May 9, 2013
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Consolidated Financial Highlights for Total of FY 2012

Hakuhodo DY Holdings Inc. has summarized key data from its earnings report for fiscal 2012, the year ended March 31, 2013, released today, in the following reference materials.

1. Summary Consolidated Income Statements (April 1 to March 31, 2013)

(Millions of yen)

	FY2011 (Actual)	FY2012 (Actual)	YoY Comparison	
			Change	(%)
Billings	978,321	1,045,431	67,109	6.9%
Revenue	160,756	175,964	15,208	9.5%
(Gross margin)	(16.4%)	(16.8%)	(+0.4%)	
SG&A expenses	140,940	149,645	8,704	6.2%
Operating income	19,816	26,319	6,503	32.8%
(Operating margin)*	(12.3%)	(15.0%)	(+2.6%)	
Non-operating items	2,129	1,691	(438)	
Ordinary income	21,945	28,010	6,064	27.6%
Extraordinary items	(1,590)	(3,062)	(1,471)	
Income before income taxes and minority interests	20,355	24,948	4,593	22.6%
Net income	8,604	12,894	4,289	49.9%

* Operating margin = Operating income / Revenue

Dividend per share	70	80	10	Yen

In the year ended March 31, 2013, the Japanese economy started by experiencing modest growth mainly due to post-disaster recovery efforts. However, from the second quarter, business conditions showed signs of slowing down amid rising uncertainty surrounding the external economic environment. In the fourth quarter, the economy was underpinned by the benefits of various economic measures and an improvement in consumer mindset. As a result, business conditions ceased to worsen and showed signs of picking up by the end of the fiscal year. In Japan's advertising market (see Note 1), the first quarter saw double-digit growth of 14.1% over the same period a year earlier, however subsequent cautious corporate business sentiment weakened the development of the economy. Yet, on a cumulative basis for the 11 months from April 2012 to February 2013, the market rose 3.6% year on year, suggesting that it will conclude the fiscal year ended March 31, 2013 in positive territory.
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. These are driven by its Core Medium-term Strategy: “The Hakuhodo DY Group strives to be a responsible partner realizing optimized corporate marketing activities across all formats via the pursuit of next-generation, comprehensive marketing solutions.” As a result, billings rose 6.9% year on year to ¥1045,431 million.

By service area, consolidated billings for the four traditional mass media services rose 4.7% year on year, reflecting sharply higher year-on-year growth mainly in TV ad spots and other TV advertisings. Non-mass media service billings increased 10.6% year on year due to year-on-year growth mainly in Marketing/Promotion, Internet media, and all other service areas.

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 (see Note 2).

Revenue increased 9.5% year on year, to ¥175,964 million, reflecting the continuation of a range of measures designed to boost profitability throughout the Group. SG&A expenses rose 6.2% year on year, mainly due to the operating expenses of newly consolidated subsidiaries that were recorded. Nevertheless, the Group made efforts to enhance efficiency and consolidate expenses, thus the rate of growth in SG&A expenses declined. Accordingly, operating income improved 32.8% to ¥26,319 million. Ordinary income was ¥28,010 million, up 27.6% from the previous fiscal year. Operating income set a new record, exceeding the previous record of ¥25,007 million recorded in fiscal 2007.

Income before income taxes and minority interests was ¥24,948 million (up 22.6% year on year) coupled with ¥806 million in extraordinary income (down 14.8% year on year) and extraordinary loss of ¥3,868 million (up 52.5% year on year). As a result, after deduction of taxes and minority interests, net income increased substantially to ¥12,894 million (up 49.9% 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 March 31, 2013

(Millions of yen)

	31-Mar-12		31-Mar-13		Comparison with March 31, 2012	
	Amount	Share	Amount	Share	Change	(%)
Current assets	400,531	77.2%	410,264	77.6%	9,733	2.4%
Fixed assets	118,274	22.8%	118,270	22.4%	(3)	0.0%
Total assets	518,805	100.0%	528,535	100.0%	9,729	1.9%
Current liabilities	286,887	55.3%	281,842	53.3%	(5,045)	-1.8%
Non-current liabilities	12,636	2.4%	12,340	2.4%	(296)	-2.3%
Total liabilities	299,524	57.7%	294,182	55.7%	(5,342)	-1.8%
Total shareholders’ equity	205,233	39.6%	215,279	40.7%	10,046	4.9%
Total net unrealized gains on securities and translation adjustments	881	0.2%	6,339	1.2%	5,457	619.0%
Subscription rights to shares	287	0.0%	242	0.0%	(45)	-15.7%
Minority interests	12,878	2.5%	12,490	2.4%	(387)	-3.0%
Total net assets	219,280	42.3%	234,352	44.3%	15,071	6.9%
Total liabilities and net assets	518,805	100.0%	528,535	100.0%	9,729	1.9%

3. Consolidated Forecasts for Fiscal 2013 (April 1, 2013 to March 31, 2014)

(Millions of yen)

	1H			2H			Full-year		
	FY2013	Y o Y Comparisons		FY2013	Y o Y Comparisons		FY2013	Y o Y Comparisons	
	(Forecast)	Change	(%)	(Forecast)	Change	(%)	(Forecast)	Change	(%)
Billings	504,000	9,664	2.0%	583,000	31,904	5.8%	1,087,000	41,568	4.0%
Operating income	10,500	(862)	-7.6%	19,500	4,544	30.4%	30,000	3,680	14.0%
Ordinary income	11,600	(1,007)	-8.0%	19,900	4,497	29.2%	31,500	3,489	12.5%
Net income	5,700	(497)	-8.0%	9,800	3,103	46.3%	15,500	2,605	20.2%
(Operating margin)*	(12.4%)	(-1.3%)		(19.5%)	(+3.4%)		(16.2%)	(+1.3%)	

* Operating margin = Operating income / Revenue

For reference, the consolidated forecast for the fiscal year ending March 31, 2014 is as follows.

For the Hakuhodo DY Group, the year ending March 31, 2014 will be a concluding year for its current medium-term business plan. Accordingly, not only hitting its initial targets, the Group will work this year to advance various measures and increase corporate value with the aim of exceeding plan objectives.

Macro environment: Growth in Japan's advertising market of around 3%
In the fiscal year ending March 31, 2014, Japan's advertising market is projected to increase approximately 3% year on year. Strong growth is expected in the second half of the fiscal year, against the backdrop of such factors as the benefits of various economic measures, an improvement in consumer mindset, and last-minute demand ahead of a rise in the consumption tax rate.

Billings: ¥1,087 billion, up 4.0% year on year
In this climate, the Group aims to achieve growth above the market average through steady enactment of the strategic initiatives outlined in its medium-term business plan, and by expanding its market share to the next stage. As a result, full-year billings are expected to grow 4.0% to ¥1,087 billion.

Operating income: ¥30 billion, or up 14.0% year on year
The Group will take steps to raise its already high gross margin even further, recognizing that the profits should accompany billings expansion. In SG&A expenses, the Group will not only settle at achieving the medium-term business plan, but prepare itself for the next stage. Specifically, in addition to making strategic investments in certain expenses with an eye on the future, efforts will include continuing to enhance efficiency and consolidate expenses. The Group will also seek to improve its operating margin by holding the rate of growth in expenses to below that of revenue. As a result, full-year operating income is projected to increase 14.0% for the year, to ¥30.0 billion, exceeding the medium-term plan target of ¥28.0 billion. The Group also expects to improve its operating margin, which is the ratio of operating income to revenue, to 16.2%, also exceeding the plan target of 16.0%.

Ordinary income: ¥31.5 billion, up 12.5% year on year
Ordinary income, including dividend income, equity in investment income from affiliates, and other non-operating items, is projected to be ¥31.5 billion, or 12.5% higher year on year.

Net income: ¥15.5 billion, up 20.2% year on year.
No significant extraordinary items are forecasted at this time. Consequently, net income is projected to increase 20.2% year on year, to ¥15.5 billion.

Based on a fundamental stance of providing a stable dividend, and in comprehensive evaluation of the trend in performance, we plan to pay an ordinary dividend per share of ¥90 in the year ending March 31, 2014, up ¥10 from the year ended March 31, 2013.

Moreover, on October 1, 2013, the Company will mark the tenth anniversary of its establishment as a holding company by a merger. We consider this achievement to be solely due to the support and cooperation that we have received from so many stakeholders, including our shareholders. As a token of gratitude to our shareholders, we plan to pay a commemorative dividend of ¥30 per share.
As a result, we plan to pay a total annual dividend of ¥120 per share for the fiscal year ending March 31, 2014, comprising an ordinary dividend of ¥90 plus the commemorative dividend of ¥30.

(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.