



Overview of 3rd Quarter Results for the Year Ending December 31, 2012 [Japanese GAAP]

November 9, 2012

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

1. The First Nine Months Consolidated Results (January 1, 2012 to September 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	%
9 months ended; Sep. 30, 2012	260,268	4.1	2,121	0.8	3,725	9.7	1,847	40.3
Sep. 30, 2011	249,994	0.4	2,106	-	3,397	-	1,316	-

(Notes) 1. Comprehensive income(loss)

at September 30, 2012 : 7,388 million yen (- %) at September 30, 2011 : (4,646) 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
9 months ended; Sep. 30, 2012	43.73	43.71
Sep. 30, 2011	31.21	-

(2) Consolidated Financial Position

	Total Assets	Net Assets	Shareholder's Equity Ratio
	millions of yen	millions of yen	%
Sep. 30, 2012	183,689	103,408	55.8
Dec. 31, 2011	184,188	96,800	52.0

(Reference) Shareholders' equity September. 30, 2012 : 102,409 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 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 do not revise the forecast for the 2012 consolidated results as announced on August 10, 2012.

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.
- (4) 1. Number of outstanding stocks (including treasury stock) issued, end of term :
at September 30, 2012 : 42,655,400 shares, at December 31, 2011 : 45,155,400 shares,
2. Number of treasury stock, end of term :
at September 30, 2012 : 392,905 shares, at December 31, 2011 : 2,941,598 shares,
3. Avg. number of shares (consolidated) outstanding during the terms ended :
at September 30, 2012 : 42,244,358 shares, at September 30, 2011 : 42,181,233 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 317,900 shares and 367,900 shares at the end of the third 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 Three Quarters 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.

1. Consolidated Results for First Three Quarters of Fiscal 2012

(1) Overview of Operating Results

In the first three quarters of the fiscal year under review (January 1 to September 30, 2012), the Japanese economy has been on a moderate recovery trend until the middle of the period, supported by strong domestic demand on the back of restoration-related demand following the Great East Japan Earthquake of March 2011 and measures to stimulate demand for automobiles. After that, however, the economy has been at a standstill mainly due to a decline in domestic demand and the economic slowdown in foreign countries, especially in emerging nations. The economic conditions will remain unstable with many concerns such as the fading of domestic policy effects, the strong yen, the renewed debt crisis in Europe, and the political tensions with neighboring countries.

Amid these circumstances, 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 methods of consumers, including mass media, mass personal media such as the Internet and mobile devices, and out-of-home (OOH) media such as in-store 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 in both sales and profits.

The Group reported gross billings of ¥260,268 million, up 4.1% from the previous corresponding period. Gross profit increased 2.8% to ¥34,083 million, and operating income increased 0.8% to ¥2,121 million. With the addition of ¥923 million dividend income and other factors, ordinary income rose 9.7% to ¥3,725 million. Income before income taxes decreased 28.6% to ¥2,542 million, while net income increased 40.3% to ¥1,847 million.

Performance by Business Segment

Advertising Business

In the advertising business segment, gross billings to outside customers amounted to ¥255,899 million, up 4.3% from the previous corresponding period, and segment income increased 4.4% to ¥2,534 million.

ADK (the parent company), domestic subsidiaries and overseas subsidiaries all recorded year-on-year growth in gross billings, and overall gross billings exceeded those of the previous corresponding period. In terms of profitability, although ADK and domestic subsidiaries recorded a slight decrease in profits, overseas subsidiaries recorded increases in profits, resulting in a year-on-year increase in segment income.

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

ADK reported gross billings of ¥226,522 million, up 3.4% from the previous corresponding period. Gross profit decreased 0.6% to ¥24,528 million, and operating income fell 4.8% to ¥1,138 million. Despite a

year-on-year increase in gross billings, gross profit and operating income fell below those of the previous corresponding period due to a decline in gross profit margin and the effort to control SG&A expenses couldn't cover the decline of gross profit.

ADK posted increases in gross billings from clients in such industries as Beverages/Tobacco Products, Distribution/Retail, Education/Healthcare Services/Religion. However, gross billings from clients in such industries as Finance/Insurance, Pharmaceuticals/Medical Supplies, Information/Communications, Cosmetics/Toiletry Goods 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 Other 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	10,138	4.5	3.7
	Newspaper	14,427	6.4	1.4
	TV (Program, Spot, and Content business)	106,330	46.9	0.5
	Radio	2,241	1.0	(4.8)
	Digital Media	6,892	3.0	16.4
	OOH Media	6,914	3.1	10.1
Sub-total		146,944	64.9	1.8
Non-Media	Marketing and Promotion	43,286	19.1	17.7
	Creative and Other	36,292	16.0	(4.5)
Sub-total		79,578	35.1	6.4
Total		226,522	100.0	3.4

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 ¥4,369 million, down 4.4% year-on-year, and the segment loss amounted to ¥426 million, compared with ¥316 million loss in the previous corresponding period.

In the environment it is becoming difficult to secure profits amid a shrinking of the publications market, we reported operating loss because we were unable to improve gross profit margin mainly due to an increase in returned magazines.

Overseas Sales

In this first three quarters, the ADK Group obtained 7.9% of its gross billings from overseas, from 7.3% 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 (September 30, 2012) compared with the end of the previous fiscal year (December 31, 2011) is summarized below.

Total assets amounted to ¥183,689 million, down ¥498 million from the previous fiscal year-end, mainly due to a decrease in notes and accounts receivable-trade despite an increase in investment securities stemming from rising stock prices. Total liabilities were down ¥7,106 million to ¥80,281 million mainly due to a decrease in notes and accounts payable-trade despite an increase in deferred tax liabilities caused by the aforementioned stock price rises. Total net assets amounted to ¥103,408 million, and the net assets ratio was 56.3%.

(3) Forecasts for Fiscal 2012

Japan is expected to show negative economic growth in the July to September period due to slumping foreign demand and sluggish domestic demand. Amid that economic environment, ADK's third quarter business performance landed in an unfavorable position mainly due to the slowdown in domestic TV advertisement although results of overseas consolidated subsidiaries were favorable. Consequently, the first nine months of 2012 was summarized as previously described.

While the economic outlook from October is far from rosy, we expect a certain extent of recovery in advertising contracts such as TV spots. We will continuously strive to improve profitability and secure profits by strengthening revenue management by business and implementing procurement management regarding the cost of sales.

Based on the above, we did not revise the previous forecasts throughout fiscal 2012 and are committed to achieve them.

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 "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

September 30, 2012

(Unaudited and before reclassifications and rearrangements)

Millions of Yen

	September 30, 2012	December 31, 2011
<u>Assets</u>		
I Current assets		
1. Cash and deposits	21,664	22,641
2. Notes and accounts receivable-trade	79,338	88,955
3. Short-term investment securities	7,829	6,334
4. Inventories	8,245	6,840
5. Other	3,238	2,752
6. Allowance for doubtful accounts	(269)	(310)
Total current assets	120,046	127,213
II Noncurrent assets		
1. Property, plant and equipment	4,078	4,311
2. Intangible assets	2,187	2,437
3. Investments and other assets		
(1) Investment securities	49,243	42,133
(2) Other	9,475	10,035
(3) Allowance for doubtful accounts	(1,341)	(1,943)
Total investments and other assets	57,377	50,225
Total noncurrent assets	63,643	56,974
Total assets	183,689	184,188

ASATSU-DK INC. and Consolidated Subsidiaries

Consolidated Balance Sheets

September 30, 2012

(Unaudited and before reclassifications and rearrangements)

Millions of Yen

	September 30, 2012	December 31, 2011
<u>Liabilities</u>		
I Current liabilities		
1. Notes and accounts payable-trade	65,047	71,382
2. Short-term loans payable	53	94
3. Current portion of long-term loans payable	264	272
4. Income taxes payable	400	740
5. Provision	1,593	1,375
6. Other	5,203	8,243
Total current liabilities	72,562	82,110
II Noncurrent liabilities		
1. Long-term loans payable	328	483
2. Provision	1,693	1,807
3. Other	5,697	2,986
Total noncurrent liabilities	7,719	5,277
Total liabilities	80,281	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	44,525	43,557
4. Treasury stock	(767)	(7,632)
Total shareholders' equity	94,583	93,530
II Accumulated other comprehensive income		
1. Valuation difference on available-for-sale securities	9,478	4,063
2. Deferred gains or losses on hedges	(34)	(76)
3. Foreign currency translation adjustment	(1,618)	(1,681)
Total accumulated other comprehensive income	7,825	2,304
III Subscription rights to shares	3	—
IV Minority interests	995	965
Total net assets	103,408	96,800
Total liabilities and net assets	183,689	184,188

ASATSU-DK INC. and Consolidated Subsidiaries

Consolidated Income Statements

Nine Months Ended September 30, 2012

(Unaudited and before reclassifications and rearrangements)

Millions of Yen

	Nine Months Ended September 30, 2012 (From January 1 to September 30, 2012)	Nine Months Ended September 30, 2011 (From January 1 to September 30, 2011)
I Gross billings	260,268	249,994
II Cost of sales	226,184	216,847
Gross profit	34,083	33,146
III Selling, general and administrative expenses		
1. Salaries and allowances	16,294	15,265
2. Provision for bonuses	1,041	2,055
3. Provision for directors' retirement benefits	35	47
4. Provision of allowance for doubtful accounts	8	44
5. Other	14,581	13,627
Total selling, general and administrative expenses	31,961	31,040
Operating income	2,121	2,106
IV Non-operating income		
1. Dividends income	923	826
2. Equity in earnings of affiliates	4	180
3. Other	875	477
Total non-operating income	1,803	1,485
V Non-operating expenses		
1. Interest expenses	16	20
2. Provision of allowance for doubtful accounts	48	—
3. Foreign exchange losses	68	75
4. Other	66	97
Total non-operating expenses	199	193
Ordinary income	3,725	3,397

ASATSU-DK INC. and Consolidated Subsidiaries

Consolidated Income Statements

Nine Months Ended September 30, 2012

(Unaudited and before reclassifications and rearrangements)

Millions of Yen

	Nine Months Ended September 30, 2012 (From January 1 to September 30, 2012)	Nine Months Ended September 30, 2011 (From January 1 to September 30, 2011)
VI Extraordinary income		
1. Gain on sales of investment securities	133	1,852
2. Other	18	155
Total extraordinary income	151	2,008
VII Extraordinary loss		
1. Loss on sales of investment securities	214	—
2. Loss on valuation of investment securities	57	1,199
3. Special retirement expenses	823	7
4. Loss on adjustment for changes of accounting standard for asset retirement obligations	—	244
5. Other	239	392
Total extraordinary losses	1,334	1,842
Income before income taxes	2,542	3,562
Income taxes	682	2,256
Income before minority interests	1,859	1,306
Minority interests in income (loss)	12	(10)
Net income	1,847	1,316

ASATSU-DK INC. and Consolidated Subsidiaries

Consolidated Comprehensive Income Statements

Nine Months Ended September 30, 2012

(Unaudited and before reclassifications and rearrangements)

Millions of Yen

	Nine Months Ended September 30, 2012 (From January 1 to September 30, 2012)	Nine Months Ended September 30, 2011 (From January 1 to September 30, 2011)
I Income before minority interests	1,859	1,306
II Other comprehensive income		
1. Valuation difference on available-for-sale securities	5,416	(5,482)
2. Deferred gains or losses on hedges	41	(10)
3. Foreign currency translation adjustment	70	(460)
Total other comprehensive income	5,529	(5,953)
III Comprehensive income	7,388	(4,646)
Comprehensive income attributable to		
1. Comprehensive income attributable to owners of the parent	7,368	(4,609)
2. Comprehensive income attributable to minority interests	20	(37)

ASATSU-DK INC. and Consolidated Subsidiaries

Segment Information

(Unaudited and before reclassifications and rearrangements)

Nine Months Ended September 30, 2012

	Reportable segments			Adjustment	Amount on Consolidated Income Statements
	Advertising	Non-advertising	Total		
<i>Millions of Yen</i>					
GROSS BILLINGS					
1. Billings to customers	255,899	4,369	260,268	—	260,268
2. Inter-segment billings	—	10	10	(10)	—
Total billings	255,899	4,380	260,279	(10)	260,268
Segment income (loss)	2,534	(426)	2,107	13	2,121

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

Nine Months Ended September 30, 2011

	Reportable segments			Adjustment	Amount on Consolidated Income Statements
	Advertising	Non-advertising	Total		
<i>Millions of Yen</i>					
GROSS BILLINGS					
1. Billings to customers	245,423	4,571	249,994	—	249,994
2. Inter-segment billings	—	47	47	(47)	—
Total billings	245,423	4,618	250,041	(47)	249,994
Segment income (loss)	2,427	(316)	2,110	(4)	2,106

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