

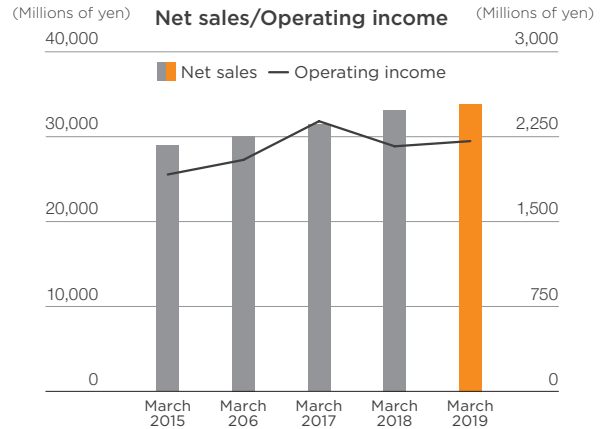


Marketing Support

(Consumer Goods & Services)

Business Results | The Marketing Support (Consumer Goods & Services) segment reported net sales of ¥33,815 million (up 1.9% year on year) and operating income of ¥2,211 million (up 2.2%) in fiscal 2018. In the segment, performance of panel research was robust while performance of custom research through methods other than Internet surveys was favorable. In particular, “Central Location Tests” (CLT)* mainly of product evaluation, as well as overseas research commissioned by Japanese companies, and public-sector projects undertaken by INTAGE RESEARCH Inc., contributed to an increase in sales. The segment steadily invested in design and development related to SRI+, and also achieved an increase in operating income.

* The CLT is a survey method where respondents are invited to attend a product test held at a specific testing location.



Competitive Advantages

Close to 60 years of know-how in dealing with data
Japan's largest and high-quality research panels

Product Master data with fresh information
Connecting more than 65 industries from a neutral position

SCI (Nationwide Consumer Panel) 52,500 people Japan's largest	SRI (Nationwide Retail Store Panel) 4,000 stores Japan's largest	INTAGE Single Source Panel 30,000 people Japan's largest	Mobile space research monitors 76 million people Japan's largest	Smart TV viewing data 900,000 sets The largest scale in Japan
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Value Creating Steps

- Japan**
 - Growth and improvement in profitability in custom research
 - Development of communication support operations for advertisers
 - Solid launch of SRI+, and creation of examples and prospects in the distribution area business in Phase *2
- Overseas**
 - Exploitation of business areas that do not depend on conventional custom research
 - Launch of a cross-border regional sales organization
 - Development of local corporations to enhance marketing and sales activities

*Phase 2: Phase 1 is to aim at enhancing the value of SRI by improving both its market concurrence of SRI results and data precision. Phase 2 is for development of new services by integrating diverse big data.

Large-scale upgrade of the mainstay SRI (Nationwide Retail Store Panels) 	Number of research samples Current SRI Approx. 4,000 stores → SRI+ Approx. 6,000 stores
	Number of sample stores Plan to acquire data from some retail chains' all stores and add about 2,000 stores to the number of samples.
Changes in design, in response to the changing environment and needs of clients	Established market data that combine both the concurrence with the relevant market, which is sustainably guaranteed, and fine-granular data (i.e., daily data, store segment data), which are easily used in combination with various data from other sources. The sampling design of “Store Format X Area” enables making of estimates for individual stores, on the basis of belonging to a retail chain.

Opportunities

Our services must adapt with changes in the environment of our clients, such as the increase in diversity of store formats of retail chains and the rise of e-commerce. At the same time, our clients, including manufacturers of food products, beverages, and miscellaneous daily items, are increasingly using data that integrate a diversity of big data, along with an increase in types and volume of data generated from their own website and at their business partners. Responding to such situation, we are making a major upgrade of our mainstay SRI and thereby intend to provide more useful opportunities to clients.

Official launch of SRI+

Toward realizing “Data Activation”

Enhance the value of the data held by our clients, by incorporating INTAGE's unequalled insight derived from research data and amalgamating it with diverse big data.



iTree, a tool to integrate and centralize various different marketing data, helps improve productivity of marketing operations

Smart marketing by using iTree

In a digitalized, data-abundant age of everything being connected on the Internet, people have acquired multiple tracks in their daily lives, and their consumption is increasingly diversified. In such an environment, more and more marketers are troubled over how effectively and efficiently the wealth of data can be used. In addition, marketing work tends to rely on personal efforts and involve a high degree of manual tasks, while the marketers now also have to cope with staffing shortages and need for the workstyle reform. A significant challenge therefore is how effectively marketing operation can be conducted in a limited time.

In April 2019, INTAGE Inc. released the iTree Tracking Navigator as the first round of content-related

service specialized in brand audits (checking). It has been favorably received by consumer goods manufacturers.

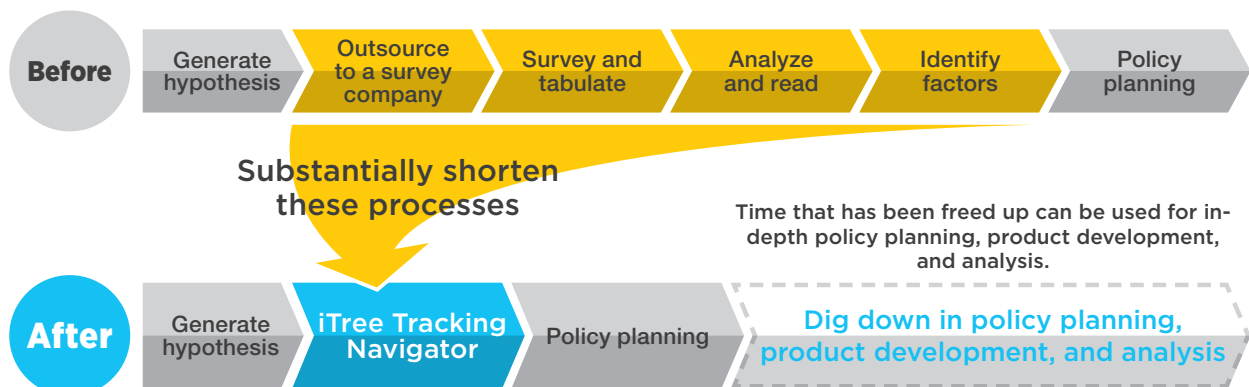
Use of the iTree Tracking Navigator enables automation of approximately 70% of checking work of a marketing PDCA cycle.

As the Navigator comes with a preinstalled centralized lineup of various data based on analytical steps, a user only needs to click a button in order to speedily determine the outcome of a marketing operation and identify factors to be used for the next marketing action.

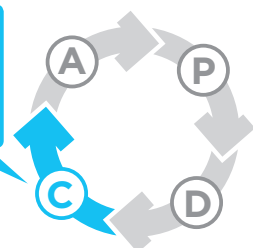
The time freed up by this automated checking can be reallocated to tasks such as policy planning and developing products.

Illustration of the benefits from using the iTree Tracking Navigator

The process from brand audit to policy planning



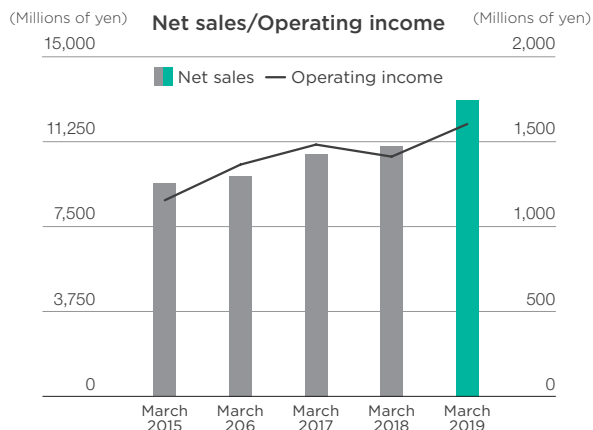
Automates approximately **70%** of the work



iTree Tracking Navigator Screen image



Business Results | The Marketing Support (Healthcare) segment reported net sales of ¥13,086 million (up 18.2% year on year) and operating income of ¥1,604 million (up 13.6%) in fiscal 2018. ANTERIO Inc. posted favorable performance in the custom research business for prescription drugs and panel research on over-the-counter drugs throughout the year. In addition, positive impacts of acquiring Junicon Japan and KYOWA KIKAKU Ltd. contributed to sales. Meanwhile, ASKLEP Inc. recorded a decline in sales year on year due to severe business conditions in its main business of contract research organization (CRO) services in post-marketing surveillance. Operating income increased significantly on a revenue gain, despite some negative impacts from a decrease in CRO sales.



Competitive Advantages

Marketing research in the healthcare field

- Value of medical consumer-oriented data
- Diverse types of panels that are highly evaluated by customers

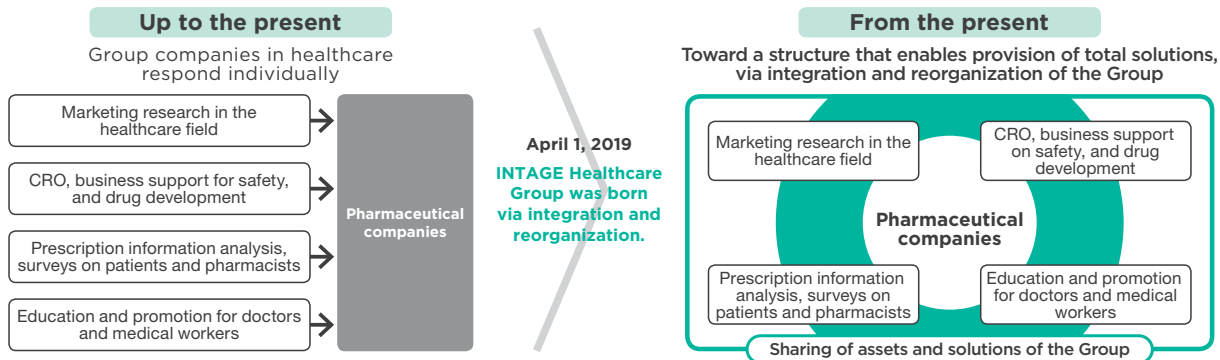
CRO (Contract Research Organization)

- Over 20 years of track record as Japan's pioneer in CRO
- Ownership of ADDIN, a self-developed EDC* system solution specifically designed for post-marketing surveillance

81,000 doctors Doctor monitors	680,000 patients Case panels	80 Disease panels	51,000 individuals Panel of those involved in medical and welfare (excluding doctors)	3,200 OTC retail stores SDI (nationwide drugstore tracking research)
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* EDC stands for "electronic data capture." It means the electronic collection of clinical data by using the Internet or refers to its system.

Value Creating Steps



On April 1, 2019, former ANTERIO Inc., specialized in market research in the healthcare field, and ASKLEP Inc., which has CRO as its core business, merged and became INTAGE Healthcare Inc. On that occasion, all companies responsible for the Group's healthcare operations were structurally reorganized to be directly under INTAGE Healthcare Inc. This enables INTAGE Healthcare Inc. and other Group companies to provide integrated solutions to pharmaceutical companies. We aim at assisting their optimal decision making on all kinds of issues in the healthcare field, by adding further value to data that starts with medical consumers.

Opportunities

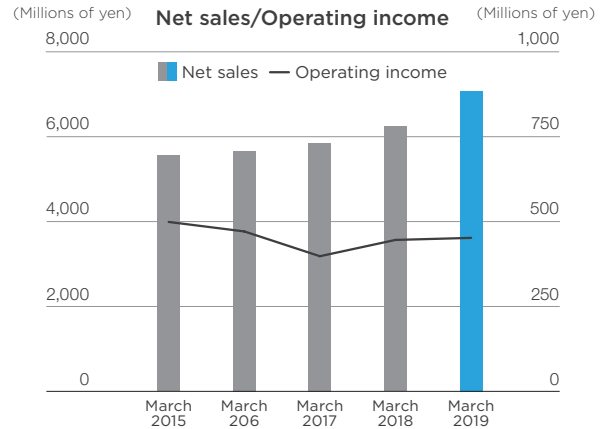
The healthcare industry is in the midst of the drastically changing environment. In rapidly-aging Japan, the government is launching various measures in order to curb an increase in medical expenses and reform people's mind-set on medical care. The healthcare industry, including pharmaceutical companies and hospitals, therefore needs to take diverse initiatives, which address issue of the changing general and medical consumers, the rise of information technology (IT), and latest drug development. With the integration and reorganization in 2019, we in the INTAGE Group's healthcare business strive to respond to our customers' needs and contribute to the customers' performance, by sharing our assets and solutions, and providing total solutions.

- Changing medical environment**
Tightening of regulations of pharmaceutical companies by the "Guidelines on ethical drug detailing activities" issued by the Ministry of Health, Labour and Welfare (MHLW)
- Pharmaceutical companies' emphasis on the viewpoint of medical consumers**
Growing emphasis on the viewpoint of consumers, along with more diversity in preventive healthcare (health economics, quality of life (QOL), etc.)
- Needs in education for doctors**
Growing education opportunities (seminars, etc.) to doctors, in keeping with the changing medical environment
- Needs for social security reform, responding to a shortage of doctors and an aging society**
As medical expenses borne by the population in Japan are increasing, the Japanese must need to change their mind-set (on disease prevention, health insurance, hospital visits, generic drugs, etc.)



Business Intelligence

Business Results | The Business Intelligence segment reported net sales of ¥7,084 million (up 13.5% year on year) and operating income of ¥452 million (up 1.4%) in fiscal 2018. The growth in net sales of the segment was attributable to an increase in development projects for the life insurance sector and in development projects and management projects for the travel sector, as well as to contributions from Buildsystem Co., Ltd. and NSK Corporation, which have become subsidiaries. Moreover, new initiatives began to show some positive impact, such as a rise in demand at INTAGE TECHNOSPHERE from the manufacturing industry for its anomaly detecting service that makes use of AI. Despite some unprofitable projects, operating income increased thanks to the steady revenue growth.



Competitive Advantages

Independent system integrator

While many system integrators tend to be subcontractors of major companies, we, as an independent SI, receive orders directly from customers.

Extensive experience and know-how of many years in specific industries

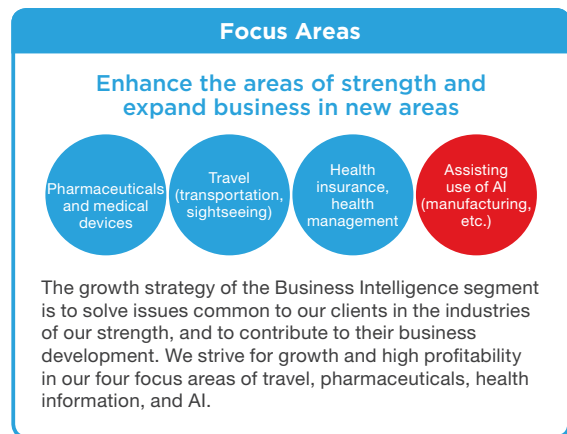
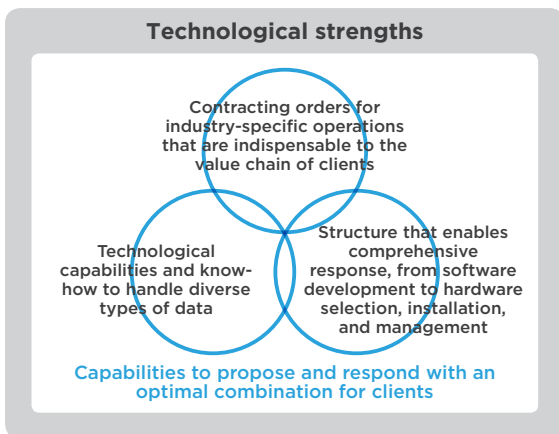
With its long history starting in 1960, the INTAGE Group has worked for many years in development and contracting services some industry-specific systems, and gained a profound understanding of the work process of customers.

- Pharmaceuticals and healthcare
- Travel (transportation, sightseeing)
- Health insurance, health management

Cutting-edge initiatives

We have accumulated a track record, by advancing new initiatives to use whatever methods work in solving issues of our clients, who need to use AI or big data.

Value Creating Steps



Opportunities

A “demographic tax” period occurs when the demographic shift starts to have negative impact on the economy. The ongoing decline in population will further accelerate in Japan, a change which unsurprisingly poses a direct threat to business activities through such changes as the decline in the population of productive working age. Against this background, the “use of IT” is a big keyword. The demographic challenge which affects all companies can also become a big business opportunity for the Business Intelligence segment. We strive to contribute to productivity gains and more efficient operations of companies by use of IT.

Japan has entered into a “demographic tax” period.



Increasing IT needs by companies



System construction

Backup provided by a total solution
Proposal on productivity gains and more efficient operations to companies