

# **FY6/2020 Q1 Financial Results**

November 12, 2019



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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.

- **Q1 Revenue growth was lower than expected primarily driven off a slow down in Japan**
  - 9.88 B JPY represents -5% decrease YOY and -2% in CFX with Operating Profit of 1.21 B JPY down by 24% YoY
  - Active cost controls result in EBITDA, Operating Profit and Net Income consistent with guidance assumptions
- **Immediate actions plans are underway to improve short term business performance and we are prioritizing “Japan recovery”**
- **With this slower start , revenue is challenging but we believe we can achieve initial guidance targets especially in terms of Profit. Initial guidance remains unchanged**
- **We remain committed to our revised strategy outlined in our Mid-term Plan**
  - Progress made on Regional Expansion (DI Asia, Australia) and Solution Expansion (DMP, Immerse, Act Instant)
  - Continuing to invest in evolution to the company of “Research” x “DATA”, to become the “true partners” for our clients in data consulting fields
- **Digital and Global continue to be growth drivers with Q1 Digital growing at 50% in Japan**
- **Macromill uniquely positioned for continued Digital growth in an increasingly regulated market**

# **FY6/2020 Q1 Financial Update**

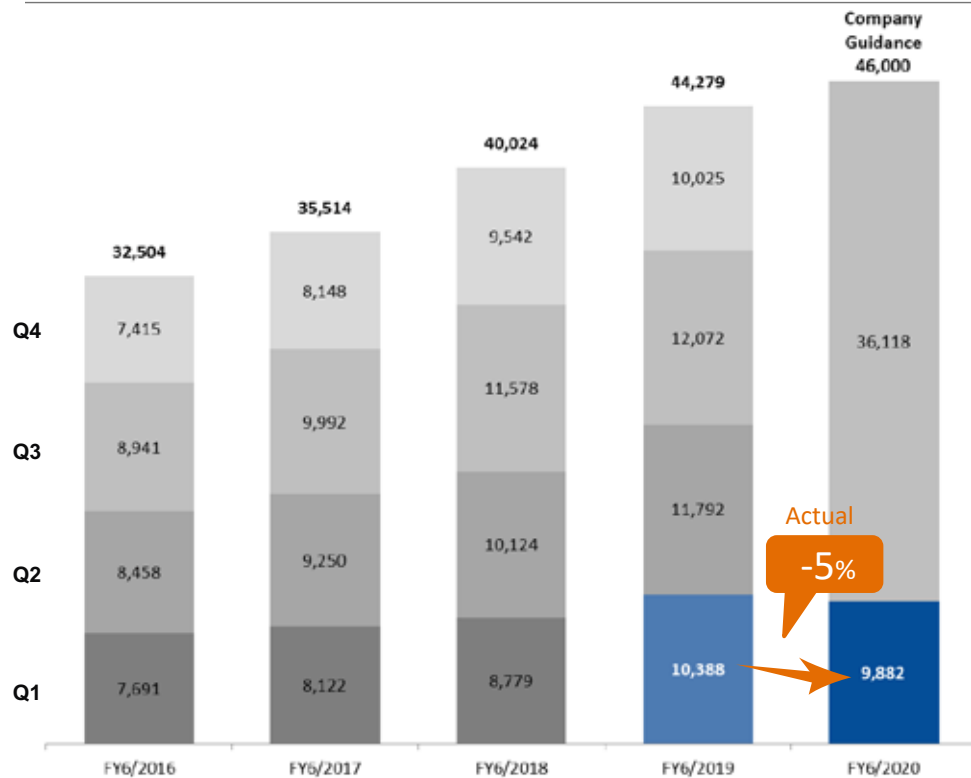
# FY6/2020 Q1: Consolidated Results - Summary

Q1 growth lower than expected with revenue down by 5% YoY. OP down by 24% YoY, but in-line with guidance assumptions

## Revenue

Consolidated (IFRS)  
(JPY in Millions)

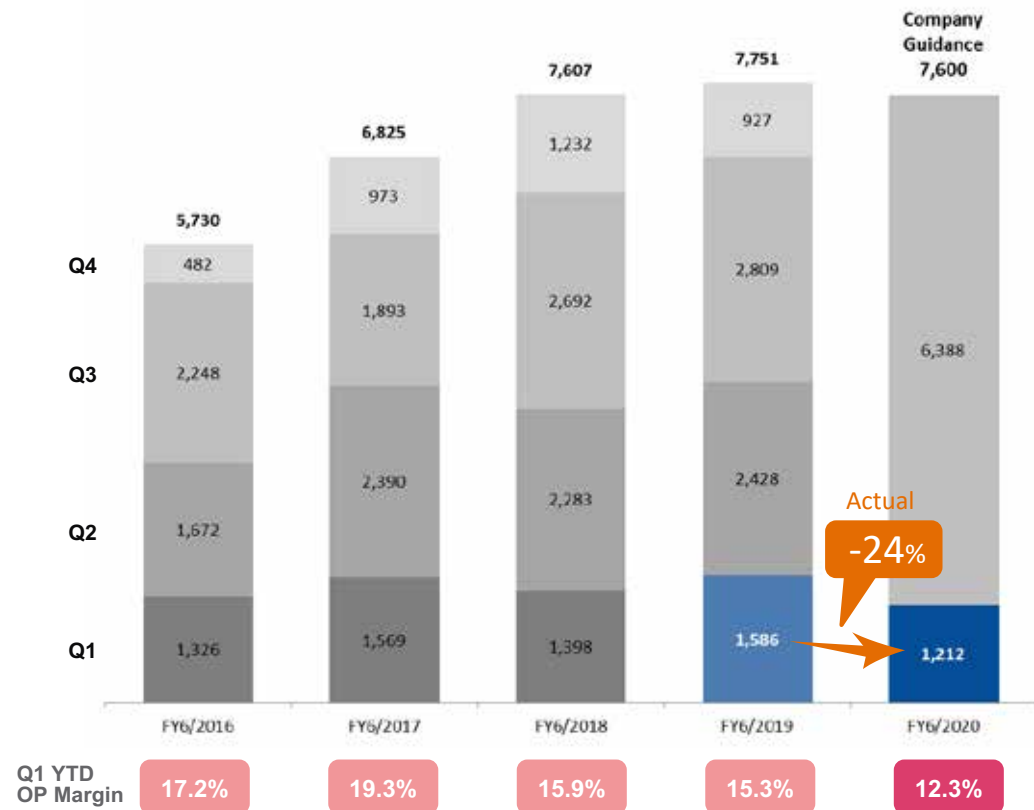
YoY Growth	Full year:	+9%	+13%	+11%	+4%
	Q1 YTD:	+6%	+8%	+18%	-5%



## Operating Profit

Consolidated (IFRS)  
(JPY in Millions)

YoY Growth	Full year:	+19%	+11%	+2%	-2%
	Q1 YTD:	+18%	-11%	+13%	-24%



# Consolidated Statements of Operations (P/L)

## Summary of Consolidated Statements of Operations

(JPY in Millions)	IFRS			
	Full Year		Variance	YoY Growth
	6/2019 Q1	6/2020 Q1		
Revenue	10,388	9,882	(506)	(5%)
Japan and Korea Business Segment	8,105	7,593	(512)	(6%)
Overseas (ex-Korea) Business Segment	2,313	2,313	0	0%
Total Employee Expenses	(4,061)	(4,022)	39	(1%)
Panel Expenses	(1,363)	(1,596)	(233)	17%
Outsourcing Expenses	(1,327)	(1,154)	173	(13%)
Depreciation and Amortization	(333)	(676)	(343)	103%
Others	(1,716)	(1,220)	496	(29%)
Operating Profit	1,586	1,212	(374)	(24%)
Japan and Korea Business Segment	1,413	1,077	(336)	(24%)
Overseas (ex-Korea) Business Segment	172	134	(38)	(22%)
Finance Income and Costs	(280)	(110)	170	(61%)
Profit before Tax	1,306	1,102	(204)	(16%)
Income Tax Expenses	(405)	(348)	57	(14%)
Profit attributable to non-controlling interest	(109)	(30)	79	(72%)
Profit Attributable to Owners of the Parent	790	723	(67)	(8%)
EBITDA <sup>(1)</sup>	1,920	1,888	(32)	(2%)
Japan and Korea Business Segment	1,636	1,584	(52)	(3%)
Overseas (ex-Korea) Business Segment	283	304	21	7%
EPS (Basic Earnings per Share) (Yen)	19.91	18.03	(1.88)	(9%)
Operating Profit Margin	15.3%	12.3%	-3.0pt	
Japan and Korea Business Segment	17.4%	14.2%	-3.2pt	
Overseas (ex-Korea) Business Segment	7.4%	5.8%	-1.6pt	
EBITDA Margin	18.5%	19.1%	+0.6pt	
Japan and Korea Business Segment	20.2%	20.9%	+0.7pt	
Overseas (ex-Korea) Business Segment	12.2%	13.1%	+0.9pt	

### Notes

1. EBITDA = Operating Profit + Depreciation and Amortization + Loss on Retirement of Non-current Assets + Impairment Loss

## FY6/2020 Q1 P/L Commentary

### Variance Factors

- Revenue:
  - Japan and Korea Business Segment decreased due to slower research demand in Japan and a delay in revenue timing in Korea
  - Overseas Business (ex-Korea) Segment grew as expected
- Total Employee Expenses:
  - Number of the total group employees increased by 188, from 2,276 (FY6/2019 Q1) to 2,464 (FY6/2020 Q1) while total employee cost decreased due to various cost optimization activities
    - ◆ Japan and Korea Business Segment +160 (mainly due to new graduates)
    - ◆ Overseas Business (ex-Korea) Segment +28
- Panel Expenses:
  - Reclassification in Overseas Business Segment from Operating Expenses - Others to Panel Expenses 195
- Outsourcing Expenses:
  - Improved due to development of in-house research capability
- Depreciation and Amortization:
  - Impact of IFRS16 331
- Finance Income/Costs:
  - Mainly due to one time refinance cost in FY2019Q1 158
- Profit attributable to non-controlling interest:
  - Mainly due to decrease in Operating Profit from JV with ad-agencies and Korea business
- Profit Attributable to Owners of the Parent:
  - While Operating Profit significantly decreased from last year by 24%, this is almost in line with guidance plans
  - The decrease of Profit Attributable to Owners of the Parent from last year was relatively small, down by 8% from last year, due to improvement in financial costs
- Operating Profit Margin and EBITDA Margin:
  - Operating Profit Margin decreased due to lower revenue
  - EBITDA Margin improved due to IFRS16
    - ◆ EBITDA increase due to IFRS16 in Japan and Korea Business Segment 266
    - ◆ EBITDA increase due to IFRS16 in Overseas business (ex-Korea) Segment 64

# FY6/2020 Q1: Operational Profit Waterfall

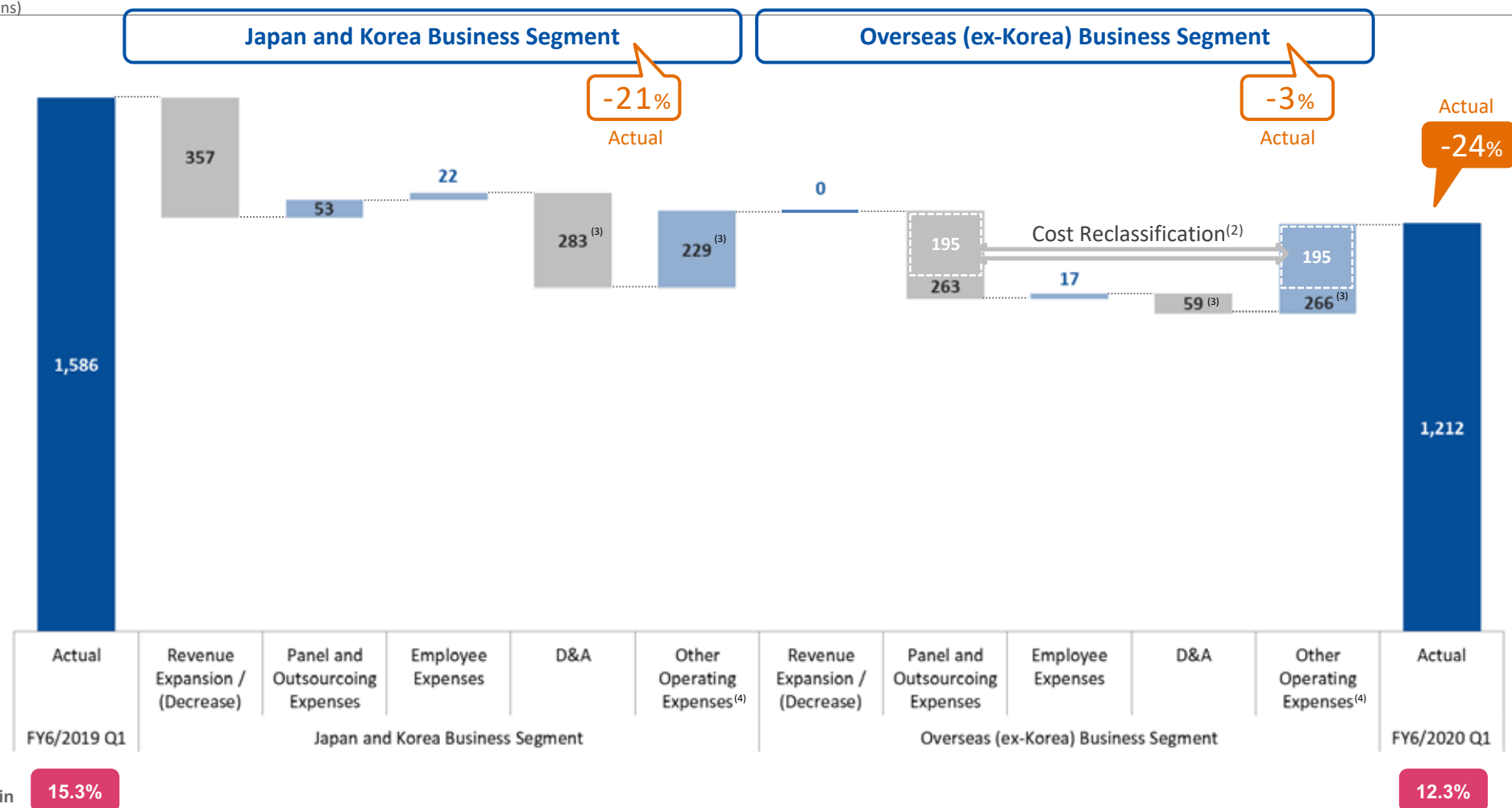
Q1 Standalone

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OP decline is mainly due to the decrease in revenue in Japan

## Operational Profit (OP) Waterfall Analysis<sup>(1)</sup> – FY6/2019 Q1 vs. FY6/2020 Q1

Consolidated (IFRS)  
(JPY in Millions)



### Notes

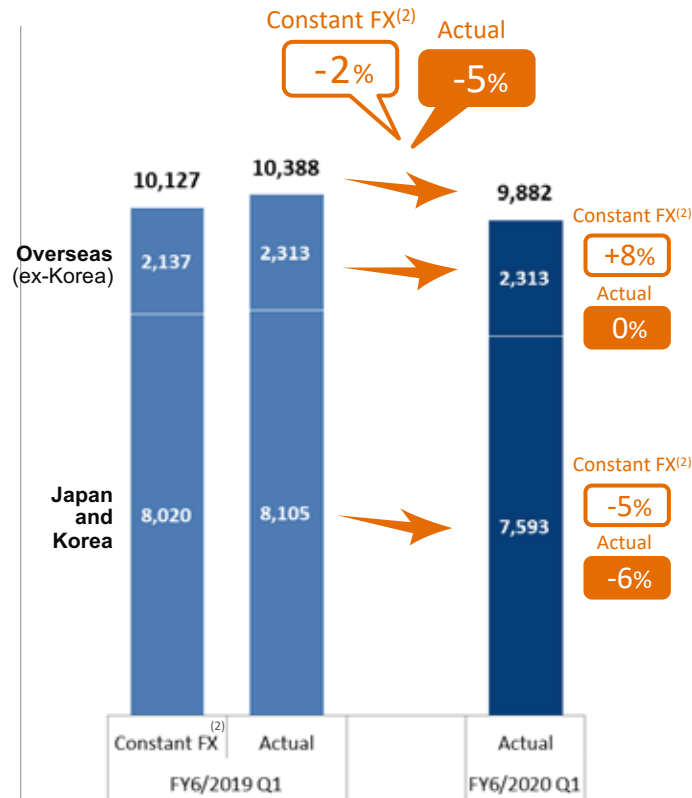
- The impact of "Revenue Expansion/(Decrease)" effects and "Panel/Outsourcing Expenses" on "Operating Profit" is calculated and described based on margin improvement/deterioration. "Employee Expenses", "D&A", and "Other Operating Expenses" are shown using actual differences from the same period of the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

# Quarterly Revenue Trends

In a seasonally slower Q1, decline in Japan and Korea performance partially offset by solid overseas performance in constant FX

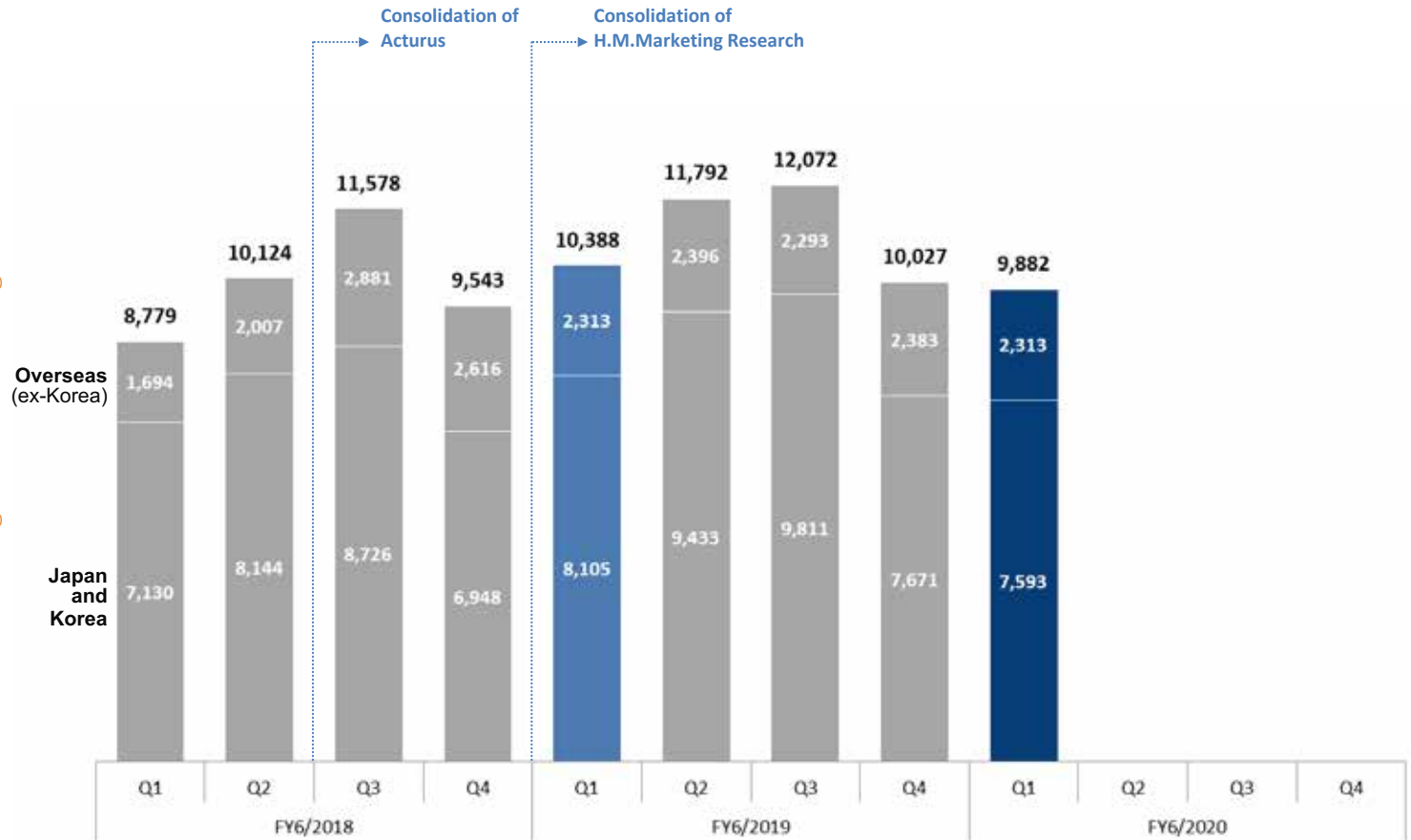
## Q1 YTD Revenue (3 Months)<sup>(1)</sup>

Consolidated (IFRS)  
(JPY in Millions)



## Quarterly Revenue Trends – By Segment<sup>(1)</sup>

Consolidated (IFRS)  
(JPY in Millions)



### Notes

- Revenue of each segment is shown using gross value including intersegment revenue, and the total amount of revenue of both segments does not match the consolidated revenue (the difference is intersegment revenue)
- Financials (actual) for 6/19 Q1 and financials for 6/20 Q1 are presented by using the period-average rate of €1 = ¥129.55 and €1 = ¥119.69, 1KRW = ¥0.0995 and 1KRW = ¥0.0906 respectively. All Constant FX figures including for 6/19 Q1 are calculated by using the same period-average rate of €1 = ¥119.69 and 1KRW = ¥0.0906. Each exchange rate is used to translate results of overseas' operations for each of the 3-months periods ended September 30, 2019 and 2020 into yen, as applicable, in connection with the consolidation into our consolidated financial statements. We present financials for 6/19 on a constant currency basis because we believe that this provides a framework for assessing how Macromill's business and, in particular, overseas businesses including MetrixLab and Macromill EMBRAIN, performed without taking into account the effect of the fluctuations between the euro and the yen since the same period in the prior year, but please note, it only excludes the effect of currency exchange between the Euro/Yen and the Won/Yen, but not exclude the effects of currency exchange on all local currencies (for example, between the Euro/USD).

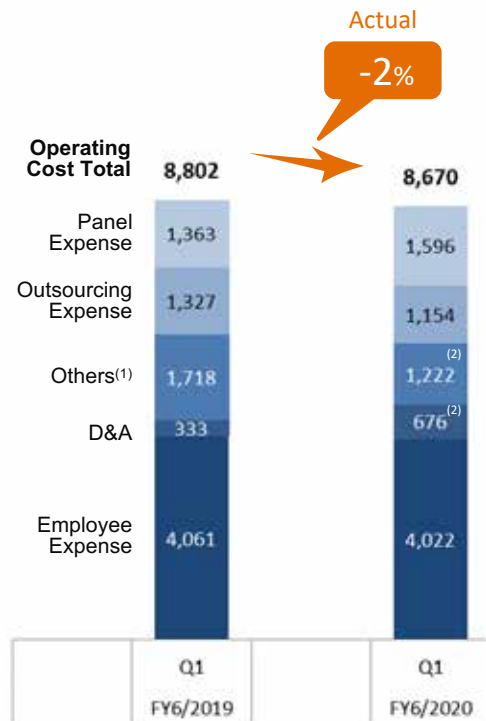


# Quarterly Operating Cost Trends

Fixed cost is relatively stable in spite of seasonal revenue trends, combined in Q1 with a balanced approach for IT investment for growth offset by strict cost control of operating expenses

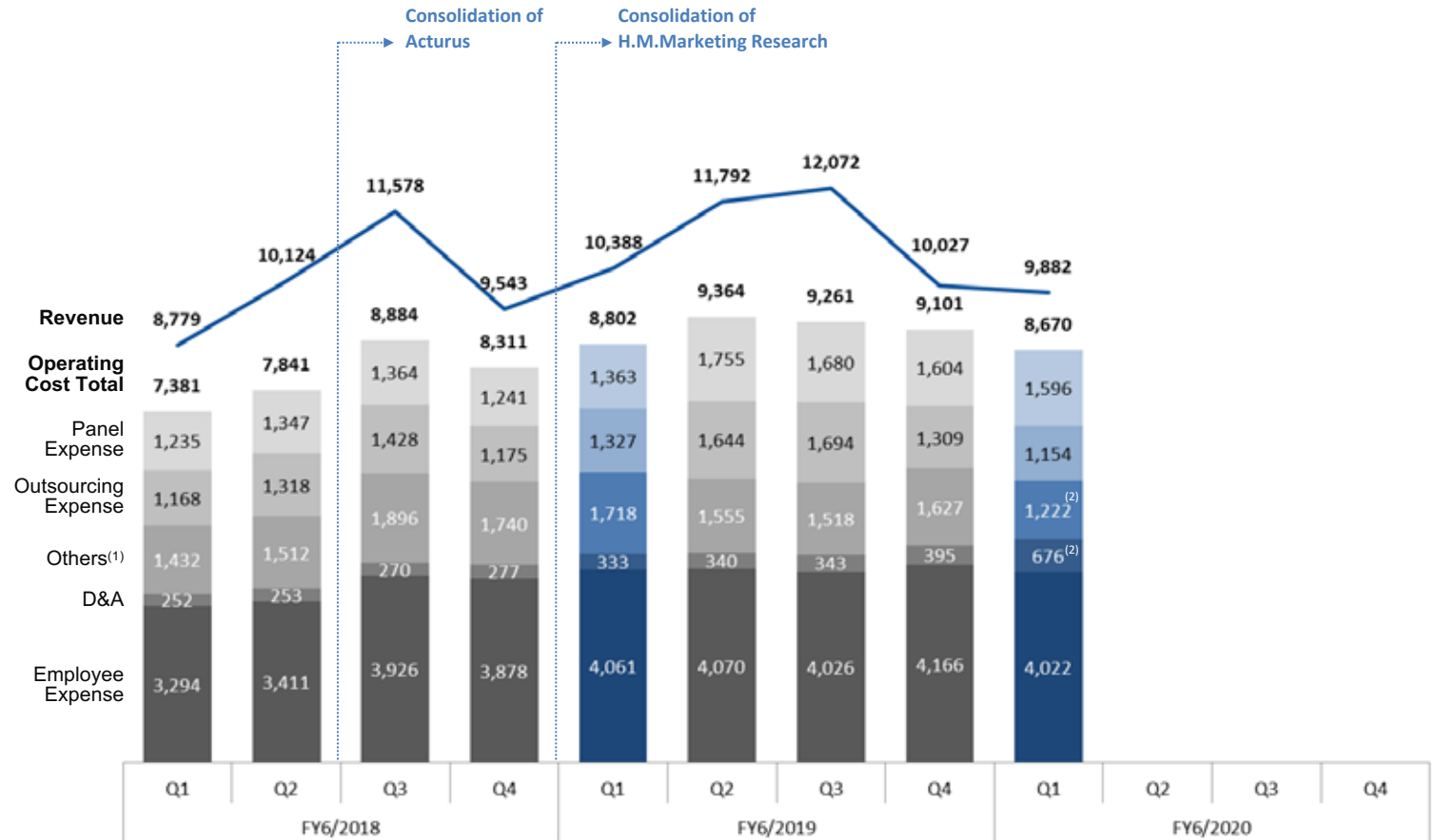
## Q1 YTD Operating Cost (3 Months)

Consolidated (IFRS)  
(JPY in Millions)



## Quarterly Operating Cost Trends

Consolidated (IFRS)  
(JPY in Millions)



### Notes

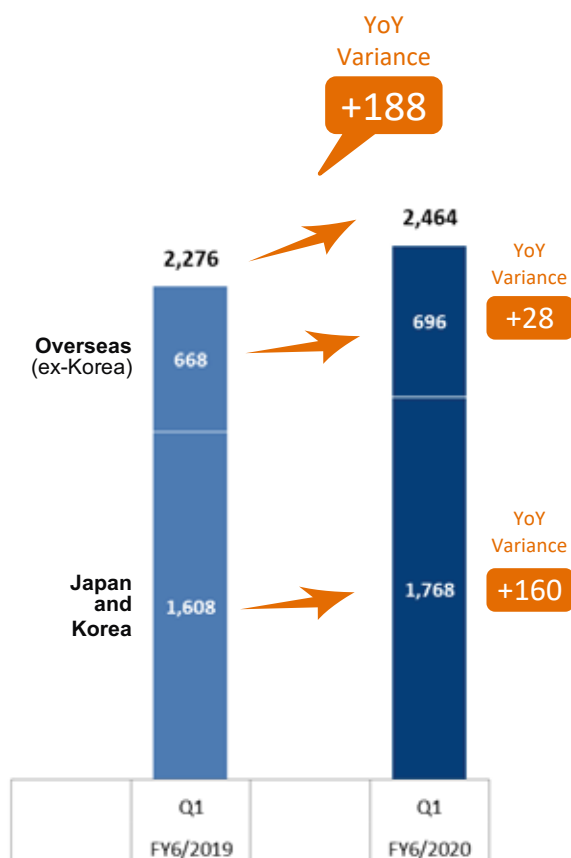
- Others includes Other Operating Income, Other Operating Expenses, and Share of the Profit on Investments Accounted for Using the Equity Method in addition to Other in Operating Expenses
- MACROMILL, INC. and its consolidated subsidiaries implemented IFRS 16 Leases at the beginning of Q1. Under the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

# Quarterly Headcount Trends

Managing talent investment to support growth with one-time increase for work-style reform compliance

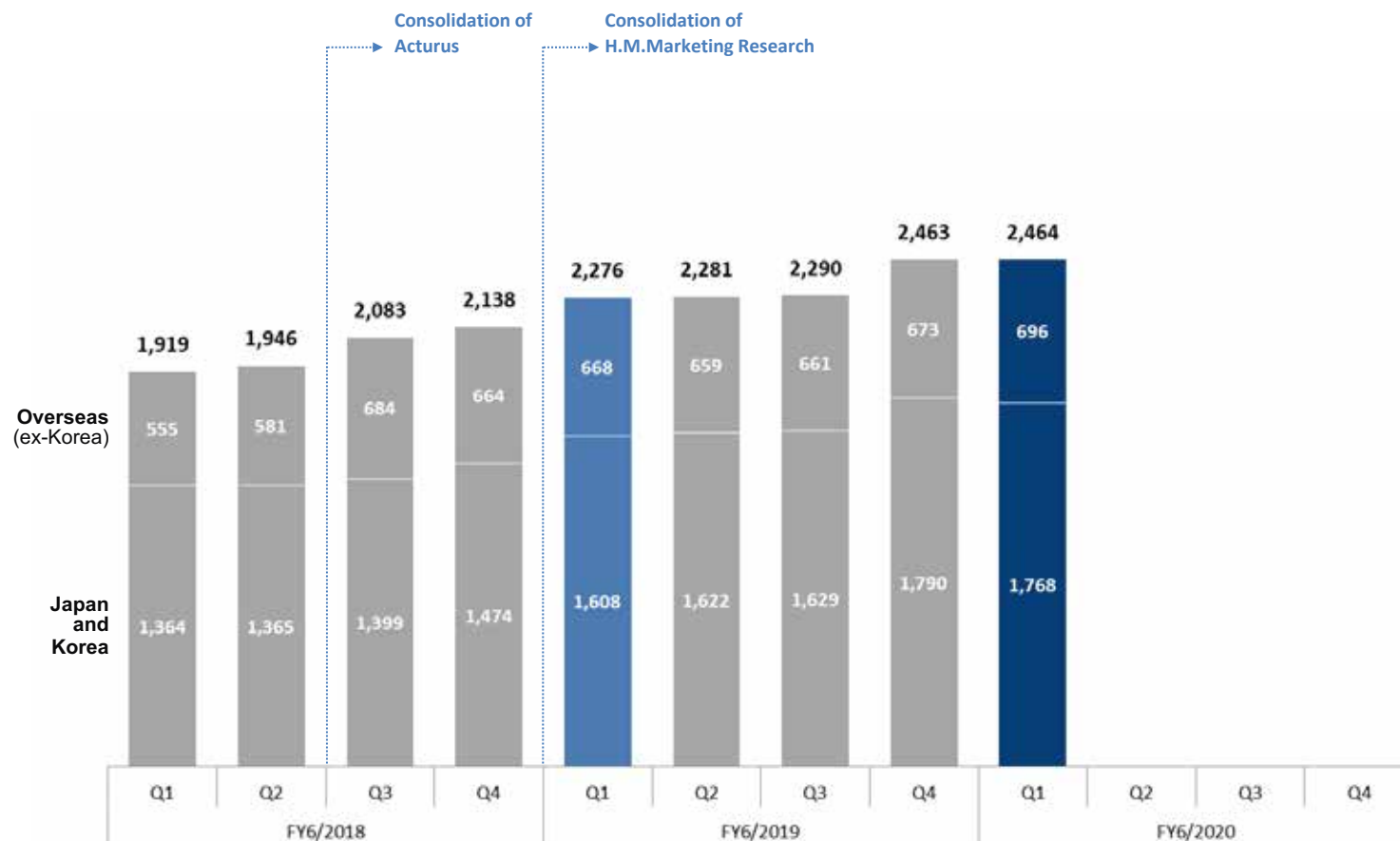
## Q1 Headcount<sup>(1)</sup> (As of the end of the Quarter)

Consolidated  
(Person)



## Quarterly Headcount<sup>(1)</sup> Trends – By Segment

Consolidated  
(Person)



### Notes

1. Headcount figures are not including temporary employees

# Consolidated Statements of Financial Position (B/S)

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## Summary of Consolidated Statements of Financial Position

(JPY in Millions)	IFRS		
	FY6/2019 (6/30/2019)	FY6/2020 Q1 (9/30/2019)	Variance
<b>Total Assets</b>	<b>78,321</b>	<b>79,026</b>	<b>705</b>
Cash and Cash Equivalents	10,102	7,963	(2,139)
Trade and Other Receivables	9,577	9,617	40
Property, Plant and Equipment	1,370	4,223	2,853
Goodwill	46,886	46,626	(260)
Other Intangible Assets	7,244	6,994	(250)
Other Assets	3,140	3,599	459
<b>Total Liabilities</b>	<b>46,039</b>	<b>46,592</b>	<b>553</b>
Borrowings and Bonds	35,614	34,827	(787)
Trade and Other Payables	4,105	3,099	(1,006)
Other Liabilities	6,318	8,666	2,348
<b>Total Equity</b>	<b>32,282</b>	<b>32,433</b>	<b>151</b>

## FY6/2020 Q1 B/S Commentary

- Working capital:
  - Accounts Receivable turnover 87.4 days
    - ◆ Change in FY6/2020 Q1 is in line with FY6/2019 Q1
  - Accounts Payable and Provision for panel points turnover 43.6 days
    - ◆ Change in FY6/2020 Q1 is in line with FY6/2019 Q1
- Financing cost (excluding lease liabilities):
  - Q1 average interest rate 0.87% (FY6/2019 Q1 1.19%)
    - ◆ Borrowings 1.22%
    - ◆ Bond 0.50%
  - Commitment line (undrawn) JPY 4,500 million
  - Credit Rating (R&I): BBB+ (Outlook: Stable) - Maintained
- Leverage related:
  - Net Debt/EBITDA: Reducing toward to the mid-term target, 2.0x - 2.5x though EBITDA (LTM base) that consisted of results before and after IFRS16 application distorted net debt/EBITDA
  - Interest Coverage Ratio 19.43x (FY6/2019 9.33x)
- Capital efficiency related:
  - ROE (LTM base) 16.6% (down 2.9pt YoY)

# Consolidated Statements of Cash Flows (C/F)

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## Summary of Consolidated Statements of Cash Flows

(JPY in Millions)	IFRS	
	3 Months	
	Q1 6/2019	Q1 6/2020
<b>Cash Flows from Operating Activities</b>	<b>(1,298)</b>	<b>(82)</b>
Profit (Loss) before Tax	1,306	1,102
Depreciation and Amortization	333	676
Finance Income and Costs	280	110
Change in Working Capital <sup>(1)</sup>	(747)	(790)
Others <sup>(2)</sup>	(633)	(393)
<b>Sub Total</b>	<b>538</b>	<b>704</b>
Interest and Dividends Received	11	1
Interest Paid	(212)	(88)
Income Taxes Paid	(1,635)	(699)
<b>Cash Flows from Investing Activities</b>	<b>(422)</b>	<b>(644)</b>
Capex <sup>(3)</sup>	(738)	(685)
Acquisition of Subsidiaries	328	-
Others <sup>(2)</sup>	(12)	41
<b>Free Cash Flows <sup>(4)</sup></b>	<b>(1,508)</b>	<b>(637)</b>
<b>Cash Flows from Financing Activities</b>	<b>(1,921)</b>	<b>(1,368)</b>
Proceeds from Borrowings <sup>(5)</sup> and Bonds	9,997	-
Repayment of Borrowings <sup>(5)</sup>	(11,483)	(825)
Repayment of Lease Liabilities	-	(326)
Proceeds from Issue of Shares	75	138
Others <sup>(2)</sup>	(510)	(354)

### Notes

- The sum of Decrease (Increase) in Trade and Other Receivables and Increase (Decrease) in Trade and Other Payables
- Others in Cash Flows from Operating Activities are the sum of Share of the Profit on Investments Accounted for using the Equity Method and Other. Others in Cash Flows from Investing Activities are the sum of Proceeds from sale of property, plant and equipment, Proceeds from Acquisition of Investments, Proceeds from Sale of Investments and Other. Others in Cash Flows from Financing Activities are the sum of Dividends paid, Dividends Paid to Non-controlling Interests and Other
- The sum of Purchase of Property, Plant and Equipment and Purchase of Intangible Assets
- Free cash flow = Cash flows from operating activities  $\pm$  cash flows from investing activities - interest paid
- The sum of Long-term Borrowings and Short-term Borrowings

## FY6/2020 Q1 C/F Commentary

- Cash flows from operating activities -82 (up 93.7% YoY):
  - Decrease in income before tax 204
  - Increase in depreciation and amortization 343
    - Impact of IFRS16 application 331
  - Decrease in corporate tax paid 936
- Cash flows from investing activities -644 (up 52.6% YoY):
  - Capex such as IT investments in line with those in the same period in previous fiscal year
  - Decrease in funds from income gained through acquisition of subsidiaries in FY6/2019 Q1 328
- Free cash flows -637 (up 57.8% YoY):
- Cash flows from financing activities -1,368 (down 28.8% YoY):
  - Increase in funds due to issue of corporate bonds and early redemption of a part of the existing loans in FY6/2019 Q1 661
  - Decrease in funds due to repayment of lease liabilities upon IFRS16 application 326
- Increase in cash and cash equivalents 2,487

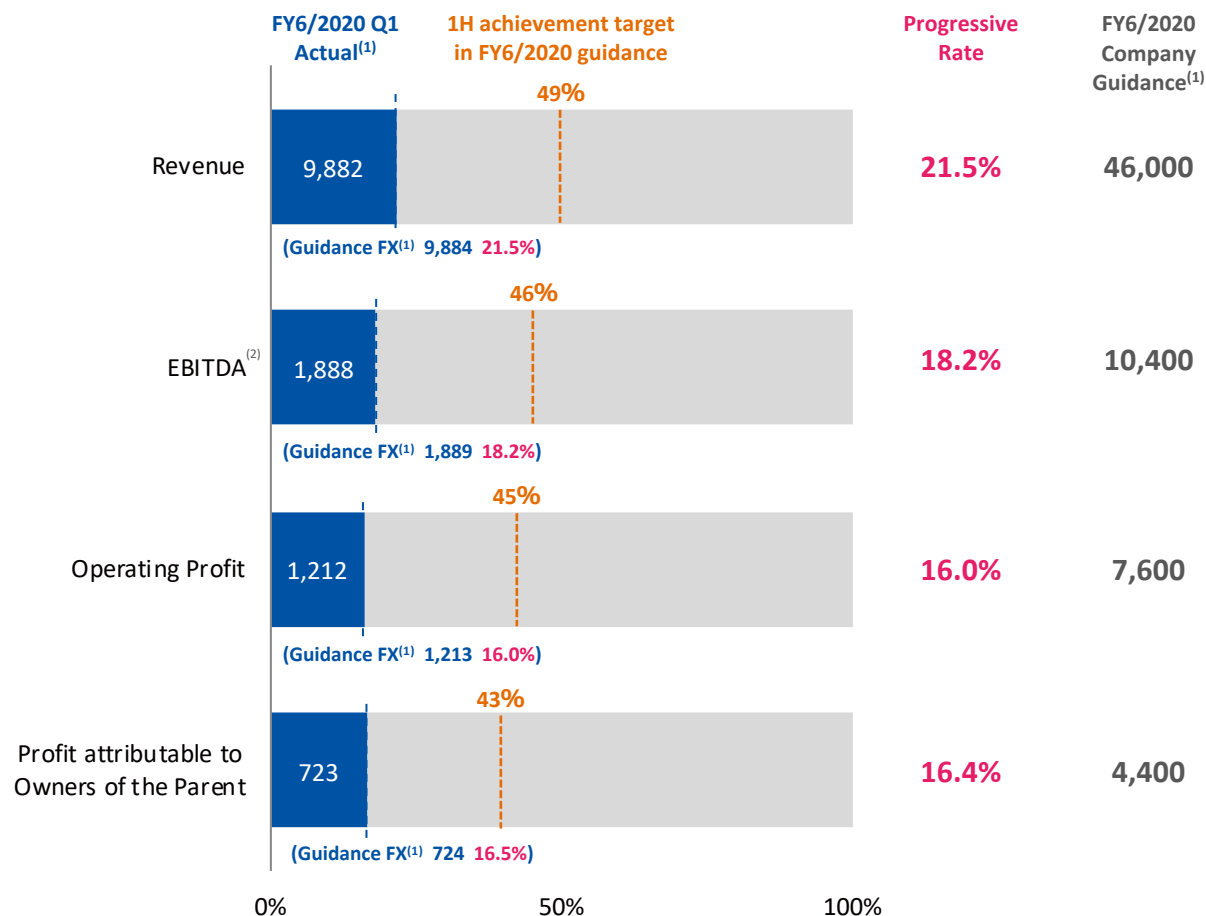
	IFRS	
	3 Months	
	Q1 6/2019	Q1 6/2020
Increase in Cash Equivalents	(3,642)	(2,094)
Cash and Cash Equivalents at the beginning of the period	9,124	10,102
Effect of Exchange Rate Changes on Cash and Cash Equivalents	(5)	(44)
<b>Cash and Cash Equivalents at the end of the period</b>	<b>5,476</b>	<b>7,963</b>

# FY6/2020 Q1 Results: % of Achievement vs. Guidance

Despite a slower start in Revenue, we believe we can achieve guidance targets especially in terms of profits

## FY6/2020 Q1 Actual Results vs. FY6/2020 Company Guidance

Consolidated (IFRS)  
(JPY in Millions)



### ■ Revenue: "Headwind"

- Slower than expected research demand from key accounts in Japan
- Revenue timing delay to Q2 in Korea
- In line with expectation in Overseas Business

### ■ EBITDA / Operating Profit / Profit Attributable to Owners of the Parent: "Slightly above expectation"

- While Revenue did not meet expectation, various cost optimization activities more than offset the Revenue shortfall

### ■ FX: "In line with expectation"

- Both EUR and KRW were almost in line with guidance rates

#### Notes

1. Financials for FY6/2020 Q1 (Actual) are presented by using the period-average of 1Euro = JPY119.69 and 1KRW = ¥0.0906. Company guidance for FY6/2020 are based on FX rate of 1Euro = JPY 120.00 and 1KRW = ¥0.0900.

2. EBITDA = Operating Profit + Depreciation and Amortization + Loss on Retirement of Non-current Assets + Impairment Loss

# **Japan and Korea Business Segment Update**

# FY6/2020 Q1: Segment Performance Summary

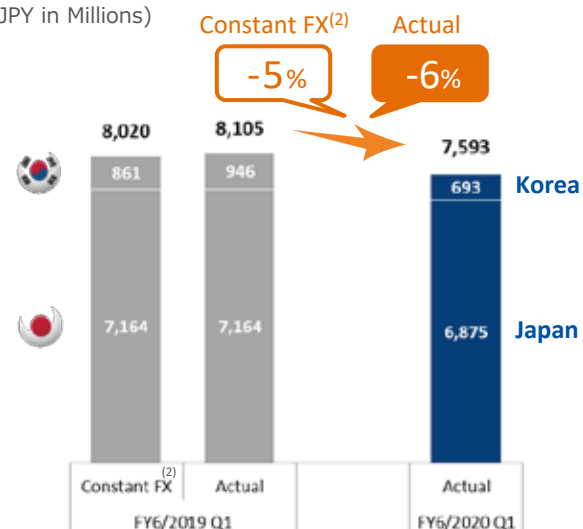


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Both Japan and Korea were slow in Q1, but for different reasons (explained in the following pages)

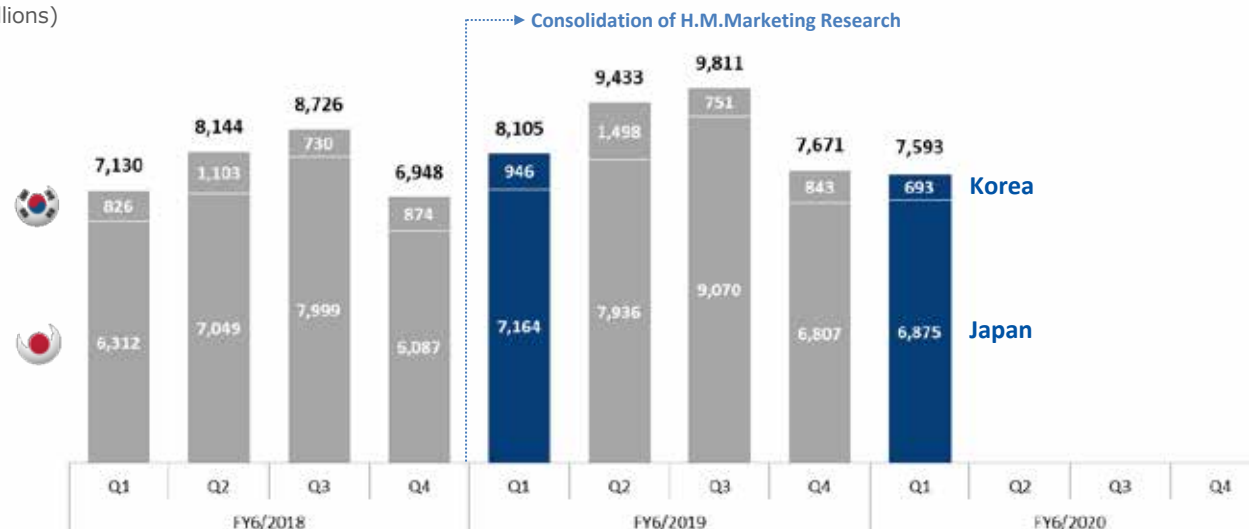
## Q1 YTD Segment Revenue (3 Months)<sup>(1)</sup>

(JPY in Millions)



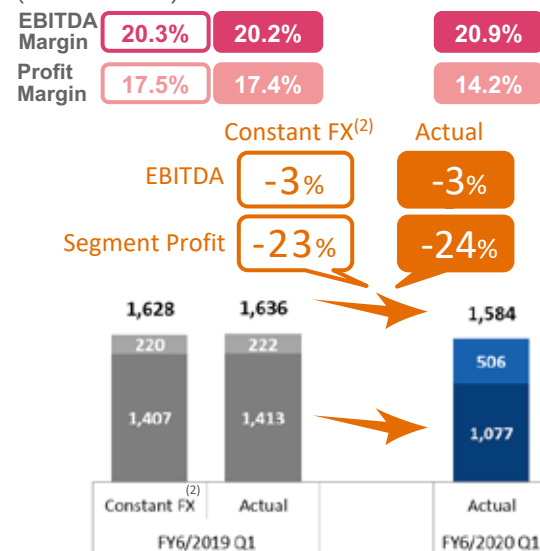
## Quarterly Segment Revenue Trends<sup>(1)</sup>

(JPY in Millions)



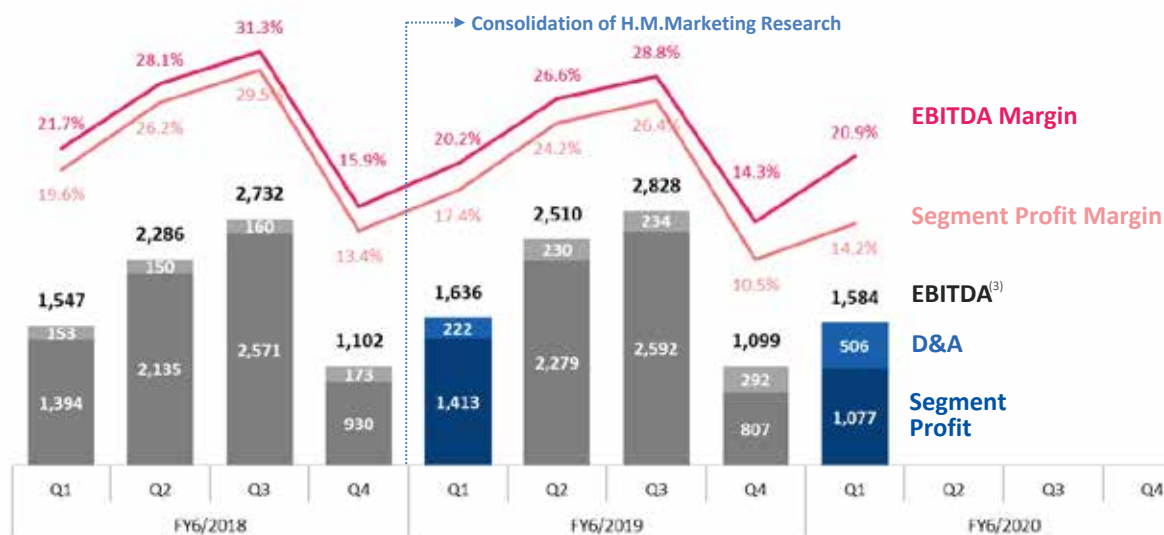
## Q1 YTD Segment EBITDA and Profit (3 Months)

(JPY in Millions)



## Quarterly Segment EBITDA and Profit Trends

(JPY in Millions)



### Notes

- Revenue of each region is shown using gross value including inter-regional revenue, and the total amount of revenue of both regions does not match the segment revenue (the difference is inter-regional revenue)
- Please refer to footnote 2. on p.8 for the calculation method of the Constant FX and its significance
- EBITDA = Segment Profit + Depreciation and Amortization + Loss on Retirement of Non-current Assets + Impairment Loss

# FY6/2020 Q1: Japan Business - Summary

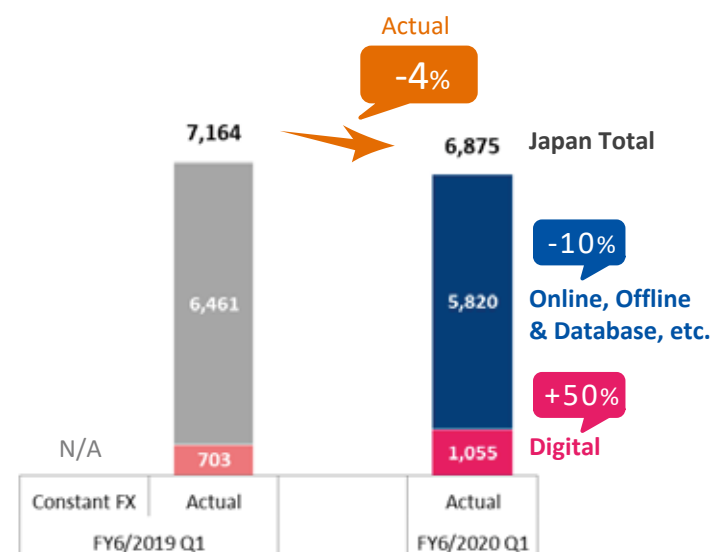


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Strong growth in digital with 50% growth YoY not offsetting decline in rest of the business, resulting from reduction in market research spend from top clients. The probability of further business deterioration is low based on recent business & monthly revenue trends

## Q1 YTD Japan Revenue (3 Months)

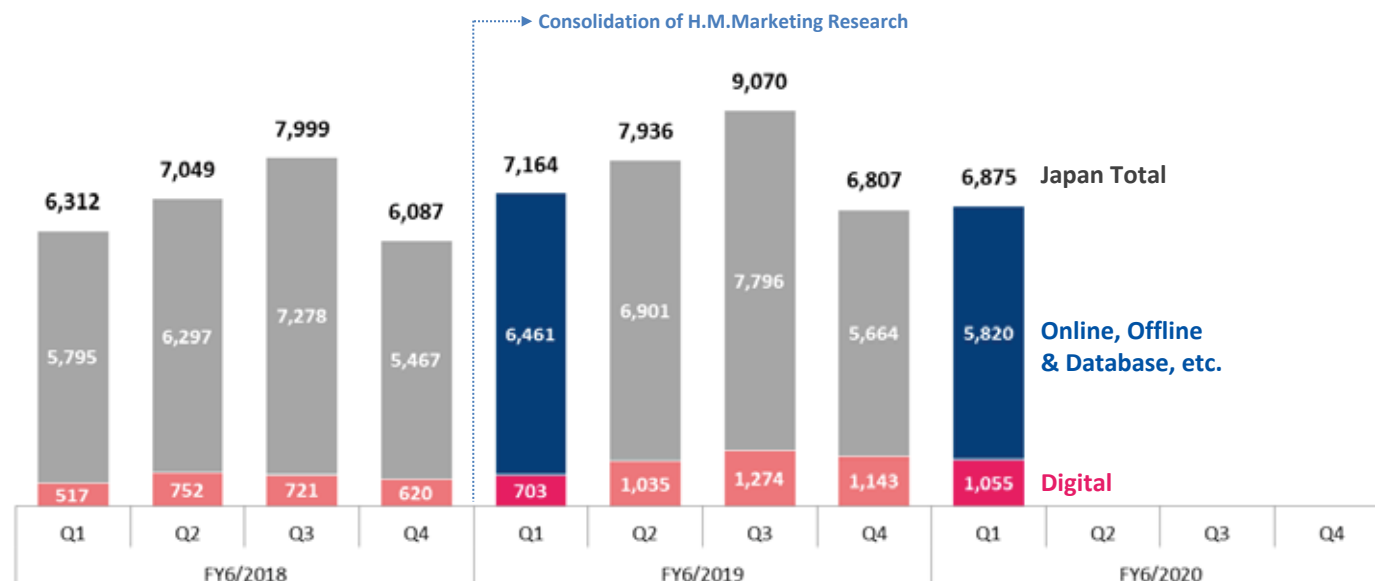
(JPY in Millions)



## Quarterly Japan Revenue Trends

(JPY in Millions)

YoY Growth	Japan Total:	+13%	+13%	+13%	+12%	-4%
	Non-Digital:	+11%	+10%	+7%	+4%	-10%
	Digital:	+36%	+38%	+77%	+84%	+50%



## Our Growth Driver: “Digital” Revenue

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

### “AccessMill”

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

### “DMP Solution”

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

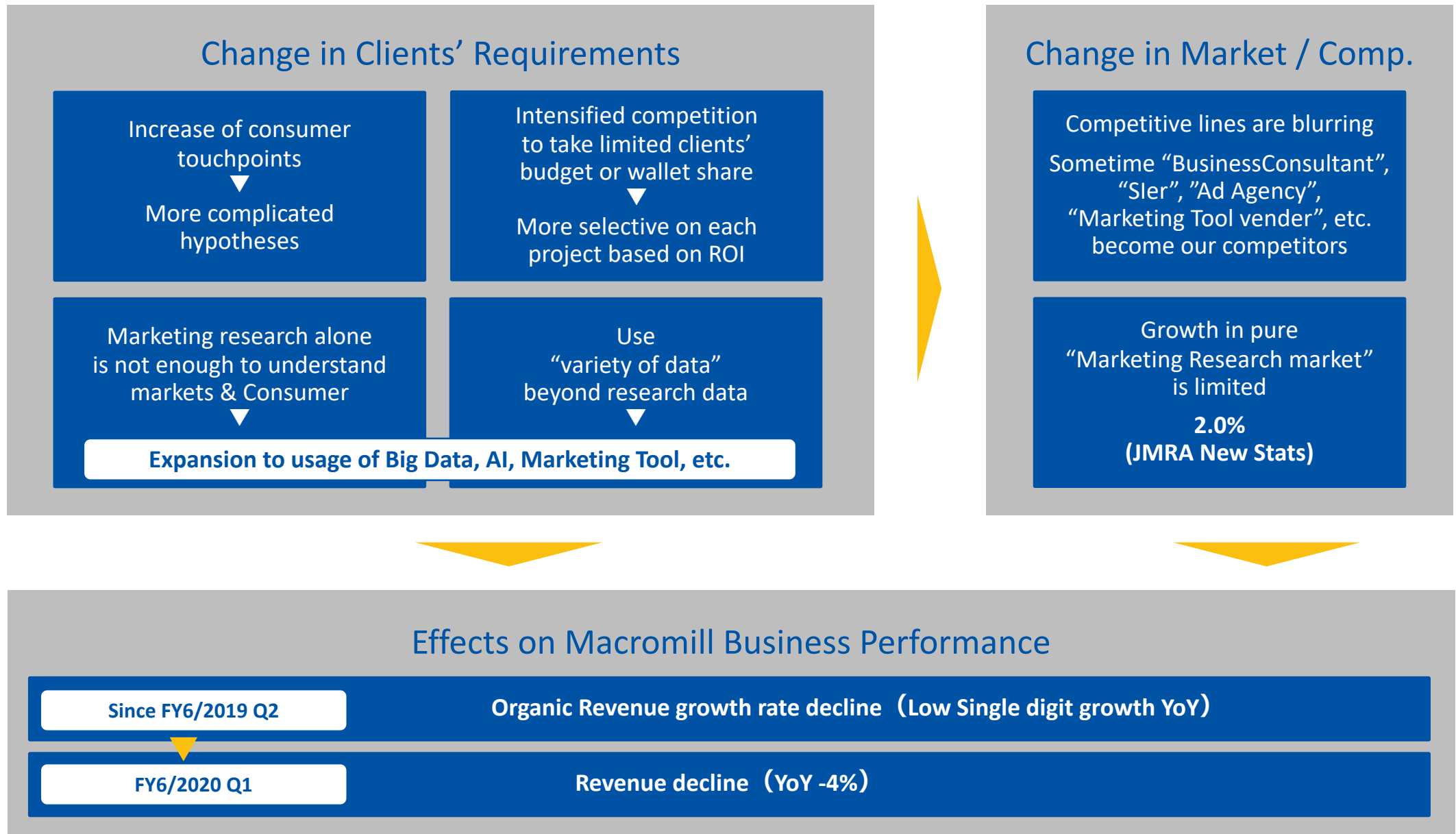


# FY6/2020 Q1: Japan Business - What is happening?



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Change in market and client requirements are accelerating, and results in our Revenue decline in Q1



# FY6/2020 Q1: Japan Business - Short-term action plan

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Through executing short-term action plans as detailed below, we expect to regain revenue growth and increase of the productivity going forward

## Effects on Macromill Business Performance in Q1

Decline in YoY Revenue Growth

By Client Category

- **Decline mainly in our top clients (Top 100)**  
(Usually dealing with many # of projects )
- ⇒ **The Revenue growth of our clients under 101st is relatively healthy**

# of projects or price

- **Decline in # of research project**  
(More complicated and advanced level projects)
- ⇒ **Average price continues to increase**  
(Expands project size and Digital revenue)

By Solution

- **Decline mainly in “Online Research” field**  
(Relatively easy, quick and inexpensive)
- ⇒ **“Digital”, “Global” and “Offline Research” are growing respectively**

By Client Industry

- **Ad agencies, as an industry, are weak**  
(Ad agencies are in the same situation w/their end clients)
- ⇒ **No specific trend in other industries**  
(Mix of increase and decrease clients)

## Short-term Action Plan

- **For top 100, reconsider sales mgmt, coverage team, education plan, etc. to improve performance**
- **Cultivate growth potential in clients under 101<sup>st</sup>**
  - Reallocate sales force resource in this category

- **Partnership with outside Data Consultants**
  - Accelerate Macromill consortium initiative through business/capital alliance with multiple partners
  - Now collaborating on current projects

- **Direct coverage by Digital / Global sales team**
  - For the Top 100 clients with high digital/global revenue ratio
  - Provide higher value added solution directly

- **Accelerate strategic initiative with Ad agencies**
  - Through expansion of # of stationed employee
- **Strengthen implementing “Client Planning” to capture each clients’ needs accurately and properly**

# FY6/2020 Q1: Japan Business - Mid-term action plan



19

Fundamentally, we need to implement our strategy illustrated in our New Mid-term Business Plan (MTBP) as effective countermeasures to the current situation

We continue to pursue evolution to the company of “Research” x “DATA” to become real “Partner” to work on clients’ marketing issues together

Our Aspiration (Goal)		Macromill’s evolution to the company of “Research” x “DATA”	
Specific Strategy	Expanding into New Areas	Solution Set Expansion	<ul style="list-style-type: none"><li>■ <b>Accelerate growth in Digital Solution</b><ul style="list-style-type: none"><li>– Aim to provide a higher value added solution by acquiring variety of data with using MM ID as key to realize single source analysis</li></ul></li></ul>
		Business Domain Expansion	<ul style="list-style-type: none"><li>■ <b>Challenge toward a future growth</b><ul style="list-style-type: none"><li>– Pursue our evolution to the company of “Research” x “DATA” including domain expansion into Data Consulting Business Field</li></ul></li></ul>
		Regional Expansion	<ul style="list-style-type: none"><li>■ <b>Growth in Southeast Asia</b> ⇒ <b>Expansion of the consumer panel in Southeast Asia through acquisition from DI Asia Inc. (Oct 2019 - )</b></li></ul>
	Strengthen foundation for growth	Enhancement of Existing Business	<ul style="list-style-type: none"><li>■ <b>Simultaneous enhancement in both Online and Offline capabilities</b><ul style="list-style-type: none"><li>– Essential to improving deeper relationships with our clients to address more critical business issues</li></ul></li></ul>

# FY6/2020 Q1: Korea Business - Summary

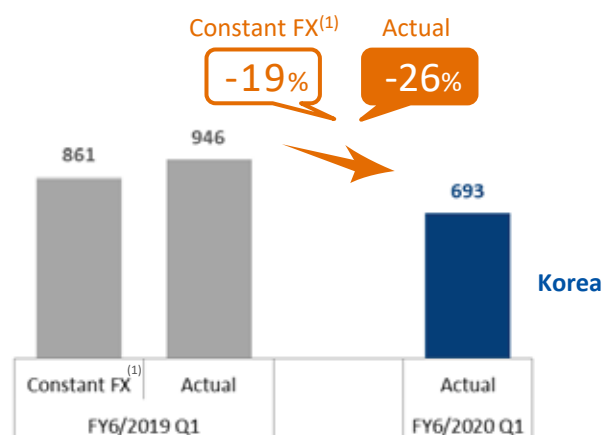


20

**Confident in FY revenue growth but Q1 decline primarily due to slowdown with one large client and a delay in revenue recognition**

## Q1 YTD Korea Revenue (3 Months)

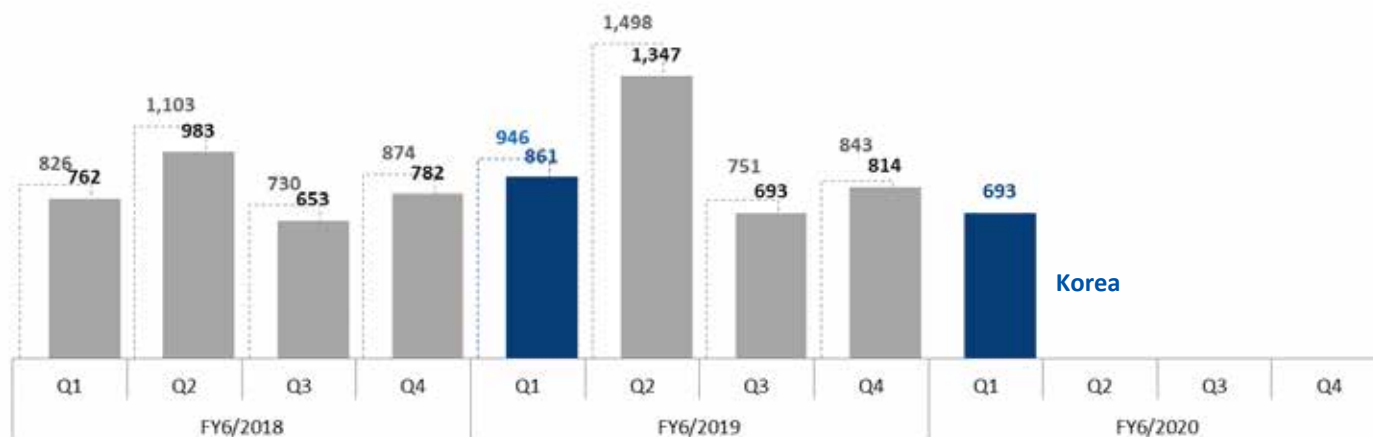
(JPY in Millions)



## Quarterly Korea Revenue Trends

(JPY in Millions)

	YoY Growth	Actual:	+15%	+37%	+2%	+0%	-26%
Constant FX <sup>(1)</sup>		Constant FX <sup>(1)</sup> :	+13%	+38%	+5%	+8%	-19%



## Q1 Korea Business Performance Commentary

- Strong backlog provides confidence in FY revenue performance but Q1 revenue decline primarily due to the termination of large-scale projects with major automobile company and delay in revenue recognition
- Q1 Digital Revenue grew 30% YoY, continuing to perform well with the proportion of total revenue now ~13% (similar level as Japan)
- Only marketing research firm in Korea utilizing in-house consumer and “big data” and expect Digital Revenue to accelerate even further in 2H
- Focus on improving productivity of research projects using AI (used to improve productivity in tabulation and analysis).

### Notes

1. Please refer to footnote 2. on p.8 for the calculation method of the Constant FX and its significance

# **Overseas (ex-Korea) Business Segment Update**

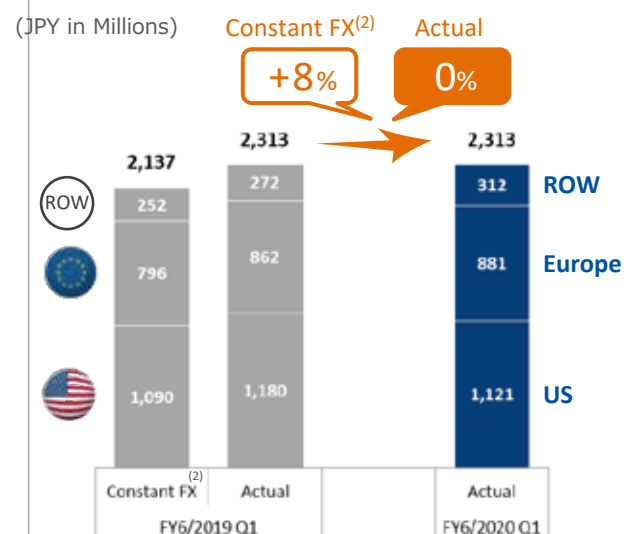
# FY6/2020 Q1: Segment Performance Summary



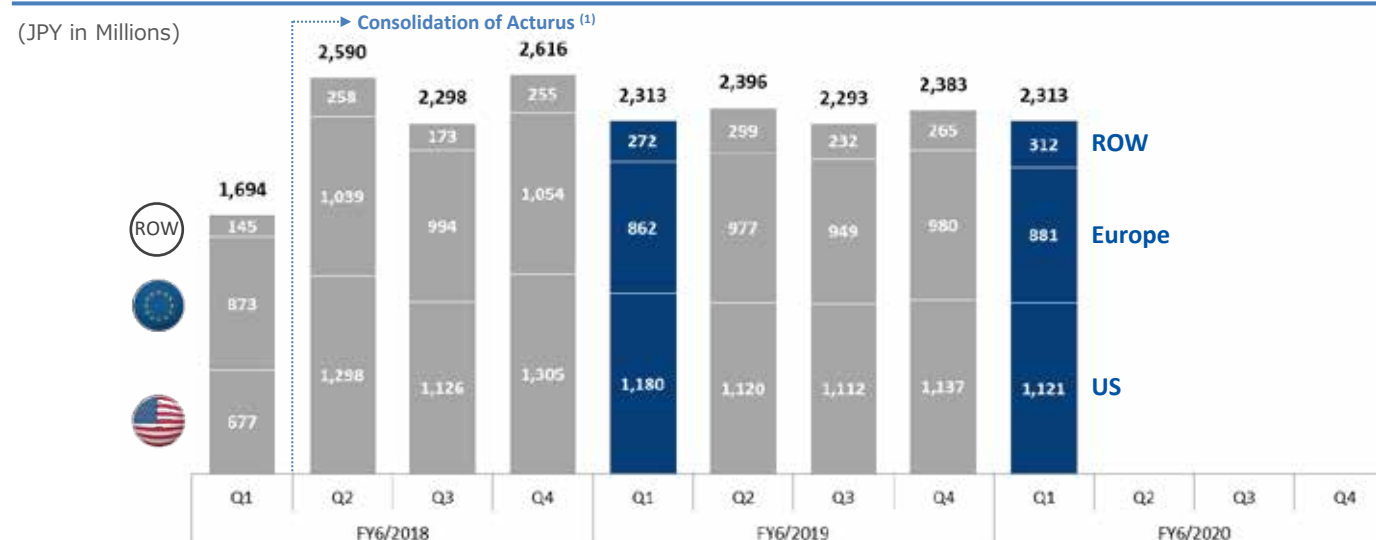
22

**Solid Q1 revenue growth of +8% YoY in CFX with each region growing YOY, but Segment Profit decreased -16% YoY due to cost expansion. EBITDA grew +16% YoY, but it is due to IFRS 16**

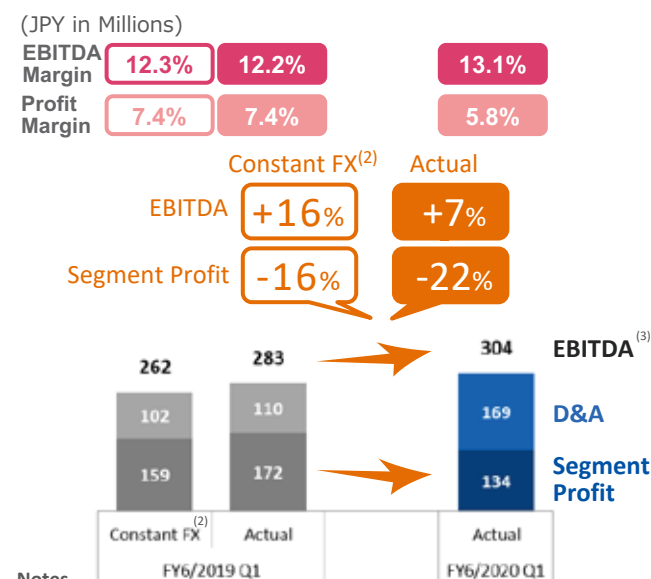
## Q1 YTD Segment Revenue (3 Months)



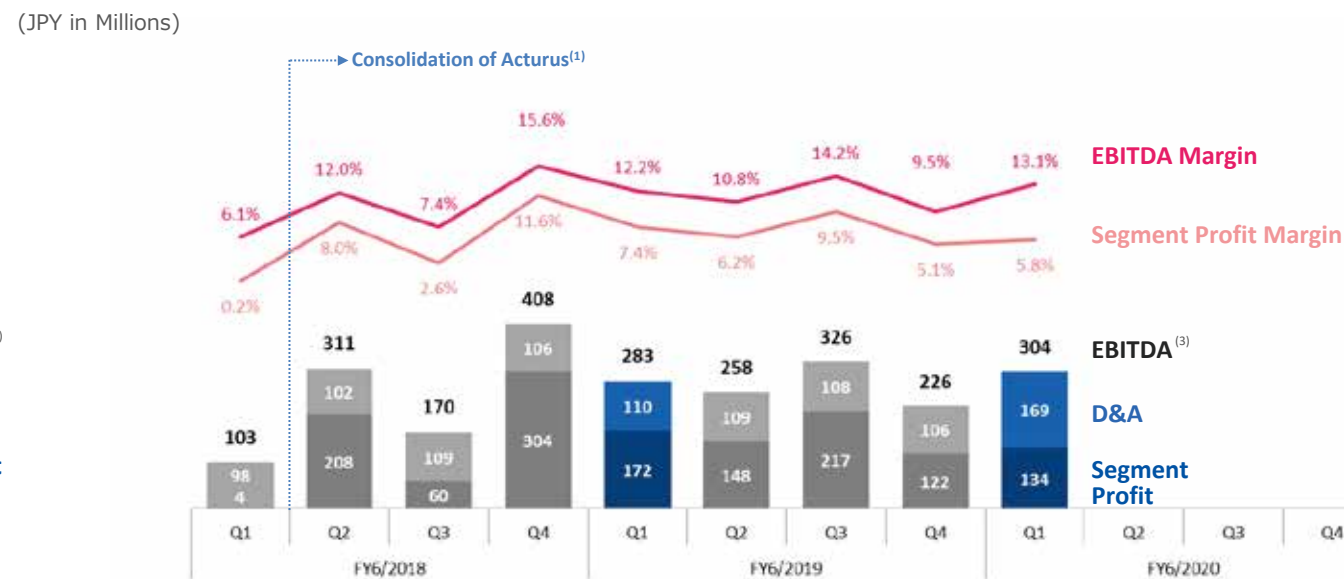
## Quarterly Segment Revenue Trends



## Q1 YTD Segment EBITDA and Profit (3 Months)



## Quarterly Segment EBITDA and Profit Trends



Notes

1. Timing of Acturus Consolidation, please refer to footnote 2. on p.23
2. Constant FX, Please refer to footnote 2. on p.8
3. EBITDA = Segment Profit + Depreciation and Amortization + Loss on Retirement of Non-current Assets + Impairment Loss

# FY6/2020 Q1: US Business - Summary

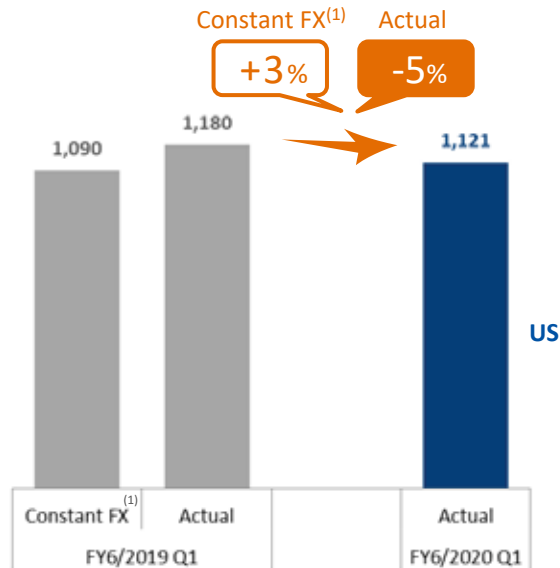


23

Modest Q1 US revenue growth of +3% YoY in CFX in this priority market

## Q1 YTD US Revenue (3 Months)

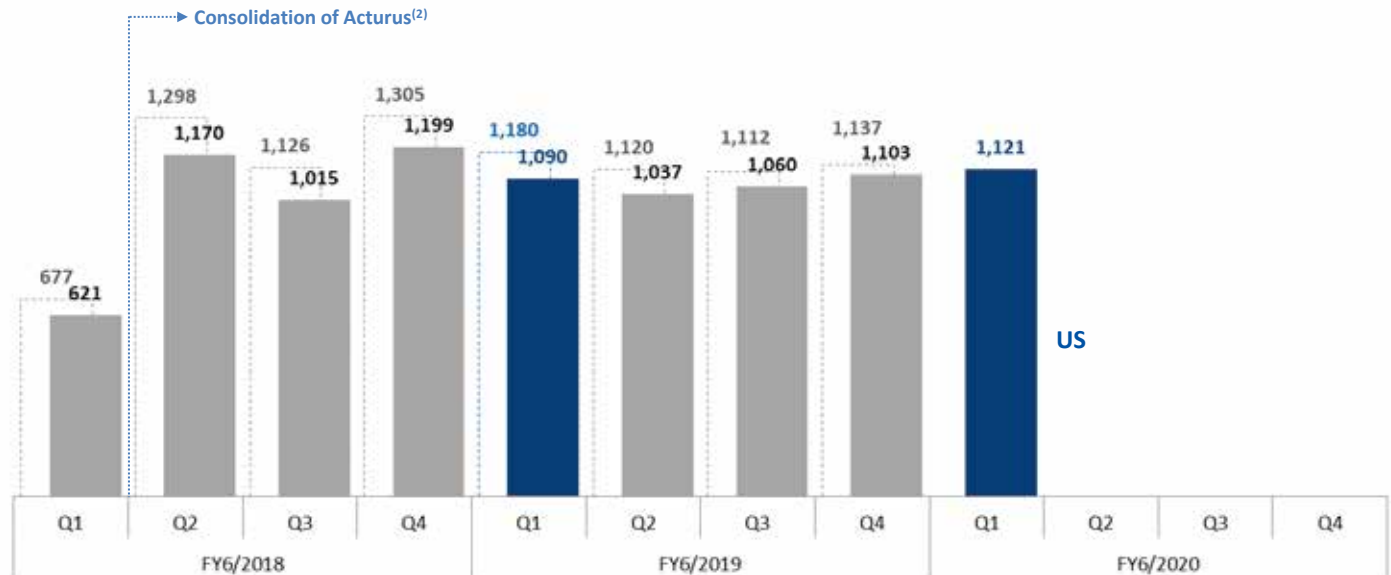
(JPY in Millions)



## Quarterly US Revenue Trends

(JPY in Millions)

Actual	YoY Growth	Actual:	+74%	-14%	-1%	-13%	-5%
Constant FX <sup>(1)</sup>		Constant FX <sup>(1)</sup> :	+75%	-11%	+4%	-8%	+3%



## Q1 US Business Performance Commentary

- Q1 revenue growth in Food & Beverage and Cosmetics industry sectors
- Solution growth driven by Product Innovation (PI) suite and Precision Sample
- New leadership team and structure in place to accelerate growth in this priority market
- Continuing to enhance research quality as a top priority

### Notes

1. Please refer to footnote 2. on p.8 for the calculation method of the Constant FX and its significance
2. Regarding the consolidation of Acturus (which we acquired at the beginning of FY6/2018 Q2), in the last -fiscal year, we had consolidated (Q2 & Q3) 6 months' accumulated performance in Q3. In order to make fair quarterly comparison, we are subtracting down Q2 portion from of Acturus revenue in FY6/2018 Q3 revenue, and adding it up to FY6/2018 Q2.

# FY6/2020 Q1: Europe Business - Summary

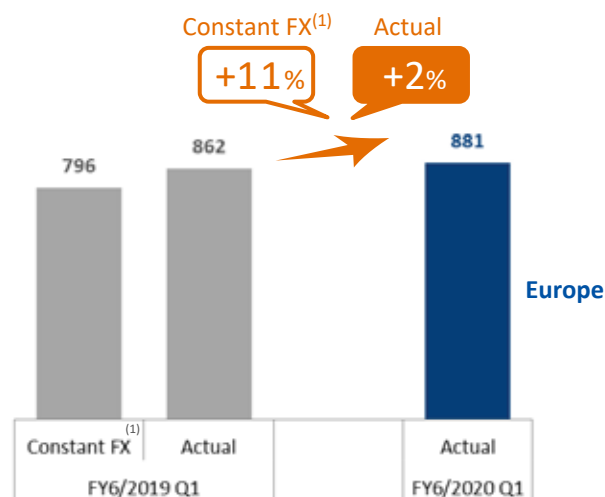


24

**Good Q1 European revenue growth of +11% YoY in CFX driven off strong performance from both UK and Netherlands**

## Q1 YTD Europe Revenue (3 Months)

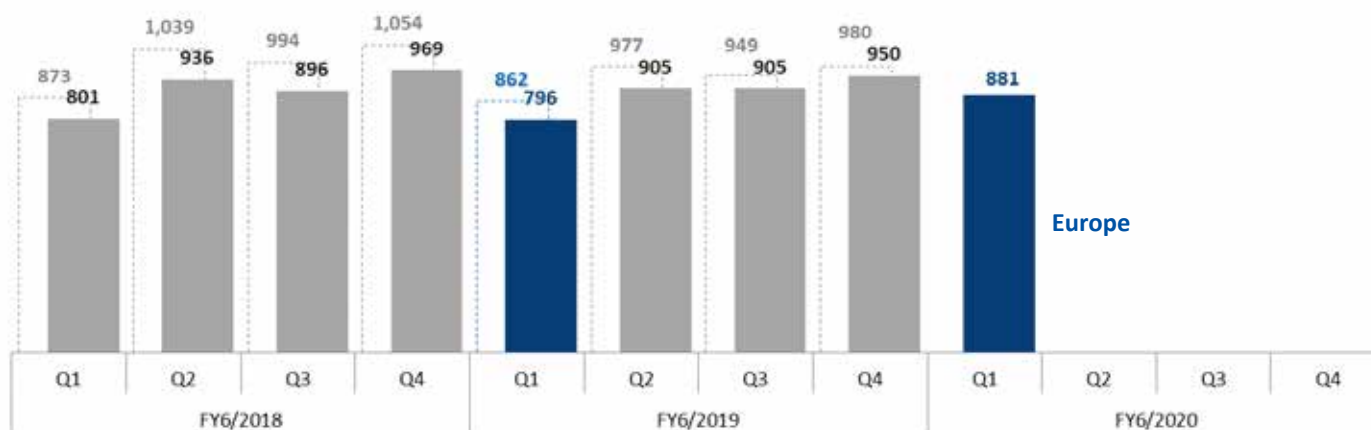
(JPY in Millions)



## Quarterly Europe Revenue Trends

(JPY in Millions)

YoY Growth	Actual:	-1%	-6%	-5%	-7%	+2%
Constant FX <sup>(1)</sup>	Constant FX <sup>(1)</sup> :	-1%	-3%	+1%	-2%	+11%



## Q1 Europe Business Performance Commentary

- UK and NL, our 2 largest European countries, growing at +18% YoY each based upon accelerated revenue conversion of projects
- New logo wins contributing to good revenue growth in Europe
- Q1 revenue growth driven from Agency, Electronics, Media & Entertainment and FMCG industry sectors
- Both Brand Engagement (BE) and Product Innovation (PI) suites, both are our focus area, grew well in Q1

### Notes

1. Please refer to footnote 2. on p.8 for the calculation method of the Constant FX and its significance



# FY6/2020 Q1: ROW<sup>(1)</sup> Business - Summary

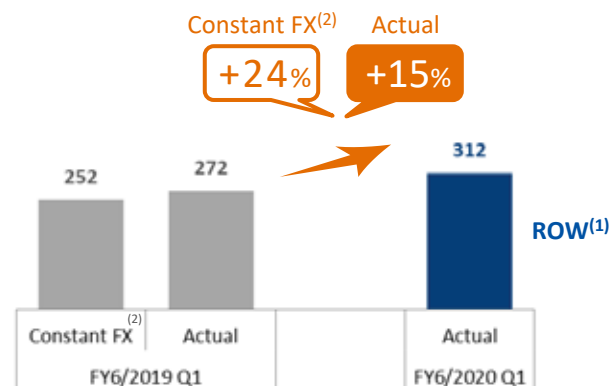
ROW

25

Strong Q1 revenue growth of +24% YoY in CFX in these emerging markets

## Q1 YTD ROW Revenue (3 Months)

(JPY in Millions)



## Quarterly ROW Revenue Trends

(JPY in Millions)

Actual	YoY Growth	Actual:	+88%	+16%	+34%	+4%	+15%
Constant FX <sup>(2)</sup>		Constant FX <sup>(2)</sup> :	+89%	+19%	+42%	+10%	+24%



## Q1 ROW Business Performance Commentary

- Q1 revenue growth in Consumer and FMCG industry sectors
- LATAM particularly strong performance and success with Immerse
- Solution growth driven by Product Innovation (PI)

### Notes

1. ROW consists of subsidiaries in North America, Europe, Latin America, Middle East and Asian sales territories, excluding Japan and Korea
2. Please refer to footnote 2. on p.8 for the calculation method of the Constant FX and its significance

Creating

# **The First Truly Global Digital**

Research Company



# FY6/2020 Q1: Net Income Waterfall Chart

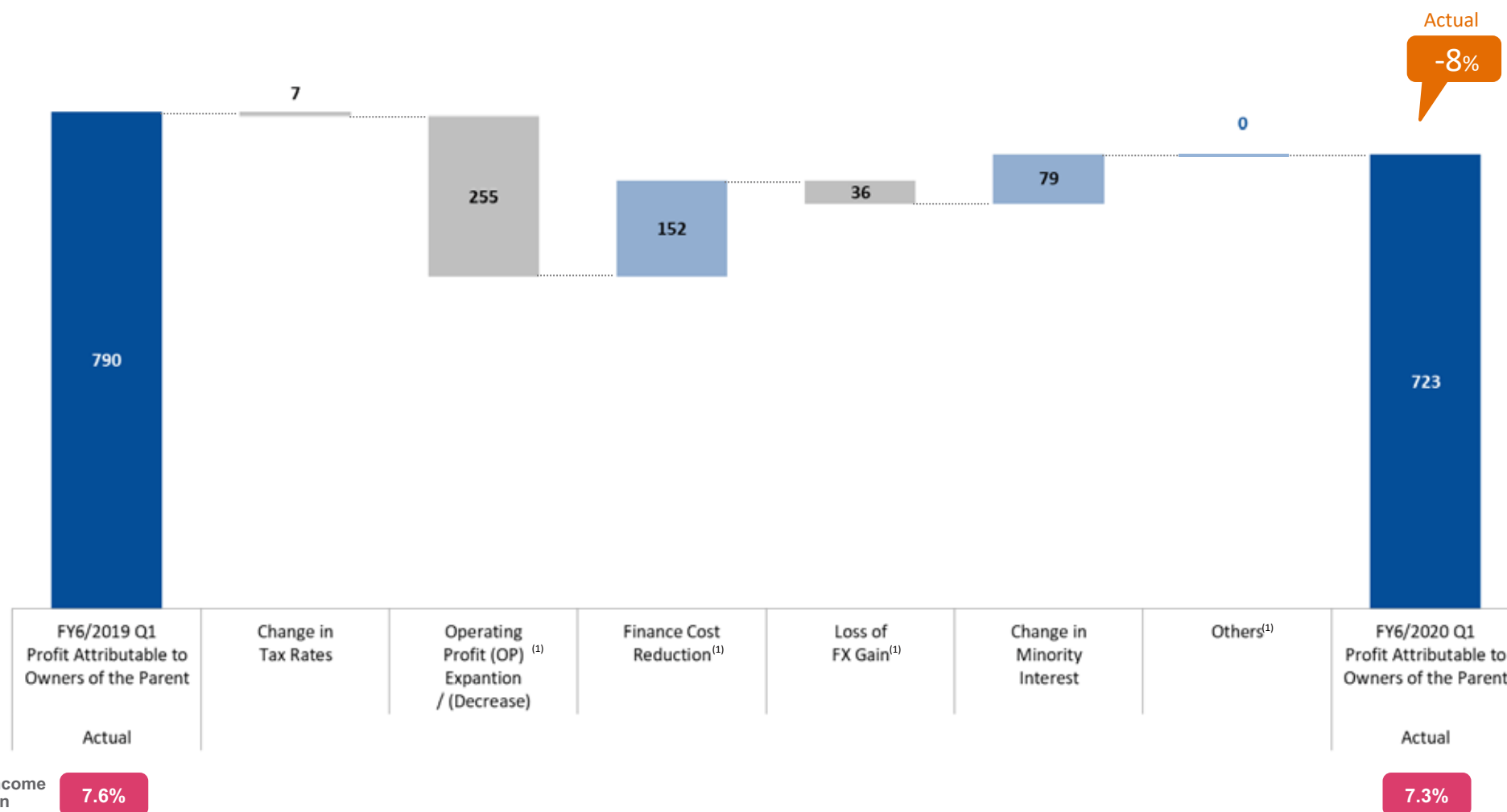
Q1 Standalone

27

Net Income decline is mainly due to the decrease in Operating Profit, but partially offset by Finance Cost Reduction

## Net Income Waterfall Analysis<sup>(1)</sup> – FY6/2019 Q1 vs. FY6/2020 Q1

Consolidated (IFRS)  
(JPY in Millions)



### Notes

1. Figures including Tax effect



We are uniquely positioned to provide digital marketing services in an increasingly regulated market

Emergence of Big Platformers



Risk of personal information leakage

Regulation becomes “tighter” in globe

Japan Fair Trade Commission recently released DRAFT of New guidelines<sup>(1)</sup>, it shows the 4 types of violations:

## 1. Insufficient safety management

(Examples)

- Personal information such as email addresses leaked

## 2. Not clearly telling purpose

- A list of technical terms that are difficult in term of use
- Get location information without specifying which service to use
- Collect audio data from AI speakers with unclear explanation

## 3. Acquire data not in the agreement and provide it to third parties

- Obtain occupations and personality on EC site
- Member registration required site analyzes data and sells to another company
- Diverted to targeting ads without permission

## 4. Request more than the price of the service

- Making browsing data acquisition a condition for continued use of the service, etc.

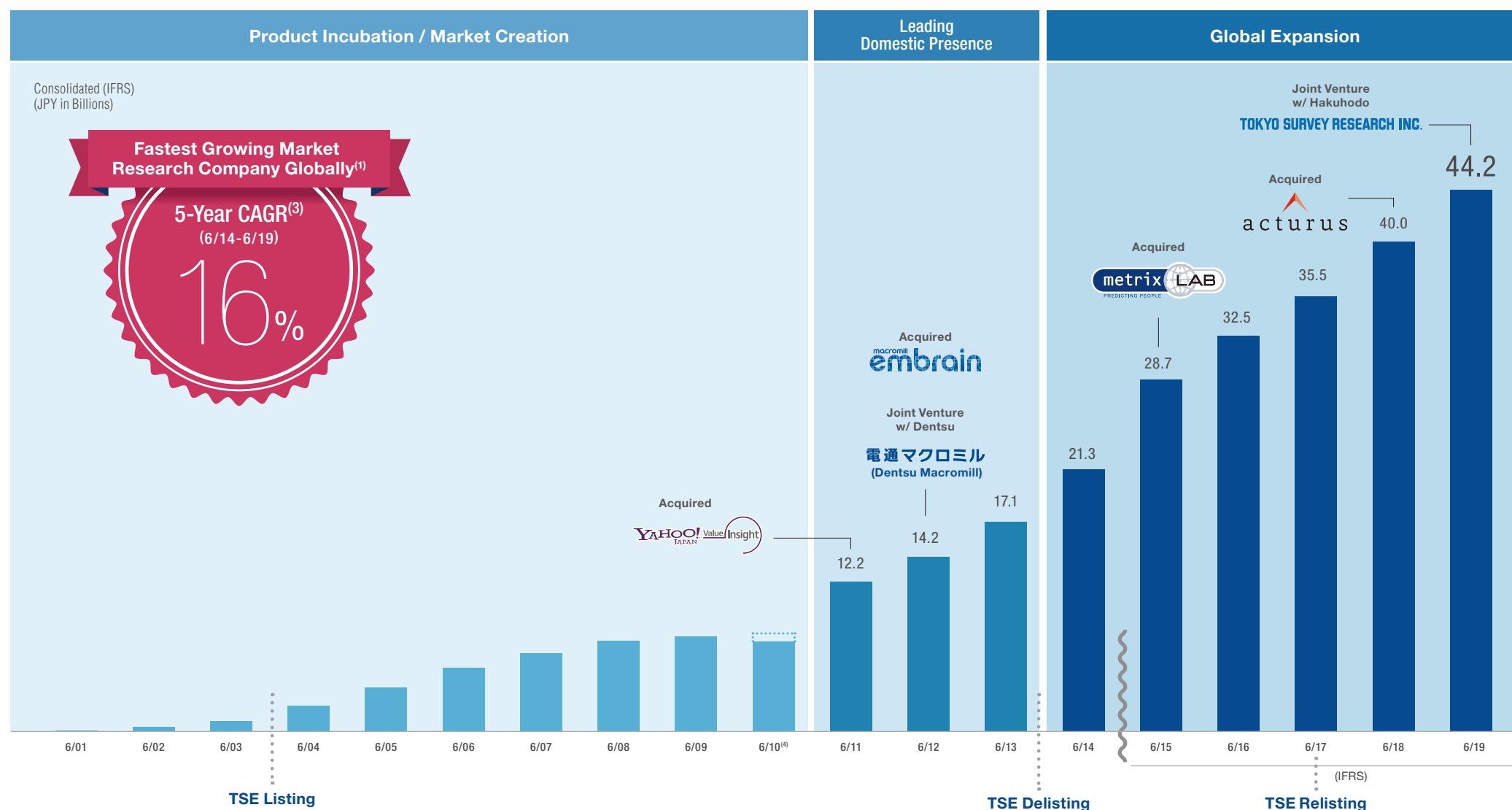
*Nikkei (August 29, 2019)*

Since Macromill has a clear permission from our consumer panel, our Business model has been divorced from target of these regulations, but this accelerate selection of digital marketing support company in Japan

# Appendix

# We are the Fastest Growing Market Research Company<sup>(1)</sup>

## Consolidated Revenue<sup>(2)</sup>



### Notes

- Source: ESOMAR Global Market Research 2013/2014/2018, Macromill's revenue CAGR growth between 2012 & 2013 and 2017 (4yr & 5yr CAGR) are highest among the largest 25 global marketing research companies (excluding IQVIA (ex-QuintilesIMS), a health care IT service provider)
- J-GAAP based financials for FY6/2001-6/2014 and IFRS-based financials for FY6/2015 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 four fiscal years ended June 30, 2017
- 5-Year revenue CAGR for FY6/2014-6/2019 (Compound average annual growth rate based on the figures for FY6/2015-6/2019 (IFRS) and FY6/2014 (J-GAAP)). 5-year CAGR has been calculated using J-GAAP and IFRS financials, which are not directly comparable
- The dotted line indicates potential revenue contribution from the subsidiary (AIP) divested in this year.

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

## Clients' Marketing Process



Total 110M Global Consumer Research Panel







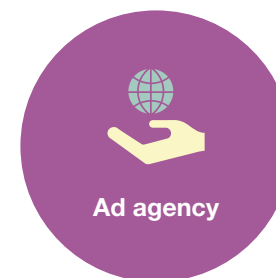
FMCG / CPG<sup>(1)</sup>



Food /  
Beverage



Telecom /  
Media / IT



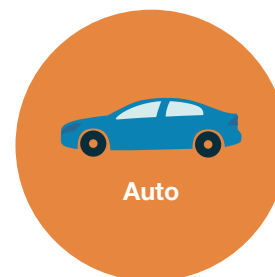
Ad agency



Financial  
institution



Electronics /  
Tech



Auto



Consultant /  
Research agency

MACROMILL  
GROUP

## Extensive Client Coverage

Serving **4,000+ Brands & Ad Agencies** in more than **90 Countries**  
**Revenue from 65% of Large Clients<sup>(2)</sup>** Grew YoY (FY6/2018 → FY6/2019)

## Superior Client Penetration

**c. 60%** of Top 25 Global Brands are Our Clients<sup>(3)</sup>

## Global Blue-chip Client Base

**8 of Top 10** Largest FMCG<sup>(1)</sup> Companies<sup>(4)</sup>  
**6 of Top 10** Largest IT Companies<sup>(4)</sup>

## Sticky Client Base

**96.4%** Retention Rate in Japan<sup>(5)</sup>  
**92.8%** Retention Rate for Global (excl. Japan)<sup>(6)</sup>

### Notes

1. FMCG = Fast Moving Consumer Goods / CPG: Consumer packaged goods (incl. non-durable goods such as soft drinks, toiletries, etc.)

2. Large Accounts with annual revenue of >JPY10MM or Euro 0.1MM

3. Based on Millward Brown "BRANDZ TOP100 most valuable global brands 2019". Include clients for which we provide services and clients who use two or more research companies in FY6/2019

4. Top 10 in terms of market cap as of June 30, 2019. The definition of industries is based on Capital IQ primary industry classifications; FMCG = beverages, food products, and household & personal product. IT = information technology & Interactive Media and Services

5. Retention Rate in Japan = (No. of large clients of Macromill standalone providing over JPY10MM in annual revenue for which Macromill's solutions were rendered and invoiced in the previous year, and for which there were solutions provided or invoiced in the current year) ÷ (No. of large clients of Macromill (standalone) providing over JPY 10MM in the previous year). 5 year average from FY6/15 to FY6/19

6. Retention Rate for Global (excl. Japan) = (No. of large clients of MetrixLab providing over 0.1MM Euro in annual revenue for which solutions were rendered and invoiced in the previous year, and for which there were solutions provided or invoiced in the current year) ÷ (No. of large clients of MetrixLab providing over 0.1MM Euro in the previous year). 4 year average from FY6/16 to FY6/19



# 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

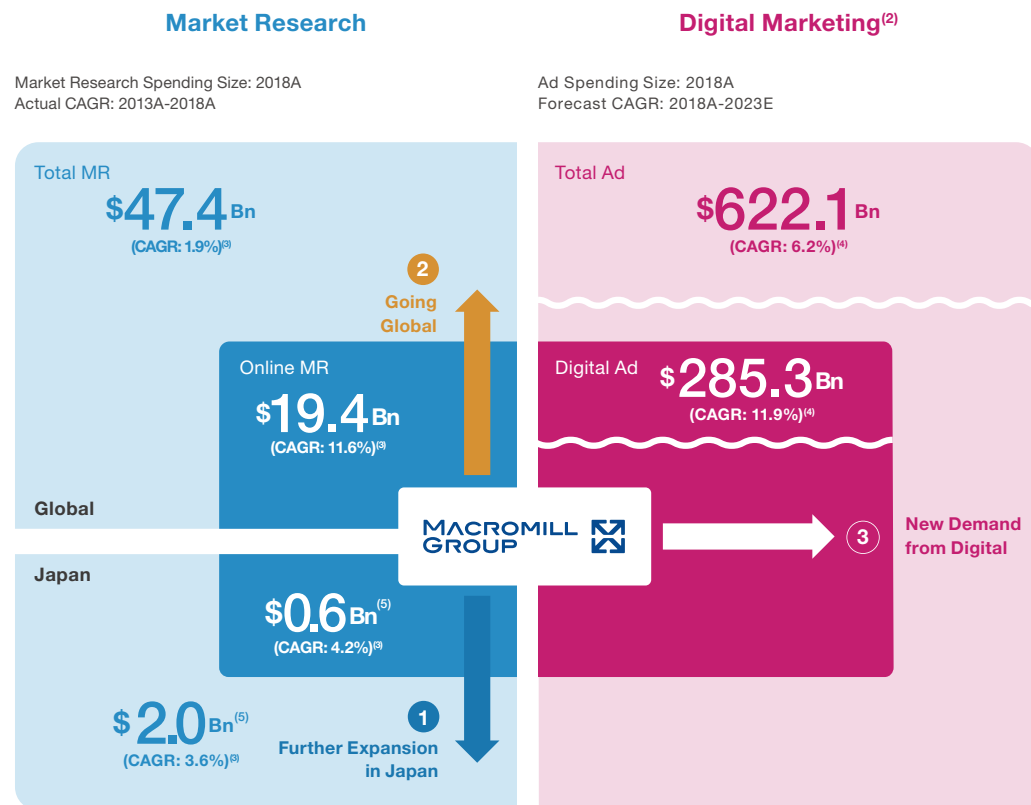
To Empower Clients' Decision-Making on...

- Brand Engagement, Product Innovation, Customer Value

- Media Planning, Creative & Campaign Effectiveness and Optimization

# Big Market Opportunity and Our Mid-term Business Plan

## Our Market Opportunity<sup>(1)</sup>



### Source

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

### Notes

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

## Macromill Group Mid-term Business Plan

### Market Position

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

### Revenue

Continue to **grow faster** than the market

### Profit

Realize continuous **profit growth**

Maintain cost growth<sup>(6)</sup> below revenue growth  
 – Utilize Technology & Innovation (AI, RPA etc.)

### Leverage

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

### Capital Allocation

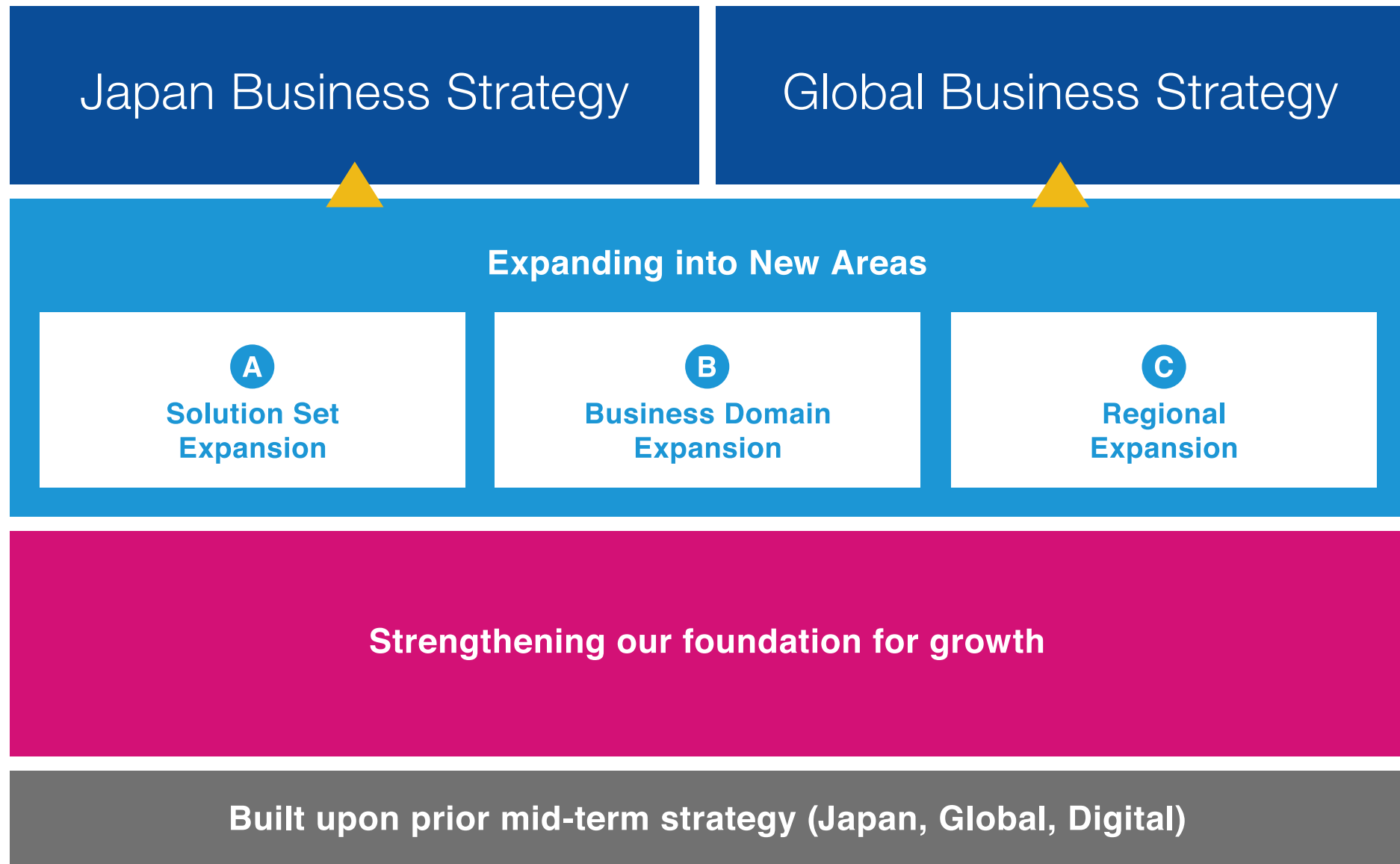
Enhance **Shareholders' Return**

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

# Mid-term Business Plan achieved through...

35

Clients	<b>“Partner”</b> Relationships rather than Transactional Relationships
Panel	Strengthen and Expand <b>“Proprietary Panels”</b> Maintain vertically integrated business model in Digital era
Data	<b>“Aggregated / Integrated”</b> DATA utilization as Consumer Touchpoints Explode
Technology	<b>“Utilize Innovation and Technology</b> (AI, RPA etc.)” in Advanced Analytics and New value addition to our products
MVV	Sustaining our commitment to the Mission, Vision, and Values - Support for clients decision making to realize <b>SDGs</b>



# Further Growth Opportunity in Japan

37

## MR Market Size



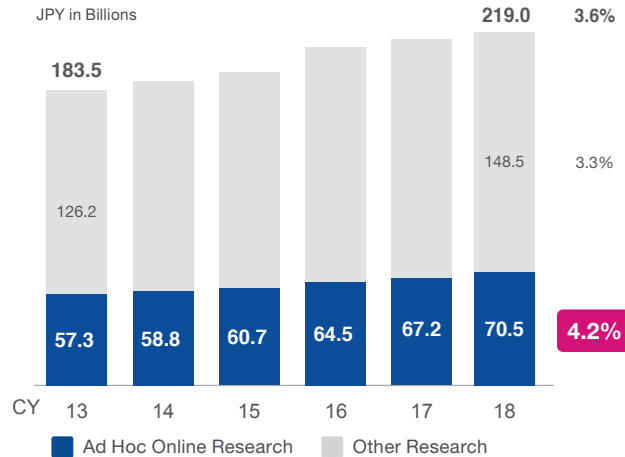
## Further Online MR Penetration<sup>(1)</sup>



## Expand Online Market Share<sup>(2)</sup>

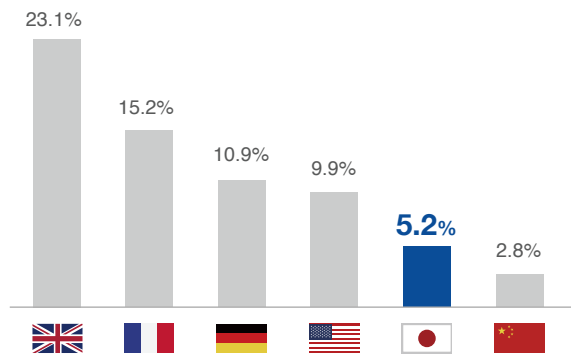
### Solid Growth in Ad Hoc Online MR Market

5Y CAGR  
CY13A-18A  
3.6%



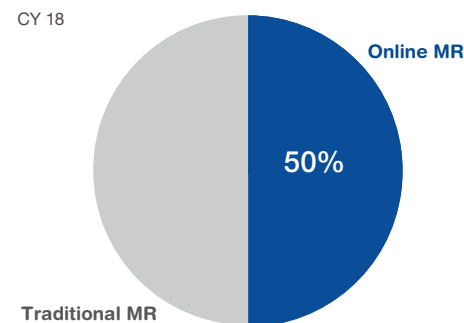
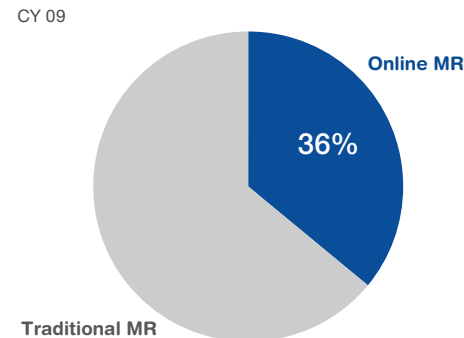
Source Japan Marketing Research Association (7/2019)

### Significant Room for Further MR Penetration to Total Ad Spending



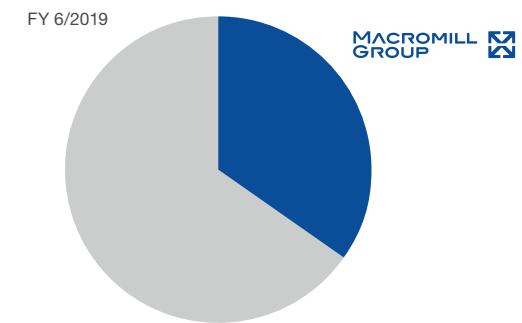
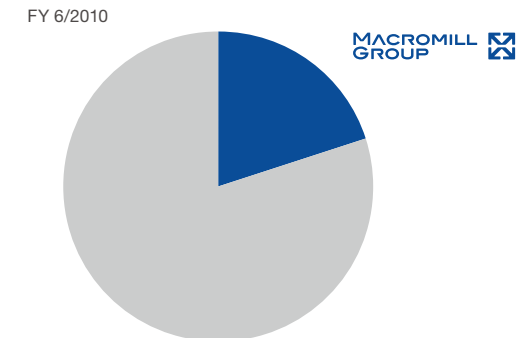
Source ESOMAR, Global Market Research (9/2019)

### Track Record of Online MR replacing Traditional MR



Source ESOMAR, Global Market Research (9/2019, 9/2010)

### Value Proposition to Capture Domestic Market Share for Ad Hoc Online MR



#### Notes

1. Online MR penetration = spending of online quantitative research / spending of total market research in each country

2. Online MR Share (FY6/2019) = Macromill standalone, Dentsu Macromill Insight (DMI) and H.M. Marketing Research (HMM) revenue from sales of ad hoc online market research solutions in Japan (FY6/2019) / total Japan ad hoc Online MR market (2018) in terms of revenue as calculated by the Japan Marketing Research Association. Online MR Share (FY6/2010) = Macromill standalone revenue from sales of ad hoc online market research solutions (FY6/2010) / total Japan ad hoc Online MR market (2009) in terms of revenue as calculated by the Japan Marketing Research Association

# Framework for Global Expansion

38

## MR Market Growth

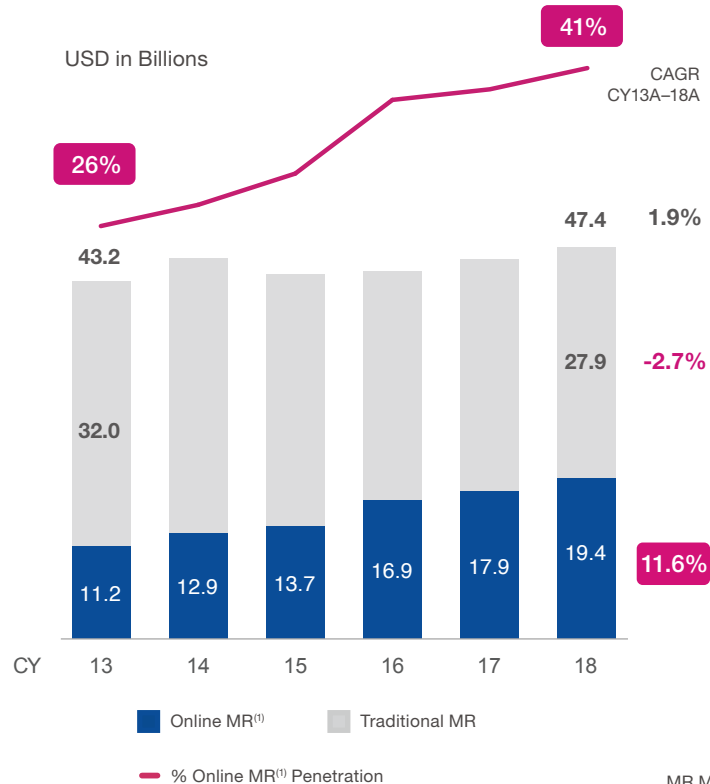


## Further Online MR Penetration

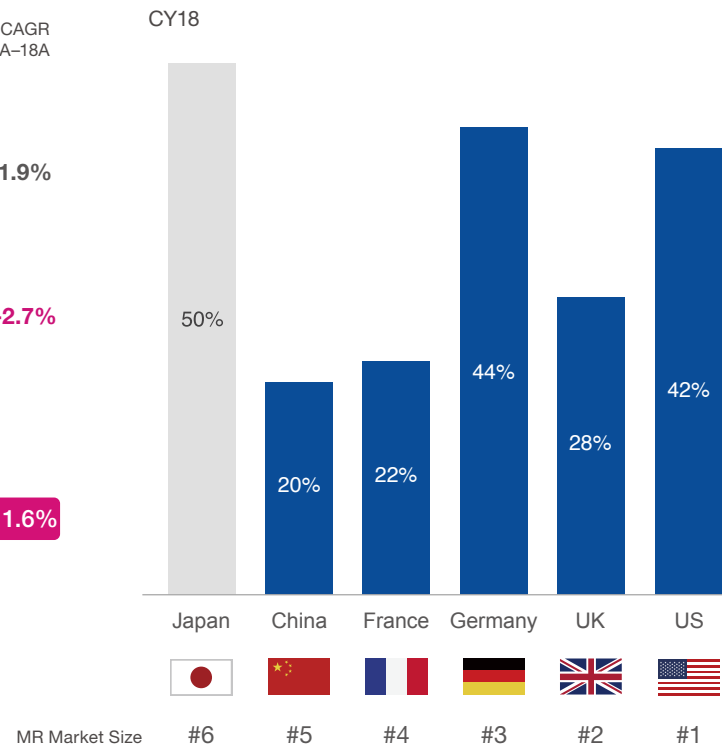


## Expand Market Share

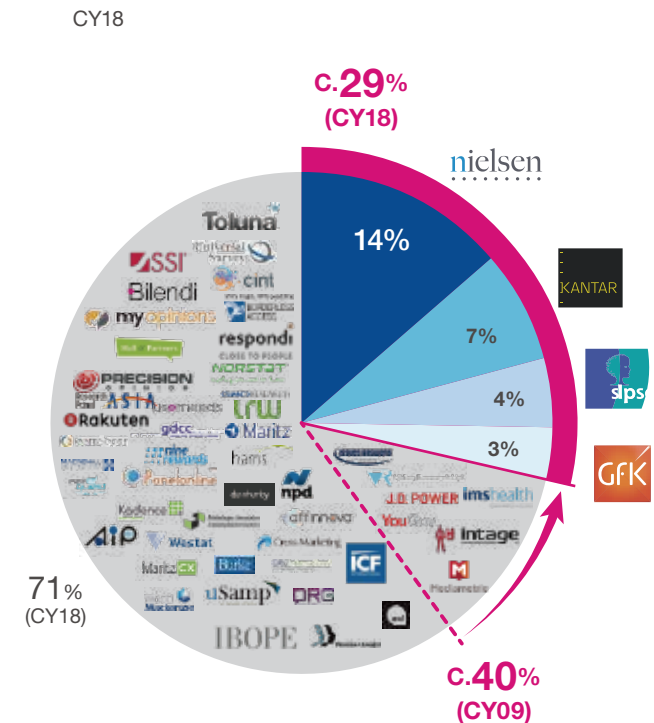
### Online MR Continues to Outgrow Traditional MR



### Significant Room for Online MR Penetration<sup>(2)</sup> to Total MR Spending



### Global MR market share



Source ESOMAR, Global Market Research (9/2019)

Source ESOMAR, Global Market Research (9/2019)

Source ESOMAR, Global Market Research (9/2019, 9/2010)

#### Notes

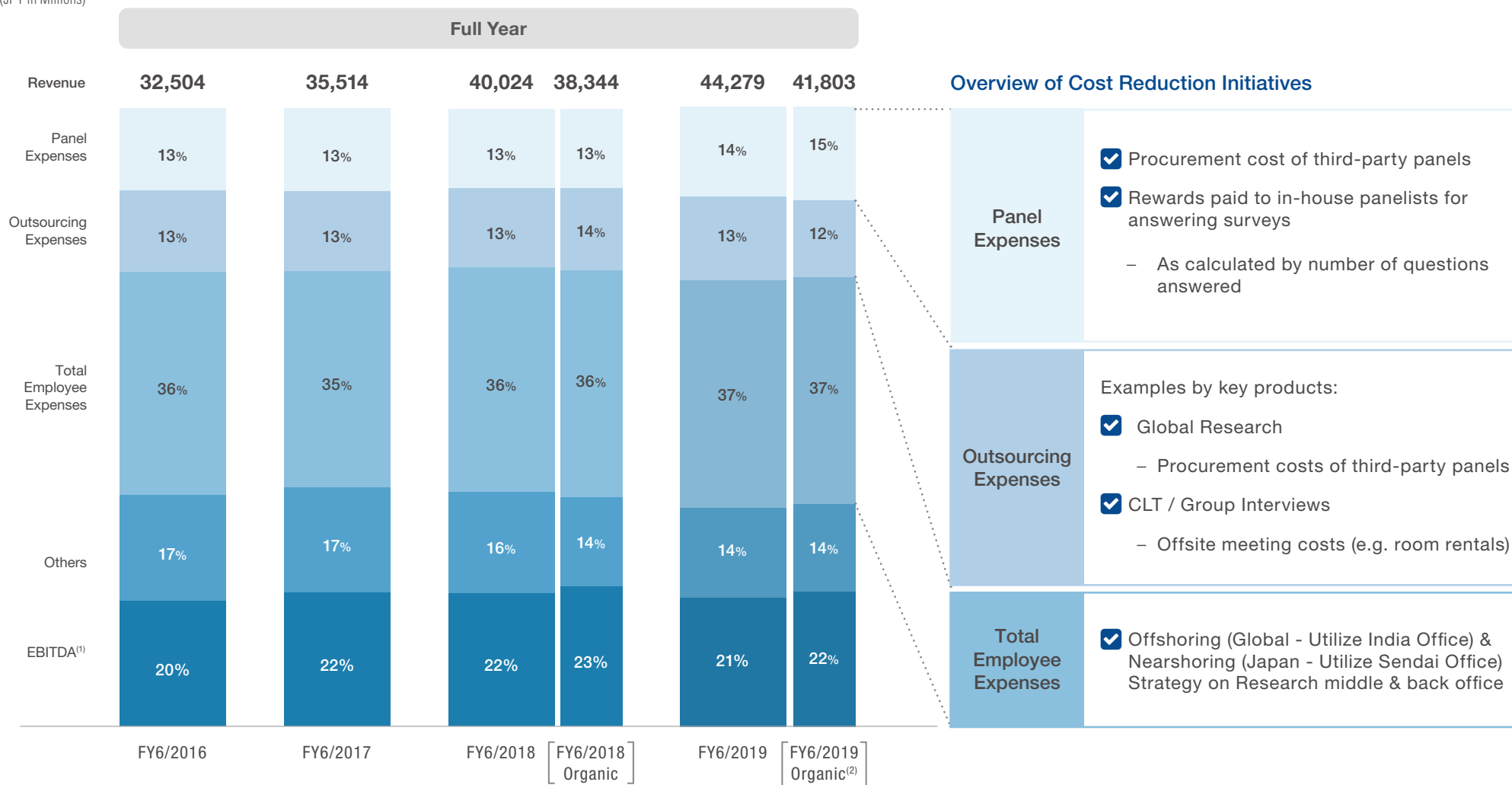
1. Online quantitative marketing research only, excluding online qualitative marketing research, which are excluded in ESOMAR presentation
2. Online MR penetration = spending on online quantitative market research (PC Online + Mobile / Smartphone Online) / spending on total market research in each country

# Operating Leverage & Cost Reduction Initiatives Deliver Further Profit Expansion

39

## Breakdown of Key Cost Items

Consolidated (IFRS) unaudited  
(JPY in Millions)



### Notes

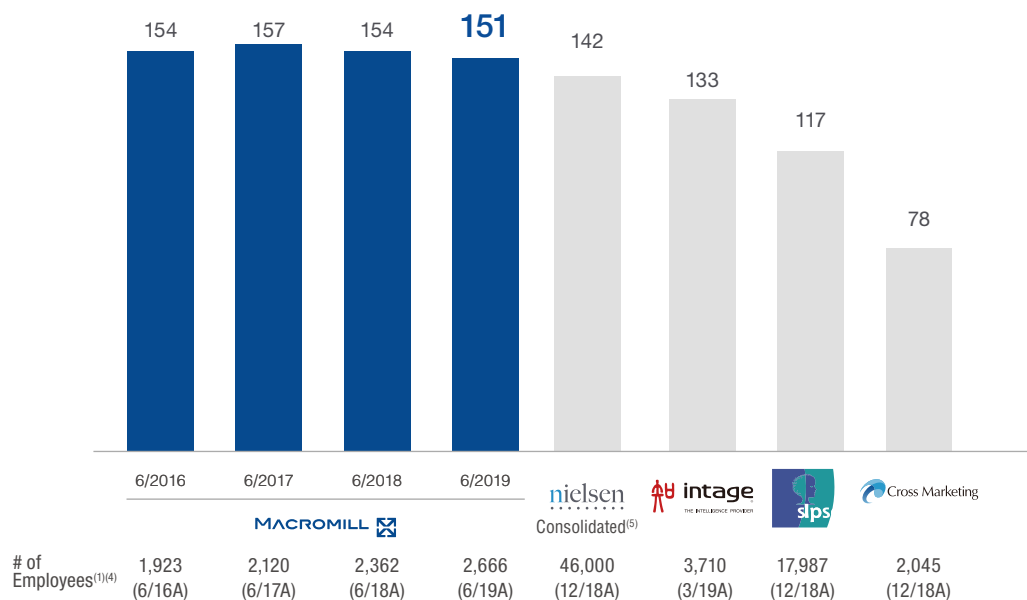
1. EBITDA = Operating Profit + Depreciation and Amortization + Loss on Retirement of Non-current Assets + Impairment Loss

2. Acturus Inc. which we had acquired in the second quarter of FY6/2018 had completely merged with MetrixLab U.S. as of July 2, 2018. As a consequence, we will no longer be able to segregate and disclose the two entities separately, so the M&A contribution for FY6/2019 is sum of HMM (Q1-Q4) and CENTAN (Q1-Q2, CENTAN has become 51% subsidiary since FY6/2018 Q3) only.

# Best-in-Class Operational Excellence and Profitability Continues

## Revenue per Employee<sup>(1)(2)</sup>

USD in Thousands, Latest FY<sup>(3)</sup>



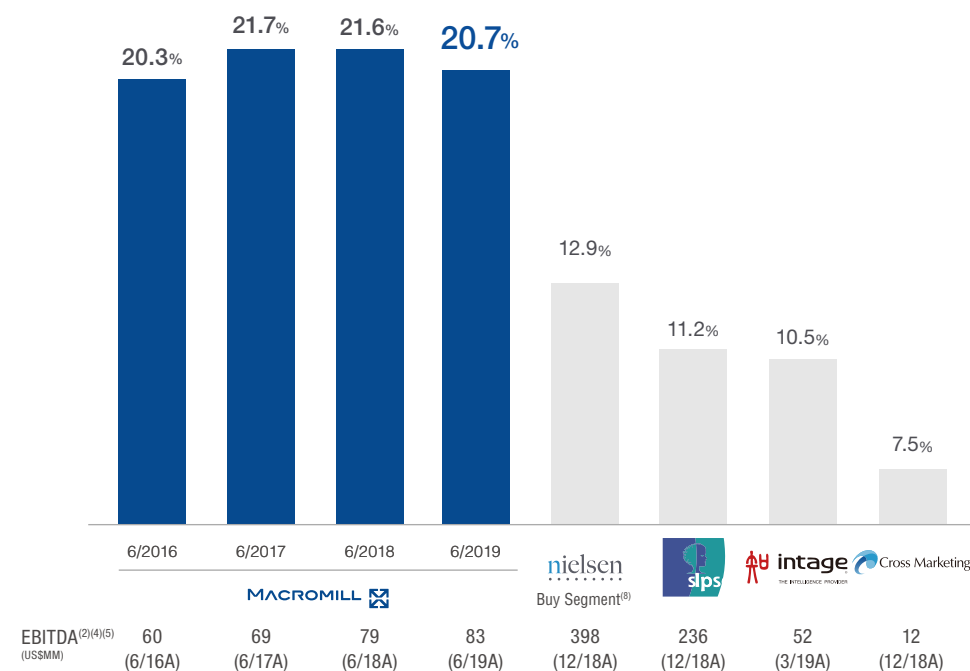
Source Company Information

### Notes

- Includes temporary employees
- Exchange rate: USD/EUR = 0.83, USD/JPY = 109.8
- As of June 30, 2019
- 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: EBITDA = Operating Profit + Depreciation and Amortization + Loss on Retirement of Non-current Assets + Impairment Loss

## EBITDA Margin<sup>(6)(7)</sup>

Latest FY<sup>(3)</sup>



Source Company Information

Nielsen (Buy Segment): EBITDA = Operating Income + (Restructuring Charge + Depreciation and Amortization + Impairment Loss of Goodwill and Other Long-Lived Asset + Other Items).

Intage and Cross Marketing: EBITDA = Operating Income + (Depreciation and Amortization + Impairment Loss).

Ipsos: EBITDA = Operating Income + (Depreciation and Amortization + Impairment Loss of Goodwill and Other Long-Lived Asset + Other Items).

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

7. EBITDA margin = EBITDA / Revenue

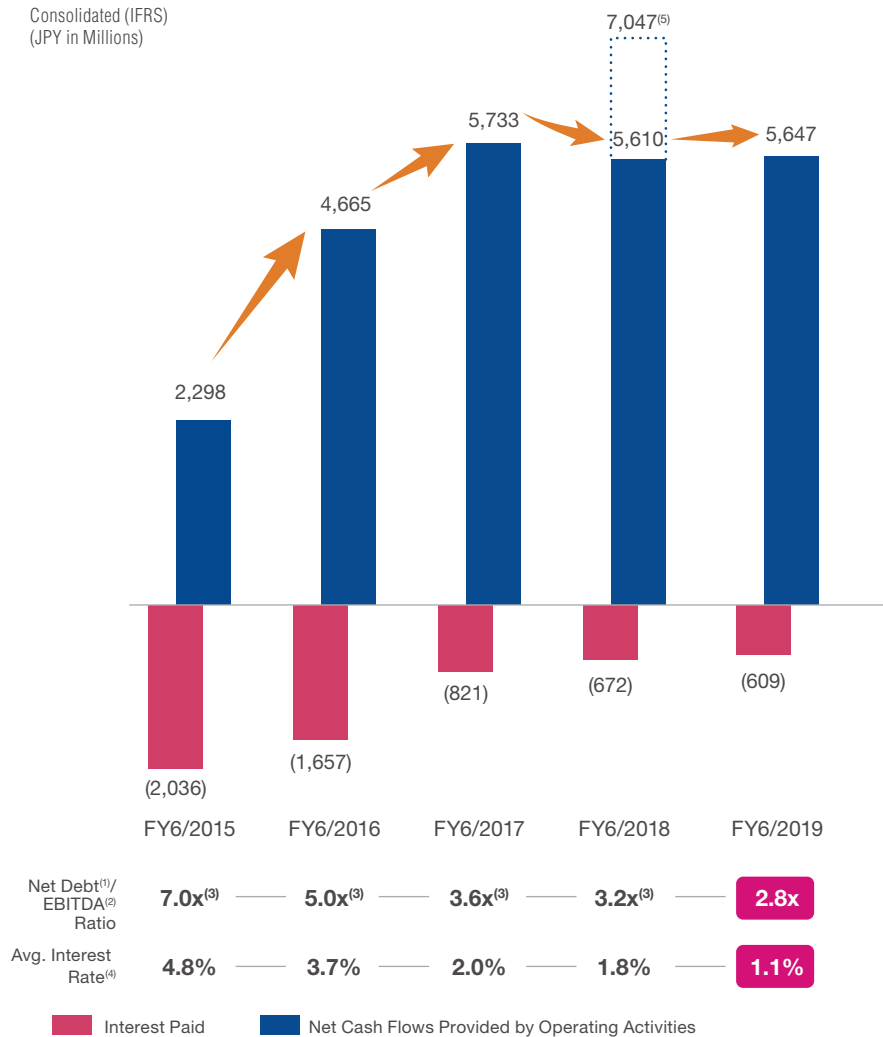
8. EBITDA of Nielsen's "Buy" segment is used for comparison purposes because it presents similarities with Macromill's business. EBITDA margin for Nielsen on a consolidated basis for the same period was 27.9%



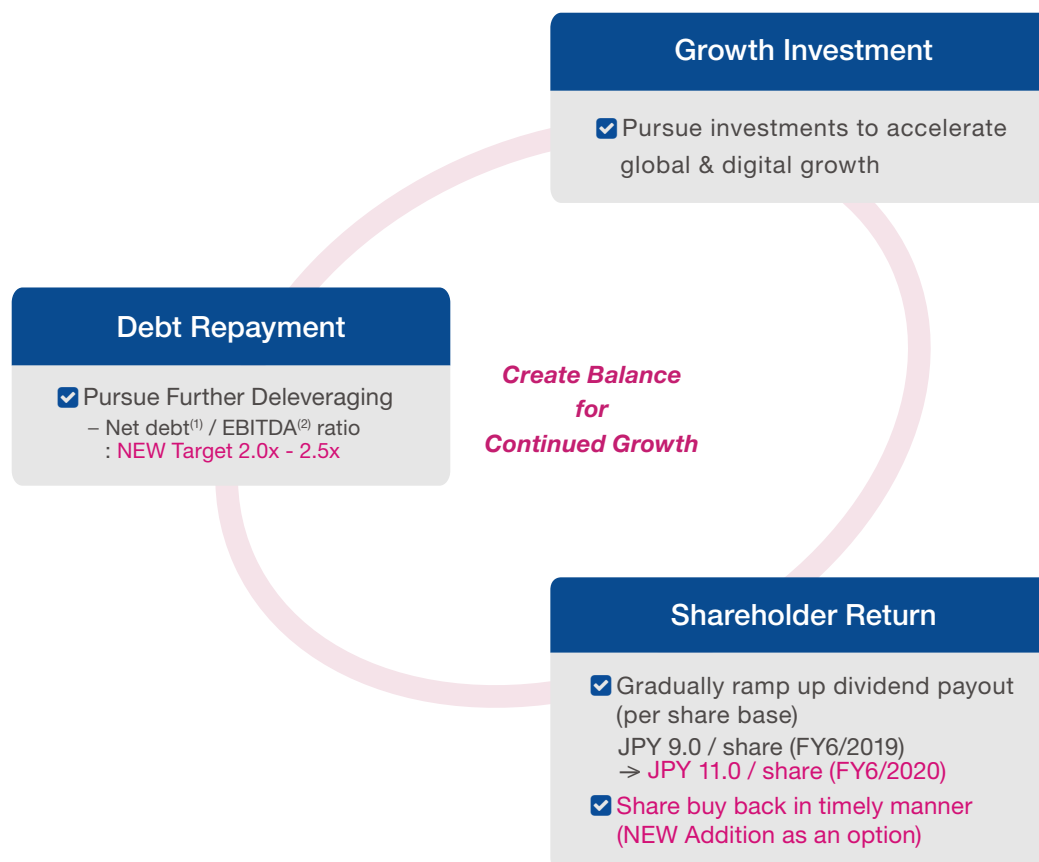
# Strategic Capital Allocation

## Solid Cash Flow Generation

Consolidated (IFRS)  
(JPY in Millions)



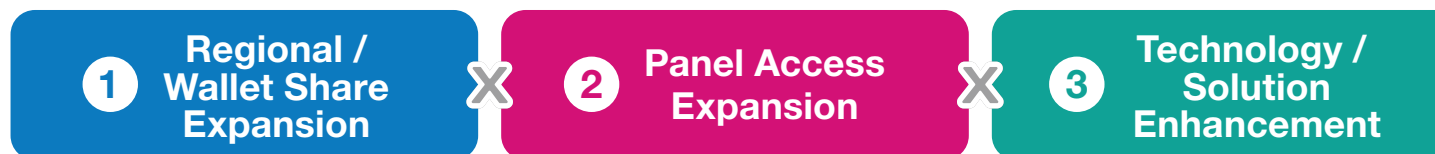
## Capital Allocation Priorities



### 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
2. EBITDA = Operating Profit + Depreciation and Amortization + Loss on Retirement of Non-current Assets + Impairment Loss
3. Adjusted EBITDA base. 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. Please refer to reconciliation tables on p.87 for details
4. 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. However, since we had issued JPY 10 BN corporate bonds on July 27, 2018, we had applied specific method to calculate avg. interest rate for this Q1 6/2019 as follows: Q1 6/2019 avg. interest rate = (interest expense paid in Q1 for the existing borrowings + interest expense paid in Q1 for bonds issued on July 27, 2018) / (avg. amount of borrowings as of June 30, 2018 and September 26, 2018 (a day before early redemption)) + amount of bonds issued on July 27, 2018)
5. Onetime extraordinary item adjusted base (Public filing figure 5,610M (FY6/2018) + No A/R factoring services in DMI 1,437M (FY6/2018))

# 3-Pillars M&A Strategy for Value Creation



## Proven M&A Track Record

2010 Acquisition<sup>(1)</sup>



✓ Doubled Panel Access

2011 Acquisition



✓ Acquired Social Analysis Capabilities

2012 Acquisition



✓ Access to Asian Client and Panels

2012 Joint Venture with Dentsu



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

2013 Acquisition



✓ Access to US Panels

2014 Acquisition



✓ Global Client & Panel Base Access

2015 Strategic Alliance



✓ Access to Solutions for Government

2017 Strategic & Capital Alliance  
2018 Acquisition



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

2017 Acquisition



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

2017 Strategic & Capital Alliance

2019 Acquisition



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

2018 Joint Venture with Hakuodo (51% Majority Acquisition)



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

2019 Asset Purchase



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

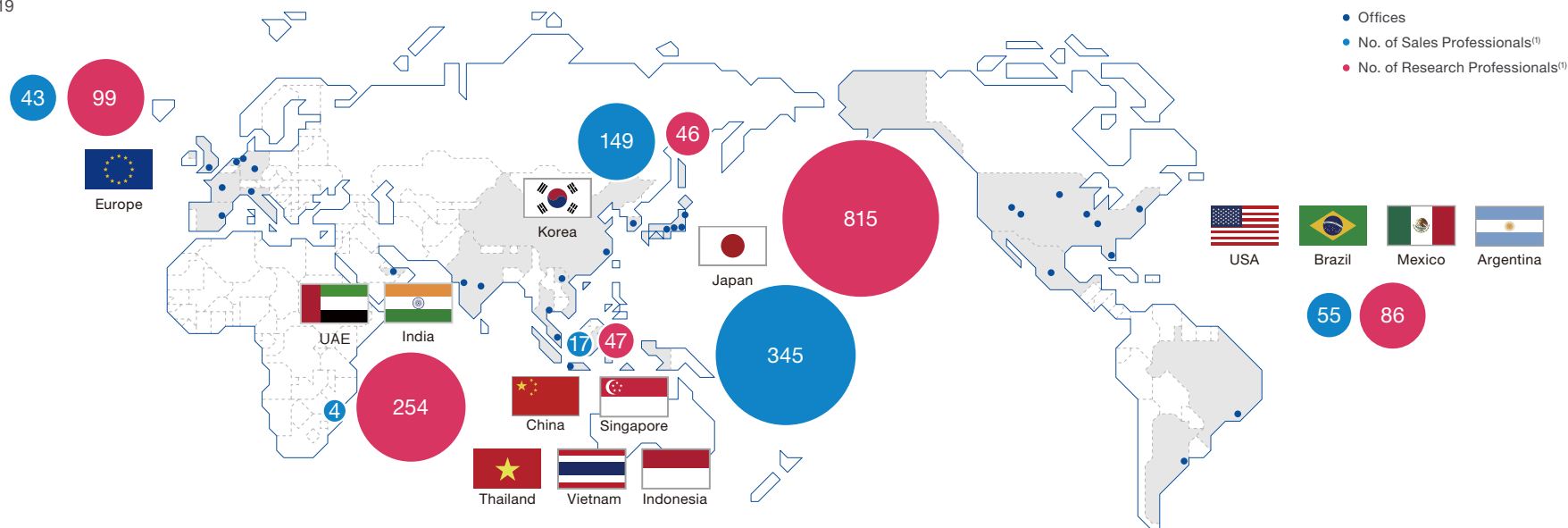
### Note

1. Acquired market research business only

# Worldwide Sales & Research Delivery

## Sales and Research Breakdown for Selected Key Markets<sup>(1)</sup>

As of end of September, 2019



2,400+<sup>(2)</sup> Employees in 49 Offices Worldwide

	Local Deeper Local Consumer Insights	Global Coordinated Cross-Border Client Coverage
<b>Sales</b>	<ul style="list-style-type: none"> <li>✓ Localized Sales Teams c. 600<sup>(1)</sup> professionals across 49 offices worldwide</li> </ul>	<ul style="list-style-type: none"> <li>✓ CEO-led Experienced Sales Professionals Deliver Coordinated GKA<sup>(3)</sup> Coverage</li> </ul>
<b>Research</b>	<ul style="list-style-type: none"> <li>✓ Seamless Coordination with Local Research Professionals</li> </ul>	<ul style="list-style-type: none"> <li>✓ Best Practice Sharing and Real-time Support from the Global Competence Center in India</li> <li>✓ Export Superior Japanese <i>Kaizen</i> Operational Quality</li> </ul>

### 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

# Industry-Leading One-Stop Solutions Portfolio

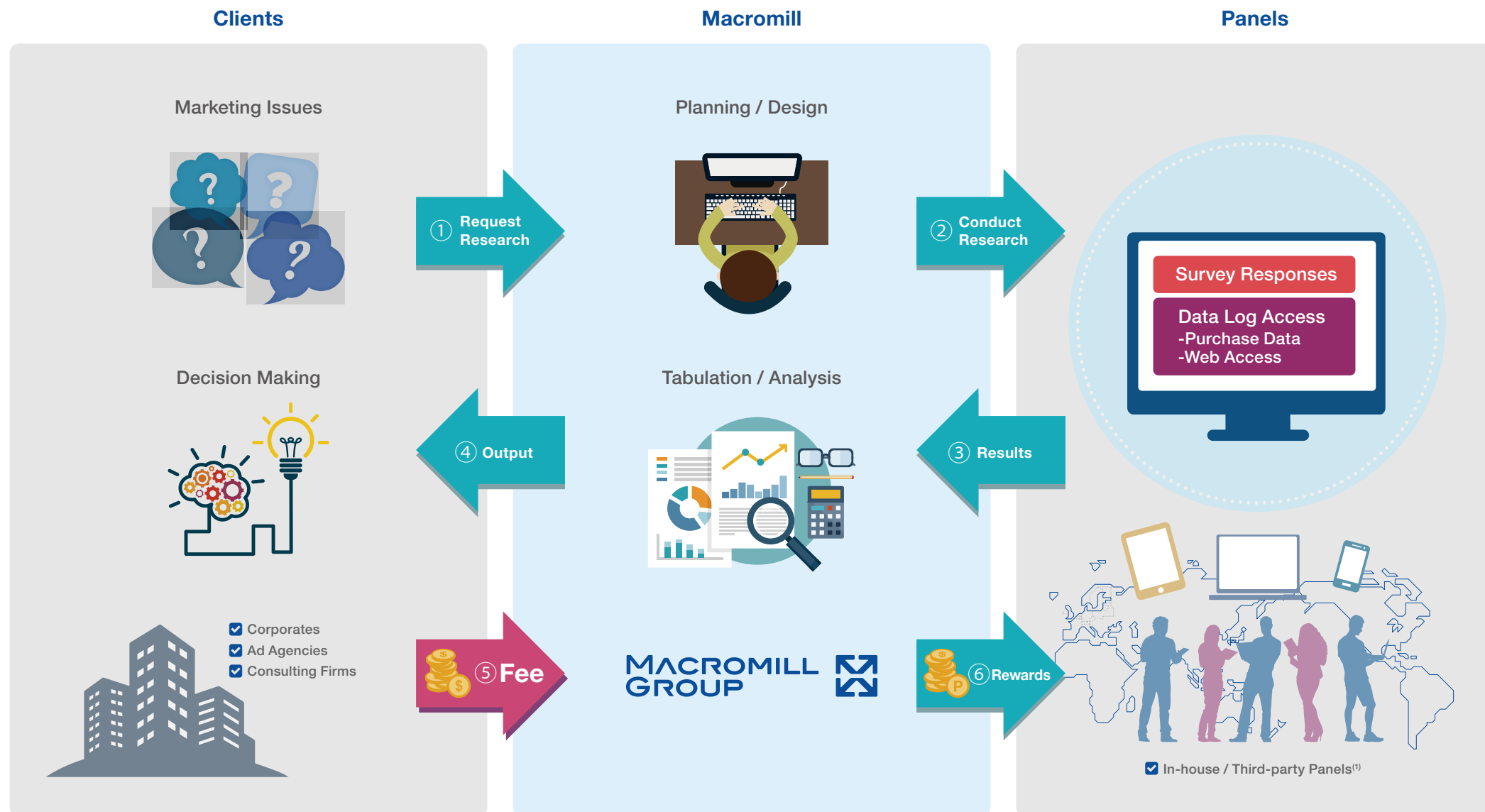
## Selected Solutions

	Marketing Research		Digital Marketing	
	Ad Hoc		Database	
Developed by <b>MACROMILL</b> (Japan and Korea Business Segment)	<div>Quantitative</div> <div>Online Research</div> <div> QuickMill</div> <div> OrderMill</div> <div>Central Location Testing</div> <div> CLT</div>	<div>Qualitative</div> <div>Group / In-Depth Interviews</div> <div> FGI</div> <div> DI</div>	Purchase Data  QPR Household Spending Data  MHS Brand Data  bdb	Ad Effectiveness Measurement  AccessMill DMP <sup>(1)</sup> “DMP Solution”
Jointly Developed			 GLOBAL AccessMill	
Developed by <b>METRIXLAB</b> (Overseas Business (ex-Korea) Segment)	<div>Market Exploration</div> <div> “SCOUT H&amp;A”</div> <div>Package Test</div> <div> “PACT”</div>	<div>Concept Test</div> <div> “CONTEST”</div> <div>Brand Assessment</div> <div> “B-HEALTH”</div> <div>etc.</div>	Ad Pretesting  “AD-VANCE”  “ACT” Social Media Analysis  OXYME Big Data Analysis “Dashboard” etc.	

### Note

1. Data Management Platform

## 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

# Japan Business – Market Opportunity & Our Positioning

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	Market Size	Market Growth	Market Share & Position
Japanese Marketing Research Market	JPY 219.0Bn <sup>(1)</sup> (2018)	2014 2015 2016 2017 2018 2.7% 3.3% 7.8% 2.3% 2.0% 5Y CAGR 3.6%	
Ad-hoc Online Research Field	JPY 70.5Bn <sup>(1)</sup> (2018)	2014 2015 2016 2017 2018 2.6% 3.2% 6.3% 4.2% 4.9% 5Y CAGR 4.2%	30% Over No.1
Ad-hoc Offline Research Field	JPY 38.9Bn <sup>(2)</sup> (2018)	2014 2015 2016 2017 2018 7.2% 11.4% 14.0% -10.2% 6.7% 5Y CAGR 5.5%	Appx.10% N/A
Other Research Field <sup>(3)</sup>	JPY 109.6Bn <sup>(1,3)</sup> (2018)	2014 2015 2016 2017 2018 1.4% 0.7% 6.5% 6.0% -1.3% 5Y CAGR 2.6%	N/A
Digital Marketing Research Field	N/A Est. JPY 87.9Bn? 5% of Digital Ad Market (2018: JPY 1,758.9Bn <sup>(4)</sup> )	Double Digits (cf. Digital Ad YoY Growth Rate (2017 to 2018): 16.5% <sup>(4)</sup> )	N/A

## Notes

1. Japan Marketing Research Association (JMRA) – Japan Market Research Spending (7/2018)

2. Company's Estimation

3. Total Marketing Research Market(JMRA Data) - Adhoc Online Marketing Research Market(JMRA Data) - Adhoc Offline Marketing Research Market (Company Est.)

4. Source: Dentsu – 2018 Annual Report on Advertising Expenditures in Japan (2/2019)

	Market Size	Market Growth
Global Marketing Research Market	USD 47.4Bn <sup>(1)</sup> (2018)	<div> <div>2014</div> <div>2015</div> <div>2016</div> <div>2017</div> <div>2018</div> <div>5Y CAGR</div> </div> <div> <div>6.7%</div> <div>-4.5%</div> <div>0.9%</div> <div>3.4%</div> <div>3.1%</div> <div>1.9%<sup>(1)</sup></div> </div>
Online Research Field <sup>(2)</sup>	USD 19.4Bn <sup>(1)</sup> (2018)	<div> <div>2014</div> <div>2015</div> <div>2016</div> <div>2017</div> <div>2018</div> <div>5Y CAGR</div> </div> <div> <div>14.9%</div> <div>5.8%</div> <div>23.7%</div> <div>6.1%</div> <div>8.4%</div> <div>11.6%<sup>(1)</sup></div> </div>
Conventional Research Field <sup>(3)</sup>	USD 27.9Bn <sup>(1)</sup> (2018)	<div> <div>2014</div> <div>2015</div> <div>2016</div> <div>2017</div> <div>2018</div> <div>5Y CAGR</div> </div> <div> <div>3.8%</div> <div>-8.4%</div> <div>-9.4%</div> <div>1.7%</div> <div>-0.3%</div> <div>-2.7%<sup>(1)</sup></div> </div>
Digital Marketing Research Field	<b>N/A</b> Est. USD 28.5Bn? 10% of Digital Ad Market (2018: USD 285Bn <sup>(4)</sup> )	<b>Double Digits</b> (cf. Digital Ad: 5Y Forward CAGR 11.9% <sup>(4)</sup> )

## Notes

1. Source: ESOMAR Report (9/2019)
2. Online quantitative marketing research only, excluding online qualitative marketing research, which are excluded in ESOMAR presentation
3. Other than above-mentioned online (Online quantitative only) marketing research
4. Source: eMarketer Worldwide Ad Spending (9/2019)

