

Q1 FY04/2025 Financial Results Presentation Material

September 12, 2024
Macbee Planet, Inc.
Stock code 7095



Chiba: I am Chiba, President of Macbee Planet, Inc.

Today, I will discuss the Company's financial results for Q1 FY04/2025.

Company overview/History



Company overview	
Company name	Macbee Planet, Inc. (7095)
Established	August 25, 2015
Capital	¥2,635mn (as of end-April 2024)
Business description	Performance-based marketing
Head office address	3-11-11 Shibuya, Shibuya-ku, Tokyo
No. of employees	159 (as of end-April 2024)

History	
Aug 2015	Established Macbee Planet
Mar 2020	Listed on Mothers section (current Growth section) of the Tokyo Stock Exchange
Aug 2021	Made Alpha (absorbed into current MAVEL) a wholly-owned subsidiary
Mar 2023	Made Net Marketing (current All Ads) a wholly-owned subsidiary
Nov 2023	Macbee Planet becomes holding company (with MAVEL the operating company)
May 2024	Made PR Cloud Tech a wholly-owned subsidiary
July 2024	Listed on the Tokyo Stock Exchange Prime Market

First, let me briefly introduce the Company.

Macbee Planet was founded in August 2015 and has been actively pursuing mergers and acquisitions since then. We acquired Alpha as a wholly-owned subsidiary in 2021 to strengthen its technological capabilities and made Net Marketing a wholly-owned subsidiary in 2023 to strengthen its organization and client base. Furthermore, in May 2024, we fully acquired PR Cloud Tech, a strategic PR company, to expand our performance-based service domain to a domain of awareness.

As a result of steady increase in revenue and profit realized by utilizing M&A, the Company met the listing criteria of the Prime Market and changed the listing market category to the Prime Market in July 2024.

- **Becoming the dominant market leader**

**Change all marketing into
performance-based fee**

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Before going into the details of our business, I would like to add a few words about our business.

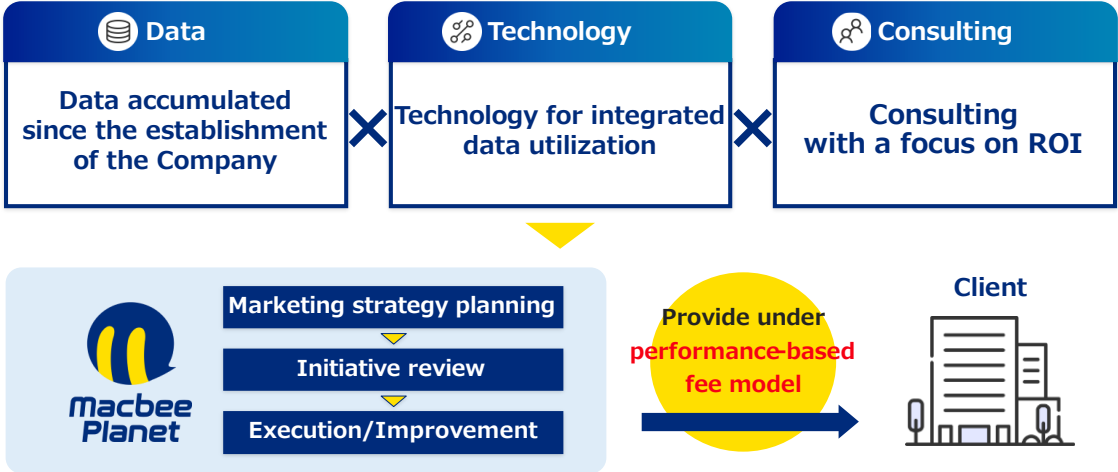
Up until now, our company has positioned itself as a leading company in LTV marketing and continuously enhanced and deepened the business. However, we have now elevated our message by adopting "Change all marketing into performance-based fee."

From now on, we will use "Change all marketing into performance-based fee" to promote our company and performance-based marketing and create further growth opportunities as the dominant market leader in the performance-based fee market.

Business overview



■ We provide performance-based marketing that minimizes client risk through a combination of Data, Technology and Consulting.



Next, I will explain our business activities.

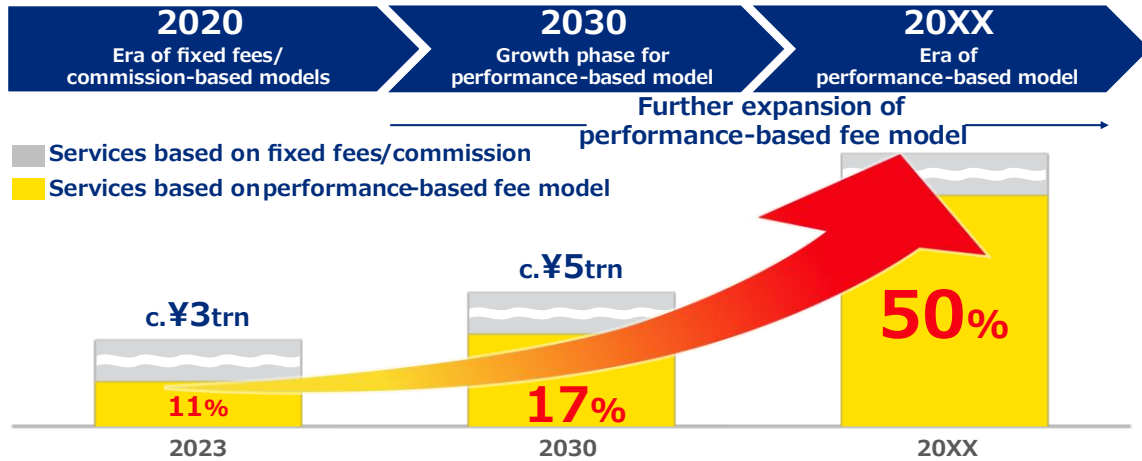
We provide unique performance-based marketing based on three sources of competitiveness: (1) a data base accumulated over many years, (2) technology that comprehensively utilizes the data, and (3) the ability to make proposals that optimize marketing ROI.

Because of the low risk and cost-effectiveness of the performance-based marketing for our clients, we have steadily increased the number of clients and results and have achieved a high growth rate.

Transition to a performance-based model (example of acquisition market)



- Currently, fixed fees and commissions are major in the acquisition market.
- Going forward, the industry will shift to a performance-based fee model.



Source: The 2023 data is calculated by our company based on Dentsu's "Advertising Expenditures in Japan".
The 2030 data and the figures for the performance-based model are our company's estimates.

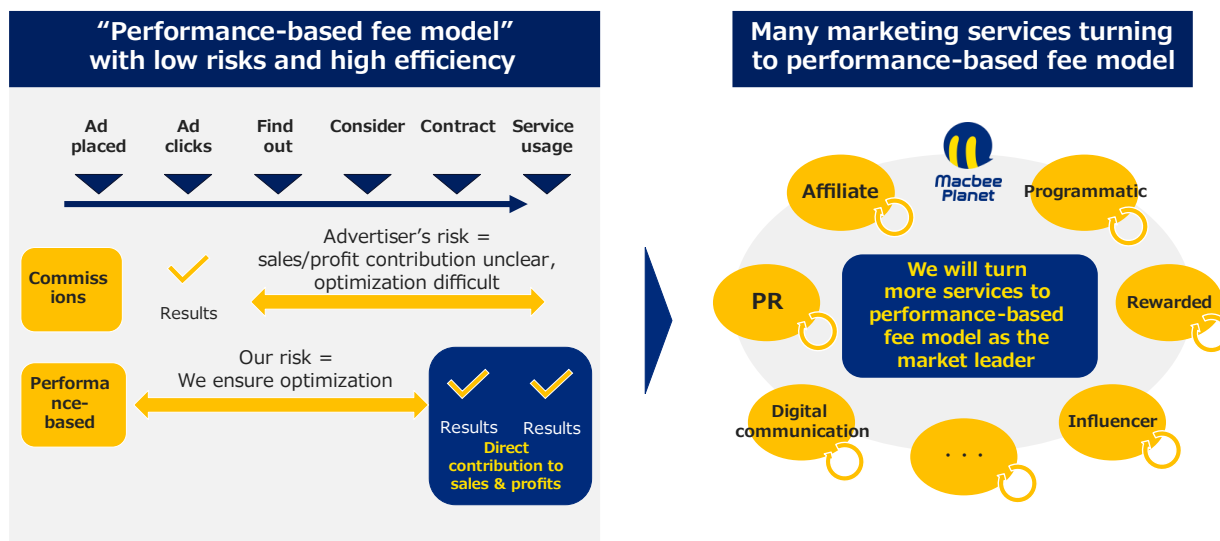
Next, I will explain the target markets.

Although we started offering performance-based marketing in the area of awareness after the acquisition of PR Cloud Tech, I would like to focus on the area of acquisition, which is our current main battleground.

Currently, the majority of the advertising market is dominated by fixed-fee advertising. It has been common practice in the industry for clients to take on large risks in order to acquire clients. Therefore, there is a high need for low-risk, cost-effective performance-based marketing for clients. We are seeing a major shift in the market as a result of our breakthrough in providing performance-based marketing through the use of technology and data.

Background to performance-based market growth^②

■ “Performance-based fee” is rapidly expanding in the marketing service industry.



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One reason for the rapid expansion of performance-based fee model is that it offers significant advantages to advertisers.

Taking Internet advertising as an example: in commission-based advertising, a commission is paid when an advertisement is clicked on, and the cost is incurred even if the advertisement does not lead to sales afterwards.

On the other hand, the performance-based fee model pays fee at the time of a direct contribution to the advertiser's sales and profits, such as when a contract is signed or when the use of a service begins, so the major advantage of the performance-based fee model is that cost incurred are not wasted.

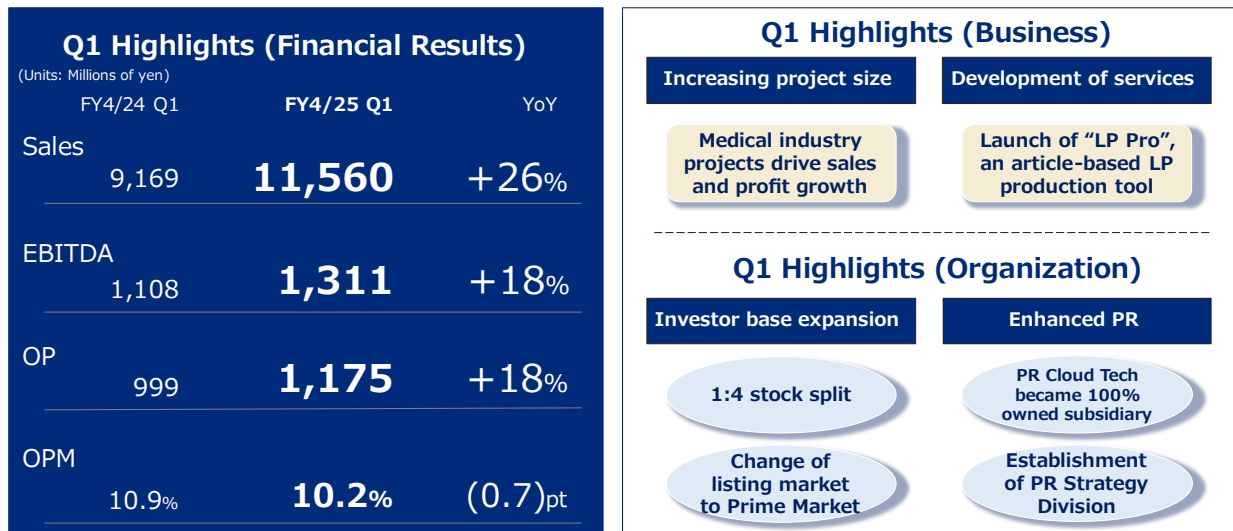
In the performance-based fee model, we take the risk on behalf of the advertiser. However, by optimizing ad operations through the use of technology, we are able to steadily link ads to results and reduce risk.

In an era in which the quality of services is required, we believe that not only the Internet advertising but also various other services will change to performance-based fee model.

Q1 FY04/2025 summary



■ Record-high sales and double-digit growth in sales and profits has continued, driven by growth in medical industry projects.



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Next, I will explain the highlights for Q1 FY04/2025.

In terms of business performance, net sales were 11,560 million yen (up 26% year-on-year), and operating profit was 1,175 million yen (up 18% year-on-year), driven by the growth in the medical industry.

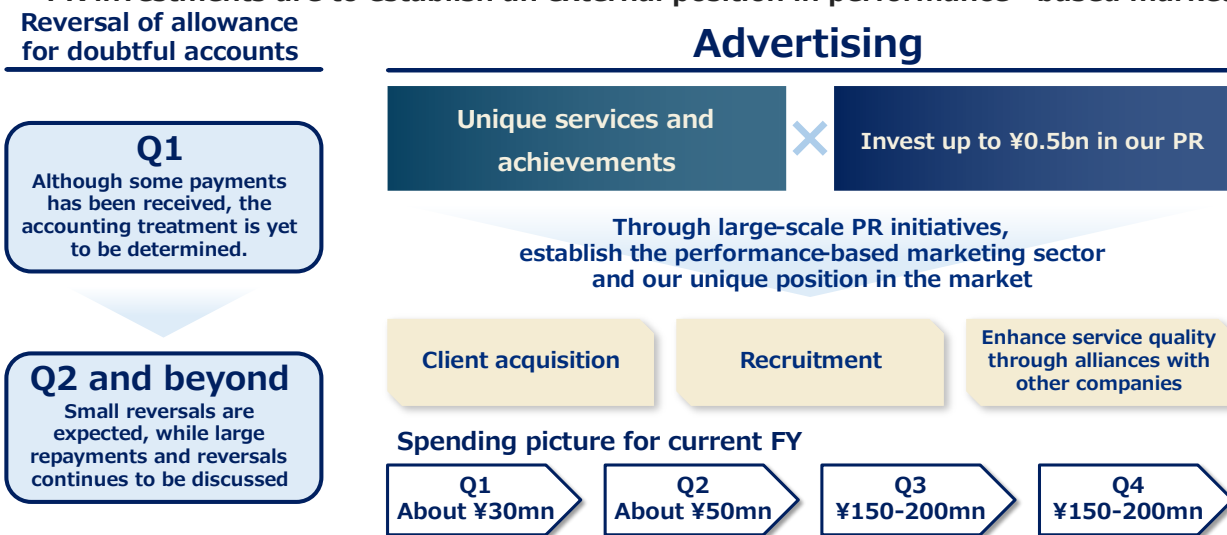
In parallel, we actively worked on the development of new services.

In terms of the organization, we expanded our investor base through a stock split and a change in the listing market. We also made a PR company a subsidiary and established a PR Strategy Division to strengthen our PR strategies.

Outlook for allowance for doubtful accounts and advertising



- The allowance for doubtful accounts is being continuously addressed.
- PR investments are to establish an external position in performance -based market.



As for PR, we plan to invest up to 500 million yen in FY04/2025, as discussed in the previous financial results briefing.

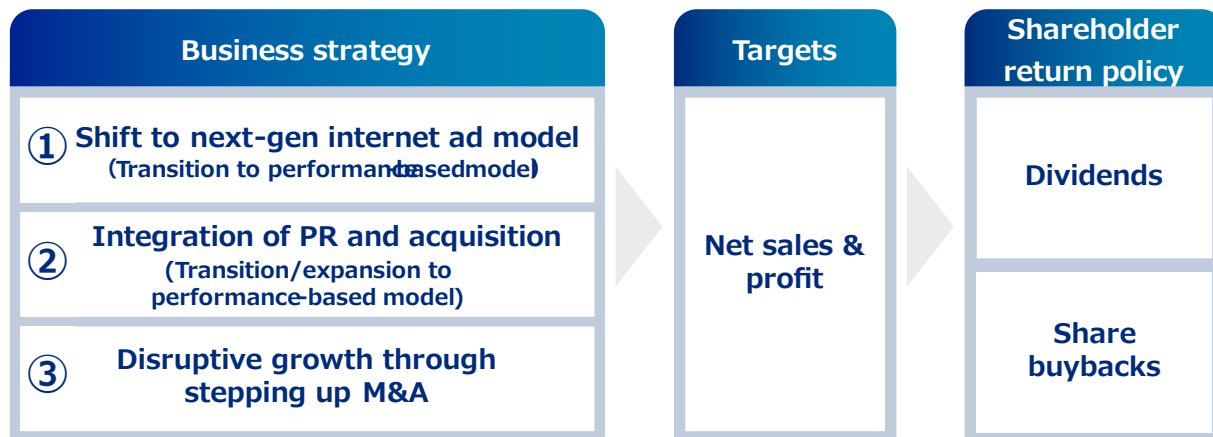
While we have built an overwhelming track record by providing unique services in the industry, there is significant room for increasing recognition by the industry players and general public. Therefore, we will improve our visibility through a large-scale PR campaign, which will lead to acquisition of more clients, recruitment of supreme human talents, and improvement of service quality through alliances with other companies. These elements will lead to further growth of our business in the future.

We recorded allowance for doubtful accounts at the end of last fiscal year. A part of repayments has been recorded, however, accounting treatments are still under consideration and we continue to discuss with the parties concerned about a large-scale repayment plan. We apologize for any concern the delay of payment may cause you, but our recognition that repayment is highly probable remains unchanged, and we will continue to discuss with the parties to collect the loans.

Overall strategy for the Medium-Term Plan



■ Break through marketing norms through three key initiatives.



*事業戦略に関する詳細は別資料「中期経営計画（2025年4月期～2027年4月期）」を参照

I will next discuss our medium-term management plan from FY04/2025 to FY04/2027.

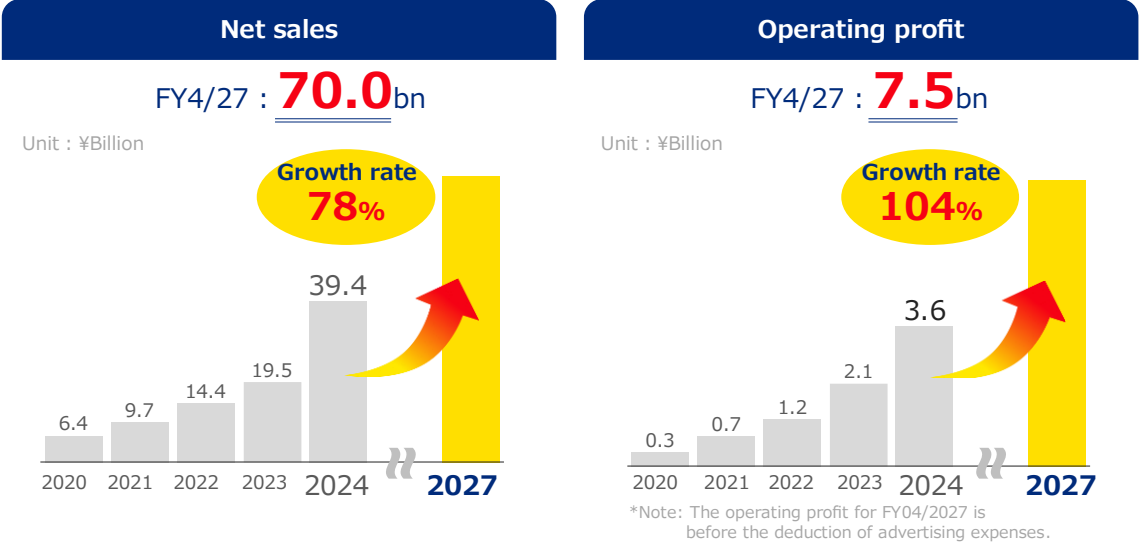
As stated, we strive to challenge and break the norm of traditional marketing through three key initiatives: "Shift to next-generation Internet advertising model," "Acquisition and integration of PR," and "Stepping up M&A."

For details, please refer to the medium-term management plan material which is disclosed separately,

Numerical targets



■ Target ¥70 billion in sales and ¥7.5 billion in operating profit for FY04/2027.



I will talk about numerical targets of the medium-term management plan.

We have already achieved a high growth rate in the past, but we intend to meet the expectations of our stakeholders by achieving further business growth even as the scale of our business expands.

In concrete, we have set a numerical target for FY04/2027 as follows; 70 billion yen for net sales (up 78% compared to FY04/2024) and 7.5 billion yen for operating profit (up 104% compared to FY04/2024).

Strengthening of shareholder return



Dividends

We target
a payout ratio of 20%
for consistent dividend
payments,
with the aim of achieving
a higher level in future.

Share buybacks

If the stock price is judged
to be mispriced persistently,
we will intend to exercise
share buybacks.

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Finally, I will talk about shareholders return.

We believe that business growth provides the greatest return to shareholders, and this policy remains unchanged.

On the other hand, we have strengthened our shareholder return policy because we believe that in order to further expand our investor base, we need to provide more opportunities for shareholder return.

Regarding dividends, we paid commemorative dividends in the previous fiscal year, but we will now conduct ordinary dividends with a payout ratio of 20% as our target. While prioritizing business growth, we will aim for an even higher level of dividend payout ratio in the future.

The Company will also continue to consider and carry out share buybacks.

Shareholder return for FY04/2025



■ Determined interim dividends and year -end dividends as well as share buybacks.

Revised dividend forecast

	FY4/24* (Actual)	FY4/25 (Forecast)
Annual dividend	¥14.00	Undetermined → ¥36.00
Interim dividend	¥14.00	Undetermined → ¥18.00
Year-end dividend	¥0.00	Undetermined → ¥18.00

*As a 1:4 stock split was carried out on June 1, 2024, the annual dividend takes into account the stock split. The actual dividend amount was ¥56.00.
The FY4/24 interim dividend was a commemorative dividend.

Purchase of treasury shares

Type of shares	Common shares
Maximum number of shares	0.65 million shares (maximum)
Maximum purchase cost	¥1.65 billion (maximum)
Purchase period	October 1, 2024 to December 12, 2024
Purchase method	Market purchases on the TSE

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In concrete, we have significantly increased our annual dividend forecast from the previous year to 36 yen per share.

The Company also plans to buy back up to 1.65 billion yen of its own shares between October and December.

We will continue our efforts to change the advertising market by establishing a dominant position in the performance-based fee market. We will enhance our corporate value by continuing business growth and strengthening shareholder return.

Thank you for your attention, and we hope you will continue to have high expectations for our company.