



FOR IMMEDIATE RELEASE

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ASATSU-DK revises down Q2 and FY 2010 Forecasts

Based on the recent business development, ASATSU-DK (“ADK”) hereby revises the consolidated and non-consolidated forecasts of the Q2 and FY 2010 as in the tables below:

Table 1. Revised Consolidated Forecast of the first six months of FY 2010

(From Jan. 1, 2010 through Jun. 30, 2010) (Unit: Million JPY, except for per share data)

	Gross Billings	Operating Income	Recurring Profits	Net Income	EPS(Yen)
Previous Forecast (A) (Announced on Feb. 12, 2010)	170,000	0	1,200	(800)	(18.79)
Revised Forecast (B)	168,497	(1,485)	(132)	(1,868)	(44.17)
Variance(B-A)	(1,503)	(1,485)	(1,332)	(1,068)	
Change ratio (%)	(0.9)	—	—	—	
(Ref.: Actual results of the first six months in FY 2009)	177,481	(45)	1,169	389	9.10

Table 2. Revised Consolidated Forecast of FY 2010

(From Jan. 1, 2010 through Dec. 31, 2010) (Unit: Million JPY, except for per share data)

	Gross Billings	Operating Income	Recurring Profits	Net Income	EPS(Yen)
Previous Forecast (A) (Announced on Feb. 12, 2010)	356,000	1,300	3,000	100	2.35
Revised Forecast (B)	354,000	0	1,900	(2,500)	(59.22)
Variance(B-A)	(2,000)	(1,300)	(1,100)	(2,600)	
Change ratio (%)	(0.6)	(100.0)	(36.7)	—	
(Ref.: Actual results of FY 2009)	350,211	(756)	1,094	73	1.73

Table 3. Revised Non-consolidated Forecast of the first six months of FY 2010

(From Jan. 1, 2010 through Jun. 30, 2010) (Unit: Million JPY, except for per share data)

	Gross Billings	Operating Income	Recurring Profits	Net Income	EPS(Yen)
Previous Forecast (A) (Announced on Feb. 12, 2010)	151,000	(100)	1,100	2,700	63.40
Revised Forecast (B)	150,690	(1,881)	(650)	1,432	33.85
Variance(B-A)	(310)	(1,781)	(1,750)	(1,268)	
Change ratio (%)	(0.2)	—	—	(47.0)	
(Ref.: Actual results of the first six months in FY 2009)	159,937	184	1,313	351	8.21

Table 4. Revised Non-consolidated Forecast of FY 2010

(From Jan. 1, 2010 through Dec. 31, 2010) (Unit: Million JPY, except for per share data)

	Gross Billings	Operating Income	Recurring Profits	Net Income	EPS(Yen)
Previous Forecast (A) (Announced on Feb. 12, 2010)	314,000	600	2,200	3,300	77.49
Revised Forecast (B)	314,000	(900)	700	700	16.58
Variance(B-A)	0	(1,500)	(1,500)	(2,600)	
Change ratio (%)	0.0	—	(68.2)	(78.8)	
(Ref.: Actual results of FY 2009)	310,970	(1,267)	449	(498)	(11.66)

Reasons of revision

During the first six months of FY 2010, while the domestic Japanese advertising markets remained stagnant, the ADK group strived hard to generate gross billings by not only increasing domestic market share but also enhancing overseas client base. However, the ADK group revises down its forecast of gross billings of the period as shown in the **Table 1** above.

Because of limited profitability due to smaller demands at the markets and harder competition, and because of stricter valuation of work-in-progress, the parent company forecasts smaller than previously forecasted gross profits. Accordingly, consolidated gross profits are re-forecasted at ¥ 19,841 million, or down by 3.7%. Gross margin ratio forecast is 11.8%, compared with 12.0% in H1 of 2009. Consolidated basis operating expenses are forecasted to be at the same level as in H1 2009, since a small increase in staff cost will be off set by a reduction in other operating expenses. Accordingly, due to a large decrease in gross profits, the ADK group forecast operating loss of ¥ 1,485 million. With larger than in H1 2009 equity in earnings of affiliates-net, non-operating income will be ¥ 1,353 million and recurring loss will be ¥ 132 million. With net

extraordinary loss of ¥ 2,512 million, Consolidated net income for the six months ended on Jun. 30, 2010 will be ¥ 1,868 million as shown in **Table 1** above.

ADK does not expect there would be significant changes in its forecasts of gross billings, gross profits, operating income and recurring profits. However, as separately announced today, ADK will introduce an Early Retirement Program in Q4 2010, aiming at reduction of up to 100 headcounts with maximum ¥ 2,200 million in additional severance benefits, an extraordinary loss. This program is to improve profitability of the company by curtailing fixed cost, and is a key strategy together with its aggressive measures to respond to digitalization of media and globalization of clients and competition. As a result, ADK revises down its consolidated FY 2010 forecasts as shown in **Table 2** above. Gross Profits forecast is revised down to ¥ 42,300 million, or 1.9% smaller than the previous forecast. The revised gross margin ratio is 11.9%, while the actual in FY 2009 was 11.8%. For the investors' information, non-operating income and net extraordinary loss for the full year 2010 are now re-forecasted at ¥ 1,900 million and ¥ 5,050 million, respectively. Loss per share forecast for the FY 2010 is forecasted at ¥ 59.22.

Likewise, non-consolidated forecasts are revised down as in the **Tables 3 and 4**. Forecasts of Gross Profits for the first six months and the Full year of 2010 are revised to ¥ 14,761 million (down by 6.9% from the previous forecast) and ¥ 31,950 million (down by 3.2% from the previous forecast). After the revisions, gross margin ratios for the aforesaid periods are re-forecasted at 9.8% (compared with actual result of 10.5% in H1 2009) and 10.2% (10.2% in FY 2009).

ADK maintains its forecast of annual dividend per share at ¥ 20, or a minimum annual dividend per share.

The actual consolidated results for the six months ended Jun. 30, 2010 will be announced on August 11, 2010.

Note:

This announcement may contain forward-looking statements based on ADK management's view and assumptions of future development as of the date of such statements. The foregoing statements are inherently subject to risks and uncertainties that could lead to material differences between such statements and actual outcomes. Therefore, ADK does not warrant any certainty and accuracy thereto. ADK also expressly disclaims any obligation to update or revise its forward-looking statements.

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