



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

May 8, 2018

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 Stock Exchange: Tokyo Stock Exchange
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 Scheduled date to submit quarterly report: May 14, 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 Nine-Month Period of the Fiscal Year Ending June 30, 2018 (from July 1, 2017 to March 31, 2018)

(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 nine-month period of the year ending June 30, 2018	30,482	11.4	6,374	8.9	6,221	27.2	4,291	26.2	3,938	33.2	4,206	16.1
First nine-month period of the year ended June 30, 2017	27,365	9.1	5,853	11.5	4,890	35.6	3,400	32.9	2,956	31.0	3,622	74.4

	Basic earnings per share	Diluted basic earnings per share
	Yen	Yen
First nine-month period of the year ending June 30, 2018	100.61	96.57
First nine-month period of the year ended June 30, 2017	77.92	77.90

(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 nine-month period of the year ending June 30, 2018	7,150	10.2	7,238	(1.0)	23.7	4,022	12.5	102.74	9.1
First nine-month period of the year ended June 30, 2017	6,491	10.0	7,309	17.1	26.7	3,574	28.5	94.21	28.2

(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 March 31, 2018	74,257		26,522		24,461	32.9
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	125.16

(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	126.69	

* 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 March 31, 2018	39,557,600 shares	As of June 30, 2017	38,823,400 shares
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- (ii) Number of shares of treasury stock at the end of the term:

As of March 31, 2018	96 shares	As of June 30, 2017	55 shares
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- (iii) Average number of shares during the period

Nine months ended March 31, 2018	39,149,834 shares	Nine months ended March 31, 2017	37,946,407 shares
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* This summary of consolidated financial statements is not subject to the quarterly review procedures of a certified public accountant or audit firm.

* 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 + costs for listing
- (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 + costs for listing - 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.

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

(1) Explanations about operating results

In the first nine-month period of our financial year ending June 2018 (July 1st to March 31st, 2018), the global economy experienced a gradual recovery. This was driven by improvements in the US, despite uncertainty in the government administration and volatile emerging financial capital markets. There are on-going concerns about the economic performance in both China and the emerging Asian markets. Meanwhile, the Japanese economy continued its path of moderate economic recovery thanks to steady consumer spending supported by improved corporate earnings 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 \$0.6 billion (*2). We believe that the steady growth of both the global and domestic market research sector will be beneficial to our business. In particular we plan to maximize the continued expansion of online market research 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 including attribute data, purchase and consumption data, behavioral data, awareness data and biological data, we continued to deliver 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. Notably, Company revenue on a stand-alone basis grew to 17,108 million yen (up 9.9% year-on-year) which pushed domestic business revenue to 21,361 million yen (up 7.1% year-on-year). This performance represents our highest revenue figure on record any nine-month accumulated basis to date, a significant milestone. It’s worth noting this growth was achieved despite the continued weakening demand from one advertising agency client caused by their particular labor reform initiatives.

The global operation, despite the continuation softening in the North American panel business, also experienced steady business expansion with global media and film companies, fast moving consumer goods (FMCG) players, and Korean automotive and electronics manufacturers. In addition, the consolidation of the US and UK based marketing research company Acturus, acquired by MetrixLab in October 2017, contributed to our positive results. In addition, the yen currency exchange rate revenue produced a positive impact in this reporting period, compared to previous years, both contributing to our steady double-digit year-on-year global revenue growth. As with the domestic business, we had marked record high revenue of 9,234 million yen for the nine-month accumulated basis.

Looking at expenditure, the cost of goods sold (COGS) and selling, general and administrative expenses (SG&A) rose primarily due to increased third-party panel expenses and outsourcing fees which is a variables resulting from a higher volume of research work and surveys to the Global Key Accounts(*3) mainly based in Asia. We also saw increase in personnel expenses in both COGS and SG&A largely due to catch-up costs and strategic investments (*4) for enhancement of the group’s global and digital marketing business and expenditure increase from acquisition and consolidation of subsidiaries. However, removal of most of the one-time IPO related cost reduction had off set the SG&A increases. Also, the lower interest rate created by additional refinancing executed upon the completion of our IPO at the end of March 2017 along with the positive impact of currency exchange rates reduced financing costs.

As a result, the Group recorded revenue of 30,482 million yen (up 11.4% year-on-year), Earnings Before Interest, Taxes, Depreciation and Amortization (EBITDA) of 7,150 million yen (up 10.2% year-on-year), operating profit of 6,374 million yen (up 8.9% year-on-year), profit before tax of 6,221 million yen (up 27.2% year-on-year) and profit attributable to owners of the parent of 3,938 million yen (up 33.2% year-on-year) in the first nine-month period of FY June 2018.

The results by segment are as shown below.

(MACROMILL Group)

The Company, its domestic subsidiaries and Korean subsidiary, delivered remarkable results due to successful sales activity. Record revenue generated by the domestic business, combined with expansion in the Korean business, drove strong total segment revenue

growth. Expenditure on the catch-up costs and strategic investments outlined in this statement were mostly off-set by the reduction of one-time IPO related costs, which limited the impact of COGS and SG&A increases relative to our revenue growth.

As a result, the MACROMILL Group segment recorded revenue of 24,002 million yen (up 8.5% year-on-year), and EBITDA of 6,565 million yen (up 17.9% year-on-year).

(MetrixLab Group)

With its business primarily operated in Europe, the Americas, Middle East and Asian territories, the MetrixLab Group experienced steady sales of its advertising campaign evaluation and pre-test products to Global Key Accounts and other global clients in North America, the UK and South East Asian territories. In addition the consolidation of Acturus generated record revenue for the MetrixLab segment. However, we experienced increased COGS and SG&A expansion of the global sales team, and increased expenditure associated with the Acturus consolidation.

As a result, The MetrixLab Group segment recorded revenue of 6,583 million yen (up 22.3% year-on-year), and EBITDA of 584 million yen (down 36.7% year-on-year).

*1. reference: ESOMAR Global Market Research 2017

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

*3. Global Key Accounts: Customers are typically multi-national 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 nine-month period of the fiscal year under review, assets totaled 74,257 million yen, a rise of 3,441 million yen from the end of the previous fiscal year. The increase resulted primarily from a rise in trade and other receivables of 4,060 million yen and growth in goodwill of 1,005 million yen, which offset a decrease in cash and cash equivalents of 1,997 million yen.

Liabilities stood at 47,734 million yen, a decrease of 728 million yen from the end of the previous fiscal year. This mainly reflected a decrease in borrowings of 2,392 million yen and a fall in other financial liabilities of 231 million yen, which offset an increase in trade and other payables of 657 million yen and a rise in income tax payable of 620 million yen. The ratio of net interest-bearing debts to adjusted EBITDA came to 3.6 at the end of the first nine-month period of the fiscal year under review.

Equity was worth 26,522 million yen, an increase of 4,170 million yen from the end of the previous fiscal year. The increase was largely attributable to profit for the quarterly period of 4,291 million yen, which offset dividends paid of 425 million yen (including cash dividends paid to non-controlling interests).

(ii) State of cash flow

Cash and cash equivalents (“cash”) at the end of the first nine-month period of the fiscal year under review decreased 1,997 million yen from the end of the previous fiscal year, to 6,449 million yen. The status of each of the cash flow segments and contributing factors in the first nine-month period of the fiscal year under review are as follows.

(Cash flow from operating activities)

Net cash provided by operating activities amounted to 2,379 million yen (down 1,005 million yen year on year).

The cash inflow was mainly due to an increase in trade and other receivables of 3,893 million yen, interest paid of 413 million yen and income taxes paid of 1,134 million yen, which offset profit before tax of 6,221 million yen and depreciation and amortization of 775 million yen.

(Cash flow from investing activities)

Net cash used in investing activities came to 1,703 million yen (up 717 million yen year on year).

The cash outflow primarily reflected the acquisition of property, plant and equipment of 304 million yen, the acquisition of intangible assets of 477 million yen and the acquisition of a subsidiary of 1,008 million yen.

(Cash flow from financing activities)

Net cash used in financial activities was 2,684 million yen (up 770 million yen year on year).

The cash outflow resulted chiefly from repayments of current borrowings of 1,044 million yen and repayments of non-current borrowings of 2,411 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

To date, there has been no change to the consolidated results forecasts for the year ending June 30, 2018 announced on August 8, 2017.

The consolidated results forecasts were prepared based on information available on the date of the announcement of the forecasts, which may differ from the actual results due to various reasons.

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 March 31, 2018
Assets		
Current assets		
Cash and cash equivalents	8,447	6,449
Trade and other receivables	6,388	10,448
Other financial assets	100	3
Other current assets	548	533
Total current assets	15,485	17,435
Non-current assets		
Property, plant and equipment	1,034	1,156
Goodwill	46,067	47,072
Other intangible assets	6,059	6,628
Investments accounted for using the equity method	30	33
Other financial assets	1,381	1,236
Deferred tax assets	757	694
Other non-current assets	0	0
Total non-current assets	55,330	56,821
Total assets	70,815	74,257

(Millions of yen)

	As of June 30, 2017	As of March 31, 2018
Liabilities		
Current liabilities		
Borrowings	2,617	2,583
Trade and other payables	2,492	3,149
Other financial liabilities	137	213
Income tax payable	877	1,498
Provisions	989	981
Other current liabilities	1,838	2,314
Total current liabilities	8,952	10,739
Non-current liabilities		
Borrowings	36,880	34,522
Other financial liabilities	917	608
Retirement benefit liabilities	223	201
Provisions	199	207
Deferred tax liabilities	1,213	1,377
Other non-current liabilities	77	77
Total non-current liabilities	39,511	36,995
Total liabilities	48,463	47,734
Equity		
Share capital	674	859
Capital surplus	11,044	11,288
Treasury shares	(0)	(0)
Other components of equity	0	(70)
Retained earnings (deficit)	8,627	12,384
Equity attributable to owners of the parent	20,346	24,461
Non-controlling interests	2,005	2,061
Total equity	22,352	26,522
Total liabilities and equity	70,815	74,257

(2) Summarized Quarterly Consolidated Statement of Operations

[Nine months of consolidated fiscal year]

(Millions of yen)

	Nine months ended March 31, 2017	Nine months ended March 31, 2018
Revenue	27,365	30,482
Cost of sales	(14,133)	(16,739)
Gross profit	13,232	13,742
Selling, general and administrative expenses	(7,616)	(7,304)
Other operating income	250	31
Other operating expenses	(19)	(98)
Share of the profit on investments accounted for using the equity method	6	3
Operating profit	5,853	6,374
Finance income	7	417
Finance costs	(969)	(571)
Profit before tax	4,890	6,221
Income tax benefit (expense)	(1,490)	(1,929)
Profit for the period	3,400	4,291
Profit (loss) attributable to:		
Owners of the parent	2,956	3,938
Non-controlling interests	443	352
Profit for the period	3,400	4,291
Earnings per share		
Basic (Yen)	77.92	100.61
Diluted (Yen)	77.90	96.57

(3) Summarized Quarterly Consolidated Statement of Comprehensive Income

[Nine months of consolidated fiscal year]

(Millions of yen)

	Nine months ended March 31, 2017	Nine months ended March 31, 2018
Profit for the period	3,400	4,291
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)	82	(55)
Total items that will not be reclassified to profit or loss	82	(55)
Items that may be reclassified to profit or loss:		
Exchange differences on translation of foreign operations	139	(29)
Total items that may be reclassified to profit or loss	139	(29)
Other comprehensive income (loss), net of tax	221	(84)
Comprehensive income for the period	3,622	4,206
Comprehensive income for the period attributable to:		
Owners of the parent	3,135	3,889
Non-controlling interests	486	317
Comprehensive income for the period	3,622	4,206

(4) Summarized Quarterly Consolidated Statement of Changes in Equity
Nine months ended March 31, 2017

(Millions of yen)

	Equity attributable to owners of the parent				
	Share capital	Capital surplus	Other components of equity		
			Financial assets measured at fair value through other comprehensive income (loss)	Remeasurements 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)	—	—	43	—	135
Total comprehensive income for the period	—	—	43	—	135
Issue of shares	574	647	—	—	—
Contribution of management services rendered by owners	—	18	—	—	—
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	574	(6,721)	—	—	—
Balance as of March 31, 2017	674	11,092	43	—	(382)

(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	—	—	2,956	2,956	443	3,400
Other comprehensive income (loss)	—	178	—	178	43	221
Total comprehensive income for the period	—	178	2,956	3,135	486	3,622
Issue of shares	(72)	(72)	—	1,149	—	1,149
Contribution of management services rendered by owners	—	—	—	18	—	18
Share-based payment transactions	123	123	—	123	—	123
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	50	50	7,388	1,293	(145)	1,147
Balance as of March 31, 2017	180	(157)	7,883	19,493	1,924	21,417

Nine months ended March 31, 2018

(Millions of yen)

	Equity attributable to owners of the parent					
	Share capital	Capital surplus	Treasury shares	Other components of equity		
				Financial assets measured at fair value through other comprehensive income (loss)	Remeasurements 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)	—	—	—	(26)	—	(22)
Total comprehensive income for the period	—	—	—	(26)	—	(22)
Issue of shares	184	265	—	—	—	—
Purchase of treasury shares	—	—	(0)	—	—	—
Share-based payment transactions	—	—	—	—	—	—
Dividends paid	—	—	—	—	—	—
Transfer of other components of equity to retained earnings	—	—	—	(12)	—	—
Changes in ownership interests in subsidiaries without a loss of control	—	(21)	—	—	—	—
Total transactions with owners	184	243	(0)	(12)	—	—
Balance as of March 31, 2018	859	11,288	(0)	53	—	(316)

(Millions of yen)

	Equity attributable to owners of the parent					
	Other components of equity		Retained earnings (deficit)	Total	Non-controlling interests	Total equity
	Warrants	Total				
Balance as of July 1, 2017	200	0	8,627	20,346	2,005	22,352
Profit for the period	—	—	3,938	3,938	352	4,291
Other comprehensive income (loss)	—	(49)	—	(49)	(35)	(84)
Total comprehensive income for the period	—	(49)	3,938	3,889	317	4,206
Issue of shares	(83)	(83)	—	367	—	367
Purchase of treasury shares	—	—	—	(0)	—	(0)
Share-based payment transactions	74	74	—	74	—	74
Dividends paid	—	—	(194)	(194)	(231)	(425)
Transfer of other components of equity to retained earnings	—	(12)	12	—	—	—
Changes in ownership interests in subsidiaries without a loss of control	—	—	—	(21)	(30)	(52)
Total transactions with owners	(8)	(21)	(181)	225	(261)	(36)
Balance as of March 31, 2018	192	(70)	12,384	24,461	2,061	26,522

(5) Summarized Quarterly Consolidated Statements of Cash Flow

(Millions of yen)

	Nine months ended March 31, 2017	Nine months ended March 31, 2018
Cash flows from operating activities		
Profit before tax	4,890	6,221
Depreciation and amortization	638	775
Finance income	(7)	(417)
Finance costs	969	571
Share of the (profit) loss on investments accounted for using the equity method	(6)	(3)
Decrease (increase) in trade and other receivables	(1,886)	(3,893)
Increase (decrease) in trade and other payables	751	328
Other	(204)	335
Sub-total	5,145	3,917
Interest and dividends received	8	10
Interest paid	(1,114)	(413)
Income taxes paid	(654)	(1,134)
Net cash flows provided by (used in) operating activities	3,385	2,379
Cash flows from investing activities		
Acquisition of property, plant and equipment	(299)	(304)
Acquisition of intangible assets	(395)	(477)
Acquisition of a subsidiary	—	(1,008)
Acquisition of investments	(122)	(64)
Proceeds from sale of investments	52	4
Other	(221)	145
Net cash flows provided by (used in) investing activities	(986)	(1,703)
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	(3,135)	(2,411)
Proceeds from issue of shares	1,149	367
Dividends paid	—	(193)
Dividends paid to non-controlling interests	(105)	(231)
Other	(55)	(178)
Net cash flows provided by (used in) financing activities	(1,914)	(2,684)
Net increase (decrease) in cash and cash equivalents	484	(2,008)
Cash and cash equivalents at the beginning of the year	6,124	8,447
Effect of exchange rate changes on cash and cash equivalents	54	11
Cash and cash equivalents at the end of the period	6,663	6,449

(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 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

The revenues and business results of the respective reportable segments of the Group are as shown below. 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 euro. The exchange rates used for their conversion in the consolidated cumulative first nine-month period of the previous fiscal year were 0.0950 yen per Korean won and 117.70 yen per euro. The revenue and other financial results for the consolidated cumulative first nine-month period of the fiscal year under review are converted at the exchange rates of 0.1005 yen per Korean won and 132.16 yen per euro (the exchange rates that should be applied to the revenue and other financial results of the third three-month period alone, which are calculated back from the differences between the results announced for the first six-month period and those for the first nine-month period, are 0.0994 yen per Korean won and 120.66 yen per euro for the third three-month period of the previous fiscal year and 0.1013 yen per Korean won and 132.77 yen per euro for the third three-month period of the fiscal year under review).

Nine months ended March 31, 2017

					Millions of yen
	Reportable segments			Reconciliations	Consolidated
	MACROMILL Group	MetrixLab Group	Total		
Revenue					
External	22,112	5,252	27,365	–	27,365
Intersegment	15	131	147	(147)	–
Total	22,128	5,383	27,512	(147)	27,365
Segment profit (loss) (Operating profit (loss))	5,198	654	5,853	–	5,853
Finance income					7
Finance costs					(969)
Profit before tax					4,890
(Other profit and loss items)					
Depreciation and amortization expense	368	270	638	–	638

Nine months ended March 31, 2018

					Millions of yen
	Reportable segments			Reconciliations	Consolidated
	MACROMILL Group	MetrixLab Group	Total		
Revenue					
External	23,985	6,497	30,482	–	30,482
Intersegment	16	86	103	(103)	–
Total	24,002	6,583	30,585	(103)	30,482
Segment profit (loss) (Operating profit (loss))	6,101	273	6,374	–	6,374
Finance income					417
Finance costs					(571)
Profit before tax					6,221
(Other profit and loss items)					
Depreciation and amortization expense	464	310	775	–	775