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Summary of Consolidated Financial Statements for the First Nine Months of the Year Ending June 30, 2012 [Japan GAAP]

May 10, 2012

Listed Company:	MACROMILL, INC.
Stock Exchange:	Tokyo Stock Exchange
Code Number:	3730
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Scheduled date of the filing of quarterly report:	May 14, 2012
Scheduled date of the start of dividend payments:	-
Supplemental materials for quarterly financial results:	Yes
Presentation of quarterly financial results:	No

(Figures are rounded down to the nearest million yen.)

1. Consolidated Financial Results for the First Nine Months of the Year Ending June 30, 2012 (July 1, 2011 to March 31, 2012)

(1) Consolidated Business Performance

(Percentages calculated on year-on-year basis.)

	Net sales		Operating income		Ordinary income		Net income	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
First nine months of year ending June 2012	10,719	16.1	2,692	28.4	2,557	18.7	1,365	28.0
First nine months of year ended June 2011	9,236	63.8	2,096	29.1	2,155	32.9	1,066	4.0

(Note) Comprehensive income	First nine months of year ending June 2012	1,296 million yen	24.8%
	First nine months of year ended June 2011	1,038 million yen	-%

	Net income per share	Diluted net income per share
	Yen	Yen
First nine months of year ending June 2012	46.76	39.53
First nine months of year ended June 2011	35.09	34.78

(Note) The Company carried out a 200-for-1 stock split for its common shares, effective on January 1, 2011. The figures for the first nine months ended March 31, 2011 are calculated under assumption that the stock split was carried out at the beginning of the term.

(2) Consolidated Financial Position

	Total assets	Net assets	Shareholders' equity ratio
	Million yen	Million yen	%
First nine months of year ending June 2012	19,406	10,269	51.4
Year ended June 30, 2011	13,931	11,161	78.2

(Reference) Shareholders' equity	First nine months of year ending June 2012	9,968 million yen
	Year ended June 2011	10,893 million yen

2. Dividends

Record date	Dividend per share				
	End of 1st quarter	End of 2nd quarter	End of 3rd quarter	Year end	Annual
	Yen	Yen	Yen	Yen	Yen
Year ended June 30, 2011	-	10.00	-	9.00	19.00
Year ending June 30, 2012	-	10.00	-		
Year ending June 30, 2012 (forecast)				13.00	23.00

(Note) Revisions to the dividend forecast published most recently: No

(Note) The Company carried out a 200-for-1 stock split for its common shares, effective on January 1, 2011. The figures above are calculated based on the number of shares after the stock split.

3. Forecast of Consolidated Financial Results for the Year Ending June 30, 2012 (July 1, 2011 to June 30, 2012)

(Percentages calculated on year-on-year basis.)

	Net sales		Operating income		Ordinary income		Net income		Net income per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Full year	14,200	16.3	2,900	11.4	2,900	15.0	1,500	28.1	49.30

(Note) Revisions to the forecast of consolidated financial results published most recently: No

4. Others

- (1) Changes in significant subsidiaries during the period (changes in specific subsidiaries accompanied by a change in the scope of consolidation): Yes
New: 1 (EMBRAIN CO., LTD.)
Exception: –
(Note) For details, please refer to page 4 of the accompanying materials “Changes in significant subsidiaries during the period.”

(2) Application of accounting methods unique to the preparation of quarterly consolidated financial statements: No

(3) Changes in accounting policies and changes or restatement of accounting assumptions

- (i) Changes in accounting policies associated with the revision of accounting standards, etc.: Yes
(ii) Changes in accounting policies other than (i): No
(iii) Changes in accounting assumptions: No
(iv) Restatement: No

(Note) This refers to any changes in accounting principles, procedures, or representation method of the accounting methods for the preparation of quarterly consolidated financial statements included in “Changes in Important Items, Etc. That Are Used as Basic Materials for Preparation of Consolidated Financial Statements.”

(4) Number of shares outstanding (common stock)

- | | | | | |
|--|--|-------------------|--|-------------------|
| (i) Number of shares issued (including treasury stock) at the end of the term: | March 31, 2012 | 30,821,200 shares | June 30, 2011 | 32,315,600 shares |
| (ii) Number of shares of treasury stock at the end of the term: | March 31, 2012 | 2,236,000 shares | June 30, 2011 | 1,774,200 shares |
| (iii) Average number of shares during the period | First nine months ended March 31, 2012 | 29,191,573 shares | First nine months ended March 31, 2011 | 30,382,200 shares |

(Note) The Company carried out a 200-for-1 stock split for its common shares, effective on January 1, 2011. The number of shares for the first nine months ended March 31, 2011 above is calculated based on the number of shares after the stock split.

* Disclosure on Quarterly Review Procedures

This summary of consolidated financial statements is not subject to quarterly review procedures based on the Financial Instruments and Exchange Act. The quarterly review procedures for the financial statements are in progress at the time of disclosure of this report.

* Note regarding proper use of results forecasts and other special comments

(Note regarding forward-looking statements)

The forward-looking statements, such as results forecasts, included in this document are based on information available to management as of the date of the document and certain assumptions that management considers reasonable. Actual results may differ significantly due to a range of factors.

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1. Qualitative Information on First Nine Months Results

(1) Qualitative information on consolidated business performance

In the first nine months of the consolidated fiscal year ending June 30, 2012 (from July 1, 2011 to March 31, 2012; hereafter “the first nine months under review”), the Japanese economy saw movement to recovery due to reconstruction demand for the Great East Japan Earthquake but, with the reigniting of fears of a European debt crisis, a slowdown in the Chinese economy, the prolonged strength of the yen and weaker share prices, the outlook for the future remains unclear.

In this environment, Macromill, Inc. (the “Company”) and its consolidated subsidiaries (together, the “Group”) which must speedily respond to more sophisticated and diverse client needs, enhanced its domestic online research business, and proactively implemented the development of overseas business and the creation of new businesses by combining M&A and business collaborations.

The domestic online research business, which makes up the majority of sales, partly because of the impact of last year’s earthquake, saw an increase in sales to just about all industries including advertising agencies, consumer goods manufacturers, the information and telecommunications industry and services and, in particular, sales growth during the January-March quarter was remarkable. Further, in the domestic database business under Other Services segment, sales of the consumer purchase database service QPR increased 92.4% over the same period last year making favorable progress including turning a profit on a monthly basis. As a result of the above, the first nine months under review posted all-time record sales and, with regard to profit, through the effect of increased sales and the integration with Yahoo Japan Value Insight Corporation, all-time record operating income, ordinary income and quarterly net income were achieved.

Specific domestic and overseas measures were as follows:

First, the domestic online research business, which is the Company’s main business, was enhanced by the establishment of a joint venture company with Dentsu Marketing Insight, Inc. called Dentsu Macromill, Inc. in April 2012. As a result of this, the aim is to provide a more efficient and accurate service by consolidating the Dentsu Group’s marketing research, including online research.

Further, given the rapid diffusion of smartphones, in March, the major online research system in the online research business, Automatic Internet Research system (hereafter AIRs) completed its smartphone compatibility and monitors can now easily answer surveys from smartphones. The Company aims to improve the acquisition of young monitors, who have a strong affinity for smartphones, and to improve the survey recovery rate since it is no longer necessary to choose a place to answer from.

Regarding overseas business development, EMBRAIN CO., LTD. (hereafter EMBRAIN), a leading South Korean online research provider, became a consolidated subsidiary. By generating synergy between EMBRAIN’s knowledge of and brand power in the South Korean market and the Company’s carefully cultivated domestic online research knowhow, the Company will establish a business foundation for the South Korean market where market growth is greatly expected in future.

In China, in March, the Company invested 556 million yen (6.9% ownership stake) in Shanghai United Cities Industry Co., Ltd. (hereafter Shanghai UC), which has seen rapid growth based on its marketing solutions business, through Shanghai UC’s holding company, Pride Oceans Investments, Ltd. By making effective use of Shanghai UC’s database of members, the Company aims to improve the value of the Group in China by not only offering research but also providing promotional and sales promotion support and other marketing support services.

In the first nine months, the Group recorded net sales of 10,719 million yen (an increase of 16.1% year on year), operating income of 2,692 million yen (a rise of 28.4%), ordinary income of 2,557 million yen (up 18.7%), and net income of 1,365 million yen (up 28.0%).

Following are the net sales by service segment:

(i) Automatic Research Service

Automatic Research Service uses the Company’s proprietary Automatic Internet Research system (hereinafter AIRs) to conduct market research, which is the Company’s core business. During the first nine months under review, demand for research was positive from research companies, consulting firms, information and telecommunications companies and others. Sales increased 10.2% year on year to 5,727 million yen.

(ii) Tabulation Service

Tabulation Service is a service where, after data collection via AIRs, specialist employees produce specific tables and graphs matching the purpose of the relevant research. As transactions with general companies expand, needs for an integrated service from data collection to tabulation and analysis are increasing. An increase in projects requiring tabulation ancillary to fieldwork and an enhanced capability to systematically handle projects pushed sales up by 19.0% year on year to 658 million yen.

(iii) Analysis Service

Analysis Service covers designing survey forms and questionnaire as well as producing a range of reports after collecting research data. To provide analytical reports in accordance with the marketing issues and research objectives of customers, the Company has been working to strategically improve its capabilities to propose projects and analyze data by maximizing customer contact. Sales increased 18.8% year on year to 1,046 million yen as transactions with general business companies increased and the need for analysis with a high degree of difficulty led to a positive shift in orders.

(iv) Qualitative Research Service (Group Interview, etc.)

Qualitative Research Service carries out group or one-on-one interviews for in-depth insights into the psychology of respondents. Demand for qualitative research is steadily rising as consumer-goods companies in particular seek to better identify the diversified interests and preferences of consumers. In the first nine months under review, there was a big increase in orders from the information and telecommunications industry and others. Sales increased by 24.0% year on year to 905 million yen.

(v) Customized Research Service

Customized Research Service prepares tailor-made survey sheets and collects research data for more individualized research projects beyond the scope manageable by AIRs. Although enhancements of AIRs functionality resulted in more research projects being carried out by AIRs, sales increased by 12.2% year on year to 1,057 million yen due to an increase in the number of proposals using conjoint analysis and analysis using Maximum difference scaling (MaxDiff) that required the creation of special research screens.

(vi) Global Research Service

This service includes research into overseas markets for domestic companies as well as marketing research for overseas companies. During the first nine months under review, orders from electric machinery makers, advertising agencies, research companies, consulting firms, etc. were positive. As a result, sales increased 15.5% year on year to 400 million yen

(vii) Mobile Research Service

Mobile Research Service collects data using mobile phones. Even though mobile phones are used in the research scene to collect photo images from camera-equipped mobile phones and to understand consumer psychology immediately after a purchase, sales declined 15.9% year on year to 57 million yen as, due to the increased diffusion of smartphones, there was a decline in demand for specialized, feature phone research.

(viii) Other Services

Other Services consist of sales of consolidated subsidiaries, QPR, a consumer purchase database service, AIRsMEMBERS (SaaS-type customer management services), a service that combines the functionality of AIRs with customer management systems, and Brand Data Bank (bdb), a database subscription service that provides consumer profiles based on surveys of 30,000 panel members with questions such as possessions, interests, and brand preferences. With regard to QPR, since July 2011, the number of monitors has increased to 30,000 and the ability to analyze more of our customers' products made a big contribution to sales growth. In addition, data sales by M-Cube and Associates, Inc., a consolidated subsidiary that constructs QPR panels and collects data, were positive. Other Services sales increased 67.8% year on year to 866 million yen.

(2) Qualitative information on consolidated financial position

At the end of the third quarter under review, total assets were valued at 19,406 million yen, a rise of 5,474 million yen from the end of the previous fiscal year. This was mainly due to an increase in notes and accounts receivable—trade of 1,377 million yen, an increase in investment securities of 1,310 million yen, an increase in cash and deposits of 909 million yen and an increase in goodwill of 577 million yen.

Liabilities stand at 9,136 million yen, increasing 6,366 million yen from the end of the previous fiscal year. This principally reflects the issuing of a bond with subscription rights to shares of 5,000 million yen and an increase in accounts payable—other of 738 million yen.

Net assets were 10,269 million yen, a decrease of 891 million yen. This is mainly due to a decrease of 1,847 million yen in the purchase of treasury stock.

(3) Qualitative information on consolidated results forecast

There has been no change to the consolidated results forecasts for the year ending June 30, 2012 announced on August 3, 2011.

2. Matters Relating to Summary Information (Other)

(1) Changes in significant subsidiaries during the period

As a result of the Company's purchase of shares in EMBRAIN CO., LTD. as of February 28, 2012, the company has been consolidated beginning with the third quarter under review. In addition, from the third quarter under review, a new company, M-PROMO, INC. has been included in consolidated accounts.

(2) Application of accounting methods unique to the preparation of quarterly consolidated financial statements

None applicable

(3) Changes in accounting policies and changes or restatement of accounting assumptions

None applicable

3. Significant Events regarding the Premise of a Going Concern

None applicable

4. Quarterly Consolidated Financial Statements

(1) Quarterly consolidated balance sheets

(Unit: thousand yen)

	As of June 30, 2011 Amount	As of March 31, 2012 Amount
Assets		
Current assets		
Cash and deposits	6,743,362	7,653,333
Notes and accounts receivable–trade	2,359,373	3,737,304
Short-term investment securities	200,081	–
Work in process	10,496	11,465
Preproduction	4,793	3,174
Supplies	2,019	3,920
Deferred tax assets	518,001	536,197
Other	162,972	872,641
Allowance for doubtful accounts	(942)	(74,009)
Total current assets	10,000,157	12,744,028
Noncurrent assets		
Property, plant and equipment	522,047	497,440
Intangible assets		
Software	259,352	520,073
Goodwill	482,770	1,060,593
Other	433,634	454,131
Total intangible assets	1,175,757	2,034,798
Investments and other assets		
Investment securities	1,195,877	2,506,621
Other	1,038,235	1,624,535
Allowance for doubtful accounts	(871)	(1,250)
Total investments and other assets	2,233,240	4,129,906
Total noncurrent assets	3,931,046	6,662,146
Total assets	13,931,204	19,406,174

(Unit: thousand yen)

	As of June 30, 2011 Amount	As of March 31, 2012 Amount
Liabilities		
Current liabilities		
Short-term loans payable	–	262,450
Current portion of long-term loans payable	–	3,624
Accounts payable–other	747,254	1,486,016
Income taxes payable	658,166	729,753
Allowance for panelists–points	848,436	1,059,397
Reserve for bonuses	45,026	25,171
Other	369,321	345,115
Total current liabilities	2,668,205	3,911,529
Long-term liabilities		
Bonds with subscription rights to shares	–	5,000,000
Long-term loans payable	–	6,846
Provision for retirement benefits	–	88,586
Provision for directors' retirement benefits	–	19,237
Asset retirement obligations	99,454	109,715
Other	2,018	410
Total long-term liabilities	101,472	5,224,795
Total liabilities	2,769,678	9,136,325
Net assets		
Shareholders' equity		
Capital stock	1,597,858	1,629,258
Capital surplus	4,865,040	4,870,184
Retained earnings	5,583,316	5,266,500
Treasury stock	(1,106,674)	(1,742,517)
Total shareholders' equity	10,939,539	10,023,426
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	(43,785)	(52,570)
Foreign currency translation adjustment	(2,197)	(2,782)
Total of accumulated other comprehensive income	(45,982)	(55,353)
Subscription rights to shares	40,127	36,697
Minority interests	227,841	265,078
Total net assets	11,161,526	10,269,849
Total liabilities and net assets	13,931,204	19,406,174

(2) Quarterly consolidated statements of income and consolidated statements of comprehensive income
 (Quarterly consolidated statements of income)
 (First nine months of consolidated fiscal year)

(Unit: thousand yen)

	First nine months ended March 31, 2011 Amount	First nine months ended March 31, 2012 Amount
Net sales	9,236,975	10,719,743
Cost of sales	4,656,047	5,127,075
Gross profit	4,580,928	5,592,667
Selling, general and administrative expenses	2,484,431	2,900,476
Operating income	2,096,496	2,692,191
Non-operating income		
Interest income	42,938	32,310
Dividends income	1,185	–
Foreign exchange gains	248	–
Other	28,224	32,700
Total non-operating income	72,595	65,011
Non-operating expenses		
Loss on transfer of accounts receivable	3,061	3,008
Equity in losses of affiliates	–	171,089
Stock issuance cost	640	1,031
Bond issuance cost	–	6,358
Deferred organization expenses	2,913	–
Commission for purchase of treasury stock	6,022	15,110
Foreign exchange losses	–	547
Other	1,189	2,076
Total non-operating expenses	13,828	199,221
Ordinary income	2,155,264	2,557,981
Extraordinary income		
Gain on sales of investment securities	–	45,206
Gain on reversal of subscription rights to shares	–	993
Total extraordinary income	–	46,199
Extraordinary loss		
Loss on retirement of noncurrent assets	147,970	7,869
Loss on adjustment for changes of accounting standard for asset retirement obligations	24,323	–
Integration-related expenses	84,487	–
Total extraordinary losses	256,780	7,869
Income before income taxes and minority interests	1,898,483	2,596,311
Income taxes–current	742,389	1,284,304
Income taxes–deferred	100,625	6,247
Total income taxes	843,015	1,290,552
Income before minority interests	1,055,467	1,305,758
Minority interests in income (loss)	(10,740)	(59,353)
Net income	1,066,208	1,365,112

(Quarterly consolidated statements of comprehensive income)
(First nine months of consolidated fiscal year)

(Unit: thousand yen)

	First nine months ended March 31, 2011 Amount	First nine months ended March 31, 2012 Amount
Income before minority interests	1,055,467	1,305,758
Other comprehensive income		
Valuation difference on available-for-sale securities	(16,726)	(8,785)
Foreign currency translation adjustment	–	(650)
Total other comprehensive income	(16,726)	(9,435)
Comprehensive income	1,038,741	1,296,323
(Comprehensive income attributable to)		
Comprehensive income attributable to owners of the parent	1,049,482	1,355,742
Comprehensive income attributable to minority interests	(10,740)	(59,418)

(3) Notes regarding the premise of a going concern

None applicable

(4) Segment information

Overview of reportable segments

The major business of the Group is online research using AIRs. As its economic characteristics and markets where the services are sold are almost identical, the segments reported by the Company are limited solely to the online research business segment. As a result, a statement on reportable segments is omitted.

(5) Significant changes in shareholders' equity

None applicable

(6) Significant subsequent events

None applicable