

Financial Results for the 2nd Quarter Year Ending June 30, 2013 (FY14)

株式会社 マクロミル

First Section, Tokyo Stock Exchange (3730)

Financial Results

Overview of Second Quarter Results for the Year Ending June 2013

- ✓ Double-digit growth in both net sales and ordinary income resulted in record earnings, achieving our performance target.

(Million yen)

		2 nd quarter (cumulative) (Jul 1 – Dec 31)			Results forecast for the first half (Jul 1 – Dec 31)	
		FY2013/6	FY2012/6	YoY	(% achieved)	
Consolidated	Net sales	8,362	6,802	122.9%	8,200	102.0%
	Ordinary income	1,932	1,577	122.5%	1,930	100.1%
	Ordinary income rate	23.1%	23.2%	-0.1 pt	–	–
	Net income	1,262	799	157.9%	1,000	126.2%
Non-Consolidated	Net sales	7,437	6,760	110.0%		
	Ordinary income	1,909	1,851	103.1%		
	Ordinary income rate	25.7%	27.4%	-1.7 pt		
	Net income	1,230	1,040	118.2%		

Topics

Domestic

- ✓ **The domestic marketing research business expanded steadily.**
→ P. 6 ~ P. 8

Overseas

- ✓ **Rapid realization of integration effects:
The performance of the subsidiary in South Korea,
MACROMILL EMBRAIN has improved.**
→ P. 9

Full-Year Results Forecast for the Year Ending June 2013

- ✓ The full-year results forecast includes net sales of 16.8 billion yen and ordinary income of 3.9 billion yen (on a consolidated basis).

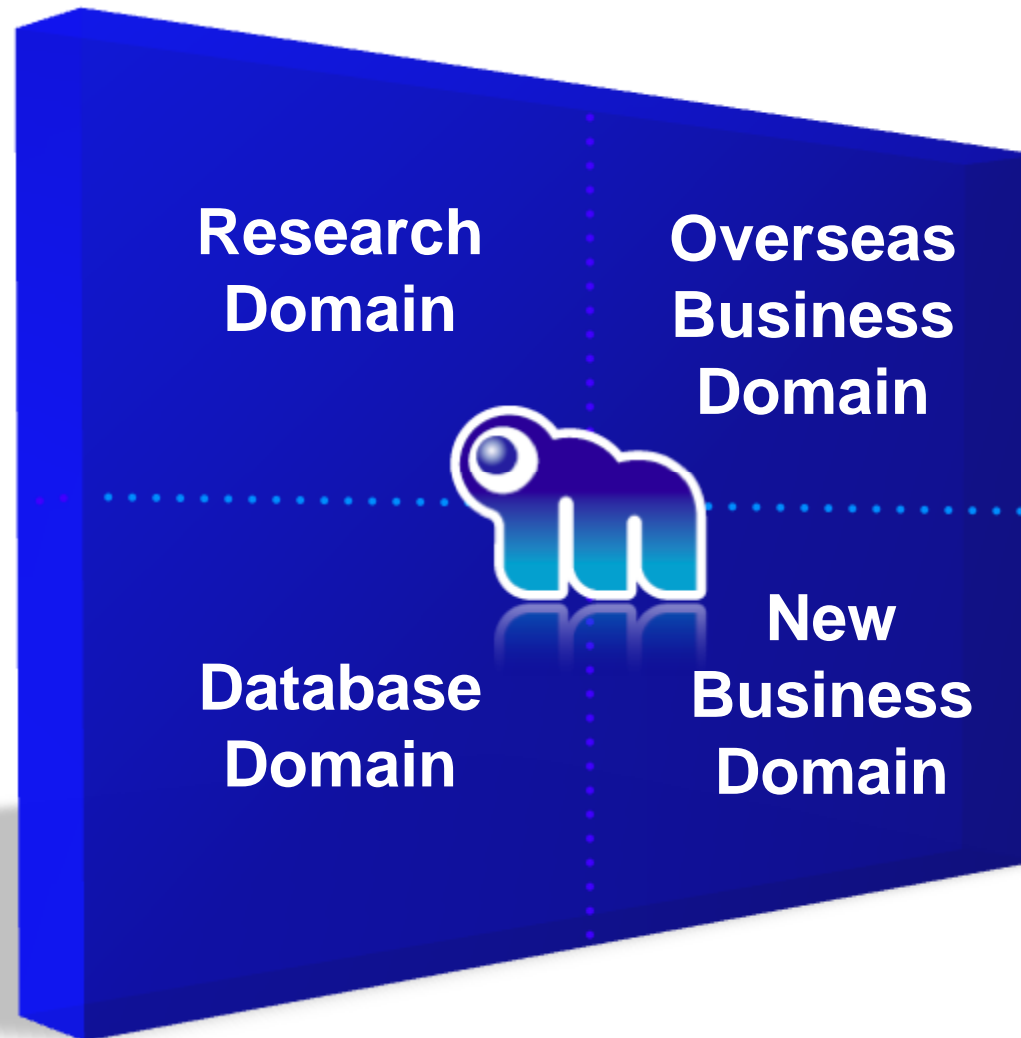
(Million yen)

		Full-year (Jul 1 – Jun 30)			
		Forecast for FY2013/6	Results for FY2012/6	YoY	% achievement
Consolidated	Net sales	16,800	14,229	118.1%	49.8%
	Ordinary income	3,900	2,975	131.1%	49.5%
	Ordinary income rate	23.2%	20.9%	+2.3pt	—
	Net income	2,100	1,525	137.6%	60.1%

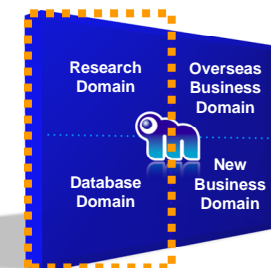
* For reference

Non-Consolidated	Net sales	15,100	13,847	109.0%	49.3%
	Ordinary income	3,800	3,644	104.3%	50.2%
	Ordinary income rate	25.0%	26.3%	-1.3pt	—
	Net income	2,200	1,751	125.6%	55.9%

MACROMILL Strategy Map

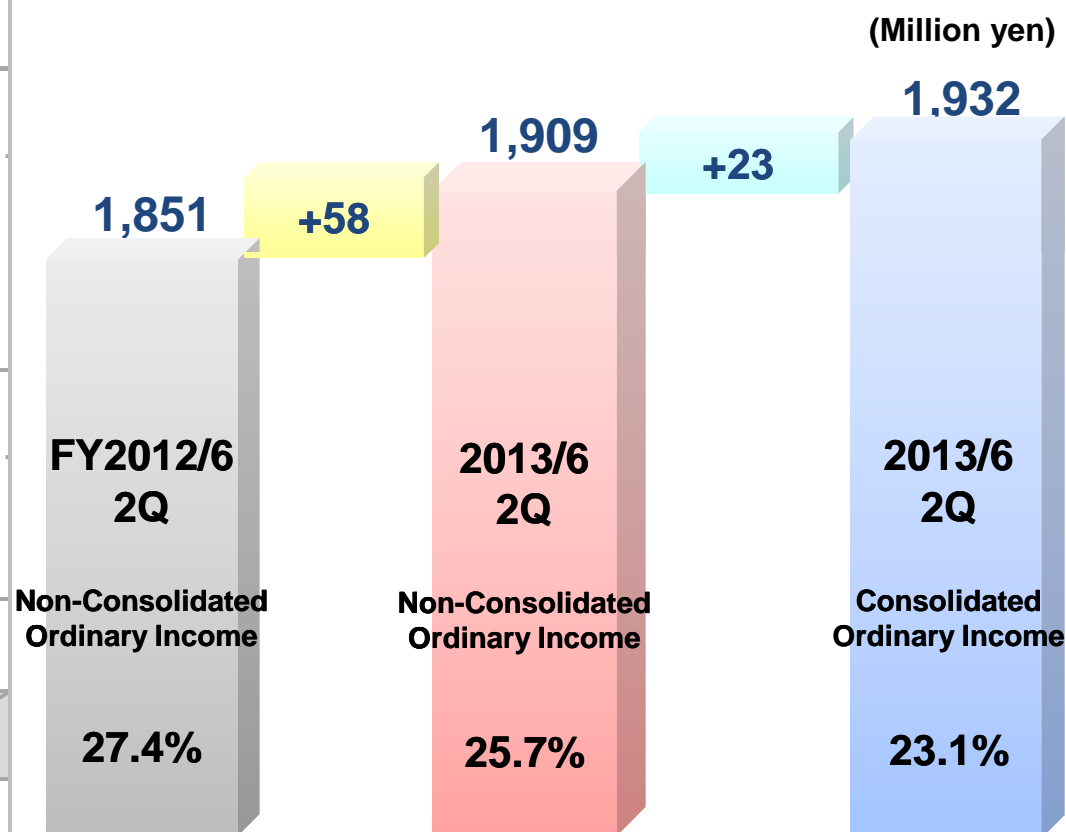


Changes in Income and Cost Structure (2Q cumulative)



- ✓ Improving differences of non-consolidated and consolidated ordinary income as a result of the profit contribution from the subsidiary in South Korea and a re-assessment of the earnings structures of subsidiaries.

Non-consolidated	2Q (cumulative) of FY2013/6		2Q (cumulative) of FY2012/6	
	Amount	%	Amount	%
Net sales	7,437	100.0	6,760	100.0
Cost of sales	3,795	51.0	3,189	47.2
Personnel	1,045	14.1	874	12.9
Panelists and outsourcing	2,195	29.5	1,785	26.4
Other	553	7.4	529	7.8
SG&A	1,818	24.5	1,714	25.4
Personnel	988	13.3	1,044	15.5
Other	830	11.2	669	9.9
Ordinary income	1,909	25.7	1,851	27.4
(Consolidated ordinary income)	1,932		1,577	
Net income	1,230	16.5	1,040	15.4

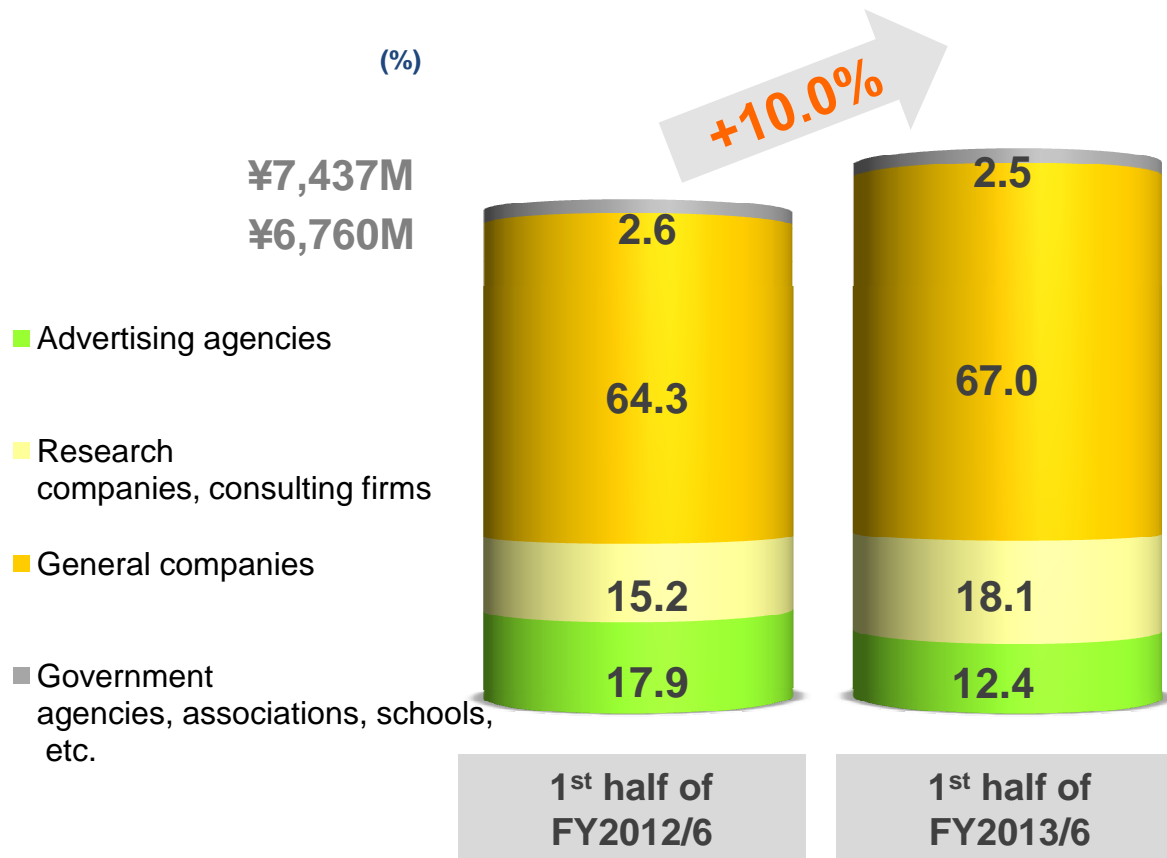


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Breakdown of Sales by Category (non-consolidated)



✓ Sales from food & drink and IT/telecommunications, and other general companies remained strong.

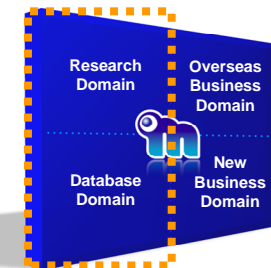


Industries to which sales increased

(Year-on-year change in sales amount)

- Research companies/ consulting firms**
+31.2% **+¥310M**
- Food & drink**
+23.9% **+¥240M**
- IT/ telecommunications**
+24.2% **+¥150M**

Breakdown of Changes by Service (non-consolidated)



- ✓ Increased sales in almost all services, especially in the following:
 - QPR Service **+43.3% year on year**
 - Global Research **+38.3% year on year**
 - Qualitative Research **+21.4% year on year**

(Million yen)

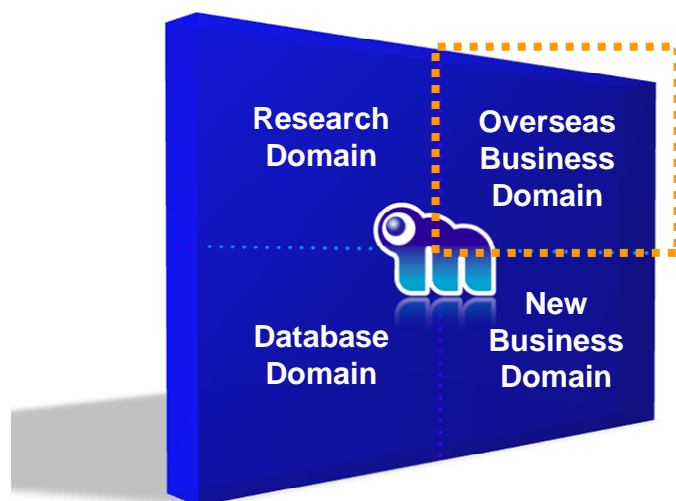
Service	2Q (cumulative) of FY2013/6	%	2Q (cumulative) of FY2012/6	%	YoY
Automatic research	3,887	52.3	3,661	54.2	106.2%
Tabulation	464	6.2	425	6.3	109.1%
Analysis	751	10.1	633	9.4	118.6%
Qualitative research	695	9.4	572	8.5	121.4%
Customized research	667	9.0	694	10.3	96.0%
Global research	315	4.2	227	3.4	138.3%
QPR	455	6.1	317	4.7	143.3%
Other services	200	2.7	226	3.3	88.7%
Total	7,437	100.0	6,760	100.0	110.0%

* 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.

Overseas Business Domain (consolidated)

(Million yen)



		First half of FY2013	First half of FY2012	YoY
MACROMILL EMBRAIN (South Korea)	Net sales	800	546 (*)	146.5%
	Ordinary income	126	— (*)	—
Macromill China (China)	Net sales	96	15	624.6%
	Ordinary income	-3	-74	—

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

MACROMILL EMBRAIN (South Korea)

- ✓ The introduction of the management control methods used by MACROMILL (such as strengthening sales activity management) contributed to an increase in net sales of 800 million yen (146.5% year on year) and in ordinary income of 126 million yen.
- ✓ The promotion of the services offered by the Company to Macromill customers was also strengthened.

Macromill China (China)

- ✓ Strong growth was achieved with net sales of 96 million yen (624.6% year on year), attributable to proposal-based sales activities that combine an automatic research service and a qualitative research service.
- ✓ Monthly earnings in September, October, and December showed surpluses.

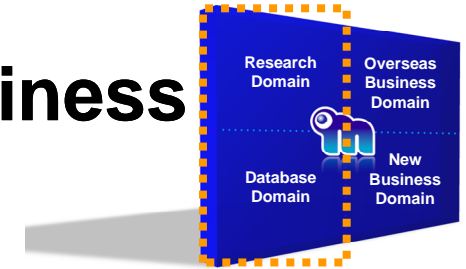
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Future Business Plan

Business Development of the Macromill Group



Approach for Existing Domestic Business



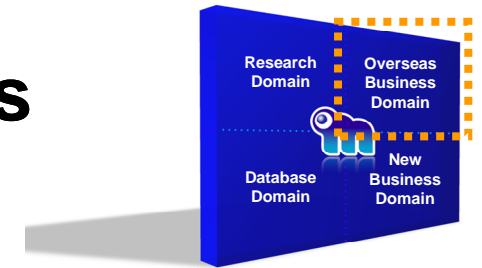
Research

- ✓ Given more sophisticated customer needs, organization and cost structures will be reviewed to enable us to offer competitive and integrated research services.

Database

- ✓ While focusing on expanding the QPR service, a full review of new synergy product development (such as ID-POS) will be undertaken.

Approach for Overseas Business



South Korea

- ✓ Continue to focus on introducing the management control methods used by Macromill to attain further performance growth. → Aim at achieving an IPO

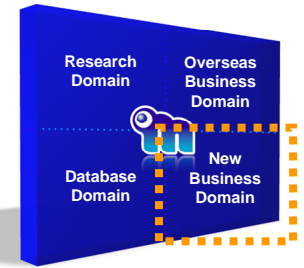
China

- ✓ The business foundation is solidifying, which is attributable to a change in strategy.
Seek to expand the business, including the marketing promotion business (in cooperation with Shanghai UC).

North America

- ✓ Continue to aggressively seek M&A opportunities.

Approach for New Businesses (i)

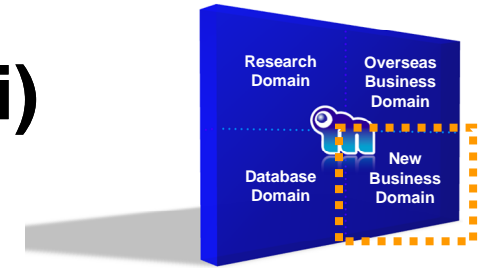


- ✓ Readily accessible **Marketing and Promotion Services** for a broader user base via smartphones



- ✓ Offer a long tail service based on an entirely new concept.
→ **A promotion service that is readily accessible at low cost**
- ✓ A business model in which compensation for a promotion service is received from stores
→ **BtoBtoC model**
- ✓ Steady progress in development initiatives
→ **To be released between the end of March and the beginning of April, starting with an Android version**

Approach for New Businesses (ii)

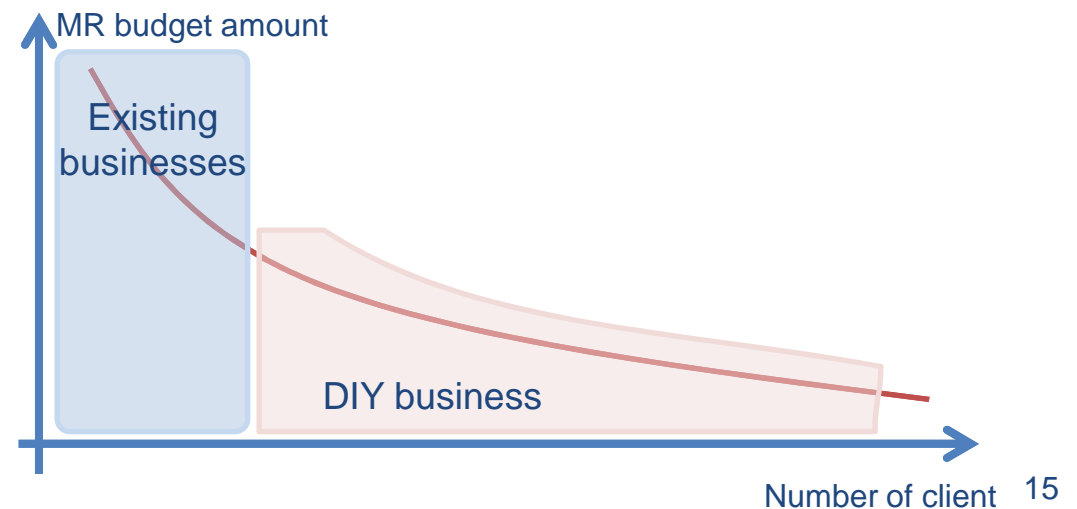


- ✓ **A full review of potential DIY Research business** in view of the creation of a new market

What is DIY Research?

- ✓ DIY research refers to a type of research in which the customer itself prepares the questionnaire (Do It Yourself) and distributes, and collects it from, its own panel members (Web members, etc.).
- ✓ Compared to conventional online research, DIY research may be conducted more easily and in less time.
- ✓ The market for DIY Research has emerged in the U.S. The size of the global market for DIY research is in the tens of billions of yen.

Aim at supplementing and strengthening the existing marketing research business and creating a new market



2012-2014 Performance Targets

(Announced previously - reposting)

(Million yen)

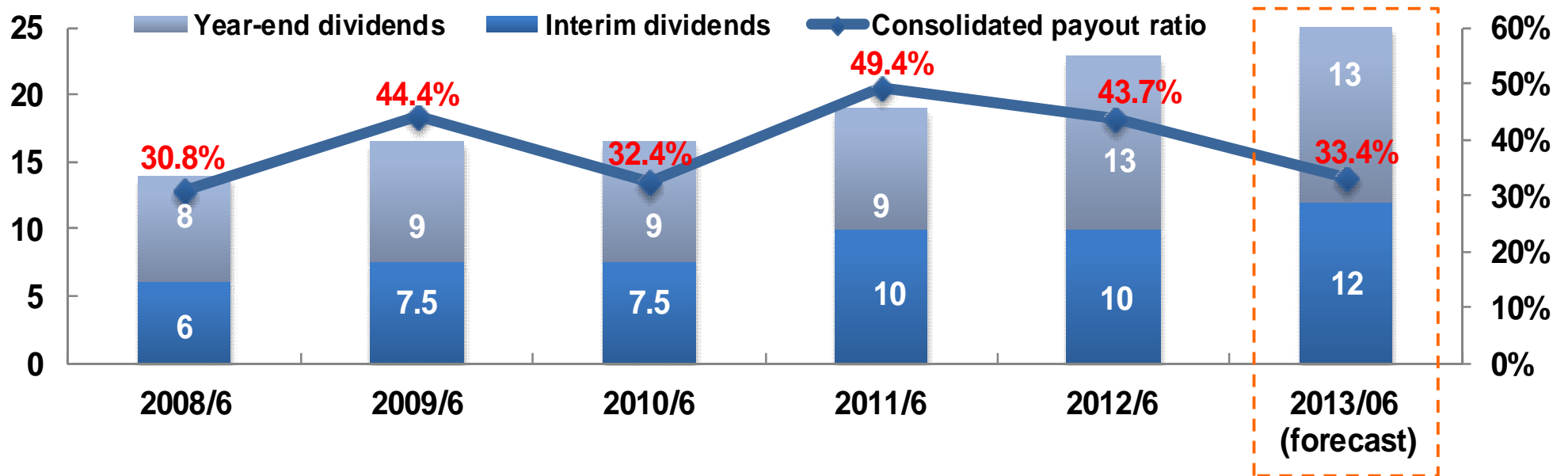
	FY2012/6 (achieved)	FY2013/6 (forecast) <small>* After upward adjustment</small>	FY2014/6 (forecast)
Net sales (consolidated)	14,229	16,800	20,000
Ordinary income	2,975	3,900	4,700
Ordinary income rate	20%	23%	24%

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



Dividend Policy

✓ Determined that the interim dividend will be ¥12 per share



* Consolidated payout ratio for the current fiscal year is calculated, using the number of shares obtained by subtracting 3,016,600 shares of treasury stock as of the end of December 2012 from 30,882,400 shares outstanding.

(Reference) Details of Financial Results Second Quarter of the Year Ending June 30, 2013

Overview of Second Quarter Results for the Year Ending June 2013

		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) (% achieved)	
		FY2013/6	FY2012/6	YoY	FY2013/6	FY2012/6	YoY		
Consolidated	Net sales	4,384	3,598	121.8%	8,362	6,802	122.9%	8,200	102.0%
	Ordinary income	1,051	915	114.9%	1,932	1,577	122.5%	1,930	100.1%
	Ordinary income rate	24.0%	25.4%	-1.4 pt	23.1%	23.2%	-0.1 pt	–	–
	Net income	613	456	134.4%	1,262	799	157.9%	1,000	126.2%

* For reference

Non-Consolidated	Net sales	3,829	3,575	107.1%	7,437	6,760	110.0%		
	Ordinary income	999	1,061	94.2%	1,909	1,851	103.1 %		
	Ordinary income rate	26.1%	29.7%	-3.6 pt	25.7%	27.4%	-1.7 pt		
	Net income	685	582	117.7%	1,230	1,040	118.2%		

Unit price, Number of Active Client Companies (servers) & VIP Clients

Indicator	Unit	FY2011/6		FY2012/6				FY2013/6	
		3Q	4Q (Full-year)	1Q	2Q	3Q	4Q (Full-year)	1Q	2Q
Quarterly average unit price per order (*1)	¥ ten thousand	80.0	75.5	78.3	79.7	83.7	77.2	77.9	81.6
Quarterly average unit price per order (automatic research only) (*1)	¥ ten thousand	52.0	49.8	52.5	52.0	54.9	49.7	50.8	52.6
Quarterly average unit price per order (for reference) (*1)	¥ ten thousand	83.5	78.7	81.3	83.3	87.5	80.7	81.7	85.2
Number of active client companies (annual) (*2)	Companies	1,675	1,895	985	1,371	1,711	1,924	996	1,465
Number of active servers (annual) (*2)	Servers	4,988	6,067	2,485	3,988	5,382	6,327	2,672	4,290
Number of VIP clients (*3)	Companies	240	229	254	256	251	249	281	295
Number of VIP clients with average quarterly sales of ¥10m or more (*4)	Companies	(55)	(53)	(61)	(63)	(67)	(64)	(67)	(90)

*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

Status of Personnel

Indicator	Unit	FY2011/6		FY2012/6				FY2013/6	
		3Q	4Q (Full-year)	1Q	2Q	3Q	4Q (Full-year)	1Q	2Q
Number of employees (consolidated)*	People	545	557	566	594	735	768	788	790
Number of employees (non-consolidated)*	People	528	542	541	550	560	582	567	579

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

* 40 new graduates will join the company in April 2013

✓ Breakdown of personnel by job type

Sales
155
(including 27 assistants)

Operations
118

Researchers
135

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 January 1, 2013

✓ Number of employees at consolidated subsidiaries 221 → 211

M-CUBE : 12 → 14

M-WARP : 17 → 14

Macromil China : 21 → 22

MACROMILL EMBRAIN: 164 → 153

M-PROM : 7 → 8

Status of Panelists

Indicator	Unit	FY2011/6		FY2012/6				FY2013/6	
		3Q	4Q (Full-year)	1Q	2Q	3Q	4Q (Full-year)	1Q	2Q
MACROMILL Panelists	Ten thousand people	98.5	104.0	105.9	107.1	108.6	109.5	110.7	112.2

* As of January 1, 2013

PC Panelists

**MACROMILL
Panelists**

1.12M people
(including smartphone
panelists)

**Yahoo!
Research Panelists**

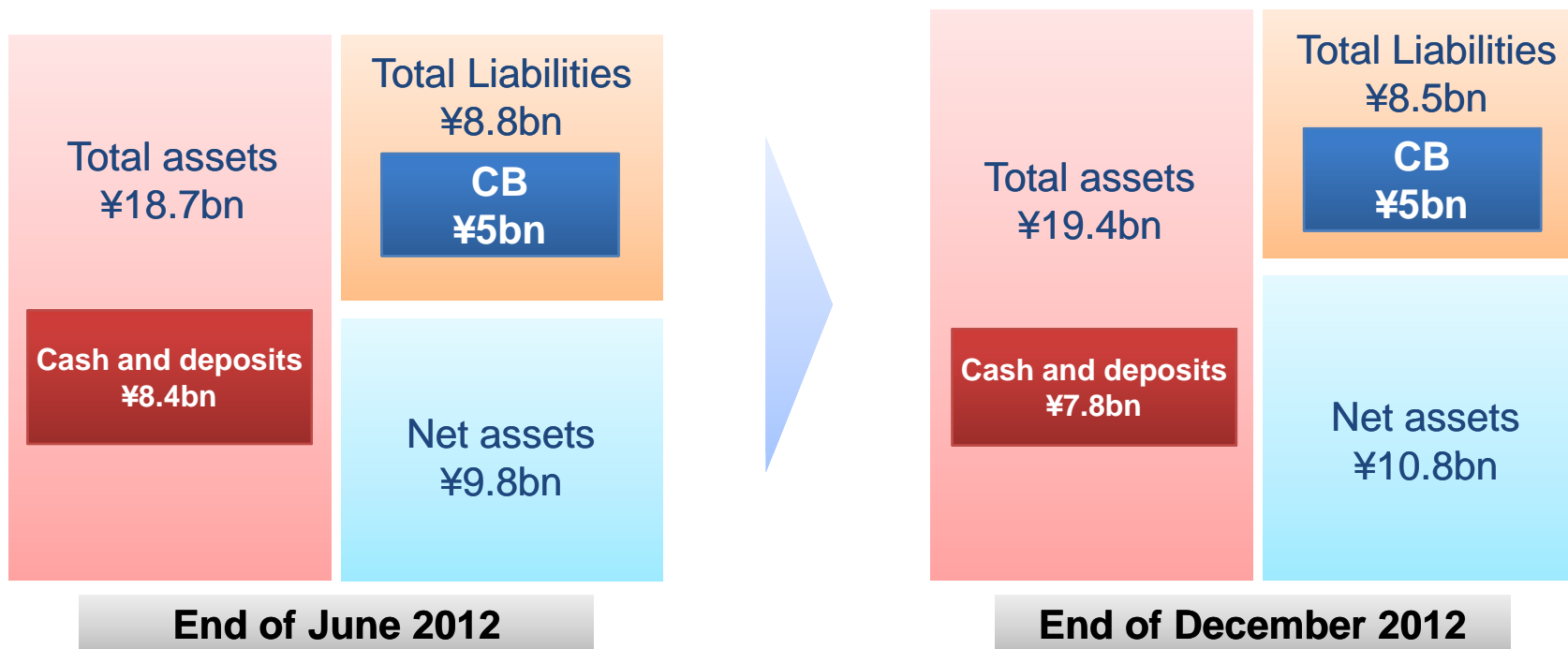
1.46M people

Mobile Panelists

**Cooperating mobile
monitors**

0.33M people
(Mobile here refers to feature phones only)

Changes in Balance Sheets (Consolidated) / Capital policy

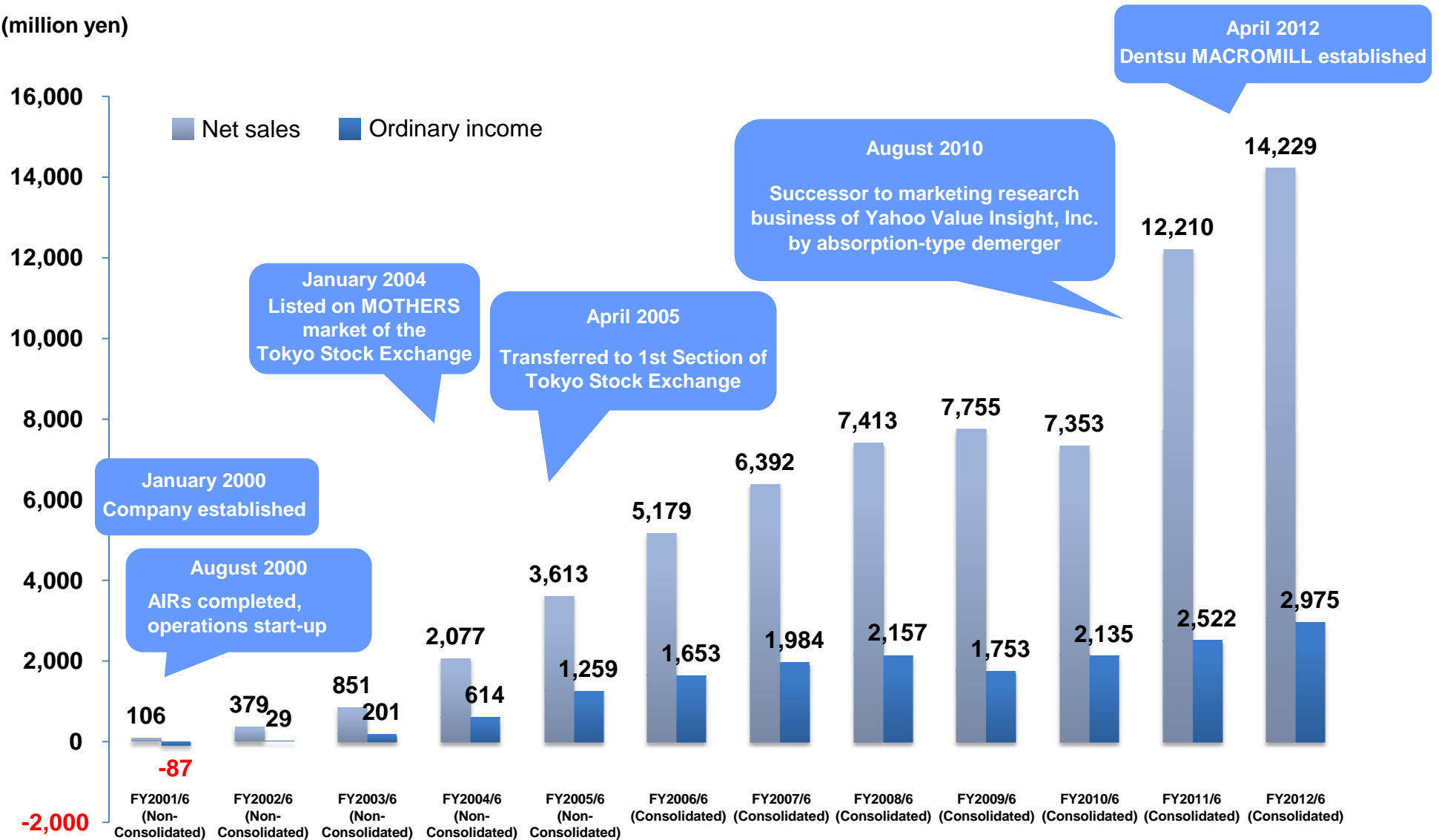


- ✓ Considering investments including M&A for new business and overseas business expansion
- To actively promote business expansion to establish a new pillar of business using cash generated in existing business domains

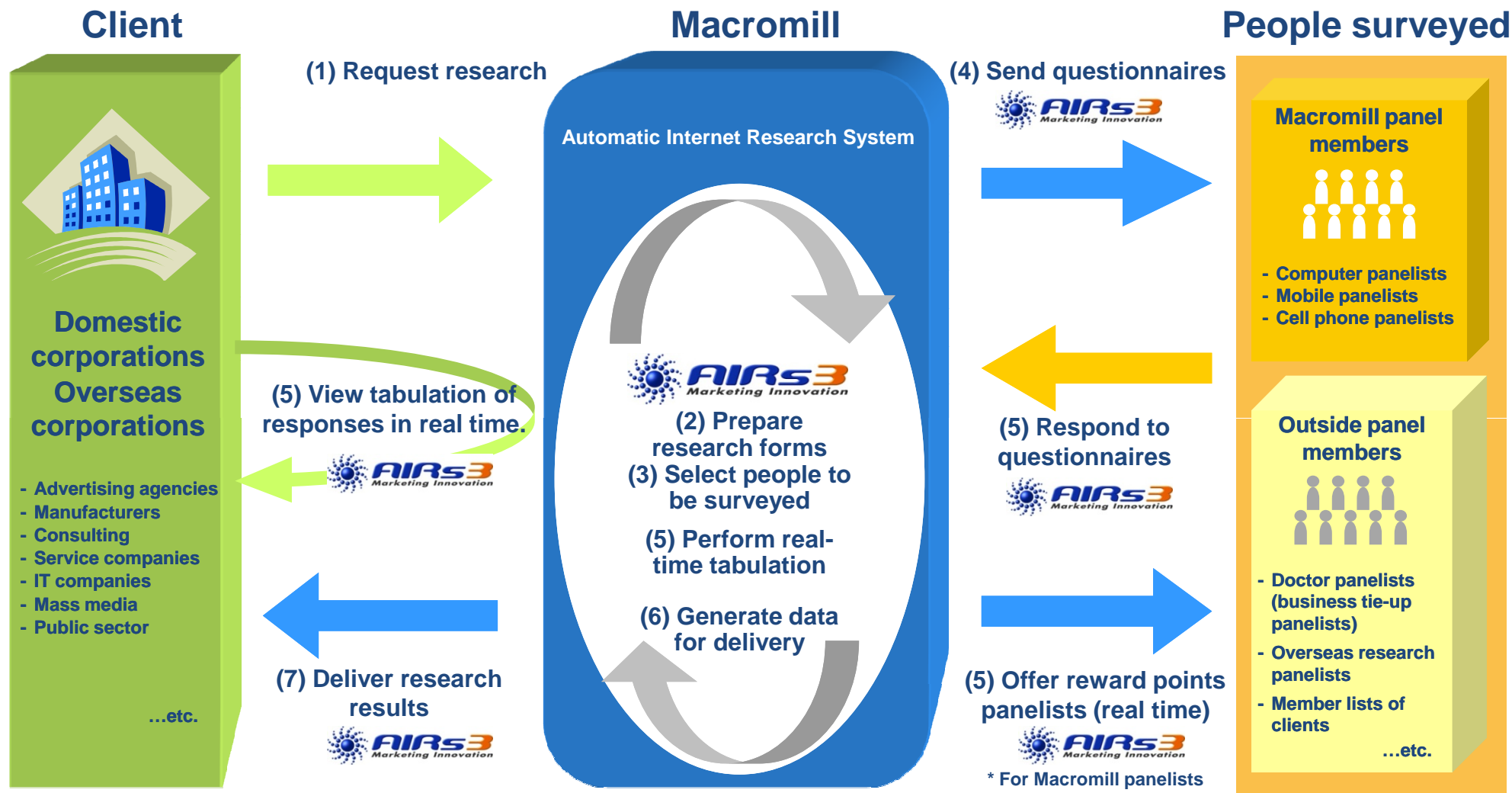
Reference

Company History & Business Results

(million yen)



Service Flow of the Online Research



* 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.

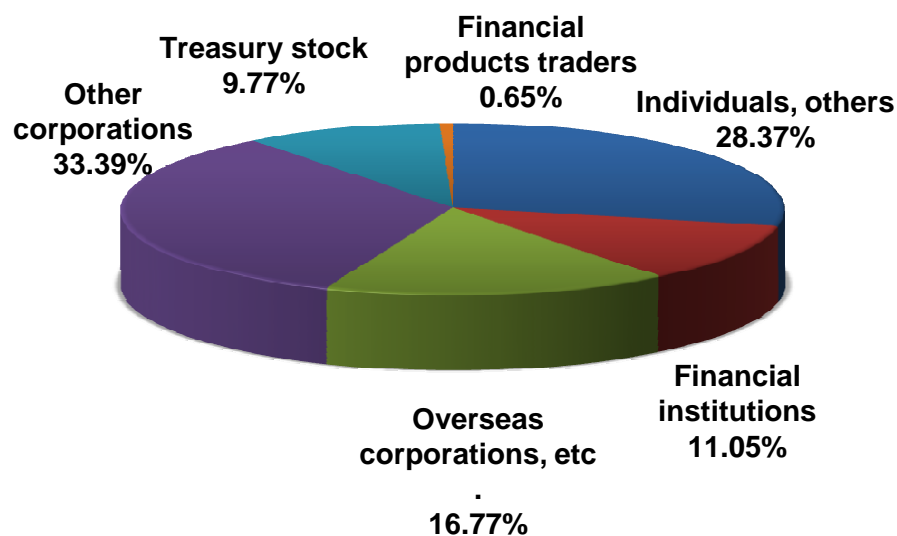
* If a research plan is required, this happens before step (1) in the flow chart. If an analysis of research results is required, this happens after step (7) in the flow chart.

Share Information

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.

(Reference) Status of Capital/Business Alliances, Group Companies



Consolidated subsidiaries

Domestic



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



→ Marketing solutions business, mainly in the smartphone area
Next-generation marketing platform business (app development, etc.)



→ 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 alliances

Shanghai United-Cities Industry Co., Ltd.

→ 6.9% stake

Business alliances



dentsu



Dentsu marketing insight

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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