

First Half Results Briefing Year Ending June 30, 2011

Macromill, Inc.

First Section, Tokyo Stock Exchange (3730)



1. Report on First Half Results

Topics in Second Quarter of Year Ending June 2011

Both net sales and income exceeded the initial plan, and the results forecasts were revised.

- The results forecasts both for the second half and for the full year were revised upwards (announced on January 28, 2011)
- Consolidated net sales for the first half rose 77.5%, and ordinary income increased 67.3%. (The ordinary profit margin was 23%.)

The merger with YVI was completed at the end of December.

- Research systems, personnel systems, and service menus were fully integrated.
- The Company will consolidate the foundations of online research and develop new businesses.

Promotion of peripheral services, new businesses, and overseas businesses were accelerated

- The establishment of a new company engaging in the QPR business was completed. The establishment of a consolidated subsidiary in China was resolved.

Overview of Second Quarter Results for Year Ending June 2011

(Million yen)

		2 nd quarter (standalone) (Oct 1 - Dec 31)			2 nd quarter (cumulative) (Jul 1 – Dec 31)			Initial plan before the revision (Percentage achievement)	
		12 th term	11 th term	Year-on-year	12 th term	11 th term	Year-on-year		
Consolidated	Net sales	3,435	1,777	193.3%	6,283	*1 3,540	177.5%	5,821	(107.9%)
	Ordinary income	873	499	174.9%	1,455	866	168.0%	920	(158.2%)
	Ordinary profit margin	25.4%	28.1%	-	23.2%	24.5%	-	15.8%	(+7.4pt)
	Extraordinary loss	162	-	-	255	-	-	243	-
	Net income	407	316	128.8%	690	588	117.3%	398	(177.4%)

* For reference

Non-consolidated	Net sales	3,432	1,753	195.8%	6,273	3,377	185.8%		
	*2 Net sales	3,432	2,971	115.5%	6,273	5,309	118.2%		
	Ordinary income	859	505	170.1%	1,434	930	154.2%		

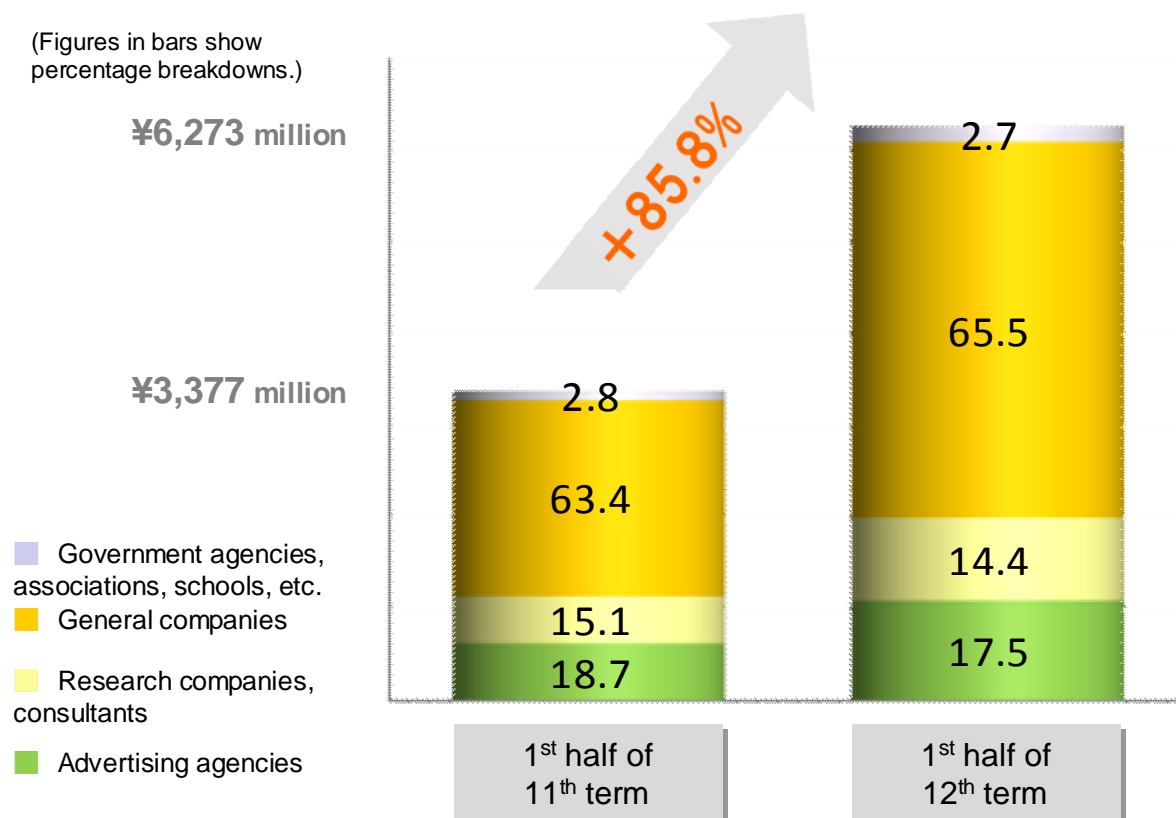
*1 Consolidated net sales in the first quarter of the 11th term include net sales of AIP, which was a consolidated subsidiary.

*2 Net sales for the 11th term are the sum of sales of Macromill and sales in the research business of YVI.

Breakdown of Sales According to Category (non-consolidated)

- ✓ Sales rose year on year in all categories, partly due to the effect of integration.
- ✓ The sales breakdown by category was mostly unchanged, but sales from research companies, consultants, and advertising agencies recovered from the first quarter.

(Figures in bars show percentage breakdowns.)



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

1. Food & drink

+95.2% +¥470 million

→ Sales from consumer goods manufacturers, especially QPR sales, remained strong.

2. Advertising agencies

+73.4% +¥460 million

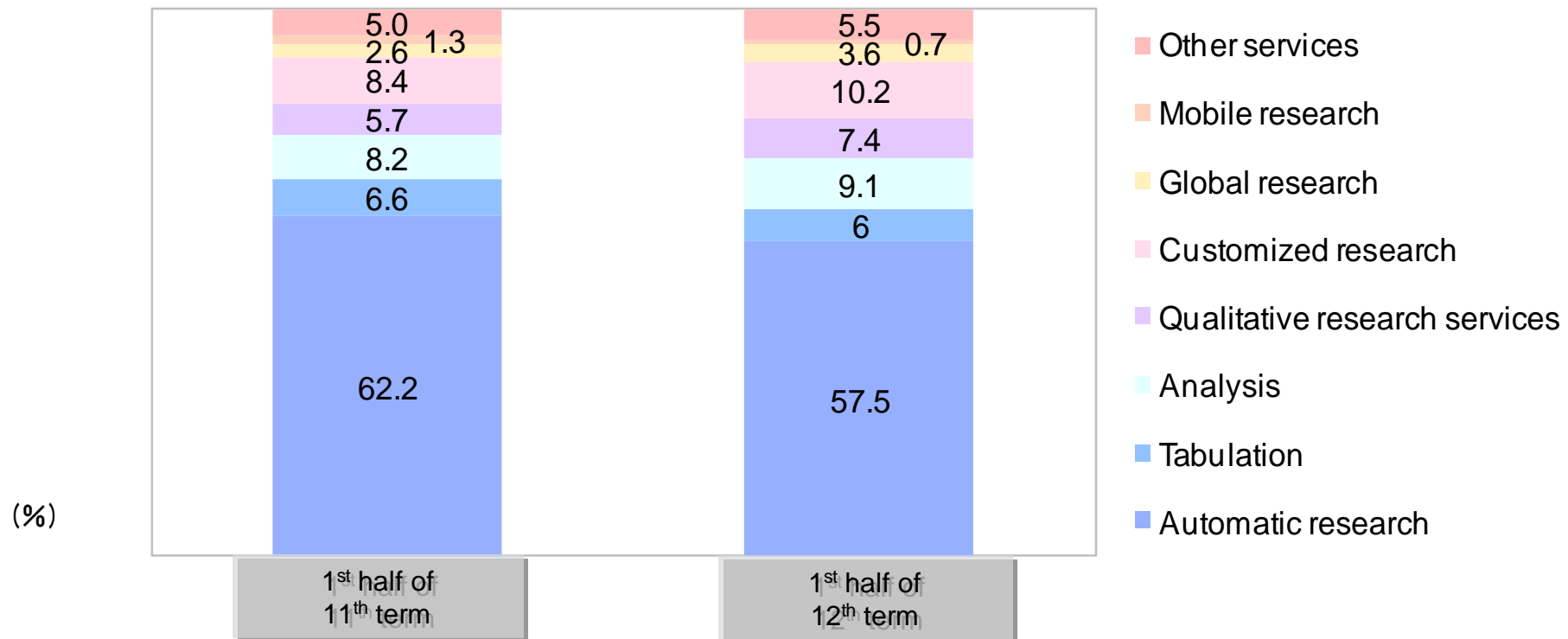
→ Sales from advertising agencies recovered.

3. Services

+106.1% +¥430 million

Change in Breakdown by Service (non-consolidated)

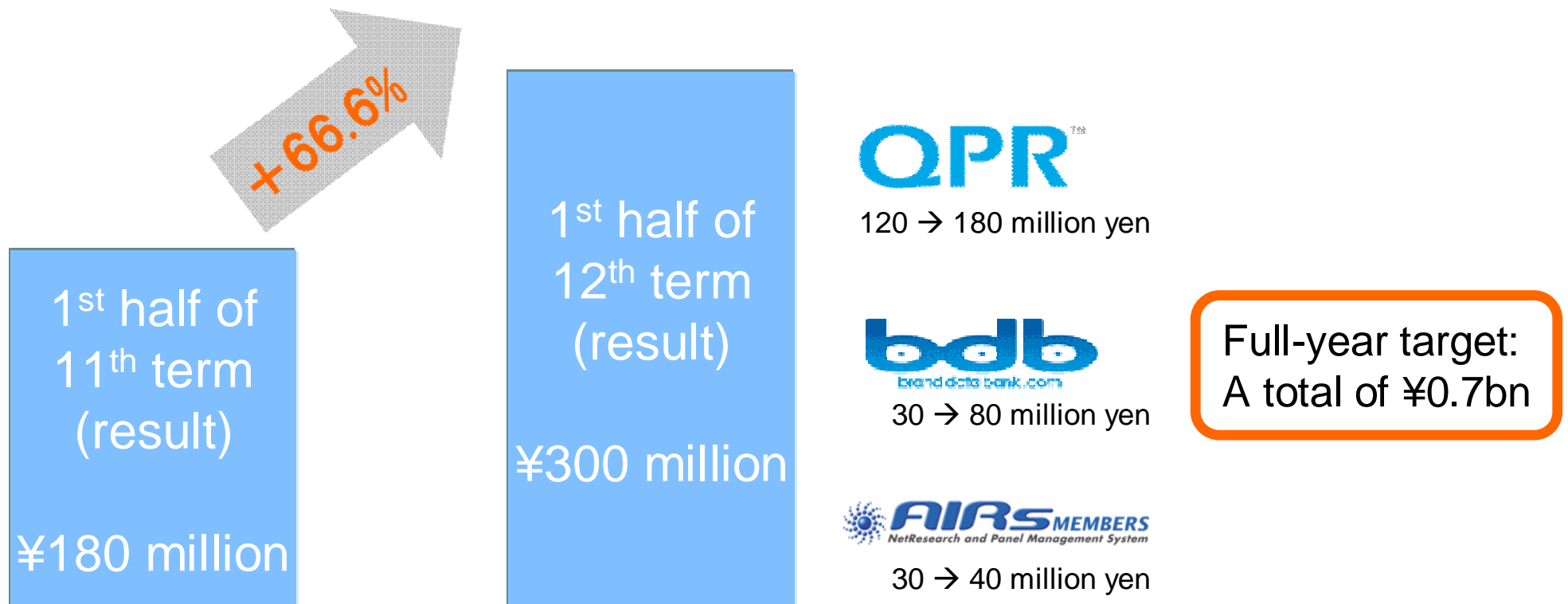
- ✓ With a change in the customer mix, sales of services other than automatic research rose.
 - Global research: up 157% year on year
 - Qualitative research services: up 141% year on year
- ✓ Stepped up subcontract management and in-house production to improve the profit margin.



Other (Peripheral) Services

- ✓ The sum of sales of QPR, bdb, and AIRsMEMBERS rose 66.6% year on year.
- ✓ The merger of Brand Data Bank was resolved.

Starting April 1, collaboration in the online research service and the database service will be strengthened.



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	2 nd quarter
Quarterly average unit price per order ^{*1}	Ten thousand yen	72.8	70.3	72.9	70.0	79.7	82.2
Quarterly average unit price per order (qualitative research included) ^{*1}	Ten thousand yen	71.2	68.3	71.1	68.5	77.3	79.1
Quarterly average unit price per order (automatic research only) ^{*1}	Ten thousand yen	51.0	49.4	52.4	48.5	53.9	52.2
Number of active companies (annual) ^{*2}	Companies	659	995	1,270	1,441	904	1,386
Number of active servers (annual) ^{*2}	Servers	1,452	2,481	3,477	4,188	2,221	3,870
Number of VIP clients ^{*3}	Companies	151	144	155	144	242	240
Number of clients with average quarterly sales of ¥10 million ^{*4}	Companies	(27)	(25)	(29)	(27)	(59)	(58)

^{*1} The services of the former YVI were not included in the calculation of the average unit price for the year ending June 30, 2011. Orders for qualitative research were not included in the calculation of the quarterly average unit price per order.

^{*2} The number of companies/services whose sales were posted at least once from the beginning of the fiscal year to the quarter

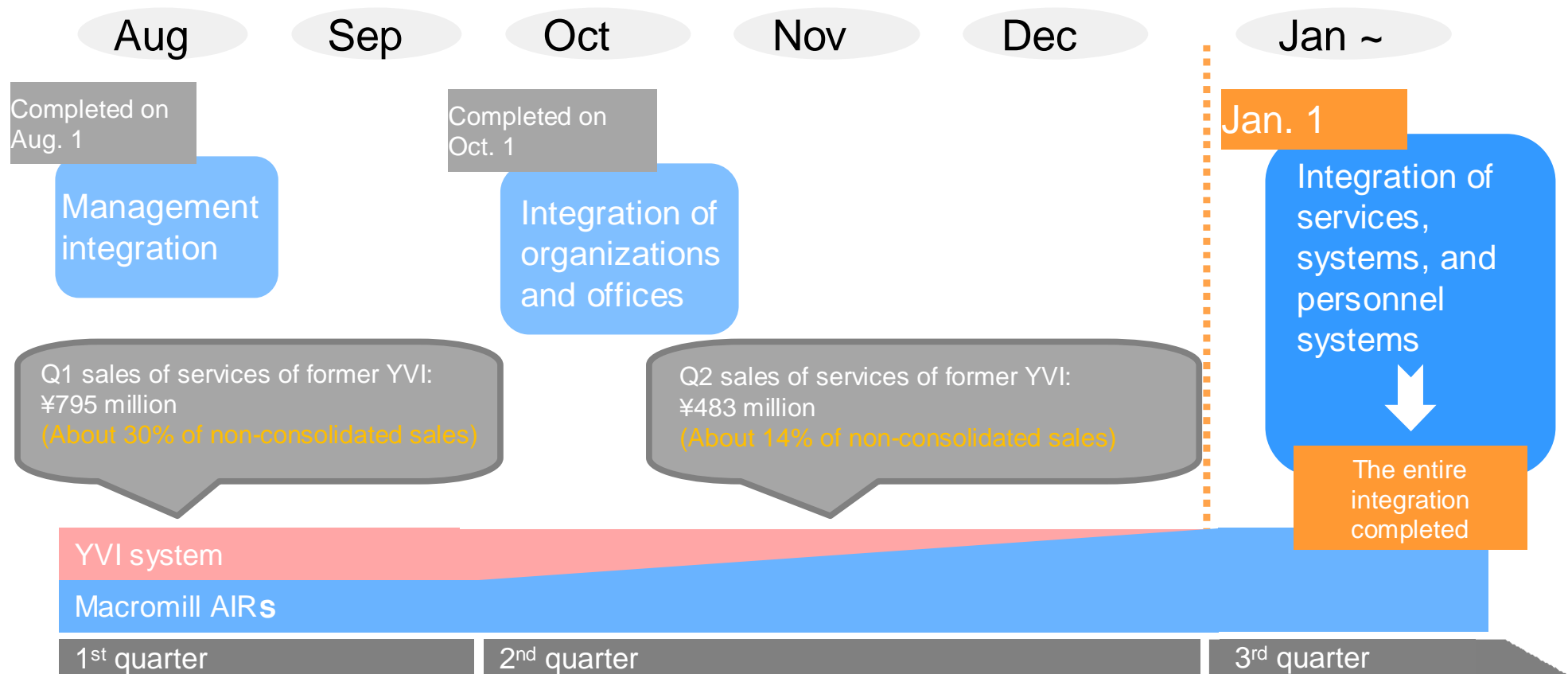
^{*3} Priority clients with annual sales of ¥10 million or more are defined as VIP clients. Annual sales are calculated based on year-to-date sales. For example, the number of VIP clients for the second quarter is the number of clients with year-to-date sales of ¥5 million.

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

✓ “The number of clients with average quarterly sales of ¥10 million” is added for reference. 7

Progress of Integration

- ✓ Integration was completed in all fields at the end of December.
- ✓ No sales of services of the former YVI were posted from the third quarter.



Integration 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	2 nd quarter
Number of employees (consolidated)*	People	356	297	297	309	605	553
Number of employees (non-consolidated)*	People	295	288	289	298	596	542

(*) Number of employees excluding those on leave

- ✓ The total number of employees declined. The number of salespersons, operation staff members, and researchers did not change significantly.

Sales
Approx. 125 people

Operation
Approx. 100 people

Researchers
Approx. 130 people

Other staff are in charge of global operations, new business development and panelists support.

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

*As of January 5, 2011.

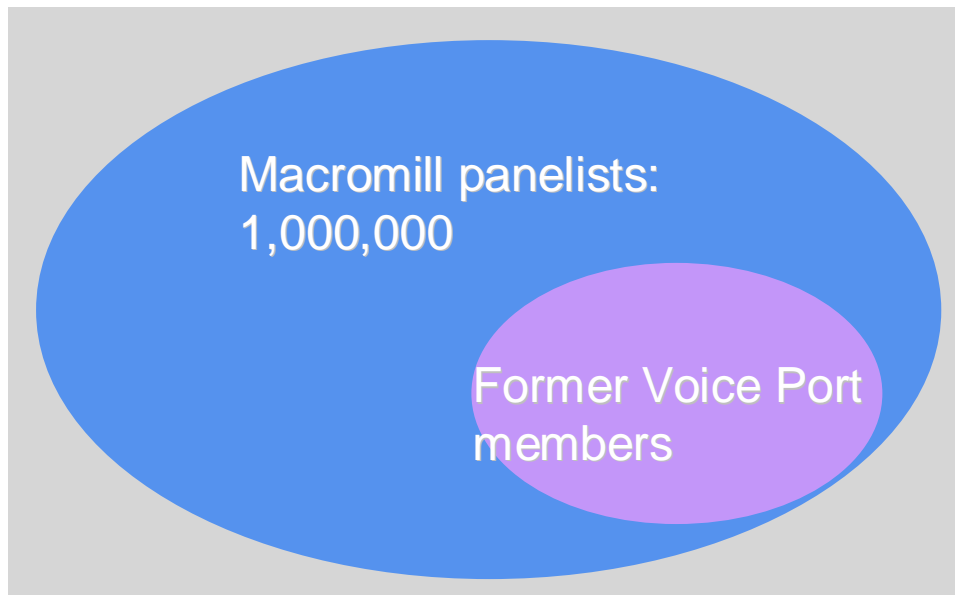
- ✓ Productivity per employee improved with systems integrated into the AIRs system.
- ✓ Six new graduates will join the Company in April 2011.

Integration 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	2 nd quarter
Macromill panelists	Ten thousand people	87.4	88.7	90.3	92.6	94.0	100.2

- ✓ With the integration of Macromill panelists and Voice Port members, the number of panelists of the Company has become 1 million.

PC panelists



Yahoo! Research panelists:
1,430,000

Mobile panelists

PC and mobile phone panelists: 240,000



Mirumoba panelists (Mobile phone panelists): 60,000



Mobile phone panelists Uchico junior high and high school panelists: 10,000



The number of panelists is as of December 31, 2010.

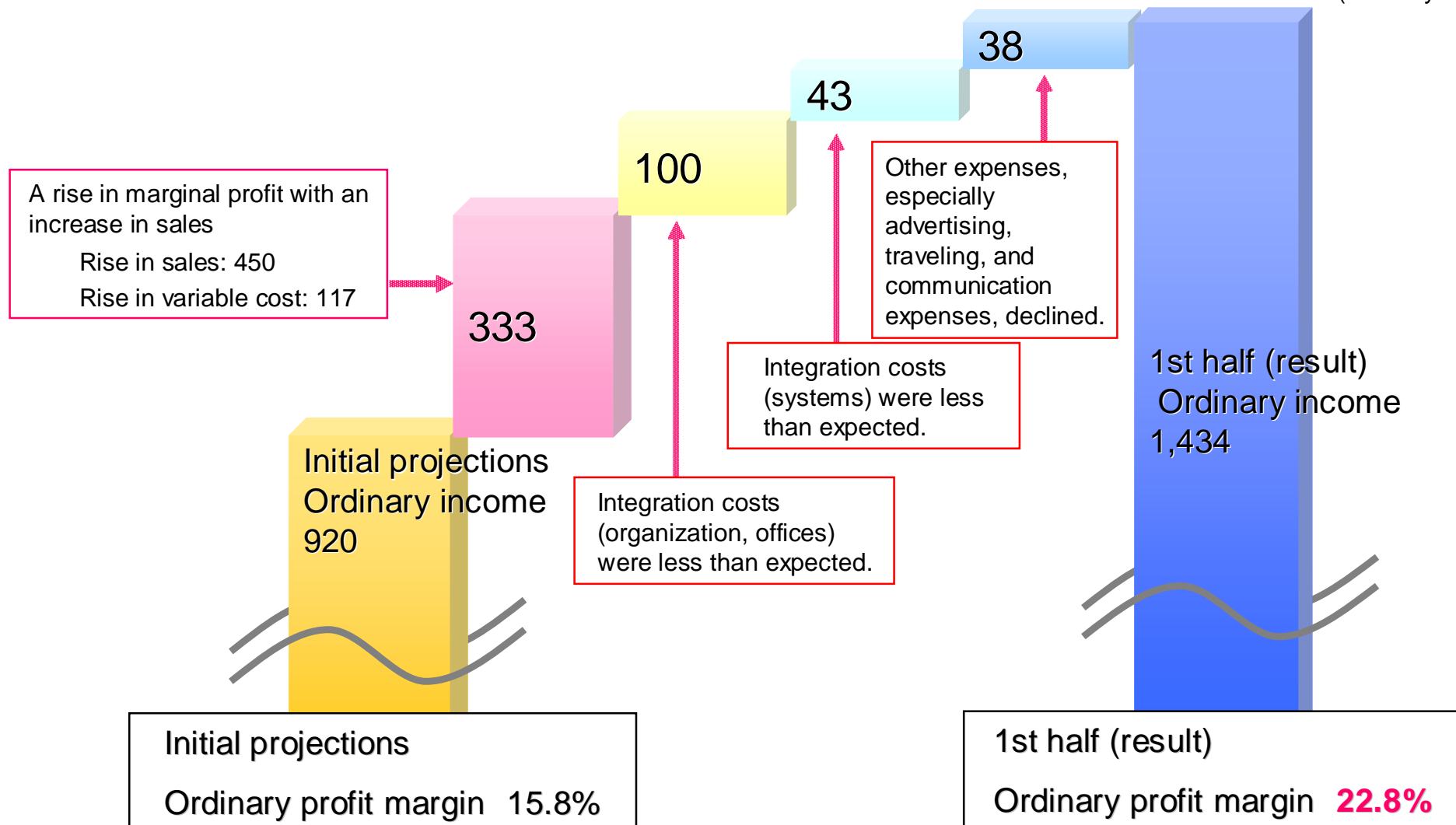
Costs Associated with Integration

- ✓ Costs associated with the management integration, which are within the scope of the assumption, are goodwill and an extraordinary loss.
- ✓ Extraordinary loss (¥250m) → No extraordinary loss associated with the integration will be posted in the latter half.
- ✓ Amortization costs with the acquisition of intangible assets (a total of ¥760m) → Annual amortization is ¥40m.

		(Million yen)	
		Year ending June 30, 2011	Year ending June 30, 2011
		1 st half (result)	Full year (forecast)
One-time costs			
Extraordinary loss (systems, offices, and personnel)		255	255
Ongoing costs			
Amortization of goodwill (¥430m, amortized in 20 years)		9	20
Amortization of client assets (¥290m, amortized in 16 years)		8	17
Amortization of panelist assets (¥40m, amortized in 9 years)		2	4
Increase in other expenses (chiefly related to systems)		16	56
Subtotal (ongoing costs)		35	97
Total expense		290	352

Factors Behind the Increase in Income (First Six Months, Non-consolidated)

(Million yen)



2. Full-Year Forecast and Capital Policy

Provisional Full-Year Forecast

(Million yen)

		Results in 1 st and 2 nd quarters	Forecasts for 3 rd and 4 th quarters	Full-year forecasts	Results in previous fiscal year (Full-year forecast / result in previous fiscal year)	Initial plan (Full-year forecast / result in previous fiscal year)
Consolidated	Net sales	6,283	6,709	12,992	7,353 (176.7%)	12,530 (103.7%)
	Ordinary income	1,455	1,584	3,039	2,135 (142.3%)	2,506 (121.3%)
	Ordinary profit margin	23.1%	23.6%	23.4%	29.0% (-5.6pt)	20.0% (+3.4pt)
	Net income	690	904	1,594	1,266 (125.8%)	1,304 (122.2%)
	Net income per share (yen)	4,557.22	* 5,898.78	* 10,456.00	10,182.23 (102.7%)	8,516.51 (122.8%)

(Note) The number of shares outstanding before the stock split is used.

* For reference

Non- consolidated	Net sales			12,981	7,172 (181.0%)	12,530 (103.6%)
	Ordinary income			3,145	2,205 (142.6%)	2,631 (119.5%)

- ✓ Earnings expanded in the first half, reflecting strong the performance and the progress of integration.
- ✓ The full-year forecasts were revised upwards in light of a revision for the first half.

Assumptions for (Non-Consolidated) Forecasts for Second Half

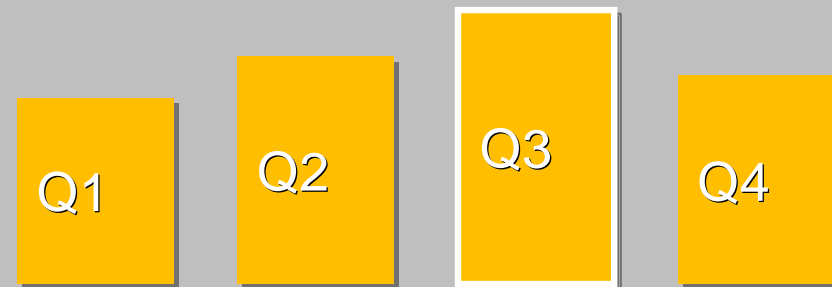
External environment

- The Japanese economy will remain favorable in the second half.
- Japanese companies will expand overseas operations.

Operations of the Company

- Promote online research, especially QPR, in a favorable economy.
 - Maintain the unit price (about ¥0.8m) by promoting orders for projects with high unit prices.
 - Increase global research and qualitative research in response to the needs of clients.
 - Focus on improving productivity following the completion of the management integration.
- ✓ Demand, especially demand from general consumer goods manufacturers, is solid.
 - ✓ Sales are expected to rise **10%** year on year.

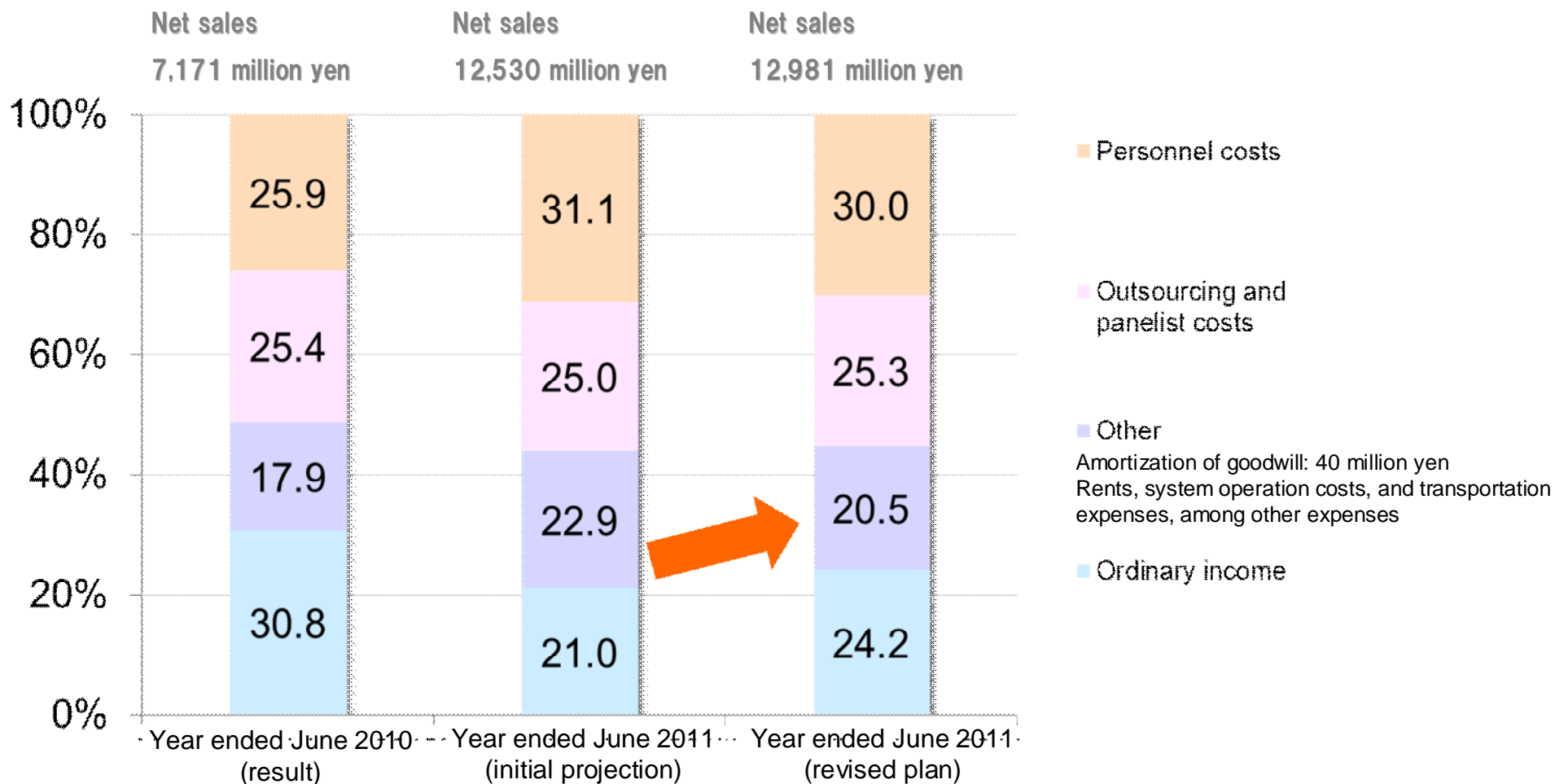
Trends of quarterly sales in the past



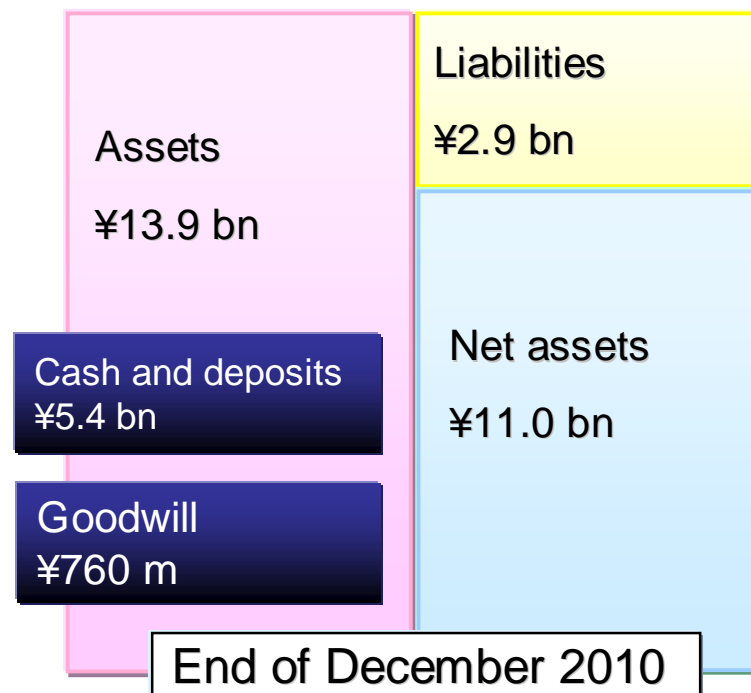
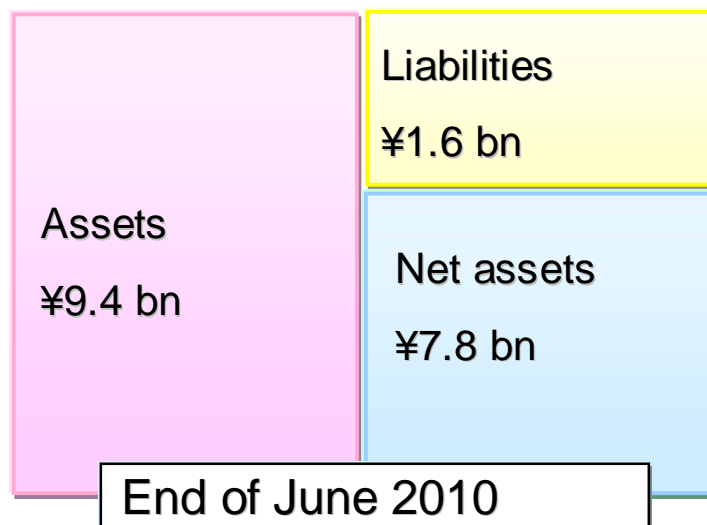
A peak comes in March.

Change in Cost Structure (Non-Consolidated)

- ✓ The cost structure has changed in association with an increase in the number of employees and the expansion of the area of offices through the integration.
- ✓ Income increased, reflecting a rise in net sales and a reduction in expenses.



Change in Balance Sheet



Cash and deposits rose to ¥5.4 bn after integration.



Invest in new businesses.
Accelerate overseas operations.
Consider M&A.

Capital Policy (1)

Notice on determination of stock repurchases (announced on November 12)

→ Resolution for repurchases of 5,000 shares and ¥1 billion maximum

◆ Number and value of shares repurchased (trust purchase)

	Number of shares	Total value of shares repurchased
November	1,299	¥197,873,700
December	898	¥156,709,100
January	(Note 1) 803	¥160,084,500
Total	(Note 2) 3,000	¥514,667,300

(Note 1) Converted to a number of shares before the stock split. The actual number of shares is 160,600.

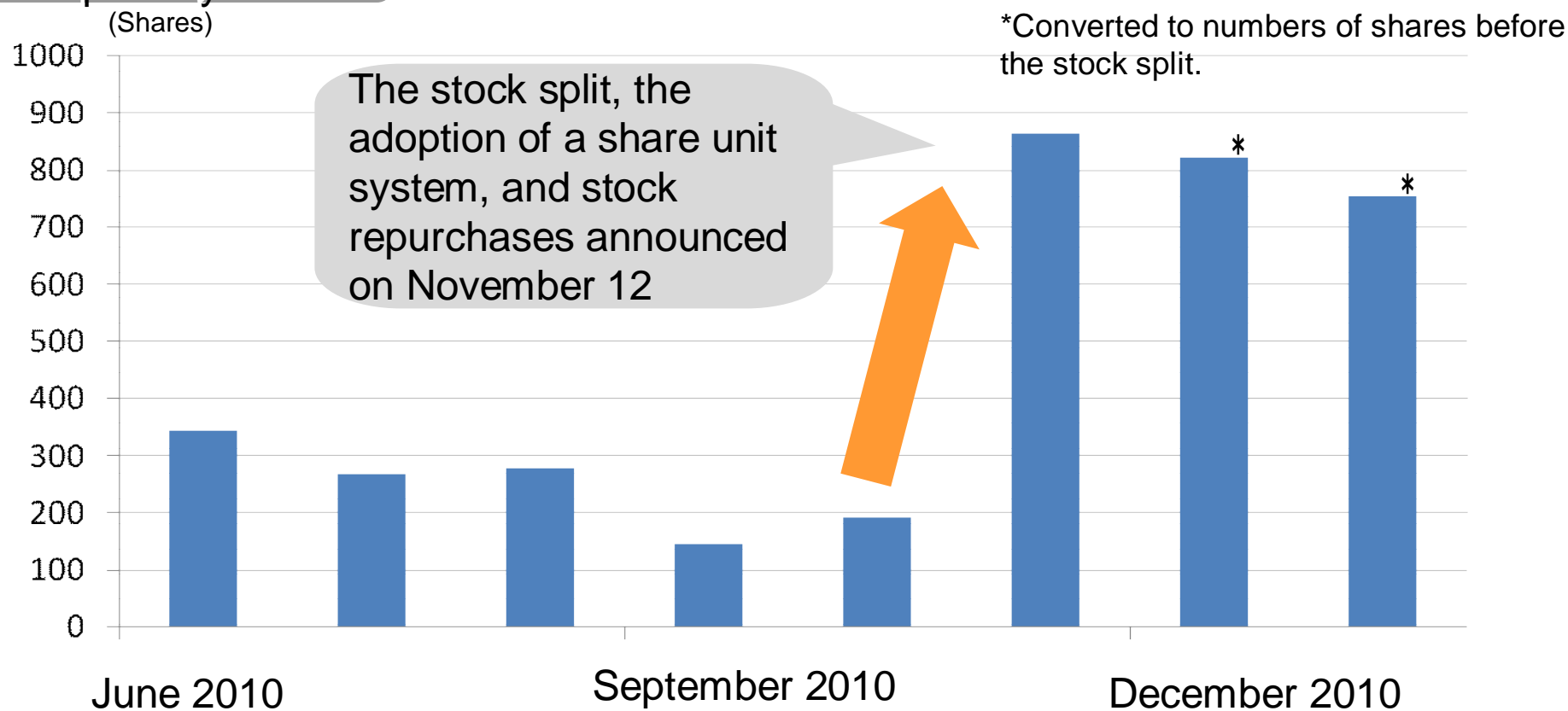
(Note 2) Converted to a number of shares before the stock split)

- ✓ Ceased stock repurchases at the end of January, given changes in the management environment.
- ✓ The total number of shares of treasury stock is 9,026 shares. (as of January 31; converted to a number of shares before the stock split)

Capital Policy (2)

- ✓ Liquidity improved significantly from November, following the announcement of the stock split.
- ✓ To improve liquidity further, the Company will seek to expand foreign investors as well as domestic investors.

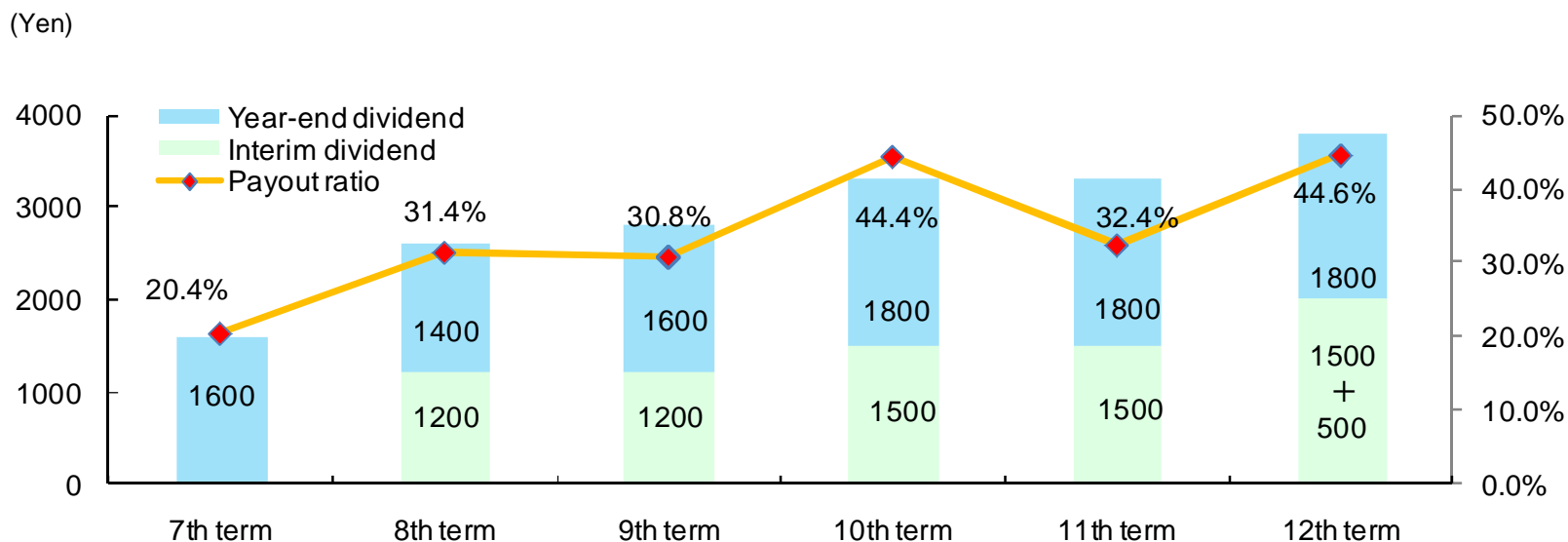
Volume of shares traded per day



Capital Policy (3)

- ✓ Will maintain a consolidated payout ratio of 30% or more.
- ✓ The annual dividend for the 12th term will be ¥3,800. The payout ratio will be 44.6%*.
Determined that the interim dividend will be ¥2,000 (including a commemorative dividend of ¥500).
*33.5% if commemorative dividends are excluded
- ✓ Will invest in the expansion and growth of operations, while retaining operating funds.

◆ Dividends and expected dividend for current term



3. Future Development of Operations

New and Overseas Operations

M-CUBE AND ASSOCIATES, INC. established as a new QPR company

Established a new company jointly with Hakuholdo DY Holdings and Tokyu Agency, seeking to make QPR, consumer purchasing data, a de-facto standard.

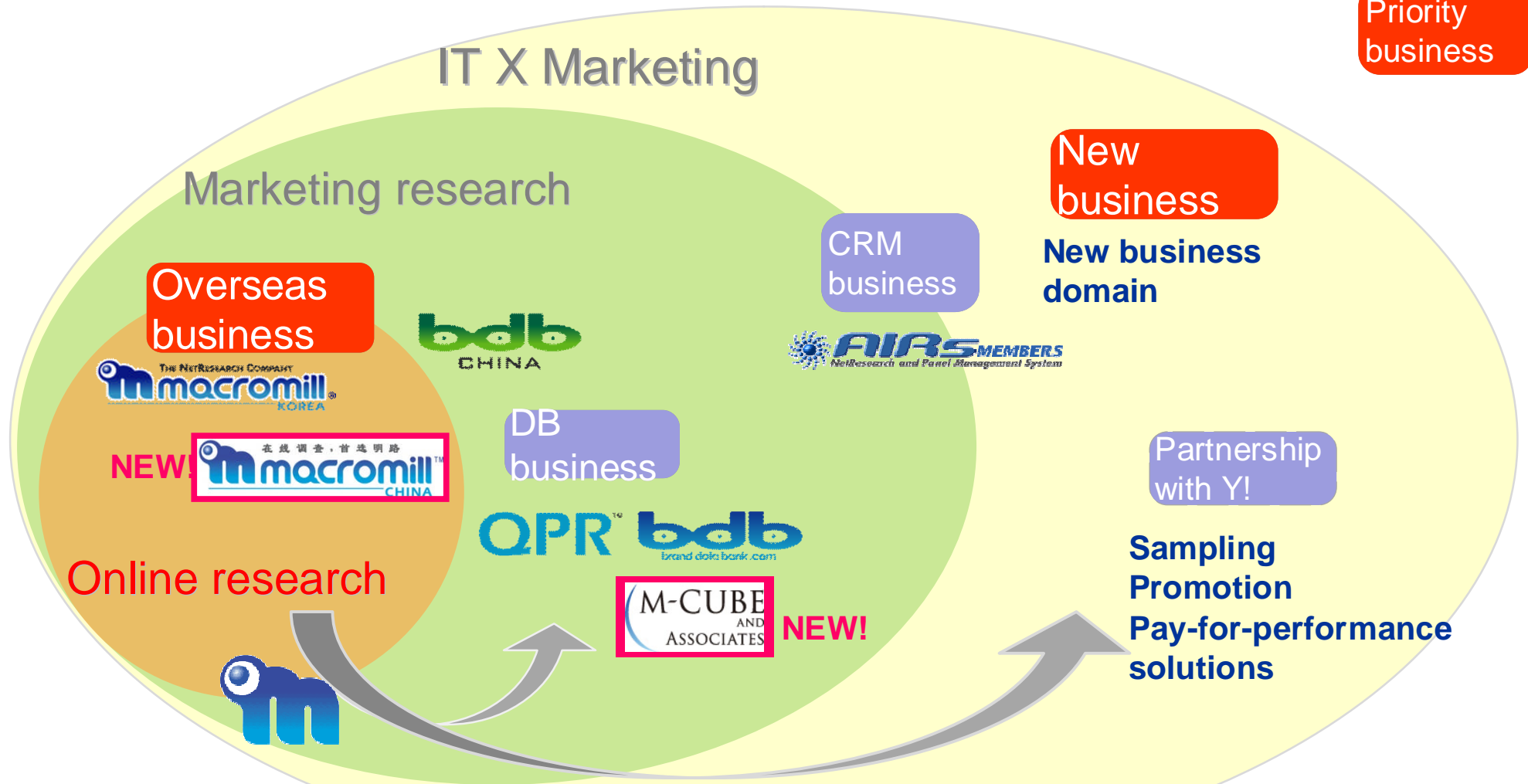
Establishment of the consolidated subsidiary MACROMILL China in China resolved

MACROMILL plans to establish the subsidiary in March 2011 and to hold 90% of the stock. MACROMILL will be the second overseas Group company, following a Group company in South Korea.

Continuing to consider new businesses for MACROMILL

Business Domain of Macromill

Priority business



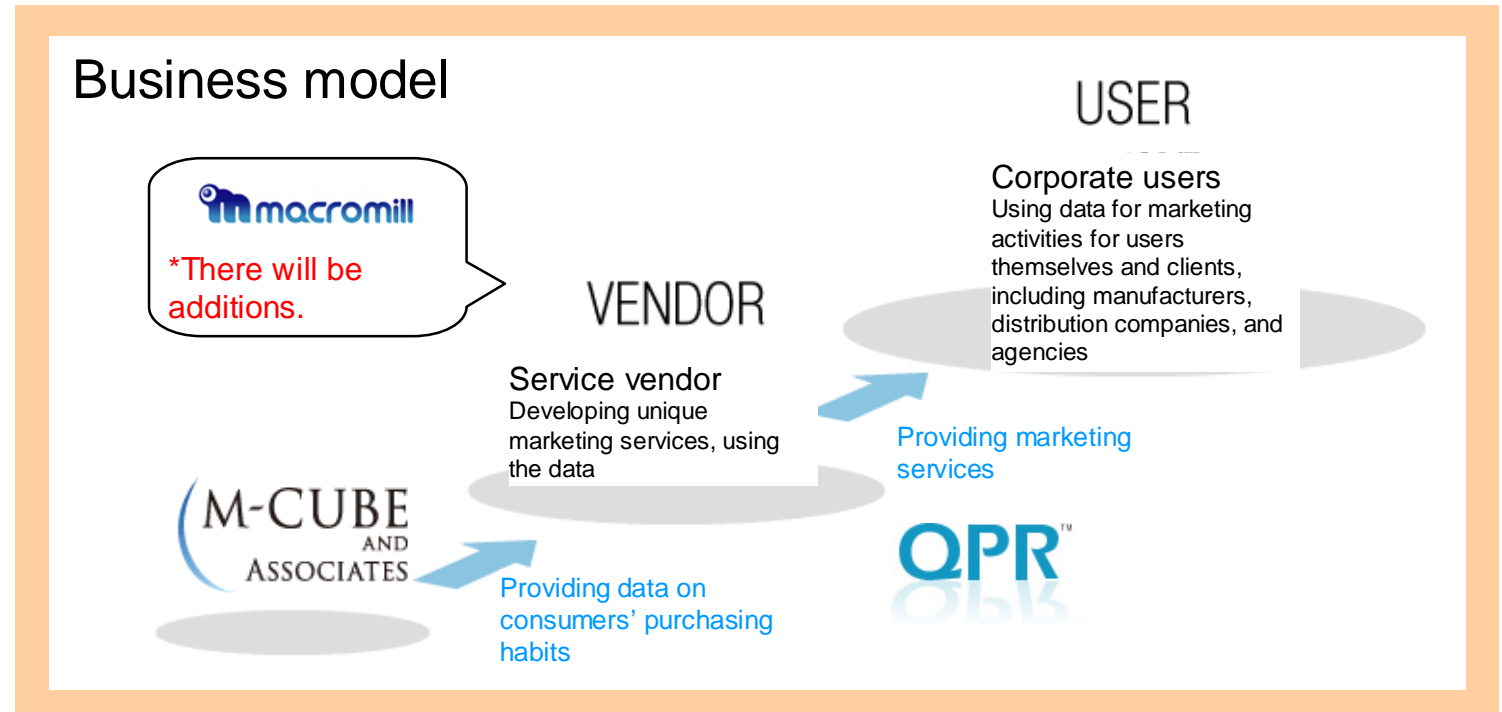
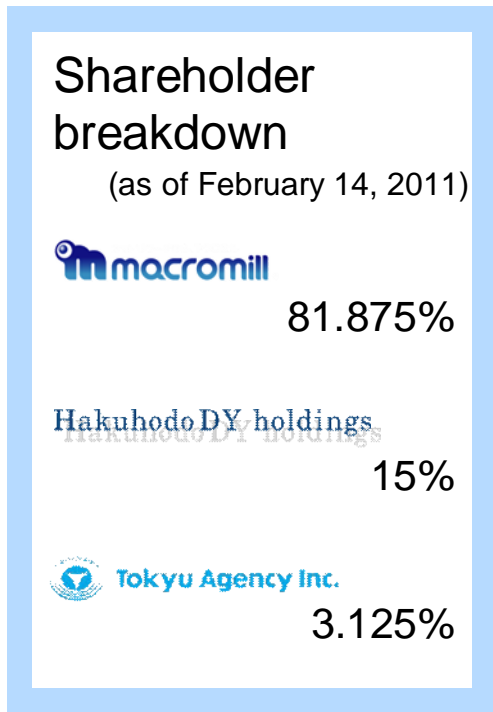
✓ Expanding operations in the domain relating to IT and marketing, especially in online research

Establishment of a New QPR Company

- ✓ Established M-CUBE AND ASSOCIATES as a joint venture involving three companies.
- ✓ Will continue to offer investments strategically; the number of investors will increase.

Final agreement: McCann Worldgroup Holdings, Video Research

Basic agreement: Toppan Printing



QPR (Quick Purchase Report)™ ...

Product purchasing research service for analyzing consumers' daily purchasing trends in which QPR panelists are given portable barcode scanners to collect data on their purchasing habits. The service also enables research into consumer attitudes (reasons for purchasing products, etc.)

MACROMILL Korea

Situation in first half of year
ending June 2011



Net sales (six months)	¥230m (Full-year target: ¥470m)
Number of employees	25
Number of panelists	250,000

An equity method affiliate (38.5%)

Performance improved steadily, and the company moved into the black in October 2010.

Direction

- ✓ The local corporation moved into the black and will continue to make profits.
- ✓ The company will bolster alliances with leading local companies.

Establishment of Joint Venture in China (1)

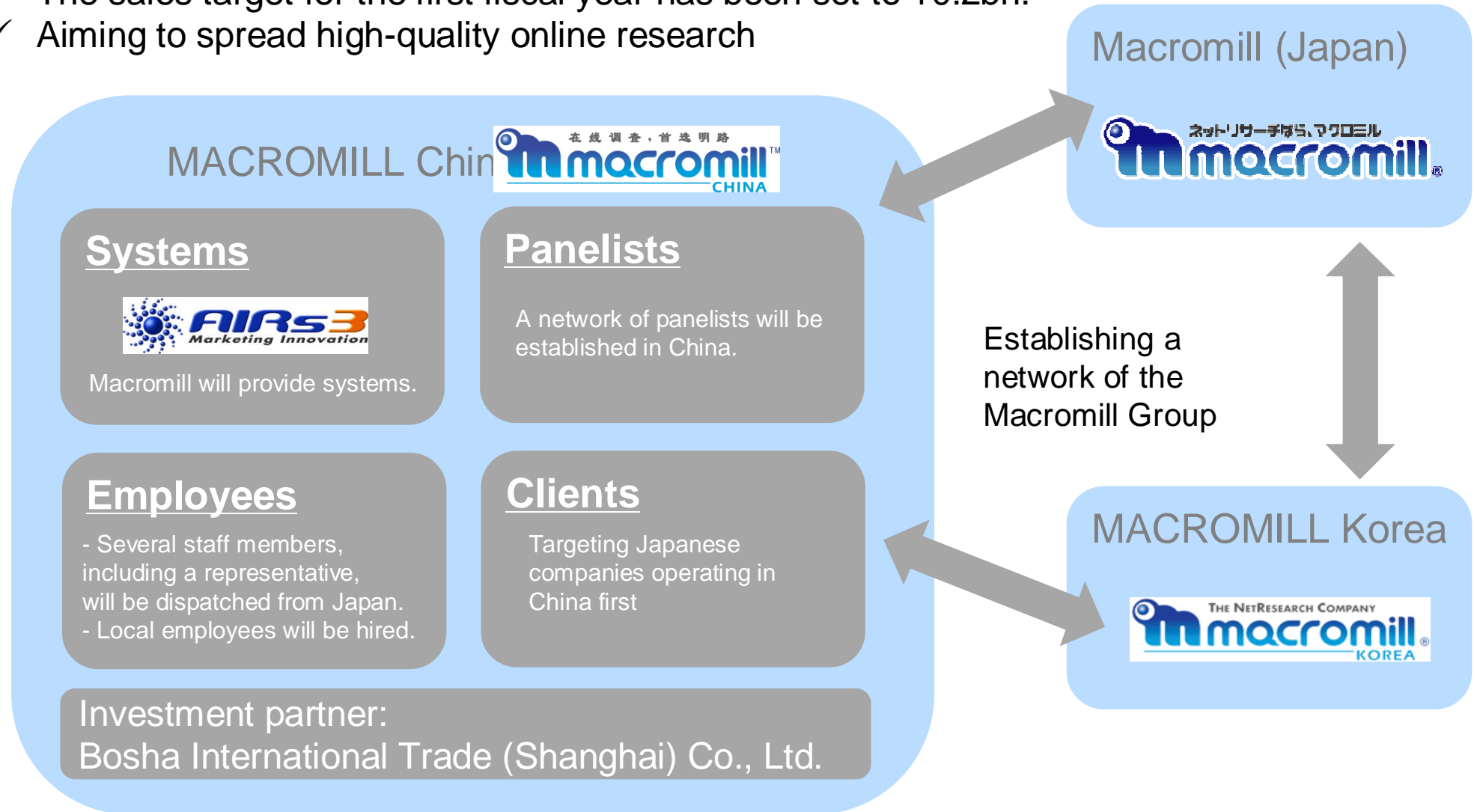
Notice on establishment of a joint venture in China (announced on January 14, 2011)

1. Business name	MACROMILL China, INC.
2. Location	Huangpu District, Shanghai, China
3. Name and title of representative	Fukuha Yasunori, Chairman
4. Business	Market research
5. Capital	¥150 million
6. Established	March 2011 (plan)
7. Commencement of operations	July 2011 (plan)
8. Investor and holding	Macromill, INC.: 90% Bosha International Trade (Shanghai) Co., Ltd.: 10%

- ✓ Decided to make inroads in China, following the establishment of an affiliate in South Korea, expecting more Japanese companies entering the Chinese market and the expansion of the research market in China.
- ✓ The entire expertise and system (AIRs) of Macromill will be transferred.

Establishment of Joint Venture in China (2)

- ✓ The sales target for the first fiscal year has been set to ¥0.2bn.
- ✓ Aiming to spread high-quality online research



Entering Overseas Markets

Overseas operation model



A hands-on approach in both South Korea and in China, where companies are managed jointly with local partners

Dispatching staff members to China so that the company can make the most of the expertise of Macromill

Future initiatives (plan)

Overseas operations through licensing
M&A overseas

Markets in Asia (2008)

Million US dollars

	Size of marketing research market	Growth rate (%)	Share in online research (%)
Japan	1,643	3.9%	33%
China	793	11.3%	11%
Australia	727	7.6%	32%
South Korea	425	16.6%	12%
India	198	14.4%	0%

For reference

USA	8,866	1.6%	21%
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Please refer to 2009 (latest)
ESOMAR report

Economic growth of Asian countries
Overseas operations of Japanese companies



Opportunities to expand the online research market

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.

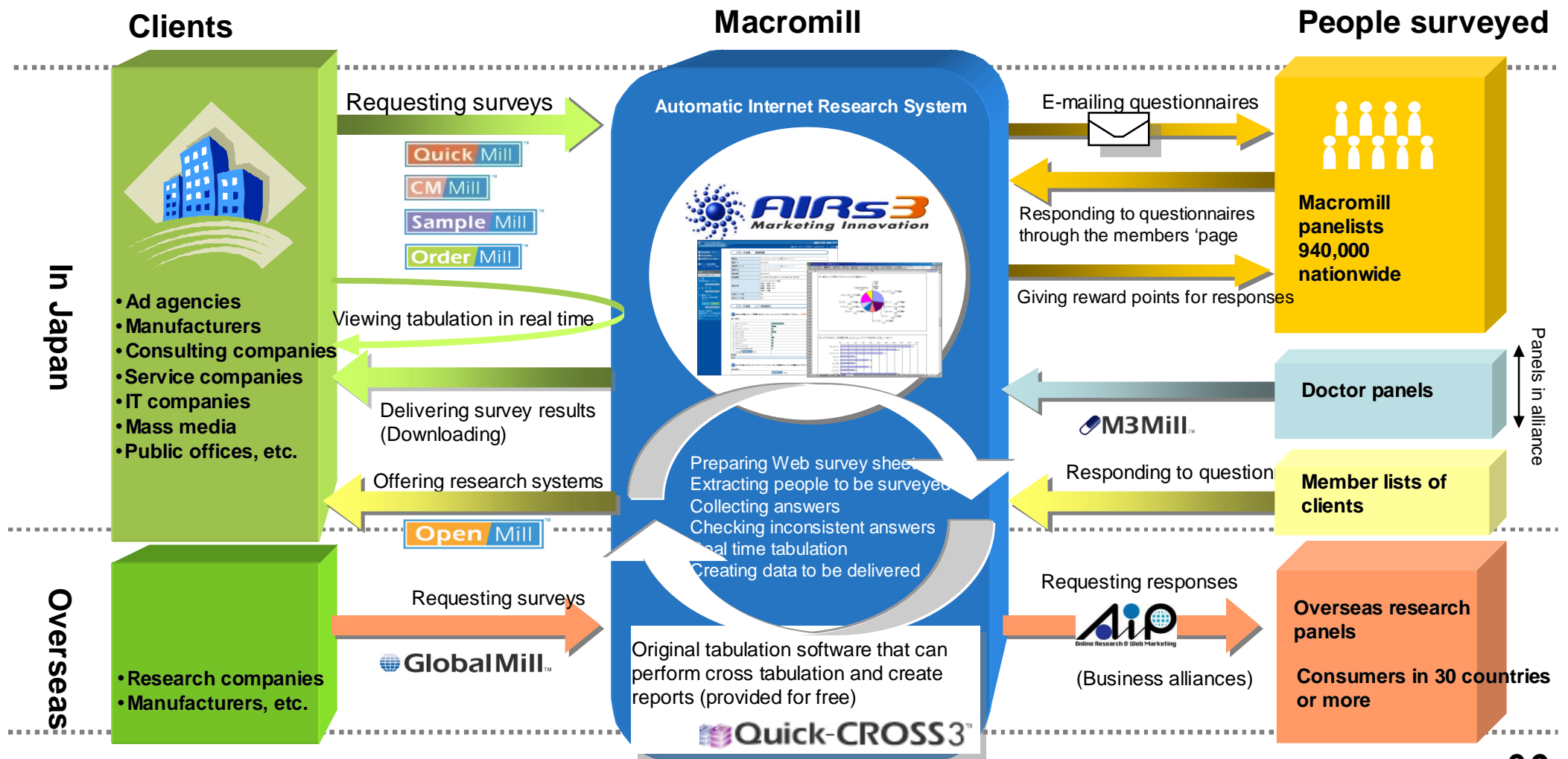
Aug. 2010

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

◆Nobukazu Kuriki becomes the poster child.

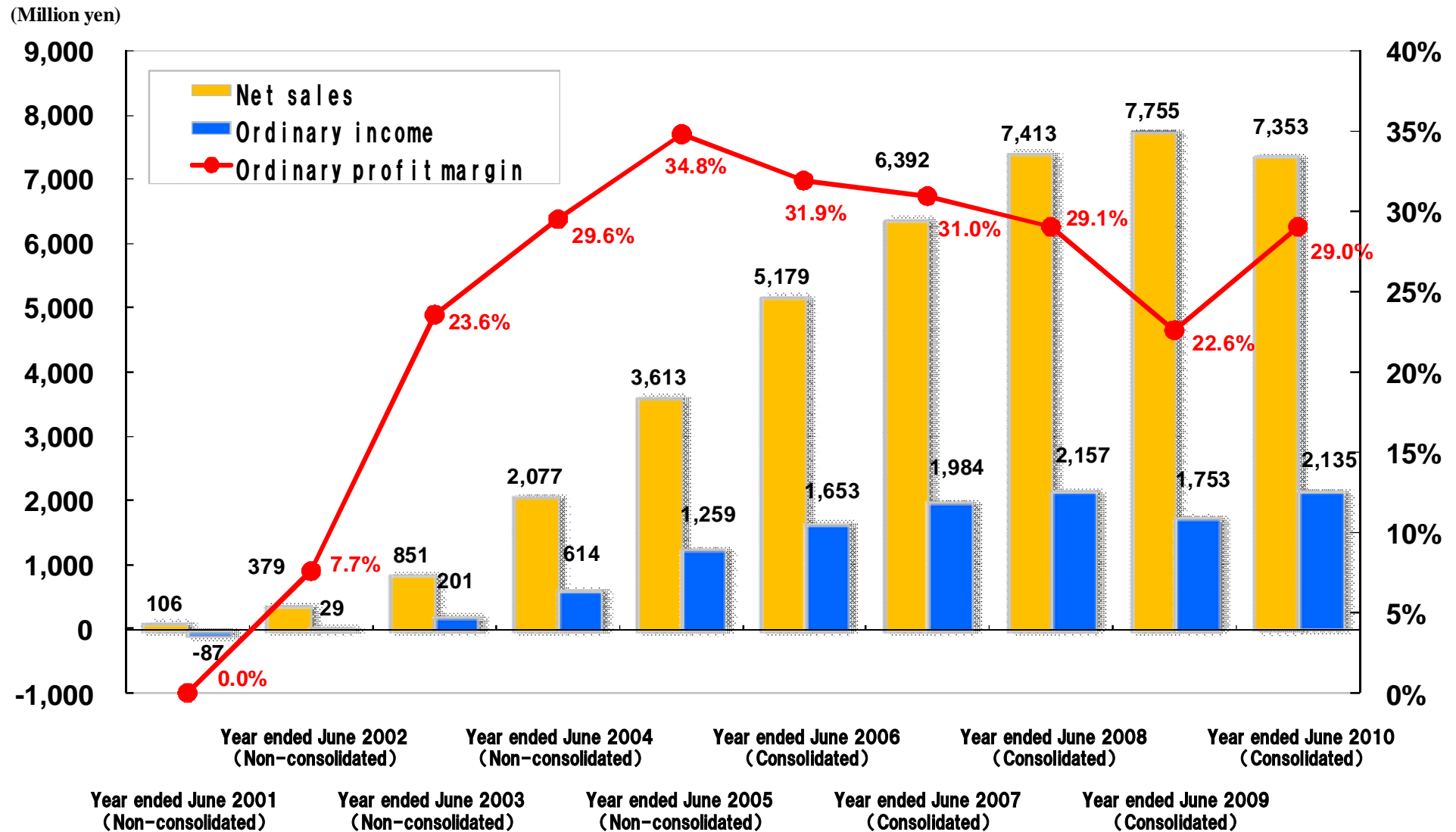
(Reference) Overview of Operations of Macromill

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

(Non-consolidated)

Net sales (10% growth)	12,981	100%	13,700	100%	15,100	100%
Ordinary income	3,145	21%	3,100	23%	3,700	25%
Net income	1,661	11%	1,900	14%	2,200	15%

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

Net sales	12,992	100%	14,100	100%	15,700	100%
Ordinary income	3,039	20%	3,200	23%	3,900	25%
Net income	1,594	10%	1,900	13%	2,400	15%
Ratio of overseas sales					About 3% ※	
Consolidated EPS (yen)	52.28		62.50		78.00	
Market capitalization (PER is assumed to be 20.)	33.7 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%.

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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