

Flash Report [Japanese GAAP] (Consolidated Basis)
Results for the nine months ended December 31, 2012

 Company Name: **INTAGE, Inc.** Stock listing: The First Section of the Tokyo Stock Exchange

Code number: 4326

 URL <http://www.intage.co.jp>

Representative: Kenji Miyakubi, President and Representative Director

Contact person: Osamu Kudo, Member of the Board Tel: +81-3-5294-0111

Planned filing of a quarterly report: February 14, 2013

Preparation of supplementary explanations of quarterly financial results: None

Quarterly financial results presentation held: None

(Figures less than ¥1 million have been omitted.)

1. Consolidated Financial Results of Nine months ended December 31, 2012
(1) Operating Results

Nine months ended December 31

Percentages indicate year-on-year increase/ (decrease).

	Net sales		Operating income		Recurring profit		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
2012	28,145	8.6	2,105	10.0	2,062	9.6	1,143	35.7
2011	25,921	0.5	1,914	(18.9)	1,882	(19.3)	842	(33.7)

(Note) Comprehensive income: Nine months ended December 31, 2012: ¥1,149 million, 54.9%;

Nine months ended December 31, 2011: ¥742 million, (39.9)%

	Net income per share	Net income per share after dilution
	Yen	Yen
2012	113.68	—
2011	83.79	—

(2) Financial Position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
December 31, 2012	28,135	15,252	53.9
March 31, 2012	27,730	14,517	52.3

(Reference) Total shareholders' equity: December 31, 2012: ¥15,151 million, March 31, 2012: ¥14,504 million

2. Dividends

Year ended March 31, 2012/ Year ending March 31, 2013

	Dividends per share				
	1Q	2Q	3Q	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
2012	—	0.00	—	50.00	50.00
2013	—	0.00	—		
2013 (Forecast)				50.00	50.00

(Note) Revision of dividends forecast: None

3. Forecasts for Fiscal Year ending March 31, 2013

Percentages indicate year-on-year increase/ (decrease).

	Net sales		Operating income		Recurring profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%
Fiscal year	40,225	9.7	3,130	8.5	3,088	8.0

	Net income		Net income per share
	Millions of yen	%	Yen
Fiscal year	1,756	32.4	174.64

(Note) Revision of earnings forecast for this period: None

Notes

- Significant changes in subsidiaries during the subject fiscal year (Transfer of particular subsidiaries following a change in the scope of consolidation): None
Additions: None Deletions: None
- Adoption of special accounting policy for quarterly financial reporting: None
- Changes in accounting rules, accounting estimates and retrospective restatements in the consolidated financial statements
 - Changes in accordance with revisions to accounting standards: Yes
 - Changes other than 1) above: None
 - Changes in accounting estimates: Yes
 - Retrospective restatements: None

Note: The change to the depreciation method from the first quarter period falls under "Changes in Accounting Policies Difficult to Distinguish from Changes in Accounting Estimates." For details, see "2. Matters Regarding Summary Information (Notes); (3) Changes in Accounting Policies, Changes in Accounting Estimates, Restatements" on Page 5 of the accompanying material.

4. Number of shares issued and outstanding (Common share)

	Nine months ended December 31, 2012	Years ended March 31, 2012
1) Number of shares issued (including treasury stock)	10,404,000	10,404,000
2) Number of treasury stock	347,509	347,431
		Nine months ended December 31, 2011
3) Average number of shares issued for each period	10,056,530	10,056,569

Indication regarding the status of review procedures

These financial statements are not subject to review procedures under the Financial Instruments and Exchange Act. The review of these financial statements in accordance with the Financial Instruments and Exchange Act had not been completed at the time of disclosure.

Explanation for the Appropriate Use of the Forecasts of Financial Results and Other Special Instructions

The forward-looking statements made in this document, including the aforementioned forecasts, are based on all information available to the management at the time of this document's release. Actual results may differ from the results anticipated in the statements. Regarding the forecast of financial results, please refer to "Qualitative Information Related to the Consolidated Performance Forecasts" on page 4.

1. QUALITATIVE INFORMATION ON CONSOLIDATED FINANCIAL RESULTS FOR THE SUBJECT PERIOD

(1) Qualitative Information on Consolidated Operating Results

During the third-quarter cumulative period of fiscal 2013 (the nine-month period from April 1, 2012 to December 31, 2012), the Japanese economy held firm with reconstruction demand from the Great East Japan Earthquake and the effects of all types of economic stimulus policies. The economic outlook remains unclear, however, as a result of the continued great uncertainty in the global economy from the European debt crisis and the sluggish economic growth in emerging nations.

Under these conditions, during the nine months ended December 31, 2012 the INTAGE Group posted consolidated net sales of ¥28,145 million (up 8.6% from the same period of the previous fiscal year), with operating income of ¥2,105 million (up 10.0%), recurring profit of ¥2,062 million (up 9.6%) and net income of ¥1,143 million (up 35.7%).

The results by business segment were as follows.

1) Marketing Research and Consulting

In syndicated panel data services, sales increased with the continued firm performance of SCI-personal (nationwide individual consumer panel data) and SRI (syndicated POS retail panel data). Earnings, however, were affected from continued investments for business expansion, resulting in rising revenue with a decline in earnings.

In custom research, sales rose steadily at all strategic business units (SBUs) for both conventional and Internet research by reinforcing and advancing industry-specific strategies.

As a result, sales in the Marketing Research and Consulting segment amounted to ¥19,843 million (up 7.0% year on year), with operating income of ¥1,836 million (up 2.7%).

2) System Solutions

In System Solutions, there were signs of a gradual recovery in corporate investment in IT systems, which had been restrained as a result of the impact from the Great East Japan Earthquake. Nevertheless, investment remained at a low level, resulting in rising revenue with a decline in earnings.

As a result, sales in the System Solutions segment amounted to ¥3,303 million (up 1.0% year on year), with an operating loss of ¥31 million (compared with an operating loss income of ¥30 million in the same period of the previous fiscal year).

3) Drug Development Solutions

In the Contract Research Organization (CRO) business, revenue and earnings both rose from a favorable recovery in both monitoring services and data management and analysis services, resulting from management reorganization and business reform at ASKLEP Inc.

As a result, sales in the Drug Development Solutions segment amounted to ¥4,998 million (up 21.6% year on year), with operating income of ¥301 million (up 92.8%).

(2) Qualitative Information on the Consolidated Financial Position

Assets

Current assets increased ¥797 million from the end of the previous fiscal year (March 31, 2012) to ¥16,388 million. While notes and accounts receivable—trade decreased ¥912 million, cash and deposits increased ¥583 million and work in progress rose ¥1,051 million.

Noncurrent assets decreased ¥392 million from the end of the previous fiscal year to ¥11,746 million. While goodwill increased ¥350 million, investment in securities declined ¥650 million and lease assets, net decreased ¥113 million.

As a result, total assets increased ¥404 million to ¥28,135 million.

Liabilities

Current liabilities decreased ¥260 million from the end of the previous fiscal year to ¥9,795 million. While short-term bank loans rose ¥409 million and allowance for point program increased ¥272 million, income taxes payable decreased ¥738 million and accrued employees' bonuses were down ¥645 million.

Long-term liabilities decreased ¥70 million from the end of the previous fiscal year to ¥3,086 million. While retirement benefits increased ¥115 million, other long-term liabilities declined ¥110 million and long-term borrowings were down ¥75 million. .

As a result, total liabilities decreased ¥330 million to ¥12,882 million.

Net Assets

Total net assets increased ¥735 million from the end of the previous fiscal year to ¥15,252 million. This was mostly because retained earnings increased ¥640 million and minority interests rose ¥88 million.

(3) Qualitative Information Related to the Consolidated Performance Projections

While there are still uncertain factors that may affect the consolidated performance during the fourth quarter, considering the performance during the third-quarter cumulative period, the consolidated performance projections for the full year FY2013 released May 11, 2012 remain unchanged.

Note: The performance projections in this document are calculated based on information available to the management at the time of this document's release. Actual results may differ from the projections due to future economic conditions and other factors.

2. MATTERS REGARDING SUMMARY INFORMATION (NOTES)

(1) Significant changes in subsidiaries during the subject quarter period

Not applicable

(2) Adoption of special accounting policy for quarterly financial reporting

Not applicable

(3) Changes in Accounting Policies, Changes in Accounting Estimates, Restatements

Changes in Accounting Policies Difficult to Distinguish from Changes in Accounting Estimates

In accordance with revisions to the Corporation Tax Act, from the first quarter of the subject fiscal year, the Company and its domestic consolidated subsidiaries changed the accounting policy for property, plant and equipment acquired on or after April 1, 2012, to the depreciation method based on the revised Corporation Tax Act.

The effect on consolidated financial statements is negligible.

3. CONSOLIDATED FINANCIAL STATEMENTS

(1) Consolidated Balance Sheets

Thousands of yen

	March 31, 2012	December 31, 2012
ASSETS		
Current assets:		
Cash and deposits	4,599,824	5,183,564
Note and accounts receivable—trade	8,171,825	7,259,516
Work in progress	1,449,745	2,501,017
Stored item	26,196	65,206
Deferred tax assets	943,656	756,434
Other current assets	404,709	627,633
Less allowance for doubtful accounts	(4,699)	(4,699)
Total current assets	15,591,257	16,388,673
Noncurrent assets:		
Property and equipment:		
Buildings and structures, net	2,199,592	2,087,888
Equipment and fixtures, net	353,729	363,601
Land	1,998,156	1,998,156
Lease assets, net	817,500	703,677
Other, net	58	36
Property and equipment, net	5,369,037	5,153,360
Intangible assets:		
Goodwill	1,385,516	1,736,360
Other intangible assets	1,274,355	1,378,862
Total intangible fixed assets	2,659,872	3,115,222
Investments and other assets:		
Investment in securities	1,752,284	1,102,243
Deferred income tax	1,106,651	1,180,198
Other	1,251,260	1,195,399
Total investments and other assets	4,110,197	3,477,841
Total noncurrent assets	12,139,107	11,746,424
Total assets	27,730,364	28,135,097

	March 31, 2012	December 31, 2012
LIABILITIES		
Current liabilities:		
Accounts payable—trade	1,570,025	1,633,655
Short-term bank loans	3,465,485	3,875,089
Lease obligations	358,533	348,764
Income taxes payable	1,038,146	299,191
Accrued employee's bonuses	1,368,715	723,408
Allowance for point program	456,226	728,945
Accrued directors' bonuses	—	5,623
Other current liabilities	1,798,781	2,180,977
Total current liabilities	10,055,913	9,795,656
Long-term liabilities:		
Long-term borrowings	200,000	125,000
Retirement benefits	2,364,751	2,479,845
Retirement allowance for directors	29,000	29,000
Other long-term liabilities	563,262	452,643
Total long-term liabilities	3,157,013	3,086,489
Total liabilities	13,212,927	12,882,145
NET ASSETS		
Shareholders' equity:		
Common stock	1,681,400	1,681,400
Capital surplus	1,336,688	1,336,688
Retained earnings	12,125,969	12,766,360
Treasury stock, at cost	(532,923)	(533,056)
Total shareholders' equity	14,611,134	15,251,392
Valuation and translation adjustments:		
Unrealized gains on securities, net of taxes	12,612	15,857
Foreign currency translation adjustments	(119,643)	(115,970)
Total valuation and translation adjustments	(107,031)	(100,113)
Minority interests	13,333	101,672
Total net assets	14,517,437	15,252,951
Total liabilities and net assets	27,730,364	28,135,097

(2) Consolidated Statements of Income and Consolidated of Comprehensive Income

Consolidated Statements of Income

Nine months ended December 31

Thousands of yen

	2011	2012
Net sales	25,921,982	28,145,210
Cost of sales:	18,001,297	20,517,913
Gross profit	7,920,685	7,627,296
Selling, general and administrative expenses:	6,006,056	5,521,455
Operating income	1,914,628	2,105,841
Non-operating revenues:		
Interests income	1,231	2,620
Dividends income	4,622	4,767
Insurance and dividends income	25,070	27,422
Others	20,904	35,504
Total	51,828	70,315
Non-operating expenses:		
Interests expenses	39,016	43,543
Equity in losses of affiliates	—	48,726
Commission fee	8,070	7,803
Loss on retirement of furniture and fixtures	4,384	9,353
Foreign exchange losses	25,379	2,898
Others	7,335	1,515
Total	84,186	113,840
Recurring profit	1,882,269	2,062,315
Extraordinary gain:		
Gain on step acquisitions	—	10,224
Gain on negative goodwill	—	27,080
Total	—	37,305
Extraordinary loss:		
Loss on transfer-related expenses	20,050	—
Loss on cancellation of lease contracts	—	96,643
Total	20,050	96,643
Income before income taxes	1,862,219	2,002,977
Income taxes and enterprise taxes	624,174	657,393
Adjustment for income taxes	396,311	203,656
Total	1,020,486	861,049
Income before minority interests	841,733	1,141,927
Minority interests in loss	(887)	(1,291)
Net income	842,620	1,143,219

Consolidated of Comprehensive Income

Nine months ended December 31		Thousands of yen
	2011	2012
Income before minority interests	841,733	1,141,927
Other comprehensive income:		
Valuation difference on available-for-sale securities	172	3,244
Foreign currency translation adjustments	(99,872)	4,028
Total of other comprehensive income	(99,700)	7,273
Comprehensive income	742,033	1,149,201
Comprehensive income attributable to:		
Comprehensive income attributable to owners of the parent	752,385	1,150,137
Comprehensive income attributable to minority interests	(10,352)	(936)

(3) Note on Assumptions for Going Concern**Nine months ended December 31, 2012**

Not applicable

(4) Segment Information**Business Segment****1. Nine months ended December 31, 2011****1. Information on Net Sales, Profit or Loss, Assets and Other Items by Reported Segment**

Thousands of yen

	Reported Segment			Total
	Marketing Research and Consulting	System Solutions	Drug Development Solutions	
Net sales:				
Net sales to third parties	18,540,278	3,270,245	4,111,459	25,921,982
Intra-group net sales and transfers	—	—	—	—
Total	18,540,278	3,270,245	4,111,459	25,921,982
Operating income (loss)	1,788,453	(30,033)	156,209	1,914,628

Note: The total of the segment profit and loss figures equals the operating income reported on the consolidated statements of income.

2. Nine months ended December 31, 2012**1. Information on Net Sales, Profit or Loss, Assets and Other Items by Reported Segment**

Thousands of yen

	Reported Segment			Total
	Marketing Research and Consulting	System Solutions	Drug Development Solutions	
Net sales:				
Net sales to third parties	19,843,293	3,303,611	4,998,305	28,145,210
Intra-group net sales and transfers	—	—	—	—
Total	19,843,293	3,303,611	4,998,305	28,145,210
Operating income (loss)	1,836,270	(31,608)	301,179	2,105,841

Note: The total of the segment profit and loss figures equals the operating income reported on the consolidated statements of income.

(5) Notes in the Event of Major Change in Shareholders' Equity**Nine months ended December 31, 2012**

Not applicable.

(6) Subsequent Events

Not applicable.

— End of Document —