

FY6/2019 Full Year Financial Results & FY6/2020 Guidance

August 7, 2019



This document has been prepared solely for the purpose of presenting relevant information regarding Macromill, Inc. (“Macromill”). This document does not constitute an offer to sell or the solicitation of an offer to buy any security in the United States, Japan or any other jurisdiction. The securities of Macromill have not been and will not be registered under the U.S. Securities Act of 1933, as amended, and may not be offered or sold in the United States absent registration or an applicable exemption from registration requirements.

This presentation is based on the economic, regulatory, market and other conditions as in effect on the date hereof, and Macromill does not guarantee that the information contained in this presentation is true, accurate or complete. It should be understood that subsequent developments may affect the information contained in this presentation, which neither Macromill nor its advisors or representatives are under an obligation to update, revise or affirm. The information in this presentation is subject to change without prior notice and such information may change materially. Neither this presentation nor any of its contents may be disclosed to or used by any other party for any purpose without the prior written consent of Macromill.

This presentation contains statements that constitute forward-looking statements within the meaning of the U.S. Private Securities Litigation Reform Act of 1995, including estimations, forecasts, targets and plans. Such forward-looking statements do not represent any guarantee by management of future performance. In many cases, but not all, we use such words as “aim,” “anticipate,” “believe,” “continue,” “endeavor,” “estimate,” “expect,” “initiative,” “intend,” “may,” “plan,” “potential,” “probability,” “project,” “risk,” “seek,” “should,” “strive,” “target,” “will” and similar expressions to identify forward-looking statements. You can also identify forward-looking statements by discussions of strategy, plans or intentions. Any forward-looking statements in this document are based on the current assumptions and beliefs of Macromill in light of the information currently available to it, and involve known and unknown risks, uncertainties and other factors. Such risks, uncertainties and other factors may cause Macromill’s actual results, performance, achievements or financial position to be materially different from any future results, performance, achievements or financial position expressed or implied by such forward-looking information.

Except as otherwise indicated, the views, statements and outlook indicated herein are those of Macromill. The information related to or prepared by companies or parties other than Macromill is based on publicly available and other information as cited, and Macromill has not independently verified the accuracy and appropriateness of, nor makes any warranties regarding, such information.

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

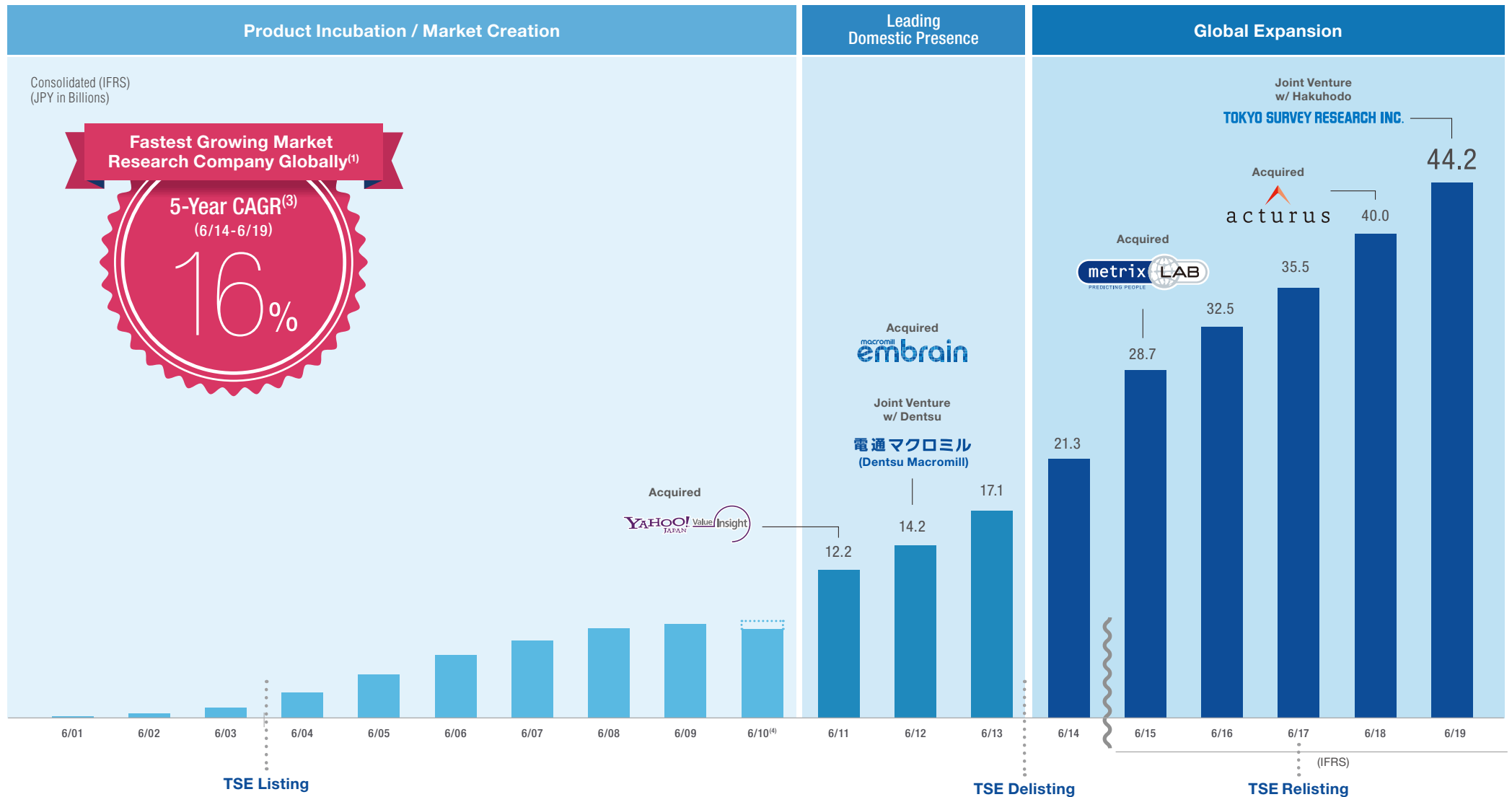
These materials contain non-GAAP financial measures, including adjusted EBITDA, EBITDA and adjusted net income attributable to owners of the parent. These non-GAAP financial measures should not be considered in isolation or as a substitute for the most directly comparable financial measures presented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

Key Takeaways

- ✓ FY6/2019 results as we expected in our revised guidance:
 - Revenue achieved double digit growth with M&A
 - Achieved +6% EBITDA growth with Net Income flat versus last fiscal year
- ✓ FY6/2019 was the last year of the prior mid-term business plan
- ✓ We have achieved steady growth and significantly improved our global position to 13th and we did meet majority of our KPIs
- ✓ The market is changing rapidly with unexpected events, but our business model and “proprietary panel and data” are difficult for competitors to copy
- ✓ The data privacy regulation draws more attention, and we believe our business model will become more valuable, and we are extending our competitive advantage
- ✓ In this current situation, we continue to pursue further growth and aspire to become “Global Top 10” Marketing Research Company and “No.1 in Japan” and “No. 1 in Asia”
- ✓ FY6/2020 will be an investment year to realize our growth aspiration, as described in our new mid-term business plan, and we will commit to growing faster than the market and delivering our ambitious vision

We are the Fastest Growing Market Research Company⁽¹⁾

Consolidated Revenue⁽²⁾



Notes

- Source: ESOMAR Global Market Research 2013/2014/2018, Macromill's revenue CAGR growth between 2012 & 2013 and 2017 (4yr & 5yr CAGR) are highest among the largest 25 global marketing research companies (excluding IQVIA (ex-QuintilesIMS), a health care IT service provider)
- J-GAAP based financials for FY6/2001-6/2014 and IFRS-based financials for FY6/2015 onwards. J-GAAP and IFRS financial information are prepared based on different accounting principles and are not directly comparable. Macromill believes, however, that the presentation of consolidated revenues on a J-GAAP basis as compared to IFRS would only require immaterial adjustments and that the presentation above appropriately and accurately reflects the consolidated revenue trends for the four fiscal years ended June 30, 2017
- 5-Year revenue CAGR for FY6/2014-6/2019 (Compound average annual growth rate based on the figures for FY6/2015-6/2019 (IFRS) and FY6/2014 (J-GAAP)). 5-year CAGR has been calculated using J-GAAP and IFRS financials, which are not directly comparable
- The dotted line indicates potential revenue contribution from the subsidiary (AIP) divested in this year.

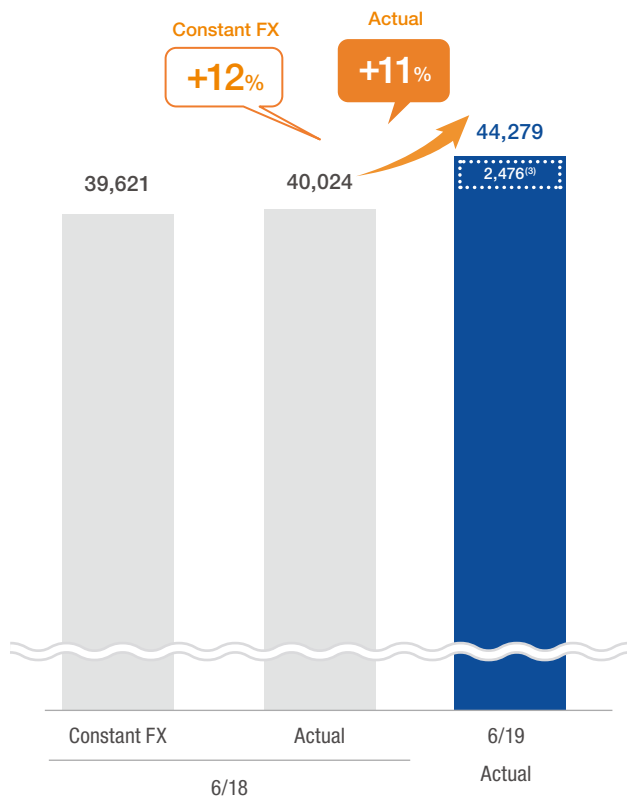
FY6/2019 Results⁽¹⁾: Summary

Full Year (12 months)

005

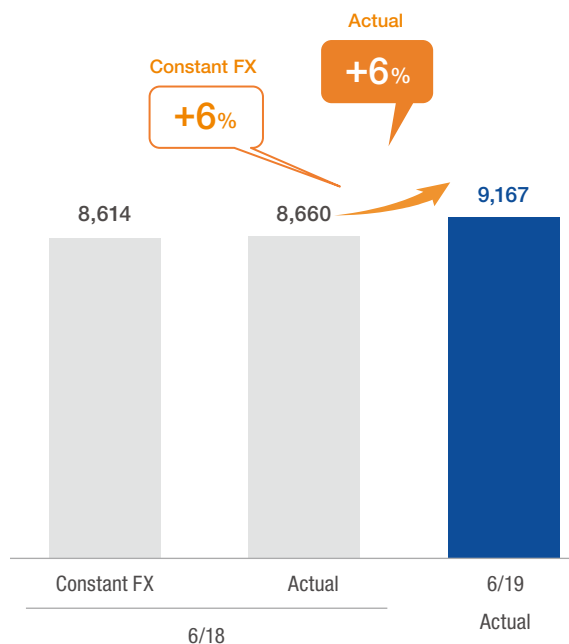
Revenue

Consolidated (IFRS)
(JPY in Millions) HMM⁽²⁾ & CENTAN Contribution⁽³⁾



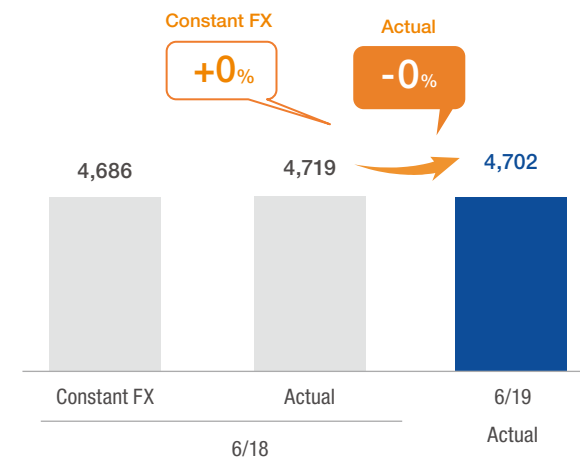
EBITDA⁽⁴⁾

Consolidated (IFRS)
(JPY in Millions)



Profit Attributable to Owners of the Parent

Consolidated (IFRS)
(JPY in Millions)



Margin

21.7%

21.6%

20.7%

Margin

11.8%

11.8%

10.6%

Notes

1. Financials (actual) for 6/18 and financials for 6/19 are presented by using the period-average rate of €1 = ¥131.62 and €1 = ¥126.89 respectively. Financials (constant FX) for 6/18 are calculated by using the same period-average rate of €1 = ¥126.89. Each exchange rate is used to translate MetrixLab's consolidated results of operations for each of the 12-months periods ended June 30, 2018 and 2019 into yen, as applicable, in connection with the consolidation into our consolidated financial statements. We present financials for 6/18 on a constant currency basis because we believe that this provides a framework for assessing how Macromill's business and, in particular, Macromill's overseas businesses including MetrixLab, performed without taking into account the effect of the fluctuations between the euro and the yen since the same period in the prior year. The selected financial data for 6/18 presented above on a constant currency basis should be considered in addition to and not as a substitute for results reported in accordance with IFRS

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

3. 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.

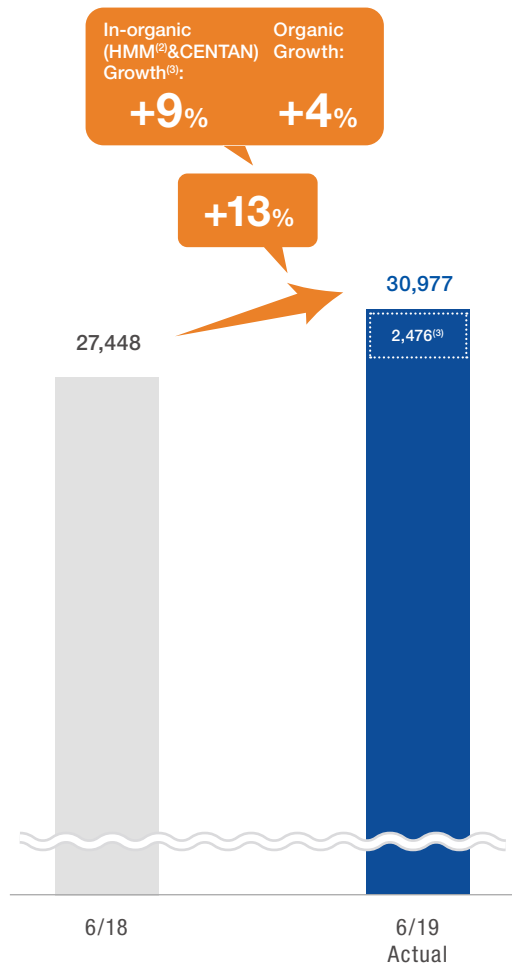
4. EBITDA = Operating Profit + Depreciation and Amortization + Loss on Retirement of Non-current Assets + Impairment Loss

FY6/2019 Results⁽¹⁾: Revenue Drivers

Full Year (12 months)

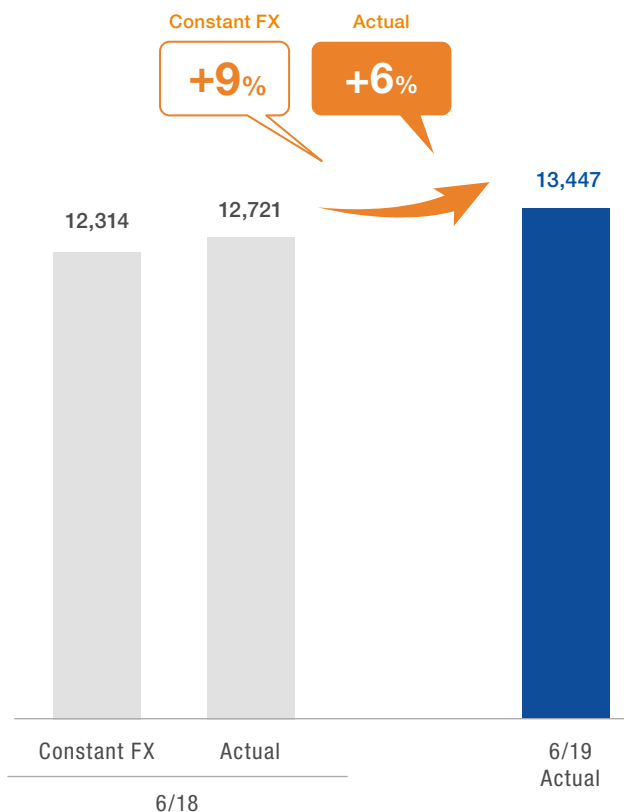
Japan

Consolidated (IFRS) (JPY in Millions) HMM⁽²⁾ & CENTAN Contribution⁽³⁾



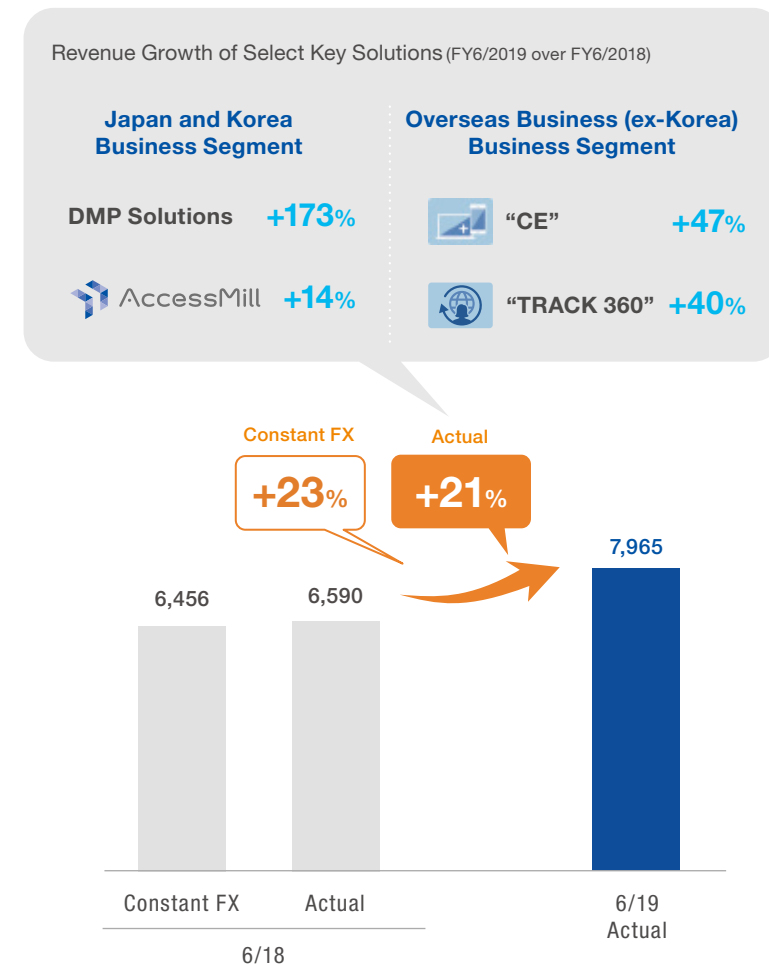
Global (Excl. Japan)⁽¹⁾

Consolidated (IFRS) (JPY in Millions)



Digital Marketing Revenue⁽¹⁾

Consolidated (IFRS) (JPY in Millions)



Notes

- Financials (actual) for 6/18 and financials for 6/19 are presented by using the period-average rate of €1 = ¥131.62 and €1 = ¥126.89 respectively. Financials (constant FX) for 6/18 are calculated by using the same period-average rate of €1 = ¥126.89. Each exchange rate is used to translate MetrixLab's consolidated results of operations for each of the 12-months periods ended June 30, 2018 and 2019 into yen, as applicable, in connection with the consolidation into our consolidated financial statements. We present financials for 6/18 on a constant currency basis because we believe that this provides a framework for assessing how Macromill's business and, in particular, Macromill's overseas businesses including MetrixLab, performed without taking into account the effect of the fluctuations between the euro and the yen since the same period in the prior year. The selected financial data for 6/18 presented above on a constant currency basis should be considered in addition to and not as a substitute for results reported in accordance with IFRS.
- We had acquired majority stake of Tokyo Survey Research Inc. from Hakuhodo on July 2, 2018, and had changed its business name to H.M. Marketing Research, Inc. (HMM) as of October 1, 2018.
- 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.

FY6/2019 Full Year Financial Update

Consolidated Statements of Operations (P/L)

008

Summary of Consolidated Statements of Operations

	IFRS			
	Full Year		Variance	YoY Growth
(JPY in Millions)	6/2018	6/2019		
Revenue	40,024	44,279	4,255	11%
Total Employee Expenses	(14,509)	(16,323)	(1,814)	13%
Panel Expenses	(5,187)	(6,402)	(1,215)	23%
Outsourcing Expenses	(5,089)	(5,974)	(885)	17%
Depreciation and Amortization	(1,052)	(1,411)	(359)	34%
Others	(6,578)	(6,414)	164	(2%)
Operating Profit	7,607	7,751	144	2%
Finance Income and Costs	(235)	(466)	(231)	98%
Profit before Tax	7,372	7,285	(87)	(1%)
Income Tax Expenses	(2,201)	(2,022)	179	(8%)
Profit attributable to non-controlling interest	(450)	(559)	(109)	24%
Profit Attributable to Owners of the Parent	4,719	4,702	(17)	(0%)
EBITDA	8,660	9,167	507	6%
EPS (Basic Earnings per Share) (Yen)	120.21	117.90	(2.31)	(2%)
Operating Profit Margin	19.0%	17.5%	(1.5%)	
EBITDA Margin	21.6%	20.7%	(0.9%)	

FY6/2019 P/L Commentary

Variance Factors

- ✓ Revenue:
 - Increase in Japan and Korea Business Segment 4,072 (+13.2%)
 - Increase in Overseas Business (ex-Korea) Segment 183 (+2.0%)
- ✓ Total Employee Expenses:
 - Number of the total group employees increased by 325, from 2,138 (FY6/2018 Q4) to 2,463 (FY6/2019 Q4)
 - Japan and Korea Business Segment +316 (+161 due to acquisitions)
 - Overseas Business (ex-Korea) Segment +9
- ✓ Panel Expenses:
 - Reclassification in Overseas Business Segment from Operating Expenses - Others to Panel Expenses 670
 - Panel expenses excluding this reclassification increased almost in line with revenue growth
- ✓ Outsourcing Expenses:
 - Increased due to sophistication and specialization of research projects, but are improving due to development of in-house research capability
- ✓ Depreciation and Amortization:
 - Increase due to IT investment 336
- ✓ Finance Income:
 - Decrease of FX income 154
- ✓ Finance Costs:
 - One time refinance cost in FY2019 158
 - Less Interest paid due to refinance 220
 - Increase in M&A related expenses 161
- ✓ Profit attributable to non-controlling interest:
 - Expansion in HMM (JV w/ Hakuholdo) 37
 - Expansion in subsidiaries in Overseas Business (ex-Korea) Segment 37
 - Expansion in DMI (JV w/ Dentsu) 23
- ✓ Operating Profit Margin and EBITDA Margin:
 - EBITDA Margin decreased mainly due to acquisitions of low margin businesses
 - Operating Profit Margin decreased further due to higher depreciation driven by IT investments

Consolidated Statements of Financial Position (B/S)

009

Summary of Consolidated Statements of Financial Position

(JPY in Millions)

	IFRS		
	FY6/2018 (6/30/2018)	FY6/2019 (6/30/2019)	Variance
Total Assets	75,230	78,321	3,091
Cash and Cash Equivalents	9,124	10,102	978
Trade and Other Receivables	8,744	9,577	833
Property, Plant and Equipment	1,152	1,370	218
Goodwill	46,957	46,886	(71)
Other Intangible Assets	6,605	7,244	639
Other Assets	2,648	3,140	492
Total Liabilities	47,762	46,039	(1,723)
Borrowings and Bonds	37,035	35,614	(1,421)
Trade and Other Payables	3,008	4,105	1,097
Other Liabilities	7,719	6,318	(1,401)
Total Equity	27,468	32,282	4,814

FY6/2019 B/S Commentary

- ✓ Working Capital:
 - Accounts Receivable turnover 78.3days
 - 0.4days shorter YoY
 - Accounts Payable and Provision for panel points turnover 51.5 Days
 - 5.0 days longer YoY
- ✓ Financing Cost:
 - Q4 average interest rate 1.05% (FY6/2018 Q4 2.03%)
 - Borrowings 1.26%
 - Bond 0.50%
 - Commitment line (undrawn) JPY 4,500 million
 - Credit Rating (R&I) BBB+
- ✓ Leverage Related:
 - Net Debt / EBITDA Ratio 2.79x (FY6/2018 3.19x)
 - Interest Coverage Ratio 12.89x (FY6/2018 11.22x)
- ✓ Capital Efficiency Related:
 - ROE (LTM base) 17.1% (down 3.6pt YoY)

Consolidated Statements of Cash Flows

010

Summary of Consolidated Statements of Cash Flows

	IFRS	
	Full Year	
(JPY in Millions)	6/2018	6/2019
Cash Flows from Operating Activities	5,610	5,647
Profit (Loss) before Tax	7,372	7,285
Depreciation and Amortization	1,052	1,411
Finance Income and Costs	235	466
Change in Working Capital ⁽¹⁾	(2,175)	(805)
Others ⁽²⁾	838	482
Sub Total	7,323	8,841
Interest and Dividends Received	11	19
Interest Paid	(456)	(371)
Income Taxes Paid	(1,267)	(2,841)
Cash Flows from Investing Activities	(2,101)	(1,819)
Capex ⁽³⁾	(1,026)	(2,088)
Acquisition of Subsidiaries	(1,044)	276
Others ⁽²⁾	(30)	(7)
Free Cash Flows⁽⁴⁾	3,965	4,199
Cash Flows from Financing Activities	(2,813)	(2,845)
Proceeds from Borrowings ⁽⁵⁾ and Bonds	1,007	10,045
Repayment of Borrowings ⁽⁵⁾	(3,636)	(12,507)
Proceeds from Issue of Shares	408	180
Others ⁽²⁾	(592)	(564)

Notes

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

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

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

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

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

FY6/2019 C/F Commentary

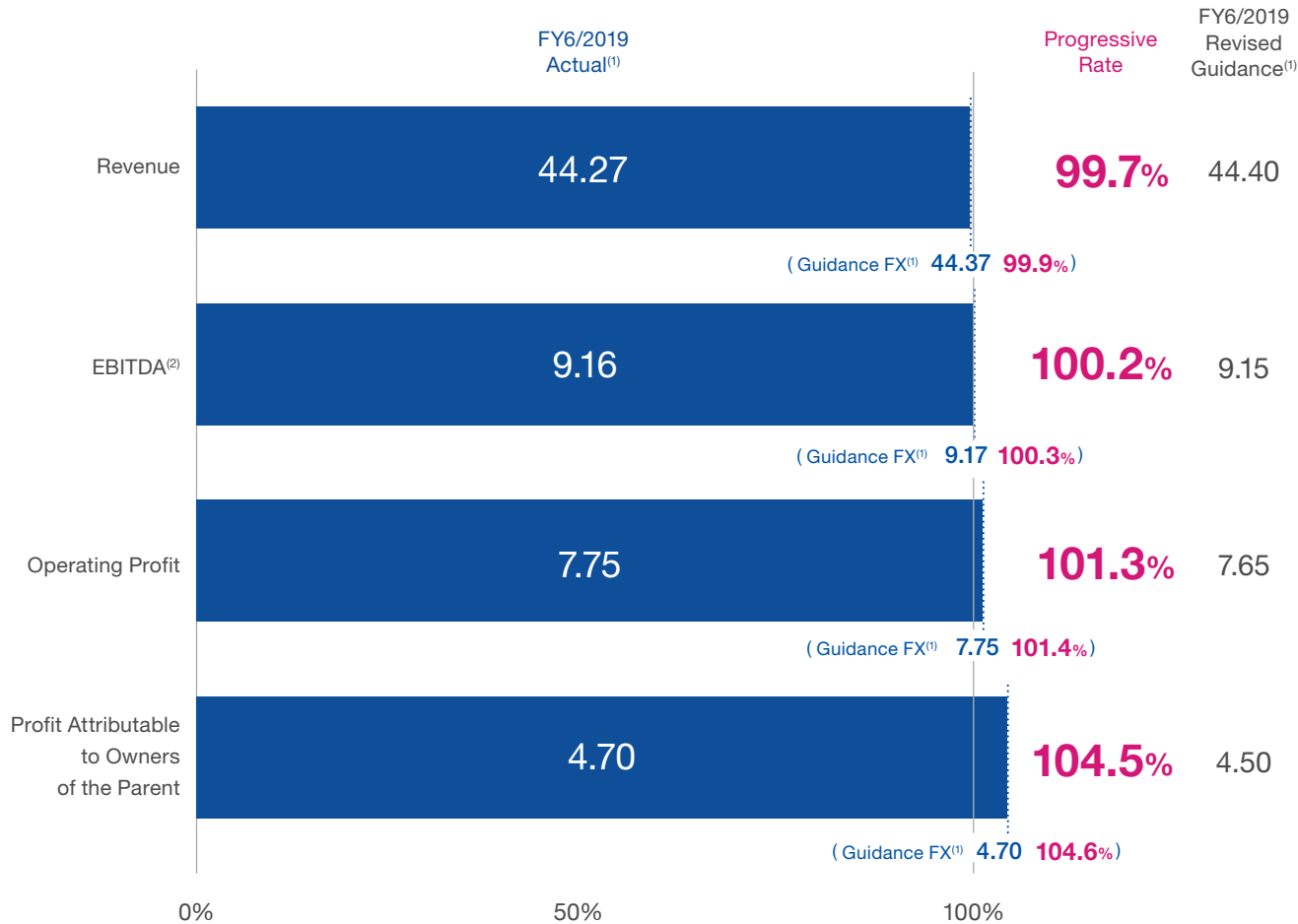
- ✓ Cash flows from operating activities 5,647 (up 0.7% YoY) :
 - Decrease in income before tax 87
 - Increase in taxable income and use up of all tax loss carried-forward
 - Increase in corporate tax paid 1,574
 - Increase in cash inflows from accounts receivable by improving collection efficiency 1,258
- ✓ Cash flows from investing activities -1,819 (down 13.4% YoY) :
 - Increase in IT investments and office floor expansion 1,062
 - Acquisition of Subsidiaries in FY2018 1,044
- ✓ Free Cash Flows: 4,199 (up 5.9% YoY)
- ✓ Cash flows from financing activities -2,845 (up 1.1% YoY) :
 - Issuing corporate bonds and early redemption of a part of the existing loans
- ✓ Increase in cash and cash equivalents 978

	IFRS	
	Full Year	
	6/2018	6/2019
Increase in Cash and Cash Equivalents	696	982
Cash and Cash Equivalents at the beginning of the period	8,447	9,124
Effect of Exchange Rate Changes on Cash and Cash Equivalents	(18)	(3)
Cash and Cash Equivalents at the end of the period	9,124	10,102

FY6/2019 Results: % of Achievement vs. Revised Guidance

FY6/2019 Actual Results vs. FY6/2019 Company Revised Guidance

Consolidated (IFRS)
(JPY in Billions)



- Revenue: "In line with expectation"
 - Revenue nearly achieved guidance, excluding negative FX impact of approx. JPY100 million
 - Both Japan and Korea business and Overseas business (ex-Korea) were in line with expectation
- EBITDA: "In line with expectation"
 - Operating expenses were managed as planned and therefore EBITDA achieved the guidance
- Operating Profit: "Slightly above expectation"
 - Depreciation was lower than planned due to a delay in system development from Q3 to Q4
- Profit Attributable to Owners of the Parent: "Above expectation"
 - Unforeseen gain due to mark-to-market of financial liability and salary increase and investment tax credit in Japan, in addition to the over achievement of Operating Profit
- FX: "Slight headwind"
 - Revenue and Profit were negatively affected by JPY appreciation against EUR and KRW in Q4
 - (2H Guidance FX: EUR1=JPY125.73 and KRW1=JPY0.0987)
 - (2H Average: EUR1=JPY124.46 and KRW1=JPY0.0959)

Notes

1. Financials for FY6/2019 (Actual) are presented by using the period-average rate of €1 = ¥126.89. Company revised guidance for FY6/2019 are based on FX rate of €1 = ¥125.73.
2. EBITDA = Operating Profit + Depreciation and Amortization + Loss on Retirement of Non-current Assets + Impairment Loss

**Achievement in Prior Mid-term Business Plan
(FY6/2017 - FY6/2019)**

Prior Mid-term Business Plan and Key Assumptions

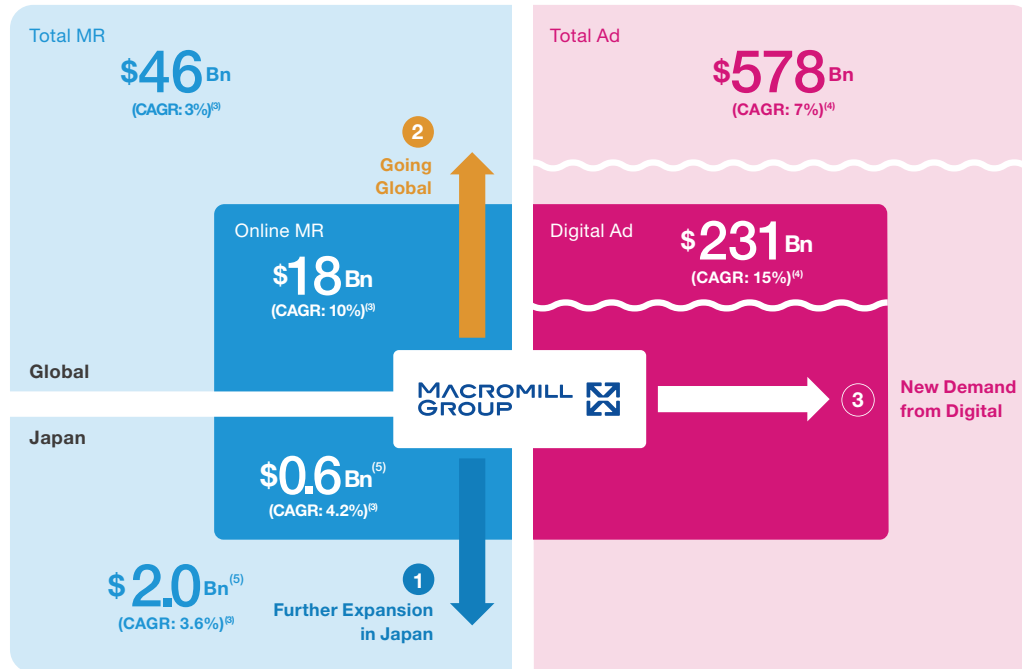
Our Market Opportunity⁽¹⁾

Market Research

Market Research Spending Size: Global 2017A; Japan 2018A
Actual CAGR: Global 2012A-2017A; Japan 2013A-2018A

Digital Marketing⁽²⁾

Ad Spending Size: 2017A
Forecast CAGR: 2017A-2022E



Source
Global Market Research spending: ESOMAR - Global Market Research (9/2018)
Japan Market Research spending: Japan Marketing Research Association (7/2014, 7/2019)
Ad spending: eMarketer - Worldwide Ad Spending (9/2018)

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 Global 2012A-2017A; Japan 2013A-2018A
- Future estimate CAGR for 2017A-2022E
- Exchange rate: USD/JPY = 110
- Excludes impact of potential M&A and strategic alliances
- Global Revenue = (consolidated annual revenue generated from global research conducted for Japanese companies and revenue generated from offices outside of Japan (both on a management accounting basis)) / consolidated annual revenue
- Digital Revenue = (consolidated annual revenue from digital marketing solutions, such as AccessMill, DMP solutions, ACT Copy and CE (on a management accounting basis)) / consolidated annual revenue. Digital marketing solutions refer to our market research and marketing analytics solutions that meet one or more of the following criteria: (1) it is a 100%-focused digital marketing solution; (2) it monitors or evaluates digital media, websites or other digital stimulus; (3) it leverages non-survey digital/social data; or (4) it utilizes one of our value-added digital delivery channels, such as our dashboard. Marketing analytics refers to the business of collecting, analyzing, organizing and presenting data drawn from Internet users, including data collected from panelists, with a view to demonstrating and explaining the impact and effectiveness of an entity's digital marketing efforts (such as digital advertisements)

Consolidated Revenue Growth (Illustrative)

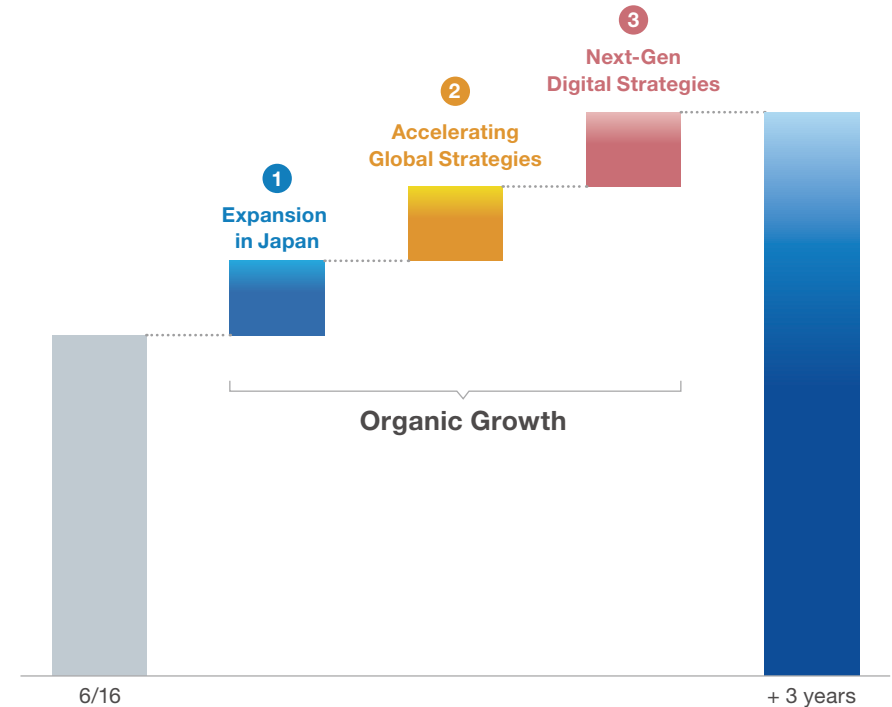
Aiming for **c. 10% Organic Revenue CAGR⁽⁶⁾** ... FY6/2016 ~ FY6/2019

Global Revenue⁽⁷⁾ : c. 30% → c. 40%

Digital Revenue⁽⁸⁾ : c. 10% → c. 20%

in 6/16A in 6/19E

of total consolidated revenue



6/16

+ 3 years

Prior Mid-term Business Plan - Summary of Achievement

Revenue 10% Growth (3Y CAGR)	Nearly Achieved	<ul style="list-style-type: none"> ■ 11% - Achieved with M&A Contribution ■ 9% - Slightly missed without in-organic growth
M&A	Well Achieved	<ul style="list-style-type: none"> ■ Closed 4 company acquisitions in the 3 years ■ Worked effectively as a revenue accelerator
Global Breakdown 30% to 40%	Not Satisfied	<ul style="list-style-type: none"> ■ 36% achievement, lower than our expectation ■ M&A pushed up growth, but organic growth was volatile
Digital Breakdown 10% to 20%	Well Achieved	<ul style="list-style-type: none"> ■ 20% Quarterly, 19% Annually, grew achieving expectations ■ Even w/ external environmental change (e.g. Google/YouTube)
Profit EBITDA +15% Net Income ⁽¹⁾ +20% (3Y CAGR)	Nearly, but Not Satisfied	<ul style="list-style-type: none"> ■ EBITDA +12%, Net Income⁽¹⁾ +18%, slightly lower than our expectation ■ Profit growth slowdown due to organic revenue growth slowdown and M&A (consolidation of low margin business)
Leverage Net Debt/EBITDA below 3.0x	Well Achieved	<ul style="list-style-type: none"> ■ Improved faster than our expectation ■ Achieved target leverage ratio in Q3

Note

1. Profit Attributable to Owners of Parent

Where we are in now

What we have built...

The Fastest Growing Marketing Research Company

w/ Best-in-class operational excellence and profitability

& 13th position in Total Global Marketing Research Market

ESOMAR/AMA 2015 Report

1.	Nielsen	(US)
2.	Kantar	(UK)
3.	IMS Health	(US)
4.	Ipsos	(FR)
5.	Gfk	(GR)
6.	IRI	(US)
7.	Westat	(US)
8.	dunnhumby	(UK)
9.	INTAGE Holdings	(JP)
10.	The NPD Group	(US)
...		

17. **Macromill** (JP)

ESOMAR/AMA 2018 Report

1.	Nielsen	(US)
2.	Kantar	(UK)
3.	IQVIA	(US)
4.	Ipsos	(FR)
5.	Gfk	(GR)
6.	IRI	(US)
7.	Westat	(US)
8.	dunnhumby	(UK)
9 ⁽¹⁾ .	INTAGE Holdings	(JP)
10 ⁽¹⁾ .	Wood Mackenzie	(US)
...		

13⁽¹⁾. **Macromill** (JP)



...and now facing

Client Needs

“Aggregated Data”
as consumer touchpoints explode

“Advanced” Analytics
(including AI)

“Partner Relationships”
rather than transactional

“High Speed”
Research Turnaround

Industry Trends

Vulnerability of the **“Big 4”**

Challenges of
The **“FAANG”** World

Note

1. Assuming INTAGE Holdings 2017 Global Research Revenue is USD 450.5MM (Source: 2018 GRBN Report)

New Mid-term Business Plan

(FY6/2020 - FY6/2022)

- i. Consolidated Group Mid-term Business Plan & FY6/2020 Guidance**
- ii. Japan Business Strategy**
- iii. Global Business Strategy**

**i. Consolidated Group Mid-term Business Plan
& FY6/2020 Guidance**

Japan Business Strategy

Global Business Strategy

Expanding into New Areas

A

Solution Set
Expansion

B

Business Domain
Expansion

C

Regional
Expansion

Strengthening our foundation for growth

Built upon prior mid-term strategy (Japan, Global, Digital)

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 ⁽¹⁾ 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)

Note

1. Excluding New Business (such as M&A) Contribution

Mid-term Business Plan achieved through...

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

FY6/2020 Guidance and Key Assumptions

FY6/2020 Guidance		Key Assumptions
Revenue	FY6/2019 JPY 44.2 bn ⇒ JPY 46.0 bn (+3.9% in nominal FX / +5.9% in Constant FX)	<ul style="list-style-type: none"> ■ Digital solutions continues to lead the growth ■ Negatives FX impact⁽¹⁾ of around JPY 0.9bn
EBITDA	FY6/2019 JPY 9.1 bn ⇒ JPY 10.4 bn (+13.4% in nominal FX / +14.8% in Constant FX)	<ul style="list-style-type: none"> ■ To be flat excluding IFRS16 implementation impact ■ While we try to manage operating cost growth below revenue growth, higher IT expenses are expected in FY6/2020
Operating Profit	FY6/2019 JPY 7.7 bn ⇒ JPY 7.6 bn (-2.0% in nominal FX / -0.7% in Constant FX)	<ul style="list-style-type: none"> ■ Depreciation continues to increase due to IT investments
Net Income⁽²⁾	FY6/2019 JPY 4.7 bn ⇒ JPY 4.4 bn (-6.4% in nominal FX / -4.6% in Constant FX)	<ul style="list-style-type: none"> ■ One-off tax credit and tax adjustments in FY6/2019 Net Income⁽²⁾ will dismiss (approx. JPY +0.2bn)
Dividend per Share	FY6/2019 JPY 9.0 ⇒ JPY 11.0 (+2.0 JPY / +22.2%)	<ul style="list-style-type: none"> ■ JPY +2.0 dividend / Year increase

Continues in CAPEX (IT) investment to achieve our Mid-term Growth Strategy

High speed processing driven by “cloudization”

Digital Solution expansion

Tabulation system upgrade

Global panel expansion

Note

1. Assuming EUR 1 = JPY 120 and KRW 1 = JPY 0.090 are assumed in FY2020

2. Profit Attributable to Owners of Parent

FY6/2020 Guidance – Growth Rate Half Year Breakdown

	YoY Growth Rate		
	Full Year	1st Half	2nd Half
Revenue	+3.9%	+1.0%	+6.8%
EBITDA	+13.4%	+3.0%	+24.7%
Operating Profit	-2.0%	-13.4%	+10.0%
Net Income ⁽¹⁾	-6.4%	-17.5%	+2.2%

- Expecting a negative FX effect, especially in the 1H. In the constant currency base, revenue +3.8% in the 1H, +8.0% in the 2H. (Reference: FY6/2019 1H: EUR1 = JPY129.40, KRW1 = JPY0.1003, FY6/2019 2H: EUR1 = JPY124.46, KRW1 = JPY0.0959)
- Investments in digital and global are expected to start realizing in the revenue growth from 2H
- On the other hand, as described below, from the FY6/2019 Q4, system-related expenses and depreciation and amortization expenses have increased (associated with CAPEX investment in FY6/2019) and labor costs have also increased (due to an increase in hiring of new graduates in April). These impact will remain in the FY6/2020

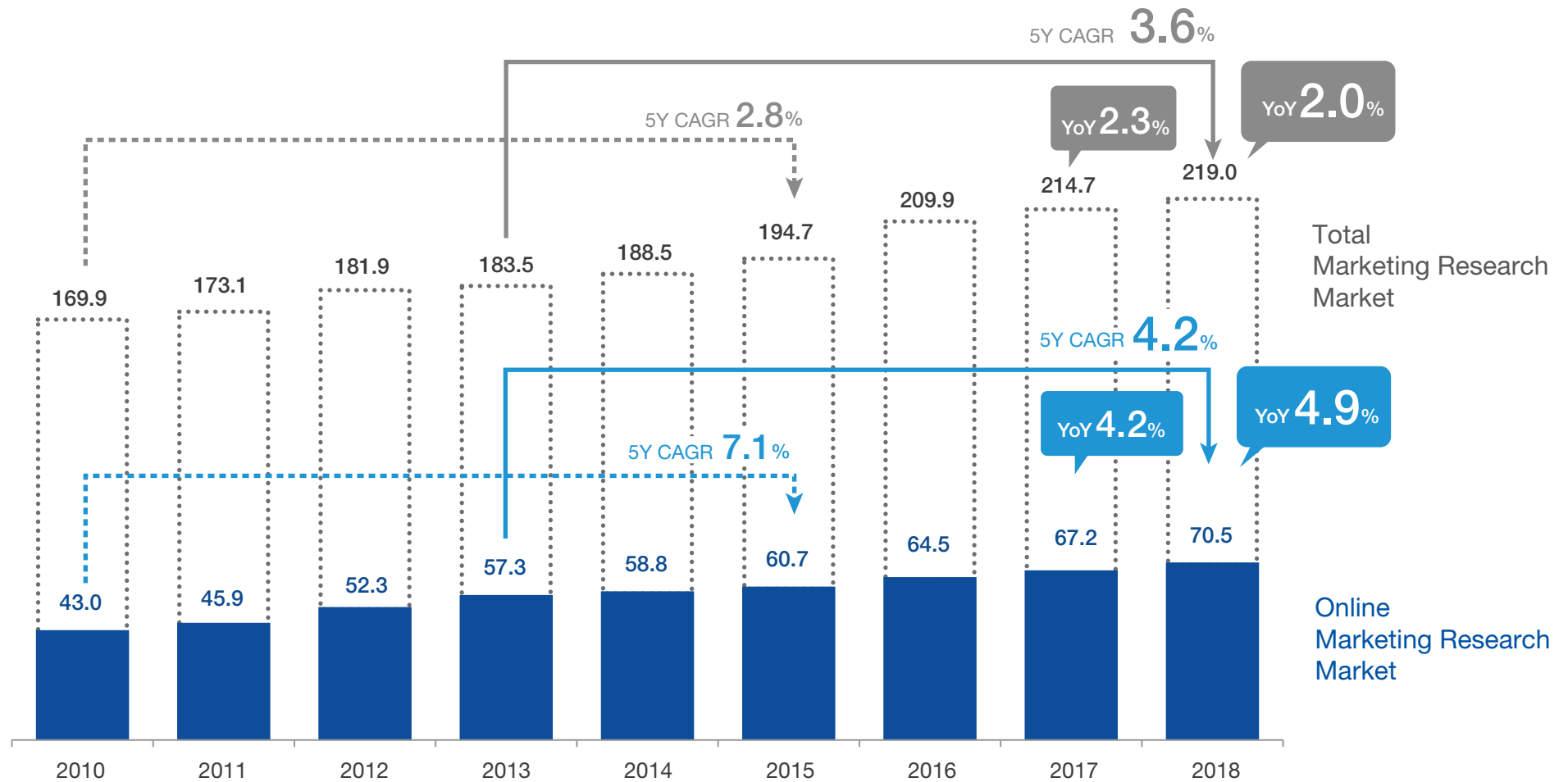
	2019/6 Q1	2019/6 Q2	2019/6 Q3	2019/6 Q4		2019/6 Q1	2019/6 Q2	2019/6 Q3	2019/6 Q4
Depreciation and Amortization	333	340	395	395	Employee Cost	4,061	4,070	4,026	4,166
QoQ Variance		+7	+3	+52	QoQ Variance		+9	-44	+140
QoQ Growth		+2.1%	+0.9%	+15.2%	QoQ Growth		+0.2%	-1.1%	+3.5%

Note

1. Profit Attributable to Owners of Parent

ii. Japan Business Strategy

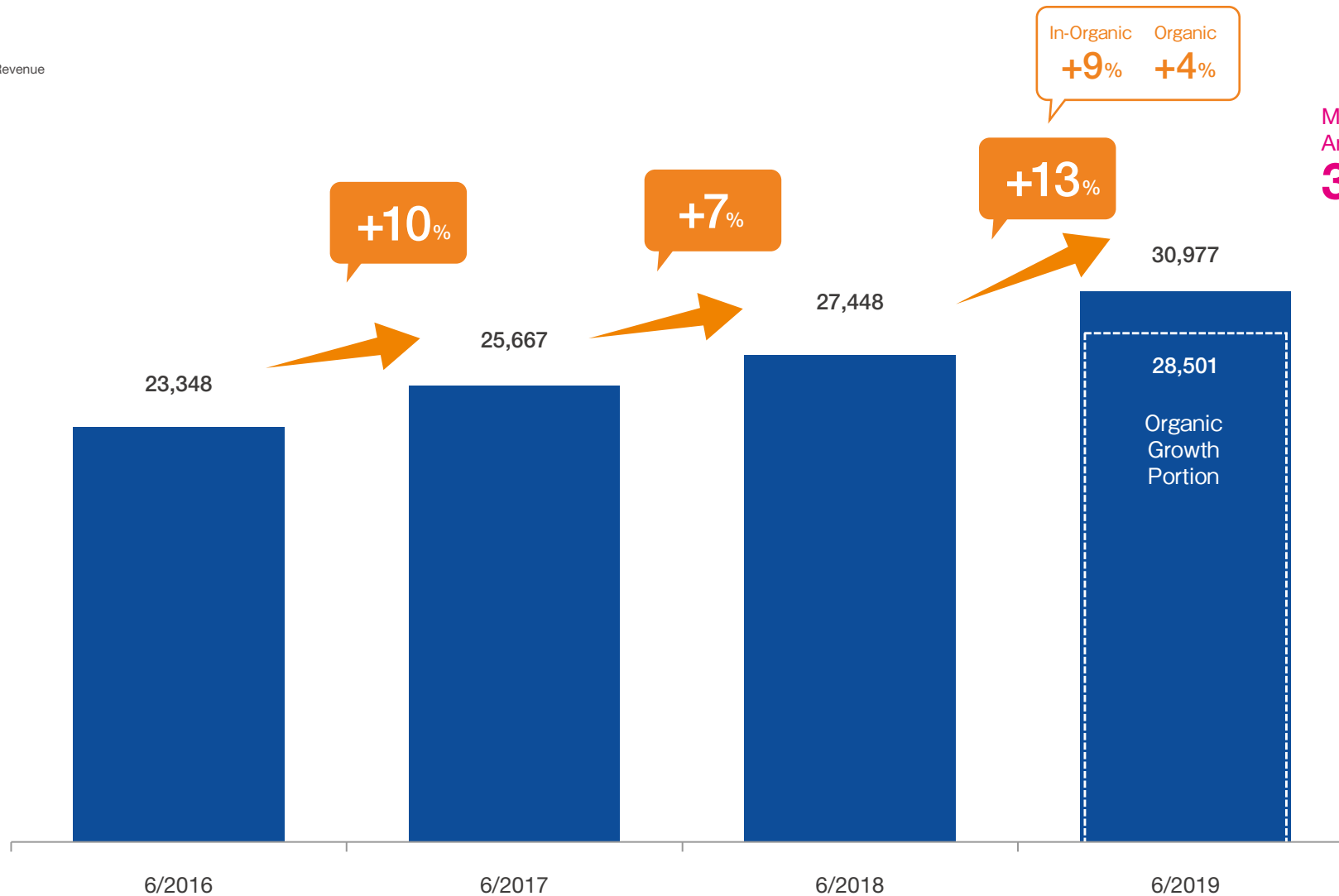
Japan Marketing Research Association (JMRA)
 Official Data
 (JYP in Billion)



**As the whole market, steady growth continues
 although the current market growth rate slightly slowdown in some cases**

Business Performance of Japan Business

Japan Business Revenue
(JPY in Millions)



Marketing Research Market
Annual average growth rate
3.6% (5Y CAGR)

Similar to Japan, we have grown faster than the market over the past 3 years
However, we see volatility in organic revenue growth as an issue

Changes in Clients' side

Increase of
consumer touchpoints
▼
More
complicated hypothesis

Marketing research
alone is not enough
to understand
markets & consumers

Use
“variety of data”
beyond research data

No more
“Nice-to-have”
research

However, the customer's “marketing issues” are not gone

Clients are seeking “Partners” to work on their marketing issues together

Example of client's needs:

Support
building
hypothesis

Provide
methods
to validate
hypothesis

Integration
of various
Data

Use
marketing
technology

Create
materialized
marketing
plan

Verification
of
Results

Our Aspiration (Goal)

Macromill's evolution to the company of
“**Research**” × “**DATA**”

Specific Strategy

Expanding into New Areas

A Solution Set
Expansion

2. Accelerate growth
in Digital Solution

B Business Domain
Expansion

3. Challenge toward
a future growth

C Regional
Expansion

4. Growth in
Southeast Asia

Strengthening our foundation for growth

1. Steady growth of the existing business (Online / Offline)

1. Steady growth of existing businesses: Online Research

Market⁽¹⁾	Size: 70.5 Billion Yen (2018)	Market share: 35% (2018)
	Growth rate: 4.2% (5Y CAGR)	The world's highest online rate
Measures	<ul style="list-style-type: none"> ■ Pursue strategic initiatives for companies with large research budgets but low wallet share <ul style="list-style-type: none"> - Ad Agency (e.g. HMM with Hakuhodo) - Corporate and Brands 	
Goal	<ul style="list-style-type: none"> ■ We will continue to grow faster than the market ■ Aiming for a gradual increase in market share (approximately 1% per year) ■ Strengthen overwhelming No. 1 market position 	

Note

1. Market size and growth rates are based on the Japan Marketing Research Association (JMRA) published figures (2019/7)

1. Steady growth of existing businesses: Offline Research

Market⁽¹⁾	Size: 38.9 Billion Yen (2018)	Market share: approx. 10%
	Growth rate: 5.5% (5Y CAGR)	Potential growth opportunities are large
Measures	<ul style="list-style-type: none"> ■ Macromill way: Differentiate by using technology innovation <ul style="list-style-type: none"> - Conducting a face to face interview on online - Digitalizing operating process - Quantifying and visualizing qualitative data <div style="border: 1px dashed black; padding: 5px; width: fit-content; margin-left: 150px;"> Pursue differentiation with overwhelming speed and cost </div>	
Goal	<ul style="list-style-type: none"> ■ Our market share is low virtually undeveloped ■ Full-scale engagement - essential in the midst of deepening relationships with customers ■ Aiming to create high-added value services 	

Note

1. Market size and growth rates are estimated by the Company based on the published value of the Japan Marketing Research Association (JMRA) (2019/7)

2. Accelerate growth of Digital Revenue

Market⁽¹⁾	Size: Est. 90 Billion Yen 5% of Digital Ad market (2018: JPY 1,758.9 Bn)	Market share: N/A
	Growth rate: Double digit Ref. Digital Ad market YoY growth: 16.5% (2017 to 2018)	Continues double digit growth Core growth market for the time being
Measures	<ul style="list-style-type: none">■ Provides high added value by multiplying online surveys by panel execution data and purchasing data■ We are strategically moving forward the multiplication of “Data acquisition”, “Data processing”, and “Service provision”	
Goal	<ul style="list-style-type: none">■ Continue to deliver high-value-added services■ Maintaining an overwhelming competitive advantage<ul style="list-style-type: none">- A large, high-quality online survey panel is required to deliver this service	

Note

1. Market size and growth rates are estimated by the Company based on Dentsu – 2018 Annual Report and Advertising Expenditures in Japan (2/2019)

2. Accelerate growth of Digital Revenue (Cont')

Reference) Our approach to "DATA"

According to International Data Corporation (IDC), the global data market is expected to reach \$203 billion (approximately 20 trillion yen) by 2020, and the domestic BDA technology and services market is expected to reach 1,561.73 billion yen in 2022 (as of 2018).

With the evolution of digital devices, consumer data is now stored in digital environments and used in marketing. In this situation, it is necessary to understand and analyze the data of the consumer's behavioral facts (unconscious data). Macromill collects consumer behavioral data as accurately and multifaceted as possible, while also using clients data integrally to develop new solutions and improve the value.

"DATA"



- Quantitative surveys
- Qualitative surveys



- Access log analysis
- Monitoring of Smartphone viewers
- Understanding the actual usage of the application



- OTS investigation
- TV viewing panel



- House Hold panel
- Purchasing panel
- EC Data



- Survey of location utilization

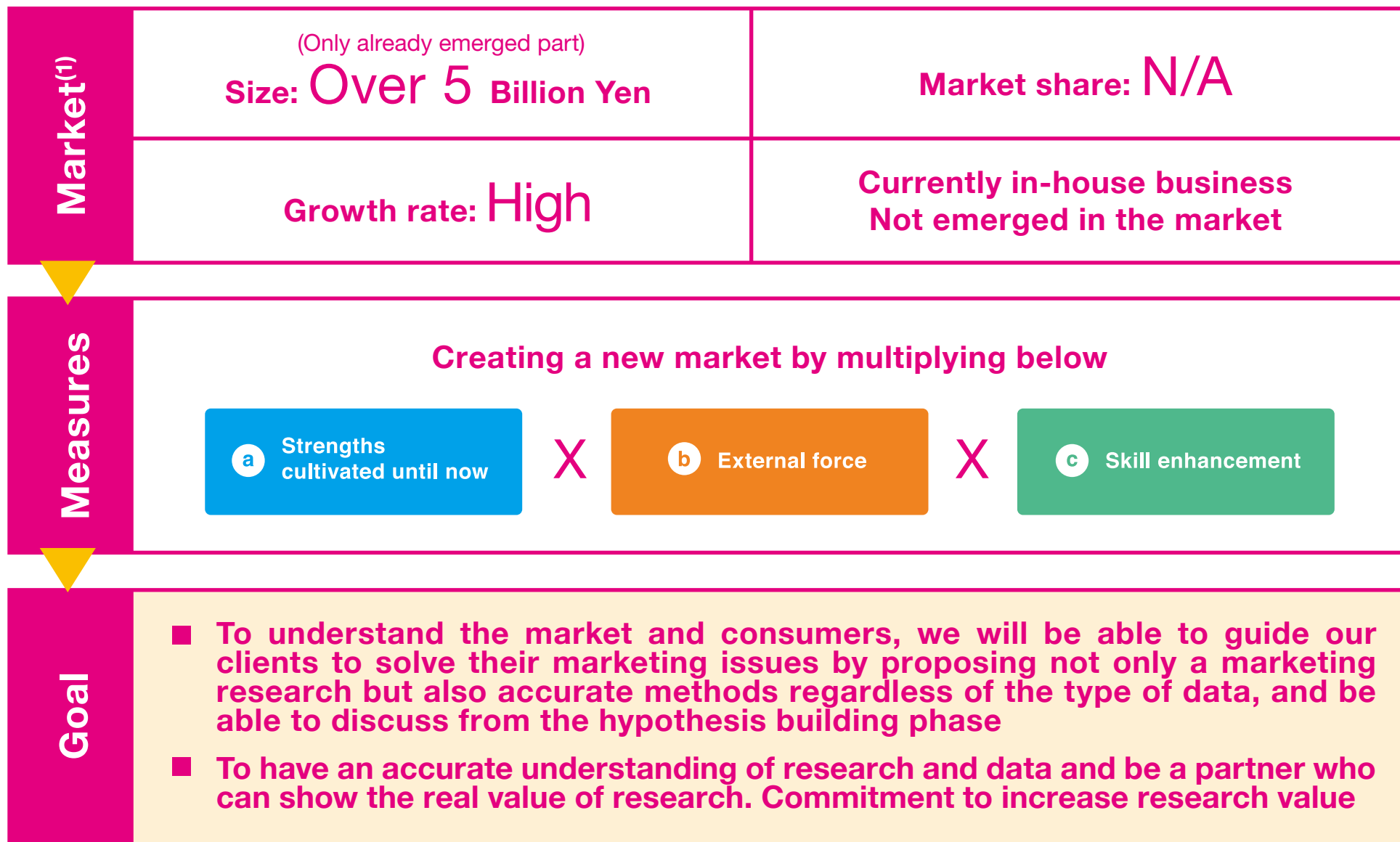


- Brand Data Bank
- Target monitor
- Digital Consumer Journey



DMP
construction

3. Evolution to the new “Research” x “Data” Company



Note
1. Market size and growth rates are estimated by the Company

3. Evolution to the new “Research” x “Data” Company

a Strengths cultivated until now

The largest and most active research panel in the country

Acquisition of various marketing data based on panel ID

"Clean" Licensed Data based on the trust relationship

Sync with external data

The best 2nd Party Data for the customer has a unique, clearly differentiated "competitive advantage" (difficult to copy the business model easily)

The foundation for pursuing "research" and "data" is already in place

3. Evolution to the new “Research” x “Data” Company

b External force

Establish Macromill Consortium (MC)

**Business and capital alliance
with multiple partner companies**

(Planned)

The Company has increased its ability to respond to high-difficulty issues
Partner companies reduce sales load
Work toward win-win relations

c Skill enhancement

Significantly expand the seconded program to customers and MC partners and universities

Example:
A university with a data science department and a partnership with Macromill:



The rotate our internal and external resources; people who have touched directly on the customer side, and people who have increased their problem-solving skills in the field of data consulting

Increase the ability to work on the client's "organize issue" (= consulting ability)

In addition, the company aims to increase the value (price) of its research by incorporating research into solutions of MC partner companies

4. Growth in Southeast Asia

035

**MACROMILL
SOUTH EAST ASIA**
a Macromill Group company



**Southeast Asia is at
the inflection point
of online research**

**Mainly
Japanese companies'
local branches
Additionally, global &
local companies**

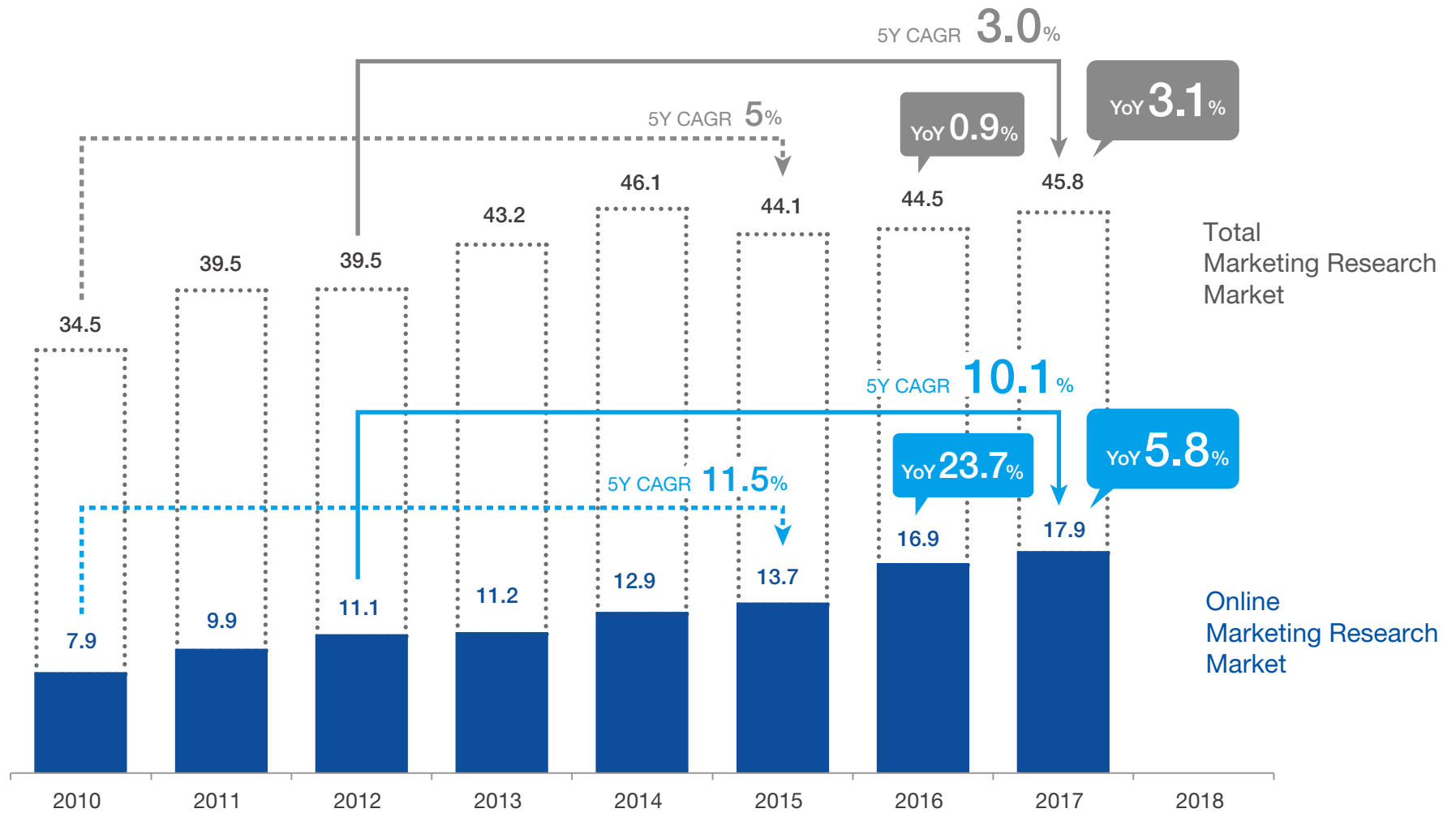
**Built
our proprietary
consumer
research panel
Incl. purchase panels
& behavioral data
Ahead of future
changes**

**Duplicate
“Macromill WAY”
in abroad**

Toward No.1 in Asian

iii. Global Business Strategy

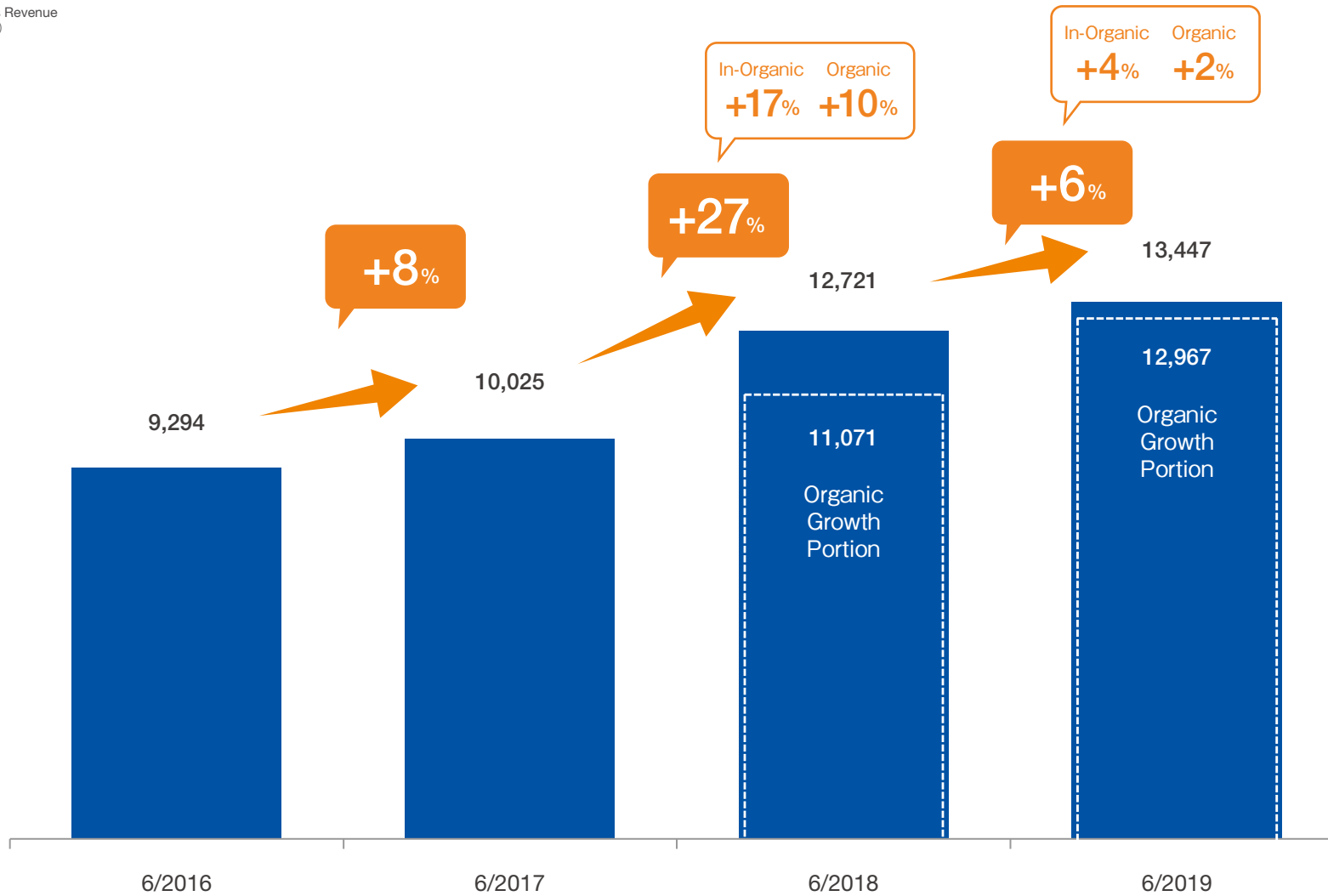
ESOMAR
(USD bn)



Similar to Japan, total Global market shows steady growth, although the current growth rate is slowing down in some cases

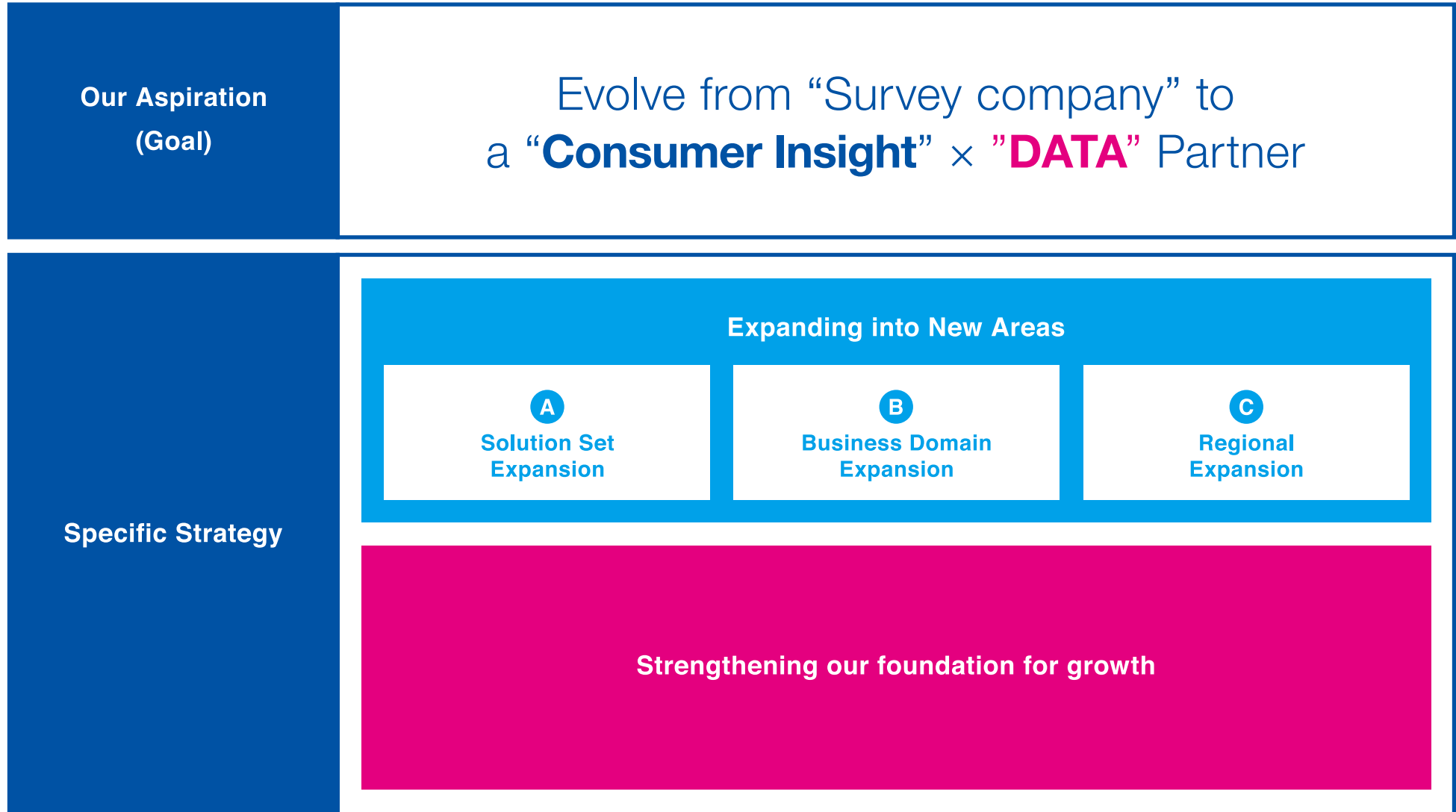
Business Performance of Global Business

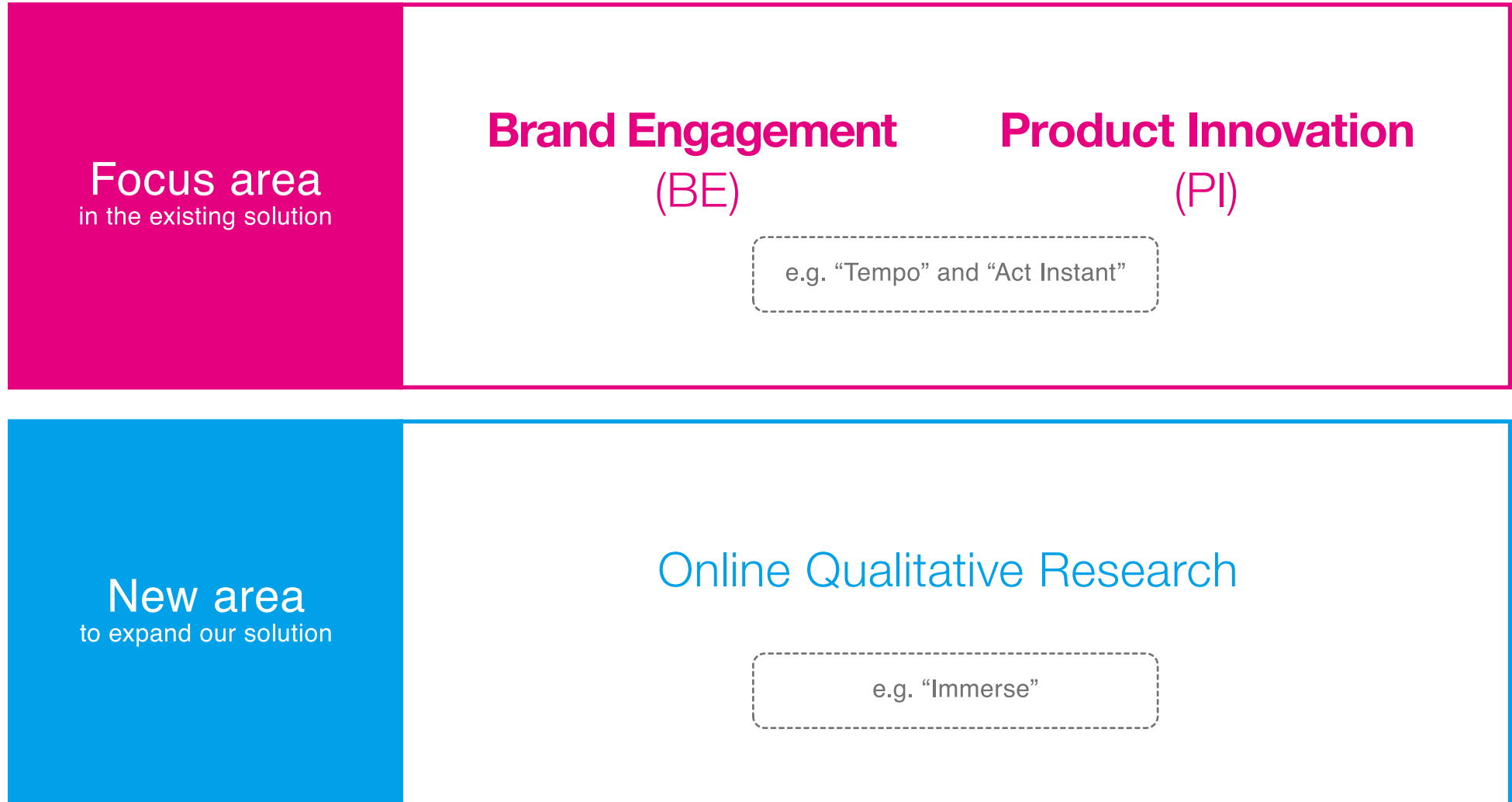
Global Business Revenue
(JPY in Millions)



Marketing Research Market
Annual average growth rate
3.0% (5Y CAGR)

Similar to Japan, we have grown faster than the market over the past 3 years
However, we see volatility in organic revenue growth as an issue





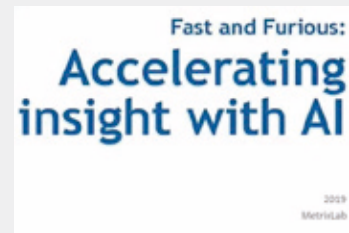
Immerse

- MetrixLab's digital alternative to traditional focus groups
- Combines depth and inspiration of qualitative research with certainty of quantitative sample sizes
- AI based analysis of consumer feedback, in real time
- Fast, flexible & globally scalable



ACT Instant

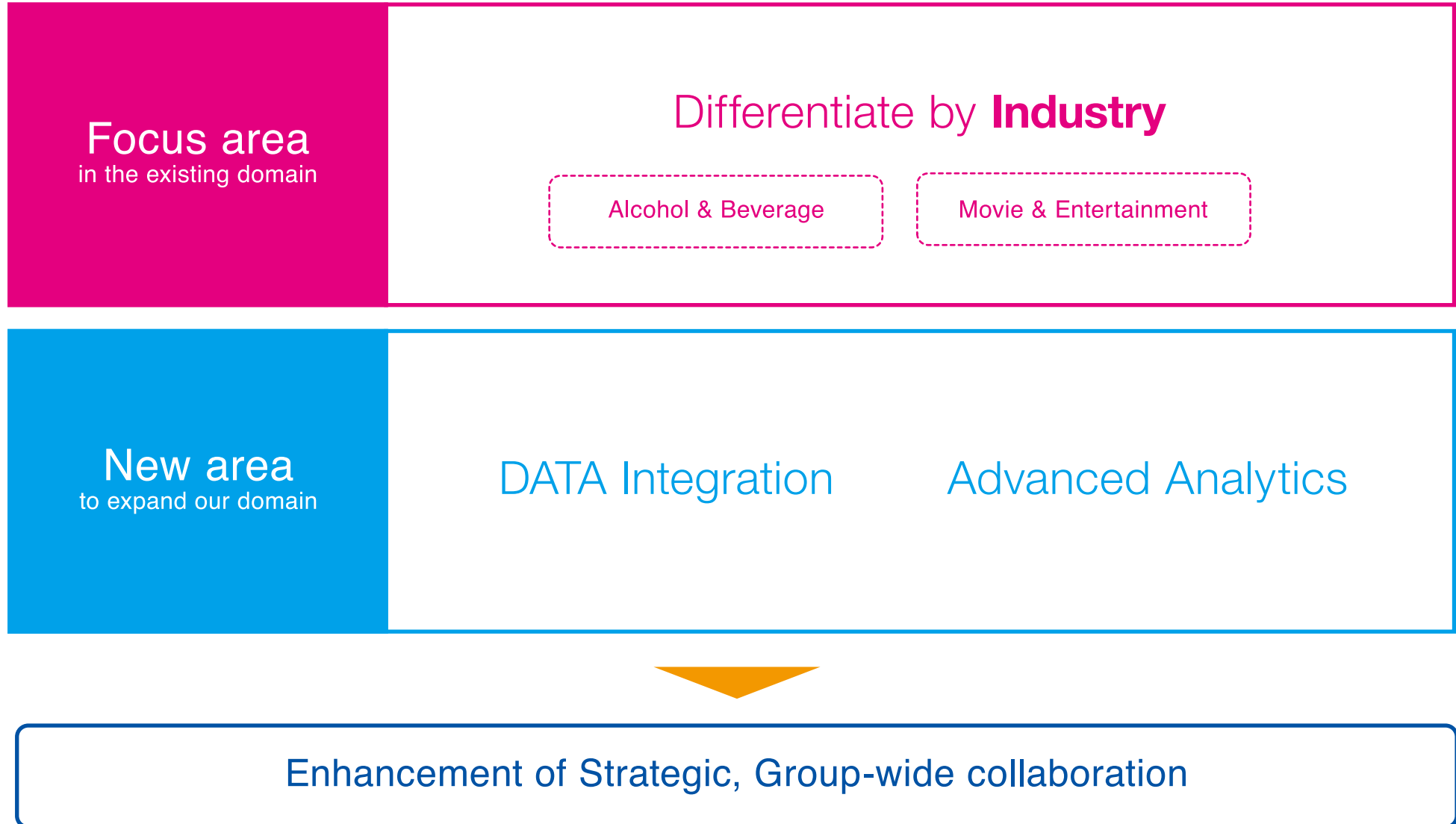
- Copy testing system that utilizes machine/deep learning to predict ad performance
- AI based predictive testing solution that leverages MetrixLab databases
- Solution delivered many times faster than traditional copy testing solutions

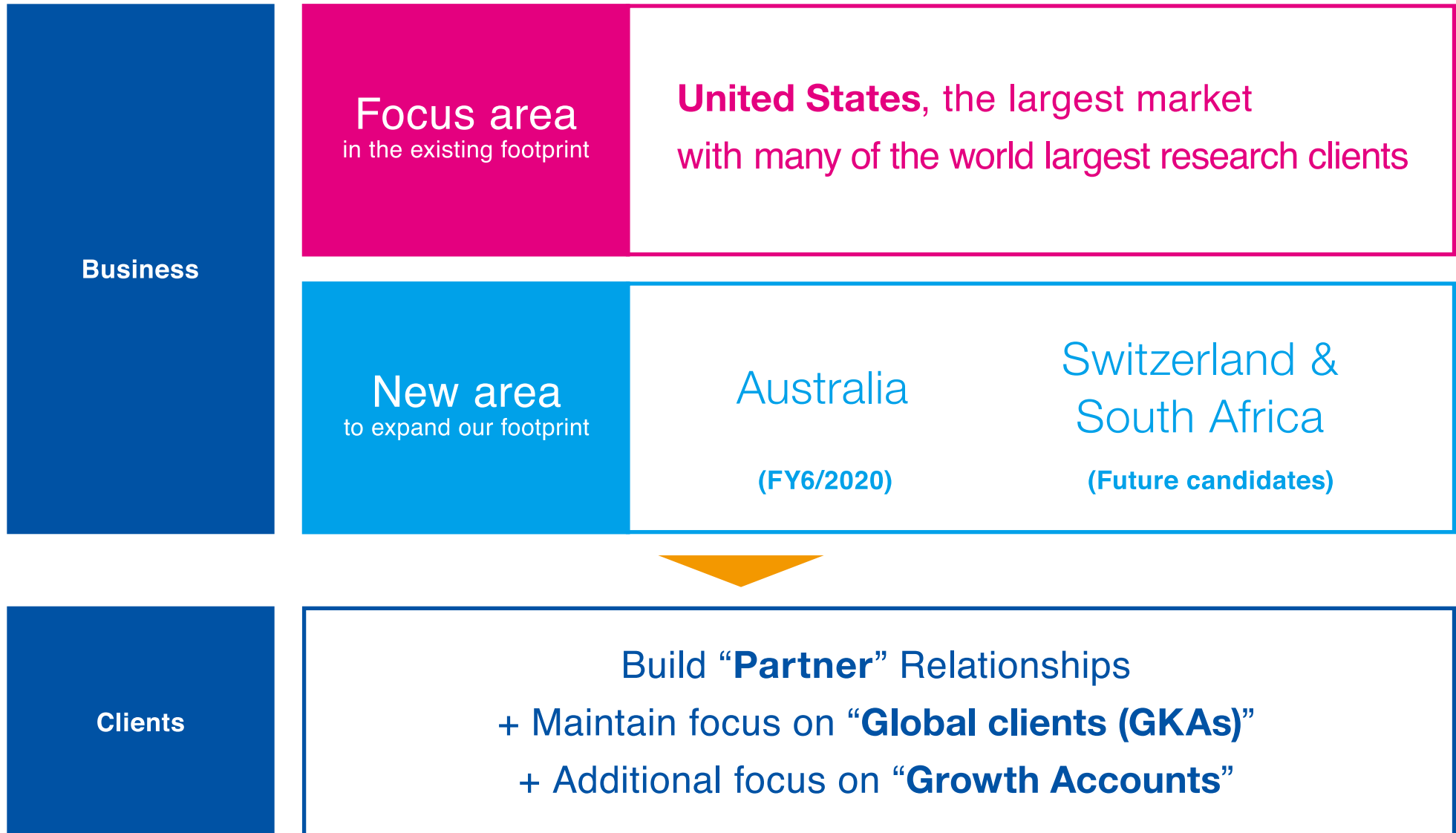


Tempo

- Next generation brand tracking solution that is actionable and agile
- Utilizes “EMP” framework (emotional resonance, mental availability and physical availability)
- Combines market penetration, System 1 & System 2 responses and Bayesian Network modeling







山路を登りながら

Creating

The First Truly Global Digital

Research Company



Appendix

- i. FY6/2019 Financial Results Supplemental Material**
- ii. Detail of Achievement Level on Prior Mid-term Business Plan**
- iii. Our Business Model and Strategy**
- iv. FY6/2019 Financial Results Details**

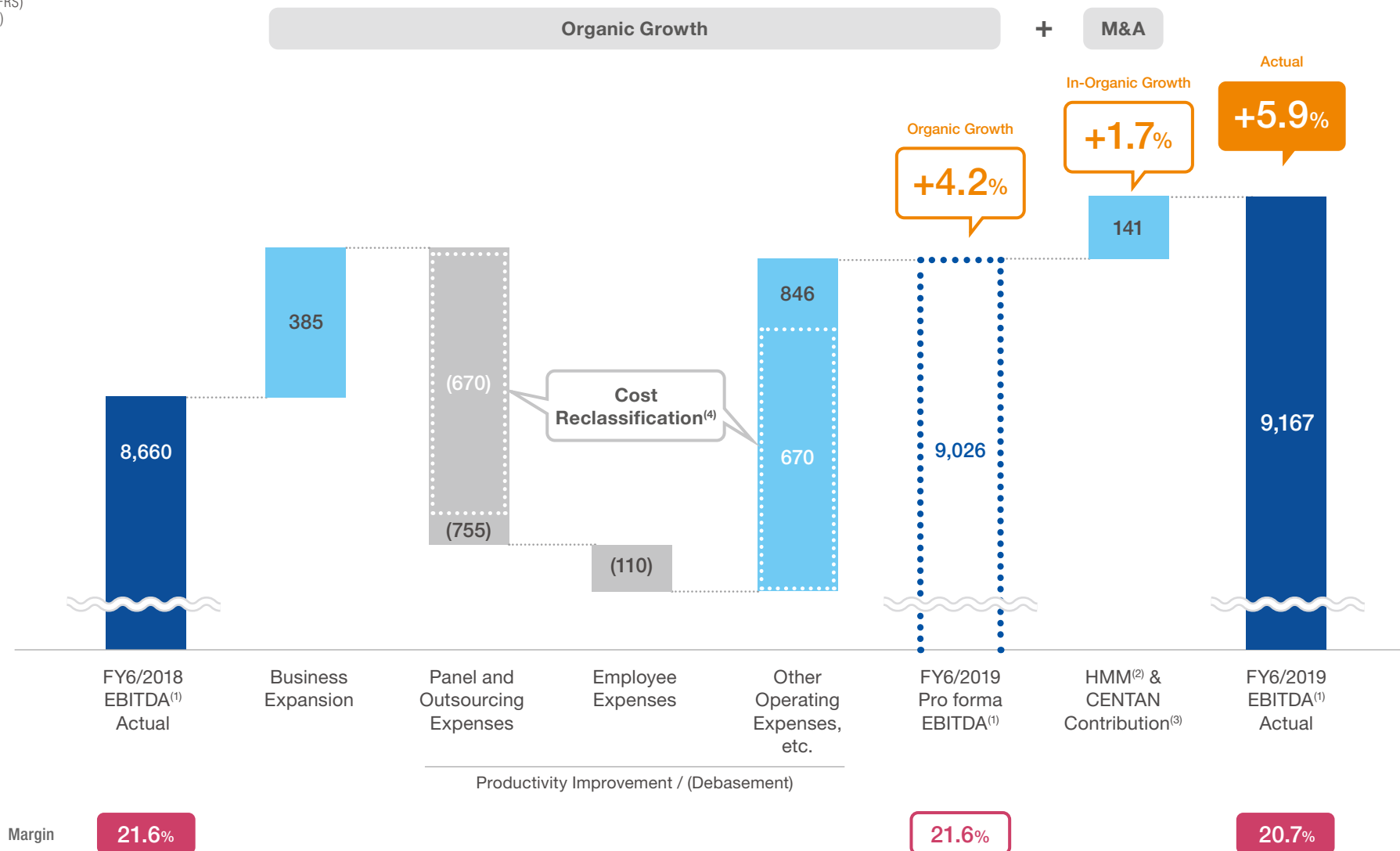
i. FY6/2019 Financial Results Supplemental Material

FY6/2019: EBITDA Waterfall Chart

Full Year (12 months)

EBITDA⁽¹⁾ - FY6/2018 vs. FY6/2019

Consolidated (IFRS)
(JPY in Millions)



Notes

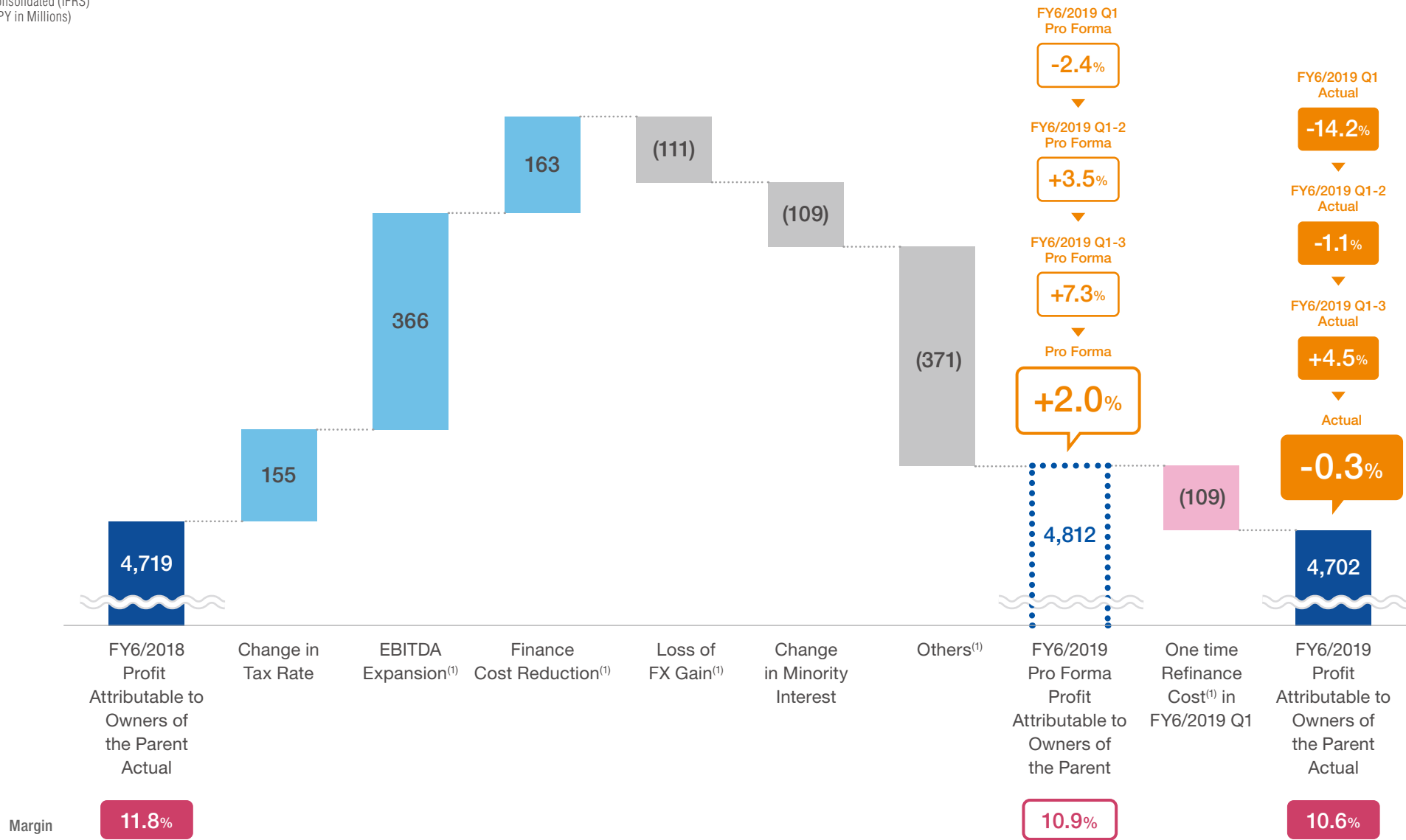
- EBITDA = Operating Profit + Depreciation and Amortization + Loss on Retirement of Non-current Assets + Impairment Loss
- We had acquired majority stake of Tokyo Survey Research Inc. from Hakuholdo on July 2, 2018, and had changed its business name to H.M. Marketing Research, Inc. (HMM) as of October 1, 2018.
- 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.
- Cost reclassification between "Panel Expenses" and "Operating Expenses - Others" in Overseas Business (ex-Korea) Segment due to group-unified cost definition

FY6/2019: Net Income Waterfall Chart

Full Year (12 months)

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

Consolidated (IFRS)
(JPY in Millions)

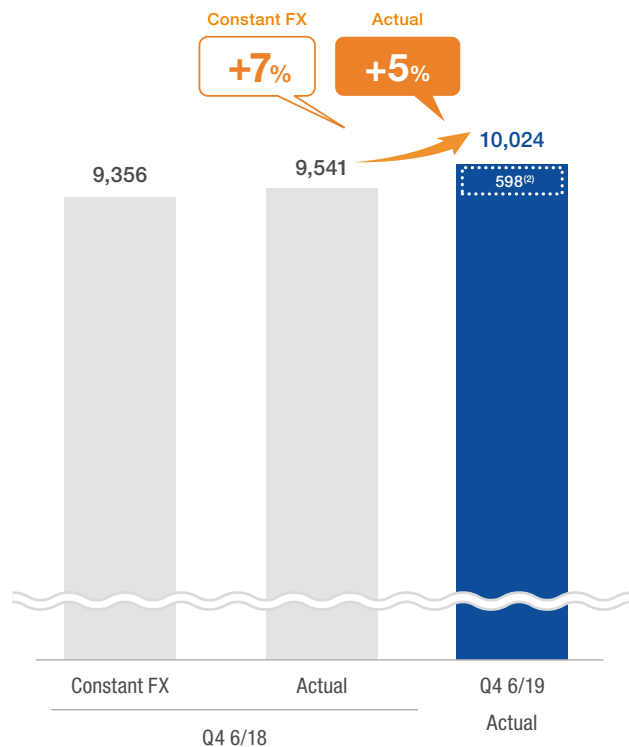


Note
1. Figures including tax effect

Revenue

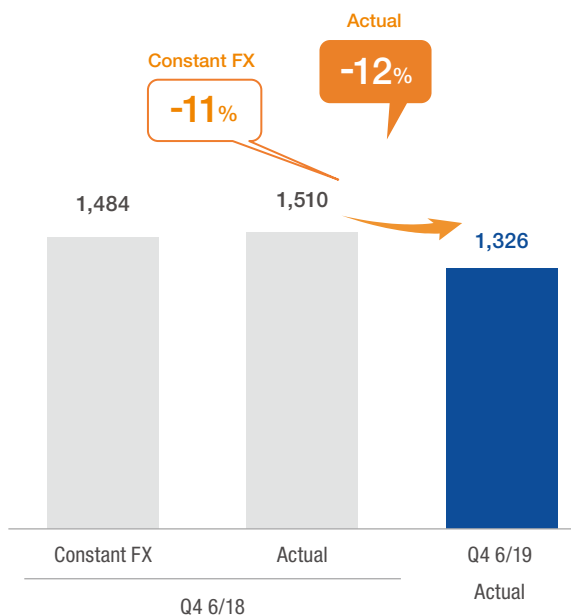
Consolidated (IFRS)
(JPY in Millions)

 HMM[®] Contribution



EBITDA⁽³⁾

Consolidated (IFRS)
(JPY in Millions)



Margin

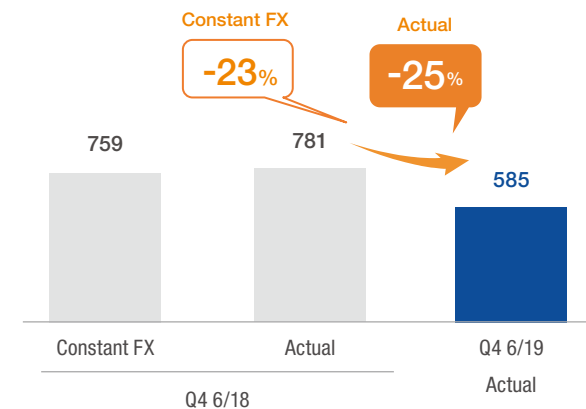
15.9%

15.8%

13.2%

Profit Attributable to Owners of the Parent

Consolidated (IFRS)
(JPY in Millions)



Margin

8.1%

8.2%

5.8%

Notes

- Financials (actual) for Q4 6/18 and financials for Q4 6/19 are presented by using the period-average rate of €1 = ¥130.28 and €1 = ¥123.41 respectively. Financials (constant FX) for Q4 6/18 are calculated by using the same period-average rate of €1 = ¥123.41. Each exchange rate is used to translate MetrixLab's consolidated results of operations for each of the 3-months periods ended June 30, 2018 and 2019 into yen, as applicable, in connection with the consolidation into our consolidated financial statements. We present financials for Q4 6/18 on a constant currency basis because we believe that this provides a framework for assessing how Macromill's business and, in particular, Macromill's overseas businesses including MetrixLab, performed without taking into account the effect of the fluctuations between the euro and the yen since the same period in the prior year. The selected financial data for Q4 6/18 presented above on a constant currency basis should be considered in addition to and not as a substitute for results reported in accordance with IFRS.
- We had acquired majority stake of Tokyo Survey Research Inc. from Hakuholdo on July 2, 2018, and had changed its business name to H.M. Marketing Research, Inc. (HMM) as of October 1, 2018.
- EBITDA = Operating Profit + Depreciation and Amortization + Loss on Retirement of Non-current Assets + Impairment Loss

FY6/2019 Q4 Results⁽¹⁾: Revenue Drivers

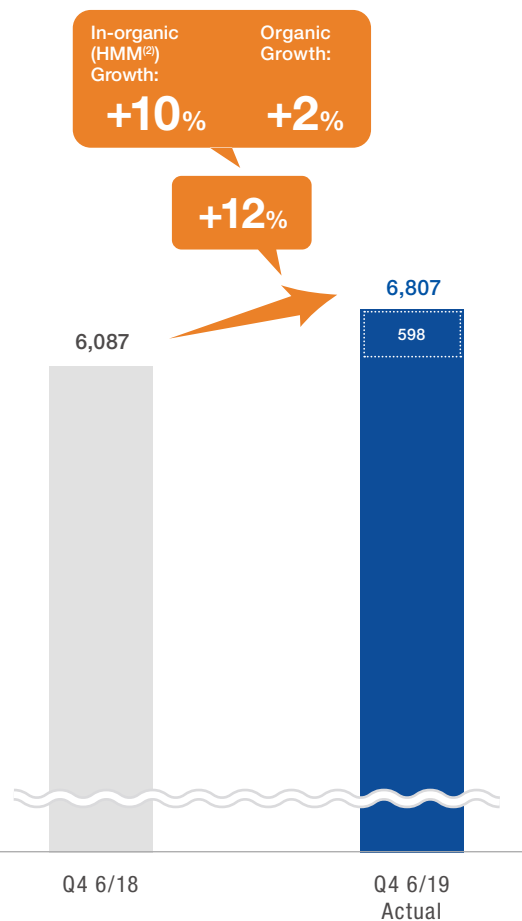
Q4 Standalone

050

Japan

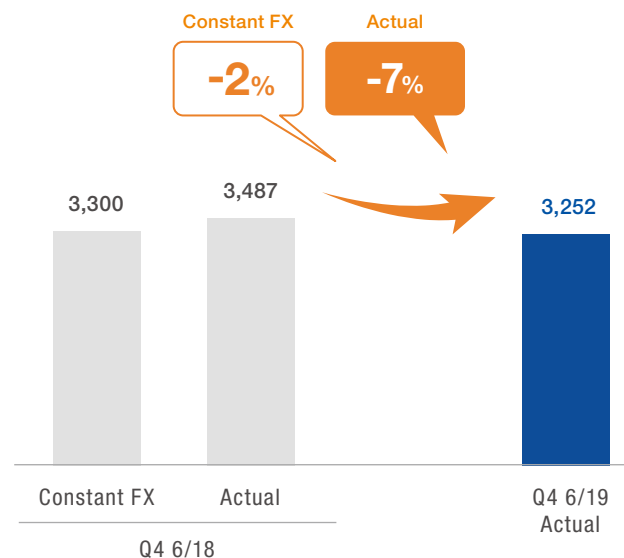
Consolidated (IFRS)
(JPY in Millions)

 HMM⁽²⁾ Contribution



Global (Excl. Japan)⁽¹⁾

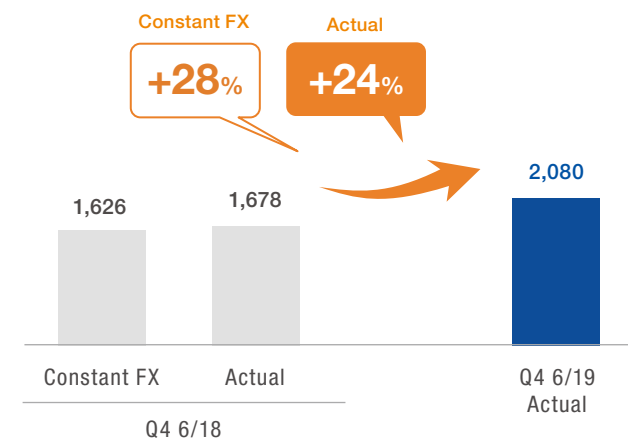
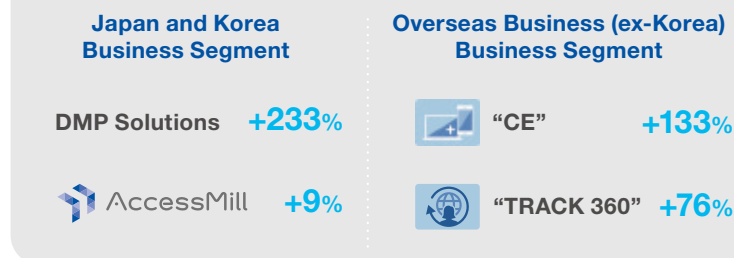
Consolidated (IFRS)
(JPY in Millions)



Digital Marketing Revenue⁽¹⁾

Consolidated (IFRS)
(JPY in Millions)

Revenue Growth of Select Key Solutions (Q4 over Q4)



Notes

1. Financials (actual) for Q4 6/18 and financials for Q4 6/19 are presented by using the period-average rate of €1 = ¥130.28 and €1 = ¥123.41 respectively. Financials (constant FX) for Q4 6/18 are calculated by using the same period-average rate of €1 = ¥123.41 Each exchange rate is used to translate MetrixLab's consolidated results of operations for each of the 3-months periods ended June 30, 2018 and 2019 into yen, as applicable, in connection with the consolidation into our consolidated financial statements. We present financials for Q4 6/18 on a constant currency basis because we believe that this provides a framework for assessing how Macromill's business and, in particular, Macromill's overseas businesses including MetrixLab, performed without taking into account the effect of the fluctuations between the euro and the yen since the same period in the prior year. The selected financial data for Q4 6/18 presented above on a constant currency basis should be considered in addition to and not as a substitute for results reported in accordance with IFRS

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

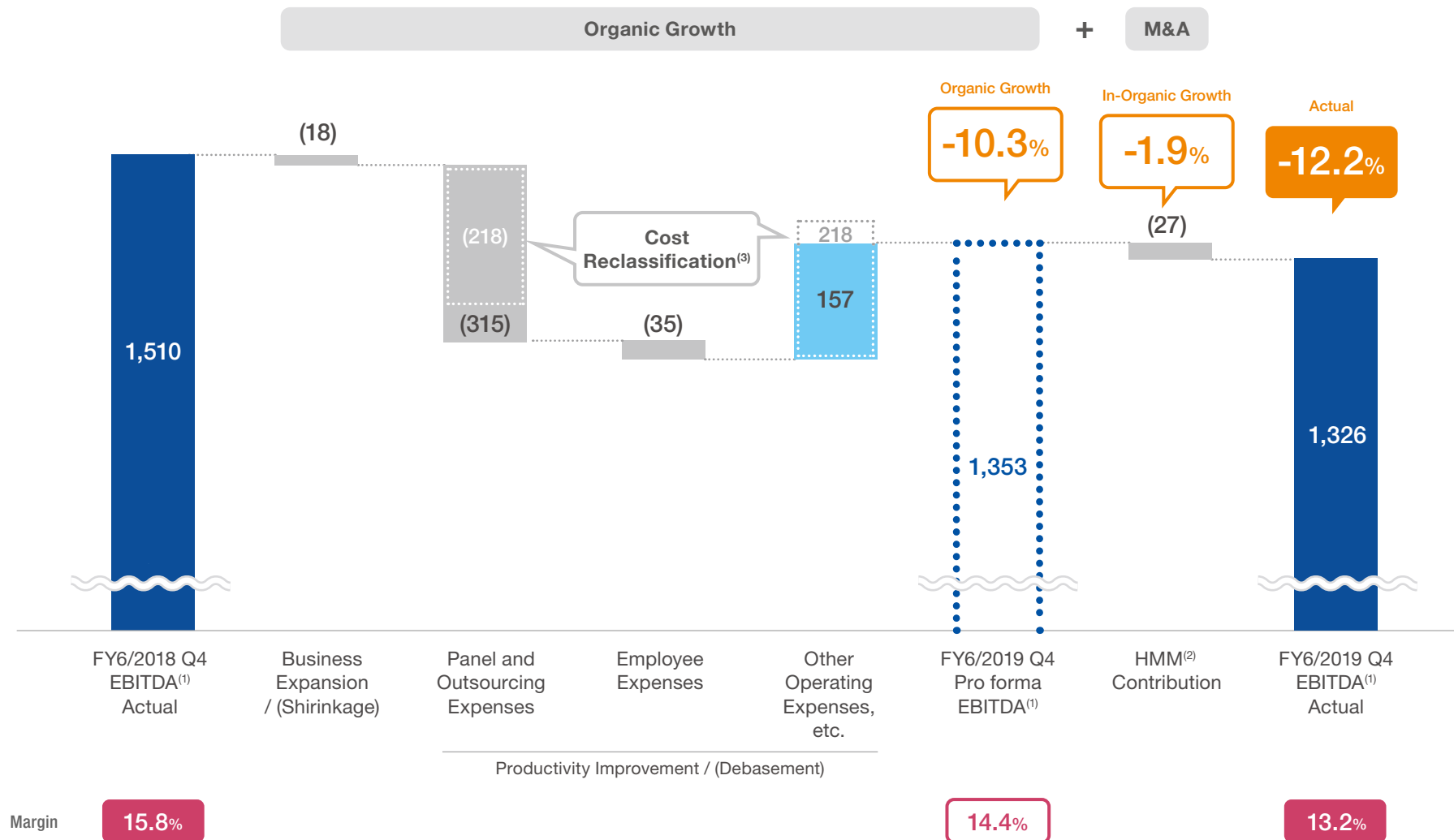
FY6/2019 Q4: EBITDA Waterfall Chart

Q4 Standalone

051

EBITDA⁽¹⁾ - FY6/2018 Q4 vs. FY6/2019 Q4

Consolidated (IFRS)
(JPY in Millions)



Notes

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

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

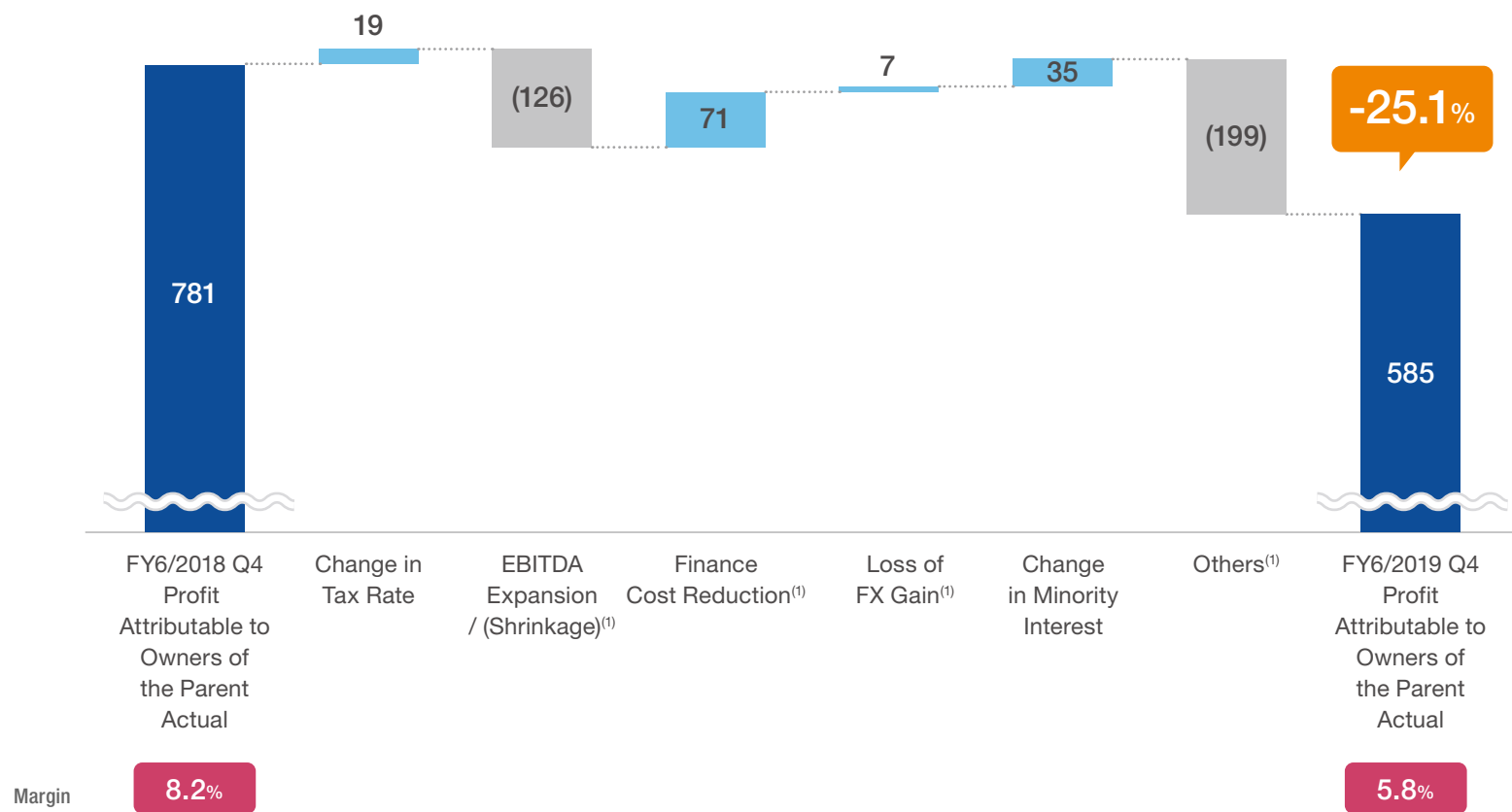
3. Cost reclassification between "Panel Expenses" and "Operating Expenses - Others" in Overseas Business (ex-Korea) Segment due to group-unified cost definition

FY6/2019 Q4: Net Income Waterfall Chart

Q4 Standalone

Profit Attributable to Owners of the Parent - FY6/2018 Q4 vs. FY6/2019 Q4

Consolidated (IFRS)
(JPY in Millions)

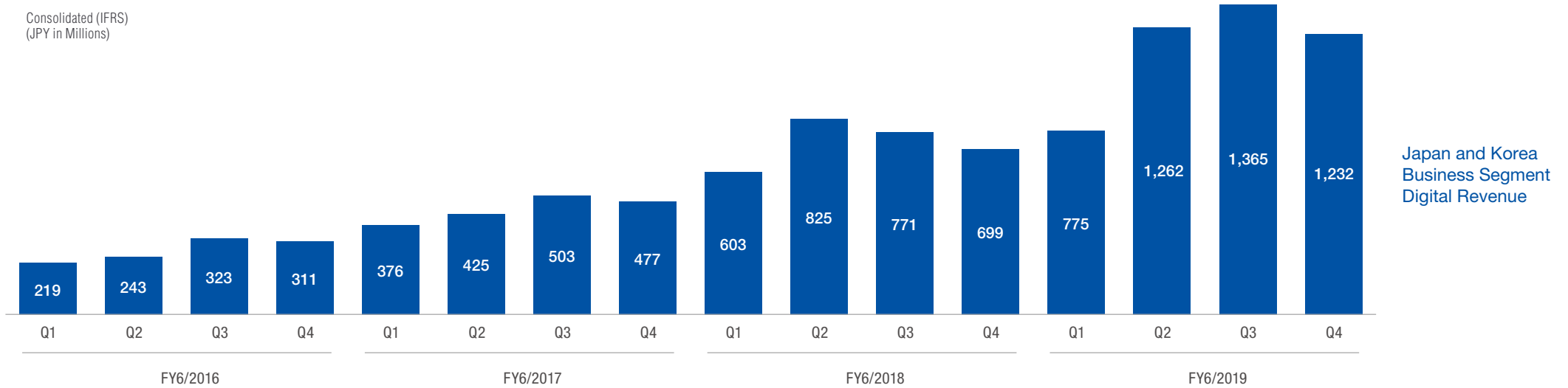


Note
1. Figures including tax effect

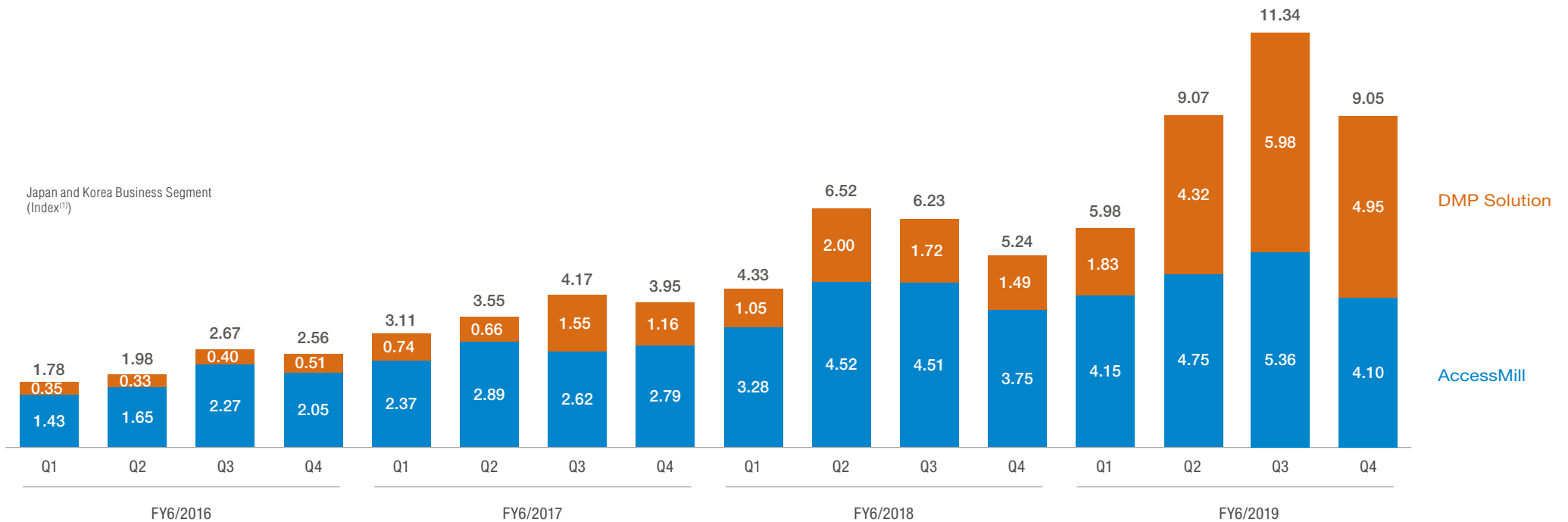
Quarterly Digital Revenue Trends - Japan and Korea Business Segment

Quarterly Digital Revenue Trends Segment Total & by Products

Consolidated (IFRS)
(JPY in Millions)



Japan and Korea Business Segment
(Index⁽¹⁾)



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

FY6/2017 - FY6/2019 DMI Performance

Dentsu Macromill Insight (DMI)⁽¹⁾



Business Description & Role in the Group		In-house marketing research agency of Dentsu Group						
Recent Financial Performance & Impact to Cnsl. Financials		FY6/2017 Actual	FY6/2018 Actual	FY6/2019 Actual	FY6/2017 to FY6/2018		FY6/2018 to FY6/2019	
(JPY in Millions)					Variance	YoY Growth	Variance	YoY Growth
Revenue	Q1	1,477	1,322	1,300	(155)	(10.5%)	(21)	(1.6%)
	Q2	1,472	1,606	1,634	134	9.1%	28	1.7%
	Q3	1,680	1,647	1,712	(33)	(2.0%)	65	3.9%
	Q4	1,316	1,278	1,284	(38)	(2.9%)	6	0.5%
	Full Year	5,946	5,853	5,930	(92)	(1.6%)	77	1.3%
EBITDA	Q1	245	136	196	(109)	(44.5%)	60	44.4%
	Q2	434	286	312	(148)	(34.1%)	26	9.2%
	Q3	372	326	341	(46)	(12.5%)	15	4.6%
	Q4	159	174	126	14	9.2%	(48)	(27.6%)
	Full Year	1,210	922	975	(288)	(23.8%)	53	5.7%
	(Normalized⁽²⁾)	1,076	922	975	(154)	(14.4%)	53	5.7%
EBITDA Margin	Q1	16.6%	10.3%	15.1%	(6.3%)		4.8%	
	Q2	29.5%	17.8%	19.1%	(11.7%)		1.3%	
	Q3	22.1%	19.8%	19.9%	(2.4%)		0.1%	
	Q4	12.1%	13.6%	9.8%	1.5%		(3.8%)	
	Full Year	20.4%	15.8%	16.4%	(4.6%)		0.6%	
	(Normalized⁽²⁾)	18.1%	15.8%	16.4%	(2.4%)		0.6%	
% to Full Year Consolidated Financials	Revenue	16.7%	14.6%	13.4%	(2.1%)		(1.2%)	
	EBITDA	14.2%	10.5%	10.6%	(3.7%)		(0.1%)	

Notes

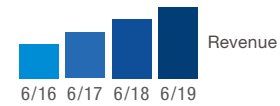
1. 52% owned subsidiary (JV with Dentsu)

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

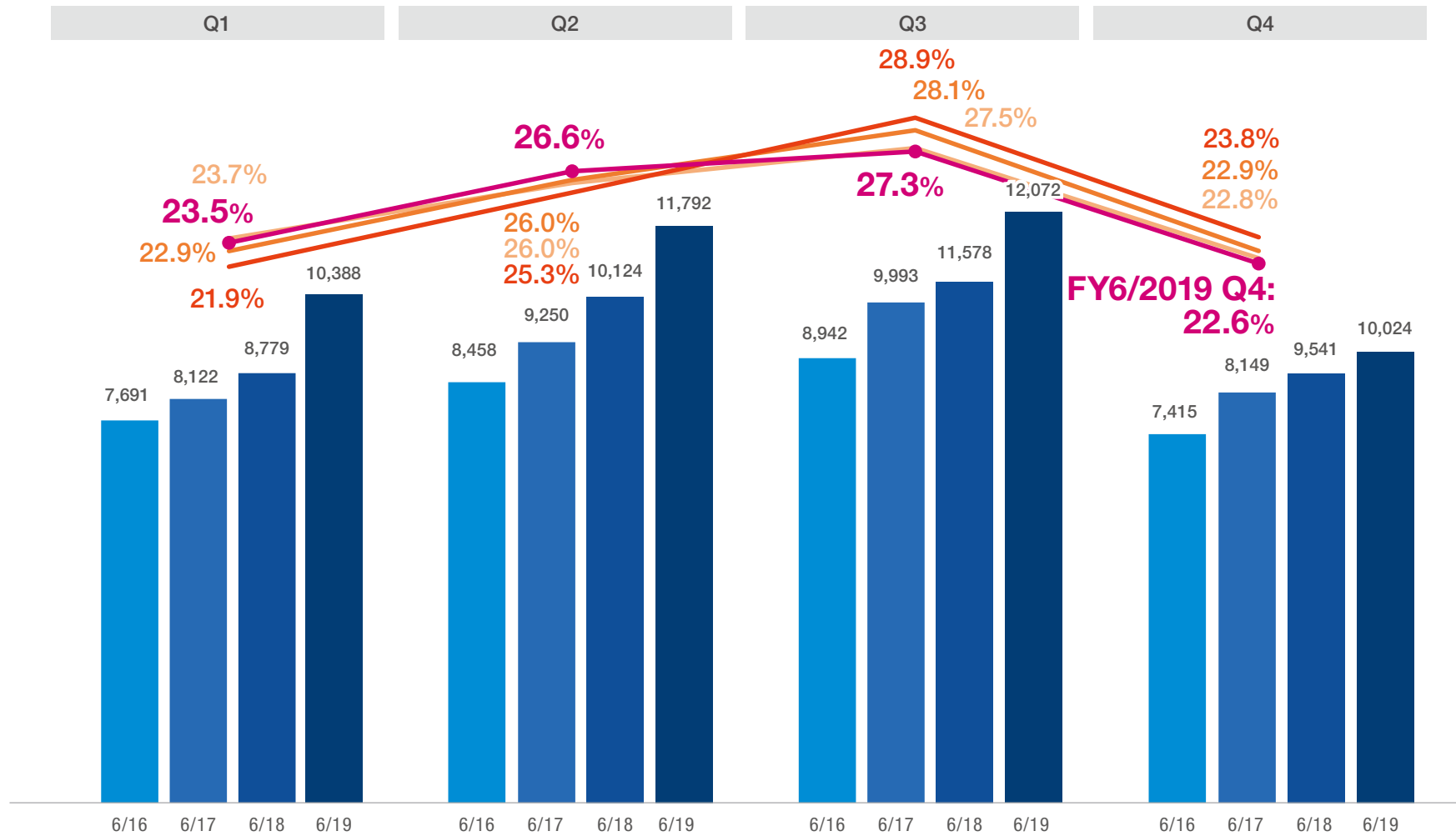
FY6/2019 Q4: % of Achievement in Quarterly Revenue

Quarterly Revenue Trends

Consolidated (IFRS)
(JPY in Millions)



- Quarterly contribution in FY6/2019
- Quarterly contribution in FY6/2018
- Quarterly contribution in FY6/2017
- Quarterly contribution in FY6/2016



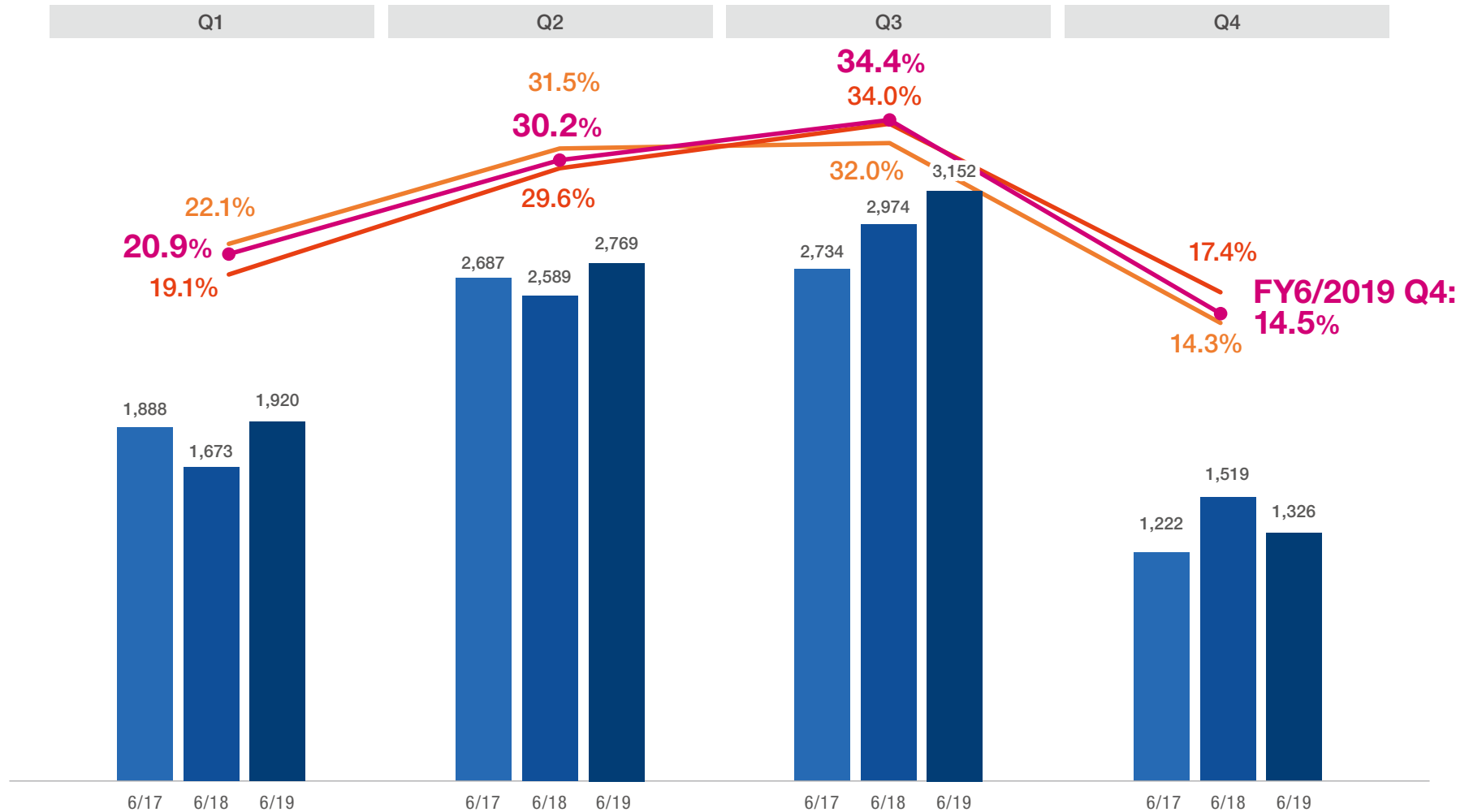
FY6/2019 Q4: % of Achievement in Quarterly EBITDA

Quarterly EBITDA⁽¹⁾ Trends

Consolidated (IFRS)
(JPY in Millions)

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

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



Notes

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

2. Adjusted EBITDA = EBITDA + Management Fee + IPO Related Expenses. EBITDA = Operating Profit + Depreciation and Amortization + Goodwill Impairment. Please refer to reconciliation tables on p.87 for details

3. Normalized base (We had one particular adjustment item which was originally reconciled in the FY6/2017 Q3 on Q1-Q3 accumulated basis. In order to enable fair quarterly year on year comparison, we had retracted and normalized such item on a quarterly breakdown), please refer p.88 for details.

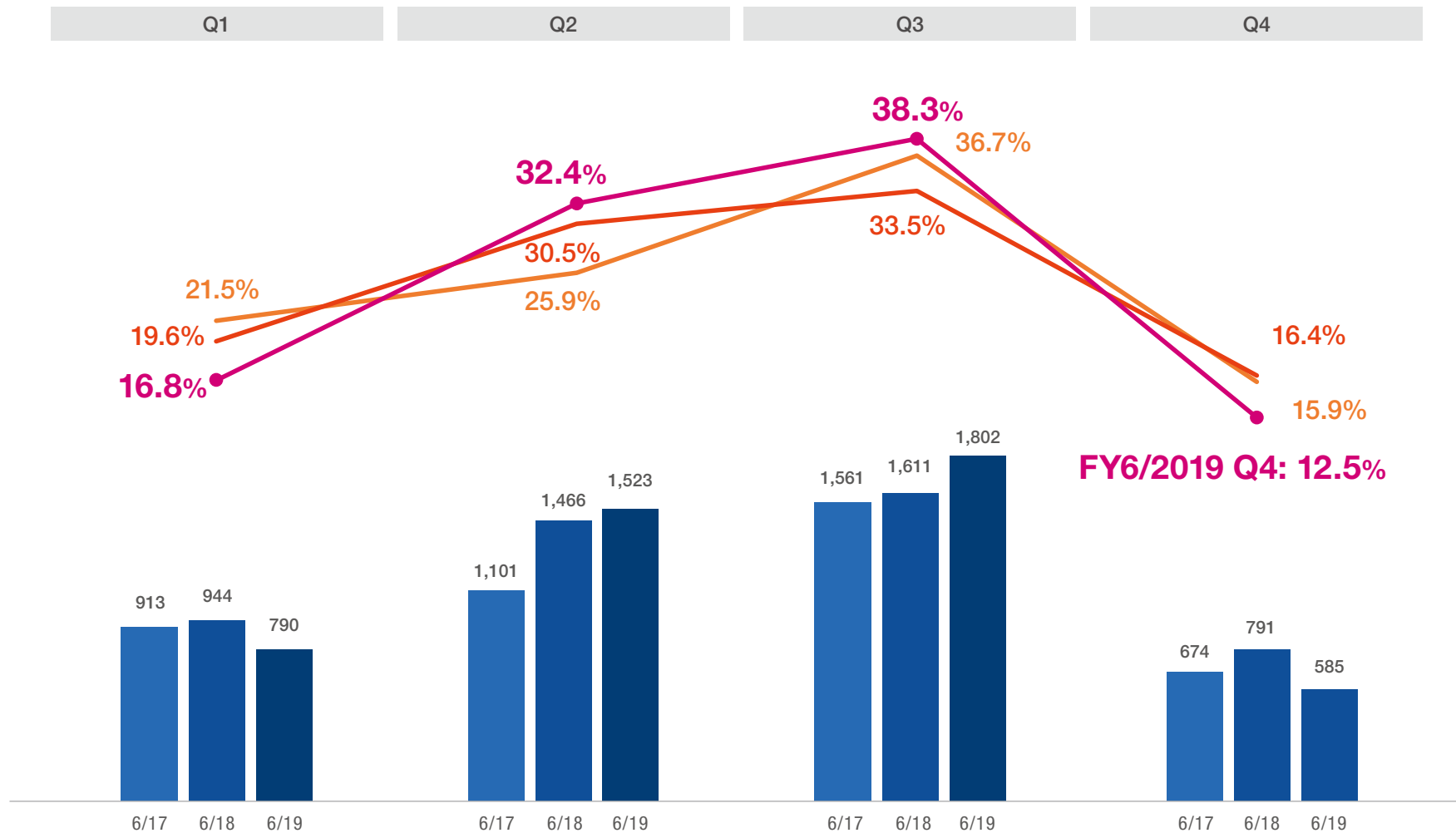
FY6/2019 Q4: % of Achievement in Quarterly Net Income

Quarterly Net Income Trends & Contributions

Consolidated (IFRS)
(JPY in Millions)

Net Income
(~ FY6/2018: Adjusted⁽¹⁾)
(FY6/2019: Non-Adj.)

● Quarterly contribution in FY6/2019 Net Income
— Quarterly contribution in FY6/2018 Adj. Net Income⁽¹⁾
— Quarterly contribution in FY6/2017 Adj. Net Income^(1,2)



Notes

1. Adjusted Profit Attributable to Owners of the Parent = Profit Attributable to Owners of the Parent + Management Fee + IPO Related Expenses – Tax Impact for Adjustments. Please refer to reconciliation tables on p.87 for details

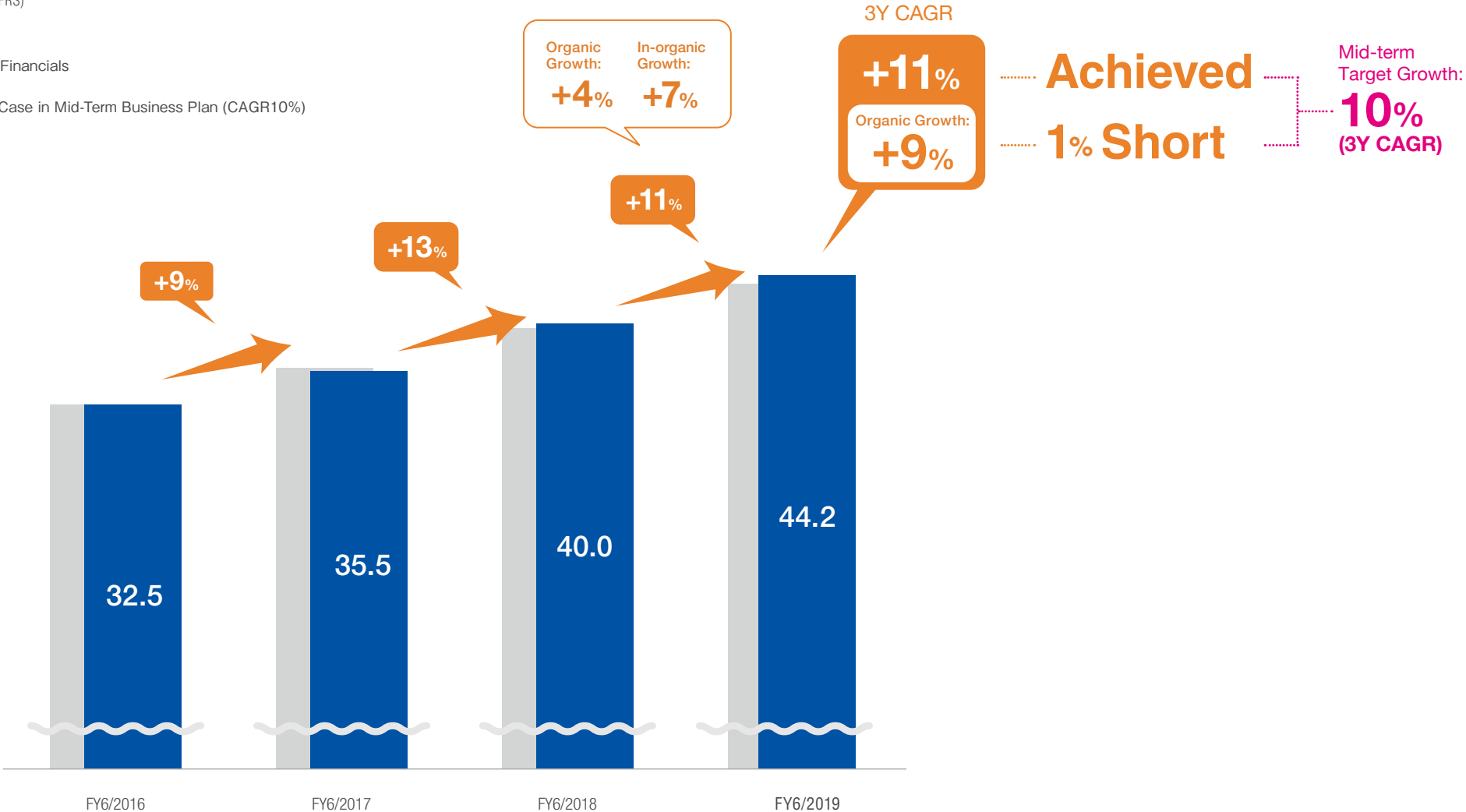
2. Normalized base (We had one particular adjustment item which was originally reconciled in the FY6/2017 Q3 on Q1-Q3 accumulated basis. In order to enable fair quarterly year on year comparison, we had retracted and normalized such item on a quarterly breakdown), please refer p.88 for details.

**ii. Detail of Achievement Level on
Prior Mid-term Business Plan**

Consolidated Revenue

Consolidated (IFRS)
(JPY BN)

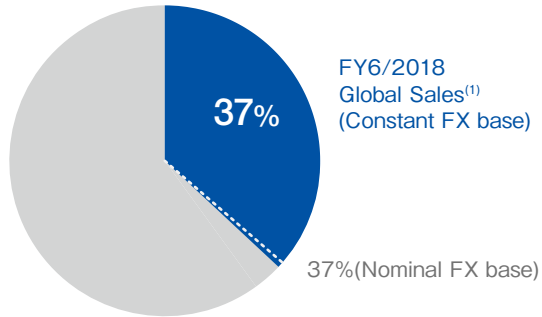
- Actual-Financials
- Model Case in Mid-Term Business Plan (CAGR10%)



The Revenue growth rate of past 3 years CAGR marked 11% and overachieved prior MTBP target 10%
 However, M&A (HMM acquisition) largely contributed the final year of MTBP and organic growth slightly missed the target

Global Revenue

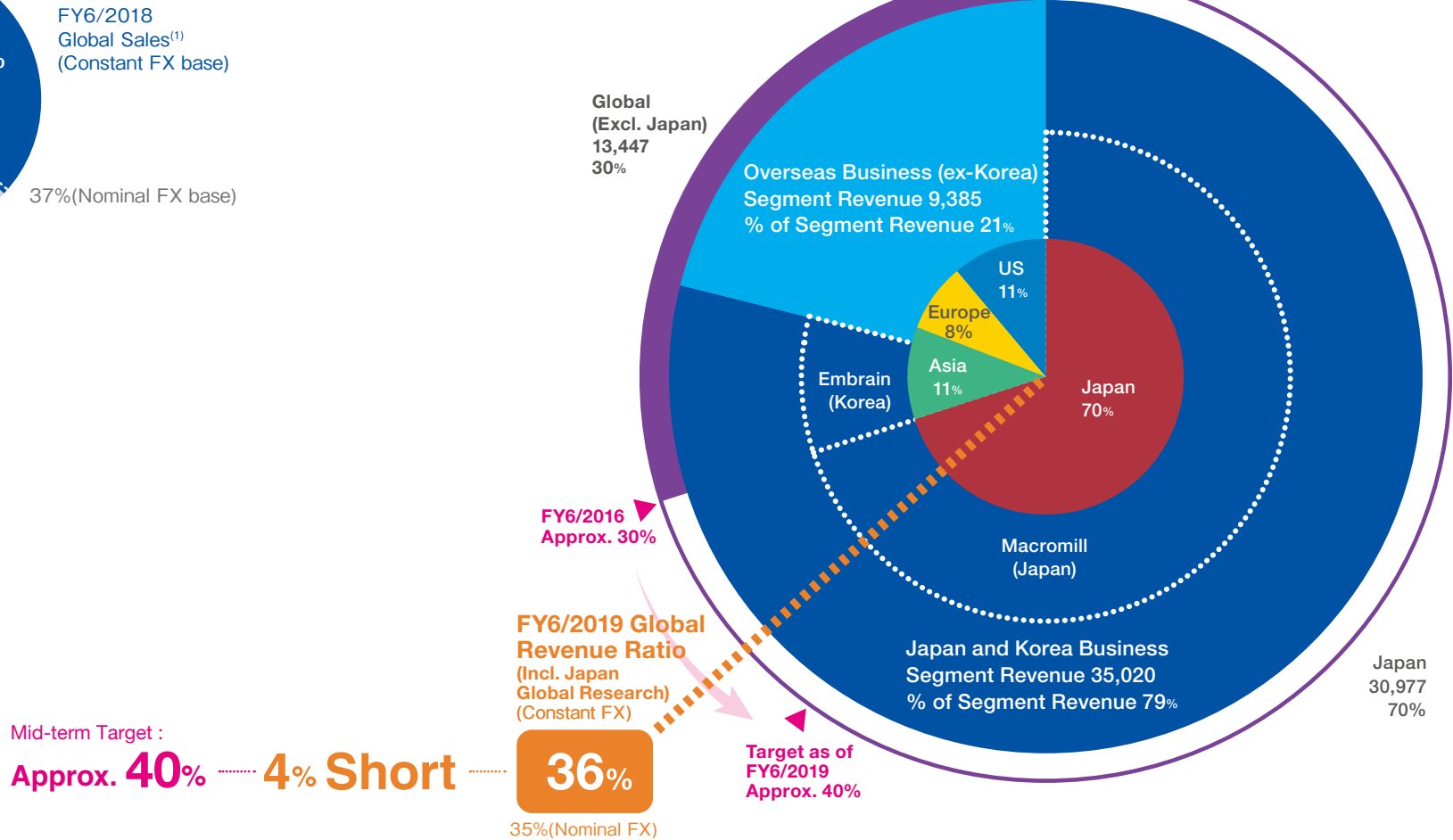
Global Revenue Ratio in FY6/2018



Global Revenue Ratio and Consolidated Revenue Breakdown in FY6/2019⁽²⁾

FY6/2019
Consolidated (IFRS)
(JPY in Millions)

Total Revenue 44,279
Japan-Global Elimination (145)
Inter Segment Elimination (126)



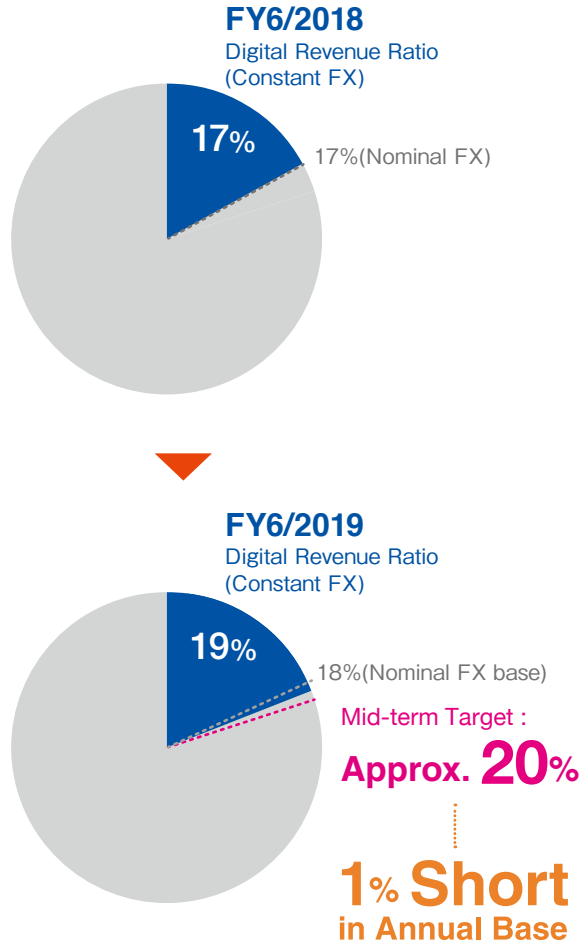
Global sales revenue ratio declined 1 point from last year due to the domestic M&A which was conducted in the final year of MTBP
The ratio of the final year of MTBP was 36% and 4 points lower than the target

Note

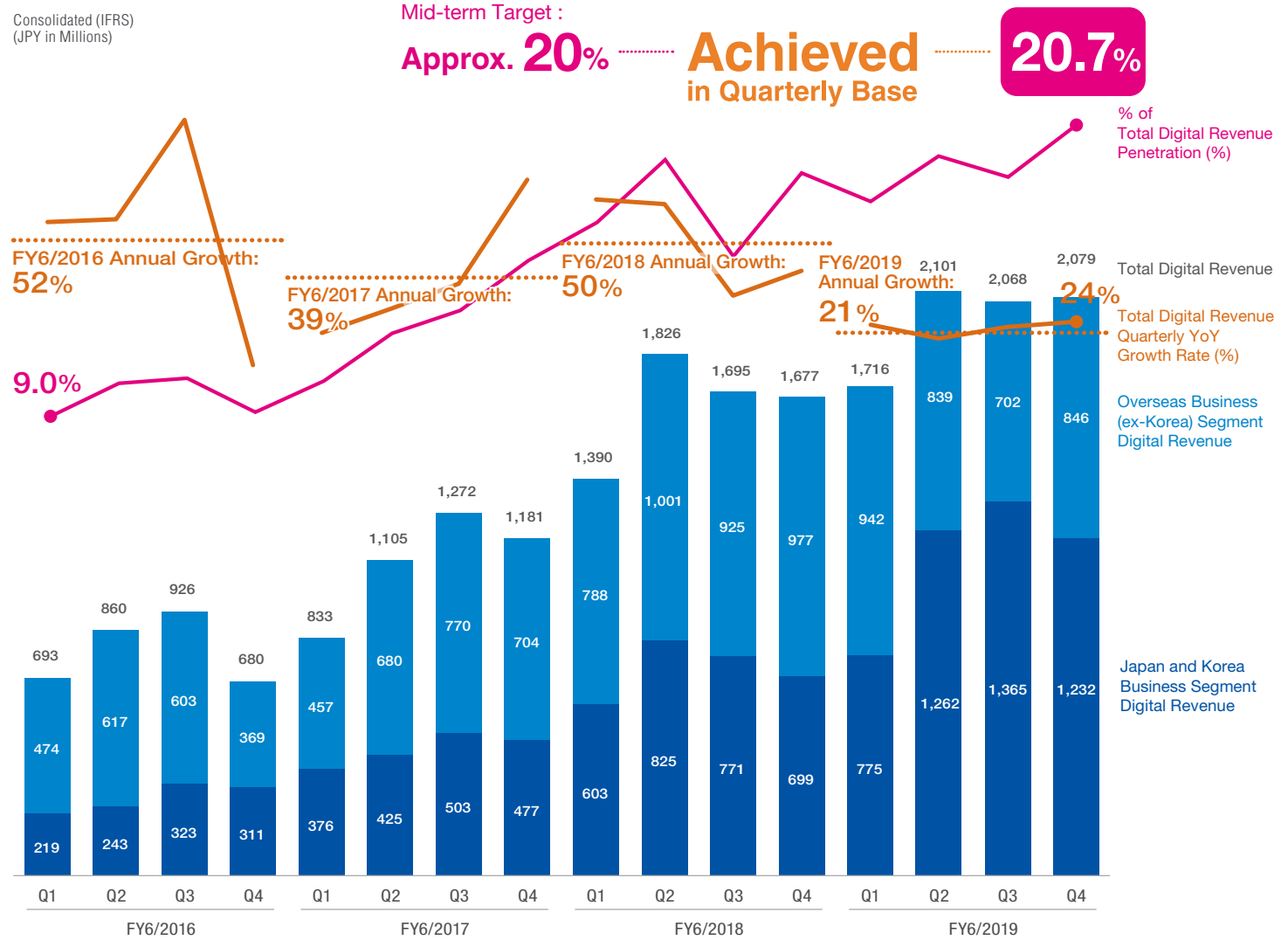
1. Global Sales = (consolidated annual revenue generated from global research conducted for Japanese companies and revenue generated from offices outside of Japan (both on a management accounting basis)) / consolidated annual revenue
2. Proportion of net revenue before intersegment eliminations

Digital Revenue

Annual Ratio



Quarterly Ratio



Although there was an external environmental change, by which the slowdown of the growth rate in the final year of MTBP (Negative effect on Google/YouTube privacy policy regulations), Digital Revenue grew strongly as almost expected in the 3 years

EBITDA

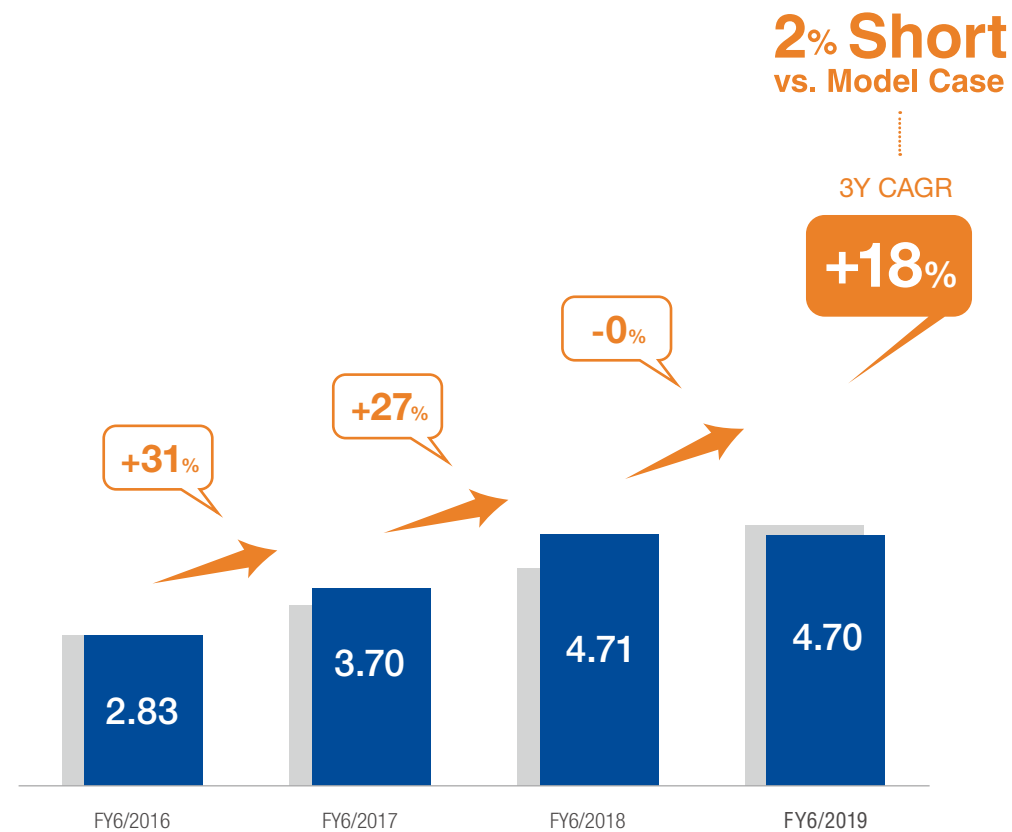
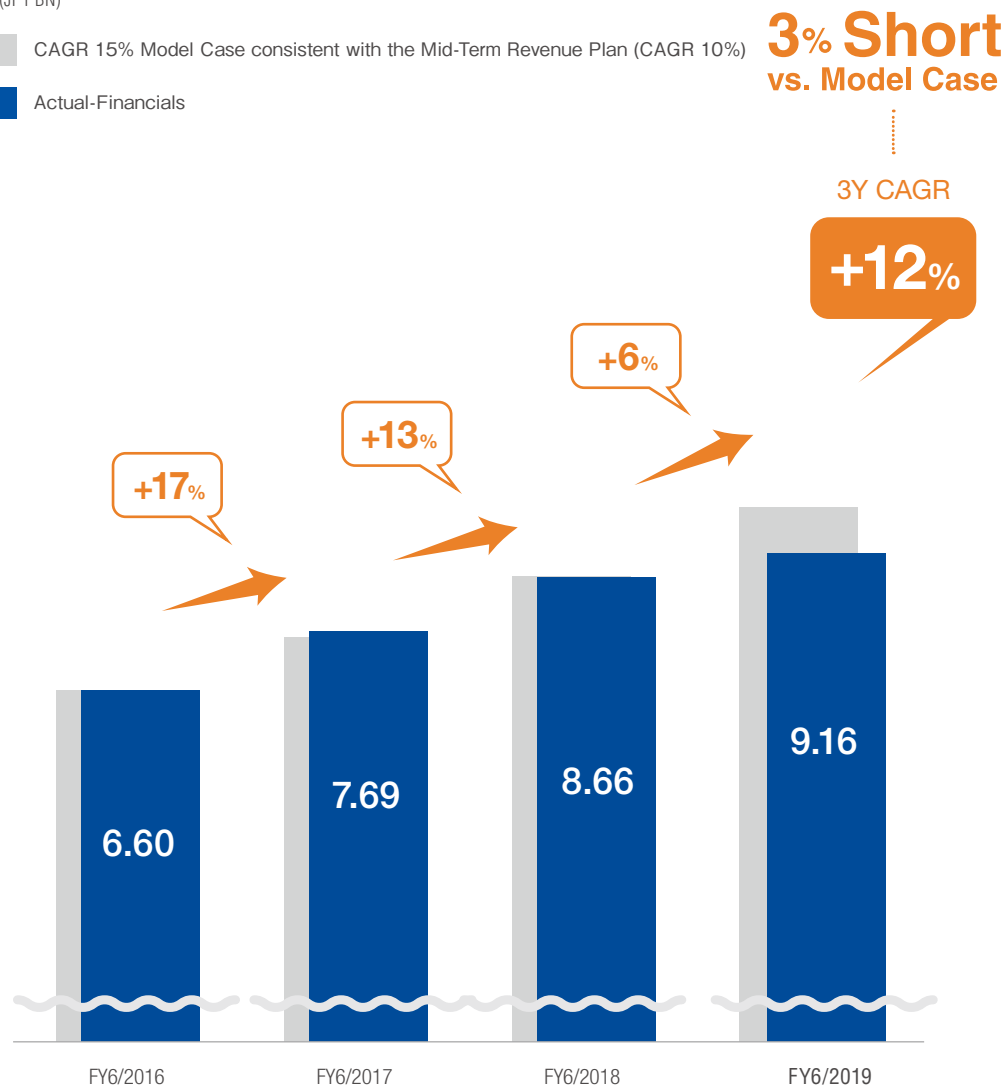
Consolidated (IFRS)
(JPY BN)

- CAGR 15% Model Case consistent with the Mid-Term Revenue Plan (CAGR 10%)
- Actual-Financials

Profit Attributable to Owners of the Parent

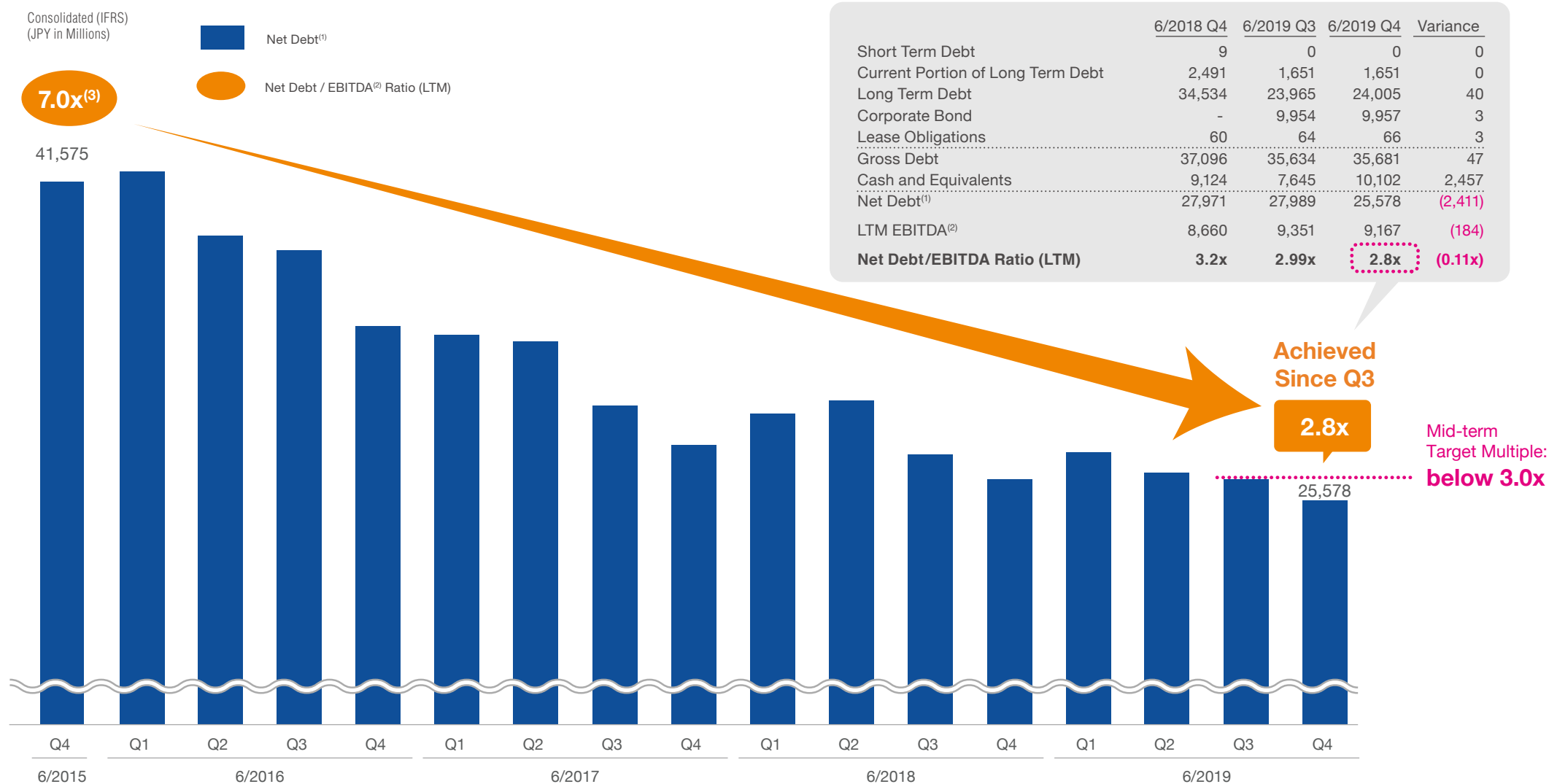
Consolidated (IFRS)
(JPY BN)

- CAGR 20% Model Case consistent with the Mid-Term Revenue Plan (CAGR 10%)
- Actual-Financials



Due to the slowdown of the organic revenue growth rate in the final year of the MTBP and effect of M&A, profit grew limitedly, and it resulted in lower profit growth compared to the profit model of which we achieve revenue growth of the MTBP

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



We achieved target Net Debt/EBITDA leverage ratio 1 quarter earlier in advance

Notes

1. Net Debt = Interest-Bearing Debt (Short-term Borrowings + Current Portion of Long-term Borrowings + Long-term Borrowings + Lease Obligations) - Cash and Cash Equivalents as of the relevant quarter end
2. EBITDA = Operating Profit + Depreciation and Amortization + Loss on Retirement of Non-current Assets + Impairment Loss on a LTM basis as of the relevant quarter end
3. Adjusted EBITDA base. Adjusted EBITDA = EBITDA + M&A Related Expenses + IPO Related Expenses + Expenses Related to Going Private Transaction + Management Fee + Refinancing Related Advisory Fees + Retirement Benefits for Retiring Officers. Please refer to reconciliation tables on p.87 for the details

iii. Our Business Model and Strategy

	Market Size	Market Growth					Market Share & Position	
Japanese Marketing Research Market	JPY 219.0Bn⁽¹⁾ (2018)	2014	2015	2016	2017	2018	5Y CAGR 3.6%	
		2.7%	-3.3%	7.8%	2.3%	2.0%		
Ad-hoc Online Research Field	JPY 70.5Bn⁽¹⁾ (2018)	2014	2015	2016	2017	2018	5Y CAGR 4.2%	30% Over No.1
		2.6%	3.2%	6.3%	4.2%	4.9%		
Ad-hoc Offline Research Field	JPY 38.9Bn⁽¹⁾ (2018)	2014	2015	2016	2017	2018	5Y CAGR 5.5%	Appx.10% N/A
		7.2%	11.4%	14.0%	-10.2%	6.7%		
Other Research Field	JPY 109.6Bn⁽¹⁾ (2018)	2014	2015	2016	2017	2018	5Y CAGR 2.6%	N/A
		1.4%	0.7%	6.5%	6.0%	-1.3%		
Digital Marketing Research Field	N/A Est. JPY 87.9Bn? 5% of Digital Ad Market (2018: JPY 1,758.9Bn ⁽²⁾)	Double Digits (cf. Digital Ad YoY Growth Rate (2017 to 2018): 16.5% ⁽²⁾)					N/A	

Notes

1. Japan Marketing Research Association (JMRA) – Japan Market Research Spending (7/2018)

2. Source: Dentsu – 2018 Annual Report on Advertising Expenditures in Japan (2/2019)

	Market Size	Market Growth
Global Marketing Research Market	USD 45.8Bn⁽¹⁾ (2017)	2013 2014 2015 2016 2017 5Y CAGR 8.9% 6.8% -4.5% 0.9% 3.1% 2.9%⁽¹⁾
Online Research Field⁽²⁾	USD 17.9Bn⁽¹⁾ (2017)	2013 2014 2015 2016 2017 5Y CAGR 1.1% 15.0% 5.8% 23.7% 5.8% 10.0%⁽¹⁾
Conventional Research Field⁽³⁾	USD 28.0Bn⁽¹⁾ (2017)	2013 2014 2015 2016 2017 5Y CAGR 8.9% 6.8% -8.4% -9.3% 3.1% -0.4%⁽¹⁾
Digital Marketing Research Field	N/A Est. USD 23.1Bn? 10% of Digital Ad Market (2017: USD 231Bn ⁽⁴⁾)	Double Digits (cf. Digital Ad: 5Y Forward CAGR 14.7% ⁽⁴⁾)

Notes

1. Source: ESOMAR Report (9/2018)
2. Online quantitative marketing research only, excluding online qualitative marketing research, which are excluded in ESOMAR presentation
3. Other than above-mentioned online (Online quantitative only) marketing research
4. Source: eMarketer Worldwide Ad Spending (9/2018)

	Market Size	Market Growth	Market Share & Position
Korean Marketing Research Market	USD 483mm⁽¹⁾ (2017)	2013 2014 2015 2016 2017 5Y CAGR 12.6% 13.1% -4.7% 4.5% 4.1% 5.7%	
Online Research Field⁽²⁾	USD 126mm⁽¹⁾ (2017)	2013 2014 2015 2016 2017 5Y CAGR 33.0% 17.5% -18.8% 27.2% -3.3% 9.3%	About 30% No.1
Conventional Research Field⁽³⁾	USD 357mm⁽¹⁾ (2017)	2013 2014 2015 2016 2017 5Y CAGR 6.8% 11.6% 0.5% -2.3% 7.0% 4.6%	N/A
Digital Marketing Research Field	N/A Est. USD 290mm? 8.6%⁽¹⁾ of Digital Ad Market (2017: USD 3,381mm⁽⁴⁾)	Double Digits (cf. Digital Ad: 5Y Forward CAGR 7.9%⁽⁴⁾)	N/A

Notes

1. Source: ESOMAR Report (9/2018, 9/2012)
2. Online quantitative marketing research only, excluding online qualitative marketing research, which are excluded in ESOMAR presentation
3. Other than above-mentioned online (Online quantitative only) marketing research
4. Source: eMarketer Worldwide Ad Spending (9/2018)

Positioned at The Intersection of Online Marketing Research and Digital Marketing

Research & Business Intelligence

Digital Solutions



Our Solutions Deliver Consumer Perspectives on...

- Attitudes, Lifestyle Choices, Preferred Products

- Behavior on Digital Platforms

Through...

- Customized Online Questionnaires
- Purchase Data

- Digital Ad / Website Access Logs
- Social Media Data

To Empower Clients' Decision-Making on...

- Brand Engagement, Product Innovation, Customer Value

- Media Planning, Creative & Campaign Effectiveness and Optimization

Digital Marketing, Core Growth Driver

Consolidated Revenue Breakdown - Digital & Non-Digital by Segment

FY6/2019
Consolidated (IFRS)
(JPY in Millions)

Consolidated Organic
Revenue Growth Target

+10%

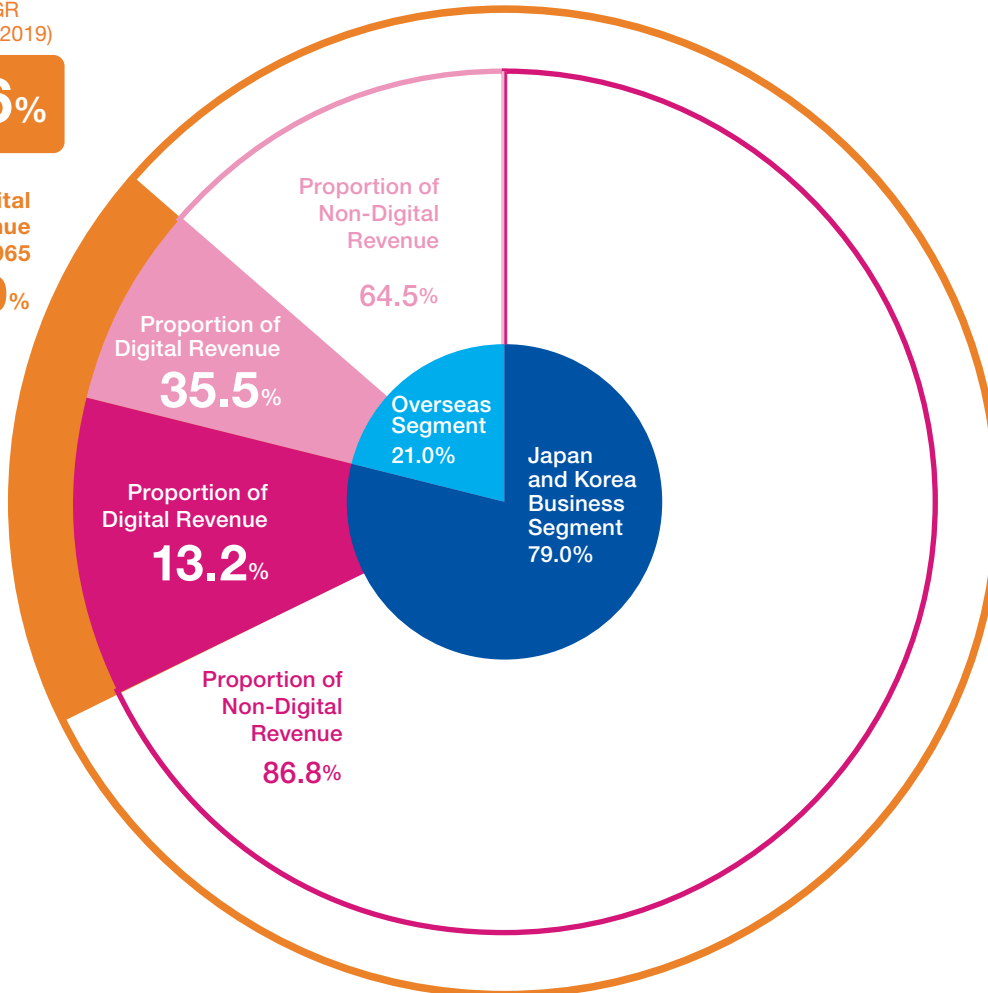
Total Revenue 44,279
Japan-Global Elimination (145)
Inter Segment Elimination (126)

3Y CAGR
(6/2016-6/2019)

+36%

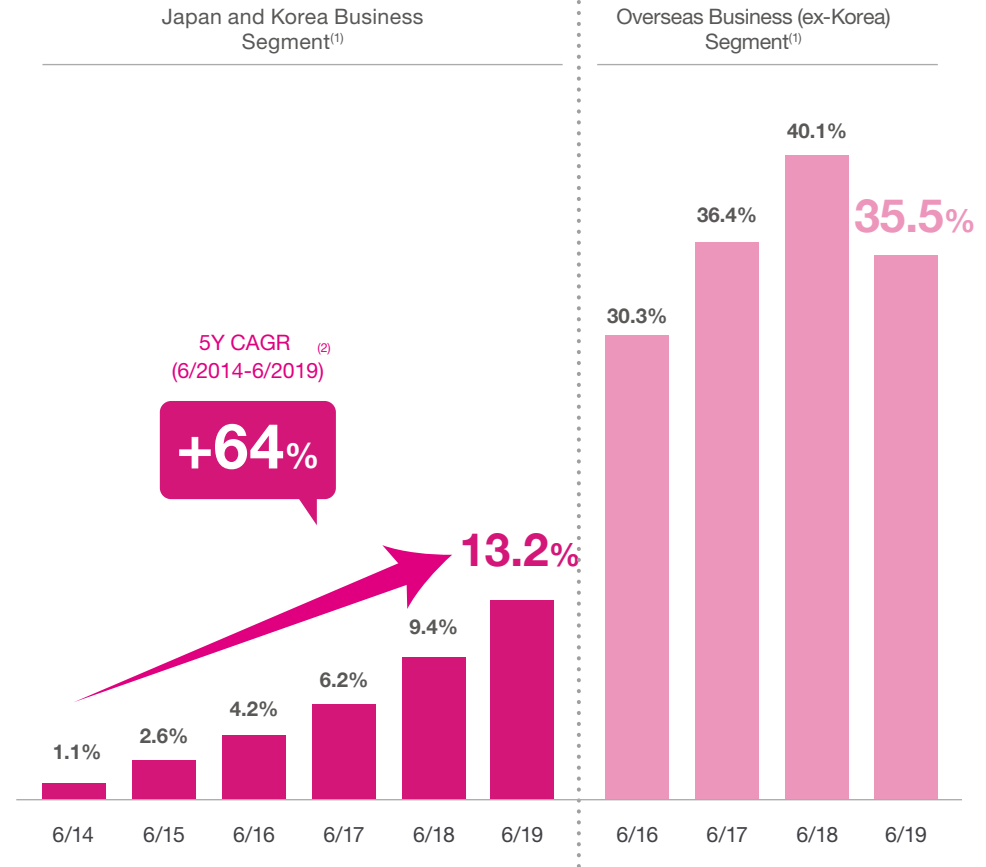
Total Digital
Revenue
7,965

18.0%



Significant Untapped Upsides Particularly in Japan

% of Digital Marketing Solutions Revenue of Total Revenue



5Y CAGR ⁽²⁾
(6/2014-6/2019)

+64%

Notes

1. Japan and Korea Business Segment revenue from sales of digital marketing solutions in each year / Japan and Korea Business Segment revenue. Overseas Business (ex-Korea) Segment revenue from sales of digital marketing solutions in each year / Overseas Business (ex-Korea) Segment revenue. Digital marketing solutions refers to our market research and marketing analytics solutions that meet one or more of the following criteria: (1) it is a 100%-focused digital marketing solution; (2) it monitors or evaluates digital media, websites or other digital stimulus; (3) it leverages non-survey digital/social data; or (4) it utilizes one of our value-added digital delivery channels, such as our dashboard. Marketing analytics refers to the business of collecting, analyzing, organizing and presenting data drawn from Internet users, including data collected from panelists, with a view to demonstrating and explaining the impact and effectiveness of an entity's digital marketing efforts (such as digital advertisements)
2. CAGR representing growth of digital marketing solutions revenue in Japan is measured as a percentage of total revenue in Japan. J-GAAP based financials for FY6/14 and IFRS-based financials for FY6/15 onwards. J-GAAP and IFRS financial information are prepared based on different accounting principles and are not directly comparable. Macromill believes, however, that the presentation of consolidated revenues on a J-GAAP basis as compared to IFRS would only require immaterial adjustments and that the presentation appropriately and accurately reflects the trends for the revenue trends

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

Clients' Marketing Process



Macromill Group Solutions



Global network of 49 offices in 19 countries



10M Proprietary Panel

Total 110M Global Consumer Research Panel

100M Global Panel Network





<p>Extensive Client Coverage Serving 4,000+ Brands & Ad Agencies in more than 90 Countries Revenue from 70% of Large Clients⁽²⁾ Grew YoY (FY6/2017 → FY6/2018)</p>	<p>Superior Client Penetration c. 60% of Top 25 Global Brands are Our Clients⁽³⁾</p>
<p>Global Blue-chip Client Base 9 of Top 10 Largest FMCG⁽¹⁾ Companies⁽⁴⁾ 7 of Top 10 Largest IT Companies⁽⁴⁾</p>	<p>Sticky Client Base 96.5% Retention Rate in Japan⁽⁵⁾ 91.9% Retention Rate for Global (excl. Japan)⁽⁶⁾</p>

Notes

1. FMCG = Fast Moving Consumer Goods / CPG: Consumer packaged goods (incl. non-durable goods such as soft drinks, toiletries, etc.)
2. Large Accounts with annual revenue of >JPY10MM or Euro 0.1MM
3. Based on Millward Brown "BRANDZ TOP100 most valuable global brands 2018". Include clients for which we provide services and clients who use two or more research companies in FY6/2018
4. Top 10 in terms of market cap as of June 30, 2018. The definition of industries is based on Capital IQ primary industry classifications; FMCG = beverages, food products, and household & personal product. IT = information technology
5. Retention Rate in Japan = (No. of large clients of Macromill standalone providing over JPY10MM in annual revenue for which Macromill's solutions were rendered and invoiced in the previous year, and for which there were solutions provided or invoiced in the current year) ÷ (No. of large clients of Macromill (standalone) providing over JPY 10MM in the previous year). 5 year average from FY6/14 to FY6/18
6. Retention Rate for Global (excl. Japan) = (No. of large clients of MetrixLab providing over 0.1MM Euro in annual revenue for which solutions were rendered and invoiced in the previous year, and for which there were solutions provided or invoiced in the current year) ÷ (No. of large clients of MetrixLab providing over 0.1MM Euro in the previous year). 3 year average from FY6/16 to FY6/18

Further Growth Opportunity in Japan

MR Market Size



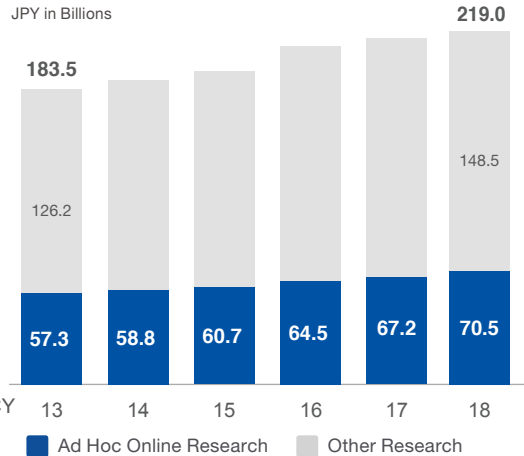
Further Online MR Penetration⁽¹⁾



Expand Online Market Share⁽²⁾

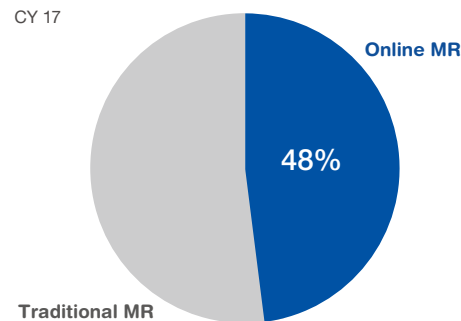
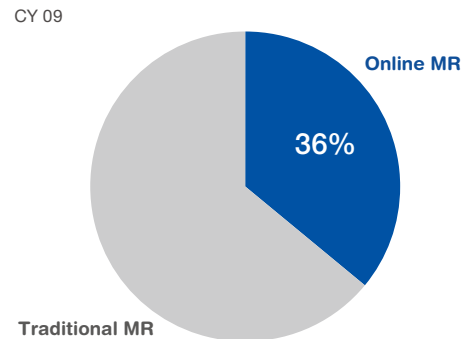
Solid Growth in Ad Hoc Online MR Market

5Y CAGR
CY13A-18A
3.6%



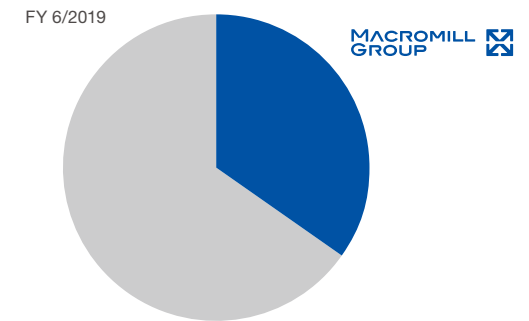
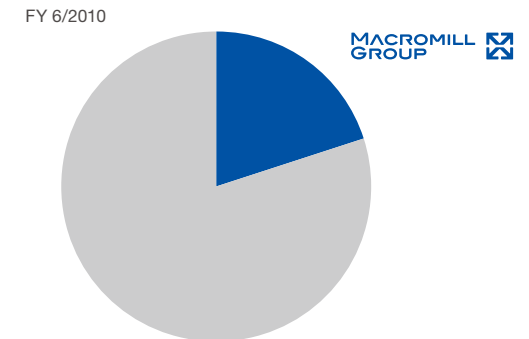
Source Japan Marketing Research Association (7/2019)

Track Record of Online MR replacing Traditional MR

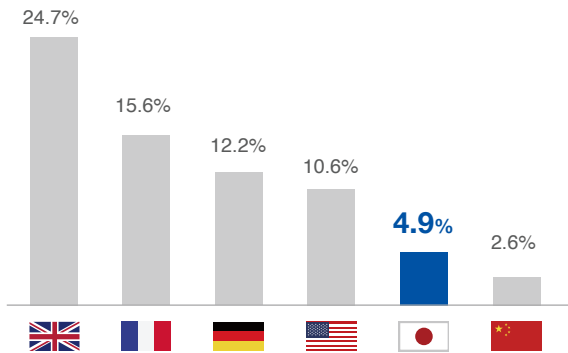


Source ESOMAR, Global Market Research (9/2018, 9/2010)

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



Significant Room for Further MR Penetration to Total Ad Spending



Source ESOMAR, Global Market Research (9/2018)

Notes

1. Online MR penetration = spending of online quantitative research / spending of total market research in each country
2. Online MR Share (FY6/2018) = Macromill standalone, Dentsu Macromill Insight (DMI) and H.M. Marketing Research (HMM) revenue from sales of ad hoc online market research solutions in Japan (FY6/2019) / total Japan ad hoc Online MR market (2018) in terms of revenue as calculated by the Japan Marketing Research Association. Online MR Share (FY6/2010) = Macromill standalone revenue from sales of ad hoc online market research solutions (FY6/2010) / total Japan ad hoc Online MR market (2009) in terms of revenue as calculated by the Japan Marketing Research Association

Framework for Global Expansion

MR Market Growth

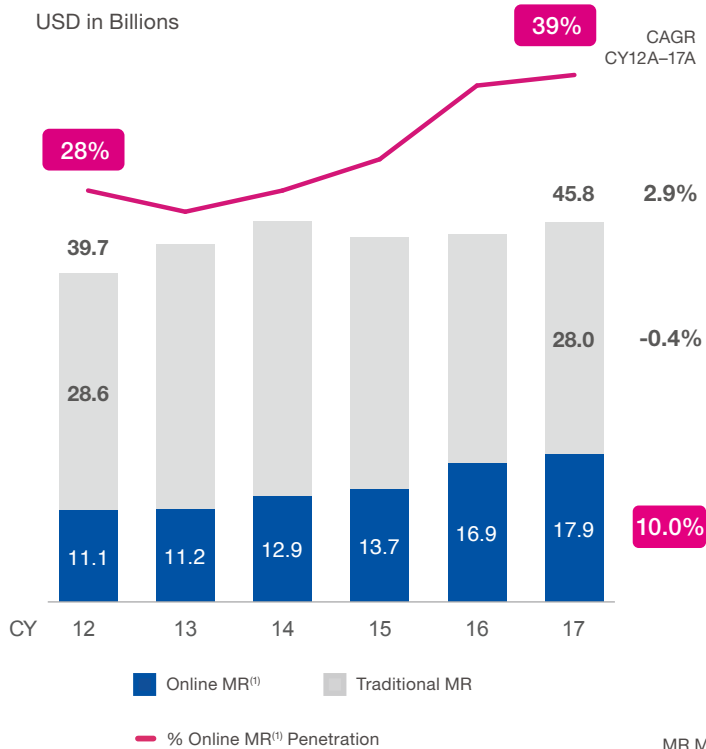


Further Online MR Penetration

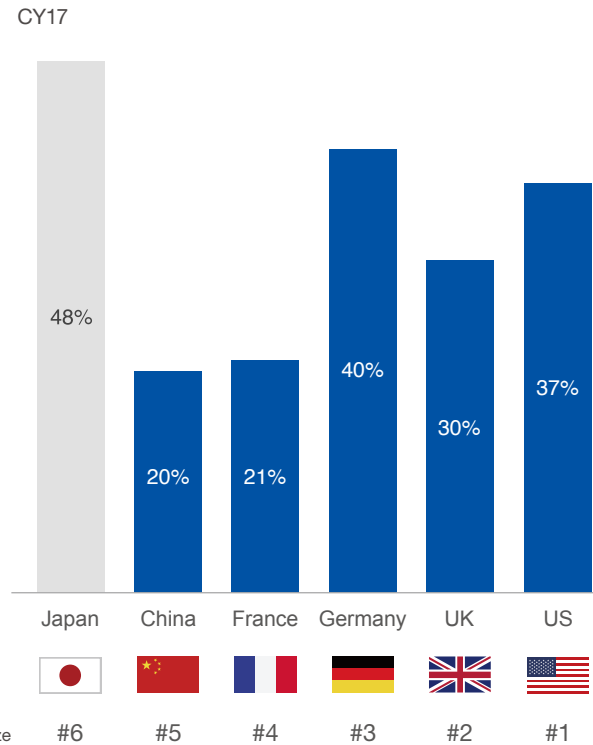


Expand Market Share

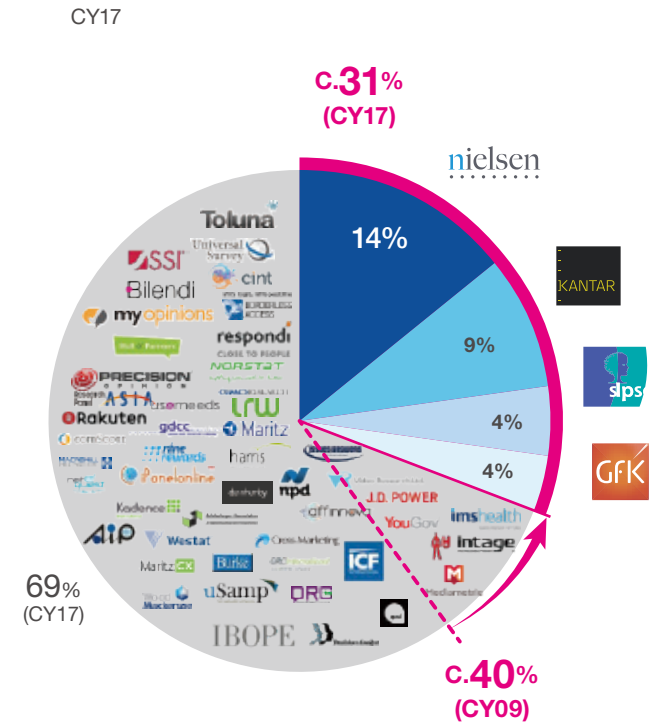
Online MR Continues to Outgrow Traditional MR



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



Global MR market share



Source ESOMAR, Global Market Research (9/2018)

Source ESOMAR, Global Market Research (9/2018)

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

Notes

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

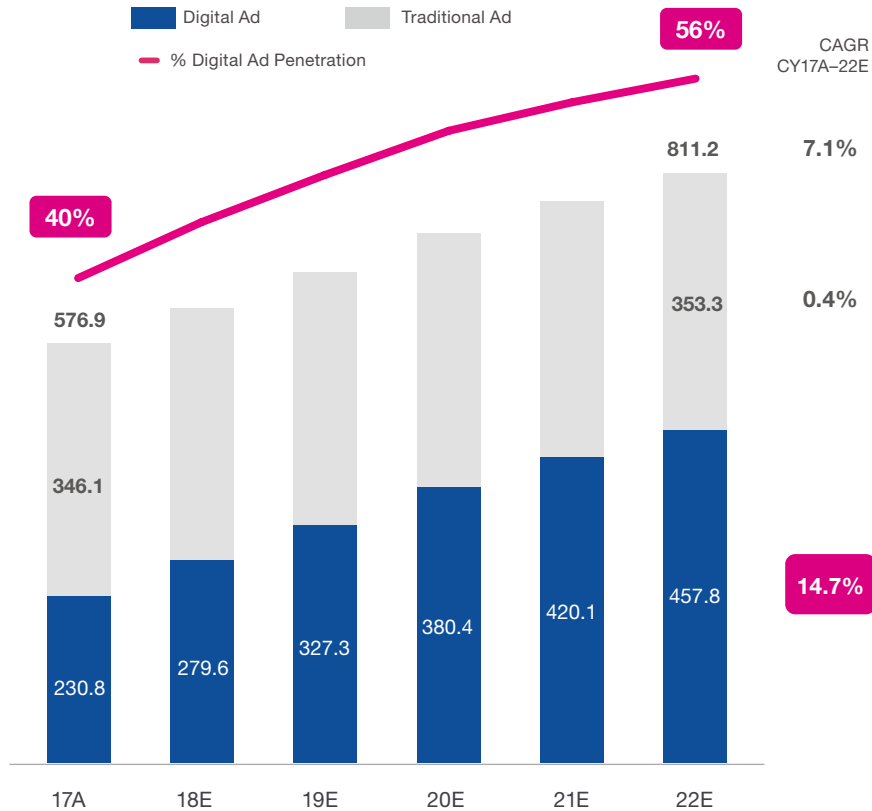
Significant Growth Upsides from Digital Marketing Solutions

Digital Ad Market Growth

Digital Ad Continues to Outgrow Traditional Ad

Worldwide Media Ad Size

USD in Billions



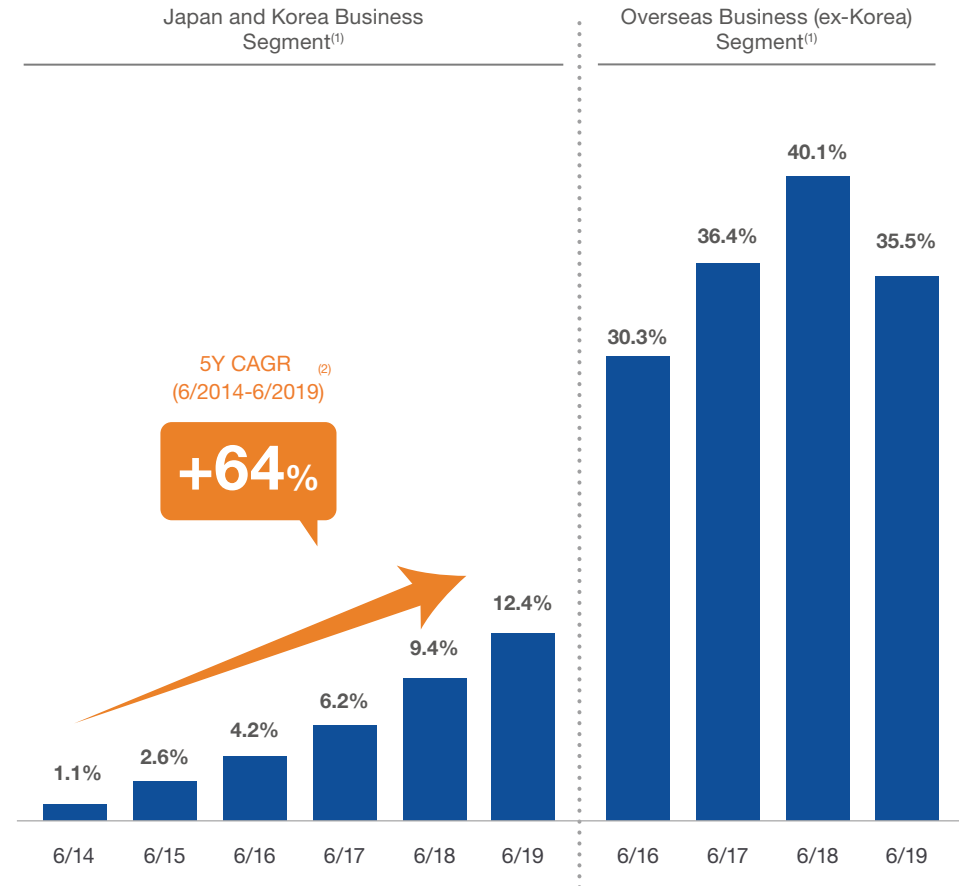
Source eMarketer, Worldwide Ad Spending (9/2018)



Further Penetration of Digital Marketing Solutions

Significant Untapped Upsides Particularly in Japan

% of Digital Marketing Solutions Revenue in each Segment Revenue



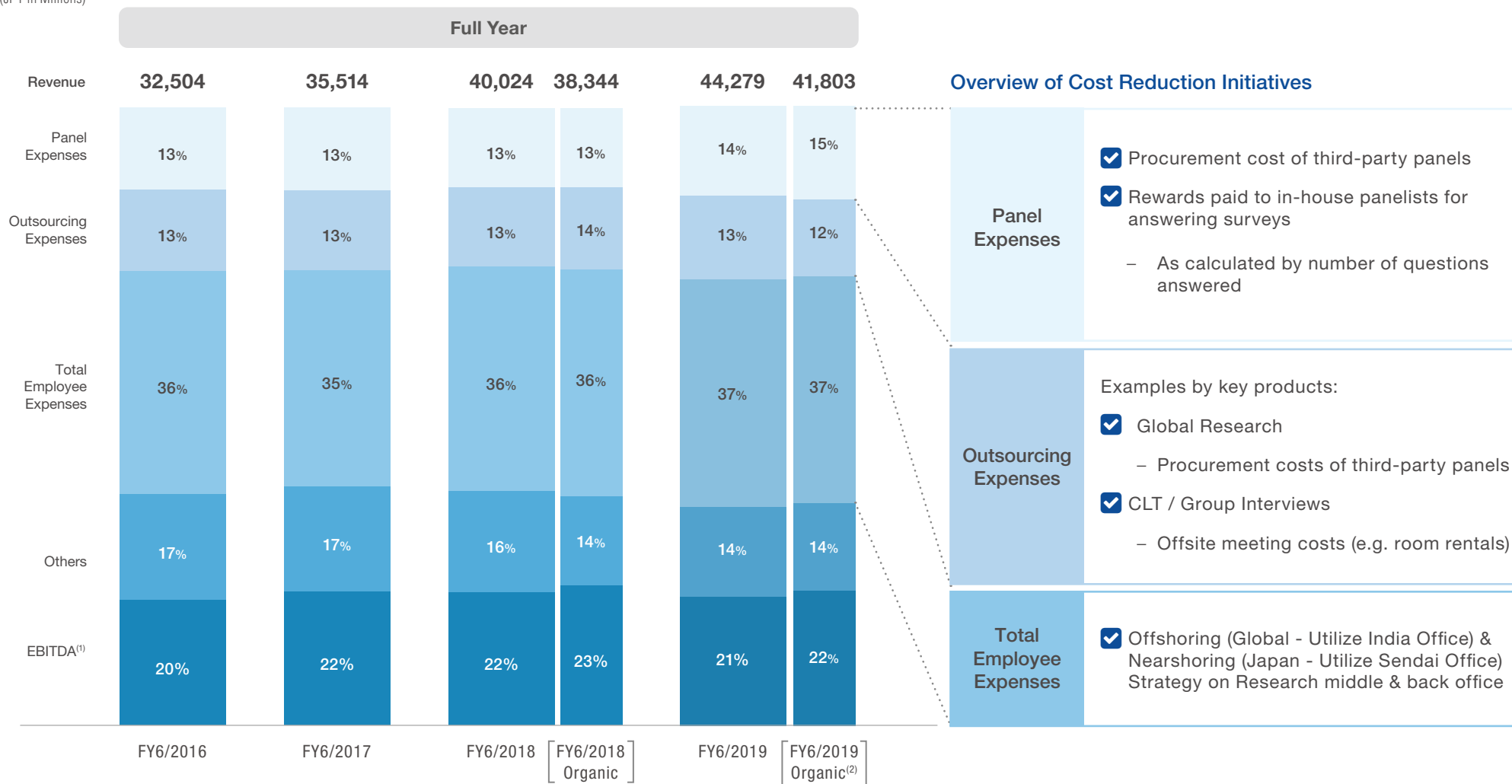
Notes

1. Japan and Korea Business Segment revenue from sales of digital marketing solutions in each year / Japan and Korea Business Segment revenue. Overseas Business (ex-Korea) Segment revenue from sales of digital marketing solutions in each year / Overseas Business (ex-Korea) Segment revenue. Digital marketing solutions refers to our market research and marketing analytics solutions that meet one or more of the following criteria: (1) it is a 100%-focused digital marketing solution; (2) it monitors or evaluates digital media, websites or other digital stimulus; (3) it leverages non-survey digital/social data; or (4) it utilizes one of our value-added digital delivery channels, such as our dashboard. Marketing analytics refers to the business of collecting, analyzing, organizing and presenting data drawn from Internet users, including data collected from panelists, with a view to demonstrating and explaining the impact and effectiveness of an entity's digital marketing efforts (such as digital advertisements)
2. CAGR representing growth of digital marketing solutions revenue in Japan is measured as a percentage of total revenue in Japan. J-GAAP based financials for FY6/14 and IFRS-based financials for FY6/15 onwards. J-GAAP and IFRS financial information are prepared based on different accounting principles and are not directly comparable. Macromill believes, however, that the presentation of consolidated revenues on a J-GAAP basis as compared to IFRS would only require immaterial adjustments and that the presentation appropriately and accurately reflects the trends for the revenue trends

Operating Leverage & Cost Reduction Initiatives Deliver Further Profit Expansion

Breakdown of Key Cost Items

Consolidated (IFRS) unaudited
(JPY in Millions)



Notes

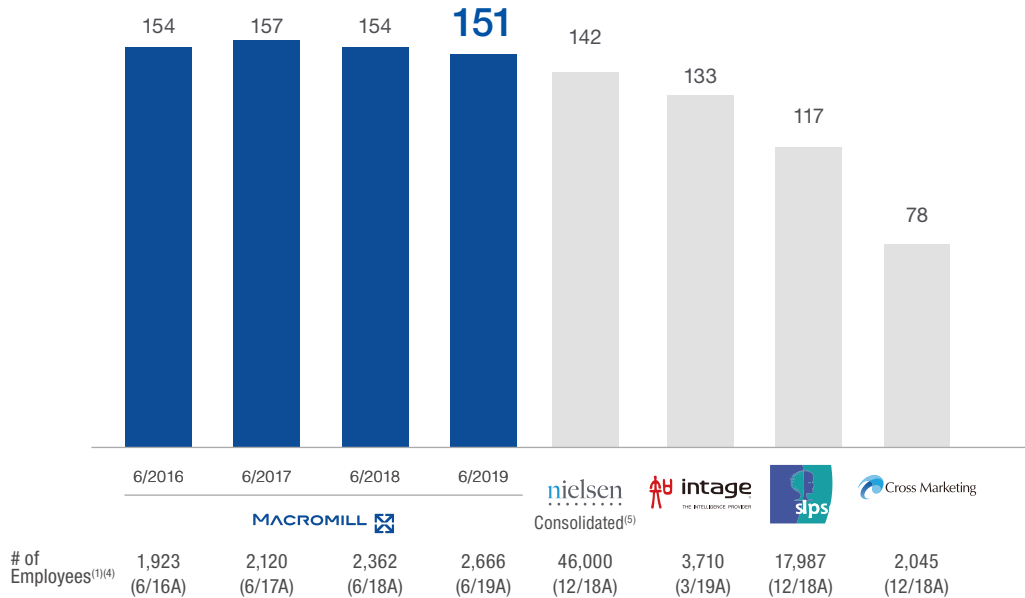
1. EBITDA = Operating Profit + Depreciation and Amortization + Loss on Retirement of Non-current Assets + Impairment Loss

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

Revenue per Employee⁽¹⁾⁽²⁾

USD in Thousands, Latest FY⁽³⁾

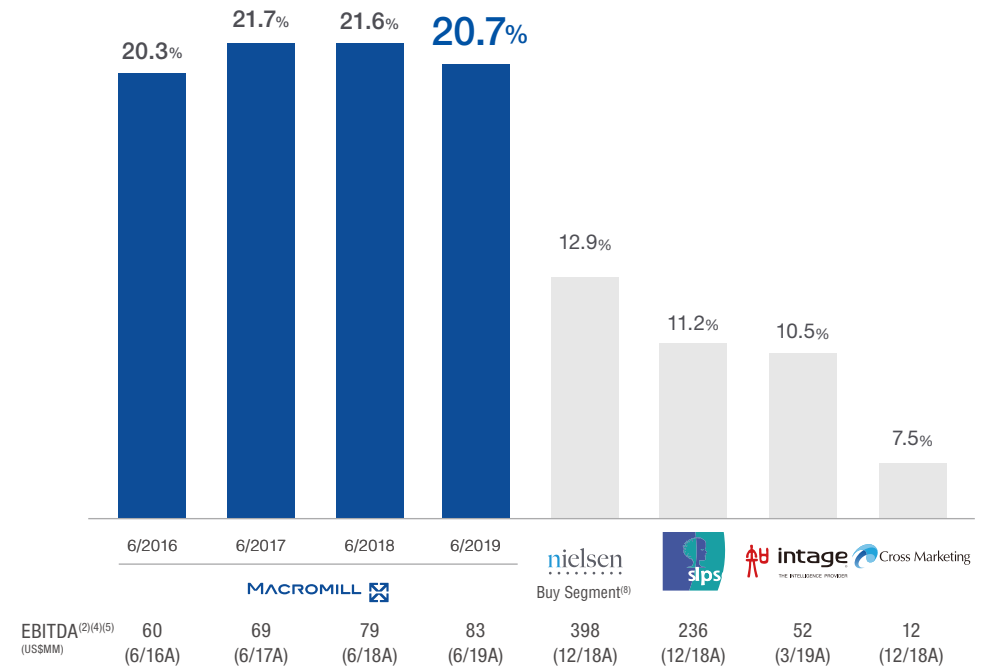


Source Company Information

- Notes**
- Includes temporary employees
 - Exchange rate: USD/EUR = 0.83, USD/JPY = 109.8
 - As of June 30, 2019
 - As of the end of each fiscal year as noted on the graph labels
 - Consolidated figures for both the revenue and the number of employees
 - Macromill: EBITDA = Operating Profit + Depreciation and Amortization + Loss on Retirement of Non-current Assets + Impairment Loss

EBITDA Margin⁽⁶⁾⁽⁷⁾

Latest FY⁽³⁾



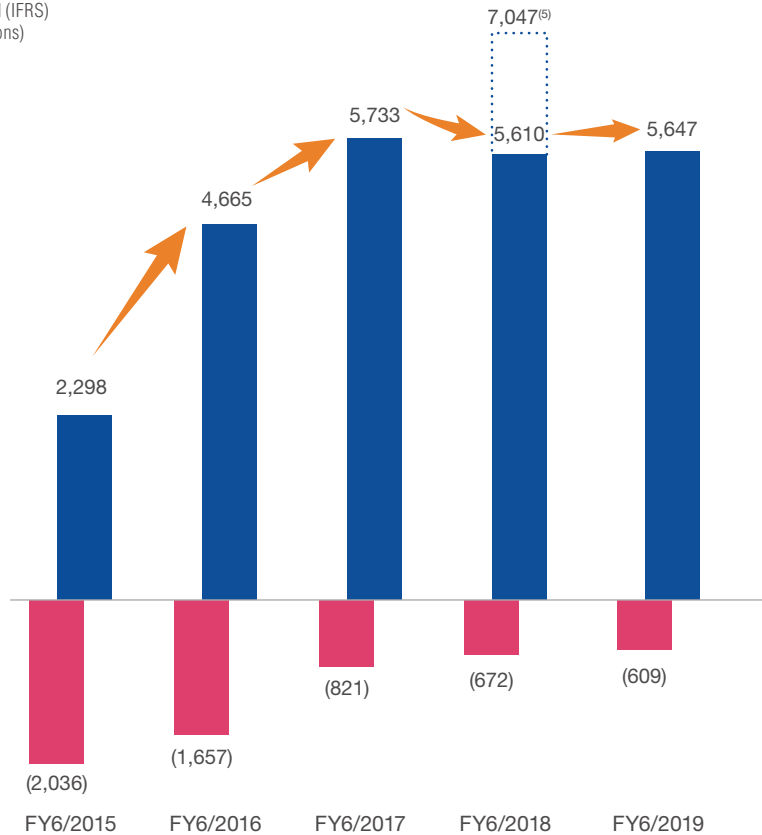
Source Company Information

- Nielsen (Buy 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 + Impairment Loss).
 Ipsos: EBITDA = Operating Income + (Depreciation and Amortization + Impairment Loss of Goodwill and Other Long-Lived Asset + Other Items).
 Because the adopted accounting principle and the definitions for EBITDA for each company differ, as well as other reasons, they may not be directly comparable
- EBITDA margin = EBITDA / Revenue
 - EBITDA of Nielsen's "Buy" segment is used for comparison purposes because it presents similarities with Macromill's business. EBITDA margin for Nielsen on a consolidated basis for the same period was 27.9%

Strategic Capital Allocation

Solid Cash Flow Generation

Consolidated (IFRS)
(JPY in Millions)

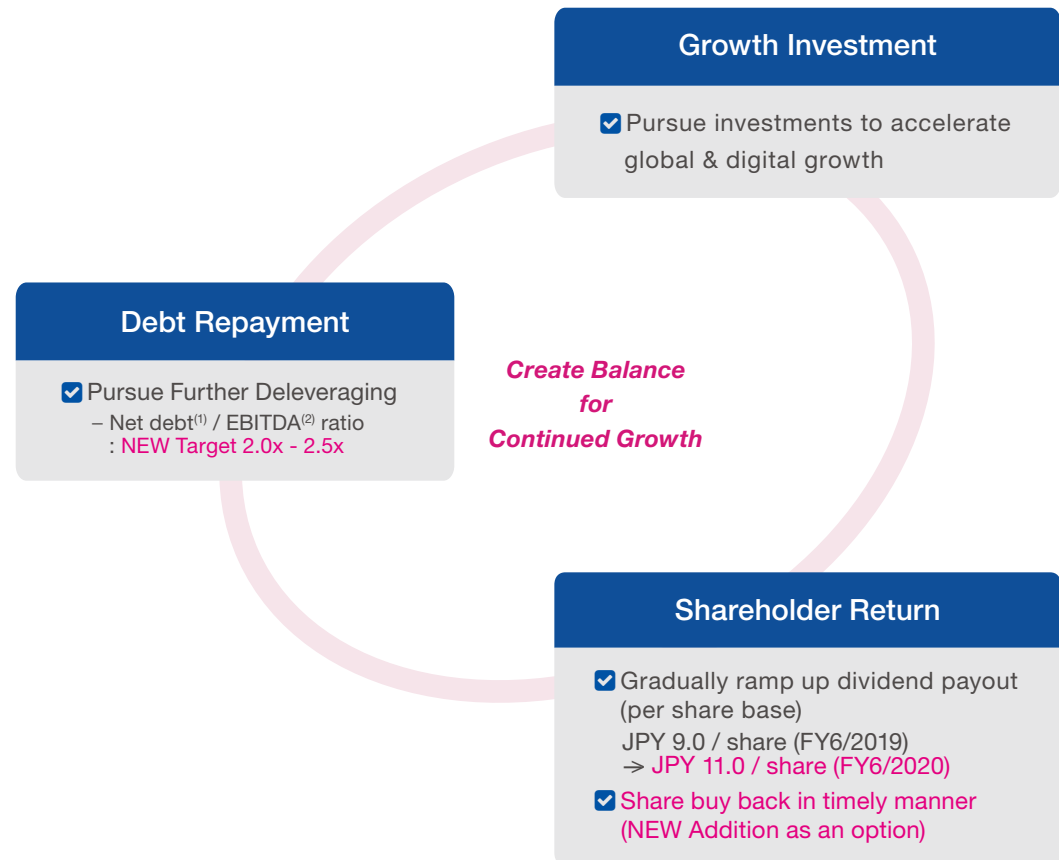


Net Debt ⁽¹⁾ / EBITDA ⁽²⁾ Ratio	7.0x ⁽³⁾	5.0x ⁽³⁾	3.6x ⁽³⁾	3.2x ⁽³⁾	2.8x
Avg. Interest Rate ⁽⁴⁾	4.8%	3.7%	2.0%	1.8%	1.1%

Interest Paid (Red bar) | Net Cash Flows Provided by Operating Activities (Blue bar)

- Notes**
1. Net debt = interest-bearing debt (short-term borrowings + current portion of long-term borrowings + long-term borrowings + lease obligations) - cash and cash equivalents
 2. EBITDA = Operating Profit + Depreciation and Amortization + Loss on Retirement of Non-current Assets + Impairment Loss
 3. Adjusted EBITDA base. Adjusted EBITDA = EBITDA + M&A Related Expenses + IPO Related Expenses + Expenses Related to Going Private Transaction + Management Fee + Refinancing Related Advisory Fees + Retirement Benefits for Retiring Officers. Please refer to reconciliation tables on p.87 for details
 4. Avg. interest rate = (interest expense in P/L) / (average amount of borrowings at the end of current year and the previous year). Borrowings = short-term borrowings + current portion of long-term borrowings + long-term borrowings. However, since we had issued JPY 10 BN corporate bonds on July 27, 2018, we had applied specific method to calculate avg. interest rate for this Q1 6/2019 as follows: Q1 6/2019 avg. interest rate = (interest expense paid in Q1 for the existing borrowings + interest expense paid in Q1 for bonds issued on July 27, 2018) / (avg. amount of borrowings as of June 30, 2018 and September 26, 2018 (a day before early redemption)) + amount of bonds issued on July 27, 2018)
 5. Onetime extraordinary item adjusted base (Public filing figure 5,610M (FY6/2018) + No A/R factoring services in DMI 1,437M (FY6/2018))

























Capital Allocation Priorities



3-Pillars M&A Strategy for Value Creation



Proven M&A Track Record

<p>2010 Acquisition⁽¹⁾ </p>  <div style="display: flex; justify-content: space-around; margin-top: 10px;"> <div style="border: 1px solid gray; padding: 2px;">Regional Expansion</div> <div style="background-color: #e91e63; color: white; padding: 2px;">Panel</div> <div style="border: 1px solid gray; padding: 2px;">Technology / Solution</div> </div> <p><input checked="" type="checkbox"/> Doubled Panel Access</p>	<p>2011 Acquisition </p>  <div style="display: flex; justify-content: space-around; margin-top: 10px;"> <div style="border: 1px solid gray; padding: 2px;">Regional Expansion</div> <div style="border: 1px solid gray; padding: 2px;">Panel</div> <div style="border: 1px solid gray; padding: 2px;">Technology / Solution</div> </div> <p><input checked="" type="checkbox"/> Acquired Social Analysis Capabilities</p>	<p>2012 Acquisition </p>  <div style="display: flex; justify-content: space-around; margin-top: 10px;"> <div style="border: 1px solid gray; padding: 2px;">Regional Expansion</div> <div style="background-color: #e91e63; color: white; padding: 2px;">Panel</div> <div style="border: 1px solid gray; padding: 2px;">Technology / Solution</div> </div> <p><input checked="" type="checkbox"/> Access to Asian Client and Panels</p>
<p>2012 Joint Venture with Dentsu </p>  <div style="display: flex; justify-content: space-around; margin-top: 10px;"> <div style="background-color: #0070c0; color: white; padding: 2px;">Wallet Share Expansion</div> <div style="border: 1px solid gray; padding: 2px;">Panel</div> <div style="border: 1px solid gray; padding: 2px;">Technology / Solution</div> </div> <p><input checked="" type="checkbox"/> Securing earnings stability and improving our ability to develop service in new domains</p>	<p>2013 Acquisition </p>  <div style="display: flex; justify-content: space-around; margin-top: 10px;"> <div style="border: 1px solid gray; padding: 2px;">Regional Expansion</div> <div style="background-color: #e91e63; color: white; padding: 2px;">Panel</div> <div style="border: 1px solid gray; padding: 2px;">Technology / Solution</div> </div> <p><input checked="" type="checkbox"/> Access to US Panels</p>	<p>2014 Acquisition </p>  <div style="display: flex; justify-content: space-around; margin-top: 10px;"> <div style="border: 1px solid gray; padding: 2px;">Regional Expansion</div> <div style="background-color: #e91e63; color: white; padding: 2px;">Panel</div> <div style="border: 1px solid gray; padding: 2px;">Technology / Solution</div> </div> <p><input checked="" type="checkbox"/> Global Client & Panel Base Access</p>
<p>2015 Strategic Alliance </p>  <div style="display: flex; justify-content: space-around; margin-top: 10px;"> <div style="border: 1px solid gray; padding: 2px;">Regional Expansion</div> <div style="border: 1px solid gray; padding: 2px;">Panel</div> <div style="border: 1px solid gray; padding: 2px;">Technology / Solution</div> </div> <p><input checked="" type="checkbox"/> Access to Solutions for Government</p>	<p>2015 Strategic Partnership </p>  <div style="display: flex; justify-content: space-around; margin-top: 10px;"> <div style="border: 1px solid gray; padding: 2px;">Regional Expansion</div> <div style="background-color: #e91e63; color: white; padding: 2px;">Panel</div> <div style="border: 1px solid gray; padding: 2px;">Technology / Solution</div> </div> <p><input checked="" type="checkbox"/> Incorporate Panels & Mobile Technologies</p>	<p>2017 Strategic & Capital Alliance 2018 Acquisition </p>  <div style="display: flex; justify-content: space-around; margin-top: 10px;"> <div style="border: 1px solid gray; padding: 2px;">Regional Expansion</div> <div style="border: 1px solid gray; padding: 2px;">Panel</div> <div style="border: 1px solid gray; padding: 2px;">Technology / Solution</div> </div> <p><input checked="" type="checkbox"/> Access to Neuro / Biometric marketing Solutions <input checked="" type="checkbox"/> 10% minority investment > 51% majority acquisition</p>
<p>2017 Acquisition </p>  <div style="display: flex; justify-content: space-around; margin-top: 10px;"> <div style="background-color: #0070c0; color: white; padding: 2px;">Regional Expansion</div> <div style="border: 1px solid gray; padding: 2px;">Panel</div> <div style="border: 1px solid gray; padding: 2px;">Technology / Solution</div> </div> <p><input checked="" type="checkbox"/> Expand experts, clients base and influencer solutions in the US and UK</p>	<p>2017 Strategic & Capital Alliance 2019 Acquisition  </p>  <div style="display: flex; justify-content: space-around; margin-top: 10px;"> <div style="background-color: #0070c0; color: white; padding: 2px;">Regional Expansion</div> <div style="background-color: #e91e63; color: white; padding: 2px;">Panel</div> <div style="border: 1px solid gray; padding: 2px;">Technology / Solution</div> </div> <p><input checked="" type="checkbox"/> Access to Southeast Asian Client and Panels <input checked="" type="checkbox"/> 10% minority investment > 51% majority acquisition</p>	<p>2018 Joint Venture with Hakuodo (51% Majority Acquisition) </p>  <div style="display: flex; justify-content: space-around; margin-top: 10px;"> <div style="background-color: #0070c0; color: white; padding: 2px;">Wallet Share Expansion</div> <div style="border: 1px solid gray; padding: 2px;">Panel</div> <div style="border: 1px solid gray; padding: 2px;">Technology / Solution</div> </div> <p><input checked="" type="checkbox"/> Seeking wallet share expansion and enhancement of online/offline integrated solutions</p>

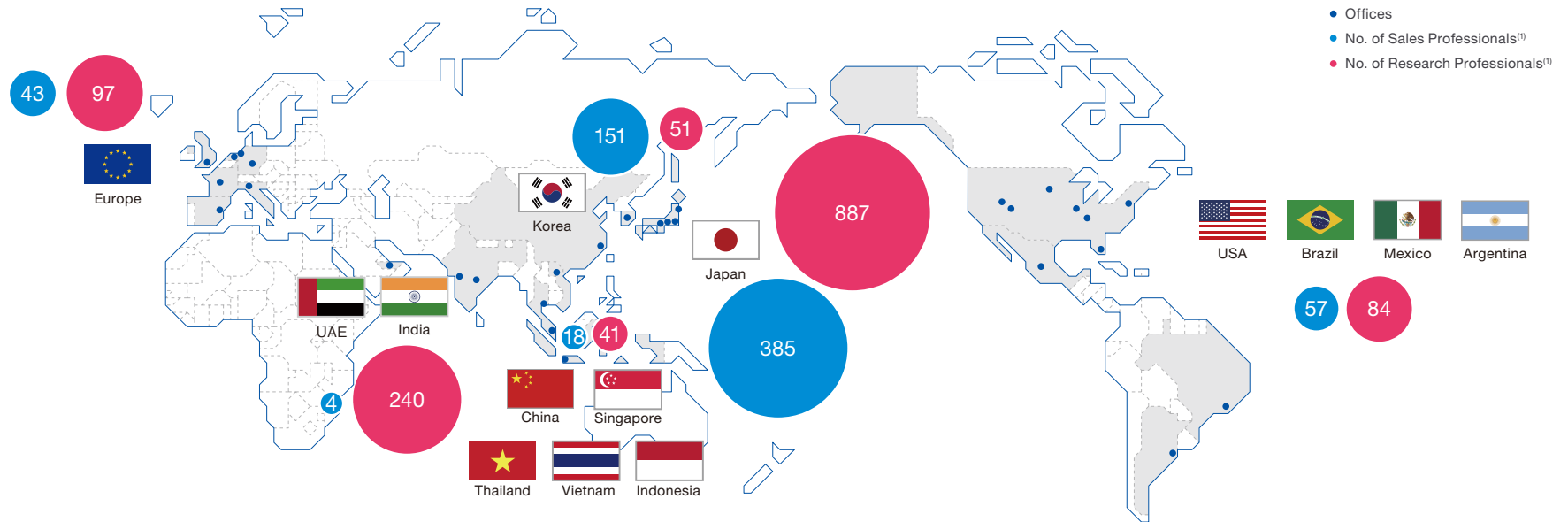
Note

1. Acquired market research business only

Worldwide Sales & Research Delivery

Sales and Research Breakdown for Selected Key Markets⁽¹⁾

As of end of June, 2019



2,200+⁽²⁾ Employees in 49 Offices Worldwide

	Local Deeper Local Consumer Insights	Global Coordinated Cross-Border Client Coverage
Sales	<ul style="list-style-type: none"> Localized Sales Teams c. 660⁽¹⁾ professionals across 49 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

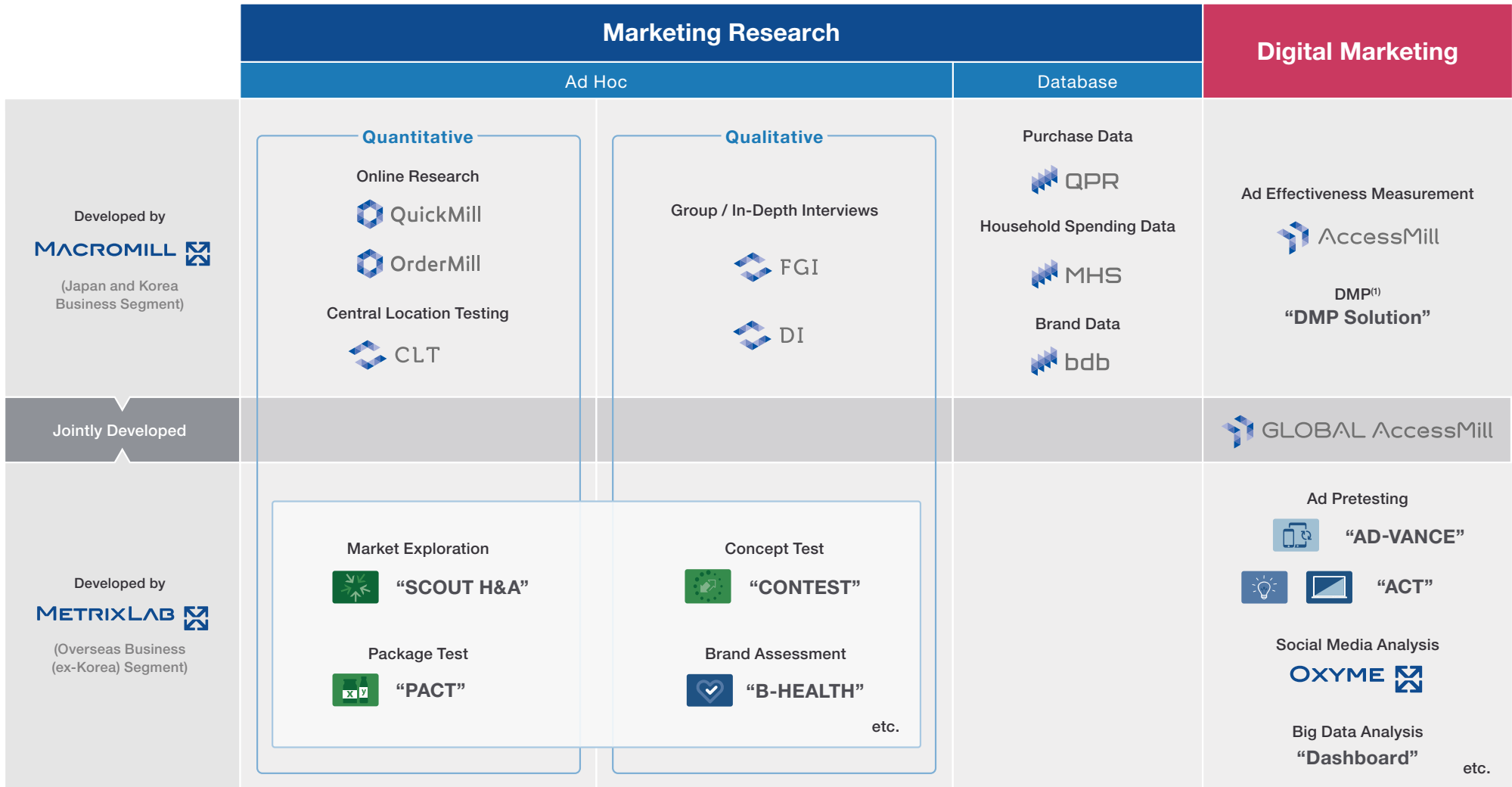
1. Sales and research professionals are defined as full-time employees committed to sales and research positions respectively

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

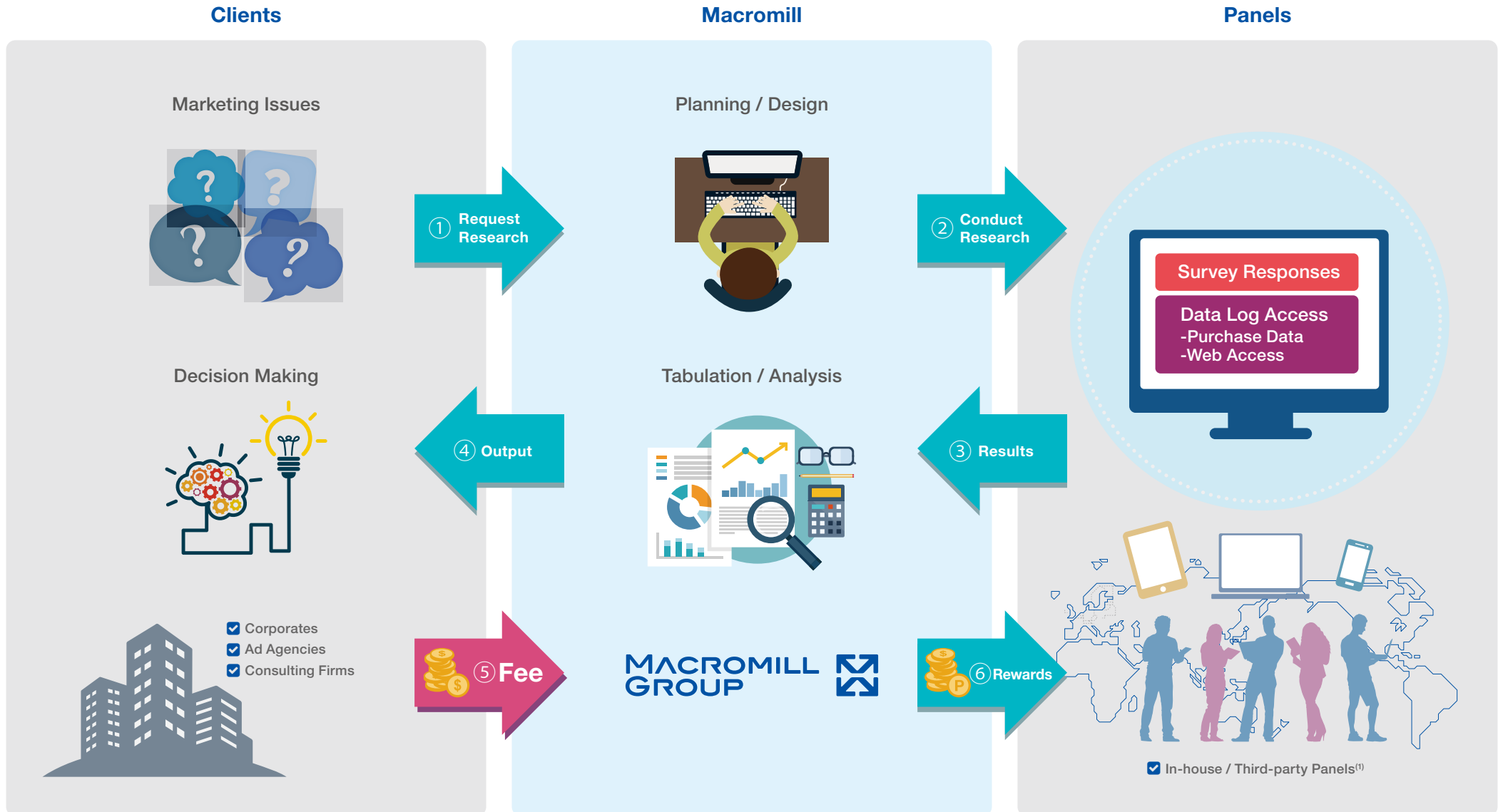
Industry-Leading One-Stop Solutions Portfolio

Selected Solutions



Note
1. Data Management Platform

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

iv. FY6/2019 Financial Results Details

Consolidated Statements of Operations

083

	IFRS			
	Full Year			
(JPY in Millions)	6/2016	6/2017	6/2018	6/2019
Revenue	32,504	35,514	40,024	44,279
Panel Expenses	(4,303)	(4,749)	(5,187) ⁽¹⁾	(6,402)
Outsourcing Expenses	(4,243)	(4,545)	(5,089) ⁽¹⁾	(5,974)
Total Employee Expenses	(11,780)	(12,462)	(14,509)	(16,323)
Depreciation and Amortization	(874)	(871)	(1,052)	(1,411)
Others	(5,681)	(6,321)	(6,566)	(6,397)
Operating Expenses Total	(26,882)	(28,950)	(32,404)	(36,510)
Other Operating Income	272	283	42	28
Other Operating Expenses	(168)	(31)	(57)	(47)
Share of the Profit on Investments Accounted for Using the Equity Method	3	9	2	2
Operating Profit	5,730	6,825	7,607	7,751
Finance Income	496	15	528	227
Finance Costs	(2,139)	(958)	(763)	(693)
Profit before Tax	4,087	5,882	7,372	7,285
Income Tax Benefit (Expense)	(848)	(1,672)	(2,201)	(2,022)
Profit for the Year/Period	3,238	4,210	5,170	5,262
Profit Attributable to Owners of the Parent	2,832	3,706	4,719	4,702

Notes

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

Consolidated Statements of Operations

- Reconciliation Tables for Operating Expenses

084

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

Notes

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

Summarized Consolidated Statements of Financial Position

(JPY in Millions)	IFRS				(JPY in Millions)	IFRS			
	6/30/2016	6/30/2017	6/30/2018	6/30/2019		6/30/2016	6/30/2017	6/30/2018	6/30/2019
Assets					Liabilities and Equity				
Current Assets	12,725	15,485	18,409	20,634	Current Liabilities	8,848	8,952	10,890	10,150
Cash and Cash Equivalents	6,124	8,447	9,124	10,102	Borrowings	3,319	2,617	2,500	1,651
Trade and Other Receivables	6,015	6,388	8,744	9,577	Trade and Other Payables	2,492	2,492	3,008	4,105
Other Current Assets ⁽¹⁾	586	649	540	954	Other Current Liabilities ⁽¹⁾	3,036	3,842	5,379	4,391
Total Non-current Assets	53,839	55,330	56,820	57,687	Non-current Liabilities	41,068	39,511	36,871	35,888
Property, Plant and Equipment	979	1,034	1,152	1,370	Borrowings and Bonds	38,535	36,880	34,534	33,963
Intangible Assets	50,788	52,127	53,562	54,130	Other Non-current Liabilities ⁽¹⁾	2,533	2,630	2,335	1,923
Goodwill	45,290	46,067	46,957	46,886	Total Liabilities	49,916	48,463	47,762	46,039
Other Intangible Assets	5,498	6,059	6,605	7,244					
Other Non-current Assets ⁽¹⁾	2,070	2,169	2,102	2,183	Total Equity	16,647	22,352	27,468	32,282
Total Assets	66,564	70,815	75,230	78,321	Total Liabilities and Equity	66,564	70,815	75,230	78,321

Notes

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

Consolidated Statements of Cash Flows

086

(JPY in Millions)	IFRS			
	Full Year			
	6/2016	6/2017	6/2018	6/2019
Net Cash Flows Provided by Operating Activities	4,665	5,733	5,610	5,647
Profit (Loss) before Tax	4,087	5,882	7,372	7,285
Depreciation and Amortization	874	871	1,052	1,411
Finance Income	(496)	(15)	(528)	(227)
Finance Costs	2,139	958	763	693
Change in Working Capital ⁽¹⁾	(338)	(131)	(2,175)	(805)
Others ⁽²⁾	506	(69)	838	482
Sub Total	6,772	7,496	7,323	8,841
Interest and Dividends Paid and Received	33	18	11	19
Interest Paid	(1,450)	(1,120)	(456)	(371)
Income Taxes Paid	(690)	(660)	(1,267)	(2,841)
Net Cash Flows Provided by (Used in) Investing Activities	67	(1,348)	(2,101)	(1,819)
Capex ⁽³⁾	(647)	(1,007)	(1,026)	(2,088)
Acquisition of Subsidiaries	—	—	(1,044)	276
Others ⁽²⁾	714	(340)	(30)	(7)
Net Cash Flows Provided by (Used in) Financing Activities	(5,602)	(2,155)	(2,813)	(2,845)
Proceeds from Borrowings ⁽⁴⁾ and Bonds	42,676	237	1,007	10,045
Repayment of Borrowings ⁽⁴⁾	(48,207)	(3,357)	(3,636)	(12,507)
Proceeds from Issue of Shares	—	1,149	408	180
Others ⁽²⁾	(71)	(185)	(591)	(564)

Notes

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

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

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

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

Reconciliation Tables⁽¹⁾ – Fiscal Year Comparisons

Adjusted EBITDA

(JPY in Millions)	IFRS			
	6/2016	6/2017	6/2018	6/2019
Operating Profit	5,730	6,825	7,607	7,751
(+) Depreciation and Amortization	874	871	1,052	1,416
(+) Impairment Loss on Goodwill ⁽²⁾	—	—	—	—
EBITDA	6,604	7,696	8,660	9,167
(+) M&A-Related Expenses ⁽³⁾	155	—	—	—
(+) Management Fee ⁽⁴⁾	120	374	—	—
(+) Refinancing Related Advisory Fees	92	—	—	—
(+) Retirement Benefits for Retiring Officers ⁽⁵⁾	—	—	—	—
(+) IPO-related expenses and Expenses related to going-private transaction	173	460	97	49
Adjusted EBITDA	7,146	8,531	8,757	9,216

Adjusted Profit Attributable to Owners of the Parent

(JPY in Millions)	IFRS			
	6/2016	6/2017	6/2018	6/2019
Profit (Loss) Attributable to Owners of the Parent	2,832	3,706	4,719	4,702
(+) Refinancing Costs ⁽⁶⁾	557	—	—	—
(+) M&A-Related Expenses ⁽³⁾	155	—	—	—
(+) Management Fee ⁽⁴⁾	120	374	—	—
(+) IPO-related expenses and Expenses related to going-private transaction	173	481	97	49
(+) Impairment Loss on Goodwill ⁽²⁾	—	—	—	—
(+) Retirement Benefits for Retiring Officers ⁽⁵⁾	—	—	—	—
(-) Tax Impact of Above Adjustments ⁽⁷⁾	345	312	3	0
Adjusted Profit Attributable to Owners of the Parent	3,494	4,249	4,813	4,752

Notes

1. Macromill's consolidated results of operations for the year ended June 30, 2015 reflect MetrixLab's results of operations for the period of approximately nine months whereas Macromill's consolidated results of operations for the year ended June 30, 2016 and 2017 reflect MetrixLab's results of operations for the full twelve months. This impacts the comparability of Macromill's consolidated results of operations for the years ended June 30, 2015 vs. 2016, 2017, 2018 and 2019
2. Goodwill impairment in connection with Macromill's acquisition of MetrixLab
3. All legal, accounting, investment banking advisory, out-of-pocket expenses and other miscellaneous expenses incurred in connection with the purchase and closing of MetrixLab transaction by Macromill, including on-going advisory fees in connection with post-merger price adjustments, legal and tax follow-up due diligence matters related to purchase transaction
4. Annual management fee and reimbursement of expenses pursuant to management agreement with Bain Capital
5. One-time special severance payment to the founder and Chairman of the Board, Mr. Tetsuya Sugimoto
6. Refinancing costs from LBO loan to corporate loan including those in connection with syndicate loan arrangement fees paid upfront, which are recorded as financial costs and refinancing related advisory fees
7. Calculated tax impact based on the effective tax rate of Macromill and MetrixLab entities

Detail of Normalization of Adjusted Item

Adjusted EBITDA

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

Normalized Adjusted EBITDA

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

Adjusted Profit Attributable to Owners of the Parent

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

Normalized Adjusted Profit Attributable to Owners of the Parent

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

Note

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

