

FY6/2021 Q2 Financial Results

February 10, 2021



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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.

	Q2 YTD (6 months)		Q2 Standalone (3 months)	
	FY6/2020 Q2YTD	FY6/2021 Q2YTD	FY6/2020 Q2 Standalone	FY6/2021 Q2 Standalone
1 Euro =	120.24	124.05	120.75	124.03
1 KRW =	0.0919	0.0913	0.0925	0.0923

■ Q2 Standalone (3 Months) Revenue recovered to the prior year level and OP YoY decline rate improved from Q1

- Revenue 11.93 bn JPY (YoY +0% / -0% in CFX) , and Operating Profit 2.16 bn JPY (YoY -10% / -10% in CFX)

■ Revenue and OP improved in both Segments in Q2

- Japan & Korea Segment: Revenue YoY Growth Q1 : -5% ⇒ Q2 : +2%, Segment Profit YoY Growth Q1 : -25% ⇒ Q2 : -6%
- Overseas Segment: Revenue YoY Growth Q1 : -17% ⇒ Q2 : -3%, Segment Profit YoY Growth Q1 : -193% ⇒ Q2 : -55%

■ Q2 YTD (6 Months) Revenue and Profit both overachieved initial guidance

- Achieved faster recovery from Covid-19 than initial guidance in the 1H
- Revenue 21.03 bn JPY (YoY -3% / -4% in CFX) , OP 2.84 bn JPY (YoY -21% / -21% in CFX)

■ Initial Guidance remains unchanged, aiming for steady achievement

- Initial guidance remains unchanged as a result of partial service suspension due to re-declaration of the State of Emergency and increase in number of employees as a result of demand recovery and increase in capacity utilization
- Aim to ensure the steady achievement of initial guidance: Revenue 40.00 bn JPY (YoY -3.1%), OP 3.40 bn (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” and “No.1 in Japan & No.1 in Asia” Marketing Research Company
- Evolve into a “Research” x “DATA” Company and aiming to be a trusted partner to solve their marketing issues
- Aiming to maintain Revenue growth exceeding market growth and corresponding Profit growth

FY6/2021 Q2 Financial Update

FY6/2021 Q2 : Consolidated Results - Summary

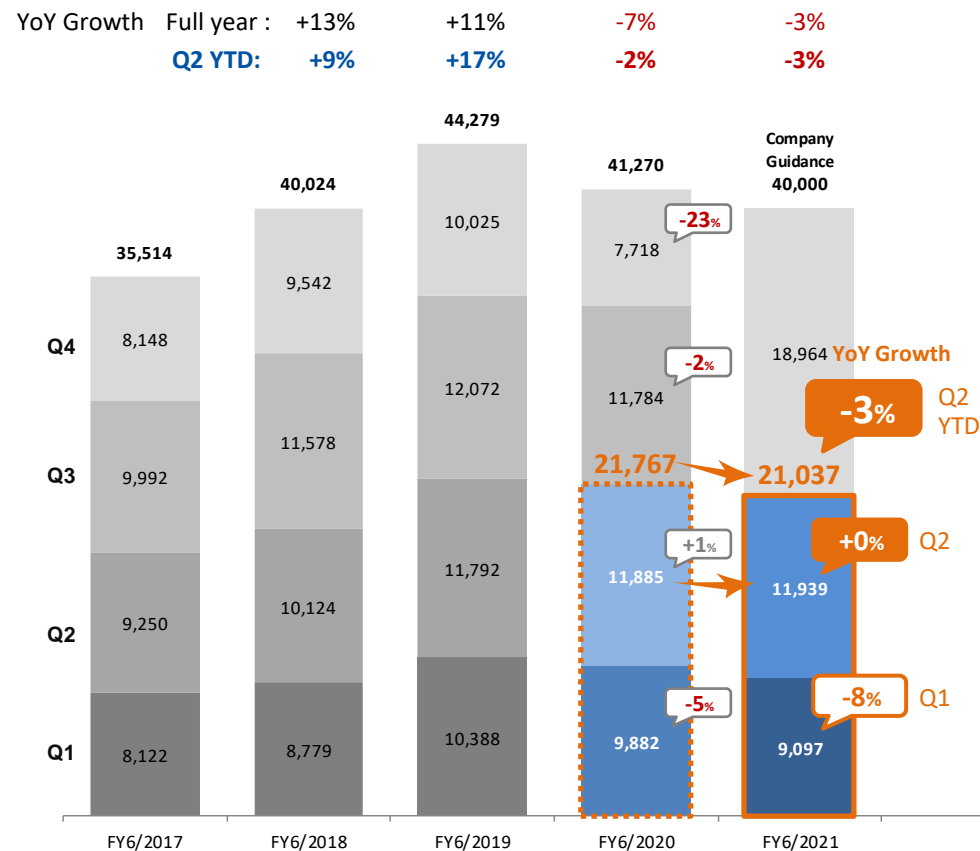
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The impact of Covid-19 continues to shrink, and Q2 Revenue recovered to the level of the last year (FY6/2020 Q2)

Both Revenue and OP progress exceeded the Company's Initial Guidance assumption

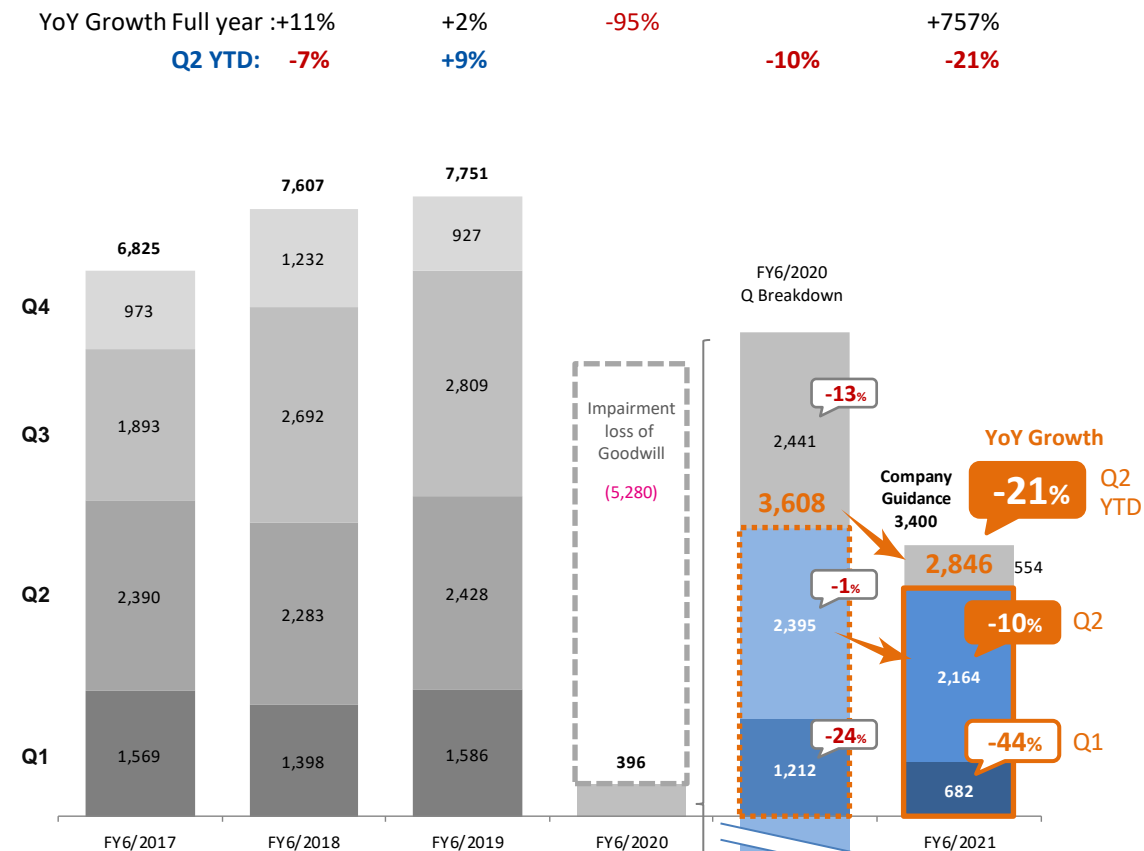
Revenue

Consolidated (IFRS)
(JPY in Millions)



Operating Profit (OP)

Consolidated (IFRS)
(JPY in Millions)



Q2 YTD
OP Margin

22.8%

19.5%

18.1%

16.6%

13.5%

Consolidated Statements of Operations (P/L)

Summary of Consolidated Statements of Operations

(JPY in Millions)	IFRS			
	6 Months		Variance	YoY Growth
	FY6/2020 Q2 YTD	FY6/2021 Q2 YTD		
Revenue	21,767	21,037	(730)	(3.4%)
Japan and Korea Business Segment ⁽¹⁾	16,995	16,779	(216)	(1.3%)
Overseas (ex-Korea) Business Segment ⁽¹⁾	4,816	4,328	(487)	(10.1%)
Total Employee Expenses	(8,156)	(8,245)	(88)	1.1%
Panel Expenses	(3,328)	(3,126)	202	(6.1%)
Outsourcing Expenses	(2,727)	(2,928)	(201)	7.4%
Depreciation and Amortization	(1,361)	(1,479)	(117)	8.6%
Others	(2,584)	(2,410)	174	(6.7%)
Operating Profit (Loss)	3,608	2,846	(761)	(21.1%)
Japan and Korea Business Segment	3,277	2,883	(394)	(12.0%)
Overseas (ex-Korea) Business Segment	330	(36)	(367)	(111.1%)
Finance Income and Costs	(127)	(277)	(150)	117.8%
Profit before Tax	3,480	2,569	(911)	(26.2%)
Income Tax Expenses	(1,140)	(816)	323	(28.4%)
Profit attributable to non-controlling interest	(262)	(419)	(157)	59.8%
Profit Attributable to Owners of the Parent	2,078	1,333	(744)	(35.8%)
EBITDA	4,969	4,331	(638)	(12.9%)
Japan and Korea Business Segment	4,293	4,019	(273)	(6.4%)
Overseas (ex-Korea) Business Segment	676	311	(364)	(53.9%)
EPS (Basic Earnings per Share) (Yen)	51.69	33.07	(18.62)	(36.0%)
Operating Profit Margin	16.6%	13.5%	-3.0%	
Japan and Korea Business Segment	19.3%	17.2%	-2.1%	
Overseas (ex-Korea) Business Segment	6.9%	-0.8%	-7.7%	
EBITDA Margin	22.8%	20.6%	-2.2%	
Japan and Korea Business Segment	25.3%	24.0%	-1.3%	
Overseas (ex-Korea) Business Segment	14.0%	7.2%	-6.9%	

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 Q2 YTD P/L Commentary

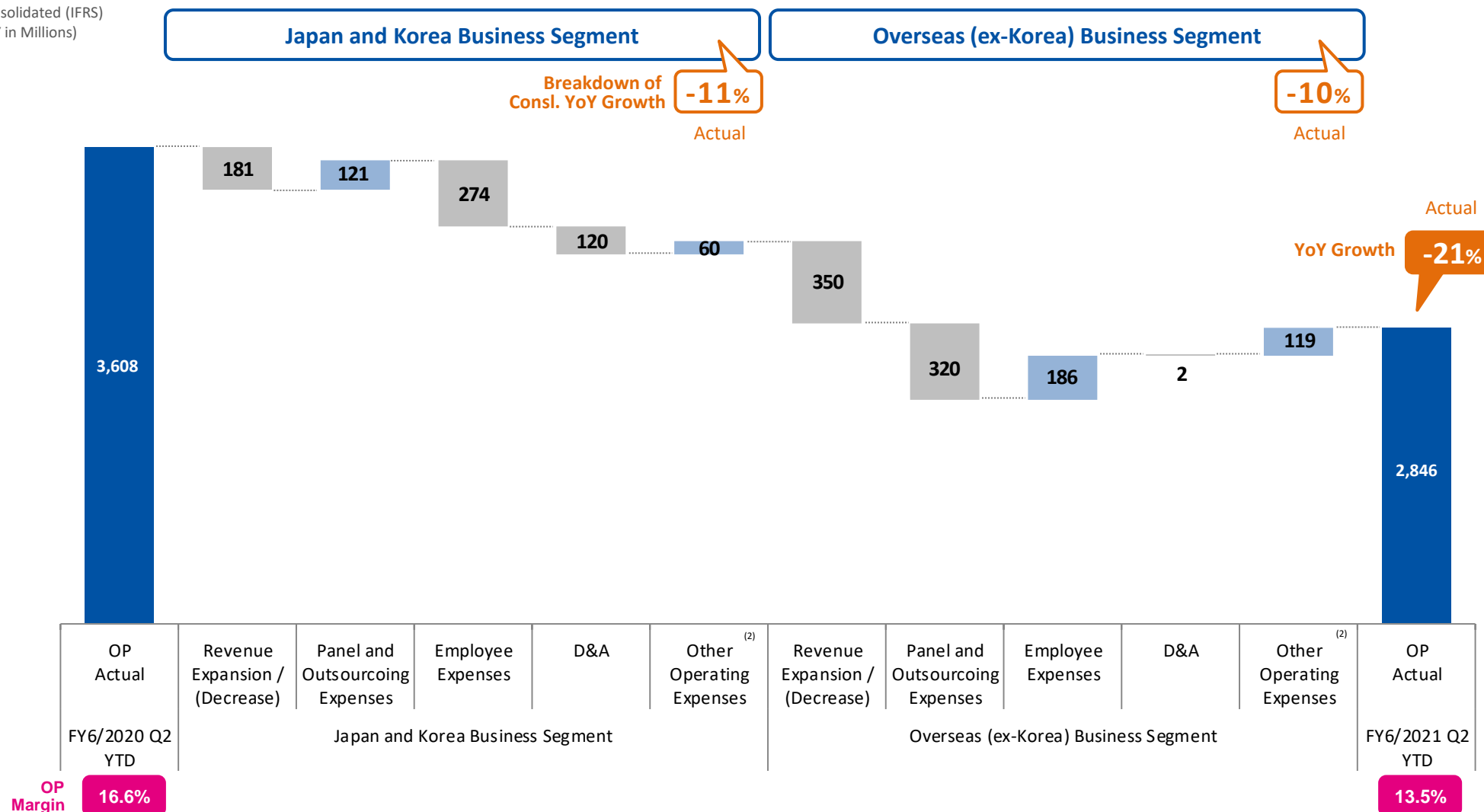
(Variance Factors)

- **Revenue :**
 - Japan and Korea Business Segment was impacted by Covid-19, but the online survey business has been recovering faster than projected
 - Overseas Business (ex-Korea) Segment continues to be impacted by Covid-19 but had also been recovering faster than projected
- **Total Employee Expenses:** Although both segments are offsetting each other, the number of total employees remained almost flat compared to the prior year, and therefore, total employee expenses remained almost the same
- **Panel Expenses:** In addition to the decline in revenue, panel expenses decreased due to discontinuation of service from external panel providers
- **Outsourcing Expenses:** Increased in order to deal with higher than projected revenue
- **Depreciation and Amortization:** Increased mainly due to investment in software assets in previous years as well as planned early cancelation of office spaces in 2H (see details in below)
- **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 Covid-19
- **Cancellation in some office contract:** Depreciation rose by 28 M JPY in the 1H, and is expected to increase total expenses by about 200M JPY in the 2H, including Depreciation and Others. Slightly over 200 M JPY cost reduction is expected in the next fiscal year and after
- **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 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 Covid-19 significantly affected the business

While Revenue recovered, Employee Expenses in Japan & Korea Business and Panel & Outsourcing Expenses in Overseas Business increased due to high utilization of operational capacity

Operating Profit (OP) Waterfall Analysis⁽¹⁾ – FY6/2020 Q2 YTD vs. FY6/2021 Q2 YTD

Consolidated (IFRS)
(JPY in Millions)



Notes

1. The impact of "Revenue Expansion/(Decrease)" effects and "Panel and Outsourcing Expenses" on "Operating Profit" is calculated and described based on margin improvement/deterioration. "Employee Expenses", "D&A", and "Other Operating Expenses" are shown using actual differences from the same period of the previous year.
2. Others Operating Expenses 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

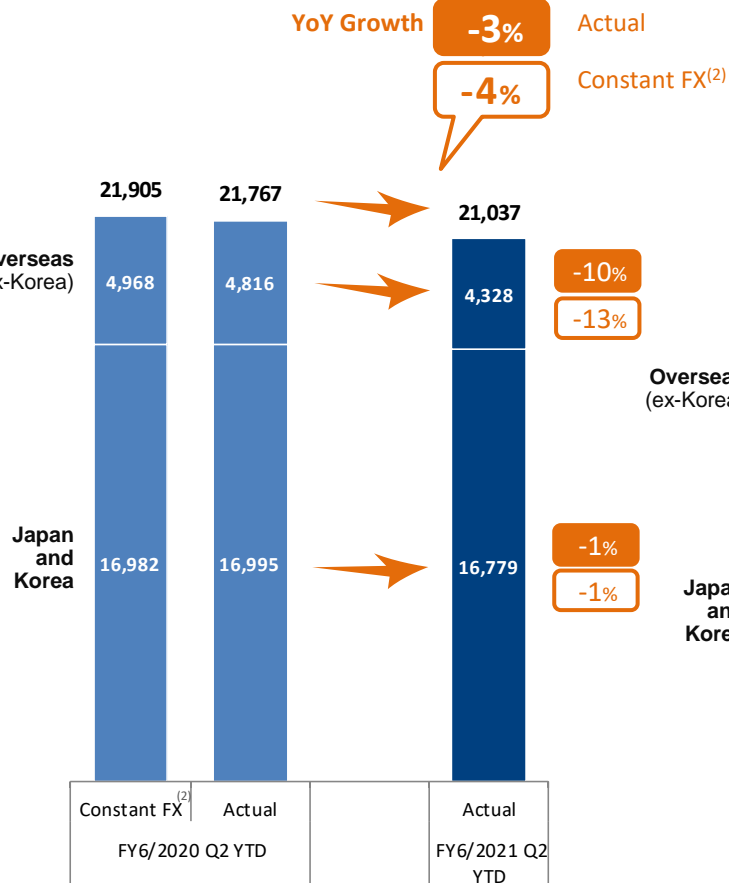
Quarterly Revenue Trends

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, causing Japan & Korea Business Segment Revenue to turn to positive growth

Q2 YTD Revenue (6 Months)⁽¹⁾

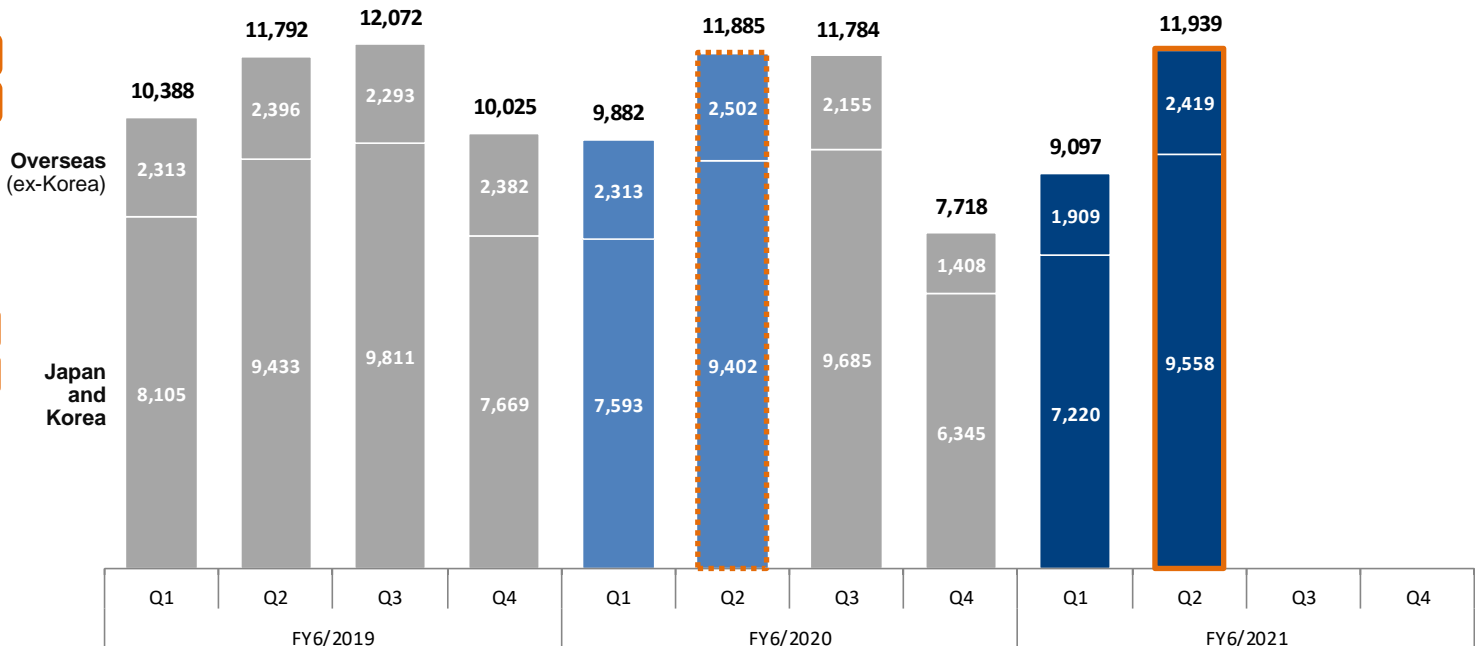
Consolidated (IFRS)
(JPY in Millions)



Quarterly Revenue Trends – By Segment⁽¹⁾

Consolidated (IFRS)
(JPY in Millions)

YoY Growth	Total:	-5%	+1%	-2%	-23%	-8%	+0%	-0%
(Actual)	Overseas:	+0%	+4%	-6%	-41%	-17%	-3%	-6%
	Japan & Korea:	-6%	-0%	-1%	-17%	-5%	+2%	+2%
							Actual	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.

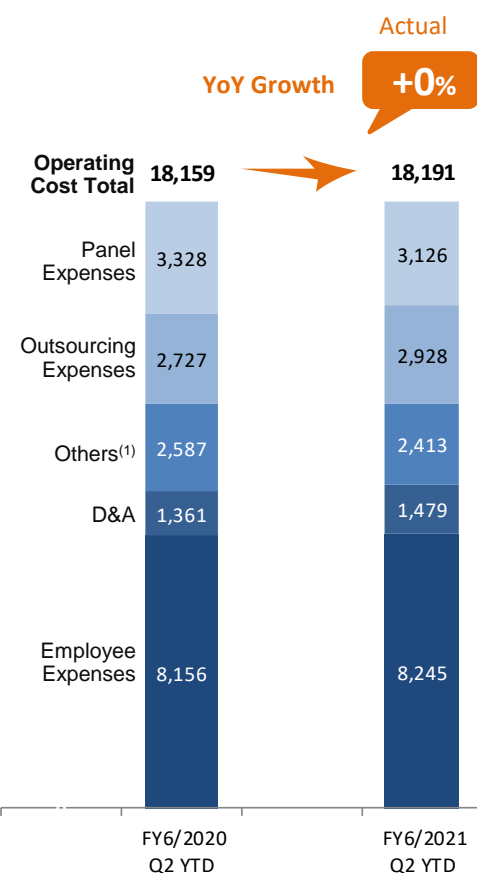
Quarterly Operating Cost Trends

Q2 Standalone Outsourcing Expenses and Employee Expenses increased YoY due to high utilization of operational capacity from recovery in demand

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

Q2 YTD Operating Cost (6 Months)

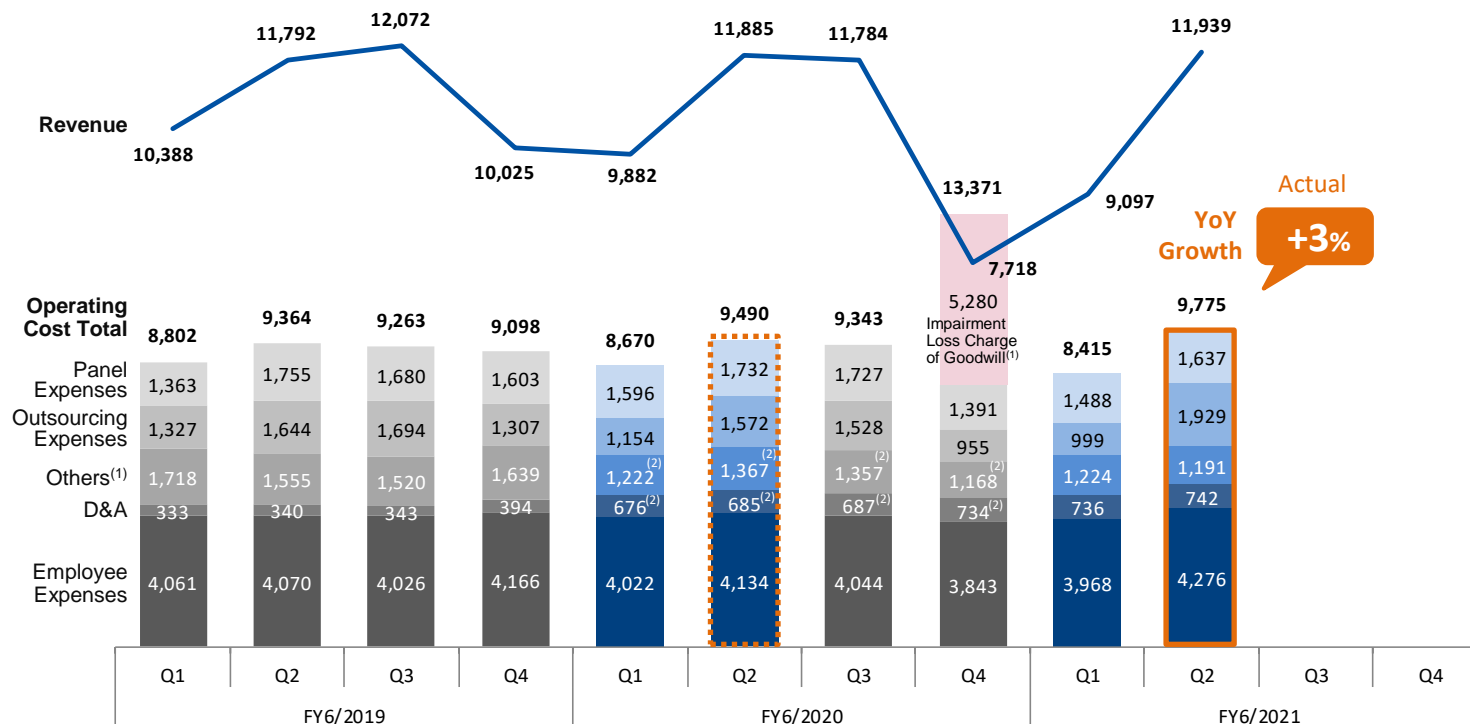
Consolidated (IFRS)
(JPY in Millions)



Quarterly Operating Cost Trends

Consolidated (IFRS)
(JPY in Millions)

YoY Growth	Total OP Cost:	-2%	+1%	+1%	+47%	-3%	+3%
	Outsourcing Exp:	-13%	-4%	-10%	-27%	-13%	+23%
	Others:	-29% ⁽²⁾	-12% ⁽²⁾	-11% ⁽²⁾	-29% ⁽²⁾	+0%	-13%
	D&A:	+103% ⁽²⁾	+102% ⁽²⁾	+100% ⁽²⁾	+86% ⁽²⁾	+9%	+8%
	Employee Exp.:	-1%	+2%	+0%	-8%	-1%	+3%



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

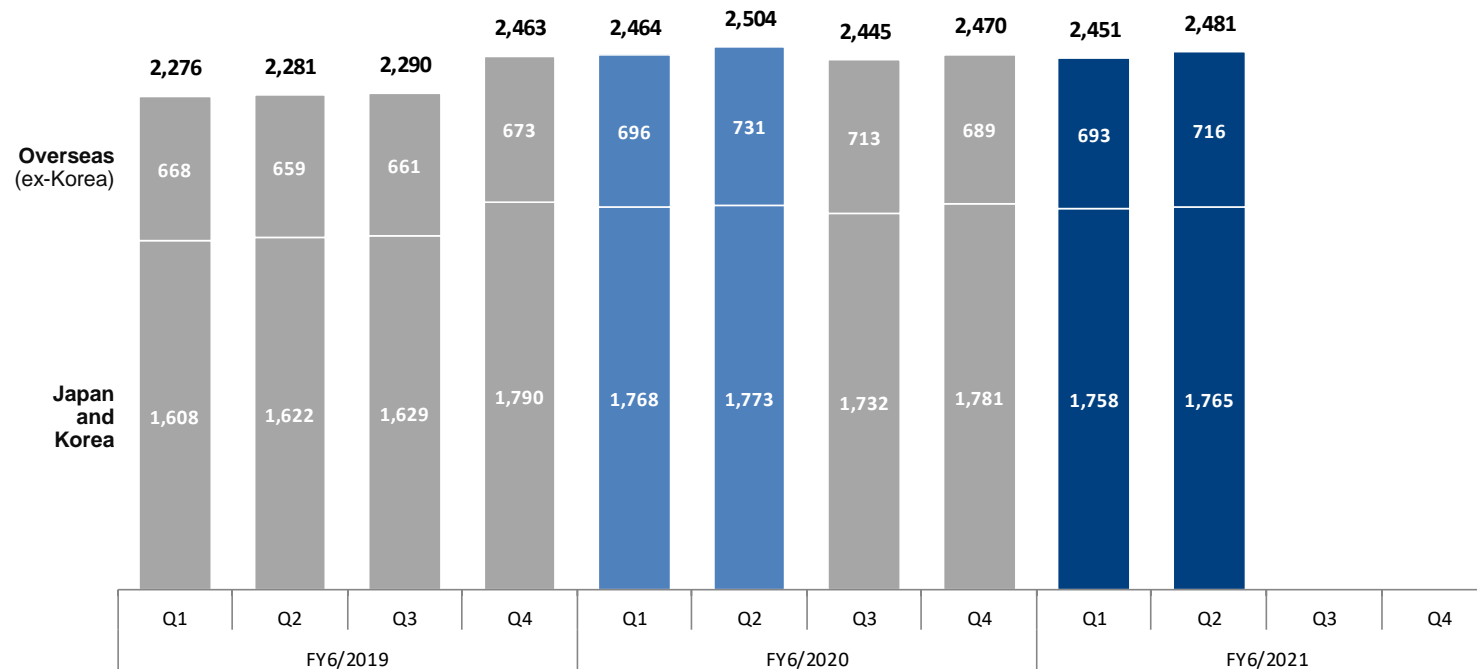
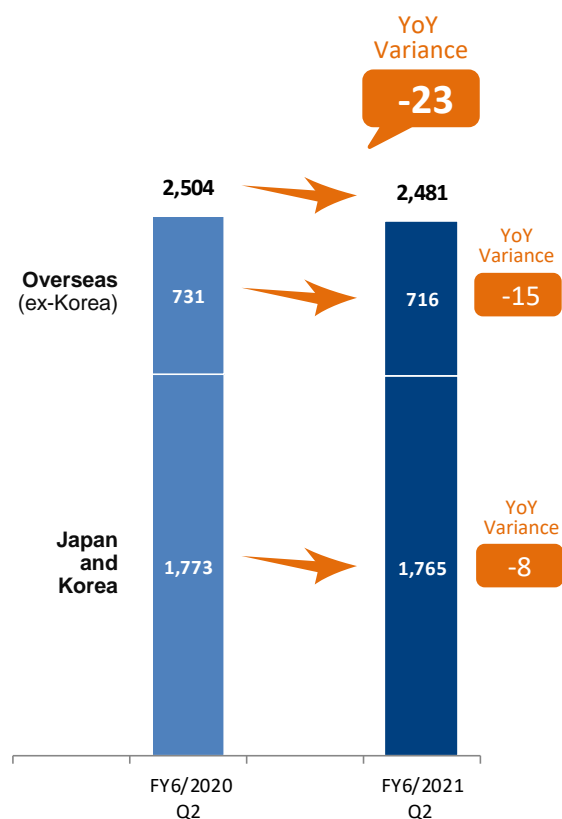
However, due to the recent recovery trend, the headcount is expected to increase mainly in Japan (with new graduates joining in April)

Q2 Headcount⁽¹⁾ (As of the end of the Quarter)

Consolidated
(Person)

Quarterly Headcount⁽¹⁾ Trends – By Segment

Consolidated (Person)	YoY Variance	Consl. Total:	+188	+223	+155	+7	-13	-23
		Overseas:	+28	+72	+52	+16	-3	-15
		Japan & Korea:	+160	+151	+103	-9	-10	-8



Note

1. Headcount figures do not include 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 Q2 (12/31/2020)	Variance
Total Assets	77,150	77,704	554
Cash and Cash Equivalents	13,310	11,706	(1,604)
Trade and Other Receivables	7,524	10,407	2,882
Property, Plant and Equipment	4,114	3,248	(864)
Goodwill	41,541	41,582	40
Japan and Korea Business Segment	39,137	39,142	4
Overseas (ex-Korea) Business Segment	2,403	2,439	36
Other Intangible Assets	7,241	7,067	(173)
Other Assets	3,418	3,692	274
Total Liabilities	46,414	46,022	(392)
Borrowings and Bonds	34,385	33,685	(699)
Trade and Other Payables	3,066	3,802	735
Other Liabilities	8,962	8,534	(427)
Total Equity	30,736	31,682	946

FY6/2021 Q2 B/S Commentary

- Working capital :
 - Accounts Receivable turnover 89.4 days
 - Accounts Payable and Provision for panel points turnover 52.6 days
- Goodwill :
 - The variance is due to FX valuation
- Financing cost (excluding lease liabilities):
 - Q2 average interest rate 0.87% (FY6/2020 Q2 0.92%)
 - ◆ Borrowings 1.23%
 - ◆ Bonds 0.50%
 - Credit rating (from R&I): BBB+ (Outlook: Stable)
 - R&I has announced to maintain the credit rating in December 2020
- Leverage related (LTM base):
 - Net Debt/EBITDA: 2.99x (FY6/2020 2.76x)
 - ◆ Net Debt: 23,958 million yen
 - ◆ LTM EBITDA: 8,013 million yen
 - Interest Coverage Ratio: -0.90x (FY6/2020 Q2 18.77x)
(12.69x when excluding the impairment loss on goodwill recognized in the previous fiscal year)
- Capital efficiency related (LTM base) :
 - ROE: -9.6% (down 24.8pt YoY)
(7.4% when excluding the impairment loss on goodwill recognized in the previous fiscal year, down 7.8pt YoY)

Historical Goodwill Trends by Segment

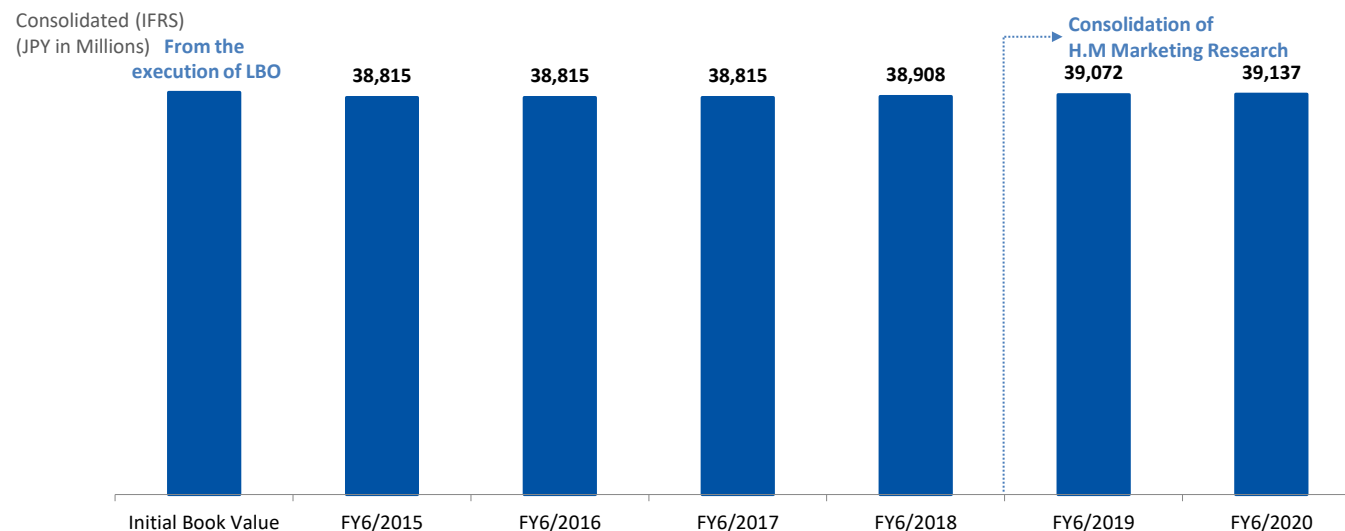
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Recognized impairment loss of goodwill in the Overseas (ex-Korea) Business Segment in FY6/2020 Q4

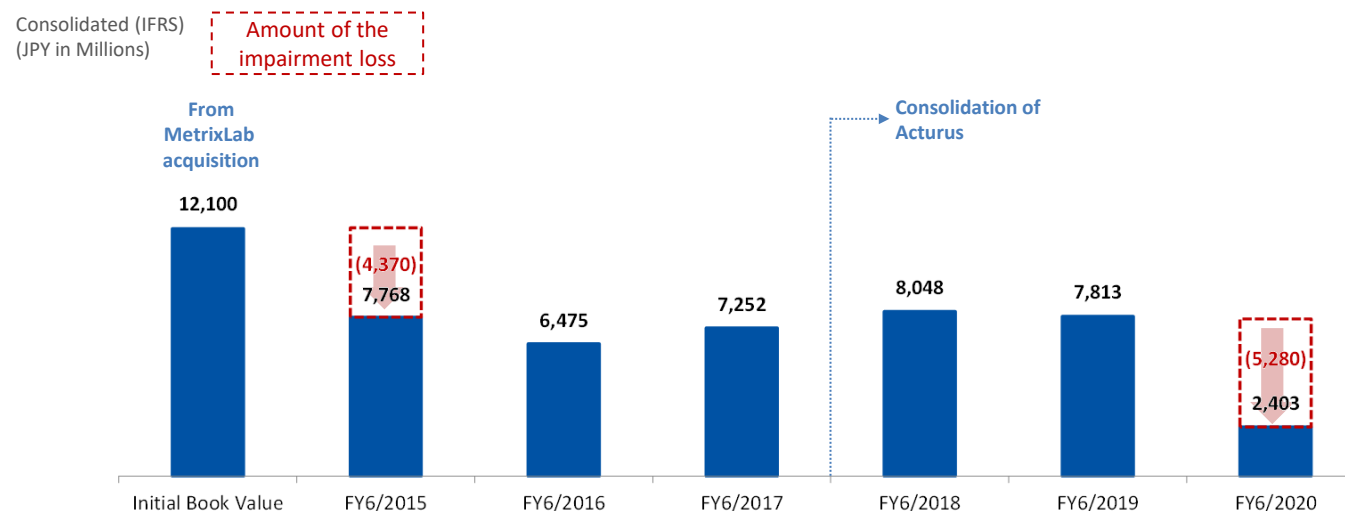
Given the size of loss of goodwill, the risk of additional impairment is minimal

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	
	6 Months	
	FY6/2020 Q2YTD	FY6/2021 Q2YTD
Cash Flows from Operating Activities	2,114	984
Profit (Loss) before Tax	3,480	2,569
Depreciation and Amortization	1,361	1,479
Finance Income and Costs	127	277
Change in Working Capital ⁽¹⁾	(1,318)	(1,893)
Others ⁽²⁾	(412)	(769)
Sub Total	3,238	1,663
Interest and Dividends Received	5	8
Interest Paid	(113)	(103)
Income Taxes Paid	(1,016)	(584)
Cash Flows from Investing Activities	(1,269)	(611)
Capex ⁽³⁾	(1,046)	(610)
Acquisition of Subsidiaries	(279)	0
Others ⁽²⁾	56	(1)
Free Cash Flows ⁽⁴⁾	958	476
Cash Flows from Financing Activities	(2,100)	(2,124)
Proceeds from Borrowings and Bonds ⁽⁵⁾	-	50
Repayment of Borrowings ⁽⁵⁾	(825)	(826)
Repayment of Lease Liabilities	(683)	(659)
Proceeds from Issue of Shares	138	—
Others ⁽²⁾	(729)	(688)

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 Q2 YTD C/F Commentary

- Cash flows from operating activities 984 (significant decrease YoY)
 - Decrease in income before tax 911
 - Decrease due to an increase in accounts receivable in line with higher sales 1,336
 - Others: Increase in cash outflows from settlement of the forward exchange contract due to the depreciation of JPY against EUR 431
- Cash flows from investing activities -611 (down 51% YoY)
 - Decrease in Capex such as IT investments 332
 - Settlement of deferred consideration for acquisition of US subsidiary in FY6/2021 279
- Free cash flows 476 (down 50% YoY)
- Cash flows from financing activities -2,124 (up 1% YoY)
 - Decrease in proceeds from the issuance of new shares due to the lack of exercise of stock options 138
- Increase in cash and cash equivalents 2,844

	IFRS	
	6 Months	
	FY6/2020 Q2YTD	FY6/2021 Q2YTD
Increase/(decrease) in Cash Equivalents	(1,255)	(1,751)
Cash and Cash Equivalents at the beginning of the period	10,102	13,310
Effect of Exchange Rate Changes on Cash and Cash Equivalents	14	147
Cash and Cash Equivalents at the end of the period	8,861	11,706

FY6/2021 Q2 Results: % of Achievement vs. Guidance

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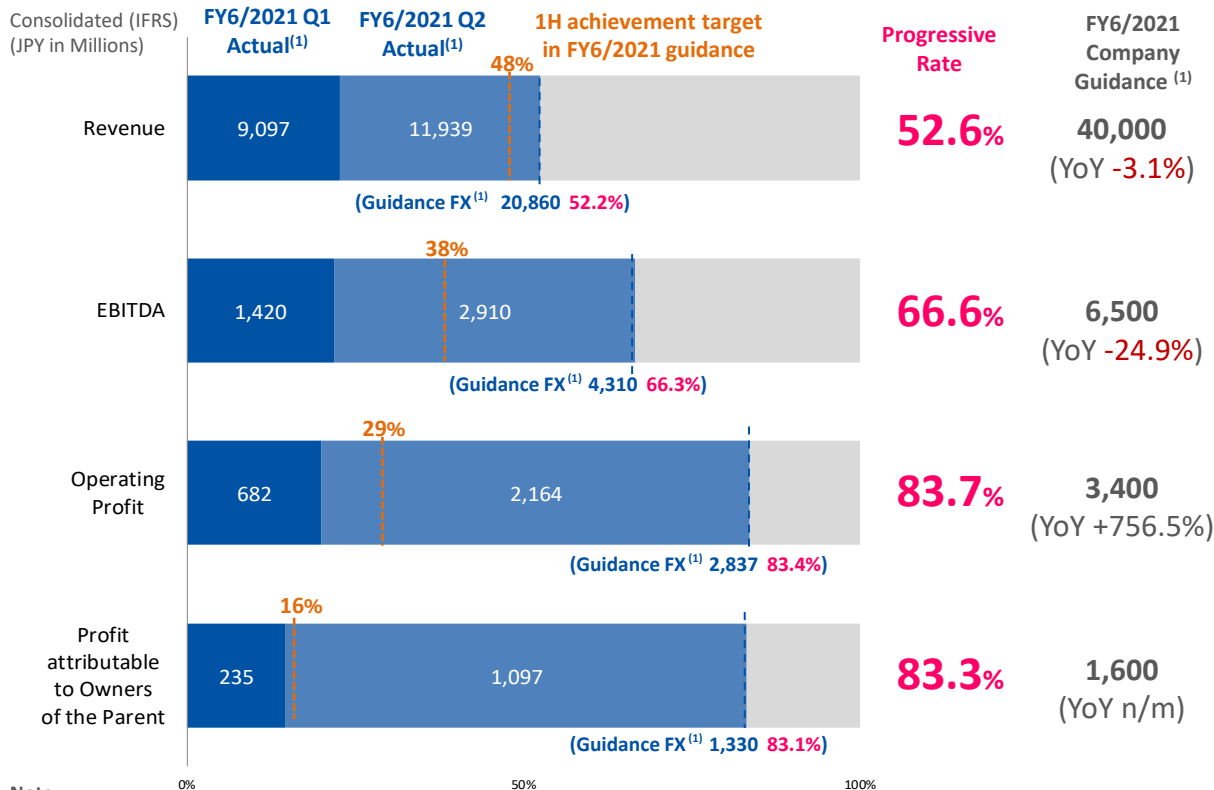
Overachieved both in Revenue and Profits in 1H compared to initial guidance

Initial guidance remains unchanged because of partial service suspension due to re-declaration of the State of Emergency, and increase in # of employees, and high utilization of operation from demand recovery

Assumptions for the FY6/2021 initial guidance

	Expectation at initial guidance	Current environment
1 st H	Severely impacted by Covid-19	Faster recovery than expected
2 nd H	Recover from Covid-19, except some products	Re-declaration of the State of Emergency & Suspension of some services

FY6/2021 Q2 YTD Actual Results vs. FY6/2021 Company Guidance



■ Revenue: "Above Expectation"

- Japan and Korea Business Segment has been recovering from Covid-19 faster than projected
- While revenue in the Overseas Business Segment declined by 10.1% from the previous year, it also outperformed projection

■ EBITDA / Operating Profit / Profit Attributable to Owners of the Parent: "Above Expectation"

- While outsourcing expenses were higher than projected, overall expenses remained close to projection
- Revenue exceeded expectation and overall operating expenses were in line with expectation. As a result, all of EBITDA, operating profit, and net income outperformed projection

■ FX: "Slight tailwind"

- JPY depreciated against EUR more than expected
- KRW was almost in line with guidance rates

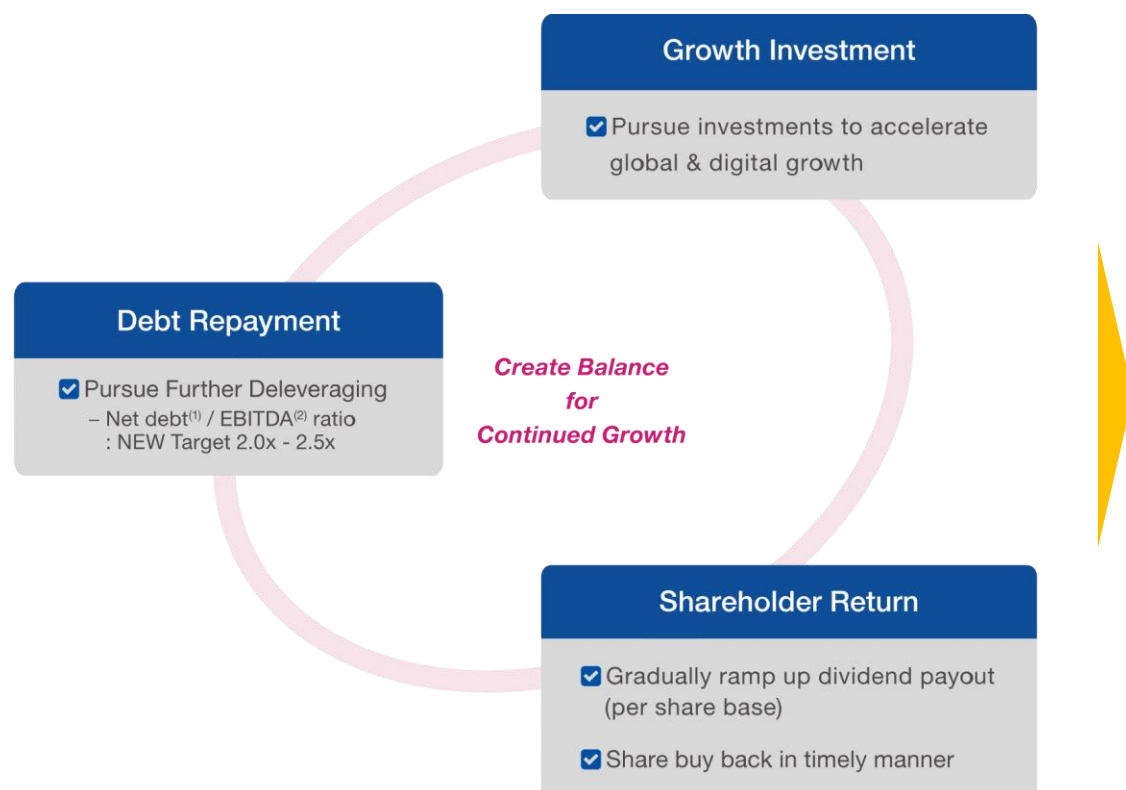
1. Financials for FY6/2021 Q2 (Actual) are presented by using the period-average of 1Euro = JPY 124.05 and 1KRW = JPY 0.0913. Company guidance for FY6/2021 are based on FX rate of 1Euro = JPY 120.00 and 1KRW = JPY 0.0900.

Protecting the health and safety of our clients, panelists 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 for refinancing of Strait Bond (3Y, JPY 5.0bn) to be matured in July 2021 (R&I, Japanese credit rating agency confirmed to maintain current credit rating of “BBB+ (Outlook: Stable)”))

■ 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 Q2: Segment Performance Summary



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Q2 (Standalone) Revenue turned positive YoY, and Segment Profit also improved accordingly

Q2 YTD Segment Revenue (6 Months)

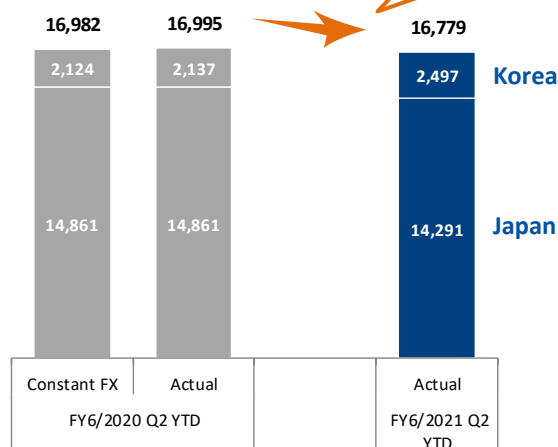
(JPY in Millions)

YoY Growth

-1%

Actual

Constant FX
-1%



Quarterly Segment Revenue Trends

(JPY in Millions)

YoY Growth

Actual:

-6%

-0%

-1%

-17%

-5%

+2%

Constant FX:

-5%

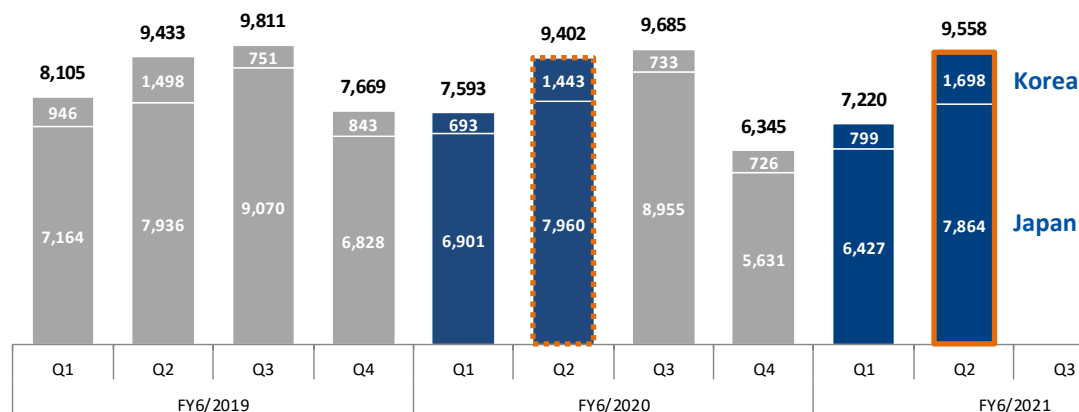
+1%

-1%

-17%

-5%

+2%



Q2 YTD Segment EBITDA and Profit (6 Months)

(JPY in Millions)

EBITDA Margin 25.3% 25.3% 24.0%

Segment Profit Margin 19.3% 19.3% 17.2%

YoY Growth

-6%

Actual

-6%

Constant FX

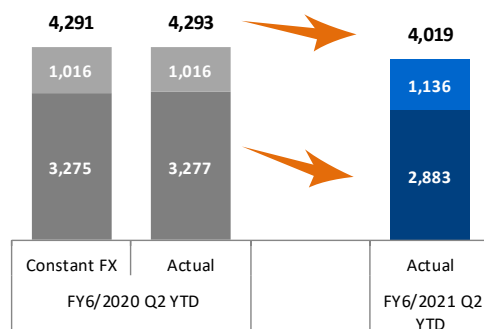
EBITDA

D&A, etc.

Segment Profit

-12%

-12%



Quarterly Segment EBITDA and Profit Trends

(JPY in Millions)

YoY Growth

EBITDA:

-3%

+8%

+6%

-36%

-14%

-2%

-2%

Constant FX

(Actual Base)

Segment Profit:

-24%

-4%

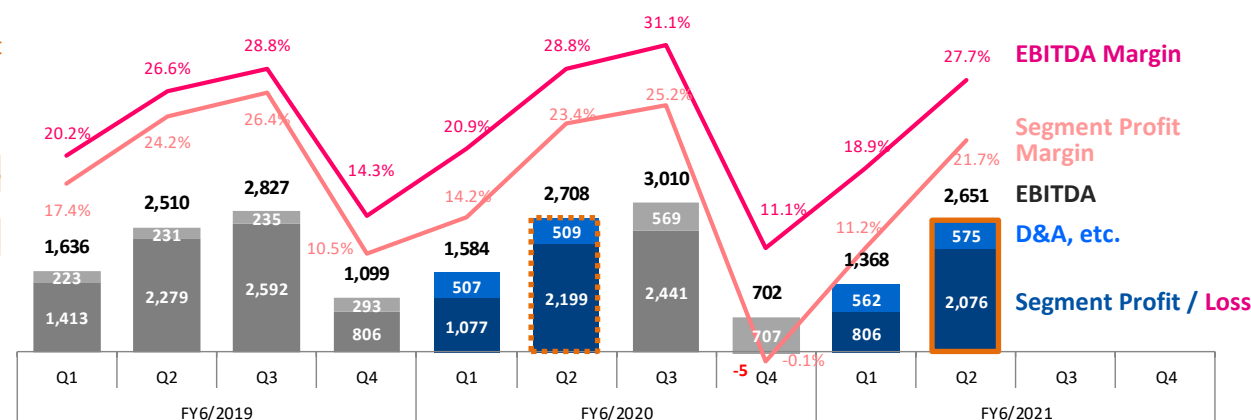
-6%

-101%

-25%

-6%

-5%



FY6/2021 Q2: Japan Business - Summary



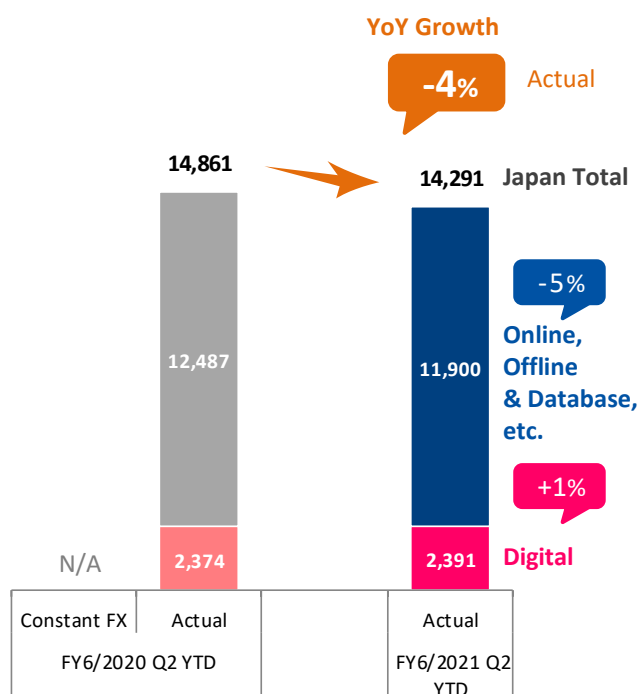
18

Q2 Online Research and Digital Revenue turned positive YoY

Overall Japan Business recovered to the FY6/2020 Q2 level

Q2 YTD Japan Revenue (6 Months)

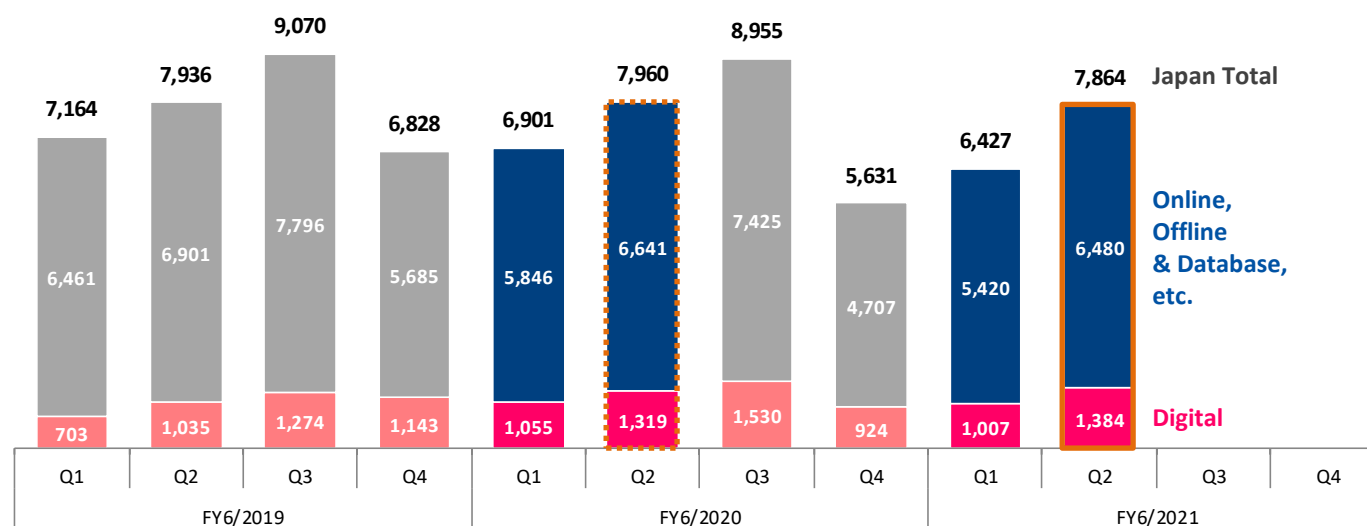
(JPY in Millions)



Quarterly Japan Revenue Trends

(JPY in Millions)

YoY Growth	Japan Total: -4%	+0%	-1%	-18%	-7%	-1%
	Non-Digital: -10%	-4%	-5%	-17%	-7%	-2%
	Digital: +50%	+27%	+20%	-19%	-5%	+5%



Our Growth Driver: “Digital” Revenue

- Vast majority of our “Digital” Revenue in Japan comes from two 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”

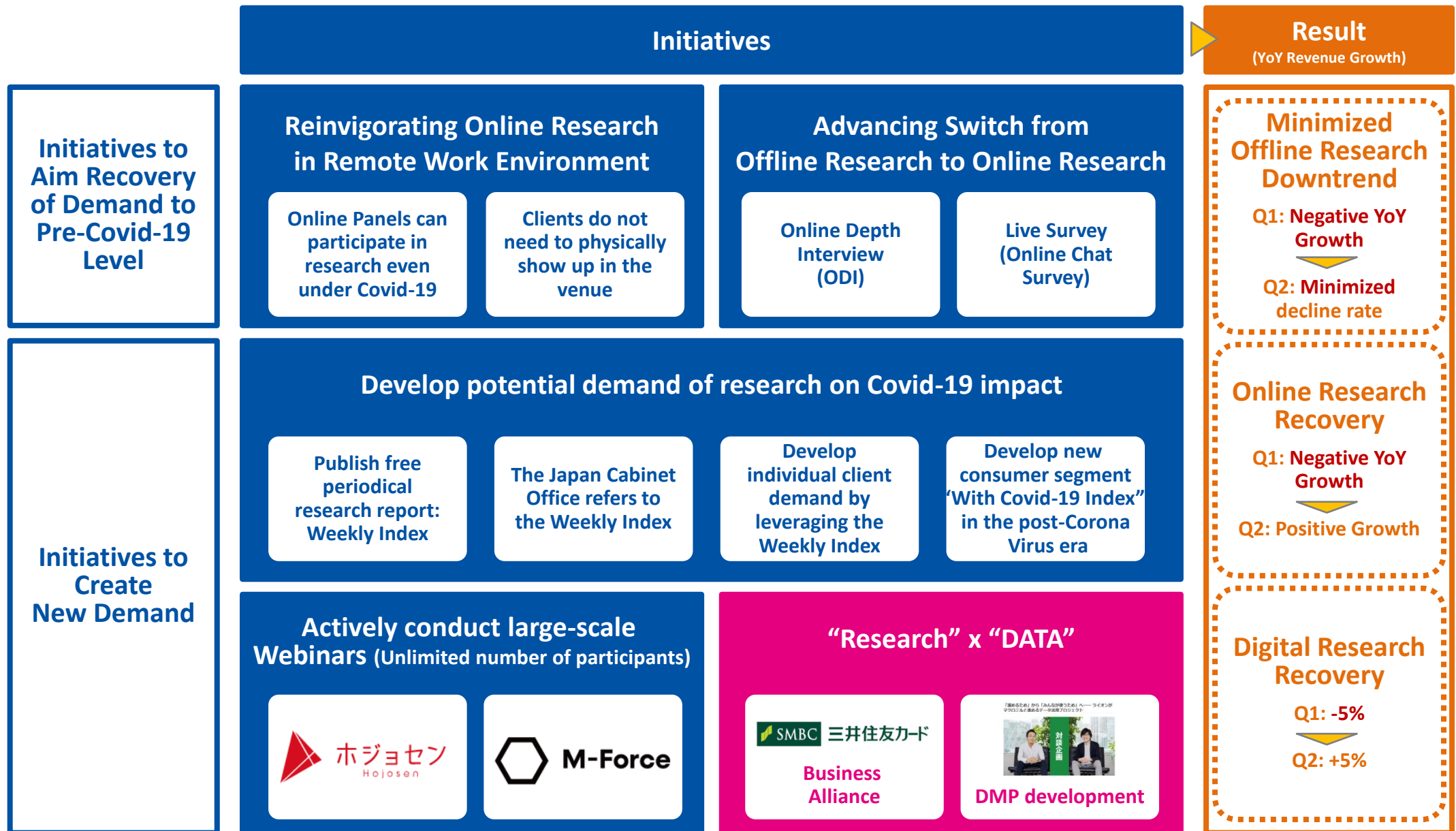
- Support for building Data Management Platform (DMP), link data with DMP by providing demographic information, conducting surveys, and other information on Macromill panels synchronized with customer IDs in a corporate DMP or users in an advertising agency DMP.

FY6/2021 Q2: Japan Business – Review of 1st Half



19

Achieved steady recovery of Revenue with successful execution of the following initiatives to minimize the Covid-19 impact



FY6/2021 Q2: Japan Business – Action Plan



20

Although the 1st Half performance overachieved the guidance, the current business environment remains unpredictable

Implement the following essential initiatives for the trajectory of regrowth and maintaining recovery trend

Business environment and policy in Q3 and after

Action Plan

Re-declaration of the State of Emergency

⇒ Suspended new Offline Research project from Q3

Remote Work Style as New Standard

⇒ Maintain the office attendance rate of 20%
Actively commit for the future despite lower efficiency in a short-term point of view

Work-style reform/ Compliance

⇒ Improve and reform with intention despite lower efficiency compared to a previous working style

More sophisticated and complicated clients' needs

⇒ Inevitable as projects become more complicated. Imperative to take action for the sustainable growth

Defensive Initiatives

(As a Defense Initiative)

Strategic recruitment and strengthening of workforce to get back on the re-growth trend

Partially canceled office lease contract

Canceled lease contract of a part of the Shinagawa HQ Office and all of the Riverside Office
⇒ Decrease the payment cost in the next fiscal year and after

Advance Investment in Human Capital

Proactive Initiatives

(As a Proactive Initiative)

While committing to continue working remotely and reforming work-style, increase in operational capability to deal with clients' demand in a recovery trend

Further initiatives to evolve into the "Research" x "DATA" Company

Started providing new service "Covid-19 segment targeting" for the digital ad delivery in the era of coexisting with the Corona Virus. etc.

Specifics of future growth strategy and growth target will be announced at an appropriate timing

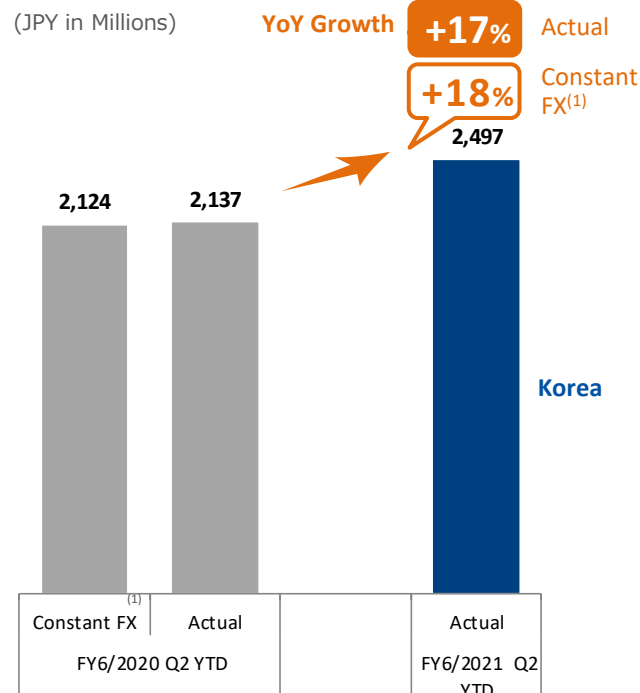
FY6/2021 Q2: Korea Business - Summary



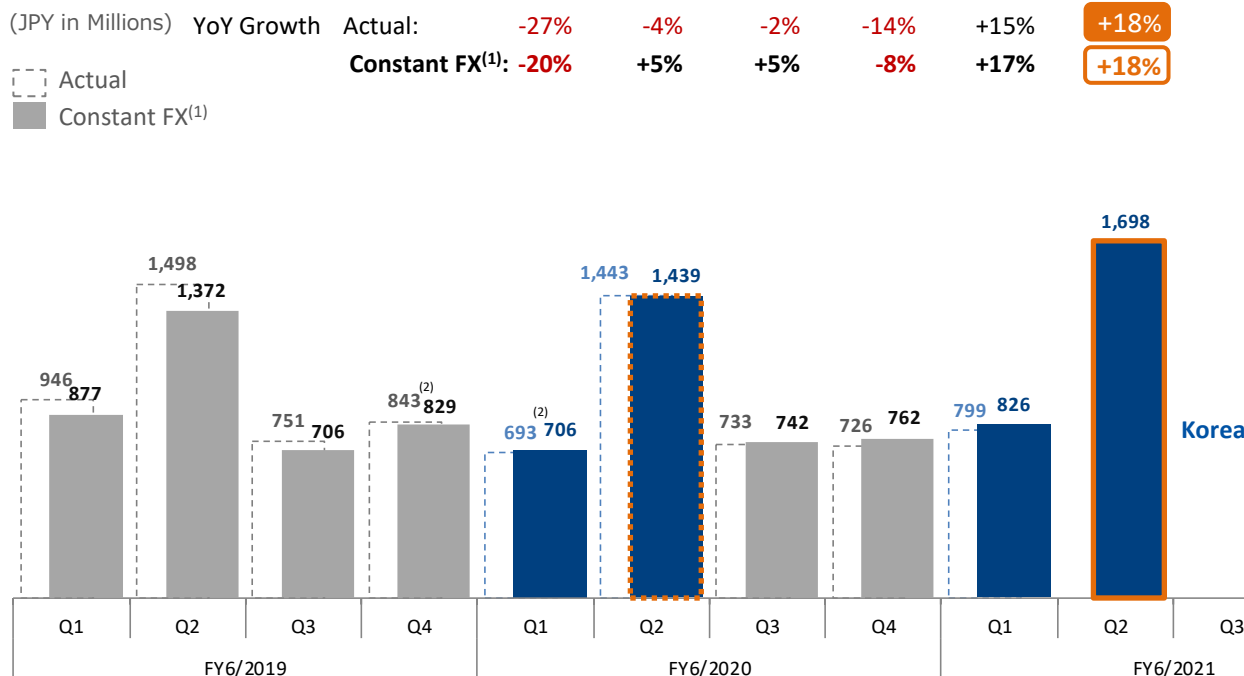
21

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

Q2 YTD Korea Revenue (6 Months)



Quarterly Korea Revenue Trends



Q2 Korea Business Performance Commentary

- Continued double-digit YoY Revenue Growth while the market has been negatively impacted by Covid-19
- In particular, as the shift from offline research to online accelerates, we have captured the business opportunity and as a result, Q2 YTD Revenue grew by approximately 28% YoY. Also, the research project for the Public Sector remains in a strong position
- Macromill Group is the only research company that owns a proprietary consumer panel in Korea. We aim to further expand digital Revenue by leveraging the asset. Preparing to launch a new purchase data service similar to the Japan purchase panel, QPR
- Digital will continue to be our growth driver this year with the expectation of new digital services centered around our panel data

Notes

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

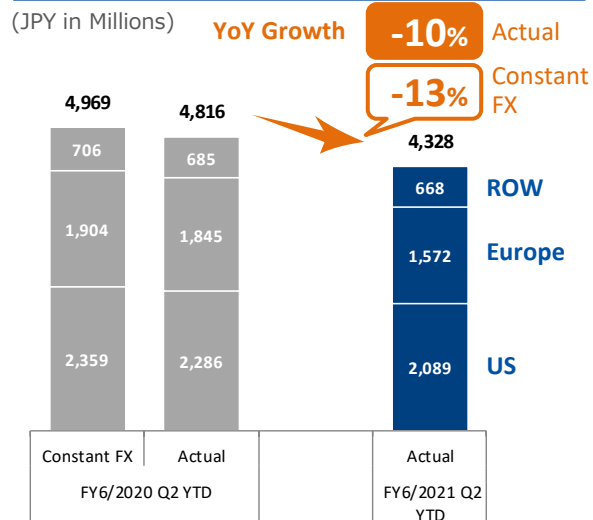
FY6/2021 Q2: Segment Performance Summary



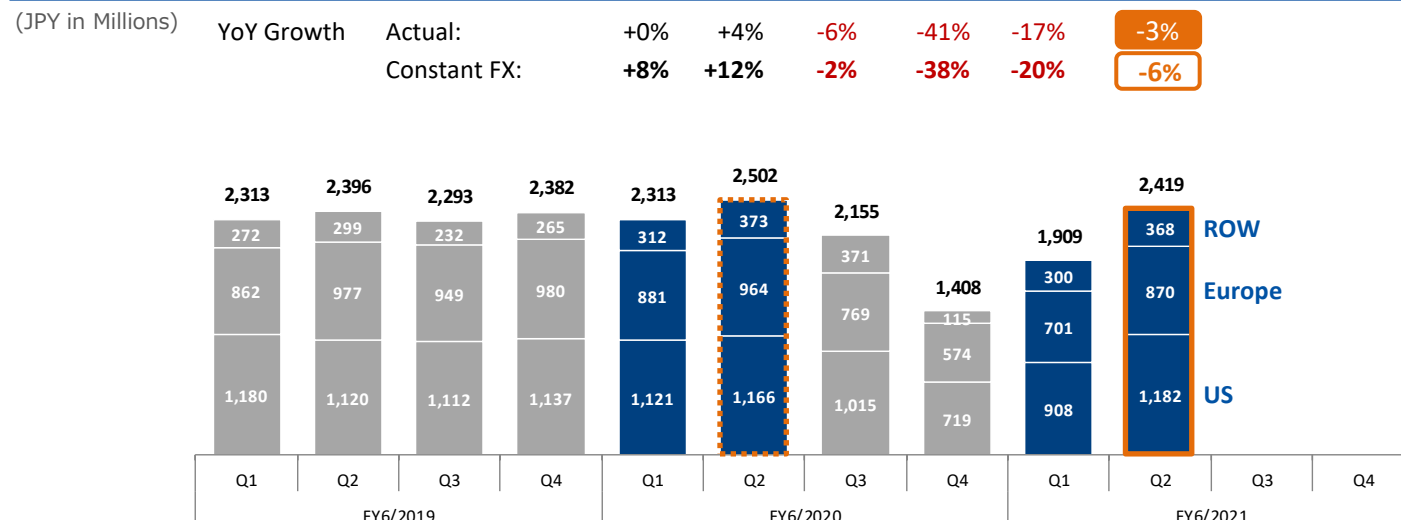
23

In Q2, the strongest quarter of the year, the YoY Revenue growth improved, and Profit turned positive
However, the level of recovery is uneven, and Europe is still in a challenging condition due to Covid-19

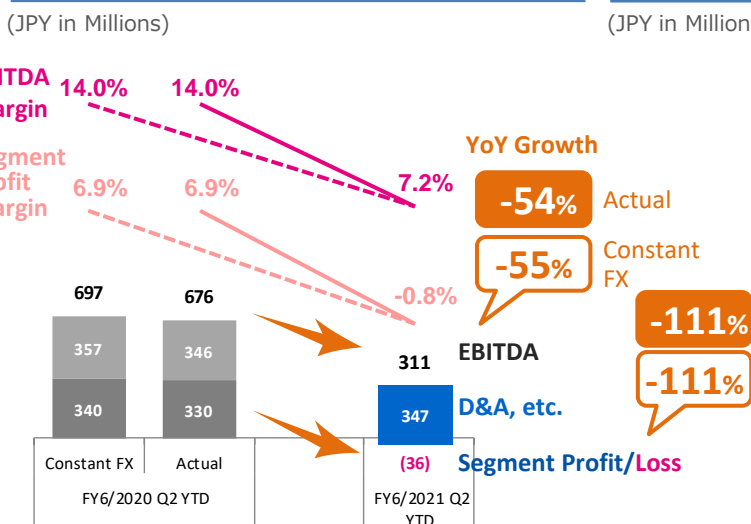
Q2 YTD Segment Revenue (6 Months)



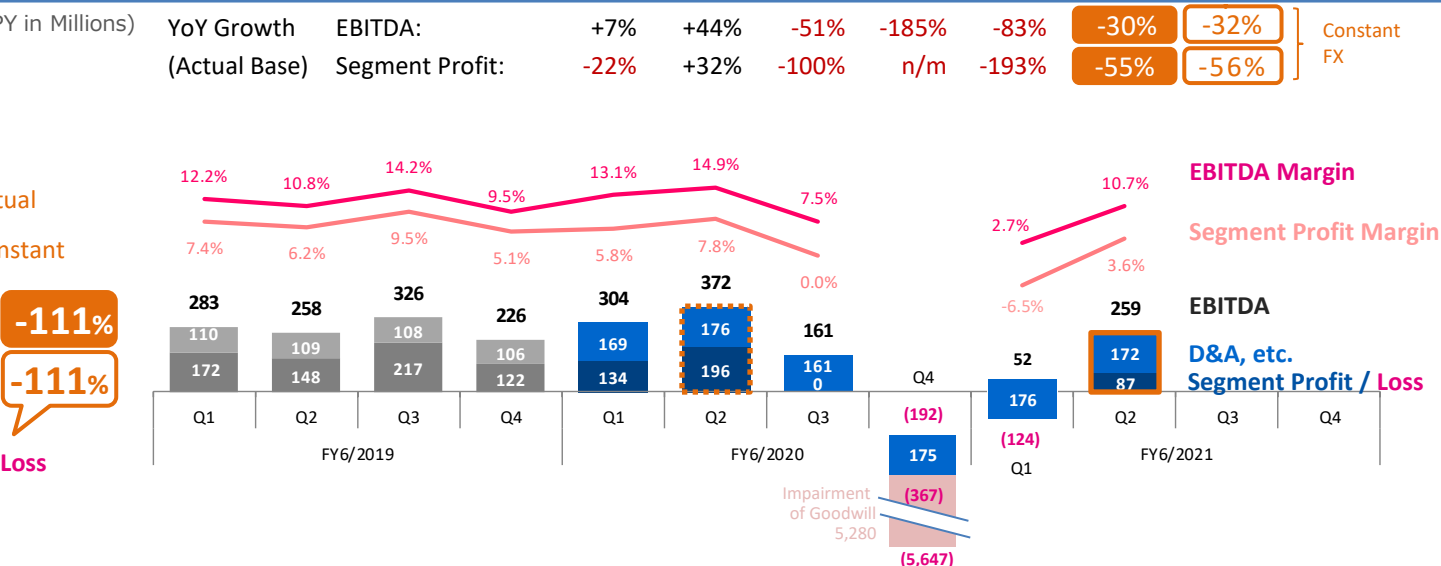
Quarterly Segment Revenue Trends



Q2 YTD Segment EBITDA and Profit (6 Months)



Quarterly Segment EBITDA and Profit Trends



FY6/2021 Q2: US Business - Summary



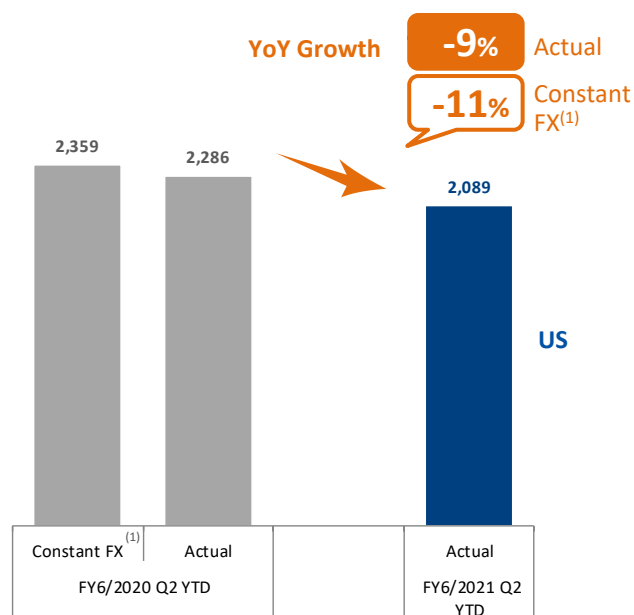
24

Enhanced approach to the existing clients and expanded transaction volume with some clients

Q2 Revenue recovered to the level of the previous fiscal year (FY6/2020 Q2)

Q2 YTD US Revenue (6 Months)

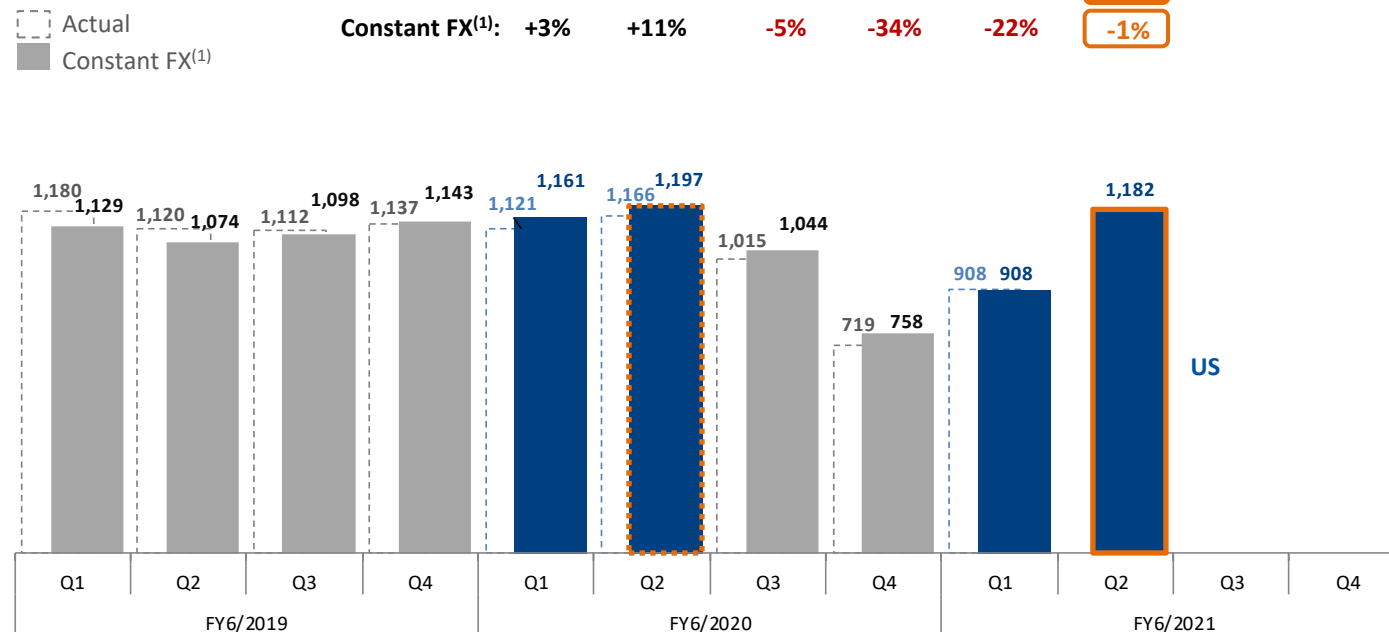
(JPY in Millions)



Quarterly US Revenue Trends

(JPY in Millions)

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



Q2 YTD US Business Commentary

- Although Covid-19 continues to impact the market, some clients (mainly Global Key Accounts(GKA)), have exceeded the Revenue YoY 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
- Package test solution (PACT Suite) and Online qualitative solution (Immerse) have seen a strong trend in demand

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

FY6/2021 Q2: Europe Business - Summary



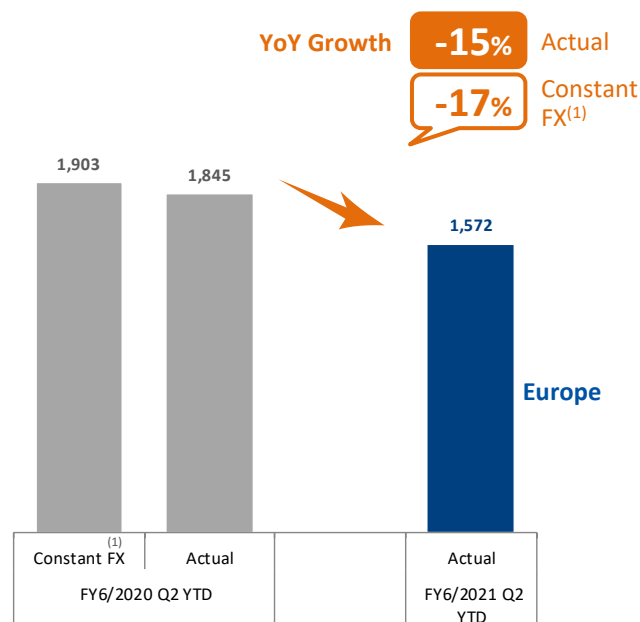
25

Compare to the US and ROW region, Europe has felt a larger impact from Covid-19

The rate of Revenue decline improved, but double-digit decline continues YoY

Q2 YTD Europe Revenue (6 Months)

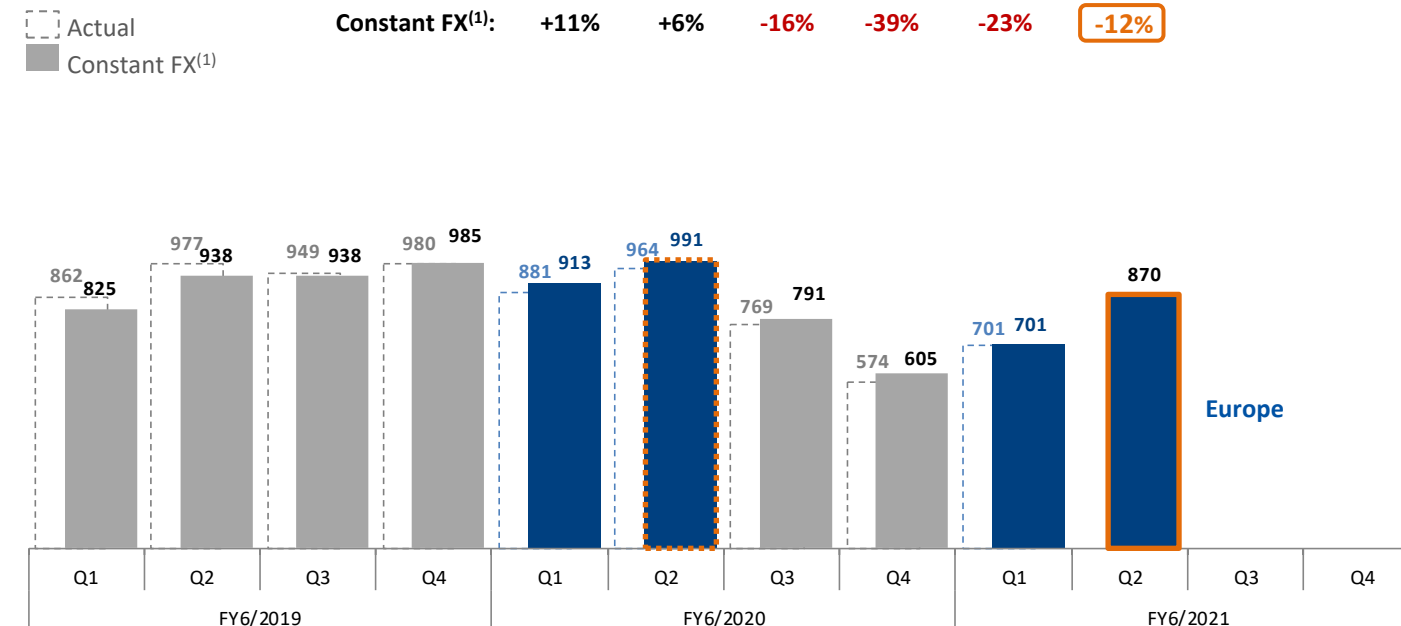
(JPY in Millions)



Quarterly Europe Revenue Trends

(JPY in Millions) YoY Growth

Actual:	+2%	-1%	-19%	-41%	-20%	-10%
Constant FX ⁽¹⁾ :	+11%	+6%	-16%	-39%	-23%	-12%



Q2 YTD Europe Business Performance Commentary

- The UK has been severely impacted by Covid-19 and continues double-digit Revenue decline YoY
- Similar to the US, Food and FMCG industries are in a growth trend, but conditions in the Alcohol, Advertising, and Entertainment industries are challenging
- New account development (in the OTC Healthcare industry, etc.) is making relatively good progress

Note

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

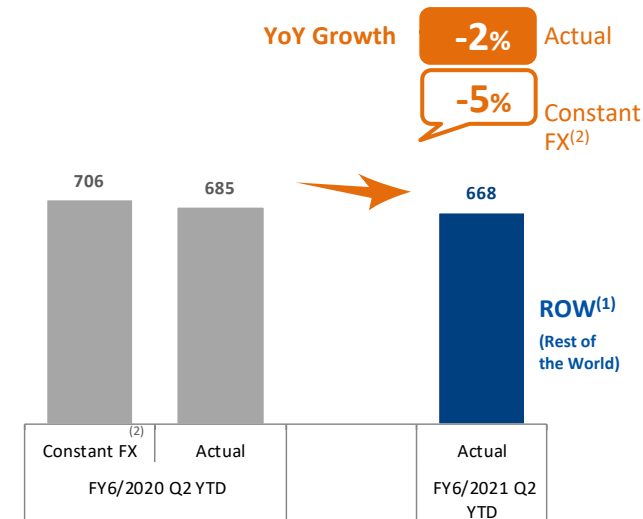
FY6/2021 Q2: ROW⁽¹⁾ Business - Summary

The rate of Revenue decline improved compared to the last quarter (FY6/2021 Q1)

However, the level of recovery is uneven as ROW includes multiple countries and regions

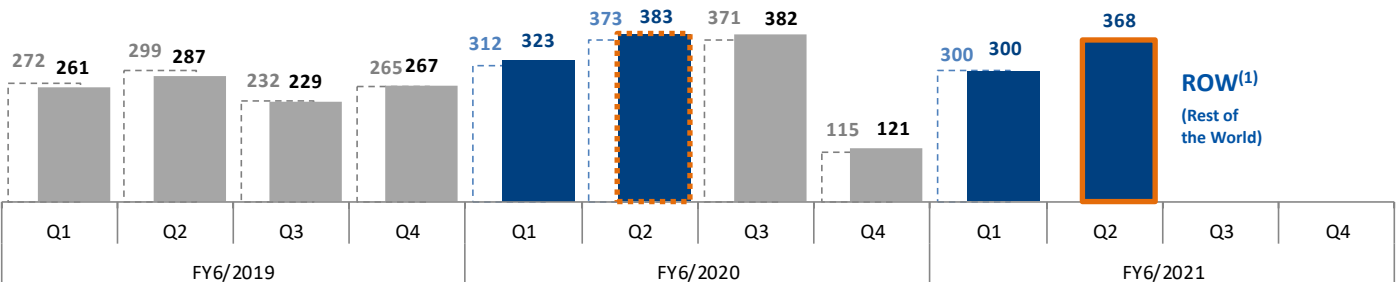
Q2 YTD ROW Revenue (6 Months)

(JPY in Millions)



Quarterly ROW Revenue Trends

(JPY in Millions)	YoY Growth	Actual:	+15%	+25%	+60%	-57%	-4%	-1%
		Constant FX ⁽²⁾ :	+24%	+33%	+67%	-55%	-7%	-4%



Q2 YTD ROW Business Performance Commentary

- India and Australia outperformed and increased Revenue YoY
- Singapore saw a large decline due to Covid-19
- Similar to the US and Europe, Food and FMCG industries are in a growth trend, but conditions in the Alcohol, Advertising, and Entertainment industries are challenging

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”

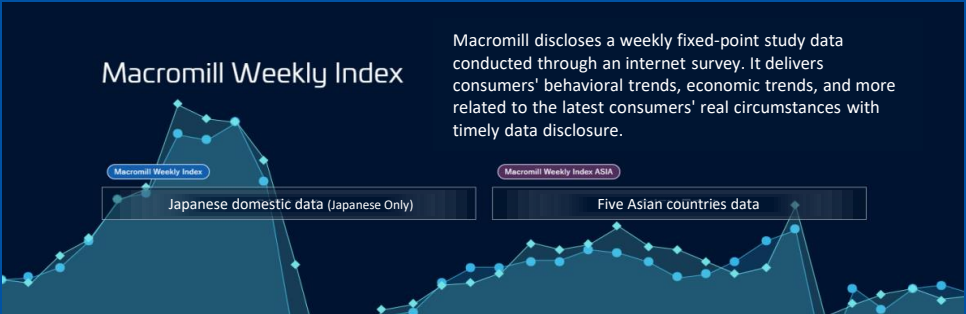
Innovative
Insights
for All



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, 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 Q2 Financial Results Supplemental Material
- ii. Market size, Historical Revenue Trends and our Mid-term Business Plan
- iii. Summary of our Company

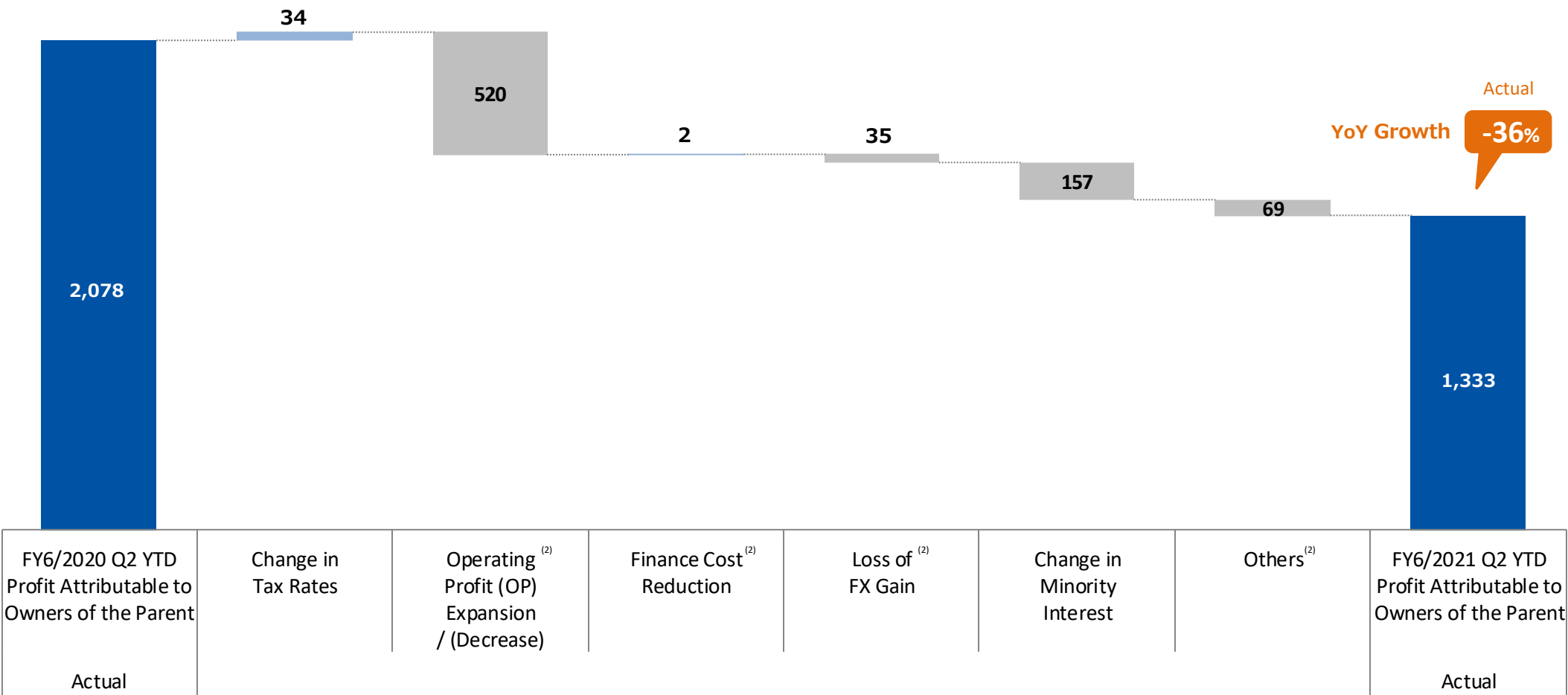
FY6/2021 Q2: Net Income⁽¹⁾ Waterfall Chart

Q2 YTD (6 Months)

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

Profit Attributable to Owners of the Parent Waterfall Analysis⁽²⁾ – FY6/2020 Q2 YTD vs. FY6/2021 Q2 YTD

Consolidated (IFRS)
(JPY in Millions)



Net Income⁽¹⁾ Margin **9.5%**

6.3%

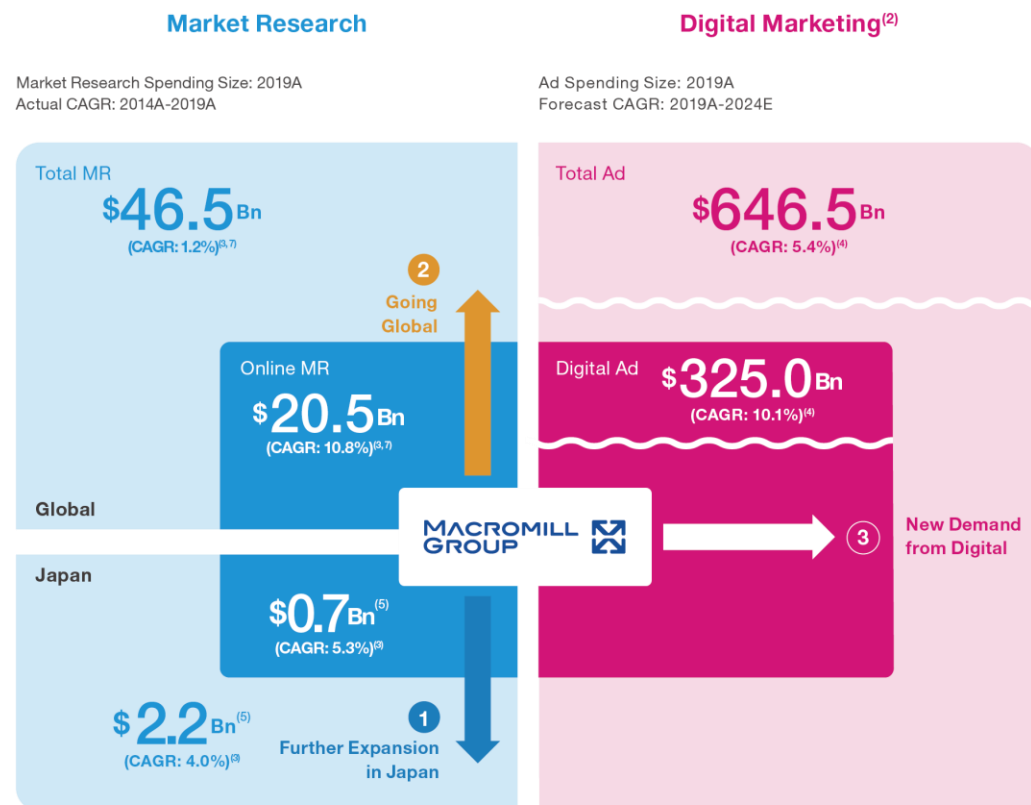
Notes
1. Profit Attributable to Owners of the Parent
2. Figures including Tax effect

Appendix

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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

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 2014A-2019A
4. Future estimate CAGR for 2019A-2024E
5. Exchange rate: USD/JPY = 110
6. Excluding New Business (such as M&A) Contribution
7. 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

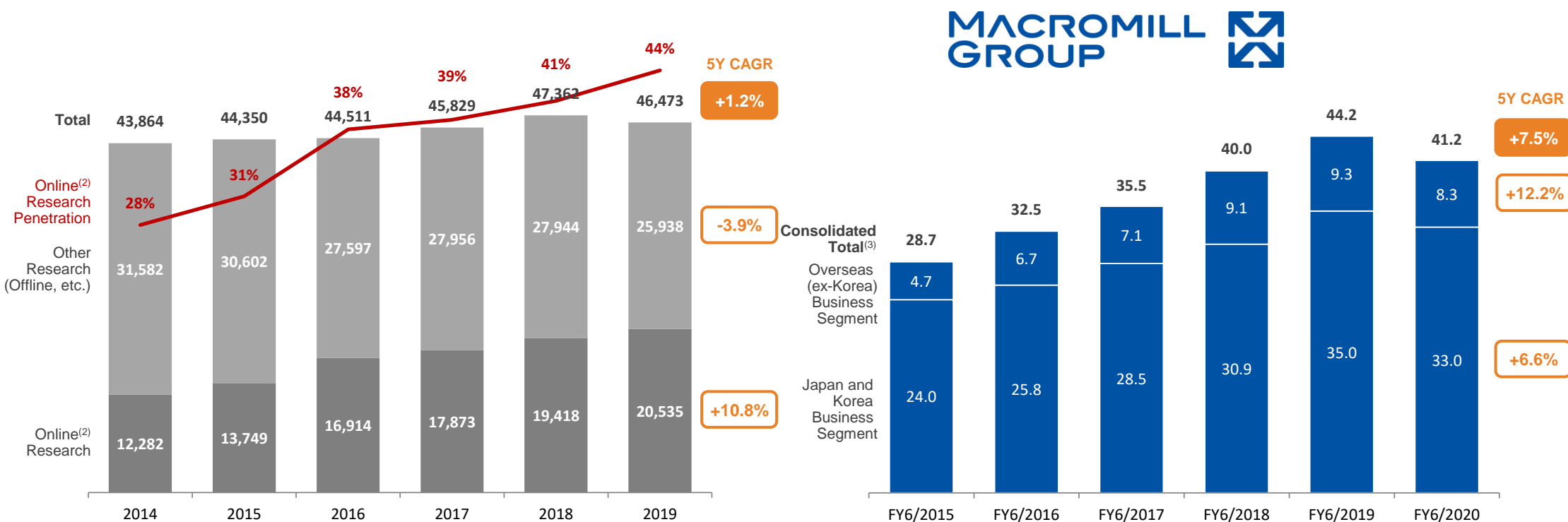
ESOMAR⁽¹⁾
(USD in Millions)

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%



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

34

- 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

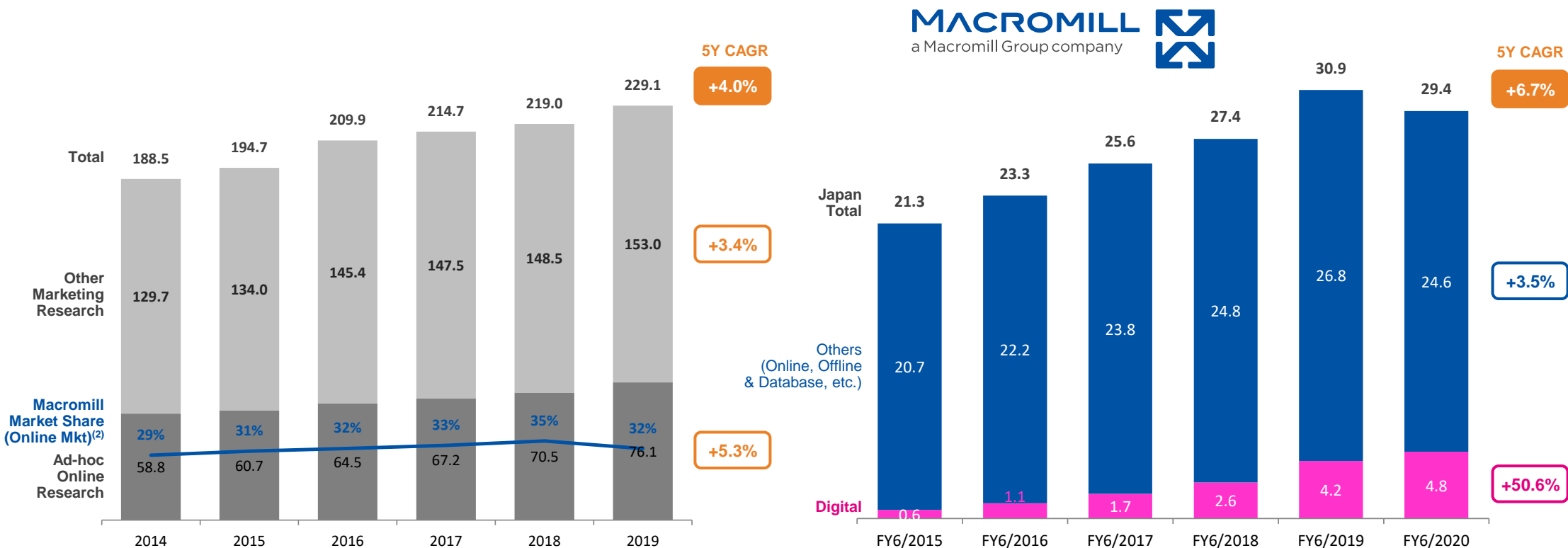
JMRA⁽¹⁾
(JPY in Billions)

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%



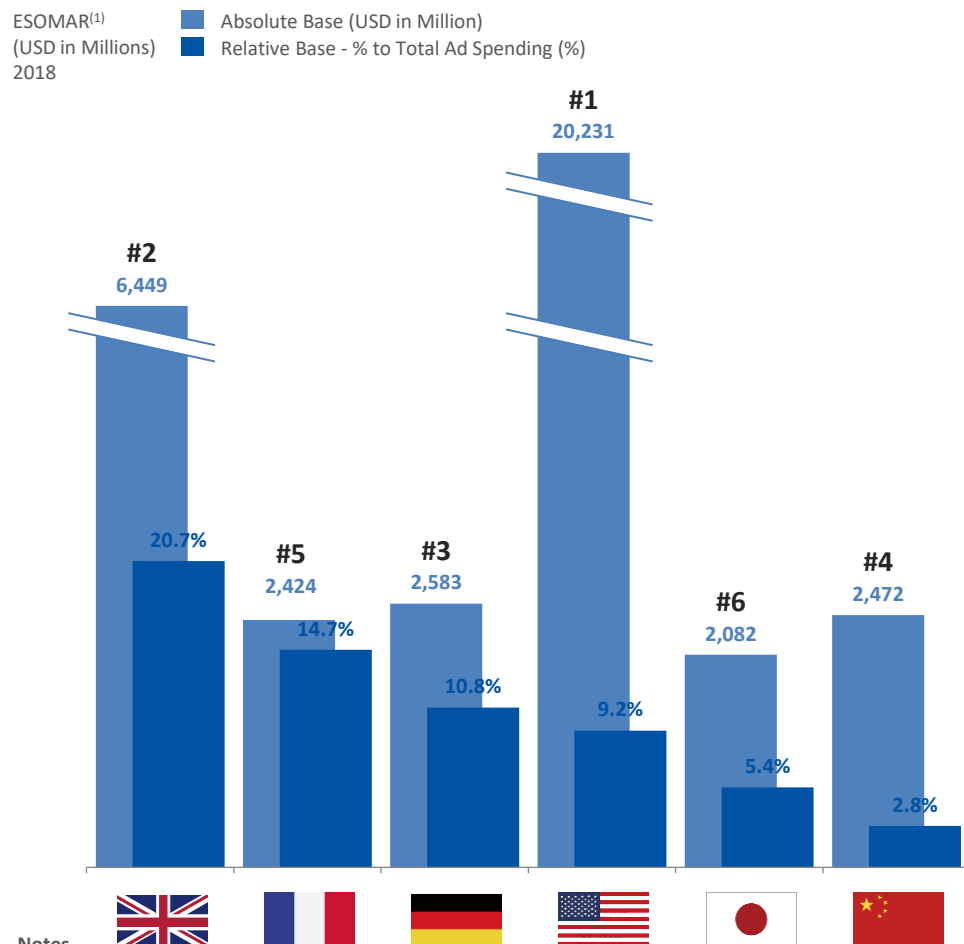
Notes

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)



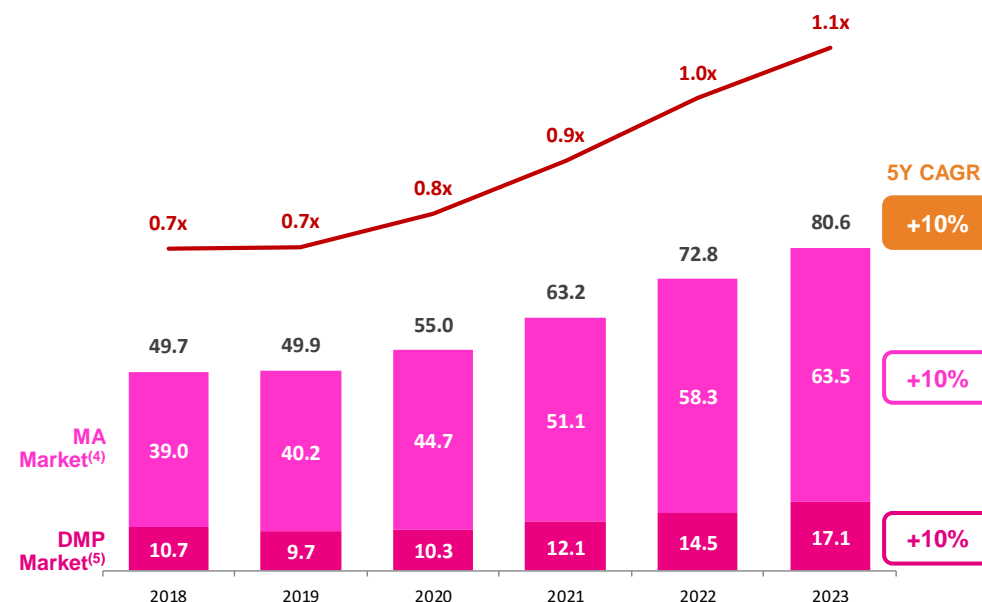
Notes

- 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

Yano Research Institute⁽²⁾
(JPY in Billions)
2020

Market Size Multiple: Total Japanese DMP/MA market size against Domestic Online Marketing Research Market (in 2020) ⁽³⁾

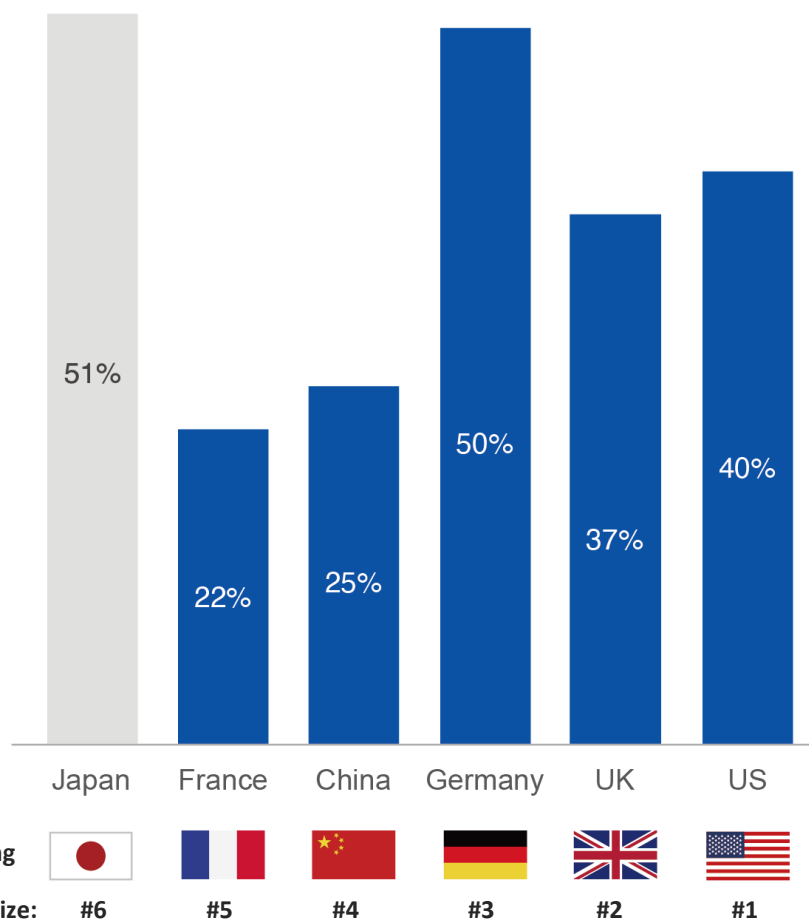


Further Growth Opportunity – Overseas Business

- 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

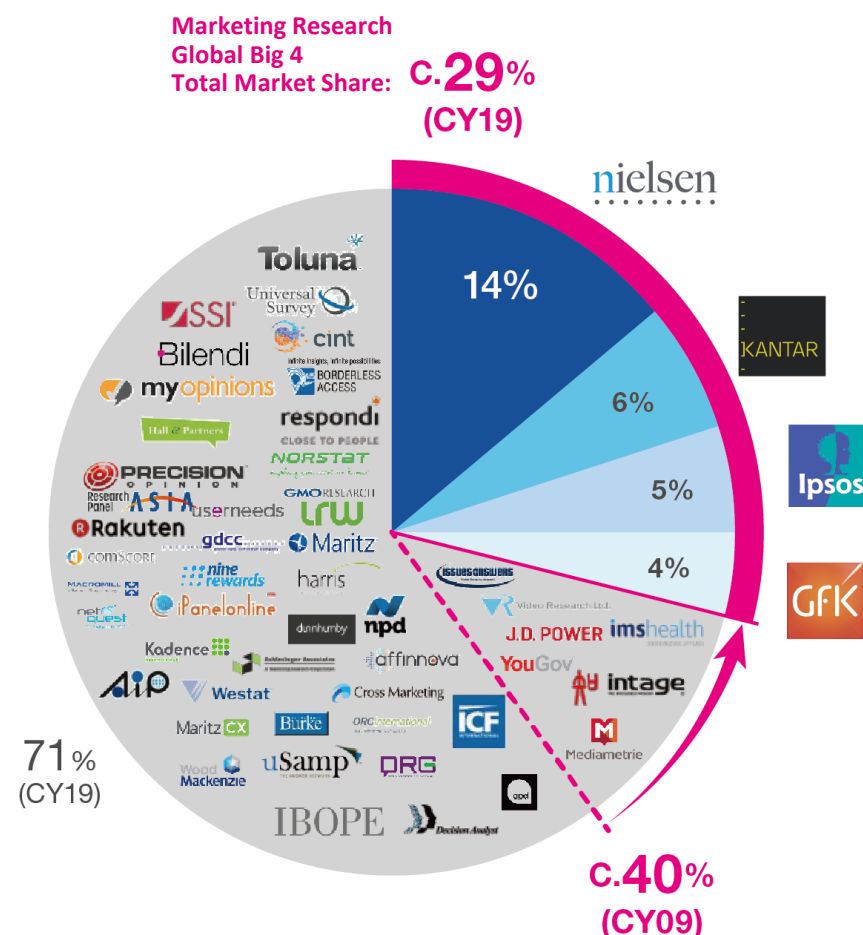


Notes

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



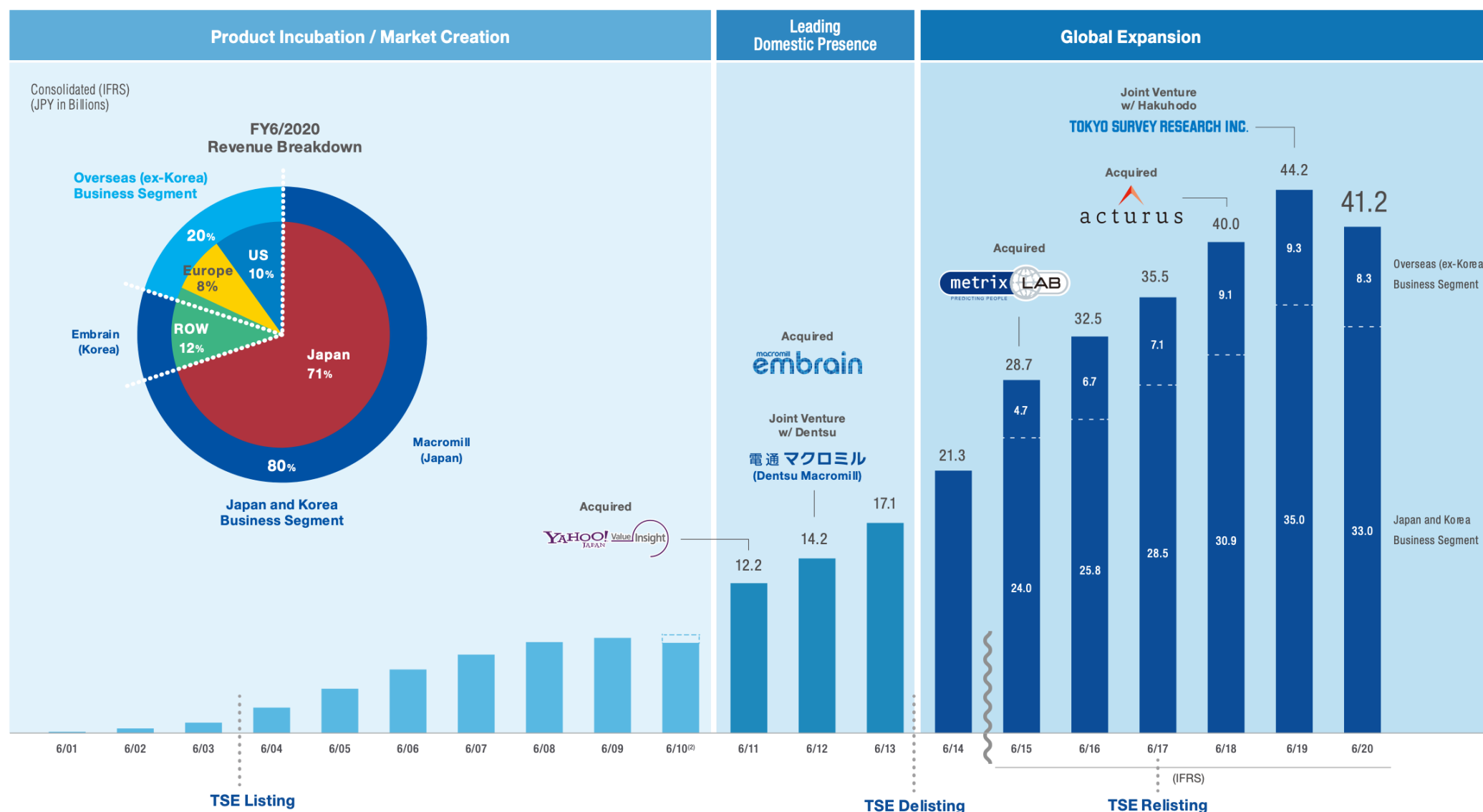
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We are Fast Growing Market Research Company

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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⁾

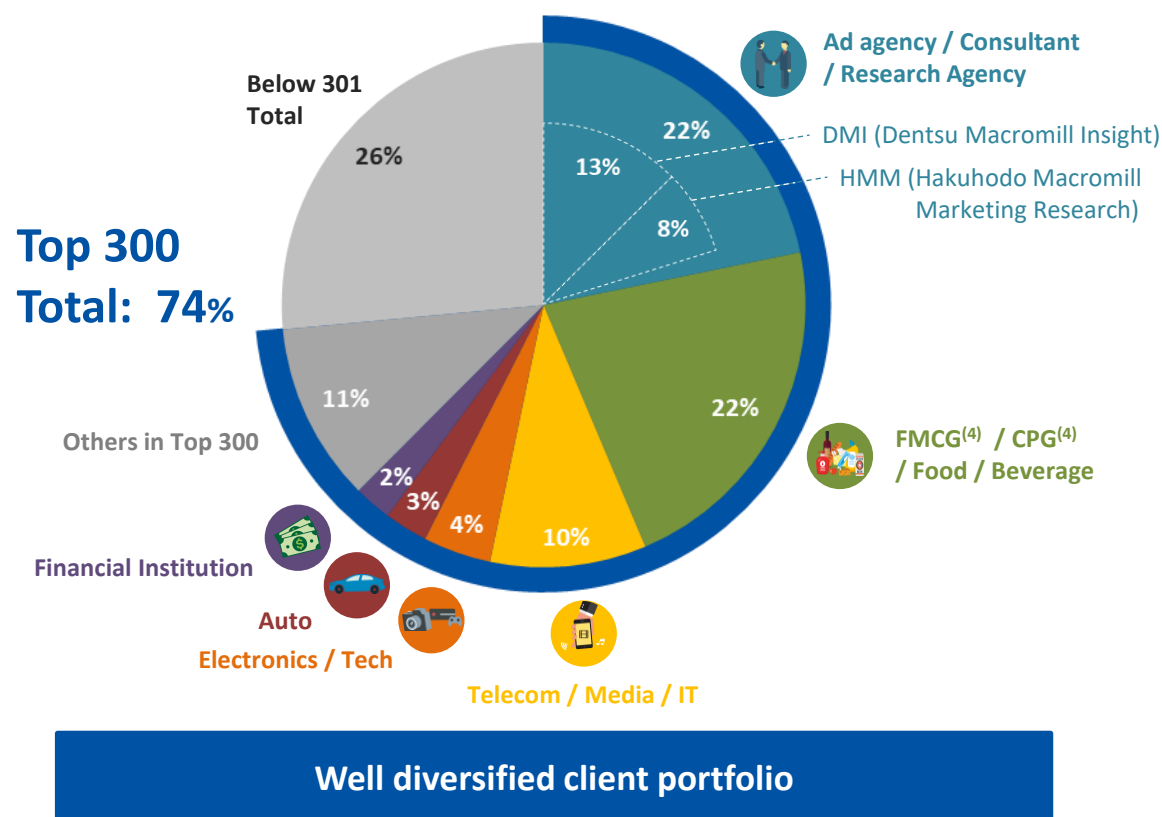
92.1%
in Global⁽³⁾
(excl. Japan)

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

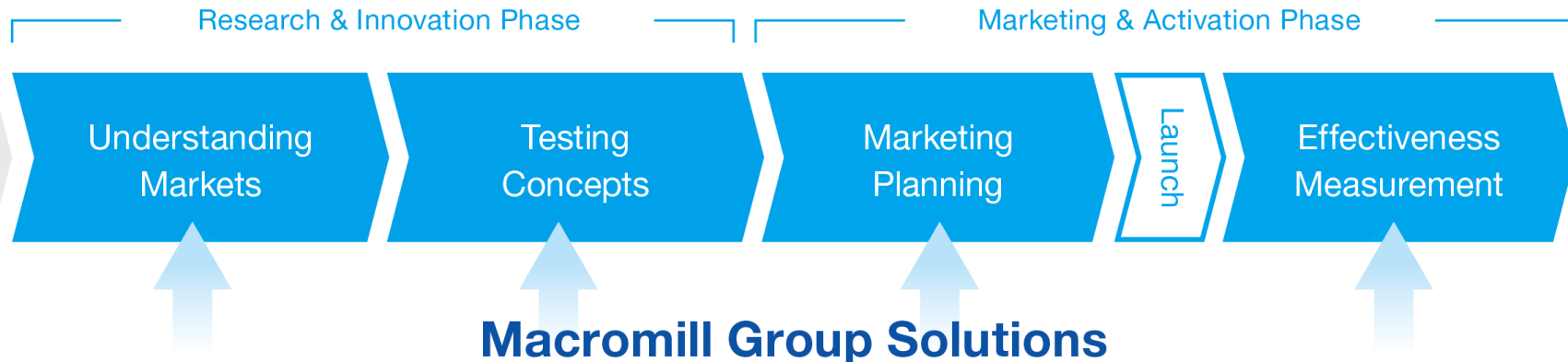
Consolidated (IFRS)
(JPY in Millions)



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



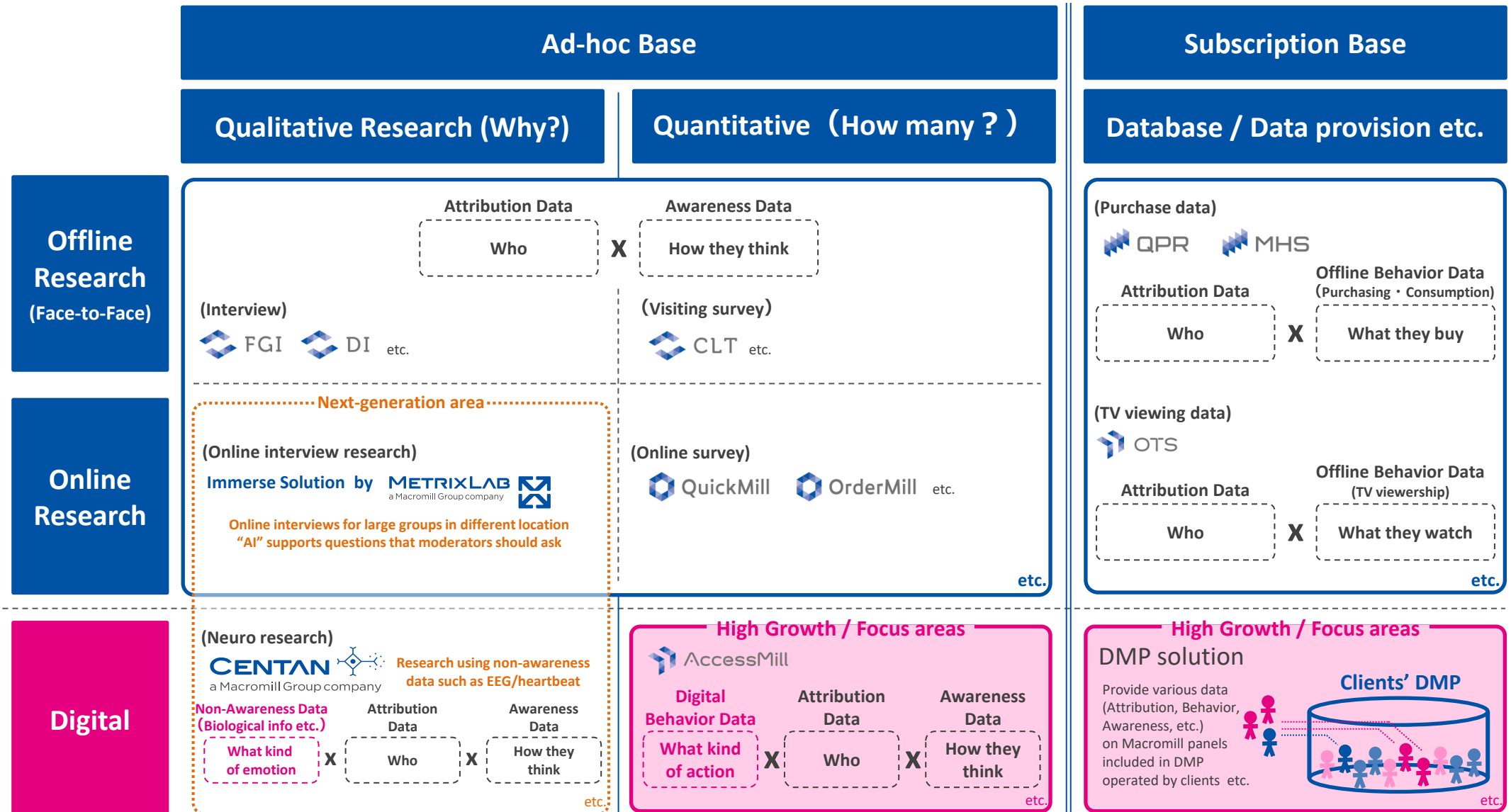
Total 110M Global Consumer Research Panel



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

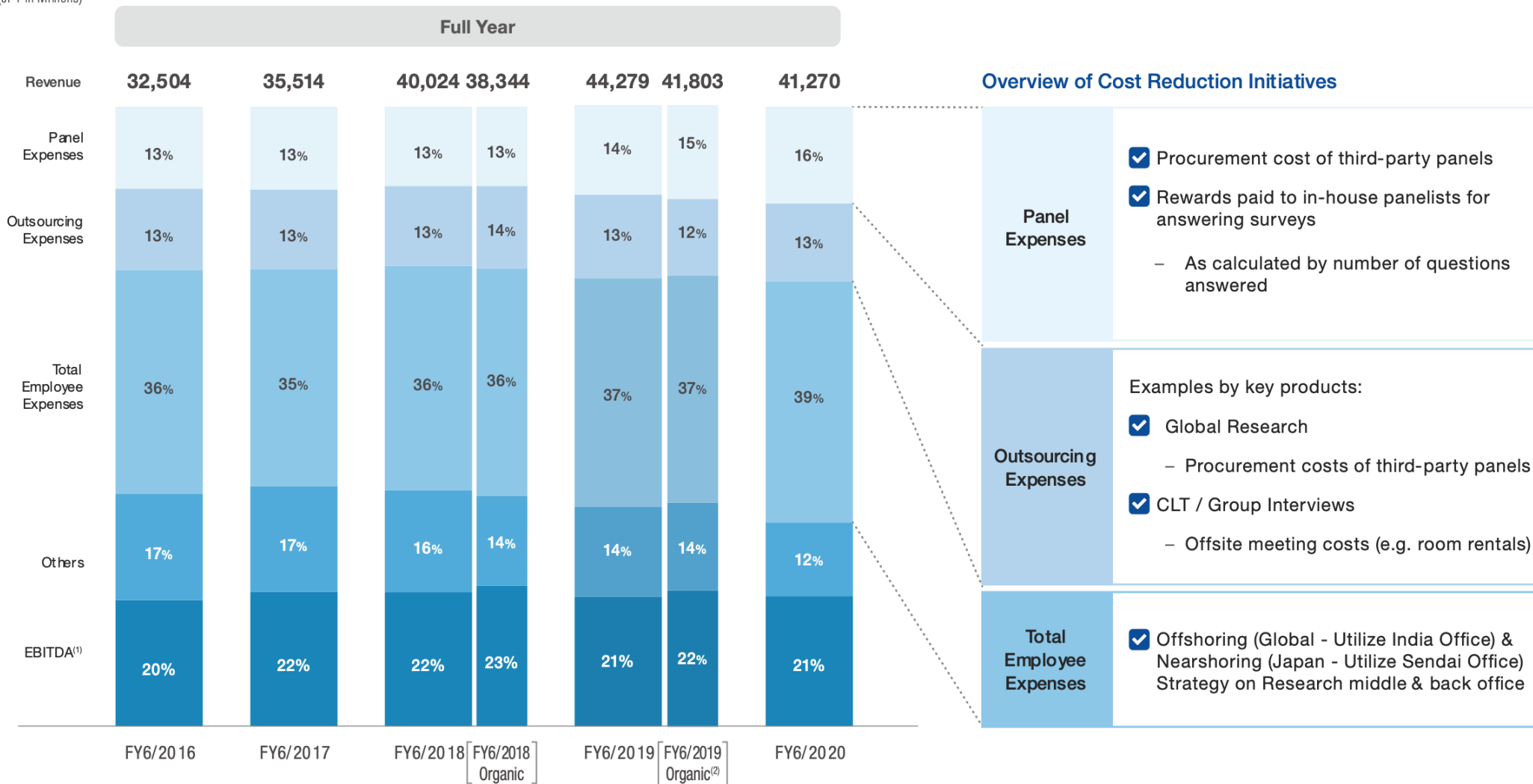


Operating Leverage & Cost Reduction Initiatives Deliver Further Profit Expansion

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

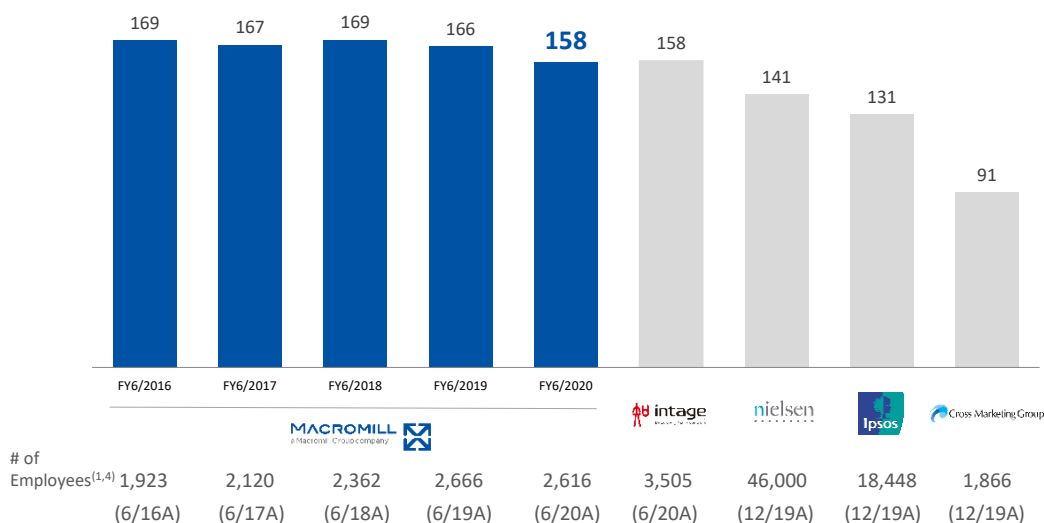
2. Acturus Inc. which we had acquired in the second quarter of FY6/2018 had completely merged with MetrixLab U.S. as of July 2, 2018. As a consequence, we will no longer be able to segregate and disclose the two entities separately, so the M&A contribution for FY6/2019 is sum of HMM (Q1-Q4) and CENTAN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

Best-in-Class Operational Excellence and Profitability Continues

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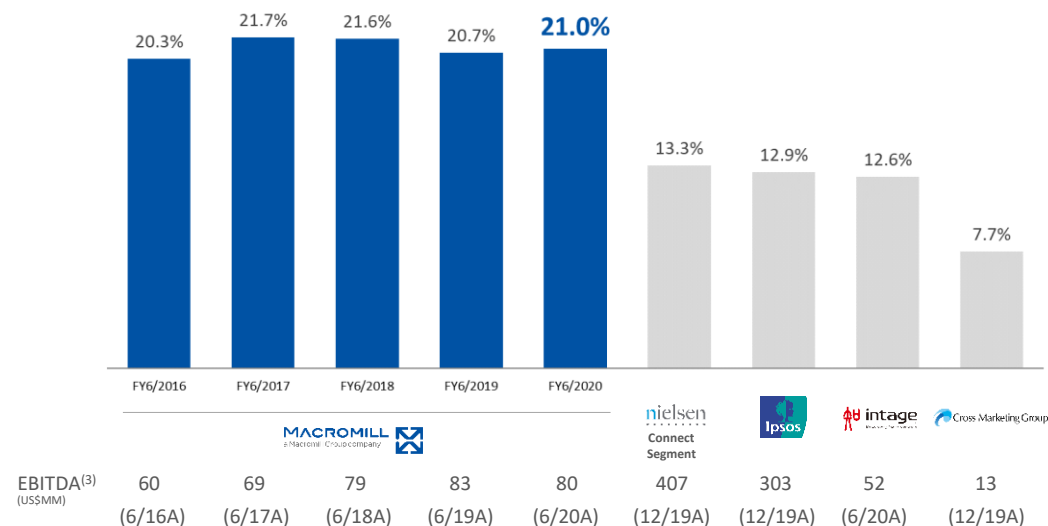
Revenue per Employee^{(1) (2)}

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

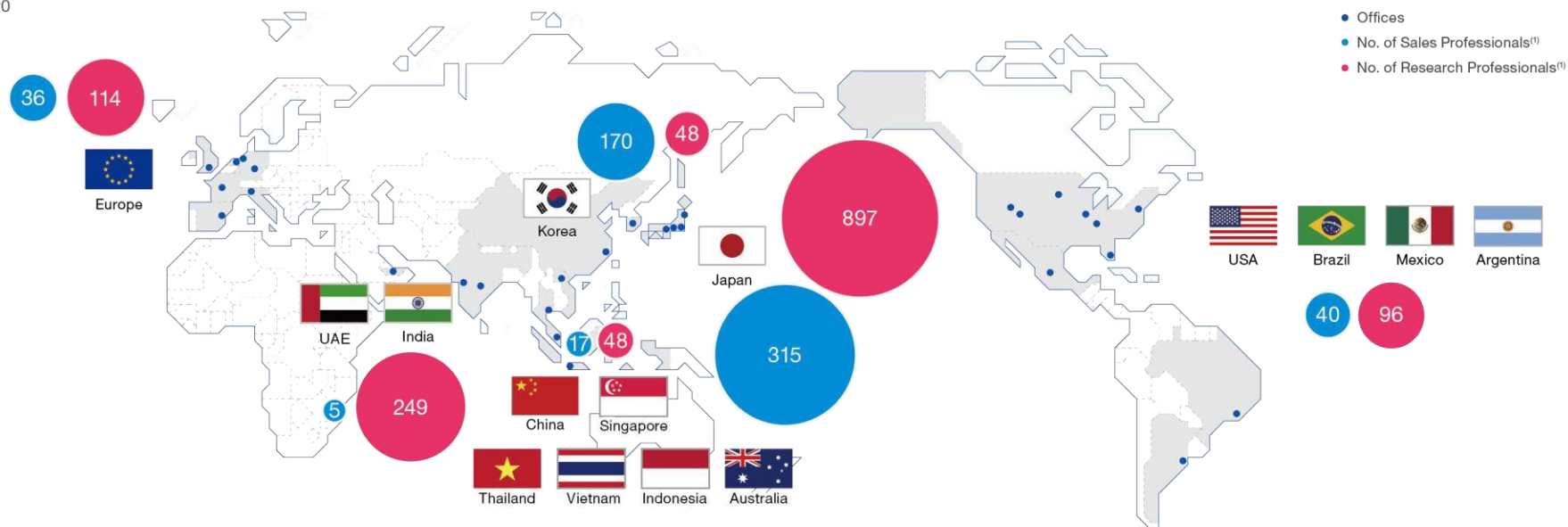
Note

1. Acquired market research business only

Worldwide Sales & Research Delivery

Sales and Research Breakdown for Selected Key Markets⁽¹⁾

As of end of December, 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. 580⁽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

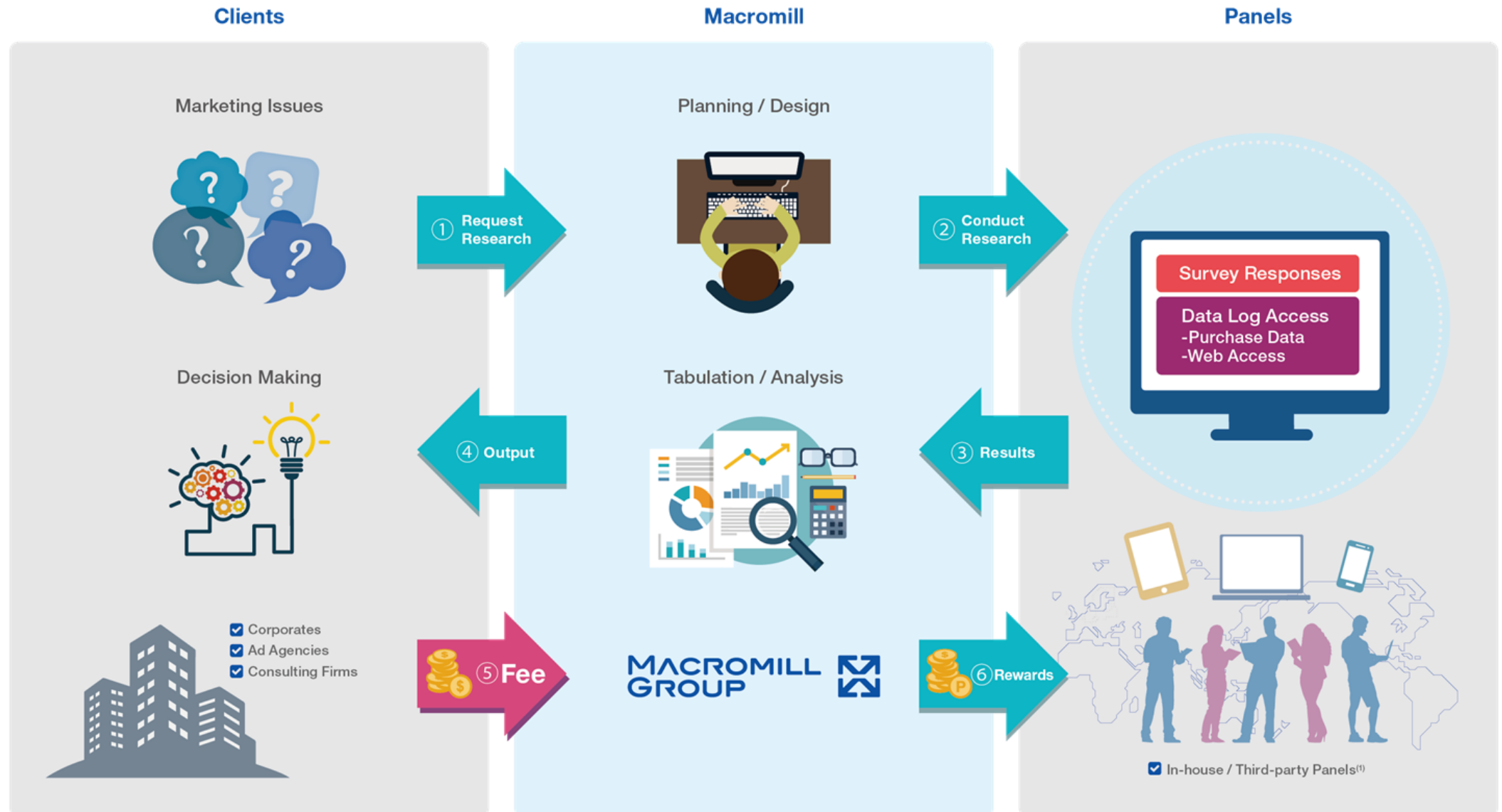
Notes

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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