

First Half Results Briefing Year Ending June 30, 2012



Marcromill, Inc.
First Section, Tokyo Stock Exchange (3730)

Topics

Both net sales and income reached record levels.

→ See page 2 to page 10

As profit distribution to shareholders,
it was resolved to increase expected year-end.

→ See page 11 and page 12

Promotion of new business, including M&A,
was accelerated.

→ See page 13 to page 17

Overview of Second Quarter Results for the Year Ending June 2012

✓ Both net sales and income increased and reached record levels.

Consolidated: Income exceeded the plan, despite losses arising from prior investments by subsidiaries.

Non-consolidated: Income improved significantly due to the absence of integration-related expenses incurred in the previous year.

(Million yen)

		2 nd quarter (standalone) (Oct 1 – Dec 31)			2 nd quarter (cumulative) (Jul 1 – Dec 31)			Results forecast for the first half (Jul 1 – Dec 31)	
		FY2012/6	FY2011/6	Year-on- year	FY2012/6	FY2011/6	Year-on- year	(% Achievement)	
Consolidated	Net sales	3,598	3,435	104.7%	6,802	6,283	108.3%	7,000	(97.2%)
	Ordinary income	915	873	104.8%	1,577	1,455	108.4%	1,455	(108.4%)
	Ordinary profit margin	25.4%	25.4%	±0 pt	23.2%	23.2%	±0 pt	20.8%	+2.4pt
	Extraordinary loss	3	162	2.3%	7	255	2.9%	-	-
	Net income	456	407	112.2%	799	690	115.8%	730	(109.5%)

* For reference

Non- consolidated	Net sales	3,575	3,432	104.2%	6,760	6,273	107.8%		
	Ordinary income	1,061	859	123.4%	1,851	1,434	129.1%		
	Ordinary profit margin	29.7%	25.0%	+4.7 pt	27.4%	22.9%	+4.5 pt		
	Net income	582	403	144.6%	1,040	683	152.3%		

(Note) Macromill acquired the marketing research business of Yahoo Japan Value Insight Corporation on August 1, 2010 through the absorption-type company split.

Full-Year Results Forecast for the Year Ending June 2012

- ✓ The full-year results forecast remains unchanged, despite favorable progress in income.

(Million yen)

		Second half (Jan 1 – Jun 30)			Full-year (Jul 1 – Jun 30)			
		Forecast for FY2012/6	Results for FY2011/6	Year-on-year	Forecast for FY2012/6	Results for FY2011/6	Year-on-year	% Achievement
Consolidated	Net sales	7,200	5,926	121.6%	14,200	12,210	116.3%	47.9%
	Ordinary income	1,445	1,067	135.5%	2,900	2,522	115.0%	54.4%
	Ordinary profit margin	20.1%	18.0%	+2.1 pt	20.4%	20.7%	-0.3 pt	+2.8 pt
	Net income	770	480	158.6%	1,500	1,171	128.1%	53.3%

* For reference

Non-consolidated	Net sales	7,060	5,939	119.3%	14,000	12,212	114.6%	48.2%
	Ordinary income	1,640	1,478	110.4%	3,400	2,912	116.8%	54.5%
	Ordinary profit margin	23.2%	24.9%	-1.7 pt	24.3%	23.8%	+0.5 pt	+3.1 pt
	Net income	950	741	127.7%	1,970	1,424	138.3%	52.8%

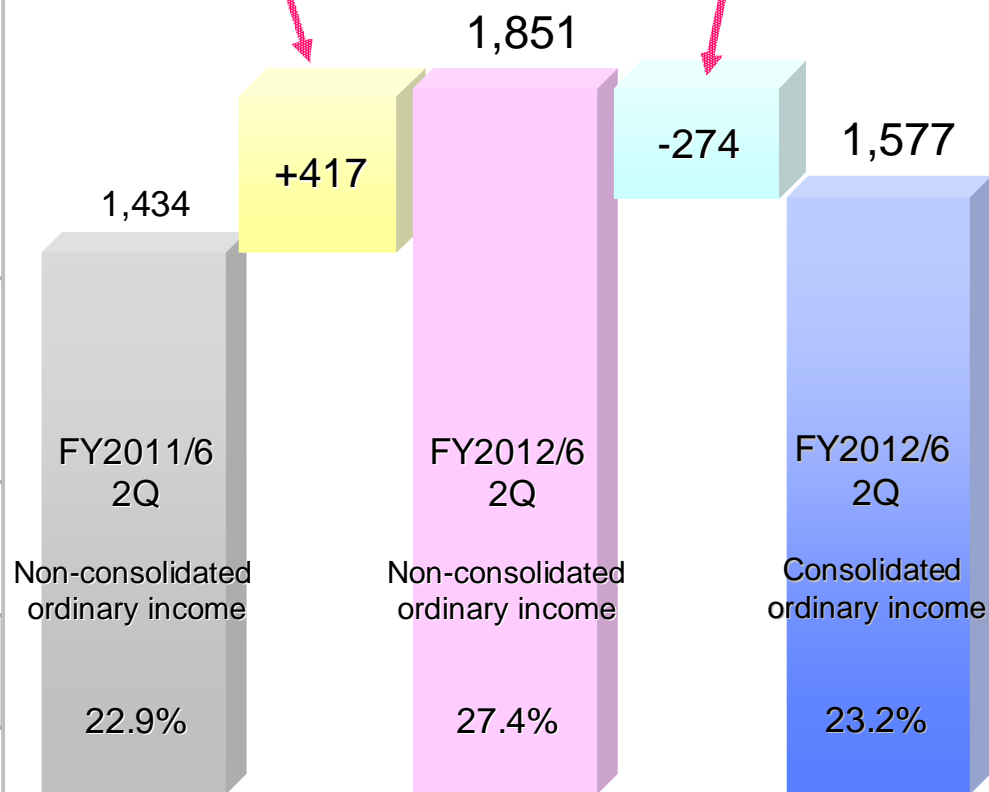
(Note) Macromill acquired the marketing research business of Yahoo Japan Value Insight Corporation on August 1, 2010 through the absorption-type company split.

Changes in Cost Structure and Income Analysis (2Q cumulative)

Non-consolidated	2Q of FY2011/6		2Q of FY2012/6		Year-on-year
	Amount	%	Amount	%	
Net sales	6,273	100.0	6,760	100.0	107.8
COGS	3,170	50.5	3,189	47.2	100.6
Personnel	864	13.8	874	12.9	105.8
Panelists + Outsourcing	1,582	25.2	1,785	26.4	112.8
Other	723	11.5	529	7.8	73.2
SG&A	1,693	27.0	1,714	25.4	101.2
Personnel	1,037	16.5	1,044	15.5	100.7
Other	655	10.5	669	9.9	102.1
Ordinary income	1,434	22.9	1,851	27.4	129.1
(Consolidated ordinary income)	1,455		1,577		108.4
Net income	683	10.9	1,040	15.4	152.3

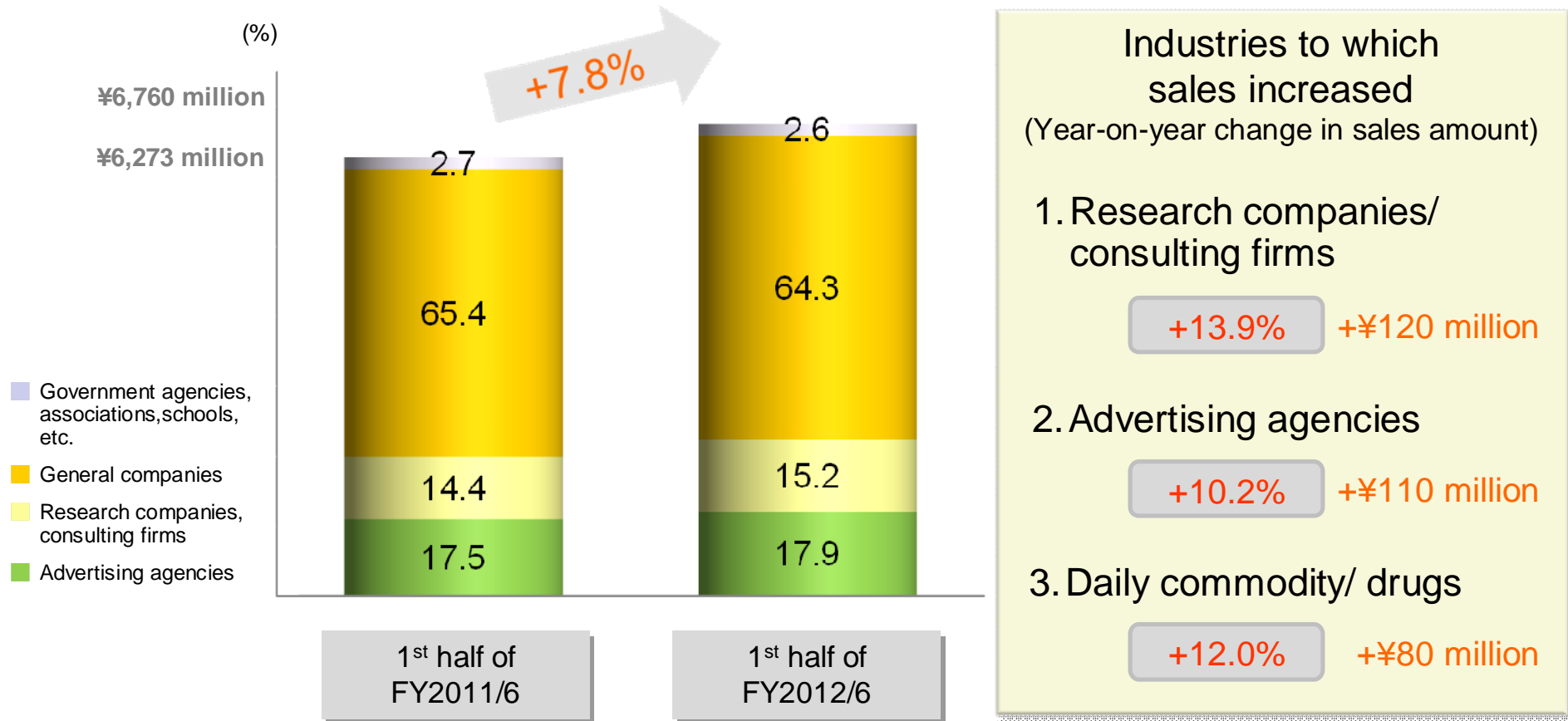
(Million yen)

- Reduction of integration-related expenses (Effect is expected to continue up to 2Q)
- Elimination of duplicate operations
- Prior investments by consolidated subsidiaries
M-WARP -150
M-CUBE AND ASSOCIATES -86 etc.



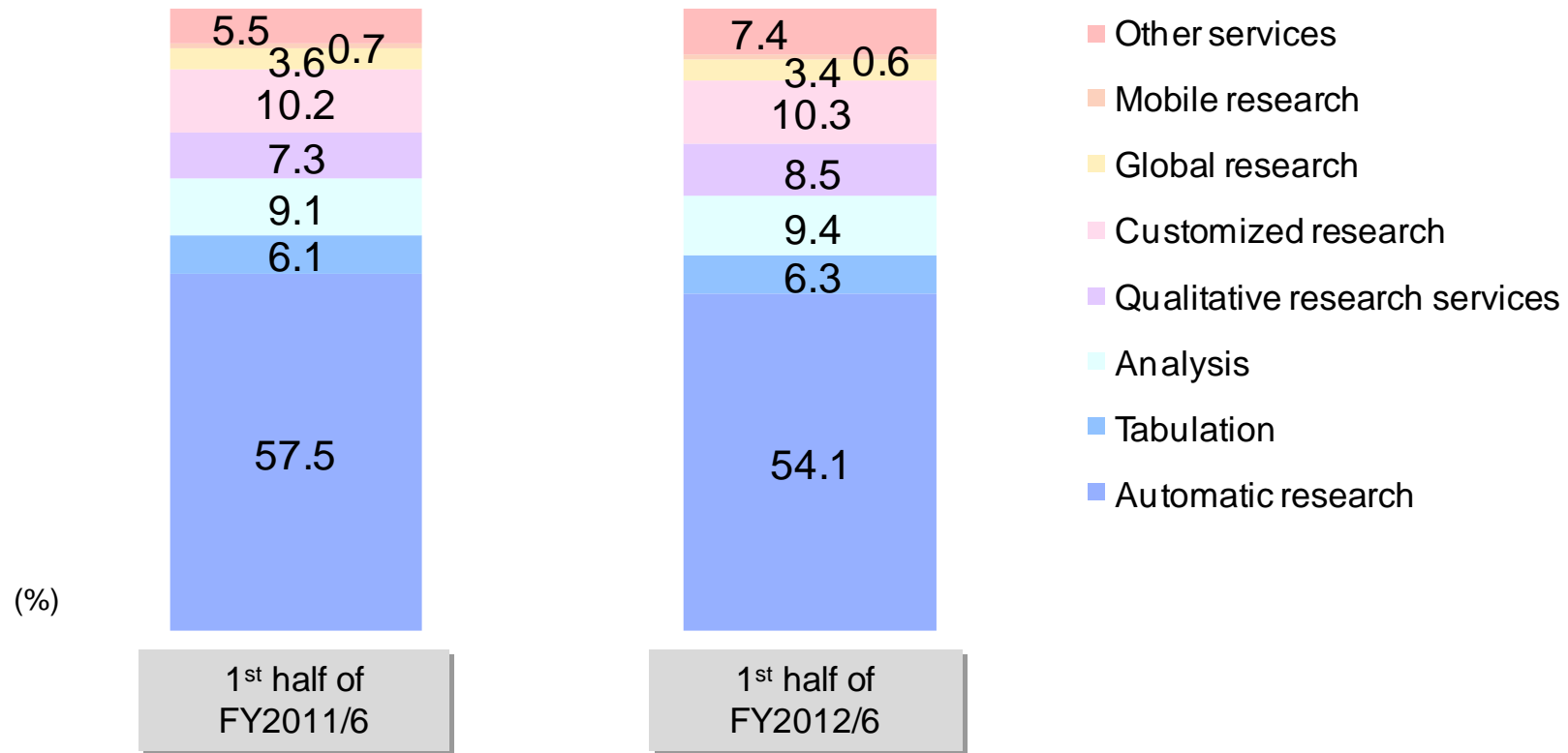
Breakdown of Sales by Category (non-consolidated)

- ✓ Sales increased 7.8% year on year, as sales to research companies, consulting firms and advertising agencies, etc. remained firm.
 - Although orders from external demand-related companies were weak, the impact was limited as their sales ratio is low.



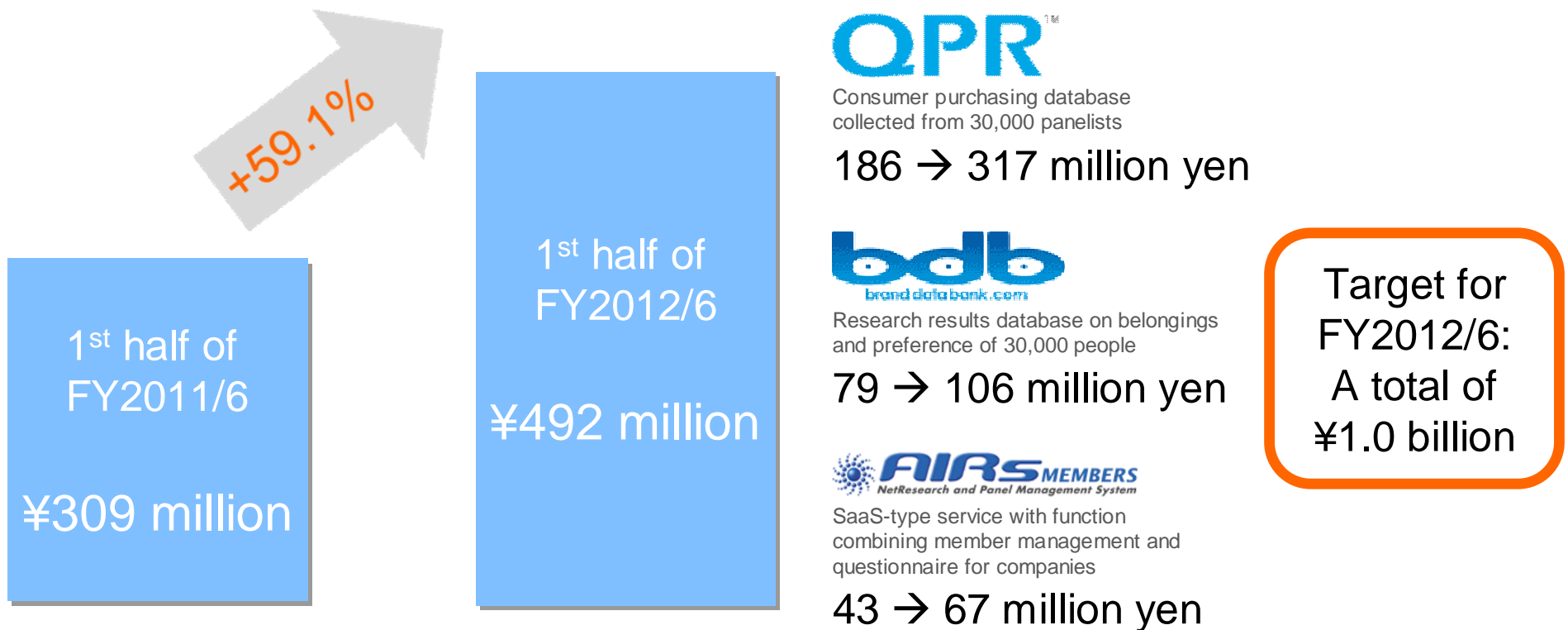
Changes in Breakdown by Service (non-consolidated)

- ✓ Sales increased in almost all services, and sales grew particularly significantly in the following services:
 - Qualitative research services: Year-on-year +24%
 - Other services: Year-on-year +45% (QPR grew significantly by 70%)



Status of Other Services (QPR, bdb, AIRsMEMBERS)

- ✓ Total sales of QPR, bdb, and AIRsMEMBERS rose 59.1% year on year.
 - Overall sales in Other Services were up 45% year on year. (Results for the previous year included VI and other services.)
- ✓ QPR: Analyzable customer products increased as a result of the larger number of cooperative panelists. Sales increased 70% due to increases in new contracts and orders for optional services.



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

✓ Sales ratio of VIP clients rose to 80% of total

Indicator	Unit	FY2010/6		FY2011/6				FY2012/6	
		3 rd quarter	4 th quarter (Full year)	1 st quarter	2 nd quarter	3 rd quarter	4 th quarter (Full year)	1 st quarter	2 nd quarter
Quarterly average unit price per order (qualitative research is counted as one order) *1	Ten thousand yen	71.1	68.5	77.3	79.1	80.0	75.5	78.3	79.7
Quarterly average unit price per order (automatic research only) *1	Ten thousand yen	52.4	48.5	53.9	52.2	52.0	49.8	52.5	52.0
Quarterly average unit price per order (for reference) *1	Ten thousand yen	72.9	70.0	79.7	82.2	83.5	78.7	81.3	83.3
Number of active companies (annual) *2	Companies	1,270	1,441	904	1,386	1,675	1,895	985	1,371
Number of active servers (annual) *2	Servers	3,477	4,188	2,221	3,870	4,988	6,067	2,485	3,988
Number of VIP clients *3	Companies	155	144	242	240	240	229	254	256
Number of VIP clients with average quarterly sales of ¥10 million or more *4	Companies	(29)	(27)	(59)	(58)	(55)	(53)	(61)	(63)

*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, overall unit prices are calculated based on the method of counting qualitative research as one order as described in the upper row.

*2 The number of companies/ servers whose sales were posted at least once from the beginning of the fiscal year to the quarter.

*3 Priority clients with annual sales of ¥10 million or more are defined as VIP clients.

*4 The number is calculated based on year-to-date sales.

Status of Personnel

Indicator	Unit	FY2010/6		FY2011/6				FY2012/6	
		3 rd quarter	4 th quarter	1 st quarter	2 nd quarter	3 rd quarter	4 th quarter	1 st quarter	2 nd quarter
Number of employees (consolidated) *	People	297	309	605	553	545	557	566	594
Number of employees (non-consolidated) *	People	289	298	596	542	528	542	541	550

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

✓ Breakdown of personnel by job type

Sales
135 people

Operation
90 people

Researchers
145 people

Other staff are in charge of business planning, business administration, and panelists support, etc.

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

* As of January 1, 2012

✓ Number of employees at consolidated subsidiaries: 25 → 44 people

M-CUBE AND ASSOCIATES: 5 → 6 people

M-WARP: 3 → 17 people (AIRsMEMBERS Group was transferred from Macromill)

MACROMILL China: 17 → 21 people

Status of Panelists

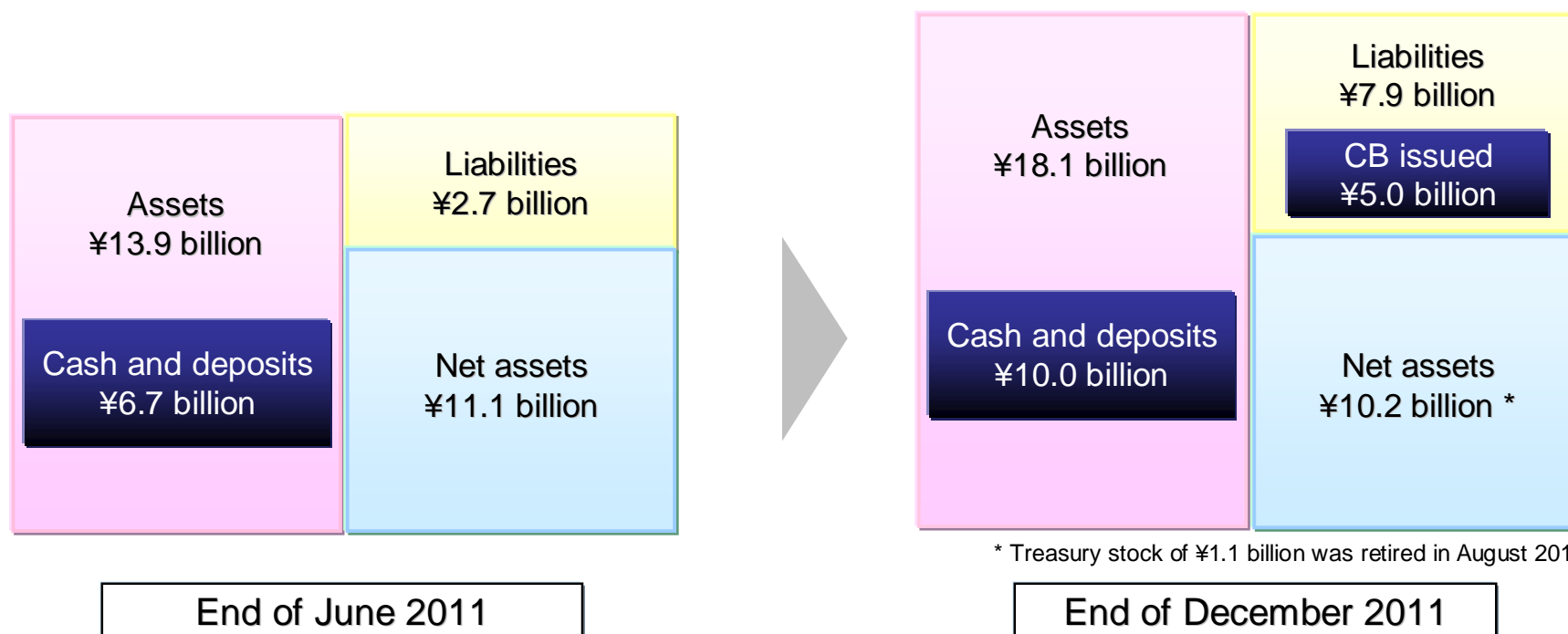
Indicator	Unit	FY2010/6		FY2011/6				FY2012/6	
		3 rd quarter	4 th quarter	1 st quarter	2 nd quarter	3 rd quarter	4 th quarter	1 st quarter	2 nd quarter
Macromill Panelists	Ten thousand people	90.3	92.6	94.0	100.2	98.5	104.0	105.9	107.1

* As of December 2011

PC panelists	Mobile panelists
<p>Macromill panelists: 1,071,000</p> <p>Yahoo! Research panelists: Approx. 1,430,000</p>	<div style="display: flex; justify-content: space-around;"> <div style="text-align: center;"> <p>パソコン+ケータイ併用モニタ</p>  <p>モバイル格力モニタ</p> <p>PC and mobile phone panelists: Approx. 290,000</p> </div> <div style="text-align: center;"> <p>ケータイ専用モニタ</p>  <p>ミルモバモニタ</p> <p>Mirumoba panelists (Mobile phone panelists): Approx. 50,000</p> </div> </div>

- ✓ A smartphone-capable questionnaire response screen is to be released in March 2012 (AIRs)
 - Answers to the same survey will be possible on a dedicated screen from either PC or smartpone
 - As panelists will not be restricted by time and place, it is expected that the response collection rate and the number of panelists will increase.

Changes in Balance Sheet (consolidated)/ Capital Policy

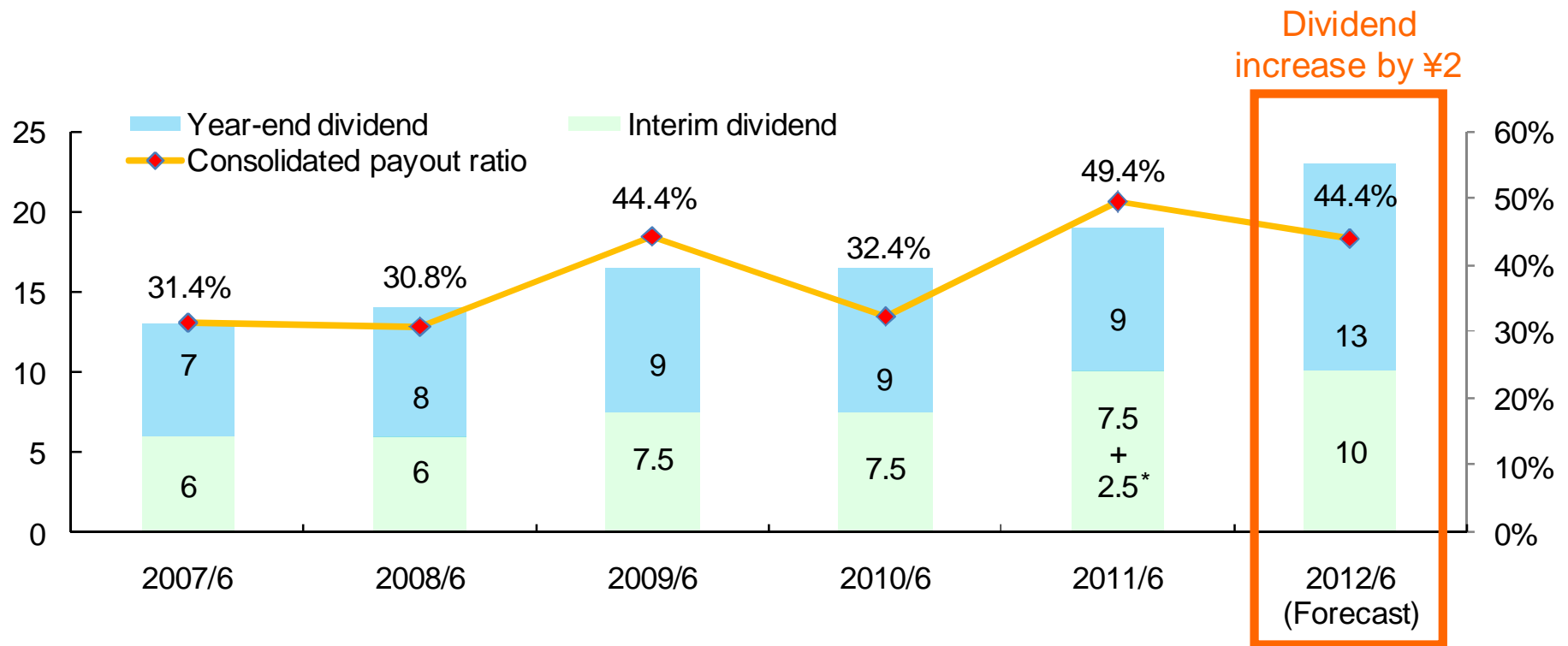


- ✓ Acquisition of treasury stock continues (Acquisition period: August 2011 to August 2012, Amount to be acquired: ¥2.5 billion)

Acquisition period	Number of shares acquired	Total amount acquired
From August 3, 2011 to the end of January 2012	1,861 thousand shares (Progress: 58.2%)	¥1,606 million (Progress: 64.3%)

Dividend Policy

- ✓ Determined that the interim dividend will be ¥10 per share
- ✓ Determined to increase the expected year-end dividend (¥11 → ¥13)
 - Some of income that was larger than expected in the first half will be distributed to shareholders.



* Of the interim dividend in FY2011/6, ¥2.5 was commemorative dividend.

* Consolidated payout ratio for the current fiscal year is calculated, using the number of shares obtained by subtracting 1,847,900 shares of treasury stock as of the end of December from 30,815,200 shares outstanding.

Business Development of Macromill Group

- ✓ Promoting business development, with domestic business, new business and overseas business as three cores
- ✓ Utilizing funds raised based on the policy in the medium-term management plan

Domestic business: Strengthening the online research and peripheral businesses in Japan

- Aiming to steadily grow the online research and peripheral businesses and maintain and improve the profit margin.
- Complementing business domains, with alliances and JVs as the core strategies.

New business: Entering the phase aiming to monetize

- The renewal version of POPCORN and new applications are to be released.
- Increasing the degree of freedom operation for each application through incubation (support for business start-up)

Overseas business: Accelerating business development in Asia by solidifying the operating base in South Korea

- EMBRAIN Co., Ltd., a South Korean research company, will become a subsidiary (with the largest share of the Korean online research market).

Capital and Business Alliance/ Group Companies

(Million yen)



Consolidated subsidiaries

Japan



⇒ Construction of QPR panel
Collection of consumer purchasing data
1st half of FY2012/6
Net sales: 239
Ordinary income: -86



⇒ Marketing solution business and next-generation marketing platform business (application development, etc.) mainly in the area of smartphones
1st half of FY2012/6
Net sales: 11
Ordinary income: -150

Overseas



⇒ Research business in South Korea
Becomes a subsidiary in February 2012 (planned)
FY2010/12
Net sales: 859
Ordinary income: 65



⇒ Research business in China
Began operating in September 2011

Equity method affiliates

Joint venture with
Dentsu Marketing Insight

NEW

⇒ 40.0% stake (to be established in April)



⇒ 38.5% stake

Capital and business alliance



NEW

⇒ 14.97% (percentage of voting rights)

Business alliance



NEW

Dentsu Marketing Insight



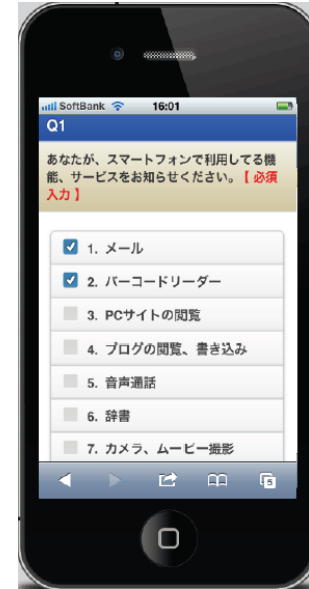
NEW

Approach for Domestic Business (online research and peripheral businesses)

“Stable Growth of the Marketing Research Business in Japan”

Strengthening the online research business

- ✓ A smartphone-capable response screen for AIRs is to be released in March.
 - Aiming to improve the response rate of panelists and acquire young panelists
- ✓ Business alliance with Dentsu and Dentsu Marketing Insight
- ✓ Joint venture with Dentsu Marketing Insight is to be established in April.
 - Aiming for the consolidation and efficient operation of the online research business
- ✓ Business alliance with Marsh Co., Ltd. (the off-line research area)



* Image of screen for smartphone

Strengthening the peripheral business

- ✓ Business alliance with ZENRIN DataCom Co., Ltd.
 - Developing new services in the area marketing Using consumer data, map information and consumer behavior data owned by Macromill and ZENRIN DataCom

Enhancing system development capability

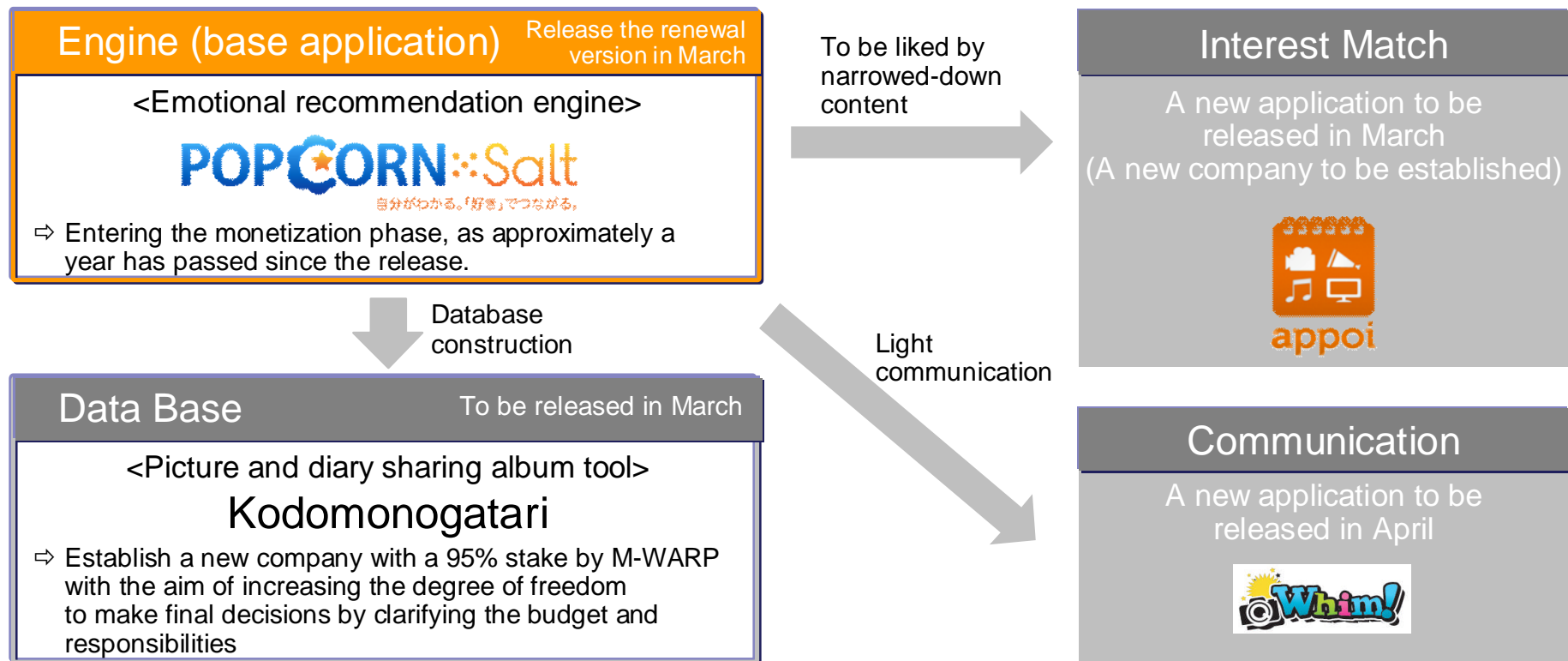
- ✓ Capital and business alliance with Techfirm
 - IT technical capability of Techfirm × Marketing know-how of Macromill
 - Considering sophisticated solution services

Approach for New Business



Operating a business with the mission of “creating a next-generation marketing platform and providing support for corporate marketing”

- ✓ Entering the monetization phase. A new version of POPCORN is to be released.
- ✓ Promoting new application development through incubation (support for business start-up)
- ✓ Supporting corporate marketing using AIRsMEMBERS and applications



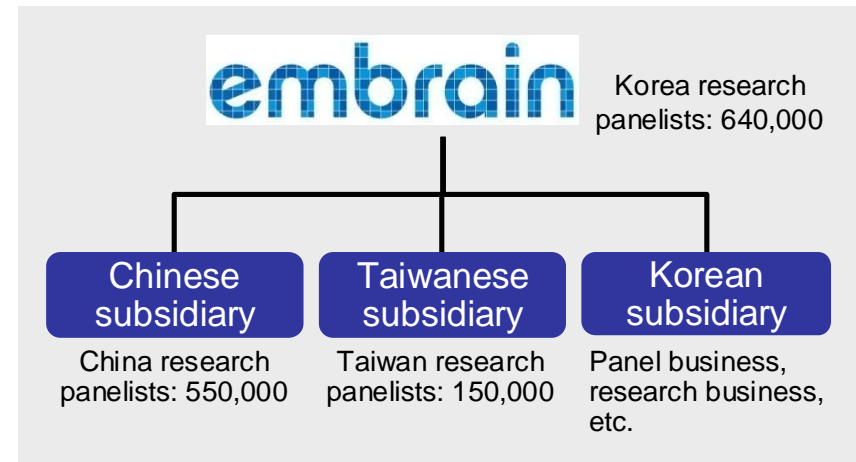
Approach for Overseas Business

“Global development of online research, centering on Asia”

- ✓ EMBRAIN Co., Ltd., a South Korean research company, will become a subsidiary (Macromill will acquire a 51.0% stake for approximately ¥640 million)
 - Firmly establish the operating base in South Korea to accelerate overseas operations centering on Asia.

Features of EMBRAIN

- Having the largest share of the online research market in South Korea
 - * Based on the survey in 2010 by KORA (Korea Research Association)
- Holding a unique questionnaire panel in North East Asia (see the chart on the right)
- FY2013/6 (forecast): Net sales ¥1.1 billion, ordinary income approx. ¥0.1 billion, major customers include Samsung Electronics, etc.



➤ (For reference) Online research market data in South Korea

(100 million won)

Fiscal year	2008	2009	2010	2011 (E)	2012 (E)	2013 (E)	2014 (E)
Size of the online research market	460	527	672	760	850	950	1,060
Ratio of online research	13%	14%	16%	17%	18%	19%	20%
Growth rate (YoY)	15%	15%	27%	13%	12%	12%	12%

* Estimates by EMBRAIN based on surveys by KORA and ESOMAR 17

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

