



First Quarter Results Briefing Year Ending June 30, 2011

Macromill, Inc.

First Section, Tokyo Stock Exchange (3730)

Topics in First Quarter of Year Ending June 2011

Both net sales and income exceeded the Company's plan.

- Consolidated net sales rose 61.6% year on year (sales of YVI for two months included).
- Sales increased from a year ago in all industries, partly reflecting a recovery in the economy.
- An ordinary profit margin of 20%, the full-year target, was achieved in the first quarter.

The merger with YVI is progressing steadily.

- The Company acquired the marketing research business of YVI on August 1.
- The integration of offices was completed in late September, and the new organization began operating on October 1.

1. Report on Results

Overview of First Quarter Results for Year Ending June 2011

(Million yen)

		1 st quarter (July 1 – Sep 30)			1 st half (forecast)	
		12 th term	11 th term	Year-on-year	(Percentage achieved)	
Consolidated	Net sales	2,848	1,762	161.6%	5,821	(48.9%)
	Ordinary income	582	367	158.3%	920	(63.3%)
	Ordinary profit margin	20.4%	20.8%	-	15.8%	-
	Extraordinary profit	-92	-5	-	-	-
	Net income	283	271	104.3%	398	(71.1%)

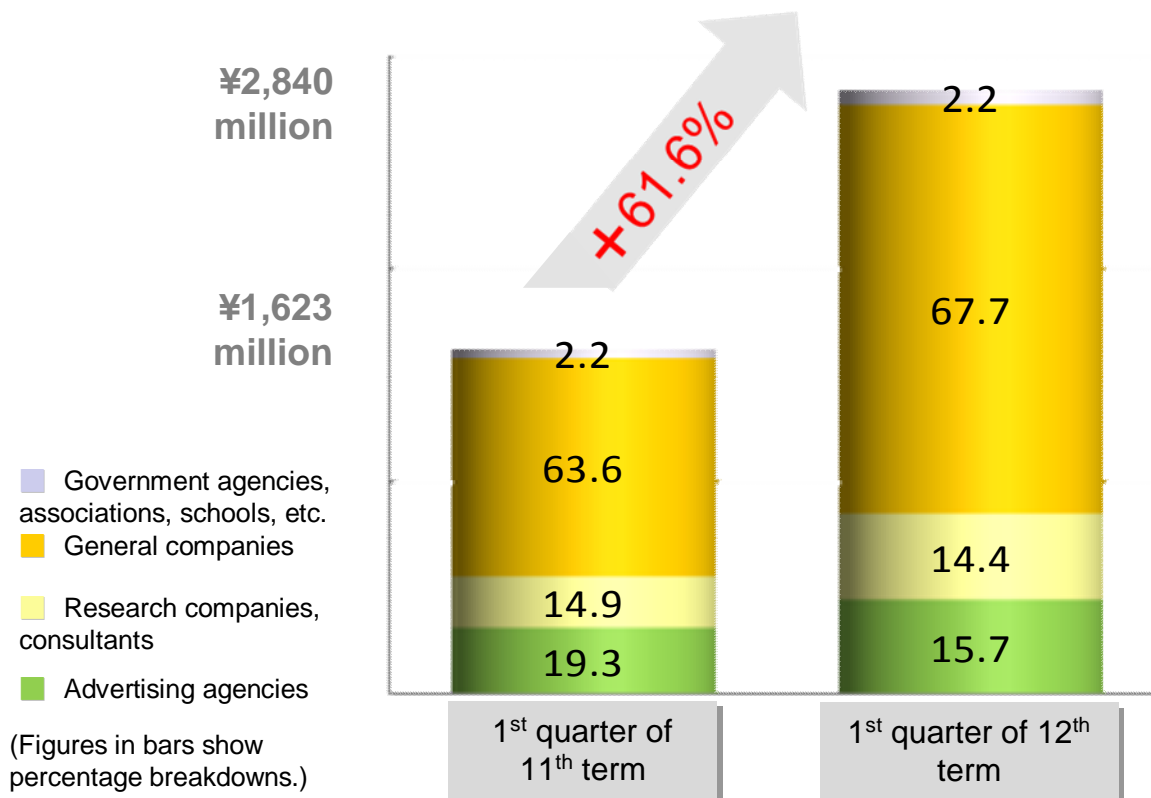
The results for the first quarter of the 11th term include the results of AIP, which was a consolidated subsidiary.

※For reference

Non-consolidated	Net sales	2,840	1,623	175.0%	5,821	(48.8%)
	Macromill	2,045	1,623	126.0%	-	-
	YVI (Aug-Sep)	795	713	111.5%	-	-
	Ordinary income	574	425	135.1%	920	(62.4%)

Breakdown of Sales According to Category (non-consolidated)

- ✓ There is no significant difference in the sales breakdowns of Macromill and YVI.
- ✓ The sum of net sales of both companies rose from a year ago in all industries in the first quarter of the 12th term.
 - Net sales excluding net sales of YVI increased 26.0% year on year.



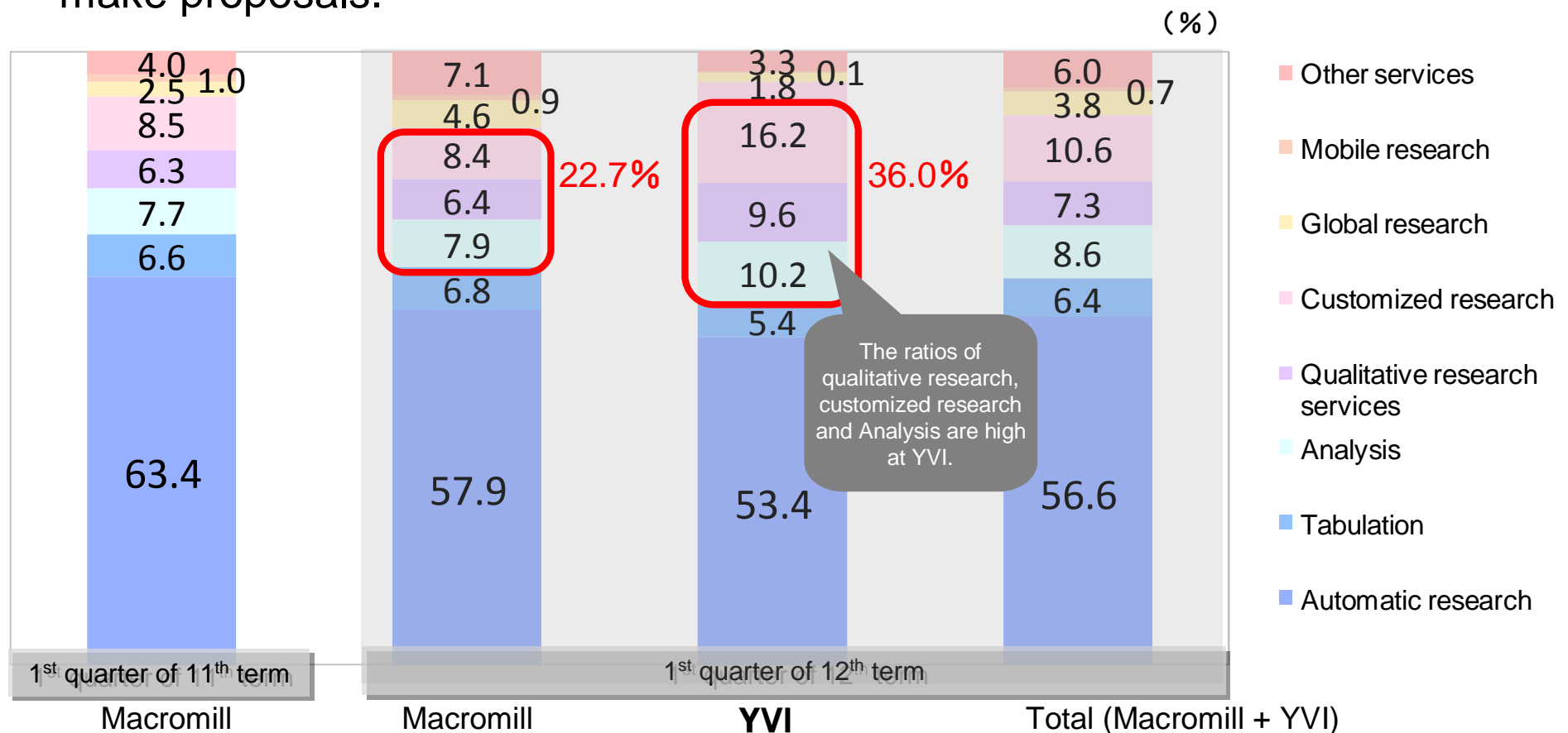
Industries where sales rose
(Year-on-year change in the sales amount of Macromill)

1. Food & drink **up 59.5%**
+¥120 million
2. Services **+¥110 million**
3. Research and consultancy **+¥50 million**

- QPR sales rose in particular.
- Industries that were sluggish in the previous fiscal year recovered.

Change in Breakdown by Service (non-consolidated)

- ✓ The difference in the ratios of customized research reflects the difference between the research systems of both companies.
 - Macromill: 8.4%; YVI: 16.2% (AIRs covers a wide area of research.)
- ✓ The weighting of analysis is high at YVI, attributable to its strong ability to make proposals.



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

Indicator	Unit	Year ended June 30, 2010				Year ending June 30, 2011	
		1 st quarter	2 nd quarter	3 rd quarter	Full year (4 th quarter)	1 st quarter	
						Macromill	After integration
Quarterly average unit price per order	Ten thousand yen	72.8	70.3	72.9	70.0	79.7	
Quarterly average unit price per order (automatic research only)	Ten thousand yen	51.0	49.4	52.4	48.5	53.9	
Number of active companies (annual) *1	Companies	659	995	1,270	1,441	730	904
Number of active servers (annual) *1	Servers	1,452	2,481	3,477	4,188	1,702	2,221
Number of VIP clients*2	Companies	151	144	155	144	180	242

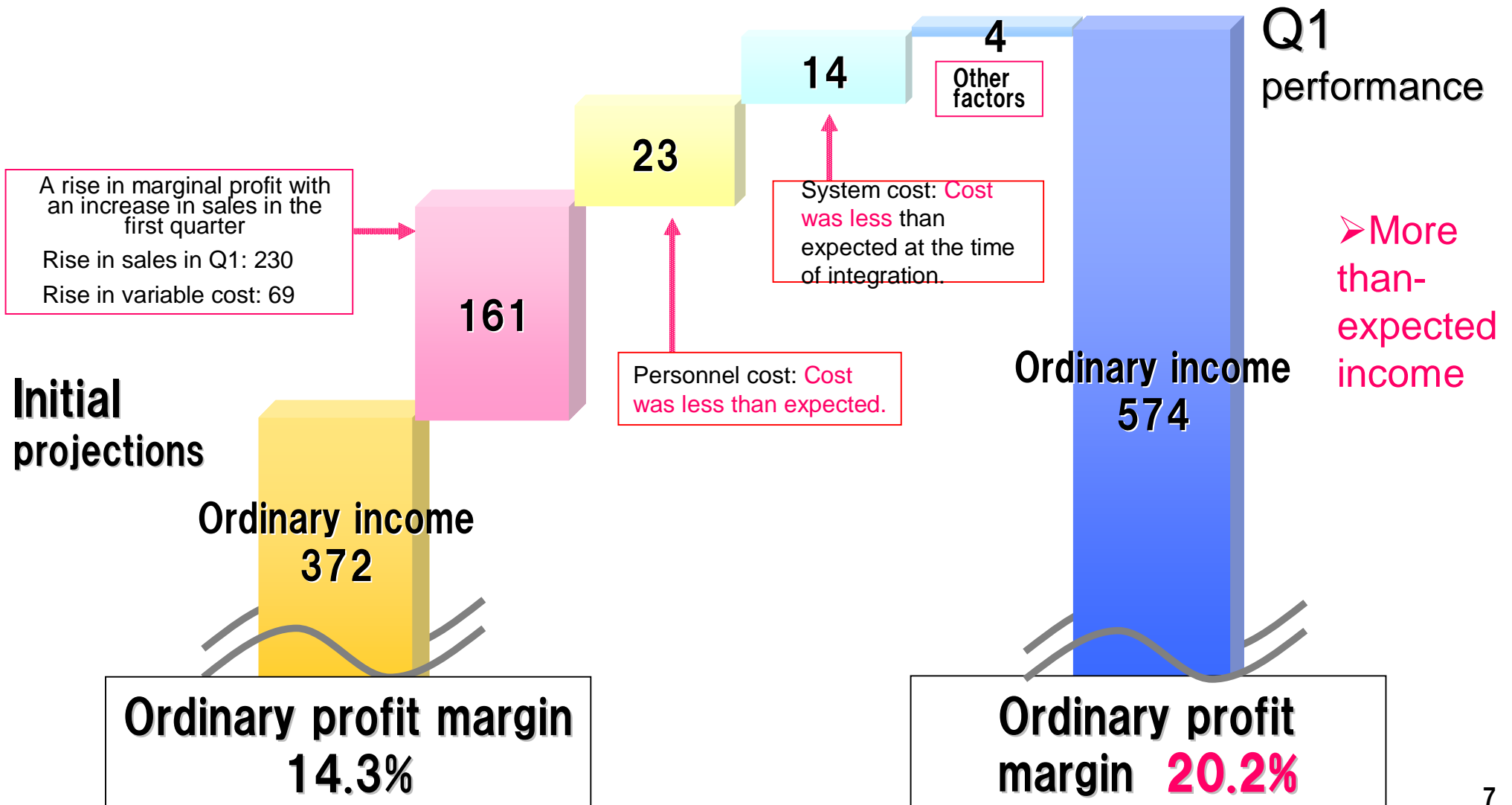
(*1) Number of companies/servers from which sales were recorded at least once from the beginning of the fiscal year.

(*2) Priority clients with annual sales of ¥10 million or more are defined as “VIP clients”.

- ✓ The unit price rose, reflecting a recovery in large-scale surveys and the expansion of analysis and qualitative research.
- ✓ The numbers of clients, servers, and VIP clients all increased sharply because of the integration.

Factors Behind the Increase in Income (Non-consolidated)

(Million yen)



Costs Associated with the Integration

Most of the costs associated with the management integration are goodwill (including intangible assets) and an extraordinary loss.

Extraordinary loss (¥90m in the first quarter, expected to be ¥240m in the full year)
 → **Most of the loss will be posted in the first half.**

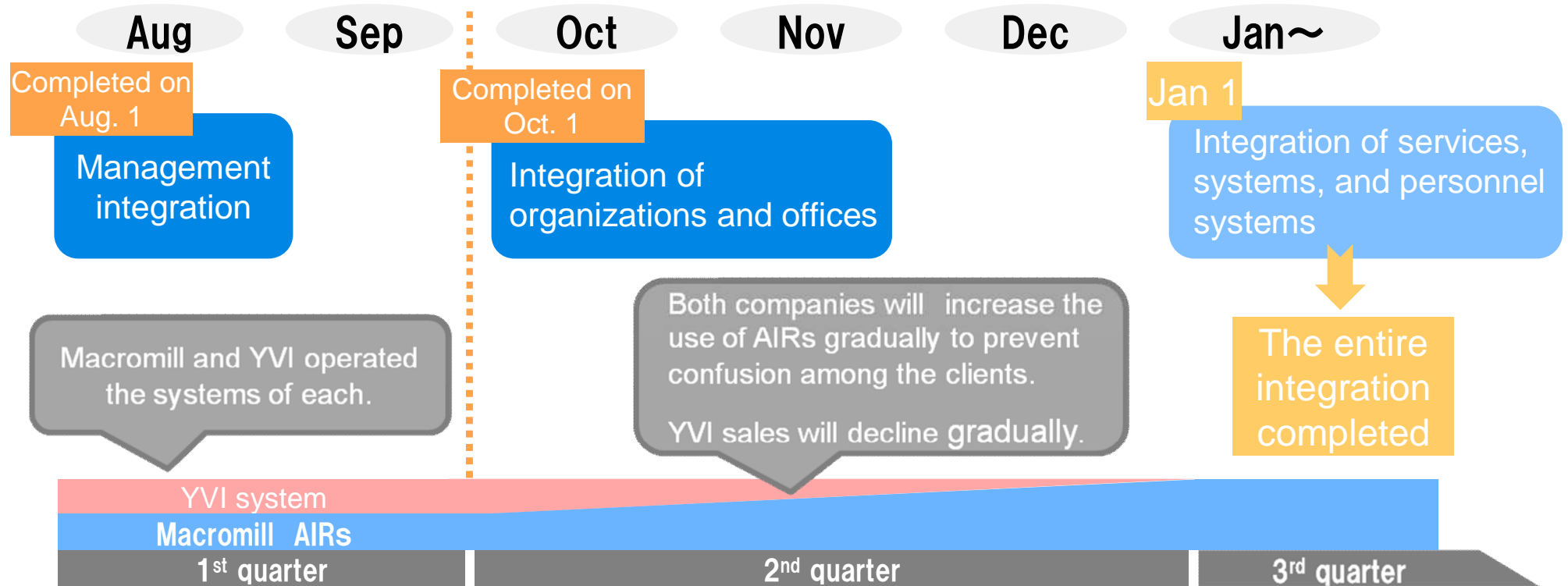
Amortization costs with the acquisition of intangible assets (goodwill of ¥430m, client assets of ¥290m, and panelist assets of ¥40m)
 → **A total of ¥760m** (to be amortized in 20, 16, and 9 years, respectively)

	Year ending June 30, 2011 1 st quarter (result)	Year ending June 30, 2011 Full year (forecast)	(Million yen)
One-time costs			
Extraordinary loss (systems, offices, and personnel)	92	242	
Ongoing costs			
Amortization of goodwill (¥430m, amortized in 20 years)	4	20	
Amortization of client assets (¥290m, amortized in 16 years)	3	17	
Amortization of panelist assets (¥40m, amortized in 9 years)	1	5	
Increase in amortization costs (systems and offices)	5	101	
Subtotal (ongoing costs)	13	143	
Total expense	105	385	

Only amortization costs will continue to occur from the next fiscal year.

2. Progress of Management Integration

Progress of Integration



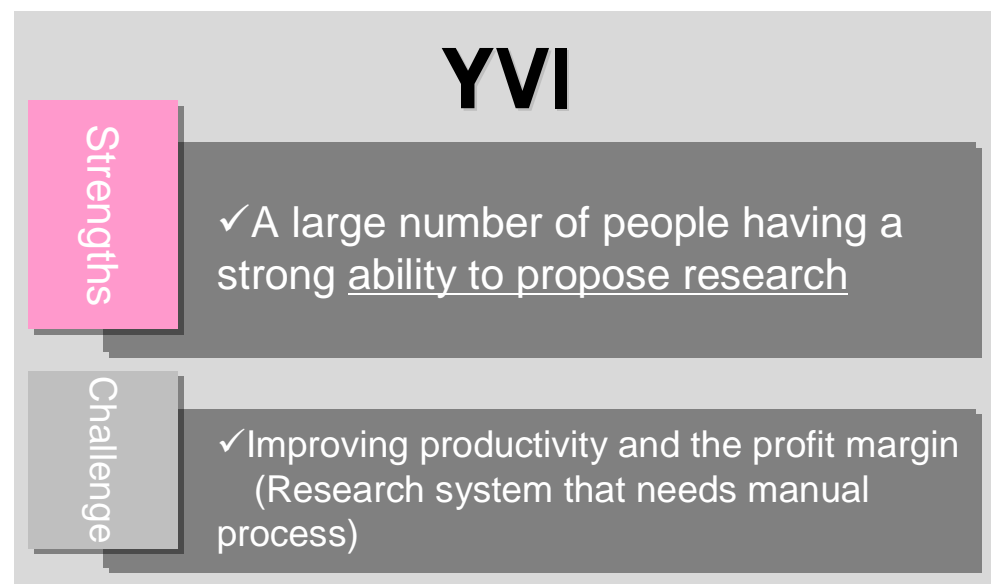
✓ Macromill and YVI used the systems of each in August and September.

→ Macromill sales: ¥2.04bn (up 26.0% year on year)
 YVI sales : ¥ 0.79bn (up 11.5% year on year)

Made a good start

Purpose of the Integration

- ✓ Achieving an overwhelming market share
 - Net sales: ¥7.3bn before integration (performance in the 11th term)
 - ¥12.5bn after integration (plan for the 12th term)
- ✓ A company benefiting from the strengths of both companies
 - The profit margin percentage of YVI improving with the introduction of AIRs
 - Excellent researchers of YVI bolstering Macromill's ability to make proposals



Status of Personnel

Indicator	Unit	Year ended June 30, 2010				Year ending June 30, 2011	
		1 st quarter	2 nd quarter	3 rd quarter	Full year (4 th quarter)	1 st quarter	
						Macromill	After integration
Number of employees (consolidated) *	People	356	297	297	309		605
Number of employees (non-consolidated) *	People	295	288	289	298		596

(*) Number of employees excluding those on leave

- ✓ An increase in personnel with the integration
→ The number of researchers has particularly increased.

Sales
80 people → 130 people

Operation
60 people → 110 people

Researchers
60 people → 130 people

Executive officers and executives at higher levels, and employees on leave are not counted.

- ✓ Systems integrated into the AIRs system
→ Achieving an improvement in productivity per employee early

Organization after the Consolidation

Operations Division I

Operations Division II

Operations Division III

Operations Division IV

West Division

Solutions Division

New

Conventional Research Division

The division will conduct conventional surveys, such as group interviews, onsite surveys, and home use tests, using the strengths of online research.

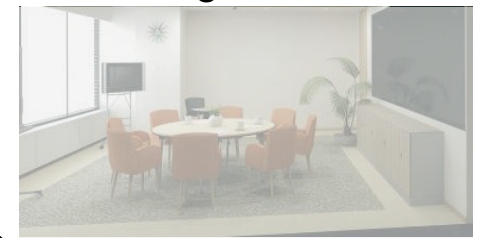
- ✓ The new organization was introduced in October. Macromill and YVI personnel are assigned to each division.
- ✓ The Conventional Research Division, which will use the strengths of YVI, has been formed.

Increasing demand for conventional research from clients



Providing conventional research, using the strengths of an online research company

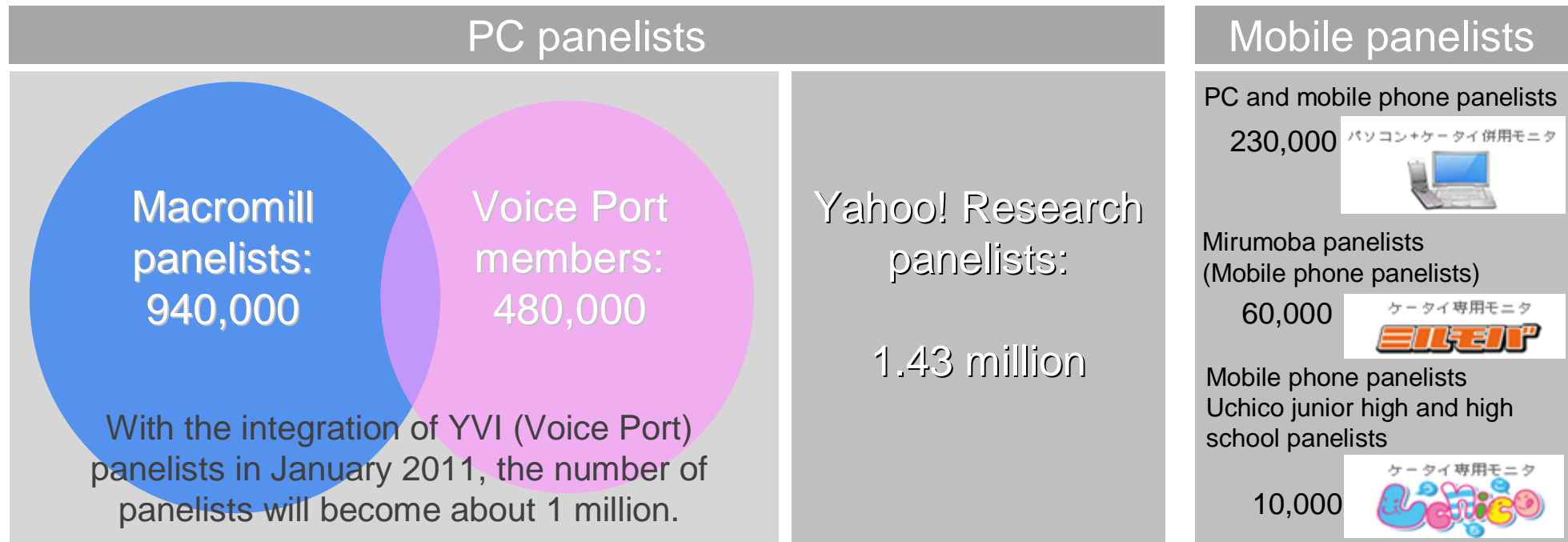
- Conducting **one-stop recruiting** of people to be surveyed, using AIRs
- Having **professional staff** with sufficient research expertise
- Providing **ample in-house facilities**, including interview rooms and CLT rooms



Status of Panelists

Indicator	Unit	Year ended June 30, 2010				Year ending June 30, 2011	
		1 st quarter	2 nd quarter	3 rd quarter	Full year (4 th quarter)	1 st quarter	
						Macromill	After integration
Macromill panelists	Ten thousand people	87.4	88.7	90.3	92.6	94.0	94.0

✓ Not only Macromill panelists but also Yahoo! Research panelists will be available.



The number of Yahoo! Research panelists is that as in October. The numbers of other panelists are those as of September 30.

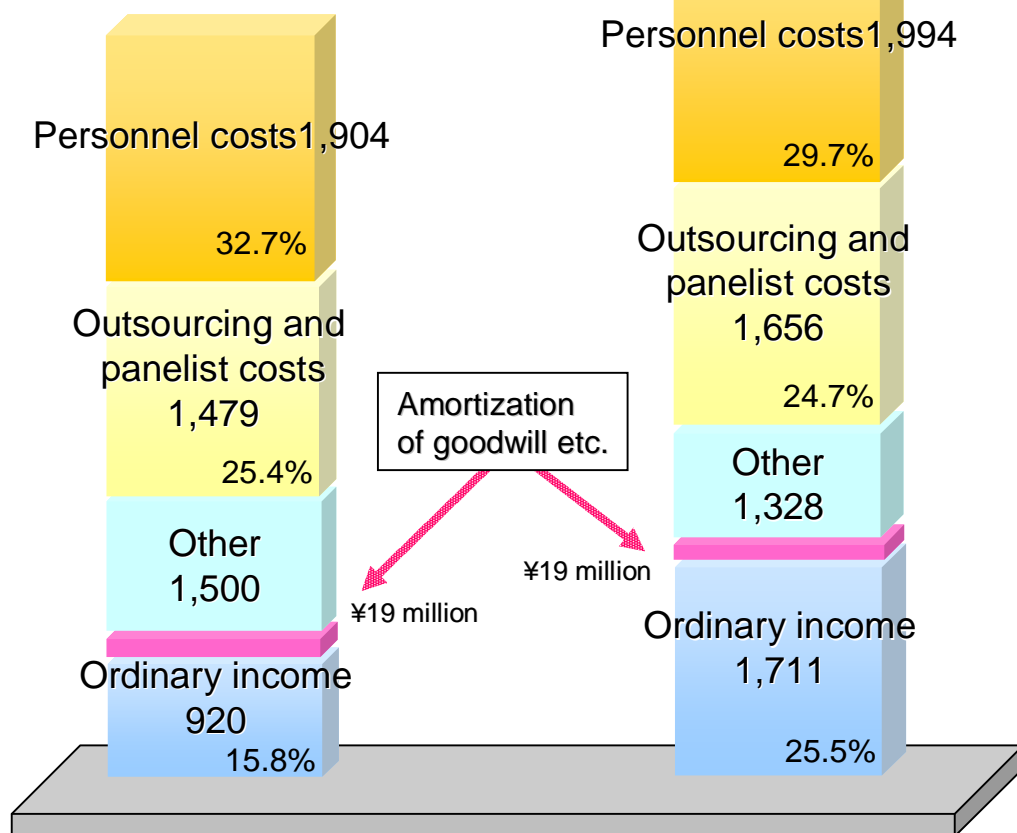
3. Earnings Forecast and Capital Policy

Provisional Full-Year Forecast (non-consolidated)

1st half projection

Net sales
¥5,822 million

(Million yen)



2nd half projection

Net sales
¥6,708 million

Solid progress compared with full-year forecast

Results in the first quarter were **strong**, and sales increased in the second half in the past.

Expect **a sharp improvement** in the ordinary profit margin as an increase in personnel costs will be offset by a rise in sales.

Aim for an ordinary profit margin of 20% in the 12th term and the level before the integration (**30%**) later.

Change in Balance Sheet

Cash and deposits have become ¥6.5bn, and investment securities, ¥1.0bn.

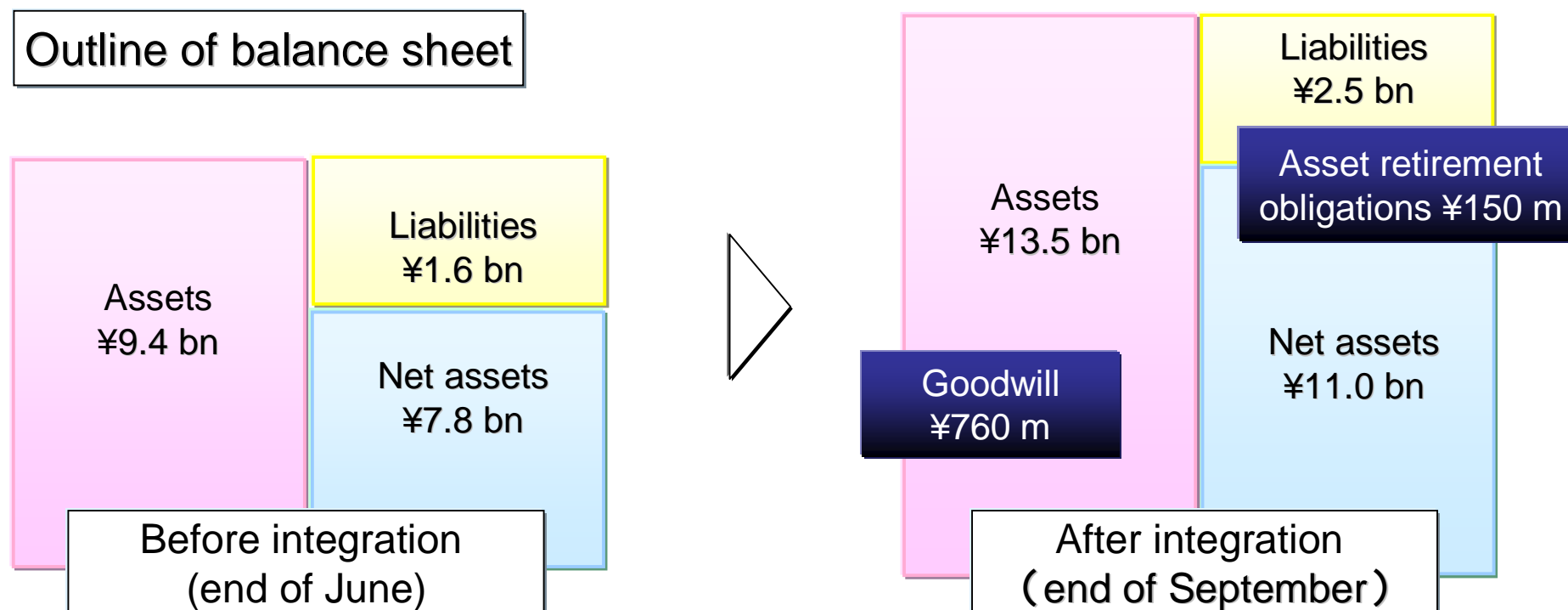
→ To be used effectively for business growth

The accounting standard for asset retirement obligations is applied.

(¥150m posted)

The uniform accounting standards were applied, and assets acquired were determined (total assets: ¥4.25bn).

Outline of balance sheet



Capital Policy ①

Announced on November 12, 2010



Notice on stock split, adoption of share unit system, and amendment to the Articles of Incorporation

Notice on determination of stock repurchases

◆ A stock split and the adoption of a share unit system are determined to increase liquidity and expand the investor base.

✓ One share in Macromill will be split into 200 shares on January 1, 2011.

Record: December 31, 2010

✓ At the same time, the number of shares per unit will be set to 100.

→ The investment unit will be effectively halved.

The Company aims to expand the number of individual investors.

→ There will be no effective change in dividends.

※ Interim dividends will be paid, based on numbers of shares before the stock split.

Capital Policy ②

Announced on November 12, 2010

Notice on stock split, adoption of share unit system, and amendment to the Articles of Incorporation



Notice on determination of stock repurchases

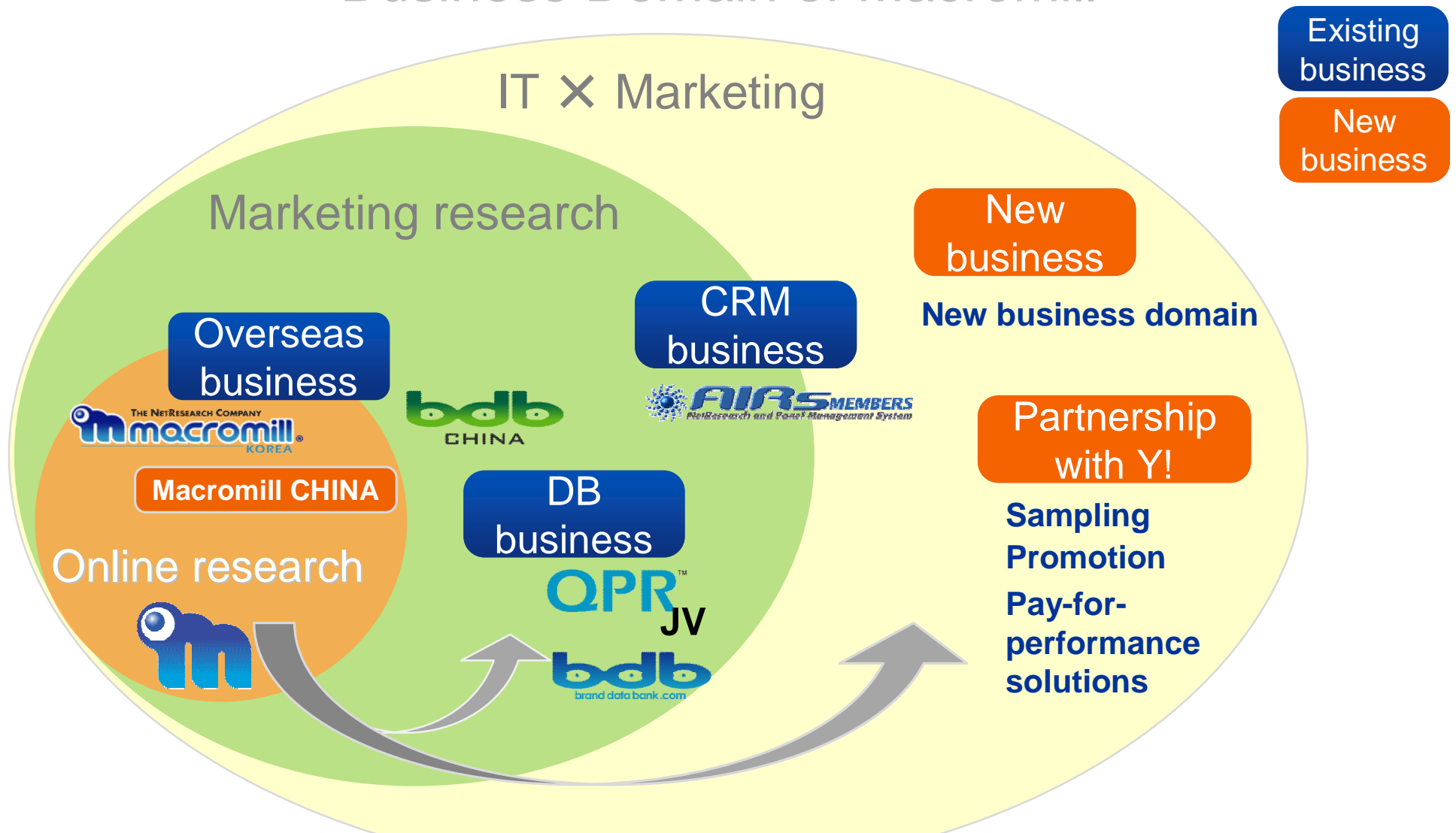
◆ Resolution for stock repurchases for flexible capital policy

- ✓ Period for repurchases: From November 15, 2010 to June 30, 2011
- ✓ Maximum number of shares to be repurchased: 5,000
(3.2% of the shares issued excluding treasury stock)
(Maximum number after the stock split: 1,000,000)
- ✓ Maximum value of shares to be repurchased: 1 billion yen

→ Dividends and stock repurchases divided by net income: 100%
Stock buybacks are intended for effective use of capital and shareholder return.(Increases in ROE and EPS are also considered.)







4. Future Development of Operations

Business Domain of Macromill



- ✓ Expanding operations in the domain relating to IT and marketing, especially in online research

New and Overseas Operations

	Sales for 1 st quarter of the year ending June 30, 2011	Sales target for the full year: ¥700 million (sum of sales of QPR, bdb, and AIRs MEMBERS)
	¥80 million	<ul style="list-style-type: none"> ✓ July 2010: The number of QPR panelists was expanded to 10,000. ✓ A basic agreement on the formation of a new company announced
	¥30 million	<ul style="list-style-type: none"> ✓ Aug. 2010: Chinese bdb started.   ✓ Fifteen new database agreements in the first quarter
	¥20 million	<ul style="list-style-type: none"> ✓ About a year and a half had passed since the commencement of the service. ✓ Four new contracts in the first quarter
	(For reference) ¥110 million Full-year target ¥470 million	<ul style="list-style-type: none"> ✓ Number of employees: 22; number of panelists: 240,000 ✓ Since the company is an equity-method affiliate, only income and expenses are added to consolidated results. → A profit is expected to be made in the fiscal year under review.

※ Sales of Macromill Korea were calculated, using the exchange rate of 0.0736 yen against the won.

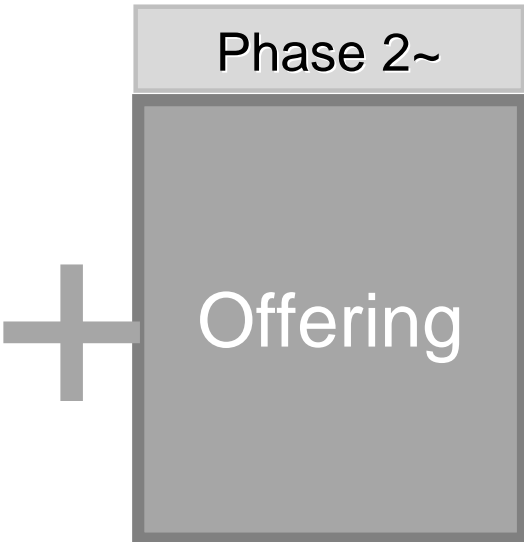
Basic Agreement on Formation of a New Company

Formation of a new company



Capital:
¥0.4 bn

Shareholder composition (phase 1)	
Investment ratios (plan)	
 ネットリサーチなら、マクロミル	82%
 Hakuhodo DY holdings	15%
 Tokyu Agency Inc.	3%



- ✓ Have decided to form a new company jointly with two companies to bolster the QPR business.
- ✓ Will continue to offer investments strategically after the forming of a new company in January 2011 (plan) to make QPR (consumers purchasing data) an industry standard.

QPR (Quick Purchase Report)™:

Product purchasing research service jointly operated by Macromill and Tokyu Agency whereby QPR panelists are given portable barcode scanners to collect data on their purchasing habits. The service also enables combined online research into consumer attitudes (reasons for purchasing products, etc.)

We aspire to become Japan's largest and strongest IT marketing company and one of the world's most unique companies.



Reference Material

(Reference) Corporate History



Jan. 2000

Macromill.com Inc. established

Aug. 2000

The Automatic Internet Research System (AIRs) completed and operated

Jan. 2001

Recruiting activities starts in earnest; the Sales Department is established.

Mar.

A monthly profit posted for the first time.

Dec. 2001

The business name changed to Macromill Inc.

Jun. 2002

A full-year profit posted for the first time (fiscal year ended June 2002; net sales: ¥300 million).

Mar. 2003

Ranked 10th among unlisted companies in the Venture of the Year 2002 award of Nikkei Venture.

May

AIRs is enhanced and redesigned; Quick-CROSS, tabulation software, starts to be offered for free.

◆Rei Kikukawa becomes the poster child.

Jan. 2004

Listed on TSE Mothers

Feb.

Sales activities expanded nationwide (The Kansai branch established).

Apr.

Macromill Netresearch Institute established.

Jul.

MobileMill, a mobile research service, starts.

Sep.

Ranked fifth in Japan Technology Fast 50, rankings of fastest growing Japanese technology companies.

Feb. 2005

Forms an alliance with AIP, which manages research panels overseas, and starts the GlobalMill overseas research service.

◆Tomoyo Harada becomes the poster child.

Apr. 2005

Transferred to First Section of Tokyo Stock Exchange

Apr.

Forms an alliance with So-net M3 (currently M3). M3Mill, research of healthcare professionals, starts.

Jul.

Joins the Japan Business Federation.

Mar. 2006

Cutover to the third-generation AIRs

Dec. 2007

The QPR service, a product purchasing research service using portable barcode scanners operated jointly by Macromill and Tokyu Agency, starts.

Jul. 2008

MACROMILL Korea, INC. established.

Oct. 2009

The Marketing Database Services expanded following the acquisition of Brand Data Bank.

Macromill Warp, Inc. established.

Aug. 2010

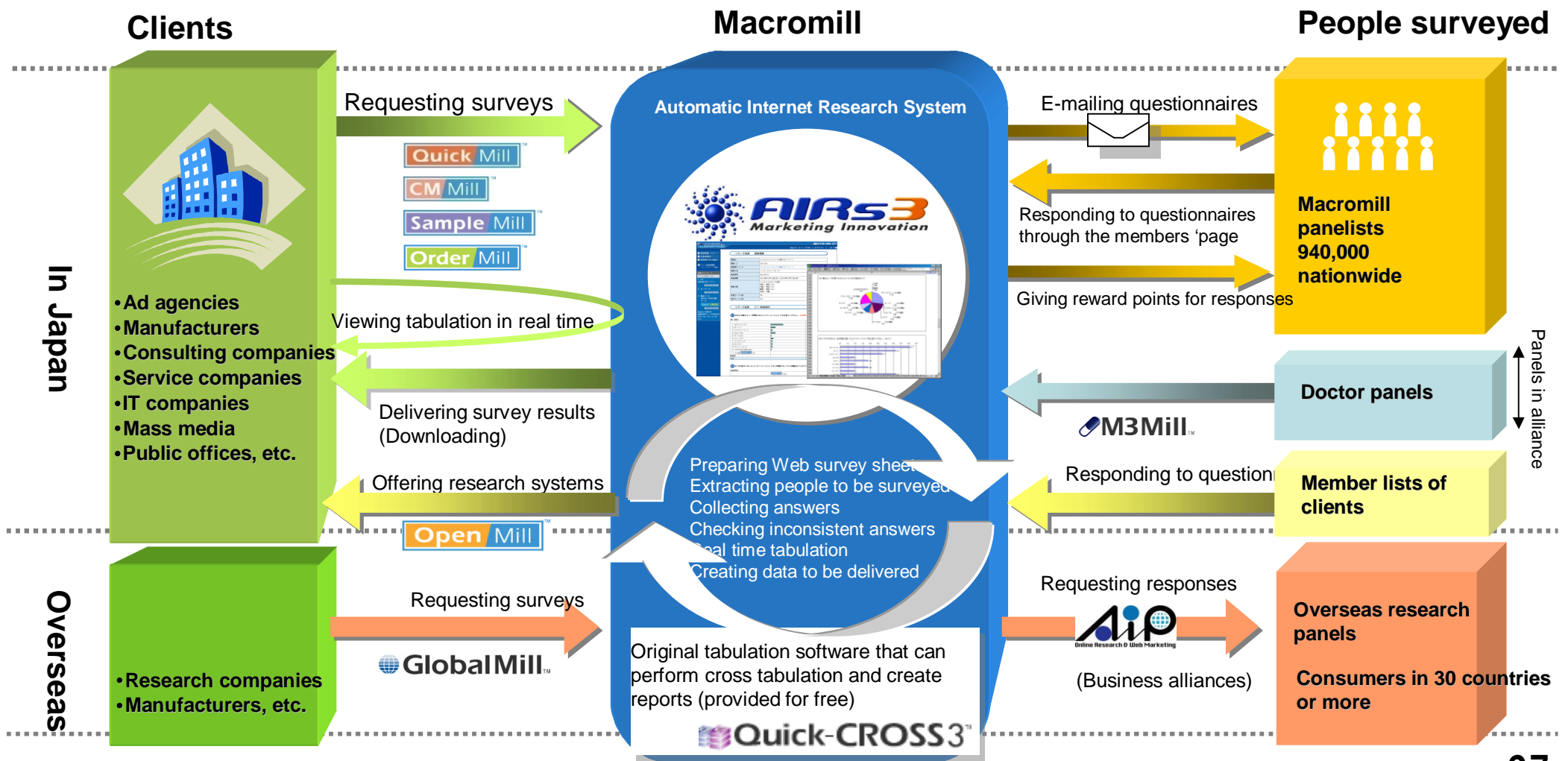
Takes over the marketing research business that is split from Yahoo Value Insight.

◆Nobukazu Kuriki becomes the poster child.

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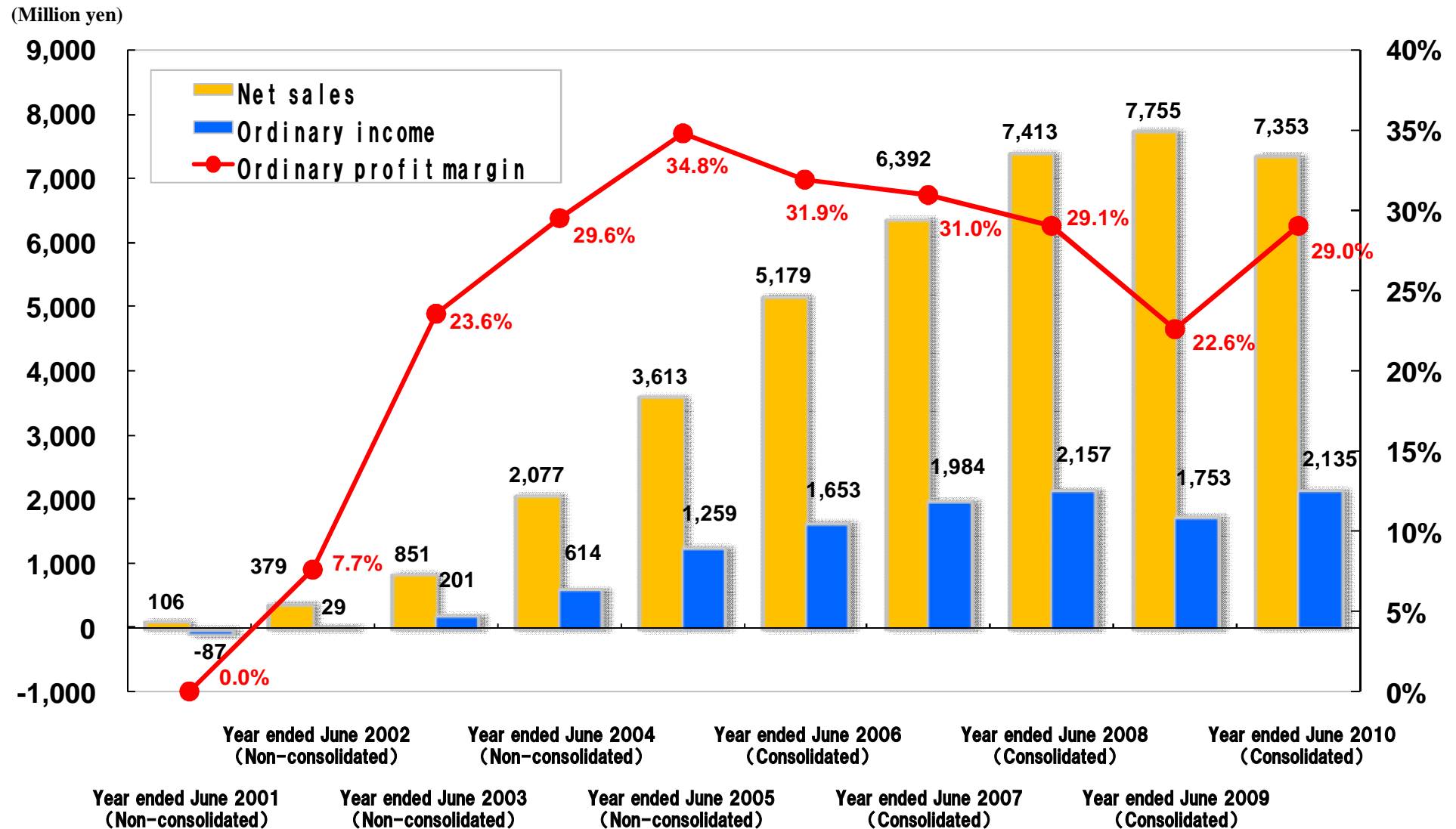
(Reference) Overview of Operations of Macromill

Flow of Online Research Service



(Reference) Performance Trends

Net Sales, Ordinary Income, Ordinary Profit Margin



(Reference) Three-Year Business Plan

(Million yen)

	Year ending June 30, 2011 (plan)		Year ending June 30, 2012 (plan)		Year ending June 30, 2013 (plan)	
	Amount	%	Amount	%	Amount	%

(Non-consolidated)

Net sales (10% growth)	12,530	100%	13,700	100%	15,100	100%
Ordinary income	2,631	21%	3,100	23%	3,700	25%
Net income	1,376	11%	1,900	14%	2,200	15%

(Consolidated) It is assumed that Macromill Korea will remain an equity method affiliate.

Net sales	12,530	100%	14,100	100%	15,700	100%
Ordinary income	2,506	20%	3,200	23%	3,900	25%
Net income	1,304	10%	1,900	13%	2,400	15%
Ratio of overseas sales					About 3% ※	
Consolidated EPS (yen)	8,516		12,500		15,600	
Market capitalization (PER is assumed to be 20.)	26.0 billion		38.0 billion		48.0 billion	

※ If Macromill Korea becomes a consolidated subsidiary, consolidated net sales will be ¥17.0 billion, and the ratio of overseas sales will be 10%.

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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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