

FY6/2017 Q3 Financial Results

2017.5.1



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.

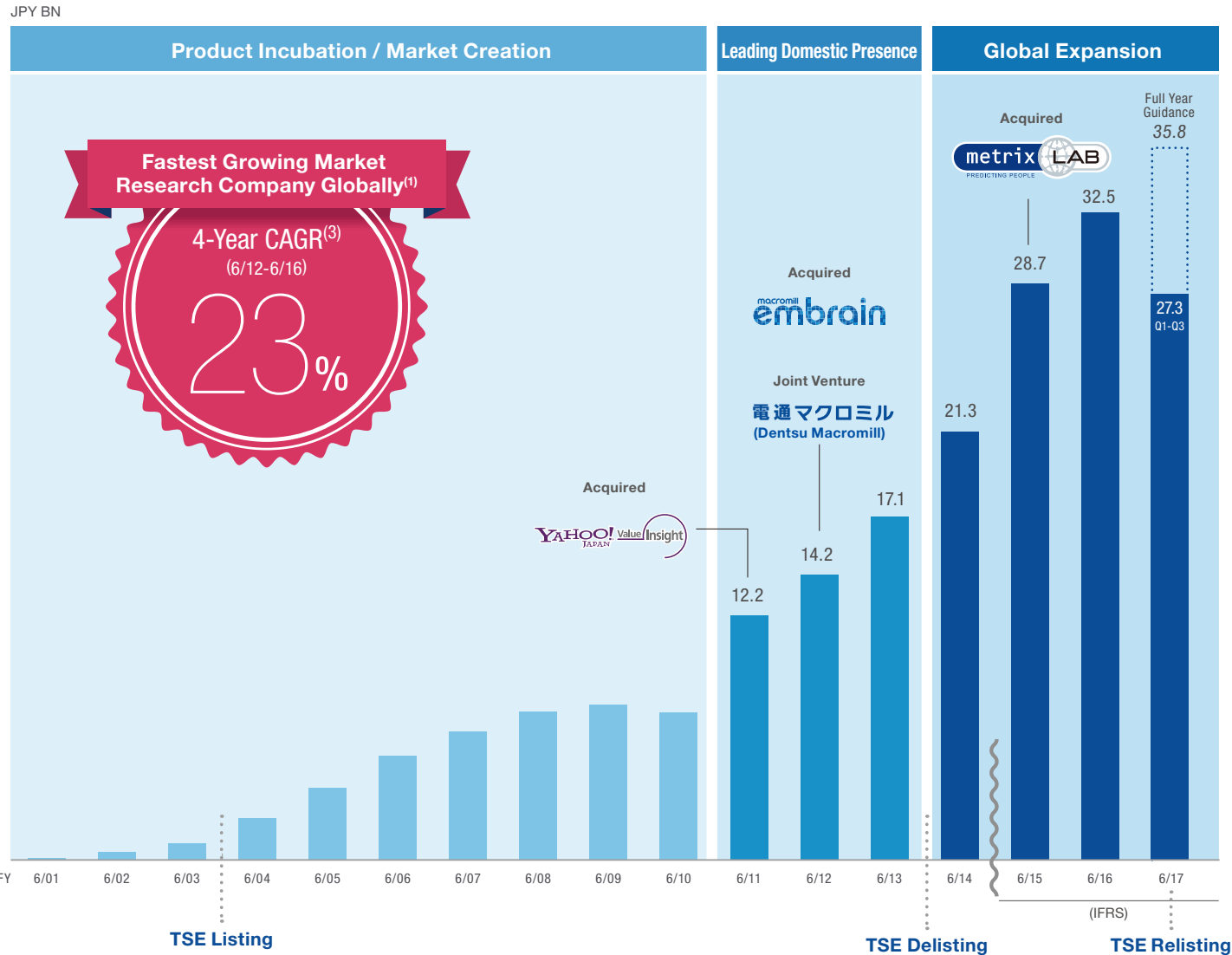
Except as otherwise indicated, the views, statements and outlook indicated herein are those of Macromill. The information related to or prepared by companies or parties other than Macromill is based on publicly available and other information as cited, and Macromill has not independently verified the 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.

We are the Fastest Growing Market Research Company⁽¹⁾

Consolidated Revenue⁽²⁾

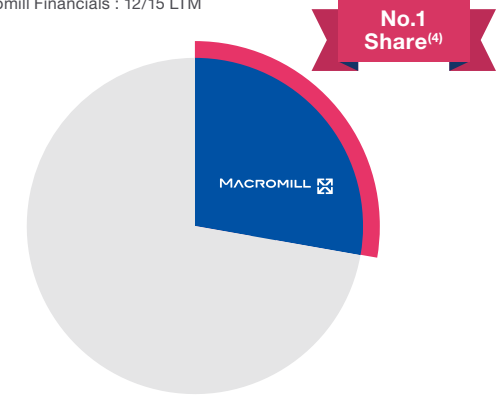


Notes

- Source: ESOMAR Global Market Research 2013/2015/2016, Macromill's revenue CAGR growth between 2012 and 2014 & 2015 (2yr & 3yr CAGR) are highest among the largest 25 global marketing research companies (excluding IMS Health, a health care IT service provider)
- J-GAAP based financials for FY6/01-6/14 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 above appropriately and accurately reflects the consolidated revenue trends for the three fiscal years ended June 30, 2016
- 4-Year revenue CAGR for FY6/12A-6/16A (Compound average annual growth rate based on the figures for FY6/15-6/16 (IFRS) and FY6/12-FY6/14 (J-GAAP)). 4-year CAGR has been calculated using J-GAAP and IFRS financials, which are not directly comparable (see note 2 above)
- Online MR Share (2015) = Macromill standalone and Dentsu Macromill Insight revenue from sales of ad hoc online market research solutions in Japan (CY15) / Total Japan ad hoc Online MR market (CY15) in terms of revenue as calculated by the Japan Marketing Research Association
- Proportion of net revenue before intersegment eliminations

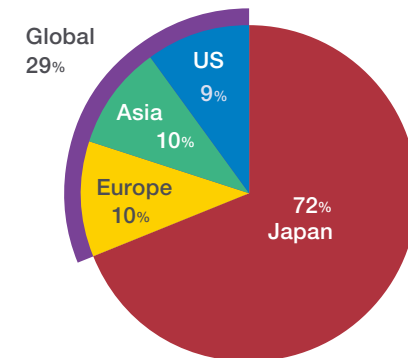
Japan Ad Hoc Online MR Share⁽⁴⁾

Market Size : CY15
Macromill Financials : 12/15 LTM



Revenue by Region⁽⁵⁾

6/16



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

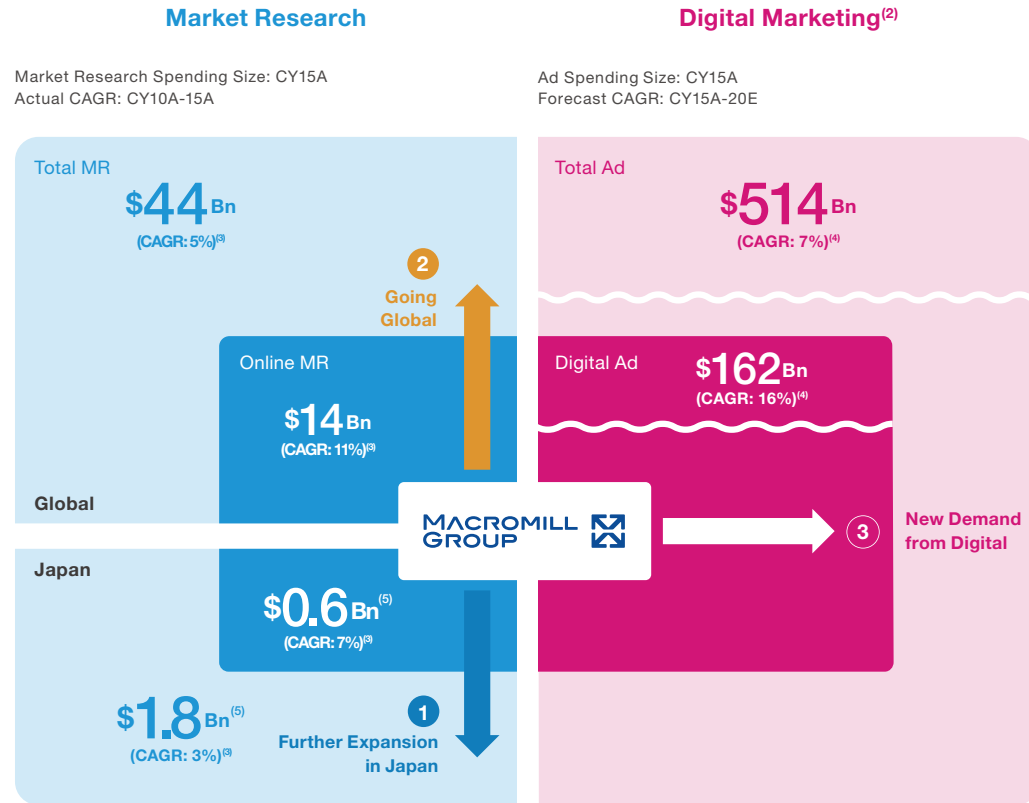
To Empower Clients' Decision-Making on...

• Brand Engagement, Product Innovation,
Customer Value

• Media Planning, Creative & Campaign
Effectiveness and Optimization

Pursuing a Big Market Opportunity

Our Market Opportunity⁽¹⁾



Source

Global Market Research spending: ESOMAR- Global Market Research (9/2016, 9/2015)
Japan Market Research spending: Japan Marketing Research Association (7/2016)
Ad spending: eMarketer- Worldwide Ad Spending (10/2016)

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.CAGR for CY10A-15A
- 4.CAGR for CY15A-20E
- 5.Exchange rate: USD/JPY = 110
- 6.Excludes impact of potential M&A and strategic alliances
- 7.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
- 8.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)

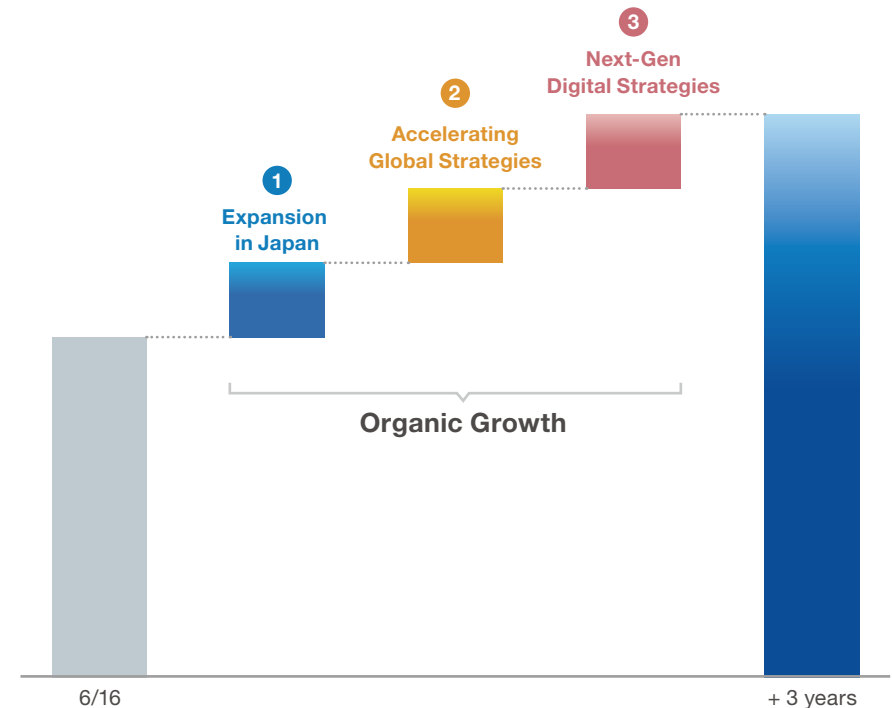
Aiming for **c. 10% Organic Revenue CAGR⁽⁶⁾** ... over the next 3 fiscal years

Global Revenue⁽⁷⁾ : c. 30% → c. 40%

Digital Revenue⁽⁸⁾ : c. 10% → c. 20%

in 6/16A in 6/19E

of total consolidated revenue

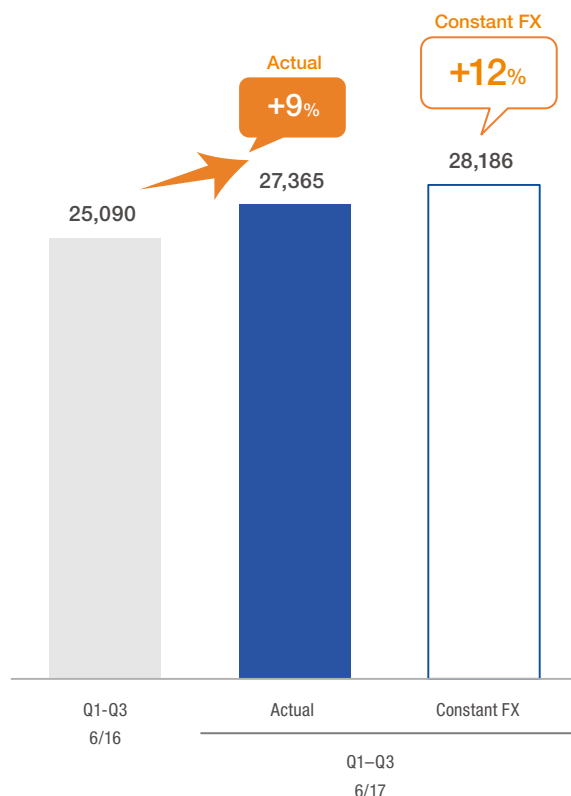


Proven Revenue and Profit Expansion Continues⁽¹⁾

006

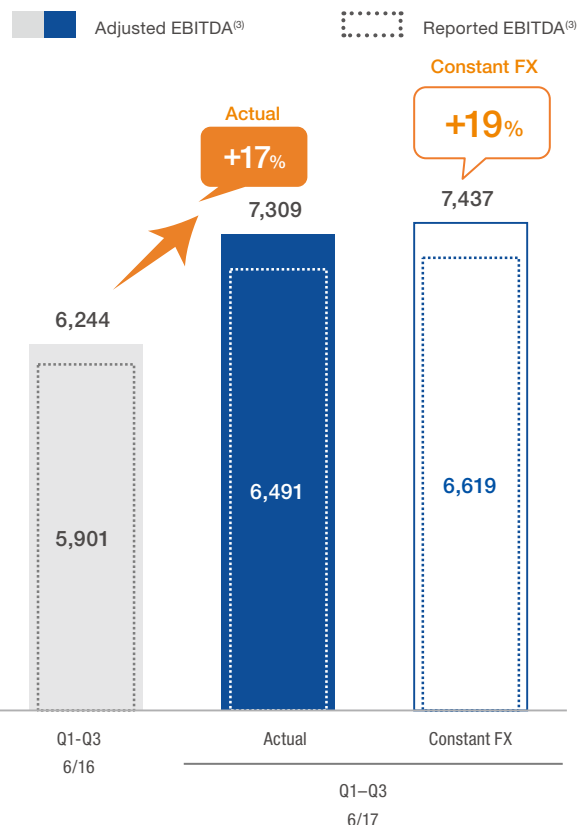
Revenue

Consolidated (IFRS)
(JPY MM)



Reported and Adjusted EBITDA⁽²⁾

Consolidated (IFRS)
(JPY MM)



Margin

Adjusted

24.9%

26.7%

26.4%

Reported

23.5%

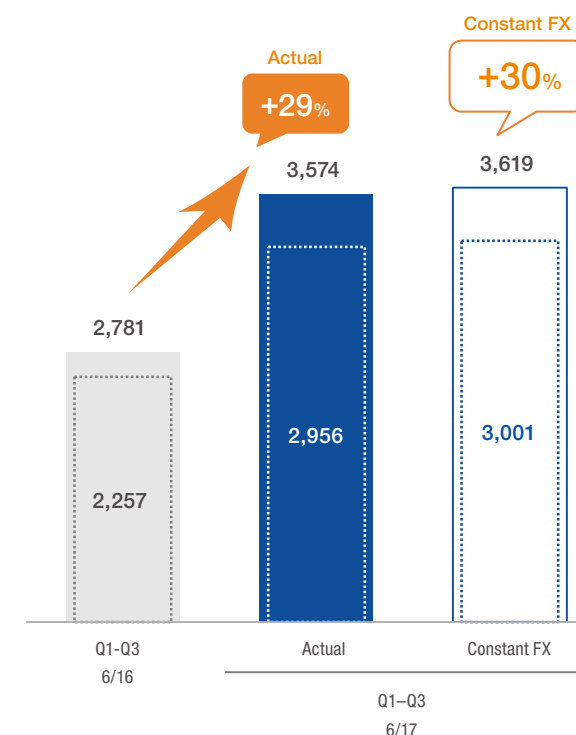
23.7%

23.5%

Reported and Adjusted Profit Attributable to Owners of the Parent⁽²⁾

Consolidated (IFRS)
(JPY MM)

Adjusted Profit Attributable to Owners of the Parent⁽⁴⁾
Reported Profit Attributable to Owners of the Parent



Margin

Adjusted

11.1%

13.1%

12.8%

Reported

9.0%

10.8%

10.6%

Notes

1. Financials for Q1–Q3 6/16 and financials (actual) for Q1–Q3 6/17 are presented by using the period-average rate of €1 = ¥132.1 and €1 = ¥117.7 respectively. Financials (constant FX) for Q1–Q3 6/17 are calculated by using the same period-average rate of €1 = ¥132.1. Each exchange rate is used to translate MetrixLab's consolidated results of operations for each of the 9-months periods ended March 31, 2016 and 2017 into yen, as applicable, in connection with the consolidation into our consolidated financial statements. We present financials for Q1–Q3 6/17 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 Q1–Q3 6/17 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. Please refer to reconciliation table on page 29 for details

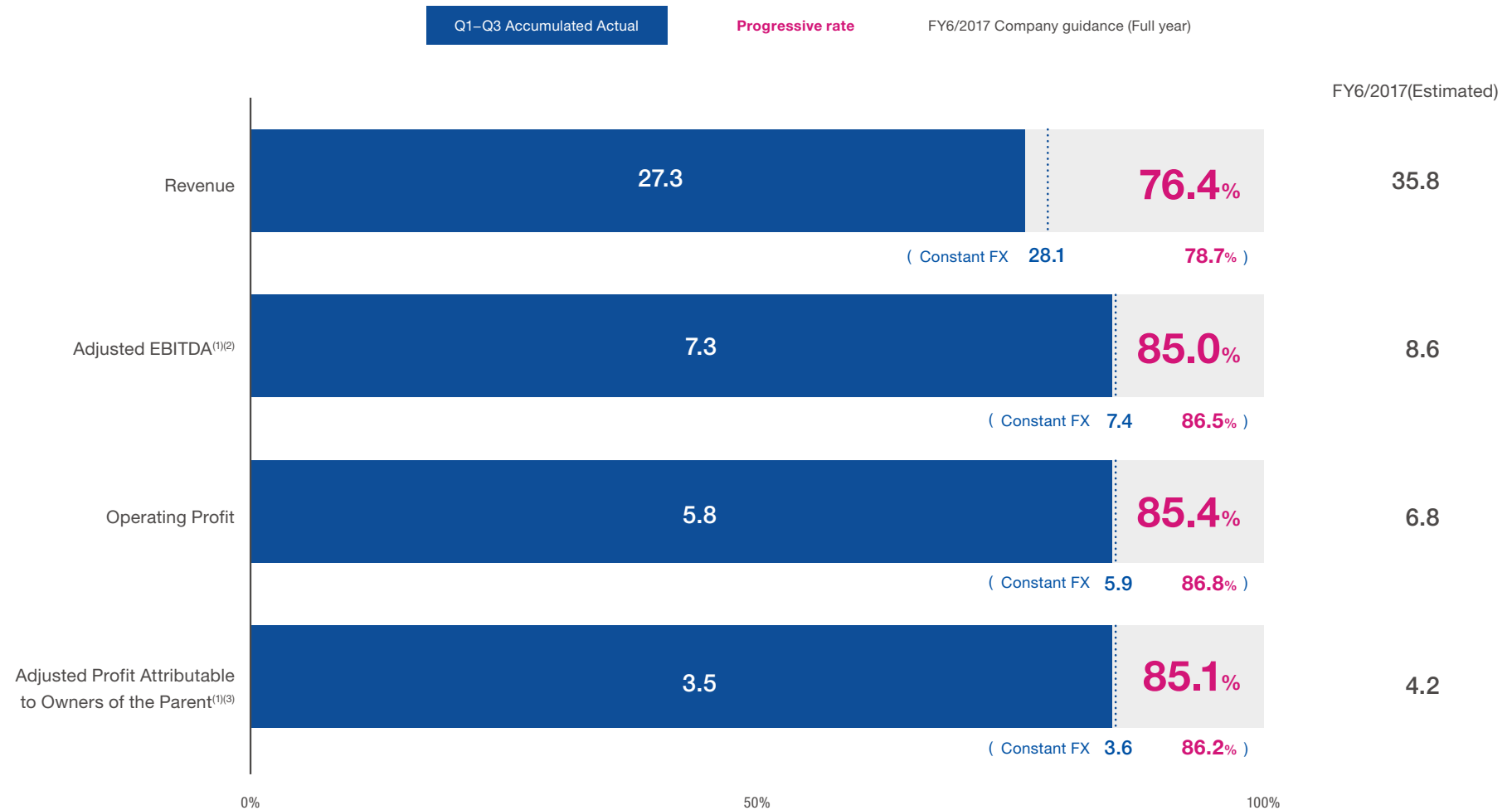
3. Adjusted EBITDA = EBITDA + M&A Related Expenses + Management Fee + IPO Related Expenses + Refinancing Related Advisory Fees. EBITDA = Operating Profit + Depreciation and Amortization + Goodwill Impairment

4. Adjusted Profit Attributable to Owners of the Parent = Profit Attributable to Owners of the Parent + Management Fee + IPO Related Expenses + Refinancing Costs + M&A Related Expenses – Tax Impact for Adjustments

Right on Track to Deliver Against Guidance

Q1–Q3 Accumulated Actual vs. FY6/2017 Company Guidance

Consolidated (IFRS)
(JPY BN)



Notes

1. Please refer to reconciliation table on page 29 for details

2. Adjusted EBITDA = EBITDA + M&A Related Expenses + Management Fee + IPO Related Expenses + Refinancing Related Advisory Fees. EBITDA = Operating Profit + Depreciation and Amortization + Goodwill Impairment

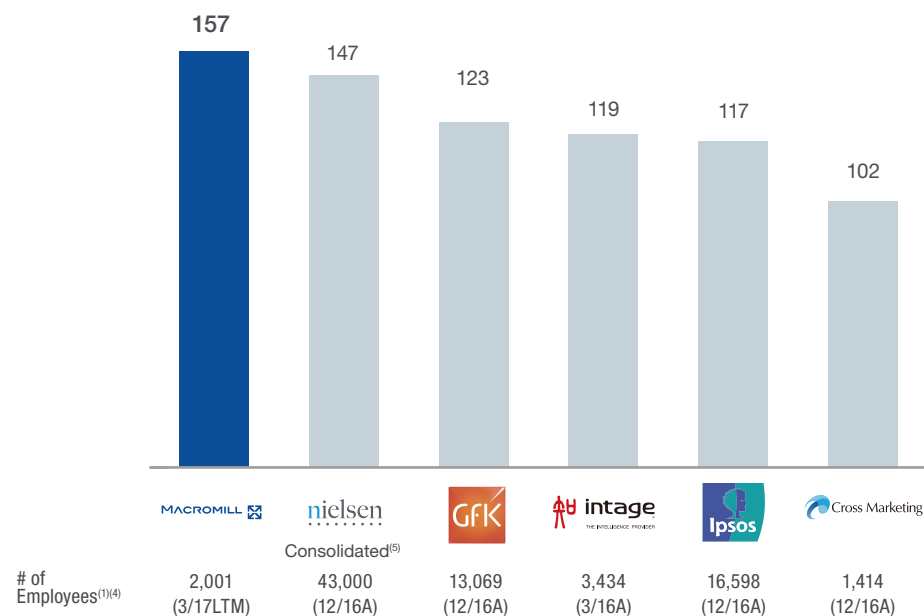
3. Adjusted Profit Attributable to Owners of the Parent = Profit Attributable to Owners of the Parent + Management Fee + IPO Related Expenses + Refinancing Costs + M&A Related Expenses – Tax Impact for Adjustments

Continued Best-in-Class Operational Excellence and Profitability

008

Revenue per Employee⁽¹⁾⁽²⁾

US\$000s, Latest FY⁽³⁾



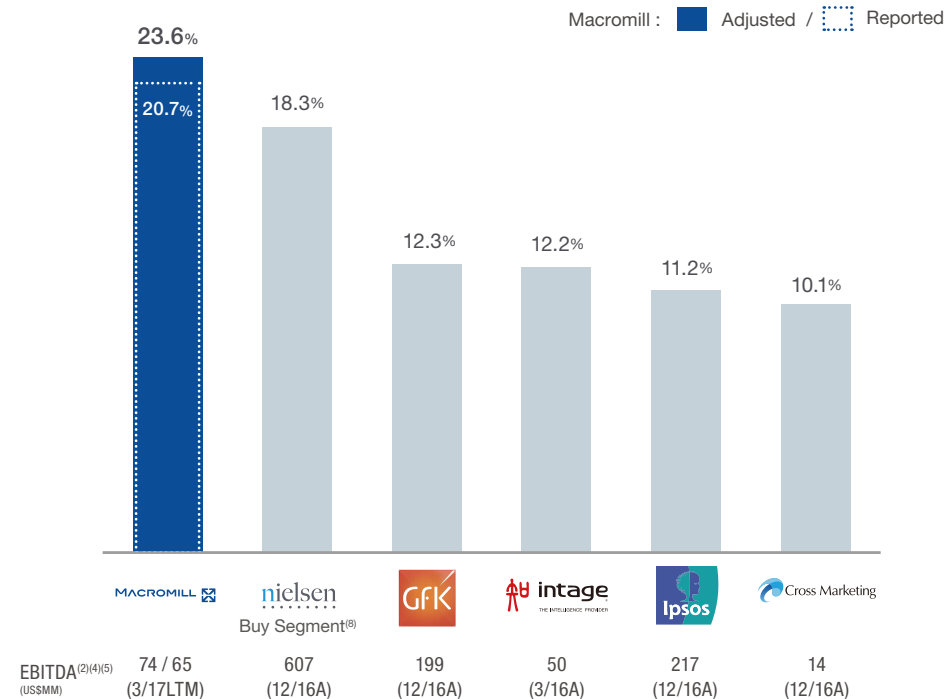
Source Company Information

Notes

- Includes temporary employees
- Exchange rate: USD/EUR = 0.9, USD/JPY = 111
- As of March 31, 2017
- 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: Adjusted EBITDA (\$74MM in 3/17LTM) = EBITDA + M&A Related Expenses + Management Fee + IPO Related Expenses + Refinancing Related Advisory Fees. EBITDA (\$65MM in 3/17LTM) = Operating Profit + Depreciation and Amortization + Goodwill Impairment
- Nielsen (Buy Segment): EBITDA = Operating Income + (Restructuring Charge + Depreciation and Amortization + Other Items).

EBITDA Margin⁽⁶⁾⁽⁷⁾

Latest FY⁽³⁾



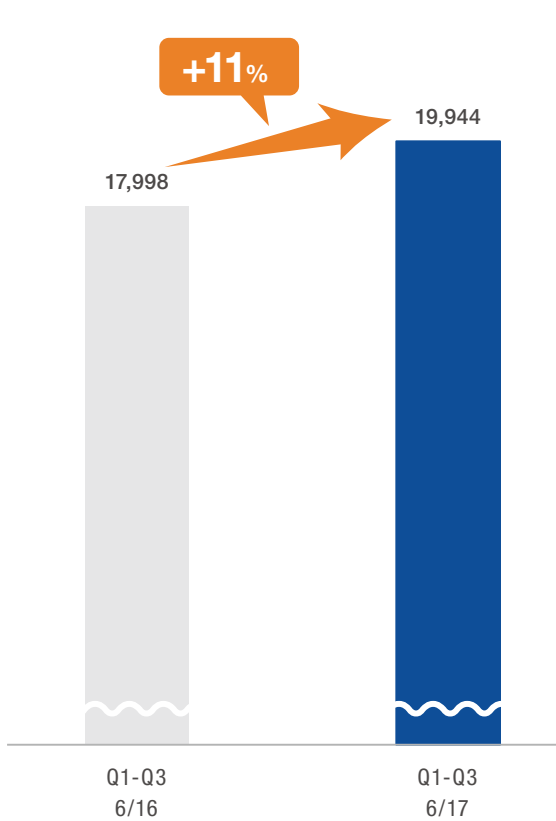
Source Company Information

- All these figures are for Nielsen "Buy" segment for comparison purposes because it presents similarities with Macromill's business
- GfK: EBITDA based on GfK's disclosure
- Intage and Cross Marketing: EBITDA = Operating Income + (Depreciation + Amortization of Goodwill)
- Ipsos: EBITDA = Gross Profit - (Payroll + General Operating Expenses + Amortization of Acquisition-related Intangibles) + Depreciation & Amortization
- 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 27.7%

Revenue⁽¹⁾ Drivers Deliver Solid Growth

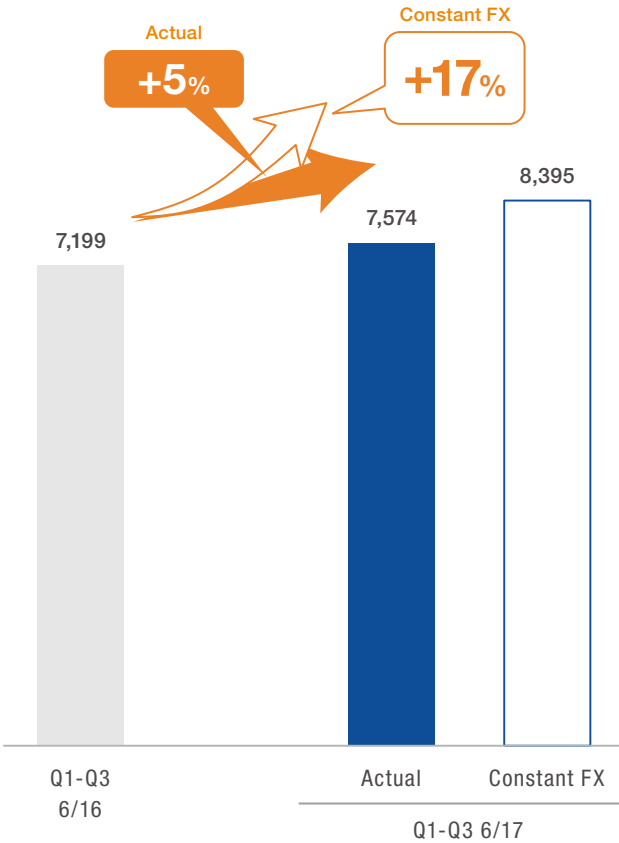
Japan

Consolidated (IFRS)
(JPY MM)



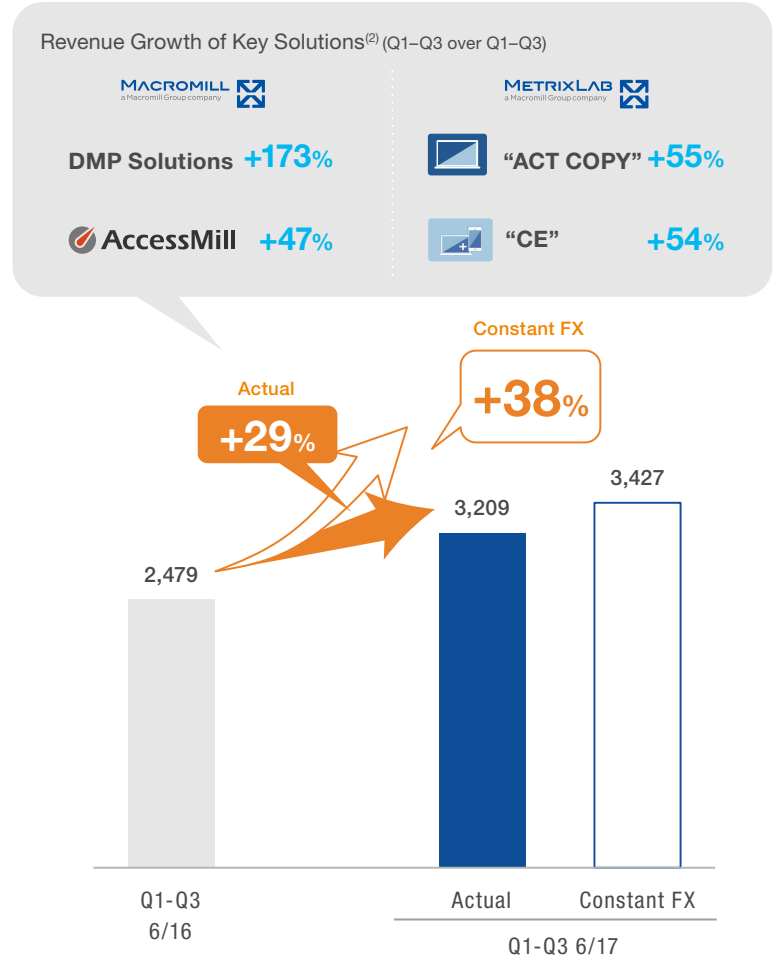
Global (Excl. Japan)

Consolidated (IFRS)
(JPY MM)



Digital Marketing Revenue

Consolidated (IFRS)
(JPY MM)



Notes

1. Revenue for Q1–Q3 6/16 and revenue (actual) for Q1–Q3 6/17 is presented by using the period-average rate of €1 = ¥132.1 and €1 = ¥117.7 respectively. Revenue (constant FX) for Q1–Q3 6/17 is calculated by using the same period-average rate of €1 = ¥132.1. Each exchange rate is used to translate MetrixLab's consolidated results of operations for each of the 9-months periods ended March 31, 2016 and 2017 into yen, as applicable, in connection with the consolidation into our consolidated financial statements. We present revenue for Q1–Q3 6/17 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 Q1–Q3 6/17 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.

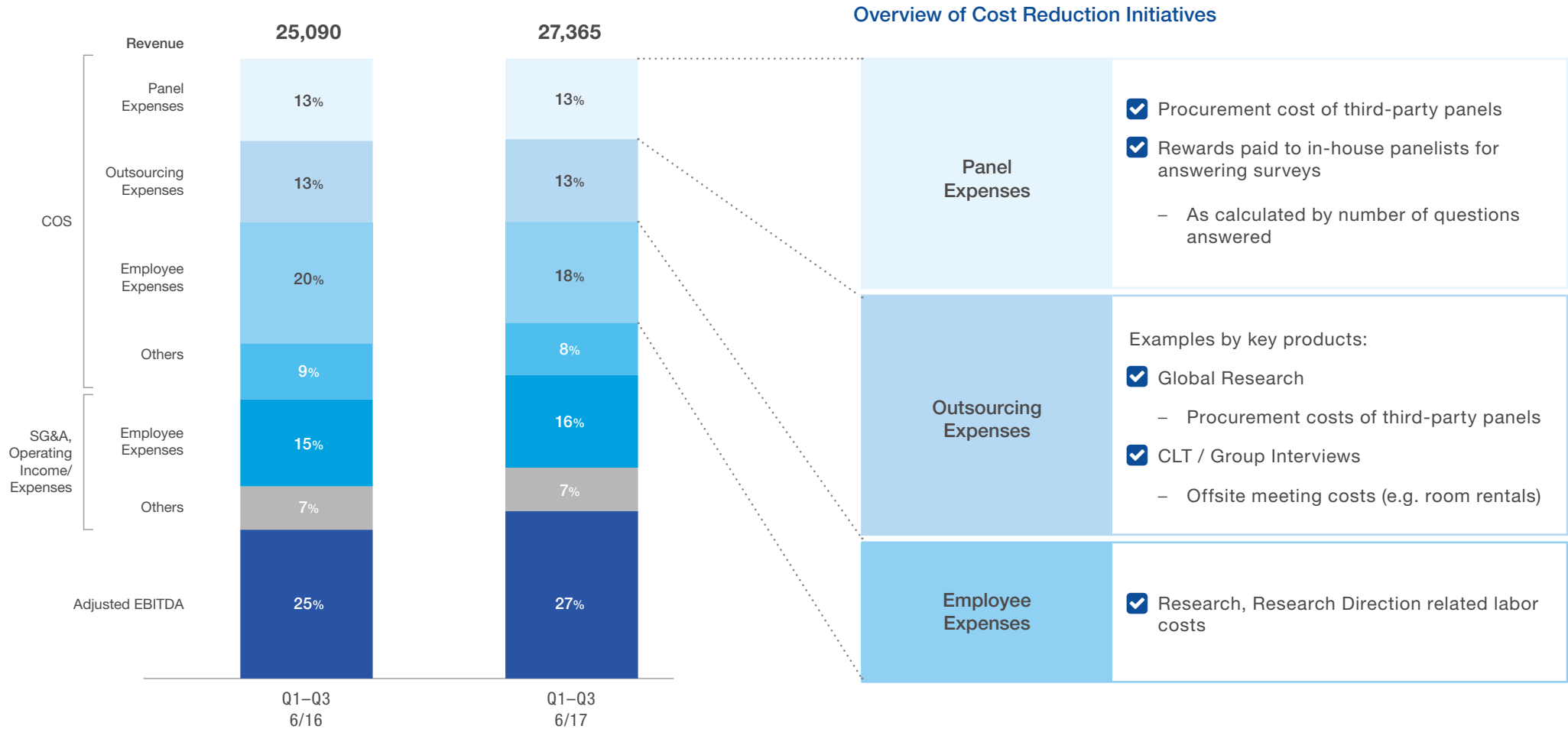
2. Top two highest revenue growth solutions in each business segment (solutions with revenue over JPY100M or EUR1M). Calculated on a local currency basis.

Operating Leverage & Cost Reduction Initiatives Deliver Further Profit Expansion

010

Breakdown of Key Cost Items

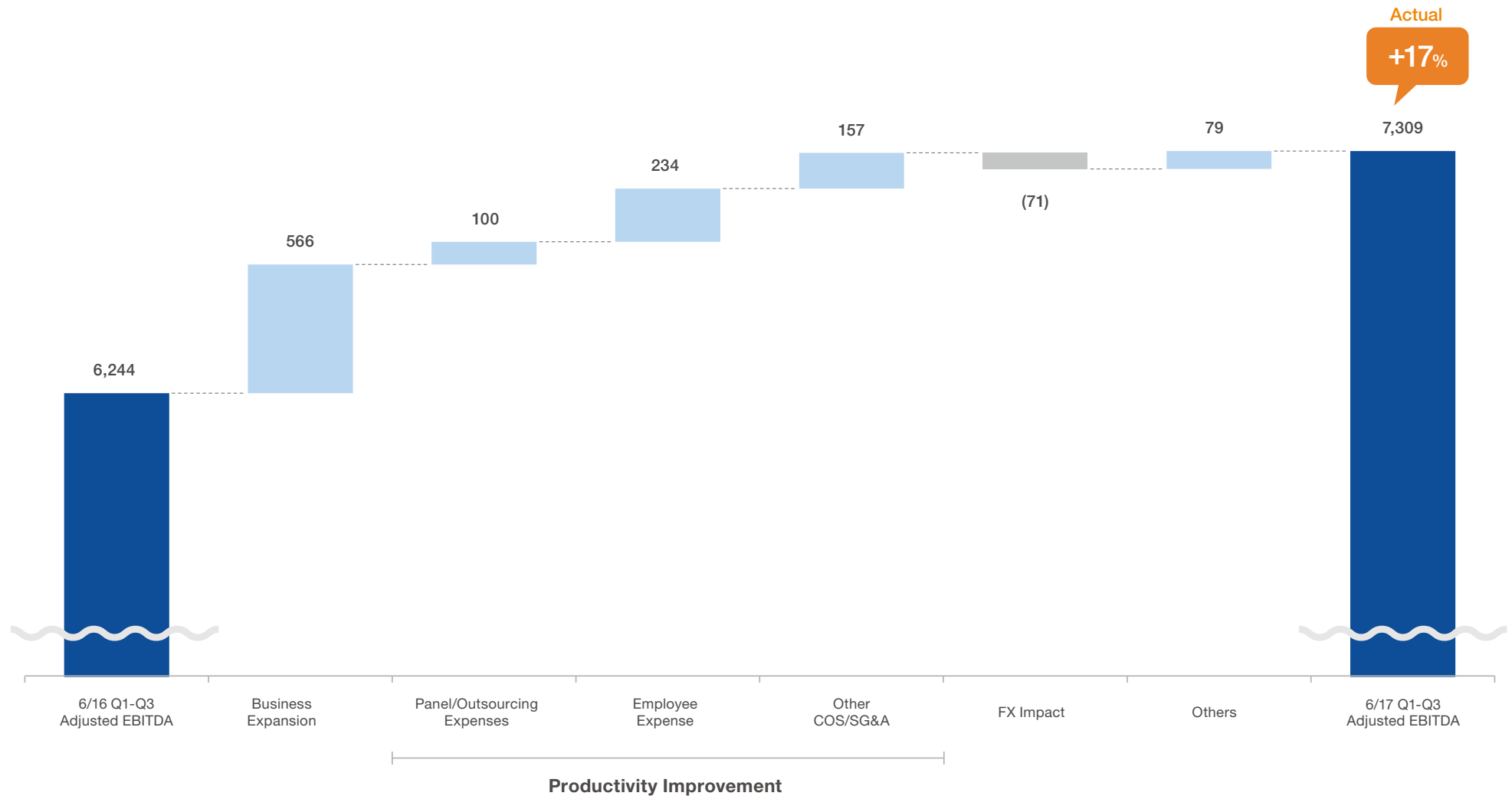
Consolidated (IFRS)
(JPY MM)



Profit Growth Due to Business Expansion & Productivity Improvement

Adjusted EBITDA - FY6/2016 Q1-Q3 vs. FY6/2017 Q1-Q3⁽¹⁾

Consolidated (IFRS)
(JPY MM)



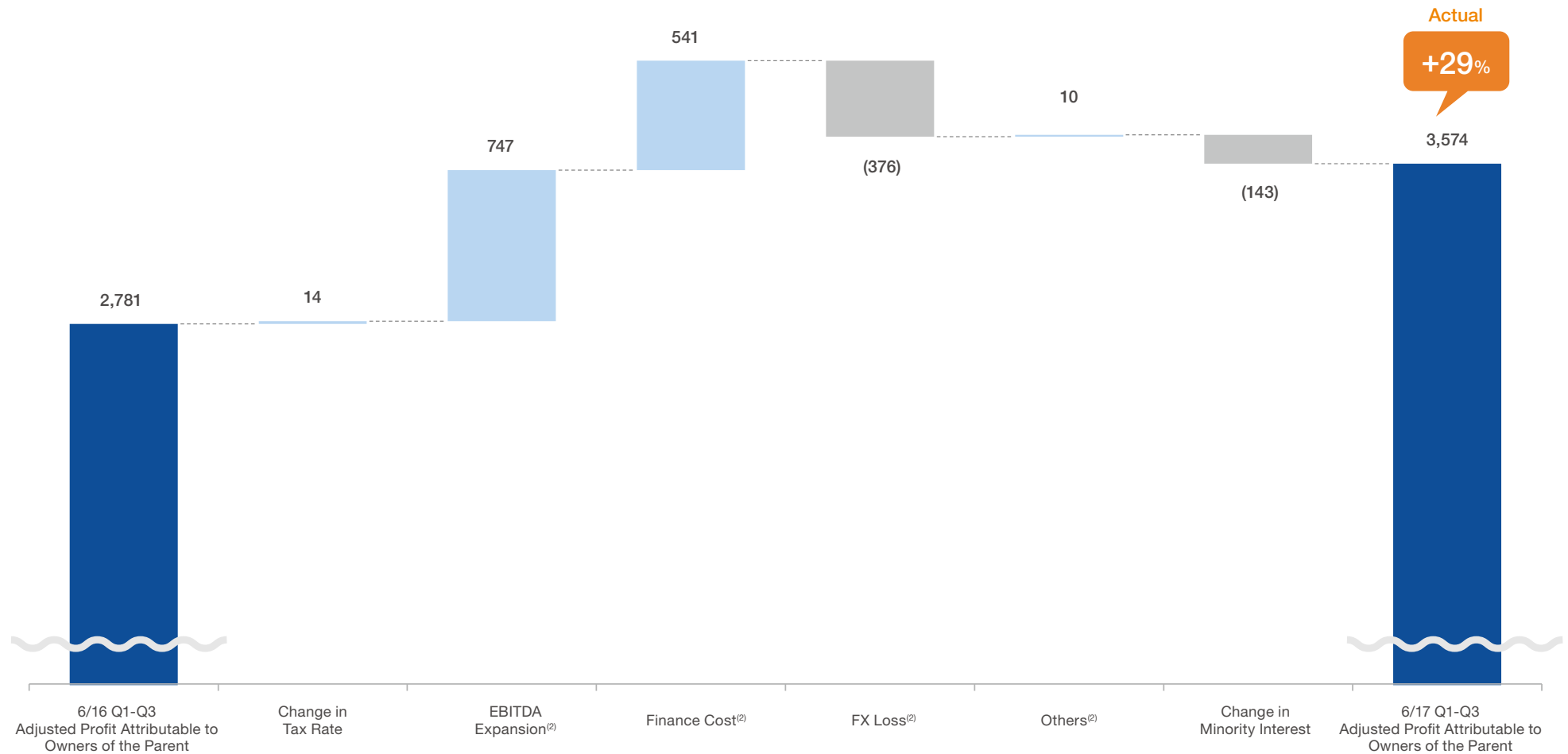
Notes

1. Financials for Q1-Q3 6/16 and financials (actual) for Q1-Q3 6/17 are presented by using the period-average rate of €1 = ¥132.1 and €1 = ¥117.7 respectively.

Finance Cost Reduction Led to Further Bottom Line Growth

Adjusted Profit Attributable to Owners of the Parent - FY6/2016 Q1-Q3 vs. FY6/2017 Q1-Q3⁽¹⁾

Consolidated (IFRS)
(JPY MM)



Notes

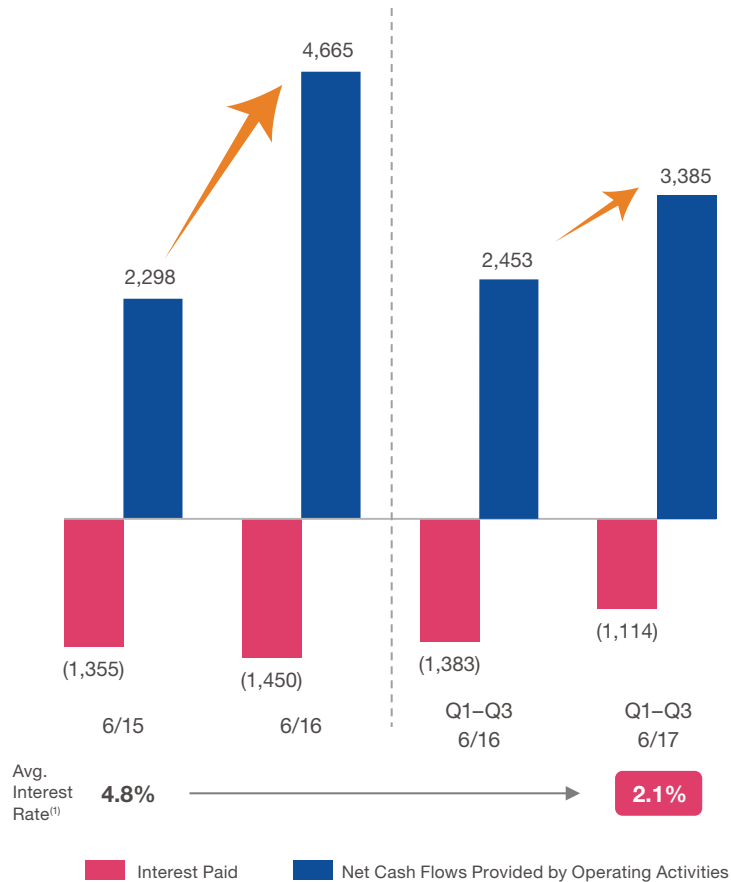
1. Financials for Q1–Q3 6/16 and financials (actual) for Q1–Q3 6/17 are presented by using the period-average rate of €1 = ¥132.1 and €1 = ¥117.7 respectively.

2. Describe figures including tax effect

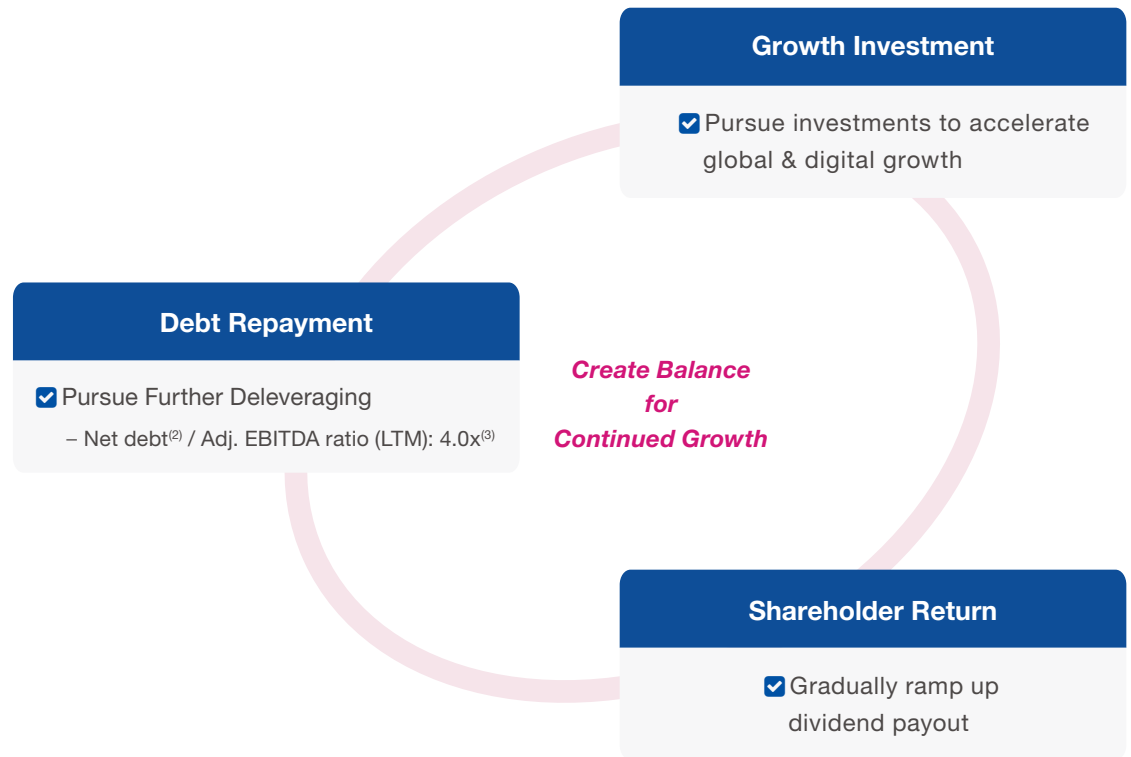
Strategic Capital Allocation

Solid Cash Flow Generation

Consolidated (IFRS)
(JPY MM)



Capital Allocation Priorities



Notes

1. 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. For Q1-Q3 6/17, avg. interest rate is calculated as (interest expense for 9 months in P/L) / (3x4) / (average amount of borrowings as of March 31, 2017 and as of June 30, 2016)
2. Net debt = interest-bearing debt (short-term borrowings + current portion of long-term borrowings + long-term borrowings + lease obligations) - cash and cash equivalents. "Current net debt" as of March 31, 2017
3. 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. EBITDA = Operating Profit + Depreciation and Amortization + Impairment Loss on Goodwill on a LTM basis as of March 31, 2017. Please refer to reconciliation tables for details

Creating

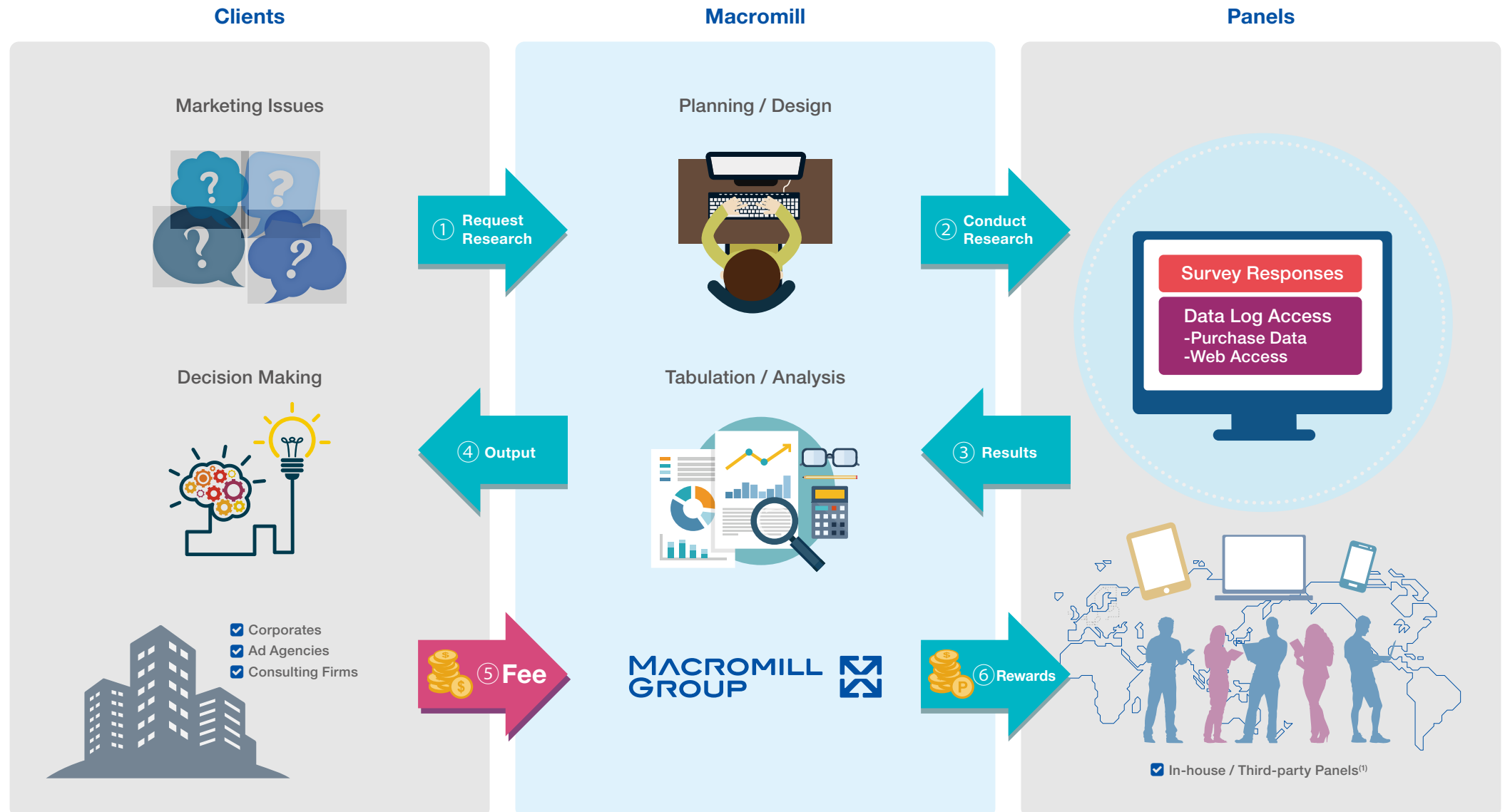
**The First
Truly
Global
Digital**

Research Company



Appendix

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

Industry-Leading One-Stop Solutions Portfolio

Selected Solutions

Market Research			Digital Marketing	
Ad Hoc		Database		
Developed by MACROMILL 	<div>Quantitative</div> <div>Online Research</div> <div></div> <div></div> <div>Central Location Testing</div> <div></div>	<div>Qualitative</div> <div>Group / In-Depth Interviews</div> <div></div> <div></div>	<div>Purchase Data</div> <div></div> <div>Household Spending Data</div> <div></div> <div>Brand Data</div> <div></div>	<div>Ad Effectiveness Measurement</div> <div></div> <div>DMP⁽¹⁾</div> <div>“DMP Solution”</div>
	Jointly Developed			<div></div>
Developed by METRIXLAB 	<div>Market Exploration</div> <div></div> <div>“SCOUT H&A”</div> <div>Package Test</div> <div></div> <div>“PACT”</div>	<div>Concept Test</div> <div></div> <div>“CONTEST”</div> <div>Brand Assessment</div> <div></div> <div>“B-HEALTH”</div> <div>etc.</div>	<div>Ad Pretesting</div> <div></div> <div>“AD-VANCE”</div> <div></div> <div></div> <div>“ACT”</div> <div>Social Media Analysis</div> <div></div> <div>Big Data Analysis</div> <div>“Dashboard”</div> <div>etc.</div>	

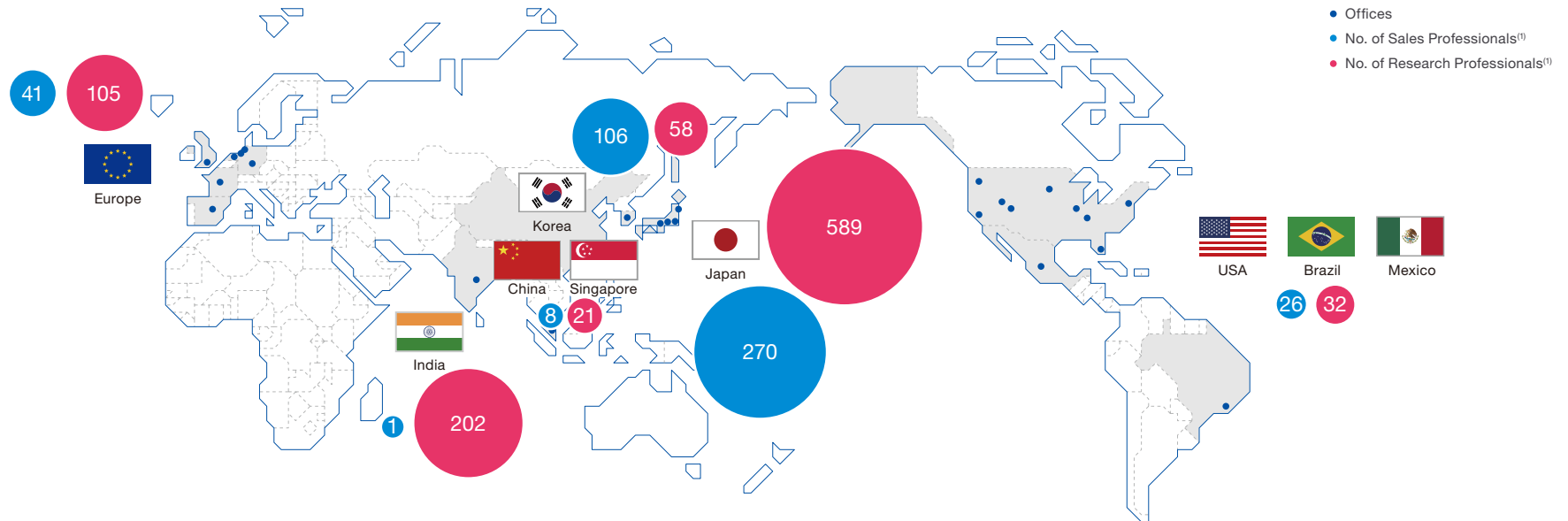
Note

1. Data Management Platform

Worldwide Sales & Research Delivery

Sales and Research Breakdown for Selected Key Markets⁽¹⁾

As of March, 2017



1,700+⁽²⁾ Employees in 34 Offices Worldwide

	Local Deeper Local Consumer Insights	Global Coordinated Cross-Border Client Coverage
Sales	<ul style="list-style-type: none"> ✓ Localized Sales Teams c. 452⁽¹⁾ professionals across 34 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

Ad Pretesting Solutions



Our Business Opportunity...

Deliver Cost Savings through Pre-testing Marketing Campaigns



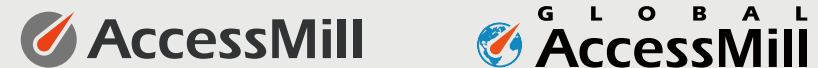
Benchmark digital ad effectiveness against peers/previous ads

What Differentiates AD-VANCE...

Superior Interface that Captures the Consumers' Natural Exposure to Marketing Campaigns

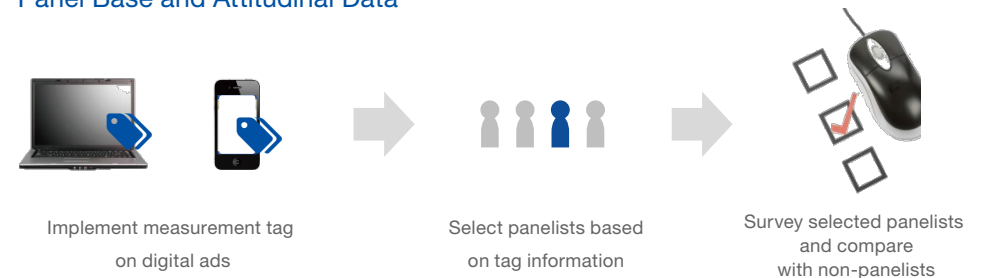
Benchmarking against Industry Peers

Ad Effectiveness Measurement Solutions



Our Business Opportunity...

✓ Deliver Ad Effectiveness Measurement Solutions Utilizing Massive Cookie Panel Base and Attitudinal Data



What Differentiates AccessMill...

- ✓ Massive Cookie Panel Size
- ✓ Combination with Attitudinal Data
- ✓ Superior System (Cost, Speed, Flexibility)

Extensive Digital Opportunities: Social Media, DMP & Big Data

OXYME Social Media Analysis

Our Business Opportunity...

- ✓ Deliver Detailed and Meaningful Social Analysis Across Each Phase of Marketing

From Market Exploration to Campaign Evaluation



Collect social media
posting data



Analysis of consumers'
feelings and topics using
dedicated experts



Extract consumer /
marketing insights

What Differentiates Oxyne...

- ✓ Optimized Data Collection through Proprietary Software
- ✓ Enhanced Data Quality by Manual Exclusion of Unrelated Responses
- ✓ Experienced Social Media Analysts

Data Management Platform (DMP)

Our Business Opportunity...

- ✓ Enable Real Consumer Insights by Combining Our Proprietary Data with Client's In-house Data

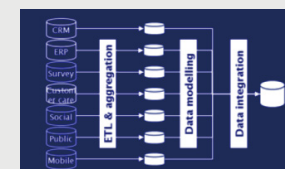


Big Data Analytics (Dashboard/Story Telling)

Our Business Opportunity...

- ✓ Deliver Comprehensive Insights through a Meaningful, User-Friendly Interface Relevant to Each Clients' KPI

Data Integration



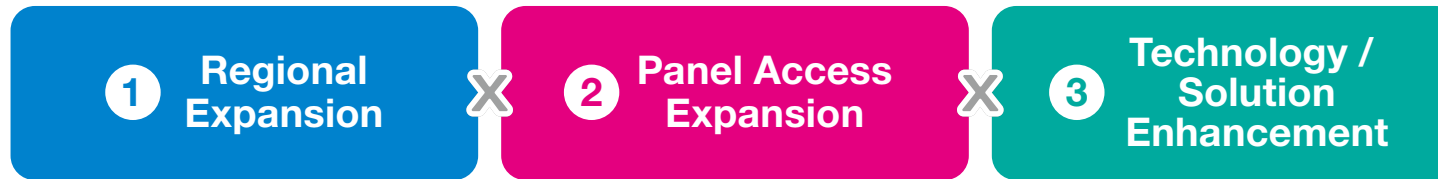
Integrate and analyze data
aggregated from
multiple sources

Data Activation



Organize on a meaningful,
understandable "dashboard"

3-Pillars M&A Strategy for Value Creation



Proven M&A Track Record

2010 Acquisition⁽¹⁾



✓ Doubled Panel Access

2011 Acquisition



✓ Acquired Social Analysis Capabilities

2012 Acquisition



✓ Access to Asian Client and Panels

2013 Joint Venture⁽²⁾



✓ Access to US Panels

2013 Joint Venture



✓ Access to US Panels

2014 Acquisition



✓ Global Client & Panel Base Access

2015 Strategic Alliance



✓ Access to Solutions for Government

2015 Strategic Partnership



✓ Incorporate Panels & Mobile Technologies

2017 Strategic Alliance



✓ Access to Neuromarketing Solutions

Notes

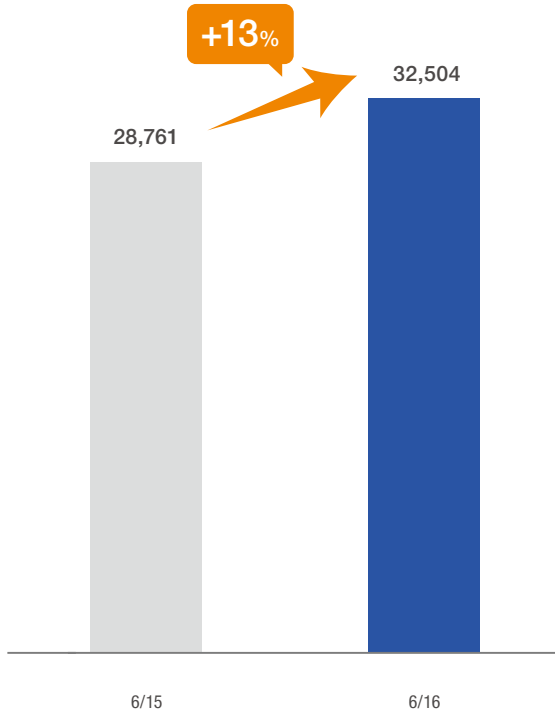
1. Acquired market research business only

2. JV established between Macromill and Dentsu in 2012. Dentsu Macmill Insight became a subsidiary of Macromill in 2013

Solid Revenue and Profit Expansion in FY6/2016⁽¹⁾

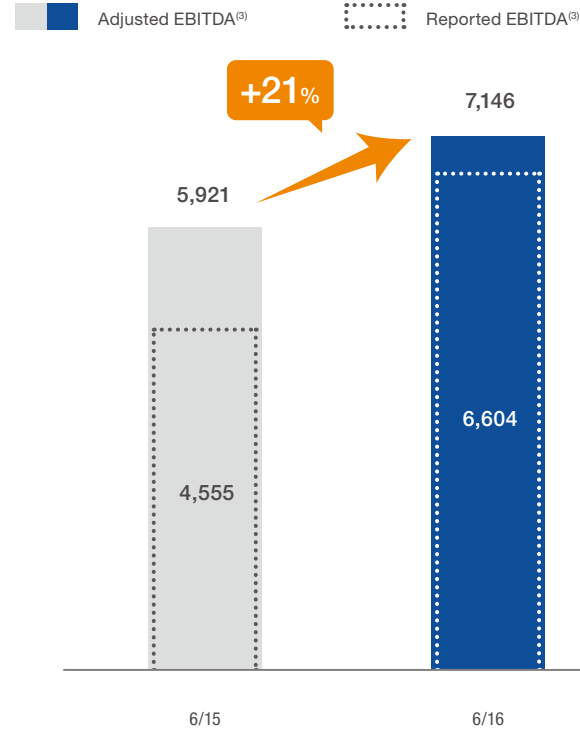
Revenue

Consolidated (IFRS)
(JPY MM)



Reported and Adjusted EBITDA⁽²⁾⁽³⁾

Consolidated (IFRS)
(JPY MM)



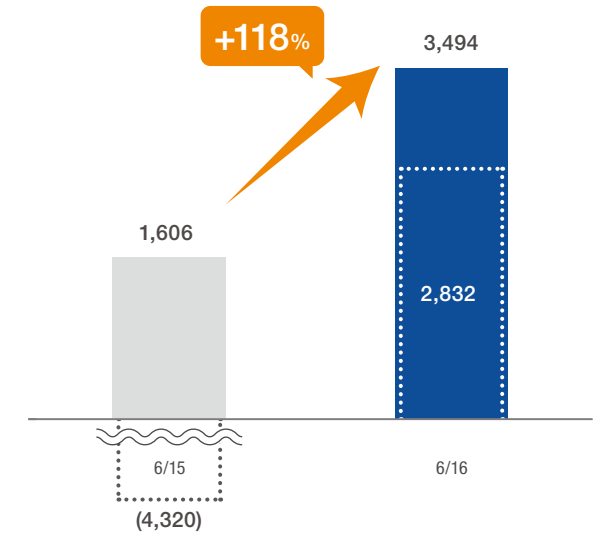
Margin

Adjusted	20.6%	22.0%
Reported	15.8%	20.3%

Reported and Adjusted Profit Attributable to Owners of the Parent⁽²⁾⁽⁴⁾

Consolidated (IFRS)
(JPY MM)

Adjusted Profit Attributable to Owners of the Parent⁽⁴⁾
Reported Profit (Loss) Attributable to Owners of the Parent



Margin

Adjusted	5.6%	10.8%
Reported	N/A	8.7%

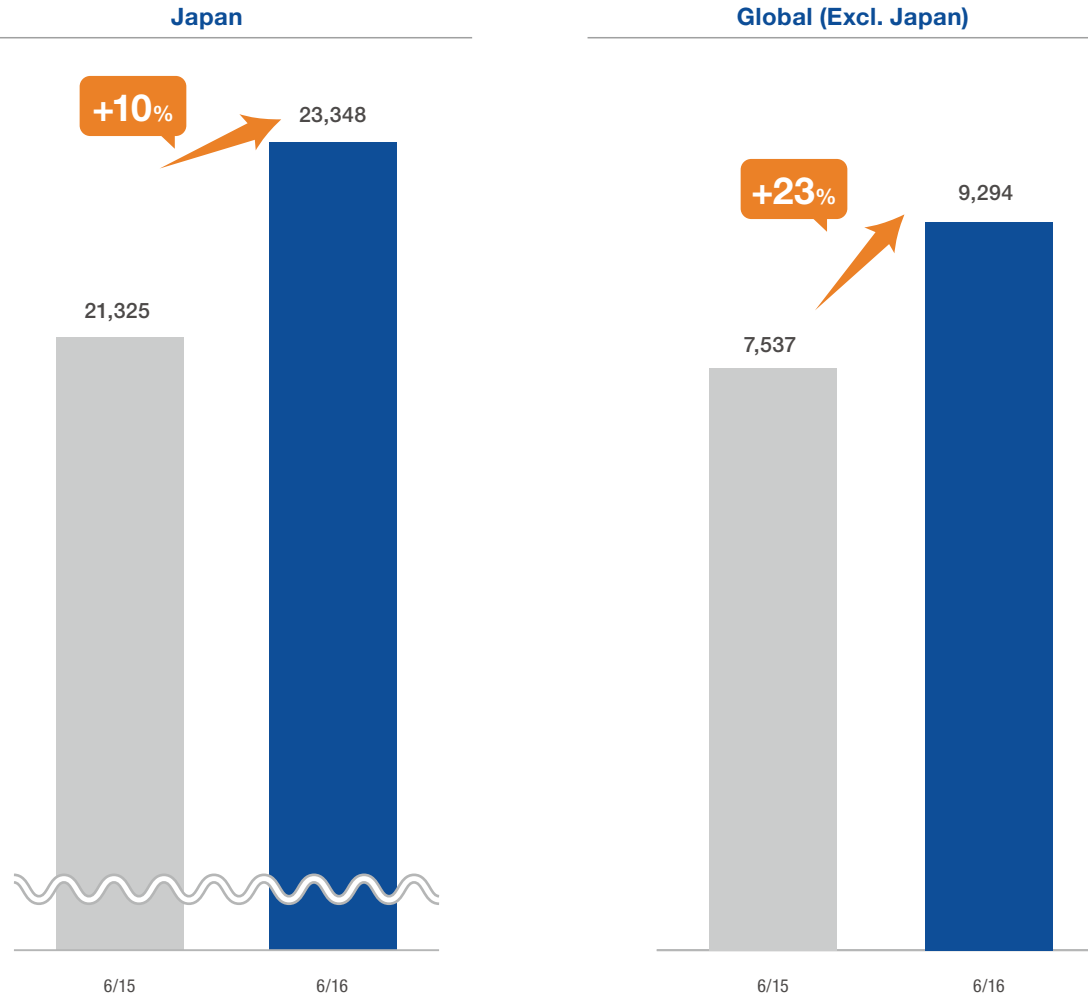
Notes

- 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
- Please refer to reconciliation tables for details
- 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. EBITDA = Operating Profit + Depreciation and Amortization + Impairment Loss on Goodwill
- Adjusted Profit Attributable to Owners of the Parent = Profit (Loss) Attributable to Owners of the Parent + Re-financing Costs + M&A-Related Expenses + Management Fee + Impairment Loss on Goodwill + Retirement Benefit for Retiring Officers + IPO Related Expenses – Tax Impact for Adjustments

Solid Growth Momentum Across All Growth Initiatives in FY6/2016⁽¹⁾

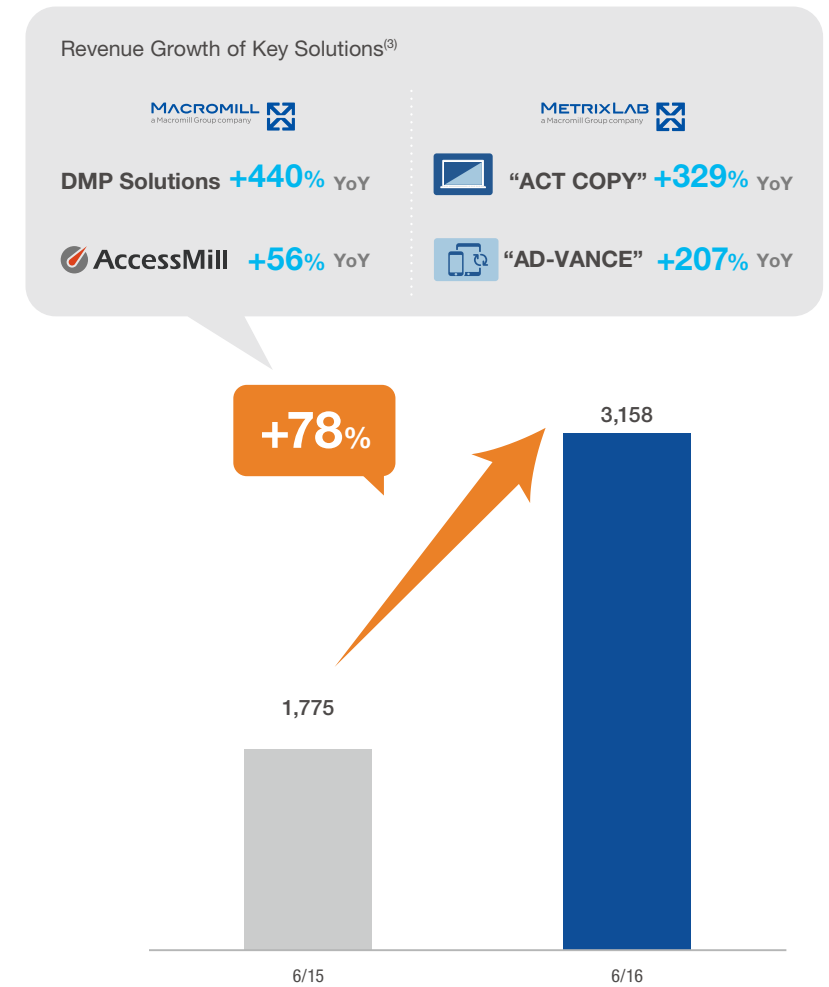
Revenue by Region⁽²⁾

Consolidated (IFRS)
(JPY MM)



Digital Marketing Solutions Revenue

Consolidated (IFRS)
(JPY MM)



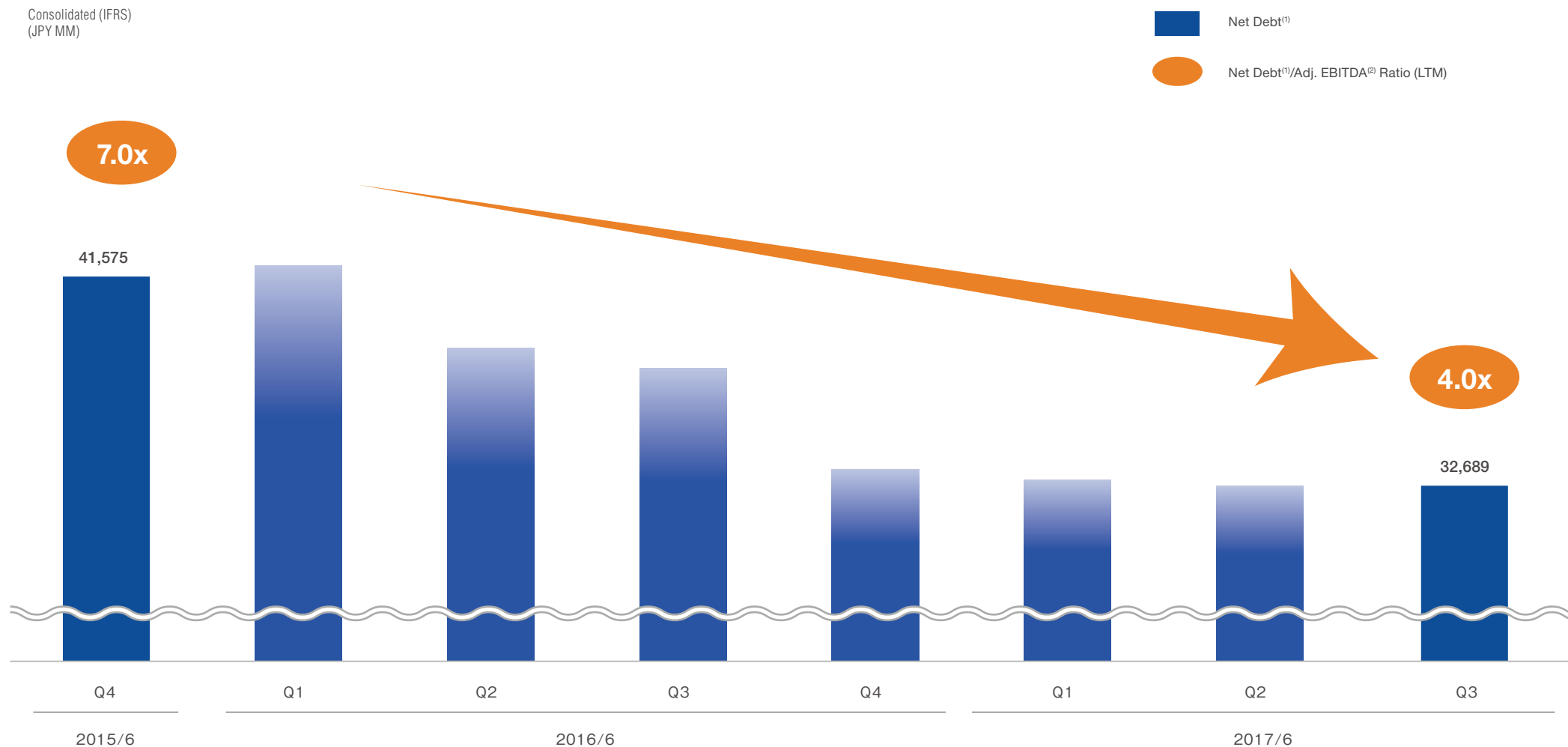
Notes

- 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
- On a gross revenue basis prior to intersegment accounting elimination (FY6/15 JPY100MM and FY6/16 JPY138MM need to be added to calculate total net revenue)
- Top two highest revenue growth solutions in each business segment (Solutions with revenue over JPY100MM or EUR1M). Calculated on a local currency basis

Solid Cash Flow Generation Contributes to Further Deleveraging

024

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



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. 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. EBITDA = Operating Profit + Depreciation and Amortization + Impairment Loss on Goodwill on a LTM basis as of the relevant quarter end. Please refer to reconciliation tables for the details

(JPY MM)	IFRS			
	Full Year		9 Months	
	6/2015	6/2016	Q1-Q3 6/2016	Q1-Q3 6/2017
Revenue	28,761	32,504	25,090	27,365
Cost of Sales	(16,372)	(17,926)	(13,661)	(14,133)
Gross Profit	12,388	14,578	11,429	13,232
SG&A	(7,950)	(8,956)	(6,408)	(7,616)
Other Operating Income	365	272	271	250
Other Operating Expenses	(5,399)	(168)	(49)	(19)
Share of the Profit on Investments Accounted for Using the Equity Method	9	3	4	6
Operating Profit (Loss)	(586)	5,730	5,247	5,853
Finance Income	53	496	264	7
Finance Costs	(3,671)	(2,139)	(1,905)	(969)
Profit (Loss) before Tax	(4,204)	4,087	3,606	4,890
Income Tax Benefit (Expense)	215	(848)	(1,048)	(1,490)
Profit (Loss) for the Year/Period	(3,988)	3,238	2,558	3,400
Profit (Loss) Attributable to Owners of the Parent	(4,320)	2,832	2,257	2,956

Note

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 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

Selected Consolidated B/S⁽¹⁾

026

(JPY MM)					(JPY MM)				
IFRS					IFRS				
Assets	7/1/2014 (Transition to IFRS)	6/30/2015	6/30/2016	3/31/2017	Liabilities and Equity	7/1/2014 (Transition to IFRS)	6/30/2015	6/30/2016	3/31/2017
Current Assets	17,018	14,247	12,725	15,328	Current Liabilities	9,246	8,058	8,848	9,223
Cash and Cash Equivalents	11,434	7,178	6,124	6,663	Borrowings	1,729	2,978	3,319	2,842
Trade and Other Receivables	3,931	5,789	6,015	8,029	Trade and Other Payables	1,495	2,085	2,492	3,101
Other Current Assets ⁽²⁾	1,652	1,279	586	634	Other Current Liabilities ⁽²⁾	6,020	2,994	3,036	3,279
Total Non-current Assets	43,021	56,812	53,839	54,265	Non-current Liabilities	35,151	48,683	41,068	38,952
Property, Plant and Equipment	868	836	979	949	Borrowings	33,567	45,735	38,535	36,467
Intangible Assets	39,548	53,338	50,788	51,296	Other Non-current Liabilities ⁽²⁾	1,583	2,947	2,533	2,484
Goodwill	38,815	46,583	45,290	45,603	Total Liabilities	44,397	56,741	49,916	48,175
Other Intangible Assets	733	6,755	5,498	5,692	Total Equity	15,642	14,318	16,647	21,417
Other Non-current Assets ⁽²⁾	2,604	2,637	2,070	2,019	Total Liabilities and Equity	60,040	71,060	66,564	69,593
Total Assets	60,040	71,060	66,564	69,593					

Notes

1. Consolidated balance sheet as of July 1, 2014 does not include MetrixLab's assets and liabilities. This impacts the comparability of Macromill's consolidated balance sheet as of July 1, 2014 and for the years ended June 30, 2015 and after.

2. 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 C/F Statement⁽¹⁾

027

(JPY MM)	IFRS			
	Full Year		9 Months	
	6/2015	6/2016	Q1–Q3 6/2016	Q1–Q3 6/2017
Net Cash Flows Provided by Operating Activities	2,298	4,665	2,453	3,385
Profit (Loss) before Tax	(4,204)	4,087	3,606	4,890
Depreciation and Amortization	771	874	653	638
Impairment Loss	4,370	—	-	-
Finance Income	(53)	(496)	(264)	(7)
Finance Costs	3,671	2,139	1,905	969
Change in Working Capital ⁽²⁾	(60)	(338)	(1,654)	(1,135)
Others ⁽³⁾	109	506	52	(211)
Sub Total	4,604	6,772	4,299	5,145
Interest and Dividends Paid and Received	59	33	31	8
Interest Paid	(1,355)	(1,450)	(1,383)	(1,114)
Income Taxes Paid	(1,009)	(690)	(494)	(654)
Net Cash Flows Provided by (Used in) Investing Activities	(15,641)	67	274	(986)
Capex ⁽⁴⁾	(509)	(647)	(470)	(695)
Acquisition of Subsidiaries	(16,726)	—	-	-
Others ⁽³⁾	1,594	714	745	(291)
Net Cash Flows Provided by (Used in) Financing Activities	9,048	(5,602)	(5,588)	(1,914)
Proceeds from Borrowings ⁽⁵⁾	40,088	42,676	42,734	232
Repayment of Long-term Borrowings	(30,030)	(48,207)	(48,258)	(3,135)
Proceeds from Issue of Shares	1,636	-	-	1,149
Others ⁽³⁾	(2,645)	(71)	(65)	(160)

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 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

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

3. 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

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

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

Reconciliation Tables⁽¹⁾ – Fiscal Year Comparisons

028

Adjusted EBITDA

(JPY MM)	IFRS	
	6/2015	6/2016
Operating Profit	(586)	5,730
(+) Depreciation and Amortization	771	874
(+) Impairment Loss on Goodwill ⁽²⁾	4,370	—
EBITDA	4,555	6,604
(+) M&A-Related Expenses ⁽³⁾	506	155
(+) Management Fee ⁽⁴⁾	106	120
(+) Refinancing Related Advisory Fees	—	92
(+) Retirement Benefits for Retiring Officers ⁽⁵⁾	527	—
(+) IPO-related expenses and Expenses related to going-private transaction	226	173
Adjusted EBITDA	5,921	7,146

Adjusted Profit Attributable to Owners of the Parent

(JPY MM)	IFRS	
	6/2015	6/2016
Profit (Loss) Attributable to Owners of the Parent	(4,320)	2,832
(+) Refinancing Costs ⁽⁶⁾	909	557
(+) M&A-Related Expenses ⁽³⁾	506	155
(+) Management Fee ⁽⁴⁾	106	120
(+) IPO-related expenses and Expenses related to going-private transaction	226	173
(+) Impairment Loss on Goodwill ⁽²⁾	4,370	—
(+) Retirement Benefits for Retiring Officers ⁽⁵⁾	527	—
(-) Tax Impact of Above Adjustments ⁽⁷⁾	718	345
Adjusted Profit Attributable to Owners of the Parent	1,606	3,494

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 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
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

Reconciliation Tables Q1–Q3 Comparisons

029

Adjusted EBITDA

(JPY MM)	IFRS	
	Q1–Q3 6/2016	Q1–Q3 6/2017
Operating Profit	5,247	5,853
(+) Depreciation and Amortization	653	638
(+) Impairment Loss on Goodwill ⁽¹⁾	—	—
EBITDA	5,901	6,491
(+) Management Fee ⁽²⁾	86	374
(+) IPO-related expenses and Expenses related to going-private transaction	104	443
(+) M&A-Related Expenses ⁽³⁾	150	—
(+) Refinancing-Related Advisory Fees	1	—
(+) Retirement Benefits for Retiring Officers ⁽⁴⁾	—	—
Adjusted EBITDA	6,244	7,309

Adjusted Profit Attributable to Owners of the Parent

(JPY MM)	IFRS	
	Q1–Q3 6/2016	Q1–Q3 6/2017
Profit Attributable to Owners of the Parent	2,257	2,956
(+) Management Fee ⁽²⁾	86	374
(+) IPO-related expenses and Expenses related to going-private transaction	104	464
(+) Refinancing Costs ⁽⁵⁾	467	—
(+) M&A-Related Expenses ⁽³⁾	150	—
(+) Impairment Loss on Goodwill ⁽¹⁾	—	—
(+) Retirement Benefits for Retiring Officers ⁽⁴⁾	—	—
(-) Tax Impact of Above Adjustments ⁽⁶⁾	284	220
Adjusted Profit Attributable to Owners of the Parent	2,781	3,574

Notes

1. Goodwill impairment in connection with Macromill's acquisition of MetrixLab

2. Annual management fee and reimbursement of expenses pursuant to the management agreement with Bain Capital

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. One-time special severance payment to the founder and Chairman of the Board, Mr. Tetsuya Sugimoto

5. 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

6. Calculated tax impact based on the effective tax rate of Macromill and MetrixLab entities

