

# FY6/2024 Q2 Financial Results

February 14, 2024



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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.

	Q2 YTD (6 Months)		Q2 Standalone (3 Months)	
	FY6/2023 Q2	FY6/2024 Q2	FY6/2023 Q2	FY6/2024 Q2
1 KRW =	0.1038	0.1113	0.1040	0.1116

**Revenue and Business Profit exceeded our Initial Guidance**  
**1H Business Profit achieved YoY growth led by robust growth in Q2**

1H Guidance and Actual Results			
	Revenue	Business Profit	Key Points
1H Guidance	21.8bn JPY YoY +7%	2.6bn JPY YoY -7%	<ul style="list-style-type: none"> <li>Total Employee Expenses to increase due to an increase in headcount in FY23 2H</li> <li>Business Profit to decrease in FY24 1H due to above</li> </ul>
1H Actual	22.0bn JPY YoY +8%	2.9bn JPY YoY +7%	<ul style="list-style-type: none"> <li>We achieved YoY growth in Business Profit due to overachieving Revenue growth and controlling costs in Total Employee Expenses compared to the Initial Guidance</li> </ul>
Q1 Actual	9.6bn JPY YoY +8%	0.7bn JPY YoY -18%	<ul style="list-style-type: none"> <li>Q1 Revenue and Business Profit exceeded our Initial Guidance</li> <li>With Q2 Revenue being in-line with our plan, Q2 standalone Business Profit turned significantly positive</li> </ul>
Q2 Actual	12.4bn JPY YoY +8%	2.2bn JPY YoY +18%	

# FY6/2024 Q2: Key Takeaways – By segment

- Q2 Business Profit achieved significant turnaround due to productivity improvement in Japan
- 1H Consolidated Revenue and Business Profit both increased led by Japan Business
- Incurred a 579M JPY equity method loss from Toluna in 1H, but the loss amount decreased with a steady progress of its post-merger integration

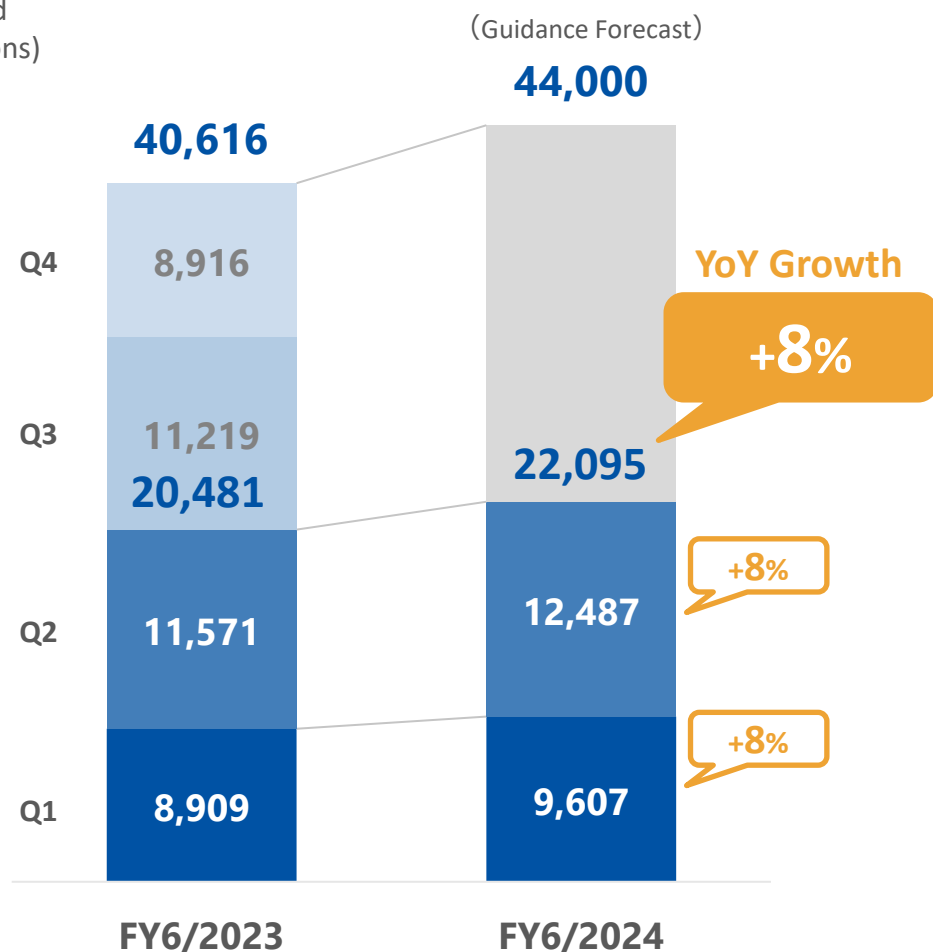
		FY6/2023 Q2YTD <sup>(2)</sup>	FY6/2024 Q2YTD	YoY Growth
Consolidated	Revenue	20.48bn JPY	22.09bn JPY	+8%
	Business Profit <sup>(1)</sup>	2.76bn JPY	2.95bn JPY	+7%
Japan Business Segment	Revenue	17.04bn JPY	18.63bn JPY	+9%
	Business Profit <sup>(1)</sup>	2.17bn JPY	2.58bn JPY	+19%
Korea Business Segment	Revenue	3.44bn JPY	3.47bn JPY	+1%
	Business Profit <sup>(1)</sup>	0.59bn JPY	0.37bn JPY	-38%

## Note

- 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
- Only the results related to continuing operations are shown

**Q2 Revenue continued its trend from Q1 and exceeded the Initial Guidance**  
**Anticipate a continued steady growth**

Consolidated  
(JPY in Millions)

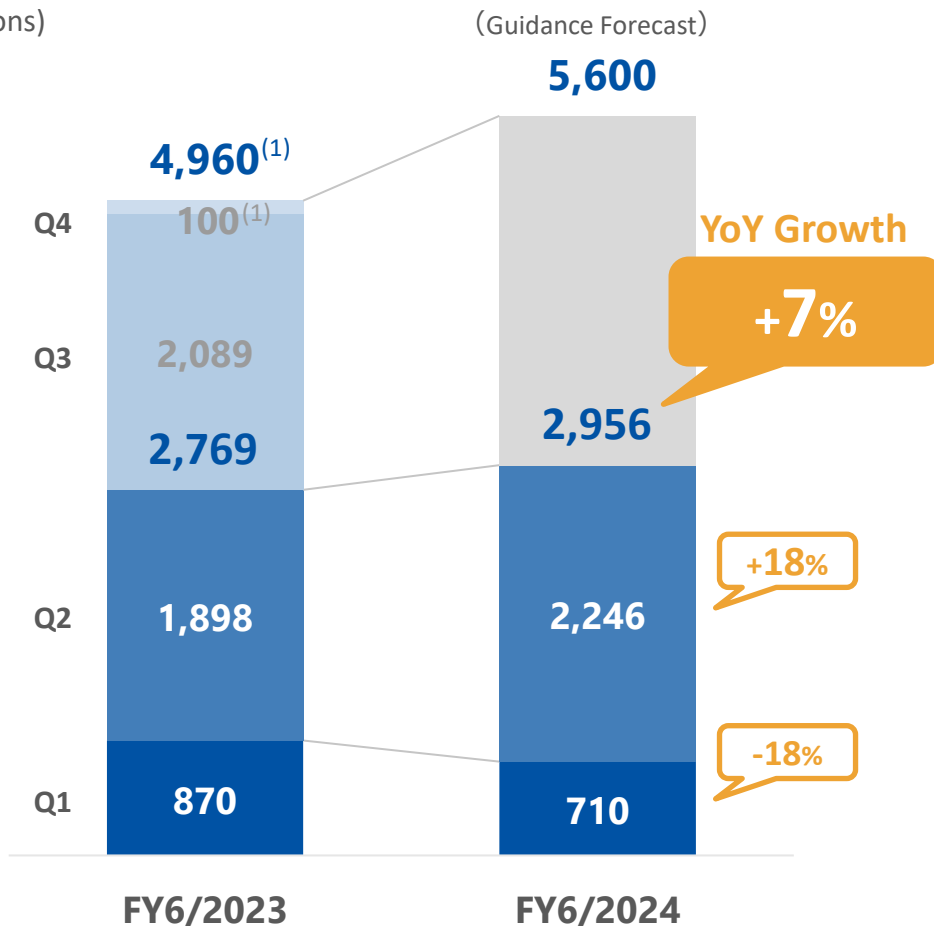


**Q2 YTD Actual**  
**+8% YoY**

# FY6/2024 Q2: Consolidated Business Profit

**Q2 Business Profit turned positive and achieved a significant increase**  
**Business Profit exceeded the Initial Guidance, as well as Revenue**  
**Continue to anticipate achieving our Initial Guidance**

Consolidated  
(JPY in Millions)

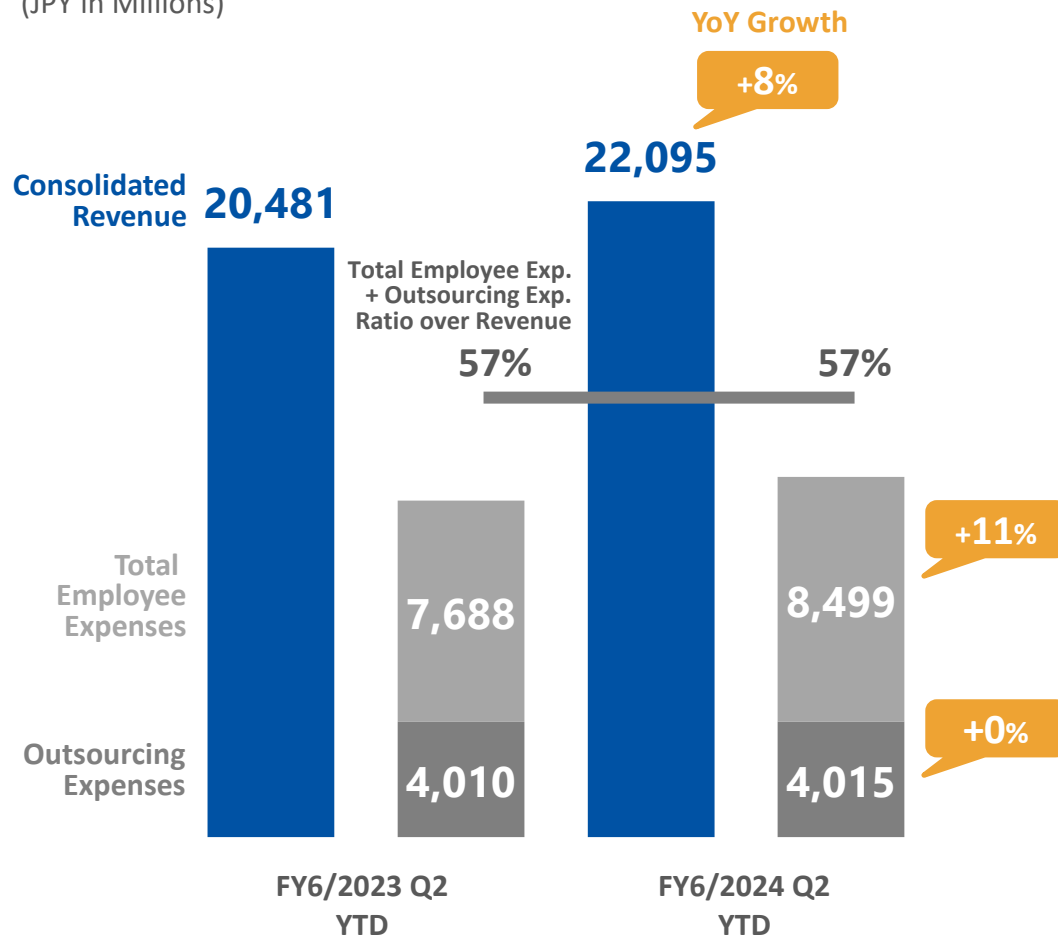


Q2 YTD Actual  
**+7% YoY**

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 and Outsourcing Expenses as planned**  
**Successfully managed the Outsourcing Expenses at the level of the previous fiscal year while Revenue grew YoY**

Consolidated  
(JPY in Millions)



## Key Point

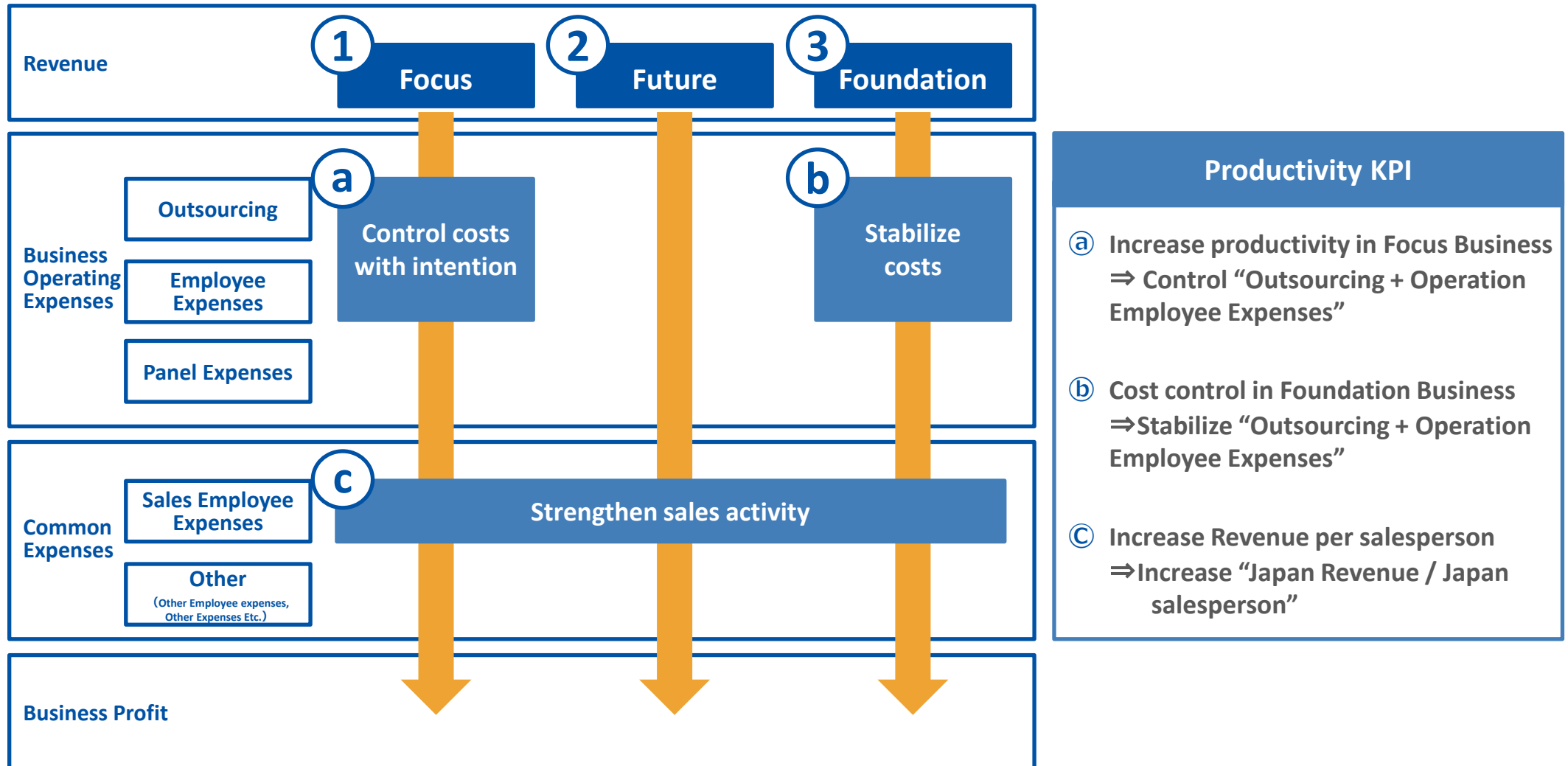
- **Total Employee Expenses:**  
Japan +689M JPY, Korea +121M JPY
  - Increase in headcount due to recruitment from FY23 2H (Compared to FY23 Q2, +134 Group, +130 in Japan, +4 in Korea)
  - Reduce the increase rate from 2H onwards
- **Outsourcing Expenses:**  
JPY -92M JPY, Korea +99M JPY
  - Promoted 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

# **FY6/2024 Q2 Business Highlights By Segments**



# Japan Segment – Revenue Breakdown and KPIs

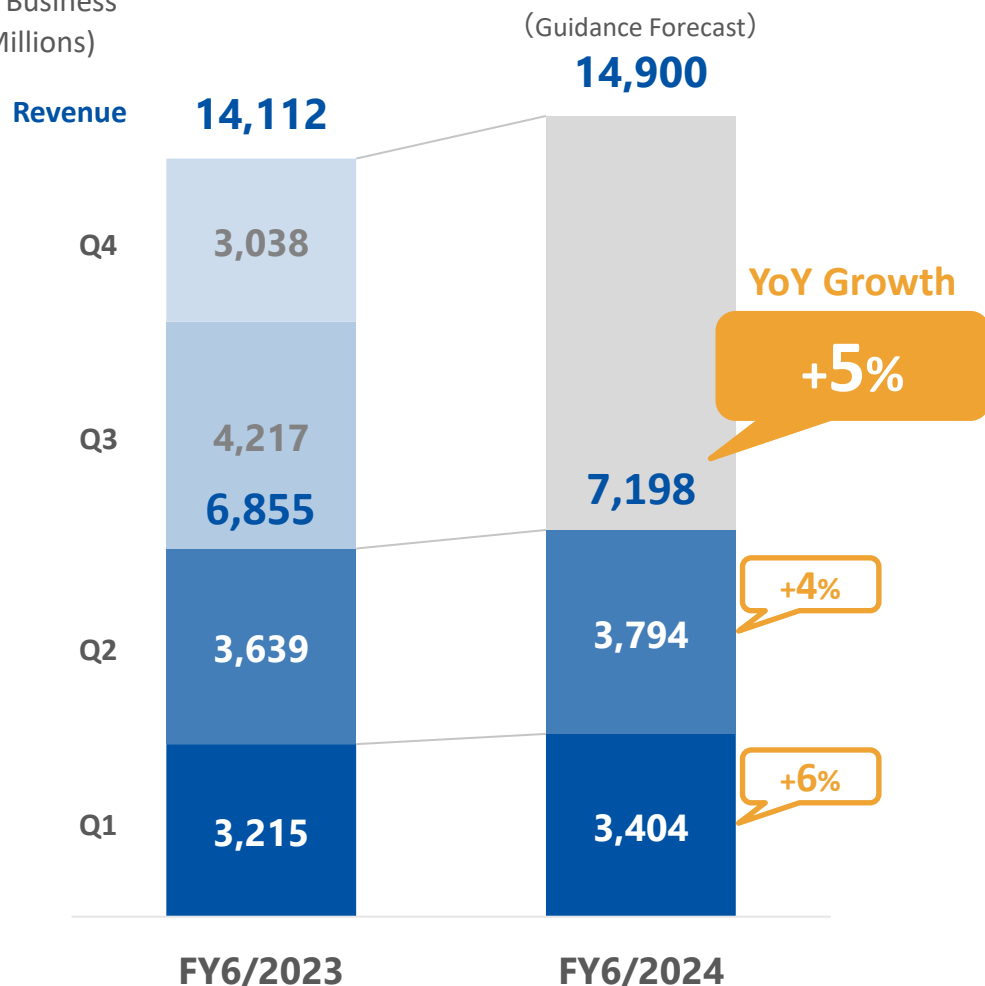
In Japan business, in addition to disclosing Revenue from businesses (1)–(3), we are also disclosing cost and productivity KPI's (a)-(c)



**+5% growth target for FY6/2024**

**Outbound sales activity is progressing favorably as planned**

Japan Business Segment  
① Focus Business  
(JPY in Millions)



**Q2 YTD Actual  
+ 5% YoY**

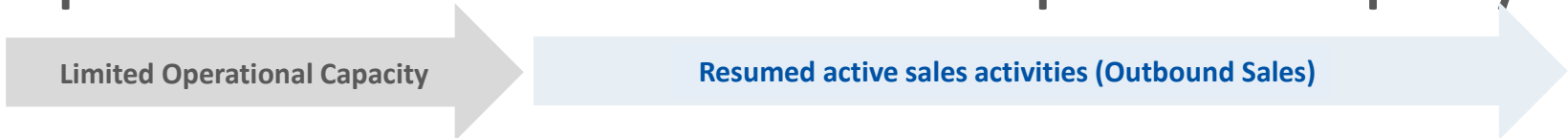
① Services in Focus Business

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

# FY6/2024 Q2: ① Focus Business - Sales Activity Initiative

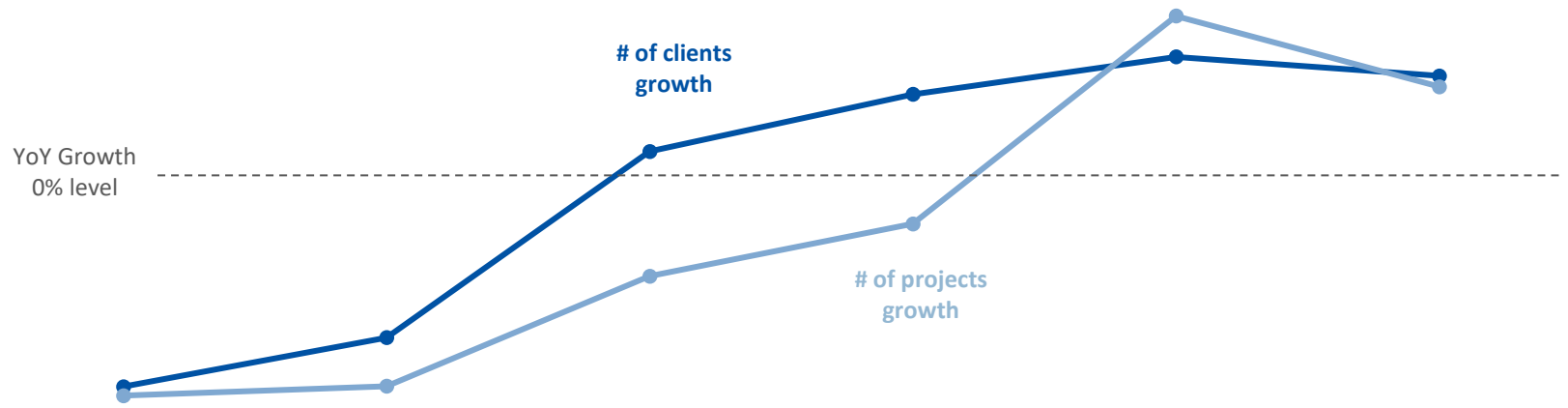
Resumed active outbound sales activities from FY23 2H

Number of companies and projects grew in Q2 as we successfully rebuilt relationships with clients we lost due to limited operational capacity



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

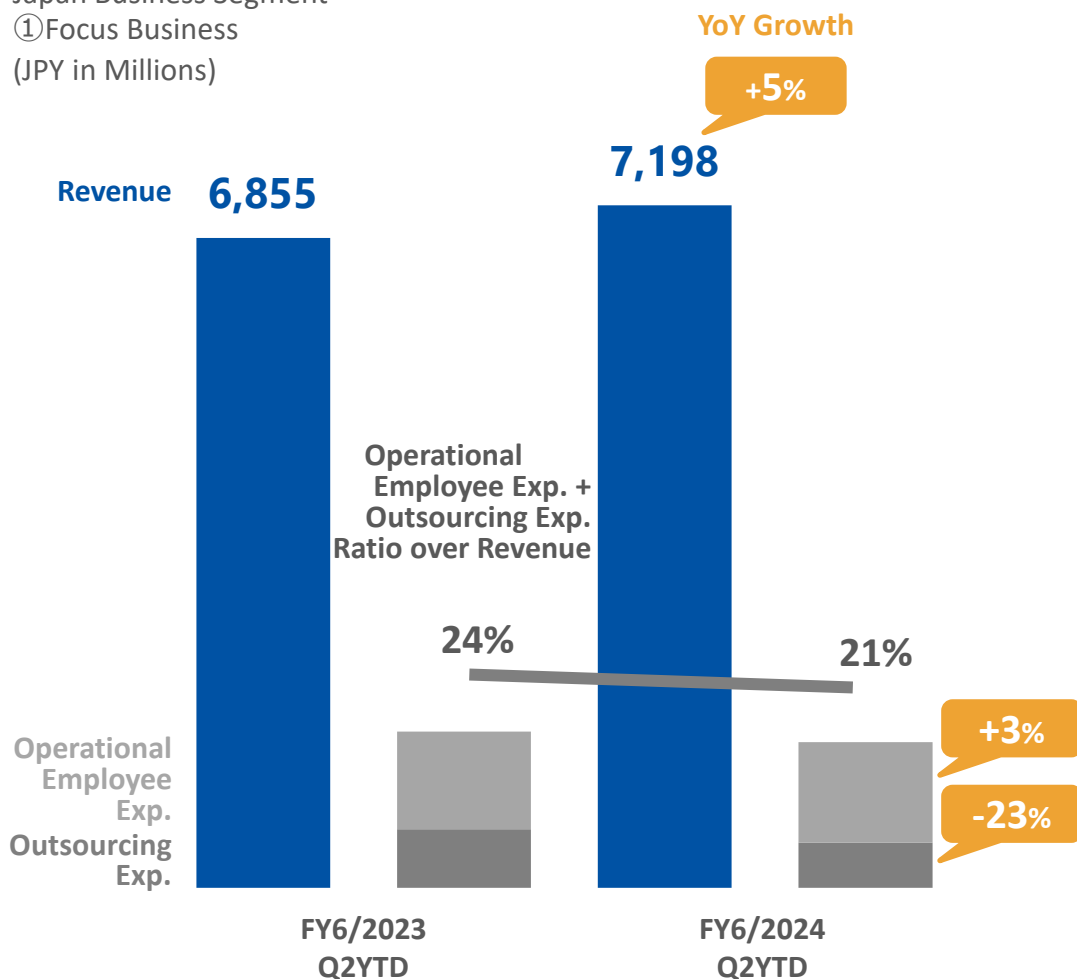
# of Clients and Projects Quarterly YoY Growth Trend



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 3 points

Japan Business Segment  
 ①Focus Business  
 (JPY in Millions)



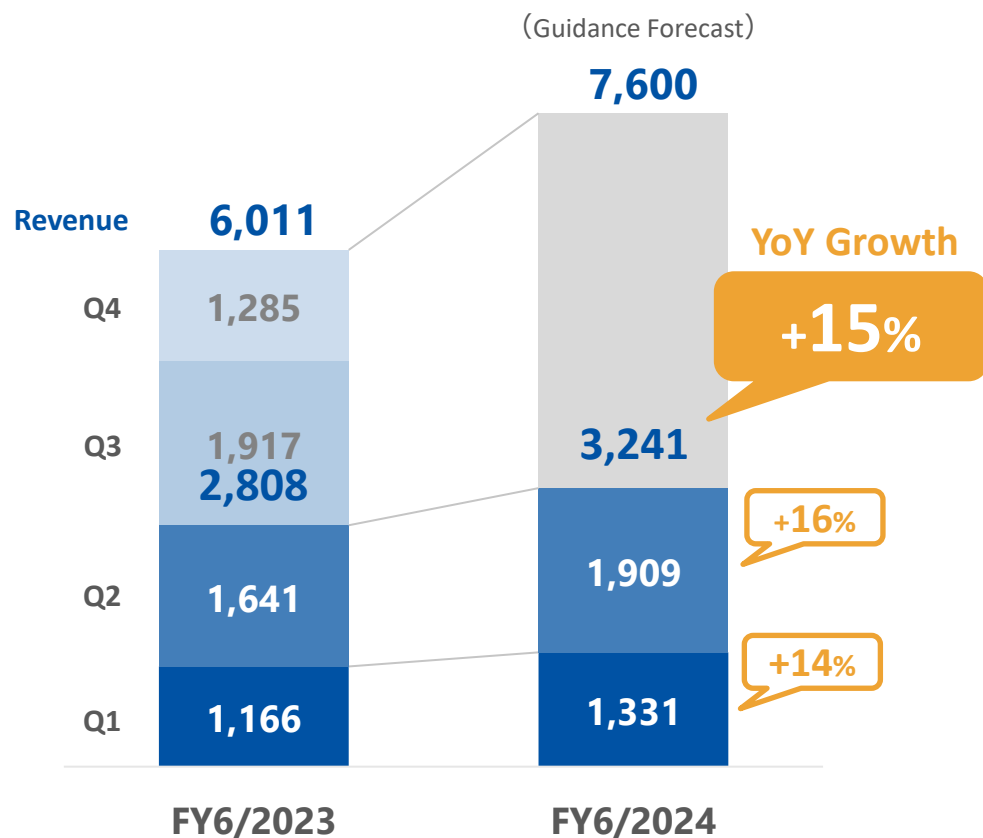
## Key Point

- **Outsourcing Expenses: -23% YoY**
  - Outsourcing Expenses have decreased on an actual basis due to an increase in-house production and improved internal productivity
- **Operational Employee Expenses: +3% YoY**
  - Increased lower than Revenue growth
  - Succeded decrease in employee turnover rate and talent development
  - Reduced workload by reviewing operational processes
  - Implementing initiatives to promote business automation

FY24 Growth target set at +27% for business group with large project scale

In addition to growth in Consulting, growth of New Business is accelerated in Q2

Japan Business Segment  
 ②Future Business  
 (JPY in Millions)



Q2 YTD Actual  
 + 15% 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

Q2 YTD Actual

**690**<sub>M JPY</sub>  
(YoY+26%)

- New project development is progressing smoothly
- Q2 performance remains favorable
- Received multiple projects involving research, further accelerating mutual client referrals

## Global Research

(Southeast Asia, including China)

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

Q2 YTD Actual

**1,647**<sub>M JPY</sub>  
(YoY+11%)

- Revenue trend continued in Q2, resulting in double-digit growth
- Aim for double-digit growth for the year

## New Business

(Life Science, Ads, etc.)

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

Q2 YTD Actual

**903**<sub>M JPY</sub>  
(YoY+15%)

- Life Science and other New Business grew in Q2
- We anticipate growth trend will accelerate in 2H

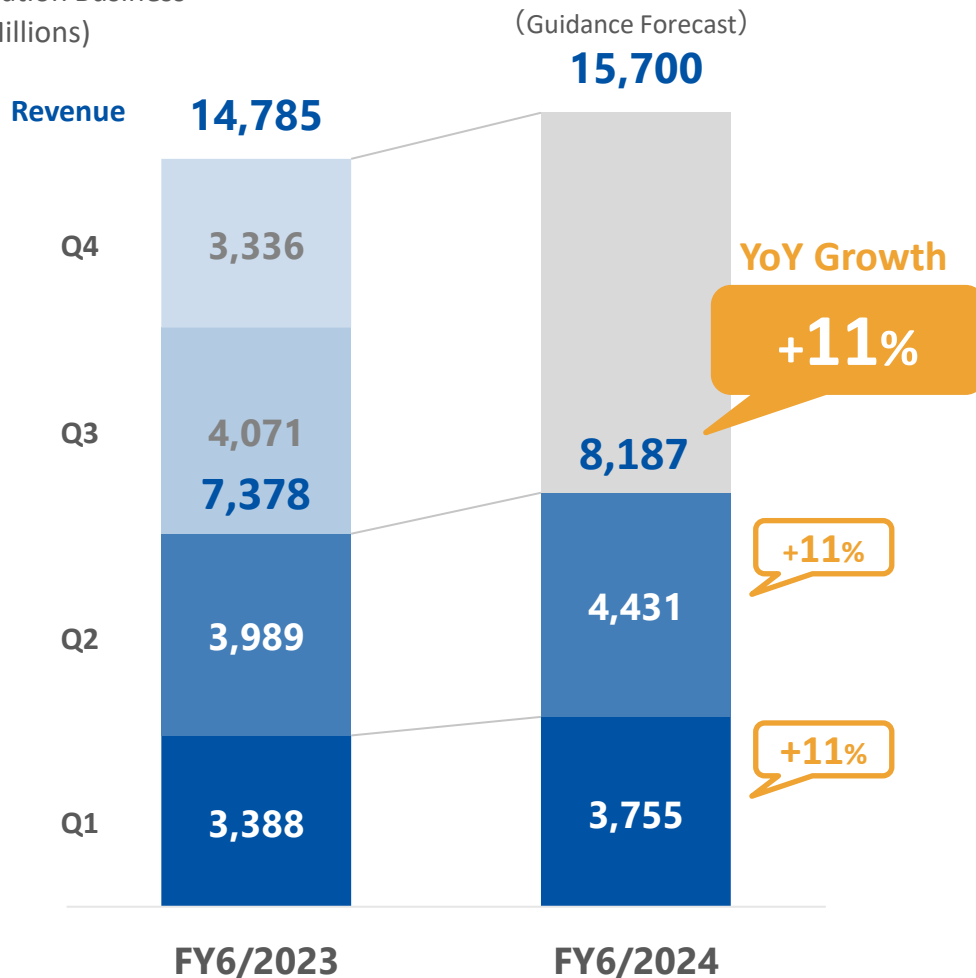
# FY6/2024 Q2: Japan Segment ③ Foundation Business

FY24 Growth target set at +6%

Achieved significantly higher growth than our initial expectation due to contribution from Subsidiaries including Monitas

Anticipate this favorable growth trend to continue

Japan Business Segment  
③ Foundation Business  
(JPY in Millions)



Q2 YTD Actual  
+ 11% YoY

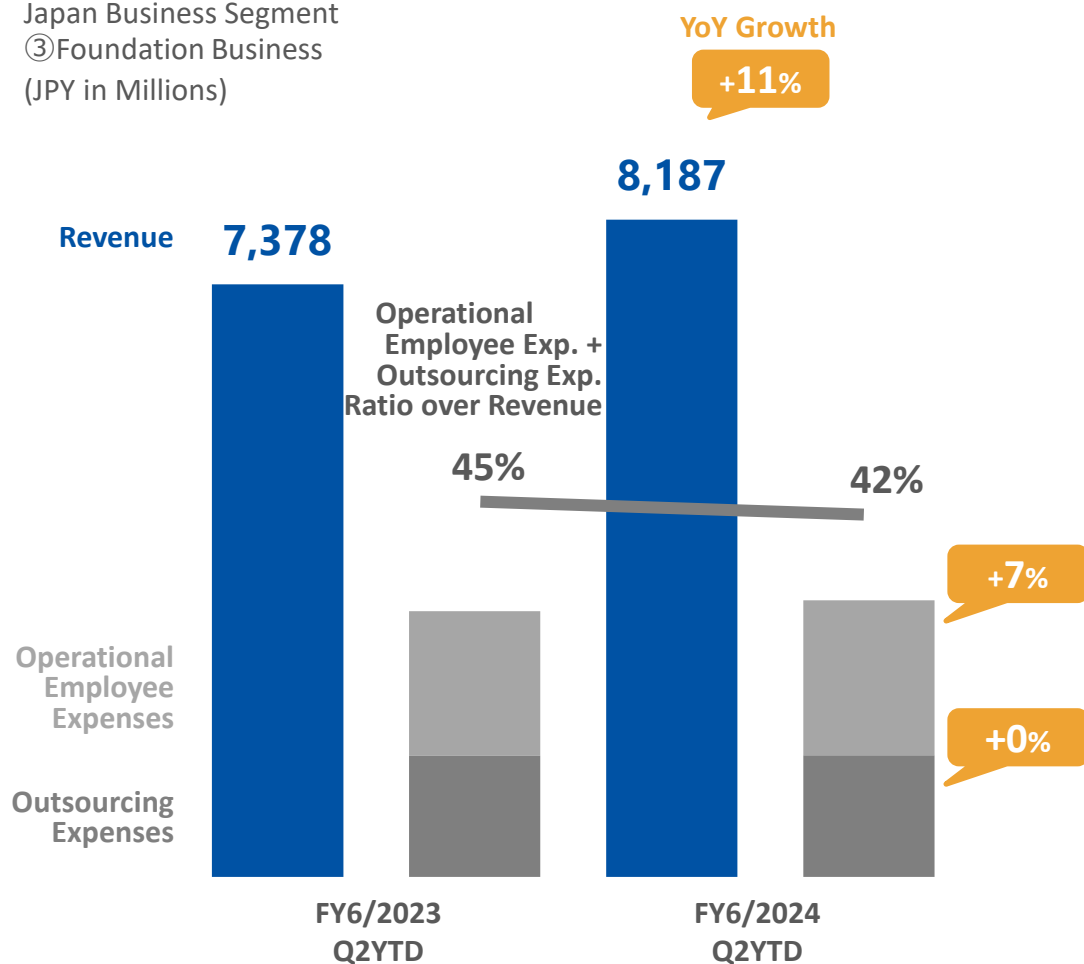
### ③ Services in Foundation Business

- 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 and cost control in Outsourcing Expenses improved the Outsourcing Expenses + Operational Employee Expenses ratio by 3 points

Japan Business Segment  
③Foundation Business  
(JPY in Millions)



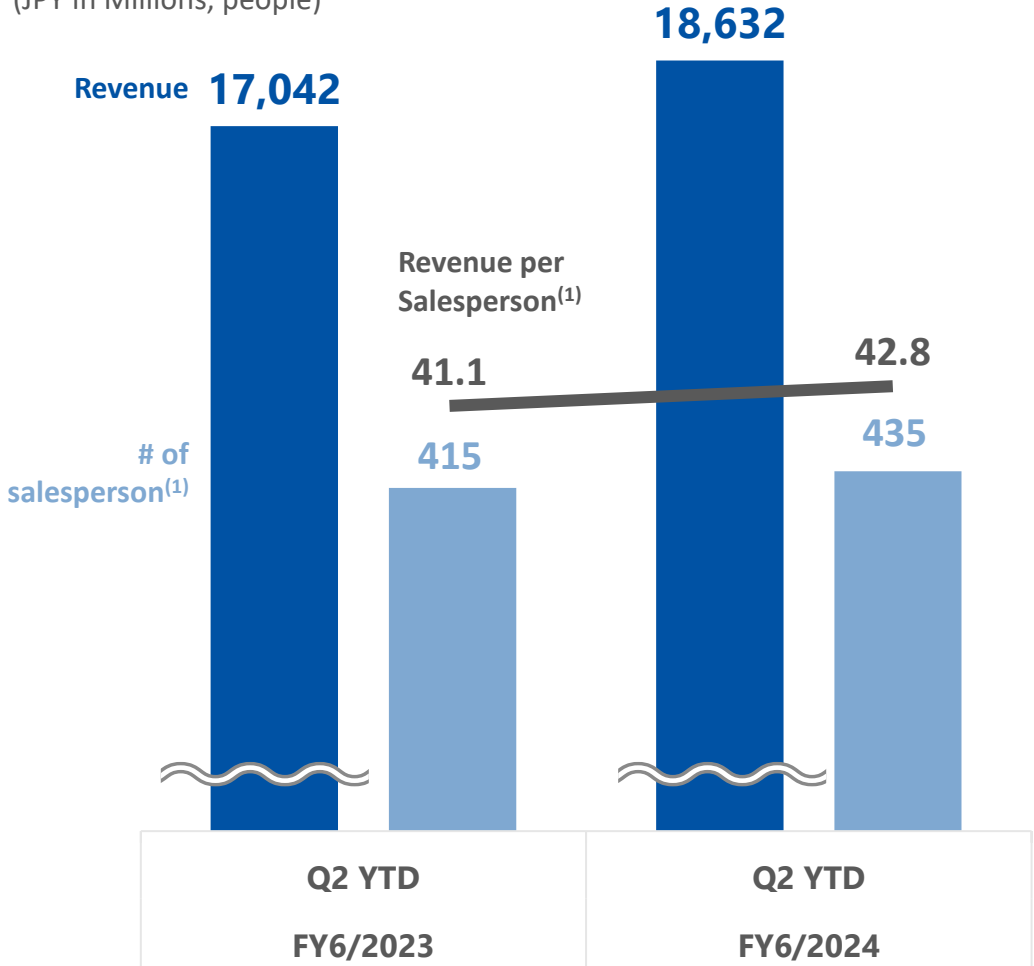
### Key Point

- Outsourcing Expenses and Operational Employee Expenses to the Revenue have decreased due to increased Revenue, and improved sales mix at subsidiaries
- Outsourcing Expenses: +0% YoY
  - In-house offline research
  - Reducing Outsourcing Expenses at subsidiaries
- Operational Employee Expenses: +7% YoY
  - The level of increase was less than the Revenue growth



## With no operational capacity limit, Revenue per salesperson increased

Japan Business Segment  
(JPY in Millions, people)



### Key Point

- **Salesperson Headcount: +20 people vs FY23 Q2**
  - Increase due to increase in headcount in new businesses, acquisition of Monitas, etc.
  
- **Revenue per Salesperson**
  - In Q2, Revenue per salesperson expands due to an increase in Revenue scale as we enter the busy season
  - Furthermore, we plan to expand the sales incentive design between group companies and strengthen mutual client referrals

**Note**  
1. Number of people involved in sales activities among all employees of our companies in Japan. To equalize the effects of increases and decreases in the headcount during the period and to obtain figures that more closely reflect the actual situation, the number of headcounts is a simple average of the number of headcounts at the beginning of the period and at the end of the most recent quarter.

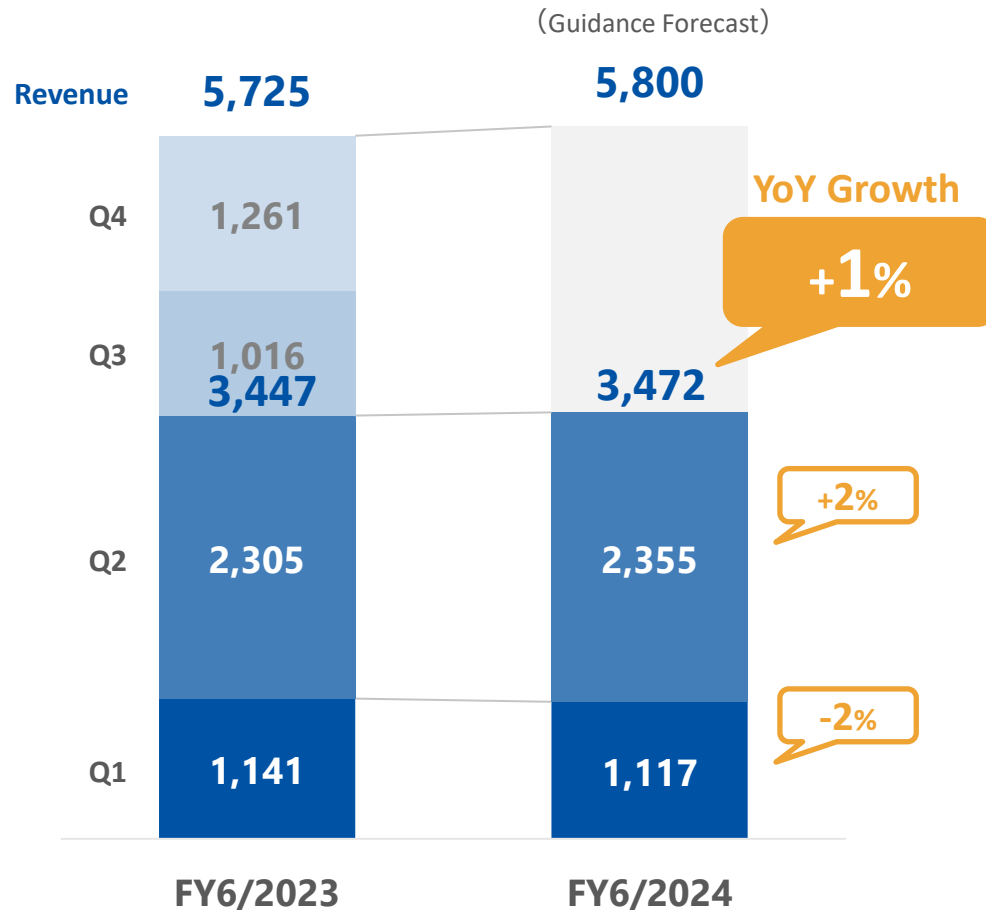
# FY6/2024 Q2: Korea Segment

FY24 growth target set at +2%

The impact of economic downturn continued throughout 1H

Focus on launching new business for future growth in FY25 and beyond

Korea Business Segment  
(JPY in Millions)



Q2 YTD Actual

+ 1% YoY

(-6% in Constant FX)

**FY6/2024 Q2 Financial and Business Update**  
**By Segments**

# Consolidated Statement of Operations (P/L) <sup>(1)</sup>

Q2 YTD (6 Months)

20

Japan Business performed favorably, especially Business Profit materially increased due to an increase in productivity

An equity method loss of Toluna in Q2 decreased compared to Q1, and we anticipate that the equity method loss of Toluna will continue to decrease in 2H

## FY6/2024 Q2 YTD (6 Months)

Consolidated  
(JPY in Millions)

	FY6/2023 Q2 YTD Actual	FY6/2024 Q2 YTD Actual	YoY Growth	YoY Variance
<b>Revenue</b>	<b>20,481</b>	<b>22,095</b>	<b>+1,614</b>	<b>+8%</b>
Japan Business Revenue	17,042	<b>18,632</b>	<b>+1,590</b>	<b>+9%</b>
Korea Business Revenue	3,447	<b>3,472</b>	<b>+25</b>	<b>+1%</b>
<b>EBITDA <sup>(2)</sup></b>	<b>3,819</b>	<b>3,955</b>	<b>+136</b>	<b>+4%</b>
<b>Business Profit <sup>(3)</sup></b>	<b>2,769</b>	<b>2,956</b>	<b>+187</b>	<b>+7%</b>
Japan Business Business Profit <sup>(3)</sup>	2,172	<b>2,584</b>	<b>+412</b>	<b>+19%</b>
Korea Business Business Profit	597	<b>371</b>	<b>(225)</b>	<b>(38%)</b>
<b>Business Profit Margin</b>	<b>13.5%</b>	<b>13.4%</b>	<b>(0.1)pt</b>	<b>-</b>
Gains and losses of equity method of Toluna	-	<b>(579)</b>	<b>(579)</b>	<b>-</b>
<b>Operating Profit</b>	<b>2,769</b>	<b>2,377</b>	<b>(392)</b>	<b>(14%)</b>
<b>Quarterly Profit from Continuing Operations Attributable to Owners of the Parent Company</b>	<b>1,218</b>	<b>888</b>	<b>(329)</b>	<b>(27%)</b>

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 Q2: Consolidated Operating Expenses

Q2 YTD (6 Months)

21

Successfully controlled costs below the Initial Guidance

Rise in Operating Expenses is mostly led by an increase in Total Employee Expenses from a growing headcount in FY23 2H

Renewing the core research system and other costs increased Other Expenses

## FY6/2024 Q2 YTD (6 Months)

Consolidated  
(JPY in Millions)

	FY6/2023 Q2YTD Actual	FY6/2024 Q2YTD Actual	YoY Growth	YoY Variance
<b>Revenue</b>	<b>20,481</b>	<b>22,095</b>	<b>+1,614</b>	<b>+8%</b>
Panel Expenses	2,537	2,762	+225	+9%
Outsourcing Expenses	4,010	4,015	+5	+0%
Total Employee Expenses	7,688	8,499	+811	+11%
D&A and Other Expenses	3,523	3,832	+309	+9%
<b>Operating Expenses Total</b>	<b>17,759</b>	<b>19,110</b>	<b>+1,350</b>	<b>+8%</b>

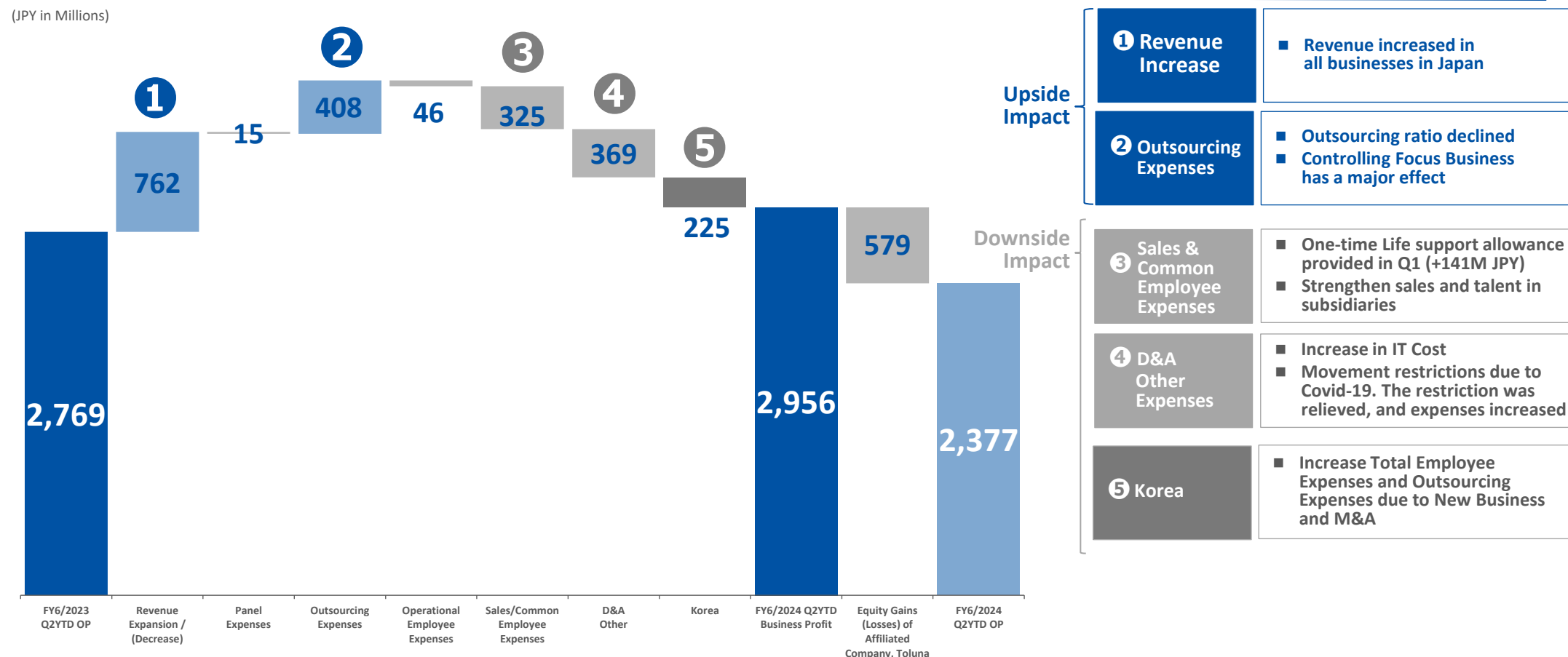
# FY6/2024 Q2: Consolidated OP Waterfall

Q2 YTD (6 Months)

In addition to the Revenue increase in Japan, Outsourcing Expenses reduction has been progressing well

This impact absorbed increases in Total Employee Expenses, D&A, and Other Expenses. As a result, Business Profit increased in 1H

FY6/2024 Q2 YTD (6 Months) Consolidated OP Waterfall Analysis <sup>(1)</sup>



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 Q2: 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  
 As we entered the busy season from Q2, Revenue growth turned to expand, and it improved Business Profit rate

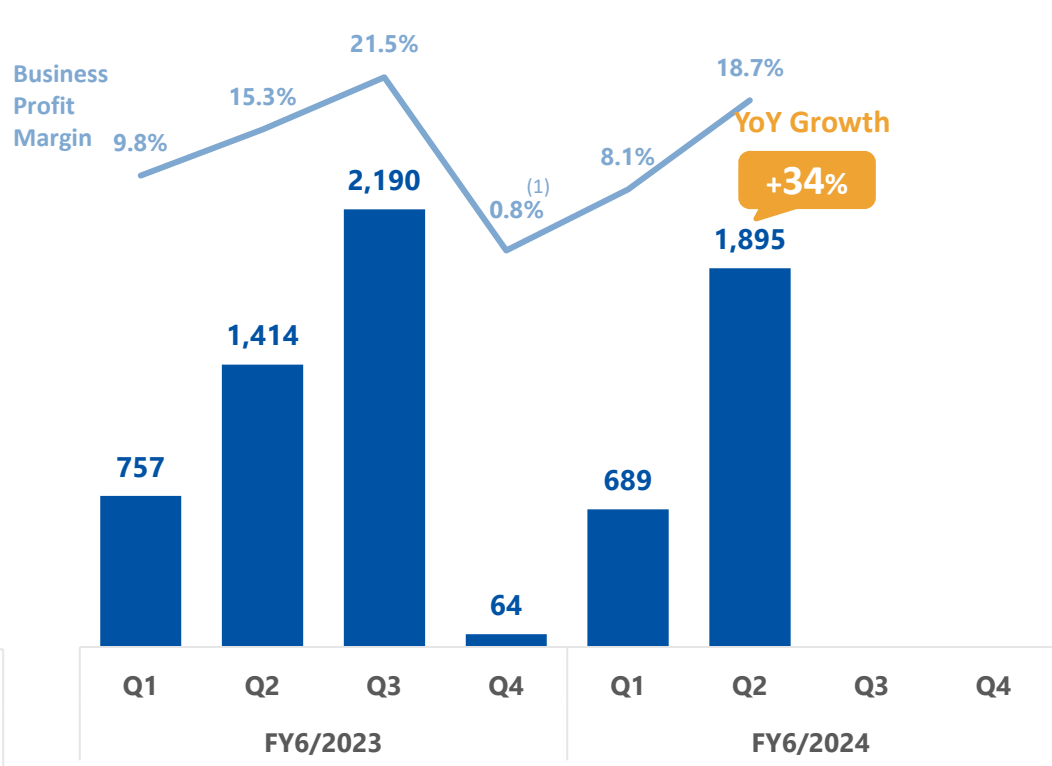
## Japan Business Quarterly Revenue Trend

(JPY in Millions)



## Japan Business Quarterly Business Profit<sup>(2)</sup> 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 Q2: Japan Focus Business Quarterly Trend

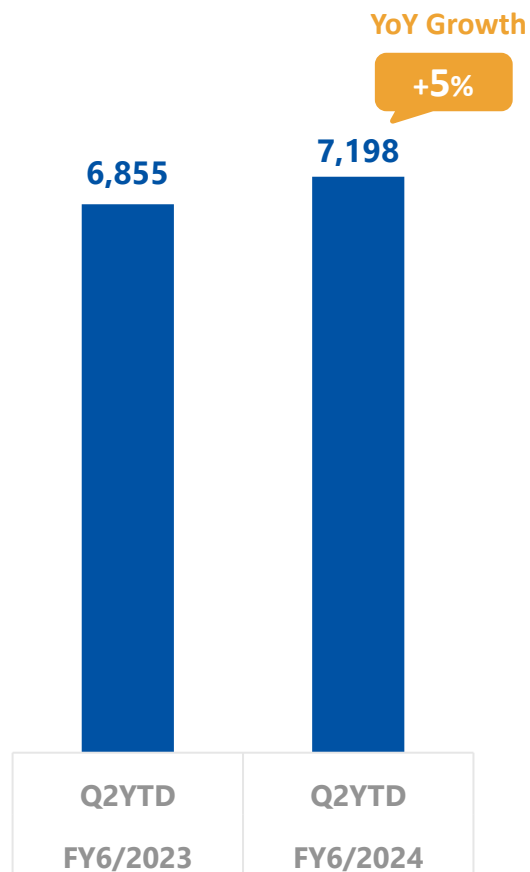
Focus Business consists of highly profitable services - Online Research and Digital Research

Revenue turned to increase due to growth in Online Research in 1H

Having certified in December for a third-party YouTube advertising measurement partner, we aim for digital growth from next fiscal year and beyond

## Focus Business Q2 YTD Revenue (6 Months)

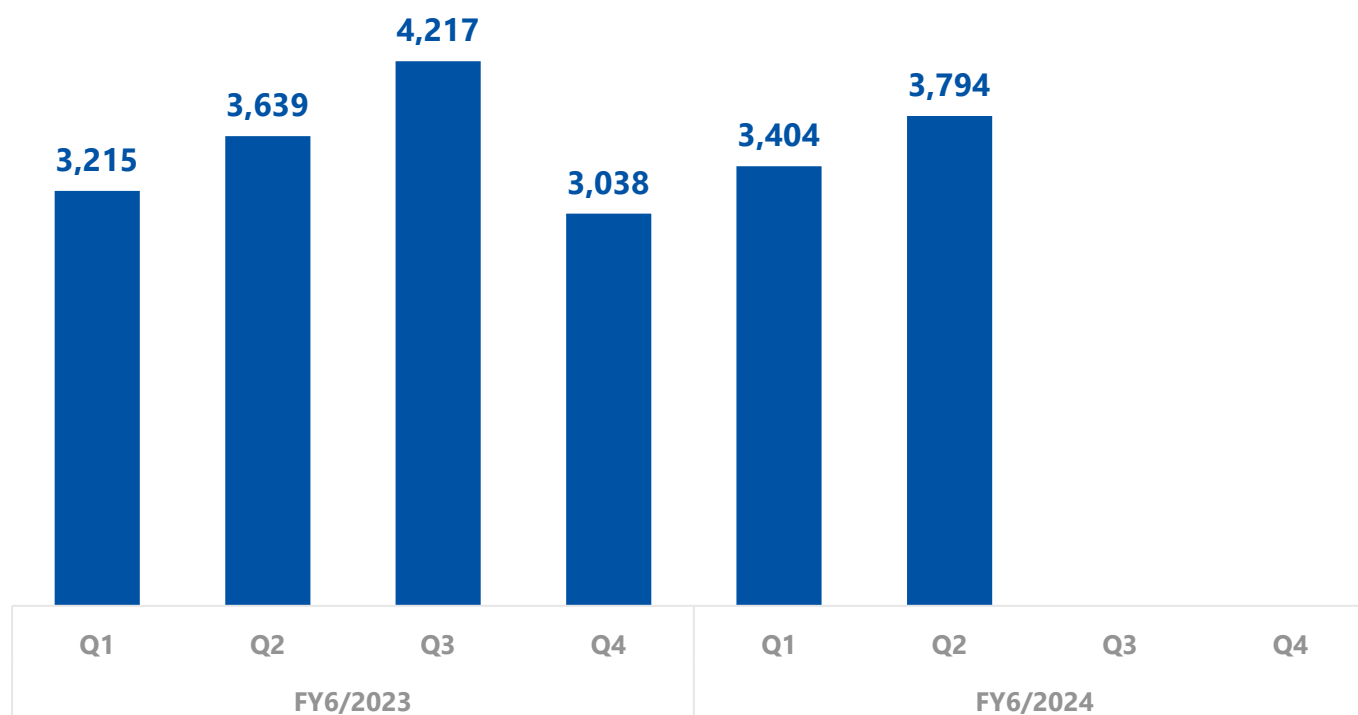
(JPY in Millions)



## Focus Business Quarterly Revenue Trend

(JPY in Millions)

YoY Growth : +6% +4%



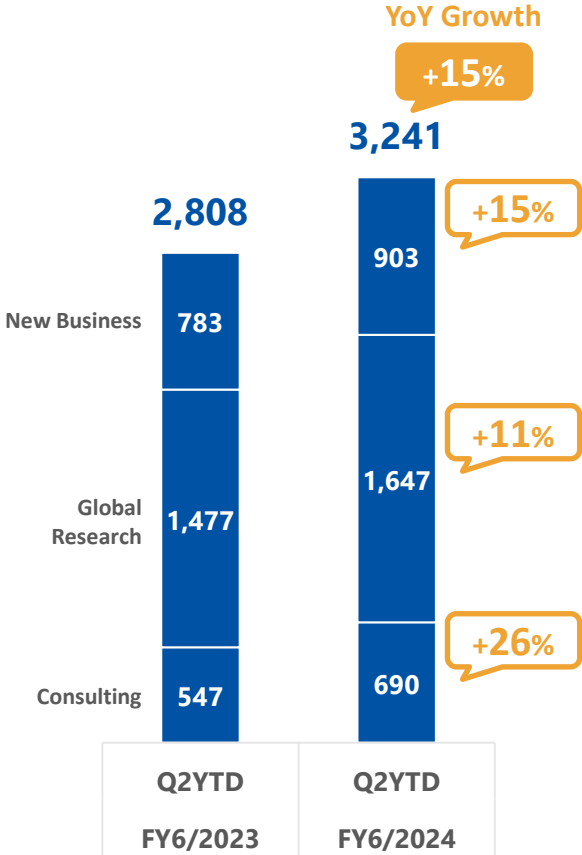


# FY6/2024 Q2: Japan Future Business Quarterly Trend

Future Business consists of a group of businesses to achieve continued Revenue growth over the medium to long term  
 We achieved double-digit growth, despite having relatively large projects with high volatility  
 We will further accelerate new project development through mutual client referrals and aim to actively expand Revenue in the next fiscal year and onwards

### Future Business Q2 YTD Revenue (6 Months)

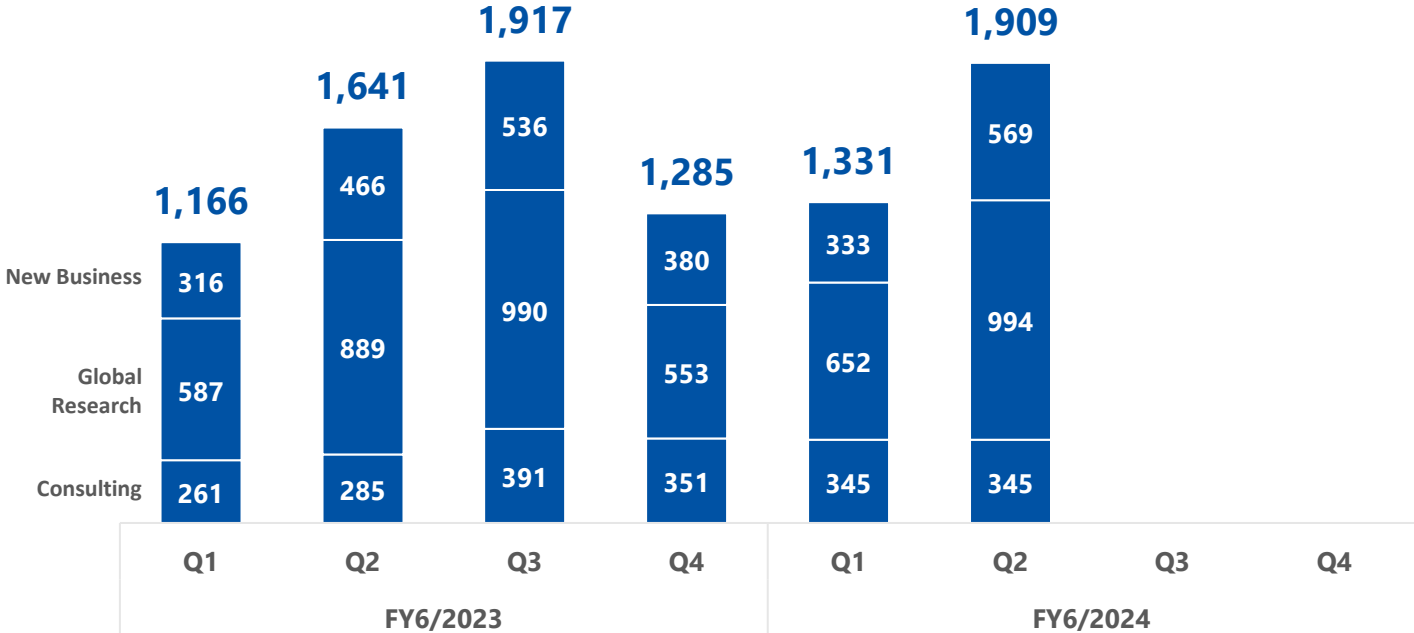
(JPY in Millions)



### Future Business Quarterly Revenue Trend

(JPY in Millions)

YoY Growth : +14% +16%



# FY6/2024 Q2: Japan Foundation Business Quarterly Trend

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 is now at a largest level in Japan  
 The performance of Monitas and other JV subsidiaries remained strong, resulting in double-digit Revenue growth

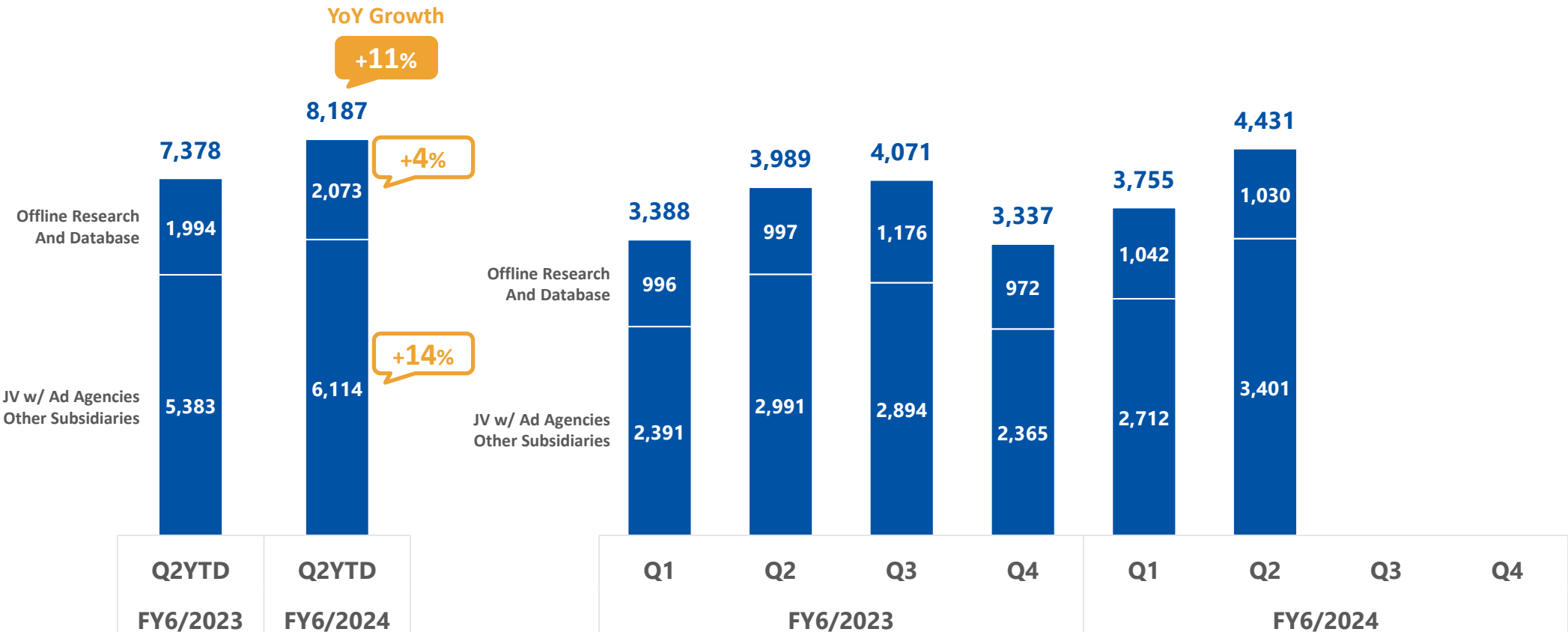
## Foundation Business Q2 YTD Revenue (6M)

(JPY in Millions)

## Foundation Business Quarterly Revenue Trend

(JPY in Millions)

YoY Growth : +11% +11%



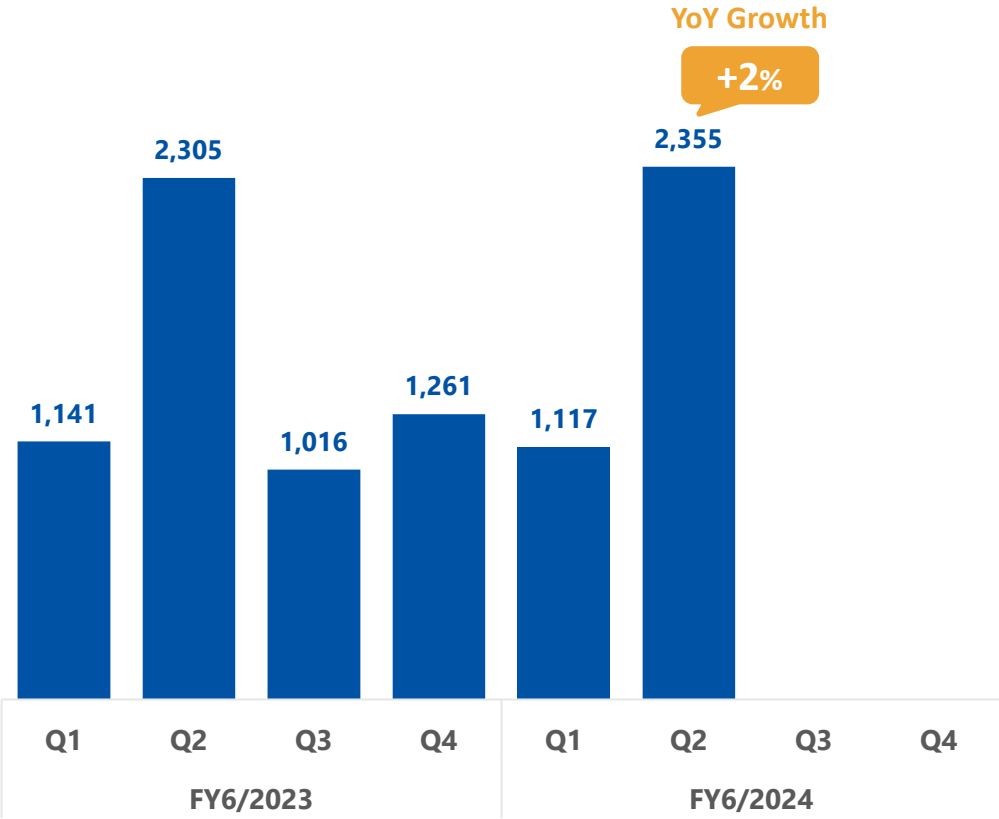
# FY6/2024 Q2: Korea Business Quarterly Trend

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

With the impact of macro-economic condition continuing, we will focus on controlling costs in existing business

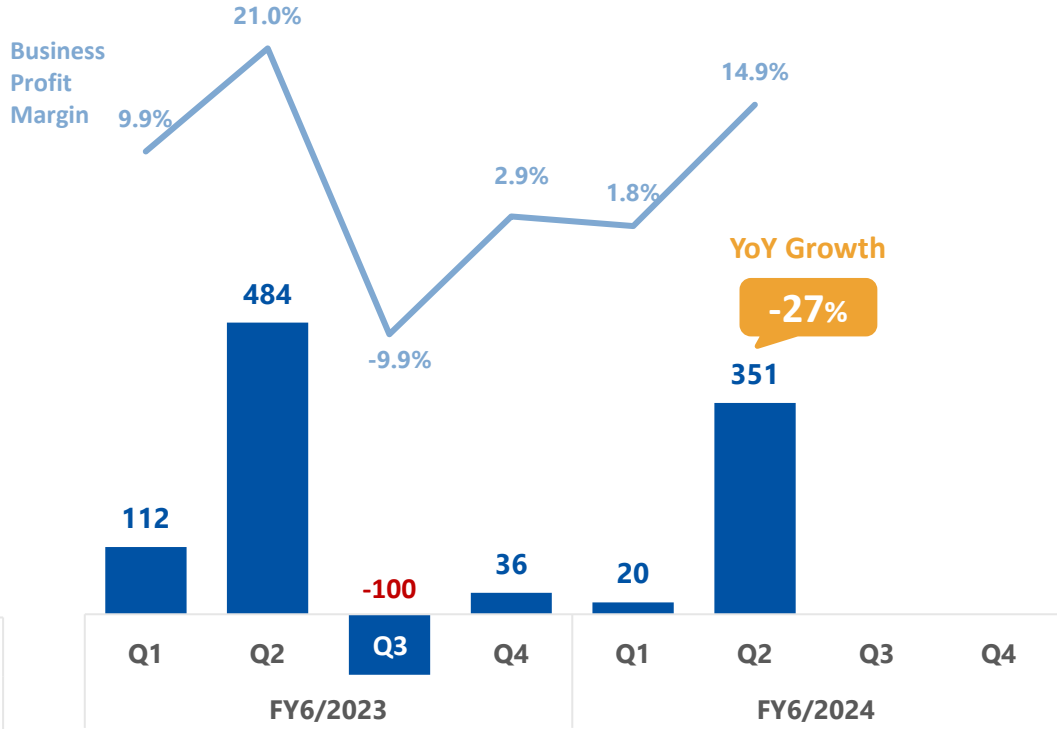
## Quarterly Korea Revenue Trends

(JPY in Millions)



## Quarterly Korea Business Profit Trends

(JPY in Millions)

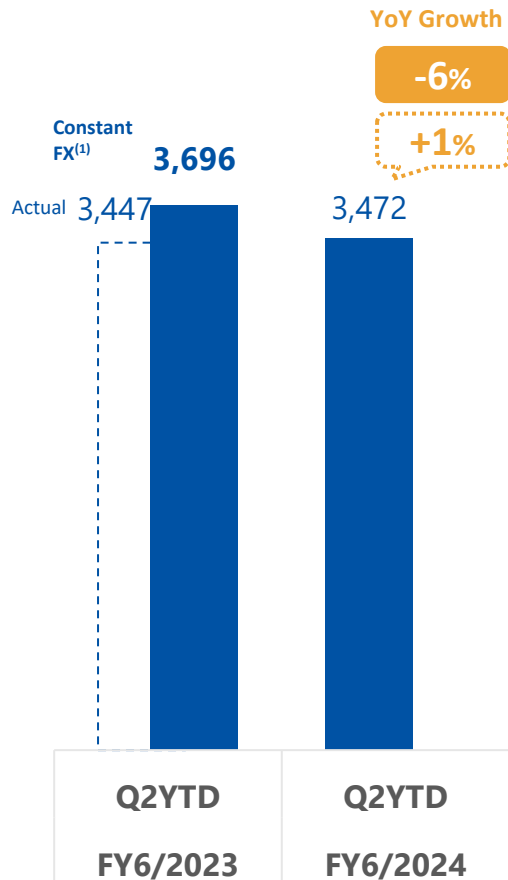


# FY6/2024 Q2: Korea Business Quarterly Revenue Trend

Revenue growth was weak due to a decline in the government's public sector projects and budget cuts in VIP clients  
 We aim for further growth of new business, Purchase Data Provision Service, for growth in FY25 and beyond

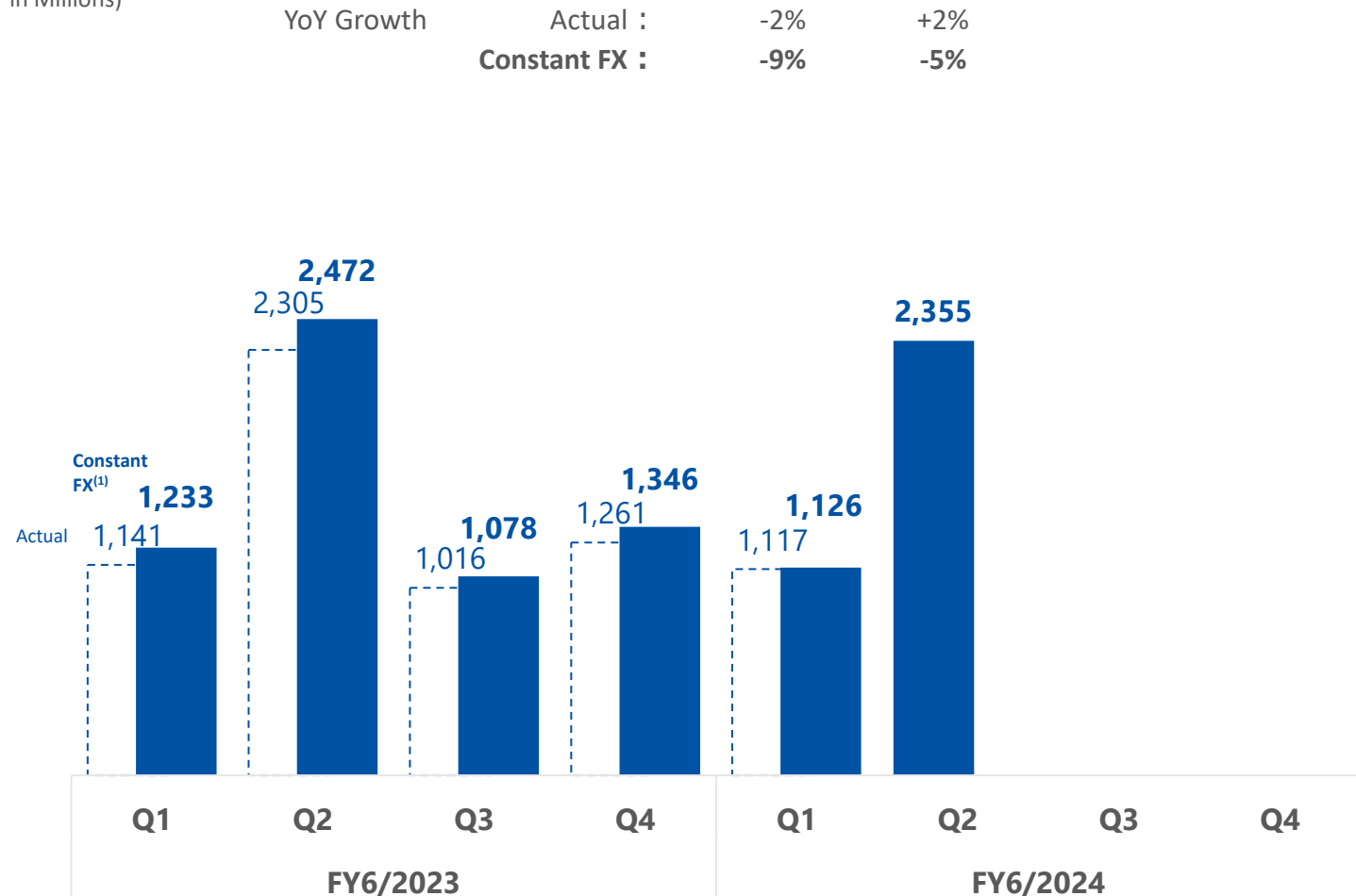
## FY6/2024 Q2 YTD Korea Revenue (6 Months)

(JPY in Millions)



## Quarterly Korea Revenue Trends

(JPY in Millions)



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 due to the consolidation of Monitas in July, etc.

Both Net Debt/EBITDA and ROE are in a recovery trend from the previous quarter

## FY6/2024 Q2

Consolidated  
(JPY in Millions)

Consolidated IFRS (JPY in Millions)	FY6/2023 as of June 30, 2023	FY6/2024 as of Dec. 31, 2023	Variance
<b>Total Current Asset</b>	<b>29,286</b>	<b>24,986</b>	<b>(4,299)</b>
Cash and cash equivalents	18,255	12,484	(5,770)
Trades and Other Receivables	6,659	8,567	+1,907
<b>Total Non-current Asset</b>	<b>64,867</b>	<b>65,495</b>	<b>+627</b>
Goodwill	40,033	40,722	+689
<b>Total Liabilities</b>	<b>51,823</b>	<b>47,771</b>	<b>(4,052)</b>
Borrowings and Bonds <sup>(1)</sup>	40,920	35,894	(5,026)
<b>Total Equity</b>	<b>42,330</b>	<b>42,711</b>	<b>+380</b>

## Target Financial KPIs

<b>Net Debt<sup>(2)</sup>/ Adj. EBITDA</b>	<b>3.29 x</b>	<b>3.33 x</b>	
Net Debt	22,665	23,410	+744
Adj. EBITDA <sup>(3)</sup>	6,898	7,034	+136
<b>ROE<sup>(2)</sup></b>	<b>5.1%</b>	<b>4.1%</b>	<b>-1.0pt</b>

Note

1. The sum of Short-term Borrowings, Long-term Borrowings, and Bonds
2. Net debt = interest-bearing 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)

Cash flow from operating activities improved YoY due to favorable business performance, the timing of the payment, and the impact of income tax refunds arising from the transfer of other overseas business segment, etc.

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

## FY6/2024 Q2 YTD (6 Months)

Consolidated  
(JPY in Millions)

	6 Months		
	FY6/2023 Q2 YTD Actual	FY6/2024 Q2 YTD Actual	Variance
<b>Cash Flows from Operating Activities</b>	<b>(28)</b>	<b>1,719</b>	<b>+1,747</b>
<b>Cash Flows from Investing Activities</b>	<b>(853)</b>	<b>(381)</b>	<b>+471</b>
Free Cash Flows <sup>(1)</sup>	(789)	1,456	+2,246
<b>Cash Flows from Financing Activities</b>	<b>(1,843)</b>	<b>(7,114)</b>	<b>(5,270)</b>
Increase/(decrease) in Cash and Cash Equivalents	(2,725)	(5,776)	(3,051)
Cash and Cash Equivalents at the end of the period	12,022	12,484	+461

Note

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

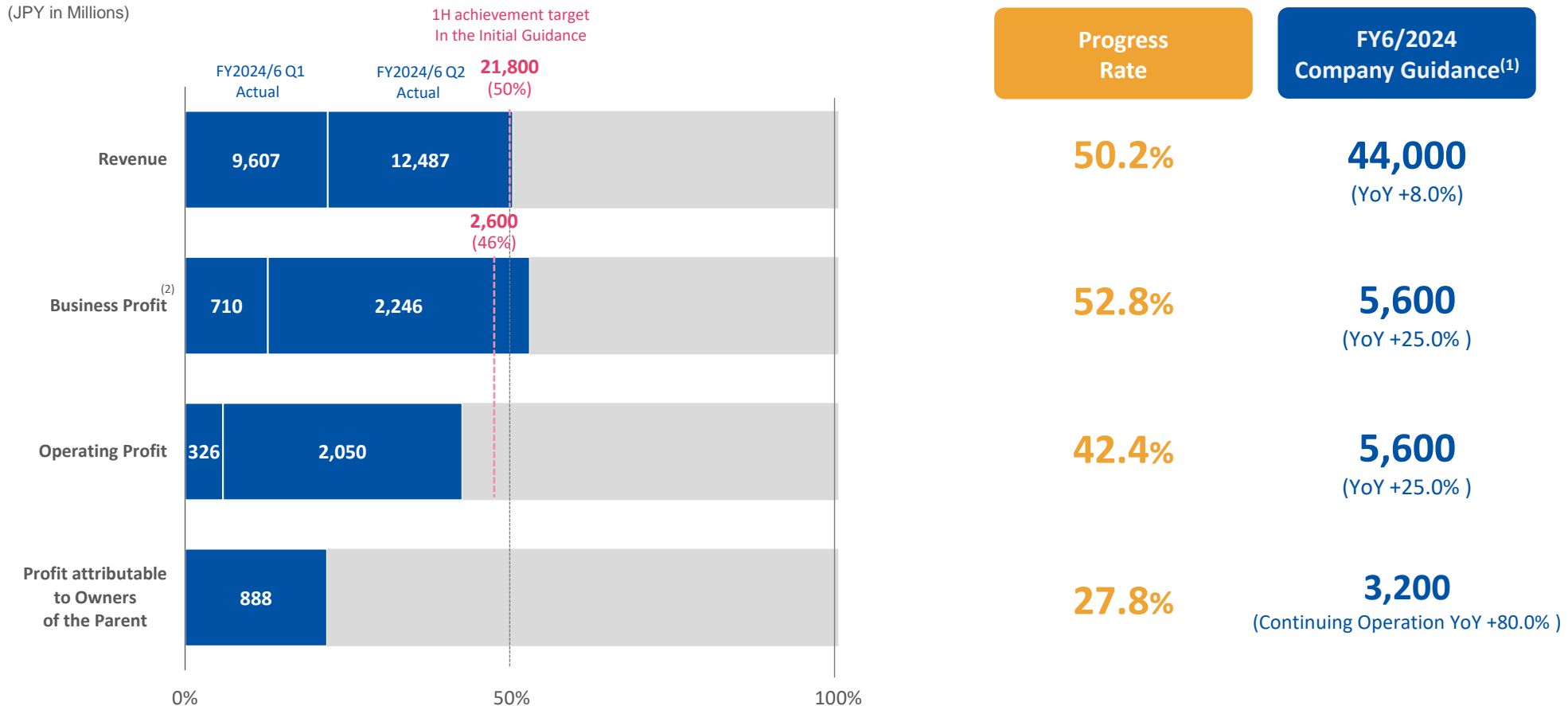
# FY6/2024 Q2 Results: % of Achievement vs. Guidance

Revenue and Business Profit in 1H exceeded the Initial Guidance due to successful efforts to strengthen sales structure and productivity improvement in Japan

Despite the impact of the equity method loss of Toluna, we aim to achieve our group's Initial Guidance

## FY6/2024 Q2 YTD Actual vs. FY6/2024 Company Guidance

Consolidated  
(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 Q2 Financial Results Supplemental Material](#)
- ii. Summary of our Company, Market size, Historical Revenue Trends and our Mid-term Business Plan



# Consolidated Statement of Operations (P/L) <sup>(1)</sup> Q2 Standalone (3M)

Continuing from Q1, Japan business continued to perform well in Q2, achieving steady Revenue growth, and Business Profit turned to an increase

It also improved the Business Profit Margin on a consolidated basis

## FY6/2024 Q2 (3 Months)

Consolidated  
(JPY in Millions)

	FY6/2023 Q2 Actual	FY6/2024 Q2 Actual	YoY Growth	YoY Variance
<b>Revenue</b>	<b>11,571</b>	<b>12,487</b>	<b>+915</b>	<b>+8%</b>
Japan Business Revenue	9,271	<b>10,137</b>	<b>+865</b>	<b>+9%</b>
Korea Business Revenue	2,305	<b>2,355</b>	<b>+49</b>	<b>+2%</b>
<b>EBITDA</b> <sup>(2)</sup>	<b>2,441</b>	<b>2,743</b>	<b>+301</b>	<b>+12%</b>
<b>Business Profit</b> <sup>(3)</sup>	<b>1,898</b>	<b>2,246</b>	<b>+347</b>	<b>+18%</b>
Japan Business Business Profit <sup>(3)</sup>	1,414	<b>1,895</b>	<b>+480</b>	<b>+34%</b>
Korea Business Business Profit	484	<b>351</b>	<b>(132)</b>	<b>(27%)</b>
<b>Business Profit Margin</b>	<b>16.4%</b>	<b>18.0%</b>	<b>+1.6pt</b>	<b>-</b>
Gains and losses of equity method of Toluna	-	<b>(195)</b>	<b>(195)</b>	<b>-</b>
<b>Operating Profit</b>	<b>1,898</b>	<b>2,050</b>	<b>+151</b>	<b>+8%</b>
<b>Quarterly Profit from Continuing Operations Attributable to Owners of the Parent Company</b>	<b>912</b>	<b>1,002</b>	<b>+89</b>	<b>+10%</b>

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 Q2: Cnsl. Operating Expenses

Q2 Standalone (3M)

34

Controlled the increasing rate of Total Operating Expenses below the Revenue growth

As in Q1, we could keep down Outsourcing Expenses while Revenue increases. In Q2, we could keep Total Employee Expenses below the Revenue growth rate

## FY6/2024 Q2 (3 Months)

Consolidated  
(JPY in Millions)

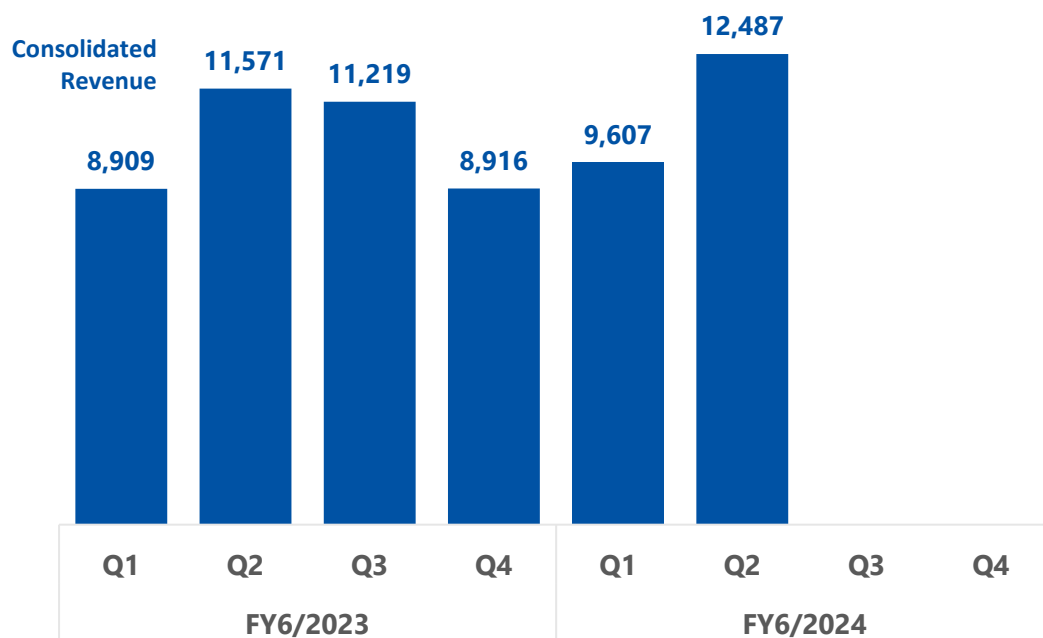
	FY6/2023 Q2 Actual	FY6/2024 Q2 Actual	YoY Growth	YoY Variance
<b>Revenue</b>	<b>11,571</b>	<b>12,487</b>	<b>+915</b>	<b>+8%</b>
Panel Expenses	1,348	1,503	+155	+12%
Outsourcing Expenses	2,405	2,452	+47	+2%
Total Employee Expenses	4,095	4,353	+258	+6%
D&A and Other Expenses	1,834	1,945	+111	+6%
<b>Operating Expenses Total</b>	<b>9,684</b>	<b>10,256</b>	<b>+572</b>	<b>+6%</b>

# FY6/2024 Q2: Cnsl. Quarterly Business Performance

## Consolidated Quarterly Revenue Trend

(JPY in Millions)

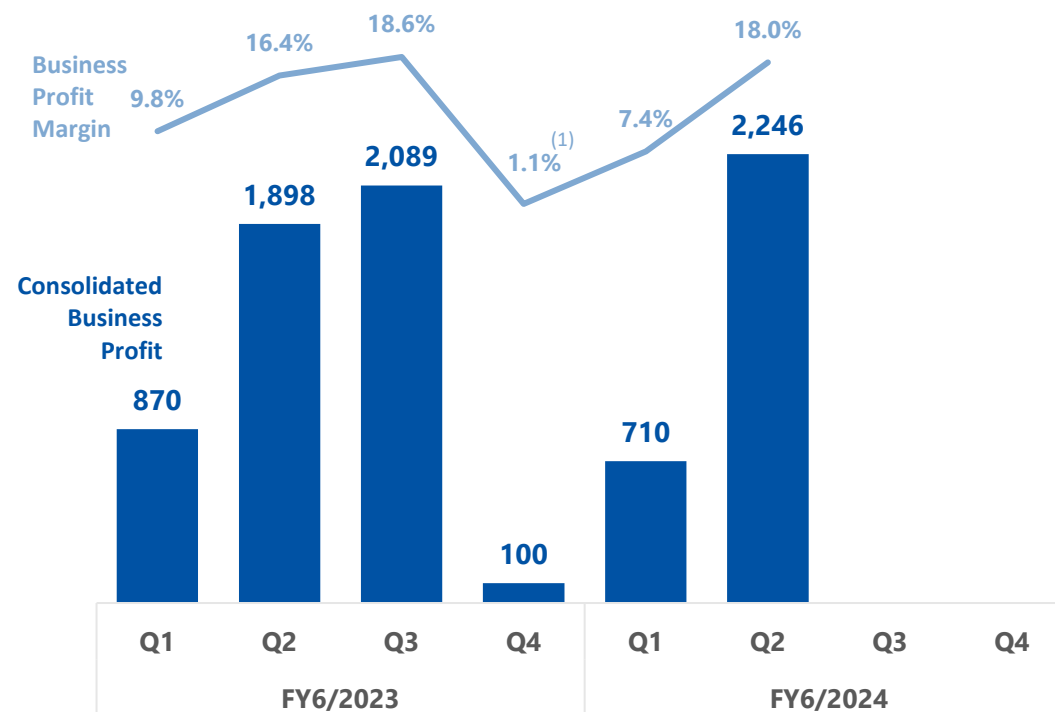
YoY Growth Actual: +8% **+8%**



## Consolidated Quarterly Business Profit<sup>(2)</sup>

(JPY in Millions)

YoY Growth Actual: -18% **+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.

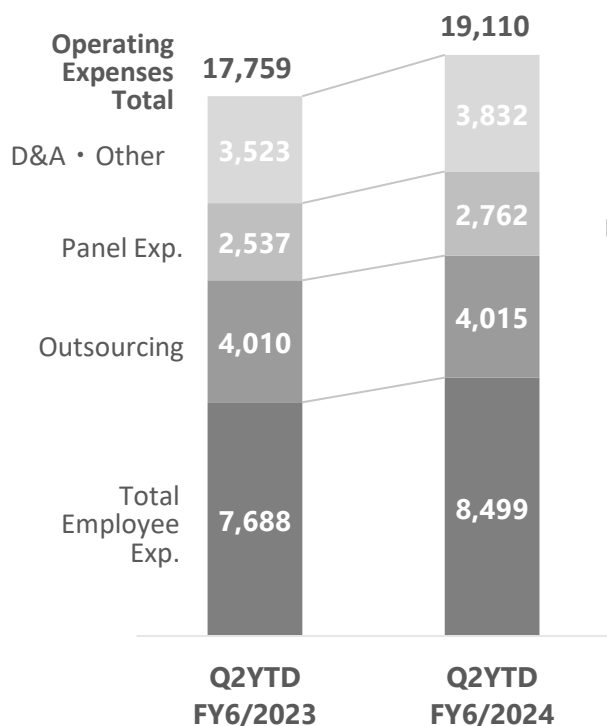
# FY6/2024 Q2: Consolidated Quarterly Operating Exp.

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

File name: FY6/2024 Q2 Supplemental Financial Data (EXCEL)

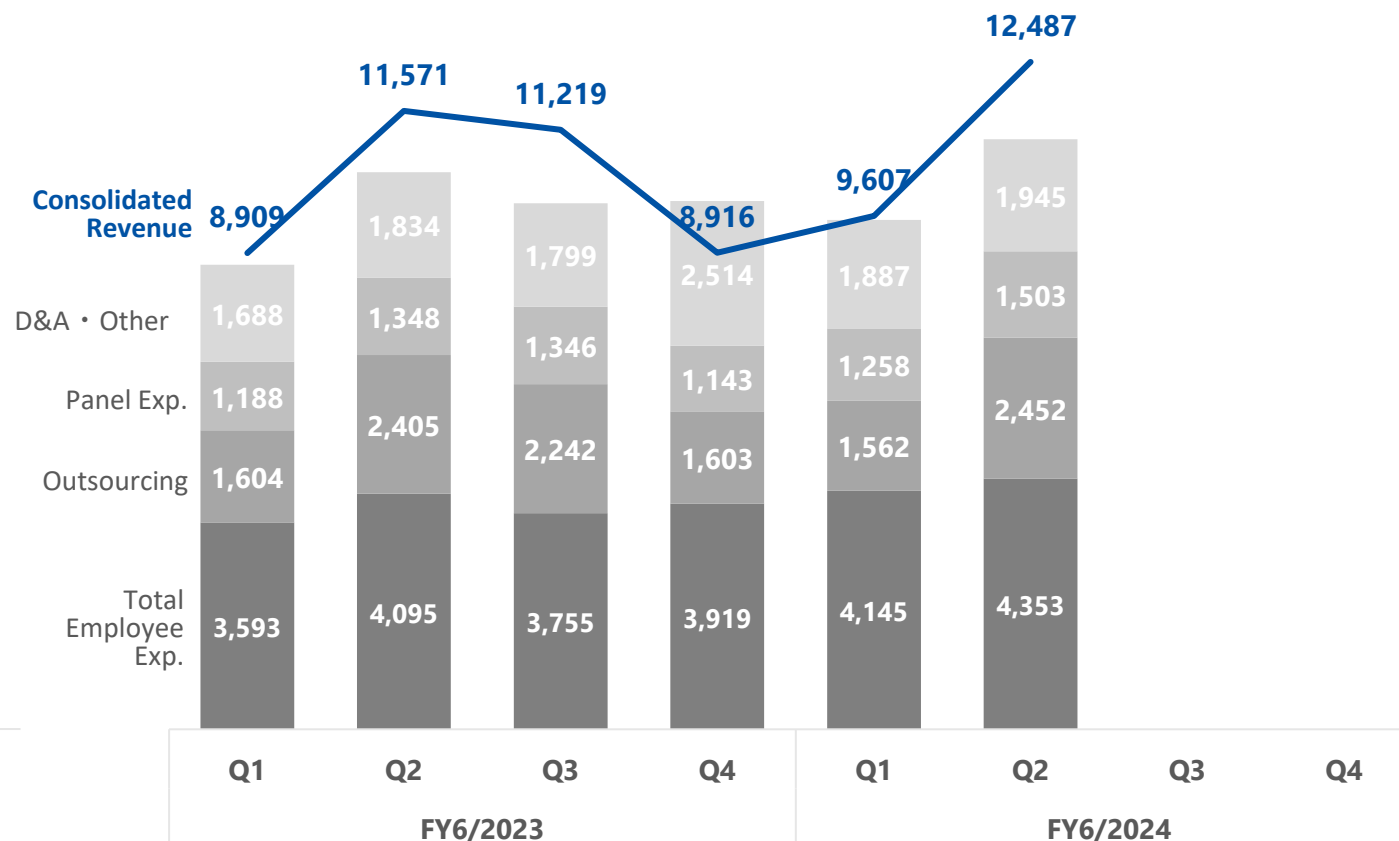
## FY6/2024 Q2 YTD Operating Expenses (6M)

(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  
(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

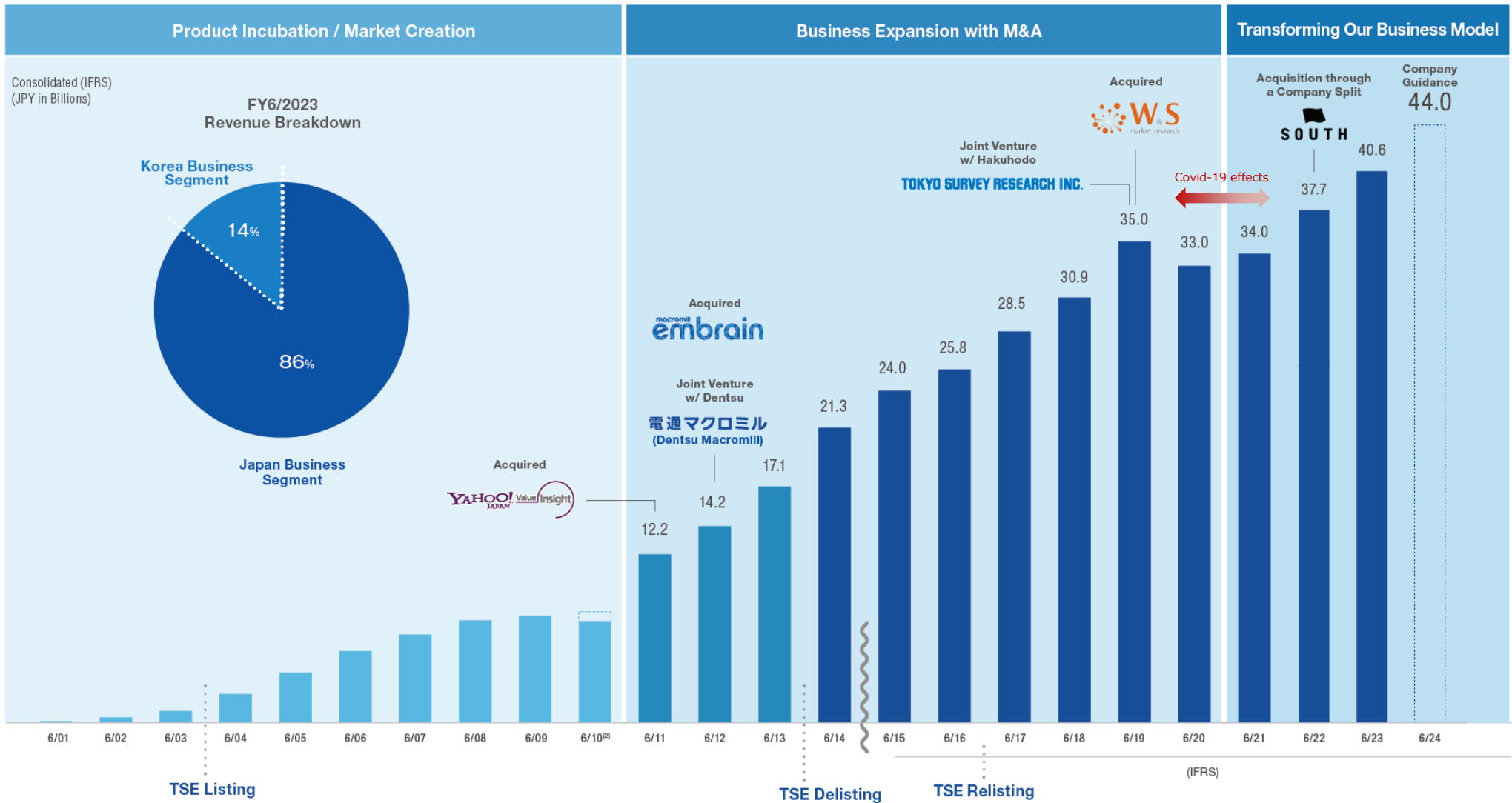
		FY6/2022					FY6/2023					FY6/2024				
		Q1	Q2	Q3	Q4	Full Year	Q1	Q2	Q3	Q4	Full Year	Q1	Q2	Q3	Q4	Full Year
実績 Actual	<b>Japan Revenue</b>	<b>7,177</b>	<b>8,670</b>	<b>9,531</b>	<b>7,342</b>	<b>32,723</b>	<b>7,770</b>	<b>9,271</b>	<b>10,206</b>	<b>7,660</b>	<b>34,909</b>	<b>8,495</b>	<b>10,137</b>			
	Focus Business	3,293	3,801	4,310	3,040	14,445	3,215	3,639	4,217	3,038	14,112	3,404	3,794			
	Future Business	872	1,243	1,560	1,096	4,773	1,166	1,641	1,917	1,285	6,011	1,331	1,909			
	Foundation Business	3,010	3,625	3,660	3,206	13,504	3,388	3,989	4,071	3,336	14,785	3,755	4,431			
前年比 YoY	<b>Japan Revenue</b>						+8%	+7%	+7%	+4%	+7%	+9%	+9%			
	Focus Business						-2%	-4%	-2%	-0%	-2%	+6%	+4%			
	Future Business						+34%	+32%	+23%	+17%	+26%	+14%	+16%			
	Foundation Business						+13%	+10%	+11%	+4%	+9%	+11%	+11%			

# Appendix

- i. FY6/2024 Q2 Financial Results Supplemental Material
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# Historical Truck Records of Our Business Expansion since Foundation

## Consolidated Revenue<sup>(1)</sup>



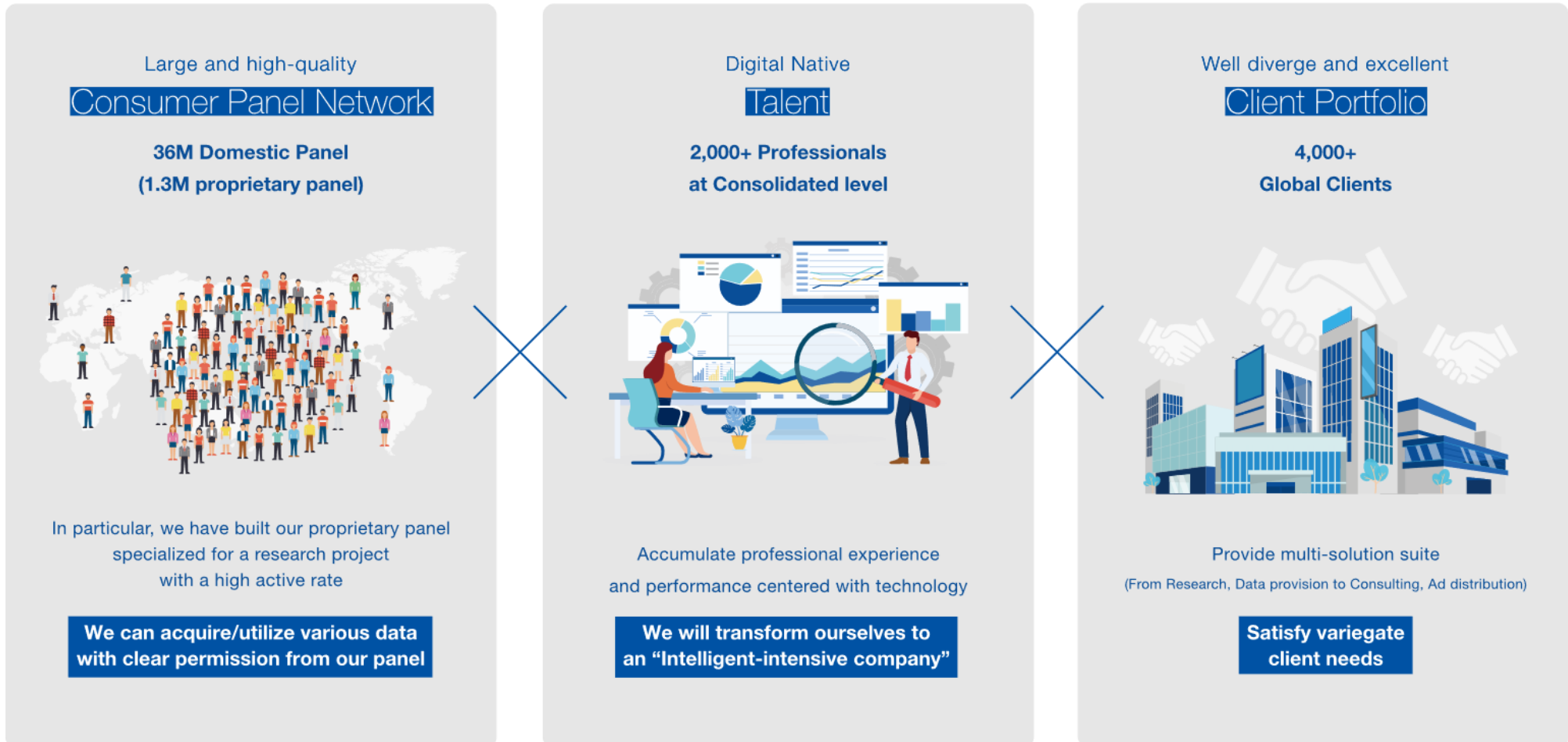
**Notes**

- 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





# 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. **4,000** clients

c. **2,500** clients  
in Japan

c. **1,500** clients  
in Korea

### Client Retention Rate of Large Clients<sup>(1)</sup>

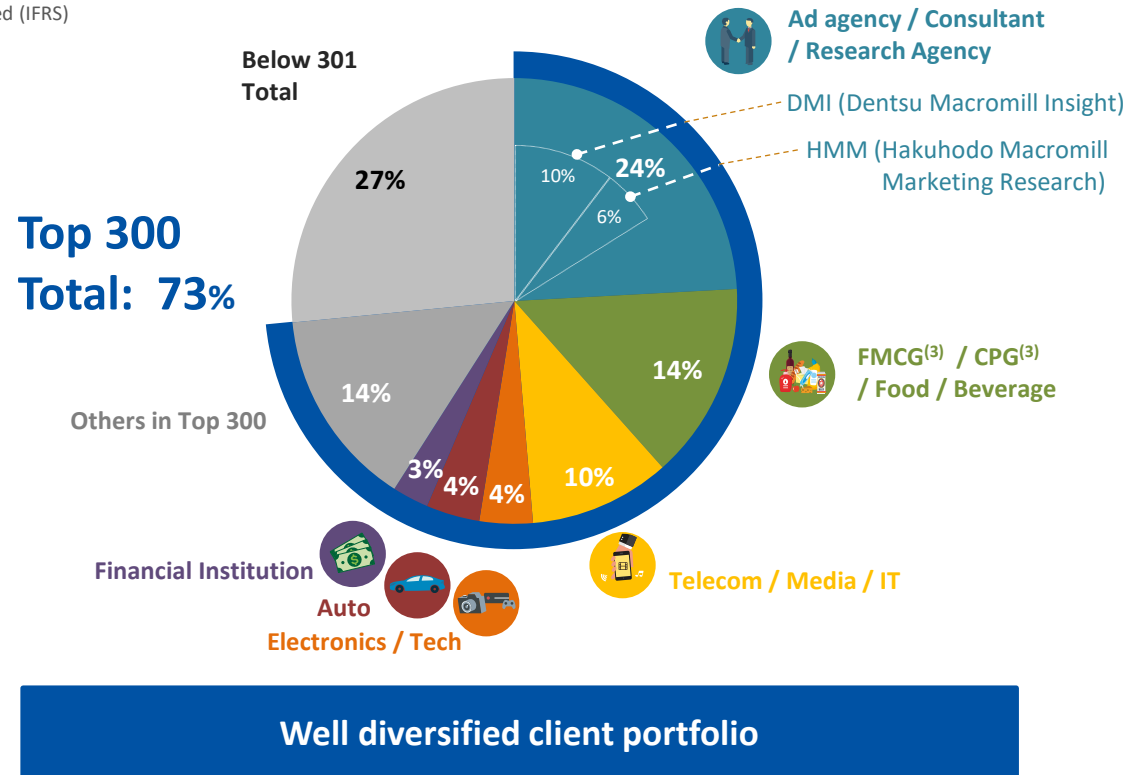
**90%+**  
in Japan<sup>(2)</sup>

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



## FY6/2023 Revenue Breakdown by Client Industries

Consolidated (IFRS)



### 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 FY6/19 to FY6/23
3. 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

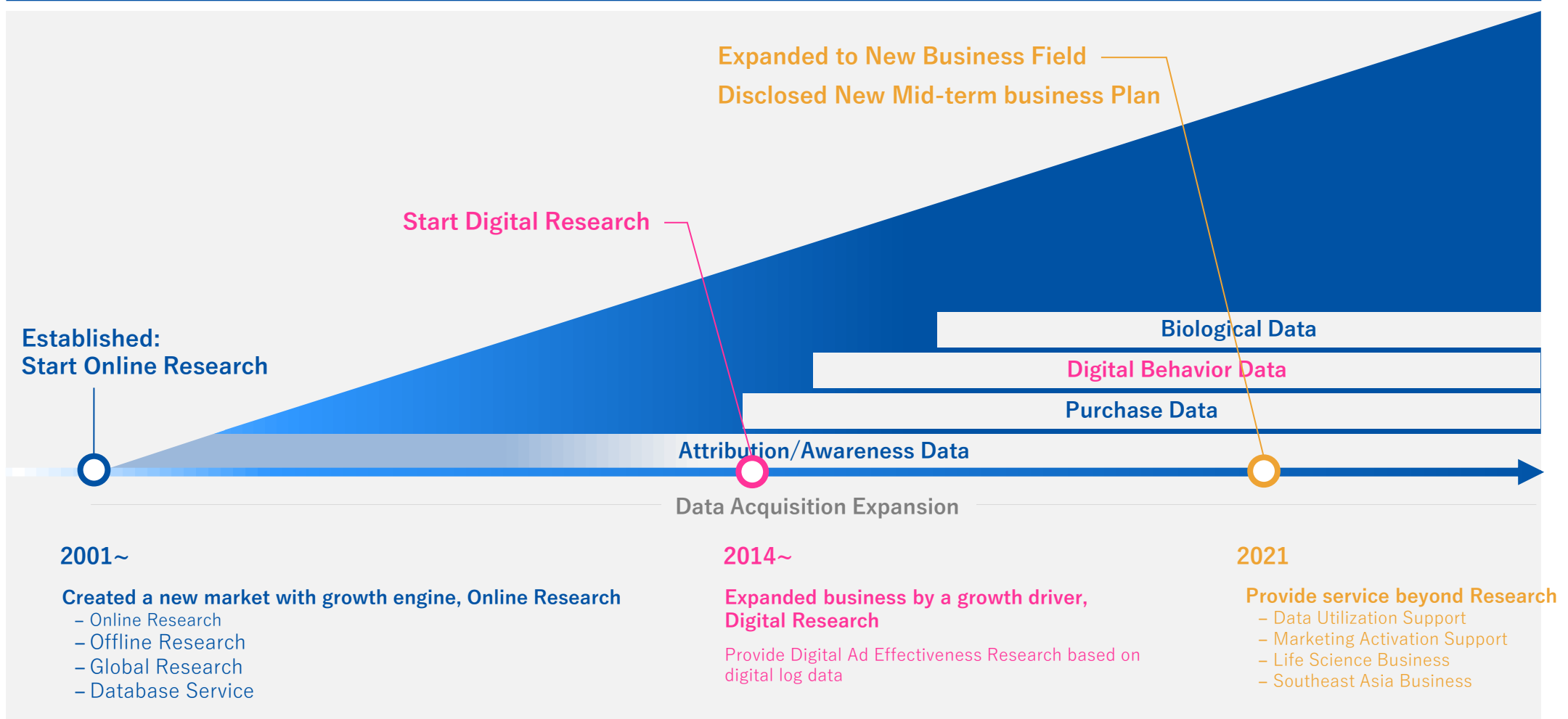
Overseas Panel  
**100M**

# 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

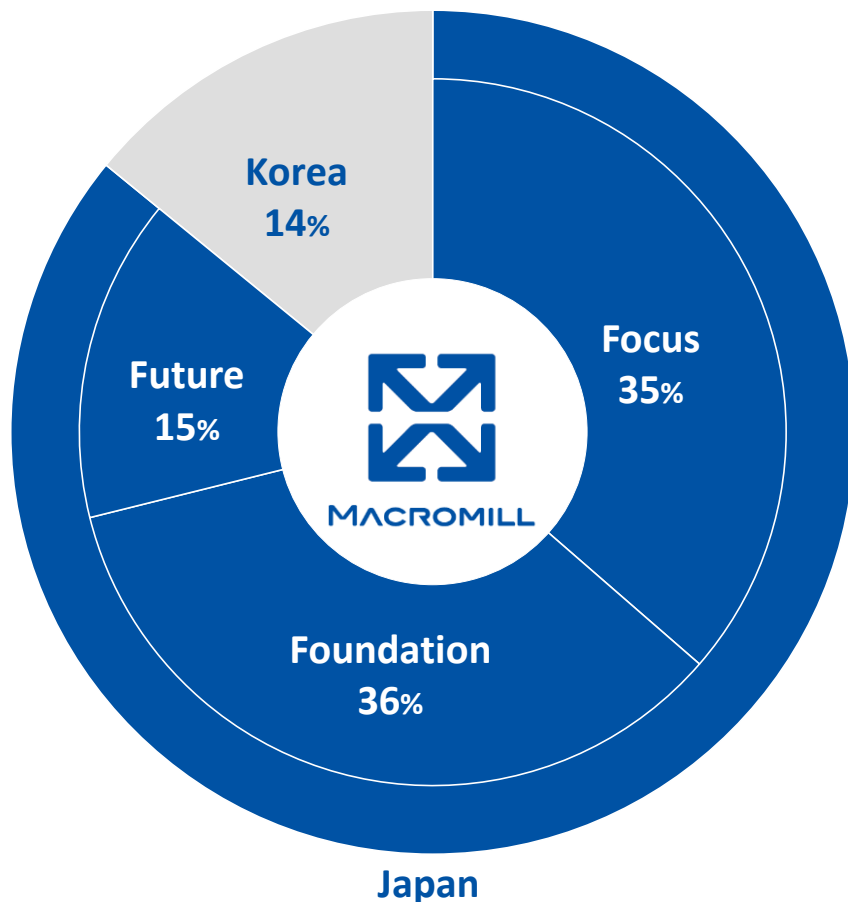


“Marketing Research Company” to “Professional Marketing Services Company”

# 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

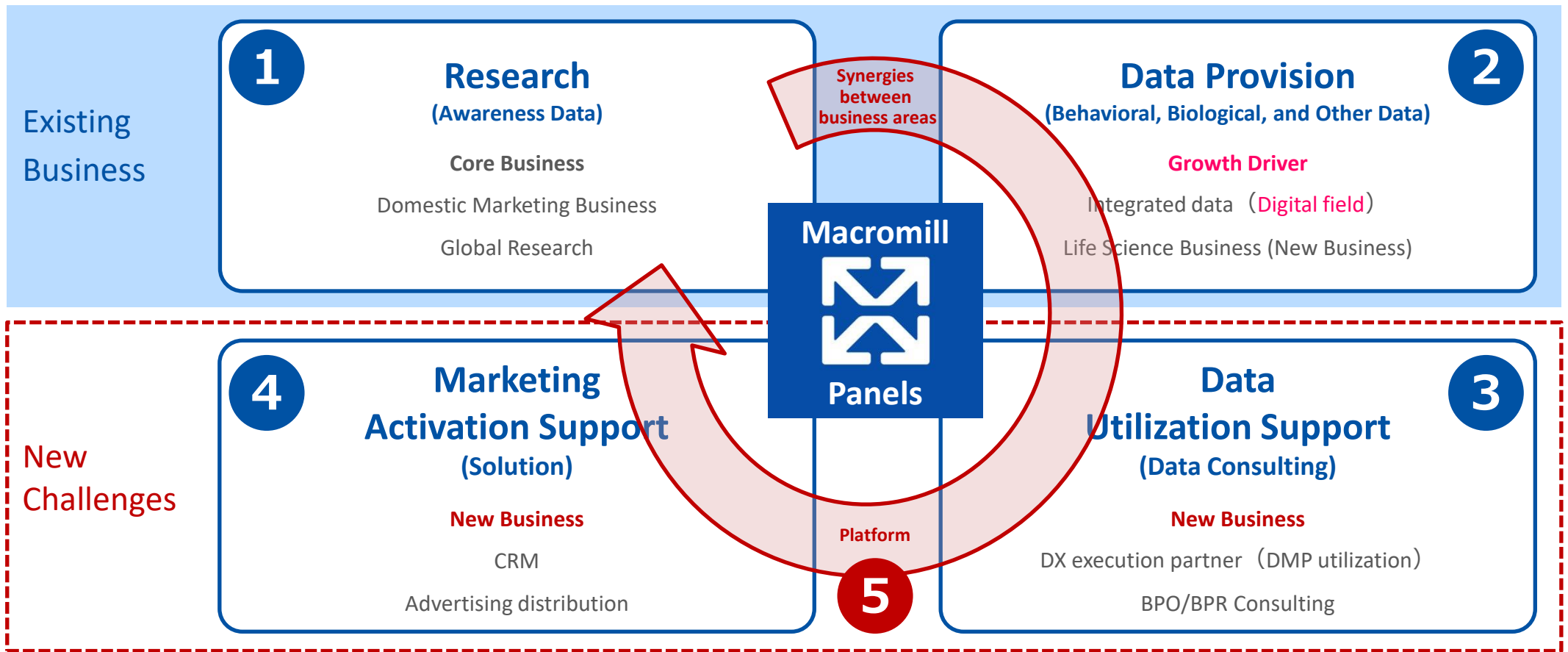
Database Service

## 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)
<b>Revenue</b>	Revenue <b>40.6</b> bn JPY Average Growth Rate: <b>9%</b> (2Y CAGR)	Revenue <b>53.0</b> bn JPY Average Growth Rate: <b>9%</b> (3Y CAGR)
<b>Profit</b>	OP <sup>(1)</sup> <b>4.4</b> bn JPY  Consolidated ROE <sup>(3)</sup> <b>5.1%</b>	OP <b>7.5</b> bn JPY Average Growth Rate: <b>19%</b> <sup>(2)</sup> (3Y CAGR)  Consolidated ROE <sup>(3)</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 Continued Operation (Excl. gain of sale) <b>45.9%</b> + Consolidated (Incl. gain of sale) <b>10.9%</b> + Share buyback <sup>(4)</sup> <b>1.2</b> bn JPY [ vs NSO <sup>(5)</sup> : <b>3.5%</b> ]	Consolidated Dividend Ratio <b>30%</b> + Share buyback <b>In a timely manner</b>

### 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)

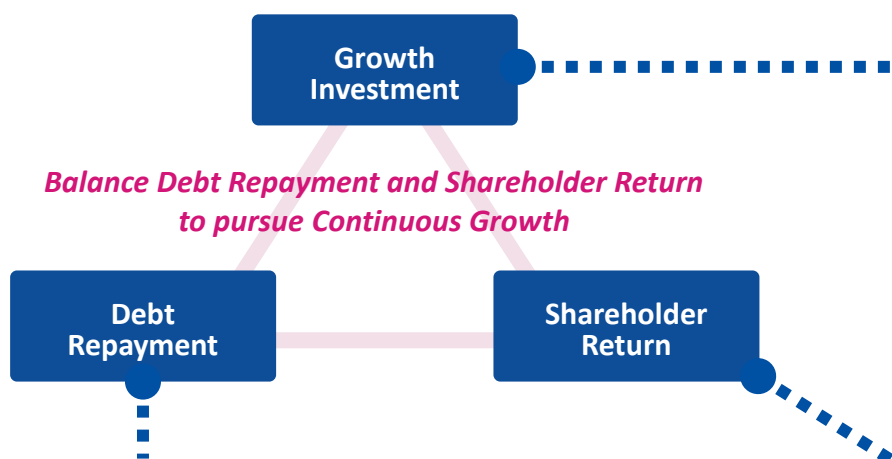
Business Segments and Breakdown		FY6/2023 Actual	FY6/2026 (FY6/2023 - FY6/2026 3Y CAGR)		Positioning and direction in the new Mid-term Business Plan
			Target Figure	Growth Rate	
Japan Business	Focus Business	14,112	17,453	7%	Pursuit of high profitability and stable growth
	Future Business	6,012	11,857	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



### 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



# Historical Trends – Japanese Market vs. Revenue in Japan

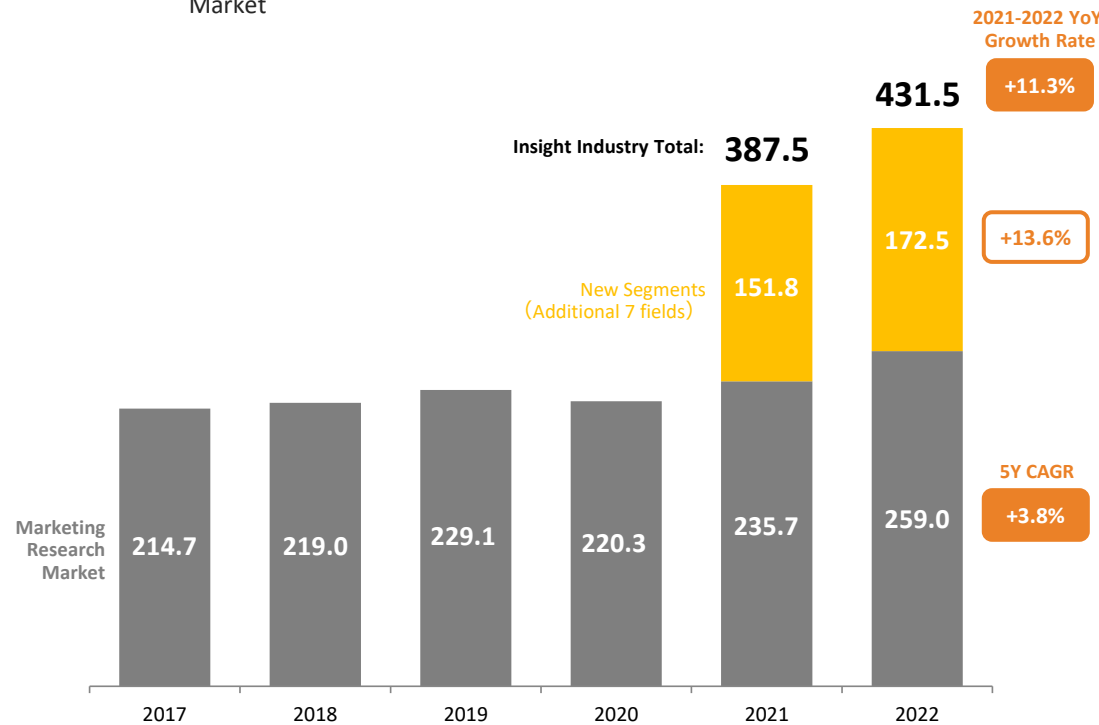
- Same as the global trend, the market is redefined as an Insight Industry in Japan, and its market size is expanding significantly
- Our company continues to expand its business faster than the Japanese marketing research market growth
- Macromill Japan market share in the online research market is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

## Market Trends – Japanese Marketing Research Market and Insight Industry

JMRA<sup>(1)</sup>  
(JPY in Billions)

YoY Growth Rate

Marketing Research: +2% +5% -4% +7% +10%

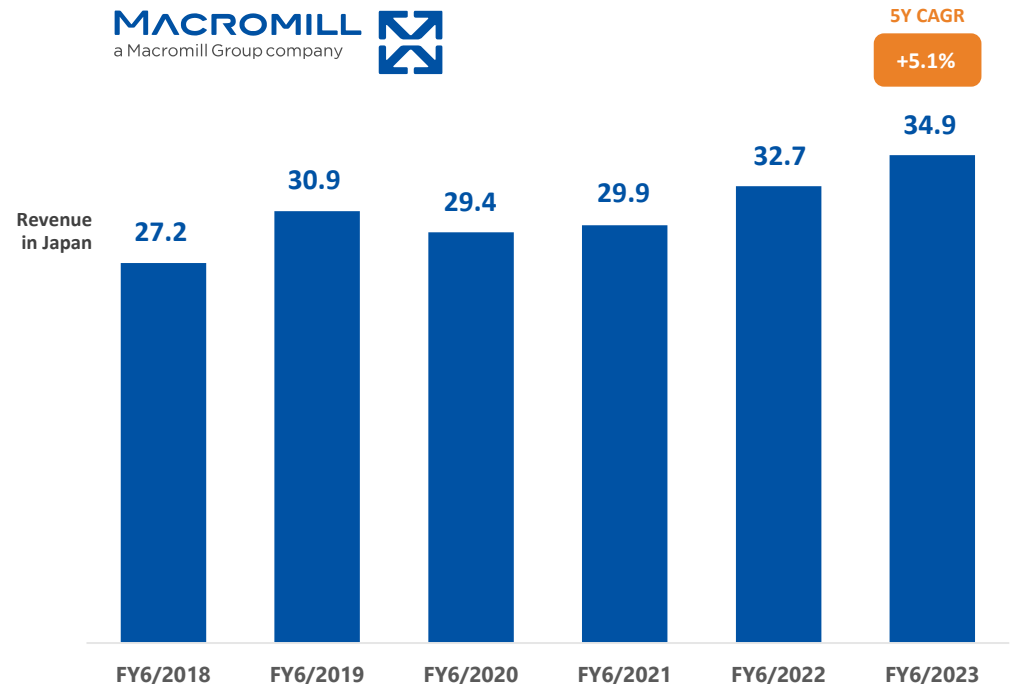


## Revenue Trends – Macromill Group Revenue in Japan

Consolidated (IFRS)  
(JPY in Billions)

YoY Growth Rate

Japan Business: +14% -5% +2% +9% +7%

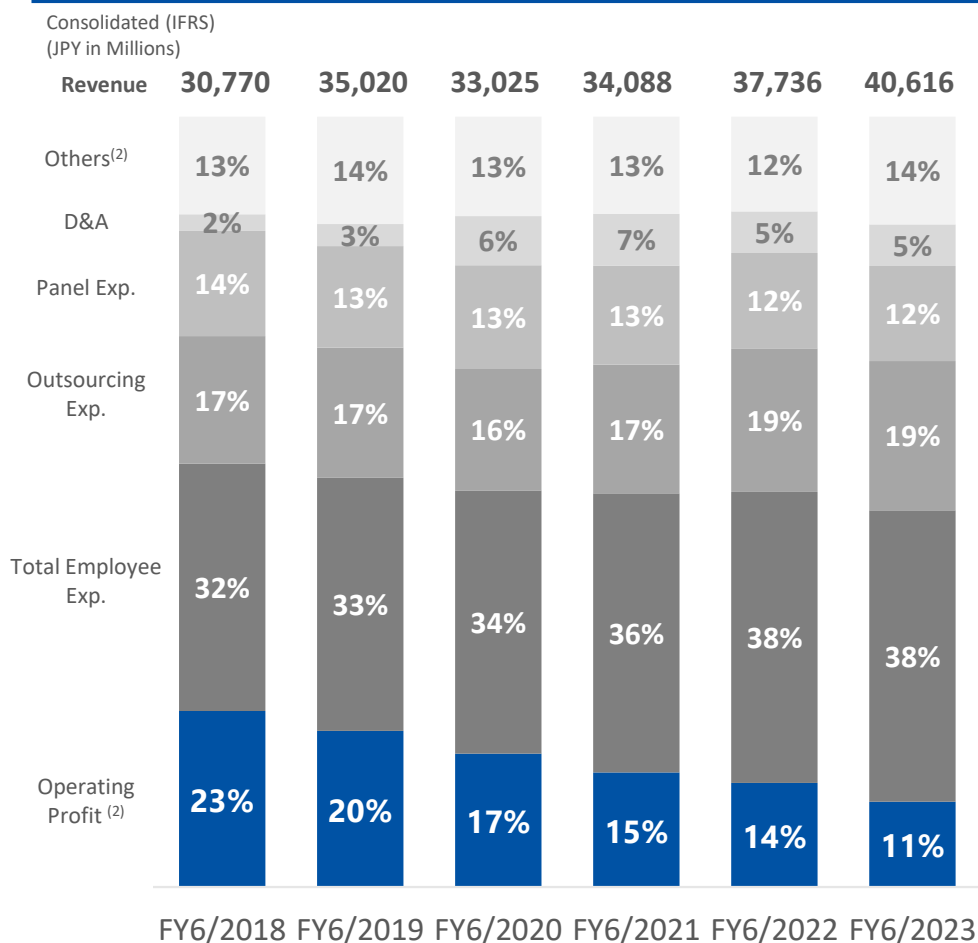


Note  
1. Source: Japan Marketing Research Association (JMRA) - Management statistics (2018/7, 2019/7, 2020/9, 2021/6, 2023/6)

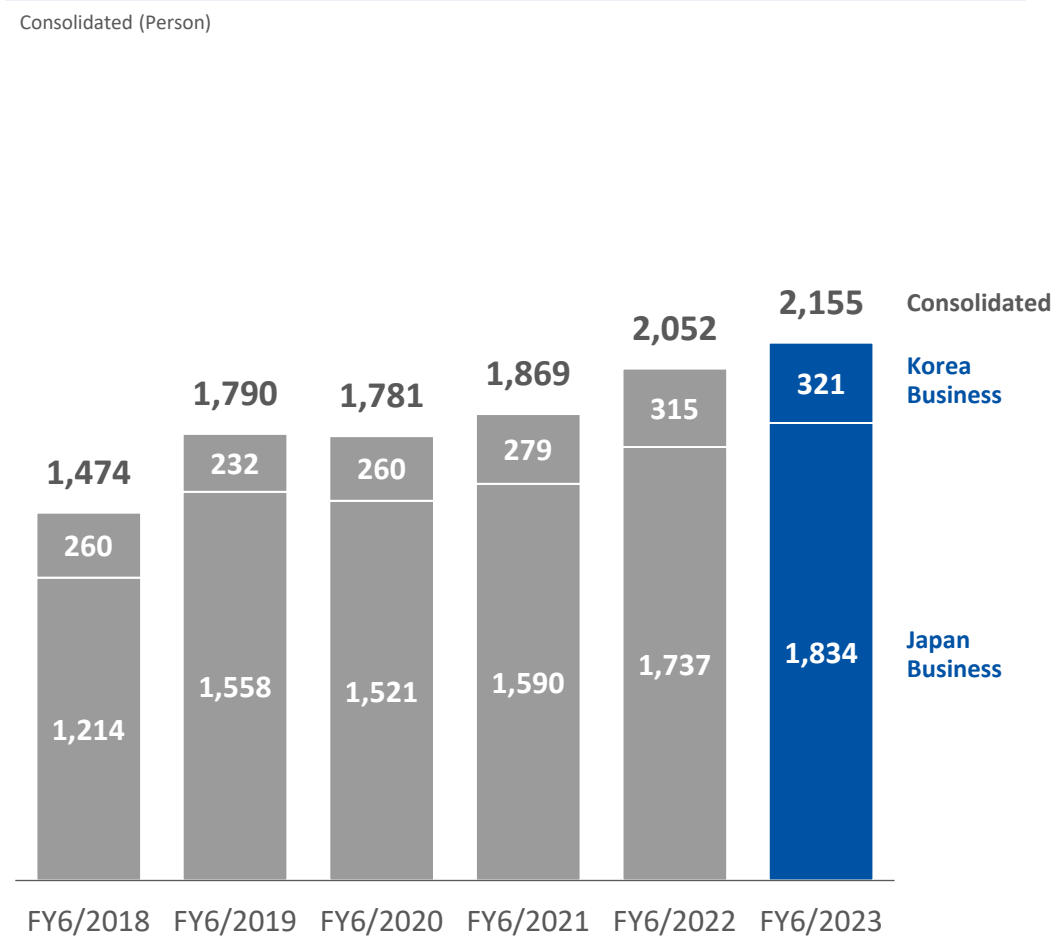
# Historical Trend – Cost structure and headcount trend

- 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<sup>(1)</sup>



### 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

<p>2010 Acquisition<sup>(1)</sup> </p> <p><b>YAHOO! Value Insight JAPAN</b></p> <p>Regional Expansion <b>Panel</b> Technology / Solution</p> <p>✓ Doubled Panel Access</p>	<p>2012 Acquisition </p> <p><b>embrain</b></p> <p>Regional Expansion <b>Panel</b> Technology / Solution</p> <p>✓ Access to Asian Client and Panels</p>	<p>2012 Joint Venture with Dentsu </p> <p><b>電通マクロミル</b> (Dentsu Macromill)</p> <p>Wallet Share Expansion <b>Panel</b> Technology / Solution</p> <p>✓ Securing earnings stability and improving our ability to develop service in new domains</p>
<p>2017 Strategic &amp; Capital Alliance 2018 Acquisition </p> <p><b>centan</b></p> <p>Regional Expansion <b>Panel</b> Technology / Solution</p> <p>✓ Access to Neuro / Biometric marketing Solutions ✓ 10% minority investment &gt; 51% majority acquisition</p>	<p>2017 Strategic &amp; Capital Alliance 2019 Acquisition </p> <p><b>WS Holdings</b> market research</p> <p>Regional Expansion <b>Panel</b> Technology / Solution</p> <p>✓ Access to Southeast Asian Client and Panels ✓ 10% minority investment &gt; 51% majority acquisition</p>	<p>2018 Joint Venture with Hakuho (51% Majority Acquisition) </p> <p><b>TOKYO SURVEY RESEARCH INC.</b></p> <p>Wallet Share Expansion <b>Panel</b> Technology / Solution</p> <p>✓ Seeking wallet share expansion and enhancement of online/offline integrated solutions</p>
<p>2019 Asset Purchase </p> <p><b>DI Asia</b> — Data &amp; Intelligence</p> <p>Regional Expansion <b>Panel</b> Technology / Solution</p> <p>✓ Expand consumer panel in Southeast Asia ✓ Succession/Acquisition of Online panel asset only</p>	<p>2022 Acquisition </p> <p><b>acclimate</b></p> <p>Wallet Share Expansion <b>Panel</b> Technology / Solution</p> <p>✓ Obtain human resource matching platform that has many registered professionals</p>	<p>2022 Acquisition through a company split </p> <p><b>SOUTH</b></p> <p>Wallet Share Expansion <b>Panel</b> Technology / Solution</p> <p>✓ Obtain 71% majority stake by integrating Macromill Data Consulting Business through a company split</p>
<p>2008 Strategic &amp; Capital Alliance 2022 Additional Stake Acquisition </p> <p><b>CITATION JAPAN</b> DESIGNING STRATEGY</p> <p>Wallet Share Expansion <b>Panel</b> Technology / Solution</p> <p>✓ Strategic Alliance in Research Consulting Business field ✓ 15% minority investment &gt; 40% minority investment</p>	<p>2023 MetrixLab 100% Sell-down and Minority Stake Acquisition </p> <p><b>toluna</b></p> <p>Regional Expansion <b>Panel</b> Technology / Solution</p> <p>✓ Establishing a global partnership with Toluna through M&amp;A ✓ Western market will be covered under partnership with Toluna</p>	<p>2023 Acquisition of majority stake </p> <p><b>モニタス</b></p> <p>Regional Expansion <b>Panel</b> Technology / Solution</p> <p>✓ Acquisition of majority stake after having Strategy and Capital Alliance ✓ Substantially expand the size of accessible consumer panel network</p>

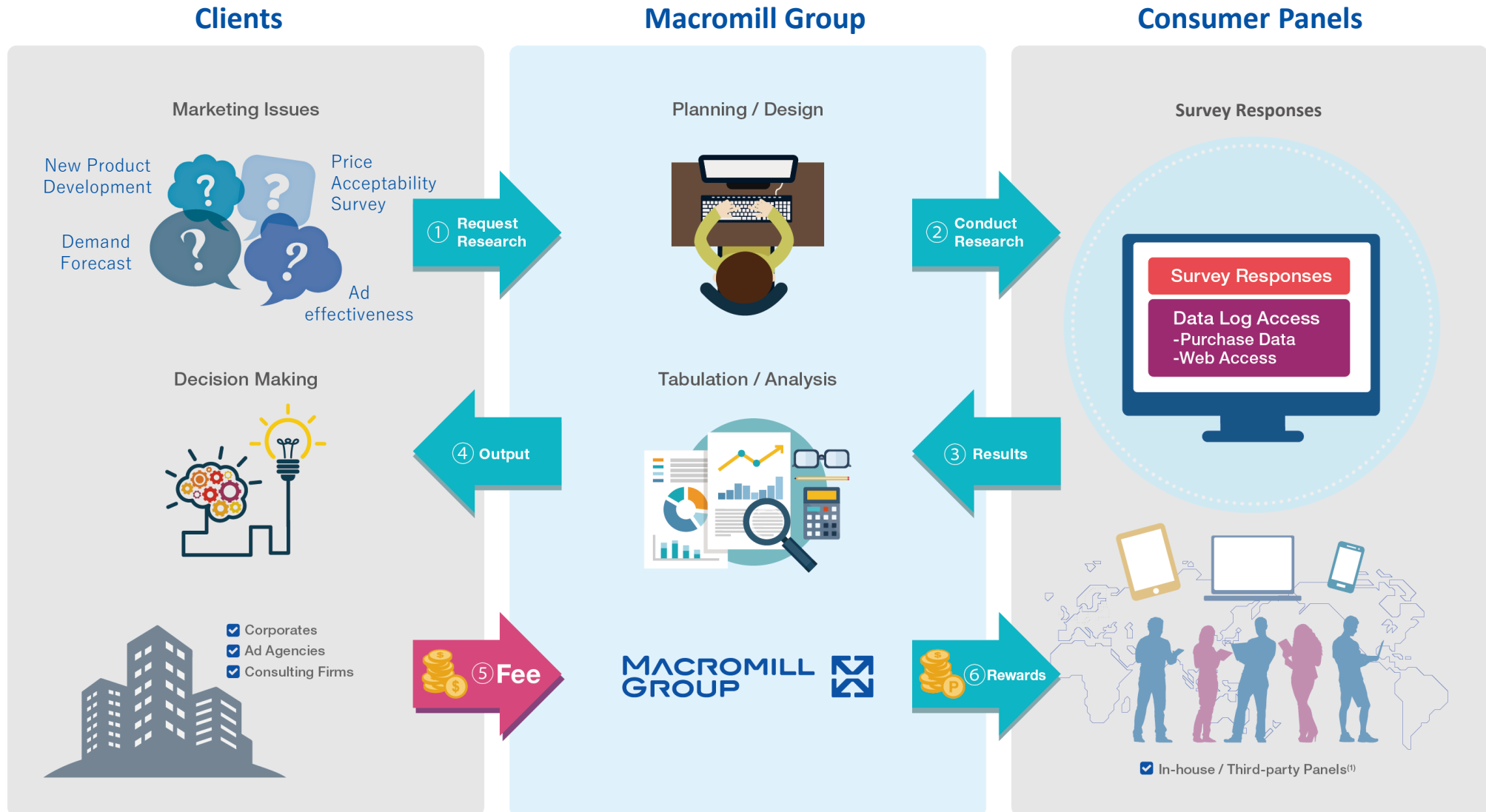
**Note**

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

# Our commitment to Sustainability

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><b>Macromill HP: Sustainability Report 2023 (Japanese Only)</b></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		

For more details, please refer to Sustainability Report 2023

# Build your Data Culture



## Contacts:

[ir@macromill.com](mailto:ir@macromill.com)

## Macromill IR Information:

[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)