

Corporate Outline

- P4 Company Profile
- P5 History
- P6 Stock-related Information
- P7 Overview of the Gendai Agency Group
- P8 Corporate Philosophy and Vision
- P9 Financial Highlights (Consolidated)

Outlook for the Pachinko Parlor Industry

- P11 Outlook for the Pachinko Parlor Industry 1
 - ~ Pachinko Industry Market Size
- P12 Outlook for the Pachinko Parlor Industry 2
 - ~ Pachinko Parlor Advertising Market

Advertising Business — Business Model and Strengths

- P14 Our Business
- P15 Business Model
- P16 Work Flow 1
- P17 Work Flow 2
- P18 Branch Office Network
- P19 Position and strengths
- P20 Market Share Trend in the Pachinko Parlor Advertising Business
- P21 Current Activities
 - ~ Enhancement of the Cross-Media Marketing Support Function

Overview of the Real Estate Business

- P23 Real Estate Business Overview

Future Activities

- P25 Future Management Strategy...Medium- to Long-Term Business Strategy
- P26 Future Management Strategy...Challenges Ahead
- P27 Future Management Strategy...Performance Indicators and Basic Policy on Profit Distribution

Corporate Governance, CSR Activities

- P29 Corporate Governance
- P30 CSR Activities

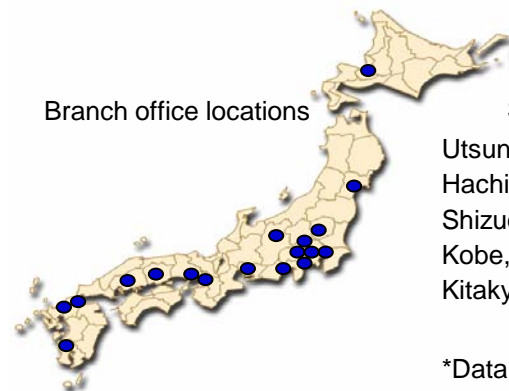
Supplemental Information

- P32 Number of Pachinko Parlors, Number of Installed Game Machines per Pachinko Parlor
- P33 Number of Installed Game Machines
- P34 Number of Pachinko Parlors by Number of Installed Game Machines

Corporate Outline

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- Financial Highlights (Consolidated)

Company name	GENDAI AGENCY INC. http://www.gendai-a.co.jp
Location of main offices	<p>【 Headquarters 】 29 Fl., Tokyo Opera City Bldg., 3-20-2 Nishi-Shinjuku, Shinjuku-ku, Tokyo 163-1429 Japan</p> <p>【 Head office 】 9-8 Azuma-cho, Hachiojishi, Tokyo 192-0082 Japan</p>
Capital	¥751.59 million
Shares issued & outstanding	16,600,000 shares
Business activities	Planning and production of advertising and promotions
Consolidated subsidiaries	<p>Land Support Inc. (Leasing of real estate and office brokerage)</p> <p>Julia Japan Co., Ltd. (Video and Web content production)</p> <p>Zealnet Inc. (Advertising-related systems development)</p>



Branch office locations

Sapporo, Sendai, Matsumoto,
Utsunomiya, Tokyo No.1, Tokyo No.2,
Hachioji, Yokohama, Chiba, Saitama,
Shizuoka, Nagoya, Osaka No.1, Osaka No.2,
Kobe, Okayama, Hiroshima, Fukuoka,
Kitakyushu, Kagoshima

(20 locations nationwide)

*Data current as of April 1, 2013

Directors and auditors

President and CEO	Masataka Yamamoto
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President and COO	Yuzuru Kamikawana
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CFO	Shuichi Ko
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Director	Shintoku Yamamoto
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Director	Tomoharu Kitou
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Outside Director	Hideyuki Hongo (President of STARTIA, INC.)
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Outside Director	Takeshi Ue (Chairman of the Board of Directors of Alpha Group, Inc.)
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Standing Auditor	Yoshiaki Adachi
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Auditor	Kouki Terada
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Auditor	Toru Azuma
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Auditor	Kenji Takano
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*Data current as of June 21, 2013

Number of employees	285 (non-consolidated) Avg. age: 33.4 *Data current as of March 31, 2013
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- Feb. 1994 Launched advertisement business with a private company named Gendai koukokusha. (founded by Masataka Yamamoto)
- Apr. 1995 Established an advertisement firm, Gendai kokokusha, with capital of 10 million yen and opened an office at Hachioji city, Tokyo.
- Aug. 2003 Changed the trade name to GENDAI AGENCY INC.
- Sep. 2004 Listed on JASDAQ
- Apr. 2005 Exceeded target of 10 billion, achieving net sales of 10.6 billion yen for the fiscal year ended March 31, 2005.
- Feb. 2006 Established Land Support Inc. to offer a support service for clients' seeking to acquire land to open pachinko parlor sites.
- Oct. 2006 Opened branch office in North Kyushu city and 2 other locations, resulting in a grand total of 20 branch offices.
- Apr. 2010 Earned net sales of 20.5 billion yen for the fiscal year ended March 31, 2010.
- Jul. 2010 Acquired 100% of issued shares of Julia Japan Co., Ltd. and made it a subsidiary company.
- Jan. 2012 Established Zealnet Inc., a company providing an advertising-related systems development service.
- Sep. 2012 Established Gendai Agency HK Limited in Hong Kong.

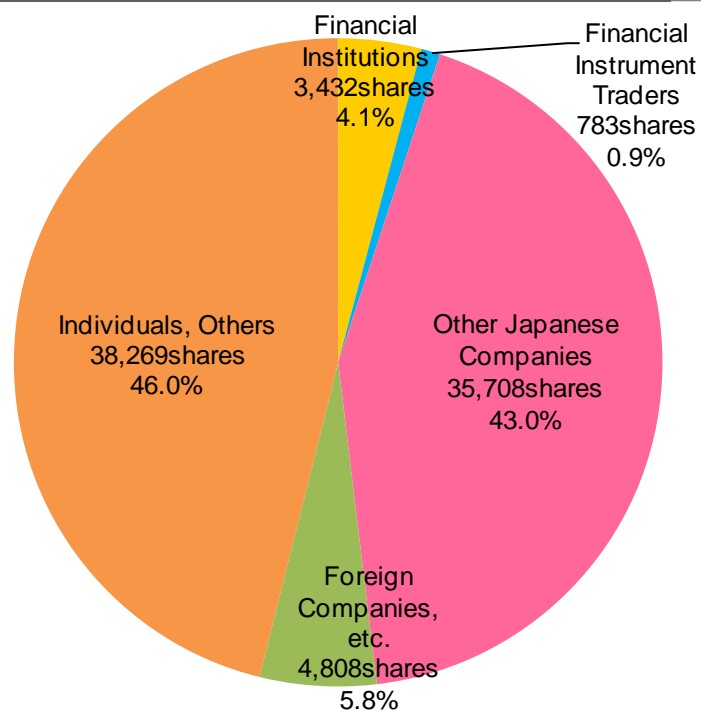
Stock-related Information

Total number of shares authorized	357,000
Total number of shares issued and outstanding	83,000
Number of shareholders	4,690

* On April 1, 2013, Gendai Agency conducted a stock split of common shares at a ratio of 200 to one. The status of the company's shares as of April 1, 2013 is as follows:

Total number of shares authorized: 66,400,000 shares
 Total number of shares issued and outstanding: 16,600,000 shares

Share Distribution by Shareholder Type



Principal Shareholders

Shareholder	No. of Shares Held	%
ASSET MANAGEMENT ADVISORS Inc.	30,000	36.1
Japan Print Co.,Ltd.	2,400	2.9
Masataka Yamamoto	1,932	2.3
Teruo Umeda	1,820	2.2
Toshisuzu Motoyoma	1,600	1.9
GENDAI AGENCY Employee Stock Ownership Association	1,467	1.8
Japan Trustee Services Bank, Ltd. (account in trust)	1,389	1.7
Bbh For Fidelity Puritan Trust: Fidelity Series Intrinsic Opportunities Fund	1,362	1.6
Standing Proxy: The Bank of Tokyo-Mitsubishi UFJ, Ltd.		
State Street Bank and Trust Company 505224		
Standing Proxy: Settlement & Clearing Services Division, Mizuho Corporate Bank, Ltd.	1,200	1.4
Osaka Securities Finance Company, Ltd.	1,136	1.4



Advertising business

Net sales:17,188 million yen (FY2013)

Planning and production of advertising and promotions



Gendai Agency Inc.

Established:1995

Video and Web content production



Julia Japan

Julia Japan Co.,Ltd.

Established:1994 Equity ownership:100%

Advertising-related systems development



zeal net

Zealnet Inc.

Established:2012 Equity ownership:53.8%



Real estate business

Net sales:146 million yen (FY2013)

Leasing of real estate and office brokerage



Land Support Inc.

Land Support Inc.

Established:2006 Equity ownership:100%

Global Business

Gendai Agency HK Ltd.*1

(Hong Kong)

Maribago Language School Inc.*2

(Philippines)

*1 Non-consolidated subsidiary

*2 Affiliated company not accounted for by the equity method

Basic Philosophy

We engage in activities aimed at supporting the earnings growth and advancement of our client companies through innovation and imagination, through which we hope to contribute to the creation of a richer, fuller society.

Vision

- 1 Our aim is to remain No. 1 among advertising companies that serve the pachinko industry.
- 2 To support the communications strategies of our clients, we develop and put into practice tools and ideas that go beyond the conventions of the advertising business.

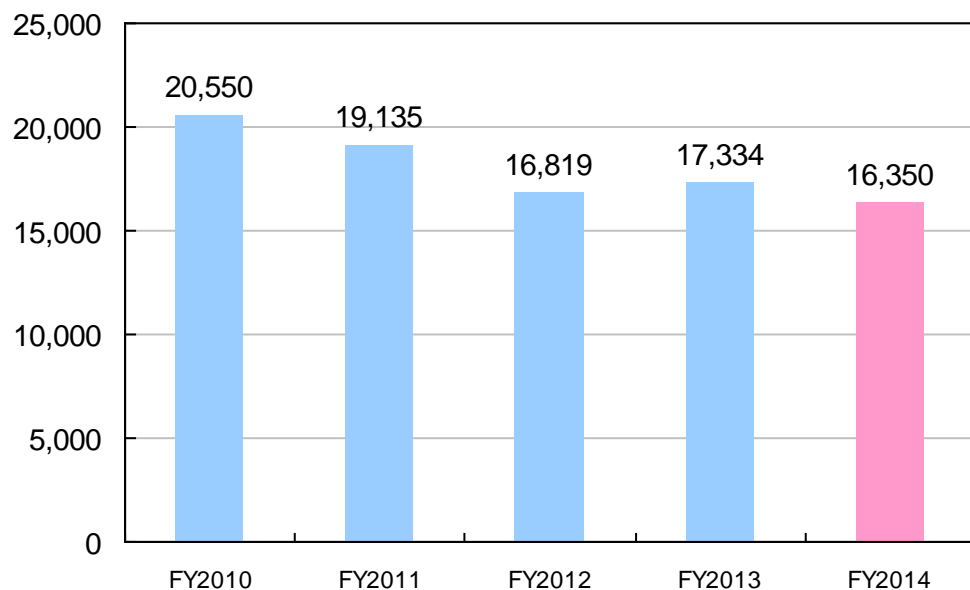
Code of Conduct

- | | | |
|---|-----------------------|---|
| 1 | Legal Compliance | As an integral member of society in the areas where we do business, we engage in business activities that are sound, highly transparent, and in strict compliance with the law. |
| 2 | Focus on Shareholders | Always with shareholder interest in mind, we pursue management policies aimed at raising the enterprise value of our company. and furthering the interests of our shareholders. |
| 3 | Customer Satisfaction | To gain the satisfaction and trust of our clients, we devote ourselves to constant efforts to devise new, high-grade services. |
| 4 | Respect for Employees | We value the ambitions and capabilities of every one of our employees, and we strive to provide fair working conditions and an environment conducive to doing good work. |

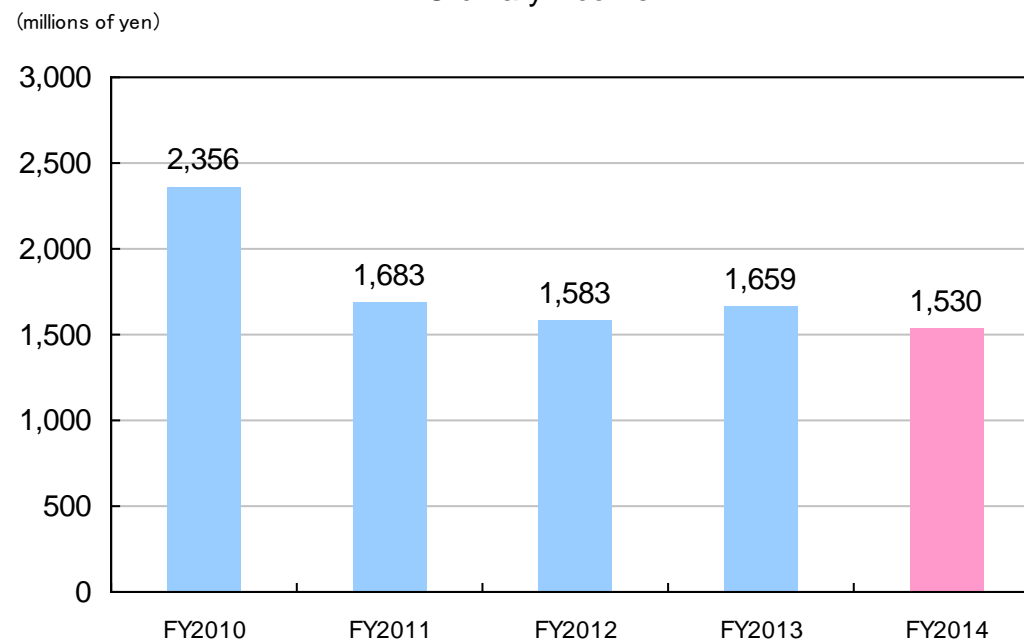
(millions of yen)

	FY2010	FY2011	FY2012	FY2013	FY2014 (forecast)
Net sales	20,550	19,135	16,819	17,334	16,350
Operating income	2,352	1,679	1,573	1,647	1,530
Ordinary income	2,356	1,683	1,583	1,659	1,530
Net income	1,123	864	1,175	1,041	910

(millions of yen) Net sales



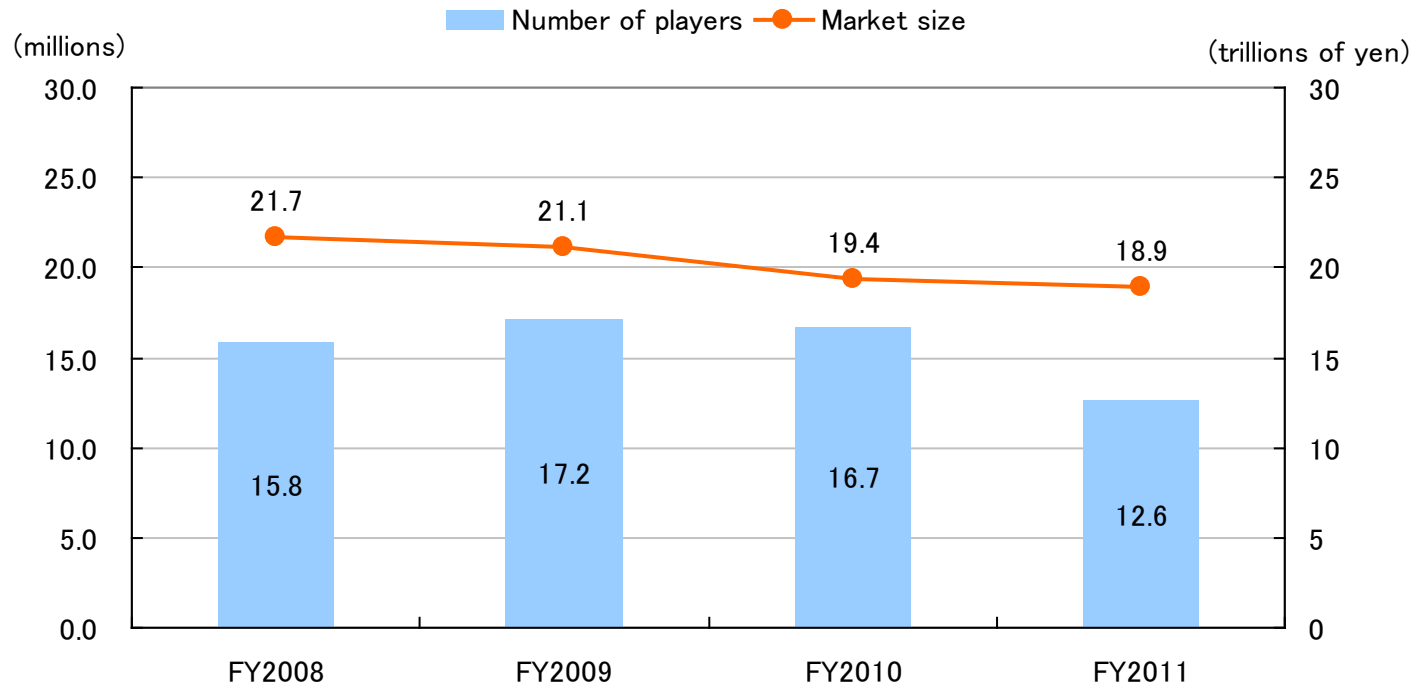
(millions of yen) Ordinary income



Outlook for the Pachinko Parlor Industry

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- Outlook for the Pachinko Parlor Industry 2
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Pachinko Industry Market Size



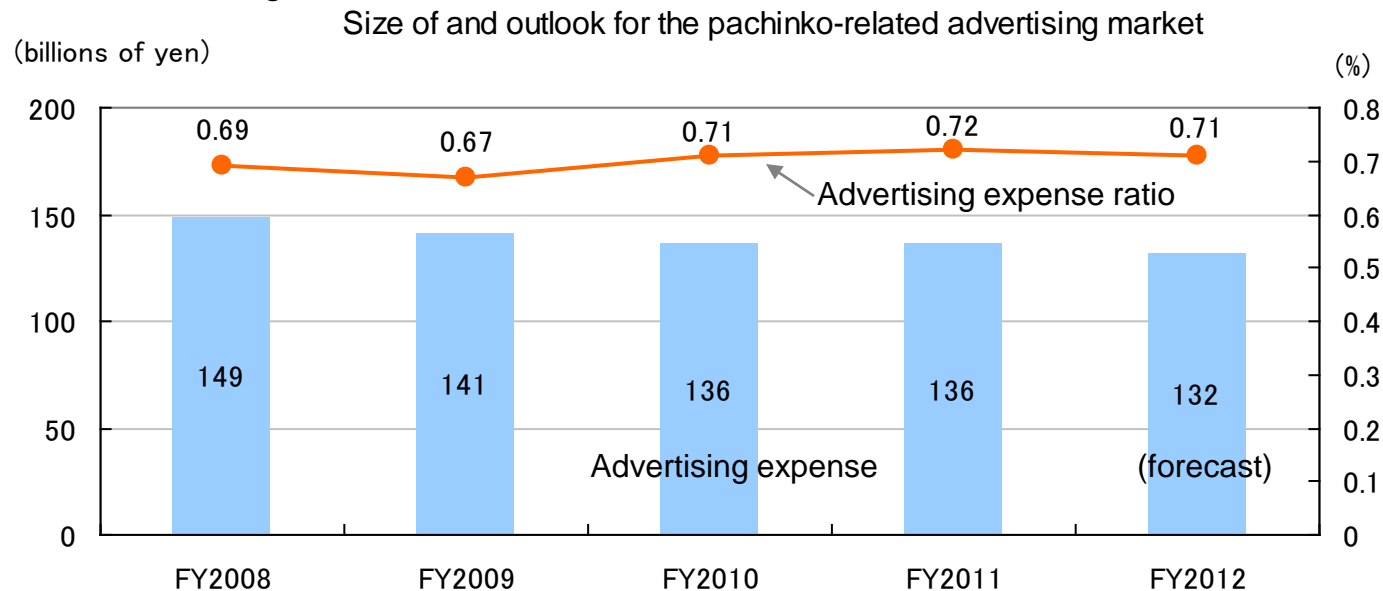
Sources: "2012 White Paper on Leisure," Japan Productivity Center for Socio-Economic Development

A gradual market contraction trend has continued since the tightening of regulations on pachislo in 2007. The number of players, which had continued to increase slightly until 2009, is decreasing.

Industry Overview by Fiscal Year

- Although the market has contracted in the wake of the implementation of major changes to game machine regulations in 2007, the size of the contraction is decreasing.
- Following a temporary increase in the number of players due to parlor operator efforts, such as the spread of low-price ball rental, and the renewed popularity of pachislo, the number is trending down as a result of factors including the impact of the economic slowdown.

Pachinko Parlor Advertising Market



Source: Study by Yano Research Institute Ltd. in 2013

Since the tightening of regulations on pachislo in 2007, the pachinko industry has seen a marked decline in new parlor openings due to a series of factors including deteriorating business conditions of pachinko parlor operators, their increased capital investment burden, and financial institutions hardening their stance regarding loans. Moreover, the impact of the Great East Japan Earthquake in March 2011, subsequent cooperation in power consumption reduction, parlor suspension or operation on a rotating basis, and other factors resulted in a market contraction of around 8% in fiscal 2010.

Thereafter, the rate of decline slowed in fiscal 2011, reflecting the increase in new parlor openings by major pachinko parlor operators, the renewed popularity of pachislo, and efforts by operators such as the promotion of the so-called low-price ball rental operation adopted by many parlors nationwide, in which pachinko balls and coins are rented at a low price. This trend is expected to continue into fiscal 2012.

The decline in the pachinko parlor advertising market was smaller than that experienced by the overall pachinko industry, with performance in fiscal 2011 more or less matching the previous year's level. A slight decline, however, is forecast for fiscal 2012 as a result of the anticipated negative impact of the tightening of advertising regulations.

Advertising Business — Business Model and Strengths

- Our Business
- Business Model
- Work Flow
- Branch Office Network
- Position and Strengths
- Market Share Trend
- Current Activities

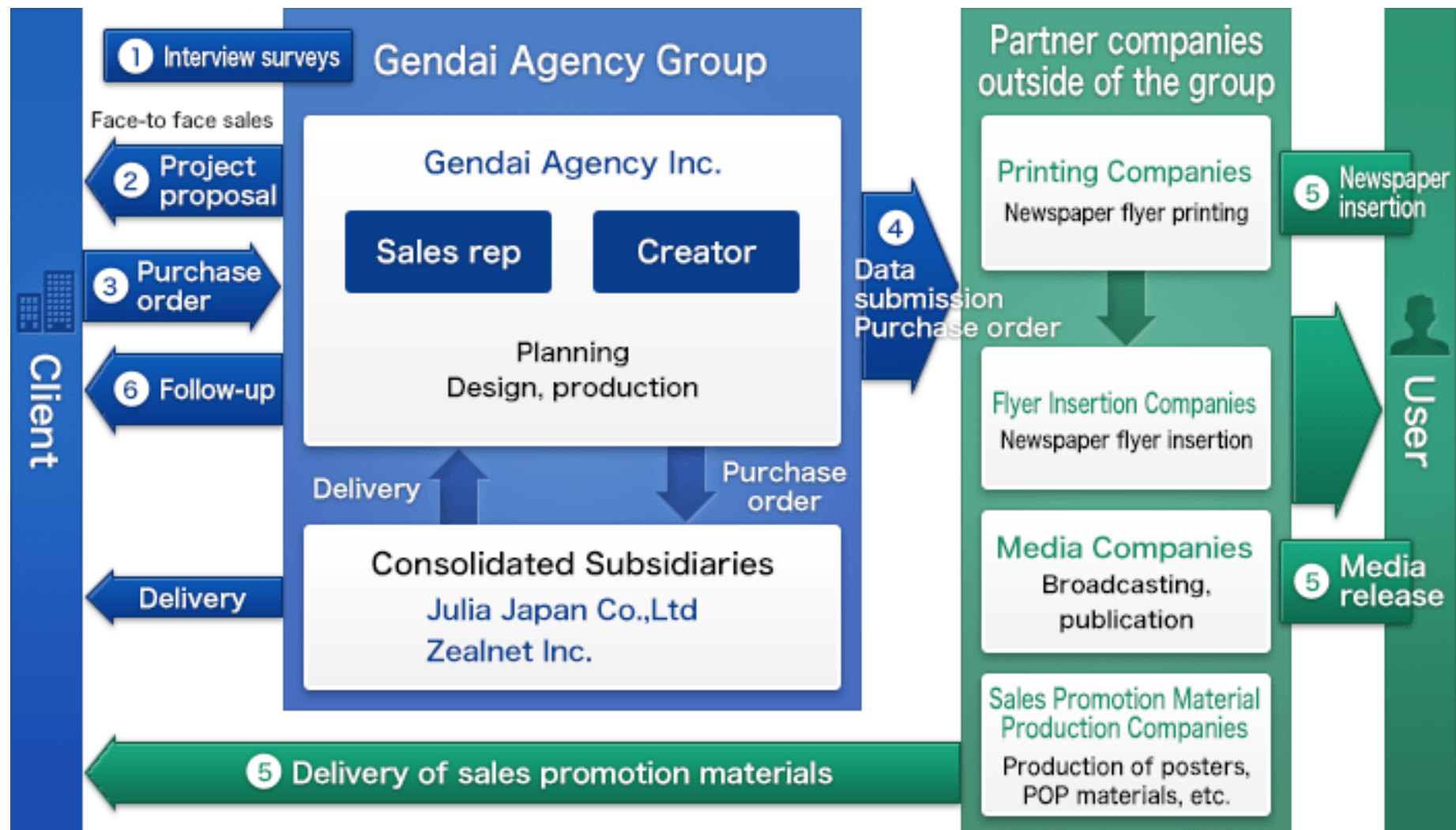
We produce and integrate a comprehensive range of advertisement activities and various kinds of other vehicles for communicating information to stimulate and increase customer participation at pachinko parlors.



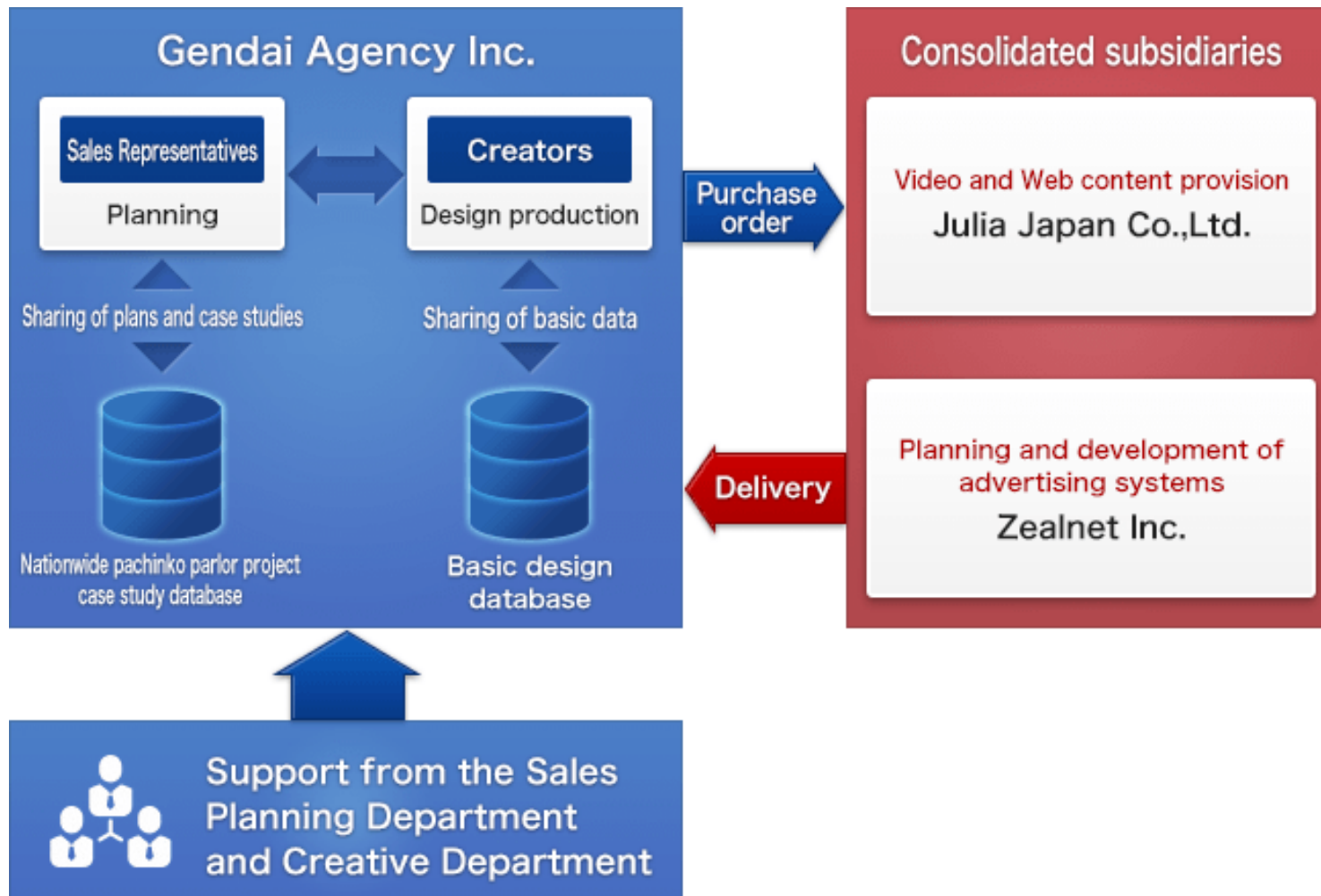
We strengthen relationships with clients and secure continuing business by repeating a cycle of proposal activities designed to more effectively attract customers. We propose appropriate advertising strategies based on a variety of information that reflects a firm grasp of customer needs. We conduct post-project interviews, confirm impact, and apply the findings to future proposals.



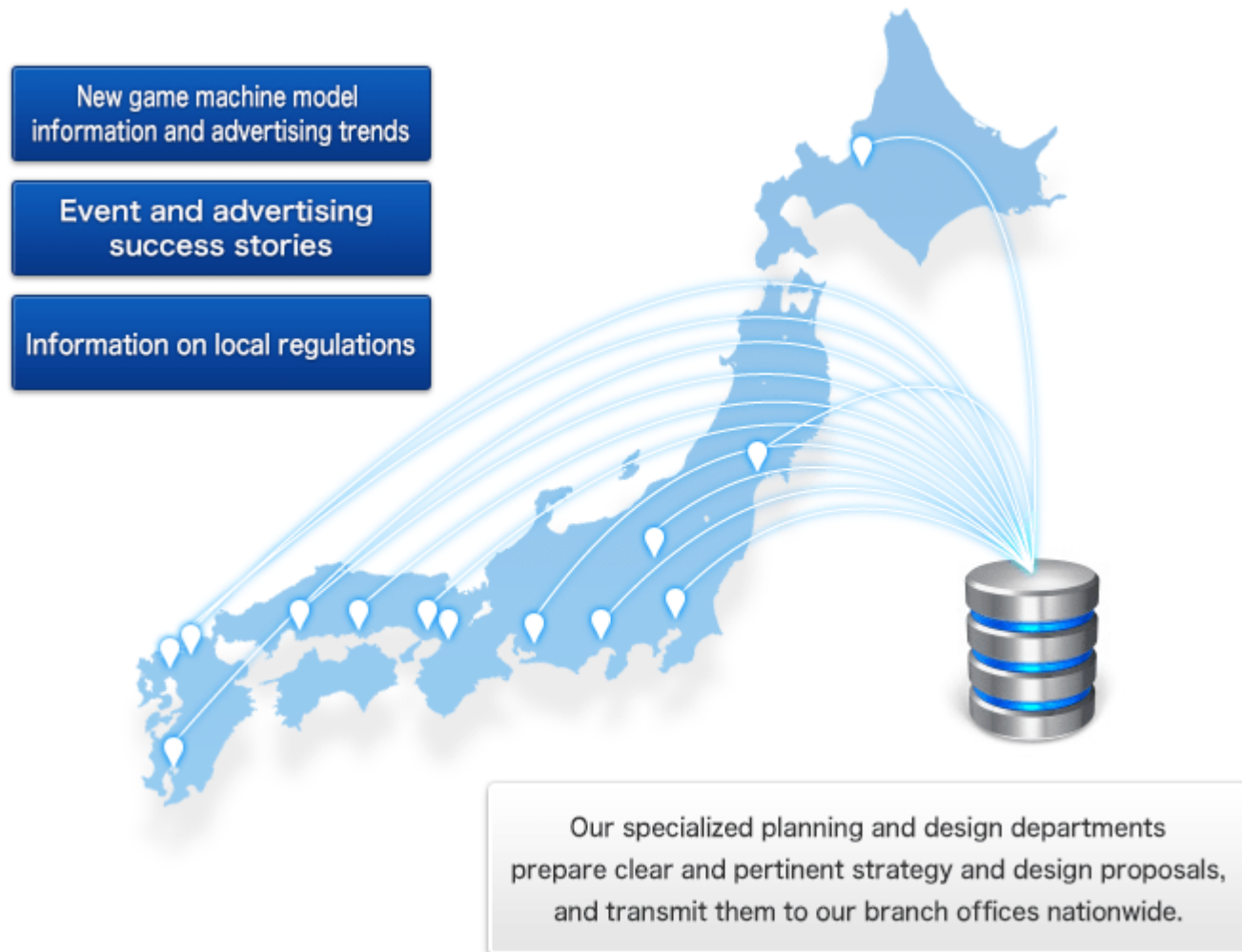
We cooperate with partner companies to offer one-stop supply of advertising materials in wide-ranging genres.



We are preparing a system for the speedy provision of high-quality services through planning, design production, video and Web content production, and the planning and development of advertising systems performed within the Group.



We have the process and system to gather the most recent information on the promotion and operation of pachinko parlors from 20 branch offices and to provide data which has been comprehensively analyzed and tailored to meet the needs of our clients.



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Breadth and depth of information

We specialize in the pachinko industry and are the only agency with a nationwide network. This enables us to propose high-value-added advertising plans based on an exceedingly wide range of information.

Diverse advertising media

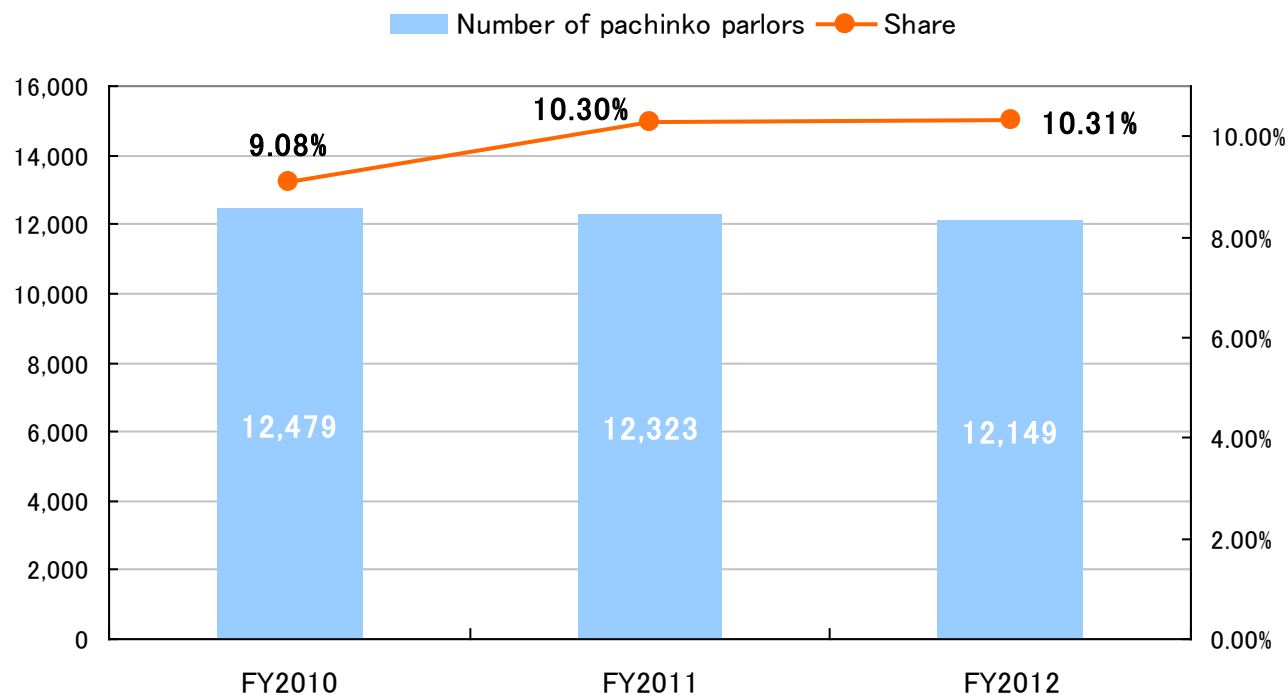
We comprehensively produce complete advertising packages that are ideal for attracting customers to pachinko parlors.

Pursuit of originality

We provide original advertising plans and designs based on promotional strategies uniquely tailored to individual pachinko parlor operators.

Market Share Trend in the Pachinko Parlor Advertising Business (Share based on No. of pachinko parlors that we have contracts with.)

Our group attained a market share of 10.31% and is maintaining its No.1 position in the market. We are working to maintain and steadily increase our market share, despite the current severe business environment.



	FY2010	FY2011	FY2012
Number of pachinko parlors	12,479	12,323	12,149
Share	9.08%	10.30%	10.31%
Advertising expense (billions of yen)	136	136	132 (forecast)

Source: No. pachinko parlors/National Police Agency, Advertising expense /Yano Research Institute Ltd

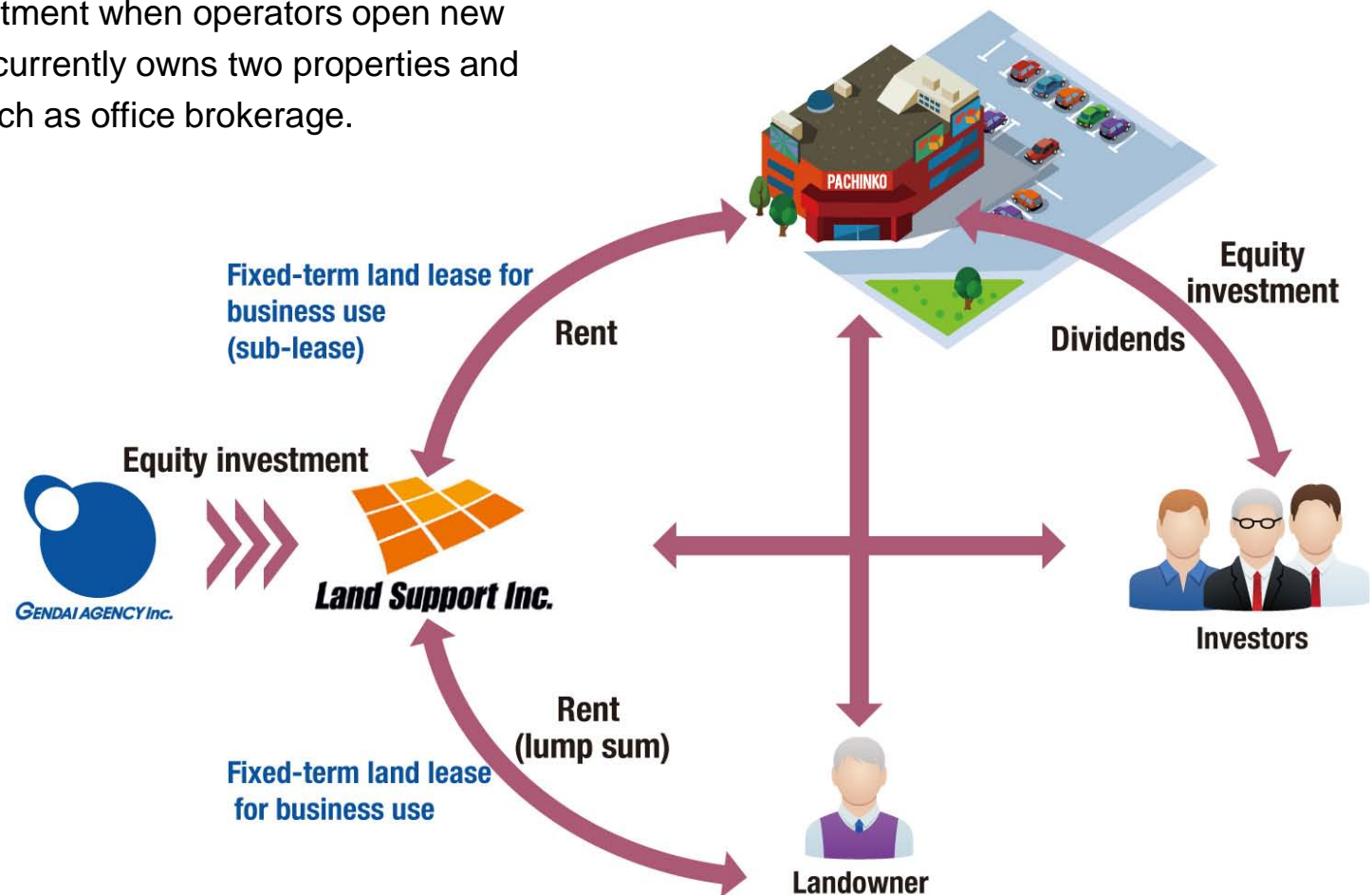
In the advertising industry, to meet client needs accompanying changes in the industry environment, we strive to upgrade and enhance our multifaceted advertising strategies, particularly mobile phone and Web advertising.



Overview of the Real Estate Business

In the Real Estate Business, a fee business focused on leasing, we bring together pachinko parlor operators and landowners.

Subsidiary Land Support Inc. contracts with landowners to lease land for pachinko parlors and leases the land to parlor operators, providing a service to reduce the initial investment when operators open new pachinko parlors. Land Support currently owns two properties and engages in other businesses, such as office brokerage.



Future Activities

- Medium- to Long-term Business Strategy
- Performance Indicators and Basic Policy on Profit Distribution
- Challenges Ahead

To realize sustained growth for the Group, we will continuously pursue added value and productivity in services as the market leader in the pachinko parlor advertising market. We will also seek further share expansion while actively engaging in business development by seeking new business opportunities.



The Group will implement the following measures for realizing its management strategies:

Develop and introduce new contents and services

To support formulation of strategies by pachinko parlors to differentiate themselves from competitors and attract more customers, the Group will enhance the handling of advertisements through Internet-related media and swiftly develop and introduce new contents, with the Sales Planning Development Department, established in April this year, playing a central role.

Increase the number of client parlors

The Group will aim to increase the client acquisition rate by enhancing the quality and volume of advertising proposal activities to pachinko parlor operators planning to open new parlors.

Main print media

+

Other media

Reduce cost through optimization of creative resources

- Rigorously manage revenue by region as well as service.
- Maximize performance with limited human resources by leveraging flexibility of the organization and development of appropriate structures.

We will make steady progress toward achievement of the target performance indicators.

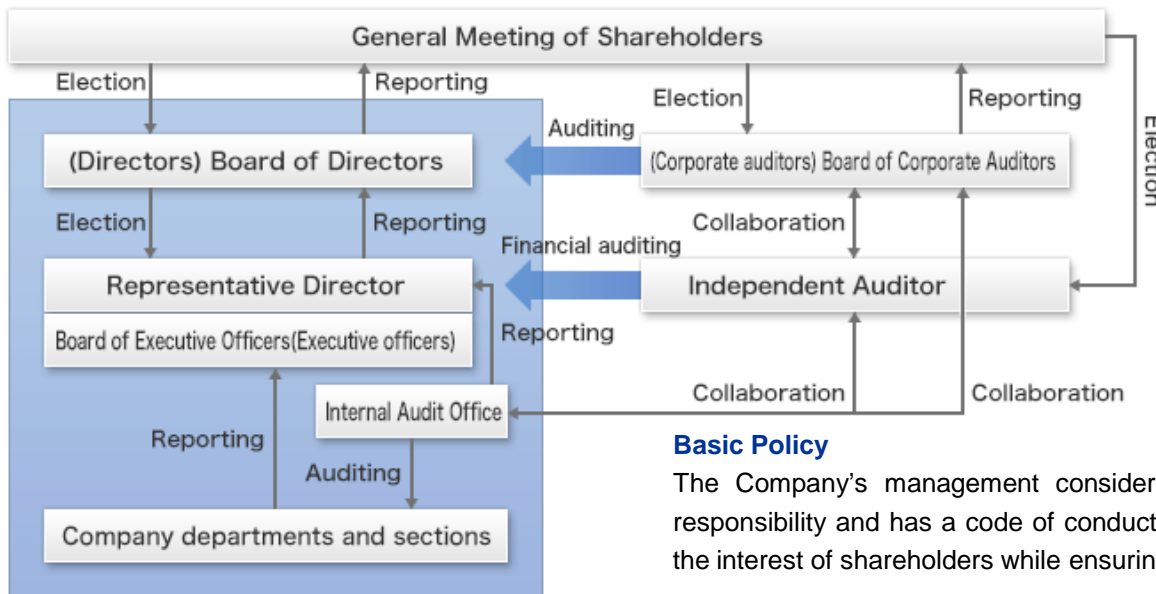
	FY2012	FY2013	FY2014 (Forecast)
Operating margin	9.4%	9.5%	9.4%
EPS	63.23yen	62.35yen	54.82yen
ROE	23.5%	19.9%	-
Total annual dividend (Of which, interim dividend)	4,000yen (0yen)	5,500yen (2,700yen)	28yen (14yen)
Expected consolidated dividend payout ratio	31.6%	44.1%	51.1%

*On April 1, 2013, Gendai Agency conducted a stock split of common shares at a ratio of 200 to one. EPS figures were calculated on the premise that the stock split was conducted at the beginning of the previous fiscal year.

- We will engage in management that emphasizes productivity, added value, and capital efficiency to achieve an operating margin of 10% or higher and ROE of 30% or higher.
- We will maintain a target dividend payout ratio of 50% under a basic policy of maximizing shareholder value.
- We will emphasize capital efficiency improvement and purchase treasury stock when the timing is appropriate.

Corporate Governance, CSR Activities

- Corporate Governance
- CSR Activities



Basic Policy

The Company's management considers sustained growth in shareholder value to be its most important responsibility and has a code of conduct that calls for the practice of corporate activities constantly focused on the interest of shareholders while ensuring management soundness (compliance) and transparency (disclosure).

Board of Directors

The Company decides matters prescribed in laws and regulations and the Articles of Incorporation and important matters of company management prescribed in the Board of Directors Regulations at meetings of the Board of Directors held at least once a month. Since the Company has a small number of full-time directors, routine, frequent communication is possible, and the Company believes the management system makes possible checks and effective oversight of business execution by means of the election of outside directors. The Company has introduced an executive officer system for the purpose of segregating decision making and management oversight from business execution and clearly defining responsibilities. The Board of Executive Officers, consisting of executive officers elected by the Board of Directors, engages in rigorous deliberations and realizes agile business execution.

Board of Corporate Auditors

The corporate auditors regularly attend meetings of the Board of Directors, actively participate in meetings of the Board of Executive Officers and other important internal meetings, and focus on conducting audits to detect violations of the law or the Articles of Incorporation or matters that infringe the interest of shareholders. The Board of Corporate Auditors meets periodically to discuss important matters concerning auditing.

GENDAI AGENCY INC. will endeavor to implement initiatives to promote a sustainable society and economic development, taking into consideration the environment, social responsibility, and corporate governance.



For the Environment

We strive to preserve the natural environment and contribute to the development of society through our business activities.

- For the environment

To conserve resources and energy, we strive for paperless operation in our offices and use eco-cars for company vehicles.



Together with Society

We will engage in activities to ensure development together with our many stakeholders.

- Together with society
- Together with customers
- Together with business partners
- Together with our employees

We engage in activities including monetary donations to repair damage from the Great East Japan Earthquake of 2011, volunteer activities to support affected areas, and participation in the Ecocap Movement to fund vaccines for children around the world, and the introduction of employee assistance programs to promote the mental and physical health of employees.



As a Responsible Company

We engage in various CSR activities as an ongoing concern trusted by society.

- Corporate governance
- Compliance
- Information security
- Risk management

We engage in activities such as the development of a system for the early detection of compliance violations by employees.

Supplemental Information: Industry Overview

- Number of Pachinko Parlors, Number of Installed Game Machines per Pachinko Parlor

Source: National Police Agency

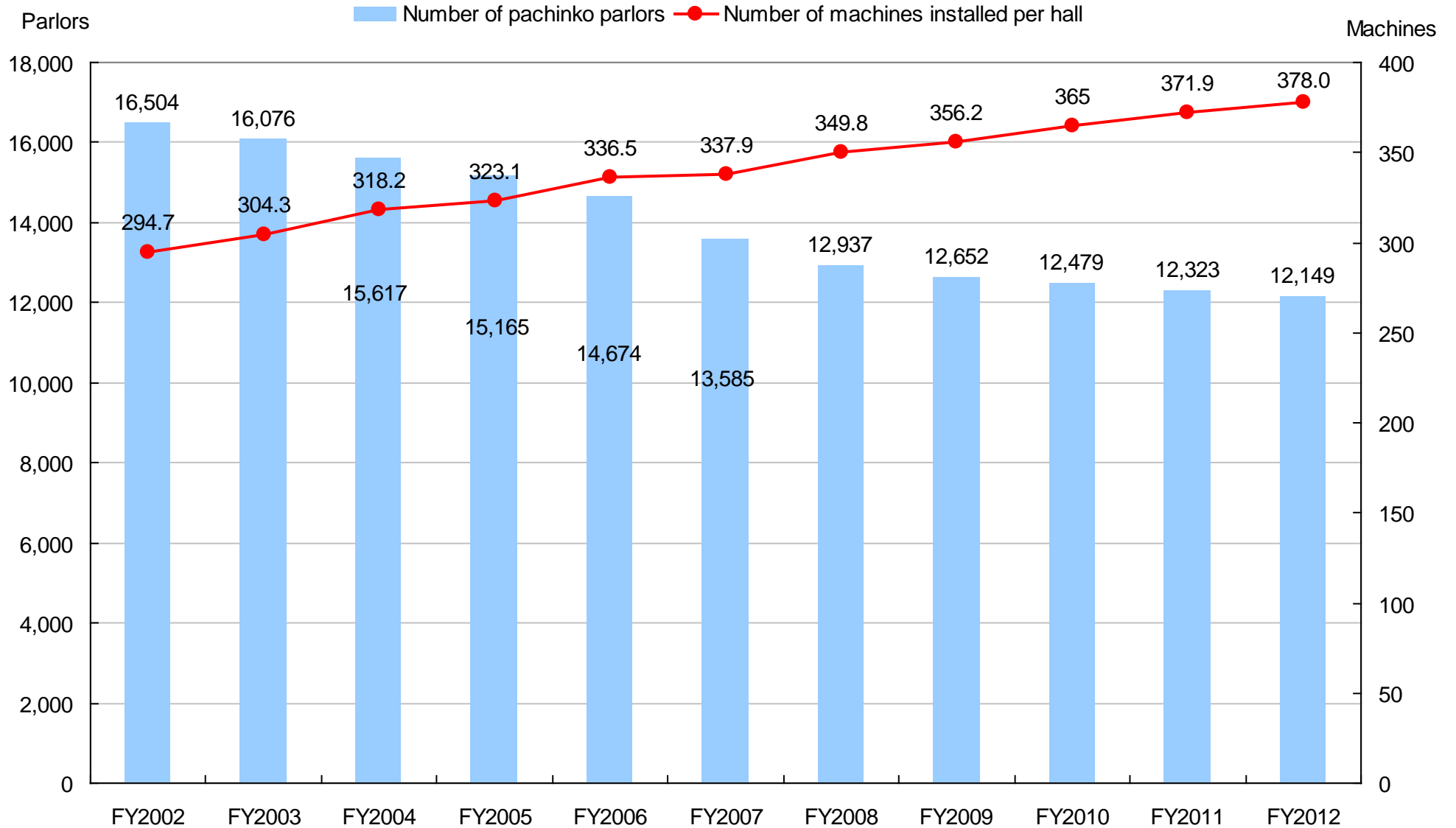
- Number of Installed Game Machines Source: National Police Agency

- Number of Pachinko Parlors by Number of Installed Game Machines

Source: National Police Agency

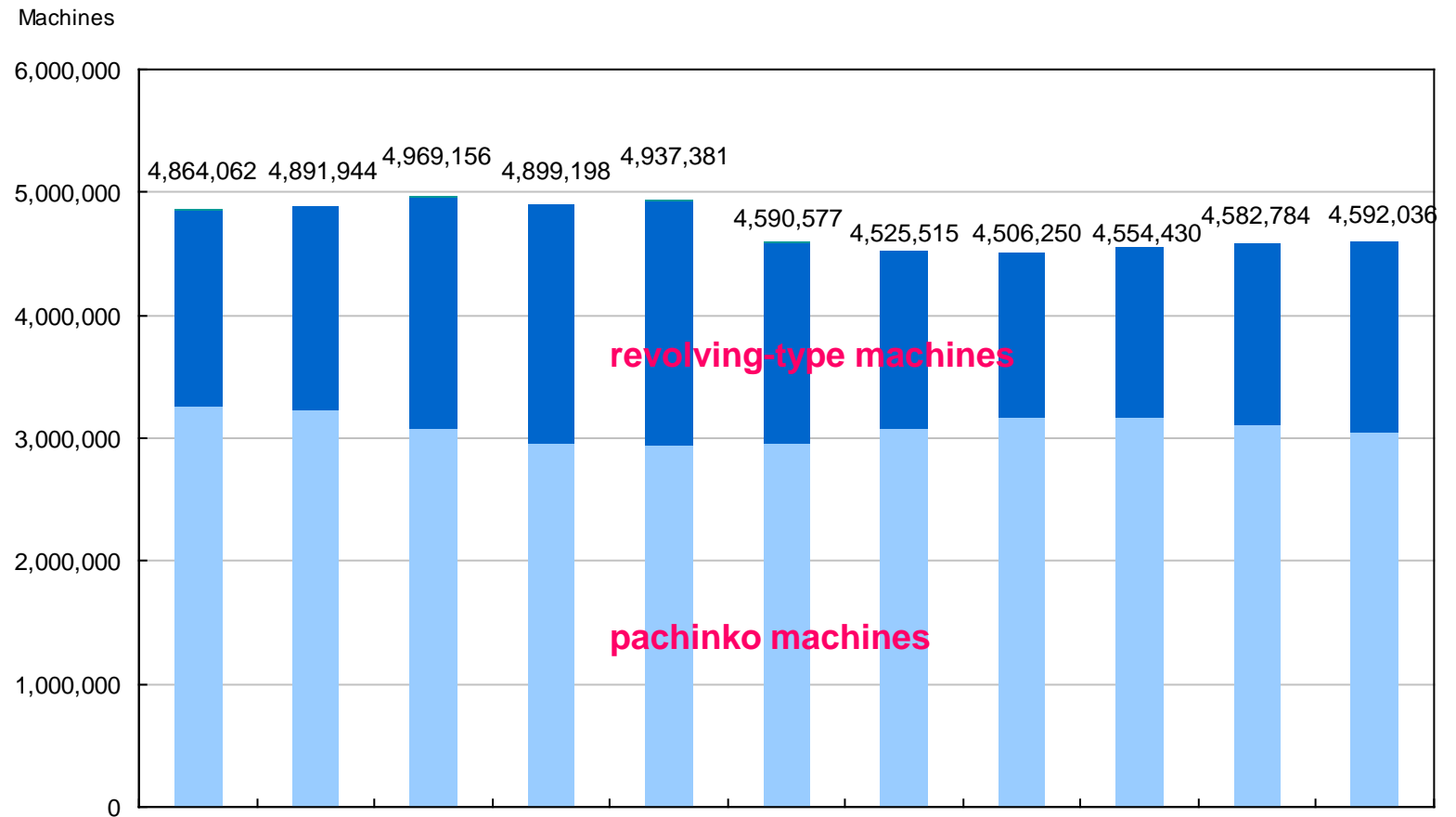
Reference Information: Number of Pachinko Parlors, Number of Installed Game Machines per Pachinko Parlor

Source : National Police Agency



Reference Information: Number of Installed Game Machines

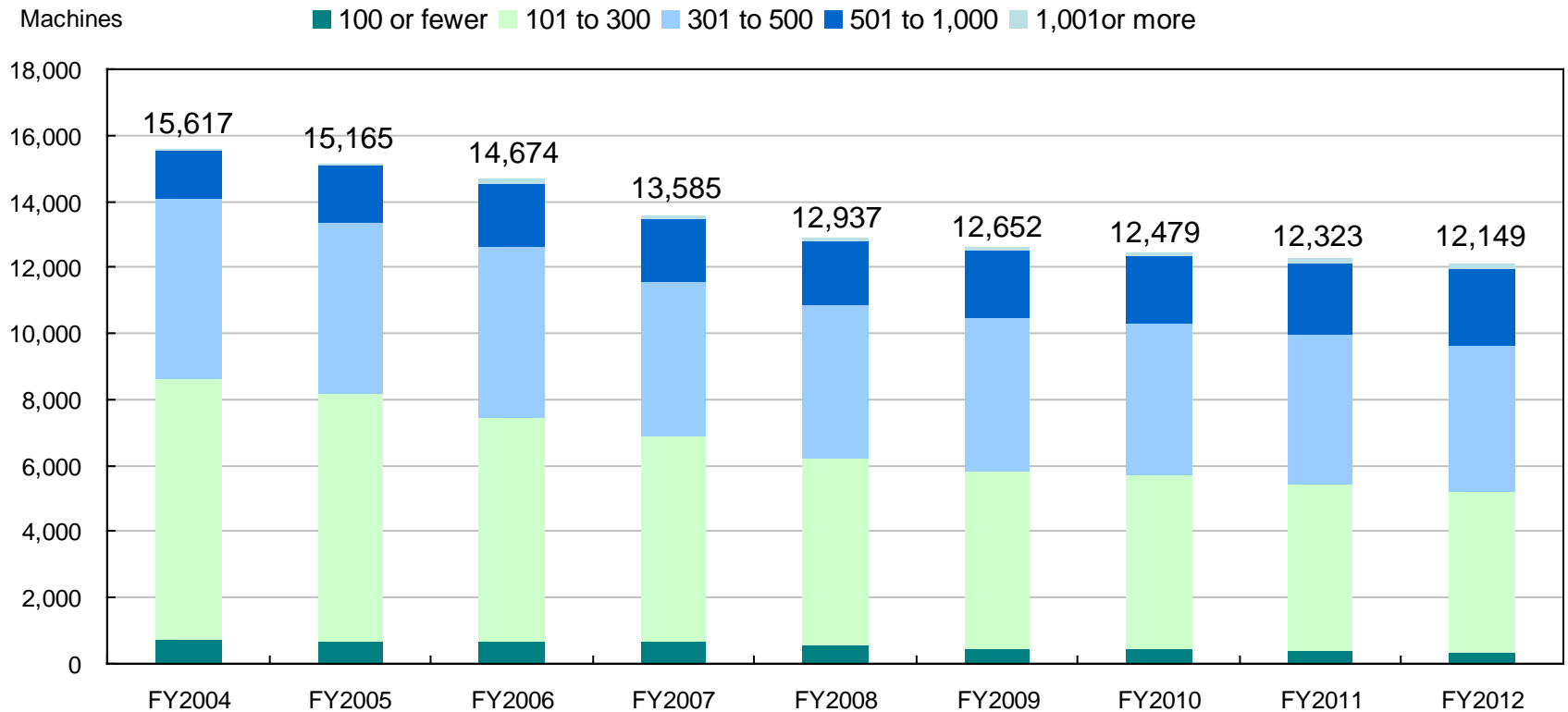
Source : National Police Agency



	FY2002	FY2003	FY2004	FY2005	FY2006	FY2007	FY2008	FY2009	FY2010	FY2011	FY2012
Number of arrange ball and other machines	5,698	3,866	4,380	1,789	947	331	321	275	288	258	241
Number of revolving-type machines	1,606,123	1,660,839	1,887,239	1,936,470	2,003,482	1,635,860	1,448,773	1,347,176	1,390,492	1,474,838	1,549,319
Number of pachinko machines	3,252,241	3,227,239	3,077,537	2,960,939	2,932,952	2,954,386	3,076,421	3,158,799	3,163,650	3,107,688	3,042,476
Total	4,864,062	4,888,078	4,964,776	4,897,409	4,936,434	4,590,246	4,525,194	4,505,975	4,554,142	4,582,526	4,592,036

Reference Information: Number of Pachinko Parlors by Number of Installed Game Machines

Source : National Police Agency



	FY2004	FY2005	FY2006	FY2007	FY2008	FY2009	FY2010	FY2011	FY2012
1,001 or more	86	94	113	103	110	118	139	170	190
501 to 1,000	1,458	1,700	1,955	1,914	1,976	2,069	2,076	2,218	2,355
301 to 500	5,444	5,213	5,153	4,710	4,649	4,627	4,585	4,499	4,411
101 to 300	7,913	7,472	6,800	6,204	5,664	5,374	5,216	5,066	4,853
100 or fewer	716	686	653	654	538	464	463	370	340
Total	15,617	15,165	14,674	13,585	12,937	12,652	12,479	12,323	12,149

Explanation Concerning the Appropriate Use of the Earnings Forecasts and Other Special Notes

These materials contain earnings forecasts and other forward-looking statements. All such forward-looking statements are based on information available to Gendai Agency Inc. as of the date of preparation of these materials and on certain other information that Gendai Agency Inc. believes to be reasonable. Actual business results and other outcomes may differ materially from those expressed or implied by forward-looking statements.

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