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## Summary of Consolidated Financial Statements for the Year Ended June 30, 2013 [Japan GAAP]

August 8, 2013

Listed Company:	MACROMILL, INC.
Stock Exchange:	Tokyo Stock Exchange
Code Number:	3730
URL:	<a href="http://www.macromill.com/">http://www.macromill.com/</a>
Representative:	Tetsuya Sugimoto, Chairman and President
Contact:	Naoya Sugiyama, Director
Tel.:	+81-3-6716-0700
Scheduled date of ordinary general meeting of shareholder:	September 25, 2013
Scheduled date of the start of dividend payments:	September 26, 2013
Scheduled reporting date of annual security report:	September 26, 2013
Supplemental materials for financial results:	Yes
Presentation of financial results:	Yes (for securities analysts and institutional investors)

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

## 1. Consolidated Financial Results for the Year Ended June 30, 2013 (July 1, 2012 to June 30, 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	%
Year ended June 30, 2013	17,120	20.3	3,838	24.5	3,951	32.8	2,508	64.4
Year ended June 30, 2012	14,229	16.5	3,082	18.4	2,975	18.0	1,525	30.3

(Note) Comprehensive income  
 Year ended June 30, 2013 2,834 million yen 99.9%  
 Year ended June 30, 2012 1,418 million yen 26.8%

	Net income per share	Diluted net income per share	Return on equity	Ratio of ordinary income to total assets	Ratio of operating income to net sales
	Yen	Yen	%	%	%
Year ended June 30, 2013	44.14	37.57	16.7	19.6	22.4
Year ended June 30, 2012	26.33	22.66	14.9	18.2	21.7

(Reference) Equity in (earnings) losses of affiliates  
 Year ended June 30, 2013 -1 million yen  
 Year ended June 30, 2012 -184 million yen

(Note) On July 1, 2013, MACROMILL conducted a two-for-one stock split. The net income per share above is calculated as if the stock split had been conducted at the beginning of the previous fiscal year.

## (2) Consolidated Financial Position

	Total assets	Net assets	Shareholders' equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of June 30, 2013	20,173	15,363	74.4	237.88
As of June 30, 2012	18,770	9,899	51.4	171.96

(Reference) Shareholders' equity  
 As of June 30, 2013 15,000 million yen  
 As of June 30, 2012 9,640 million yen

(Note) On July 1, 2013, MACROMILL conducted a two-for-one stock split. The net assets per share above is calculated as if the stock split had been conducted at the beginning of the previous fiscal year.

## (3) Consolidated Cash Flow Statements

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Year-end cash and cash equivalents
	Million yen	Million yen	Million yen	Million yen
Year ended June 30, 2013	1,879	(704)	(756)	8,068
Year ended June 30, 2012	2,062	(2,877)	2,185	7,601

## 2. Dividends

Record date	Dividend per share					Total amount of annual cash dividends	Dividend payout Ratio (Consolidated)	Dividend to net assets (Consolidated)
	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	654	43.7	6.6
Year ended June 30, 2013	-	12.00	-	13.00	25.00	744	28.3	6.1
Year ending June 30, 2014 (forecast)	-	6.50	-	7.00	13.50		50.1	

(Note) On July 1, 2013, MACROMILL conducted a two-for-one stock split. The annual dividend for the year ending June 30, 2014 (forecast) takes the stock split into account.

## 3. Forecast of Consolidated Financial Results for the Year Ending June 2014 (July 1, 2013 to June 30, 2014)

(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
First half	9,400	12.4	1,700	(8.1)	1,500	(22.4)	900	(28.7)	14.27
Full year	19,100	11.6	3,400	(11.4)	3,000	(24.1)	1,700	(32.2)	26.96

(Note) On July 1, 2013, MACROMILL conducted a two-for-one stock split. The above forecasted net income per share is calculated taking the stock split into account.

\* Notes

- (1) Important changes in subsidiaries during the fiscal year under review (changes in specific subsidiaries accompanied by a change in the scope of consolidation): Yes  
 New: – Name of company:  
 Exception: 1 Name of company: M-WARP, INC.  
 On April 1, 2013, the Company merged with M-WARP, INC., which was a consolidated subsidiary of the Company. M-WARP ceased to exist as a separate business entity after the merger.
- (2) 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: Yes  
 (iv) Restatement: No  
 (Note) For details, please refer to 3. Consolidated Financial Statements, (6) Changes to accounting policies, and (7) Changes in accounting assumptions, on page 14 of the Accompanying Materials.
- (3) Number of shares outstanding (common stock)  
 (i) Number of shares issued (including treasury stock) at the end of the term: June 30, 2013 63,159,350 shares June 30, 2012 61,736,800 shares  
 (ii) Number of shares of treasury stock at the end of the term: June 30, 2013 102,074 shares June 30, 2012 5,671,400 shares  
 (iii) Average number of shares during the period: Year ended June 2013 56,830,638 shares Year ended June 2012 57,942,370 shares  
 (Note) On July 1, 2013, MACROMILL conducted a two-for-one stock split. The number of shares is calculated as if the stock split had been conducted at the beginning of the fiscal year under review.

(Reference) Non-Consolidated Results

1. Non-Consolidated Financial Results for the Year Ended June 30, 2013 (July 1, 2012 to June 30, 2013)

(1) Non-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	%
Year ended June 30, 2013	15,269	10.3	3,960	8.5	4,065	11.6	2,101	4.2
Year ended June 30, 2012	13,847	13.4	3,648	27.7	3,642	25.0	2,016	41.5

	Net income per share	Diluted net income per share
	Yen	Yen
Year ended June 30, 2013	36.98	31.48
Year ended June 30, 2012	34.80	29.95

(Note) On July 1, 2013, MACROMILL conducted a two-for-one stock split. The net income per share above is calculated as if the stock split had been conducted at the beginning of the previous fiscal year.

(2) Non-Consolidated Financial Position

	Total assets	Net assets	Shareholders' equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of June 30, 2013	19,347	15,285	78.9	242.05
As of June 30, 2012	18,758	10,514	55.9	186.98

(Reference) Shareholders' equity As of June 30, 2013 15,263 million yen  
 As of June 30, 2012 10,482 million yen

(Note) On July 1, 2013, MACROMILL conducted a two-for-one stock split. The net assets per share above is calculated as if the stock split had been conducted at the beginning of the previous fiscal year.

\* Presentation of the status of audit procedures

This summary of consolidated financial statements is not subject to audit procedures under the Financial Instruments and Exchange Act. At the time of the disclosure of this report, procedures for an audit of these financial statements were in process.

\* 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. Results of Operations

### (1) Analysis on results of operations

In the consolidated fiscal year under review (from July 1, 2012 to June 30, 2013), the Japanese economy was affected by concerns in the global economy, including declining business confidence in China and slowing growth in emerging countries. There were, however, positive signs of recovery in the domestic economy, reflecting steady growth in the US economy as well as the weaker yen and higher stock prices due to the effect of the Bank of Japan's monetary easing policy following the commencement of the new administration in December of last year.

According to the *38th Marketing Research Business Status Survey*, published by the Japan Marketing Research Association, Japan's marketing research industry grew 5.1% year on year, to 181.9 billion yen, in fiscal year 2012 (April 2012 to March 2013). We expect the marketing research market to continue to grow steadily, albeit moderately. The online research market, which is the MACROMILL Group's key market, grew 13.9% year on year, to 52.3 billion. This indicates an increase in demand for online research and a continuing shift away from traditional research methods to online research.

In this environment, MACROMILL, INC. ("the Company") and its consolidated subsidiaries (together, the "Group") strategically planted business seeds while assessing market trends, and considered the timing of expanding its business areas and domains and advancing to the next stage in its marketing business. The Group believes that the most important thing is to strengthen the foundation of its marketing research business while developing sources of revenue other than its existing principal businesses. Based on this belief, the Group concentrated on developing new businesses in which it can make the most of its management resources, analyzing and examining M&A projects in Japan and overseas, and seeking business alliances.

In its existing businesses in Japan, the Group expanded its wide range of services to appropriately and promptly meet the diversifying needs of its customers, and strove to enhance its product capabilities and ability to make proposals. Meanwhile, the Group steadily promoted structural reform, establishing new bases in Sendai and Shinjuku to flexibly respond to the increasing number of projects.

Overseas, the Group continued to establish business bases in Asia. Sales rose steadily at MACROMILL EMBRAIN CO., LTD. ("EMBRAIN") in South Korea, as it met the needs of local corporate customers. MACROMILL China, Inc. expanded its services while assessing trends in the Chinese market.

In new business domains, the Group released an Android version of *miscolle*, a promotional application for smartphones, in April 2013. In the fall, the Group plans to launch an iPhone version and a Web version. The Group aims to increase the number of stores, restaurants, and companies connected with the application as well as the number of users. At the same time, the Group will seek to provide high-value-added content to promote the use of the application. Meanwhile, the Group is developing a DIY Research service, to be launched in October 2013. The service will enable corporate customers to easily create survey forms on their own at low cost and distribute and collect questionnaires for their customers.

The Group will continue to aggressively and efficiently invest profits from its existing domestic businesses into new businesses and focus on creating innovative services.

As part of its capital policy, the Company conducted a two-for-one common stock split on July 1, 2013, to improve its stock liquidity and expand its shareholder base. The Company will continue to consider ways to enhance its enterprise value, taking business results, financial conditions and stock markets, among other factors, into account.

The Company has redefined the management philosophy it has had since its founding, as well as its corporate identity. Under its new tagline, "Innovation or Nothing," adopted in April 2013, the Group plans to make a concerted effort to create new markets and innovative services. The Company aims to become the undisputed leader in the industry, taking the lead in innovations in society by continuing to provide advanced marketing services.

As a result of the above initiatives, in the consolidated fiscal year under review, the Company recorded net sales of 17,120 million yen (an increase of 20.3 % year on year), operating income of 3,838 million yen (a rise of 24.5%), ordinary income of 3,951 million yen (up 32.8%), and net income of 2,508 million yen (a rise of 64.4%).

The following are net sales by service category. As disclosure classifications have changed since the first quarter of the fiscal year under review, the year-on-year changes in 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 Group. Demand for research from almost all general business

companies, especially research companies, consulting firms, and companies in the IT industry, remained firm. The resulting total net sales in this service segment came to 7,948 million yen (up 8.1% 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 ongoing need for an integrated service covering everything from fieldwork to data collection, tabulation, and analysis, and given the improvements in the Company's operational structure and ability to handle projects, total net sales in this service segment rose 10.0% year on year, to 966 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 meet the rising demand for analysis services associated with the increasingly complicated marketing issues customers face and the need for advanced skills, the Company has enhanced its researchers' ability to make proposals. As a result, orders from customers in a wide range of industries, especially the food industry, were strong, and total net sales in this service segment rose 18.5% year on year, to 1,640 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 improvements in the organizational structure associated with the establishment of an office in Shinjuku as well as a more efficient operational flow, orders from the service industry and food industry were strong. Total net sales in this service segment increased 14.2% year on year, to 1,371 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 a 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 4.7% year on year, to 1,293 million yen.

(vi) Global Research Service

This service includes research into overseas markets for domestic companies as well as marketing research for overseas companies. Demand for research into overseas markets increased, as well as the number of projects. As a result, total net sales in this service segment rose 41.8% year on year, to 677 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 creates reports in a regular format regarding time-series purchasing trends; QPRMill, an Internet research service that uses QPR panelist surveys; QPR-ANALYZE, a system that offers on-the-spot analysis of purchasing trends and can also handle sophisticated tabulation and analysis according to individual issues; and QPR-SCAPE, a system that provides a profile of purchases by lifestyle and values. The Group focused on improving data quality, developing systems, and enhancing the value of the service as an effective marketing tool, and total net sales in this service segment rose 20.7% year on year, to 1,015 million yen.

(viii) Overseas business domain

Overseas business domain comprises sales of consolidated subsidiaries in China and South Korea. Our subsidiary in China is accumulating knowledge and expertise while studying market and consumer trends. Our subsidiary in South Korea is improving its sales force and ability to respond to service requests, and is promoting structural reform, including cost cutting, to solidly take advantage of research demand. Total net sales in this service segment surged 448.8% year on year, to 1,654 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 rose 26.0% year on year, to 552 million yen.

#### **Outlook for the fiscal year ending June 30, 2014**

Although the domestic marketing research market is stable, since demand will continue as long as companies have a need for research and development for products, the growth curve is becoming shallower. Meanwhile, demand for online research, which is replacing conventional research, continues to enjoy solid growth, and we expect the online research market to maintain an upward trend for some time to come.

In this environment, the Group believes that to accelerate growth, it is essential to consolidate its existing businesses while creating new major sources of revenue. Considering that drastic changes in the business environment due to the growing penetration rates of smart devices have given the Group crucial business opportunities, the Group has discussed and considered business initiatives to create new value. Overseas, the size of the marketing research market is growing relatively steadily. Against this backdrop, the Company has established bases in South Korea and China and is seeking to enter markets in North America and Europe through M&A.

While enhancing collaboration within the Group, the Company will aggressively invest in new businesses and overseas operations, as the business environment is changing over the medium to long term, and plans to rapidly build strong business bases.

For the fiscal year ending June 30, 2014, Macromill forecasts consolidated net sales of 19,100 million yen (up 11.6% year on year), consolidated operating income of 3,400 million yen (down 11.4%), consolidated ordinary income of 3,000 million yen (down 24.1%), and consolidated net income of 1,700 million yen (down 32.2%).

#### **(2) Analysis on financial position**

##### **(i) Assets, Liabilities and Net Assets**

Assets totaled 20,173 million yen at the end of the fiscal year under review, an increase of 1,402 million yen from the end of the previous fiscal year. This was primarily due to an increase in short-term investment securities of 1,156 million yen, an increase in notes and accounts receivable-trade of 617 million yen, and an increase in cash and deposits of 247 million yen.

Liabilities amounted to 4,809 million yen, decreasing 4,061 million yen from the end of the previous fiscal year, principally reflecting a decrease in bonds with subscription rights to shares of 3,340 million yen.

Net assets were 15,363 million yen, an increase of 5,463 million yen. This was mainly the result of a decrease of 2,187 million in treasury stock and an increase in retained earnings of 1,809 million yen.

##### **(ii) Cash flows**

Cash and cash equivalents (hereinafter "cash") at the end of the fiscal year under review increased 467 million yen from the end of the previous fiscal year, to 8,068 million yen.

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

##### **(Cash flows from operating activities)**

Net cash provided by operating activities stood at 1,879 million yen (down 8.9% year on year).

Cash outflows, including income taxes paid of 1,802 million yen and an increase in notes and accounts receivable-trade of 549 million yen, were more than offset by cash inflows, including income before income taxes and minority interests of 3,762 million yen, and depreciation and amortization of 427 million yen.

##### **(Cash flows from investing activities)**

Net cash used in investing activities was 704 million yen (down 75.5% year on year).

This result is mainly attributable to the purchase of software of 541 million yen and payments for sales of investments in subsidiaries resulting in a change in the scope of consolidation of 494 million yen.

##### **(Cash flows from financing activities)**

Net cash used in financing activities was 756 million yen (compared with net cash provided by financing activities of 2,185 million yen in the same period of the previous year).

This result is mainly attributable to cash dividends paid of 697 million yen and a 162 million yen purchase of treasury stock.

(Reference) Cash Flow-Related Indicators

	Previous consolidated fiscal year (from July 1, 2011 to June 30, 2012) Amount	Current consolidated fiscal year (from July 1, 2012 to June 30, 2013) Amount
Shareholders' equity ratio (%)	51.4	74.4
Shareholders' equity ratio on market value basis (%)	139.1	183.8
Ratio of interest-bearing liabilities to cash flow (%)	10.5	12.8
Interest coverage ratio (x)	443.7	180.1

Shareholders' equity ratio = shareholders' equity/total assets

Shareholders' equity ratio on market value basis = total market value of shares/total assets

Ratio of interest-bearing liabilities to cash flow = interest bearing liabilities/cash flow

Interest coverage ratio = cash flow/interest paid

Note 1: All figures are calculated based on consolidated financial values.

Note 2: The total market value of shares is calculated based on the number of issued shares minus treasury stock.

Note 3: Cash flow is represented by operating cash flow.

Note 4: Interest-bearing liabilities include all liabilities accounted for on the consolidated balance sheet for which interest is paid.

## 2. Management Policy

The "Management Policy" has been omitted, as there were no significant changes from the matters disclosed in the summary of financial statements for the year ended June 30, 2012 (released on August 8, 2012).

The aforementioned information is available on the following Web sites:

Macromill Web site:

<http://www.macromill.com/ir/>

Tokyo Stock Exchange Group, Inc. Web site (listed company search page):

<http://www/tse.or.jp/listing/compsearch/index.html>

### 3. Consolidated Financial Statements

#### (1) Consolidated balance sheets

(Unit: thousand yen)

	As of June 30, 2012 Amount	As of June 30, 2013 Amount
Assets		
Current assets		
Cash and deposits	8,420,393	8,668,258
Notes and accounts receivable–trade	2,978,743	3,596,640
Short-term investment securities	–	1,156,200
Work in process	16,011	16,065
Preproduction	793	–
Supplies	3,155	3,045
Deferred tax assets	573,521	432,026
Other	382,265	257,460
Allowance for doubtful accounts	(65,212)	(34,624)
Total current assets	12,309,672	14,095,071
Noncurrent assets		
Property, plant and equipment		
Buildings and structures, net	256,977	313,699
Tools, furniture and fixtures, net	198,561	276,990
Land	445	445
Construction in progress	44,158	–
Other	4,500	4,079
Total property, plant and equipment	504,643	595,214
Intangible assets		
Software	505,876	795,335
Goodwill	1,022,094	1,188,317
Other	513,222	558,751
Total intangible assets	2,041,192	2,542,403
Investments and other assets		
Investment securities	2,533,594	2,221,330
Long-term loans receivable	753,000	–
Other	629,910	735,481
Allowance for doubtful accounts	(1,250)	(16,091)
Total investments and other assets	3,915,254	2,940,720
Total noncurrent assets	6,461,090	6,078,339
Total assets	18,770,763	20,173,410



(Unit: thousand yen)

	As of June 30, 2012 Amount	As of June 30, 2013 Amount
Liabilities		
Current liabilities		
Short-term loans payable	207,776	240,741
Current portion of long-term loans payable	2,293	–
Accounts payable–other	803,018	1,044,812
Income taxes payable	1,039,015	309,631
Reserve for bonuses	141,031	50,264
Allowance for panelists–points	1,090,330	961,793
Other	351,420	309,803
Total current liabilities	3,634,885	2,917,048
Long-term liabilities		
Bonds with subscription rights to shares	5,000,000	1,660,000
Long-term loans payable	6,497	–
Provision for retirement benefits	76,975	49,076
Provision for directors' retirement benefits	37,841	54,696
Asset retirement obligations	111,785	128,975
Other	2,813	–
Total long-term liabilities	5,235,912	1,892,747
Total liabilities	8,870,798	4,809,796
Net assets		
Shareholders' equity		
Capital stock	1,644,095	1,953,008
Capital surplus	4,885,021	5,711,895
Retained earnings	5,427,119	7,236,609
Treasury stock	(2,228,326)	(40,404)
Total shareholders' equity	9,727,909	14,861,110
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	(48,444)	87
Foreign currency translation adjustment	(38,494)	139,171
Total of accumulated other comprehensive income	(86,939)	139,259
Subscription rights to shares	31,980	30,615
Minority interests	227,014	332,629
Total net assets	9,899,965	15,363,614
Total liabilities and net assets	18,770,763	20,173,410

(2) Consolidated statements of income and consolidated statements of comprehensive income  
(Consolidated statements of income)

(Unit: thousand yen)

	Previous consolidated fiscal year	Current consolidated fiscal year
	(from July 1, 2011 to June 30, 2012)	(from July 1, 2012 to June 30, 2013)
	Amount	Amount
Net sales	14,229,768	17,120,363
Cost of sales	7,143,864	8,797,744
Gross profit	7,085,904	8,322,619
Selling, general and administrative expenses	4,002,947	4,484,191
Operating income	3,082,956	3,838,427
Non-operating income		
Interest income	68,102	48,676
Dividends income	1,777	75,543
Foreign exchange gains	190	–
Other	47,912	24,373
Total non-operating income	117,982	148,593
Non-operating expenses		
Interest expenses	4,648	10,438
Loss on transfer of accounts receivable	3,827	1,637
Equity in losses of affiliates	184,997	1,380
Stock issuance cost	1,283	2,127
Bond issuance cost	6,358	–
Commission for purchase of treasury stock	21,157	2,074
Foreign exchange losses	–	3,578
Other	3,063	14,151
Total non-operating expenses	225,336	35,389
Ordinary income	2,975,602	3,951,631
Extraordinary income		
Gain on sales of investment securities	45,956	22,463
Gain on sales of subsidiaries and affiliates' stocks	–	2,545
Gain on reversal of subscription rights to shares	1,525	968
Total extraordinary income	47,481	25,977
Extraordinary loss		
Loss on retirement of noncurrent assets	8,338	22,652
Loss on sales of investment securities	19	5,265
Loss on valuation of investment securities	–	63,442
Loss on sales of stocks of subsidiaries and affiliates	–	68,715
Provision of allowance for doubtful accounts	–	12,236
Advisory expenses	–	42,622
Total extraordinary losses	8,357	214,934
Income before income taxes and minority interests	3,014,726	3,762,674
Income taxes—current	1,593,161	1,067,869
Income taxes—deferred	(42,069)	113,872
Total income taxes	1,551,091	1,181,742
Income before minority interests	1,463,635	2,580,932
Minority interests in income (loss)	(62,096)	72,627
Net income	1,525,731	2,508,304

(Consolidated statements of comprehensive income)

(Unit: thousand yen)

	Previous consolidated fiscal year (from July 1, 2011 to June 30, 2012) Amount	Current consolidated fiscal year (from July 1, 2012 to June 30, 2013) Amount
Income before minority interests	1,463,635	2,580,932
Other comprehensive income		
Valuation difference on available-for-sale securities	(4,658)	48,532
Foreign currency translation adjustment	(40,674)	205,200
Total other comprehensive income	(45,333)	253,732
Comprehensive income	1,418,302	2,834,664
(Comprehensive income attributable to)		
Comprehensive income attributable to owners of the parent	1,484,775	2,734,503
Comprehensive income attributable to minority interests	(66,473)	100,161

## (3) Consolidated statements of changes in net assets

(Unit: thousand yen)

	Previous consolidated fiscal year (from July 1, 2011 to June 30, 2012) Amount	Current consolidated fiscal year (from July 1, 2012 to June 30, 2013) Amount
<b>Shareholders' equity</b>		
<b>Capital stock</b>		
Balance at the beginning of current period	1,597,858	1,644,095
Changes of items during the period		
Issuance of new shares	46,237	58,913
Conversion of convertible bond-type bonds with subscription rights to shares	–	250,000
Total changes of items during the period	46,237	308,913
Balance at the end of current period	1,644,095	1,953,008
<b>Capital surplus</b>		
Balance at the beginning of current period	4,865,040	4,885,021
Changes of items during the period		
Issuance of new shares	46,237	58,913
Conversion of convertible bond-type bonds with subscription rights to shares	–	250,000
Retirement of treasury stock	(26,256)	–
Disposal of treasury stock	–	517,961
Total changes of items during the period	19,980	826,874
Balance at the end of current period	4,885,021	5,711,895
<b>Retained earnings</b>		
Balance at the beginning of current period	5,583,316	5,427,119
Changes of items during the period		
Dividends from surplus	(564,545)	(698,814)
Net income	1,525,731	2,508,304
Retirement of treasury stock	(1,107,560)	–
Disposal of treasury stock	(9,822)	–
Total changes of items during the period	(156,196)	1,809,490
Balance at the end of current period	5,427,119	7,236,609
<b>Treasury stock</b>		
Balance at the beginning of current period	(1,106,674)	(2,228,326)
Changes of items during the period		
Purchase of treasury stock	(2,333,144)	(159,946)
Retirement of treasury stock	1,133,816	–
Disposal of treasury stock	77,675	2,347,868
Total changes of items during the period	(1,121,651)	2,187,922
Balance at the end of current period	(2,228,326)	(40,404)
<b>Total shareholders' equity</b>		
Balance at the beginning of current period	10,939,539	9,727,909
Changes of items during the period		
Issuance of new shares	92,474	117,826
Conversion of convertible bond-type bonds with subscription rights to shares	–	500,000
Dividends from surplus	(564,545)	(698,814)
Net income	1,525,731	2,508,304
Purchase of treasury stock	(2,333,144)	(159,946)
Disposal of treasury stock	67,853	2,865,829
Total changes of items during the period	(1,211,630)	5,133,200
Balance at the end of current period	9,727,909	14,861,110

(Unit: thousand yen)

	Previous consolidated fiscal year (from July 1, 2011 to June 30, 2012) Amount	Current consolidated fiscal year (from July 1, 2012 to June 30, 2013) Amount
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities		
Balance at the beginning of current period	(43,785)	(48,444)
Changes of items during the period		
Net changes of items other than shareholders' equity	(4,658)	48,532
Total changes of items during the period	(4,658)	48,532
Balance at the end of current period	(48,444)	87
Foreign currency translation adjustment		
Balance at the beginning of current period	(2,197)	(38,494)
Changes of items during the period		
Net changes of items other than shareholders' equity	(36,297)	177,666
Total changes of items during the period	(36,297)	177,666
Balance at the end of current period	(38,494)	139,171
Total of accumulated other comprehensive income		
Balance at the beginning of current period	(45,982)	(86,939)
Changes of items during the period		
Net changes of items other than shareholders' equity	(40,956)	226,198
Total changes of items during the period	(40,956)	226,198
Balance at the end of current period	(86,939)	139,259
Subscription rights to shares		
Balance at the beginning of current period	40,127	31,980
Changes of items during the period		
Net changes of items other than shareholders' equity	(8,147)	(1,364)
Total changes of items during the period	(8,147)	(1,364)
Balance at the end of current period	31,980	30,615
Minority interests		
Balance at the beginning of current period	227,841	227,014
Changes of items during the period		
Net changes of items other than shareholders' equity	(827)	105,615
Total changes of items during the period	(827)	105,615
Balance at the end of current period	227,014	332,629
Total net assets		
Balance at the beginning of current period	11,161,526	9,899,965
Changes of items during the period		
Issuance of new shares	92,474	117,826
Conversion of convertible bond-type bonds with subscription rights to shares	–	500,000
Dividends from surplus	(564,545)	(698,814)
Net income	1,525,731	2,508,304
Purchase of treasury stock	(2,333,144)	(159,946)
Disposal of treasury stock	67,853	2,865,829
Net changes of items other than shareholders' equity	(49,930)	330,449
Total changes of items during the period	(1,261,560)	5,463,649
Balance at the end of current period	9,899,965	15,363,614

## (4) Consolidated statement of cash flow

(Unit: thousand yen)

	Previous consolidated fiscal year (from July 1, 2011 to June 30, 2012) Amount	Current consolidated fiscal year (from July 1, 2012 to June 30, 2013) Amount
Net cash provided by (used in) operating activities		
Income before income taxes and minority interests	3,014,726	3,762,674
Depreciation and amortization	394,715	427,940
Amortization of goodwill	96,368	110,020
Increase (decrease) in allowance for doubtful accounts	(5,313)	(27,151)
Increase (decrease) in provision for retirement benefits	(7,179)	(53,258)
Increase (decrease) in provision for directors' retirement benefits	19,832	6,672
Increase (decrease) in allowance for panelists–points	102,989	(196,852)
Increase (decrease) in reserve for bonuses	95,992	(91,089)
Interest and dividend income	(69,879)	124,220
Interest expenses	4,648	10,438
Foreign exchange losses (gains)	228	609
Equity in (earnings) losses of affiliates	184,997	1,380
Loss (gain) on sales of investment securities	(45,956)	(17,197)
Loss (gain) on valuation of investment securities	–	63,442
Loss (gain) on sales of stocks of subsidiaries and affiliates	–	66,169
Loss on retirement of noncurrent assets	8,338	22,652
Gain on reversal of subscription rights to shares	(1,525)	(968)
Decrease (increase) in notes and accounts receivable–trade	(446,933)	(549,711)
Decrease (increase) in inventories	5,152	2,282
Increase (decrease) in accounts payable–other	(25,067)	121,971
Increase (decrease) in consumption taxes payable	(74,194)	(22,898)
Other, net	(23,535)	67,715
Subtotal	3,228,405	3,580,622
Interest and dividend income received	52,220	111,848
Interest expenses paid	(4,648)	(10,438)
Income taxes paid	(1,213,442)	(1,802,063)
Net cash provided by (used in) operating activities	(2,062,535)	1,879,969

(Unit: thousand yen)

	Previous consolidated fiscal year (from July 1, 2011 to June 30, 2012) Amount	Current consolidated fiscal year (from July 1, 2012 to June 30, 2013) Amount
Net cash provided by (used in) investing activities		
Payments into time deposits	(300,000)	(139,617)
Proceeds from maturity of time deposits	–	378,953
Purchase of short-term investment securities	(31,840)	(86,200)
Proceeds from redemption of securities	231,840	–
Purchase of investments in subsidiaries	(57,500)	–
Proceeds from sales of investments in subsidiaries	–	8,000
Purchase of property, plant and equipment	(152,203)	(280,795)
Purchase of software	(375,989)	(541,282)
Purchase of investment securities	(1,649,410)	(137,605)
Proceeds from sales of investment securities	358,206	518,485
Proceeds from collection of lease and guarantee deposits	7,840	70,488
Payments for lease and guarantee deposits	(26,526)	(126,534)
Purchase of investments in subsidiaries resulting in change in scope of consolidation	(475,769)	–
Payments for sales of investments in subsidiaries resulting in change in scope of consolidation	–	(494,776)
Payments of loans receivable	(1,319,544)	(30,135)
Collection of loans receivable	550,000	155,380
Proceeds from collection of other investments	544,031	–
Other, net	(180,987)	809
Net cash provided by (used in) investing activities	(2,877,853)	(704,830)
Net cash provided by (used in) financing activities		
Increase in short-term loans payable	–	272,968
Decrease in short-term loans payable	(41,820)	(294,446)
Repayment of long-term loans payable	(1,161)	(10,093)
Proceeds from issuance of bonds with subscription rights to shares	4,993,641	–
Proceeds from issuance of subscription rights to shares	–	3,775
Proceeds from issuance of common stock	85,320	105,624
Purchase of treasury stock	(2,354,301)	(162,020)
Proceeds from sale of treasury stock	67,532	–
Proceeds from disposal of treasury stock	–	25,707
Cash dividends paid	(565,848)	(697,685)
Proceeds from stock issuance to minority shareholders	2,000	–
Net cash provided by (used in) financing activities	2,185,362	(756,170)
Effect of exchange rate change on cash and cash equivalents	(12,250)	48,134
Net increase (decrease) in cash and cash equivalents	1,357,794	467,102
Cash and cash equivalents at beginning of period	6,243,362	7,601,156
Cash and cash equivalents at end of period	7,601,156	8,068,258

(5) Notes regarding the premise of a going concern

None applicable

(6) Changes to accounting policies

Change in depreciation method

Given the revision of the Corporation Tax Act, from the fiscal year under review, the Group is depreciating the property, plant and equipment that were acquired on or after July 1, 2012 under the revised Corporation Tax Act.

The effect of this change in depreciation method is minor.

(7) Changes in accounting assumptions

The Company is posting an allowance for panelists' points, the estimated expenses for point rewards as an incentive for panelists. With the creation of a data-processing system to aggregate the points used by panelists, the Company can now calculate its estimates more accurately and has changed its estimate for the fiscal year under review.

With this change, operating income, ordinary income, and income before income taxes and minority interests each rose 251,968,000 yen.



(8) Matters to note

(Segment information, etc.)

a. Segment information

1. Overview of reportable segments

A reportable segment of the Group is a unit for which separate financial information is available and that the Board of Directors regularly examines to determine the allocation of its management resources and to evaluate its results.

The major business of the Group is online research using AIRs. As the economic characteristics of its business services and the markets where they are sold are almost identical, the Group has only one reportable segment.

2. Method for calculating sales, profit or loss, assets, liabilities, and other items by reportable segment

None applicable

3. Sales, profit or loss, assets, liabilities, and other items by reportable segment

Previous consolidated fiscal year (from July 1, 2011 to June 30, 2012)

None applicable

Current consolidated fiscal year (from July 1, 2012 to June 30, 2013)

None applicable

b. Related information

Previous consolidated fiscal year (from July 1, 2011 to June 30, 2012)

1. Information by product and service

(Unit: thousand yen)

	Automatic Research	Tabulation	Analysis	Qualitative Research	Customized Research	Global Research	QPR	Overseas business	Other	Total
Sales to external customers	7,349,613	878,953	1,384,392	1,200,982	1,356,982	477,850	841,043	301,516	438,434	14,229,768

2. Information by region

(1) Sales

Sales by region are omitted, since sales to external customers in Japan account for more than 90% of sales stated in the consolidated statement of income.

(2) Property, plant and equipment

Property, plant and equipment by region is omitted, since the amount of property, plant and equipment located in Japan accounts for more than 90% of the amount of property, plant and equipment stated in the consolidated statement of income.

3. Information by major customer

Sales to specific customers are omitted because all such sales account for less than 10% of the sales stated in the consolidated statement of income.

Current consolidated fiscal year (from July 1, 2012 to June 30, 2013)

1. Information by product and service

(Unit: thousand yen)

	Automatic Research	Tabulation	Analysis	Qualitative Research	Customized Research	Global Research	QPR	Overseas business	Other	Total
Sales to external customers	7,948,065	966,739	1,640,759	1,371,460	1,293,626	677,478	1,015,147	1,654,614	552,472	17,120,363

2. Information by region

(1) Sales

Sales by region are omitted, since sales to external customers in Japan account for more than 90% of sales stated in the consolidated statement of income.

(2) Property, plant and equipment

Property, plant and equipment by region is omitted, since the amount of property, plant and equipment located in Japan accounts for more than 90% of the amount of property, plant and equipment stated in the consolidated statement of income.

3. Information by major customer

Sales to specific customers are omitted because all such sales account for less than 10% of the sales stated in the consolidated statement of income.

c. Information on loss on impairment of fixed assets by reportable segment

Previous consolidated fiscal year (from July 1, 2011 to June 30, 2012)

None applicable

Current consolidated fiscal year (from July 1, 2012 to June 30, 2013)

None applicable

d. Information on amortization of goodwill and unamortized balance by reportable segment

Previous consolidated fiscal year (from July 1, 2011 to June 30, 2012)

Information on amortization of goodwill and unamortized balance by reportable segments is omitted, since the Company only has one reportable segment.

Current consolidated fiscal year (from July 1, 2012 to June 30, 2013)

Information on amortization of goodwill and unamortized balance by reportable segments is omitted, since the Company only has one reportable segment.

e. Information on gains on negative goodwill by reportable segment

Previous consolidated fiscal year (from July 1, 2011 to June 30, 2012)

None applicable

Current consolidated fiscal year (from July 1, 2012 to June 30, 2013)

None applicable

(Per share information)

	Previous consolidated fiscal year (from July 1, 2011 to June 30, 2012)	Current consolidated fiscal year (from July 1, 2012 to June 30, 2013)
Net assets per share	171.96 yen	237.88 yen
Basic net income per share	26.33 yen	44.14 yen
Diluted net income per share	22.66 yen	37.57 yen

(Note) 1. The Company conducted a two-for-one stock split on July 1, 2013, according to a resolution at the Board of Directors meeting held on May 31, 2013. The net assets per share, basic net income per share, and diluted net income per share above are calculated as if the stock split had been conducted at the beginning of the previous fiscal year.

2. The basis for calculating the amount of net income per share and the amount of diluted net income per share is as follows:

	Previous consolidated fiscal year (from July 1, 2011 to June 30, 2012)	Current consolidated fiscal year (from July 1, 2012 to June 30, 2013)
Basic net income per share		
Net income (thousand yen)	1,525,731	2,508,304
Amount not attributed to common stock (thousand yen)	—	—
Net income on common stock (thousand yen)	1,525,731	2,508,304
Average number of common stock (shares)	57,942,370	56,830,638
Diluted net income per share		
Net income adjustments	—	—
Number of common stock increased (shares)	9,398,694	9,937,933
Subscription rights to shares (shares)	(487,994)	(627,045)
Bonds with subscription rights to shares (shares)	(8,910,700)	(9,310,889)
Summary of latent shares not included in the calculation of diluted net income per share due to lack of dilution effect	—	—

(Significant subsequent events)

1. Stock split

According to a resolution at the Board of Directors meeting held on May 31, 2013, the Company conducted a stock split on July 1, 2013.

(1) Purpose of the stock split

The Company aims to increase its liquidity and expand its shareholder base by reducing its investment unit.

(2) Outline of the stock split

(i) Method of the stock split

Each common share held by a shareholder as recorded in the final version of the register of shareholders as of June 30, 2013, will be divided into two.

(ii) Increase in the number of shares after the stock split

Number of shares issued before the stock split:	31,579,675 shares
Increase in the number of shares after the stock split:	31,579,675 shares
Number of shares issued after the stock split:	63,159,350 shares
Number of authorized shares before the stock split:	83,712,000 shares
Number of authorized shares after the stock split:	167,424,000 shares

(3) Effective date of the stock split

July 1, 2013

(4) Effect on per share information

The figures (in the per share information) are calculated as if the stock split had been conducted at the beginning of the previous fiscal year.

2. Additional investment in a consolidated subsidiary

At a meeting of the Board of Directors held on August 8, 2013, the Company resolved to make an additional investment in misecolle, Inc., a consolidated subsidiary of the Company.

(1) Purpose

The Group considers the rapidly growing penetration rate of smart devices to be a business opportunity. To achieve its next innovation, the Group has endeavored to create a low-cost marketing service in the promotion field that anyone can easily use.

The Group has decided that it needs to increase the amount of its investment in misecolle so it can enhance the service as a new core business and quickly expand the number of restaurants, stores, and companies involved as well as the number of users.

(2) Outline of additional investment

(i) Amount of additional investment	270 million yen
(ii) Number of shares issued	5,400 shares
(iii) Number of shares issued after capital increase	12,000 shares
(iv) Allotment	The Company, 100%
(v) Date of capital increase	August 30, 2013 (scheduled)

(3) Outline of the subsidiary

(i) Name	misecolle, Inc.
(ii) Head office address	2-16-1 Konan, Minato-ku, Tokyo
(iii) Title and name of representative	CEO, Tetsuya Sugimoto
(iv) Business	The development and operation of misecolle, a smartphone application to promote stores and restaurants
(v) Capital	Before the capital increase: 165 million yen After the capital increase: 300 million yen
(vi) Established	April 1, 2013
(vii) Major shareholder and its shareholding ratio	MACROMILL, INC., 100%

### 3. Borrowing

At a meeting of the Board of Directors held on August 8, 2013, the Company resolved to conclude an agreement on a term loan with a commitment period and credit line of 5 billion yen.

Outline of the term loan with commitment period

- (1) Agreement date            August 8, 2013
- (2) Lender                     Mizuho Bank, Ltd.

### 4. Stock buybacks

At a meeting of the Board of Directors held on August 8, 2013, the Company resolved to buy back its stock according to Article 156 of the Companies Act, as applied by a reading of the terms under Article 165, Paragraph 3 of the same act.

#### (1) Reason for stock buybacks

The Company has decided to repurchase its stock to enhance its shareholder return and capital efficiency and to execute flexible capital policies in response to changes in the business environment.

#### (2) Details of stock buyback

- (i) Type of stock to be repurchased            Common stock of the Company
- (ii) Number of shares to be repurchased       8,000,000 shares (maximum)  
(Percentage of the number of shares outstanding: 12.7%)
- (iii) Repurchase price                            5 billion yen (maximum)
- (iv) Period of repurchase                        September 1, 2013 to August 31, 2014
- (v) Method of repurchase                        Market transaction on the Tokyo Stock Exchange