

FY2009 Results and Future Growth Strategies

FY2009: Fiscal year ended March 31, 2010

May 18, 2010



INTAGE Inc.



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1. FY2009 Business Policy

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The plans, estimates and strategies presented in these materials contain forward-looking statements concerning INTAGE Inc. and the INTAGE Group. These forward-looking statements are not historical facts. They are forecasts and estimates based on management's judgment, using the information currently available. Consequently readers are asked not to rely solely on these forward-looking statements. Performance is influenced by economic conditions, changes in customers' industries and diverse other factors in the business environment, and actual results may differ materially from these projections.



- **FY2009 Results**

- **Future Growth Strategies**

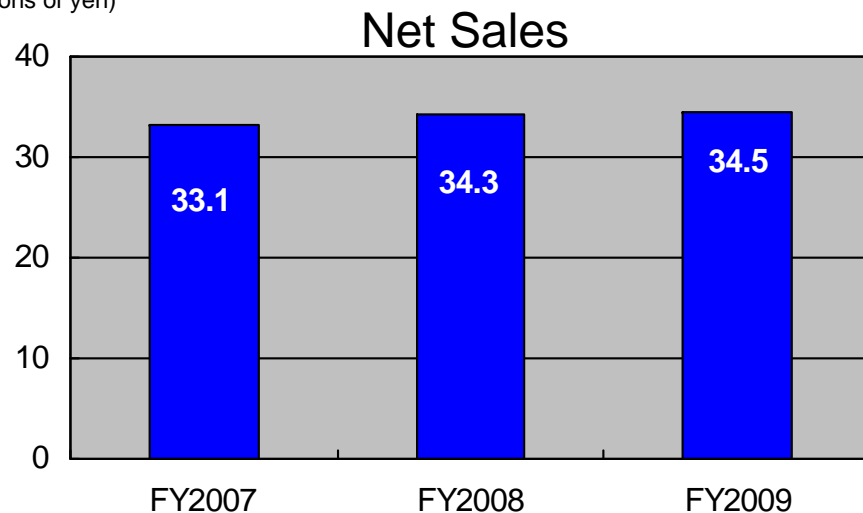
1. **FY2009 Business Policy**

2. **FY2010 Earnings Forecasts**

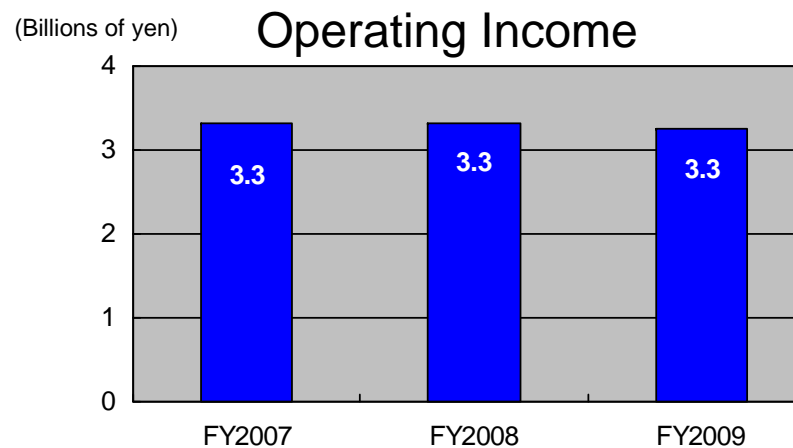
Consolidated Financial Highlights

Achieved a net sales increase under the new economic environment, but operating income, recurring profit and net income were all down year on year.

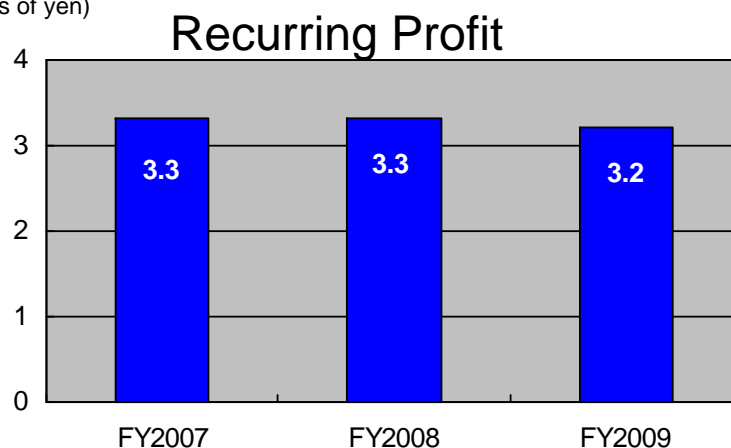
(Billions of yen)



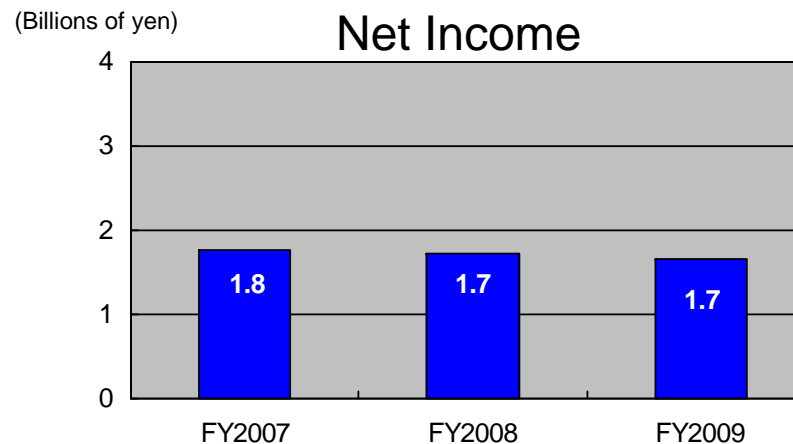
(Billions of yen)



(Billions of yen)



(Billions of yen)



Summary of Income Statements

(Millions of yen)

	FY2008 Actual	FY2009 Forecasts	FY2009 Actual	Change YoY
Consolidated:				
Net Sales	34,345	35,279	34,526	+0.5%
Operating Income	3,320	3,346	3,256	-1.9%
Recurring Profit	3,317	3,340	3,223	-2.8%
Net Income	1,728	1,783	1,679	-2.8%
EPS (Yen)	168.69	174.05	164.31	—
Non-Consolidated:				
Net Sales	26,622	26,894	26,138	-1.8%
Operating Income	2,466	2,318	2,211	-10.3%
Recurring Profit	2,484	2,383	2,257	-9.1%
Net Income	1,414	1,403	1,320	-6.6%
EPS (Yen)	138.07	136.99	129.20	—

Summary of BS and CF

(Millions of yen)

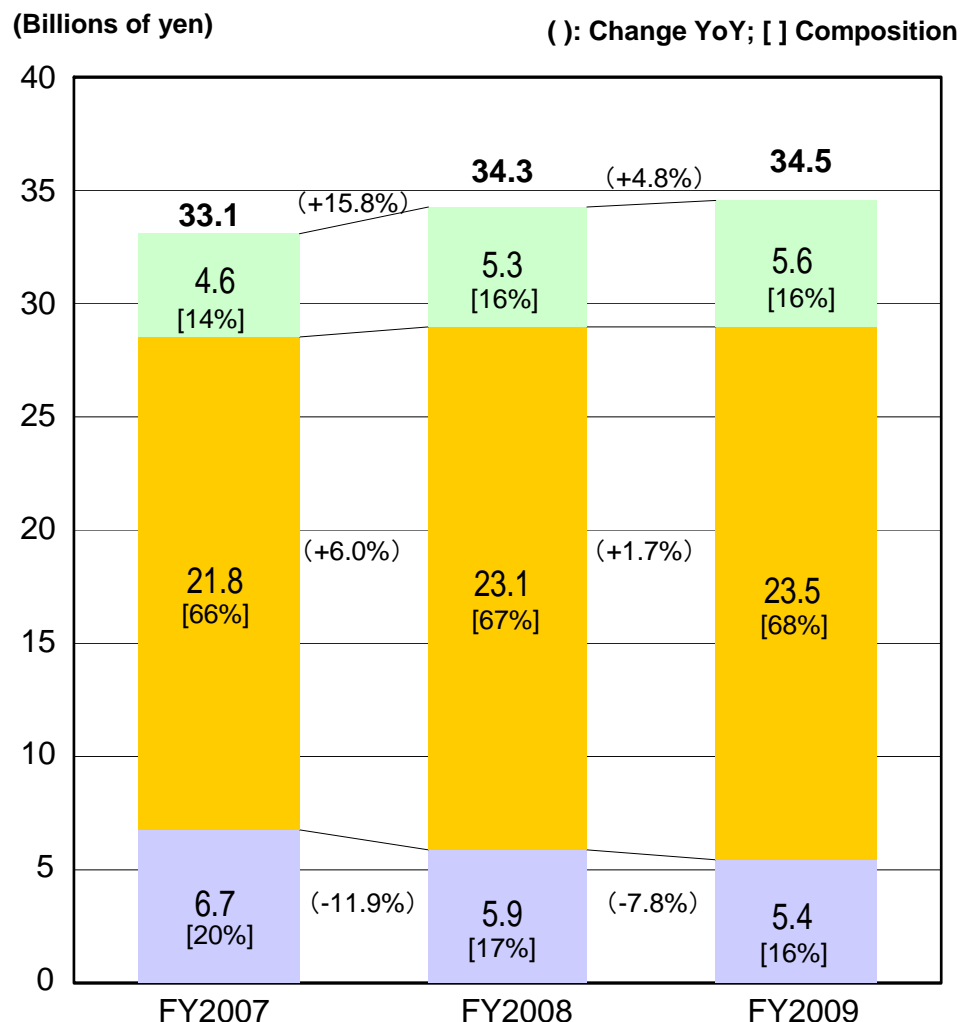
Consolidated Balance Sheet Summary	FY2008	FY2009	Change	Details
Current assets	12,109	13,133	1,024	Primarily increases in notes and accounts receivable – trade
Fixed assets	9,070	10,216	1,145	Primarily increases in goodwill and lease assets
Total assets	21,180	23,349	2,169	—
Current liabilities	6,742	6,023	(719)	Primarily declines in short-term bank loans
Long-term liabilities	2,846	4,940	2,093	Primarily increases in long-term borrowings
Total liabilities	9,589	10,963	1,373	—
Shareholders' equity	11,492	12,375	882	Primarily increases in retained earnings
Valuation and translation adjustments	(7)	3	10	Foreign exchange translation
Minority interests	104	7	(96)	Decline from acquisition and retirement of Yahoo!'s interest in INTAGE INTERACTIVE, Inc.
Total net assets	11,590	12,386	795	—

(Millions of yen)

Consolidated Cash Flow Summary	FY2008	FY2009	Change	Details
Cash flow from operating activities	3,190	2,905	(285)	Primarily increases in increases in notes and accounts receivable – trade and increases in inventories
Cash flow from investing activities	(1,554)	(1,810)	(256)	Primarily increases in payments for purchases of shares of affiliates
Cash flow from financing activities	(1,707)	(924)	783	Primarily declines in payments for redemption of corporate bonds
Effect of exchange rate changes on cash and cash equivalents	(19)	9	29	—
Net increase/(decrease) in cash and cash equivalents	(90)	180	271	—
Cash and cash equivalents at beginning of year	3,394	3,303	(90)	—
Cash and cash equivalents at end of year	3,303	3,484	180	—

Net Sales by Segment

The Marketing Research and Consulting, and Drug Development Solutions business segments realized increased sales.



Drug Development Solutions

- CRO businesses greatly expanded data management works
- SMO revenues increased from expanded sales capabilities

Marketing Research and Consulting

- <Syndicated Panel Data Services>
 - SRI continued to post increased sales from the acquisition of new customers
 - SPI grew
- <Custom Research Services>
 - While affected by the worsening of the economic environment, custom research services posted a slight gain in sales with signs of recovery in the second half

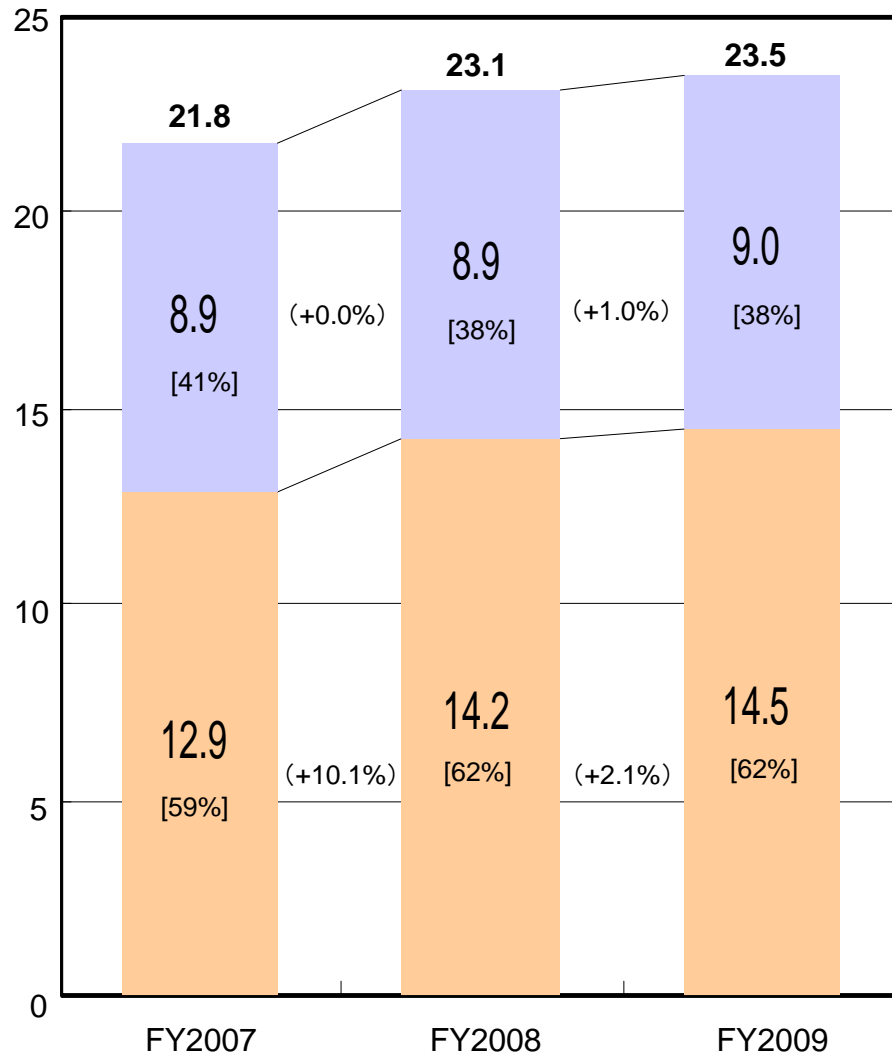
System Solutions

- Net sales declined under the continued adverse economic climate and withdrawal from unprofitable businesses

Breakdown of Sales of the Marketing Research and Consulting Segment

(Billions of yen)

(): Change YoY; [] Composition



Marketing Research and Consulting

Custom Research

- Traditional Research Model (Mail surveys, Interview surveys, etc.)
- Internet Research

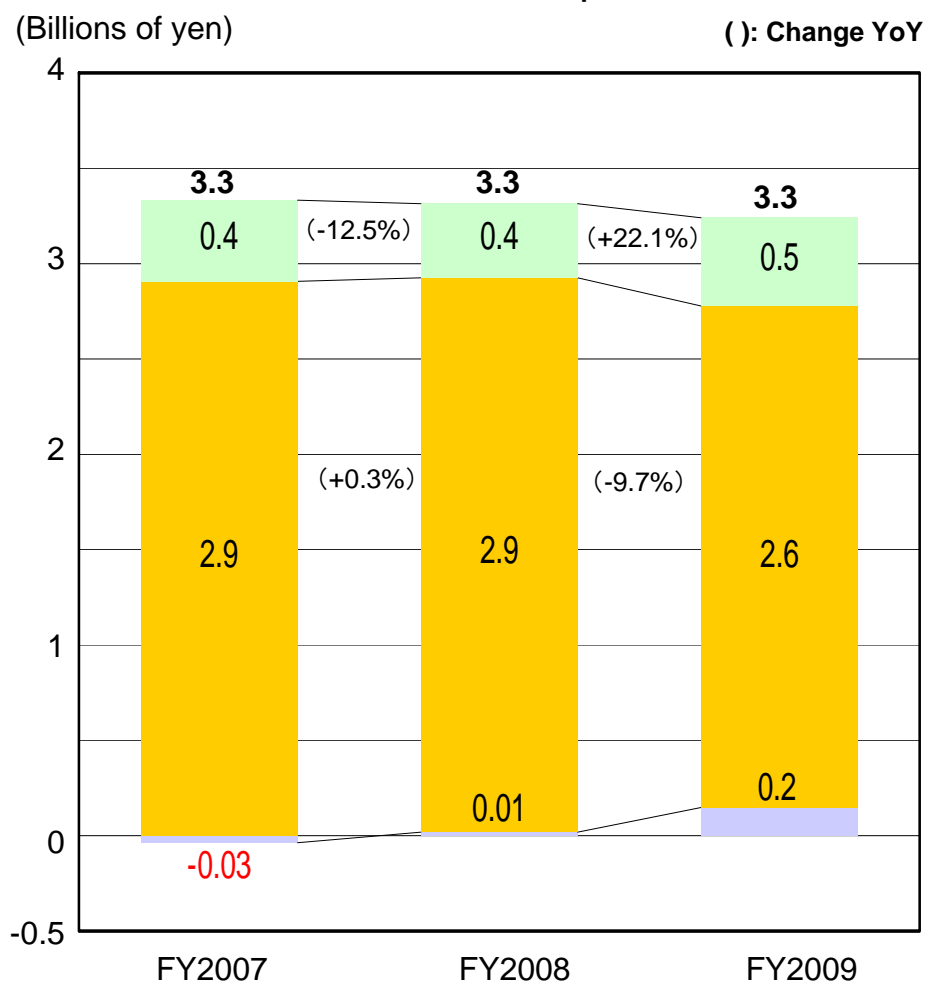
Syndicated Panel Services

- SRI (Syndicated POS retail panel data)
- SDI (Syndicated POS retail panel data of OTC drugs)
- SPI (Syndicated promotion effectiveness measurement)
- SCI (Syndicated household consumer panel data)
- SLI (Syndicated female consumer panel data)
- personal eye (Individual consumer panel data)

Operating Income by Segment

The Drug Development Solutions and System Solutions business segments realized increased operating income.

The Marketing Research and Consulting business segments saw a decline in operating income on active development investment.



Drug Development Solutions

- Operating income increased as CRO data management and analysis works sales increased
- SMO profit margin also improved

Marketing Research and Consulting

<Syndicated Panel Data Services>

- Operating income declined on development investment for additional growth

<Custom Research Services>

- Operating income rose with higher capacity utilization and greater efficiencies

System Solutions

- Operating income rose on withdrawal from unprofitable businesses, thorough cost reductions, and optimization of personnel expenses

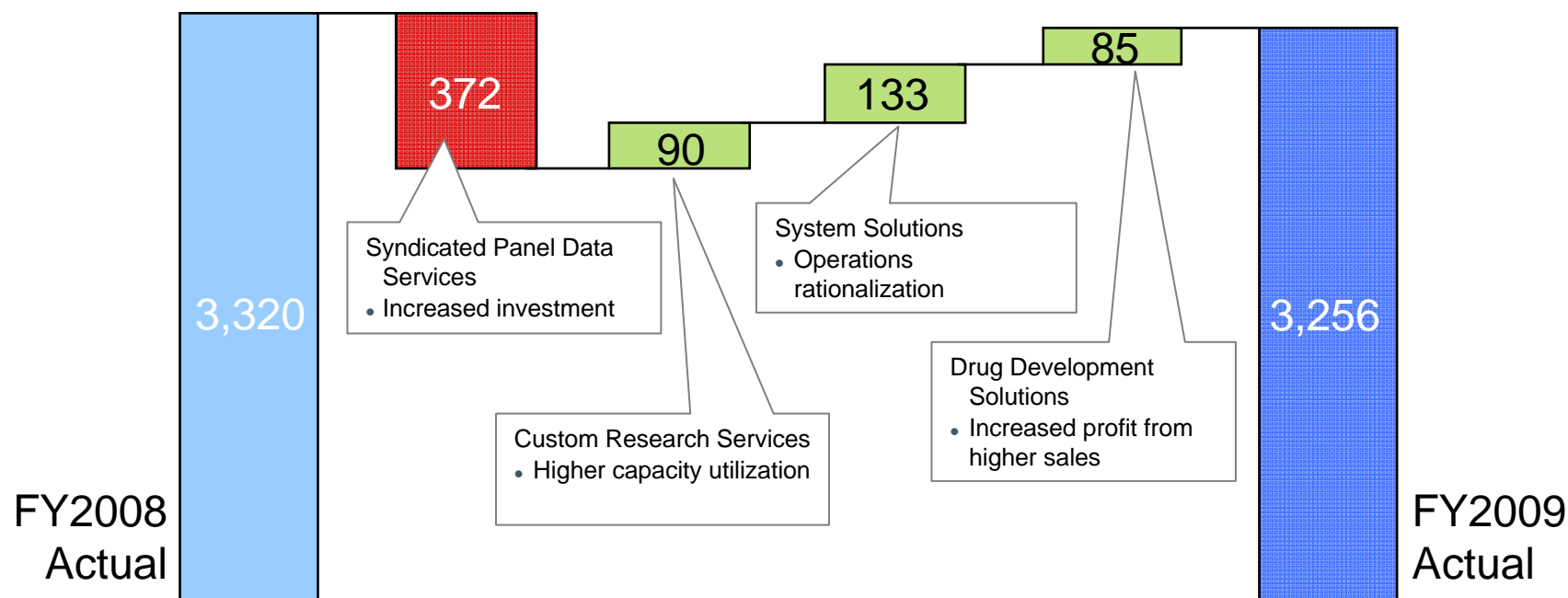
FY2009 Review

Reasons for the Profit Decline

- **Impact of the recession**
 - Orders declined, especially from reduced customer budgets in the first half, and price competition intensified
- **Investment in the syndicated panel data services to develop next-generation customer information**
 - Syndicated panel data services sales were basically as planned, but could not cover the increased investments in other businesses

[Operating Income by Segment: Reasons for Year-on-Year Changes]

(Millions of yen)





FY2009 Results

■ FY2009 Results

■ Future Growth Strategies

1. FY2009 Business Policy

2. FY2010 Earnings Forecasts

Environment Surrounding the INTAGE Group

- Accelerated changes toward the creation of a new order as a result of the Lehman Shock; **no return to the prior conditions**
 - Demise of conventional advertising models, decline of existing distribution formats, etc.
 - Active development of overseas businesses by customer companies
- Severe scrutiny of the cost-effectiveness of all services
 - Heightened speed and cost reduction demands with the Internet shift
- Increasing demands to know the real attitude and behavior of consumers
 - What are “Actionable Insights” ?

Creation of Information Value in the New Intelligence Age

To become a valued business partner for clients, positioned as the company with the deepest insights into consumers.

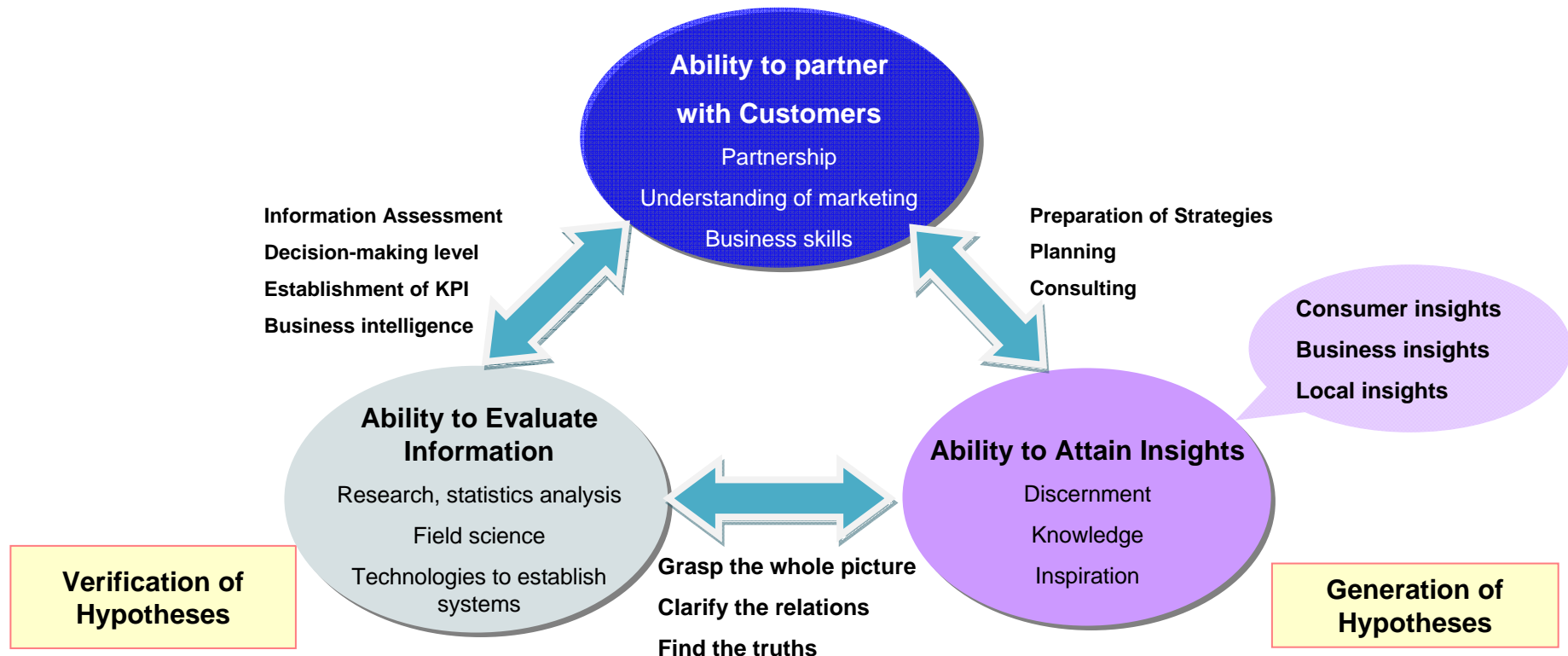
Now is the time to seek “consumer-centricity”

FY2010 Basic Policy

Information Era Professionals

Build up the business foundations and train personnel for “NEXT50”

[INTAGE Group Core Competencies]





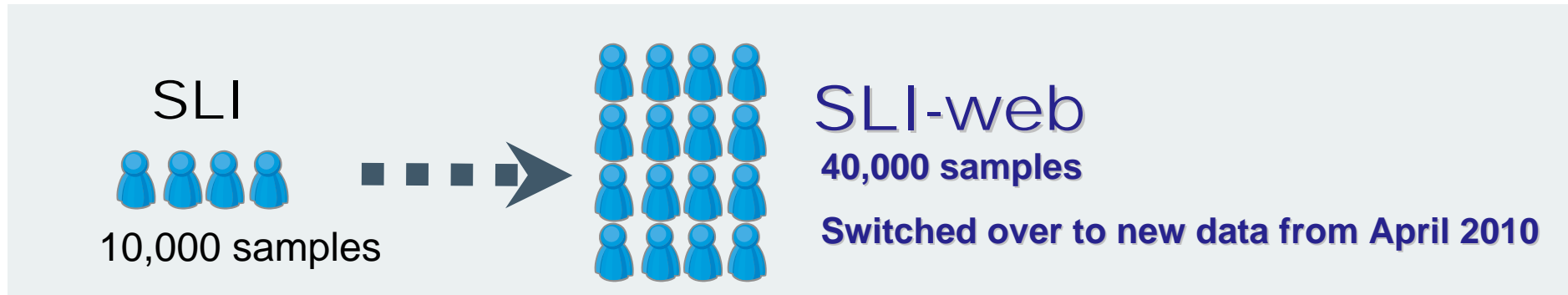
FY2010 Priority Issues

1. Achieve further growth in the syndicated panel data services field
2. Establish competitive advantages in the custom research business
3. Upgrade the foundations and expand the overseas business
4. Train professional personnel
5. Develop new technologies and theories for the Internet era
6. Construct a new sales formation to approach customers
7. Realize Group synergies

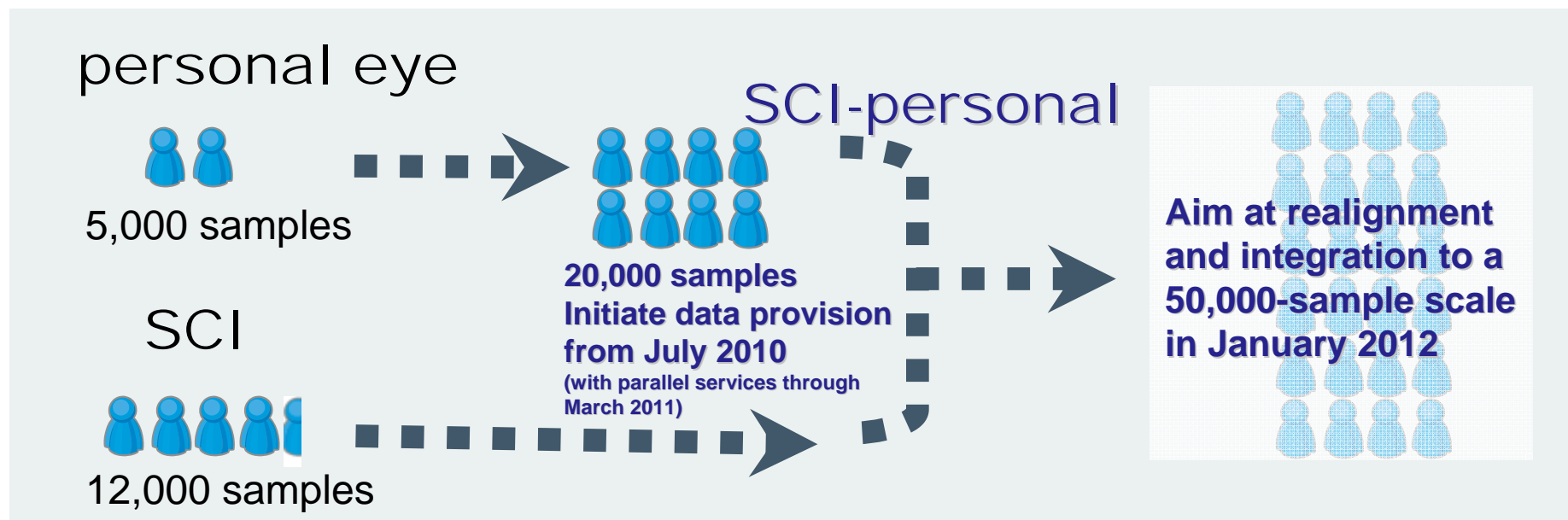
1. Achieve further growth in the panel data services field

Investment for the Development of Next-Generation Consumer Information Will Peak in FY2010

- [SLI] Internet use and sample expansion

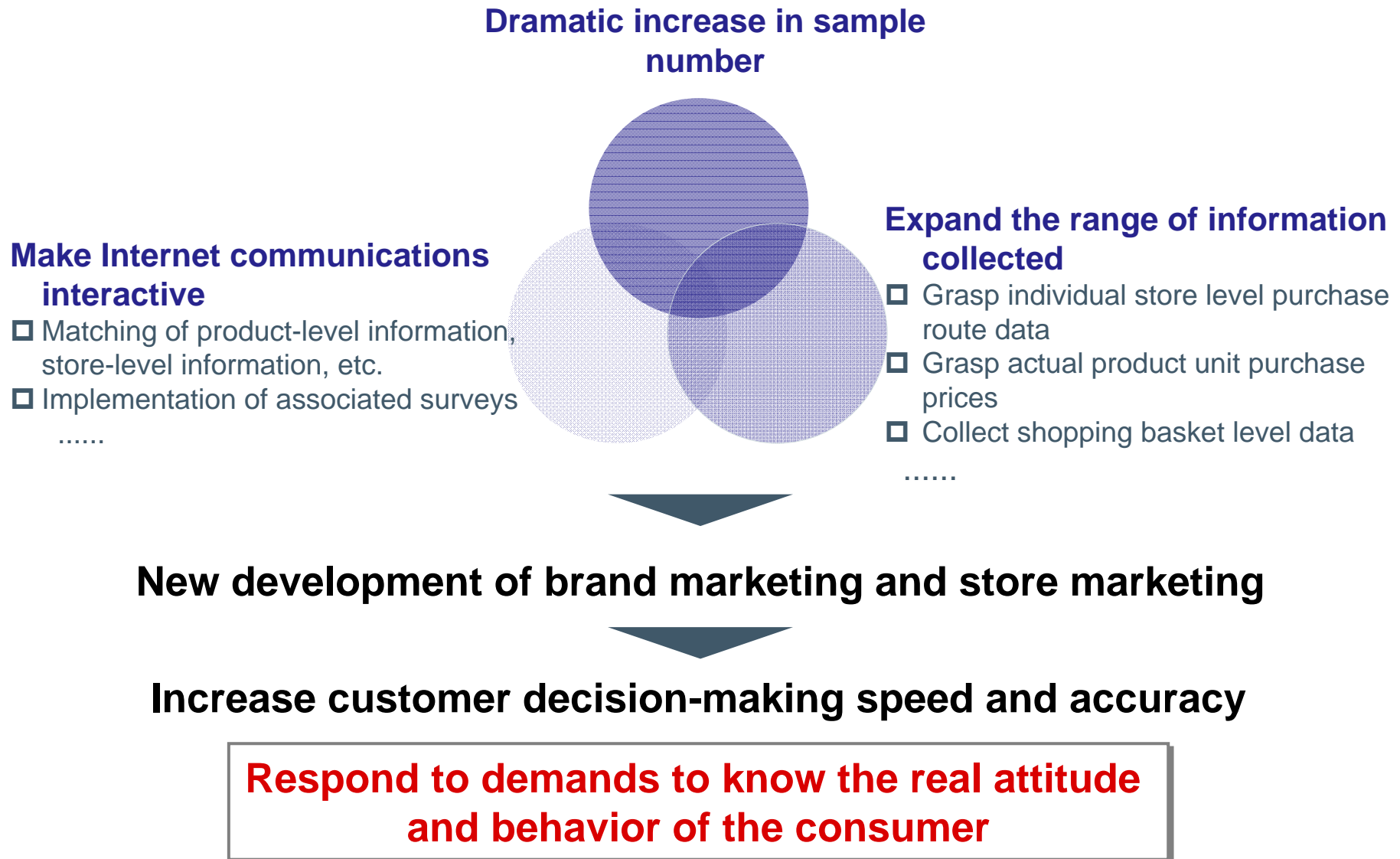


- Build up a new consumer information structure



1. Achieve further growth in the panel data services field

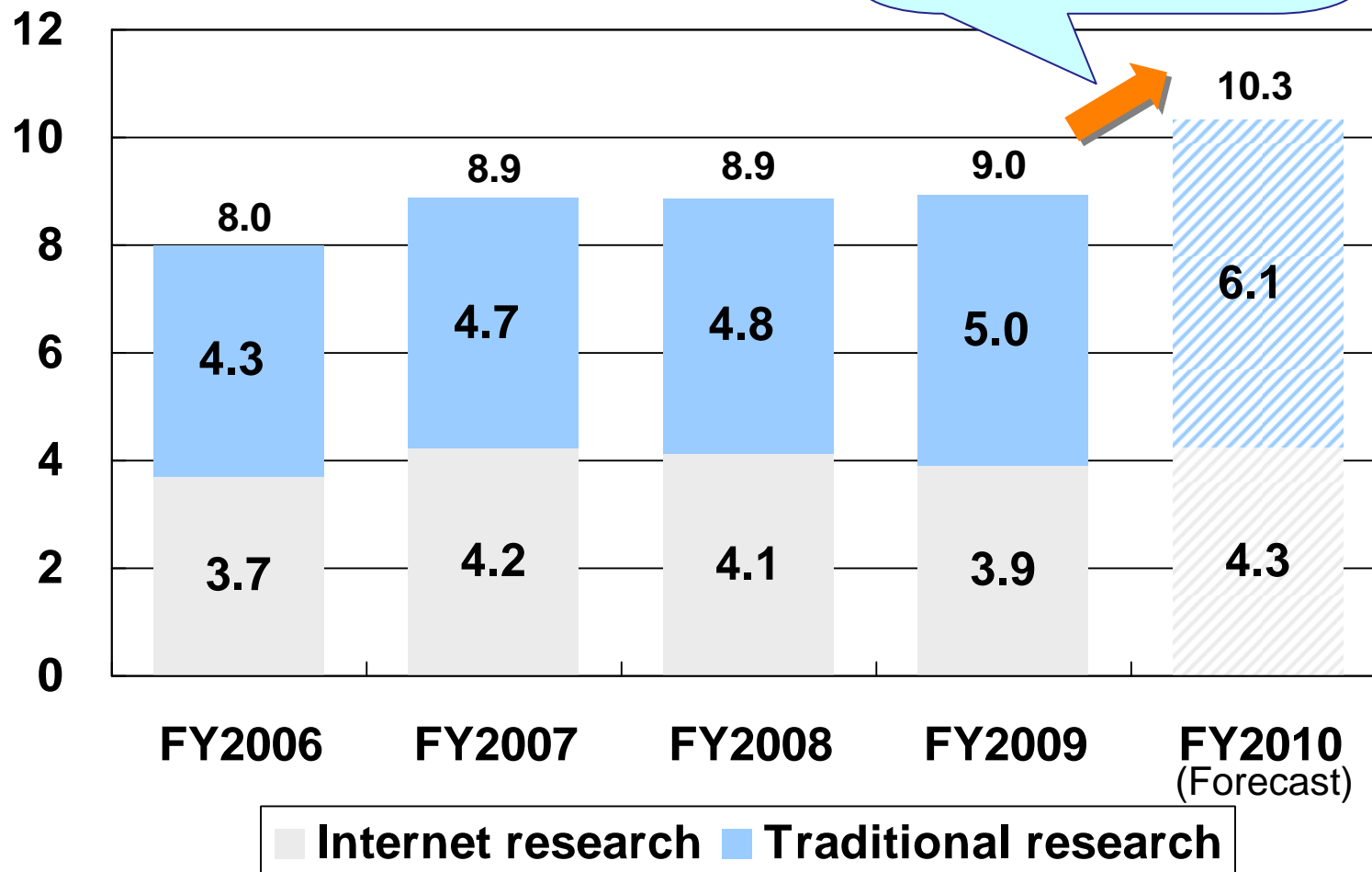
Aim at Boosting the Value of Information Provided to Customers



2. Establish competitive advantages in the custom research business

Aim at a 15% Increase in Custom Research Sales, to Surpass ¥10.0 billion

(Billions of yen)



Win on the Speed and Cost of Delivering Insights

- Signs of a recovery in customer research field market conditions from the second half of FY2009
 - Sales and profits increased year-on-year in the 3rd and 4th quarters of FY2009
 - Successful revision of sales structure for active sales of Internet Research
 - Active response to government statistics
 - Increased overseas business sales
- Increase efficiency and speed by changes of the formation
 - Improve efficiency by expediting Internet survey procedures (absorption of INTAGE INTERACTIVE)
 - Increase speed and work processing capacity by switching to an improved tabulation system
- Provide insights for further customer approach
 - Advance the integration of the syndicated panel data services and custom research organizations, and work to speed up industry comprehension and understanding and customer issues insight

Return to growth and accomplish improved earnings

Upgrade Foundations and Boost Synergies Overseas

Bring the INTAGE Group overseas business to the next stage

- Actively advance the localization of management
- Use local insights as strengths for business expansion



- Set 10% of consolidated net sales from the overseas business as a medium-term goal
- Quickly enter the top 10 in the Chinese research market
- Pursue active business development, including M&A activities, in Southeast Asia, India and other regions

<TOPICS>

In May 2010, the Shanghai offices of four INTAGE Group companies – INTAGE Inc., INTAGE Marketing Consulting (Shanghai) Co., Ltd., Shanghai Hyperlink Marketing Research Co., Ltd. and ASKLEP Inc. – were relocated and consolidated in a single building.

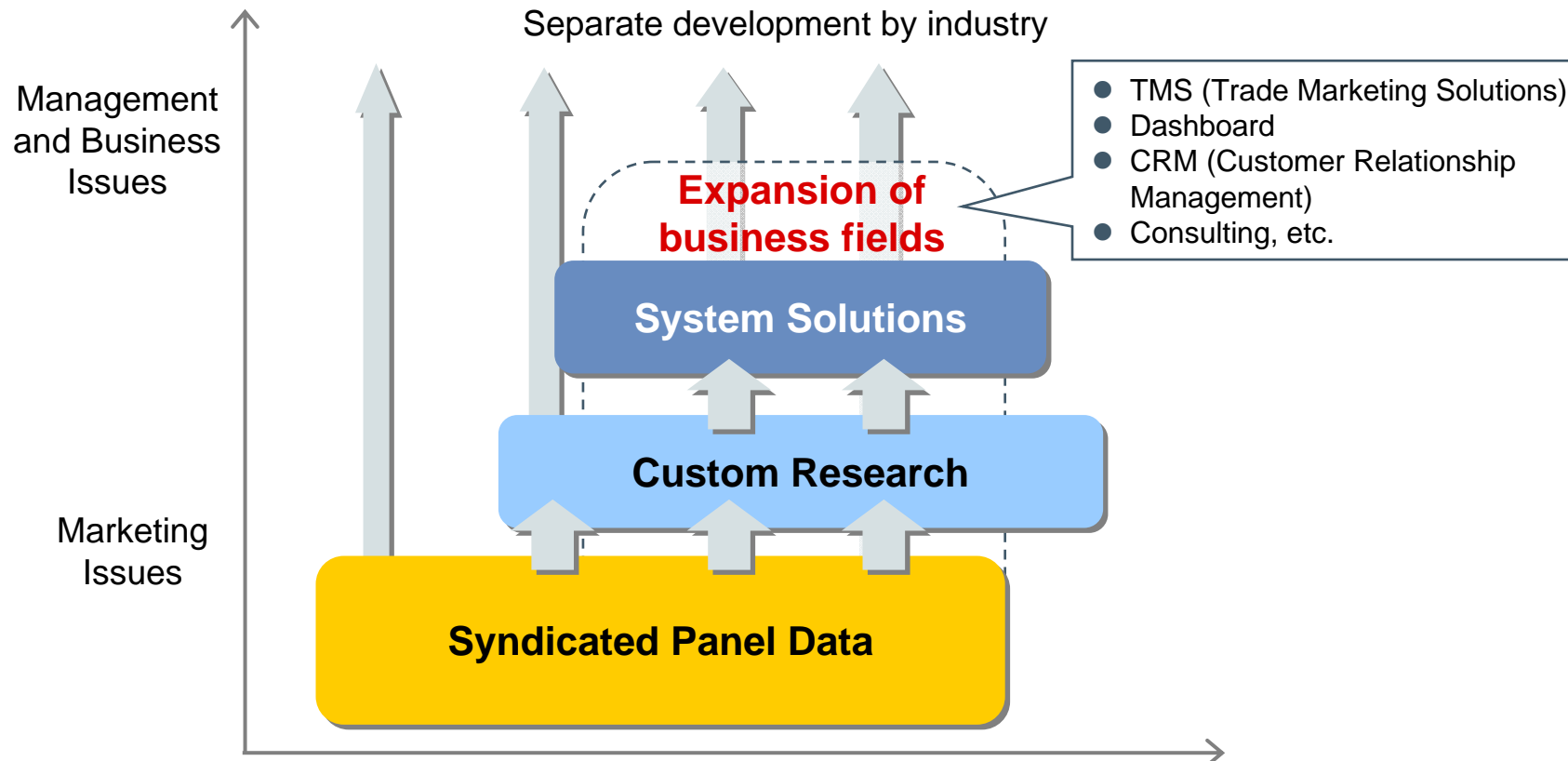


System Solutions Business Direction

Expand Business Fields by Capitalizing on Strengths in Other Businesses

- Integrate System Solutions based on Market Research and Consulting
- Provide support ranging from customer marketing issues to management and business issues

Business Intelligence with Marketing perspective (BIM)



Drug Development Solutions Business: Actions



- Solidify our number-one position in the Post-Marketing Surveillance (PMS) market, which is realizing outstanding growth, through introduction of new EDC systems and advancing BPR.
- Return to a growth path in the monitoring business, where market growth is slowing, by reinforcing the sales system to secure new customers and repeated projects and strengthening project management.
- Set up the Shanghai office as the first step to advance into China, with its promising clinical trials market, and build up a foundation for the clinical trials business in Asia.



Thanks to Your Support – INTAGE's 50th Anniversary

On March 2, 2010 the INTAGE Group celebrated its 50th anniversary.

We are grateful for your support over the past 50 years, and are working to establish a business model for “NEXT50.”

- Establishment and spreading of “The INTAGE Way”
- INTAGE Forum 2010
- Compilation of INTAGE 50-years' history
- Establishment of shareholder special benefit plan



■ **FY2009 Results**

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2. FY2010 Earnings Forecasts

FY2010 Forecasts

(Millions of yen)

		FY2009 Actual	FY2010 Forecast	Change YoY
■ Marketing research and consulting	Net sales	23,493	25,267	107.6
	<Syndicated panel data services>	14,535	14,955	102.9
	<Custom research services>	8,957	10,311	115.1
	Operating income	2,640	2,591	98.1
■ System solutions	Net sales	5,445	5,536	101.7
	Operating income	146	178	121.9
■ Drug development solutions	Net sales	5,587	6,425	115.0
	Operating income	469	629	134.2
Consolidated	Net sales	34,526	37,229	107.8
	Operating income	3,256	3,399	104.4
	Recurring profit	3,223	3,359	104.2
	Net income	1,679	1,882	112.1

The above performance forecasts were based on information available at the they were prepared and incorporate various uncertainties, so actual performance may differ materially from these projected figures.

Consolidated Numerical Targets

(Billions of yen)

	FY2010	FY2011	FY2012
Net sales	37.22	39.33	41.96
Change YoY	+7.8%	+5.7%	+6.7%
Operating income	3.39	3.78	4.19
Change YoY	+4.4%	+11.4%	+10.8%

The above performance forecasts were based on information available at the time they were prepared and incorporate various uncertainties, so actual performance may differ materially from these projected figures.

Basic Policy on Earnings Distribution

- The INTAGE's basic policy is to distribute earnings in consideration of the balance between dividends and retained earnings, based on the consolidated results.
- INTAGE considers the return of earnings to shareholders to be one of its highest management priorities.
- INTAGE intends to continue paying dividends with a target consolidated payout ratio of 25%

	Year-end dividends	Payout ratio (Consolidated)	DOE (Consolidated)
	Yen	%	%
FY2008	50.00	29.6	4.7
FY2009	50.00	30.4	4.3
FY2010 (Forecast)	50.00	26.7	—



INTAGE Inc.