Summary of Consolidated Financial Statements for the First Six-Month Period of the Fiscal Year Ending June 30, 2018 [IFRS]

February 5, 2018

Listed Company:	MACROMILL, INC.
Stock Exchange:	Tokyo Stock Exchange
Ticker Code:	3978
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Scheduled date to submit quarterly report:	February 13, 2018
Scheduled date of the start of dividends payment:	-
Supplementary material for quarterly financial results:	Yes
Briefing on quarterly financial results:	Yes (for analysts and institutional investors)

(Amounts of less than one million yen are rounded off.)

1. Consolidated Financial Results for the First Six-Month Period of the Fiscal Year Ending June 30, 2018 (from July 1, 2017 to December 31, 2017)

(1) Consolidated Business Performance

(Percentages calculated on year-on-year basis.)

	Revenue		Operating profit		Profit before tax		Profit for the period		Profit attributable to owners of the parent		Total comprehensive income for the period	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Million yen	%
First six-month period of the year ending June 30, 2018	18,903	8.8	3,682	(7.0)	3,645	17.0	2,499	14.8	2,339	26.5	2,720	14.8
First six-month period of the year ended June 30, 2017	17,372	–	3,959	–	3,115	–	2,176	–	1,850	–	2,368	–

	Basic earnings per share	Diluted basic earnings per share
	Yen	Yen
First six-month period of the year ending June 30, 2018	59.99	57.42
First six-month period of the year ended June 30, 2017	48.87	48.87

(Reference)

	EBITDA		Adjusted EBITDA		Adjusted EBITDA margin	Adjusted profit attributable to owners of the parent		Adjusted basic earnings per share	
	Million yen	%	Million yen	%	%	Million yen	%	Million yen	%
First six-month period of the year ending June 30, 2018	4,187	(4.5)	4,263	(9.9)	22.6	2,411	14.2	61.83	10.8
First six-month period of the year ended June 30, 2017	4,384	–	4,730	–	27.2	2,111	–	55.78	–

(2) Consolidated Financial Position

	Total assets	Total equity	Equity attributable to owners of the parent	Ratio of equity attributable to owners of the parent
	Million yen	Million yen	Million yen	%
As of December 31, 2017	72,904	24,899	22,956	31.5
As of June 30, 2017	70,815	22,352	20,346	28.7

2. Dividends

	Dividend per share				
	End of 1st quarter	End of 2nd quarter	End of 3rd quarter	Year end	Annual
	Yen	Yen	Yen	Yen	Yen
Year ended June 30, 2017	–	0.00	–	5.00	5.00
Year ending June 30, 2018	–	0.00			
Year ending June 30, 2018 (forecast)			–	7.00	7.00

(Note) Revisions from dividends forecasts announced most recently: No

3. Forecast of Consolidated Financial Results for the Year Ending June 30, 2018 (from July 1, 2017 to June 30, 2018)

(Percentages calculated on year-on-year basis.)

	Revenue		Operating profit		Profit before tax		Profit for the year		Profit attributable to owners of the parent		Basic earnings per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Full year	39,000	9.8	8,400	23.1	7,800	32.6	5,500	30.6	4,900	32.2	125.65

(Note) Revisions from financial results forecasts announced most recently: No

(Reference)

	EBITDA		Adjusted EBITDA		Adjusted EBITDA margin	Adjusted profit attributable to owners of the parent		Adjusted basic earnings per share
	Million yen	%	Million yen	%	%	Million yen	%	Yen
Full year	9,340	21.4	9,400	10.2	24.1	4,960	16.7	127.19

* Notes

(1) Changes in significant subsidiaries during the period (changes in specific subsidiaries accompanied by a change in the scope of consolidation): No

New: –

Exclusion: –

(2) Changes in accounting policies and changes of accounting assumptions

(i) Changes in accounting policies as required by IFRS:	No
(ii) Changes in accounting policies other than (i):	No
(iii) Changes in accounting assumptions:	No

(3) Number of shares outstanding (common stock)

(i) Number of shares issued (including treasury stock) at the end of the term:

As of December 31, 2017	39,319,200 shares	As of June 30, 2017	38,823,400 shares

(ii) Number of shares of treasury stock at the end of the term:

As of December 31, 2017	96 shares	As of June 30, 2017	55 shares

(iii) Average number of shares during the period

Six months ended December 31, 2017	38,996,080 shares	Six months ended December 31, 2016	37,858,800 shares

* Summaries of quarterly consolidated financial statements are outside the scope of quarterly reviews.

* Note regarding proper use of results forecasts and other special comments

(1) The Group applies the International Financial Reporting Standards (hereinafter "IFRS") to and after the fiscal year ended June 30, 2016.

(2) The forward-looking statements, such as results forecasts, included in this document are based on information available to the management as of the date of the document and certain assumptions that the management considers reasonable. The Company does not promise that the forecasts will be achieved. Actual results may differ significantly due to a range of factors.

(3) EBITDA = operating profit + depreciation and amortization

(4) Adjusted EBITDA = EBITDA + management fee + IPO related expenses

(5) Adjusted EBITDA margin = adjusted EBITDA / revenue

(6) Adjusted profit attributable to owners of the parent = profit attributable to owners of the parent + management fee + IPO related expenses - tax impact for adjustments

(7) Adjusted basic earnings per share = adjusted profit attributable to owners of the parent / average number of common shares during the period

(8) EBITDA, adjusted EBITDA, adjusted EBITDA margin, adjusted profit attributable to owners of the parent and adjusted basic earnings per share are not the indicators specified by IFRS, but are the financial indicators that the Group considers useful for investors to evaluate the business results of the Group. These financial indicators do not reflect the impact of the costs that are not expected to be incurred after listing and the nonrecurring profit and loss items (the items not considered to show the results of ordinary business activities or the items that do not appropriately show the business results of the Group in comparison with those of other competitors).

(9) EBITDA, adjusted EBITDA, adjusted EBITDA margin, adjusted profit attributable to owners of the parent and adjusted basic earnings per share should not be considered as indicators to replace the other indicators shown in accordance with IFRS because they do not include some of the items that affect the profit for the period, so they are subject to significant restrictions as a means of analysis. EBITDA, adjusted EBITDA, adjusted EBITDA margin, adjusted profit attributable to owners of the parent and adjusted basic earnings per share disclosed by the Group may be less useful in comparison with the same or similar indicators of other competitors because they are calculated according to a different method from that of such other companies.

Accompanying Materials - Contents

1. Qualitative Information about Consolidated Financial Results for the Quarter under Review

(1) Explanations about operating results

In the first six-months period of our financial year ending June 2018 (July 1st to December 31st, 2017), and despite some on-going concerns about the economies of China and the emerging Asian countries, uncertainty in the US government administration and volatile emerging financial capital markets, the global economy experienced a gradual recovery, mainly driven by the recovery in the US. Meanwhile, the Japanese economy continued its path of moderate economic recovery due to steady consumer spending supported by improved corporate earnings, increased stock prices, and a favorable employment environment.

Looking at the market research sector specifically, the total global marketplace reached an estimated value of $45 billion, with online accounting for $17 billion of that figure in the 12 months of 2016 (*1). In Japan, the equivalent figures were $1.9 billion for the sector overall, and online market research at $64 billion (*2).
We believe that this steady growth of both the domestic and global market research sector will be beneficial to our business. In particular, we plan to maximize the continued expansion of online market research specifically as it outpaces the growth rate of the overall market.

In these conditions, MACROMILL, INC. (the "Company") and its consolidated subsidiaries (together, the "Group") continued to pursue stable growth in the domestic business, to strengthen the foundation of the international business, and to focus on business development in the digital marketing industry globally. Simultaneously, by utilizing various data points from our consumer panels such as attribute data, purchase and consumption data, behavioral data, awareness data, biological data etc., we delivered high quality and innovative insights that support the increasingly diverse marketing challenges our clients face.

In the domestic business, we generated steady growth in sectors including electronics, IT/services, food, financial and automotive. We increased sales of our digital marketing and global research products, expanding our business overall. It's worth noting this growth happened despite a weakening in demand from a specific advertising agency client caused by their particular labor reform initiatives.

The global operation also experienced growth, despite the continuation of softening in the North American panel business. A major contributor was increased business with global media and film companies, fast moving consumer goods (FMCG) players, and Korean automotive and electronics manufacturers. In addition, the-yen currency exchange rate worked in our favor compared to previous years, contributing to our steady double-digit year-on-year global revenue growth.

Looking at expenditure, the cost of goods sold (COGS) and selling, general and administrative expenses (SG&A) both rose mainly due to increased third-party panel expenses and outsourcing fees from sales mix and a higher volume of research work and surveys commissioned by our Global Key Accounts (*3). Also adding to the rising costs in this quarter were catch-up costs and strategic investments (*4). However, the reduced interest rate, created by additional refinancing executed upon the completion of our IPO at the end of March 2017, and positive impact of currency exchange rates, reduced our financing costs.

As a result, the Group recorded revenue of 18,903 million yen (up 8.8% year-on-year), Earnings Before Interest, Taxes, Depreciation and Amortization (EBITDA) of 4,187 million yen (down 4.5% year-on-year), profit before tax of 3,645 million yen (up 17.0% year-on-year) and profit attributable to owners of the parent of 2,339 million yen (up 26.5% year-on-year) in the first six-months period of FY June 2018.

The results by segment are as shown below.
(MACROMILL Group)
The Company and its domestic subsidiaries and Korean subsidiary delivered good results due to successful sales activity. We experienced an increase in research requests, including global projects and Korean business expansion. Sales of digital marketing-related products were boosted by the rise in digital advertising. We experienced a negative impact from Dentsu Macromill Insight, one of the Company's major subsidiaries. Here, in addition to their main client's labor environment reform initiatives negatively impacted sales, we had booked one-time profit from converting the pension plan from a defined benefit to a defined contribution plan last year which will not reoccur this year. Also, the Company and its overseas subsidiary saw COGS and SG&A rise due to increased third-party panel and outsourcing fees.

As a result, the MACROMILL Group segment recorded revenue of 15,275million yen (up 8.6% year-on-year), and EBITDA of 3,833 million yen (up 0.02% year-on-year).

(MetrixLab Group)

With its business mainly operated in Europe, the Americas, Middle East and Asian territories, The MetrixLab Group experienced steady sales of its ad campaign evaluation and ad pre-test products to Global Key Accounts. In addition to the softened panel and panel data supply business at Precision Sample, MetrixLab's subsidiary operating panel business in North America, we saw increased COGS and SG&A due to sales mix and enhancement in the global sales team hiring.

As a result, the MetrixLab Group segment recorded revenue of 3,701 million yen (up 8.8% year-on-year), and EBITDA of 354 million yen (down 35.8% year-on-year).

Note that we had applied tentative accounting treatment for Acturus Inc. to the second quarter, and finalized numbers will be reflected in the third quarter or later of this fiscal year. This was due to the time required for additional negotiations to finalize the amount of purchase price adjustment..

*1. reference: ESOMAR Global Market Research 2017

*2. reference: JMRA 42nd Annual Business Management Survey

*3. Global Key Accounts: Customers are typically multinational companies with a large research and marketing budget. They have purchased, or we believe have the potential to purchase, market research from us, and we have placed a specific emphasis on them in our sales efforts

*4. "Catch-up costs" are expenditure in the current fiscal year which we originally planned but remained unexecuted in the previous year. "Strategic investments" are expenditures we didn't foresee at the Mid-Term Business Plan announcement but found crucial to invest in during business execution as a result of more recent business environment changes.

(2) Explanations about financial position

(i) State of assets, liabilities and equity

At the end of the first six-month period of the fiscal year under review, assets totaled 72,904 million yen, a rise of 2,088 million yen from the end of the previous fiscal year. The increase resulted primarily from a rise in trade and other receivables of 2,958 million yen, which offset a decrease in cash and cash equivalents of 2,470 million yen, along with increased goodwill of 1,450 million yen..

Liabilities stood at 48,005 million yen, decreasing 457 million yen from the end of the previous fiscal year. The decrease mainly reflected a decrease in borrowings of 743 million yen and decrease in other financial liabilities of 446 million yen which offset an increase in trade and other payables of 325 million yen and a rise in income tax payable of 349 million yen. As a result, the ratio of net interest-bearing debts to adjusted EBITDA came to 4.1 at the end of the first six-month period of the fiscal year under review.

Equity was worth 24,899 million yen, an increase of 2,546 million yen from the end of the previous fiscal year. The increase was largely attributable to profit for the period of 2,499 million yen, which offset dividends paid of 425 million yen.

(ii) State of cash flow

Cash and cash equivalents ("cash") at the end of the first six-month period of the fiscal year under review decreased 2,547 million yen from the end of the previous fiscal year, to 5,976 million yen. The status of each of the cash flow segments and contributing factors in the first six-month period of the fiscal year under review are as follows.

(Cash flow from operating activities)

Net cash provided by operating activities amounted to 507 million yen (down 1,659 million yen year on year).

The cash inflow was mainly due to an increase in trade and other receivables of 2,837 million yen, interest paid of 221 million yen and income taxes paid of 716 million yen, which offset profit before tax of 3,645 million yen and depreciation and amortization of 505 million yen.

(Cash flow from investing activities)

Net cash used in investing activities came to 1,457 million yen (up 946 million yen year on year).

The cash outflow primary reflected acquisition of property, plant and equipment of 181 million yen, acquisition of intangible assets of 304 million yen, and acquisition of a subsidiary of 1,029 million yen.

(Cash flow from financing activities)

Net cash used in financial activities was 1,597 million yen (up 117 million yen year on year).

The cash outflow resulted mainly from repayments of current borrowings of 1,044 million yen and repayments of non-current borrowings of 1,210 million yen, which offset proceeds from current borrowings of 1,007 million yen.

(3) Explanations about forward-looking information including forecast of consolidated financial results

The Group makes no change to its forecast of consolidated financial results for the fiscal year ending June 30, 2018 announced on August 8, 2017 at the present point.

The Group prepared the forecast of consolidated financial results based on information accessible as of the date of its announcement. A variety of future factors may cause actual financial results to differ from its forecasts.

2. Summarized Quarterly Consolidated Financial Statements and Significant Notes

(1) Summarized Quarterly Consolidated Statement of Financial Position

(Millions of yen)

	As of June 30, 2017	As of December 31, 2017
Assets		
Current assets		
Cash and cash equivalents	8,447	5,976
Trade and other receivables	6,388	9,347
Other financial assets	100	32
Other current assets	548	586
Total current assets	15,485	15,943
Non-current assets		
Property, plant and equipment	1,034	1,110
Goodwill	46,067	47,517
Other intangible assets	6,059	6,297
Investments accounted for using the equity method	30	35
Other financial assets	1,381	1,246
Deferred tax assets	757	753
Other non-current assets	0	0
Total non-current assets	55,330	56,961
Total assets	**70,815**	**72,904**

(Millions of yen)

	As of June 30, 2017	As of December 31, 2017
Liabilities		
Current liabilities		
Borrowings	2,617	2,635
Trade and other payables	2,492	2,817
Other financial liabilities	137	136
Income tax payable	877	1,227
Provisions	989	1,011
Other current liabilities	1,838	1,861
Total current liabilities	8,952	9,691
Non-current liabilities		
Borrowings	36,880	36,118
Other financial liabilities	917	470
Retirement benefit liabilities	223	205
Provisions	199	206
Deferred tax liabilities	1,213	1,229
Other non-current liabilities	77	82
Total non-current liabilities	39,511	38,314
Total liabilities	**48,463**	**48,005**
Equity		
Share capital	674	800
Capital surplus	11,044	11,208
Treasury shares	(0)	(0)
Other components of equity	0	175
Retained earnings (deficit)	8,627	10,772
Equity attributable to owners of the parent	20,346	22,956
Non-controlling interests	2,005	1,942
Total equity	22,352	24,899
Total liabilities and equity	**70,815**	**72,904**

(2) Summarized Quarterly Consolidated Statement of Operations

[Six months of consolidated fiscal year] (Millions of yen)

	Six months ended December 31, 2016	Six months ended December 31, 2017
Revenue	17,372	18,903
Cost of sales	(9,033)	(10,424)
Gross profit	8,339	8,479
Selling, general and administrative expenses	(4,601)	(4,749)
Other operating income	229	12
Other operating expenses	(13)	(63)
Share of the profit on investments accounted for using the equity method	5	3
Operating profit	3,959	3,682
Finance income	3	370
Finance costs	(847)	(407)
Profit before tax	3,115	3,645
Income tax benefit (expense)	(938)	(1,146)
Profit for the period	2,176	2,499
Profit (loss) attributable to:		
Owners of the parent	1,850	2,339
Non-controlling interests	326	159
Profit for the period	2,176	2,499
Earnings per share		
Basic (Yen)	48.87	59.99
Diluted (Yen)	48.87	57.42

(3) Summarized Quarterly Consolidated Statement of Comprehensive Income

[Six months of consolidated fiscal year] (Millions of yen)

	Six months ended December 31, 2016	Six months ended December 31, 2017
Profit for the period	2,176	2,499
Other comprehensive income (loss)		
Items that will not be reclassified to profit or loss:		
Financial assets measured at fair value through other comprehensive income (loss)	(4)	(88)
Total items that will not be reclassified to profit or loss	(4)	(88)
Items that may be reclassified to profit or loss:		
Exchange differences on translation of foreign operations	196	309
Total items that may be reclassified to profit or loss	196	309
Other comprehensive income (loss), net of tax	192	221
Comprehensive income for the period	2,368	2,720
Comprehensive income for the period attributable to:		
Owners of the parent	2,029	2,512
Non-controlling interests	339	207
Comprehensive income for the period	2,368	2,720

(4) Summarized Quarterly Consolidated Statement of Changes in Equity

Six months ended December 31, 2016

(Millions of yen)

	Equity attributable to owners of the parent				
			Other components of equity		
	Share capital	Capital surplus	Financial assets measured at fair value through other comprehensive income (loss)	Remeasure-ments of defined benefit plans	Exchange differences on translation of foreign operations
Balance as of July 1, 2016	100	17,813	0	–	(517)
Profit for the period	–	–	–	–	–
Other comprehensive income (loss)	–	–	(1)	–	181
Total comprehensive income for the period	–	–	(1)	–	181
Contribution of management services rendered by owners	–	50	–	–	–
Share-based payment transactions	–	–	–	–	–
Dividends paid	–	–	–	–	–
Transfer of capital surplus to retained earnings	–	(7,388)	–	–	–
Changes in ownership interests in subsidiaries without a loss of control	–	1	–	–	–
Total transactions with owners	–	(7,377)	–	–	–
Balance as of December 31, 2016	100	10,476	(1)	–	(336)

(Millions of yen)

	Equity attributable to owners of the parent				Non-controlling interests	Total equity
	Other components of equity		Retained earnings (deficit)	Total		
	Warrants	Total				
Balance as of July 1, 2016	129	(387)	(2,461)	15,064	1,583	16,647
Profit for the period	–	–	1,850	1,850	326	2,176
Other comprehensive income (loss)	–	179	–	179	13	192
Total comprehensive income for the period	–	179	1,850	2,029	339	2,368
Contribution of management services rendered by owners	–	–	–	50	–	50
Share-based payment transactions	103	103	–	103	–	103
Dividends paid	–	–	–	–	(105)	(105)
Transfer of capital surplus to retained earnings	–	–	7,388	–	–	–
Changes in ownership interests in subsidiaries without a loss of control	–	–	–	1	(39)	(38)
Total transactions with owners	103	103	7,388	154	(145)	9
Balance as of December 31, 2016	233	(105)	6,776	17,248	1,777	19,025

Six months ended December 31, 2017

(Millions of yen)

	Equity attributable to owners of the parent					
				Other components of equity		
	Share capital	Capital surplus	Treasury shares	Financial assets measured at fair value through other comprehensive income (loss)	Remeasure-ments of defined benefit plans	Exchange differences on translation of foreign operations
Balance as of July 1, 2017	674	11,044	(0)	93	–	(293)
Profit for the period	–	–	–	–	–	–
Other comprehensive income (loss)	–	–	–	(45)	–	219
Total comprehensive income for the period	–	–	–	(45)	–	219
Issue of shares	125	185	–	–	–	–
Purchase of treasury shares	–	–	(0)	–	–	–
Share-based payment transactions	–	–	–	–	–	–
Dividends paid	–	–	–	–	–	–
Changes in ownership interests in subsidiaries without a loss of control	–	(21)	–	–	–	–
Total transactions with owners	125	163	(0)	–	–	–
Balance as of December 31, 2017	800	11,208	(0)	47	–	(74)

(Millions of yen)

	Equity attributable to owners of the parent				Non-controlling interests	Total equity
	Other components of equity		Retained earnings (deficit)	Total		
	Warrants	Total				
Balance as of July 1, 2017	200	0	8,627	20,346	2,005	22,352
Profit for the period	–	–	2,339	2,339	159	2,499
Other comprehensive income (loss)	–	173	–	173	47	221
Total comprehensive income for the period	–	173	2,339	2,512	207	2,720
Issue of shares	(61)	(61)	–	249	–	249
Purchase of treasury shares	–	–	–	(0)	–	(0)
Share-based payment transactions	62	62	–	62	–	62
Dividends paid	–	–	(194)	(194)	(231)	(425)
Changes in ownership interests in subsidiaries without a loss of control	–	–	–	(21)	(38)	(60)
Total transactions with owners	1	1	(194)	96	(269)	(173)
Balance as of December 31, 2017	202	175	10,772	22,956	1,942	24,899

(5) Summarized Quarterly Consolidated Statements of Cash Flow

(Millions of yen)

	Six months ended December 31, 2016	Six months ended December 31, 2017
Cash flows from operating activities		
Profit before tax	3,115	3,645
Depreciation and amortization	424	505
Finance income	(3)	(370)
Finance costs	847	407
Share of the (profit) loss on investments accounted for using the equity method	(5)	(3)
Decrease (increase) in trade and other receivables	(1,336)	(2,837)
Increase (decrease) in trade and other payables	90	230
Other	(247)	(139)
Sub-total	2,884	1,437
Interest and dividends received	3	8
Interest paid	(297)	(221)
Income taxes paid	(424)	(716)
Net cash flows provided by (used in) operating activities	2,166	507
Cash flows from investing activities		
Acquisition of property, plant and equipment	(237)	(181)
Acquisition of intangible assets	(225)	(304)
Acquisition of a subsidiary	–	(1,029)
Acquisition of investments	(44)	(31)
Proceeds from sale of investments	10	1
Other	(13)	87
Net cash flows provided by (used in) investing activities	(511)	(1,457)
Cash flows from financing activities		
Proceeds from current borrowings	230	1,007
Repayments of current borrowings	–	(1,044)
Proceeds from non-current borrowings	2	–
Repayments of non-current borrowings	(1,556)	(1,210)
Proceeds from issue of shares	–	249
Dividends paid	–	(193)
Dividends paid to non-controlling interests	(105)	(231)
Other	(49)	(174)
Net cash flows provided by (used in) financing activities	(1,479)	(1,597)
Net increase (decrease) in cash and cash equivalents	**176**	**(2,547)**
Cash and cash equivalents at the beginning of the year	**6,124**	**8,447**
Effect of exchange rate changes on cash and cash equivalents	**105**	**77**
Cash and cash equivalents at the end of the period	**6,406**	**5,976**

(6) Notes to Summarized Quarterly Consolidated Financial Statements

(Notes regarding the premise of a going concern)

None applicable.

(Segment information)

(1) Overview of reportable segments

The reportable segments of the Group are a constituent unit of the Company whose financial information is available separately, subject to regular review by the Board of Directors for the purpose of determining the allocation of management resources and the evaluation of business results. The major business of the Group is online marketing research on a global basis. Accordingly, the Group consists of regional segments based on the corporate group. There are two reportable segments: the "MACROMILL Group," which is mainly in charge of business in Japan and Korea, and the "MetrixLab Group," which is mainly in charge of overseas business.

The "MACROMILL Group" consists of the Company and its subsidiaries including DENTSU MACROMILL INSIGHT, INC. and MACROMILL EMBRAIN CO., LTD.

The "MetrixLab Group" consists of MetrixLab B.V., MetrixLab US, Inc. and other subsidiaries.

(2) Revenues and business results by segment

Six months ended December 31, 2016

Millions of yen

	Reportable segments			Reconciliations	Consolidated
	MACROMILL Group	MetrixLab Group	Total		
Revenue					
External	14,057	3,315	17,372	–	17,372
Intersegment	10	84	95	(95)	–
Total	14,067	3,400	17,468	(95)	17,372
Segment profit (loss) (Operating profit (loss))	3,587	371	3,959	–	3,959
Finance income					3
Finance costs					(847)
Profit before tax					3,115
(Other profit and loss items)					
Depreciation and amortization expense	245	179	424	–	424

Six months ended December 31, 2017

Millions of yen

	Reportable segments			Reconciliations	Consolidated
	MACROMILL Group	MetrixLab Group	Total		
Revenue					
External	15,260	3,642	18,903	–	18,903
Intersegment	14	58	73	(73)	–
Total	15,275	3,701	18,977	(73)	18,903
Segment profit (loss) (Operating profit (loss))	3,529	153	3,682	–	3,682
Finance income					370
Finance costs					(407)
Profit before tax					3,645
(Other profit and loss items)					
Depreciation and amortization expense	304	201	505	–	505

The revenue and other financial results of MACROMILL EMBRAIN CO., LTD. in the MACROMILL Group are recorded in Korean won, and the revenue and other financial results of the MetrixLab Group are recorded in euros. Exchange rates used for their conversion in the consolidated cumulative first six-month period of the previous fiscal year were 0.0931 yen per Korean won and 116.04 yen per euro, respectively. The revenue and other financial results for the consolidated cumulative first six-month period of the fiscal year under review are converted at the exchange rates of 0.1002 yen per Korean won and 131.69 yen per euro, respectively.