NEWS RELEASE

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ADK

FOR IMMEDIATE RELEASE

August 15, 2007

ASATSU-DK Announces Interim 2007 Results

- **Unaudited Consolidated Gross Billings Up 0.4% to ¥ 214.5 billion**
- **Gross Profit Up 2.7% to ¥ 25.5 billion**
- **Operating Income Down 6.2% to ¥ 4.0 billion**
- **Operating Margin Improved to 11.9%**
- **Net Income Down 7.6% to ¥ 3.2 billion**
- **Accelerated Share Buy-back Exercised to Improve ROE**
- **Annual Dividend Forecast at ¥ 47 per share (UP 74.1%) under 35% Payout Policy**

1. Summary of Results

ASATSU-DK INC. ("ADK"; President and Group CEO: Koichiro Naganuma; Securities Code: 9747; Tokyo Stock Exchange-1) today announced its unaudited consolidated interim financial results for the six months ended June 30, 2007. While gross billings remained stagnant, improved gross margin was offset by investments in staff and R&D and weaker than expected results from struggling subsidiaries and affiliates. Growth and profitability improvement initiatives are being implemented. ADK renewed its distribution policy to a 35% dividend payout from 25% and accelerated its share buy-back program to improve ROE. Consolidated financial highlights are provided in **Appendix 1.** ADK also announced the launch of ADK Dialog, Inc. a 100% subsidiary in January 2008 to offer new and enhanced direct marketing services to leverage the group's 360-degree communications programs.

Gross billings totaled ¥ 214,559 million, for a 0.4% year-on-year growth rate. Growth was limited due to sluggish sales of the media buying business. However, the decline in sales of the media buying business with its low gross margins, as well as the group- wide effort to win new clients and brands helped the group improve its gross margin. As a result, gross profit totaled ¥ 25,588 million, a 2.7% year-on-year increase and a 0.2 point increase in the gross margin ratio. Although the ADK group sought to control operating expenses, including personnel costs and R&D outlays, operating income was ¥ 3,987 million for a year-on-year decrease of 6.2%. The ADK group reported a 15.6% operating margin, surpassing management's target of 15%, and a major improvement from the 13.1% of FY

2006. Staff costs to gross profits was 56.5%, still above management's 55% target. And operating income declined 6.2% year-on-year.

The ADK group incurred equity in loss of affiliates-net at ¥ 260 million, while the group reported equity in earnings of affiliates-net at ¥ 150 million in 1H 2006, because Digital Advertising Consortium Inc., a publicly traded internet media buying rep, had a large but one time loss due to an unrealized loss in investments in one of its subsidiaries. Dividend income improved mainly from WPP Group plc. As a result, recurring profit was ¥ 5,127 million, down 8.5%. Extraordinary Profits and Losses for the period were ¥1,769 million and ¥ 777 million, respectively. Income before income taxes and minority interests totaled ¥ 6,119 million, and after deductions of ¥ 2,885 million in income taxes and ¥ 25 million in minority interest, net income was ¥ 3,208 million, a 7.6% decrease. Interim net income per share totaled ¥ 68.68, an 5.3% decline. Consolidated income statement information is provided in **Appendix 2.**

The number of employees at the interim period end totaled 3,115, an increase of 140 from the FY 2006 end, including 76 working for newly-consolidated subsidiaries, with 3,021 engaged in the advertising business.

The ADK group has been working hard to achieve the following management targets as part of its mid-term plan:

Term	1H 2005	1H 2006	1H 2007	FY 2005	FY 2006	Targets
Operating Margin	17.1%	17.1%	15.6%	15.7%	13.1%	15.0%
Staff Cost to Gross Profit	55.5%	55.8%	56.5%	56.0%	57.8%	55.0%
Operating Income Growth	(8.4%)	5.0%	(6.2)%	(9.3%)	(14.6%)	5.0% p.a.

In order to better serve shareholders, at the start of 2004, we set a goal to achieve an EPS of ¥130 or more for FY 2007 by improvements in profitability and the acquisition of treasury stock. For FY 2007, we forecast an EPS of ¥133.97.

Besides EPS, we add ROE to our management targets. In order to achieve a higher ROE, not only to maximize Net Income through organic and acquisition growth, the board of directors resolved to accelerate the acquisition of own stock to curtail growth in equity and reduce the number of shares outstanding. Assuming the same stock values of investment securities as those at December 2006, we are planning to improve the consolidated ROE to 6% or more by December 2010, beating the 4.7% or average ROE of major Japanese advertising and media companies (namely ADK, Dentsu Inc., Hakuhodo DY holdings Inc., and the five Tokyo-based TV networks) for fiscal 2006 (ending in either December 2006 or March 2007). The detailed ROE targets and formulae will be announced in 2008.

FY	2004 Actual	2005 Actual	2006 Actual	2007 Forecast
EPS (Yen)	103.25	122.11	106.62	133.97
ROE (%)	4.3	4.6	3.7	N.A.

2. The Enhanced Dividend Distribution Policy and accelerated Share Buy-back

Maximizing shareholder value is a top priority at ADK. On February 14, 2007, the board resolved that 35% (a 10% increase from the previous policy) of consolidated net income be distributed through common dividends with a minimum annual dividend of ¥ 20 per share. The board keeps semi-annual dividend distributions instead of quarterly dividend distributions in order to save on operational costs. Under this policy, the dividend forecast for fiscal 2007 is as follows:

FY 2006 Dividend	Interim Dividend	Year-end Dividend Forecast	Total Annual Dividend Forecast
Dividend Per share	¥10	¥37	¥47
Record Date	Jun. 30, 2007	Dec. 31, 2007	
Disbursement Date	Sep. 13, 2007	TBD in 2008	

Note: ¥47 per share is a 74.1% increase from 2006.

In addition to cash dividends, ADK has been acquiring its own stock since 2001 to improve EPS by reducing the number of shares outstanding and curtailing the growth of equity. The board has resolved to accelerate acquisitions, buying 4% of outstanding shares a year for some time. In the case a targeted amount of shares could not be acquired, the board will consider an increase in cash dividends to make up the shareholder's return. The board announced to buy up to 2 million shares (4.2% of the outstanding shares as of FY 2006 end) during FY 2007. By the end of June 2007, ADK has acquired 1,337,400 shares for ¥ 5,228 million Possible total shareholder returns consisting of this share buy-back program and estimated common dividends for FY 2007 could exceed 160% of the forecast Net Income for the year. Accumulated own stock in treasury will be cancelled by the end of FY 2007. Even so, we will maintain our high financial stability and will have readily available funds for future investment opportunities.

Please be advised that in spite of the accelerated acquisition of own stock or their cancellation, ADK and WPP Group plc will maintain their current cross-ownership alliance. Both groups will work together to enhance their strategic business alliance while contributing to maximize the shareholder value of each group.

3. Review of Operations

① Advertising Business

The group's advertising business generated gross billings of ¥ 210,413 million, registering a 0.4% year-on-year growth, while segment operating income decreased by 1.1% to ¥ 4,194 million over the same period. Further segment information is provided in **Appendix 6**.

Since all of ADK's unconsolidated gross billings and income are generated from the advertising business, and those unconsolidated gross billings represent 92.2% of the company's consolidated advertising gross billings, unconsolidated performance will be reviewed as follows:

- Unconsolidated Performance by Division:

Break Down by Division		Gross Billings (Millions of yen)	Composition %	Y-o-Y change %
Media	Magazine	13,783	7.1	31.5
	Newspaper	18,331	9.5	(6.8)
	TV (Programs, Spots, and Content)	90,552	46.7	(3.2)
	Radio	2,090	1.1	8.9
	Digital Media	6,882	3.5	5.4
	OOH Media	5,520	2.8	(11.2)
Sub-total		137,160	70.7	(0.9)
Non-Media	Sales Promotion	27,380	14.1	(3.2)
	Creative and Others	29,389	15.2	5.2
Sub-total		56,770	29.3	0.9
Total		193,930	100	(0.4)

The Magazine Division increased its billings to clients in the Apparel/Jewelry and Hobbies/Sporting Goods sectors and shrunk the circulation of magazines. Division gross billings jumped 31.5% year-on-year to ¥ 13,783 million.

The Newspaper Division suffered a decline in gross billings by 6.8% year-on-year with smaller gross billings to clients in Finance/Insurance and Transport equipment. As a result, the division generated gross billings of ¥ 18,331 million.

The Television Division could generate only smaller gross billings from spot, time and contents sales, mainly due to tighter advertising budgets at one of the clients in the Finance/Insurance sector, and a continuing decline of the best-selling animation contents abroad. As a result, the division yielded gross billings of ¥ 90,552 million, a 3.2% year-on-year decline.

The Radio Division increased gross billings to clients in Information/Communications and Beverages/Tobacco sectors and was successful in marketing professional baseball night game programs. The division's billings grew to ¥ 2,090 million, for a year-on-year growth of 8.9%.

The Digital Media Division kept generating larger gross billings to clients in various sectors by faster and more proactive services. However, due to smaller gross billings to a client in Finance/Insurance sector and the market-wide decline in growth, the division generated gross billings of ¥ 6,882 million, a 5.4% year-on-year increase.

The Out-of-Home Media Division generated smaller gross billings, because one of the large campaign contracts with a client in Cosmetics/Toiletries ended in the previous year and handling of advertising in public transportation and newspaper inserts slowed. Thus the division achieved gross billings of ¥ 5,520 million, a 11.2% year-on-year decline.

The Sales Promotion Division generated gross billings of ¥ 27,380 million, a 3.2% decrease, due to smaller event and exhibition sales, while SP tools/premium arrangements and the printing business grew. By client sector, Information/Communications and Real estate/Housing grew, while Government/Organizations and Energy/Raw Materials/Machinery declined.

The Creative Division continued its success in winning major international and domestic advertising awards. Therefore, the division could obtain more business. The Marketing Division, however, could not generate large gross billings from clients in Finance/Insurance sector. The gross billings of the two divisions and other miscellaneous advertising businesses increased by 5.2% to ¥ 29,389 million.

As a result, ADK generated unconsolidated gross billings of ¥ 193,930 million, a 0.4% year-on-year decline. However, through its efforts in focusing on profitable projects, and limiting the low-margin media buying business, gross profits improved by 1.9% to ¥ 20,519 million. Operating income was ¥ 3,713 million, down 1.9%. Further unconsolidated income information is provided in **Appendix 7**.

- Group Companies in the Advertising Business

  The ADK group's advertising agency companies had mixed results. Domestic subsidiaries as a whole increased gross billings and operating profits by generating new business and implementing tighter cost controls Overseas subsidiaries suffered from smaller gross billings, but a Thai subsidiary led the companies by reporting an increase in operating profits.

② Other Business

ADK has two consolidated subsidiaries in the publications industry. Among the two, the smaller subsidiary, specializing in publication of periodicals to select club members, could not obtain new contracts to absorb its fixed costs. As the industry has been experiencing sluggish growth under the influence of growing consumer preference for internet/mobile media, the general publication subsidiary realized lower returns. As a result, the group's Other Business generated gross billings of ¥ 4,146 million, a 1.5% year-on-year decline, and an operating loss of ¥ 204 million, while the segment reported ¥ 17 million operating income in 1H 2006.

③ Overseas Sales

The ADK group obtained 4.4% of its gross billings from abroad. All overseas sales are for the advertising business.

4. Outlook for Fiscal Year 2007

The Japanese economy will continue its slow, but long-lasting growth led by exports and corporate capital expenditures. There still remain worries from uncertain government leadership, higher oil prices, and the negative influence of the US sub-prime mortgage/loan markets. The consumer spending will still remain sluggish. Under today's more demanding business conditions, the advertising market environment will remain a challenging one.

While facing this difficult environment, ADK stands by its consolidated forecast for fiscal 2007 at ¥ 436.7 billion in gross billings, ¥ 10.1 billion in recurring profits, and ¥ 6.13 billion in net income unchanged. On an unconsolidated basis, the forecasts are kept at ¥ 391 billion in gross billings, ¥ 8.8 billion in recurring profits, and ¥ 5.3 billion in net income.

Based on the number of the outstanding shares as of the end of June 2007, consolidated and unconsolidated net income per share for the fiscal year are forecast to be ¥ 133.97 and ¥ 115.83, respectively.

5. **Balance Sheets and Cash flow**

While the ADK group did not make any large capital expenditures during the six months through June 2007, the group accelerated buying back its shares, and continued its efficient capital management program focus. The total assets of the group increased by ¥ 9,501 million from FY 2006 end to ¥ 266,256 million. Consolidated interest bearing debt was ¥ 938 million. Total net assets, including net valuation gain on hedging derivatives and excluding Minority Interests, were ¥ 142,159 million, with a 53.4 % book net assets ratio. Further consolidated and unconsolidated balance sheet information is provided in **Appendices 3 and 8**.

At the end of 1H 2007, cash and cash equivalents amounted to ¥ 21,143 million, a decrease of ¥ 789 million from the previous fiscal year end.

Among the Operating Activities, Income before income taxes and minority interests for 1H 2007 was ¥ 6,119 million, and depreciation was ¥ 587 million, while the increase of notes and accounts receivable and notes and accounts payable were ¥ 738 million and ¥ 6,282 million, respectively, and Inventories increased by ¥ 2,552 million. Tax paid during the period was ¥ 2,545 million. As a result, net cash flow provided by Operating Activities was ¥ 5,134 million, compared to ¥ 5,293 million in the corresponding 2006 period. This cash was used for investing and financing to increase shareholder value.

Net cash of ¥ 366 million was obtained from investing activities compared to ¥ 996 million cash used in the corresponding 2006 period. The sale and purchase of marketable securities were ¥ 530 million and ¥ 100 million, respectively, and the sale and purchase of investment securities were ¥ 1,480 million and ¥ 922 million, respectively.

Net cash used for financing activities was ¥ 6,837 million, more than double the ¥ 3,244 million in 1H 2006, mainly because of larger returns to shareholders, like 2006 year-end dividends for ¥ 800 million and acquisition of treasury stocks of ¥ 5,241 million. Further cash flow information is provided in **Appendix 5**.

The major indices of consolidated financial conditions are as follows:

Term	6 months Jun. 2005	6 months Jun. 2006	6 months Jun. 2007	FY 2005	FY 2006
Book Net Assets Ratio	53.5%	54.7%	53.0%	54.6%	54.7%
Market Cap. to Book Total Assets	63.3%	71.0%	71.7%	72.8%	69.3%
Years to Redeem Debt	0.1	0.1	0.1	6.8	0.1
Interest Coverage Ratio (times)	348.7	307.1	315.1	5.1	247.8

TSE Formulas: (Book Net Assets Ratio) ＝ (Book Equity excluding Minority Interest) ÷ (Book Total Assets)

For the end of 1H 2006 and on, the TSE formula for Book Net Assets was amended to add Net valuation gain of hedging purpose derivatives to Book Equity.

(Market Cap. to Book Total Assets) ＝ (Market Cap.) ÷ (Book Total Assets)

(Years to redeem debts) ＝(Interest Bearing Debts) ÷ (Annualized C.F. from Operations)

(Interest Coverage Ratio) ＝ (C.F. from Operations) ÷ (Gross Interest Expenses)

6. Strategies on Competition

① Strategies on the growing markets

A) Focus on the 360-degree communications approach

In the advertising industry, traditional media have matured and see only limited growth while digital-based media like the internet with broadband access, mobile media, and satellite and digital broadcasting, are providing revolutionary multimedia choices for advertisers and consumers alike. Search engine sites are rapidly developing their services and markets. Consumers are networking with and influencing each other through weblogs, social networking sites and virtual reality internet game sites, and are changing their purchasing behaviors.

Services advertising clients now expect us go far beyond buying traditional media. They demand optimized media planning solutions that integrate traditional and digital media with maximum returns on their advertising investments. Therefore, the gap between growth rates of media would be larger by medium.

The ADK group responds to these demands by offering totally integrated communications services of mass-personal media, and with traditional media taking advantage of our 360-degree communications programs with the core idea that we offer media-neutral and solution neutral services, which represent the interests of advertising clients over media owners.

Sales Promotion and Public Relations are two units that complete our 360-degree communications program. We will continue to promote these businesses as essential elements of our cross-media program as well as services that best address our clients' marketing activities.

B) ADK Digital:Initiatives in the internet and mobile advertising markets

In July 2006, ADK established the ADK Interactive Division, a new division within the company to offer a one-stop service for internet and mobile communications. ADK also set up a joint venture, ASP Co., Ltd., with Septeni Co., Ltd., a growing internet advertising specialty company, to offer e-marketing solution services. ADK also established another joint venture, CGM Marketing, Inc., with Digital Garage Inc., Dentsu Inc., and cyber communications inc., to promote business with consumer generated media. Because the advertising market environment evolves at a fast pace, the ADK group needs to quickly respond to changes. Controlling risks of investments by establishing smaller joint ventures with partners skilled in various new techniques is one solution. It should be noted that the ADK group concentrates revenue generation abilities through those new approaches to the parent company, which offers holistic solutions to clients.

C) ADK Direct: Initiatives in direct marketing to respond to large distributors

Many Japanese retailers and distributors are becoming more influential because they are responding better to changing consumer purchasing processes and lifestyles than are manufacturers. Under pressure from retailers, manufacturers expect advertising companies to help them build their brands to attract consumers and promote their direct marketing activities. To respond to these needs, ADK developed its direct marketing business by reorganizing the Direct Marketing Division and incorporating Customer Relationship Management solutions into its activities.

In January 2008, ADK Dialog will start operations to offer its new marketing solution services, Dialog Marketing. The new services are enhanced direct marketing services made through integration of traditional DRM (Direct Response Management) and CRM (Customer Relationship Management). ADK Dialog will be created by fusing Motivation Marketing Inc. (MMI) with the DRM division of TRI Communication Inc. (TRI). Both MMI and TRI are 100%-owned subsidiaries of ADK. The new Dialog Marketing approach has strategic value for the ADK group as it will further enhance its 360-degree communications program.

D) Development of in-store media

Many consumers make final decision of purchasing at the point of purchase. Communication with consumers in retail stores will therefore be very influential. Considering the growing influence of in-store media on consumers, ADK established another joint venture, AD & M Inc. with Mitsui & Co., Ltd. and Dai Nippon Printing Co., Ltd. to provide comprehensive retail media solutions.

E) ADK Contents: Development of animation and other content businesses

ADK has been very successful in its animation content business. Content diversity and quality have distinguished ADK from its competitors and this ensures the group enjoys additional income sources to those of a typical advertising business. In order to take additional advantages of its accumulated know-how, outstanding track record, and rich content libraries, ADK will further strengthen its domestic and overseas distribution channels. ADK also offers other content , such as sports and cultural events. Recently, ADK was awarded exclusive rights to market and sponsor the 13th Tchaikovsky International Competition in countries outside of Russia. ADK also led the production of the animation movie, "The perfect world of Kai," and will promote the Japanese traditional art-form, Kabuki, in China.

F) Overseas Markets

Considering the importance of China and other Asian markets, which account for 60% of the world's population, we have been busy upgrading our regional networking infrastructure. Our view of these fast-growing markets will not change. In addition, more new, fast-growing markets are emerging. These include India, the Middle East and Russia. Under this new environment, we will continue to strengthen our overseas network. In US and European markets, we will also take advantage of our alliance with the WPP Group.

G) Local Domestic Markets

Because the economies of Osaka and Nagoya areas are the largest only after Tokyo and China in Asia, we cannot grow faster without stronger presence in these two domestic markets. We will continue to focus on our local branch offices in these markets, where our presence is still limited.

② Enhancements of Core Competencies

The ADK group seeks enhance competitiveness by enhancing the following programs:

A) ADK University: Development of talent

Advertising business is people business. They key to the success depends on human talent resources. To succeed as a future agency, which offers media-neutral and solution-neutral ideas through 360-degree programs to help clients build up their brands and enhance profitability, the ADK group must take advantage of its human talent pool. Therefore, ADK develops its talents through ADK University education programs.

B) From Creative Directors to Communications Directors

Even in the internet era, the key competitive edge for an advertising company is powerful and convincing creative. We launched a new, star-creator training, hiring, and support program designed to help our creative directors transform themselves into communications directors to better offer superior 360-degree insights for clients in the latest consumer buying trends and ever-changing modes of media access, content and interest.

C) Approach to traditional and new media owners: Communication Channel Director

In order to better compete against major competitors, we believe we need a more solid market presence, especially in media buying. In order to empower our negotiation skills and media planning services, we restructured our media buying divisions and reassigned our talent to increase our market share. The communication channel director will promote 360-degree media neutral solutions and deliver the best media solution(s) to the advertiser.

D) ROI optimization

Japanese advertisers have been demanding ever more diversified and sophisticated communications programs from their agencies. In short, they want their agencies to show quantifiable returns on investment in communications, an optimum return on invested capital, and a justifiable return on communication solutions. In order to respond to the changing marketplace and client needs, ADK is again up-grading its proven 360-degree communications program that already offers clients sophisticated ROI measurements.

③ Enhancement of profitability and efficiency of subsidiaries and affiliates

The ADK group keeps improvements in an internal control environment and by the efficient and sound management of its subsidiaries and affiliates. Also, the group will work to turn around loss-making and underperforming subsidiaries and affiliates.

④ Management by All, our corporate geneome

Under the corporate philosophy of “Management by All,” every employee in the ADK group is expected to have a management perspective and approach client needs proactively. Applying these principles, the group will work to deliver value to its clients as well as to consumers to ensure the continued growth of shareholder value.

7. Forward-looking Statements

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

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Appendix 1.

ASATSU-DK INC. and Consolidated Subsidiaries

Consolidated Financial Highlights

6 Months Ended June 30, 2007

(Unaudited and before reclassifications and rearrangements)

Millions of Yen

	6 Months Ended June 30, 2007	6 Months Ended June 30, 2006	Year Ended December 31, 2006
GROSS BILLINGS	214,559	213,801	420,059
YEAR-ON-YEAR GROWTH RATE (%)	0.4	0.5	(1.1)
GROSS PROFIT	25,588	24,916	48,685
OPERATING INCOME	3,987	4,251	6,392
YEAR-ON-YEAR GROWTH RATE (%)	(6.2)	5.0	(14.6)
RECURRING PROFIT	5,127	5,602	8,914
YEAR-ON-YEAR GROWTH RATE (%)	(8.5)	7.4	(15.0)
INCOME BEFORE INCOME TAXES AND MINORITY INTERESTS	6,119	6,332	9,682
NET INCOME	3,208	3,472	5,070
INTERIM (FULL-YEAR) DIVIDEND PER SHARE (Yen)	10.00	10.00	27.00
TOTAL ASSETS	266,256	247,721	256,754
SHAREHOLDERS' EQUITY (Shareholders' equity plus valuation and translation adjustments)	141,018	135,393	140,338
MINORITY INTERESTS	1,140	997	1,048
TOTAL NET ASSETS (Total of shareholders' equity plus minority interests)	142,159	136,391	141,387
TOTAL NET ASSETS PER SHARE (Yen)	3,081.97	2,850.41	2,979.79
NET INCOME PER SHARE (Yen)	68.68	72.55	106.62
CASH FLOW FROM OPERATING ACTIVITIES	5,134	5,293	7,507
CASH FLOW FROM INVESTING ACTIVITIES	366	(996)	(3,191)
CASH FLOW FROM FINANCING ACTIVITIES	(6,837)	(3,244)	(5,300)
CASH AND CASH EQUIVALENTS, END OF YEAR	21,143	23,532	21,932

Appendix 2.

ASATSU-DK INC. and Consolidated Subsidiaries

Consolidated Income Statements

6 Months Ended June 30, 2007

(Unaudited and before reclassifications and rearrangements)

Millions of Yen

	6 Months Ended June 30, 2007	6 Months Ended June 30, 2006	Year Ended December 31, 2006
Ⅰ GROSS BILLINGS	214,559	213,801	420,059
Ⅱ COST OF SALES	188,970	188,884	371,374
GROSS PROFIT	25,588	24,916	48,685
Ⅲ SELLING, GENERAL AND ADMINISTRATIVE EXPENSES			
1. Salaries	11,569	10,862	23,003
2. Provision for bonus expenses	182	260	95
3. Provision for pension benefits	937	933	1,812
4. Rent expenses	1,868	1,825	3,675
5. Other expenses	7,042	6,783	13,705
Total selling, general and administrative expenses including others	21,600	20,665	42,292
OPERATING INCOME	3,987	4,251	6,392
Ⅳ NON－OPERATING INCOME			
1. Interest income	315	278	588
2. Dividend income	759	735	1,206
3. Equity in earnings of affiliated companies-net	-	150	240
4. Other income	421	374	772
Total non-operating income including others	1,497	1,539	2,807
Ⅴ NON－OPERATING EXPENSES			
1. Interest expenses	16	17	30
2. Equity in loss of affiliated companies-net	260	-	-
3. Other expenses	80	171	255
Total non-operating expenses including others	357	188	285
RECURRING PROFIT	5,127	5,602	8,914
Ⅵ EXTRAORDINARY PROFITS	1,769	1,298	1,877
Ⅶ EXTRAORDINARY LOSSES	777	568	1,109
INCOME BEFORE INCOME TAXES AND MINORITY INTERESTS	6,119	6,332	9,682
INCOME TAXES			
1. Current	2,806	2,616	4,045
2. Differed	78	221	511
Total income tax	2,885	2,838	4,556
MINORITY INTERESTS IN NET INCOME	25	22	55
NET INCOME	3,208	3,472	5,070

Appendix 3-1.

ASATSU-DK INC. and Consolidated Subsidiaries

Consolidated Balance Sheets

June 30, 2007

(Unaudited and before reclassifications and rearrangements)

Millions of Yen

	June 30, 2007	June 30, 2006	December 31, 2006
ASSETS			
Ⅰ CURRENT ASSETS			
1. Cash and time deposits	22,023	21,261	22,145
2. Notes and accounts receivable-trade	102,764	99,415	100,907
3. Marketable securities	5,822	4,678	5,213
4. Inventories	10,618	9,043	7,979
5. Other current assets	6,710	3,443	3,396
6. Allowance for doubtful accounts	(562)	(644)	(759)
Total current assets	147,377	137,198	138,882
Ⅱ FIXED ASSETS			
1. Tangible fixed assets	3,823	3,974	3,868
2. Intangible fixed assets	1,274	1,708	1,558
3. Investments and other assets			
(1) Investment securities	102,933	94,629	102,019
(2) Other assets	11,875	11,348	11,601
(3) Allowance for doubtful accounts	(1,029)	(1,138)	(1,175)
Total investments and other assets	113,780	104,839	112,445
Total fixed assets	118,878	110,522	117,871
TOTAL ASSETS	266,256	247,721	256,754

Appendix 3-2.

ASATSU-DK INC. and Consolidated Subsidiaries

Consolidated Balance Sheets

June 30, 2007

(Unaudited and before reclassifications and rearrangements)

Millions of Yen

	June 30, 2007	June 30, 2006	December 31, 2006
LIABILITIES			
Ⅰ CURRENT LIABILITIES			
1. Notes and accounts payable-trade	91,344	85,482	84,448
2. Short-term debt	299	417	344
3. Current portion of bonds	500	-	500
4. Current portion of long-term debt	49	49	49
5. Accrued bonuses to employees	208	328	289
6. Allowance for sales returns	722	605	770
7. Other current liabilities	10,066	8,141	9,823
Total current liabilities	103,191	95,026	96,226
Ⅱ LONG-TERM LIABILITIES			
1. Bonds	-	500	-
2. Long-term debt	88	138	108
3. Accrued retirement benefits	1,435	2,149	1,694
4. Allowance for retirement benefits to directors	671	655	681
5. Other long term liabilities	18,709	12,772	16,655
Total long-term liabilities	20,905	16,304	19,140
TOTAL LIABILITIES	124,096	111,330	115,366
NET ASSETS			
Ⅰ SHAREHOLDERS' EQUITY			
1. Common stock	37,581	37,581	37,581
2. Capital surplus	40,607	40,607	40,607
3. Retained earnings	50,224	46,542	47,671
4. Treasury stock-at cost	(18,215)	(11,498)	(12,973)
Total shareholders' equity	110,197	113,232	112,886
Ⅱ VALUATION AND TRANSLATION ADJUSTMENTS			
1. Unrealized gain on available-for-sale securities	29,614	21,743	26,676
2. Deferred hedge profit and loss	0	(1)	1
3. Foreign currency translation adjustments	1,205	419	774
Total valuation and translation adjustments	30,820	22,161	27,452
Ⅲ MINORITY INTERESTS	1,140	997	1,048
TOTAL NET ASSETS	142,159	136,391	141,387
TOTAL LIABILITIES AND NET ASSETS	266,256	247,721	256,754

Appendix 4.

ASATSU-DK INC. and Consolidated Subsidiaries

Consolidated Statements of Changes in Net Assets

June 30, 2007

(Unaudited and before reclassifications and rearrangements)

Millions of Yen

	SHAREHOLDERS' EQUITY				
	Common stock	Capital surplus	Retained earnings	Treasury stock-at cost	Total
Balance as of December 31,	37,581	40,607	47,671	(12,973)	112,886
Dividend Paid			(800)		(800)
Net Income			3,208		3,208
Acquisition of treasury stock				(5,242)	(5,242)
Disposal of treasury stock		0		0	0
Increase due to new consolidated subsidiaries			145		145
Net changes of other items than shareholders' equity					-
Total changes of items during the year		0	2,553	(5,241)	(2,688)
Balance as of June 30, 2007	37,581	40,607	50,224	(18,215)	110,197

	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,	26,676	1	774	27,452	1,048	141,387
Dividend Paid						(800)
Net Income						3,208
Acquisition of treasury stock						(5,242)
Disposal of treasury stock						0
Increase due to new consolidated subsidiaries						145
Net changes of other items than shareholders' equity	2,937	(0)	431	3,368	91	3,459
Total changes of items during the year	2,937	(0)	431	3,368	91	771
Balance as of June 30, 2007	29,614	0	1,205	30,820	1,140	142,159

Appendix 5.

ASATSU-DK INC. and Consolidated Subsidiaries

Consolidated Statements of Cash Flows

6 Months Ended June 30, 2007

(Unaudited and before reclassifications and rearrangements)

Millions of Yen

	6 Months Ended June 30,2007	6 Months Ended June 30,2006	Year Ended December 31, 2006
Ⅰ OPERATING ACTIVITIES			
Income before income taxes and minority interests	6,119	6,332	9,682
Depreciation and amortization	587	587	1,205
Decrease (increase) in notes and accounts receivable	(738)	4,023	2,893
Increase (decrease) in notes and accounts payable	6,282	(507)	(1,963)
Others-net	(7,116)	(5,142)	(4,315)
Net cash provided by operating activities including others	5,134	5,293	7,507
Ⅱ INVESTING ACTIVITIES			
Purchases of tangible fixed asstes	(88)	(107)	(190)
Purchases of intangible fixed assets	(125)	(127)	(401)
Purchases of investment securities	(922)	(4,081)	(5,454)
Proceeds from sales of investment securities	1,480	2,978	3,754
Others-net	21	341	(900)
Net cash (used in) provided by investing activities including others	366	(996)	(3,191)
Ⅲ FINANCING ACTIVITIES			
Purchases of treasury stock - net	(5,241)	(1,808)	(3,283)
Dividends paid	(800)	(1,246)	(1,721)
Others-net	(796)	(190)	(296)
Net cash used in financing activities including others	(6,837)	(3,244)	(5,300)
Ⅳ FOREIGN CURRENCY TRANSLATION ADJUSTMENTS ON CASH AND CASH EQUIVALENTS	439	123	560
Ⅴ NET INCREASE IN CASH AND CASH EQUIVALENTS	(896)	1,176	(423)
Ⅵ CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	21,932	21,938	21,938
Ⅶ INCREASE IN CASH AND CASH EQUIVALENTS OF NEWLY CONSOLIDATED SUBSIDIARY	107	417	417
Ⅷ CASH AND CASH EQUIVALENTS, END OF YEAR	21,143	23,532	21,932

Appendix 6.

ASATSU-DK INC. and Consolidated Subsidiaries

Segment Information

(Unaudited and before reclassifications and rearrangements)

6 Months Ended June 30, 2007

Millions of Yen

	Advertising	Non-advertising	Total	Eliminations or Corporate	Consolidated
GROSS BILLINGS					
(1) Billings to customers	210,413	4,146	214,559	—	214,559
(2) Inter-segment billings	15	142	157	(157)	—
Total billings	210,429	4,288	214,717	(157)	214,559
Operating expenses*	206,234	4,493	210,727	(155)	210,571
Operating income	4,194	(204)	3,989	(1)	3,987

6 Months Ended June 30, 2006

Millions of Yen

	Advertising	Non-advertising	Total	Eliminations or Corporate	Consolidated
GROSS BILLINGS					
(1) Billings to customers	209,592	4,209	213,801	—	213,801
(2) Inter-segment billings	78	129	208	(208)	—
Total billings	209,670	4,339	214,009	(208)	213,801
Operating expenses*	205,430	4,322	209,752	(201)	209,550
Operating income	4,240	17	4,257	(6)	4,251

Year Ended December 31, 2006

Millions of Yen

	Advertising	Non-advertising	Total	Eliminations or Corporate	Consolidated
GROSS BILLINGS					
(1) Billings to customers	410,875	9,184	420,059	—	420,059
(2) Inter-segment billings	97	311	409	(409)	—
Total billings	410,973	9,495	420,469	(409)	420,059
Operating expenses*	404,604	9,459	414,063	(396)	413,667
Operating income	6,369	36	6,405	(12)	6,392

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

Appendix 7.

ASATSU-DK INC.

Non-consolidated

Income Statements

6 Months Ended June 30, 2007

(Unaudited and before reclassifications and rearrangements)

Millions of Yen

	6 Months Ended June 30, 2007	6 Months Ended June 30, 2006	Year Ended December 31, 2006
Ⅰ GROSS BILLINGS	193,930	194,640	378,804
Ⅱ COST OF SALES	173,411	174,498	340,072
GROSS PROFIT	20,519	20,142	38,731
Ⅲ SELLING, GENERAL AND ADMINISTRATIVE EXPENSES	16,805	16,358	33,208
OPERATING INCOME	3,713	3,784	5,523
Ⅳ NON－OPERATING INCOME	1,344	1,316	2,162
Ⅴ NON－OPERATING EXPENSES	59	113	185
RECURRING PROFIT	4,998	4,987	7,500
Ⅵ EXTRAORDINARY PROFITS	1,789	1,270	1,658
Ⅶ EXTRAORDINARY LOSSES	823	390	894
INCOME BEFORE INCOME TAXES	5,965	5,867	8,264
INCOME TAXES (current and deferred)	2,652	2,661	4,028
NET INCOME	3,312	3,205	4,235

Appendix 8-1.

ASATSU-DK INC.

Non-consolidated

Balance Sheets

June 30, 2007

(Unaudited and before reclassifications and rearrangements)

Millions of Yen

	June 30, 2007	June 30, 2006	December 31, 2006
ASSETS			
Ⅰ CURRENT ASSETS			
1. Cash and time deposits	10,553	10,462	11,098
2. Notes receivable-trade	7,011	8,701	8,261
3. Accounts receivable-trade	84,669	81,555	81,444
4. Marketable securities	4,560	4,082	4,445
5. Inventories	7,292	6,513	5,477
6. Other current assets	6,219	3,054	3,161
7. Allowance for doubtful accounts	(410)	(512)	(627)
Total current assets	119,896	113,856	113,261
Ⅱ FIXED ASSETS			
1. Tangible fixed assets	1,865	1,983	1,930
2. Intangible fixed assets	1,166	1,569	1,424
3. Investments and other assets			
(1) Investment securities	103,469	94,547	102,162
(2) Other assets	9,697	9,781	9,608
(3) Allowance for doubtful accounts	(919)	(1,070)	(1,087)
Total investments and other assets	112,246	103,258	110,682
Total fixed assets	115,278	106,811	114,037
TOTAL ASSETS	235,175	220,668	227,299

Appendix 8-2.

ASATSU-DK INC.

Non-consolidated

Balance Sheets

June 30, 2007

(Unaudited and before reclassifications and rearrangements)

Millions of Yen

	June 30, 2007	June 30, 2006	December 31, 2006
LIABILITIES			
Ⅰ CURRENT LIABILITIES			
1. Notes payable-trade	20,365	24,096	21,083
2. Accounts payable-trade	64,818	56,806	57,811
3. Other current liabilities	5,679	4,809	5,912
Total current liabilities	90,863	85,712	84,807
Ⅱ LONG-TERM LIABILITIES			
1. Accrued retirement benefits	620	1,382	930
2. Aloowance for retirement benefits to directors	671	655	681
3. Other long term liabilities	18,569	12,652	16,524
Total long-term liabilities	19,861	14,691	18,137
TOTAL LIABILITIES	110,724	100,403	102,944
NET ASSETS			
Ⅰ SHAREHOLDERS' EQUITY			
1. Common stock	37,581	37,581	37,581
2. Capital surplus	40,607	40,607	40,607
3. Retained earnings	35,874	32,806	33,361
4. Treasury stock-at cost	(18,215)	(11,498)	(12,973)
Total shareholders' equity	95,847	99,496	98,576
Ⅱ VALUATION AND TRANSLATION ADJUSTMENTS			
1. Unrealized gain on available-for-sale securities	28,602	20,770	25,776
2. Deferred hedge profit and loss	0	(1)	1
Total valuation and translation adjustments	28,602	20,768	25,777
TOTAL NET ASSETS	124,450	120,265	124,354
TOTAL LIABILITIES AND NET ASSETS	235,175	220,668	227,299

Appendix 9.

ASATSU-DK INC.

Non-consolidated

Gross Billings Breakdown by Division
(Non-consolidated Basis)
6 Months Ended June 30, 2007

Millions of Yen

	6 Months Ended June 30, 2007		6 Months Ended June 30, 2006		Changes from previous year		Year Ended December 31, 2006	
Advertising		%		%		%		%
Magazine	13,783	7.1	10,478	5.4	3,305	31.5	21,717	5.7
Newspaper	18,331	9.5	19,670	10.1	(1,339)	(6.8)	35,447	9.4
Television	90,552	46.7	93,582	48.1	(3,029)	(3.2)	179,940	47.5
Radio	2,090	1.1	1,918	1.0	171	8.9	4,193	1.1
Digital Media	6,882	3.5	6,530	3.3	351	5.4	12,503	3.3
Out-of-Home Media	5,520	2.8	6,218	3.2	(698)	(11.2)	11,989	3.2
Total	137,160	70.7	138,398	71.1	(1,238)	0.9	265,792	70.2
SP, Creative & Others								
Sales Promotion	27,380	14.1	28,292	14.5	(911)	(3.2)	57,504	15.2
Creative and Others	29,389	15.2	27,949	14.4	1,440	5.2	55,507	14.7
Total	56,770	29.3	56,241	28.9	528	0.9	113,011	29.8
Grand Total	193,930	100	194,640	100	(709)	(0.4)	378,804	100

*Television includes Time, Spot and Contents.
Degital media include media related internet and mobile.
Out-of-Home Media include outdoor advertising.