

Overview of First Half Results for the Year Ending December 31, 2015 [Japanese GAAP] (Consolidated)



August 13, 2015

Company Name ASATSU-DK INC. Exchange : Tokyo Stock Exchange First Section
 Securities Code 9747 URL : <http://www.adk.jp/en/>
 Representative Shinichi Ueno, President and Group CEO
 Contact Person Fuminori Unosawa, Department Director, Finance Department, Finance Division Tel:+81-3-6830-3867
 Inquiries in English Kaori Nakajima, Department Director, Office of Corporate Communications Tel:+81-3-6830-3855
 Filing date of the Quarterly Report: August 14, 2015 Date of dividend payment: September 14, 2015
 Supplementary information for financial results : Available
 Organization of financial results briefing : August 18, 2015 (for institutional investors and analysts)

(Unit: millions of yen, Rounded down under 1 million yen)

1. The First Six Months Consolidated Results (January 1, 2015 to June 30, 2015)

(1) Consolidated Operating Results

(Percentages shown for Gross Billings, Operating Income, Ordinary Income and Net Income represent increase/decrease from those in the corresponding period of the previous year.)

| | Gross Billings | | Operating Income | | Ordinary Income | | Net Income | |
|---------------|-----------------|-----|------------------|------|-----------------|------|-----------------|--------|
| | millions of yen | % | millions of yen | % | millions of yen | % | millions of yen | % |
| Jun. 30, 2015 | 175,108 | 0.4 | 2,936 | 38.0 | 5,157 | 30.0 | 3,155 | 151.4 |
| Jun. 30, 2014 | 174,489 | 0.0 | 2,128 | 17.7 | 3,966 | 17.3 | 1,255 | (40.6) |

(Notes) Comprehensive income

at June 30, 2015: 10,647 million yen (—%), at June 30, 2014 : (1,312) million yen (—%)

| | Net Income per Share | Fully Diluted Net Income per Share |
|---------------|----------------------|------------------------------------|
| | Yen | Yen |
| Jun. 30, 2015 | 75.34 | 75.29 |
| Jun. 30, 2014 | 30.01 | 29.98 |

(2) Consolidated Financial Position

| | Total Assets | Net Assets | Shareholder's Equity Ratio |
|---------------|-----------------|-----------------|----------------------------|
| | millions of yen | millions of yen | % |
| Jun. 30, 2015 | 228,313 | 123,607 | 53.6 |
| Dec. 31, 2014 | 243,317 | 134,999 | 55.1 |

(Reference) Shareholders' equity: June 30, 2015:122,283 million yen, December 31, 2014: 134,184 million yen

2. Dividend Information

| | Annual Dividend per Share | | | | |
|-----------------------|---------------------------|-----------------|-----------------|-----------------|--------|
| | 1st quarter end | 2nd quarter end | 3rd quarter end | Fiscal year end | Total |
| | Yen | Yen | Yen | Yen | Yen |
| Fiscal 2014(Actual) | — | 10.00 | — | 561.00 | 571.00 |
| Fiscal 2015(Actual) | — | 10.00 | — | — | — |
| Fiscal 2015(Forecast) | — | — | — | — | — |

(Notes) Revisions from the most recent dividend forecasts : No

The year-end dividend for FY 2014 consists of the ordinary dividend of 35 yen per share and extraordinary dividend of 526 yen per share.

The sum of the year-end dividend for FY 2015 is undecided (But it is 10 yen or more per share).

3. Forecast of Consolidated results Fiscal 2015 (January 1, 2015 to December 31, 2015)

(Percentages shown for Gross Billings, Operating Income, Ordinary Income and Net Income represent increase/decrease from those in the corresponding period of the previous year.)

| | Gross Billings | | Operating Income | | Ordinary Income | | Net Income | | Net Income per share |
|-----------|-----------------|-----|------------------|------|-----------------|-----|-----------------|------|----------------------|
| | millions of yen | % | millions of yen | % | millions of yen | % | millions of yen | % | Yen |
| Full-year | 358,000 | 1.4 | 4,800 | 17.2 | 7,770 | 7.1 | 4,750 | 28.5 | 113.14 |

(Notes) Revisions from the most recent forecasts: No

* Notes

(1) Changes in the Scope of Consolidation and Application of the Equity Method : No.
 New — Companies (Company Name) Except — Companies (Company Name)

(2) Is there any accounting treatment particular to the quarterly financial statements? : Yes.

(3) Changes to accounting policy, changes to accounting estimates, or restatements

1. Changes due to revisions to accounting standards, etc. : Yes.
2. Changes other than 1: : No.
3. Changes in accounting estimates : No.
4. Restatements : No.

(4) Number of outstanding stocks

| | | | | |
|---|------------------|----------------------|----------------------|----------------------|
| 1. Number of outstanding stocks (including treasury stock) issued, end of term | at June 30, 2015 | 42,155,400 shares | at December 31, 2014 | 42,155,400 shares |
| 2. Number of treasury stock, end of term | at June 30, 2015 | 82,082 shares | at December 31, 2014 | 286,576 shares |
| 3. Avg. number of shares (consolidated) outstanding during the terms ended | at June 30, 2015 | 41,890,921 shares | at June 30, 2014 | 41,834,854 shares |

(Notes)The Company has introduced an "ESOP Trust Utilizing Employee Shareholding Association," and the shares owned by this ESOP are reported as "treasury stock" in the quarterly consolidated financial statements. Consequently, shares owned by this ESOP are included in the number of shares of treasury stock outstanding at the period end above, and there were 0 shares and 206,000 shares at the end of the first half and at the end of the previous fiscal year, respectively.

* Implementation status of quarterly review procedures

This quarterly consolidated financial results report is exempt from quarterly review procedures in accordance with the Financial Instruments and Exchange Act. At the time of disclosure of this quarterly consolidated financial results report, the review procedures for quarterly consolidated financial statements have not finished.

* Appropriate use of business forecasts and other special matters

The business forecasts and future prospects in this document are made based on information currently available and contain potential risks and uncertainties. As such, actual business results may significantly differ from those expressed or implied in the forecasts due to changes in various factors.

Refer to "1.Consolidated Results for the First Half of Fiscal 2015 (3) Forecasts for Fiscal 2015" on page 5 for the suppositions that form the assumptions for the business forecasts and cautions concerning the use thereof.

Contents

| | Page |
|--|------|
| 1. Consolidated Results for the First Half of Fiscal 2015 | 2 |
| (1) Overview of Operating Results | 2 |
| (2) Financial Position | 5 |
| (3) Forecasts for Fiscal 2015 | 5 |
| 2. Matters relating to Summary Information (Notes) | 6 |
| (1) Changes in Significant Subsidiaries during the Period | 6 |
| (2) Adoption of Special Accounting Treatments for Quarterly Consolidated Financial Statements | 6 |
| (3) Changes in Accounting Policies, Changes in Accounting Estimates and Restatements | 6 |
| 3. Consolidated Financial Statements | 7 |
| (1) Consolidated Balance Sheets | 7 |
| (2) Consolidated Income Statements and Consolidated Comprehensive Income Statements | 9 |
| (3) Notes to Consolidated Financial Statements | 11 |
| (Items related to going concern assumption) | 11 |
| (Notes on significant changes in the amount of shareholders' equity) | 11 |
| (Segment Information) | 11 |
| (Material Subsequent Events) | 12 |

1. Consolidated Results for the First Half of Fiscal 2015

(1) Overview of Operating Results

During the current first two quarters (from January 1, 2015 to June 30, 2015), the Japanese economy experienced higher stock prices and a sustained weaker yen, and improvements in corporate earnings, backed up by on-going economic measures and monetary policies introduced by the government and the Bank of Japan albeit external factors of debt crisis in Europe and the turmoil in the China stock market. While at the same time, the employment environment was gradually improving and pay increase was seen in an increasing number of companies. Consumer spending, which had been sluggish due to a consumption tax hike a year ago and price rise, showed a sign of gradual recovery.

According to the “Current Survey of Selected Service Industries” by the Ministry of Economy, Trade and Industry, total gross billings in the advertising industry in 2015 is almost steadily performing with the accumulated billings up to May exceeding that of the corresponding period of previous year.

Amid these circumstances, the ADK group, under its “VISION 2020”, aiming for transformation to a “Consumer Activation Company”, which not only delivers messages via advertisements but encourages consumers to take specific actions, thereby contributing to clients’ business performance, has set the stage of the foundation establishment and structural reform deemed to complete by the end of 2016, and the stage of the accelerated growth for the period from 2017 to 2020. To realize the group objectives, in the first half of 2015, ADK, the parent company of the group, continued to enhance the solution base and the income management structure while as the group we stepped up our efforts to build the group foundation and structural reform including further in-house production, infra-sharing and cost-control.

As a result of those efforts, the Group reported gross billings of ¥175,108 million, up 0.4% from the previous corresponding period. Gross profit was down 0.5% to ¥24,496 million, while operating income increased 38.0% to ¥2,936 million. Ordinary income grew 30.0% to ¥5,157 million with the addition of ¥2,335 million non-operating income from dividend received, etc., and ¥114 million non-operating expenses. Income before income taxes and minority interests for the first six months increased 118.9% to ¥5,446 million with extraordinary profit of ¥406 million and extraordinary loss shrinking to ¥117 million as a result of decreased office relocation cost while the net income for the six months expanded 151.4% to ¥3,155 million.

Performance by Business Segment

(Advertising Business)

Gross billings to customers amounted to ¥172,992 million during the first half under review, up 0.4% from the previous corresponding period, and segment income increased 25.0% to ¥2,986 million.

Although gross billings were flat for overall domestic business, operating profit grew, thanks to increased placements for television advertisements, a turnaround in profit margin by a creative subsidiary and a strong growth by a digital subsidiary.

While overseas business saw a rise both in revenue and profit as Asian subsidiaries, particularly those in Thai and Singapore, continued to perform healthy, offsetting poor performance in companies in the US and China. All overseas billings are generated from advertising business, which represents 8.3% (as opposed to 8.2% in 2014) of the consolidated billings during the period under review.

ADK, which forms the core of the ADK Group, reported gross billings of ¥153,658 million, up 1.0% from the previous year. Gross profit was down 4.7% to ¥17,244 million with operating income of ¥2,515 million, up 26.2% on a year-on-year basis. Although billings grew as a result of increased placements for television and digital advertisements, gross profit declined because of a fall in profit margin. Yet further efforts to control selling, general and administrative expenses including controlling rent and payroll boosted up operating profit, compensating for a gross profit decline.

Broken down by client business, ADK posted increases in gross billings from clients in such industries as Information/Communication, Beverages/Tobacco, Real Estate/Housing, Food, Automobile/Automobile-related Products sectors. However, gross billings declined from clients in such industries as Distribution/Retail, Finance/Insurance, Cosmetics/Toiletry, Government/Organizations, Restaurants/Other service sectors.

Non-consolidated Performance by Clients business

| Breakdown by Clients business | Gross Billings (Millions of Yen) | Composition (%) | Y-o-Y change (%) |
|---|-------------------------------------|--------------------|---------------------|
| Energy/Material/ Machinery | 1,429 | 0.9 | 24.9 |
| Food | 12,927 | 8.4 | 4.9 |
| Beverage/Tobacco | 14,330 | 9.3 | 17.7 |
| Pharma/Medical supplies | 7,304 | 4.8 | (2.5) |
| Cosmetics/Toiletry | 15,078 | 9.8 | (7.4) |
| Apparel/Jewelry | 6,282 | 4.1 | 8.7 |
| Precision machinery/Office supplies | 1,616 | 1.1 | 10.1 |
| Home appliances/AV equipment | 1,063 | 0.7 | 30.2 |
| Automobile/Automobile-related Products | 10,001 | 6.5 | 5.9 |
| Household Goods | 801 | 0.5 | 90.8 |
| Hobbies/Sport Goods | 9,245 | 6.0 | (3.2) |
| Real Estate/Housing | 4,909 | 3.2 | 21.0 |
| Publishing | 1,422 | 0.9 | (12.9) |
| Information/Communication | 16,743 | 10.9 | 17.0 |
| Distribution/Retail | 12,254 | 8.0 | (11.9) |
| Finance/Insurance | 13,484 | 8.8 | (8.4) |
| Transportation/Leisure | 4,231 | 2.8 | (0.4) |
| Restaurants/Other service | 4,462 | 2.9 | (17.8) |
| Government/Organizations | 7,057 | 4.6 | (13.9) |
| Education/Medical Service/Religion | 3,240 | 2.1 | (7.1) |
| Signage/Other | 5,770 | 3.8 | 8.9 |
| Total | 153,658 | 100.0 | 1.0 |

The English translation is for reference purpose only. If there is any discrepancy between this English translation and the Japanese original version, the Japanese original version shall prevail.

Broken down by business discipline, gross billings in TV, Digital Media, OOH Media, Creative, Radio, and Magazine experienced an increase over the previous year but in other segments gross billings declined on a year on year basis.

Non-consolidated Performance by Discipline

| Breakdown by Discipline | | Gross Billings (Millions of Yen) | Composition (%) | Y-o-Y change (%) | Main clients business industries (Top: increased industries, Bottom: decreased industries) |
|-------------------------|-------------------------|-------------------------------------|--------------------|--|--|
| Media | Magazine | 6,317 | 4.1 | 0.6 | Apparel/Jewelry, Hobbies/Sport Goods, Real Estate/Housing |
| | | | | | Beverage/Tobacco, Information/Communication, Government/Organizations |
| | Newspaper | 9,824 | 6.4 | (2.9) | Transportation/Leisure, Government/Organizations, Distribution/Retail |
| | | | | | Cosmetics/Toiletry, Education/Medical Service/Religion, Automobile/Automobile-related Products, |
| | TV | 72,684 | 47.3 | 3.2 | Information/Communication, Real Estate/Housing, , Food |
| | | | | | Finance/Insurance, Cosmetics/Toiletry, Hobbies/Sport Goods |
| | Program | 27,744 | 18.1 | 4.3 | Hobbies/Sport Goods, Information/Communication, Real Estate/Housing |
| | | | | | Government/Organizations, Food, Home appliances/AV equipment |
| | Spot | 37,968 | 24.7 | 0.5 | Food, Information/Communication, Automobile/Automobile-related Products |
| | | | | | Distribution/Retail, Finance/Insurance, Hobbies/Sport Goods |
| Content | 6,970 | 4.5 | 14.9 | Food, Distribution/Retail, Government/Organizations | |
| | | | | Hobbies/Sport Goods, Pharma/Medical supplies, Automobile/Automobile-related Products | |
| Radio | 1,495 | 1.0 | 4.5 | Pharma/Medical supplies, Automobile/Automobile-related Products, Food | |
| | | | | Transportation/Leisure, Education/Medical Service/Religion, Restaurants/Other service | |
| Digital Media | 8,328 | 5.4 | 15.4 | Information/Communication, Automobile/Automobile-related Products, Distribution/Retail | |
| | | | | Restaurants/Other service, Cosmetics/Toiletry, Hobbies/Sport Goods, | |
| OOH Media | 4,171 | 2.7 | 7.3 | Information/Communication, Publishing, Distribution/Retail | |
| | | | | Pharma/Medical supplies, Restaurants/Other service, Finance/Insurance | |
| Sub-total | | 102,821 | 66.9 | 3.5 | Information/Communication, Real Estate/Housing, Food Cosmetics/Toiletry, Finance/Insurance, Hobbies/Sport Goods |
| Non-Media | Marketing and Promotion | 29,419 | 19.1 | (5.5) | Beverage/Tobacco, Hobbies/Sport Goods, Apparel/Jewelry |
| | | | | | Distribution/Retail, Finance/Insurance, Government/Organizations, |
| | Creative | 18,673 | 12.2 | 0.5 | Beverage/Tobacco, Information/Communication, Real Estate/Housing, |
| | | | | | Distribution/Retail, Restaurants/Other service, Transportation/Leisure |
| Others | 2,743 | 1.8 | (11.4) | Information/Communication, Cosmetics/Toiletry, Automobile/Automobile-related Products | |
| | | | | Government/Organizations, Pharma/Medical supplies, Distribution/Retail | |
| Sub-total | | 50,837 | 33.1 | (3.7) | Beverage/Tobacco, Information/Communication, Hobbies/Sport Goods Distribution/Retail, Government/Organizations, Finance/Insurance |
| Total | | 153,658 | 100.0 | 1.0 | Information/Communication, Beverage/Tobacco, Real Estate/Housing, Distribution/Retail, Finance/Insurance, Cosmetics/Toiletry |

(Notes) 1. Because we offer integrated solutions, data may not represent gross billings exactly by media.

2. Content includes Animation, Culture and Sports Marketing, etc.

3. Digital Media includes Internet and Mobile-related media.

(Digital Solutions, such as Website Creation and System Development are included in “Marketing and Promotion”.)

4. OOH (Out of Home) Media includes transportation and outdoor advertising and insertions.

5. Marketing and Promotion includes Marketing, Communication Planning, Promotion, Events, PR, Exposition events and Digital Solutions, etc.

(Other Business)

In other business, gross billings to customers amounted to ¥2,115 million, down 2.1% year-on-year, and the segment loss amounted to ¥47 million, compared with ¥260 million loss in the previous corresponding period.

In an environment where it is hard to generate profit in its main business of publication and sales of books and magazines with the contraction in the overall publishing market, the business posted operating loss. Yet the size of loss became smaller compared to the same period the previous year through efforts to cut the cost of goods and optimize the volume of distribution as well as ongoing effort to control SG&A expenses.

(2) Financial Position

The consolidated financial position as of the end of previous accounting year (December 31, 2014) in comparison with the end of the current consolidated first two quarters are as follows.

Total assets amounted to ¥228,313 million, down ¥15,004 million from the previous consolidated fiscal year-end, mainly due to a decrease in bill receivables and account receivables, also a decrease in cash and deposit as a result of dividend payment although the value of investment securities increased stemming from a rise of their market value. Total liabilities were also down ¥3,612 million to ¥104,705 million from a year earlier, mainly due to a decrease in bill payables and account payables. Total net assets amounted to ¥123,607 million, and the shareholder's equity ratio, when excluding minority equity and equity warrant, was 53.6%.

(3) Forecasts for Fiscal 2015

During the current first two quarters (from January 1, 2015 to June 30, 2015), the business performed strongly against the initial full-year forecasts with the achievement of 60%, exceeding the results of the previous corresponding year. Although we need to see with caution whether or not the consumption spending continues to improve in the third quarter on, we still anticipate that the Japanese economy will maintain its upward momentum, thus, the advertising market will move strongly in the medium- and long-term.

For those reasons, we have not changed the consolidated business forecasts which we released on February 13, 2015.

We continue our efforts to further grow the business by promoting development and provision of solutions that capture changes in the media environment and consumer behaviors, ensuring to improve competitive edge and profitability.

2. Matters relating to Summary Information (Notes)

(1) Changes in Significant Subsidiaries during the Period

Not Applicable.

(2) Adoption of Special Accounting Treatments for Quarterly Consolidated Financial Statements

(Calculation of tax expenses)

Tax expenses for the period are calculated by using the effective tax rate, which is estimated rationally based on the estimated annual consolidated income before tax after applying deferred tax accounting, and applying that effective tax rate to income before income taxes for the quarter.

(3) Changes in Accounting Policies, Changes in Accounting Estimates and Restatements

(Change in accounting policy)

Effective from the first quarter of the fiscal year ending December 31, 2015, the Group has adopted Article 35 of the “Accounting Standard for Retirement Benefits” (ASBJ Statement No. 26 of May 17, 2012; the “Accounting Standard for Retirement Benefits”) and Article 67 of “Guidance on Accounting Standard for Retirement Benefits” (ASBJ Guidance No. 25 of March 26, 2015; the “Guidance on Retirement Benefits”). Therefore, the Group has changed the calculation methods for retirement benefit obligations and current service costs, and has changed the method of attributing estimated retirement benefits to periods from the straight-line basis to the benefit formula basis. In addition, the Group has changed the method of determining the discount rate from using the bond rate determined by reference to the terms closely related to average remaining working lives of the employees, to using a single weighted average discount rate that reflects the estimated timing and amount of benefit payments.

With regard to the application of the Accounting Standard for Retirement Benefits, in accordance with the transitional accounting treatments as stated in Article 37 of the Accounting Standard for Retirement Benefits, the Group has reflected the effect of changing the determination of retirement benefit obligations and current service costs in retained earnings at the beginning of the six-month period ending December 31, 2015.

As a result, net defined benefit asset has increased by ¥423 million and net defined benefit liability has decreased by ¥631 million for the beginning of the six-month period ending December 31, 2015, while retained earnings have increased by ¥678 million. Operating income, ordinary income and income before income taxes and minority interests have had minimal impact for the six-month period ending December 31, 2015.

3. Consolidated Financial Statements

(1) Consolidated Balance Sheets

(Millions of Yen)

| | December 31, 2014 | June 30, 2015 |
|-------------------------------------|-------------------|---------------|
| Assets | | |
| Current assets | | |
| Cash and deposits | 32,738 | 25,811 |
| Notes and accounts receivable-trade | 87,112 | 74,870 |
| Short-term investment securities | 7,534 | 751 |
| Inventories | 8,088 | 8,112 |
| Other | 2,419 | 4,689 |
| Allowance for doubtful accounts | (687) | (733) |
| Total current assets | 137,205 | 113,500 |
| Noncurrent assets | | |
| Property, plant and equipment | 4,839 | 4,785 |
| Intangible assets | 1,672 | 2,316 |
| Investments and other assets | | |
| Investment securities | 93,185 | 101,241 |
| Other | 7,172 | 7,249 |
| Allowance for doubtful accounts | (756) | (781) |
| Total investments and other assets | 99,601 | 107,709 |
| Total noncurrent assets | 106,112 | 114,812 |
| Total assets | 243,317 | 228,313 |

(Millions of Yen)

| | December 31, 2014 | June 30, 2015 |
|---|-------------------|---------------|
| Liabilities | | |
| Current liabilities | | |
| Notes and accounts payable-trade | 71,574 | 68,030 |
| Short-term loans payable | 46 | 101 |
| Current portion of long-term loans payable | 82 | — |
| Income taxes payable | 1,561 | 1,830 |
| Provision | 1,510 | 775 |
| Other | 9,078 | 9,298 |
| Total current liabilities | 83,853 | 80,036 |
| Noncurrent liabilities | | |
| Provision | 74 | 42 |
| Net defined benefit liability | 1,605 | 980 |
| Other | 22,784 | 23,646 |
| Total noncurrent liabilities | 24,464 | 24,669 |
| Total liabilities | 108,317 | 104,705 |
| Net assets | | |
| Shareholders' equity | | |
| Capital stock | 37,581 | 37,581 |
| Capital surplus | 11,982 | 11,982 |
| Retained earnings | 42,265 | 22,553 |
| Treasury stock | (569) | (208) |
| Total shareholders' equity | 91,260 | 71,909 |
| Accumulated other comprehensive income | | |
| Valuation difference on available-for-sale securities | 40,118 | 47,664 |
| Deferred gains or losses on hedges | 5 | 5 |
| Foreign currency translation adjustment | 2,819 | 2,687 |
| Remeasurements of defined benefit plans | (20) | 16 |
| Total accumulated other comprehensive income | 42,923 | 50,374 |
| Subscription rights to shares | 40 | 18 |
| Minority interests | 775 | 1,305 |
| Total net assets | 134,999 | 123,607 |
| Total liabilities and net assets | 243,317 | 228,313 |

(2) Consolidated Income Statements and Consolidated Comprehensive Income Statements

Consolidated Income Statements

Six Months Ended June 30, 2015

| | (Millions of Yen) | |
|--|---|---|
| | Six Months Ended June 30, 2014 (From January 1 to June 30, 2014) | Six Months Ended June 30, 2015 (From January 1 to June 30, 2015) |
| Gross billings | 174,489 | 175,108 |
| Cost of sales | 149,863 | 150,611 |
| Gross profit | 24,625 | 24,496 |
| Selling, general and administrative expenses | | |
| Salaries and allowances | 11,260 | 11,551 |
| Provision for bonuses | 922 | 281 |
| Provision for directors' retirement benefits | 9 | 2 |
| Provision of allowance for doubtful accounts | 180 | 55 |
| Other | 10,124 | 9,668 |
| Total selling, general and administrative expenses | 22,497 | 21,560 |
| Operating income | 2,128 | 2,936 |
| Non-operating income | | |
| Interest income | 126 | 117 |
| Dividends income | 1,431 | 1,703 |
| Equity in earnings of affiliates | 90 | 124 |
| Other | 293 | 389 |
| Total non-operating income | 1,940 | 2,335 |
| Non-operating expenses | | |
| Interest expenses | 3 | 12 |
| Loss on sales of securities | — | 24 |
| Loss on insurance cancellation | 33 | 25 |
| Other | 65 | 51 |
| Total non-operating expenses | 102 | 114 |
| Ordinary income | 3,966 | 5,157 |
| Extraordinary income | | |
| Gain on sales of investment securities | 312 | 193 |
| Gain on liquidation of subsidiaries and associates | — | 146 |
| Other | 32 | 66 |
| Total extraordinary income | 345 | 406 |
| Extraordinary loss | | |
| Impairment loss | 207 | — |
| Loss on sales of investment securities | 2 | — |
| Loss on valuation of investment securities | 78 | 0 |
| Special retirement expenses | 396 | 28 |
| Farewell ceremony expenses | — | 39 |
| Other | 1,138 | 47 |
| Total extraordinary losses | 1,823 | 117 |
| Income before income taxes | 2,488 | 5,446 |
| Income taxes | 1,168 | 2,242 |
| Income before minority interests | 1,320 | 3,204 |
| Minority interests in income | 65 | 48 |
| Net income | 1,255 | 3,155 |

The English translation is for reference purpose only. If there is any discrepancy between this English translation and the Japanese original version, the Japanese original version shall prevail.

Consolidated Comprehensive Income Statements

Six Months Ended June 30, 2015

| | (Millions of Yen) | |
|--|---|---|
| | Six Months Ended June 30, 2014 (From January 1 to June 30, 2014) | Six Months Ended June 30, 2015 (From January 1 to June 30, 2015) |
| Income before minority interests | 1,320 | 3,204 |
| Other comprehensive income | | |
| Valuation difference on available-for-sale securities | (2,098) | 7,546 |
| Deferred gains or losses on hedges | (2) | 0 |
| Foreign currency translation adjustment | (530) | (143) |
| Remeasurements of defined benefit plans, net of tax | — | 36 |
| Share of other comprehensive income of associates accounted for using equity method | (1) | 3 |
| Total other comprehensive income | (2,633) | 7,443 |
| Comprehensive income | (1,312) | 10,647 |
| (Comprehensive income attributable to) | | |
| Comprehensive income attributable to owners of the parent | (1,365) | 10,606 |
| Comprehensive income attributable to minority interests | 53 | 41 |

(3) Notes to Consolidated Financial Statements

(Items related to going concern assumption)

Not Applicable.

(Notes on significant changes in the amount of shareholders' equity)

Not Applicable.

(Segment Information)

Six Months Ended June 30, 2014

(Millions of Yen)

| | Reportable segments | | | Adjustment (*Note1) | Amount on Consolidated Income Statements (*Note2) |
|------------------------|---------------------|---------------------|---------|------------------------|--|
| | Advertising | Non- advertising | Total | | |
| GROSS BILLINGS | | | | | |
| Billings to customers | 172,327 | 2,161 | 174,489 | — | 174,489 |
| Inter-segment billings | 9 | 27 | 37 | (37) | — |
| Total billings | 172,337 | 2,189 | 174,526 | (37) | 174,489 |
| Segment income (loss) | 2,388 | (260) | 2,127 | 0 | 2,128 |

(Note) 1 Adjustment of segment income (loss) is mainly due to the deduction of the transaction between the segments and unrealized income.

2 Segment income (loss) has been adjusted to equal the operating income on the consolidated income statements.

Six Months Ended June 30, 2015

(Millions of Yen)

| | Reportable segments | | | Adjustment (*Note1) | Amount on Consolidated Income Statements (*Note2) |
|------------------------|---------------------|---------------------|---------|------------------------|--|
| | Advertising | Non- advertising | Total | | |
| GROSS BILLINGS | | | | | |
| Billings to customers | 172,992 | 2,115 | 175,108 | — | 175,108 |
| Inter-segment billings | 14 | 70 | 84 | (84) | — |
| Total billings | 173,007 | 2,186 | 175,193 | (84) | 175,108 |
| Segment income (loss) | 2,986 | (47) | 2,938 | (1) | 2,936 |

(Note) 1 Adjustment of segment income (loss) is mainly due to the deduction of the transaction between the segments and unrealized income.

2 Segment income (loss) has been adjusted to equal the operating income on the consolidated income statements.

(Material Subsequent Events)

The Issuance of Equity Compensation Type Stock Options (Stock Options)

It was resolved at the Board of Directors meeting held on August 13, 2015 that stock acquisition rights as stock compensation-type stock options shall be issued to four (4) executive directors and sixteen (16) operating officers except those who are directors of the Company for the purpose of further enhancing their motivation and morale to contribute to the improvement of business performance and the stock price and making their share in the benefits and risks arising from the rise and fall in the stock price, together with the shareholders, in accordance with Article 236, 238 and 240 of the Companies Act.

Details are as included in the “Notice Regarding the Issuance of Stock Compensation-type Stock Options (Stock Acquisition Rights) to Directors” dated today and “Notice Regarding the Issuance of Stock Compensation-type Stock Options (Stock Acquisition Rights) to Operating Officers”.