Note: This English translation is solely for reference purposes and not a legally definitive translation of the original Japanese text.
In the event a difference arises regarding the meaning herein, the original Japanese version will prevail as the official authoritative version.

February 8, 2019

Consolidated Financial Results for the Fiscal Year Ended December 31, 2018(Japan GAAP)

Name of listed company:	Information Services International-Dentsu, Ltd.
Listed exchange:	Tokyo
Code number:	4812
URL:	https://www.isid.co.jp/english/index.html
Representative:	Ryoichi Nawa, President, CEO and COO
Contact for inquiries:	Nobuo Uehara, Senior Managing Director
	Tel: (03) 6713-6160

Date of the general meeting of the shareholders:	March 22, 2019
Date of scheduled payment of dividends:	March 25, 2019
Date of scheduled filing of securities report:	March 22, 2019
Supplementary explanatory documents:	Yes
Presentation:	Yes

(Amounts less than one million yen are rounded down.)

1. Consolidated Business Performance for the FY2018 (from January 1, 2018 to December 31, 2018)

(1) Consolidated Operating Results

(% of change from previous year)

	Net sales		Operating income (loss)		Ordinary income (loss)		Net income (loss)*	
	(million yen)	(%)	(million yen)	(%)	(million yen)	(%)	(million yen)	(%)
FY2018	91,024	9.1	8,239	50.1	8,197	45.3	5,187	16.9
FY2017	83,423	4.6	5,489	(15.4)	5,642	(15.8)	4,438	(3.1)

Note: Comprehensive income: FY2018: 4,969 million yen (up 9.4%); FY2017: 4,542 million yen (up 5.5%)

	EPS	Diluted EPS	ROE	ROA	Ratio of operating income to net sales
	(yen)	(yen)	(%)	(%)	(%)
FY2018	159.22	–	10.5	10.8	9.1
FY2017	136.24	–	9.6	8.2	6.6

Reference: Equity in earnings of affiliated companies: FY2018: (59) million yen; FY2017: (0) million yen
* Net income attributable to owners of parent

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Shareholders' equity per share
	(million yen)	(million yen)	(%)	(yen)
FY2018	80,273	50,966	63.5	1,563.28
FY2017	72,003	47,800	66.3	1,466.16

Reference: Total shareholders' equity: FY2018: 50,935 million yen; FY2017: 47,771 million yen

(3) Consolidated Cash Flows

	From operating activities	From investing activities	From financing activities	Cash and cash equivalents at end of period
	(million yen)	(million yen)	(million yen)	(million yen)
FY2018	9,319	(3,353)	(2,564)	33,620
FY2017	4,265	(1,855)	(2,363)	30,353

2. Dividends

	Dividends per share					Total dividends paid (Annual)	Payout ratio (Consolidated)	Dividend on equity ratio (Consolidated)
	First quarter	Second quarter	Third quarter	Fourth quarter	Total			
	(yen)	(yen)	(yen)	(yen)	(yen)	(million yen)	(%)	(%)
FY2017	–	25.00	–	27.00	52.00	1,694	38.2	3.7
FY2018	–	28.00	–	35.00	63.00	2,052	39.6	4.2
FY2019 (forecast)	–	35.00	–	35.00	70.00		40.1	

3. Consolidated Forecasts for FY2019m January 1, 2019 to December 31, 2019

Percentages indicate year-on-year increase/(decrease)

	Net sales		Operating income (loss)		Ordinary income (loss)		Net income (loss) *		EPS
	(million yen)	(%)	(million yen)	(%)	(million yen)	(%)	(million yen)	(%)	(yen)
First half	46,264	7.4	3,960	4.2	3,930	1.8	2,678	1.4	82.20
Full year	93,000	2.2	8,500	3.2	8,408	2.6	5,683	9.6	174.44

4. Other Items

1. Changes in the scope of consolidation for significant subsidiaries (Changes in specified subsidiaries resulting in change in the scope of consolidation): None
2. Changes in accounting policies, changes in accounting estimates and restatements:
   1) Changes in accounting policies in accordance with revision of accounting standards: None
   2) Changes in accounting policies other than 1) above: None
   3) Changes in accounting estimate: None
   4) Restatements: None
3. Issued and outstanding common stock
   1) Number of shares issued and outstanding at end of period, including treasury stock:
   2) Number of treasury stock at end of period:
   3) Average number of shares outstanding for each period:

FY2018	32,591,240 shares	FY2017	32,591,240 shares
FY2018	8,663 shares	FY2017	8,470 shares
FY2018	32,582,637 shares	FY2017	32,582,770 shares

(Reference) Summary of Non-consolidated Business Performance

(Amounts less than one million yen are rounded down.)

1. Non-consolidated Business Performance for the FY2018 (from January 1, 2018 to December 31, 2018)

(1) Non-consolidated Operating Results

Percentages indicate year-on-year increase/(decrease)

	Net sales		Operating income (loss)		Ordinary income (loss)		Net income (loss)	
	(million yen)	(%)	(million yen)	(%)	(million yen)	(%)	(million yen)	(%)
FY2018	76,343	10.5	5,966	60.9	7,777	52.8	5,278	35.1
FY2017	69,115	2.9	3,707	(18.7)	5,090	(11.0)	3,908	(14.8)

	EPS	Diluted EPS
	(yen)	(yen)
FY2018	162.01	–
FY2017	119.96	–

(2) Non-consolidated Financial Position

	Total assets	Net assets	Equity ratio	Shareholders' equity per share
	(million yen)	(million yen)	(%)	(yen)
FY2018	72,115	45,109	62.6	1,384,46
FY2017	64,268	41,690	64.9	1,279.51

Reference: Shareholders' equity: FY 2018: 45,109 million yen; FY 2017: 41,690 million yen

Consolidated financial report is outside the scope of audit procedures by certified public accountants or an audit corporation.

Explanation regarding the appropriate use of forecasts of business results

Forecast figures are projections based on information available at the time of release, and are not intended as a guarantee that the Company will achieve these targets. Actual results may differ significantly from the above forecasts as a result of changes in the business environment and other factors.

Consolidated Financial Statement

(1) Consolidated Balance Sheets

(Millions of yen)

	As of December 31, 2017	As of December 31, 2018
Assets		
Current assets		
Cash and deposits	3,369	2,878
Notes and accounts receivable - trade	18,706	19,958
Lease investment assets	39	97
Merchandise and finished goods	107	96
Work in process	1,318	1,529
Raw materials and supplies	21	25
Deferred tax assets	914	1,417
Advance payments - trade	6,548	8,080
Deposits paid	27,276	31,054
Other	1,010	949
Allowance for doubtful accounts	(1)	(1)
Total current assets	59,311	66,085
Non-current assets		
Property, plant and equipment		
Buildings, net	608	1,052
Tools, furniture and fixtures, net	360	366
Land	524	524
Leased assets, net	1,622	2,229
Construction in progress	127	0
Total property, plant and equipment	3,243	4,173
Intangible assets		
Software	2,627	2,815
Leased assets	189	108
Other	32	32
Total intangible assets	2,849	2,956
Investments and other assets		
Investment securities	2,602	2,876
Deferred tax assets	183	265
Lease and guarantee deposits	3,623	3,622
Other	189	294
Allowance for doubtful accounts	(1)	(1)
Total investments and other assets	6,598	7,057
Total non-current assets	12,692	14,187
Total assets	72,003	80,273

(Millions of yen)

	As of December 31, 2017	As of December 31, 2018
Liabilities		
Current liabilities		
Notes and accounts payable - trade	6,086	6,839
Lease obligations	612	772
Accrued expenses	2,280	3,727
Income taxes payable	1,326	2,314
Advances received	7,790	8,735
Provision for loss on order received	622	523
Other	3,232	3,664
Total current liabilities	21,950	26,578
Non-current liabilities		
Lease obligations	1,206	1,655
Net defined benefit liability	15	22
Asset retirement obligations	895	872
Other	135	178
Total non-current liabilities	2,252	2,729
Total liabilities	24,203	29,307
Net assets		
Shareholders' equity		
Capital stock	8,180	8,180
Capital surplus	15,285	15,285
Retained earnings	23,897	27,292
Treasury shares	(29)	(29)
Total shareholders' equity	47,334	50,729
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	96	29
Foreign currency translation adjustment	340	176
Total accumulated other comprehensive income	436	205
Non-controlling interests	28	30
Total net assets	47,800	50,966
Total liabilities and net assets	72,003	80,273

(2) Consolidated Statements of Income and Consolidated Statements of Comprehensive Income

[Consolidated Statements of Income]

(Millions of yen)

	Fiscal year ended December 31, 2017	Fiscal year ended December 31, 2018
Net sales	83,423	91,024
Cost of sales	57,714	60,901
Gross profit	25,708	30,123
Selling, general and administrative expenses	20,219	21,884
Operating profit	5,489	8,239
Non-operating income		
Interest and dividend income	37	41
Dividend income of insurance	42	48
Subsidy income	37	20
Gain on sales of investment securities	55	—
Miscellaneous income	86	44
Total non-operating income	258	155
Non-operating expenses		
Interest expenses	16	24
Share of loss of entities accounted for using equity method	0	59
Foreign exchange losses	28	41
Loss on investments in partnership	21	41
Loss on retirement of non-current assets	4	23
Loss on valuation of investment securities	30	—
Miscellaneous loss	2	6
Total non-operating expenses	104	198
Ordinary profit	5,642	8,197
Extraordinary income		
Gain on sales of non-current assets	657	—
Compensation for transfer	—	185
Total extraordinary income	657	185
Extraordinary losses		
Impairment loss	33	23
Loss on valuation of investment securities	—	610
Total extraordinary losses	33	634
Profit before income taxes	6,267	7,748
Income taxes - current	1,840	3,119
Income taxes - deferred	(23)	(571)
Total income taxes	1,817	2,548
Profit	4,450	5,200
Profit attributable to non-controlling interests	11	12
Profit attributable to owners of parent	4,438	5,187

[Consolidated Statements of Comprehensive Income]

(Millions of yen)

	Fiscal year ended December 31, 2017	Fiscal year ended December 31, 2018
Profit	4,450	5,200
Other comprehensive income		
Valuation difference on available-for-sale securities	22	(66)
Foreign currency translation adjustment	69	(163)
Total other comprehensive income	91	(230)
Comprehensive income	4,542	4,969
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	4,530	4,956
Comprehensive income attributable to non-controlling interests	11	12