

1stH FY2012 Business Results

Six months ended September 30, 2011

FY2012: Fiscal year ending March 31, 2012

November 16, 2011

(TSE 4326)

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■ 1stH FY2012 Results

■ Progress during the First Half and Future Issues

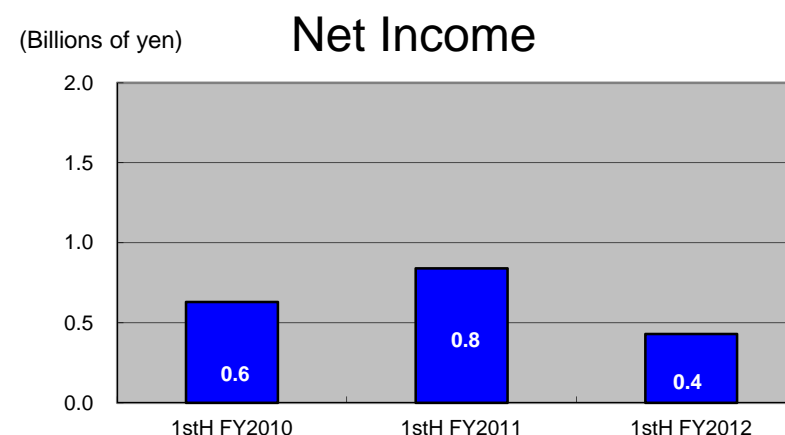
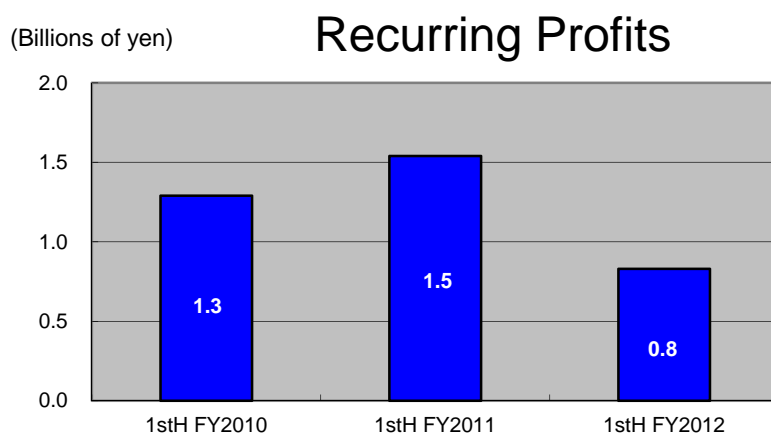
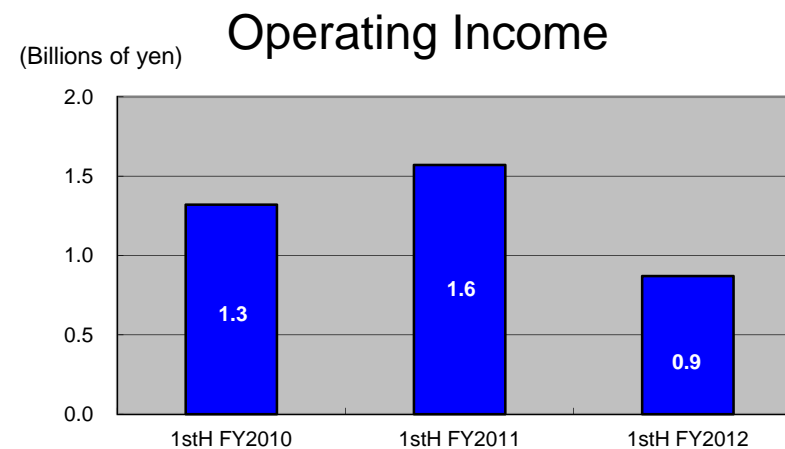
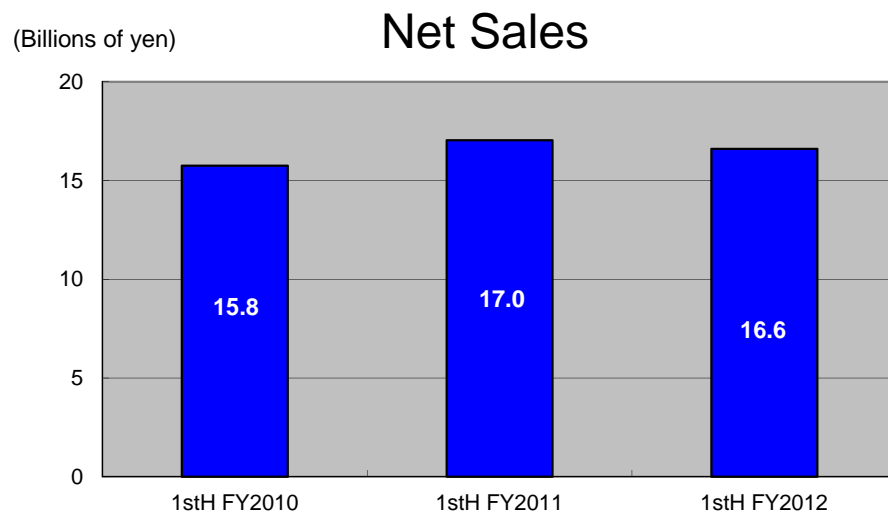
(Progress Status by Priority Issue)

■ FY2012 Earnings Forecasts

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.

Consolidated Financial Highlights

Sales and profits declined year-on-year from the effects of the March 11th earthquake, large-scale investments, and weak performance in the Drug Development Solutions segment.



Summary of Income Statements

Consolidated net sales were in line with the forecasts. Profits in other segments covered the decline in Drug Development Solutions profits. Operating income, recurring profit and net income all surpassed the forecasts.

(Millions of yen)

	1 st H FY2011 Actual	1 st H FY2012 Forecasts	1 st H FY2012 Actual	Change YoY
Consolidated:				
Net Sales	17,042	16,600	16,601	(2.6)%
Operating Income	1,576	715	873	(44.6)%
Recurring Profit	1,542	690	836	(45.7)%
Net Income	848	361	432	(49.0)%
EPS (Yen)	84.34	35.94	43.00	---
Non-Consolidated:				
Net Sales	12,323	12,268	12,272	(0.4)%
Operating Income	1,100	664	744	(32.4)%
Recurring Profit	1,168	816	879	(24.8)%
Net Income	1,090	505	577	(47.0)%
EPS (Yen)	108.41	50.28	57.45	---

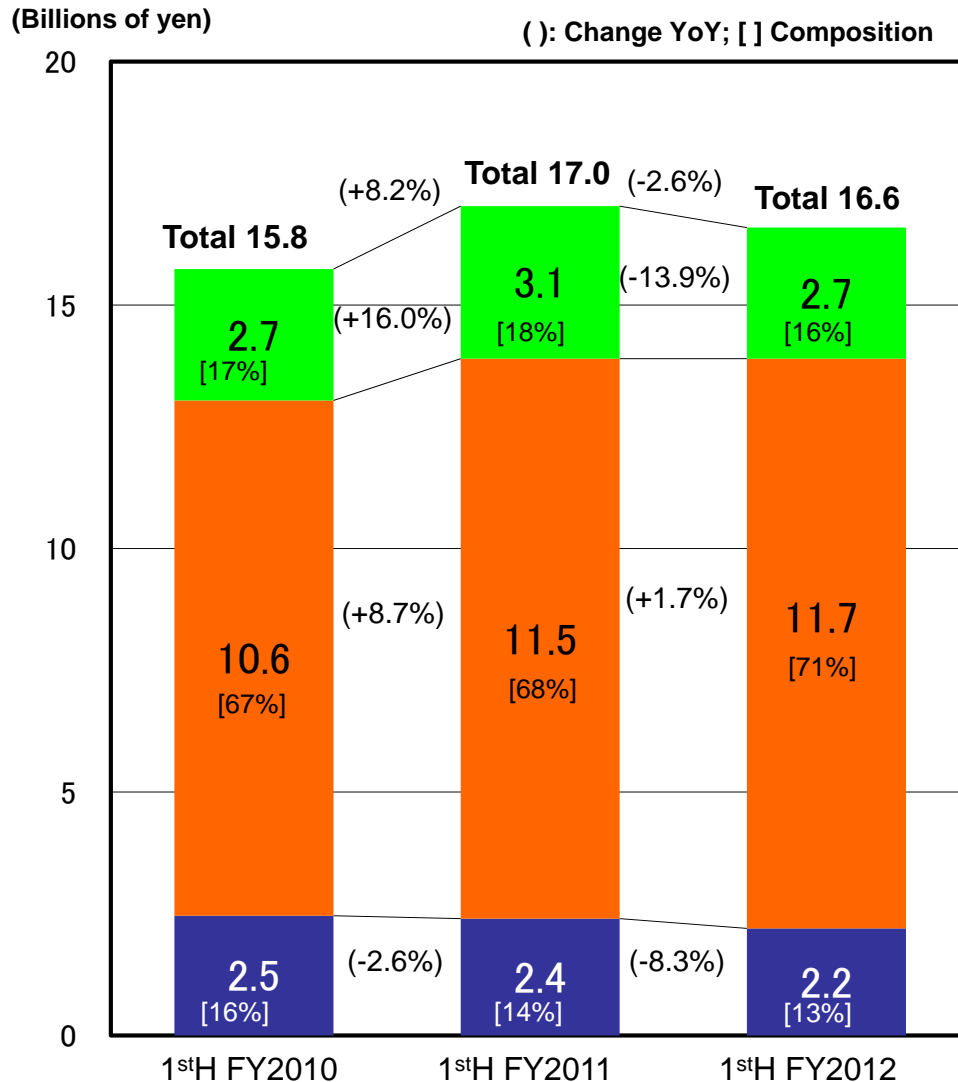
Summary of BS and CF

(Millions of yen)

Consolidated Balance Sheets	Mar. 2011	Sept. 2011	Change	Details
Current assets	14,471	14,488	17	Primarily decrease in notes and accounts receivable – trade and increase in cash and deposits and inventories
Noncurrent assets	10,189	10,171	(17)	Primarily decrease in depreciation of property and equipment
Total assets	24,660	24,659	(0)	---
Current liabilities	6,107	6,184	76	Primarily increase in short-term loans payable
Noncurrent liabilities	4,795	4,814	19	Primarily increase in long-term loans payable
Total liabilities	10,903	10,999	96	---
Shareholders' equity	13,787	13,717	(70)	Primarily decreases in payment for cash dividends
Valuation and translation adjustments	(36)	(63)	(26)	Primarily decreases in foreign exchange adjustment
Minority interests	5	5	0	---
Total net assets	13,757	13,660	(96)	---
Consolidated Cash Flows	1 st H FY2011	1 st H FY2012	Change	Details
Cash flow from operating activities	1,508	1,184	(324)	---
Cash flow from investing activities	(697)	(898)	(201)	Primarily increases in purchase of property and equipment
Cash flow from financing activities	(215)	187	403	Primarily increase in proceed from short-term loans payable
Effect of exchange rate changes on cash and cash equivalents	5	(20)	(25)	---
Net increase/(decrease) in cash and cash equivalents	601	454	(147)	---
Cash and cash equivalents at beginning of year	3,484	4,337	852	---
Cash and cash equivalents at end of year	4,086	4,791	705	---

Net Sales by Segment

The Market Research and Consulting segment held firm, but Drug Development Solutions sales declined.



Drug Development Solutions

- In the Contract Research Organization (CRO) business, monitoring services sales rose, but in data management and analysis services large-scale orders were sluggish and sales declined.

Marketing Research and Consulting

<Syndicated Panel Data Services>

- SRI sales remained strong and the switchover to SCI-personal proceeded smoothly. Rep Track sales continued to grow.

<Custom Research>

- Orders suddenly recovered from the second quarter.
- The strategic business units for each industry advanced deep cultivation of customers, and orders related to corporate key performance indicators (KPIs) increased.

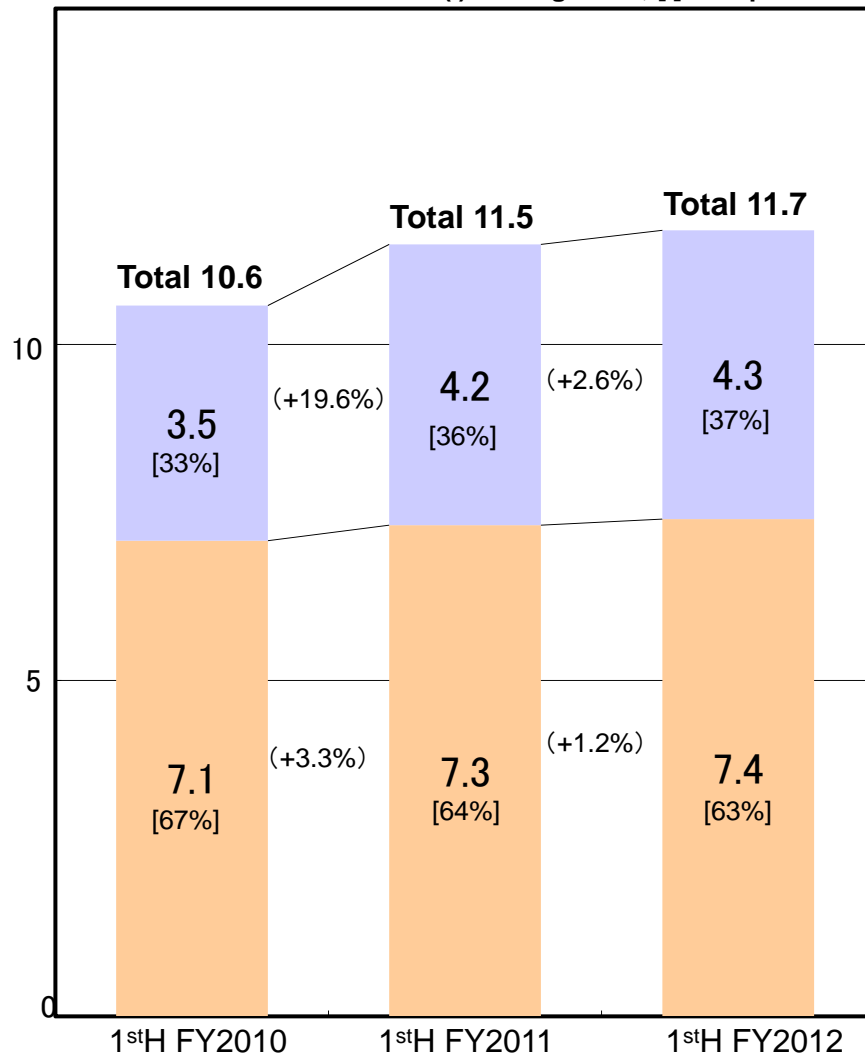
System Solutions

- In the process of recovering from the effects of the earthquake, but posted year-on-year declines in sales to the travel and other industries.

Breakdown of Sales of the Marketing Research and Consulting Segment

(Billions of yen)

(): Change YoY; [] Composition



Marketing Research and Consulting

Custom Research

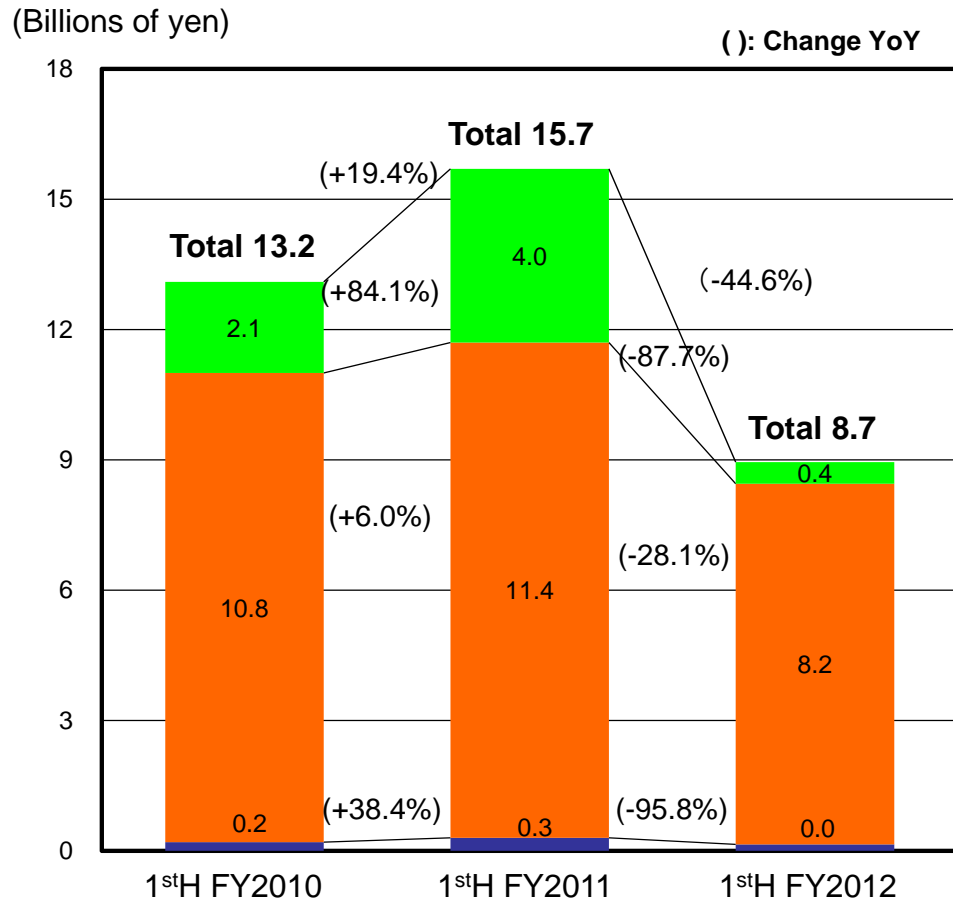
- Traditional Research Model (Mail surveys, Interview surveys, etc.)
- Internet Research

Syndicated Panel Services

- SRI (syndicated consumer panel data)
- SDI (syndicated OTC drugs panel data)
- SPI (In-store promotions effectiveness measurement)
- SCI (individual consumer panel data)
- SLI (syndicated female consumer panel data)
- SCI-personal (nationwide Individual consumer panel data)
- Rep Track (evaluation indicators for MRs' activities)

Operating Income by Segment

Operating income declined in all segments, with a particularly large drop in Drug Development Solutions.



Drug Development Solutions

- Large decline in profits from decreased data management sales

Marketing Research and Consulting

<Syndicated Panel Data Services>

- Year-on-year increase in expenses from development investment in SCI-personal, which was launched last July.

<Custom Research>

- Profits rose year-on-year on a sales increase which surpassed forecasts.

System Solutions

- While sales declined, the drop was less than initially expected and this segment realized a minimal profit.



■ 1stH FY2012 Results

■ **Progress during the First Half and
Future Issues**
(Progress Status by Priority Issue)

■ FY2012 Earnings Forecasts

10th Medium-term Management Plan (FY2012-FY2014)

(Progress Status by Priority Issue)

Creation of new knowledge starting from the consumer

1. Enhance consumer panel research

2. Expand business fields based on consumer data

3. Advance the three SBUs (Strategic Business Units) growth strategy

4. Strengthen the business foundations to support the development of strategies for each industry

5. Advance the global development of the INTAGE Group

6. Strengthen Group management structure toward growth for the “Next 50” years

Single Sourcing for Grasping Market Environment Changes from Multiple Directions



Collect more detailed profile information



Expanded secondary survey on awareness, attitudes, values, etc.



Purchasing data

Single Sourcing SCI-personal

Survey of 50,000 samples

(Jan. 2012 ~)

Nationwide: age 15-69

Individual men and women

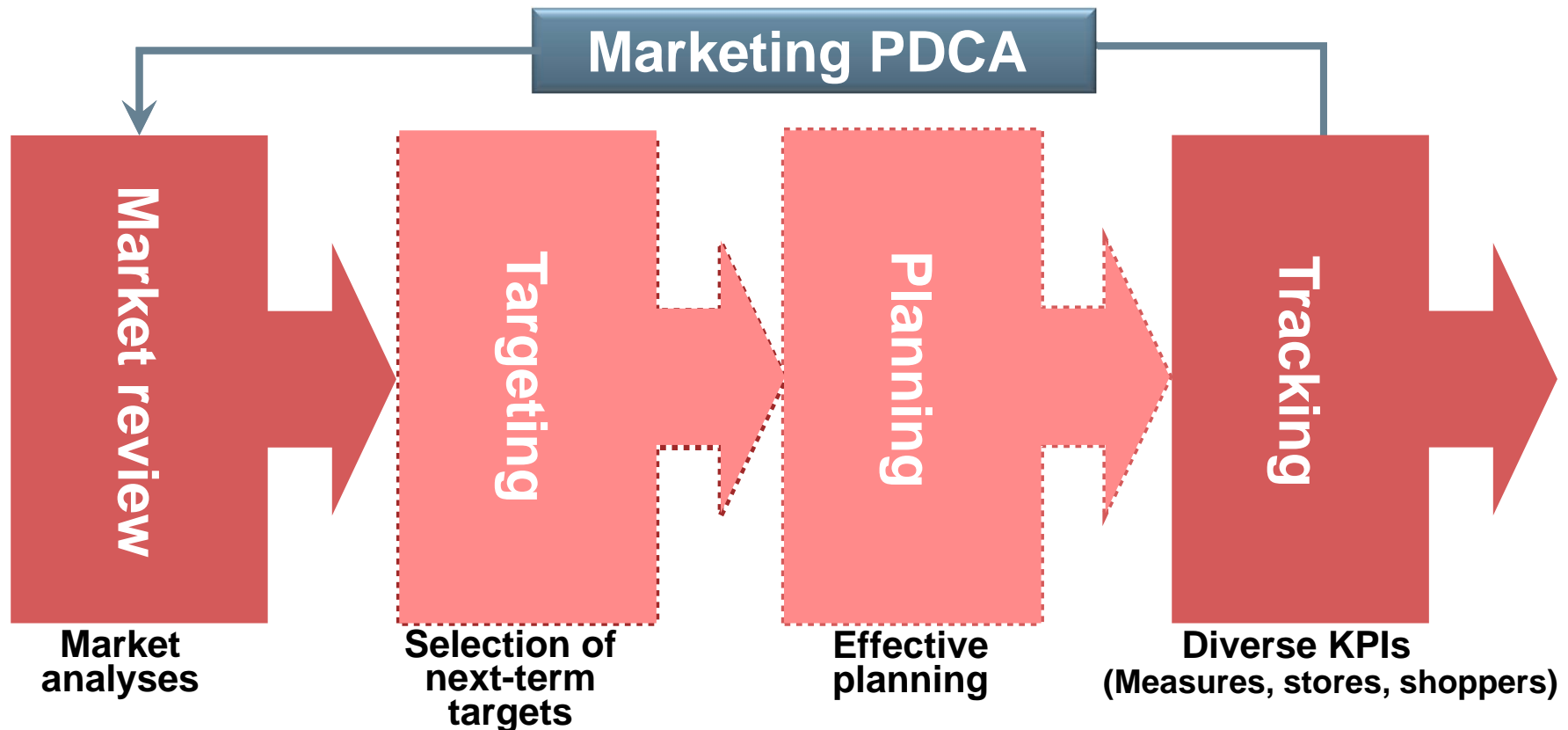


Integrated analyses with retail panel data services



Data on Web access and media exposure

SCI-personal Single Source Concept



To new consumer panel data for the cross-media era that can be used across departments and divisions!

Approach to the Cross-media Field Using SCI-personal

Begin introduction to customers including the Internet industry

Service menu (draft) scheduled for regular provision from April 2012

Market Analyses and Target Understanding

1. Profiler

Clarifies the target image at the point of sale



2. Media Profiler

Supports the optimal media design for the target



Conducts detailed analyses on the target's Internet usage

3. Web Viewer Profiler

Supports Web placement advertising plans



4. Search Behavior Profiler

Optimizes the draw to company media



Tracking Effects Analyses

5. Target Tracking

Tracking the target's web advertising exposure

6. Buyer Site Migration Analysis

Analysis of visits to company and competitor sites and purchases

7. Cross-media Effects Analysis

Calculates the effects of cross-media campaigns (mostly the Web effects)

8. Promotion Measures Factor Analysis

Analyzes the sales contributions from the measures

9. Promotions and Attitude Changes

Advertising effect analysis with change in attitude as the response variable

Development of New Business Fields Through Alliance With NTT DOCOMO

Basic agreement on business alliance with NTT DOCOMO (Sept. 30)

Aimed at developing new high-value-added businesses supporting corporate marketing activities



- Biggest research know-how in Japan
- Strong relationships with many companies



- One of the largest customer bases and customer contacts in Japan
- Diverse know-how and technologies for mobile devices

“Collected data” independently gathered by INTAGE

+

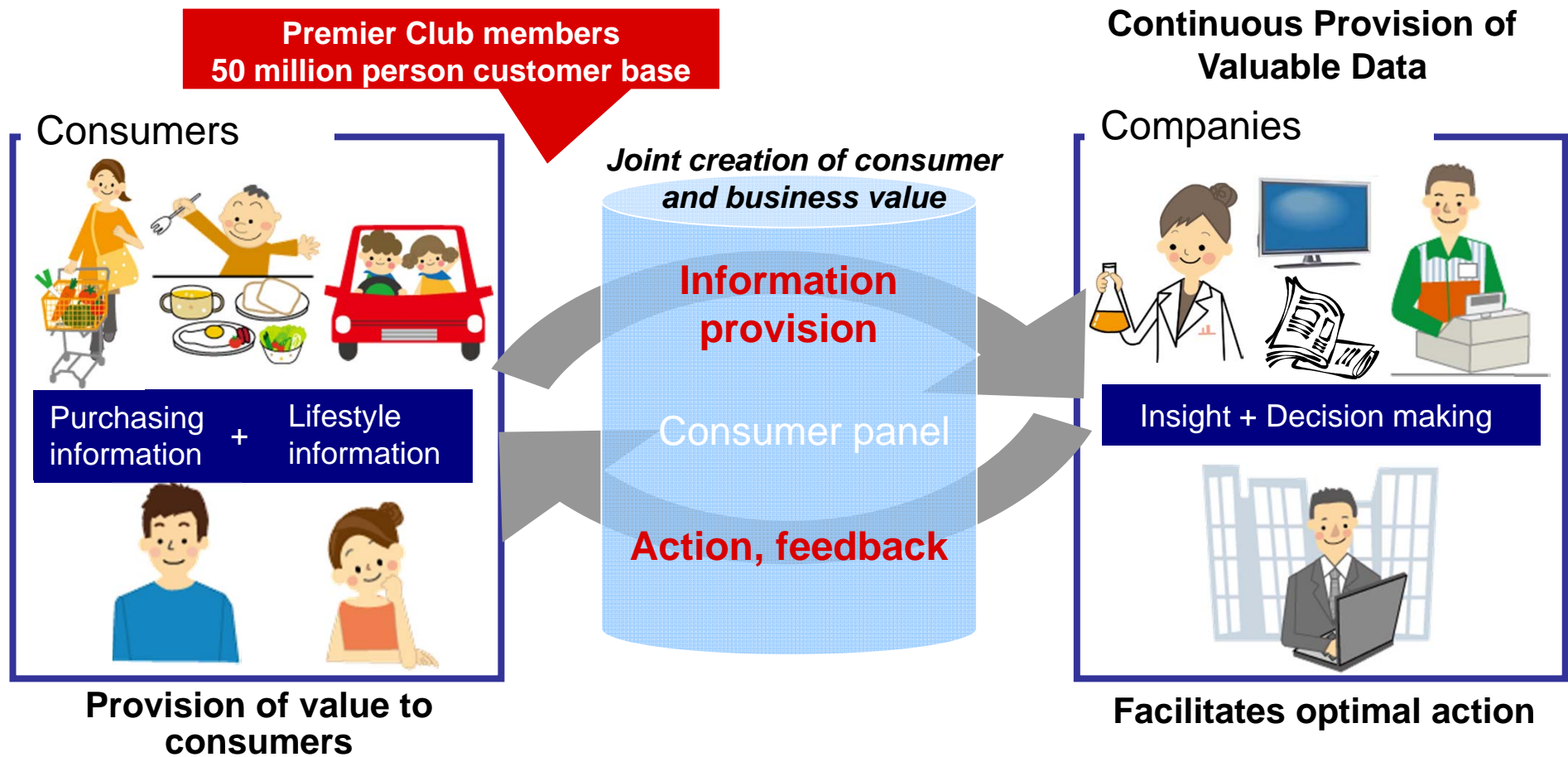
“Accumulated data” generated by consumers

Toward utilization of consumer awareness and behavior data

Aiming at Joint Creation of Consumer and Business Value

By thoroughly understanding consumers, we contribute to decision-making by businesses which in turn, enriches the lives of peoples.

--> One of the significance of INTAGE ⇒ The Consumer Panel Concept



Research on Recording: from Memory to Records

Recording lifestyle information in real time using smart phones



<Grasp Category Conditions>
Sets the mission based on the marketing issues; create records for targeted categories.



<Gasp Lifestyle Conditions>
Instantaneous Recording of Facts
Continuous recording = single sourcing ⇒ promotes understanding of consumers



8.訪問先の写真（任意。撮影可能であれば添付ください）



9.訪問先で次のような気持ちがあったら選択（複数あった場合は最も強かった気持ちを選択）



10.訪問先の感想[回答必須]

MyReco Mission 9

行動を記録する

モノレコ 場所レコ 食レコ チョイレコ

履歴 月 週

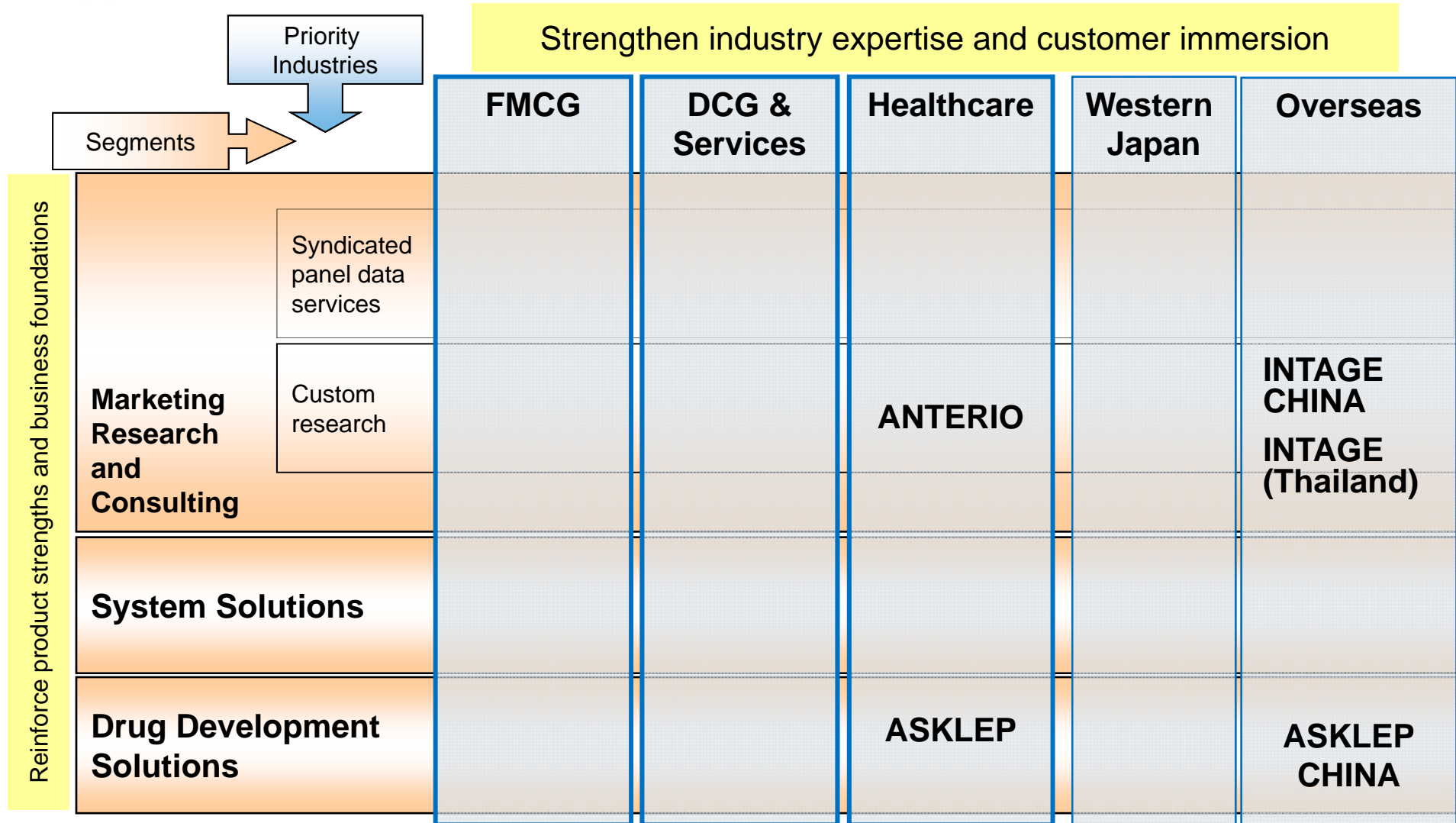
◀ 2011年9月 ▶

SUN	MON	TUE	WED	THU	FRI	SAT
				5 ¹	3 ²	3
4	3 ⁵	6	7	8	9	10
11	12	13	14	15	16	17

Profile
+
Lifestyle information
+
Category information
||
Extraction of insights

SBU Targets by Industry

SBU: Strategic Business Unit



FMCG (Fast Moving Consumer Goods): general consumer goods (food products, daily necessities, cosmetics, etc.)

DCG(Durable Consumer Goods): Long-lasting consumer goods (automobiles, household appliances, etc.)

Progress Status of SBUs by Industry



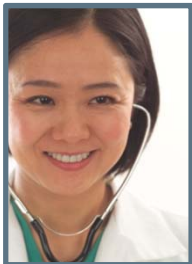
FMCG Industry Division

- Fused panel with CR; increased expectations of customers as business partners.
- Steady progress in gaining customer trust in SCI-personal.



DCG & Service Industry Division

- Received orders by dwelling in the automobile and telecommunications industries, and expanded orders overseas.
- Expanded new mobile research and communications services through alliance with NTT DOCOMO.



Healthcare Industry Division

- Increased and expanded solutions value by fusing related services base healthcare information.
- Advanced the medical cloud concept using PHRs (Personal Healthcare Records).

Achieved steady progress in bolstering competitiveness through shift to SBUs by industry.

Expansion of Overseas Network



INTAGE CHINA Inc.

Established: 1997
Offices: Shanghai, Beijing, Guangzhou, Changzhou
Employees: Approx. 250

INTAGE (Thailand) Co., Ltd

Established: 2008
Office: Bangkok
Employees: Approx. 150

FTA Research and Consultant, LLC

Established: 2002
Offices: Ho Chi Minh, Hanoi
Employees: Approx. 120

Toward establishing a firm foundation in rapidly growing Asia

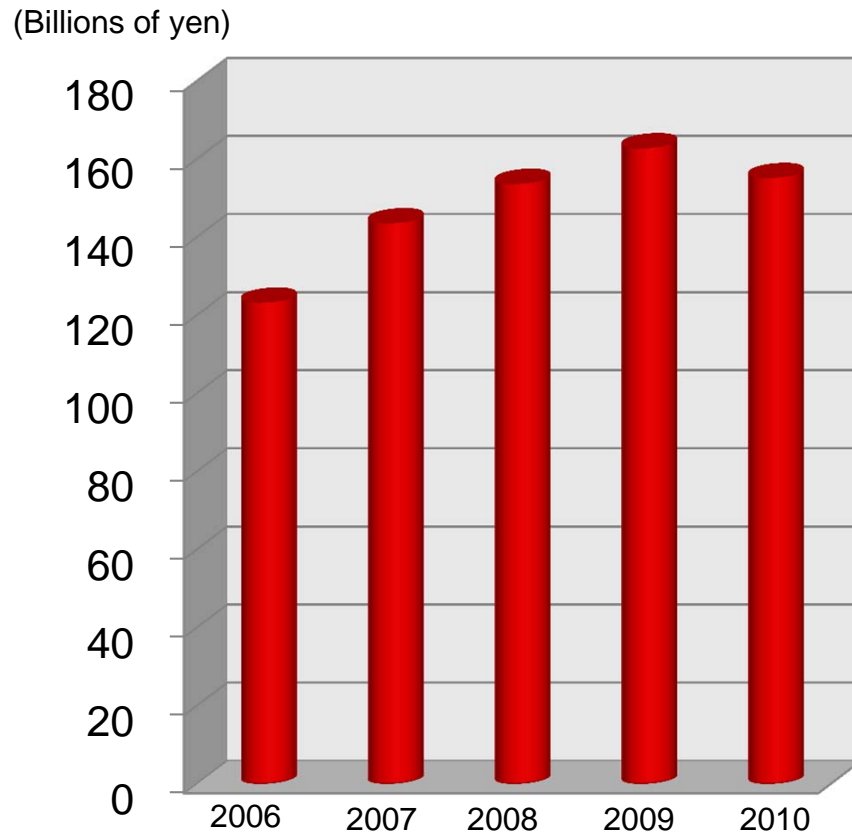
Marketing Research Companies Global Rankings FY2010

	Companies	Head office	Net sales (Millions of US\$)	Sales outside home country (%)
1	The Nielsen Company	USA	4,958.0	51.5
2	Kantar	UK	3,183.6	75.0
3	IMS Health Inc.	USA	2,211.6	63.8
4	GfK SE	Germany	1,716.2	73.7
5	Ipsos SA	France	1,512.8	91.4
6	Synovate	UK	884.8	87.7
7	Symphony IRI Group	USA	727.0	37.1
8	Westat Inc.	USA	455.3	---
9	INTAGE Inc.	Japan	416.2	3.0
10	Arbitron Inc.	USA	395.4	1.3

Source: American Marketing Association

[Priority Issue] Regarding the Restructuring of Drug Development Solutions

CRO Market Trends



Source: Japan CRO Association (Net sales: Jan. to Dec.)

INTAGE's Understanding and Future Response

- ✓ According to the Japan CRO Association, domestic market growth has turned dull
- ✓ Large structural changes are occurring, including changes in the international environment



Begin fundamental management reforms at ASKLEP

- Increase, educate and redistribute staff
- Accelerate international strategy
- Strengthen sales force
- Improve cost competitiveness



- **1stH FY2012 Results**

- **Progress during the First Half and Future Issues**

(Progress Status by Priority Issue)

- **FY2012 Earnings Forecasts**

FY2012 Earnings Forecasts

While the consolidated performance for the first half was essentially in line with the forecasts, for the full year FY2012 the company has revised the Drug Development Solutions plan, and forecasts sales around the same level as the previous year with a year-on-year decline in profits. (Millions of yen)

		FY2011 Actual	Previous Forecasts	Revised Forecasts	Change YoY
■ Marketing research and consulting	Net sales	25,309	26,317	26,317	4.0%
	<Syndicated panel data services>	14,958	15,403	15,403	2.9%
	<Custom research>	10,350	10,914	10,914	5.4%
	Operating income	2,852	2,711	2,711	(5.0)%
■ System solutions	Net sales	5,186	4,945	4,945	(4.6)%
	Operating income	158	(46)	(46)	---
■ Drug development solutions	Net sales	6,042	7,000	5,386	(10.9)%
	Operating income	453	498	22	(95.0)%
Consolidated	Net sales	36,538	38,262	36,649	0.3%
	Operating income	3,465	3,163	2,687	(22.5)%
	Recurring profit	3,438	3,149	2,641	(23.2)%
	Net income	1,915	1,659	1,410	(26.4)%

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.

