

Hakuhodo DY holdings

Consolidated Financial Highlights Fiscal Year Ended March 31, 2013 (FY2012)

2013.5.10

Cautionary statement concerning forward-looking statements, Note concerning audits

This presentation includes forward-looking statements concerning forecasts of operating results, business plans and policies, management strategies, goals, plans, numbers involving the future, views and evaluations of facts, and other items associated with Hakuhodo DY Holdings and its group companies. These and other statements that are not historical facts represent forecasts, expectations, assumptions, plans, views, evaluations and other positions of management based on information available when this presentation was prepared.

To prepare figures used for forecasts and predictions, confirmed facts from past activities have been combined with certain assumptions that are essential to formulating forecasts and predictions. Due to the nature of these facts and assumptions, there is no guarantee of their accuracy from an objective viewpoint or any guarantee that future events will occur as presented in these forward-looking statements.

The following is a list of some, but not all, risks and uncertainties that may prevent these facts and assumptions from being accurate from an objective viewpoint or from becoming a reality in the future.

- (1) Risks associated with the advertising industry in general (changes in the advertising industry climate due to fluctuations in the economy, changes in business practices and other events)
- (2) Risks associated with revisions of laws and regulations
- (3) Risks associated with advertisers and media companies (the need to respond accurately to shifts in needs of customers and other entities the company does business with)
- (4) Risks associated with competition (competition with other advertising agencies, companies newly entering the industry and others)
- (5) Risks associated with the expansion of business domains resulting from structural changes in markets
- (6) Risks associated with conducting business on a global scale
- (7) Risks associated with lawsuits and similar actions

Billings by industry, billings by service area, and highlights of operating results at major subsidiaries were not audited by the Company's independent auditor.

Consolidated Financial Highlights for FY 2012

Consolidated Financial Highlights (1)

Operating Income A New Record at ¥26.3 billion on Growth in Billings higher than the Overall Advertising Market and Improved Profitability

◎Billings: ¥1,045.4 billion, up 6.9% year on year

- Billings recovered to the ¥1,000 billion level as growth continued to surpass that of the domestic advertising market as a whole.

» By Industry: In addition to significant growth in billings to Automobiles/Related Products and Information/Communications Industries that account for a substantial proportion of billings, growth occurred in a broad range of industries, such as Transportation/Leisure and Distribution/Retailing.

» By service area: Billings subtotals for “4 mass media services” and “Other than 4 mass media services” for the full year rose more year on year. The main areas where billings increased were Television, Marketing/Promotion, and Internet media.

◎Revenue: ¥175.9 billion, up 9.5%, or ¥15.2 billion year on year

◎Gross margin: 16.8%, up 0.4 of a percentage point year on year, highest ever

- Initiatives to boost profitability throughout the Group and growth in billings resulted in a substantial rise in Revenue.

◎SG&A Expenses: ¥149.6 billion, up 6.2%, or ¥8.7 billion year on year

◎Operating Margin: 15.0%, up 2.6 percentage points, year on year

- Minimized cost increases through ongoing control of SG&A expenses, while continuing steps to enhance business structure.

◎Operating Income: ¥26.3 billion, up 32.8%, or ¥6.5 billion year on year

- Highest ever, substantially exceeding previous record of ¥25.0 billion (FY2007).
- Maintained earning structure that leads the Revenue growth to help Operating Income growth improve.

◎Net income : ¥12.8 billion, up 49.9%, or ¥4.2 billion year on year

- New record for Net Income, exceeding the previous record of ¥12.0 billion (FY2006).

Consolidated Financial Highlights (2)

(Millions of yen)

	1 H of		YoY comparisons		2 H of		YoY comparisons		Total		YoY comparisons	
	FY2011	FY2012	Change	(%)	FY2011	FY2012	Change	(%)	FY2011	FY2012	Change	(%)
Billings	430,994	494,335	63,341	14.7%	547,327	551,096	3,769	0.7%	978,321	1,045,431	67,109	6.9%
Revenue	70,363	82,594	12,231	17.4%	90,393	93,370	2,977	3.3%	160,756	175,964	15,208	9.5%
(Gross margin)	(16.3%)	(16.7%)	(+0.4%)		(16.5%)	(16.9%)	(+0.4%)		(16.4%)	(16.8%)	(+0.4%)	
SG&A expenses	67,874	71,232	3,358	4.9%	73,066	78,413	5,347	7.3%	140,940	149,645	8,704	6.2%
Operating income	2,488	11,362	8,873	356.5%	17,328	14,957	(2,371)	-13.7%	19,816	26,319	6,503	32.8%
(Operating margin)	(3.5%)	(13.8%)	(+10.2%)		(19.2%)	(16.0%)	(-3.2%)		(12.3%)	(15.0%)	(+2.6%)	
Non-operating items	1,368	1,245	(123)		761	446	(315)		2,129	1,691	(438)	
Ordinary income	3,857	12,607	8,749	226.8%	18,088	15,403	(2,685)	-14.8%	21,945	28,010	6,064	27.6%
Extraordinary items	(1,680)	(354)	1,325		90	(2,708)	(2,798)		(1,590)	(3,062)	(1,471)	
Income before income Taxes and minority interests	2,177	12,252	10,075	462.6%	18,178	12,696	(5,482)	-30.2%	20,355	24,948	4,593	22.6%
Net income	(889)	6,197	7,087	-	9,493	6,697	(2,796)	-29.5%	8,604	12,894	4,289	49.9%

(Operating margin = Operating income / Revenue)

Dividend per share	35	40			35	40			70	80	(yen)	
--------------------	----	----	--	--	----	----	--	--	----	----	-------	--

Consolidated Financial Highlights (3)

(Millions of yen)

	1 Q of	YoY comparisons		2 Q of	YoY comparisons		3 Q of	YoY comparisons		4 Q of	YoY comparisons		Total	YoY comparisons	
	FY2012	Change	(%)	FY2012	Change	(%)	FY2012	Change	(%)	FY2012	Change	(%)	FY2012	Change	(%)
Billings	247,479	48,193	24.2%	246,856	15,148	6.5%	270,804	11,282	4.3%	280,292	(7,513)	-2.6%	1,045,431	67,109	6.9%
Revenue	39,552	8,665	28.1%	43,042	3,565	9.0%	46,591	3,492	8.1%	46,779	(515)	-1.1%	175,964	15,208	9.5%
(Gross margin)	(16.0%)	(+0.5%)		(17.4%)	(+0.4%)		(17.2%)	(+0.6%)		(16.7%)	(+0.3%)		(16.8%)	(+0.4%)	
SG&A expenses	35,358	1,726	5.1%	35,874	1,631	4.8%	37,984	3,317	9.6%	40,429	2,030	5.3%	149,645	8,704	6.2%
Operating income	4,194	6,939	-	7,168	1,935	37.0%	8,607	174	2.1%	6,350	(2,545)	-28.6%	26,319	6,503	32.8%
(Operating margin)	(10.6%)	(+19.5%)		(16.7%)	(+3.4%)		(18.5%)	(-1.1%)		(13.6%)	(-5.2%)		(15.0%)	(+2.6%)	
Non-operating items	727	(106)		518	(17)		416	(41)		30	(274)		1,691	(438)	
Ordinary income	4,921	6,832	-	7,686	1,918	33.3%	9,023	134	1.5%	6,380	(2,819)	-30.6%	28,010	6,064	27.6%
Extraordinary items	(70)	1,641		(284)	(316)		(148)	310		(2,560)	(3,108)		(3,062)	(1,471)	
Income before income Taxes and minority interests	4,850	8,474	-	7,402	1,601	27.6%	8,876	446	5.3%	3,820	(5,928)	-60.8%	24,948	4,593	22.6%
Net income	2,159	5,825	-	4,038	1,261	45.4%	4,372	1,203	38.0%	2,325	(3,999)	-63.2%	12,894	4,289	49.9%

(Operating margin = Operating income / Revenue)

Consolidated Financial Highlights (4)

Difference between business results and original forecasts as of May 11, 2012

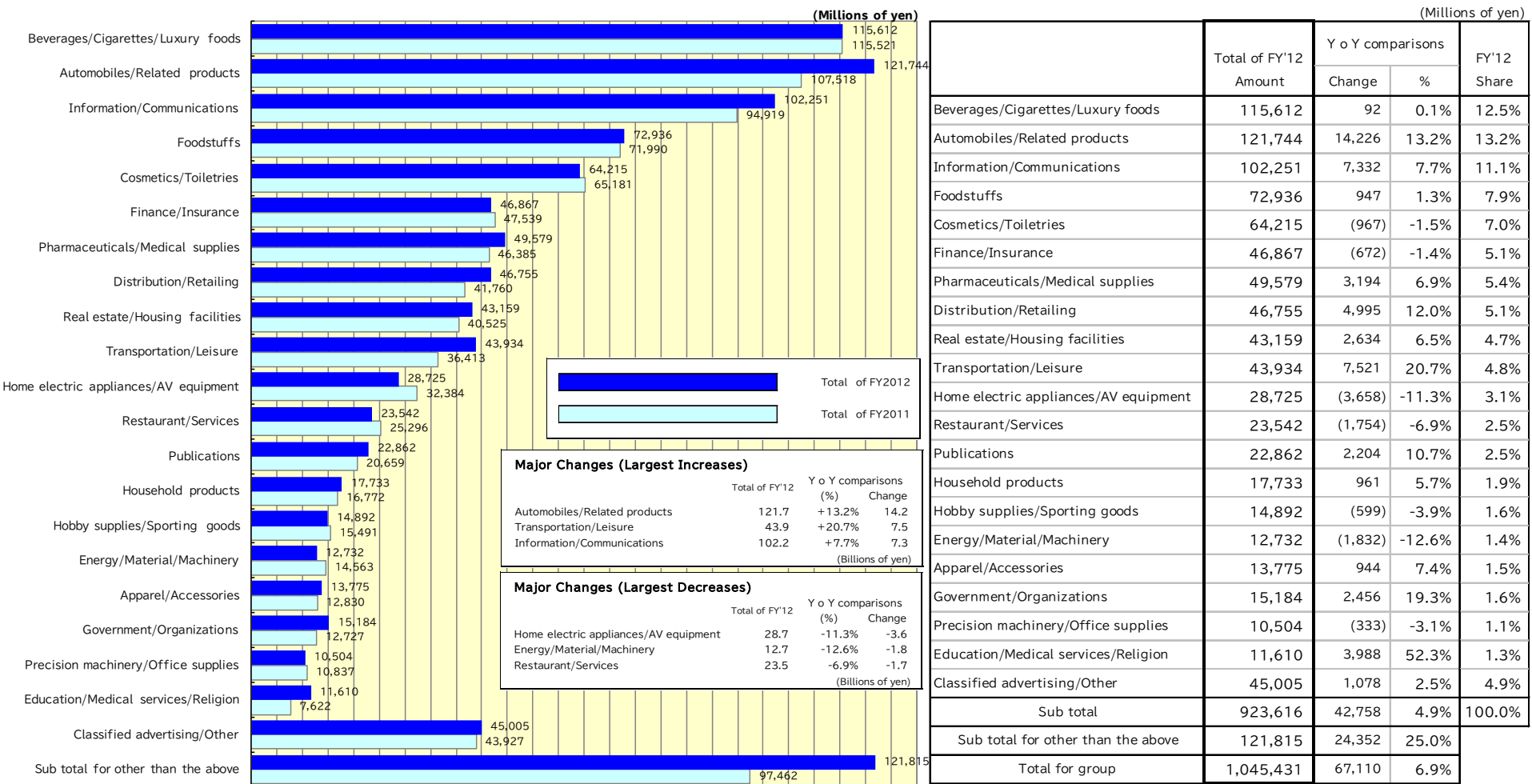
(Millions of yen)

	Full year			
	Original forecasts as of May 11, '12	(Results)	Change from original forecasts	
			Change	(%)
Billings	1,037,000	1,045,431	8,431	0.8%
Revenue	172,500	175,964	3,464	2.0%
(Gross margin)	(16.6%)	(16.8%)	(+0.2%)	
SG&A expenses	149,000	149,645	645	0.4%
Operating income	23,500	26,319	2,819	12.0%
(Operating margin)	(13.6%)	(15.0%)	(+1.4%)	
Non-operating items	2,100	1,691	(409)	
Ordinary income	25,600	28,010	2,410	9.4%
Extraordinary items	(1,000)	(3,062)	(2,062)	
Income before income Taxes and minority interests	24,600	24,948	348	1.4%
Net income	11,500	12,894	1,394	12.1%

(Operating margin = Operating income / Revenue)

Dividend per share	80	80	(yen)	
--------------------	----	----	-------	--

Billings by Industry (1)



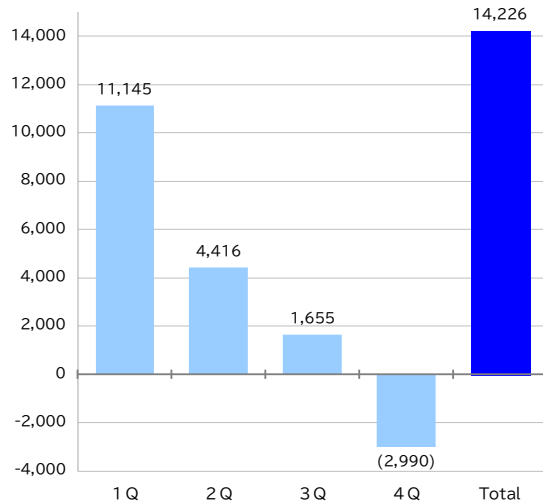
Note (1) The amount of billings in "Sub total" under billings by industry differs from that of "Sub total" under billings by service area. This difference reflects the presence of certain Group companies that are able to classify billings by service area but not by industry. Billings from such companies are accounted for solely within billings by service area.

Note (2): With the exception of "Sub total for other than the above" and "Classified advertising/Other," the above bar graph is arranged in order of largest amount of billings by industry for the fiscal year ended March 31, 2012.

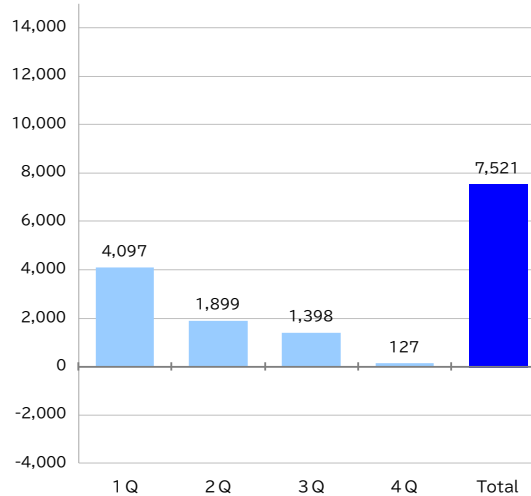
Billings by Industry (2)

Quarterly Based Year-on-Year Comparisons
6 Industries with the Most Absolute Amounts in Billings Growth (Millions of yen)

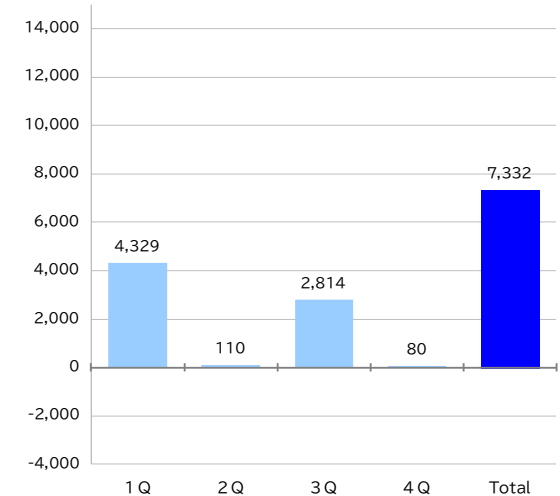
Automobiles/Related products



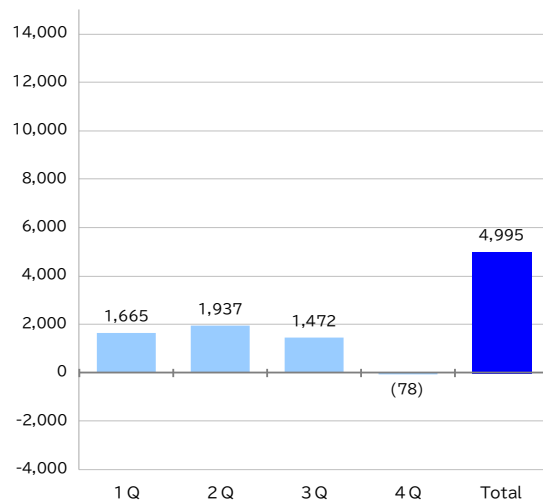
Transportation/Leisure



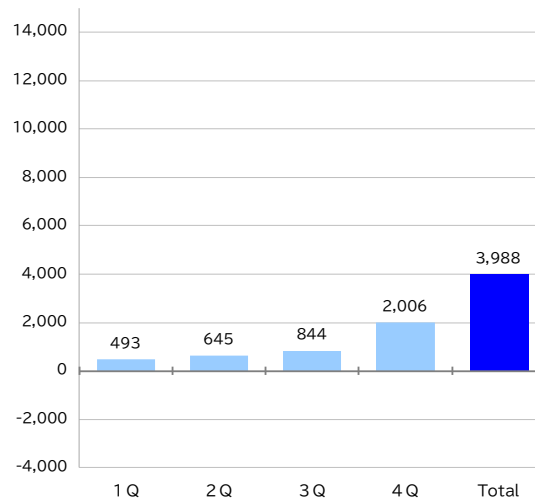
Information/Communications



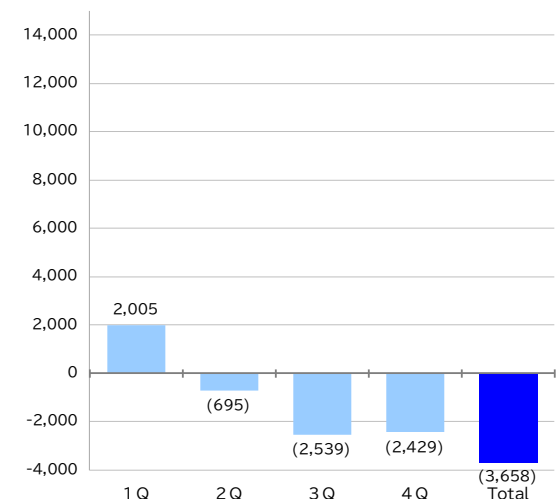
Distribution/Retailing



Education/Medical services/Religion



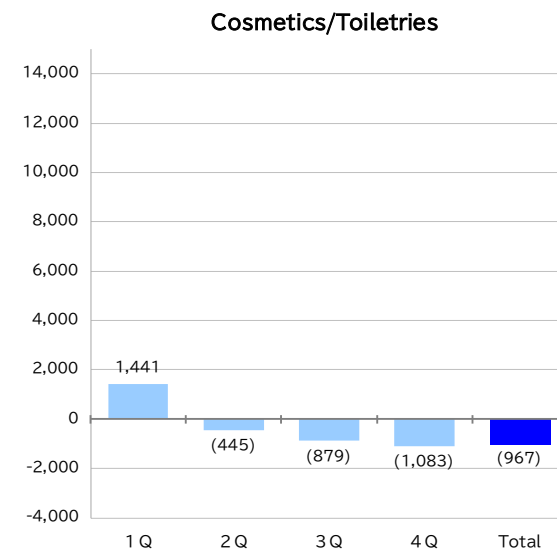
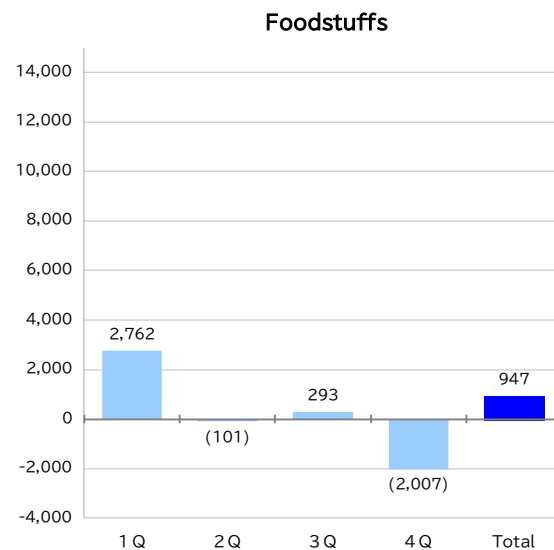
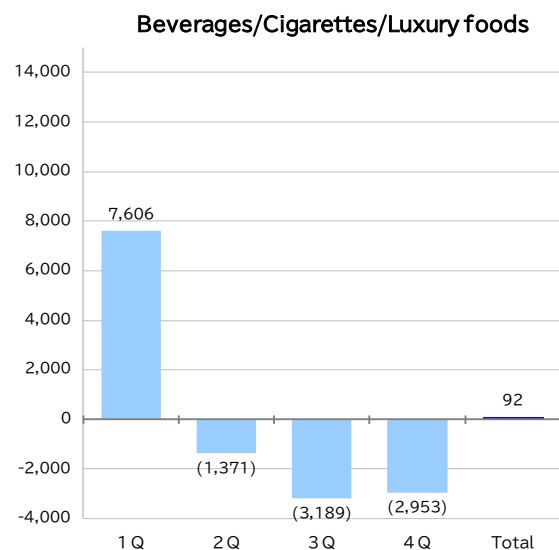
Home electric appliances/AV equipment



Consolidated Financial highlights Total of FY2012

Billings by Industry (3)

Quarterly Based Year-on-Year Comparisons (Other Major Industries) (Millions of yen)



Billings by Industry (4)

(Millions of yen)

	FY2012	YoY comparisons		FY2012	YoY comparisons		FY2011		FY2012		YoY comparisons	
	1H	Change	(%)	2H	Change	(%)	Amount	Share	Amount	Share	Change	(%)
Beverages/Cigarettes/Luxury foods	58,312	6,234	12.0%	57,301	(6,142)	-9.7%	115,521	13.1%	115,612	12.5%	92	0.1%
Automobiles/Related products	56,820	15,561	37.7%	64,924	(1,335)	-2.0%	107,518	12.2%	121,744	13.2%	14,226	13.2%
Information/Communications	43,823	4,438	11.3%	58,428	2,894	5.2%	94,919	10.8%	102,251	11.1%	7,332	7.7%
Foodstuffs	38,444	2,661	7.4%	34,493	(1,714)	-4.7%	71,990	8.2%	72,936	7.9%	947	1.3%
Cosmetics/Toiletries	32,592	996	3.2%	31,622	(1,963)	-5.8%	65,181	7.4%	64,215	7.0%	(967)	-1.5%
Finance/Insurance	21,605	(441)	-2.0%	25,262	(231)	-0.9%	47,539	5.4%	46,867	5.1%	(672)	-1.4%
Pharmaceuticals/Medical supplies	22,910	2,694	13.3%	26,669	499	1.9%	46,385	5.3%	49,579	5.4%	3,194	6.9%
Distribution/Retailing	20,653	3,602	21.1%	26,103	1,393	5.6%	41,760	4.7%	46,755	5.1%	4,995	12.0%
Real estate/Housing facilities	19,999	2,058	11.5%	23,159	576	2.6%	40,525	4.6%	43,159	4.7%	2,634	6.5%
Transportation/Leisure	22,475	5,996	36.4%	21,459	1,525	7.6%	36,413	4.1%	43,934	4.8%	7,521	20.7%
Home electric appliances/AV equipment	14,369	1,310	10.0%	14,357	(4,968)	-25.7%	32,384	3.7%	28,725	3.1%	(3,658)	-11.3%
Restaurant/Services	12,105	244	2.1%	11,437	(1,998)	-14.9%	25,296	2.9%	23,542	2.5%	(1,754)	-6.9%
Publications	10,280	913	9.7%	12,583	1,291	11.4%	20,659	2.3%	22,862	2.5%	2,204	10.7%
Household products	9,078	816	9.9%	8,655	145	1.7%	16,772	1.9%	17,733	1.9%	961	5.7%
Hobby supplies/Sporting goods	7,073	(145)	-2.0%	7,819	(454)	-5.5%	15,491	1.8%	14,892	1.6%	(599)	-3.9%
Energy/Material/Machinery	5,608	(1,032)	-15.5%	7,124	(800)	-10.1%	14,563	1.7%	12,732	1.4%	(1,832)	-12.6%
Apparel/Accessories	6,725	1,334	24.8%	7,050	(390)	-5.2%	12,830	1.5%	13,775	1.5%	944	7.4%
Government/Organizations	3,453	(856)	-19.9%	11,731	3,312	39.3%	12,727	1.4%	15,184	1.6%	2,456	19.3%
Precision machinery/Office supplies	4,561	293	6.9%	5,943	(627)	-9.5%	10,837	1.2%	10,504	1.1%	(333)	-3.1%
Education/Medical services/Religion	4,018	1,138	39.5%	7,592	2,850	60.1%	7,622	0.9%	11,610	1.3%	3,988	52.3%
Classified advertising/Other	20,891	(743)	-3.4%	24,114	1,820	8.2%	43,927	5.0%	45,005	4.9%	1,078	2.5%
Sub total	435,793	47,074	12.1%	487,823	(4,316)	-0.9%	880,859	100.0%	923,616	100.0%	42,758	4.9%
Sub total for other than the above	58,542	16,267	38.5%	63,273	8,085	14.7%	97,462		121,815		24,352	25.0%
Total for group	494,335	63,341	14.7%	551,096	3,769	0.7%	978,321		1,045,431		67,110	6.9%

Billings by Industry (5)

(Millions of yen)

	1 Q of FY2012	YoY comparisons		2 Q of FY2012	YoY comparisons		3 Q of FY2012	YoY comparisons		4 Q of FY2012	YoY comparisons		FY2012 Amount	YoY comparisons	
		Change	(%)		Change	(%)		Change	(%)		Change	(%)		Change	(%)
Beverages/Cigarettes/Luxury foods	31,011	7,606	32.5%	27,301	(1,371)	-4.8%	25,872	(3,189)	-11.0%	31,429	(2,953)	-8.6%	115,612	92	0.1%
Automobiles/Related products	27,811	11,145	66.9%	29,010	4,416	18.0%	30,696	1,655	5.7%	34,228	(2,990)	-8.0%	121,744	14,226	13.2%
Information/Communications	22,018	4,329	24.5%	21,805	110	0.5%	29,744	2,814	10.4%	28,684	80	0.3%	102,251	7,332	7.7%
Foodstuffs	19,375	2,762	16.6%	19,069	(101)	-0.5%	17,476	293	1.7%	17,016	(2,007)	-10.6%	72,936	947	1.3%
Cosmetics/Toiletries	17,072	1,441	9.2%	15,520	(445)	-2.8%	15,671	(879)	-5.3%	15,951	(1,083)	-6.4%	64,215	(967)	-1.5%
Finance/Insurance	10,762	(108)	-1.0%	10,843	(333)	-3.0%	11,586	(668)	-5.5%	13,676	437	3.3%	46,867	(672)	-1.4%
Pharmaceuticals/Medical supplies	11,658	2,411	26.1%	11,252	283	2.6%	14,193	389	2.8%	12,476	110	0.9%	49,579	3,194	6.9%
Distribution/Retailing	10,169	1,665	19.6%	10,483	1,937	22.7%	13,070	1,472	12.7%	13,032	(78)	-0.6%	46,755	4,995	12.0%
Real estate/Housing facilities	9,501	1,631	20.7%	10,498	427	4.2%	9,773	(177)	-1.8%	13,386	753	6.0%	43,159	2,634	6.5%
Transportation/Leisure	11,635	4,097	54.4%	10,841	1,899	21.2%	10,467	1,398	15.4%	10,992	127	1.2%	43,934	7,521	20.7%
Home electric appliances/AV equipment	7,273	2,005	38.1%	7,096	(695)	-8.9%	8,252	(2,539)	-23.5%	6,105	(2,429)	-28.5%	28,725	(3,658)	-11.3%
Restaurant/Services	6,286	392	6.6%	5,819	(148)	-2.5%	5,322	(2,080)	-28.1%	6,115	82	1.4%	23,542	(1,754)	-6.9%
Publications	4,916	830	20.3%	5,364	82	1.6%	5,448	296	5.8%	7,135	995	16.2%	22,862	2,204	10.7%
Household products	4,391	548	14.3%	4,687	267	6.0%	4,967	145	3.0%	3,688	0	0.0%	17,733	961	5.7%
Hobby supplies/Sporting goods	3,818	275	7.8%	3,255	(420)	-11.4%	3,332	(570)	-14.6%	4,487	116	2.6%	14,892	(599)	-3.9%
Energy/Material/Machinery	2,739	(415)	-13.2%	2,868	(616)	-17.7%	3,437	(407)	-10.6%	3,687	(393)	-9.6%	12,732	(1,832)	-12.6%
Apparel/Accessories	3,208	955	42.4%	3,517	380	12.1%	4,248	96	2.3%	2,802	(486)	-14.8%	13,775	944	7.4%
Government/Organizations	1,275	(366)	-22.3%	2,177	(490)	-18.4%	7,655	5,046	193.5%	4,076	(1,734)	-29.8%	15,184	2,456	19.3%
Precision machinery/Office supplies	2,033	502	32.8%	2,529	(209)	-7.6%	3,663	765	26.4%	2,280	(1,392)	-37.9%	10,504	(333)	-3.1%
Education/Medical services/Religion	1,731	493	39.8%	2,287	645	39.3%	2,723	844	44.9%	4,869	2,006	70.1%	11,610	3,988	52.3%
Classified advertising/Other	11,077	535	5.1%	9,814	(1,278)	-11.5%	12,180	1,872	18.2%	11,934	(52)	-0.4%	45,005	1,078	2.5%
Sub total	219,760	42,734	24.1%	216,034	4,341	2.1%	239,774	6,576	2.8%	248,049	(10,893)	-4.2%	923,616	42,758	4.9%
Sub total for other than the above	27,719	5,459	24.5%	30,822	10,807	54.0%	31,031	4,706	17.9%	32,242	3,379	11.7%	121,815	24,352	25.0%
Total for group	247,479	48,193	24.2%	246,856	15,148	6.5%	270,804	11,282	4.3%	280,292	(7,513)	-2.6%	1,045,431	67,110	6.9%

Billings by Service Area (1)

(Millions of yen)

	1 H of FY2012	YoY comparisons		2 H of FY2012	YoY comparisons		Total of FY2011		Total of FY2012		YoY comparisons	
	Amount	Change	(%)	Amount	Change	(%)	Amount	Share	Amount	Share	Change	(%)
Newspapers	30,912	104	0.3%	35,521	(1,674)	-4.5%	68,003	7.5%	66,433	6.8%	(1,570)	-2.3%
Magazines	10,650	107	1.0%	13,069	(232)	-1.7%	23,844	2.6%	23,719	2.4%	(125)	-0.5%
Radio	7,481	174	2.4%	7,137	(642)	-8.3%	15,086	1.7%	14,618	1.5%	(468)	-3.1%
Television	204,874	25,546	14.2%	215,638	385	0.2%	394,581	43.4%	420,512	43.1%	25,931	6.6%
Mass media services sub total	253,917	25,931	11.4%	271,364	(2,163)	-0.8%	501,514	55.1%	525,282	53.8%	23,768	4.7%
Internet media	42,270	5,582	15.2%	50,049	6,263	14.3%	80,473	8.8%	92,319	9.5%	11,845	14.7%
Outdoor media	18,922	3,457	22.4%	20,174	(1,695)	-7.7%	37,333	4.1%	39,096	4.0%	1,763	4.7%
Creative	50,030	6,701	15.5%	58,061	667	1.2%	100,723	11.1%	108,091	11.1%	7,368	7.3%
Marketing/Promotion	88,690	17,398	24.4%	103,717	4,743	4.8%	170,266	18.7%	192,407	19.7%	22,140	13.0%
Others(contents, etc.)	7,069	610	9.5%	11,994	(607)	-4.8%	19,059	2.1%	19,062	2.0%	4	0.0%
Other than 4 mass media services subtotal	206,981	33,748	19.5%	243,994	9,372	4.0%	407,854	44.9%	450,975	46.2%	43,120	10.6%
Sub total	460,898	59,680	14.9%	515,358	7,209	1.4%	909,368	100.0%	976,256	100.0%	66,889	7.4%
Sub total for other than the above	33,437	3,661	12.3%	35,738	(3,440)	-8.8%	68,953		69,175		221	0.3%
Total for group	494,335	63,341	14.7%	551,096	3,769	0.7%	978,321		1,045,431		67,110	6.9%

- The significant growth in TV ad spots and steady performance in programming, contributed to the TV billings growth.
- Other than 4 mass media services, the Billings outweighed the number from the previous fiscal year. Marketing/Promotion and Internet Media were especially in a prosperous change.

Note (1) The amount of billings in "Sub total" under billings by industry differs from that of "Sub total" under billings by service area. This difference reflects the presence of certain Group companies that are able to classify billings by service area but not by industry. Billings from such companies are accounted for solely within billings by service area.

Billings by Service Area (2)

(Millions of yen)

	1 Q of FY2012	YoY comparisons		2 Q of FY2012	YoY comparisons		3 Q of FY2012	YoY comparisons		4 Q of FY2012	YoY comparisons		Total of FY2012	YoY comparisons	
	Amount	Change	(%)	Amount	Change	(%)	Amount	Change	(%)	Amount	Change	(%)	Amount	Change	(%)
Newspapers	15,877	1,950	14.0%	15,035	(1,846)	-10.9%	18,475	1,415	8.3%	17,046	(3,089)	-15.3%	66,433	(1,570)	-2.3%
Magazines	5,359	600	12.6%	5,291	(493)	-8.5%	6,917	(272)	-3.8%	6,151	39	0.6%	23,719	(125)	-0.5%
Radio	3,711	295	8.6%	3,771	(121)	-3.1%	3,652	(324)	-8.1%	3,485	(318)	-8.4%	14,618	(468)	-3.1%
Television	105,364	20,351	23.9%	99,509	5,195	5.5%	110,400	4,420	4.2%	105,239	(4,035)	-3.7%	420,512	25,931	6.6%
Mass media services sub total	130,311	23,196	21.7%	123,606	2,736	2.3%	139,444	5,239	3.9%	131,920	(7,402)	-5.3%	525,282	23,768	4.7%
Internet media	21,425	4,643	27.7%	20,845	939	4.7%	24,589	2,344	10.5%	25,459	3,920	18.2%	92,319	11,845	14.7%
Outdoor media	9,893	2,625	36.1%	9,029	832	10.2%	9,889	(859)	-8.0%	10,285	(836)	-7.5%	39,096	1,763	4.7%
Creative	23,816	4,210	21.5%	26,214	2,491	10.5%	26,305	1,740	7.1%	31,757	(1,073)	-3.3%	108,091	7,368	7.3%
Marketing/Promotion	43,322	14,036	47.9%	45,368	3,362	8.0%	49,711	5,860	13.4%	54,006	(1,117)	-2.0%	192,407	22,140	13.0%
Others(contents, etc.)	3,110	411	15.2%	3,959	199	5.3%	4,286	704	19.7%	7,707	(1,311)	-14.5%	19,062	4	0.0%
Other than 4 mass media services subtotal	101,566	25,924	34.3%	105,415	7,824	8.0%	114,780	9,789	9.3%	129,214	(417)	-0.3%	450,975	43,120	10.6%
Sub total	231,877	49,120	26.9%	229,021	10,560	4.8%	254,224	15,028	6.3%	261,134	(7,819)	-2.9%	976,256	66,889	7.4%
Sub total for other than the above	15,602	(927)	-5.6%	17,835	4,588	34.6%	16,580	(3,746)	-18.4%	19,157	306	1.6%	69,175	221	0.3%
Total for group	247,479	48,193	24.2%	246,856	15,148	6.5%	270,804	11,282	4.3%	280,292	(7,513)	-2.6%	1,045,431	67,110	6.9%

Changes in SG&A Expenses (1)

(Millions of yen)

	1 H of		YoY comparisons		2 H of		YoY comparisons		Total of		YoY comparisons	
	FY2011	FY2012	Change	(%)	FY2011	FY2012	Change	(%)	FY2011	FY2012	Change	(%)
Personnel costs	47,004	49,124	2,119	4.5%	49,898	52,531	2,633	5.3%	96,902	101,655	4,753	4.9%
Other Expenses (Total)	20,870	22,108	1,238	5.9%	23,168	25,881	2,713	11.7%	44,038	47,989	3,951	9.0%
Rent	5,276	5,373	96	1.8%	5,309	5,446	137	2.6%	10,585	10,819	233	2.2%
Depreciation and amortization	916	946	29	3.2%	970	950	(20)	-2.1%	1,886	1,896	9	0.5%
Others	14,678	15,789	1,111	7.6%	16,889	19,485	2,596	15.4%	31,567	35,274	3,707	11.7%
Total SG&A expenses	67,874	71,232	3,358	4.9%	73,066	78,413	5,347	7.3%	140,940	149,645	8,704	6.2%
Ratio of personnel costs to revenue (Personnel costs/Revenue)									60.3%	57.8%		

Minimized cost increases through ongoing control of SG&A expenses, while continuing steps to enhance business structure

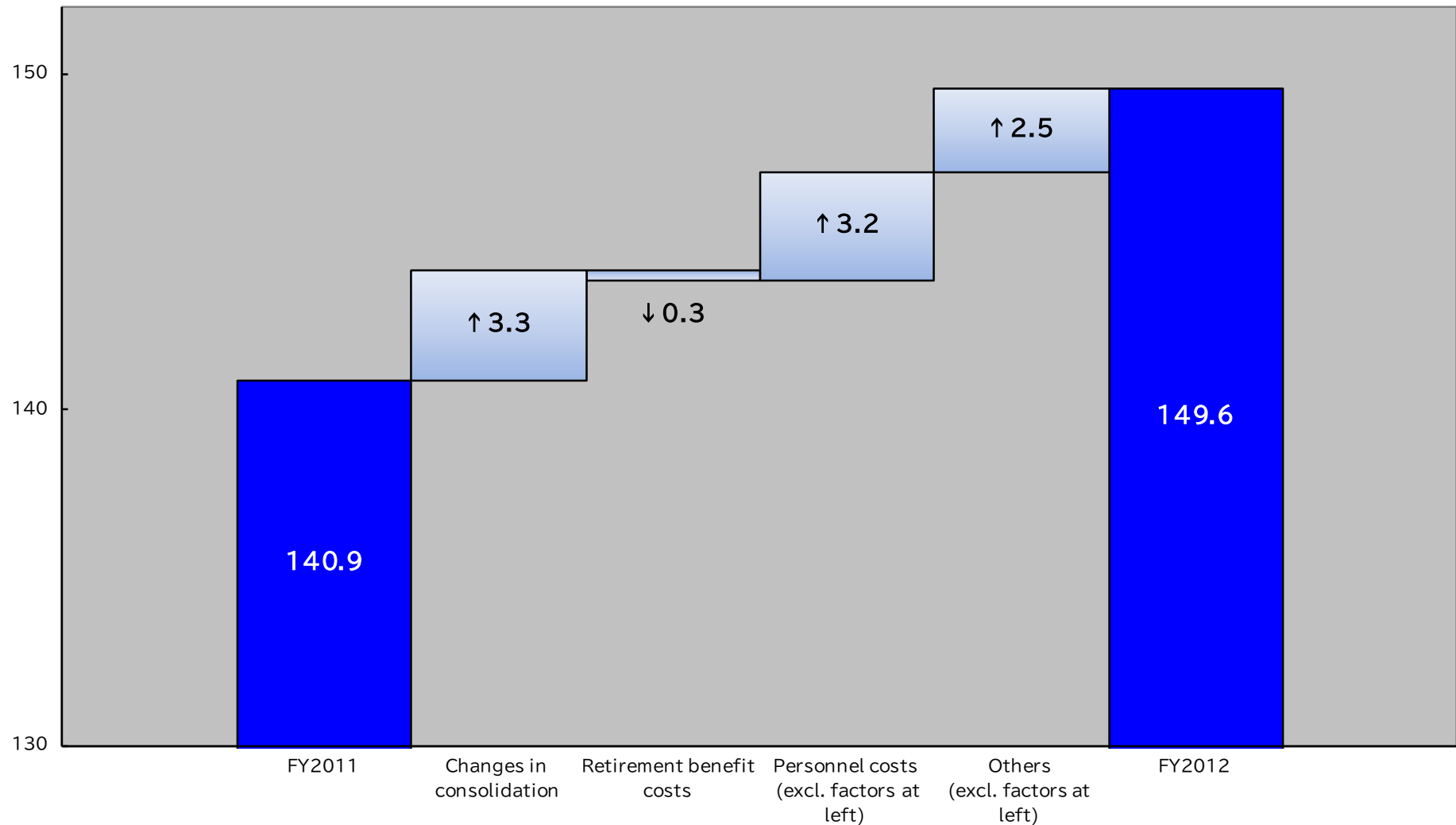
◎ Expenses increased by approximately ¥3.3 billion due to changes in the scope of consolidation. Retirement benefit expenses decreased by approximately ¥0.3 billion. Excluding these, actual SG&A expenses increased by approximately ¥5.7 billion.

◎ While efforts to enhance business structure caused actual SG&A expenses to increase, ongoing steps to control SG&A expenses minimized this rise, contributing to substantially higher operating income.

Changes in SG&A Expenses (2)

(billions of yen)

Change Factors in SG&A Expenses



Non-Operating Items and Extraordinary Gains and Losses

(Millions of yen)

	1 H of		YoY comparisons		2 H of		YoY comparisons		Total of		YoY comparisons	
	FY2011	FY2012	Change	(%)	FY2011	FY2012	Change	(%)	FY2011	FY2012	Change	(%)
Non-operating income	1,655	1,399	(256)	-15.5%	1,076	635	(441)	-41.0%	2,731	2,034	(697)	-25.5%
Non-operating expenses	286	154	(132)	-46.2%	316	189	(127)	-40.2%	602	343	(258)	-42.9%
Total	1,368	1,245	(123)	-9.0%	761	446	(315)	-41.4%	2,129	1,691	(438)	-20.6%

- Net interest income (interest received - interest paid) was a positive ¥129 million (down ¥8 million from ¥137 million a year ago).
- Dividend income decreased by ¥10 million, from ¥740 million to ¥730 million.
- Equity in investment income from affiliates was down by ¥595 million, from ¥1,256 million to ¥660 million.

(Millions of yen)

	1 H of		YoY comparisons		2 H of		YoY comparisons		Total of		YoY comparisons	
	FY2011	FY2012	Change	(%)	FY2011	FY2012	Change	(%)	FY2011	FY2012	Change	(%)
Extraordinary gains	161	221	60		785	585	(200)		946	806	(139)	
Extraordinary losses	1,841	576	(1,265)		695	3,292	2,597		2,536	3,868	1,331	
Total	(1,680)	(354)	1,326		90	(2,708)	(2,798)		(1,590)	(3,062)	(1,471)	

- Investment securities valuation loss was ¥117 million, down ¥1,489 million from ¥1,606 million in the previous fiscal year.
- Extraordinary Loss for amortization of actuarial loss on return of retirement benefits trust was ¥2,237 million, up by ¥2,237 million.

Consolidated Balance Sheets

(Millions of yen)

	Mar. 31, 2012		Mar. 31, 2013		Comparisons	
	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%

- Sum of cash and time deposits, and marketable securities (current assets): Up ¥12 billion, from 101.8 billion at March 31, 2012, to 113.9 billion at March 31, 2013.
- Notes and accounts receivable: Down ¥4.4 billion, from ¥265.2 billion at March 31, 2012, to ¥260.7 billion at March 31, 2013.
- Investment securities: Up ¥3.0 billion, from ¥53.9 billion at March 31, 2012, to ¥56.9 billion at March 31, 2013.
- Notes and accounts payable: Down ¥9.9 billion, from ¥244.5 billion at March 31, 2012, to ¥234.6 billion at March 31, 2013.
- Short- and long-term debt: Up ¥0.2 billion, from ¥2.7 billion at March 31, 2012, to ¥3 billion at March 31, 2013.

Consolidated Statements of Cash Flow

(Millions of yen)

	Total of FY2011 Apr. 1, '11-Mar. 31, '12	Total of FY2012 Apr. 1, '12-Mar. 31, '13	YoY comparisons Change
Cash flow from operating activities	20,047	17,763	(2,284)
Cash flow from investing activities	(5,444)	(5,642)	(198)
Cash flow from financing activities	(5,017)	(3,617)	1,400
Effect of exchange rate changes on cash and cash equivalents	(343)	839	1,182
Net increase (decrease) in cash and cash equivalents	9,241	9,342	101
Cash and cash equivalents, beginning of period	82,949	92,193	9,244
Increase in cash and cash equivalents from newly consolidated subsidiaries	2	10	8
Cash and cash equivalents, end of period	92,193	101,546	9,353

<Cash Flows From Operating Activities>

Income before Income Taxes and Minority Interests +¥24.9 billion, Depreciation and Amortization +¥2.5 billion, increase in Allowance for Bonuses +¥1.5 billion, decrease in notes and accounts Receivable-Trade +¥4.5 billion, decrease in notes and accounts Payable-Trade -¥10.7 billion, decrease in Prepaid Pension Costs +¥5.3 billion, Interests and Dividends Received +¥1.0 billion, Income Taxes Paid -¥12.1 billion.

<Cash Flows From Investing Activities >

Payments for purchase of property and equipment -¥4.0 billion, payments for purchase of intangible fixed assets -¥1.4 billion.

<Cash Flows From Financing Activities>

Cash dividends paid -¥2.8 billion, cash dividends paid to minority interests -¥0.7 billion.

Highlights of Operating Results at Major Subsidiaries

(Millions of yen)

	Total of		YoY comparisons	
	FY2011	FY2012	Change	(%)
Hakuhodo (*)				
Billings	689,125	745,218	56,092	8.1%
Ordinary income	13,407	18,486	5,079	37.9%
Net income	5,138	8,653	3,514	68.4%
Daiko Advertising (*)				
Billings	153,799	150,550	(3,248)	-2.1%
Ordinary income	1,103	1,480	377	34.2%
Net income	813	(312)	(1,125)	-
Yomiko Advertising (*)				
Billings	75,613	78,115	2,502	3.3%
Ordinary income	532	983	451	84.7%
Net income	577	1,131	554	95.9%

◎Billings were up ¥56.0 billion, or 8.1%, year on year. Billings grew not only in categories that account for a substantial proportion such as Automobiles/Related Products and Information/Communications Industries, but also across a wide range of client categories, including Distribution/Retailing and Transportation/Leisure.

◎Ordinary Income and Net Income were both substantively higher, reflecting the increase in gross margin as well as the low growth in SG&A Expenses relatively to revenue growth.

◎Billings were down ¥3.2 billion, or 2.1%, year on year. The decline in billings reflected lackluster performance in Finance/Insurance and Home Electric Appliances/AV Equipment categories.

◎Ordinary Income was significantly higher, as the result of gross margin improvement and efforts to control SG&A expenses.

◎However, a net loss was recorded due to recording extraordinary losses for amortization of actuarial loss on return of retirement benefits trust.

◎Billings were up ¥2.5 billion, or 3.3%, year on year. Billings saw strong growth in Automobiles/Related Products, as well as the other categories that are account for a substantial portion of billings, such as Real Estate/Housing Facilities.

◎In addition to higher billings, Ordinary Income and Net Income were both much higher, as the result of gross margin improvement and efforts to control SG&A Expenses.

*Consolidated

NOTE : The consolidated results on this page for Hakuhodo, Daiko and Yomiko are aggregate figures controlled inside the companies, and thus are not individually audited.

Consolidated Business Outlook for Fiscal 2013

Consolidated Business Outlook for Fiscal 2013 (1)

Medium-term Business Plan Final Year Target: Operating Income of ¥30.0 Billion

◎Macro environment: Growth in Japan' s advertising market of approximately 3%

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 sentiment, and last-minute demand ahead of a rise in the consumption tax rate.

◎Billings: ¥1,087.0 billion, up 4.0% year on year

The Group aims to grow above the market average through steady enactment of the strategic initiatives outlined in its Medium-term Business Plan, and to expand its market share even further.

◎Revenue: ¥184.7 billion, up 5.0% year on year

Recognizing the importance of achieving profitable billings expansion, the Group will take steps to raise its already high gross margin even further.

◎SG&A Expenses: ¥154.7 billion, up 3.4% year on year

The Group will make strategic investments in certain expenses with an eye to the future, not only to achieve its Medium-term Business Plan targets, but also to prepare for the next stage. Meanwhile, the Group will seek to improve its operating margin by continuing to enhance efficiency and consolidate expenses to hold the rate of growth in expenses to be below that of revenue.

◎Operating Income: ¥30.0 billion, up 14.0% year on year

◎Operating Margin: 16.2%, up 1.3 percentage points year on year

The Group will strive to exceed the Medium-term Business Plan targets of ¥28.0 billion for Operating Income and 16.0% for the Operating Margin.

◎Net Income: ¥15.5 billion, up 20.2% year on year

◎Dividend per Share: Based on a fundamental stance of providing a stable dividend, and comprehensive evaluation of trends in business results, we plan to pay an ordinary dividend per share of ¥90, up ¥10 from the previous year ended March 31, 2013. Moreover, for the fiscal year ending March 31, 2014 we also plan to pay a commemorative dividend of ¥30 to mark the 10th anniversary of the establishment of the holding company, for a planned total annual dividend of ¥120.

Consolidated Business Outlook for Fiscal 2013 (2)

As of May 9, 2013

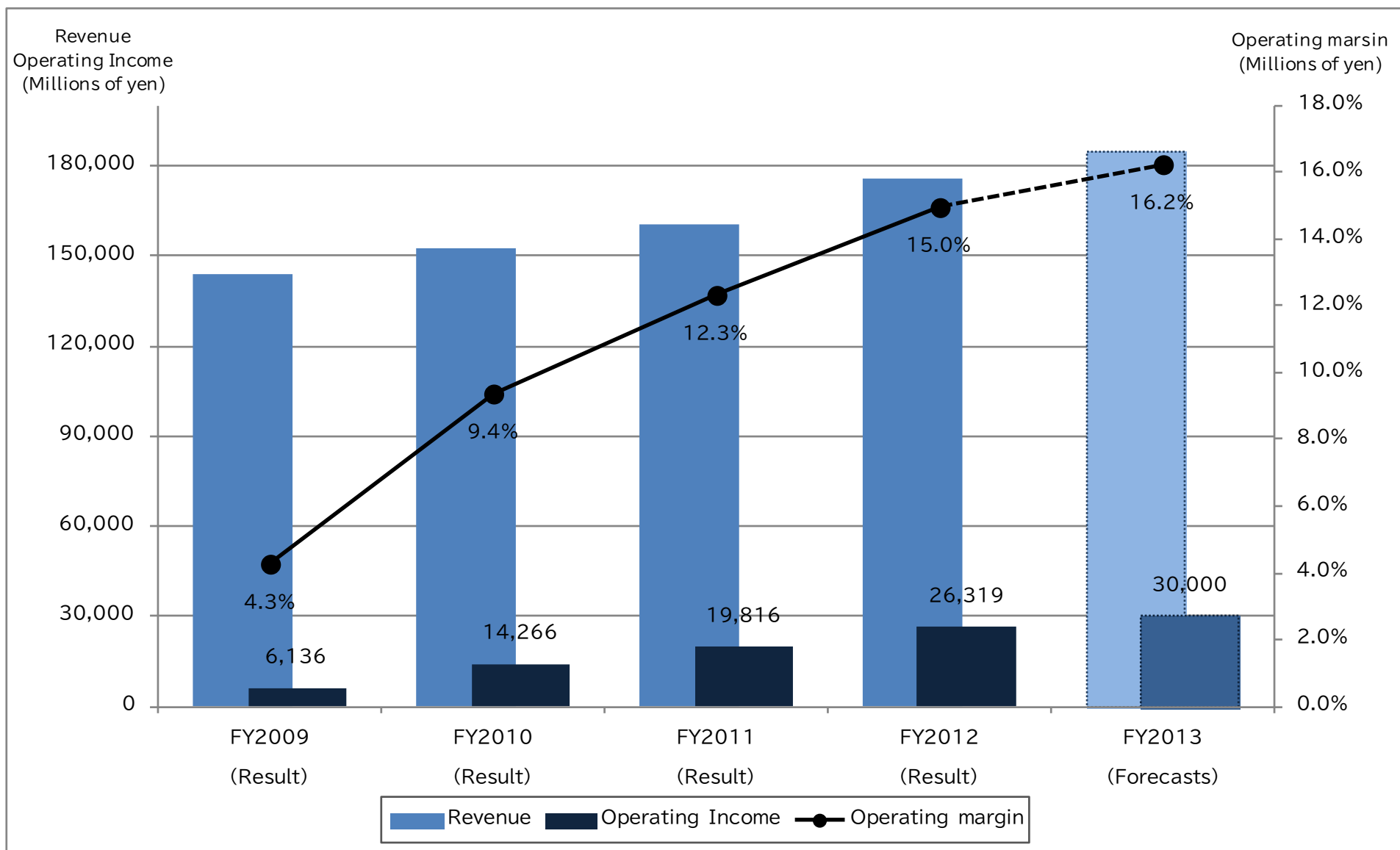
(Millions of yen)

	1H				2H				Full Year			
	FY2012	FY2013	YoY		FY2012	FY2013	YoY		FY2012	FY2013	YoY	
	(Result)	(Forecasts)	change	(%)	(Result)	(Forecasts)	change	(%)	(Result)	(Forecasts)	change	(%)
Billings	494,335	504,000	9,664	2.0%	551,096	583,000	31,904	5.8%	1,045,431	1,087,000	41,568	4.0%
Revenue	82,594	84,500	1,905	2.3%	93,370	100,200	6,830	7.3%	175,964	184,700	8,735	5.0%
(Gross margin)	(16.7%)	(16.8%)	(+0.1%)		(16.9%)	(17.2%)	(+0.2%)		(16.8%)	(17.0%)	(+0.2%)	
SG&A expenses	71,232	74,000	2,767	3.9%	78,413	80,700	2,287	2.9%	149,645	154,700	5,054	3.4%
Operating income	11,362	10,500	(862)	-7.6%	14,956	19,500	4,544	30.4%	26,319	30,000	3,680	14.0%
(Operating margin)	(13.8%)	(12.4%)	(-1.3%)		(16.0%)	(19.5%)	(+3.4%)		(15.0%)	(16.2%)	(+1.3%)	
Non-operating items	1,245	1,100	(145)		445	400	(45)		1,691	1,500	(191)	
Ordinary income	12,607	11,600	(1,007)	-8.0%	15,403	19,900	4,497	29.2%	28,010	31,500	3,489	12.5%
Extraordinary items	(354)	(500)	(145)		(2,709)	(500)	2,209		(3,062)	(1,000)	2,062	
Income before income Taxes and minority interests	12,252	11,100	(1,152)	-9.4%	12,696	19,400	6,704	52.8%	24,948	30,500	5,551	22.3%
Net income	6,197	5,700	(497)	-8.0%	6,697	9,800	3,103	46.3%	12,894	15,500	2,605	20.2%
Dividend per share	40	60			40	60			80	120	(yen)	

(Operating margin = Operating income / Revenue)

(Note) Dividend per Share for FY2013: End of 1H Ordinary Dividend ¥45, Commemorative Dividend ¥15 Total ¥60
End of FY2013 Ordinary Dividend ¥45, Commemorative Dividend ¥15 Total ¥60

Consolidated Business Outlook for Fiscal 2013 (3)



The Medium-term Business Plan Progress

Note: Full renderings of the abbreviations in this presentation are as follows.
(HDY):Hakuhodo DY Holdings Inc.; (H):Hakuhodo Inc.; (D):Daiko Advertising Inc.;
(Y):Yomiko Advertising Inc.;(MP):Hakuhodo DY Media Partners Inc.;
(DAC):Digital Advertising Consortium Inc.; (HP):Hakuhodo Product's Inc.;
(OZMA): OZMA Inc.; (iST):HAKUHODO i-studio Inc.; (iREP):IREP Co., Ltd.; (iMD):i-MEDIA DRIVE Inc.

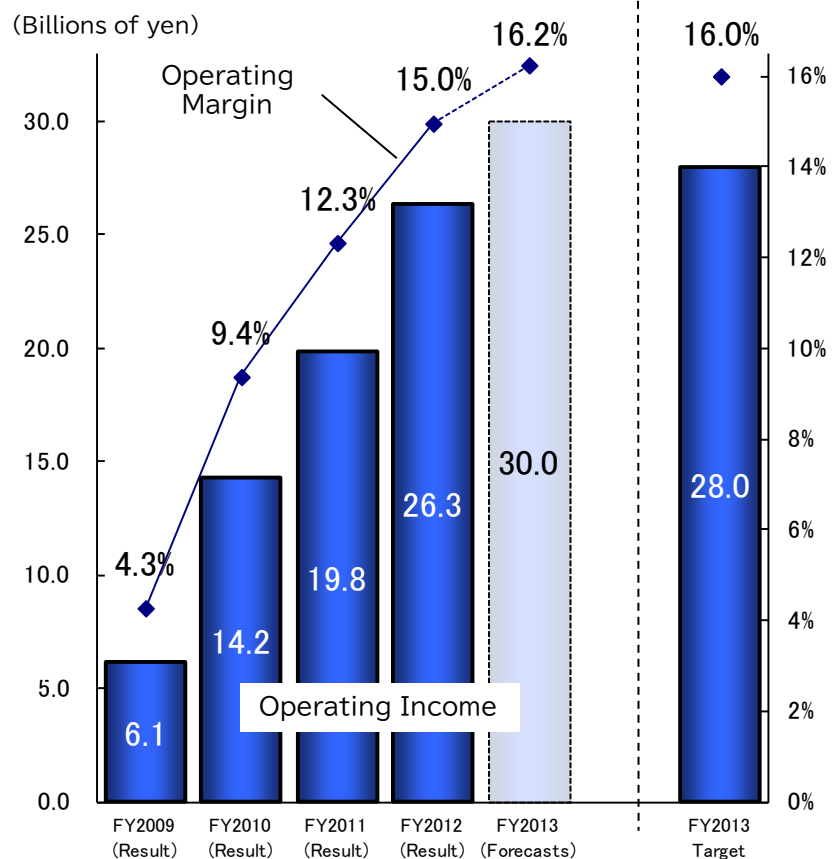
Hakuhodo DY Group' s Medium-term Business Plan

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.	
Core Engine for Strategy Realization	Marketing Technology X Creativity Initiative	
Business Structure Transformation for Strategy Realization	Expantion of business domain, Strengthening the Group Management Base, Resource Investment in Growth Domains, Earnings Model Diversification	
Priority Strategic Domain	Internet, Marketing/Promotions, Global	
Medium-term Business Targets	Plan Period	Through March 2014(5-year plan)
	Target Indicators	Operating Income 28 billion
		Operating Margin 16%
		Revenue 175 billion

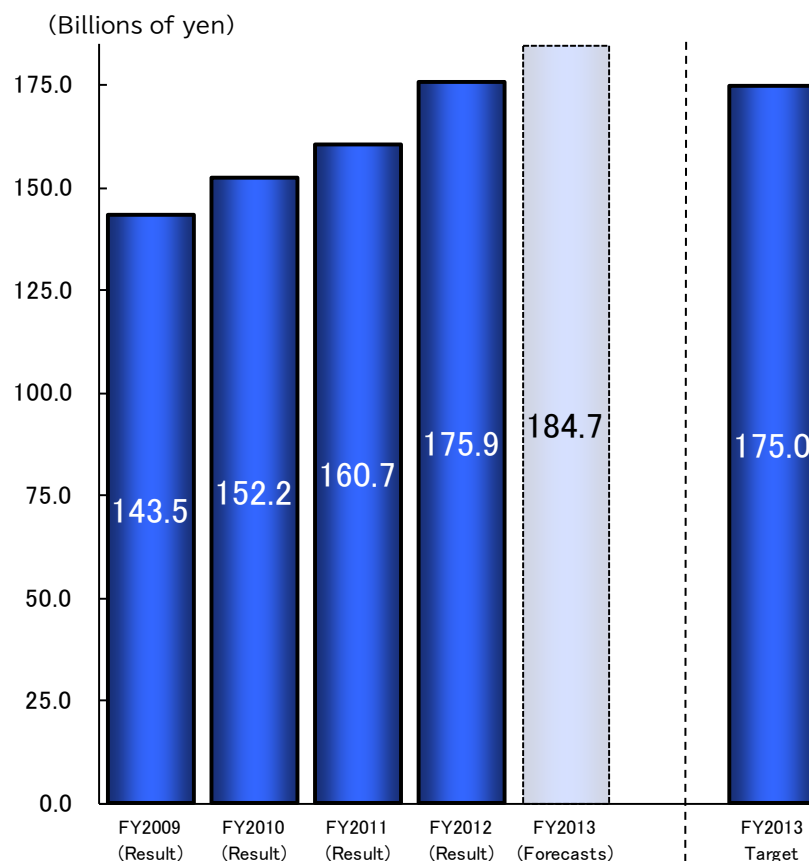
Summary of the Medium-term Business Plan Progress

The Fiscal Year 2012 has drastically advanced toward the Business Plan Target.

Operating Income/ Operating Margin

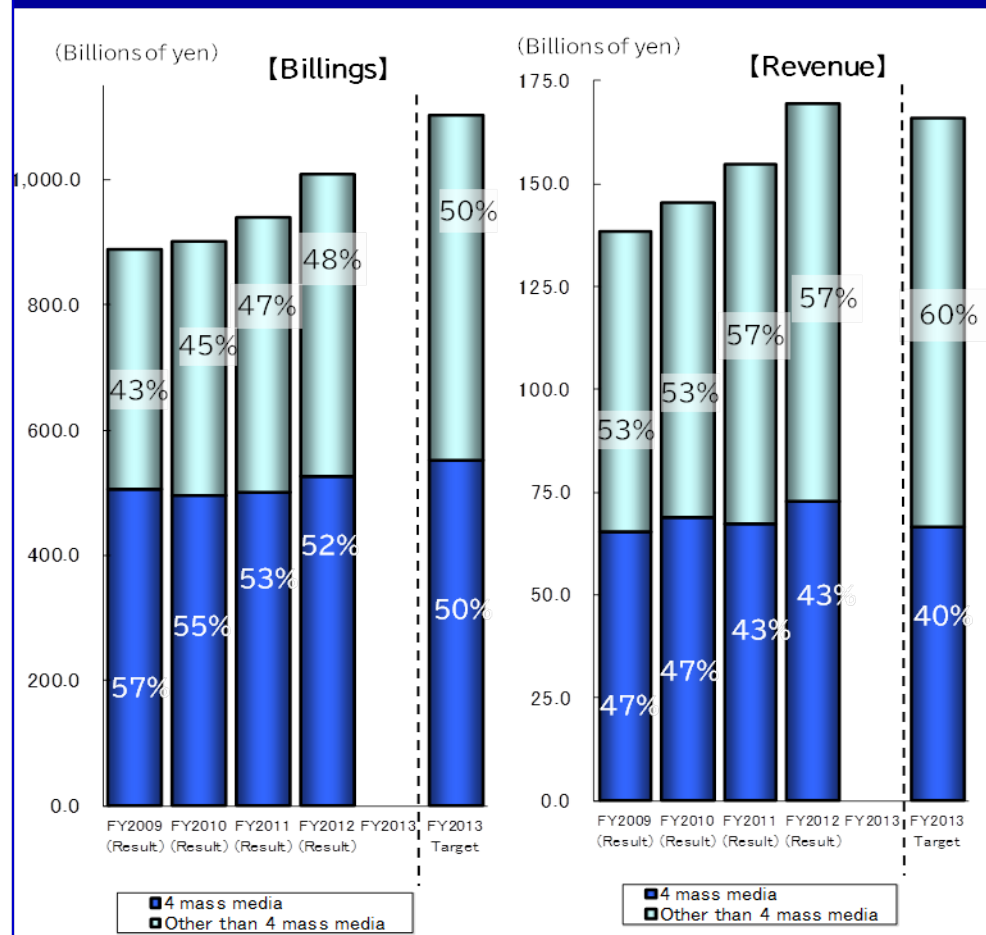


Revenue

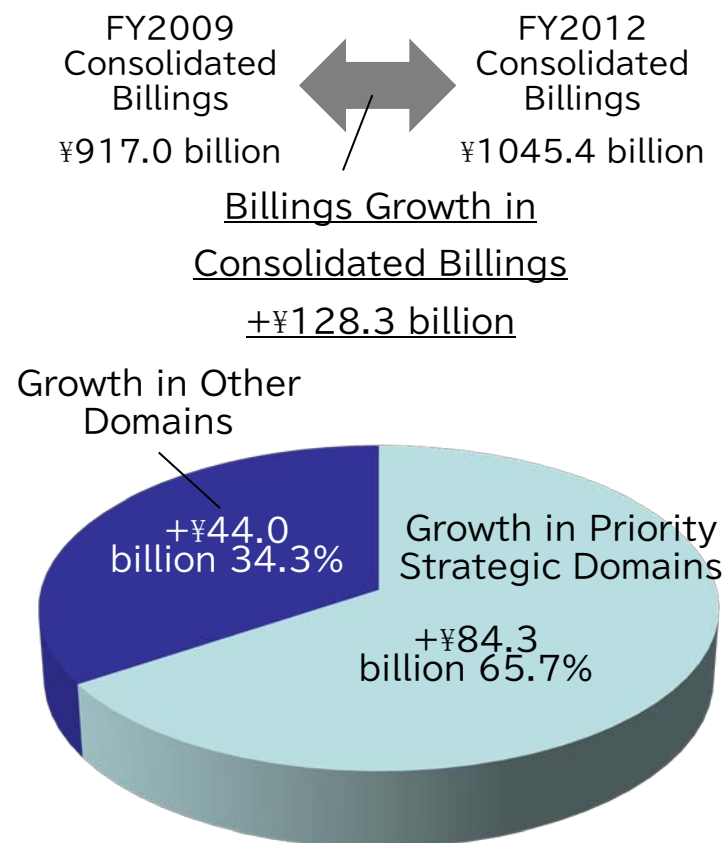


Summary of the Medium-term Business Plan Progress

Billings and Revenue by 4 Mass Media and Other Advertising (Domestic)



Growth in Priority Strategic Domains During the Plan Period



※ "Other than 4 mass media" includes all categories in Japan outside the traditional 4 mass media types, namely Internet media, Outdoor media, Creative, Marketing/Promotion, and Others.

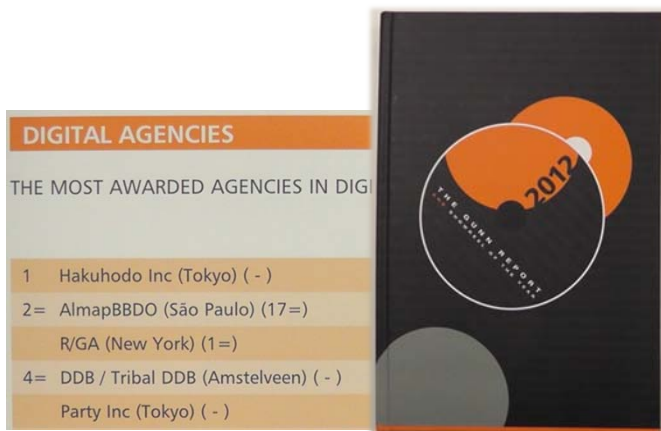
Enhancing the Core Engine for Executing Strategies

Strengthen the Core Engine (Marketing Technologies)

- Established the “Market Intelligence Lab” with the aim of strengthening proposal-based sales capabilities in the big data utilization business (H)
- Began providing the customer platform HAKUHODO-ARMS™, which allows centralized management of functions ranging from customer data aggregation and management to high-speed implementation of PDCA (H)

Creativity Initiative Enactment

- Placed #1 in “The Most Awarded Agencies in Digital in the World” in the Gunn Report 2012 (H)
- Awarded 23 statues at the Cannes Lions International Festival of Creativity (H)
- Awarded “Interactive Agency of the Year” at ADFEST (advertising festival for the Asia-Pacific region) for a second consecutive year (H)

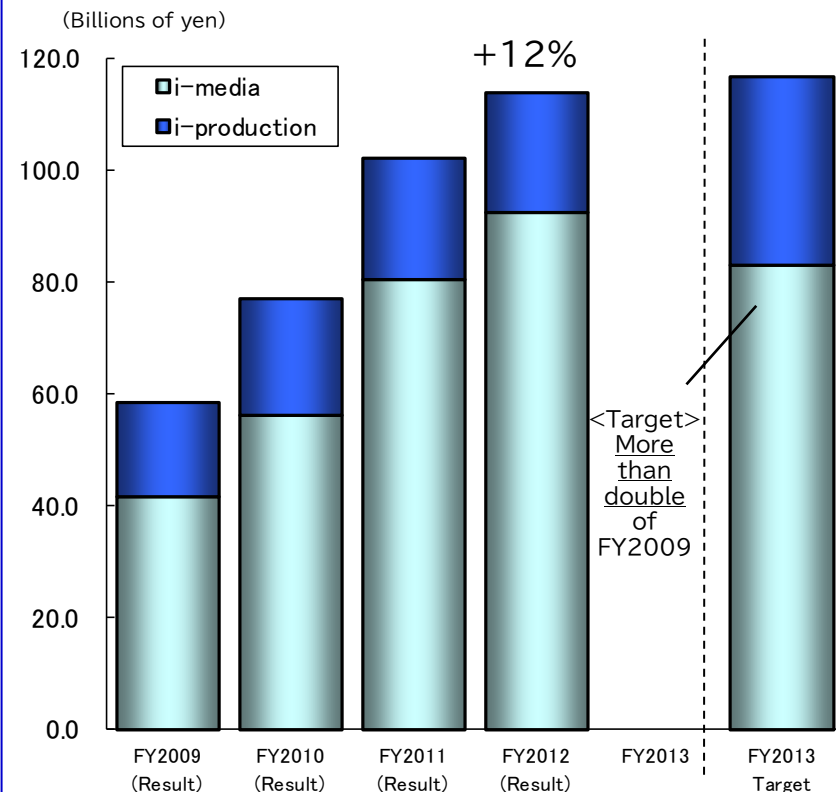


Strengthening Priority Strategic Domains

(1) Internet domain

In the Internet Domain (=i-media + i-production), billings rose 12% year on year, as the Group promoted various enhancement measures, including expanding business volume in the SEM domain, mainly at iREP.

Billings of Internet Domain (YoY)



Concrete Measures

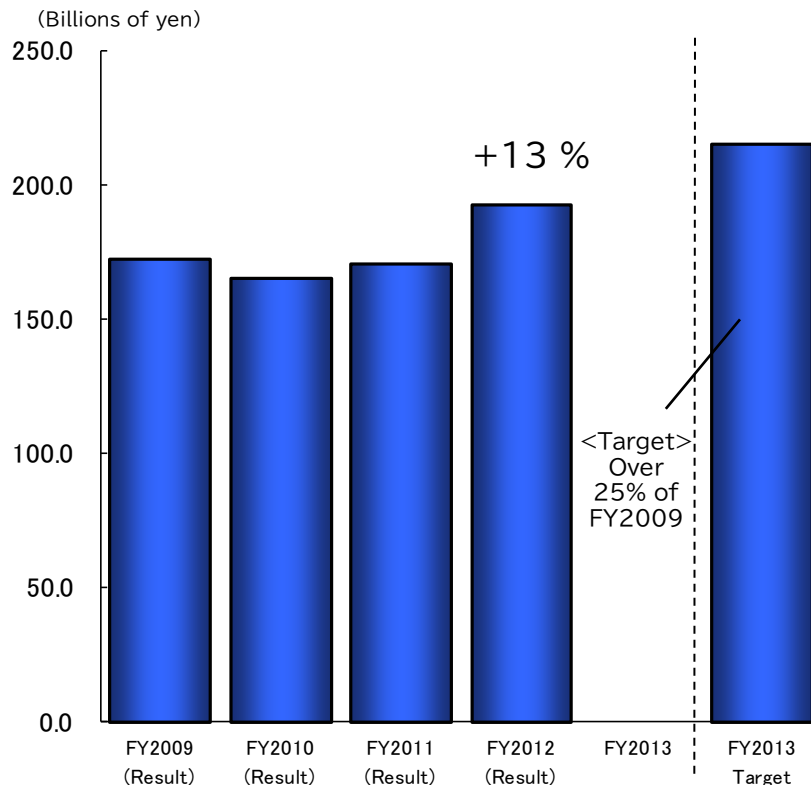
- Upgrade of framework for provision of solutions
 - <Cutting-edge Ad Technology Domain>
 - Formed capital and business alliance with TubeMogul Inc. (DAC)
 - Converted ALBERT Inc. into an affiliated company (DAC)
 - Began providing a Big Data Management Platform
 - AudienceOne (DAC /iMD)
 - <Smartphone Domain>
 - Established UNITED, Inc. (DAC)
 - Invested in Origami (DAC)
- Cross-group initiatives in priority theme areas
 - Established O2O Solution Studio (HDY)
 - Social Media Marketing Center (HDY)
 - Smart Device Business Center (HDY)

Strengthening Priority Strategic Domains

(2) Marketing/Promotions domain

In the Marketing/Promotion domain, billings rose 13% year on year, thanks to growth in business volume with existing customers, and structural enhancements made to Backs Group and others in the same business domain.

Billings of Marketing/Promotions Domain (YoY)



Concrete Measures

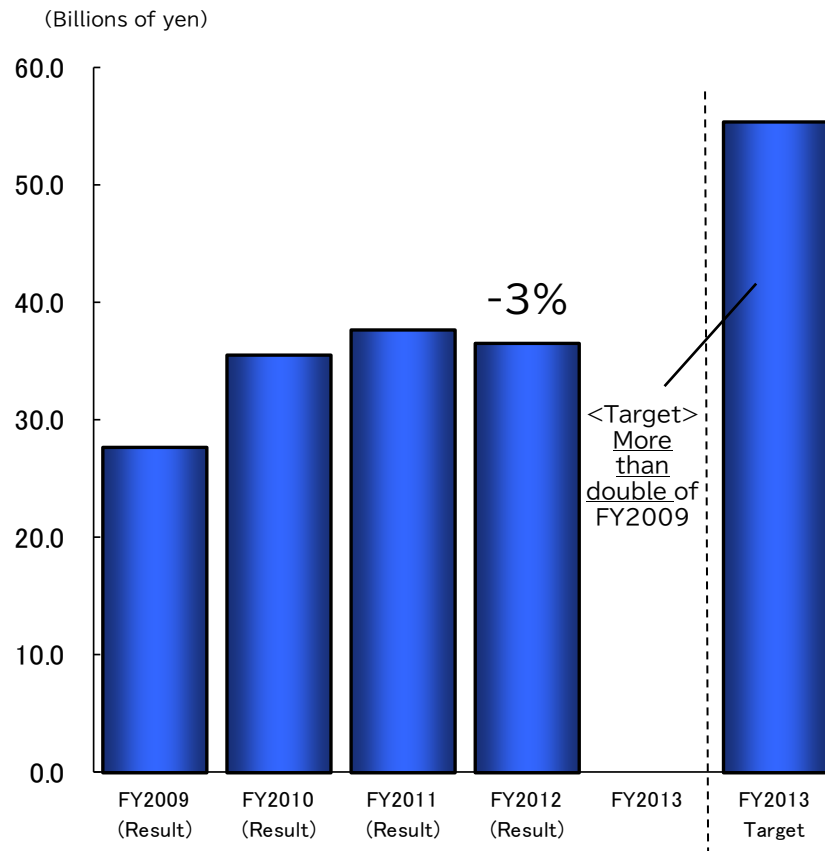
- Expand in targeted domains, enhanced specialization
 - <Services for Specific Industries>
 - Converted Cosmo Communications Inc. into a consolidated subsidiary (H)
 - Established Medical Life Lab (Y)
 - <Customer Data Utilization Domain>
 - Established Shopper Insight (Y)
- Provide digital promotion tools
 - Developed Digital Purchasing Certificate Service (H)
 - Expanded sales of existing digital promotion tools
- Cross-group initiatives in priority theme areas
 - Establishment of Shopper Marketing Center (HDY)

Strengthening Priority Strategic Domains

(3) Global domain

In the Global Domain, the Group worked to strengthen its business structure with a focus on priority areas (China and the Asian region). However, billings decreased 3% year on year, due to deteriorating Japan-China relations and other factors.

Billings of Global Domain (YoY)



Concrete Measures

- Upgrade framework for provision of solutions
 - <Existing Advertising Domains>
 - Established Hakuhodo Intelligent Partners Advertising (Shanghai) Co., Ltd. (H)
 - Formed capital and business alliance with FLP Singapore Pte Ltd. (Y)
 - <Consulting Domain>
 - Established Hakuhodo Consulting Asia Pacific Pte. Ltd. (H)
 - <Interactive Marketing Domain>
 - Opened lab + (DAC and iREP)
 - Made preparations to establish DIGITAL MARKETING INDONESIA (Provisional name) (iREP)
 - <Public Relations Domain>
 - Formed strategic alliance with Mileage Communications Pte Ltd. (OZMA)
- Enhance our presence in the Asia-Pacific region
 - Ranked the No. 1 advertising agency in Indonesia 's The Best of the Best survey for a second consecutive year (Hakuhodo Indonesia)
 - Received the Gold Award at the China International Advertising Festival (iST)

HakuhodoDY holdings

Text in this document is printed in “Tsutawaru Font,” an original font jointly developed by Hakuhodo Inc., TypeBank Co., Ltd., and Keio University. Developed based on the concept of universal design, the purpose of the font is to prevent reading errors and enhance the readability of the text.