

FY2008 Results and Future Growth Strategies

FY2008: Fiscal year ended March 31, 2009

May 19, 2009



INTAGE Inc.



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1. FY2009 Business Policy

2. FY2009 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.



- **FY 2008 Results**

- **Future Growth Strategies**

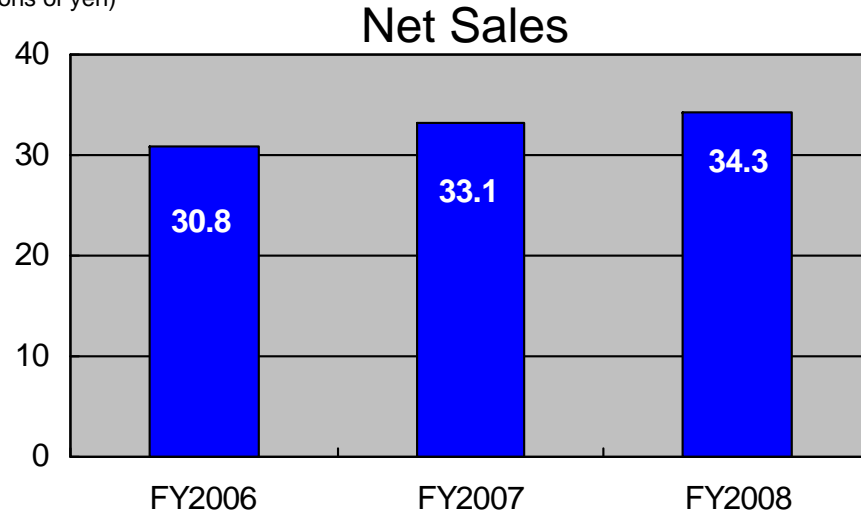
1. **FY2009 Business Policy**

2. **FY2009 Earnings Forecasts**

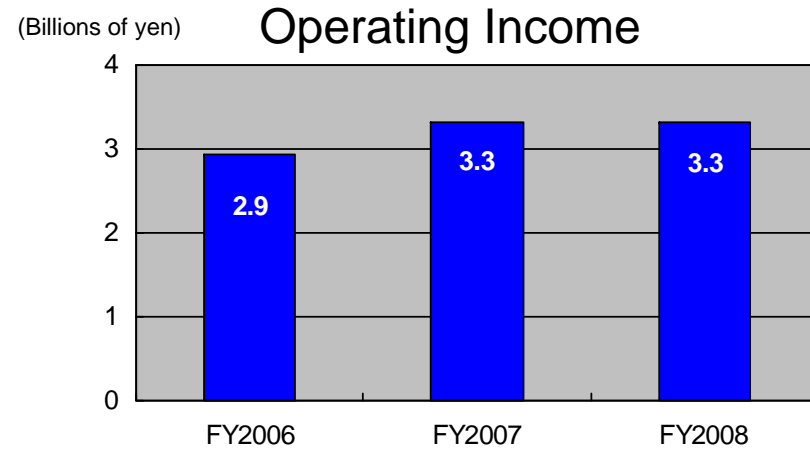
Consolidated Financial Highlights

Record High Net Sales, Operating Income and Recurring profit

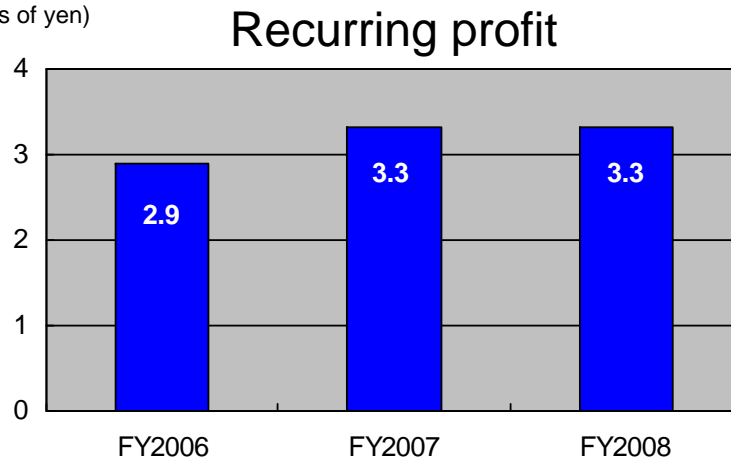
(Billions of yen)



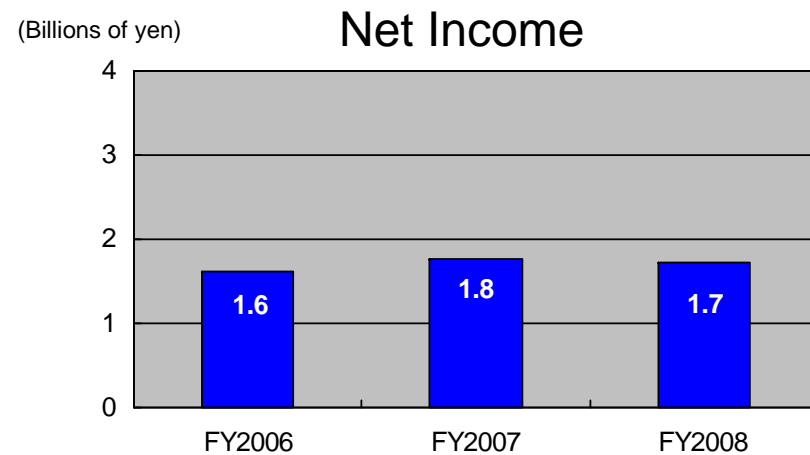
(Billions of yen)



(Billions of yen)



(Billions of yen)



Summary of Income Statements

While operating income and recurring profit rose year-on-year, net income declined from the posting of extraordinary losses.

(Millions of yen)

	FY2007 Actual	FY2008 Forecasts	FY2008 Revision	FY2008 Actual	Change YoY
Consolidated:					
Net Sales	33,104	35,231	34,267	34,345	+3.7%
Operating Income	3,314	3,575	3,240	3,320	+0.2%
Recurring profit	3,316	3,568	3,218	3,317	+0.0%
Net Income	1,765	1,985	1,735	1,728	-2.1%
EPS (Yen)	170.10	193.79		168.69	---
Non-Consolidated:					
Net Sales	26,143	27,128		26,622	+1.8%
Operating Income	2,222	2,503		2,466	+11.0%
Recurring profit	2,337	2,534		2,484	+6.3%
Net Income	1,419	1,508		1,414	-0.4%
EPS (Yen)	136.78	147.19		138.07	---

*Note: The 09/3 Revision is the forecast revision announced Feb. 4.

Summary of BS and CF

(Millions of yen)

Consolidated Balance Sheet Summary	FY2007	FY2008	Change	Details
Current assets	12,651	12,109	(541)	Primarily declines in "work in progress" and "notes and accounts receivable – trade"
Fixed assets	8,610	9,070	460	Primarily increases in "lease assets" and "buildings and structures"
Total assets	21,261	21,180	(81)	---
Current liabilities	8,965	6,742	(2,222)	Primarily declines in "short-term bank loans" and "current portion of redemption of corporate bonds"
Long- term liabilities	2,008	2,846	838	Primarily increases in "long-term borrowings"
Total liabilities	10,973	9,589	(1,383)	---
Shareholders' equity	10,174	11,492	1,318	Primarily increases in "retained earnings"
Valuation and translation adjustments	15	(7)	(22)	Foreign currency translation adjustments
Minority interests	98	104	6	---
Total net assets	10,288	11,590	1,302	---

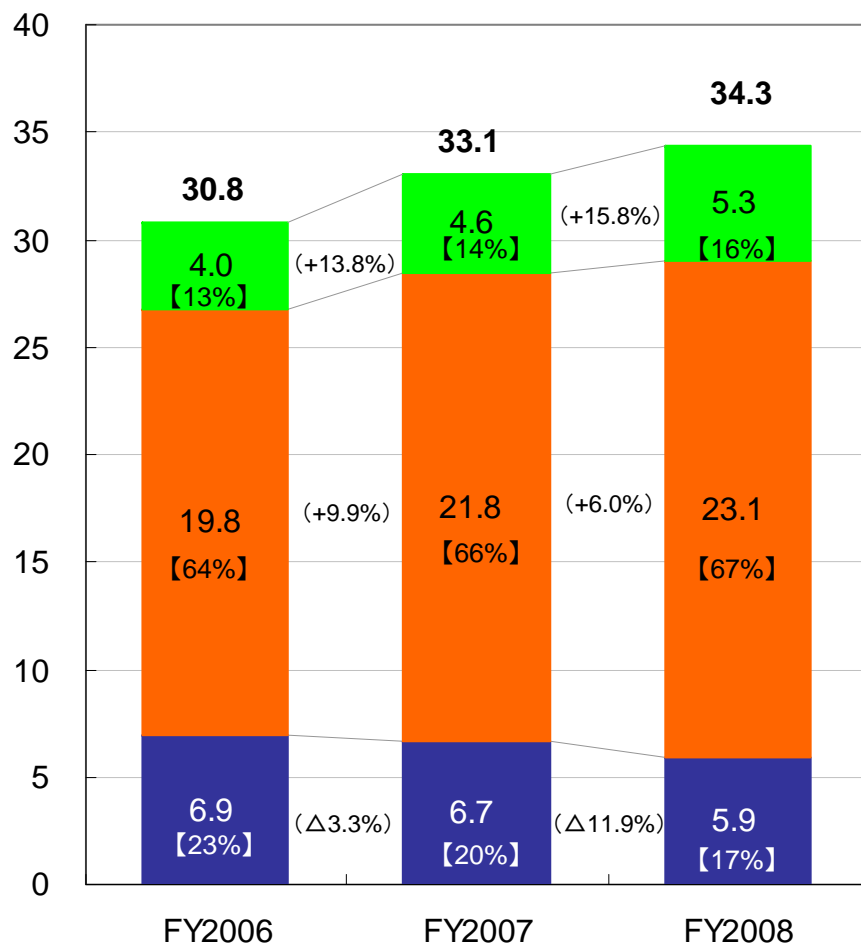
(Millions of yen)

Consolidated Cash Flow Summary	FY2007	FY2008	Change	Details
Cash flow from operating cash activities	2,247	3,190	943	Primarily declines in "increases in notes and accounts receivable – trade" and "increases in inventories"
Cash flow from investing cash activities	(1,033)	(1,554)	(520)	Primarily increases in "payments for purchases of property and equipment"
Cash flow from financing cash activities	(546)	(1,707)	(1,161)	Primarily declines in "proceeds from short-term bank loans"
Effect of exchange rate changes on cash and cash equivalents	4	(19)	(24)	---
Net increase in cash and cash equivalents	673	(90)	(763)	---
Cash and cash equivalents at beginning of year	2,721	3,394	673	---
Cash and cash equivalents at end of year	3,394	3,303	(90)	---

Net Sales by Segment

The Marketing Research and Consulting and the Drug Development Solutions business segments realized increased revenues

(Billions of yen) (): Change YoY, []: Composition



Drug Development Solutions

- The Contract Research Organization (CRO) business greatly expanded data management works and also secured increased revenues from monitoring works
- Site Management Organization (SMO) revenues declined, as sales capabilities were not strengthened

Marketing Research and Consulting

〈Syndicated Panel Data Services〉

- The syndicated POS retail panel data business (SRI) continued to post increased revenues from the withdrawal of a major competitor (in the 1st half) plus the acquisition of new customers
- The nationwide in-store promotions panel index (SPI) business grew

〈Custom Research Services〉

- Revenues remained flat from the previous fiscal year because of the worsening of the economic environment

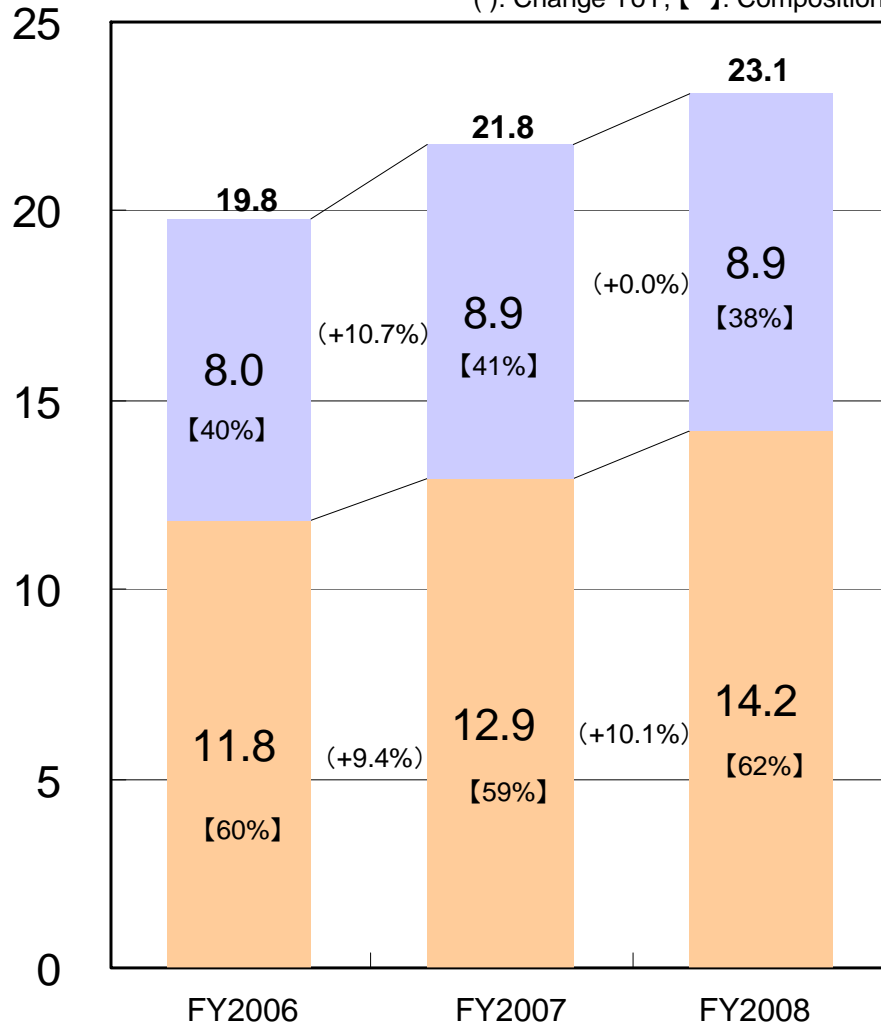
System Solutions

- Failed to achieve targets under the slowdown in the 2nd half
- Some businesses changed segments from FY2008

Breakdown of Sales of the Marketing Research and Consulting Segment

(Billions of yen)

(): Change YoY, []: Composition



Marketing Research and Consulting

Custom Research

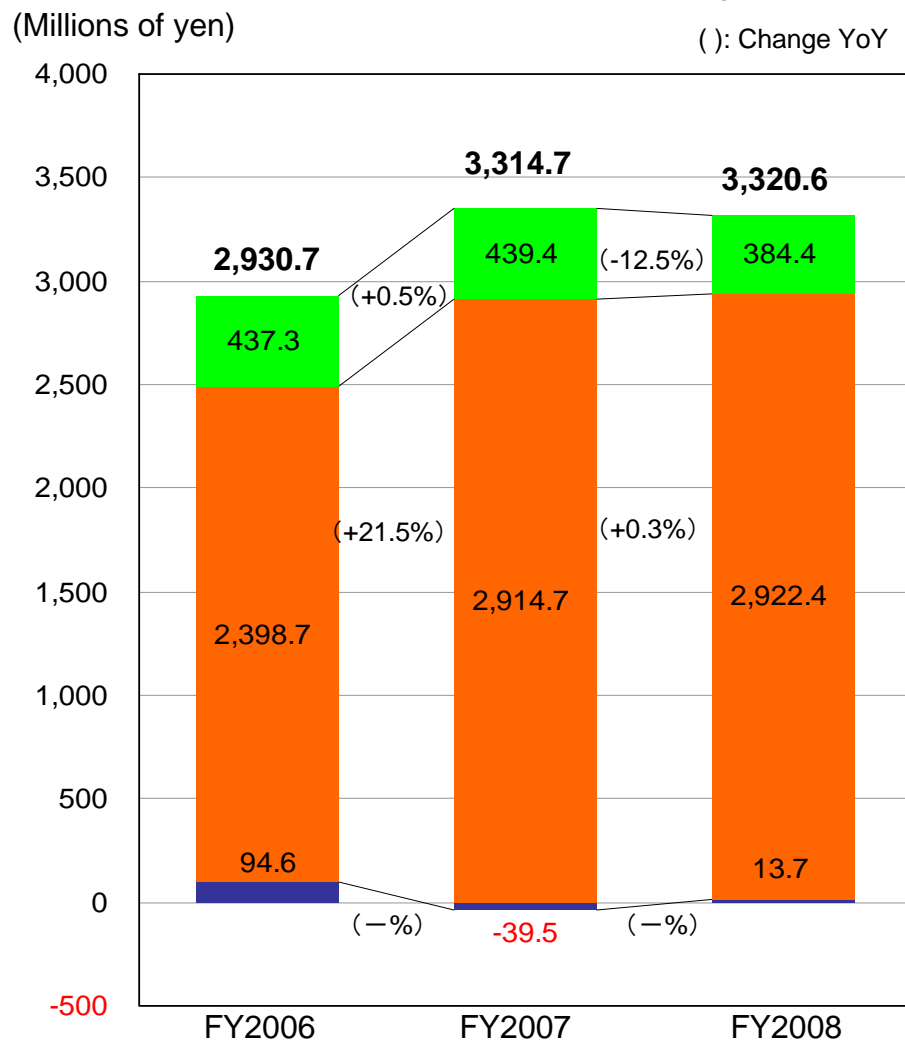
- Traditional Research Model (Mail surveys, Interview surveys, etc.)
- Internet Research

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 service)
- SLI (Syndicated female consumer panel service)
- personal eye (Individual consumer panel services)

Operating Income by Segment

Record High Operating Income as Syndicated Panel Data Services Revenues Increase and Systems Solutions Turns Profitable



■ Drug Development Solutions

Operating income declined as the CRO monitoring services and SMO sales targets were not achieved, while investments were made toward overseas expansion

■ Marketing Research and Consulting

〈Syndicated Panel Data Services〉

- Operating income rose as increased sales in SRI and other existing panel services covered the investments

〈Custom Research Services〉

- Operating income declined as sales fell far below target

■ System Solutions

Turned profitable on thorough cost reductions and optimization of personnel expenses (plan called for an operating loss)



- FY 2008 Results

- Future Growth Strategies

1. FY2009 Business Policy

2. FY2009 Earnings Forecasts

Positioning of the 9th Medium-Term Business Plan

Medium-term management plan that can build up a business model for the next 50 years (Next 50)

Transition from a cost principle business model to a value principle business model

1. Value = Function/Cost
2. Establishing industry-specific platforms
3. Standardizing works processes
4. Expanding consulting fields, move into upstream processes

FY2008 Performance

- Flat expansion in growth drivers

Custom research

Drug development solutions
business monitoring services

- Initiation of active investment in new fields

Development of next-generation consumer data

Trade Marketing Solutions (TMS)

Overseas business

- Seeds of a value principle business

Consulting fields

Collaboration with retail industry

- Advanced to the 1st Section of the Tokyo Stock Exchange
(March 23, 2009)

FY2009 Basic Policy and Priority Issues

**To Overcome the Difficulties by Moving Closer to Our Customers
Establishing a new business platform for “Next 50”**

Priority Issues

- 1. Structural reform of the custom research services**
- 2. Promotion of new business development**
- 3. Improvement of customer service through reorganization by industry**
- 4. Strategic human resources development**
- 5. Promotion of crisis-resistant group management**

Environment Surrounding the Marketing Research Industry

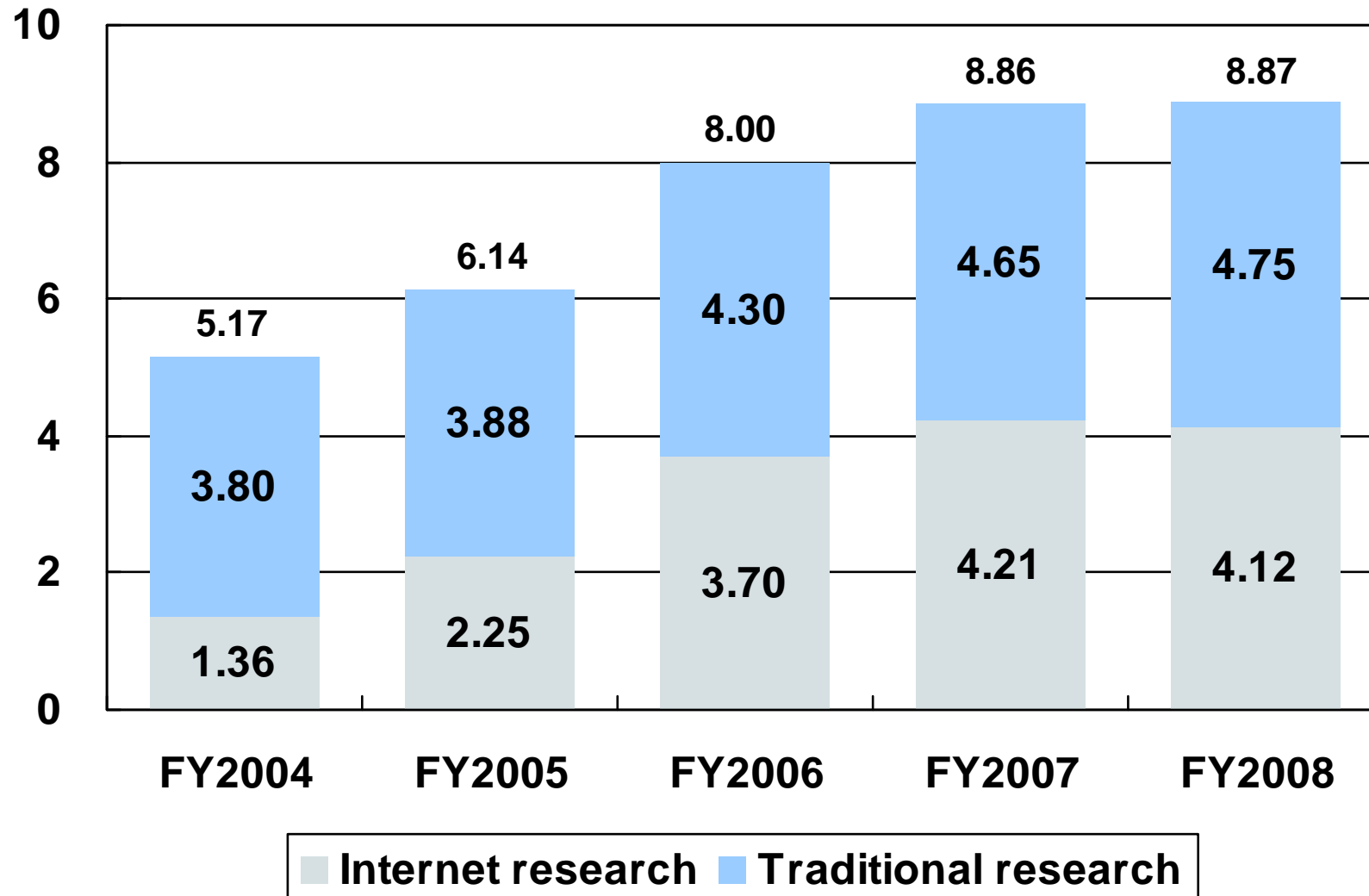
Changes in the Market Environment

- Stagnant and slowed growth potential from the worsening of the economic environment
- Shift to Internet research, and intensified price competition
- International alliances and weeding out of weak players
- Expectations toward China and other Asian markets
- Private-sector disclosure of public statistics surveys

- From a middle- to long-term perspective, the demand for research and data will increase, and will not decline
- However, a paradigm shift is underway centered on the Internet, and only those firms that can deal with that change will survive
- From the viewpoint of utilizing information for decision-making, in addition to research, strengthened service abilities in peripheral fields will also be essential for future growth

Sales of Custom Research Services

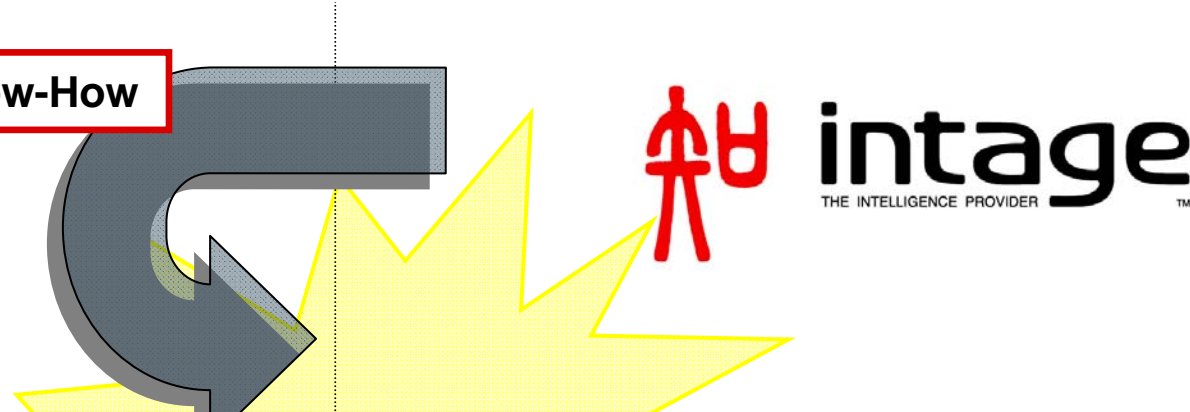
(Billions of yen)



Internet Research Market and Issues Facing INTAGE

Customized

Research Know-How



Issues Facing INTAGE

- Existing theories, systems and experience are preventing Internet shift
- Insufficient use of systematization and other investments
- Worsened efficiency from the redundancy of works processes under the division of labor system

Custom Research Services Direction

Basic Strategies

- To win on understanding of clients issues and speed of insight provision
- To provide value integration of syndicated panel data services, custom research, and system solutions
- To reconstruct a business model that can withstand market environment changes

Strategy Model

Speed up the provision of insights

- To win on understanding of customer issues and speed of insight provision

Operations Model

Automation, Common Use, and Database Compilation

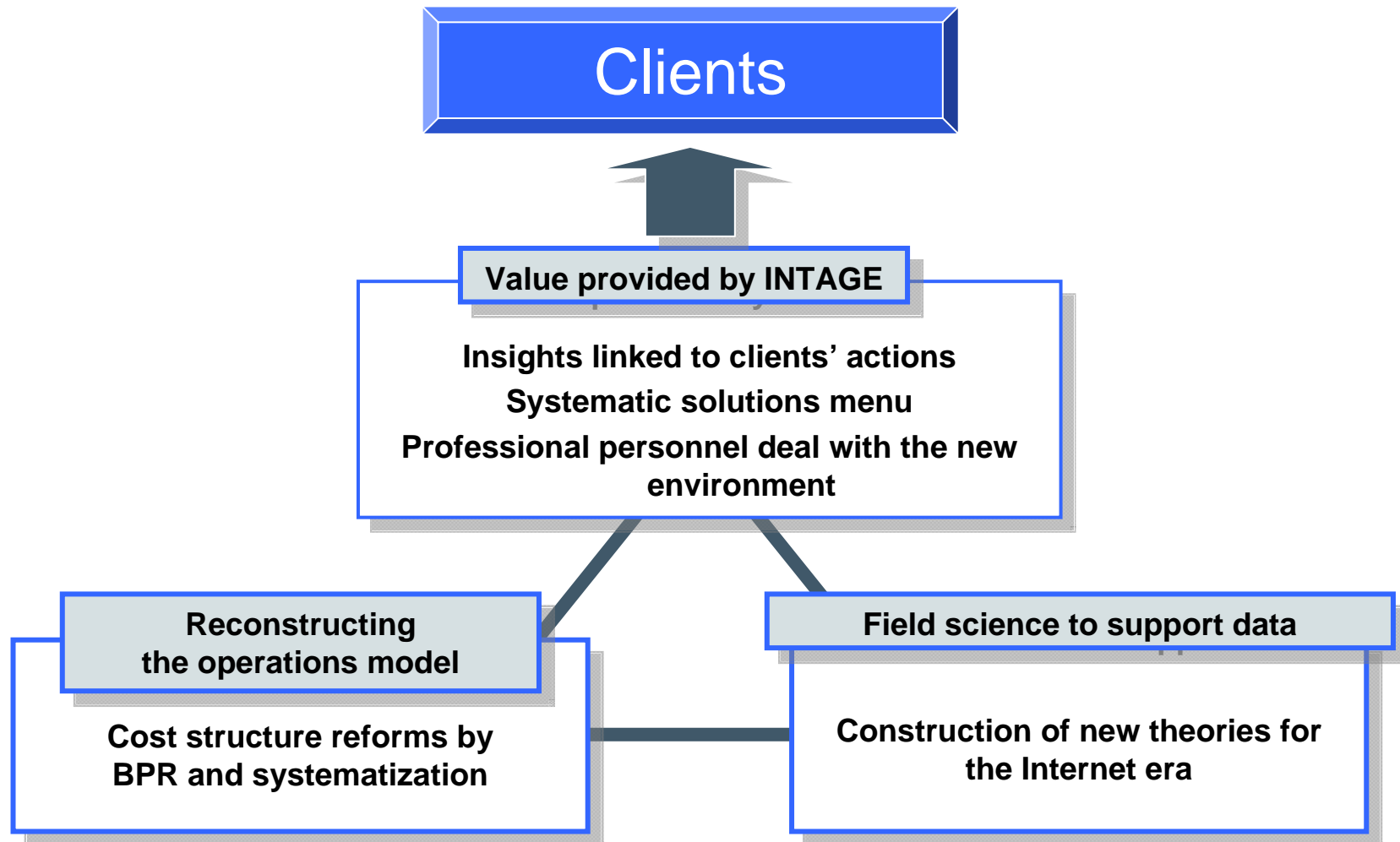
- To automate the back end using the characteristics of the Internet
- To speed up the front end through common use and database compilation

Revenue Model

Transition to an installation-type business

- Respondents and system operating rates are the source of earnings

Issues for the Construction of New Business Models



*BPR: Business Process Reengineering

Toward Business Field Expansion

Development of next-generation consumer data

- To renew syndicated consumer panel data (SCI, SLI, etc.) using the Internet

Increase the number of respondents

Expansion the coverage

Expansion survey items linked to Trade Marketing Solutions (TMS)

- To expand business fields based on the development of consumer data

From pilot studies to drafting medium-term concepts

	FY2009	FY2010	FY2011
Next-generation SLI	Increase the number of respondents (10,175→20,000→)		
	Scheduled to release on April 2010		
Next-generation consumer data	Start from pilot studies, and then proceed to the medium-term concept design phase		

Toward Business Field Expansion

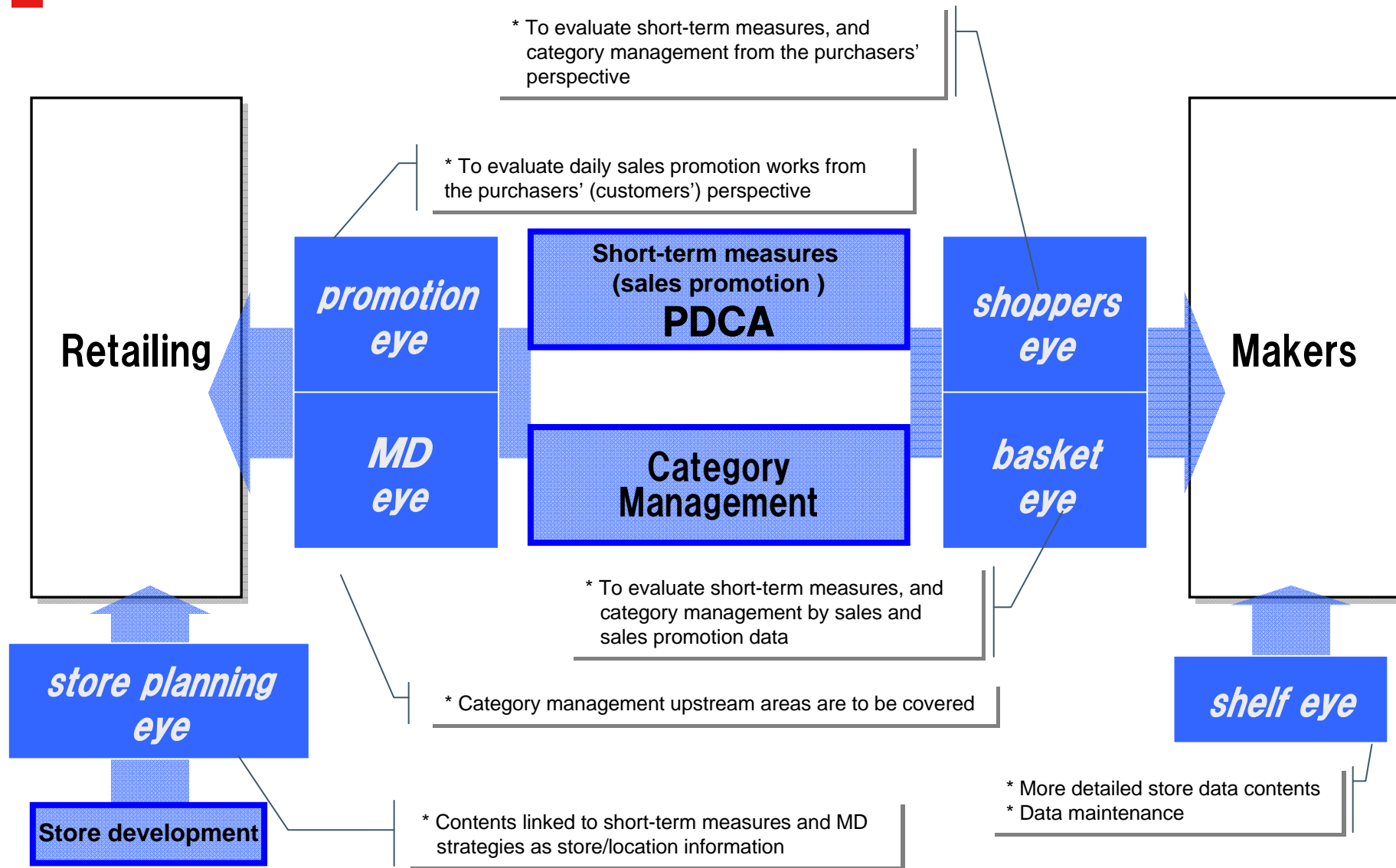
Introduce Trade Marketing Solutions (TMS)

- **Successively introduce “eye series” services for retail and manufacturer sales units**
- **To acquire new clients aside from the marketing units of manufacturers (existing syndicated data services clients)**

Advance Rep Track from the development stage to takeoff

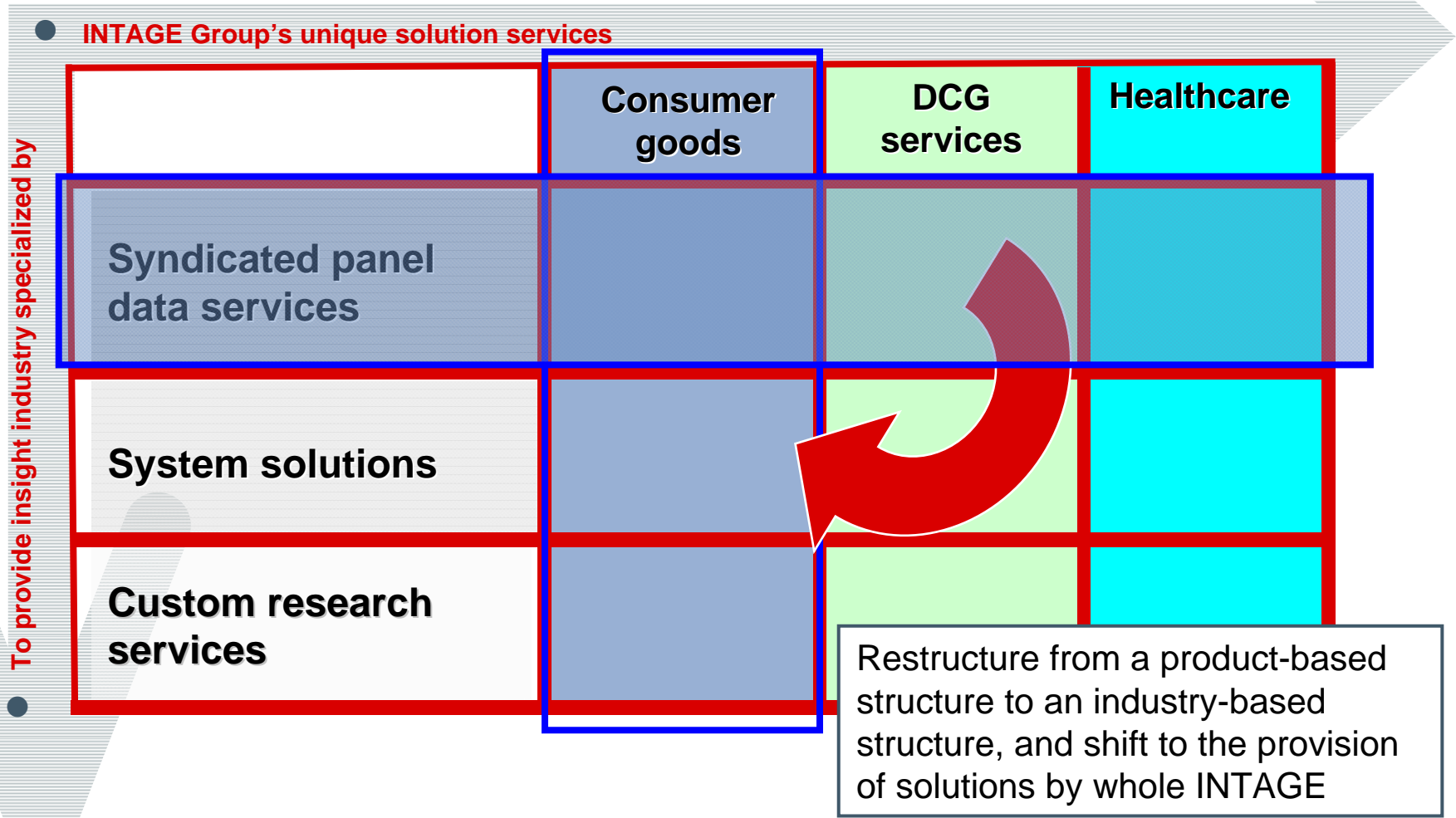
- **To achieve a service level that is above the competition**
- **To transfer sales to a group company, TM Marketing Inc., in order to achieving synergies with pharmaceutical manufacturer services, and promote switching from competitors**

(Reference) TMS “eye series” Product Line Concept

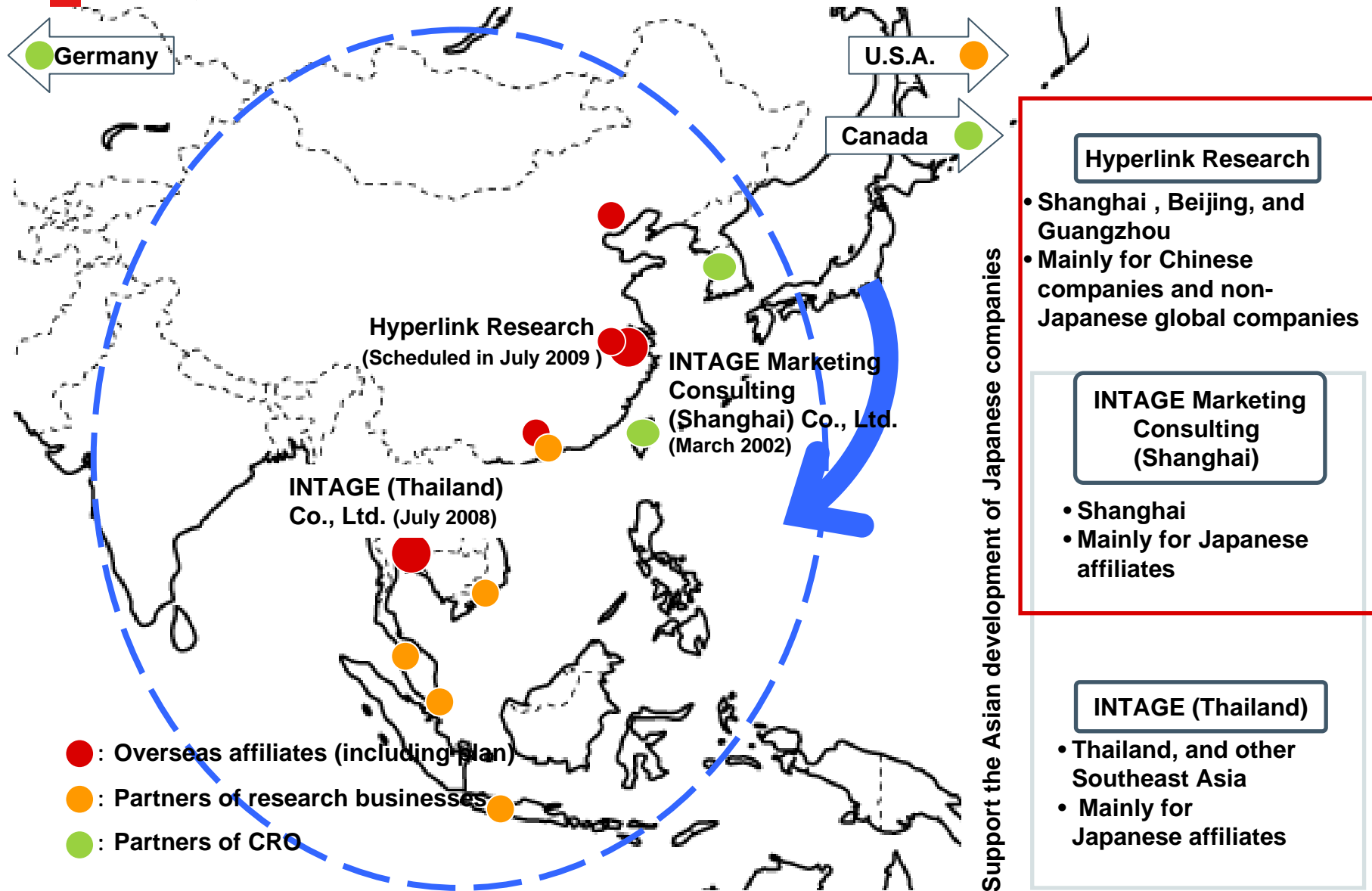


3. Improve customer service through reorganization by industry

Change Formation to Improve Ability to Get Closer to Customers



[Topics] Active Development of Overseas Businesses, M&A and Alliances



To correspond to the demands of research in China

[Topics] Consulting Fields, Marketing Dashboard

~ Integration of internal data, research and system solutions~

To integrate clients' business data
and our company's market data

To provide vigorous support not only clients'
marketing managers, but those who are in charge of
corporate development and management function in
order to make a decision

To launch provision of dashboard construction support services
using strategy maps for the consumer goods industry

From December 2008 Joint works with Microsoft Japan

From May 2009 Joint works with SAP Japan

Actions on Drug Development Solutions Business :

Toward Higher Revenues and Higher Earnings

Strategies to increase sales

- **To take pride in our leading position as No. 1 in Japan, and to continue to strengthen post-marketing surveillance (which is performing well), and work to secure large contracts**
- **In clinical development, receive more orders for full support, from monitoring through to data management and statistical analyses**
- **To gain orders in Japan, Taiwan and South Korea for Asian clinical testing, and expand domestic monitoring works**

Strategies for a recovery in operating income

- **To work to improve earnings utilizing EDC (Electronic Data Capture)**
- **To work to expand sales by reinforcing the sales structure and to improve profits by reducing fixed costs in SMO works (for clinical testing facilities support organs)**



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FY2009 Forecasts

(Millions of yen)

		FY2008 Actual	FY2009 Forecast	Change YoY
■ Marketing research and consulting	Net sales	23,105	23,903	102.7
	(Syndicated panel data services)	14,233	14,923	104.8
	(Custom research services)	8,871	8,980	101.2
	Operating income	2,922	2,722	93.2
■ System solutions	Net sales	5,906	5,534	93.7
	Operating income	13	77	---
■ Drug development solutions	Net sales	5,333	5,841	109.5
	Operating income	384	546	142.0
Consolidated	Net sales	34,345	35,279	102.7
	Operating income	3,320	3,346	100.8
	Recurring profit	3,317	3,340	100.7
	Net income	1,728	1,783	103.2

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.

Consolidated Numerical Targets

(Billions of yen)

	FY2009(Forecast)	FY2010(Forecast)	FY2011(Forecast)
Net sales	35.27	37.28	39.60
Change YoY	+2.7	+5.7	+6.2%
Operating income	3.34	3.75	4.12
Change YoY	+0.8%	+12.2%	+10.0%

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	%	%
FY2007	40.00	23.5	4.3
FY2008	50.00	29.6	4.7
FY2009 (Forecast)	50.00	28.7	---



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Empowering Business Solutions**