



August 19, 2011

This notice is a summary translation of the original Japanese timely disclosure release dated August 3, 2011 and is for reference purposes only. In case of any discrepancy, the original Japanese version shall prevail.

MACROMILL, INC.
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Notice of Issuance of Euro Yen Zero Coupon Convertible Bonds due 2014

MACROMILL, INC (the "Company") is pleased to announce the issuance of Zero Coupon Convertible Bonds due 2014 (bonds with stock acquisition right, *tenkanshasaigata shinkabu yoyakuken-tsuki shasai*) (the "Bonds") resolved at the meeting of the Board of Directors held on August 3, 2011.

Use of Proceeds

The net proceeds from the issue of the Bonds are estimated to be approximately ¥4,940 million after deducting expenses and will be used primarily as follows:

- (i) approximately ¥2,500 million as funding for the repurchase of its own shares (the "Shares") by the Company; and
- (ii) approximately ¥2,440 million towards research and development and investments aimed at development of new business domains and innovations for the Company, and investment and merger and acquisition costs aimed at the acceleration of expansion of the Company's business overseas, in particular in relation to the following:
 - Mergers and acquisitions and alliances in China, Korea and the Asian region;
 - Business promotion activities, including the possible establishment of a global controlling company in respect of the Company's businesses in the Asian region;
 - Development in relation to new-generation, multi-lingual "global" AIRs and the deployment of such system overseas, as well as expanding its availability to various types of devices;
 - Research and development relating to new applications and platforms, including in relation to smartphones; and
 - Promotion of business investments and mergers and acquisitions activities (both domestic and overseas) with a view to entering new areas of business involving both information technology and marketing.

As the repurchase of Shares as described in (i) above is subject to market conditions, there is a possibility that the amount of proceeds of the issue of the Bonds used in repurchase of Shares does not reach the amount mentioned in (i) above. In such cases, the balance of such proceeds may be used towards the measures mentioned in (ii) above.

Disclaimer: This press release is intended as general information regarding the Company's issuance of the Bonds. This announcement does not constitute an offer of, or the solicitation of an offer to buy or subscribe for, the Bonds or the Shares issuable upon exercise of, or upon acquisition by the Company of, the Stock Acquisition Rights in any jurisdiction in which such offer or solicitation is unlawful. In particular, the Bonds and the Shares issuable upon exercise of, or upon acquisition by the Company of, the Stock Acquisition Rights have not been, and will not be, registered under the U.S. Securities Act of 1933, as amended (the "Securities Act") and, subject to certain exceptions, may not be offered or sold within the United States or to, or for the account of, U.S. persons (as defined in Regulation S of the Securities Act ("Regulation S")).

Overview of the Bonds

Securities Offered	¥5,000,000,000 Zero Coupon Convertible Bonds due 2014 (bonds with stock acquisition rights, <i>tenkanshasaigata shinkabu yoyakuken-tsuki shasai</i>).
Issue Price.....	100.0 per cent.
Offer Price.....	102.5 per cent.
Closing Date.....	19 August 2011.
Listing.....	Approval in-principle has been received for the listing on the Singapore Exchange Securities Trading Limited.
Lead Manager and Bookrunner.....	Deutsche Bank AG, London Branch (the “Manager”).
Lock-up.....	<i>Lock-up of the Company</i>

In connection with the issue and offering of the Bonds, the Company has agreed not to, and not to direct any entities or any persons acting at the direction of the Company to, for a period beginning on the date of the Subscription Agreement and ending on the date without the prior written consent of the Manager:

- (a) issue, offer, pledge, lend, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, make any short sale or otherwise transfer or dispose of, any Shares or any other capital stock of the Company or any securities convertible into or exercisable or exchangeable for, or that represent the right to receive, Shares or any other capital stock of the Company; or
- (b) enter into any derivative transaction or any other transaction that transfers, in whole or in part, directly or indirectly, ownership (or any economic consequences thereof) of Shares or any other capital stock of the Company, whether settled in cash or otherwise, other than:
 - (i) the issue and offering by the Company of the Bonds or the issue or transfer of Shares upon exercise of the Stock Acquisition Rights;
 - (ii) the issue or transfer by the Company of Shares upon the exercise of any warrants to subscribe for shares, share subscription rights or stock acquisition rights (including any bonds with stock acquisition rights) outstanding; and
 - (iii) the grant of stock options, stock acquisition rights or warrants to directors and employees of the Company, or directors and employees of any of its subsidiaries and associated company pursuant to its or their stock option plans.

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Lock-up of Certain Shareholders

In connection with the issue and offering of the Bonds, each of Tetsuya Sugimoto and Vanillasky Corporation (each, a "Lock-up Shareholder") have agreed pursuant to separate lock-up letters dated the date of the Subscription Agreement that neither they, nor any person controlled by, or acting on behalf of, such company or individual will:

- (a) issue, offer, pledge, lend, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, make any short sale or otherwise transfer or dispose of, any Shares or any other capital stock of the Company or any securities convertible into or exercisable or exchangeable for, or that represent the right to receive, Shares or any other capital stock of the Company; or
- (b) enter into any derivative transaction or any other transaction that transfers, in whole or in part, directly or indirectly, ownership (or any economic consequences hereof) of Shares or any other capital stock of the Company, (except in each case for such actions as the Company may take in accordance with the terms of the Subscription Agreement and, except in each case for any lending of Shares or arrangements related thereto pursuant to any stocklending agreements entered in between a Lock-up Shareholder and the Manager or any of its subsidiaries and affiliates), for a period beginning on the date of such lock-up letters (which are dated the date of the Subscription Agreement) and ending on the date 180 calendar days after 19 August 2011 (or, if later, the date of payment for the Bonds), whether settled in cash or otherwise, in each case without the prior written consent of the Manager.

**Early Redemption – Redemption
at the Option of the Company**

upon Increased Share Prices.....

The Company may, at any time on or after 20 August 2012 and on or prior to 5 August 2014, having given not less than 45 nor more than 60 days' prior notice, redeem all, but not some only, of the Bonds then outstanding at 100 per cent. of their principal amount on the date fixed for such redemption, provided, however, that no such redemption may be made unless the VWAP of the Shares for each of the 20 consecutive trading days, the last of which occurs not more than 30 days prior to the date upon which the notice of such redemption is first given by the Company, is at least 120 per cent. of the Conversion Price in effect on each such Trading Day.

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