

FY4/24 Q3 Financial Results Presentation

**March 14, 2024
Macbee Planet, Inc
(Stock code: 7095)**



FY4/24 Q1-Q3 results summary



- Record high sales and profits at operating companies MAVEL* and All Ads*. In addition to the growth of existing clients in the investment industry, new client acquisition and revenue contribution both steadily increased.

Sales			(Units: ¥mn)
FY4/23 Q1-Q3	FY4/24 Q1-Q3	Change	
14,087	29,043	+106%	

Sales mainly driven by client growth in the financial industry where the market is favourable. Steady acquisition of new clients for the future sales growth in FY4/25 onward.

► **Sales +106% YoY**

- Finance (insurance and others) sales grew to over ¥ 0.7bn/qtr
- New NISA demand drove client growth in investment industry
- New clients increased steadily in finance/human talent industries

EBITDA			
FY4/23 Q1-Q3	FY4/24 Q1-Q3	Change	
1,658	3,484	+110%	
Operating profit			
FY4/23 Q1-Q3	FY4/24 Q1-Q3	Change	
1,506	3,189	+112%	
OPM			
FY4/23 Q1-Q3	FY4/24 Q1-Q3	Change	
10.7%	11.0%	+0.3pt	

► **EBITDA +110% YoY**

- Alpha goodwill amortization ¥41mn/qtr
- All Ads* goodwill amortization ¥53mn/qtr
- All Ads* customer-related assets amortization ¥16mn/qtr

► **Operating profit +112% YoY**

- Profit increase due to business growth of each company

► **Operating profit margin +0.3pt YoY**











- Improved productivity as MAVEL* works with larger clients
- Improved profitability from better GPM

* MAVEL: Macbee Planet operating company

* All Ads: Former Net Marketing

FY4/24 Q1-Q3 overview

- Steady business growth while realizing synergies at both MAVEL and All Ads.

		Item	FY4/24 Q1-Q3 overview
	New clients		 <ul style="list-style-type: none"> • Growth mainly in finance (insurance) and human talent industries
		Wellness	 <ul style="list-style-type: none"> • Bricks-and-mortar-related sales slow as expected in off-season
	Existing clients	Finance	 <ul style="list-style-type: none"> • Consumer finance industry seasonal slowdown into year end • Investment industry grew on new NISA demand
		Other	 <ul style="list-style-type: none"> • Steady growth in industries where All Ads has expertise, such as human talent industry
	PMI		 <ul style="list-style-type: none"> • High motivation continues to generate results • Robee and other products to contribute next FY • Continue to work on optimization of ad operations using AI
	PMI results	Sales	 <ul style="list-style-type: none"> • Sales grew 30% from about ¥3bn/qtr pre-M&A to just under ¥4bn/qtr
		GPM	 <ul style="list-style-type: none"> • GPM improvement through use of Macbee Planet's technology is expected to realize in next FY
		OP	 <ul style="list-style-type: none"> • Sales expansion contributed significantly more than planned at start of period

FY4/24 guidance revision

- Continuing from H1, growth significantly exceeded the initial plan. In light of current performance, we have again revised our guidance upward. Q4 is expected to see investments for next FY (development, recruiting, public relations, etc.), as well as costs for the potential introduction of IFRS and consideration of shifting to the TSE Prime Market.

(Units: ¥mn)	FY4/23		FY4/24			
	Result	Old guidance	New guidance	Change		
Sales	19,589	37,000	39,000	+2,000	+5.4%	
(YoY)	+35.8%	+88.9%	+99.1%	-	-	
OP	2,162	3,700	4,100	+400	+10.8%	
(OPM)	11.0%	10.0%	10.5%	-	-	
(YoY)	+75.0%	+71.1	+89.6%	-	-	
RP	2,108	3,650	4,050	+400	+11.0%	
NP attributable to owners of parent	1,567	2,400	2,680	+280	+11.7%	
(YoY)	+106.1%	+53.1%	+71.0%	-	-	
EPS	¥482.18	¥669.57	¥745.53	+75.97	+11.3%	

Background of the guidance revision

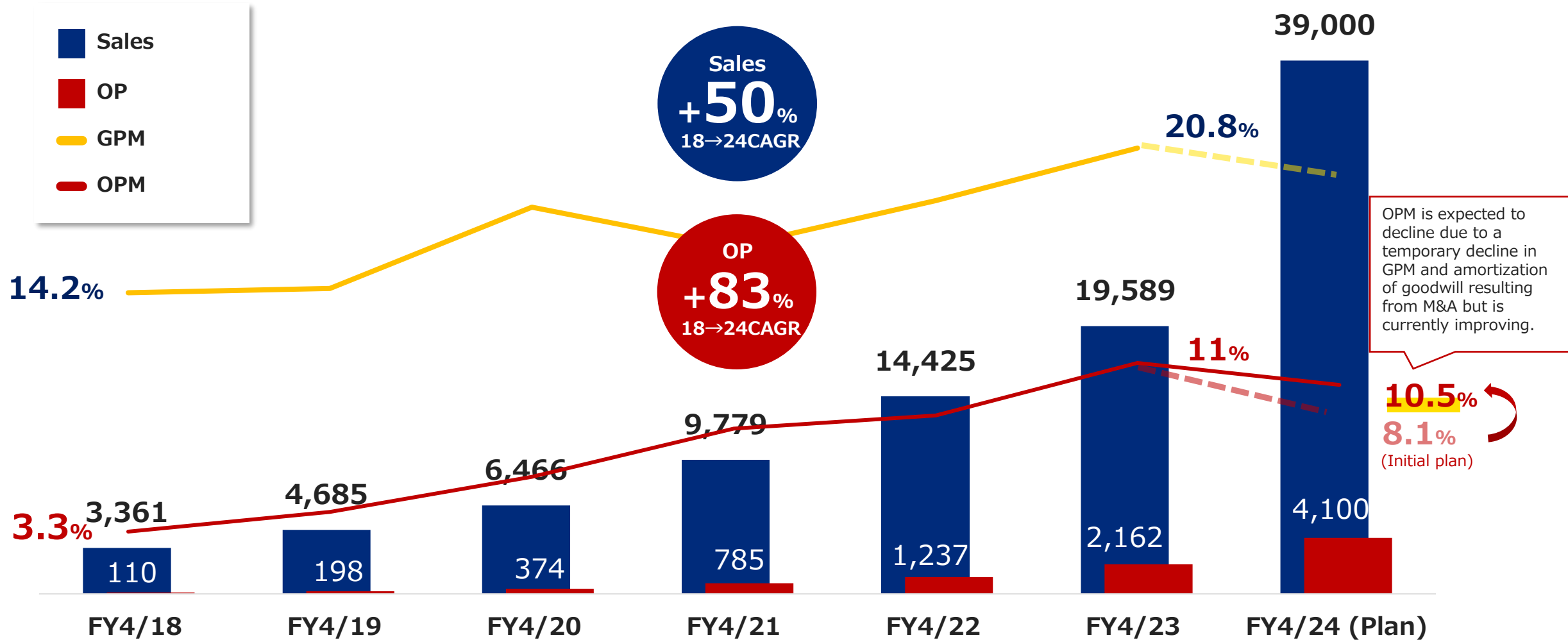
- Both MAVEL and All Ads continue to grow steadily at a pace far exceeding the initial plan.





Q4 outlook

- As in Q3, steady growth at a pace exceeding the initial plan is expected.
- Expenditures are planned for investment for next FY growth and for the potential introduction of IFRS and consideration of shifting to the TSE Prime Market.

Earnings trends, guidance

■ The consolidation of All Ads contributed to growth that is exceeding the past pace. OPM in excess of 10% due to the increase in larger clients and improved productivity through various measures.



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Company overview

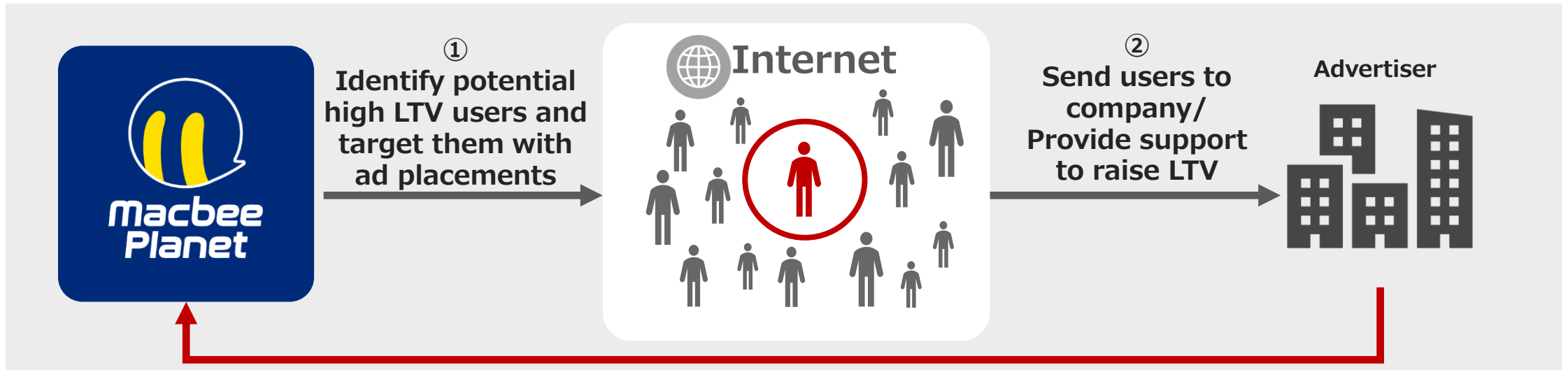
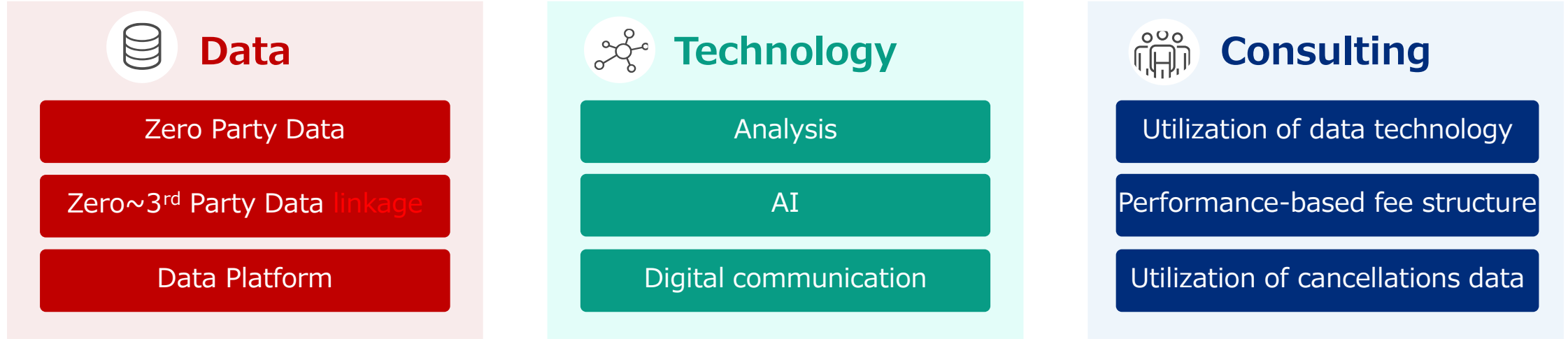
Company name	Macbee Planet, Inc. (7095)
Established	August 25, 2015
Capital	2,635 million yen (as of end-January 2024)
Business description	LTV marketing services
Head office	3-11-11 Shibuya, Shibuya-ku, Tokyo
No. of employees	145 (as of end-January 2024)

History

Aug 2015	Established Macbee Planet, Inc.
Aug 2015	Released data analytics platform "Honeycomb"
Nov 2017	Released web customer service tool "Robee"
Mar 2020	Listed on Mothers section of the Tokyo Stock Exchange
Mar 2021	Established Smash Co., Ltd
Aug 2021	Made Alpha Inc (absorbed into current MAVEL) a wholly-owned subsidiary
Mar 2023	Made Net Marketing (current All Ads) a wholly-owned subsidiary
Nov 2023	Macbee Planet, Inc. transitioned to a holding company structure

Business overview: What is LTV marketing

- Digital marketing that utilizes data to maximize user expenditure and duration

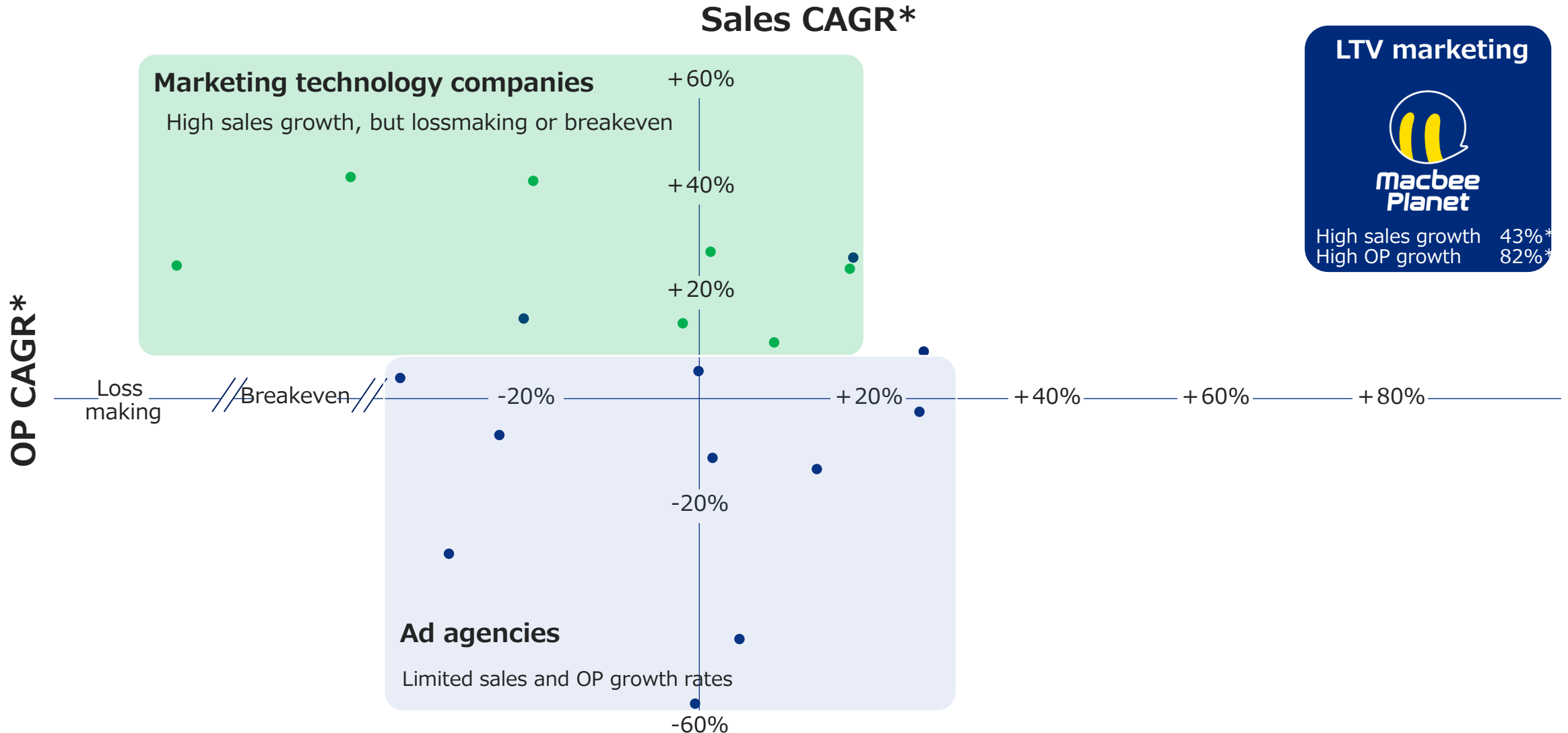


③ Fees received on a **performance** basis

Driven by technology, high growth vs rivals



■ We have achieved **far higher sales and OP growth** compared to ad agencies and marketing technology companies.



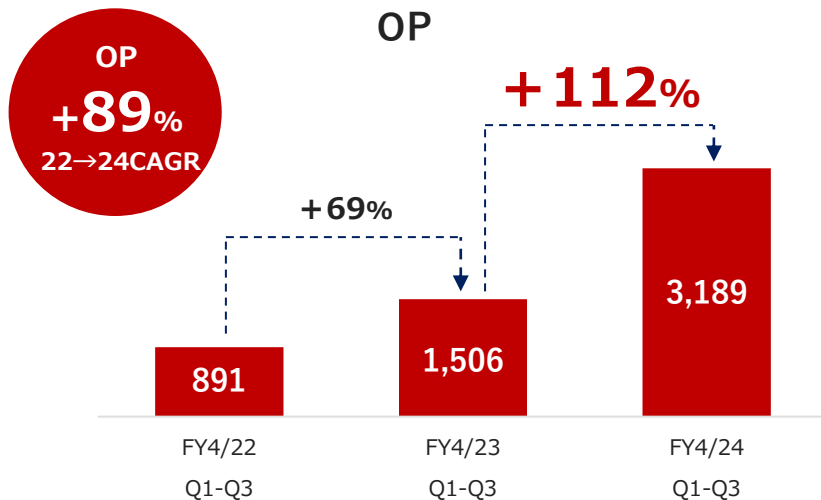
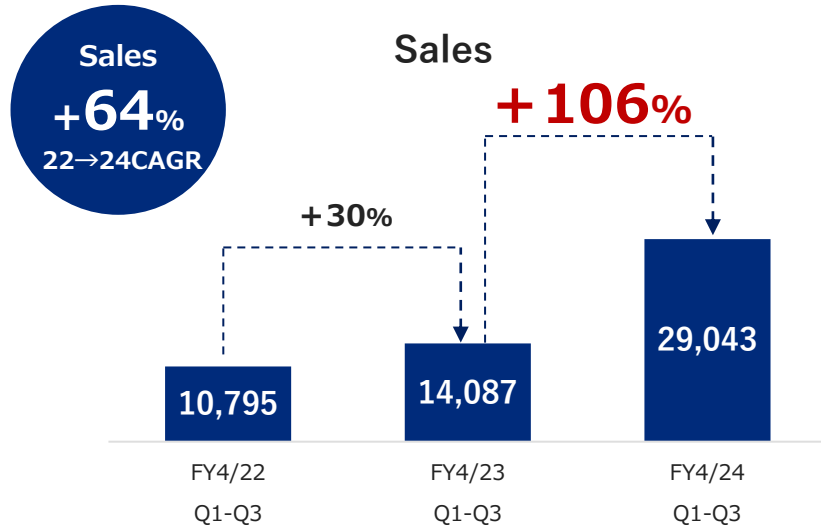
* 3-year CAGR of 19 TSE listed companies. As of July 2023

* Our CAGR for the period April 2019 to April 2023

FY4/24 Q1-Q3 results

FY4/24 Q1-Q3 results summary

- Both MAVEL and All Ads operating companies achieved record sales and profits, and even after deducting goodwill, improved profit margins and achieved YoY growth of more than 100%.

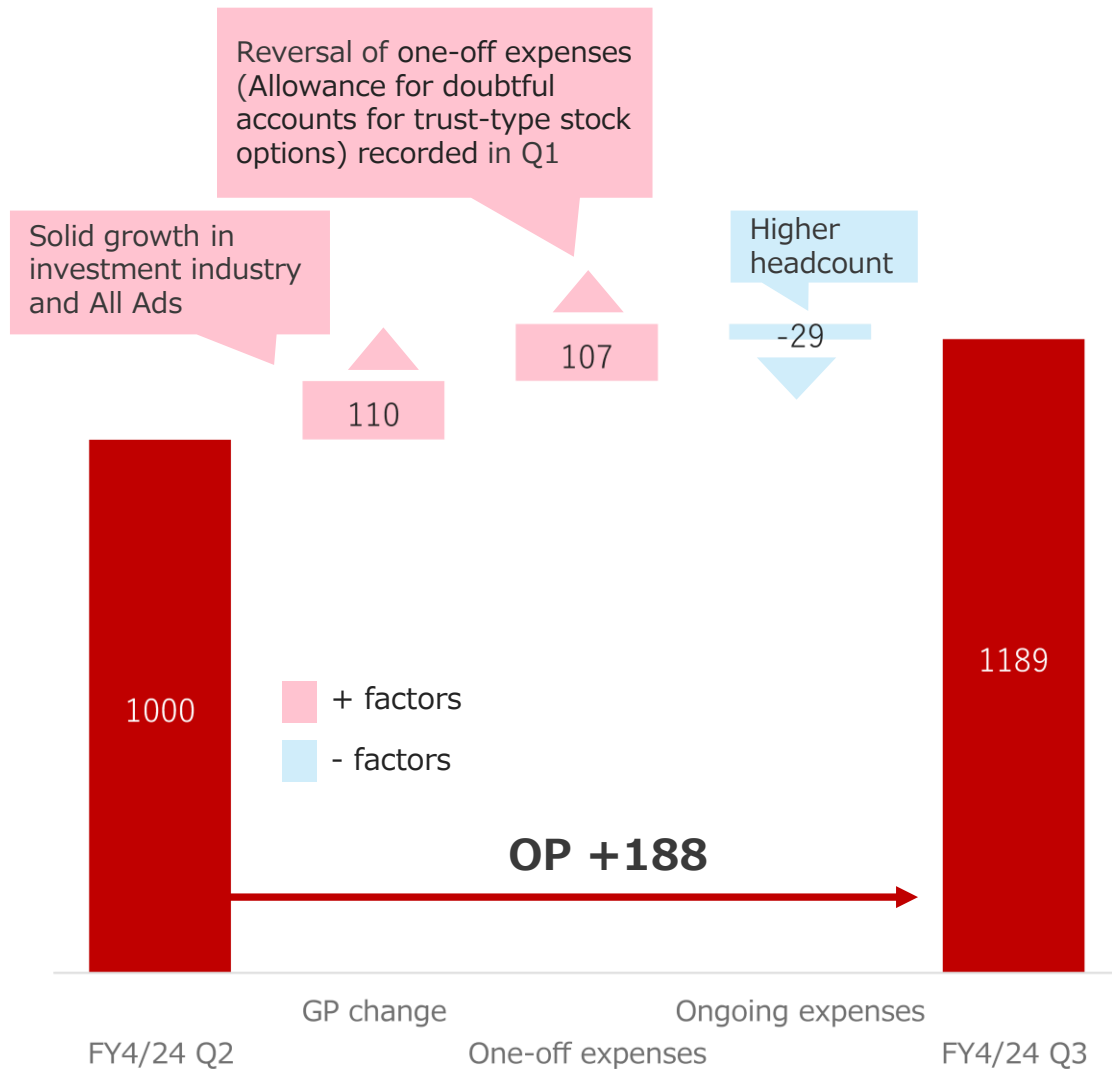


(Units: ¥mn)

	FY4/24 Plan (Initial)	Q1-Q3 vs FY plan (Initial)	FY4/24 Plan (New)	Q1-Q3 vs FY plan (New)	FY4/24 Q1-Q3 result	FY4/23 Q1-Q3 result	23→24 YoY
Sales	35,000	83%	39,000	74%	29,043	14,956	+106%
EBITDA	-	-	-	-	3,484	1,826	+110%
OP	2,850	119%	4,100	78%	3,189	1,683	+112%
OPM	8.1%	-	10.5%	-	11.0%	10.7%	+0.5pt

OP variance analysis (QoQ)

- GP grew due to solid growth in the investment industry and higher revenues from All Ads. OP increased significantly due in part to the reversal of the allowance for doubtful accounts (one-off expenses) recorded in Q1.

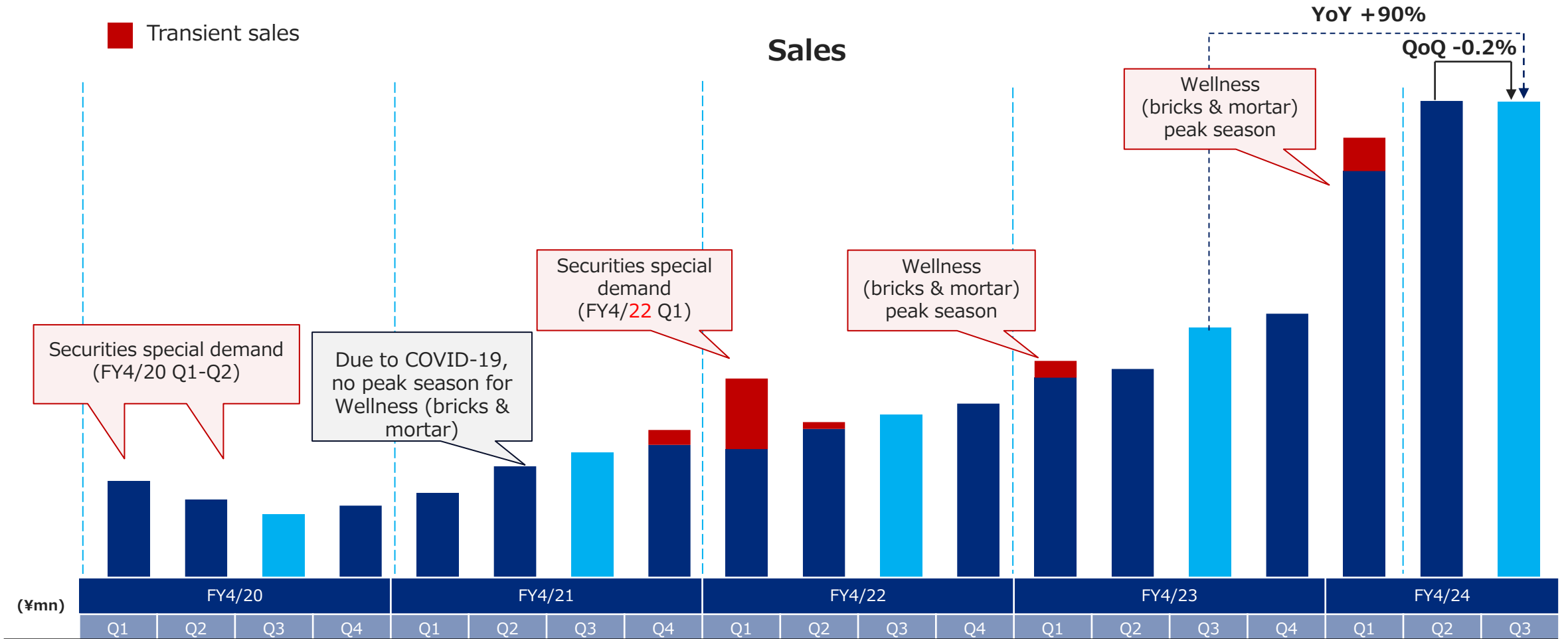


(Units: ¥mn)	FY4/24 Q3 results	FY4/24 Q2 results	QoQ	QoQ
Sales*	9,927	9,945	-18	-0.2%
GP	1,945	1,835	+110	+6%
Transient GP	-	-	-	-
SG&A	757	835	-78	-9%
One-off expenses	-107	-	-107	-
Ongoing expenses	864	835	+29	+3%
OP	1,189	1,000	+188	+19%
OPM	12.0%	10.1%	+1.9pt	-

*Includes net sales

*In Q3, we finalized the temporary accounting treatment related to business combinations, and the finalized figures are reflected in the figures for FY4/24.

Quarterly sales trends



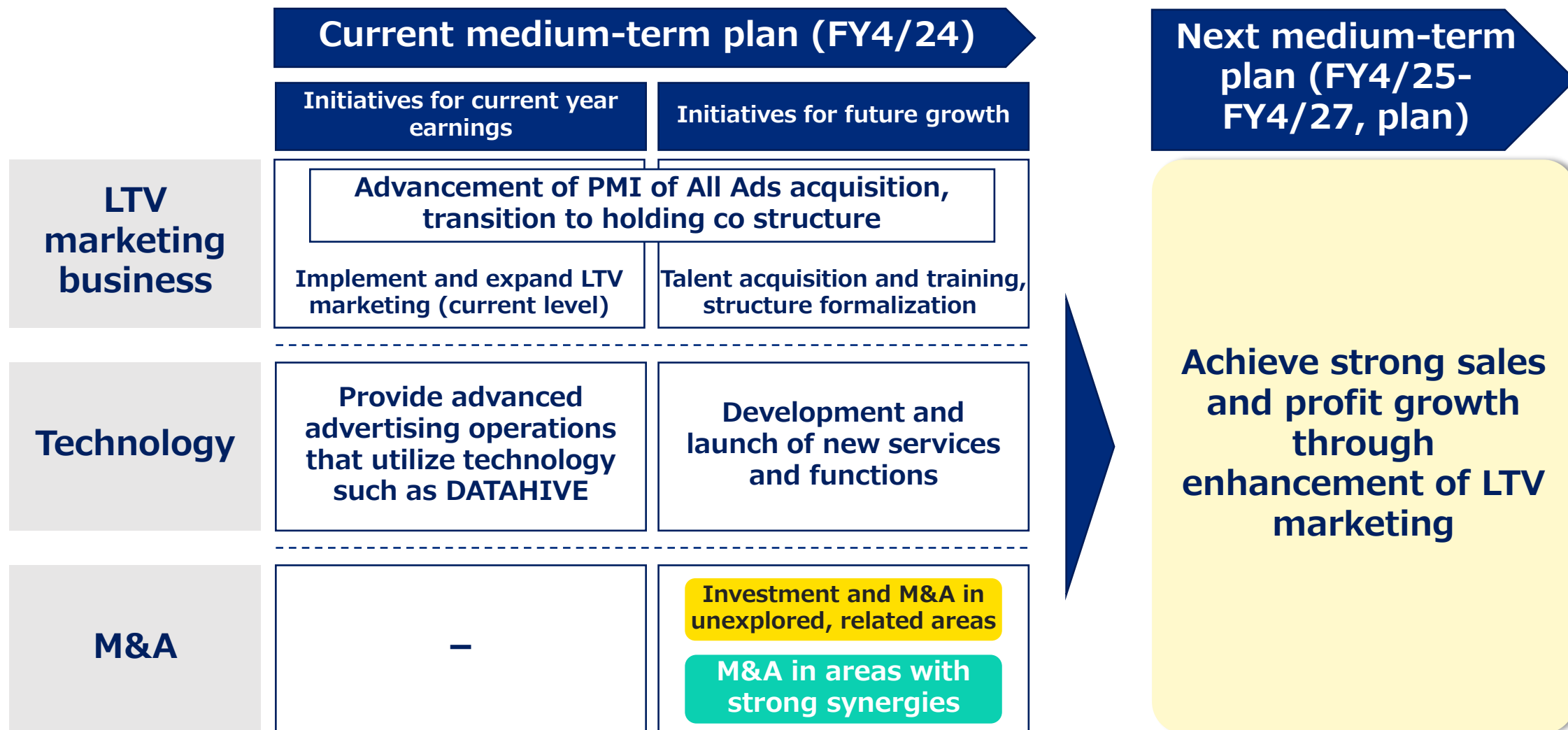
Sales 2,015 1,627 1,321 1,501 1,772 2,320 2,609 3,076 4,150 3,244 3,400 3,630 4,521 4,354 5,211 5,502 9,169 9,945 9,927

※Switched to consolidated financials from FY4/21, FY4/20 was non-consolidated.

Future initiatives

Initiatives in the current financial year

- We prepare for continuous high growth during the next medium-term plan by working on initiatives for future growth in parallel with initiatives that will contribute to business performance in the current fiscal year.



New services/functions with new technology

- Plan to provide value through productivity improvements from using AI and expanding scope of data usage. Expect to gain market share due to competitive advantage as a result of technology development.

Automate ad optimization

<3 factors to achieve results in ad operations>



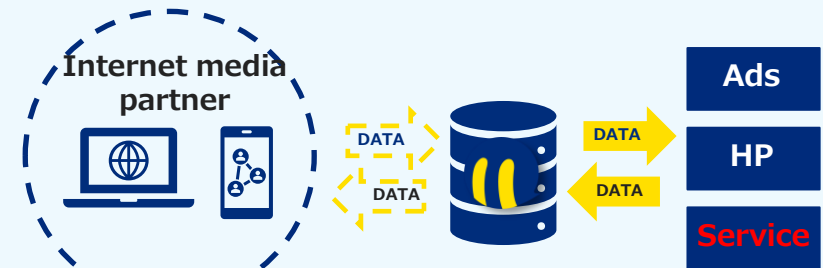
Use of data obtained by leveraging data acquisition technology and DATAHIVE

Automate the optimization of ad operations by utilizing AI

Use generative AI to predict the outcomes of creative work

Raise sales & productivity per head
Boost growth potential, profitability

Boost links between data & media

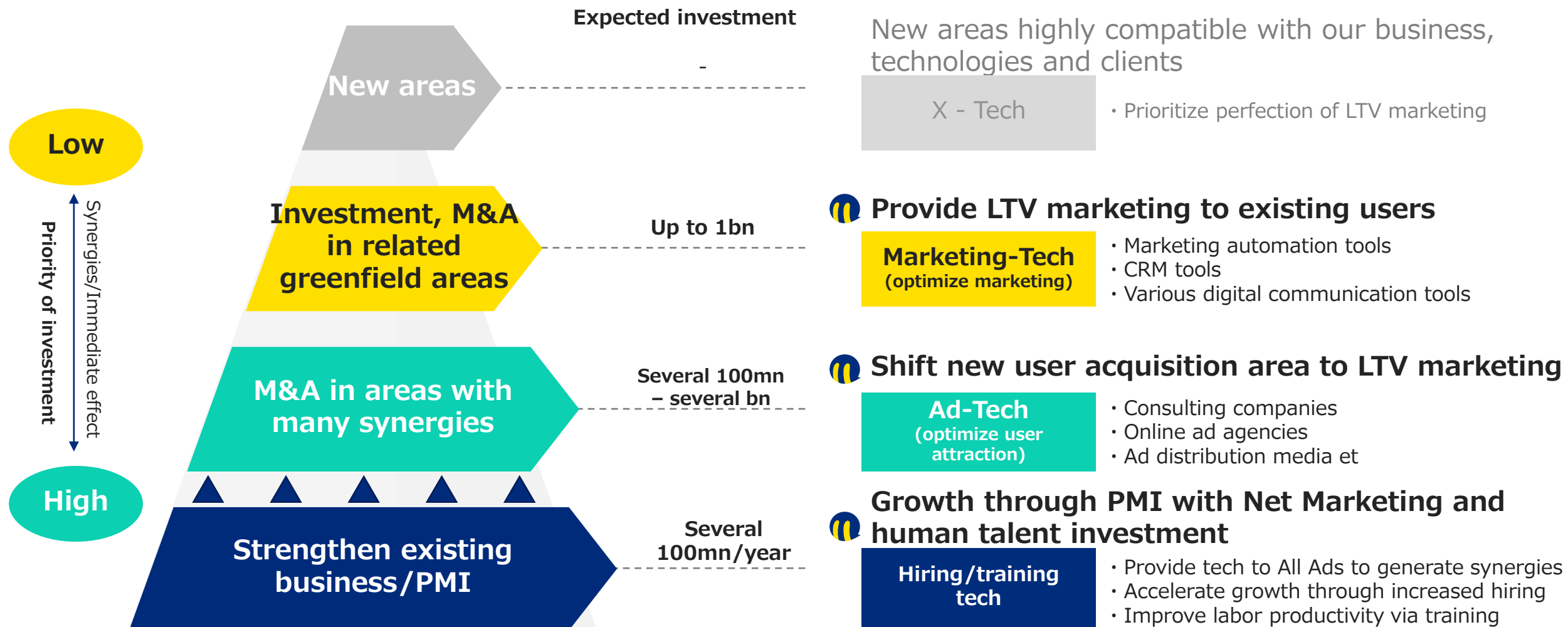


Improve quality of customer ads by sharing/collaborating with media carrying ads

Grow market share through unique services

M&A strategy

- Continued emphasis on investing in human talents. Since the progress of PMI is steady, we have resumed exploring investments and M&A in related and new areas.



appendix

- Quarterly earnings
- Market environment
- Business information



Quarterly earnings

Quarterly earnings trends



(Units: ¥mn)	FY4/21			FY4/22				FY4/23				FY4/23		
	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3
Sales*	2,320	2,609	3,076	4,150	3,244	3,400	3,630	4,521	4,354	5,211	5,502	9,169	9,945	9,927
(YoY)	+42.6%	+97.5%	+104.9%	+134.2%	+39.8%	+30.3%	+18.0%	+8.9%	+34.2%	+53.3%	+51.6%	+102.8%	+128%	+90%
Gross profit	373	404	513	575	664	652	757	915	893	1,173	1,084	1,950	1,835	1,945
(GPM)	16.1%	15.5%	16.7%	13.9%	20.5%	19.2%	20.9%	20.3%	20.5%	22.5%	19.7%	21.3%	18.5%	19.6%
(YoY)	+26.1%	+54.4%	+89.2%	+88.4%	+77.7%	+61.2%	+47.5%	+59.2%	+34.5%	+79.9%	+43.1%	+113.0%	+105%	+66%
SG&A	175	206	261	241	359	399	411	466	421	589	427	946	830	757
Personnel	108	115	95	118	131	155	160	173	175	195	178	312	307	330
Advertising	9	14	9	12	3	7	4	2	4	13	7	2	1	2
Recruiting & education	11	8	18	5	11	13	21	13	24	15	8	41	23	17
R&D	-	-	-	9	5	3	3	3	3	1	1	18	32	36
Depreciation	3	3	4	4	5	7	9	6	9	8	8	26	26	26
Goodwill amortization, M&A related	-	-	-	-	85	41	41	41	41	71	41	94	94	94
System outsourcing	10	9	7	9	12	9	8	5	4	3	4	5	5	1
Other	32	54	126	81	104	160	162	220	157	279	180	448	342	247
OP	198	197	252	333	304	253	346	449	472	584	656	999	1,000	1,189
(OPM)	8.6%	7.6%	8.2%	8.0%	9.4%	7.4%	9.5%	9.9%	10.8%	11.2%	11.9%	10.9%	10.1%	12.0%
(YoY)	+72.6%	+177.4%	-	+143.4%	53.5%	+27.8%	+37.4%	+34.8%	+54.9%	+130.8%	+90.0%	+122.3%	+111.9%	+103.6%

※Introduced consolidated financial statements from end of FY4/21, FY4/21 and earlier are non-consolidated.

※In Q3, we finalized the temporary accounting treatment related to business combinations, and the finalized figures are reflected in the figures for FY4/24.

Industry segmentation

■ Revised industry segmentation following consolidation of All Ads



Finance	
Banks	Card loan Credit card
Securities	Securities Forex
Other finance	Insurance
Wellness	
Bricks & mortar	Beauty salons Gyms
Cosmetics EC	Cosmetics online sales
Health food EC	Health food online sales
Others	
	Recruitment media & training
	Professions Apps & games Communications, etc.



Finance	
Banks	Housing loans
Forex	Forex Cryptocurrency
Other finance	Insurance
Wellness	
Bricks & mortar	Beauty salons Gyms
Medical	Online examination Medical hair removal & treatment
Health food EC	Health food online sales
Others	
	Recruitment media Job change service
	Apps & games Real estate & automotive



Finance	
Merge	Consumer finance Card loan Credit card Housing loans
Merge	Investment Securities & forex Cryptocurrency
	Other finance Insurance Bankservice
Wellness	
	Bricks & mortar Beauty salons Gyms
New	Medical Online examination Medical hair removal & treatment
Merge	EC Cosmetics online sales Health foods online sales
Human talent	
New	Human talent Recruitment media Job change & training services
Others	
	Insurance, professions, apps, real estate, automotive, games, communications, etc.

Sales trend by industry

	FY4/23								FY4/24					
	Q1		Q2		Q3		Q4		Q1		Q2		Q3	
	Sales	Weight	Sales	Weight	Sales	Weight	Sales	Weight	Sales	Weight	Sales	Weight	Sales	Weight
(Units: ¥mn)														
ALL	4,517	-	4,357	-	5,211	-	5,502	-	9,169	-	9,945	-	9,927	-
Finance	2,119	47%	2,123	49%	2,627	50%	3,172	58%	3,759	41%	4,752	48%	4,752	48%
Consumer finance	697	15%	739	16%	891	17%	1,114	20%	1,350	15%	1,866	19%	1,260	13%
Investment	1,413	31%	1,368	31%	1,693	32%	2,018	37%	2,217	24%	2,399	24%	2,776	28%
Other (Finance)	9	0%	16	0%	42	1%	39	1%	191	2%	486	5%	715	7%
Wellness	1,443	32%	1,530	35%	1,609	31%	1,205	22%	3,539	39%	3,232	33%	3,258	33%
Bricks & mortar	1,145	25%	1,281	29%	1,429	27%	1,035	19%	1,825	20%	1,472	15%	1,531	16%
Medical	3	0%	2	0%	1	0%	1	0%	1,395	15%	1,537	15%	1,403	14%
EC	294	7%	246	5%	177	3%	166	3%	318	4%	222	2%	232	2%
Human talent	91	2%	90	2%	136	3%	260	5%	873	10%	897	9%	1,025	10%
Others	861	19%	613	14%	839	16%	863	16%	997	11%	1,071	11%	892	9%

New

Balance sheet

(Units: ¥mn)	FY4/23-end	FY4/24 Q3-end	Change
Assets	17,655	20,232	+2,576
Current assets	13,877	15,985	+2,107
(Cash & deposits)	(9,663)	(9,009)	-653
Non-current assets	3,778	4,247	+468
Liabilities	9,488	10,367	+879
Current liabilities	7,409	8,625	+1,216
Non-current liabilities	2,078	1,741	-336
Net assets	8,167	9,864	+1,697
Shareholders' equity	8,097	9,888	+1,791

Current ratio

185%

Equity ratio

48%

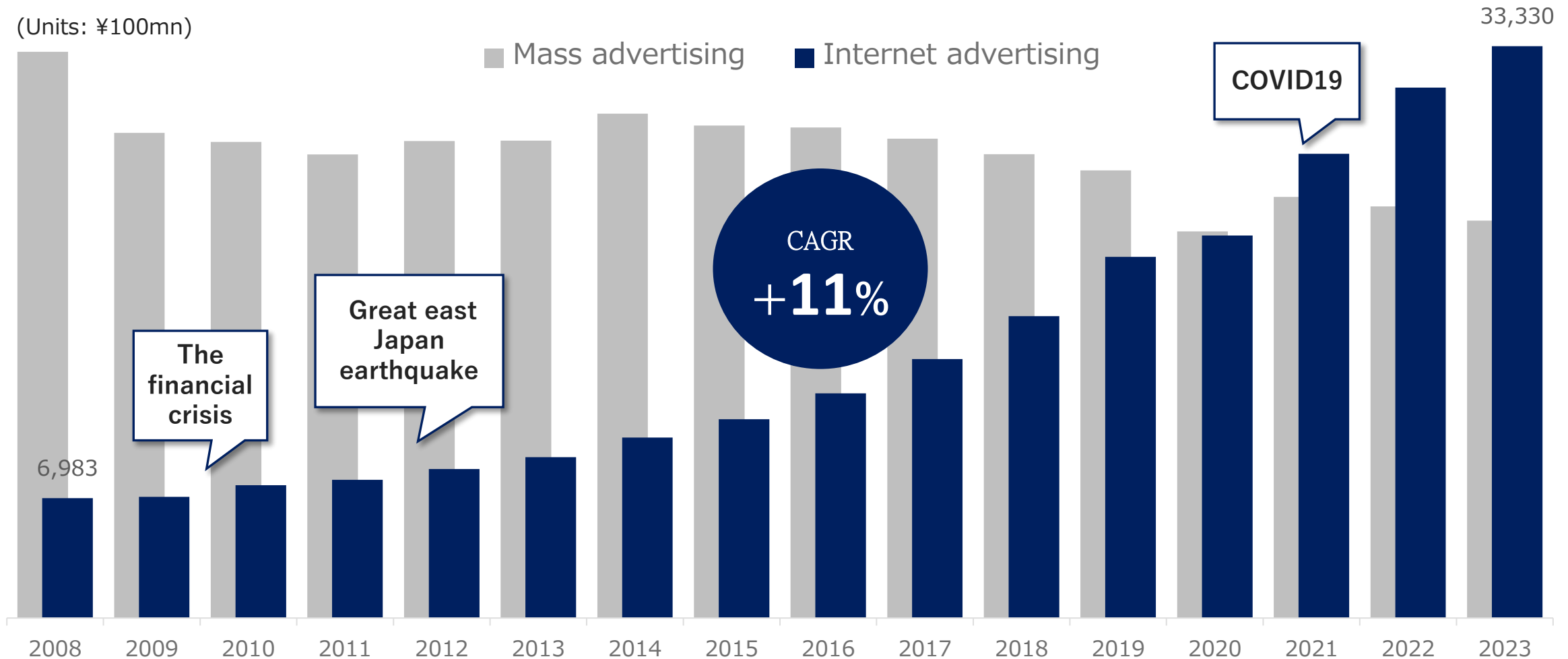
*We finalized the temporary accounting treatment related to business combinations, and the finalized figures are reflected in the figures for FY4/23.

Market environment

Target market: Internet advertising market

- Due to the efficiency of internet advertising, digital shift from mass advertising budgets continues, leading to growth into a ¥3 trillion market. Double-digit growth has continued despite numerous recessions, and high growth is expected to continue in the future.

(Units: ¥100mn)



Source: Dentsu, Advertising Expenditures in Japan, 2008-2023

Challenges in the Internet Advertising Industry

- Digital advertising budgets have been squandered on targets that will never become **clients**. Cookie regulations are expected to further reduce accuracy and worsen cost-effectiveness.

Nearly 40% of digital ad budgets are wasted on the wrong audiences, leaving significant room for ROI improvement

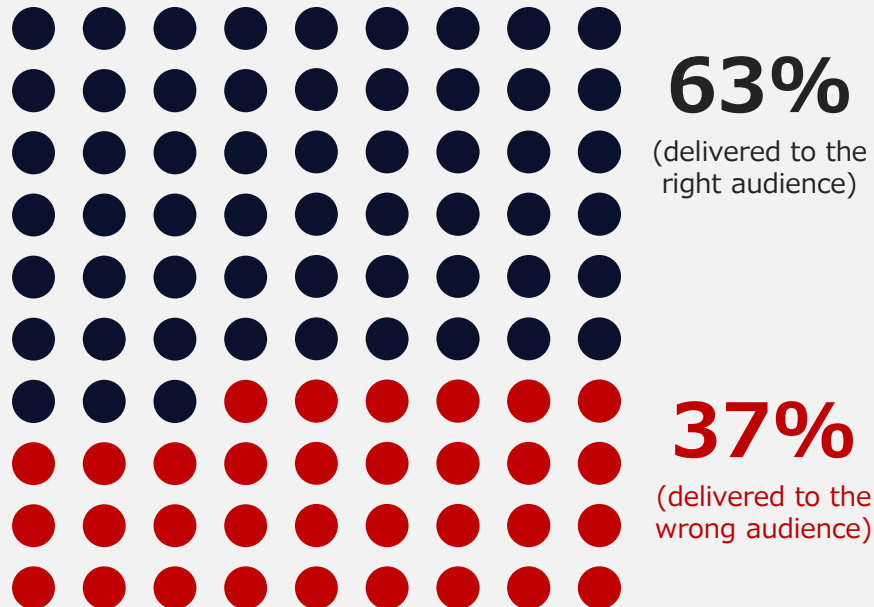
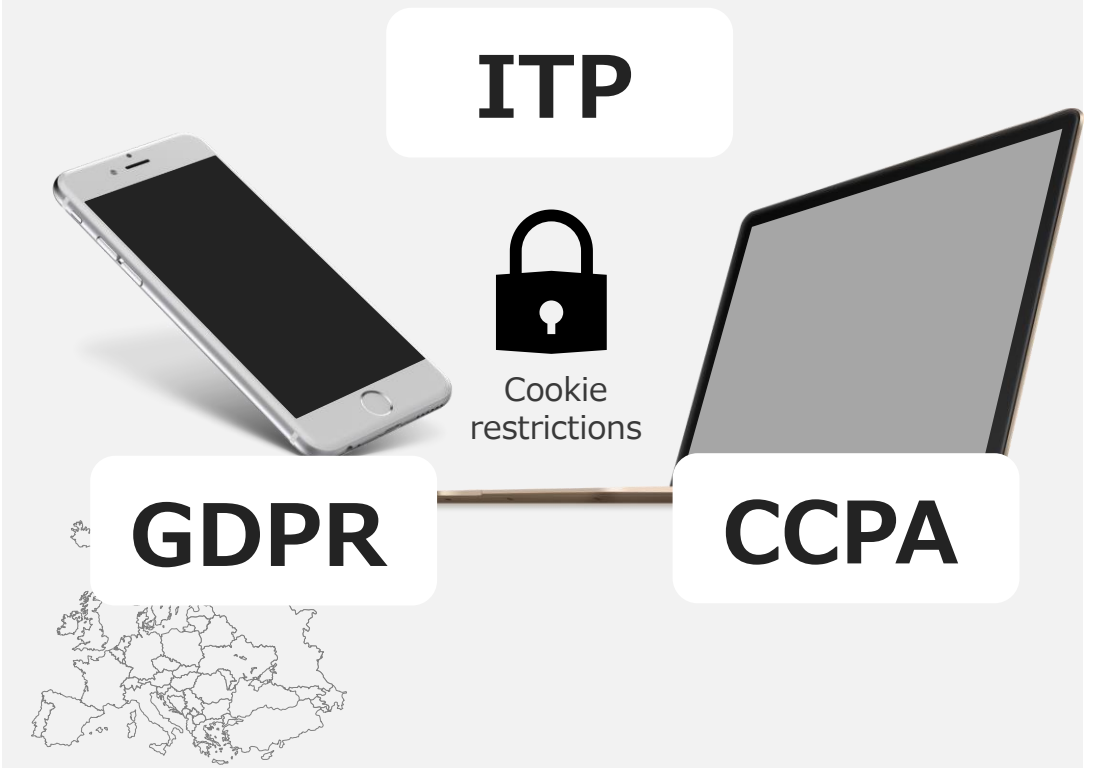


Exhibit: Nielsen Digital Ad Ratings, U.S. Benchmarks Report - Q2 2019-Q1 2020

GDPR, CCPA, and other privacy regulations advance. Cookie-based targeting becomes even more difficult.



What we want to achieve:

Transformation of the Internet advertising industry



- As the market leader in LTV marketing, we are solving the problems of the Internet advertising industry, converting the ¥3 trillion Internet advertising market to LTV marketing.

Client Needs: Increase LTV and optimize marketing ROI

Current Internet Advertising Issues

¥3 trillion market

Performance

Advertising costs do not always translate into sales.

Cost: Charging system based on ad serving and number of clicks

KPI: Number of prospects
User acquisition cost

Data

Cookie restrictions reduce data accuracy

Due to decreased targeting accuracy of ads, acquisition costs soared and ROI declined

Skill

Advertising management skills are in the genus

Performance vary depending on the experience of the person in charge.



LTV Marketing

Performance

Pay-for-performance model **directly** linked to **long-term sales**

Cost : Performance-based **system** (sales and LTV)
KPI: Number of continuing users attracted
LTV/ROI

Data

Unique Data Acquisition Technology

Independent of 3rd party cookies
Stable results generation even after cookie regulation

Skill

Optimization by AI

Immediate increase in workforce and productivity
High service quality independent of the experience of the person in charge

Business information

1

Vast market opportunities for LTV marketing

Convert the ¥3trn market into a form with high added value for both advertisers and consumers by optimizing marketing based on LTV

2

Strong competitive edge through proprietary data acquisition technology

High barriers to entry due to technology that is less susceptible to cookie regulations

3

AI and technology driving high margins

Maximizing advertiser ROI (ad cost effectiveness) by applying DX to advertising and marketing

4

Very strong growth from a business with high recurring revenues and rising sales per customer

High retention rates, not only rising customer numbers, sales per customer as increasing as data accumulates

5

Further acceleration of growth through strategic investment

To drive the market as market leader, we will carry out M&A that produces synergies to achieve disruptive growth

Source of competitive strength

- LTV marketing is achieved through data, technology, and consulting.

LTV marketing components



Data

0 party data

- Reasons for cancellations
- VOC gathering
- Loyalty as data

0 to 3rd party data links

- Behavioral data
- Psychological data
- Purchase data
- Attribute data

Data platform

- Integrate data for the same ID
- Visualize user touchpoints/psychology



Technology

Analysis

- Machine learning
- Audio analysis
- Emotion analysis
- Cancellation analysis

AI

- Withdrawal prediction
- LTV prediction
- Cancellation prediction
- Delivery algorithm

Digital communications

- Hospitality
- Chatbots
- Popup
- 3D creative



Consulting

Utilization of data technology

- Data-driven
- Use of own products
- Leverage promptly using templates

Performance-based fee structure

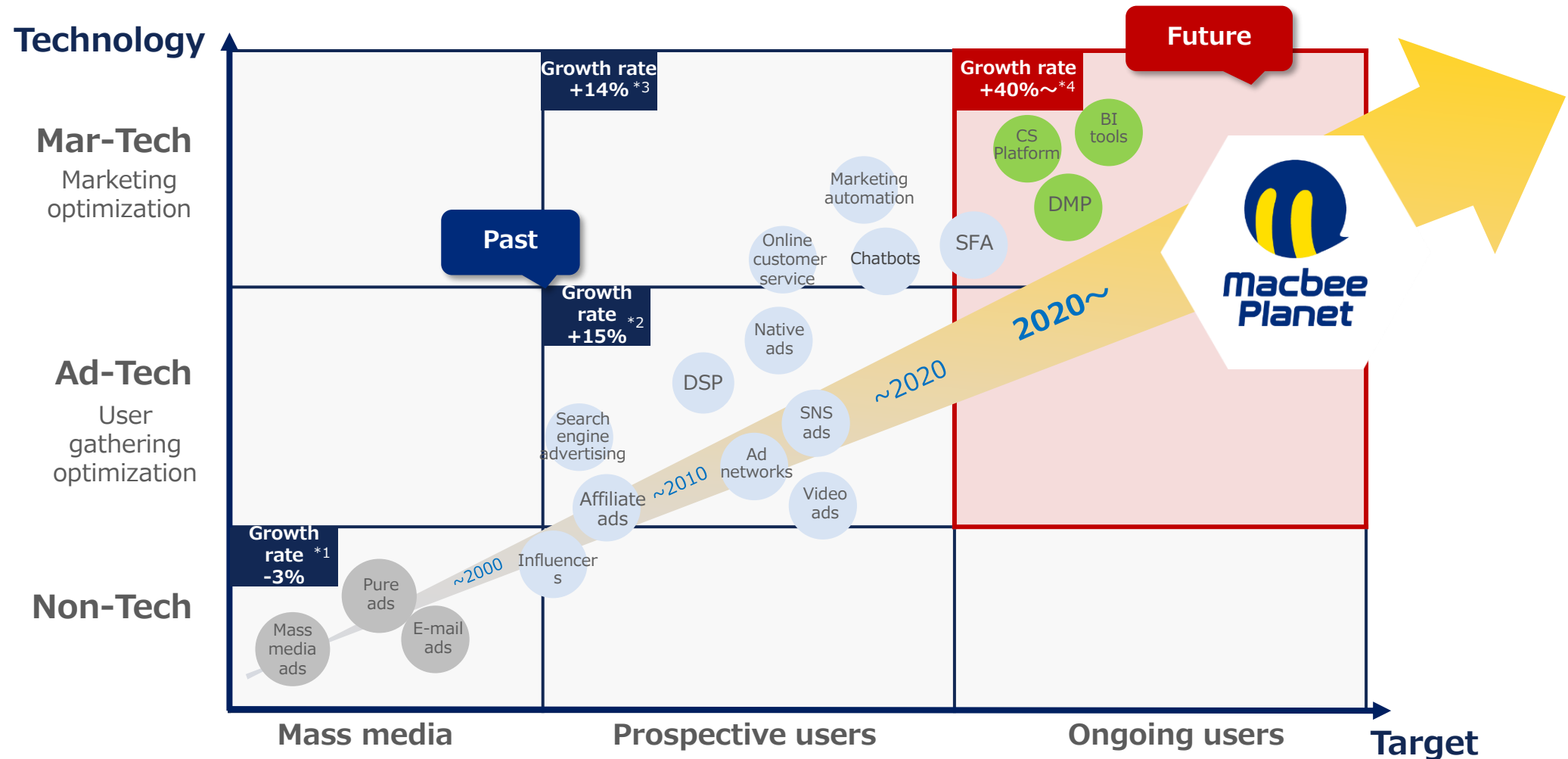
- Attract users who would continue to use the services
- Expertise in increasing LTV

Utilization of cancellation data

- Lower churn rate by preventing cancellations
- Identify issues in marketing

Positioning

- Unlike traditional quantity-oriented marketing which other agencies offer, we focus on the quality of customer. We will continue to achieve rapid growth by reshaping Japan's marketing landscape.

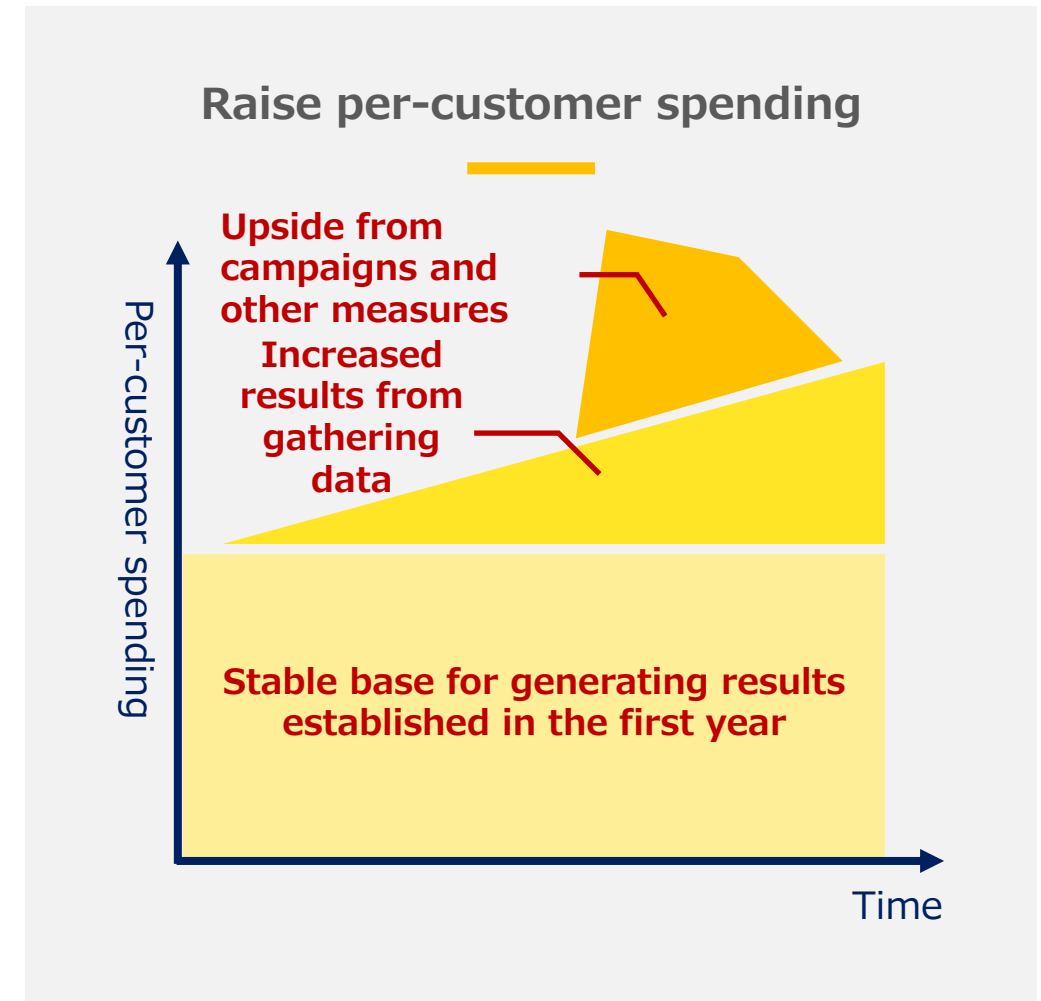
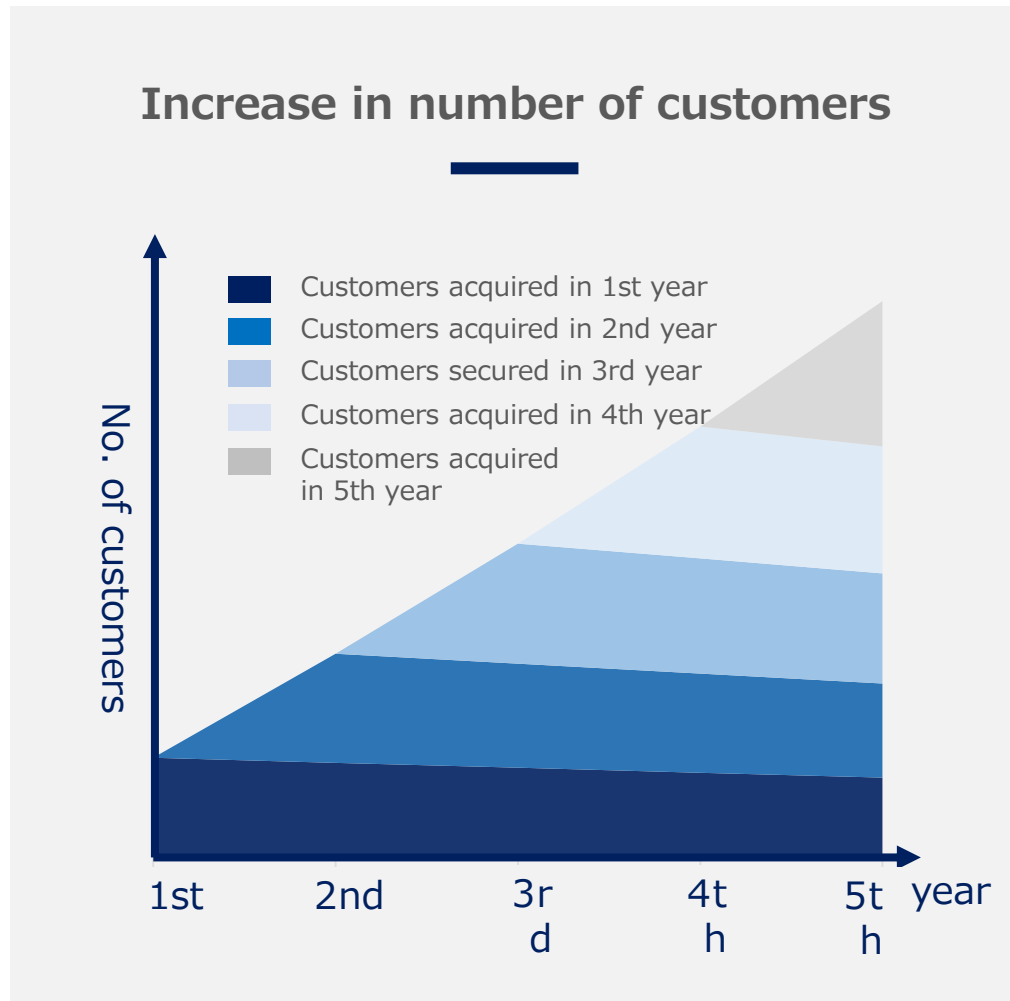


*1 Traditional market expenditures in "2021 Advertising Expenditures in Japan" (Dentsu)
 *2 Traditional market expenditures in "2021 Internet Advertising Expenditures in Japan" (Dentsu)

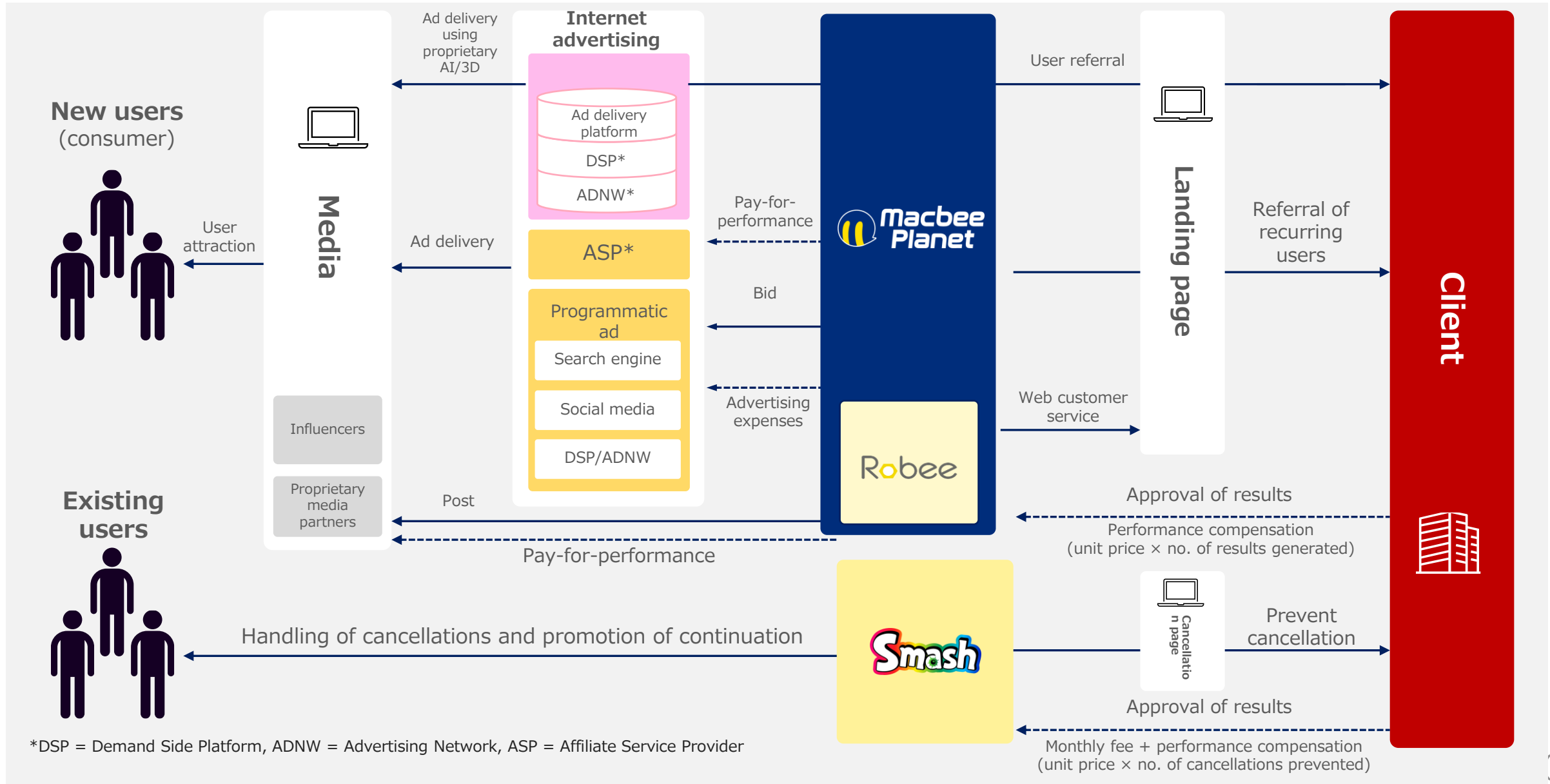
*3 "Movement in scale of online customer service market and forecasts" (ITR)
 and "DMP (Data Management Platform) & MA (Marketing Automation) Market 2020" (Yano Research Institute)
 *4 Macbee Planet Sales CAGR (FY04/18 to FY04/22)

Business characteristics

- We accelerate growth by increasing new customers and raising per-customer spending.



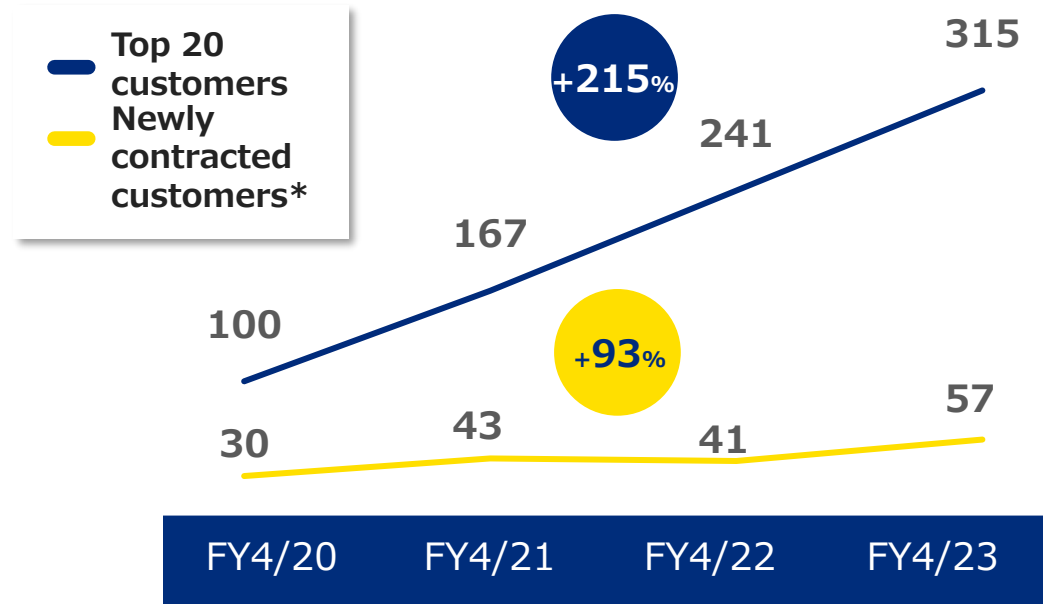
Business process diagram



Productivity enhancement

- Progress with in-house technology has improved labor productivity, with both unit price per customer and gross profit per consultant increasing year by year. The unit price of newly acquired clients is also increasing, building a customer base for mid- to long-term growth.

Annual revenue per customer

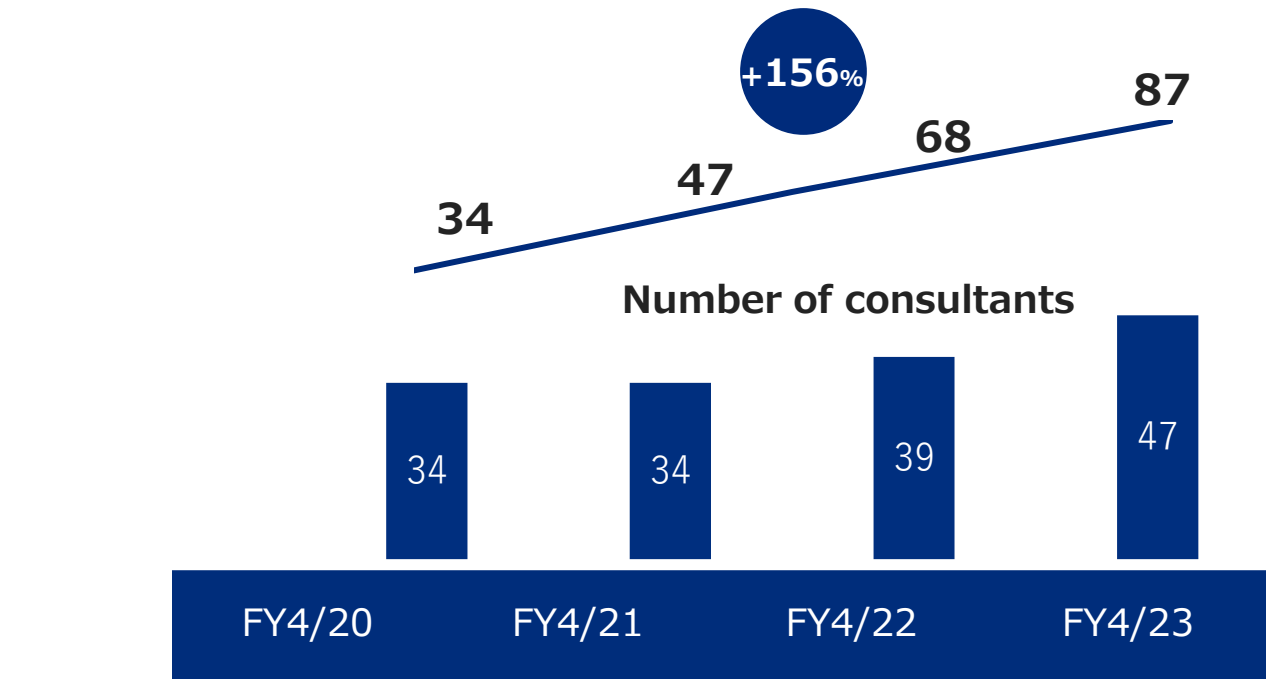


Top 20 annual unit price	100	167	241	315
Top 20 share	c.70%	c.80%	c.80%	c.70%
Newly contracted annual unit price	30	43	41	57

*Unit price is based on the unit price of existing customers for FY4/20 as 100

*New: Annual sales in FY following FY in which contracted

GP per person (¥mn)



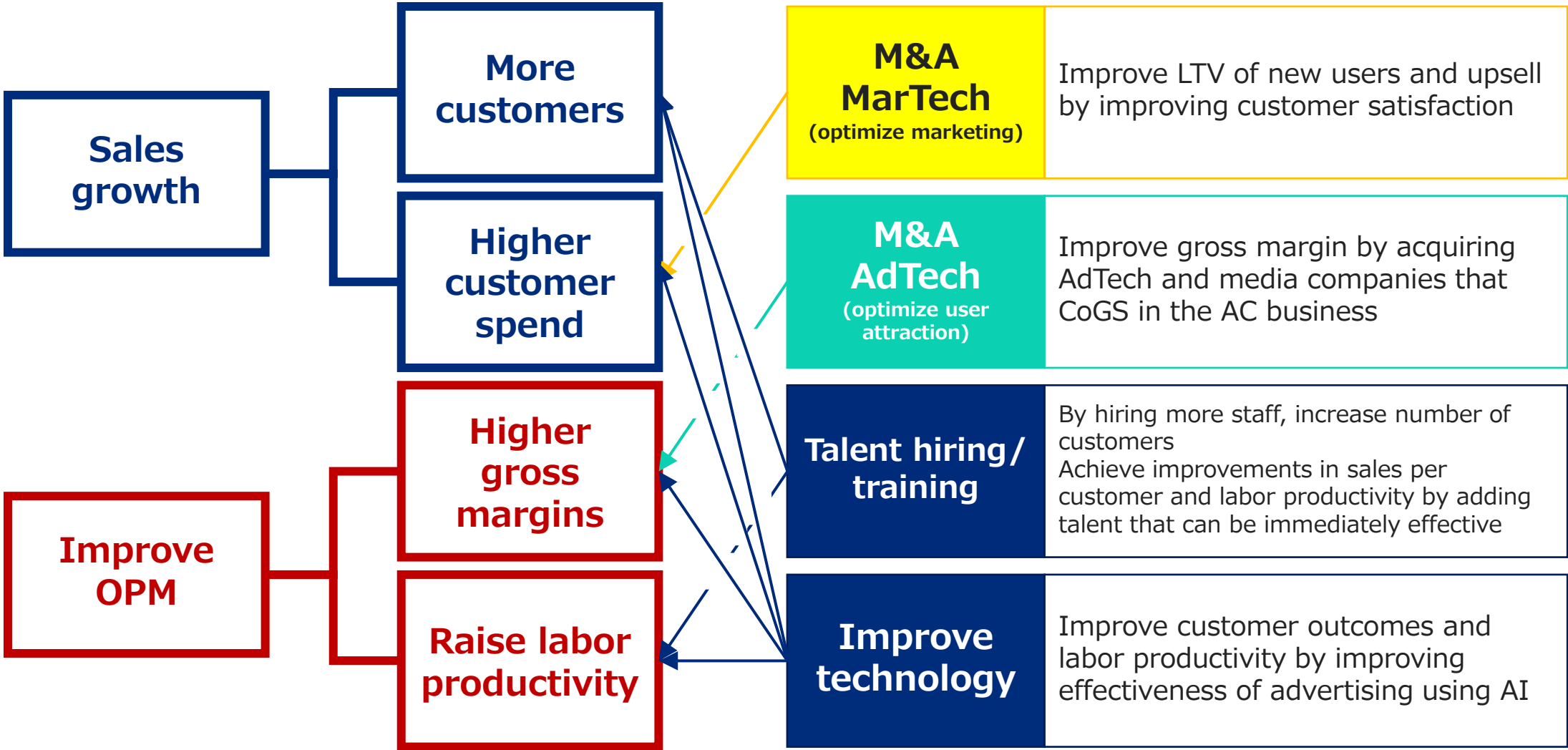
Front office full-time employees	34	34	39	47*
Gross profit	1,173	1,597	2,649	4,067
GP per person	34	47	68	87

* Macbee Planet only

Future investment and M&A strategy, KPIs



■ Aim to raise OPM and achieve sales growth through investment in talent and technology.



Disclaimer

This document contains forward-looking statements based on information available to the Company at the time it was prepared and involves risks and uncertainties. As such, these statements do not guarantee future business results or outcomes.

Actual results may differ materially from the forward-looking statements in this document due to changes in the business environment or other factors.

The above risks and uncertainties include, but are not limited to, factors such as economic conditions in Japan and overseas, and trends in the industries in which the Company operates.

The Company shall assume no obligation to update or revise any forward-looking statements contained in this document, even if new information or events occur in the future. The information contained herein, other than about the Company, is quoted from publicly available information, and the Company does not guarantee the accuracy or appropriateness of such information.