

Q2 FY04/2025 Financial Results Presentation Material

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



- Chiba: I am Chiba, Representative Director and President of Macbee Planet, Inc.
- Today, I will be discussing our financial results for the second quarter of the fiscal year ending April 30, 2025.

Company overview

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

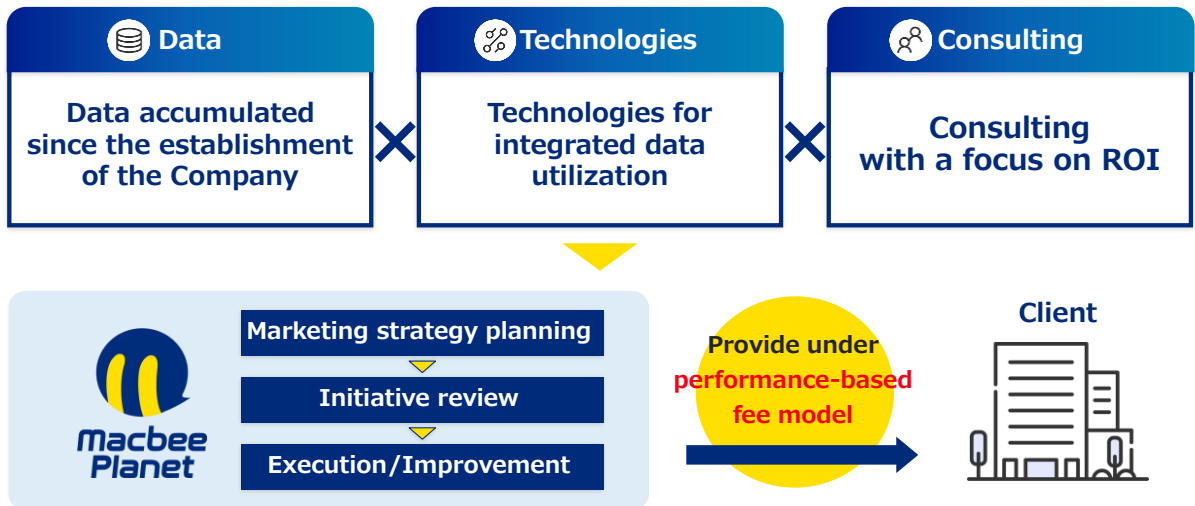
History

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 using M&A 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 net sales and profits realized by utilizing M&A, the Company met the listing criteria of the Tokyo Stock Exchange Prime Market and changed the listing market category to the Prime Market in July 2024.

Business overview

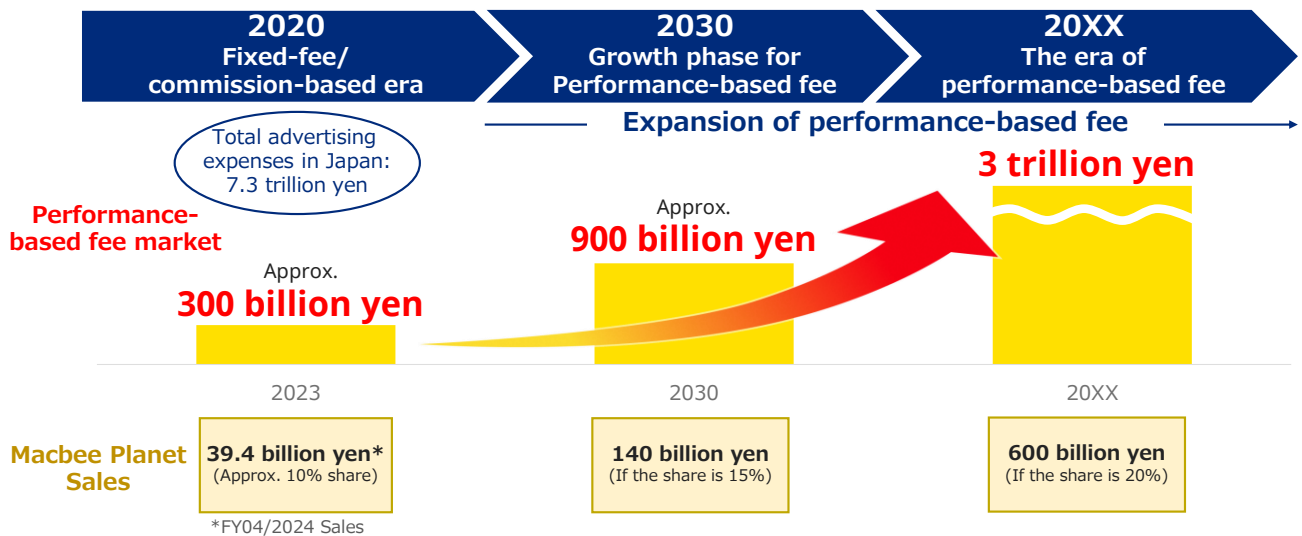
- We provide performance-based fee marketing that minimizes client risk through a combination of Data, Technology and Consulting.



- Next, I will explain our business activities.
- We provide unique performance-based fee marketing based on three sources of competitiveness: (1) a data base accumulated over many years, (2) technologies that comprehensively utilize those data, and (3) the ability to make proposals that optimize marketing ROI.
- Due to the low risk and cost-effectiveness of the performance-based fee marketing for our clients, we have steadily increased the number of clients and the size of projects and have achieved a high growth rate.

Outlook for the performance-based fee market

- Currently, fixed-fees and commissions are major.
- Moving to performance-based fee era which is low-risk for clients

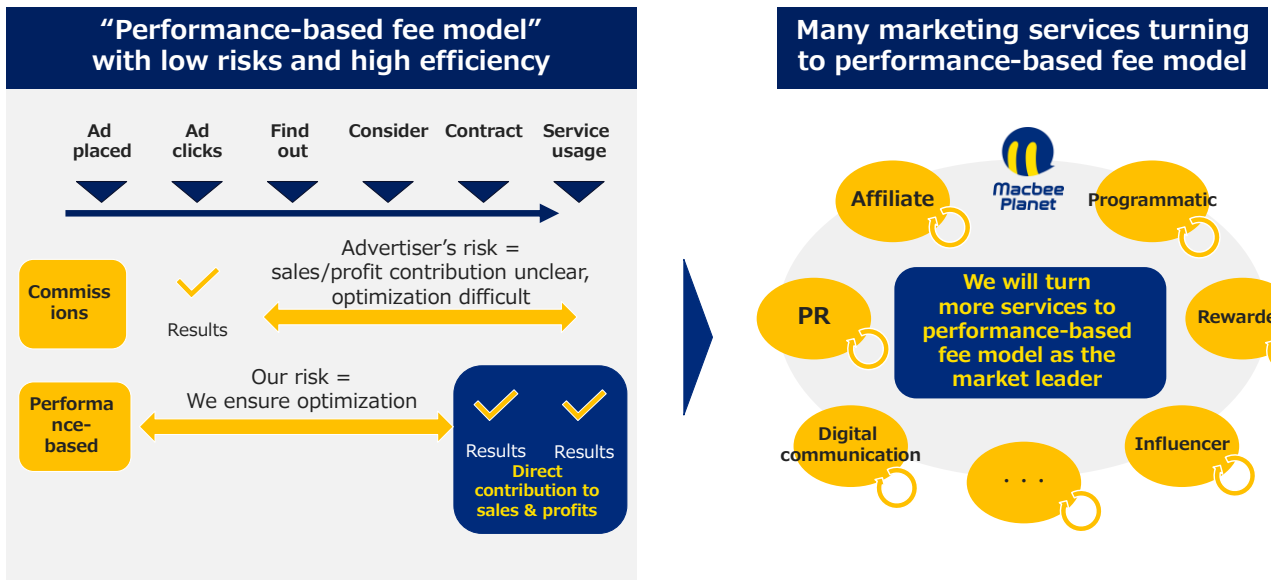


Source: The 2023 data is calculated by our company based on Dentsu's "Advertising Expenditures in Japan".
Figures of performance-based fee market for 2030 onwards are based on the Company's estimates.

- Next, I will explain the target markets.
- Although we started offering performance-based fee 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, requiring clients to take significant risks in order to acquire new users.
- Therefore, there is a high need for low-risk, cost-effective performance-based fee marketing for clients. We are seeing a major shift in the market as a result of our breakthrough in providing performance-based fee marketing by utilizing technologies and data.
- The market capacity of the performance-based fee is currently about 300 billion yen, but is expected to grow to 900 billion yen by 2030 and to 3 trillion yen further down the road. By expanding our share in this market, we aim to accelerate sales growth.

Reasons for performance-based market growth

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



- One of the reasons 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. Therefore, 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 technologies, we are able to steadily link ads to client success and reduce risks.
- 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.

FY04/2025 First half (1H) highlights

- High growth continues driven by medical, investment, and insurance industries. Progressed more than half of full-year forecast(Sales ¥48 billion, OP ¥4.5 billion).

1H Highlights (Financial Results)

(Millions of yen)

	FY04/2024 1H	FY04/2025 1H	YoY change
Sales	19,115	24,850	+30%
EBITDA	2,232	2,758	+23%
Operating Profit	2,000	2,465	+23%
Operating Margin	10.5%	9.9%	(0.6) pt

1H Highlights (Business Results)

Significant growth in medical industry

Finance industry (investment and insurance) also continues to grow steadily

1H Highlights (Others)

Change to TSE Prime Market

Work with other companies for service enhancement

Release of Mid-term Business Plan

Share buyback, regular dividend

- I will continue with the highlights for the first half of FY04/2025.
- In terms of business performance, net sales increased by 30% year-on-year to 24,850 million yen and operating profit increased by 23% year-on-year to 2,465 million yen, driven by clients in the medical, investment, and insurance industries.
- Outside of the business, the Company implemented measures to attract wider range of investors, such as changing its listing market to Tokyo Stock Exchange Prime Market, conducting share buybacks, and introducing regular dividends.
- In addition, we announced our medium-term business plan up to FY04/2027, and worked on cooperation with other companies to strengthen our services. I will discuss these matters later.

Reversal of Allowance for doubtful accounts and advertising

■ Allowance for doubtful accounts was reversed by 66 million yen

■ Smooth launch in the large advertisement investments, starting from taxi ads.

Reversal of allowance for doubtful accounts

1H
66 million yen reversal was recorded

2H onwards
Partial reversal planned, while continuing to discuss further pay back

Advertising expenses

Taxi ads starting from December
([Link](#)) *Japanese only



In order to enhance our brand, we plan to continue promoting and expanding exposure through initiatives beyond taxi ads




Expenditure picture for FY04/2025



- As I mentioned at the beginning of the fiscal year, we are also focusing on PR activities for the company for FY04/2025.
- Although advertising expenses were restrained in the second quarter in preparation for the second half of the fiscal year, we will aggressively launch large-scale PR measures in the second half of the fiscal year to strengthen our sales and recruiting capabilities by raising company awareness.
- The ads displayed above have already been running in S.RIDE(Japanese Taxi app)'s taxis since this December. In only a week after the release, we have already received numerous inquiries from passengers who have seen the ads.
- PR Cloud Tech, our group company, will take the lead in implementing measures other than taxi advertising to enhance the company's brand.
- We plan to consider advertising expenses for the next fiscal year and beyond based on the measurement of the effectiveness of PR investments made in FY04/2025.
- Regarding the allowance for doubtful accounts recorded at the end of FY04/2024, a reversal of 66 million yen was recorded in the second quarter. We will continue to discuss with related parties for further pay back while recording partial reversal on an ongoing basis.

Strengthen cooperation with the media

- Agreed to partially acquire shares of “NET MONEY,” a media originally operated by ZUU Co.,Ltd. (influential company in the finance industry), to enhance our unique value to the finance industry.

Outline of Joint Venture		Strengths of each company	
Company Name	NET MONEY Co., Ltd.		<div style="border: 1px solid blue; border-radius: 10px; padding: 5px; text-align: center;"> Know-hows and technologies for maximizing ROI of advertisements </div>
Business	Media for guiding consumers to advertisers	×	
Start of business	January 2025 (Planned)		<div style="border: 1px solid red; border-radius: 10px; padding: 5px; text-align: center;"> Unique positioning in Fintech industry </div>
Share holders	FUNDiT (Top shareholder), ZUU, and Macbee Planet	×	
			<div style="border: 1px solid green; border-radius: 10px; padding: 5px; text-align: center;"> Insights on Media business roll-up merger </div>

- As an example of our efforts to cooperate with other companies, I would like to talk about the acquisition of shares in “NET MONEY.”
- We have agreed to acquire a portion of the shares of NET MONEY Co., Ltd. which is scheduled to begin business operations in January 2025.
- NET MONEY is a media operated by ZUU Co., Ltd., a highly recognized company in the fintech industry.
- By combining the media with FUNDiT Co., Ltd.’s insights in media business rollup merger and Macbee Planet’s know-hows and technologies for improving cost-effectiveness of advertising, we will further strengthen the media presence and offer unique added value to our clients in the finance industry, which are one of our main clients.

Strengthen cooperation with startups

- Established “Macbee eight” to invest in startups.
Work with startups to expand client base and value provided in services.



Company Name	Macbee eight Inc.
Representative	Hideyuki Shoda
Established Date	September 2, 2024
Business	Investment in startups

Targets

Companies willing to strengthen their business growth with **Marketing Investment**



Companies that own unique **Technologies and Assets** utilizable for marketing



Examples

GarageBank

FUNDiT

- We have also established an investment company named “Macbee eight.” This company was established to invest in startups and assist their marketing or utilize their technologies and assets.
- Although our main clients are mainly large companies, we will also invest in startups to establish a client base in industries that are expected to expand in the future and to expand the services we can offer in our business by leveraging various technologies and assets.
- We have already invested in companies like GarageBank Corporation, which plans to strengthen its marketing investment, and FUNDiT Co., Ltd., which has insights on media business rollup merger.

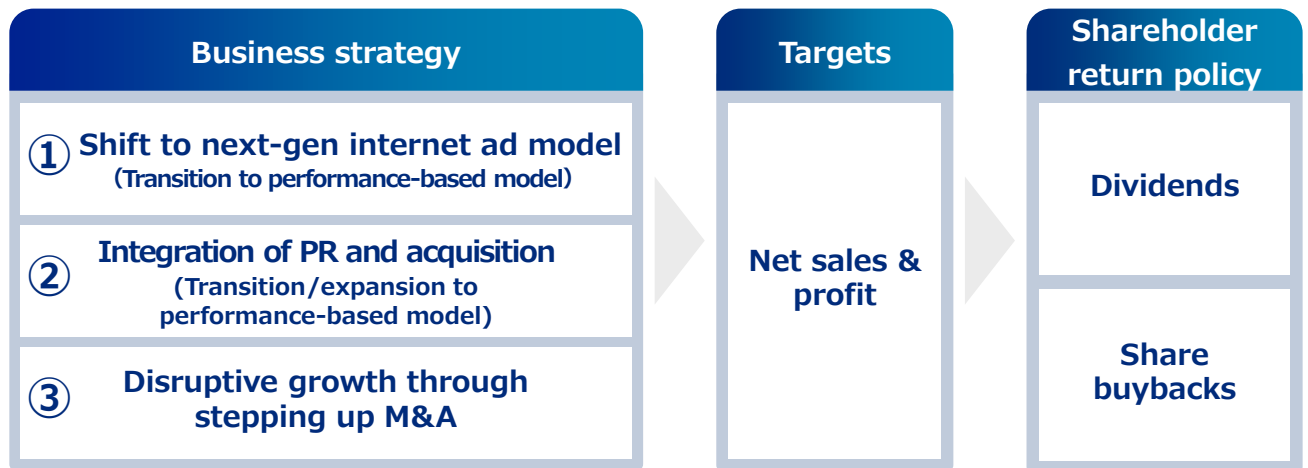
Dividends Forecast (Per share)

	FY04/2024* (Result)	FY04/2025(Forecast)
Annual dividends	14.00 yen	36.00 yen
Interim dividends	14.00 yen	18.00 yen (Declared)
Year-end dividends	0.00 yen	18.00 yen

*As a 1:4 stock split was carried out on June 1, 2024, the amounts takes into account the stock split.
 The actual dividends amounts were ¥56.00.
 The FY04/2024 interim dividends were commemorative dividends.

- Next, the dividends forecast.
- The interim dividends for FY04/2025 were declared to be 18 yen, as announced in the previous financial results announcement.
- The year-end dividends forecast remains unchanged from the forecast announced in the previous financial results announcement.

- Break through marketing norms through three key initiatives.



*For Details of the business strategies, please refer to "[Medium-Term Business Plan \(FY04/2025 to FY04/2027\)](#)"

- We disclosed the medium-term business plan for FY04/2025 to FY04/2027 in September.
- As stated, we strive to challenge and break the norm of traditional marketing through three key initiatives: "Shift to next-generation Internet advertising model," "Integration of PR and acquisition," and "Stepping up M&A."

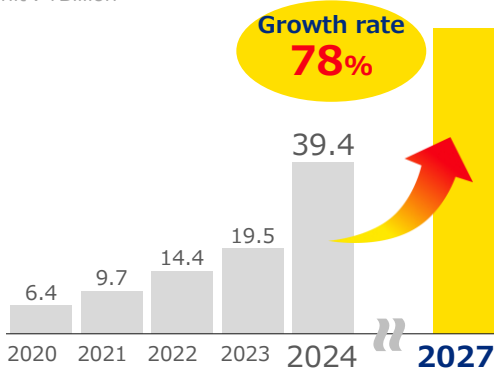
Numerical targets

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

Net sales

FY4/27 : **70.0**bn

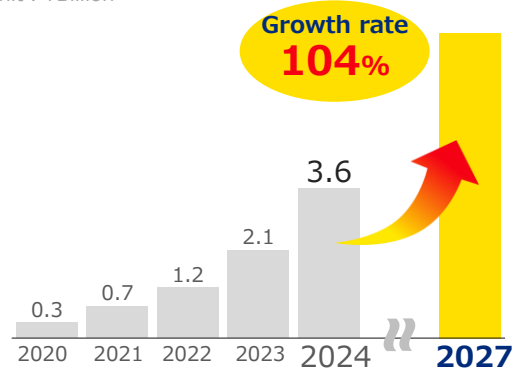
Unit : ¥Billion



Operating profit

FY4/27 : **7.5**bn

Unit : ¥Billion



*Note: The operating profit for FY04/2027 is before the deduction of advertising expenses.

- Let me explain numerical targets of the medium-term business plan again.
- We have already achieved a high growth rate, 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).
- We will continue our efforts to transform the advertising market from fixed-fee/commission to performance-based fee 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.

Disclaimer

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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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