



# 1st Half Results for FY2017

**ASATSU-DK INC.**

August 16, 2017

( 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.
Media	: Magazine, Newspaper, TV, Radio (4 Media) + Digital Media, and OOH Media
Non-Media	: Marketing/Promotion, Creative, and Other



# Consolidated Results

( From January 1, 2017 to June 30, 2017 )

## **Profitability improved continuously but operating income down due to inflated SG&A while net income surge as extra loss take a round**

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### **■ ADK-parent**

- Gross profit continue to grow with better income management
- Inflated commission payment push down operating income slightly

### **■ Domestic subsidiaries**

- A production company performs strongly due to intensified in-house production and a digital firm also grows substantially
- An ad company declines in profit due to postponements of recording
- Content subsidiaries are slower in H1 due to the H2-weighted plan

### **■ Overseas subsidiaries**

- Asia remains strong
- China and EU&US turn around through structural reforms despite difficult circumstances

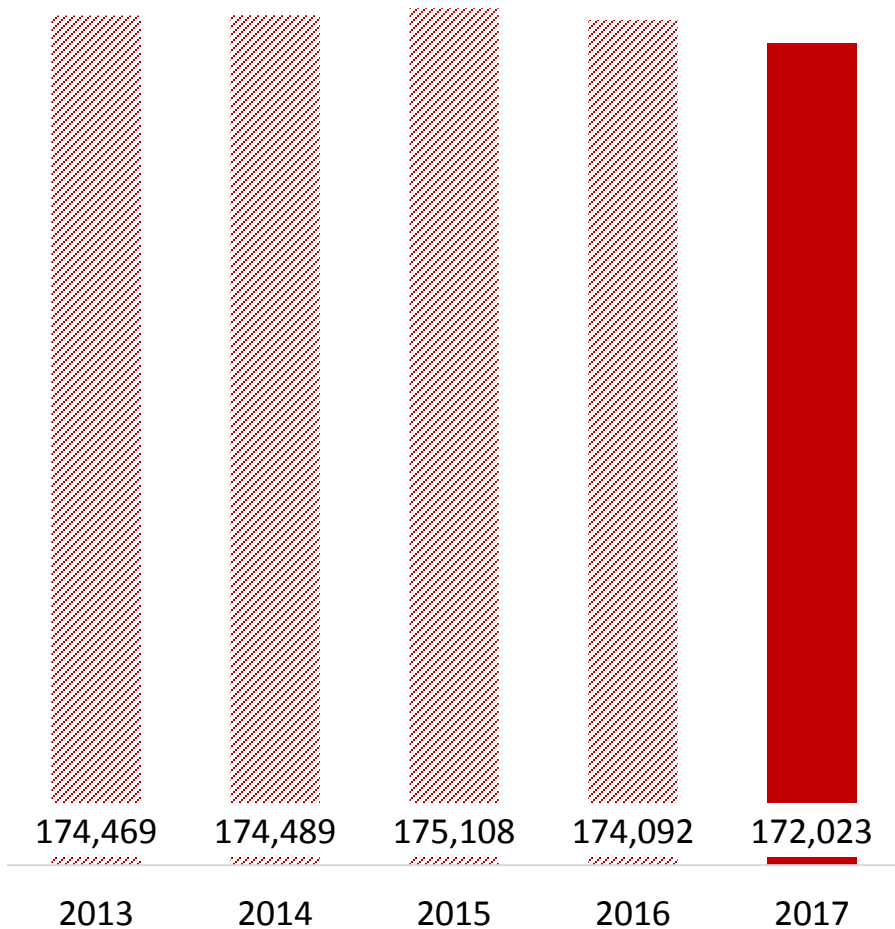
# Consolidated P/L (Summary)



(Millions of yen)

	2016 1H	2017 1H	Increase (decrease)	Y-o-Y Change	( Forecast ) FY2017	Progress to the forecast
Gross Billings	174,092	<b>172,023</b>	(2,068)	-1.2%	354,700	48.5%
Gross Profit	25,672	<b>26,359</b>	686	+2.7%	53,260	49.5%
Operating Income	3,857	<b>3,710</b>	(146)	-3.8%	6,230	59.6%
Ordinary Income	5,555	<b>5,803</b>	248	+4.5%	9,250	62.7%
Profit attributable to owners of parent	1,010	<b>4,296</b>	3,286	+325.1%	5,580	77.0%
Operating Margin	15.0%	<b>14.1%</b>			11.7%	
Staff Cost / Gross Profit	59.0%	<b>57.6%</b>			58.3%	

(Millions of yen)



Results of 1H

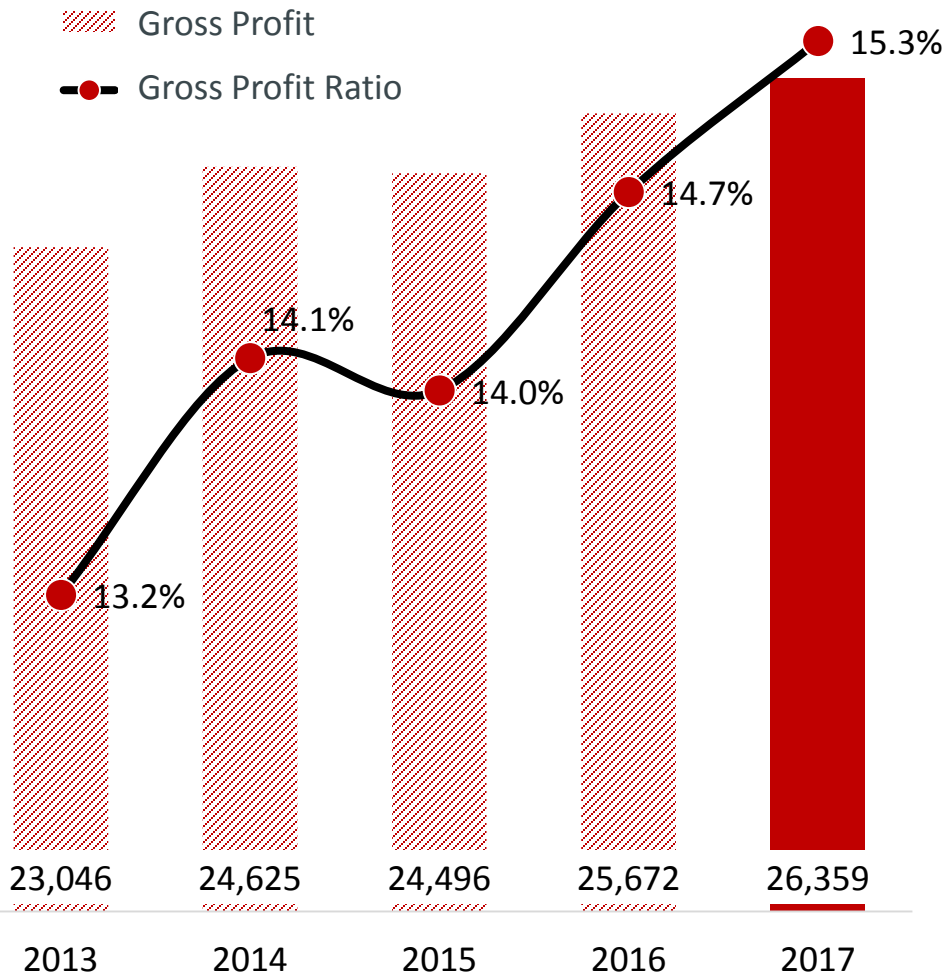
## ■ ADK-parent see Media growth but non-media down

- Media total up 4.7%
- Non-media total down 13.5%

## ■ Subs see growth in revenue

- Digital performs stably
- Ad and medical-oriented companies weakened
- Overseas subs perform almost stably

(Millions of yen)



Results of 1H

## Record profit

- Profit and profit margin grow substantially thanks to income management efforts

## Domestic subs gross profit down slightly

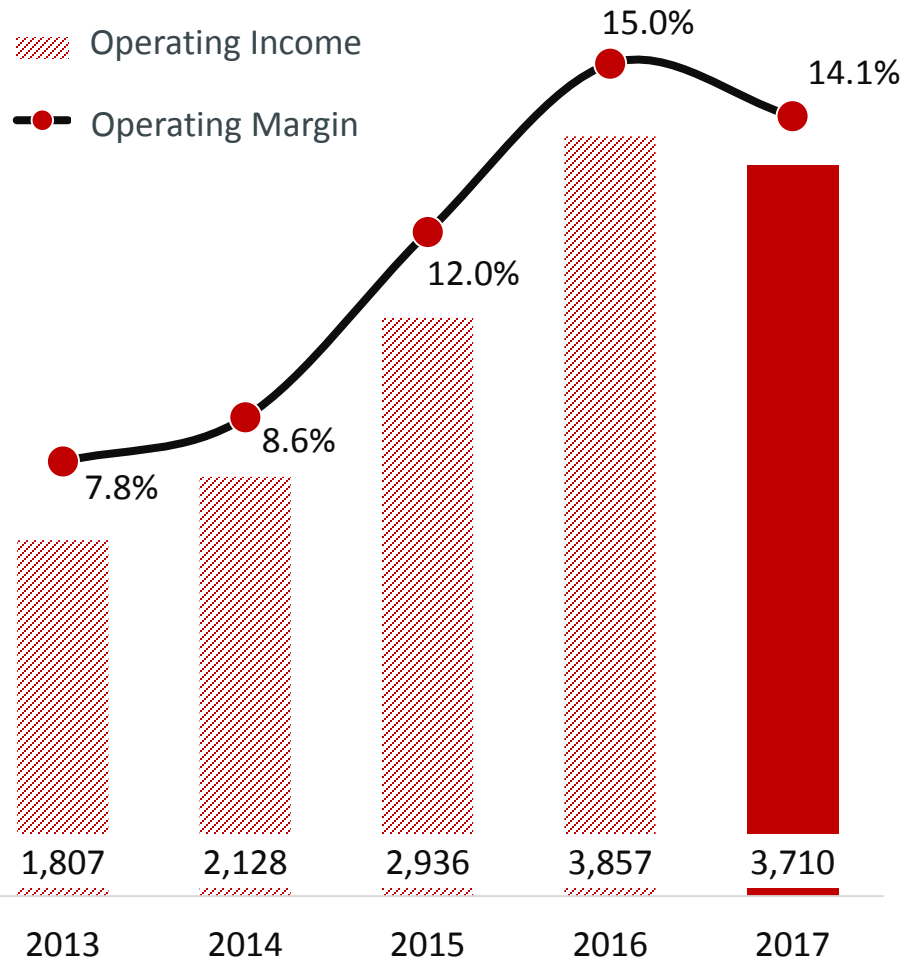
- Production and digital business grow
- Content and advertising weakened

## Overseas subs profit up

- EU&US, Asia, Chana all improve

# Operating Income

(Millions of yen)



Results of 1H

## ■ Operating income slightly down due to Goodwill depreciation and H2-weighted plan of content subsidiaries

- Goodwill depreciation  
FY16H1: 59 ⇒ FY17H1: 358
- Parent SG&A expenses increased due to strengthening human resources

## ■ Subs control SG&A

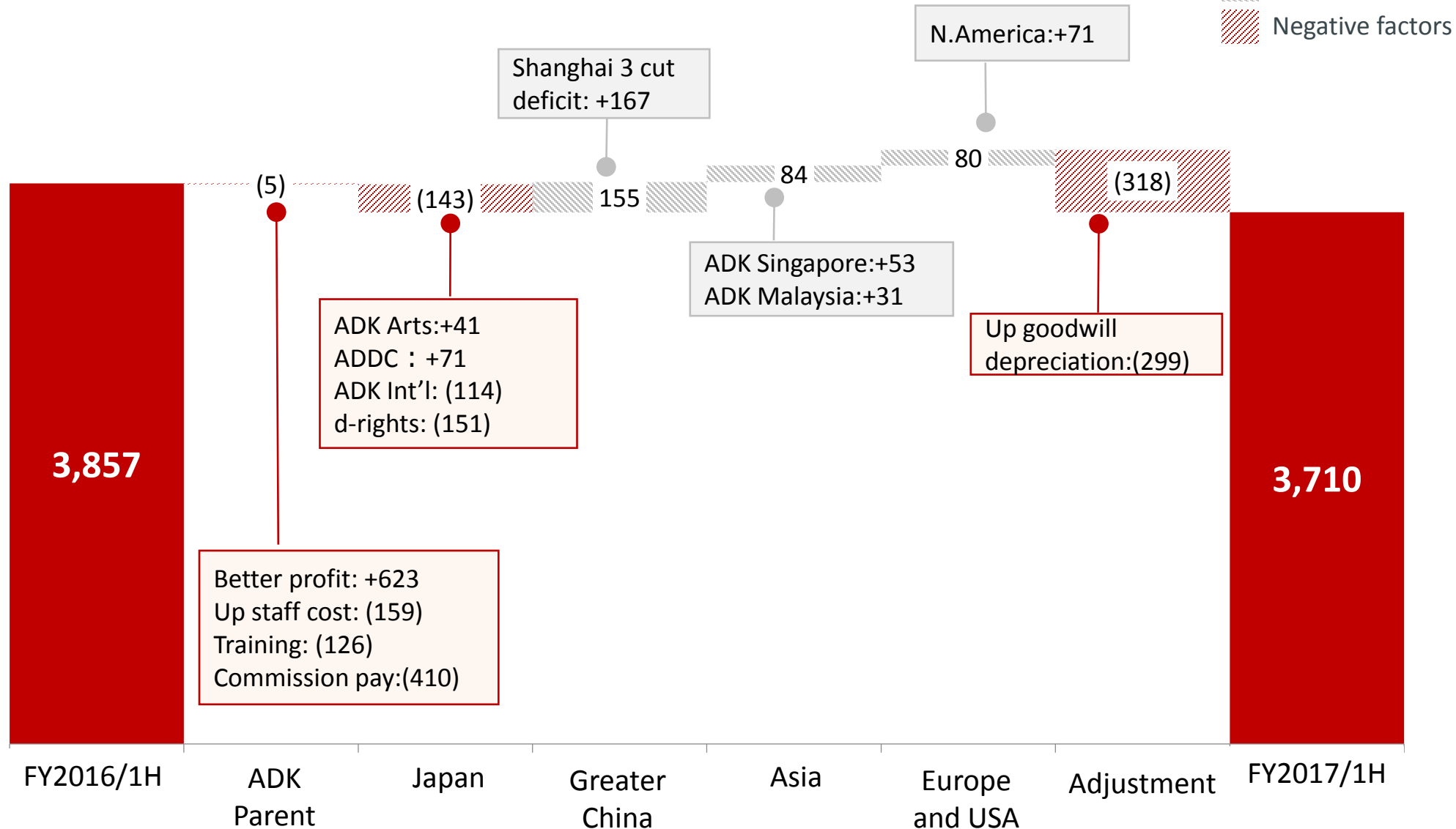
- Domestic: down 1.2%
- Overseas: down 2.5%



# Consolidated OP year-on-year Comparison



(Millions of yen)



# Operating Income – Net Income



(Millions of yen)

	FY2016 1H	FY2017 1H	Increase (Decrease)	Y-o-Y	Main factors
Operating Income	3,857	<b>3,710</b>	(146)	-3.8%	
Non-Operating Income	1,867	<b>2,235</b>			● Dividends received 1,522⇒1,931
(Non-Operating Expenses)	(169)	<b>(141)</b>			
Ordinary Income	5,555	<b>5,803</b>	248	+4.5%	
Extraordinary Income	119	<b>529</b>			
(Extraordinary Loss)	(2,190)	<b>(50)</b>			● Loss on liquidation PY over (1,994)
Income before Income taxes and Minority Interests	3,484	<b>6,283</b>	2,798	+80.3%	
(Income taxes)	(2,423)	<b>(2,043)</b>			● Normalization of tax burden
Net Income	1,060	<b>4,239</b>			
Profit attributable to owners of parent	1,010	<b>4,296</b>	3286	+325.1%	

# Consolidated B/S



Assets	End of 2016/12	End of 2017/6	Increase (Decrease)
Cash and Deposits	19,042	16,907	(2,135)
Notes and Accounts Receivable-trade	81,712	72,414	(9,298)
Short-term Investment Securities	3,678	3,369	(309)
Inventories	5,319	5,470	150
Other	4,467	6,439	1,971
Allowance for Doubtful Accounts	(1,103)	(716)	387
<b>Total Current Assets</b>	<b>113,118</b>	<b>103,885</b>	<b>(9,233)</b>
Property, Plant and Equipment	3,773	3,437	(335)
Intangible Assets	10,118	9,733	(385)
Investments and Other Assets			
Investment Securities	95,313	88,283	(7,030)
Other	5,687	5,621	(66)
Allowance for Doubtful Accounts	(751)	(927)	(175)
Total Investments and Other Assets	100,250	92,977	(7,272)
<b>Total Noncurrent Assets</b>	<b>114,142</b>	<b>106,149</b>	<b>(7,992)</b>
<b>Total Assets</b>	<b>227,260</b>	<b>210,034</b>	<b>(17,225)</b>
<b>Equity Ratio</b>	<b>49.1%</b>	<b>50.8%</b>	
<b>BPS (Yen)</b>	<b>2,674.92</b>	<b>2,577.86</b>	

Liabilities	End of 2016/12	End of 2017/6	Increase (Decrease)
Notes and Accounts Payable-trade	75,688	68,200	(7,488)
Short-term loans payable	459	393	(65)
Current portion of long-term loans payable	1,553	1,506	(47)
Other	13,916	11,486	(2,430)
<b>Total Current Liabilities</b>	<b>91,618</b>	<b>81,586</b>	<b>(10,031)</b>
Net defined benefit liability	20,608	18,630	(1,978)
Deferred tax liabilities	510	534	24
Other	1,298	1,249	(49)
<b>Total Noncurrent Liabilities</b>	<b>22,416</b>	<b>20,415</b>	<b>(2,001)</b>
<b>Total Liabilities</b>	<b>114,034</b>	<b>102,001</b>	<b>(12,033)</b>

Net Assets	End of 2016/12	End of 2017/6	Increase (Decrease)
Capital Stock	37,581	37,581	-
Capital Surplus	11,977	10,822	(1,155)
Retained Earnings	16,260	16,786	525
Treasury shares	(1,205)	(1,055)	150
<b>Total Shareholder's Equity</b>	<b>64,613</b>	<b>64,134</b>	<b>(478)</b>
Valuation Difference on Available-for-sale Securities	45,344	40,900	(4,444)
Deferred Gains or Losses on Hedges	20	0	(20)
Foreign Currency Translation Adjustment	1,155	1,194	38
Remesurements of defined benefit plans	471	466	(4)
Accumulated other comprehensive income	46,992	42,561	(4,431)
<b>Subscription rights to shares</b>	<b>24</b>	<b>150</b>	<b>125</b>
<b>Non-controlling interests</b>	<b>1,595</b>	<b>1,187</b>	<b>(408)</b>
<b>Total Net Assets</b>	<b>113,225</b>	<b>108,033</b>	<b>(5,192)</b>
<b>Total Liabilities and Net Assets</b>	<b>227,260</b>	<b>210,034</b>	<b>(17,225)</b>

# Consolidated Statement of Cash Flows



	2016 1H	2017 1H
Net cash provided by operating activities	6,011	<b>1,985</b>
Income before income taxes	3,484	<b>6,283</b>
Increase (decrease) in provision for bonuses	717	<b>(1,313)</b>
Interest and dividend income	(1,579)	<b>(1,986)</b>
Decrease (increase) in notes and accounts receivable	11,182	<b>9,610</b>
Increase (decrease) in notes and accounts payable	(6,823)	<b>(7,646)</b>
Other	(970)	<b>(2,962)</b>
Net cash provided by investing activities	828	<b>570</b>
Payments into time deposits	(1,104)	<b>(1,313)</b>
Proceeds from withdrawal of time deposits	1,128	<b>1,252</b>
Proceeds from sales of investment securities	54	<b>646</b>
Other	750	<b>(15)</b>
Net cash used in financing activities	(11,152)	<b>(5,239)</b>
Net decrease (increase) in treasury stock	(1,001)	<b>(1,002)</b>
Cash dividends paid	(10,013)	<b>(3,755)</b>
Other	(137)	<b>(482)</b>
Foreign currency translation adjustments on cash and cash equivalents	(1,450)	<b>17</b>
Net increase in cash and cash equivalents	(5,762)	<b>(2,666)</b>
Cash and cash equivalents, beginning of the period	25,924	<b>21,027</b>
Cash and cash equivalents, end of the period	20,318	<b>18,501</b>



# FY12/2017 Forecast

## **No change in consolidated targets announced to the market in the beginning of the year**

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- 60% achievement to the operating income target
- Parent: SG&A expenses including strategic investments is projected to increase but is expected to hit the formal target as profit margin continues to grow
- Domestic subs: A digital and a production companies drive profit while a content firm aims to add up revenue
- Overseas subs: Asia remains strong and EU&US increase growth while China putting emphasis on full-year profitability

# Forecast for FY2017 (Consolidated)



	FY2017				Y-o-Y Change	FY2016 Results
	1H Results	Progress	2H Balance※	Initial Forecast		
Gross Billings	172,023	48.5%	182,677	<b>354,700</b>	+0.6%	352,671
Gross Profit	26,359	49.5%	26,901	<b>53,260</b>	+4.1%	51,182
Gross Profit Ratio	15.3%		14.7%	<b>15.0%</b>		14.5%
(SG&A Expenses)	(22,648)		(24,381)	<b>(47,030)</b>		(45,613)
(Including Staff Cost)	(15,180)		(15,879)	<b>(31,060)</b>		(30,847)
Operating Income	3,710	59.6%	2,520	<b>6,230</b>	+11.9%	5,569
Ordinary Income	5,803	62.7%	3,446	<b>9,250</b>	+6.5%	8,688
Income before Income taxes and Minority Interests	6,283		2,897	<b>9,180</b>		6,266
Profit attributable to owners of parent	4,296	77.0%	1,283	<b>5,580</b>	+134.8%	2,376
Operating Margin	14.1%		9.4%	<b>11.7%</b>		10.9%
Staff Cost / Gross Profit	57.6%		59.0%	<b>58.3%</b>		60.3%

※H2: Differences by deducting H1 actual from the full-year plan released to the market in the year-beginning. Note that ADK does not release a half year projection.

# 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

### ■ **Better profitability and business model transition**

- Build structure to optimize the number of staff and to allocate human resource according to the size & number of jobs
- Transition from “sales representation” to “solution offering”

## Strengthen cooperation between Group companies and business sectors

### ■ Enhance cooperation among the group and sectors

- Acc.Service, Digital, Media and Global divisions work together
- Optimization of the client portfolio group-wise
- Intensify in-house production

## Refine subsidiaries in China, improve content business

### ■ Subsidiaries in China

- Efforts to respond to digitizing market environments underway; shift from “comprehensive agencies” to “specialty agencies”, and hiring talent to realize that

### ■ Content business

- Rights income grow in H2
  - ✓ Royalty from games of existing IPs continues to grow
  - ✓ d-rights expects to increase rights income at the biggest commercial season
- IPs’ horizontal development within the group (game, live events, overseas expansion, other)
  - ✓ GONZO x ADK Arts ⇒ Live events
  - ✓ GONZO x IMMIG ⇒ Distribution business in Asia



# Appendix

# Consolidated P/L



	2016 1H	2017 1H	Increase (decrease)	Y-o-Y Change	( Forecast ) FY2017	Y-o-Y Change
Gross Billings	174,092	<b>172,023</b>	(2,068)	-1.2%	354,700	+0.6%
Gross Profit	25,672	<b>26,359</b>	686	+2.7%	53,260	+4.1%
Gross Profit Ratio	14.7%	<b>15.3%</b>			15.0%	
(SG&A Expenses)	(21,814)	<b>(22,648)</b>			(47,030)	
(Staff Cost)	(15,151)	<b>(15,180)</b>			(31,060)	
Operating Income	3,857	<b>3,710</b>	(146)	-3.8%	6,230	+11.9%
Non-Operating Income	1,867	<b>2,235</b>				
(Non-Operating Expenses)	(169)	<b>(141)</b>				
Ordinary Income	5,555	<b>5,803</b>	248	+4.5%	9,250	+6.5%
Extraordinary Income	119	<b>529</b>				
(Extraordinary Loss)	(2,190)	<b>(50)</b>				
Income before Income taxes and Minority Interests	3,484	<b>6,283</b>	2,798	+80.3%	9,180	+46.6%
(Income taxes)	(2,423)	<b>(2,043)</b>				
Net income	1,060	<b>4,239</b>				
Profit attributable to owners of parent	1,010	<b>4,296</b>	3,286	+325.1%	5,580	+134.8%
Operating Margin	15.0%	<b>14.1%</b>			11.7%	
Staff Cost / Gross Profit	59.0%	<b>57.6%</b>			58.3%	

# Business Trend and Forecast



Consolidated	FY2015						FY2016						FY2017					
	1H			Full Year			1H			Full Year			1H			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	175,108	+0.4%	49.8%	351,956	-0.3%		174,092	-0.6%	49.4%	352,671	+0.2%		172,023	-1.2%	48.5%	354,700	+0.6%	
Gross Profit	24,496	-0.5%		48,824	+0.5%		25,672	+4.8%		51,182	+4.8%		26,359	+2.7%		53,260	+4.1%	
GP Ratio	14.0%			13.9%			14.7%			14.5%			15.3%			15.0%		
(SG&A Exp)	(21,560)	-4.2%		(43,923)	-1.2%		(21,814)	+1.2%		(45,613)	+3.8%		(22,648)			(47,030)	+3.1%	
( Staff Cost )	(14,798)	-2.9%		(29,523)	-1.2%		(15,151)	+2.4%		(30,847)	+4.5%		(15,180)			(31,060)	+0.7%	
Operating Income	2,936	+38.0%	59.9%	4,901	+19.6%		3,857	+31.4%	69.3%	5,569	+13.6%		3,710	-3.8%	59.6%	6,230	+11.9%	
Ordinary Income	5,157	+30.0%	60.0%	8,590	+18.5%		5,555	+7.7%	63.9%	8,688	+1.1%		5,803	+4.5%	62.7%	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%		6,283	+80.3%		9,180	+46.6%	
Profit attributable to owners of parent	3,155	+151.4%	58.8%	5,362	+45.1%		1,010	-68.0%	42.5%	2,376	-55.7%		4,296	+325.1%	77.0%	5,580	+134.8%	
Operating Margin	12.0%			10.0%			15.0%			10.9%			14.1%			11.7%		
Staff Cost/Gross Profit	60.4%			60.5%			59.0%			60.3%			57.6%			58.3%		

Parent	FY2015						FY2016						FY2017					
	1H			Full Year			1H			Full Year			1H			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	153,658	+1.0%	50.1%	306,801	+0.0%		156,275	+1.7%	49.7%	314,389	+2.5%		154,615	-1.1%	48.5%	319,000	+1.5%	
Gross Profit	17,244	-4.7%		32,925	-5.0%		18,807	+9.1%		36,216	+10.0%		19,430	+3.3%		37,000	+2.2%	
GP Ratio	11.2%			10.7%			12.0%			11.5%			12.6%			11.6%		
(SG&A Exp)	(14,728)	-8.5%		(29,942)	-5.0%		(15,387)	+4.5%		(32,233)	+7.7%		(16,016)	+4.1%		(32,600)	+1.1%	
( Staff Cost )	(9,756)	-8.4%		(19,303)	-6.1%		(10,452)	+7.1%		(21,410)	+10.9%		(10,612)	+1.5%		(21,275)	-0.6%	
Operating Income	2,515	+26.2%	84.3%	2,983	-4.7%		3,419	+35.9%	85.9%	3,982	+33.5%		3,414	-0.2%	77.6%	4,400	+10.5%	
Ordinary Income	4,716	+22.1%	42.4%	11,112	+86.8%		6,162	+30.6%	77.2%	7,987	-28.1%		6,082	-1.3%	79.2%	7,680	-3.9%	
Income before Income taxes	5,044	+100.0%		12,124	+116.1%		6,803	+34.9%		8,353	-31.1%		6,572	-3.4%		7,680	-8.1%	
Net Income	3,284	+113.0%	34.3%	9,577	+174.9%		4,703	+43.2%	86.5%	5,440	-43.2%		4,792	+1.9%	95.8%	5,000	-8.1%	
Operating Margin	14.6%			9.1%			18.2%			11.0%			17.6%			11.9%		
Staff Cost/Gross Profit	56.6%			58.6%			55.6%			59.1%			54.6%			57.5%		

# Consolidated P/L (by region)



Upper : FY2017 1H Lower : FY2016 1H Number of subsidiaries		Gross Billings	Y-o-Y	Gross Profit	Y-o-Y	Operating Income	Y-o-Y
ADK(Parent)		<b>154,615</b>	-1.1%	<b>19,430</b>	+3.3%	<b>3,414</b>	-0.2%
		156,275	+1.7%	18,807	+9.1%	3,419	+35.9%
Japan	12	<b>27,725</b>	+1.5%	<b>4,255</b>	-4.3%	<b>224</b>	-38.9%
	13	27,307	+9.2%	4,448	+4.7%	367	+463.9%
Greater China	8	<b>5,374</b>	+17.4%	<b>1,078</b>	+12.3%	<b>52</b>	-
	8	4,577	-27.6%	960	-25.5%	(103)	-
Asia	13	<b>6,096</b>	+4.1%	<b>1,411</b>	+8.2%	<b>378</b>	+28.6%
	13	5,856	-24.3%	1,304	-18.6%	294	-32.0%
Europe and USA	4	<b>1,850</b>	-2.4%	<b>328</b>	+11.6%	<b>38</b>	-
	4	1,895	-19.1%	294	-6.2%	(41)	-
Consolidation Adjustment		<b>(23,638)</b>		<b>(145)</b>		<b>(398)</b>	
		(21,821)		(144)		(79)	
Total		<b>172,023</b>	-1.2%	<b>26,359</b>	+2.7%	<b>3,710</b>	-3.8%
		174,092	-0.6%	25,672	+4.8%	3,857	+31.4%

# Non-Consolidated Gross Billings by Sector



	FY2016 1H		FY2017 1H		Y-on-Y	
	G Billings	Composition	G Billings	Composition	Inc/Dec	Inc/Dec%
Energy/Material/ machinery	1,638	1.0%	1,876	1.2%	238	+14.5%
Food	16,182	10.4%	17,440	11.3%	1,258	+7.8%
Beverage/Tobacco	10,396	6.7%	9,480	6.1%	(915)	-8.8%
Pharma/Medical supplies	8,887	5.7%	7,119	4.6%	(1,768)	-19.9%
Cosmetics/Toiletry	14,502	9.3%	14,052	9.1%	(449)	-3.1%
Apparel/Jewelry	6,306	4.0%	6,190	4.0%	(116)	-1.8%
Precision machinery/Office supplies	1,799	1.2%	1,354	0.9%	(444)	-24.7%
Home appliances/AV equipment	1,233	0.8%	1,576	1.0%	343	+27.8%
Automobile/Automobile-related Products	10,095	6.5%	6,457	4.2%	(3,637)	-36.0%
Household Goods	454	0.3%	574	0.4%	119	+26.2%
Hobbies/Sport Goods	9,685	6.2%	11,007	7.1%	1,322	+13.7%
Real Estate/Housing	5,641	3.6%	5,464	3.5%	(177)	-3.2%
Publishing	1,376	0.9%	1,218	0.8%	(157)	-11.4%
Information/Communication	16,518	10.6%	18,818	12.2%	2,300	+13.9%
Distribution/Retail	12,502	8.0%	12,708	8.2%	205	+1.6%
Finance/Insurance	13,212	8.5%	13,070	8.5%	(141)	-1.1%
Transportation/Leisure	4,731	3.0%	4,552	2.9%	(179)	-3.8%
Restaurants/Other service	4,873	3.1%	6,827	4.4%	1,953	+40.1%
Government/Organizations	6,031	3.9%	4,445	2.9%	(1,586)	-26.3%
Education/Medical Service/Religion	3,761	2.4%	2,761	1.8%	(1,000)	-26.6%
Signage/Other	6,444	4.1%	7,617	4.9%	1,173	+18.2%
<b>Total</b>	<b>156,275</b>	<b>100.0%</b>	<b>154,615</b>	<b>100.0%</b>	<b>(1,660)</b>	<b>-1.1%</b>



# Non-Consolidated Gross Billings by Media

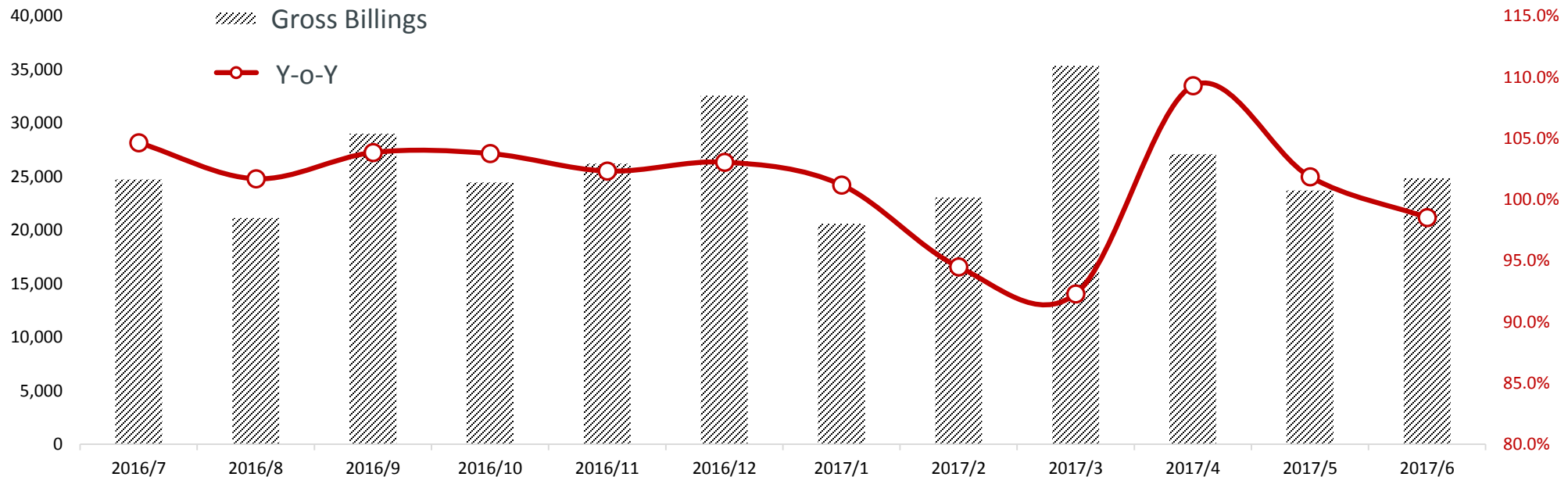


	FY2016 1H		FY2017 1H		Y-on-Y	
	G Billings	Composition	G Billings	Composition	Inc/Dec	Inc/Dec%
Magazine	5,753	3.7%	<b>5,485</b>	<b>3.5%</b>	(268)	-4.7%
Newspaper	9,797	6.3%	<b>9,616</b>	<b>6.2%</b>	(180)	-1.8%
TV	74,036	47.4%	<b>77,316</b>	<b>50.0%</b>	3,280	+4.4%
Time	26,273	16.8%	<b>27,616</b>	<b>17.9%</b>	1,343	+5.1%
Spot	40,493	25.9%	<b>40,801</b>	<b>26.4%</b>	308	+0.8%
Content	7,268	4.7%	<b>8,897</b>	<b>5.8%</b>	1,629	+22.4%
Radio	1,759	1.1%	<b>1,479</b>	<b>1.0%</b>	(279)	-15.9%
<b>4 Media</b>	<b>91,346</b>	<b>58.5%</b>	<b>93,898</b>	<b>60.7%</b>	2,551	+2.8%
Digital Media	10,017	6.4%	<b>12,449</b>	<b>8.1%</b>	2,431	+24.3%
OOH Media	5,448	3.5%	<b>5,491</b>	<b>3.6%</b>	43	+0.8%
Marketing/Promotion	29,617	19.0%	<b>24,344</b>	<b>15.7%</b>	(5,272)	-17.8%
Creative	18,647	11.9%	<b>17,236</b>	<b>11.1%</b>	(1,411)	-7.6%
Other	1,198	0.8%	<b>1,194</b>	<b>0.8%</b>	(3)	-0.3%
Except for 4 Media	64,929	41.5%	<b>60,716</b>	<b>39.3%</b>	(4,212)	-6.5%
<b>Total</b>	<b>156,275</b>	<b>100.0%</b>	<b>154,615</b>	<b>100.0%</b>	(1,660)	-1.1%

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



	2016/7	2016/8	2016/9	2016/10	2016/11	2016/12	2017/1	2017/2	2017/3	2017/4	2017/5	2017/6
<b>Gross Billings</b>	24,734	21,124	29,012	24,460	26,213	32,568	20,587	23,058	35,337	27,082	23,707	24,842
Magazine	765	918	1,356	1,097	1,225	991	501	814	1,370	1,000	896	901
Newspaper	1,115	1,066	1,275	1,750	2,057	1,956	1,690	1,491	1,999	1,773	1,255	1,406
TV	12,666	11,170	12,088	11,922	13,043	16,581	11,754	11,796	14,675	14,124	13,075	11,890
Radio	263	271	306	243	295	372	236	234	302	235	228	242
Digital Media	1,560	1,518	1,851	1,707	1,801	2,068	1,459	1,982	2,816	2,118	2,068	2,004
OOH Media	720	523	976	701	515	894	845	895	1,388	911	634	815
Marketing/Promotion	4,952	3,380	7,362	4,175	4,278	6,143	2,418	3,117	8,134	3,035	3,203	4,435
Creative	2,517	2,106	3,452	2,689	2,799	3,332	1,485	2,547	4,403	3,696	2,180	2,924
Others	173	166	343	173	195	226	195	179	246	186	165	222



# Consolidated Marketable Securities Update



		End of 2016/12		End of 2017/6	
Current	■ Short-term investment securities				
	Public and corporate bonds in investment trust	0		0	
	Bonds	0		0	
	Investment trust, other	3,678	4 Brands	3,369	4 Brands
	<b>Total Current</b>	<b>3,678</b>		<b>3,369</b>	
Non current	■ Investment Securities	95,313		88,283	
	Listed stock	91,523		85,127	
	WPP plc	81,271	31,295,646 shares (2.4%)	73,640	31,295,646 shares (2.4%)
	Other listed shares	10,252	67 Brands	11,487	67 Brands
	Unlisted stock	3,756		3,139	
	Affiliates' shares	1,727	7 Brands	1,328	7 Brands
	Subsidiaries' shares	347	8 Brands	150	6 Brands
	Other unlisted shares	1,681	55 Brands	1,660	52 Brands
	Bonds	0		0	
	Investment trust, other	34	2 Brands	16	1 Brands
	■ Other				
Related companies' stake	181	5 Brands	187	7 Brands	
Stake	38	6 Brands	38	8 Brands	
	<b>Total Noncurrent</b>	<b>95,533</b>		<b>88,509</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 FY2017 1H</b>	<b>3,710</b>	<b>5,803</b>	<b>4,296</b>
<b>(B)</b>	Forex impact in overseas affiliates	7	10	9
<b>(C)</b>	Forex impact on dividends paid by WPP stock	-	(124)	(90)
<b>(B)+(C)=(D)</b>	<b>Total Forex Impact</b>	<b>7</b>	<b>(113)</b>	<b>(81)</b>
	As proportion of Profit (D)/(A)	+0.2%	-2.0%	-1.9%
<b>(E)</b>	<b>Impact incurred by newly consolidation*</b>	<b>(7)</b>	<b>(7)</b>	<b>(7)</b>
	As proportion of Profit (E)/(A)	-0.2%	-0.1%	-0.2%
<b>(D)+(E)=(F)</b>	<b>Total Impact incurred by forex fluctuations + newly consolidation</b>	<b>(0)</b>	<b>(121)</b>	<b>(89)</b>
	As proportion of Profit (F)/(A)	-0.0%	-2.1%	-2.1%

FX Rate	FY2016 2Q	FY2017 2Q
USD/JPY	111.70	112.34
EUR/JPY	124.51	121.66
GBP/JPY	152.85	142.15
THB/JPY	3.15	3.24
RMB/JPY	17.05	16.39

\* 1 companies were newly consolidated for FY2017

# Consolidated companies (as of 2017/6/30)



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

## Japan

### Absolute one

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

## 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 Service

### 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<