

A decorative graphic on the left side of the slide, consisting of a series of overlapping, semi-transparent squares in various shades of blue and purple, arranged in a stepped, staircase-like pattern.

# 1<sup>st</sup> Quarter Results for FY2012 (2012 Jan – Mar)

May 11, 2012  
ASATSU-DK INC.  
(Securities Code : 9747)

# 1Q Financial Summary (Consolidated)

## ■ Increase in Gross Billings and Gross Profit

- Gross Billings : ¥91,004 million (+6.6% year-on-year)
- Gross Profit : ¥13,431 million (+13.0%)
  - ADK: Increase in TV and Marketing & Promotion
  - Subsidiaries in Japan: Advertising companies recorded increase in gross billings and gross profit
  - Subsidiaries overseas: Strong performance in China
  - Gross Margin improved 14.8% (13.9% in previous year)

## ■ Increase in Consolidated Operating Income and Net Income

- Operating Income : ¥2,259 million (+104.2%)
- Net Income : ¥1,458 million (+752.9%)
  - SG&A Expenses:
    - Increase in computer expense at ADK parent
    - Staff cost increased at growing overseas and domestic subsidiaries but remained flat at ADK parent
  - Operating Margin and Staff cost/ Gross profit ratio improved

\* We revised the forecast for 1st half of FY2012. (Please refer to page 11) Full-Year forecast is now under examination and will be announced at appropriate time.

# Consolidated P/L

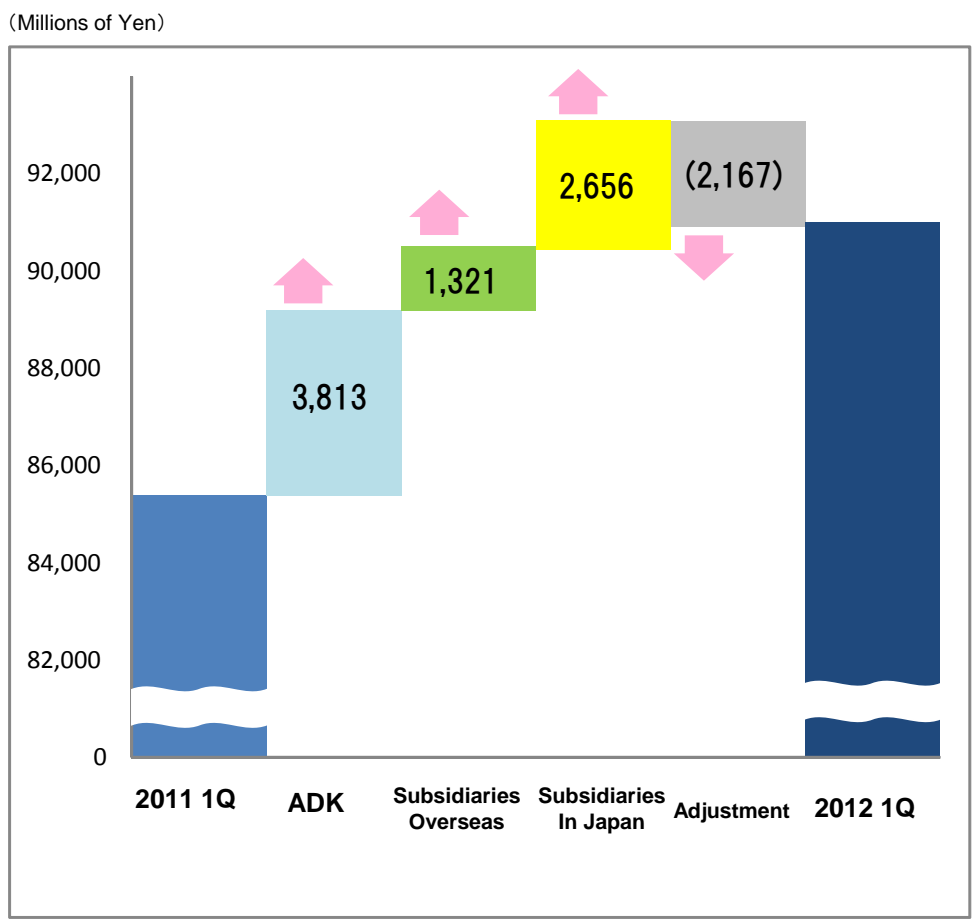
(Millions of Yen)

	2011 Jan-Mar	2012 Jan-mar	Increase (Decrease)	Y-o-Y Change
Gross Billings	85,381	<b>91,004</b>	5,622	6.6%
Gross Profit	11,890	<b>13,431</b>	1,541	13.0%
<i>Gross Margin</i>	13.9%	<b>14.8%</b>	–	+0.9pts.
SG&A Expenses	10,784	<b>11,172</b>	387	3.6%
(Staff Cost)	7,734	<b>7,742</b>	8	0.1%
Operating Income	1,106	<b>2,259</b>	1,153	104.2%
Ordinary Income	1,370	<b>2,537</b>	1,166	85.1%
Income before Income taxes and Minority Interests	293	<b>2,518</b>	2,225	757.4%
Net Income	170	<b>1,458</b>	1,287	752.9%
Operating Margin	9.3%	<b>16.8%</b>		
Staff Cost / Gross Profit	65.0%	<b>57.6%</b>		

# Consolidated Gross Billings



(Millions of Yen)	2011 Jan-Mar	2012 Jan-Mar	Increase/ Decrease	Y-o-Y change
<b>Gross Billings</b>	<b>85,381</b>	<b>91,004</b>	<b>5,622</b>	<b>6.6%</b>

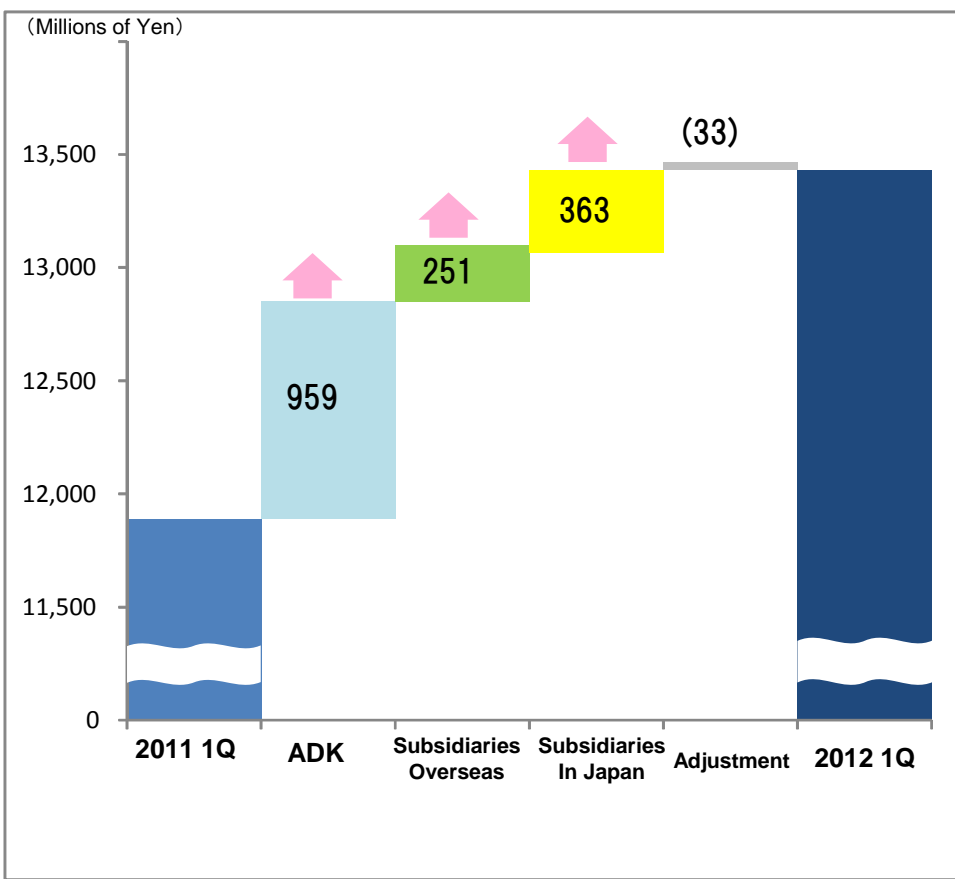


- ◆ ADK
  - Growth in TV Time, Digital Media and OOH
  - Strong performance in Marketing & Promotion
  
- ◆ Overseas subsidiaries
  - Continuous growth in China
  
- ◆ Domestic subsidiaries
  - Higher gross billings in Advertising companies, but lower in Publishing

# Consolidated Gross Profit



(Millions of Yen)	2011 Jan-Mar	2012 Jan-Mar	Increase/ Decrease	Y-o-Y change
Gross Profit	11,890	<b>13,431</b>	1,541	13.0%
<i>Gross Margin</i>	<i>13.9%</i>	<i>14.8%</i>	–	<i>+0.9pts.</i>

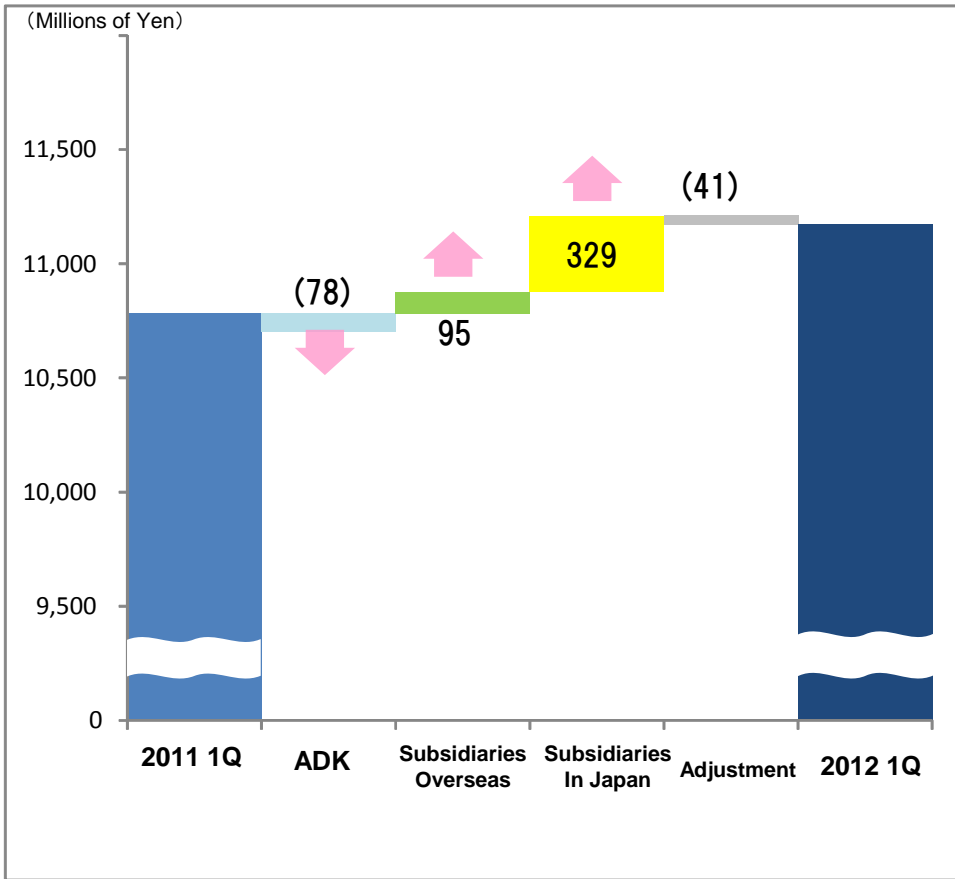


- ◆ ADK
  - Profitability improved in TV Time
- ◆ Overseas subsidiaries
  - Strong performance in China boosted gross profit
- ◆ Domestic subsidiaries
  - Gross profit increased as a result of merger of ADK International Inc. (April 2011), and consolidation of ADDC

# Consolidated SG&A Expenses



(Millions of Yen)	2011 Jan-Mar	2012 Jan-Mar	Increase/ Decrease	Y-o-Y change
<b>SG&amp;A Expenses</b>	<b>10,784</b>	<b>11,172</b>	<b>387</b>	<b>3.6%</b>
Staff Cost	7,734	7,742	8	0.1%
Other Cost	3,049	3,429	379	12.5%



## ◆ ADK

- Staff cost: Decrease in provision for bonuses
- Other expenses: Increase in Computer related cost

## ◆ Overseas subsidiaries

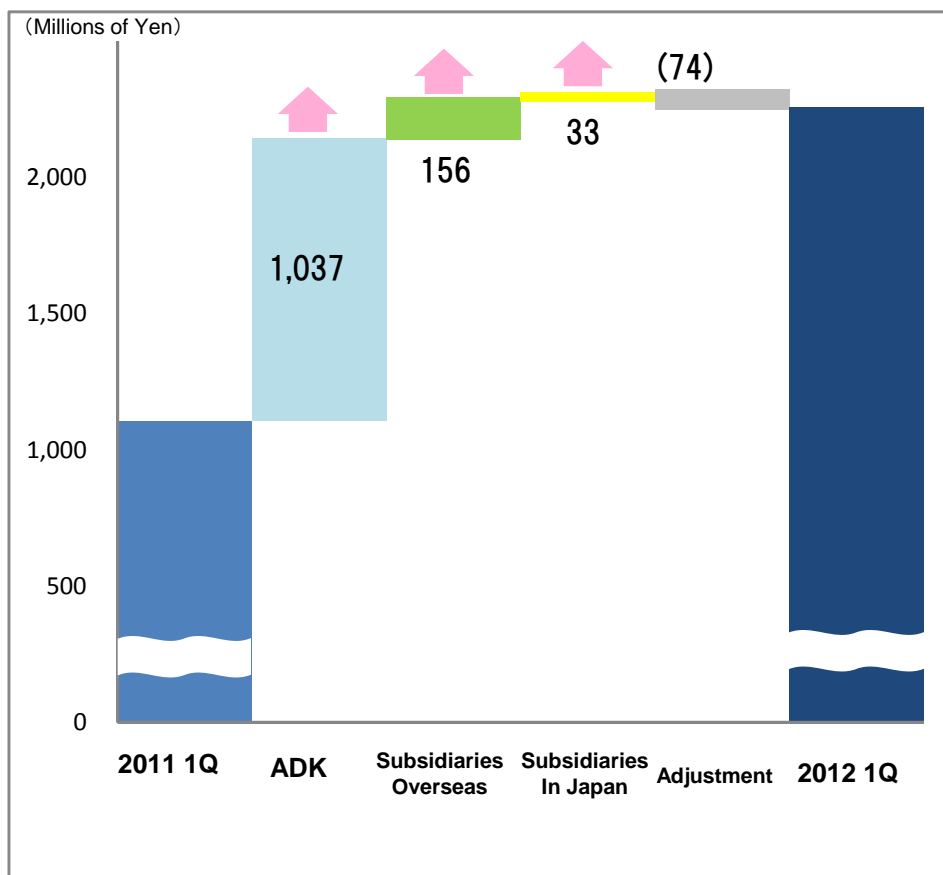
- Increase in Staff Cost due to local hiring in China

## ◆ Domestic subsidiaries

- Staff cost: Increased due to a new consolidation of ADDC and increased staff in advertising subsidiaries
- Expenses increased at ADK International because of a merger (April 2011)

# Consolidated Operating Income

(Millions of Yen)	2011 Jan-Mar	2012 Jan-Mar	Increase/ Decrease	Y-o-Y change
Operating Income	1,106	2,259	1,153	104.2%



## ◆ Operating Margin

	2010	2011	2012	Mid-term Goal
Jan-Mar	9.6%	9.3%	16.8%	—
(Reference) Jan-Dec	0.05%	8.4%	—	13.2%

## ◆ Staff Cost/Gross Profit

	2010	2011	2012	Mid-term Goal
Jan-Mar	62.2%	65.0%	57.6%	—
(Reference) Jan-Dec	67.3%	61.8%	—	59.0%

# Consolidated P/L

(Millions of Yen)

	2010 Jan-Jun	2011 Jan-Jun	Increase (Decrease)	Y-o-Y Change
Operating Income	1,106	<b>2,259</b>	1,153	104.2%
Non-Operating Income	298	<b>318</b>	19	6.5%
Non-Operating Expenses	34	<b>40</b>	6	18.3%
Ordinary Income	1,370	<b>2,537</b>	1,166	85.1%
Extraordinary Income	113	<b>2</b>	(110)	-97.5%
Extraordinary Loss	1,190	<b>21</b>	(1,168)	-98.2%
Income before Income taxes and Minority Interests	293	<b>2,518</b>	2,225	757.4%
Net Income	170	<b>1,458</b>	1,287	752.9%

## 【Note】

Extraordinary Loss decreased due to smaller loss on valuation of investment securities etc.



# Consolidated P/L

(Millions of Yen) (Year-on-Year Change)	Gross Billings	Gross Profit	Operating Income	Ordinary Income	Net Income
ADK	79,004 5.1%	10,122 10.5%	1,893 121.4%	2,072 103.3%	1,207 1994.4%
9 subsidiaries in Japan	11,878 28.8%	1,963 22.7%	(80) -29.5%	(3) -96.8%	(78) -69.3%
6 subsidiaries in Greater China	4,955 46.6%	941 70.3%	420 176.1%	433 166.1%	339 155.1%
10 subsidiaries Overseas (excluding Greater China)	3,175 -7.4%	511 -21.1%	77 -59.2%	115 -46.0%	86 -45.5%
Consolidation Adjustment	(8,008)	(106)	(50)	(82)	(97)
<b>Total</b>	<b>91,004</b> <b>6.6%</b>	<b>13,431</b> <b>13.0%</b>	<b>2,259</b> <b>104.2%</b>	<b>2,537</b> <b>85.1%</b>	<b>1,458</b> <b>752.9%</b>

\*1 Newly consolidated ADK Digital Communications (For the details about consolidated subsidiaries, please refer to the page 16 of Appendix)

\*2 Subsidiaries in Greater China: 6 subsidiaries in Shanghai, Taiwan and Hong Kong

\*3 Other overseas subsidiaries: 10 subsidiaries in Thailand, Malaysia, Singapore, Europe and the North America

# Consolidated B/S -as of March 31

(Millions of Yen)

Assets	2010 1Q	2011 1Q	2012 1Q
<b>Current Assets</b>			
Cash and Deposits	23,061	22,363	25,589
Notes and Accounts Receivable-trade	85,130	87,817	87,952
Short-term Investment Securities	2,860	1,461	5,892
Inventories	11,415	8,270	7,802
Other	3,202	3,734	2,764
Allowance for Doubtful Accounts	(741)	(289)	(282)
<b>Total Current Assets</b>	<b>124,929</b>	<b>123,357</b>	<b>129,720</b>
<b>Noncurrent Assets</b>			
Property, Plant and Equipment	3,916	4,320	4,260
Intangible Assets	1,440	1,611	2,371
Investments and Other Assets			
Investment Securities	52,478	52,798	53,312
Other	10,711	10,319	9,710
Allowance for Doubtful Accounts	(1,604)	(1,924)	(1,676)
Total Investments and Other Assets	61,586	61,193	61,347
<b>Total Noncurrent Assets</b>	<b>66,943</b>	<b>67,125</b>	<b>67,978</b>

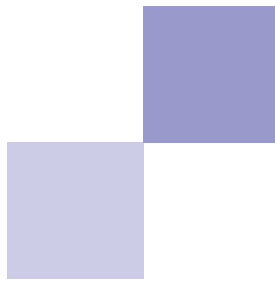
<b>Total Assets</b>	<b>191,873</b>	<b>190,483</b>	<b>197,699</b>
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Consolidated Shareholders' equity ratio excluding minority Interests : 53.0%

Liabilities	2010 1Q	2011 1Q	2012 1Q
<b>Current Liabilities</b>			
Notes and Accounts Payable-trade	67,792	68,506	72,835
Short-term Loans Payable	515	114	69
Other	8,741	10,569	9,955
<b>Total Current Liabilities</b>	<b>77,048</b>	<b>79,190</b>	<b>82,859</b>
<b>Noncurrent Liabilities</b>			
Long-term Loans Payable	1,052	740	459
Provision	2,279	1,782	1,785
Other	3,430	5,105	6,803
<b>Total Noncurrent Liabilities</b>	<b>6,762</b>	<b>7,628</b>	<b>9,048</b>
<b>Total Liabilities</b>	<b>83,811</b>	<b>86,818</b>	<b>91,907</b>

Net Assets			
<b>Shareholders' Equity</b>			
Capital Stock	37,581	37,581	37,581
Capital Surplus	20,024	20,024	13,244
Retained Earnings	51,253	45,651	44,562
Treasury stock	(7,792)	(7,700)	(804)
<b>Total Shareholder's Equity</b>	<b>101,066</b>	<b>95,556</b>	<b>94,584</b>
<b>Valuation and Translation Adjustments</b>			
Valuation Difference on Available-for-sale Securities	6,473	8,131	11,323
Deferred Gains or Losses on Hedges	33	(57)	(32)
Foreign Currency Translation Adjustment	(512)	(959)	(1,090)
<b>Total Valuation and Translation Adjustments</b>	<b>5,994</b>	<b>7,114</b>	<b>10,200</b>
Minority Interests	1,000	994	1,007
<b>Total Net Assets</b>	<b>108,062</b>	<b>103,665</b>	<b>105,791</b>

<b>Total Liabilities and Net Assets</b>	<b>191,873</b>	<b>190,483</b>	<b>197,699</b>
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# Appendix

- Forecast for 1st Half of FY2012 (Consolidated)
- Forecast for 1st Half of FY2012 by Region (Consolidated)
- Non-consolidated P/L
- Non-consolidated Performance by Medium
- Non-consolidated Gross Billings: Breakdown by Industry
- ADK Group

# Forecast for 1st Half of FY2012 -1

(Millions of Yen)	2011 Jan-Jun	2012 Jan-Jun	Increase (Decrease)	Y-o-Y Change
Gross Billings	165,638	<b>178,000</b>	12,361	7.5%
Gross Profit	22,101	<b>25,100</b>	2,998	13.6%
<i>Gross Margin</i>	13.3%	<b>14.1%</b>	–	+0.8pts.
SG&A Expenses	20,725	<b>22,300</b>	1,574	7.6%
(Staff Cost)	14,533	<b>15,100</b>	566	3.9%
Operating Income	1,376	<b>2,800</b>	1,423	103.5%
Ordinary Income	2,517	<b>3,900</b>	1,382	54.9%
Income before Income taxes and Minority Interests	1,893	<b>2,870</b>	976	51.5%
Net Income	876	<b>1,720</b>	843	96.3%
Operating Margin	6.2%	<b>11.2%</b>		
Staff Cost / Gross Profit	65.8%	<b>60.2%</b>		

# Forecast for 1<sup>st</sup> Half of FY2012 - 2

(Millions of Yen) (Year-on-Year Change)	Gross Billings	Gross Profit	Operating Income	Ordinary Income	Net Income
ADK	153,800 5.6%	18,470 11.1%	1,960 112.8%	2,960 50.4%	1,180 45.4%
9 subsidiaries in Japan	25,369 38.9%	4,218 22.7%	79 -	175 -	(37) -
6 subsidiaries in Greater China	9,267 27.5%	1,587 36.2%	580 67.1%	607 39.6%	506 46.9%
10 subsidiaries Overseas (excluding Greater China)	6,001 0.8%	1,020 -7.8%	180 -30.6%	272 -23.6%	224 -17.3%
Consolidation Adjustment	(16,437)	(197)	(1)	(114)	(124)
<b>Total</b>	<b>178,000</b> <b>7.5%</b>	<b>25,100</b> <b>13.6%</b>	<b>2,800</b> <b>103.5%</b>	<b>3,900</b> <b>54.9%</b>	<b>1,720</b> <b>96.3%</b>
Forecast announced on 11 Feb.	170,000	22,700	1,100	2,100	1,150
New Forecast /Old Forecast change	4.7%	10.6%	154.5%	85.7%	49.6%

\*1 Newly consolidated ADK Digital Communications (For the details about consolidated subsidiaries, see page 16 of Appendix)

\*2 Subsidiaries in Greater China: 6 subsidiaries in Shanghai, Taiwan and Hong Kong

\*3 Other overseas subsidiaries: 10 subsidiaries in Thailand, Malaysia, Singapore, Europe and the North America

# Non-consolidated P/L

(Millions of Yen)

	2011 Jan-Mar	2012 Jan-Mar	Increase (Decrease)	Y-o-Y Change
Gross Billings	75,190	79,004	3,813	5.1%
Gross Profit	9,162	10,122	959	10.5%
<i>Gross Margin</i>	12.2%	12.8%	-	+0.6pts.
SG&A Expenses	8,307	8,229	(78)	-0.9%
(Staff Cost)	5,965	5,664	(301)	-5.0%
Operating Income	855	1,893	1,037	121.4%
Ordinary Income	1,019	2,072	1,053	103.3%
Income before Income taxes	100	2,057	1,957	1957.0%
Net Income	57	1,207	1,150	2017.5%
Operating Margin	9.3%	18.7%		
Staff Cost / Gross Profit	65.1%	56.0%		

# Non-consolidated Performance

(Millions of Yen)

	2011 Jan-Mar	2012 Jan-Mar	Increase (Decrease)	Y-o-Y Change
News Paper	4,873	4,728	(145)	-3.0%
Magazine	3,379	3,228	(150)	-4.5%
Television	35,522	37,094	1,572	4.4%
Time*	12,981	14,455	1,474	11.4%
Spot	19,321	19,124	(196)	-1.0%
Content	3,219	3,514	294	9.2%
Radio	796	781	(15)	-1.9%
4 Mass Media	44,572	45,833	1,261	2.8%
Digital Media	2,190	2,608	418	19.1%
OOH Media	2,098	2,559	461	22.0%
Marketing & Promotion	12,991	15,301	2,310	17.8%
Creative	11,501	10,565	(935)	-8.1%
Other	1,836	2,134	297	16.2%
Non-mass Media	30,618	33,170	2,552	8.3%
Total	75,190	79,004	3,813	5.1%

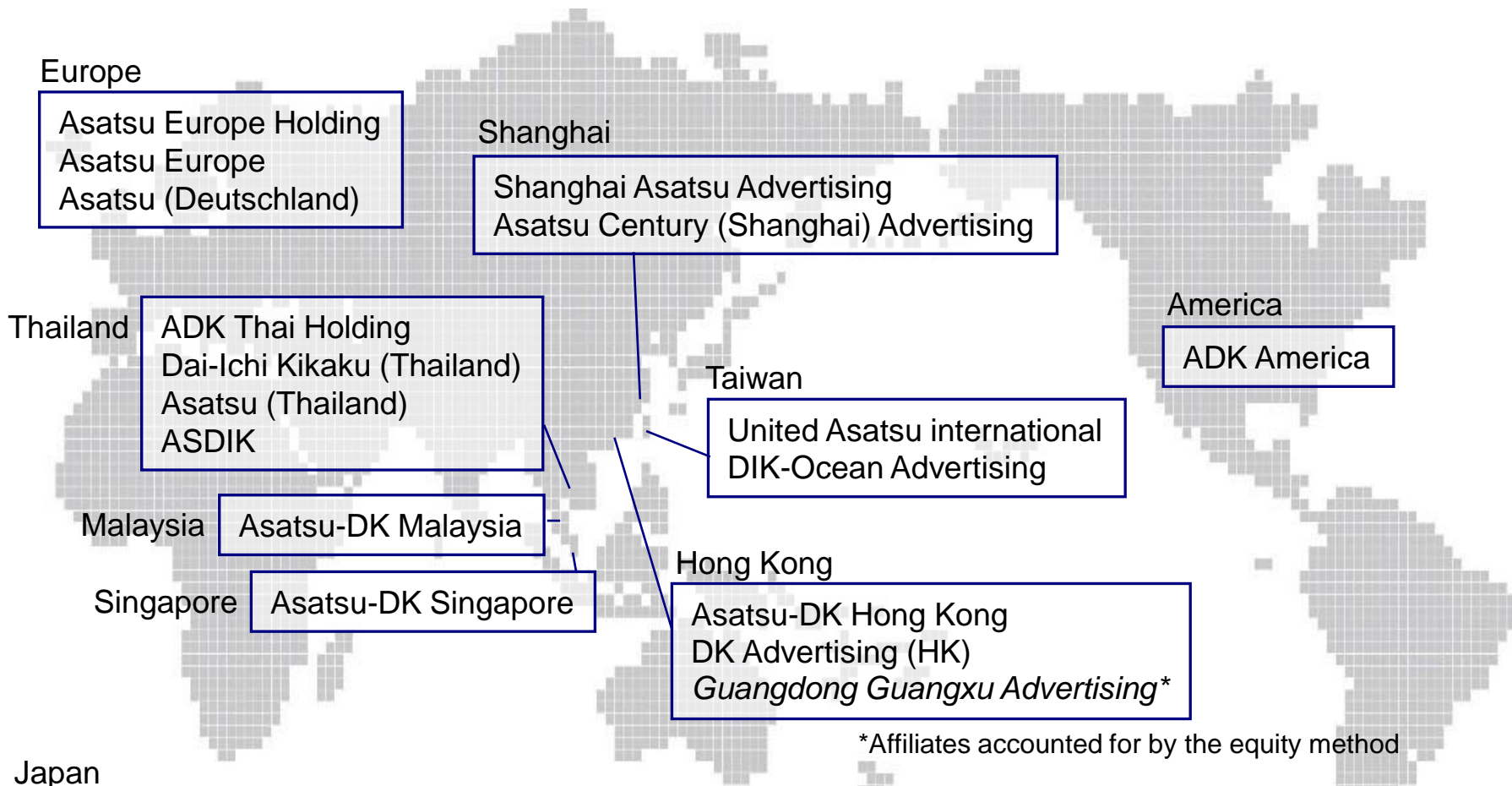
\*Time : Program sponsored ads

# Non-consolidated Gross Billings: Breakdown by Industry

(Millions of Yen)

	Gross Billings	Share of Total	Increase (Decrease)	Y-o-Y Change
Energy / Raw materials / Machinery	1,046	1.3%	(427)	-29.0%
Food	7,043	8.9%	(4)	-0.1%
Beverages / Tobacco products	7,010	8.9%	2,065	41.8%
Pharmaceuticals / Medical supplies	2,924	3.7%	204	7.5%
Cosmetics / Toiletry goods	7,662	9.7%	1,286	20.2%
Apparel / Jewelry	2,419	3.1%	209	9.5%
Precision instruments / Office equipment	584	0.7%	134	30.0%
Electric machines / AV equipment	736	0.9%	(12)	-1.7%
Automobiles / Auto-related products	3,572	4.5%	(800)	-18.3%
Household products	863	1.1%	118	15.9%
Hobbies / Sporting goods	6,991	8.8%	479	7.4%
Real estate / Housing	2,630	3.3%	428	19.4%
Publications	1,019	1.1%	226	28.5%
Information / Communications	8,471	10.7%	(1,308)	-13.4%
Distribution / Retail	6,465	8.2%	737	12.9%
Finance / Insurance	6,159	7.8%	(571)	-8.5%
Transportation / Leisure	3,079	3.9%	321	11.6%
Restaurants / Other services	1,378	1.7%	(340)	-19.8%
Government / Organization	3,790	4.8%	704	22.8%
Education / Health care services / Religion	1,776	2.2%	41	2.4%
Classified ads / other	3,375	4.3%	322	10.6%
Total	79,004	100.0%	3,813	5.1%





\*Affiliates accounted for by the equity method

- ADK Arts Inc.
- ADK International Inc.
- Kyowa kikaku Ltd.
- Nihonbungeisha Co.,Ltd.
- Neo shobo Inc.
- Eiken Co.,Ltd.
- Boys Inc.
- ADK Dialog Inc.
- ADK Digital Communications Inc.



**Note on Forward-looking Statements:**

**This report may contain forward-looking statements based on ASATSU-DK management's view and assumptions of future developments as of the publication deadline for this document. Therefore, the statements are subject to risks and uncertainties that could lead to material differences between such statements and actual outcomes. ASATSU-DK does not warrant any certainty and accuracy thereto. ASATSU-DK expressly disclaims any obligation to update or revise its forward-looking statements.**