

Moving forward with business optimization and aiming for continued profit growth

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Both sales and profit grew in the fiscal year ended June 2025, and our operating margin improved

In the fiscal year ended June 2025, we achieved growth in both sales and profit, and our operating margin also improved. I believe that our major task this fiscal year was to demonstrate our earning power, both internally and externally. While we did not achieve the upwardly revised targets that we set in February 2025, the results that we did achieve were much better than our initial forecasts. This reflected the contributions of the newly consolidated DOCOMO InsightMarketing, INC. (hereafter, "DIM") and the growth of existing businesses.

At the same time, we experienced temporary downward pressure on profitability, mainly due to the parallel operation of the old and new versions of the SCI (Nationwide Consumer Panel Survey) associated with its renewal, the upfront investment in the new SCI-CODE integrated database,¹ and temporary expenses related to our cooperation with

NTT DOCOMO, INC. (hereafter, "DOCOMO"). However, by absorbing these burdens we reinforced our infrastructure, helping us build the foundations for future growth. We also posted extraordinary income associated with the transfer of the CRO (Contract Research Organization) business, a move intended to optimize our business portfolio.

As a result, with a profit-oriented management approach, we achieved growth in both sales and profit in the fiscal year ended June 2025, along with a turnaround in our operating margin after it had trended downward in recent years. In doing so, we demonstrated our earning power both internally and externally. While this trend is still in its infancy, we will use it as an opportunity to pave the way to a return to sustainable growth.

The renewal of the SCI was completed in March 2025, and the shift to operating just the new version of SCI was in April. This has ended the concurrent generation of expenses for both the old and new versions of the SCI, which occurred during the transition period. This improved profitability. Under profit-oriented management, we have continued to implement cost optimization measures, including reductions in fixed costs.

Entering a new growth phase through cooperation with DOCOMO

In September 2023, we formed a capital and business alliance with NTT DOCOMO, INC. and joined the DOCOMO Group. In relation to this, we made DIM a wholly owned subsidiary. It was previously an affiliate. As a result, our data infrastructure for marketing intelligence, one of our strengths, expanded significantly. A system that enables us to create new value that we can provide to customers is being developed by combining the diverse data² linked individually to more than 100 million members of d POINT CLUB (as of March 31, 2025), which is one of the largest membership bases in Japan, with the INTAGE Group's purchase data, panels, and data handling capabilities covering analysis and visualization.

A specific example is the start of the provision of the docomo data clean room in August 2024, which was released jointly by DOCOMO, DIM, and INTAGE Inc. Data possessed by our corporate clients are combined with and integrated into purchase data, including data from the SCI and various data from DOCOMO, in a secure environment and used for targeting design, the verification of effects, and other purposes. This cooperation increases synergy along all of the axes of data collection, the generation of value from data, and data structuring, which the INTAGE Group has set as the direction of growth toward 2030. We believe that this expansion will be a major growth driver in the future.

We will continue to develop a system for increasing our cooperation with DOCOMO. We are considering a number of specific measures to be implemented in line with the 15th Medium-Term Management Plan that will be launched in July 2026.

Optimization promoted to facilitate future growth and capital efficiency

Under the Growth with Optimization — Establishment of a New Business Portfolio basic policy established in our FY2025 business plan, we are focusing on creating growth potential through the optimization of the Group as a whole and then converting this potential into a source of growth. In corporate management, we use base profit as an internal index to eliminate the impact of temporary expenses associated with M&A activities and our cooperation with DOCOMO, which are included in operating profit, and to facilitate a correct understanding of the earning power of existing businesses. Using this index, we have visualized our base earning power and are taking steps to improve it. While respecting the accumulated strengths of each operating company, we will standardize their overlapping functions to increase the speed of our decision making. Essentially, we will use the benefits of spin-offs to continue to drive our business forward, using the cost reductions achieved through the steady accumulation of optimization initiatives by eliminating overlaps and deploying the cost savings as a source of growth.

As an initiative to enhance corporate value over the medium and long term, we practice management that is conscious of the cost of capital and the profitability of capital. While we understand that the cost of shareholders' equity in the INTAGE Group has been between 5% and 8% in the last several years, we have conservatively adopted an 8% cost of capital which we use internally. In the fiscal year ended June 2024, our ROE was 7.8%, almost the same as the cost of shareholders' equity, reflecting an increase in temporary expenses related to the parallel operation of the old and new versions of SCI and the capital and business alliance with DOCOMO. In the fiscal year ended June 2025, however, our ROE recovered to 10.7%, and our year-end PBR improved to 2.0. We will continue to aim for an ROE of around 12.0%.

Under the basic policy on the allocation of profits for the period of the 14th Medium-Term Management Plan,

we pay progressive dividends, aiming for a consolidated dividend payout ratio of 50%. In the fiscal year ended June 2025, we introduced an interim dividend and increased our dividends for the 12 straight fiscal year.

Aiming to continue to improve profitability and transparently disclose information

In the fiscal year ending June 2026, the final fiscal year of the 14th Medium-Term Management Plan, net income is expected to decrease due to the absence of the gain on sale of the CRO business recorded in the previous fiscal year. However, the earning power of our main businesses will increase steadily, and we forecast that operating profit and ordinary profit will achieve double-digit growth. In the short term, we are emphasizing improvements in the profit margin and cash flows from operating activities. In the medium term, we are targeting an ROE of around 12% while expanding growth businesses, mainly including synergy businesses with DOCOMO.

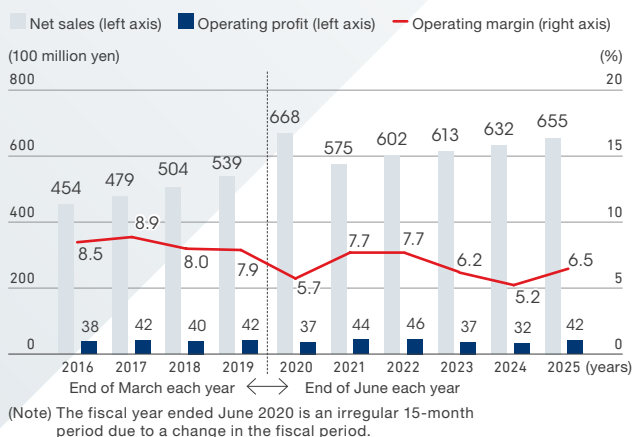
Moreover, we will strive to provide even more information through our IR activities, to provide investors with greater insight into the current status and future of the INTAGE Group. Meanwhile, we intend to further refine and articulate the framework of our capital policy under our next medium-term management plan, so that we increase our transparency in this regard for external stakeholders.

We have maintained the stable growth of our existing businesses through optimization initiatives while continuing to invest as necessary. At the same time, we have created a privileged environment that enables us to leverage the customer base and behavioral data possessed by DOCOMO thanks to our alliance with the company. This has enabled us, to enter domains we were unable to access on our own. We continue to take on new challenges in new business domains. We anticipate that by doing so, we will create growth businesses.

We invite you to continue to follow the activities of the INTAGE Group, which has entered a new era of creating new value.

*1 A large database that includes information about around 400,000 people created using the same format that was used for the new version of SCI from INTAGE Inc. and CODE (Kai-log) from Research and Innovation Co., Ltd., a Group company, so that the information can be provided from the same perspective.
*2 Individuals are not identified.

Change in Business Results Over the Past Ten Years



Trends in ROE and PBR

