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(Securities Code: 9747)
March 6, 2015
ASATSU-DK INC.
23-1, Toranomom 1-chome,
Minato-ku, Tokyo, Japan

Notice of the 60th Ordinary General Meeting of Shareholders

Dear Shareholders:

You are cordially invited to the 60th Ordinary General Meeting of Shareholders of ASATSU-DK INC. (the "Company"), which will be held as set forth below.

If you do not attend the meeting, you may vote on the proposals in writing or electronically (via the Internet, etc.). For electronic voting, you may access the web site at <http://www.tosyodai54.net> or use the Electronic Voting Platform for Foreign and Institutional Investors. Your vote in writing or at the URL above will be accepted when made by 5 p.m., Thursday, March 26, 2015, Tokyo time. The deadline for voting via the Platform is subject to terms and conditions among Investor Communications Japan, Inc., an investor and its custodian and nominee, if any.

- 1. Date and Time:** 10 a.m., Friday, March 27 2015
2. Location: Toranomom Hills Mori Tower 4F Toranomom HillsFolum Hall B, 23-3, 1-chome, Toranomom, Minato-ku, Tokyo

3. Agenda: Reports

1. The Business Report, Consolidated Financial Statements, and the results of the audit of the Consolidated Financial Statements by the Independent Auditor and the Board of Corporate Auditors for the 60th Fiscal Year (from January 1, 2014 through December 31, 2014)
2. The results of the Non-consolidated Financial Statements of the 60th Fiscal Year (from January 1, 2014 through December 31, 2014)

Proposals

- Proposal 1:** Election of (7) directors
Proposal 2: Election of four (4) corporate auditors

4. Matters Determined Regarding the Exercise of Voting Rights

- (1) In case there is no indication for or against the proposal on the Voting Card mailed to the Company, it shall be treated as approval of the proposal.
- (2) If voting rights are exercised both by mail and via the Internet, etc., only the vote registered via the Internet, etc., shall be recognized as valid.
- (3) If voting rights are exercised via the Internet, etc., more than once, only the last vote shall be recognized as valid.

5. Other Matters Concerning This Notice of the 60th Ordinary General Meeting of Shareholders

- (1) The following matters are posted on the Company's Website (<http://www.adk.jp>) based on laws and regulations and the provision of Article 15 of the Company's Articles of Incorporation. Therefore, these matters are not included in the documents attached to this

Notice of the 60th Ordinary General Meeting of Shareholders.

- 1) Notes to the consolidated financial statements
 - 2) Notes to the non-consolidated financial statements
- (2) Should any revision be made to the Voting Information, Business Report, Non-consolidated and Consolidated Financial Statements, it will appear on the Company's web site (<http://www.adk.jp>).

Sincerely yours,
Shinichi Ueno
Representative Director
President & Group CEO

Voting Information

Proposals and References:

Proposal 1: Election of seven (7) directors

The terms of office of all the Board of Directors (8 directors) will expire as of the closing of the 60th Ordinary General Meeting of Shareholders. Therefore, we propose that seven Directors including two Outside Directors be elected.

The candidates for these positions are presented in the table below.

No.	Name (Date of Birth)	Brief Personal History and Significant Positions Held Concurrently	Number of the Company's Shares Held
1	Shinichi Ueno (February 17, 1954)	April 1976 Joined the Company January 2005 Operating Officer March 2008 Director and Operating Officer March 2012 Director and Senior Operating Officer March 2013 Representative Director and President & Group CEO (Current position)	13,731
		Significant Positions Held Concurrently Chairman, Japan Advertising Industry Welfare Pension Fund	
2	Takeshi Kato (March 10, 1956)	April 1981 Joined the Company January 2008 Operating Officer March 2011 Director and Operating Officer January 2014 Director and Operating Officer Domestic Group Company Division Executive (Current position)	7,652
3	Kenji Oshiba (December 16, 1961)	April 1984 Joined the Company January 2008 General Manager of Account Service Division 1 April 2012 Operating Officer March 2014 Director and Operating Officer January 2015 Director and Operating Officer Content Business Center Executive (Current position)	1,411
		Significant Positions Held Concurrently Representative Director and President, RIGHT SONG MUSIC PUBLISHING CO., LTD. Representative Director and President, NIHON AD SYSTEMS INC.	

No.	Name (Date of Birth)	Brief Personal History and Significant Positions Held Concurrently	Number of the Company's Shares Held
4	Stuart Neish (September 21,1963)	<p>March 1988 Qualified as a Chartered Accountant, Admitted to membership of The Institute of Chartered Accountants of Scotland</p> <p>June 1991 Joined Coopers Deloitte in London, Senior Audit Manager</p> <p>January 1994 Joined the WPP, Group Financial Controller of Associates and Joint Ventures</p> <p>June 2006 WPP Group (Asia Pacific) Ltd., Director (Current position)</p> <p>March 2011 Director (Current position)</p> <p>Significant Positions Held Concurrently Managing Director, WPP International Holding B.V. Director, WPP Group (Asia Pacific) Ltd.</p>	—
5	Hideaki Kido (April 23, 1950) (Outside)	<p>April 1974 Joined ITOCHU Corporation</p> <p>April 1999 Vice President & General Manager of ITOCHU International Inc.</p> <p>June 2001 Deputy President & Representative Director of Star Channel Inc.</p> <p>March 2003 President & CEO of Japan Entertainment Network K.K.</p> <p>June 2008 Senior Managing Executive Officer of JSAT Corporation Director and COO of Space Communications Corporation</p> <p>April 2009 Senior Managing Executive Officer of Skyperfect-JSAT Corporation & President of SKY Perfect Entertainment Corporation</p> <p>June 2011 Executive Director and Chairman of IMAGICA TV Corporation (Current position)</p> <p>March 2012 Director (Current position)</p> <p>Significant Positions Held Concurrently Executive Director and Chairman, IMAGICA TV Corporation Senior Advisor to the Board, Imagica Robot Holdings Inc. Adjunct Professor & Visiting Fellow-Waseda University Graduate School of Global Information and Telecommunication Studies Director, Japan Satellite Broadcasting Association</p>	—

No.	Name (Date of Birth)	Brief Personal History and Significant Positions Held Concurrently	Number of the Company's Shares Held
6	Noriyuki Nakai (September 19,1961) (New)	<p>August 1989 Joined the Company</p> <p>January 2008 The 1st International Division, Division Director</p> <p>April 2011 Operating Officer and Management support to the Executive Director for Integrated Solution Center</p> <p>April 2013 Operating Officer for Integrated Solution Center</p> <p>January 2014 Operating Officer and Division Director of Corporate Strategy Division (Current position)</p>	1,100
7	Toshio Kinoshita (April 12,1949) (New) (Outside)	<p>January 1980 Joined Cooper & Lybrand Japan (now PricewaterhouseCoopers Aarata)</p> <p>July 1983 Registered as Certified Public Accountant (Japan)</p> <p>July 1989 Partner of Coopers & Lybrand (US)</p> <p>July 1998 Managing Partner for Japanese Business Network of PricewaterhouseCoopers LLP National Office</p> <p>July 2005 Management Board Member, International Business of Chuo Aoyama Audit Corporation (now MISUZU Audit Corporation)</p> <p>July 2007 Chief Executive of The Japanese Institute of Certified Public Accountants</p> <p>July 2013 Council Member of The Japanese Institute of Certified Public Accountants (Current position)</p> <p>July 2013 Established Kinoshita CPA Firm, Chief Executive Officer of the firm (Current position)</p> <p>Significant Positions Held Concurrently</p> <p>Council Member of The Japanese Institute of Certified Public Accountants</p> <p>Kinoshita CPA Firm, Chief Executive Officer of the firm</p> <p>Outside Auditor, Panasonic Corporation</p> <p>Outside Auditor, Cool Japan Fund Inc.</p> <p>Outside Auditor, WEATHERNEWS Inc.</p> <p>Outside Director, Chairman of Audit Committee econtext Asia Limited</p>	—

- (Notes) 1. Of the candidates for director, Shinichi Ueno concurrently serves as Chairman, the Japan Advertising Industry Welfare Pension Fund, in which the Company participates; therefore the Fund has a business relationship with the Company. No other candidates have special interests with the Company.
2. Hideaki Kido and Toshio Kinoshita are candidates for outside director of the Company. The Company has notified the Tokyo Stock Exchange of the nominations of Mr. Kido as independent executives as per the rules stipulated by the Tokyo Stock Exchange. The Company also intends to notify the Tokyo Stock Exchange of Mr. Kinoshita's nomination as an independent executive as per the rules thereof.
3. Mr. Kido is currently outside directors of the Company. Mr. Kido's term of office as outside director will have been three years at the closing of this (60th) Ordinary General Meeting of Shareholders.
4. Special notes with regard to the candidates for outside director are as follows.
- (1) Reasons for selection as candidates for outside director
- (a) The Company recommends reappointment of Mr. Kido because he has ample experience in international businesses and corporate management and has broad knowledge regarding the broadcasting business. We believe that he will play important roles in decision making on the Company's important managerial matters and supervision of business execution.
- (b) The Company recommends the appointment of Mr. Kinoshita as an outside director because he has broad knowledge in the fields of accounting and audit, with extensive experience as a Certified Public Accountant. We believe that he will play an

important role in decision making on the Company's important managerial matters and supervision of business execution. Although Mr. Kinoshita has not been involved in corporate management directly, due to the above reasons we believe he will fulfill his duties as outside director appropriately.

(2) Independence of outside directors

- (a) Mr. Kido concurrently serves as Executive Director and Chairman of IMAGICA TV Corporation, and Senior Advisor to the Board and IMAGICA Robot Holdings Inc. IMAGICA TV Corporation has a business relationship with the Company such as the video distribution, however, the amount of the Company's transactions with IMAGICA TV Corporation for their latest respective financial years was less than 0.1% of the annual net sales of both companies, being extremely insignificant. The Company does not have any business relationship with IMAGICA Robot Holdings Inc. Mr. Kido also concurrently serves as Director, the Japan Satellite Broadcasting Association, in which the Company participates and paying the membership due, the amount for the latest respective financial year was less than 500 thousand yen per year, being extremely insignificant. Therefore, the Company believes Mr. Kido is independent of the Company's management.
- (b) There have been no business relationships such as advisory contracts or commission of specific business regarding accounting processes between the Company and Mr. Kinoshita or the CPA firm to which he belongs. Therefore, the Company believes Mr. Kinoshita is independent of the Company's management.

(3) Liabilities limitation agreement

The Company currently has a liabilities limitation agreement with each outside director Mr. Kido, which limits his liabilities for compensation of damages under Article 423, Paragraph 1, of the Companies Act; provided, however, that the ceiling amount for liabilities pursuant to such agreement shall be the larger of ¥10 million or an amount stipulated by laws and regulations. If reappointment of each candidate is approved, the Company intends to continue the above liabilities limitation agreement with each outside director. If the appointment of Mr. Kinoshita is approved, the Company intends to enter into a similar liabilities limitation agreement with him.

Proposal 2: Election of (4) auditors

The terms of office of all the Corporate Auditors (4 auditors) will expire as of the closing of the 60th Ordinary General Meeting of Shareholders. Therefore, we propose that four Corporate Auditors including three Outside Corporate Auditors be elected. This proposal has already been agreed to by the Board of Corporate Auditors. The candidates for these positions are presented in the table below.

No.	Name (Date of Birth)	Brief Personal History and Significant Positions Held Concurrently		Number of the Company's Shares Held
1	Nobuyuki Motohashi (February 24, 1957) (New)	May	1987 Joined the Company	100
		January	2008 Group Business Division Director and President Office Director	
		January	2009 Finance Division, Group Business Promotion Unit, Leader	
		January	2012 Corporate Center, Finance Division Director	
		April	2013 Finance Center, Finance Director (Current Position)	
2	Yoshitake Ohnishi (June 5, 1949) (New) (Outside)	April	1973 Joined the Daiei, Inc.	—
		May	1998 Representative Director and President of Hawks Town, Inc.	
		May	1999 Representative Senior Managing Director of Fukuoka Dome, Inc.	
		May	1999 Representative Senior Managing Director of Daiei Real Estate, Inc.	
		March	2002 Representative Senior Managing Director of Fukuoka Daiei Hawks, Inc.	
		November	2003 Representative Director and President of New Kobe Development, Inc.	
		June	2006 Director of PIA CORPORATION	
		July	2009 Advisor to the Board of PIA CORPORATION (Resigned on June 2011)	

No.	Name (Date of Birth)	Brief Personal History and Significant Positions Held Concurrently	Number of the Company's Shares Held
3	Masayuki Yoshinari (October 6, 1947) (Outside)	<p>April 1975 Admitted to the bar (Daini Tokyo Bar Association)</p> <p>April 1997 Vice President, Daini Tokyo Bar Association</p> <p>April 2001 Executive Governor, Japan Federation of Bar Association</p> <p>April 2007 President, Daini Tokyo Bar Association Vice president, Japan Federation of Bar Association</p> <p>March 2011 Corporate Auditor (Current Position)</p> <p>Significant Positions Held Concurrently Partner, Toranomom College Law Office Vice Chairman, Tokyo Lawyers National Health Insurance Society External Controller, Dai-Ichi Kangyo Credit Cooperative (Not full-time)</p>	—
4	Megumi Sutoh (January 23, 1948) (New) (Outside)	<p>November 1985 Senior Research Engineer of Japan Securities Research Institute</p> <p>April 1988 Assistant Professor of the School of Economics, Meikai University</p> <p>April 1993 Professor of the School of Economics, Chuo University</p> <p>January 2001 Member of the Council on Customs, Tariff, Foreign Exchange and other Transactions</p> <p>February 2001 Member of the Financial Council</p> <p>March 2003 Member of the Disclosure Work Group of the Financial Council</p> <p>April 2004 Professor of the Waseda Center for Finance Research University (Current position)</p> <p>September 2008 Dean of the Waseda Graduate School of Finance, Accounting and law, and Director of the Waseda Center for Finance Research</p> <p>Significant Positions Held Concurrently Professor of the Waseda Center for Finance Research University Outside Auditor, Mitsui Sumitomo Insurance Company, Limited</p>	—

(Notes) 1. There are no special interests between the each candidates and the Company.

2. The Company has notified the Tokyo Stock Exchange of the nominations of Masayuki Yoshinari as independent executives as per the rules stipulated by the Tokyo Stock Exchange. The Company also intends to notify the Tokyo Stock Exchange of Yoshitake Ohnishi and Megumi Suto's nomination as an independent executive as per the rules thereof. 3. Mr. Yoshinari are currently outside director of the Company and. his term of office as outside director will have been four years at the closing of this (60th) Ordinary General Meeting of Shareholders. 4. Special notes with regard to the candidates for outside corporate auditors are as follows.

(1) Reasons for selection as candidates for outside corporate auditors

(a) Mr. Ohnishi has ample experience as a corporate executive and broad knowledge regarding overall corporate management. The Company recommends the appointment of Mr. Ohnishi as a corporate auditor because we believe that he will play an important role in the auditing of the Company.

(b) The Company offers Mr. Yoshinari for election so that he can apply his expertise and excellent insights based on his long-standing activities as a lawyer to the auditing of the Company. Although he has never been directly involved in company management, he has a thorough knowledge of corporate legal affairs. The Company is convinced he is capable of appropriately performing duties as an outside director.

(c) Ms. Sutoh has broad knowledge about economic and financial fields based on her activities for many years as a researcher. The Company recommends the appointment of Ms. Sutoh as an outside corporate auditor because we believe that she will play an important role in the auditing of the Company. Although she has never been directly involved in company

management, because of the above reason the Company is convinced she is capable of appropriately performing duties as an outside corporate auditor.

(2) Independence of outside corporate auditors

- (a) Mr. Ohnishi concurrently serves as Director and Advisor of PIA CORPORATION, with which the Company has a transactional relationship regarding the production of printed materials. However, the scale of the business between the Company and PIA CORPORATION was insignificant. —less than 0.1% of gross billings per year sales of both companies for their latest respective financialmost recent business year, being extremely insignificant. Therefore, the Company is confident that he will remain independent of the management of the Company.
- (b) Mr. Yoshinari and the law firm to which he belongs has not signed nor intends to sign any advisory contract with the Company, or has not been delegated handling of any legal matter by the Company. Therefore, the Company is confident he is independent of the Company's management.
- (c) There are no financial contributions or transactional relationships between the Company and Ms. Sutoh or the university she belongs to. Therefore, the Company is confident that she is independent of the Company's management.

(3) Liabilities limitation agreement

The Company currently has a liabilities limitation agreement with each outside director Mr. Yoshinari, which limits his liabilities for compensation of damages under Article 423, Paragraph 1, of the Companies Act; provided, however, that the ceiling amount for liabilities pursuant to such agreement shall be the larger of ¥10 million or an amount stipulated by laws and regulations. If reappointment of each candidate is approved, the Company intends to continue the above liabilities limitation agreement with each outside director. If the appointment of Mr. Ohnishi and Ms. Suto is approved, the Company intends to enter into a similar liabilities limitation agreement with them.

Highlights of the Business Report for the 60th Business Term

(For the year ended December 31, 2014)

1. Overview of Business Results

(1) Review of Operations

The Japanese economy during the fiscal year under review was on a moderate recovery path, underpinned by continued economic and monetary policy taken by the Japanese government and the Bank of Japan, with improved profitability mainly at exporting companies and an uptick in capital investments. Concerning consumer spending, despite the last-minute surge before the hike in the consumer tax in April 2014 and improvement in the employment and income environment, consumer confidence that had declined after the tax hike did not recover quickly, and the situation remained precarious with little room for optimism.

According to the current “Survey of Selected Service Industries” by the Ministry of Economy, Trade and Industry, total gross billings in the Japanese advertising industry for the fiscal year under review progressed steadily, showing consistent year-on-year growth in every month except for April 2014, the month immediately after the consumer tax hike.

Amid these circumstances, the ADK Group, under its “VISION2020,” aiming for transformation to a “Consumer Activation Company,” which not only delivers messages via advertisements but encourages consumers to take actual specific actions, thereby contributing to clients’ business performance, promoted various initiatives to establish a multi-business model and reinforce the foundation of the Group. As part of such initiatives, we enhanced the solution base, reinforced the revenue management structure, strengthened the alliance with domestic and foreign Group companies and expanded the content business, which is our strength. As a result of these efforts, consolidated gross billings for the fiscal year under review were ¥352,984 million, up 3.0% year on year. Gross profit increased 7.7% year on year to ¥48,568 million, and operating income climbed 196.2% year on year to ¥4,097 million. Non-operating income of ¥3,355 million, including dividend income, and non-operating expenses of ¥201 million were recorded, resulting in ordinary income of ¥7,251 million, up 67.6% year on year. Extraordinary income of ¥1,284 million was recorded, including gain on sales of investment securities, whereas an extraordinary loss of ¥2,102 million was posted including office transfer expenses of the Company and other Group companies. As a result, income before income taxes increased 14.9% year on year to ¥6,433 million. Net income rose 7.8% year on year to ¥3,696 million.

The Company distributes surplus funds to shareholders for the purposes of optimizing capital and improving medium- to long-term shareholder value by raising ROE. Based on such an approach, the year-end dividend for the fiscal year under review was determined by resolution of the Board of Directors meeting held on February 24, 2015, to be ¥561 per share (an ordinary dividend of ¥35 and an extraordinary dividend of ¥526), and payment was set to commence on March 23, 2015. Including the ¥10 per share interim dividend paid in September 2014, the total annual dividend for the fiscal year under review is ¥571 per share.

Segment Results

Advertising Segment:

The Group’s advertising business segment generated gross billings to outside customers of ¥348,273 million, up 3.0% year on year, and segment income increased 97.5% to ¥4,465 million. In Japan, gross billings and income increased thanks to an increase in sales of advertisement products at the Company (parent company [ADK]), the growth of production subsidiaries and the contribution of digital media advertising subsidiaries. Overseas, gross

billings and income declined at overall overseas subsidiaries as a result of struggles at our subsidiaries in Europe, the United States and Greater China, although our subsidiaries in Asia overall recorded increases in gross billings and income thanks to the contribution of our subsidiary in Thailand. Note that the ADK Group's overseas gross billings are all from the advertising segment and accounted for 8.4% of the total gross billings of the fiscal year under review (8.6% for the previous fiscal year).

ADK, which forms the core of the ADK Group, reported gross billings of ¥306,718 million, up 3.6% from the previous year; gross profit increased 7.7% to ¥ 34,662 million; and operating income rose 168.3% year on year to ¥3,130 million. In addition to continual recording of year-on-year increases in gross billings since June 2014, the Company took measures such as thorough cost management. Furthermore, by relocating the head office to reduce rental fees and change the work style, we controlled selling, general and administrative expenses, resulting in a significant increase in operating income.

Broken down by industry, we reported increased gross billings to clients in the cosmetics/toiletry goods, government/organizations, finance/insurance, restaurant/other services and automobiles/auto-related products sectors, whereas gross billings to clients in the food, education/healthcare services/religion, energy/raw materials/machinery, transportation/leisure and beverages/tobacco products sectors declined.

The non-consolidated gross billings by segment of ADK are outlined below.

Breakdown by Discipline	Gross Billings (Millions of yen)	Composition (%)	Y-o-Y change (%)
Magazine	13,205	4.3	Δ6.8
Newspaper	19,148	6.2	Δ6.8
TV	142,966	46.6	5.0
Radio	3,172	1.0	3.4
Digital Media	16,058	5.2	43.2
OOH Media	7,509	2.4	Δ21.5
Subtotal (Media)	202,060	65.9	3.7
Marketing and Promotion	63,202	20.6	10.4
Creative and Others	41,455	13.5	Δ5.9
Subtotal (Non Media)	104,657	34.1	3.3
Total	306,718	100.0	3.6

(Notes) 1. To address mature advertising markets and an increasingly diverse media environment, the Company offers cross-media programs to advertisers, thereby making the accurate representation of gross billings by medium difficult sometimes. Therefore, the above data might not represent gross billings exactly by medium.

2. TV includes Program, Spot and Content.

3. Content includes animation content and sports and cultural event marketing.

(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.

6. The gross billings by discipline are rounded down. Therefore, their sums do not equal the total or the sub-totals.

Other Business Segment:

The Group's other business segment generated gross billings to outside customers of ¥4,710 million, down 0.2% year on year, posting a segment loss of ¥368 million (compared with a segment loss of ¥878 million for the previous year).

In publishing and sales of magazines and books, a major business of this segment, as the overall publishing market continued to shrink, conditions for generating profits continued to be difficult, resulting in the posting of an operating loss. However, as a result of our efforts to review and adjust the number of books of publishing to decrease the

number of magazines and general books returned unsold, and control selling and administrative expenses, the amount of the loss was reduced compared with the previous term.

(2) Status of Capital Expenditures

The Company relocated its head office from Chuo-ku, Tokyo, to Minato-ku, Tokyo, as of June 1, 2014. Of total capital expenditures the Company made for the term under review, which was 1,252 million, the amount related to this relocation was 1,235 million.

(3) Status of Financing

There are no important items.

(4) Status of Material Company Reorganization

There are no important items to be noted.

(5) Issues to Address

In the mature mass media-dominant domestic advertising market, the evolution of digital technology and advances in the functionality of digital devices have been transforming consumers' media contact and purchase behavior. Given these developments, advertisers are keen to be advised of highly sophisticated communication programs with a maximum return on investment (ROI) that justifies their investment in advertising.

In contrast with the domestic advertising market, where there is little hope of business expansion against the backdrop of a mature economy and an aging society with a declining birthrate, solid growth is expected in the countries of Southeast Asia. Given this, advertising needs from advertisers aiming to expand business in Southeast Asian markets are increasing.

To cope with such a rapidly changing business environment, during the fiscal year ended December 31, 2013, the ADK Group formulated a new management vision, "VISION2020," and a medium-term management plan that covers the period until 2016. Under this direction, the core strategy for our future growth is to evolve into a "Consumer Activation Company," which will allow us to contribute to advertisers' performance by developing and providing marketing tools to inspire consumers to take specific purchase actions. To this end, we intend to focus on executing the following measures,

i. Development and Establishment of Consumer Activation Business Model

During the fiscal year under review, as part of our measures to strengthen our business foundation to realize a "Consumer Activation Company," the Company founded Axival Inc., and through this company established our proprietary 3D Database, which integrates data on consumers' attitudes, purchase patterns and media contacts. With regard to this 3D Database, which allows us to analyze and understand consumers' emotions and motivations that trigger or lead to their purchase activities, we intend to fully utilize the database to acquire new customers.

To reinforce our services using digital technologies, we launched a collaborative project with 1-10 design, Inc., a developer of innovative advertising ideas featuring the fusion of cutting-edge technologies and high creativity; and started operation of a collaborative project with adflex communications, inc., through the development of the "online & offline combined communication," which is a new method of communication in the field of direct marketing.

To achieve our VISION2020, the ADK Group will continue to strive to strengthen the Consumer Activation Business field. To this end, we will develop and establish new business models that enable the provision of proprietary and advantageous services, with a view to engaging in business alliances with external professional companies.

ii. Expansion of Content Business

In the animation content business, which, along with extensive experience, has always been a strength of the ADK Group, the ADK Group is aggressively promoting including new development, particularly multifaceted business development, producing and investing in television programs and movies, organizing events and musicals, and leveraging the appeal of the genre's characters for sales promotions, thereby greatly contributing to the Company's profits.

During the fiscal year under review, we strove to develop and create new markets by transferring our know-how and business models nurtured in domestic markets to overseas markets. In November 2014, we jointly established Anime Consortium Japan Inc., which distributes authentic Japanese animation content to overseas markets and develops websites that handle sales of animation-related products. In addition, the Company acquired shares in D-Rights, Inc., a company that has strength in content production and an overseas network on February 2015.

We will further reinforce our capabilities in such fields as broadcasting, distribution and marketization of the products, both in Japan and abroad, with the aim of further raising ADK's profile in the content business.

iii. Global Strategies

To support the Japanese advertisers seeking to grow businesses overseas, the ADK Group has expanded its overseas business by developing business bases in such areas as China and Southeast Asia through such measures as collaborations with the WPP Group, with which the Company has a capital and business alliance. In overseas markets, however, competition has been intensifying with not only Japanese advertising companies but also global or local advertising competitors. To expand our overseas business in such fiercely competitive markets, the Company recognizes reorganization of business strategies and infrastructure as key issues.

To grow our business and improve profitability in global market, we will strive to develop solutions in the consumer activation and digital fields, which directly contribute to sales of advertisers' products and services, integrate and strengthen creative and planning functions beyond the borders of countries and regions, and make strategic investments in priority countries and regions.

iv. Further Improvement of Profitability

During the fiscal year under review, the Company strove to reduce rents and other operational costs by relocating the Company's head office. Furthermore, the Company introduced an intra-company transaction system for the purpose of improving profitability. This system has yielded results, including an improved gross profit margin. During the fiscal year ending December 31, 2015, we will implement an business unit-based profit management system as an improved version of the current system. With this new system, each business segment, together belonging to the Company, functions as a mutually independent individual business entity to further create added value and conduct strict cost management, aiming to strengthen our profitability management structure.

v. Capital Optimization

The ADK Group recognizes the need for efforts to improve ROE to enhance medium- to long-term shareholder value. During the fiscal year under review, the Company's profitability was improved and the Company reorganized its domestic Group companies and implemented restructuring to strengthen its structure to create profits, thereby increasing the return of profits to shareholders as well. Nevertheless, the effect of these efforts on the improvement of ROE was limited due to such reasons as an increase in unrealized gain on investment securities.

To improve ROE, we believe that it is necessary to enhance the efficiency of existing businesses and strive to grow our businesses by investing in growth fields such as the digital and content businesses, while making efforts to optimize the capital that supports the growth of our businesses. In optimizing capital, we first ensure that the funds are in fact necessary for investment in growth fields, and then we distribute the surplus funds to our shareholders. While ensuring the Company's financial stability, we will consider taking the necessary measures to acquire funds

for investing in growth fields such as using loans and selling securities held by the Company.

To ensure implementation of the above measures, the ADK Group will continue to focus on acquiring and nurturing human resources who can address our management issues and strive to allocate capable human resources in growth opportunities flexibly. In addition, we will strive to enhance the profitability of the entire Group by shifting to in-house production and sharing business bases and implement M&As aggressively, thereby enhancing corporate value.

We would like to ask for the continued support and cooperation of all our shareholders.

(6) Financial Highlights

(a) Consolidated Financial Highlights

(Unit: Millions of yen)

	57th Term (FY 2011)	58th Term (FY 2012)	59th Term (FY 2013)	60th Term (FY 2014)
Gross billings	347,111	350,822	342,786	352,984
Gross profit	45,836	46,169	45,104	48,568
Operating income	3,852	3,175	1,383	4,097
Ordinary income	5,627	5,314	4,327	7,251
Net income	2,293	2,781	3,430	3,696
Net income per share (yen)	54.37	65.83	81.79	88.32
Total assets	184,188	195,163	228,170	243,317
Net assets	96,800	109,559	130,972	134,999
Net assets per share (yen)	2,270.23	2,567.03	3,105.40	3,204.87

(Note) Net income per share is calculated based on the average number of shares outstanding during the term.

(b) Non-consolidated Financial Highlights

(Unit: Millions of yen)

	57th Term (FY 2011)	58th Term (FY 2012)	59th Term (FY 2013)	60th Term (FY 2014)
Gross billings	301,878	303,422	296,065	306,718
Gross profit	33,156	32,812	32,175	34,662
Operating income	1,734	1,341	1,166	3,130
Ordinary income	3,387	3,296	3,864	5,950
Net income	2,302	1,543	3,209	3,484
Net income per share (yen)	54.59	36.53	76.52	83.26
Total assets	157,869	166,330	198,105	214,429
Net assets	84,423	94,699	113,736	116,416
Net assets per share (yen)	1,999.90	2,239.96	2,719.03	2,779.54

(Note) Net income per share is calculated based on the average number of shares outstanding during the term.

(7) Status of Parent Company and Significant Subsidiaries

(a) Status of Parent Company

Not applicable.

(b) Status of Significant Subsidiaries

Company Name	Location	Capital	Voting Rights held by the Company	Main Business
Kyowa Kikaku Ltd.	Tokyo	JPY 40 million	100%	Advertising agent & creation
ADK International Inc.	Tokyo	JPY 300 million	100%	Advertising agent & creation
ADK Arts Inc.	Tokyo	JPY 90 million	100%	Advertising creation
ADK Dialog Inc.	Tokyo	JPY 80 million	100%	Advertising agent & creation
Eiken Co., Ltd.	Tokyo	JPY 10 million	70.0%	Animation producing
ADK Digital Communications Inc.	Tokyo	JPY 100 million	51.0%	Advertising agent
RIGHT SONG MUSIC PUBLISHING CO., LTD.	Tokyo	JPY10 million	100%	Contents management
Nihon Bungeisha Co., Ltd.	Tokyo	JPY 467 million	100%	Publication & sales of books and magazines
BIOMEDIS International Ltd.	Tokyo	JPY50 million	100% (100%)	Publication & sales of books
ADK Insurance Services Inc.	Tokyo	JPY10 million	100% (100%)	Insurance Agency
ADK America Inc.	New York	USD 2 million	100%	Advertising agent & creation
Asatsu Europe Holding BV	Amsterdam	EUR 10 million	100%	Holding company
Asatsu Europe BV	Amsterdam	EUR 2 million	100% (100%)	Advertising agent & creation
Knots Europe BV	Amsterdam	EUR 250 thousand	100% (100%)	Advertising agent & creation
Asatsu (Deutschland) GmbH	Frankfurt	EUR 300 thousand	100% (100%)	Advertising agent & creation
ASATSU-DK HONG KONG Ltd.	Hong Kong	HKD 11 million	100%	Advertising agent & creation
DK ADVERTISING (HK) Ltd.	Hong Kong	HKD 700 thousand	100%	Advertising agent & creation
ASATSU Century (Shanghai) Advertising Co., Ltd.	Shanghai	USD 3 million	100%	Advertising agent & creation
Shanghai Asatsu Advertising Co., Ltd.	Shanghai	USD 3 million	100%	Advertising agent & creation
Asatsu (Shanghai) Exposition & Advertising Co., Ltd.	Shanghai	CNY 10 million	90% (90%)	Advertising agent & creation
IMMG BEIJING CO., LTD.	Beijing	CNY10 million	100% (100%)	Contents Management and Sales
UNITED-ASATSU INTERNATIONAL Ltd.	Taipei	TWD 60 million	100%	Advertising agent & creation

Company Name	Location	Capital	Voting Rights held by the Company	Main Business
DIK OCEAN Advertising Co., Ltd.	Taipei	TWD 130 million	100%	Advertising agent & creation
ASATSU-DK SINGAPORE Pte. Ltd.	Singapore	SGD 2 million	100%	Advertising agent & creation
SCOOP ADWORLD Pte. Ltd.	Singapore	SDG 50 thousand	100% (100%)	Advertising agent & creation
IMMG Pte. Ltd.	Singapore	SDG 3,300 thousand	100% (15.2%)	Contents Management and Sales
PT. IMMG Indonesia	Jakarta	USD 100 thousand	100% (100%)	Contents Sakes Support
ADK Thai Holding Ltd.	Bangkok	THB 4 million	100%	Holding company
ASATSU (Thailand) Co., Ltd.	Bangkok	THB 20 million	99.0% (50.0%)	Advertising agent & creation
ASDIK Ltd.	Bangkok	THB 10 million	85.0% (36.0%)	Advertising agent & creation
DAI-ICHI KIKAKU (THAILAND) Co., Ltd.	Bangkok	THB 20 million	85.0% (36.0%)	Advertising agent & creation
ASATSU-DK (Malaysia) Sdn. Bhd.	Kuala Lumpur	MYR 1,500 thousand	100%	Advertising agent & creation
DAI-ICHI KIKAKU (Malaysia) Sdn. Bhd.	Kuala Lumpur	NYR 2,000 thousand	100%	Advertising agent & creation
ASATSU-DK VIETNAM Inc.	Ho Chi Minh City	USD 150 thousand	100%	Advertising agent & creation
DIK VIETNAM Co., Ltd.	Ho Chi Minh City	USD 100 thousand	100% (100%)	Advertising agent & creation
ASATSU-DK Korea Co., Ltd.	Seoul	KRW10 million	100%	Advertising agent & creation

(Notes) 1. The ratio of “Voting Rights held by the Company” is indicated by rounding to the first decimal place.

- Figures in parentheses under the “Voting Rights held by the Company” indicate the ratio of indirect holdings and are included in the figures above.
- ADK International Inc., ADK Arts Inc., ADK Dialogue Inc. and ADK Digital Communications Inc. relocated each respective head office from Chuo-ku, Tokyo, to Minato-ku, Tokyo.
- The ratio of “Voting Rights held by the Company” in Nihon Bungeisha Co., Ltd. increased from 90.4% to 100% through the acquisition of its shares by the Company from minority shareholders of this company.
- The ratio of “Voting Rights held by the Company” in ASATSU (Thailand) Co., Ltd increased from 97.5% to 99.0% through the acquisition of its shares by the Company from minority shareholders of this company.
- From the fiscal year under review, RIGHT SONG MUSIC PUBLISHING CO., LTD., BIOMEDIS International Ltd., ADK Insurance Services Inc., IMMG BEIJING CO., LTD., SCOOP ADWORLD Pte. Ltd., IMMG Pte. Ltd. PT. IMMG Indonesia, DAI-ICHI KIKAKU (Malaysia) Sdn. Bhd. and ASATSU-DK Korea Co., Ltd. were added to our significant subsidiaries.
- BOYS Inc., which was a consolidated subsidiary of the Company until the previous fiscal year, has been excluded from significant subsidiaries since the end of the fiscal year under review because its liquidation process is under way.

(c) Results of Business Combinations

The consolidated subsidiaries of the Company consist of the above-mentioned 36 significant subsidiaries, and its six equity method affiliated companies are DA search & link INC., Drill Inc., ASP Co., Ltd., Premier X-Value Inc., Guangdong Guangxu (Asatsu) Advertising Co., Ltd. (China), and DS Public Relations Consulting Co., Ltd. (China). The results of business combinations for the fiscal year under review are described in “(1) Review of Operations, 1. Overview of Business Results.”

(8) Major Businesses (As of December 31, 2014)

Major businesses of the ADK group are: (1) advertising-related businesses including planning and implementation of advertising businesses using media such as magazines, newspapers, TV, radio, digital media

and out-of-home (OOH) media, planning and development of advertisement and content, and services such as sales promotion, marketing and public relations, and (2) other business consisted of publishing and sales of magazines and books.

(9) Major Sales Offices (As of December 31, 2014)

(a) ADK

Domestic Office (Location)	Head Office (13-1, Toranomom 1-chome, Minato-ku, Tokyo, Japan) Sapporo(Hokkaido), Sendai(Miyagi), Niigata(Niigata), Kanazawa(Ishikawa), Nagoya(Aichi), Osaka(Osaka), Okayama(Okayama), Hiroshima(Hiroshima), Takamatsu(Kagawa), Matsuyama(Ehime), and Fukuoka(Fukuoka)
Overseas Office (Location)	Beijing Office (Beijing) Philippine Office (Manila) Moscow Office (Moscow)

(Note) The Company relocated its head office from 13-1, Tsukiji 1-chome, Chuo-ku, Tokyo, to 23-1, Toranomom 1-chome, Minato-ku, Tokyo, as of June 1, 2014.

(b) Significant subsidiaries

Locations of the significant subsidiaries are indicated in “(7) Status of Parent Company and Significant Subsidiaries, 1. Overview of Business Results”.

(10) Status of Employees (As of December 31, 2014)

(a) Status of Employees of Corporate Group

Segment	Number of Employees	Y-o-Y Change
Advertising Business	3,359	+ 91
Other Business Segment	71	+ 9
Total	3,430	+ 100

(Note) The number of employees is the number of workers engaged. It includes leased employees, while dispatched workers and employees on leave are excluded.

(b) Status of Employees of ADK

Segment	Number of Employees	Y-o-Y Change
Male	1,447	- 9
Female	422	+ 37
Total	1,869	+ 28

(Notes) The number of employees is the number of workers engaged. It includes leased employees, while dispatched workers and employees on leave are excluded.

(11) Major Lenders (As of December 31, 2014)

There are no important items.

(12) Other important information on the corporate group

There are no important items.

2. Matters Related to the Company's Shares (As of December 31, 2014)

(1) Number of Issuable Shares: 206,000,000 shares

(2) Number of Shares Outstanding: 42,155,400 shares

(Note) It includes treasury stock (80,576 shares).

(3) Number of Shareholders: 8,177

(4) Status of Major Shareholders (Top 10)

Shareholders	Number of shares	Holding ratio
WPP INTERNATIONAL HOLDING B.V.	10,331,100	24.55%
NORTHERN TRUST CO. (AVFC) RE SILCHESTER INTERNATIONAL INVESTORS INTERNATIONAL VALUE EQUITY TRUST	2,564,100	6.09%
NORTHERN TRUST CO. (AVFC) RE U.S. TAX EXEMPTED PENSION FUNDS	1,574,600	3.74%
The Bank of New York Non-Treaty Jasdec Account	1,492,800	3.55%
STATE STREET BANK AND TRUST COMPANY 505223	1,290,928	3.07%
Northern Trust Company (AVFC) Account Non Treaty	1,162,900	2.76%
The Master Trust Bank of Japan, Ltd. (Trust Account)	1,083,300	2.57%
The Japan Trustee Services Bank, (Trust Account)	786,900	1.87%
The Master Trust Bank of Japan, Ltd. (Mitsubishi Corporation, Limited Account, Retirement Benefit Trust Account)	765,000	1.82%
Royal Bank of Canada Trust Company (Cayman) Limited	635,700	1.51%

(Notes) 1. The ratio of shareholding is calculated by deducting the number of treasury stocks from the number of shares outstanding and rounding to the nearest one hundredth of a unit.

2. Silchester Partners Limited (former Silchester International Investors Limited) sent the Company a copy of the Major Shareholding Report (Change Report) as of November 8, 2010, stating that Silchester Partners Limited, jointly with Silchester International Investors LLP, owned 6,268,500 shares (13.88% of the number of shares outstanding as of November 1, 2010) as of November 1, 2010. Because the Company was not able to confirm the number of shares held by the two companies as of the end of the period, they are not included among the major shareholders listed above.
3. Franklin Templeton Institutional, LLC sent the Company a copy of Major Shareholding Report (Change Report) as of August 5, 2013, stating that Franklin Templeton Institutional, LLC owned 3,164,800 shares (7.42% of the number of shares outstanding as of July 31, 2013) as of July 31, 2013. Because the Company was not able to confirm the number of shares held by Franklin Templeton Institutional, LLC as of the end of the period, Franklin Templeton Institutional, LLC is not included among the major shareholders listed above.
4. Harris Associates L.P. sent the Company a copy of Major Shareholding Report (Change Report) as of July 3, 2014, stating that Harris Associates L.P. owned 3,012,700 shares (7.15% of the number of shares outstanding as of June 30, 2014) as of June 30, 2014. Because the Company was not able to confirm the number of shares held by Harris Associates L.P. as of the end of the period, Harris Associates L.P. is not included among the major shareholders listed above.

(5) Other Matters Regarding Shares Trust

The Company manages Employee Stock Ownership Plan (ESOP) Trust utilizing ADK Employee Shareholding Association (hereinafter called “ESOP Trust”) as an employee incentive plan for the purpose of ensuring the welfare of its employees, who represent the driving force behind the group’s growth, and increasing employees’ awareness about our performance and stock price and thus boost the medium- and long-term corporate value. Under the ESOP Trust, “ESOP Trust Account” (hereinafter called “Trust Account”), which was established to transfer shares of the Company to “ADK Employee Shareholding Association” (hereinafter called the “Association”), acquires a number of the Company’s shares that the Association plans to purchase otherwise between April 2010 and March 2015 from the stock market during a predetermined acquisition period and sells them at market value to the Association on a fixed date every month until the end of the trust period. The number of the Company’s shares the Trust Account owned as of the end of the period (December 31, 2014) was 206,000.

3. Matters Related to Stock Acquisition Rights

(1) Outline of the Stock Acquisition Rights (As of December 31, 2014)

Name (allotment date)	Total number of stock acquisition rights	Class and number of shares to be allotted upon exercise of stock acquisition rights	Amount of assets to be contributed upon exercise of stock acquisition rights	Exercise period of stock acquisition rights	The amount to be paid upon allocation of each stock acquisition right (issuance price of the stock acquisition rights)
Stock Acquisition Rights (1st series) (May 30,2012)	500	common stock 50,000 shares (100 shares per each stock acquisition right)	one (1) yen per share	From May 31,2015 to May 30,2022	121,800yen (1,218yen per share)
Stock Acquisition Rights (2nd series) (May 30,2013)	375	common stock 37,500 shares (100 shares per each stock acquisition right)	one (1) yen per share	From May 31,2016 to May 30,2023	90,600yen (906yen per share)
Stock Acquisition Rights (3rd series) (May 30,2013)	227	common stock 22,700 shares (100 shares per each stock acquisition right)	one (1) yen per share	From May 31,2016 to May 30,2023	90,600yen (906yen per share)
Stock Acquisition Rights (4th series) (August 29,2014)	264	common stock 26,400 shares (100 shares per each stock acquisition right)	one (1) yen per share	From August 30, 2017 to August 29,2024	173,500yen (1,735yen per share)
Stock Acquisition Rights (5th series) (August 29,2014)	599	common stock 59,900 shares (100 shares per each stock acquisition right)	one (1) yen per share	From August 30, 2017 to August 29, 2024	173,500yen (1,735yen per share)

(Notes) 1. The stock acquisition rights of the 1st , 2nd and 4th series were issued to the Company's directors (excluding outside directors) and the stock acquisition rights of the 3rd series were issued to the Company's senior operating officers, and 5th series were issued to the Company's operating officers excluding directors. They were each issued as stock compensation-type stock options.

2. The Company shall pay monetary compensation equivalent to the above amount payable for stock acquisition rights to the directors and officers to whom such stock acquisition rights are allocated, such amount to be offset by such directors' and officers' claim for such compensation, with respect to the Company, in lieu of the payment of the amount payable by the directors and officers.

3. Conditions for exercise of stock acquisition rights of the 1st, 2nd and 4th series

(a) A stock acquisition rights holder must be a Director of the Company when he/she exercises those rights unless he/she retires by reason of expiration of his/her term of office or any other justifiable cause.

(b) The number of share acquisition rights that may be exercised shall fluctuate in steps, within a range of from 0% to 100% of the total number of stock acquisition rights allocated according to the Total Shareholder Return results (i.e., the sum of the difference between the average stock price on the Tokyo Stock Exchange in the three months (excluding non-trading dates) immediately preceding the month in which the allotment date occurs and the average stock price on the Tokyo Stock Exchange in the three months (excluding non-trading dates) immediately preceding the month in which the first date of the exercise period occurs and the dividends per share for the period from the allotment date to the first date of the exercise period, divided by the average stock price on the Tokyo Stock Exchange in the three months (excluding non-trading dates) immediately preceding the month in which the allotment date occurs) from the allotment date to the first date of the exercise period.

4. Conditions for exercise of stock acquisition rights of the 3rd series

(a) A stock acquisition right holder must be a Director or Senior Operating Officer of the Company when he/she exercises those rights unless he/she retires by reason of expiration of his/her term of office or any other justifiable cause.

(b) Same as the above 3. (b).

5. Conditions for exercise of stock acquisition rights of the 5th series

(a) A stock acquisition right holder must be a Director or Operating Officer of the Company when he/she exercises those rights unless he/she retires by reason of expiration of his/her term of office or any other justifiable cause.

(b) Same as the above 3. (b).

(2) Status of Stock Acquisition Rights etc., allotted as consideration of execution of business to the Company's executives (As of December 31, 2014)

Name	Directors (excluding outside directors)		Outside Directors		Corporate Auditors	
	Number of persons	Number of stock acquisition rights (class and number of shares to be allotted upon exercise of stock acquisition rights)	Number of persons	Number of stock acquisition rights (class and number of shares to be allotted upon exercise of stock acquisition rights)	Number of persons	Number of stock acquisition rights (class and number of shares to be allotted upon exercise of stock acquisition rights)
Stock Acquisition Rights (1st series)	3	164 (common stock 16,400 shares)	—	—	—	—
Stock Acquisition Rights (2nd series)	2	228 (common stock 22,800 shares)	—	—	—	—
Stock Acquisition Rights (4th series)	4	264 (common stock 26,400 shares)	—	—	—	—

(3) Status of Stock Acquisition Rights, etc., allotted as consideration of execution of business to the Company's employees, etc. for the Period

Name	Employees		Employees and Executives of Subsidiaries	
	Number of persons	Number of stock acquisition rights (class and number of shares to be allotted upon exercise of stock acquisition rights)	Number of persons	Number of stock acquisition rights (class and number of shares to be allotted upon exercise of stock acquisition rights)
Stock Acquisition Rights (5th series)	18	599 (common stock 59,900 shares)	—	—

4. Matters Related to Company Executives

(1) Names and Other Information of Directors and Corporate Auditors (As of December 31, 2014)

Position	Name	Position at the Company, Duty and Important Concurrent Post
Director (Representative Director)	Koichiro Naganuma	Chairman of the board Vice Chairman, Japan Advertising Agency Association Chairman, Japan Advertising Industry Welfare Pension Fund Outside Director, PLENUS Co.,LTD.
President (Representative Director)	Shinichi Ueno	Group CEO
Director	Takeshi Kato	Corporate Management Center, Office of the President Executive
Director	Kenji Oshiba	Media Content Center Executive Representative Director and President, RIGHT SONG MUSIC PUBLISHING CO., LTD. Representative Director and President, NIHON AD SYSTEMS INC.
Director	Stuart Neish	Managing Director, WPP International Holding B.V. Director, WPP Group (Asia Pacific) Ltd.
Director	Hideaki Kido	Executive Director and Chairman , IMAGICA TV Corporation Senior Advisor to the Board, Imagica Robot Holdings Inc. Adjunct Professor & Visiting Fellow-Waseda University Global Information and Telecommunication Studies Director, Japan Satellite Broadcasting Association
Director	Mochio Umeda	President, MUSE Associates (USA), LLC Managing Director, Pacifica Fund Representative Director and President, MUSE Associates (Japan) Outside Director, RICOH COMPANY, LTD. Director, B innovation, Co., Ltd.
Director	Shin Ushijima	Senior Partner, Ushijima & Partners, Attorneys-at-Law Outside Director, NIPPON LIFE INSURANCE COMPANY Outside Auditor, Shochiku Co., Ltd. Outside Auditor, ASAHI KOGYOSHA CO., LTD. Representative Director and Chairman, Japan Corporate Governance Network
Corporate Auditor (full-time)	Yoshiro Sakai	
Corporate Auditor (full-time)	Hiroshi Ota	
Corporate Auditor (full-time)	Makoto Ichikawa	
Corporate Auditor	Masayuki Yoshinari	Partner, Toranomom College Law Office Vice Chairman, Tokyo Lawyers National Health Insurance Society External Controller, Dai-Ichi Kangyo Credit Cooperative (Not full-time)

(Notes) 1. Kenji Oshiba and Shin Ushijima assumed the post after newly appointed as Director at the 59th Ordinary General Meeting of Shareholders held on March 28, 2014.

2. Two directors, Kazuhiko Narimatsu and Kazuhiro Obayashi retired upon the expiration of their terms of office as of the close of the 59th Ordinary General Meeting of Shareholders held on March 28, 2014.

3. Director Koichiro Naganuma assumed the post of Representative Director as of April 15, 2014.

4. After the process taken on August 18, 2014, Director Yoshihiro Sakai (CFO, Finance Center Executive) resigned from his post. Significant positions he held during his tenure were Senior Researcher, Center for US-China Relations of Tsinghua University, China, and Adjunct Fellow of the Center for Strategic and International Studies in Washington D.C.

5. Hideaki Kido, Mochio Umeda and Shin Ushijima, are outside directors.

6. Makoto Ichikawa, Hirosh Ota and Masayuki Yoshinari are outside corporate auditors.

7. Corporate auditor Mr. Ichikawa has extensive business experience at financial institutions and a considerable store of knowledge of finance and accounting.
8. Corporate auditor Mr. Ota has extensive business experience at a securities company and a considerable store of knowledge of finance and accounting.
9. Corporate auditor Mr. Yoshinari has extensive experience as a lawyer and a considerable store of knowledge of corporate legal affairs.
10. The Company reported directors Mr. Kido, Mr. Umeda and Mr. Ushijima, corporate auditors Mr. Ichikawa and Mr. Ota, Mr. Yoshinari to the Tokyo Stock Exchange as independent executives.

(2) Amounts of Compensation of Directors and Corporate Auditors

(a) Total Amounts of Compensation for the Period

Position	Number of Directors/Corporate Auditors	Amount of Compensation
Directors (of those, outside directors)	10 (4)	¥207 million (¥ 34million)
Corporate auditors (of those, outside corporate auditors)	4 (3)	¥57 million (¥ 40million)
Total	14	¥265million

(Notes) 1. No bonus was provided to directors for the period.

2. The above table includes two directors who retired as of the close of the 59th Ordinary General Meeting of Shareholders held on March 28, 2014. One of the eight directors as of the end of the period serves without compensation, therefore the director is not included in the table above.

(b) Amounts of Compensation for the Stock Acquisition Rights as Stock Compensation-type Stock Options

In addition to (a), based on a resolution of the 57th Ordinary General Meeting of Shareholders held on March 29, 2012 and of the Board of Directors held on August 12, 2014, the Company issued stock acquisition rights as stock compensation-type stock options to four directors (excluding outside directors) on August 29, 2014 .

No Expenses will arise according to the Total Shareholder Return results (i.e., the sum of the difference between the average stock price on the Tokyo Stock Exchange in the three months (excluding non-trading dates) immediately preceding the month in which the day three years before the allotment date occurs and the average stock price on the Tokyo Stock Exchange in the three months (excluding non-trading dates) immediately preceding the month in which the allotment date occurs and the dividends per share for the period from the date three years before the allotment date to the day that immediately follows the allotment date, divided by the average stock price on the Tokyo Stock Exchange in the three months (excluding non-trading dates) immediately preceding the month in which the date three years before the allotment date occurs) for the three years preceding the allotment date of the stock acquisition rights.

(c) Amount of Retirement Benefits to Directors Provided for the Period

Based on a resolution of the 56th Ordinary General Meeting of Shareholders held on March 30, 2011, the Company paid retirement benefits of ¥22 million to one director who resigned from his office as of the close of the 59th Ordinary General Meeting of Shareholders held on March 28, 2014.

The retirement benefits include ¥22 million as an allowance for retirement benefits to directors included in the amount of compensation for directors in the business reports of previous periods.

(d) Amount of Compensation for Outside Executives Provided from the Parent Company and Subsidiaries

Not Applicable.

(3) Policy Regarding Determination of Compensation of Directors and Corporate Auditors

Directors responsible for executing the Company's business receive "fixed compensation" and "business performance-linked compensation" determined according to the functions they perform. Outside directors and corporate auditors not responsible for executing the Company's business receive fixed compensation only.

Business performance-linked compensation will consist of two types of compensation, namely, "bonuses," as compensation linked with short-term business performance, and "stock compensation-type stock options," as compensation linked with long-term business performance. Thus, The Company offers both long-term and short-term incentives to directors responsible for executing the Company's business. Because the Company does not treat directors as employees, it does not pay separate salaries to directors. The Company has terminated the system for granting retirement benefits to retiring directors and corporate auditors. It terminated the granting of retirement benefits to corporate auditors as of the close of the 52nd Ordinary General Meeting of Shareholders held on March 28, 2007, and terminated the granting of retirement benefits to directors as of the close of the 56th Ordinary General Meeting of Shareholders held on March 30, 2011.

The specific levels of compensation amounts shall be determined by referring to the corresponding data of a group of companies consisting of non-manufacturing companies having a similar size of sales as the Company, and peer companies.

Outline of 'Fixed compensation', 'bonuses' and 'stock compensation-type stock options' are as follows;

(a) Fixed compensation

It was resolved at the 56th Ordinary General Meeting of Shareholders held on March 30, 2011 that directors' fixed compensation shall be paid in an amount not exceeding ¥500 million per year. Fixed compensation paid to directors is comprised of regular 'basic compensation' and 'funds for acquiring treasury stock' through the directors' shareholding association. 'Funds for acquiring treasury stock' are applied only to full-time directors.

Previously, it was resolved at the Extraordinary General Meeting of Shareholders held on November 20, 1998 that corporate auditors' fixed compensation is regular basic compensation and shall be paid in an amount not exceeding ¥10 million per month.

(b) Bonuses

It was resolved at the 57th Ordinary General Meeting of Shareholders held on March 29, 2012 to grant directors (excluding outside directors) bonuses separate from the aforementioned fixed compensation in an amount not exceeding ¥150 million per year in response to the amount of the consolidated operating income for each fiscal year. Such bonuses shall not be paid if the consolidated operating income for each fiscal year does not reach the target amount, and if the consolidated operating income reaches the target amount, an amount equal to the base compensation (excluding any funds for acquiring treasury stock through the directors' shareholding association.), which is fixed compensation, multiplied by 20% to 40% in response to the level of achievement shall be paid.

(c) Stock Compensation-type Stock Options

It was resolved at the 57th Ordinary General Meeting of Shareholders held on March 29, 2012 to grant directors (excluding outside directors) stock acquisition rights separate from the aforementioned fixed compensation and the aforementioned bonuses, not exceeding ¥100 million annually. The amount of stock acquisition rights corresponds to approximately 30% of basic compensation, which is fixed compensation (excluding any funds for acquiring treasury stock through the directors' shareholding association).

The exercise price of such stock acquisition rights shall be ¥1 per share. The number of share acquisition

rights to be exercised fluctuates within a range of from 0% to 100% of the total number of stock acquisition rights allocated according to the Total Shareholder Return results (i.e., the sum of the difference between the average stock price on the Tokyo Stock Exchange in the three months (excluding non-trading dates) immediately preceding the month in which the allotment date occurs and the average stock price on the Tokyo Stock Exchange in the three months (excluding non-trading dates) immediately preceding the month in which the first date of the exercise period occurs and the dividends per share for the period from the allotment date to the first date of the exercise period, divided by the average stock price on the Tokyo Stock Exchange in the three months (excluding non-trading dates) immediately preceding the month in which the allotment date occurs) from the allotment date to the first date of the exercise period.

(4) Matters Related to Outside Executives

(a) Status of Significant Positions Held Concurrently and Relationship Between the Company and Other Relevant Corporations

Position	Name	Significant Positions Held Concurrently	Relationship with the Company
Director	Hideaki Kido	Executive Director and Chairman , IMAGICA TV Corporation	The Company has a business relationship such as a commission operation related to video distribution with IMAGICA TV Corporation.
		Senior Advisor to the Board, Imagica Robot Holdings Inc.	None
		Adjunct Professor & Visiting Fellow-Waseda University Global Information and Telecommunication Studies	None
		Director, Japan satellite Broadcasting Association	The Company has a business relationship of payment for the membership due.
Director	Mochio Umeda	President, MUSE Associates (USA), LLC	None
		Managing Director, Pacifica Fund	None
		Representative Director and President, MUSE Associates (Japan)	None
		Outside Director, RICOH COMPANY, LTD.	None
		Director, B innovation, Co., Ltd.	None
Director	Shin Ushijima	Senior Partner, Ushijima & Partners, Attorneys-at-Law	None
		Outside Director, NIPPON LIFE INSURANCE COMPANY	The Company has a business relationship such as advertisement.
		Outside Auditor, Shochiku Co., Ltd.	The Company has a business relationship such as property lease.
		Outside Auditor, ASAHI KOGYOSHA CO., LTD.	None
		Representative Director and Chairman, Japan Corporate Governance Network	None
Corporate Auditor	Masayuki Yoshinari	Partner, Toranomom College Law Office	None
		Vice Chairman, Tokyo Lawyers National Health Insurance Society	None
		External Controller, Dai-Ichi Kangyo Credit Cooperative (Not full-time)	None

(b) Major Activities

Position	Name	Major Activities
Director	Hideaki Kido	Mr. Kido attended all of the Board of Directors meetings (16 times) of the Company held during the period and expressed his opinion when appropriate based on his broad knowledge related to global business, the broadcasting business and corporate management. Such knowledge was nurtured through his experience in overseas operations and as management at a broadcasting company, etc.
Director	Mochio Umeda	Mr. Umeda attended all of the Board of Directors meetings (16 times) of the Company held during the period and expressed his opinion when appropriate based on his broad knowledge related to global business, the IT field and corporate management. Such knowledge was nurtured through his experience in overseas operations and as management at an IT company, etc.
Director	Shin Ushijima	Since he assumed his office on March 28, 2014, Mr. Ushijima attended all of the Board of Directors meetings (12 times) of the Company held during the fiscal year under review and expressed his opinion when appropriate based on his broad knowledge related to corporate legal affairs and in the field of corporate governance nurtured through his long experience as a lawyer.
Corporate Auditor	Hiroshi Ota	Mr. Ota attended all of the Board of Directors meetings (16 times) and all of the Board of Corporate Auditors meetings (8 times) of the Company held during the period and expressed his opinion when appropriate based on his ample experience and broad knowledge as management of securities companies and think tanks.
Corporate Auditor	Makoto Ichikawa	Mr. Ichikawa attended all of the Board of Directors meetings (16 times) and attended 7 of the 8 Board of Corporate Auditors meetings of the Company held during the period and expressed his opinion when appropriate based on his broad knowledge related to management and administration nurtured through experience in operations at financial institutions.
Corporate Auditor	Masayuki Yoshinari	Mr. Yoshinari attended 14 of the 16 Board of Directors meetings and all of the Board of Corporate Auditors meetings (8 times) of the Company held during the period and expressed his opinion when appropriate based on his broad legal knowledge nurtured through his long experience as a lawyer.

(c) Outline of Liabilities Limitation Agreement

The Company has a liabilities limitation agreement with each outside director and outside corporate auditor, which limits his/her liabilities for compensation of damages under Article 423, Paragraph 1, of the Companies Act; provided, however, that the ceiling amount for liabilities pursuant to such agreement shall be the larger of ¥10 million or an amount stipulated by laws and regulations.

5. Status of Independent Auditor

(1) **Name of Independent Auditor:** Ernst & Young Shin Nihon LLC

(2) Amount of Compensation for Independent Auditor

Compensation for the period	Total Amount of gains on assets the Company and its subsidiaries should pay
¥101million	¥143 million

(Note) Some significant subsidiaries of ADK were audited, not by ADK's independent auditor, Ernst & Young ShinNihon LLC, but other certified public accountants or auditing firms with equivalent qualifications in the countries where they operate.

(3) Non-audit Services

The Company asked the auditing firm to perform tasks based on advance agreement other than tasks prescribed in Certified Public Accountants Act, Article 2, Clause 1 and compensated the firm for these services.

(4) Policy Of Dismissal and Non-reappointment of Independent Auditor

The Board of Corporate Auditors of the Company agrees that when an independent auditor falls under any of the reasons for dismissal stipulated in Section 1, Article 340 of the Companies Act, and when the Board determines there are no prospects of improvement, the Board may dismiss such independent auditor with the unanimous approval of the Board, or the Board of Directors may submit a proposal for dismissal or non-reappointment of an independent auditor to the general meeting of shareholders. Or, the Board of Corporate Auditors may request a Director to submit such a proposal.

The Board of Directors of the Company submits a proposal for dismissal or non-reappointment of an independent auditor to the general meeting of shareholders subject to the approval of the Board of Corporate Auditors when the Board of Corporate Auditors makes such a request, or when there is a problem related to eligibility or trustworthiness as an independent auditor such as a systematic flaw, or when an event occurs that makes appropriate execution of duties as an independent auditor difficult.

6. Business System and Policies

(1) System to maintain appropriate business practice

The following is the outline of basic policy to improve the system ensuring the appropriateness of ADK's business ("Internal Control System").

(General Rules)

ADK operates an internal control system with the following aims:

- (a) Raise operational effectiveness and efficiency;
- (b) Maintain the reliability of financial reporting;
- (c) Ensure compliance with laws, regulations and the Articles of Incorporation; and
- (d) Safeguard assets.

Development and operation of the internal control system is supervised by the Risk Management Committee, which is chaired by the president; its members shall include operating officers appointed by the Board of Directors. The Risk Management Committee regularly investigates if the Internal Control System effectively functions or not, using a process management method based on the PDCA (Plan, Do, Check, Act) cycle, and reports to the Board of Directors Meeting.

The elements of resolution stipulated in the Company Law and the enforcement regulations of the Company Law are described in the following rules.

(Specific Rules)

1. System to Ensure Directors and Employees Perform Their Duties in Accordance with Laws, Regulations and the Articles of Incorporation

The Board of Directors formulated the "ADK Group Code of Conduct" to clarify the ethics and values to be shared by all directors and employees. The directors themselves observe this code, and the president continuously reiterates its spirit to employees.

The Risk Management Committee appoints the Compliance Committee as a subordinate organization chaired by the operation officer in charge of compliance; its members shall include external attorneys. The Company's compliance policy is contained in the ADK Group Code of Conduct. The Compliance Committee promotes the implementation of the compliance policy through a variety of measures, including the holding of workshops and the preparation of guidelines.

To help guarantee compliance with business execution law, regulations and the Articles of Incorporation, the perspective of rejecting ties with antisocial influences is incorporated in the ADK Group Code of Conduct. Under the control of the Compliance Committee, ADK develops the system to implement the rejection of such antisocial influences.

When a suspected violation of major laws and regulations or the Articles of Incorporation comes to the attention of the Committee, it holds its own investigation or asks an investigation to the divisions in charge of internal audit. Based on the results, the Compliance Committee demands that appropriate action be taken against the department in question. The Compliance Committee also operates the "Group Helpline System," which involves external law offices and guarantees anonymity to encourage employees to report violations of laws and regulations.

The Risk Management Committee also appoints the Process Owner Committee, chaired by the operating officer in charge of the maintenance and control of the system for ensuring the reliability of financial reporting, as a subordinate organization. The Process Owner Committee identifies risks related to the reliability of financial reporting and issues instructions accordingly. Based on such instructions, the Committee ensures that suitable responses are implemented to address risks identified in each responsible

department and that the risk management system is properly operated and maintained.

2. System Regarding the Retention and Management of Information Related to the Execution of Duties of Directors

The Risk Management Committee appoints the Information Security Committee, chaired by the operating officer in charge of the retention and management of information related to the execution of duties of directors, as a subordinate organization.

The minutes of the Board of Directors meetings and the materials distributed to directors for deliberation of resolutions shall be retained for a minimum of 10 years in the division in charge of the secretariat. The minutes of regular meetings that directors must attend, as well as other business documents approved by directors or in which their opinions are written, shall be managed in compliance with “Document Management Regulations” and “Information Security Policy.”

3. Regulations and Systems relating to Risk Management

The Risk Management Committee defines the “Risk Management Policy” and implements comprehensive risk management for the entire ADK Group instructs responsible departments to take appropriate measures when necessary.

Under the control of the Risk Management Committee, the aforementioned Compliance Committee, Process Owner Committee, Information Security Committee and Business continuity Committee as the specialist committees shall implement risk management in each field. The Risk Management Committee directly implements risk management in the fields not covered by specialist committees.

The division in charge of internal audit monitors the effectiveness of the risk management system and reports to the Risk Management Committee.

4. System to Ensure the Effective Execution of Directors’ Duties

The Company maintains an appropriate number of directors in order to ensure the flexible holding of and active discussions at the Board of Directors meetings. The Company also limits the tenure of each director to one year in order to frequently check the qualification of directors.

The Company distinguishes execution of duties from role of Directors to operate the Board of Directors centering on the decision and supervision of execution of duties.

The Board of Directors meeting sets up the company-wise goals and objectives to be shared by all directors and employees, also draws up mid-term plans and annual business plan to achieve those goals and objectives. Progress of annual business plans is reported on a quarterly basis, and progress of medium-term plans is reported and reviewed each fiscal year.

5. System to maintain appropriate business practices throughout the ADK Group

Under the supervision of the Risk Management Committee, the division in charge of management of subsidiaries directs each subsidiary to develop and maintain its own internal control system and implements a group-wide internal control system by requesting subsidiaries the compliance with the “ADK Group Code of Conduct” and implementation of specific measures, such as an adoption of the “Group Helpline System.”

The division in charge of management of subsidiaries makes arrangements with major subsidiaries about approval and reporting, makes them mandatory to report or to gain approval from or report to ADK before making decisions regarding certain matters, and manages them. The division in charge of management of subsidiaries also makes arrangements with major subsidiaries about accepting the internal audit by the division in charge of internal audit to audit each subsidiary's business.

6. System for employees when requested to support the Board of Corporate Auditors; the independence of such employees from directors

In the event that the corporate auditors request the assistance of employees, the Company assigns the appropriate persons as assistants to corporate auditors as soon as possible. To reinforce independence from directors, performance reviews, personnel transfers, and decisions on reward and punishment of the employees to assist corporate auditors must be approved in advance by the Board of Corporate Auditors.

7. System for reporting to corporate auditors by directors or employees, systems for other reporting to corporate auditors, and other systems for ensuring the effective implementation of auditing by corporate auditors

The Company has a policy to maintain four or more corporate auditors in total, two or more outside corporate auditors, exceeding the legal requirement.

In addition to the Board of Directors meetings, the attendance of corporate auditors is requested at important regular meetings, and the minutes of those meetings must be presented to all corporate auditors. If corporate auditors request attendance at any other meetings, directors and employees shall not refuse the request.

Directors and employees shall report immediately to the Board of Corporate Auditors on cases that may cause serious damage to the entire ADK Group, inappropriate actions in the execution of duties by directors, material facts that breach laws, regulations, and the Articles of Incorporation, reports received through the “Group Helpline System,” or results of inspections by regulator or external audits.

The president holds a regular meeting to exchange opinions with the corporate auditors. The Audit Reports of the division in charge of internal audit are submitted to the corporate auditors as well as the president, and members of the division in charge of internal audit attend meetings of the Board of Corporate Auditors to cooperate with corporate auditors.

(2) Takeover Defense Policy

The Company believes that the policies for finance and business strategies should be ultimately authorized by shareholders.

In addition to the improvement of capital efficiency and distribution to the shareholders, the Company has been making company-wide efforts to maximize corporate value and common interests of shareholders based on our “Management by All” principle by increasing its competitiveness as an advertising business. The Company believes that such a sense of unity and the idea of a shared future among directors and employees in the advertising industry, which we believe is a “people business,” is the source of competitiveness. The Company believes that, if this sense of unity and the idea of a shared future are undermined by an abusive takeover attempt, corporate value and the common interests of shareholders would be damaged, therefore, any purposes of an acquiring body cannot be achieved.

The Company believes that obtaining the support of shareholders by maximizing corporate value and rewarding shareholders is the best defense against an abusive takeover attempt; therefore, the Company has not implemented any specific takeover defense measures at present.

On the other hand, in the event of an attempt of large-scale purchase of the Company’s shares or a takeover proposal, the Board of Directors who assume management responsibility on behalf of the shareholders will assess the impact of such attempt on corporate value and common interests of the shareholders, while respecting the opinions of outside specialists. In addition to expressing their views, the Board of Directors will negotiate with such a bidder and do its best to provide necessary information and ensure sufficient time for shareholders to properly judge whether to accept such a bid or not.

Moreover, in the event that such a bidder does not provide necessary information or it is deemed that such a proposal may damage corporate value and or common interests of the shareholders, the Board of Directors will take reasonable and most effective countermeasures at that time, which would be accepted by shareholders.

The Company will carefully discuss whether to implement specific takeover defense measures in advance, in consideration of future economic environments, capital markets, and trends in laws and regulations.

(3) Policy of Shareholders Return

ADK defines in its article of incorporation that the Board of Executive Directors is fully responsible for deciding a way of using the surplus such as a dividend. The board determines a dividend amount based on a total shareholder return policy, that includes buy-back, of 50% of the current term’s net income while making long-lasting stability by, in principle, setting the minimum dividend per share of ¥20. An interim dividend, in principle, should be ¥10 per share as it has been, and a year-end dividend should be the higher of ¥10 per share or an amount which would make the annual total return ratio satisfy the guideline of 50%.

ADK places the enhancement of medium-to long-term shareholders value as one of the key management issues, and hence, the Company recognizes ROE as the most important indicator to prove that. To improve ROE, we believe that we need to strive to grow our businesses by investing in growth fields such as the digital and content businesses and implementing M&As, while optimizing the capital by means of distributing surplus funds to shareholders. We continue to make efforts to ensure sufficient returns to shareholders as part of measures to enhance ROE.

Based on the above policy and its underlying reasons, the year-end dividend for the fiscal year under review was determined by resolution of the Board of Directors meeting to be ¥561 per share (an ordinary dividend of ¥35 and an extraordinary dividend of ¥526). The full-year dividend, therefore, is ¥571.

(Note) Amounts less than the unit indicated in this Business Report are truncated.

Consolidated Balance Sheets

(As of December 31, 2014)

(Unit: Millions of yen)

Assets		Liabilities	
I. Current assets	137,205	I. Current liabilities	83,853
Cash and deposits	32,738	Notes and accounts payable-trade	71,574
Notes and accounts receivable-trade	87,112	Short-term loans payable	46
Short-term investment securities	7,534	Current portion of long-term loans payable	82
Inventories	8,088	Income taxes payable	1,561
Deferred tax assets	976	Provision for bonuses	1,013
Other	1,443	Provision for sales returns	493
Allowance for doubtful accounts	(687)	Other	9,082
II. Noncurrent assets	106,112	II. Noncurrent liabilities	24,464
Property, plant and equipment	4,839	Deferred tax liabilities	21,578
Buildings and structures	2,591	Provision for retirement benefits	1,605
Land	1,011	Provision for directors' retirement benefits	74
Other	1,236	Other	1,206
Intangible assets	1,672		
Software	1,642	Total liabilities	108,317
Other	29		
Investments and other assets	99,601	Net assets	
Investment securities	93,185	I. Shareholders' equity	91,260
Long-term loans receivable	73	Capital stock	37,581
Deferred tax assets	448	Capital surplus	11,982
Other	6,649	Retained earnings	42,265
Allowance for doubtful accounts	(756)	Treasury stock	(569)
		II. Accumulated other comprehensive income	42,923
		Valuation difference on available-for-sale securities	40,118
		Deferred gains or losses on hedges	5
		Foreign currency translation adjustments	2,819
		Remeasurements of defined benefit plans	(20)
		III. Subscription rights to shares	40
		IV. Minority interests	775
		Total net assets	134,999
Total assets	243,317	Total liabilities and net assets	243,317

Consolidated Income Statements

(For the year ended December 31, 2014)

(Unit: Millions of yen)

I.	Gross billings		352,984
II.	Cost of sales		304,416
	Gross profit		48,568
III.	Selling, general and administrative expenses		44,470
	Operating income		4,097
IV.	Non-operating income		
	Interest and dividends income	2,417	
	Equity in earnings of affiliates	220	
	Other	717	3,355
V.	Non-operating expenses		
	Interest expenses	8	
	Loss on investment in partnership	58	
	Expenses of real estate rent	28	
	Loss on insurance cancellation	40	
	Other	65	201
	Ordinary income		7,251
VI.	Extraordinary income		
	Gain on sales of noncurrent assets	13	
	Gain on sales of investment securities	1,222	
	Other	48	1,284
VII.	Extraordinary loss		
	Loss on retirement of noncurrent assets	142	
	Impairment loss	207	
	Loss on sales of investment securities	2	
	Special retirement expenses	535	
	Office transfer expenses	1,080	
	Other	134	2,102
	Income before income taxes		6,433
	Income taxes-current	2,669	
	Income taxes-deferred	(69)	2,599
	Income before minority interests		3,833
	Minority interests in income		137
	Net income		3,696

Consolidated Statements of Changes in Net Assets

(For the year ended December 31, 2014)

(Unit: Millions of yen)

	Shareholders' equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance as of January 1, 2014	37,581	11,982	44,303	(651)	93,216
Changes during the consolidated fiscal year					
Dividend payments			(5,932)		(5,932)
Net income			3,696		3,696
Acquisitions of treasury stock				(6)	(6)
Disposals of treasury stock		0		87	87
Increase due to newly consolidated subsidiaries			154		154
Other			43		43
(Net) changes of items other than shareholders' equity					
Total change during the consolidated fiscal year	—	0	(2,037)	81	(1,956)
Balance as of December 31, 2014	37,581	11,982	42,265	(569)	91,260

	Valuation difference on available-for-sale securities	Accumulated other comprehensive income				Subscription rights to shares	Minority interests	Total net assets
		Deferred gains or losses on hedges	Foreign currency translation adjustments	Total accumulated remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance as of January 1, 2014	35,142	1	1,513	-	36,657	21	1,077	130,972
Changes during the consolidated fiscal year								
Dividend payments								(5,932)
Net income								3,696
Acquisitions of treasury stock								(6)
Disposals of treasury stock								87
Increase due to newly consolidated subsidiaries								154
Other								43
(Net) changes of items other than shareholders' equity	4,975	4	1,306	(20)	6,266	19	(302)	5,982
Total change during the consolidated fiscal year	4,975	4	1,306	(20)	6,266	19	(302)	4,026
Balance as of December 31, 2014	40,118	5	2,819	(20)	42,923	40	775	134,999

Nonconsolidated Balance Sheets

(As of December 31, 2014)

(Unit: Millions of yen)

Assets		Liabilities	
I. Current assets	106,299	I. Current liabilities	75,148
Cash and deposits	16,606	Notes payable-trade	9,051
Notes receivable-trade	6,219	Accounts payable-trade	56,168
Accounts receivable-trade	69,853	Current portion of long-term loans payable	82
Short-term investment securities	7,026	Accounts payable-other	2,912
Inventories	5,515	Income taxes payable	1,330
Accounts receivable-other	157	Provision for bonuses	682
Deferred tax assets	734	Deposits received	3,669
Other	757	Other	1,251
Allowance for doubtful accounts	(571)	II. Noncurrent liabilities	22,864
II. Noncurrent assets	108,130	Lease obligations	4
Property, plant and equipment	2,550	Deferred tax liabilities	21,582
Buildings	1,677	Provision for retirement benefits	631
Vehicles	21	Other	645
Furniture and fixtures	477		
Land	321	Total liabilities	98,012
Lease assets	52	Net assets	
Intangible assets	1,517	I. Shareholders' equity	76,340
Leasehold right	1	Capital stock	37,581
Software	1,515	Capital surplus	11,982
Other	0	Legal capital surplus	7,839
Investments and other assets	104,061	Other capital surplus	4,143
Investment securities	11,868	Retained earnings	27,345
Stocks of subsidiaries and affiliates	87,579	Legal retained earnings	1,555
Investments in capital of subsidiaries and affiliates	1,099	Other retained earnings	25,790
Long-term loans receivable	52	General reserve	22,019
Guarantee deposits	1,747	Retained earnings brought forward	3,770
Claims provable in bankruptcy, claims provable in rehabilitation and other	105	Treasury stock	(569)
Other	2,191	II. Valuation and translation adjustments	40,035
Allowance for doubtful accounts	(580)	Valuation difference on available-for-sale securities	40,030
		Deferred gains or losses on hedges	5
		III. Subscription rights to shares	40
		Total net assets	116,416
Total assets	214,429	Total liabilities and net assets	214,429

Nonconsolidated Income Statements

(For the year ended December 31, 2014)

(Unit: Millions of yen)

I.	Gross billings		306,718
II.	Cost of sales		272,055
	Gross profit		34,662
III.	Selling, general and administrative expenses		31,531
	Operating income		3,130
IV.	Non-operating income		
	Interest and dividends income	2,529	
	Interest on securities	5	
	Foreign exchange gains	160	
	Other	268	2,964
V.	Non-operating expenses		
	Interest expenses	5	
	Expenses of real estate rent	9	
	Loss on insurance cancellation	58	
	Other	71	145
	Ordinary income		5,950
VI.	Extraordinary income		
	Gain on sales of investment securities	1,043	
	Other	302	1,397
VII.	Extraordinary loss		
	Loss on retirement of noncurrent assets	83	
	Special retirement expenses	478	
	Office transfer expenses	969	
	Other	207	1,738
	Income before income taxes		5,609
	Income taxes-current	2,165	
	Income taxes-deferred	(39)	2,125
	Net income		3,484

Nonconsolidated Statements of Changes in Net Assets

(For the year ended December 31, 2014)

(Unit: Millions of yen)

	Shareholders' equity			
	Capital stock	Capital surplus		
		Legal capital surplus	Other capital surplus	Total capital surplus
Balance as of January 1, 2014	37,581	7,839	4,143	11,982
Changes during the non-consolidated fiscal year				
Dividend payments				
Net income				
Acquisitions of treasury stock				
Disposals of treasury stock			0	0
Cancellation of treasury stock				
Reversal of reserve for dividends				
Reversal of general reserve				
(Net) changes of items other than shareholders' equity				
Total changes during the non-consolidated fiscal year	—	—	0	0
Balance as of December 31, 2014	37,581	7,839	4,143	11,982

	Shareholders' equity						
	Retained earnings					Treasury stock	Total Shareholders' Equity
	Legal retained earnings	Other retained earnings		Total retained earnings			
		General reserve	Retained earnings brought forward				
Balance as of January 1, 2014	1,555	25,019	3,219	29,794	(651)	78,707	
Changes during the non-consolidated fiscal year							
Dividend payments			(5,932)	(5,932)		(5,932)	
Net income			3,484	3,484		3,484	
Acquisitions of treasury stock					(6)	(6)	
Disposals of treasury stock					87	87	
Cancellation of treasury stock						—	
Reversal of reserve for dividends						—	
Reversal of general reserve		(3,000)	3,000			—	
(Net) changes of items other than shareholders' equity							
Total change during the non-consolidated fiscal year	—	(3,000)	551	(2,448)	81	(2,367)	
Balance as of December 31, 2014	1,555	22,019	3,770	27,345	(569)	76,340	

	Valuation and translation adjustments			Subscription rights to shares	Total net Assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Total valuation and translation adjustments		
Balance as of January 1, 2014	35,006	1	35,007	21	113,736
Changes during the non-consolidated fiscal year					
Dividend payments					(5,932)
Net income					3,484
Acquisitions of treasury stock					(6)
Disposals of treasury stock					87
Cancellation of treasury stock					—
Reversal of reserve for dividends					—
Reversal of general reserve					—
(Net) changes of items other than Shareholders' equity	5,023	4	5,028	19	5,047
Total change during the non-consolidated fiscal year	5,023	4	5,028	19	2,680
Balance as of December 31, 2014	40,030	5	40,035	40	116,416