

Interim Financial Report

for FY 2004

September 10, 2004
Asatsu-DK Inc.

The State of Japan's Ad Industry

*Notes:

1) ¥ Trillion shown as ¥ TRN

2) ¥ Million also ¥ MM

Japan's Advertising Market in 2004

	<u>CY2001</u>	<u>CY2002</u>	<u>CY2003</u>	<u>CY 2004 Forecast</u>	
				<u>Government</u>	<u>Private Institutes</u>
Real GDP	-1.2%	+1.1%	+3.3%	+3.5%	+3.5%
Nominal GDP	-2.4%	-0.7%	+0.8%	+1.8%	+1.5%
	(source: Annual Report of National Economic Accounting)			(source: Cabinet Office 2004, 21 Jul. 2004)	
				(source: Nikkei Newspaper, 19 Aug. 2004)	
National Ad Spending	¥6.058	¥5.703	¥5.684	¥ 5.816	
	-0.9%	-5.9%	-0.3%	+2.3%	
(¥TRN)	(source: Dentsu "Advertising Expenditures in Japan")				

Gross Billings of Top 8 Ad Agencies

	<u>H1 2004</u>	<u>Increase/Decrease</u>	<u>vs. H1 03</u>
			(¥MM)
Dentsu	734,125	58,009	108.6%
Hakuhodo	336,377	8,049	102.5%
ADK	185,269	7,890	104.4%
Tokyu Agency	71,404	-11,488	86.1%
Daiko	71,159	-5,764	92.5%
Yomiko	55,475	-5,951	90.3%
East Japan M&C	44,940	3,301	107.9%
Asahi Ad	29,363	-1,094	96.4%
Total	1,528,112	52,952	103.6%

(source: Advertising & Economy Research Institute)

**ADK Parent
Performance
1st Half 2004**

(rounded to the nearest ¥MM)

Gross Billings: Breakdown by Industry

(¥MM)

H1 2004	Gross Billings	Composition Ratio	Increase/Decrease	vs. H1 2003
Energy/Raw Materials/Machinery	2,589	1.4%	377	117.0%
Foods	18,622	10.1%	-1,348	93.3%
Beverages/Tobacco Products	14,019	7.6%	-3,057	82.1%
Pharmaceuticals/Medical Supplies	7,509	4.1%	298	104.1%
Cosmetics/Toiletries	15,643	8.4%	-3,746	80.7%
Apparel/Accessories	4,416	2.4%	-1,153	79.3%
Precision Instruments/Office Equipment	4,133	2.2%	72	101.8%
Electric Machinery/AV Equipment	4,321	2.3%	-633	87.2%
Transport Equipment	12,512	6.8%	762	106.5%
Household Products	1,183	0.6%	99	109.1%
Hobbies/Sporting Goods	7,951	4.3%	-1,593	83.3%
Real Estate/Housing Facilities	2,715	1.5%	480	121.5%
Publications	1,629	0.9%	-1,043	61.0%
Information/Communications	20,714	11.2%	5,240	133.9%
Distribution/Retail	10,804	5.8%	1,983	122.5%
Finance/Insurance	31,311	16.9%	7,721	132.7%
Transportation/Leisure	4,877	2.6%	-487	90.9%
Food Services/Other Services	4,901	2.6%	454	110.2%
Government/Organizations	3,386	1.8%	237	107.5%
Education/Health Services	1,216	0.7%	578	190.6%
Classified Ads/Others	10,816	5.8%	2,648	132.4%
Total	185,269	100.0%	7,890	104.4%

Gross Billings: Breakdown by Medium

(¥MM)

	ADK	vs. H1 2003	Total of Top 8 Agencies	vs. H1 2003
Magazines	10,284	100.0%	79,045	100.9%
Newspapers	17,722	105.1%	213,130	101.1%
Television	92,083	100.1%	682,808	103.1%
Sponsored Programs	32,488	95.7%	N.A.	N.A.
Spot	50,221	99.0%	N.A.	N.A.
Digital Media (BS/CS/Internet)	1,568	81.6%	N.A.	N.A.
Content Business	7,806	146.3%	N.A.	N.A.
Radio	1,907	94.7%	27,199	100.4%
Sales Promotion	33,565	113.5%	525,930	105.9%
Creative & Others	29,708	111.4%		
Total	185,269	104.4%	1,528,112	103.6%

Non-consolidated P/L

(¥MM)

	H1 2003	H1 2004	vs. H1 03	vs. H1 04 Budget
Gross Billings	177,379	185,269	104.4%	102.9%
Gross Profit	18,590	20,665	111.2%	109.9%
Gross Profit Ratio	10.5%	11.2%	+ 0.7%	+ 0.7%
SG&A Expenses	16,051	16,593	103.4%	103.5%
Staff Cost	10,680	11,567	108.3%	108.1%
Others	5,371	5,026	93.6%	94.3%
Operating Profit	2,539	4,071	160.4%	147.0%
Net Non-Operating Profit	756	918	121.5%	153.1%
Recurring Profit	3,295	4,990	151.4%	148.1%
Net Extraordinary Profit (Loss)	(444)	(504)	-	-
Income Before Income Taxes	2,851	4,485	157.3%	141.5%
Income Taxes	1,601	1,848	115.4%	110.6%
Net Profit	1,250	2,638	211.1%	175.8%
Staff Cost/Gross Profit	57.5%	56.0%		
Operating Profit/Gross Profit	13.7%	19.7%		

Initiatives Contributing to Our Performance

- Application of 360-degree communication program
 - Sales promotion
 - Creative
- Sales growth of contents from overseas markets
 - Yu-Gi-Oh! in U.S.A.
- Cost of sales reduction by focus on selected suppliers
- Ongoing operating expenses reduction

Gross Billings Analysis

Growth in New Clients vs. Existing Clients



Growth in Global Clients vs. Japanese Clients



Growth in Media Buying Business vs. Brand-related Business



Growth in Headquarters Business vs. Domestic Networks Business



New Clients vs. Existing Clients

(¥MM)

	Gross Billings	Composition Ratio	vs. H1 03
New Clients	4,764	2.6%	41.1%
Existing Clients	180,506	97.4%	108.9%
Total	185,269	100.0%	104.4%

Global Clients vs. Japanese Clients

	(¥MM)		
	Gross Billings	Composition Ratio	vs. H1 03
Global Clients*	46,217	24.9%	110.5%
Japanese Clients	139,052	75.1%	102.6%
Total	185,269	100.0%	104.4%

* Multinationals operating in Japan

Media Buying Business vs. Brand-related Business

(¥MM)

	Gross Billings	Composition Ratio	vs. H1 03
Media Buying Business	27,993	15.1%	107.8%
Brand-related Business	157,276	84.9%	103.9%
Total	185,269	100.0%	104.4%

Headquarters Business vs. Domestic Network Business

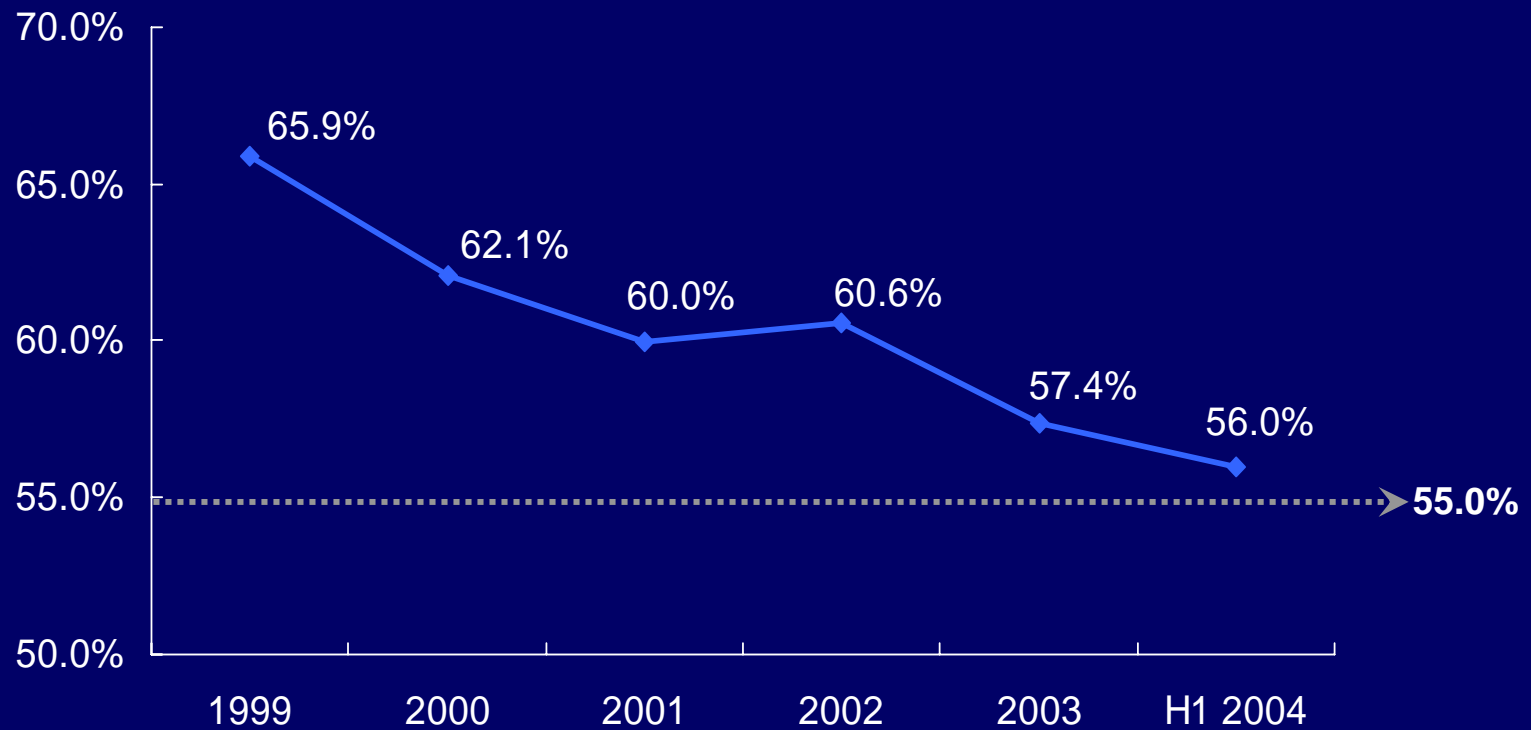
			(¥MM)
	Gross Billings	Composition Ratio	vs. H1 03
HQ	156,278	84.4%	105.8%
Domestic Network	28,991	15.6%	97.8%
Total	185,269	100.0%	104.4%

SG&A Expense Analysis

	H1 2003	H1 2004	Increase/Decrease	(¥MM)
Staff Cost	10,680	11,567	887	- Increase in Incentive Bonus allowance and Social Security
Others	5,371	5,026	-345	- Smaller doubtful receivables allowance due to improved collection rate - Elimination of non-productive information cost - Reduction of office related expenses
Total	16,051	16,593	543	

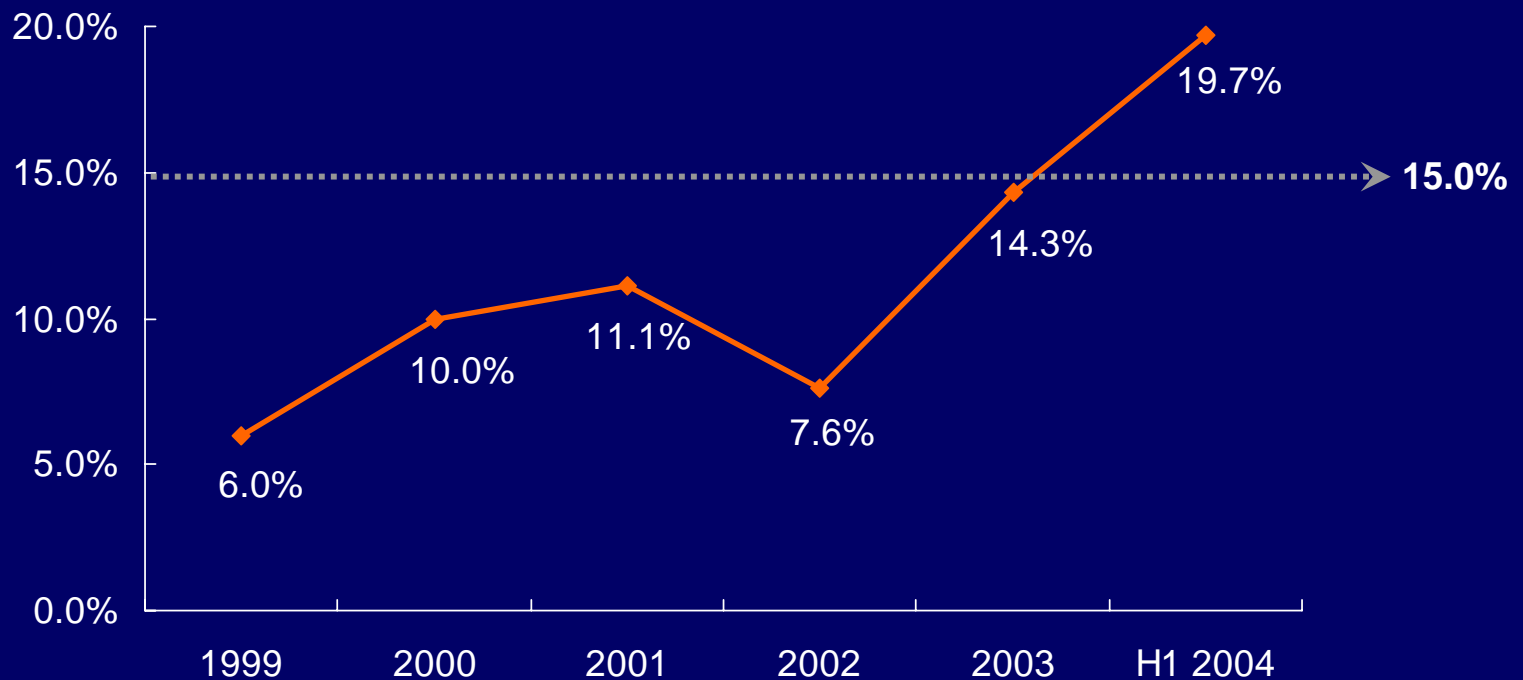
Improvement of Earnings and Efficiency Indicators

	1999	2000	2001	2002	2003	H1 2004	Mid-term Goal
Staff Cost/Gross Profit	65.9%	62.1%	60.0%	60.6%	57.4%	56.0%	55.0%



Improvement of Earnings and Efficiency Indicators

	1999	2000	2001	2002	2003	H1 2004	Mid-term Goal
Operating Profit/ Gross Profit	6.0%	10.0%	11.1%	7.6%	14.3%	19.7%	15.0%



Non-Consolidated P/L 2004 Forecast

(¥MM)

	H1 Actual	H2 Forecast	H2 vs. 03	H1 : H2	04 Forecast	vs. 03
Gross Billings	185,269	187,731	104.2%	49.7 : 50.3	373,000	104.3%
Gross Profit	20,665	19,635	101.6%	51.3 : 48.7	40,300	106.3%
Gross Profit Ratio	11.2%	10.5%			10.8%	
SG&A Expenses	16,593	16,607	101.0%	50.0 : 50.0	33,200	102.2%
Staff Cost	11,567	11,033	99.6%	51.2 : 48.8	22,600	103.9%
Others	5,026	5,574	104.0%	47.4 : 52.6	10,600	98.8%
Operating Profit	4,071	3,029	104.9%	57.3 : 42.7	7,100	130.8%
Net Non-Operating Profit	918	382	132.7%	70.6 : 29.4	1,300	124.6%
Recurring Profit	4,990	3,410	107.4%	59.4 : 40.6	8,400	129.8%
Net Extraordinary Profit (Loss)	(504)	(96)	-	84.0 : 16.0	(600)	192.1%
Income Before Income Taxes	4,485	3,315	100.2%	57.5 : 42.5	7,800	126.7%
Income Taxes	1,848	1,652	95.8%	52.8 : 47.2	3,500	105.2%
Net Profit	2,638	1,662	105.0%	61.3 : 38.7	4,300	151.8%
Staff Cost/Gross Profit	56.0%	56.2%	-	-	56.1%	-1.3pt
Operating Profit/Gross Profit	19.7%	15.4%	-	-	17.6%	+3.3pt

Conversion Rate: 70.2%

Progress in H2 Budget

(¥MM)

	Jul.	Aug.	Sep.	Jul.-Sep.	Oct.-Dec.	H2	vs. 03
Monthly Gross Billings Budget	28,181	21,213	32,370	81,765	105,966	187,731	104.2%
July & August Actual/ September Forecast	27,822	25,448	33,000	86,270	-	-	-
vs. Budget	-359	4,235	630	4,505	-	-	-
vs. 2003	2,463	2,078	-575	3,967	-	-	-

- Progress Ratio: 46.0% (¥ 86,270MM / ¥ 187,731MM)

**ADK Group
Performance
1st Half 2004**

(rounded to the nearest ¥MM)

ADK Group

Japan

Consolidated Subsidiaries: 9

- Kyowa Kikaku
- ADK International
- ADK Arts
- Sanyu Agency
- Dai-Ichi Kikaku Communications
- Dai-Ichi Kikaku Relationship-Marketing

- Eiken

- Nihon Bungeisha Publishing
- Neo Shobo

Equity Method Affiliates: 2

- Nippon Information Industry
- Digital Advertising Consortium

Overseas

Consolidated Subsidiaries: 10

- ADK America
- Asatsu Europe Holding
- Asatsu Europe
- Asatsu (Deutschland)
- Asatsu-DK Hong Kong
- United Asatsu International
- Nexus/Asatsu Advertising
- DK Advertising (HK)
- DIK-Ocean Advertising
- Dai-Ichi Kikaku (Thailand)

Equity Method Affiliates: 4

- ASDIK
- Guangdong Guangxu Advertising
- Shanghai Asatsu Advertising
- Media Plus (Dormant)

Consolidated P/L

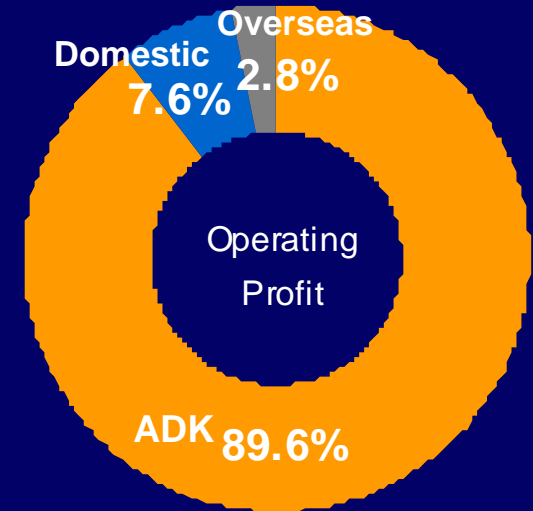
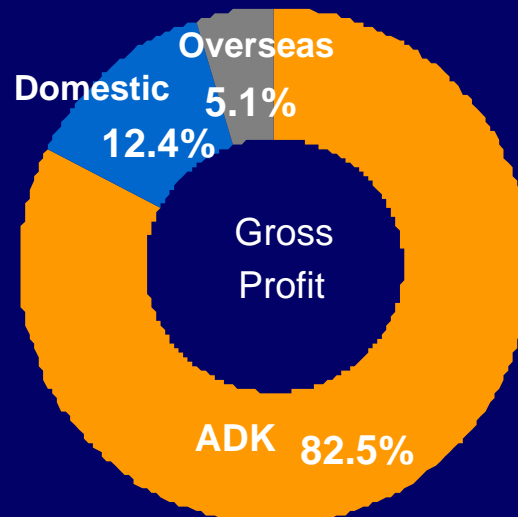
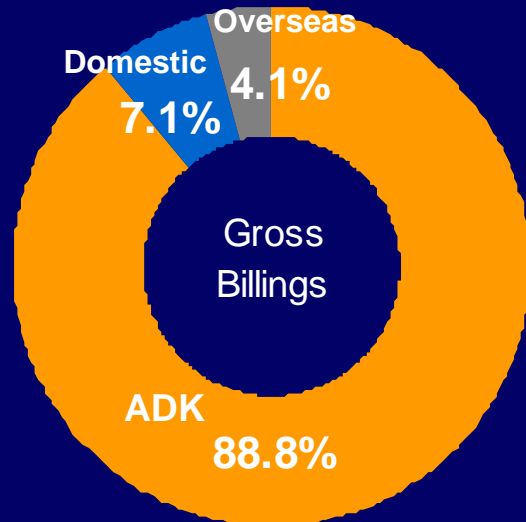
(¥MM)

	H1 2003	H1 2004	vs. H1 03	vs. Budget	Group to Parent Ratio
Gross Billings	195,963	203,641	103.9%	103.4%	1.10
Gross Profit	23,099	24,847	107.6%	106.6%	1.20
Gross Profit Ratio	11.8%	12.2%	+0.4%	+0.4%	
SG&A Expenses	20,134	20,427	101.5%	102.1%	1.23
Staff Cost	13,207	13,972	105.8%	105.4%	
Others	6,927	6,455	93.2%	95.8%	
Operating Profit	2,965	4,419	149.1%	133.9%	1.09
Net Non-Operating Profit	1,089	1,106	101.6%	138.2%	
Recurring Profit	4,054	5,525	136.3%	134.8%	1.11
Net Extraordinary Profit (Loss)	(720)	(637)	88.5%	130.0%	
Income Before Income Taxes	3,334	4,888	146.6%	135.4%	1.09
Income Taxes	1,803	2,019	112.0%	105.7%	
Minority Interests	56	24	43.0%		
Net Income	1,475	2,845	192.9%	167.3%	1.08
Staff Cost/Gross Profit	57.2%	56.2%			
Operating Profit/Gross Profit	12.8%	17.8%			

Consolidated P/L Analysis

(¥MM)

	Gross Billings	vs. H1 03	Gross Profit	vs. H1 03	Operating Profit	vs. H1 03
ADK	185,269	104.4%	20,665	111.2%	4,071	160.4%
Domestic Subsidiaries	14,834	96.8%	3,116	97.2%	345	101.0%
Overseas Subsidiaries	8,561	92.7%	1,286	95.5%	125	121.3%
Consolidation Adjustments	(5,023)	-	(220)	-	(122)	-
Total	203,641	103.9%	24,847	107.6%	4,419	149.1%



Consolidated P/L 2004 Forecast

(¥MM)

	H1 Actual	H2 Forecast	H2 vs. 03	H1 : H2	04 Forecast	vs. 03
Gross Billings	203,641	207,359	104.1%	49.5 : 50.5	411,000	104.0%
Gross Profit	24,847	24,353	102.4%	50.5 : 49.5	49,200	104.9%
Gross Profit Ratio	12.2%	11.7%	-	-	12.0%	-
SG&A Expenses	20,427	20,673	101.7%	49.7 : 50.3	41,100	101.6%
Staff Cost	13,972	13,728	100.9%	50.4 : 49.6	27,700	103.4%
Others	6,455	6,945	103.3%	48.2 : 51.8	13,400	98.0%
Operating Profit	4,419	3,681	106.6%	54.6 : 45.4	8,100	126.2%
Net Non-Operating Profit	1,106	794	146.1%	58.2 : 41.8	1,900	116.4%
Recurring Profit	5,525	4,475	112.0%	55.3 : 44.7	10,000	124.2%
Net Extraordinary Profit (Loss)	(637)	(113)	-	84.9 : 15.1	(750)	124.7%
Income Before Income Taxes	4,888	4,362	106.0%	52.8 : 47.2	9,250	124.2%
Income Taxes	2,019	2,181	113.3%	48.1 : 51.9	4,200	112.7%
Minority Interests	24	26	61.4%	48.5 : 51.5	50	50.8%
Net Profit	2,845	2,155	100.4%	56.9 : 43.1	5,000	138.1%
Staff Cost/Gross Profit	56.2%	56.4%	-	-	56.3%	-0.8pt
Operating Profit/Gross Profit	17.8%	15.1%	-	-	16.5%	+2.8pt

Conversion Rate: 72.7%

**Growth Strategies
& Progress Report**

Progress in Growth Strategies*

* Announced in March 2004

1) Quality Up

- 360-degree communication model
- Organizational restructuring
- Strengthening ADK' s creativity

Progress Report

- Growth of Sales Promotion, Creative and Contents
- Plan to integrate Sales Promotion and Marketing divisions (Jan. 2005)
- Established China Coordination Center independent from Overseas Network Center
- Elevated the victory ratio of the competitive pitches
- Selected to be a jury member at the Cannes International Advertising Festival as a representative of JAAA

2) Alliance with JWT & RedCell

- Cultivate new Japanese clients in overseas markets
- Jointly cultivate JWT's global clients in Japan

Progress Report

- Joint presentation to Subaru of America (Oct.)
- Nikon overseas business
- Fujitsu overseas business
- Progressing

3) Continue to Strengthen Content Business and Tap Overseas Markets

- TV Animation Programs held by ADK (from October)
 - Kochikame Tokyo Beat Cop
 - One Piece
 - LEGENDZ
 - Doraemon
 - ATASHIn' CHI
 - Crayon Shin-chan
 - Masked Rider
 - Pretty Cure
 - Get Ride! AM Driver
 - Yu-Gi-Oh! Duel Monsters
 - The Prince of Tennis
 - Onmyo Dai Senki new program
 - Transformers Super Link
 - Sergeant Keroro
 - Sesame Street new program
 - Kappa no Kaikata new program

Be a valuable content provider

by strengthening character business and securing multiple profit lines

- Expand overseas animation markets (program sales, rights business, etc.)
 - Secure overseas marketing bases by establishing “offices specializing in animation” in China and the U.S.
 - Participate actively in overseas animation fairs (incl. NATPE, MIPCOM, MIPTV, etc.)
- Develop ADK’s original killer animation content by investment in production system and technologies

-
- Remake and sell old animation episodes to new media, including paid CS channels, internet, broadband, mobile phones, DVD, etc.
 - Invest in animation movies (6-8 per year)
 - Expand character merchandising and increase royalty revenues by developing toys and figures of our characters
 - Increase characters featured in advertising, sales promotion and movies to generate year-round revenues

4) Events Activities

- January to June

<Athletic/Cultural Events>

- All Japan Collegiate Women's Invitational Ekiden Race
- Toray Pan Pacific Tennis
- Mitsubishi Diamond Cup Golf Tournament
- Sumo Tournament in China
- Long-Thibaud Music Competition, Winners' Gala Concert
- Musical "Annie"
- The Doraemon Exhibition
- Olympics Business (see next page)

<Promotions>

- Suzuka 8 hours 2004 Masked Rider, Honda team
- Bud Complex in Roppongi Hills

4) Activities Related to the Olympics

- Nurtured clients to be JOC official partners
- Produced official ceremonies of JOC Olympic team to Athens
- Produced the JOC Olympic Movement Projects
Olympic Day-Run, Snow-Run, Olympic Concert and Uniform design
- Created special pages of Asahi newspaper customized to the Olympic games

4) Events Activities

- July to December

< Athletic/Cultural Events >

- Pacific Music Festival 2004 (Jul. to Aug.)
- Mt. Fuji Jazz Festival (Aug.)
- Honolulu Century Ride 2004 (Sep.)
- Masaaki Hirao Charity Golf Tournament (Oct.)
- All Japan Collegiate Ekiden Championship Race (Nov.)
- JAL Honolulu Marathon (Dec.)
- The Doraemon Exhibition (to Jan. 05)

<Promotions >

- Yu-Gi-Oh! World Championship 2004 (Jul.)
- Motor Shows
- Auto China (Jun.)
- Paris (Oct.)
- Thailand (Dec.)

5) Utilize “Investment Fund”

- Cultivate new clients and brands
- Approach fast growing sectors

Progress Report

Finance: Growth by existing clients and cultivation of new clients

Automotives: Successful approach to new clients

Distribution: Growth by direct sales clients

Healthcare: New brands assignment by existing clients (DTC)

6) Invest in growing sectors

- Digital and broadband Media Sector

Progress Report

- Establishing a JV with Dentsu for next generation advertising in this fall

7) Enhance cost-efficiency through re-structuring of group companies**Progress Report**

- Established Tri Communication through the amalgamation of three subsidiaries (Sanyu Agency, DIC Communications and DIK Relationship Marketing) in July, in addition to ADK Arts established in 2003

8) Continue “ADK’s Code”

Corporate Philosophy: Management by All

Corporate Vision: New Wave Agency

Corporate Spirit: Innovative, Challenging and Unique

Corporate Mission: Offer 360-degree best communication services to help clients

Organization Discipline: 3Fs Organization (Flat, Flexible, Fast)

Challenges of 2nd Half, 2004

Activate Operations in the Areas of

- Cultivate new clients
- Increase media sales
- Revitalize Osaka office for further market penetration

Under Preparation -- 2nd Mid-term Corporate Objective

1st Mid-term Corporate Objective: Operational Efficiency

(2002-2004)

		Mid-term Goal	2004 est. achievement
Indicators	Staff Cost/Gross Profit	55% →	56.1%
	Operating Profit/Gross Profit	15% →	17.6%

2nd Mid-term Corporate Objective: Sustainable and Stable Growth

(2005-2007)

Indicators	Growth of EPS
	by the integration of net profit increases and constant/continuing buy-back of outstanding stock

Appendix

B/S (Non-Consolidated) June 30, 2004

(¥MM)

Assets		Liabilities	
Current Assets		Current Liabilities	
Cash & Time Deposits	14,287	Notes	24,127
Notes	11,210	Accounts Payable	58,541
Accounts receivable	71,673	Others	6,433
Marketable securities	17,529	Total Current Liabilities	89,101
Work in progress	6,813	Fixed Liabilities	
Others	3,138	Accrued retirement benefits	3,151
Allowance for doubtful receivables	(574)	Others	5,667
Total Current Assets	124,078	Total Fixed Liabilities	8,819
Fixed Assets		Total Liabilities	97,920
Tangible Fixed Assets	3,062		
Intangible Fixed Assets	2,364	Shareholders' Equity	
Investments and Other Assets		Common Stock	37,581
Investment securities	71,570	Capital Surplus	40,607
Others	10,130	Retained earnings	24,979
Allowance for doubtful accounts	(1,826)	Unrealized gain on securities	13,220
Investments and Other Assets Total	79,873	Treasury stock	(4,930)
Total Fixed Assets	85,301	Total Shareholders' Equity	111,459
Total Assets	209,379	Total Liabilities and Shareholders' Equity	209,379

Shareholders' equity ratio: 53.2%

B/S (Consolidated) June 30, 2004

(¥MM)

Assets		Liabilities	
Current Assets		Current Liabilities	
Cash & Time Deposits	23,378	Notes & Accounts payable	86,866
Notes & Accounts receivable	92,106	Bonds & Short-term debt	579
Marketable securities	17,804	Others	9,538
Inventory	8,330	Total Current Liabilities	96,985
Others	3,375	Fixed Liabilities	
Allowance for doubtful receivables	(673)	Bonds & Long-term debt	1,070
Total Current Assets	144,321	Accrued retirement benefits	3,963
		Others	5,760
Fixed Assets		Total Fixed Liabilities	10,795
Tangible Fixed Assets	5,414	Total Liabilities	107,780
Intangible Fixed Assets	2,611	Minority Interests	1,217
Investments and Other Assets			
Investment securities	71,093	Shareholders' Equity	
Others	12,097	Common Stock	37,581
Allowance for doubtful accounts	(1,970)	Capital Surplus	40,607
Total Investments and Other Assets	81,220	Retained earnings	37,444
Total Fixed Assets	89,246	Unrealized gain on securities	13,961
		Foreign currency translation adjustments	(95)
		Treasury stock	(4,930)
		Total Shareholders' Equity	124,569
Total Assets	233,567	Total Liabilities & Shareholders' Equity	233,567

Shareholders' equity ratio: 53.3%

Ratio of consolidated to non-consolidated total assets: 1.12

Consolidated Investments as of June 30, 2004

(¥MM)

Current	Money Management Funds	2,044	
	Free Financial Funds	15,058	
	Discount Nochu Bank Debentures	147	Face Value
	Bonds	351	
	Mutual Funds in Equities and Bonds	204	
	Total	17,804	
Non Current	WPP Group plc.	34,382	2.64% or 31,295,646 stocks
	Digital Advertising Consortium, Inc.	1,791	Equity Method
	Other Publicly Traded Equities	20,547	169 issues
	Publicly Traded Equities Total	56,720	
	Non Publicly Traded Equities in Affiliated Companies	4,106	16 issues
	Non Publicly Traded Equities in Subsidiary Companies	684	26 issues
	Other Non Publicly Traded Equities	1,770	81 issues
	Non Publicly Traded Equities Total	6,560	
	Bonds	5,642	25 issues
	Mutual Funds in Equities and Bonds	2,171	27 issues
	Total Non Current Investments in Securities	71,093	
	Investments in Affiliated Companies (Non-Securities)	130	5 issues
	Investments in Funds (Non-Securities)	884	11 issues
	Total Non Current Investments	72,107	

Capital Expenditures/ Depreciation and Amortization Expenses

Capital Expenditures

(¥MM)

Accounting Items	Non-Consolidated ADK	Consolidated Subsidiaries	Consolidated
Buildings	19	11	30
Building Improvements	-	-	-
Vehicles	6	3	9
Furniture, Fixtures & Equipment	20	25	45
Land	-	-	-
Licenses	-	-	-
Computer Software	140	18	158
Other	-	0	0
Total	185	57	242

Depreciation and Amortization Expenses

(¥MM)

Accounting Items	Non-Consolidated ADK	Consolidated Subsidiaries	Consolidated
Buildings	62	36	98
Building Improvements	2	0	2
Vehicles	5	5	10
Furniture, Fixtures & Equipment	72	39	111
Land	-	-	-
Licenses	2	38	40
Computer Software	366	6	372
Other	11	28	39
Total	520	152	672

Consolidated Statements of Cash Flow June 30, 2004

(¥MM)

	H1 2004	H1 2003	2003
OPERATING ACTIVITIES			
Income before income taxes and minority interests	4,888	3,334	7,447
Depreciation and amortization	672	684	1,408
Decrease in notes and accounts receivable	9,496	2,860	(3,670)
Increase in notes and accounts payable	111	(1,542)	3,285
Others(net subtotal)	(6,181)	(411)	3,042
Net cash provided by operating activities	8,986	4,925	11,513
INVESTING ACTIVITIES			
Purchases of tangible fixed asstes	(84)	(212)	(345)
Purchases of intangible fixed assets	(158)	(422)	(657)
Proceeds from sales of investment securities	(3,367)	(1,096)	(2,286)
Purchases of investment securities	2,290	2,864	4,186
Others(net subtotal)	(342)	4,102	2,968
Net cash used in investing activities	(1,660)	5,237	3,867
FINANCING ACTIVITIES			
Purchases of treasury stock - net	(9)	(449)	(455)
Dividends paid	(444)	(446)	(891)
Others(net subtotal)	(30)	(284)	(620)
Net cash used in financing activities	(483)	(1,181)	(1,964)
FOREIGN CURRENCY TRANSLATION ADJUSTMENTS ON CASH AND CASH EQUIVALENTS	(20)	258	(28)
NET INCREASE IN CASH AND CASH EQUIVALENTS	6,821	9,240	13,388
CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD	30,125	16,635	16,635
INCREASE DUE TO MERGER BETWEEN CONSOLIDATED AND UNCONSOLIDATED SUBSIDIARIES	-	101	101
CASH AND CASH EQUIVALENTS, END OF TERM	36,946	25,977	30,125

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 differences 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.