



Ticker : 3675 (TSE Prime)

Cross Marketing Group Inc.

Presentation material for Investors

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1 FY6/2024 Financial Results Outline

Summary

1

- **FY2024/6 revenue of 26.2 billion yen (up 4% YoY), operating profit of 1.84 billion yen (down 5% YoY), ordinary profit of 1.91 billion yen (up 2% YoY), and net income of 1.19 billion yen (up 18% YoY)**
- **Achieved earnings forecast in terms of revenue, ordinary profit, and net income**

Summary

2

- **Digital Marketing:** Unit price recovery in the media and promotion area and the effect of new consolidated companies led to an **18% growth** in revenue and companywide performance
- **Research (Data Marketing and Insight):** Although performance in Japan remained strong, total research revenue decreased by 3% due to overseas demand having run its course

Summary

3

- **Q4 (April to June) revenue of 6.8 billion yen (up 26%), operating profit of 150 million yen (compared to loss of 220 million yen in the previous fiscal year)**
- **A performance improvement trend has continued. An improvement in overseas revenue and the effect of new consolidated companies have also contributed.**

Revenue reached a record high, mainly due to growth in the Digital Marketing Business

(JPY 100 Million)	Full year FY2023/6 results	Full year FY2024/6		
		Forecast*	Results	YoY Growth Rate
Revenue	250.9	260.0	261.8	+4%
Digital Marketing Business	90.4	110.0	106.6	+18%
Data Marketing Business	97.5	85.0	88.1	-10%
Insight Business	63.0	65.0	67.1	+6%
Gross Profit (Gross Profit Margin)	103.9 (41.4%)	—	102.3 (39.8%)	-2% (-1.6pt)
SG&A	84.4	—	83.8	-1%
Operating Profit (Operating Profit Margin)	19.5 (7.8%)	19.0 (7.3%)	18.4 (7.0%)	-5% (-0.7pt)
Ordinary profit	18.8	18.0	19.1	+2%
Net Income Attributable to Owners of the Parent	10.1	10.0	11.9	+18%

*Values announced on February 13, 2024

Performance recovery trend continued

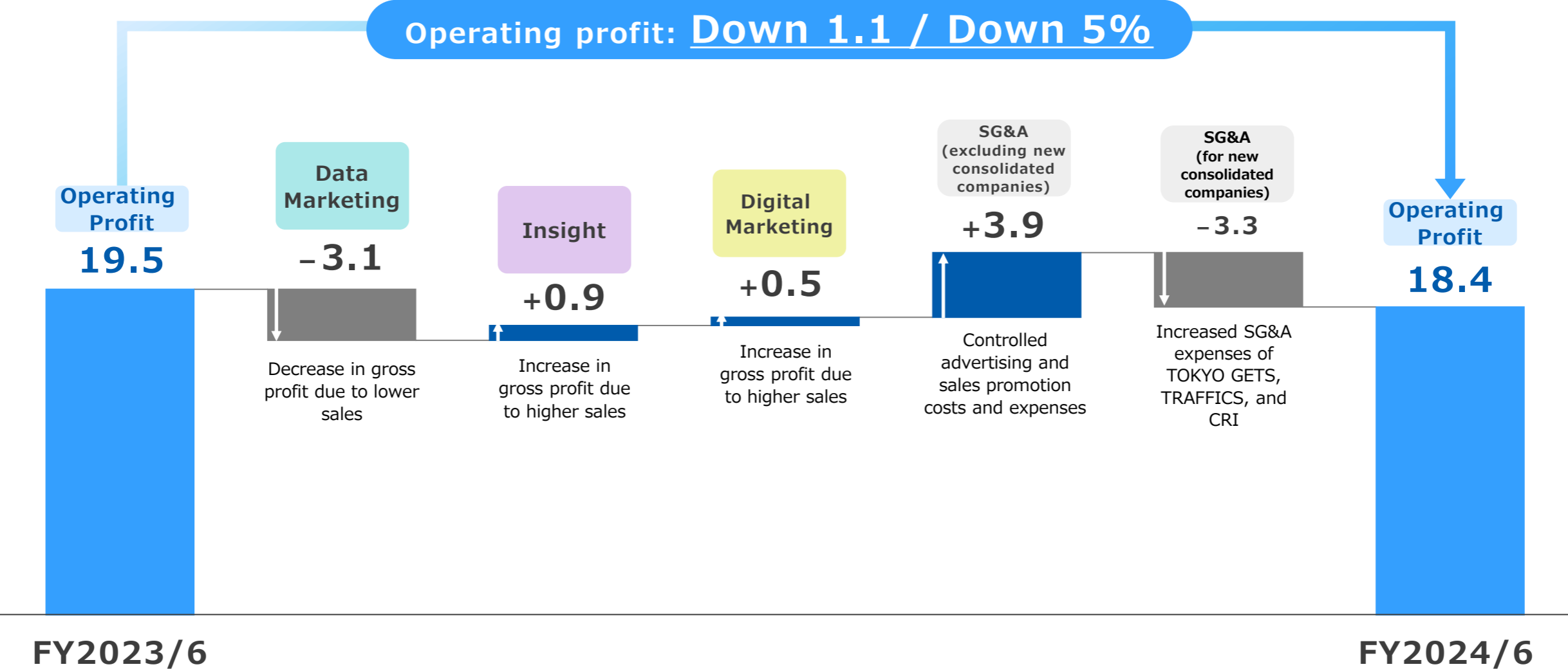
The Data Marketing Business also turned positive in Q4 due to turnaround in overseas earnings

	FY2024/6									
	Q1 (Jul.-Sep.)		Q2 (Oct.-Dec.)		Q3 (Jan.-Mar.)		Q4 (Apr.-Jun.)		Full year	YoY Growth Rate
(JPY 100 Million)										
Revenue	56.3	-8%	68.9	-0.2%	68.3	+3%	68.5	+26%	261.8	+4%
Digital Marketing Business	22.0	-2%	29.0	+23%	26.1	+16%	29.4	+34%	106.6	+18%
Data Marketing Business	19.6	-15%	20.7	-25%	24.9	-12%	22.9	+23%	88.1	-10%
Insight Business	14.7	-6%	19.1	+7%	17.2	+10%	16.1	+16%	67.1	+6%

Factors Behind Fluctuations in Operating Profit (YoY)

Decrease in gross profit due to lower revenue in Data Marketing was the main cause of the fall in operating profit.

Despite factors such as new consolidated companies, SG&A was controlled to be similar to the previous fiscal year's level.



Revenue up 18%, segment profit up 38% Revenue reached a record high, led by media and promotion

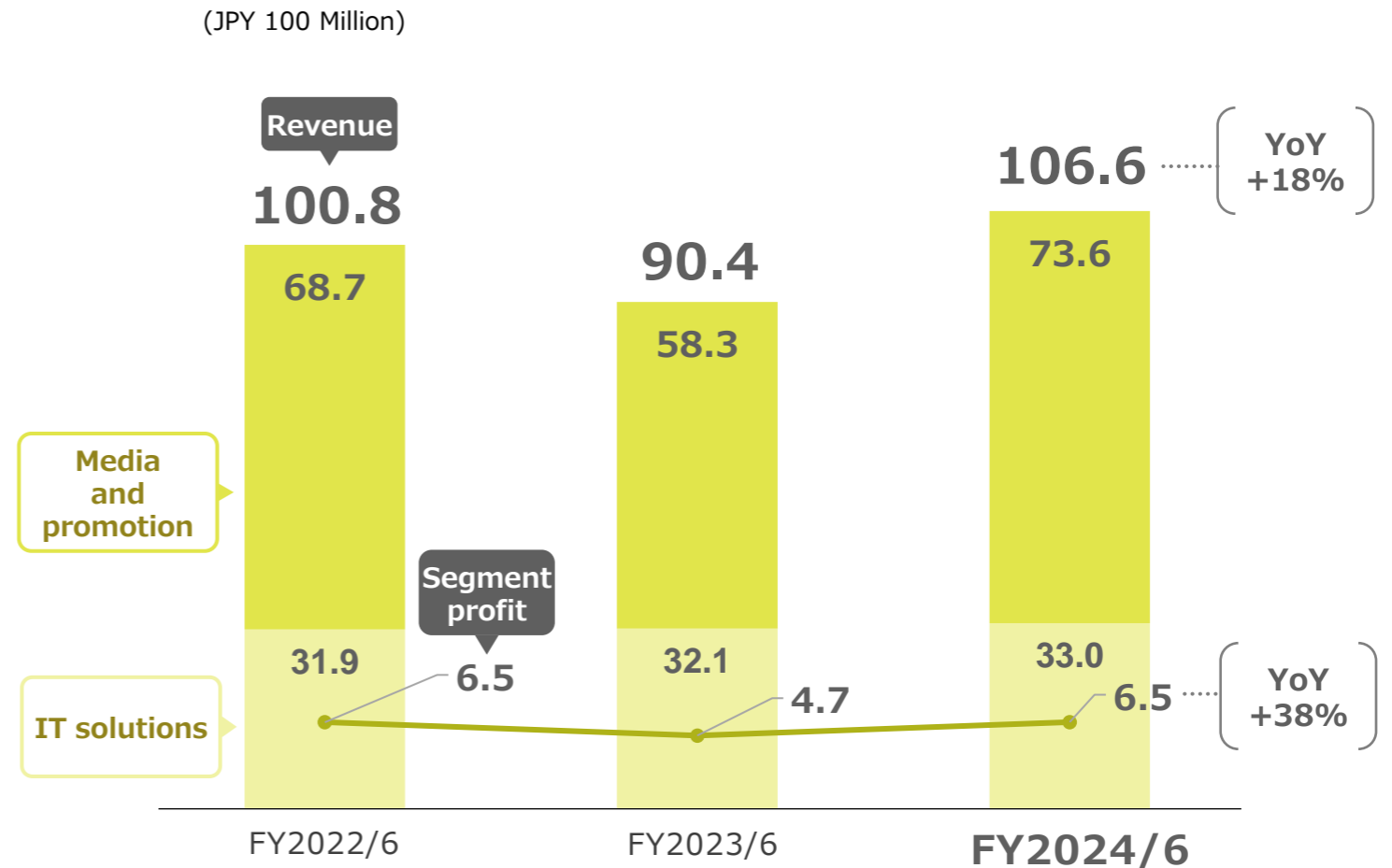
Highlights

- Media and promotion revenue grew 26%. Contributions to this growth included unit price recovery, the newly consolidated TOKYO GETS, and PathCrie, which started 3PL business*¹

YoY change in media/promotion unit prices
 FY2023/6: Q1 -10% Q2 -24% Q3 -22% Q4 -2%
 FY2024/6: Q1 +7% Q2 +54% Q3 +33% Q4 -5%

- IT solutions revenue increased 3%. The newly consolidated Creative Resource Institute contributed to revenue growth
- Segment profit increased 38%. Gross profit increased in line with revenue growth

*1 Refers to third-party logistics, which is a logistics service that intermediates between the shipper and the delivery company for goods and cargo



Revenue declined 10% and segment profit declined 13%
 Although **demand in Japan was strong**, overseas demand has run its course.

Highlights

- Revenue in Japan increased 6%. Demand for online research remained strong and stable
- In Q4 (April to June), overseas revenue also turned in a 23% increase, with the recovery in North America

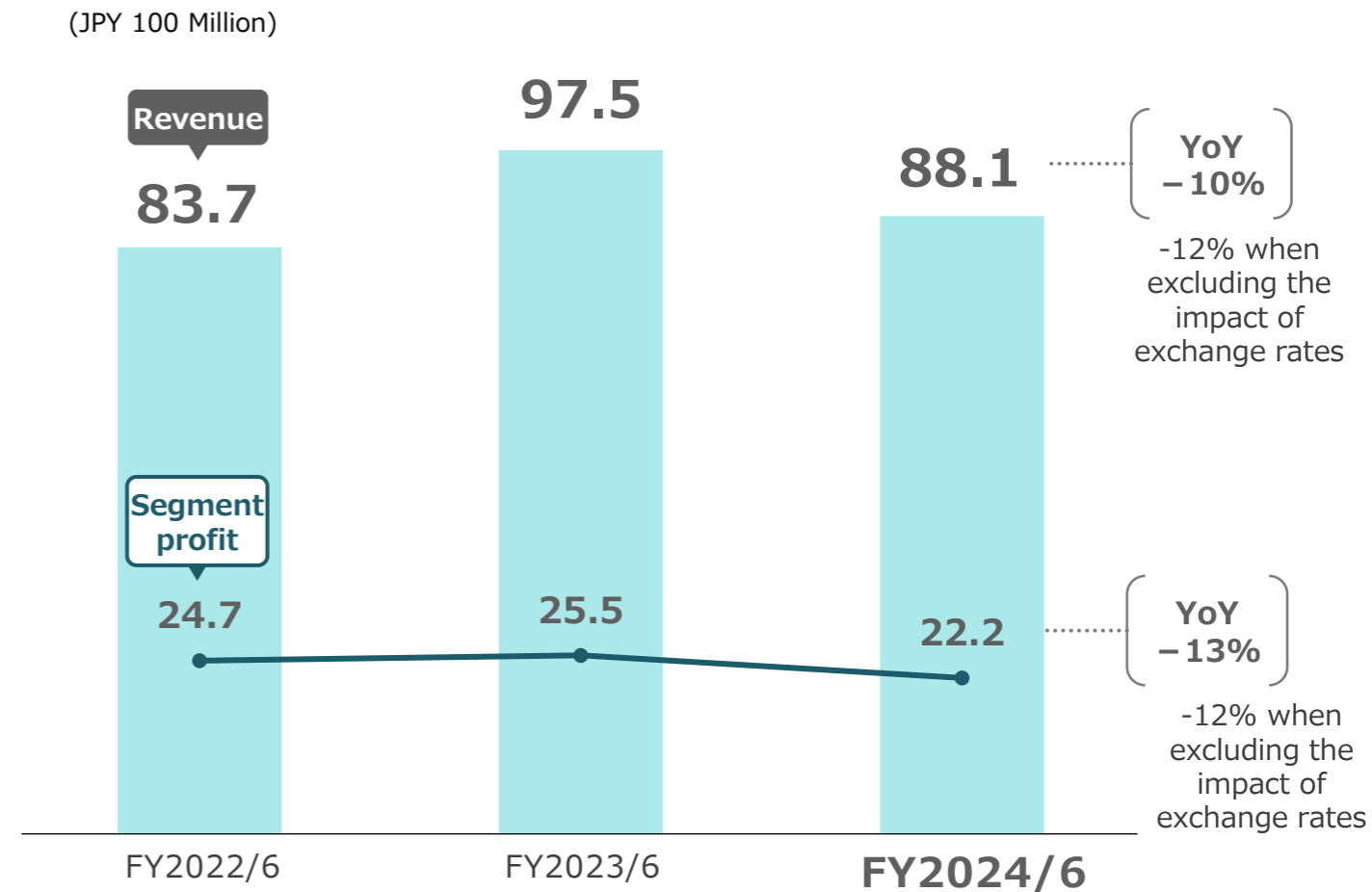
Lowlights

- Overseas revenue declined 33% for the full year. In the mainstay North American market, demand due to the recovery from the COVID-19 pandemic having run its course.

Exchange rate impact

- The effect of the weak yen^{*1} boosted revenue by 250 million yen but had minimal impact on profit.

*1 Compared to the actual exchange rate in the fiscal year ended in June 2023



Revenue rose 6% and segment profit rose 6% Both domestic and overseas revenue and profits increased steadily, and revenue reached a record high

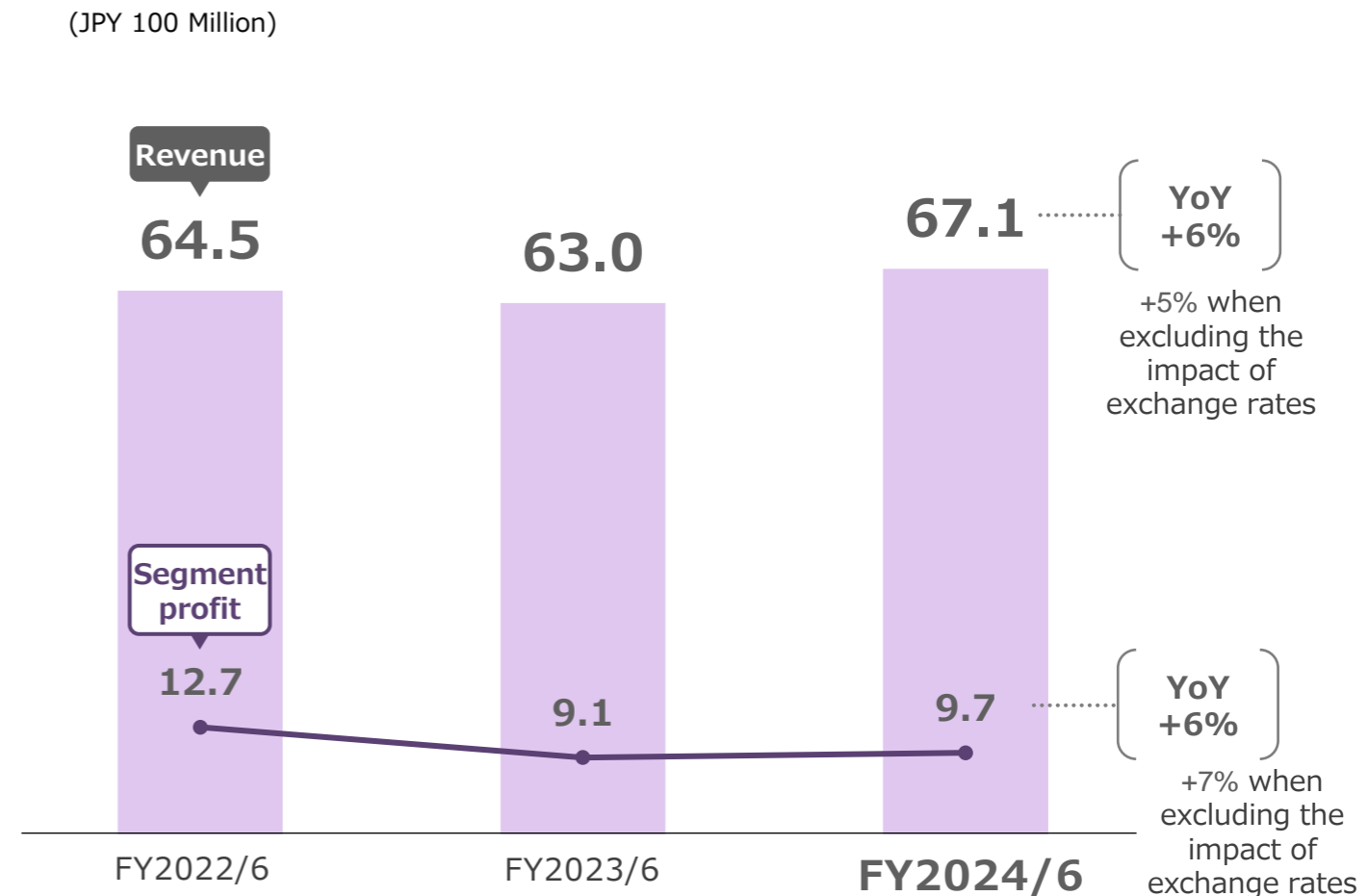
Highlights

- Revenue in Japan increased 4% in total. Offline surveys such as CLT and group interviews increased
- overseas revenue increased 13%. Strong performance continued in Indonesia.
- The UK returned to revenue growth in Q4 (April to June)

Exchange rate impact

- The effect of the weak yen*¹ boosted revenue by 80 million yen but had minimal impact on profit.

*1 Compared to the actual exchange rate in the fiscal year ended in June 2023



Total overseas revenue fell 19% mainly due to demand having run its course.
Emerging markets continued to grow.

Highlights

- In Indonesia, orders were received from government-affiliated energy, automotive, and consumer goods industries regardless of industry, and performance was strong.
- In Q4 (April to June), revenue in North America and the UK recovered, and overall revenue increased

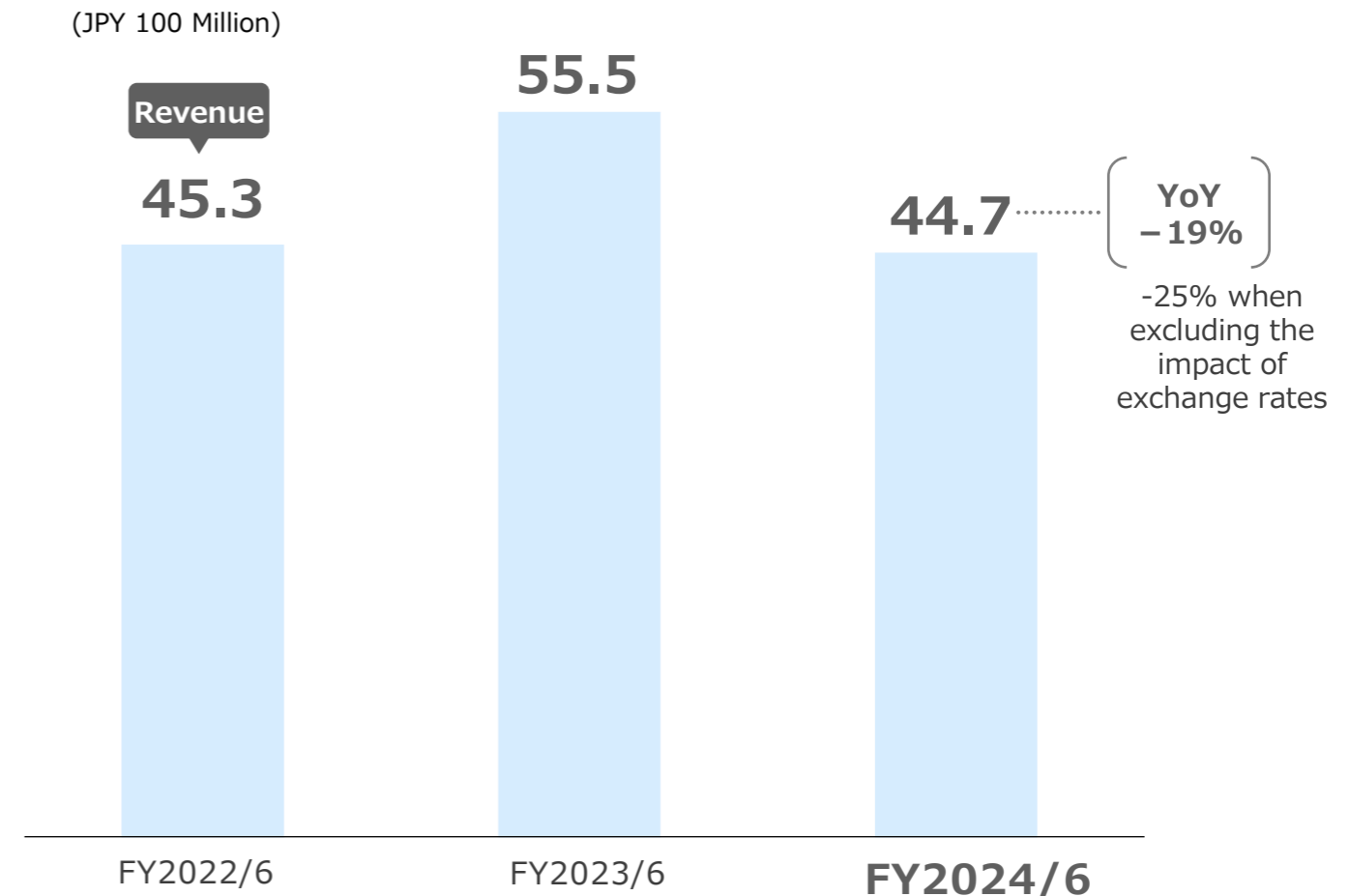
Lowlights

- Revenue declined 19% for the full year, mainly due to demand having run its course in developed countries up to 3Q.

Exchange rate impact

- The effect of the weak yen^{*1} boosted revenue by 320 million yen (overseas total).





*1 Compared to the actual exchange rate in the fiscal year ended in June 2023



2 Topics

Execute M&As for further growth of the Group

Synergies and business expansion effects emerged in the digital marketing business

Start of consolidation	Name of company	Overview
July 2023	TOKYO GETS 	Corporate promotions, events, and merchandising utilizing entertainment content
January 2024	TRAFFICS 	Outsourcing of event management, secretariat representation, etc. Creative production for web and print media System solutions
April 2024	Creative Resource Institute 	Director and engineer temporary staffing business Brand planning Sales promotion and advertising production
May 2024	PathCrie 	Third-party logistics business (Details on next page)

Started **third-party logistics business** at **consolidated subsidiary PathCrie** in May 2024
Enhanced the Group's overall growth potential through business expansion into new areas

PathCrie Inc.

Logistics and distribution business
(Third-party logistics business)

E-commerce and wholesale business

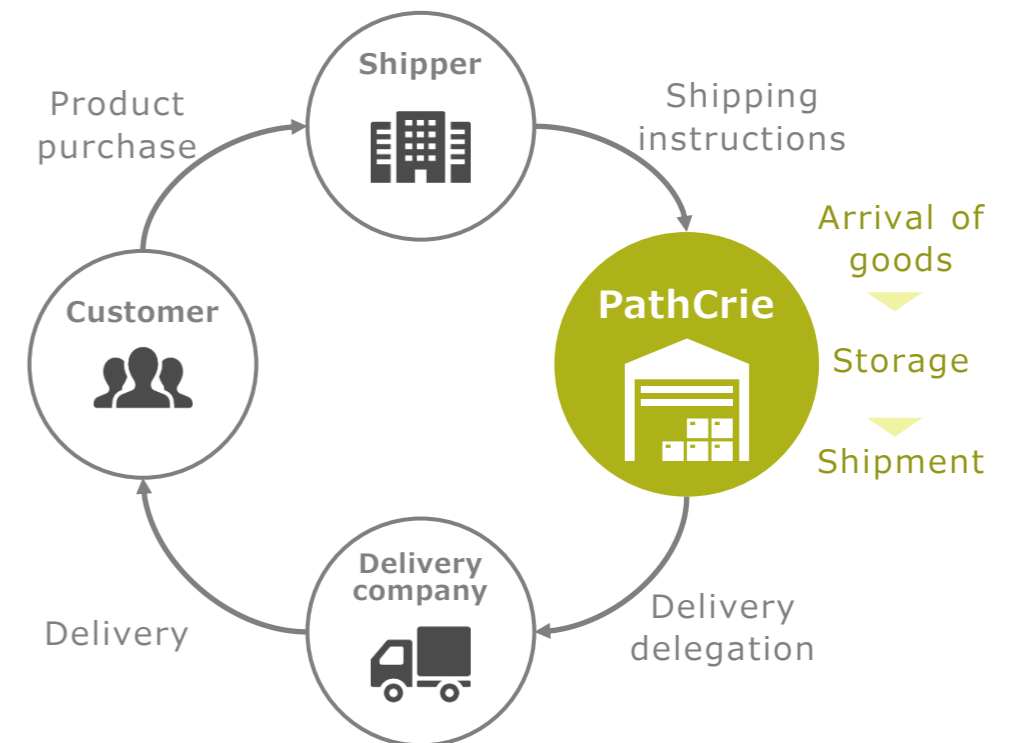


Cooperation with Group companies
such as excrie 

Accelerate further business growth
of the Group

3PL (third-party logistics)

Logistics service that intermediates between the shipper and the delivery company for goods and cargo



Decided to implement **share buybacks**

Purpose

Decided to implement share buybacks as part of shareholder return policy and to enable the execution of a flexible capital policy and diversification of incentive plans.

Number of shares

700,000 shares (maximum)
Ratio to total number of issued shares (excluding treasury shares) 3.6%

Acquisition cost

400,000,000 yen (maximum)

Acquisition period

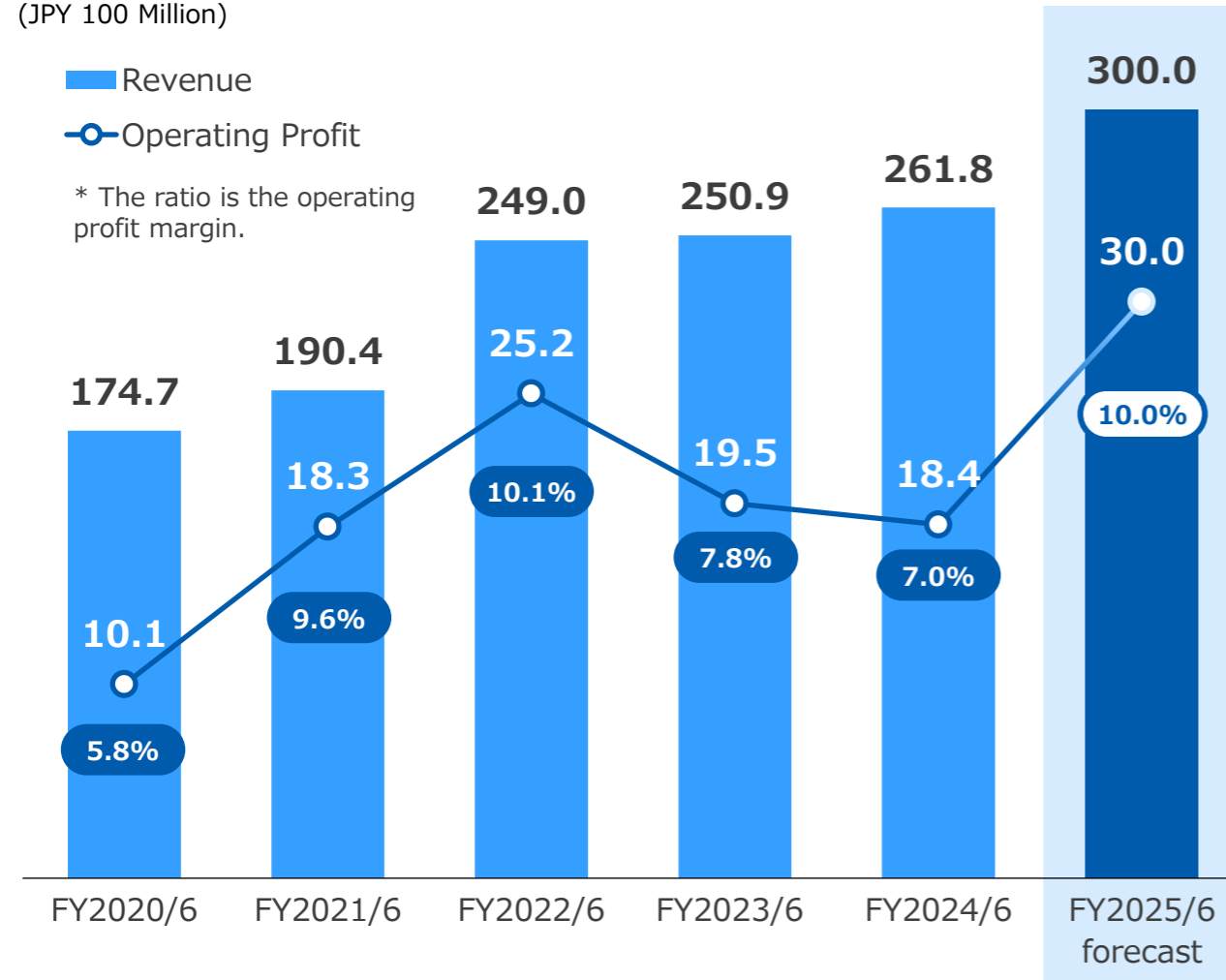
August 13, 2024 to February 12, 2025

3 Forecast & Shareholder Returns

No change to Medium-term Management Plan and final year earnings targets

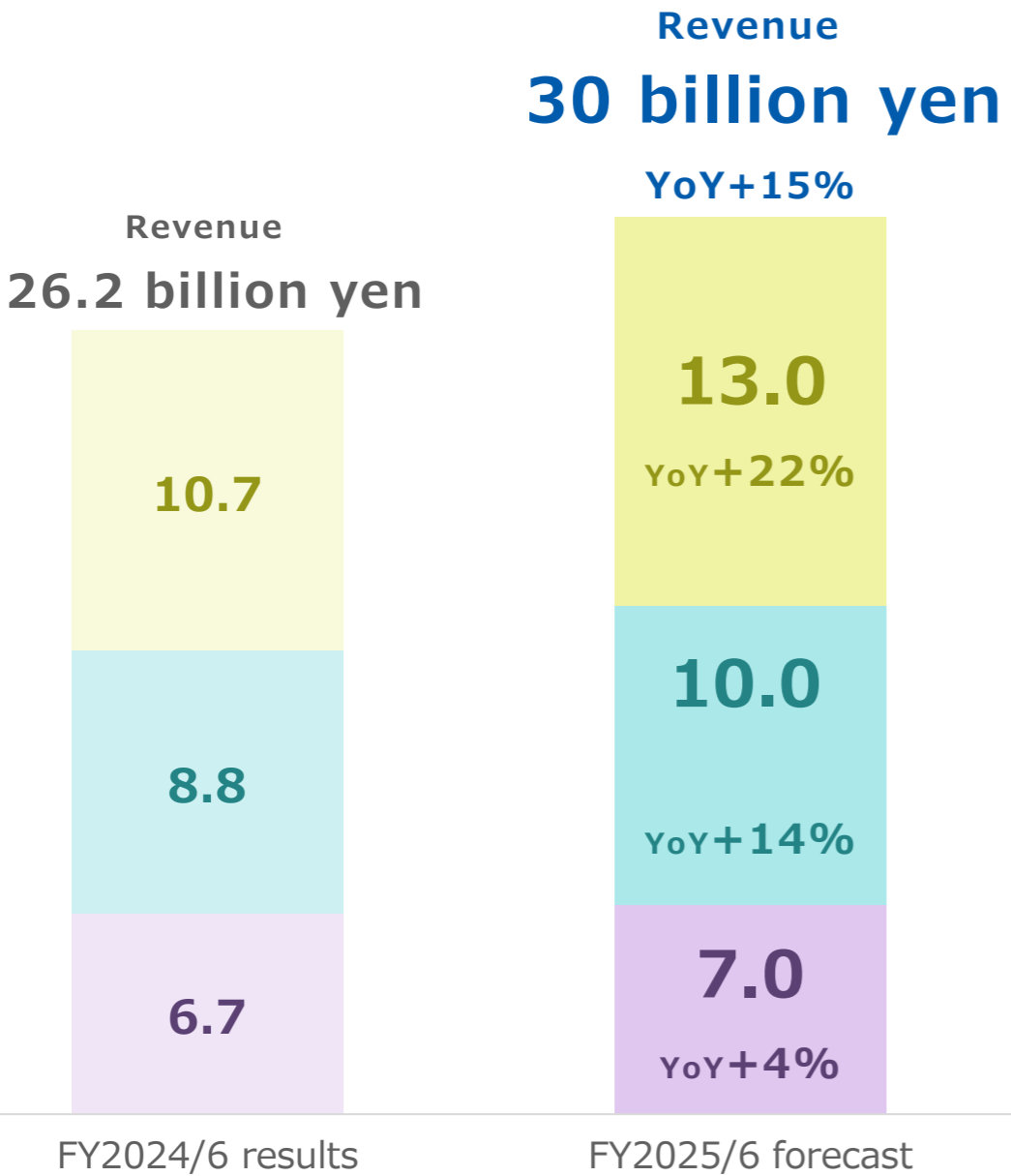
Targeting revenue of 30 billion yen (+15%) and operating profit of 3 billion yen (+63%)

(JPY 100 Million)



* The ratio is the operating profit margin.

(JPY 100 Million)	FY2024/6 Actual	FY2025/6 Forecast	YoY
Revenue	261.8	300.0	+15%
Digital Marketing	106.6	130.0	+22%
Data Marketing	88.1	100.0	+14%
Insight	67.1	70.0	+4%
Operating Profit	18.4	30.0	+63%
Ordinary Profit	19.1	29.0	+52%
Net Income Attributable to Owners of the Parent	11.9	18.0	+51%
EPS	62.1	93.3	+50%
Dividends Per Share (yen)	13.0	14.0	+1.0



Group-wide

- Maximization of Group synergies, review of low-profit businesses, thorough improvement in profitability through operational efficiency, etc.

Digital Marketing

- Assumes double-digit growth in existing businesses
- Effect of the new consolidated companies added in the previous fiscal year is expected to be approximately 1 billion yen

Data Marketing

- Domestic online surveys performing well
- YoY recovery in overseas business

Insight

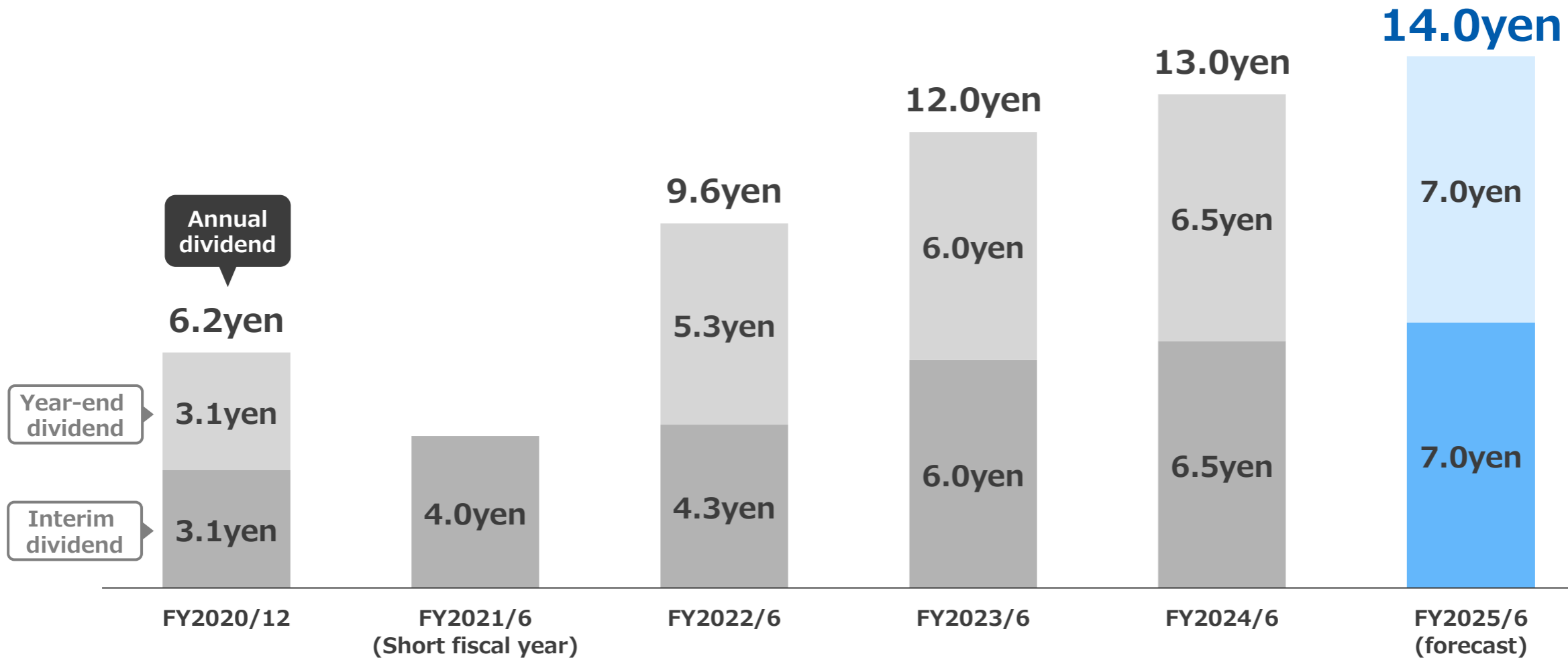
- Domestic offline surveys performing well
- Growth in Indonesia expected to continue

Dividend policy:

Continue to increase dividends with a target dividend payout ratio of approximately 15%

We expect to pay 14.0 yen in the fiscal year ending in June 2025

(Interim dividend: 7.0 yen, year-end dividend: 7.0 yen).



4 Company Overview

Company name	Cross Marketing Group Inc. (ticker : 3675, TSE Prime)
President & CEO	Miki Igarashi
Established	April 1, 2003
Key financial indicators(Yen) -FY2024/6-	Total Sales 26.2_{bn} Operating Profit 1.8_{bn}億円 ROE 18.2% Total Assets 16.6_{bn} Net Equity 7.1_{bn} Capital 650_{mn}
Business Segments	Digital Marketing, Data Marketing, Insight
Affiliated Companies	Consolidated subsidiaries : 31 companies Equity method affiliates : 4 companies
Consolidated Employees	1,707(Incl. 216 temporary staff)



Miki Igarashi

Profile

- 1973 Born in Tokyo
- 1996 Graduated from the Faculty of Economics of Keio University
- 1996 Joined Japan Asia Investment (a VC)
- 2000 Established an Internet company and was appointed as director
- 2003 Established Cross Marketing
- 2008 Cross Marketing was listed on the Mothers section of the Tokyo Stock Exchange
- 2018 Listing changed to First Section of the Tokyo Stock Exchange
- 2022 Listing moved to Prime Section of the Tokyo Stock Exchange

External Positions

- RareJob, Inc.
Outside director
- Japan Marketing Research Association
Chairman



**Discover
Something
New.**

未来を
つくる。

Our wish is for customers' success.

In identifying issues, in planning solutions, and in presenting proposals.

Everything is to achieve the customer's dream. To approach the envisioned future.

The process is exciting. The goals make the heart pump.

Clear the path, lead the way to tomorrow, and create the future.

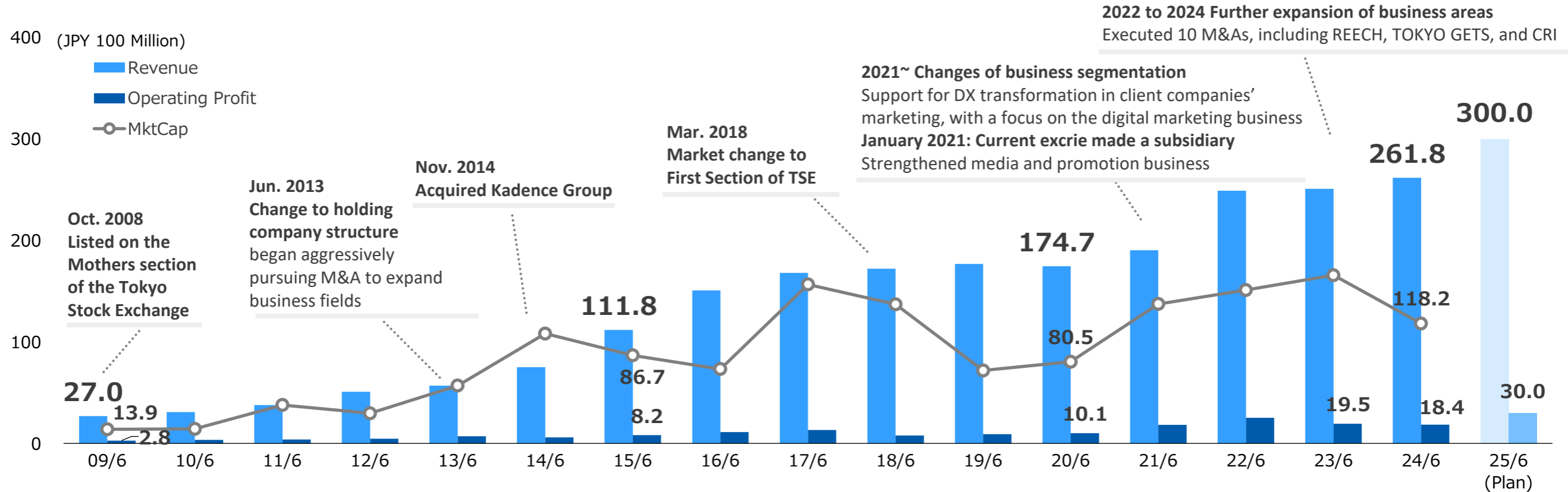
That is the Cross Marketing Group's mission.

From our founding business as an Internet research company, we have promoted aggressive expansion of our business domain.

Going forward, we aim to make a leap forward to become a **Marketing DX Partner** that leads the businesses of customers to success through the power of digital technology.



Expand business fields by establishing subsidiaries and M&A,
and extend further into areas of expertise
Executed 23 M&A transactions for 37 companies* in Japan and abroad



Marketing solutions (acquisition of current excrie)

Overseas expansion (establishment of local companies in China and Singapore, acquisition of Kadence International)

IT Solutions (acquisition of business for Cross Communication, acquisition of current Alterna Ex Inc.)

Marketing Research (Started marketing consulting, acquisition of R&D, establishment of Medilead Inc., acquisition of Shoppers Eye)

*As of June 30, 2024



Cross Marketing Group

Digital Marketing

FY2024/6 Revenue 10.66 billion yen
Revenue composition 40.7%

Marketing media operations, digital promotion, app development/maintenance/operations, human resource services, etc.



Data Marketing

8.81 billion yen
33.7%

Supporting customer decision-making in marketing activities through data collection centered on online methods



Insight

6.71 billion yen
25.6%

Efforts such as consulting to solve problems, understanding consumers, and discovering the "why?" of consumers to support customer decision-making

Panel network
consisting of

11,854,487
people*

Detailed profiles in
a maximum of
2,500 categories



*As of Jun 30, 2024

Data analytics
technology and
organization of

about **300**
analysts



Internet research
system and
organization of

over **250**
engineers



Extensive customer
base across

a wide range
of industries



Utilization of large-scale network in a wide range of services tailored to client needs

Digital Marketing

Use of panels in promotion projects

Data Marketing

Primarily used in Internet research projects

Insight

Use in research projects such as interviews

Panel network of 11.9 million people

Detailed profiles in a maximum of 2,500 categories



Tie-up with about 30 companies

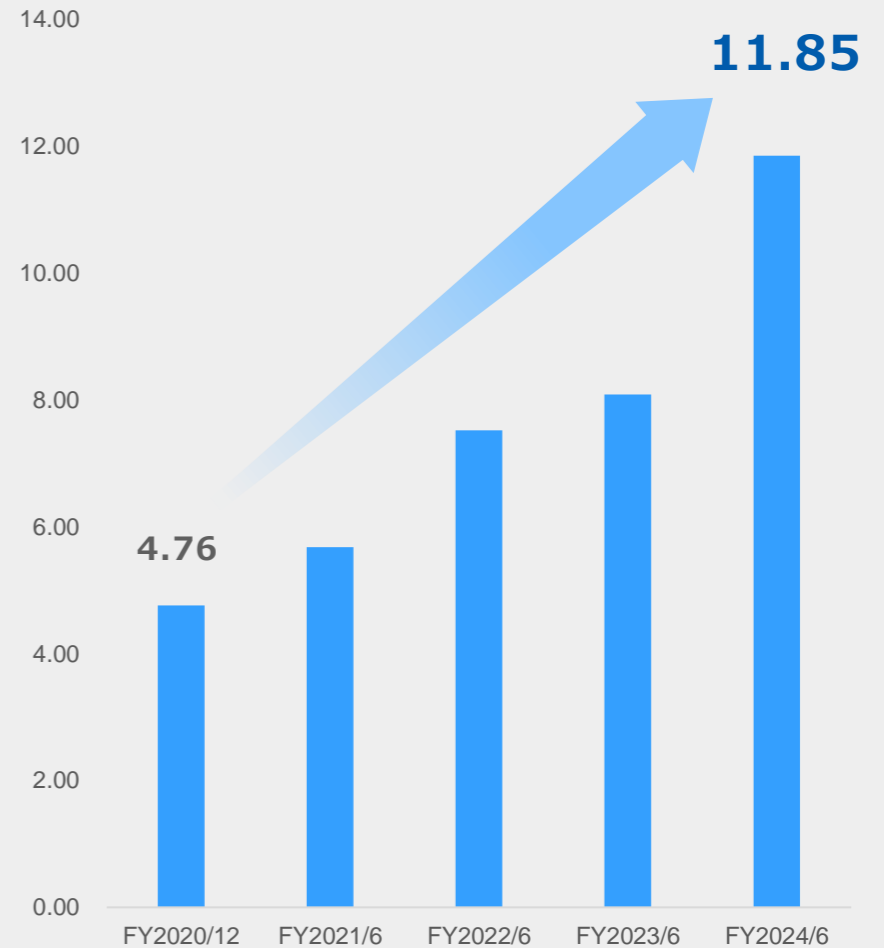
リサーチパネル

Loyalty Marketing, Inc.

dジョブ

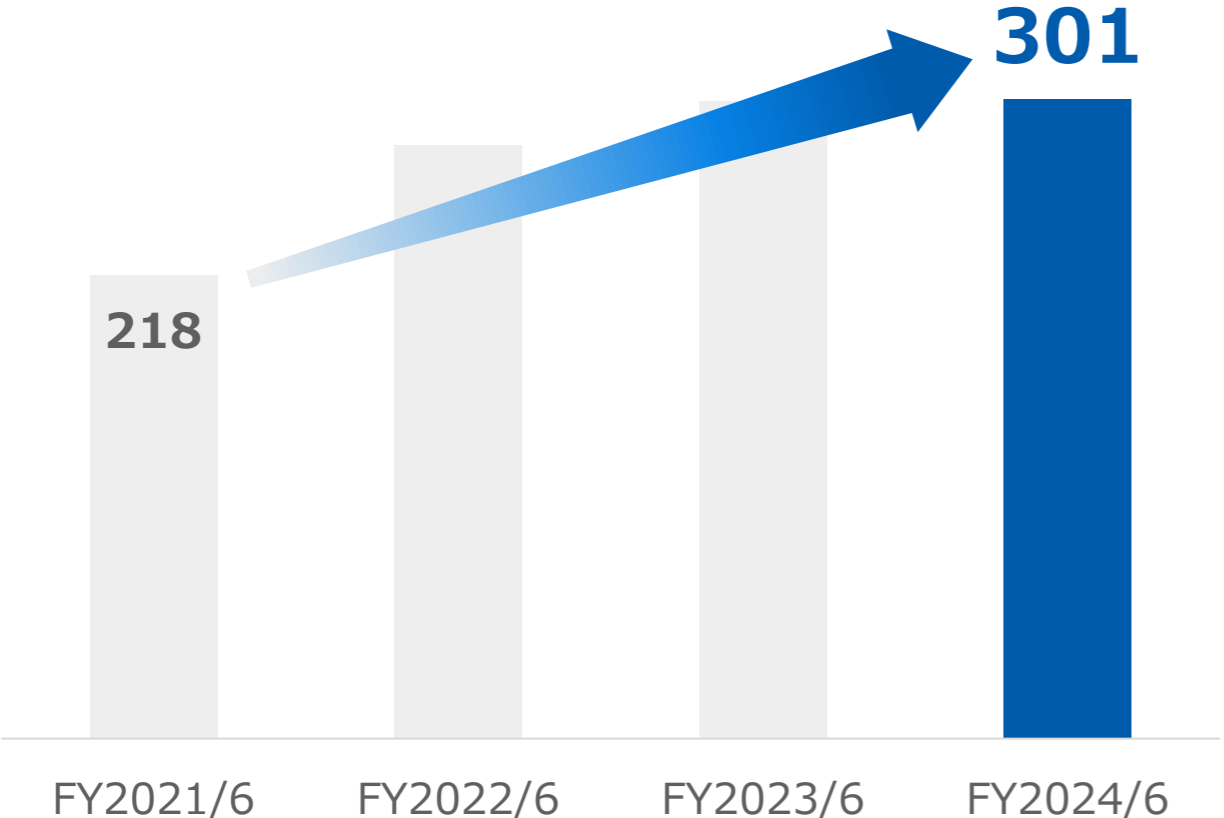
Growth of panel foundation

(Million people)

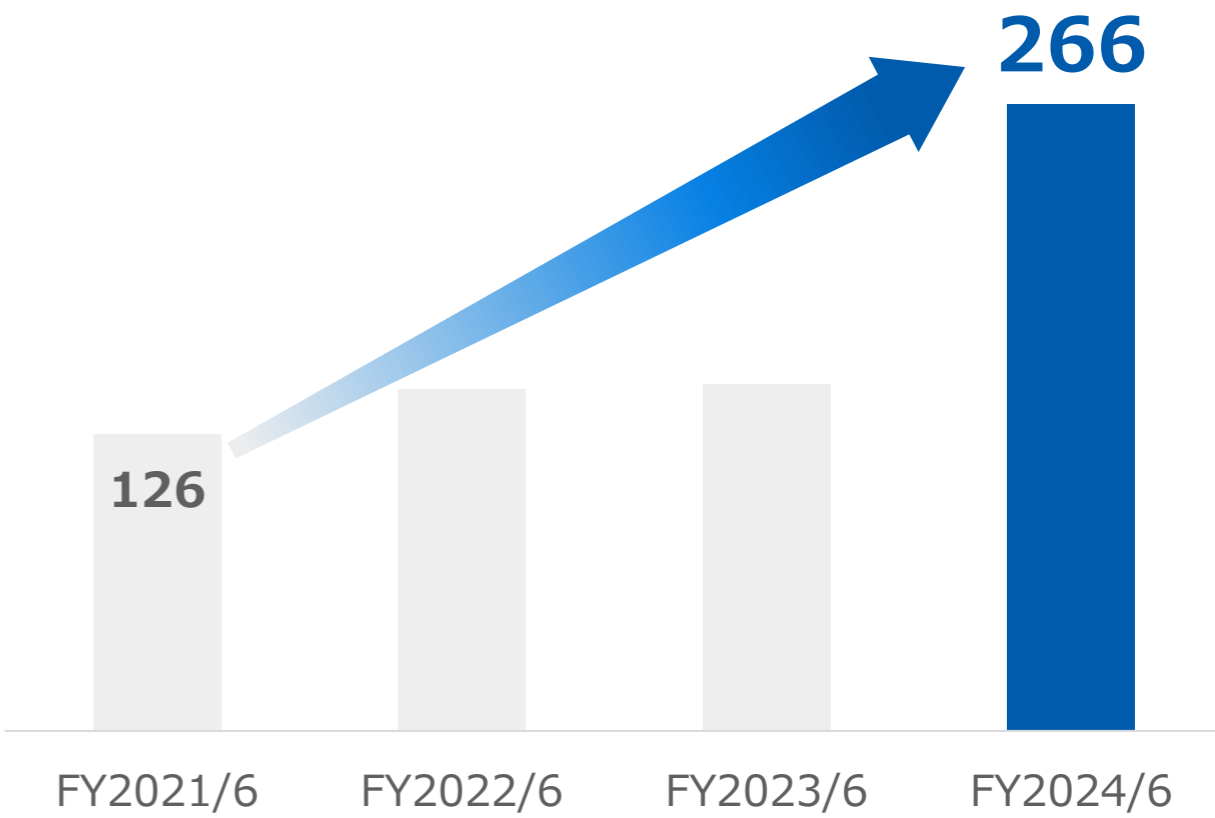


Expansion of human resource base: steady growth in the number of analysts and engineers
Strengthening our ability to support diversifying customer needs through M&As and internal development

Number of analysts

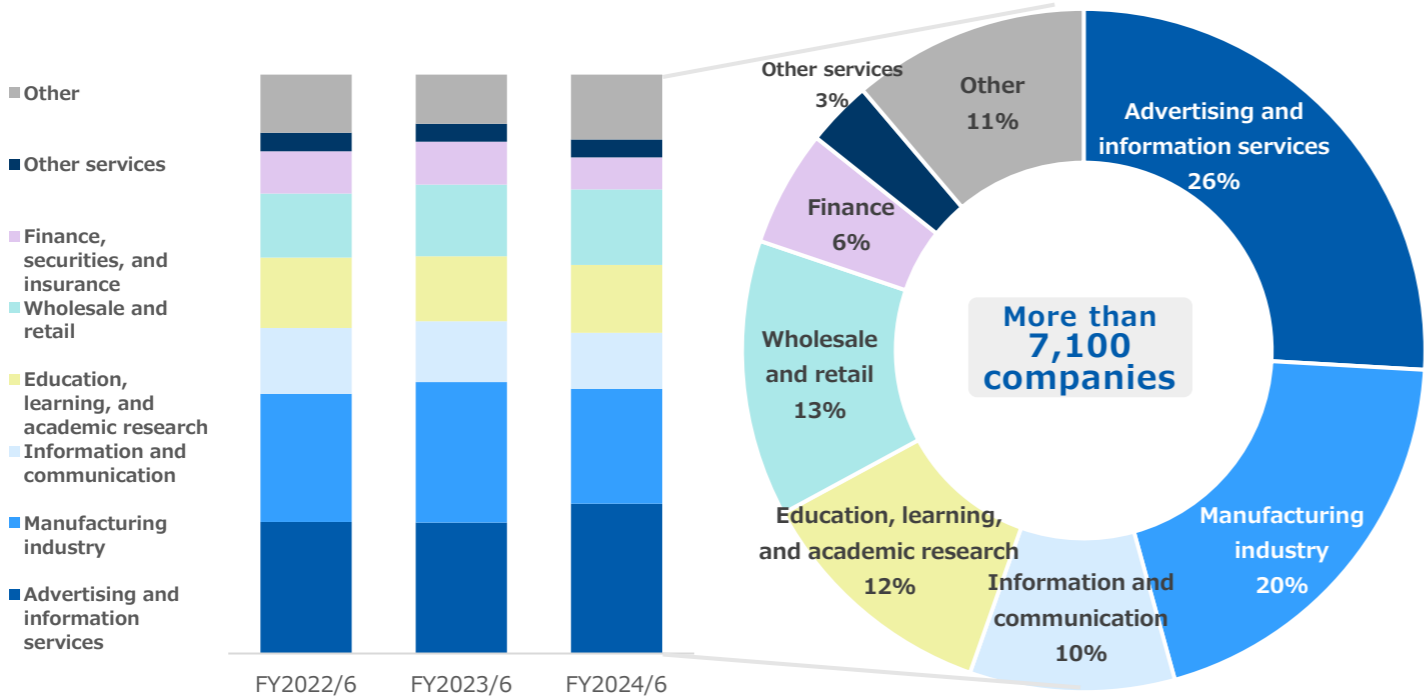


Number of engineers



Customer base of **more than 7,100 companies** per year (an increase of approximately **500 companies YoY**), spread across a wide range of industries
Engaged in a business that is not heavily dependent on specific customers

Revenue composition by customer industry

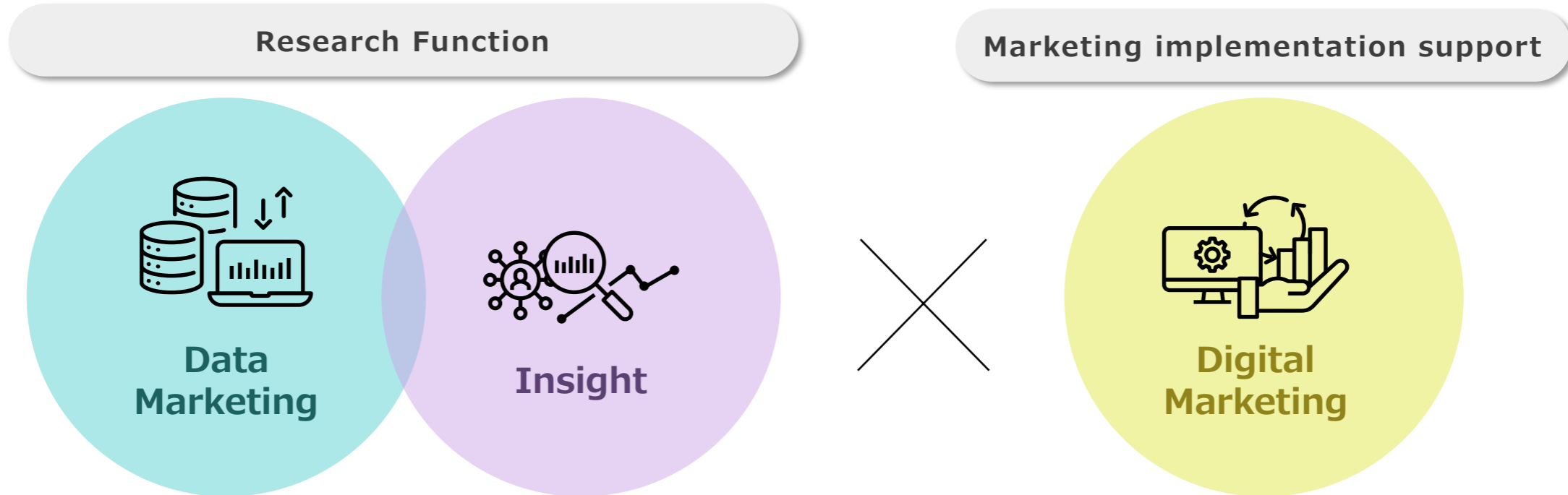


Overview of major customers and revenue composition (FY2024/6)

	Industries of major customers	Revenue (Million yen)	Composition of total revenue
1	Other services industry	402	1.5%
2	Communication industry	347	1.3%
3	Manufacturing (FMCG*) industry	284	1.3%
4	Information services industry	275	1.0%
5	Information services industry	233	0.9%
	.		
	.		
	Top 10 companies total	2,693	10.3%
	.		
	Top 100 companies total	9,016	34.4%
	.		
	Top 300 companies total	13,043	49.8%

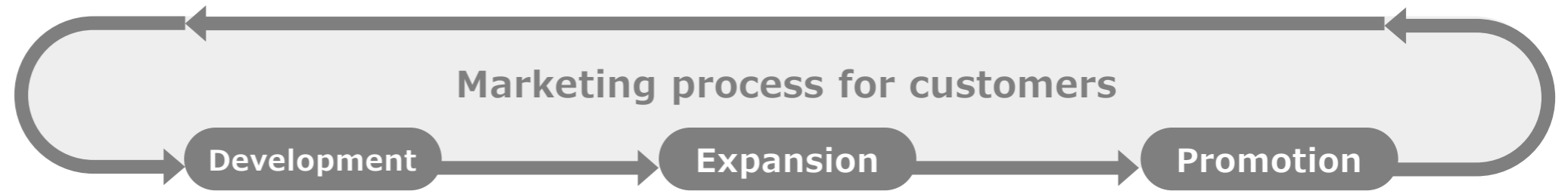
*FMCG is an abbreviation for "fast-moving consumer goods," which refers to products that sell relatively quickly such as beverages, food and cosmetics (daily consumables).

By combining research (understanding consumers) with marketing implementation support, we can provide **added value that leads directly to business promotion and growth** for client companies.



Comprehensive marketing solutions
based on data and understanding

In the customer's marketing process, we offer **one-stop services** for the process of carrying out measures, in addition to collecting data from consumers and analyzing and understanding this data.



Data Marketing
Efficiently collects data on consumers

Insight
Analyze and understand consumers' "why?"

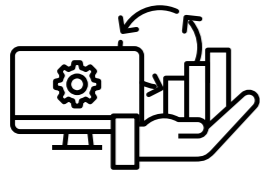
Digital Marketing
Implementation support based on data and understanding



*Consumers' "why?": Fundamental factors driving spending behavior that consumers aren't even aware of


Digital Marketing Business —Media and promotion—

Operation of sales promotion support media, and development of Internet advertising services




Total support from planning to execution and data measurement of customers' marketing initiatives


Providing sales promotion services combining data, technology, and the Internet




Sales promotion support media
もらえる・ためせる®
モリタX.net
レシート投票で毎日のお買い物にお得とハッピーを
テンタメ!


Internet advertising


Questionnaire ads
Questionnaire-style
article ads



Data-driven
programmatic
advertising



Social media marketing

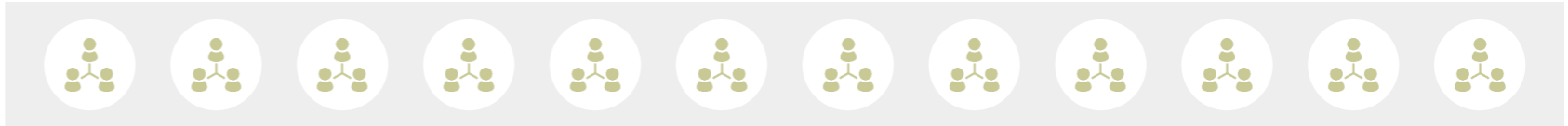


Third-party logistics



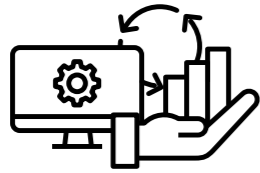
IP collaboration

Panel network consisting of 11.85 million affiliates



Digital Marketing Business —IT solutions—

Support for implementation of customers' marketing strategies



Providing system and application development, operations, maintenance, IT employee support/outsourcing

Major Businesses



Planning, development, and operation of mobile/smartphone websites and systems



Smartphone securities application development
Daiwa Connect Securities Co., Ltd.

Banking application development
Sony Bank Inc.



Recruitment support agency for engineers, marketers, and creators



Director and engineer temporary staffing business
Brand planning
Sales promotion
Advertising production business


Data Marketing Business

Internet-based Questionnaire Surveys



Efficient data compilation through Japan's largest network of panels

Largest in the industry
Panel network of **11.9 million people**
Detailed profiles in a maximum of 2,500 categories



Insight Business

Analysing and understanding consumer insights based on Fact Finding



Consulting to solve customers' marketing issues

In-depth research and analytical reporting based on consumer data/facts



Group interviews incl. CLT carried out annually
About **1,000** projects



CLT room where cooking is possible (Ningyocho)



Overseas fieldwork base (India)



Facilities in Japan (Hatsudai area of Shinjuku; Ningyocho)

Kadence Group

Research centers in North America, Europe, and Asia

Consumer data is efficiently compiled

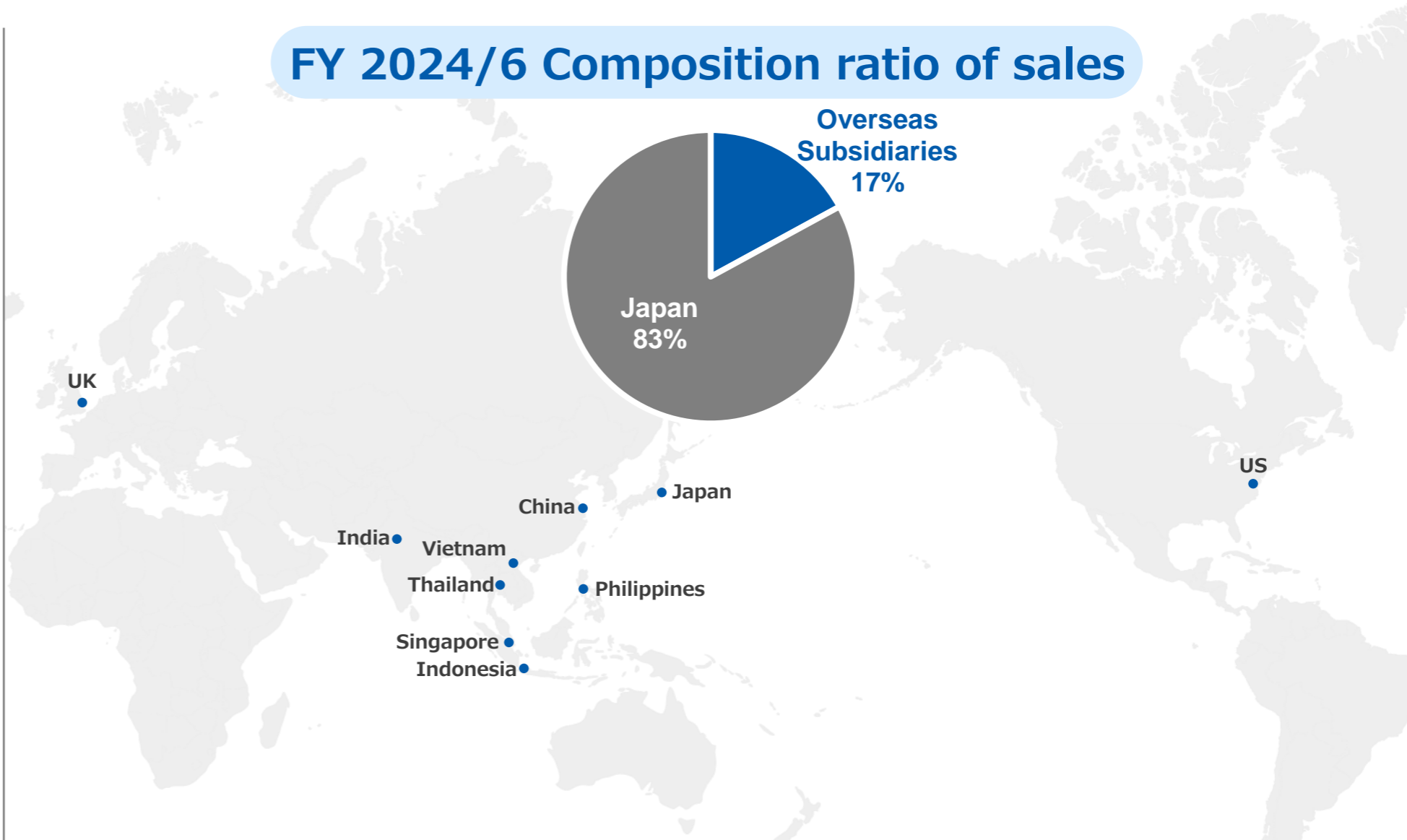


Analysis and understanding of consumer insights



Services provided by Group companies with expertise and bases in 10 countries around the world

FY 2024/6 Composition ratio of sales



5 Appendix

Fact Sheet(www.cm-group.co.jp/ir)

(JPY 100 Million)	FY2023/6	FY2024/6	YoY Growth Rate
Revenue	250.9	261.8	+4% ¹
Gross Profit	103.9	102.3	-2%
(Gross Profit Margin)	(41.4%)	(39.8%)	(-1.6pt)
SG&A	84.4	83.8	-1%
(SG&A Ratio)	(33.6%)	(32.0%)	(-1.6pt)
Operating Profit	19.5	18.4	-5%
(Operating Profit Margin)	(7.8%)	(7.0%)	(-0.8pt)
Ordinary Profit	18.8	19.1	+2% ²
Extraordinary Gains	-0.3	0.2	-
Income Taxes	8.2	7.4	-10%
Net Income Attributable to Owners of the Parent	10.1	11.9	+18% ³

Full-year revenue reached a record high

Digital Marketing Business drove performance

Slight increase in ordinary profit

In non-operating income/expenses, subsidies related to the opening of regional offices were a positive factor

Net income increased by 18%

Tax effects, etc., due to integration of Group companies led to a decrease in corporate taxes, etc. were a positive factor

(JPY 100 Million)	End of Jun. 2023	End of Jun. 2024	Changes
Current Assets	112.9	127.6	+14.7
Cash & Deposits	64.8	73.8	+9.0
Notes & Accounts Receivable	31.4	38.5	+7.1
Other	16.8	15.3	-1.4
Non-current Assets	30.2	38.7	+8.6
Goodwill	6.2	12.3	+6.1
Other	23.9	26.4	+2.5
Total Assets	143.1	166.3	+23.2
Current Liabilities	51.5	58.7	+7.2
Accounts Payable	9.8	12.3	+2.5
Short-term Debt*	13.4	16.3	+2.9
Other	28.2	30.1	+1.8
Non-current Liabilities	30.7	36.8	+6.1
Long-term Debt	27.6	33.5	+5.9
Other	3.1	3.3	+0.1
Net Assets	60.9	70.8	+9.9
Equity Ratio	42.0%	42.6%	+0.6pt

Maintained level of cash and deposits

Was sufficient for investment in business growth and repayment of debts

Balance of goodwill increased

Goodwill of newly consolidated subsidiaries caused an increase

Equity ratio of 42.6%

Maintained the level at the end of the previous fiscal year

*Short-term Debt including Long-term Debt, returned within one year

(JPY 100 Million)	FY2023/6	FY2024/6	Changes
Operating Cash Flow	18.0	15.7	- 2.3
Income Before Taxes	18.5	19.3	+0.9
D&A	4.0	5.9	+1.9
Decrease (increase) in Trade Receivables	5.6	- 7.1	- 12.7
Income Taxes Paid	- 6.5	- 9.0	- 2.6
Other	- 3.6	6.6	+ 10.2
Investment Cash Flow	- 9.0	- 12.4	- 3.4
Financial Cash Flow	0.3	4.5	+ 4.2
Net Proceeds and Payments of Short-term Debt	- 0.6	0.5	+ 1.1
Net Proceeds and Payments of Long-term Debt	12.6	6.9	- 5.7
Other	- 11.7	- 2.9	+ 8.8
Cash Equivalents at the End of Period	64.8	73.8	+ 9.0

1 Income before tax increased

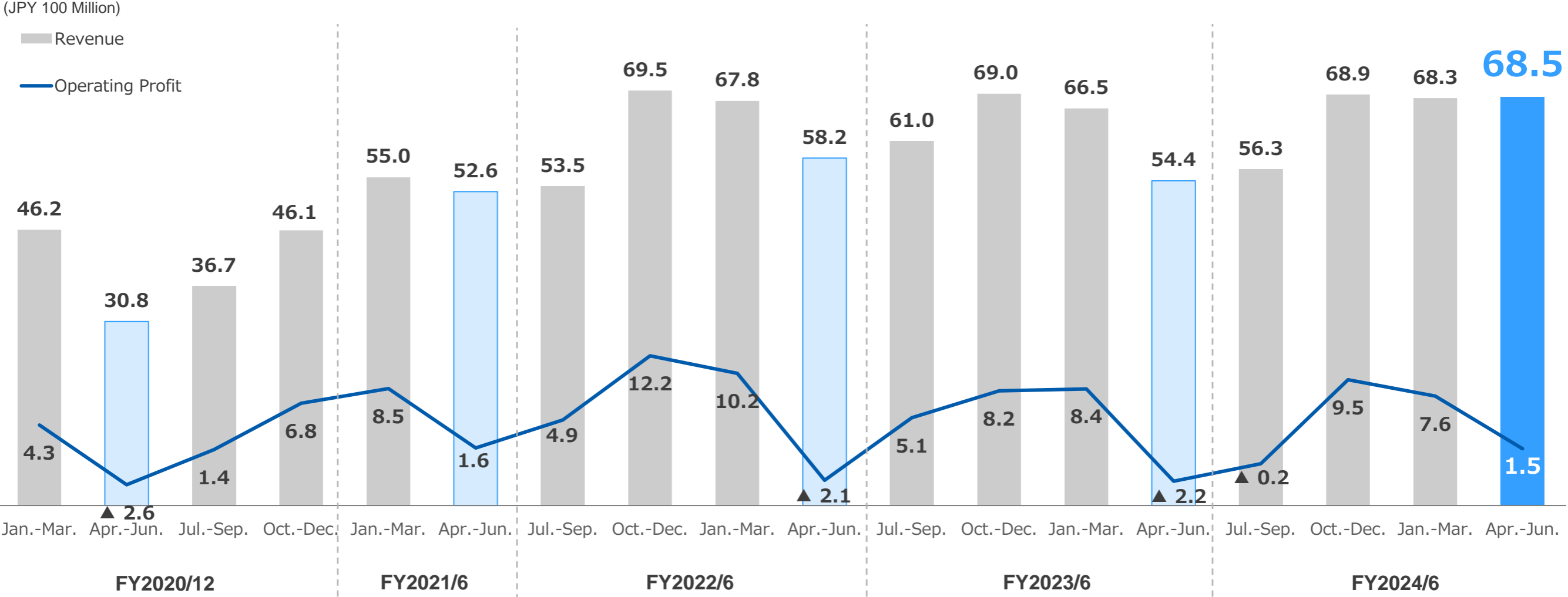
2 Financing cash flows increased YoY

Mainly due to share buybacks in the previous year

3 Cash and deposits increased

Continued at a sufficient level for investment in business growth and repayment of debts

Revenue in 4Q reached a record high
Quarterly revenue level gradually increasing despite the seasonality between slow and busy periods



Cautionary Statement regarding the Material

The Purpose of this document is to provide information on business performance and not to solicit investment in securities issued by the company. The opinions and forecasts contained in this document are based on the judgment of the Company at the time this document was prepared, and it is subject to change in the future.

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