



**Overview of 2nd Quarter Results for the Year Ending December 31, 2012**  
**[Japanese GAAP]**

**August 10, 2012**

Company Name : **ASATSU-DK INC.** Exchange : Tokyo Stock Exchange First Section  
 Securities Code : 9747 URL : <http://www.adk.jp/english/index.html>  
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 Scheduled date of commencement of dividend payment: Sep. 10, 2012

(Unit: millions of yen, Rounded down under 1 million yen)

**1. The First Six Months Consolidated Results ( January 1, 2012 to June 30, 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	%
6 months ended; Jun. 30, 2012	179,791	8.5	2,722	97.9	3,978	58.0	1,774	102.6
Jun. 30, 2011	165,638	(1.7)	1,376	-	2,517	-	876	-

(Notes) 1. Comprehensive income

at June 30, 2012 : 5,073 million yen ( 637.3% ) at June 30, 2011 : 688 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
6 months ended; Jun. 30, 2012	42.02	42.01
Jun. 30, 2011	20.77	20.76

**(2) Consolidated Financial Position**

	Total Assets	Net Assets	Shareholder's Equity Ratio
	millions of yen	millions of yen	%
Jun. 30, 2012	189,489	101,498	53.0
Dec. 31, 2011	184,188	96,800	52.0

(Reference) Shareholders' equity Jun. 30, 2012 : 100,508 million yen Dec. 31, 2011 : 95,834 million yen

**2. Dividend Information**

	Dividend per Share				
	End of first quarter	End of second quarter	End of third quarter	year-end	Full-year
	yen	yen	yen	yen	yen
Fiscal 2011 ( Actual )	-	10.00	-	10.00	109.00
Fiscal 2012 ( Actual )	-	10.00	-	-	-
Fiscal 2012 ( Forecast )	-	-	-	15.00	25.00

(Notes) 1. We do not revise the forecast of the interim and year-end dividends as announced on February 14, 2012.

2. The full-year dividend for FY 2011 includes the extraordinary dividend of ¥ 89 per share from surplus on October 31, 2011

**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
Full-year	351,000	1.1	4,370	13.4	6,120	8.8	3,000	30.8	71.01

(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 announced the revised forecast for the fiscal 2012 consolidated results on August 10, 2012 as above.

#### 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 7.
- (3) Is there any Changes in Accounting Policies, Changes in Accounting Estimates and Restatements ? : No.
- (4) 1. Number of outstanding stocks (including treasury stock) issued, end of term :  
at June 30, 2012 : 42,655,400 shares, at December 31, 2011 : 45,155,400 shares,  
2. Number of treasury stock, end of term :  
at June 30, 2012 : 402,661 shares, at December 31, 2011 : 2,941,598 shares,  
3. Avg. number of shares (consolidated) outstanding during the terms ended :  
at June 30, 2012 : 42,238,475 shares, at June 30, 2011 : 42,175,165 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 327,900 shares and 367,900 shares at the end of the second 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 First Two Quarters of Fiscal 2012 (3) Forecasts for Fiscal 2012" on page 6 for the suppositions that form the assumptions for the business forecasts and cautions concerning the use thereof.

## [Supplementary Information]

### 1. Consolidated Results for First Two Quarters of Fiscal 2012

#### (1) Overview of Operating Results

In the two-quarter period under review (January 1–June 30, 2012), the Japanese economy showed a moderate recovery trend in the wake of restoration-related demand following the Great East Japan Earthquake of March 2011, as well as measures to stimulate demand for automobiles. However, the export and manufacturing sectors maintained a holding pattern, impacted by a re-emergence of the European debt crisis and economic slowdown in newly emerging nations. Although subsequent efforts to allay concerns about the European debt crisis remained unsuccessful, the domestic economy is showing signs of a turnaround, buoyed by increases in restoration demand and personal consumption. Nevertheless, there are many reasons for concern about the future, including decelerating overseas economies, the strong yen, electricity shortages in Japan, and weakening personal consumption caused by the fading effects of stimulus measures. The economic outlook, therefore, remains uncertain.

Facing these challenges, the ADK Group sought to provide communications programs emphasizing return on investment, with the aim of maximizing the benefits of communications investments made by its advertising clients. To this end, we captured the changing media interaction and purchasing patterns of consumers and the associated changing needs of advertisers, and deployed combinations of media surrounding the purchasing touchpoints of consumers, including mass media, the Internet, mobile media, and in-store media and other forms of out-of-home (OOH) media.

In addition, we actively advanced our operations in the growing markets of China and emerging nations, as well as in the content business. As a result, we posted significant year-on-year increases in both revenue and earnings.

For the period, the Group reported gross billings of ¥179,791 million, up 8.5% from the previous corresponding period. Gross profit increased 10.1%, to ¥24,336 million, and operating income jumped 97.9%, to ¥2,722 million. With the addition of ¥890 million dividend income and other factors, ordinary income rose 58.0%, to ¥3,978 million. Income before income taxes climbed 51.4%, to ¥2,866 million, and net income surged 102.6%, to ¥1,774 million.

## Performance by Business Segment

### Advertising Business

In the advertising business segment, gross billings to outside customers amounted to ¥176,789 million, up 8.6% from the previous corresponding period, and segment income increased 72.3%, to ¥2,948 million. ADK (the parent company), domestic subsidiaries, and overseas subsidiaries all reported year-on-year growth in gross billings, hence the increase in overall gross billings. Similarly, the parent company, domestic subsidiaries, and overseas subsidiaries all posted higher earnings, resulting in a significant year-on-year jump in overall segment income.

The non-consolidated results, including gross billings by client industry and by discipline, of ADK (the core company of the Group) were as follows.

ADK reported gross billings of ¥156,660 million, up 7.6% from the previous corresponding period. Gross profit climbed 5.7%, to ¥17,568 million, and operating income jumped 96.9%, to ¥1,831 million. Due to a focus on improving profitability and a year-on-year decline in personnel expenses, in addition to the increase in gross billings, ADK enjoyed overall growth in gross billings, gross profit, and operating income compared with the previous corresponding period.

ADK posted increases in gross billings from clients in such industries as Beverages/Tobacco Products, Cosmetics/Toiletry Goods, Hobbies/Sporting Goods, and Distribution/Retail. However, gross billings from clients in such industries as Information/Communications, Pharmaceuticals/Medical Supplies, Automobiles/Auto-Related Products, and Finance/Insurance declined.

Broken down by discipline, gross billings from Magazine, Newspaper, TV, Marketing and Promotion, OOH Media, and Digital Media were up. By contrast, gross billings from Radio and Creative and Others decreased.

Non-consolidated gross billings, composition, and Year-on-Year change by discipline are as follows:

Break down by Discipline		Gross Billings (Millions of yen)	Composition (%)	Y-o-Y Change (%)
Media	Magazine	6,912	4.4	6.3
	Newspaper	9,941	6.3	5.7
	TV (Program, Spot, and Content business)	74,841	47.8	5.5

	Radio	1,495	1.0	△4.7
	Digital Media	4,951	3.2	24.7
	OOH Media	5,042	3.2	20.7
	Sub-total	103,183	65.9	6.9
Non-Media	Marketing and Promotion	29,126	18.6	23.6
	Creative and Other	24,349	15.5	△4.4
	Sub-total	53,476	34.1	9.0
	Total	156,660	100.0	7.6

- 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 content business.
3. "Digital Media" includes Internet and mobile media.  
(Digital solution business such as web creation and system development 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 magazines, which constitutes the Group's non-advertising business, gross billings to outside customers amounted to ¥3,001 million, up 2.8% year-on-year. The segment posted a loss of ¥232 million, compared with a ¥337 million loss in the previous corresponding period.

It is becoming more and more difficult to generate profits amid ongoing contraction of the publications market. In this environment, we reported a loss because we were unable to improve profitability due to an increase in returned magazines and other factors.

### **Overseas Sales**

In the two-quarter period under review, the ADK Group obtained 7.9% of its gross billings from overseas, from 7.5% in the previous corresponding period. All overseas sales are generated from the advertising business.

## **(2) Financial Position**

The Group's financial position at the end of the period (June 30, 2012) compared with the end of the previous fiscal year (December 31, 2011) is summarized below.

Total assets amounted to ¥189,489 million, up ¥5,301 million from the previous fiscal year-end, due mainly to an increase in investment securities stemming from rising stock prices. Total liabilities were up ¥602 million, to ¥87,990 million, due mainly to an increase in deferred tax liabilities caused by the aforementioned stock price rises. Net assets amounted to ¥101,498 million, and the net assets ratio was 53.6%.

### **(3) Forecasts for Fiscal 2012**

In two-quarter period under review, our consolidated businesses achieved significant year-on-year increase. This was buoyed by increases of marketing and promotion business on the back of the domestic-oriented economic recovery started in the beginning of the year as well as private companies' business improvement.

However, it is difficult to envisage the growth in the third and fourth quarters, reflecting risks of economic fluctuations stemming from the recoiling effect of stimulus measures, as well as cautious judgment by corporations about their business outlook. Given this environment, we will do our utmost to improve profitability and secure profits by ensuring on-going measures such as business-based income management and reinforcing procurement management to improve the cost of sales.

With respect for the full-year outlook for our consolidated business, we project that gross billings will surpass that of the previous corresponding period, however, with a slight reduction from the previous forecast. Operating income and ordinary income, on the other hand, are projected to grow more strongly than those of the previous corresponding period as well as the previous forecast. Net income is projected to be on a par with the previously forecasted level with a record of extraordinary loss as the structural reform cost.

## **2. Other Information in Summary**

### **(1) Changes in Significant Subsidiaries during the Period**

Not Applicable.

### **(2) Adoption of Special Accounting Treatment 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; Restatements** Not Applicable

### **(4) Additional Information**

#### **Application of “Accounting Standard for Accounting Changes and Error Corrections”**

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

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**ASATSU-DK INC. and Consolidated Subsidiaries**

**Consolidated Balance Sheets**

**June 30, 2012**

(Unaudited and before reclassifications and rearrangements)

Millions of Yen

	June 30, 2012	December 31, 2011
<b><u>Assets</u></b>		
I Current assets		
1. Cash and deposits	24,797	22,641
2. Notes and accounts receivable-trade	85,442	88,955
3. Short-term investment securities	8,912	6,334
4. Inventories	7,135	6,840
5. Other	3,546	2,752
6. Allowance for doubtful accounts	(283)	(310)
Total current assets	129,551	127,213
II Noncurrent assets		
1. Property, plant and equipment	4,136	4,311
2. Intangible assets	2,247	2,437
3. Investments and other assets		
(1) Investment securities	45,600	42,133
(2) Other	9,686	10,035
(3) Allowance for doubtful accounts	(1,733)	(1,943)
Total investments and other assets	53,554	50,225
Total noncurrent assets	59,938	56,974
Total assets	189,489	184,188



**ASATSU-DK INC. and Consolidated Subsidiaries**

**Consolidated Balance Sheets**

**June 30, 2012**

(Unaudited and before reclassifications and rearrangements)

Millions of Yen

	June 30, 2012	December 31, 2011
<b><u>Liabilities</u></b>		
I Current liabilities		
1. Notes and accounts payable-trade	71,873	71,382
2. Short-term loans payable	56	94
3. Current portion of long-term loans payable	275	272
4. Income taxes payable	1,112	740
5. Provision	891	1,375
6. Other	7,077	8,243
Total current liabilities	81,287	82,110
II Noncurrent liabilities		
1. Long-term loans payable	347	483
2. Provision	1,800	1,807
3. Other	4,555	2,986
Total noncurrent liabilities	6,703	5,277
Total liabilities	87,990	87,388
<b><u>Net assets</u></b>		
I Shareholders' equity		
1. Capital stock	37,581	37,581
2. Capital surplus	13,244	20,023
3. Retained earnings	44,878	43,557
4. Treasury stock	(785)	(7,632)
Total shareholders' equity	94,919	93,530
II Accumulated other comprehensive income		
1. Valuation difference on available-for-sale securities	7,242	4,063
2. Deferred gains or losses on hedges	(40)	(76)
3. Foreign currency translation adjustment	(1,613)	(1,681)
Total accumulated other comprehensive income	5,588	2,304
III Subscription rights to shares	0	—
IV Minority interests	989	965
Total net assets	101,498	96,800

**ASATSU-DK INC. and Consolidated Subsidiaries**

**Consolidated Income Statements**

**Six Months Ended June 30, 2012**

(Unaudited and before reclassifications and rearrangements)

Millions of Yen

	Six Months Ended June 30, 2012 (From January 1 to June 30, 2012)	Six Months Ended June 30, 2011 (From January 1 to June 30, 2011)
I Gross billings	179,791	165,638
II Cost of sales	155,454	143,536
Gross profit	24,336	22,101
III Selling, general and administrative expenses		
1. Salaries and allowances	11,432	10,535
2. Provision for bonuses	356	1,122
3. Provision for directors' retirement benefits	24	36
4. Provision of allowance for doubtful accounts	7	16
5. Other	9,792	9,013
Total selling, general and administrative expenses	21,613	20,725
Operating income	2,722	1,376
IV Non-operating income		
1. Dividends income	890	736
2. Equity in earnings of affiliates	1	137
3. Other	530	365
Total non-operating income	1,422	1,239
V Non-operating expenses		
1. Interest expenses	10	13
2. Provision of allowance for doubtful accounts	49	—
3. Foreign exchange losses	50	18
4. Other	55	66
Total non-operating expenses	167	97
Ordinary income	3,978	2,517

**ASATSU-DK INC. and Consolidated Subsidiaries**

**Consolidated Income Statements**

**Six Months Ended June 30, 2012**

(Unaudited and before reclassifications and rearrangements)

Millions of Yen

	Six Months Ended June 30, 2012 (From January 1 to June 30, 2012)	Six Months Ended June 30, 2011 (From January 1 to June 30, 2011)
VI Extraordinary income		
1. Gain on sales of investment securities	117	589
2. Other	3	149
Total extraordinary income	120	739
VII Extraordinary loss		
1. Loss on sales of investment securities	206	—
2. Loss on valuation of investment securities	29	817
3. Special retirement expenses	818	7
4. Loss on adjustment for changes of accounting standard for asset retirement obligations	—	244
5. Other	177	294
Total extraordinary losses	1,232	1,363
Income before income taxes	2,866	1,893
Income taxes	1,081	1,036
Income before minority interests	1,784	857
Minority interests in income (loss)	10	(18)
Net income	1,774	876

**ASATSU-DK INC. and Consolidated Subsidiaries**

**Consolidated Comprehensive Income Statements**

**Six Months Ended June 30, 2012**

(Unaudited and before reclassifications and rearrangements)

Millions of Yen

	Six Months Ended June 30, 2012 (From January 1 to June 30, 2012)	Six Months Ended June 30, 2011 (From January 1 to June 30, 2011)
I Income before minority interests	1,784	857
II Other comprehensive income		
1. Valuation difference on available-for-sale securities	3,180	(297)
2. Deferred gains or losses on hedges	35	14
3. Foreign currency translation adjustment	72	113
Total other comprehensive income	3,288	(169)
III Comprehensive income	5,073	688
Comprehensive income attributable to		
1. Comprehensive income attributable to owners of the parent	5,058	714
2. Comprehensive income attributable to minority interests	15	(25)

## ASATSU-DK INC. and Consolidated Subsidiaries

### Segment Information

(Unaudited and before reclassifications and rearrangements)

#### Six Months Ended June 30, 2012

	Reportable segments			Adjustment	Amount on Consolidated Income Statements
	Advertising	Non-advertising	Total		
<i>Millions of Yen</i>					
<b>GROSS BILLINGS</b>					
1. Billings to customers	176,789	3,001	179,791	—	179,791
2. Inter-segment billings	—	9	9	(9)	—
Total billings	176,789	3,011	179,801	(9)	179,791
Segment income (loss)	2,948	(232)	2,715	7	2,722

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

#### Six Months Ended June 30, 2011

	Reportable segments			Adjustment	Amount on Consolidated Income Statements
	Advertising	Non-advertising	Total		
<i>Millions of Yen</i>					
<b>GROSS BILLINGS</b>					
1. Billings to customers	162,717	2,921	165,638	—	165,638
2. Inter-segment billings	—	24	24	(24)	—
Total billings	162,717	2,946	165,663	(24)	165,638
Segment income (loss)	1,711	(337)	1,373	2	1,376

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