

Consolidated Financial Highlights
Fiscal Year Ended March 31, 2015
(FY2014)

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 2014

Consolidated Financial Highlights (1)

Further Increase in Billings and Profit, with Operating Income Improving to a Record High

◎Billings: ¥1131.0 billion, up 3.2% year on year

- Growth in billings was supported by a solid domestic advertising market. Progress made in M&A activities under the new Medium-Term Business Plan also contributed to growth in billings.
- » By industry of clients: Billings increased in Finance / Insurance, Transportation / Leisure, and Restaurant/Services.
Billings declined in Beverages/Cigarettes/Luxury foods, Real estate/Housing facilities, and Precision machinery / Office supplies.
- » By service area: “Mass media services subtotal” and “Other than the mass media services subtotal” both increased year on year.
Overall growth was driven by Television, Internet media, and Marketing/Promotion.

◎Revenue: ¥205.8 billion, up 8.3%, or ¥15.7 billion year on year

◎Gross margin: 18.2%, up 0.9 of a percentage point year on year

- Awareness of revenue growth at Group companies, increased its internal production ratio in production operations, and acquisition of overseas fee-based businesses contributed to a higher gross margin.

◎SG&A Expenses: ¥169.0 billion, up 8.2%, or ¥12.8 billion year on year

- Continued to control SG&A expenses while making strategic investments and strengthening structure through M&A activities. Held percentage increase below the rate of revenue growth.

◎ Operating income: ¥36.8 billion, up 8.6%, or ¥2.9 billion year on year

- Year-on-year increase to record high due to improvement in gross margin and SG&A expense controls.

◎ Operating income before amortization of goodwill: ¥38.4 billion, up 10.3%, or 3.5 billion year on year

- Operating margin before amortization of goodwill”, an important indicator, increased 0.3 of a percentage point to 18.7%.

◎ Net income: ¥19.8 billion, up 6.2%, or ¥1.1 billion year on year

◎ ROE: 7.9%

Consolidated Financial Highlights (2)

(Millions of yen)

	1H of				2H of				Total of			
	FY2013	FY2014	Change	(%)	FY2013	FY2014	Change	(%)	FY2013	FY2014	Change	(%)
Billings	505,350	534,516	29,166	5.8%	590,559	596,548	5,988	1.0%	1,095,909	1,131,064	35,154	3.2%
Revenue	87,332	95,669	8,336	9.5%	102,817	110,198	7,380	7.2%	190,150	205,867	15,717	8.3%
(Gross margin)	(17.3%)	(17.9%)	(+0.6%)		(17.4%)	(18.5%)	(+1.1%)		(17.4%)	(18.2%)	(+0.9%)	
SG&A expenses	74,345	79,807	5,461	7.3%	81,887	89,237	7,349	9.0%	156,233	169,045	12,811	8.2%
Operating income	12,986	15,861	2,874	22.1%	20,929	20,960	30	0.1%	33,916	36,821	2,905	8.6%
(Operating margin)	(14.9%)	(16.6%)	(+1.7%)		(20.4%)	(19.0%)	(-1.3%)		(17.8%)	(17.9%)	(+0.0%)	
Non-operating items	993	931	(61)		522	1,151	629		1,515	2,083	567	
Ordinary income	13,980	16,793	2,812	20.1%	21,451	22,111	659	3.1%	35,432	38,904	3,472	9.8%
Extraordinary items	1,075	994	(81)		531	(974)	(1,506)		1,607	19	(1,587)	
Income before income taxes and minority interests	15,056	17,787	2,731	18.1%	21,983	21,137	(846)	-3.8%	37,039	38,924	1,884	5.1%
Net income	7,328	9,423	2,095	28.6%	11,393	10,456	(937)	-8.2%	18,721	19,879	1,158	6.2%
Amortization of goodwill and other intangible assets	493	688	195	39.6%	490	984	493	100.7%	983	1,672	688	70.0%
Operating Income before Amortization of goodwill	13,480	16,549	3,069	22.8%	21,420	21,944	524	2.4%	34,900	38,494	3,594	10.3%
Operating margin before Amortization of goodwill	15.4%	17.3%	1.9%		20.8%	19.9%	-0.9%		18.4%	18.7%	0.3%	
(Operating margin = Operating income / Revenue)												
Dividend per share	6.0	7.5			6.0	7.5			12.0	15.0	3.0	(yen)

Note: (1) Amortization of goodwill refers to the amortization of goodwill and other intangible assets arising from corporate acquisitions.

(2) Operating income before amortization of goodwill refers to operating income that has been calculated excluding the amortization of goodwill and other intangible assets arising from corporate acquisitions.

Consolidated Financial Highlights (3)

(Millions of yen)

	1Q of			2Q of			3Q of			4Q of			Total of		
	FY2014	Change	(%)	FY2014	Change	(%)	FY2014	Change	(%)	FY2014	Change	(%)	FY2014	Change	(%)
Billings	259,705	13,268	5.4%	274,811	15,898	6.1%	288,617	8,962	3.2%	307,930	(2,974)	-1.0%	1,131,064	35,154	3.2%
Revenue	44,470	3,689	9.0%	51,198	4,646	10.0%	53,223	5,569	11.7%	56,975	1,811	3.3%	205,867	15,717	8.3%
(Gross margin)	(17.1%)	(+0.6%)		(18.6%)	(+0.7%)		(18.4%)	(+1.4%)		(18.5%)	(+0.8%)		(18.2%)	(+0.9%)	
SG&A expenses	38,698	1,706	4.6%	41,109	3,755	10.1%	42,734	4,542	11.9%	46,503	2,807	6.4%	169,045	12,811	8.2%
Operating income	5,771	1,983	52.3%	10,089	891	9.7%	10,488	1,026	10.9%	10,472	(996)	-8.7%	36,821	2,905	8.6%
(Operating margin)	(13.0%)	(+3.7%)		(19.7%)	(-0.1%)		(19.7%)	(-0.1%)		(18.4%)	(-2.4%)		(17.9%)	(+0.0%)	
Non-operating items	528	129		403	(191)		715	902		435	(273)		2,083	567	
Ordinary income	6,300	2,112	50.5%	10,492	699	7.1%	11,203	1,929	20.8%	10,907	(1,269)	-10.4%	38,904	3,472	9.8%
Extraordinary items	122	279		871	(361)		270	319		(1,245)	(1,826)		19	(1,587)	
Income before income taxes and minority interests	6,423	2,392	59.4%	11,364	338	3.1%	11,474	2,249	24.4%	9,662	(3,095)	-24.3%	38,924	1,884	5.1%
Net income	2,773	1,474	113.5%	6,650	620	10.3%	6,340	1,302	25.9%	4,116	(2,239)	-35.2%	19,879	1,158	6.2%
Amortization of goodwill and other intangible assets	286	42	17.2%	401	153	61.6%	472	221	88.5%	512	272	113.4%	1,672	688	70.0%
Operating Income before Amortization of goodwill	6,058	2,025	50.2%	10,490	1,044	11.1%	10,960	1,248	12.9%	10,984	(723)	-6.2%	38,494	3,594	10.3%
Operating margin before Amortization of goodwill	13.6%	3.7%		20.5%	0.2%		20.6%	0.2%		19.3%	-1.9%		18.7%	0.3%	

(Operating margin = Operating income / Revenue)

Note: (1) Amortization of goodwill refers to the amortization of goodwill and other intangible assets arising from corporate acquisitions.
 (2) Operating income before amortization of goodwill refers to operating income that has been calculated excluding the amortization of goodwill and other intangible assets arising from corporate acquisitions.

Consolidated Financial Highlights (4)

Difference between business results and original forecasts as of May 9, 2014

(Millions of yen)

	Full Year					
	Original forecasts as of May 9, '14	Y o Y	(Results)	Y o Y	Change from previous forecasts	
		Change (%)		Change (%)	Change	(%)
Billings	1,151,000	5.0%	1,131,064	3.2%	(19,935)	-1.7%
Revenue	201,500	6.0%	205,867	8.3%	4,367	2.2%
(Gross margin)	(17.5%)		(18.2%)		(+0.7%)	
SG&A expenses	166,000	6.3%	169,045	8.2%	3,045	1.8%
Operating income	35,500	4.7%	36,821	8.6%	1,321	3.7%
(Operating margin)	(17.6%)		(17.9%)		(+0.3%)	
Non-operating items	2,100		2,083		(16)	
Ordinary income	37,600	6.1%	38,904	9.8%	1,304	3.5%
Extraordinary items	(500)		19		519	
Income before income taxes and minority interests	37,100	0.2%	38,924	5.1%	1,824	4.9%
Net income	18,900	1.0%	19,879	6.2%	979	5.2%

Billings by Industry (1)

(Millions of yen)

	1H of FY2014	YoY comparisons		2H of FY2014	YoY comparisons		Total of FY2013		Total of FY2014		YoY comparisons	
	Amount	Change	(%)	Amount	Change	(%)	Amount	Share	Amount	Share	Change	(%)
Automobiles/Related products	64,726	2,390	3.8%	73,995	(3,989)	-5.1%	140,320	14.7%	138,721	14.3%	(1,598)	-1.1%
Beverages/Cigarettes/Luxury foods	61,963	2,988	5.1%	55,424	(7,919)	-12.5%	122,319	12.8%	117,387	12.1%	(4,931)	-4.0%
Information/Communications	49,490	4,764	10.7%	54,104	(1,660)	-3.0%	100,491	10.5%	103,595	10.7%	3,104	3.1%
Foodstuffs	36,705	1,088	3.1%	32,791	(2,718)	-7.7%	71,125	7.5%	69,496	7.2%	(1,630)	-2.3%
Cosmetics/Toiletries	33,973	2,768	8.9%	34,441	(740)	-2.1%	66,386	7.0%	68,413	7.1%	2,028	3.1%
Finance/Insurance	27,047	1,537	6.0%	31,947	4,170	15.0%	53,288	5.6%	58,995	6.1%	5,707	10.7%
Distribution/Retailing	21,661	8	0.0%	26,575	(1,628)	-5.8%	49,857	5.2%	48,236	5.0%	(1,621)	-3.3%
Pharmaceuticals/Medical supplies	24,552	2,071	9.2%	29,121	2,129	7.9%	49,473	5.2%	53,673	5.5%	4,200	8.5%
Real estate/Housing facilities	19,201	(1,804)	-8.6%	21,626	(2,581)	-10.7%	45,212	4.7%	40,827	4.2%	(4,385)	-9.7%
Transportation/Leisure	21,355	1,937	10.0%	24,425	2,414	11.0%	41,429	4.3%	45,780	4.7%	4,351	10.5%
Home electric appliances/AV equipment	12,320	2,397	24.2%	16,752	863	5.4%	25,811	2.7%	29,071	3.0%	3,261	12.6%
Publications	9,867	(828)	-7.7%	13,245	(1,084)	-7.6%	25,023	2.6%	23,112	2.4%	(1,911)	-7.6%
Restaurant/Services	12,762	1,203	10.4%	14,914	3,039	25.6%	23,434	2.5%	27,676	2.9%	4,242	18.1%
Household products	8,340	111	1.3%	9,069	494	5.8%	16,805	1.8%	17,409	1.8%	605	3.6%
Government/Organizations	3,703	(2,597)	-41.2%	12,984	4,707	56.9%	14,577	1.5%	16,687	1.7%	2,110	14.5%
Apparel/Accessories	6,281	20	0.3%	6,367	(1,751)	-21.6%	14,378	1.5%	12,648	1.3%	(1,730)	-12.0%
Hobby supplies/Sporting goods	5,495	(768)	-12.3%	7,243	(545)	-7.0%	14,051	1.5%	12,737	1.3%	(1,313)	-9.3%
Education/Medical services/Religion	5,081	203	4.2%	11,430	2,320	25.5%	13,989	1.5%	16,512	1.7%	2,523	18.0%
Energy/Material/Machinery	5,640	598	11.9%	6,818	1,112	19.5%	10,747	1.1%	12,458	1.3%	1,710	15.9%
Precision machinery/Office supplies	2,767	(832)	-23.1%	3,874	(1,203)	-23.7%	8,675	0.9%	6,641	0.7%	(2,034)	-23.4%
Classified advertising/Other	23,371	1,748	8.1%	24,997	741	3.1%	45,879	4.8%	48,368	5.0%	2,489	5.4%
Sub total	456,301	19,001	4.3%	512,140	(3,827)	-0.7%	953,268	100.0%	968,442	100.0%	15,173	1.6%
Sub total for other than the above	78,216	10,166	14.9%	84,407	9,816	13.2%	142,641		162,623		19,982	14.0%
Total for group	534,516	29,166	5.8%	596,548	5,988	1.0%	1,095,909		1,131,064		35,154	3.2%

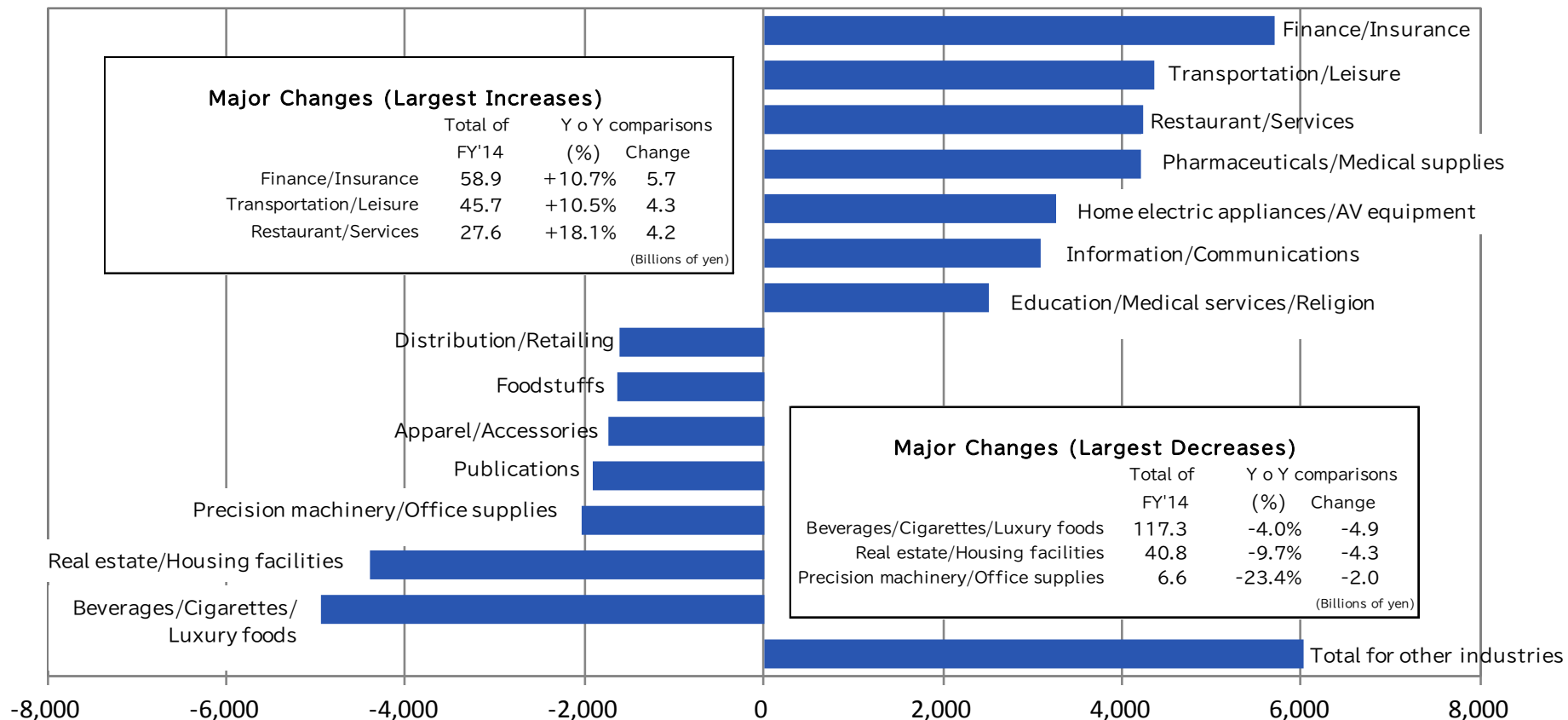
Note (1) The amount of billings in "Sub total" under billings by industry differs from that of "Sub total" under billings by service area.
This difference reflects the presence of certain Group companies that are able to classify billings by service area but not by industry.
Billings from such companies 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, 2014.

Billings by Industry (2)

Year-on-year changes for the period ended March 2015

(Millions of yen)



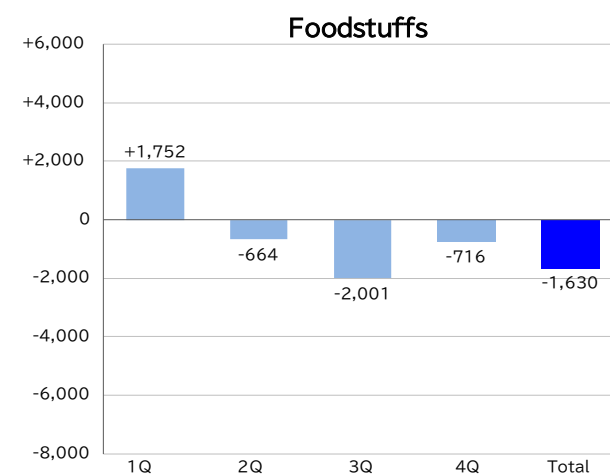
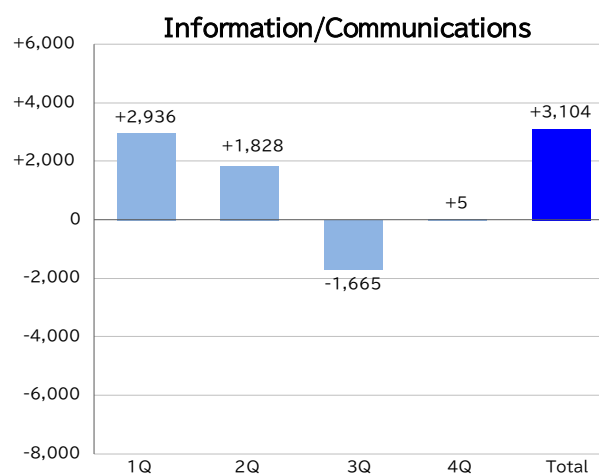
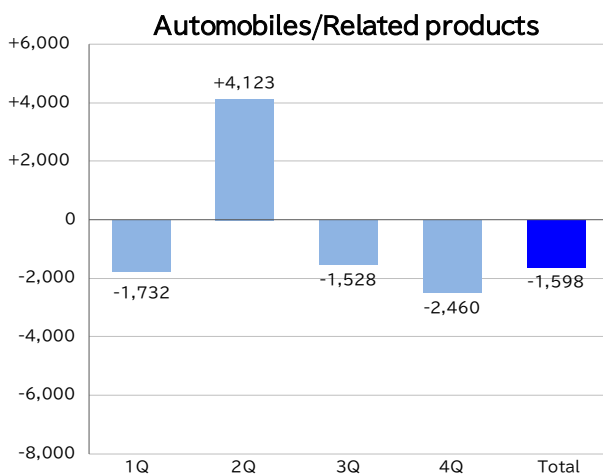
Billings by Industry (3)

Quarterly YoY Changes (1) Top 3 Largest Changes of Total (\pm) by Industry (Millions of yen)



Billings by Industry (4)

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



Billings by Industry (5)

(Millions of yen)

	1 Q of FY2014	YoY comparisons		2 Q of FY2014	YoY comparisons		3 Q of FY2014	YoY comparisons		4 Q of FY2014	YoY comparisons		FY2014		
		Change	(%)		Change	(%)		Change	(%)		Change	(%)	Amount	Change	(%)
Automobiles/Related products	27,353	(1,732)	-6.0%	37,373	4,123	12.4%	35,290	(1,528)	-4.2%	38,705	(2,460)	-6.0%	138,721	(1,598)	-1.1%
Beverages/Cigarettes/Luxury foods	32,471	1,167	3.7%	29,492	1,821	6.6%	25,457	(1,920)	-7.0%	29,967	(5,999)	-16.7%	117,387	(4,931)	-4.0%
Information/Communications	21,968	2,936	15.4%	27,522	1,828	7.1%	27,104	(1,665)	-5.8%	27,001	5	0.0%	103,595	3,104	3.1%
Foodstuffs	19,367	1,752	9.9%	17,338	(664)	-3.7%	15,384	(2,001)	-11.5%	17,406	(716)	-4.0%	69,496	(1,630)	-2.3%
Cosmetics/Toiletries	18,278	1,832	11.1%	15,695	935	6.3%	18,020	791	4.6%	16,421	(1,532)	-8.5%	68,413	2,028	3.1%
Finance/Insurance	13,977	902	6.9%	13,070	635	5.1%	14,726	2,482	20.3%	17,221	1,688	10.9%	58,995	5,707	10.7%
Distribution/Retailing	11,441	402	3.6%	10,220	(395)	-3.7%	13,411	(922)	-6.4%	13,164	(706)	-5.1%	48,236	(1,621)	-3.3%
Pharmaceuticals/Medical supplies	11,445	210	1.9%	13,107	1,861	16.5%	16,528	2,258	15.8%	12,592	(129)	-1.0%	53,673	4,200	8.5%
Real estate/Housing facilities	9,985	(985)	-9.0%	9,215	(820)	-8.2%	9,054	(359)	-3.8%	12,572	(2,221)	-15.0%	40,827	(4,385)	-9.7%
Transportation/Leisure	11,325	1,129	11.1%	10,030	808	8.8%	12,032	2,412	25.1%	12,393	2	0.0%	45,780	4,351	10.5%
Home electric appliances/AV equipment	5,755	1,021	21.6%	6,565	1,376	26.5%	8,949	1,315	17.2%	7,802	(451)	-5.5%	29,071	3,261	12.6%
Publications	3,976	(611)	-13.3%	5,891	(217)	-3.6%	5,305	(983)	-15.6%	7,940	(100)	-1.2%	23,112	(1,911)	-7.6%
Restaurant/Services	5,933	474	8.7%	6,829	729	12.0%	7,663	1,542	25.2%	7,250	1,497	26.0%	27,676	4,242	18.1%
Household products	4,053	(257)	-6.0%	4,287	367	9.4%	5,042	446	9.7%	4,027	48	1.2%	17,409	605	3.6%
Government/Organizations	1,686	328	24.1%	2,017	(2,925)	-59.2%	5,773	3,587	164.0%	7,211	1,120	18.4%	16,687	2,110	14.5%
Apparel/Accessories	3,295	416	14.4%	2,986	(396)	-11.7%	4,013	(979)	-19.6%	2,354	(771)	-24.7%	12,648	(1,730)	-12.0%
Hobby supplies/Sporting goods	2,513	(373)	-12.9%	2,982	(395)	-11.7%	3,568	96	2.8%	3,674	(641)	-14.9%	12,737	(1,313)	-9.3%
Education/Medical services/Religion	2,491	325	15.0%	2,590	(123)	-4.5%	3,201	(99)	-3.0%	8,230	2,419	41.6%	16,512	2,523	18.0%
Energy/Material/Machinery	2,172	(33)	-1.5%	3,468	631	22.2%	3,048	(21)	-0.7%	3,770	1,133	43.0%	12,458	1,710	15.9%
Precision machinery/Office supplies	1,550	(351)	-18.5%	1,217	(481)	-28.3%	2,049	(407)	-16.6%	1,825	(796)	-30.4%	6,641	(2,034)	-23.4%
Classified advertising/Other	11,829	890	8.1%	11,541	857	8.0%	12,257	(14)	-0.1%	12,740	755	6.3%	48,368	2,489	5.4%
Sub total	222,865	9,443	4.4%	233,437	9,558	4.3%	247,876	4,029	1.7%	264,264	(7,856)	-2.9%	968,442	15,173	1.6%
Sub total for other than the above	36,841	3,826	11.6%	41,375	6,340	18.1%	40,741	4,933	13.8%	43,666	4,883	12.6%	162,623	19,982	14.0%
Total for group	259,705	13,268	5.4%	274,811	15,898	6.1%	288,617	8,962	3.2%	307,930	(2,974)	-1.0%	1,131,064	35,154	3.2%

Billings by Service Area (1)

(Millions of yen)

	1 H of FY2014	YoY comparisons		2 H of FY2014	YoY comparisons		Total of FY2013		Total of FY2014		YoY comparisons	
	Amount	Change	(%)	Amount	Change	(%)	Amount	Share	Amount	Share	Change	(%)
Newspapers	28,127	(1,905)	-6.3%	36,631	(786)	-2.1%	67,449	6.7%	64,759	6.3%	(2,691)	-4.0%
Magazines	10,949	(290)	-2.6%	12,700	(251)	-1.9%	24,190	2.4%	23,649	2.3%	(541)	-2.2%
Radio	7,132	161	2.3%	7,301	282	4.0%	13,991	1.4%	14,433	1.4%	443	3.2%
Television	210,697	6,461	3.2%	220,350	(2,922)	-1.3%	427,508	42.3%	431,048	42.0%	3,540	0.8%
Mass media services sub total	256,906	4,428	1.8%	276,983	(3,677)	-1.3%	533,138	52.7%	533,889	52.1%	751	0.1%
Internet media	53,877	7,613	16.5%	55,785	1,490	2.7%	100,558	9.9%	109,662	10.7%	9,104	9.1%
Outdoor media	19,239	(367)	-1.9%	20,805	(1,222)	-5.5%	41,633	4.1%	40,044	3.9%	(1,589)	-3.8%
Creative	51,765	1,244	2.5%	63,208	17	0.0%	113,711	11.2%	114,972	11.2%	1,261	1.1%
Marketing/Promotion	97,166	6,937	7.7%	108,969	(3,431)	-3.1%	202,630	20.0%	206,135	20.1%	3,506	1.7%
Others(contents, etc.)	7,279	845	13.1%	13,251	(88)	-0.7%	19,773	2.0%	20,530	2.0%	757	3.8%
Other than mass media services subtotal	229,326	16,273	7.6%	262,017	(3,234)	-1.2%	478,305	47.3%	491,344	47.9%	13,038	2.7%
Sub total	486,232	20,701	4.4%	539,001	(6,911)	-1.3%	1,011,443	100.0%	1,025,233	100.0%	13,790	1.4%
Sub total for other than the above	48,285	8,466	21.3%	57,547	12,900	28.9%	84,466		105,832		21,366	25.3%
Total for group	534,516	29,166	5.8%	596,548	5,988	1.0%	1,095,909		1,131,064		35,154	3.2%

- In "Mass media services," Television, with strength in TV ad spots, and Radio increased year on year.
- In "Other than mass media services," billings increased year on year, mainly on growth in Internet media as well as in Marketing / Promotion.

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 FY2014	YoY comparisons		2 Q of FY2014	YoY comparisons		3 Q of FY2014	YoY comparisons		4 Q of FY2014	YoY comparisons		Total of FY2014	YoY comparisons	
	Amount	Change	(%)	Amount	Change	(%)	Amount	Change	(%)	Amount	Change	(%)	Amount	Change	(%)
Newspapers	14,312	(529)	-3.6%	13,816	(1,376)	-9.1%	15,739	(278)	-1.7%	20,892	(508)	-2.4%	64,759	(2,691)	-4.0%
Magazines	5,271	(108)	-2.0%	5,678	(182)	-3.1%	6,871	127	1.9%	5,829	(378)	-6.1%	23,649	(541)	-2.2%
Radio	3,459	113	3.4%	3,673	48	1.3%	3,726	222	6.3%	3,576	60	1.7%	14,433	443	3.2%
Television	106,067	3,997	3.9%	104,630	2,464	2.4%	111,599	2,369	2.2%	108,751	(5,291)	-4.6%	431,048	3,540	0.8%
Mass media services sub total	129,109	3,473	2.8%	127,797	955	0.8%	137,936	2,439	1.8%	139,048	(6,116)	-4.2%	533,889	751	0.1%
Internet media	28,153	4,133	17.2%	25,724	3,480	15.6%	26,976	474	1.8%	28,809	1,016	3.7%	109,662	9,104	9.1%
Outdoor media	9,361	(303)	-3.1%	9,878	(64)	-0.6%	10,594	93	0.9%	10,211	(1,315)	-11.4%	40,044	(1,589)	-3.8%
Creative	24,615	491	2.0%	27,149	753	2.9%	28,847	1,687	6.2%	34,361	(1,670)	-4.6%	114,972	1,261	1.1%
Marketing/Promotion	44,699	2,996	7.2%	52,467	3,941	8.1%	51,444	(3,153)	-5.8%	57,525	(279)	-0.5%	206,135	3,506	1.7%
Others(contents, etc.)	3,170	177	5.9%	4,109	668	19.4%	5,584	927	19.9%	7,667	(1,015)	-11.7%	20,530	757	3.8%
Other than mass media services subtotal	110,000	7,495	7.3%	119,327	8,778	7.9%	123,444	29	0.0%	138,573	(3,263)	-2.3%	491,344	13,038	2.7%
Sub total	239,108	10,968	4.8%	247,123	9,733	4.1%	261,380	2,468	1.0%	277,621	(9,379)	-3.3%	1,025,233	13,790	1.4%
Sub total for other than the above	20,597	2,301	12.6%	27,688	6,165	28.6%	27,237	6,494	31.3%	30,310	6,406	26.8%	105,832	21,366	25.3%
Total for group	259,705	13,268	5.4%	274,811	15,898	6.1%	288,617	8,962	3.2%	307,930	(2,974)	-1.0%	1,131,064	35,154	3.2%

Changes in SG&A Expenses (1)

(Millions of yen)

	1 H of		YoY comparisons		2 H of		YoY comparisons		Total of		YoY comparisons	
	FY2013	FY2014	Change	(%)	FY2013	FY2014	Change	(%)	FY2013	FY2014	Change	(%)
Personnel costs	51,407	54,517	3,110	6.1%	55,561	59,815	4,254	7.7%	106,968	114,333	7,364	6.9%
Other Expenses (Total)	22,938	25,290	2,351	10.3%	26,326	29,421	3,095	11.8%	49,264	54,712	5,447	11.1%
Rent	5,466	5,702	235	4.3%	5,594	6,061	467	8.4%	11,060	11,764	703	6.4%
Depreciation and Amortization	956	1,135	178	18.6%	999	1,276	277	27.7%	1,956	2,411	455	23.3%
Amortization of goodwill and other intangible assets	493	688	195	39.6%	490	984	493	100.7%	983	1,672	688	70.0%
Others	16,022	17,764	1,742	10.9%	19,242	21,099	1,857	9.7%	35,264	38,863	3,599	10.2%
Total SG&A expenses	74,345	79,807	5,461	7.3%	81,887	89,237	7,349	9.0%	156,233	169,045	12,811	8.2%
Ratio of personnel costs to revenue									56.3%	55.5%		

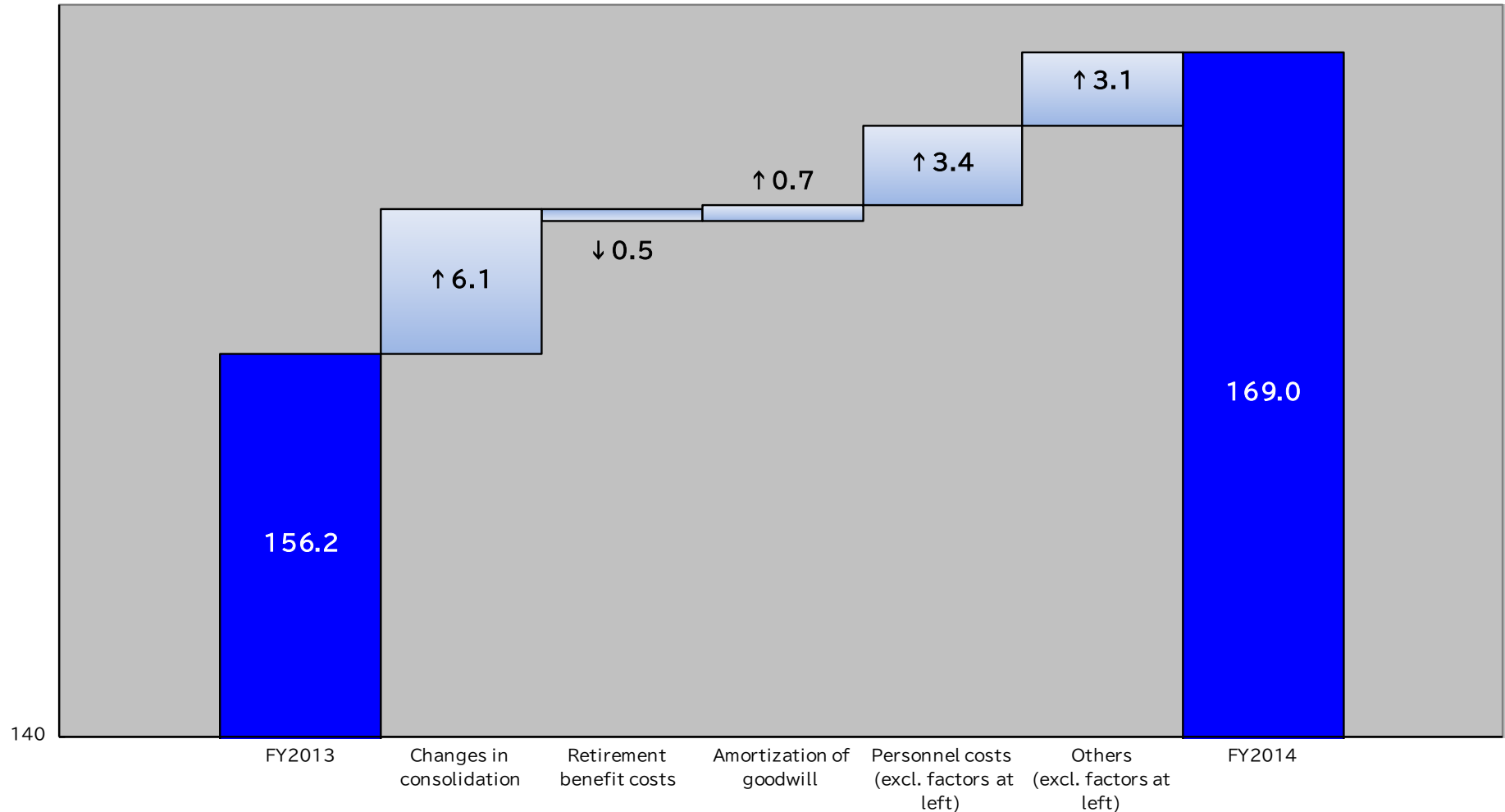
【Continued to control SG&A expenses while strengthening structure via M&A and making strategic investments】

◎ Expense increases from changes in scope of consolidation: approx. ¥6.1 billion; Reduction in retirement benefit expenses: approx. ¥0.5 billion; Increase in amortization of goodwill: approx. ¥0.7 billion; Increase in other expenses: approx. ¥6.5 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)

	1 H of		YoY comparisons		2 H of		YoY comparisons		Total of		YoY comparisons	
	FY2013	FY2014	Change	(%)	FY2013	FY2014	Change	(%)	FY2013	FY2014	Change	(%)
Non-operating income	1,215	1,061	(153)	-12.6%	826	1,312	485	58.7%	2,042	2,373	331	16.2%
Non-operating expenses	222	129	(92)	-41.5%	304	160	(144)	-47.3%	526	290	(236)	-44.8%
Total	993	931	(61)	-6.2%	522	1,151	629	120.5%	1,515	2,083	567	37.5%

*Net interest income
(interest received - interest paid) : FY'13 +93 million FY'14 +146 million YoY change 52 million increased

*Dividend income : FY'13 1,095 million FY'14 744 million YoY change 350 million decreased

*Equity in investment income(loss) from affiliates : FY'13 110 million FY'14 829 million YoY change 719 million increased

(Millions of yen)

	1 H of		YoY comparisons		2 H of		YoY comparisons		Total of		YoY comparisons	
	FY2013	FY2014	Change	(%)	FY2013	FY2014	Change	(%)	FY2013	FY2014	Change	(%)
Extraordinary gains	1,526	1,291	(234)		2,010	667	(1,342)		3,536	1,959	(1,576)	
Extraordinary losses	450	297	(153)		1,478	1,642	164		1,928	1,939	11	
Total	1,075	994	(81)		531	(974)	(1,506)		1,607	19	(1,587)	

*Gain on sales of investment securities : FY'13 1,267 million FY'14 1,361 million YoY change 94 million increased

*Gain on sales of affiliates' stock : FY'13 1,411 million FY'14 142 million YoY change 1,268 million decreased

*Investment securities valuation loss : FY'13 1,306 million FY'14 65 million YoY change 1,240 million decreased

Results by Region

(Millions of yen)		1H of				2H of				Total of			
		FY2013	FY2014	YoY comparisons		FY2013	FY2014	YoY comparisons		FY2013	FY2014	YoY comparisons	
				Change	(%)			Change	(%)			Change	(%)
Japan	Billings	488,802	511,208	22,406	4.6%	570,962	571,178	215	0.0%	1,059,764	1,082,386	22,622	2.1%
	Revenue	84,220	90,932	6,711	8.0%	98,692	102,473	3,780	3.8%	182,913	193,406	10,492	5.7%
	Operating Income	15,321	21,125	5,804	37.9%	24,128	27,021	2,892	12.0%	39,450	48,147	8,697	22.0%
International	Billings	19,663	26,226	6,563	33.4%	24,029	29,520	5,491	22.9%	43,693	55,747	12,054	27.6%
	Revenue	4,264	5,954	1,690	39.6%	5,202	8,863	3,661	70.4%	9,467	14,818	5,351	56.5%
	Operating Income	74	321	246	331.1%	334	(330)	(665)		409	(9)	(418)	
Total	Billings	508,465	537,435	28,970	5.7%	594,992	600,699	5,706	1.0%	1,103,458	1,138,134	34,676	3.1%
	Revenue	88,485	96,887	8,401	9.5%	103,895	111,337	7,442	7.2%	192,381	208,225	15,843	8.2%
	Operating Income	15,396	21,447	6,050	39.3%	24,463	26,690	2,227	9.1%	39,859	48,138	8,278	20.8%
Elimination or corporate	Billings	(3,115)	(2,919)	196	-6.3%	(4,433)	(4,150)	282	-6.4%	(7,548)	(7,069)	478	-6.3%
	Revenue	(1,152)	(1,218)	(65)	5.7%	(1,078)	(1,139)	(61)	5.7%	(2,231)	(2,357)	(126)	5.7%
	Operating Income	(2,409)	(5,585)	(3,176)	131.9%	(3,533)	(5,730)	(2,196)	62.2%	(5,942)	(11,316)	(5,373)	90.4%
Consolidation	Billings	505,350	534,516	29,166	5.8%	590,559	596,548	5,988	1.0%	1,095,909	1,131,064	35,154	3.2%
	Revenue	87,332	95,669	8,336	9.5%	102,817	110,198	7,380	7.2%	190,150	205,867	15,717	8.3%
	Operating Income	12,986	15,861	2,874	22.1%	20,929	20,960	30	0.1%	33,916	36,821	2,905	8.6%

Consolidated Balance Sheets

(Millions of yen)

	Mar. 31, 2014		Mar.31, 2015		Comparisons	
	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%

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

Mar.31,'14 139.9 billion Mar.31,'15 163.0 billion 23.0 billion up

*Notes and accounts receivable:

Mar.31,'14 276.6 billion Mar.31,'15 269.8 billion 6.7 billion down

*Investment securities:

Mar.31,'14 61.6 billion Mar.31,'15 81.9 billion 20.2 billion up

*Goodwill and other intangible assets arising from M&A:

Mar.31,'14 3.5 billion Mar.31,'15 8.9 billion 5.4 billion up

*Notes and accounts payable:

Mar.31,'14 260.4 billion Mar.31,'15 260.4 billion 0.0 billion up

*Short- and long-term debt:

Mar.31,'14 5.0 billion Mar.31,'15 4.5 billion 0.4 billion down

Consolidated Statements of Cash Flow

	Total of		(Millions of yen) Y o Y comparisons
	FY2013	FY2014	Change
Cash flow from operating activities	31,846	33,314	1,467
Cash flow from investing activities	(7,605)	(7,563)	42
Cash flow from financing activities	(1,362)	(12,484)	(11,121)
Effect of exchange rate changes on cash and cash equivalents	1,607	991	(615)
Net increase (decrease) in cash and cash equivalents	24,485	14,257	(10,228)
Cash and cash equivalents, beginning of period	101,546	125,875	24,328
Increase (decrease) in cash and cash equivalents resulting from changes in scope of consolidation	(157)	0	157
Cash and cash equivalents, end of period	125,875	140,133	14,257

[Reference 1: Depreciation and amortization, and/or purchase of noncurrent assets]

Depreciation and amortization	3,238	3,340	102
Payments for purchase of property and equipment	(3,686)	(1,849)	1,837
Payments for purchase of intangible fixed assets	(1,923)	(2,819)	(896)
Total purchase of noncurrent assets	(5,609)	(4,668)	941

[Reference 2: Major items of Total of FY2014 other than the above]

<Cash Flows From Operating Activities>

Income before income taxes and minority interests +¥38.9 billion, Amortization of goodwill +¥2.1 billion, decrease in notes and accounts receivable-trade +¥12.4 billion, decrease in notes and accounts payable-trade -¥2.5 billion, increase in inventories - ¥2.9 billion, income taxes paid -¥17.4 billion, decrease in allowance for bonuses -¥0.4 billion.

<Cash Flows From Investing Activities >

Purchase of investments in subsidiaries resulting in change in scope of consolidation -¥5.8 billion.

<Cash Flows From Financing Activities>

Purchase of treasury stock -¥6.2 billion, Cash dividends paid -¥5.0 billion, cash dividends paid to minority shareholders -¥0.3billion.

Highlights of Operating Results at Major Subsidiaries

(Millions of yen)

	Total of		YoY comparisons	
	FY2013	FY2014	Change	(%)
Hakuhodo (*)				
Billings	795,468	832,528	37,059	4.7%
Ordinary income	24,437	27,083	2,645	10.8%
Net income	12,772	14,281	1,509	11.8%
Daiko Advertising (*)				
Billings	147,335	147,736	401	0.3%
Ordinary income	1,335	1,873	537	40.2%
Net income	541	1,119	578	106.8%
Yomiko Advertising (*)				
Billings	78,903	73,041	(5,861)	-7.4%
Ordinary income	1,128	668	(459)	-40.7%
Net income	665	42	(623)	-93.5%

◎Billings were up ¥37.0billion, or 4.7%, year on year.

By client industry

Increases: Transportation/Leisure and Finance/Insurance

Decreases: Foodstuffs and Automobiles/Related products

◎ In addition to increased billings, the gross margin rose, and with the rate of SG&A expense growth continuing to be held below the rate of revenue growth, there were large increases in both ordinary income and net income.

◎Billings were up ¥0.4 billion, or 0.3%, year on year.

By client industry

Increase: Finance/Insurance and Cosmetics/Toiletries

Decreases: Distribution/Retailing and Beverages/Cigarettes/Luxury foods

◎Amid a slight increase in billings, both ordinary income and net income rose substantially on higher gross margin and SG&A expense controls.

◎Billings were down ¥5.8 billion, or 7.4%, year on year.

By client industry

Increases: Foodstuffs and Transportation/Leisure

Decreases: Real estate/Housing facilities and Beverages/Cigarettes/Luxury foods

◎Despite a higher gross margin and SG&A expense reductions, a major effect was brought about from a decline in billings in the wake of accelerated demand ahead of the consumption tax hike in the previous year, resulting in large declines in both ordinary income and net income.

*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 2015

Consolidated Business Outlook for Fiscal 2015 (1)

Aiming for Higher Billings and Earnings by Steadily Implementing the Policies of the Medium-Term Business Plan

- ◎ **Macro Environment: Solid growth in Japan's advertising market surpassing 2%**
Against the backdrop of a trend of growth in the Japanese economy, primarily in consumer spending, Japan's advertising market is expected to experience solid growth. Overseas advertising markets, primarily in Asia, are expected to achieve higher growth than the Japanese market.
- ◎ **Billings: ¥1,194.0 billion, up 5.6% year on year**
The Group aims for growth above the market average by steadily implementing strategic initiatives outlined in its Medium-Term Business Plan. The Group also aims to expand its market share.
- ◎ **Revenue: ¥218.1 billion, up 5.9% year on year**
The Group aims to drive earnings growth by maintaining a high gross margin and benefiting from contributions from newly consolidated subsidiaries.
- ◎ **SG&A Expenses: ¥179.3 billion, up 6.1% year on year**
The Group will control the rate of growth in SG&A expenses at a level close to that of revenue, although amortization of goodwill will increase and strategic investments will be made.
- ◎ **Operating Income: ¥38.8 billion, up 5.4% year on year**
- ◎ **Operating Margin: 17.8%, down 0.1 percentage point year on year**
- ◎ **Operating Income and Operating Margin before Amortization of Goodwill: ¥40.7 billion, 18.7%**
Amortization of goodwill is projected at ¥1.9 billion. Supported in part by a favorable external business environment, the Group will remain at a high level of profitability on par with the previous fiscal year.
- ◎ **Net Income: ¥20.9 billion, up 5.1% year on year**
- ◎ **Dividend per Share:**
The Group maintains a fundamental stance of providing a stable dividend. However, after a comprehensive evaluation of trends in business results, we plan to pay an ordinary dividend per share of ¥18 in the year ending March 31, 2016, up ¥3 from ¥15 paid in the previous year ended March 31, 2015.

Consolidated Business Outlook for Fiscal 2015 (2)

As of May 12, 2015

(Millions of yen)

	1H				2H				Full Year			
	FY2014	FY2015	YoY		FY2014	FY2015	YoY		FY2014	FY2015	YoY	
	(Result)	(Forecasts)	change	(%)	(Result)	(Forecasts)	change	(%)	(Result)	(Forecasts)	change	(%)
Billings	534,516	561,000	26,483	5.0%	596,548	633,000	36,451	6.1%	1,131,064	1,194,000	62,935	5.6%
Revenue	95,669	101,400	5,730	6.0%	110,198	116,700	6,501	5.9%	205,867	218,100	12,232	5.9%
(Gross margin)	(17.9%)	(18.1%)	(+0.2%)		(18.5%)	(18.4%)	(-0.0%)		(18.2%)	(18.3%)	(+0.1%)	
SG&A expenses	79,807	85,400	5,592	7.0%	89,237	93,900	4,662	5.2%	169,045	179,300	10,254	6.1%
Operating income	15,861	16,000	138	0.9%	20,960	22,800	1,839	8.8%	36,821	38,800	1,978	5.4%
(Operating margin)	(16.6%)	(15.8%)	(-0.8%)		(19.0%)	(19.5%)	(+0.5%)		(17.9%)	(17.8%)	(-0.1%)	
Non-operating items	931	700	(231)		1,151	800	(351)		2,083	1,500	(583)	
Ordinary income	16,793	16,700	(93)	-0.6%	22,111	23,600	1,488	6.7%	38,904	40,300	1,395	3.6%
Extraordinary items	994	(250)	(1,244)		(974)	(250)	724		19	(500)	(519)	
Income before income Taxes and minority interests	17,787	16,450	(1,337)	-7.5%	21,137	23,350	2,212	10.5%	38,924	39,800	875	2.2%
Net income	9,423	8,550	(873)	-9.3%	10,456	12,350	1,893	18.1%	19,879	20,900	1,020	5.1%
Dividend per share	7.5	9.0			7.5	9.0			15.0	18.0	3.0	(yen)

(Operating margin = Operating income / Revenue)

Amortization of goodwill	688	950	261	38.0%	984	950	(34)	-3.5%	1,672	1,900	227	13.6%
Operating income before amortization of goodwill	16,549	16,950	401	2.4%	21,944	23,750	1,805	8.2%	38,494	40,700	2,205	5.7%
Operating margin before amortization of goodwill	17.3%	16.7%	-0.6%		19.9%	20.4%	0.4%		18.7%	18.7%	0.0%	

Note: (1) Amortization of goodwill refers to the amortization of goodwill and other intangible assets arising from corporate acquisitions.

(2) Operating income before amortization of goodwill refers to operating income that has been calculated excluding the amortization of goodwill and other intangible assets arising from corporate acquisitions.

Update on progress under the Medium-Term Business Plan

Abbreviations within this document

HC: Hakuhodo DY Holdings Inc. H: Hakuhodo Inc. D: Daiko Advertising Inc. Y: Yomiko Advertising Inc.
MP: Hakuhodo DY Media Partners Inc. HP: Hakuhodo Product's Inc. SI: Shopper Insight Inc.

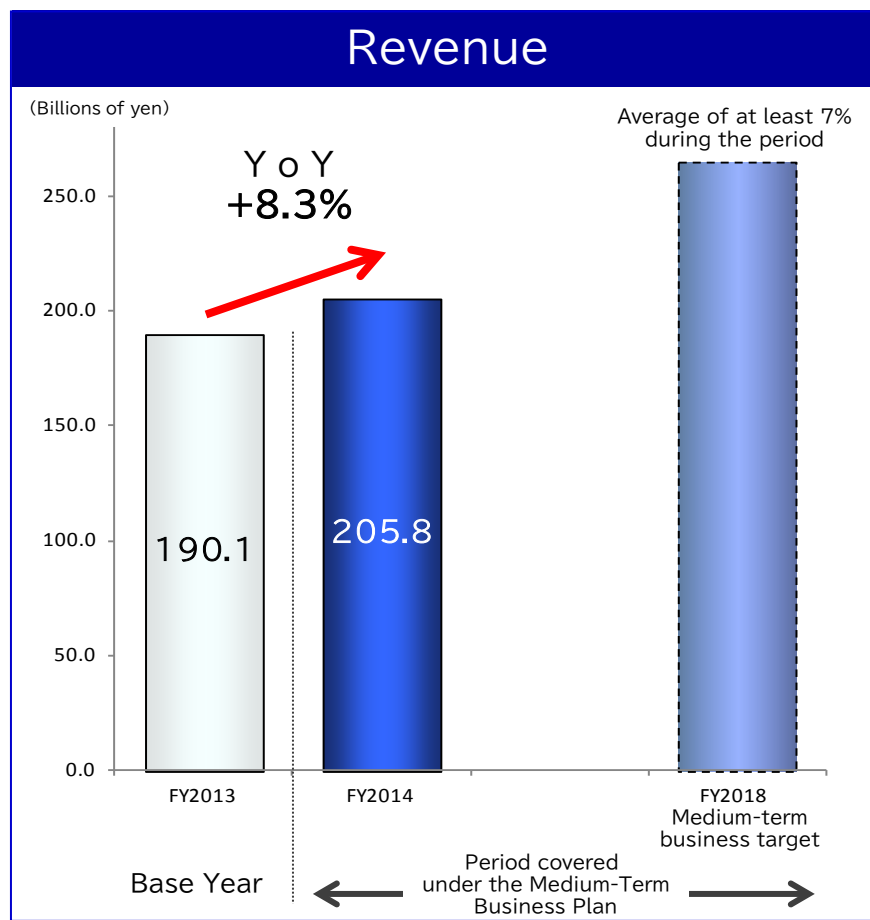
Medium-Term Business Plan (FY2014-FY2018: 5-year plan)

Core Mid-Term Strategy	With our mission of serving as the best marketing partner for each one of our clients, the Hakuhodo DY Group stands as one of the world's top advertising and marketing services groups. Our cutting-edge creative ideas and integrated marketing solutions create new markets, trends and movements that engage <i>sei-katsu-sha</i> and invigorate society.		
Growth Drivers	<ul style="list-style-type: none">Strengthening of <i>sei-katsu-sha</i> data-driven marketing response capabilitiesStrengthening of business structures in emerging markets, particularly in AsiaContinuous enhancement of specialization and innovations <div>Proactive investment strategy to support swift and sure growth</div>		
Growth Image	Ratio of revenue increase during the Plan period ※ <ul style="list-style-type: none">Organic : M&A = 50 : 50Domestic : International = 50 : 50 (Aim: International to account for 20% of revenue in FY2018)		
Medium-Term Business Plan Targets (FY2018)	Important indicators	<div>Operating income before amortization of goodwill: ¥45.0 billion</div> <ul style="list-style-type: none">CAGR of revenue*Operating income before amortization of goodwill :ROE	<div>More than +7%</div> <div>17%</div> <div>8%</div>

* Total amount / average annual growth rates for FY2018 projections vs. FY2013 (base year) results

Overview of Progress during FY2014

In addition to growth from existing operating companies, growth from M&A led to a large 8.3% increase in revenue. Overseas revenue grew roughly 150% from FY2013.



Factors behind revenue growth(1)

※Base year= FY2013

	Organic	M&A
Differences with base year※	+ ¥ 9.7billion	+ ¥ 6.0billion
Share	62%	38%
Average growth during the period	+5.1%	-

Factors behind revenue growth(2)

	Domestic	International
Differences with base year※	+ ¥ 10.4billion	+ ¥ 5.3billion
Share	66%	34%
Average growth during the period	+5.7%	+56.5%

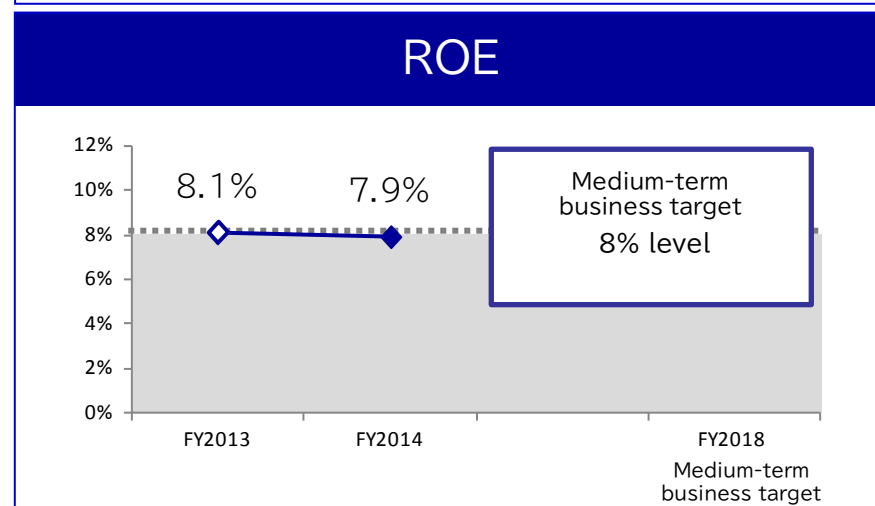
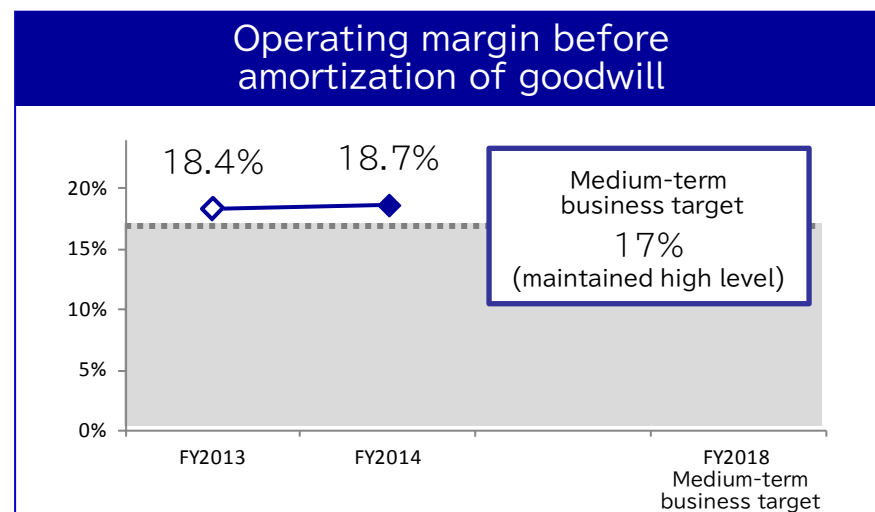
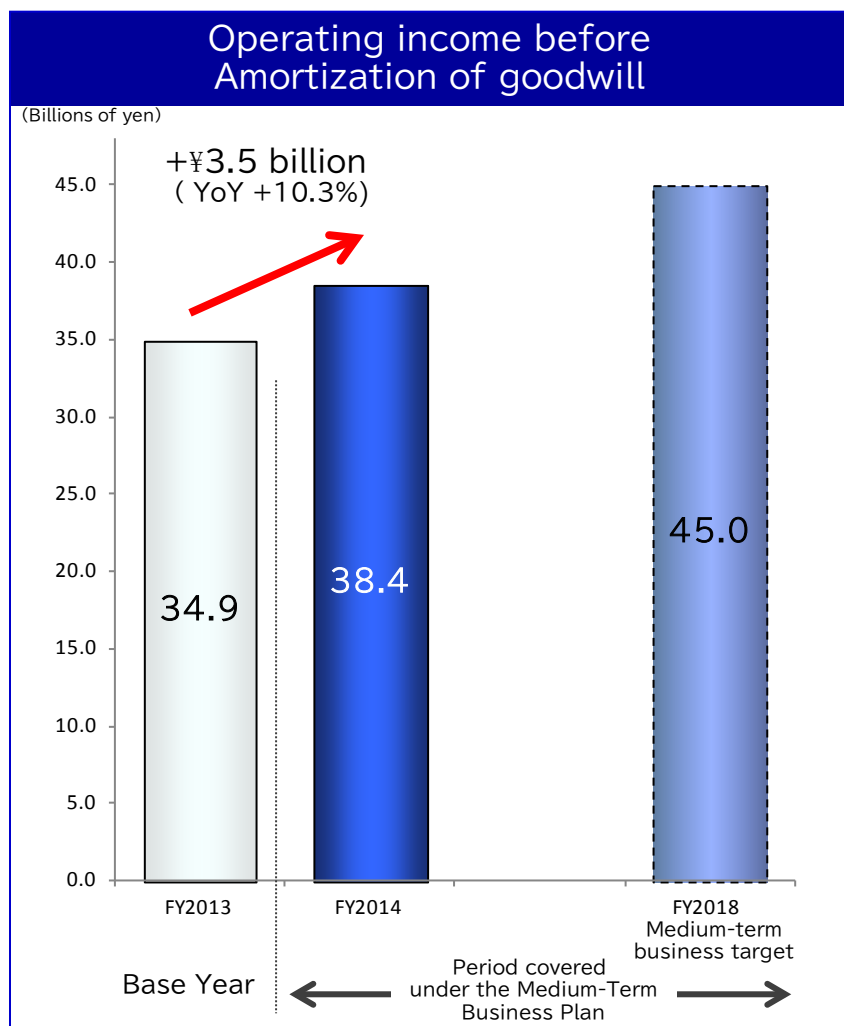
Portion of revenue from outside Japan : 5.0%→7.2%

※Organic : Total aggregate revenue growth during period at existing operating companies and new locations from spin-outs, etc.

※M&A: Total aggregate revenue of newly merged/acquired and newly P/L consolidated companies during the plan period.

Overview of Progress during FY2014

Operating income before amortization of goodwill rose ¥3.5 billion.
Before amortization of goodwill, both the operating margin and ROE were around target levels, for a solid start in the first year under the Medium-Term Business Plan.



Overview of Progress during FY2014

- Strengthened structure and capabilities, focusing on the three growth drivers outlined in the Medium-Term Business Plan.

Main measures

Multifaceted measures to strengthen
sei-katsu-sha data-driven marketing capabilities

Strengthened structure in Asia

Acquired innovative and unique
specialized marketing service companies

(1) Mass media x Online media

- Began offering TVPlus Simulator™ (HC, MP)
 - Planning tool that makes it possible to predict advertising effect of advertising campaigns involving TV commercials and online video commercials

(2) Identification of potential new customers and delivery of advertising

- Began offering Querida Insight™ and Querida Planning™ (H, MP)
 - Service that integrates and analyzes panel survey data and online actual data, making it possible to identify potential new customers and deliver appropriate advertising to them

(3) Shopper marketing

- Began offering realshopper SM™ ID-POS analysis system (SI)
 - Cloud-based ASP services that analyze ID-POS data including for fresh food

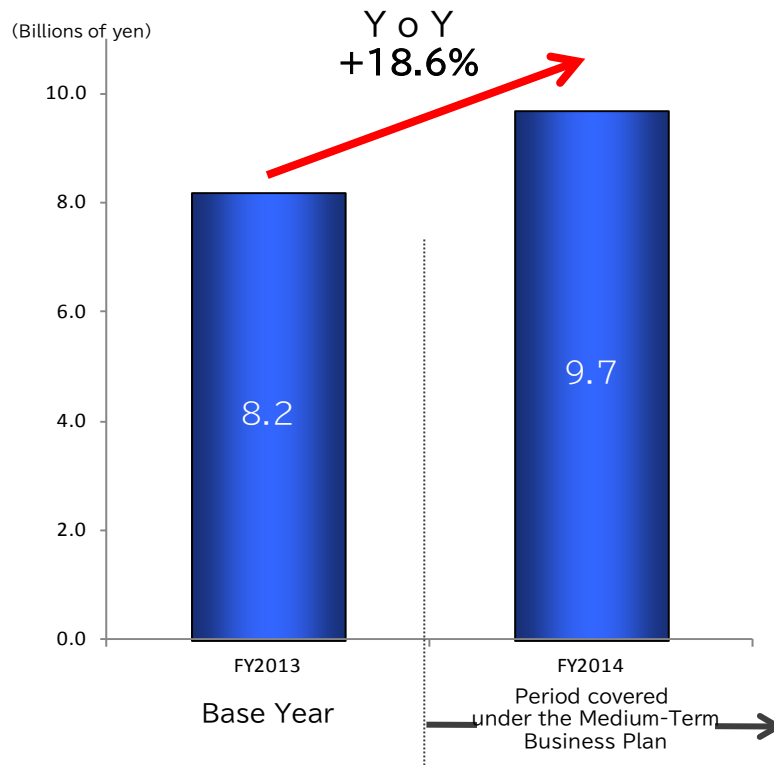
(4) Development of services to enhance media value

- Began joint development with Acxiom Japan of new service that uses media company data (MP)
 - Tie-up with Japanese entity Acxiom, a global provider of data management and analysis software
 - Began developing data platform for media value enhancement using media companies' online and offline data

Strengthened organizational structure in Asia

- Total Asia revenue grew 18.6%, with double-digit growth in both greater China and ASEAN
- In addition to expansion of network locations and acquisition of specialized marketing service companies, strengthened response structure through development and research of original local programs leveraging *sei-katsu-sha* insight

Asia Revenue



※Asia: Greater China, ASEAN, South Korea, India, etc. (excluding Oceania)
 ※Figures are the simple sum for consolidated subsidiaries

Topics

Strengthen structure for providing services

Expand functions by establishing new offices, conducting M&A

- Established new networks at advertising operating companies, expanded production and specialized marketing service businesses

Support entry into ASEAN market

Began offering ASEAN DISCOVERY STUDIO program (H)

- Program to support Japanese companies entering the ASEAN market

Utilize expertise in *sei-katsu-sha* research

Released *The Connected Family* research report on ASEAN *sei-katsu-sha*

(Hakuhodo Institute of Life and Living ASEAN)

- Released by Hakuhodo Institute of Life and Living ASEAN (in Thailand) at ASEAN *sei-Katsu-sha* Forum

Acquired innovative and unique specialized marketing service companies

Hakuhodo DY holdings

- Strategic operating unit *kyu* began full-scale operations
 - Began fiscal year with two operating companies providing highly specialized marketing services
 - Set up head office in New York and began contacting various companies that provide innovative and unique specialized marketing services
- Generated more than half of overseas revenue growth, making large contribution to overseas business expansion

Strategic operating unit *kyu*



- Headquartered in New York
- Base for contact with companies that provide innovative and unique specialized marketing services

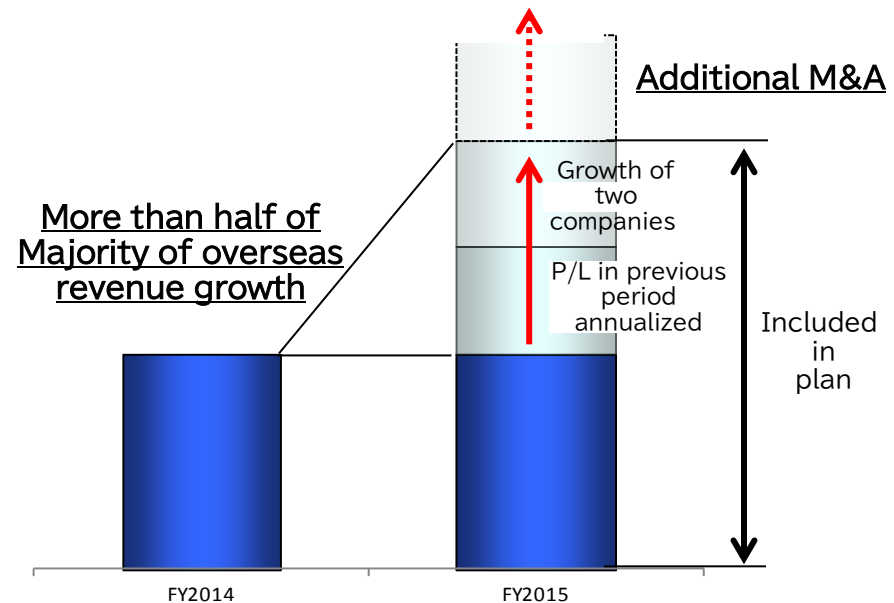


SYPartners LLC



Red Peak Group LLC

Contribution to overseas business



Mergers and acquisitions (from announcement of Medium-Term Business Plan to March 2015)

- Carried out 7 mergers and acquisitions in Japan and overseas (combined) since the November 2013 announcement of Medium-Term Business Plan

	Date	Company	Major areas of activity
International	March 2014	Cimigo Holdings	Marketing research
	May 2014	SYPartners	Innovation consulting
	May 2014	Red Peak Group	Brand consulting content
	Sep. 2014	Grebstad Hicks Communications	PR for luxury products and services
	Jan. 2015	Ashton Consulting	Cross-border corporate communications
Domestic	March 2014	CARRAC	Digital agency
	Aug. 2014	D. BRAIN	High-end store interiors

HakuhodoDY holdings

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