
FY2024/6 Financial Results: Summary of Q&A¹

August 16, 2024 Macromill, Inc.

(Q1)

- Now that a little time has passed since the start of FY2025/6, what can you tell us about recent conditions and the outlook for demand in the future?

(A1)

- During FY2024/6 we eliminated capacity shortages and actively resumed outbound sales.
- On top of that, we had success with a range of initiatives such as improved proposals for clients, allowing us to bring back clients who had left after being turned down due to capacity shortages. We also expanded the share of wallet within existing clients and uncovered latent needs, leading to growth that surpassed both competitors and the market.
- We continue to experience positive effects from those various measures, and believe we can maintain that strong momentum in FY2025/6, which is already underway.
- We are approaching the mid-point of the first quarter and our businesses are in extremely good condition.

(Q2)

- In the Japan Business segment, what is the state of Revenue in the Focus Business, Future Business and Foundation Business respectively?
- Will you recover in the current period from the Revenue, which was lower than expected, in the Future Business in FY2024/6?

(A2)

- On a consolidated basis overall, our progress has been in line with our Mid-term Business Plan (MTBP).
- Looking at the Japan Business in FY2024/6, the Focus Business performed in line with this plan, there was a slight delay in seeing the expected figures from the Future Business, and performance in the Foundation Business beat expectations.
- Having now completed the first year of our MTBP, despite slight variations in stronger or weaker performance in each business area, we do not believe that any structural issues have emerged.
- In FY2025/6 we plan to maintain the momentum built in the Focus Business and Foundation Business during FY2024/6, and further accelerate growth in the Future Business.

(Q3)

- Please explain the reason for slow growth in the advertising area, which is included in new business under the Future Business.

(A3)

- As the advertising business represents an extremely large market, we are pursuing initiatives that leverage Macromill's strengths.
- However, we believe it will take considerable time until we start to see results.
- That is why we are making use of partnerships with major advertising firms as we rebuild strategies aimed at expanding Revenue.

¹ This material is not a transcript of questions and answers at the results briefing but a concise summary of them including additions and revisions made at our own discretion to facilitate reader understanding.



(Q4)

- What is the outlook for Total Employee Expenses over the next two to three years?
- Do you expect increases similar to the previous period? Or do you think the situation will stabilize for now?

(A4)

- We have concentrated on improving productivity in the Focus Business, and we do not anticipate the number of personnel increasing significantly beyond what it is now.
- In the Future Business, however, we will continue to make proactive investments that will include Total Employee Expenses, with the aim of growing both Revenue and Profit.
- We have also set our sights on M&A and other expansionary activities in the Future Business, and there is a possibility of Total Employee Expenses increasing in connection with those developments.
- As we implement technology-driven initiatives such as the upgrading of core research systems aimed at future growth, we will continue to look at the overall situation, including the need to strengthen talent in the IT area.
- However, we will implement cost controls while monitoring the situation, including the Group Revenue, and will continue our policy of keeping the growth rate in Total Employee Expenses at or under the growth rate in Revenue.

(Q5)

- On page 22 of the full year financial results in the section on "Utilization of Technology," you mentioned that you would start to "provide data in subscription-model services" from the second half of FY2025/6. To what extent have investment plans for this new product and the impact on Revenue been factored in? What is the expected investment and Revenue?
- In addition, is it correct to assume that this is an entirely new product and not an extension of an existing product? Please provide a concrete image of what the product entails, such as what data will be obtained from where, and what things can be done with it.

(A5)

- At this point we have not incorporated Revenue from this new product into our plans for FY2025/6, but we have factored it in to some extent on the cost side.
- We are currently in the process of estimating the impact in quantitative terms, and we hope to update you with specific figures in the future.
- The concept of the new product is to provide more clients with the data that need in the course of conducting marketing activities.
- Working from the existing data assets Macromill possesses as a foundation, this will allow clients to obtain the data they need, when they need it, without the need for human resource.
- We expect the development of new products to further expand Revenue and contribute to Profit.

(Q6)

- Do you have any updates on the impact on the market or Macromill specifically in the short-term and the mid-to-long-term regarding Google's abandoning plans to eliminate third-party cookies?

(A6)

- At this point there is no major impact to the business of Macromill regarding Google's abandoning plans to eliminate third-party cookies.
- Based on the information we have ascertained, we believe it will ultimately be a decision made by users.
- We will therefore not change our basic policy, and continue to drive strategies that anticipate a cookie-less world.

(Q7)

- What is your future financial management policy in terms of raising funds, including the issuance of bonds during FY2025/6?

(A7)

- In terms of bonds, we issued bonds amounting to 10 billion yen in July 2024.
- A significant bond redemption is coming up in 2026, and we plan to continue with necessary fund-raising activities going forward in preparation for that.
- At this point we cannot comment specifically in terms of timing, scope and fund-raising methods, and we will continue to monitor the external environment including interest rate trends and implement fund raising including the additional issuance of bonds.

(Q8)

- What are your thoughts on M&A strategies?
- In particular do you have any specific M&A strategies for the Future Business?

(A8)

- As we mentioned earlier, in the Future Business we are exploring the consulting area in particular as a priority.
- We will provide further details when we implement any specific projects.

Ends