



## Overview of 1st Quarter Results for the Year Ending December 31, 2010

May 12, 2010

Company Name : **ASATSU-DK INC.** Exchange : Tokyo Stock Exchange First Section  
 Securities Code : 9747 URL : <http://www.adk.jp/english/ir/index.html>  
 Representative : Yoji Shimizu, President and COO  
 Contact Person : Kiyohiko Abe, Department Director, Finance Department, Finance Unit Tel. +81-3-3547-2654  
 Inquiries in English : Yasuhiro Oshimo, Deputy Unit Director, Finance Unit. Tel. +81-3-3547-2654

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

### 1. The First Three Months Consolidated Results ( January 1, 2010 to March 31, 2010 )

#### (1) Consolidated Operating Results

	Gross Billings		Operating Income		Recurring Profit		Net Income	
	(millions of yen)	(%)	(millions of yen)	(%)	(millions of yen)	(%)	(millions of yen)	(%)
3 months ended Mar. 31, 2010	82,758	(9.3)	1,069	—	2,038	467.2	243	146.0
3 months ended Mar. 31, 2009	91,267	—	21	—	359	—	99	—

	Net Income per Share	Fully Diluted Net Income per Share
	(yen)	(yen)
3 months ended Mar. 31, 2010	5.75	5.74
3 months ended Mar. 31, 2009	2.31	2.30

(Notes) 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) Consolidated Financial Position

	Total Assets	Net Assets	Shareholder's Equity Ratio	Net Assets per share
	(millions of yen)	(millions of yen)	(%)	(yen)
Mar. 31, 2010	191,873	108,062	55.8	2,541.61
Dec. 31, 2009	190,024	107,465	56.0	2,499.05

(Reference) Shareholders' equity Mar. 31. 2010 107,061million yen Dec. 31. 2009 106,423million yen

### 2. Dividend Information

	Dividend per Share (Yen)		
	interim	year-end	Full-year
	(yen)	(yen)	(yen)
Fiscal 2009 ( Actual )	10.00	10.00	20.00
Fiscal 2010 ( Forecast )	10.00	10.00	20.00

(Notes) We do not revise the forecast for the interim and fiscal 2010 consolidated results as announced on February 12, 2010.

### 3. Forecast of Consolidated Fiscal 2010 ( January 1, 2010 to December 31, 2010)

	Gross Billings		Operating Income		Recurring Profit		Net Income		Net Income per share
	(millions of yen)	(%)	(millions of yen)	(%)	(millions of yen)	(%)	(millions of yen)	(%)	(yen)
Interim	170,000	(4.2)	0	—	1,200	2.6	(800)	—	(18.92)
Full-year	356,000	1.7	1,300	—	3,000	174.1	100	35.5	2.37

(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. We do not revise the forecast for the interim and fiscal 2010 consolidated results as announced on February 12, 2010.

4.Others

- (1) Changes in the Scope of Consolidation and Application of the Equity Method by the significant subsidiaries ? : No.
- (2) Is any simplified accounting treatment adopted ? : Yes.  
For details, see the Supplemental Note “4.Others (2)” on the page 7.
- (3) Is there any accounting treatment particular to the quarterly financial statements? : No.
- (4) Is there any change in accounting standards for quarterly financial reporting? : No.
- (5) 1. Number of outstanding stocks (including treasury stock) issued, end of term :  
at March 31, 2010 : 45,155,400 shares, at December 31, 2009 : 45,155,400 shares,  
2. Number of treasury stock, end of term :  
at March 31, 2010 : 3,031,961 shares, at December 31, 2009 : 2,569,867 shares,  
3. Avg. number of shares (consolidated) outstanding during the terms ended :  
at March 31, 2010 : 42,461,988 shares, at March 31, 2009 : 43,003,413 shares,  
For details, see the Supplemental Note “4.Others (4)” on the page 8.

**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. The foregoing statements are inherently subject to risks and uncertainties that could lead to material differences between such statements and actual outcomes.

Therefore, 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.

Please visit the web site for the announcements.

[Supplementary Notes on the Consolidated Results]

1. Overview of Operating Results

During the first three months of 2010, the Japanese economy started to show some signs of growth, such as improvements in corporate profitability pushed by exports, and recovery in individual consumption induced by the government's stimulus package. However, some critics worry that recoveries are only temporary and state it would be more likely to see recovery after the deep recession we suffered. Besides, it is likely that a deflationary environment will continue because of a weak labor market, excess inventory, cheap imported goods, and the like.

In the advertising markets in Japan, demands, especially those of traditional mass-media are still weak as clients are under pressure to control investments in communications. In order to deal with these challenging market conditions, the ADK group worked hard to respond positively by taking advantage of its 360-degree communications programs and by redefining itself as a Future Agency, focusing on client needs. However, during the period, the group continued to struggle and generated smaller gross billings than in 2009, but the group's operating profitability improved thanks to the continued control of operating expenses.

The ADK group reported gross billings of ¥ 82,758 million (9.3% y-o-y decline), gross profits of ¥ 11,184 million (0.2% y-o-y decline), and operating income of ¥ 1,069 million (4,878.5% y-o-y rise). Details follow in the segment information. Equity in profit of affiliated companies-net was ¥ 57 million (¥ 10 million loss in the first three months in 2009), because Digital Advertising Consortium Inc. ("DAC"), an internet advertising media representative company, reported larger gross billings and profits, and ADK disposed of all of its stocks in Nippon Information Industry Corp. (NII), which had been an equity-method affiliate and reported net loss in the first three months in 2009.

Non-Operating Income increased because one of the large investments accelerated its dividend payments. Recurring profits were ¥ 2,038 million (467.2% y-o-y rise). The group reported ¥32 million extraordinary profits. However, the group also reported ¥ 1,028 million extraordinary losses mainly because of the loss on sale of investment securities, including those in NII as mentioned above. Profits before income tax and minority interests were ¥ 1,043 million (697.2% y-o-y rise) and net income totalled ¥ 243 million (146.0% y-o-y rise).

Performance by business and geographical segment is as follows:

(Advertising Business Segment)

The group's advertising business generated gross billings of ¥ 81,137 million (9.5% y-o-y decline). At the parent company, which is engaged in only the advertising business, gross billings from clients in, among others, Foods, and Restaurants / Other Services sectors increased. However, gross billings from clients in other sectors, like Beverages / Tobacco Products, Finance / Insurance, Information / Communications, Distribution / Retail, and Automobiles / Automobile-related Products decreased. By discipline, Creative and Others grew and Newspaper and Radio suffered less, but the others slowed. As a result, the parent company reported gross billings of ¥ 73,448 million (10.8% y-o-y decline).

Non-consolidated gross billings, composition, and y-o-y change by discipline are as follows:

Breakdown by Discipline		Gross Billings (Millions of yen)	Composition %	Y-o-Y change %
Media	Magazine	3,561	4.8	(21.9)
	Newspaper	5,401	7.3	(1.4)
	TV (Program, Spot, and Content)	33,036	45.0	(12.1)
	Radio	726	1.0	(3.2)
	Digital Media	3,591	4.9	(7.9)
	OOH Media	1,958	2.7	(5.5)
Sub-total		48,275	65.7	(11.2)
Non-Media	Sales Promotion	11,776	16.0	(19.5)
	Creative and Others	13,396	18.3	0.4
Sub-total		25,172	34.3	(10.0)
Total		73,448	100	(10.8)

(Notes) 1. Because we offer cross-media solutions, the data may not represent gross billings by medium.

2. The gross billings by discipline are rounded down. Therefore, their sums do not equal the total or the subtotals.

Gross billings of subsidiaries increased due to growth and the addition of a newly consolidated 100% owned subsidiary, ASATSU-DK (Malaysia) Sdn.Bhd.

In terms of profitability, at the parent company, gross profits declined to ¥ 8,707 million (4.1% y-o-y decline) because of smaller gross billings. Gross margin improved, however, to 11.9% from 11.0%. Operating income increased to ¥ 932 million (527.0 % y-o-y rise) because of stringent control of operating expenses, especially staff costs. The group's domestic and overseas subsidiaries in this segment in total increased gross billings, gross profit, and, therefore, operating income. As a result, operating income of the segment before off-setting inter-segment transactions was ¥ 1,112 million (904.3% y-o-y rise).

(Other Business)

While the group has two consolidated subsidiaries in the publications industry, one engaged in the production of membership periodicals, reported smaller sales and profit because it lost some contracts. The other reported an operating loss due to smaller net sales under the stagnant market conditions, with still large returned products, and relatively insufficient cost reduction. As a result, the segment reported sales of ¥ 1,620 million (2.2% y-o-y decline) while its operating loss registered ¥ 36 million (compared to a ¥ 86 million operating loss in the comparative period in 2009).

(Geographical Segment Information)

Because gross billings generated by the domestic Japanese operations and the total assets used by the operations both represent more than 90% of the consolidated gross billings and total assets, we hereby save the disclosure of the details by the geographical segments.

(Overseas Sales)

The ADK group obtained 6.6% of its gross billings from abroad during the first quarter in 2010. All overseas sales are generated from the advertising business. The ratio during the first quarter in 2009 was 4.9%.

## 2. Consolidated Financial Position

As of March 31, 2010, total assets were ¥ 191,873 million, a ¥ 1,848 million increase from those of December 31, 2009, although notes and accounts receivable-trade decreased due to smaller gross billings. Total liabilities were ¥ 83,811 million, a ¥ 1,251 million increase although notes and accounts payable-trade decreased due to smaller gross billings. Minority interests were ¥ 1,000 million. Shareholders equity, which includes minority interests and valuation and translation adjustments, totaled ¥ 108,062 million and the net assets ratio was 56.3%. Please note that during the first quarter the Employees Stock Ownership Plan's trust acquired 461,400 stocks in ADK for ¥ 819 million. Such stocks are treated as if they were acquired by ADK itself.

### (Cash Flow)

At the end of 1Q 2010, cash and cash equivalents amounted to ¥ 20,872 million, a increase of ¥ 2,028 million from the previous fiscal year end because cash inflows from investment activities surpassed cash outflows for operating and financing activities and the group added a newly-consolidated subsidiary, ASATSU-DK (Malaysia) Sdn.Bhd.

Among Operating Activities, income before income taxes and minority interests for 1Q 2010 was ¥ 1,043 million, while the decrease of notes and accounts receivable-trade were ¥ 3,461 million, inventories increased by ¥ 2,538 million and notes and accounts payable-trade decreased by ¥ 1,793 million and the group disbursed taxes in ¥ 923 million. As a result, net cash flow used for Operating Activities totalled ¥ 193 million. During the first quarter in 2009, ¥ 3,484 million cash was provided from the Operating Activities.

Net cash of ¥ 2,329 million was obtained from investing activities mainly because net cash from the sales of investment securities totalling ¥ 2,869 million surpassed net cash used for the purchases of investment securities in ¥ 537 million. During the first quarter in 2009, ¥ 345 million cash was provided from the Investing Activities.

Net cash used for financing activities was ¥ 293 million, after dividends for ¥ 425 million, acquisition of own stocks for ¥ 821 million, including those by ADK ESOP Trust Account, and newly-made debt in ¥ 820 million by the ESOP Trust for the acquisition. During the first quarter in 2009, ¥ 2,070 million cash was used for the Financing Activities.

3. Forecasts of consolidated and non-consolidated results for the interim period and full year ending June 30, 2010, and December 31, 2010, respectively.

It is anticipated that the Japanese economy will be growing toward the end of the year, but we will see some uncertainties for some time. Therefore, investments in communications by corporations will continue to be limited. Considering our cost structure of relatively large fixed costs, the group's profitability remains volatile. Therefore, the group does not revise its consolidated and non-consolidated forecasts for the first half and full year results of 2010 as announced on February 12, 2010.

#### 4. Others

(1) Changes in the scope of consolidation and application of the equity method for the significant subsidiaries.

Not applicable.

(2) Adoption of simplified accounting treatment

① Depreciation of property and equipment

For property and equipment, which is depreciated by the declining-balance method, depreciation for the FY 2010 is equally allocated to each quarter through the year.

② Deferred tax

For judgment of likelihood that deferred tax assets can be utilized, the group used its future income projection and tax planning basis made for fiscal 2009, because the group believes that there is no significant change based on the latest assessments of business environment and temporary differences of assets and liabilities, respectively, recognized for financial and tax purposes.

(3) Accounting treatment particular to the quarterly financial statements

① Income taxes

The ADK group calculated income tax expense by a simplified method, where income tax expense is a product of income before income taxes multiplied by expected income tax rate for the year. On the income statement, the amount of deferred tax is included in income taxes.

(4) Accounting of Treasury Stocks in relation with Employees Stock Ownership Plan Trust

ADK has implemented an Employees Stock Ownership Plan (“ESOP”) as an incentive to the group’s employees to boost mid- and long-term growth and help them pay more attention to group performance and stock prices.

Under the plan, a new trust account created for the ESOP would buy stocks in ADK from the market on behalf of the already existing ADK Employees Stock Program (“ESP”) in the anticipated number of stocks for the ESP to buy for the coming five years. The ESP will buy ADK stock from the trust account every month for the five years.

ADK will keep paying dividends for the stocks owned by the trust. During the period the trust holds stocks, a custodian of the trust will order the trust to execute the voting rights for the benefit of the ESP.

During the first quarter the trust acquired 461,400 stocks in ADK for ¥ 819 million and the balance as of the end of the period are the same. The trust finished purchasing stocks and would buy any more stocks. The balance of stock held by the trust will decrease in accordance of purchases by the ESP.

Considering terms and conditions of the ESOP, including, among others, that ADK guarantees punctual payments of bank borrowings owed by the trust, from the conservatism point of view, the group treats the transactions by the trust as if they were made by ADK itself. Therefore, the stock in ADK held by the trust and other assets, liabilities, profits and losses are accounted for in the group’s financial statements.

Accordingly, per-share data, the number of outstanding stocks, and the average number of outstanding stocks are calculated using the number of treasury stocks which includes ADK stocks acquired by the trust.

Contact: Yasuhiro Oshimo  
Deputy Unit Director, Finance Unit  
ASATSU-DK INC  
Tel: +81-3-3547-2654  
E-mail: [oshimo@adk.jp](mailto:oshimo@adk.jp)  
URL: <http://www.adk.jp/english/index.html>

###

**ASATSU-DK INC. and Consolidated Subsidiaries****Consolidated Income Statements****Three Months Ended March 31, 2010**

(Unaudited and before reclassifications and rearrangements)

Millions of Yen

	Three Months Ended Mar. 31, 2010	Three Months Ended Mar. 31, 2009
I GROSS BILLINGS	82,758	91,267
II COST OF SALES	71,574	80,058
GROSS PROFIT	11,184	11,208
III SELLING, GENERAL AND ADMINISTRATIVE EXPENSES		
1. Salaries	4,822	4,897
2. Provision for bonus expenses	731	1,275
3. Other expenses	4,559	5,014
Total selling, general and administrative expenses including others	10,114	11,187
OPERATING INCOME	1,069	21
IV NON—OPERATING INCOME	1,011	413
V NON—OPERATING EXPENSES	42	75
RECURRING PROFIT	2,038	359
VI EXTRAORDINARY PROFITS	32	175
VII EXTRAORDINARY LOSSES	1,028	404
INCOME BEFORE INCOME TAXES AND MINORITY INTERESTS	1,043	130
INCOME TAXES	806	24
MINORITY INTERESTS IN NET INCOME	(7)	7
NET INCOME	243	99

**ASATSU-DK INC. and Consolidated Subsidiaries****Consolidated Balance Sheets****March 31, 2010**

(Unaudited and before reclassifications and rearrangements)

Millions of Yen

	Mar. 31, 2010	Dec. 31, 2009
<b><u>ASSETS</u></b>		
<b>I CURRENT ASSETS</b>		
1. Cash and time deposits	23,061	21,605
2. Notes and accounts receivable-trade	85,130	87,957
3. Marketable securities	2,860	2,145
4. Inventories	11,415	8,824
5. Other current assets	3,202	2,401
6. Allowance for doubtful accounts	(741)	(677)
Total current assets	124,929	122,255
<b>II FIXED ASSETS</b>		
1. Tangible fixed assets	3,916	3,938
2. Intangible fixed assets	1,440	1,542
3. Investments and other assets		
(1)Investment securities	52,478	53,280
(2)Other assets	10,711	10,703
(3)Allowance for doubtful accounts	(1,604)	(1,695)
Total investments and other assets	61,586	62,287
Total fixed assets	66,943	67,769
<b>TOTAL ASSETS</b>	<b>191,873</b>	<b>190,024</b>

**ASATSU-DK INC. and Consolidated Subsidiaries****Consolidated Balance Sheets****March 31, 2010**

(Unaudited and before reclassifications and rearrangements)

Millions of Yen

	Mar. 31, 2010	Dec. 31, 2009
<b><u>LIABILITIES</u></b>		
<b>I CURRENT LIABILITIES</b>		
1. Notes and accounts payable-trade	67,792	69,237
2. Short-term debt	515	346
3. Current portion of long-term debt	93	92
4. Income taxes payable	102	227
5. Provisions	1,338	709
6. Other current liabilities	7,206	7,181
Total current liabilities	77,048	77,793
<b>II LONG-TERM LIABILITIES</b>		
1. Long-term debts	1,052	253
2. Provisions	2,279	2,255
3. Other long-term liabilities	3,430	2,257
Total long-term liabilities	6,762	4,765
<b>TOTAL LIABILITIES</b>	<b>83,811</b>	<b>82,559</b>
<b><u>NET ASSETS</u></b>		
<b>I SHAREHOLDERS' EQUITY</b>		
1. Common stock	37,581	37,581
2. Capital surplus	20,024	20,024
3. Retained earnings	51,253	51,354
4. Treasury stock-at cost	(7,792)	(6,970)
Total shareholders' equity - net	101,066	101,988
<b>II VALUATION AND TRANSLATION ADJUSTMENTS</b>		
1. Unrealized gain on available-for-sale securities	6,473	4,909
2. Deferred gain on derivatives under hedge accounting	33	15
3. Foreign currency translation adjustments	(512)	(490)
Total valuation and translation adjustments	5,994	4,434
<b>III MINORITY INTERESTS</b>	1,000	1,042
<b>TOTAL NET ASSETS</b>	<b>108,062</b>	<b>107,465</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>191,873</b>	<b>190,024</b>

**ASATSU-DK INC. and Consolidated Subsidiaries****Segment Information**

(Unaudited and before reclassifications and rearrangements)

**Three Months Ended March 31, 2010**Millions of Yen

	Advertising	Non- advertising	Total	Eliminations or Corporate	Consolidated
GROSS BILLINGS					
1. Billings to customers	81,137	1,620	82,758	-	82,758
2. Inter-segment billings	3	80	83	(83)	-
Total billings	81,141	1,700	82,842	(83)	82,758
Operating income	1,112	(36)	1,075	(5)	1,069

**Three Months Ended March 31, 2009**Millions of Yen

	Advertising	Non- advertising	Total	Eliminations or Corporate	Consolidated
GROSS BILLINGS					
1. Billings to customers	89,610	1,657	91,267	-	91,267
2. Inter-segment billings	9	67	76	(76)	-
Total billings	89,619	1,724	91,344	(76)	91,267
Operating income	110	(86)	24	(2)	21

**ASATSU-DK INC. and Consolidated Subsidiaries****Consolidated Statements of Cash Flows****Three Months Ended March 31, 2010**

(Unaudited and before reclassifications and rearrangements)

Millions of Yen

	Three Months Ended Mar. 31, 2010	Three Months Ended Mar. 31, 2009
<b>I OPERATING ACTIVITIES</b>		
Income before income taxes and minority interests	1,043	130
Depreciation and amortization	201	225
Decrease (increase) in notes and accounts receivable	3,461	8,499
Increase (decrease) in notes and accounts payable	(1,793)	(4,055)
Others-net	(3,105)	(1,315)
Net cash used in operating activities	(193)	3,484
<b>II INVESTING ACTIVITIES</b>		
Purchases of investment securities	(537)	(384)
Proceeds from sales of investment securities	2,869	63
Others-net	(1)	667
Net cash provided by investing activities	2,329	345
<b>III FINANCING ACTIVITIES</b>		
Proceeds from long-term loans payable	820	-
Purchases of treasury stock - net	(821)	(545)
Dividends paid	(425)	(430)
Others-net	133	(1,093)
Net cash used in financing activities	(293)	(2,070)
<b>IV FOREIGN CURRENCY TRANSLATION ADJUSTMENTS ON CASH AND CASH EQUIVALENTS</b>	(31)	396
<b>V NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	1,810	2,157
<b>VI CASH AND CASH EQUIVALENTS, BEGINNING OF THE PERIOD</b>	18,844	12,807
<b>VII CASH AND CASH EQUIVALENTS OF NEWLY CONSOLIDATED SUBSIDIARIES, BEGINNING OF THE PERIOD</b>	217	-
<b>VIII CASH AND CASH EQUIVALENTS, END OF THE PERIOD</b>	20,872	14,964

**ASATSU-DK INC.****Non-consolidated****Gross Billings Breakdown by Division****(Non-consolidated Basis)****Three Months Ended March 31, 2010**Millions of Yen

	Three Months Ended Mar. 31, 2010		Y - o - Y change
		%	%
Media			
Magazine	3,561	4.8	(21.9)
Newspaper	5,401	7.3	(1.4)
Television *	33,036	45.0	(12.1)
Radio	726	1.0	(3.2)
Digital Media *	3,591	4.9	(7.9)
OOH Media *	1,958	2.7	(5.5)
Sub-Total	48,275	65.7	(11.2)
Non-Media			
Sales Promotion	11,776	16.0	(19.5)
Creative and Others *	13,396	18.3	0.4
Sub-Total	25,172	34.3	(10.0)
Total	73,448	100	(10.8)

\* "Television" includes time, spot and contents business.

\* "Digital Media" includes internet and mobile media.

\* "OOH(Out-of-Home) Media" includes transit advertising, outdoor advertising and newspaper inserts etc.

\* "Others" includes marketing, consulting and PR etc.