

Full-Year FY04/23 Financial Results Presentation

June 13, 2023

Macbee Planet, Inc.
(Stock code : 7095)



FY04/23 Results Summary



■ Sharp growth in both sales and OP from FY04/22 which benefited from special demand. Achieved OPM of 10%, final year (FY04/24) target of medium-term plan. Will achieve MTP targets if sales & OP remain at 4Q levels.

Sales

(JPY mn)

MT business secured sharp growth due to proprietary data acquisition technology developed in Dec 2022. AC business also grew significantly.

	FY04/22	FY04/23	Change (%)
	14,425	19,589	+36%

▶ **AC business +33% YoY**

- Growth in existing customers
- Steady growth in newly-acquired clients

Analytics Consulting (AC)	13,499	17,914	+33%
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▶ **MT business +81% YoY**

- Improved analysis accuracy & results through use of proprietary data acquisition technology
- Promote Robee to AC customers

Marketing Technology (MT)	925	1,674	+81%
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Operating profit

	FY04/22	FY04/23	Change (%)
	1,237	2,162	+75%

▶ **Operating profit +75% YoY**

- Profit growth from business expansion

OPM	8.6%	11.0%	+2.4pt
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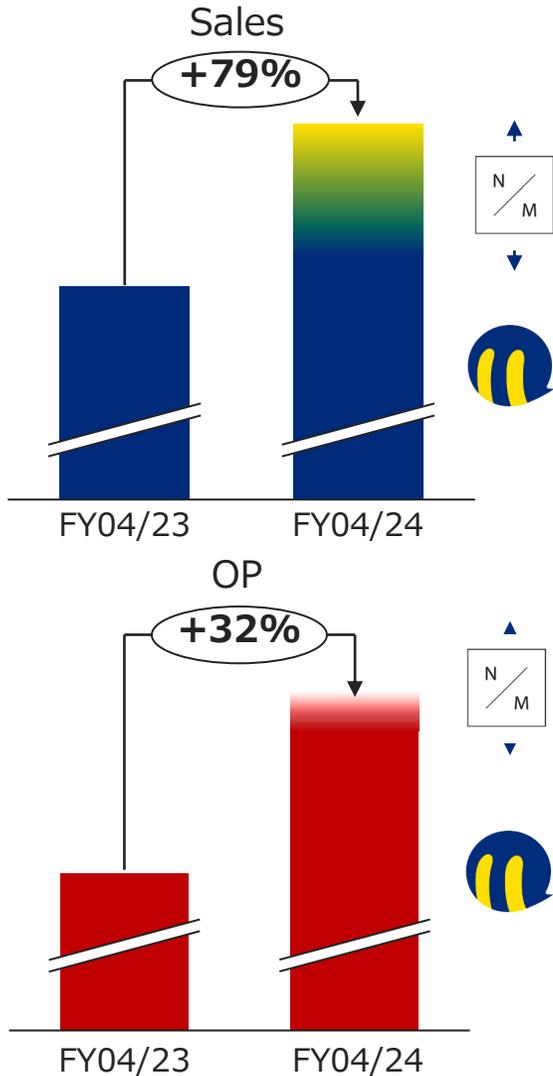
▶ **Operating profit margin +2.4ppt**

- High-margin MT business grew more than AC business (FY04/22: 18.4% → FY04/23: 20.8%)
Higher labor productivity

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FY04/24 forecasts

- Expect OP growth 30% higher than medium-term plan thanks to organic growth and consolidation of newly-acquired Net Marketing. Based on the results of the PMI, the next MTP will be disclosed in the next fiscal year.

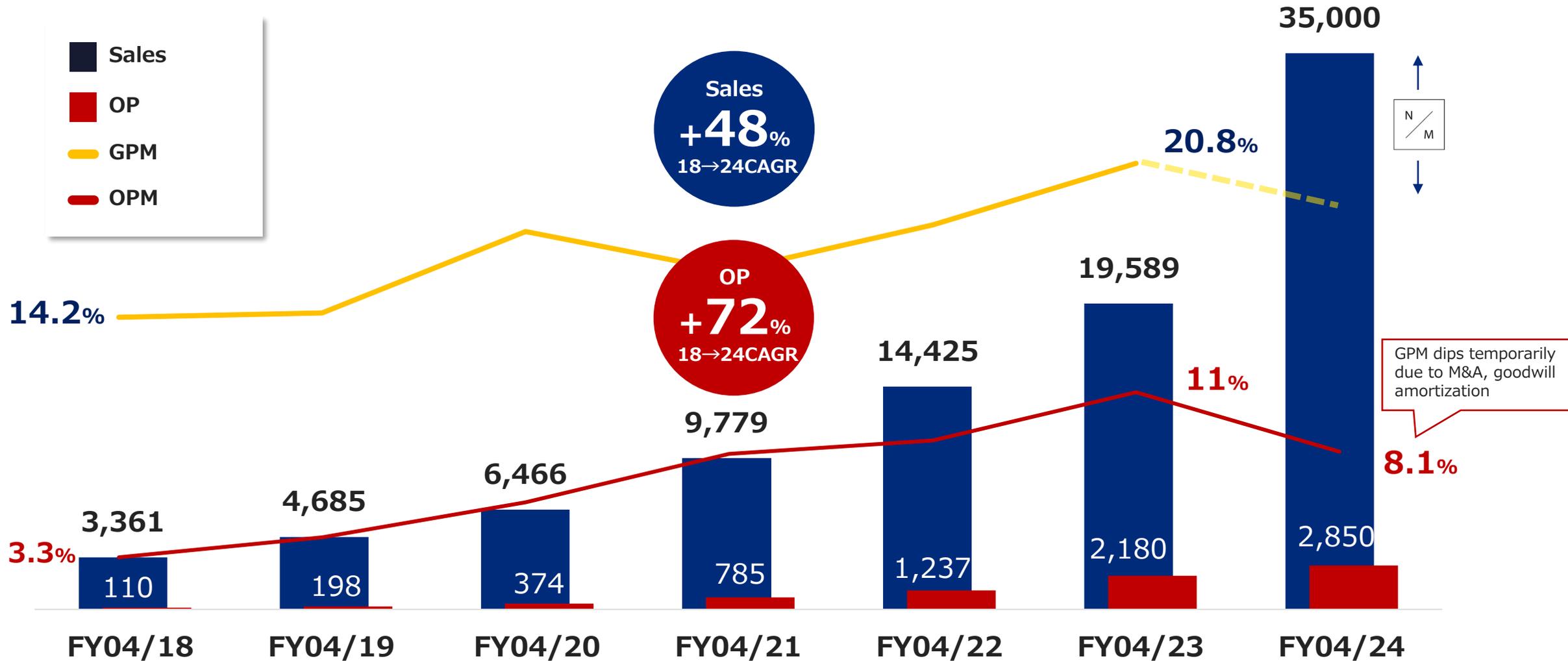


(JPY mn)	FY04/23 results	MTP (Dec 2021)	FY04/24 target	assumptions
Sales	19,589	22,000	35,000	<ul style="list-style-type: none"> Soft ad market, but tailwinds for LTV marketing from capture of high-quality users via pay-for-performance model
(YoY)	+36%	+12%	+79%	
OP	2,162	2,200	2,850	
(OPM)	11.0%	10.0%	8.1%	<ul style="list-style-type: none"> Organic growth at parent, consolidation of Net Marketing & value expansion from supplying technology
(YoY)	+75%	+2%	32%	
RP	2,108	-	2,800	<ul style="list-style-type: none"> Margins to temporarily dip, but GPM & OPM expected to improve longer-term. Aim to improve internet marketing ad efficiency with more data (may update forecasts)
NP attributable to parent owner	1,567*	-	1,800	
(YoY)	+106%	-	+15%	

*Extraordinary profit includes ¥244mn in sales of Net Marketing shares

Earnings

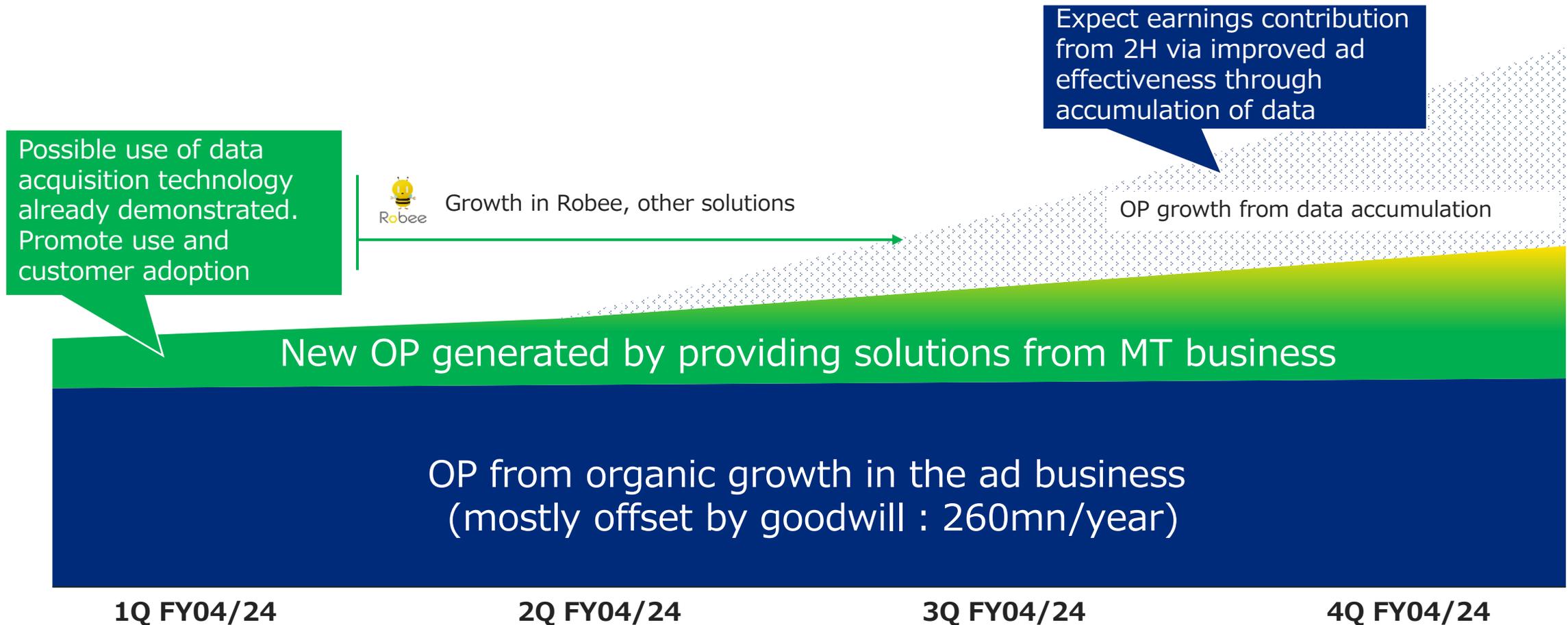
- Expect sales and OP growth from consolidation of Net Marketing. GPM & OPM likely to fall temporarily due to margin difference at acquired company and goodwill amortization, but aim to improve margins longer-term.



Profit contribution from Net Marketing

- MT business demonstrated that Macbee Planet technology can improve Net Marketing processes. Earnings contributions expected as data accumulates, but the plan is based on numbers with a high degree of certainty.

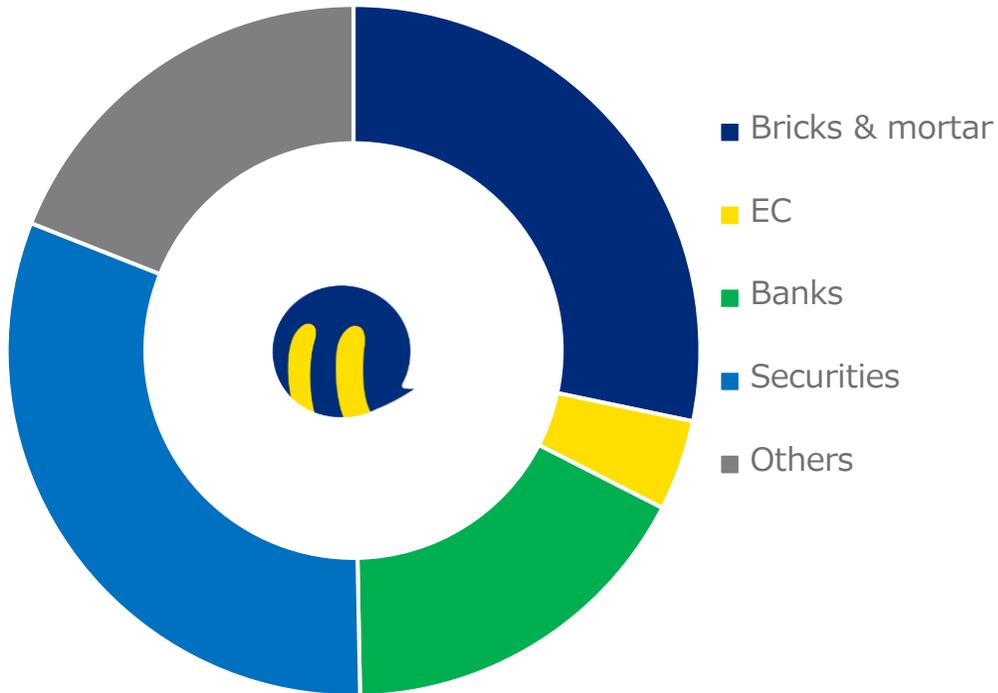
OP contribution



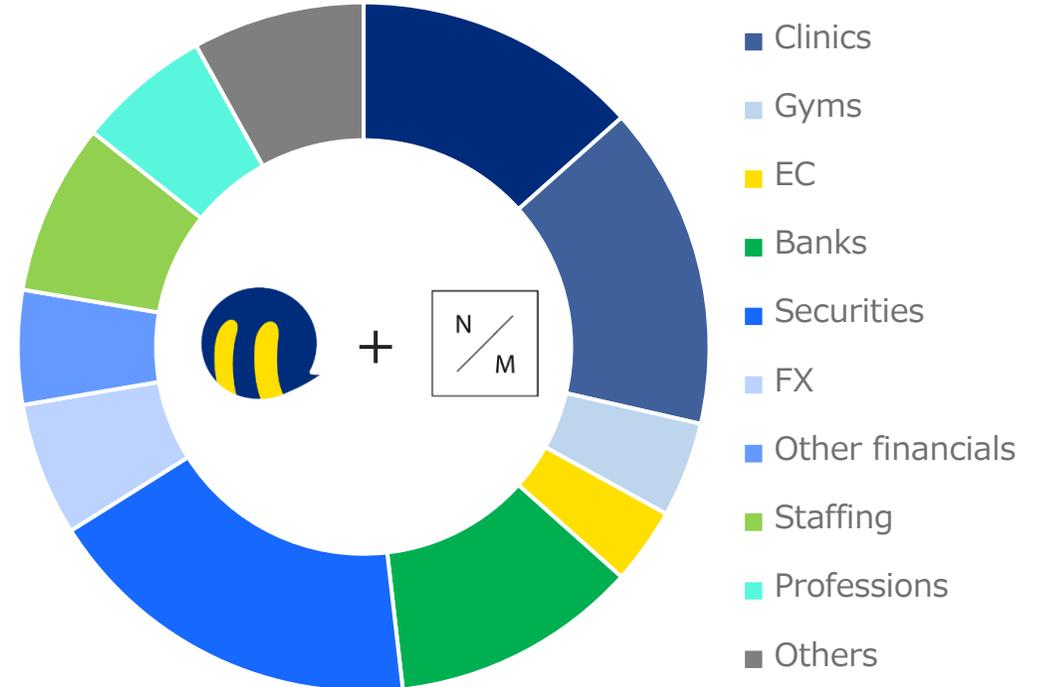
Diversifying customer portfolio

- Acquisition of Net Marketing broadens the customer portfolio.
Should reduce impact from changes in industry trends or from specific company factors.

Industry sales weighting



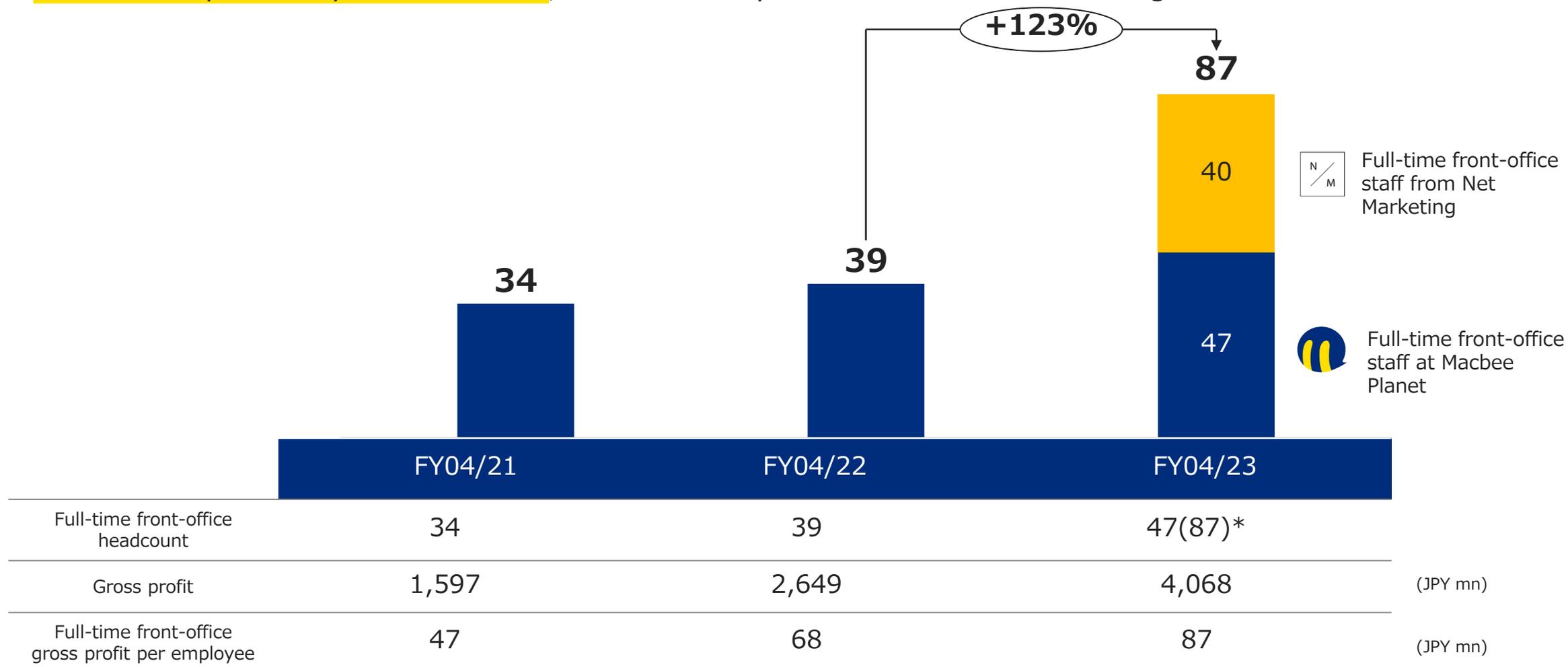
High weighting to some industries/ large customers so larger risk from individual factors



Exposure to more industries and lower share from large customers should lessen impact from individual company factors

Organizational expansion

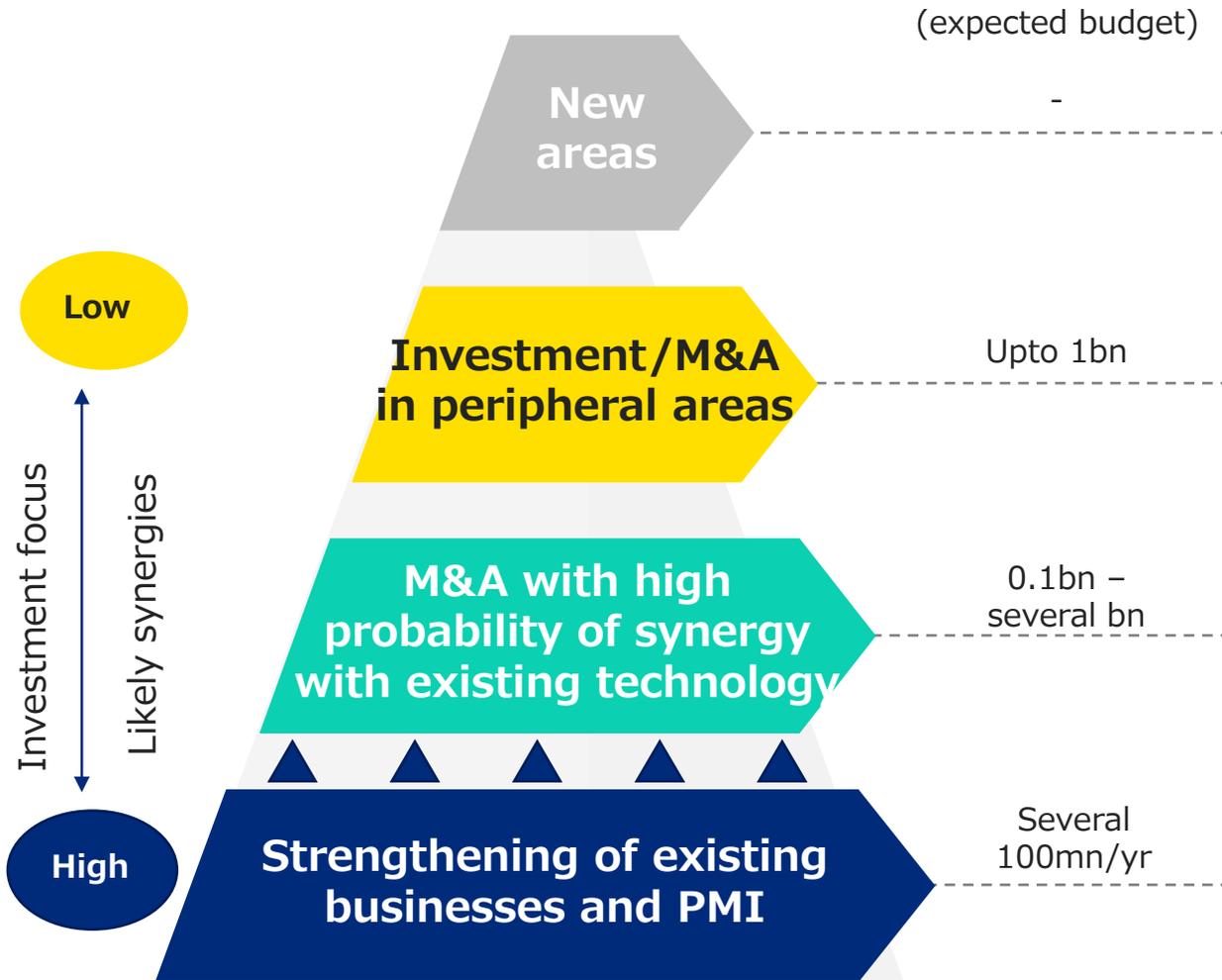
- Labor productivity improved through better in-house technology, front office per-employee gross profit improving year by year. The consolidation of Net Marketing, will lead to a sharp increase in front office staff, which had previously been an issue, and should lay the foundations for future growth.



* Shows headcount after adding Net Marketing staff at end-term
Gross profit per employee omitted as not included in consolidated PL

Investment strategy

- **Prioritize PMI & human capital investment.** Our investment focus is on enhancing/expanding areas where we can leverage existing competitiveness, but we will also consider investment in peripheral or new businesses.



New areas highly compatible with existing businesses, technologies & customers

X Tech

- Priority on rollout of LTV marketing

Areas that can benefit from LTV improvement, realization of a one-stop shop

Mar-Tech
(improving marketing)

- Marketing automation tools
- CRM tools
- Various digital communication tools

Secure new user acquisition areas, switch to LTV

Ad-Tech
(improving customer attraction)

- Consulting companies
- Internet ad agencies
- Ad distribution media

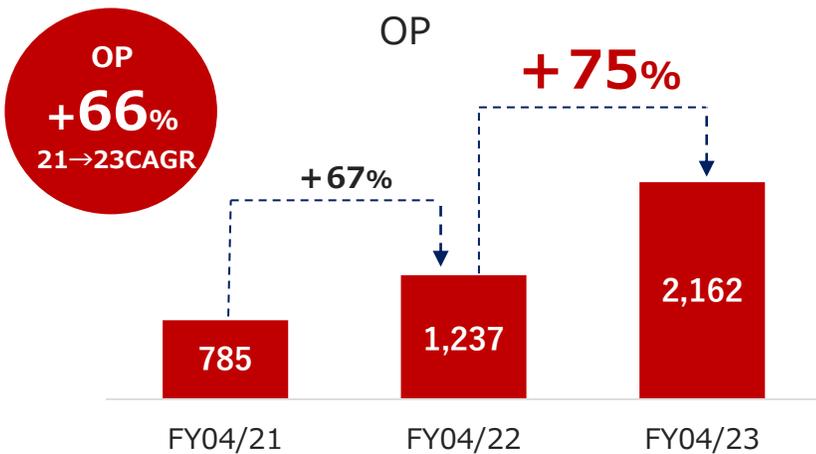
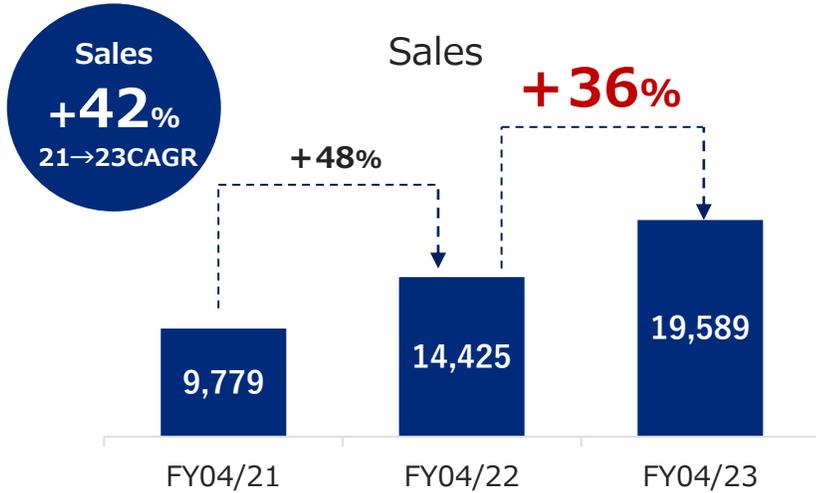
Focus on PMI with Net Marketing and human capital investment

Technology hiring, training

- Provide technology for Net marketing, Inc. to generate synergies
- Faster growth by bolstering recruitment
- Improve productivity via training

FY04/23 results summary

- Higher OP growth vs FY04/22, which saw one-off demand, on better data technology, improved ad efficiency. Beat plan which was raised in March. If earnings remain at 4Q levels over full-year, achieve MTP targets



(JPY mn)	FY04/23 plan (rev.)	FY04/22 results	FY04/23 results	vs plan (rev.)	YoY (%)
Sales	19,000	14,425	19,589	+3%	+36%
OP	2,050	1,237	2,162	+5%	+75%
OPM	10.8%	8.6%	11.0%	-	+2.4pt

YoY change

- Sharp improvement in GPM and OPM thanks to growth in high GPM MT business. Expansion at new & existing customers in existing industries, as well as to new industries such as human resources and education.

(JPY mn)	4Q FY04/22 results	4Q FY04/23 results	Change (+/-)	Change (%)
Sales	14,425	19,589	+5,163	+36%
Gross profit	2,649	4,067	+1,417	+54%
AC GP	1,744	2,403	+658	+38%
MT GP	905	1,664	+758	+84%
SG&A	1,412	1,905	+492	+35%
Personnel	565	721	+156	+28%
Hiring, training	52	61	+9	+17%
System usage fee	51	131	+79	+157%
Other costs	757	992	+235	+31%
OP	1,237	2,162	+924	+75%
OPM	8.6%	11.0%	+2.4pt	-

Technology improvements drive MT business, Achieved the target of 10% profit margin in the mid-term management plan

▶ AC gross profit **+38%**

- Sharp growth in new clients in bricks & mortar clients
- Sales flat YoY in securities (Sales from new customers made up for the loss of special demand in the previous fiscal year)
- Growth in regional banks, new projects among banks
- Progress with new clients in other services

▶ MT gross profit **+84%**

- Robee sales growth due to synergies with AC business
- Utilization of proprietary data acquisition tech improves accuracy of analysis

▶ SG&A

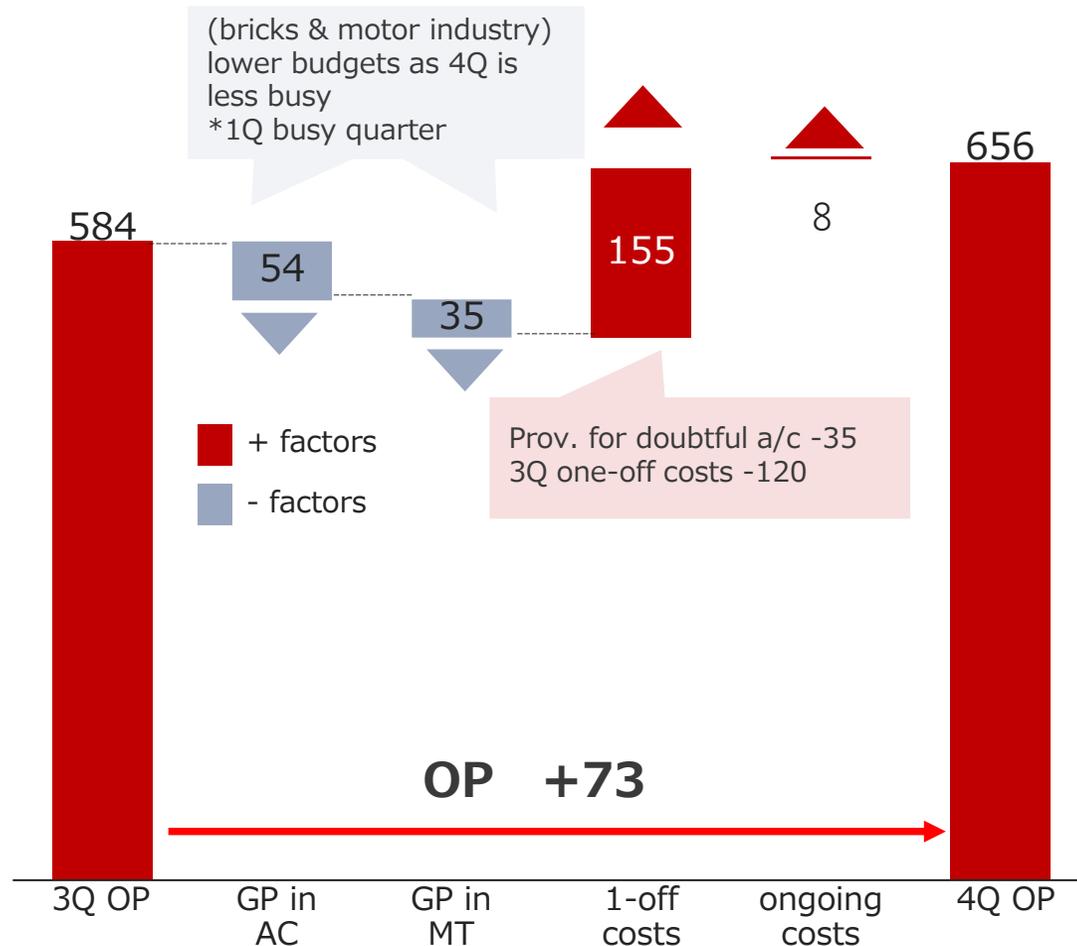
- Rising personnel costs from higher headcount: +JPY156mn
- System usage fee: DATA infrastructure construction +JPY79mn
- Other: M&A related costs (including one-off costs) +235mn

▶ OP **+75%** YoY

- Profit growth from business growth
- Planet Macbee gross margin improved on synergies between AC business & Robee

OP swing factors (QoQ)

- Profit declined in both AC, MT businesses due to seasonal slowdown for bricks & mortar customers. Profit boost from drop out of 3Q 1-off acquisition costs and Provision for doubtful accounts is recorded. 1Q GP to improve as bricks & mortar customers busier



	3Q FY04/23	4Q FY04/23	QoQ change (JPY)	QonQ change (%)
Sales	5,211	5,502	+290	+6%
Gross profit	1,173	1,084	-89	-8%
AC	683	628	-54	-8%
MT	490	455	-35	-7%
SG&A	589	427	-162	-28%
1-off costs	120	-35	-155	-
ongoing costs	470	462	-8	-2%
OP	584	656	+73	+12%
OPM	11.2%	11.9%	+0.7pt	-

Impact from stock option trusts

- Based on current information and prices, the estimated impact on earnings will be up to ¥30mn and is not expected to have any impact on underlying growth from an ongoing perspective.

In May 2023, the NTA said remuneration from trust-type stock options will be taxed as income when employees exercise rights granted by companies and acquire shares. For rights exercised by employees in the past, the agency said any withholding tax due will need to be paid.

We are considering our response to the ruling on our existing stock option trusts and our remuneration and tax policies. Following consultations with external experts, if any facts arise that need to be disclosed, we will do so in a timely manner. Although the financial impact is not clear, we view this as a 1-off event that does not affect our underlying business growth.

(Reference data)*

No. of stock option trusts created and granted (Number of shares)	108 (16,2000)
No. of stock option trusts unexercised	47 (70,500)
No. of trusts with rights already granted (May 2023)	49 (73,500)
Total shares outstanding (end-May 2023)	3,525,568

Estimated impact

¥30mn (estimate)

Impact amount considered necessary to agree with the person who exercised the right

* Please refer to details from FY04/22 financial statement (*yuka-shoken-hokusho*) disclosed on 28 July 2022, specifically (2) Status of Stock option rights, 1. Details of stock option system

* Two stock options have been executed

appendix

- Business Performance
- Business environment
- Business description



Business Performance

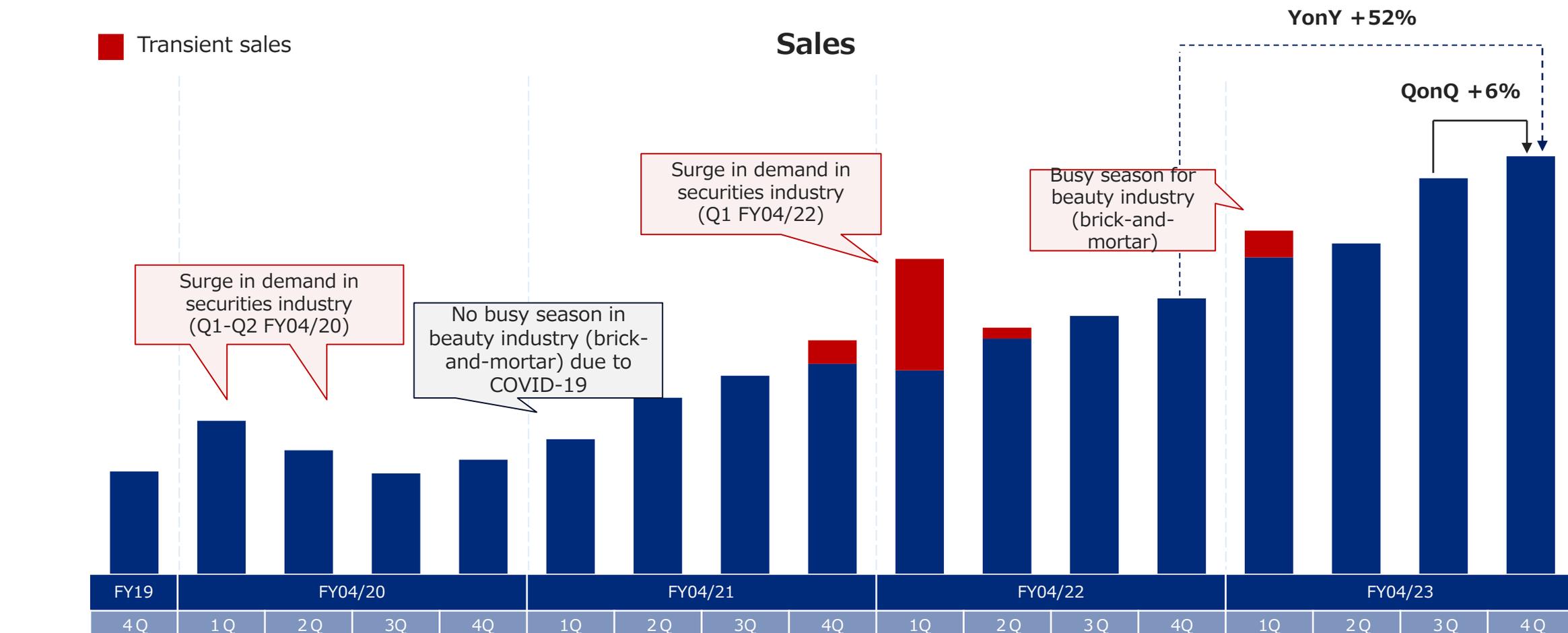
Performance Trends



(JPY mn)	FY04/21				FY04/22				FY04/23			
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
Net sales	1,772	2,320	2,609	3,076	4,150	3,244	3,400	3,630	4,521	4,354	5,211	5,502
(YoY)	-12.1%	+42.6%	+97.5%	+104.9%	+134.2%	+39.8%	+30.3%	+18.0%	+8.9%	+34.2%	+53.3%	+51.6%
Gross profit	305	373	404	513	575	664	652	757	915	893	1,173	1,084
(Gross profit margin)	17.2%	16.1%	15.5%	16.7%	13.9%	20.5%	19.2%	20.9%	20.3%	20.5%	22.5%	19.7%
(YoY)	-11.0%	+26.1%	+54.4%	+89.2%	+88.4%	+77.7%	+61.2%	+47.5%	+59.2%	+34.5%	+79.9%	+43.1%
SG&A expenses	168	175	206	261	241	359	399	411	466	421	589	427
Personnel expenses	109	108	115	95	118	131	155	160	173	175	195	178
Advertising expenses	6	9	14	9	12	3	7	4	2	4	13	7
Recruiting & Education expenses	9	11	8	18	5	11	13	21	13	24	15	8
R&D expenses	-	-	-	-	9	5	3	3	3	3	1	1
Depreciation & amortization	2	3	3	4	4	5	7	9	6	9	8	8
M&A-related expenses	-	-	-	-	-	85	41	41	41	41	71	41
System outsourcing expenses	4	10	9	7	9	12	9	8	5	4	3	4
Other Expenses	35	32	54	126	81	104	160	162	220	157	279	180
Operating profit	137	198	197	252	333	304	253	346	449	472	584	656
(Operating profit margin)	7.7%	8.6%	7.6%	8.2%	8.0%	9.4%	7.4%	9.5%	9.9%	10.8%	11.2%	11.9%
(YoY)	-35.0%	+72.6%	+177.4%	-	+143.4%	53.5%	+27.8%	+37.4%	+34.8%	+54.9%	+130.8%	+90.0%

*Consolidated financial statements were introduced at the end of FY04/21. Thus, figures before Q3 FY04/21 are non-consolidated.

Quarterly Net Sales



Sales 1,346 2,015 1,627 1,321 1,501 1,772 2,320 2,609 3,076 4,150 3,244 3,400 3,630 4,521 4,354 5,211 5,502

*Consolidated financial statements were introduced at the end of FY04/21. Thus, figures before Q3 FY04/21 are non-consolidated.

Financial Results by Segment



(JPY mn)	FY04/21				FY04/22				FY04/23			
	1 Q	2Q	3 Q	4Q	1Q	2Q	3Q	4 Q	1 Q	2Q	3Q	4 Q
Net Sales	1,772	2,320	2,609	3,076	4,150	3,244	3,400	3,630	4,521	4,354	5,211	5,502
AC business	1,702	2,237	2,535	3,003	4,044	2,992	3,132	3,329	4,129	4,025	4,721	5,038
MT business	69	83	73	72	105	251	267	300	391	328	490	463
Gros Profit	305	373	404	513	575	664	652	757	915	893	1,173	1,084
(GP margin)	17.2%	16.1%	15.5%	16.7%	13.9%	20.5%	19.2%	20.9%	20.3%	20.5%	22.5%	19.7%
AC business	238	290	331	440	472	425	388	458	525	565	683	628
(AC GP margin)	14.0%	13.0%	13.1%	14.7%	11.7%	14.2%	12.4%	13.8%	12.7%	14.1%	13.8%	12.5%
MT business	66	82	72	72	102	238	263	299	390	328	490	455
(MT GP margin)	96.1%	99.5%	98.6%	99.9%	97.2%	95.0%	98.5%	99.6%	99.6%	99.9%	100%	98.2%
Operating Profit	137	198	197	252	333	304	253	346	449	472	584	656
(OP margin)	7.7%	8.6%	7.6%	8.2%	8.0%	9.4%	7.4%	9.5%	9.9%	10.8%	11.2%	11.9%
AC business	192	232	283	364	388	338	310	348	397	465	544	548
(AC segment profit margin)	11.3%	10.4%	11.2%	12.1%	9.6%	11.3%	9.9%	10.5%	9.6%	11.6%	10.9%	10.9%
MT business	45	51	21	6	67	74	157	189	279	233	397	351
(MT segment profit margin)	64.9%	62.3%	28.9%	8.6%	64.1%	29.5%	58.9%	62.9%	71.2%	71.0%	75.2%	75.8%
Adjustments	-100	-86	-106	-118	-122	-107	-215	-191	-226	-226	-358	-242

*Consolidated financial statements were introduced at the end of FY04/21. Thus, figures before Q3 FY04/21 are non-consolidated.

Sales Ratio by Industry



(JPY mn)	FY04/21								FY04/22								FY04/23							
	1Q		2Q		3Q		4Q		1Q		2Q		3Q		4Q		1Q		2Q		3Q		4Q	
	JPY	Ratio	JPY	Ratio	JPY	Ratio	JPY	Ratio	JPY	Ratio	JPY	Ratio	JPY	Ratio	JPY	Ratio	JPY	Ratio	JPY	Ratio	JPY	Ratio	JPY	Ratio
ALL	1,772	-	2,320	-	2,609	-	3,076	-	4,150	-	3,244	-	3,400	-	3,630	-	4,521	-	4,354	-	5,211	-	5,502	-
Finance	581	33%	969	42%	1,240	48%	1,894	62%	2,935	71%	1,713	53%	1,540	45%	1,798	50%	2,118	47%	2,120	49%	2,624	50%	3,169	58%
Banks	197	11%	256	11%	244	9%	382	12%	312	8%	461	14%	398	12%	606	17%	692	15%	734	17%	887	17%	1,110	20%
Securities	352	20%	627	27%	910	35%	1,418	46%	2,567	62%	1,208	37%	1,094	32%	1,142	32%	1,375	30%	1,334	31%	1,667	32%	1,990	36%
Other financial	31	2%	85	4%	86	3%	94	3%	54	1%	43	1%	46	1%	50	1%	43	1%	48	1%	70	1%	67	1%
Wellness	779	44%	1,083	47%	907	35%	685	22%	606	15%	519	16%	1,111	33%	1,049	29%	1,479	33%	1,527	35%	1,805	35%	1,221	22%
Brick & Mortar	169	10%	181	8%	111	4%	144	5%	160	4%	199	6%	928	27%	819	23%	1,144	25%	1,280	29%	1,572	30%	1,055	19%
Cosmetics EC	376	21%	591	26%	543	21%	379	12%	327	11%	220	7%	119	4%	178	5%	218	5%	157	4%	79	2%	92	1%
Healthy food EC	420	13%	311	13%	251	10%	160	5%	119	3%	98	3%	62	2%	50	1%	74	1%	88	2%	152	3%	73	1%
Others	410	23%	267	12%	461	18%	496	16%	607	15%	1,011	31%	749	22%	781	22%	923	20%	706	16%	782	15%	1,111	20%

Balance Sheet

(JPY mn)	FY04/22	FY04/23 *	Change(amount)
Assets	5,880	17,519	+11,638
Current assets	4,119	13,877	+9,758
(Cash and deposits)	(2,097)	(9,663)	+7,565
Non-current assets	1,761	3,642	+1,880
Liabilities	3,092	9,352	+6,259
Current liabilities	2,547	7,409	+4,862
Non-current liabilities	545	1,942	+1,396
Net assets	2,788	8,167	+5,379
Shareholders' equity	2,657	8,097	+5,440

Current ratio

187.3%

Equity ratio

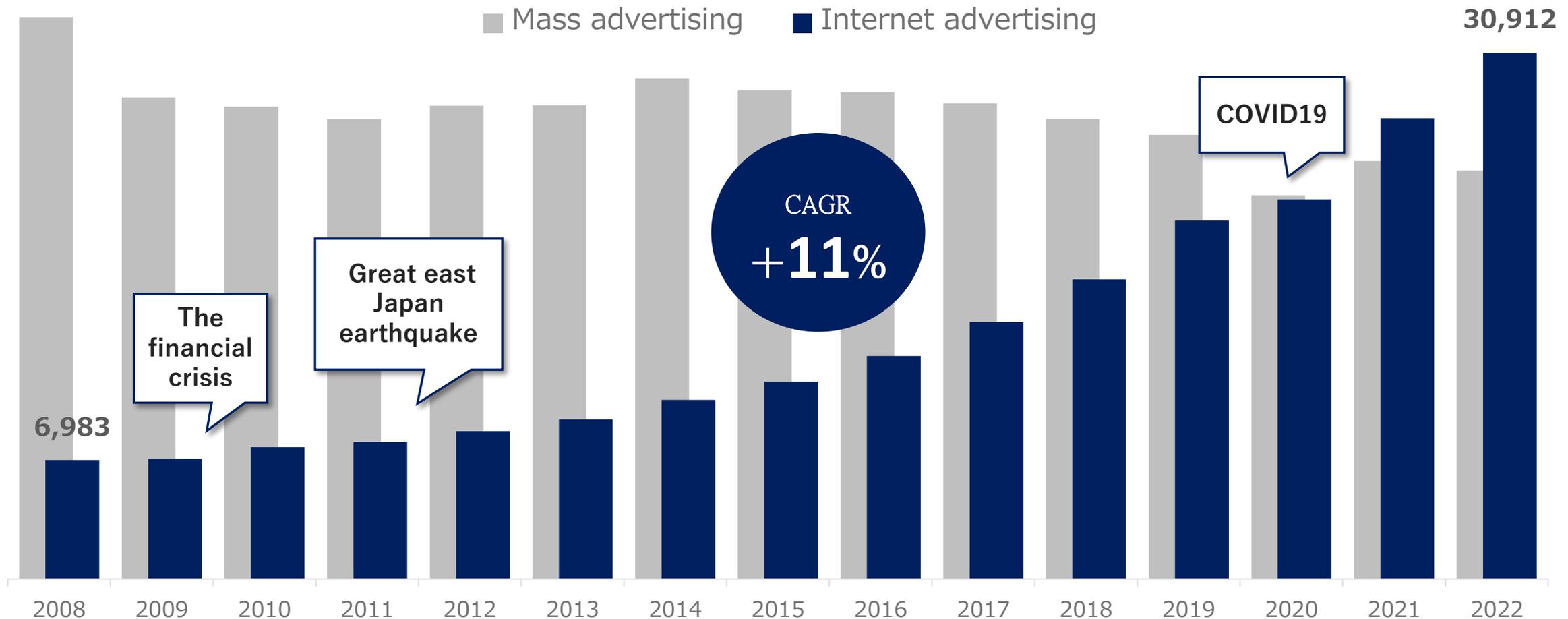
46.2%

* Includes the effect of consolidation of BS of NetMarketing,Inc and borrowing and capital increase

Business environment

Target market: Internet advertising market

- Digital shift of advertising budgets continues, as a result, Internet advertising surpassed Mass advertising and became a ¥3trillion market. Internet advertising has continued to grow at double-digit rates despite the recession, and is expected to continue to achieve strong growth in the future.



Source: Dentsu, Advertising Expenditures in Japan, 2008-2022

Challenges in the Internet Advertising Industry

- Digital advertising budgets have been squandered on targets that will never become customers. Cookie regulations are expected to further reduce accuracy and worsen cost-effectiveness.

Nearly 40% of digital ad budgets are wasted on the wrong audiences, leaving significant room for ROI improvement

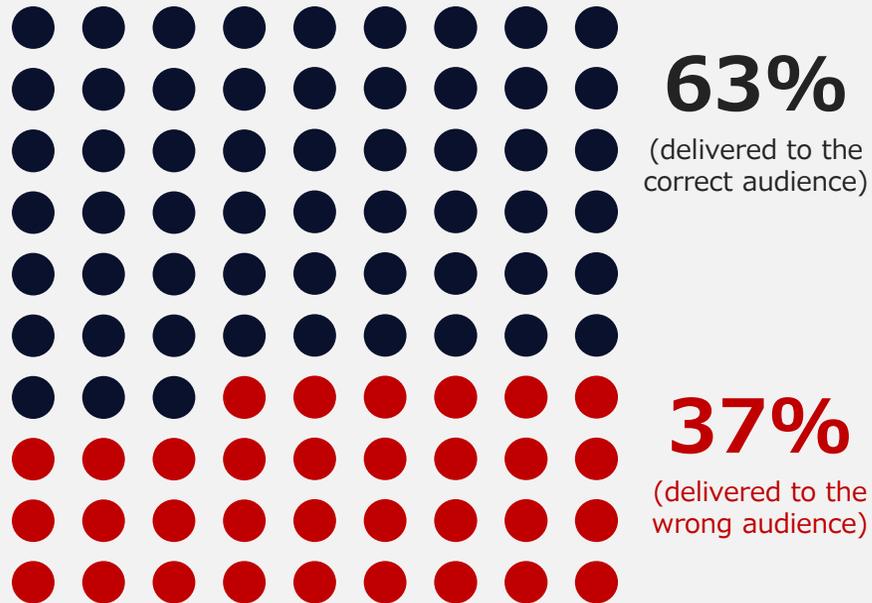
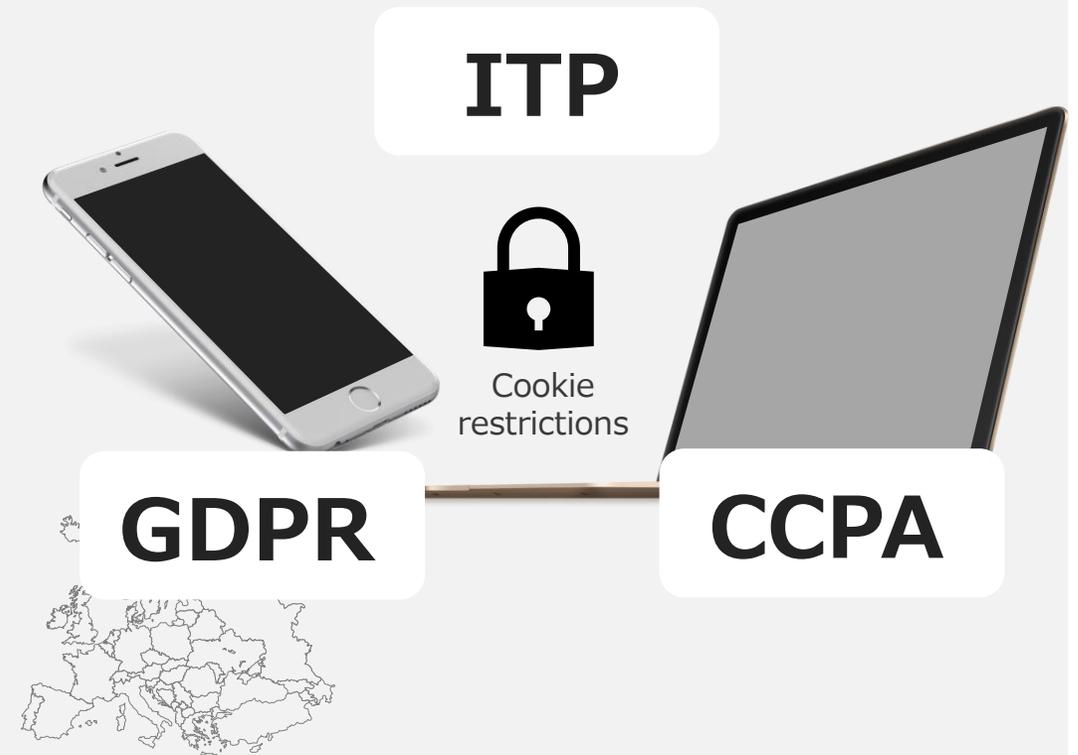


Exhibit: Nielsen Digital Ad Ratings, U.S. Benchmarks Report - Q2 2019-Q1 2020

GDPR, CCPA, and Other Privacy Regulations Advance. Cookie-based targeting becomes even more difficult.



What we want to achieve:

Transformation of the Internet advertising industry



- As the market leader in LTV marketing, we have solved the problems of the Internet advertising industry, Converting the ¥3 trillion Internet advertising market to LTV marketing.

Client Needs: To increase LTV and optimize marketing ROI

Current Internet Advertising Issues

3 trillion yen market

results

Advertising costs do not always translate into sales.

Cost: Charging system based on ad serving and number of clicks

KPI: Number of prospects User acquisition cost

Data

Cookie restrictions reduce data accuracy

Due to decreased targeting accuracy of ads
Acquisition costs soared and ROI declined

skill

Advertising management skills are in the genus

Results vary depending on the experience of the person in charge.



LTV Marketing

results

Pay-for-performance model **directly** linked to **long-term sales**

Cost : Performance-based on sales and LTV

KPI: Number of continuing users attracted LTV/ROI

Data

Proprietary Data Acquisition Technology

3rd To be independent of Party Cookies

Stable results generation even after cookie regulation

skill

Optimization by **AI**

Immediate increase in workforce and productivity

High service quality independent of the experience of the person in charge

Business description

Company overview / history



Company Overview

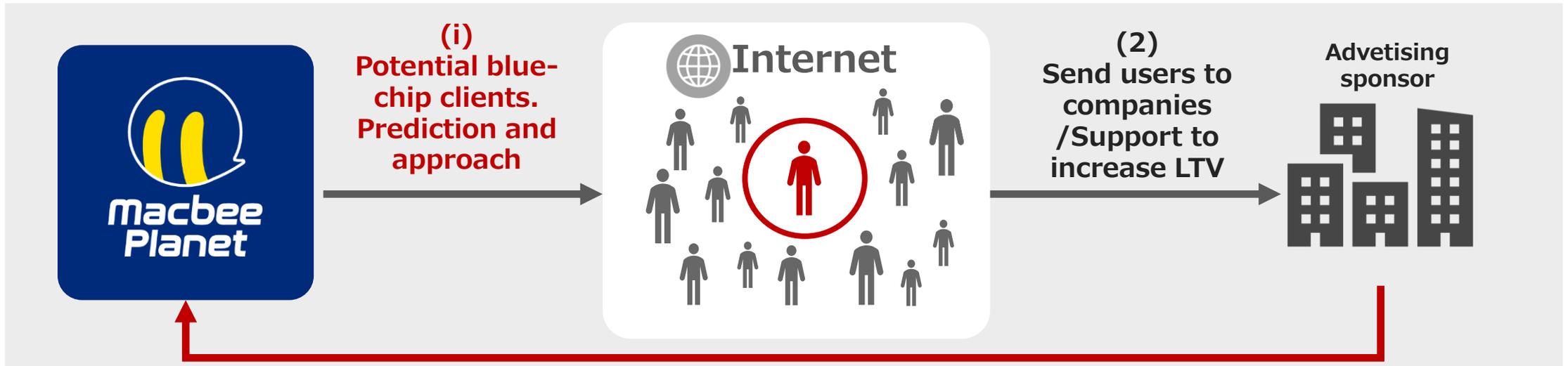
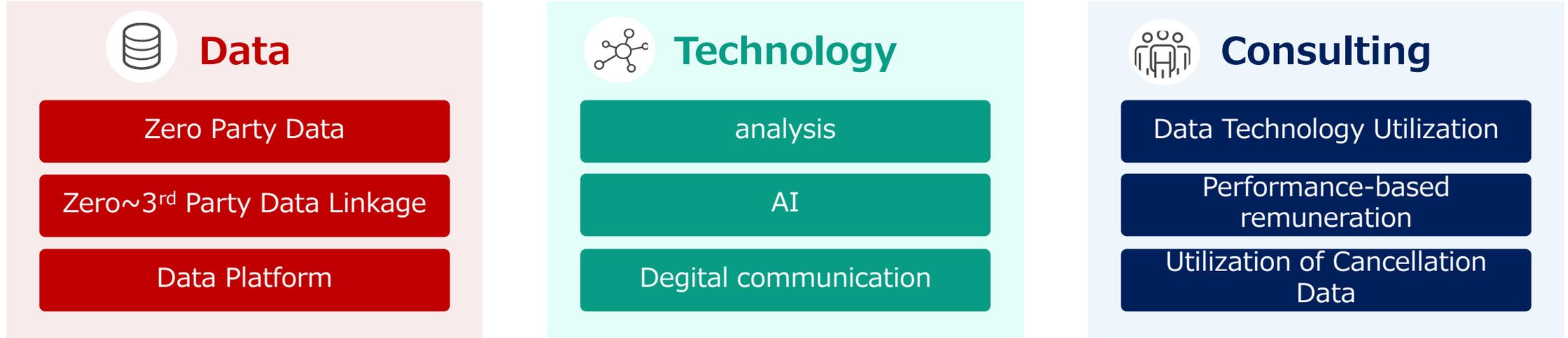
Company name	Macbee Planet, Inc. (7095-JP)
Establishment date	August 25, 2015
Capital	2,340 million yen (as of end-April 2023)
Business description	Provision of data-driven marketing analytics services
Head office location	3-11-11 Shibuya, Shibuya-ku, Tokyo
No. of employees	149 (as of end-April 2023)

History

Aug. 2015	Established Macbee Planet, Inc.
Aug. 2015	Released data analytics platform "Honeycomb"
Nov. 2017	Released web customer service tool "Robee"
Mar. 2020	Listed on Mothers section of the Tokyo Stock Exchange
Mar. 2021	Established Smash Co., Ltd.
Aug. 2021	Made α, Inc. a wholly owned subsidiary
Mar. 2023	Made Net Marketing, Inc. a wholly owned subsidiary

Business Overview: What is LTV Marketing?

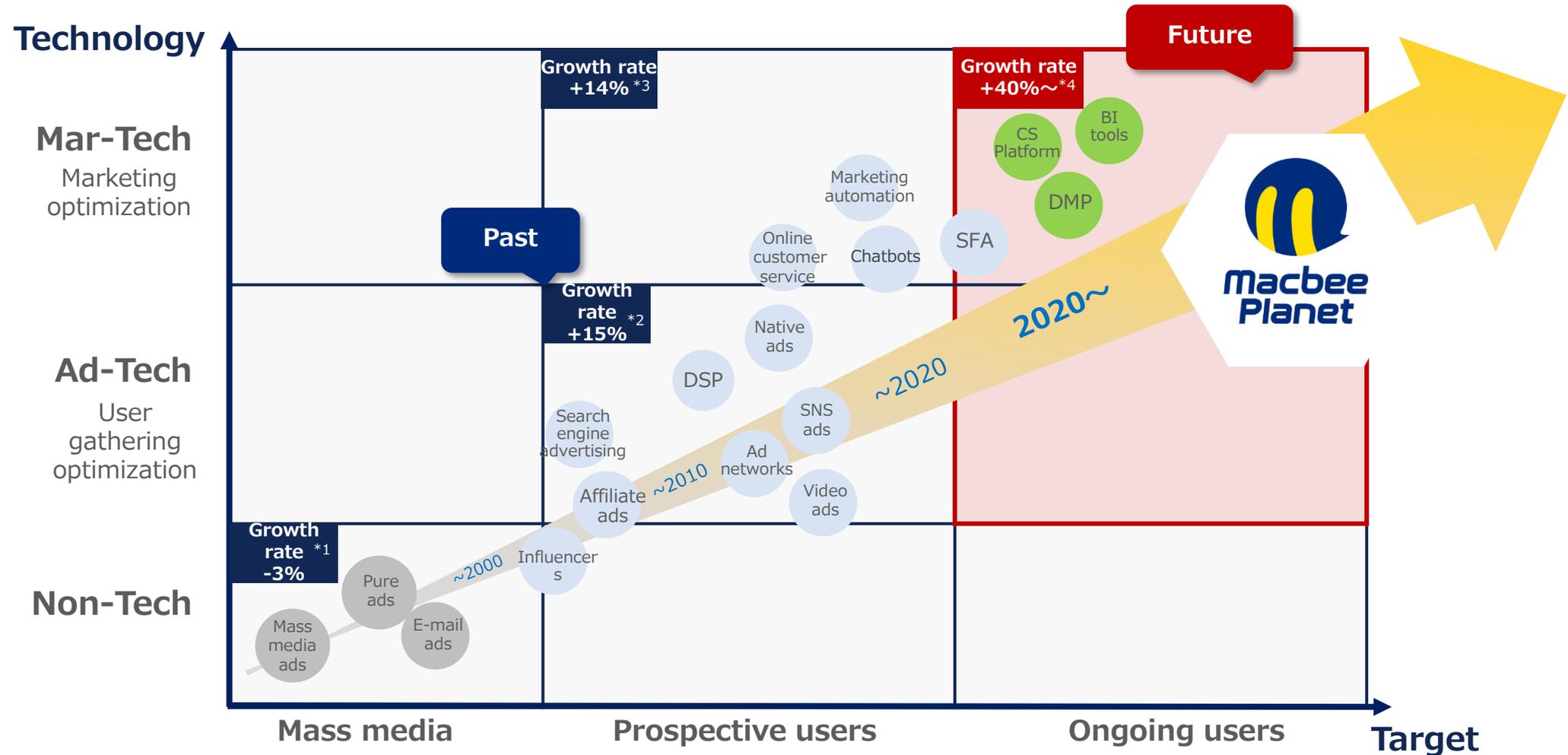
- Maximizing the amount and duration of user spend by making full use of data Digital Marketing.



(3) Receipt of performance fees

Positioning

- Unlike traditional quantity-oriented marketing which other agencies offer, we focus on the quality of customer. We will continue to achieve rapid growth by reshaping Japan's marketing landscape.



*1 Traditional market expenditures in "2021 Advertising Expenditures in Japan" (Dentsu)
 *2 Traditional market expenditures in "2021 Internet Advertising Expenditures in Japan" (Dentsu)

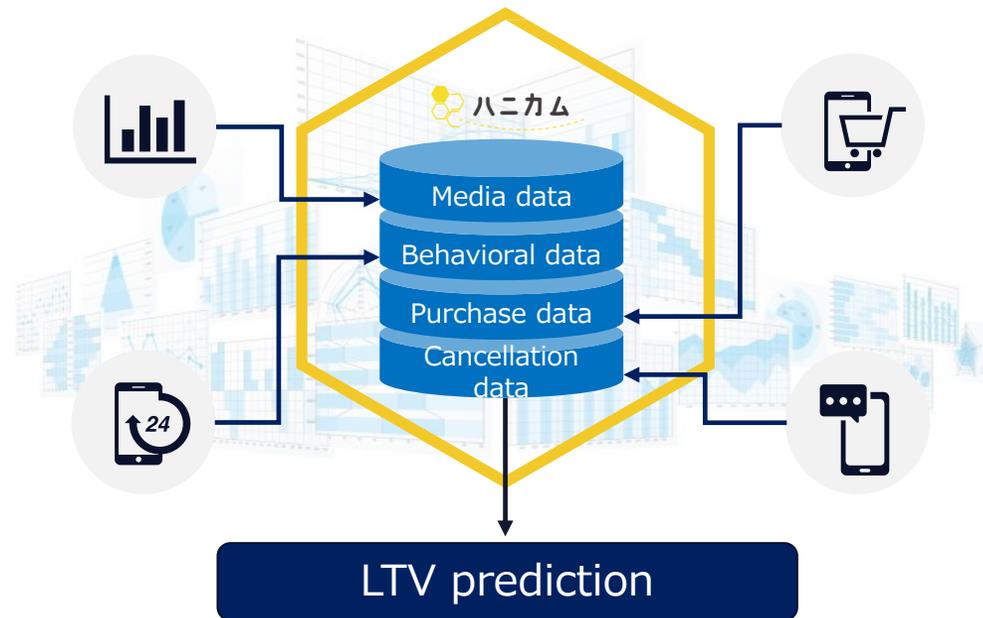
*3 "Movement in scale of online customer service market and forecasts" (ITR)
 and "DMP (Data Management Platform) & MA (Marketing Automation) Market 2020" (Yano Research Institute)
 *4 Macbee Planet Sales CAGR (FY04/18 to FY04/22)

Analytics Consulting Business (AC Business)

■ Analyzes data and attracts customers on a pay-for-performance basis based on LTV forecasts.

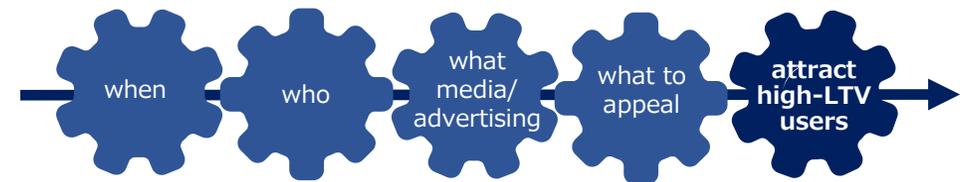
1 LTV data analytics

Data obtained from media and in-house tools are analyzed in order to identify the attributes of high-LTV users.



2 Use data to attract users on a pay-for-performance basis

Based on the data, our consultants plan and implement ways to attract new users on a fully pay-for-performance basis.



Unit price of performance compensation ×
No. of results generated

Costs: Media publishing costs
Gross profit margin: Approx. 15%

*Averaged gross margin ratio of Analytics Consulting business segment from FY04/2020 to 3Q FY04/2023

Marketing Technology Business (MT Business)

- Improve LTV by raising the LTV of new customers and lowering the cancellation rate of existing customers. Optimize ad delivery by using AI and 3D technology.

1 Convert attracted users into customers

Robee provides customer service to attracted users and converts them into high LTV customers.



¥ Fixed monthly rate or Performance compensation

2 Prevent existing customers from churning

A chatbot is used to encourage existing users considering canceling to continue, thereby reducing the churn rate and improving LTV.



¥ Fixed monthly rate or Monthly fee + Performance compensation

3 AI-powered ad delivery

Ad delivery using proprietary AI-powered delivery algorithms and 3D creatives



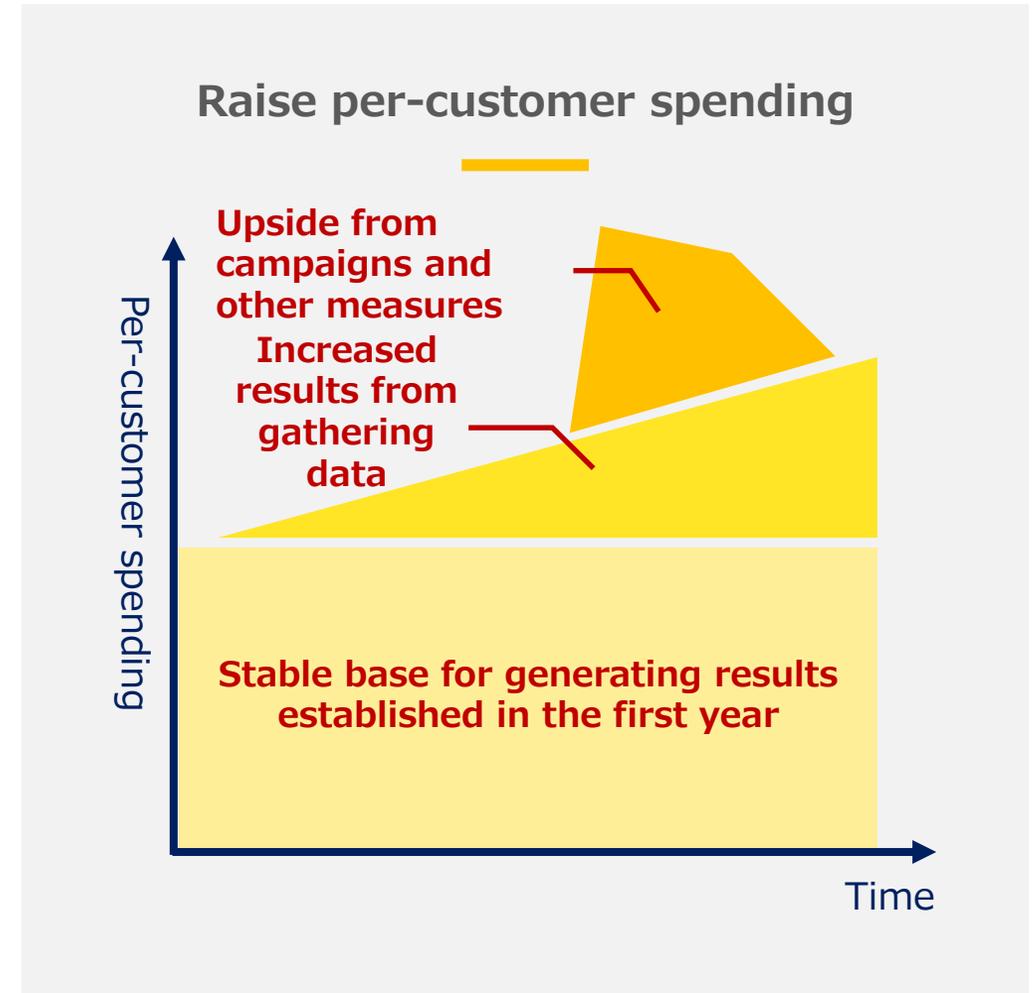
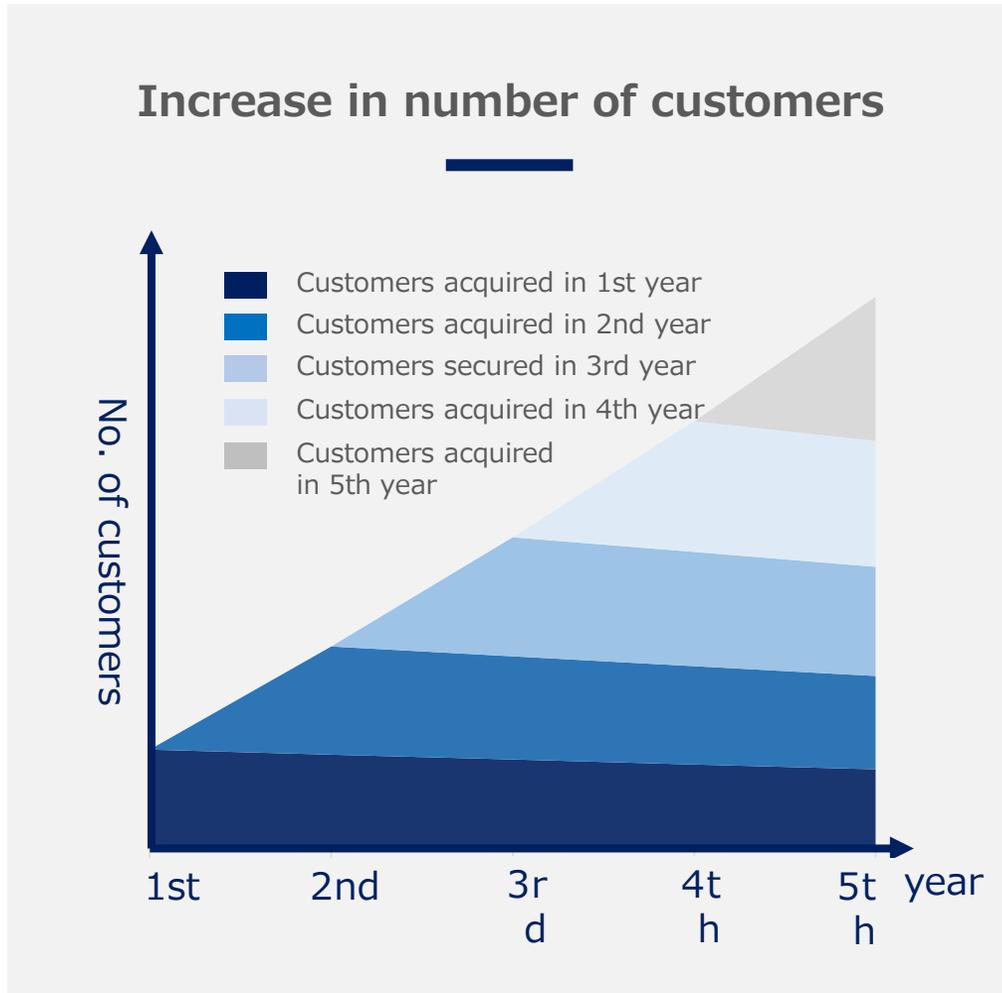
¥ Depends on ad delivery volume

Gross profit margin: Over 95%*

* MT Business Segment Gross Profit Margin for FY20 - FY22

Business characteristics

- We accelerate growth by increasing new customers and raising per-customer spending.



Source of competitive strength

- LTV marketing is achieved through **data, technology, and consulting.**

LTV marketing components



Data

0 party data

- Reasons for cancellations
- VOC gathering
- Loyalty as data

0 to 3rd party data links

- Behavioral data
- Psychological data
- Purchase data
- Attribute data

Data platform

- Integrate data for the same ID
- Visualize user touchpoints/psychology



Technology

Analysis

- Machine learning
- Audio analysis
- Emotion analysis
- Cancellation analysis

AI

- Withdrawal prediction
- LTV prediction
- Cancellation prediction
- Delivery algorithm

Digital communications

- Hospitality
- Chatbots
- Popup
- 3D creative



Consulting

Use of data technology

- Data-driven
- Use of own products
- Leverage promptly using templates

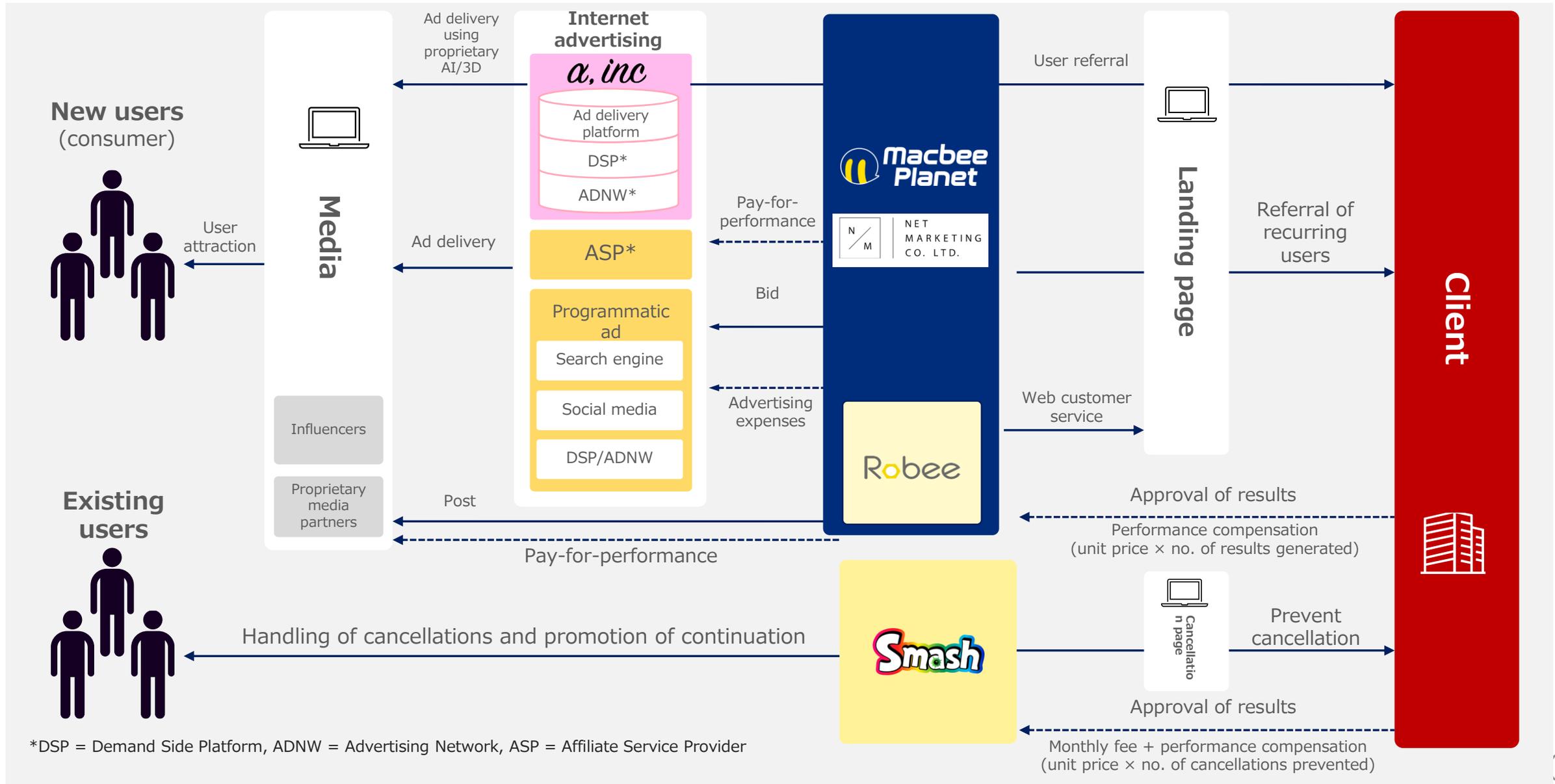
Pay-for-performance basis

- Attract users who would continue to use the services
- Expertise in increasing LTV

Use of cancellation data

- Lower churn rate by preventing cancellations
- Identify issues in marketing

Business process diagram



*DSP = Demand Side Platform, ADNW = Advertising Network, ASP = Affiliate Service Provider

Disclaimer

This document contains forward-looking statements based on information available to the Company at the time it was prepared and involves risks and uncertainties. As such, these statements do not guarantee future business results or outcomes.

Actual results may differ materially from the forward-looking statements in this document due to changes in the business environment or other factors.

The above risks and uncertainties include, but are not limited to, factors such as economic conditions in Japan and overseas, and trends in the industries in which the Company operates.

The Company shall assume no obligation to update or revise any forward-looking statements contained in this document, even if new information or events occur in the future. The information contained herein, other than about the Company, is quoted from publicly available information, and the Company does not guarantee the accuracy or appropriateness of such information.

The Company had planned to disclose its business plan and growth potential by the end of June; however, due to the integration of management strategies through M&A, which is currently under scrutiny, the Company plans to disclose the information by the end of July.