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Company Name: Hakuhold DY Holdings Inc.
 Representative: Mr. Hirokazu Toda, President & CEO
 (Code number: 2433; TSE First Section)
 Inquiries: Mr. Satoru Yagi
 Executive Manager, Investor Relations Division
 (Tel: +81-3-6441-9033)

Consolidated Financial Highlights for 3Q of FY 2012

Hakuhold DY Holdings Inc. has summarized key data from its third-quarter earnings report for fiscal 2012, the year ending March 31, 2013, released today, in the following reference materials.

1. Summary Consolidated Income Statements (April 1 to December 31, 2012)

(Millions of yen)

	3 Q(9Month) of		YoY comparisons	
	FY2011	FY2012	Change	(%)
Billings	690,516	765,139	74,623	10.8%
Revenue	113,462	129,185	15,722	13.9%
(Gross margin)	(16.4%)	(16.9%)	(+0.5%)	
SG&A expenses	102,541	109,216	6,675	6.5%
Operating income	10,921	19,969	9,047	82.8%
(Operating margin)	(9.6%)	(15.5%)	(+5.8%)	
Non-operating items	1,825	1,661	(163)	
Ordinary income	12,746	21,630	8,884	69.7%
Extraordinary items	(2,138)	(502)	1,636	
Income before income Taxes and minority interests	10,607	21,128	10,520	99.2%
Net income	2,280	10,569	8,289	363.5%

(Operating margin = Operating income / Revenue)

During the first nine months of the fiscal year (April 1 to December 31, 2012), the Japanese economy exhibited a weak development. The economy started by experiencing modest growth mainly due to post-disaster recovery efforts, but from the second quarter business conditions showed signs of slowing down amid rising uncertainty surrounding the external economic environment, particularly in Europe and China. In Japan's advertising market*1, while the first quarter saw double-digit growth of 14.4% over the same period a year earlier, the impact of the cautious corporate sentiment regarding

business performance resulted in negative growth in September and October year on year, and the market showed a lackluster trend.

In this climate, the Hakuhodo DY Group continued to move assertively to conduct business activities in the three priority strategic domains of Internet, Marketing/Promotion, and Global, driven by its Core Medium-term Strategy: "The Hakuhodo DY Group strives to be a partner responsible for realizing optimized corporate marketing activities across all formats via the pursuit of next-generation, comprehensive marketing solutions." As a result, billings rose 10.8% year on year to ¥765,139 million.

By service area, consolidated billings for the four traditional mass media services rose 8.6% year on year in the nine months ended December 31, 2012, reflecting sharply higher year-on-year growth in TV ad spots. Non-mass media service billings increased 15.6% year on year. While growth was reported in Internet media and all other service areas, year-on-year growth was most pronounced in Marketing/Promotion, in part because of contributions from a newly consolidated subsidiary.

By client industry, in addition to significant growth in industries that account for a substantial proportion of billings, such as Automobiles/Related products and Information/Communications, a broad range of industries such as Transportation/Leisure and Distribution/Retailing rose year on year *2.

Revenue increased 13.9% year on year, to ¥129,185 million, reflecting the continuation of a range of measures designed to boost profitability throughout the Group. SG&A expenses rose slightly year on year. Nevertheless, operating income improved 82.8% to ¥19,969 million. Ordinary income was ¥21,630 million, up 69.7% from the previous fiscal year.

Coupled with ¥613 million in extraordinary income (up 41.8% year on year) and an extraordinary loss of ¥1,115 million (down 56.6% year on year), income before income taxes and minority interests was ¥21,128 million (up 99.2% year on year). As a result, after deduction of taxes and minority interests, net income was ¥10,569 million (up 363.5% year on year).

Notes

1. According to the Survey of Selected Service Industries (Ministry of Economy, Trade and Industry, Japan).

2. Based on internal management categories and data compiled by the Company.

2. Consolidated Balance Sheets (Condensed), as of December 31, 2012

(Millions of yen)

	Mar. 31, 2012		Dec. 31, 2012		Comparisons	
	Amount	Share	Amount	Share	Change	(%)
Current assets	400,531	77.2%	384,410	77.1%	(16,120)	-4.0%
Fixed assets	118,274	22.8%	114,237	22.9%	(4,036)	-3.4%
Total assets	518,805	100.0%	498,647	100.0%	(20,157)	-3.9%
Current liabilities	286,887	55.3%	259,656	52.1%	(27,231)	-9.5%
Non-current liabilities	12,636	2.4%	12,602	2.5%	(34)	-0.3%
Total liabilities	299,524	57.7%	272,259	54.6%	(27,265)	-9.1%
Total shareholders' equity	205,233	39.6%	212,955	42.7%	7,722	3.8%
Total net unrealized gains on securities and translation adjustments	881	0.2%	567	0.1%	(313)	-35.6%
Subscription rights to shares	287	0.0%	266	0.1%	(21)	-7.5%
Minority interests	12,878	2.5%	12,598	2.5%	(279)	-2.2%
Total net assets	219,280	42.3%	226,388	45.4%	7,107	3.2%
Total liabilities and net assets	518,805	100.0%	498,647	100.0%	(20,157)	-3.9%

3. Consolidated Forecasts for Fiscal 2012 (April 1, 2012 to March 31, 2013)

In light of operating results for April 1 through December 31, 2012 and the most recent performance trends, the Company reexamined its consolidated business forecasts for the fiscal year ending March 31, 2013. However, because client trends for the month of March are uncertain, the Company has chosen not to revise its outlook at this time.

Although no revisions were made to estimates at this time, the Company's rationale with respect to current business conditions is detailed below.

Macro environment (Japan's advertising market): In the current fourth quarter, Japan's advertising market may be either the same as the previous year or slightly down year on year, as a consequence of significant growth in this market in the fourth quarter of the previous fiscal year.

Fourth quarter billings: The current conditions of Japan's advertising market are as described, and the Company's outlook for year-on-year change in fourth quarter billings is cautious because the Hakuholdo DY Group's billings grew significantly in last year's fourth quarter mainly in such industry sectors as Automobiles/Related products and Beverages/Cigarettes/Luxury foods.

Operating income: As regards full-year operating income, gross margin improvement and progress in tightly controlling SG&A expenses have raised the likelihood of operating income exceeding the past record of ¥25.0 billion achieved in the fiscal year ended March 2008.

For reference, the consolidated forecast for the fiscal year ending March 31, 2013 is as

follows.

(Millions of yen)

	Full Year			
	FY2011 (Result)	FY2012 (Forecast)	YoY	
			change	(%)
Billings	978,321	1,037,000	58,678	6.0%
Operating income	19,816	23,500	3,683	18.6%
Ordinary income	21,945	25,600	3,654	16.7%
Net income	8,604	11,500	2,895	33.6%
(Operating margin)	(12.3%)	(13.6%)	(+1.3%)	

(Operating margin = Operating income / Revenue)

(Note)

Forecasts in this press release are based on certain assumptions deemed to be reasonable by the Company at the time of announcement. Actual results may differ materially from these forecasts due to a variety of reasons.