



Q1 FY04/23

Financial Results Presentation

September 13, 2022

Macbee Planet, Inc.
(Stock code: 7095)

Company Overview

Company name	Macbee Planet, Inc. (7095)
Establishment date	August 25, 2015
Capital	403 million yen (as of end-July 2022)
Business description	Provision of data-driven marketing analytics services
Head office location	3-11-11 Shibuya, Shibuya-ku, Tokyo
No. of employees	70 (as of end-July 2022)

History

Aug. 2015	Established Macbee Planet, Inc.
Aug. 2015	Released data analytics platform “Honeycomb”
Nov. 2017	Released web customer service tool “Robee”
Mar. 2020	Listed on Mothers section of the Tokyo Stock Exchange
Mar. 2021	Established Smash Co., Ltd.
Aug. 2021	Made Alpha, Inc. a wholly owned subsidiary

Q1 FY04/23 Results Summary

Net sales and operating profit reached **record highs, exceeding the year-earlier levels that had been lifted by special demand.**
Approaching 0.1% pt to the operating margin target of 10% in the mid-term management plan.

Net sales

(Millions of yen)

Q1 FY04/22	Q1 FY04/23	Change (%)
4,150	4,521	+9%
Analytics Consulting (AC)		
4,044	4,129	+2%
Marketing Technology (MT)		
105	391	+270%

▶ AC business **+2% YoY**

- Growth far surpassed the year-earlier level that had been lifted by special demand.
- The beauty industry (brick-and-mortar) and the banking industry contributed to growth.
- New clients also delivered contributions.

▶ MT business **+270% YoY**

- Growth was supported by the addition of Alpha to the group in Q2 FY04/22.

Operating profit

Q1 FY04/22	Q1 FY04/23	Change (%)
333	449	+35%
Operating margin		
8.0%	9.9%	+1.9pp

▶ Operating profit **+35% YoY**

- Operating profit rose on growth in the AC and MT businesses.

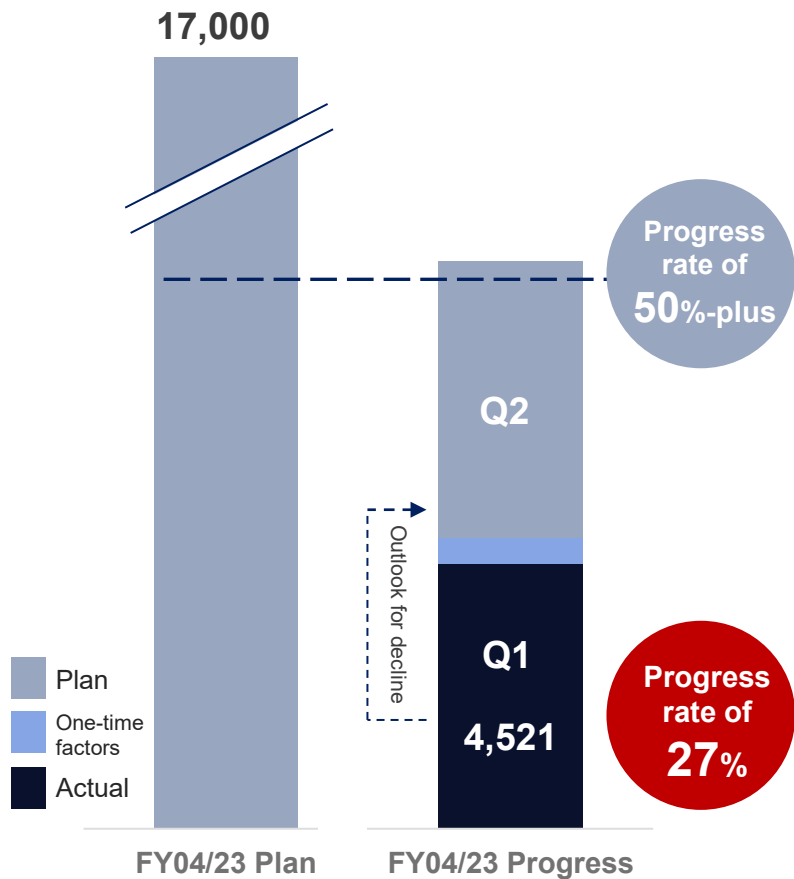
▶ Operating margin **+1.9pp**

- The Gross margin improved.
- We accelerated investment in new businesses and new product development.

FY04/23 Financial Results Forecast and Q2 Outlook

2Q sales and profits are expected to decrease compared to 1Q.
Progress in the first half is expected to exceed 50% of the annual plan.

Net sales



Net sales

(Millions of yen)

FY04/23 Plan	Q2 FY04/22 Actual	Q2 FY04/23		1H FY04/23	
		YoY change (Est.)	Progress versus full-year forecast (Est.)		
17,000	3,244	▶ +30% (approx.)	50%-plus		
Operating profit					
1,600	304	▶ +30% (approx.)	50%-plus		
Operating margin					
9.4%	8.0%	▶ +1.0%–	-		

Outlook for Q2 FY04/23

Although sales and income are expected to decrease in Q1-Q2, both sales and operating income are expected to increase by **around 30% YoY**, and the progress rates in cumulative Q2 are expected to **exceed 50%** compared to the full-year forecast.

[Factors depressing net sales]

Decrease due to the impact of the busy season in the beauty industry and the reactionary effect of increased demand in the banking industry

[Factors boosting net sales]

Growth in net sales driven by acquisition of new clients and expansion of business for existing clients

Turning point in the industry

As the market leader in LTV marketing, we will provide solutions to overcome challenges in the industry and lead the **transition of the 3-trillion-yen online advertising market to LTV marketing.**

Client Needs: Increase LTV and Optimize Marketing ROI

Current challenges facing the online advertising market

3tn yen market

Results

Advertising costs do not necessarily lead to increased sales

Cost: Charging system based on ad delivery and clicks
KPI: Number of leads, user acquisition costs

Data

Lower data accuracy due to cookie regulations

Higher acquisition cost and lower ROI due to less accurate ad targeting

Skills

Ad management depends on individual skills

Results vary depending on the skill of the person in charge



LTV marketing

Results

Performance-based compensation directly linked to long-term sales

Cost: Performance-based compensation based on sales/LTV
KPI: Number of recurring users, LTV & ROI

Data

Cookie-less data collection

Cookie-less marketing solutions that achieve results without being hampered by regulations

Skills

Optimization through AI

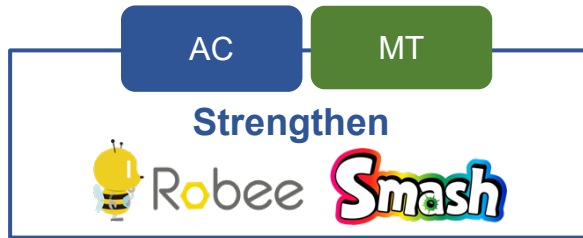
Instantly turns employees into team assets and increases productivity
High service quality independent of the experience of the person in charge

Progress with Medium-term Management Strategy

In terms of product strategy, we have completed early-stage development of DATAHIVE.
By expanding into other industries and increasing our personnel, we are **steadily building the foundations necessary to achieve our medium-term management plan in FY04/24.**

Product strategy

① Raise LTV improvement capability even further

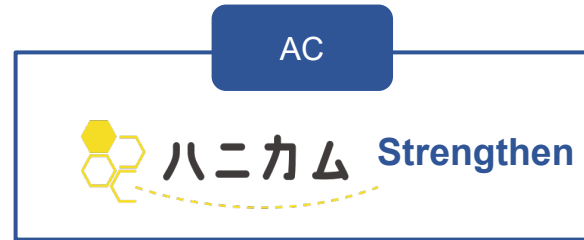


Improved acquisition efficiency and gross margin through collaboration with AC business.



Completed initial development to ensure minimum functionality. Currently pushing ahead with agile development in accordance with market needs while starting to make proposals and targeting orders from major clients.

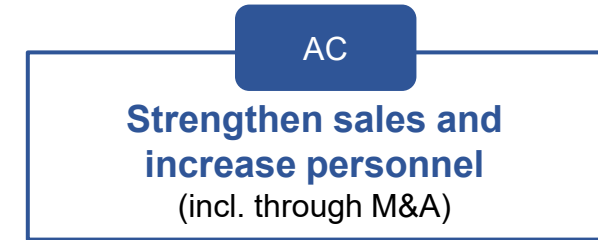
② Implement AI for data analytics and consulting



Started automating reporting work that requires many man-months. The objective is to reduce the workload by 20% in FY04/23.

Sales strategy

③ Accelerate expansion into other industries



Expand into other industries Received promotion orders from major telecommunication and electric power companies.

Strengthen hiring Compared to end-Q1 FY04/22, the number of personnel increased by 20 (+40%).

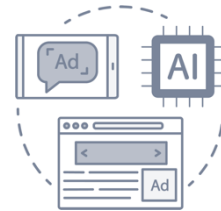
DATAHIVE Functionality

DATAHIVE is a **cookie-free LTV solution** developed in Japan. With this solution, we aim for visualization of marketing ROI based on user data, as well as integration between AI-based analysis and advertising and products. **Early-stage development has been completed.**



Advanced ID solutions that do not rely on cookies

Creates results unhindered by cookie regulations by providing flexible ID solutions that link IDs across multiple channels



Ad deliveries with increased efficiency by incorporating AI

Enables central audience management and builds audience segments across multiple ad channels to help formulate optimal ad budgets and ad delivery

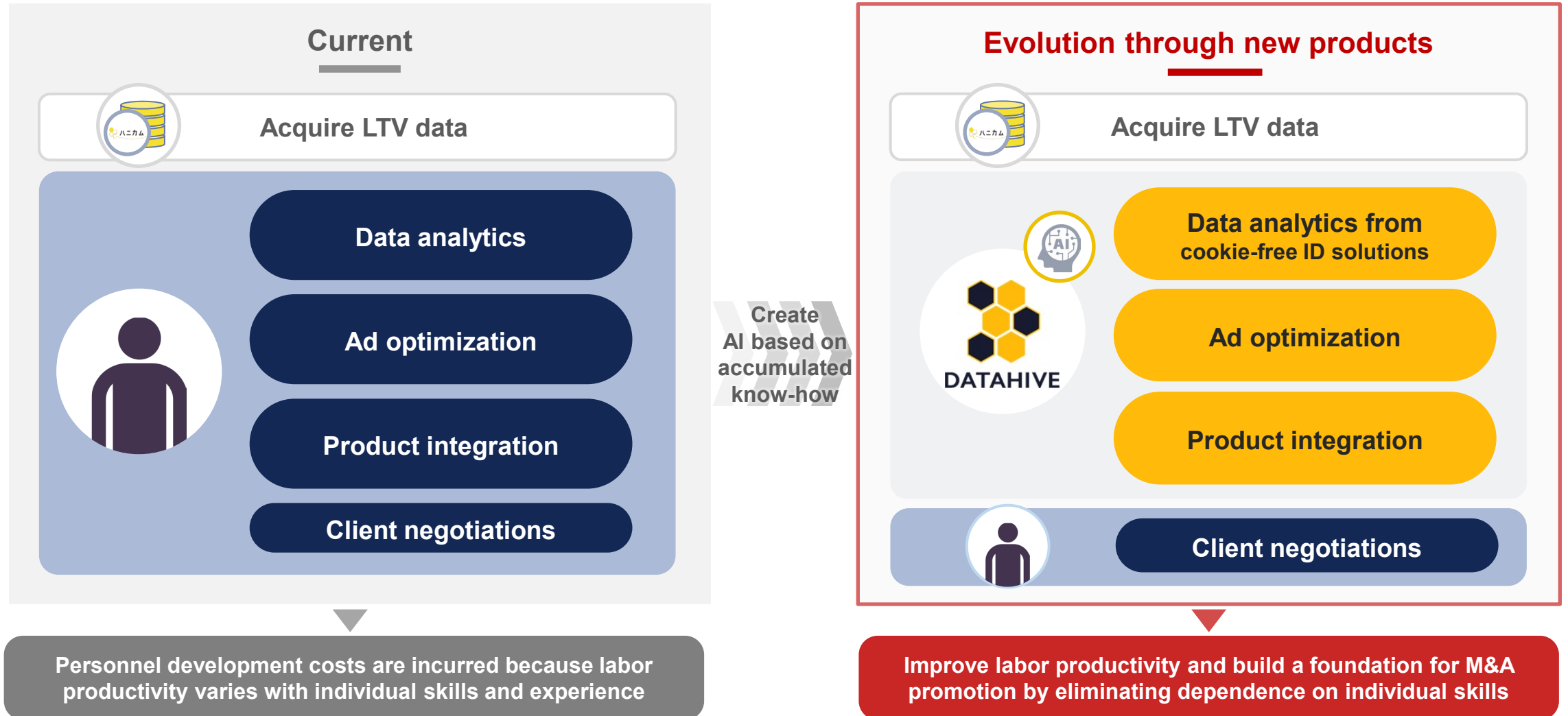


Visualization and analysis of marketing ROI

Evaluates and visualizes the ROI of each marketing initiative. Integrates data with products to enhance efficiency and provide a sustainable revenue stream

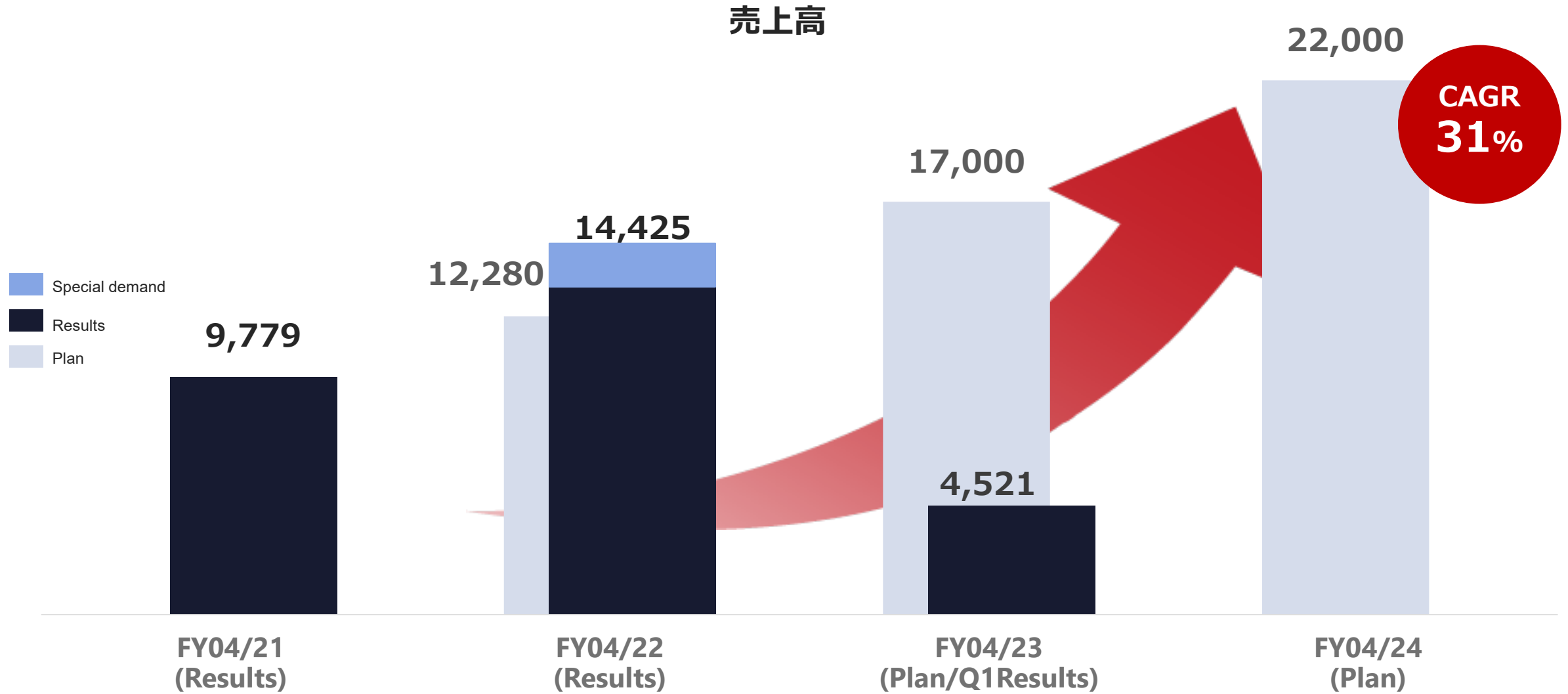
Changes Powered by DATAHIVE

In the future, we will continue negotiations with clients to promote adoption of DATAHIVE, and enhance the data analysis and consulting solution until it can facilitate **improvements in labor productivity** and **M&A promotion**.



Progress in Medium-Term Management Plan

In FY04/22, results outpaced the medium-term management plan helped by special demand.
In FY04/23, results continue to progress in line with the plan.



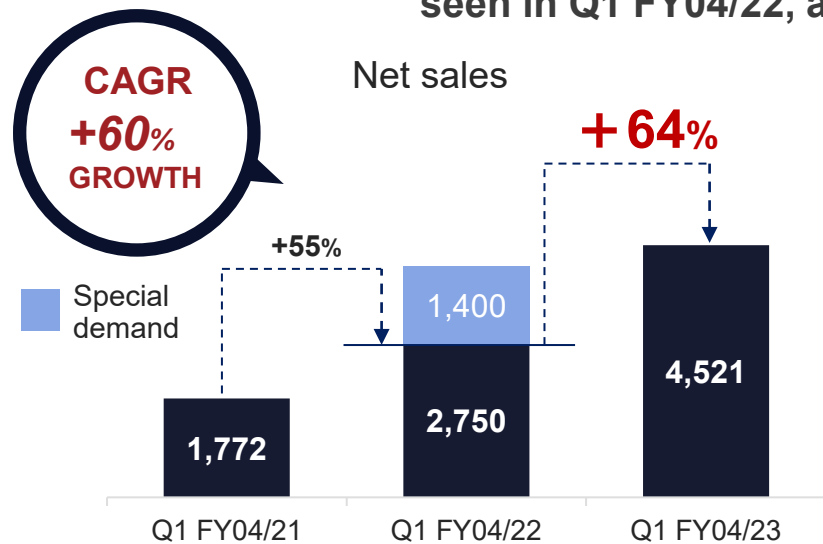


Q1 FY04/22 Financial Results

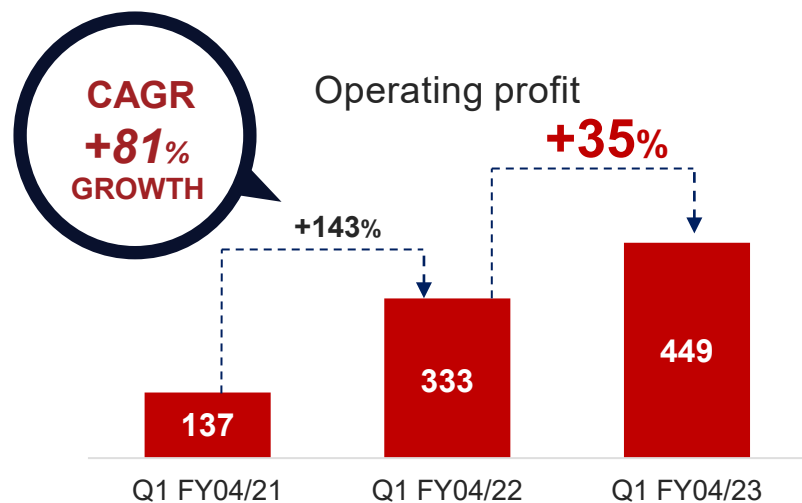


Q1 FY04/23 Results Summary

Results sharply exceeded our forecast, which assumed a decline in net sales from the dropout of the special demand seen in Q1 FY04/22, and net sales and operating profit both reached **record highs**.



* YoY changes in net sales in the graph above exclude special demand.



(Millions of yen)

	FY04/22 Plan	Q1 FY04/22 Actual	Q1 FY04/23 Actual	Progress rate vs. plan (%)	YoY change	YoY Change (%)
Net profit	17,000	4,150 (*2,750)	4,521	27%	+370 (*+1,771)	+9% (*+64%)
Operating profit	1,600	333	449	28%	+115	+35%
Operating margin	9.4%	8.0%	9.9%	-	+1.9pt	-

* excluding special demand

Breakdown of YoY

We achieved higher growth than in Q1 FY04/22, when results were lifted by special demand.

We also continued to invest in future growth.

	Q1 FY04/22 Actual	Q1 FY04/23 Actual	YoY change	YoY change (%)
Net sales	4,150	4,521	+371	+9%
Gross profit	575	915	+340	+59%
Gross profit in AC business	472	525	+53	+11%
Gross profit in MT business	102	390	+287	+279%
SG&A expenses	241	466	+225	+93%
Personnel	118	174	+56	+47%
Recruiting & education expenses	5	13	+7	+125%
Goodwill	-	41	+41	-
Other	117	238	+120	+102%
Operating profit	333	449	+115	+35%
Operating margin	8.0%	9.9%	+1.9pt	-

Both AC and MT businesses expanded significantly on growth for existing clients and newly acquired clients

► **AC Gross profit +11% YoY**

- The YoY increase was driven by growth that outweighed the dropout of special demand in the securities industries seen in Q1 FY04/22.
- The beauty (brick-and-mortar) industry benefited from demand during the busy season (as COVID-19 impact abated).
- The banking industry expanded on a recovery in consumer sentiment.
- Newly acquired projects also increased steadily.
 - New projects in the securities and banking industries contributed to net sales.
 - Major clients acquired in the telecommunications and electric power industries gradually contributed to net sales.

► **MT Gross profit +279% YoY**

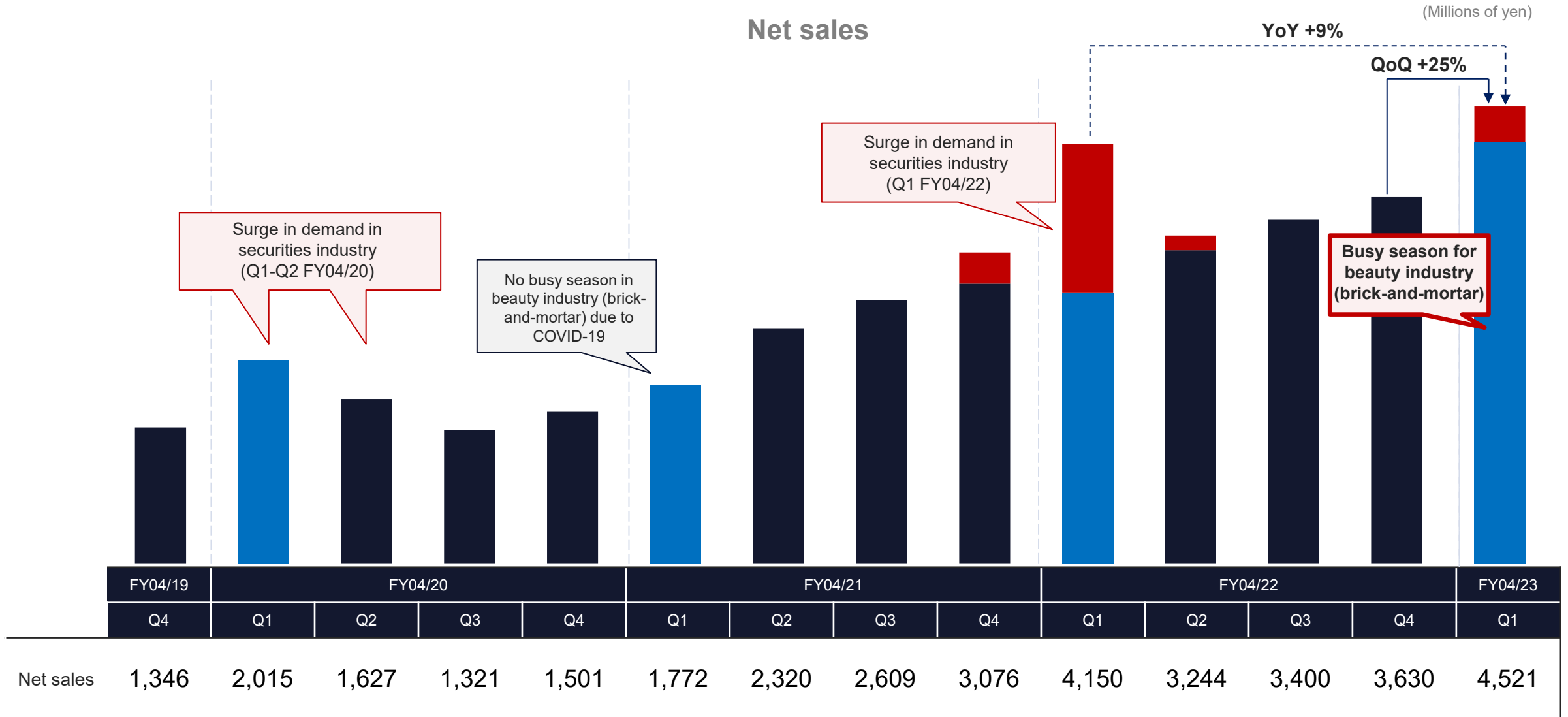
- Robee enjoyed growth through synergies with the AC business following a change in structure.
- Growth was supported by the addition of Alpha to the group in Q2 FY04/22.

► **Operating margin +1.9pp**

- The gross profit rose thanks to improved acquisition efficiency driven by the MT business.
- We improved employee productivity by strengthening and standardizing products.
- We made upfront investments in the development of DATAHIVE, etc.

Quarterly Net Sales

Steady sales trend continues.

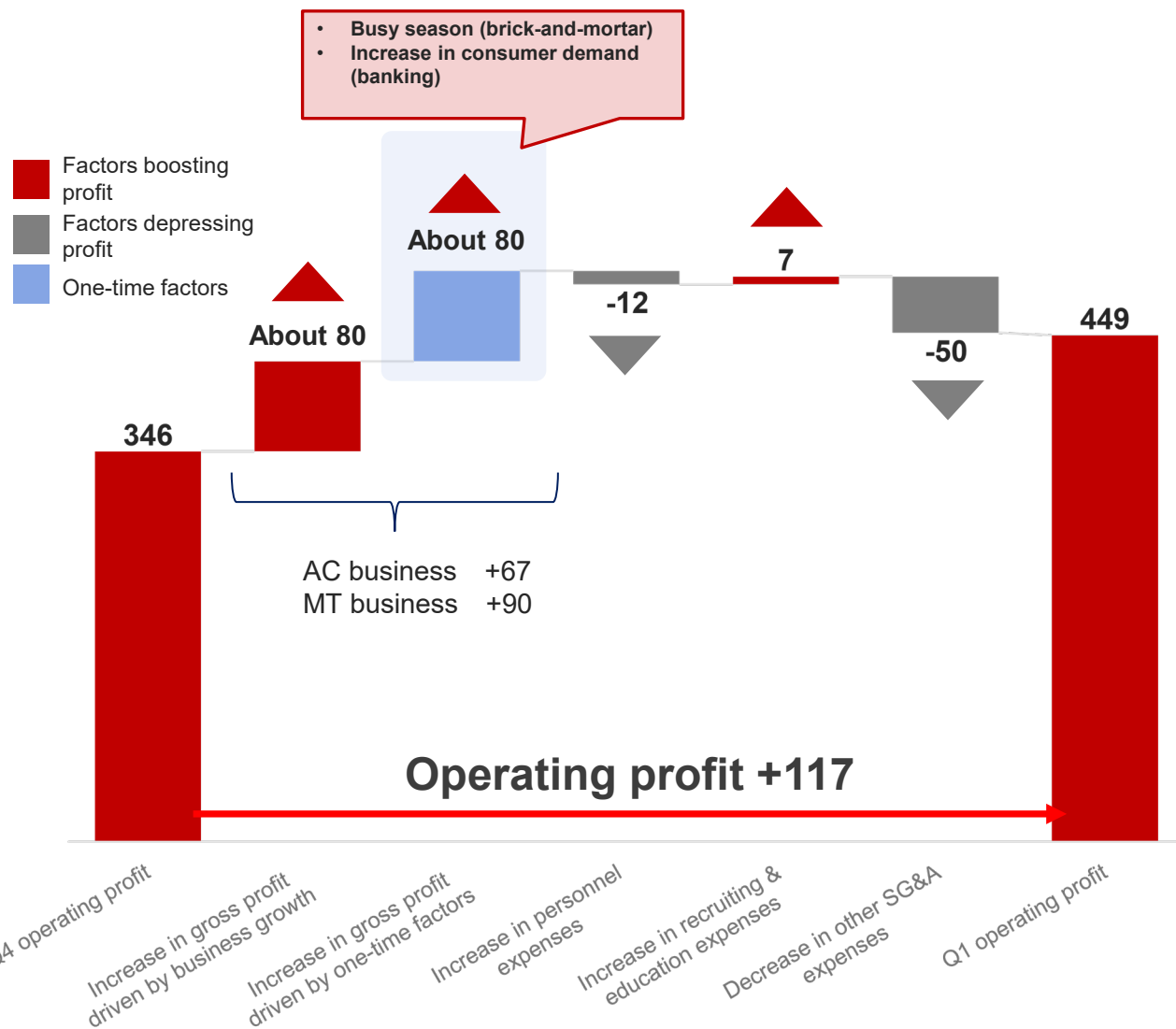


*Consolidated financial statements were introduced at the end of FY04/21. Thus, figures before Q3 FY04/21 are non-consolidated.

Breakdown of QoQ Change in Operating Profit

Net sales and operating profit grew sharply mainly due to one-time factors,, and both reached **record highs**.

(Millions of yen)



	Q4 FY04/22 Actual	Q1 FY04/23 Actual	QoQ Change	QoQ Change (%)
Net sales	3,630	4,521	+890	+25%
Gross profit	757	915	+158	+21%
Gross profit in AC business	458	525	+67	+15%
Gross profit in MT business	299	390	+90	+30%
SG&A expenses	411	466	+54	+13%
Personnel expenses	160	173	+12	+8%
Recruiting & education expenses	21	13	-7	-38%
Other	229	279	+50	+22%
Operating profit	346	449	+103	+30%
Operating margin	9.5%	9.9%	+0.4%	-



Business Performance



Performance Trends

	FY04/21								FY04/22								FY04/23	
	1Q		2Q		3Q		4Q		1Q		2Q		3Q		4Q		1Q	
	(JPY mn)	Ratio	(JPY mn)	Ratio	(JPY mn)	Ratio	(JPY mn)	Ratio	(JPY mn)	Ratio	(JPY mn)	Ratio	(JPY mn)	Ratio	(JPY mn)	Ratio	(JPY mn)	Ratio
Net sales	1,772	-	2,320	-	2,609	-	3,076	-	4,150	-	3,244	-	3,400	-	3,630	-	4,521	-
Gross profit	305	17.2%	373	16.1%	404	15.5%	513	16.7%	575	13.9%	664	20.5%	652	19.2%	757	20.9%	915	20.3%
SG&A expenses	168	9.5%	175	7.6%	206	7.9%	261	8.5%	241	5.8%	359	11.1%	399	11.7%	411	11.3%	466	9.8%
Personnel expenses	109	6.2%	108	4.7%	115	4.4%	95	3.1%	118	2.8%	131	4.0%	155	4.6%	160	4.4%	173	3.8%
Advertising expenses	6	0.3%	9	0.4%	14	0.6%	9	0.3%	12	0.3%	3	0.1%	7	0.2%	4	0.1%	2	0.1%
Recruiting & education expenses	9	0.5%	11	0.5%	8	0.3%	18	0.6%	5	0.1%	11	0.4%	13	0.4%	21	0.6%	13	0.3%
R&D expenses	-	-	-	-	-	-	-	-	9	0.2%	5	0.2%	3	0.1%	3	0.1%	3	0.1%
Depreciation & amortization	2	0.1%	3	0.1%	3	0.1%	4	0.1%	4	0.1%	5	0.2%	7	0.2%	9	0.3%	6	0.1%
M&A-related expenses	-	-	-	-	-	-	-	-	-	-	85	2.6%	41	1.2%	41	1.1%	41	0.9%
System outsourcing expenses	4	0.3%	10	0.4%	9	0.4%	7	0.2%	9	0.2%	12	0.4%	9	0.3%	8	0.2%	5	0.3%
Other expenses	35	2.0%	32	1.4%	54	2.1%	126	4.1%	81	2.0%	104	3.2%	160	4.7%	162	4.5%	220	4.9%
Operating profit	137	7.7%	198	8.6%	197	7.6%	252	8.2%	333	8.0%	304	9.4%	253	7.4%	346	9.5%	449	9.9%

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Sales Ratio by Industry

	FY04/21								FY04/22								FY04/23	
	Q1		Q2		Q3		Q4		Q1		Q2		Q3		Q4		Q1	
	(JPY mn)	Ratio	(JPY mn)	Ratio	(JPY mn)	Ratio	(JPY mn)	Ratio	(JPY mn)	Ratio	(JPY mn)	Ratio	(JPY mn)	Ratio	(JPY mn)	Ratio	(JPY mn)	Ratio
ALL	1,772	-	2,320	-	2,609	-	3,076	-	4,150	-	3,244	-	3,400	-	3,630	-	4,521	-
Finance	581	32.8%	969	41.8%	1,240	47.5%	1,894	61.6%	2,935	70.7%	1,713	52.8%	1,540	45.3%	1,798	49.5%	2,118	46.9%
Banks	197	11.2%	256	11.1%	244	9.4%	382	12.4%	312	7.5%	461	14.2%	398	11.8%	606	16.7%	692	15.3%
Securities	352	19.9%	627	27.0%	910	34.9%	1,418	46.1%	2,567	61.9%	1,208	37.3%	1,094	32.4%	1,142	31.5%	1,375	30.4%
Other financial	31	1.8%	85	3.7%	86	3.3%	94	3.1%	54	1.3%	43	1.4%	46	1.4%	50	1.4%	43	1.0%
Wellness	779	44.0%	1,083	46.7%	907	34.8%	685	22.3%	606	14.6%	519	16.0%	1,111	32.9%	1,049	28.9%	1,479	32.7%
Brick & Mortar	169	9.6%	181	7.8%	111	4.3%	144	4.7%	160	3.9%	199	6.1%	928	27.4%	819	22.6%	1,144	25.3%
Cosmetics EC	376	21.3%	591	25.5%	543	20.8%	379	12.3%	327	10.7%	220	6.8%	119	3.5%	178	4.9%	218	4.8%
Healthy food EC	233	13.2%	311	13.4%	251	9.6%	160	5.2%	119	2.9%	98	3.0%	62	1.9%	50	1.4%	74	0.9%
Others	410	23.1%	267	11.5%	461	17.7%	496	16.2%	607	14.6%	1,011	31.2%	749	22.0%	781	21.5%	923	20.4%

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Financial Results by Segment

	FY04/21				FY04/22				FY04/23
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1
Net sales	1,772	2,320	2,609	3,076	4,150	3,244	3,400	3,630	4,521
AC Business	1,702	2,237	2,535	3,003	4,044	2,992	3,132	3,329	4,129
MT Business	69	83	73	72	105	251	267	300	391
Gross profit	305	373	404	513	575	664	652	757	915
AC Business	238	290	331	440	472	425	388	458	525
MT Business	66	82	72	72	102	238	263	299	390
Operating profit (Segment profit)	137	198	197	252	333	304	253	346	449
AC Business	192	232	283	364	388	338	310	348	397
MT Business	45	51	21	6	67	74	157	189	279
Adjustments	-100	-86	-106	-118	-122	-107	-215	-191	-226

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Balance Sheet

(millions of yen)

	FY04/21	FY04/22	change (amount)
Assets	5,880	6,322	+441
Current assets	4,119	4,339	+219
(Cash and deposits)	(2,097)	(1,432)	-664
Non-current assets	1,761	1,982	+221
Liabilities	3,092	3,265	+173
Current liabilities	2,547	2,779	+232
Non-current liabilities	545	487	-58
Net assets	2,788	3,056	+268
Shareholders' equity	2,657	2,951	+294

Current ratio

156%

Equity ratio

47%

Business description

What we want to achieve

Predict LTV* and
achieve optimal ROI*

***What is Lifetime Value (LTV)?**

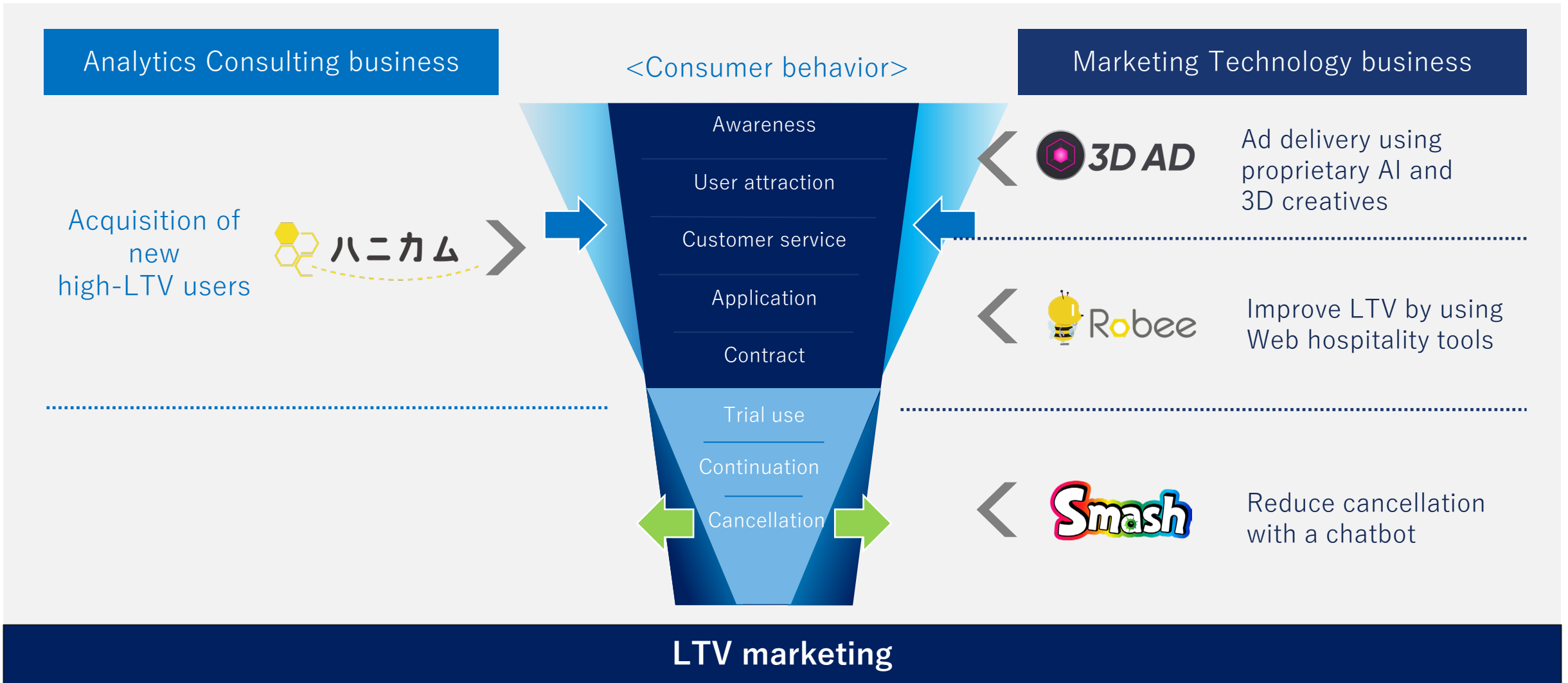
LTV refers to the profit that a user (consumer) brings to a company throughout their lifetime, and is a measure used in calculating the cost that can be spent to acquire one user.

*** What is Return On Investment (ROI)?**

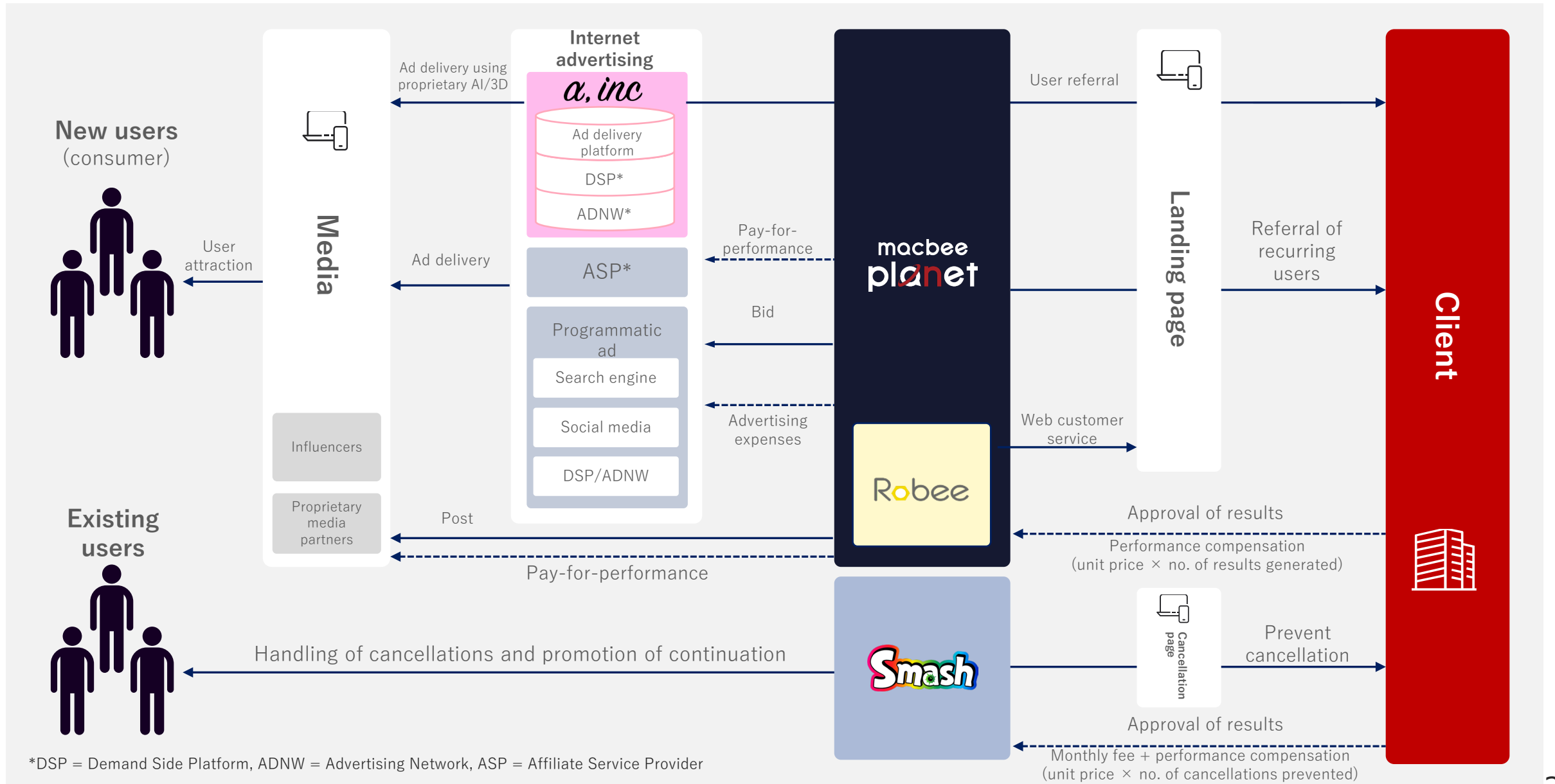
A measure of how much profit can be made on an investment.

What is LTV marketing ?

LTV marketing is a data-driven digital marketing strategy **for maximizing the spending and retention period of users.**

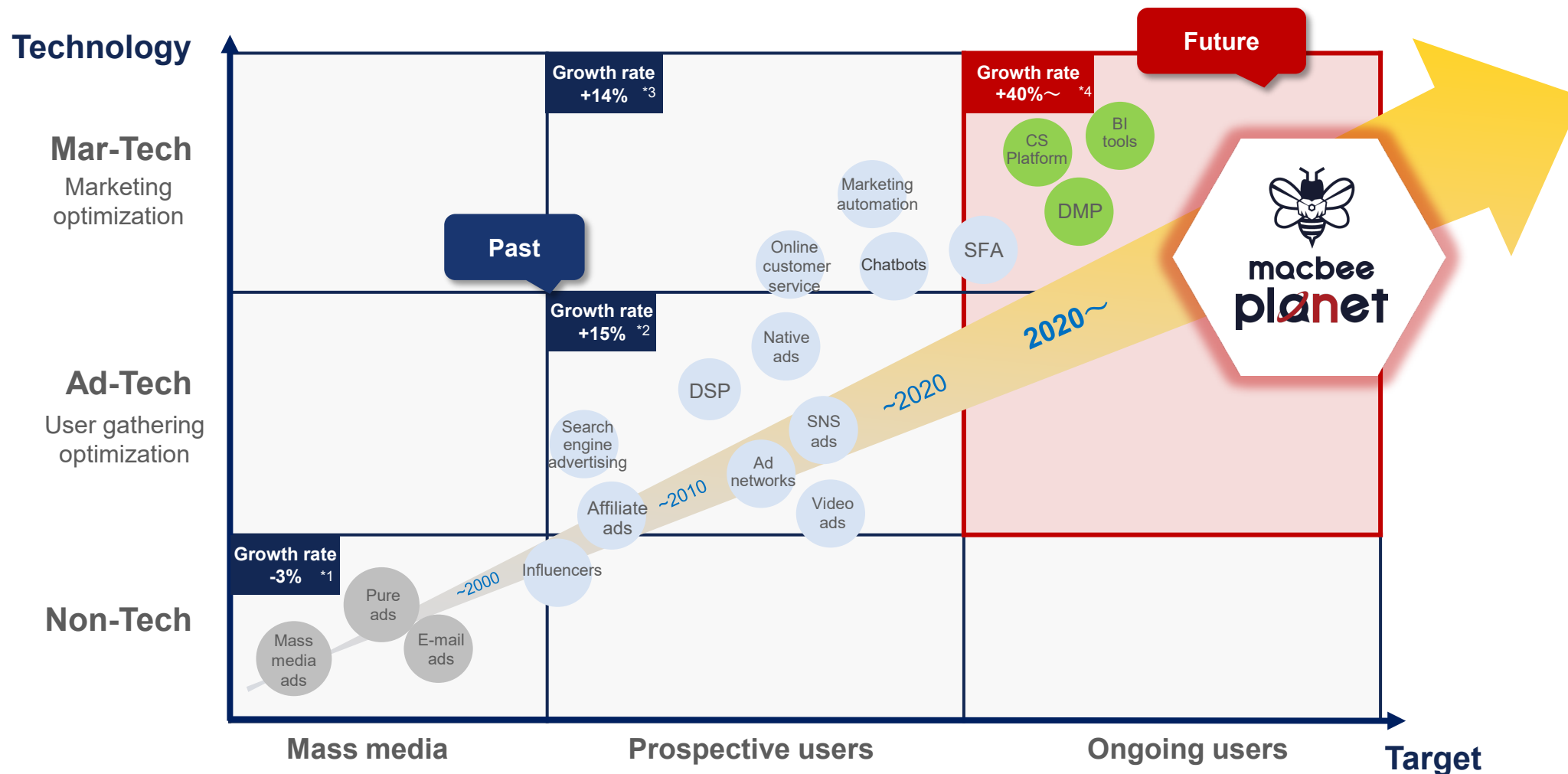


Business process diagram



Positioning

Unlike traditional **quantity-oriented marketing** which other agencies offer, we focus on the **quality of customer**.
 We will continue to achieve rapid growth by reshaping Japan's marketing landscape.



*1 Traditional market expenditures in "2021 Advertising Expenditures in Japan" (Dentsu)
 *2 Traditional market expenditures in "2021 Internet Advertising Expenditures in Japan" (Dentsu)

*3 "Movement in scale of online customer service market and forecasts" (ITR) and "DMP (Data Management Platform) & MA (Marketing Automation) Market 2020" (Yano Research Institute)
 *4 Macbee Planet Sales CAGR (FY04/18 to FY04/22)

Scale of related markets

First, we will reshape the online advertisement market into an LTV marketing market.



*1 Online advertising expenses were JPY2.7tn as per “2021 Advertising Expenditures in Japan” (Dentsu)

*2 Total advertising expenses in Japan were JPY6.8tn as per “2021 Advertising Expenditures in Japan” (Dentsu)

*3 JPY15tn as per 3Q FY03/19 business results presentation of Yahoo Japan Corporation

*4 Scale of DX-related solutions service market was JPY6.3tn in 2020 as per “Survey on the Scale of Solution Services Market” by Japan Electronics and Information Technology Industries Association (JEITA)

Source of competitive strength

LTV marketing is achieved through **data**, **technology**, and **consulting**.

LTV marketing components



Data

0 party data

- Reasons for cancellations
- VOC gathering
- Loyalty as data

0 to 3rd party data links

- Behavioral data
- Psychological data
- Purchase data
- Attribute data

Data platform

- Integrate data for the same ID
- Visualize user touchpoints/psychology



Technology

Analysis

- Machine learning
- Audio analysis
- Emotion analysis
- Cancellation analysis

AI

- Withdrawal prediction
- LTV prediction
- Cancellation prediction
- Delivery algorithm

Digital communications

- Hospitality
- Chatbots
- Popup
- 3D creative



Consulting

Use of data technology

- Data-driven
- Use of own products
- Leverage promptly using templates

Pay-for-performance basis

- Attract users who would continue to use the services
- Expertise in increasing LTV

Use of cancellation data

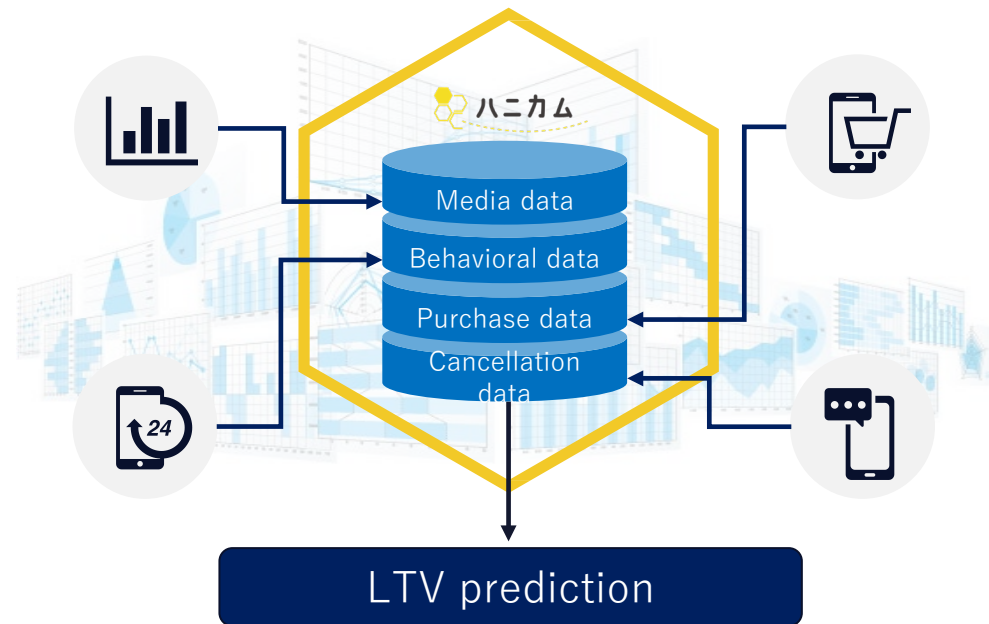
- Lower churn rate by preventing cancellations
- Identify issues in marketing

Analytics Consulting business

We attract users on a **pay-for-performance** basis using LTV predictions built with data analytics.

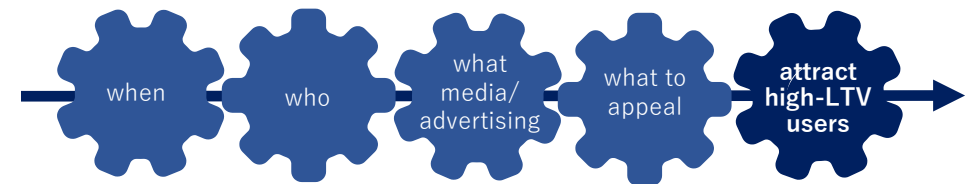
1 LTV data analytics

Data obtained from media and in-house tools are analyzed in order to identify the attributes of high-LTV users.



2 Use data to attract users on a pay-for-performance basis

Based on the data, our consultants plan and implement ways to attract new users on a fully pay-for-performance basis.



Unit price of performance compensation ×
No. of results generated

Costs: Media publishing costs
Gross profit margin: Approx. 15%

Marketing Technology business

Improve LTV by **raising the LTV of new customers** and **lowering the cancellation rate of existing customers**. Optimize ad delivery by using **AI and 3D technology**.

1 Convert attracted users into customers

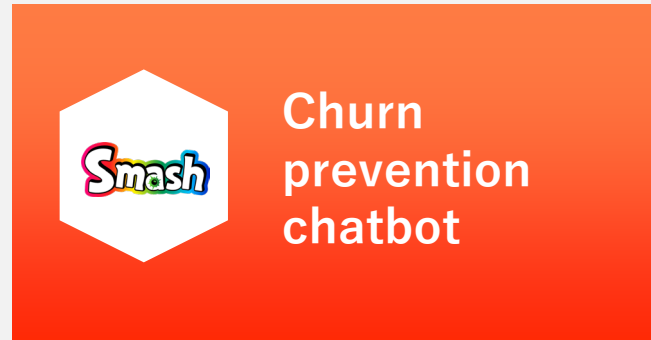
Robee provides customer service to attracted users and converts them into high LTV customers.



¥ Fixed monthly rate or Performance compensation

2 Prevent existing customers from churning

A chatbot is used to encourage existing users considering canceling to continue, thereby reducing the churn rate and improving LTV.



¥ Fixed monthly rate or Monthly fee + Performance compensation

3 AI-powered ad delivery

Ad delivery using proprietary AI-powered delivery algorithms and 3D creatives

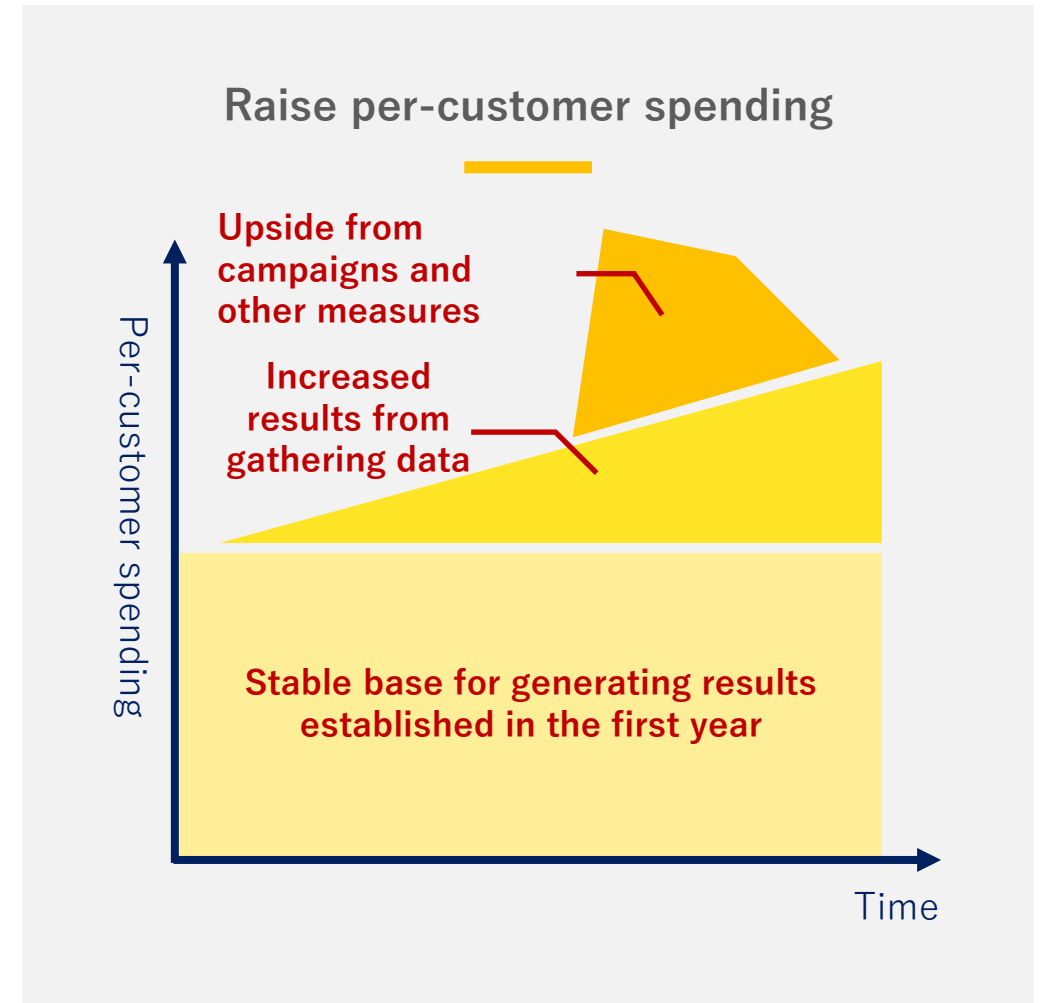
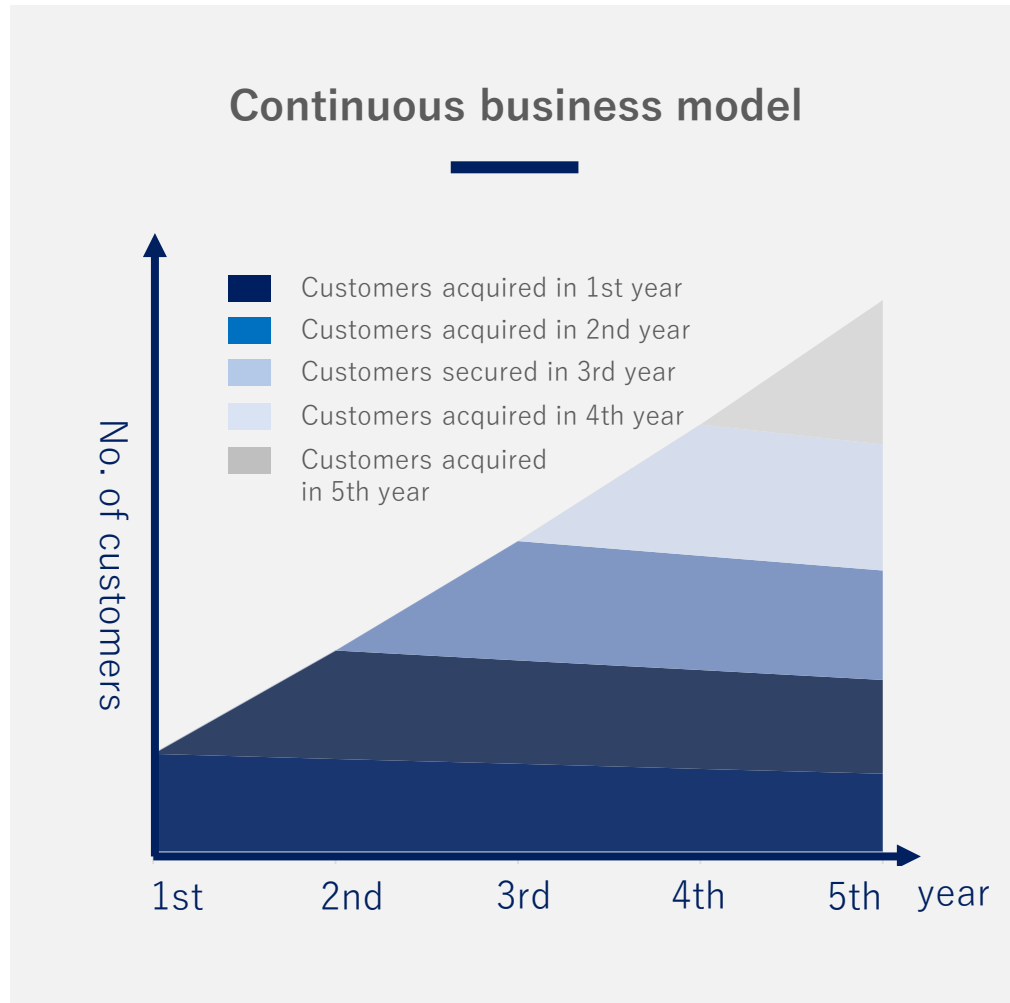


¥ Depends on ad delivery volume

Gross profit margin: Over 95%

Business characteristics

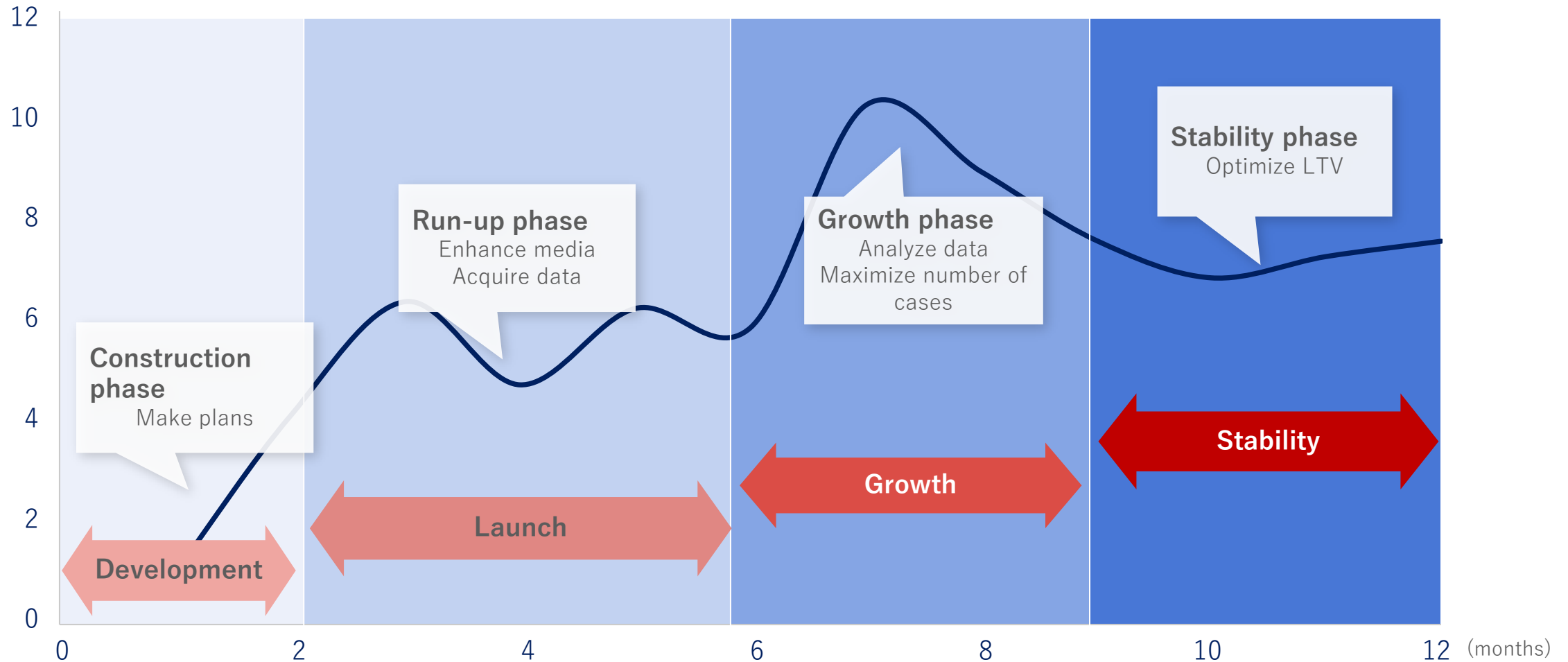
We accelerate growth by **increasing new customers and raising per-customer spending.**



Results generation phases

The Macbee productivity curve is the locus of our customers' success.

Number of achievements
(1st month = 1)



*Average trend in sales during the first year, assuming our sales in the first month of support as 1.
Estimated based on actual figures for clients whose transactions began during 2017 to 2021.

Disclaimer

This document contains forward-looking statements based on information available to the Company at the time it was prepared and involves risks and uncertainties. As such, these statements do not guarantee future business results or outcomes.

Actual results may differ materially from the forward-looking statements in this document due to changes in the business environment or other factors.

The above risks and uncertainties include, but are not limited to, factors such as economic conditions in Japan and overseas, and trends in the industries in which the Company operates.

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