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Summary of Consolidated Financial Statements for the Nine Months Ended March 31, 2013 [Japan GAAP]

May 7, 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: May 15, 2013
 Scheduled date of the start of dividend payments: –
 Supplemental materials for quarterly financial results: Yes
 Presentation of quarterly financial results: No

(Amounts of less than one million yen are rounded off.)

1. Consolidated Financial Results for the Nine Months Ended March 31, 2013 (from July 1, 2012 to March 31, 2013)

(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	%
Nine months ended March 31, 2013	13,023	21.5	3,065	13.9	3,162	23.6	1,964	43.9
Nine months ended March 31, 2012	10,719	16.1	2,692	28.4	2,557	18.7	1,365	28.0

(Note) Comprehensive income
 Nine months ended March 31, 2013 2,270 million yen 75.2%
 Nine months ended March 31, 2012 1,296 million yen 24.8%

	Net income per share	Diluted net income per share
	Yen	Yen
Nine months ended March 31, 2013	70.48	58.94
Nine months ended March 31, 2012	46.76	39.53

(2) Consolidated Financial Position

	Total assets	Net assets	Shareholders' equity ratio
	Million yen	Million yen	%
As of March 31, 2013	19,843	11,360	55.5
As of June 30, 2012	18,770	9,899	51.4

(Reference) Shareholders' equity
 As of March 31, 2013 11,009 million yen
 As of June 30, 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 (from 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) Changes in significant 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:	As of March 31, 2013	30,929,600 shares	As of June 30, 2012	30,868,400 shares
(ii) Number of shares of treasury stock at the end of the term:	As of March 31, 2013	3,016,600 shares	As of June 30, 2012	2,835,700 shares
(iii) Average number of shares during the period	Nine months ended March 31, 2013	27,870,997 shares	Nine months ended March 31, 2012	29,191,573 shares

* 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 Nine Months Results

(1) Qualitative information on consolidated business performance

For the nine months ended March 31, 2013 (from July 1, 2012 to March 31, 2013; hereinafter “the period”), the Japanese economy was affected by destabilizing global factors, including the worsening relations between Japan and China, sluggish growth in emerging countries, and the European sovereign-debt problems. However, with the commencement of the Abe administration toward the end of last year, the Japanese economy began to show signs of hope for the future, as can be seen from the depreciation of the yen and the higher stock prices associated with the new administration’s economic policy.

In this environment, MACROMILL, INC. (the “Company”) and its consolidated subsidiaries (together, the “Group”) expanded its wide range of marketing services to respond to customers’ diversified needs. To achieve a new major source of revenue, the Group strengthened the foundations of its overseas business. The Group also analyzed market trends and worked on plans to launch new businesses.

In the domestic online research business, which accounts for most of the Company’s net sales, sales were robust in almost all business categories. As a result, from January to March in the period, the Group posted record-high quarterly sales (4,660 million yen). Demand for various kinds of research expanded, including automatic research, the optional services associated with fieldwork, qualitative research, and overseas research, indicating a significant increase in customers’ needs for comprehensive marketing research.

Overseas, results improved steadily, especially at MACROMILL EMBRAIN CO., LTD. (“EMBRAIN”) in South Korea. MACROMILL China, INC. also showed steady growth, assessing Chinese market trends and seeking new business opportunities.

In new business domains, in April 2013 the Group launched a smartphone application called miscolle to promote stores and restaurants. Meanwhile, the development of a DIY Research service the Group has been seriously considering is progressing, and the service is expected to be launched this fall.

To make a Company-wide effort to progress to a new stage, the Company redefined its management philosophy, and changed its corporate identity in April 2013. Its new tagline is “Innovation or Nothing,” implying that the Company will be providing innovative marketing services. As a pioneer in Internet research in Japan, the Company plans to consolidate its existing businesses in Japan, its core businesses, and at the same time aggressively expand its business areas and domains.

The Company will continue to rapidly create services to bring innovation to the world.

In the period, the Group recorded net sales of 13,023 million yen (an increase of 21.5% year on year), operating income of 3,065 million yen (a rise of 13.9%), ordinary income of 3,162 million yen (up 23.6%), and net income of 1,964 million yen (up 43.9%).

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 period, demand for research from almost all general business companies remained firm. As a result, total net sales in this service segment came to 6,230 million yen (up 8.7% 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 greater operational efficiencies attributable to reinforced collaboration among organizations, total net sales in this service segment rose 11.8% year on year, to 733 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 demand for analysis services associated with the increasingly complicated marketing issues customers face, the Company has enhanced the ability of its specialized employees to find solutions, and has been taking steps to maintain the best, most 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 16.8% year on year, to 1,221 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. Thanks to a review of the system and the effective use of accumulated expertise, orders from the service industry and food industry were strong. As a result, total net sales in this service segment increased 14.4% year on year, to 1,035 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 5.7% year on year, to 995 million yen.

(vi) Global Research Service

This service includes research into overseas markets for domestic companies as well as marketing research for overseas companies. The number of contact points for research into overseas markets rose, and demand from new customers for overseas research increased. As a result, total net sales in this service segment increased 27.0% year on year, to 508 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. This service gained new customers, and the value offered by the service increased rapidly due to the improved quality of the data and the promotion of systems development. As a result, total net sales in this service segment rose 30.1% year on year, to 745 million yen.

(viii) Overseas business domain

Overseas business domain comprises sales of consolidated subsidiaries in China and South Korea. The building of a framework for this business is proceeding steadily, as shown by quarterly earnings moving into the black in China and improvements in EMBRAIN's sales force, ability to make proposals, and cost structure in South Korea. As a result, total net sales in this service segment surged 2,438.7% year on year, to 1,287 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 11.7% year on year, to 264 million yen.

(2) Qualitative information on consolidated financial status

At the end of this period, total assets were valued at 19,843 million yen, a rise of 1,072 million yen from the end of the previous fiscal year. This was due to an increase in notes and accounts receivable–trade of 1,340 million yen and an increase in short-term investment securities of 1,070 million yen, among other increases, which offset a decrease in cash and deposits of 920 million yen and other decreases.

Liabilities stood at 8,483 million yen, declining 387 million yen from the end of the previous fiscal year. This principally reflects an increase in accounts payable–other of 264 million yen, which was offset mainly by a decrease in income taxes payable of 814 million yen, as a result of income tax payments.

Net assets were 11,360 million yen, an increase of 1,460 million yen. This was mainly due to a rise in retained earnings of 1,265 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 quarter 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 third quarter 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 March 31, 2013 Amount
Assets		
Current assets		
Cash and deposits	8,420,393	7,499,532
Notes and accounts receivable–trade	2,978,743	4,319,627
Short-term investment securities	–	1,070,000
Work in process	16,011	33,698
Preproduction	793	2,926
Supplies	3,155	2,741
Deferred tax assets	573,521	498,833
Other	382,265	395,680
Allowance for doubtful accounts	(65,212)	(93,785)
Total current assets	12,309,672	13,729,253
Fixed assets		
Property, plant and equipment	504,643	558,153
Intangible assets		
Software	505,876	611,212
Goodwill	1,022,094	1,204,462
Other	513,222	716,094
Total intangible assets	2,041,192	2,531,769
Investments and other assets		
Investment securities	2,533,594	2,290,412
Other	1,382,910	734,916
Allowance for doubtful accounts	(1,250)	(1,250)
Total investments and other assets	3,915,254	3,024,078
Total noncurrent assets	6,461,090	6,114,001
Total assets	18,770,763	19,843,254

(Unit: thousand yen)

	As of June 30, 2012 Amount	As of March 31, 2013 Amount
Liabilities		
Current liabilities		
Short-term loans payable	207,776	194,431
Current portion of long-term loans payable	2,293	–
Accounts payable–other	803,018	1,067,466
Income taxes payable	1,039,015	224,916
Allowance for panelists–points	141,031	25,087
Reserve for bonuses	1,090,330	1,238,224
Other	351,420	452,487
Total current liabilities	3,634,885	3,202,615
Long-term liabilities		
Bonds with subscription rights to shares	5,000,000	5,000,000
Long-term loans payable	6,497	–
Provision for retirement benefits	76,975	94,160
Provision for directors' retirement benefits	37,841	50,120
Asset retirement obligations	111,785	136,273
Other	2,813	–
Total long-term liabilities	5,235,912	5,280,554
Total liabilities	8,870,798	8,483,170
Net assets		
Shareholders' equity		
Capital stock	1,644,095	1,663,332
Capital surplus	4,885,021	4,904,258
Retained earnings	5,427,119	6,692,473
Treasury stock	(2,228,326)	(2,386,607)
Total shareholders' equity	9,727,909	10,873,456
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	(48,444)	10,844
Foreign currency translation adjustment	(38,494)	125,579
Total of accumulated other comprehensive income	(86,939)	136,424
Subscription rights to shares	31,980	34,807
Minority interests	227,014	315,395
Total net assets	9,899,965	11,360,084
Total liabilities and net assets	18,770,763	19,843,254

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

(Unit: thousand yen)

	Nine months ended March 31, 2012 Amount	Nine months ended March 31, 2013 Amount
Net sales	10,719,743	13,023,705
Cost of sales	5,127,075	6,709,455
Gross profit	5,592,667	6,314,250
Selling, general and administrative expenses	2,900,476	3,248,688
Operating income	2,692,191	3,065,561
Non-operating income		
Interest income	32,310	39,561
Dividends income	–	74,161
Other	32,700	19,420
Total non-operating income	65,011	133,143
Non-operating expenses		
Interest expenses	–	12,361
Loss on transfer of accounts receivable	3,008	1,169
Equity in losses of affiliates	171,089	5,311
Stock issuance cost	1,031	1,121
Bond issuance cost	6,358	–
Commission for purchase of treasury stock	15,110	2,074
Foreign exchange losses	547	6,172
Other	2,076	7,682
Total non-operating expenses	199,221	35,893
Ordinary income	2,557,981	3,162,811
Extraordinary income		
Gain on sales of investment securities	45,206	22,463
Gain on sales of subsidiaries and affiliates' stocks	–	2,545
Gain on reversal of subscription rights to shares	993	780
Total extraordinary income	46,199	25,789
Extraordinary loss		
Loss on retirement of noncurrent assets	7,869	17,180
Loss on sales of investment securities	–	5,265
Loss on valuation of investment securities	–	8,258
Loss on sales of subsidiaries and affiliates' stocks	–	68,715
Total extraordinary losses	7,869	99,420
Income before income taxes and minority interests	2,596,311	3,089,179
Income taxes—current	1,284,304	999,419
Income taxes—deferred	6,247	68,018
Total income taxes	1,290,552	1,067,438
Income before minority interests	1,305,758	2,021,741
Minority interests in income (loss)	(59,353)	57,329
Net income	1,365,112	1,964,412

(Quarterly consolidated statements of comprehensive income)
(Nine months of consolidated fiscal year)

(Unit: thousand yen)

	Nine months ended March 31, 2012 Amount	Nine months ended March 31, 2013 Amount
Income before minority interests	1,305,758	2,021,741
Other comprehensive income		
Valuation difference on available-for-sale securities	(8,785)	59,289
Foreign currency translation adjustment	(650)	189,672
Total other comprehensive income	(9,435)	248,961
Comprehensive income	1,296,323	2,270,703
(Comprehensive income attributable to)		
Comprehensive income attributable to owners of the parent	1,355,742	2,187,775
Comprehensive income attributable to minority interests	(59,418)	82,927

(3) Notes regarding the premise of a going concern

None applicable

(4) Significant changes in shareholders' equity

None applicable

(5) 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.