel)



In particular, we have built our proprietary panel specialized for a research project with a high active rate

We can acquire/utilize various data with clear permission from our panel

Digital Native

Talent

2,000+ Professionals
at Consolidated level



Accumulate professional experience and performance centered with technology

We will transform ourselves to an “Intelligent-intensive company”

Well diverse and excellent

Client Portfolio

4,200+
Global Clients



Provide multi-solution suite
(From Research, Data provision to Consulting, Ad distribution)

Satisfy variegate client needs

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. **3,900** clients

c. **2,600** clients
in Japan

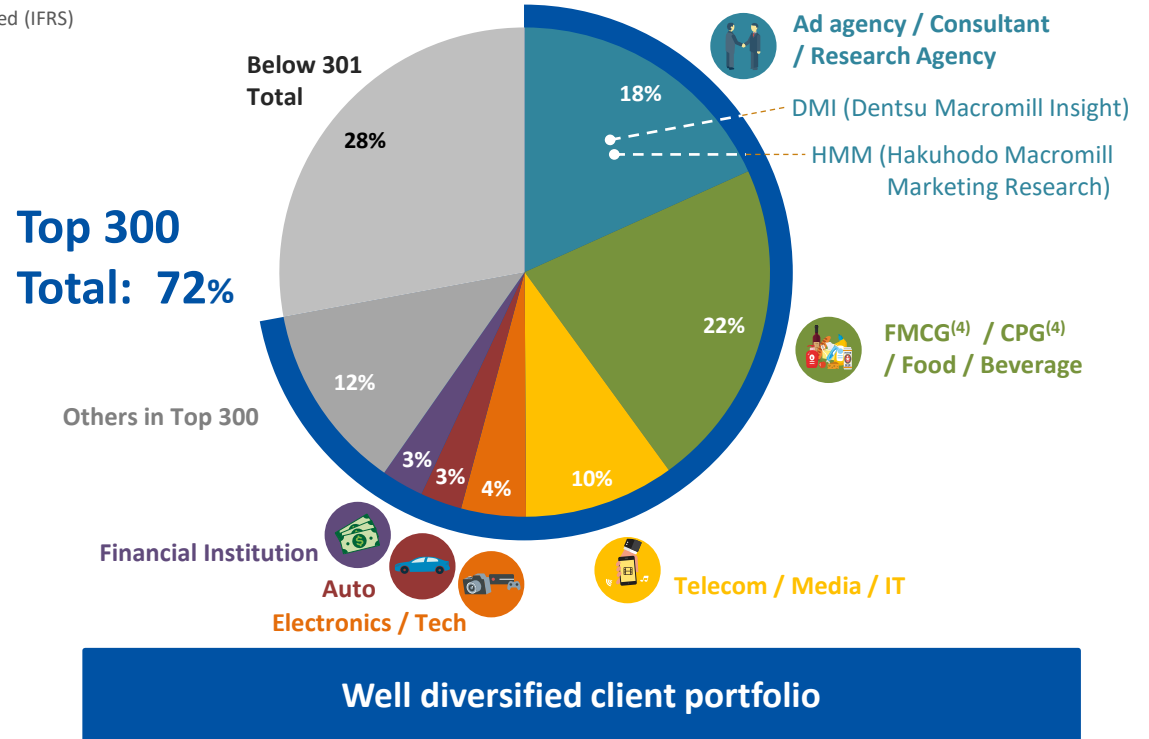
c. **1,300** clients
in Korea

Client Retention Rate of Large Clients⁽¹⁾

90%+
in Japan⁽²⁾

FY6/2022 Revenue Breakdown by Client Industries

Consolidated (IFRS)



[Case Studies \(Japanese Only\)](#)



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.)

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

Clients' Marketing Process

Research & Innovation Phase | Marketing & Activation Phase



Macromill Group Solutions



Domestic Panel
36.0M+
 Proprietary Panel
1.3M

Total 130M+ Global Consumer Research Panel

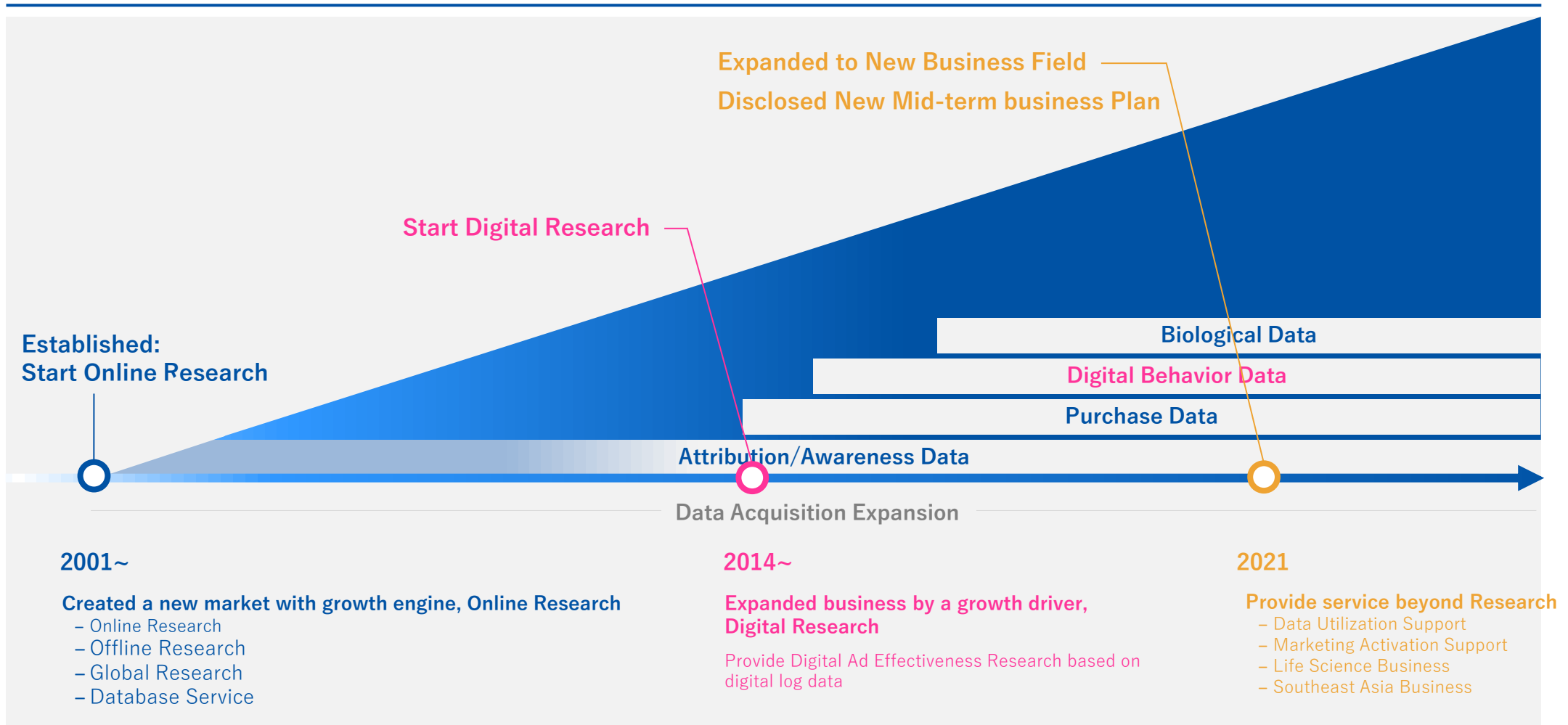
Overseas Panel
100M

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

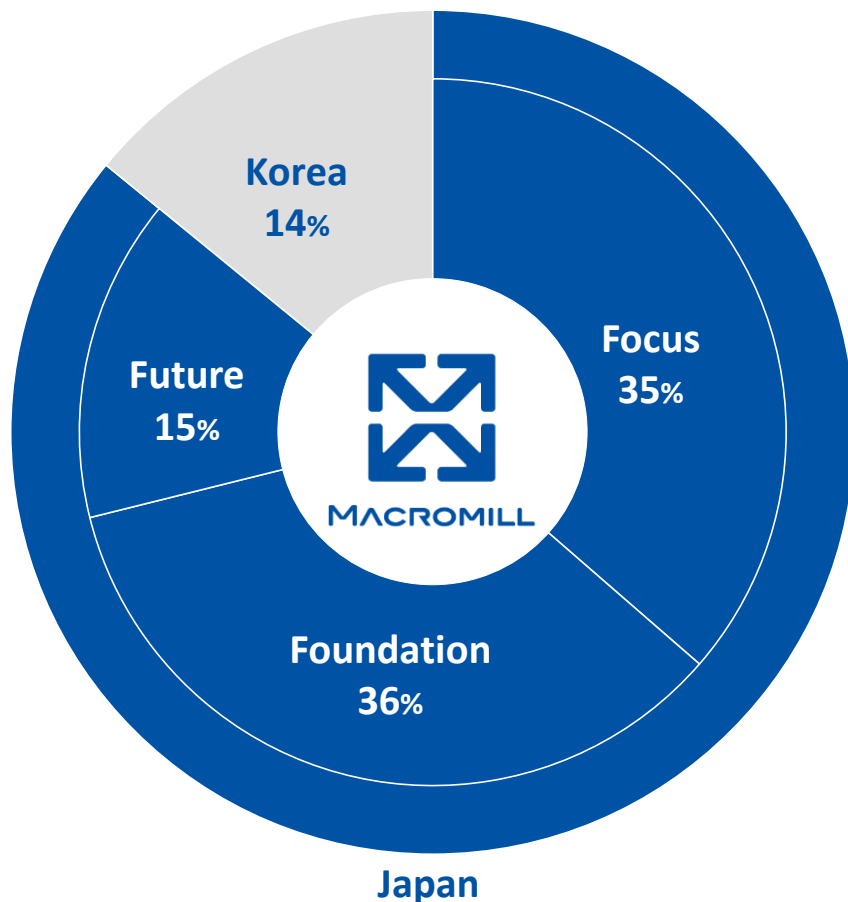


“Marketing Research Company” to “Professional Marketing Services Company”

Macromill's Service

- Focus Business is our core business and the most profitable business
- Future Business is expected to contribute to future profits and aims for double-digit sales growth
- Foundation Business is a group of businesses that aim to improve competitive advantage and build/strengthen barriers to entry

Service composition ratio in our company's Revenue



Japan

Focus Business

Online Research

Digital Research

Future Business

Consulting

Global Research (Southeast Asia, including China)

New Business (Life Science, Ads, etc.)

Foundation Business

Joint Venture w/ Ad Agencies (DMI, HMM, Other Subsidiaries etc.)

Offline Research

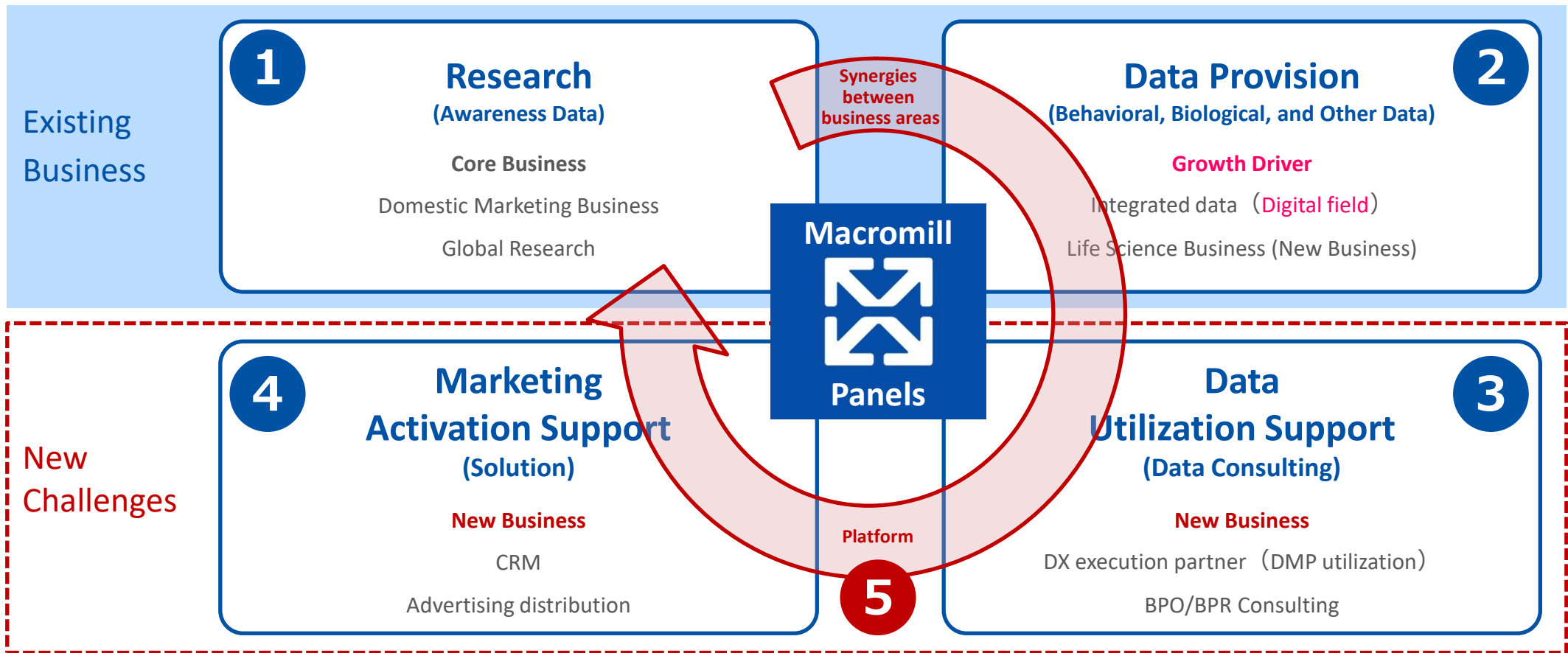
Database Service

Korea

Transforming Our Business Model - Since last MTBP

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

New MTBP: Financial Target

Aim to achieve the financial targets listed below

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	OP ⁽¹⁾ 4.4 bn JPY Consolidated ROE ⁽³⁾ 5.1%	OP 7.5 bn JPY Average Growth Rate: 19% ⁽²⁾ (3Y CAGR) Consolidated ROE ⁽³⁾ 10% and over
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 ⁽⁴⁾ 1.2 bn JPY [vs NSO ⁽⁵⁾ : 3.5%]	Consolidated Dividend Ratio 30% + Share buyback In a timely manner

Note

1. Including expenses related to the transfer of overseas subsidiaries (M&A)
2. Calculated by excluding expenses on FY6/2023 related to the transfer of overseas subsidiaries (M&A)
3. ROE: Return On Equity Return on Equity Attributable to Owners of Parent for Continuing Operations;
4. Period of acquisition : May 16, 2023 – June 23, 2023;
5. NSO: Number of Shares Outstanding

Growth targets by business segment in the new MTBP

(JPY in Millions)

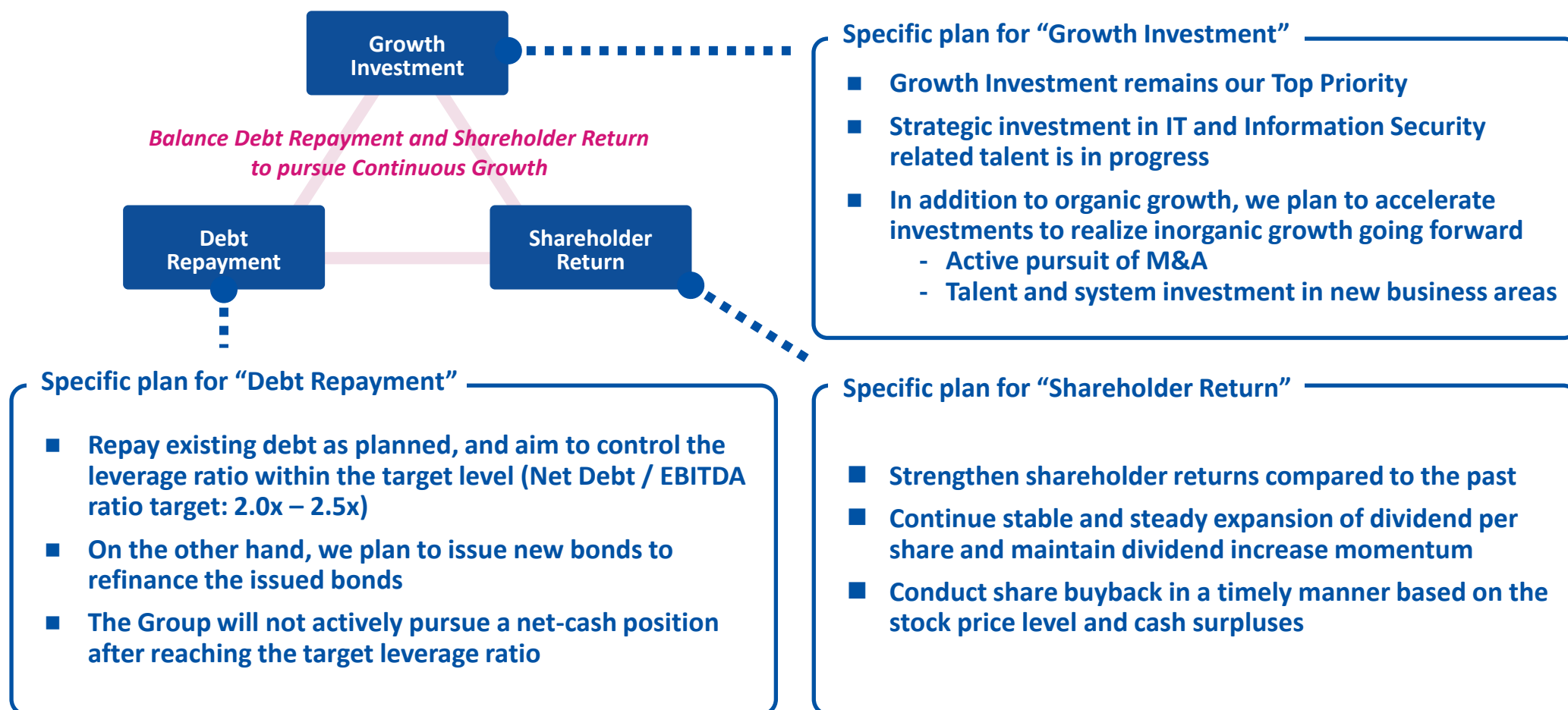
Business Segments and Breakdown		FY6/2023 Actual	FY6/2026 (FY6/2023 - FY6/2026 3Y CAGR)		Positioning and direction in the new Mid-term Business Plan
			Target Figure	Growth Rate	
Japan Business	Focus Business	14,112	17,453	7%	Pursuit of high profitability and stable growth
	Future Business	6,012	11,857	25%+	
	Global Research	3,022	4,472	14%	Double-digit Revenue growth and future profit contribution
	Consulting	1,290	2,880	31%	
	New Business	1,700	4,505	38%	
	Foundation Business	14,786	16,714	4%	Establishment of competitive advantage/barriers to entry
	Joint Venture w/ Ad agencies	10,644	11,795	3%	
Offline and Database	4,142	4,919	6%		
Korea Business		5,700	7,000	7%	Reproducing the growth process of the Japanese business

Capital Allocation

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

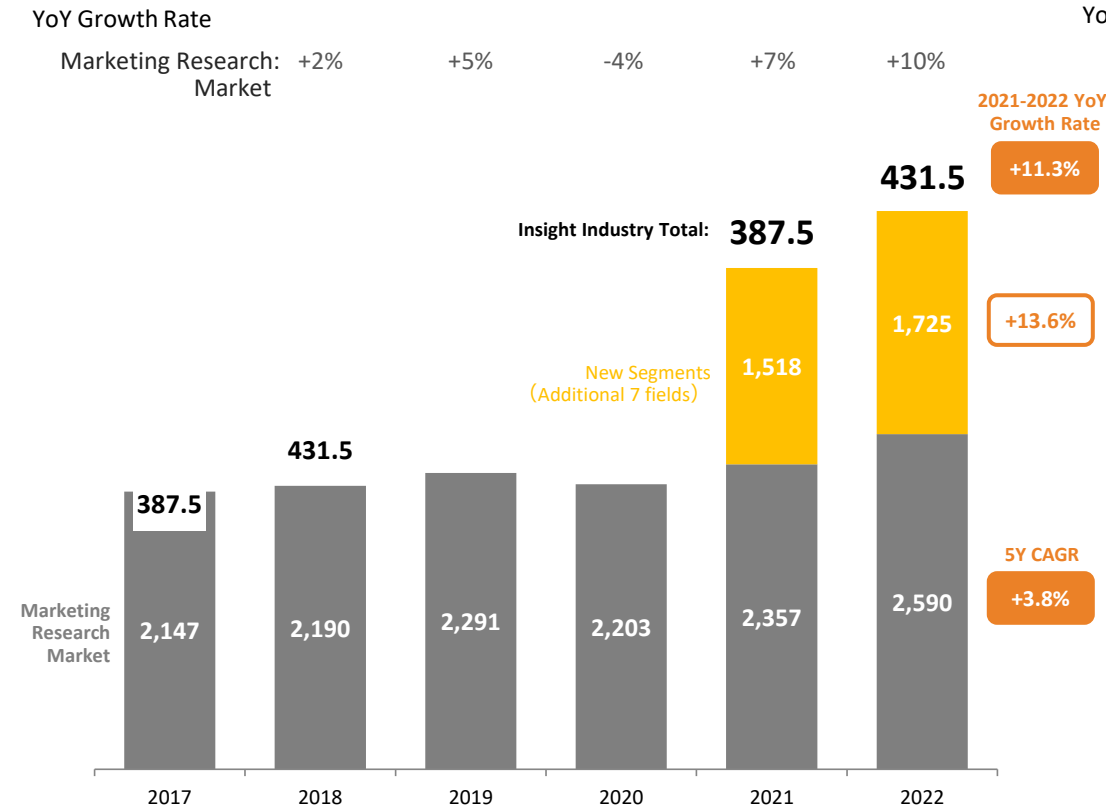


Historical Trends – Japanese Market vs. Revenue in Japan

- Same as the global trend, the market is redefined as an Insight Industry in Japan, and its market size is expanding significantly
- Our company continues to expand its business faster than the Japanese marketing research market growth
- Macromill Japan market share in the online research market is stable at No.1

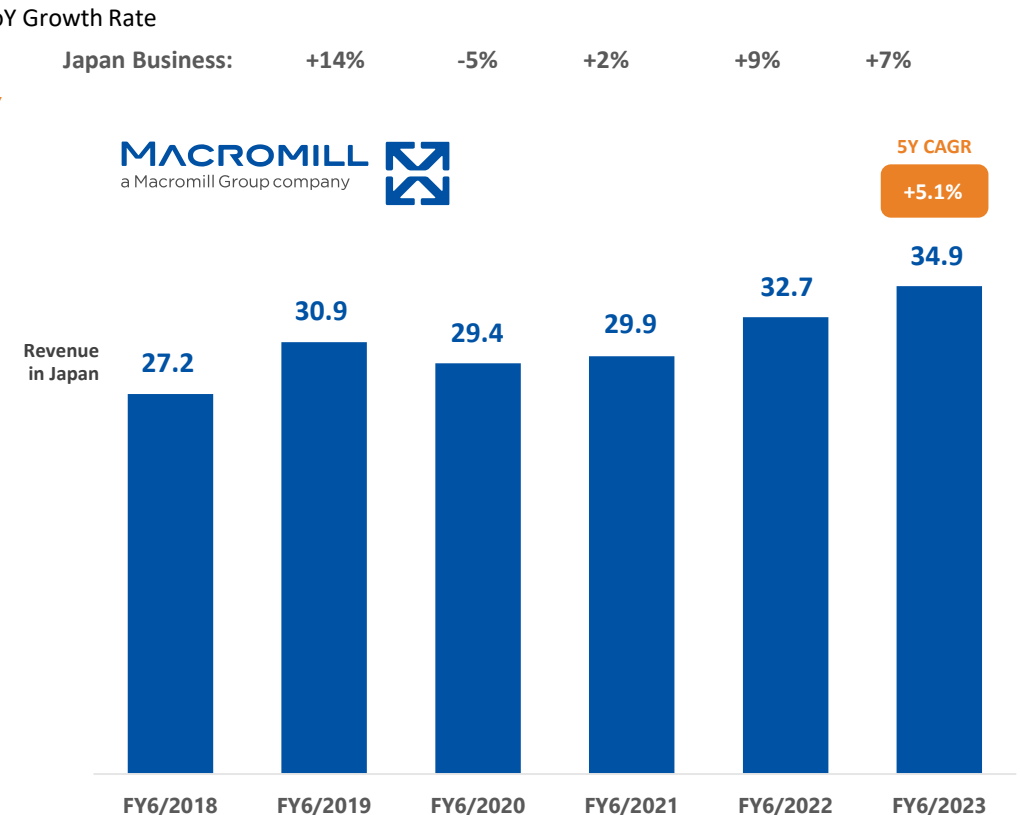
Market Trends – Japanese Marketing Research Market and Insight Industry

JMRA⁽¹⁾
(JPY in Billions)



Revenue Trends – Macromill Group Revenue in Japan

Consolidated (IFRS)
(JPY in Billions)

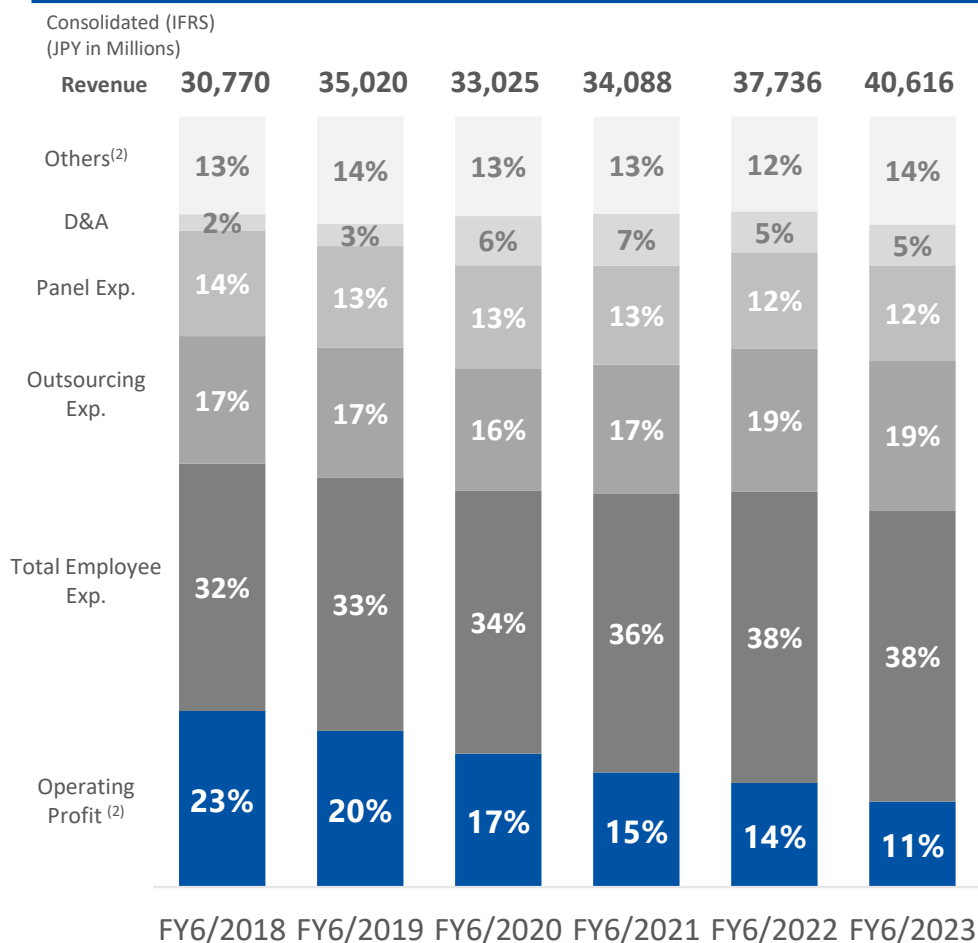


Note
1. Source: Japan Marketing Research Association (JMRA) - Management statistics (2018/7, 2019/7, 2020/9, 2021/6, 2023/6)

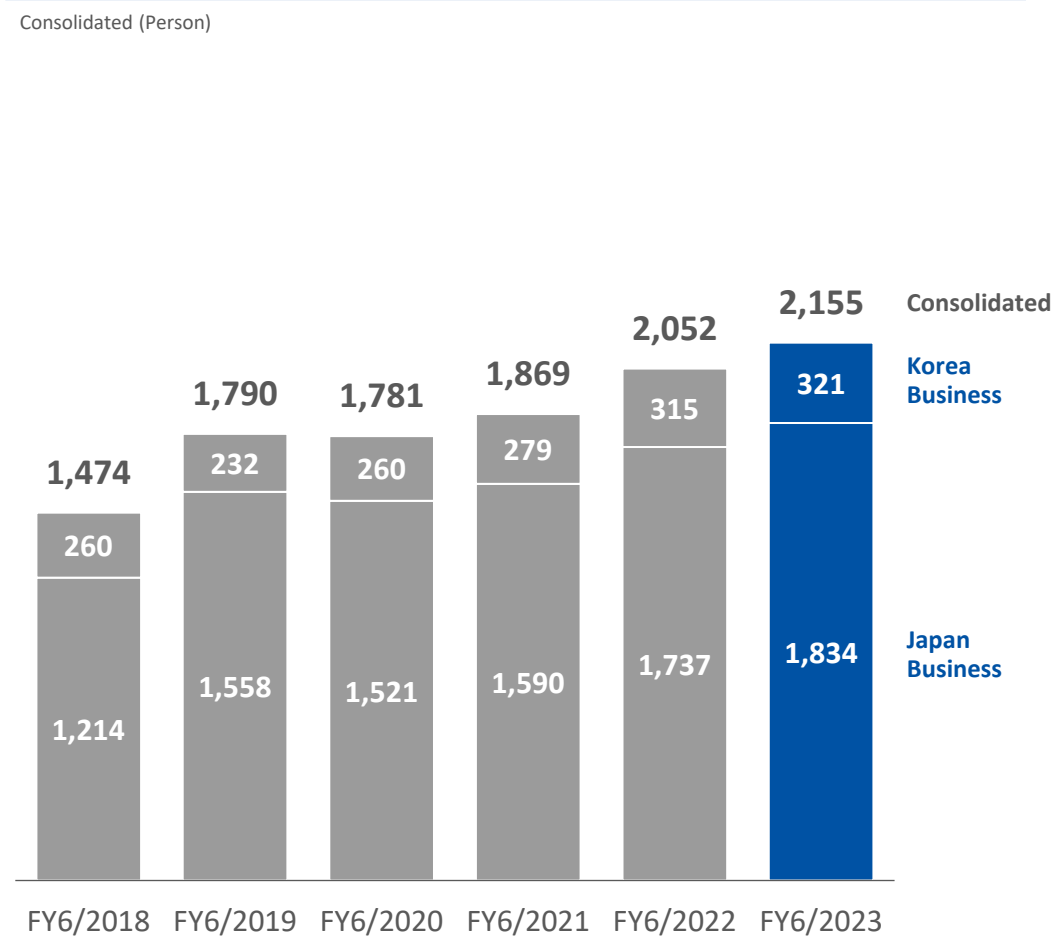
Historical Trend – Cost structure and headcount trend

- 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⁽¹⁾



Note

- Headcount figures do not include temporary employees
- Others includes Other Operating Income, Other Operating Expenses, and Share of the Gains (Losses) 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⁽¹⁾



✓ 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



2017 Strategic & Capital Alliance
2018 Acquisition



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



2017 Strategic & Capital Alliance
2019 Acquisition



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



2018 Joint Venture with Hakuholdo (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



2023 MetrixLab 100% Sell-down and Minority Stake Acquisition



✓ Establishing a global partnership with Toluna through M&A
✓ Western market will be covered under partnership with Toluna



2023 Acquisition of majority stake



✓ Acquisition of majority stake after having Strategy and Capital Alliance
✓ Substantially expand the size of accessible consumer panel network



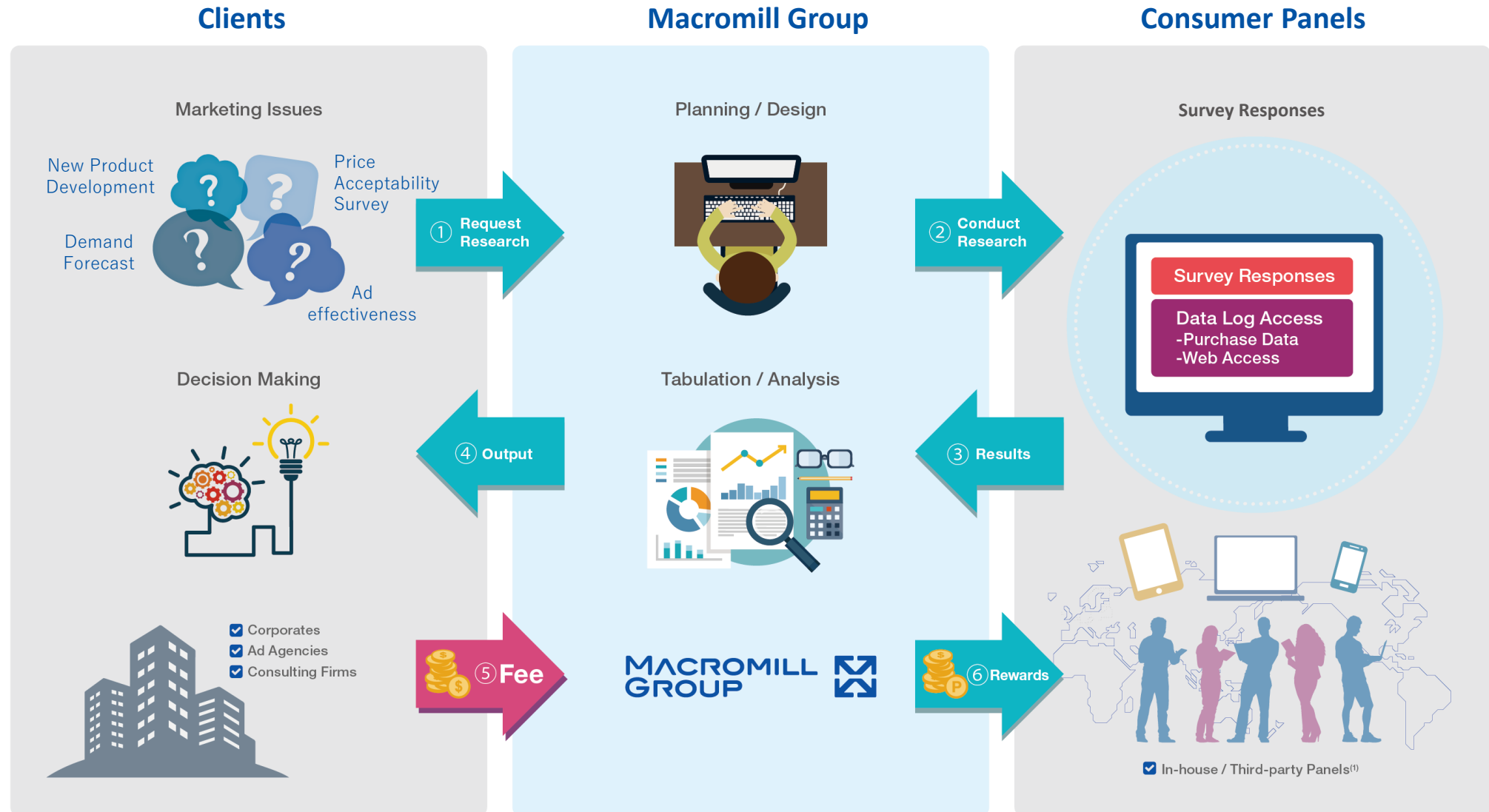
Note

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

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>サステナビリティ基本方針</p> <p>MACROMILL GROUP</p> <p>MISSION: 私たちが求め、お客様がより良い意思決定を支援する。私たちに、お客様が心から満足し、信頼するサービスを提供することです。そして、信頼を深まし、企業価値を高めます。私たちがそれぞれの可能性に挑戦できる環境をつくっています。</p> <p>VISION: Build your Data Culture. 私たちは、データネイティブ組織でお客様のマーケティング課題を解決し、ビジネスに成功をもたらすData Culture構築の原動力となることを目指します。</p> <p>VALUES: 私たちは、お客様・社員・株主・社会との関係性を深め、ともに発展できるよう、一人ひとりが情熱を持って行動しています。 Think New, Think Deep. Act Now, Act Together. Be True, Be Open. Own It, Enjoy It.</p> <p>© Macromill, Inc.</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		

[Macromill HP: Sustainability Report 2023 \(Japanese Only\)](#)

For more details, please refer to Sustainability Report 2023

Build your Data Culture



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[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)