



1st Half Results for FY2016

ASATSU-DK INC.

August 16, 2016

(Listed on TSE, Security code : 9747)

< Disclaimer >

Forecasts and projections in this document are based upon assumptions and information that we believe are reasonable as of this date when this document was prepared, including those subject to risks, uncertainties and other factors that may cause actual results to differ materially from those projected.

< Currency unit that is used in this document >

Unless specifically noted, all figures are described in millions of the Japanese Yen with figures smaller than one million rounding down. Therefore, sums may not equal the total or the subtotals.

< Definition of the terms in this document >

- Operating Margin : Operating Income/Gross Profits
- Domestic subsidiaries : Domestic subsidiaries that are included in the consolidated accounting
- Chinese subsidiaries : Subsidiaries in the greater China including Taiwan and Hong Kong that are included in the consolidated accounting.
- Asia subsidiaries : Subsidiaries in Asia, excluding China, that are included in the consolidated accounting.
- Europe and US subsidiaries : Subsidiaries in Europe and the North America that are included in the consolidated accounting.
- TV : TV includes Time(Program), Spot, Content
- Content : Content includes Animation, Culture and Sports Marketing, etc.
- Digital Media : The Internet and mobile-related media
(Note: Digital solutions such as Web creation are included in “Marketing & Promotion”)
- OOH Media : Out-of-Home media such as transportation, outdoor advertising and insertions.
- Marketing & Promotion : Marketing, Communication Planning, Promotion, Events, PR, Exposition events and Digital Solutions, etc.



Consolidated results

(From January 1, 2016 to June 30, 2016)

Strong non-consolidated performance boost in profit

■ ADK(Non-consolidated) business

- Improved gross profit ratio facilitated by strengthened income management system
- Improved profitability in TV Time, Marketing & Promotion, Creativity
- Slightly slowed down toward the end of the second quarter

■ Domestic subsidiaries

- Selection and concentration (Axival consolidated, Nihon Bungeisha divested)
- Profitability enhanced by promoting in-house production

■ Overseas subsidiaries

- Performed almost in line with the plan, excluding currency impact, even with Asia's profit declining
- China, Europe & US continue structural reforms including integrating offices and optimizing human resources

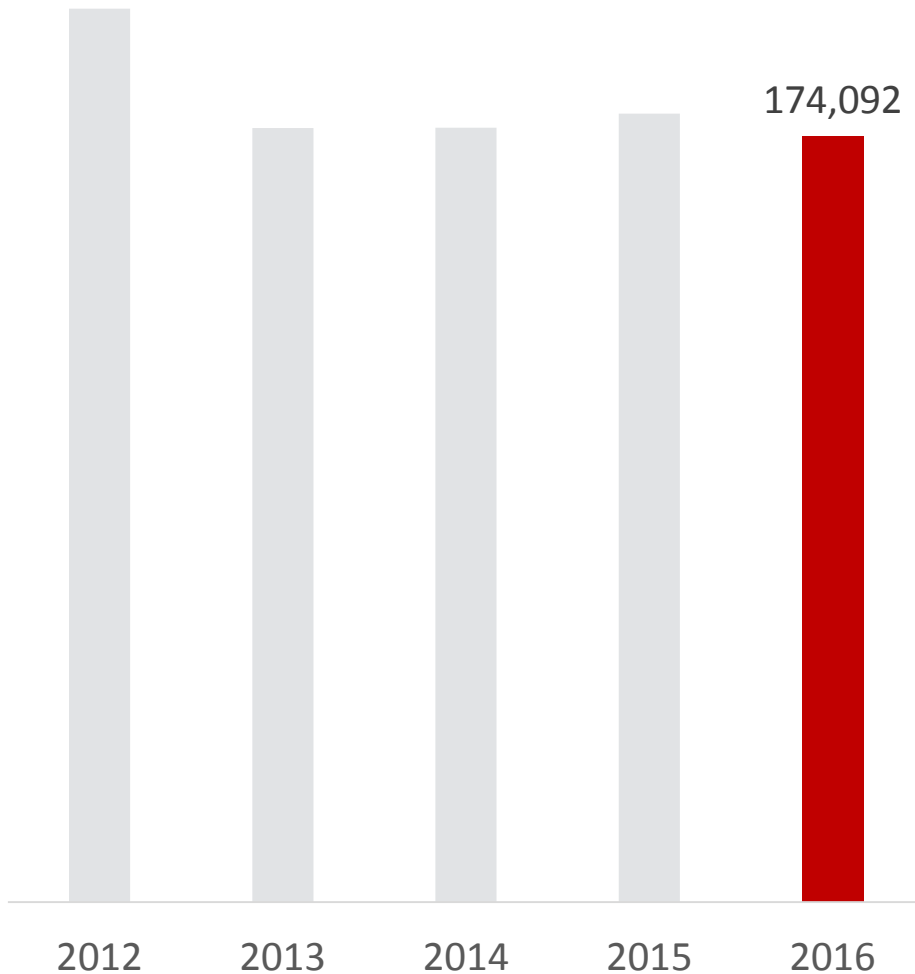
Consolidated P/L (Summary)



(Millions of yen)

	2015 Jan – Jun	2016 Jan – Jun	Increase (decrease)	Y-o-Y Change	(Forecast) FY2016	Progress to the forecast
Gross Billings	175,108	174,092	(1,016)	-0.6%	354,000	49.2%
Gross Profit	24,496	25,672	1,175	+4.8%	49,960	51.4%
Operating Income	2,936	3,857	920	+31.4%	5,400	71.4%
Ordinary Income	5,157	5,555	397	+7.7%	8,550	65.0%
Profit (loss) attributable to owners of parent	3,155	1,010	(2,145)	-68.0%	3,390	29.8%
Operating Margin	12.0%	15.0%			10.8%	
Staff Cost / Gross Profit	60.4%	59.0%			60.4%	

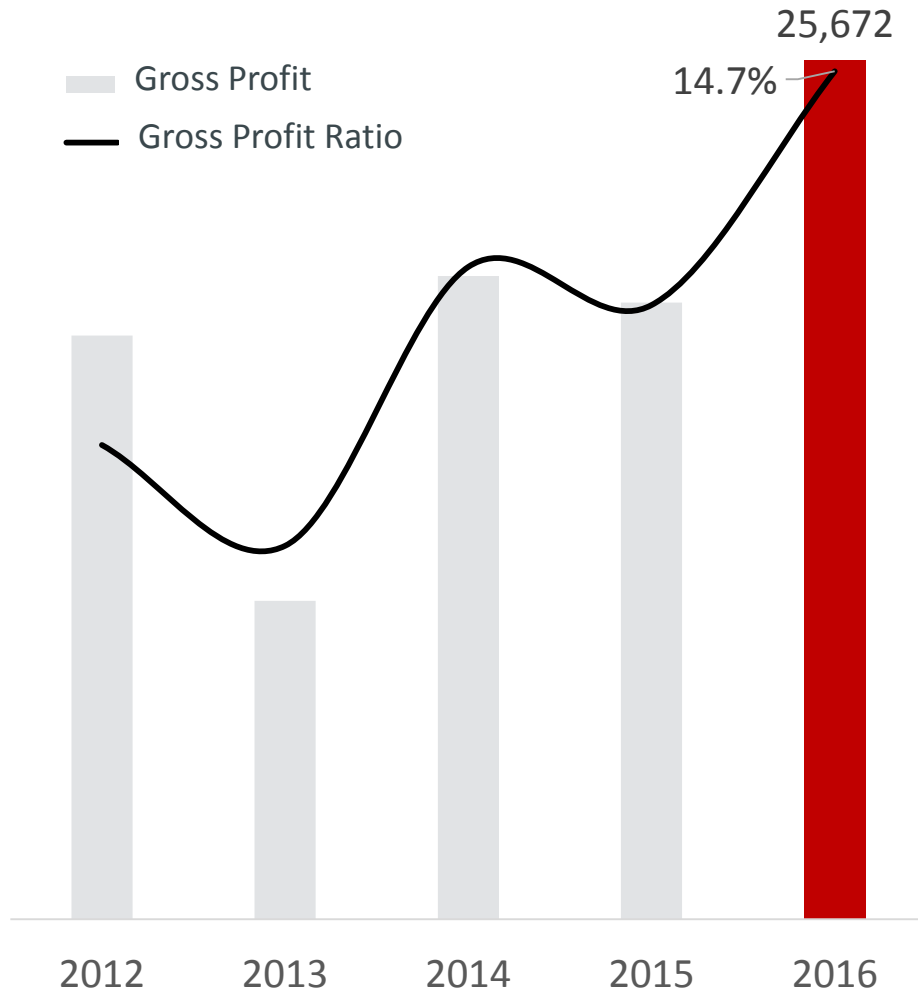
(Millions of yen)



Results of 1H

- Media business grow at ADK(non-consolidated)
 - ✓ TV Spot Up 6.7%
 - ✓ Digital Up 20.3%
- Strong performance in Domestic subsidiaries
 - ✓ ADK Digital Communications
 - ✓ ADK International
- Consolidated billings slightly down due to disposal of a publishing subsidiary and structural reforms overseas

(Millions of yen)

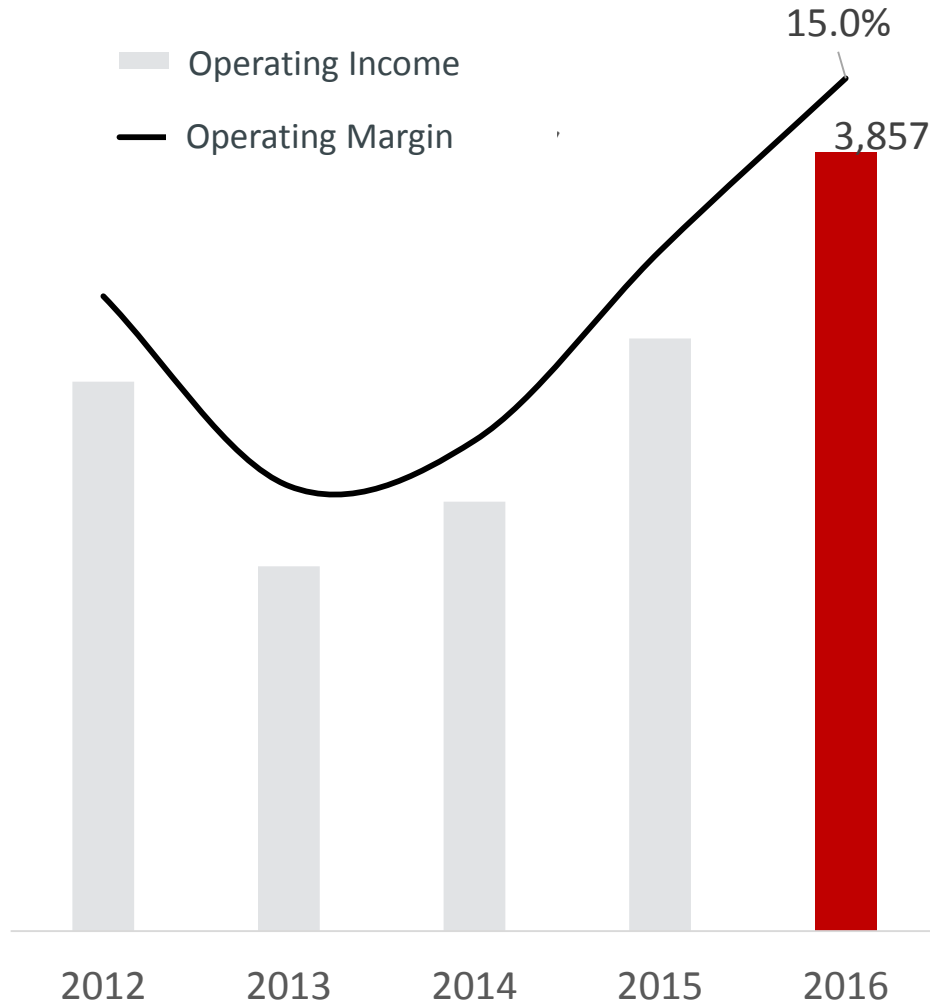


Results of 1H

- Profitability improved at ADK (non-consolidated basis)
 - ✓ Marketing & promotion, TV Time, creative up 1.6pts respectively
- Domestic subsidiaries grew
 - ✓ d-rights
 - ✓ ADK Arts
- Record high profitability on a consolidated basis even with overseas profit weakening

Operating Income

(Millions of yen)



Results of 1H

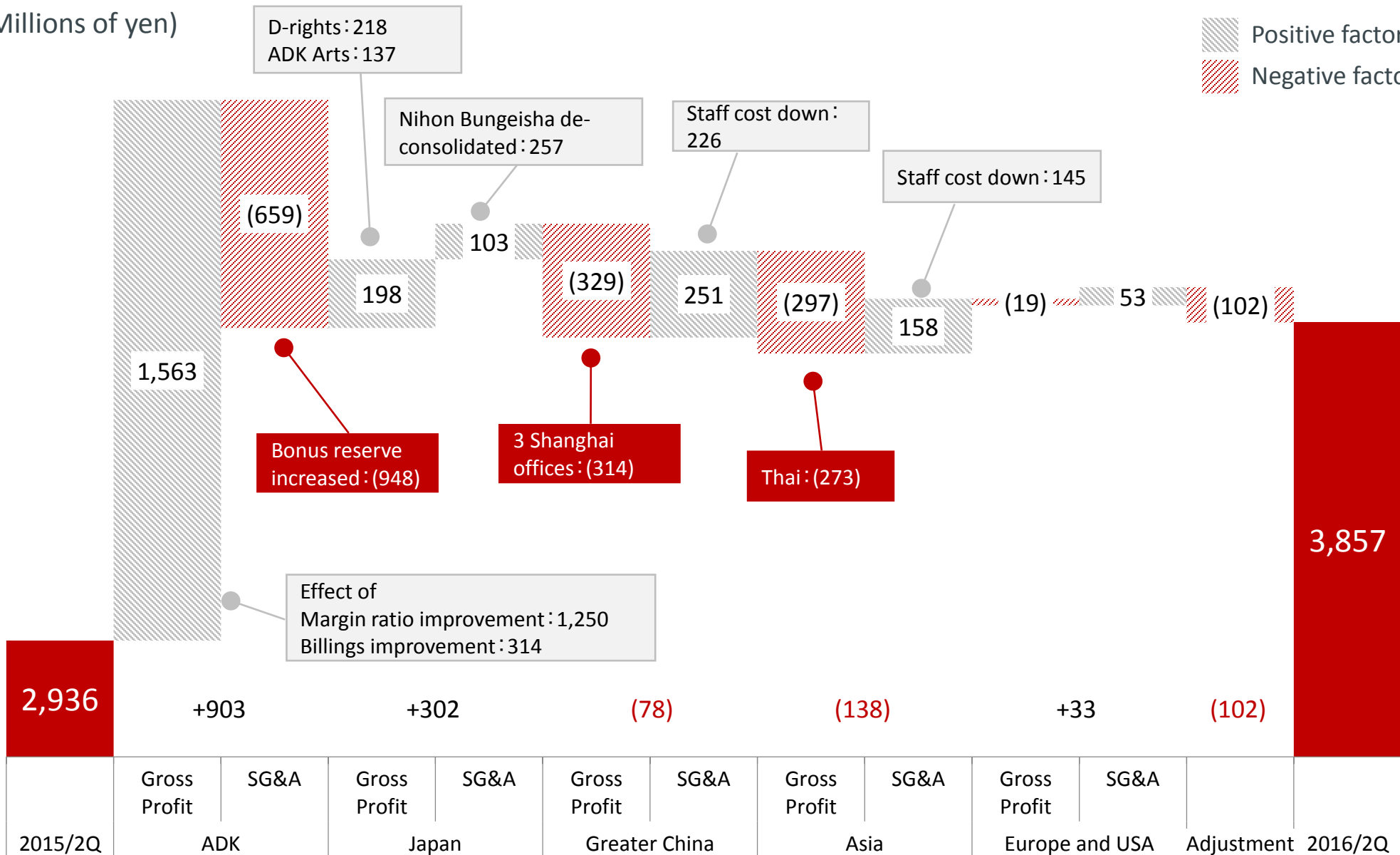
- Staff cost up at ADK (non-consolidated basis)
 - ✓ Strong performance allowed for larger reserves for bonus
 - ✓ SG&A control continue
- Subsidiaries, in particular overseas, also continue efforts to slash SG&A
- Operating income grew 3 consecutive years

Consolidated OP year-on-year comparison



(Millions of yen)

Positive factors
Negative factors



(Please refer to Appendix for the results and forecast by region)

Operating Income – Net Income



(Millions of yen)

	FY2015 2Q	FY2016 2Q	Increase (Decrease)	Y-o-Y	Main factors
Operating Income	2,936	3,857	920	+31.4%	
Non-Operating Income	2,335	1,867			Dividend received from WPP (1,376)
(Non-Operating Expenses)	(114)	(169)			
Ordinary Income	5,157	5,555	397	+7.7%	
Extraordinary Income	406	119			Proceeds on disposal of fixed asset(99)
(Extraordinary Loss)	(117)	(2,190)			Loss on a consolidated basis due to disposal of a publishing company(-1,699), restructuring cost for JV in Indonesia(-295)
Income before Income taxes and Minority Interests	5,446	3,484	(1,962)	-36.0%	
(Income taxes)	(2,242)	(2,423)			An increase in effective tax rate in relation to disposal of a publishing company and loss resulting from Indonesia business
Net Income	3,204	1,060			
Profit (loss) attributable to owners of parent	3,155	1,010	(2,145)	-68.0%	

Consolidated B/S



Assets	End of 2015/12	End of 2016/6	Increase (Decrease)
Cash and Deposits	25,790	19,091	(6,699)
Notes and Accounts Receivable-trade	84,326	70,324	(14,001)
Short-term Investment Securities	2,172	2,820	648
Inventories	7,048	6,149	(899)
Other	2,602	4,801	2,199
Allowance for Doubtful Accounts	(568)	(641)	(72)
Total Current Assets	121,370	102,545	(18,825)
Property, Plant and Equipment	4,800	3,814	(985)
Intangible Assets	2,186	1,885	(301)
Investments and Other Assets			
Investment Securities	101,516	79,808	(21,707)
Other	6,150	5,754	(395)
Allowance for Doubtful Accounts	(819)	(749)	70
Total Investments and Other Assets	106,847	84,814	(22,033)
Total Noncurrent Assets	113,834	90,513	(23,321)
Total Assets	235,205	193,059	(42,146)
Equity Ratio	52.7%	51.1%	
BPS (Yen)	2,947.40	2363.28	

Liabilities	End of 2015/12	End of 2016/6	Increase (Decrease)
Notes and Accounts Payable-trade	74,130	66,693	(7,437)
Short-term loans payable	96	93	(2)
Other	10,329	9,396	(933)
Total Current Liabilities	84,556	76,183	(8,372)
Net defined benefit liability	22,966	15,225	(7,741)
Deferred tax liabilities	935	510	(425)
Other	1,258	1,181	(77)
Total Noncurrent Liabilities	25,160	16,917	(8,242)
Total Liabilities	109,716	93,101	(16,615)
Net Assets	End of 2015/12	End of 2016/6	Increase (Decrease)
Capital Stock	37,581	37,581	0
Capital Surplus	11,982	11,980	(2)
Retained Earnings	24,336	15,329	(9,007)
Treasury shares	(210)	(1,208)	(997)
Total Shareholder's Equity	73,690	63,683	(10,006)
Valuation Difference on Available-for-sale Securities	48,188	34,482	(13,706)
Deferred Gains or Losses on Hedges	(0)	(43)	(42)
Foreign Currency Translation Adjustment	1,859	194	(1,665)
Remesurements of defined benefit plans	266	284	17
Accumulated other comprehensive income	50,314	34,917	(15,396)
Subscription rights to shares	23	12	(11)
Non-controlling interests	1,461	1,344	(116)
Total Net Assets	125,488	99,957	(25,531)
Total Liabilities and Net Assets	235,205	193,059	(42,146)

Consolidated Statement of Cash Flows



	2015 Jan – Jun	2016 Jan - Jun
Net cash provided by operating activities	9,864	6,011
Income before income taxes	5,446	3,484
Decrease (increase) in notes and accounts receivable	12,871	11,182
Increase (decrease) in notes and accounts payable	(4,147)	(6,823)
Loss on liquidation of business	0	1,994
Other	(4,306)	(3,826)
Net cash provided by (used in) investing activities	1,046	828
Purchase of property, plant and equipment	(182)	(290)
Payments into time deposits	(3,389)	(1,104)
Proceeds from withdrawal of time deposits	4,599	1,128
Proceeds from sales of shares of subsidiaries resulting in change in scope of consolidation	0	1,266
Other	18	(172)
Net cash used in financing activities	(23,347)	(11,152)
Net decrease (increase) in treasury stock	361	(1,001)
Cash dividends paid	(23,488)	(10,013)
Other	(220)	(137)
Foreign currency translation adjustments on cash and cash equivalents	(92)	(1,450)
Net increase in cash and cash equivalents	(12,529)	(5,762)
Cash and cash equivalents, beginning of the period	35,082	25,924
Cash and cash equivalents, end of the period	22,609	20,318



FY12/2016 Forecast

No revision to the consolidated forecast announced on March 24

- 1st Half usually performs strongly against the full-year forecast
- Need to assess carefully advertisers' sentiment in spending amid UK's exit from the EU, US presidential election, fast growing markets' trend, political movements
- The full-year expect to exceed the forecast although ADK parent business lost momentum slightly toward the end of 2Q and 2H will be weakened slightly with an inflated SG&A
- Subsidiaries in Japan and Asia in line with the budget while China, Europe and US may fall short of it

Forecast for FY2016 (Consolidated)



	FY2016				Increase (decrease)	Y-o-Y Change	FY2015
	1H Results	Progress	2H Balance	Initial Forecast			Results
Gross Billings	174,092	49.2%	179,908	354,000	2,044	+0.6%	351,956
Gross Profit	25,672	51.4%	24,288	49,960	1,136	+2.3%	48,824
Gross Profit Ratio	14.7%		13.5%	14.1%		+0.2pts	13.9%
(SG&A Expenses)	(21,814)		(22,745)	(44,560)	(637)	+1.4%	(43,923)
(Including Staff Cost)	(15,151)		(15,039)	(30,190)	(667)	+2.3%	(29,523)
Operating Income	3,857	71.4%	1,543	5,400	499	+10.2%	4,901
Ordinary Income	5,555	65.0%	2,994	8,550	(40)	-0.5%	8,590
Income before Income taxes and Minority Interests	3,484		3,256	6,740			9,189
Net Income	1,010	29.8%	2,380	3,390	(1,972)	-36.8%	5,362
Operating Margin	15.0%		6.4%	10.8%			10.0%
Staff Cost / Gross Profit	59.0%		61.9%	60.4%			60.5%

※Please refer Appendix for
Non-consolidated forecast.

Non-consolidated

■ Build & operate more appropriate profit management system

- Organization restructured in January, Process Supervisor (PSV) introduced in May
- A full-fledged operation of PMU※, realizing stronger internal control and more appropriate profit management

※ Profit Management by Unit



ADK (Non-consolidated) gross profit ration in 1H
11.2%(FY2015) improved to 12.0%(FY2016)

■ Foundation building, M&A, service development

- Investment accelerated into content domain (TOB to acquire GONZO in July)
- Developing a variety of services, such as by working to set up a new company to offer the optimized solutions on Web, developing “Neuro-marketing”, etc.

Subsidiaries

■ Restructuring and profitability improvement at home

- Divested Nihon Bungeisha, in April
- Structural reforms in Kyowa Kikaku Group
- Establish group-wide profit management system



End “Other business” that continued generating operating loss, leading to proper use of human resource and selection & concentration of business

■ Consolidating and streamlining overseas offices

- Integrated/closed offices in Europe and US, optimized human resources
- Integrated back-office in China, optimized human resources, forced through re-built commercial strategy

Capital structure

■ Streamline Balance Sheet

- Purchased own stock of 351,200 shares in January, worth JPY1.0 billion in total
- Paid the 2015 year-end dividends in March



Net worth down by JPY25.5 billion in comparison with December 31, 2015 with impacts such as a decline in evaluation difference on available-for-sale securities

■ Shareholder return

- Interim dividend is expected to be JPY10
- Year-end dividend will be determined after examining how business is performing and how capital structure is being streamlined



Strategy in ADK Content Business

Opportunities and Threats in the market landscape



Size of Japan anime market in 2014.※ JPY1,629.7 billion (Source: Anime Industry Report 2015)

	Opportunities	Threats
Domestic	<p>Increase in viewing opportunities</p> <ul style="list-style-type: none"> · Broadcasting opportunities: BS channels · More distribution services <p>Diversified ways to enjoy</p> <ul style="list-style-type: none"> · "2.5 Dimensional Entertainment" (theater), participating type movie, IT technology <p>Growing adult market</p> <ul style="list-style-type: none"> · Late-night anime · <i>Pachinko and Pachislot</i> · Merchandising 	<p>TV viewing continue to decline</p> <p>DVD sales declined</p> <p>A decline in the number of children</p> <ul style="list-style-type: none"> · A decline in kids' anime · Overconcentrated in certain toy sales
Overseas	<p>Expanding needs for made-in-Japan anime</p> <p>Cool Japan, a public & private initiative, facilitating inbound tourism</p>	<ul style="list-style-type: none"> · N.America : Presence of leading content firms, Expansion of digital contents distribution by Internet · China : Regulation, anti-Jap sentiment · Asia : Rampant of piracy

Potential lies mostly in.....

	Opportunities	Threats
Domestic	<p>Increase in video</p> <ul style="list-style-type: none"> · Broadcast · More d <p>Diversified</p> <ul style="list-style-type: none"> · "2.5 Dimensional <p>participating type movie, IT technology</p> <p>Growing</p> <ul style="list-style-type: none"> · Late-n · Game · Merchand 	<p>Decline</p> <p>flat,</p> <p>children</p>
Overseas	<p>Expanding anime</p> <p>Cool Japan</p> <p>facilitating</p>	<p>ing content</p> <p>entiment</p>

【IP】
Young adult

【Business development】
Net distribution, game app

【Area】
Overseas

Based on ADK's coordination and producing capabilities...

■ Create business from the upper stream

- Acquire & develop good content (IP)
 - ✓ NAS : “Yu-Gi-Oh!”, “Natsume’s Friends Diary”, etc.
 - ✓ d-rights ; “BayBlade” (2015)

【Status quo】

Mainly targeted
Kids & family

■ Use major titles to create new income sources

- Leverage existing major titles & challenge for unprecedented business domains
 - ✓ Theater, live events, “Super Kabuki II One Piece” (2015)

Mainly events &
advertising

■ Grow income from overseas markets

- Expand our own network independent from local distributors
 - ✓ IMMG, d-rights function as rights management
 - ✓ Anime Consortium Japan(ACJ)

Barely tapped
into China, a
massive market



GONZO K.K.

Representative: Representative Director/President
Shinichiro Ishikawa

Employees: 51 (with approx. 280 additional creators)

■ Main business

- TV film business: Planning/development/production of animation
- Gaming business: Video production for *Pachinko and Pachislot* and smartphone games
- Rights business: Utilizing the rights owned for the TV film business

■ Strength

- Content targeting young-adult generation that have strong global brand power
Owns 91 titles including “Afro Samurai”, “Basilisk” and “Last Exile”
- Providing rights to *Pachinko and Pachislot* and smartphone game apps
- Production capability

【Synergy】

■ Create business from the upper stream

- Good content (IP) targeting young adult
- Expand production business

Beef up to capture young adult market & gain producer's profit

■ Use major titles to create new income sources

- Foray into *Pachinko and Pachislot* machines and game apps
- Remake to enrich the library and leverage multiple distribution approaches

Develop into fields with high revenue & high growth

【Synergy】

- Grow income from overseas markets
 - Rev up rights marketing activity in N. America
 - Inroad into China who holds enormous potential for “young adult” anime

Foothold to develop in
N. America & China

**Enrich content lineup and enlarge methods of
multiple development of content**



Appendix

Consolidated P/L



	2015 Jan – Jun	2016 Jan – Jun	Increase (decrease)	Y-o-Y Change	(Forecast) FY2016	Progress to the forecast
Gross Billings	175,108	174,092	(1,016)	-0.6%	354,000	49.2%
Gross Profit	24,496	25,672	1,175	+4.8%	49,960	
Gross Profit Ratio	14.0%	14.7%			14.1%	
SG&A Expenses	(21,560)	(21,814)	(254)	+1.2%	(44,560)	
(Staff Cost)	(14,798)	(15,151)	(353)	+2.4%	(30,190)	
Operating Income	2,936	3,857	920	+31.4%	5,400	71.4%
Non-Operating Income	2,335	1,867				
(Non-Operating Expenses)	(114)	(169)				
Ordinary Income	5,157	5,555	397	+7.7%	8,550	65.0%
Extraordinary Income	406	119				
(Extraordinary Loss)	(117)	(2,190)				
Income before Income taxes and Minority Interests	5,446	3,484	(1,962)	-36.0%	6,740	
(Income taxes)	(2,242)	(2,423)				
Net income	3,204	1,060				
Profit (loss) attributable to owners of parent	3,155	1,010	(2,145)	-68.0%	3,390	29.8%
Operating Margin	12.0%	15.0%			10.8%	
Staff Cost / Gross Profit	60.4%	59.0%			60.4%	

Consolidated P/L (by region)



Upper : FY2016 2Q Lower : FY2015 2Q Number of subsidiaries		Gross Billings	Y-o-Y	Gross Profit	Y-o-Y	Operating Income	Y-o-Y
ADK(Parent)		156,275	+1.7%	18,807	+9.1%	3,419	+35.9%
		153,658	+1.0%	17,244	-4.7%	2,515	+26.2%
Japan	13	27,307	+9.2%	4,448	+4.7%	367	+463.9%
	12	25,009	-6.2%	4,249	+7.1%	65	-
Greater China	8	4,577	-27.6%	960	-25.5%	(103)	-
	8	6,323	+2.9%	1,290	+1.6%	(25)	-
Asia	13	5,856	-24.3%	1,304	-18.6%	294	-32.0%
	13	7,739	+22.3%	1,601	+20.2%	432	+60.0%
Europe and USA	4	1,895	-19.1%	294	-6.2%	(41)	-
	6	2,341	-25.3%	314	+11.3%	(75)	-
Consolidation Adjustment		(21,821)		(144)		(79)	
		(19,964)		(203)		22	
Total		174,092	-0.6%	25,672	+4.8%	3,857	+31.4%
		175,108	+0.4%	24,496	-0.5%	2,936	+38.0%

Japan : Newly consolidated 1 companies, excepted 0 companies in 2016.
 Greater China : Newly consolidated 0 companies, excepted 0 companies in 2016
 Asia : Newly consolidated 0 companies, excepted 0 companies in 2016
 Europe and USA : Newly consolidated 1 companies, excepted 3 companies in 2016

Non-Consolidated Gross Billings by Sector



	FY2015 Jan - Jun		FY2016 Jan - Jun		Y-on-Y	
	G Billings	Composition	G Billings	Composition	Inc/Dec	Inc/Dec%
Energy/Material/ machinery	1,429	0.9%	1,638	1.0%	209	14.6%
Food	14,565	9.5%	16,182	10.4%	1,617	11.1%
Beverage/Tobacco	12,692	8.3%	10,396	6.7%	-2,295	-18.1%
Pharma/Medical supplies	7,304	4.8%	8,887	5.7%	1,583	21.7%
Cosmetics/Toiletry	15,078	9.8%	14,502	9.3%	-576	-3.8%
Apparel/Jewelry	6,282	4.1%	6,306	4.0%	24	0.4%
Precision machinery/Office supplies	1,616	1.1%	1,799	1.2%	182	11.3%
Home appliances/AV equipment	1,063	0.7%	1,233	0.8%	169	16.0%
Automobile/Automobile-related Products	10,001	6.5%	10,095	6.5%	93	0.9%
Household Goods	801	0.5%	454	0.3%	-346	-43.3%
Hobbies/Sport Goods	9,245	6.0%	9,685	6.2%	439	4.8%
Real Estate/Housing	4,909	3.2%	5,641	3.6%	732	14.9%
Publishing	1,422	0.9%	1,376	0.9%	-46	-3.3%
Information/Communication	16,743	10.9%	16,518	10.6%	-225	-1.3%
Distribution/Retail	12,254	8.0%	12,502	8.0%	247	2.0%
Finance/Insurance	13,484	8.8%	13,212	8.5%	-272	-2.0%
Transportation/Leisure	4,231	2.8%	4,728	3.0%	496	11.7%
Restaurants/Other service	4,462	2.9%	4,873	3.1%	411	9.2%
Government/Organizations	7,057	4.6%	6,035	3.9%	-1,022	-14.5%
Education/Medical Service/Religion	3,240	2.1%	3,761	2.4%	521	16.1%
Signage/Other	5,770	3.8%	6,444	4.1%	673	11.7%
Total	153,658	100.0%	156,275	100.0%	2,616	1.7%

Non-Consolidated Gross Billings by Media

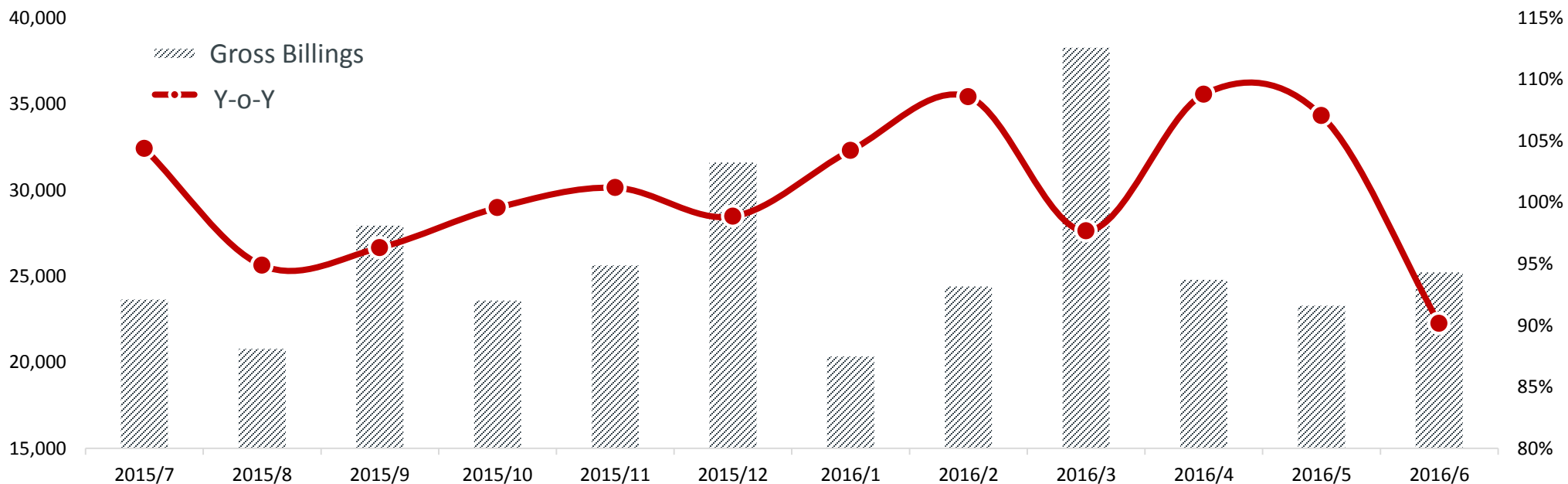


	FY2015 Jan - Jun		FY2016 Jan - Jun		Y-on-Y	
	G Billings	Composition	G Billings	Composition	Inc/Dec	Inc/Dec%
Magazine	6,317	4.1%	5,753	3.7%	-564	-8.9%
Newspaper	9,824	6.4%	9,797	6.3%	-26	-0.3%
TV	72,684	47.3%	74,036	47.4%	1,351	1.9%
Time	27,744	18.1%	26,273	16.8%	-1,471	-5.3%
Spot	37,968	24.7%	40,493	25.9%	2,525	6.7%
Content	6,970	4.5%	7,268	4.7%	298	4.3%
Radio	1,496	1.0%	1,759	1.1%	263	17.6%
4 Media	90,321	58.8%	91,346	58.5%	1,024	1.1%
Digital Media	8,328	5.4%	10,017	6.4%	1,689	20.3%
OOH Media	4,171	2.7%	5,448	3.5%	1,277	30.6%
Marketing/Promotion	29,419	19.1%	29,617	19.0%	197	0.7%
Creative	18,673	12.2%	18,647	11.9%	-26	-0.1%
Other	2,743	1.8%	1,198	0.8%	-1,545	-56.3%
Except for 4 Media	63,337	41.2%	64,929	41.5%	1,592	2.5%
Total	153,659	100.0%	156,275	100.0%	2,616	1.7%

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



	2015/7	2015/8	2015/9	2015/10	2015/11	2015/12	2016/1	2016/2	2016/3	2016/4	2016/5	2016/6
Gross Billings	23,635	20,771	27,939	23,574	25,617	31,603	20,334	24,400	38,277	24,778	23,272	25,212
Magazine	867	945	1,462	1,237	1,444	986	526	910	1,433	972	947	962
Newspaper	1,487	1,096	1,323	1,810	1,603	1,930	1,593	1,811	2,186	1,413	1,473	1,319
TV	11,940	10,980	12,037	12,031	12,868	14,881	10,770	12,909	14,400	12,412	12,086	11,457
Radio	222	254	240	259	276	310	276	242	477	241	252	268
Digital Media	1,139	1,100	1,503	1,480	1,523	2,118	1,216	1,699	2,072	1,820	1,464	1,744
OOH Media	597	593	1,026	450	467	1,026	557	536	1,569	960	687	1,137
Marketing/Promotion	4,477	3,687	6,798	3,742	4,893	6,604	3,005	3,918	9,790	4,068	4,213	4,621
Creative	2,736	1,891	3,236	2,399	2,318	3,536	2,275	2,181	6,023	2,715	1,977	3,473
Others	165	221	309	163	221	208	112	189	323	174	169	228



Business Trend and Forecast



Consolidated	FY2014					FY2015					FY2016				
	2Q			Full Year		2Q			Full Year		2Q			Full Year	
	Actual	Y-o-Y	Progress	Actual	Y-o-Y	Actual	Y-o-Y	Progress	Actual	Y-o-Y	Actual	Y-o-Y	Progress	Plan	Y-o-Y
Gross Billings	174,489	+0.0%	49.4%	352,984	+3.0%	175,108	+0.4%	49.8%	351,956	-0.3%	174,092	-0.6%	49.2%	354,000	+0.6%
Gross Profit	24,625	+6.9%		48,568	+7.7%	24,496	-0.5%		48,824	+0.5%	25,672	+4.8%		49,960	+2.3%
GP Ratio	14.1%			13.8%		14.0%			13.9%		14.7%			14.1%	
(SG&A Exp)	(22,497)	+5.9%		(44,470)	+1.7%	(21,560)	-4.2%		(43,923)	-1.2%	(21,814)	+1.2%		(44,560)	+1.4%
(Staff Cost)	(15,243)	+3.3%		(29,871)	+1.3%	(14,798)	-2.9%		(29,523)	-1.2%	(15,151)	+2.4%		(30,190)	+2.3%
Operating Income	2,128	+17.7%	51.9%	4,097	+196.2%	2,936	+38.0%	59.9%	4,901	+19.6%	3,857	+31.4%	71.4%	5,400	+10.2%
Ordinary Income	3,966	+17.3%	54.7%	7,251	+67.6%	5,157	+30.0%	60.0%	8,590	+18.5%	5,555	+7.7%	65.0%	8,550	-0.5%
Income before Income taxes and Minority Interests	2,488	-31.3%		6,433	+14.9%	5,446	+118.9%		9,189	+42.8%	3,484	-36.0%		—	
Profit (loss) attributable to owners of parent	1,255	-40.6%	34.0%	3,696	+7.8%	3,155	+151.4%	58.8%	5,362	+45.1%	1,010	-68.0%	29.8%	3,390	-36.8%
Operating Margin	8.6%			8.4%		12.0%			10.0%		15.0%			10.8%	
Staff Cost/Gross Profit	61.9%			61.5%		60.4%			60.5%		59.0%			60.4%	

Non-Consolidated	FY2014					FY2015					FY2016				
	2Q			Full Year		2Q			Full Year		2Q			Full Year	
	Actual	Y-o-Y	Progress	Actual	Y-o-Y	Actual	Y-o-Y	Progress	Actual	Y-o-Y	Actual	Y-o-Y	Progress	Plan	Y-o-Y
Gross Billings	78,573	+2.5%	25.6%	306,718	+3.6%	81,174	+3.3%	26.2%	306,801	+0.0%	156,275	+1.7%	50.9%	307,000	+0.1%
Gross Profit	10,077	+17.3%		34,662	+7.7%	9,854	-2.2%		32,925	-5.0%	18,807	+9.1%	55.6%	33,836	+1.4%
GP Ratio	12.8%			11.3%		12.1%			10.7%		12.0%			11.0%	
(SG&A Exp)	(8,682)	+11.0%		(31,531)	+1.7%	(7,694)	-11.4%		(29,942)	-5.0%	(15,387)	+4.5%		(30,536)	+2.0%
(Staff Cost)	(6,079)	+17.6%		(20,561)	+0.9%	(5,364)	-11.8%		(19,303)	-6.1%	(10,452)	+7.1%		(19,963)	+3.4%
Operating Income	1,394	+80.9%	44.5%	3,130	+168.3%	2,160	+54.9%	63.5%	2,983	-4.7%	3,419	+35.9%	103.6%	3,300	+10.6%
Ordinary Income	1,545	+74.7%	26.0%	5,950	+54.0%	2,319	+50.1%	38.0%	11,112	+86.8%	6,162	+30.6%	-	—	
Income before Income taxes	1,617	+63.1%		5,609	+18.2%	2,321	+43.5%		12,124	+116.1%	6,803	+34.9%	-	—	
Net Income	947	+70.2%	27.2%	3,484	+8.6%	1,501	+58.4%	39.2%	9,577	+174.9%	4,703	+43.2%	-	—	
Operating Margin	13.8%			9.0%		21.9%			9.1%		18.2%			9.8%	
Staff Cost/Gross Profit	60.3%			59.3%		54.4%			58.6%		55.6%			59.0%	

Results and Forecast (by region)



Upper : FY2016 Forecast Lower : FY2015 Result Number of subsidiaries		Gross Billings	Y-o-Y	Gross Profit	Y-o-Y	Operating Income	Y-o-Y
ADK(Parent)		307,000	+0.1%	33,836	+2.8%	3,300	+10.6%
		306,801	+0.0%	32,925	-5.0%	2,983	-4.7%
Japan	12	57,727	+5.9%	9,933	+4.8%	1,025	+4.8%
	12	54,513	-3.3%	9,475	+11.4%	978	+295.2%
Greater China	8	17,108	+22.2%	2,912	-3.6%	184	-37.4%
	8	14,003	+4.1%	3,021	+5.7%	295	-10.2%
Asia	13	13,892	-1.2%	3,187	+2.4%	832	+6.9%
	13	14,056	+13.5%	3,111	+23.7%	778	+55.4%
Europe and USA	4	3,364	-31.7%	532	-19.2%	29	—
	6	4,923	-10.6%	659	+18.5%	(162)	—
Consolidation Adjustment		(45,093)		(441)		28	
		(42,342)		(368)		28	
Total		354,000	+0.6%	49,960	+2.3%	5,400	+10.2%
		351,956	-0.3%	48,824	0.5%	4,901	+19.6%

Consolidated Marketable Securities Update



		End of 2015/12		End of 2016/6	
Current	■ Short-term investment securities				
	Public and corporate bonds in investment trust	84		3	
	Bonds	0	0 Brands	0	0 Brands
	Investment trust, other	2,087	4 Brands	2,817	4 Brands
	Total Current	2,172		2,820	
Non current	■ Investment Securities	101,516		79,808	
	Listed stock	97,346		75,860	
	WPP plc	87,450	31,295,646 shares (2.4%)	67,226	31,295,646 shares (2.4%)
	Other listed shares	9,896	70 Brands	8,633	70 Brands
	Unlisted stock	4,079		3,885	
	Affiliates' shares	1,946	7 Brands	1,997	7 Brands
	Subsidiaries' shares	394	10 Brands	218	7 Brands
	Other unlisted shares	1,739	61 Brands	1,670	56 Brands
	Bonds	0	0 Brands	0	0 Brands
	Investment trust, other	90	2 Brands	61	2 Brands
	■ Other				
	Related companies' stake	178	5 Brands	167	5 Brands
	Stake	137	8 Brands	122	8 Brands
Total Noncurrent	101,832		80,097		

	Capital Investment			Depreciation Cost		
	ADK	Consolidated subsidiaries	Consolidated	ADK	Consolidated subsidiaries	Consolidated
Buildings	80	3	83	76	52	129
Structures	-	-	-	-	0	0
Automobiles	6	17	24	4	10	15
Equipment and fixtures	69	38	107	107	93	200
Land	-	-	-	-	-	-
Goodwill	-	-	-	-	-	-
Software	128	65	194	330	25	355
Lease assets	-	18	18	1	14	16
Other	-	0	0	5	11	16
Total	284	145	430	525	207	733

Impact on profit associated with forex and newly consolidated companies



		Operating Income	Ordinary Income	Profit (loss) attributable to owners of parent
(A)	Consolidated Actual Profit FY2016 2Q	3,857	5,555	1,010
(B)	Forex impact in overseas affiliates	(25)	(54)	(33)
(C)	Forex impact on dividends paid by WPP stock	0	(294)	(204)
(B)+(C)=(D)	Total Forex Impact	(25)	(349)	(237)
	As proportion of Profit (D)/(A)	-0.7%	-6.3%	-23.5%
(E)	Impact incurred by newly consolidation*	37	38	33
	As proportion of Profit (E)/(A)	1.0%	0.7%	3.3%
(D)+(E)=(F)	Total Impact incurred by forex fluctuations + newly consolidation	11	(311)	(203)
	As proportion of Profit (F)/(A)	0.3%	-5.6%	-20.2%

* 1 companies were newly consolidated for FY2016

FX Rate	FY2015 2Q	FY2016 2Q
USD/JPY	119.16	115.35
EUR/JPY	134.00	127.15
GBP/JPY	185.59	152.85
THB/JPY	3.65	3.24
RMB/JPY	19.08	17.60

Consolidated companies (as of 2016/6/30)



	Japan	China	Asia	Europe and USA	Total
Consolidated subsidiary	11	8	13	4	36
Equity method affiliates	4	3	0	0	7
Total	15	11	13	4	43

Japan

Agency :

ADK Arts
ADK Dialog
ADK Digital Communications
ADK International

Axival

China Stories
d-rights
Eiken
Kyowa Kikaku
Right Song Music Publishing
※ ASP
※ Drill
※ DA Search & Link
※ Premier Cross Value

Other :

ADK Insurance Service

Greater China

China

Asatsu Century (Shanghai) Advertising
Asatsu (Shanghai) Exposition & Advertising
IMMG BEIJING
Shanghai ASATSU Advertising
※ Beijing DongFang SanMeng Public Relations Consulting
※ Guangdong Guangxu (Asatsu) Advertising
※ A2 (Shanghai) Marketing Services

Hong Kong

ASATSU-DK Hong Kong
DK ADVERTISING (HK)

Taiwan

United ASATSU international
DIK-OCEAN Advertising

Asia

Thailand

ADK Thai Holding
ASATSU (Thailand)
ASDIK
DAI-ICHI KIKAKU (Thailand)

Singapore

ASATSU-DK SINGAPORE
IMMG
SCOOP ADWORLD

Indonesia

IMMG Indonesia

Vietnam

ASATSU-DK VIETNAM
DIK VIETNAM

Malaysia

ASATSU-DK (Malaysia)
DAI-ICHI KIKAKU (Malaysia)

Korea

ASATSU-DK Korea

Europe and USA

Germany

ASATSU (Deutschland)

Netherlands

ADK Insights

U.S.A.

ADK America
Sunrights

Underlined companies became either consolidated or equity method affiliates during the period under review

※ Equity method affiliate

ADK