

# Consolidated Financial Highlights Fiscal Year Ended March 31, 2016 (FY2015)

# 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 2015

# Consolidated Financial Highlights (1)

## 2nd Year under Medium-Term Business Plan Begins with Billings and Profit Growth

### ◎ Billings: ¥266.3 billion, up 2.6% year on year

- With existing businesses and contributions from M&A, especially overseas, consolidated billings rose 2.6% year on year.
- » By industry of clients: Billings increased in Restaurant / Services, Information / Communications, and Pharmaceuticals / Medical supplies.  
Billings decreased in Beverages / Cigarettes / Luxury foods, Real estate / Housing facilities, and Foodstuffs.
- » By service area: “Other than the mass media services subtotal” increased year on year, but “Mass media services subtotal” decreased in the wake of strong year-earlier Television billings.

### ◎ Revenue: ¥48.4 billion, up 9.0%, or ¥3.9 billion year on year

### ◎ Gross margin: 18.2%, up 1.1 of a percentage point year on year

- Overseas revenue grew, driven by acquired overseas fee businesses, leading to a roughly 0.7 point increase in the gross margin. Improved profitability at Group companies also contributed to this result.

### ◎ SG&A Expenses: ¥ 42.4 billion, up 9.7%, or ¥ 3.7 billion year on year

- M&A to strengthen the organization and strategic investments continued, and the rate of expense growth for the quarter was slightly higher than the rate of revenue growth.

### ◎ Operating income: ¥6.0 billion, up 4.2%, or ¥0.2 billion year on year

- An increase was recorded in operating income, as SG&A expenses were absorbed by revenue growth.

### ◎ Operating income before amortization of goodwill: ¥6.3 billion, up 5.4%, or 0.3 billion year on year

### ◎ Net income: ¥2.9 billion, up 7.3%, or ¥0.2 billion year on year

\*Portion of increase from M&A: Revenue - approximately ¥2.4 billion; SG&A expenses (including amortization of goodwill and other intangible assets) - approximately ¥2.3 billion; Operating income - negligible.

# Consolidated Financial Highlights (2)

(Millions of yen)

	1Q of			
	FY2014	FY2015	Change	(%)
Billings	259,705	266,329	6,624	2.6%
Revenue	44,470	48,466	3,996	9.0%
(Gross margin)	(17.1%)	(18.2%)	(+1.1%)	
SG&A expenses	38,698	42,451	3,753	9.7%
Operating income	5,771	6,014	242	4.2%
(Operating margin)	(13.0%)	(12.4%)	(-0.6%)	
Non-operating items	528	755	227	
Ordinary income	6,300	6,770	469	7.5%
Extraordinary items	122	(71)	(194)	
Income before income taxes and minority interests	6,423	6,698	275	4.3%
Net income	2,773	2,976	203	7.3%
Amortization of goodwill	286	369	82	28.7%
Operating Income before Amortization of goodwill	6,058	6,383	325	5.4%
Operating margin before Amortization of goodwill	13.6%	13.2%	-0.5%	

(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.  
 (3) Net income refers to profit attributable to owners of parent.

# Results by Region

(Millions of yen )		1Q of			
		FY2014	FY2015	YoY comparisons	
				Change	(%)
Japan	Billings	249,605	253,072	3,467	1.4%
	Revenue	42,512	44,252	1,740	4.1%
	(Gross margin)	(17.0%)	(17.5%)	(0.5%)	
	Operating Income	8,429	8,855	425	5.1%
	(Operating margin)	(19.8%)	(20.0%)	(0.2%)	
International	Billings	11,505	14,903	3,398	29.5%
	Revenue	2,465	4,864	2,398	97.3%
	(Gross margin)	(21.4%)	(32.6%)	(11.2%)	
	Operating Income	166	35	(131)	-78.9%
	(Operating margin)	(6.8%)	(0.7%)	(-6.0%)	
Total	Billings	261,110	267,975	6,865	2.6%
	Revenue	44,977	49,116	4,138	9.2%
	Operating Income	8,596	8,890	294	3.4%
Elimination or corporate	Billings	(1,404)	(1,646)	(241)	17.2%
	Revenue	(507)	(650)	(142)	28.1%
	Operating Income	(2,824)	(2,876)	(51)	1.8%
Consolidation	Billings	259,705	266,329	6,624	2.6%
	Revenue	44,470	48,466	3,996	9.0%
	(Gross margin)	(17.1%)	(18.2%)	(1.1%)	
	Operating Income	5,771	6,014	242	4.2%
	(Operating margin)	(13.0%)	(12.4%)	(-0.6%)	

# Billings by Industry (1)

(Millions of yen)

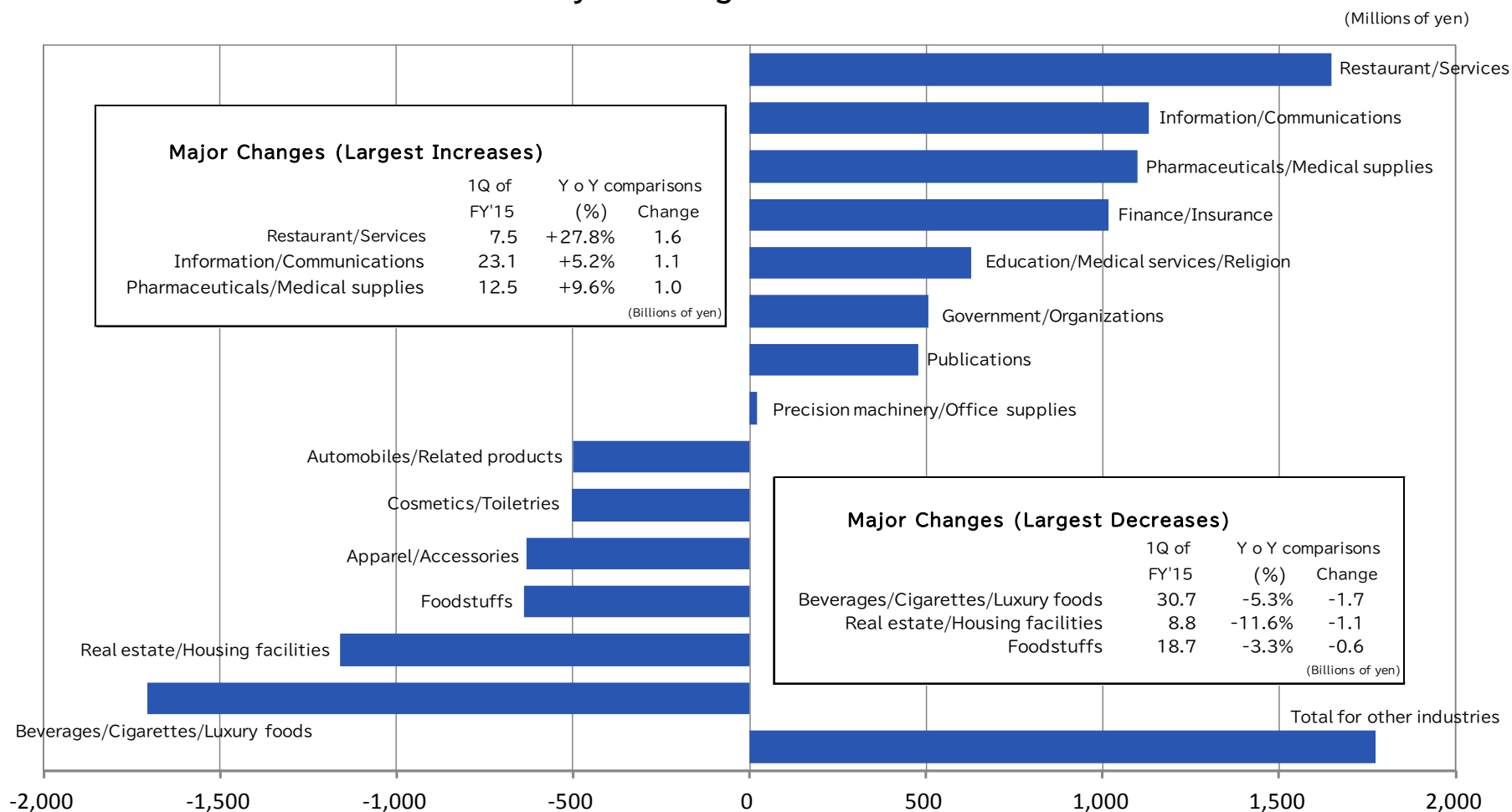
	1Q of FY2014	1Q of FY2015	YoY comparisons		FY'15
	Amount	Amount	Change	(%)	Share
Automobiles/Related products	27,353	26,854	(499)	-1.8%	11.9%
Beverages/Cigarettes/Luxury foods	32,471	30,766	(1,705)	-5.3%	13.6%
Information/Communications	21,968	23,100	1,131	5.2%	10.2%
Foodstuffs	19,367	18,726	(641)	-3.3%	8.3%
Cosmetics/Toiletries	18,278	17,775	(504)	-2.8%	7.9%
Finance/Insurance	13,977	14,993	1,016	7.3%	6.6%
Pharmaceuticals/Medical supplies	11,445	12,543	1,098	9.6%	5.5%
Distribution/Retailing	11,441	11,906	465	4.1%	5.3%
Transportation/Leisure	11,325	11,593	268	2.4%	5.1%
Real estate/Housing facilities	9,985	8,824	(1,161)	-11.6%	3.9%
Home electric appliances/AV equipment	5,755	6,118	363	6.3%	2.7%
Restaurant/Services	5,933	7,581	1,648	27.8%	3.4%
Publications	3,976	4,454	477	12.0%	2.0%
Household products	4,053	4,354	301	7.4%	1.9%
Government/Organizations	1,686	2,191	505	30.0%	1.0%
Education/Medical services/Religion	2,491	3,120	629	25.2%	1.4%
Hobby supplies/Sporting goods	2,513	2,858	346	13.8%	1.3%
Apparel/Accessories	3,295	2,665	(631)	-19.1%	1.2%
Energy/Material/Machinery	2,172	2,387	215	9.9%	1.1%
Precision machinery/Office supplies	1,550	1,572	22	1.4%	0.7%
Classified advertising/Other	11,829	11,645	(184)	-1.6%	5.2%
Sub total	222,865	226,024	3,159	1.4%	100.0%
Sub total for other than the above	36,841	40,306	3,465	9.4%	
Total for group	259,705	266,329	6,624	2.6%	

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, 2015.

# Billings by Industry (2)

## Year-on-year changes for 1Q of FY2015





# Billings by Service Area (1)

(Millions of yen)

	1 Q of FY2014		1 Q of FY2015		YoY comparisons	
	Amount	Share	Amount	Share	Change	(%)
Newspapers	14,312	6.0%	13,827	5.7%	(485)	-3.4%
Magazines	5,271	2.2%	4,821	2.0%	(450)	-8.5%
Radio	3,459	1.4%	3,344	1.4%	(115)	-3.3%
Television	106,067	44.4%	102,914	42.8%	(3,153)	-3.0%
<b>Mass media services sub total</b>	129,109	54.0%	124,906	51.9%	(4,202)	-3.3%
Internet media	28,153	11.8%	30,195	12.5%	2,042	7.3%
Outdoor media	9,361	3.9%	9,382	3.9%	21	0.2%
Creative	24,615	10.3%	25,639	10.7%	1,024	4.2%
Marketing/Promotion	44,699	18.7%	46,271	19.2%	1,572	3.5%
Others(contents, etc.)	3,170	1.3%	4,325	1.8%	1,155	36.4%
<b>Other than mass media services subtotal</b>	110,000	46.0%	115,812	48.1%	5,813	5.3%
<b>Sub total</b>	239,108	100.0%	240,719	100.0%	1,610	0.7%
Sub total for other than the above	20,597		25,611		5,014	24.3%
<b>Total for group</b>	259,705		266,329		6,624	2.6%

- A year-on-year decline in “Mass media services” reflected Television’ s strong year-earlier performance.
- A year-on-year increase in “Other than mass media services” reflected growth in all services, led by 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.

# Changes in SG&A Expenses (1)

(Millions of yen)

	1 Q of		YoY comparisons	
	FY2014	FY2015	Change	(%)
Personnel costs	26,750	29,272	2,522	9.4%
Other Expenses (Total)	11,947	13,179	1,231	10.3%
Rent	2,818	3,134	315	11.2%
Depreciation and Amortization	504	643	139	27.7%
Amortization of goodwill	286	369	82	28.7%
Others	8,337	9,031	693	8.3%
Total SG&A expenses	38,698	42,451	3,753	9.7%

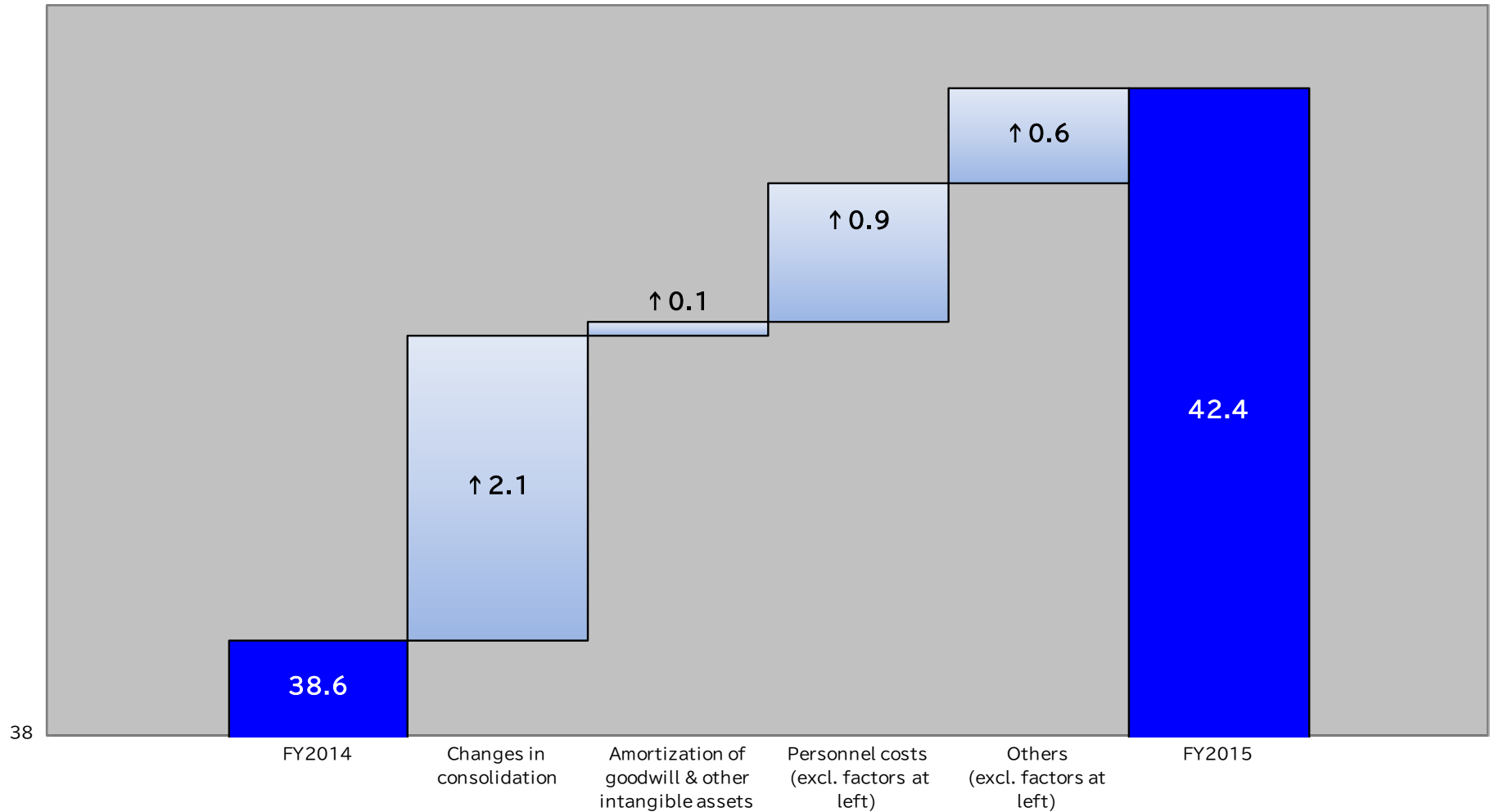
Note: Amortization of goodwill refers to the amortization of goodwill and other intangible assets arising from corporate acquisitions.

## 【 M&A to strengthen the organization and strategic investments】

- ◎ Approximately ¥2.1 billion increase in expenditures from changes in scope of consolidation (from newly acquired and newly established companies, etc.).
- ◎ Excluding effect of changes in scope of consolidation, SG&A expenses rose 4.4% year on year.

# 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 Q of		YoY comparisons	
	FY2014	FY2015	Change	(%)
Non-operating income	601	803	201	33.6%
Non-operating expenses	72	47	(25)	-34.8%
Total	528	755	227	42.9%

\*Net interest income (interest received - interest paid) : FY'14 +32 million FY'15 +35 million YoY change 3 million increased

\*Dividend income : FY'14 440 million FY'15 549 million YoY change 108 million increased

\*Equity in investment income(loss) from affiliates : FY'14 -20 million FY'15 46 million YoY change 67 million increased

(Millions of yen)

	1 Q of		YoY comparisons	
	FY2014	FY2015	Change	(%)
Extraordinary gains	301	211	(89)	
Extraordinary losses	178	283	104	
Total	122	(71)	(194)	

\*Gain on sales of investment securities : FY'14 75 million FY'15 22 million YoY change 52 million decreased

\*Gain on sales of affiliates' stock : FY'14 17 million FY'15 138 million YoY change 120 million increased

\*Investment securities valuation loss : FY'14 24 million FY'15 119 million YoY change 94 million increased

# Consolidated Balance Sheets

(Millions of yen)

	Mar. 31, 2015		Jun.30, 2015		Comparisons	
	Amount	Share	Amount	Share	Change	(%)
Current assets	473,844	74.8%	423,371	72.1%	(50,473)	-10.7%
Fixed assets	160,059	25.2%	164,172	27.9%	4,112	2.6%
Total assets	633,904	100.0%	587,543	100.0%	(46,360)	-7.3%
Current liabilities	321,299	50.7%	276,164	47.0%	(45,134)	-14.0%
Non-current liabilities	29,875	4.7%	30,512	5.2%	636	2.1%
Total liabilities	351,175	55.4%	306,676	52.2%	(44,498)	-12.7%
Total shareholders' equity	224,550	35.5%	223,734	38.1%	(815)	-0.4%
Accumulated other comprehensive income	39,026	6.1%	38,085	6.5%	(940)	-2.4%
Subscription rights to shares	197	0.0%	191	0.0%	(6)	-3.4%
Noncontrolling Interest	18,954	3.0%	18,854	3.2%	(99)	-0.5%
Total net assets	282,729	44.6%	280,866	47.8%	(1,862)	-0.7%
Total liabilities and net assets	633,904	100.0%	587,543	100.0%	(46,360)	-7.3%

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

Mar.31,'15 163.0 billion Jun.30,'15 139.8 billion 23.1 billion down

\*Notes and accounts receivable:

Mar.31,'15 269.8 billion Jun.30,'15 241.0 billion 28.7 billion down

\*Investment securities:

Mar.31,'15 81.9 billion Jun.30,'15 80.8 billion 1.1 billion down

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

Mar.31,'15 8.9 billion Jun.30,'15 9.4 billion 0.5 billion up

\*Notes and accounts payable:

Mar.31,'15 260.4 billion Jun.30,'15 228.9 billion 31.5 billion down

\*Short- and long-term debt:

Mar.31,'15 4.5 billion Jun.30,'15 5.7 billion 1.1 billion up

# Consolidated Statements of Cash Flow

(Millions of yen)

	1Q of		Y o Y comparisons Change
	FY2014	FY2015	
Cash flow from operating activities	(8,305)	(14,890)	(6,584)
Cash flow from investing activities	(5,492)	(4,991)	501
Cash flow from financing activities	(8,735)	(2,285)	6,449
Effect of exchange rate changes on cash and cash equivalents	(332)	(157)	174
Net increase (decrease) in cash and cash equivalents	(22,865)	(22,324)	540
Cash and cash equivalents, beginning of period	125,875	140,133	14,257
Increase (decrease) in cash and cash equivalents resulting from changes in scope of consolidation	0	0	0
Cash and cash equivalents, end of period	103,009	117,808	14,798

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

Depreciation and amortization	688	988	299
Payments for purchase of property and equipment	(408)	(3,390)	(2,981)
Payments for purchase of intangible fixed assets	(373)	(626)	(253)
Total purchase of noncurrent assets	(781)	(4,016)	(3,235)

[Reference 2: Major items of 1Q of FY2015 other than the above]

## <Cash Flows From Operating Activities>

Income before income taxes and minority interests +¥6.6 billion, Amortization of goodwill and other intangible assets +¥0.3 billion, decrease in notes and accounts receivable-trade +¥29.5 billion, decrease in notes and accounts payable-trade -¥31.6 billion, decrease in inventories + ¥0.4 billion, income taxes paid -¥6.0 billion, decrease in allowance for bonuses -¥11.0 billion.

## <Cash Flows From Investing Activities>

Purchase of investments in subsidiaries resulting in change in scope of consolidation -¥1.9 billion.

## <Cash Flows From Financing Activities>

Cash dividends paid -¥2.7 billion, cash dividends paid to minority shareholders -¥0.4 billion.

# Highlights of Operating Results at Major Subsidiaries

(Millions of yen)

	1 Q of		YoY comparisons	
	FY2014	FY2015	Change	(%)
<b>Hakuhodo (*)</b>				
Billings	190,213	192,248	2,034	1.1%
Ordinary income	5,503	5,629	125	2.3%
Net income	2,994	2,859	(134)	-4.5%
<b>Daiko Advertising (*)</b>				
Billings	34,065	35,449	1,383	4.1%
Ordinary income	26	315	288	-
Net income	(61)	(42)	18	-
<b>Yomiko Advertising (*)</b>				
Billings	16,543	17,312	768	4.6%
Ordinary income	30	137	107	355.0%
Net income	(233)	80	314	-

◎Billings were up ¥2.0billion, or 1.1%, year on year.

By client industry

Increases: Transportation/Leisure and Restaurant/Services  
Decreases: Beverages/Cigarettes/Luxury foods and  
Automobiles/Related products

◎ An increase in ordinary income was recorded, as the higher gross margin absorbed growth in SG&A expenses. Net income declined, however, as a reduction in the corporate income tax rate resulted in reversals of deferred tax assets.

◎Billings were up ¥1.3 billion, or 4.1%, year on year.

By client industry

Increase: Cosmetics/Toiletries and Government/Organizations  
Decreases: Hobby supplies/Sporting goods and  
Transportation/Leisure

◎ A large increase in ordinary income resulted from increased billings, the higher gross margin, and curtailed growth in SG&A expenses. Net income was negative, however, as the reduction in the corporate income tax rate resulted in reversals of deferred tax assets.

◎Billings were up ¥0.7 billion, or 4.6%, year on year.

By client industry

Increases: Beverages/Cigarettes/Luxury foods and Foodstuffs  
Decreases: Real estate/Housing facilities and Cosmetics/Toiletries

◎ Large increases were generated in both ordinary income and net income, stemming from curtailed growth in SG&A expenses relative to the increase in billings and higher gross margin.

\*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.

\* Net income refers to profit attributable to owners of parent.

# Consolidated Business Outlook for Fiscal 2015



# Consolidated Business Outlook for Fiscal 2015 (1)

## 1H: Possibility of a shortfall in billings but operating income forecast unchanged

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Earnings forecast unchanged for the following reasons:

- ◎ 1Q and current results suggest 1H billings forecast is slightly high, and the possibility of a slight shortfall has emerged.
- ◎ At the same time, we have been able to maintain high profitability, and strategic investments continue with an awareness of balance with profits, so we believe 1H operating income forecast is achievable.
- ◎ Digital Kitchen and Sid Lee International, acquisitions announced in June and July, were not included in the forecast announced in May, but the effect on full-year consolidated results is seen as negligible.

## Consolidated Business Outlook for Fiscal 2015 (2)

As of Aug. 5, 2015 (Millions of yen)

	1Q				2Q				1H			
	FY2014	FY2015	YoY		FY2014	FY2015	YoY		FY2014	FY2015	YoY	
	(Result)	(Result)	change	(%)	(Result)	(calculated)	change	(%)	(Result)	(Forecasts)	change	(%)
Billings	259,705	266,329	6,624	2.6%	274,811	294,670	19,859	7.2%	534,516	561,000	26,483	5.0%
Revenue	44,470	48,466	3,996	9.0%	51,198	52,933	1,734	3.4%	95,669	101,400	5,730	6.0%
(Gross margin)	(17.1%)	(18.2%)	(+1.1%)		(18.6%)	(18.0%)	(-0.7%)		(17.9%)	(18.1%)	(+0.2%)	
SG&A expenses	38,698	42,451	3,753	9.7%	41,109	42,948	1,838	4.5%	79,807	85,400	5,592	7.0%
Operating income	5,771	6,014	242	4.2%	10,089	9,985	(103)	-1.0%	15,861	16,000	138	0.9%
(Operating margin)	(13.0%)	(12.4%)	(-0.6%)		(19.7%)	(18.9%)	(-0.8%)		(16.6%)	(15.8%)	(-0.8%)	
Non-operating items	528	755	227		403	(55)	(458)		931	700	(231)	
Ordinary income	6,300	6,770	469	7.5%	10,492	9,929	(562)	-5.4%	16,793	16,700	(93)	-0.6%
Extraordinary items	122	(71)	(194)		871	(178)	(1,049)		994	(250)	(1,244)	
Income before income Taxes and minority interests	6,423	6,698	275	4.3%	11,364	9,751	(1,612)	-14.2%	17,787	16,450	(1,337)	-7.5%
Net income	2,773	2,976	203	7.3%	6,650	5,573	(1,077)	-16.2%	9,423	8,550	(873)	-9.3%
Dividend per share									7.5	9.0		

(Operating margin = Operating income / Revenue)

Amortization of goodwill	286	369	82	28.7%	401	580	179	44.6%	688	950	261	38.0%
Operating income before amortization of goodwill	6,058	6,383	325	5.4%	10,490	10,566	75	0.7%	16,549	16,950	401	2.4%
Operating margin before amortization of goodwill	13.6%	13.2%	-0.5%		20.5%	20.0%	-0.5%		17.3%	16.7%	-0.6%	

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.

(3) Net income refers to profit attributable to owners of parent.

# Consolidated Business Outlook for Fiscal 2015 (3)

[Reference] Announced May 12, 2015

## 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 (4)

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.

HakuhodoDY holdings

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