FY6/2020 Full Year Financial Results & FY6/2021 Guidance

August 31, 2020

MACROMILL
a Macromill Group company

Ticker Code: 3978 (TSE Sec.1)

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Notes for this entire material

1. EBITDA = Operating Profit + Depreciation and Amortization + Loss on Retirement of Non-current Assets + Impairment Loss (For Segment EBITDA, applied Segment Profit instead of Operating Profit)
2. Revenue of each segment and region is shown using gross value including intersegment / interregional revenue, and the total amount of revenue of both segments or regions does not match the consolidated revenue (the difference is the amount of intersegment / interregional elimination)
3. Constant FX figures are calculated by applying the rate of the current fiscal year to the financial results of the same period of the previous fiscal year. We present financials results on a constant currency basis because we believe that this provides a framework for assessing how Macromill's business and, in particular, overseas businesses including MetrixLab and Macromill EMBRAIN, performed without taking into account the effect of the fluctuations between the euro and the yen since the same period in the prior year, but please note , it only excludes the effect of currency exchange between the Euro/Yen and the Won/Yen, but not exclude the effects of currency exchange on all local currencies (for example, between the Euro/USD). Please see the following table for the actual exchange rate applied.

	Q4 YTD (12 months)		Q4 Standalone (3 months)	
	FY6/2019 Full Year	FY6/2020 Full Year	FY6/2019 Q4 Standalone	FY6/2020 Q4 Standalone
1 Euro =	126.89	119.88	123.41	117.65
1 KRW =	0.0985	0.0909	0.0939	0.0879

4. MACROMILL, INC. and its consolidated subsidiaries implemented IFRS 16 Leases at the beginning of FY6/2020 Q1. Under the former standard, IAS 17, lease payments for operating leases used to be expensed as rent, but under IFRS 16, the lessee recognizes the depreciation of right-of-use assets and interest costs for lease liabilities. As a result, with the adoption of IFRS 16, rents decrease while the depreciation of right-of-use assets increases. The effects of the implementation of IFRS 16 were negligible on each line of our consolidated statements of operations, namely revenue, operating profit, profit before tax and profit for the period.

Key Takeaways

- **The Covid-19 adverse impact expanded significantly in Q4, as per guidance**
  - The impact was within the revised downward guidance announced at the Q3 Earnings Announcement
- **Considering recent business performance and the future profitability of our Overseas (ex-Korea) Business Segment, we have decided to recognize an impairment loss of 5,280 M JPY in the segment**
- **As a result, the YTD Revenue reached a similar level as our downward guidance, however, OP fell short of the downward guidance and resulted in a material decline in profit due to the impairment charge**
  - Revenue 41.27bn JPY (YoY - 7% / -5% in CFX), OP 0.39bn JPY (YoY -95%) or 5.67bn (YoY -27%) without the impairment charge
  - The impairment loss is recognized as Operating Loss under the IFRS regulation, and it impacts all of the profits under OP
- **FY6/2021 guidance assumes the Covid-19 impact continues at some level, expect the adverse impact lasts throughout the fiscal year**
  - Annual guidance assumes Revenue of 40bn (YoY -3.1%), OP 3.4bn (YoY +757%)
  - Expected FY6/2021 dividend per share stays unchanged, 11.0 JPY (FY6/2020 11.0 JPY)
- **Re-affirm our goals and objectives in the mid-term business plan, drive individual action plans corresponding to the recent business environment**
  - Continue to pursue further growth and aspire to be “Global Top 10” Marketing Research Company and “No.1 in Japan” and “No.1 in Asia”
  - Evolve into a “Research” x “DATA” Company and aiming to be a trusted partner with our clients to solve their marketing issues
  - Aiming to maintain Revenue growth exceeding market growth, and corresponding Profit growth

FY6/2020 Full Year Financial Update

& FY6/2021 Guidance

FY6/2020: Consolidated Results - Summary

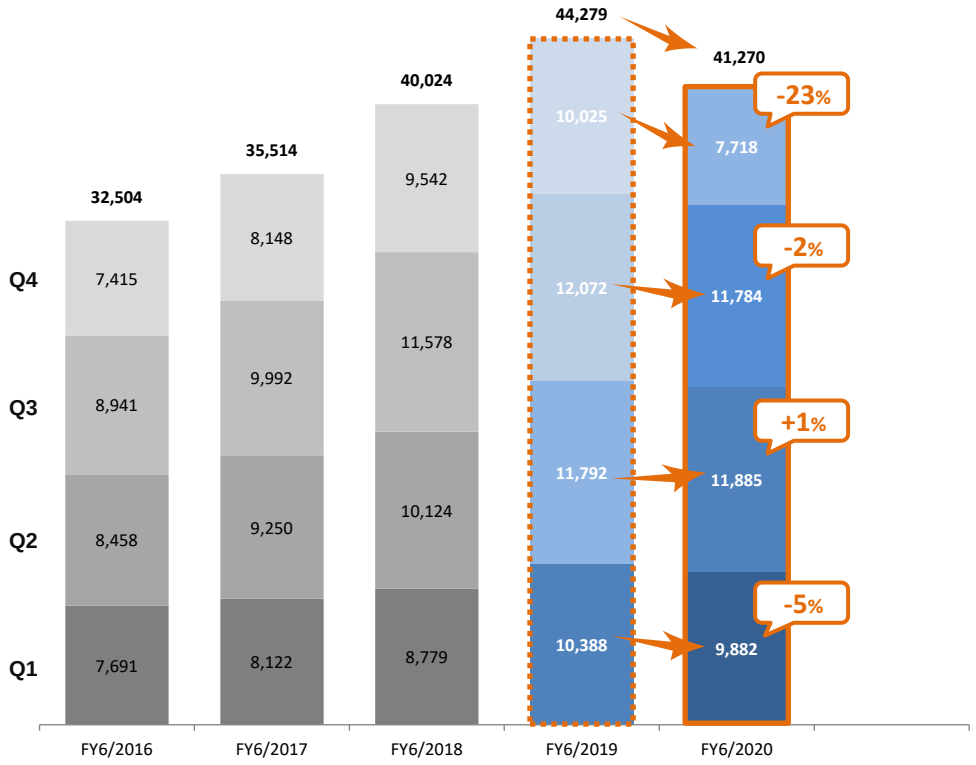
Q4 Revenue in-line with revised guidance while Covid-19 impact continues

However, OP fell significantly due to an impairment charge and a decline in Revenue

Revenue

Consolidated (IFRS)
(JPY in Millions)

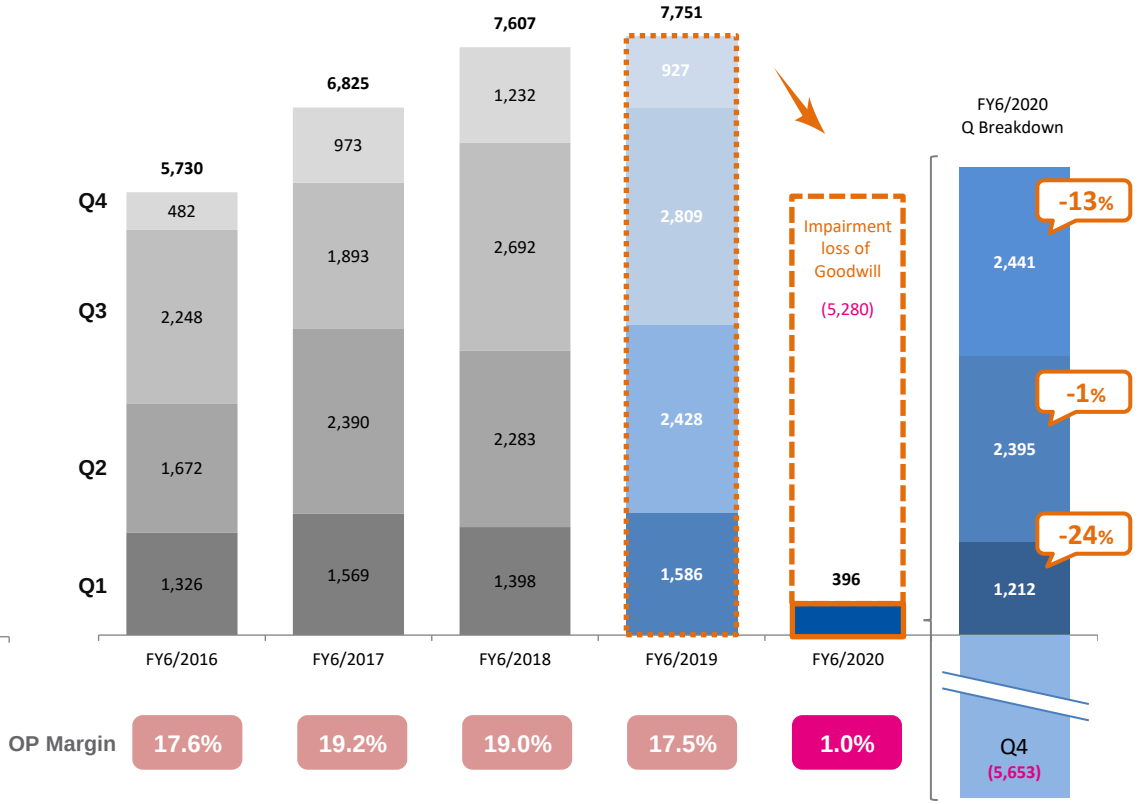
				Actual
YoY Growth	Full year: +9%	+13%	+11%	-7%



Operating Profit (OP)

Consolidated (IFRS)
(JPY in Millions)

				Actual
YoY Growth	Full year: +19%	+11%	+2%	-95%



Consolidated Statements of Operations (P/L)

Summary of Consolidated Statements of Operations

(JPY in Millions)	IFRS Full Year 6/2019	6/2020	Variance	YoY Growth
Revenue	**44,279**	**41,270**	**(3,009)**	**(6.8%)**
Japan and Korea Business Segment[1]	35,020	33,025	(1,995)	(5.7%)
Overseas (ex-Korea) Business Segment[1]	9,385	8,380	(1,005)	(10.7%)
Total Employee Expenses	(16,323)	(16,044)	279	(1.7%)
Panel Expenses	(6,402)	(6,448)	(46)	0.7%
Outsourcing Expenses	(5,974)	(5,212)	762	(12.8%)
Depreciation and Amortization	(1,411)	(2,783)	(1,372)	97.2%
Others	(6,414)	(10,385)	(3,971)	61.9%
Operating Profit	**7,751**	**396**	**(7,355)**	**(94.9%)**
Japan and Korea Business Segment	7,091	5,712	(1,379)	(19.4%)
Overseas (ex-Korea) Business Segment	659	(5,315)	(5,974)	(906.5%)
Finance Income and Costs	(466)	(388)	78	(16.7%)
Profit before Tax	**7,285**	**8**	**(7,277)**	**(99.9%)**
Income Tax Expenses	(2,022)	(1,694)	328	(16.2%)
Profit attributable to non-controlling interest	(559)	(445)	114	(20.4%)
Profit Attributable to Owners of the Parent	**4,702**	**(2,131)**	**(6,833)**	**(145.3%)**
EBITDA[2]	**9,167**	**8,651**	**(516)**	**(5.6%)**
Japan and Korea Business Segment	8,073	8,006	(67)	(0.8%)
Overseas (ex-Korea) Business Segment	1,093	645	(448)	(41.0%)
EPS (Basic Earnings per Share) (Yen)	**117.90**	**(52.94)**	**(170.84)**	**(144.9%)**
Operating Profit Margin	**17.5%**	**1.0%**	**(16.5%)**	
Japan and Korea Business Segment	20.2%	17.3%	(3.0%)	
Overseas (ex-Korea) Business Segment	7.0%	(63.4%)	(70.4%)	
EBITDA Margin	**20.7%**	**21.0%**	**0.3%**	
Japan and Korea Business Segment	23.1%	24.2%	1.2%	
Overseas (ex-Korea) Business Segment	11.6%	7.7%	(3.9%)	

FY6/2020 Full Year P/L Commentary

Variance Factors

- Revenue:
  - Japan and Korea Business Segment was impacted by the Covid-19 turbulence after February
  - Overseas Business (ex-Korea) Segment showed solid growth in 1H. However, it was impacted by the Covid-19 more severely than Japan and Korea Business Segment in the 2H
- Total Employee Expenses:
  - Number of the total group employees increased slightly by 7 from 2,463 (FY6/2019 Q4) to 2,470 (FY6/2020 Q4)
  - Japan and Korea Business Segment -9 (due to slow revenue growth)
  - Overseas Business (ex-Korea) Segment +16 (due to business expansion)
- Panel Expenses:
  - Reclassification in Overseas Business Segment from Operating Expenses - Others to Panel Expenses in Q1 195
  - No impact in Q2 and onwards
- Outsourcing Expenses:
  - Due to continued development of in-house research capability as well as decreased revenue
- Depreciation and Amortization: Impact of IFRS16 1,269
- Others
  - Impairment loss of goodwill in Overseas Business Segment of 5,280
  - Decreased in rent expenses mainly due to IFRS16 1,482
- Finance Income/Cost:
  - Mainly due to one time refinance cost in FY2019Q1 158
  - Higher interest and expenses due to IFRS16 53
- Profit attributable to non-controlling interest:
  - Mainly due to decrease in Operating Profit from JV with ad-agency
- Operating Profit Margin and EBITDA Margin:
  - Operating Profit Margin significantly decreased, driven by impairment loss
  - EBITDA Margin was impacted by revenue decline in 2H in Overseas Business Segment

Notes

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

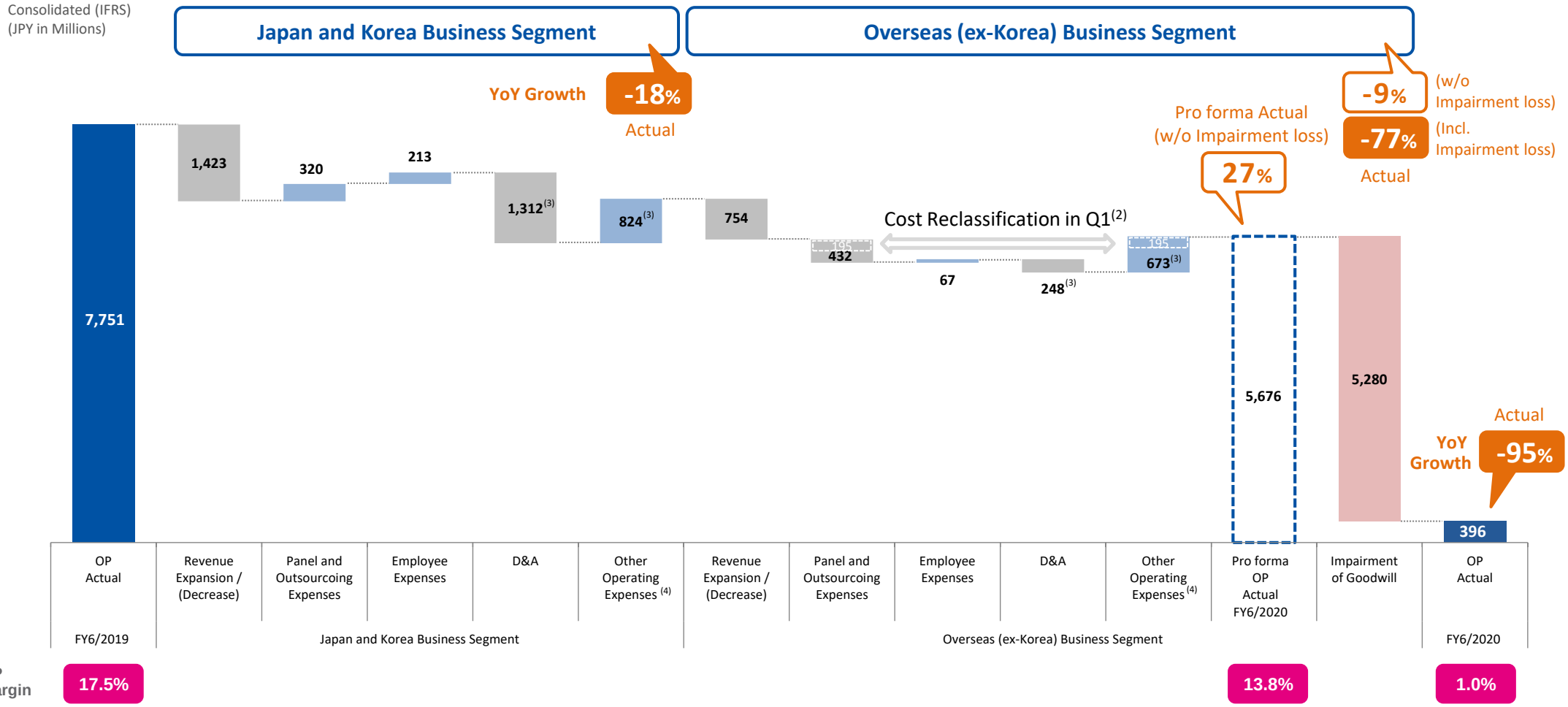
FY6/2020: Operating Profit Waterfall

Full Year (12 months)

OP decline primarily due to the impairment loss in Overseas Segment, in addition to the effects of a decline in Revenue and increase in system-related cost in Japan and Korea Segment

Operating Profit (OP) Waterfall Analysis[1] – FY6/2019 Full Year vs. FY6/2020 Full Year

Consolidated (IFRS)
(JPY in Millions)



Notes

1. The impact of "Revenue Expansion/(Decrease)" effects and "Panel/Outsourcing Expenses" on "Operating Profit" is calculated and described based on margin improvement/deterioration. "Employee Expenses", "D&A", and "Other Operating Expenses" are shown using actual differences from the same period of the previous year.
2. Cost reclassification between "Panel Expenses" and "Other Operating Expenses" in Overseas Business (ex-Korea) Segment due to group-unified cost definition
3. MACROMILL, INC. and its consolidated subsidiaries implemented IFRS 16 Leases at the beginning of Q1. Under the former standard, IAS 17, lease payments for operating leases used to be expensed as rent, but under IFRS 16, the lessee recognizes the depreciation of right-of-use assets and interest costs for lease liabilities. As a result, with the adoption of IFRS 16, rents decrease while the depreciation of right-of-use assets increases, so EBITDA will rise. The effects of the implementation of IFRS 16 were negligible on each line of our consolidated statements of operations, namely revenue, operating profit, profit before tax and profit for the period.
4. Others Operating Expenses includes Other Operating Income, Other Operating Expenses, and Share of the Profit on Investments Accounted for Using the Equity Method in addition to Other in Operating Expenses

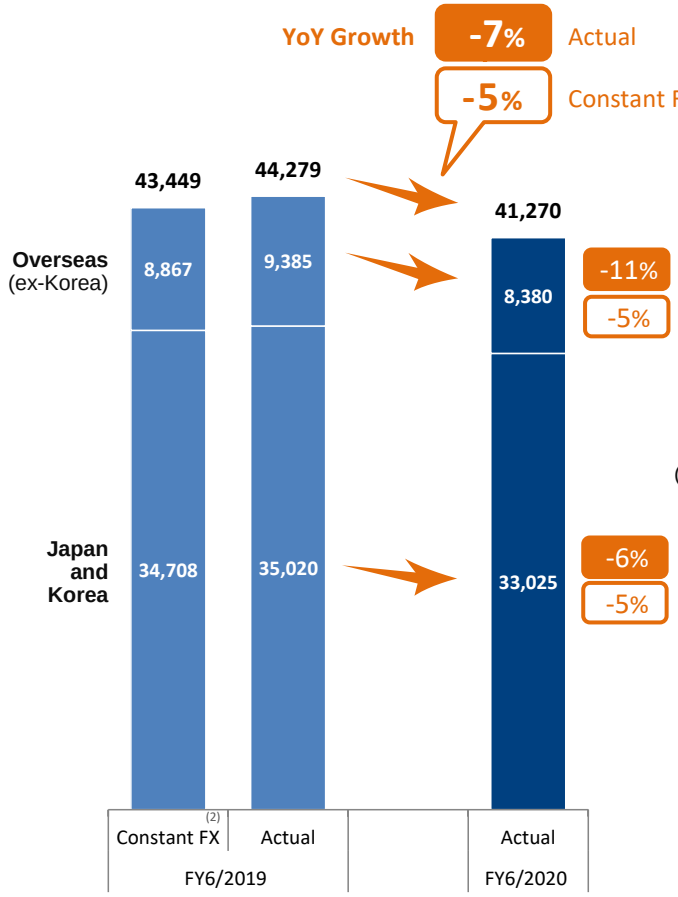
Quarterly Revenue Trends

Covid-19 Q4 Revenue impact accelerated in Q4

Revenue (12 Months)[1]

Q4 YTD

Consolidated (IFRS)
(JPY in Millions)

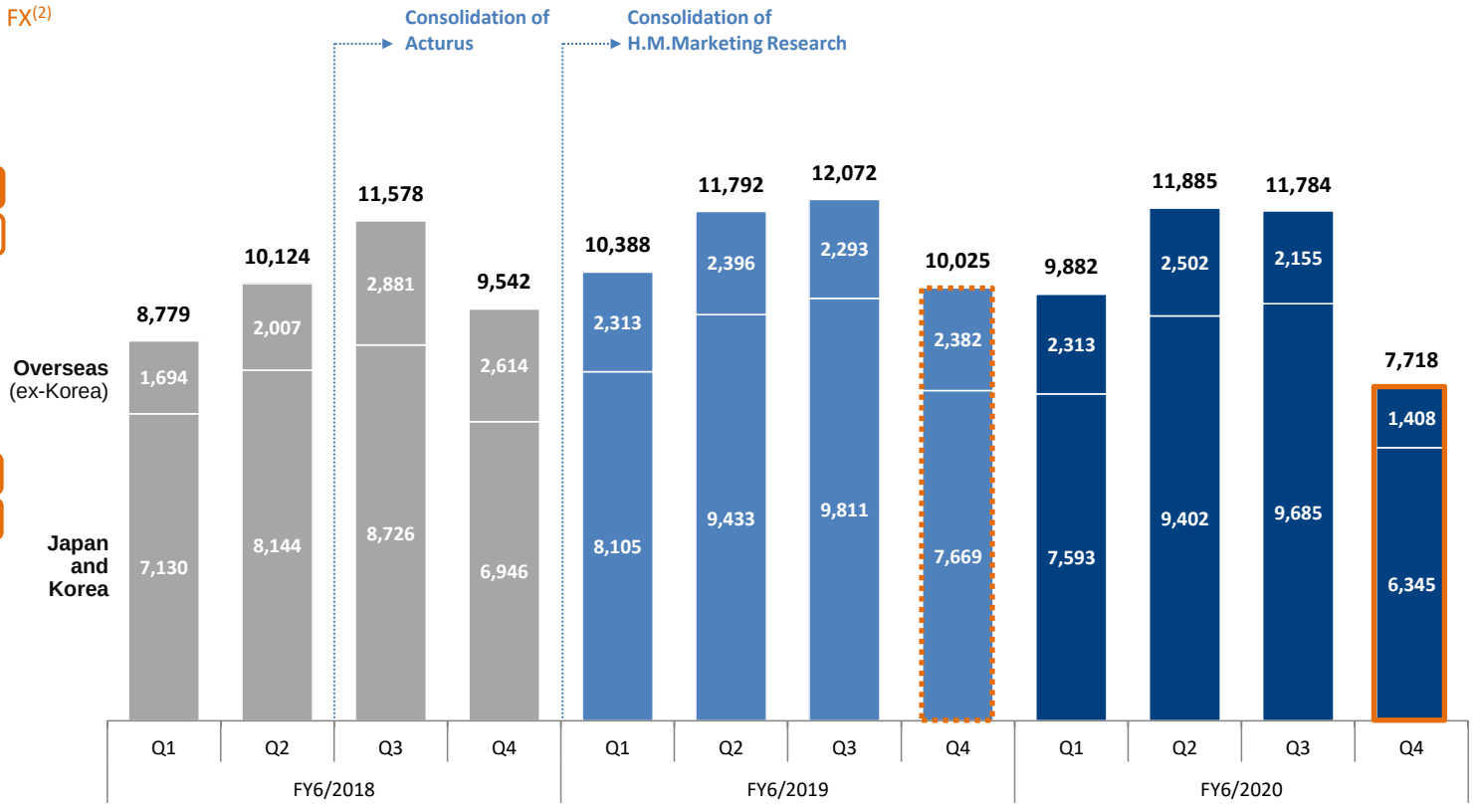


Quarterly Revenue Trends – By Segment[1]

Q4 Standalone

Consolidated (IFRS)
(JPY in Millions)

YoY Growth										
	Total:	+18%	+16%	+4%	+5%	-5%	+1%	-2%	-23%	-22%
	Overseas:	+37%	+19%	-20%	-9%	+0%	+4%	-6%	-41%	-38%
	Japan&Korea:	+14%	+16%	+12%	+10%	-6%	-0%	-1%	-17%	-17%
									Actual	Constant FX(2)



Notes

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

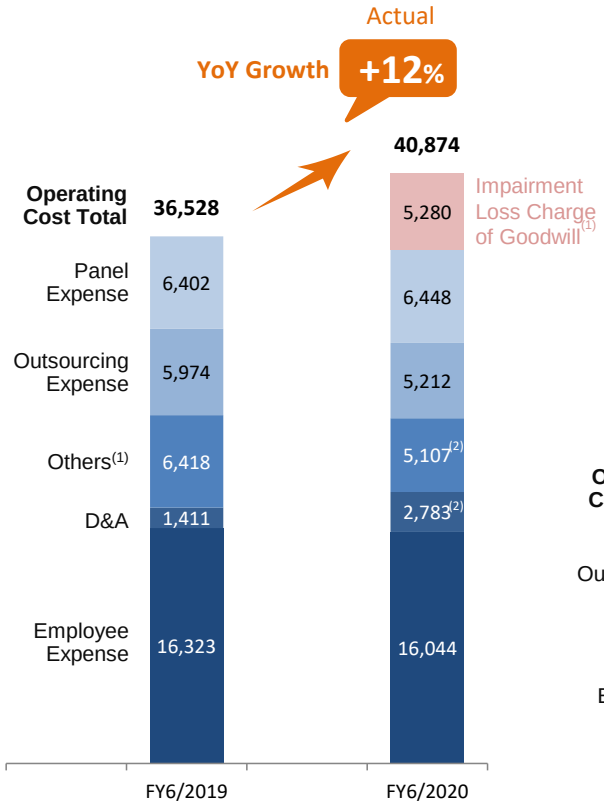
Quarterly Operating Cost Trends

Maintained disciplined cost controls, however, impairment loss significantly increased total cost in Q4

Operating Cost (12 Months)

Q4 YTD

Consolidated (IFRS)
(JPY in Millions)

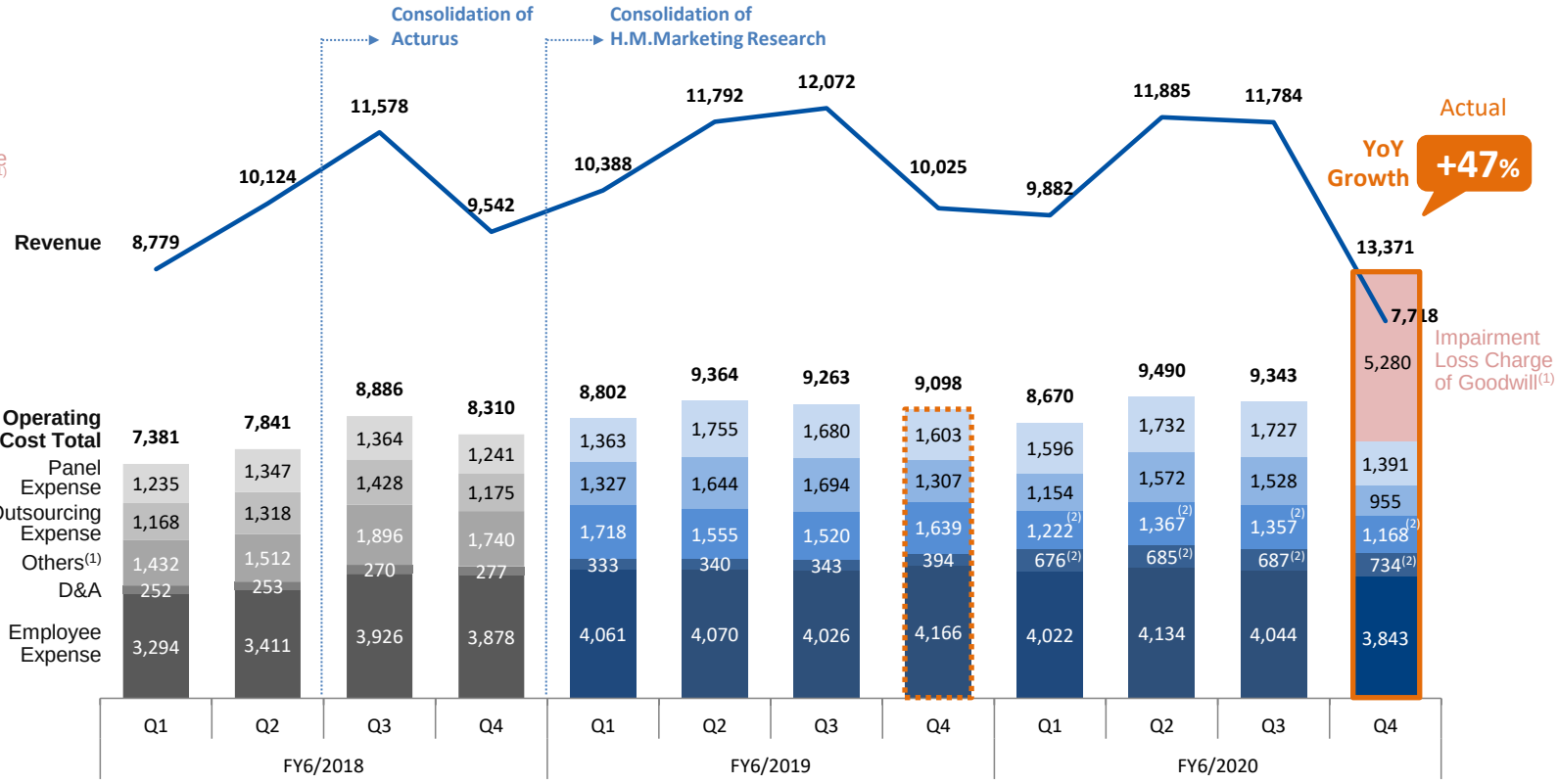


Quarterly Operating Cost Trends

Q4 Standalone

Consolidated (IFRS)
(JPY in Millions)

YoY Growth								
Total OP Cost:	**+19%**	**+19%**	**+4%**	**+10%**	**-2%**	**+1%**	**+1%**	**+47%**
Others:	+20%	+3%	-20%	-6%	-29%(2)	-12%(2)	-11%(2)	-29%(2)
D&A:	+32%	+34%	+27%	+42%	+103%(2)	+102%(2)	+100%(2)	+86%(2)
Employee:	+23%	+19%	+3%	+7%	-1%	+2%	+0%	-8%



Notes

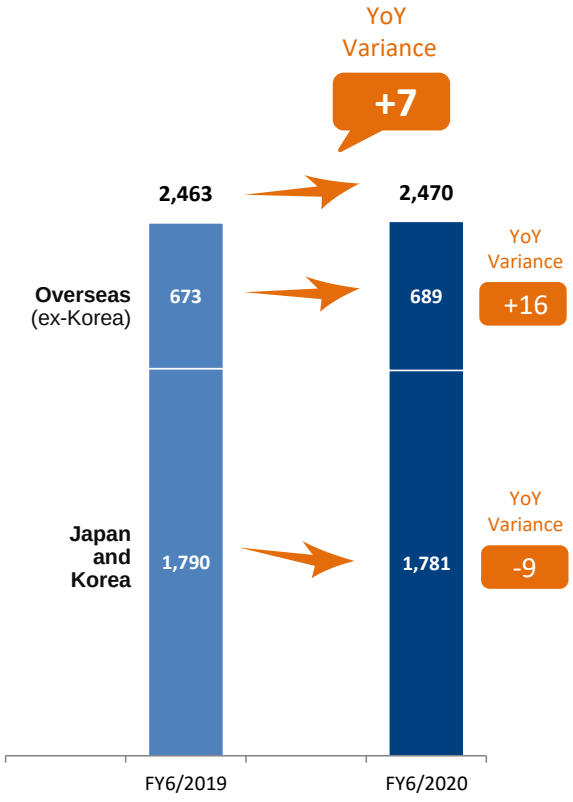
1. Others includes Other Operating Income, Other Operating Expenses, and Share of the Profit on Investments Accounted for Using the Equity Method in addition to Other in Operating Expenses. For FY6/2020 Full-year and Q4, the impairment Loss Charge of Goodwill is illustrated in the figure separately
2.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

Quarterly Headcount Trends

Managing headcount based on the current business environment

Headcount[1] (As of the end of the Fiscal Year)

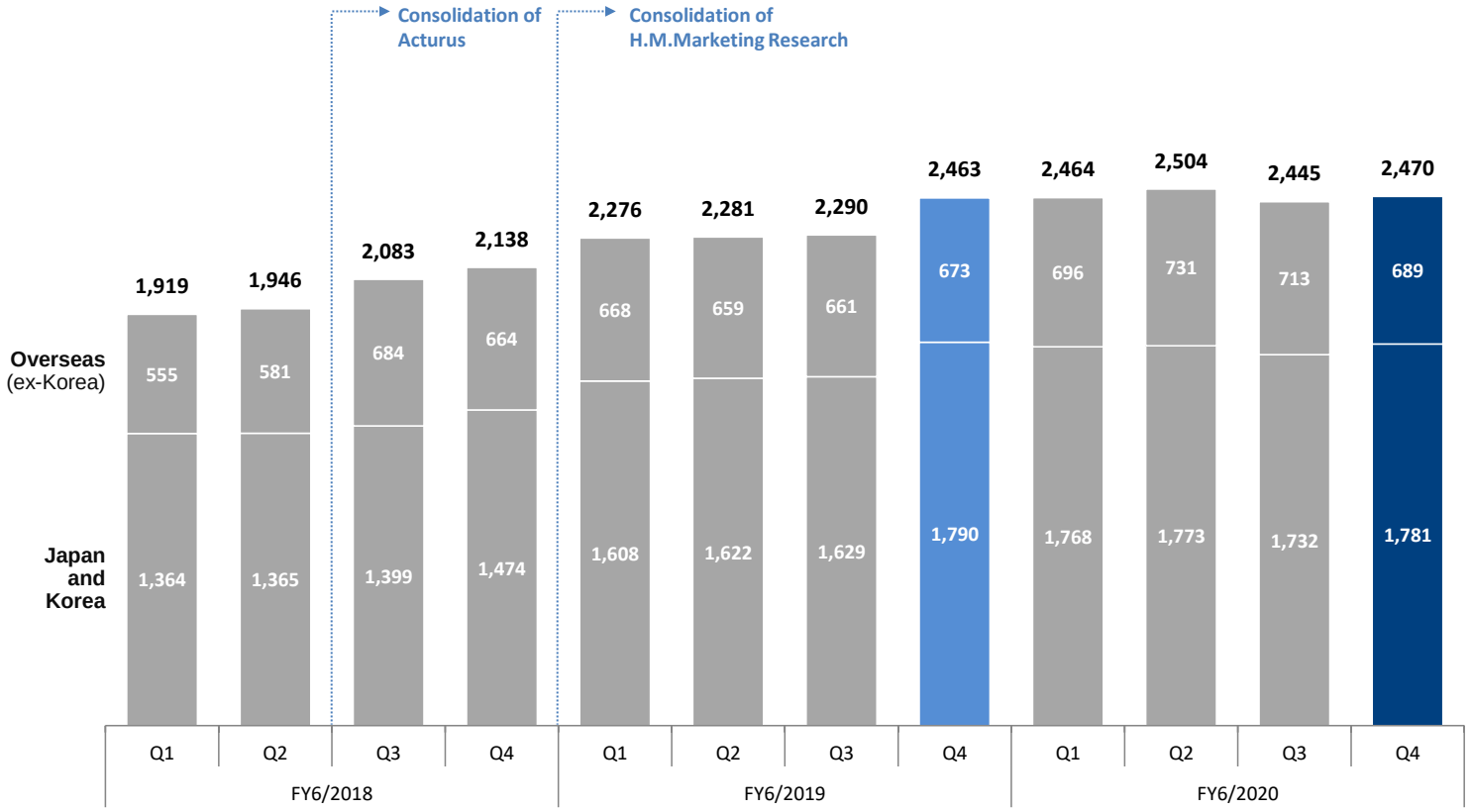
Consolidated
(Person)



Quarterly Headcount[1] Trends – By Segment

Consolidated
(Person)

YoY Variance	Total:	**+357**	**+335**	**+207**	**+325**	**+188**	**+223**	**+155**	**+7**
	Overseas:	+113	+78	-23	+9	+28	+72	+52	+16
	Japan&Korea:	+244	+257	+230	+316	+160	+151	+103	-9



Notes

1. Headcount figures are not including temporary employees

Consolidated Statements of Financial Position (B/S)

Summary of Consolidated Statements of Financial Position

(JPY in Millions)	IFRS FY6/2019 (6/30/2019)	IFRS FY7/2020 (6/30/2020)	Variance
Total Assets	**78,321**	**77,150**	**(1,171)**
Cash and Cash Equivalents	10,102	13,310	3,208
Trade and Other Receivables	9,577	7,524	(2,053)
Property, Plant and Equipment	1,370	4,114	2,744
Goodwill	46,886	41,541	(5,345)
Japan and Korea Business Segment	39,072	39,137	65
Overseas (ex-Korea) Business Segment	7,813	2,403	(5,410)
Other Intangible Assets	7,244	7,241	(3)
Other Assets	3,140	3,418	278
Total Liabilities	**46,039**	**46,414**	**375**
Borrowings and Bonds	35,614	34,385	(1,229)
Trade and Other Payables	4,105	3,066	(1,039)
Other Liabilities	6,318	8,962	2,644
Total Equity	**32,282**	**30,736**	**(1,546)**

FY6/2020 B/S Commentary

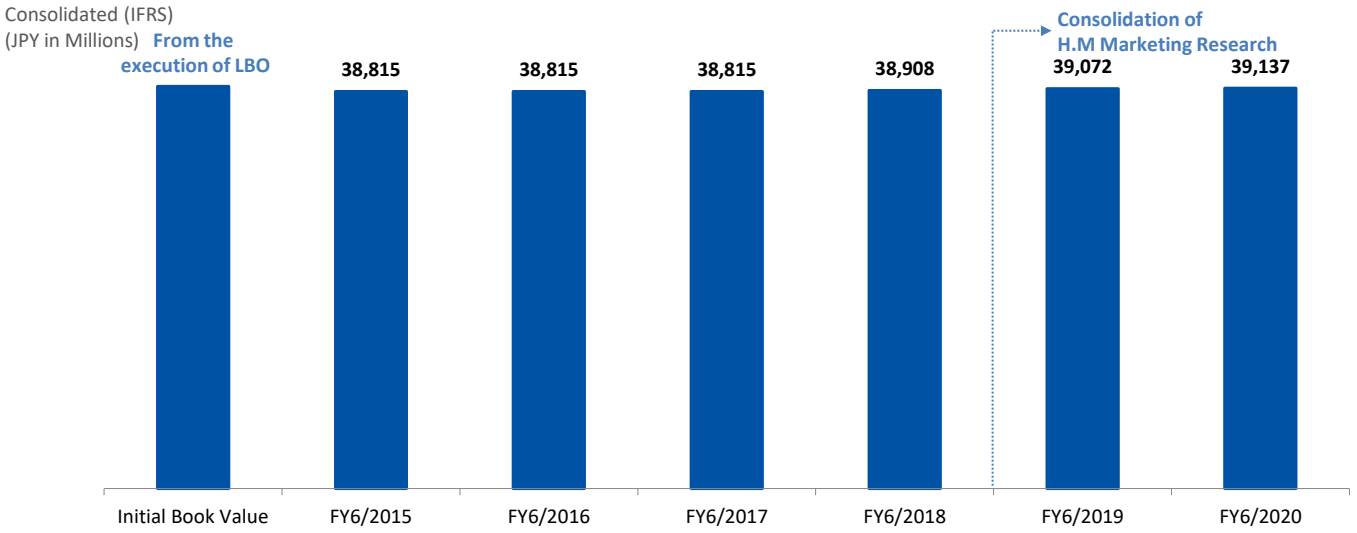
- Working capital:
  - Accounts Receivable turnover 65.6 days
  - Accounts Payable and Provision for panel points turnover 45.5 days
- Goodwill:
  - Impairment loss in Overseas Business 5,280
  - Remainder of the variance is due to small scale M&A and FX
- Financing cost (excluding lease liabilities):
  - Q4 average interest rate 0.89% (FY6/2019 Q4 1.05%)
    - Borrowings 1.26%
    - Bonds 0.50%
  - Credit rating (from R&I): BBB+ (Outlook: Stable) - Maintained
- Leverage related
  - Net Debt/EBITDA:
    2.76x (FY6/2019 2.79x)
  - Interest Coverage Ratio:
    1.05x (FY6/2019 12.89x)
- Capital efficiency related:
  - ROE (LTM base) -7.4% (down 24.5pt YoY)

Historical trends of the goodwill amount by Segment

Recognized impairment loss of goodwill in the Overseas (ex-Korea) Business Segment

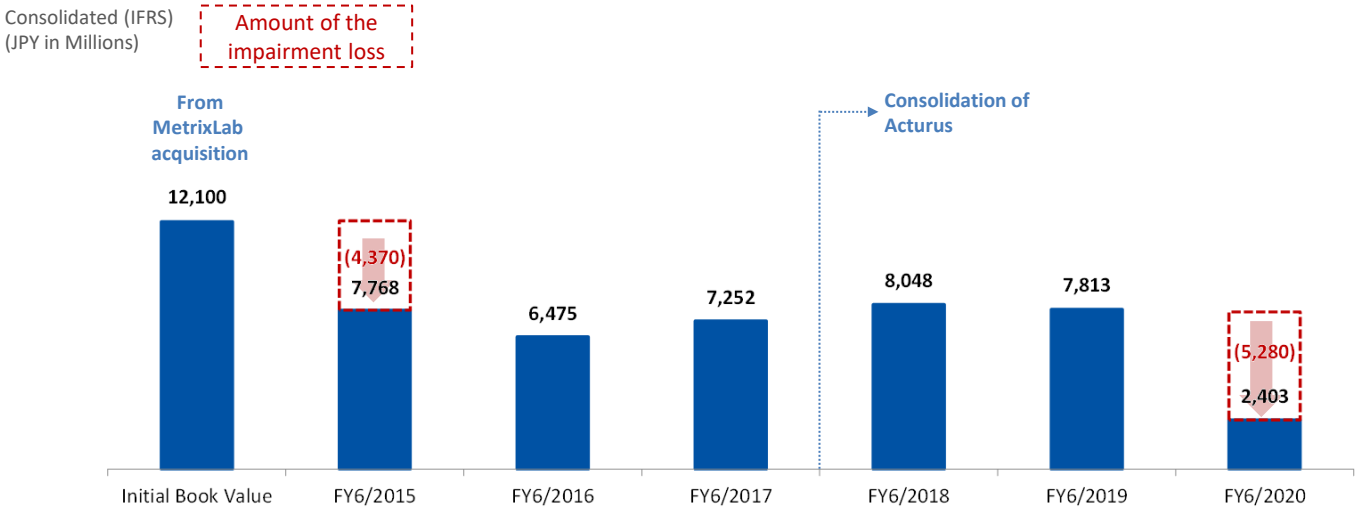
Given the significance of the goodwill loss, risk of additional impairment is minimal

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



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

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



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

Consolidated Statements of Cash Flows (C/F)

Summary of Consolidated Statements of Cash Flows

(JPY in Millions)	IFRS Full Year 06/2019	IFRS Full Year 06/2020
Cash Flows from Operating Activities	**5,647**	**7,785**
Profit (Loss) before Tax	7,285	8
Depreciation and Amortization	1,411	2,783
Impairment Loss	-	5,280
Finance Income and Costs	466	388
Change in Working Capital [1]	(805)	994
Others[2]	482	572
Sub Total	**8,841**	**10,027**
Interest and Dividends Received	19	12
Interest Paid	(371)	(295)
Income Taxes Paid	(2,841)	(1,958)
Cash Flows from Investing Activities	**(1,819)**	**(2,157)**
Capex[3]	(2,088)	(1,922)
Acquisition of Subsidiaries	276	(279)
Others[2]	(7)	44
Free Cash Flows[4]	**4,199**	**5,923**
Cash Flows form Financing Activities	**(2,845)**	**(2,395)**
Proceeds from Borrowings[5] and Bonds	10,045	273
Repayment of Borrowings[5]	(12,507)	(1,651)
Repayment of Lease Liabilities	-	(1,290)
Proceeds from Issue of Shares	180	155
Proceeds from share issuance to non-controlling shareholders	-	850
Others[2]	(564)	(732)

FY6/2020 Full Year C/F Commentary

- Cash flows from operating activities +2,138 (up 37.9% YoY)
  - Decrease in income before tax 7,276
  - Increase in depreciation and amortization 1,371 (Impact of IFRS16 application 1,269)
  - Impairment loss recognized 5,280
  - Decrease in corporate tax paid 882
- Cash flows from investing activities -338 (up 18.6% YoY)
  - Decrease in capex such as IT investments 264
  - Decrease in funds due to settlement of deferred consideration for acquisition of US subsidiary 280
- Free cash flows 5,923 (up 41.1% YoY)
- Cash flows from financing activities +450 (down 15.8 % YoY)
  - Increase in funds due to issue of corporate bonds and early redemption of a part of the existing loans in FY2019 Q1 1,084
  - Decrease in funds due to repayment of lease liabilities upon IFRS16 application 1,290
  - Increase in funds due to the issuance of common stocks at Embrain 844
- Increase in cash and cash equivalents 3,208

	IFRS Full Year 06/2019	IFRS Full Year 06/2020
Increase in Cash Equivalents	982	3,232
Cash and Cash Equivalents at the beginning of the period	9,124	10,102
Effect of Exchange Rate Changes on Cash and Cash Equivalents	(3)	(24)
Cash and Cash Equivalents at the end of the period	**10,102**	**13,310**

Notes

1. The sum of Decrease (Increase) in Trade and Other Receivables and Increase (Decrease) in Trade and Other Payables
2. Others in Cash Flows from Operating Activities are the sum of Share of the Profit on Investments Accounted for using the Equity Method and Other. Others in Cash Flows from Investing Activities are the sum of Proceeds from the sale of property, plant and equipment, Proceeds from Acquisition of Investments, Proceeds from Sale of Investments and Other. Others in Cash Flows from Financing Activities are the sum of Dividends paid, Dividends Paid to Non-controlling Interests and Other
3. The sum of Purchase of Property, Plant and Equipment and Purchase 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

FY6/2021 Annual Guidance

FY6/2021 guidance assumes the Covid-19 impact continues at some level, expect the adverse impact lasts throughout the fiscal year

FY6/2021 Annual Guidance

Consolidated (IFRS) (JPY in Millions)	FY6/2020 Actual (a)	FY6/2021 Forecast (b)	Variance (b-a)	YoY Growth (b/a)
Revenue	41,270	40,000	(1,270)	(3.1%)
EBITDA	8,651	6,500	(2,151)	(24.9%)
Operating Profit	396	3,400	3,004	756.5%
Profit attributable to owners of the parent	(2,131)	1,600	3,731	n/m
(Per Share Data)				
EPS[1] (Yen)	(52.94)	39.74	92.68	n/m
Divident per share (Yen)	11.00	11.00	-	-
(FX Assumptions)				
JPY/EUR (Yen)	119.88	120.00	0.12	0.1%
JPY/KRW (Yen)	0.0909	0.0900	(0.0009)	(1.0%)

Note
1. Basic Earnings per Share

Major Assumptions

- **Revenue**
  - The guidance assumes the Covid-19 impact continues at some level throughout the fiscal year and expects approximately 3% lower than the previous year
- **EBITDA**
  - Variable costs decline as Revenue declines, however, fixed cost, such as Employee expense or System-related expenses, takes high composition in the cost structure exceeding the decline in Revenue and a decline of approximately 25%
- **OP and Net Income**
  - On a full-year basis, expecting a large increase due to the impairment loss recognized in FY6/2020

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

FY6/2021 Guidance – Half year Breakdown

	Guidance Breakdown and YoY Growth Rate		
	Full Year	1st Half	2nd Half
Revenue	40.0bn (YoY Growth -3.1%)	19.0bn (YoY Growth -12.7%)	21.0bn (YoY Growth +7.7%)
EBITDA	6.5bn (YoY Growth -24.9%)	2.5bn (YoY Growth -49.7%)	4.0bn (YoY Growth +8.6%)
Operating Profit	3.4bn (YoY Growth +756.5%)	1.0bn (YoY Growth -72.3%)	2.4bn (YoY Growth n/m)
Net Income(1)	1.6bn (YoY Growth n/m)	0.25bn (YoY Growth -88.0%)	1.35bn (YoY Growth n/m)

- **Revenue**
  - Expecting a large Covid-19 adverse impact in the 1H in both of segments
  - Expecting recovery centered in the main Online business in the 2H but adverse impact of Covid-19 continues in quantitative research and multi-countries global research
- **EBITDA/OP/Net Income**
  - Expecting material decline in 1H EBITDA/OP/NI due to the large fall in Revenue
    - Expecting the decline in Outsourcing Expense and Panel Expense at similar level as the decline in Revenue
    - Continue to manage employee expense and other expenses but will not be able to cover the large fall in Revenue since the Fixed cost ratio is relatively high
  - Expecting 2H EBITDA at a similar level as the Revenue due to the recovery in Revenue
  - Expecting significant Full-year OP and NI recovery due to the impairment loss in the FY6/2020

Note

1. Profit Attributable to Owners of Parent

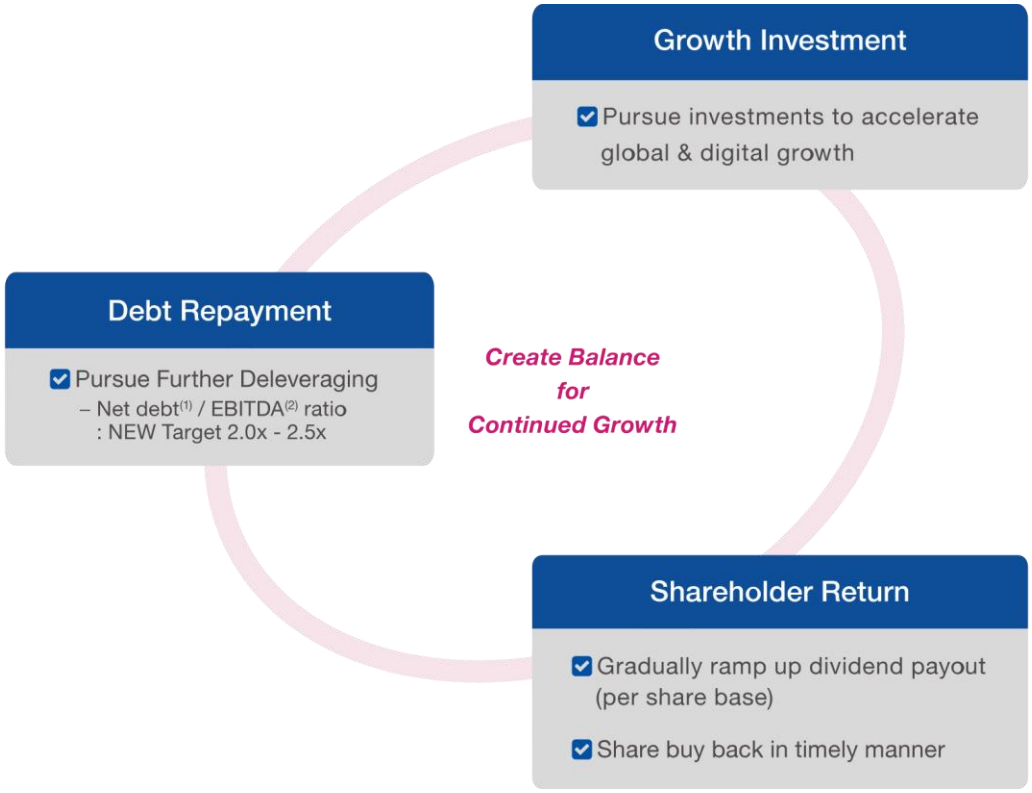
Capital Allocation

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

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

Our liquidity position is strong

Capital Allocation Priorities



Immediate priorities under Covid-19 issues

- **No.1: Growth / Maintenance Investment**
  - Execute the minimum required investment as planned
  - Investments other than the above will be suspended and will be carried out only as necessary while monitoring the situation
- **No.2: Debt Repayment**
  - Repay existing loans as expected
  - Prepare contingency financing arrangements
- **No.3: Shareholder Return**
  - As the Covid-19 pandemic expands, suspend the dividend payment growth in FY6/2021 and maintain the same dividend per share payment as the FY6/2020 (FY6/2020 JPY 11.0 / Share → FY6/2021 JPY 11.0 / Share)
  - Consider share buyback post Covid-19 recovery

Japan and Korea Business Segment Update

FY6/2020: Segment Performance Summary

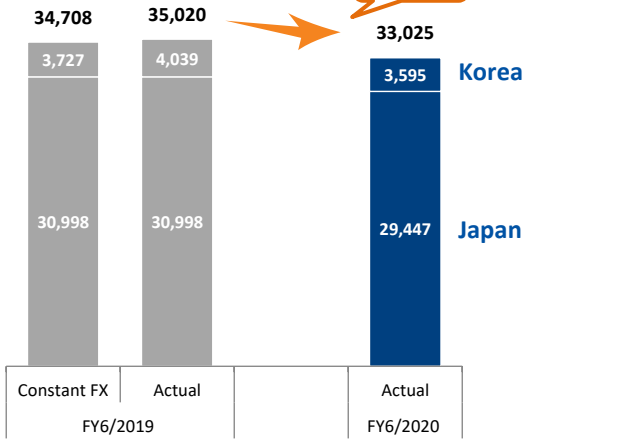
Q4 resulted in deficit due to decline in Revenue and Profit

Segment Revenue (12 Months)

Q4 YTD

(JPY in Millions)

YoY Growth: -6% Actual; -5% Constant FX

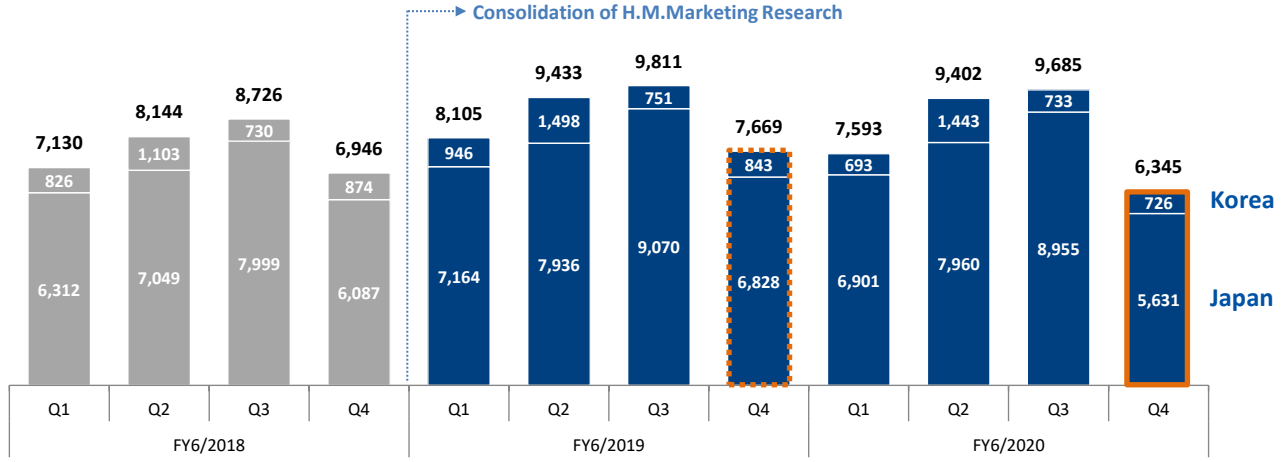


Quarterly Segment Revenue Trends

Q4 Standalone

(JPY in Millions)

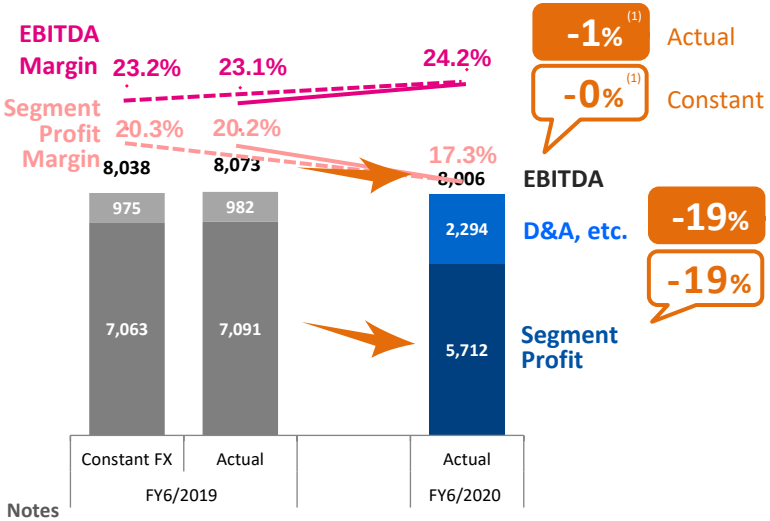
YoY Growth									
Actual:	+14%	+16%	+12%	+10%	-6%	-0%	-1%	-17%	
Constant FX:	+13%	+16%	+13%	+11%	-5%	+1%	-1%	-17%	



Segment EBITDA and Profit (12 Months)

(JPY in Millions)

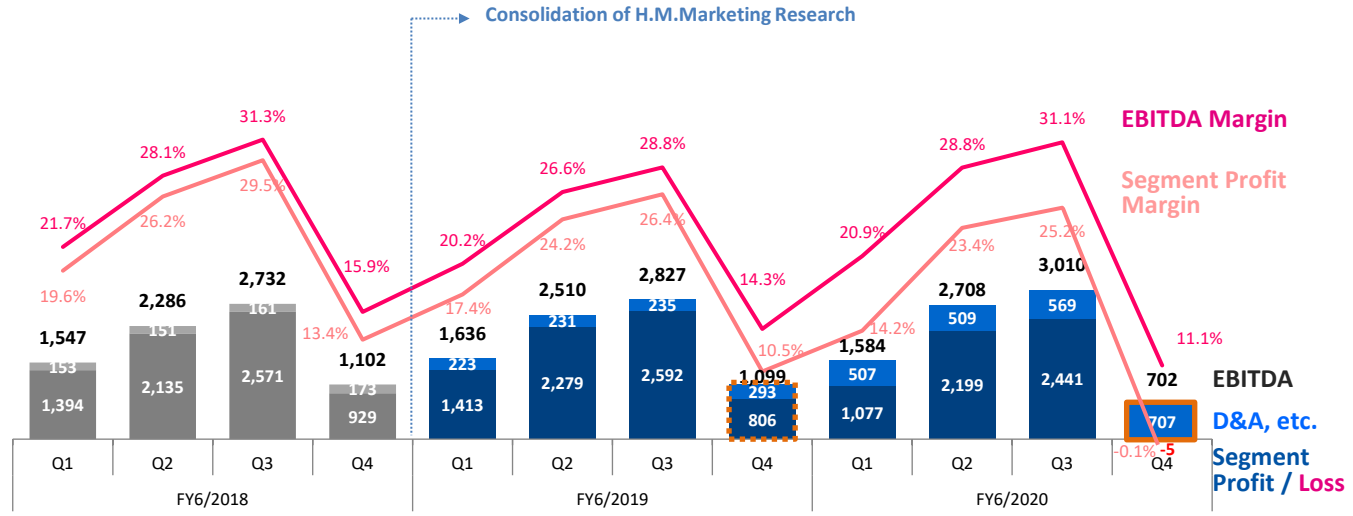
YoY Growth: -1%(1) Actual; -0%(1) Constant FX



Quarterly Segment EBITDA and Profit Trends

(JPY in Millions)

YoY Growth									
EBITDA:	+6%	+10%	+3%	-0%	-3%	+8%	+6%	-36%(1)	-36%(1) Constant FX
(Actual Base) Segment Profit:	+1%	+7%	+1%	-13%	-24%	-4%	-6%	-101%	-101%



Notes

1. EBITDA is affected by the adoption of IFRS16. Please see the common footnote on p.2 for more detail.

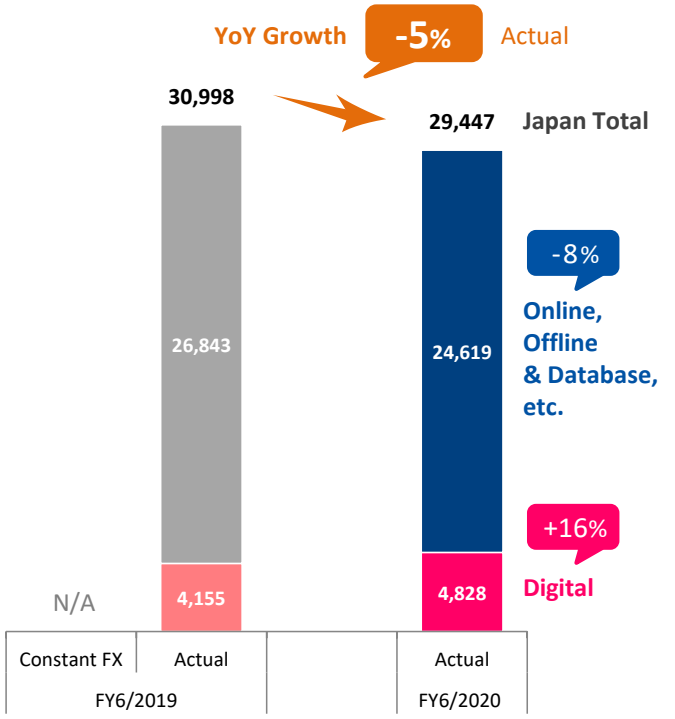
FY6/2020: Japan Business - Summary

Q4 Covid-19 impact expanded from Offline research in Q3 to include Online research and Ad effectiveness measurement (Digital Research) in Q4

Japan Revenue (12 Months)

Q4 YTD

(JPY in Millions)

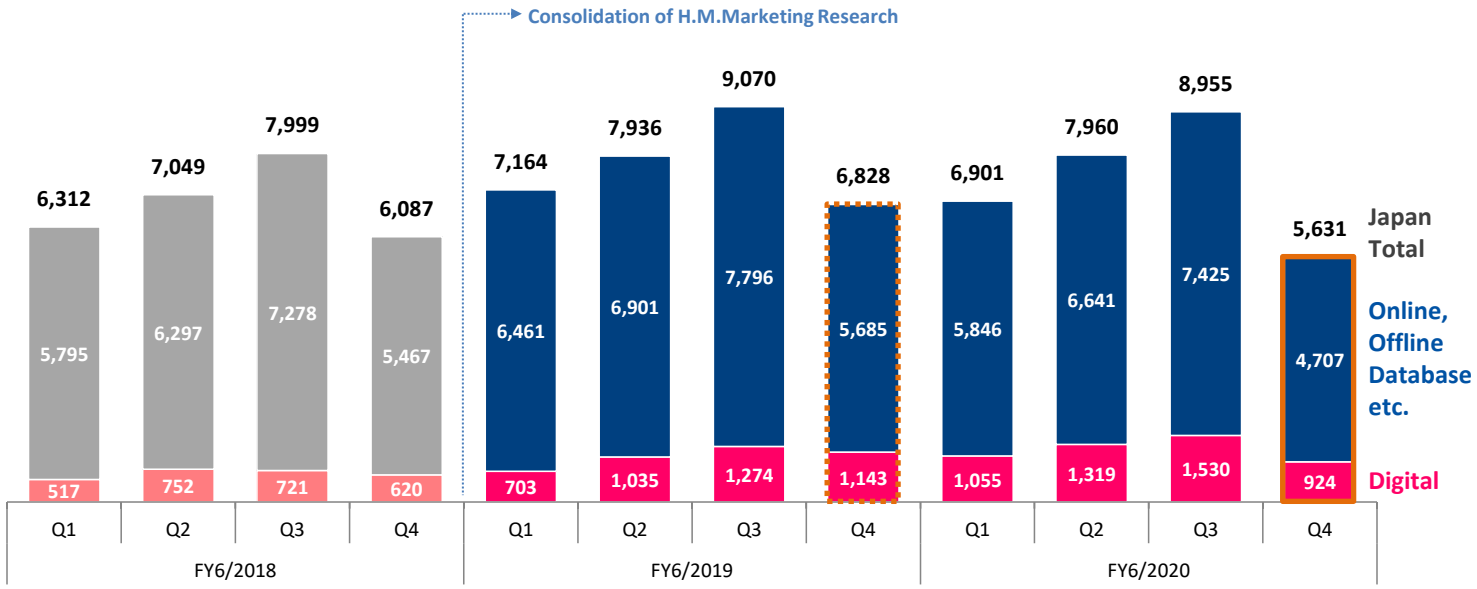


Quarterly Japan Revenue Trends

Q4 Standalone

(JPY in Millions)

YoY Growth									
Japan Total:	+13%	+13%	+13%	+12%	-4%	+0%	-1%	-18%
Non-Digital:	+11%	+10%	+7%	+4%	-10%	-4%	-5%	-17%
Digital:	+36%	+38%	+77%	+84%	+50%	+27%	+20%	-19%



Our Growth Driver: "Digital" Revenue

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

"AccessMill"

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

"DMP Solution"

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

FY6/2020: Japan Business – Review

Grasping the structural change in our clients, our countermeasures and Initiatives put in place to partially offset negative Covid-19 impact

The Impact of Covid-19 pandemic

Short-term

Rapid fall in Revenue

- Offline (Face-to-Face) research declined significantly starting in March
- In Q4, the impact expanded to both online and digital research
  (e.g.: Cancellation or delayed awareness research (online research area), ad creative testing and ad effectiveness measurement research (digital area), etc.)

Mid- to long-term

Structural change in our clients		Initiatives for the change
Remote work became "new normal"	■ Difficult to set up F2F business meetings ■ Decreased touchpoints with clients	■ **Improve remote work environment, implement business meeting best practices and techniques** ■ **Utilize Webinars (+800 audiences, 4x increase)** ⇒ # of meetings returned to pre Covid-19 levels in Q1
New research demand related to the Covid-19	■ The rapid increase of demand to grasp post Covid-19 new consumers' behavior	■ **Demonstrate the strength of our online research** ■ **Conduct a fixed-point study of the Covid-19 effects and publish a "Weekly Index"** ⇒ Increased projects related to Covid-19
Further shift of research to online	■ Qualitative research resumed in June but it remains difficult to conduct under Covid-19 ■ The demand for the shift to online quantitative research becomes apparent	■ **Started "Online Depth Interview (ODI)"** ■ **Started "Live Survey (Online chat-based research)" that has been rolled out overseas**
Acceleration of Digital Transformation (DX)	■ Clients' digital transformation (DX) accelerates ■ Marketing DX is a focus and creates increased demand for data utilization	■ **Support clients to utilize diverse data by enriching our panel data (attribution, awareness, behavior, biometric)**

FY6/2021: Japan Business - Initiatives

Re-affirm our goal and objectives in the mid-term business plan under the current environment

Aiming to maximize the unique “strengths” of Macromill

Our Aspiration (Goal)

Macromill’s evolution to the Company of “Research” x “DATA”

HOW?

Maximize our unique “Strength”

+

Cooperation w/ Outsiders

Recent actions and topics in the Japan Business

Client

- **Segment over 3,000 domestic clients and pursue the effective approach by industry**
- **Global platformers are our “clients”, and our “partners" to work on new initiatives together**
  - User trends and data outside of their platform are important: There is added value in utilizing our data

Organizational Structure

- **Aim to be a partner to solve clients marketing issues together beyond research**
  - Reorganized structure to better align with client segments: from being organized by function to being organized by client’s industry
  - Strengthen BPR / Data Consulting to change perceptions of Macromill

Consumer Panels

- **Maintain scale of our panel equivalent to about 1% (1.3M) of Japan's population: The source of added value**
  - Obtained “Panelist consent” to use the data for our clients: valuable under stricter privacy regulations
  - Ever-up-to-date Attribute Data + Behavioral Data from 0.7M ppl. via mobile, 0.9M ppl. via PC

Added Value

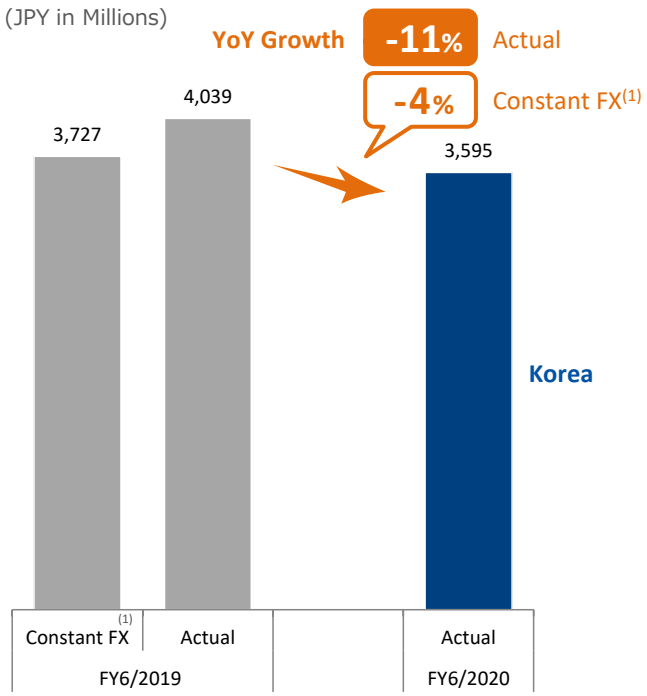
- **Enhancing Macromill Consortium (MC): Collaboration with major clients is progressing well**
  - Full-scale training and secondment to partners are expanding
- **Digital continues to be a growth driver: Continue to develop innovative and agile services**
  - Support the strategic data utilization of clients via DMP construction and collaborations

FY6/2020: Korea Business - Summary

Revenue decline in Q4 due to Covid-19

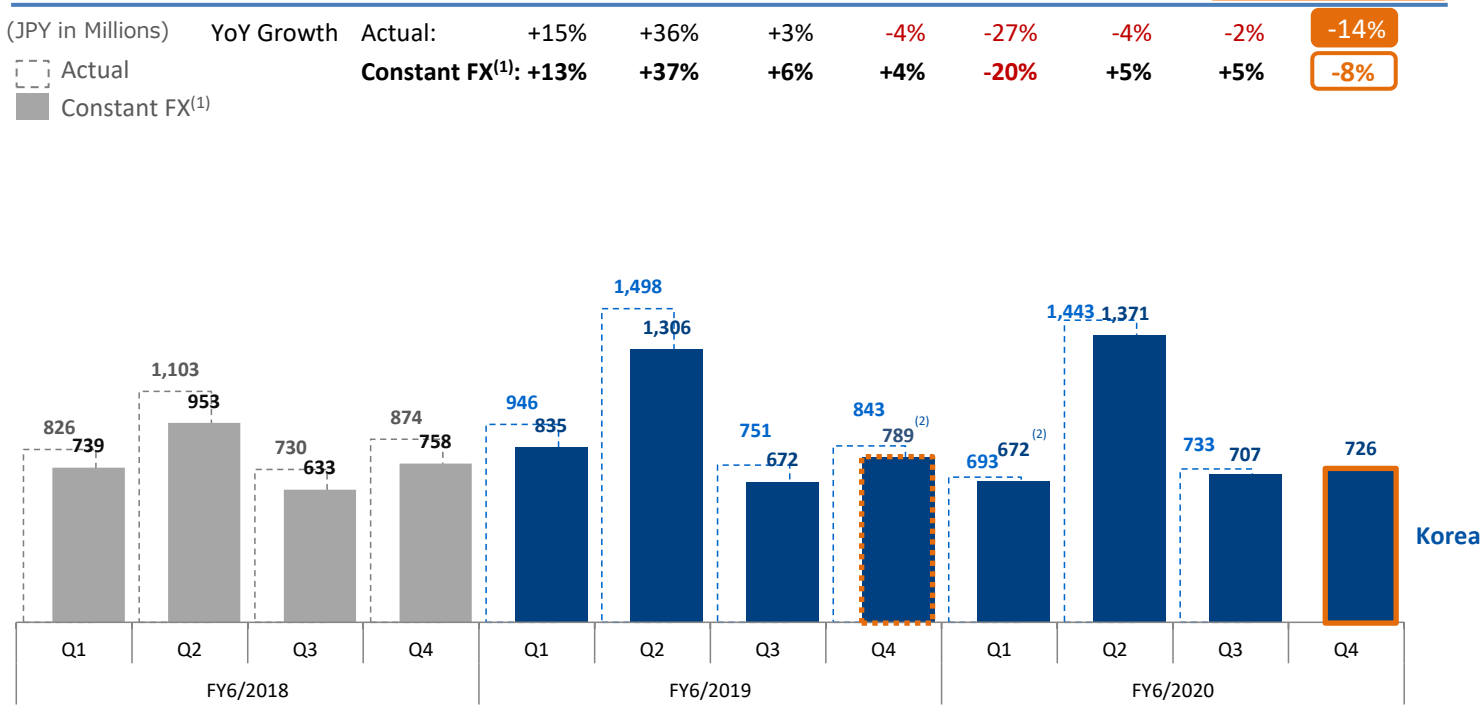
Q4 YTD Korea Revenue (12 Months)

Q4 YTD



Quarterly Korea Revenue Trends

Q4 Standalone



Q4 Korea Business Performance Commentary

- The Covid-19 impact was at a similar level as Q3 (Approx. 100M JPY), the impact was limited compared to the other countries
- The FX negative impact continues and the size of Revenue decline in the JPY base exceeded the local currency base
- On the other hand, Q4 digital grew by more than 40% , and is now approximately 20% of the total Revenue
- Macromill Group is the only research company that owns a proprietary panel in Korea and aims to expand further digital Revenue
- Opportunity to use IPO proceeds to expand panel assets, data services and competitive differentiation

Notes

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

Overseas (ex-Korea) Business Segment Update

FY6/2020: Segment Performance Summary

Significant Segment loss resulting from an impairment charge and a decrease in Revenue due to Covid-19

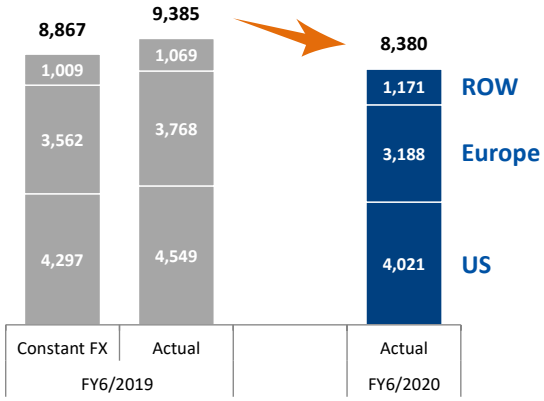
Segment Revenue (12 Months)

Q4 YTD

(JPY in Millions)

YoY Growth -11% Actual

-5% Constant FX

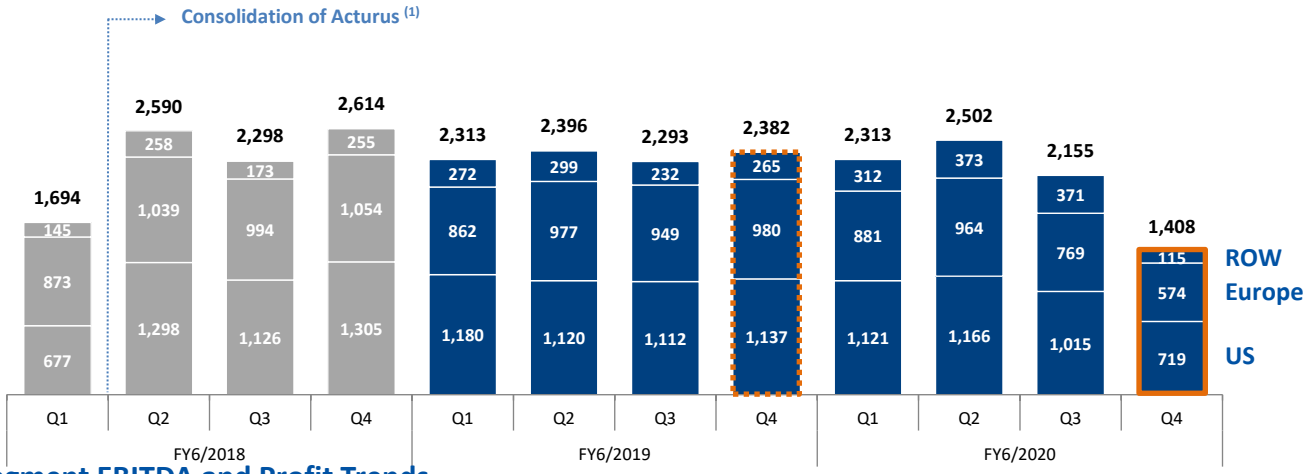


Quarterly Segment Revenue Trends

Q4 Standalone

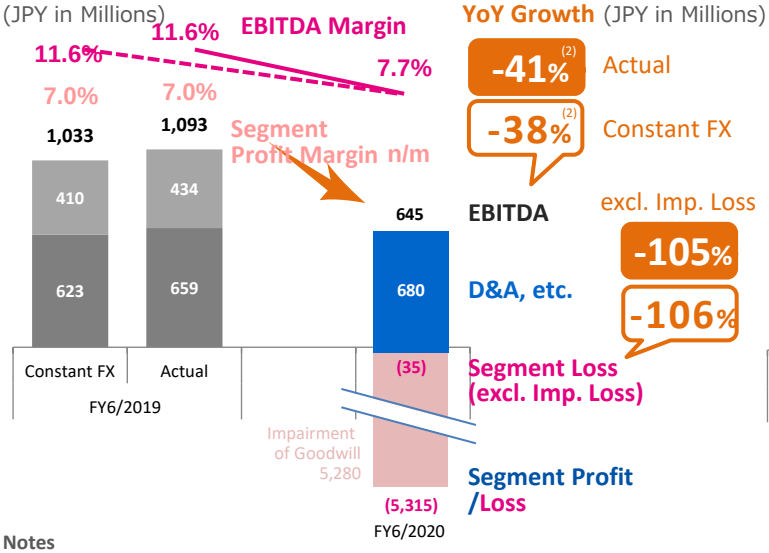
(JPY in Millions)

YoY Growth									
	Actual:	+37%	-7%	-0%	-9%	+0%	+4%	-6%	-41%
	Constant FX:	+37%	-5%	+6%	-4%	+8%	+12%	-2%	-38%



Segment EBITDA and Profit (12 Months)

(JPY in Millions)



YoY Growth

-41%(2) Actual

-38%(2) Constant FX

excl. Imp. Loss

-105%

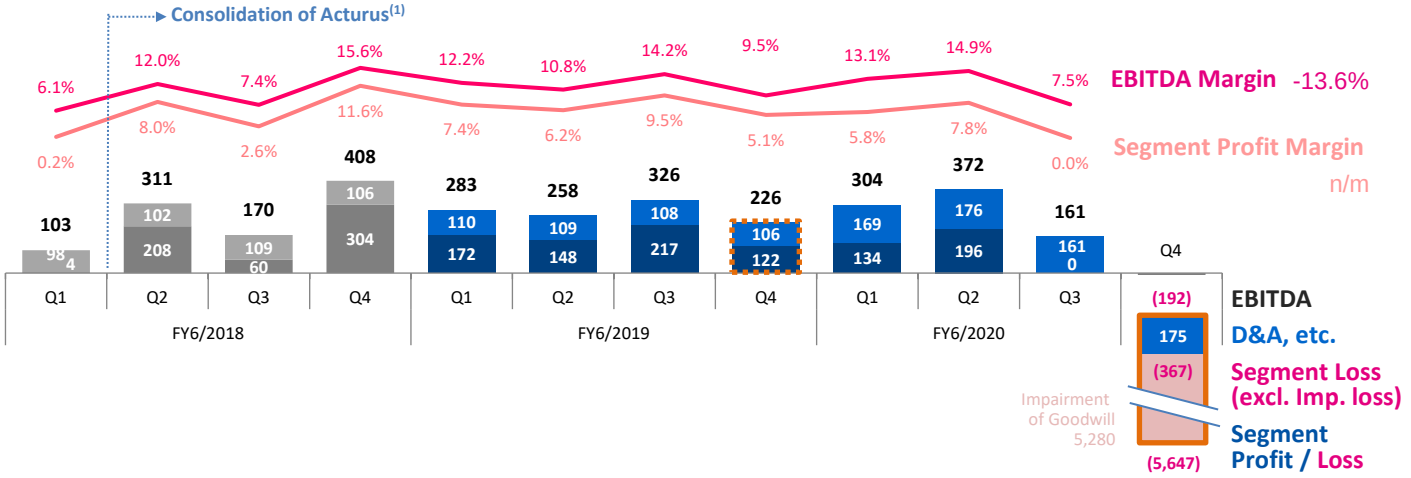
-106%

Quarterly Segment EBITDA and Profit Trends

(JPY in Millions)

YoY Growth										
	EBITDA:	+175%	-17%	+92%	-45%	+7%	+44%	-51%	-185%(2)	-188%(2)
(Actual Base)	Segment Profit:	+4200%	-29%	+262%	-60%	-22%	+32%	-100%	n/m	n/m

Constant FX



Notes

1. Timing of Acturus Consolidation, please refer to the footnote 2. on p.25

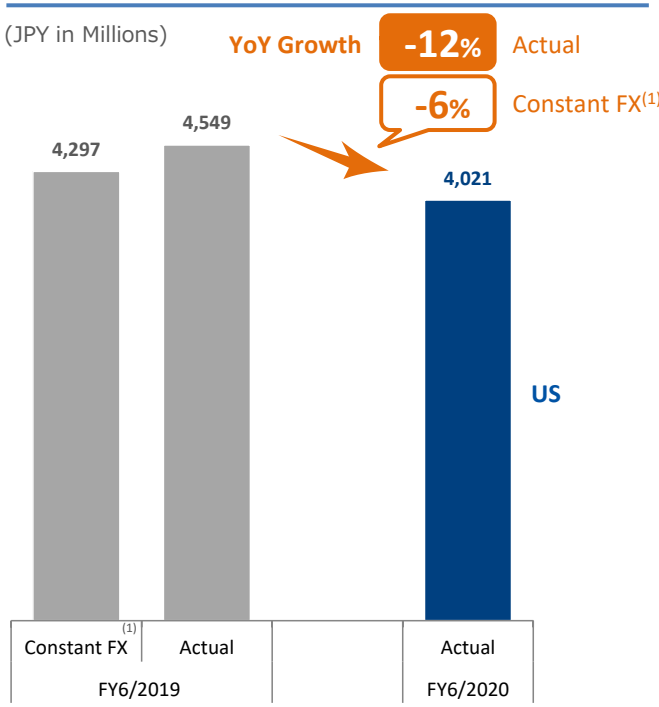
2. EBITDA is affected by the adoption of IFRS16. Please see the common footnote on p.2 for more detail.

FY6/2020: US Business - Summary

In US, Project cancellations and delays in Q4, negatively impacting Revenue

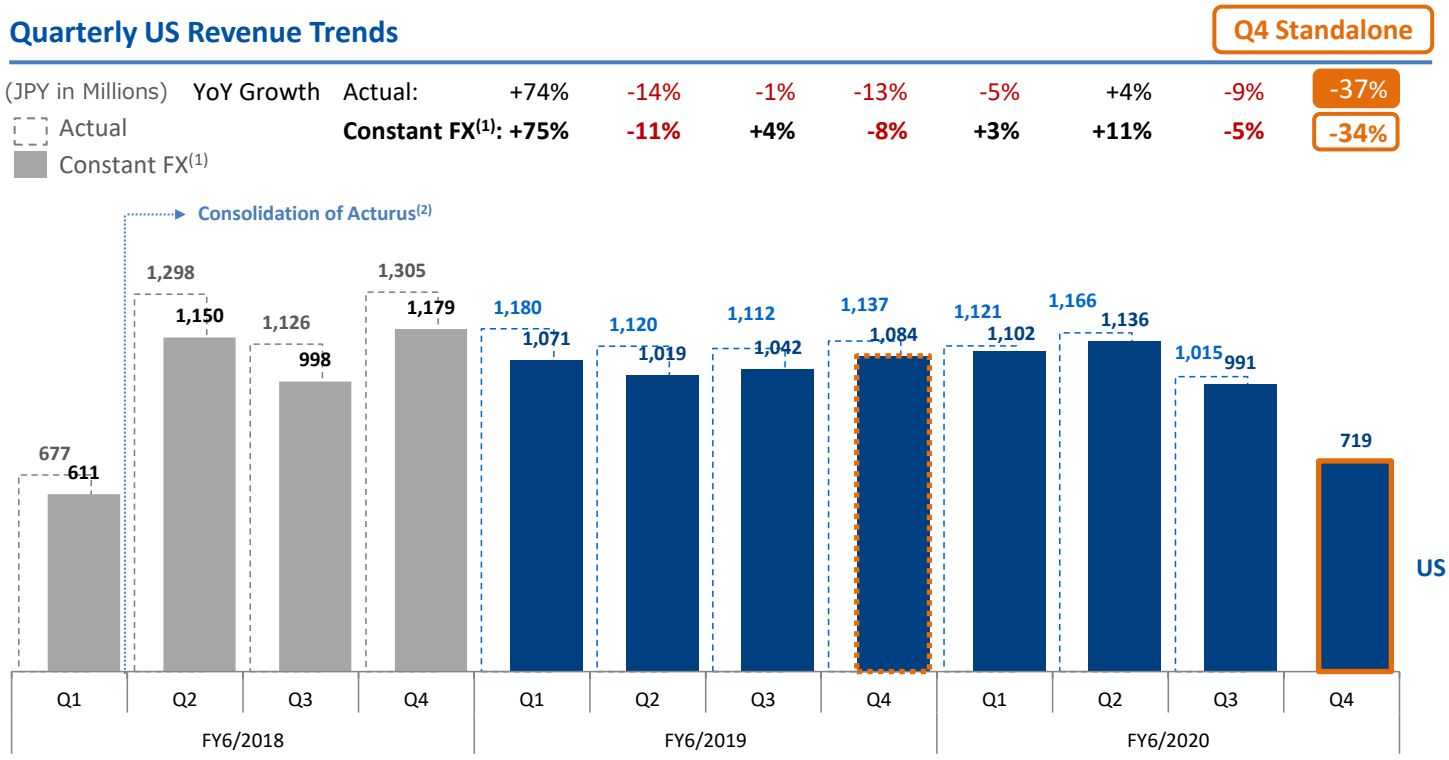
US Revenue (12 Months)

Q4 YTD



Quarterly US Revenue Trends

Q4 Standalone



Q4 US Business Performance Commentary

- US offices have shifted to a remote work style in March
- Precision Sample (US subsidiary including panel alliance business) experienced a decrease in Revenue in Q4 due to Covid-19
- Created “New Normal Tracker” to generate insights and client engagement

Notes

1. Please refer to the common footnotes on p.2 for the calculation method of the Constant FX and its significance
2. Regarding the consolidation of Acturus (which we acquired at the beginning of FY6/2018 Q2), in the last ¬fiscal year, we had consolidated (Q2 & Q3) 6 months' accumulated performance in Q3. In order to make fair quarterly comparison, we are subtracting down Q2 portion from of Acturus revenue in FY6/2018 Q3 revenue, and adding it up to FY6/2018 Q2.

FY6/2020: Europe Business - Summary

In Europe, Covid-19 impact expanded and resulted in a decrease in Revenue

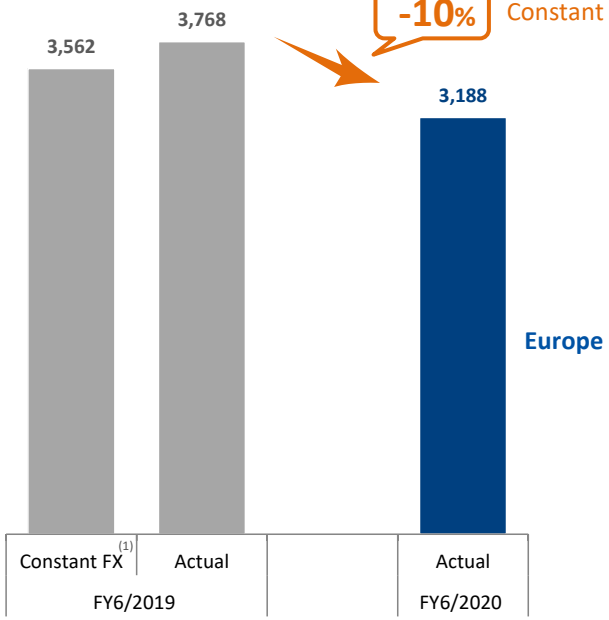
Europe Revenue (12 Months)

Q4 YTD

(JPY in Millions)

YoY Growth -15% Actual

-10% Constant FX(1)

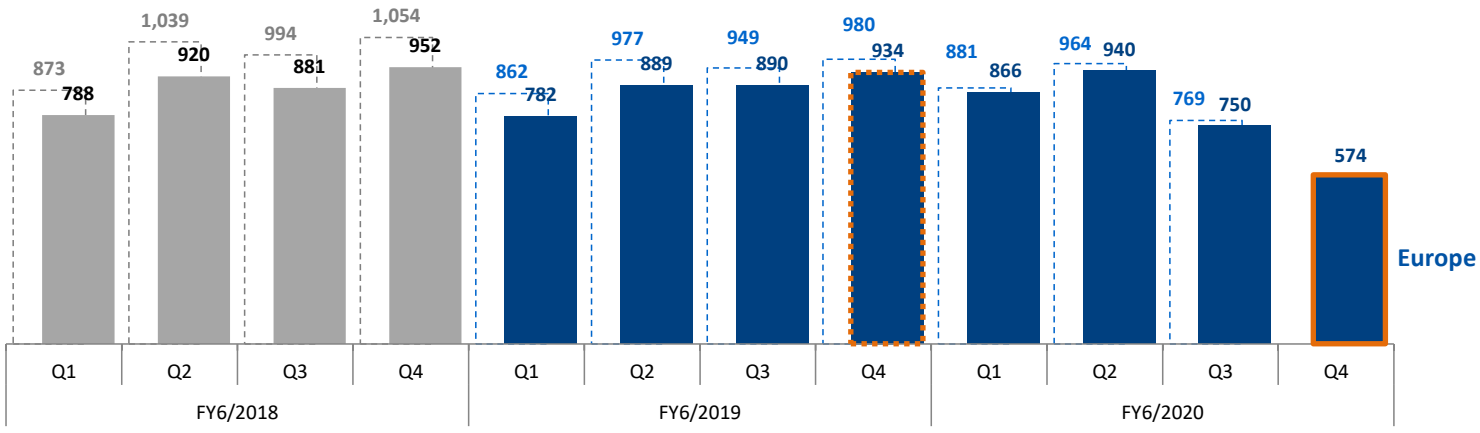


Quarterly Europe Revenue Trends

Q4 Standalone

(JPY in Millions) Actual Constant FX(1)

YoY Growth								
Actual:	-1%	-6%	-5%	-7%	+2%	-1%	-19%	-41%
Constant FX(1):	-1%	-3%	+1%	-2%	+11%	+6%	-16%	-39%



Q4 Europe Business Performance Commentary

- European offices have shifted to remote work in March
- In Q4, Netherland, UK, and France, our largest markets experienced a large decrease in Revenue, partially offset by growth in Germany and Italy
- In YTD basis, Netherland and UK performed well until Q2 but the decrease in Q3 and Q4 offset the Revenue and resulted in a decrease in Revenue YoY
- Opened a new office in Switzerland, aiming to expand business with multi-national clients

Notes

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

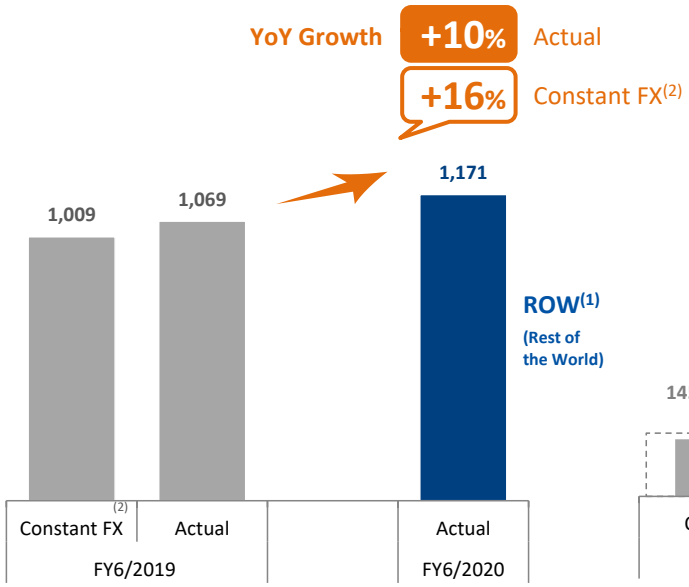
FY6/2020: ROW(1) Business - Summary

In ROW, Revenue impacted by Covid-19 but ROW maintained double digit growth

ROW Revenue (12 Months)

Q4 YTD

(JPY in Millions)



Quarterly ROW Revenue Trends

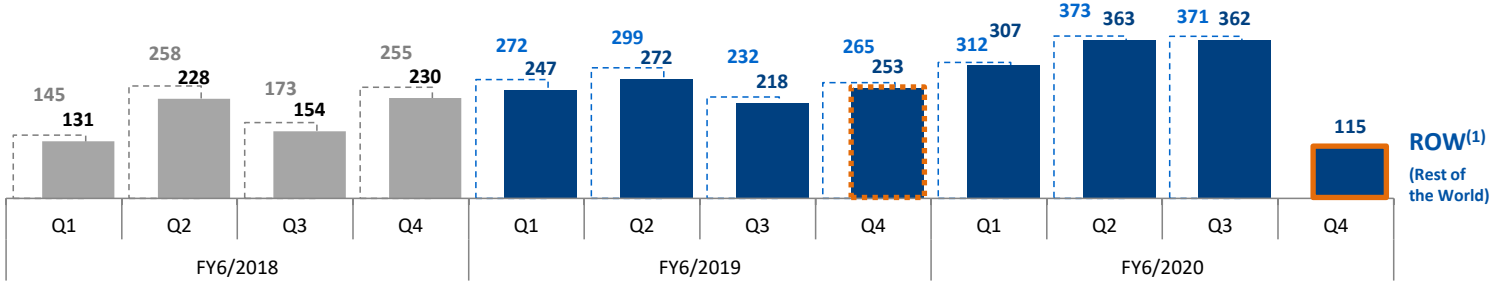
Q4 Standalone

(JPY in Millions)

Actual

Constant FX(2)

YoY Growth	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Actual:	+88%	+16%	+34%	+4%	+15%	+25%	+60%	-57%
Constant FX(2):	+89%	+19%	+42%	+10%	+24%	+33%	+66%	-55%



Q4 ROW Business Performance Commentary

- In the ROW segment, the impact of Covid-19 was insignificant compared to the US and Euro segments until Q4
- Even in Q4, China and UAE outperformed. The New Australian office expands its business. However, Singapore declined
- China has started to shift to “New Normal”post-Covid-19, but most of the other regions continue remote work style

Notes

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

Creating

The First Truly Global Digital

Research Company



Appendix

i. FY6/2020 Full Year Financial Results Supplemental Material

ii. Market size, Historical Revenue Trends and our Mid-term Business Plan

iii. Summary of our Company

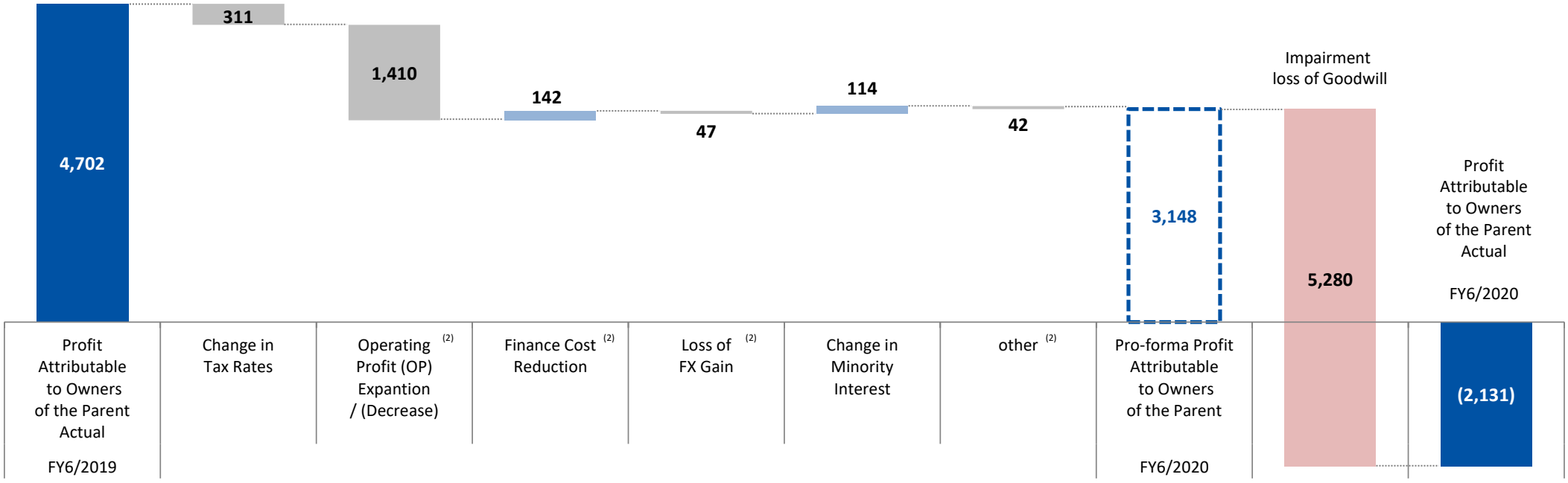
FY6/2020: Net Income(1) Waterfall Chart

Full Year (12 months)

Net Income(1) decline is mainly due to the impairment loss

Profit Attributable to Owners of the Parent Waterfall Analysis(2) – FY6/2019 Full Year vs. FY6/2020 Full Year

Consolidated (IFRS)
(JPY in Millions)



Net Income(1) Margin	10.6%							(5.2%)

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

Appendix

i. FY6/2020 Full Year Financial Results Supplemental Material

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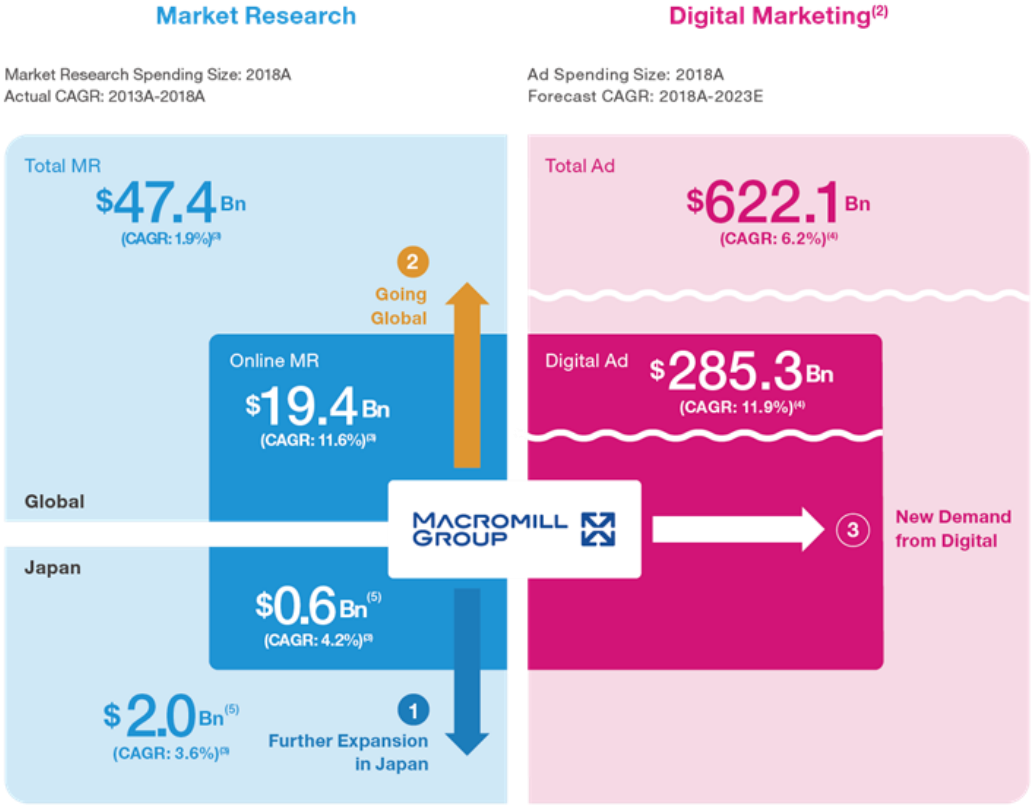
Big Market Opportunity and Our Mid-term Business Plan

Our Market Opportunity[1]



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

Macromill Group Mid-term Business Plan

Market Position

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

Revenue

Continue to **grow faster** than the market

Profit

Realize continuous **profit growth**

Maintain cost growth[6] below revenue growth
– Utilize Technology & Innovation (AI, RPA etc.)

Leverage

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

Capital Allocation

Enhance **Shareholders' Return**

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

Notes
1.The diagram is for illustrative purpose only and is not intended to depict relative market size to scale, or to show the current or future revenue or profit of Macromill group in each market
2. The market size includes solutions which Macromill group does not offer currently, and shows the size of the digital ad market as a sub-component of the total ad market. We generally do not plan to expand our business to cover all of this market, but believe it is helpful to show because we believe that there is a correlation between the growth of this market and the growth of sales of our digital marketing solutions.
3. Historical CAGR for 2013A-2018A
4.Future estimate CAGR for 2018A-2023E
5.Exchange rate: USD/JPY = 110
6.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**

Historical Trends - Global Market vs. Our Revenue

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

Market Trends – Global Marketing Research Market

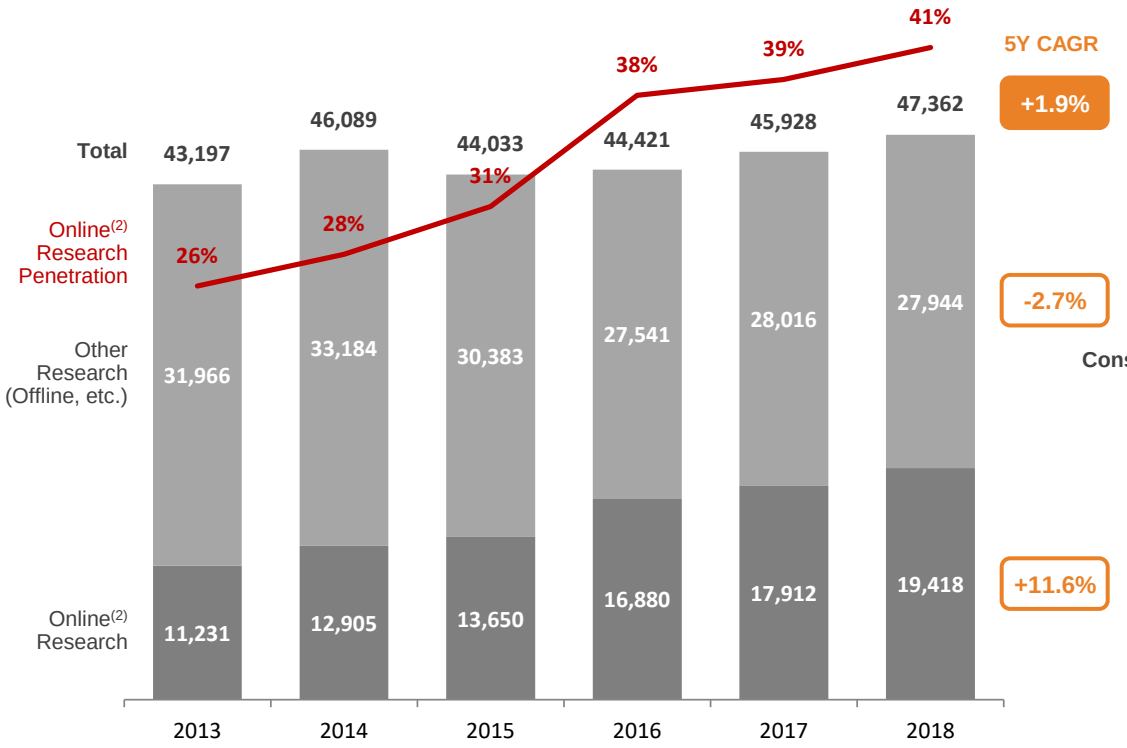
ESOMAR[1]
(USD in Millions)

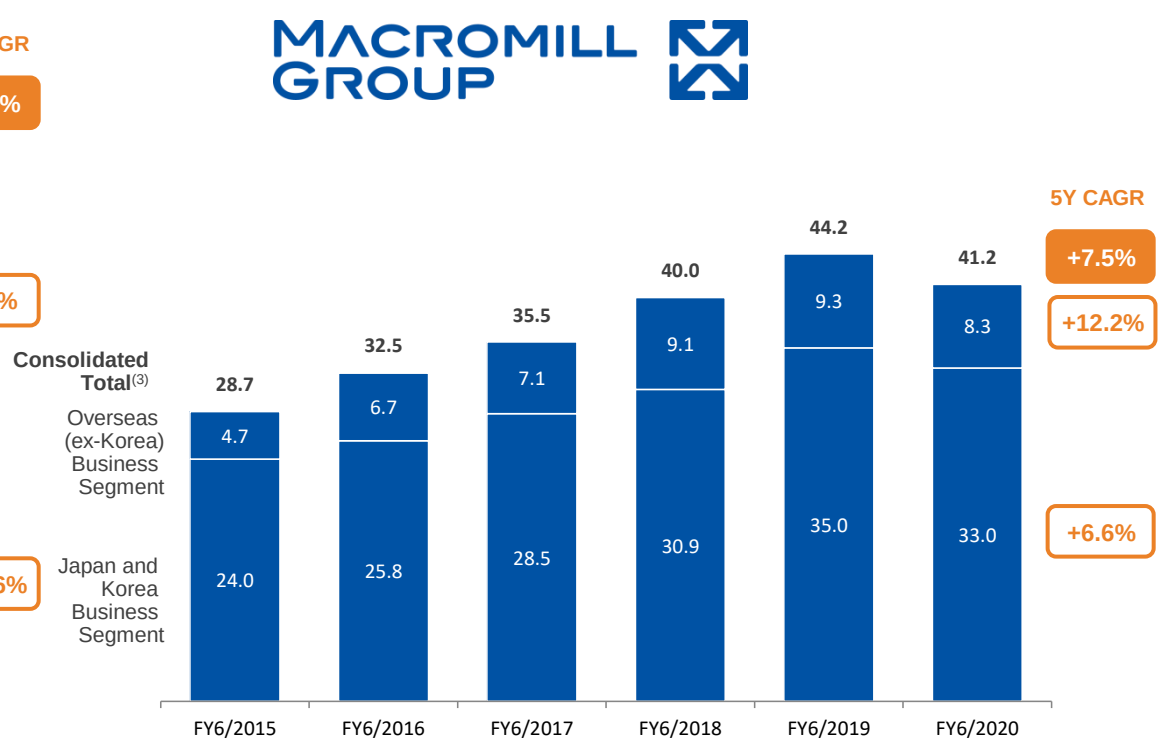
YoY Growth	**Total:**	**+7%**	**-5%**	**+1%**	**+3%**	**+3%**
	Other:	+4%	-8%	-9%	+2%	-0%
	Online:	+15%	+6%	+24%	+6%	+8%

Revenue Trends – Macromill Consolidated Group All

Consolidated (IFRS)
(JPY in Billions)

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





Notes

1. Source: ESOMAR, Global Market Research (9/2019, 9/2018)
2. Online quantitative marketing research only, not including online qualitative marketing research
3. Revenue of each segment is shown using gross value including intersegment revenue, and the total amount of revenue of both segments does not match the consolidated revenue (the difference is intersegment revenue)

Historical Trends – Japanese Market vs. Revenue in Japan

- **Overall Japan marketing research market growth of 3.6% (5Y CAGR)**
- **Macromill Japan revenue growth exceeds that of the overall marketing research growth in Japan, strongly driven by Digital revenue which is a growth driver for Macromill Japan**

Market Trends – Japanese Marketing Research Market

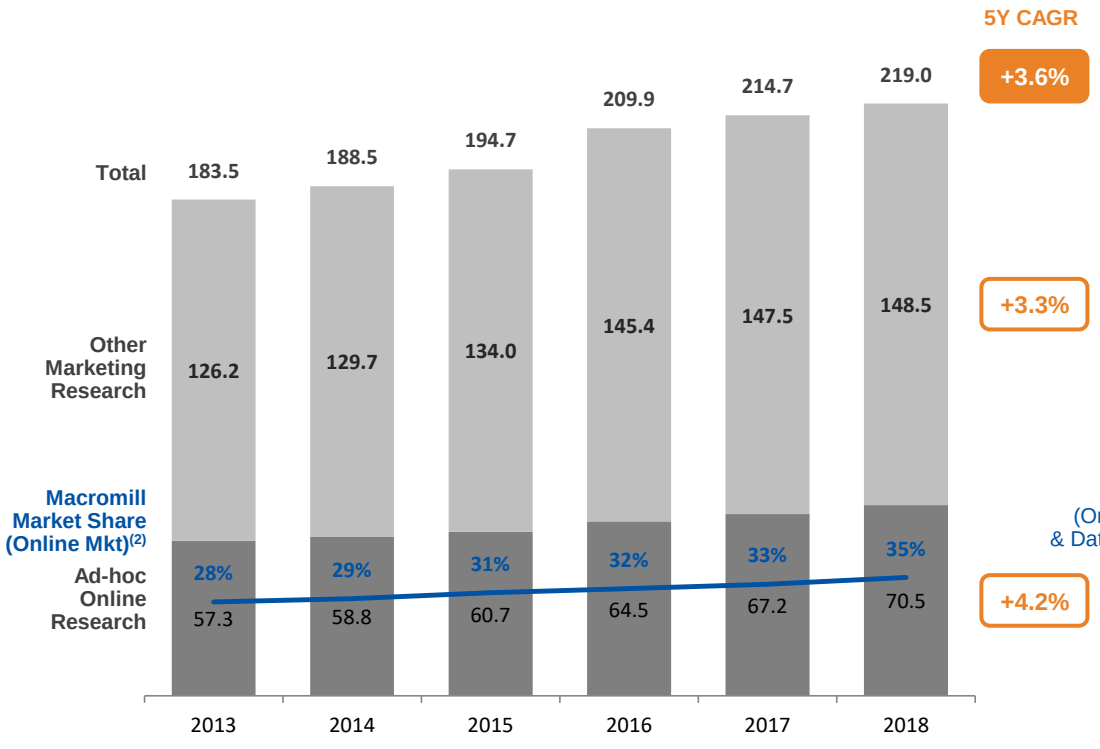
JMRA[1]
(JPY in Billions)

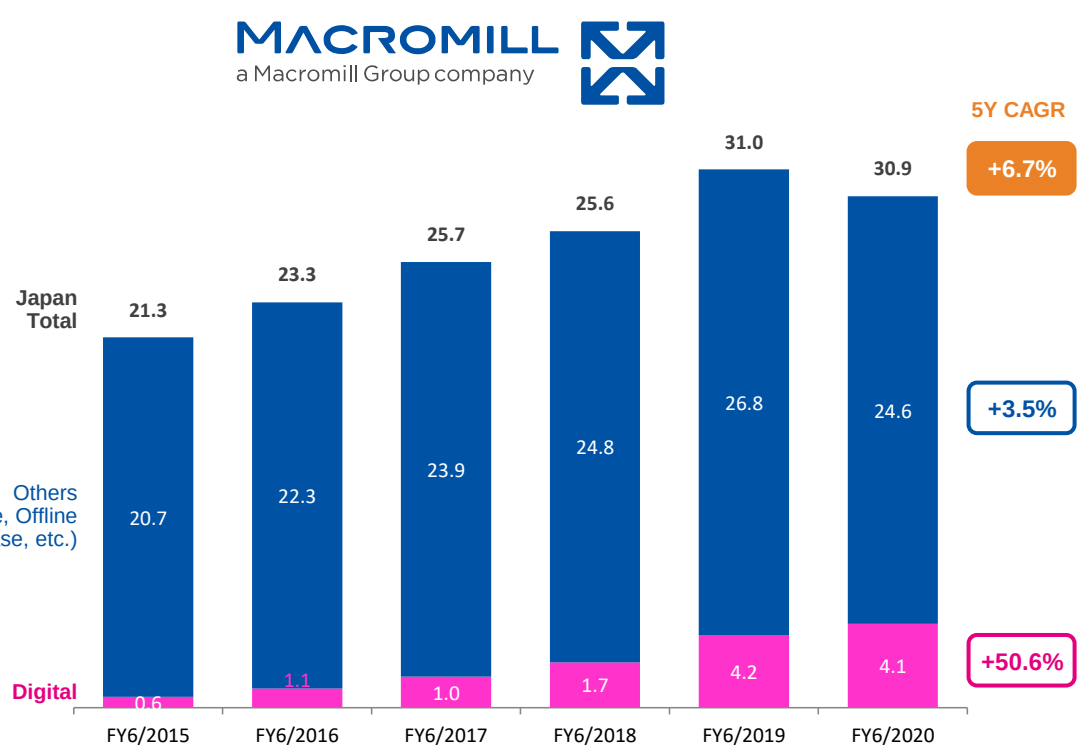
YoY Growth	**Total:**	**+3%**	**+3%**	**+8%**	**+2%**	**+2%**
	Others:	+3%	+3%	+9%	+1%	+1%
	Online:	+3%	+3%	+6%	+4%	+5%

Revenue Trends – Macromill Group Revenue in Japan

Consolidated (IFRS)
(JPY in Billions)

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



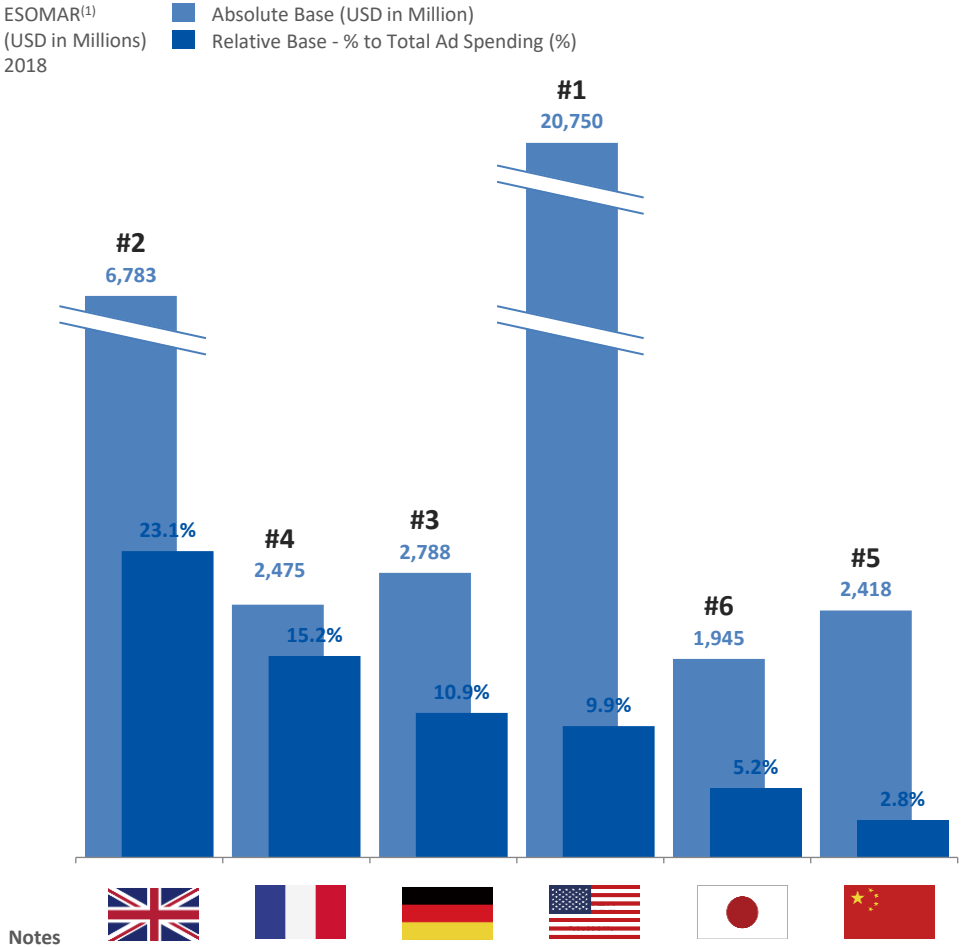


Notes
1. Source: Japan Marketing Research Association (JMRA) - Management statistics (2019/7) The Ad-hoc internet survey is described as Ad-hoc Online
2. Macromill's market share is estimated by the Company

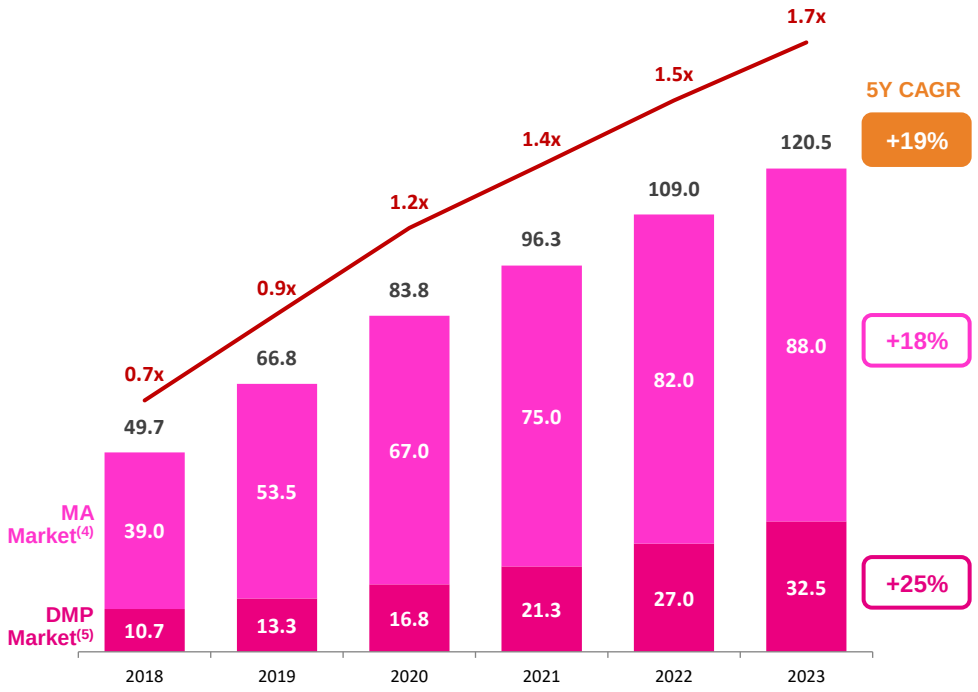
Further Growth Opportunity – Japan

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

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



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



Notes

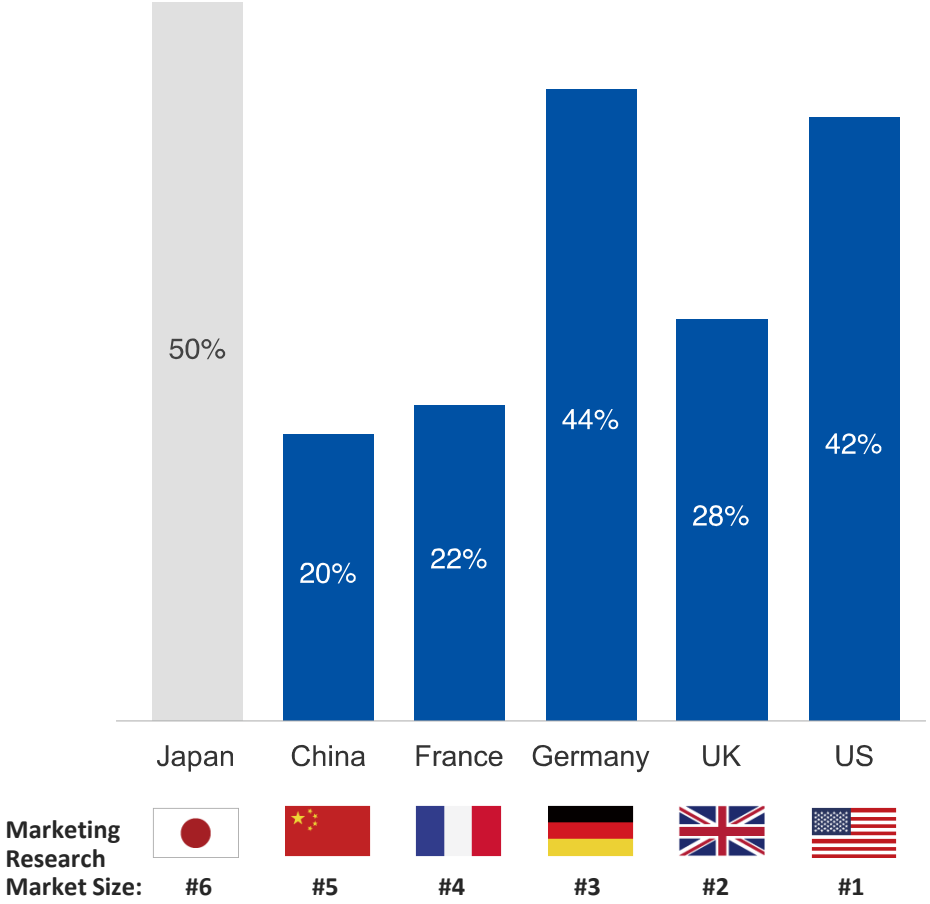
1. Source: ESOMAR, Global Market Research (9/2019)
2. Source: Yano Research Institute, Size of DMP / MA Market Historical Trends and Forecasts (Actual result in 2018, an Estimated value in 2019, Forecasts from 2020 and after) (2019/11/12)
3. Market size multiple against 70.5 B JPY ad-hoc internet marketing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

Further Growth Opportunity – Overseas Business

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

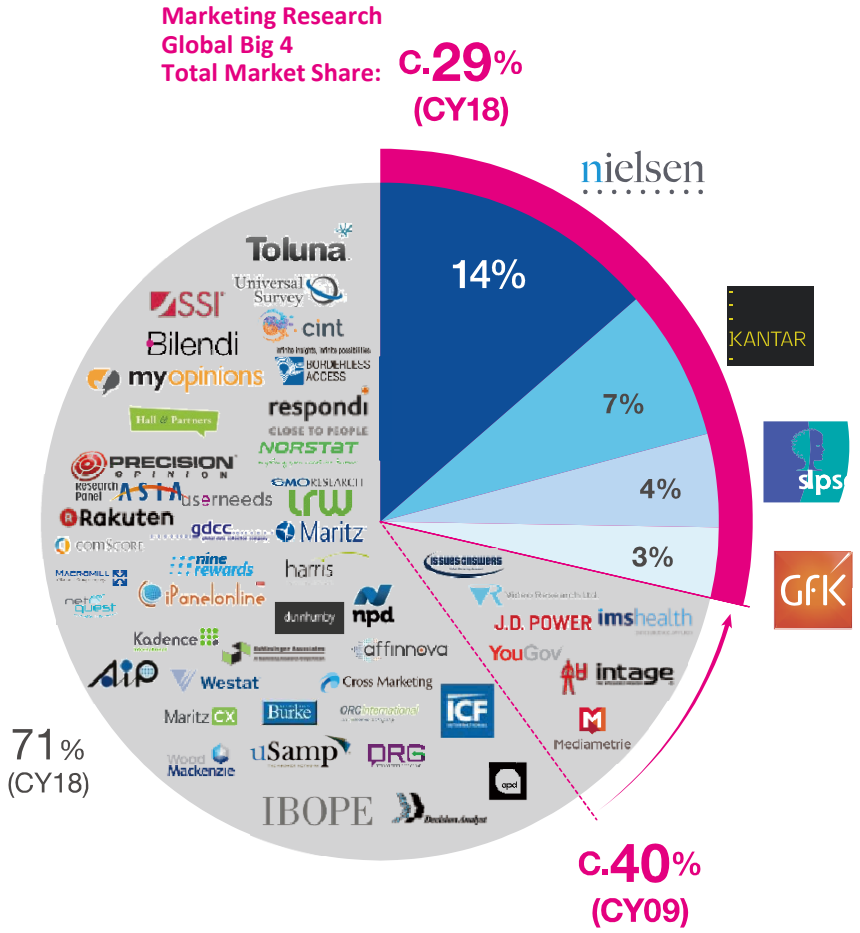
Online Marketing Research Penetration[1] in Total Market Research Spending

ESOMAR[2]
CY2018



Global Marketing Research Market - Market Share

ESOMAR[2]
CY2018



Notes

1. Source ESOMAR, Global Market Research (9/2019, 9/2010)
2. Online Marketing Research Presentation = spending on online quantitative market research (PC Online + Mobile / Smartphone Online) / spending on total market research in each country

Appendix

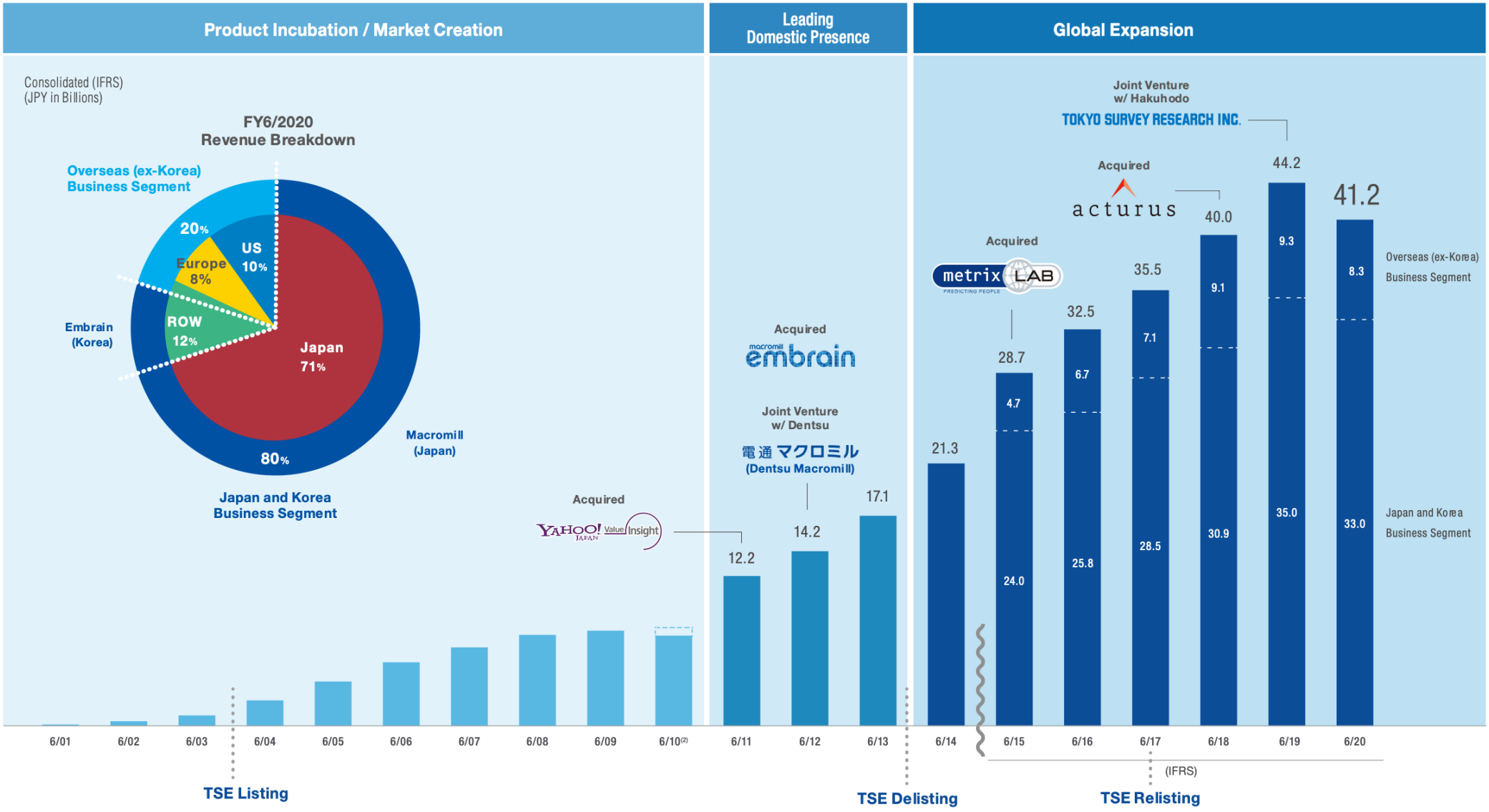
i. FY6/2020 Full Year Financial Results Supplemental Material

ii. Market size, Historical Revenue Trends and our Mid-term Business Plan

iii. Summary of our Company

We are Fast Growing Market Research Company

Consolidated Revenue[1]



Notes

1. J-GAAP based financials for FY6/2001-6/2014 and IFRS-based financials for FY6/2015 onwards. J-GAAP and IFRSfinancial information are prepared based on different accounting principles and are not directly comparable. Macromill believes, however, that the presentation of consolidated revenues on a J-GAAP basis as compared to IFRS would only require immaterial adjustments and that the presentation above appropriately and accurately reflects the consolidated revenue trends for the four fiscal years ended June 30, 2017
2. The dotted line indicates potential revenue contribution from the subsidiary (AIP) divested in this year.

Who we work with

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

Highlights

Number of Clients

c. 4,200 clients, 90+ countries

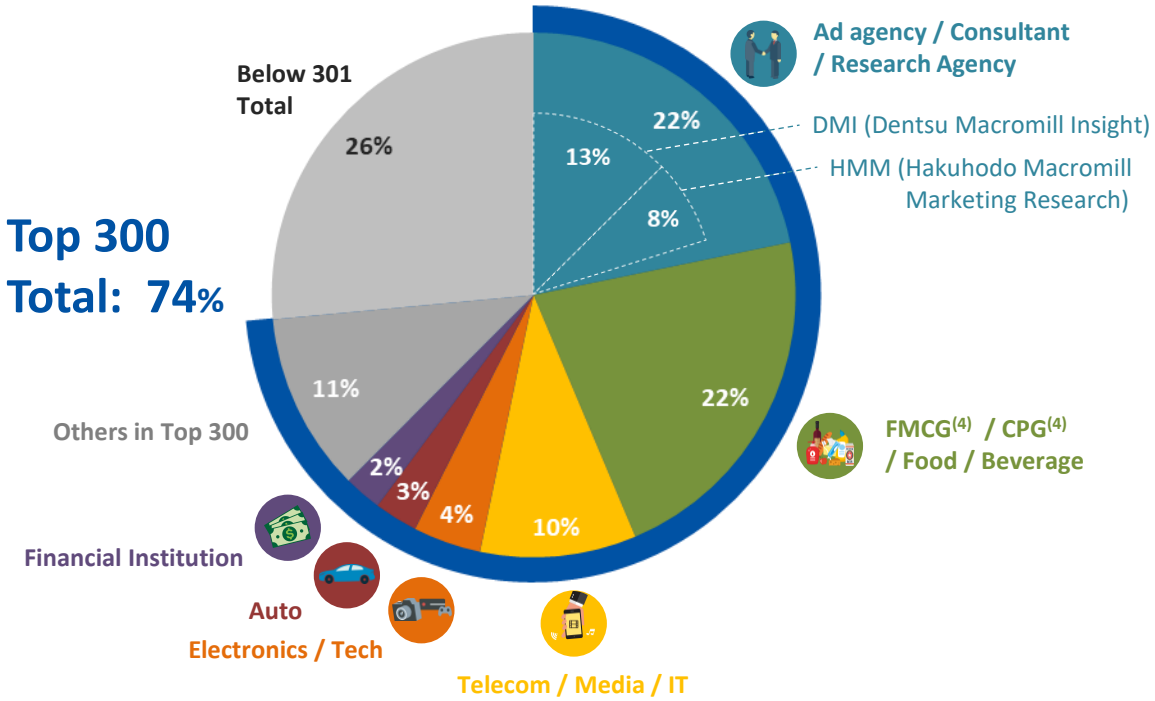
- **c. 3,600 clients in Japan & Korea**
- **c. 600 clients in Overseas (ex-Korea)**

Client Retention Rate of Large Clients(1)

- **96.4% in Japan(2)**
- **92.8% in Global(3) (excl. Japan)**

FY6/2020 Revenue Breakdown by Client Industries

Consolidated (IFRS)
(JPY in Millions)



Well diversified client portfolio

Notes

1. Large Accounts with annual revenue of > JPY10MM or Euro 0.1MM
2. Retention Rate in Japan = (No. of large clients of Macromill standalone providing over JPY10MM in annual revenue for which Macromill's solutions were rendered and invoiced in the previous year, and for which there were solutions provided or invoiced in the current year) ÷ (No. of large clients of Macromill (standalone) providing over JPY 10MM in the previous year). 5 year average from FY6/15 to FY6/19
3. Retention Rate for Global (excl. Japan) = (No. of large clients of MetrixLab providing over 0.1MM Euro in annual revenue for which solutions were rendered and invoiced in the previous year, and for which there were solutions provided or invoiced in the current year) ÷ (No. of large clients of MetrixLab providing over 0.1MM Euro in the previous year). 4 year average from FY6/16 to FY6/19
4. FMCG = Fast Moving Consumer Goods / CPG: Consumer packaged goods (incl. non-durable goods such as soft drinks, toiletries, etc.)

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

Clients' Marketing Process

Research & Innovation Phase | Marketing & Activation Phase

Understanding Markets → Testing Concepts → Marketing Planning → Launch → Effectiveness Measurement

Macromill Group Solutions

Understanding Markets	Testing Concepts	Marketing Planning	Launch	Effectiveness Measurement
Market Exploration Brand Assessment	Optimize Product Development Concept Test	Ad Pretesting Pricing Evaluation Product & Package Test Sales Activation		Ad Effectiveness CS Brand Lift

Ad-related area

Global network of 50 offices in 20 countries

MACROMILL GROUP



10M Proprietary Panel

Total 110M Global Consumer Research Panel

100M Global Panel Network

Industry-Leading One-Stop Solution Portfolio in Japan

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

Ad-hoc Base

Qualitative Research (Why?)

Quantitative （How many？）

Offline Research (Face-to-Face)

Attribution Data: Who X Awareness Data: How they think

(Interview) FGI DI etc.

(Visiting survey) CLT etc.

Online Research

Next-generation area

(Online interview research)

Immerse Solution by METRIXLAB a Macromill Group company

Online interviews for large groups in different location
“AI” supports questions that moderators should ask

(Online survey) QuickMill OrderMill etc.

etc.

Digital

(Neuro research)

CENTAN a Macromill Group company

Research using non-awareness data such as EEG/heartbeat

Non-Awareness Data (Biological info etc.): What kind of emotion X Attribution Data: Who X Awareness Data: How they think

etc.

High Growth / Focus areas

AccessMill

Digital Behavior Data: What kind of action X Attribution Data: Who X Awareness Data: How they think

etc.

Subscription Base

Database / Data provision etc.

(Purchase data) QPR MHS

Attribution Data: Who X Offline Behavior Data (Purchasing・Consumption): What they buy

(TV viewing data) OTS

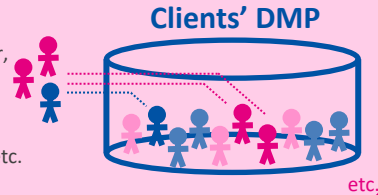
Attribution Data: Who X Offline Behavior Data (TV viewership): What they watch

etc.

High Growth / Focus areas

DMP solution

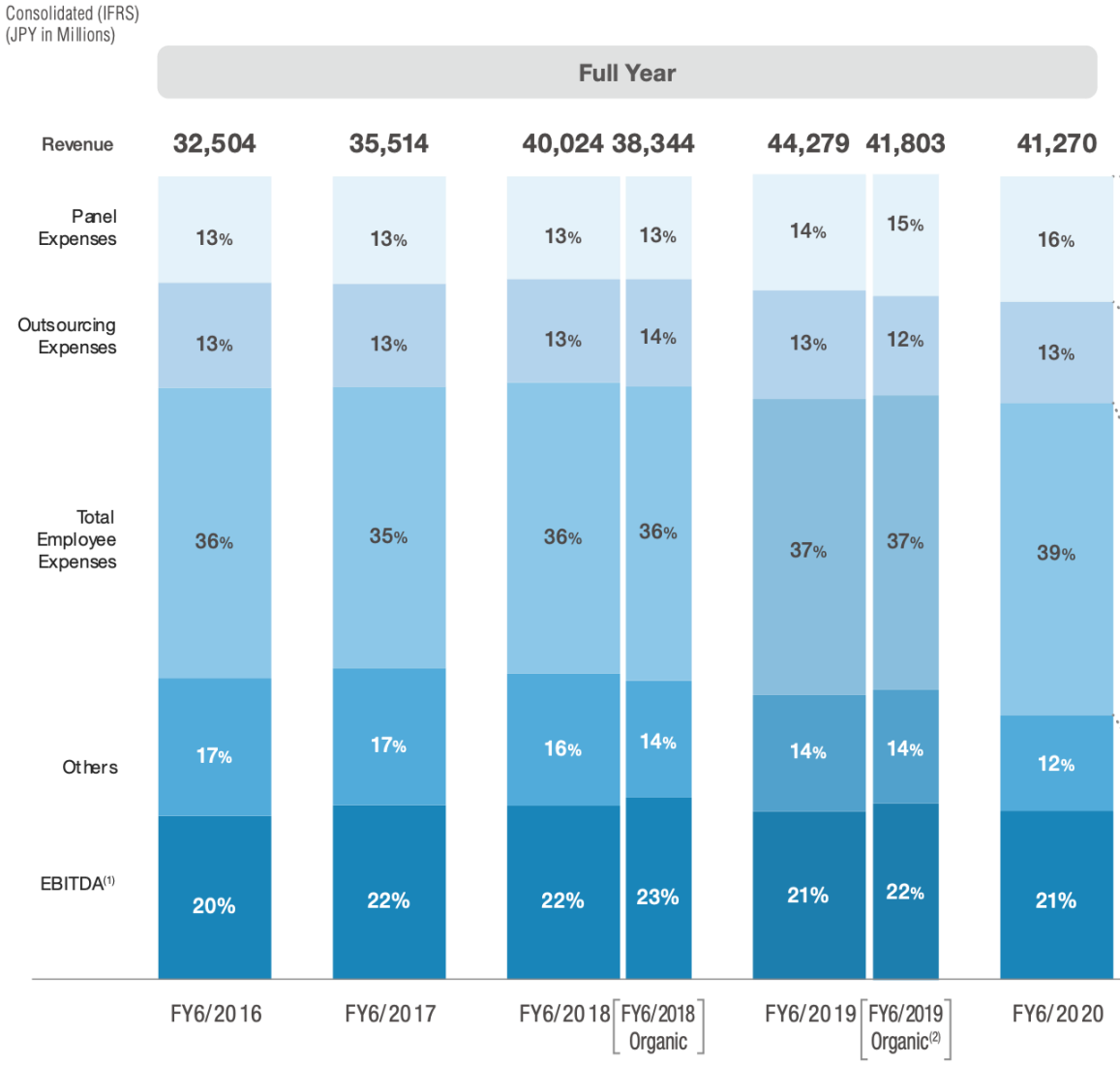
Provide various data (Attribution, Behavior, Awareness, etc.) on Macromill panels included in DMP operated by clients etc.



etc.

Operating Leverage & Cost Reduction Initiatives Deliver Further Profit Expansion

Breakdown of Key Cost Items



Overview of Cost Reduction Initiatives

Panel Expenses

- ☑ Procurement cost of third-party panels
- ☑ Rewards paid to in-house panelists for answering surveys
  - – As calculated by number of questions answered

Outsourcing Expenses

Examples by key products:

- ☑ Global Research
  - – Procurement costs of third-party panels
- ☑ CLT / Group Interviews
  - – Offsite meeting costs (e.g. room rentals)

Total Employee Expenses

- ☑ Offshoring (Global - Utilize India Office) & Nearshoring (Japan - Utilize Sendai Office) Strategy on Research middle & back office

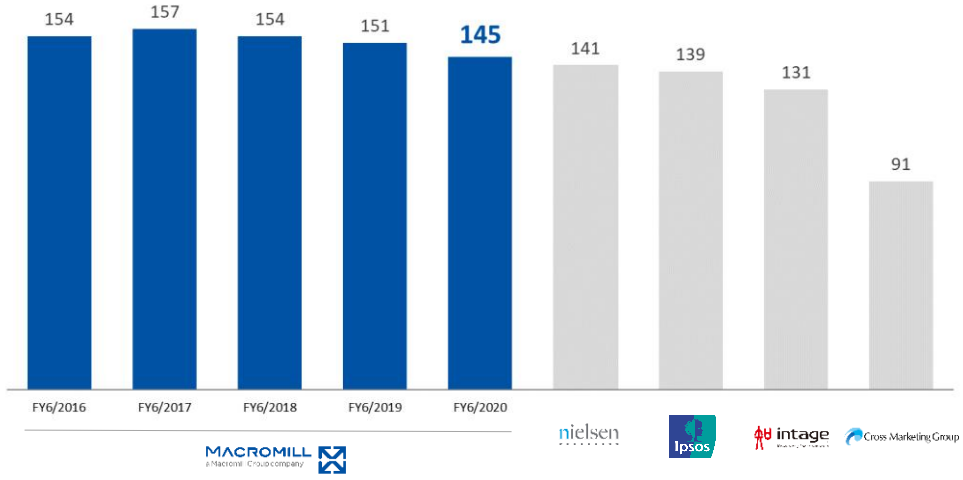
Notes

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, Last FY[3]



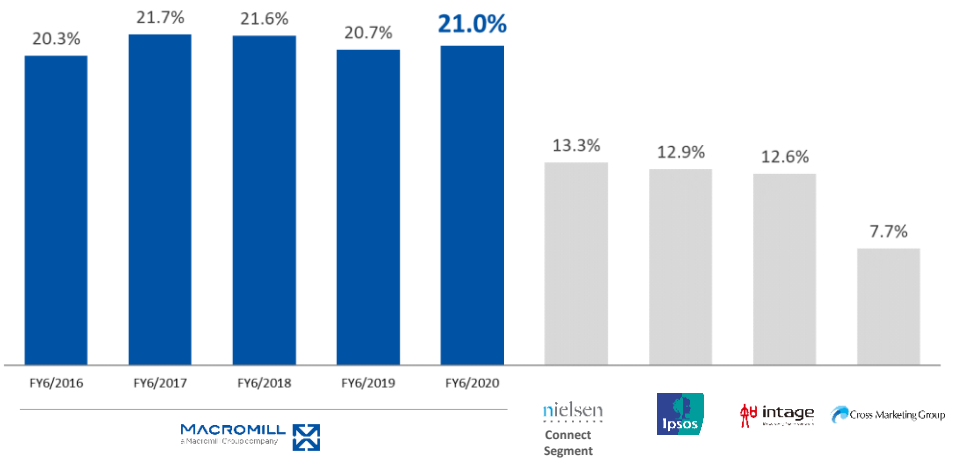
# of Employees[1] [4]	1,923 (6/16A)	2,120 (6/17A)	2,362 (6/18A)	2,666 (6/19A)	2,636 (6/20A)	46,000 (12/19A)	18,448 (12/19A)	3,710 (3/19A)	1,866 (12/19A)

Source Company Information

Notes
1. Include temporary employees
2. Exchange rate: USD/EUR = 0.875, USD/JPY = 105.0
3. As of June 30, 2020
4. As of the end of each fiscal year as noted on the graph labels
5. Consolidated figures for both the Revenue and number of employees
6. Macromill: EBITDA = Operating Profit + Depreciation and Amortization + Loss on Retirement of Non-current Assets + Impairment loss

EBITDA Margin[6] [7]

Last FY[3]



EBITDA[3] (US$MM)	60 (6/16A)	69 (6/17A)	79 (6/18A)	83 (6/19A)	80 (6/20A)	407 (12/19A)	303 (12/19A)	52 (3/19A)	13 (12/19A)

Source Company Information

Nielsen (Connect Segment): EBITDA = Operating Income + (Restructuring Charge + Depreciation and Amortization + Impairment Loss of Goodwill and Other Long-Lived Asset + Other Items).
Intage and Cross Marketing: EBITDA = Operating Income + (Depreciation and Amortization + Amortization of Goodwill + Impairment Loss)
Ipsos: EBITDA= Operating Income + (Depreciation and Amortization + Impairment Loss of Goodwill and Other Long-Lived Asset + Other Items)
Because of the adopted accounting principle and the definitions for EBITDA for each company differ, as well as other reasons, they may not be directly comparable

7. EBITDA margin = EBITDA / Revenue
8. EBITDA of Nielsen's "Connect Segment" is used for comparison purposes because it presents similarities with Macromill's business. EBITDA margin for Nielsen on a consolidated basis for the same period was 27.7%

3-Pillars M&A Strategy for Value Creation

1 Regional / Wallet Share Expansion × 2 Panel Access Expansion × 3 Technology / Solution Enhancement

Proven M&A Track Record

2010 Acquisition[1]

YAHOO! JAPAN Value Insight

Regional Expansion | **Panel** | Technology / Solution

☑ Doubled Panel Access

2011 Acquisition

Oxyme

Regional Expansion | Panel | Technology / Solution

☑ Acquired Social Analysis Capabilities

2012 Acquisition

embrain

Regional Expansion | **Panel** | Technology / Solution

☑ Access to Asian Client and Panels

2012 Joint Venture with Dentsu

電通マクロミル
(Dentsu Macromill)

Wallet Share Expansion | Panel | **Technology / Solution**

☑ Securing earnings stability and improving our ability to develop service in new domains

2013 Acquisition

PRECISION SAMPLE

Regional Expansion | **Panel** | **Technology / Solution**

☑ Access to US Panels

2014 Acquisition

metrix LAB
PREDICTING PEOPLE

Regional Expansion | **Panel** | **Technology / Solution**

☑ Global Client & Panel Base Access

2015 Strategic Alliance

NIKKEI-R

Regional Expansion | Panel | **Technology / Solution**

☑ Access to Solutions for Government

2017 Strategic & Capital Alliance
2018 Acquisition

centan

Regional Expansion | Panel | **Technology / Solution**

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

2017 Acquisition

acturus

Regional Expansion | Panel | **Technology / Solution**

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

2017 Strategic & Capital Alliance
2019 Acquisition

W&S Holdings market research

Regional Expansion | **Panel** | Technology / Solution

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

2018 Joint Venture with Hakuhodo (51% Majority Acquisition)

TOKYO SURVEY RESEARCH INC.

Wallet Share Expansion | Panel | **Technology / Solution**

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

2019 Asset Purchase

DI Asia — Data & Intelligence

Regional Expansion | **Panel** | Technology / Solution

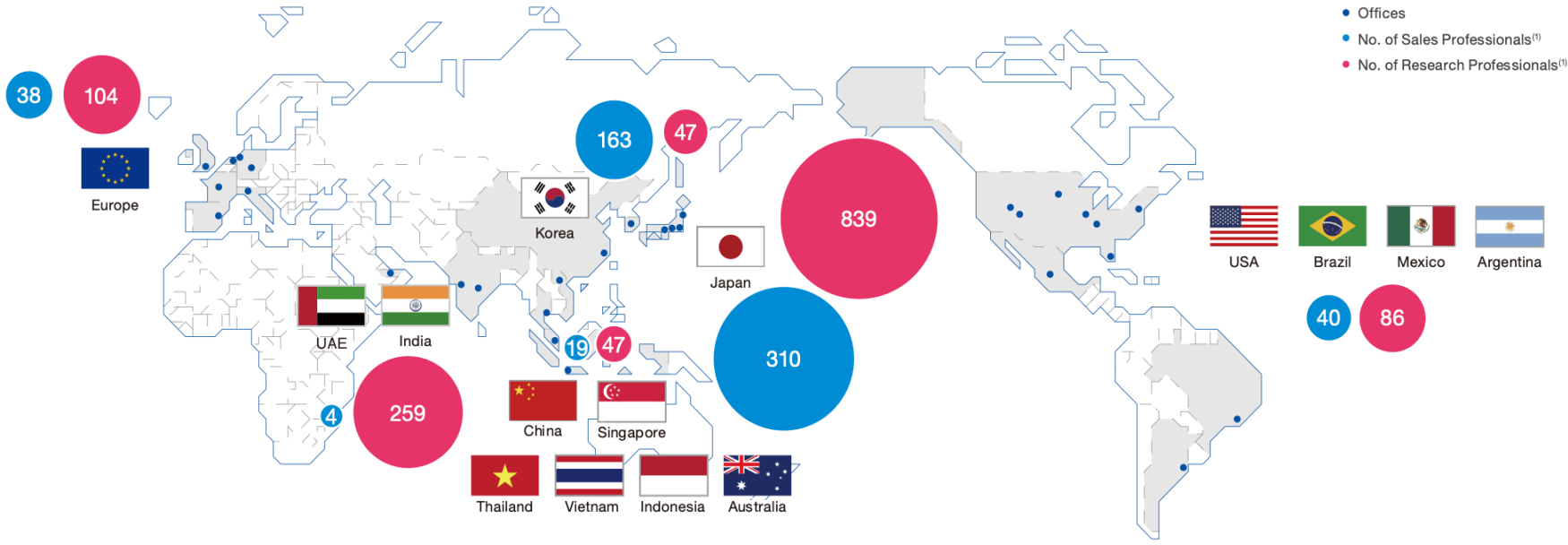
☑ Expand consumer panel in Southeast Asia
☑ Succession/Acquisition of Online panel asset only

Note
1. Acquired market research business only

Worldwide Sales & Research Delivery

Sales and Research Breakdown for Selected Key Markets[1]

As of end of June, 2020



2,400+[2] Employees in 50 Offices Worldwide

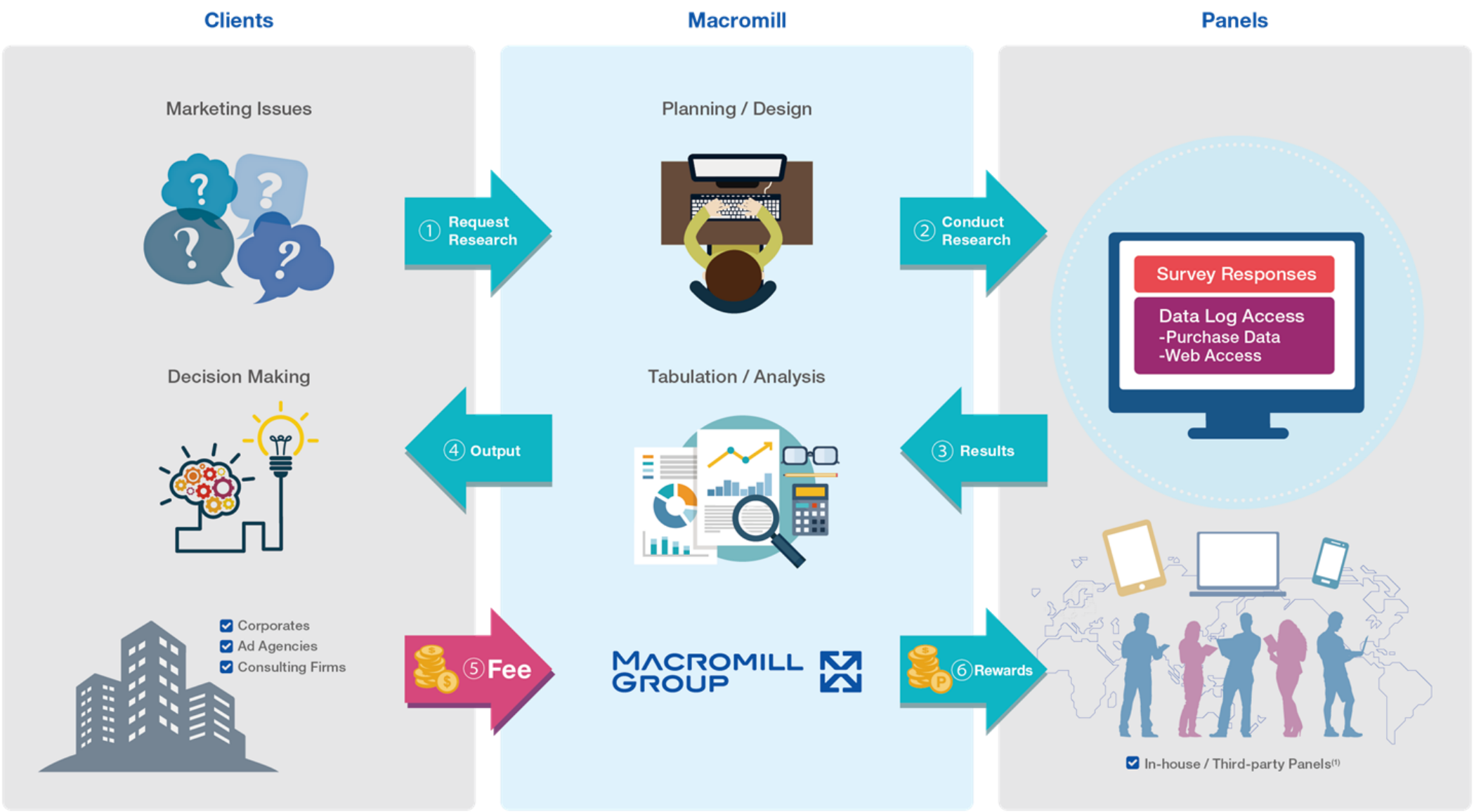
	Local **Deeper Local Consumer Insights**	Global **Coordinated Cross-Border Client Coverage**
Sales	☑ **Localized Sales Teams** c. 570[1] professionals across 50 offices worldwide	☑ **CEO-led Experienced Sales Professionals Deliver Coordinated GKA[3] Coverage**
Research	☑ **Seamless Coordination with Local Research Professionals**	☑ **Best Practice Sharing and Real-time Support from the Global Competence Center in India** ☑ **Export Superior Japanese *Kaizen* 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

Our Business Model

Typical market research workflow



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