

Overview of 1st Quarter Results (Consolidated and Non-consolidated) for the Year Ending December 31, 2007

May 14, 2007

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 : 22.00 %

Adoption of U.S. GAAP : No

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

1) Is there any variance in the accounting treatment from the most recent accounting year ? : 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 (2 added, 0 removed); Equity Method Companies (0 added, 1 removed)
 ASATSU (Thailand) Co., Ltd. that was unconsolidated subsidiary until last fiscal year, and ASDIK Ltd. that was accounted for by the equity method until last fiscal year have been added to the consolidated subsidiaries since this first quarter because of increase of their significance.

2. The First Three Months Consolidated Results for the Year Ending December 31, 2007

(From Jan.1, 2007 to Mar.31, 2007)

(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, 2007	107,167	1.3	2,391	(4.9)	2,734	(8.4)
Three months ended Mar. 31, 2006	105,798	(3.3)	2,514	20.6	2,985	19.2
(Ref.) Fiscal 2006	420,059		6,392		8,914	

	Net Income		Net Income per Share
	(millions of yen)	(%)	(yen)
Three months ended Mar. 31, 2007	1,563	(15.6)	33.23
Three months ended Mar. 31, 2006	1,853	27.9	38.66
(Ref.) Fiscal 2006	5,070		106.62

[Supplementary Notes on the Consolidated Results]

During the first three months of 2007, the Japanese economy maintained its slow but steady growth, led by larger corporate capital expenditures and exports, while a modest recovery was seen in employment and wages. However, still under deflationary pressure, growth in private consumption remains limited, but is continuing to revive. The stocks, especially of emerging companies, is still slow as well, in spite of active M&A and larger pressure from investors to improve shareholder returns. In the advertising industry, traditional advertising media offers only limited growth. On the other hand, search engines are enhancing their functions and influence, and consumer-generated media, like weblogs and social networking sites, are becoming more influential and are changing consumer purchasing patterns and behavior. Services advertising clients now expect us to go far beyond buying traditional media. They demand optimum media planning solutions that integrate traditional and digital media with maximum returns on their advertising investments. The ADK group responds to these demands by offering integrated communications services, including mass-personal media combined with traditional media by taking advantage of our 360-degree communications programs with the core idea that every touchpoint around a consumer can be used as a creative medium.

(Advertising Business Segment)

The group's advertising business generated gross billings of ¥ 105,195 million (1.5% y-o-y growth). At the parent company, gross billings from clients in Apparel/Jewelry, Hobbies/Sporting goods, and Real estate/Housing facilities sectors increased, and the group acquired new clients and new brands. On the other hand, gross billings from clients in Finance/Insurance, Energy/Raw materials/Machinery industries declined. Among the several divisions at the parent company, the TV and Newspaper divisions grew their gross billings, although the digital media division suffered because a large contract was not renewed. The gross billings at the consolidated subsidiaries in this segment grew slightly overall.

Thanks to the parent company's reduction of less profitable business in TV and newspaper media and an enhanced contents portfolio, the advertising segment generated slightly larger gross profits. However, after accounting for increased operating expenses, the segment's operating income totaled ¥ 2,436 million (0.1% y-o-y decline).

(Other Business)

The group's two consolidated subsidiaries in the publishing industry were hard-pressed to generate sales due to the shrinking demand for publication materials. The once profitable business of publishing periodicals for credit card companies ended during fiscal 2005, and the subsidiary has been unable to replace these contracts. The other subsidiary continues to suffer from large returns of unsold books and magazines. Both subsidiaries tried hard to conserve operating expenses, but were unsuccessful in reporting profitability. As a result, the segment reported sales of ¥ 1,972 million (7.2% decline y-o-y) and an operating loss of ¥ 45 million for the period (compared with ¥ 57 million operating income for 1Q 2006).

As a result, the group's gross billings totaled ¥ 107,167 million (1.3% y-o-y growth), gross profits were ¥ 13,168 million (1.5% y-o-y growth). Selling, general and administrative expenses increased to ¥ 10,777 million (3.1% y-o-y growth), and operating income was ¥ 2,391 million (4.9% y-o-y decline). Equity in loss of affiliated companies-net of ¥ 16 million was reported, compared to ¥ 26 million of Equity in earnings of affiliated companies-net in 1Q 2006. Although non-consolidated net income of Digital Advertising Consortium Inc., an internet advertising media representative grew, an information processing services affiliate and one of the overseas affiliates suffered from sluggish sales growth due to intense competition and seasonality. As a result, the group's consolidated recurring profits were ¥ 2,734 million (8.4% y-o-y decline), while income before income tax and minority interests fell to ¥ 2,966 million (8.1% y-o-y decline) and net income totalled ¥ 1,563million (15.6% y-o-y decline).

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

	Total Assets		Shareholders' Equity	Shareholders' Equity Ratio	Shareholders' Equity per Share
	(millions of yen)	(millions of yen)	(%)	(%)	(yen)
Mar. 31, 2007	270,448	144,439	53.0		3,062.07
Mar. 31, 2006	255,533	138,397	54.2		2,886.22
(Ref.) Dec.31, 2006	256,754	141,387	54.7		2,979.79

[Supplementary Notes on the Consolidated Financial Condition]

As of March 31, 2007, Total Assets were ¥ 270,448 million, a ¥ 14,914 million increase from those on March 31, 2006, mainly due to increases in Notes and accounts receivable trade, Inventories and Investment Securities. Total Liabilities were ¥ 126,008 million, a ¥ 9,876 million increase, mainly due to increases in Notes and accounts payable trade and deferred tax liabilities, an item of Other long-term liabilities. In order to maximize shareholder returns, ADK acquired 295,900 treasury stocks for ¥ 1,133 million during the one month until March and the balance of treasury stock was ¥ 14,081 million at the end of the first quarter. Minority Interests were ¥ 1,133 million. Net Assets, which include Minority Interests and Valuation and Translation Adjustments under the new TSE formula, totaled ¥ 144,439 million, and the Net Assets Ratio was 53.4%.

(Reference) The First Three Months Non-consolidated Results for the Year Ending December 31, 2007

(From Jan.1, 2007 to Mar.31, 2007)

(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, 2007	97,595	0.8	2,167	1.6	2,470	(2.3)
Three months ended Mar. 31, 2006	96,831	(4.1)	2,133	10.5	2,527	10.4
(Ref.) Fiscal 2006	378,804		5,523		7,500	

	Net Income		Net Income per Share
	(millions of yen)	(%)	(yen)
Three months ended Mar. 31, 2007	1,426	(12.6)	30.30
Three months ended Mar. 31, 2006	1,631	23.4	34.03
(Ref.) Fiscal 2006	4,235		89.06

(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)
Mar. 31, 2007	238,583	126,942	53.2	2,712.43
Mar. 31, 2006	227,456	123,697	54.4	<u>2,579.65</u>
(Ref.) Dec.31, 2006	227,299	124,354	54.7	2,640.40

(The underlined was corrected as of May 15, 2007)

3. Forecast of consolidated and non-consolidated results for the year ending Dec. 31, 2007

(FY period from Jan. 1, 2007 to Dec. 31, 2007)

We do not revise the forecast for the interim and fiscal 2007 consolidated and non-consolidated results as announced on February 14, 2007.

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 difference 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 Income Statements

Three Months Ended March 31, 2007

(Unaudited and before reclassifications and rearrangements)

Millions of Yen

	Three Months Ended March 31, 2007	Three Months Ended March 31, 2006	Year Ended December 31, 2006
GROSS BILLINGS	107,167	105,798	420,059
COST OF SALES	93,999	92,827	371,374
GROSS PROFIT	13,168	12,970	48,685
SELLING, GENERAL AND ADMINISTRATIVE EXPENSES			
1. Salaries	4,573	4,265	23,003
2. Provision for bonus expenses	1,581	1,552	95
3. Provision for pension benefits	431	441	1,812
4. Rent expenses	927	915	3,675
5. Other expenses	3,263	3,280	13,705
Total selling, general and administrative expenses including others	10,777	10,455	42,292
OPERATING INCOME	2,391	2,514	6,392
NON - OPERATING INCOME			
1. Interest income	163	148	588
2. Dividend income	32	62	1,206
3. Equity in earnings of affiliated companies-net	-	26	240
4. Other income	180	280	772
Total non-operating income including others	377	517	2,807
NON - OPERATING EXPENSES			
1. Interest expenses	9	10	30
2. Equity in loss of affiliated companies-net	16	-	-
3. Other expenses	8	36	255
Total non-operating expenses including others	34	46	285
RECURRING PROFIT	2,734	2,985	8,914
EXTRAORDINARY PROFITS	231	494	1,877
EXTRAORDINARY LOSSES	0	253	1,109
INCOME BEFORE INCOME TAXES AND MINORITY INTERESTS	2,966	3,226	9,682
INCOME TAXES	1,390	1,358	4,556
MINORITY INTERESTS IN NET INCOME	11	14	55
NET INCOME	1,563	1,853	5,070

Asatsu-DK Inc. and Consolidated Subsidiaries

Consolidated Balance Sheets

March 31, 2007

(Unaudited and before reclassifications and rearrangements)

Millions of Yen

	March 31, 2007	March 31, 2006	December 31, 2006
<u>ASSETS</u>			
CURRENT ASSETS			
1. Cash and time deposits	19,933	22,088	22,145
2. Notes and accounts receivable-trade	105,597	100,946	100,907
3. Marketable securities	7,177	4,621	5,213
4. Inventories	11,051	8,809	7,979
5. Other current assets	4,921	2,815	3,396
6. Allowance for doubtful accounts	(537)	(613)	(759)
Total current assets	148,144	138,668	138,882
FIXED ASSETS			
1. Tangible fixed assets	3,848	4,008	3,868
2. Intangible fixed assets	1,435	1,800	1,558
3. Investments and other assets			
(1) Investment securities	106,031	101,049	102,019
(2) Other assets	12,010	11,460	11,601
(3) Allowance for doubtful accounts	(1,022)	(1,454)	(1,175)
Total investments and other assets	117,020	111,055	112,445
Total fixed assets	122,304	116,864	117,871
TOTAL ASSETS	270,448	255,533	256,754

Asatsu-DK Inc. and Consolidated Subsidiaries

Consolidated Balance Sheets

March 31, 2007

(Unaudited and before reclassifications and rearrangements)

Millions of Yen

	March 31, 2007	March 31, 2006	December 31, 2006
<u>LIABILITIES</u>			
CURRENT LIABILITIES			
1. Notes and accounts payable-trade	92,916	87,081	84,448
2. Short-term debt	164	844	344
3. Current portion of bonds	500	-	500
4. Current portion of long-term debt	49	49	49
5. Accrued bonuses to employees	1,759	1,784	289
6. Allowance for sales returns	700	641	770
7. Other current liabilities	8,903	7,324	9,823
Total current liabilities	104,993	97,726	96,226
LONG-TERM LIABILITIES			
1. Bonds	-	500	-
2. Long-term debt	98	148	108
3. Accrued retirement benefits	1,512	2,382	1,694
4. Allowance for retirement benefits to directors and corporate auditors	659	649	681
5. Provision for loss on guarantees	246	-	246
6. Other long-term liabilities	18,497	14,725	16,409
Total long-term liabilities	21,015	18,405	19,140
TOTAL LIABILITIES	126,008	116,132	115,366
<u>MINORITY INTERESTS</u>	-	1,003	-
<u>SHAREHOLDERS' EQUITY</u>			
Common stock	-	37,581	-
Capital surplus	-	40,607	-
Retained earnings	-	44,760	-
Unrealized gain on available-for-sale securities	-	24,765	-
Foreign currency translation adjustments	-	379	-
Treasury stock-at cost	-	(9,696)	-
SHAREHOLDERS' EQUITY-NET	-	138,397	-
TOTAL LIABILITIES, MINORITY INTERESTS AND SHAREHOLDERS' EQUITY	-	255,533	-

ASATSU-DK INC. and Consolidated Subsidiaries

Consolidated Balance Sheets

March 31, 2007

(Unaudited and before reclassifications and rearrangements)

Millions of Yen

	March 31, 2007	March 31, 2006	December 31, 2006
<u>NET ASSETS</u>			
SHAREHOLDERS' EQUITY			
1. Common stock	37,581	-	37,581
2. Capital surplus	40,607	-	40,607
3. Retained earnings	48,579	-	47,671
4. Treasury stock-at cost	(14,081)	-	(12,973)
Total shareholders' equity	112,687	-	112,886
VALUATION AND TRANSLATION ADJUSTMENTS			
1. Unrealized gain on available-for-sale securities	29,742	-	26,676
2. Deferred hedge profit and loss	0	-	1
3. Foreign currency translation adjustments	875	-	774
Total valuation and translation adjustments	30,617	-	27,452
MINORITY INTERESTS	1,133	-	1,048
TOTAL NET ASSETS	144,439	-	141,387
TOTAL LIABILITIES AND NET ASSETS	270,448	-	256,754

ASATSU-DK INC. and Consolidated Subsidiaries

Consolidated Statements of Changes in Net Assets

Three Months Ended March 31, 2007

(Unaudited and before reclassifications and rearrangements)

Millions of Yen

	SHAREHOLDERS' EQUITY				Total
	Common stock	Capital surplus	Retained earnings	Treasury stock-at cost	
Balance as of December 31, 2006	37,581	40,607	47,671	(12,973)	112,886
Dividend Paid	-	-	(800)	-	(800)
Net Income	-	-	1,563	-	1,563
Bonus to directors and corporate auditors paid	-	-	-	-	-
Increase due to new consolidated subsidiaries	-	-	145	-	145
Acquisition of treasury stock	-	-	-	(1,107)	(1,107)
Disposal of treasury stock	-	0	-	0	0
Net changes of items other than shareholders' equity	-	-	-	-	-
Total changes of items during the year	-	0	908	(1,107)	(198)
Balance as of March 31, 2007	37,581	40,607	48,579	(14,081)	112,687

	VALUATION AND TRANSLATION ADJUSTMENTS				MINORITY INTERESTS	TOTAL NET ASSETS
	Unrealized gain on available-for-sale securities	Deferred hedge profit and loss	Foreign currency translation adjustments	Total		
Balance as of December 31, 2006	26,676	1	774	27,452	1,048	141,387
Dividend Paid	-	-	-	-	-	(800)
Net Income	-	-	-	-	-	1,563
Bonus to directors and corporate auditors paid	-	-	-	-	-	-
Increase due to new consolidated subsidiaries	-	-	-	-	-	145
Acquisition of treasury stock	-	-	-	-	-	(1,107)
Disposal of treasury stock	-	-	-	-	-	0
Net changes of items other than shareholders' equity	3,065	(1)	100	3,164	85	3,249
Total changes of items during the year	3,065	(1)	100	3,164	85	3,051
Balance as of March 31, 2007	29,742	0	875	30,617	1,133	144,439

Asatsu-DK Inc. and Consolidated Subsidiaries

Segment Information

(Unaudited and before reclassifications and rearrangements)

Three Months Ended March 31, 2007

Millions of Yen

	Advertising	Others	Total	Eliminations or Corporate	Consolidated
GROSS BILLINGS					
1 Billings to out-of-group customers	105,195	1,972	107,167	-	107,167
2 Inter-segment billings	6	65	72	(72)	-
Total billings	105,201	2,038	107,240	(72)	107,167
Operating expenses*	102,765	2,084	104,849	(73)	104,776
Operating income	2,436	(45)	2,391	0	2,391

* Operating expenses is the total of cost of sales and selling, general, and administrative expenses.

Three Months Ended March 31, 2006

Millions of Yen

	Advertising	Others	Total	Eliminations or Corporate	Consolidated
GROSS BILLINGS					
1 Billings to out-of-group customers	103,671	2,126	105,798	-	105,798
2 Inter-segment billings	71	50	121	(121)	-
Total billings	103,743	2,176	105,919	(121)	105,798
Operating expenses*	101,285	2,118	103,404	(121)	103,283
Operating income	2,457	57	2,514	(0)	2,514

* Operating expenses is the total of cost of sales and selling, general, and administrative expenses.

ASATSU-DK INC.**Non-consolidated****Income Statements****Three Months Ended March 31, 2007**

(Unaudited and before reclassifications and rearrangements)

	<u>Millions of Yen</u>		
	Three Months Ended March 31, 2007	Three Months Ended March 31, 2006	Year Ended December 31, 2006
GROSS BILLINGS	97,595	96,831	378,804
COST OF SALES	86,940	86,336	340,072
GROSS PROFIT	10,654	10,494	38,731
SELLING, GENERAL AND ADMINISTRATIVE EXPENSES	8,487	8,361	33,208
OPERATING INCOME	2,167	2,133	5,523
NON - OPERATING INCOME	303	422	2,162
NON - OPERATING EXPENSES	0	28	185
RECURRING PROFIT	2,470	2,527	7,500
EXTRAORDINARY PROFITS	215	486	1,658
EXTRAORDINARY LOSSES	-	102	894
INCOME BEFORE INCOME TAXES	2,686	2,911	8,264
INCOME TAXES	1,260	1,280	4,028
NET INCOME	1,426	1,631	4,235

ASATSU-DK INC.**Non-consolidated****Balance Sheets****March 31, 2007**

(Unaudited and before reclassifications and rearrangements)

Millions of Yen

	March 31, 2007	March 31, 2006	December 31, 2006
<u>ASSETS</u>			
CURRENT ASSETS			
1. Cash and time deposits	8,913	11,081	11,098
2. Notes receivable-trade	7,290	9,633	8,261
3. Accounts receivable-trade	86,893	81,338	81,444
4. Marketable securities	5,709	4,158	4,445
5. Inventories	7,109	5,920	5,477
6. Other current assets	4,315	2,334	3,161
7. Allowance for doubtful accounts	(428)	(475)	(627)
Total current assets	119,803	113,991	113,261
FIXED ASSETS			
1. Tangible fixed assets	1,899	2,015	1,930
2. Intangible fixed assets	1,312	1,647	1,424
3. Investments and other assets			
(1) Investment securities	106,493	101,283	102,162
(2) Other assets	9,991	9,680	9,608
(3) Allowance for doubtful accounts	(917)	(1,162)	(1,087)
Total investments and other assets	115,568	109,802	110,682
Total fixed assets	118,780	113,465	114,037
TOTAL ASSETS	238,583	227,456	227,299

ASATSU-DK INC.**Non-consolidated****Balance Sheets****March 31, 2007**

(Unaudited and before reclassifications and rearrangements)

Millions of Yen

	March 31, 2007	March 31, 2006	December 31, 2006
<u>LIABILITIES</u>			
CURRENT LIABILITIES			
1. Notes payable-trade	19,928	21,302	21,083
2. Accounts payable-trade	66,550	60,847	57,811
3. Other current liabilities	5,153	4,769	5,912
Total current liabilities	91,632	86,918	84,807
LONG-TERM LIABILITIES			
1. Accrued retirement benefits	726	1,623	930
2. Accrued retirement benefits to directors and corporate auditors	659	649	681
3. Provision for loss on guarantees	300	-	300
4. Other long-term liabilities	18,323	14,567	16,224
Total long-term liabilities	20,009	16,840	18,137
TOTAL LIABILITIES	111,641	103,759	102,944
<u>SHAREHOLDERS' EQUITY</u>			
Common stock	-	37,581	-
Capital surplus	-	40,607	-
Retained earnings	-	31,232	-
Unrealized gain on available-for-sale securities	-	23,972	-
Treasury stock-at cost	-	(9,696)	-
SHAREHOLDERS' EQUITY-NET	-	123,697	-
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	-	227,456	-
<u>NET ASSETS</u>			
SHAREHOLDERS' EQUITY			
1. Common stock	37,581	-	37,581
2. Capital surplus	40,607	-	40,607
3. Retained earnings	33,987	-	33,361
4. Treasury stock-at cost	(14,081)	-	(12,973)
Total shareholders' equity	98,095	-	98,576
VALUATION AND TRANSLATION ADJUSTMENTS			
1. Unrealized gain on available-for-sale securities	28,846	-	25,776
2. Deferred hedge profit and loss	0	-	1
Total valuation and translation adjustments	28,846	-	25,777
TOTAL NET ASSETS	126,942	-	124,354
TOTAL LIABILITIES AND NET ASSETS	238,583	-	227,299