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Summary of Consolidated Financial Results for Q2 (6 Months) of FY04/2025 [J-GAAP]

December 12, 2024

Company Name: Macbee Planet, Inc. (“the Company”) Listing: Tokyo Stock Exchange Prime Market
Securities Code: 7095 URL: <https://macbee-planet.com/ir/en/index.html>
Representative (Title) Representative Director and President (Name) Tomohiro Chiba
Scheduled Date of Dividends Payment Commencement: January 14, 2025
Preparation of Supplementary Materials on Financial Results: Yes
Financial Results Briefing: Yes (Financial results presentation video planned) *Japanese only

(Amounts are rounded down to the nearest million yen)

1. Consolidated financial results for Q2 (6 months) of FY04/2025 (May 1, 2024 to October 31, 2024)

(1) Consolidated operating results (cumulative) (Percentages represent changes from the same period of the previous year.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
6 Months of FY04/2025	24,850	30.0	2,465	23.2	2,442	22.8	1,366	1.2
6 Months of FY04/2024	19,115	115.4	2,000	117.0	1,988	114.5	1,349	118.0

(Note) Comprehensive income 6 months of FY04/2025 1,444 million yen, 7.6% 6 months of FY04/2024 1,342 million yen, 62.2%

	Profit per share	Diluted profit per share
	Yen	Yen
6 Months of FY04/2025	94.84	-
6 Months of FY04/2024	94.45	91.75

(Note 1) On June 1, 2024, a 4-for-1 stock split of common shares was conducted. “Profit per share” and “Diluted profit per share” have been calculated based on the assumption that the stock split had taken place at the beginning of the previous fiscal year.

(Note 2) Diluted profit per share for 6 months of FY04/2025 is not presented because there are no dilutive shares.

(Note 3) In Q3 FY04/2024, the Company finalized the provisional accounting treatment for the business combination, and each figure for 6 months of FY04/2024 reflects the details of the finalization of the provisional accounting treatment.

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
End of 6 Months of FY04/2025	21,765	10,082	46.0
End of FY04/2024	20,228	10,031	49.2

(Ref.) Net worth End of 6 months of FY04/2025 10,008 Millions of yen End of FY04/2024 9,956 Millions of yen

2. Cash Dividends

	Annual dividends per share				
	End of Q1	End of Q2	End of Q3	End of Q4	Total
	Yen	Yen	Yen	Yen	Yen
FY04/2024	-	56.00	-	0.00	56.00
FY04/2025	-	18.00			
FY04/2025 (Forecast)			-	18.00	36.00

(Note 1) Revision to dividends forecast from the most recently announced dividends forecast : None

(Note 2) On June 1, 2024, a 4-for-1 stock split for common shares was conducted. FY04/2024 represent the actual amount before the stock split.
FY04/2025 represents the amount after the stock split.

3. Forecast of Consolidated Financial Results for FY04/2025 (May 1, 2024 to April 30, 2025)

(Percentages represent changes from the previous year.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Profit per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	48,000	21.8	4,500 to 5,000	22.6 to 36.2	4,470 to 4,970	21.9 to 35.5	2,720 to 3,070	19.1 to 34.5	187.57 to 211.70

(Note) (2) Revisions to the most recently announced earnings forecasts :None

Notes

(1) Significant changes in the scope of consolidation during the period : None

New company: None Excluded company: None

(2) Adoption of accounting methods specific to the preparation of interim consolidated financial statements : Yes

(3) Changes in accounting policies, changes in accounting estimates, and restatements

(1) Changes in accounting policies due to revisions of accounting standards, etc. : Yes

(2) Changes in accounting policies other than (1) above : None

(3) Changes in accounting estimates : None

(4) Restatements : None

(4) Number of shares issued (common shares)

Number of shares issued at the end of the period (including treasury shares)	6 months of FY04/2025	14,654,272 shares	FY04 2024	14,654,272 shares
Number of treasury shares at end of period	6 months of FY04/2025	751,252 shares	FY04/2024	153,088 shares
Average number of shares outstanding during the period (6 months)	6 months of FY04/2025	14,409,473 shares	6 months of FY04/2024	14,292,185 shares

(Note) On June 1, 2024, a 4-for-1 stock split of common shares was conducted. "Number of shares issued at the end of the period," "Number of treasury shares at the end of the period," and "Average number of shares outstanding during the period" are calculated based on the assumption that the stock split was conducted at the beginning of the previous fiscal year.

* Summary of financial results for Q2 (6 months) is exempt from review by a certified public accountant or auditing firm

* Explanation of the appropriate use of earnings forecasts and other special notes

(Cautionary statement regarding forward-looking statements)

The forward-looking statements in the document are based on information currently available to the Company and certain assumptions that are judged to be reasonable. Due to uncertainties inherent in the judgments and assumptions, as well as changes in business operations and internal and external conditions, actual results may differ materially from those forecasted. The Company does not guarantee the certainty of any forward-looking statements.

(How to obtain supplementary material on financial results)

Supplementary material for financial results is disclosed on the TD-net on the same day. The supplementary material is also posted on the Company's website on the same day.

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1. Qualitative information on the financial results for the first six months of FY04/2025

(1) Explanation of operating results

During the first six months of the current fiscal year, the Japanese economy showed signs of gradual recovery as normalization of economic activities progressed. However, the outlook remains uncertain due to concerns about a decline in consumer confidence, triggered by the ongoing depreciation of the Japanese Yen and rising prices of raw materials stemming from the prolonged situation in Ukraine.

In the Internet advertising market, where Macbee Planet Group (“the Group”)’s main business operates, a wave of DX (digital transformation) is sweeping across the globe, and the full-fledged digital age is about to arrive. The Internet advertising market increased by 7.8% year-on-year, reaching 3,333 billion yen (*) by 2023. Globally, digital media expenses tend to account for about half of all advertising expenses due to its cost efficiency compared to offline media. The trend is also becoming evident in Japan, providing a favorable business environment for the Group.

* From "Advertising Expenditures in Japan in 2023" by Dentsu Inc.

Under such circumstances, the Group promoted LTV marketing, an advanced form of Internet advertising, and focused on developing proprietary technologies to expand its business. As a result, the Group’s operating results were as follows.

For the first six months of the current fiscal year, net sales were 24,850 million yen (up 30.0% year-on-year), operating profit was 2,465 million yen (up 23.2% year-on-year), ordinary profit was 2,442 million yen (up 22.8% year-on-year), and profit attributable to owners of parent was 1,366 million yen (up 1.2% year-on-year).

Operating results by reportable segment were as follows.

(LTV Marketing)

Regarding the segment, net sales were 24,485 million yen (up 28.8% year-on-year) and profit was 3,488 million yen (up 21.0% year-on-year) as a result of continued expansion of existing business, steady acquisition of new clients, and successful measures using proprietary data acquisition technology.

(2) Explanation of financial condition

(Assets)

Total assets at the end of the first six months of the current fiscal year increased by 1,536 million yen from the end of the previous fiscal year to 21,765 million yen. The main factors were 3,604 million yen decrease in cash and deposits while accounts receivables increased by 1,401 million yen, accounts receivable-other increased by 2,740 million yen due to the provision of ancillary functions for payments by installments of advertising expenses, goodwill increased by 466 million yen, and long-term loans receivable increased by 247 million yen.

(Liabilities)

Total liabilities at the end of the first six months of the current fiscal year increased by 1,485 million yen from the end of the previous fiscal year to 11,682 million yen. The main factors were 1,230 million yen increase in accounts payable and 951 million yen increase in short-term borrowings, while income taxes payable decreased by 657 million yen.

(Net assets)

Net assets at the end of the first six months of the current fiscal year increased by 51 million yen from the end of the previous fiscal year to 10,082 million yen. The main factors were 1,366 million yen increase in retained earnings due to the recording of in profit attributable to parent company, which was largely offset by 1,372 million yen decrease resulting from the purchase of treasury shares, etc.

(3) Explanation of cash flows

Cash and cash equivalents ("Cash") at the end of the first six months of the current fiscal year totaled 7,723 million yen, a decrease of 3,604 million yen from the end of the previous fiscal year. The status of cash flows and their factors during the first six months of the current fiscal year are as follows.

(Cash flows from operating activities)

Cash used in operating activities amounted to 1,796 million yen (1,630 million yen provided in the same period of the previous fiscal year). The main factors were 1,323 million yen increase in trade receivables, 1,560 million yen increase in income taxes paid, and 2,740 million yen increase in accounts receivable-other, while there were 1,187 million yen increase in trade payables and record of 2,236 million yen in profit before income taxes.

(Cash flows from investing activities)

Cash used in investing activities totaled 988 million yen (1,871 million yen used in the same period of the previous fiscal year). The main factors were 675 million yen in purchase of shares of subsidiaries resulting in change in scope of consolidation and 297 million yen in loan advances.

(Cash flows from financing activities)

Cash used in financing activities amounted to 819 million yen (29 million yen provided in the same period of the previous fiscal year). The main factors were the purchase of treasury shares of 1,556 million yen and repayments of long-term borrowings of 213 million yen, while there was a net increase in short-term borrowings of 951 million yen.

(4) Explanation of consolidated earnings forecast and other forward-looking information

The forecast for FY04/2025 remains unchanged from the full-year forecast announced in "Full-Year FY4/24 Financial Results Presentation Material" on June 13, 2024.

The forecast is based on information available as of the date of publication of the document and on certain assumptions that are judged to be reasonable.

2. Interim consolidated financial statements and notes

(1) Consolidated balance sheet

(Millions of yen)

	End of FY04/2024 (April 30, 2024)	End of 6 months of FY04/2025 (October 31, 2024)
Assets		
Current assets		
Cash and deposits	11,327	7,723
Accounts receivable	4,185	5,586
Accounts receivable - other	9	2,750
Other	334	739
Allowance for doubtful accounts	(33)	(35)
Total current assets	15,823	16,765
Non-current assets		
Property, plant and equipment		
Facilities attached to buildings, net	62	56
Tools, furniture and fixtures, net	19	18
Total property, plant and equipment	82	75
Intangible assets		
Software	29	19
Goodwill	2,203	2,670
Customer-related intangible assets	520	487
Total intangible assets	2,753	3,178
Investments and other assets		
Investment securities	954	917
Long-term loans receivable	747	994
Other	614	526
Allowance for doubtful accounts	(747)	(691)
Total investments and other assets	1,569	1,746
Total non-current assets	4,404	5,000
Total assets	20,228	21,765

(Millions of yen)

	End of FY04/2024 (April 30, 2024)	End of 6 months of FY04/2025 (October 31, 2024)
Liabilities		
Current liabilities		
Accounts payable	4,487	5,717
Short-term borrowings	1,088	2,039
Current portion of long-term borrowings	427	427
Income taxes payable	1,629	972
Provision for bonuses	11	11
Other	908	1,214
Total current liabilities	8,553	10,382
Non-current liabilities		
Long-term borrowings	1,513	1,300
Other	130	-
Total non-current liabilities	1,644	1,300
Total Liabilities	10,197	11,682
Net assets		
Shareholders' equity		
Share capital	2,635	2,635
Capital surplus	2,629	2,629
Retained earnings	5,507	6,853
Treasury shares	(693)	(2,065)
Total shareholders' equity	10,079	10,052
Accumulated other comprehensive income		
Net unrealized gains (losses) on available-for-sale securities	(122)	(44)
Total accumulated other comprehensive income	(122)	(44)
Non-controlling interests	74	74
Total net assets	10,031	10,082
Total liabilities and net assets	20,228	21,765

(2) Consolidated statement of income and consolidated statement of comprehensive income

Consolidated statement of income

(Millions of yen)

	6 months of FY04/2024 (May 1, 2023 to October 31, 2023)	6 months of FY04/2025 (May 1, 2024 to October 31, 2024)
Net sales	19,115	24,850
Cost of sales	15,328	20,312
Gross profit	3,786	4,537
Selling, general and administrative expenses	1,786	2,072
Operating profit	2,000	2,465
Non-operating income		
Interest income	8	1
Other	1	2
Total non-operating income	9	4
Non-operating expenses		
Interest expenses	14	16
Loss on valuation of investment securities	-	3
Share issuance costs	5	-
Other	1	6
Total non-operating expenses	21	27
Ordinary profit	1,988	2,442
Extraordinary losses		
Loss on valuation of investment securities	24	205
Total extraordinary losses	24	205
Profit before income taxes	1,963	2,236
Income taxes	613	870
Profit	1,350	1,366
Profit (loss) attributable to non-controlling interests	0	(0)
Profit attributable to owners of parent	1,349	1,366

Consolidated statement of comprehensive income

(Millions of yen)

	6 months of FY04/2024 (May 1, 2023 to October 31, 2023)	6 months of FY04/2025 (May 1, 2024 to October 31, 2024)
Profit	1,350	1,366
Other comprehensive income		
Net unrealized gains (losses) on available-for-sale securities	(7)	77
Total other comprehensive income	(7)	77
Comprehensive income	1,342	1,444
(Breakdown)		
Comprehensive income attributable to owners of parent	1,341	1,444
Comprehensive income attributable to non-controlling interests	0	(0)

(3) Consolidated statement of cash flows

(Millions of yen)

	6 months of FY04/2024 (May 1, 2023 to October 31, 2023)	6 months of FY04/2025 (May 1, 2024 to October 31, 2024)
Cash flows from operating activities		
Profit before income taxes	1,963	2,236
Depreciation	24	21
Amortization of goodwill	189	265
Amortization of customer-related intangible assets	32	32
Share-based payment expenses	7	15
Increase (decrease) in allowance for doubtful accounts	121	(70)
Increase (decrease) in provision for bonuses	(18)	0
Interest and dividend income	(8)	(1)
Interest expenses	14	16
Share issuance costs	5	-
Loss (gain) on valuation of investment securities	24	209
Decrease (increase) in trade receivables	(939)	(1,323)
Increase (decrease) in trade payables	766	1,187
Decrease (increase) in accounts receivable - other	(178)	(2,740)
Other	(42)	(69)
Subtotal	1,962	(220)
Interest and dividends received	8	1
Interest paid	(14)	(16)
Income taxes refund	226	-
Income taxes paid	(553)	(1,560)
Cash flows from operating activities	1,630	(1,796)
Cash flows from investing activities		
Purchase of property, plant and equipment	(7)	(5)
Purchase of investment securities	(509)	(60)
Payments of leasehold and guarantee deposits	(1)	-
Proceeds from refund of leasehold and guarantee deposits	80	-
Loan advances	(850)	(297)
Proceeds from collection of loans receivable	-	50
Purchase of shares of subsidiaries resulting in change in scope of consolidation	-	(675)
Other expenses	(583)	-
Cash flows from investing activities	(1,871)	(988)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(306)	951
Repayments of long-term borrowings	(239)	(213)
Proceeds from issuance of shares	577	-
Purchase of treasury shares	(1)	(1,556)
Cash flows from financing activities	29	(819)
Net increase (decrease) in cash and cash equivalents	(211)	(3,604)
Cash and cash equivalents at beginning of period	9,663	11,327
Cash and cash equivalents at end of period	9,451	7,723

(4) Notes to interim consolidated financial statements

(Going-concern assumptions)

Not applicable.

(Significant changes in shareholders' equity)

The Company purchased 592,200 treasury shares in accordance with a resolution of the Board of Directors' meeting held on September 12, 2024. In addition, the Company disposed of 52,736 treasury shares as restricted stock compensation based on a resolution of the Board of Directors' meeting held on August 29, 2024. As a result of these factors, treasury shares increased by 1,372 million yen during the first six months of the current fiscal year.

(Adoption of accounting methods specific to the preparation of interim consolidated financial statements)

Tax expenses are calculated by multiplying profit before income taxes by the estimated effective tax rate, which is reasonably estimated by applying tax effect accounting to profit before income taxes for the first six months of the current fiscal year.

(Changes in accounting policies)

(Application of "Accounting Standard for Current Income Taxes")

The Company has applied the "Accounting Standard for Current Income Taxes" (Accounting Standards Board of Japan (ASBJ) Statement No. 27, October 28, 2022; the "Revised Accounting Standard of 2022") and other relevant ASBJ regulations from the beginning of the first quarter of the fiscal year ending April 30, 2025.

Revisions to categories for recording current income taxes (taxation on other comprehensive income) conform to the transitional treatment in the proviso of paragraph 20-3 of the Revised Accounting Standard of 2022 and to the transitional treatment in the proviso of paragraph 65-2(2) of the "Guidance on Accounting Standard for Tax Effect Accounting" (ASBJ Guidance No. 28, October 28, 2022; the "Revised Guidance of 2022"). This has no impact on the quarterly consolidated financial statements.

In addition, regarding the revisions related to revised treatment in the consolidated financial statements of the deferral for tax purposes of gains or losses arising from the sale of shares of subsidiaries, etc. between consolidated companies, the Company has applied the Revised Guidance of 2022 from the beginning of the first quarter of the fiscal year ending April 30, 2025. This change in accounting policy has been applied retrospectively, and the new accounting policy is reflected in the quarterly consolidated financial statements for the same period of the previous fiscal year and in the consolidated financial statements for the previous fiscal year. There is no impact from such application on the quarterly consolidated financial statements for the same period of the previous fiscal year and on the consolidated financial statements for the previous fiscal year.

(Additional information)

(Application of the Japanese Group Relief System)

Effective from the first quarter of the current fiscal year, the Company and some of its consolidated subsidiaries have transitioned from a stand-alone tax system to the Japanese Group Relief System.

In addition, in accordance with the "Practical Solution on the Accounting and Disclosure Under the Group Tax Sharing System" (PITF No. 42, August 12, 2021), the Company accounts for income taxes and local income taxes or tax effect accounting related to these taxes and disclosures.

(Segment information)

Segment information

6 months of FY04/2024 (May 1, 2023 to October 31, 2023)

Breakdown of net sales and profit (loss) by reportable segment

(Millions of yen)

	Reportable segment	Other (Note 1)	Adjustments (Note 2)	Total (Note 3)
	LTV Marketing			
Net sales				
Performance-based fee	18,276	12	-	18,289
Fixed fee	737	88	-	825
Revenue from contracts with customers	19,014	101	-	19,115
Net sales to external customers	19,014	101	-	19,115
Total	19,014	101	-	19,115
Segment profit	2,882	18	(900)	2,000

(Notes) 1. "Other" is a business segment that is not included in the reportable segments and includes DX Solution, etc.

2. Adjustments to segment profit are corporate expenses that are not allocated to reportable segments and are primarily general and administrative expenses that are not attributable to reportable segments.

3. Segment profit is adjusted with operating profit in the consolidated statement of income.

6 months of FY04/2025 (May 1, 2024 to October 31, 2024)

Breakdown of net sales and profit (loss) by reportable segment

(Millions of yen)

	Reportable segment	Other (Note 1)	Adjustment (Note 2)	Total (Note 3)
	LTV Marketing			
Net sales				
Performance-based fee	23,766	51	-	23,817
Fixed fee	719	313	-	1,033
Revenue from contracts with customers	24,485	364	-	24,850
Net sales to external customers	24,485	364	-	24,850
Total	24,485	364	-	24,850
Segment profit	3,488	78	(1,101)	2,465

(Notes) 1. "Other" is a business segment that is not included in the reportable segment and includes Strategic PR, etc.

2. Adjustments to segment profit are corporate expenses that are not allocated to reportable segments and are primarily general and administrative expenses that are not attributable to reportable segments.

3. Segment profit is adjusted with operating profit in the consolidated statement of income.