



Summary of Consolidated Financial Statements for the First Six-Month Period of the Fiscal Year Ending June 30, 2025 [IFRS]

February 14, 2025

Listed Company: MACROMILL, INC.
 Stock Exchange: Tokyo Stock Exchange
 Code Number: 3978
 URL: <https://www.macromill.com>
 Representative: Toru Sasaki, Representative Executive Officer, CEO
 Contact: Shintaro Hashimoto, Executive Officer, CFO
 Tel.: +81-3-6716-0706
 Scheduled date to submit semi-annual report: February 14, 2025
 Scheduled date of the start of dividends payment: —
 Supplementary material for financial results: Yes
 Briefing on financial results: None

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

1. Consolidated Financial Results for the First Six-Month Period of the Fiscal Year Ending June 30, 2025 (from July 1, 2024 to December 31, 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 six-month period of the year ending June 30, 2025	22,638	2.5	2,755	15.9	2,943	23.3	1,835	29.1
First six-month period of the year ended June 30, 2024	22,095	7.9	2,377	(14.2)	2,387	(10.8)	1,421	(21.7)

	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 six-month period of the year ending June 30, 2025	1,437	61.8	1,180	(1.2)	37.97	37.72
First six-month period of the year ended June 30, 2024	888	(27.1)	1,195	(28.5)	23.26	23.15

(Reference)

	Business profit		EBITDA	
	Million yen	%	Million yen	%
First six-month period of the year ending June 30, 2025	3,368	13.9	4,368	10.4
First six-month period of the year ended June 30, 2024	2,956	6.8	3,955	3.6

(2) Consolidated Financial Position

	Total assets	Total equity	Equity attributable to owners of the parent	Ratio of equity attributable to owners of the parent
	Million yen	Million yen	Million yen	%
As of December 31, 2024	97,077	45,678	41,281	42.5
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	—	0.00	—	—	—
Year ending June 30, 2025 (forecast)	—	—	—	0.00	0.00

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

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	82.00

(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 (i): No

(iii) Changes in accounting assumptions: No

(3) Number of shares outstanding (common stock)

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

As of December 31, 2024	40,630,500 shares	As of June 30, 2024	40,480,500 shares
-------------------------	-------------------	---------------------	-------------------

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

As of December 31, 2024	2,675,361 shares	As of June 30, 2024	2,676,235 shares
-------------------------	------------------	---------------------	------------------

(iii) Average number of shares during the period:

Six months ended December 31, 2024	37,867,179 shares	Six months ended December 31, 2023	38,206,492 shares
------------------------------------	-------------------	------------------------------------	-------------------

* Summaries of semi-annual consolidated financial statements are not subject to audits conducted by certified public accountants or audit firms.

* 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. In addition, the Company published the “Notice Concerning Opinion in Favor of Tender Offer for the Company Shares, etc. by TJ1 Co., Ltd. and Recommendation to Tender” on November 14, 2024. From the second quarter of the fiscal year ending June 30, 2025, business profit is calculated excluding expenses associated with this tender offer.

(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

1. Qualitative Information about Consolidated Financial Results for the First Half.....	2
(1) Overview of operating results for the first six months.....	2
(2) Explanations about financial position.....	4
(3) Explanations about forward-looking information including forecast of consolidated financial results	4
(4) Additional information	5

1. Qualitative Information about Consolidated Financial Results for the First Half

(1) Overview of operating results for the first six months

(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 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 six months ended December 31, 2024 rose 2.5% year on year, to 22,638 million yen, reflecting a revenue increase in the Japan Business. The increased revenue combined with progress made improving productivity in the Japan Business with EBITDA of 4,368 million yen, an increase of 10.4% year on year, and business profit of 3,368 million yen, an increase of 13.9% year on year.

Although expenses incurred in association with the tender offer and other matters as announced on November 14, 2024 in the "Notice Concerning Opinion in Favor of Tender Offer for the Company Shares, etc. by TJ1 Co., Ltd. and Recommendation to Tender", the Company's share of loss on investments in Toluna accounted for using the equity method was smaller than in the same period of the previous year. As a result, operating profit climbed 15.9% year on year to 2,755 million yen. Profit before tax and profit attributable to owners of parent also increased.

Consolidated financial results (Million yen unless otherwise indicated)	First six-month period of the year ended June 30, 2024	First six-month period of the year ending June 30, 2025	Increase/decrease	Change rate
Revenue	22,095	22,638	+543	+2.5%
Japan Business revenue	18,632	19,411	779	+4.2%
Korea Business revenue	3,472	3,226	(246)	(7.1%)
EBITDA (*3)	3,955	4,368	412	+10.4%
Business profit (*4)	2,956	3,368	412	+13.9%
Japan Business business profit (*4)	2,584	3,258	673	+26.0%
Korea Business business profit	371	110	(261)	(70.2%)
Share of profit (loss) of certain investments accounted for using equity method (*5)	(579)	(304)	+275	—
Expenses associated with the tender offer (*6)	—	(309)	(309)	—
Operating profit	2,377	2,755	378	+15.9%
Profit before tax	2,387	2,943	556	+23.3%
Profit attributable to owners of the parent related to continuing operations	888	1,437	549	+61.8%

i. Japan Business

In the Japan Business, revenue in the online research and digital research businesses, which the Company defines as Focus Areas, rose 6.2% year on year to 7,645 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 corporate clients.

Revenue from services related to global research and consulting businesses and new businesses, which the Company defines as Future Areas, decreased 0.2% year on year to 3,234 million yen, reflecting weak performance in global research.

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 8,531 million yen, up 4.2% 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.

As a result, revenue in the Japan Business stood at 19,411 million yen (up 4.2% year on year). Excluding the Company's share of loss on investments in Toluna, which was 304 million yen, and expenses associated with the tender offer, which were 309 million yen, business profit was 3,258 million yen, up 26.0% year on year, reflecting the positive effect of growth in the Focus Areas with high profitability and improved productivity.

ii. Korea Business

Revenue in the Korea Business was weak due to a decline in public surveys conducted by the government and the continued contraction of the research budgets of major corporate clients amid business sentiment remained bleak.

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 3,226 million yen, down 7.1% year on year, and a business profit of 110 million yen, down 70.2% year on year, 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 7.2% (up 3.0 points year-on-year). The interest coverage ratio (*7: calculated in the last 12 months) came to 18.3 times (20.8 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 (6 months)	First six-month period of the year ended June 30, 2024	First six-month period of the year ending June 30, 2025	Change rate
JPY/KRW (yen)	0.1113	0.1093	(1.8%)

Notes:

- (1) Reference: JMRA 49th Annual Business Management Survey, announced by Japan Marketing Research Association (JMRA) in June 2024
- (2) Segment figures for the first half of FY2024/6 include inter-segment transactions and the figures for the first half of FY2025/6 do not include inter-segment transactions.
- (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. In addition, the Company published the "Notice Concerning Opinion in Favor of Tender Offer for the Company Shares, etc. by TJ1 Co., Ltd. and Recommendation to Tender on November 14, 2024". From the second quarter of the fiscal year ending June 30, 2025, business profit is calculated excluding the expenses associated with this tender offer.
- (5) Share of loss on investments in Toluna accounted for using equity method
- (6) Expenses for the services of financial advisors, legal advisors and other specialists in association with the tender offer for the Company's shares etc.
- (7) 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 six months of the fiscal year under review, assets totaled 97,077 million yen, an increase of 7,871 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 6,626 million yen, and an increase in trade and other receivables of 2,008 million yen, offsetting a decrease in right-of-use assets of 523 million yen, and a decrease in investments accounted for using the equity method of 443 million yen.

Liabilities stood at 51,398 million yen, up 7,992 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 9,226 million yen, which more than offset a decrease in other current liabilities of 645 million yen, and a decrease in lease liabilities of 542 million yen.

Equity was worth 45,678 million yen, a decrease of 120 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 654 million yen, which offset profit for the period of 1,835 million yen.

(ii) State of cash flow

Cash and cash equivalents (“cash”) at the end of the first six months of the fiscal year increased 6,626 million yen from the end of the previous fiscal year to 17,025 million yen. The status of each of the cash flow segments and contributing factors for the first six months of the fiscal year are as follows:

(Cash flow from operating activities)

Net cash provided by operating activities amounted to 215 million yen (down 1,503 million yen year-on-year).

This was mainly due to an increase in trade and other receivables of 2,258 million yen, income taxes paid of 996 million yen and a decrease in accrued bonuses included in other of 554 million yen while profit before tax was 2,943 million yen and depreciation and amortization was 992 million yen.

Trade receivable turnover in days and trade payable/panel point reserves turnover in days stood at 80.7 days (down 4.8 days year-on-year) and 47.1 days (down 2.7 days year-on-year), respectively.

(Cash flow from investing activities)

Net cash used in investing activities came to 808 million yen (up 426 million yen year on year).

This was primarily due to a net decrease in short-term investment of 259 million yen, the acquisition of property, plant and equipment of 168 million yen, the acquisition of intangible assets of 599 million yen and the acquisition of a subsidiary of 472 million yen.

(Cash flow from financing activities)

Net cash provided by financial activities was 7,297 million yen (up 14,411 million yen year-on-year).

This was chiefly due to proceeds from the issuance of bonds of 9,600 million yen, offsetting repayments of long-term borrowings of 355 million yen, repayments of lease obligations of 503 million yen, dividends paid of 573 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) Additional information

(The Tender Offer for the Company Shares by TJ1 Co., Ltd.)

As announced in the “Notice Concerning Opinion in Favor of Tender Offer for the Company Shares, etc. by TJ1 Co., Ltd. and Recommendation to Tender” dated November 14, 2024, the Company, at its board of director’s meeting as of November 14, 2024, resolved to express an opinion in favor of a tender offer for its common stock (the “Company Shares”) and the stock acquisition rights (the “Tender Offer”) by TJ1 Co., Ltd. (the “Tender Offeror”), and to recommend that its shareholders and the holders of stock acquisition rights tender their shares and the stock acquisition rights in the Tender Offer (the Opinion has been maintained even after amendments to the terms and conditions of the Tender Offer. For details, please see “(Amendment) Notice regarding the partial amendment to “Notice Concerning Opinion in Favor of Tender Offer for the Company Shares, etc. by TJ1 Co., Ltd. and Recommendation to Tender” dated December 26, 2024, “ (Amendment) Notice regarding the partial amendment to “Notice Concerning Opinion in Favor of Tender Offer for the Company Shares, etc. by TJ1 Co., Ltd. and Recommendation to Tender” dated January 17, 2025 and “(Amendment) Notice regarding the partial amendment to “Notice Concerning Opinion in Favor of Tender Offer for the Company Shares, etc. by TJ1 Co., Ltd. and Recommendation to Tender” dated February 3, 2025.) .

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.

1. Overview of the Tender Offeror

(1) Name	TJ1 Co., Ltd.
(2) Location	2-5, Kasumigaseki 3-chome, Chiyoda-ku, Tokyo
(3) Job title and name of representative	Atsushi Akaike, Representative Director
(4) Description of business	1. To control and manage the business activities of various companies by owning shares or equity interests of such companies. 2. Any and all businesses incidental or related to the preceding item.
(5) Share capital	JPY 10,000
(6) Date of establishment	August 28, 2024
(7) Major shareholders and ownership ratios	TJ Holding Limited 100.0%
(8) Relationship between the Company and the Tender Offeror	
Capital relationship	Not applicable.
Personnel relationship	Not applicable.
Business relationship	Not applicable.
Related party relationship	Not applicable.

2. Details of the Tender Offer

(1) Class of Shares Certificates to be Purchased, Etc.

Common shares and stock acquisition rights

(2) Period of Purchase

From November 15, 2024 (Friday) through February 17, 2025 (Monday) (60 business days)

(3) Price for Purchase

① JPY 1,250 per share of common shares

② Stock Acquisition Right

JPY 70,000 per the Fourth Series Stock Acquisition Rights issued based on the resolution of the board of directors of the Company held on September 30, 2015 (the exercise period is from October 19, 2015 to October 18, 2025).

(4) Number of Shares to be Purchased

Number of Shares to be Purchased	38,958,165(shares)
Minimum Number of Shares to be Purchased	25,660,500(shares)
Maximum Number of Shares to be Purchased	— (shares)

Note:

The Tender Offeror has set 25,660,500 shares (shareholding ratio 65.87%) as the minimum number of shares to be purchased in the Tender Offer. If the total number of shares etc. tendered in the Tender Offer is less than the minimum number of the shares etc.to be purchased, the Tender Offeror will not purchase any shares etc.