



Appendix

Case Examples of acquired New Clients

addidas



SWAROVSKI
(Cristal products in Austria)



HANDS NET
(Online Commodities)



NIKIGOLF
(Equipment for Golf)



OSHMAN'S
(Sportswear)



YA-MAN
(Health and Beauty)



Response to the Smartphone Market

- Support for the optimization of smartphone services for EC sites and partner sites

Easily create a site for smartphones for free, using "Smart4me"



A VC Smartphone Module presenting Yahoo! Shopping product information

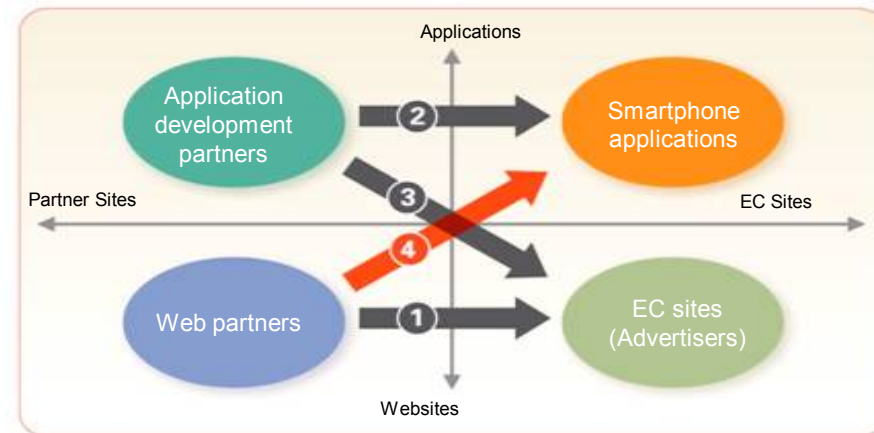
With customized tools for displaying ranking and products



- Affiliate advertising for smartphone applications

Ads posted in smartphone applications, and we offered three approaches: APP2APP, Web2APP, and APP2Web. In APP2APP and Web2APP, the performance is measured by installation and boot, while the performance is recognized by the inducement from application to website in APP2Web.

Advantage for application developers to receive pay-per-performance.



- 1 Web to Web
- 2 APP to APP
- 3 APP to Web
- 4 Web to APP

System Development Functions merged in Tokyo

- ❑ Close the development center in Manila established in July 2007 and merge it with single operations in Tokyo
- ❑ Objective: Improve the efficiency of mission-critical system development for affiliate marketing and reduce costs
- ❑ Plan to dismiss 52 employees locally hired in Manila (in a phased manner by the end of June 2012)
- ❑ Schedule: Plan to close the local center and complete the system integration by the end of June 2012
- ❑ Transfer mission-critical systems in series with cooperation with external vendors
- ❑ Cost savings: Approx. JPY 140 million/year (however, it will take effect for the full year from 2013)
- ❑ Impact on Income Statement
 - 2011 approx. JPY 26 million: Already posted severance allowance for locally hired employees.
 - 2012 approx. JPY 22 million: To post additional expenses, such as retirement expenses of fixed assets related to the local office and others.

Quarterly Results and Cash Flows (Consolidated)

(Million JPY)

	FY2008				FY2009				FY2010				FY2011			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Sales (+ ASP Partner Payment)	2,497	2,411	2,440	2,584	2,562	2,429	2,706	2,760	2,875	2,830	2,775	3,024	2,978	2,964	3,187	3,321
Sales	1,706	1,648	1,665	1,765	1,646	1,548	1,723	1,691	1,684	1,720	1,681	1,889	1,805	1,859	1,973	2,150
ASP Service	555	560	559	566	571	578	579	641	636	630	594	649	629	606	643	635
Consulting Service	824	789	791	888	822	819	1,014	871	852	871	859	951	923	968	1,042	1,178
Storematch Service	22	39	42	90	103	131	129	178	195	218	228	288	252	284	286	335
Sozon	304	259	271	219	150	19	-	-	-	-	-	-	-	-	-	-
Cost of Sales (-)	1,064	1,038	1,058	1,138	1,045	942	1,083	1,055	1,000	1,057	1,003	1,146	1,083	1,139	1,209	1,366
Consulting Service	595	571	562	647	600	615	763	653	633	662	639	697	676	710	774	889
Media Buying Cost	109	136	133	130	122	143	124	168	142	156	123	159	142	135	139	141
Storematch Service	17	30	31	68	77	98	97	134	146	163	171	219	201	227	229	268
Other	71	72	79	81	88	90	98	99	77	74	69	70	63	66	65	67
Sozon	272	228	250	212	157	(5)	-	-	-	-	-	-	-	-	-	-
Gross Profit	641	609	607	626	601	605	640	636	683	663	678	743	722	719	764	784
SG&A Expenses (-)	579	601	598	559	542	559	557	578	559	570	549	537	533	519	542	634
Compensation	375	407	407	380	376	406	410	399	398	428	410	376	392	388	396	461
Other	204	193	191	180	166	153	147	179	160	141	138	160	141	130	146	173
Operating Profit	62	8	8	66	59	46	82	57	124	92	128	206	188	200	221	149
Recurring Profit	41	(3)	(2)	58	49	31	75	50	131	103	139	213	199	214	248	169
Extraordinary Gains/Losses (Net)	-	(1)	-	(76)	16	1	(10)	(185)	1	0	0	0	(90)	(2)	(2)	(28)
Pretax Profit	41	(4)	(2)	(17)	66	33	64	(134)	132	103	139	213	109	212	246	140
Tax Provision	1	117	1	(6)	(1)	7	(1)	(2)	0	(43)	28	45	38	83	88	54
Quarterly Net Profit	40	(121)	(3)	(10)	68	25	66	(137)	132	146	110	168	70	128	157	86
Quarterly Operating Cash Flow	83	(8)	29	95	97	34	73	97	95	264	177	304	44	112	468	226
Free Cash Flow	(129)	(38)	154	24	51	16	67	90	92	256	158	258	14	84	425	167

Business Data

	FY2008				FY2009				FY2010				FY2011			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Media Partner Sites	577K	607K	640K	672K	703K	728K	749K	766K	781K	795K	800K	809K	820K	831K	845K	857K
EC Sites (billed basis)	2,617	2,687	2,760	2,876	2,865	2,731	2,856	2,860	2,483	2,372	2,423	2,779	2,747	2,746	2,843	2,845
ASP Service	1,185	1,161	1,142	1,150	1,094	1,123	1,104	1,149	1,060	1,035	1,061	1,099	1,139	1,117	1,155	1,220
Consulting Service	142	143	141	143	146	153	164	176	184	184	207	213	229	247	326	206
Storematch Merchants	1,290	1,383	1,477	1,583	1,625	1,455	1,588	1,535	1,239	1,153	1,155	1,467	1,379	1,382	1,362	1,419
Web-based EC Sites	1,192	1,175	1,150	1,148	1,068	1,056	1,108	1,170	1,130	1,117	1,137	1,157	1,215	1,210	1,317	1,257
ASP Service	1,059	1,041	1,018	1,014	932	915	955	1,009	964	954	956	975	1,022	999	1,032	1,080
Consulting Service	133	134	132	134	136	141	153	161	167	163	181	182	193	211	285	177
Web/Mobile EC Sites	-	-	-	-	-	-	-	4	14	19	21	24	23	31	39	47
ASP Service	-	-	-	-	-	-	-	4	13	19	21	21	22	30	37	46
Consulting Service	-	-	-	-	-	-	-	0	1	0	0	1	1	1	2	1
Mobile EC Sites	135	129	133	145	172	220	160	151	100	102	110	131	130	123	125	122
ASP Service	126	120	124	136	162	208	149	136	83	81	84	101	95	88	86	94
Consulting Service	9	9	9	9	10	12	11	15	17	21	26	30	35	35	39	28
Gross Merchandise Volume (Million)	23,030	23,130	25,283	25,594	30,989	32,664	41,281	43,990	51,083	55,369	54,934	55,554	55,612	53,437	59,680	57,331
Number of Transactions (Million)	2.51	2.51	2.71	2.8	3.9	4.58	5.92	6.52	7.67	8.52	8.50	8.56	8.47	8.23	9.31	8.86
Partner Payments (Million)	1,410	1,374	1,381	1,503	1,559	1,546	1,795	1,769	1,879	1,832	1,783	1,884	1,905	1,880	2,047	2,120
Headcount (ex MGMT)	216	257	265	266	259	247	243	246	247	255	254	248	256	261	260	266
Full-time	181	216	223	231	232	221	217	217	219	225	225	223	221	226	229	232
Temporary	35	41	42	35	27	26	26	29	28	30	29	25	35	35	31	34

Shareowners Portfolio

	2007	2008	2009	2010	2011
Number of shareowners (person)	5,098	4,683	4,457	5,162	4,726
Number of shares outstanding	189,140	190,000	190,060	192,500	193,180
<i>(Top5 Shareowners)</i>					
Yahoo Japan Corporation	44.4%	44.2%	44.2%	43.6%	43.5%
Tim Williams (A founder)	18.6%	18.5%	16.8%	14.0%	14.0%
Brian Nelson (ex-MGMT)	3.1%	3.1%	3.1%	3.1%	3.0%
Daiwa Capital Markets HK Client Safe Keeping Account	1.4%	1.4%	1.4%	1.4%	1.4%
Keiichi Takahashi (ex-MGMT)	0.9%	0.9%	0.9%	1.1%	0.9%

* Current management team possesses some portion of shares.

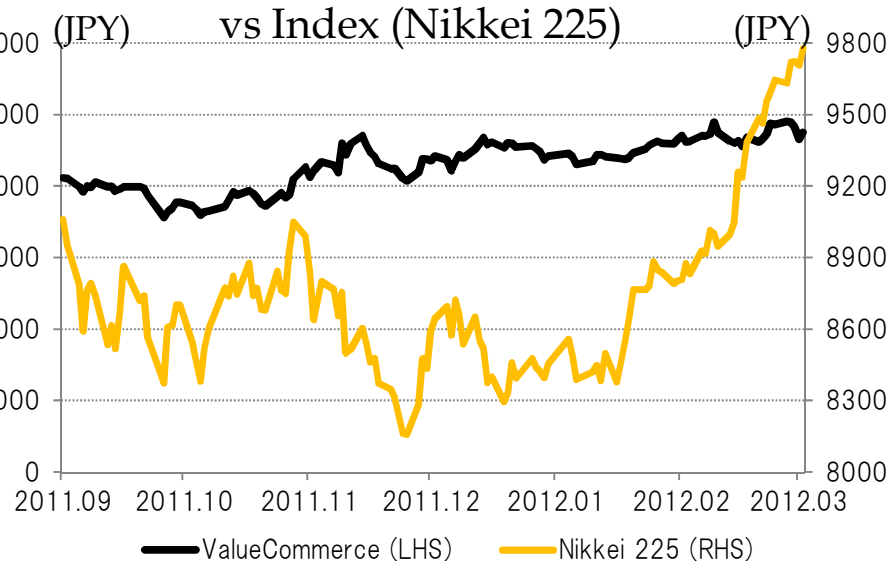
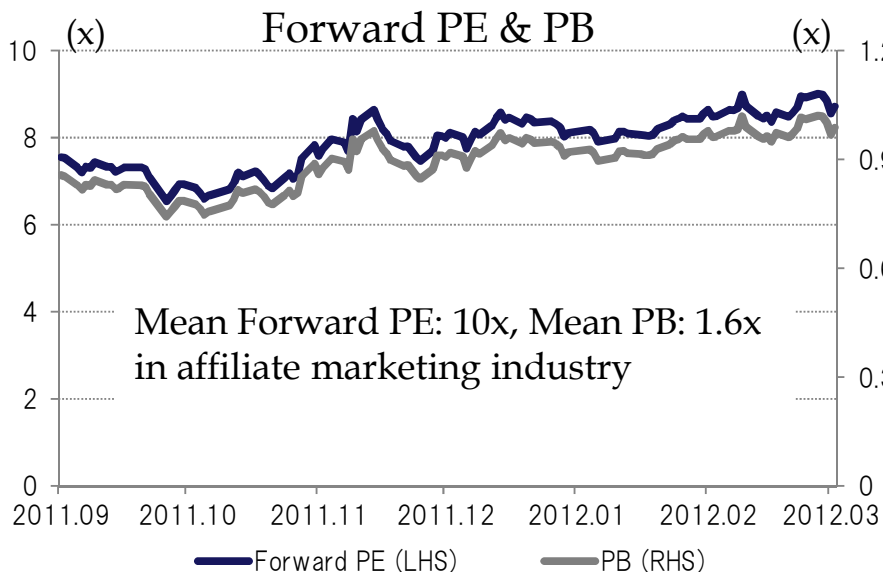
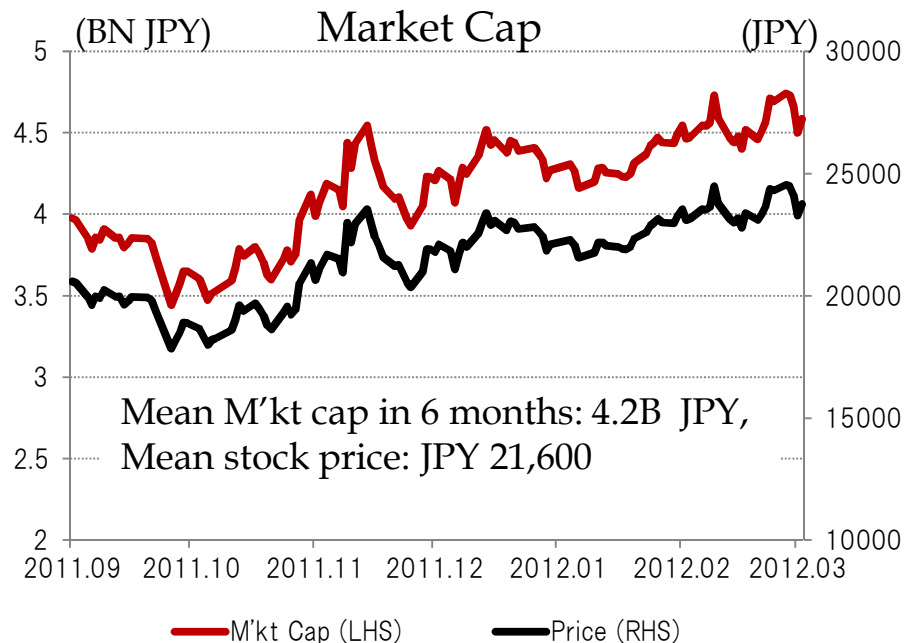
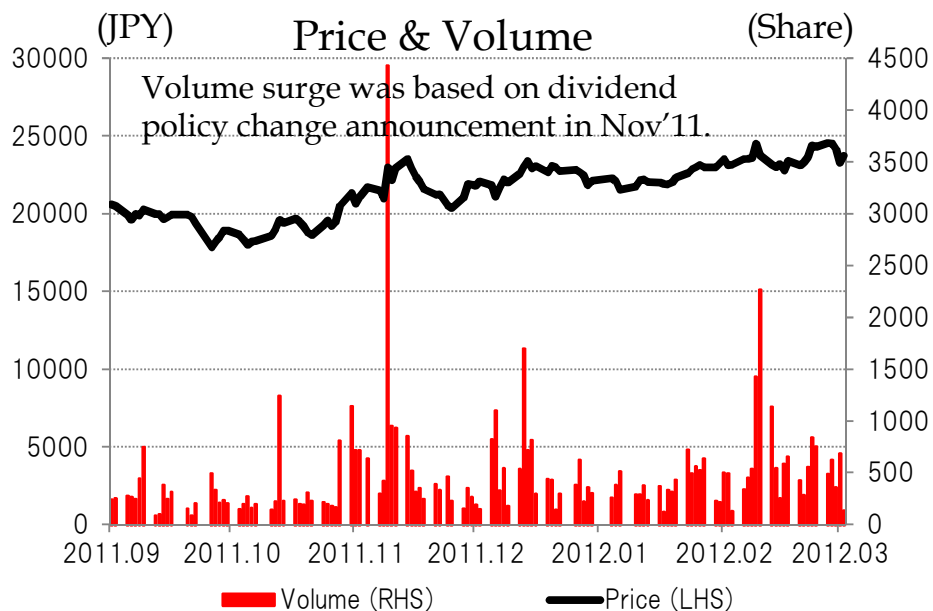
* Dilution potential through SO exercise is next to nothing. SOs of ex-MGMT was entirely forfeited, and the majority of remaining options are out-of-the-money.

* Whereas, according to 2011 shareholders registry, the name of the 2nd primary shareholder, Tim Williams, was invisible and a custodian was the nominal shareholder, he's most likely to be the beneficial shareowner.

* Free Float is estimated approx 15%.

Recent Stock Performance

Dividend yield ranges from 3.0% to 3.5% .



Corporate Information



Corporate Name	: ValueCommerce Co., Ltd.
Ticker Code	: 2491 (TSE Mothers)
Established	: Nov, 1999 (founded in 1996)
HQ Location	: Akasaka 8-1-19, Minato-ku, Tokyo, Japan, Zip 1070052
Representative	: President & CEO Yoichi Iizuka
Businesses	: Affiliate Marketing Service Search Engine Marketing
Equity Company	: JP21 Inc. (Media Operation)
Mission	: To provide high quality services and results
Vision	: To be the global leader in Internet sales and marketing services

Corporate Website

<http://www.valuecommerce.com/>

Inquiry to: Phone: 81 3 4590 3600 (4#)

Fax: 81 3 4590 3888

E-mail: investor_relations@valuecommerce.co.jp