

FY6/2019 Q2 Financial Results

February 12, 2019



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Unless otherwise indicated, financial information for Macromill contained herein for the fiscal year ended June 30, 2015 and subsequent fiscal years has been presented in accordance with IFRS and that for the fiscal years ended June 30, 2014 or earlier has been presented in accordance with Japanese GAAP ("J-GAAP"). J-GAAP financial information and IFRS financial information are prepared on the basis of different accounting principles and are not directly comparable. On October 24, 2014, Macromill completed the acquisition of MetrixLab, and MetrixLab became a wholly owned subsidiary of Siebold Intermediate B.V., a wholly owned subsidiary of Macromill, as of the same date. Macromill's consolidated results of operations for the year ended June 30, 2015 reflect MetrixLab's results of operations for the period of approximately nine months, whereas Macromill's consolidated results of operations for the year ended June 30, 2016 reflect MetrixLab's results of operations for the full twelve months. This impacts the comparability of Macromill's consolidated results of operations for the years ended June 30, 2015 and 2016.

These materials contain non-GAAP financial measures, including adjusted EBITDA, EBITDA and adjusted net income attributable to owners of the parent. These non-GAAP financial measures should not be considered in isolation or as a substitute for the most directly comparable financial measures presented in accordance with J-GAAP or IFRS, as the case may be. Please refer to reconciliation tables for details.

- ✓ We had a solid Q2 with Revenue growth of 16%, EBITDA growth of 9% and Net Income growth of 7%
- ✓ Q2 standalone revenue of JPY 11.7bn is a new record high, pushed up by M&A. Organic revenue growth, however, did not meet our targets
- ✓ Our YTD revenue performance is within the range of our historic seasonality trends, but we do see increased risk in the second half.
- Thus, we have decided to revise our annual guidance
- ✓ Despite our downward revision of guidance, we have generated positive free cash flow and have a solid balance sheet to support sustainable growth
- ✓ We remain positive about our market opportunity, committed to growing faster than the market and delivering on our vision

FY6/2019 Q2 Results⁽¹⁾: Summary

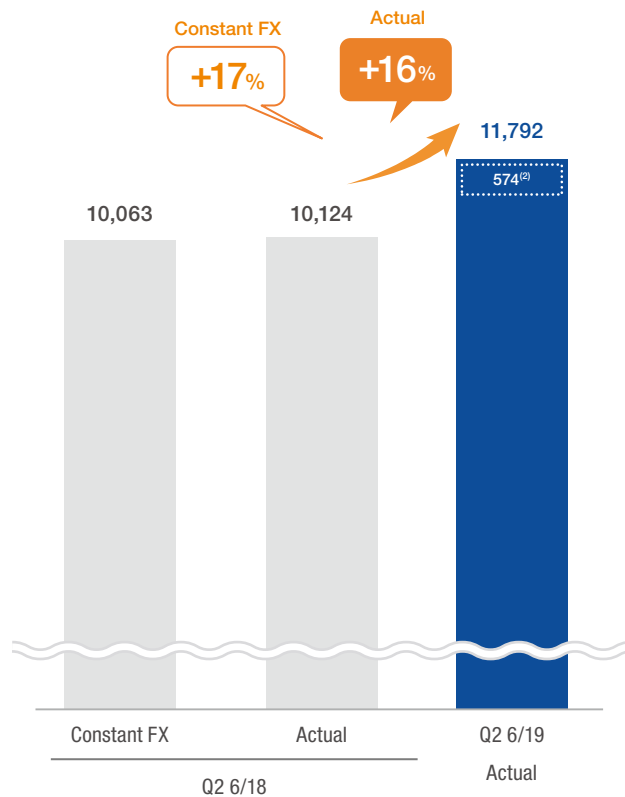
Q2 Standalone

004

Revenue

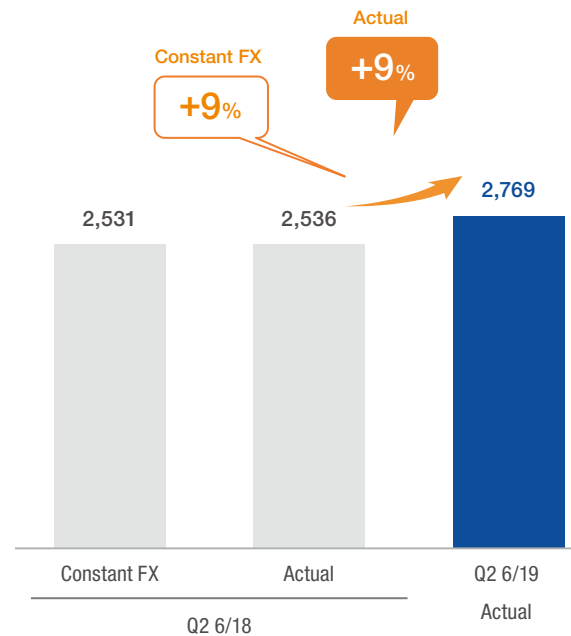
Consolidated (IFRS)
(JPY MM)

..... HMM⁽²⁾ & CENTAN Contribution



EBITDA⁽³⁾

Consolidated (IFRS)
(JPY MM)



Margin

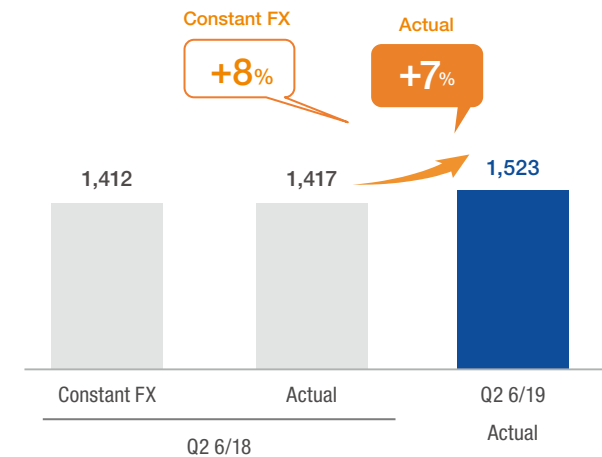
25.0%

25.1%

23.5%

Profit Attributable to Owners of the Parent

Consolidated (IFRS)
(JPY MM)



Margin

13.9%

14.0%

12.9%

Notes

1. Financials (actual) for Q2 6/18 and financials for Q2 6/19 are presented by using the period-average rate of €1 = ¥132.83 and €1 = ¥129.26 respectively. Financials (constant FX) for Q2 6/18 are calculated by using the same period-average rate of €1 = ¥129.26. Each exchange rate is used to translate MetrixLab's consolidated results of operations for each of the 3-months periods ended December 31, 2018 and 2019 into yen, as applicable, in connection with the consolidation into our consolidated financial statements. We present financials for Q2 6/18 on a constant currency basis because we believe that this provides a framework for assessing how Macromill's business and, in particular, Macromill's overseas businesses including MetrixLab, performed without taking into account the effect of the fluctuations between the euro and the yen since the same period in the prior year. The selected financial data for Q2 6/18 presented above on a constant currency basis should be considered in addition to and not as a substitute for results reported in accordance with IFRS.

2. We had acquired majority stake of Tokyo Survey Research Inc. from Hakuodo on July 2, 2018, and had changed its business name to H.M. Marketing Research, Inc. (HMM) as of October 1, 2018.

3. EBITDA = Operating Profit + Depreciation and Amortization + Loss on Retirement of Non-current Assets + Impairment Loss

FY6/2019 Q2 Results⁽¹⁾: Revenue Drivers

Q2 Standalone

005

Japan

Consolidated (IFRS)
(JPY MM)

..... HMM⁽²⁾ & CENTAN Contribution

DMI: +2%
Japan Organic (excl. DMI): +5%

In-organic (HMM⁽²⁾&CENTAN) Growth: +8%
Organic Growth: +4%

+13%

7,936

7,050

Q2 6/18

Q2 6/19
Actual

Global (Excl. Japan)⁽¹⁾

Consolidated (IFRS)
(JPY MM)

..... Acturus Contribution⁽³⁾

Constant FX

+28%

Actual

+25%

FY6/2018 Q2
Pro-forma⁽³⁾
(Acturus)
Global Revenue: 3,619

3,697

3,895⁽³⁾

Constant FX

Actual

Q2 6/19
Actual

Q2 6/18

Digital Marketing Revenue⁽¹⁾

Consolidated (IFRS)
(JPY MM)

Revenue Growth of Select Key Solutions (Q2 over Q2)

Japan and Korea
Business Segment

DMP Solutions +116%

AccessMill +5%

Overseas Business (ex-Korea)
Business Segment

“TRACK 360” +36%

“CLF” +20%

Constant FX

+17%

Actual

+15%

1,799

1,827

2,099

Constant FX

Actual

Q2 6/19
Actual

Q2 6/18

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3. Regarding the consolidation of Acturus (which we acquired at the beginning of FY6/2018 Q2), in the last fiscal year, we had consolidated (Q2 & Q3) 6 months' accumulated performance in Q3. In order to make fair quarterly comparison, we are adding up Q2 portion of Acturus revenue in our last year global revenue.

FY6/2019 Q2 YTD Results⁽¹⁾: Summary

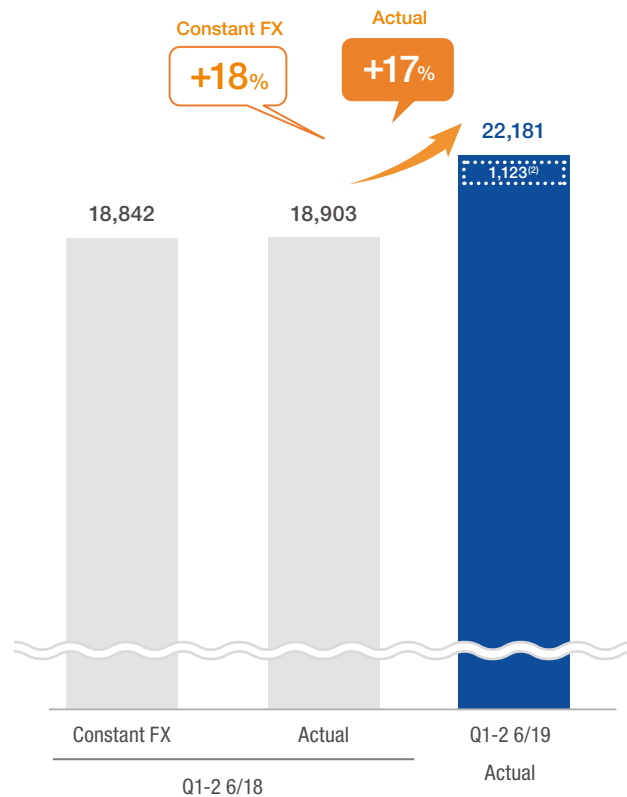
Q2 YTD (6 months)

006

Revenue

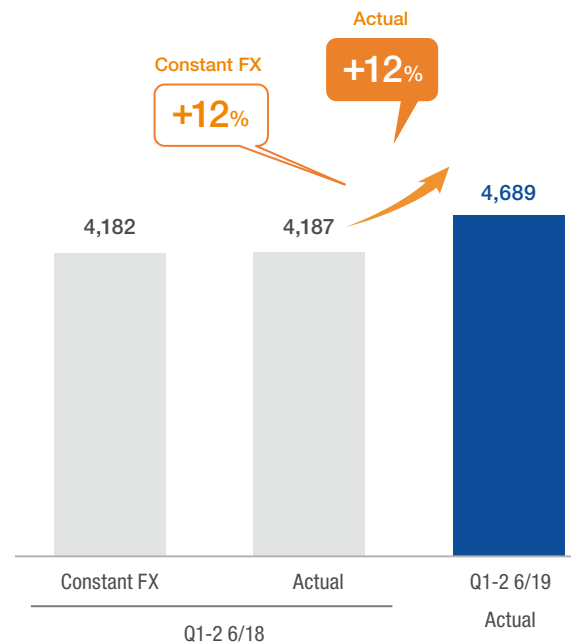
Consolidated (IFRS)
(JPY MM)

..... HMM⁽²⁾ & CENTAN Contribution⁽³⁾



EBITDA⁽⁴⁾

Consolidated (IFRS)
(JPY MM)



Margin

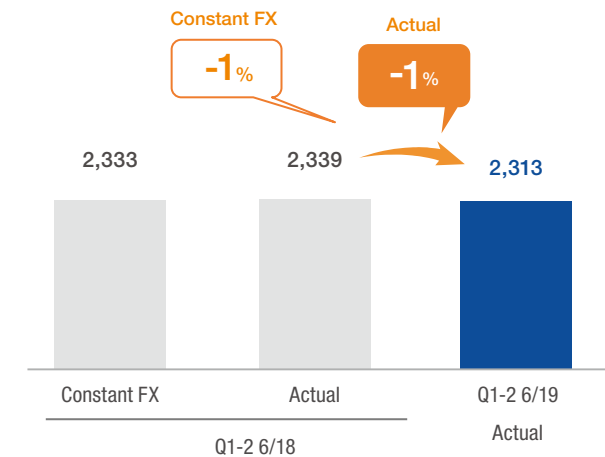
22.1%

22.2%

21.1%

Profit Attributable to Owners of the Parent

Consolidated (IFRS)
(JPY MM)



Margin

12.3%

12.4%

10.4%

Notes

1. Financials (actual) for Q1-2 6/18 and financials for Q1-2 6/19 are presented by using the period-average rate of €1 = ¥131.69 and €1 = ¥129.40 respectively. Financials (constant FX) for Q1-2 6/18 are calculated by using the same period-average rate of €1 = ¥129.40. Each exchange rate is used to translate MetrixLab's consolidated results of operations for each of the 6-months periods ended December 31, 2018 and 2019 into yen, as applicable, in connection with the consolidation into our consolidated financial statements. We present financials for Q1-2 6/18 on a constant currency basis because we believe that this provides a framework for assessing how Macromill's business and, in particular, Macromill's overseas businesses including MetrixLab, performed without taking into account the effect of the fluctuations between the euro and the yen since the same period in the prior year. The selected financial data for Q1-2 6/18 presented above on a constant currency basis should be considered in addition to and not as a substitute for results reported in accordance with IFRS.

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FY6/2019 Q2 YTD Results⁽¹⁾: Revenue Drivers

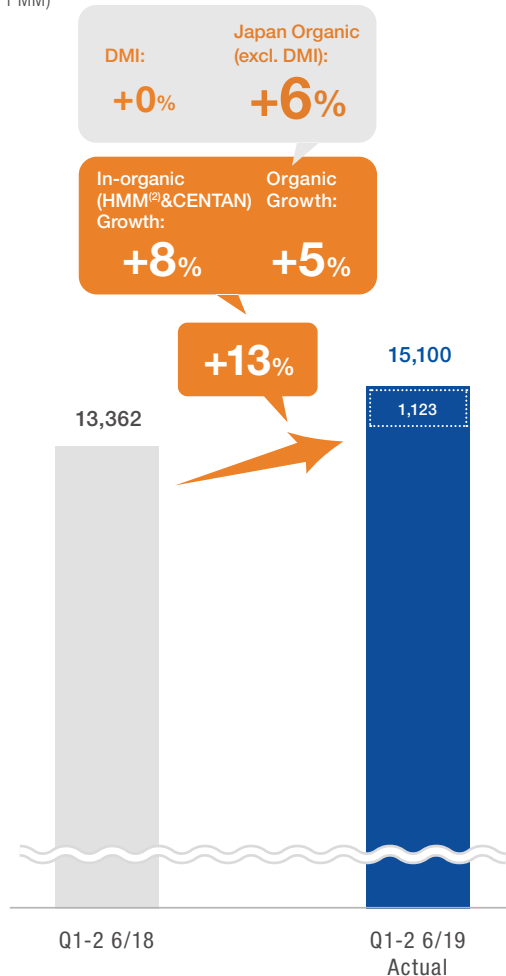
Q2 YTD (6 months)

007

Japan

Consolidated (IFRS)
(JPY MM)

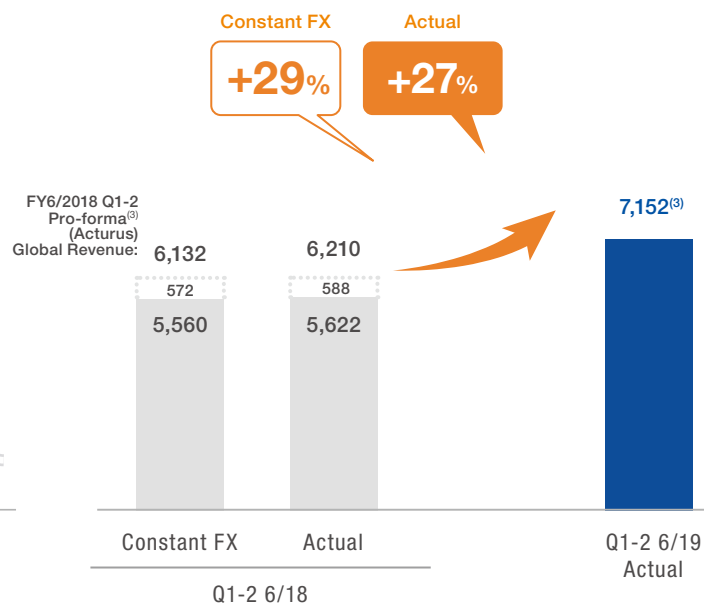
..... HMM⁽²⁾ & CENTAN Contribution



Global (Excl. Japan)⁽¹⁾

Consolidated (IFRS)
(JPY MM)

..... Acturus Contribution⁽³⁾



Digital Marketing Revenue⁽¹⁾

Consolidated (IFRS)
(JPY MM)

Revenue Growth of Select Key Solutions (Q1-2 over Q1-2)

Japan and Korea Business Segment

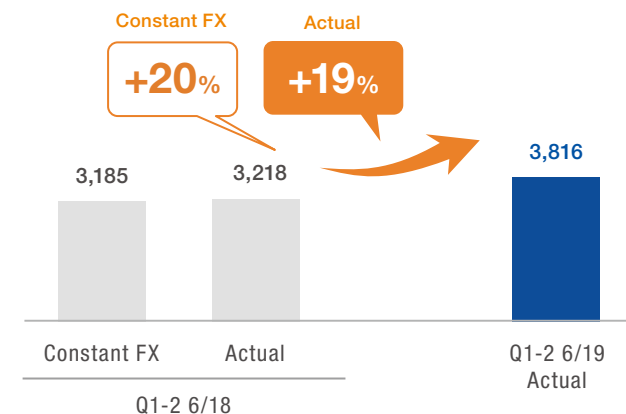
DMP Solutions +102%

AccessMill +14%

Overseas Business (ex-Korea) Business Segment

"PACT suite" +167%

"B-HEALTH" +47%



Notes

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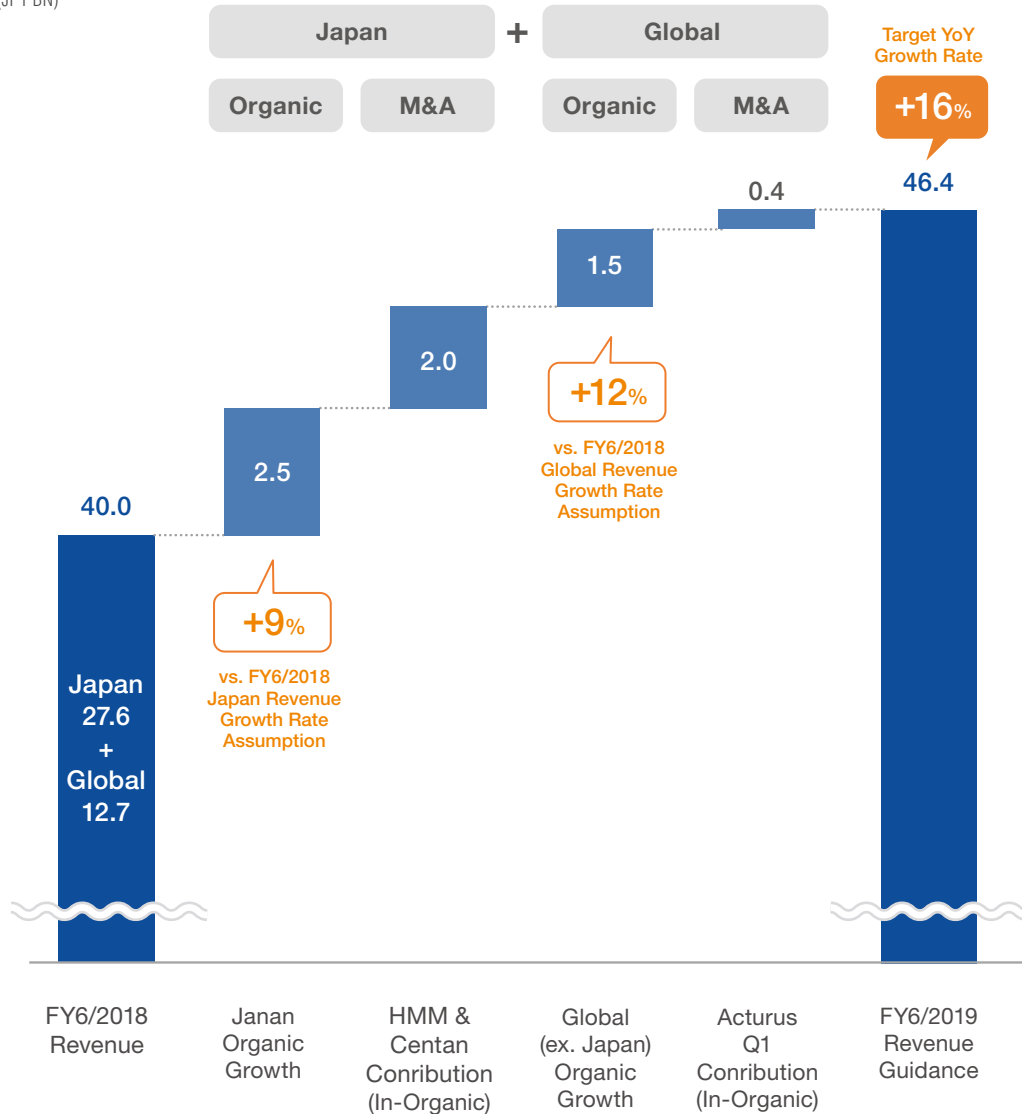
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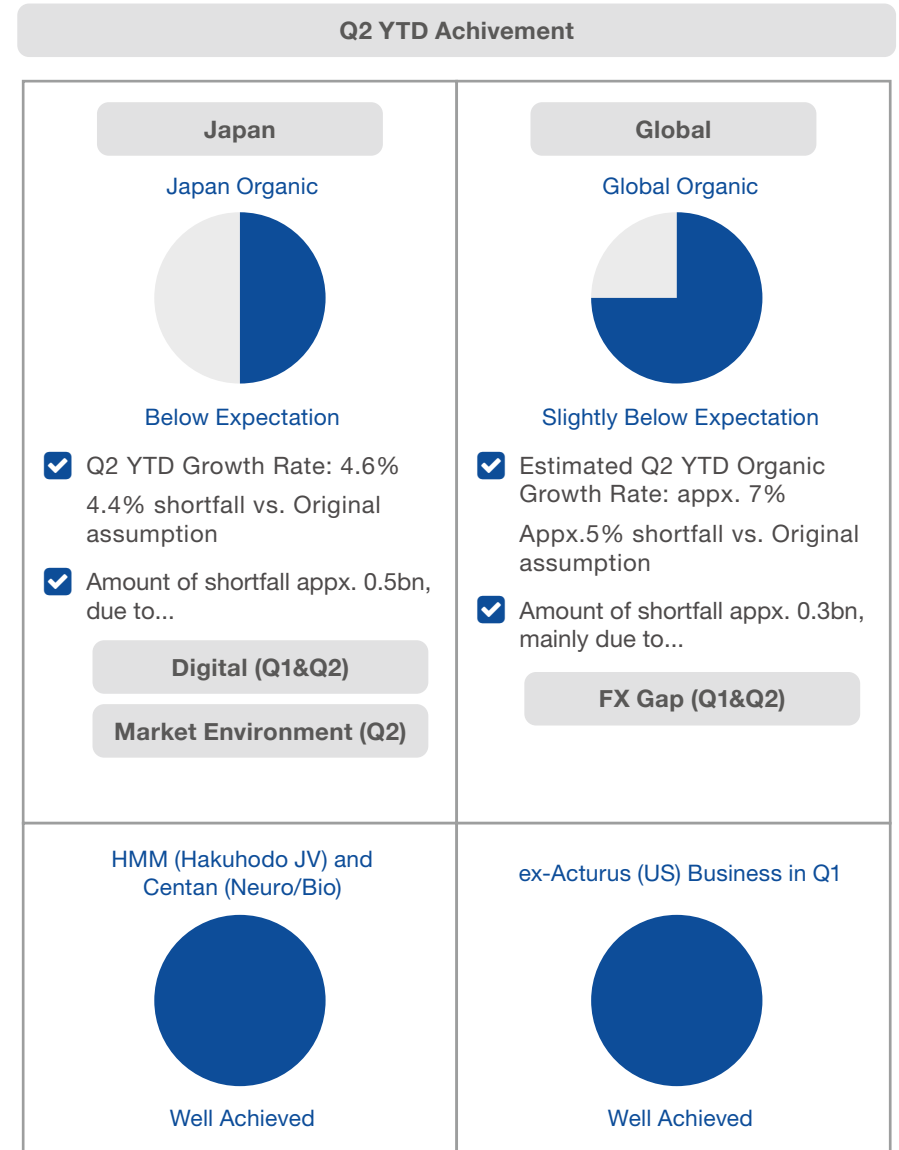
What Did Not Meet Expectation in 2Q YTD

Expected Breakdown of FY6/2019 Guidance Growth

Consolidated (IFRS)
(JPY Bn)



Items created the GAP in Q2 YTD



Good Achievement ←



→ Poor Achievement

**Q2 Financial Update and
Revision of the Consolidated
Full-year Financial Forecasts**

Summary of Consolidated P/L

(JPY MM)	IFRS			
	6 Months		Variance	YoY Growth
	6/2018 Q1-2	6/2019 Q1-2		
Revenue	18,903	22,181	3,278	17%
Total Employee Expenses	(6,706)	(8,131)	(1,425)	21%
Panel Expenses	(2,582)	(3,119)	(536)	21%
Outsourcing Expenses	(2,486)	(2,971)	(485)	20%
Depreciation and Amortization	(505)	(673)	(168)	33%
Others	(2,942)	(3,272)	(330)	11%
Operating Profit	3,682	4,015	333	9%
Finance Income and Costs	(37)	(262)	(224)	603%
Profit before Tax	3,645	3,753	108	3%
Income Tax Expenses	(1,146)	(1,063)	83	(7%)
Profit attributable to non-controlling interest	(159)	(376)	(217)	136%
Profit Attributable to Owners of the Parent	2,339	2,313	(26)	(1%)
EBITDA	4,187	4,689	502	12%
EPS (Basic Earnings per Share) (Yen)	59.99	58.12	(1.87)	(3%)

FY6/2019 Q1-Q2 P/L Commentary

Variance Factor

- ✓ Revenue:
 - Japan and Korea Business Segment +2,268
 - Overseas Business (ex-Korea) Segment +1,010
- ✓ Total Employee Expenses:
 - Number of the total group employees expand to 2,281 (FY2019/6 Q2) from 1,946 (FY6/2018 Q2): +335 in a year
 - Japan and Korea Business Segment +257
 - HMM(JV w/Hakuhodo) Acquisition +110
 - Others +147
 - Overseas Business (ex-Korea) Segment +78
 - Acturus(US) Acquisition +61
 - Others +17
- ✓ Depreciation&Amortization:
 - IT investment related +119
- ✓ Finance Income & Cost:
 - One time Refinance cost -158
 - FX impact -96
 - M&A related cost +38
- ✓ Profit attributable to non-controlling interest:
 - Expand Korean Business -58
 - Expand JV Business with Hakuhodo -32
 - Expand JV Business with Dentsu -30

Summary of Consolidated B/S

(JPY MM)

	IFRS		
	FY6/2018 (6/30/2018)	FY6/2019 Q2 (12/31/2018)	Variance
Total Assets	75,230	76,581	1,351
Cash and Cash Equivalents	9,124	7,704	(1,420)
Trade and Other Receivables	8,744	10,355	1,611
Property, Plant and Equipment	1,152	1,224	72
Goodwill	46,957	47,071	114
Other Intangible Assets	6,605	6,878	273
Other Assets	2,648	3,349	701
Total Liabilities	47,762	46,801	(961)
Borrowings and Bonds	37,035	36,374	(661)
Trade and Other Payables	3,008	3,362	354
Other Liabilities	7,719	7,065	(654)
Total Equity	27,468	29,780	2,312

FY6/2019 Q2 B/S Commentary

- ☒ Working Capital:
 - Accounts Receivable (A/R) turnover 84.0 Days
 - Shortened 4.8 Days YoY
 - Accounts Payable (A/P) and Provision for Panel Points turnover 45.9 Days
 - Shortened 0.9 Day YoY
- ☒ Financing Cost:
 - Q2 Average Interest Rate 1.14% (FY6/2018 Q2 1.69%)
 - Borrowings 1.34%
 - Bond 0.59%
 - Commitment line (undrawn) JPY 4,500M
 - Credit Rating (R&I) +BBB
- ☒ Leverage Related:
 - Net Debt / EBITDA Ratio 3.13x (FY6/2018 Q2 4.07x)
 - Interest Coverage Ratio 10.4x (FY6/2018 Q2 9.1x)
- ☒ Capital Efficiency Related:
 - ROE (LTM Base) 18.7% (YoY Variance -2.1%)

Summary of Consolidated C/F Statement

(JPY MM)	IFRS	
	6 Months	
	Q1-2 6/2018	Q1-2 6/2019
Cash Flows from Operating Activities	507	1,459
Profit (Loss) before Tax	3,645	3,753
Depreciation and Amortization	505	673
Finance Income and Costs	37	262
Change in Working Capital ⁽¹⁾	(2,607)	(1,431)
Others ⁽²⁾	(143)	83
Sub Total	1,437	3,340
Dividends Paid and Received	8	12
Interest Paid	(221)	(246)
Income Taxes Paid	(716)	(1,648)
Cash Flows from Investing Activities	(1,457)	(816)
Capex ⁽³⁾	(485)	(1,095)
Acquisition of Subsidiaries	(1,029)	265
Others ⁽²⁾	57	14
Free Cash Flows	(729)	889
Cash Flows from Financing Activities	(1,597)	(1,995)
Proceeds from Borrowings and Bonds ⁽⁴⁾	1,007	9,997
Repayment of Borrowings ⁽⁴⁾	(2,255)	(11,625)
Proceeds from Issue of Shares	249	151
Others ⁽²⁾	(599)	(519)

Notes

1. The sum of Decrease (Increase) in Trade and Other Receivables and Increase (Decrease) in Trade and Other Payables

2. Others in Net Cash Flows Provided by Operating Activities is the sum of Share of the Profit on Investments Accounted for using the Equity Method, Gain on Sales of Equity Method Investment and Other. Others in Net Cash Flows Provided by (Used in) Investing Activities is the sum of Proceeds from Withdrawal of Time Deposits, Acquisition of Investments, Proceeds from Sale and Redemption of Investments, and Other. Others in Net Cash Flows Provided by (Used in) Financing Activities is the sum of Payments of Proceeds from Disposal of Fractional Shares, Proceeds from Current Borrowings, Dividends Paid to Non-controlling Interests, and Other

3. The sum of Acquisition of Property, Plant and Equipment and Acquisition of Intangible Assets

4. The sum of Long-term Borrowings and Short-term Borrowings

FY6/2019 Q1-Q2 C/F Commentary

- ✓ Topics:
 - Increase net profit, ends up deduction of carry-over of losses
 - Increase Corporate Tax paid -1,648
 - Decrease A/R by improving collection efficiency +1,348
 - Operating Cash Flows expand dramatically +1,459
 - Increase tangible asset through new office floor expansion -240
 - Increase intangible asset through IT investments: -855
- ✓ Free Cash Flows: +889
- ✓ Financing Activities:
 - Issuing Corporate Bonds for early redemption of a part of the existing loan (high cost, foreign currency denominated portion)
 - Decrease of Cash Flows from Financing Activities -1,995
- ✓ Increase Cash and Cash Equivalents: +1,728 in a year
To 7,704 (FY6/2019 Q2) from 5,976 (FY6/2018 Q2)

	IFRS	
	6 Months	
	Q1-2 6/2018	Q1-2 6/2019
Increase in Cash and Cash Equivalents	(2,547)	(1,353)
Cash and Cash Equivalents at the beginning of the period	8,447	9,124
Effect of Exchange Rate Changes on Cash and Cash Equivalents	77	(66)
Cash and Cash Equivalents at the end of the period	5,976	7,704

Assumptions in Revised Guidance

Risk Item Breakdown in Revenue Variance

Revenue: To JPY 44.4bn, 10.9% YoY Growth (Revised Guidance) from JPY 46.4bn, 15.9% YoY Growth (Original)

Total Amount of Variance 2.0bn

Digital Slowness Continues
in The Entire Full-Year in Japan

Guidance Assumption &
Actual FX GAP Continues in Global

Additional Business Environmental
Risk in Both Japan & Global

Outlook in Cost Items

Cost Outlook

- ✓ Both employee expenses and # of employees are expected to increase by 13% on a full year basis. In 2H, we plan to hire 140 employees, mainly new graduates in Japan
- ✓ Panel and Outsourcing expenses will grow in line with revenue growth
- ✓ Annual depreciation is expected to increase by JPY 450MM, mainly due to investment in technologies
- ✓ Several cost cutting efforts are included in the revised guidance

Revision of the Consolidated Full-Year Financial Forecasts

014

Revised Forecasts as of Feb. 12, 2019

Consolidated (IFRS)
(JPY MM)

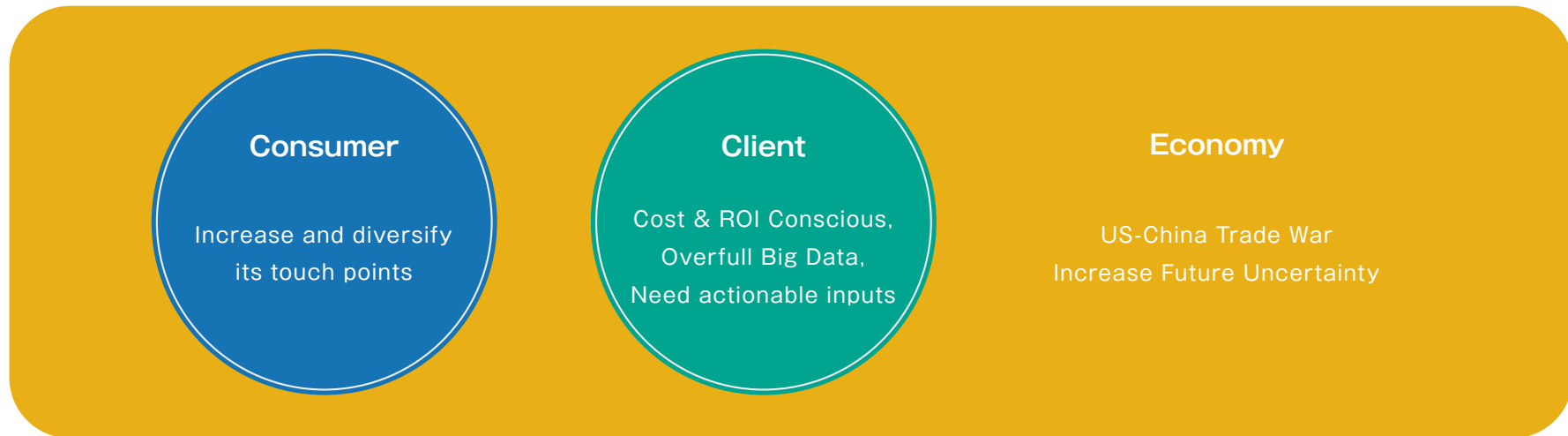
	FY6/2018 Results (a)	FY6/2019 Original Forecasts (b)	FY6/2019 Revised Forecasts (c)	Variance (c-b)	% Change (c/b)	YoY Growth (c/a)
Revenue	40,024	46,400	44,400	(2,000)	(4.3%)	10.9%
EBITDA	8,660	10,160	9,150	(1,010)	(9.9%)	5.7%
Operating Profit	7,607	8,900	7,650	(1,250)	(14.0%)	0.6%
Profit attributable to owners of the parent	4,719	5,260	4,500	(760)	(14.4%)	(4.7%)
(Per Share Data)						
EPS⁽¹⁾ (Yen)	120.21	132.70	112.67	(20.03)	(15.1%)	(6.3%)
Divident per share (Yen)	7.00	9.00	9.00	unchanged	unchanged	28.6%
(FX Assumptions)						
JPY / EUR (Yen)	131.62	136.92	125.73	(11.19)	(8.2%)	
JPY / KRW (Yen)	0.1007	0.1109	0.0987	(0.0239)	(11.0%)	

Notes

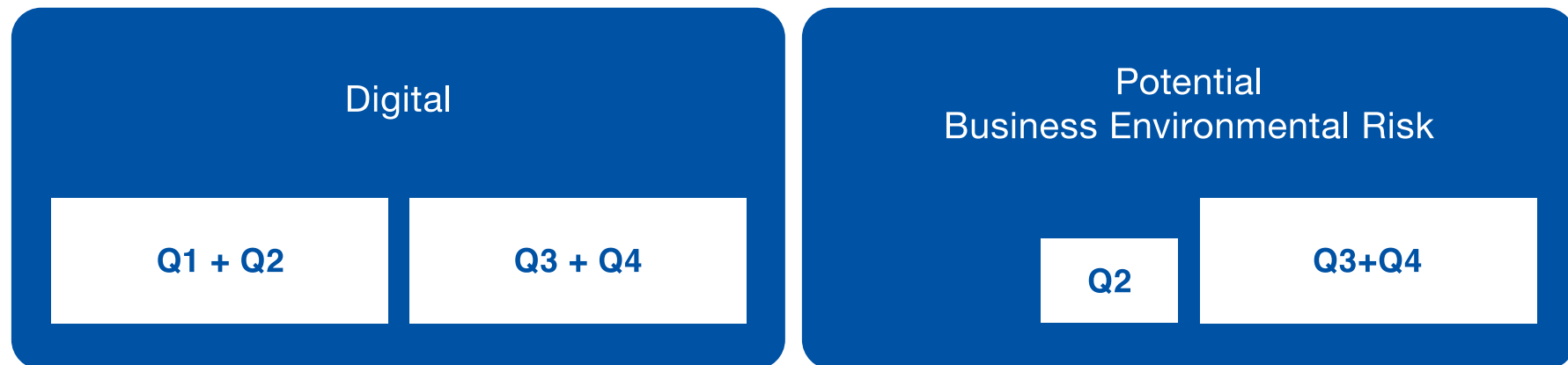
1. Basic earnings per share

Japan Business Update

Recent Business Environmental Change around Macromill and Research Industry



Risk items implied into Revised FY6/2019 Full-year Forecasts



Our Strategy Going Forward

Digital

Private DMP

Data Sync

Global

**Needs continuously expand
for Japanese clients**

Conventional

**Low Mkt Share
- opportunity**

Innovation

Data

Big Data



**Research Panel
Asking Data**

Mutual Complement,
NOT Alternative

Creating

The First Truly Global Digital

Research Company



Appendix

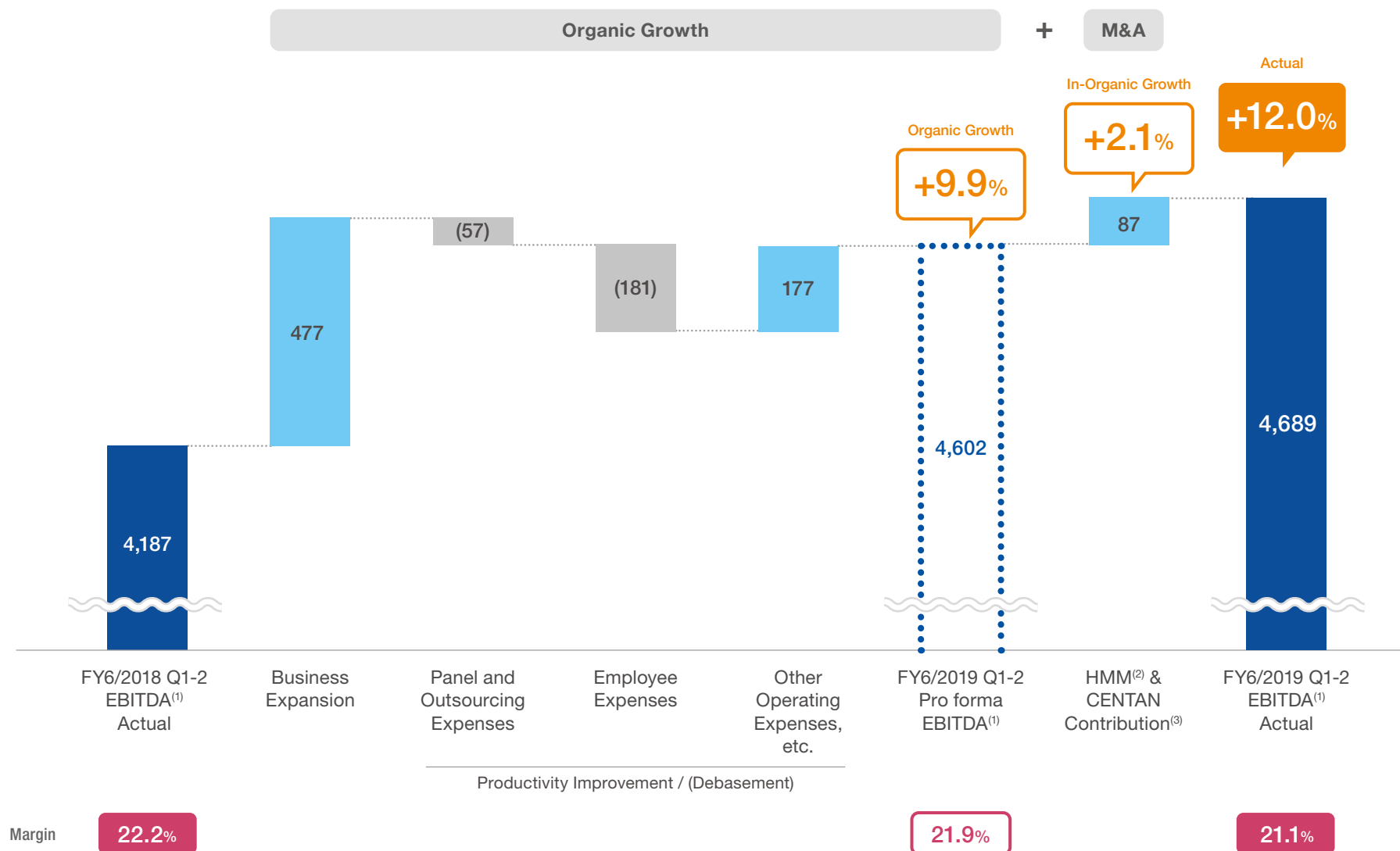
FY6/2019 Q2: EBITDA Waterfall Chart

Q2 YTD (6 months)

020

EBITDA⁽¹⁾ - FY6/2018 Q1-2 vs. FY6/2019 Q1-2

Consolidated (IFRS)
(JPY MM)



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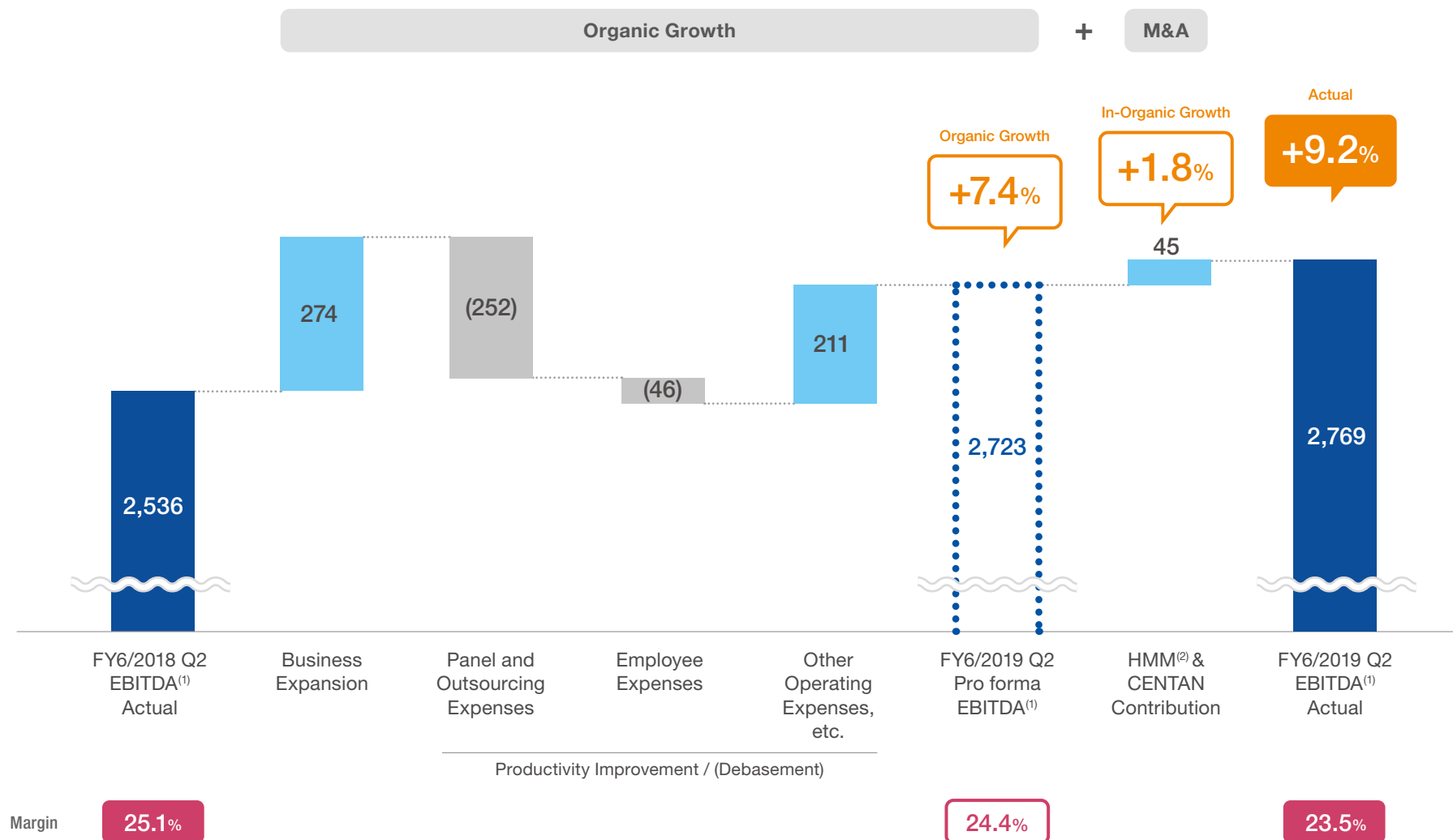
FY6/2019 Q2: EBITDA Waterfall Chart

Q2 Standalone

021

EBITDA⁽¹⁾ - FY6/2018 Q2 vs. FY6/2019 Q2

Consolidated (IFRS)
(JPY MM)



Notes

1. EBITDA = Operating Profit + Depreciation and Amortization + Loss on Retirement of Non-current Assets + Impairment Loss

2. We had acquired majority stake of Tokyo Survey Research Inc. from Hakuodo on July 2, 2018, and had changed its business name to H.M. Marketing Research, Inc. (HMM) as of October 1, 2018.

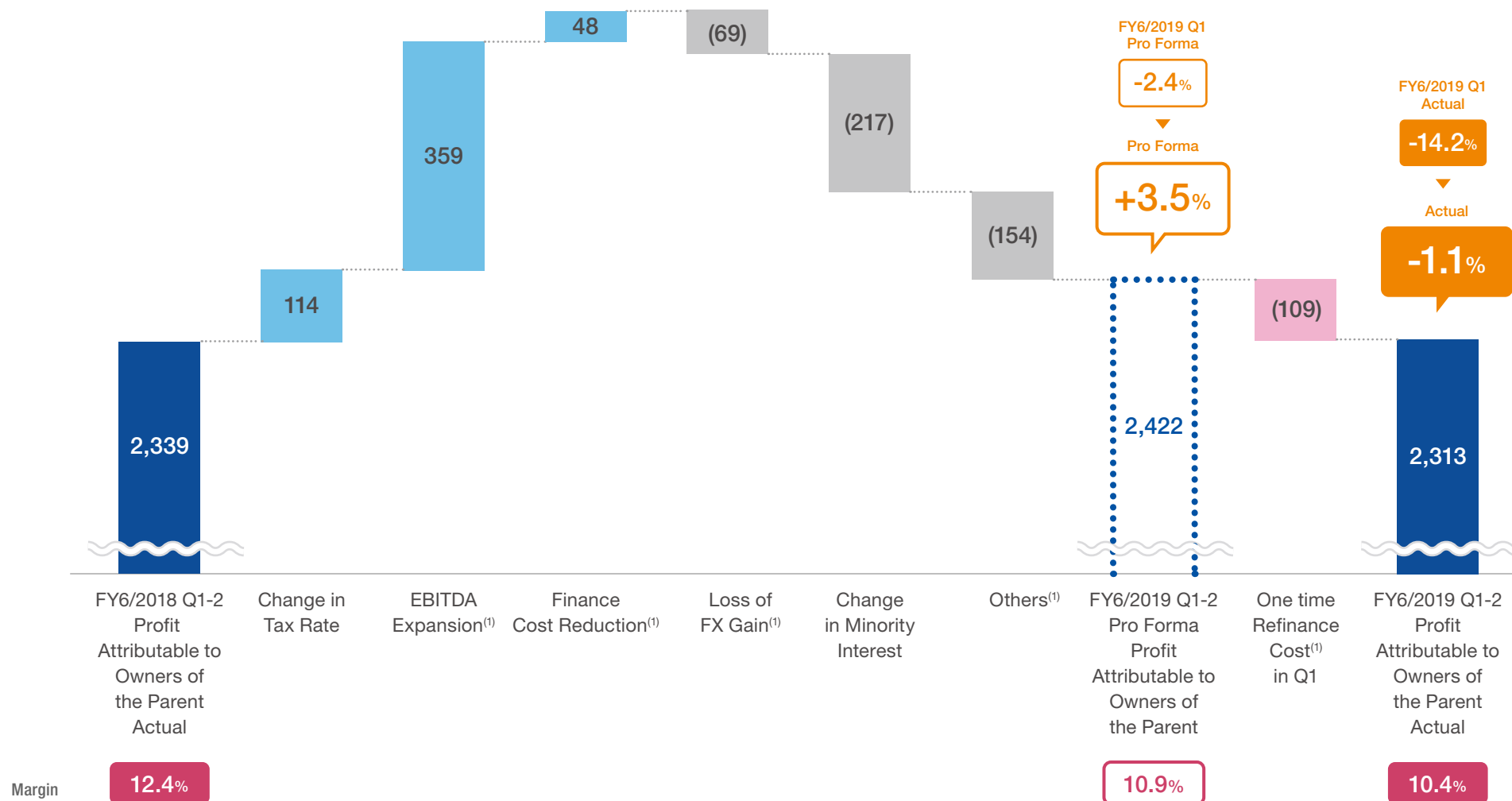
FY6/2019 Q2: Net Income Waterfall Chart

Q2 YTD (6 months)

022

Profit Attributable to Owners of the Parent - FY6/2018 Q1-2 vs. FY6/2019 Q1-2

Consolidated (IFRS)
(JPY MM)



Note

1. Figures including tax effect

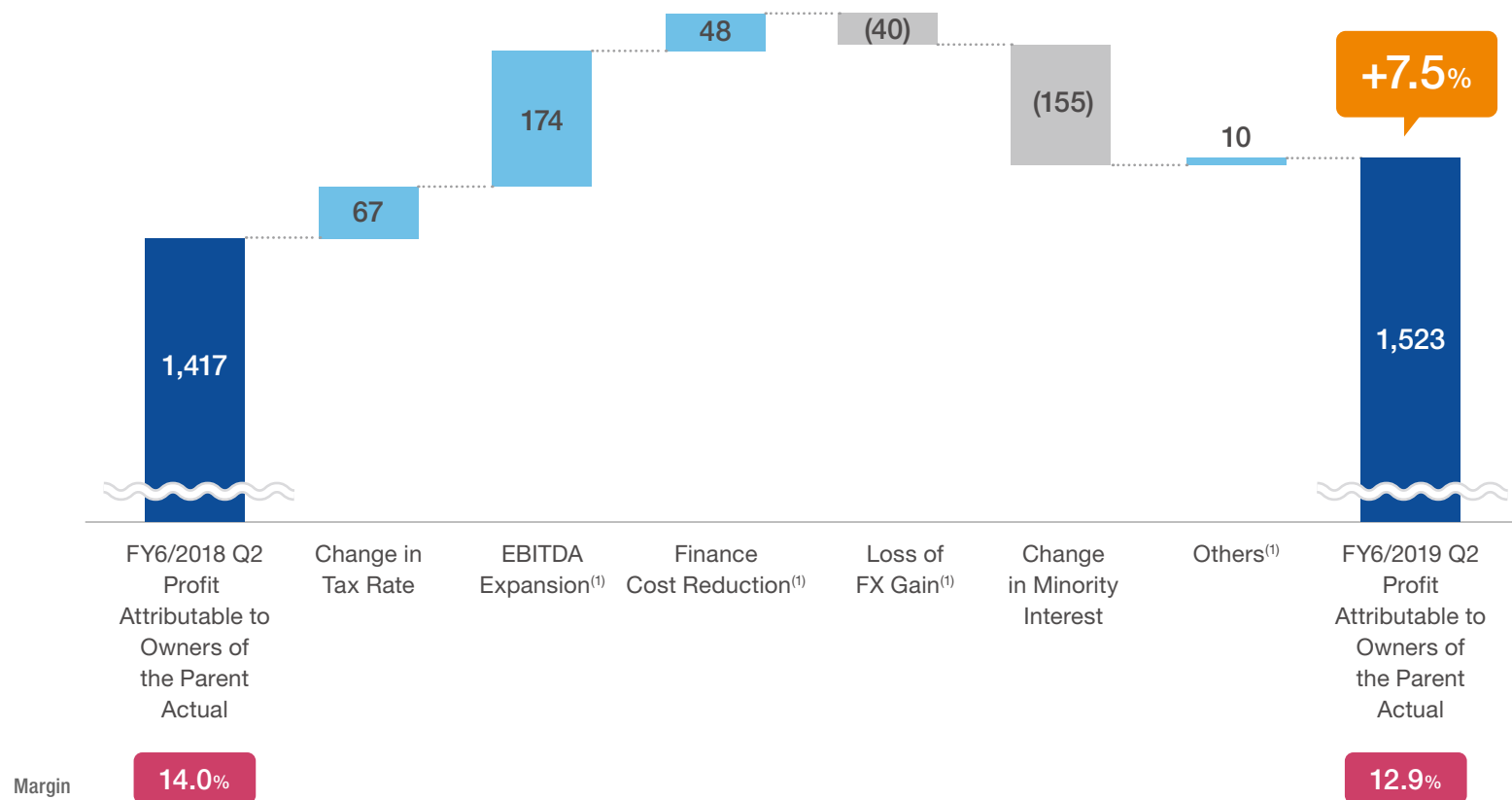
FY6/2019 Q2: Net Income Waterfall Chart

Q2 Standalone

023

Profit Attributable to Owners of the Parent - FY6/2018 Q2 vs. FY6/2019 Q2

Consolidated (IFRS)
(JPY MM)



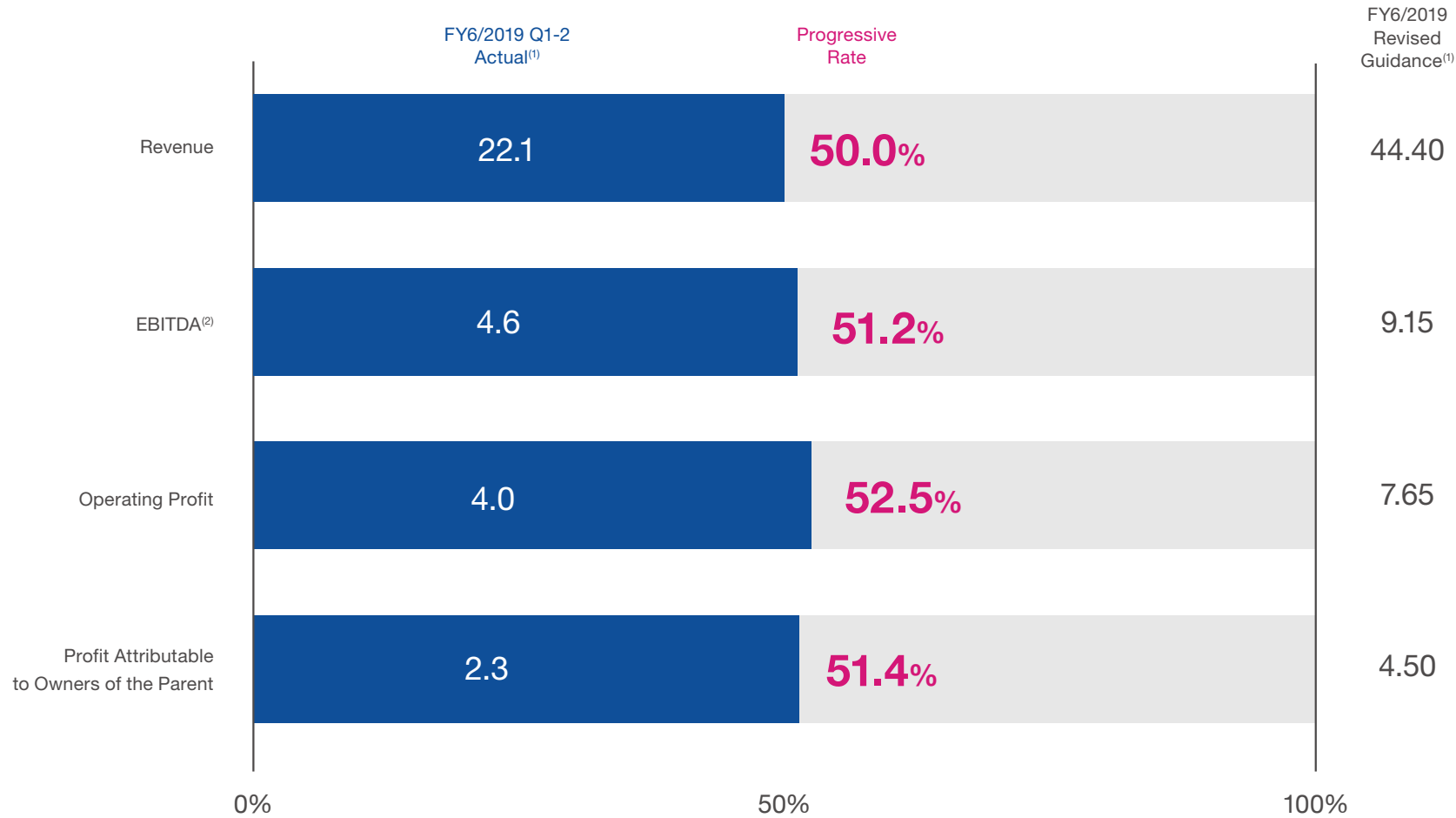
Note

1. Figures including tax effect

FY6/2019 Q2 YTD Results⁽¹⁾: % of Achievement vs. Revised Guidance

FY6/2019 Q1-2 Accumulated Actual Results vs. FY6/2019 Company Revised Guidance

Consolidated (IFRS)
(JPY BN)



Notes

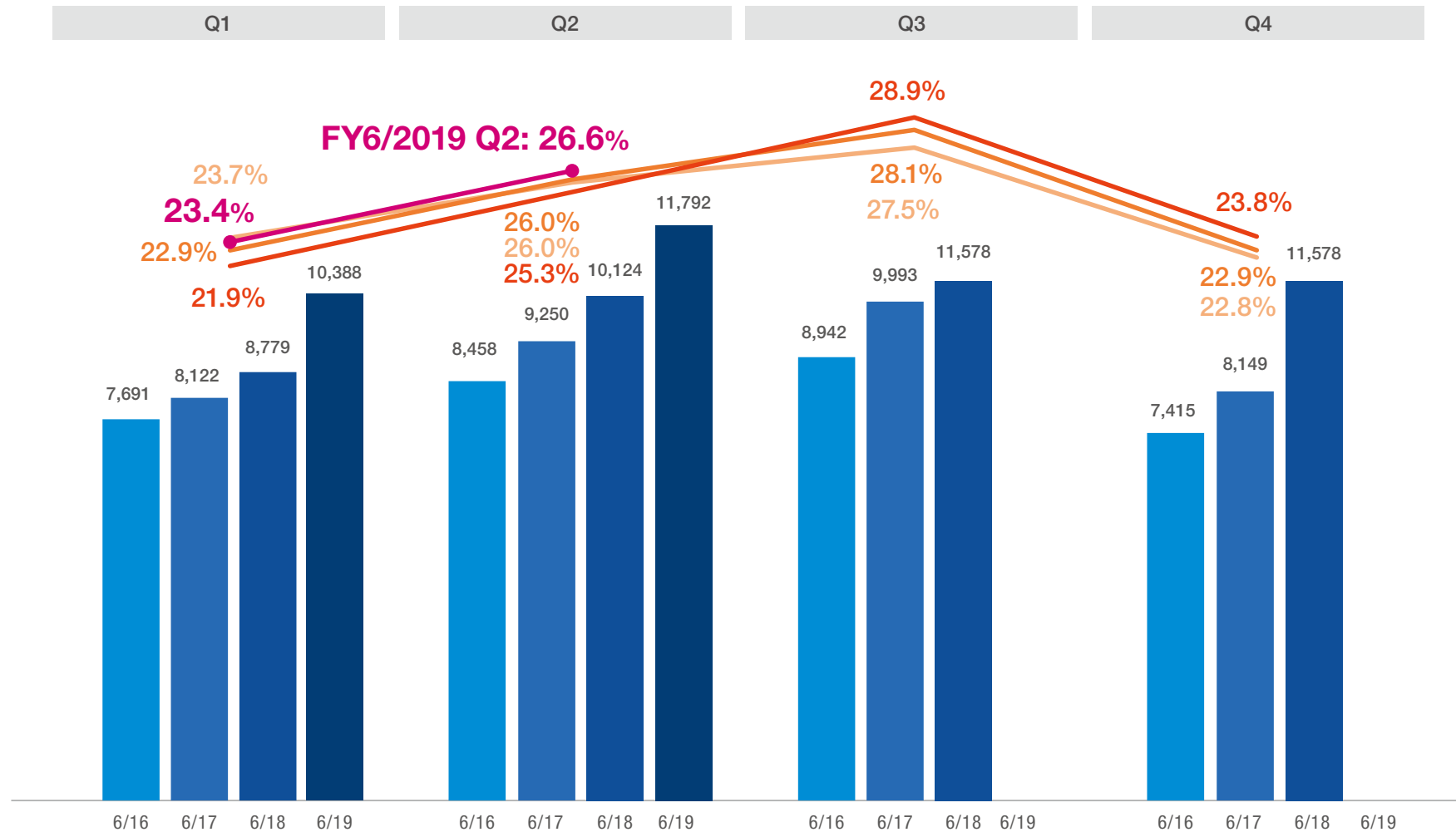
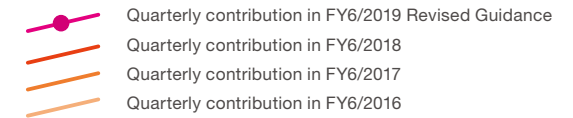
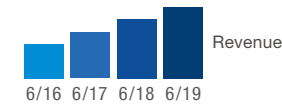
1. Financials for FY6/2019 Q1-2 (Actual) are presented by using the period-average rate of €1 = ¥129.40. Company revised guidance for FY6/2019 are based on FX rate of €1 = ¥125.73.

2. EBITDA = Operating Profit + Depreciation and Amortization + Loss on Retirement of Non-current Assets + Impairment Loss

FY6/2019 Q2: % of Achievement in Quarterly Revenue

Quarterly Revenue Trends

Consolidated (IFRS)
(JPY MM)



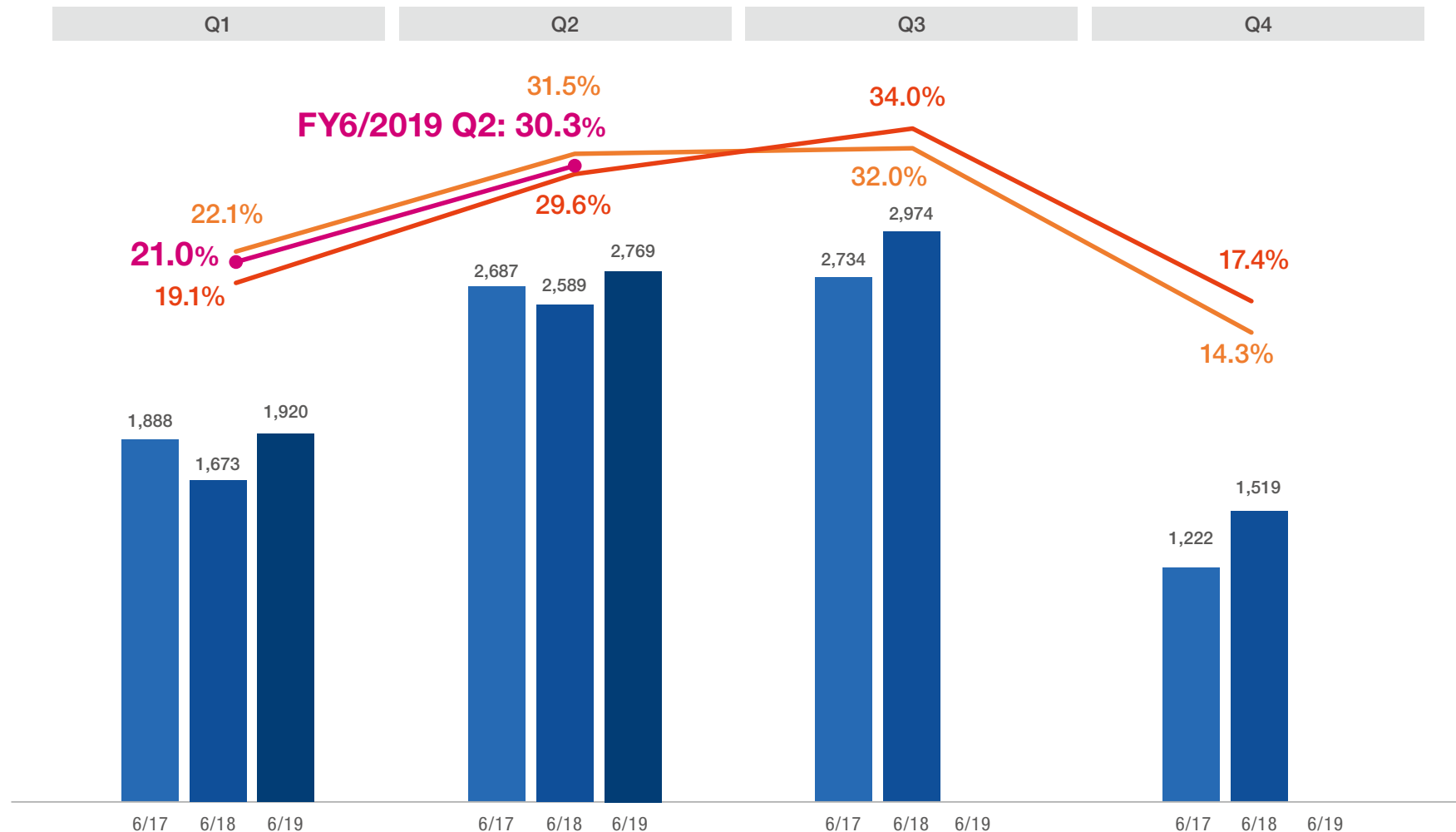
FY6/2019 Q2: % of Achievement in Quarterly EBITDA

Quarterly EBITDA⁽¹⁾ Trends

Consolidated (IFRS)
(JPY MM)

EBITDA⁽¹⁾
(~ FY6/2018: Adjusted⁽²⁾)
(FY6/2019: Non-Adj.)

Quarterly contribution in FY6/2019 EBITDA⁽¹⁾ Revised Guidance
Quarterly contribution in FY6/2018 Adj. EBITDA^(1,2)
Quarterly contribution in FY6/2017 Adj. EBITDA^(1,2,3)



Notes

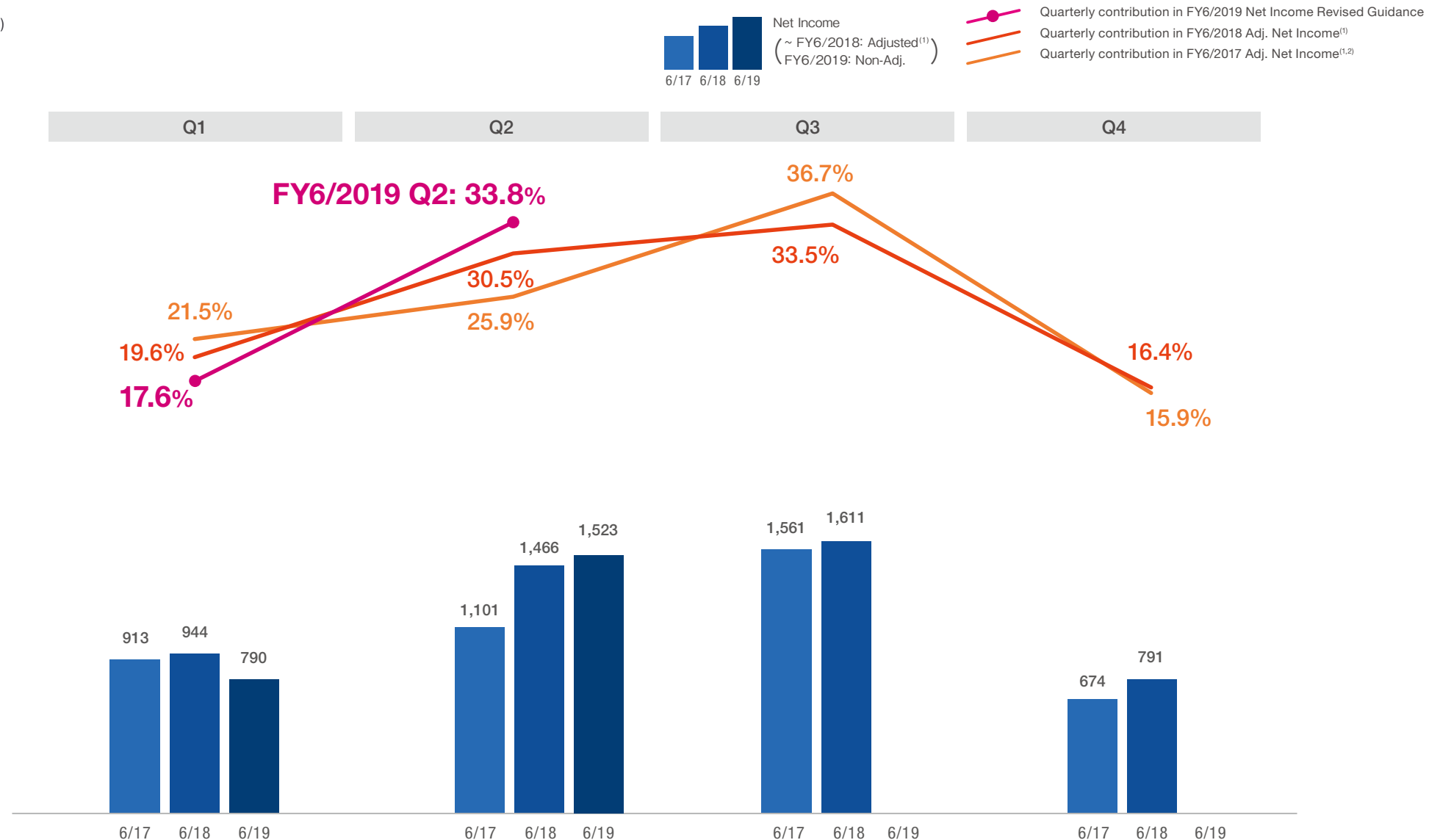
1. EBITDA = Operating Profit + Depreciation and Amortization + Loss on Retirement of Non-current Assets + Impairment Loss

2. Adjusted EBITDA = EBITDA + Management Fee + IPO Related Expenses. EBITDA = Operating Profit + Depreciation and Amortization + Goodwill Impairment. Please refer to reconciliation tables on p.53&54 for details

3. Normalized base (We had one particular adjustment item which was originally reconciled in the FY6/2017 Q3 on Q1-Q3 accumulated basis. In order to enable fair quarterly year on year comparison, we had retroacted and normalized such item on a quarterly breakdown), please refer p.55 for details.

FY6/2019 Q2: % of Achievement in Quarterly Net Income

Quarterly Net Income Trends & Contributions



Notes

1. Adjusted Profit Attributable to Owners of the Parent = Profit Attributable to Owners of the Parent + Management Fee + IPO Related Expenses – Tax Impact for Adjustments. Please refer to reconciliation tables on p.53&54 for details

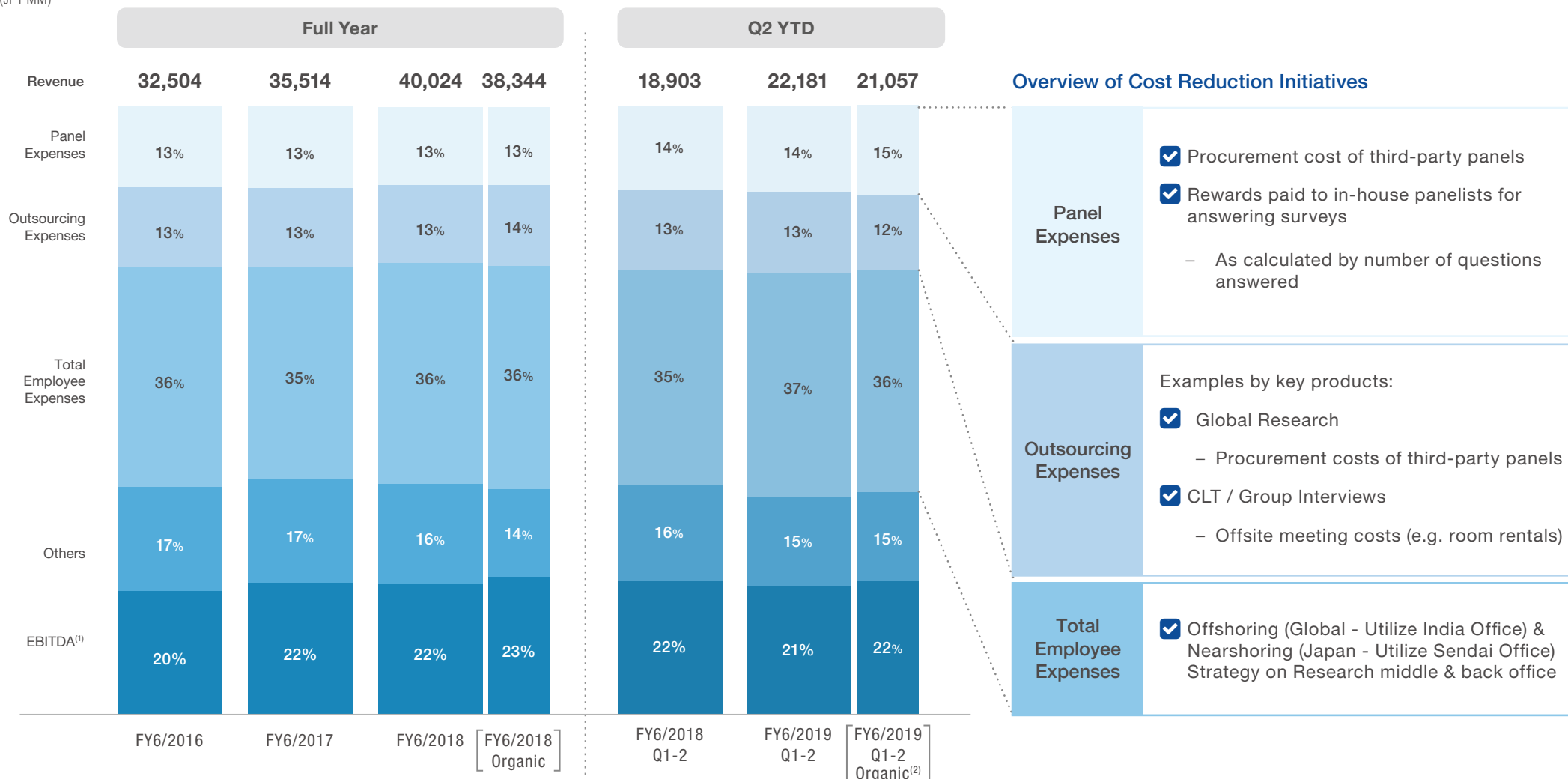
2. Normalized base (We had one particular adjustment item which was originally reconciled in the FY6/2017 Q3 on Q1-Q3 accumulated basis. In order to enable fair quarterly year on year comparison, we had retroacted and normalized such item on a quarterly breakdown), please refer p.55 for details.

Operating Leverage & Cost Reduction Initiatives Deliver Further Profit Expansion

028

Breakdown of Key Cost Items

Consolidated (IFRS) unaudited
(JPY MM)



Notes

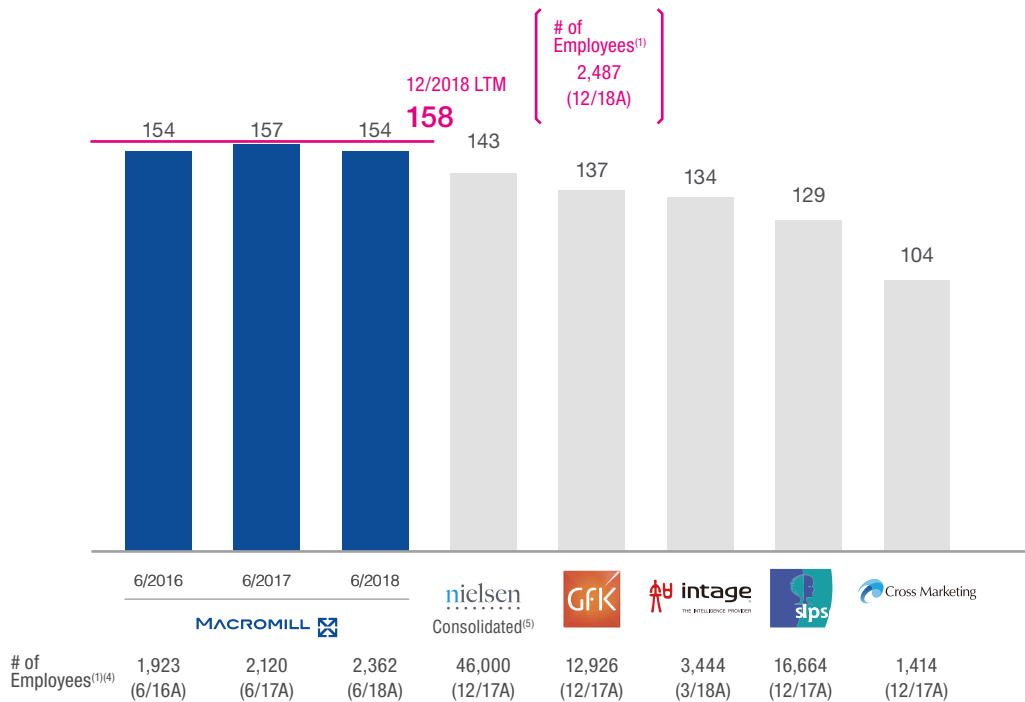
1. EBITDA = Operating Profit + Depreciation and Amortization + Loss on Retirement of Non-current Assets + Impairment Loss

2. Acturus Inc. which we had acquired in the second quarter of FY6/2018 had completely merged with MetrixLab U.S. as of July 2, 2018. As a consequence, we will no longer be able to segregate and disclose the two entities separately, so the M&A contribution for FY6/2018 Q1 is sum of HMM and CENTAN only.

Best-in-Class Operational Excellence and Profitability Continues

Revenue per Employee⁽¹⁾⁽²⁾

US\$000s, Latest FY⁽³⁾



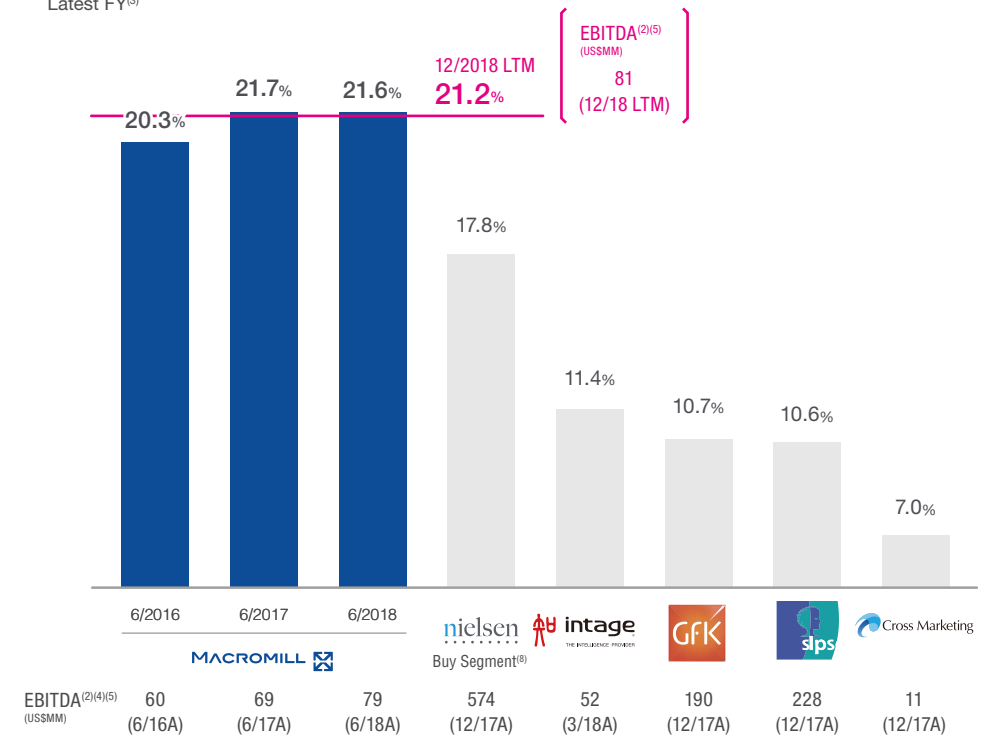
Source Company Information

Notes

- Includes temporary employees
- Exchange rate: USD/EUR = 0.83, USD/JPY = 109.8
- As of September 30, 2018
- As of the end of each fiscal year as noted on the graph labels
- Consolidated figures for both the revenue and the number of employees
- Macromill: Adjusted EBITDA (\$80MM in 6/18) = EBITDA + Management Fee + IPO Related Expenses. EBITDA (\$79MM in 6/18) = Operating Profit + Depreciation and Amortization + Loss on Retirement of Non-current Assets + Impairment Loss
Nielsen (Buy Segment): EBITDA = Operating Income + (Restructuring Charge + Depreciation and Amortization + Other Items).

EBITDA Margin⁽⁶⁾⁽⁷⁾

Latest FY⁽³⁾



Source Company Information

All these figures are for Nielsen "Buy" segment for comparison purposes because it presents similarities with Macromill's business

GfK: EBITDA based on GfK's disclosure

Intage and Cross Marketing: EBITDA = Operating Income + (Depreciation + Amortization of Goodwill)

Ipsos: EBITDA = Gross Profit - (Payroll + General Operating Expenses + Amortization of Acquisition-related Intangibles) + Depreciation & Amortization

Because the adopted accounting principle and the definitions for EBITDA for each company differ, as well as other reasons, they may not be directly comparable

7. EBITDA margin = EBITDA / Revenue

8. EBITDA of Nielsen's "Buy" segment is used for comparison purposes because it presents similarities with Macromill's business. EBITDA margin for Nielsen on a consolidated basis for the same period was 30.3%

FY6/2017 - FY6/2019 DMI Performance

030

Dentsu Macromill Insight (DMI)⁽¹⁾


Business Description & Role in the Group		In-house marketing research agency of Dentsu Group						
Recent Financial Performance & Impact to Cnsl. Financials		FY6/2017 Actual	FY6/2018 Actual	FY6/2019 Actual	FY6/2017 to FY6/2018		FY6/2018 to FY6/2019	
(JPY in MM)					Variance	YoY Growth	Variance	YoY Growth
Revenue	Q1	1,477	1,322	1,300	(155)	(10.5%)	(21)	(1.6%)
	Q2	1,472	1,606	1,634	134	9.1%	28	1.7%
	Q3	1,680	1,647		(33)	(2.0%)		
	Q4	1,316	1,278		(38)	(2.9%)		
	Full Year	5,946	5,853		(92)	(1.6%)		
EBITDA	Q1	245	136	196	(109)	(44.5%)	60	44.4%
	Q2	434	286	312	(148)	(34.1%)	26	9.2%
	Q3	372	326		(46)	(12.5%)		
	Q4	159	174		14	9.2%		
	Full Year	1,210	922		(288)	(23.8%)		
(Normalized ⁽²⁾)		1,076	922		(154)	(14.4%)		
EBITDA	Q1	16.6%	10.3%	15.1%	(6.3%)		4.8%	
Margin	Q2	29.5%	17.8%	19.1%	(11.7%)		1.3%	
	Q3	22.1%	19.8%		(2.4%)			
	Q4	12.1%	13.6%		1.5%			
	Full Year	20.4%	15.8%		(4.6%)			
(Normalized ⁽²⁾)		18.1%	15.8%		(2.4%)			
% to Full Year ⁽³⁾ Consolidated Financials	Revenue	16.7%	14.6%	13.2%	(2.1%)		(1.4%)	
	EBITDA	14.2%	10.5%	10.8%	(3.7%)		0.3%	

Notes

1. 52% owned subsidiary (JV with Dentsu)

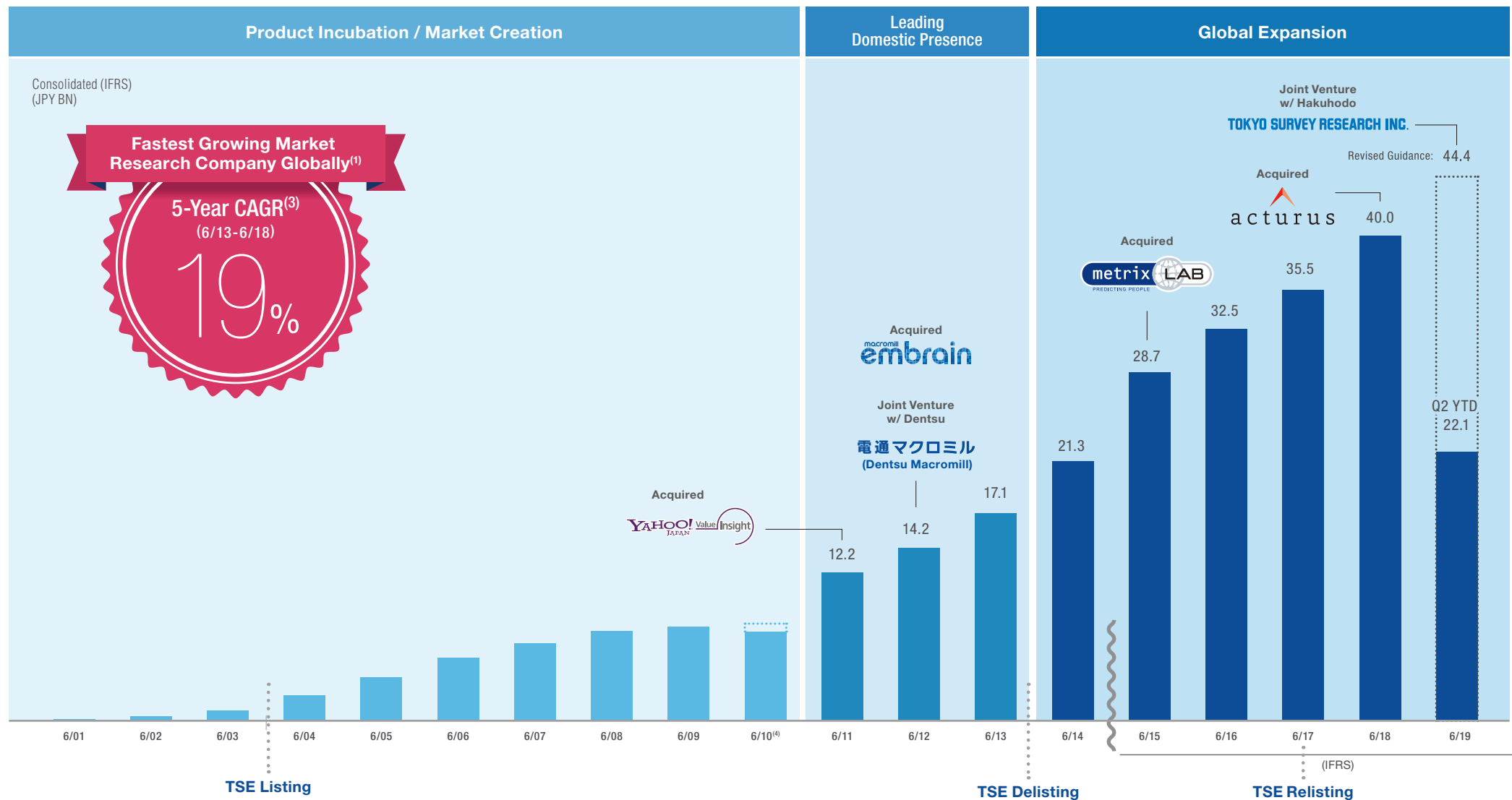
2. Excluding one-time profit of 134M JPY at 2017/6 Q2 in regard of introducing defined contribution pension system in DMI

3. On FY6/2019, % are on Q2 YTD number

We are the Fastest Growing Market Research Company⁽¹⁾

031

Consolidated Revenue⁽²⁾



Notes

- Source: ESOMAR Global Market Research 2013/2014/2018, Macromill's revenue CAGR growth between 2012 & 2013 and 2017 (4yr & 5yr CAGR) are highest among the largest 25 global marketing research companies (excluding IQVIA (ex-QuintilesIMS), a health care IT service provider)
- 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
- 5-Year revenue CAGR for FY6/2013-6/2018 (Compound average annual growth rate based on the figures for FY6/2015-6/2018 (IFRS) and FY6/2013-FY6/2014 (J-GAAP)). 5-year CAGR has been calculated using J-GAAP and IFRS financials, which are not directly comparable
- The dotted line indicates potential revenue contribution from the subsidiary (AIP) disinvested in this year.

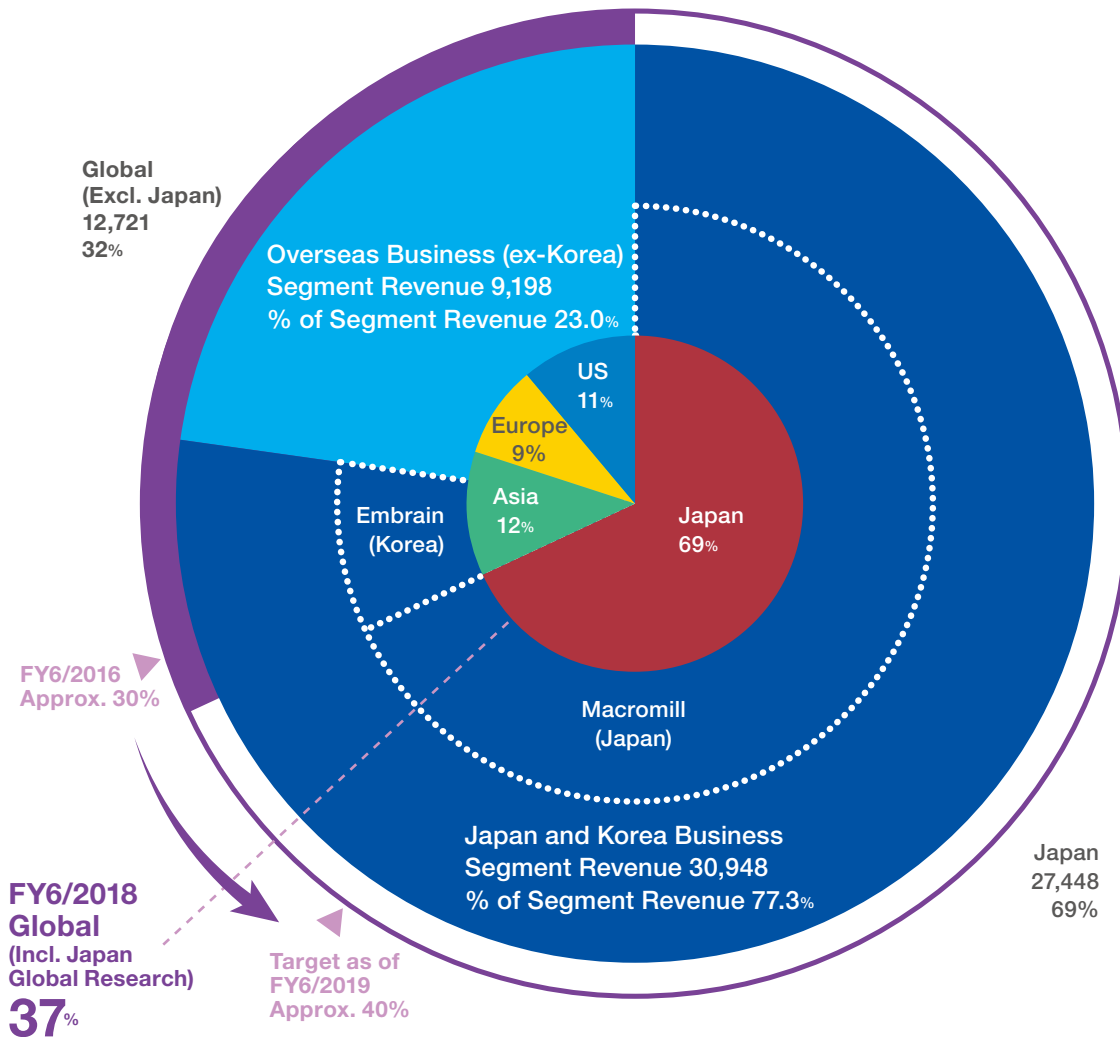
Well Diversified Revenue Composition with No.1 Market share in Japan In Global, Being Innovator and/or Disrupter to Realize Our Vision

032

Consolidated Revenue Breakdown - by Segment & Region⁽¹⁾

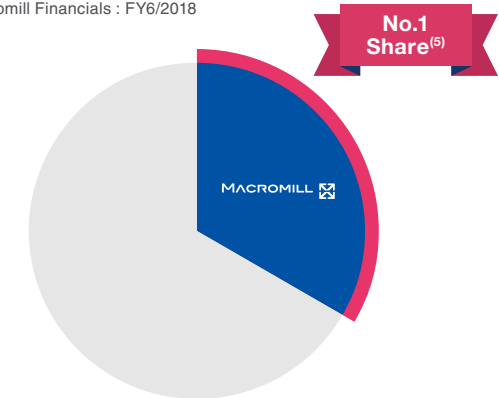
FY6/2018
Consolidated (IFRS)
(JPY MM)

Total Revenue 40,024
Japan-Global Elimination (145)
Inter Segment Elimination (122)



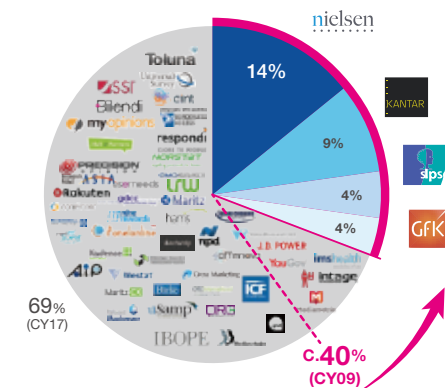
Japan Ad Hoc Online MR Share⁽²⁾

Market Size : 2017
Macromill Financials : FY6/2018



Global Total MR (Offline + Online) Market

Market Size : 2017



Source ESOMAR, Global Market Research (9/2018, 9/2010)

Notes

1. Proportion of net revenue before intersegment eliminations

2. Online MR Share = Macromill standalone and Dentsu Macromill Insight revenue from sales of ad hoc online market research solutions in Japan (FY6/2018) / Total Japan ad hoc Online MR market (2017) in terms of revenue as calculated by the Japan Marketing Research Association (JMRA)

Digital Marketing, Core Growth Driver

Consolidated Revenue Breakdown - Digital & Non-Digital by Segment

FY6/2018
Consolidated (IFRS)
(JPY MM)

Consolidated Organic
Revenue Growth Target

+10%

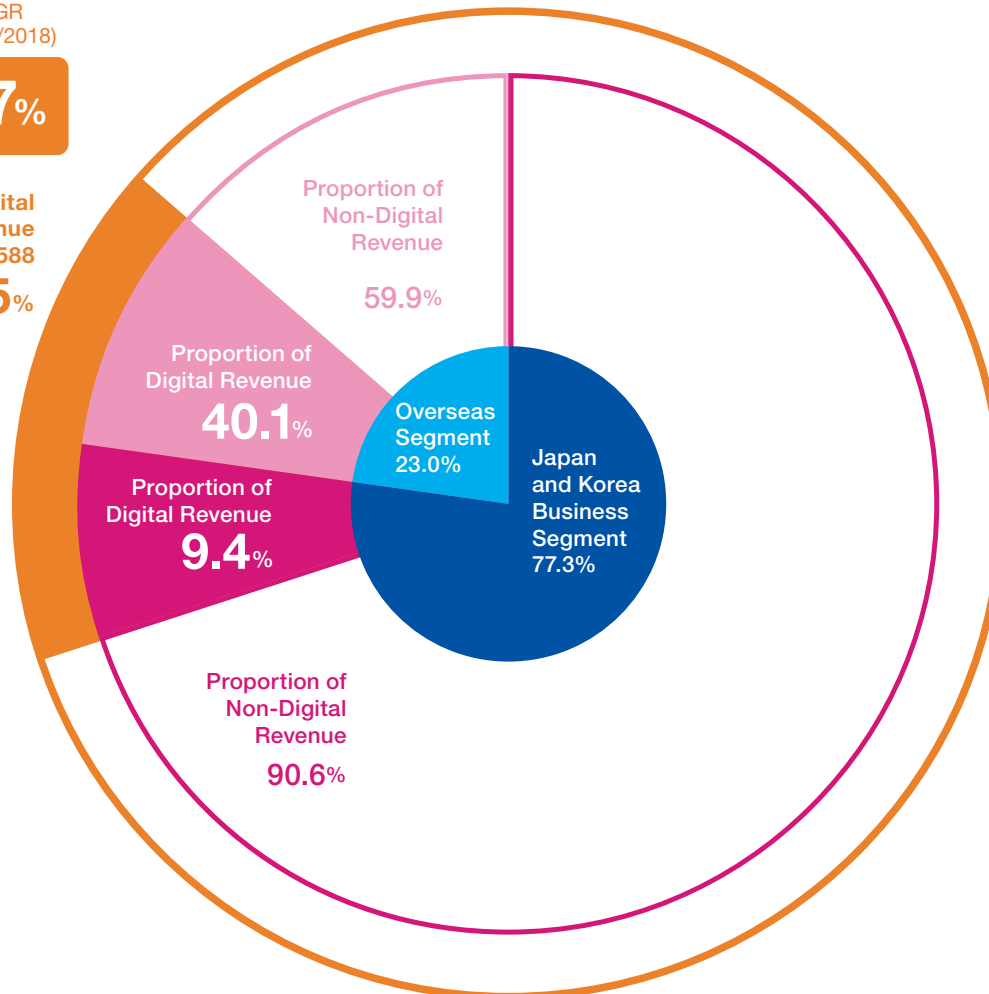
Total Revenue 40,024
Japan-Global Elimination (145)
Inter Segment Elimination (122)

3Y CAGR
(6/2015-6/2018)

+47%

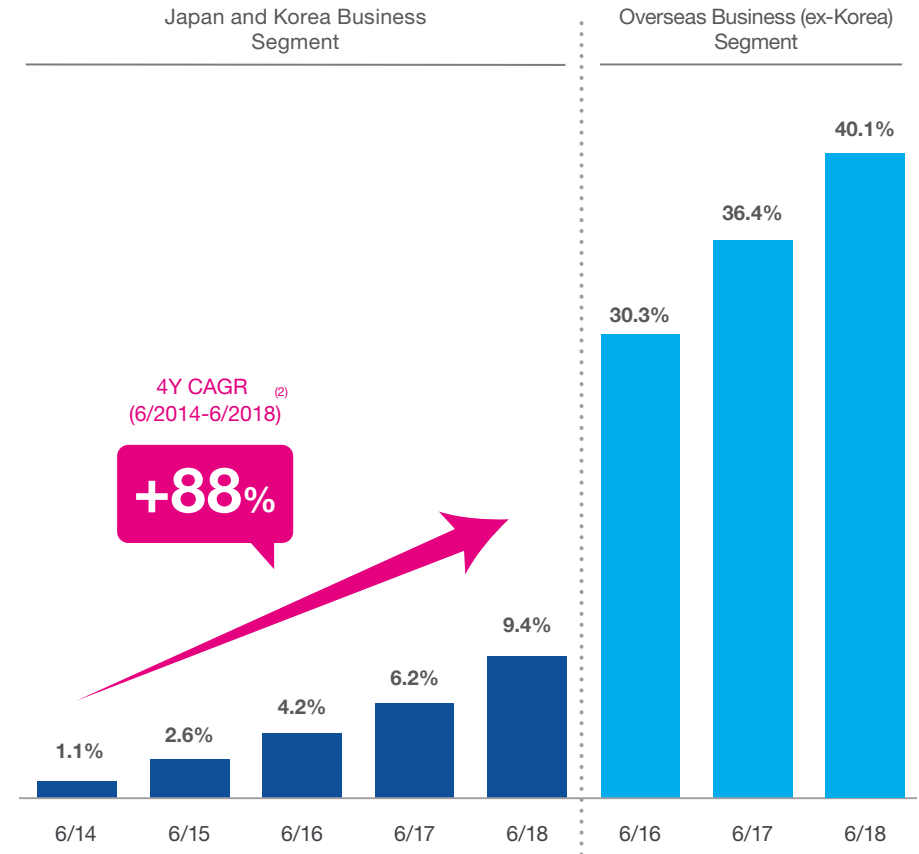
Total Digital
Revenue
6,588

16.5%



Significant Untapped Upsides Particularly in Japan

% of Digital Marketing Solutions Revenue of Total Revenue

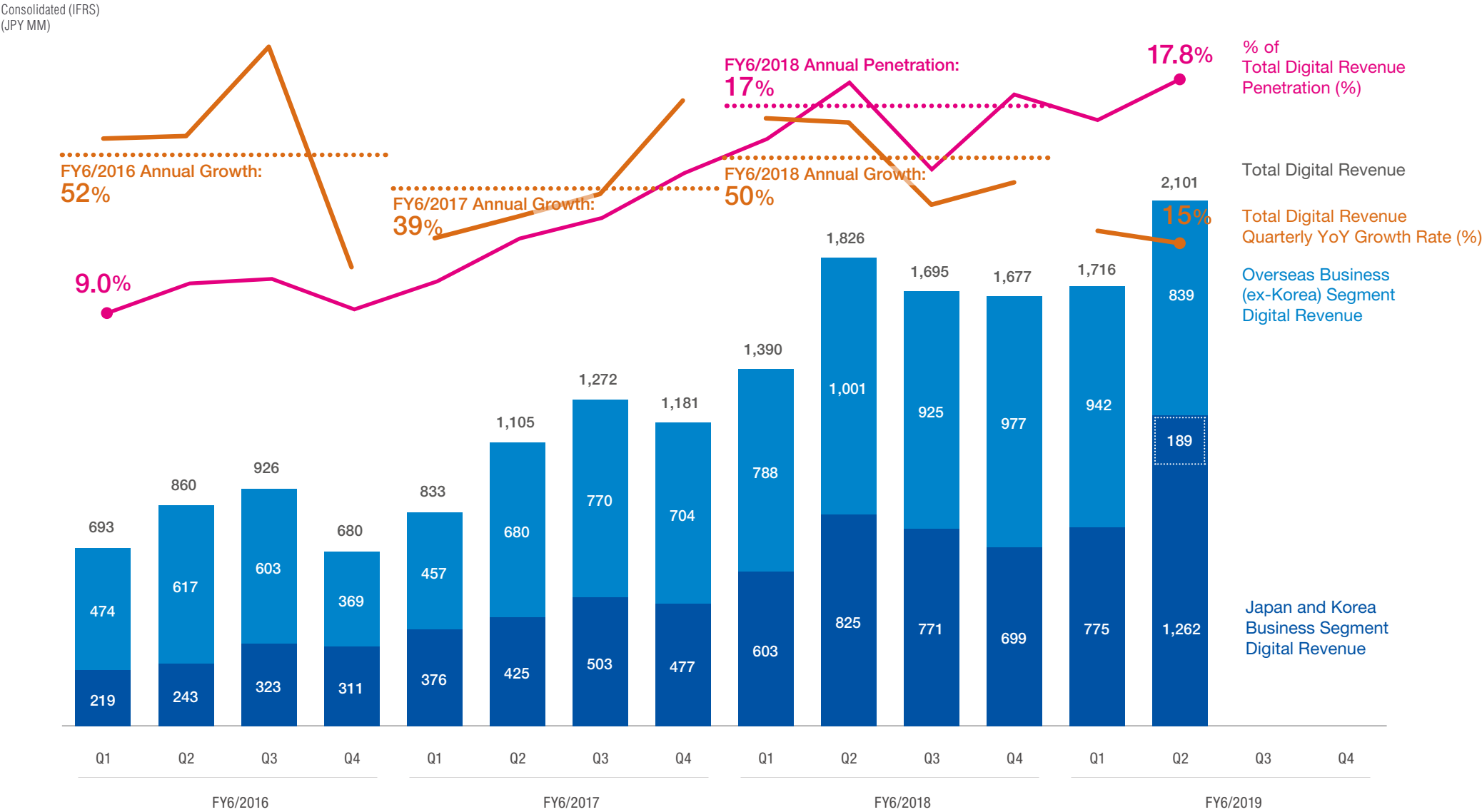


Notes

1. Japan and Korea Business Segment revenue from sales of digital marketing solutions in each year / Japan and Korea Business Segment revenue. Overseas Business (ex-Korea) Segment revenue from sales of digital marketing solutions in each year / Overseas Business (ex-Korea) Segment revenue. Digital marketing solutions refers to our market research and marketing analytics solutions that meet one or more of the following criteria: (1) it is a 100%-focused digital marketing solution; (2) it monitors or evaluates digital media, websites or other digital stimulus; (3) it leverages non-survey digital/social data; or (4) it utilizes one of our value-added digital delivery channels, such as our dashboard. Marketing analytics refers to the business of collecting, analyzing, organizing and presenting data drawn from Internet users, including data collected from panelists, with a view to demonstrating and explaining the impact and effectiveness of an entity's digital marketing efforts (such as digital advertisements)
2. CAGR representing growth of digital marketing solutions revenue in Japan is measured as a percentage of total revenue in Japan. J-GAAP based financials for FY6/14 and IFRS-based financials for FY6/15 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 appropriately and accurately reflects the trends for the revenue trends

Quarterly Digital Revenue Trends

Quarterly Digital Revenue Trends by Segment



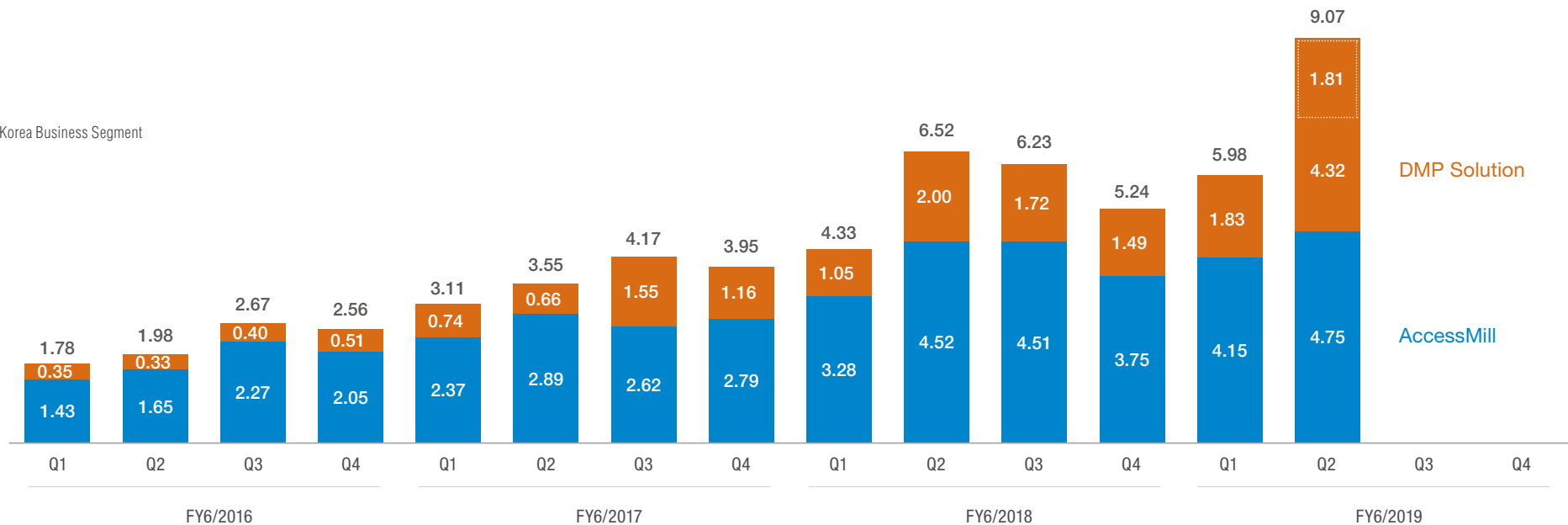
Quarterly Digital Revenue Trends - Japan and Korea Business Segment

Quarterly Digital Revenue Trends Segment Total & by Products

Consolidated (IFRS)
(JPY MM)



Japan and Korea Business Segment
(Index⁽¹⁾)



Notes

1. AccessMill and DMP solution quarterly revenues are indexed to AccessMill Q1 revenue of FY6/2015

Positioned at The Intersection of Online Marketing Research and Digital Marketing

Research & Business Intelligence

Digital Solutions



Our Solutions Deliver Consumer Perspectives on...

• Attitudes, Lifestyle Choices, Preferred Products

• Behavior on Digital Platforms

Through...

• Customized Online Questionnaires
• Purchase Data

• Digital Ad / Website Access Logs
• Social Media Data

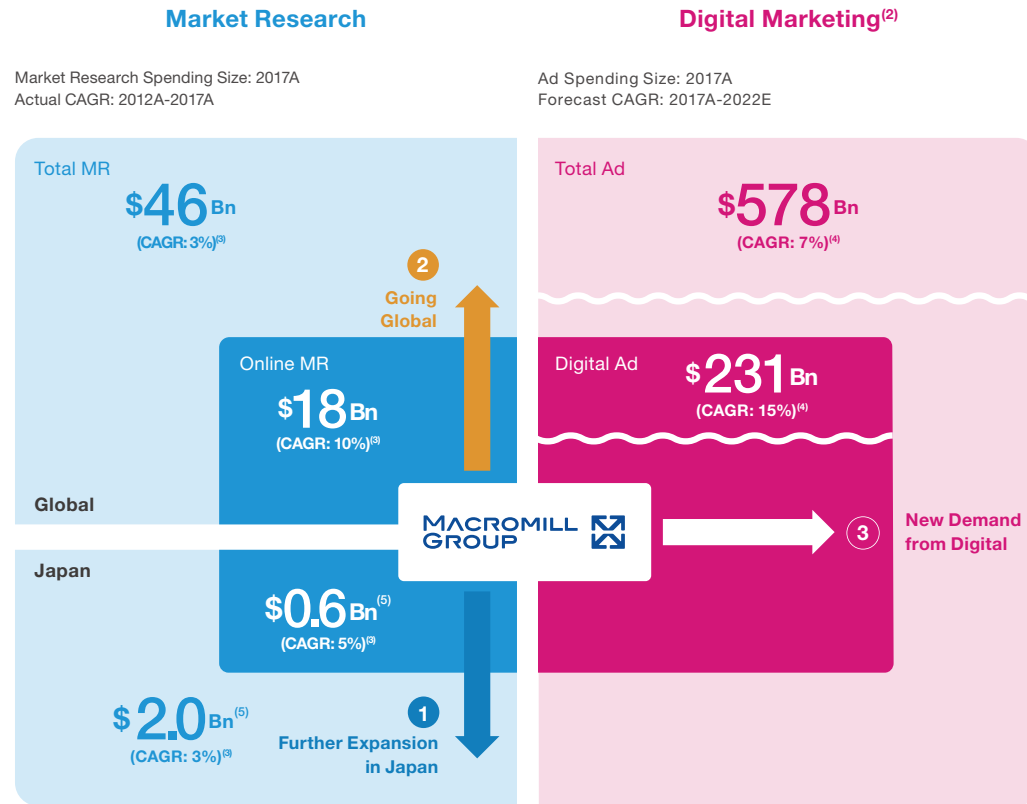
To Empower Clients' Decision-Making on...

• Brand Engagement, Product Innovation,
Customer Value

• Media Planning, Creative & Campaign
Effectiveness and Optimization

Pursuing a Big Market Opportunity

Our Market Opportunity⁽¹⁾



Source

Global Market Research spending: ESOMAR - Global Market Research (9/2018)
Japan Market Research spending: Japan Marketing Research Association (7/2017, 7/2018)
Ad spending: eMarketer - Worldwide Ad Spending (9/2018)

Notes

1. The diagram is for illustrative purpose only and is not intended to depict relative market size to scale, or to show the current or future revenue or profit of Macromill group in each market
2. The market size includes solutions which Macromill group does not offer currently, and shows the size of the digital ad market as a sub-component of the total ad market. We generally do not plan to expand our business to cover all of this market, but believe it is helpful to show because we believe that there is a correlation between the growth of this market and the growth of sales of our digital marketing solutions.
3. Historical CAGR for 2012A-2017A
4. Future estimate CAGR for 2017A-2022E
5. Exchange rate: USD/JPY = 110
6. Excludes impact of potential M&A and strategic alliances
7. Global Revenue = (consolidated annual revenue generated from global research conducted for Japanese companies and revenue generated from offices outside of Japan (both on a management accounting basis)) / consolidated annual revenue
8. Digital Revenue = (consolidated annual revenue from digital marketing solutions, such as AccessMill, DMP solutions, ACT Copy and CE (on a management accounting basis)) / consolidated annual revenue. Digital marketing solutions refer to our market research and marketing analytics solutions that meet one or more of the following criteria: (1) it is a 100%-focused digital marketing solution; (2) it monitors or evaluates digital media, websites or other digital stimulus; (3) it leverages non-survey digital/social data; or (4) it utilizes one of our value-added digital delivery channels, such as our dashboard. Marketing analytics refers to the business of collecting, analyzing, organizing and presenting data drawn from Internet users, including data collected from panelists, with a view to demonstrating and explaining the impact and effectiveness of an entity's digital marketing efforts (such as digital advertisements)

Consolidated Revenue Growth (Illustrative)

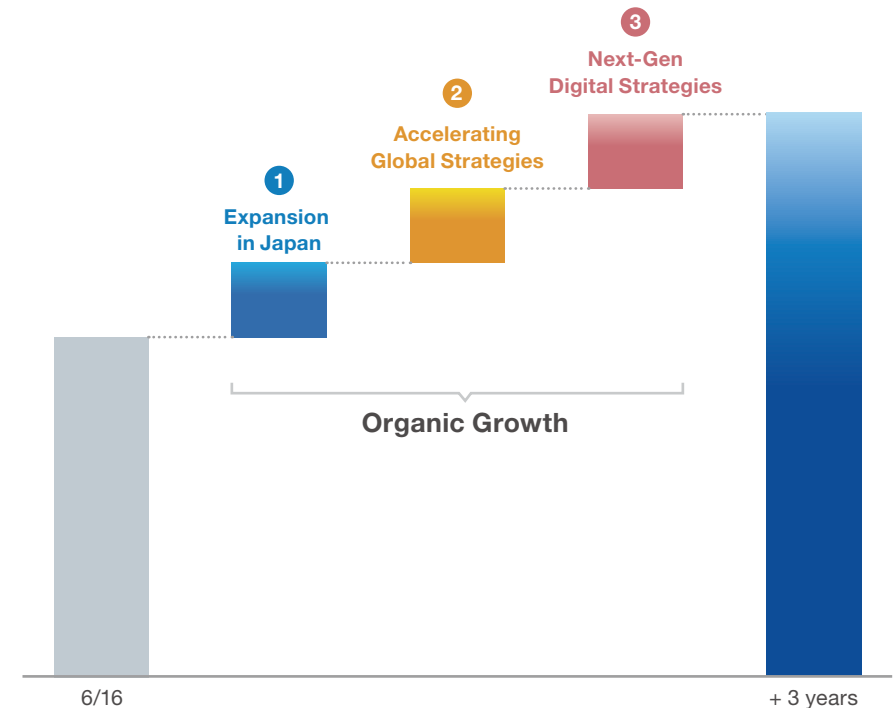
Aiming for **c. 10% Organic Revenue CAGR⁽⁶⁾** ... FY6/2016 ~ FY6/2019

Global Revenue⁽⁷⁾ : c. 30% → c. 40%

Digital Revenue⁽⁸⁾ : c. 10% → c. 20%

in 6/16A in 6/19E

of total consolidated revenue



Further Growth Opportunity in Japan

038

MR Market Size

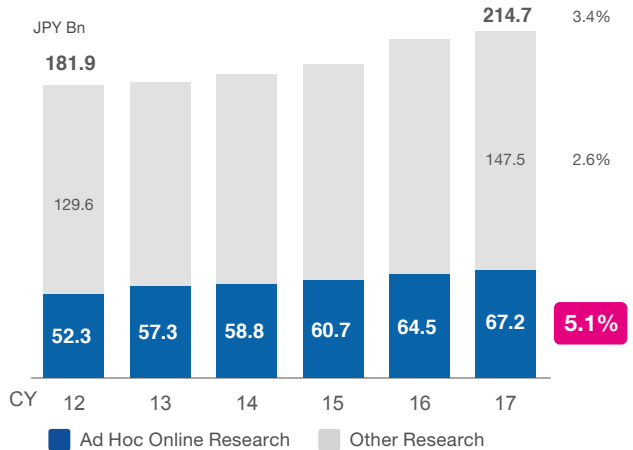


Further Online MR Penetration⁽¹⁾



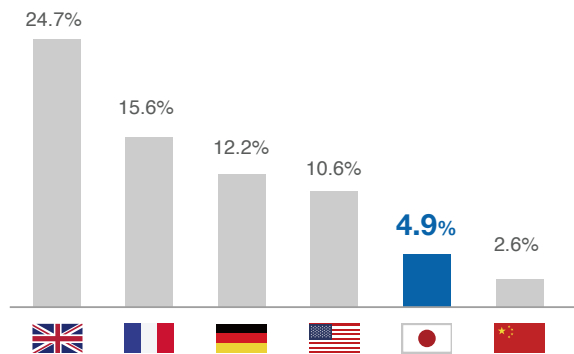
Expand Online Market Share⁽²⁾

Solid Growth in Ad Hoc Online MR Market



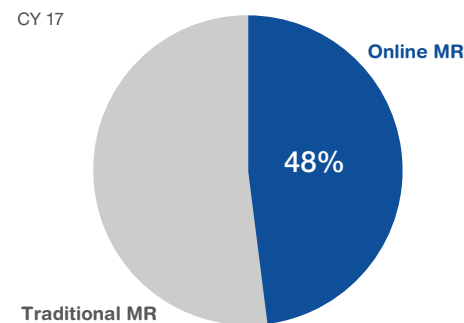
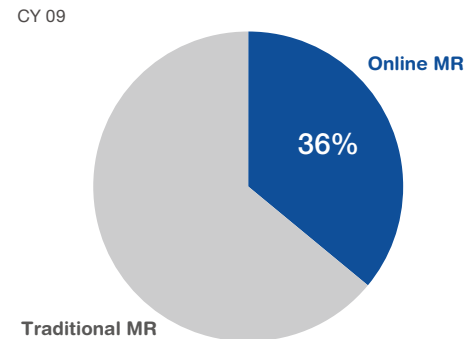
Source Japan Marketing Research Association (7/2018)

Significant Room for Further MR Penetration to Total Ad Spending



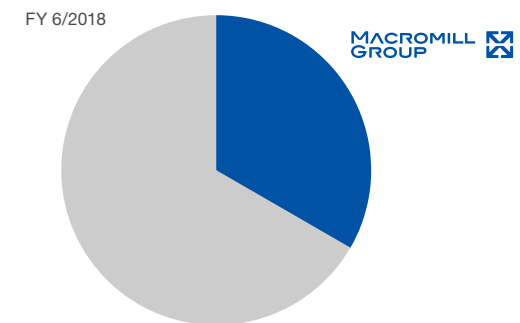
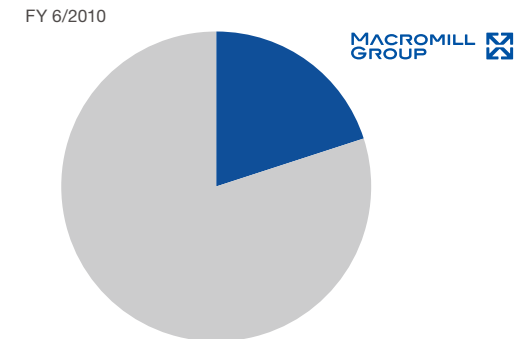
Source ESOMAR, Global Market Research (9/2018)

Track Record of Online MR replacing Traditional MR



Source ESOMAR, Global Market Research (9/2018, 9/2010)

Value Proposition to Capture Domestic Market Share for Ad Hoc Online MR



Notes

1. Online MR penetration = spending of online quantitative research / spending of total market research in each country

2. Online MR Share (FY6/2018) = Macromill standalone and Dentsu Macromill Insight revenue from sales of ad hoc online market research solutions in Japan (FY6/2018) / total Japan ad hoc Online MR market (2017) in terms of revenue as calculated by the Japan Marketing Research Association. Online MR Share (FY6/2010) = Macromill standalone revenue from sales of ad hoc online market research solutions (FY6/2010) / total Japan ad hoc Online MR market (2009) in terms of revenue as calculated by the Japan Marketing Research Association

Framework for Global Expansion

039

MR Market Growth

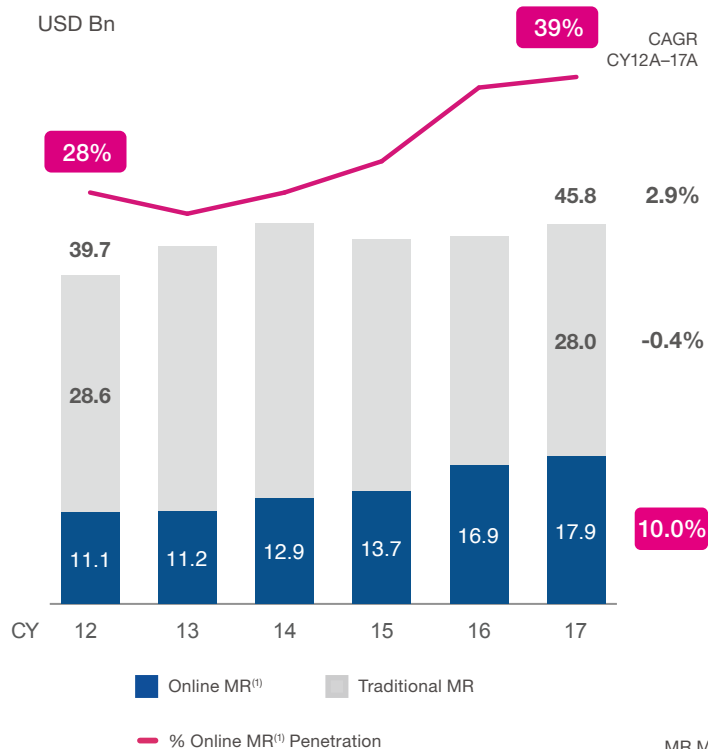


Further Online MR Penetration

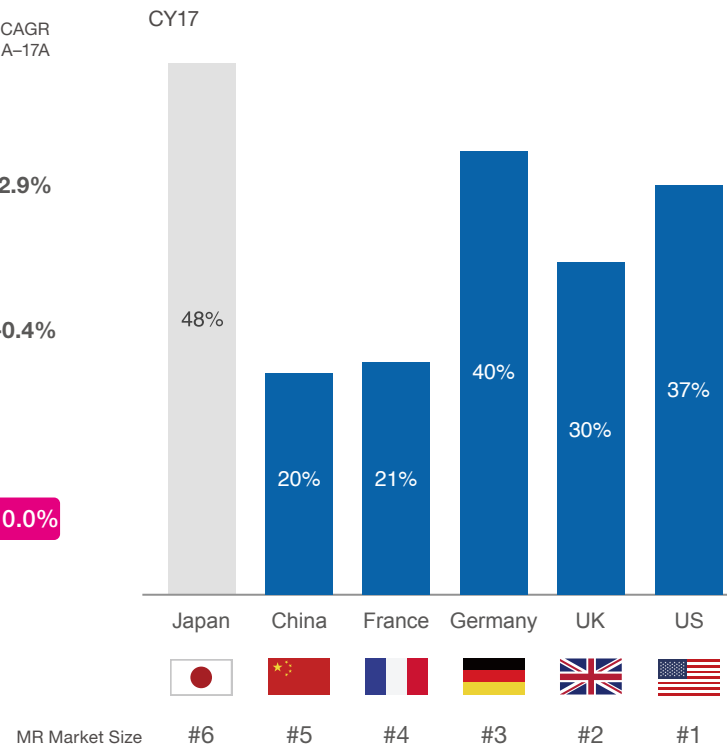


Expand Market Share

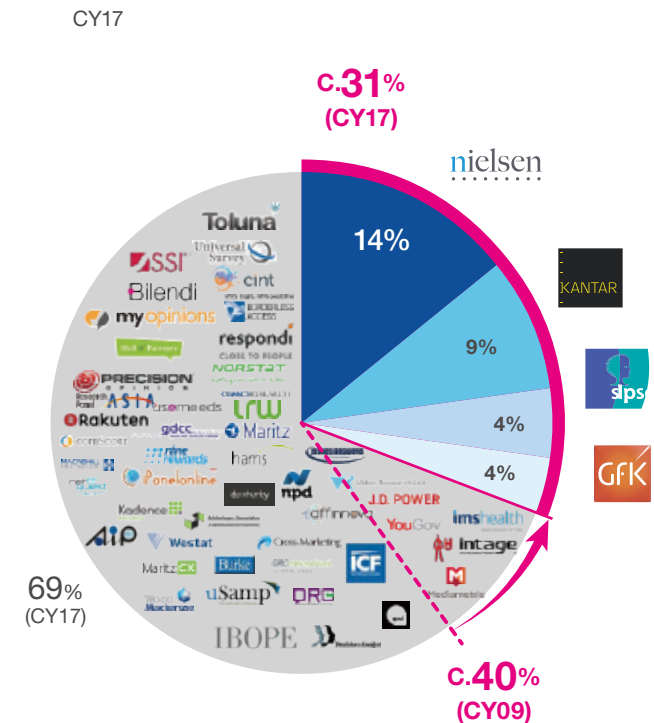
Online MR Continues to Outgrow Traditional MR



Significant Room for Online MR Penetration⁽²⁾ to Total MR Spending



Global MR market share



Source ESOMAR, Global Market Research (9/2018)

Source ESOMAR, Global Market Research (9/2018)

Source ESOMAR, Global Market Research (9/2018, 9/2010)

Notes

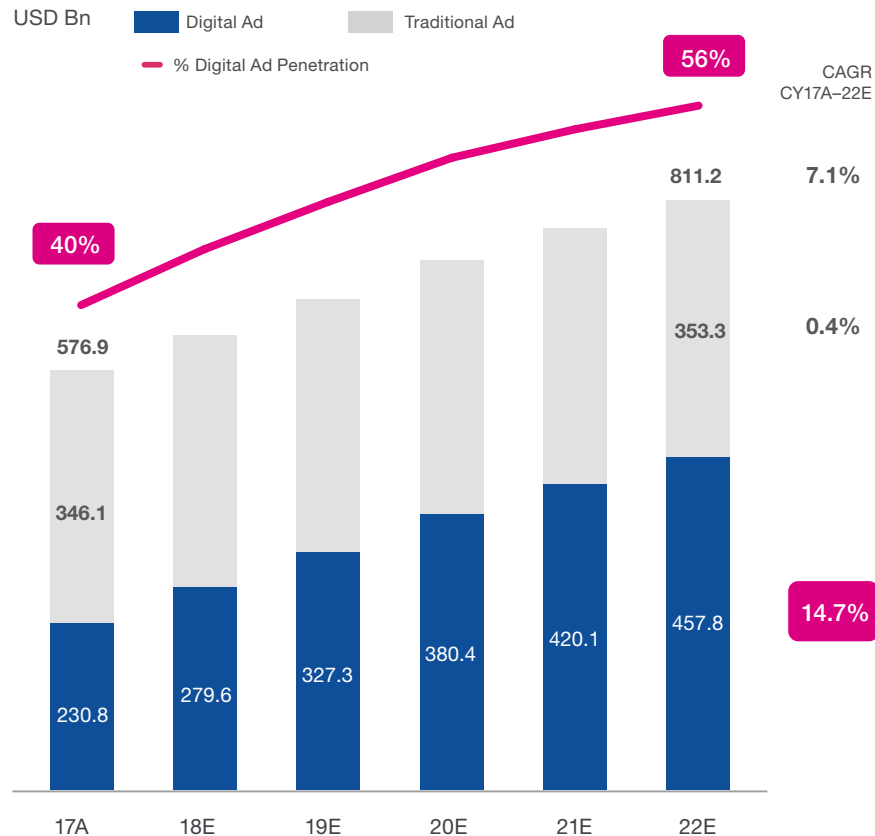
1. Online quantitative market research only, excluding online qualitative market research, which are excluded in ESOMAR presentation
2. Online MR penetration = spending on online quantitative market research (PC Online + Mobile / Smartphone Online) / spending on total market research in each country

Significant Growth Upsides from Digital Marketing Solutions

Digital Ad Market Growth

Digital Ad Continues to Outgrow Traditional Ad

Worldwide Media Ad Size

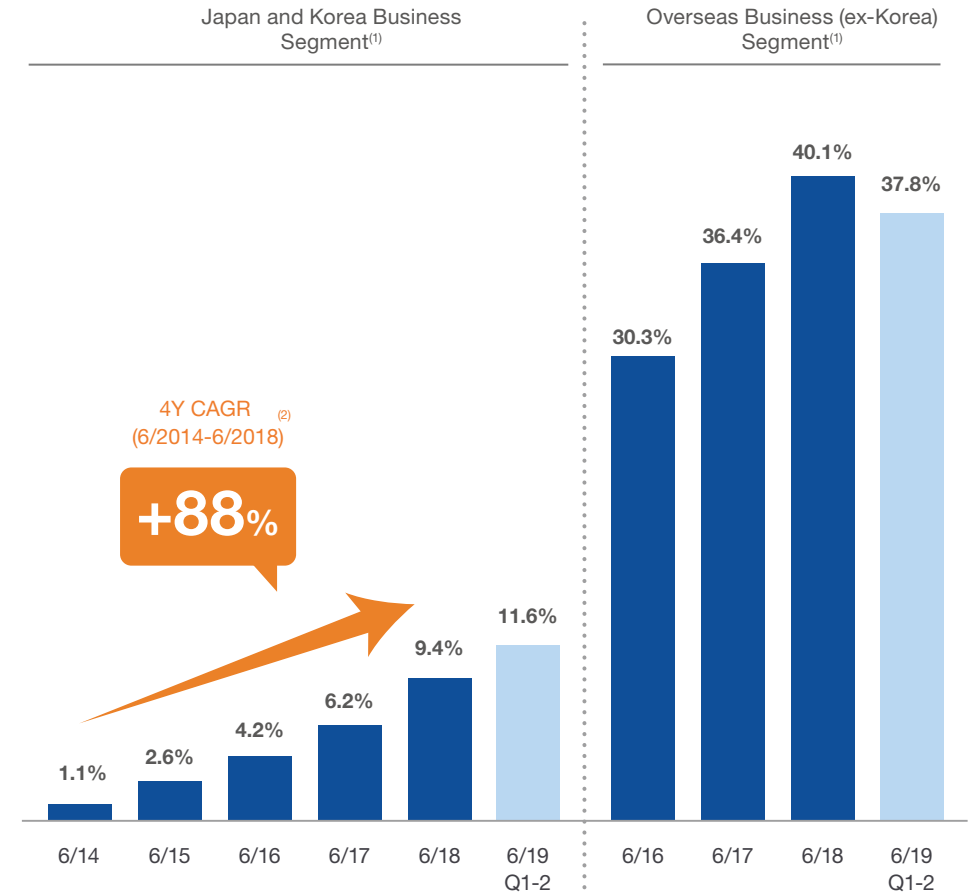


Source eMarketer, Worldwide Ad Spending (9/2018)

Further Penetration of Digital Marketing Solutions

Significant Untapped Upsides Particularly in Japan

% of Digital Marketing Solutions Revenue in each Segment Revenue



Notes

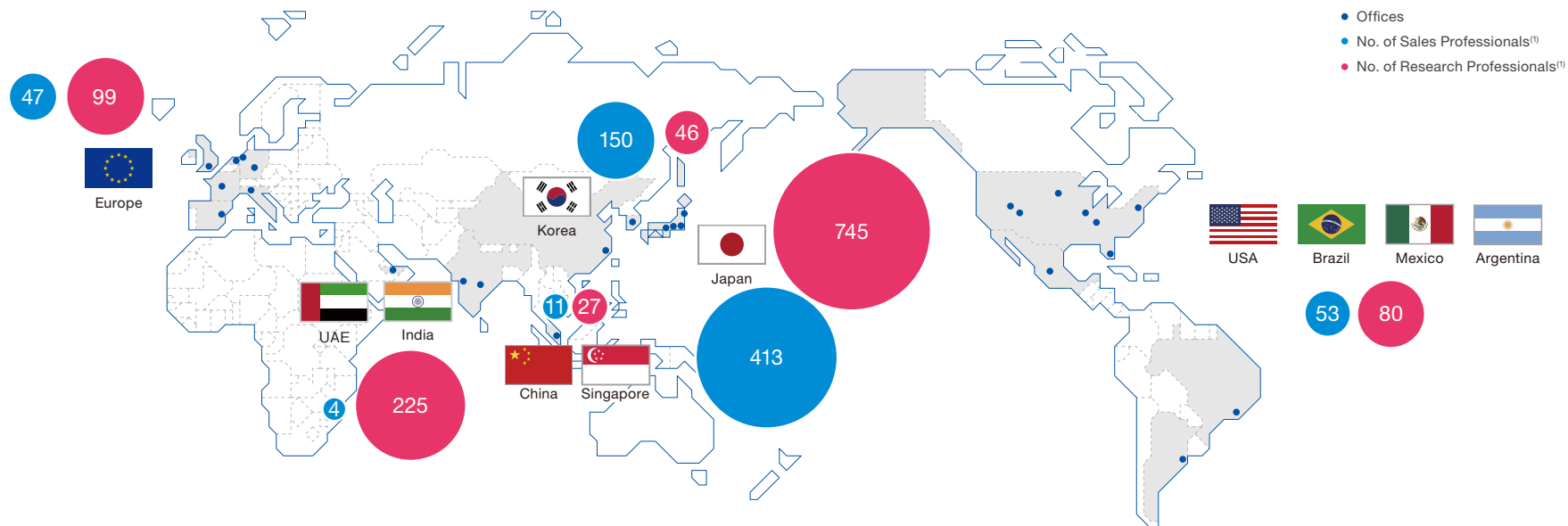
1. Japan and Korea Business Segment revenue from sales of digital marketing solutions in each year / Japan and Korea Business Segment revenue. Overseas Business (ex-Korea) Segment revenue from sales of digital marketing solutions in each year / Overseas Business (ex-Korea) Segment revenue. Digital marketing solutions refers to our market research and marketing analytics solutions that meet one or more of the following criteria: (1) it is a 100%-focused digital marketing solution; (2) it monitors or evaluates digital media, websites or other digital stimulus; (3) it leverages non-survey digital/social data; or (4) it utilizes one of our value-added digital delivery channels, such as our dashboard. Marketing analytics refers to the business of collecting, analyzing, organizing and presenting data drawn from Internet users, including data collected from panelists, with a view to demonstrating and explaining the impact and effectiveness of an entity's digital marketing efforts (such as digital advertisements)
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Worldwide Sales & Research Delivery

041

Sales and Research Breakdown for Selected Key Markets⁽¹⁾

As of December, 2018



2,200+⁽²⁾ Employees in 45 Offices Worldwide

	Local Deeper Local Consumer Insights	Global Coordinated Cross-Border Client Coverage
Sales	<ul style="list-style-type: none"> ✓ Localized Sales Teams c. 650⁽¹⁾ professionals across 45 offices worldwide 	<ul style="list-style-type: none"> ✓ CEO-led Experienced Sales Professionals Deliver Coordinated GKA⁽³⁾ Coverage
Research	<ul style="list-style-type: none"> ✓ Seamless Coordination with Local Research Professionals 	<ul style="list-style-type: none"> ✓ Best Practice Sharing and Real-time Support from the Global Competence Center in India ✓ Export Superior Japanese <i>Kaizen</i> Operational Quality

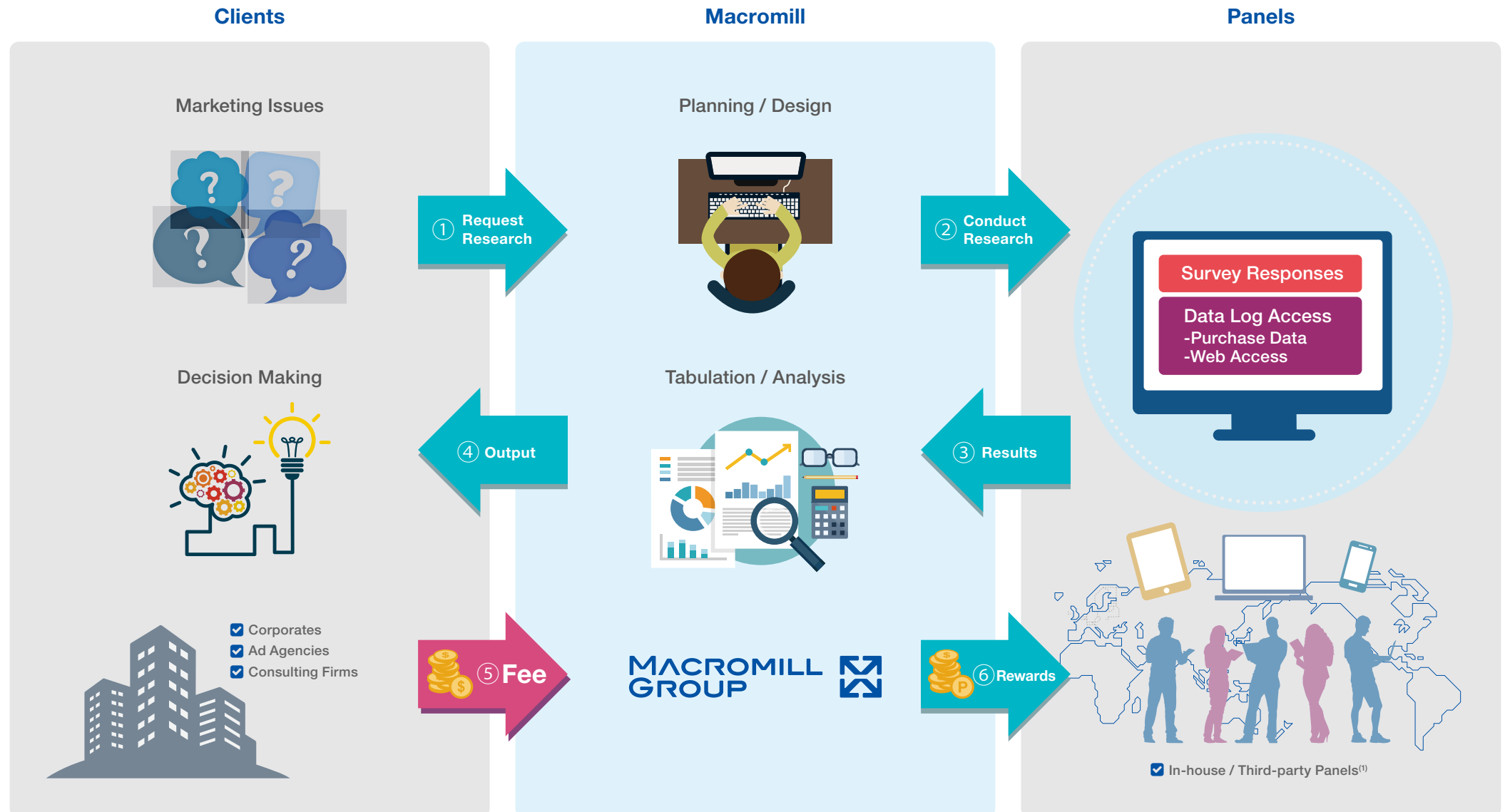
Notes

1. Sales and research professionals are defined as full-time employees committed to sales and research positions respectively

2. Number of full-time-equivalent employees

3. GKA ("Global Key Accounts") are customers that typically are multinational companies with a large research and marketing spending budget of which they have purchased or we believe have the potential to purchase market research from us and for which we have placed particular emphasis in our sales efforts

Typical market research workflow

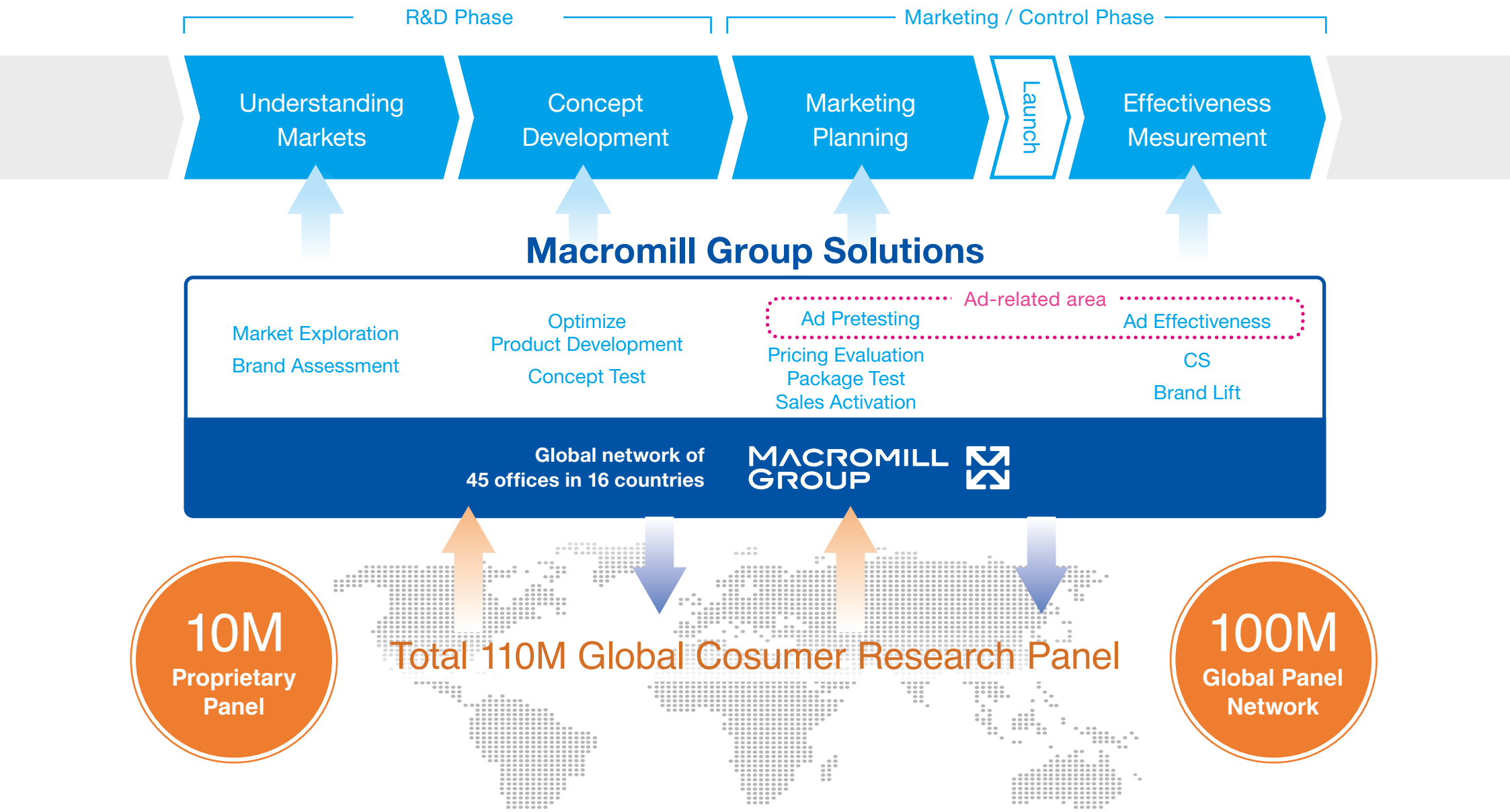


Note

1. Third-party panels are maintained by third-party panel suppliers worldwide and are used as our clients' research projects require

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

Clients' Marketing Process





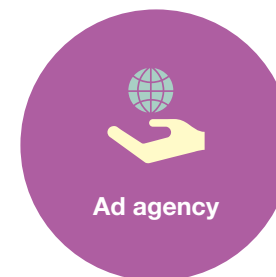
FMCG / CPG⁽¹⁾



Food /
Beverage



Telecom /
Media / IT



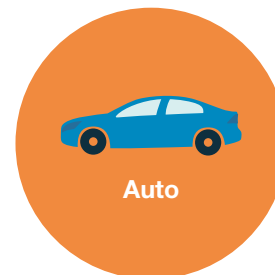
Ad agency



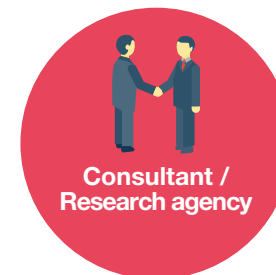
Financial
institution



Electronics /
Tech



Auto



Consultant /
Research agency

MACROMILL
GROUP

Extensive Client Coverage

Serving **4,000+ Brands & Ad Agencies** in more than **90 Countries**
Revenue from 70% of Large Clients⁽²⁾ Grew YoY (FY6/2017 → FY6/2018)

Superior Client Penetration

c. 60% of Top 25 Global Brands are Our Clients⁽³⁾

Global Blue-chip Client Base

9 of Top 10 Largest FMCG⁽¹⁾ Companies⁽⁴⁾
7 of Top 10 Largest IT Companies⁽⁴⁾

Sticky Client Base

96.5% Retention Rate in Japan⁽⁵⁾
91.9% Retention Rate for Global (excl. Japan)⁽⁶⁾

Notes

1. FMCG = Fast Moving Consumer Goods / CPG: Consumer packaged goods (incl. non-durable goods such as soft drinks, toiletries, etc.)

2. Large Accounts with annual revenue of >JPY10mm or Euro 0.1mm

3. Based on Millward Brown "BRANDZ TOP100 most valuable global brands 2018". Include clients for which we provide deminutions services and clients who use two or more research companies in FY6/2018


















4. Top 10 in terms of market cap as of June 30, 2018. The definition of industries is based on Capital IQ primary industry classifications; FMCG = beverages, food products, and household & personal product. IT = information technology

5. 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 FY6/14 to FY6/18

6. 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). 3 year average from FY6/16 to FY6/18

Industry-Leading One-Stop Solutions Portfolio

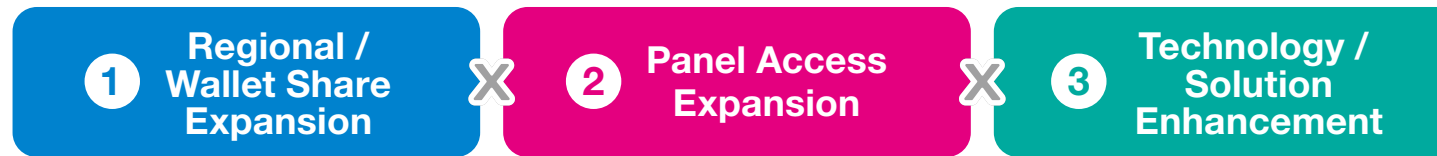
Selected Solutions

	Marketing Research			Digital Marketing
	Ad Hoc		Database	
Developed by MACROMILL (Japan and Korea Business Segment)	<div>Quantitative</div> <div>Online Research</div> <div> QuickMill</div> <div> OrderMill</div> <div>Central Location Testing</div> <div> CLT</div>	<div>Qualitative</div> <div>Group / In-Depth Interviews</div> <div> FGI</div> <div> DI</div>	Purchase Data  QPR Household Spending Data  MHS Brand Data  bdb	Ad Effectiveness Measurement  AccessMill DMP ⁽¹⁾ “DMP Solution”
Jointly Developed				 GLOBAL AccessMill
Developed by METRIXLAB (Overseas Business (ex-Korea) Segment)	<div>Market Exploration</div> <div> “SCOUT H&A”</div> <div>Package Test</div> <div> “PACT”</div>	<div>Concept Test</div> <div> “CONTEST”</div> <div>Brand Assessment</div> <div> “B-HEALTH”</div> <div>etc.</div>		Ad Pretesting  “AD-VANCE”  “ACT” Social Media Analysis  OXYME Big Data Analysis “Dashboard” etc.

Note

1. Data Management Platform

3-Pillars M&A Strategy for Value Creation



Proven M&A Track Record

2010 Acquisition⁽¹⁾



✓ Doubled Panel Access

2011 Acquisition



✓ Acquired Social Analysis Capabilities

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

2013 Acquisition



✓ Access to US Panels

2014 Acquisition



✓ Global Client & Panel Base Access

2015 Strategic Alliance



✓ Access to Solutions for Government

2015 Strategic Partnership



✓ Incorporate Panels & Mobile Technologies

2017 Strategic & Capital Alliance



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

2017 Acquisition



✓ Expand experts, clients base and influencer solutions in the US and UK

2017 Strategic & Capital Alliance



✓ Access to Southeast Asian Client and Panels
✓ 10% minority investment (through 3rd party allotment)

2018 Joint Venture with Hakuodo (51% Majority Acquisition)



✓ Seeking wallet share expansion and enhancement of online/offline integrated solutions

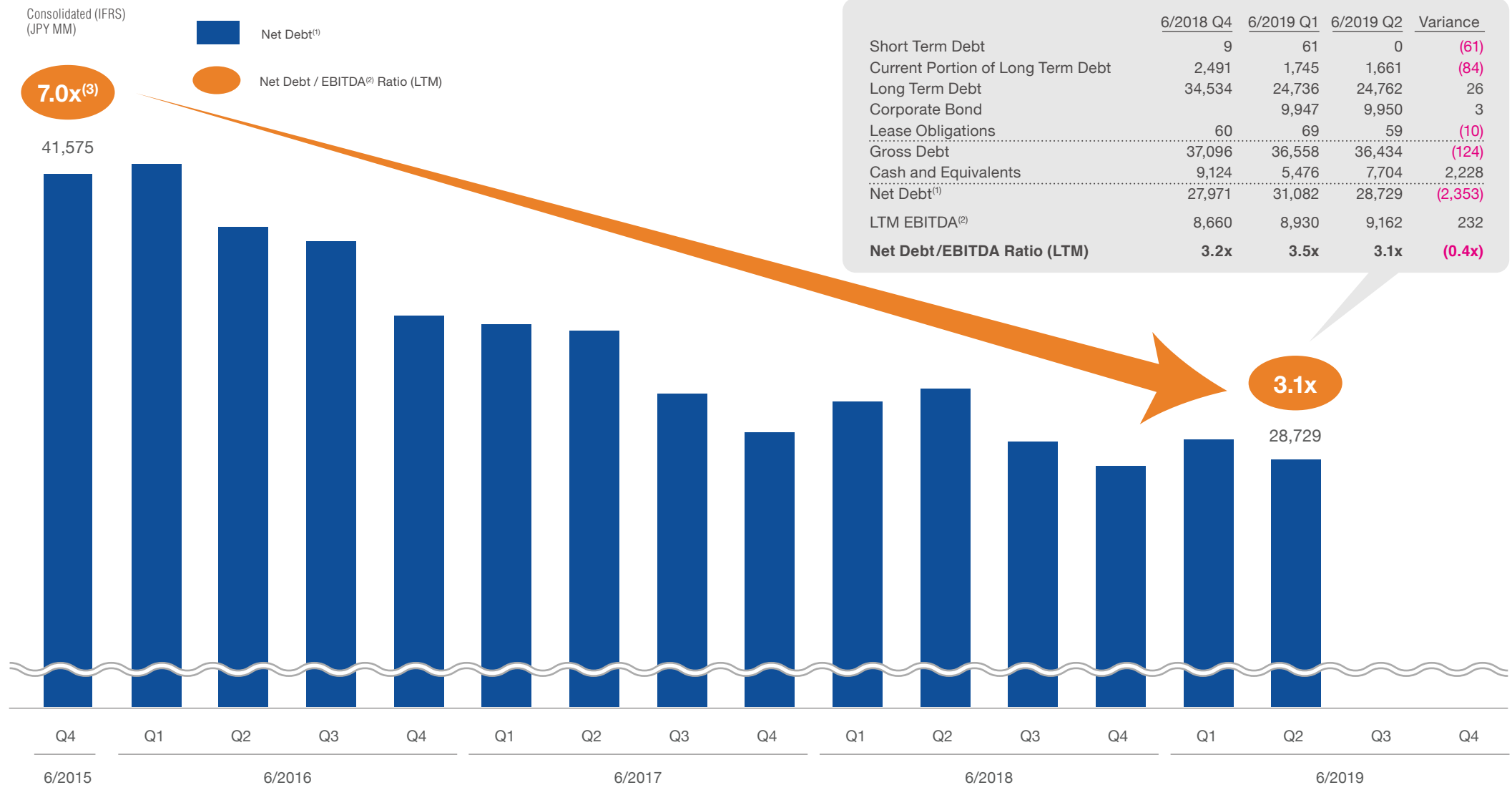
Note

1. Acquired market research business only

Solid Cash Flow Generation Contributes to Further Deleveraging

047

Quarterly Net Debt⁽¹⁾ and Net Debt / EBITDA⁽²⁾ Ratio (LTM)



Notes

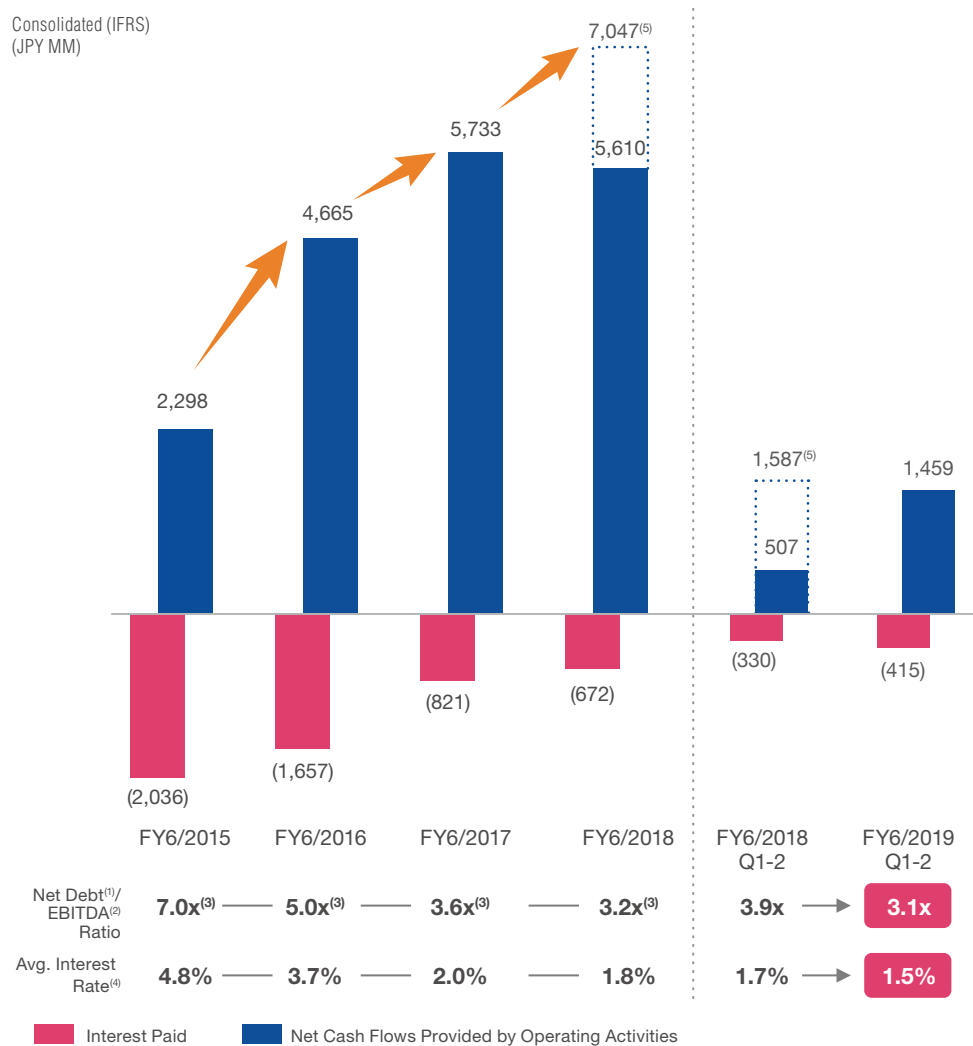
1. Net Debt = Interest-Bearing Debt (Short-term Borrowings + Current Portion of Long-term Borrowings + Long-term Borrowings + Lease Obligations) - Cash and Cash Equivalents as of the relevant quarter end

2. EBITDA = Operating Profit + Depreciation and Amortization + Loss on Retirement of Non-current Assets + Impairment Loss on a LTM basis as of the relevant quarter end.

3. Adjusted EBITDA base. Adjusted EBITDA = EBITDA + M&A Related Expenses + IPO Related Expenses + Expenses Related to Going Private Transaction + Management Fee + Refinancing Related Advisory Fees + Retirement Benefits for Retiring Officers. Please refer to reconciliation tables on p.53&54 for the details

Solid Cash Flow Generation

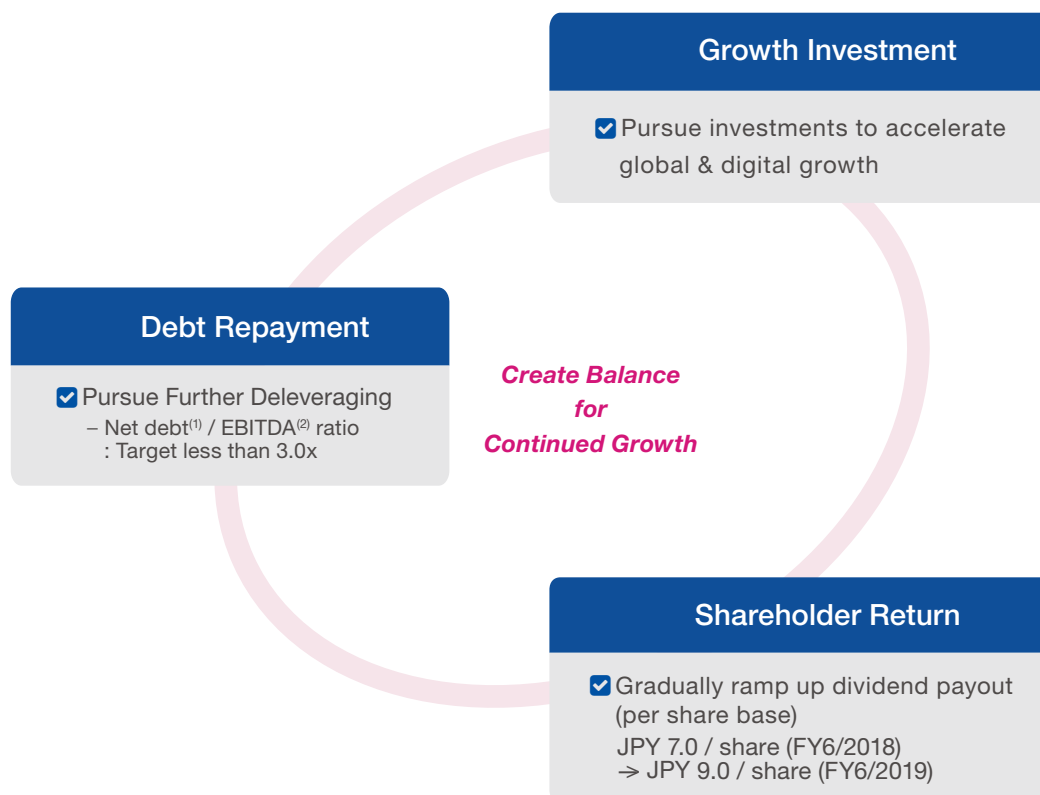
Consolidated (IFRS)
(JPY MM)



Notes

1. Net debt = interest-bearing debt (short-term borrowings + current portion of long-term borrowings + long-term borrowings + lease obligations) - cash and cash equivalents
2. EBITDA = Operating Profit + Depreciation and Amortization + Loss on Retirement of Non-current Assets + Impairment Loss
3. Adjusted EBITDA base. Adjusted EBITDA = EBITDA + M&A Related Expenses + IPO Related Expenses + Expenses Related to Going Private Transaction + Management Fee + Refinancing Related Advisory Fees + Retirement Benefits for Retiring Officers. Please refer to reconciliation tables on p.53&54 for details
4. Avg. interest rate = (interest expense in P/L) / (average amount of borrowings at the end of current year and the previous year). Borrowings = short-term borrowings + current portion of long-term borrowings + long-term borrowings. However, since we had issued JPY 10 BN corporate bonds on July 27, 2018, we had applied specific method to calculate avg. interest rate for this Q1 6/2019 as follows: Q1 6/2019 avg. interest rate = (interest expense paid in Q1 for the existing borrowings + interest expense paid in Q1 for bonds issued on July 27, 2018) / (avg. amount of borrowings as of June 30, 2018 and September 26, 2018 (a day before early redemption)) + amount of bonds issued on July 27, 2018)
5. Onetime extraordinary item adjusted base (Public filing figure 5,610M (FY6/2018) or -497M (FY6/2018 Q1) + No A/R factoring services in DMI 1,437M)

Capital Allocation Priorities



	IFRS						
	Full Year			6 Months		3 Months	
	6/2016	6/2017	6/2018	Q1-2 6/2018	Q1-2 6/2019	Q2 6/2018	Q2 6/2019
(JPY MM)							
Revenue	32,504	35,514	40,024	18,903	22,181	10,124	11,792
Panel Expenses	(4,303)	(4,749)	(5,187) ⁽¹⁾	(2,582)	(3,119)	(1,330)	(1,755)
Outsourcing Expenses	(4,243)	(4,545)	(5,089) ⁽¹⁾	(2,486)	(2,971)	(1,335)	(1,644)
Total Employee Expenses	(11,780)	(12,462)	(14,509)	(6,706)	(8,131)	(3,411)	(4,070)
Depreciation and Amortization	(874)	(871)	(1,052)	(505)	(673)	(253)	(340)
Others	(5,681)	(6,321)	(6,566)	(2,893)	(3,276)	(1,472)	(1,549)
Operating Expenses Total	(26,882)	(28,950)	(32,404)	(15,174)	(18,172)	(7,802)	(9,360)
Other Operating Income	272	283	42	12	32	8	3
Other Operating Expenses	(168)	(31)	(57)	(63)	(25)	(48)	(6)
Share of the Profit on Investments Accounted for Using the Equity Method	3	9	2	3	0	2	0
Operating Profit	5,730	6,825	7,607	3,682	4,015	2,283	2,428
Finance Income	496	15	528	370	207	57	158
Finance Costs	(2,139)	(958)	(763)	(407)	(470)	(171)	(140)
Profit before Tax	4,087	5,882	7,372	3,645	3,753	2,169	2,446
Income Tax Benefit (Expense)	(848)	(1,672)	(2,201)	(1,146)	(1,063)	(640)	(657)
Profit for the Year/Period	3,238	4,210	5,170	2,499	2,690	1,528	1,789
Profit Attributable to Owners of the Parent	2,832	3,706	4,719	2,339	2,313	1,417	1,523

Notes

1. We have introduced group-unified cost definition for Outsourcing Expenses and Panel Expenses starting from FY6/2019. As a result, and following IFRS requirements, we reclassified JPY 69M from Outsourcing Expense to Panel Expense in FY6/218 in order to enable fair year-on-year comparison.

Consolidated P/L - Reconciliation Tables for Operating Expenses

050

(JPY MM)	IFRS				
	Quarter				Full Year
	Q1 6/2016	Q2 6/2016	Q3 6/2016	Q4 6/2016	6/2016
Operating Expenses Total	(6,405)	(6,811)	(6,853)	(6,812)	(26,882)
Panel Expenses	(1,011)	(1,087)	(1,142)	(1,061)	(4,303)
Outsourcing Expenses	(1,046)	(1,053)	(1,201)	(941)	(4,243)
Total Employee Expenses	(2,735)	(3,033)	(2,917)	(3,094)	(11,780)
Depreciation and Amortization	(230)	(209)	(212)	(220)	(874)
Others	(1,379)	(1,428)	(1,379)	(1,495)	(5,681)
	Q1 6/2017	Q2 6/2017	Q3 6/2017	Q4 6/2017	6/2017
Operating Expenses Total	(6,649)	(6,985)	(8,114)	(7,201)	(28,950)
Panel Expenses	(1,042)	(1,201)	(1,225)	(1,280)	(4,749)
Outsourcing Expenses	(1,084)	(1,129)	(1,353)	(977)	(4,545)
Total Employee Expenses	(2,957)	(3,024)	(3,254)	(3,225)	(12,462)
Depreciation and Amortization	(208)	(216)	(213)	(232)	(871)
Others	(1,356)	(1,414)	(2,067)	(1,484)	(6,321)
	Q1 6/2018	Q2 6/2018	Q3 6/2018	Q4 6/2018	6/2018
Operating Expenses Total	(7,371)	(7,802)	(8,870)	(8,359)	(32,404)
Panel Expenses	(1,235)	(1,347)	(1,364)	(1,241)	(5,187) ⁽¹⁾
Outsourcing Expenses	(1,168)	(1,318)	(1,428)	(1,175)	(5,089) ⁽¹⁾
Total Employee Expenses	(3,294)	(3,411)	(3,926)	(3,876)	(14,509)
Depreciation and Amortization	(252)	(253)	(270)	(276)	(1,052)
Others	(1,421)	(1,472)	(1,881)	(1,792)	(6,566)

Notes

1. We have introduced group-unified cost definition for Outsourcing Expenses and Panel Expenses starting from FY6/2019. As a result, and following IFRS requirements, we reclassified JPY 69M from Outsourcing Expense to Panel Expense in FY6/218 in order to enable fair year-on-year comparison.

Selected Consolidated B/S

051

(JPY MM)					(JPY MM)				
IFRS					IFRS				
Assets	6/30/2016	6/30/2017	6/30/2018	12/31/2018	Liabilities and Equity	6/30/2016	6/30/2017	6/30/2018	12/31/2018
Current Assets	12,725	15,485	18,409	19,133	Current Liabilities	8,848	8,952	10,890	9,778
Cash and Cash Equivalents	6,124	8,447	9,124	7,704	Borrowings	3,319	2,617	2,500	1,661
Trade and Other Receivables	6,015	6,388	8,744	10,355	Trade and Other Payables	2,492	2,492	3,008	3,362
Other Current Assets ⁽¹⁾	586	649	540	1,074	Other Current Liabilities ⁽¹⁾	3,036	3,842	5,379	4,753
Total Non-current Assets	53,839	55,330	56,820	57,447	Non-current Liabilities	41,068	39,511	36,871	37,022
Property, Plant and Equipment	979	1,034	1,152	1,224	Borrowings and Bonds	38,535	36,880	34,534	34,713
Intangible Assets	50,788	52,127	53,562	53,949	Other Non-current Liabilities ⁽¹⁾	2,533	2,630	2,335	2,306
Goodwill	45,290	46,067	46,957	47,071	Total Liabilities	49,916	48,463	47,762	46,801
Other Intangible Assets	5,498	6,059	6,605	6,878					
Other Non-current Assets ⁽¹⁾	2,070	2,169	2,102	2,272	Total Equity	16,647	22,352	27,468	29,780
Total Assets	66,564	70,815	75,230	76,581	Total Liabilities and Equity	66,564	70,815	75,230	76,581

Notes

1. Other Current Assets is the sum of Other Financial Assets and Other Current Assets. Other Non-current Assets is the sum of Investments Accounted for using the Equity Method, Other Financial Assets, Deferred Tax Assets and Other Non-current Assets. Other Current Liabilities is the sum of Other Financial Liabilities, Income Tax Payable, and Other Current Liabilities. Other Non-current Liabilities is the sum of Other Financial Liabilities, Retirement Benefit Liabilities, Provisions, Deferred Tax Liabilities, and Other Non-current Liabilities

Consolidated C/F Statement

052

(JPY MM)	IFRS				
	Full Year			6 Months	
	6/2016	6/2017	6/2018	Q1-2 6/2018	Q1-2 6/2019
Net Cash Flows Provided by Operating Activities	4,665	5,733	5,610	507	1,459
Profit (Loss) before Tax	4,087	5,882	7,372	3,645	3,753
Depreciation and Amortization	874	871	1,052	505	673
Finance Income	(496)	(15)	(528)	(370)	(207)
Finance Costs	2,139	958	763	407	470
Change in Working Capital ⁽¹⁾	(338)	(131)	(2,175)	(2,607)	(1,431)
Others ⁽²⁾	506	(69)	838	(142)	83
Sub Total	6,772	7,496	7,323	1,437	3,340
Interest and Dividends Paid and Received	33	18	11	8	12
Interest Paid	(1,450)	(1,120)	(456)	(221)	(246)
Income Taxes Paid	(690)	(660)	(1,267)	(716)	(1,648)
Net Cash Flows Provided by (Used in) Investing Activities	67	(1,348)	(2,101)	(1,457)	(816)
Capex ⁽³⁾	(647)	(1,007)	(1,026)	(485)	(1,095)
Acquisition of Subsidiaries	—	—	(1,044)	(1,029)	265
Others ⁽²⁾	714	(340)	(30)	57	14
Net Cash Flows Provided by (Used in) Financing Activities	(5,602)	(2,155)	(2,813)	(1,597)	(1,995)
Proceeds from Borrowings and Bonds ⁽⁴⁾	42,676	237	1,007	1,007	9,997
Repayment of Borrowings ⁽⁴⁾	(48,207)	(3,357)	(3,636)	(2,255)	(11,625)
Proceeds from Issue of Shares	—	1,149	408	249	151
Others ⁽²⁾	(71)	(185)	(591)	(599)	(519)

Notes

1. The sum of Decrease (Increase) in Trade and Other Receivables and Increase (Decrease) in Trade and Other Payables

2. Others in Net Cash Flows Provided by Operating Activities is the sum of Share of the Profit on Investments Accounted for using the Equity Method, Gain on Sales of Equity Method Investment and Other. Others in Net Cash Flows Provided by (Used in) Investing Activities is the sum of Proceeds from Withdrawal of Time Deposits, Acquisition of Investments, Proceeds from Sale and Redemption of Investments, and Other. Others in Net Cash Flows Provided by (Used in) Financing Activities is the sum of Payments of Proceeds from Disposal of Fractional Shares, Proceeds from Current Borrowings, Dividends Paid to Non-controlling Interests, and Other

3. The sum of Acquisition of Property, Plant and Equipment and Acquisition of Intangible Assets

4. The sum of Long-term Borrowings and Short-term Borrowings

Reconciliation Tables⁽¹⁾ – Fiscal Year Comparisons

053

Adjusted EBITDA

(JPY MM)	IFRS			
	6/2015	6/2016	6/2017	6/2018
Operating Profit	(586)	5,730	6,825	7,607
(+) Depreciation and Amortization	771	874	871	1,052
(+) Impairment Loss on Goodwill ⁽²⁾	4,370	—	—	—
EBITDA	4,555	6,604	7,696	8,660
(+) M&A-Related Expenses ⁽³⁾	506	155	—	—
(+) Management Fee ⁽⁴⁾	106	120	374	—
(+) Refinancing Related Advisory Fees	—	92	—	—
(+) Retirement Benefits for Retiring Officers ⁽⁵⁾	527	—	—	—
(+) IPO-related expenses and Expenses related to going-private transaction	226	173	460	97
Adjusted EBITDA	5,921	7,146	8,531	8,757

Adjusted Profit Attributable to Owners of the Parent

(JPY MM)	IFRS			
	6/2015	6/2016	6/2017	6/2018
Profit (Loss) Attributable to Owners of the Parent	(4,320)	2,832	3,706	4,719
(+) Refinancing Costs ⁽⁶⁾	909	557	—	—
(+) M&A-Related Expenses ⁽³⁾	506	155	—	—
(+) Management Fee ⁽⁴⁾	106	120	374	—
(+) IPO-related expenses and Expenses related to going-private transaction	226	173	481	97
(+) Impairment Loss on Goodwill ⁽²⁾	4,370	—	—	—
(+) Retirement Benefits for Retiring Officers ⁽⁵⁾	527	—	—	—
(-) Tax Impact of Above Adjustments ⁽⁷⁾	718	345	312	3
Adjusted Profit Attributable to Owners of the Parent	1,606	3,494	4,249	4,813

Notes

1. Macromill's consolidated results of operations for the year ended June 30, 2015 reflect MetrixLab's results of operations for the period of approximately nine months whereas Macromill's consolidated results of operations for the year ended June 30, 2016 and 2017 reflect MetrixLab's results of operations for the full twelve months. This impacts the comparability of Macromill's consolidated results of operations for the years ended June 30, 2015 vs. 2016, 2017 and 2018
2. Goodwill impairment in connection with Macromill's acquisition of MetrixLab
3. All legal, accounting, investment banking advisory, out-of-pocket expenses and other miscellaneous expenses incurred in connection with the purchase and closing of MetrixLab transaction by Macromill, including on-going advisory fees in connection with post-merger price adjustments, legal and tax follow-up due diligence matters related to purchase transaction
4. Annual management fee and reimbursement of expenses pursuant to management agreement with Bain Capital
5. One-time special severance payment to the founder and Chairman of the Board, Mr. Tetsuya Sugimoto
6. Refinancing costs from LBO loan to corporate loan including those in connection with syndicate loan arrangement fees paid upfront, which are recorded as financial costs and refinancing related advisory fees
7. Calculated tax impact based on the effective tax rate of Macromill and MetrixLab entities

Reconciliation Tables Q2 Comparisons

054

Adjusted EBITDA

(JPY MM)	IFRS (6 Months)			IFRS (3 Months)		
	Q1-2 6/2017	Q1-2 6/2018	Q1-2 6/2019	Q2 6/2017	Q2 6/2018	Q2 6/2019
Operating Profit	3,959	3,682	4,015	2,390	2,283	2,428
(+) Depreciation and Amortization	424	505	673	216	253	340
(+) Impairment Loss on Goodwill ⁽¹⁾	—	—	—	—	—	—
EBITDA	4,384	4,187	4,689	2,606	2,536	2,769
(+) Management Fee ⁽³⁾	50	—	—	25	—	—
(+) IPO-related expenses	296	75	35	136	52	28
(+) M&A-Related Expenses ⁽²⁾	—	—	—	—	—	—
(+) Refinancing-Related Advisory Fees	—	—	—	—	—	—
(+) Retirement Benefits for Retiring Officers ⁽⁴⁾	—	—	—	—	—	—
Adjusted EBITDA	4,730	4,263	4,724	2,768	2,589	2,797

Adjusted Profit Attributable to Owners of the Parent

(JPY MM)	IFRS (6 Months)			IFRS (3 Months)		
	Q1-2 6/2017	Q1-2 6/2018	Q1-2 6/2019	Q2 6/2017	Q2 6/2018	Q2 6/2019
Profit Attributable to Owners of the Parent	1,850	2,339	2,313	1,025	1,417	1,523
(+) Management Fee ⁽³⁾	50	—	—	25	—	—
(+) IPO-related expenses	296	75	36	136	52	28
(+) Refinancing Costs ⁽⁵⁾	—	—	—	—	—	—
(+) M&A-Related Expenses ⁽²⁾	—	—	—	—	—	—
(+) Impairment Loss on Goodwill ⁽¹⁾	—	—	—	—	—	—
(+) Retirement Benefits for Retiring Officers ⁽⁴⁾	—	—	—	—	—	—
(-) Tax Impact of Above Adjustments ⁽⁶⁾	84	3	0	39	3	0
Adjusted Profit Attributable to Owners of the Parent	2,111	2,411	2,349	1,147	1,466	1,552

Notes

1. Goodwill impairment in connection with Macromill's acquisition of MetrixLab

2. All legal, accounting, investment banking advisory, out-of-pocket expenses and other miscellaneous expenses incurred in connection with the purchase and closing of MetrixLab transaction by Macromill, including on-going advisory fees in connection with post-merger price adjustments, legal and tax follow-up due diligence matters related to purchase transaction

3. Annual management fee and reimbursement of expenses pursuant to management agreement with Bain Capital

4. One-time special severance payment to the founder and Chairman of the Board, Mr. Tetsuya Sugimoto

5. Refinancing costs from LBO loan to corporate loan including those in connection with syndicate loan arrangement fees paid upfront, which are recorded as financial costs and refinancing related advisory fees

6. Calculated tax impact based on the effective tax rate of Macromill and MetrixLab entities

Detail of Normalization of Adjusted Item

Adjusted EBITDA

(JPY MM)	Q1 6/2017	Q2 6/2017	Q3 6/2017	Q4 6/2017	FY6/17
EBITDA	1,777	2,606	2,107	1,205	7,696
(+) IPO-related expenses	159	136	147	17	460
Reversal of the simplified consumption tax ⁽¹⁾	0	0	(196)	(25)	(222)
Other IPO-related expenses	159	136	344	43	682
(+) Other Adjustments	25	25	324	(0)	375
Adjusted EBITDA	1,962	2,768	2,578	1,222	8,531

Normalized Adjusted EBITDA

(JPY MM)	Q1 6/2017	Q2 6/2017	Q3 6/2017	Q4 6/2017	FY6/17
EBITDA	1,777	2,606	2,107	1,205	7,696
(+) IPO-related expenses	85	55	302	17	460
Reversal of the simplified consumption tax ⁽¹⁾	(74)	(81)	(42)	(25)	(222)
Other IPO-related expenses	159	136	344	43	682
(+) Other Adjustments	25	25	325	(0)	375
Adjusted EBITDA	1,888	2,687	2,734	1,222	8,531

Adjusted Profit Attributable to Owners of the Parent

(JPY MM)	Q1 6/2017	Q2 6/2017	Q3 6/2017	Q4 6/2017	FY6/17
Profit Attributable to Owners of the Parent	825	1,025	1,106	749	3,706
(+) IPO-related expenses	159	136	168	17	481
Reversal of the simplified consumption tax ⁽¹⁾	0	0	(196)	(25)	(222)
Other IPO-related expenses	159	136	365	43	704
(+) Other Adjustments	25	25	324	(0)	375
(-) Tax Impact on the above	45	39	136	92	313
Adjusted Profit Attributable to Owners of the Parent	964	1,147	1,463	674	4,249

Normarized Adjusted Profit Attributable to Owners of the Parent

(JPY MM)	Q1 6/2017	Q2 6/2017	Q3 6/2017	Q4 6/2017	FY6/17
Profit Attributable to Owners of the Parent	825	1,025	1,106	749	3,706
(+) IPO-related expenses	85	55	323	17	481
Reversal of the simplified consumption tax ⁽¹⁾	(74)	(81)	(42)	(25)	(222)
Other IPO-related expenses	159	136	365	43	704
(+) Other Adjustments	25	25	324	(0)	375
(-) Tax Impact on the above	22	5	194	92	313
Adjusted Profit Attributable to Owners of the Parent	913	1,101	1,561	674	4,249

Note

1. As a 'Simplified Tax System for Consumption Tax etc.' (STS) applicable company, we used to book 'Differential Profit from Simplified Tax System for Consumption Tax etc.' (DP) as Other Operating Income on our P/L Statement. However, in the process of IPO, we no longer became eligible for STS from FY2018. So we had booked DP on our reconciliation table and calculated Adjusted EBITDA and Adjusted Profit Attributable to Owners of the Parent at the timing of FY2017 Q3 announcement on Q3 accumulated basis. In order to make fair quarterly year on year comparison, we have retroacted the potential DP quarterly breakdown in FY2017 Q1 and Q2 as above. (Note that this will not affect the results on full year basis in any way)

