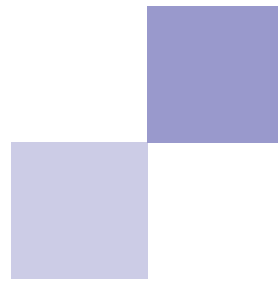




1st Half Results

2012 January - June

August 15, 2012
ASATSU-DK INC.
Securities code : 9747



Consolidated Performance

■ Gross billings, gross profit ⇒ Both up year on year

- Gross billings: ¥179,791mn (+8.5% yoy)
- Gross profit: ¥24,336mn (+10.1% yoy)
- Gross profit margin: 13.5% (+0.2pt)

- ADK: Media sales up (especially TV); marketing and promotions up significantly
- Domestic ad subsidiaries: Revenue and earnings up; ADDC included in consolidation
- Overseas: Good results for Chinese subsidiary; healthy performances also in Thailand, Singapore, and North America

■ Operating income, net income ⇒ Significant increases

- Operating income: ¥2,722mn (+97.9% yoy)
- Ordinary income: ¥3,978mn (+58.0% yoy)
- Net income: ¥1,774mn (+102.6% yoy)

- SG&A expenses: Personnel expenses up for domestic and overseas subsidiaries (reflecting higher gross billings), but held below gross profit growth, so operating income significantly higher
- Operating margin improved, together with personnel expense ratio

Consolidated P/L - 1

(Millions of Yen)

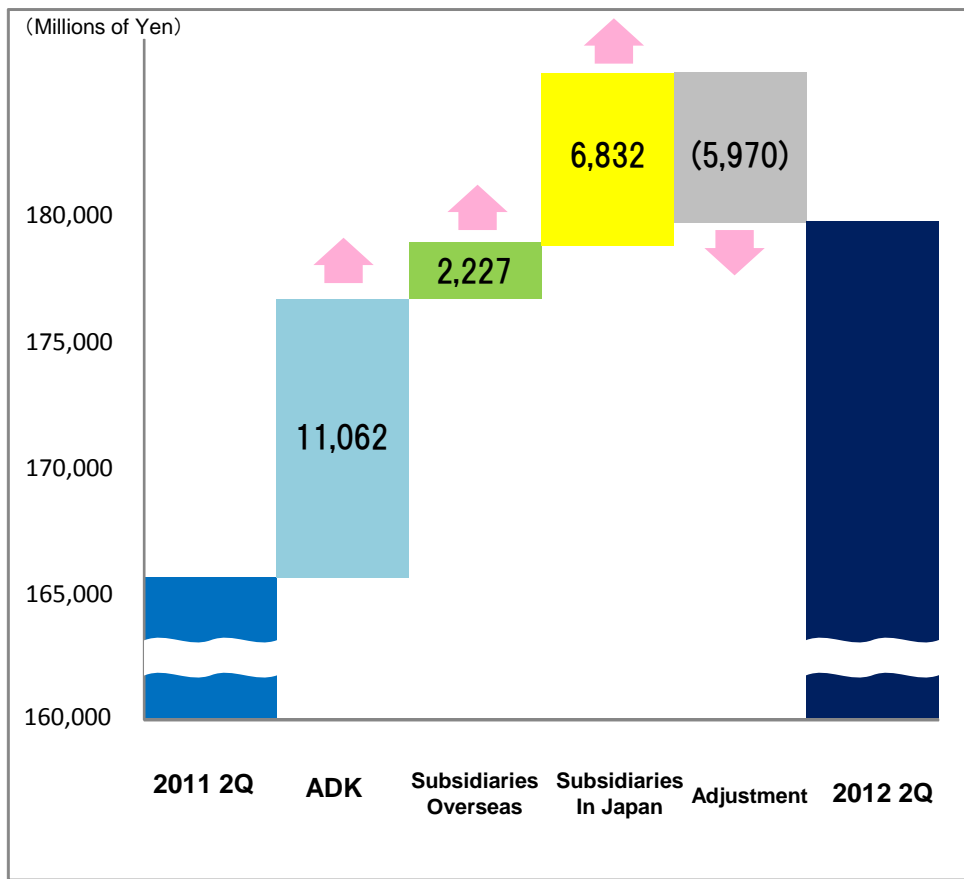
	2011 Jan-Jun	2012 Jan-Jun	Increase (Decrease)	Y-o-Y Change
Gross Billings	165,638	179,791	14,153	8.5%
Gross Profit	22,101	24,336	2,235	10.1%
<i>Gross Margin</i>	13.3%	13.5%	-	+0.2pts
SG&A Expenses	20,725	21,613	888	4.3%
(Staff Cost)	14,533	14,782	248	1.7%
Operating Income	1,376	2,722	1,346	97.9%
Ordinary Income	2,517	3,978	1,461	58.0%
Income before Income Taxes and Minority Interests	1,893	2,866	972	51.4%
Net Income	876	1,774	898	102.6%
Operating Margin ※1	6.2%	11.2%		
Staff Cost / Gross Profit	65.8%	60.7%		

Consolidated Gross Billings



(Millions of Yen)

	2011 Jan-Jun	2012 Jan-Jun	Increase (Decrease)	Y-o-Y Change
Gross Billings	165,638	179,791	14,153	8.5%



- ◆ ADK
 - Growth in all media, except radio
 - Major growth in marketing and promotions

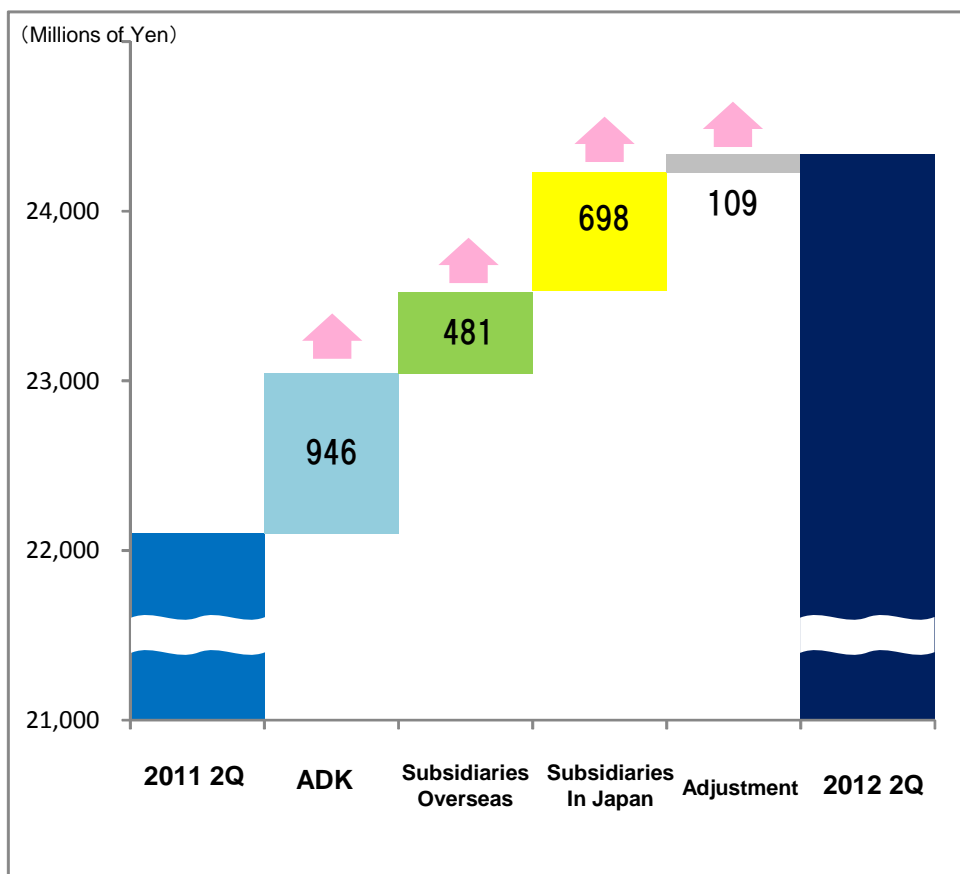
- ◆ Overseas subsidiaries
 - Major growth in China
 - Healthy growth in Thailand, Singapore, and North America

- ◆ Domestic subsidiaries
 - Higher revenue for ad agencies, production subsidiaries
 - Slight increase for the publishing subsidiary
 - ADDC Inc. included in consolidation

Consolidated Gross Profit



	2011 Jan-Jun	2012 Jan-Jun	Increase (Decrease)	(Millions of Yen) Y-o-Y Change
Gross Profit	22,101	24,336	2,235	10.1%
<i>Gross Margin</i>	13.3%	13.5%	-	+0.2pts

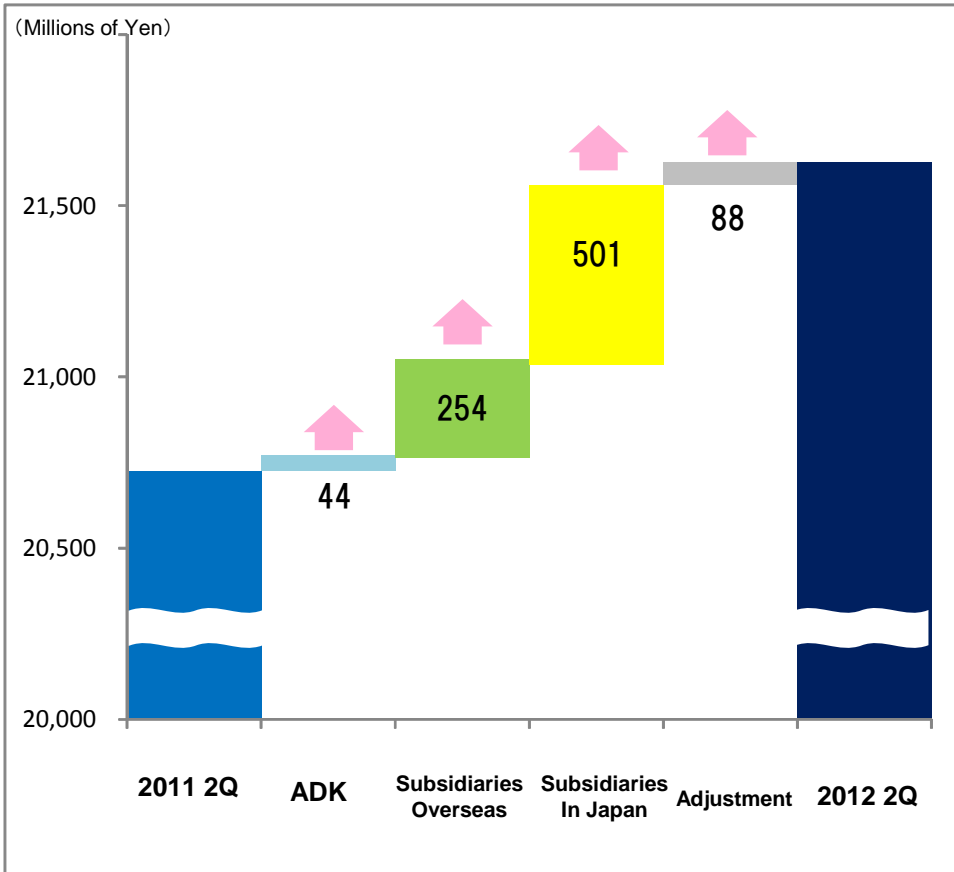


- ◆ ADK
 - Gross profit up in line with gross billings, but weak improvement in gross profit margin in 2Q
- ◆ Overseas subsidiaries
 - Gross profit up in line with gross billings
- ◆ Domestic subsidiaries
 - Major earnings growth by ad agency subsidiaries

Consolidated SG&A Expenses



	2011 Jan-Jun	2012 Jan-Jun	Increase (Decrease)	(Millions of Yen) Y-o-Y Change
SG&A Expenses	20,725	21,613	888	4.3%
Staff Cost	14,533	14,782	248	1.7%
Other	6,191	6,831	639	10.3%



- ◆ ADK
 - Other expenses slightly up, but personnel expenses restrained

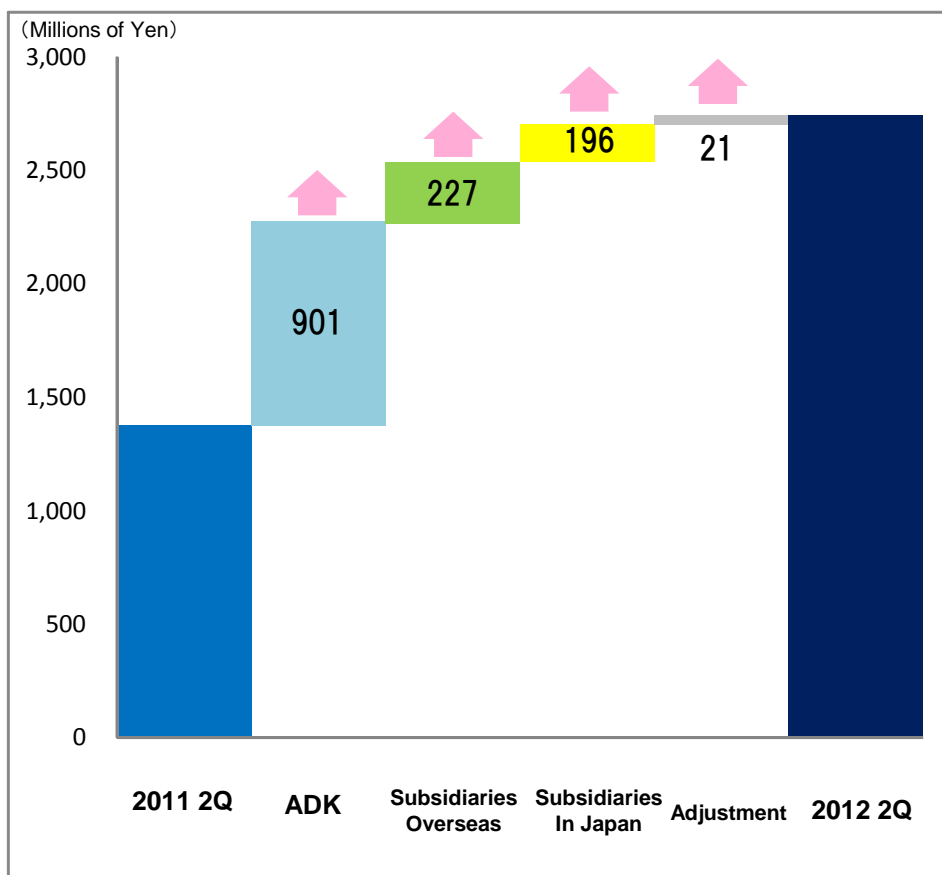
- ◆ Overseas subsidiaries
 - Personnel expenses up in regions with revenue growth

- ◆ Domestic subsidiaries
 - Personnel expenses up due to a merger and employee increases at production subsidiaries

Consolidated Operating Income

(Millions of Yen)

	2011 Jan-Jun	2012 Jan-Jun	Increase (Decrease)	Y-o-Y Change
Operating Income	1,376	2,722	1,346	97.9%



◆ Operating Margin

	2010	2011	2012	Mid-term Goal 2014
Jan-Mar	-7.5%	6.2%	11.2%	-
(Reference) Jan-Dec	0.05%	8.4%	-	13.2%

◆ Staff Cost/Gross Profit

	2010	2011	2012	Mid-term Goal 2014
Jan-Mar	72.2%	65.8%	60.7%	-
(Reference) Jan-Dec	67.3%	61.8%	-	59.0%

Consolidated P/L – 2

(Millions of Yen)

	2011 Jan-Jun	2012 Jan-Jun	Increase (Decrease)	Y-o-Y Change
Operating Income	1,376	2,722	1,346	97.9%
Non-Operating Income	1,239	1,422	183	14.8%
Non-Operating Expenses	97	167	69	70.8%
Ordinary Income	2,517	3,978	1,461	58.0%
Extraordinary Income	739	120	(619)	-83.7%
Extraordinary Loss	1,363	1,232	(130)	-9.6%
Income before Income Taxes and Minority Interests	1,893	2,866	972	51.4%
Net Income	876	1,774	898	102.6%

- ◆ Extraordinary items: Special retirement benefit provided by ADK to support career change
- ◆ Net income up significantly, thanks to higher operating income and other income

Consolidated P/L – 3

(Millions of Yen) (Year-on-Year Change)	Gross Billings	Gross Profit	Operating Income	Ordinary Income	Net Income
ADK	156,660 7.6%	17,568 5.7%	1,831 96.9%	3,016 52.3%	1,203 48.2%
9 subsidiaries in Japan	25,103 37.4%	4,137 20.3%	58 -	144 -	(42) -
6 subsidiaries in Greater China	8,740 20.3%	1,630 39.9%	633 82.1%	738 69.7%	582 68.8%
10 subsidiaries Overseas (excluding Greater China)	6,709 12.7%	1,123 1.5%	201 -22.4%	322 -9.3%	251 -7.2%
Consolidation Adjustment	-17,422	-122	-2	-243	-219
Total	179,791 8.5%	24,336 10.1%	2,722 97.9%	3,978 58.0%	1,774 102.6%
Forecast announced on May 11, 2012	178,000	25,100	2,800	3,900	1,720

*1 Newly consolidated ADK Digital Communications (For the details about consolidated subsidiaries, please refer to page 34 of Appendix)

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

*3 Subsidiaries in Asia, Europe and North America: 10 subsidiaries in Thailand, Malaysia, Singapore, Europe and the North America

Consolidated B/S -as of June 30



(Millions of Yen)

Assets	2010 2Q	2011 2Q	2012 2Q
Current Assets			
Cash and Deposits	22,031	21,276	24,797
Notes and Accounts Receivable-trade	83,571	76,440	85,442
Short-term Investment Securities	6,361	9,590	8,912
Inventories	8,811	9,281	7,135
Other	3,155	3,217	3,546
Allowance for Doubtful Accounts	(329)	(272)	(283)
Total Current Assets	123,601	119,533	129,551
Noncurrent Assets			
Property, Plant and Equipment	3,815	4,415	4,136
Intangible Assets	1,406	1,666	2,247
Investments and Other Assets			
Investment Securities	47,348	51,275	45,600
Other	10,926	10,454	9,686
Allowance for Doubtful Accounts	(1,923)	(2,006)	(1,733)
Total Investments and Other Assets	56,350	59,723	53,554
Total Noncurrent Assets	61,572	65,805	59,938
Total Assets	185,173	185,338	189,489

Liabilities	2010 2Q	2011 2Q	2012 2Q
Current Liabilities			
Notes and Accounts Payable-trade	68,898	65,094	71,873
Short-term Loans Payable	178	78	56
Other	8,642	9,422	9,357
Total Current Liabilities	77,719	74,595	81,287
Noncurrent Liabilities			
Long-term Loans Payable	1,089	625	347
Provision	2,336	1,733	1,800
Other	991	4,921	4,555
Total Noncurrent Liabilities	4,417	7,280	6,703
Total Liabilities	82,137	81,875	87,990

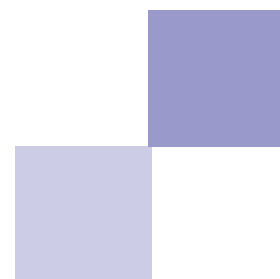
Net Assets			
Shareholders' Equity			
Capital Stock	37,581	37,581	37,581
Capital Surplus	20,024	20,023	13,244
Retained Earnings	49,141	46,356	44,878
Treasury Stock	(7,768)	(7,676)	(785)
Total Shareholder's Equity	98,977	96,285	94,919
Other accumulated comprehensive income			
Valuation Difference on Available-for-sale Securities	4,178	7,429	7,242
Deferred Gains or Losses on Hedges	(25)	(79)	(40)
Foreign Currency Translation Adjustment	(1,074)	(1,132)	(1,613)
Total other accumulated comprehensive income	3,078	6,217	5,588
Minority Interests	980	959	989
Total Net Assets	103,036	103,462	101,498
Total Liabilities and Net Assets	185,173	185,338	189,489

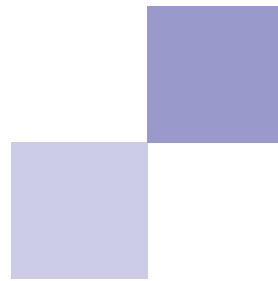
Consolidated Shareholders' equity ratio excluding minority Interests : 53.0%

Consolidated C/F

(Millions of Yen)

	2010 2Q	2011 2Q	2012 2Q
Net cash provided by operating activities	3,327	9,030	4,395
Income before income taxes	(2,643)	1,893	2,866
Depreciation and amortization	404	462	639
Decrease (increase) in notes and accounts receivable	4,564	17,106	2,974
Increase (decrease) in notes and accounts payable	(420)	(9,174)	51
Other	1,422	(1,258)	(2,137)
Net cash provided by investing activities	3,137	807	560
Purchases of investment securities	(579)	(244)	(71)
Proceeds from sales of investment securities	2,877	143	1,283
Other	838	908	(651)
Net cash used in financing activities	(532)	(593)	(606)
Net decrease (increase) in treasury stock	(797)	42	68
Cash dividends paid	(425)	(425)	(422)
Other	691	(210)	(253)
Foreign currency translation adjustments on cash and cash equivalents	(524)	69	110
Net increase in cash and cash equivalents	5,408	9,314	4,459
Cash and cash equivalents, beginning of the period	18,844	19,127	26,519
Increase in cash and cash equivalents resulting from merger of consolidated and unconsolidated subsidiaries	217	48	34
Cash and cash equivalents, end of the period	24,471	28,490	31,013





FY 2012

Full-Year Forecast

Forecast for FY2012 (Consolidated)

(Millions of Yen)

	FY2012 ①	vs2011	1st H ②	vs2011	2nd H ①-②	vs2011
Gross Billings	351,000	1.1%	179,791	8.5%	171,209	-5.7%
Gross Profit	47,810	4.3%	24,336	10.1%	23,473	-1.1%
Gross Margin	13.6%	+0.4pts	13.5%	+0.2pts	13.7%	+0.6pts
SG&A Expenses	43,440	3.5%	21,613	4.3%	21,826	2.7%
Staff Cost	29,480	4.0%	14,782	1.7%	14,698	6.5%
Other	13,960	2.3%	6,831	10.3%	7,128	-4.4%
Operating Income	4,370	13.4%	2,722	97.9%	1,647	-33.5%
Non-operating Income/Loss	1,750	-1.4%	1,255	10.0%	494	-21.9%
Ordinary Income	6,120	8.8%	3,978	58.0%	2,141	-31.1%
Extraordinary Profit/Loss	(1,500)	150.4%	(1,111)	78.3%	(388)	-17.2%
Income before Income Taxes and Minority Interests	4,620	-8.1%	2,866	51.4%	1,753	-44.1%
Taxes and others	1,620	-40.7%	1,091	7.2%	528	-69.2%
Net Income	3,000	30.8%	1,774	102.6%	1,225	-13.6%
Operating Margin ※1	9.1%		11.2%		7.0%	
Staff Cost/Gross Profit	61.7%		60.7%		62.6%	

Forecast for FY2012 by Region (Consolidated)

(Millions of Yen) (Year-on-Year Change)	Gross Billings	Gross Profit	Operating Income	Ordinary Income	Net Income
ADK	301,000 -0.3%	34,024 2.6%	2,240 29.1%	3,860 14.0%	1,380 -40.1%
9 subsidiaries in Japan	53,689 27.5%	8,979 6.1%	753 -17.2%	866 -9.7%	385 279.5%
6 subsidiaries in Greater China	16,767 8.1%	2,910 18.7%	931 26.8%	1,075 18.9%	834 16.9%
10 subsidiaries in Asia, Europe and North America	12,259 2.5%	2,162 1.0%	432 11.7%	600 5.0%	463 8.9%
Consolidation Adjustment	-32,715	-266	12	-283	-63
Total	351,000 1.1%	47,810 4.3%	4,370 13.4%	6,120 8.8%	3,000 30.8%

*1 Newly consolidated ADK Digital Communications (For the details about consolidated subsidiaries, please refer to page 34 of Appendix)

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

*3 Subsidiaries in Asia, Europe and North America: 10 subsidiaries in Thailand, Malaysia, Singapore, Europe and the North America

Forecast for 2nd Half of FY2012 (Consolidated)

(Millions of Yen) (Year-on-Year Change)	Gross Billings	Gross Profit	Operating Income	Ordinary Income	Net Income
ADK	144,339 -7.6%	16,455 -0.5%	408 -49.3%	843 -40.0%	176 -88.1%
9 subsidiaries in Japan	28,585 19.9%	4,842 -3.6%	694 -33.7%	722 -32.5%	427 -22.5%
6 subsidiaries in Greater China	8,026 -2.6%	1,280 -0.5%	298 -22.8%	337 -28.1%	252 -31.7%
10 subsidiaries in Asia, Europe and North America	5,550 -7.6%	1,038 0.5%	230 81.6%	278 28.4%	212 36.9%
Consolidation Adjustment	(15,293)	(144)	15	(39)	156
Total	171,208 -5.7%	23,473 -1.1%	1,647 -33.5%	2,141 -31.1%	1,225 -13.6%

*1 Newly consolidated ADK Digital Communications (For the details about consolidated subsidiaries, please refer to page 34 of Appendix)

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

*3 Subsidiaries in Asia, Europe and North America: 10 subsidiaries in Thailand, Malaysia, Singapore, Europe and the North America

Forecast for FY2012 (Non-Consolidated)

	(Millions of Yen)					
	FY2012 ①	vs2011	1st H ②	vs2011	2nd H ①-②	vs2011
Gross Billings	301,000	-0.3%	156,660	7.6%	144,339	-7.6%
Gross Profit	34,024	2.6%	17,568	5.7%	16,455	-0.5%
Gross Margin	11.3%	+0.3pts	11.2%	-0.2pts	11.4%	+0.8pts
SG&A Expenses	31,784	1.2%	15,736	0.3%	16,047	2.0%
Staff Cost	21,094	1.9%	10,577	-3.2%	10,517	7.6%
Other	10,689	-0.3%	5,159	8.3%	5,530	-7.2%
Operating Income	2,240	29.1%	1,831	96.9%	408	-49.3%
Non-operating Income/Loss	1,620	-2.0%	1,185	12.8%	434	-27.7%
Ordinary Income	3,860	14.0%	3,016	52.3%	843	-40.0%
Extraordinary Profit/Loss	(1,604)	-	(1,063)	68.0%	(540)	-148.3%
Income before Income taxes and Minority Interests	2,256	-44.1%	1,953	29.2%	302	-88.0%
Taxes and others	876	-49.4%	750	7.1%	126	-87.8%
Net Income	1,380	-40.1%	1,203	48.2%	176	-88.1%
Operating Margin ※1	6.6%		10.4%		2.5%	
Staff Cost/Gross Profit	62.0%		60.2%		63.9%	

Priority strategies for 2nd half of FY2012:

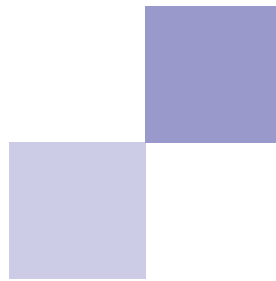
- ① Concentrate human and other resources in fields and clients where revenue growth is expected
- ② Rigorously control costs to boost gross margin
- ③ Emphasize in-house production to expand Group earnings
- ④ Reinforce TV ad sales (which declined in June and July)

Cost-control measures (medium- and long-term):

- ① Pursue rigorous reductions in variable costs
- ② Reassess fixed costs

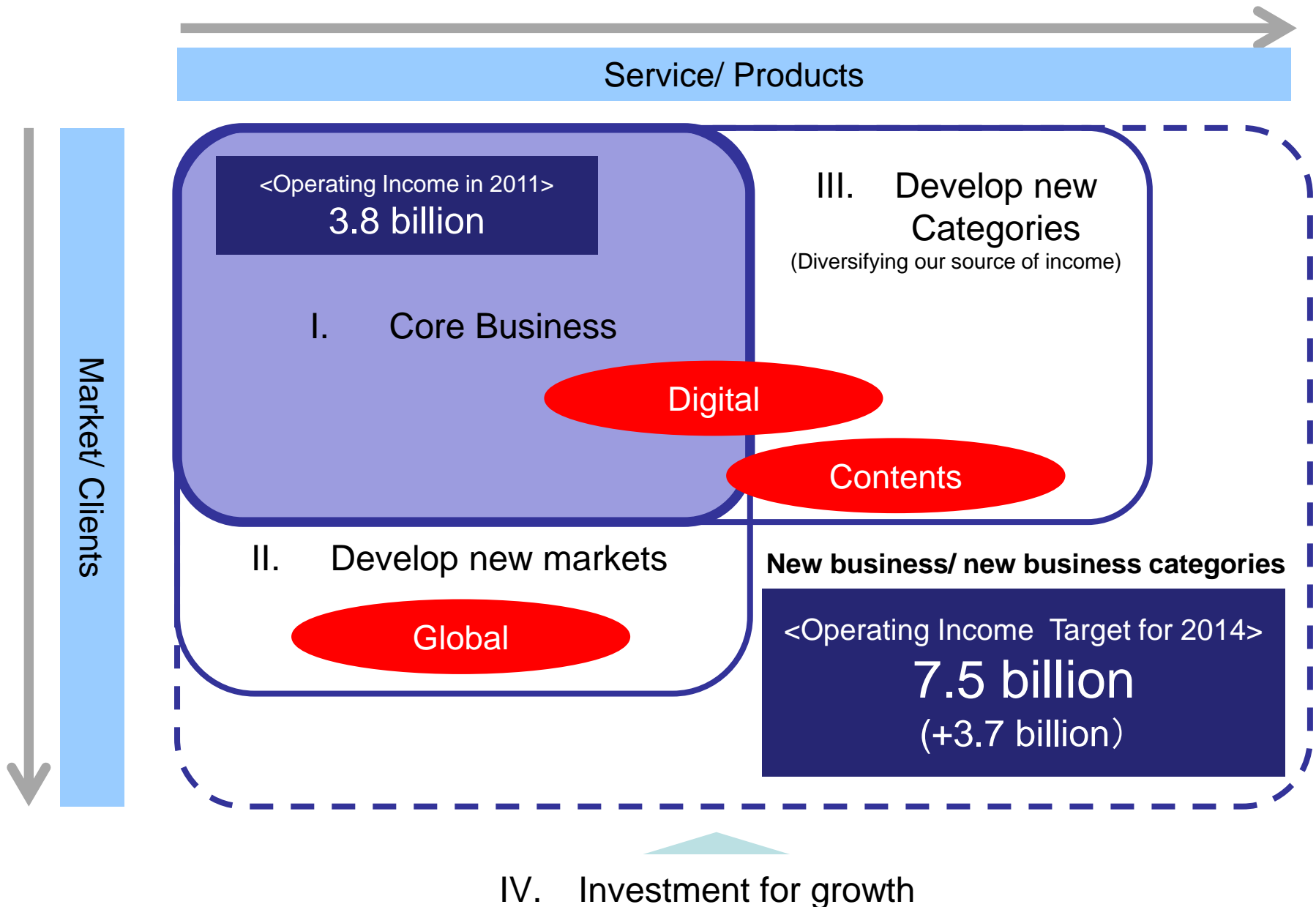
- Staff costs
- Office rental costs
- IT costs

Drastically reassess, with view to reductions in FY2013 and beyond



Medium-Term Business Plan: Progress Status and Future Plans

ADK group growth strategy



Adopt strategic approach to clients; secure appropriate earnings

2012 (1st half) progress status

- 2012 (1st half): Consolidated gross profit margin 13.5%
(nonconsolidated: 11.2%)
Achieved initial target of 13.5% (noncons: 11.1%)
But profitability down in 2Q vs 1Q
- Failure to adequately capture new large-scale clients

2nd half and future plans

- ADK: Rigorous cost controls via Purchasing Management Dept.
- Emphasis on in-house production to improve Group profitability
- Strengthen approach to new clients through projects in strategic fields

Reinforce solutions capabilities in digital domain

2012 (1st half) progress status

- Improve revenue, earnings, and profitability of digital media through full-scale operation of ADK Digital Communications Inc.
- Launch *mobile DADA* service

2nd half and future plans

- Forge concrete alliances with WPP Group companies in digital domain

Expand profits in China and rest of Asia

2012 (1st half) progress status

- Healthy sales and gross profit increases in China and rest of Asia
- Allocated resources to priority nations and categories

2nd half and future plans

- Strengthen alliance with WPP Group's media agency
Solidify partnership with GroupM (Maxus)
- Form alliances with local companies
 - Sales promotion domain
 - Digital domain

Reinforce animation content business

2012 (1st half) progress status; 2nd half and future plans

- Use existing content to expand new and peripheral businesses
 - *Doraemon* movie recorded the highest revenue (¥3.65 billion)
 - 510,000 visitors to “One Piece” exhibition (March 30–June 17, 2012)
 - “Manga through Science Experience” exhibition (currently running)
- Develop in-house production content
 - “*Sengoku Collection*”, “*Ginga e Kickoff!*”, “*Utakoi*” etc.
- Tap global markets
 - Appoint animation content business sales teams to key overseas bases
 - Promote distribution business
 - Develop animation theme parks, animation fairs and other events

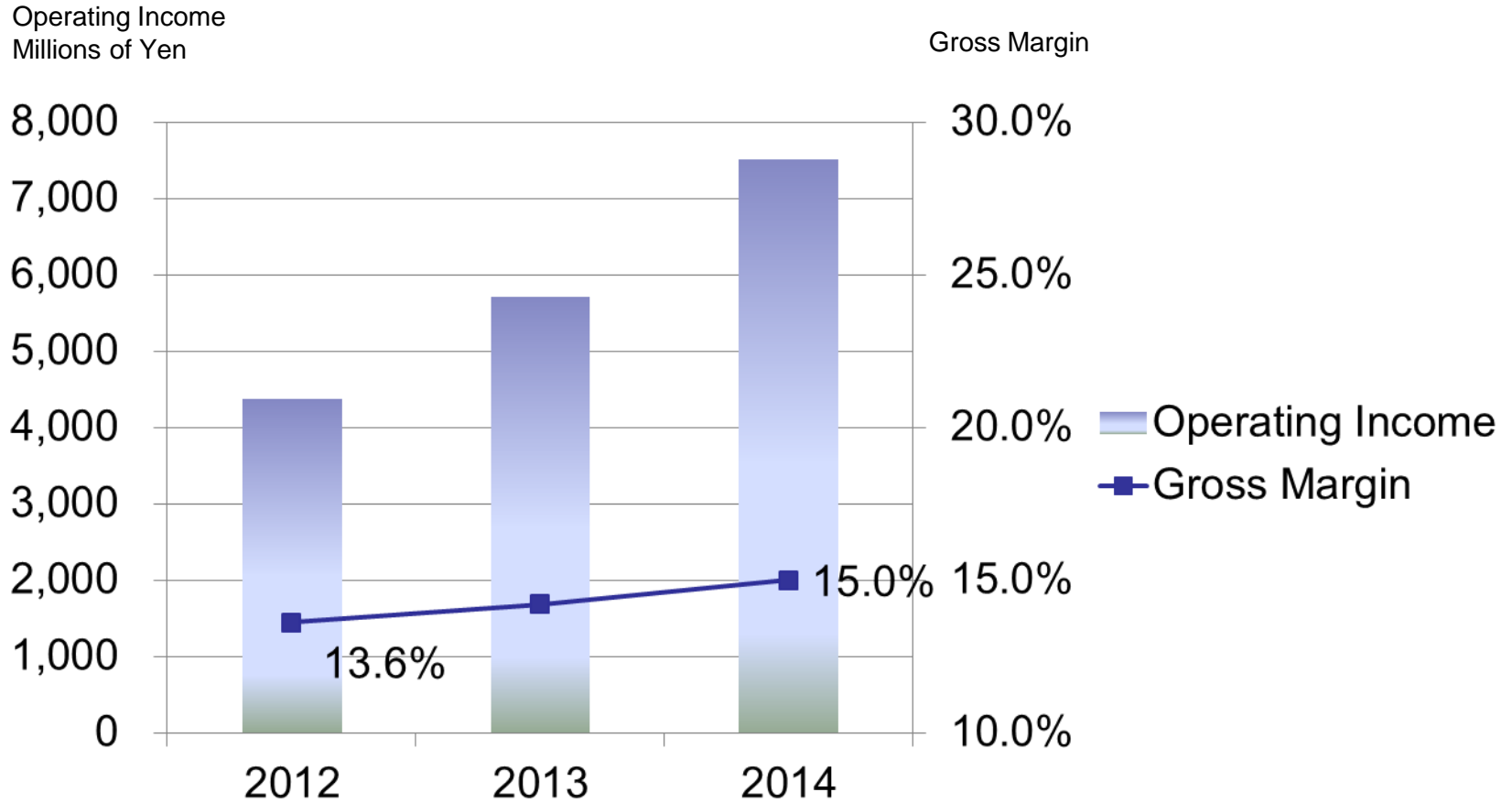
Reinforce direct business

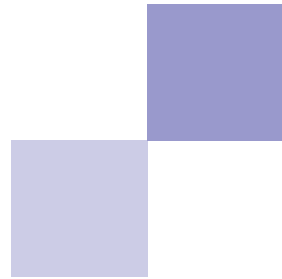
- Establish bases capable of comprehensive responses to direct business clients
 - Appoint dedicated teams to Tokyo, Kansai, and Kyushu branches
 - China: Set up base in Shanghai for one-stop responses
 - Agreement to collaborate with China Electronic Chamber of Commerce (TV shopping business)

Develop new businesses and business formats

- Launch mobile DADA service
- Develop e-commerce business through media tie-ups

Medium-term Goal





Appendix

Consolidated Investments

(Millions of Yen)

Current	■ Short-term investment securities Bond investment trust / Money market fund	8,645	
	Bonds	-	
	Mutual Funds in Equities and Bonds and Others	267	9 funds
	Total	8,912	
Non Current	■ investment securities listing share	45,600	
	listing share	41,218	
	WPP plc	29,784	31,295,646 shares or 2.48%
	Other Publicly Traded Equities	11,434	116 issues
	unquoted share	2,952	
	Other Publicly Traded Equities in Affiliated Companies	841	11 issues
	Other Publicly Traded Equities in Subsidiary Companies	752	17 issues
	Other Non Publicly Traded Equities	1,358	71 issues
	Bonds	1,235	8 issues
	Mutual Funds in Equities and Bonds	192	3 issues
	■ Other Investments in Affiliated companies (Non-Securities)		
Investments in Affiliated companies (Non-Securities)	171	5 issues	
Investments in Funds (Non-Securities)	161	9 issues	
Total	45,934		

Capital Expenditures/Depreciation & Amortization Expenses

(Millions of Yen)

Accounting Items	Capital Expenditures			Depreciation & Amortization Expenses		
	Non-consolidated	Consolidated subsidiaries	Consolidated	Non-consolidated	Consolidated subsidiaries	Consolidated
Buildings	10	9	20	43	47	90
Buildings Improvements	-	-	-	-	0	0
Vehicles	6	10	17	4	5	10
Furniture, Fixtures & Equipment	17	39	57	56	63	119
Lands	-	-	-	-	-	-
Licenses	-	-	-	-	-	-
Computer Soft wares	145	6	151	320	19	340
Lease Assets	9	29	39	50	12	63
Other	-	0	0	9	5	14
Total	190	97	287	484	155	639

Non-consolidated P/L

(Millions of Yen)

	2011 Jan-Jun	2012 Jan-Jun	Increase (Decrease)	Y-o-Y Change
Gross Billings	145,597	156,660	11,063	7.6%
Gross Profit	16,622	17,568	946	5.7%
<i>Gross Margin</i>	11.4%	11.2%	-	-0.2pts.
SG&A Expenses	15,691	15,736	44	0.3%
Staff Cost	10,927	10,577	(349)	-3.2%
Operating Income	930	1,831	901	96.9%
Ordinary Income	1,981	3,016	1,035	52.3%
Income before Income taxes and Minority Interests	1,511	1,953	441	29.2%
Net income	811	1,203	391	48.2%
Operating Margin ※1	5.6%	10.4%		
Staff Cost / Gross Profit	65.7%	60.2%		

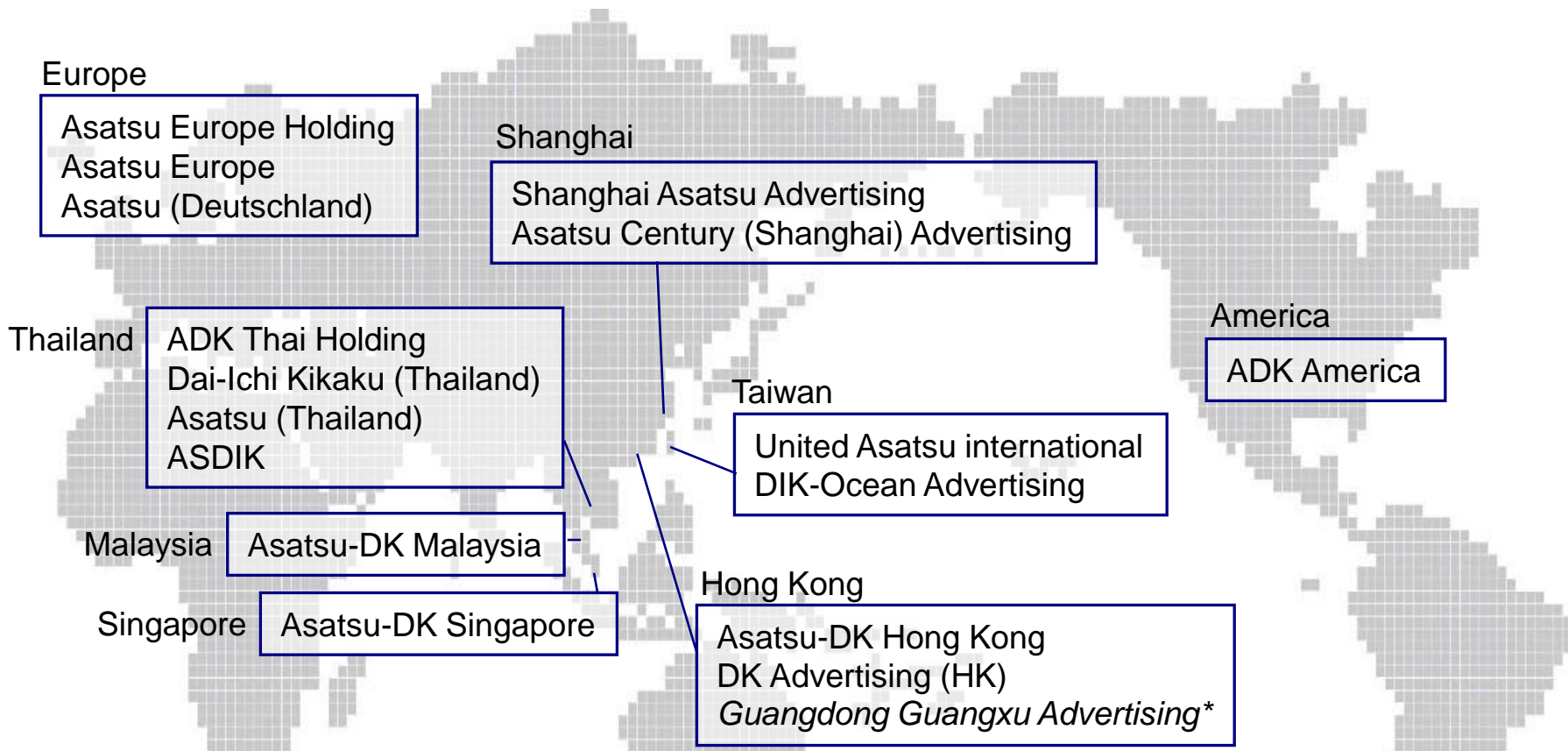
Non-consolidated Gross Billings: Breakdown by Industry

(Millions of Yen)	Gross Billings	Share of Total	Increase (Decrease)	Y-o-Y Change
Energy / Raw materials / Machinery	2,001	1.3%	(235)	-10.5%
Food	15,043	9.6%	(242)	-1.6%
Beverages / Tobacco products	15,116	9.6%	5,543	57.9%
Pharmaceuticals / Medical supplies	6,254	4.0%	(1,087)	-14.8%
Cosmetics / Toiletry goods	16,666	10.6%	1,497	9.9%
Apparel / Jewelry	4,739	3.0%	430	10.0%
Precision instruments / Office equipment	1,056	0.7%	252	31.3%
Electric machines / AV equipment	1,812	1.2%	300	19.9%
Automobiles / Auto-related products	7,379	4.7%	(396)	-5.1%
Household products	1,819	1.2%	271	17.6%
Hobbies / Sporting goods	11,622	7.4%	862	8.0%
Real estate / Housing	4,386	2.8%	229	5.5%
Publications	1,512	1.0%	220	17.1%
Information / Communications	17,227	11.0%	(529)	-3.0%
Distribution / Retail	13,381	8.5%	3,034	29.3%
Finance / Insurance	11,251	7.2%	(2,009)	-15.2%
Transportation / Leisure	5,474	3.5%	(49)	-0.9%
Restaurants / Other services	3,305	2.1%	(91)	-2.7%
Government / Organization	5,457	3.5%	266	5.1%
Education / Health care services / Religion	3,518	2.2%	404	13.0%
Classified ads / other	7,631	4.9%	2,389	45.6%
Total	156,660	100.0%	11,062	7.6%

Non-consolidated Performance by Medium

(Millions of Yen)

	2011 Jan-Jun	2012 Jan-Jun	Increase (Decrease)	Y-o-Y Change
Magazine	6,503	6,912	408	6.3%
Newspaper	9,406	9,941	534	5.7%
Television	70,930	74,841	3,910	5.5%
Time*	26,713	28,337	1,623	6.1%
Spot	38,759	39,546	787	2.0%
Content	5,457	6,957	1,499	27.5%
Radio	1,568	1,495	(73)	-4.7%
4 Mass Media	88,409	93,190	4,780	5.4%
Digital Media	3,971	4,951	979	24.7%
OOH Media	4,177	5,042	865	20.7%
Marketing & Promotion	23,570	29,126	5,556	23.6%
Creative	21,178	20,336	(842)	-4.0%
Other	4,289	4,013	(275)	-6.4%
Non-mass Media	57,187	63,470	6,282	11.0%
Total	145,597	156,660	11,062	7.6%



*Affiliates accounted for by the equity method

Japan

- 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



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.