

FY6/2021 Q1 Financial Results

November 12, 2020



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Notes for this entire material

1. EBITDA = Operating Profit + Depreciation and Amortization + Loss on Retirement of Non-current Assets + Impairment Loss (For Segment EBITDA, applied Segment Profit instead of Operating Profit)
2. Revenue of each segment and region is shown using gross value including intersegment / interregional revenue, and the total amount of revenue of both segments or regions does not match the consolidated revenue (the difference is the amount of intersegment / interregional elimination)
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 MetrixLab and Macromill EMBRAIN, performed without taking into account the effect of the fluctuations between the euro and the yen since the same period in the prior year, but please note, it only excludes the effect of currency exchange between the Euro/Yen and the Won/Yen, but not exclude the effects of currency exchange on all local currencies (for example, between the Euro/USD). Please see the following table for the actual exchange rate applied.

	Q1 YTD (3 months)	
	FY6/2020 Q1YTD	FY6/2021 Q1YTD
1 Euro =	119.69	124.08
1 KRW =	0.0906	0.0893

■ The impact of Covid-19 continued to Q1, resulting in a decline in Revenue and Profit

- Revenue 9.09bn JPY (YoY -8% / -9% in CFX), OP 0.68bn (YoY -44% / -44% in CFX)

■ The Covid-19 impact shrank compared to FY20 Q4

- YoY Revenue decline softened in both segments: Japan and Korea Business Segment (-17% → -5%), Overseas (ex-Korea) Business Segment (-41% → -17%)
- OP returned to positive in a Consolidated base (however, Overseas (ex-Korea) Business Segment returned only until EBITDA)

■ Responded to structural change in client demands with the right action plans

- In particular, online and digital solutions contributed to Revenue recovery

■ Revenue and OP progress in line with the Initial Guidance

- Protecting the health and safety of our clients, panels, and employees along with maintaining research delivery remain our top priorities and we will continue essential investments
- Aim to ensure the steadily achievement of the Initial Guidance: Revenue 40.0bn JPY (YoY -3.1%), OP 3.4bn (YoY +757%)

■ Re-affirm our goals and objectives in the mid-term business plan, driving individual action plans corresponding to the recent business environment

- Continue to pursue further growth and aspire to be “Global Top 10” Marketing Research Company and “No.1 in Japan” and “No.1 in Asia”
- Evolve into a “Research” x “DATA” Company and aiming to be a trusted partner with our clients to solve their marketing issues
- Aiming to maintain Revenue growth exceeding market growth, and corresponding Profit growth

FY6/2021 Q1 Financial Update

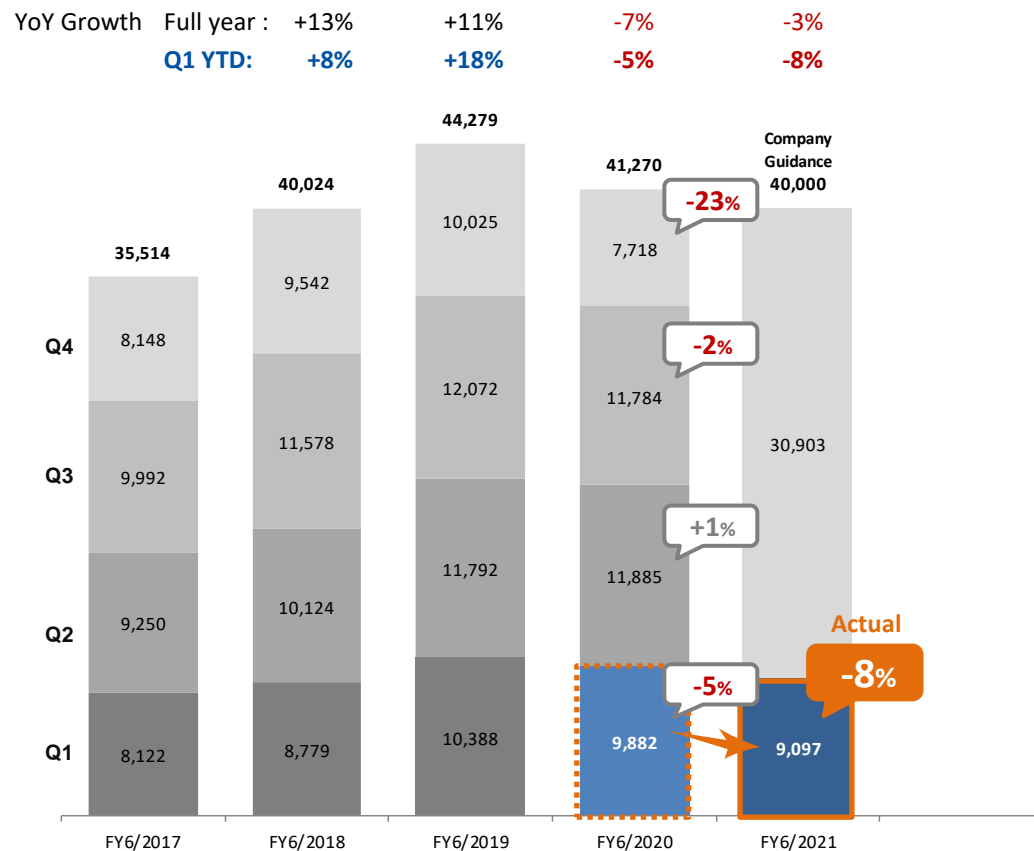
FY6/2021 Q1 : Consolidated Results - Summary

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Although the business is recovering, Revenue and OP continue to be affected by Covid-19
However, both Revenue and OP progress are in-line with the Company's Initial Guidance

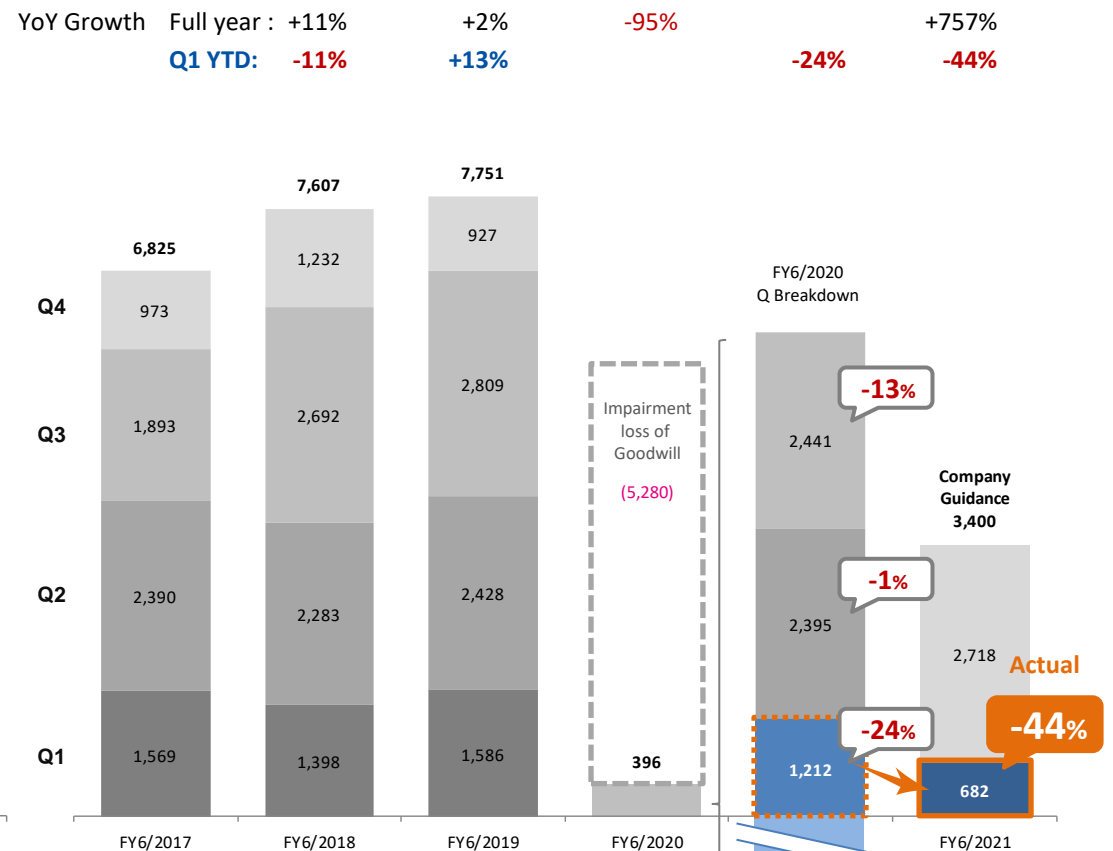
Revenue

Consolidated (IFRS)
(JPY in Millions)



Operating Profit (OP)

Consolidated (IFRS)
(JPY in Millions)



Q1YTD
OP Margin

19.3%

15.9%

15.3%

12.3%

7.5%

FY6/2020
Q Breakdown

Q4 (5,653) -140%

Pro-forma Actual (373) (w/o Impairment loss)

Consolidated Statements of Operations (P/L)

Summary of Consolidated Statements of Operations

(JPY in Millions)	IFRS			
	3 Months		Variance	YoY Growth
	FY6/2020 Q1 YTD	FY6/2021 Q1 YTD		
Revenue	9,882	9,097	(784)	(7.9%)
Japan and Korea Business Segment ⁽¹⁾	7,593	7,220	(372)	(4.9%)
Overseas (ex-Korea) Business Segment ⁽¹⁾	2,313	1,909	(404)	(17.5%)
Total Employee Expenses	(4,022)	(3,968)	53	(1.3%)
Panel Expenses	(1,596)	(1,488)	107	(6.7%)
Outsourcing Expenses	(1,154)	(999)	155	(13.4%)
Depreciation and Amortization	(676)	(736)	(60)	8.9%
Others	(1,220)	(1,220)	(1)	0.1%
Operating Profit (Loss)	1,212	682	(529)	(43.7%)
Japan and Korea Business Segment	1,077	806	(270)	(25.1%)
Overseas (ex-Korea) Business Segment	134	(124)	(258)	(192.5%)
Finance Income and Costs	(110)	(122)	(12)	10.9%
Profit before Tax	1,102	560	(541)	(49.2%)
Income Tax Expenses	(348)	(234)	113	(32.5%)
Profit attributable to non-controlling interest	(30)	(89)	(59)	196.7%
Profit Attributable to Owners of the Parent	723	235	(487)	(67.4%)
EBITDA	1,888	1,420	(468)	(24.8%)
Japan and Korea Business Segment	1,584	1,368	(216)	(13.6%)
Overseas (ex-Korea) Business Segment	304	52	(251)	(82.8%)
EPS (Basic Earnings per Share) (Yen)	18.03	5.85	(12.18)	(67.6%)
Operating Profit Margin	12.3%	7.5%	-4.8%	
Japan and Korea Business Segment	14.2%	11.2%	-3.0%	
Overseas (ex-Korea) Business Segment	5.8%	-6.5%	-12.3%	
EBITDA Margin	19.1%	15.6%	-3.5%	
Japan and Korea Business Segment	20.9%	18.9%	-1.9%	
Overseas (ex-Korea) Business Segment	13.1%	2.7%	-10.4%	

Notes

1. Revenue of each segment is shown using gross value including intersegment revenue. Please see the common footnote on p.2 for more detail.

FY6/2021 Q1 P/L Commentary

(Variance Factors)

- Revenue:
 - Japan and Korea Business Segment was impacted by the Covid-19, but the online survey business had been on a gradual recovery
 - Overseas Business (ex-Korea) Segment was significantly impacted by the Covid-19 but it had also gradually recovered from previous Quarter (FY6/2020 Q4)
- Total Employee Expenses: Number of the employees in both segments slightly decreased YoY (vs FY6/2020 Q1), and therefore the total employee expenses also decreased slightly
- Panel Expenses: Panel expense to revenue ratio stayed almost flat to prior year. The decline of panel expenses was in line with revenue decline
- Outsourcing Expenses: The impact of Covid-19 led to decrease in the share of the offline research (whose ratio of outsourcing expenses to revenue is high) within the overall business. Overall revenue decline in combination with lower offline research significantly decreased outsourcing expenses
- Depreciation and Amortization: Mainly due to investment in software assets in previous years
- Others: System-related expenses increased due to IT investment in previous years, offset by a decrease in some expenses, such as Travel and transportation expenses due to the Covid-19
- Profit attributable to non-controlling interest: Mainly due to an increase in Operating Profit from the Korea business
- Operating Profit Margin and EBITDA Margin:
 - Expenses decreased but it was not enough to offset the revenue decline
 - Decline in Operating Profit Margin was larger than that of EBITDA Margin due to higher depreciation
 - Decline of Operating Profit Margin and EBITDA Margin was more severe in the Overseas Business Segment where the Covid-19 significantly affected the business

Quarterly Revenue Trends

Q2 and Q3 are consistently our strongest quarters, and this trend is expected to continue this year

The impact of Covid-19 shrank in both segments, but the level of recovery varies across segments

Q1 YTD Revenue (3 Months)⁽¹⁾

Consolidated (IFRS)
(JPY in Millions)

Quarterly Revenue Trends – By Segment⁽¹⁾

Consolidated (IFRS)
(JPY in Millions)

YoY Growth
(Actual)

Total:

-5%

+1%

-2%

-23%

-8%

-9%

Overseas:

+0%

+4%

-6%

-41%

-17%

-20%

Japan&Korea:

-6%

-0%

-1%

17%

-5%

-5%

Actual Constant
FX⁽²⁾

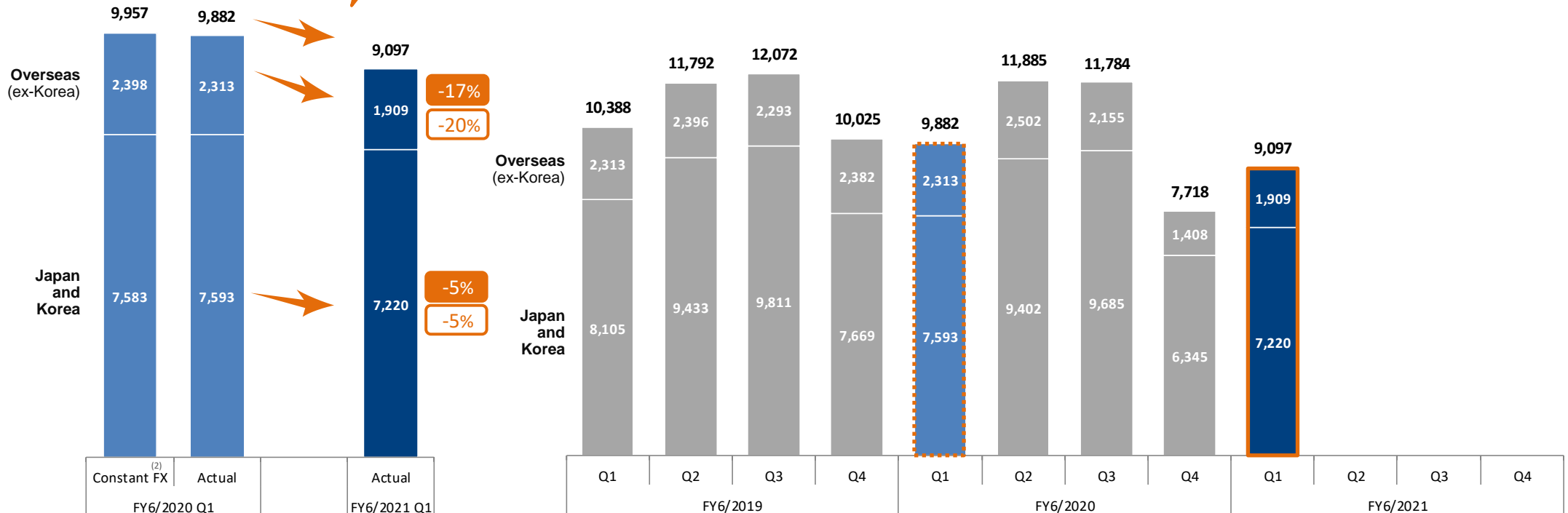
YoY Growth

-8%

Actual

-9%

Constant FX⁽²⁾



Notes

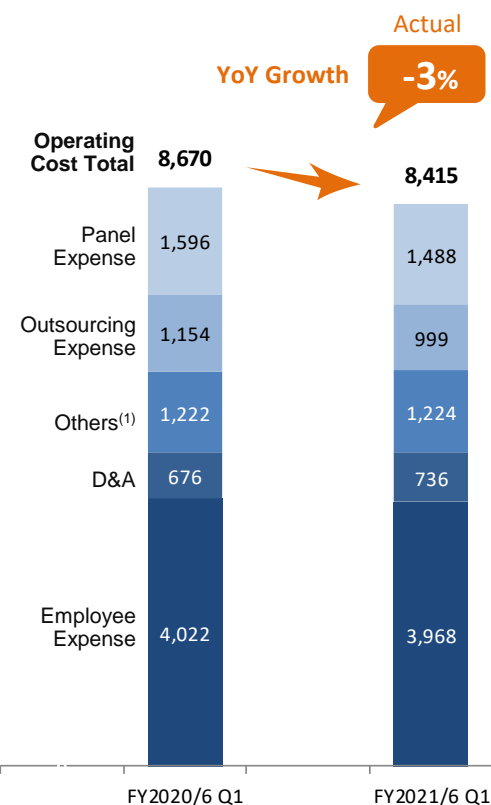
- Revenue of each segment is shown using gross value including intersegment revenue. Please see the common footnote on p.2 for more detail.
- Please see the common footnote on p.2 for the calculation method and the significance of constant FX figures.

Quarterly Operating Cost Trends

Maintained disciplined cost control and plan to proceed with investment for Mid- to Long-term future growth

Q1 YTD Operating Cost (3 Months)

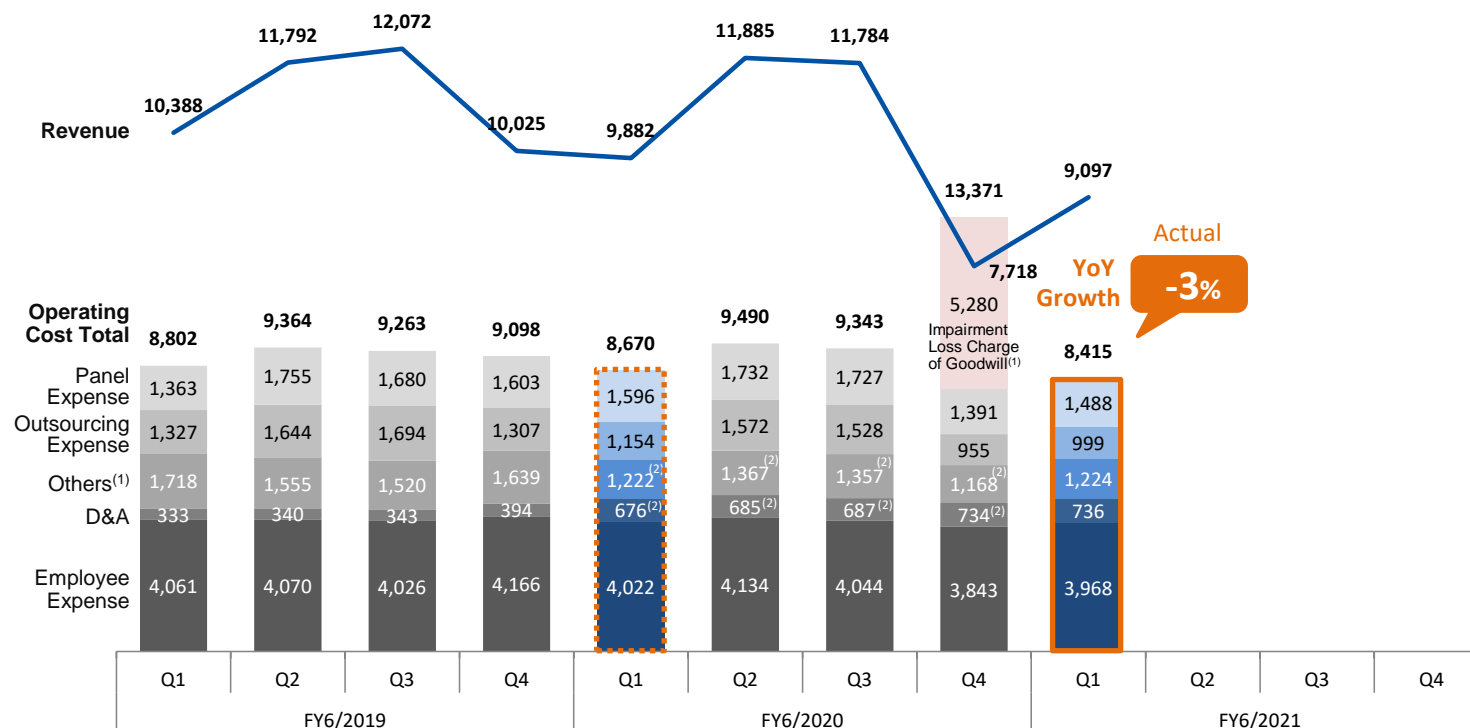
Consolidated (IFRS)
(JPY in Millions)



Quarterly Operating Cost Trends

Consolidated (IFRS)
(JPY in Millions)

YoY Growth	Total OP Cost:	-2%	+1%	+1%	+47%	-3%
	Others:	-29% ⁽²⁾	-12% ⁽²⁾	-11% ⁽²⁾	-29% ⁽²⁾	+0%
	D&A:	+103% ⁽²⁾	+102% ⁽²⁾	+100% ⁽²⁾	+86% ⁽²⁾	+9%
	Employee Exp.:	-1%	+2%	+0%	-8%	-1%



Notes

- Others includes Other Operating Income, Other Operating Expenses, and Share of the Profit on Investments Accounted for Using the Equity Method in addition to Other in Operating Expenses. For FY6/2020 Q4, the impairment Loss Charge of Goodwill is illustrated in the figure separately
- MACROMILL, INC. and its consolidated subsidiaries implemented IFRS 16 Leases at the beginning of Q1 of FY6/2020. Under the former standard, IAS 17, lease payments for operating leases used to be expensed as rent, but under IFRS 16, the lessee recognizes the depreciation of right-of-use assets and interest costs for lease liabilities. As a result, with the adoption of IFRS 16, rents decrease while the depreciation of right-of-use assets increases, so EBITDA will rise. The effects of the implementation of IFRS 16 were negligible on each line of our consolidated statements of operations, namely revenue, operating profit, profit before tax and profit for the period.

Quarterly Headcount Trends

Managed headcount based on the current business environment

Q1 Headcount⁽¹⁾ (As of the end of the Quarter) Quarterly Headcount⁽¹⁾ Trends – By Segment

Consolidated
(Person)

Consolidated
(Person)

YoY Variance Total:

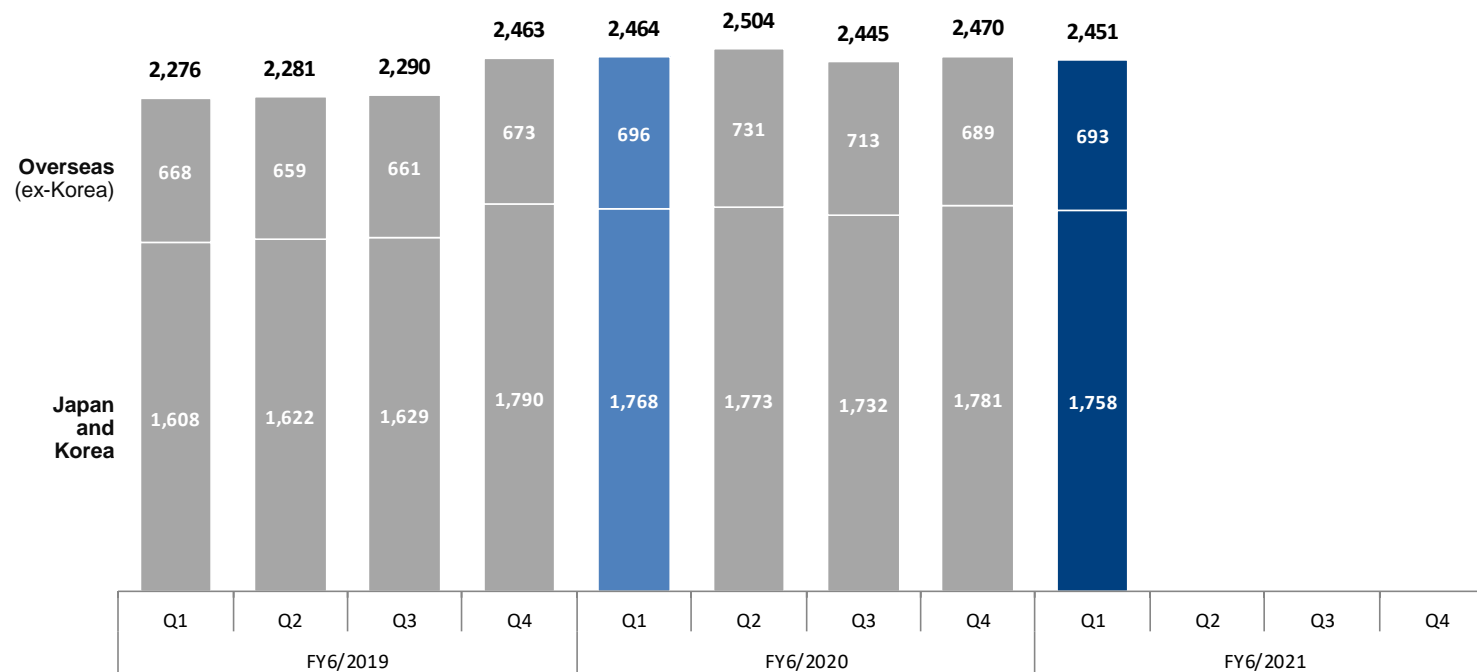
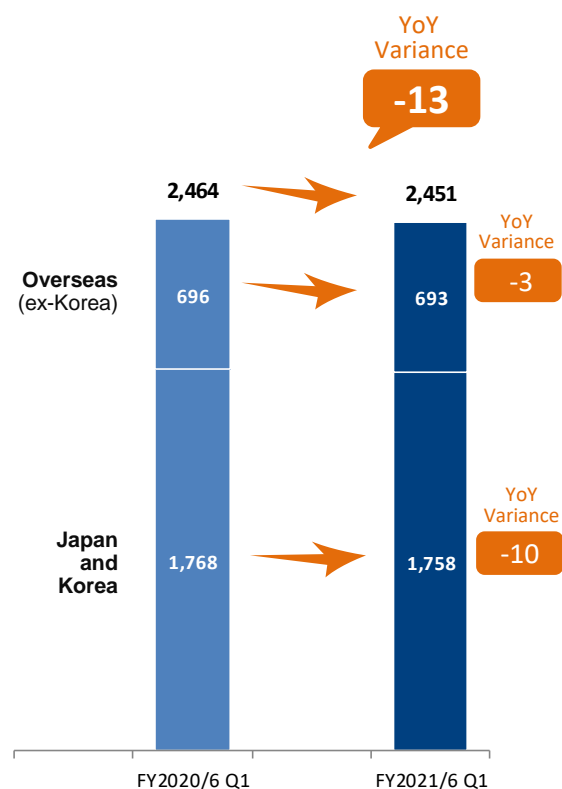
+188 **+223** **+155** **+7** **-13**

Overseas:

+28 **+72** **+52** **+16** **-3**

Japan&Korea:

+160 **+151** **+103** **-9** **-10**



Note

1. Headcount figures are not including temporary employees

Consolidated Statements of Financial Position (B/S)

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Summary of Consolidated Statements of Financial Position

(JPY in Millions)	IFRS		
	FY6/2020 (6/30/2020)	FY6/2021 Q1 (9/30/2020)	Variance
Total Assets	77,150	74,872	(2,278)
Cash and Cash Equivalents	13,310	9,951	(3,359)
Trade and Other Receivables	7,524	8,687	1,162
Property, Plant and Equipment	4,114	3,586	(528)
Goodwill	41,541	41,563	22
Japan and Korea Business Segment	39,137	39,138	0
Overseas (ex-Korea) Business Segment	2,403	2,424	22
Other Intangible Assets	7,241	7,149	(91)
Other Assets	3,418	3,934	516
Total Liabilities	46,414	44,626	(1,787)
Borrowings and Bonds	34,385	33,639	(745)
Trade and Other Payables	3,066	2,997	(69)
Other Liabilities	8,962	7,990	(971)
Total Equity	30,736	30,245	(490)

FY6/2021 Q1 B/S Commentary

- Working capital :
 - Accounts Receivable turnover 86.0 days
 - Accounts Payable and Provision for panel points turnover 47.0 days
- Goodwill :
 - The variance is due from FX valuation
- Financing cost (excluding lease liabilities):
 - Q1 average interest rate 0.87% (FY6/2020 Q1 0.87%)
 - ◆ Borrowings 1.23%
 - ◆ Bonds 0.50%
 - Credit rating (from R&I): BBB+ (Outlook: Stable) - Maintained
- Leverage related (LTM base):
 - Net Debt/EBITDA: 3.18x (FY6/2020 2.76x)
 - ◆ Net Debt: 25,985 million yen
 - ◆ LTM EBITDA: 8,183 million yen
 - Interest Coverage Ratio:
-0.31x (FY6/2020 19.43x)
(13.5x when excluding the impairment loss on goodwill recognized in the previous fiscal year)
- Capital efficiency related (LTM base) :
 - ROE: -9.1% (down 25.7pt YoY)
(8.5% when excluding the impairment loss on goodwill recognized in the previous fiscal year, down 8.1pt YoY)

Historical Goodwill Trends by Segment

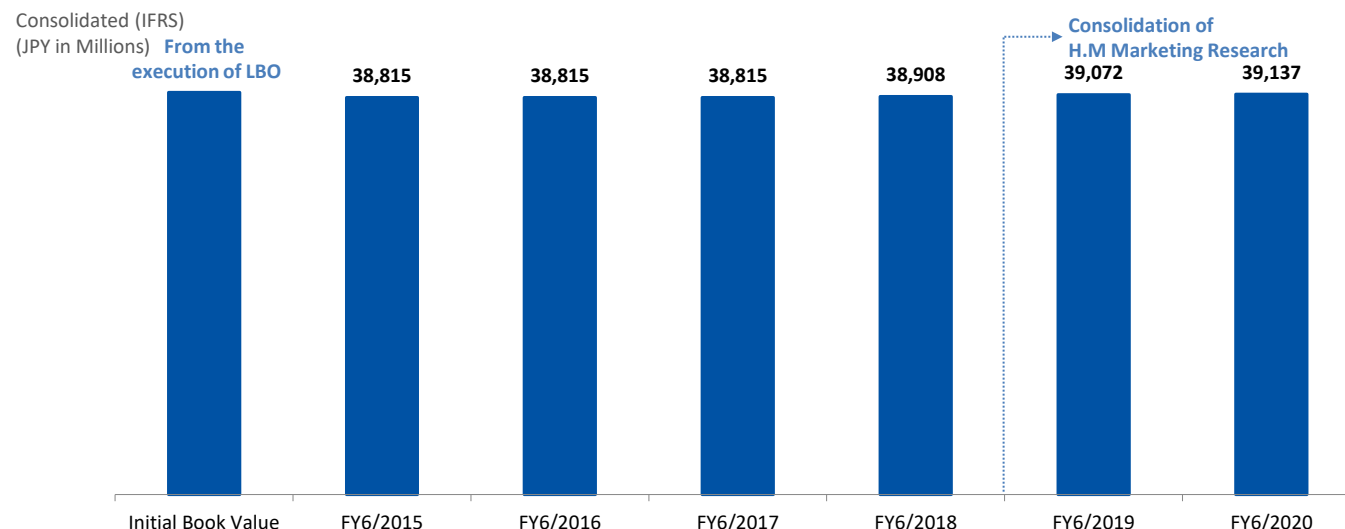
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Recognized impairment loss of goodwill in the Overseas (ex-Korea) Business Segment in FY6/2020 Q4

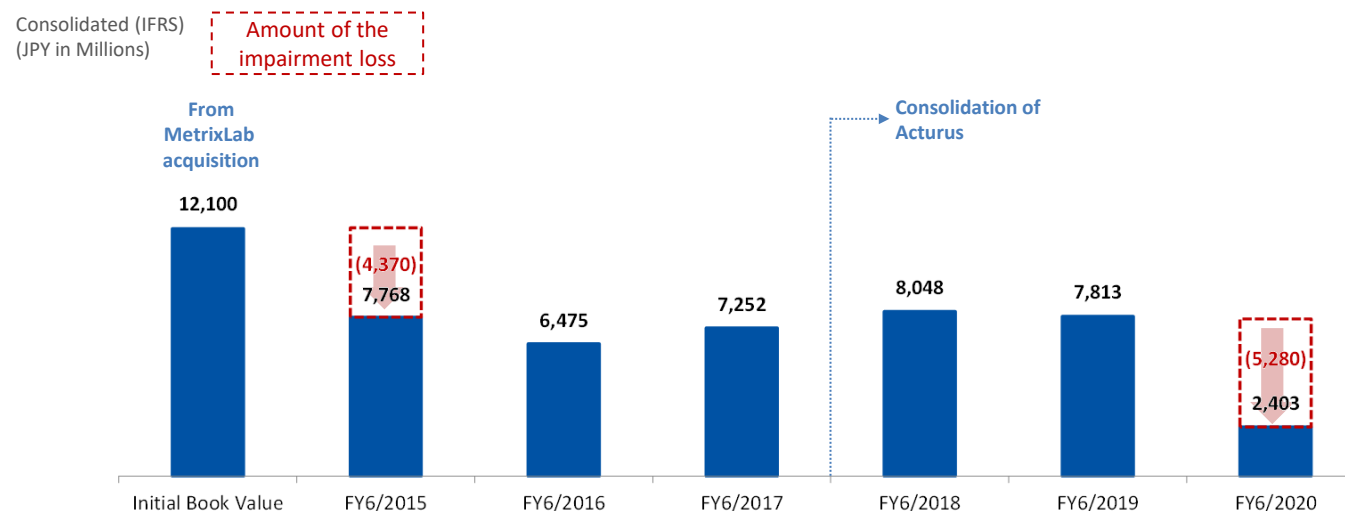
Given the size of loss of goodwill, the risk of additional impairment is minimal

Japan and Korea Business Segment - Historical trends of the goodwill amount



	FY6/2019	FY6/2020
Composition Ratio (in Consolidated Total Amount)	83%	94%
Allowance for recognizing impairment loss (Trigger threshold vs. Est.Future CF)	-68.0%	-41.8%

Overseas (ex-Korea) Business Segment - Historical trends of the goodwill amount



	FY6/2019	FY6/2020
Composition Ratio (in Consolidated Total Amount)	17%	6%
Allowance for recognizing impairment loss (Trigger threshold vs. Est.Future CF)	-32.2%	n/a

Consolidated Statements of Cash Flows (C/F)

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Summary of Consolidated Statements of Cash Flows

(JPY in Millions)	IFRS	
	3 Months	
	FY6/2020 Q1YTD	FY6/2021 Q1YTD
Cash Flows from Operating Activities	(82)	(1,320)
Profit (Loss) before Tax	1,102	560
Depreciation and Amortization	676	736
Finance Income and Costs	110	122
Change in Working Capital ⁽¹⁾	(790)	(979)
Others ⁽²⁾	(393)	(1,149)
Sub Total	704	(708)
Interest and Dividends Received	1	3
Interest Paid	(88)	(94)
Income Taxes Paid	(699)	(519)
Cash Flows from Investing Activities	(644)	(402)
Capex ⁽³⁾	(685)	(400)
Others ⁽²⁾	41	(2)
Free Cash Flows ⁽⁴⁾	(637)	(1,628)
Cash Flows from Financing Activities	(1,368)	(1,682)
Proceeds from Borrowings and Bonds ⁽⁵⁾	-	50
Repayment of Borrowings ⁽⁵⁾	(825)	(826)
Repayment of Lease Liabilities	(326)	(326)
Proceeds from Issue of Shares	138	-
Others ⁽²⁾	(354)	(579)

Notes

- The sum of Decrease (Increase) in Trade and Other Receivables and Increase (Decrease) in Trade and Other Payables
- Others in Cash Flows from Operating Activities are the sum of Share of the Profit or Loss on Investments Accounted for using the Equity Method and Other. Others in Cash Flows from Investing Activities are the sum of Proceeds from the sale of property, plant and equipment, Proceeds from Sale of Investments and Other. Others in Cash Flows from Financing Activities are the sum of Dividends paid, Dividends Paid to Non-controlling Interests and Other.
- The sum of Purchase of Property, Plant and Equipment and Purchase of Intangible Assets
- Free cash flow = Cash flows from operating activities \pm cash flows from investing activities - interest paid
- The sum of Long-term Borrowings and Short-term Borrowings

FY6/2021 Q1 C/F Commentary

- Cash flows from operating activities -1,320 (significant increase YoY)
 - Decrease in income before tax 541
 - Decrease due to an increase in accounts receivable in line with higher sales 188 (Others)
 - Increase in prepaid expenses 124
 - Increase in cash outflows from settlement of the forward exchange contract due to the depreciation of JPY against EUR 482
- Cash flows from investing activities -402 (down 38% YoY)
 - Decrease in capex such as IT investments 284
- Free cash flows -1,628 (down 991 million yen YoY)
- Cash flows from financing activities -1,682 (up 23% YoY)
 - Decrease in proceeds from the issuance of new shares due to the lack of exercise of stock options 138 (Others)
 - Increase in dividends paid to non-controlling interest in FY6/2021 Q1 142
- Increase in cash and cash equivalents 1,987

	IFRS	
	3 Months	
	FY6/2020 Q1YTD	FY6/2021 Q1YTD
Increase/(decrease) in Cash Equivalents	(2,094)	(3,406)
Cash and Cash Equivalents at the beginning of the period	10,102	13,310
Effect of Exchange Rate Changes on Cash and Cash Equivalents	(44)	47
Cash and Cash Equivalents at the end of the period	7,963	9,951

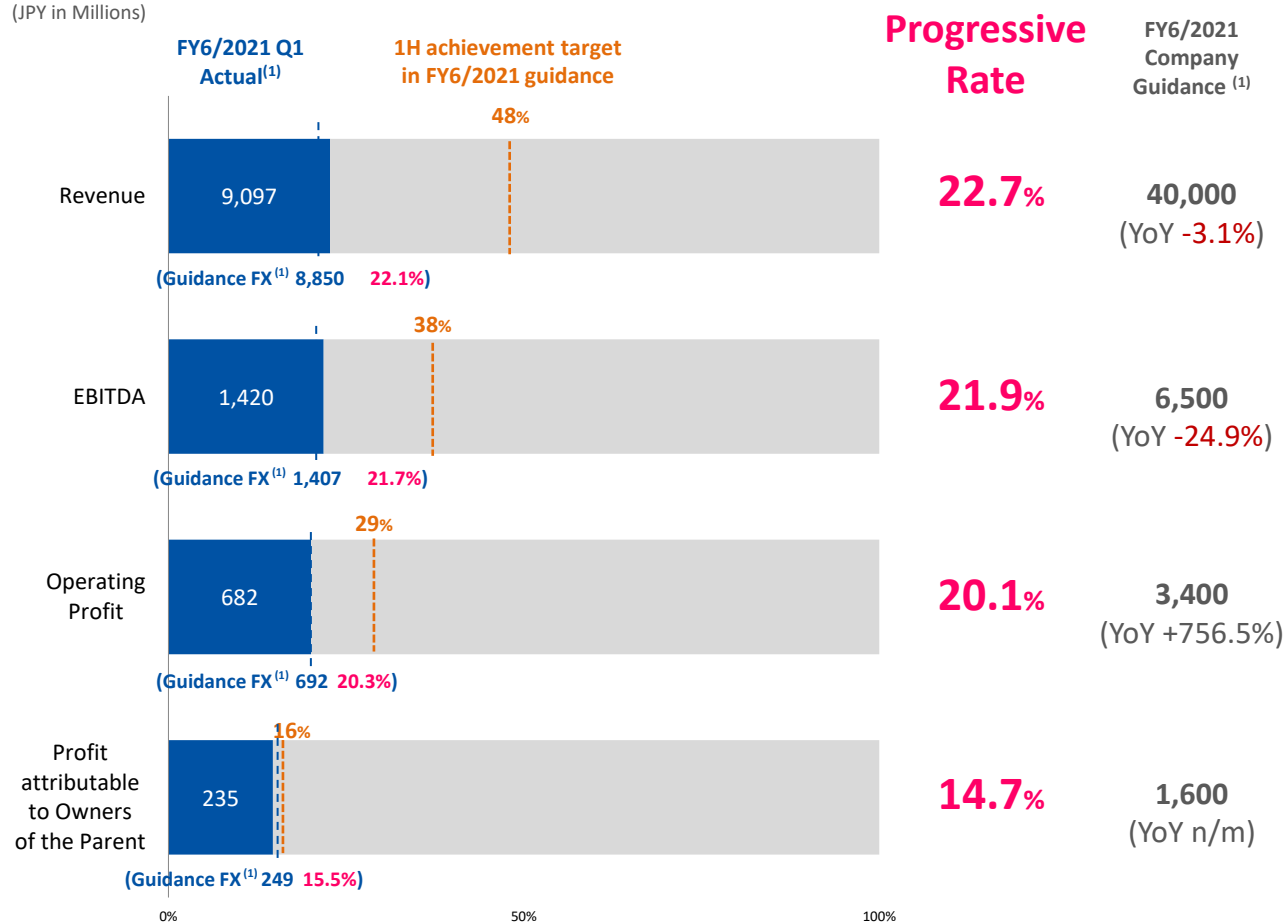
FY6/2021 Q1 Results: % of Achievement vs. Guidance

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Q1 progress was mostly in-line with the Guidance

FY6/2021 Q1 Actual Results vs. FY6/2021 Company Guidance

Consolidated (IFRS)
(JPY in Millions)



■ Revenue “In-line with expectation”

- Q1 has been a solid start in both Segments
- Overseas (ex-Korea) Business Segment significantly declined YoY, but it is in-line with the guidance

■ EBITDA/Operating Profit/ Profit Attributable to Owners of the Parent: “In-line with expectation”

- In addition to Revenue, Cost was in-line with expectation
- Attainment in Profit Attributable to Owners of the Parent appears slow but this is in line with expectation. We expect higher revenue in 2H and assume that the majority of the full year Net Income will be generated in 2H

■ FX: “Slightly tailwind”

- JPY is weaker against Euro than expected in Q1
- No material difference in KRW from the guidance rate

Note

1. Financials for FY6/2021 Q1 (Actual) are presented by using the period-average of 1Euro = JPY 124.08 and 1KRW = JPY 0.0893. Company guidance for FY6/2021 are based on FX rate of 1Euro = JPY 120.00 and 1KRW = JPY 0.0900.

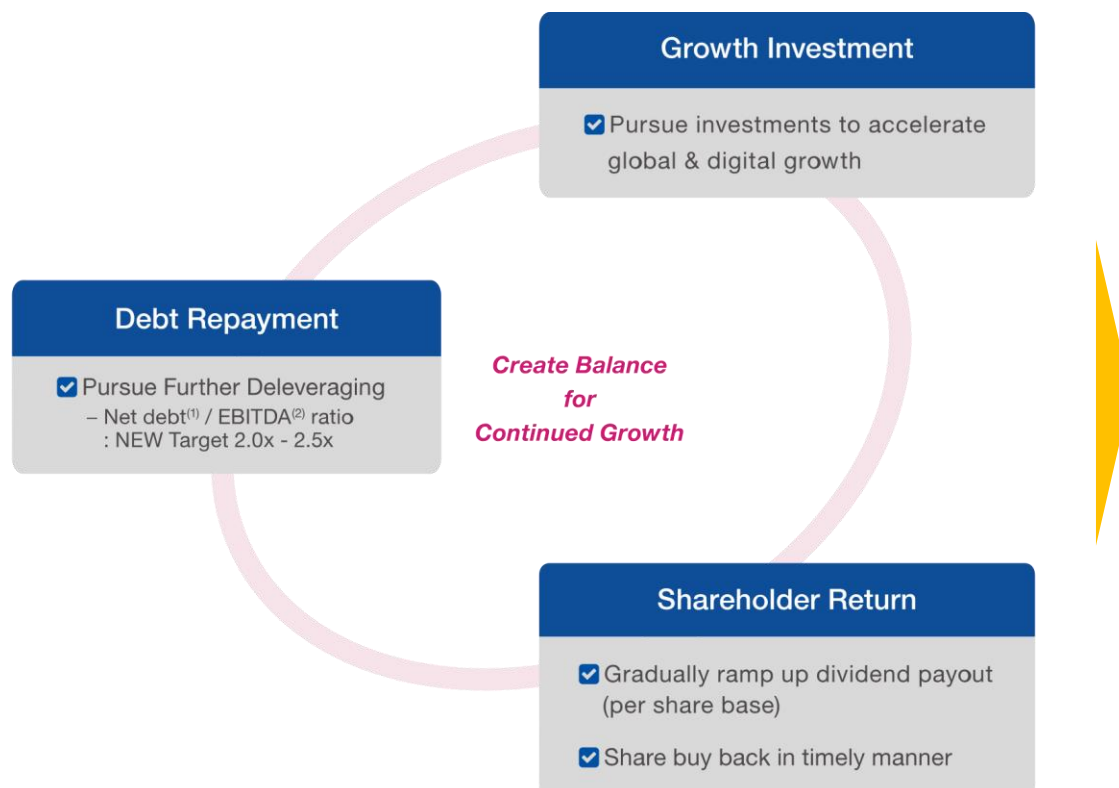
Capital Allocation

Protecting the health and safety of our clients, panels and employees along with maintaining research delivery remains our top priorities

We commit to our debt service, as well as our communicated capital investment plans

Our liquidity position is strong

Capital Allocation Priorities



Immediate priorities under Covid-19

■ No.1: Growth / Maintenance Investment

- Execute the minimum required investment as planned
- Investments other than the above will be suspended and will be carried out only as necessary while monitoring the situation

■ No.2: Debt Repayment

- Repay existing loans as expected
- Prepare contingency financing arrangements
- Start preparing refinance of Strait Bond (3Y, JPY 5.0bn) mature in July 2021

■ No.3: Shareholder Return

- As the Covid-19 pandemic expands, suspend the dividend payment growth in FY6/2021 and maintain the same dividend per share payment as the FY6/2020 (FY6/2020 JPY 11.0 / Share → FY6/2021 JPY 11.0 / Share)
- Consider share buyback post Covid-19 recovery

Japan and Korea Business Segment Update

FY6/2021 Q1: Segment Performance Summary

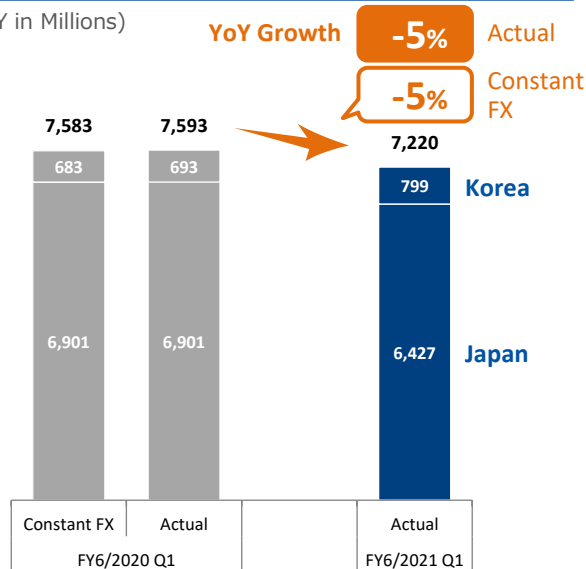


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Compared to the last quarter (FY6/20 Q4), Revenue growth improved and segment profit turned positive

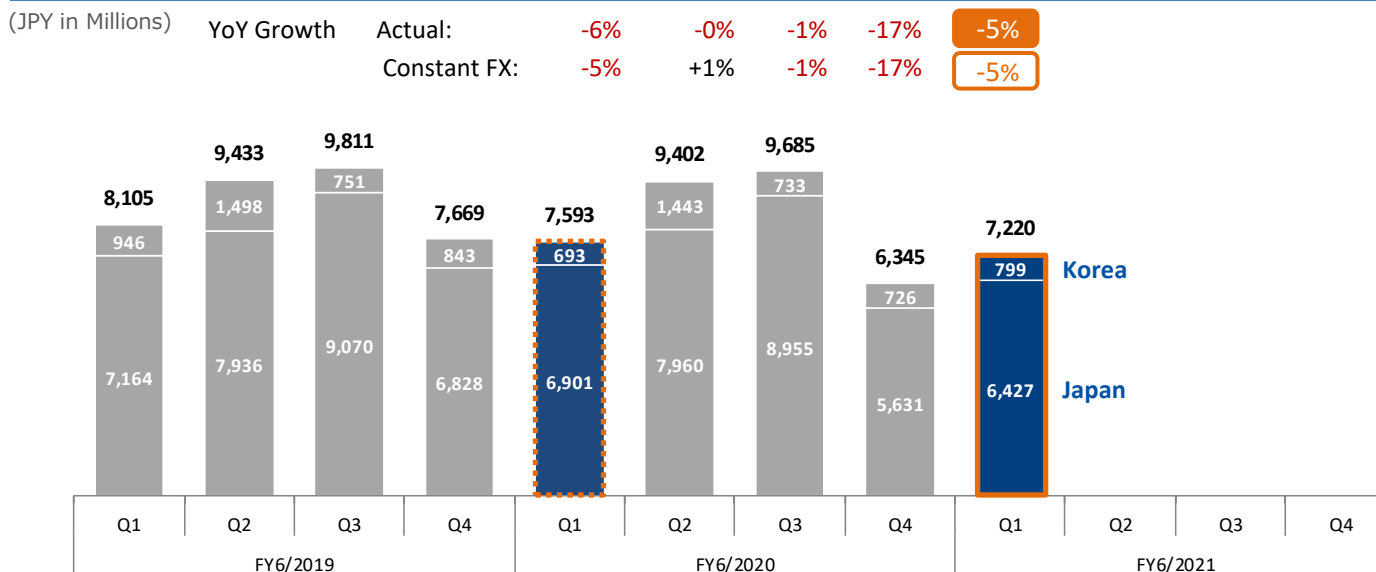
Q1 YTD Segment Revenue (3 Months)

(JPY in Millions)



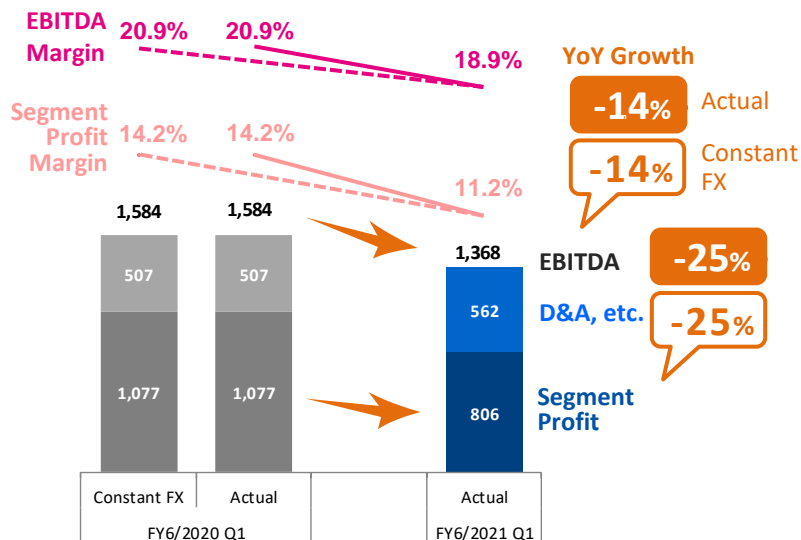
Quarterly Segment Revenue Trends

(JPY in Millions)



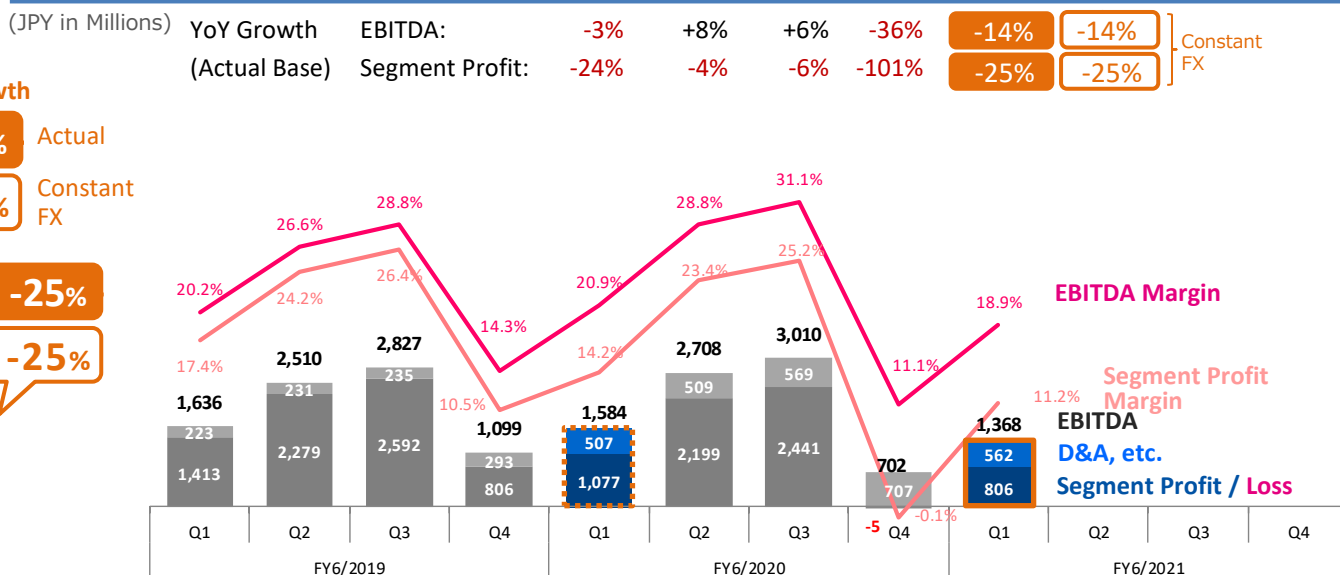
Q1 YTD Segment EBITDA and Profit (3 Months)

(JPY in Millions)



Quarterly Segment EBITDA and Profit Trends

(JPY in Millions)



FY6/2021 Q1: Japan Business - Summary

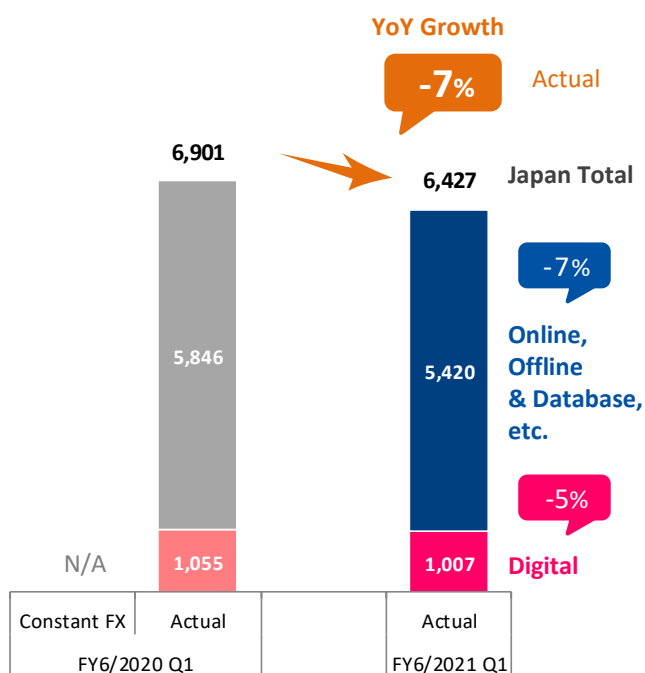


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The Covid-19 impact remained and continued to underperform YOY in Revenue
However, it improved compared to the last quarter (FY6/2020 Q4)

Q1 YTD Japan Revenue (3 Months)

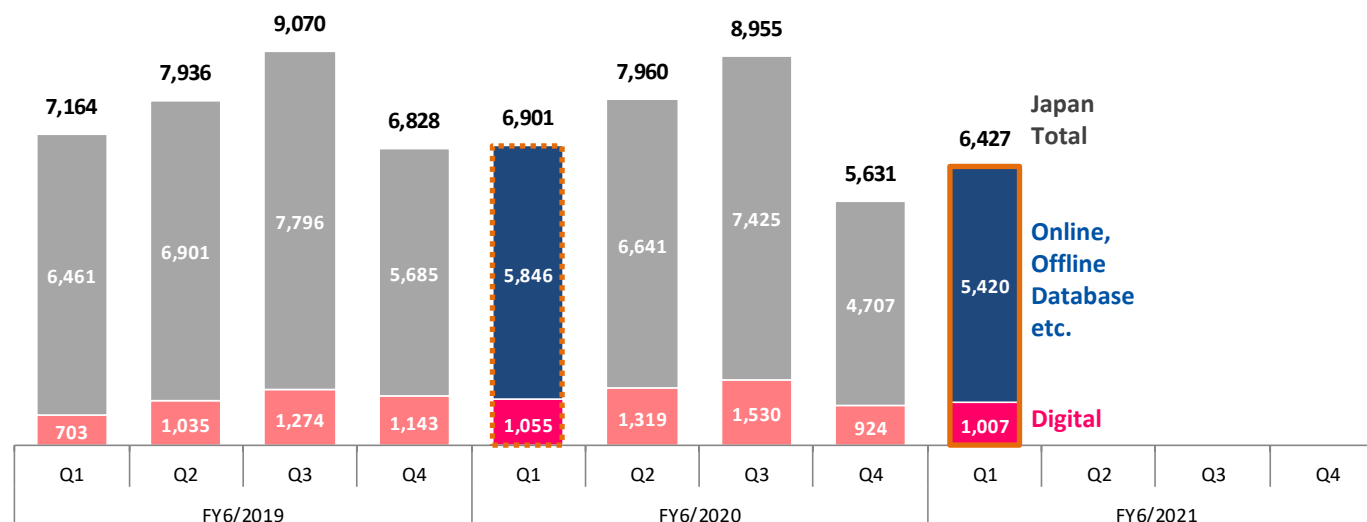
(JPY in Millions)



Quarterly Japan Revenue Trends

(JPY in Millions) YoY Growth

Japan Total:	-4%	+0%	-1%	-18%	-7%
Non-Digital:	-10%	-4%	-5%	-17%	-7%
Digital:	+50%	+27%	+20%	-19%	-5%



Our Growth Driver: “Digital” Revenue

- Vast majority of our “Digital” Revenue in Japan comes from 2 solution sets, “AccessMill” and “DMP Solution”. Brief summary of each solution below:

“AccessMill”

- A research service that provides targeted research based on actual log data from online advertisement exposures or a specific website visitor based on the log data of Macromill panels who share cookie information or mobile ad ID.

“DMP Solution”

- Support for building Data Management Platform (DMP), link data with DMP by providing demographic information, conducting surveys, and other information on Macromill panels synchronized with customer IDs in a corporate DMP or users in an advertising agency DMP.



By responding to structural change in client demand with the right action plan, Revenue recovered in Online and Digital in particular

Structural change

1

Remote work became “new normal” in clients

2

Further shift of research to online

3

New research demand to study Covid-19 impact

4

Further Digital Transformation (DX) in clients’ marketing activity

Mainly Expanding Online Research (with partial switch from offline to online)

Expanding Digital Research

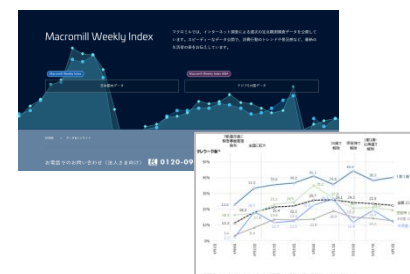
- Online Research does not need physical attendance and can be executed under remote working conditions
- Aggressively pursuing the merit of remote work
 - Conducting client seminars online (Webinar) and reaching unlimited # of participants (e.g. over 800 participants)



- Conducting interviews online that would normally be carried out offline:
 - “Online In-Depth Interview (ODI)”
 - “Live Survey” (Online chat-style research substitutes a group interview)



- Deal with expanding clients’ demands leveraging the strength in speed and convenience of online research and with digital advantage including the actual behavioral data that can be analyzed
- Conducting Covid-19 periodical research and publishing it as Weekly Index to encourage clients for further research



- Supporting clients' Digital Transformation(DX) in their marketing activities:
 - Expanding Digital solution service portfolio
 - In addition, strengthening clients’ data value by synchronizing and complementing our proprietary panel data to our clients' data



Macromill Initiatives



Re-affirm our goals and objectives in the mid-term business plan - even with the impact from Covid-19

Continue the initiatives to work with our clients on "marketing issues" beyond research needs and the activities aiming to evolve into "Research" x "DATA" company

Co-work with our clients on their “Marketing Issues” beyond research needs

- Co-hosted a Webinar, which had been postponed due to the spread of Covid-19, with Hojosen, a member of Macromill Consortium (MC).

2nd Webinar with MC member company:



(Detail⁽¹⁾: <https://macromill.secure.force.com/seminar?id=70110000000uYsi>)

- After the 1st Co-hosted Webinar with a member of the Macromill Consortium (MC), Marketing Force, 17 projects are on-going with the participating companies



(Detail⁽¹⁾: <https://www.macromill.com/press/info/20200131.html>)

Initiatives aiming to evolve into "Research" x "DATA" company

- Agreed on a business alliance with Sumitomo Mitsui Card Co., Ltd., a Cashless transaction leading company in Japan to accelerate companies' strategic data utilization



(Detail: <https://ssl4.eir-parts.net/doc/3978/tdnet/1881718/00.pdf>)

- Supported a major Japanese FMCG company, Lion Corporation, with DMP development through our data utilization consulting service, MAG (Market data Analytics Guide)



(Detail⁽¹⁾: MarkeZine <https://markezone.jp/article/detail/34065>)

FY6/2021 Q1: Korea Business - Summary



21

Capturing the opportunity of the accelerated shift from Offline Research to Online Research, the Korea Business achieved double-digit Revenue growth

Q1 YTD Korea Revenue (3 Months)

(JPY in Millions)

YoY Growth

+15%

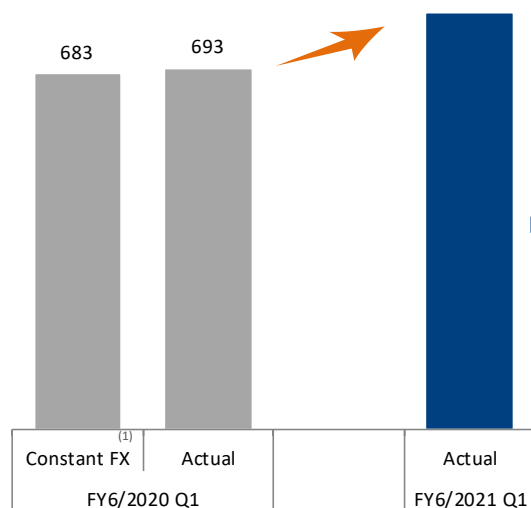
Actual

+17%

Constant FX⁽¹⁾

799

Korea



Quarterly Korea Revenue Trends

(JPY in Millions)

YoY Growth

Actual:

-27%

-4%

-2%

-14%

+15%

Constant FX⁽¹⁾:

-20%

+5%

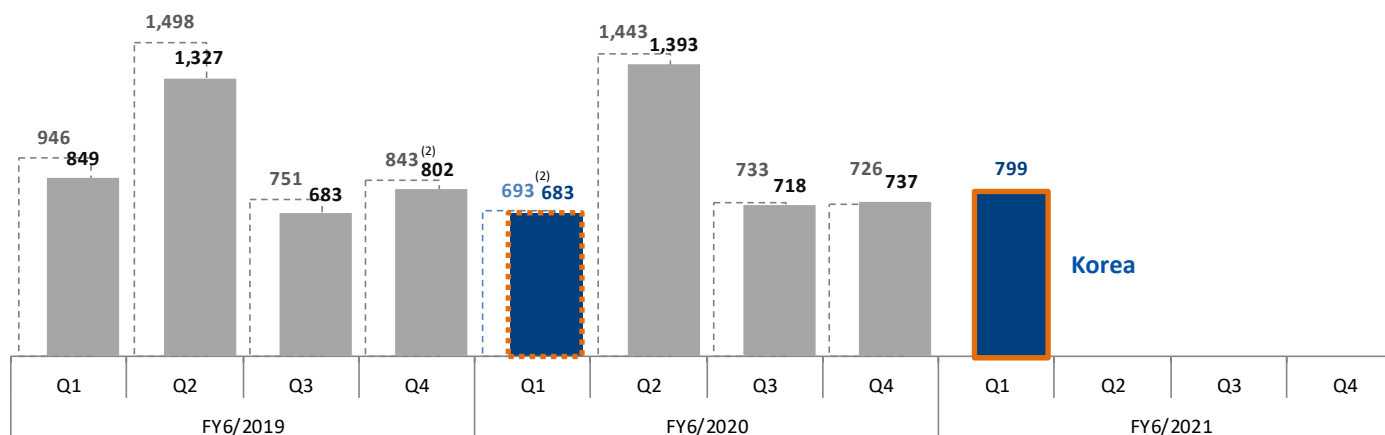
+5%

-8%

+17%

Actual

Constant FX⁽¹⁾



Q1 Korea Business Performance Commentary

- Achieved double-digit YoY Revenue growth while the market was negatively impacted due to Covid-19
- In particular, as the shift from offline research to online accelerates, we captured the business opportunity and grew by approximately 30% YoY
- Macromill Group is the only research company that owns a proprietary panel in Korea. We aim to further expand digital Revenue by leveraging the asset
- Digital will continue to be our growth driver this year with the expansion of new digital services centered around our panel data

Notes

1. Please refer to the common footnotes on p.2 for the calculation method of the Constant FX and its significance
2. The Macromill Group's business entity in Korea, Macromill Embrain shifted a part of the Revenue, from which Macromill Group has recorded in FY6/2019 Q4 at the consolidated level, to FY6/2020 Q1 as a result of the discussion for the listing on the KOSDAQ market of Korea Exchange in July 2020 with an auditory corporation. As a result, please be aware that the Group consolidated financial disclosure and Embrain's financial disclosure has some misalignment of timing between the concerned quarters.

Overseas (ex-Korea) Business Segment Update

FY6/2021 Q1: Segment Performance Summary



23

Compared to the last quarter (FY6/2020 Q4), the YoY Revenue growth improved and EBITDA turned positive
However, the level of recovery is uneven and Revenue still declined around 20% YoY

Q1 YTD Segment Revenue (3 Months)

(JPY in Millions)

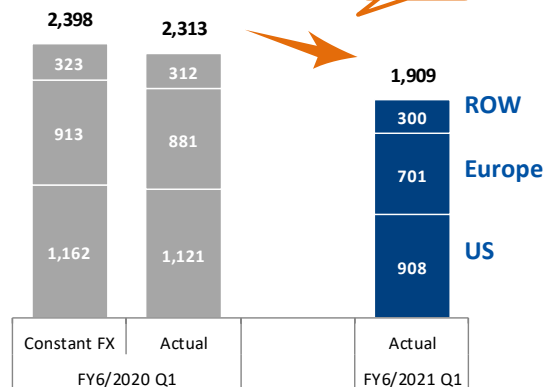
YoY Growth

-17%

Actual

-20%

Constant FX



Quarterly Segment Revenue Trends

(JPY in Millions)

YoY Growth

Actual:

+0%

+4%

-6%

-41%

-17%

Constant FX:

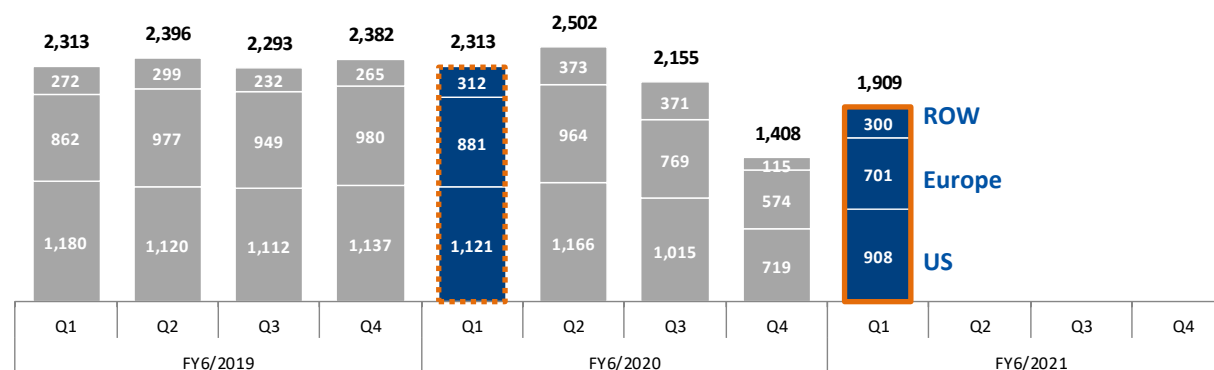
+8%

+12%

-2%

-38%

-20%



Q1 YTD Segment EBITDA and Profit (3 Months)

(JPY in Millions)

EBITDA Margin

Segment Profit Margin

YoY Growth

-83%

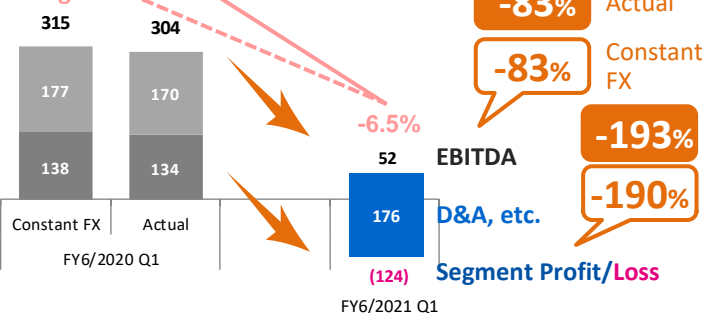
Actual

-83%

Constant FX

-193%

-190%



Quarterly Segment EBITDA and Profit Trends

(JPY in Millions)

YoY Growth

EBITDA:

+7%

+44%

-51%

-185%

-83%

-83%

Constant FX

(Actual Base)

Segment Profit:

-22%

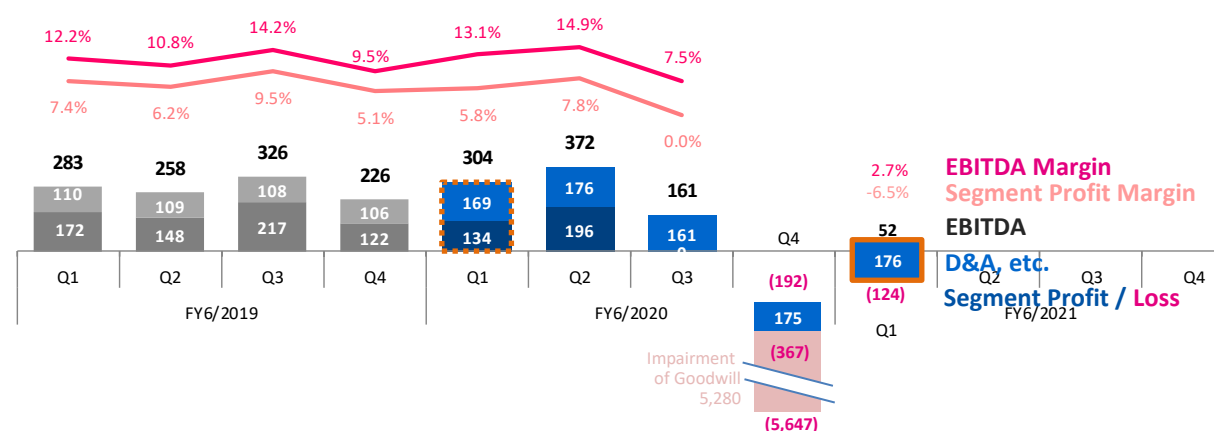
+32%

-100%

n/m

-193%

-190%



FY6/2021 Q1: US Business - Summary



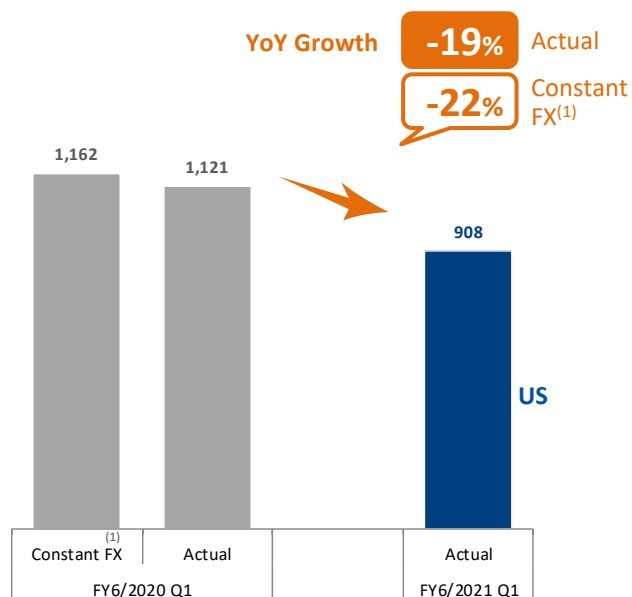
24

Experienced partial recovery for some clients, and the level of Revenue decline improved from the last quarter (FY6/2020 Q4)

However, Revenue for the overall US business declined by 20% compared to last year (FY6/2020 Q1)

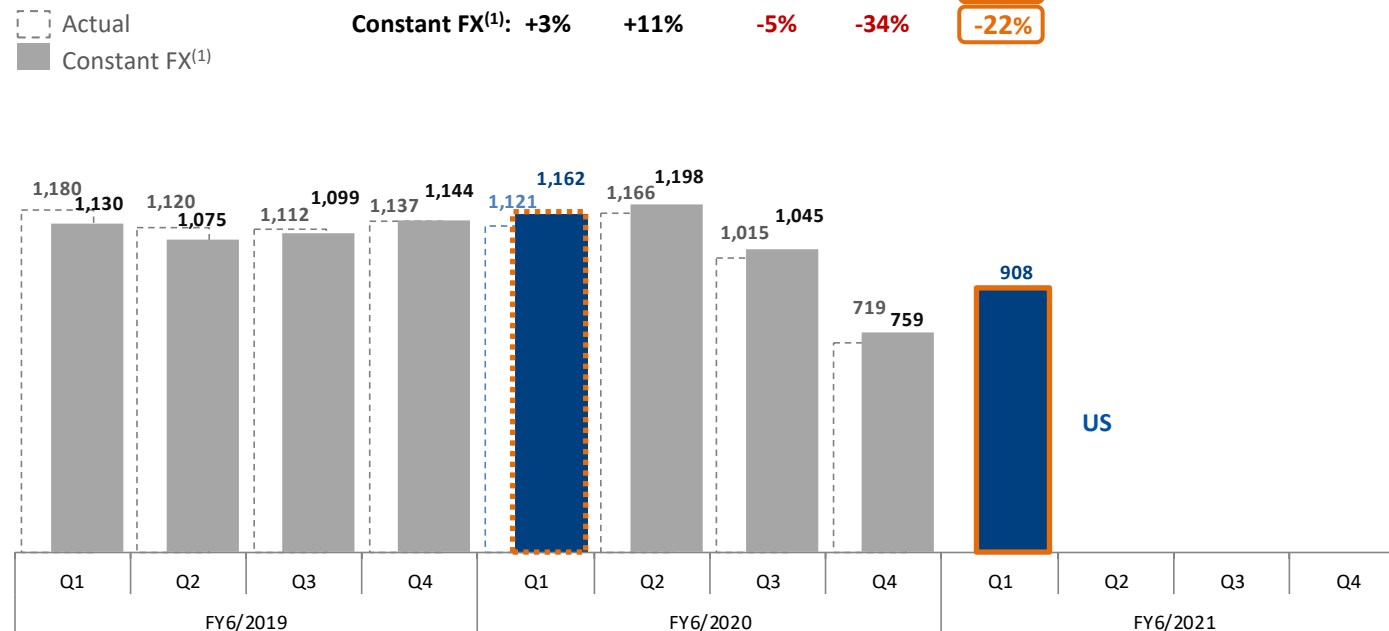
Q1 YTD US Revenue (3 Months)

(JPY in Millions)



Quarterly US Revenue Trends

(JPY in Millions) YoY Growth Actual: -5% +4% -9% -37% -19%
Constant FX⁽¹⁾: +3% +11% -5% -34% -22%



Q1 US Business Performance Commentary

- Although the impact of Covid-19 remains, some clients (mainly Global Key Accounts (GKA)), have exceeded the YoY Revenue and achieved wallet share expansion
- Some clients in the Electronics, Food, and FMCG industries have seen a strong growth trend as mentioned above, but challenging conditions in the Alcohol industry continue

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

FY6/2021 Q1: Europe Business - Summary



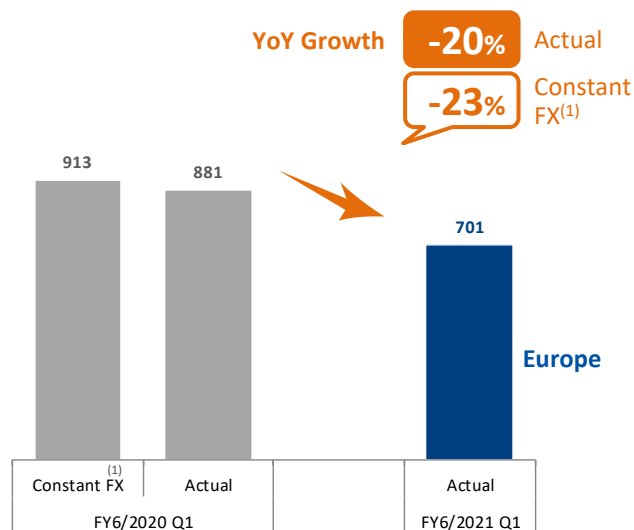
25

Similar to the US business, we experienced partial recovery for some clients, and the level of Revenue decline improved from the last quarter (FY6/2020 Q4)

However, Revenue for the overall Europe business declined by 20% compared to last year (FY6/2020 Q1)

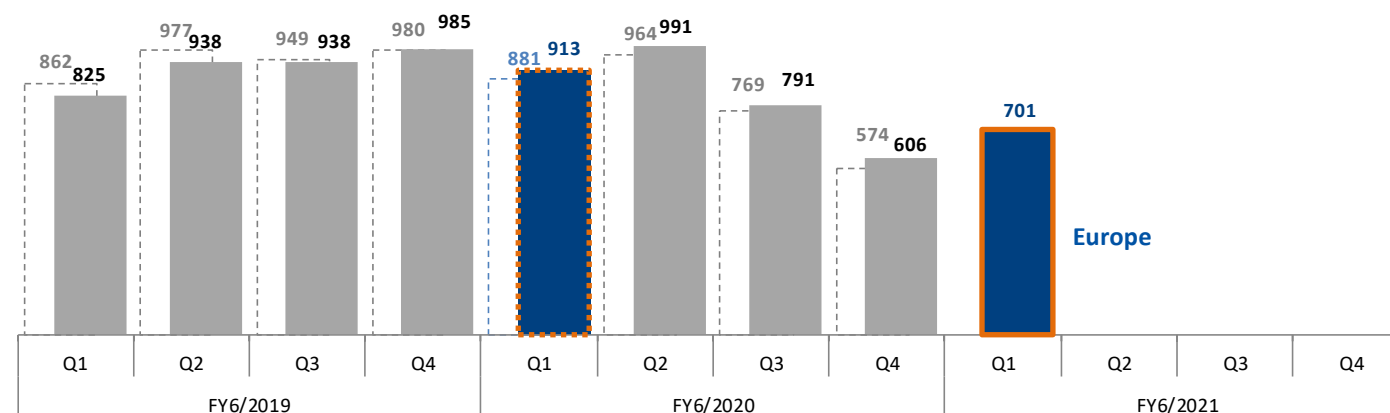
Q1 YTD Europe Revenue (3 Months)

(JPY in Millions)



Quarterly Europe Revenue Trends

(JPY in Millions)	YoY Growth	Actual:	+2%	-1%	-19%	-41%	-20%
		Constant FX ⁽¹⁾ :	+11%	+6%	-16%	-39%	-23%



Q1 Europe Business Performance Commentary

- The UK, Netherlands, and France (the markets with significant share of our business in Europe) continue to see a material decrease in Revenue, partially offset by Revenue increase in Switzerland, Spain, and Italy
- Similar to the US, Revenue and wallet share of Global Key Accounts (GKA) improved
- The Alcohol, Entertainment, and Travel industries are still challenging, but Food and FMCG industries have recovered
- New account development in the OTC Healthcare industry is making relatively good progress and we are pitching for a large global competition

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

FY6/2021 Q1: ROW⁽¹⁾ Business - Summary

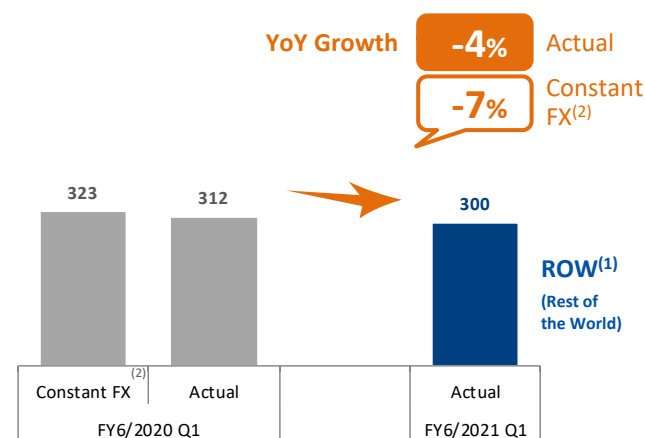


26

In the last quarter (FY6/2020 Q4), Revenue fell significantly, but Revenue recovered to a single-digit decline in Q1

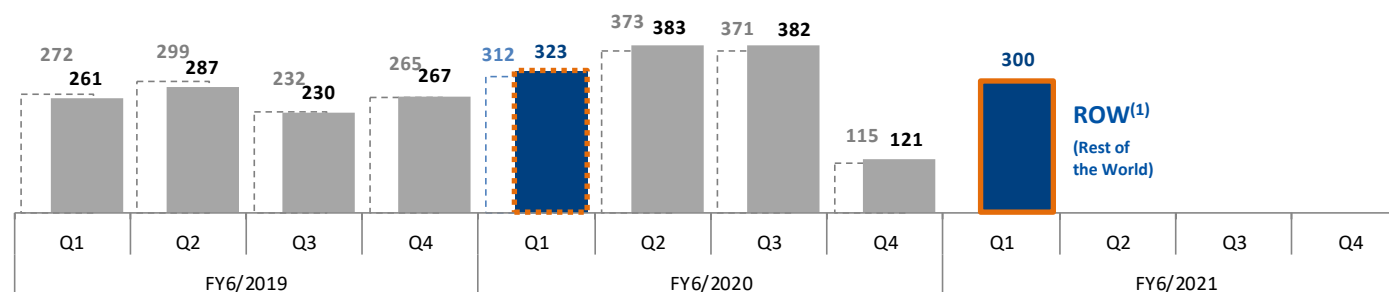
Q1 YTD ROW Revenue (3 Months)

(JPY in Millions)



Quarterly ROW Revenue Trends

(JPY in Millions)	YoY Growth Actual:	+15%	+25%	+60%	-57%	-4%
	Constant FX ⁽²⁾ :	+24%	+33%	+66%	-55%	-7%



Q1 ROW Business Performance Commentary

- Revenue increased YoY in China, Mexico and India
- Singapore, which resulted in a large decline in Revenue in the last quarter (FY6/2020 Q4) also returned to the recovery trend
- Electronics, Food, and OTC Healthcare clients are in a good condition and cross-region global projects in the FMCG industry are seeing a positive trend

Notes

- ROW consists of subsidiaries in Latin America, Middle East and Asian sales territories, excluding Japan and Korea
- Please refer to the common footnotes on p.2 for the calculation method of the Constant FX and its significance

Evolution to the company of
“Research” × “DATA”

Innovative
Insights
for All

MACROMILL
a Macromill Group company



DATA & INSIGHTS

Macromill discloses approaches and methods to utilize diverse data and a point of view of thinking about the value of marketing research for our clients' better decision making. (Japanese Only)



☞ 【FREE】 Market research report: Market research report (Self-study report) conducted by Macromill, analysis report, and know-how book are available for free (Japanese Only)

Macromill Weekly Index

Macromill discloses a weekly fixed-point study data conducted through an internet survey. It delivers consumers' behavioral trends, economic trends, and more related to the latest consumers' real circumstances with timely data disclosure.



☞ Macromill Weekly Index, fixed-point survey data is referred to in "Documents for Cabinet Committee on Monthly Economic Report and Other Relative Issues" provided by the Cabinet Office. (Japanese Only)

Appendix

- i. [FY6/2021 Q1 Financial Results Supplemental Material](#)
- ii. [Market size, Historical Revenue Trends and our Mid-term Business Plan](#)
- iii. [Summary of our Company](#)

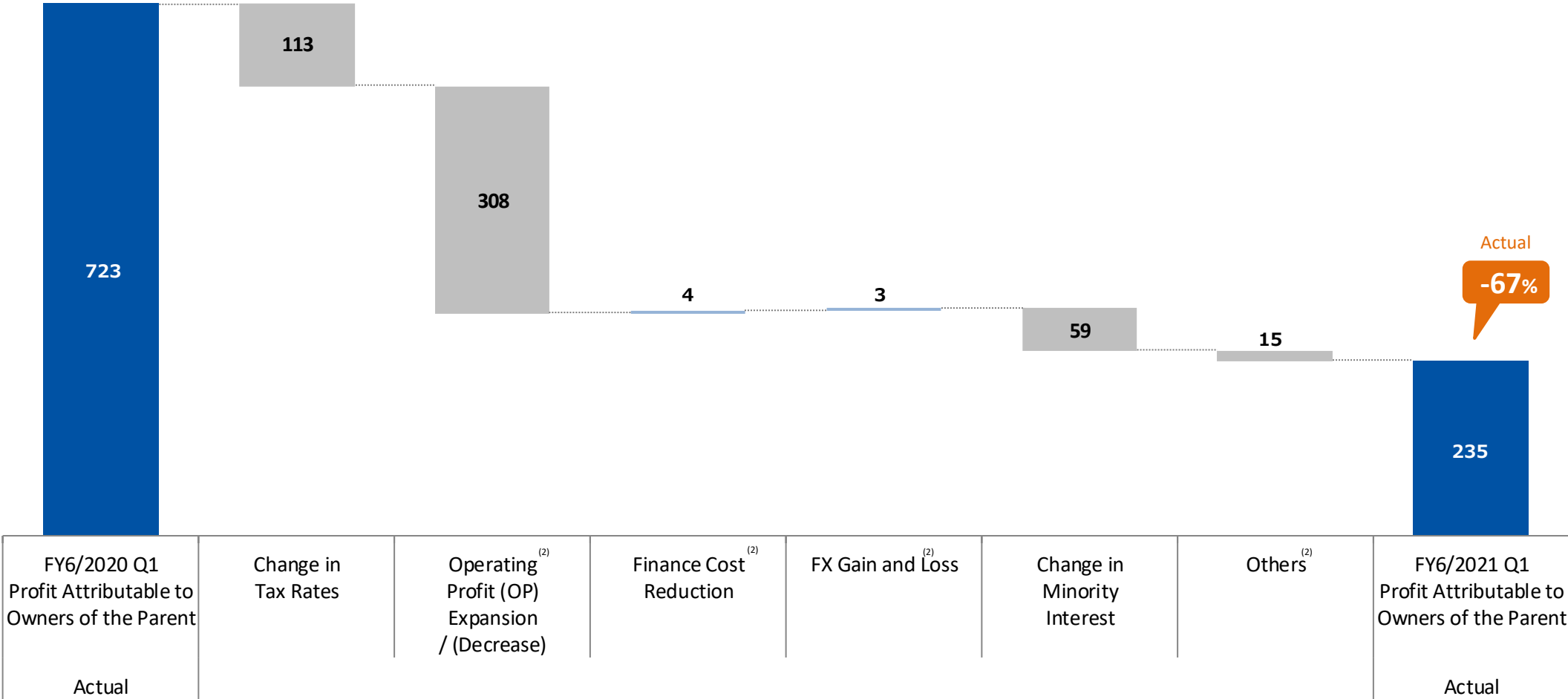
FY6/2021 Q1: Net Income⁽¹⁾ Waterfall Chart

Q1 Standalone

Net Income⁽¹⁾ decline is mainly due to decrease of Operating Profit

Profit Attributable to Owners of the Parent Waterfall Analysis⁽²⁾ – FY6/2020 Q1 vs. FY6/2021 Q1

Consolidated (IFRS)
(JPY in Millions)



Net Income⁽¹⁾ Margin
7.3%

Actual
2.6%

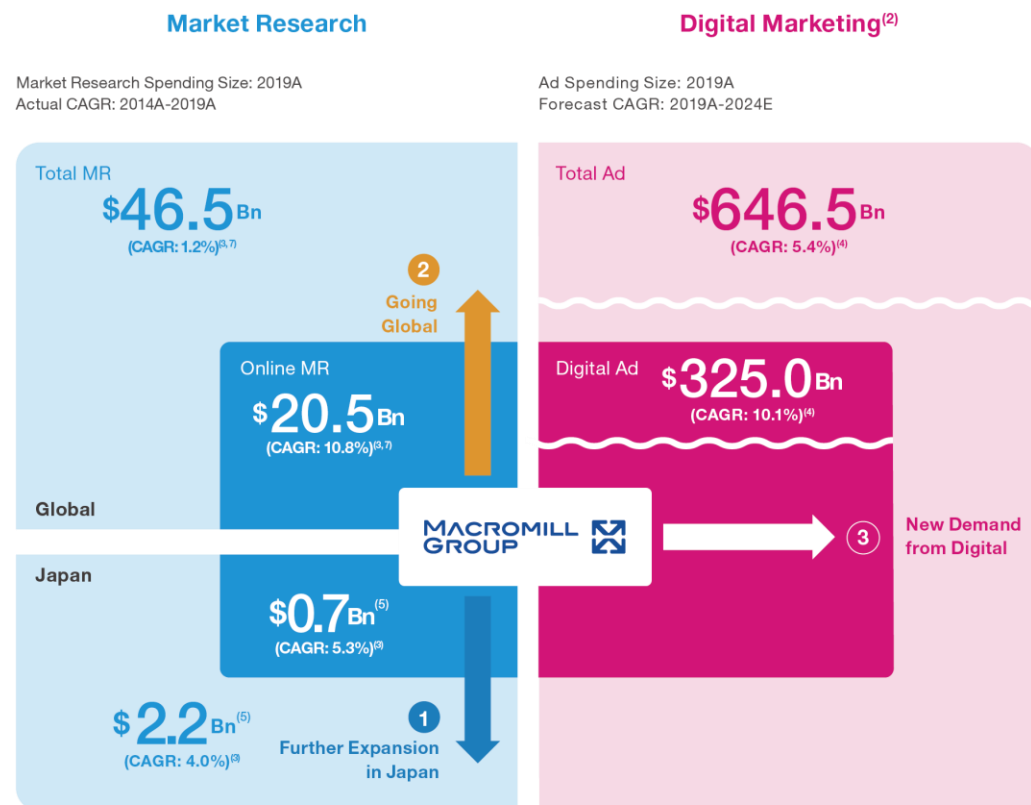
Notes
1. Profit Attributable to Owners of the Parent
2. Figures including Tax effect

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Big Market Opportunity and Our Mid-term Business Plan

Our Market Opportunity⁽¹⁾



Source

Global Market Research spending: ESOMAR - Global Market Research (9/2015, 9/2020)
 Japan Market Research spending: Japan Marketing Research Association (7/2015, 9/2020)
 Ad spending: eMarketer - Worldwide Ad Spending (9/2020)

Notes

- 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
- 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.
- Historical CAGR for 2014A-2019A
- Future estimate CAGR for 2019A-2024E
- Exchange rate: USD/JPY = 110
- Excluding New Business (such as M&A) Contribution
- Source: ESOMAR Global Market Research 2020, published in September 2020. Please note the size of global marketing research market of 2019 in the 2020 Report has three scenarios; Scenario 1: Approximately 1.6x larger market size YoY due to expansion of the market definition; Scenario 3: Approximately 1.9x larger market size YoY due to the same reason as the Scenario 1; We chose Scenario 2, the closest market size to the previous year to illustrate the chart in above.

Macromill Group Mid-term Business Plan

Market Position

We aspire to be “**Global Top 10**” and “**No.1 in Japan and No.1 in Asia**” by 2024

Revenue

Continue to **grow faster** than the market

Profit

Realize continuous **profit growth**
 Maintain cost growth⁽⁶⁾ below revenue growth
 – Utilize Technology & Innovation (AI, RPA etc.)

Leverage

Net Debt / EBITDA **2.0x - 2.5x**
 as a NEW target

Capital Allocation

Enhance **Shareholders' Return**

Stable Dividend Growth + **Share Buyback** (New Addition as an option)

Mid-term Business Plan achieved through...

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Clients	“Partner” Relationships rather than Transactional Relationships
Panel	Strengthen and Expand “Proprietary Panels” Maintain vertically integrated business model in Digital era
Data	“Aggregated / Integrated” DATA utilization as Consumer Touchpoints Explode
Technology	“Utilize Innovation and Technology (AI, RPA etc.)” in Advanced Analytics and New value addition to our products
MVV	Sustaining our commitment to the Mission, Vision, and Values - Support for clients decision making to realize SDGs

Historical Trends - Global Market vs. Our Revenue

- Global Marketing Research Market growth is led by Online Marketing Research Market growth
- Macromill Group's revenue growth exceeds overall market growth

Market Trends – Global Marketing Research Market

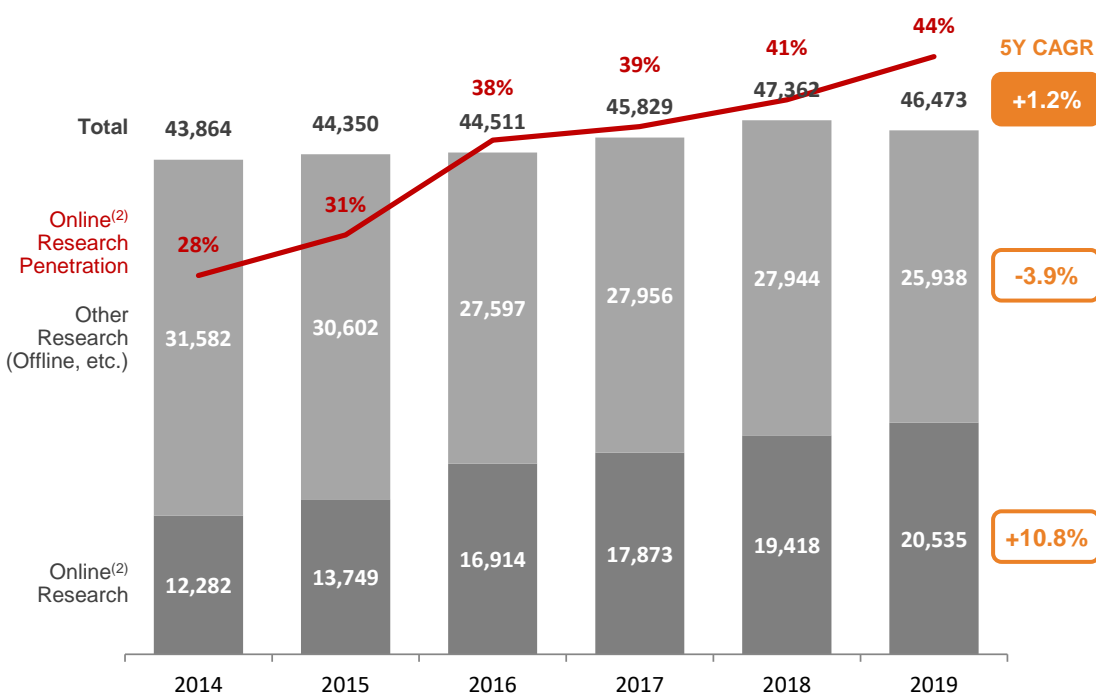
ESOMAR⁽¹⁾
(USD in Millions)

YoY Growth	Total:	+1%	+0%	+3%	+3%	-2%
	Other:	-3%	-10%	+1%	-0%	-7%
	Online:	+12%	+23%	+6%	+9%	+6%

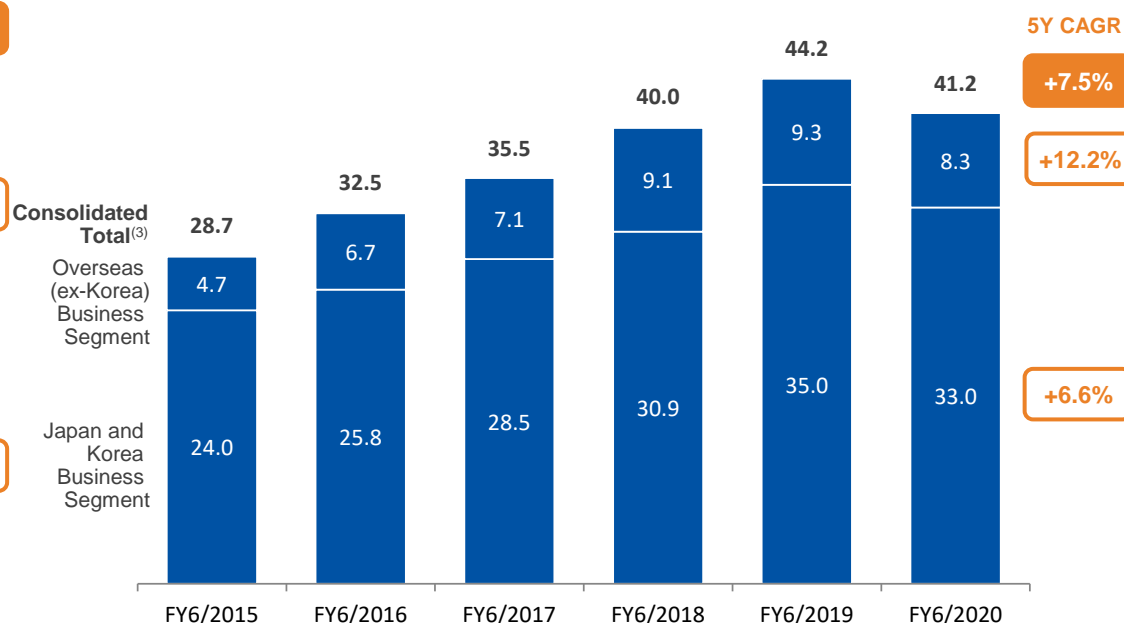
Revenue Trends – Macromill Consolidated Group All

Consolidated (IFRS)
(JPY in Billions)

YoY Growth	Consolidated	+13%	+9%	+13%	+11%	-7%
	Overseas	+44%	+5%	+29%	+2%	-11%
	Japan & Korea	+7%	+11%	+9%	+13%	-6%



MACROMILL GROUP



Notes

- Source: ESOMAR, Global Market Research (9/2020, 9/2019)
- Online quantitative marketing research only, not including online qualitative marketing research
- Revenue of each segment is shown using gross value including intersegment revenue, and the total amount of revenue of both segments does not match the consolidated revenue (the difference is intersegment revenue)

Historical Trends – Japanese Market vs. Revenue in Japan

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- Overall Japan marketing research market growth of 4.0% (5Y CAGR)
- Macromill Japan revenue growth exceeds that of the overall marketing research growth in Japan, strongly driven by Digital revenue which is a growth driver for Macromill Japan

Market Trends – Japanese Marketing Research Market

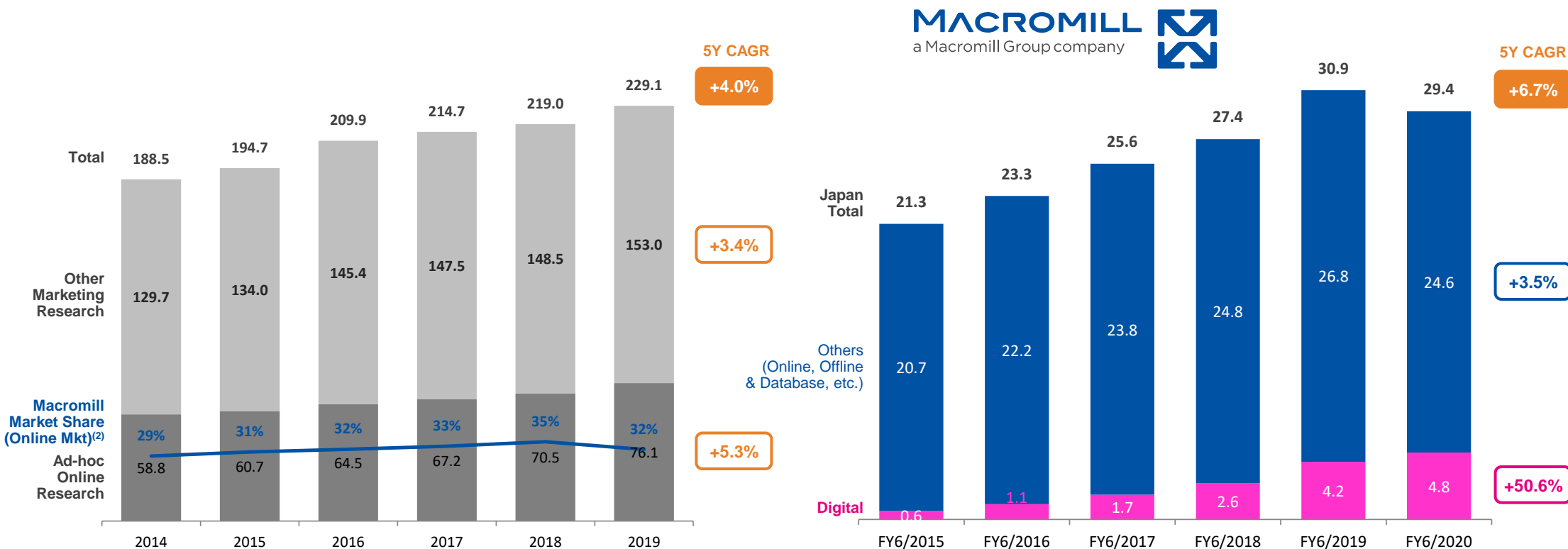
JMRA⁽¹⁾
(JPY in Billions)

YoY Growth	Total:	+3%	+8%	+2%	+2%	+5%
	Others:	+3%	+9%	+1%	+1%	+3%
	Online:	+3%	+6%	+4%	+5%	+8%

Revenue Trends – Macromill Group Revenue in Japan

Consolidated (IFRS)
(JPY in Billions)

YoY Growth	Japan Total:	+9%	+10%	+7%	+13%	-5%
	Others:	+7%	+7%	+4%	+8%	-8%
	Digital:	+76%	+63%	+47%	+59%	+16%



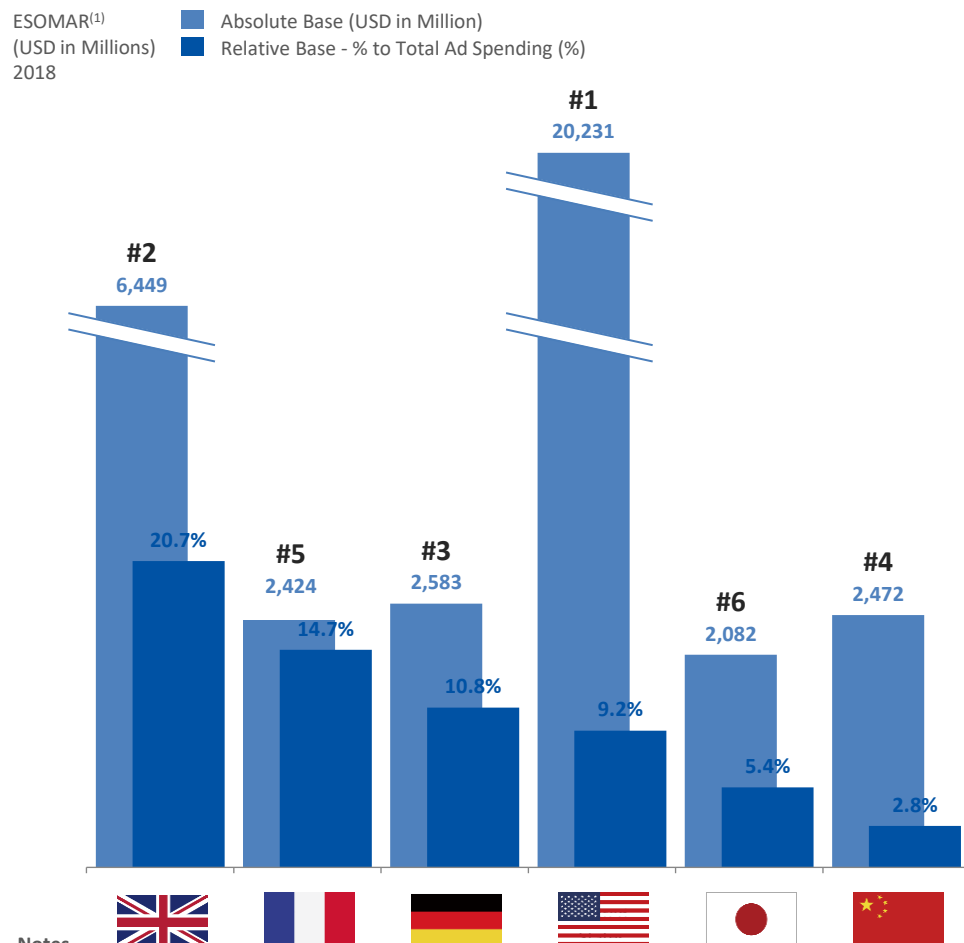
Notes

1. Source: Japan Marketing Research Association (JMRA) - Management statistics (2019/7) The Ad-hoc internet survey is described as Ad-hoc Online
2. Macromill's market share is estimated by the Company

Further Growth Opportunity – Japan

- Japanese Marketing Research market has continued potential for growth
- In addition, the overall market for Digital Marketing-Related services are ALSO expected to grow dramatically, in the next 5 years, creating additional opportunities to accelerate growth

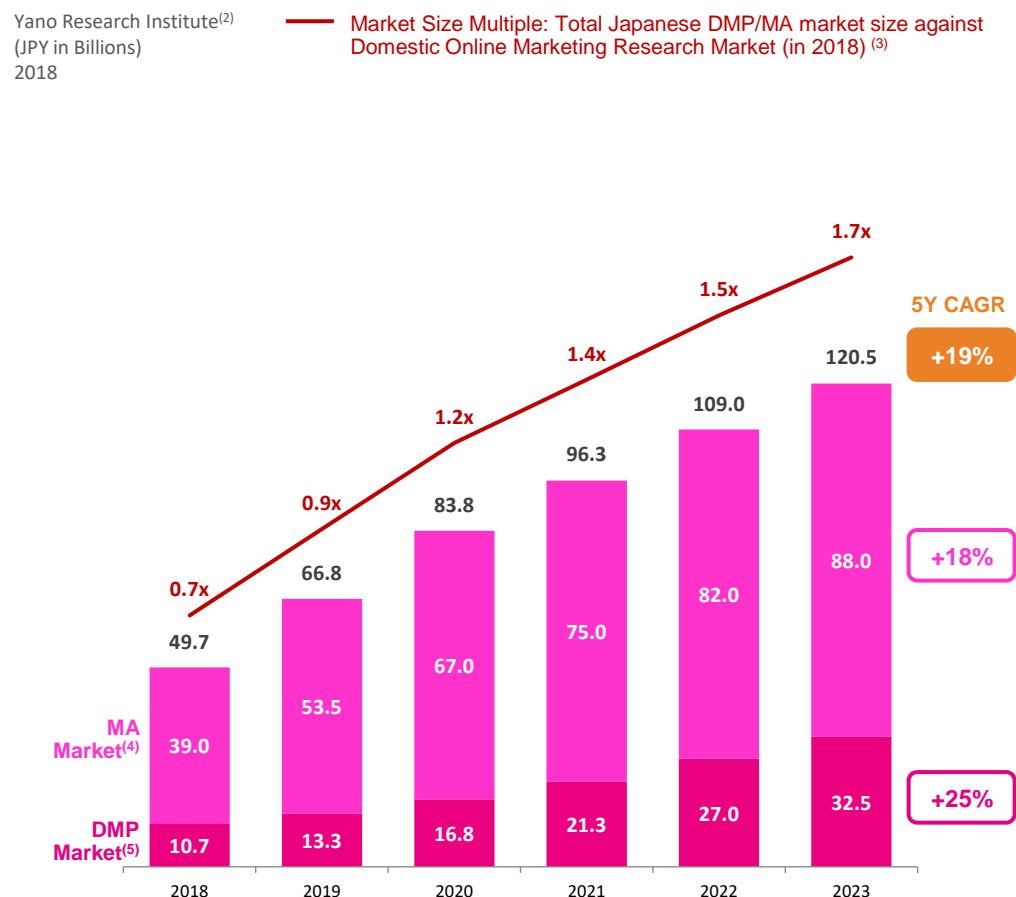
Size of Marketing Research Market by Country (Absolute and Relative Size)



Notes

- Source: ESOMAR, Global Market Research (9/2020)
- Source: Yano Research Institute, Size of DMP / MA Market Historical Trends and Forecasts (Actual result in 2018, an Estimated value in 2019, Forecasts from 2020 and after) (2019/11/12)
- Market size multiple against 70.5 B JPY ad-hoc internet marketing research market size of 2018 in a survey of Management statistics(2019/7) by Japan Marketing Research Association (JMRA)
- MA (Marketing Automation) is a system/service that aims to create high accuracy business negotiations by developing clients individually through the unification of the potential client and existing client data, auto evaluation, and execute scenarios based on the designed scenario.
- DMP (Data Management Platform) is a system/service that optimizes marketing plans such as advertisement/mail/DM by clarifying the characteristics of consumers through aggregating and analyzing consumer behavior in various sales channels. DMP includes two types of DMPs: public DMP that use consumer data held by third parties other than the company's owned web site, and private DMP that uses consumer data on the company's web site. Private DMP includes CDP (Customer Data Platform) that manages individual consumers.

Size of Japanese Digital Marketing-Related Markets – Actual and Forecasts

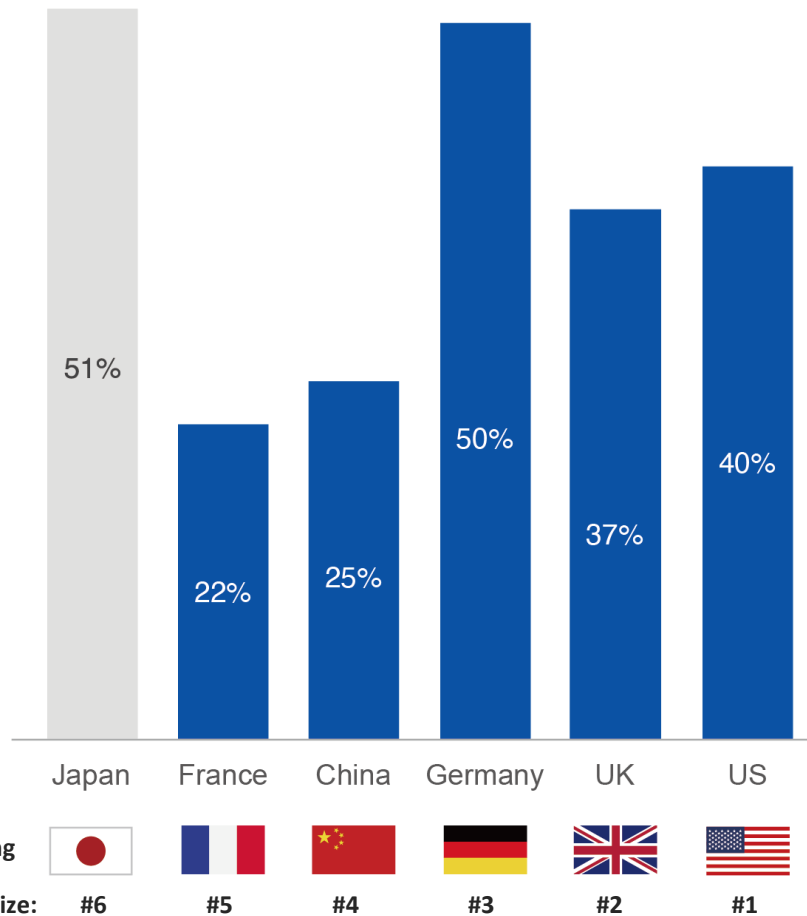


Further Growth Opportunity – Overseas Business

- Overseas, Online Marketing Research will continue to be a growth driver
- Our strength is online marketing and digital research and we are uniquely positioned as a emerging player with a global franchise
- Continuing to expand market share by disrupting and challenging the Big 4

Online Marketing Research Penetration⁽¹⁾ in Total Market Research Spending

ESOMAR⁽²⁾
CY2019

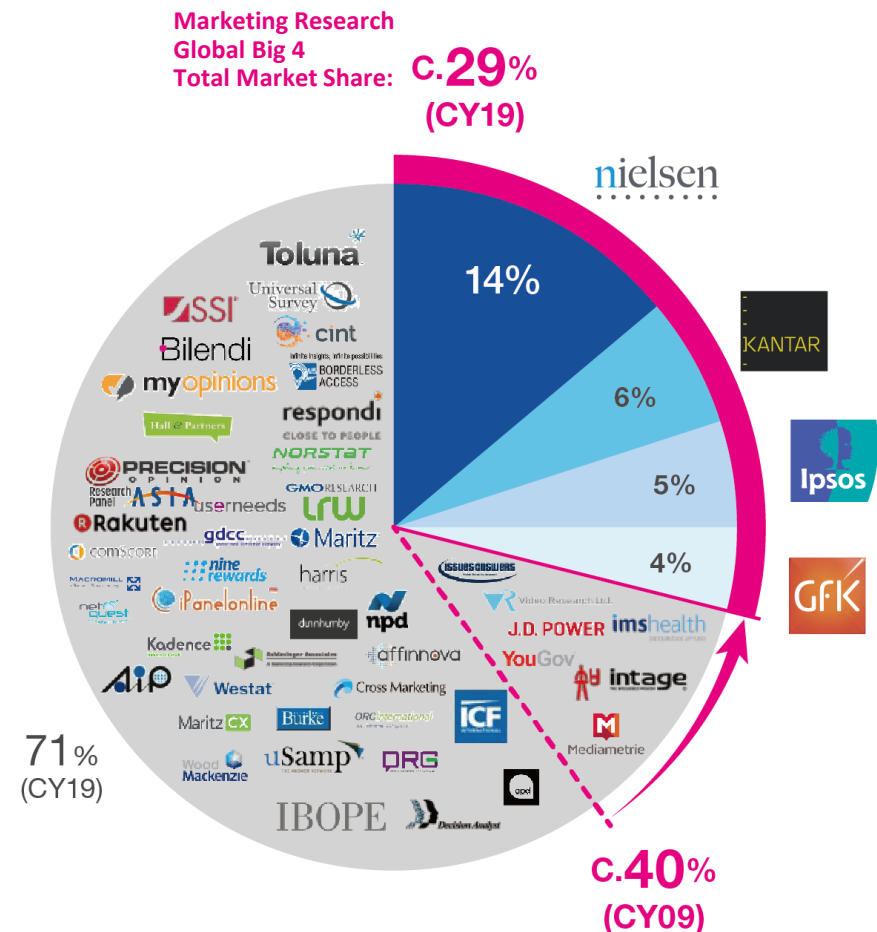


Notes

1. Source ESOMAR, Global Market Research (9/2020, 9/2010)
2. Online Marketing Research Presentation = spending on online quantitative market research (PC Online + Mobile / Smartphone Online) / spending on total market research in each country

Global Marketing Research Market - Market Share

ESOMAR⁽²⁾
CY2019



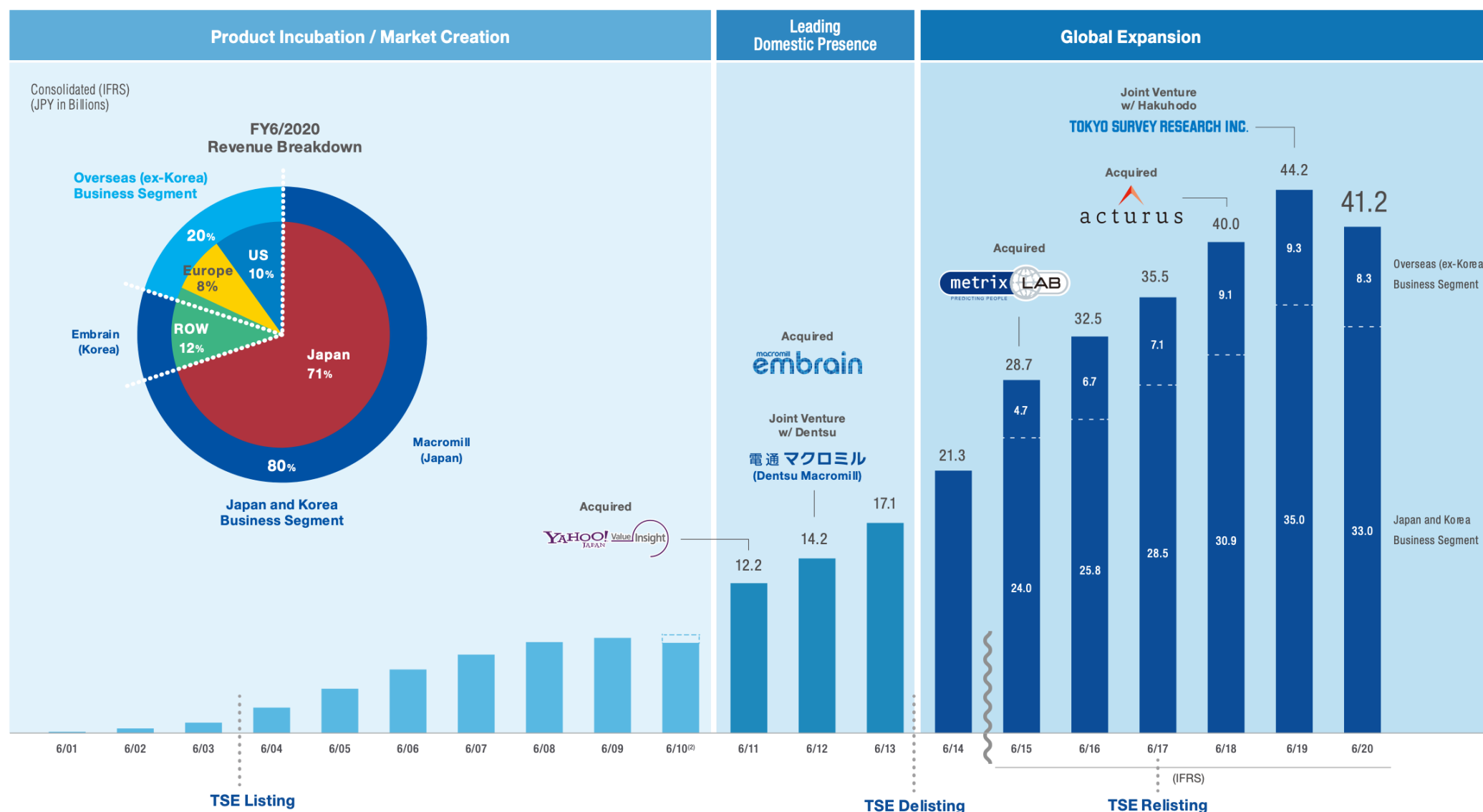
Appendix

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We are Fast Growing Market Research Company

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Consolidated Revenue⁽¹⁾



Notes

1. 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.

2. The dotted line indicates potential revenue contribution from the subsidiary (AIP) divested in this year.

Who we work with

- Serving more than 4,000 blue-chip clients globally across a diversified set of brands, agencies and industries
- Revenue concentrated with long-term clients and high retention
- Majority of revenue from direct relationships with brands
- Strategic agency relationships including jointly managed subsidiaries (Dentsu, Hakuhodo)

Highlights

Number of Clients

c. 4,200 clients, 90+ countries

**c. 2,800 clients
in Japan**

**c. 1,400 clients
in Overseas**

Client Retention Rate of Large Clients⁽¹⁾

95.7%
in Japan⁽²⁾

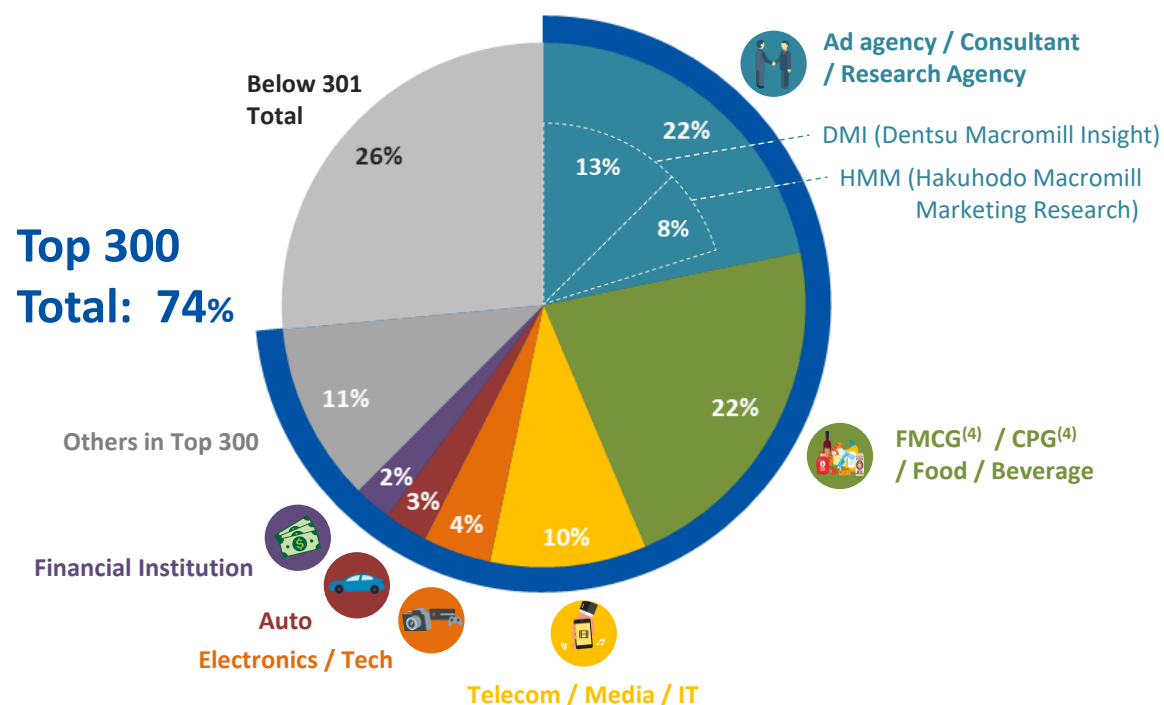
92.1%
in Global⁽³⁾
(excl. Japan)

Notes

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 FY6/16 to FY6/19
3. Retention Rate for Global (excl. Japan) = (No. of large clients of MetrixLab providing over 0.1MM Euro in annual revenue for which solutions were rendered and invoiced in the previous year, and for which there were solutions provided or invoiced in the current year) ÷ (No. of large clients of MetrixLab providing over 0.1MM Euro in the previous year). 5 year average from FY6/16 to FY6/20
4. FMCG = Fast Moving Consumer Goods / CPG: Consumer packaged goods (incl. non-durable goods such as soft drinks, toiletries, etc.)

FY6/2020 Revenue Breakdown by Client Industries

Consolidated (IFRS)
(JPY in Millions)

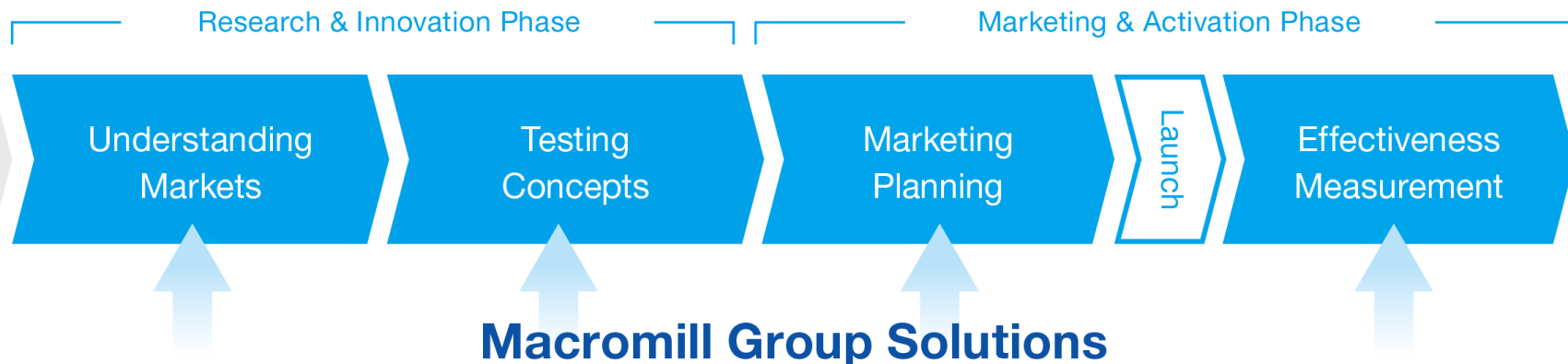


Well diversified client portfolio

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

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Clients' Marketing Process



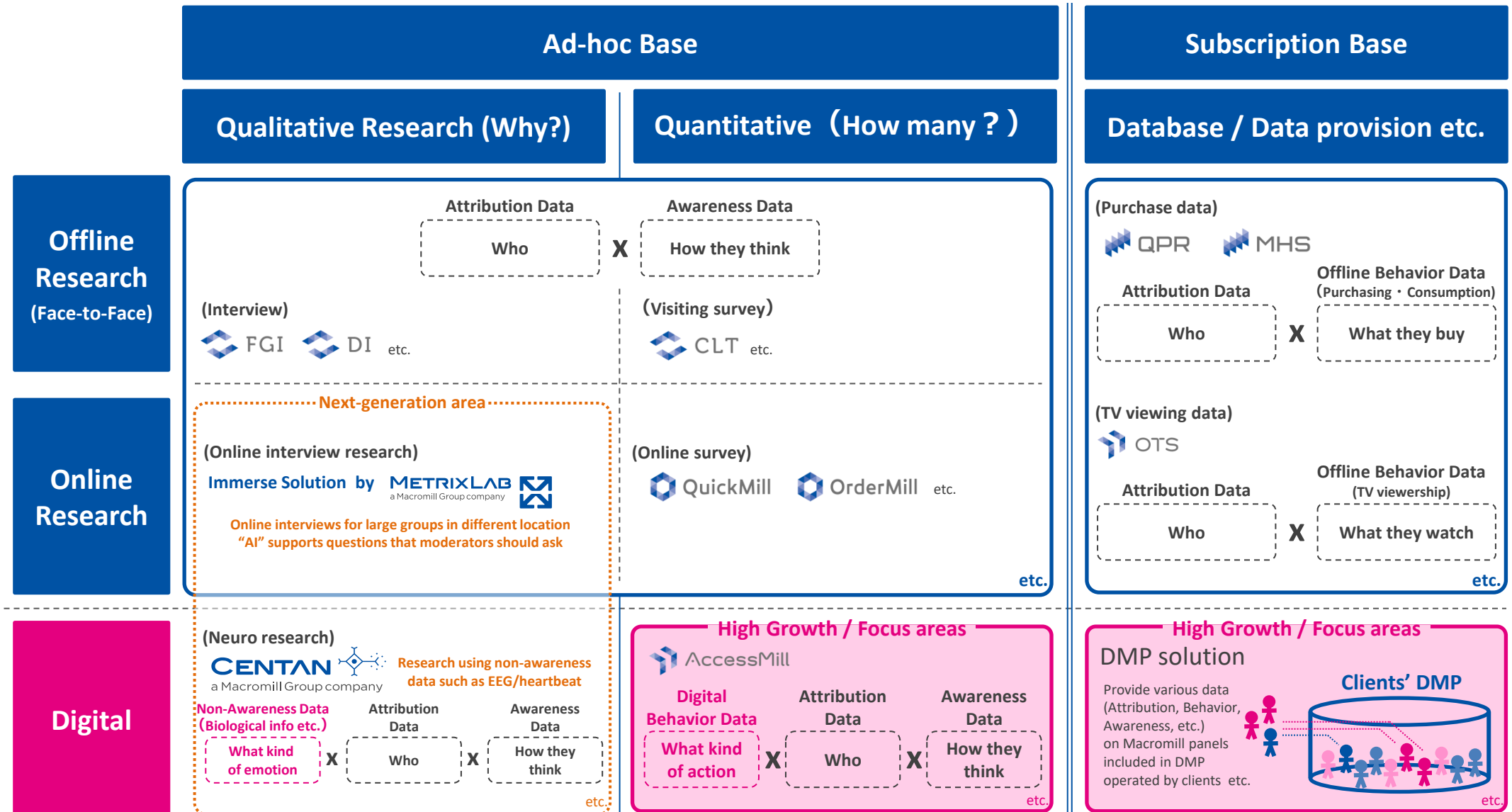
Total 110M Global Consumer Research Panel



Industry-Leading One-Stop Solution Portfolio in Japan

41

- Our solution portfolio allows one-stop full-service to clients
- Focus on high growth “Digital” area that is differentiated and difficult to imitate
- Simultaneously conduct investment and R&D in “Next-generation area” that drives next growth with Group Companies



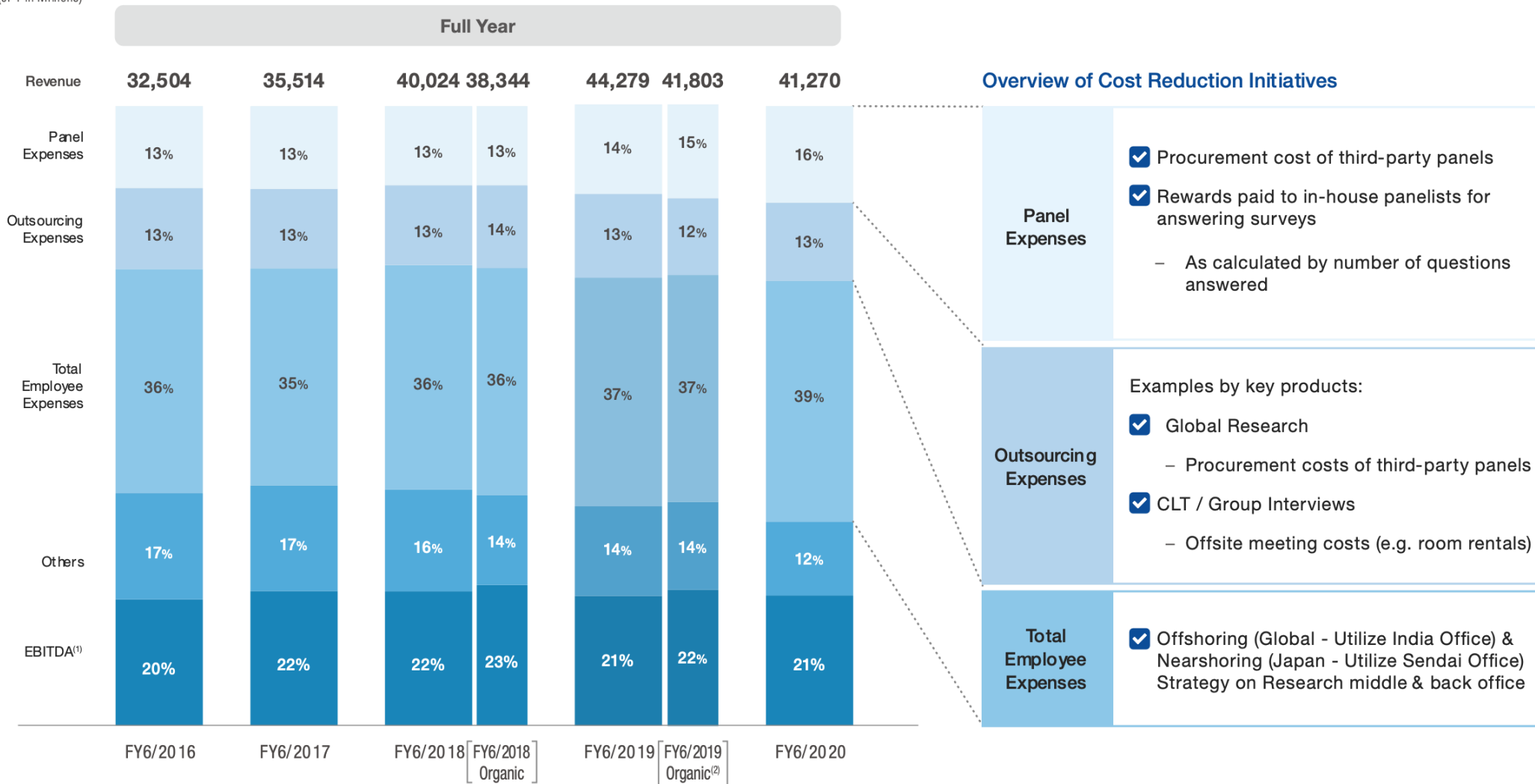
Operating Leverage & Cost Reduction Initiatives

Deliver Further Profit Expansion

42

Breakdown of Key Cost Items

Consolidated (IFRS)
(JPY in Millions)



Notes

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

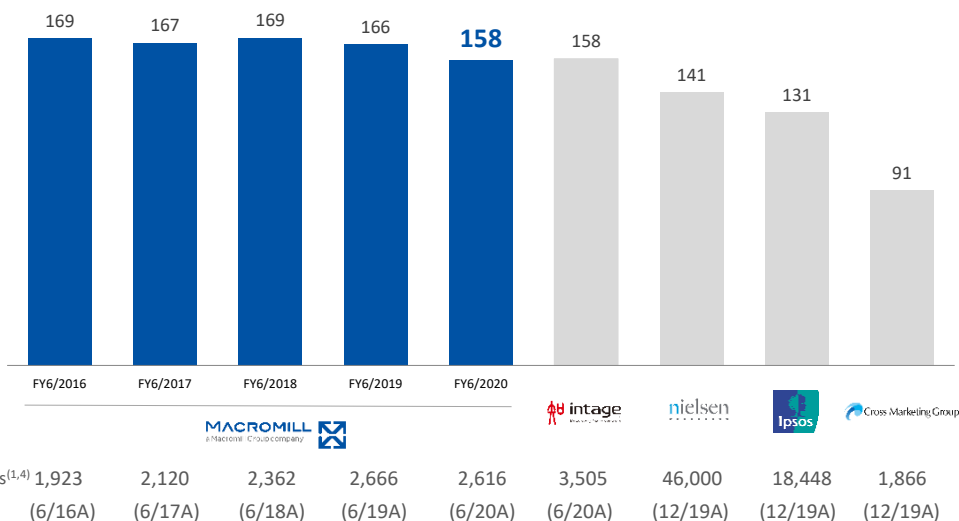
2. Acturus Inc. which we had acquired in the second quarter of FY6/2018 had completely merged with MetrixLab U.S. as of July 2, 2018. As a consequence, we will no longer be able to segregate and disclose the two entities separately, so the M&A contribution for FY6/2019 is sum of HMM (Q1-Q4) and CENTAN (Q1-Q2, CENTAN has become 51% subsidiary since FY6/2018 Q3) only.

Best-in-Class Operational Excellence and Profitability Continues

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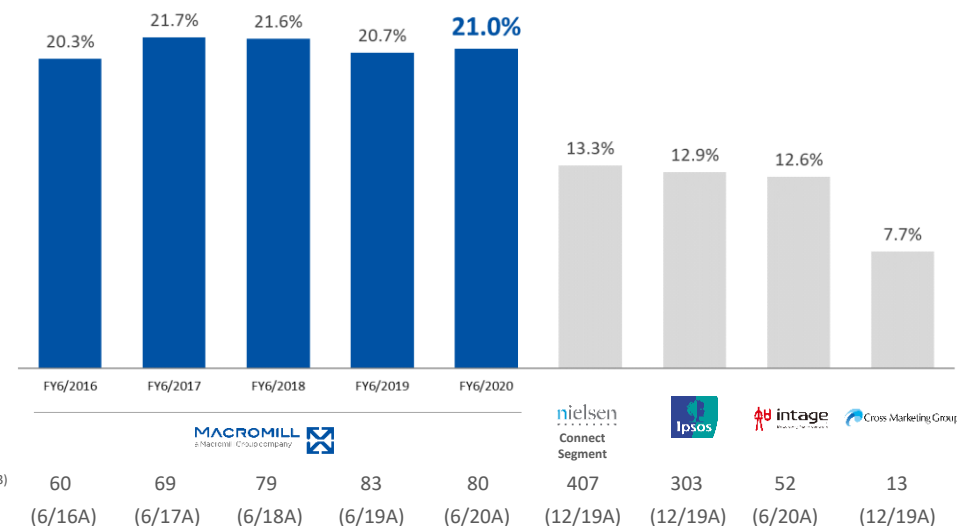
Revenue per Employee^{(1) (2)}

USD in Thousands, Last FY⁽³⁾



EBITDA Margin^{(6) (7)}

Last FY⁽³⁾



Source Company Information

Notes

1. Include temporary employees
2. Exchange rate: USD/EUR = 0.833, USD/JPY = 100.0
3. As of June 30, 2020
4. As of the end of each fiscal year as noted on the graph labels (Intage figures are LTM base as of 6/2020)
5. Consolidated figures for both the Revenue and number of employees
6. Macromill: EBITDA = Operating Profit + Depreciation and Amortization + Loss on Retirement of Non-current Assets + Impairment loss

Source Company Information

- Nielsen (Connect Segment): EBITDA = Operating Income + (Restructuring Charge + Depreciation and Amortization + Impairment Loss of Goodwill and Other Long-Lived Asset + Other Items).
- Intage and Cross Marketing: EBITDA = Operating Income + (Depreciation and Amortization + Amortization of Goodwill + Impairment Loss)
- Ipsos: EBITDA = Operating Income + (Depreciation and Amortization + Impairment Loss of Goodwill and Other Long-Lived Asset + Other Items)
- Because of 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 "Connect 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 27.7%

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

2017 Strategic & Capital Alliance
2018 Acquisition



✓ 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
2019 Acquisition



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

2018 Joint Venture with Hakuodo (51% Majority Acquisition)



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

2019 Asset Purchase



✓ Expand consumer panel in Southeast Asia
✓ Succession/Acquisition of Online panel asset only

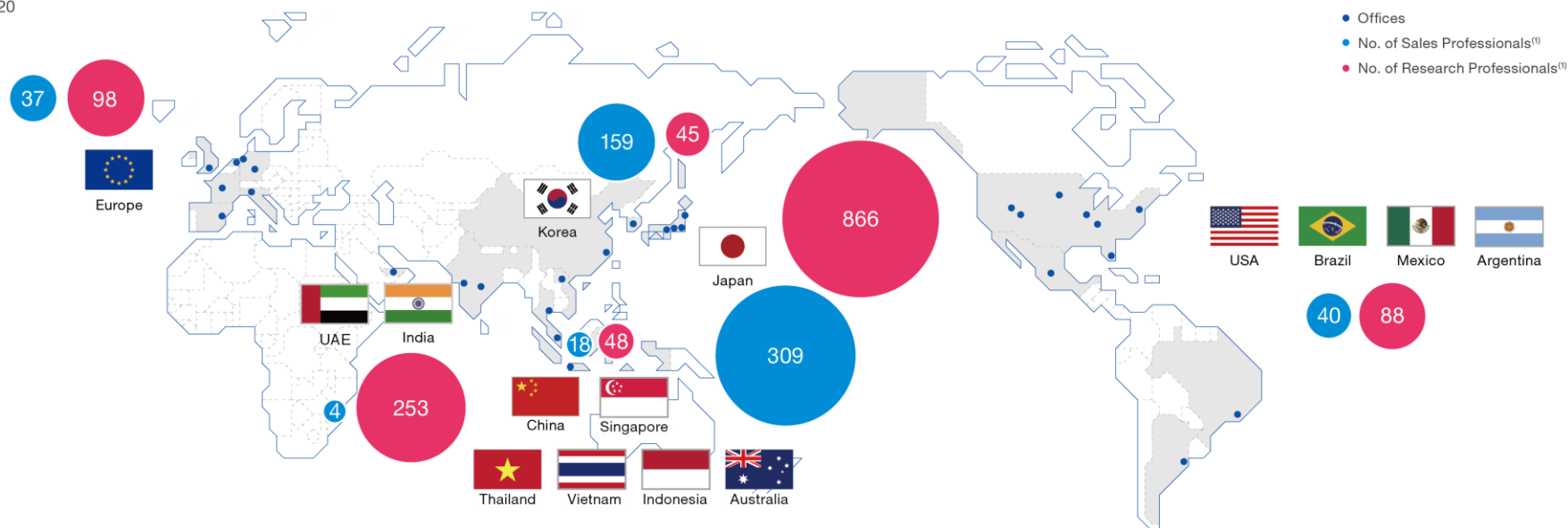
Note

1. Acquired market research business only

Worldwide Sales & Research Delivery

Sales and Research Breakdown for Selected Key Markets⁽¹⁾

As of end of September, 2020



2,400+⁽²⁾ Employees in 50 Offices Worldwide

	Local Deeper Local Consumer Insights	Global Coordinated Cross-Border Client Coverage
Sales	<ul style="list-style-type: none"> ✓ Localized Sales Teams c. 570⁽¹⁾ professionals across 50 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

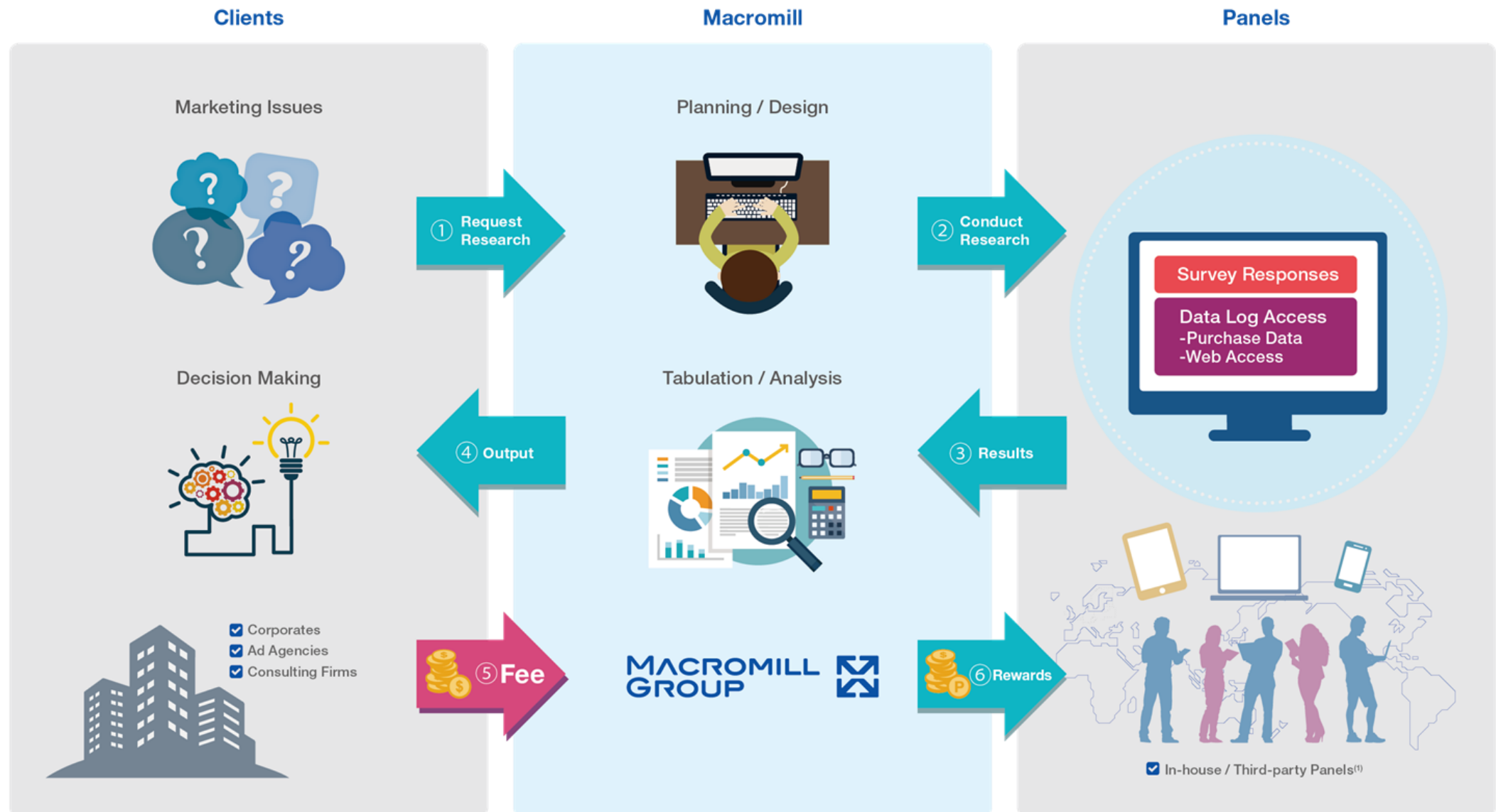
Notes

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

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