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Summary of Consolidated Financial Statements for the First Half of the Year Ending June 30, 2013 [Japan GAAP]

February 14, 2013

Listed Company: MACROMILL, INC.
 Stock Exchange: Tokyo Stock Exchange
 Code Number: 3730
 URL: <http://www.macromill.com/>
 Representative: Tetsuya Sugimoto, Chairman and President
 Contact: Naoya Sugiyama, Director
 Tel.: +81-3-6716-0700
 Scheduled date of the filing of quarterly report: February 14, 2013
 Scheduled date of the start of dividend payments: March 18, 2013
 Supplemental materials for quarterly financial results: Yes
 Presentation of quarterly financial results: Yes (for securities analysts and institutional investors)

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

1. Consolidated Financial Results for the First Half of the Year Ending June 30, 2013 (July 1, 2012 to December 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 half of year ending June 2013	8,362	22.9	1,849	19.6	1,932	22.5	1,262	57.9
First half of year ended June 2012	6,802	8.3	1,547	8.5	1,577	8.4	799	15.8

(Note) Comprehensive income
 First half of year ending June 2013 1,469 million yen 97.2%
 First half of year ended June 2012 745 million yen 6.9%

	Net income per share	Diluted net income per share
	Yen	Yen
First half of year ending June 2013	45.30	37.96
First half of year ended June 2012	27.22	23.07

(2) Consolidated Financial Position

	Total assets	Net assets	Shareholders' equity ratio
	Million yen	Million yen	%
First half of year ending June 2013	19,452	10,865	54.0
Year ended June 30, 2012	18,770	9,899	51.4

(Reference) Shareholders' equity
 First half of year ending June 2013 10,513 million yen
 Year ended June 2012 9,640 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, 2012	–	10.00	–	13.00	23.00
Year ending June 30, 2013	–	12.00			
Year ending June 30, 2013 (forecast)			–	13.00	25.00

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

3. Forecast of Consolidated Financial Results for the Year Ending June 30, 2013 (July 1, 2012 to June 30, 2013)

(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	16,800	18.1	3,900	26.5	3,900	31.1	2,100	37.6	74.91

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

* Notes

(1) Significant changes in subsidiaries during the period (changes in specific subsidiaries accompanied by a change in the scope of consolidation): No

(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) For details, please refer to 2. Matters Relating to Summary Information (Notes), (3) Changes in accounting policies and changes or restatement of accounting assumptions on page 4 of the accompanying materials.

(4) Number of shares outstanding (common stock)

(i) Number of shares issued (including treasury stock) at the end of the term:

First half ended December 31, 2012	30,882,400 shares	June 30, 2012	30,868,400 shares
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(ii) Number of shares of treasury stock at the end of the term:

First half ended December 31, 2012	3,016,600 shares	June 30, 2012	2,835,700 shares
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(iii) Average number of shares during the period

First half ended December 31, 2012	27,866,251 shares	First half ended December 31, 2011	29,380,185 shares
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* 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

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 Half Results

(1) Qualitative information on consolidated business performance

In the first half of the consolidated fiscal year ending June 30, 2013 (from July 1, 2012 to December 31, 2012; hereafter “the first half under review”), the world economy continued to decelerate with slower growth in China and other emerging countries and the European sovereign debt problems. However, favorable signs are beginning to emerge, as can be seen in, among other things, the underlying strength of the U.S. economy and recovery expectations associated with the return to power of the Liberal Democratic Party in Japan.

In this environment, MACROMILL, INC. (the “Company”) and its consolidated subsidiaries (together, the “Group”) continued to strengthen the domestic online research business, the Group’s mainstay business, while expanding its business areas and domains to seek new revenue sources. The Group focuses on collecting and analyzing information for strategic business development overseas and new business creation and strives to seek the early attainment of these goals on a continual basis by deploying combinations of business alliances and M&A.

In the domestic online research business, which accounts for most of the Company’s net sales, cooperation across the business areas of marketing research and database was strengthened, and organizational alignment was achieved by designating customers as the starting point, to provide integrated solutions to meet their needs

Overseas, we began to see benefits from the ongoing efforts to develop our sales force and marketing strategies for MACROMILL EMBRAIN CO., LTD. (“EMBRAIN”) in South Korea, as well as from cost structure reform.

In new business domains, the Company is aggressively developing and investing in a marketing promotion service, which will offer a choice of price ranges, starting from conventional price ranges in a long tail market, and which will be readily accessible to anybody via smartphones. The service will be launched this spring.

To accelerate business development across diverse areas in the future, the Company has redefined its management philosophy, which is “to become the leading innovation company in our society by providing quality marketing services on the cutting edge.”

The Company will continue to bring innovation at a dominant speed to achieve further business development and value creation.

In the first half, the Group recorded net sales of 8,362 million yen (an increase of 22.9% year on year), operating income of 1,849 million yen (an increase of 19.6%), ordinary income of 1,932 million yen (up 22.5%), and net income of 1,262 million yen (up 57.9%).

Following are the net sales by service categories. Because disclosure classifications have been changed since the first quarter of this fiscal year, the year on year changes of each service segment were calculated by adjusting the results for the previous fiscal year based on the revised service segments.

(i) Automatic Research Service

The Automatic Research Service is the market research service using the Automatic Internet Research system (hereinafter “AIRs”) uniquely developed by the Company. This is the core service of the MACROMILL Group. During the first half under review, demand for research from almost all general business companies remained strong. As a result, total net sales in this service segment came to 3,887 million yen (up 6.0% year on year).

(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. With the growing need for an integrated service covering everything from fieldwork to data collection, tabulation and analysis, and given the increase in the number of projects requiring tabulation ancillary to fieldwork as well as greater operational efficiencies attributable to reinforced collaboration resulting from organization alignment, total net sales in this service segment rose 9.1% year on year, to 464 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 respond to the rising need for analysis services associated with increasingly diversified and sophisticated marketing issues that customers confront, the Company has been taking steps to bolster the productivity and skills of specialist employees and maintain flexible resource management. As a result, with robust orders from customers in a wide range of industries, total net sales in this service segment climbed 18.5% year on year, to 751 million yen.

(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. The Company acted to further improve productivity by developing comprehensive management structures, and orders from information and telecommunication companies and food manufacturers remained strong. Reflecting these developments, total net sales in this service segment rose 21.4% year on year, to 695 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 there is demand for research that requires special methods and unique design, the scope of research that can be handled by automatic research services has expanded as a result of enhancements to the functionality of AIRs, and research needs have diversified. As a result, total net sales in this service segment fell 3.7% year on year, to 667 million yen.

(vi) Global Research Service

This service includes research into overseas markets for domestic companies as well as marketing research for overseas companies. Orders remained robust, particularly from food manufacturers and other companies, and demand from new customers for overseas research increased. As a result, total net sales in this service segment increased 38.3% year on year, to 315 million yen.

(vii) QPR Service

QPR Service carries out research services that offer the data of consumers' daily purchasing trends that are collected through the special portable bar code scanner. This service comprises QPR-TRACE, a system that prepares a report in regular format about purchasing trends based on purchasing data collected on a daily basis, QPRMill, a net research service using QPR monitors, QPR-ANALYZE, a system that offers on-the-spot analysis of purchasing data and is able to respond to even sophisticated tabulation in accordance with individual issues, and QPR-SCAPE, a system that offers a profile of purchasers by lifestyle and values. Value offered through this service increased with the enhancement of data quality and the promotion of systems development. As a result, total net sales in this service segment rose 41.1% year on year, to 495 million yen.

(viii) Overseas business domain

Overseas business domain comprises sales of consolidated subsidiaries in China and South Korea. The construction of stable frameworks for this business is proceeding steadily, as is evident in the progress in developing customers and expanding research services in China and in the improvement in the sales force and cost structure of EMBRAIN in South Korea. As a result, total net sales in this service segment surged 5706.1% year on year, to 896 million yen.

(ix) Other Services

Other Services chiefly consist of AIRsMEMBERS (SaaS-type CRM businesses), a service that combines the functionality of AIRs with customer management (CRM) systems, Brand Data Bank (bdb), a database subscription service that provides consumer profiles based on surveys of 30,000 panel members into possessions, interests, and brand preferences, Mobile Research Service, a service that collects data by using mobile phones, and sales of domestic consolidated subsidiaries. Partly because the Company allocated sales resources to Automatic Research Service, Qualitative Research Service and other services on a priority basis, sales of Other Services fell 12.3% year on year, to 190 million yen.

(2) Qualitative information on consolidated financial status

At the end of the first half under review, total assets were valued at 19,452 million yen, a rise of 681 million yen from the end of the previous fiscal year. This was mainly due to an increase in notes and accounts receivable—trade of 679 million yen.

Liabilities stood at 8,587 million yen, decreasing 283 million yen from the end of the previous fiscal year. This principally reflects increases in accounts payable—other of 200 million yen and in allowance for panelists – points of 130 million yen, which was offset mainly by a decrease in income taxes payable of 557 million yen, as a result of payments of income taxes.

Net assets were 10,865 million yen, an increase of 965 million yen. This is mainly due to a rise in retained earnings of 897 million yen, offsetting a decrease of 158 million yen from the purchase of treasury stock.

Cash flows

Cash and cash equivalents (hereinafter “cash”) at the end of the first half under review totaled 6,956 million yen.

Cash flows for the first half under review and primary factors behind the reported results are as follows:

(Cash flows from operating activities)

Cash provided by operating activities during the first half under review was 604 million yen (up 58.3% year on year).

Major uses of cash included 1,016 million in income taxes paid and an increase of 613 million yen in notes and accounts receivable—trade, which were offset by major sources of cash including income before income taxes and minority interests of 1,849 million yen and depreciation and amortization of 184 million yen.

(Cash flows from investing activities)

Cash used in investing activities during the first half under review was 762 million yen (up 87.1% year on year).

The major uses of cash were 494 million yen for payments for sales of investments in subsidiaries resulting in a change in the scope of consolidation and payments for purchase of software of 226 million yen.

(Cash flows from financing activities)

Cash used in financing activities during the first half under review was 525 million yen (compared to cash provided by financing activities of 3,286 million yen during the same period last year).

The major uses of cash were 363 million yen in cash dividends paid and payment for the purchase of treasury stock of 161 million yen.

(3) Qualitative information on consolidated results forecast

There has been no change to the consolidated results forecasts for the year ending June 30, 2013 announced on August 8, 2012.

2. Matters Relating to Summary Information (Notes)

(1) Significant changes in subsidiaries during the period

None applicable

(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

(Changes to the depreciation method)

In accordance with the revision of the Corporation Tax Act of Japan, from the first half of this consolidated fiscal year, the Company and its domestic consolidated subsidiaries have changed the depreciation method for the property, plant and equipment acquired on or after July 1, 2012 to the method under the revised act.

The impact of this change on income and loss for the first half under review is immaterial.

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, 2012 Amount	As of December 31, 2012 Amount
Assets		
Current assets		
Cash and deposits	8,420,393	7,856,022
Notes and accounts receivable–trade	2,978,743	3,658,710
Short-term investment securities	–	1,070,000
Work in process	16,011	25,073
Preproduction	793	5,852
Supplies	3,155	3,521
Deferred tax assets	573,521	527,181
Other	382,265	286,953
Allowance for doubtful accounts	(65,212)	(81,154)
Total current assets	12,309,672	13,352,162
Fixed assets		
Property, plant and equipment	504,643	540,715
Intangible assets		
Software	505,876	587,717
Goodwill	1,022,094	1,197,414
Other	513,222	551,212
Total intangible assets	2,041,192	2,336,345
Investments and other assets		
Investment securities	2,533,594	2,464,670
Other	1,382,910	759,603
Allowance for doubtful accounts	(1,250)	(1,250)
Total investments and other assets	3,915,254	3,223,022
Total noncurrent assets	6,461,090	6,100,083
Total assets	18,770,763	19,452,245

(Unit: thousand yen)

	As of June 30, 2012 Amount	As of December 31, 2012 Amount
Liabilities		
Current liabilities		
Short-term loans payable	207,776	243,483
Current portion of long-term loans payable	2,293	–
Accounts payable–other	803,018	1,003,292
Income taxes payable	1,039,015	481,176
Reserve for bonuses	141,031	62,192
Allowance for panelists–points	1,090,330	1,220,891
Other	351,420	302,416
Total current liabilities	3,634,885	3,313,452
Long-term liabilities		
Corporate bonds with stock acquisition rights	5,000,000	5,000,000
Long-term loans payable	6,497	–
Provision for retirement benefits	76,975	94,363
Provision for directors' retirement benefits	37,841	44,926
Asset retirement obligations	111,785	134,286
Other	2,813	–
Total long-term liabilities	5,235,912	5,273,575
Total liabilities	8,870,798	8,587,027
Net assets		
Shareholders' equity		
Capital stock	1,644,095	1,648,496
Capital surplus	4,885,021	4,889,421
Retained earnings	5,427,119	6,324,888
Treasury stock	(2,228,326)	(2,386,607)
Total shareholders' equity	9,727,909	10,476,198
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	(48,444)	(52,135)
Foreign currency translation adjustment	(38,494)	89,317
Total of accumulated other comprehensive income	(86,939)	37,181
Stock acquisition rights	31,980	36,736
Minority interests	227,014	315,102
Total net assets	9,899,965	10,865,218
Total liabilities and net assets	18,770,763	19,452,245

(2) Quarterly consolidated statements of income and consolidated statements of comprehensive income
 (Quarterly consolidated statements of income)
 (Consolidated first half of the fiscal year)

(Unit: thousand yen)

	First half ended December 31, 2011 Amount	First half ended December 31, 2012 Amount
Net sales	6,802,564	8,362,742
Cost of sales	3,318,235	4,368,651
Gross profit	3,484,329	3,994,091
Selling, general and administrative expenses	* 1,937,193	* 2,144,352
Operating income	1,547,135	1,849,739
Non-operating income		
Interest income	24,978	21,960
Dividends income	–	74,161
Foreign exchange gains	2,286	–
Other	28,964	15,342
Total non-operating income	56,229	111,463
Non-operating expenses		
Interest expenses	–	6,682
Loss on transfer of accounts receivable	2,051	761
Equity in losses of affiliates	5,110	4,077
Stock issuance cost	971	598
Foreign exchange losses	–	6,323
Bond issuance cost	6,358	–
Commission for purchase of treasury stock	10,275	2,074
Other	1,472	8,300
Total non-operating expenses	26,241	28,818
Ordinary income	1,577,124	1,932,384
Extraordinary income		
Gain on sales of investment securities	–	2,846
Gain on sales of subsidiaries and affiliates' stocks	–	2,545
Gain on reversal of subscription rights to shares	993	780
Total extraordinary income	993	6,173
Extraordinary loss		
Loss on retirement of fixed assets	7,525	12,097
Loss on sales of investment securities	–	665
Loss on valuation of investment securities	–	7,823
Loss on sales of subsidiaries and affiliates' stocks	–	68,715
Total extraordinary losses	7,525	89,302
Income before income taxes and minority interests	1,570,591	1,849,255
Income taxes—current	836,385	482,145
Income taxes—deferred	(21,409)	43,954
Total income taxes	814,975	526,099
Income before minority interests	755,616	1,323,155
Minority interests in income (loss)	(44,113)	60,717
Net income	799,729	1,262,437

(Quarterly consolidated statements of comprehensive income)
(Consolidated first half of the fiscal year)

(Unit: thousand yen)

	First half ended December 31, 2011 Amount	First half ended December 31, 2012 Amount
Income before minority interests	755,616	1,323,155
Other comprehensive income		
Valuation difference on available-for-sale securities	(7,003)	(3,691)
Foreign currency translation adjustment	(3,408)	149,727
Total other comprehensive income	(10,411)	146,036
Comprehensive income	745,204	1,469,192
(Comprehensive income attributable to)		
Comprehensive income attributable to owners of the parent company	789,659	1,386,558
Comprehensive income attributable to minority interests	(44,454)	82,634

(3) Quarterly consolidated statement of cash flow

(Unit: thousand yen)

	First half ended December 31, 2011 Amount	First half ended December 31, 2012 Amount
Net cash provided by (used in) operating activities		
Income before income taxes and minority interests	1,570,591	1,849,255
Depreciation and amortization	177,981	184,621
Amortization of goodwill	22,285	52,157
Increase (decrease) in allowance for doubtful accounts	(1,512)	3,963
Increase (decrease) in provision for retirement benefits	–	(6,532)
Increase (decrease) in provision for directors' retirement benefits	–	334
Increase (decrease) in allowance for panelists–points	78,231	70,873
Increase (decrease) in reserve for bonuses	39,973	(78,860)
Interest and dividend income	(24,978)	(96,121)
Interest expenses	–	6,682
Foreign exchange losses (gains)	(1,981)	–
Equity in (earnings) losses of affiliates	5,110	4,077
Loss (gain) on sales of investment securities	–	(2,181)
Loss (gain) on valuation of investment securities	–	7,823
Loss (gain) on sales of stocks of subsidiaries and affiliates	–	66,169
Loss on retirement of noncurrent assets	7,525	12,097
Gain on reversal of subscription rights to shares	(993)	(780)
Decrease (increase) in notes and accounts receivable–trade	(676,216)	(613,332)
Decrease (increase) in inventories	688	(13,255)
Increase (decrease) in accounts payable–other	19,542	66,656
Increase (decrease) in consumption taxes payable	(91,885)	(53,720)
Other, net	(140,767)	65,570
Subtotal	983,595	1,525,499
Interest and dividend income received	20,731	102,614
Interest expenses paid	–	(6,682)
Income taxes paid	(622,117)	(1,016,432)
Net cash provided by (used in) operating activities	382,209	604,999
Net cash provided by (used in) investing activities		
Payments into time deposits	–	(100,000)
Proceeds from withdrawal of time deposits	–	20,239
Proceeds from redemption of securities	100,000	–
Purchase of property, plant and equipment	(51,200)	(56,112)
Purchase of software	(165,753)	(226,004)
Purchase of investment securities	(345,828)	(105,455)
Proceeds from sales of investment securities	–	199,144
Payments for sales of investments in subsidiaries resulting in change in scope of consolidation	–	(494,776)
Proceeds from sales of stocks of subsidiaries and affiliates	–	8,000
Payments for lease and guarantee deposits	(884)	(114,029)
Proceeds from collection of lease and guarantee deposits	–	9,003
Payments of loans receivable	(436,000)	(10,413)
Collection of loans receivable	36,000	97,316
Proceeds from collection of other investments	519,100	–
Other, net	(63,171)	10,253
Net cash provided by (used in) investing activities	(407,738)	(762,834)

(Unit: thousand yen)

	First half ended December 31, 2011 Amount	First half ended December 31, 2012 Amount
Net cash provided by (used in) financing activities		
Increase in short-term loans payable	–	214,746
Decrease in short-term loans payable	–	(218,604)
Repayment of long-term loans payable	–	(9,248)
Proceeds from issuance of bonds with subscription rights to shares	4,993,641	–
Purchase of treasury stock	(1,554,128)	(161,938)
Proceeds from sale of treasury stock	65,534	–
Proceeds from disposal of treasury stock	–	1,332
Cash dividends paid	(274,967)	(363,413)
Proceeds from issuance of common stock	56,592	7,560
Proceeds from issuance of subscription rights to shares	–	3,775
Net cash provided by (used in) financing activities	3,286,672	(525,791)
Effect of exchange rate change on cash and cash equivalents	(1,376)	38,493
Net increase (decrease) in cash and cash equivalents	3,259,766	(645,133)
Cash and cash equivalents at beginning of period	6,243,362	7,601,156
Cash and cash equivalents at end of period	9,503,128	6,956,022

(4) Notes regarding the premise of a going concern

None applicable

(5) Significant changes in shareholders' equity

None applicable

(6) 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 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.