

Overview of 1st Quarter Results (Consolidated and Non-consolidated) for the Year Ending December 31, 2005

May 16, 2005

Company Name : **Asatsu-DK Inc.** Exchange: Tokyo Stock Exchange First Section
 Securities Code : 9747 Location of Head Office: Tokyo
 URL : <http://www.adk.jp/english/ir/index.html>
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 Name of Parent or Other Related Company : WPP Group plc (code number : WPP/LSE, WPPGY/Nasdaq NM)
 Attribute of Parent or Other Related Company : Other Related Company, for which the reporting company is an equity method affiliate.
 Share of voting rights owned by such Other Related Company : 21.4 % as of December 31, 2004

1. Matters Concerning the Compilation of the Overview of Quarterly Results.

1) Is any simplified accounting treatment adopted? : Yes.

On non-consolidated basis, the company calculated income tax expense by a simplified method, where income tax expense is a product of non-consolidated income before income taxes multiplied by expected income tax rate for the year. Such figure is used as the company's income tax expense for the consolidated income statements, too.

2) Is there any variance in the accounting treatment from the most recent accounting year? : No

3) Is there any variance in range of consolidation and equity method companies? : No

2. The First Three Months Consolidated Results for the Year Ending December 31, 2005 (From Jan.1, 2005 to Mar.31, 2005)

(1) Operating Results

(Unit: millions of yen, Rounded down under 1million yen)

	Gross Billings		Operating Income		Recurring Profit	
	(millions of yen)	(%)	(millions of yen)	(%)	(millions of yen)	(%)
Three months ended Mar. 31, 2005	109,413	7.2	2,084	13.9	2,504	10.3
Three months ended Mar. 31, 2004	102,083	3.7	2,422	32.0	2,793	-
(Ref.) Fiscal 2004	413,898		8,260		10,257	

	Net Income		Net Income per Share
	(millions of yen)	(%)	(yen)
Three months ended Mar. 31, 2005	1,449	2.9	29.91
Three months ended Mar. 31, 2004	1,408	-	28.51
(Ref.) Fiscal 2004	5,181		103.25

(Notes) 1. Percentages shown for Gross Billings, Operating Income, Recurring Profit and Net Income represent increase/decrease from those in the corresponding period of the previous year.

2. As the Group reported its quarterly results of only Gross Billings and Operating Income in 1Q 2003, 1Q 2004 results of Recurring Profit and increase/decrease are not available.

[Supplementary Notes on the Consolidated Results]

During the first three months of 2005, the Japanese economy somehow kept slow but sustaining growth as in the last year, thanks to expanding overseas economies and recoveries of investments by the corporate sector. However, considering still weak consumption by the household sector as a whole, ongoing deflationary trend of wholesale and consumer prices, and even lower long-term interest rates, we would view that the Japanese economy enters into a very slow, even though seemingly long-lasting, growth phase of the cycle. In the advertising industry, although the advertising billings increased year-on-year, competition among the major advertising companies kept intensified.

Under the business environment, the ADK Group kept striving harder with its corporate philosophy of "Management by All" to generate revenues by offering 360-degree touch point approach to advertisers, and performed as below :

(Advertising Business Segment)

Gross billings of the parent company to advertisers in Government/Organizations, Cosmetics/Toiletries, Distribution/Retail, Transportation/Leisure, and Other Services grew and the segment out-of-group gross billings during the quarter increased to JPY 107,329 million (before elimination between segments). However, because of the pressures of intensified competition, rising prices of TV spots due to larger demands, slightly smaller revenues from high-margin animation contents, in spite of the efforts to reduce Selling, General and Administrative Expenses, Operating Income was JPY 2,155 million (before elimination between segments, 6.6% y-o-y decline).

(Other Business Segment)

Our publication business continued to suffer from the sluggish growth of market demands and higher-than expected product returns. As a result the segment ended up with out-of-group gross billings during the quarter of JPY 2,083 million and Operating Loss of JPY 69 million (before elimination between segments). The information processing service business kept to generate solid sales and profits.

As a result, the ADK Group achieved JPY 109,413 million (7.2% y-o-y growth) Gross Billings for the quarter, JPY 11,731 million (6.8% y-o-y decline) Gross Profit. In spite of the smaller Selling, General and Administrative Expenses of JPY 9,647 million (5.0% y-o-y decline), Operating Income ended at JPY 2,084 million (13.9% y-o-y decline). Recurring Profit was JPY 2,504 million. Income before Income Taxes and Minority Interests was JPY 2,489 million, and Net Income was JPY 1,449 million (2.9% y-o-y growth).

(2) Consolidated Financial Position

	Total Assets	Shareholders' Equity	Shareholders' Equity Ratio	Shareholders' Equity per Share
	(millions of yen)	(millions of yen)	(%)	(yen)
Mar. 31, 2005	245,676	126,591	51.5	2,612.39
Mar. 31, 2004	233,171	122,636	52.6	2,481.30
(Ref.) Dec.31, 2004	238,900	123,894	51.9	2,554.78

[Supplementary Notes on the Consolidated Financial Condition]

As of March 31, 2005, Total Asset increased to JPY 245,676 million or JPY 6,775 million increases from December 31, 2004, mainly because Investment Securities balance grew by JPY 4,676 million due to higher market prices. Total Liabilities was JPY 117,857 million or JPY 4,060 million increases from the end of fiscal 2004 mainly because of larger notes and accounts payable-trade by JPY 4,259 million. Minority Interest was JPY 1,227 million. Shareholders' Equity was JPY 126,591 million, larger than December 31, 2004 balance by JPY 2,697 million, mainly due to increase in Unrealized gains on a available-for-sale securities by JPY 1,880 million.

(Reference) The First Three Months Non-consolidated Results for the Year Ending December 31, 2004

(From Jan.1, 2005 to Mar.31, 2005)

(1) Operating Results

(Unit: millions of yen, Rounded down under 1million yen)

	Gross Billings		Operating Income		Recurring Profit	
	(millions of yen)	(%)	(millions of yen)	(%)	(millions of yen)	(%)
Three months ended Mar. 31, 2005	101,002	7.7	1,930	11.9	2,289	8.0
Three months ended Mar. 31, 2004	93,823	5.3	2,190	44.0	2,488	-
(Ref.) Fiscal 2004	373,897		7,387		8,990	

	Net Income		Net Income per Share
	(millions of yen)	(%)	(yen)
Three months ended Mar. 31, 2005	1,322	2.5	27.29
Three months ended Mar. 31, 2004	1,290	-	26.10
(Ref.) Fiscal 2004	4,655		93.04

(2) Financial Position

	Total Assets	Shareholders' Equity	Shareholders' Equity Ratio	Shareholders' Equity per Share
	(millions of yen)	(millions of yen)	(%)	(yen)
Mar. 31, 2005	219,580	112,929	51.4	2,330.49
Mar. 31, 2004	208,120	109,732	52.7	2,220.21
(Ref.) Dec.31, 2004	211,874	110,342	52.1	2,275.59

3. Forecast of Consolidated and Non-consolidated Fiscal 2005 (January 1 to December 31, 2005)

Without any major changes in Japanese economy and the advertising market so far, we maintain the consolidated and unconsolidated fiscal 2005 forecasts as reported on February 15, 2005.

A Cautionary Note on Forward-looking Statements:

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

Asatsu-DK Inc. and Consolidated Subsidiaries

Consolidated Balance Sheets

March 31, 2005

(Unaudited and before reclassifications and rearrangements)

Millions of Yen

Millions of Yen

	March 31, 2005	March 31, 2004	December 31, 2004		March 31, 2005	March 31, 2004	December 31, 2004
<u>ASSETS</u>				<u>LIABILITIES</u>			
CURRENT ASSETS				CURRENT LIABILITIES			
1. Cash and time deposits	23,426	23,733	22,749	1. Notes and accounts payable-trade	94,583	89,048	90,324
2. Notes and accounts receivable-trade	105,943	95,893	105,237	2. Short-term debts	613	671	773
3. Marketable securities	9,735	16,669	10,377	3. Accrued bonuses to employees	1,513	2,113	1,818
4. Inventories	8,483	8,168	6,939	4. Allowance for sales returns	776	688	893
5. Other current assets	3,329	3,172	3,196	5. Other current liabilities	7,259	6,126	7,804
6. Allowance for doubtful accounts	(645)	(708)	(709)	Total current liabilities	104,746	98,648	101,614
Total current assets	150,272	146,928	147,790	LONG-TERM LIABILITIES			
FIXED ASSETS				1. Bonds	500	500	500
1. Tangible fixed assets	4,256	5,534	4,290	2. Long-term debts	226	567	228
2. Intangible fixed assets	2,347	2,721	2,483	3. Accrued retirement benefits	4,247	3,931	4,724
3. Investments and other assets				4. Accrued retirement benefits to directors and corporate auditors	630	662	617
(1) Investment securities	79,197	70,133	74,520	5. Other long-term liabilities	7,507	5,006	6,112
(2) Other assets	11,288	9,927	11,364	Total long-term liabilities	13,110	10,669	12,182
(3) Allowance for doubtful accounts	(1,685)	(2,074)	(1,549)	TOTAL LIABILITIES	117,857	109,317	113,796
Total investments and other assets	88,800	77,986	84,335	MINORITY INTERESTS	1,227	1,217	1,209
Total fixed assets	95,403	86,242	91,109	SHAREHOLDERS' EQUITY			
				Common stock	37,581	37,581	37,581
				Capital surplus	40,607	40,607	40,607
				Retained earnings	40,158	36,009	39,336
				Unrealized gain on available-for-sale securities	15,959	13,530	14,078
				Foreign currency translation adjustments	98	(168)	99
				Treasury stock-at cost	(7,814)	(4,923)	(7,810)
				SHAREHOLDERS' EQUITY-NET	126,591	122,636	123,894
TOTAL ASSETS	245,676	233,171	238,900	TOTAL LIABILITIES, MINORITY INTERESTS AND SHAREHOLDERS' EQUITY	245,676	233,171	238,900

Asatsu-DK Inc. and Consolidated Subsidiaries

Consolidated Income Statements

Three Months Ended March 31, 2005

(Unaudited and before reclassifications and rearrangements)

Millions of Yen

	Three Months Ended March 31, 2005	Three Months Ended March 31, 2004	Year Ended December 31, 2004
GROSS BILLINGS	109,413	102,083	413,898
COST OF SALES	97,681	89,500	364,819
GROSS PROFIT	11,731	12,582	49,079
SELLING, GENERAL AND ADMINISTRATIVE EXPENSES			
1. Salaries	4,078	3,923	20,133
2. Provision for bonus expenses	1,289	1,894	1,669
3. Provision for pension benefits	394	422	1,852
4. Rent expenses	909	951	3,739
5. Other expenses	2,976	2,967	13,425
Total selling, general and administrative expenses including others	9,647	10,160	40,819
OPERATING INCOME	2,084	2,422	8,260
NON - OPERATING INCOME			
1. Interest income	96	40	327
2. Dividend income	27	17	936
3. Equity in earnings of affiliated companies-net	68	77	350
4. Other income	249	260	718
Total non-operating income including others	441	395	2,332
NON - OPERATING EXPENSES			
1. Interest expenses	12	15	41
2. Other expenses	8	9	293
Total non-operating expenses including others	20	24	335
RECURRING PROFIT	2,504	2,793	10,257
EXTRAORDINARY PROFITS	171	34	1,120
EXTRAORDINARY LOSSES	186	91	1,937
INCOME BEFORE INCOME TAXES AND MINORITY INTERESTS	2,489	2,735	9,440
INCOME TAXES	1,024	1,317	4,206
MINORITY INTERESTS IN NET INCOME	15	9	53
NET INCOME	1,449	1,408	5,181

Asatsu-DK Inc. and Consolidated Subsidiaries

Segment Information

(Unaudited and before reclassifications and rearrangements)

Three Months Ended March 31, 2005

Millions of Yen

	Advertising	Others	Total	Eliminations or Corporate	Consolidated
GROSS BILLINGS					
(1) Billings to out-of-group customers	107,329	2,083	109,413	-	109,413
(2) Inter-segment billings	91	31	123	(123)	-
Total billings	107,421	2,115	109,536	(123)	109,413
Operating expenses	105,265	2,184	107,450	(120)	107,329
Operating income	2,155	(69)	2,086	(2)	2,084

Three Months Ended March 31, 2004

Millions of Yen

	Advertising	Others	Total	Eliminations or Corporate	Consolidated
GROSS BILLINGS					
(1) Billings to out-of-group customers	99,675	2,408	102,083	-	102,083
(2) Inter-segment billings	71	16	88	(88)	-
Total billings	99,746	2,425	102,171	(88)	102,083
Operating expenses	97,439	2,284	99,724	(63)	99,661
Operating income	2,306	140	2,447	(25)	2,422

Asatsu-DK Inc.**Non-consolidated****Balance Sheets****March 31, 2005**

(Unaudited and before reclassifications and rearrangements)

Millions of Yen

Millions of Yen

	March 31, 2005	March 31, 2004	December 31, 2004		March 31, 2005	March 31, 2004	December 31, 2004
<u>ASSETS</u>				<u>LIABILITIES</u>			
CURRENT ASSETS				CURRENT LIABILITIES			
1. Cash and time deposits	13,555	13,980	13,174	1. Notes payable-trade	24,691	25,007	23,209
2. Notes receivable-trade	9,969	11,928	10,000	2. Accounts payable-trade	65,155	59,380	60,861
3. Accounts receivable-trade	86,240	74,067	82,978	3. Other current liabilities	5,324	5,301	6,891
4. Marketable securities	9,344	16,366	10,247	Total current liabilities	95,170	89,688	90,962
5. Inventories	6,306	6,452	5,648	LONG-TERM LIABILITIES			
6. Other current assets	2,740	3,055	2,701	1. Accrued retirement benefits	3,432	3,117	3,933
7. Allowance for doubtful accounts	(559)	(603)	(627)	2. Accrued retirement benefits to directors and corporate auditors	630	662	617
Total current assets	127,597	125,248	124,123	3. Other long-term liabilities	7,416	4,919	6,018
FIXED ASSETS				Total long-term liabilities	11,479	8,699	10,569
1. Tangible fixed assets	2,249	3,166	2,285	TOTAL LIABILITIES	106,650	98,388	101,532
2. Intangible fixed assets	2,137	2,447	2,262	<u>SHAREHOLDERS' EQUITY</u>			
3. Investments and other assets				Common stock	37,581	37,581	37,581
(1) Investment securities	79,797	70,856	75,190	Capital surplus	40,607	40,607	40,607
(2) Other assets	9,360	8,219	9,427	Retained earnings	27,272	23,632	26,553
(3) Allowance for doubtful accounts	(1,561)	(1,817)	(1,414)	Unrealized gain on available-for-sale securities	15,283	12,834	13,410
Total investments and other assets	87,595	77,258	83,202	Treasury stock-at cost	(7,814)	(4,923)	(7,810)
Total fixed assets	91,982	82,872	87,751	SHAREHOLDERS' EQUITY-NET	112,929	109,732	110,342
TOTAL ASSETS	219,580	208,120	211,874	TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	219,580	208,120	211,874

Asatsu-DK Inc.

Non-consolidated

Income Statements

Three Months Ended March 31, 2005

(Unaudited and before reclassifications and rearrangements)

Millions of Yen

	Three Months Ended March 31, 2005	Three Months Ended March 31, 2004	Year Ended December 31, 2004
GROSS BILLINGS	101,002	93,823	373,897
COST OF SALES	91,383	83,339	333,536
GROSS PROFIT	9,619	10,484	40,360
SELLING, GENERAL AND ADMINISTRATIVE EXPENSES	7,688	8,293	32,973
OPERATING INCOME	1,930	2,190	7,387
NON - OPERATING INCOME	361	300	1,761
NON - OPERATING EXPENSES	2	2	157
RECURRING PROFIT	2,289	2,488	8,990
EXTRAORDINARY PROFITS	169	29	930
EXTRAORDINARY LOSSES	133	13	1,390
INCOME BEFORE INCOME TAXES	2,325	2,505	8,531
INCOME TAXES	1,003	1,215	3,875
NET INCOME	1,322	1,290	4,655