



Summary of Consolidated Financial Statements for the First Quarter of the Fiscal Year Ending June 30, 2025 [IFRS]

November 14, 2024

Listed Company: MACROMILL, INC.
 Stock Exchange: Tokyo Stock Exchange
 Code Number: 3978
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 Scheduled date of the start of dividends payment: —
 Supplementary material for financial results: Yes
 Briefing on 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 Quarter of the Fiscal Year Ending June 30, 2025 (from July 1, 2024 to September 30, 2024)

(1) Consolidated Business Performance (Percentages calculated on year-on-year basis.)

	Revenue		Operating profit		Profit before tax		Profit for the period	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
First quarter of the year ending June 30, 2025	9,993	4.0	780	139.2	853	199.5	239	—
First quarter of the year ended June 30, 2024	9,607	7.8	326	(62.5)	284	(65.9)	18	(94.8)

	Profit attributable to owners of the parent		Total comprehensive income for the period		Basic earnings per share	Diluted basic earnings per share
	Million yen	%	Million yen	%	Yen	Yen
First quarter of the year ending June 30, 2025	151	—	(1,054)	—	4.01	3.98
First quarter of the year ended June 30, 2024	(113)	—	54	(87.0)	(2.98)	(2.98)

(Reference)

	Business profit		EBITDA	
	Million yen	%	Million yen	%
First quarter of the year ending June 30, 2025	1,067	50.3	1,565	29.1
First quarter of the year ended June 30, 2024	710	(18.4)	1,212	(12.0)

(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 September 30, 2024	94,609	43,318	39,155	41.4
As of June 30, 2024	89,205	45,799	40,741	45.7

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, 2024	—	12.00	—	15.00	27.00
Year ending June 30, 2025	—				
Year ending June 30, 2025 (forecast)		0.00	—	0.00	0.00

(Note) Revisions from dividends forecasts announced most recently: Yes

(Note)

For the details of the dividend forecast, please refer to “Notice of Revision of Interim and Year-end Dividend Forecasts (No Dividend Payment) for the Fiscal Year Ending June 30, 2025” disclosed today (November 14th, 2024).

3. Forecast of Consolidated Financial Results for the Year Ending June 30, 2025 (from July 1, 2024 to June 30, 2025)

(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	48,000	9.4	5,700	27.5	5,900	24.3	4,000	33.4	3,100	35.2

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

(Reference)

	Business profit		EBITDA	
	Million yen	%	Million yen	%
Full year	6,200	10.2	8,300	8.0

* Notes

(1) Significant changes in the scope of consolidation during the period: 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 (a): No

(iii) Changes in accounting assumptions: No

(3) Number of shares outstanding (common stock)

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

As of September 30, 2024	40,480,500 shares	As of June 30, 2024	40,480,500 shares
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(ii) Number of shares of treasury stock at the end of the term:

As of September 30, 2024	2,676,235 shares	As of June 30, 2024	2,676,235 shares
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(iii) Average number of shares during the period:

Three months ended September 30, 2024	37,804,265 shares	Three months ended September 30, 2023	38,194,665 shares
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* Review of the accompanying quarterly consolidated financial statements by certified public accountants or audit firms: No

* 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) The Company transferred its Overseas Business (ex-Korea) segment to Toluna in exchange for considerations, including a 17.4% stake in Toluna. This has resulted in Toluna being an equity-method affiliate of the Company from the fourth quarter of the fiscal year ended June 30, 2023. To show the business performance of the Group, the Company states business profit which subtracts the equity method investment gains/losses related to Toluna from operating profit from the first quarter of the fiscal year ended June 30, 2024.

(4) Based on (3), from the first quarter of the fiscal year ended June 30, 2024, the Company calculates EBITDA using the following formula: EBITDA = business profit + depreciation and amortization + loss on retirement of non-current assets + impairment loss

(5) EBITDA is not the indicator specified by IFRS, but is the financial indicator that the Group considers useful for investors to evaluate the business results of the Group.

(6) EBITDA should not be considered as indicator 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 year, so it is subject to significant restrictions as a means of analysis. EBITDA disclosed by the Group may be less useful in comparison with the same or similar indicators of other competitors because it is calculated according to a different method from that of such other companies.

Accompanying Materials - Contents

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1. Qualitative Information about Consolidated Financial Results for the Quarter

(1) Overview of operating results for the first quarter

(i) Explanation of the operating environment

More companies from different industries are entering the marketing research market in which the Group operates, including companies that collect and analyze digital data and those that offer consulting services and reports. The market is being redefined as the insight market, with revenue including that from related industries. In 2023, the size of the insight market in Japan was valued at 449.9 billion yen (up 4.2% year on year). (*1)

In this economic and market environment, the Group disclosed in August 2023 a new MTBP (Mid-term Business Plan) for the three years to the fiscal year ending June 30, 2026. The Group has developed strategies to achieve the Plan's targets and is striving to expand the business scale and profit.

In the fiscal year ending June 30, 2025, the second year of the Mid-term Business Plan, the Company will focus on steady profit generation by continuing to pursue the growth of the online research and digital research businesses, which are the Group's flagship businesses and highly profitable, and by pursuing improvement in productivity.

To develop the businesses that will future drive revenue and profit, the Company will expand business in Asia and strengthen global research. The Company will also grow the data consulting business as well as developing new subscription type solutions and continuing the transformation of its business model.

(ii) Explanation of the operating results

An overview of the Group's operating results is as follows: (*2)

Revenue for the three months ended September 30, 2024 rose 4.0% year on year, to 9,993 million yen, reflecting a steady performance in the Japan Business. The increased revenue combined with progress made improving productivity in the Japan Business resulted in a strong profit performance and a sharp increase in profits, with EBITDA of 1,565 million yen, an increase of 29.1% year on year, and business profit of 1,067 million yen, an increase of 50.3% year on year.

Since the Company's share of loss on investments in Toluna accounted for using equity method was also smaller than in the same period a year earlier, operating profit increased 139.2% year on year, to 780 million yen, and profit before tax and profit attributable to owners of the parent also rose sharply.

Consolidated financial results (Million yen unless otherwise indicated)	Three months ended September 30, 2024	Three months ended September 30, 2025	Increase/decrease	Change rate
Revenue	9,607	9,993	+385	+4.0%
Japan Business revenue	8,495	8,974	+479	+5.6%
Korea Business revenue	1,117	1,018	(98)	(8.8%)
EBITDA (*3)	1,212	1,565	+352	+29.1%
Business profit (*4)	710	1,067	+357	+50.3%
Japan Business business profit (*4)	689	1,134	+444	+64.5%
Korea Business business profit	20	(67)	(87)	—
Share of profit (loss) of certain investments accounted for using equity method (*5)	(383)	(286)	+97	—
Operating profit	326	780	+454	+139.2%
Quarterly profit before tax	284	853	+568	+199.5%
Quarterly Profit attributable to owners of the parent	(113)	151	+265	—

i. Japan Business

In the Japan Business, revenue in the online research and digital research businesses, which the Company defines as Focus Areas, rose 5.9% year on year to 3,605 million yen, as the active sales activities and proposal-based sales initiated the previous fiscal year paid off in the form of the development of new clients and stronger relationships with existing clients.

Revenue from services related to global research and consulting businesses and new businesses, which the Company defines as Future Areas, increased 9.8% year on year, to 1,462 million yen, reflecting a strong performance in consulting.

Revenue from offline research services and data provision as well as subsidiaries engaged in joint ventures with advertising agencies, etc., which the Company defines as Foundations Areas, stood at 3,905 million yen, up 4.0% year on year, reflecting the steady

performance of joint ventures with advertising agencies.

On the expense front, the Company worked to improve the productivity of internal resources and increase in-house operations, and outsourcing expenses were successfully reduced to a level lower than the previous fiscal year. In addition, the Company managed to keep the rate of increase in total employee expenses and other operating expenses lower than the revenue growth rate and therefore succeeded in keeping the rate of increase in operating expenses overall lower than the revenue growth rate.

As a result, revenue in the Japan Business stood at 8,974 million yen, up 5.6% year on year, and business profit, excluding the Company's share of loss on investments in Toluna amounting to 286 million yen, rose sharply to 1,134 million yen, up 64.5% year on year.

ii. Korea Business

Revenue in the Korea Business was weak due to declines in public surveys conducted by the government and the research budgets of major clients. These decreases were a result of worsened business sentiment.

The Group will strive to mitigate the negative impact of the market conditions by continuing to leverage its structural strengths to develop products. These products will include purchase data from its proprietary consumer panel, which the Company has already launched in Japan. This sets the Company apart from other significant research firms in Korea.

As a result, the segment posted revenue of 1,018 million yen, down 8.8% year on year, and a business loss of 67 million yen due to the impact of decreased revenue.

The Company's consolidated return on equity (ROE: calculated using the data for the preceding 12 months) stood at 6.7% (up 2.7 points year-on-year). The interest coverage ratio (*6: calculated in the last 12 months) came to 20.7 times (20.6 times in the corresponding period of the prior fiscal year).

Financial results including revenue of MACROMILL EMBRAIN CO., LTD. in the Korea Business segment are recorded in Korean won. Exchange rates are as stated below.

Computation period (3 months)	Three months ended September 30, 2023	Three months ended September 30, 2024	Change rate
JPY/KRW (yen)	0.1107	0.1107	—

Notes:

- (1) Reference: JMRA 49th Annual Business Management Survey, announced by Japan Marketing Research Association (JMRA) in June 2024
- (2) Segment figures are after the elimination of inter-segment transactions. For adjustments for segment revenue, please refer to (6) Notes to condensed consolidated financial statements (Segment information).
- (3) EBITDA: Earnings before interest, tax, depreciation and amortization
The Company defines business profit + depreciation and amortization + loss on retirement of non-current assets + impairment loss. The Company uses it as a major management indicator to measure the profitability of each business as it enables us to calculate the size of cash flow generated from each business more accurately.
- (4) The Company transferred its Overseas Business (ex-Korea) segment to Toluna in exchange for considerations, including a 17.4% stake in Toluna. This has resulted in Toluna being an equity-method affiliate of the Company from the fourth quarter of the fiscal year ended June 30, 2023. To show the business performance of the Group, the Company states business profit after subtracting the equity method investment gains/losses related to Toluna from operating profit from the first quarter of the fiscal year ended June 30, 2024.
- (5) Share of loss on investments in Toluna accounted for using equity method
- (6) Interest Coverage Ratio = (operating profit + interest income+ dividends income) / interest expense

(2) Explanations about financial position

(i) State of assets, liabilities, and equity

At the end of the first three months, assets totaled 94,609 million yen, an increase of 5,404 million yen from the end of the previous fiscal year. This was mainly due to increasing factors such as increase in cash and cash equivalents of 5,236 million yen, an increase in goodwill of 444 million yen, and an increase in trade and other receivables of 439 million yen, offsetting a decrease in long-term loans of 686 million yen, and a decrease in investments accounted for using the equity method of 660 million yen.

Liabilities stood at 51,291 million yen, up 7,884 million yen from the end of the previous fiscal year. This was mainly due to increasing factors such as an increase in bonds and borrowings of 9,397 million yen, which more than offset a decrease in other current liabilities of 874 million yen, and a decrease in trade and other payables of 371 million yen.

Equity was worth 43,318 million yen, a decrease of 2,480 million yen from the end of the previous fiscal year. The decrease was largely attributable to dividends paid of 1,424 million yen and a decrease in other comprehensive income of 1,293 million yen, which offset profit for the period of 239 million yen.

(ii) State of cash flow

Cash and cash equivalents ("cash") at the end of the first quarter increased 5,236 million yen from the end of the previous fiscal year, to 15,634 million yen. The status of each of the cash flow segments and contributing factors in the first quarter are as follows.

(Cash flow from operating activities)

Net cash used in operating activities amounted to 1,727 million yen (up 1,101 million yen year-on-year).

This was mainly due to cash outflows, such as an increase in trade and other receivables of 708 million yen, a decrease in trade and other payables of 311 million yen, income taxes paid of 700 million yen, and a decrease in accrued bonuses included in other of 821 million yen, despite cash inflows of profit before tax of 853 million yen, and depreciation and amortization of 493 million yen.

Trade receivable turnover in days and trade payable/panel point reserves turnover in days stood at 77.4 days (down 7.0 days year-on-year) and 47.5 days (down 4.8 days year-on-year), respectively.

(Cash flow from investing activities)

Net cash used in investing activities came to 740 million yen (up 184 million yen year on year).

This was primarily due to the acquisition of property, plant and equipment of 141 million yen, the acquisition of intangible assets of 284 million yen, and the acquisition of a subsidiary of 461 million yen.

(Cash flow from financing activities)

Net cash provided by financial activities was 7,765 million yen (up 13,987 million yen year-on-year).

This was primarily due to proceeds from the issuance of bonds of 9,600 million yen, offsetting repayments of lease obligations of 251 million yen, dividends paid of 567 million yen, and dividends paid to non-controlling interests of 850 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, 2025 announced on August 14, 2024 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.

(4) Significant Subsequent Events

MACROMILL, INC. (the "Company"), as of November 14th, 2024, made a Board of Directors resolution to express its opinion in favor of a tender offer (the "Tender Offer") for the common shares of the Company (the "Company Shares") and the Stock Acquisition Rights (as defined in "1" below) by TJ1 Co., Ltd. (the "Tender Offeror"), and to recommend that the shareholders of the Company and the holders of the Stock Acquisition Rights tender their shares and Stock Acquisition Rights in the Tender Offer.

Please note that this resolution of the board of directors was adopted on the premise that the Tender Offeror intends to make the Company a wholly-owned subsidiary of the Tender Offeror and that the Company Shares will be delisted through the Tender Offer and a series of subsequent procedures.

For details, please refer to the "Notice Concerning Opinion in Favor of Tender Offer for the Company's Shares, etc. by TJ1 Co., Ltd. and

Recommendation to Tender" announced on November 14th, 2024.

Notes:

- (1) 4th stock acquisition right issued pursuant to the resolution of the Company's board of directors held on September 30, 2015 (the exercise period is from October 19, 2015 through October 18, 2025)