

May 12, 2015  
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## Consolidated Financial Highlights for Total of FY2014

Hakuholdo DY Holdings Inc. has summarized key data from its earnings report for fiscal 2014, the year ended March 31, 2015, released today, in the following reference materials.

### 1. Summary of Consolidated Income Statements (April 1, 2014, to March 31, 2015)

(Millions of yen)

	FY2013 (Result)	FY2014 (Result)	YoY Comparison	
			Change	(%)
Billings	1,095,909	1,131,064	35,154	3.2%
Revenue	190,150	205,867	15,717	8.3%
(Gross margin)	(17.4%)	(18.2%)	(+0.9%)	
SG&A expenses	156,233	169,045	12,811	8.2%
Operating income	33,916	36,821	2,905	8.6%
(Operating margin)*	(17.8%)	(17.9%)	(+0.0%)	
Non-operating items	1,515	2,083	567	
Ordinary income	35,432	38,904	3,472	9.8%
Extraordinary items	1,607	19	(1,587)	
Income before income taxes and minority interests	37,039	38,924	1,884	5.1%
Net income	18,721	19,879	1,158	6.2%

\* Operating margin = Operating income / Revenue

Dividend per share	¥12.0	¥15.0	¥3.0	
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The Japanese economy experienced weakness during the year ended March 31, 2015, with rising prices accompanied by a decline in real earnings delaying a recovery in retail consumption following the consumption tax hike, as well as weak capital investment and manufacturing. The domestic advertising market,<sup>\*1</sup> however, was strong during the first half of the fiscal year, with companies reporting improved earnings and positive expectations for the direction of the economy. Although the second half reflected a drop-off from the extraordinary demand in the year-earlier period ahead of the consumption tax hike, the advertising market remained solid, with 2% aggregate year-on-year growth for the 11-month period from April 2014 to February 2015.

The year ended March 31, 2015, was also the first year under the Hakuholdo DY Group's Medium-Term Business Plan covering the period to March 2019, and the Group responded to these macro developments by aggressively pursuing business development under the plan. As a result, the Group's billings grew 3.2% from the previous fiscal year, to ¥1,131,064 million.

By service area, fiscal 2014 billings for mass media services rose slightly, with increases in television from strength in TV ad spots and in radio, but with decreases recorded in Newspapers and Magazines. Billings for other than mass media services rose year on year, mainly on growth in Internet media as well as in Marketing / Promotion and Creative.

By client industry, a wide range of industries led by Finance / Insurance, Transportation / Leisure, and Restaurant / Services reported growth, while declines were posted at industries including Beverages / Cigarettes / Luxury foods, Real estate / Housing facilities, and Precision machinery / Office supplies.\*2

Revenue increased 8.3%, to ¥205,867 million, as a result of various ongoing activities to raise profitability across the Group. SG&A expenses increased from the inclusion of profit and loss at companies newly added to the scope of consolidation and from strategic outlays for mergers and acquisitions, but efforts to make expenditures more efficient held the increase in SG&A expenses to 8.2%, below the rate of revenue growth. As a result, both operating income and ordinary income rose to record levels for the second consecutive year, with increases registered of 8.6% in operating income, to ¥36,821 million, and 9.8% in ordinary income, to ¥38,904 million.

With the additional recording of a 44.6% decrease in extraordinary gains, to ¥1,959 million, and a 0.6% increase in extraordinary losses, to ¥1,939 million, income before income taxes and minority interests rose 5.1%, to ¥38,924 million. After the payment of income taxes and the deduction of minority interests, net income grew by a wide 6.2% margin, to ¥19,879 million.

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, 2015

(Millions of yen)

	31-Mar-14		31-Mar-15		Comparison with March 31, 2014	
	Amount	Share	Amount	Share	Change	(%)
Current assets	455,063	77.9%	473,844	74.8%	18,780	4.1%
Fixed assets	128,907	22.1%	160,059	25.2%	31,152	24.2%
Total assets	583,970	100.0%	633,904	100.0%	49,933	8.6%
Current liabilities	313,681	53.7%	321,299	50.7%	7,618	2.4%
Non-current liabilities	15,779	2.7%	29,875	4.7%	14,096	89.3%
Total liabilities	329,460	56.4%	351,175	55.4%	21,714	6.6%
Total shareholders' equity	230,203	39.4%	224,550	35.5%	(5,652)	-2.5%
Total net unrealized gains on securities and translation adjustments	8,850	1.6%	39,026	6.1%	30,175	340.9%
Subscription rights to shares	209	0.0%	197	0.0%	(11)	-5.7%
Minority interests	15,246	2.6%	18,954	3.0%	3,707	24.3%
Total net assets	254,510	43.6%	282,729	44.6%	28,218	11.1%
Total liabilities and net assets	583,970	100.0%	633,904	100.0%	49,933	8.6%

### 3. Consolidated Forecasts for Fiscal 2015 (April 1, 2015, to March 31, 2016)

For reference, the consolidated forecast for the fiscal year ending March 31, 2016, is as follows.

(Millions of yen)

	1H			2H			Full-year		
	FY2016 (Forecasts)	Y o Y Comparisons		FY2016 (Forecasts)	Y o Y Comparisons		FY2016 (Forecasts)	Y o Y Comparisons	
		Change	(%)		Change	(%)		Change	(%)
Billings	561,000	26,483	5.0%	633,000	36,451	6.1%	1,194,000	62,935	5.6%
Operating income	16,000	138	0.9%	22,800	1,839	8.8%	38,800	1,978	5.4%
Ordinary income	16,700	(93)	-0.6%	23,600	1,488	6.7%	40,300	1,395	3.6%
Profit Attributable to Owners of parent	8,550	(873)	-9.3%	12,350	1,893	18.1%	20,900	1,020	5.1%
(Operating margin)*	(15.8%)	(-0.8%)		(19.5%)	(+0.5%)		(17.8%)	(-0.1%)	

\* Operating margin = Operating income / Revenue

The above forecast was formulated based on the following projections.

◎ Macro environment: Solid growth in Japan' s advertising market surpassing 2%

We expect the domestic advertising market to show steady growth of at least 2% in the year to March 2016, based on a trend of economic growth in Japan led by retail consumption. In overseas markets, and in particular Asia, while we expect growth to slow somewhat in greater China, we see overall growth outpacing that of the domestic market.

◎ Billings: ¥1,194 billion, up 5.6% 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 the Medium-Term Business Plan and by expanding its market share.

◎ Operating income: ¥38.8 billion, up 5.4% year on year

We are aiming to increase revenue by retaining a high gross margin and incorporating contributions from newly consolidated subsidiaries. In SG&A expenses, the Group is projecting an expansion due to factors such as increases in amortization of goodwill relating to newly consolidated subsidiaries and making strategic investments in certain expenses with an eye on the future. Nevertheless, the Group will control the rate of increase to be close to the rate of revenue growth by continuing efforts to enhance efficiency and consolidate expenses. As a result, the Group is projecting a 5.4% year-on-year increase in full-year operating income, to ¥38.8 billion.

Under its new Medium-Term Business Plan, the Group has assigned operating income before amortization of goodwill as a management target, with a projection of ¥407.0 billion for the year ending March 31, 2016.

◎ Ordinary income: ¥40.3 billion, up 3.6% year on year

Ordinary income, including dividend income, equity in investment income from affiliates, and other non-operating items, is projected to be ¥40.3 billion, or 3.6% higher year on year.

◎ Profit Attributable to Owners of parent: ¥20.9 billion, up 5.1% year on year

No major extraordinary gains or losses are anticipated at this time; therefore, we are forecasting a 5.1% increase in Profit Attributable to Owners of parent, to ¥20.9 billion.

Based on the Group' s fundamental policy of paying a stable dividend, and comprehensively taking into account our business performance and future outlook, we intend to increase the ordinary dividend for the year ending March 31, 2016, by ¥3 per share from the ¥15 per share paid for the year ended March 31, 2015, for a full-year dividend of ¥18 per share.

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.