



Overview of 1st Quarter Results for the Year Ending December 31, 2012

[Japanese GAAP]

May 11, 2012

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 Securities Code : 9747 URL : <http://www.adk.jp/english/index.html>
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(Unit: millions of yen, Rounded down under 1 million yen)

1. The First Three Months Consolidated Results (January 1, 2012 to March 31, 2012)

(1) Consolidated Operating Results

	Gross Billings		Operating Income		Ordinary Income		Net Income	
	millions of yen	%	millions of yen	%	millions of yen	%	millions of yen	%
3 months ended ;								
Mar. 31, 2012	91,004	6.6	2,259	104.2	2,537	85.1	1,458	752.9
Mar. 31, 2011	85,381	3.2	1,106	3.4	1,370	(32.8)	170	(29.9)

(Notes) 1. Comprehensive income

at March 31, 2012 : 9,373 million yen (939.1%) at March 31, 2011 : 902 million yen (- %)

2. Percentages shown for Gross Billings, Operating Income, Ordinary Income and Net Income represent increase/decrease from those in the corresponding period of the previous year.

	Net Income per Share	Fully Diluted Net Income per Share
	yen	yen
3 months ended ;		
Mar. 31, 2012	34.53	-
Mar. 31, 2011	4.05	4.05

(2) Consolidated Financial Position

	Total Assets	Net Assets	Shareholder's Equity Ratio
	millions of yen	millions of yen	%
Mar. 31, 2012	197,699	105,791	53.0
Dec. 31, 2011	184,188	96,800	52.0

(Reference) Shareholders' equity Mar. 31, 2012 : 104,784 million yen Dec. 31, 2011 : 95,834 million yen

2. Dividend Information

	Dividend per Share			
	interim	temporary	year-end	Full-year
	yen	yen	yen	yen
Fiscal 2011 (Actual)	10.00	89.00	10.00	109.00
Fiscal 2012 (Actual)	-			
Fiscal 2012 (Forecast)	10.00	-	15.00	25.00

(Notes) We do not revise the forecast of the interim and year-end dividends as announced on February 14, 2012.

3. Forecast of Consolidated results Fiscal 2012 (January 1, 2012 to December 31, 2012)

	Gross Billings		Operating Income		Ordinary Income		Net Income		Net Income per share
	millions of yen	%	millions of yen	%	millions of yen	%	millions of yen	%	yen
Interim	178,000	7.5	2,800	103.5	3,900	54.9	1,720	96.3	40.72
Full-year	352,000	1.4	3,900	1.2	5,400	(4.0)	3,000	30.8	71.02

(Notes) 1. Percentages shown for Gross Billings, Operating Income, Ordinary Income and Net Income represent increase/decrease from those in the corresponding period of the previous year.

2. We revised the forecast for 1st half of FY2012.

Full-Year forecast is now under examination and will be announced at appropriate time.

4.Others

- (1) Changes in the Scope of Consolidation and Application of the Equity Method by the significant subsidiaries ? : No.
- (2) Is there any accounting treatment particular to the quarterly financial statements ? : Yes.
For details, see the Supplementary Information "2.Other Information (2)" on the page 6.
- (3) Is there any Changes in Accounting Policies, Changes in Accounting Estimates and Restatements ? : No.
For details, see the Supplementary Information "2.Other Information (3)" on the page 6.
- (4) 1. Number of outstanding stocks (including treasury stock) issued, end of term :
at March 31, 2012 : 42,655,400 shares, at December 31, 2011 : 45,155,400 shares,
2. Number of treasury stock, end of term :
at March 31, 2012 : 413,611 shares, at December 31, 2011 : 2,941,598 shares,
3. Avg. number of shares (consolidated) outstanding during the terms ended :
at March 31, 2012 : 42,230,696 shares, at March 31, 2011 : 42,168,906 shares,
- (Notes) The Company has introduced an "ESOP Trust Utilizing Employee Shareholding Association," and the shares owned by this ESOP are reported as "treasury stock" in the quarterly consolidated financial statements. Consequently, shares owned by this ESOP are included in the number of shares of treasury stock outstanding at the period end above, and there were 339,500 shares and 367,900 shares at the end of the first quarter and at the end of the previous fiscal year, respectively.

* Implementation status of quarterly review procedures

This quarterly consolidated financial results report is exempt from quarterly review procedures in accordance with the Financial Instruments and Exchange Act. At the time of disclosure of this quarterly consolidated financial results report, the review procedures for quarterly consolidated financial statements have not finished.

* Appropriate use of business forecasts and other special matters

The business forecasts and future prospects in this document are made based on information currently available and contain potential risks and uncertainties. As such, actual business results may significantly differ from those expressed or implied in the forecasts due to changes in various factors.
Refer to "1. Consolidated Results for the First Quarter of Fiscal 2012 (3) Forecasts for Fiscal 2012" on page 5 for the suppositions that form the assumptions for the business forecasts and cautions concerning the use thereof.

[Supplementary Information]

1. Consolidated Results for the First Quarter of Fiscal 2012

(1) Overview of Operating Results

During the current first quarter (From January 1, 2012 to March 31, 2012), the Japanese economy was gradually recovering from the economic downturn from the previous autumn on the back of a pause in the historic appreciation of the yen, the recovery of the US economy, reconstruction demand from the earthquake, and the effects of the various governmental policies implemented.

Sales in the advertising industry, according to the Current Survey of Selected Service Industries by the Ministry of Economy, Trade and Industry, increased in the January-March quarter, showing signs of recovery in the advertising market. However, it seems the unstable situation will continue because the sales increased partly as a reaction to the slump following the Great East Japan Earthquake in March 2011, and there are many concerns such as rising oil prices, the shortage of electricity supply, the renewed debt crisis in Europe, and the economic slowdown in emerging nations.

Amid these circumstances, the ADK Group provided communications programs with the aim to achieve the maximum return on investment (ROI) in communications of the advertisers, by providing the best media integration surrounding consumers' purchasing methods, such as mass media, mass personal media, including Internet and mobile devices, and OOH media, including in-store media, through capturing changing media contact and purchase behaviors of consumers and also needs of advertisers that change accordingly. The Group also worked proactively to develop its business in emerging nations such as China, which are growing rapidly, and in the content business. Consequently, the Group achieved a certain extent of increase year-on-year in both sales and income.

The ADK Group reported gross billings of ¥91,004 million, increased 6.6% compared with the previous corresponding period. Gross profit increased 13.0% to ¥13,431 million and operating income surged 104.2% to ¥2,259 million. Ordinary income amounted to ¥2,537 million, up 85.1% from the previous corresponding period as a result of totaling the dividends income of ¥21 million. Accordingly, income before income taxes surged 757.4% to ¥2,518 million and net income increased 752.9% to ¥1,458 million.

Performance by Business Segment

Advertising Business

In the advertising business segment, gross billings to outside customers amounted to ¥89,738 million, up 6.9% from previous corresponding period, and segment income increased 98.2% to ¥2,468 million.

The Parent company, ADK, domestic subsidiaries and overseas subsidiaries all recorded an increase in gross billings, and overall gross billings exceeded those of the previous corresponding period. In terms of profitability, ADK, total of domestic subsidiaries and total of overseas subsidiaries all recorded an increase in profit, and segment income exceeded those of the previous corresponding period.

Non-consolidated performance (including gross billings by client industry and by discipline) of ADK, the

core company in the Group, is as follows.

ADK reported gross billings of ¥79,004 million, up 5.1% from the previous corresponding period. Gross profit amounted to ¥10,122 million, up 10.5% year-on-year. Operating income surged 121.4% year-on-year to ¥1,893 million. Due to the focus on improving profitability and continuous effort to control selling, general and administrative expenses, in addition to the increase in gross billings, gross billings, gross profit and operating income all increased from the previous year.

ADK recorded an increase in gross billings from clients in industries such as Beverages/Tobacco Products, Cosmetics/Toiletry Goods, Distribution/Retail, and Government/Organization. However, gross billings from clients in industries such as Information/Communications, Automobiles/Auto-Related Products, Finance/Insurance, Energy/Raw Materials/Machinery, Restaurants/Other Services decreased.

Broken down by discipline, TV, Marketing and Promotion, OOH Media, and Digital Media grew, but in Creative and Others, Newspaper, and Magazine, gross billings were down from the previous corresponding period.

Non-consolidated gross billings by discipline, shares of total, and changes year-on-year changes are outlined below.

Discipline		Gross Billings (Millions of yen)	Share of Total (%)	Y-o-Y Change (%)
Media	Magazine	3,228	4.1	-4.5
	Newspaper	4,728	6.0	-3.0
	TV	37,094	47.0	4.4
	Radio	781	1.0	-1.9
	Digital Media	2,608	3.3	19.1
	OOH Media	2,559	3.2	22.0
Sub-total		51,002	64.6	4.4
Non-Media	Marketing and Promotion	15,301	19.3	17.8
	Creative and Others	12,699	16.1	-4.8
Sub-total		28,001	35.4	6.4
Total		79,004	100.0	5.1

Notes: 1. Due to maturation of the advertising market and diversification of media environments, ADK offers advertisers cross-media communications programs, which can make it difficult to separate billings strictly according to medium. Consequently, the gross billings reported above may not reflect actual gross billings for each medium.

2. "Television" includes time, spot and contents business.

3. "Digital Media" includes Internet and mobile media.

(Digital Solution business such as web creation is included in "Marketing and Promotion.")

4. "OOH (Out of Home) Media" includes transit advertising, outdoor advertising and newspaper inserts etc.

5. "Marketing and Promotion" includes marketing, communications planning, sales promotion, event, PR, EXPO related business, and digital solution business.

Non-Advertising Business

In the publication and sales of books and magazine, which is a non-advertising business, gross billings to outside customers amounted to ¥1,266 million, down 10.2% year-on-year and the segment loss amounted to ¥211 million, compared with ¥140 million loss of the previous corresponding period.

In the environment it is becoming difficult to secure profit amid a shrinking of the publication market, gross billings decreased mainly due to an increase in returned magazines, and the Group reported operating loss despite the continuous effort to control costs.

Overseas Sales

The ADK Group obtained 8.1% of its gross billings from abroad during the current first quarter, from 7.7% in the previous corresponding period. All overseas sales are generated from the advertising business.

(2) Financial Position

The financial position as of March 31, 2012 compared with that as of the previous fiscal year-end (December 31, 2011) was as follows.

Total assets amounted to ¥197,699 million, up ¥13,511 million from the previous fiscal year-end mainly because of an increase in investment securities due to rise of stock prices. Total liabilities were up ¥4,519 million, to ¥91,907 million, mainly because of an increase in deferred tax liabilities due to aforementioned rise of stock prices, as well as an increase in notes and accounts payable-trade. Total net assets amounted to ¥105,791 million, and the net assets ratio was 53.5%.

(3) Forecasts for Fiscal 2012

In the current first quarter, the Group achieved a significant increase in operating income, ordinary income and net income. In the first six months of fiscal 2012, gross billings are expected to grow steadily on the back of the trend of economic recovery since the beginning of this year. Operating income, ordinary income and net income are also expected to significantly exceed the previous forecasts thanks to the growth of gross profit by implementing measures to manage purchases regarding the cost of sales and the appropriate control of selling, general and administrative expenses relative to gross profit.

However, as for the forecasts throughout fiscal 2012, the Group will make any revised announcement at an appropriate time, after determining the trend of advertisement and promotion activities of companies and reviewing its impact on the Group's performance. This is because companies are cautious about the judgment of future business conditions and the economy is subject to downside risks in the second half of the fiscal year.

2. Other Information in Summary

(1) Changes in Significant Subsidiaries during the Period

Not Applicable.

(2) Adoption of Special Accounting Treatments for Quarterly Consolidated Financial Statements

- Calculation of tax expenses

Tax expenses for the period are calculated by using the effective tax rate, which is estimated rationally based on the estimated annual consolidated income before tax after applying deferred tax accounting, and applying that effective tax rate to income before income taxes for the quarter.

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

Not Applicable.

(4) Additional Information

- Application of the "Accounting Standard for Accounting Changes and Error Corrections"

Effective the current first quarter, the Company has applied "Accounting Standard for Accounting Changes and Error Corrections" (ASBJ Statement No.24, December 4, 2009) and the "Guidance on Accounting Standard for Accounting Changes and Error Corrections" (ASBJ Guidance No.24, December 4, 2009).

- Notes regarding Issuance of Stock Options for a Stock-Linked Compensation (Stock Acquisition Rights)

The Company resolved at the meeting of its Board of Directors held on May 11, 2012 to issue stock acquisition rights to its nine Directors who execute the business as stock options for a stock-linked compensation, pursuant to the provisions of Articles 236, 238 and 240 of the Companies Act of Japan. The purpose of this stock-linked compensation is to provide the Company's Directors with further incentive and morale for contributing to improved performance and higher share prices by sharing with its shareholders merits and risks pertaining to its share prices.

For further information, refer to the "Notice Regarding Stock Options for a Stock-Linked Compensation (Stock Acquisition Rights)" also released today.

ASATSU-DK INC. and Consolidated Subsidiaries

Consolidated Financial Highlights

Three Months Ended March 31, 2012

(Unaudited and before reclassifications and rearrangements)

Millions of Yen

	Three Months Ended March 31, 2012	Three Months Ended March 31, 2011	Year Ended December 31, 2011
GROSS BILLINGS	91,004	85,381	347,111
YEAR-ON-YEAR GROWTH RATE (%)	6.6	3.2	0.2
GROSS PROFIT	13,431	11,890	45,836
OPERATING INCOME	2,259	1,106	3,852
YEAR-ON-YEAR GROWTH RATE (%)	104.2	3.4	-
ORDINARY INCOME	2,537	1,370	5,627
YEAR-ON-YEAR GROWTH RATE (%)	85.1	(32.8)	198.4
INCOME BEFORE INCOME TAXES	2,518	293	5,028
NET INCOME	1,458	170	2,293
INTERIM (FULL-YEAR) DIVIDEND PER SHARE (Yen)	-	-	109.00
TOTAL ASSETS	197,699	190,483	184,188
SHAREHOLDERS' EQUITY (Shareholders' equity plus valuation and translation adjustments)	104,784	102,670	95,834
MINORITY INTERESTS	1,007	994	965
TOTAL NET ASSETS (Total of shareholders' equity plus minority interests)	105,791	103,665	96,800
SHAREHOLDERS' EQUITY PER SHARE (Yen)	2,480.59	2,434.36	2,270.23
NET INCOME PER SHARE (Yen)	34.53	4.05	54.37

ASATSU-DK INC. and Consolidated Subsidiaries

Consolidated Balance Sheets

March 31, 2012

(Unaudited and before reclassifications and rearrangements)

Millions of Yen

	March 31, 2012	December 31, 2011
<u>Assets</u>		
I Current assets		
1. Cash and deposits	25,589	22,641
2. Notes and accounts receivable-trade	87,952	88,955
3. Short-term investment securities	5,892	6,334
4. Inventories	7,802	6,840
5. Other	2,764	2,752
6. Allowance for doubtful accounts	(282)	(310)
Total current assets	129,720	127,213
II Noncurrent assets		
1. Property, plant and equipment	4,260	4,311
2. Intangible assets	2,371	2,437
3. Investments and other assets		
(1) Investment securities	53,312	42,133
(2) Other	9,710	10,035
(3) Allowance for doubtful accounts	(1,676)	(1,943)
Total investments and other assets	61,347	50,225
Total noncurrent assets	67,978	56,974
Total assets	197,699	184,188

ASATSU-DK INC. and Consolidated Subsidiaries

Consolidated Balance Sheets

March 31, 2012

(Unaudited and before reclassifications and rearrangements)

Millions of Yen

	March 31, 2012	December 31, 2011
<u>Liabilities</u>		
I Current liabilities		
1. Notes and accounts payable-trade	72,835	71,382
2. Short-term loans payable	69	94
3. Current portion of long-term loans payable	279	272
4. Income taxes payable	1,186	740
5. Provision	1,997	1,375
6. Other	6,491	8,243
Total current liabilities	82,859	82,110
II Noncurrent liabilities		
1. Long-term loans payable	459	483
2. Provision	1,785	1,807
3. Other	6,803	2,986
Total noncurrent liabilities	9,048	5,277
Total liabilities	91,907	87,388
<u>Net assets</u>		
I Shareholders' equity		
1. Capital stock	37,581	37,581
2. Capital surplus	13,244	20,023
3. Retained earnings	44,562	43,557
4. Treasury stock	(804)	(7,632)
Total shareholders' equity	94,584	93,530
II Valuation and translation adjustments		
1. Valuation difference on available-for-sale securities	11,323	4,063
2. Deferred gains or losses on hedges	(32)	(76)
3. Foreign currency translation adjustment	(1,090)	(1,681)
Total valuation and translation adjustments	10,200	2,304
III Minority interests	1,007	965
Total net assets	105,791	96,800
Total liabilities and net assets	197,699	184,188

ASATSU-DK INC. and Consolidated Subsidiaries

Consolidated Income Statements

Three Months Ended March 31, 2012

(Unaudited and before reclassifications and rearrangements)

Millions of Yen

	Three Months Ended March 31, 2012 (From January 1 to March 31, 2012)	Three Months Ended March 31, 2011 (From January 1 to March 31, 2011)
I Gross billings	91,004	85,381
II Cost of sales	77,572	73,491
Gross profit	13,431	11,890
III Selling, general and administrative expenses		
1. Salaries and allowances	4,856	4,606
2. Provision for bonuses	1,336	1,650
3. Provision for directors' retirement benefits	11	25
4. Provision of allowance for doubtful accounts	2	8
5. Other	4,964	4,493
Total selling, general and administrative expenses	11,172	10,784
Operating income	2,259	1,106
IV Non-operating income		
1. Dividends income	21	26
2. Equity in earnings of affiliates	1	85
3. Other	295	186
Total non-operating income	318	298
V Non-operating expenses		
1. Interest expenses	5	6
2. Foreign exchange losses	18	—
3. Other	15	27
Total non-operating expenses	40	34
Ordinary income	2,537	1,370

ASATSU-DK INC. and Consolidated Subsidiaries

Consolidated Income Statements

Three Months Ended March 31, 2012

(Unaudited and before reclassifications and rearrangements)

Millions of Yen

	Three Months Ended March 31, 2012 (From January 1 to March 31, 2012)	Three Months Ended March 31, 2011 (From January 1 to March 31, 2011)
VI Extraordinary income		
1. Gain on sales of investment securities	2	1
2. Reversal of provision for directors' retirement benefits	—	79
3. Other	0	32
Total extraordinary income	2	113
VII Extraordinary loss		
1. Loss on sales of noncurrent assets	7	—
2. Loss on valuation of investment securities	0	720
3. Provision for loss on guarantees	9	—
4. Loss on adjustment for changes of accounting standard for asset retirement obligations	—	244
5. Other	3	225
Total extraordinary losses	21	1,190
Income before income taxes	2,518	293
Income taxes	1,066	133
Income before minority interests	1,452	160
Minority interests in income (loss)	(5)	(10)
Net income	1,458	170

ASATSU-DK INC. and Consolidated Subsidiaries

Consolidated Comprehensive Income Statements

Three Months Ended March 31, 2012

(Unaudited and before reclassifications and rearrangements)

Millions of Yen

	Three Months Ended March 31, 2012 (From January 1 to March 31, 2012)	Three Months Ended March 31, 2011 (From January 1 to March 31, 2011)
I Income before minority interests	1,452	160
II Other comprehensive income		
1. Valuation difference on available-for-sale securities	7,261	404
2. Deferred gains or losses on hedges	43	36
3. Foreign currency translation adjustment	616	300
Total other comprehensive income	7,921	741
III Comprehensive income	9,373	902
Comprehensive income attributable to		
1. Comprehensive income attributable to owners of the parent	9,353	907
2. Comprehensive income attributable to minority interests	19	(4)

ASATSU-DK INC. and Consolidated Subsidiaries

Segment Information

(Unaudited and before reclassifications and rearrangements)

Three Months Ended March 31, 2012

	Reportable segments			Adjustment	Amount on Consolidated Income Statements
	Advertising	Non-advertising	Total		
<i>Millions of Yen</i>					
GROSS BILLINGS					
1. Billings to customers	89,738	1,266	91,004	-	91,004
2. Inter-segment billings	1	9	11	(11)	-
Total billings	89,739	1,275	91,015	(11)	91,004
Segment income (loss)	2,468	(211)	2,256	3	2,259

Note: Segment income (loss) has been adjusted to equal the operating income on the consolidated income statements.

Three Months Ended March 31, 2011

	Reportable segments			Adjustment	Amount on Consolidated Income Statements
	Advertising	Non-advertising	Total		
<i>Millions of Yen</i>					
GROSS BILLINGS					
1. Billings to customers	83,970	1,410	85,381	-	85,381
2. Inter-segment billings	-	24	24	(24)	-
Total billings	83,970	1,435	85,406	(24)	85,381
Segment income (loss)	1,245	(140)	1,104	1	1,106

Note: Segment income (loss) has been adjusted to equal the operating income on the consolidated income statements.