
First Three Quarters Results Briefing Year Ending June 30 2013

株式会社 マクロミル

First Section, Tokyo
Stock Exchange (3730)

Financial Results

Topics (Subsequent Events)

Future Business Plan

Details of Financial Results

Reference

Overview of Third-Quarter Results for the Year Ending June 2013 **MACROMILL**

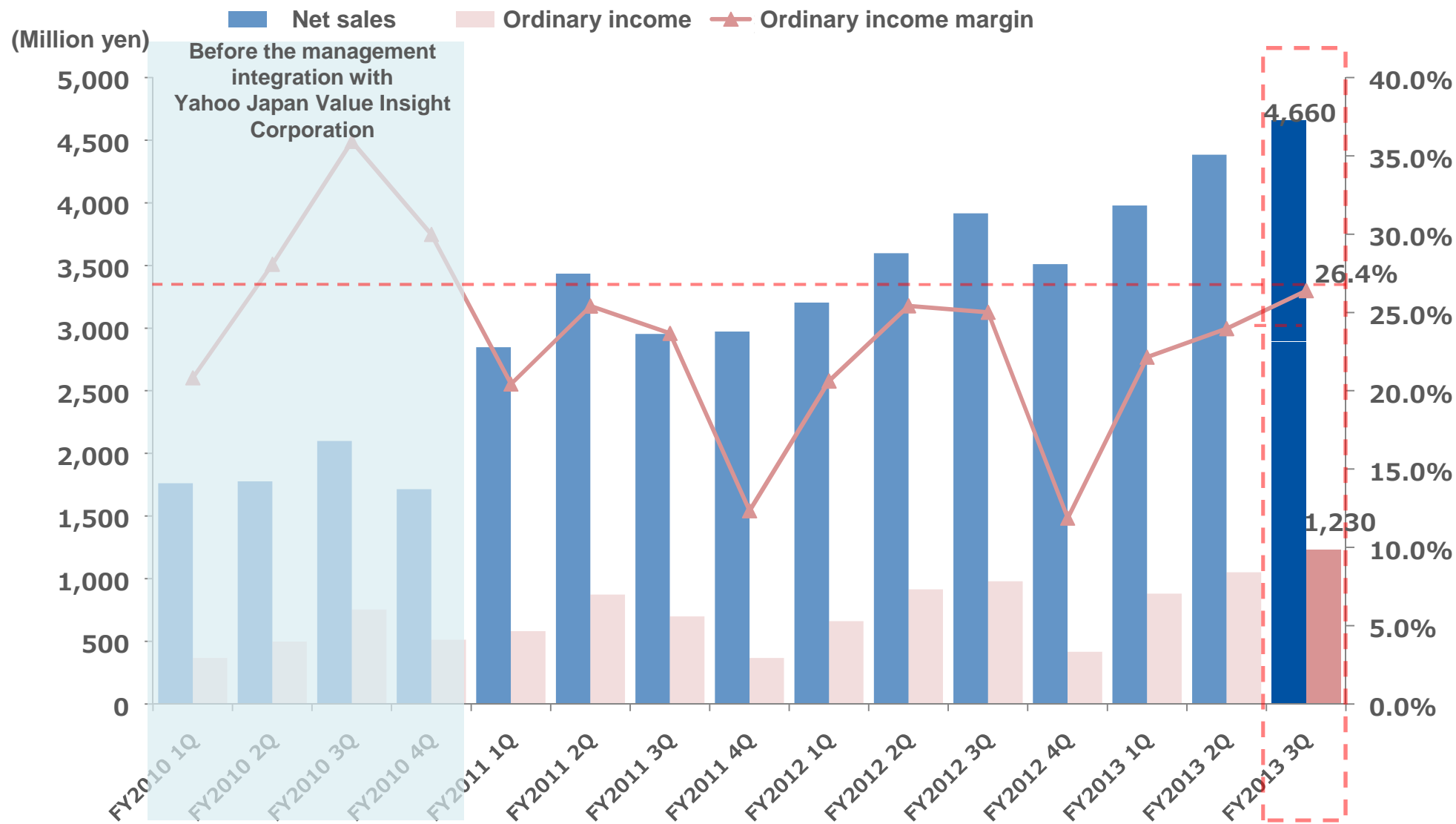
- ✓ Consolidated: Double-digit growth in both net sales and ordinary income resulted in record earnings.
- ✓ Non-consolidated: An impairment loss was posted at a consolidated subsidiary (no impact on consolidated results).

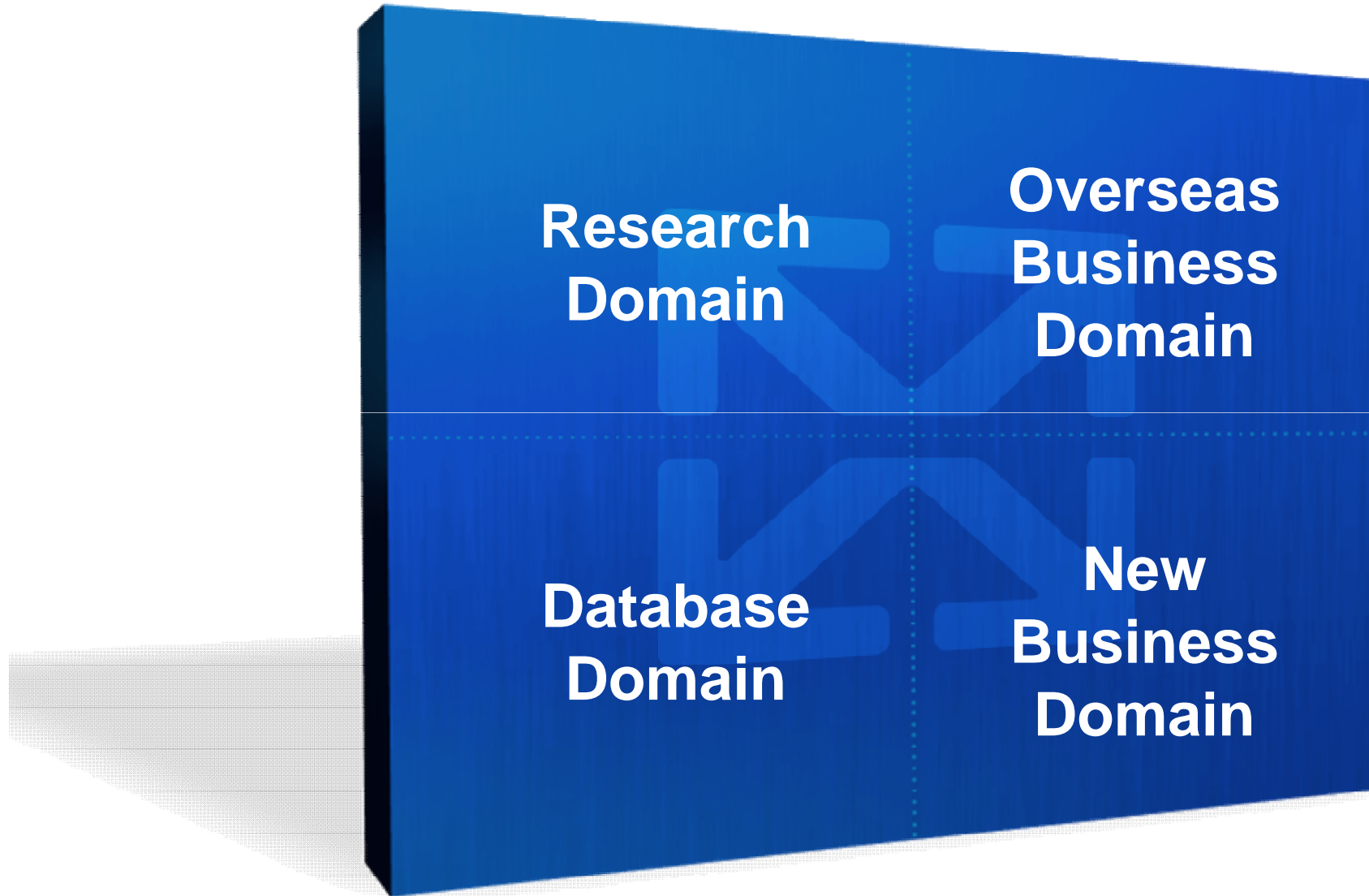
(Million yen)

		3Q (cumulative) of FY2013	3Q (cumulative) of FY2012	YoY	Full-year forecast	(Percent achieved)
Consolidated	Net sales	13,023	10,719	121.5%	16,800	77.5%
	Ordinary income	3,162	2,557	123.6%	3,900	81.1%
	Ordinary income margin	24.3%	23.9%	+0.4 pt	23.2%	—
	Net income	1,964	1,365	143.9%	2,100	93.5%
Non-Consolidated	Net sales	11,705	10,651	109.9%		
	Ordinary income	3,210	3,109	103.2%		
	Ordinary income margin	27.4%	29.2%	-1.8 pt		
	Net income	1,463	1,754	83.4%		

Changes in Quarterly Consolidated Results

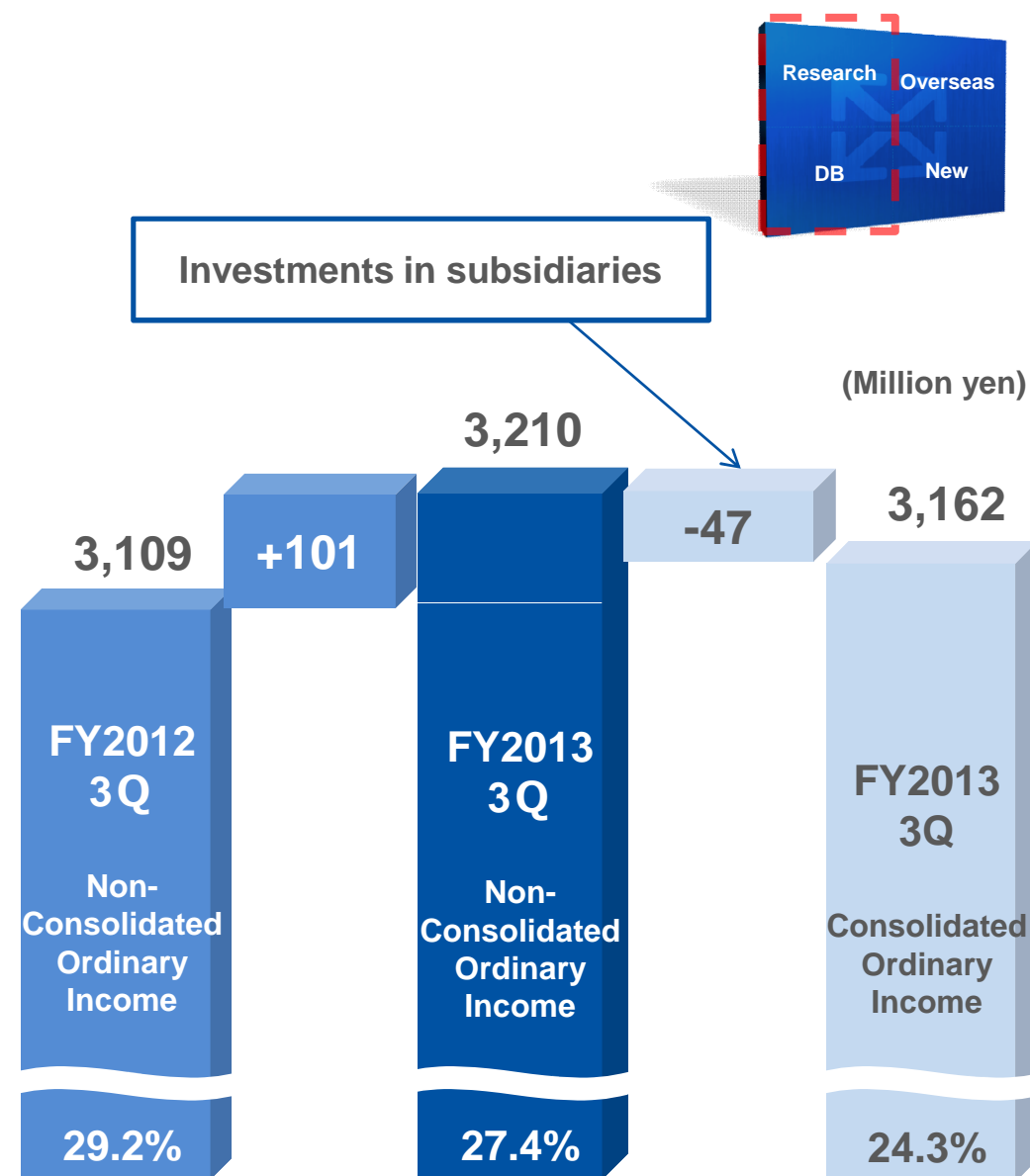
- ✓ Achieved record quarterly sales. The ordinary income margin reached a record high after the management integration with Yahoo Japan Value Insight Corporation.





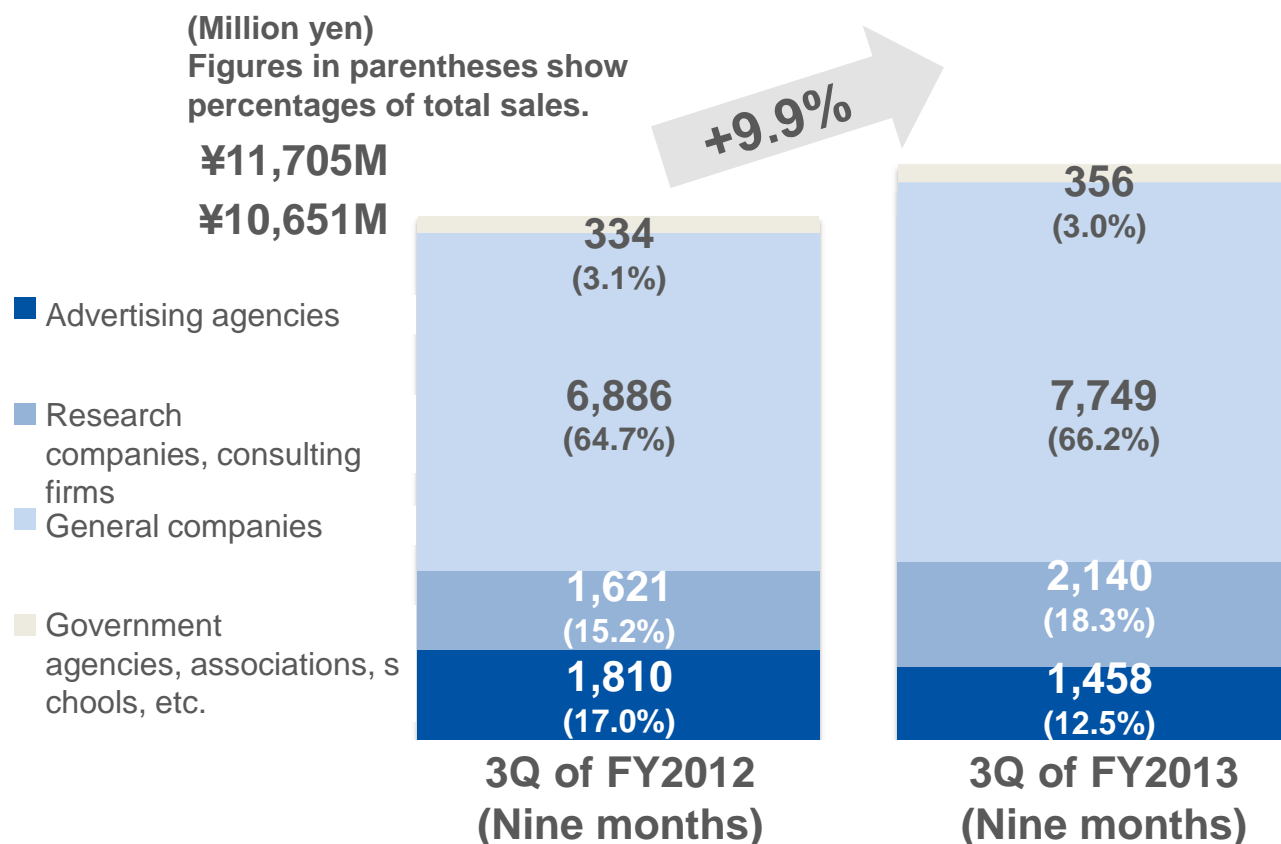
Changes in Income and Cost Structure (Cumulative)

Non-consolidated	3Q (cumulative) of FY2013		3Q (cumulative) of FY2012	
	Amount	%	Amount	%
Net sales	11,705	100.0	10,651	100.0
Cost of sales	5,846	49.9	4,974	46.7
Personnel	1,588	13.6	1,338	12.6
Panelists and outsourcing	3,401	29.1	2,847	26.7
Other	855	7.3	788	7.4
SG&A	2,747	23.5	2,563	24.1
Personnel	1,515	12.9	1,548	14.5
Other	1,232	10.5	1,014	9.5
Ordinary income	3,210	27.4	3,109	29.2
(Consolidated ordinary income)	3,162		2,557	
Net income	1,463	12.5	1,754	16.5



✓ Sales increased in all categories except advertising agencies, and rose especially sharply in the following categories:

- Research companies, consulting firms + ¥510M (up 32.0% year on year)
 - Food & beverages + ¥280M (up 18.3% year on year)
 - IT/Telecommunications + ¥220M (up 20.6% year on year)
- (in descending order of sales)



Breakdown of Changes by Service (Non-consolidated)

✓ Increased sales in almost all services, especially the following:

- QPR Service +34.7% year on year
 - Global Research +27.0% year on year
- (in descending order of percentage)

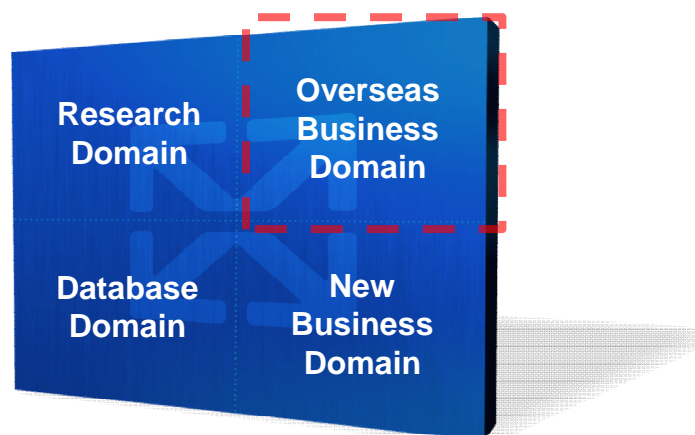


(Million yen)

Service	3Q (cumulative) of FY2013	%	3Q (cumulative) of FY2012	%	YoY
Automatic research	6,229	53.2	5,727	53.8	108.8%
Tabulation	734	6.3	658	6.2	111.4%
Analysis	1,223	10.5	1,046	9.8	116.9%
Qualitative research	1,034	8.8	905	8.5	114.3%
Customized research	979	8.4	1,057	9.9	92.6%
Global research	508	4.3	400	3.8	127.0%
QPR	684	5.8	508	4.8	134.7%
Other services	311	2.7	347	3.3	89.9%
Total	11,705	100.0	10,651	100.0	109.9%

* Changed the disclosure classification since the quarter under review. The quarterly year-on-year comparison has been adjusted to the new classification.

* Other Services include the mobile research service.



		(Million yen)	3Q (cumulative) of FY2013	3Q (cumulative) of FY2012	YoY
MACROMILL EMBRAIN (South Korea)	Net sales		1,133	767 (*)	147.6%
	Ordinary income		102	— (*)	—
MACROMILL China (China)	Net sales		153	50	303.6%
	Ordinary income		1	-92	—

* Business results of MACROMILL EMBRAIN were incorporated into consolidated results starting in April 2012

MACROMILL EMBRAIN (South Korea)

- ✓ Achieved the income target by holding down costs and selling, general and administrative expenses. Net income improved sharply from a year ago.
- ✓ Strengthened the sales system through an organizational change.

MACROMILL China (China)

- ✓ Cumulative sales exceeded the target. Quarterly income moved into positive territory for the first time.
- ✓ Repeat orders increased from Japanese companies' subsidiaries and affiliates in China.

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Our corporate identity was changed on April 1, 2013.



| Logo mark

Our new logo employs an arrow motif. Arrows point in four directions and form the letter M, which is the first letter of MACROMILL. The color is “MACROMILL blue,” which has been our corporate color since our foundation.

This logo indicates MACROMILL’s two purposes:



Client’s arrows

The aim of our innovative services is to positively impact customers’ solutions and help them move in new directions.

Macromill’s arrows

We aim to advance and grow, not only in the Internet research business—especially in Japan—but also in a wide variety of marketing fields.

| Tagline

Innovation or Nothing

Our new slogan, “Innovation or Nothing,” indicates our determination to use all our resources to produce innovations. We will always remember this slogan.



We launched a long-tail promotion service, misecolle.

User concept

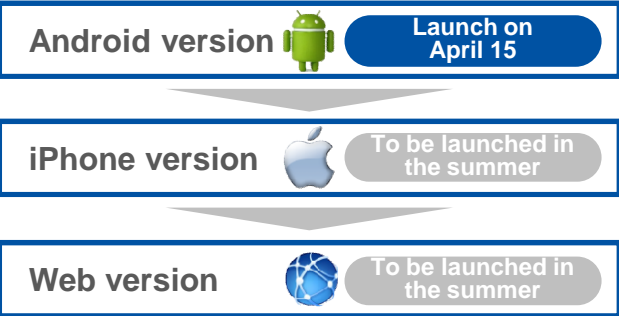
To collect restaurants and stores and compile helpful information.

- ✓ Getting information about the places you often go
- ✓ Receiving information on the best deals from these places
- ✓ Discovering new places

Client concept

To only send information to the people you want to send it to.

- ✓ Improving your ability to pull in customers by only targeting your “fans”
- ✓ Increasing your recognition by getting fans to share information through SNS
- ✓ Easily measuring the effects of sales promotions using the marketing data provided
- ✓ Low-price service, ¥5,000 per month (minimum)

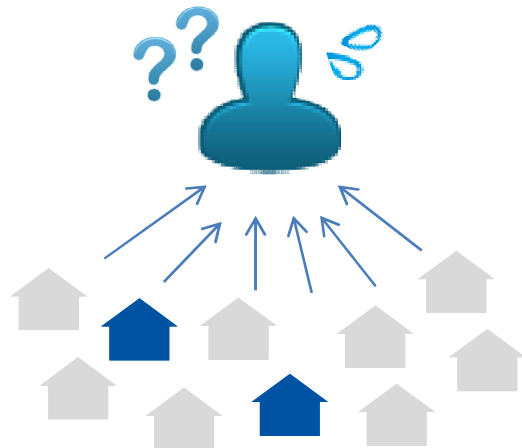




Original business idea



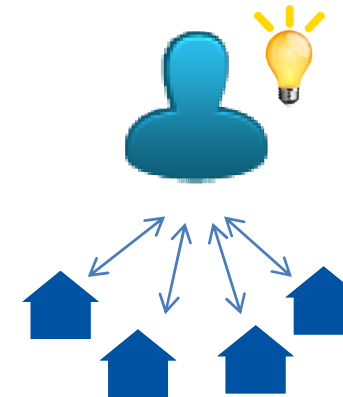
Current coupon services



Push-type service

- Company Can't target certain customers or disseminate information to a large number of consumers.
- User Hard to find coupons for the places you want to go.

What is desired



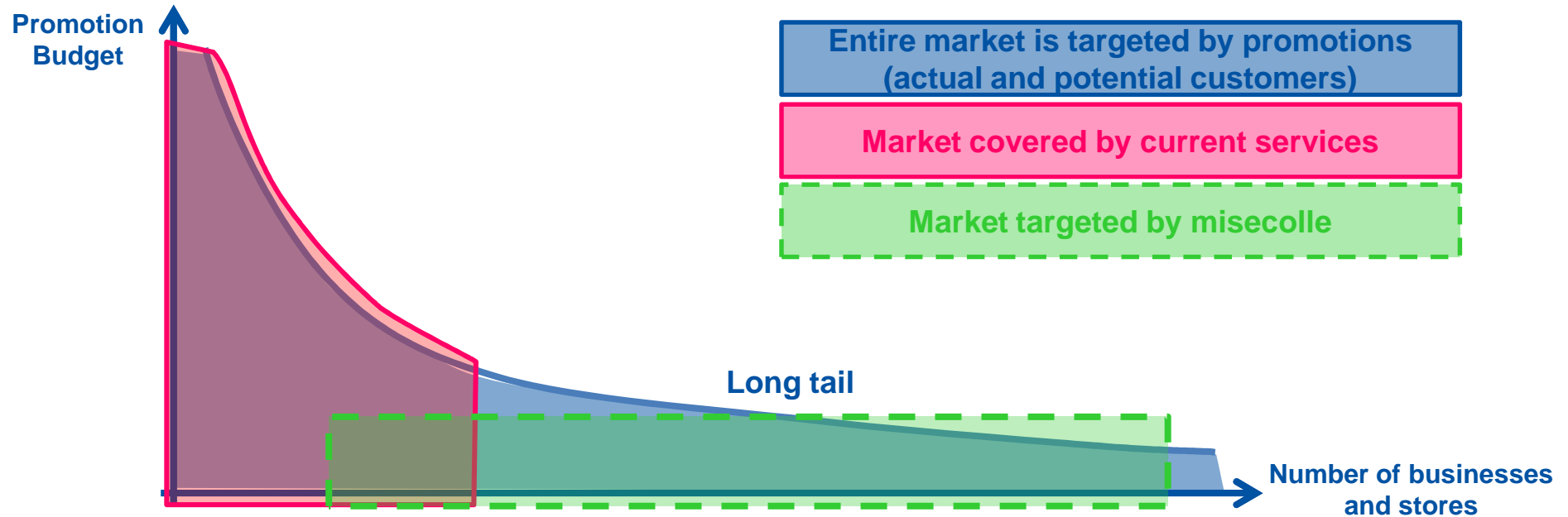
Pull-type service

- Company Wants to cut promotion costs by only sending information to the people who need it.
- User Only want to get information on the best deals at the places you often visit or are interested in.

✓ Instead of the current services, which put the sender's convenience before that of the user, **we want to create a service platform triggered by users' needs.**



| Target



Not only are restaurants included, but also various commercial establishments such as convenience stores, beauty salons, and clothing stores.

- ✓ MACROMILL is applying to promotions the innovations it has created through Internet research.
By lowering prices, MACROMILL is looking to develop a long-tail market.

Financial Results

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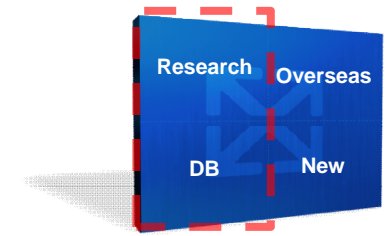
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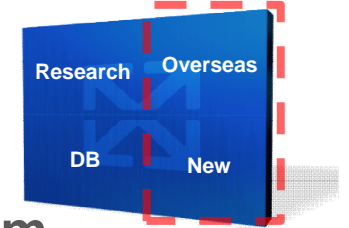
| Market research

- ✓ Organization and cost structures will be reviewed for qualitative research and overseas research.
- ✓ Collaboration between organizations will be promoted to maximize synergy with the database business.



| Database

- ✓ Services will be expanded and public relations will be enhanced to boost sales in the QPR business.
- ✓ Preparations for data collection using smart devices will begin.
- ✓ The consideration of the ID-POS business will continue.



| South Korea (MACROMILL EMBRAIN)

- ✓ Actively hire salespeople and develop a sales support system.
- ✓ Restructure the product portfolio to increase profitability.

| China (MACROMILL China, Shanghai UC)

- ✓ Bolster the internal operational structure and promote proposals to businesses in Japan and China.
- ✓ Strengthen ties with Shanghai UC and encourage cooperation in sales promotion services.

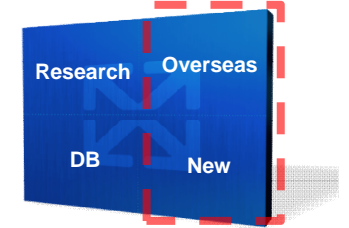
| North America (new area)

- ✓ Continue to aggressively seek out M&A opportunities.

| Misecolle promotion service



- ✓ Step up promotions to increase the number of users as soon as possible.
- ✓ Start sales and promotional efforts to attract clients.
- ✓ Accelerate the development of an iPhone version and a Web version.



| DIY Research service

- The customer creates survey forms and distributes and collects them itself.
 - DIY Research can be conducted faster and more easily than existing Internet research.
 - MACROMILL is developing this service to complement and strengthen its existing businesses.
- ✓ To make DIY Research a major service in MACROMILL's overseas operations, MACROMILL increased its staff and strengthened its system in April.
 - ✓ The service is steadily being developed and is expected to be launched this fall.

(Million yen)

	FY2012 (achieved)	FY2013 (forecast)	FY2014 (forecast)
Consolidated net sales	14,229	16,800	20,000
Ordinary income	2,975	3,900	4,700
Ordinary income rate	20%	23%	24%

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Third-Quarter Results for the Year Ending June 30, 2013 (Cumulative, Standalone)

		Third quarter (standalone) (January 1 – March 31)			Third quarter (cumulative) (July 1 – March 31)			Full-year forecast (July 1 – June 30) (Percent achieved)	
		FY2013	FY2012	YoY	FY2013	FY2012	YoY		
Consolidated	Net sales	4,660	3,917	119.0%	13,023	10,719	121.5%	16,800	77.5%
	Ordinary income	1,230	980	125.4%	3,162	2,557	123.6%	3,900	81.1%
	Ordinary income margin	26.4%	25.0%	+1.4 pt	24.3%	23.9%	+0.4 pt	23.2%	—
	Net income	701	565	124.2%	1,964	1,365	143.9%	2,100	93.5%

* Reference

Non- consolidated	Net sales	4,268	3,891	109.7%	11,705	10,651	109.9%		
	Ordinary income	1,301	1,258	103.4%	3,210	3,109	103.2%		
	Ordinary income margin	30.5%	32.3%	-1.8 pt	27.4%	29.2%	-1.8 pt		
	Net income	233	713	32.7%	1,463	1,754	83.4%		

Unit Price and Number of Active Client Companies, Active Servers, and VIP Clients

Indicator	Unit	FY2011	FY2012				FY2013		
		4 Q (Full-year)	1Q	2Q	3Q	4 Q (Full-year)	1Q	2Q	3Q
Quarterly average unit price per order (*1)	¥ ten thousand	75.5	78.3	79.7	83.7	77.2	77.9	81.6	84.5
Quarterly average unit price per order (automatic research only) (*1)	¥ ten thousand	49.8	52.5	52.0	54.9	49.7	50.8	52.6	56.5
Quarterly average unit price per order (for reference) (*1)	¥ ten thousand	78.7	81.3	83.3	87.5	80.7	81.7	85.2	88.2
Number of active client companies (annual) (*2)	Companies	1,895	985	1,371	1,711	1,924	996	1,465	1,816
Number of active servers (annual) (*2)	Servers	6,067	2,485	3,988	5,382	6,327	2,672	4,290	5,786
Number of VIP clients (*3)	Companies	229	254	256	251	249	281	265	280
Number of VIP clients with average quarterly sales of ¥10m or more (*4)	Companies	(53)	(61)	(63)	(67)	(64)	(67)	(74)	(78)

*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). To calculate realistic unit prices, going 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

Indicator	Unit	FY2011	FY2012				FY2013		
		4Q (Full-year)	1Q	2Q	3Q	4Q (Full-year)	1Q	2Q	3Q
Number of employees (consolidated)*1	People	557	566	594	735	768	788	790	803
Number of employees (non-consolidated)*1	People	542	541	550	560	582	567	579	603

*1 Number of employees includes contract employees and those on leave.

*2 As of March 31, 2013

*3 36 new graduates will join the company in April 2013

✓ Breakdown of personnel by job type

Sales
164 (including 25 assistants)

Operations
120

Researchers
139

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 April 1, 2013

✓ Number of employees at consolidated subsidiaries 211 → 200

M-CUBE: 14 → 13

M-WARP: 14 → 0 M-WARP merged with MACROMILL on April 1, 2013 as the effective date.

Macromil China: 22 → 20

MACROMILL EMBRAIN: 153 → 158

M-PROMO: 8 → 9

Indicator	Unit	FY2011	FY2012				FY2013		
		4Q (Full-year)	1Q	2Q	3Q	4Q (Full-year)	1Q	2Q	3Q
MACROMILL Panelists	Ten thousand people	104.0	105.9	107.1	108.6	109.5	110.7	112.2	113.6

* As of April 1, 2013

PC Panelists

**MACROMILL
Panelists**

1.13M people
(including smartphone panelists)

**Yahoo!
Research Panelists**

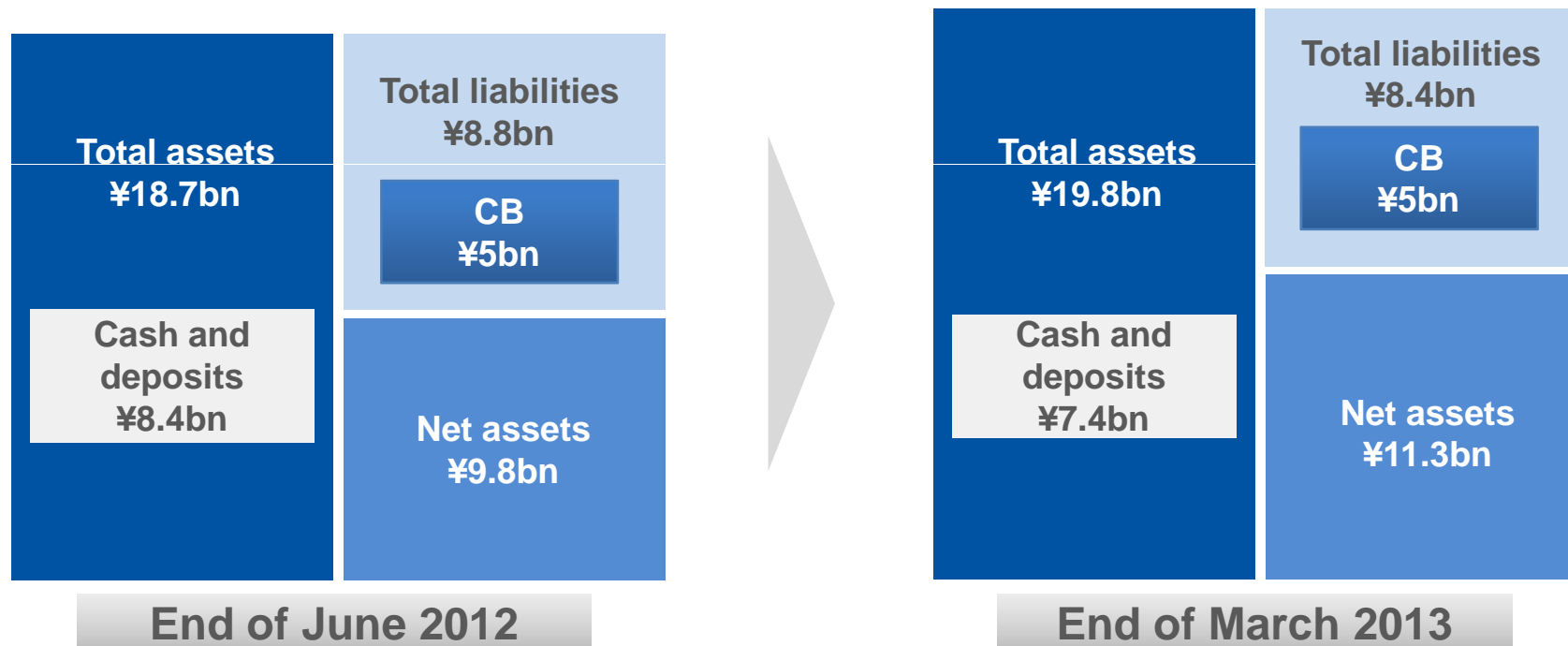
1.46M people

Mobile Panelists

**Cooperating mobile
monitors**

0.31M people
(Mobile here refers to feature phones only)

- ✓ Considering investments including M&A for new business and overseas business expansion
- To actively promote business expansion to establish a new pillar of business using cash generated in existing business domains



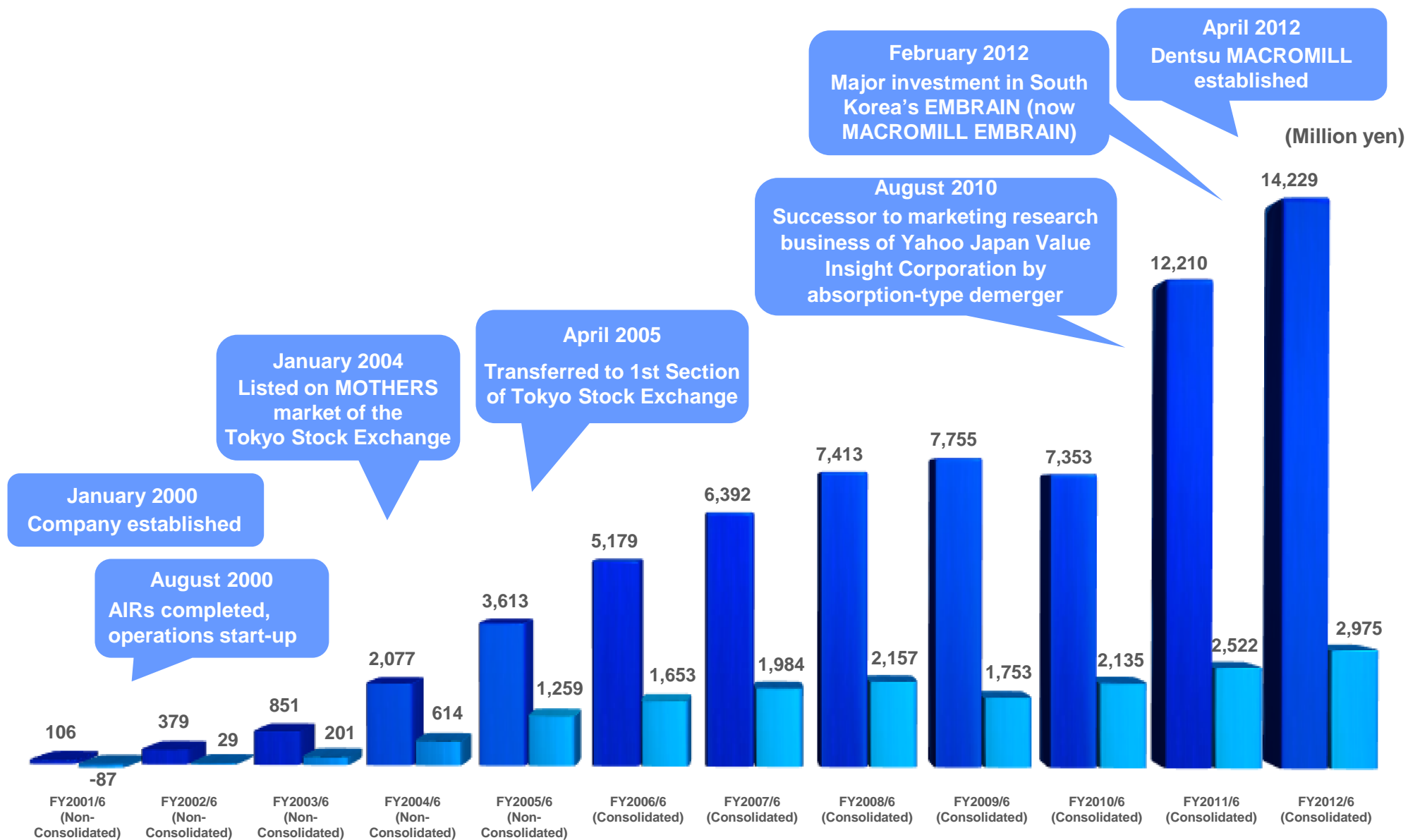
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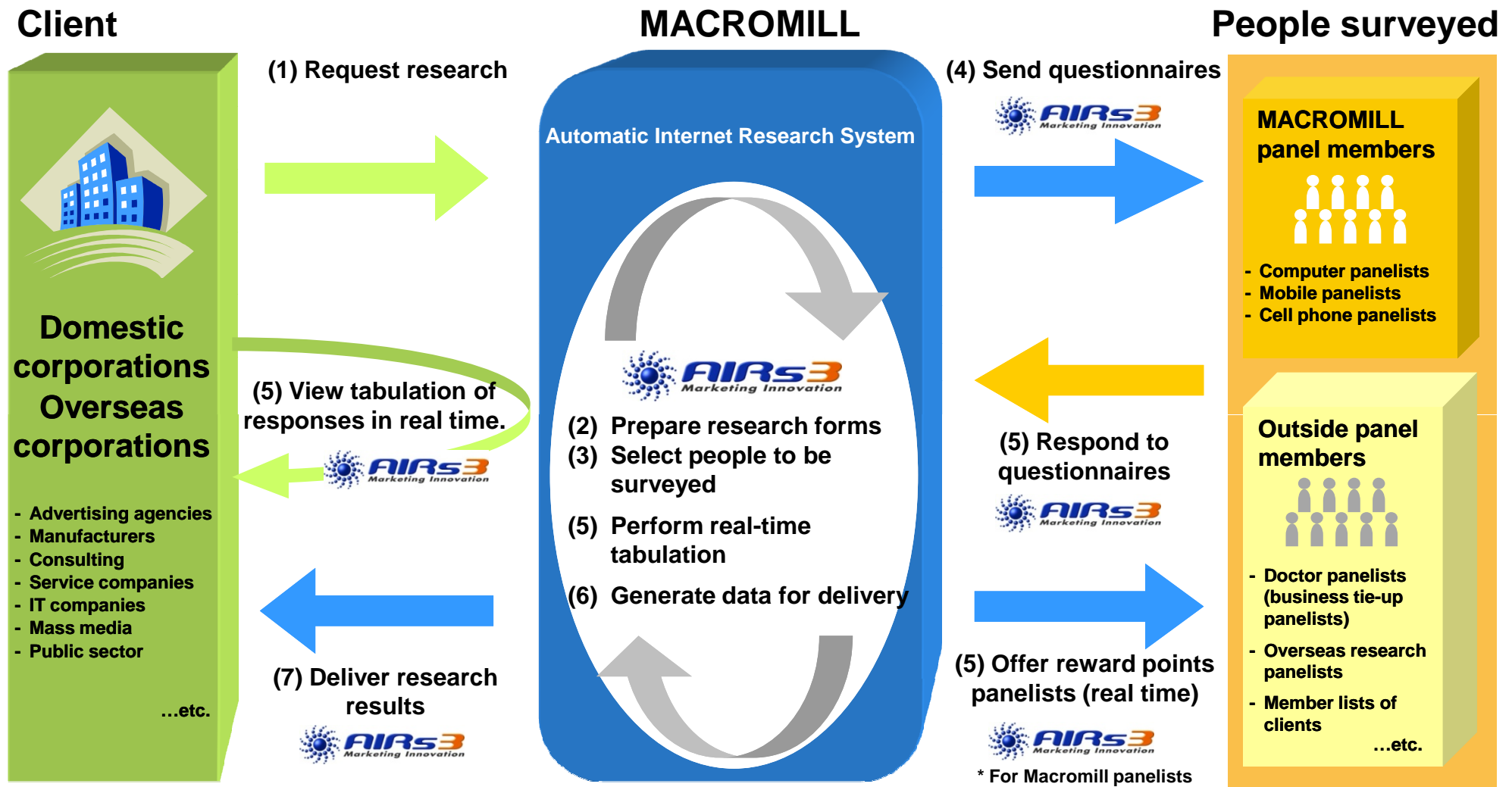
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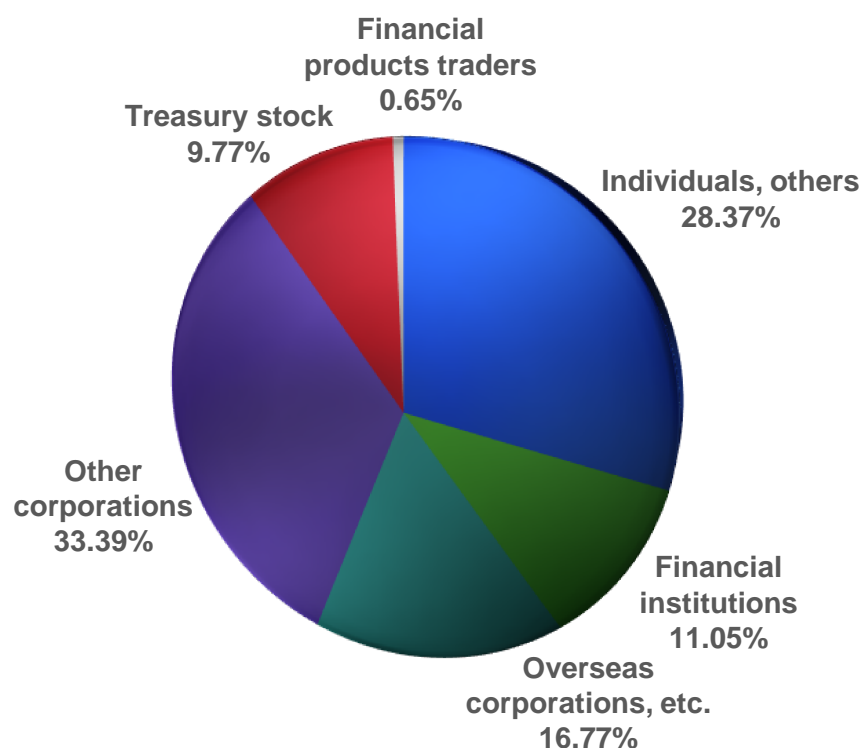


* This is a representative example of the service flow of the online research using AIRs. Depending on the subject of the research, AIRs may not be used or the flow may change.
 * If a research plan is required, this happens before step (1) in the flow chart. If an analysis of research results is required, this happens after step (7) in the flow chart.

As of December 31, 2012

Total number of authorized shares	83,712,000
Total number of issued shares	30,882,400
Number of shareholders	8,831
Round lot	100

Major shareholders	Number of shares held	Ownership (%)
Yahoo Japan Corporation	7,071,100	22.90
Vanillasky Corporation	2,402,000	7.78
Goldman Sachs International	2,327,568	7.54
Japan Trustee Services Bank, Ltd. (Trust account)	1,186,400	3.84
Tetsuya Sugimoto	912,400	2.95
The Master Trust Bank of Japan, Ltd. (Trust account)	752,900	2.44
Yasunori Fukuha	709,600	2.30
Goldman Sachs & Co. Regular Account	680,700	2.20
Satoshi Shibata	572,000	1.85
INTEC Inc.	514,400	1.67



Note 1. The Company's total treasury stock ownership of 3,016,600 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.

MACROMILL

Innovation or Nothing



Consolidated subsidiaries

Domestic

Overseas



Construction of QPR panels
Collection of consumer purchase data
Shareholders:
Hakuhodo DY Holdings Inc. etc.



Marketing support business using the Internet
Sales launched in March 2012



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 alliances

Shanghai United-Cities Industry
Co., Ltd.

→ 6.9% stake

Business alliances



dentsu



Dentsu marketing insight

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 the performance and results in this presentation may differ from MACROMILL's actual performance and results.

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