

Full-Term Results Briefing for the Year Ended June 30, 2012 (FY13)



 THE NETRESEARCH COMPANY
macromill[®]
First Section, Tokyo Stock Exchange (3730)

1. Results for the Fiscal Year Ended June 30, 2012 (FY13)

Overview of Full-Term Results for the Year Ended June 2012

- ✓ Both sales and income reached targets, posting record high levels
- ✓ Income growth exceeded sales growth

		4th quarter (standalone) (April 1 – June 30)			Full year (July 1 – June 30)			Full-year forecast (July 1-June 30)	
		FY2012/6	FY2011/6	YoY	FY2012/6	FY2011/6	YoY	(% achieved)	
Consolidated	Net sales	3,510	2,973	118.0%	14,229	12,210	116.5%	14,200	(100.2%)
	Ordinary income	417	367	113.6%	2,975	2,522	118.0%	2,900	(102.6%)
	Ordinary profit margin	11.9%	12.4%	Δ0.5pt	20.9%	20.7%	+0.2pt	20.4%	+0.5pt
	Extraordinary loss	0	2	19.2%	8	259	-	-	-
	Net income	160	104	153.2%	1,525	1,171	130.3%	1,500	(101.7%)

*Reference

dated consoli- Non-	Net sales	3,195	2,964	107.8%	13,847	12,212	113.4%
	Ordinary income	534	682	78.3%	3,642	2,912	125.1%

(Note) On August 1, 2010, the Company succeeded to the market research business of Yahoo Value Insight, Inc. through an absorption-type demerger.

FY2012/6 Context and Summary

Major theme 1

Realized steady growth
in domestic marketing research business

- ✓ Also realized double-digit growth in sales and ordinary income in 13th fiscal term
- ✓ Over 10% growth in almost all client industries except for the electrical industry
Specifically, the food industry
realized 20% growth due to cross selling with QPR and qualitative research

Major theme 2

Preparing, sowing seeds for medium-term growth

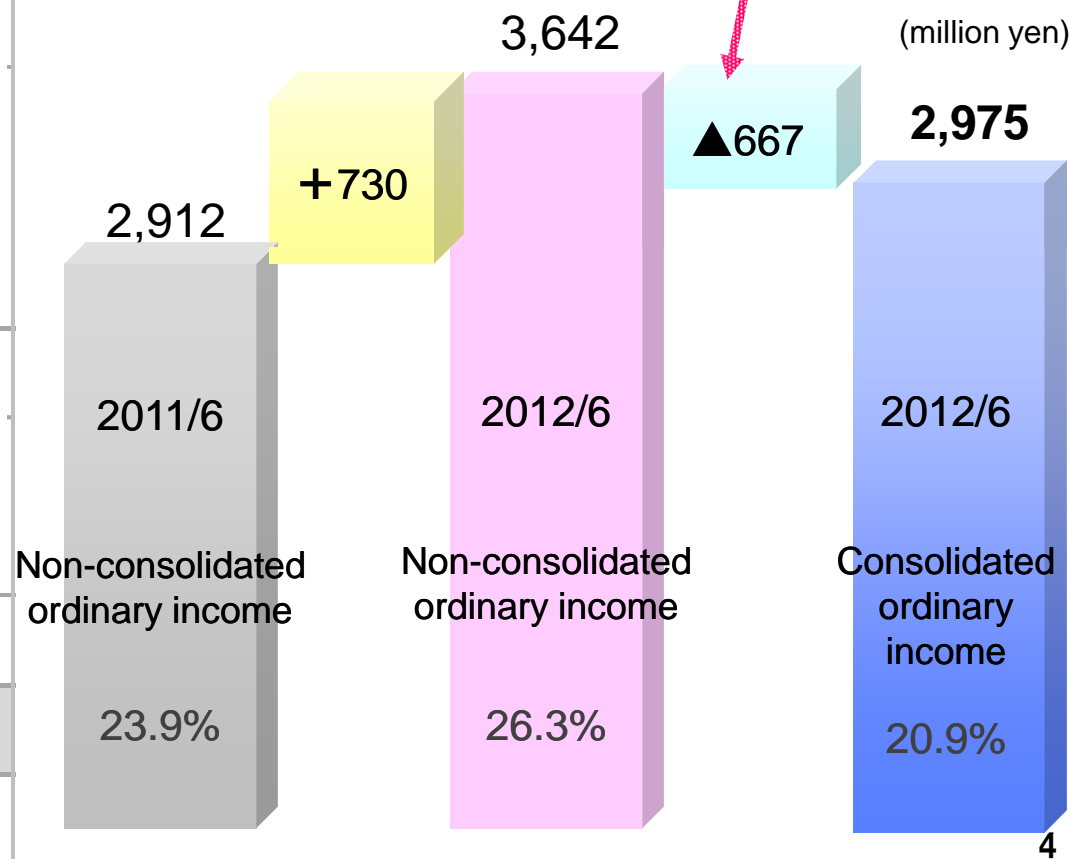
- ✓ Issued 5 billion yen in CBs. Fund procurement aimed at growth investment, improving capital structure
- ✓ Major investment in South Korean corporation EMBRAIN and integration with Macromill Korea
Sets the stage for business expansion in South Korea
- ✓ Investment in new business domain; challenges and opportunities have become apparent as business develops in China
- ✓ Realizes improved EPS/ROE

Changes in Income and Cost Structure (full year)

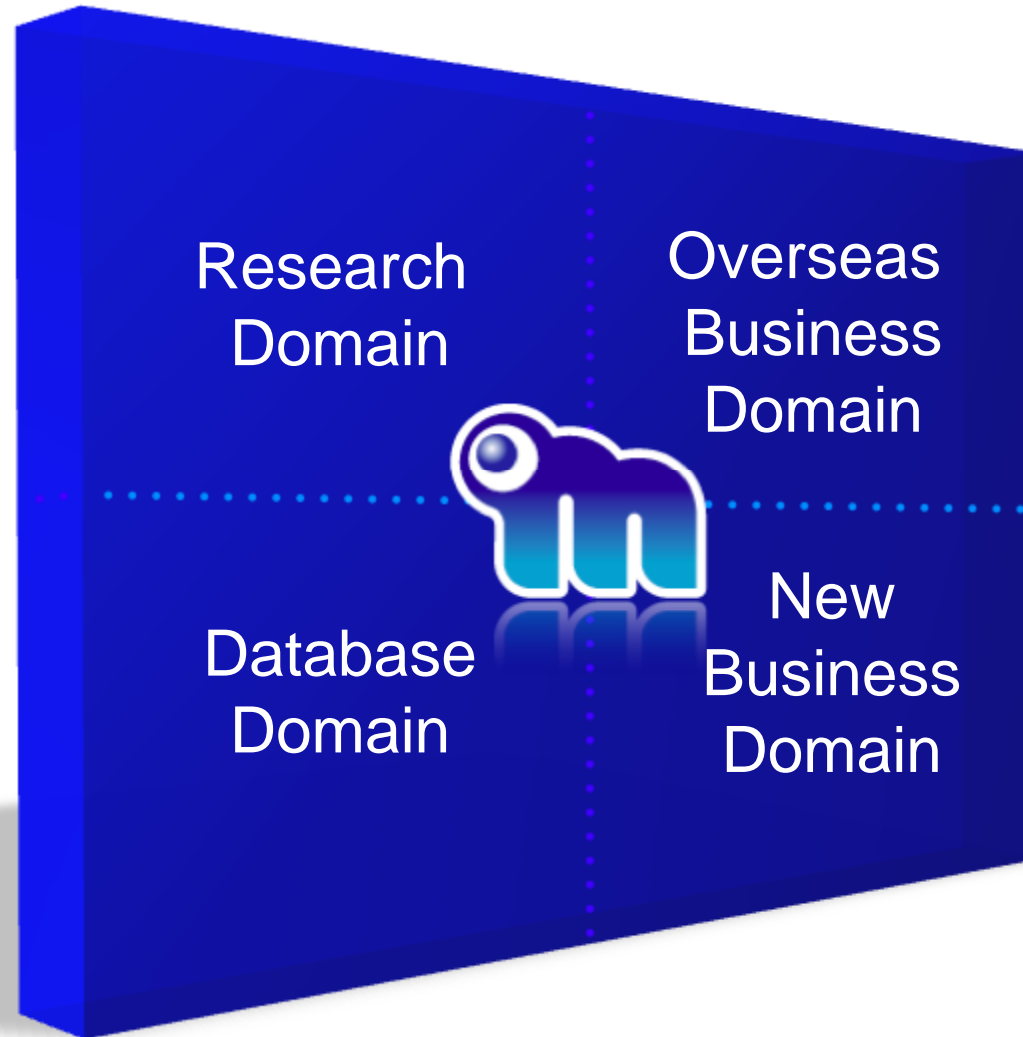
Non-consolidated	FY2012/6		FY2011/6		YoY
	Amount	%	Amount	%	
Net sales	13,847	100.0	12,212	100.0	113.4
COGS	6,717	48.5	6,119	50.1	109.8
Personnel	1,879	13.6	1,758	14.4	106.9
Panelists and outsourcing	3,760	27.2	3,060	25.1	122.9
Other	1,077	7.8	1,299	10.6	82.9
SG&A	3,480	25.1	3,235	26.5	107.6
Personnel	2,093	15.1	1,957	16.0	106.9
Other	1,386	10.0	1,277	10.5	108.6
Ordinary income	3,642	26.3	2,912	23.9	125.0
(consolidated ordinary income)	2,975		2,522		117.9
Net income	2,016	14.6	1,424	11.7	141.5

•Upfront investment in subsidiaries and loss from existing investments

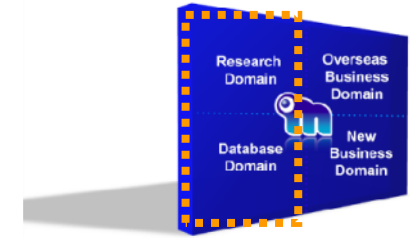
M-Cube and Associates -140
M-WARP -269
Macromill China -104. etc.



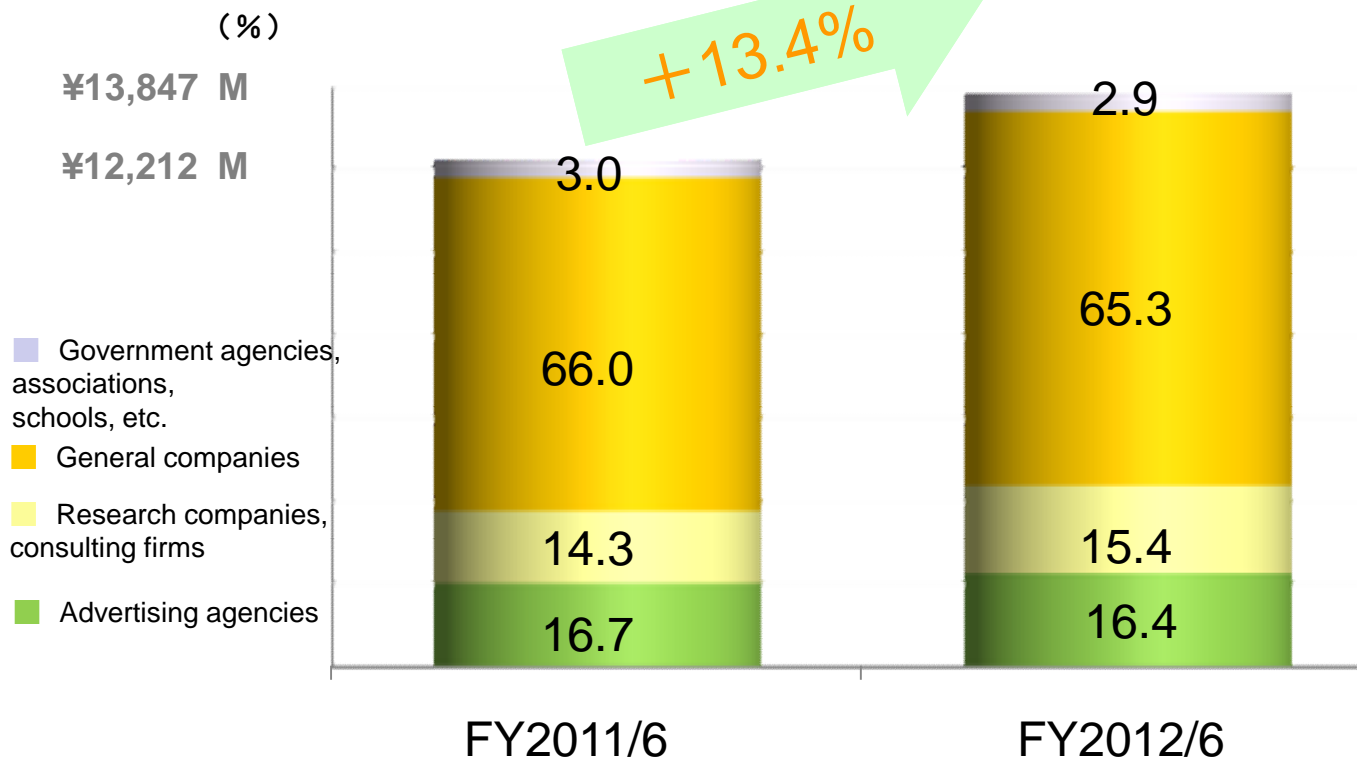
Macromill Strategy Map



Breakdown of Sales by Category (non-consolidated)

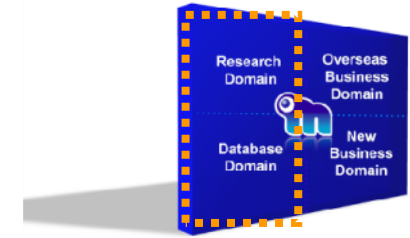


- ✓ Realizes over 10% growth year on year in nearly all industries except for electricals . Solid expansion continues.
- ✓ Growth in food industry was especially positive. Differentiated against the competition by proposing added value through cross selling with QPR

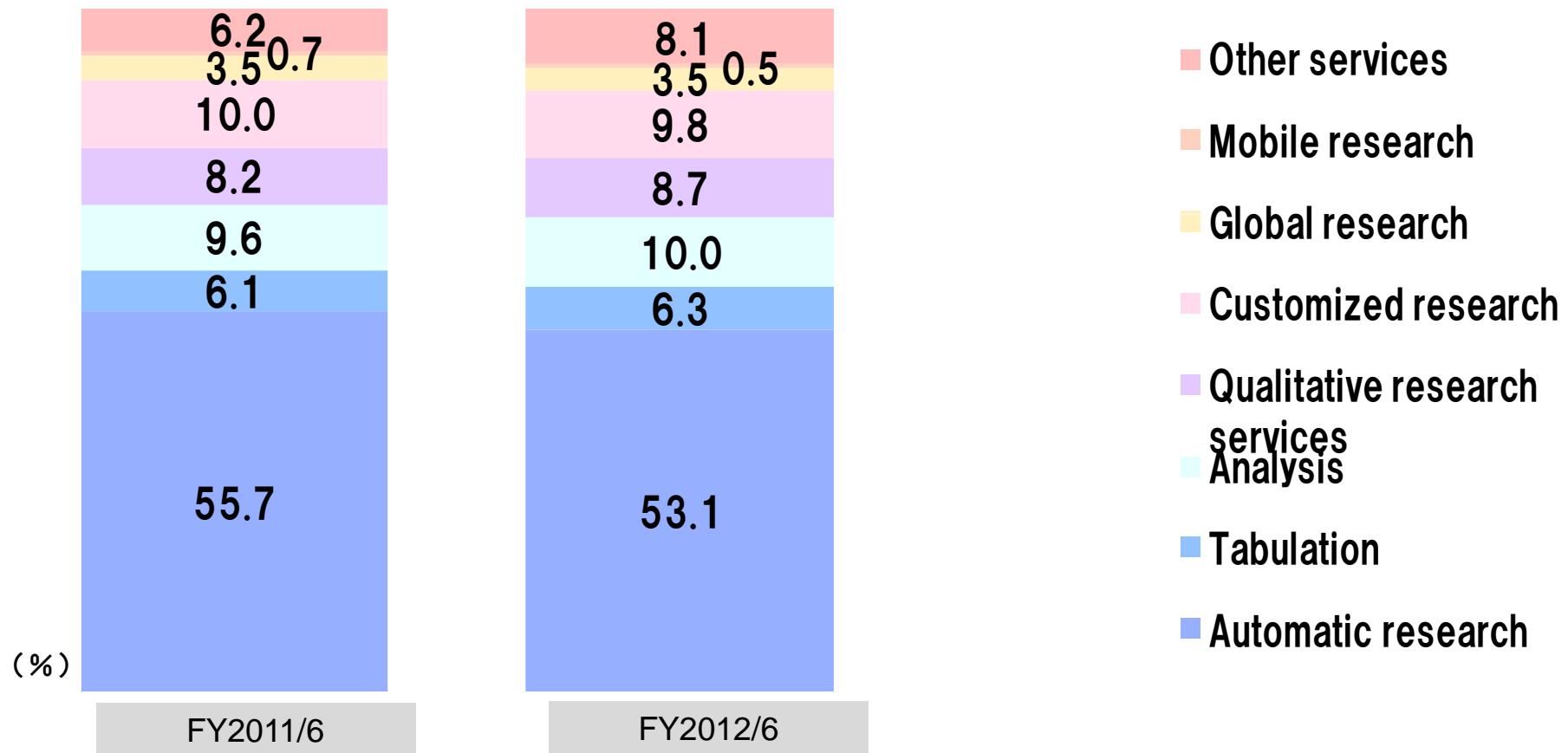


Industries in which sales increased (year-on-year change of sales amount)	
1. Food companies	+ 21.6 % +¥380 M
2. Research companies /consulting firms	+ 21.5% +¥370 M
3. Services	+ 14.5% +¥230 M

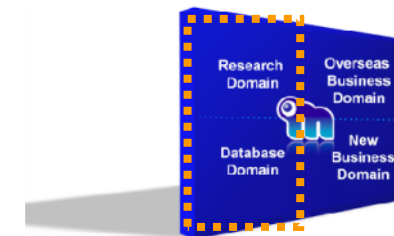
Changes in Breakdown by Service (non-consolidated)



- ✓ Sales increased in almost all services
 - ✓ Proportion of sales from automatic research has been on the decline
- Heightened importance of the company's existence as a comprehensive marketing research firm

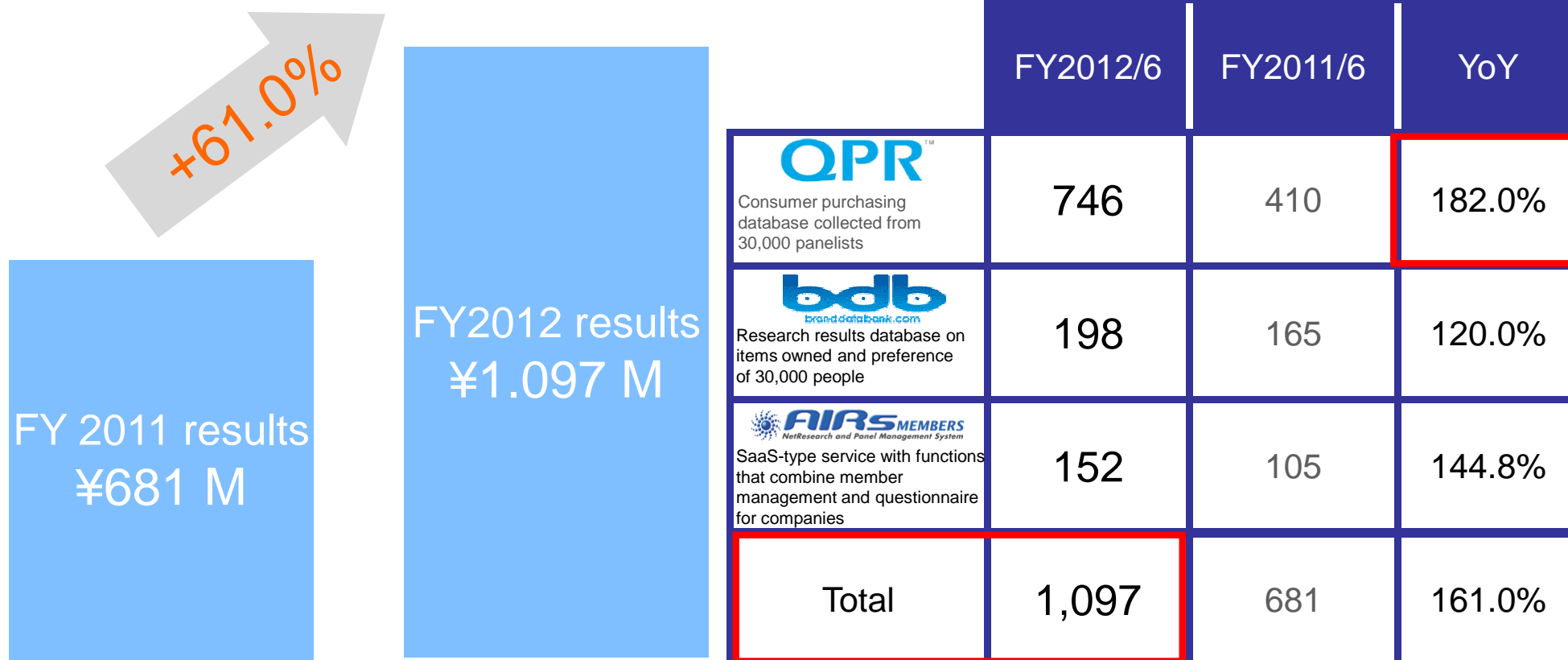


Status of Other Services (QPR, bdb, AIRsMEMBERS)



- ✓ Achieved total budgeted target of 1 billion yen in FY2012/6
- ✓ Steady growth in number of contracts signed for QPR during the year; client base expands centering on the food industry

(million yen)



Business Development in South Korea



✓ Integration of South Korean corporation EMBRAIN and Macromill Korea

(details in August 8 press release)

1. Selected method to transfer business from Macromill Korea to EMBRAIN
2. Changed the trade name EMBRAIN to Macromill EMBRAIN
3. 280 million yen contribution to consolidated earnings
in the three months of April-Jun for fourth quarter FY2012 (April-Jun)
→ full contribution starting in 14th fiscal term

Aim for further expansion in the field of marketing research in South Korea
by reorganizing and centralizing management resources

Overseas and New Business Development



Business in South Korea: EMBRAIN, Macromill Korea

- ✓ EMBRAIN, with the largest share of South Korea's Internet research market, became a subsidiary
Contribution to consolidated earnings in 13th fiscal term (280 million yen in Apr-Jun), full consolidated earnings contribution starting in 14th fiscal term
- ✓ Further structural reinforcement through integration of EMBRAIN and Macromill Korea
(from a press release dated August 8)

Business in China: Macromill China, Shanghai United-Cities

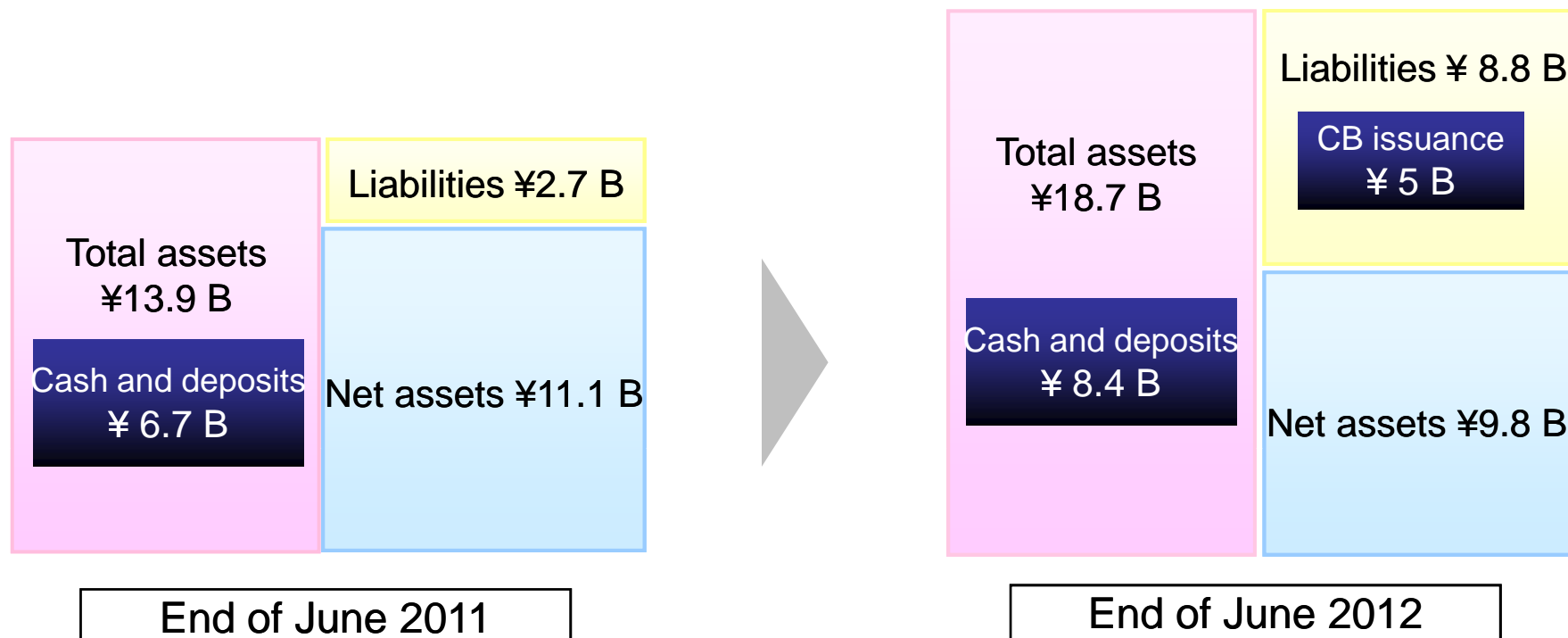
- ✓ Macromill China struggled; orders from Japanese corporations are increasing, but the Company urgently needs to expand transactions with Chinese, European and North American companies
- ✓ Buys equity stake in Shanghai United-Cities, planning an IPO in the Shenzhen market
Considering development of a promotion service in Shanghai

New Business: M-WARP

- ✓ Developed apps for the interest graph domain; not yet monetized, but accumulating expertise in research and development in the new domain, securing valuable personnel for app development

Changes in Balance Sheet (consolidated)

- ✓ Pressure on capital structure due to acquisition of treasury stock



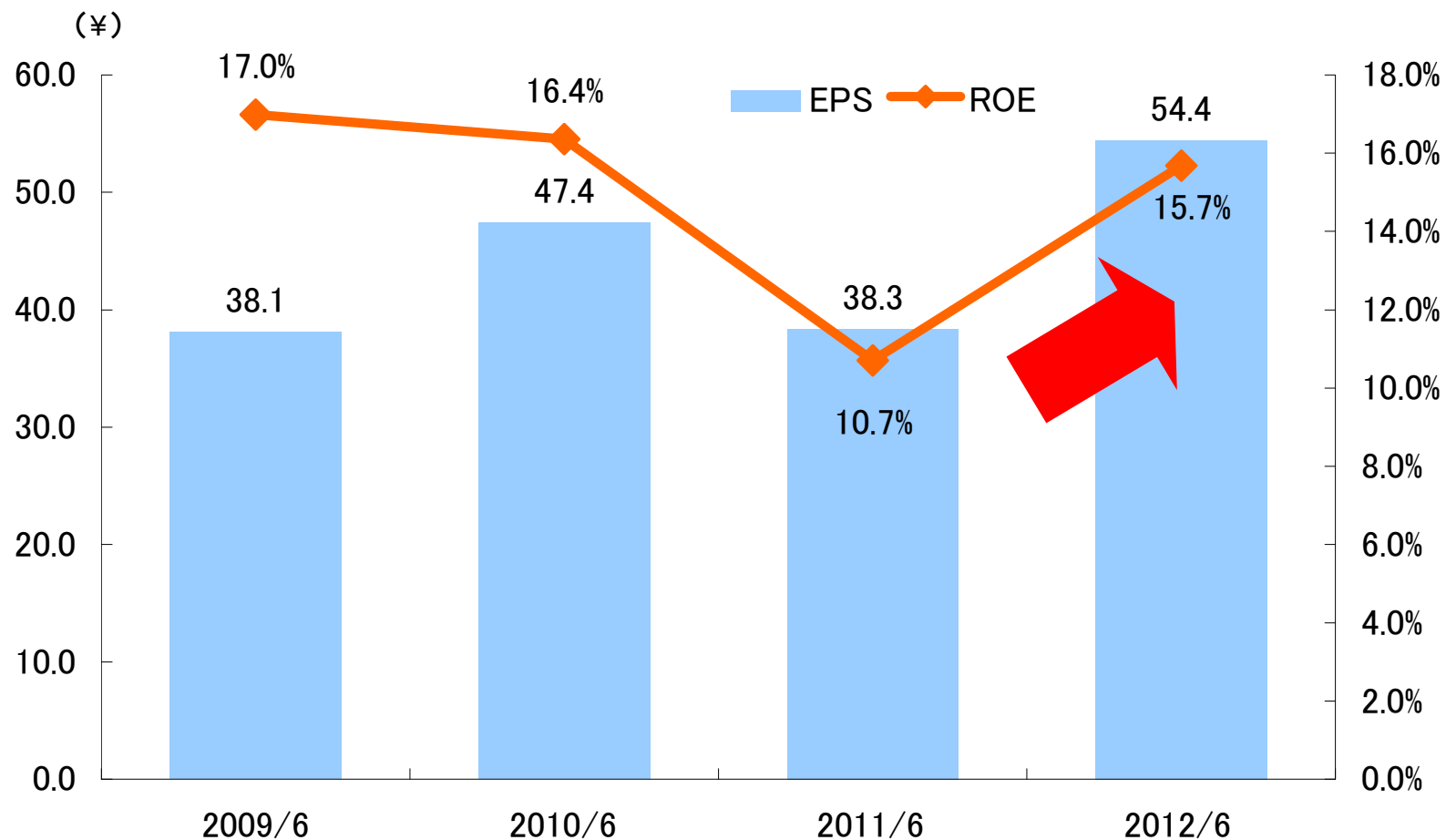
- ✓ Acquisition of treasury stock completed

(acquisition period: August, 2011 - August 2012, Amount that can be acquired: ¥2.5 billion)

Acquisition period	Number of shares acquired	Total amount acquired
From August 4, 2011 to August 3, 2012	2,951,000 shares	¥2,493 M

Changes in EPS and ROE

- ✓ Realized improvement in EPS and ROE as a result of treasury stock acquisition and increase in net income



*ROE based on shareholders' equity at the end of each fiscal year

*For EPS: 1) based on the number of issued shares after deducting treasury stock; 2) FY2009/6, FY2010/6 calculated after adjusting for 1:200 stock split.

2. FY2013/6 Financial Plan and Future Business Plan

Medium-Term Management Plan 2012-2014

(announced August 3, 2011)

Upward revisions for the current fiscal year (units: million yen)

Management target		FY2011 actual result	FY2012	FY2013	FY2014	Compared to FY2011
Consolidated net sales		12,210	14,200	15,500	20,000	+64%
Ordinary income		2,522	2,900	3,600	4,700	+86%
Ordinary income margin		20%	20%	23%	24%	+4pt
		FY2011 actual result	FY2012	FY2013	FY2014	Compared to FY2011
Domestic marketing research business ¹		12,210	14,000	15,100	16,000	31%
Sales breakdown (Notes)	Overseas business ²	-	200	400	1,000	-
	New business ³	-	-	-	-	-
	M&A (domestic, overseas)	-	-	-	3,000	-
Reference		FY2011 actual result	FY2012	FY2013	FY2014	Total investment
Investment plan	Systems investment ⁴	-	500	300	200	1,000
	New business investment	-	300	300	200	800
	M&A, other investments	-	500	1,500	3,000	5,000

1 Including Internet research and peripheral businesses

2 Excludes equity-method affiliate Macromill Korea

3 The contribution to net sales from new businesses has not been factored in

4 Includes multi-lingual , multi-device AIRs in anticipation of the development of overseas markets

FY2013/6 Performance Targets

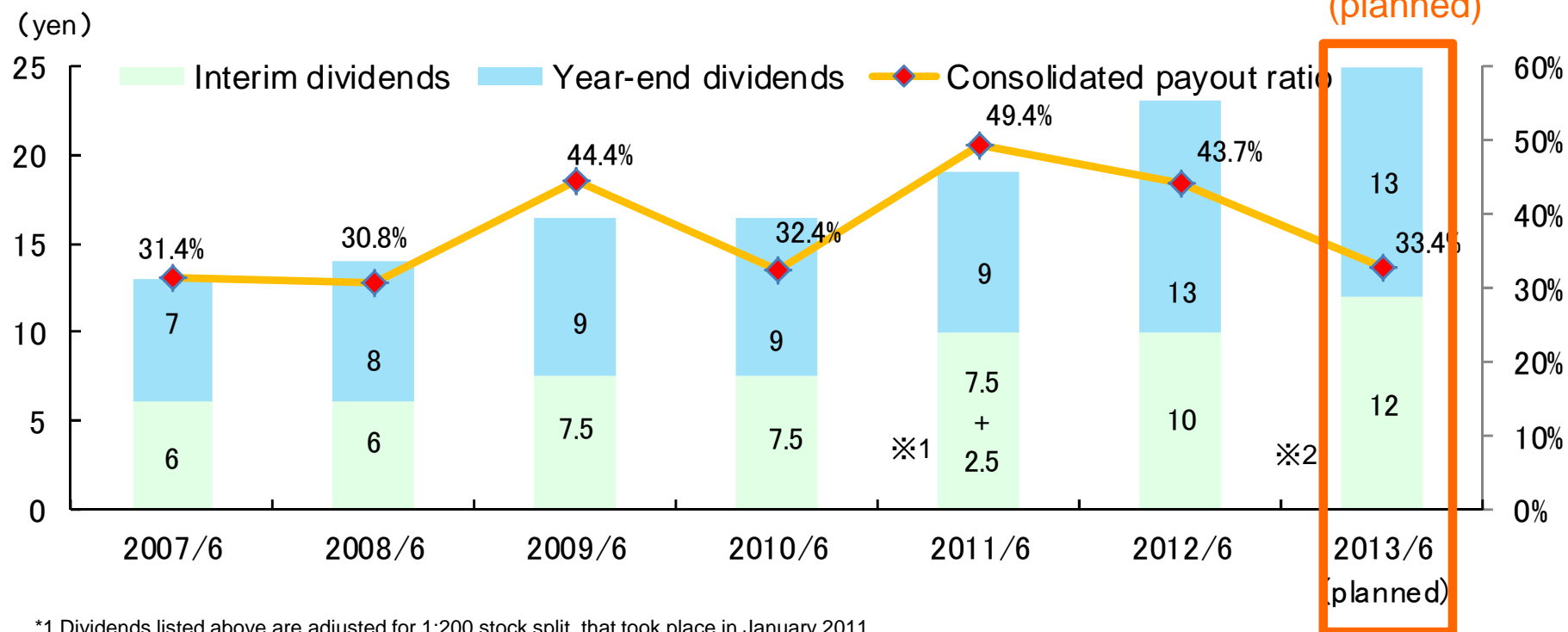
- ✓ Upwardly revised performance forecasts
- ✓ Aiming for double-digit growth in sales and income for four fiscal years in a row with income growth > net sales growth
- ✓ Total consolidated ordinary income surpasses non-consolidated number; business expansion for the entire group fully under way

	FY2013/6					FY2012/6 (actual)	
	Medium-term management plan <small>(released on August 3, 2011)</small>		Targets after revision			Amount	Ratio to sales
	Amount	Ratio to sales (%)	Amount	Ratio to sales (%)	YoY		
(consolidated)						(million yen)	(%)
Net sales	15,500	100.0	16,800	100.0	118.1%	14,229	100.0
Ordinary income	3,600	23.0	3,900	23.2	131.1%	2,975	20.9
Net income	-	-	2,100	12.5	137.6%	1,525	10.7
(non-consolidated)							
Net sales	15,100	100.0	15,100	100.0	109.0%	13,847	100.0
Ordinary income	-	-	3,800	25.2	104.3%	3,642	26.3
Net sales	-	-	2,200	14.6	125.6%	1,751	12.6

Dividend Policy

- ✓ Passed a resolution for FY2012/6 year-end dividend per share (interim: ¥10, year-end: ¥13)
- ✓ Expected dividend per share for FY2013/6
Full year: ¥25 (interim: ¥12, year-end: ¥13), payout ratio 33.4%(planned)

→ Maintaining consolidated payout ratio of 30% or more

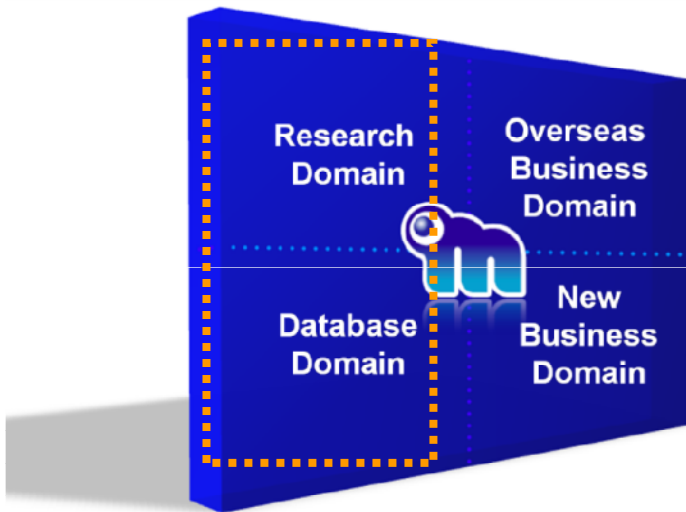


*1 Dividends listed above are adjusted for 1:200 stock split that took place in January 2011.

*2 The payout ratio for FY2013/6 is calculated based on the projected number of shares outstanding as of the end of June 2013.

Research and Database Domains

- Strengthen response to demand for comprehensive research
- Differentiate against competition by offering added value



- Offer a comprehensive service ranging from automatic research to conventional research and global research, etc.
- Cross selling with QPR
→ Continue to expand business at a rate that surpasses growth of the marketing research industry (+1.9% in FY2011)

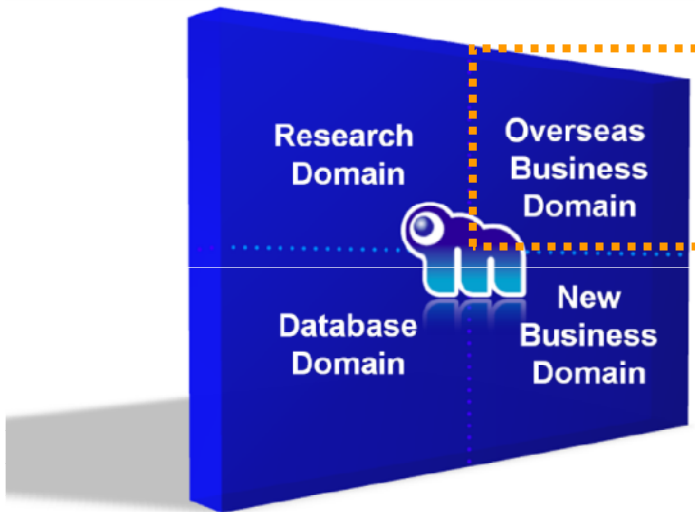
Overseas Business Domain in China and South Korea

Business in South Korea

- ✓ Fully incorporated Macromill EMBRAIN (formerly EMBRAIN) earnings into consolidated results
→ around ¥1.4 billion (forecast) in 14th fiscal term
- All-out pursuit for synergy by leveraging strengths of both entities (sales, systems, management structure)
- Get to a point where IPO is possible by accelerating growth pace

Business in China

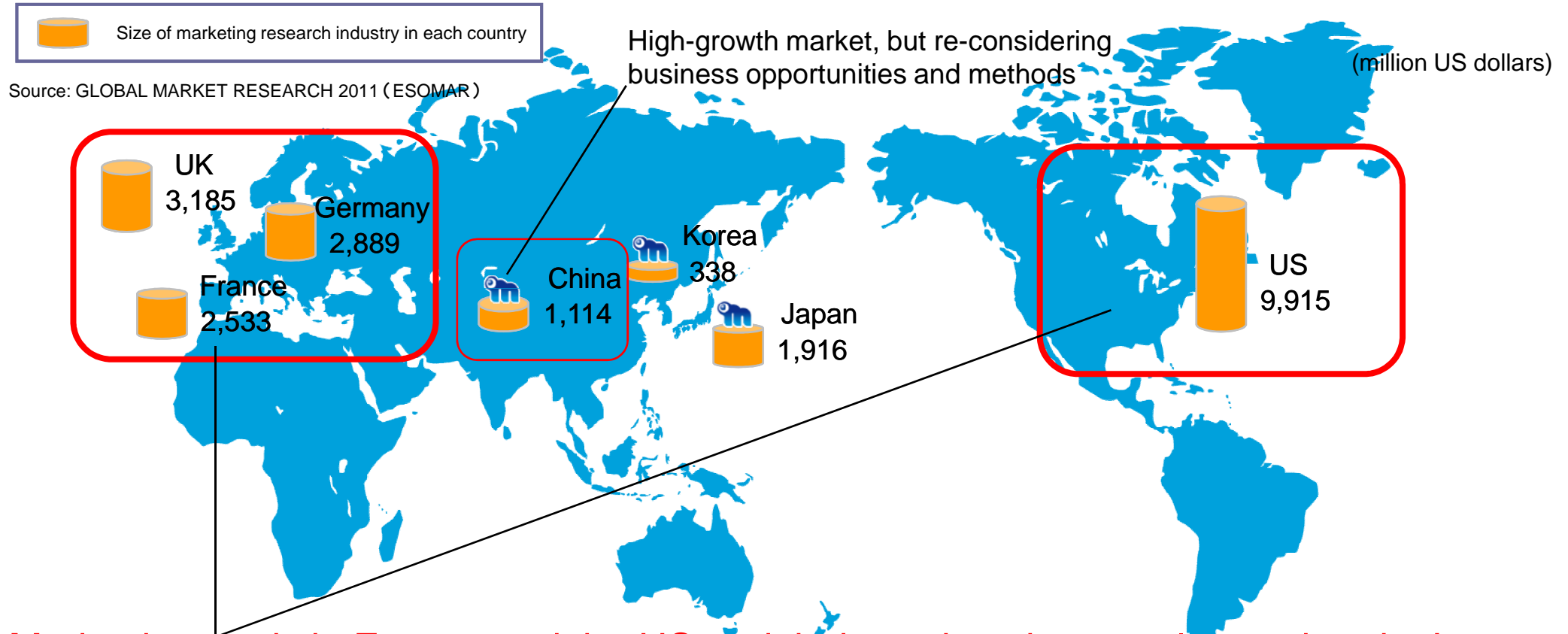
- ✓ Continue to prepare and complete a structure that could fully respond to clients' needs (Japanese firms) for research in China
- ✓ Explore ways to increase transactions with foreign companies based in China and Chinese companies
- ✓ Created a project team with Shanghai United-Cities; considering business tie-up in the promotion market



Overseas Business Domain



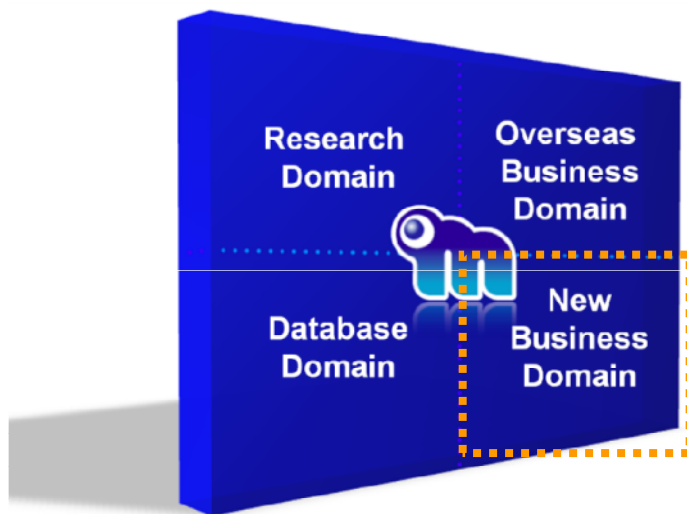
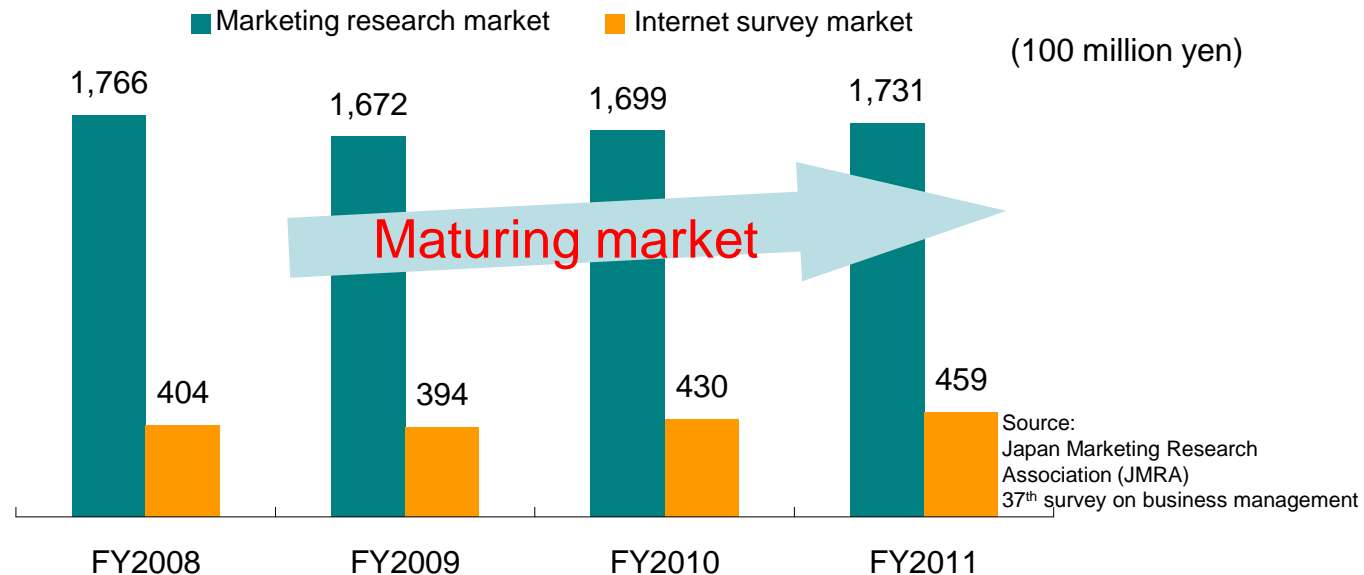
Accelerate business expansion not only in Asia but also by exploring business development in the United States and Europe



Market is steady in Europe and the US and their market sizes are larger than in Japan
Proactively looking for investment opportunities amid active industry reorganization through M&As

Reasons for Fully Engaging in Development of the New Business Domain

Changes in market size

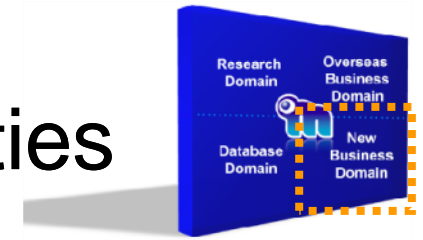


< Purpose of business development >

Diversify business domains and realize long-term growth as the research market matures

Market Recognition (1)

Smart phones: Threats and Opportunities



Threats

Shift in usage time due to utilizing the Internet more on mobile devices rather than on PCs

Diminishing predominance of online research that caters to PC usage

Opportunities

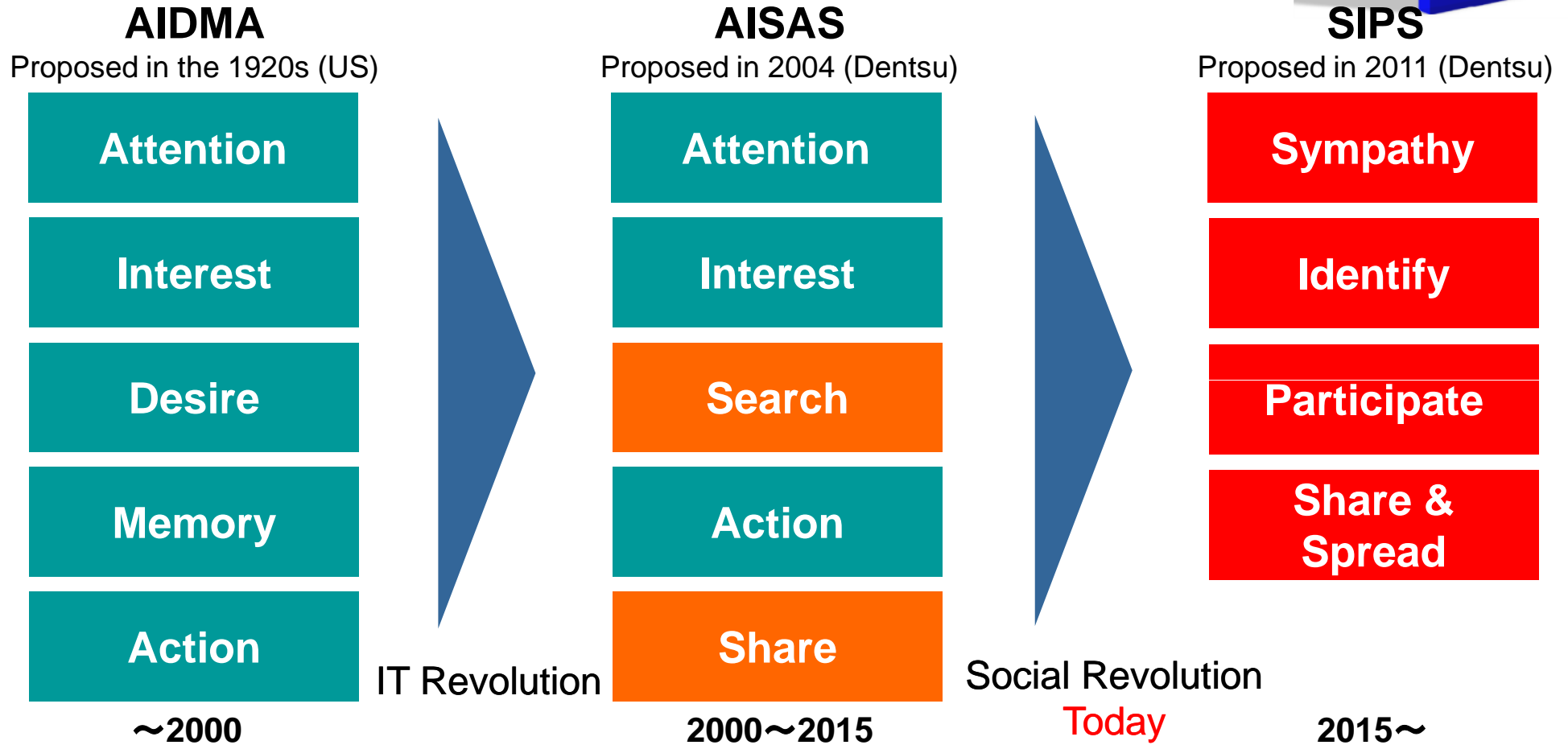
Can be used intuitively by anybody from age 3 to 100; a high-functioning computer connected to the Internet

An era in which connecting to various types of people is possible, regardless of IT literacy

Market Recognition (2) Consumer Evolution



Changes in Consumer Behavior Model



Consumers in the social media era actively bring out and share their own story in selecting products and services before purchase.

Macromill's DNA



Product brochure created when Macromill was established (2000)

Macromill's DNA

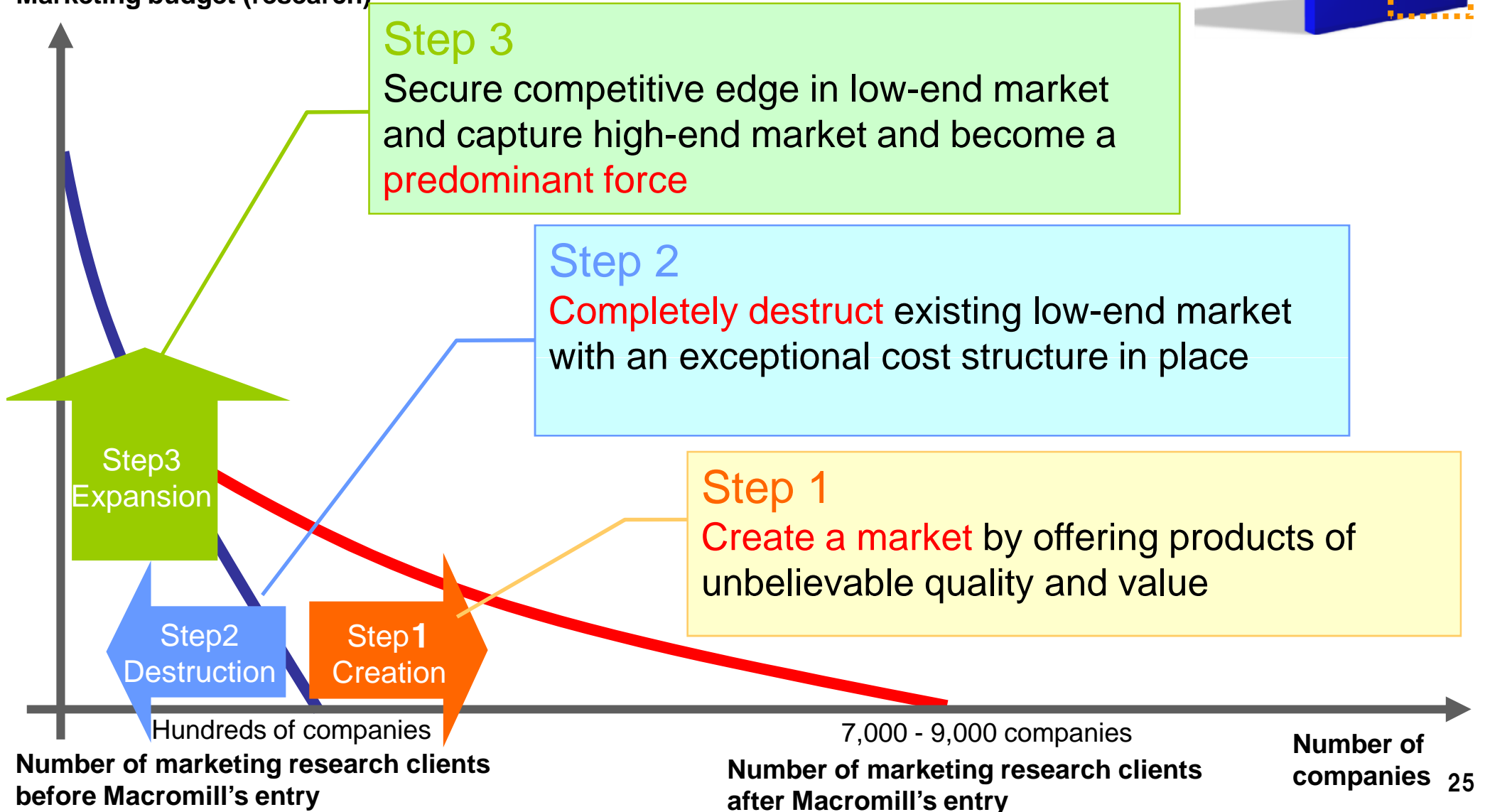


By pursuing innovation,
realize a society
in which anybody
can use a marketing service

Macromill's Innovation : Creation and Destruction

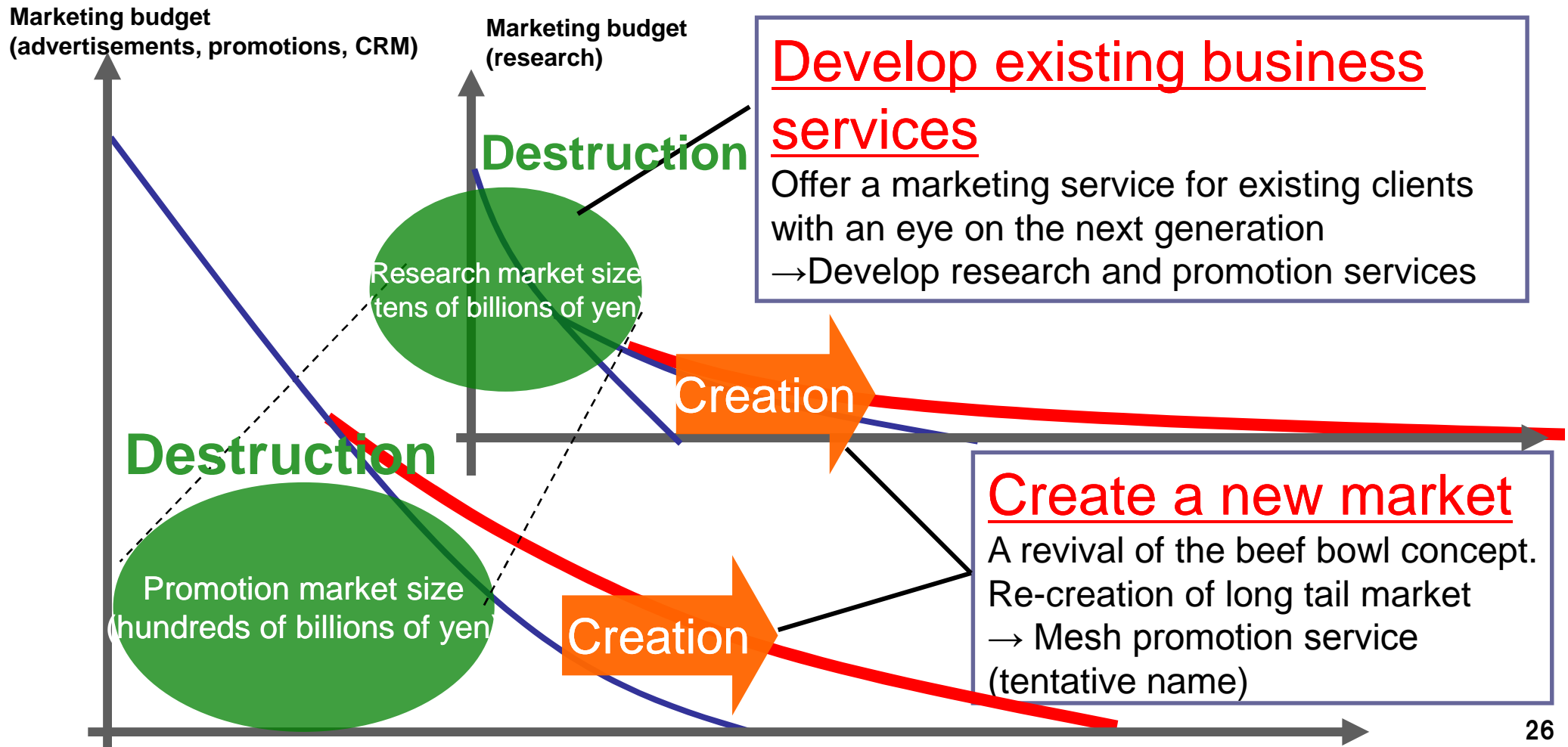
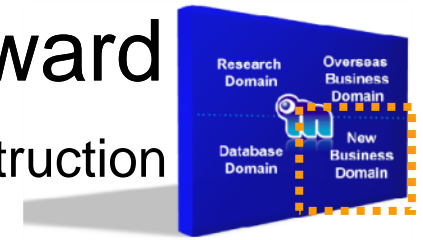


Marketing budget (research)

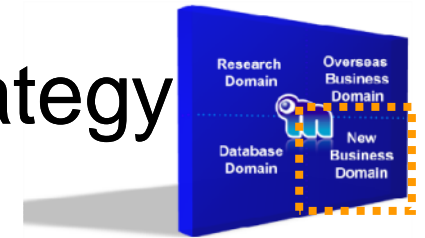


Direction of New Businesses Going Forward

The next step is to continuously pursue a policy of creation and destruction that has been followed since the company was founded, while keeping an eye on the overall marketing domain



Overview: New Business Development Strategy



Service

Mesh promotion Service

- A service that enables small- (including very small firms) and medium-sized companies to offer promotions and conduct research on smartphones at a low cost
- Monetize by making the service a smartphone platform: combine coupons and simple research without having a traditional sales force

Structure

- Established a development division, **Future lab**, that reports directly to the president
To realize fast development without getting caught up in the interests of the existing businesses.
→ Utilize knowledge and human resource development network gained from developing apps with M-WARP
- Established a general headquarters for the promotion business within Marketing Business Company (July 2012)
Preparing a structure for new service development for existing clients

Summary of Future Business Development

Japan

Overseas

Existing domestic businesses

Existing domain

Domestic marketing research
Business expansion that exceeds market growth
Integration and differentiation



Global development

Geographical expansion of the existing research business
Asia, North America, Europe



New domestic domain

New domain

Pursue long-term growth by increasing the number of business locations
Promotion and research
Mesh promotion

Aim for further expansion by developing Macromill's DNA overseas and in new domains

- ✓ from Asia to North America and Europe
- ✓ Enter the domestic promotion market

We aspire to become Japan's largest and strongest IT marketing company that is one-of-a-kind in the world.



Business Results Details

Unit price, Number of Active Companies (Servers) and VIP Clients

Indicator	Unit	FY2011/6				FY2012/6			
		1Q	2Q	3Q	4Q (Full-year)	1Q	2Q	3Q	4Q (Full-year)
Quarterly average unit price per order (*1)	Ten thousand yen	77.3	79.1	80.0	75.5	78.3	79.7	83.7	77.2
Quarterly average unit price per order (automatic research only) (*1)	Ten thousand yen	53.9	52.2	52.0	49.8	52.5	52.0	54.9	49.7
Quarterly average unit price per order (for reference) (*1)	Ten thousand yen	79.7	82.2	83.5	78.7	81.3	83.3	87.5	80.7
Number of active companies (annual) (*2)	companies	904	1,386	1,675	1,895	985	1,371	1,711	1,924
Number of active servers (annual) (*2)	servers	2,221	3,870	4,988	6,067	2,485	3,988	5,382	6,327
Number of VIP clients (*3)	companies	242	240	240	229	254	256	251	249
Number of VIP clients with average quarterly sales of ¥10 million or more (*4)	companies	(59)	(58)	(55)	(53)	(61)	(63)	(67)	(64)

*1 The services of the former YVI were not included in the calculation of the average unit price for the year ended June 30, 2011. Orders for qualitative research were not included in the calculation of the quarterly average unit price per order (for reference). In order to calculate realistic unit prices, from here on forward, overall unit prices will be calculated using a method that counts qualitative research as one order, as shown in the top row above.

*2 Year-to-date total for each fiscal year; number of companies/servers that posted sales at least once between the beginning of the fiscal year and the end of the quarter.

*3 Year-to-date total for each fiscal year; priority clients with annual sales of ¥10 million or more are defined as VIP clients.

*4 Year-to-date total for each fiscal year

Status of Personnel

Indicator	Unit	FY2011/6				FY2012/6			
		1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
Number of employees (consolidated)*	people	605	553	545	557	566	594	735	768
Number of employees (non-consolidated)*	people	596	542	528	542	541	550	560	582

* Number of employees includes contracted employees and those on leave.

✓ Breakdown of personnel by job type

Sales
146

Operations
115

Researchers
143

Others include those in business planning, business administration, panelists support and regular staff, etc.

* Executive officers and those at higher levels, employees on leave are not included.

* As of July 1, 2012

✓ Number of employees at consolidated subsidiaries 175→186

M-CUBE & ASSOCIATES: 5→6

M-WARP: 17→20

Macromill China: 17→20



EMBRAIN: 136→139

M-PROMO: →1

Status of Panel Members

Indicator	Unit	FY2011/6				FY2012/6			
		1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
Macromill panel members	Ten thousand people	94.0	100.2	98.5	104.0	105.9	107.1	108.6	109.5

*As of July 2012

PC panelists		Mobile panel members	
<p>Macromill panel members: 1,090,000 (includes smartphone panel members)</p>	<p>Yahoo! Research panel members: Approx. 1,460,000</p>	 <p>パソコン+ケータイ併用モニタ モバイル協力モニタ</p> <p>Approx. 320,000</p>	 <p>ケータイ専用モニタ EILTA ミルモバモニタ</p> <p>Approx. 50,000</p>
<p>(The mobile devices here refer to feature phones.)</p>			

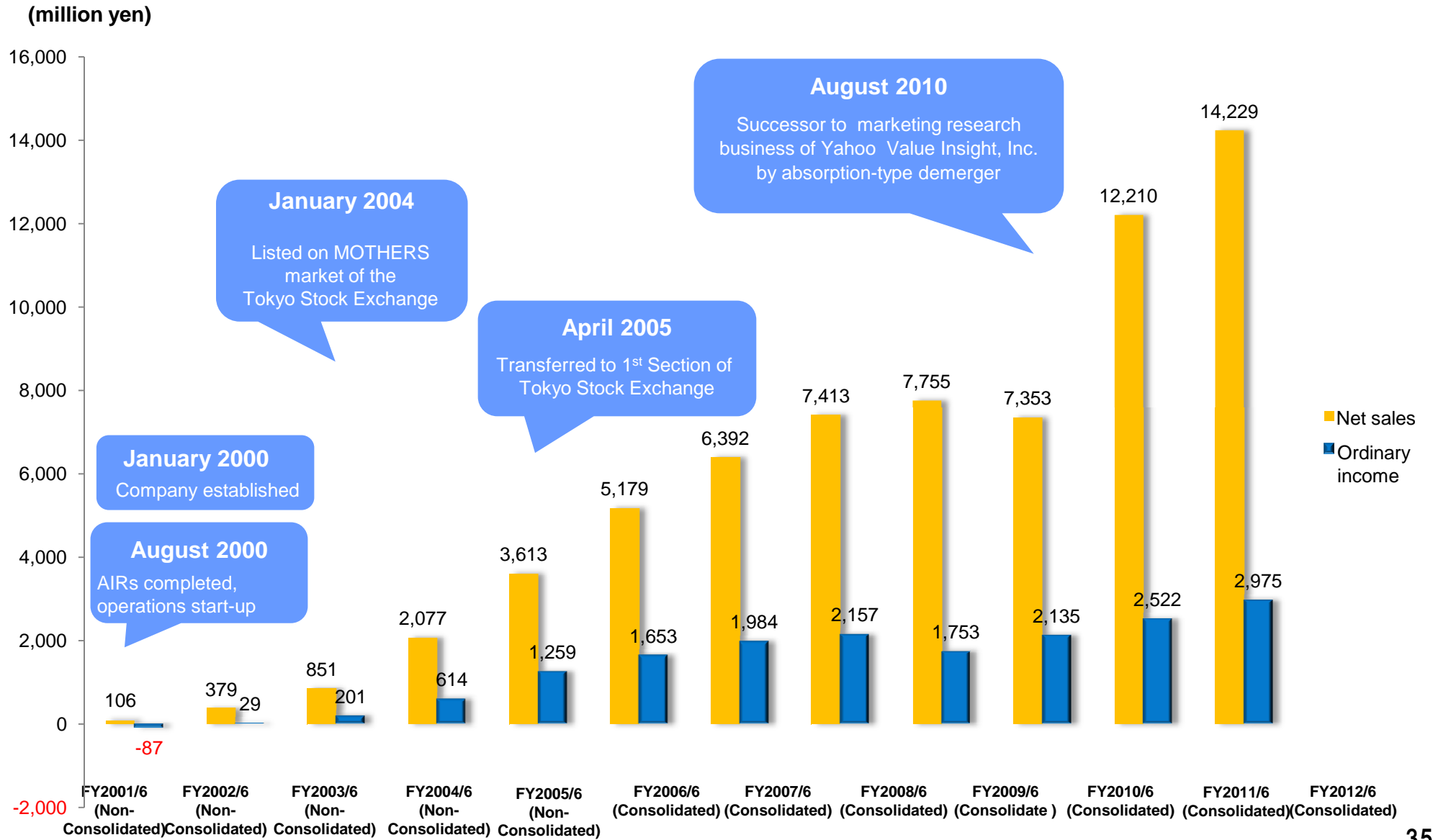
✓ A smartphone-capable questionnaire response screen was released in March 2012 (AIRs)

→Answers to the same survey will be possible on a dedicated screen from either a PC or a smartphone

→As panel members will not be restricted by time and place, the response collection rate and the number of panel members are expected to increase.

Reference

History, Business Results Trend



(Reference) Status of Capital/Business Tie-Ups, Group Companies

(million yen)



Consolidated subsidiaries

Japan



FY2012/6
Net sales: 553
Ordinary
income: -140

⇒ Construction of QPR panels
Collection of consumer purchase data

Shareholders:

HAKUHODO DY HOLDINGS
INCORPORATED, etc.



FY2012/6
Net sales: 52
Ordinary
income: -268

⇒ Marketing solutions business mainly in
the smartphone area

Next generation marketing platform
business (app development, etc.)



2012/6 4Q
Net sales: 9
Ordinary
income: 3

⇒ Marketing support business using the Internet
Accepted transfer of business from regain, Inc.

Overseas



⇒ Integration of EMBRAIN and
Macromill Korea (August 2012)



⇒ Research business in China
Sales launched in
September 2011

Equity-method affiliates

Dentsu Macromill

⇒ 40.0% stake

Capital/business tie-ups



⇒ 10.66% stake (ratio of voting rights)

Shanghai United-Cities Industry Co., Ltd.

⇒ 6.9% stake

Business tie-ups



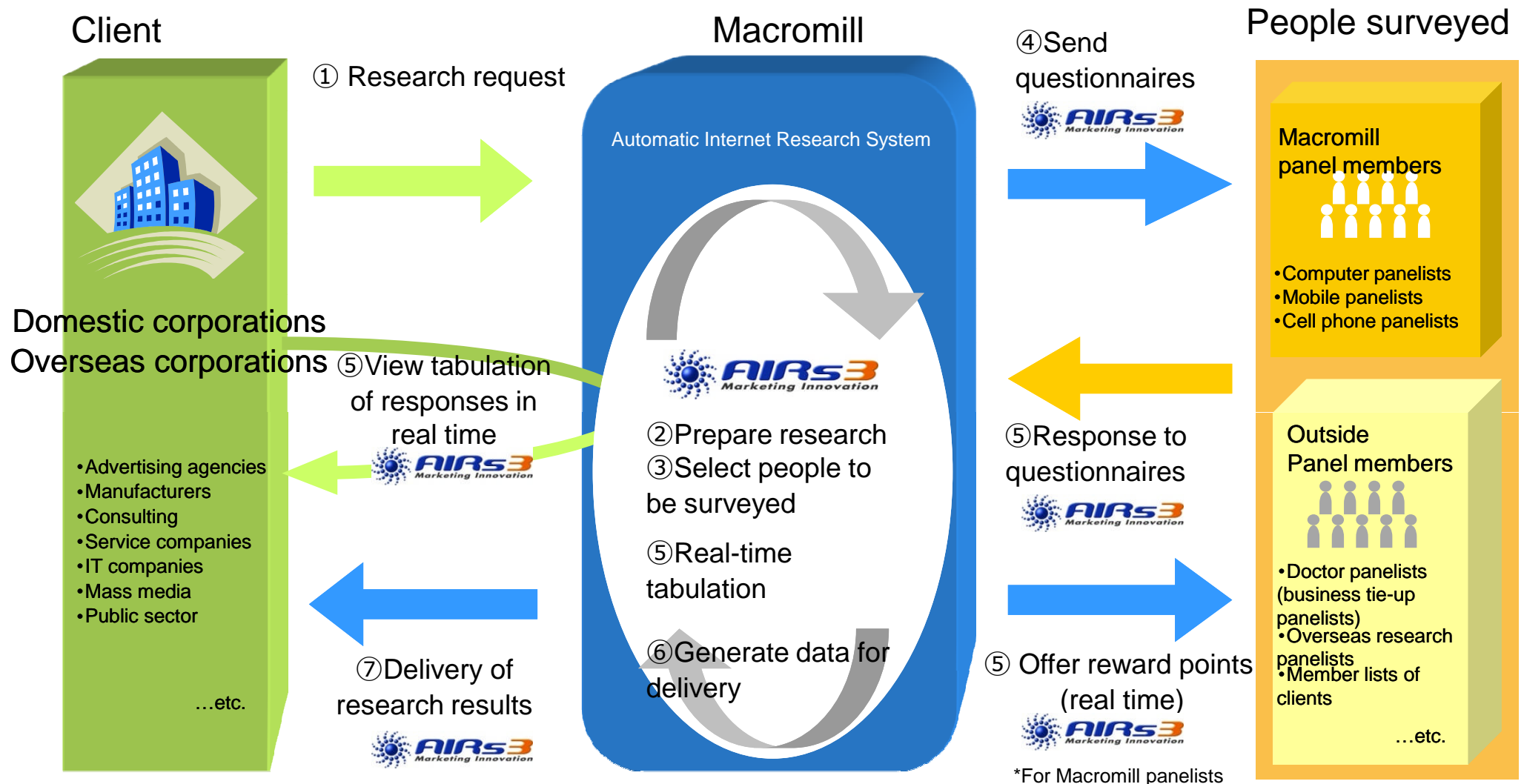
dentsu

Dentsu marketing insight



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Flow of Online Research Service



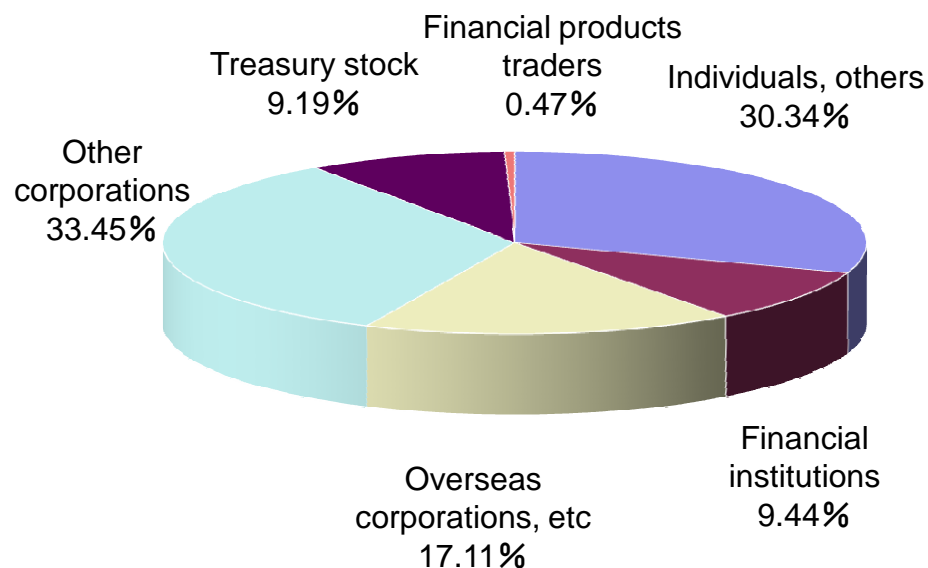
*This is a representative example of the flow of online research using AIRs. Depending upon the subject of the research, AIRs may not be used or the flow may change.

* If a research plan is required, this happens before step ① in the flow chart. If an analysis of research results is required, this happens after step ⑦ in the flow chart.

Share Information

As of June 30, 2012

Total number of shares authorized for issuance	83,712,000
Total number of shares issued	30,868,400
Number of shareholders	9,467
Round lot	100



Major shareholders	Number of shares held	Ownership (%)
Yahoo Japan Corporation	7,071,100	22.91
Vanillasky Corporation	2,402,000	7.78
Goldman Sachs International	2,369,426	7.68
Japan Trustee Services Bank, Ltd. (Trust account)	1,079,800	3.50
Tetsuya Sugimoto	912,400	2.96
Goldman Sachs & Co. Regular Account	738,100	2.39
Satoshi Shibata	732,000	2.37
Yasunori Fukuha	709,600	2.30
INTEC Inc.	514,400	1.67
The Master Trust Bank of Japan, Ltd. (Trust account)	507,300	1.64

Note 1. The Company's total treasury stock ownership of 2,835,700 is not included in the list of major shareholders above.

Note 2. The ownership ratio is calculated based on the number of shares issued.

Note 3. Vanillasky Corporation listed above is represented by director Tetsuya Sugimoto.

Cautionary Statement

Macromill does not guarantee the accuracy of the information contained in this presentation, which reflects judgments made by Macromill management based on information currently available.

Given that the business environment may vary significantly in the future due to a number of factors, please be aware that Macromill's actual performance and results may differ from those expressed today.

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