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# Financial Results for the 1st Quarter Year ending June 30, 2014 (FY15)

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株式会社 マクロミル

First Section, Tokyo  
Stock Exchange (3730)

# Financial Results

Achievements in Individual Domains

Details of Financial Results

Reference

- ✓ Sales soared, mainly in existing domestic businesses, but as planned, earnings fell after investment in new businesses at the beginning of the year.

(Million yen)

		FY2014 1Q	FY2013 1Q	YoY
<b>Consolidated</b>	Net sales	4,298	3,978	108.1%
	Ordinary income	749	881	85.1%
	Ordinary income margin	17.4%	22.1%	-4.7 pt
	Net income	390	648	60.2%

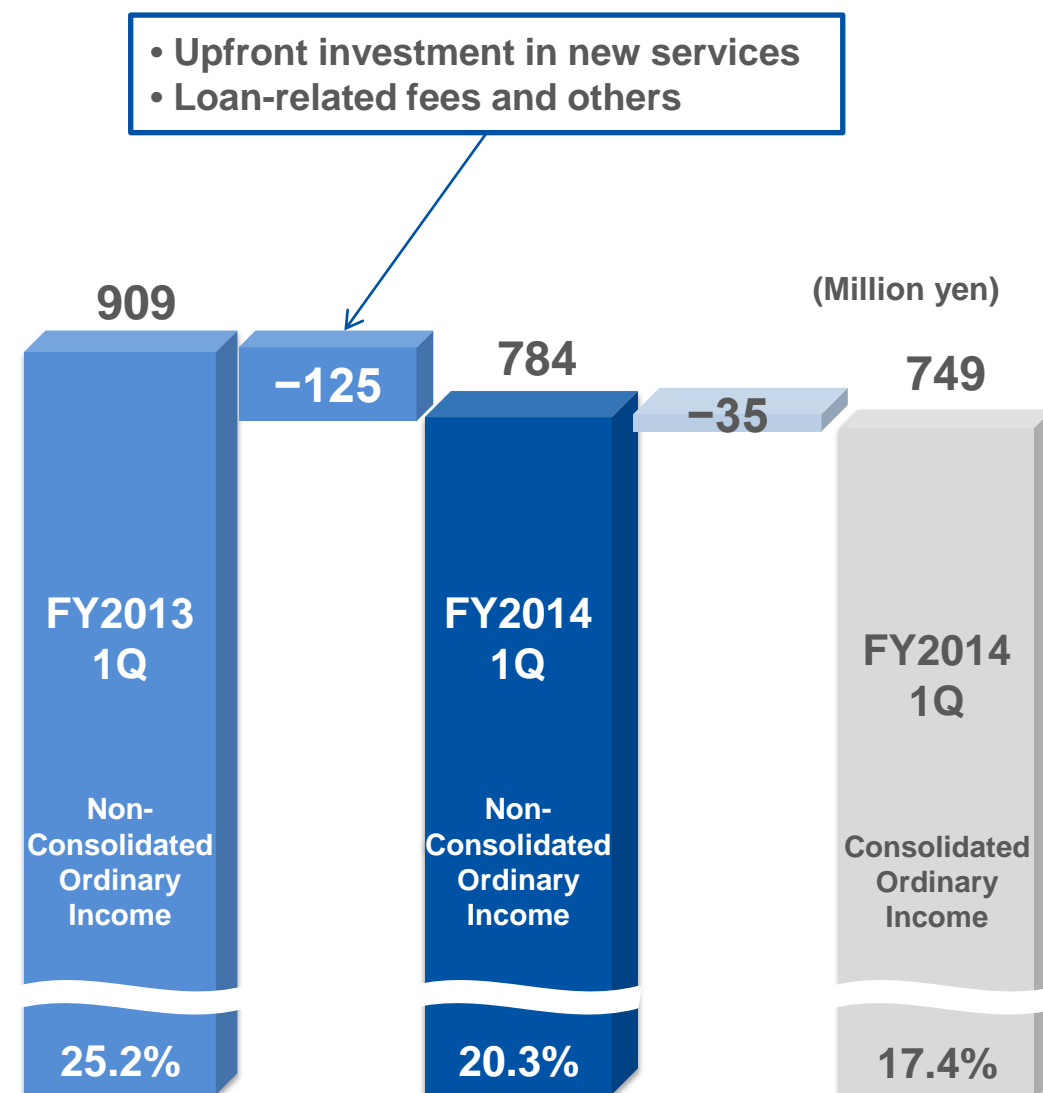
Full-year forecast	(Percent achieved)
19,100	(22.5%)
3,000	(25.0%)
-	-
1,700	(23.0%)

(Reference)

<b>Non-Consolidated</b>	Net sales	3,867	3,607	107.2%
	Ordinary income	784	909	86.2%
	Ordinary income margin	20.3%	25.2%	-4.9 pt
	Net income	462	544	84.9%

	FY2014 1Q		FY2013 1Q	
	Amount	%	Amount	%
<b>Net sales</b>	<b>3,867</b>	100.0	3,607	100.0
<b>Cost of sales</b>	<b>2,056</b>	53.2	1,838	50.9
Personnel	540	14.0	503	13.9
Panelists and outsourcing	1,157	29.9	1,063	29.5
Other	358	9.3	271	7.5
<b>SG&amp;A</b>	<b>953</b>	24.6	861	23.9
Personnel	529	13.7	493	13.7
Other	423	11.0	367	10.2
<b>Ordinary income</b>	<b>784</b>	20.3	909	25.2
<b>Net income</b>	<b>462</b>	12.0	544	15.1

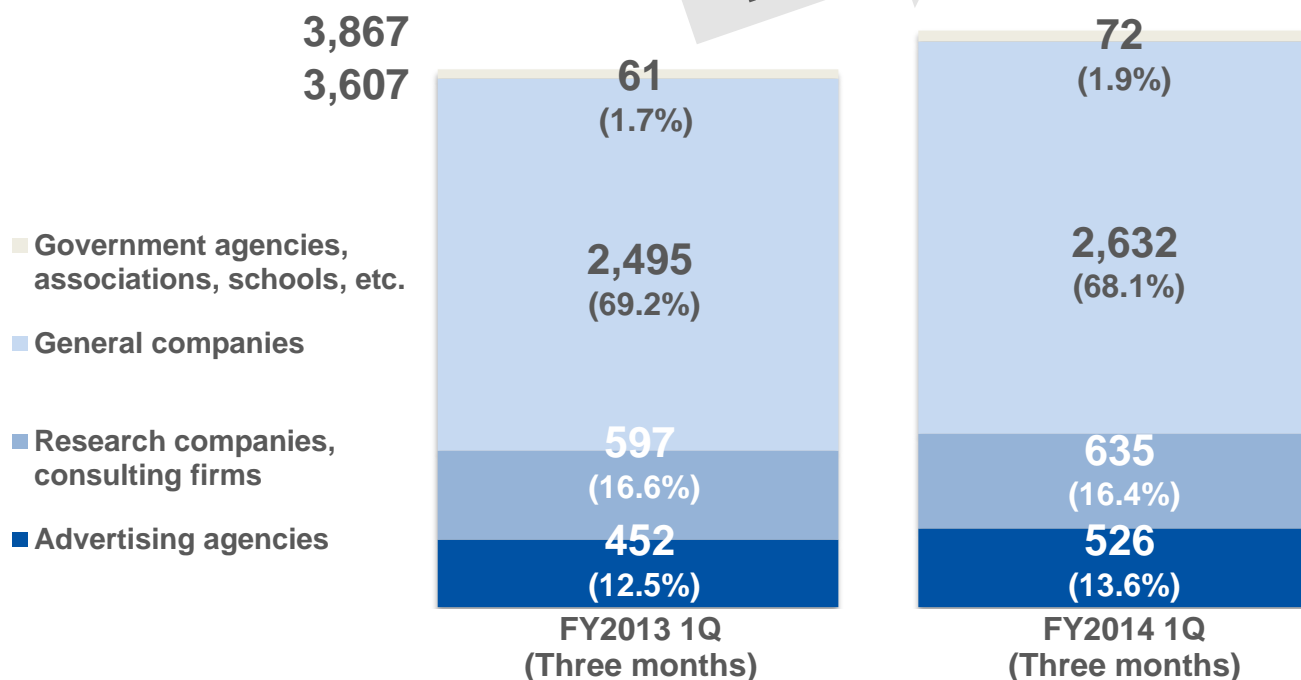
(Consolidated ordinary income)	749		881	
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- ✓ Sales from food & beverage manufacturers and other general companies continued to expand. Brisk orders were received from research companies, consulting firms and advertising agencies.

Advertising agencies + ¥70M (up 16.5% year on year)  
 Food & beverages + ¥50M (up 9.1% year on year)  
 Services + ¥40M (up 9.3% year on year)  
 (in descending order of sales)

(Million yen)  
 Figures in parentheses show percentages of total sales.



✓ Sales were up in most services. Among others, the following services surged.

Qualitative Research +21.9% year on year  
 Global Research +16.2% year on year  
 (in descending order of percentage)

(Million yen)

Service	FY2014 1Q	%	FY2013 1Q	%	YoY
Automatic research	2,019	52.2	1,874	52.0	107.7%
Tabulation	257	6.6	224	6.2	114.7%
Analysis	405	10.5	351	9.8	115.2%
Qualitative research	423	11.0	347	9.6	121.9%
Customized research	268	6.9	329	9.1	81.3%
Global research	166	4.3	143	4.0	116.2%
QPR	242	6.3	235	6.5	103.1%
Other services	85	2.2	101	2.8	84.3%
<b>Total</b>	<b>3,867</b>	<b>100.0</b>	<b>3,607</b>	<b>100.0</b>	<b>107.2%</b>

\* Other Services include the mobile research service.

(Million yen)

		FY2014 1Q	FY2013 1Q	YoY
MACROMILL EMBRAIN (South Korea)	Net sales	354	315	112.5%
	Ordinary income	45	21	212.4%
MACROMILL China (China)	Net sales	44	44	100.5%
	Ordinary income	-7	-1	-

## MACROMILL EMBRAIN (South Korea)

- ✓ Net sales and ordinary income both surged year on year to make a continued contribution to consolidated earnings. This subsidiary will continue to bolster its sales team and carry out the cost structural reforms to achieve further growth in the Korean market.

## MACROMILL China (China)

- ✓ Since the territorial issue, customer interest in large-scale research with a view to new investment in China has declined. Accordingly, net sales tumbled. Research in Taiwan and Hong Kong increased but failed to make up for the decline.
- ✓ The loss swelled after an increase in qualitative research and soaring rent prices.

Financial Results

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# Low price services on smart devices in a long-tail market in the marketing business



Research

Promotion

Media

Existing research business

+

アンケートをつくろう。驚きを見つけよう。

**Questant!**

(Do-It-Yourself Survey ASP)

+

 **MACROMILL MARKET INDEX**

(POS Data Service)

+

**Domestic M&A**

*miscolle,*  
An app that promotes stores and restaurants



Curation magazine *Antenna*



**Antenna™**  
キュレーションマガジン

- ✓ A do-it-yourself survey ASP, *Questant*, was released on October 31. With its low cost and superior usability, *Questant* aims to cultivate a long tail market.

アンケートをつくろう。驚きを見つけよう。

# Questant!

## Feature 1 A freemium model

An unlimited number of surveys with ten questions up to 100 samples free-of-charge



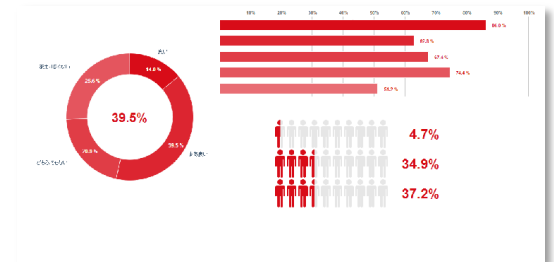
## Feature 2 Assistance functions

Simply selecting from templates allows for easy survey creation



## Feature 3 Intuitive design

Customizable presentations based on excellent site design



- ✓ A POS data service for projection, *MACROMILL MARKET INDEX*, is set to be launched in April 2014.

## **MACROMILL MARKET INDEX**

### Feature 1

Covering a record number of stores in Japan

**A panel with a leading scale in Japan covering 1,200 retailers in GMS and supermarket categories**



### Feature 2

Links with outside data

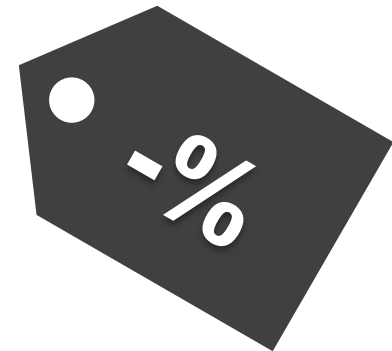
**Analysis linked with POS data on fresh food, temperature and other secondary data**



### Feature 3

Unparalleled cost advantage

**Offered at a far lower price than competitors**



- ✓ A basic agreement has been signed with a view to acquire 51.0% of the shares of Dentsu Marketing Insight Inc. Exclusive negotiations will now commence. This decision will solidify our ability to provide services as a domestic general market research company.

## Corporate Profile of Dentsu Marketing Insight

## Results in the latest fiscal year (Million yen)

Corporate Profile of Dentsu Marketing Insight		Results in the latest fiscal year (Million yen)	
Company Name	Dentsu Marketing Insight Inc.	For year ended	March 2013
Capital	320 million yen	Net assets	3,240
Date of Establishment	November 1967	Total assets	4,446
No. of Employees	167 (as of June 2013)	Net sales	5,411
Ownership	Dentsu Inc. (100.0%)	Operating income	288
President & CEO	Makoto Arai	Ordinary income	302
Business	Planning and support services related to marketing Planning, implementation and analysis of marketing research services Data collection, offering and analysis services Database planning, design, operation, support and other services Other data processing services	Net income	254



- ✓ With a focus on both users and registered stores, the app has achieved a cumulative total of 126,000 downloads and acquired more than 7,800 registered stores.

## New versions, including iOS editions, to be successively released

A new-look version optimized for smartphones will be released.

Current version  **New version**  
 (The image below is for presentation purposes only.)

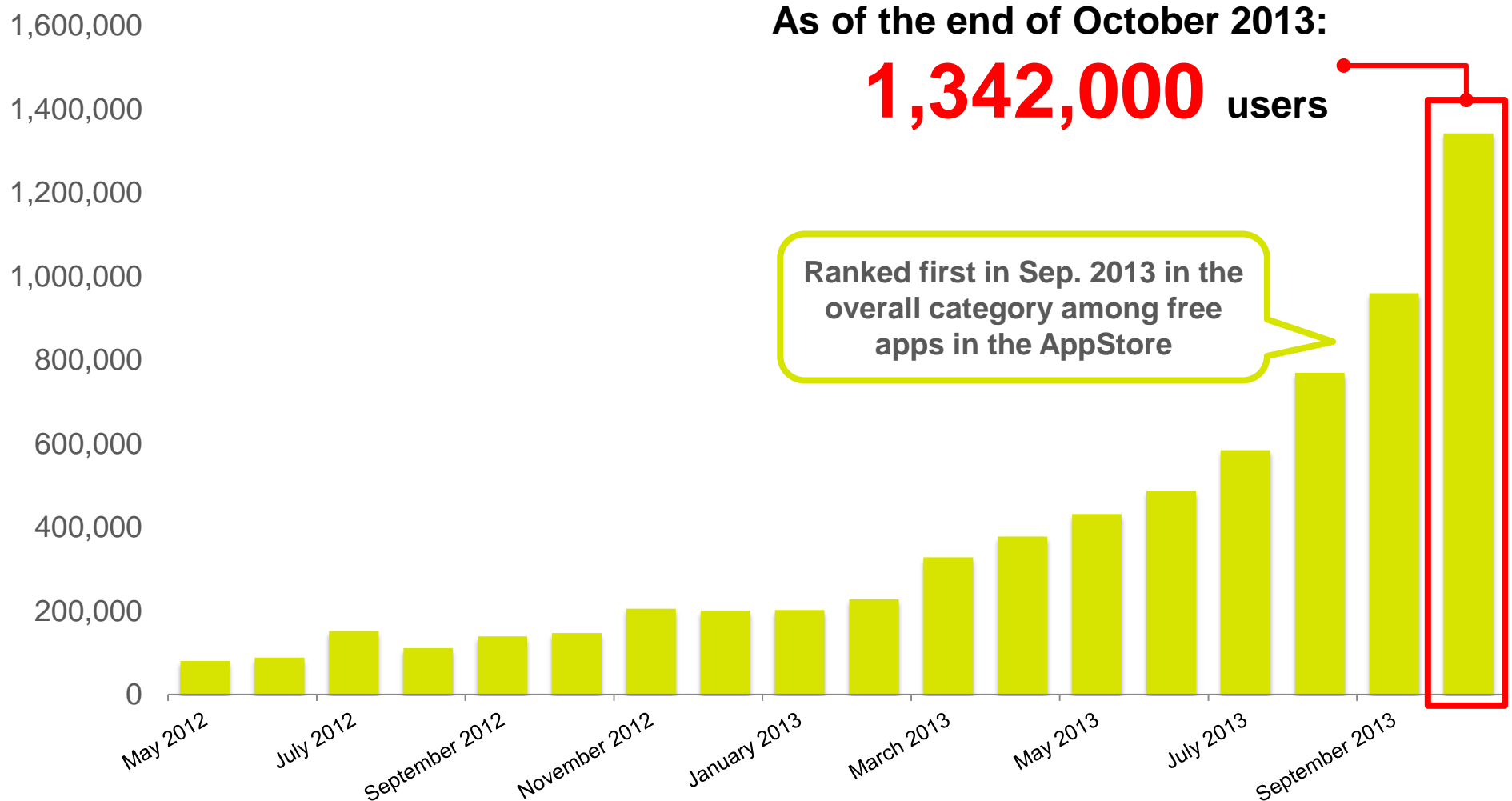


## Enriching content for users

Pushing stores featured on TV and those with considerable word-of-mouth momentum as recommended stores



- ✓ The number of users is steadily rising. Surpassing the annual target of one million before the end of year. Promotional efforts will be stepped up to attract more users.



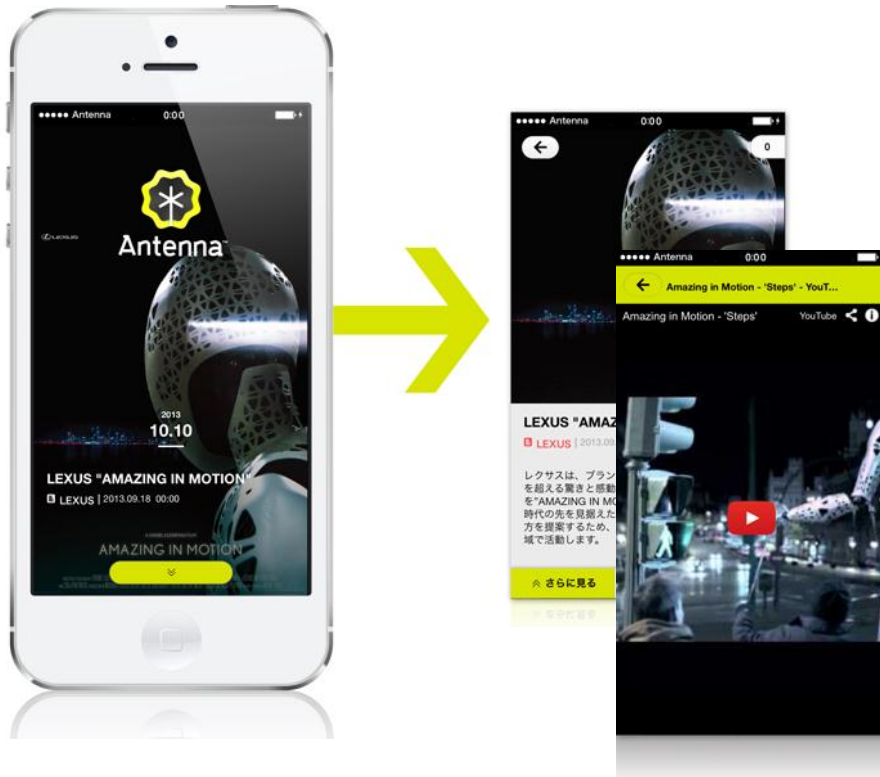
- ✓ Advertising products for national clients have been developed. As the number of users increase, inquiries from clients rise rapidly.



Antenna™  
キュレーションマガジン

## Premium Cover (from 1 million yen)

An advertising product for exclusively displaying an ad on the cover page that is continuously displayed at the start-up of the app for 24 hours



## Clip Book Package (from 1 million yen)

A stock-type advertising product that compiles article ads posted into a book to dramatically increase the effect of exposure



- ✓ MACROMILL has decided to invest in new businesses for medium- to long-term growth based on steady growth and cash generation in the existing business.

(Million yen)

	FY2014			FY2013
	Medium-term management plan (released in August 2011)	Targets after revision	YoY	Actual result
Consolidated net sales	20,000	19,100	111.6%	17,120
Consolidated ordinary income	4,700	3,000	75.9%	3,951
Consolidated net income	-	1,700	67.8%	2,508



**Financial Results**

**Achievements in Individual Domains**

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# Unit Price and Number of Active Client Companies, Active Servers, and VIP Clients (Non-Consolidated)

Indicator	Unit	FY2012			FY2013				FY2014
		2Q	3Q	4Q (Full-year)	1Q	2Q	3Q	4Q (Full-year)	1Q
Quarterly average unit price per order (*1)	¥ ten thousand	79.7	83.7	77.2	77.9	81.6	84.5	83.4	83.3
Quarterly average unit price per order (automatic research only) (*1)	¥ ten thousand	52.0	54.9	49.7	50.8	52.6	56.5	51.3	53.5
Quarterly average unit price per order (for reference) (*1)	¥ ten thousand	83.3	87.5	80.7	81.7	85.2	88.2	87.6	87.7
Number of active client companies (annual) (*2)	Companies	1,371	1,711	1,924	996	1,465	1,816	2,028	1,024
Number of active servers (annual) (*2)	Servers	3,988	5,382	6,327	2,672	4,290	5,786	6,836	2,778
Number of VIP clients (*3)	Companies	256	251	249	281	265	280	272	284
Number of VIP clients with average quarterly sales of ¥10m or more (*4)	Companies	(63)	(67)	(64)	(67)	(74)	(78)	(75)	(76)

\*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	FY2012			FY2013				FY2014
		2Q	3Q	4Q (Full-year)	1Q	2Q	3Q	4Q (Full-year)	1Q
Number of employees (consolidated)*	People	594	735	768	788	790	803	836	855
Number of employees (non-consolidated)*	People	550	560	582	567	579	603	629	635

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

As of September 30, 2013

## ✓ Breakdown of personnel by employment category

**Sales**  
**160** (including 16 assistants)

**Operations**  
**126**

**Researchers**  
**155**

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

\* Excludes executive officers, higher level management, and employees on leave.

\* As of October 1, 2013

## ✓ Number of employees at consolidated subsidiaries 207 → 220

M-CUBE: 13 → 13  
 Macromil China: 22 → 25  
 MACROMILL EMBRAIN: 156 → 163  
 M-PROMO: 6 → 6  
 misecolle: 10 → 13

Indicator	Unit	FY2012			FY2013			FY2014	
		2Q	3Q	4Q (Full-year)	1Q	2Q	3Q	4Q (Full-year)	1Q
MACROMILL Panelists	Ten thousand people	107.1	108.6	109.5	110.7	112.2	113.6	114.6	115.1

As of October 1, 2013

## PC Panelists

**MACROMILL  
Panelists**

**1.15M people**  
(including smartphone panelists)

**Yahoo!  
Research Panelists**

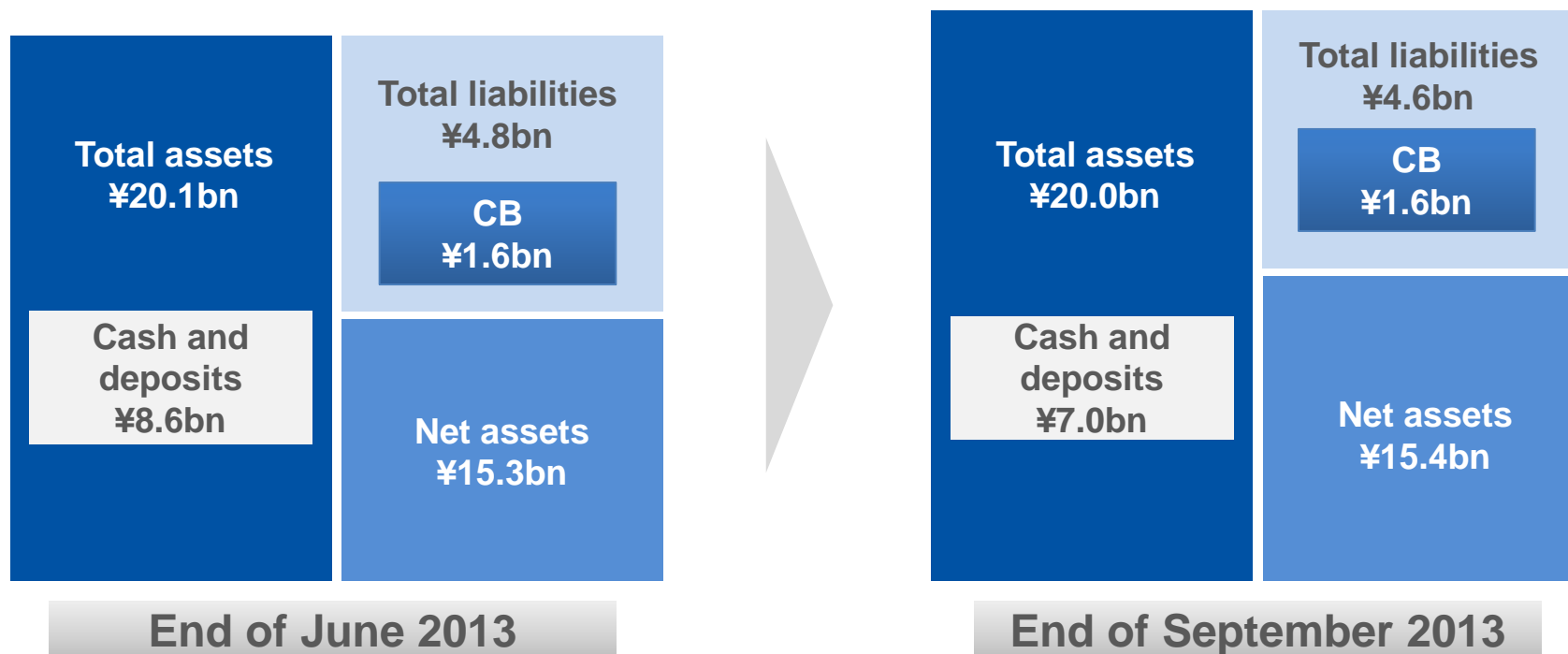
**1.46M people**

## Mobile Panelists

**Cooperating mobile  
monitors**

**0.3M people**  
(Mobile here refers to feature phones only)

- ✓ Considering investments including M&A for new business and overseas business expansion
- Actively promoting business expansion through establishing a new pillar of business using cash generated in existing business domains



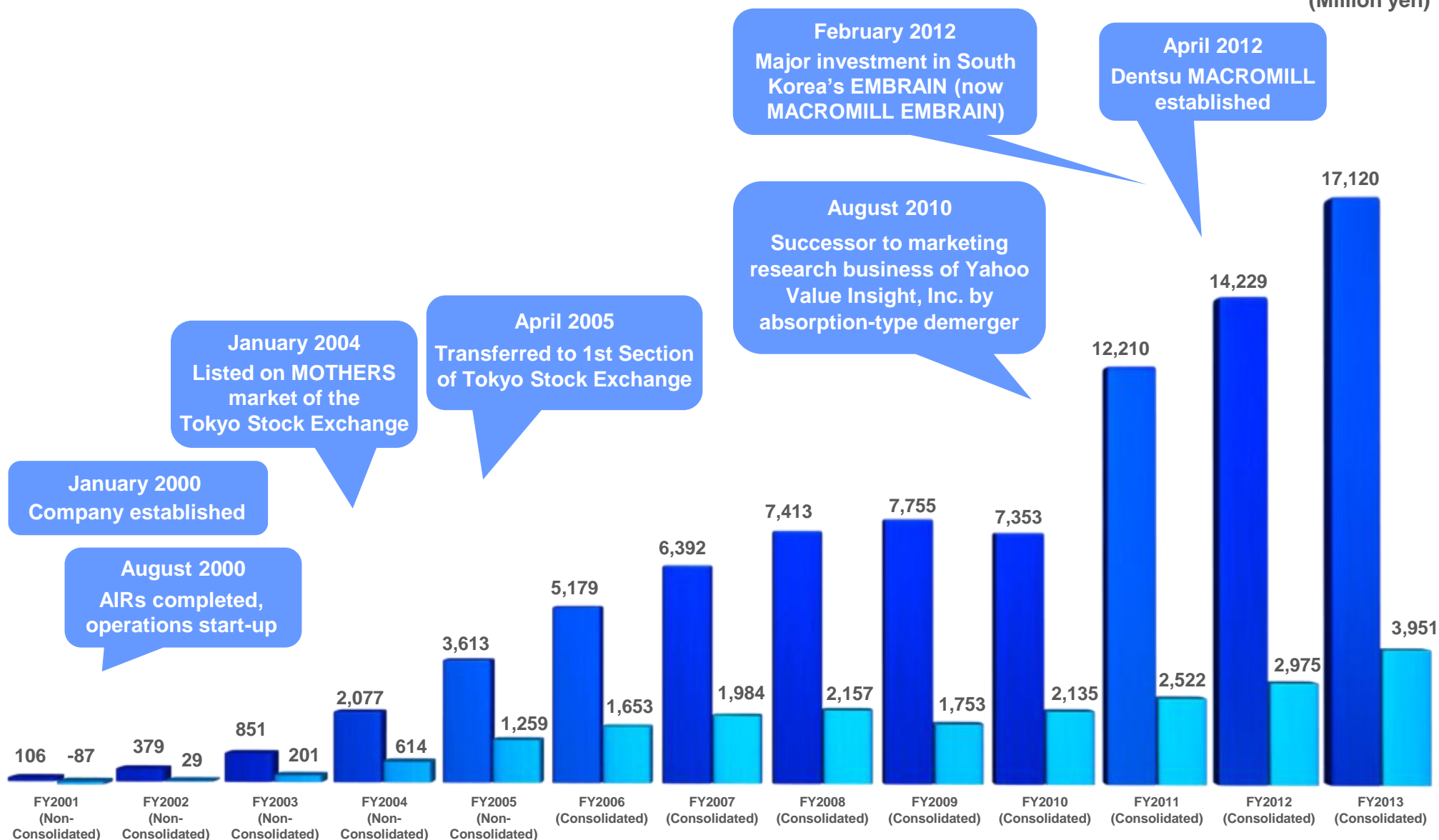
**Financial Results**

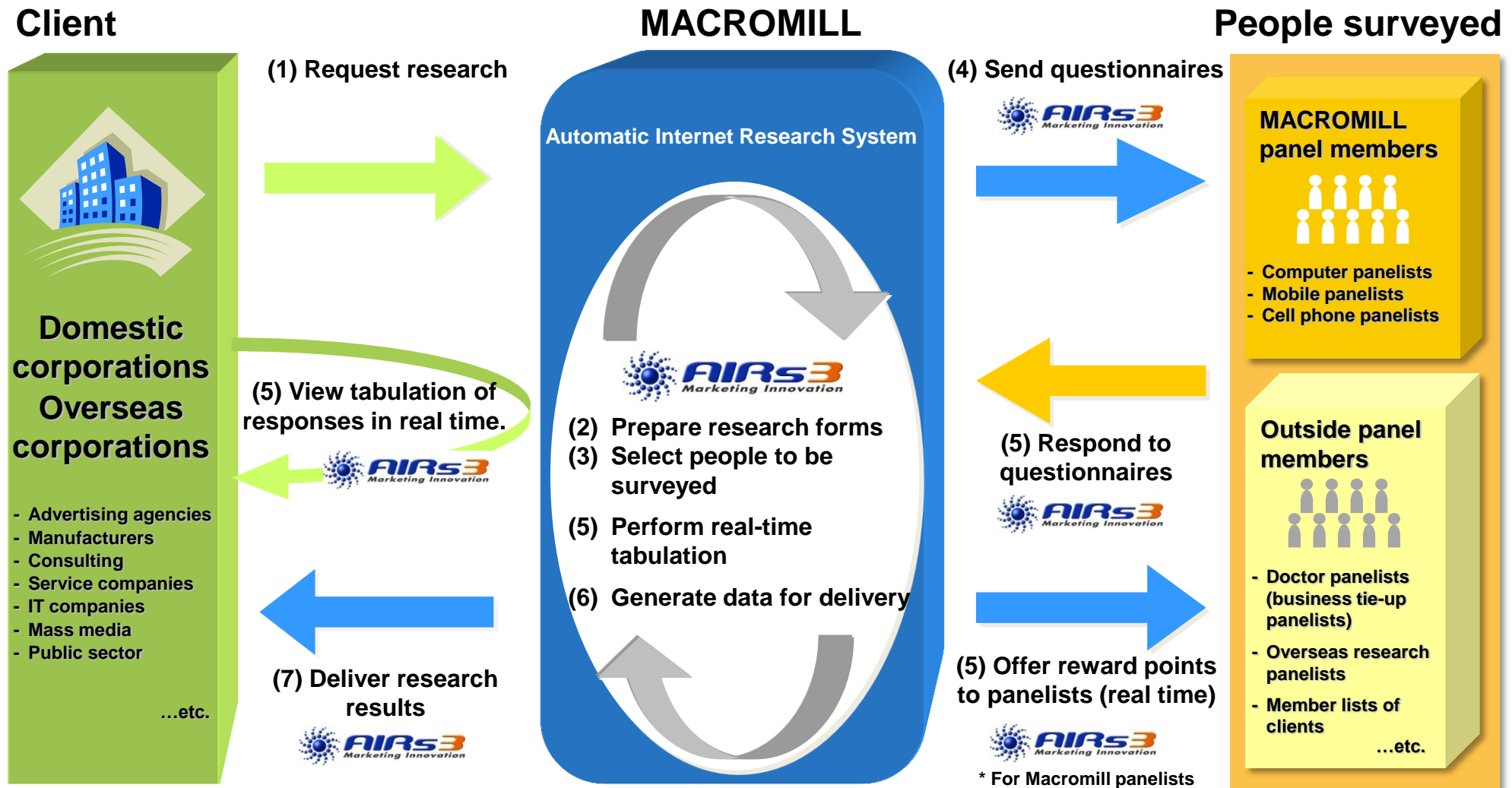
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(Million yen)





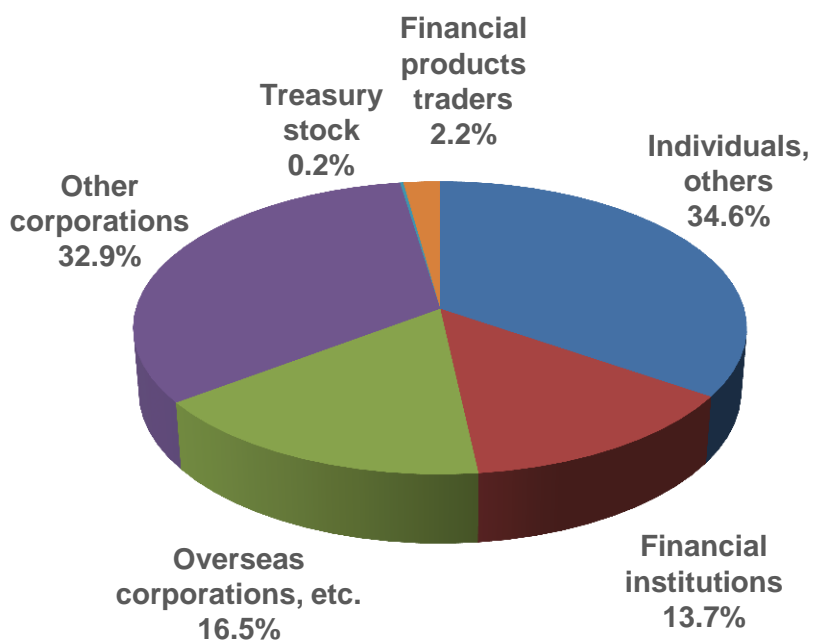
\* This is a representative example of the service flow of the online research using AIRs. Depending on the subject of the research, AIRs may not be used or the flow may be subject to change.

\* 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 June 30, 2013

Total number of authorized shares	<b>83,712,000</b>
Total number of issued shares	<b>31,579,675</b>
Number of shareholders	<b>13,422</b>
Round lot	<b>100</b>



Major shareholders	Number of shares held	Ownership (%)
Yahoo Japan Corporation	7,071,100	22.39
Vanillasky Corporation	2,453,000	7.77
Japan Trustee Services Bank, Ltd. (Trust account)	1,720,900	5.45
Tetsuya Sugimoto	942,500	2.98
Goldman Sachs & Co. Regular Account	731,900	2.32
Yasunori Fukuha	609,600	1.93
Satoshi Shibata	572,000	1.81
The Master Trust Bank of Japan, Ltd. (Trust account)	551,800	1.75
Northern Trust Company (AVFC) Sub-account American Clients	544,300	1.72
The Nomura Trust and Banking Co., Ltd. (Investment trust account)	534,900	1.69

Note 1. MACROMILL holds 51,037 treasury stock shares.

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.

Note 4. MACROMILL conducted a two-for-one stock split, effective on July 1, 2013. The figures in the table above are numbers of shares before the stock split.

# MACROMILL

Innovation or Nothing



## Consolidated subsidiaries

Domestic

Overseas



Construction of QPR panels  
Collection of consumer purchase data  
Shareholders: HAKUHODO DY  
HOLDINGS INCORPORATED. etc.



Marketing support business using the Internet  
Sales launched in March 2012

**misecolle, INC.**

Planning and operation of misecolle, an application providing a promotional service for restaurants and stores



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



→ 25.6% stake

## Capital/business alliances

Shanghai United-Cities Industry Co., Ltd.  
→ 6.9% stake

## Business alliances



**dentsu**



Dentsu marketing insight

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