

# 3<sup>rd</sup> Quarter Results for FY2013

ASATSU-DK Inc. (Code: 9747)

November 11, 2013

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**ADK**

# Consolidated Performance

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2013 January - September

# Consolidated P/L



(Millions of Yen)	2012 Jan - Sep	2013 Jan - Sep	Increase (Decrease)	Y-on-Y Change
Gross Billings	260,268	<b>253,646</b>	(6,622)	-2.5%
Gross Profit	34,083	<b>33,244</b>	(838)	-2.5%
<i>Gross Profit Ratio</i>	<i>13.1%</i>	<i><b>13.1%</b></i>		—
SG&A Expenses	31,961	<b>32,171</b>	209	+0.7%
(Staff Cost)	21,731	<b>22,141</b>	409	+1.9%
Operating Income	2,121	<b>1,073</b>	(1,048)	-49.4%
Ordinary Income	3,725	<b>2,983</b>	(741)	-19.9%
Income before Income taxes and Minority Interests	2,542	<b>1,306</b>	(1,236)	-48.6%
Net Income	1,847	<b>478</b>	(1,368)	-74.1%
Operating Margin *1	6.2%	<b>3.2%</b>		
Staff Cost / Gross Profit	63.8%	<b>66.6%</b>		

\* 1 Operating Income/Gross Profits

# Consolidated P/L

(Millions of Yen) (Year-on-Year Change)	Gross Billings	Gross Profit	Operating Income	Ordinary Income	Net Income
<b>A D K</b>	220,190 -2.8%	24,031 -2.0%	1,199 +5.3%	3,170 +22.1%	1,039 -12.5%
8 subsidiaries in Japan *1	37,779 +3.1%	5,422 -8.5%	(692) —	(534) —	(750) —
7 subsidiaries in Greater China *2	11,497 -6.3%	2,151 -4.9%	303 -62.5%	372 -60.2%	304 -59.1%
13 subsidiaries In Asia, Europe and USA*3	12,088 +24.2%	1,920 +19.2%	252 -16.6%	466 -0.5%	395 +6.7%
Consolidation Adjustment	(27,910)	(280)	11	(490)	(510)
<b>Total</b>	253,646 -2.5%	33,244 -2.5%	1,073 -49.4%	2,983 -19.9%	478 -74.1%

\*1 For the details about consolidated subsidiaries, please refer to the last page of Appendix

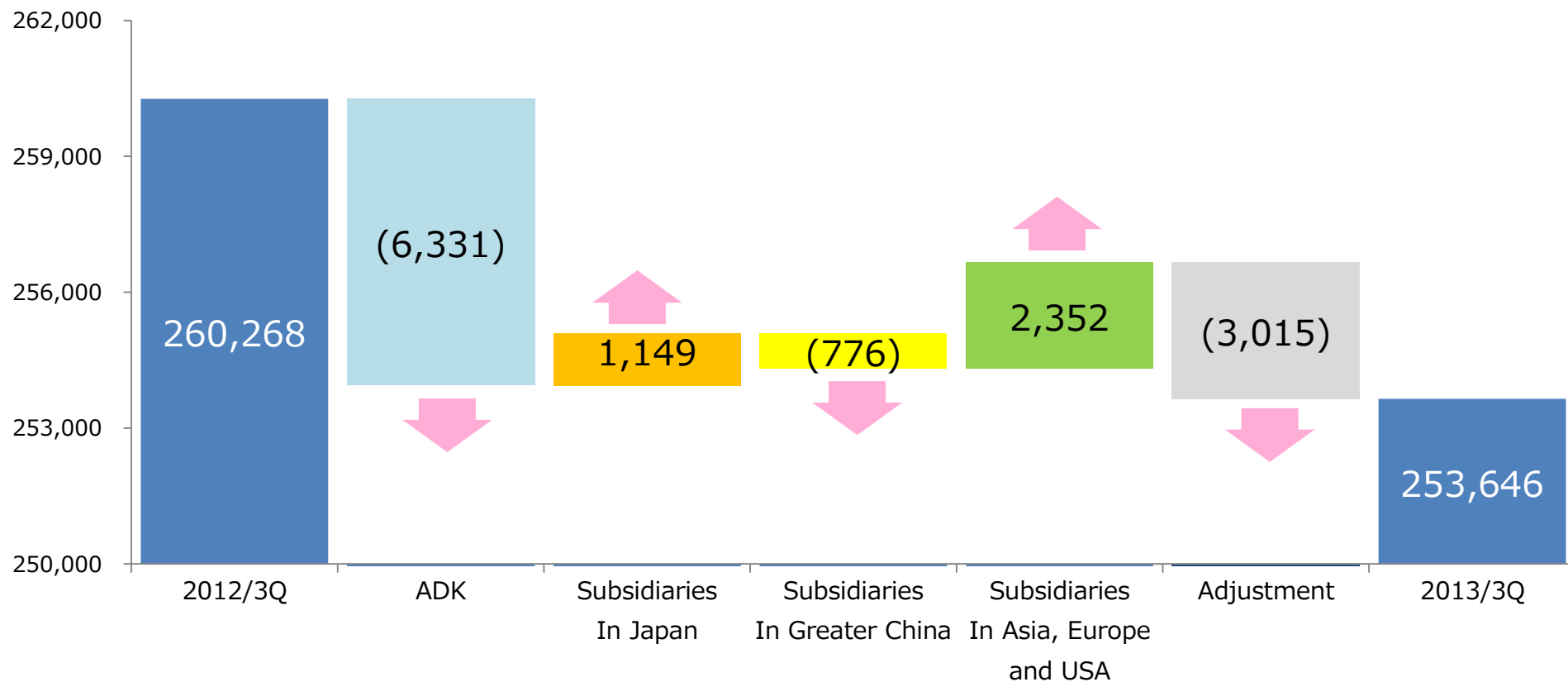
\*2 Subsidiaries in Greater China: 7 subsidiaries in Shanghai, Taiwan and Hong Kong

\*3 Asia, Europe and USA subsidiaries: 13 subsidiaries in Thailand, Malaysia, Singapore, Vietnam, Europe and the North America

# Gross Billings

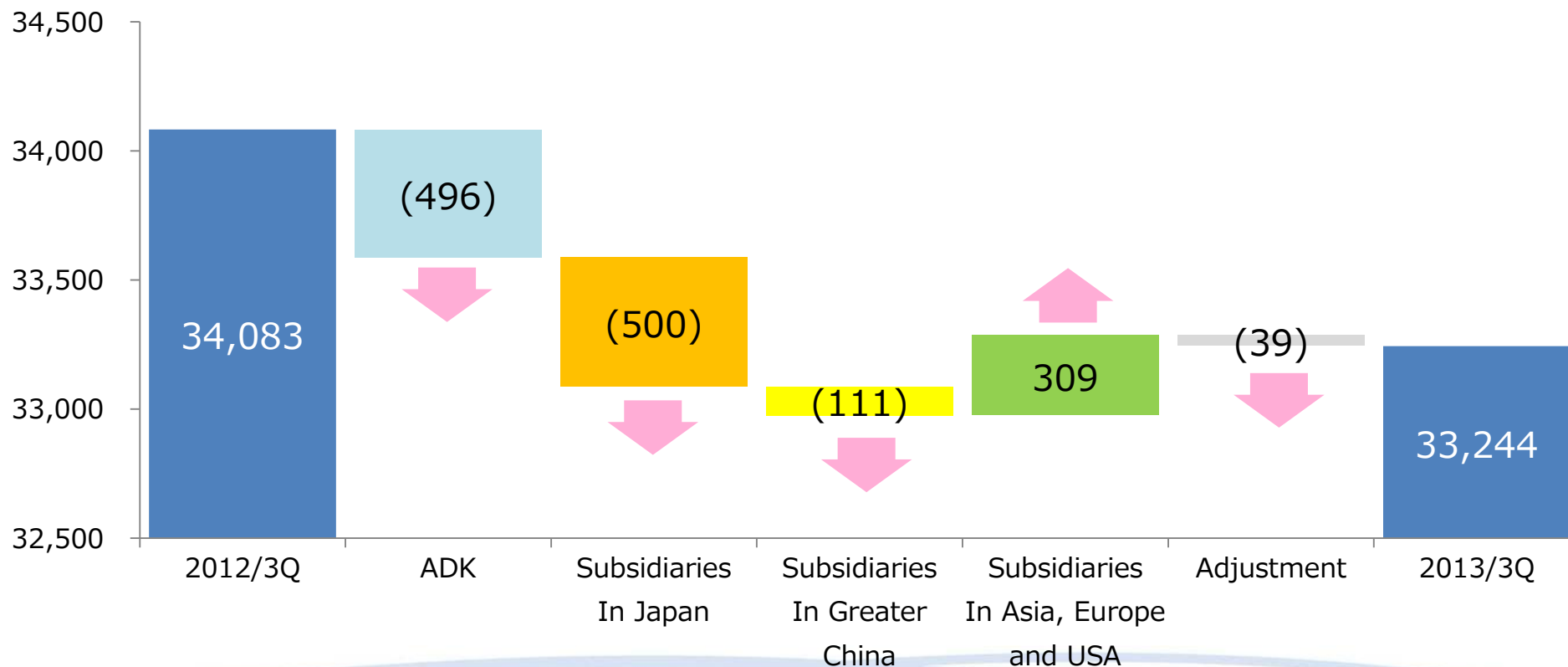


(Millions of Yen)	2012 Jan-Sep	2013 Jan-Sep	Increase (Decrease)	Y-o-Y Change
Gross Billings	260,268	<b>253,646</b>	(6,622)	-2.5%



# Gross Profit

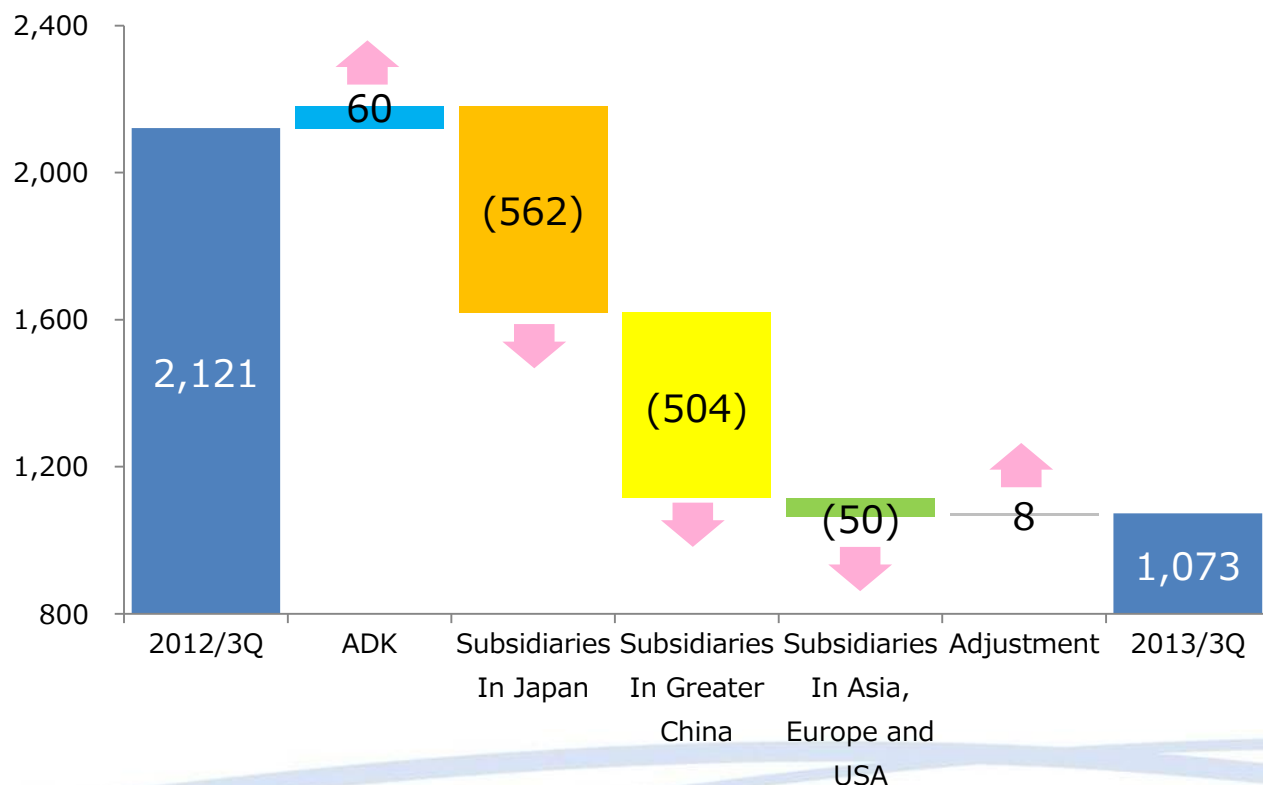
(Millions of Yen)	2012 Jan-Sep	2013 Jan-Sep	Increase (Decrease)	Y-o-Y Change
Gross Profit	34,083	<b>33,244</b>	(838)	-2.5%
<i>Gross Profit Ratio</i>	<i>13.1%</i>	<i><b>13.1%</b></i>		—



# Operating Income

ADK

(Millions of Yen)	2012 Jan-Sep	2013 Jan-Sep	Increase (Decrease)	Y-o-Y Change
SG&A Expenses	31,961	<b>32,171</b>	209	+0.7%
Staff Cost	21,731	<b>22,141</b>	409	+1.9%
Operating Income	2,121	<b>1,073</b>	(1,048)	-49.4%



## ◆ Operating Margin

	2011	2012	2013
Jan-Sep	6.4%	6.2%	3.2%
(Reference) Jan-Dec	8.4%	6.9%	-

## ◆ Staff Cost/Gross Profit

	2011	2012	2013
Jan-Sep	65.1%	63.8%	66.6%
(Reference) Jan-Dec	61.8%	62.5%	-

# Ordinary Income ~ Net Income

(Millions of Yen)	2012 Jan-Sep	2013 Jan-Sep	Increase (Decrease)	Y-o-Y Change
Operating Income	2,121	<b>1,073</b>	(1,048)	-49.4%
Non-Operating Income	1,803	<b>1,981</b>	178	+9.9%
Non-Operating Expenses	199	<b>71</b>	(128)	-64.2%
Ordinary Income	3,725	<b>2,983</b>	(741)	-19.9%
Extraordinary Income	151	<b>1,050</b>	898	+591.8%
Extraordinary Loss	1,334	<b>2,727</b>	1,392	+104.3%
Income before Income taxes and Minority Interests	2,542	<b>1,306</b>	(1,236)	-48.6%
Income Taxes	682	<b>811</b>	129	+18.9%
Minority interests in income	12	<b>15</b>	3	+24.4%
Net Income	1,847	<b>478</b>	(1,368)	-74.1%



# Consolidated B/S



(Millions of Yen)

Assets	2012/12	2013/9	Increase (Decrease)
<b>Current Assets</b>			
Cash and Deposits	24,489	23,261	(1,227)
Notes and Accounts Receivable-trade	84,128	74,077	(10,050)
Short-term Investment Securities	6,471	9,996	3,524
Inventories	7,032	8,375	1,342
Other	2,898	3,011	113
Allowance for Doubtful Accounts	(257)	(281)	(23)
<b>Total Current Assets</b>	<b>124,762</b>	<b>118,441</b>	<b>(6,320)</b>
<b>Noncurrent Assets</b>			
Property, Plant and Equipment	4,296	3,448	(847)
Intangible Assets	2,342	2,518	175
Investments and Other Assets			
Investment Securities	55,312	80,241	24,929
Other	9,876	9,351	(525)
Allowance for Doubtful Accounts	(1,426)	(901)	524
Total Investments and Other Assets	63,761	88,690	24,929
<b>Total Noncurrent Assets</b>	<b>70,400</b>	<b>94,657</b>	<b>24,257</b>
<b>Total Assets</b>	<b>195,163</b>	<b>213,099</b>	<b>17,936</b>

Equity Ratio	55.6%	57.2%	+0.6pts
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Liabilities	2012/12	2013/9	Increase (Decrease)
<b>Current Liabilities</b>			
Notes and Accounts Payable-trade	67,130	60,694	(6,435)
Short-term Loans Payable	59	30	(29)
Other	8,358	10,701	2,342
<b>Total Current Liabilities</b>	<b>75,548</b>	<b>71,426</b>	<b>(4,122)</b>
<b>Noncurrent Liabilities</b>			
Long-term Loans Payable	246	164	(82)
Provision	1,771	1,822	51
Other	8,037	16,724	8,687
<b>Total Noncurrent Liabilities</b>	<b>10,055</b>	<b>18,711</b>	<b>8,656</b>
<b>Total Liabilities</b>	<b>85,603</b>	<b>90,137</b>	<b>4,534</b>

Net Assets	2012/12	2013/9	Increase (Decrease)
<b>Shareholders' Equity</b>			
Capital Stock	37,581	37,581	0
Capital Surplus	13,245	13,245	0
Retained Earnings	45,428	41,352	(4,075)
Treasury stock	(746)	(1,927)	(1,180)
<b>Total Shareholder's Equity</b>	<b>95,508</b>	<b>90,252</b>	<b>-5,256</b>
<b>Valuation and Translation Adjustments</b>			
Valuation Difference on Available-for-sale Securities	13,553	30,902	17,349
Deferred Gains or Losses on Hedges	(2)	0	1
Foreign Currency Translation Adjustment	(539)	711	1,250
<b>Total Valuation and Translation Adjustments</b>	<b>13,012</b>	<b>31,613</b>	<b>18,601</b>
Subscription rights to shares	5	16	10
Minority Interests	1,032	1,078	46
<b>Total Net Assets</b>	<b>109,559</b>	<b>122,961</b>	<b>13,401</b>
<b>Total Liabilities and Net Assets</b>	<b>195,163</b>	<b>213,099</b>	<b>17,936</b>

# FY 2013 Revised Forecast

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# Revised Forecast



(Millions of Yen)	Revised on August 12		Revised on November 11		Difference	
	FY2013	Y-o-Y Change	<b>FY2013</b>	Y-o-Y Change	Increase (Decrease)	%
Gross Billings	347,000	-1.1%	<b>342,000</b>	<b>-2.5%</b>	(5,000)	-1.4%
Gross Profit	46,590	+0.9%	<b>44,950</b>	<b>-2.6%</b>	(1,640)	-3.5%
<i>Gross Profit Ratio</i>	13.4%	+0.2pts	<b>13.1%</b>	<b>-0.1pts</b>		-0.3pts
SG&A Expenses	(43,970)	+2.3%	<b>(43,570)</b>	<b>+1.3%</b>	(400)	-0.9%
(Staff Cost)	(29,620)	+2.7%	<b>(29,280)</b>	<b>+1.5%</b>	(340)	-1.1%
Operating Income	2,620	-17.5%	<b>1,380</b>	<b>-56.5%</b>	(1,240)	-47.3%
Ordinary Income	4,620	-13.1%	<b>3,900</b>	<b>-26.6%</b>	(720)	-15.6%
Income before Income taxes and Minority Interests	2,390	-41.3%	<b>4,560</b>	<b>+12.1%</b>	+2,170	+90.8%
Net Income	1,240	-55.4%	<b>2,390</b>	<b>-14.1%</b>	+1,150	+92.7%
Operating Margin *1	5.6%		<b>3.1%</b>			
Staff Cost / Gross Profit	63.6%		<b>65.1%</b>			

\*1 Operating Income/Gross Profit

# Forecast for FY2013 by Region (Consolidated)

(Millions of Yen) (Year-on-Year Change)	Gross Billings	Gross Profit	Operating Income	Ordinary Income	Net Income
<b>A D K</b>	297,000 -2.1%	32,480 -1.0%	1,480 +10.3%	3,940 +19.5%	2,590 +67.8%
8 subsidiaries in Japan *1	50,758 -3.4%	7,537 -10.9%	(671) -	(497) -	(449) -
7 subsidiaries in Greater China *2	15,284 -6.7%	2,807 -5.2%	184 -81.6%	317 -74.2%	222 -77.3%
13 subsidiaries In Asia, Europe and USA*3	15,440 +18.7%	2,528 +16.9%	375 -17.1%	633 -6.8%	519 -4.8%
Consolidation Adjustment	(36,483)	(403)	11	(493)	(492)
<b>Total</b>	342,000 -2.5%	44,950 -2.6%	1,380 -56.5%	3,900 -26.6%	2,390 -14.1%

\*1 For the details about consolidated subsidiaries, please refer to the last page of Appendix

\*2 Subsidiaries in Greater China: 7 subsidiaries in Shanghai, Taiwan and Hong Kong

\*3 Asia, Europe and USA subsidiaries: 13 subsidiaries in Thailand, Malaysia, Singapore, Vietnam, Europe and the North America

# Appendix

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# Non-consolidated P/L



(Millions of Yen)	2012 Jan-Sep	2013 Jan-Sep	Increase (Decrease)	Y-o-Y Change
Gross Billings	226,522	<b>220,190</b>	(6,331)	-2.8%
Gross Profit	24,528	<b>24,031</b>	(496)	-2.0%
<i>Gross Profit Ratio</i>	<i>10.8%</i>	<b><i>10.9%</i></b>		<i>+0.1pts</i>
SG&A Expenses	23,389	<b>22,831</b>	(557)	-2.4%
Staff Cost	15,575	<b>15,312</b>	(262)	-1.7%
Operating Income	1,138	<b>1,199</b>	60	+5.3%
Ordinary Income	2,596	<b>3,170</b>	574	+22.1%
Income before Income taxes	1,468	<b>1,714</b>	246	+16.8%
Net income	1,188	<b>1,039</b>	(148)	-12.5%
Operating Margin *1	4.6%	<b>5.0%</b>		
Staff Cost / Gross Profit	63.5%	<b>63.7%</b>		

\*1 Operating Income/Gross Profit

# Non-consolidated Gross Billings: Breakdown by Industry



(Millions of Yen)	2012 Jan - Sep		2013 Jan - Sep		Increase (Decrease)	Y-o-Y Change
	Gross Billings	Composition	Gross Billings	Composition		
Energy / Raw materials / Machinery	3,418	1.5%	3,284	1.5%	(133)	-3.9%
Food	22,967	10.1%	21,030	9.6%	(1,937)	-8.4%
Beverages / Tobacco products	19,805	8.7%	18,462	8.4%	(1,342)	-6.8%
Pharmaceuticals / Medical supplies	9,696	4.3%	10,983	5.0%	1,286	13.3%
Cosmetics / Toiletry goods	23,561	10.4%	20,940	9.5%	(2,620)	-11.1%
Apparel / Jewelry	6,682	2.9%	7,794	3.5%	1,112	+16.6%
Precision instruments / Office equipment	1,494	0.7%	1,603	0.7%	108	+7.2%
Electric machines / AV equipment	2,353	1.0%	2,572	1.2%	219	+9.3%
Automobiles / Auto-related products	10,704	4.7%	11,672	5.3%	968	+9.0%
Household products	2,353	1.0%	1,746	0.8%	(607)	-25.8%
Hobbies / Sporting goods	16,128	7.1%	14,532	6.6%	(1,596)	-9.9%
Real estate / Housing	6,101	2.7%	6,797	3.1%	695	+11.4%
Publications	2,406	1.1%	3,142	1.4%	735	+30.5%
Information / Communications	25,376	11.2%	20,405	9.3%	(4,970)	-19.6%
Distribution / Retail	19,811	8.7%	19,796	9.0%	(14)	-0.1%
Finance / Insurance	15,977	7.1%	19,146	8.7%	3,169	+19.8%
Transportation / Leisure	8,178	3.6%	7,142	3.2%	(1,035)	-12.7%
Restaurants / Other services	4,584	2.0%	5,247	2.4%	662	+14.5%
Government / Organization	7,212	3.2%	7,518	3.4%	306	+4.2%
Education / Health care services / Religion	6,016	2.7%	6,471	2.9%	455	+7.6%
Classified ads / other	11,690	5.2%	9,899	4.5%	(1,791)	-15.3%
<b>Total</b>	<b>226,522</b>	<b>100.0%</b>	<b>220,190</b>	<b>100.0%</b>	<b>(6,331)</b>	<b>-2.8%</b>

# Non-consolidated Gross Billings : Breakdown by Medium



(Millions of Yen)	2012 Jan - Sep		2013 Jan - Sep		Increase (Decrease)	Y-o-Y Change
	Gross Billings	Composition	Gross Billings	Composition		
News Paper	10,138	4.5%	10,254	4.7%	116	+1.1%
Magazine	14,427	6.4%	15,418	7.0%	990	+6.9%
Television	106,330	46.9%	99,449	45.2%	(6,880)	-6.5%
Time	41,882	18.5%	40,073	18.2%	(1,808)	-4.3%
Spot	54,278	24.0%	51,526	23.4%	(2,751)	-5.1%
Content	10,169	4.5%	7,849	3.6%	(2,319)	-22.8%
Radio	2,241	1.0%	2,338	1.1%	96	+4.3%
<b>4 Mass Media</b>	<b>133,137</b>	<b>58.8%</b>	<b>127,460</b>	<b>57.9%</b>	<b>(5,677)</b>	<b>-4.3%</b>
Digital Media	6,892	3.0%	8,109	3.7%	1,217	+17.7%
OOH Media	6,914	3.1%	7,572	3.4%	658	+9.5%
Marketing / Promotion	43,286	19.1%	43,925	19.9%	638	+1.5%
Creative	30,099	13.3%	27,922	12.7%	(2,176)	-7.2%
Other	6,192	2.7%	5,199	2.4%	(992)	-16.0%
<b>Non-mass Media</b>	<b>93,385</b>	<b>41.2%</b>	<b>92,730</b>	<b>42.1%</b>	<b>(654)</b>	<b>-0.7%</b>
<b>Total</b>	<b>226,522</b>	<b>100.0%</b>	<b>220,190</b>	<b>100.0%</b>	<b>(6,331)</b>	<b>-2.8%</b>



# Non-consolidated Gross Billings : Breakdown by Medium

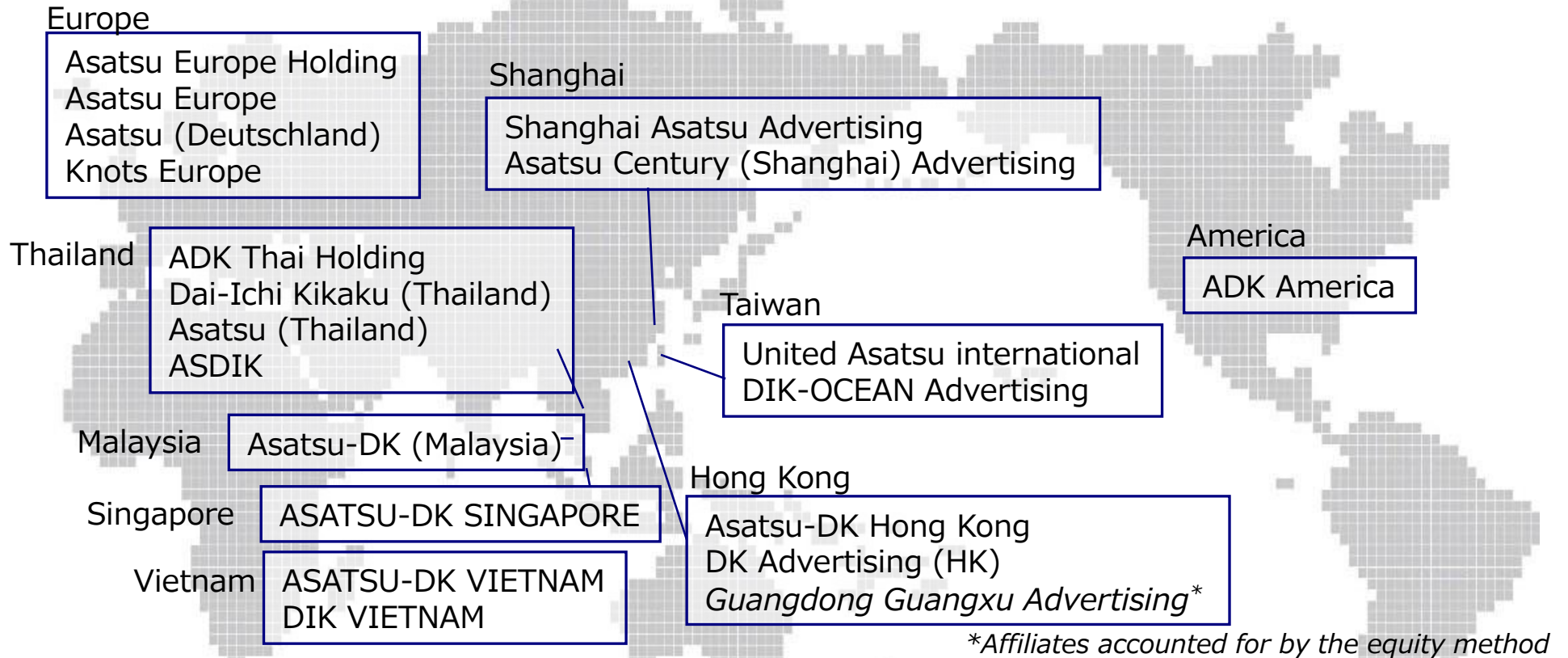


(Millions of Yen)	2013/1	2013/2	2013/3	2013/4	2013/5	2013/6	2013/7	2013/8	2013/9	2013/10	2013/11	2013/12	TOTAL
Gross Billings	18,283	22,327	36,048	25,362	23,342	26,569	21,333	20,139	26,783				220,190
Magazine	676	1,035	1,501	1,327	1,142	1,197	901	982	1,488				10,254
News Paper	1,633	1,740	2,206	1,620	1,749	1,966	1,773	1,210	1,515				15,418
Television	9,154	11,173	13,810	13,642	10,871	9,685	10,578	9,574	10,958				99,449
Radio	220	263	321	280	251	242	233	261	263				2,338
Digital Media	546	742	1,272	899	898	895	740	879	1,233				8,109
OOH Media	742	900	1,007	1,000	863	848	626	534	1,047				7,572
Marketing/Promotion	2,943	3,482	8,772	3,185	4,750	7,410	3,429	3,753	6,196				43,925
Creative	1,829	2,519	6,030	2,866	2,384	3,804	2,543	2,500	3,445				27,922
Other	534	469	1,125	539	429	518	505	442	635				5,199

	2012/1	2012/2	2012/3	2012/4	2012/5	2012/6	2012/7	2012/8	2012/9	2012/10	2012/11	2012/12	TOTAL
Gross Billings	20,786	22,198	36,019	25,532	24,246	27,876	22,708	19,502	27,651	21,968	24,802	30,128	303,422
Magazine	649	1,028	1,550	1,367	1,106	1,209	880	944	1,400	1,186	1,513	1,146	13,984
News Paper	1,400	1,359	1,968	1,657	1,852	1,702	1,513	1,301	1,672	1,858	2,544	2,175	21,006
Television	10,323	11,670	15,100	13,019	12,399	12,327	11,675	9,112	10,701	11,140	11,371	13,165	142,007
Radio	244	232	303	243	217	252	260	246	239	282	279	272	3,075
Digital Media	579	859	1,170	839	655	847	721	550	669	618	700	813	9,024
OOH Media	685	691	1,183	1,078	620	784	531	510	829	594	523	904	8,937
Marketing/Promotion	4,151	3,050	8,099	4,094	4,150	5,580	3,576	4,097	6,485	3,525	4,911	7,001	58,726
Creative	2,279	2,679	5,607	2,695	2,405	4,669	2,987	2,298	4,476	2,167	2,033	3,801	38,102
Other	473	625	1,034	537	839	502	562	440	1,176	595	922	847	8,558

	2011/1	2011/2	2011/3	2011/4	2011/5	2011/6	2011/7	2011/8	2011/9	2011/10	2011/11	2011/12	TOTAL
Gross Billings	19,991	20,725	34,473	22,530	21,293	26,583	23,992	21,060	28,462	24,824	26,561	31,379	301,878
Magazine	627	1,084	1,667	993	991	1,138	1,020	954	1,301	1,233	1,501	1,084	13,599
News Paper	1,557	1,507	1,809	1,304	1,581	1,646	1,453	1,356	2,005	2,089	2,252	1,807	20,371
Television	10,750	10,839	13,933	12,271	11,040	12,096	12,619	10,794	11,432	13,906	13,212	12,281	145,178
Radio	251	245	299	205	275	291	254	263	266	247	310	303	3,215
Digital Media	580	557	1,051	568	534	677	648	567	733	480	823	1,051	8,276
OOH Media	628	476	993	879	449	750	724	405	972	661	644	938	8,525
Marketing/Promotion	2,848	2,774	7,368	2,705	2,965	4,908	3,206	3,478	6,523	3,254	4,602	9,137	53,772
Creative	2,166	2,825	6,509	3,077	2,824	3,775	3,392	2,764	4,339	2,362	2,528	4,137	40,703
Other	579	415	841	524	630	1,298	670	476	887	587	685	638	8,235

# ADK Group



*\*Affiliates accounted for by the equity method*

Japan	<b>Agency and Creative</b> : Kyowa kikaku    ADK International    ADK Dialog <b>Agency</b> : ADK Digital Communications <b>Creative</b> : ADK Arts    Boys <b>Animation content</b> : Eiken <b>Publishing</b> : Nihonbungeisha <b>Affiliates:</b> Drill    ASP    DA search&link		
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#### 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.