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Summary of Consolidated Financial Results for the Fiscal Year Ended June 30, 2024 (Japanese GAAP)

August 7, 2024

Company name: INTAGE HOLDINGS Inc. Stock listing: Tokyo Stock Exchange
Code number: 4326 URL https://www.intageholdings.co.jp/
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Planned date of annual general meeting of shareholders: September 26, 2024
Planned start of dividend payments: September 27, 2024
Planned filing of annual securities report: September 26, 2024
Preparation of supplementary explanations of financial results: Yes
Financial results presentation held: Yes (for institutional investors and analysts)

(Amounts are rounded off to nearest million yen.)

1. Consolidated Financial Results for the Fiscal Year Ended June 30, 2024 (July 1, 2023 to June 30, 2024)

(1) Consolidated Operating Results (Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Year ended June 30, 2024	63,279	3.1	3,289	-13.1	3,543	-13.0	2,456	-29.9
Year ended June 30, 2023	61,387	1.9	3,785	-18.6	4,073	-17.7	3,505	2.5

(Note) Comprehensive income: Year ended June 30, 2024: ¥2,987 million (-16.7%)
Year ended June 30, 2023: ¥3,589 million (23.7%)

	Profit per share	Profit per share after dilution	Return on equity	Ordinary profit to total assets	Operating profit to net sales
	Yen	Yen	%	%	%
Year ended June 30, 2024	64.47	–	7.8	7.9	5.2
Year ended June 30, 2023	91.21	–	11.4	9.1	6.2

(Reference) Share of profit (loss) of entities accounted for using equity method: Year ended June 30, 2024: ¥175 million
Year ended June 30, 2023: ¥218 million

(Note) For the purpose of calculating profit per share, the number of shares of the Company held in trust for directors' compensation was included in the number of treasury shares, which was to be deducted from the calculation of the average number of shares during the period.

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of June 30, 2024	45,331	32,439	71.1	844.73
As of June 30, 2023	44,391	31,004	69.3	808.17

(Reference) Total shareholders' equity: As of June 30, 2024: ¥32,208 million
As of June 30, 2023: ¥30,769 million

(3) Consolidated Cash Flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Year ended June 30, 2024	1,972	-705	-2,159	11,940
Year ended June 30, 2023	2,687	-618	-3,954	12,536

2. Dividends

	Dividend per share					Total dividends (Total)	Payout ratio (Consolidated)	Dividend on equity (Consolidated)
	1Q-end	2Q-end	3Q-end	Year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Year ended June 30, 2023	–	0.00	–	42.00	42.00	1,615	46.0	5.3
Year ended June 30, 2024	–	0.00	–	43.00	43.00	1,656	66.7	5.2
Year ending June 30, 2025 (Forecast)	–	22.50	–	22.50	45.00		46.4	

(Note) The total dividends include dividends paid to the Company's shares held in trust for directors' compensation (¥16 million for the fiscal year ended June 30, 2024 and ¥16 million for the fiscal year ended June 30, 2023).

3. Consolidated Earnings Forecasts for the Fiscal Year Ending June 30, 2025 (July 1, 2024 to June 30, 2025)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Profit per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Interim period (Cumulative)	32,500	5.7	1,100	-28.1	1,100	-32.9	2,000	97.0	52.48
Full year	68,000	7.5	3,800	15.5	3,800	7.2	3,700	50.6	97.04

* Notes

(1) Significant changes in scope of consolidation during the period (changes in specified subsidiaries resulting in changes in scope of consolidation): Yes

New: - companies (Company name)

Excluded: 1 company (Company name) INTAGE Asia Holdings Limited

(2) Changes in accounting policies, changes in accounting estimates and restatement of prior period financial statements

1) Changes in accounting policies due to revisions to accounting standards and other regulations: None
2) Changes in accounting policies due to other reasons: None
3) Changes in accounting estimates: None
4) Restatement of prior period financial statements: None

(3) Number of shares issued and outstanding (common shares)

1) Number of shares issued at the end of the period (including treasury shares)
2) Number of treasury shares at the end of the period
3) Average number of shares during the period

As of June 30, 2024	40,426,000	As of June 30, 2023	40,426,000
As of June 30, 2024	2,296,620	As of June 30, 2023	2,352,785
Year ended June 30, 2024	38,108,976	Year ended June 30, 2023	38,437,425

(Reference) Overview of non-consolidated financial results

1. Non-Consolidated Financial Results for the Fiscal Year Ended June 30, 2024 (July 1, 2023 to June 30, 2024)

(1) Non-Consolidated Operating Results (Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Year ended June 30, 2024	4,675	-4.1	1,948	-25.0	1,971	-24.6	2,107	-32.1
Year ended June 30, 2023	4,877	15.2	2,596	28.8	2,613	39.7	3,104	80.2

	Profit per share	Profit per share after dilution
	Yen	Yen
Year ended June 30, 2024	55.29	–
Year ended June 30, 2023	80.76	–

(Note) For the purpose of calculating profit per share, the number of shares of the Company held in trust for directors' compensation was included in the number of treasury shares, which was to be deducted from the calculation of the average number of shares during the period.

(2) Non-Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of June 30, 2024	23,680	17,564	74.2	460.66
As of June 30, 2023	23,424	17,013	72.6	446.86

(Reference) Total shareholders' equity: As of June 30, 2024: ¥17,564 million
As of June 30, 2023: ¥17,013 million

* This financial results report is outside the scope of review procedures by certified public accountants or auditing firms.

* The forward-looking statements made in this document, including the earnings forecasts, are based on information currently available to the Company and on certain assumptions deemed to be reasonable by the Company. Actual performance and other results may differ materially owing to various factors. For the suppositions that form the assumptions for earnings forecasts and cautions concerning the use thereof, please refer to section "(4) Outlook" of "1. Overview of Consolidated Financial Results, etc." on page 4 of the attached material.

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1. Overview of Consolidated Financial Results, etc.

(1) Overview of Operating Results for the Fiscal Year under Review

During the fiscal year under review (July 1, 2023 to June 30, 2024), the Japanese economy is expected to maintain a modest recovery, partly due to various government policies while the employment and income environment improved. However, the environment surrounding the Group's customers requires caution because of the risk that a downturn in overseas economies, such as the effects of continued high interest rate levels in Europe and the United States and concerns about the future of the Chinese economy, could put downward pressure on Japan's economy. In addition, the economies of the Asian region where the Group operates are showing signs of recovery.

The Group formulated its 14th Medium-term Management Plan (three-year plan), under which the fiscal year ended June 30, 2024 is the first fiscal year. The Group's basic policy under this plan is "Towards New Portfolio as a Data + Technology Company-Creation of New Value." We aim to realize a convenient and enriched society by seeing the declining population and aging society, and the development of a digital society as opportunities and eliminating social losses, and we will go beyond providing marketing intelligence (MI) and business intelligence (BI) as standalone functions and create new value as a Data + Technology company that provides services combining MI and BI.

In the Marketing Support (Consumer Goods & Services) segment, we aim to achieve profitability in Japan by making progress towards establishing the CX marketing platform, revamping SCI, and expanding sales of next-generation research by Research and Innovation Co., Ltd., in addition to growing existing businesses and expanding domains through new businesses. Overseas, we aim to strengthen our marketing and sales structure through collaboration with Global Future Lab (*1) and to further establish a business foundation.

In the Marketing Support (Healthcare) segment, we will add healthcare consumer awareness and behavior data to factual data obtained through real-world data, etc. to increase understanding of consumers, for the realization of healthcare decision-making partners. We will also develop human resources with high levels of expertise (professionals) to provide solutions that will help solve the issues faced by customers. At the same time, we will also continue strengthening our sales structure.

In the Business Intelligence segment, we are leveraging the data analysis skills and understanding of user business we have developed to date to create value from data, for the realization of DX partners that will continue to choose us 10 years from now. Furthermore, we will support customers' business transformation by further developing our current data utilization solutions to establish and provide solutions shared across industries.

In addition, the Group announced a capital and business alliance with NTT DOCOMO, INC. (hereinafter "DOCOMO") as part of its medium- to long-term growth strategies, and the tender offer for the Company's common shares by DOCOMO was finalized in October 2023. To deepen collaboration between the two companies while emphasizing management autonomy and independence, the Group has become a consolidated subsidiary of DOCOMO while maintaining its listing. Based on the capital and business alliance, the Group will work to maximize the value of data through its data handling capabilities, including data collection, aggregation, analysis and visualization by leveraging DOCOMO's customer base of approximately 100 million (*2) and its extensive store of behavioral data. In addition, by exerting the synergies of combining the data held by both companies and their valorization, the Group anticipates significant future growth and will contribute to solving social issues. The Company established the Synergy Strategy Division in February 2024 to create synergies as quickly as possible. Additionally, the Company created subcommittees composed of committee members from both companies to generate five synergies (*3) and established subcommittees to facilitate sales coordination and data linkage. Through these subcommittees, the two companies enhance their mutual understanding and deliberate specific business plans.

Although the Group as a whole is lower than planned due to the impact of budget tightening by some customers, the mainstay panel surveys remain firm, and the research business of consumer goods manufacturers and healthcare showed a recovery trend. Meanwhile, personnel and other expenses increased in association with organizational reinforcement in anticipation of expanded operations in the core businesses and increased investment aiming to expand domains, while expenses were generated with the capital and business alliance with DOCOMO, and these will have an impact on the business performance of the Group. However, the Group is moving forward mainly with strengthening its capital policy based on its stable financial base, creating business through collaboration among Group companies, implementing measures to increase non-financial capital including human capital and strengthening sustainability, as in the past.
As a result of these efforts, the INTAGE Group's consolidated net sales for the fiscal year under review amounted to ¥63,279 million (up 3.1% from the same period of the previous year), with an operating profit of ¥3,289 million (down 13.1%), ordinary profit of ¥3,543 million (down 13.0%), and profit attributable to owners of parent of ¥2,456 million (down 29.9%).

The results by business segment are described below.

1) Marketing Support (Consumer Goods & Services)

In the Marketing Support (Consumer Goods & Services) segment, sales increased but profit decreased; consolidated net sales of the segment amounted to ¥41,176 million (up 2.5% from the same period of the previous year), with an operating profit of ¥1,160 million (down 29.4%)

Panel surveys, the core business of the segment, performed well. Meanwhile, custom research results were mostly unchanged year on year; however, progress was less than planned, reflecting the fact that specific customers have tightened their marketing budgets. The field of communication was at a level lower than the previous year. INTAGE Research Inc. recorded sales growth due to the acquisition of large statistical surveys. In overseas business, sales were strong in Thailand and Singapore. We are steadily receiving projects in each country and promoting collaboration between business sites to increase sales.

Investment activities were carried out as planned towards establishing the CX Marketing Platform and revamping SCI.

Profit decreased, chiefly due to a rise in expenses reflecting an increase in investment expenses and in the size of the workforce in anticipation of higher sales. The cost increase was not offset by the increase in net sales, which was lower than forecast.

2) Marketing Support (Healthcare)

In the Marketing Support (Healthcare) segment, sales increased but profit decreased; consolidated net sales of the segment amounted to ¥14,336 million (up 1.3% from the same period of the previous year), with an operating profit of ¥1,698 million (down 5.2%)

In this segment, research sales, the mainstay of INTAGE Healthcare Inc., reflected the lack of significant projects in the same period of the previous year, but custom research in the medical field is trending toward a recovery. Overall sales exceeded the previous year. The results of the CRO (contract research organization) business are below the previous year. We aim to create new projects by participating in conferences and promoting activities using the website.

KYOWA KIKAKU Ltd. saw net sales rise after winning a new drug launch project and a large project. We will continue to improve profitability.

Profit decreased due to the impact of lower sales in the CRO business, despite a recovery in the research business and higher sales from KYOWA KIKAKU.

3) Business Intelligence

In the Business Intelligence segment, both sales and profit increased; consolidated net sales of the segment amounted to ¥7,766 million (up 9.7% from the same period of the previous year), with an operating profit of ¥431 million (up 23.3%).

In this business, INTAGE TECHNOSPHERE Inc. won new large-scale projects in the SI and platform businesses, which exceeded the level of the previous year. Sales were also solid in the DX support area and the health information area. Buildsystem Co., Ltd. also achieved higher sales than the previous year.

Profit rose due to sales growth.

*1 Global Future Lab: organization involved in marketing and the development of new services for overseas business expansion

*2 As of March 31, 2024

*3 Five synergies
(i) ID-based and one-stop marketing support centering on consumers for daily consumer goods manufacturers
(ii) Comprehensive support for distribution and retailing value chains
(iii) Entry into new business domains in the areas of customer satisfaction (CS) and employee satisfaction (ES)
(iv) Full-funnel marketing support with a focus on consumers for durable consumer goods manufacturers and service operators
(v) Strengthening of capacity of healthcare-related industries to solve social issues

(2) Overview of Financial Position for the Fiscal Year under Review

(Assets)

Current assets increased ¥1,592 million from the end of the previous fiscal year to ¥28,005 million. This increase was mainly due to increases in accounts receivable - trade, and contract assets by ¥1,812 million and ¥209 million respectively, while cash and deposits and work in process decreased by ¥575 million and ¥326 million, respectively.

Non-current assets contracted ¥665 million from the end of the previous fiscal year to ¥17,313 million. This was mainly due to decreases of ¥259 million in leased assets and ¥882 million in deferred tax assets, despite an increase of ¥586 million in retirement benefit asset.

As a result, total assets increased by ¥927 million to ¥45,318 million.

(Liabilities)

Current liabilities rose by ¥88 million from the end of the previous fiscal year to ¥11,890 million. This was mainly due to increases of ¥191 million in contract liabilities and ¥372 million in other, despite decreases of ¥224 million in short-term borrowings and ¥272 million in income taxes payable.

Non-current liabilities declined ¥596 million from the end of the previous fiscal year, to ¥988 million. This was mainly due to decreases of ¥87 million in lease liabilities and ¥439 million in retirement benefit liability.

As a result, total liabilities decreased by ¥507 million to ¥12,878 million.

(Net assets)

Total net assets increased by ¥1,434 million from the end of the previous fiscal year to ¥32,439 million. This was mainly due to an increase of ¥840 million in retained earnings and a rise of ¥447 million in remeasurements of defined benefit plans, net of tax.

(3) Overview of Cash Flows for the Fiscal Year under Review

The status of cash flows at the end of the fiscal year under review and the primary factors responsible for those results are as follows.

(Cash flows from operating activities)

Net cash provided by operating activities amounted to ¥1,972 million, as cash inflows such as profit before income taxes and depreciation exceeded cash outflows including an increase in trade receivables and income taxes paid.

(Cash flows from investing activities)

Net cash used in investing activities amounted to ¥705 million, as cash outflows including the purchase of intangible assets and the purchase of investment securities exceeded cash inflows such as proceeds from the sale of investment securities.

(Cash flows from financing activities)

Net cash used in financing activities amounted to ¥2,159 million, as cash outflows including repayments of short-term borrowings, repayments of long-term borrowings and dividends paid exceeded cash inflows such as proceeds from short-term borrowings.

As a result, cash and cash equivalents at the end of the fiscal year totaled ¥11,940 million, a decrease of ¥596 million from the end of the previous fiscal year.

(4) Outlook

Looking ahead, the gradual recovery is expected to continue with the improvement in employment and income conditions, partly attributable to governmental policies. However, the environment surrounding the Group's customers requires caution because of the risk that a downturn in overseas economies, such as the effects of continued high interest rate levels in Europe and the United States and concerns about the future of the Chinese economy, could put downward pressure on Japan's economy.

The Group developed the 14th Medium-term Management Plan (three-year plan) which began in the fiscal year ended June 30, 2024, with its basic policy set as "Towards New Portfolio as a Data + Technology Company - Creation of New Value."
The impact of major changes in social conditions in recent years has brought to light a variety of social issues, as consumers' awareness, values, lifestyles, and purchasing behavior have changed dramatically, while the use of new technologies has resulted in a shorter cycle of creation and destruction, accelerating the transformation of society

and industrial structures. In addition, long-term changes are also becoming apparent in Japan, such as the declining birthrate, aging population, falling population and shrinking workforce.
The Group recognizes that major changes in social conditions and major technological advancements will continue to occur constantly, and that the business environment surrounding our customers will continue to change constantly. For the Group to achieve sustainable growth even under circumstances such as these, we have set a vision for 2030 and, with a long-term perspective, aim to become a company that is needed by society as one that can contribute to the realization of a convenient and prosperous society free from social losses.

As part of the Group's medium- to long-term growth strategy, we are promoting the realization of five synergies (*) and sales and data collaboration with NTT DOCOMO, INC. Through this initiative, we expect to accelerate the capability of "data collection," "data valorization," and "structuring of data utilization," which the Group has cultivated over many years, and to expand into areas other than the existing marketing support business. We will aim to create a new value demonstration with a view to 2030.
In addition, we will accelerate the promotion of corporate governance and security compliance, which are considered important in ESG investment, aiming to build a good relationship with the capital market. Meanwhile, as part of our efforts toward the SDGs, we will work to preserve the environment in which data is used and contribute to the realization of a healthy and sustainable society by constantly improving the value of the use of data that connects the perspectives of our customers and consumers.

As a result of the above measures, the Company forecasts net sales in the consolidated fiscal year ending June 30, 2025 of ¥68,000 million (up 7.5% year on year), operating profit of 3,800 million (up 15.5%), ordinary profit of ¥3,800 million (up 7.2%), and profit attributable to owners of parent of ¥3,700 million (up 50.6%).

* Five synergies
(i) ID-based and one-stop marketing support centering on consumers for daily consumer goods manufacturers
(ii) Comprehensive support for distribution and retailing value chains
(iii) Entry into new business domains in the areas of customer satisfaction (CS) and employee satisfaction (ES)
(iv) Full-funnel marketing support with a focus on consumers for durable consumer goods manufacturers and service operators
(v) Strengthening of capacity of healthcare-related industries to solve social issues

2. Basic Approach towards Selection of Accounting Standards

The Group currently prepares consolidated financial statements using Generally Accepted Accounting Principles in Japan to permit comparisons with prior years and with the financial data of other companies. With respect to the International Financial Reporting Standards (IFRSs) the Company will address the issue appropriately with consideration to the various circumstances in Japan and overseas.

3. Consolidated Financial Statements and Notes Thereto

(1) Consolidated Balance Sheet

(Thousands of yen)

	Previous consolidated fiscal year (As of June 30, 2023)	Consolidated fiscal year under review (As of June 30, 2024)
Assets		
Current assets		
Cash and deposits	12,620,553	12,045,279
Notes receivable - trade	624,648	578,419
Accounts receivable - trade	8,727,169	10,539,946
Contract assets	85,784	295,448
Merchandise	15,422	25,402
Work in process	2,186,425	1,859,716
Supplies	146,511	128,381
Other	2,010,226	2,538,923
Allowance for doubtful accounts	-3,877	-6,092
Total current assets	26,412,864	28,005,424
Non-current assets		
Property, plant and equipment		
Buildings and structures	6,316,306	6,438,073
Accumulated depreciation	-5,145,155	-5,295,177
Net buildings and structures	1,171,150	1,142,896
Equipment and fixtures	1,550,928	1,587,977
Accumulated depreciation	-1,276,087	-1,296,166
Net equipment and fixtures	274,841	291,810
Land	1,998,156	1,998,156
Leased assets	1,083,976	823,979
Accumulated depreciation	-604,104	-476,372
Net leased assets	479,871	347,606
Total property, plant and equipment	3,924,020	3,780,470
Intangible assets		
Goodwill	832,688	711,421
Other	3,054,218	2,801,911
Total intangible assets	3,886,907	3,513,333
Investments and other assets		
Investment securities	5,846,269	5,920,277
Deferred tax assets	2,505,024	1,622,811
Retirement benefit assets	101,306	688,061
Other	2,027,233	2,120,386
Allowance for doubtful accounts	-312,467	-332,260
Total investments and other assets	10,167,365	10,019,276
Total non-current assets	17,978,294	17,313,079
Total assets	44,391,158	45,318,504

(Thousands of yen)

	Previous consolidated fiscal year (As of June 30, 2023)	Consolidated fiscal year under review (As of June 30, 2024)
Liabilities		
Current liabilities		
Accounts payable - trade	2,973,730	2,975,988
Short-term borrowings	224,840	–
Lease liabilities	215,361	162,711
Income taxes payable	560,187	288,105
Contract liabilities	749,715	941,438
Provision for bonuses	2,138,925	2,199,639
Provision for point card certificates	2,287,583	2,299,060
Other	2,651,449	3,023,704
Total current liabilities	11,801,793	11,890,649
Non-current liabilities		
Long-term borrowings	173,410	100,000
Lease liabilities	321,346	233,622
Provision for share awards	173,215	161,096
Retirement benefit liability	755,043	315,774
Asset retirement obligations	103,966	104,675
Other	57,512	72,836
Total non-current liabilities	1,584,494	988,006
Total liabilities	13,386,287	12,878,655
Net assets		
Shareholders’ equity		
Share capital	2,378,706	2,378,706
Capital surplus	1,789,401	1,796,219
Retained earnings	30,075,545	30,916,440
Treasury shares	-3,461,377	-3,381,200
Total shareholders’ equity	30,782,275	31,710,166
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	113,749	124,580
Foreign currency translation adjustment	657,900	711,140
Remeasurements of defined benefit plans	-784,122	-336,964
Total accumulated other comprehensive income	-12,472	498,756
Non-controlling interests	235,067	230,926
Total net assets	31,004,871	32,439,848
Total liabilities and net assets	44,391,158	45,318,504

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

Consolidated Statements of Income

(Thousands of yen)

	Previous consolidated fiscal year (July 1, 2022 to June 30, 2023)	Consolidated fiscal year under review (July 1, 2023 to June 30, 2024)
Net sales	61,387,014	63,279,218
Cost of sales	40,088,291	41,279,883
Gross profit	21,298,723	21,999,335
Selling, general and administrative expenses	17,513,400	18,709,346
Operating profit	3,785,323	3,289,989
Non-operating income		
Interest income	13,204	22,232
Dividend income	53,847	59,716
Share of profit of entities accounted for using equity method	218,097	175,415
Gain on investments in investment partnerships	270,991	13,150
Foreign exchange gains	44,794	46,649
Other	105,185	69,297
Total non-operating income	706,121	386,462
Non-operating expenses		
Interest expenses	21,420	19,979
Commission expenses	14,428	14,182
Commission for purchase of treasury shares	50,854	–
Loss on retirement of non-current assets	18,044	83,223
Provision of allowance for doubtful accounts	307,266	10,590
Other	5,599	5,203
Total non-operating expenses	417,614	133,178
Ordinary profit	4,073,829	3,543,273
Extraordinary income		
Gain on sale of investment securities	146,414	–
Gain on sale of shares of subsidiaries and associates	76,423	–
Gain on liquidation of subsidiaries	–	349,277
Total extraordinary income	222,837	349,277
Extraordinary losses		
Loss on valuation of investment securities	31,910	105,057
Total extraordinary losses	31,910	105,057
Profit before income taxes	4,264,756	3,787,493
Income taxes - current	1,506,057	601,924
Income taxes - deferred	-621,284	720,443
Total income taxes	884,772	1,322,368
Profit	3,379,984	2,465,125
Profit (loss) attributable to non-controlling interests	-125,776	8,300
Profit attributable to owners of parent	3,505,760	2,456,825

Consolidated Statements of Comprehensive Income

(Thousands of yen)

	Previous consolidated fiscal year (July 1, 2022 to June 30, 2023)	Consolidated fiscal year under review (July 1, 2023 to June 30, 2024)
Profit	3,379,984	2,465,125
Other comprehensive income		
Valuation difference on available-for-sale securities	-234,325	10,146
Foreign currency translation adjustment	142,045	65,378
Remeasurements of defined benefit plans, net of tax	302,021	447,157
Total of other comprehensive income	209,741	522,681
Comprehensive income:	3,589,725	2,987,807
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	3,705,589	2,968,054
Comprehensive income attributable to non-controlling interests	-115,863	19,752

(3) Consolidated Statement of Changes in Equity

Previous consolidated fiscal year (July 1, 2022 to June 30, 2023)

(Thousands of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	2,378,706	1,786,851	28,078,096	-1,565,105	30,678,549
Changes during period					
Dividends of surplus			-1,508,312		-1,508,312
Profit attributable to owners of parent			3,505,760		3,505,760
Purchase of treasury shares				-1,999,975	-1,999,975
Disposal of treasury shares		2,550		103,702	106,253
Change in ownership interest of parent due to transactions with non-controlling interests					–
Net changes in items other than shareholders' equity					
Total changes during period	–	2,550	1,997,448	-1,896,272	103,726
Balance at end of period	2,378,706	1,789,401	30,075,545	-3,461,377	30,782,275

	Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	339,374	534,468	-1,086,143	-212,300	356,870	30,823,119
Changes during period						
Dividends of surplus						-1,508,312
Profit attributable to owners of parent						3,505,760
Purchase of treasury shares						-1,999,975
Disposal of treasury shares						106,253
Change in ownership interest of parent due to transactions with non-controlling interests				–		–
Net changes in items other than shareholders' equity	-225,624	123,432	302,021	199,828	-121,802	78,025
Total changes during period	-225,624	123,432	302,021	199,828	-121,802	181,752
Balance at end of period	113,749	657,900	-784,122	-12,472	235,067	31,004,871

Consolidated fiscal year under review (July 1, 2023 to June 30, 2024)

(Thousands of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	2,378,706	1,789,401	30,075,545	-3,461,377	30,782,275
Changes during period					
Dividends of surplus			-1,615,930		-1,615,930
Profit attributable to owners of parent			2,456,825		2,456,825
Purchase of treasury shares				-265	-265
Disposal of treasury shares		8,939		80,442	89,381
Change in ownership interest of parent due to transactions with non-controlling interests		-2,121			-2,121
Net changes in items other than shareholders' equity					
Total changes during period	–	6,818	840,895	80,177	927,890
Balance at end of period	2,378,706	1,796,219	30,916,440	-3,381,200	31,710,166

	Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	113,749	657,900	-784,122	-12,472	235,067	31,004,871
Changes during period						
Dividends of surplus						-1,615,930
Profit attributable to owners of parent						2,456,825
Purchase of treasury shares						-265
Disposal of treasury shares						89,381
Change in ownership interest of parent due to transactions with non-controlling interests						-2,121
Net changes in items other than shareholders' equity	10,831	53,240	447,157	511,228	-4,141	507,087
Total changes during period	10,831	53,240	447,157	511,228	-4,141	1,434,977
Balance at end of period	124,580	711,140	-336,964	498,756	230,926	32,439,848

(4) Consolidated Statement of Cash Flows

(Thousands of yen)

	Previous consolidated fiscal year (July 1, 2022 to June 30, 2023)	Consolidated fiscal year under review (July 1, 2023 to June 30, 2024)
Cash flows from operating activities		
Profit before income taxes	4,264,756	3,787,493
Depreciation	1,332,945	1,249,123
Amortization of goodwill	129,157	121,267
Decrease (increase) in retirement benefit asset	-73,058	-586,755
Increase (decrease) in retirement benefit liability	-536,714	-442,341
Increase (decrease) in provision for retirement benefits for directors (and other officers)	-4,800	–
Increase (decrease) in provision for bonuses	-52,412	45,223
Increase (decrease) in allowance for doubtful accounts	306,285	21,898
Increase (decrease) in provision for point card certificates	61,466	11,477
Increase (decrease) in provision for losses on orders received	-26,416	–
Increase (decrease) in provision for share awards	-20,300	-12,118
Interest and dividend income	-67,052	-81,949
Share of loss (profit) of entities accounted for using equity method	-218,097	-175,415
Interest expenses	21,420	19,979
Loss (gain) on investments in investment partnerships	-270,991	-13,150
Loss on retirement of non-current assets	18,044	83,223
Loss (gain) on sales of investment securities	-146,414	–
Loss (gain) on sale of shares of subsidiaries and associates	-76,423	–
Loss (gain) on liquidation of subsidiaries	–	-349,277
Loss (gain) on valuation of investment securities	31,910	105,057
Decrease (increase) in trade receivables	-461,048	-1,718,020
Decrease (increase) in inventories	-145,361	347,625
Increase (decrease) in trade payables	308,900	-35,391
Increase (decrease) in accrued consumption taxes	-199,832	110,899
Other	161,929	614,556
Subtotal	4,337,893	3,103,403
Interest and dividends received	67,052	81,949
Interest paid	-19,241	-19,772
Income taxes paid or refunded (“minus” is payment)	-1,754,894	-1,210,015
Other	56,618	16,595
Net cash provided by (used in) operating activities	2,687,428	1,972,160

(Thousands of yen)

	Previous consolidated fiscal year (July 1, 2022 to June 30, 2023)	Consolidated fiscal year under review (July 1, 2023 to June 30, 2024)
Cash flows from investing activities		
Payments into time deposits	-88,220	-82,744
Proceeds from withdrawal of time deposits	111,465	62,290
Purchase of property, plant and equipment	-439,318	-164,309
Purchase of intangible assets	-705,795	-626,404
Purchase of investment securities	-224,978	-178,773
Proceeds from sale of investment securities	713,313	249,861
Loan advances	-1,550	-1,510
Proceeds from collection of loans receivable	1,561	24,591
Payments for sale of shares of subsidiaries resulting in change in scope of consolidation	-88,570	–
Payments of guarantee deposits	-42,385	-61,669
Proceeds from refund of guarantee deposits	16,774	33,375
Proceeds from distributions from investment partnerships	124,754	10,204
Other	4,196	29,731
Net cash provided by (used in) investment activities	-618,753	-705,356
Cash flows from financing activities		
Proceeds from short-term borrowings	8,000,000	7,000,000
Repayments of short-term borrowings	-8,000,000	-7,000,000
Proceeds from long-term borrowings	100,000	—
Repayments of long-term borrowings	-324,840	-298,250
Repayments of lease liabilities	-219,187	-222,068
Proceeds from share issuance to non-controlling shareholders	7,833	6,210
Purchase of treasury shares	-1,999,975	-265
Dividends paid	-1,505,811	-1,616,044
Purchase of shares of subsidiaries not resulting in change in scope of consolidation	–	-10,056
Other	-12,320	-18,896
Net cash provided by (used in) financing activities	-3,954,302	-2,159,369
Effect of exchange rate change on cash and cash equivalents	145,170	296,470
Net increase (decrease) in cash and cash equivalents	-1,740,457	-596,095
Cash and cash equivalents at beginning of period	14,277,356	12,536,899
Cash and cash equivalents at end of period	12,536,899	11,940,803

(5) Notes to Consolidated Financial Statements

(Note on assumptions for going concern)

Not applicable.

(Segment information)

1 Overview of reportable segments

(1) Method for determining reportable segments

The reportable segments of the Company are the units for which separate financial information can be obtained among the constituent units of the Company and for which the Board of Directors of the Company regularly carries out examinations to determine the allocation of management resources and assess the business performance.

The Group aggregates its business segments based on customer industries and services provided, and has three reportable segments: Marketing Support (Consumer Goods & Services), Marketing Support (Healthcare), and Business Intelligence.

(2) Type of products and services belonging to each reportable segment

The Marketing Support (Consumer Goods & Services) segment provides data services, custom research, analytical models, and communication services based on proprietary data, research techniques, and data analysis capabilities.

The Marketing Support (Healthcare) segment conducts market research for over-the-counter (OTC) and ethical pharmaceuticals, as well as CRO (contract research organization) services to support drug development by providing data management and analysis services commissioned by pharmaceutical companies.

The Business Intelligence segment is engaged in software development and sales, system operation, maintenance and management, and data center operations.

2 Method for determining sales, profit or loss, assets, liabilities and other items for reportable segments

Accounting methods for the reported business segments are generally the same as those used for the preparation of consolidated financial statements.

Segment profit as reported in this section is based on operating profit.

3 Information on net sales and profit (loss) by reportable segment

For the fiscal year ended June 30, 2023 (July 1, 2022 to June 30, 2023)

(Thousands of yen)

	Reportable segment			Total (Note)
	Marketing Support (Consumer Goods & Services)	Marketing Support (Healthcare)	Business Intelligence	
Net sales				
Net sales to third parties	40,153,223	14,153,407	7,080,382	61,387,014
Intra-group net sales and transfers	–	–	–	–
Total	40,153,223	14,153,407	7,080,382	61,387,014
Segment profit	1,643,525	1,791,783	350,013	3,785,323

(Notes) 1. The total of the segment profit equals the operating profit reported in the consolidated statements of income.
2. Segment assets are not shown because assets are not allocated to business segments.

For the fiscal year ended June 30, 2024 (July 1, 2023 to June 30, 2024)

(Thousands of yen)

	Reportable segment			Total (Note)
	Marketing Support (Consumer Goods & Services)	Marketing Support (Healthcare)	Business Intelligence	
Net sales				
Net sales to third parties	41,176,814	14,336,393	7,766,010	63,279,218
Intra-group net sales and transfers	–	–	–	–
Total	41,176,814	14,336,393	7,766,010	63,279,218
Segment profit	1,160,400	1,698,114	431,474	3,289,989

(Notes) 1. The total of the segment profit equals the operating profit reported in the consolidated statements of income.
2. Segment assets are not shown because assets are not allocated to business segments.

(Per share information)

Item	Previous consolidated fiscal year (July 1, 2022 to June 30, 2023)	Consolidated fiscal year under review (July 1, 2023 to June 30, 2024)
Net assets per share	808.17 yen	844.73 yen
Profit per share	91.21 yen	64.47 yen

(Notes) 1. Shares in the Company remaining in trust, which are recorded as treasury shares in shareholders' equity, are included in treasury shares deducted in the calculation of the average number of shares during the period for the purpose of calculating profit per share and included in the number of treasury shares deducted from total number of shares issued at the end of the period for the purpose of calculating net assets per share. The average number of treasury shares during the period deducted for the calculation of profit per share was 414 thousand shares in the previous consolidated fiscal year and 388 thousand shares in the consolidated fiscal year under review, and the number of treasury shares at the end of the period deducted for the calculation of net assets per share was 401 thousand shares in the previous consolidated fiscal year and 382 thousand shares in the consolidated fiscal year under review.

2. Diluted profit per share is not stated because there is no dilutive share.

3. The following is the basis of calculating profit per share.

Item	Previous consolidated fiscal year (July 1, 2022 to June 30, 2023)	Consolidated fiscal year under review (July 1, 2023 to June 30, 2024)
Profit per share		
Profit attributable to owners of parent (Thousands of yen)	3,505,760	2,456,825
Amount not attributable to common shareholders (Thousands of yen)	–	–
Profit attributable to owners of parent pertaining to common shares (Thousands of yen)	3,505,760	2,456,825
Average number of common shares outstanding during the period (Thousands of shares)	38,437	38,108

(Significant subsequent events)

Pursuant to a resolution passed at the Board of Directors meeting held on April 22, 2024, the Company acquired from NTT DOCOMO, INC. ("DOCOMO"), the Company's parent company, on July 1, 2024, all shares in DOCOMO Insight Marketing, INC. ("DIM"), a joint venture between DOCOMO and the Company (excluding the treasury shares that DIM acquired from DOCOMO, which is described in 1. Overview of transaction, (5) Other matters related to outline of the transaction, Other) and made DIM a wholly owned subsidiary.

1. Overview of transaction

(1) Name of combined entity and description of its business

Name of combined entity: DOCOMO Insight Marketing, INC.

Business description: Research business, communication service business, area marketing business, and other consulting business

(2) Date of the business combination

July 1, 2024

(3) Legal form of the business combination

Cash acquisition of shares

(4) Names of entity after the business combination

No change

(5) Other matters related to outline of the transaction

- Purpose of the transactions

The collaborative activities carried out through DIM thus far are activities for creating synergy effects through the integrated business management of the Company and DOCOMO and the Company decided to implement the transaction in the belief that making DIM a wholly owned subsidiary, rather than continuing DIM's business as a joint venture, would enable more flexible business operation.

The Company also believes that making DIM a wholly owned subsidiary will enable greater business efficiency through flexible management decision-making and the integration of manufacturing and sales. It believes that this will result in a swifter customer response and the provision of services that meet customer expectations and DIM can, therefore, be expected to make a greater contribution to the Company's business results and boost its corporate value.

- Other

DIM acquired treasury shares from DOCOMO on July 1, 2024. The number of treasury shares acquired is determined in accordance with DIM's balance sheet for the fiscal year ended March 31, 2024.

The Company acquired all shares of DIM held by DOCOMO after DIM's acquisition of treasury shares and made DIM its wholly owned subsidiary.

2. Overview of accounting procedures implemented

The transaction was treated as one under common control in accordance with the Accounting Standard for Business Combinations (ASBJ Statement No. 21, January 16, 2019) and the Guidance on Accounting Standard for Business Combinations and Accounting Standard for Business Divestitures (ASBJ Guidance No. 10, January 16, 2019).

3. Matters to be presented when additional shares of a subsidiary have been acquired

Acquisition cost of the acquired company and breakdown by type of consideration

Consideration for acquisition	Cash	1,695,075 yen
Acquisition cost		1,695,075 yen