



# FY12/31/2016 Results

February 21, 2017

ASATSU-DK, INC.

( 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 the 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

( January 1 - December 31, 2016 )

## Achieved high operating income growth, Net income shrunk mainly due to extra-ordinary loss

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### ■ ADK (parent)

- Operating margin improved (TV, Marketing and Promotion, Creative) by enhancing the revenue management system
- Increase in profit, despite increased staff cost due to bonus provision

### ■ Subsidiaries in Japan

- Push through selection and concentration of business  
Invested in digital and content field, disposal of non-core business
- Improved profitability by promoting in-house production

### ■ Subsidiaries overseas

- Profit declined in Asia, but in line with the plan on a currency-neutral basis
- Subsidiaries in Europe and US restored profitability by restructuring
- Subsidiaries in China continued to struggle

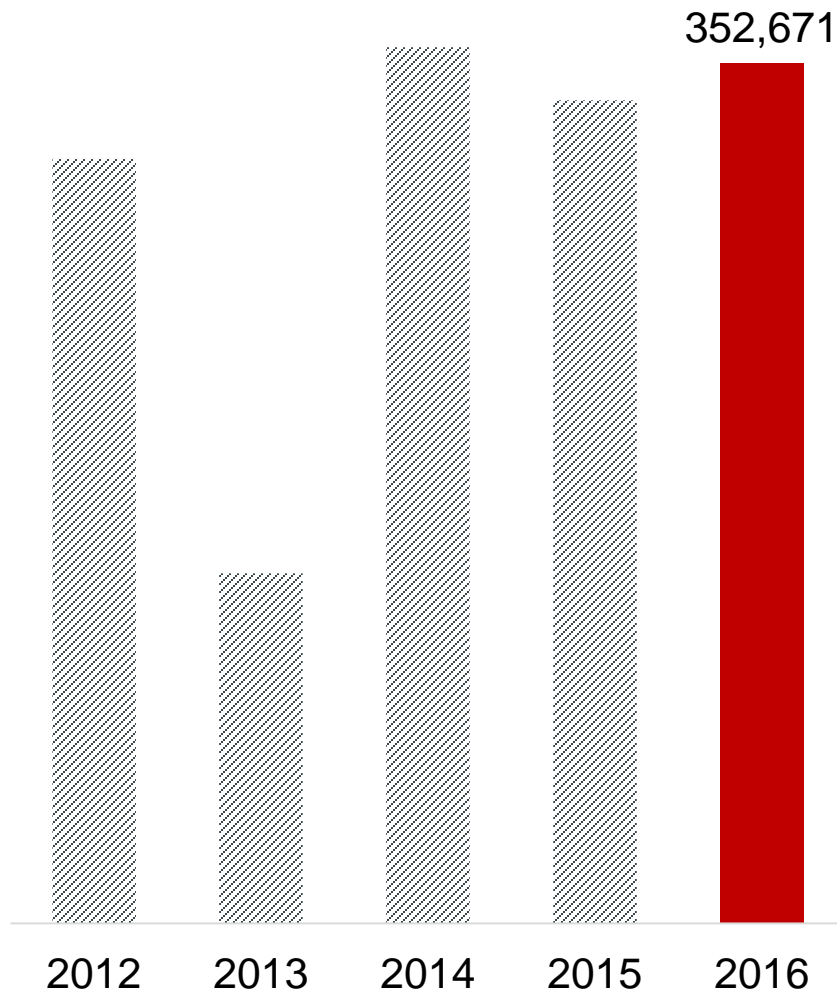
# Consolidated P/L Summary



(Millions of Yen)

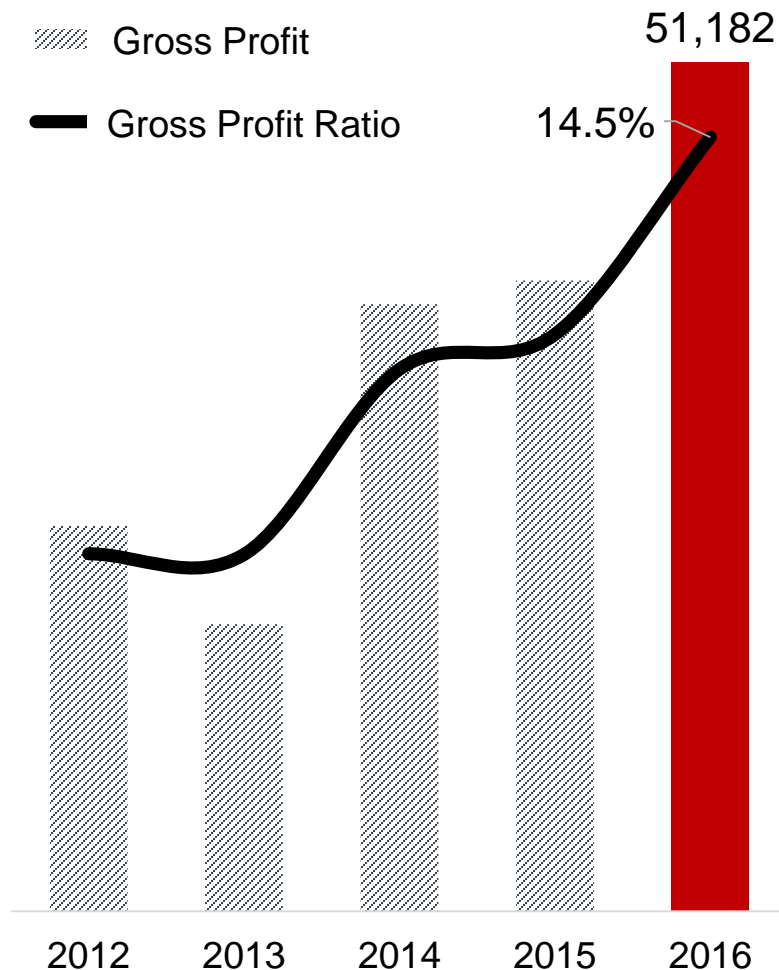
	FY2015	FY2016	Increase (Decrease)	Y-o-Y Change	Forecast as of 24, March 2016
Gross Billings	351,956	<b>352,671</b>	714	+0.2%	354,000
Gross Profit	48,824	<b>51,182</b>	2,357	+4.8%	49,960
Operating Income	4,901	<b>5,569</b>	667	+13.6%	5,400
Ordinary Income	8,590	<b>8,688</b>	98	+1.1%	8,550
Profit (loss) attributable to owners of parent	5,362	<b>2,376</b>	(2,985)	-55.7%	3,390
Operating Margin	10.0%	<b>10.9%</b>			10.8%
Staff Cost / Gross Profit	60.5%	<b>60.3%</b>			60.4%

( Millions of Yen )



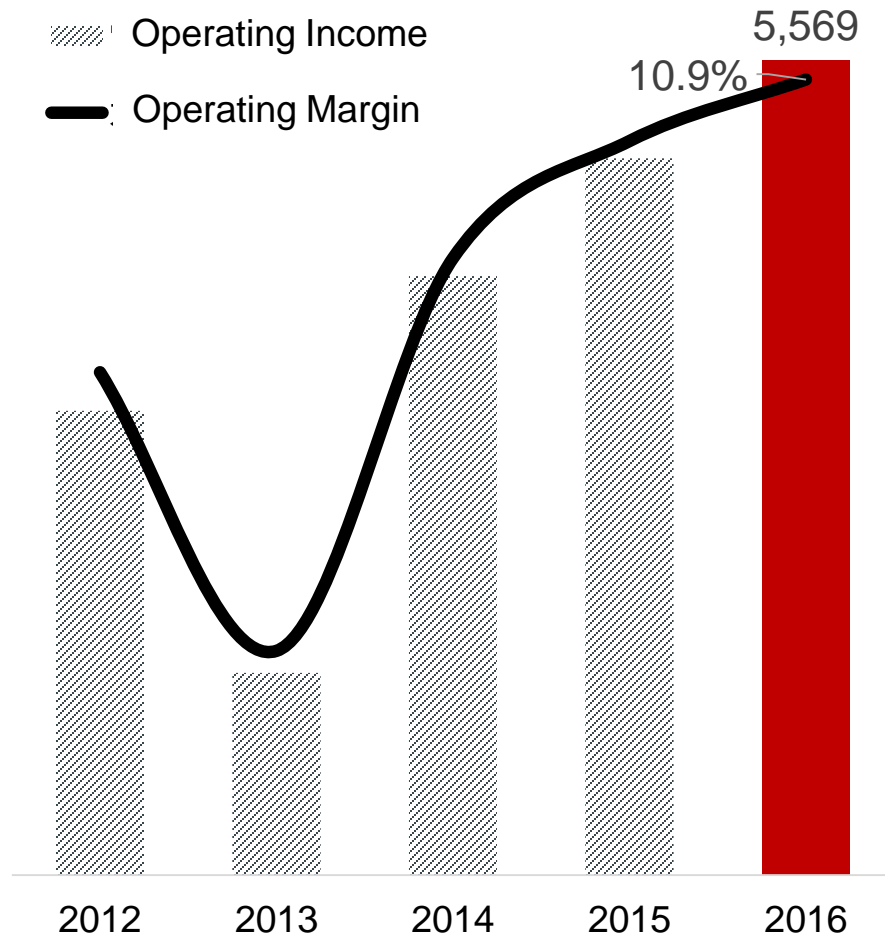
- **ADK (parent)**
  - Media business grew
    - ✓ Digital up 19.4%
    - ✓ TV spot up 4.2%
- **Growth in subsidiaries in Japan**
  - ✓ ADK Digital Communications
  - ✓ ADK Arts
- **Over all, consolidated gross billings increased slightly**

(Millions of Yen)



- Gross margin recorded the highest level
- Gross margin improved at ADK (parent)
  - ✓ 10.7% (FY2015)  
⇒ 11.5% (FY2016)
  - ✓ Profitability improved in Marketing and Promotion, Creative as well as TV
- Gross profit stayed flat in subsidiaries in Japan, decreased overseas

(Millions of Yen)



## ■ Staff cost increased at ADK (parent)

- ✓ Up 10.9% due to increase of bonus provision
- ✓ Other expenses were well controlled and up only 1.7%

## ■ Expenses well controlled at subsidiaries

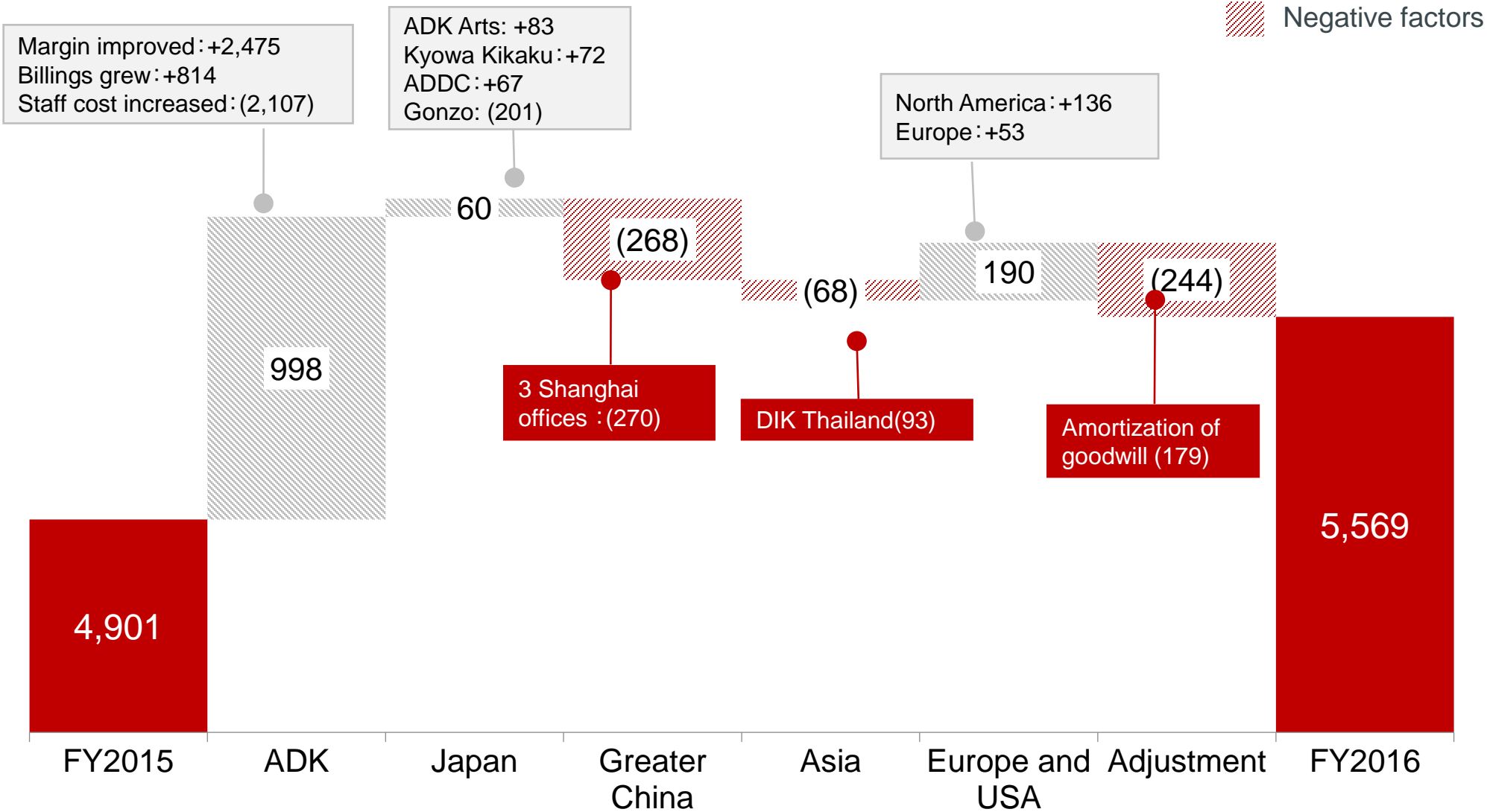
- ✓ In Japan: down 0.6%
- ✓ Overseas: down 16.6%

## ■ Operating Income has increased for three consecutive years !



# Operating Profit; Y-o-Y comparison

(Millions of Yen)



# Operating Income – Net Income



(Millions of yen)

	FY2015	FY2016	Increase (Decrease)	Y-o-Y	Main factors
Operating Income	4,901	<b>5,569</b>	667	+13.6%	
Non-Operating Income	3,898	<b>3,290</b>			Decrease of dividends 2,704⇒2,380
(Non-Operating Expenses)	(209)	<b>(170)</b>			
Ordinary Income	8,590	<b>8,688</b>	98	+1.1%	
Extraordinary Income	1,293	<b>230</b>			Decrease of Gain on sales of investment securities 1,077⇒65
(Extraordinary Loss)	(695)	<b>(2,658)</b>			Loss on liquidation of business (1,994)
Income before Income taxes and Minority Interests	9,189	<b>6,260</b>	(2,928)	-31.9%	
(Income taxes)	(3,579)	<b>(3,652)</b>			Increase in effective tax rate
Net Income	5,609	<b>2,608</b>			
Profit (loss) attributable to owners of parent	5,362	<b>2,376</b>	(2,985)	-55.7%	

# Consolidated B/S



Assets	End of 2015/12	End of 2016/12	Increase (Decrease)
Cash and Deposits	25,790	<b>19,042</b>	(6,747)
Notes and Accounts Receivable-trade	84,326	<b>81,712</b>	(2,613)
Short-term Investment Securities	2,172	<b>3,678</b>	(1,505)
Inventories	7,048	<b>5,319</b>	(1,729)
Other	2,602	<b>4,487</b>	1,865
Allowance for Doubtful Accounts	(568)	<b>(1,103)</b>	(534)
<b>Total Current Assets</b>	<b>121,370</b>	<b>113,118</b>	(8,252)
Property, Plant and Equipment	4,800	<b>3,773</b>	(1,026)
Intangible Assets	2,186	<b>10,118</b>	7,931
Investments and Other Assets			
Investment Securities	101,516	<b>95,313</b>	(6,202)
Other	6,150	<b>5,687</b>	(462)
Allowance for Doubtful Accounts	(819)	<b>(751)</b>	67
Total Investments and Other Assets	106,847	<b>100,250</b>	(6,597)
<b>Total Noncurrent Assets</b>	<b>113,834</b>	<b>114,142</b>	307
<b>Total Assets</b>	<b>235,205</b>	<b>227,260</b>	(7,945)

Equity Ratio	52.7%	<b>49.1%</b>
BPS (Yen)	2,947.40	<b>2,674.92</b>

Liabilities	End of 2015/12	End of 2016/12	Increase (Decrease)
Notes and Accounts Payable-trade	74,130	<b>75,688</b>	1,558
Short-term loans payable	96	<b>459</b>	363
Current portion of long-term loans payable	0	<b>1,553</b>	1,553
Other	10,329	<b>13,916</b>	3,587
<b>Total Current Liabilities</b>	<b>84,556</b>	<b>91,618</b>	7,061
Net defined benefit liability	22,966	<b>20,608</b>	(2,358)
Deferred tax liabilities	935	<b>510</b>	(425)
Other	1,258	<b>1,298</b>	40
<b>Total Noncurrent Liabilities</b>	<b>25,160</b>	<b>22,416</b>	(2,743)
<b>Total Liabilities</b>	<b>109,716</b>	<b>114,034</b>	4,318

Net Assets	End of 2015/12	End of 2016/12	Increase (Decrease)
Capital Stock	37,581	<b>37,581</b>	-
Capital Surplus	11,982	<b>11,977</b>	(5)
Retained Earnings	24,336	<b>16,260</b>	(8,076)
Treasury shares	(210)	<b>(1,205)</b>	(995)
<b>Total Shareholder's Equity</b>	<b>73,690</b>	<b>64,613</b>	(9,077)
Valuation Difference on Available-for-sale Securities	48,188	<b>45,344</b>	(2,843)
Deferred Gains or Losses on Hedges	(0)	<b>20</b>	20
Foreign Currency Translation Adjustment	1,859	<b>1,155</b>	(703)
Remesurements of defined benefit plans	266	<b>471</b>	204
Accumulated other comprehensive income	50,314	<b>46,992</b>	(3,321)
<b>Subscription rights to shares</b>	<b>23</b>	<b>24</b>	1
<b>Non-controlling interests</b>	<b>1,461</b>	<b>1,595</b>	134
<b>Total Net Assets</b>	<b>125,488</b>	<b>113,225</b>	(12,263)
<b>Total Liabilities and Net Assets</b>	<b>235,205</b>	<b>227,260</b>	(7,945)

# Consolidated Statement of Cash Flows



(Millions of yen)

	FY2015	FY2016
<b>Net cash provided by operating activities</b>	<b>10,192</b>	<b>11,637</b>
Income before income taxes	9,189	6,260
Increase (decrease) in provision for bonuses	(655)	2,019
Loss (gain) on sales of investment securities	(1,077)	(61)
Decrease (increase) in notes and accounts receivable	2,046	684
Loss on liquidation of business	128	1,994
Other	561	738
<b>Net cash provided by (used in) investing activities</b>	<b>5,046</b>	<b>(4,475)</b>
Proceeds from sales of investment securities	1,720	191
Proceeds from collection of guarantee deposits	1,496	286
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(276)	(5,266)
Other	2,106	313
<b>Net cash used in financing activities</b>	<b>(23,803)</b>	<b>(11,912)</b>
Net decrease (increase) in treasury stock	358	(1,003)
Cash dividends paid	(23,909)	(10,430)
Other	(252)	(479)
Foreign currency translation adjustments on cash and cash equivalents	(651)	(302)
<b>Net increase in cash and cash equivalents</b>	<b>(9,214)</b>	<b>(5,053)</b>
Cash and cash equivalents, beginning of the period	35,082	25,924
<b>Cash and cash equivalents, end of the period</b>	<b>25,924</b>	<b>21,027</b>





# FY12/2017 Forecast

# Review of Mid-term Business Plan



( Millions of Yen )

	FY2016		
	Announced in August, 2013	Announced in February, 2016	Results
Gross Billings	373,600	354,000	<b>352,671</b>
Gross Profit	52,900	49,960	<b>51,182</b>
(SG&A)	(45,900)	(44,560)	<b>(45,613)</b>
Operating Income	7,000	5,400	<b>5,569</b>
Operating Margin	13.2%	10.8%	<b>10.9%</b>

## Outcomes

### ■ Foundation Building and Structural Reform

	FY2013	FY2016	Improvement
Gross Profit	13.2%	<b>14.5%</b>	1.3pts
Operating Margin	3.1%	<b>10.9%</b>	7.8pt
Staff Cost / Gross Profit	65.4%	<b>60.3%</b>	5.1pts

### ■ M&A

	Business Type	M&A	FY2016 Operating Income
Jun, 2014	Digital	Established Axival (Consolidated from FY2016 Q1)	+46
Jan, 2015	Content	Acquired stocks of d-rights	+200
Sep, 2016	Content	Acquired stocks of Gonzo	▲201



## Challenges

### ■ Overseas Business

- ✓ Sluggish performance in subsidiaries in China

### ■ Content Business

- ✓ Weak growth in profit
- ✓ Half way to enhance Group function and to increase profit by M&A

### ■ Cooperation in the Group/Business Sector\*

- ✓ Improving business process and governance but not completed
- ✓ Business cooperation not fully utilized

\*ADK has 5 Business Sectors consisting of ADK divisions and group companies; Domestic Core Business Sector, ADK Global, Media & Data Insight Sector, Content Business Sector, and Entertainment & Sports Marketing Sector.

# Continue Foundation Building and Structural Reform

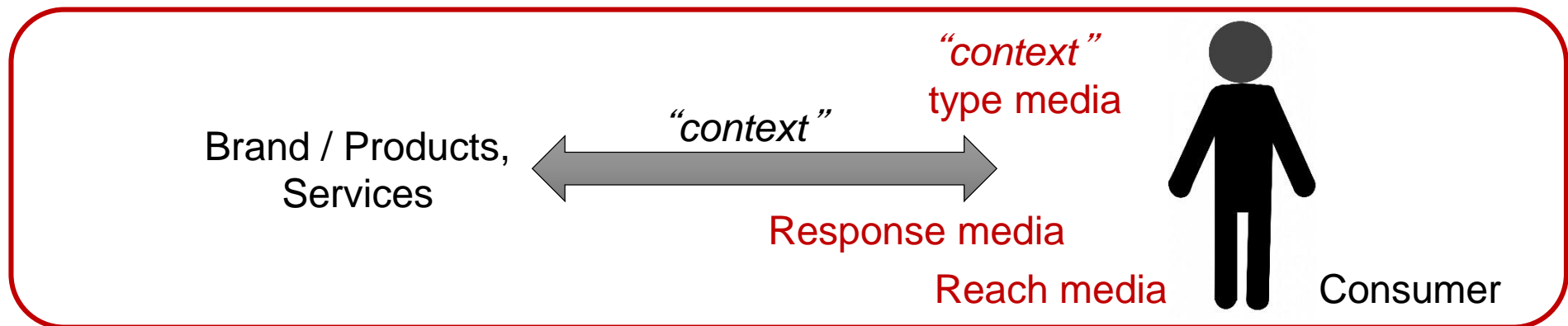
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1. Confirm revenue base
2. Strengthen cooperation between Group companies and business sectors
3. Refine subsidiaries in China, improve content business

## Confirm Revenue Base

### ■ Transform into a Consumer Activation Company which provides solutions to clients, breaking away from a media-broker role

- ✓ Amplify value of media with media owner companies
- ✓ Develop a marketing plan which associates consumers with products in “context”



- ✓ Create Data-Science Business

## Strengthen Group Cooperation

### ■ Promote in-house production and improve cooperation between business sectors

- ✓ Reorganize the functions of Group companies and developing mutually beneficial opportunities
- ✓ Promote mobilization and reallocation of human resources

Sector	Major division to encompass
Domestic Core Business	Account Service, Direct Business, Creative, Planning, some more
ADK Global	Overall international business (both outbound and inbound)
Media & Data Insight	Mass media + digital, data management
Content Business	Content business
Entertainment & Sports Marketing	Olympics & Paralympics, Culture and Sports related business

### ■ Integrate Group administration functions

- ✓ Integrate supporting and administration system

## China / Content Business

### ■ Subsidiaries in China

- ✓ Push through restructuring aiming to respond to change;  
“Total service” to “Specialized service”

### ■ Content Business

- ✓ Create synergy after M&A
  - Expand line-up of anime titles(adults target)
  - Improve anime-creation capacity
  - Develop overseas streaming service
- ✓ Confirm rights-marketing business
- ✓ Business creation with “Market-in” point of view
  - Asian market, Social theme



# Forecast for FY2017



	FY2016 Results	FY2017 Forecast	Increase (Decrease)	Y-o-Y Change
Gross Billings	352,671	<b>354,700</b>	2,028	+0.6%
Gross Profit	51,182	<b>53,260</b>	2,077	+4.1%
(SG&A Expenses)	(45,613)	<b>(47,030)</b>	(1,416)	+3.1%
(Staff Cost)	(30,847)	<b>(31,060)</b>	(212)	+0.7%
Operating Income	5,569	<b>6,230</b>	660	+11.9%
Ordinary Income	8,688	<b>9,250</b>	561	+6.5%
Profit (loss) attributable to owners of parent	2,376	<b>5,580</b>	3,203	+134.8%



# Appendix

# Consolidated P/L



	FY2015	FY2016	Increase (Decrease)	Y-o-Y Change	(Forecast) FY2017	Y-o-Y Change
Gross Billings	351,956	<b>352,671</b>	714	+0.2%	354,700	+0.6%
Gross Profit	48,824	<b>51,182</b>	2,357	+4.8%	53,260	+4.1%
Gross Profit Ratio	13.9%	<b>14.5%</b>			15.0%	
(SG&A Expenses)	(43,923)	<b>(45,613)</b>			(47,130)	
(Staff Cost)	(29,523)	<b>(30,847)</b>			(31,060)	
Operating Income	4,901	<b>5,569</b>	667	+13.6%	6,230	+11.9%
Non-Operating Income	3,898	<b>3,290</b>				
(Non-Operating Expenses)	(209)	<b>(170)</b>				
Ordinary Income	8,590	<b>8,688</b>	98	+1.1%	9,250	+6.5%
Extraordinary Income	1,293	<b>230</b>				
(Extraordinary Loss)	(695)	<b>(2,658)</b>				
Income before Income taxes and Minority Interests	9,189	<b>6,260</b>	(2,928)	-31.9%	9,180	+46.6%
(Income taxes)	(3,579)	<b>(3,652)</b>				
Net income	5,609	<b>2,608</b>				
Profit (loss) attributable to owners of parent	5,362	<b>2,376</b>	(2,985)	-55.7%	5,580	+134.8%
Operating Margin	10.0%	<b>10.9%</b>			11.7%	
Staff Cost / Gross Profit	60.5%	<b>60.3%</b>			58.3%	



# Business Trend and Forecast



Consolidated	FY2015						FY2016						FY2017								
	Q1-2			Full Year			Q1-2			Full Year			Q1-2			Full Year					
	Actual	Y-o-Y	Progress	Actual	Y-o-Y	Actual	Y-o-Y	Progress	Actual	Y-o-Y	Plan	Y-o-Y	Progress	Plan	Y-o-Y						
Gross Billings	175,108	+0.4%	49.8%	351,956	-0.3%	174,092	-0.6%	49.2%	352,671	+0.2%	N/A						354,700	+0.6%			
Gross Profit	24,496	-0.5%		48,824	+0.5%	25,672	+4.8%		51,182	+4.8%										53,260	+4.1%
GP Ratio	14.0%			13.9%		14.7%			14.5%											15.0%	
(SG&A Exp)	(21,560)	-4.2%		(43,923)	-1.2%	(21,814)	+1.2%		(45,613)	+3.8%										(47,030)	+3.1%
( Staff Cost )	(14,798)	-2.9%		(29,523)	-1.2%	(15,151)	+2.4%		(30,847)	+4.5%										(31,060)	+0.7%
Operating Income	2,936	+38.0%	59.9%	4,901	+19.6%	3,857	+31.4%	71.4%	5,569	+13.6%										6,230	+11.9%
Ordinary Income	5,157	+30.0%	60.0%	8,590	+18.5%	5,555	+7.7%	65.0%	8,688	+1.1%										9,250	+6.5%
Income before Income taxes and Minority Interests	5,446	+118.9%		9,189	+42.8%	3,484	-36.0%		6,260	-31.9%										9,180	+46.6%
Profit (loss) attributable to owners of parent	3,155	+151.4%	58.8%	5,362	+45.1%	1,010	-68.0%	29.8%	2,376	-55.7%										5,580	+134.8%
Operating Margin	12.0%			10.0%		15.0%			10.9%											11.7%	
Staff Cost/Gross Profit	60.4%			60.5%		59.0%			60.3%					58.3%							

Non-Consolidated	FY2015						FY2016						FY2017								
	Q1-2			Full Year			Q1-2			Full Year			Q1-2			Full Year					
	Actual	Y-o-Y	Progress	Actual	Y-o-Y	Actual	Y-o-Y	Progress	Actual	Y-o-Y	Plan	Y-o-Y	Progress	Plan	Y-o-Y						
Gross Billings	153,658	+1.0%	50.1%	306,801	+0.0%	156,275	+1.7%	50.9%	314,389	+2.5%	N/A						319,000	+1.5%			
Gross Profit	17,244	-4.7%		32,925	-5.0%	18,807	+9.1%	55.6%	36,216	+10.0%										37,000	+2.2%
GP Ratio	11.2%			10.7%		12.0%			11.5%											11.6%	
(SG&A Exp)	(14,728)	-8.5%		(29,942)	-5.0%	(15,387)	+4.5%		(32,233)	+7.7%										(32,600)	+1.1%
( Staff Cost )	(9,756)	-8.4%		(19,303)	-6.1%	(10,452)	+7.1%		(21,410)	+10.9%										(21,275)	-0.6%
Operating Income	2,515	+26.2%	84.3%	2,983	-4.7%	3,419	+35.9%	103.6%	3,982	+33.5%										4,400	+10.5%
Ordinary Income	4,716	+22.1%	42.4%	11,112	+86.8%	6,162	+30.6%	-	7,987	-28.1%										7,680	-3.9%
Income before Income taxes	5,044	+100.0%		12,124	+116.1%	6,803	+34.9%	-	8,353	-31.1%										7,680	-8.1%
Net Income	3,284	+113.0%	34.3%	9,577	+174.9%	4,703	+43.2%	-	5,440	-43.2%										5,000	-8.1%
Operating Margin	14.6%			9.1%		18.2%			11.0%											11.9%	
Staff Cost/Gross Profit	56.6%			58.6%		55.6%			59.1%					57.5%							

# Results by region



Upper : FY2016 Result Lower : FY2015 Result Number of subsidiaries		Gross Billings	Y-o-Y	Gross Profit	Y-o-Y	Operating Income	Y-o-Y
ADK (Parent)		<b>314,389</b>	<b>+2.5%</b>	<b>36,216</b>	<b>+10.0%</b>	<b>3,982</b>	<b>+33.5%</b>
		306,801	+0.0%	32,925	-5.0%	2,983	-4.7%
Japan	12	<b>55,593</b>	<b>+2.0%</b>	<b>9,484</b>	<b>+0.1%</b>	<b>1,038</b>	<b>+6.1%</b>
	12	54,513	-3.3%	9,475	+11.4%	978	+295.2%
Greater China	8	<b>10,858</b>	<b>-22.5%</b>	<b>2,273</b>	<b>-24.7%</b>	<b>26</b>	<b>-91.0%</b>
	8	14,003	+4.1%	3,021	+5.7%	295	-10.2%
Asia	13	<b>11,779</b>	<b>-16.2%</b>	<b>2,750</b>	<b>-11.6%</b>	<b>710</b>	<b>-8.8%</b>
	13	14,056	+13.5%	3,111	+23.7%	778	+55.4%
Europe and USA	4	<b>4,547</b>	<b>-7.6%</b>	<b>643</b>	<b>-2.4%</b>	<b>27</b>	-
	6	4,923	-10.6%	659	+18.5%	(162)	-
Consolidation Adjustment		<b>(44,497)</b>		<b>(186)</b>		<b>(216)</b>	
		(42,342)		(368)		28	
Total		<b>352,671</b>	<b>+0.2%</b>	<b>51,182</b>	<b>+4.8%</b>	<b>5,569</b>	<b>+13.6%</b>
		351,956	-0.3%	48,824	0.5%	4,901	+19.6%

# ADK (parent) Gross Billings by Sector



	FY2015		FY2016		Y-on-Y	
	G Billings	Composition	G Billings	Composition	Inc/Dec	Inc/Dec%
Energy/Material/ machinery	3,792	1.2%	4,032	1.3%	239	+6.3%
Food	29,033	9.5%	32,068	10.2%	3,035	+10.5%
Beverage/Tobacco	21,824	7.1%	19,595	6.2%	(2,228)	-10.2%
Pharma/Medical supplies	15,818	5.2%	19,121	6.1%	3,303	+20.9%
Cosmetics/Toiletry	30,137	9.8%	29,826	9.5%	(311)	-1.0%
Apparel/Jewelry	14,236	4.6%	13,636	4.3%	(600)	-4.2%
Precision machinery/Office supplies	2,635	0.9%	2,787	0.9%	152	+5.8%
Home appliances/AV equipment	2,789	0.9%	3,165	1.0%	376	+13.5%
Automobile/Automobile-related Products	18,140	5.9%	17,451	5.6%	(689)	-3.8%
Household Goods	1,368	0.4%	1,017	0.3%	(351)	-25.7%
Hobbies/Sport Goods	18,501	6.0%	19,818	6.3%	1,316	+7.1%
Real Estate/Housing	9,374	3.1%	10,386	3.3%	1,012	+10.8%
Publishing	2,624	0.9%	2,496	0.8%	(127)	-4.8%
Information/Communication	35,027	11.4%	36,319	11.6%	1,291	+3.7%
Distribution/Retail	25,726	8.4%	26,290	8.4%	563	+2.2%
Finance/Insurance	25,845	8.4%	24,411	7.8%	(1,434)	-5.5%
Transportation/Leisure	8,568	2.8%	9,344	3.0%	776	+9.1%
Restaurants/Other service	8,709	2.8%	11,650	3.7%	2,941	+33.8%
Government/Organizations	14,362	4.7%	11,025	3.5%	(3,337)	-23.2%
Education/Medical Service/Religion	5,625	1.8%	6,129	1.9%	503	+9.0%
Signage/Other	12,659	4.1%	13,814	4.4%	1,154	+9.1%
<b>Total</b>	<b>306,801</b>	<b>100.0%</b>	<b>314,389</b>	<b>100.0%</b>	<b>7,587</b>	<b>+2.5%</b>

# ADK (parent) Gross Billings by Media

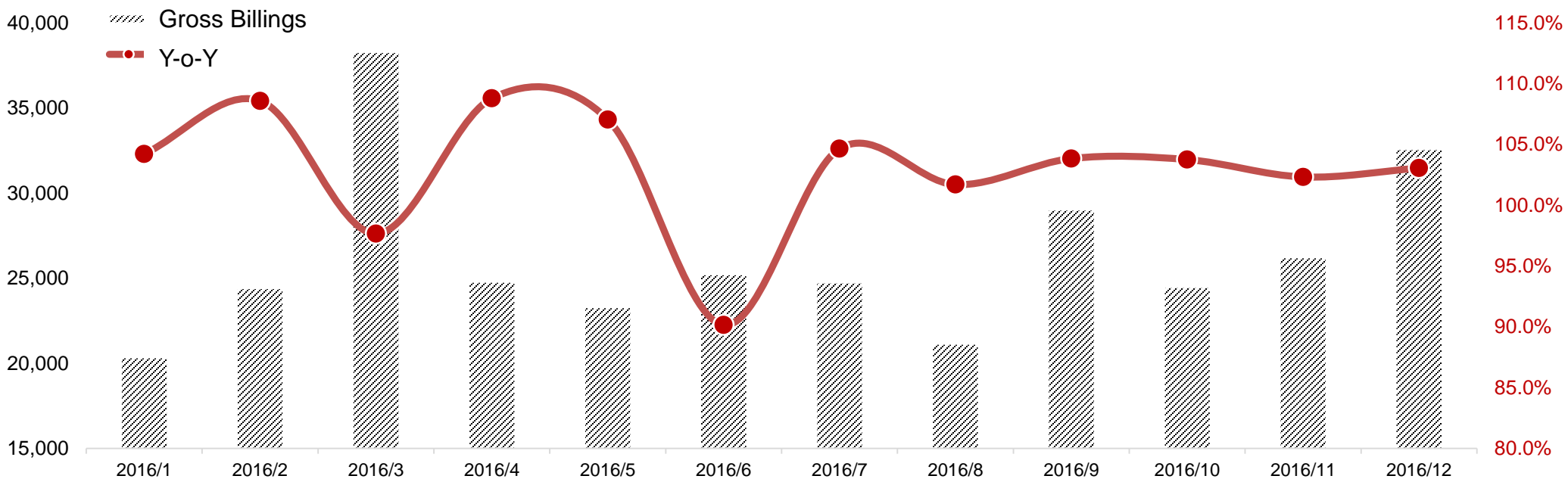


	FY2015		FY2016		Y-on-Y	
	G Billings	Composition	G Billings	Composition	Inc/Dec	Inc/Dec%
Magazine	13,261	4.3%	<b>12,108</b>	<b>3.9%</b>	(1,153)	-8.7%
Newspaper	19,076	6.2%	<b>19,020</b>	<b>6.0%</b>	(56)	-0.3%
TV	147,424	48.1%	<b>151,508</b>	<b>48.2%</b>	4,083	+2.8%
Time	55,634	18.1%	<b>54,658</b>	<b>17.4%</b>	(975)	-1.8%
Spot	77,991	25.4%	<b>81,291</b>	<b>25.9%</b>	3,299	+4.2%
Content	13,798	4.5%	<b>15,558</b>	<b>4.9%</b>	1,760	+12.8%
Radio	3,059	1.0%	<b>3,512</b>	<b>1.1%</b>	453	+14.8%
<b>4 Media</b>	<b>182,822</b>	<b>59.6%</b>	<b>186,150</b>	<b>59.2%</b>	3,327	+1.8%
Digital Media	17,195	5.6%	<b>20,525</b>	<b>6.5%</b>	3,329	+19.4%
OOH Media	8,333	2.7%	<b>9,781</b>	<b>3.1%</b>	1,448	+17.4%
Marketing/Promotion	59,623	19.4%	<b>59,910</b>	<b>19.1%</b>	286	+0.5%
Creative	34,792	11.3%	<b>35,545</b>	<b>11.3%</b>	753	+2.2%
Other	4,034	1.3%	<b>2,476</b>	<b>0.8%</b>	(1,557)	-38.6%
Except for 4 Media	123,979	40.4%	<b>128,239</b>	<b>40.8%</b>	4,260	+3.4%
<b>Total</b>	<b>306,801</b>	<b>100.0%</b>	<b>314,389</b>	<b>100.0%</b>	7,587	+2.5%

# ADK (parent) Gross Billings (on a monthly-basis)



	2016/1	2016/2	2016/3	2016/4	2016/5	2016/6	2016/7	2016/8	2016/9	2016/10	2016/11	2016/12
<b>Gross Billings</b>	<b>20,334</b>	<b>24,400</b>	<b>38,277</b>	<b>24,778</b>	<b>23,272</b>	<b>25,212</b>	<b>24,734</b>	<b>21,124</b>	<b>29,012</b>	<b>24,460</b>	<b>26,213</b>	<b>32,568</b>
Magazine	526	910	1,433	972	947	962	765	918	1,356	1,097	1,225	991
Newspaper	1,593	1,811	2,186	1,413	1,473	1,319	1,115	1,066	1,275	1,750	2,057	1,956
TV	10,770	12,909	14,400	12,412	12,086	11,457	12,666	11,170	12,088	11,922	13,043	16,581
Radio	276	242	477	241	252	268	263	271	306	243	295	372
Digital Media	1,216	1,699	2,072	1,820	1,464	1,744	1,560	1,518	1,851	1,707	1,801	2,068
OOH Media	557	536	1,569	960	687	1,137	720	523	976	701	515	894
Marketing/Promotion	3,005	3,918	9,790	4,068	4,213	4,621	4,952	3,380	7,362	4,175	4,278	6,143
Creative	2,275	2,181	6,023	2,715	1,977	3,473	2,517	2,106	3,452	2,689	2,799	3,332
Others	112	189	323	174	169	228	173	166	343	173	195	226



# Consolidated Marketable Securities Update



		End of 2015/12		End of 2016/12	
<b>Current</b>	<b>■ Short-term investment securities</b>				
	Public and corporate bonds in investment trust	84		0	
	Bonds	0		0	
	Investment trust, other	2,087	4 brands	3,678	4 brands
	<b>Total Current</b>	<b>2,172</b>		<b>3,678</b>	
<b>Non current</b>	<b>■ Investment Securities</b>	<b>101,516</b>		<b>95,313</b>	
	<b>Listed stock</b>	<b>97,346</b>		<b>91,523</b>	
	WPP plc	87,450	31,295,646 shares (2.4%)	81,271	31,295,646 shares (2.4%)
	Other listed shares	9,896	70 brands	10,252	67 brands
	<b>Unlisted stock</b>	<b>4,079</b>		<b>3,756</b>	
	Affiliates' shares	1,946	7 brands	1,727	7 brands
	Subsidiaries' shares	394	10 brands	347	8 brands
	Other unlisted shares	1,739	61 brands	1,681	55 brands
	<b>Bonds</b>	<b>0</b>		<b>0</b>	
	<b>Investment trust, other</b>	<b>90</b>	2 brands	<b>34</b>	2 brands
	<b>■ Other</b>				
<b>Related companies' stake</b>	<b>178</b>	5 brands	<b>181</b>	5 brands	
<b>Stake</b>	<b>137</b>	8 brands	<b>38</b>	6 brands	
	<b>Total Noncurrent</b>	<b>101,832</b>		<b>95,533</b>	

# Consolidated Capital Investment/ Depreciation Cost



	Capital Investment			Depreciation Cost		
	ADK	Consolidated subsidiaries	Consolidated	ADK	Consolidated subsidiaries	Consolidated
Buildings	79	53	132	148	112	260
Structures	-	-	-	-	0	0
Automobiles	16	43	59	10	13	24
Equipment and fixtures	212	152	364	224	190	414
Land	-	-	-	-	-	-
Goodwill	-	-	-	-	-	-
Software	457	99	557	632	48	681
Lease assets	-	-	-	2	29	31
Other	-	0	0	11	52	64
<b>Total</b>	<b>766</b>	<b>349</b>	<b>1,115</b>	<b>1,030</b>	<b>446</b>	<b>1,476</b>

# Impact on Profit Associated with Forex and Newly Consolidated Companies



		Operating Income	Ordinary Income	Profit (loss) attributable to owners of parent
<b>(A)</b>	<b>Consolidated Actual Profit FY2016</b>	<b>5,569</b>	<b>8,688</b>	<b>2,376</b>
<b>(B)</b>	Forex impact in overseas affiliates	(103)	(145)	(82)
<b>(C)</b>	Forex impact on dividends paid by WPP stock	0	(634)	(414)
<b>(B)+(C)=(D)</b>	<b>Total Forex Impact</b>	<b>(103)</b>	<b>(780)</b>	<b>(497)</b>
	As proportion of Profit (D)/(A)	-1.9%	-9.0%	-20.9%
<b>(E)</b>	<b>Impact incurred by newly consolidation*</b>	<b>(154)</b>	<b>(198)</b>	<b>(205)</b>
	As proportion of Profit (E)/(A)	-2.8%	-2.3%	-8.6%
<b>(D)+(E)=(F)</b>	<b>Total Impact incurred by forex fluctuations + newly consolidation</b>	<b>(257)</b>	<b>(978)</b>	<b>(703)</b>
	As proportion of Profit (F)/(A)	-4.6%	-11.3%	-29.6%

\* 2 companies were newly consolidated for FY2016

FX Rate	FY2015	FY2016
USD/JPY	121.10	108.78
EUR/JPY	134.31	120.26
GBP/JPY	178.78	143.00
THB/JPY	3.54	3.08
RMB/JPY	19.23	16.36



# Consolidated Staff Cost Indicators



	FY2011	FY2012	FY2013	FY2014	FY2015	FY2016
Gross Profit	45,836	46,169	45,104	48,568	48,824	51,182
SG&A	41,983	42,993	43,721	44,470	43,923	45,613
Staff Cost	28,338	28,838	29,487	29,871	29,523	30,847
Staff Cost / Gross Profit	61.8%	62.5%	65.4%	61.5%	60.5%	60.3%
Employees including subsidiaries	3,416	3,376	3,330	3,430	3,461	3,469
Employees excluding subsidiaries	1,925	1,916	1,841	1,869	1,853	1,871

(Yen)	FY2011	FY2012	FY2013	FY2014	FY2015	FY2016
EPS	54.37	65.83	81.79	88.32	127.72	56.96
Dividends per share	109	111	141	571	248	100
The total number of issued stock	45,155,400	42,655,400	42,155,400	42,155,400	42,155,400	42,155,400

# Consolidated Companies (as of 2016/12/31)



	Japan	China	Asia	Europe and USA	Total
Consolidated subsidiary	12	8	13	4	37
Equity method affiliates	4	3	0	0	7
<b>Total</b>	<b>16</b>	<b>11</b>	<b>13</b>	<b>4</b>	<b>44</b>

## Japan

### Agency :

ADK Arts  
ADK Dialog  
ADK Digital Communications  
ADK International

### Axival

China Stories  
d-rights  
Eiken

### Gonzo

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<