

August 5, 2010

Company Name: Hakuholdo DY Holdings Inc.
Representative: Mr. Hirokazu Toda, President & CEO
(Code number: 2433; TSE First Section)
Inquiries: Mr. Satoru Yagi
Executive Manager, Investor Relations Division
(Tel: +81-3-6441-9033)

Consolidated Financial Highlights for 1st Quarter of Fiscal Year Ending March 31, 2011 (1Q of FY2010) [Japanese Standard]

Hakuholdo DY Holdings Inc. has summarized key data from its first-quarter earnings report for fiscal 2010, the year ending March 31, 2011, released today, in the following reference materials.

1. Summary Consolidated Income Statements (April 1, 2010 to June 30, 2010)

(Millions of yen)

	1Q of FY2009 (Actual)	1Q of FY2010 (Actual)	YoY Comparison	
			Change	(%)
Billings	214,239	212,397	(1,842)	-0.9%
Revenue	31,847	32,251	404	1.3%
(Gross margin)	(14.9%)	(15.2%)	(+0.3%)	
SG&A expenses	33,893	34,008	115	0.3%
Operating income(loss)	(2,046)	(1,757)	289	---
(Operating margin)*	(-6.4%)	(-5.4%)	(+1.0%)	
Non-operating items	569	845	275	
Ordinary income(loss)	(1,476)	(911)	564	---
Extraordinary items	(214)	(1,631)	(1,416)	
Income(loss) before income taxes and minority interests	(1,690)	(2,542)	(852)	---
Net income(loss)	(1,782)	(2,310)	(528)	---

* Operating margin = Operating income / Revenue

During the first quarter (April 1, 2010 to June 30, 2010), the Japanese economy continued to face lingering uncertainty. While modest recovery undertones, on the one hand, persisted atop growth in exports and production led by economic expansion in emerging markets, the economic outlook remained ominous in Europe and the United States.

In Japan's advertising industry, while corporate advertising placements appear to have bottomed out, severe conditions nonetheless prevailed. This outcome reflected the state of the Japanese economy, which has yet to mount a full-scale recovery.

In this climate, the Hakuholdo DY Group moved assertively to conduct marketing activities driven by its Core Medium-term Strategy: "The Hakuholdo DY Group strives to be a partner responsible for realizing optimized corporate marketing activities across all formats via the pursuit of next-generation, comprehensive marketing solutions." Despite these efforts, billings were lower than the same period a year earlier, declining 0.9% year on year to ¥212,397 million. On a more positive note, as a result of ongoing Group-wide initiatives designed to enhance profitability, revenue increased by ¥404 million,

or 1.3%, to ¥32,251 million. SG&A expenses, meanwhile, were virtually unchanged from the previous fiscal year, as Group-wide efforts to control costs largely covered the effect of growth in consolidation. These achievements notwithstanding, the Company recorded an operating loss of ¥1,757 million, compared to an operating loss of ¥2,046 million a year earlier. Similarly, the Company posted an ordinary loss of ¥911 million, in contrast to an ordinary loss of ¥1,476 million in the previous fiscal year, despite an increase in equity in investment income from affiliates and other factors. The loss before income taxes and minority interests was ¥2,542 million, worsening ¥852 million from a year ago. This result stemmed mainly from a valuation loss on investment securities of ¥1,669 million posted as an extraordinary loss. As a result, the Company posted a net loss for the quarter of ¥2,310 million, a deterioration of ¥528 million from the previous fiscal year.

By service area, while ad spot performance held firm in television advertisements during the first quarter, surpassing levels seen in the same period a year ago, mass media services billings ended lower overall. Non-mass media services billings, too, declined year on year despite growth in ad placements in Internet media and outdoor media (*) over the same period of the previous fiscal year.

By client industry, billings performance was firm in Beverages/Cigarettes/Luxury foods, Government/Organizations, and Foodstuffs. In Automobiles/Related products and Information/Communications, two sectors that account for a high percentage of total billings, while performance was lower compared to a year earlier, the extent of the decline also contracted. (*)

(*)Based on internal management categories and data compiled by the Company.

2. Consolidated Balance Sheets (Condensed), as of June 30, 2010

(Millions of yen)

	31-Mar-10		30-Jun-10		Comparison with March 31, 2010	
	Amount	Share	Amount	Share	Change	(%)
Current assets	339,357	74.4%	319,926	74.1%	(19,430)	-5.7%
Fixed assets	116,955	25.6%	112,112	25.9%	(4,843)	-4.1%
Total assets	456,313	100.0%	432,038	100.0%	(24,274)	-5.3%
Current liabilities	238,131	52.2%	219,818	50.9%	(18,313)	-7.7%
Non-current liabilities	9,378	2.0%	8,851	2.0%	(527)	-5.6%
Total liabilities	247,510	54.2%	228,669	52.9%	(18,840)	-7.6%
Total shareholders' equity	200,468	44.0%	196,808	45.6%	(3,660)	-1.8%
Total net unrealized gains on securities and translation adjustments	421	0.1%	(1,565)	-0.4%	(1,987)	
Subscription rights to shares	126	0.0%	149	0.0%	23	18.3%
Minority interests	7,786	1.7%	7,977	1.9%	190	2.4%
Total net assets	208,802	45.8%	203,369	47.1%	(5,433)	-2.6%
Total liabilities and net assets	456,313	100.0%	432,038	100.0%	(24,274)	-5.3%

3. Consolidated Forecasts for Fiscal 2010 (April 1, 2010 to March 31, 2011)

Although modest signs of recovery in the Japanese economy are present, numerous factors fueling uncertainty remain. A similarly veiled outlook persists for Japan's advertising market, where the Group primarily operates. Consequently, given that no definitive changes have appeared in key factors at the present time, the Company's business forecasts remain unchanged from those announced on May 13,

2010.

Consolidated forecasts for the fiscal year ending March 31, 2011, which announced on May 13, 2010, are as follows.

(Millions of yen)

	1H			2H			Full-year		
	FY2010 (Forecast)	Y o Y Comparisons		FY2010 (Forecast)	Y o Y Comparisons		FY2010 (Forecast)	Y o Y Comparisons	
		Change	(%)		Change	(%)		Change	(%)
Billings	447,000	4,523	1.0%	488,000	13,412	2.8%	935,000	17,935	2.0%
Operating income	1,500	1,440	–	7,000	924	15.2%	8,500	2,364	38.5%
Ordinary income	2,200	1,191	118.0%	7,800	615	8.6%	10,000	1,806	22.0%
Net income(loss)	0	1,699	–	3,200	224	7.5%	3,200	1,923	150.6%
(Operating margin)*	(2.1%)	(+2.1%)		(9.0%)	(+0.9%)		(5.7%)	(+1.5%)	

* Operating margin = Operating income / Revenue

The business environment for the fiscal year ending March 31, 2011 remains shrouded in uncertainty. Nevertheless, Japan's advertising market is expected to mount a modest recovery. In this climate, we will pursue measures aimed at securing profits, as well as initiatives for making steady strides in attaining medium- to long-term growth.

The following is a summary of the Company's rationale in formulating the aforementioned consolidated forecasts.

Macro environment: Despite a visible rebound in several advertising areas, including television, uncertainty continues to plague most others. For this reason, the recovery in Japan's advertising market is likely to be modest at best. Year-on-year market performance, therefore, is expected to be largely flat for the full term.

Billings: In this climate, we intend to focus on providing solutions to issues faced by advertisers. These efforts will likely culminate in full-year billings of ¥935.0 billion, up 2.0% year on year.

Operating income: We are aiming for further gross margin improvement by continuing to enact measures focused on profitability. In SG&A expenses, while steps to control costs will continue, the strategic allocation of expenses necessary to achieve our medium-term business plan will likely lift SG&A expenses by about ¥2.0 billion year on year. As a result, operating income for the full year is projected to be ¥8.5 billion, an increase of roughly ¥2.3 billion compared to the previous fiscal year.

Ordinary income: With the addition of dividend income, equity in investment income from affiliates, and other non-operating items, ordinary income is expected to be ¥10.0 billion, up ¥1.8 billion year on year.

Net income: No major extraordinary items are anticipated at this time. Consequently, our outlook is for net income of ¥3.2 billion, representing year-on-year growth of approximately ¥1.9 billion.

Based on a fundamental stance of providing a stable dividend, and in light of a range of factors pertaining to the business environment going forward, the dividend per share will be ¥70, the same as in the previous fiscal year ended March 31, 2010.

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.