

Hakuhodo DY holdings

Consolidated Financial Highlights Fiscal Year Ended March 31, 2014 (FY2013)

2014.5.9

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 2013

Consolidated Financial Highlights (1)

Record High Operating Income of ¥33.9 Billion, Medium-term Business Plan Target Achieved

◎Billings: ¥1095.9 billion, up 4.8% year on year

- Whole-year billings exceeded the initial forecast by 4.0% thanks to strong growth from 4Q.

- » By industry: In addition to growth in billings for Automobiles/Related products and Beverages/Cigarettes/Luxury foods, which account for a substantial proportion of billings, growth also occurred in a broad range of industries, such as Finance/Insurance and Distribution/Retailing.
- » By service area: “Mass media services subtotal” and “Other than mass media services subtotal” both increased year on year. The main areas where billings increased were Television, Marketing/Promotion, and Internet media.

◎Revenue: ¥190.1 billion, up 8.1%, or ¥14.1 billion year on year

◎Gross margin: 17.4%, up 0.5 of a percentage point year on year

- The gross margin improved mainly as the Group continued to increase its internal production ratio in production operations, in addition to efforts to raise profitability by Group companies.

◎SG&A Expenses: ¥156.2 billion, up 4.4%, or ¥6.5 billion year on year

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

◎Operating Income: ¥33.9 billion, up 28.9%, or ¥7.5 billion year on year

◎Operating Margin: 17.8%, up 2.9 percentage points, year on year

◎Operating margin before amortization of goodwill: 18.4%

- Operating income reached a record high, as strong revenue growth and control of SG&A expenses led to improved profitability.

◎Net income : ¥18.7 billion, up 45.2%, or ¥5.8 billion year on year

- New record for Net Income, reflecting improvement in extraordinary gains.

Consolidated Financial Highlights (2)

(Millions of Yen)

	1 H of				2 H of				Total of			
	FY2012	FY2013	YoY comparisons		FY2012	FY2013	YoY comparisons		FY2012	FY2013	YoY comparisons	
			Change	(%)			Change	(%)			Change	(%)
Billings	494,335	505,350	11,014	2.2%	551,096	590,559	39,464	7.2%	1,045,431	1,095,909	50,478	4.8%
Revenue	82,594	87,332	4,738	5.7%	93,370	102,817	9,447	10.1%	175,964	190,150	14,185	8.1%
(Gross margin)	(16.7%)	(17.3%)	(+0.6%)		(16.9%)	(17.4%)	(+0.5%)		(16.8%)	(17.4%)	(+0.5%)	
SG&A expenses	71,232	74,345	3,113	4.4%	78,413	81,887	3,475	4.4%	149,645	156,233	6,588	4.4%
Operating income	11,362	12,986	1,624	14.3%	14,957	20,929	5,972	39.9%	26,319	33,916	7,597	28.9%
(Operating margin)	(13.8%)	(14.9%)	(+1.1%)		(16.0%)	(20.4%)	(+4.3%)		(15.0%)	(17.8%)	(+2.9%)	
Non-operating items	1,245	993	(251)		446	522	76		1,691	1,515	(175)	
Ordinary income	12,607	13,980	1,373	10.9%	15,403	21,451	6,048	39.3%	28,010	35,432	7,421	26.5%
Extraordinary items	(354)	1,075	1,429		(2,708)	531	3,239		(3,062)	1,607	4,669	
Income before income Taxes and minority interests	12,252	15,056	2,803	22.9%	12,696	21,983	9,287	73.2%	24,948	37,039	12,090	48.5%
Net income	6,197	7,328	1,130	18.2%	6,697	11,393	4,696	70.1%	12,894	18,721	5,827	45.2%

(Operating margin = Operating income / Revenue)

Dividend per share	4.0	6.0			4.0	6.0			8.0	12.0	4.0	(yen)
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(Note) Dividend per Share for Fiscal 2013 and Fiscal 2012

Effective Oct.1, 2013, each share of common stock was split into 10 shares. Accordingly, the interim dividend per share for fiscal 2013 was ¥60 and the year-end dividend per share was ¥6.00. In these presentation materials, the dividends for fiscal 2013 and fiscal 2012 are presented based on figures after the stock split to facilitate comparisons with the dividend forecasts for fiscal 2014.

Consolidated Financial Highlights (3)

(Millions of Yen)

	1Q of			2Q of			3Q of			4Q of			Total of		
	FY2013	YoY comparisons		FY2013	YoY comparisons		FY2013	YoY comparisons		FY2013	YoY comparisons		FY2013	YoY comparisons	
		Change	(%)		Change	(%)		Change	(%)		Change	(%)		Change	(%)
Billings	246,437	(1,042)	-0.4%	258,912	12,056	4.9%	279,655	8,851	3.3%	310,904	30,612	10.9%	1,095,909	50,478	4.8%
Revenue	40,780	1,228	3.1%	46,552	3,510	8.2%	47,653	1,063	2.3%	55,163	8,383	17.9%	190,150	14,185	8.1%
(Gross margin)	(16.5%)	(+0.6%)		(18.0%)	(+0.5%)		(17.0%)	(-0.2%)		(17.7%)	(+1.1%)		(17.4%)	(+0.5%)	
SG&A expenses	36,991	1,633	4.6%	37,354	1,479	4.1%	38,192	208	0.5%	43,695	3,266	8.1%	156,233	6,588	4.4%
Operating income	3,788	(405)	-9.7%	9,198	2,030	28.3%	9,461	854	9.9%	11,468	5,117	80.6%	33,916	7,597	28.9%
(Operating margin)	(9.3%)	(-1.3%)		(19.8%)	(+3.1%)		(19.9%)	(+1.4%)		(20.8%)	(+7.2%)		(17.8%)	(+2.9%)	
Non-operating items	399	(328)		594	76		(186)	(603)		709	679		1,515	(175)	
Ordinary income	4,187	(733)	-14.9%	9,792	2,106	27.4%	9,274	250	2.8%	12,177	5,797	90.9%	35,432	7,421	26.5%
Extraordinary items	(157)	(86)		1,233	1,516		(49)	99		580	3,140		1,607	4,669	
Income before income taxes and minority interests	4,030	(819)	-16.9%	11,025	3,622	48.9%	9,225	350	3.9%	12,757	8,937	233.9%	37,039	12,090	48.5%
Net income	1,299	(859)	-39.8%	6,029	1,990	49.3%	5,037	664	15.2%	6,356	4,031	173.4%	18,721	5,827	45.2%

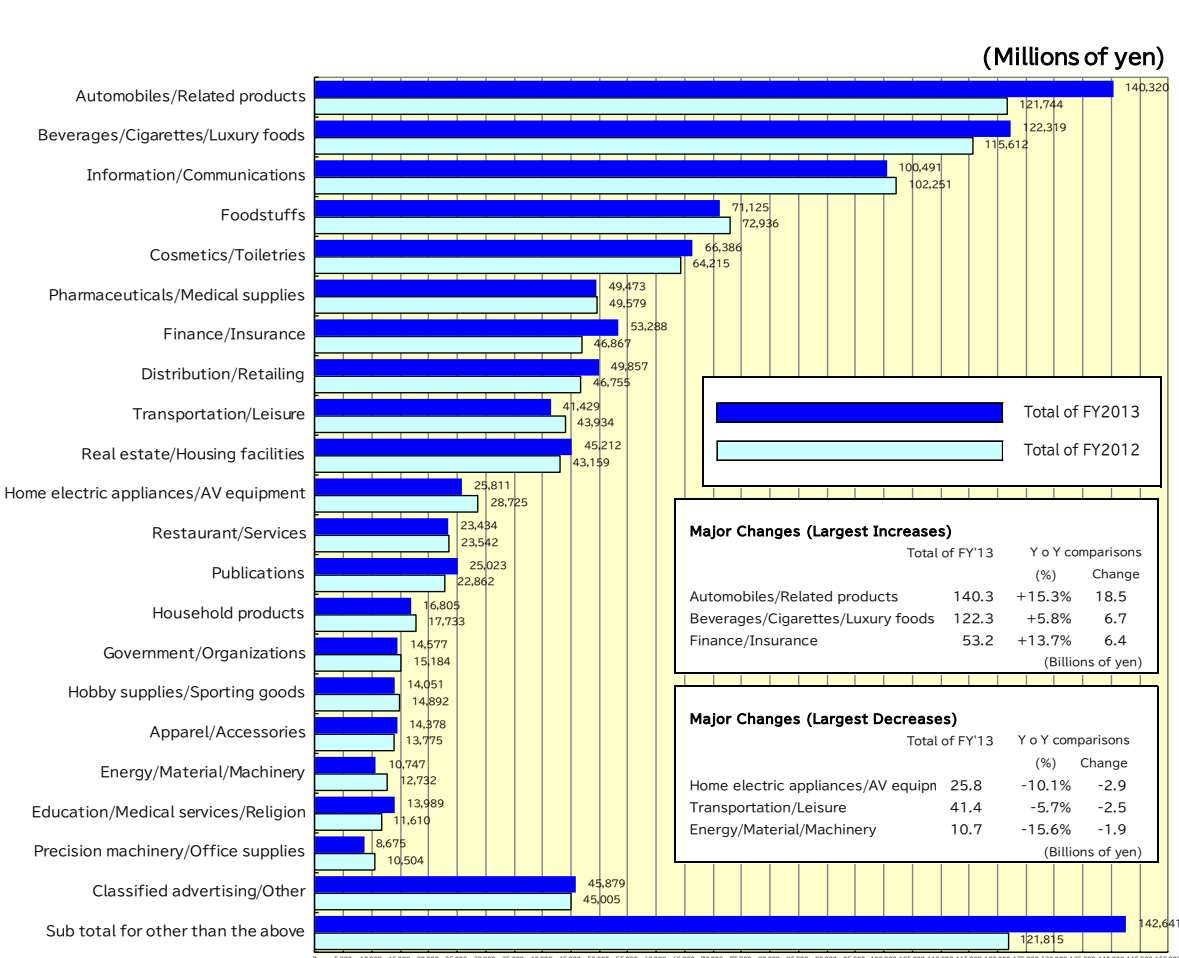
Consolidated Financial Highlights (4)

Difference between business results and original forecasts as of May 9, 2013

(Millions of yen)

	Full year					
	Original forecasts as of May 9, 2013	YoY	Results	YoY	Change from original forecasts	
		Change (%)		Change (%)	Change	(%)
Billings	1,087,000	4.0%	1,095,909	4.8%	8,909	0.8%
Revenue	184,700	5.0%	190,150	8.1%	5,450	3.0%
(Gross margin)	(17.0%)	(+0.2%)	(17.4%)	(+0.5%)	(+0.4%)	
SG&A expenses	154,700	3.4%	156,233	4.4%	1,533	1.0%
Operating income	30,000	14.0%	33,916	28.9%	3,916	13.1%
(Operating margin)	(16.2%)	(+1.3%)	(17.8%)	(+2.9%)	(+1.6%)	
Non-operating items	1,500		1,515		15	
Ordinary income	31,500	12.5%	35,432	26.5%	3,932	12.5%
Extraordinary items	(1,000)		1,607		2,607	
Income before income taxes and minority interests	30,500	22.3%	37,039	48.5%	6,539	21.4%
Net income	15,500	20.2%	18,721	45.2%	3,221	20.8%
Dividend per share	12.0		12.0	(yen)		

Billings by Industry (1)



(Millions of yen)

	Total of FY'13 Amount	Y o Y comparisons		FY'13 Share
		Change	%	
Automobiles/Related products	140,320	18,575	15.3%	14.7%
Beverages/Cigarettes/Luxury foods	122,319	6,706	5.8%	12.8%
Information/Communications	100,491	(1,760)	-1.7%	10.5%
Foodstuffs	71,125	(1,811)	-2.5%	7.5%
Cosmetics/Toiletries	66,386	2,171	3.4%	7.0%
Pharmaceuticals/Medical supplies	49,473	(106)	-0.2%	5.2%
Finance/Insurance	53,288	6,421	13.7%	5.6%
Distribution/Retailing	49,857	3,102	6.6%	5.2%
Transportation/Leisure	41,429	(2,505)	-5.7%	4.3%
Real estate/Housing facilities	45,212	2,053	4.8%	4.7%
Home electric appliances/AV equipment	25,811	(2,915)	-10.1%	2.7%
Restaurant/Services	23,434	(108)	-0.5%	2.5%
Publications	25,023	2,161	9.5%	2.6%
Household products	16,805	(929)	-5.2%	1.8%
Government/Organizations	14,577	(606)	-4.0%	1.5%
Hobby supplies/Sporting goods	14,051	(841)	-5.6%	1.5%
Apparel/Accessories	14,378	603	4.4%	1.5%
Energy/Material/Machinery	10,747	(1,984)	-15.6%	1.1%
Education/Medical services/Religion	13,989	2,379	20.5%	1.5%
Precision machinery/Office supplies	8,675	(1,829)	-17.4%	0.9%
Classified advertising/Other	45,879	875	1.9%	4.8%
Sub total	953,268	29,652	3.2%	100.0%
Sub total for other than the above	142,641	20,826	17.1%	
Total for group	1,095,909	50,478	4.8%	

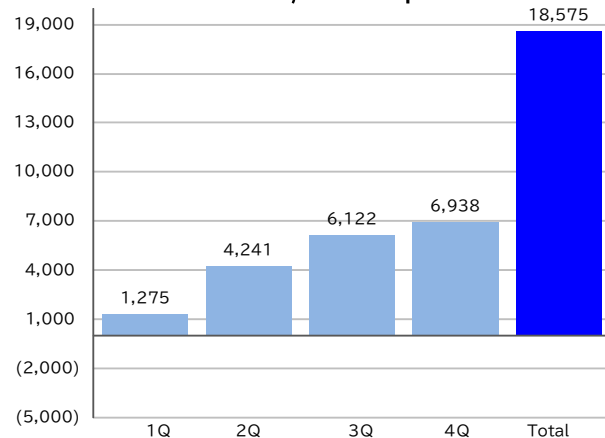
Note (1) The amount of billings in "Sub total" under billings by industry differs from that of "Sub total" under billings by service area. This difference reflects the presence of certain Group companies that are able to classify billings by service area but not by industry. Billings from such companies 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, 2013.

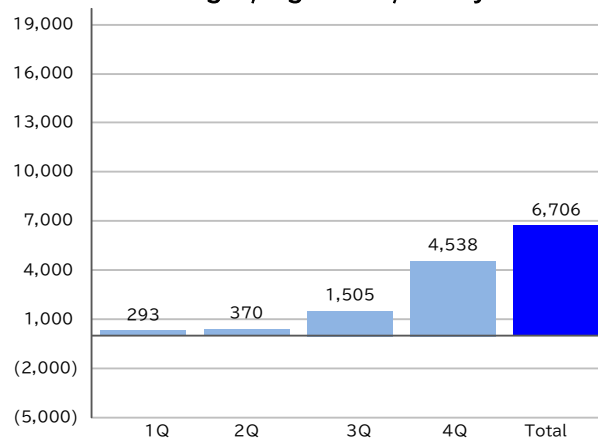
Billings by Industry (2)

Quarterly YoY Changes(1) (Top 3 Largest Changes of Total by Industry) (Millions of Yen)

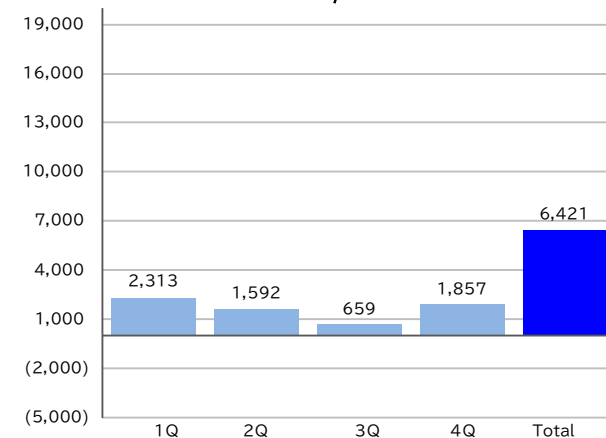
Automobiles/Related products



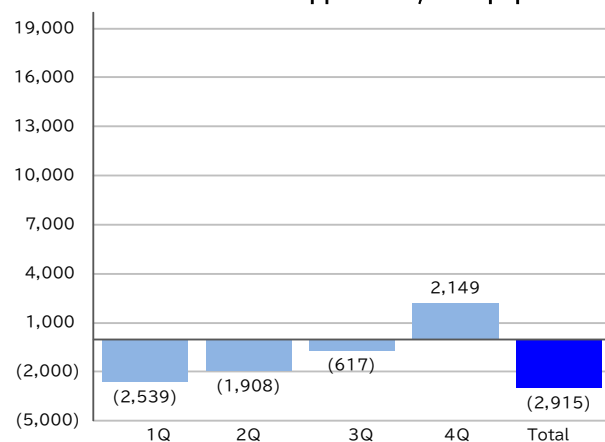
Beverages/Cigarettes/Luxury foods



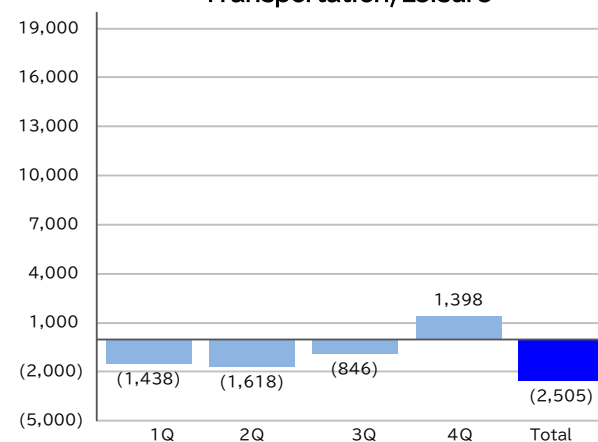
Finance/Insurance



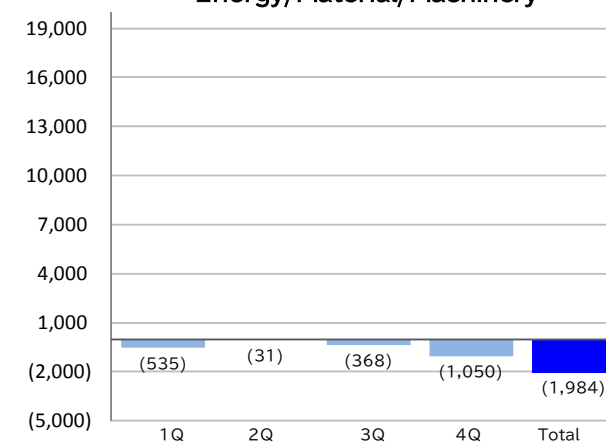
Home electric appliances/AV equipment



Transportation/Leisure



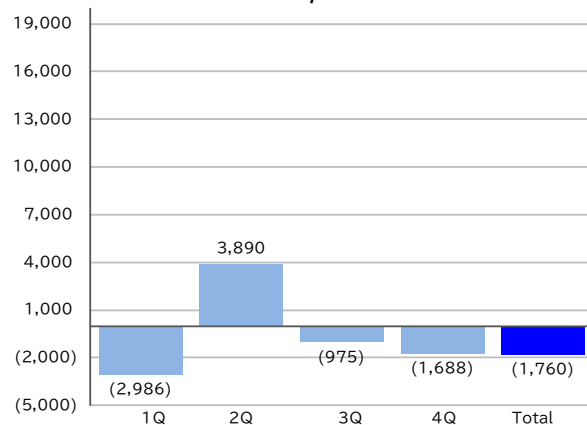
Energy/Material/Machinery



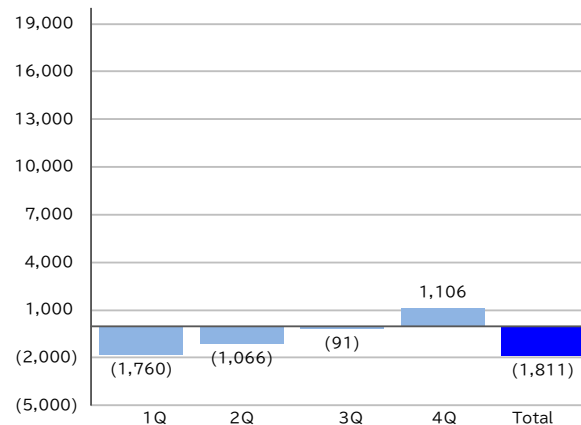
Billings by Industry (3)

Quarterly YoY Changes(2) (Other Major Industries) (Millions of Yen)

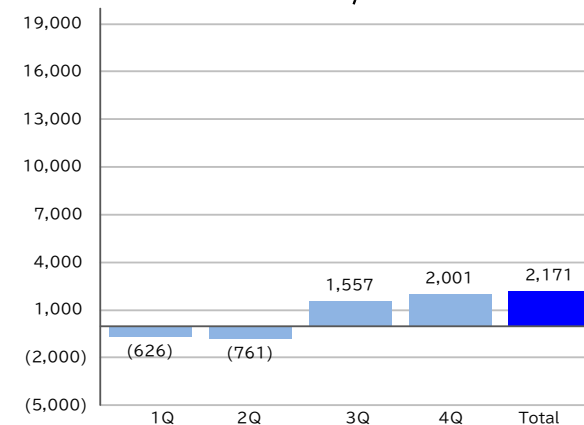
Information/Communications



Foodstuffs



Cosmetics/Toiletries



Billings by Industry (4)

(Millions of yen)

	FY2013	YoY comparisons		FY2013	YoY comparisons		FY2012		FY2013		YoY comparisons	
	1H	Change	(%)	2H	Change	(%)	Amount	Share	Amount	Share	Change	(%)
Automobiles/Related products	62,336	5,516	9.7%	77,984	13,060	20.1%	121,744	13.2%	140,320	14.7%	18,575	15.3%
Beverages/Cigarettes/Luxury foods	58,975	663	1.1%	63,344	6,043	10.5%	115,612	12.5%	122,319	12.8%	6,706	5.8%
Information/Communications	44,726	903	2.1%	55,764	(2,663)	-4.6%	102,251	11.1%	100,491	10.5%	(1,760)	-1.7%
Foodstuffs	35,617	(2,826)	-7.4%	35,508	1,015	2.9%	72,936	7.9%	71,125	7.5%	(1,811)	-2.5%
Cosmetics/Toiletries	31,205	(1,387)	-4.3%	35,181	3,559	11.3%	64,215	7.0%	66,386	7.0%	2,171	3.4%
Pharmaceuticals/Medical supplies	22,481	(428)	-1.9%	26,992	323	1.2%	49,579	5.4%	49,473	5.2%	(106)	-0.2%
Finance/Insurance	25,511	3,905	18.1%	27,777	2,516	10.0%	46,867	5.1%	53,288	5.6%	6,421	13.7%
Distribution/Retailing	21,653	1,001	4.8%	28,204	2,101	8.0%	46,755	5.1%	49,857	5.2%	3,102	6.6%
Transportation/Leisure	19,419	(3,057)	-13.6%	22,010	552	2.6%	43,934	4.8%	41,429	4.3%	(2,505)	-5.7%
Real estate/Housing facilities	21,005	1,006	5.0%	24,207	1,047	4.5%	43,159	4.7%	45,212	4.7%	2,053	4.8%
Home electric appliances/AV equipment	9,922	(4,446)	-30.9%	15,889	1,532	10.7%	28,725	3.1%	25,811	2.7%	(2,915)	-10.1%
Restaurant/Services	11,560	(546)	-4.5%	11,875	437	3.8%	23,542	2.5%	23,434	2.5%	(108)	-0.5%
Publications	10,695	415	4.0%	14,328	1,746	13.9%	22,862	2.5%	25,023	2.6%	2,161	9.5%
Household products	8,229	(849)	-9.4%	8,575	(80)	-0.9%	17,733	1.9%	16,805	1.8%	(929)	-5.2%
Government/Organizations	6,300	2,847	82.5%	8,277	(3,454)	-29.4%	15,184	1.6%	14,577	1.5%	(606)	-4.0%
Hobby supplies/Sporting goods	6,263	(810)	-11.5%	7,788	(31)	-0.4%	14,892	1.6%	14,051	1.5%	(841)	-5.6%
Apparel/Accessories	6,261	(464)	-6.9%	8,117	1,067	15.1%	13,775	1.5%	14,378	1.5%	603	4.4%
Energy/Material/Machinery	5,041	(566)	-10.1%	5,706	(1,418)	-19.9%	12,732	1.4%	10,747	1.1%	(1,984)	-15.6%
Education/Medical services/Religion	4,879	861	21.4%	9,110	1,518	20.0%	11,610	1.3%	13,989	1.5%	2,379	20.5%
Precision machinery/Office supplies	3,599	(962)	-21.1%	5,076	(867)	-14.6%	10,504	1.1%	8,675	0.9%	(1,829)	-17.4%
Classified advertising/Other	21,623	732	3.5%	24,256	142	0.6%	45,005	4.9%	45,879	4.8%	875	1.9%
Sub total	437,300	1,507	0.3%	515,968	28,145	5.8%	923,616	100.0%	953,268	100.0%	29,652	3.2%
Sub total for other than the above	68,050	9,508	16.2%	74,591	11,318	17.9%	121,815		142,641		20,826	17.1%
Total for group	505,350	11,014	2.2%	590,559	39,464	7.2%	1,045,431		1,095,909		50,478	4.8%

Billings by Industry (5)

(Millions of yen)

	1 Q of	YoY comparisons		2 Q of	YoY comparisons		3 Q of	YoY comparisons		4 Q of	YoY comparisons		FY2013		YoY comparisons	
	FY2013	Change	(%)	FY2013	Change	(%)	FY2013	Change	(%)	FY2013	Change	(%)	Amount	Share	Change	(%)
Automobiles/Related products	29,085	1,275	4.6%	33,250	4,241	14.6%	36,818	6,122	19.9%	41,166	6,938	20.3%	140,320	14.7%	18,575	15.3%
Beverages/Cigarettes/Luxury foods	31,304	293	0.9%	27,671	370	1.4%	27,377	1,505	5.8%	35,967	4,538	14.4%	122,319	12.8%	6,706	5.8%
Information/Communications	19,032	(2,986)	-13.6%	25,694	3,890	17.8%	28,768	(975)	-3.3%	26,996	(1,688)	-5.9%	100,491	10.5%	(1,760)	-1.7%
Foodstuffs	17,614	(1,760)	-9.1%	18,003	(1,066)	-5.6%	17,385	(91)	-0.5%	18,123	1,106	6.5%	71,125	7.5%	(1,811)	-2.5%
Cosmetics/Toiletries	16,446	(626)	-3.7%	14,759	(761)	-4.9%	17,228	1,557	9.9%	17,952	2,001	12.5%	66,386	7.0%	2,171	3.4%
Pharmaceuticals/Medical supplies	11,235	(423)	-3.6%	11,246	(6)	-0.1%	14,270	77	0.5%	12,721	246	2.0%	49,473	5.2%	(106)	-0.2%
Finance/Insurance	13,076	2,313	21.5%	12,435	1,592	14.7%	12,245	659	5.7%	15,533	1,857	13.6%	53,288	5.6%	6,421	13.7%
Distribution/Retailing	11,039	869	8.5%	10,615	131	1.3%	14,334	1,263	9.7%	13,870	838	6.4%	49,857	5.2%	3,102	6.6%
Transportation/Leisure	10,196	(1,438)	-12.4%	9,222	(1,618)	-14.9%	9,620	(846)	-8.1%	12,390	1,398	12.7%	41,429	4.3%	(2,505)	-5.7%
Real estate/Housing facilities	10,970	1,469	15.5%	10,035	(463)	-4.4%	9,413	(360)	-3.7%	14,793	1,407	10.5%	45,212	4.7%	2,053	4.8%
Home electric appliances/AV equipment	4,734	(2,539)	-34.9%	5,188	(1,908)	-26.9%	7,635	(617)	-7.5%	8,254	2,149	35.2%	25,811	2.7%	(2,915)	-10.1%
Restaurant/Services	5,459	(826)	-13.1%	6,100	281	4.8%	6,121	800	15.0%	5,753	(362)	-5.9%	23,434	2.5%	(108)	-0.5%
Publications	4,587	(329)	-6.7%	6,108	744	13.9%	6,288	841	15.4%	8,040	905	12.7%	25,023	2.6%	2,161	9.5%
Household products	4,310	(81)	-1.8%	3,919	(768)	-16.4%	4,597	(370)	-7.4%	3,979	290	7.9%	16,805	1.8%	(929)	-5.2%
Government/Organizations	1,358	83	6.5%	4,942	2,765	127.0%	2,186	(5,468)	-71.4%	6,091	2,015	49.4%	14,577	1.5%	(606)	-4.0%
Hobby supplies/Sporting goods	2,886	(932)	-24.4%	3,377	122	3.7%	3,473	141	4.2%	4,315	(172)	-3.8%	14,051	1.5%	(841)	-5.6%
Apparel/Accessories	2,880	(329)	-10.2%	3,381	(135)	-3.9%	4,992	744	17.5%	3,125	324	11.6%	14,378	1.5%	603	4.4%
Energy/Material/Machinery	2,204	(535)	-19.5%	2,837	(31)	-1.1%	3,069	(368)	-10.7%	2,637	(1,050)	-28.5%	10,747	1.1%	(1,984)	-15.6%
Education/Medical services/Religion	2,166	435	25.1%	2,713	426	18.6%	3,300	577	21.2%	5,810	941	19.3%	13,989	1.5%	2,379	20.5%
Precision machinery/Office supplies	1,901	(132)	-6.5%	1,698	(830)	-32.8%	2,456	(1,207)	-33.0%	2,621	341	14.9%	8,675	0.9%	(1,829)	-17.4%
Classified advertising/Other	10,939	(138)	-1.2%	10,684	870	8.9%	12,271	92	0.8%	11,985	51	0.4%	45,879	4.8%	875	1.9%
Sub total	213,422	(6,338)	-2.9%	223,878	7,845	3.6%	243,847	4,074	1.7%	272,120	24,071	9.7%	953,268	100.0%	29,652	3.2%
Sub total for other than the above	33,015	5,296	19.1%	35,035	4,212	13.7%	35,808	4,777	15.4%	38,783	6,541	20.3%	142,641		20,826	17.1%
Total for group	246,437	(1,042)	-0.4%	258,912	12,056	4.9%	279,655	8,850	3.3%	310,904	30,612	10.9%	1,095,909		50,478	4.8%

Billings by Service Area (1)

(Millions of Yen)

	FY2013	YoY comparisons		FY2013	YoY comparisons		Total of FY2012		Total of FY2013		YoY comparisons	
	1H	Change	(%)	2H	Change	(%)	Amount	Share	Amount	Share	Change	(%)
Newspapers	30,032	(880)	-2.8%	37,417	1,896	5.3%	66,433	6.8%	67,449	6.7%	1,017	1.5%
Magazines	11,239	589	5.5%	12,951	(117)	-0.9%	23,719	2.4%	24,190	2.4%	471	2.0%
Radio	6,971	(510)	-6.8%	7,020	(117)	-1.6%	14,618	1.5%	13,991	1.4%	(627)	-4.3%
Television	204,236	(638)	-0.3%	223,272	7,634	3.5%	420,512	43.1%	427,508	42.3%	6,996	1.7%
Mass media services sub total	252,478	(1,440)	-0.6%	280,660	9,296	3.4%	525,282	53.8%	533,138	52.7%	7,856	1.5%
Internet media	46,264	3,994	9.4%	54,294	4,246	8.5%	92,319	9.5%	100,558	9.9%	8,239	8.9%
Outdoor media	19,606	684	3.6%	22,027	1,853	9.2%	39,096	4.0%	41,633	4.1%	2,537	6.5%
Creative	50,520	490	1.0%	63,191	5,129	8.8%	108,091	11.1%	113,711	11.2%	5,620	5.2%
Marketing/Promotion	90,229	1,539	1.7%	112,401	8,684	8.4%	192,407	19.7%	202,630	20.0%	10,223	5.3%
Others(contents, etc.)	6,434	(635)	-9.0%	13,339	1,345	11.2%	19,062	2.0%	19,773	2.0%	711	3.7%
Other than mass media services subtotal	213,053	6,073	2.9%	265,252	21,258	8.7%	450,975	46.2%	478,305	47.3%	27,331	6.1%
Sub total	465,531	4,633	1.0%	545,912	30,554	5.9%	976,256	100.0%	1,011,443	100.0%	35,187	3.6%
Sub total for other than the above	39,819	6,382	19.1%	44,647	8,909	24.9%	69,175		84,466		15,291	22.1%
Total for group	505,350	11,014	2.2%	590,559	39,464	7.2%	1,045,431		1,095,909		50,478	4.8%

- In “Mass media services,” Television increased year on year due to growth in TV ad spots, surpassing strong billings in the previous year. Furthermore, Newspapers rose year on year on a full-year basis owing to robust growth in the fourth quarter.
- In “Other than mass media services,” all categories experienced growth, centered on Marketing/Promotion and Internet media.

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)

	1Q of FY2013	YoY comparisons		2Q of FY2013	YoY comparisons		3Q of FY2013	YoY comparisons		4Q of FY2013	YoY comparisons		Total of FY2013	YoY comparisons	
	Amount	Change	(%)	Amount	Change	(%)	Amount	Change	(%)	Amount	Change	(%)	Amount	Change	(%)
Newspapers	14,841	(1,036)	-6.5%	15,191	156	1.0%	16,018	(2,457)	-13.3%	21,400	4,354	25.5%	67,449	1,017	1.5%
Magazines	5,379	20	0.4%	5,860	569	10.7%	6,745	(173)	-2.5%	6,206	55	0.9%	24,190	471	2.0%
Radio	3,346	(365)	-9.8%	3,625	(146)	-3.9%	3,504	(148)	-4.1%	3,516	31	0.9%	13,991	(627)	-4.3%
Television	102,070	(3,294)	-3.1%	102,166	2,656	2.7%	109,230	(1,170)	-1.1%	114,042	8,803	8.4%	427,508	6,996	1.7%
Mass media services sub total	125,636	(4,675)	-3.6%	126,842	3,235	2.6%	135,497	(3,948)	-2.8%	145,163	13,243	10.0%	533,138	7,856	1.5%
Internet media	24,020	2,595	12.1%	22,244	1,399	6.7%	26,501	1,912	7.8%	27,793	2,334	9.2%	100,558	8,239	8.9%
Outdoor media	9,665	(229)	-2.3%	9,941	913	10.1%	10,501	612	6.2%	11,527	1,241	12.1%	41,633	2,537	6.5%
Creative	24,124	308	1.3%	26,396	182	0.7%	27,159	855	3.2%	36,031	4,275	13.5%	113,711	5,620	5.2%
Marketing/Promotion	41,703	(1,619)	-3.7%	48,526	3,158	7.0%	54,597	4,886	9.8%	57,804	3,798	7.0%	202,630	10,223	5.3%
Others(contents, etc.)	2,993	(117)	-3.7%	3,441	(518)	-13.1%	4,657	371	8.6%	8,682	975	12.6%	19,773	711	3.7%
Other than mass media services subtotal	102,505	939	0.9%	110,549	5,134	4.9%	123,415	8,636	7.5%	141,836	12,622	9.8%	478,305	27,331	6.1%
Sub total	228,141	(3,736)	-1.6%	237,390	8,369	3.7%	258,912	4,688	1.8%	287,000	25,865	9.9%	1,011,443	35,187	3.6%
Sub total for other than the above	18,296	2,694	17.3%	21,523	3,688	20.7%	20,743	4,163	25.1%	23,904	4,747	24.8%	84,466	15,291	22.1%
Total for group	246,437	(1,042)	-0.4%	258,912	12,056	4.9%	279,655	8,850	3.3%	310,904	30,612	10.9%	1,095,909	50,478	4.8%

Changes in SG&A Expenses (1)

(Millions of Yen)

	1 H of		YoY comparisons		2 H of		YoY comparisons		Total of		YoY comparisons	
	FY2012	FY2013	Change	(%)	FY2012	FY2013	Change	(%)	FY2012	FY2013	Change	(%)
Personnel costs	49,124	51,407	2,283	4.6%	52,531	55,561	3,029	5.8%	101,655	106,968	5,312	5.2%
Other Expenses (Total)	22,108	22,938	830	3.8%	25,881	26,326	445	1.7%	47,989	49,264	1,275	2.7%
Rent	5,373	5,466	93	1.7%	5,446	5,594	148	2.7%	10,819	11,060	241	2.2%
Depreciation and Amortization	946	956	10	1.1%	950	1,000	50	5.3%	1,896	1,956	60	3.2%
Amortization of goodwill	354	493	139	39.3%	405	490	85	21.0%	759	983	224	29.5%
Others	15,435	16,023	588	3.8%	19,080	19,242	162	0.8%	34,515	35,265	750	2.2%
Total SG&A expenses	71,232	74,345	3,113	4.4%	78,413	81,887	3,475	4.4%	149,645	156,233	6,588	4.4%
Ratio of personnel costs to revenue									57.8%	56.3%		

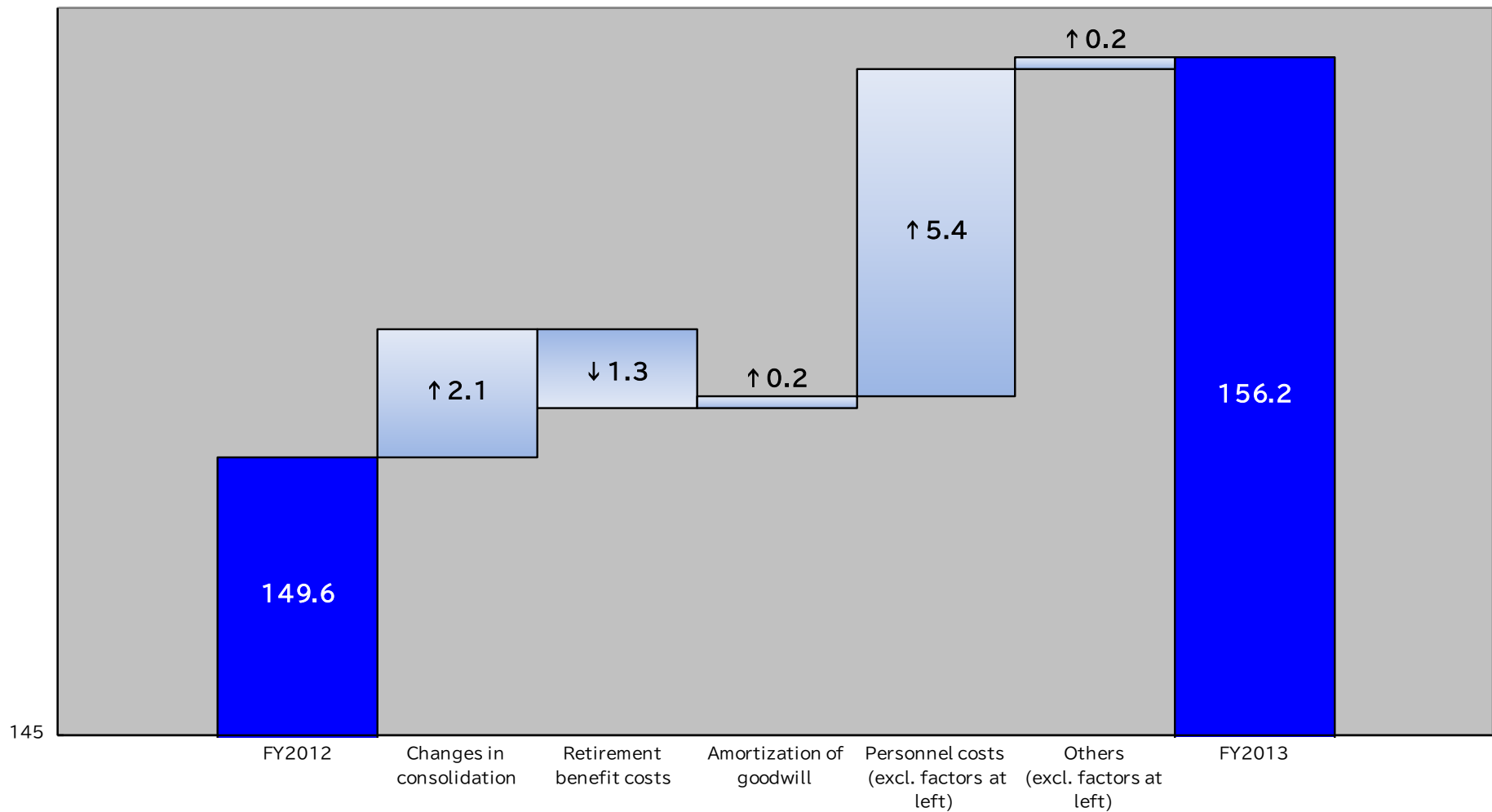
Minimized cost increases through ongoing control of SG&A expenses, while continuing steps to enhance business structure

© Expenses increased by approximately ¥2.1 billion due to changes in the scope of consolidation. Retirement benefit expenses decreased by approximately ¥1.3 billion. Excluding these, actual SG&A expenses increased by approximately ¥5.8 billion.

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)

	1H of		YoY comparisons		2H of		YoY comparisons		Total of		YoY comparisons	
	FY2012	FY2013	Change	(%)	FY2012	FY2013	Change	(%)	FY2012	FY2013	Change	(%)
Non-operating income	1,399	1,215	(184)	-13.2%	635	826	191	30.2%	2,034	2,042	7	0.4%
Non-operating expenses	154	222	67	43.6%	189	304	115	61.2%	343	526	183	53.3%
Total	1,245	993	(251)	-20.2%	446	522	76	17.1%	1,691	1,515	(175)	-10.4%

*Net interest income
(interest received - interest paid) : FY'12 +129 million FY'13 +93 million YoY change 35 million decreased

*Dividend income : FY'12 730 million FY'13 1,095 million YoY change 365 million increased

*Equity in investment income(loss) from affiliates : FY'12 +660 million FY'13 +110 million YoY change 550 million decreased

(Millions of Yen)

	1H of		YoY comparisons		2H of		YoY comparisons		Total of		YoY comparisons	
	FY2012	FY2013	Change	(%)	FY2012	FY2013	Change	(%)	FY2012	FY2013	Change	(%)
Extraordinary gains	221	1,526	1,304		584	2,010	1,425		806	3,536	2,729	
Extraordinary losses	576	450	(125)		3,292	1,478	(1,814)		3,868	1,928	(1,939)	
Total	(354)	1,075	1,429		(2,707)	531	3,239		(3,062)	1,607	4,669	

*Gain on sales of investment securities : FY'12 381 million FY'13 1,267 million YoY change 885 million increased

*Gain on sales of affiliates' stock : FY'12 67 million FY'13 1,411 million YoY change 1,344 million increased

*Investment securities valuation loss : FY'12 117 million FY'13 1,306 million YoY change 1,189 million increased

*Extraordinary Loss for amortization of actuarial loss on return of retirement benefits trust FY'12 2,237 million FY'13 0 million YoY change 2,237 million decreased

Consolidated Balance Sheets

(Millions of yen)

	Mar. 31, 2013		Mar. 31, 2014		Comparisons	
	Amount	Share	Amount	Share	Change	(%)
Current assets	410,264	77.6%	455,063	77.9%	44,799	10.9%
Fixed assets	118,270	22.4%	128,907	22.1%	10,636	9.0%
Total assets	528,535	100.0%	583,970	100.0%	55,435	10.5%
Current liabilities	281,842	53.3%	313,681	53.7%	31,838	11.3%
Non-current liabilities	12,340	2.4%	15,779	2.7%	3,439	27.9%
Total liabilities	294,182	55.7%	329,460	56.4%	35,277	12.0%
Total shareholders' equity	215,279	40.7%	230,203	39.4%	14,923	6.9%
Total net unrealized gains on securities and translation adjustments	6,339	1.2%	8,850	1.6%	2,511	39.6%
Subscription rights to shares	242	0.0%	209	0.0%	(32)	-13.5%
Minority interests	12,490	2.4%	15,246	2.6%	2,755	22.1%
Total net assets	234,352	44.3%	254,510	43.6%	20,157	8.6%
Total liabilities and net assets	528,535	100.0%	583,970	100.0%	55,435	10.5%

*Sum of cash and time deposits, and marketable securities (current assets):

Mar.31,'13 113.9 billion Mar.31,'14 139.9 billion 26.0 billion up

*Notes and accounts receivable:

Mar.31,'13 260.7 billion Mar.31,'14 276.6 billion 15.8 billion up

*Investment securities:

Mar.31,'13 56.9 billion Mar.31,'14 61.6 billion 4.7 billion up

*Notes and accounts payable:

Mar.31,'13 234.6 billion Mar.31,'14 260.4 billion 25.8 billion up

*Short- and long-term debt:

Mar.31,'13 3.0 billion Mar.31,'14 5.0 billion 2.0 billion up

Consolidated Statements of Cash Flow

(Millions of yen)

	Total of		YoY comparisons Change
	FY2012	FY2013	
Cash flow from operating activities	17,763	31,846	14,083
Cash flow from investing activities	(5,642)	(7,605)	(1,963)
Cash flow from financing activities	(3,617)	(1,362)	2,254
Effect of exchange rate changes on cash and cash equivalents	839	1,607	768
Net increase (decrease) in cash and cash equivalents	9,342	24,485	15,143
Cash and cash equivalents, beginning of period	92,193	101,546	9,353
Increase (decrease) in cash and cash equivalents resulting from changes in scope of consolidation	10	(157)	(168)
Cash and cash equivalents, end of period	101,546	125,875	24,328

<Cash Flows from Operating Activities>

Income before income taxes and minority interests +¥37.0 billion, depreciation and amortization +¥3.2 billion, allowance for bonuses +¥2.3 billion

Increase in notes and accounts receivable-trade -¥12.7 billion, decrease in inventories + ¥0.1 billion, increase in notes and accounts payable-trade +¥23.3 billion,

Increase in assets related to retirement benefits: -¥2.9 billion

Income taxes paid -¥14.5 billion

<Cash Flows from Investing Activities >

Payments for purchase of property and equipment -¥3.6 billion, payments for purchase of intangible fixed assets -¥1.9 billion

<Cash Flows from Financing Activities>

Cash dividends paid -¥3.7 billion, cash dividends paid to minority shareholders -¥0.4 billion

Net increase in short-term loans payable +¥1.9 billion

Highlights of Operating Results at Major Subsidiaries

(Millions of yen)

	Total of		YoY comparisons	
	FY2012	FY2013	Change	(%)
Hakuhodo (*)				
Billings	745,218	795,468	50,250	6.7%
Ordinary income	18,486	24,437	5,951	32.2%
Net income	8,653	12,772	4,119	47.6%
Daiko Advertising (*)				
Billings	150,550	147,335	(3,215)	-2.1%
Ordinary income	1,480	1,335	(144)	-9.8%
Net income	(312)	541	853	-
Yomiko Advertising (*)				
Billings	78,115	78,903	787	1.0%
Ordinary income	983	1,128	144	14.7%
Net income	1,131	665	(465)	-41.2%

◎Billings were up ¥50.2 billion, or 6.7%, year on year.

By client industry

Increases: Automobiles/Related products, Finance/Insurance
Decreases: Home electric appliances/AV equipment,
Information/Communications

◎Ordinary income and net income were both substantially higher, as SG&A expense growth was kept lower than the increase in revenue and gross margin improved.

◎Billings were down ¥3.2 billion, or 2.1%, year on year.

By client industry

Increases: Beverages/Cigarettes/Luxury foods, Finance/Insurance
Decreases: Real estate/Housing facilities, Transportation/Leisure

◎Although the gross margin increased, ordinary income declined as a result of a significant effect from a decrease in billings.

◎Extraordinary items improved and net income increased year on year ending in the black.

◎Billings were up ¥0.7 billion, or 1.0%, year on year.

By client industry

Increases: Automobiles/Related products, Distribution/Retailing
Decreases: Precision machinery/Office supplies, Foodstuffs

◎Ordinary income was higher, as SG&A expense growth was kept lower than the increase in revenue and growth margin.

◎Net income declined as a result of extraordinary items deterioration.

* 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.

<MEMO>

Consolidated Business Outlook for Fiscal 2014

Consolidated Business Outlook for Fiscal 2014 (1)

Higher Billings and Earnings Projected in the First Year of the New Medium-term Business Plan

◎Macro environment: Growth in Japan' s advertising market of approximately +2-3%

- Against the backdrop of a recovery in the Japanese economy, Japan' s advertising market is expected to experience modest growth.
- Overseas advertising markets centered on Asia are expected to grow at a faster pace than the Japanese market.

◎Billings: ¥1,151.0 billion, up 5.0% 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.

◎Revenue: ¥201.5 billion, up 6.0% year on year

- The Group aims to drive earnings growth by maintaining a high gross margin and benefiting from contributions from newly consolidated.

◎SG&A Expenses: ¥166.0 billion, up 6.3% year on year

- The Group will control the rate of growth in SG&A expenses at a level close to that of revenue, despite an increase in amortization of goodwill and strategic investments in certain expenses.

◎Operating Income: ¥35.5 billion, up 4.7% year on year

◎Operating Margin: 17.6%, down 0.2 of a percentage point year on year

◎Operating income before amortization of goodwill and operating margin: ¥36.8 billion, 18.3%

- Amortization of goodwill is projected at ¥1.3 billion. Supported in part by a favorable external environment, the Group will maintain a high level of profitability on par with the previous fiscal year.

◎Net Income: ¥18.9 billion, up 1.0% year on year

- Net income is projected to increase slightly due to the absence of an extraordinary gain recorded in the previous fiscal 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 ¥15 in the year ending March 31, 2015, up ¥3 from ¥12 paid in the previous year ended March 31, 2014.

Consolidated Business Outlook for Fiscal 2014 (2)

As of May. 9, 2014

(Millions of yen)

	1H				2H				Full Year			
	FY2013	FY2014	YoY		FY2013	FY2014	YoY		FY2013	FY2014	YoY	
	(Result)	(Forecasts)	change	(%)	(Result)	(Forecasts)	change	(%)	(Result)	(Forecasts)	change	(%)
Billings	505,350	536,300	30,949	6.1%	590,559	614,700	24,141	4.1%	1,095,909	1,151,000	55,090	5.0%
Revenue	87,332	93,200	5,867	6.7%	102,817	108,300	5,483	5.3%	190,150	201,500	11,349	6.0%
(Gross margin)	(17.3%)	(17.4%)	(+0.1%)		(17.4%)	(17.6%)	(+0.2%)		(17.4%)	(17.5%)	(+0.2%)	
SG&A expenses	74,345	79,700	5,354	7.2%	81,887	86,300	4,413	5.4%	156,233	166,000	9,766	6.3%
Operating income	12,986	13,500	513	4.0%	20,929	22,000	1,071	5.1%	33,916	35,500	1,583	4.7%
(Operating margin)	(14.9%)	(14.5%)	(-0.4%)		(20.4%)	(20.3%)	(-0.0%)		(17.8%)	(17.6%)	(-0.2%)	
Non-operating items	993	1,400	406		522	700	178		1,515	2,100	584	
Ordinary income	13,980	14,900	919	6.6%	21,451	22,700	1,249	5.8%	35,432	37,600	2,167	6.1%
Extraordinary items	1,075	(250)	(1,325)		531	(250)	(781)		1,607	(500)	(2,107)	
Income before income Taxes and minority interests	15,056	14,650	(406)	-2.7%	21,983	22,450	467	2.1%	37,039	37,100	60	0.2%
Net income	7,328	7,450	121	1.7%	11,393	11,450	57	0.5%	18,721	18,900	178	1.0%
Dividend per share	6.0	7.5			6.0	7.5			12.0	15.0	3.0	(yen)

(Operating margin = Operating income / Revenue)

Amortization of goodwill	493	600	107	21.7%	490	700	210	42.9%	983	1,300	317	32.2%
Operating income before amortization of goodwill	13,479	14,100	621	4.6%	21,420	22,700	1,280	6.0%	34,899	36,800	1,901	5.4%
Operating margin before amortization of goodwill	15.4%	15.1%	-0.3%		20.8%	21.0%	0.1%		18.4%	18.3%	-0.1%	

HakuhodoDY holdings

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