

Overview of 3rd Quarter Results (Consolidated and Non-consolidated) for the Year Ending December 31, 2004

November 8, 2004

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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? : Yes.

Consolidated Subsidiaries (0 added, 1 removed); Equity Method Companies (0 added, 0 removed)

On July 1, 2004, Sanyu Agency Co., Ltd., a consolidated subsidiary, was merged with DIK Relationship-Marketing Co., Ltd., another consolidated subsidiary, and bought out the business of Dai-Ichi Kikaku Communications Inc., another different consolidated subsidiary, and changed its name into TRI Communication Inc. After the sale of its business, Dai-Ichi Kikaku Communications Inc. is under a liquidation process.

2. The First Nine Months Consolidated Results for the Year Ending December 31, 2004

(From Jan. 1, 2004 to Sep. 30, 2004)

(1) Operating Results

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

	Gross Billings		Operating Income		Recurring Profit	
	(millions of Yen)	(%)	(millions of Yen)	(%)	(millions of Yen)	(%)
Nine months ended Sep. 30, 2004	298,835	4.0	5,892	40.0	7,281	-
Nine months ended Sep. 30, 2003	287,283	-	4,208	-	-	-
(Ref.) Fiscal 2003	395,149		6,416		8,049	

	Net Income		Net Income per Share
	(millions of Yen)	(%)	(Yen)
Nine months ended Sep. 30, 2004	3,766	-	76.21
Nine months ended Sep. 30, 2003	-	-	-
(Ref.) Fiscal 2003	3,621		70.53

(Reference) The Third Quarter Consolidated Results (Three months from Jul.1, 2004 to Sep. 30, 2004)

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

	Gross Billings		Operating Income		Recurring Profit	
	(millions of Yen)	(%)	(millions of Yen)	(%)	(millions of Yen)	(%)
3Q(3Months) 2004	95,194	4.2	1,472	20.1	1,756	-
3Q(3Months) 2003	91,320	-	1,226	-	-	-

	Net Income	
	(millions of Yen)	(%)
3Q(3Months) 2004	921	-
3Q(3Months) 2003	-	-

(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 2003 results and the y-o-y increase for other items are not available.

[Supplementary Notes on the Consolidated Results]

During the first nine months of 2004, the Japanese economy showed improvements in some limited areas, but all-in-all its growth remained stagnant. Exports and capital investments had been growing steadily, but slowed in the third quarter. Also once rising long-term interest rates fell back to their same old lower range. Consumer spending also showed a temporary recovery, notably in the increased sales of digital home electric appliances stimulated by the Athens Olympic Games. However, because of still weak employment and wage growth, consumer spending has not yet resumed to lead the economy as expected.

So too with advertising industry. Since the second half of 2003, the industry-wide gross billings have been posting slight y-o-y growth. However, under the severe pressure of advertisers' demands toward the advertising efficiency and because of limited advertising budgets, competition among the advertising companies have intensified.

Under this business environment, the ADK Group has been growing with the strategic goal to serve clients as the New Wave Agency, prioritizing the clients' needs over the media's, and developing new revenue streams like 360-degree consumer touch-point utilization, and its performance is outlined below:

(Advertising Business Segment)

Gross billings of the parent company to three key sectors "financial/insurance, information/communications, and distribution/retail" grew larger, and sales of animation content continued to increase. As a result, the out-of-group nine-month gross billings reached JPY 291,666 million. Operating Profits were JPY 5,834 million (before elimination between segments), pushed up by cost-efficient content sales and tireless section-wide cost control by the sales promotion and creative departments.

(Other Business Segments)

The publication industry has been struggling under stagnant sales growth. Likewise, sales and profits at our publication business were smaller than those in the corresponding period last year. In the information processing service business, both sales and profits continued to grow.

As a result, for the first nine months of 2004 the Gross Billings were JPY 298,835 million (4.0% y-o-y growth), Gross Profits were JPY 36,131 million (6.7% y-o-y growth), Selling, General and Administrative expenses were JPY 30,239 million (2.0% y-o-y growth), and Operating Income was JPY 5,892 million (40.0% y-o-y growth). Recurring Profit was JPY 7,281 million, Income before income taxes and minority interests was JPY 6,578 million and Net Income was JPY 3,766 million. Because the Group did not report its quarterly Recurring Profit and Net Income in 3Q 2003, the y-o-y changes for those items are not available.

(2) Consolidated Financial Position (Unit: millions of Yen, Rounded down under 1 million Yen)

	Total Assets	Shareholders' Equity	Shareholders' Equity Ratio	Shareholders' Equity per Share
	(millions of Yen)	(millions of Yen)	(%)	(Yen)
Sep. 30, 2004	224,831	122,876	54.7	2,486.33
Sep. 30, 2003	-	-	-	-
(Ref.) Dec.31, 2003	226,911	119,572	52.7	2,416.67

(Note) As the Group began to report its quarterly Consolidated Financial Position from 1Q 2004, the quarterly Consolidated Financial Position as of March 31, 2003 and the y-o-y changes are not available.

[Supplementary Notes on the Consolidated Financial Condition]

The comparison of financial positions at the end of the 3rd quarter (Sep. 30, 2004) and the second quarter (Jun. 30, 2004) is as follows:

As of September 30, 2004, Total Assets were JPY 224,831 million, a JPY 8,736 million decrease from those on June 30, 2004, mainly due to decrease in Notes and Accounts Receivable-trade and Investment securities. Total Liabilities were JPY 100,741 million, pushed down by a JPY 5,140 million decrease in Notes and Accounts Payable-trade among others. Minority Interests were JPY 1,214 million. Shareholders' Equity was JPY 122,876 million, mainly due to a JPY 2,328 million decrease in Unrealized gains on available-for-sale securities.

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

(From Jan.1, 2004 to Sep. 30, 2004)

(1) Operating Results

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

	Gross Billings		Operating Income		Recurring Profit	
	(millions of Yen)	(%)	(millions of Yen)	(%)	(millions of Yen)	(%)
Nine months ended Sep. 30, 2004	271,123	4.4	5,448	48.2	6,548	-
Nine months ended Sep. 30, 2003	259,682	-	3,677	-	-	-
(Ref.) Fiscal 2003	357,597		5,426		6,470	

	Net Income		Net Income per Share
	(millions of Yen)	(%)	(Yen)
Nine months ended Sep. 30, 2004	3,400	-	68.80
Nine months ended Sep. 30, 2003	-	-	-
(Ref.) Fiscal 2003	2,832		56.20

(Reference) The Third Quarter Non-consolidated Results (From Jul.1, 2004 to Sep.30, 2004)

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

	Gross Billings		Operating Income		Recurring Profit	
	(millions of Yen)	(%)	(millions of Yen)	(%)	(millions of Yen)	(%)
3Q(3Months) 2004	85,854	4.3	1,377	21.0	1,558	-
3Q(3Months) 2003	82,303	-	1,138	-	-	-

	Net Income	
	(millions of Yen)	(%)
3Q(3Months) 2004	762	-
3Q(3Months) 2003	-	-

(2) Non-consolidated Financial Position

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

	Total Assets	Shareholders' Equity	Shareholders' Equity Ratio	Shareholders' Equity per Share
	(millions of Yen)	(millions of Yen)	(%)	(Yen)
Sep. 30, 2004	199,697	109,510	54.8	2,215.88
Sep. 30, 2003	-	-	-	-
(Ref.) Dec.31, 2003	201,361	106,828	53.1	2,160.44

(3) New Final Dividend Forecast

	Final Dividend per Share	Total Dividends per Share for FY2004
	(Yen)	(Yen)
Previous Forecast as of August 19, 2004	9.00	18.00
Revised Forecast	11.00	20.00
Fiscal 2003 Results	9.00	18.00

Asatsu-DK's first priority is to maximize shareholder value. Our basic dividend policy is to ensure stable returns to shareholders in line with business performance. Considering our past performance of fiscal 2003 and the three quarters of 2004 and our forecast of the fourth quarter, we have revised our forecast of the final dividend per share from JPY 9 to JPY 11. Accordingly, together with the already made interim dividend of JPY 9 per share, the total dividend forecast for 2004 is JPY 20 per share. The final dividend is subject to a resolution at the shareholders meeting and will be made in March 2005.

3. Forecast of Consolidated Fiscal 2004 (January 1 to December 31, 2004)

Although business performance through the third quarter has been favorably developing, we do not foresee a large growth in Japanese advertising spending in the fourth quarter. Therefore, we do not revise the forecast for non-consolidated and consolidated Fiscal 2004, which were announced on August 19, 2004.

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.

Asatsu-DK Inc. and Consolidated Subsidiaries

Consolidated Balance Sheets

September 30, 2004

(Unaudited and before reclassifications and rearrangements)

Millions of Yen

Millions of Yen

	September 30, 2004	September 30, 2003	December 31, 2003		September 30, 2004	September 30, 2003	December 31, 2003
ASSETS				LIABILITIES			
CURRENT ASSETS				CURRENT LIABILITIES			
1. Cash and time deposits	21,319	-	23,527	1. Notes and accounts payable-trade	81,725	-	86,599
2. Notes and accounts receivable-trade	86,896	-	101,026	2. Current portion of bonds	-	-	200
3. Marketable securities	16,308	-	11,427	3. Short-term debts	414	-	389
4. Inventories	10,483	-	6,408	4. Accrued bonuses to employees	2,711	-	1,189
5. Other current assets	4,008	-	2,707	5. Allowance for sales returns	634	-	773
6. Allowance for doubtful accounts	(611)	-	(735)	6. Other current liabilities	5,856	-	7,706
Total current assets	138,405	-	144,361	Total current liabilities	91,343	-	96,858
FIXED ASSETS				LONG-TERM LIABILITIES			
1. Tangible fixed assets	5,258	-	5,642	1. Bonds	500	-	500
2. Intangible fixed assets	2,507	-	2,893	2. Long-term debts	566	-	560
3. Investments and other assets				3. Accrued retirement benefits	4,112	-	3,852
(1) Investment securities	68,125	-	65,198	4. Accrued retirement benefits to directors and corporate auditors	602	-	738
(2) Other assets	12,283	-	10,913	5. Other long-term liabilities	3,615	-	3,551
(3) Allowance for doubtful accounts	(1,747)	-	(2,098)	Total long-term liabilities	9,397	-	9,203
Total investments and other assets	78,661	-	74,013	TOTAL LIABILITIES	100,741	-	106,062
Total fixed assets	86,426	-	82,549	MINORITY INTERESTS	1,214	-	1,276
				SHAREHOLDERS' EQUITY			
				Common stock	37,581	-	37,581
				Capital surplus	40,607	-	40,607
				Retained earnings	37,921	-	35,167
				Unrealized gain on available-for-sale securities	11,633	-	11,188
				Foreign currency translation adjustments	66	-	(50)
				Treasury stock-at cost	(4,934)	-	(4,921)
				SHAREHOLDERS' EQUITY-NET	122,876	-	119,572
TOTAL ASSETS	224,831	-	226,911	TOTAL LIABILITIES, MINORITY INTERESTS AND SHAREHOLDERS' EQUITY	224,831	-	226,911

Asatsu-DK Inc. and Consolidated Subsidiaries

Consolidated Income Statements

Nine Months Ended September 30, 2004

(Unaudited and before reclassifications and rearrangements)

Millions of Yen

	Nine Months Ended September 30, 2004	Nine Months Ended September 30, 2003	Year Ended December 31, 2003
GROSS BILLINGS	298,835	287,283	395,149
COST OF SALES	262,703	-	348,266
GROSS PROFIT	36,131	33,854	46,882
SELLING, GENERAL AND ADMINISTRATIVE EXPENSES			
1. Salaries	13,985	-	20,164
2. Provision for bonus expenses	2,589	-	1,121
3. Provision for pension benefits	1,352	-	1,722
4. Rent expenses	2,839	-	3,834
5. Other expenses	9,472	-	13,623
Total selling, general and administrative expenses	30,239	-	40,466
OPERATING INCOME	5,892	4,208	6,416
NON - OPERATING INCOME			
1. Interest income	195	-	238
2. Dividend income	574	-	624
3. Equity in earnings of affiliated companies-net	230	-	343
4. Other income	552	-	737
Total non-operating income	1,553	-	1,944
NON - OPERATING EXPENSES			
1. Interest expenses	33	-	49
2. Other expenses	130	-	262
Total non-operating expenses	163	-	311
RECURRING PROFIT	7,281	-	8,049
EXTRAORDINARY PROFITS	328	-	791
EXTRAORDINARY LOSSES	1,031	-	1,393
INCOME BEFORE INCOME TAXES AND MINORITY INTERESTS	6,578	-	7,447
INCOME TAXES	2,793	-	3,727
MINORITY INTERESTS IN NET INCOME	18	-	98
NET INCOME	3,766	-	3,621

Asatsu-DK Inc. and Consolidated Subsidiaries

Segment Information

(Unaudited and before reclassifications and rearrangements)

Nine Months Ended September 30, 2004

	Millions of Yen				
	Advertising	Others	Total	Eliminations or Corporate	Consolidated
Gross billings					
(1) Billings to out-of-group customers	291,666	7,168	298,835	-	298,835
(2) Inter-segment billings	301	64	365	(365)	-
Total billings	291,968	7,232	299,201	(365)	298,835
Operating expenses	286,133	7,173	293,307	(363)	292,943
Operating income	5,834	59	5,894	(2)	5,892

Nine Months Ended September 30, 2003

	Millions of Yen				
	Advertising	Others	Total	Eliminations or Corporate	Consolidated
Gross billings					
(1) Billings to out-of-group customers	279,729	7,554	287,283	-	287,283
(2) Inter-segment billings	385	5	390	(390)	-
Total billings	280,114	7,559	287,674	(390)	287,283
Operating expenses	276,360	7,119	283,479	(405)	283,074
Operating income	3,753	440	4,194	14	4,208

Asatsu-DK Inc.

Non-consolidated

Balance Sheets

September 30, 2004

(Unaudited and before reclassifications and rearrangements)

Millions of Yen

Millions of Yen

	September 30, 2004	September 30, 2003	December 31, 2003		September 30, 2004	September 30, 2003	December 31, 2003
<u>ASSETS</u>				<u>LIABILITIES</u>			
CURRENT ASSETS				CURRENT LIABILITIES			
1. Cash and time deposits	12,272	-	13,121	1. Notes payable-trade	22,184	-	24,859
2. Notes receivable-trade	9,517	-	12,387	2. Accounts payable-trade	54,443	-	55,910
3. Accounts receivable-trade	67,540	-	77,956	3. Other current liabilities	6,153	-	6,509
4. Marketable securities	16,033	-	11,199	Total current liabilities	82,781	-	87,280
5. Inventories	8,709	-	5,228	LONG-TERM LIABILITIES			
6. Other current assets	3,479	-	2,645	1. Accrued retirement benefits	3,289	-	3,014
7. Allowance for doubtful accounts	(505)	-	(626)	2. Accrued retirement benefits to directors and corporate auditors	602	-	738
Total current assets	117,048	-	121,912	3. Other long-term liabilities	3,514	-	3,498
FIXED ASSETS				Total long-term liabilities	7,405	-	7,252
1. Tangible fixed assets	2,910	-	3,238	TOTAL LIABILITIES	90,186	-	94,532
2. Intangible fixed assets	2,273	-	2,592	<u>SHAREHOLDERS' EQUITY</u>			
3. Investments and other assets				Common stock	37,581	-	37,581
(1) Investment securities	68,646	-	66,210	Capital surplus	40,607	-	40,607
(2) Other assets	10,426	-	9,248	Retained earnings	25,297	-	22,835
(3) Allowance for doubtful accounts	(1,607)	-	(1,841)	Unrealized gain on available-for-sale securities	10,958	-	10,725
Total investments and other assets	77,464	-	73,617	Treasury stock-at cost	(4,934)	-	(4,921)
Total fixed assets	82,648	-	79,448	SHAREHOLDERS' EQUITY-NET	109,510	-	106,828
TOTAL ASSETS	199,697	-	201,361	TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	199,697	-	201,361

Asatsu-DK Inc.

Non-consolidated

Income Statements

Nine Months Ended September 30, 2004

(Unaudited and before reclassifications and rearrangements)

Millions of Yen

	Nine Months Ended September 30, 2004	Nine Months Ended September 30, 2003	Year Ended December 31, 2003
GROSS BILLINGS	271,123	259,682	357,597
COST OF SALES	241,163	-	319,680
GROSS PROFIT	29,960	27,292	37,917
SELLING, GENERAL AND ADMINISTRATIVE EXPENSES	24,511	-	32,491
OPERATING INCOME	5,448	3,677	5,426
NON - OPERATING INCOME	1,161	-	1,225
NON - OPERATING EXPENSES	62	-	182
RECURRING PROFIT	6,548	-	6,470
EXTRAORDINARY PROFITS	154	-	698
EXTRAORDINARY LOSSES	747	-	1,011
INCOME BEFORE INCOME TAXES	5,955	-	6,157
INCOME TAXES	2,554	-	3,325
NET INCOME	3,400	-	2,832