

1st Quarter Results for FY2014

January to March, 2014

ASATSU-DK Inc. (Code:9747)

May 13, 2014

The ADK logo is a dark blue square with the letters "ADK" in white, bold, sans-serif font. It is positioned in the bottom right corner of the slide.

ADK



Consolidated Performance

January to March, 2014

Consolidated P/L

ADK

(Millions of Yen)	2013 (Jan-Mar)	2014 (Jan-Mar)	Increase (Decrease)	Y-on-Y Change
Gross Billings	87,778	90,423	2,644	+3.0%
Gross Profit	11,611	13,608	1,997	+17.2%
<i>Gross Profit Ratio</i>	13.2%	15.1%	—	+1.9pts
SG&A	10,939	11,915	975	+8.9%
(Staff Cost)	7,503	8,407	904	+12.0%
Operating Income	671	1,693	1,021	+152.1%
Ordinary Income	917	1,930	1,013	+110.4%
Income before Income taxes and Minority Interests	969	2,123	1,154	+119.0%
Net Income	509	1,281	771	+151.5%
Operating Margin ^{※1}	5.8%	12.4%		※1 Operating Income/Gross Profit
Staff Cost/Gross Profit	64.6%	61.8%		

Consolidated P/L

(Millions of Yen) (Y-on-Y Change)	Gross Billings	Gross Profit	Operating Income	Ordinary Income	Net Income
A D K	78,573 +2.5%	10,077 +17.3%	1,394 +80.9%	1,545 +74.7%	947 +70.2%
11 subsidiaries in Japan *1	13,510 +18.0%	1,968 +13.1%	(77) -	(73) -	(46) -
8 subsidiaries in Greater China *2	3,020 -7.4%	592 +2.2%	10 -	32 -	25 -
18 subsidiaries in Asia, Europe and USA *3	5,809 +15.5%	1,034 +18.6%	303 +33.3%	358 +33.1%	273 +19.5%
Consolidation Adjustment	(10,489)	(63)	63	67	81
Total	90,423 +3.0%	13,608 +17.2%	1,693 +152.1%	1,930 +110.4%	1,281 +151.5%

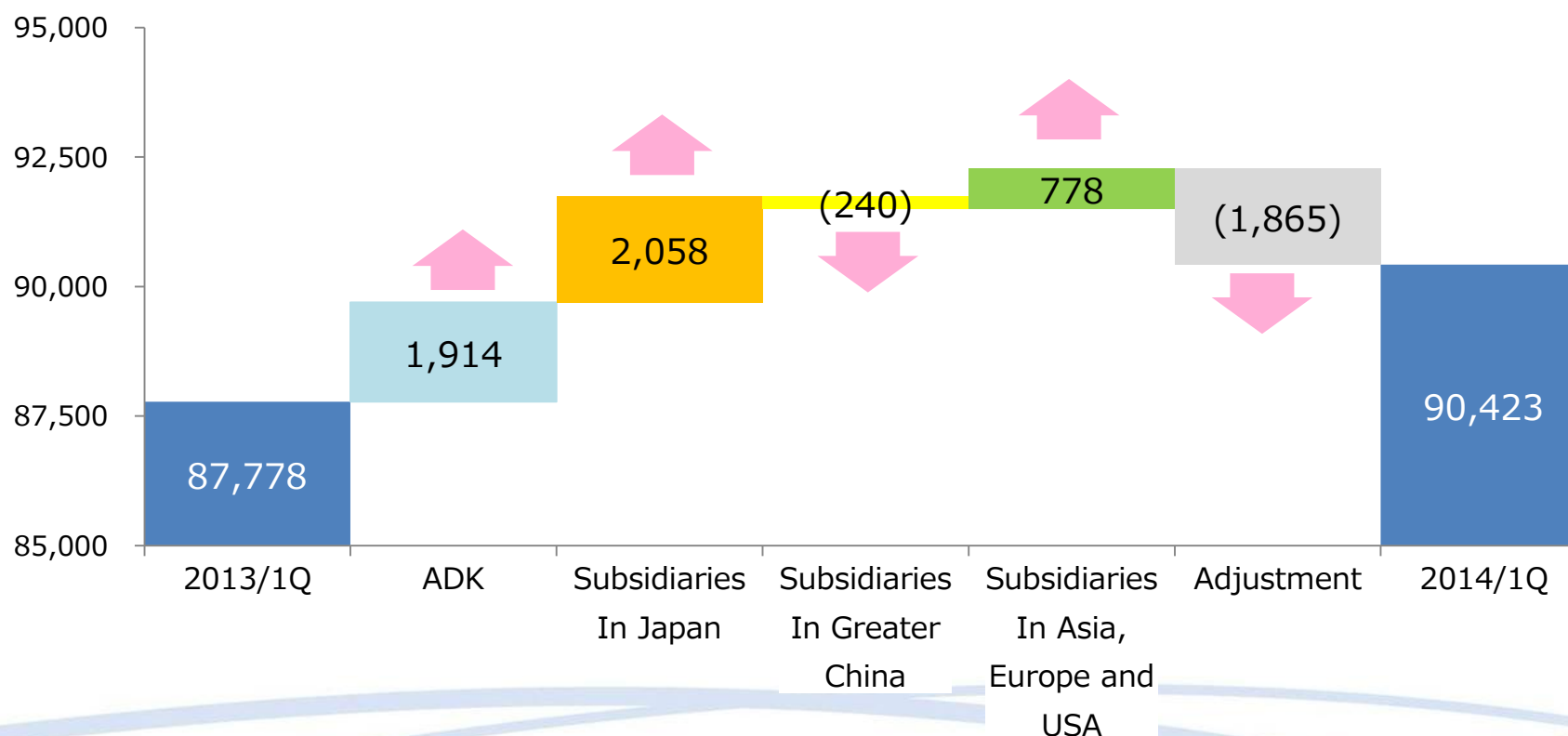
*1 For the details about consolidated subsidiaries, please refer to the last page of Appendix

*2 Subsidiaries in Greater China: 8 subsidiaries in Shanghai, Taiwan and Hong Kong

*3 Asia, Europe and USA subsidiaries: 18 subsidiaries in Thailand, Malaysia, Singapore, Vietnam, Korea, Europe and the North America

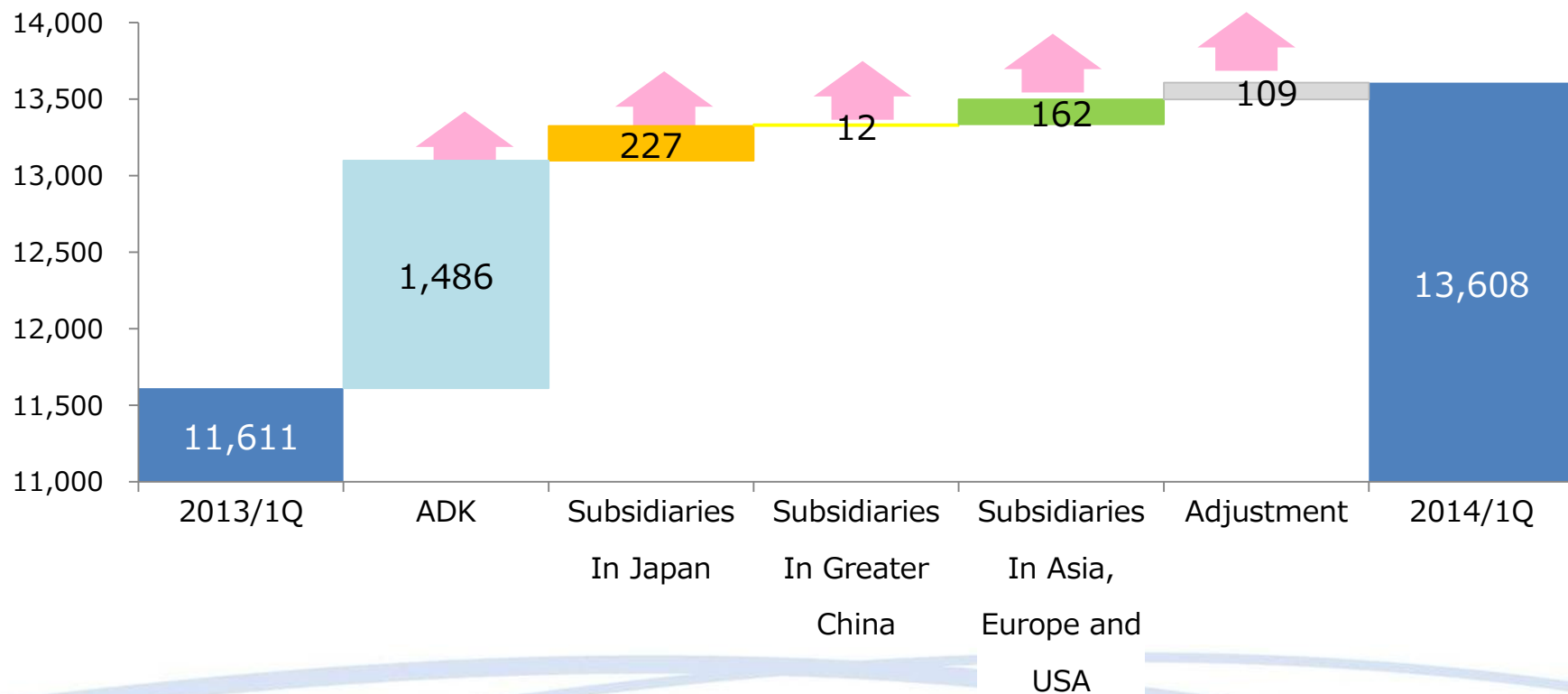
Consolidated Gross Billings

(Millions of Yen)	2013 (Jan-Mar)	2014 (Jan-Mar)	Increase (Decrease)	Y-on-Y Change
Gross Billings	87,778	90,423	2,645	+3.0%



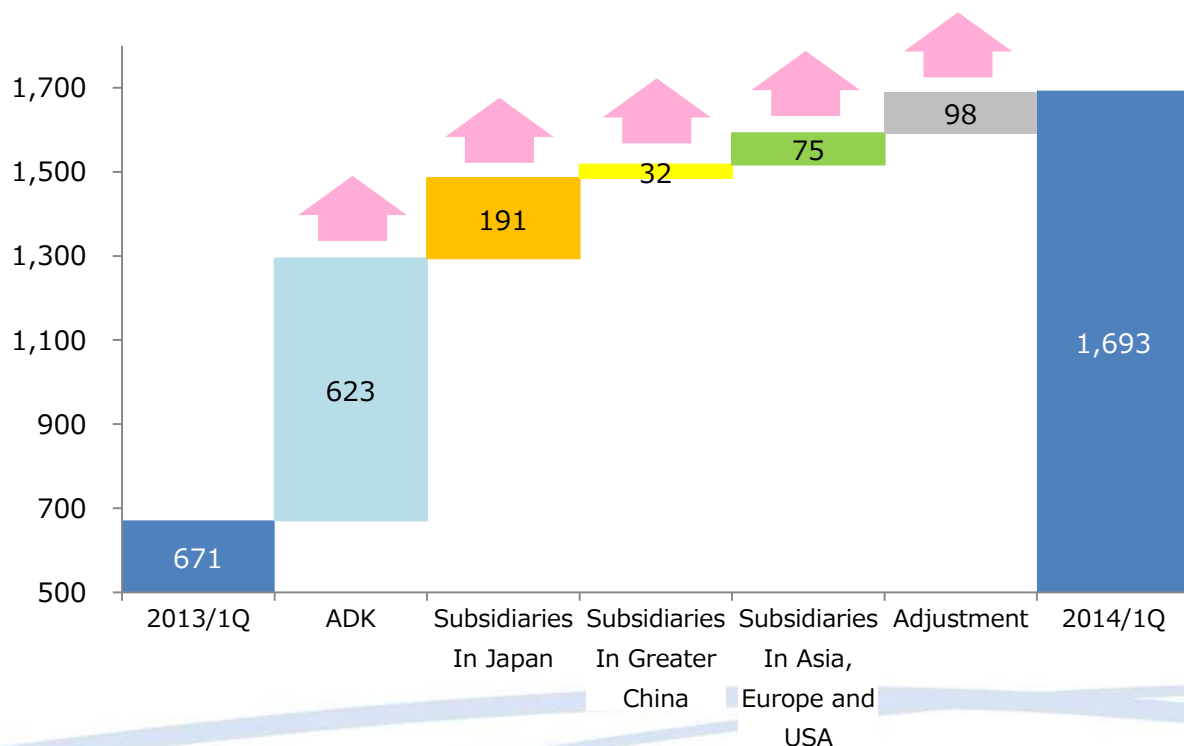
Consolidated Gross Profit

(Millions of Yen)	2013 (Jan-Mar)	2014 (Jan-Mar)	Increase (Decrease)	Y-on-Y Change
Gross Profit	11,611	13,608	1,997	+17.2%
<i>Gross Profit Ratio</i>	13.2%	15.1%	—	+1.9pts



Consolidated Operating Income

(Millions of Yen)	2013 (Jan-Mar)	2014 (Jan-Mar)	Increase (Decrease)	Y-on-Y Change
SG&A Expenses	10,939	11,915	975	+8.9%
Staff Cost	7,503	8,407	904	+12.0%
Operating Income	671	1,693	1,021	+152.1%



◆ Operating Margin

	2012	2013	2014
Jan-Mar	16.8%	5.8%	12.4%

◆ Staff Cost/Gross Profit

	2012	2013	2014
Jan-Mar	57.6%	64.6%	61.7%

Ordinary Income - Net Income

(Millions of Yen)	2013 (Jan-Mar)	2014 (Jan-Mar)	Increase (Decrease)	Y-on-Y Change
Operating Income	671	1,693	1,021	+152.1%
Non-Operating Income	270	289		
Non-Operating Expenses	25	52		
Ordinary Income	917	1,930	1,013	+110.4%
Extraordinary Income	220	309		
Extraordinary Loss	168	116		
Income before Income taxes and Minority Interests	969	2,123	1,154	+119.0%
Tax and others	441	795		
Minority shareholders	17	46		
Net Income	509	1,281	772	+151.5%

Consolidated B/S

ADK

(Millions of Yen)

Assets	Dec 2013	Mar 2014	Increase (Decrease)
Current Assets			
Cash and Deposits	25,554	27,286	1,731
Notes and Accounts Receivable-trade	81,659	79,086	(2,572)
Short-term Investment Securities	11,371	10,431	(940)
Inventories	8,469	8,138	(331)
Others	2,391	2,591	199
Allowance for Doubtful Accounts	(514)	(476)	38
Total Current Assets	128,932	127,057	(1,874)
Noncurrent Assets			
Property, Plant and Equipment	3,392	3,695	302
Intangible Assets	2,132	2,120	(11)
Investments and Other Assets			
Investment Securities	84,829	78,524	(6,305)
Other	9,694	9,732	37
Allowance for Doubtful Accounts	(810)	(784)	26
Total Investment and Other Assets	93,713	87,472	(6,241)
Total Noncurrent Assets	99,238	93,287	(5,950)
Total Assets	228,170	220,345	(7,825)
Equity Ratio	56.9%	55.2%	-1.7pts

Liabilities	Dec 2013	Mar 2014	Increase (Decrease)
Current Liabilities			
Notes and Accounts Payable-trade	65,997	68,630	2,633
Other	10,083	10,485	402
Total Current Liabilities	76,080	79,116	3,035
Noncurrent Liabilities			
Long-term Loans Payable	82	82	0
Deferred Income Taxes	18,802	16,646	(2,155)
Other	2,232	2,218	(14)
Total Noncurrent Liabilities	21,116	18,947	(2,169)
Total Liabilities	97,197	98,063	865

Net Assets	Dec 2013	Mar 2014	Increase (Decrease)
Shareholders' Equity			
Capital Stock	37,581	37,581	0
Capital Surplus	11,982	11,982	0
Retained Earnings	44,303	40,275	(4,027)
Treasury Stock	(651)	(638)	13
Total Shareholders' Equity	93,216	89,201	(4,014)
Valuation and Translation Adjustment			
Valuation Difference on Available-for-sale Securities	35,142	31,213	(3,929)
Deferred Gains or Losses on Hedges	1	1	0
Foreign Currency Translation Adjustment	1,513	1,194	(318)
Total Valuation and Translation Adjustments	36,657	32,409	(4,247)
Subscription rights to shares	21	25	4
Minority Interests	1,077	644	(433)
Total Net Assets	130,972	122,281	(8,690)
Total Liabilities and Net Assets	228,170	220,345	(7,825)

Appendix

Non-consolidated P/L



(Millions of Yen)	2013 Jan-Mar	2014 Jan-Mar	Increase (Decrease)	Y-o-Y Change
Gross Billings	76,659	78,573	1,914	+2.5%
Gross Profit	8,591	10,077	1,486	+17.3%
<i>Gross Profit Ratio</i>	11.2%	12.8%		+1.6pts
SG&A Expenses	7,819	8,682	862	+11.0%
Staff Cost	5,170	6,079	909	+17.6%
Operating Income	771	1,394	623	+80.9%
Ordinary Income	884	1,545	660	+74.7%
Income before Income taxes	992	1,617	625	+63.1%
Net income	557	947	390	+70.2%
Operating Margin *1	9.0%	13.8%		
Staff Cost / Gross Profit	60.2%	60.3%		

*1 Operating Income/Gross Profit

Non-Consolidated Gross Billings by sector Actual



(Millions of Yen)	2013 Jan-Mar		2014 Jan-Mar		Y-on-Y	
	G Billings	Composition	G Billings	Composition	Inc/Dec	Inc/Dec%
Energy/Material/ machinery	1,080	1.4%	601	0.8%	(479)	-44.4%
Food	6,609	8.6%	5,847	7.4%	(762)	-11.5%
Beverage/Tobacco	6,048	7.9%	5,174	6.6%	(873)	-14.4%
Pharma/Medical supplies	3,738	4.9%	3,646	4.6%	(92)	-2.5%
Cosmetics/Toiletry	6,767	8.8%	6,464	8.2%	(302)	-4.5%
Apparel/Jewelry	2,570	3.4%	3,147	4.0%	577	+22.5%
Precision machinery/Office supplies	336	0.4%	448	0.6%	111	+33.2%
Home appliances/AV equipment	508	0.7%	501	0.6%	(7)	-1.5%
Automobile/Automobile-related Products	3,820	5.0%	5,001	6.4%	1,181	+30.9%
Household Goods	443	0.6%	205	0.3%	(237)	-53.7%
Hobbies/Sport Goods	5,643	7.4%	5,977	7.6%	334	+5.9%
Real Estate/Housing	3,023	3.9%	2,451	3.1%	(572)	-18.9%
Publishing	867	1.1%	1,119	1.4%	251	+29.0%
Information/Communication	8,297	10.8%	8,247	10.5%	(49)	-0.6%
Distribution/Retail	6,532	8.5%	6,858	8.7%	326	+5.0%
Finance/Insurance	6,427	8.4%	7,229	9.2%	801	+12.5%
Transportation/Leisure	2,936	3.8%	2,393	3.0%	(543)	-18.5%
Restaurants/Other service	1,405	1.8%	2,352	3.0%	947	+67.4%
Government/Organizations	3,439	4.5%	6,156	7.8%	2,717	+79.0%
Education/Medical Service/Religion	3,055	4.0%	2,135	2.7%	(920)	-30.1%
Signage/Other	3,118	4.1%	2,623	3.3%	(494)	-15.9%
Total	76,659	100.0%	78,573	100.0%	1,914	+2.5%

Non-Consolidated Gross Billings by Media Actual



(Millions of Yen)	2013 Jan-Mar		2014 Jan-Mar		Y-on-Y	
	G Billings	Composition	G Billings	Composition	Inc/Dec	Inc/Dec%
Magazine	3,213	4.2%	3,070	3.9%	(143)	-4.5%
Newspaper	5,581	7.3%	5,902	7.5%	321	+5.8%
TV	34,138	44.5%	34,818	44.3%	680	+2.0%
Time	13,203	17.2%	13,344	17.0%	140	+1.1%
Spot	17,873	23.3%	18,520	23.6%	647	+3.6%
Content	3,061	4.0%	2,953	3.8%	(107)	-3.5%
Radio	805	1.1%	685	0.9%	(119)	-14.9%
4 Media Total	43,738	57.1%	44,477	56.6%	738	+1.7%
Digital Media	2,561	3.3%	3,372	4.3%	810	+31.7%
OOH Media	2,651	3.5%	2,095	2.7%	(555)	-20.9%
Marketing/Promotion	15,198	19.8%	16,065	20.4%	866	+5.7%
Creative	10,378	13.5%	10,445	13.3%	66	+0.6%
Other	2,129	2.8%	2,115	2.7%	(14)	-0.7%
Non-Media Total	32,920	42.9%	34,095	43.4%	1,175	+3.6%
Total	76,659	100.0%	78,573	100.0%	1,914	+2.5%

- Digital Media includes Internet and Mobil-related media (Digital solution such as website creation and system development are included in "Marketing/Promotion")
- OOH(Out-of-Home) Media includes transportation and outdoor advertising and insertions
- Marketing and Promotion includes Marketing, Communication Planning, Promotion, Events, PR, Exposition Events and Digital Solutions, etc.

Non-Consolidated Gross Billings by Media (on a monthly-basis)

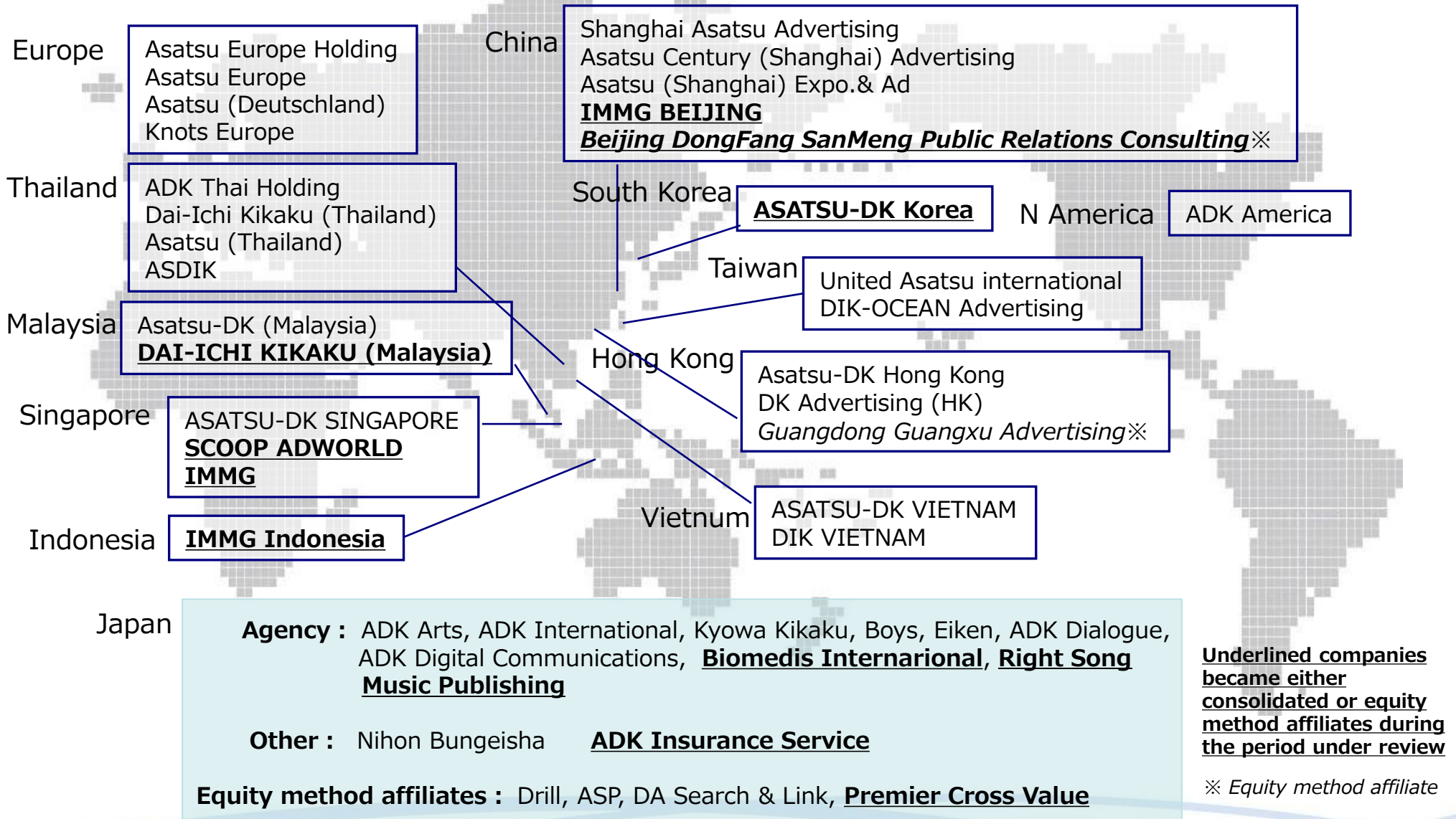


(Millions of Yen)	2014/1	2014/2	2014/3	2014/4	2014/5	2014/6	2014/7	2014/8	2014/9	2014/10	2014/11	2014/12	TOTAL
Gross Billings	18,825	21,646	38,101										78,573
Magazine	564	852	1,653										3,070
Newspaper	1,699	1,591	2,612										5,902
TV	9,737	11,149	13,931										34,818
Radio	239	210	234										685
Digital Media	780	1,007	1,584										3,372
OOH Media	522	389	1,184										2,095
Marketing/Promotion	2,690	3,273	10,102										16,065
Creative	2,184	2,666	5,595										10,445
Others	407	505	1,202										2,115

	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	22,166	23,967	29,741	296,065
Magazine	676	1,035	1,501	1,327	1,142	1,197	901	982	1,488	1,397	1,431	1,083	14,167
Newspaper	1,633	1,740	2,206	1,620	1,749	1,966	1,773	1,210	1,515	1,519	1,811	1,787	20,536
TV	9,154	11,173	13,810	13,642	10,871	9,685	10,578	9,574	10,958	11,471	11,823	13,462	136,207
Radio	220	263	321	280	251	242	233	261	263	250	249	228	3,066
Digital Media	546	742	1,272	899	898	895	740	879	1,233	869	947	1,289	11,215
OOH Media	742	900	1,007	1,000	863	848	626	534	1,047	743	604	642	9,563
Marketing/Promotion	2,943	3,482	8,772	3,185	4,750	7,410	3,429	3,753	6,196	2,714	4,206	6,385	57,232
Creative	1,829	2,519	6,030	2,866	2,384	3,804	2,543	2,500	3,445	2,699	2,329	3,842	36,793
Others	534	469	1,125	539	429	518	505	442	635	499	564	1,019	7,282

	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
Newspaper	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
TV	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
Others	473	625	1,034	537	839	502	562	440	1,176	595	922	847	8,558

ADK Group (as of March 31, 2014)





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.