NEWS RELEASE

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FOR IMMEDIATE RELEASE

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ASATSU-DK Announces Interim 2008 Results

- **Consolidated Gross Billings Down 6.5% to ¥ 200.5 billion**
- **Gross Profit Down 2.7% to ¥ 24.8 billion**
- **Operating Income Down 41.5% to ¥ 2.3 billion**
- **Operating Margin lowered to 9.4%**
- **Net Income Down 26.4% to ¥ 2.3 billion**
- **Continuing Share Buy-back Exercised to Improve ROE**
- **Annual Dividend Forecast at ¥ 35 per share (down 16.7%) per 35% Payout Policy**

1. Summary of Results

Quick Overview

ASATSU-DK INC. ("ADK"; President and Group CEO. Koichiro Naganuma; Securities Code: 9747; Tokyo Stock Exchange-1) today announced its consolidated interim financial results for the six months ended June 30, 2008. A slower Japanese economy led to a decline in gross billings to ¥200.5 billion, which also led to a smaller gross profit of ¥24.8 billion, although the gross margin improved by 0.5 points to 12.4%. Overseas subsidiaries performed relatively better than Japanese branches. Operating expense increased by 4.5% to ¥22.5 billion, even though the company has been working on its cost reduction campaign. As a result, operating income decreased by 41.5% to ¥ 2.3 billion. Net income also declined by 26.4% to ¥2.3 billion. Consolidated financial highlights are provided in **Appendix 1.** The full year 2008 and dividend forecasts were revised downward. The new annual dividend forecast under the 35% pay-out policy is ¥35 per share. ADK continues its share buy-back program, and acquired 1 million shares (2.2% of issued) during the period and announced it would buy back another one million shares by December 2008. ADK also announced that it established ADK Interactive Inc., a 80:20 joint venture with Digital Advertising Consortium Inc. to accelerate the group's sales in interactive advertising.

Gross billings totaled ¥ 200,590 million, for a 6.5% year-on-year decline. Growth was limited due to sluggish domestic sales. However, the group improved its gross margin by 0.5 points to 12.4%, because the company implemented a cost of sales reduction initiative, where certain costs, like fees to part-time jobbers, were significantly reduced; and its media buying business improved profitability. As a result, gross profit totaled ¥ 24,894 million, a 2.7% year-on-year decrease. Although the ADK group worked hard to control operating expenses, including personnel costs and R&D outlays, operating expenses increased by 4.5% to ¥22,563 million. As a result, operating income was ¥ 2,331 million for a year-on-year decrease of 41.5%. The ADK group reported a 9.4 % operating margin, 5.6% shy of the management's target of 15%. Staff costs to gross profits ratio was 62.0%, a 5.5 point increase, because of an increase in the number of employees.

The ADK group reported equity in earnings of affiliates-net at ¥ 305 million during the period, versus equity in loss of affiliates-net at ¥ 260 million in 1H2007, because among the 3 equity-method affiliates, Digital Advertising Consortium Inc., a publicly traded internet media buying rep, and Nippon Information Industry Corporation, both reported handsome net income. Dividend income improved mainly from WPP Group plc. As a result, recurring profit was ¥ 3,920 million, down by 23.5%. Extraordinary Profits and Losses for the period were ¥1,563 million and ¥ 1,537 million, respectively. Income before income taxes and minority interests totaled ¥ 3,946 million, and after deductions of ¥ 1,560 million in income taxes and ¥ 23 million in minority interest, net income was ¥ 2,362 million, a 26.4% decrease. Base interim net income per share totaled ¥ 52.94, a 22.9% decline. Consolidated income statement information is provided in **Appendix 2.**

The number of employees at the interim period end totaled 3,302, an increase of 87 from the FY 2007 end, including 70 new college graduates joined the parent company, with 3,208 engaged in the advertising business. At the parent company 2,065 people are engaged.

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

Term	1H 2006	1H 2007	1H 2008	FY 2006	FY 2007	Target
Operating Margin	17.1%	15.6%	9.4%	13.1%	13.8%	15.0%
Staff Cost to Gross Profit	55.8%	56.5%	62.0%	57.8%	57.8%	55.0%
Operating Income Growth	5.0%	(6.2)%	(41.5)%	(14.6%)	11.6%	5.0% p.a.

1H 2008 was a disappointing period, due to slow growth in gross billings and the group had a hard time absorbing operating expenses. As stated before, the company has been working on a cost reduction campaign. which will continue until targets are met.

In order to better serve shareholders, the ADK group has set its new EPS goal for the three years through 2010 at ¥170 or more. The ADK group's interim EPS for 1H2008 was 52.94 yen, a 22.9% decline. In addition to 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 2007, 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 2007 (ending in either March 2008 or December 2007.)

FY	FY2005 Actual	FY2006 Actual	FY2007 Actual	FY2008 Rev.Fcst.	2010 Targets
EPS (Yen)	122.11	106.62	116.40	99.20	170 or more
ROE (%)	4.6	3.7	3.9	NA	6.0

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

Maximizing shareholder value is a top priority at ADK. It is the ADK group's policy that 35% 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. In accordance with the revised FY2008 forecast and a share buy-back of 1 million shares during the period, ADK revised its dividend forecast for fiscal 2008 as follows:

	Dividend per share (Yen)		
Record date	Jun. 30, 2008	Dec. 31, 2008	Total
Previous Forecast (Announced as of Feb. 14, 2008)	10.00	36.00	46.00
Revised Forecast	10.00	25.00	35.00
Distribution made in FY 2008	Note.		
Actual Distribution in FY 2007	10.00	32.00	42.00

¥35 per share is a 16.7% decrease from ¥42 in 2007.
Note: Interim dividends for 2008 will be made on September 16, 2008.

In addition to cash dividends, ADK has been acquiring its own stock since 2001 consistently to improve EPS by reducing the number of shares outstanding and curtailing the growth of equity. The board resolved in 2007 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 company acquired 1 million shares (2.2% of the issued shares) for ¥ 3,319 million during the past six months and the board further resolved that the company buy another 1 million shares during 2H2008. Possible total shareholder returns consisting of these share buy-backs and estimated common dividends for FY 2008 could exceed 180% of the reforecast Net Income for the year. Accumulated own stock in treasury would be cancelled appropriately. 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 Segment

The group's advertising business generated gross billings of ¥ 196,483 million, registering a 6.6% year-on-year decline, while segment operating income decreased by 42.0% to ¥ 2,432 million over the same period. Further segment information is provided in **Appendix 6**.

Since all of ADK's non-consolidated gross billings and income are generated from the advertising business, and those non-consolidated gross billings represent 91.4% of the company's consolidated gross billings of the advertising segment, non-consolidated performance will be reviewed as follows:

- Non-consolidated Performance by Division:

Break down by Division		Gross Billings (Millions of yen)	Composition %	YoY change %
Media	Magazine	12,462	7.0	(9.6)
	Newspaper	15,331	8.5	(16.4)
	TV (Program, Spot, and Content)	81,472	45.4	(10.0)
	Radio	1,831	1.0	(12.4)
	Digital Media	6,612	3.7	(3.9)
	OOH Media	5,907	3.3	7.0
Sub-total		123,618	68.9	(9.9)
Non-Media	Sales Promotion	27,770	15.5	1.4
	Creative and Others	28,105	15.6	(4.4)
Sub-total		55,875	31.1	(1.6)
Total		179,493	100.0	(7.4)

Gross billings of media, the four traditional media, digital and out-of-home media totaled ¥ 123,618 million, a 9.9% year-on-year decline. Gross billings of non-media (i.e. sales promotion, creative, and others) decreased by 1.6% to ¥55,875 million.

The Magazine Division decreased its billings to clients in the Cosmetics/Toiletries and Classified Ads/Others sectors although the division's billings to clients in the Apparel/Jewelry remained strong. Division gross billings ended with 9.6% year-on-year decline at ¥ 12,462 million.

The Newspaper Division improved its profitability by obtaining new brands and offering cross communications program, but suffered a decline in gross billings by 16.4% year-on-year with smaller gross billings to clients in Finance/Insurance and Transport equipment. As a result, the division generated gross billings of ¥ 15,331 million.

The Television Division could generate only smaller gross billings from spot, time and content sales, mainly due to tighter advertising budgets at one of the clients in the Finance/Insurance and Automobiles/Automobile-related Products sectors, cancellation of some program sales by one of the clients in the Restaurants/Others sector for a regulation reason, and a continuing decline of one of the best-selling animation contents abroad. As a result, the division yielded gross billings of ¥ 81,472 million, a 10.0% year-on-year decline.

The Radio Division decreased gross billings to clients in Automobiles /Automobile-related Products and Beverages/ Tobacco Products sectors and the division's billings fell to ¥ 1,831 million, for a year-on-year decrease of 12.4%.

The Digital Media Division suffered from smaller marketing budgets by its clients in the Finance/Insurance sector and smaller orders from a client in the Restaurants/Others sector, the division generated gross billings of ¥ 6,612 million, a 3.9% year-on-year decrease. However, the division's profitability improved. In order to accelerate the group's sales in interactive advertising, the company established ADK Interactive Inc., a 80:20 joint venture with Digital Advertising Consortium Inc.

The Out-of-Home Media Division generated larger gross billings, because the company obtained a large OOH media project overseas from one of the Information/Communications sector clients and increased business of transit advertising and inserts to newspapers. Thus the division achieved gross billings of ¥ 5,907 million, a 7.0% year-on-year increase.

The Sales Promotion Division generated gross billings of ¥ 27,770 million, a 1.4% increase year-on-year, due to successful cross communication proposals to clients in the Beverages/Tobacco Products and Cosmetic/Toiletries sectors.

The Creative Division was awarded with fewer contracts under the slow-moving economy. The Marketing Division, however, could generate larger gross billings from clients in the Government/Organizations sector. Gross billings of the two divisions and other miscellaneous advertising businesses decreased by 4.4% year-on year to ¥ 28,105 million.

As a result, ADK generated non-consolidated gross billings of ¥ 179,493 million, a

7.4% year-on-year decline. Although gross margin ratio improved, gross profits decreased by 3.2% to ¥ 19,867 million. Operating income was ¥ 2,071 million, down by 44.2%. Further non-consolidated 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 decreased gross billings and operating profits due to slow-moving economy and increased operating expenses get ready to offer new diversified services to clients. Overseas subsidiaries performed relatively better due to larger gross billings at the US subsidiary, restructuring efforts at the Taiwan and European subsidiaries, a closure of a loss-making German subsidiary, and an addition of one Chinese subsidiary to the consolidation coverage, in spite of the fact that the appreciation of the Yen caused overseas revenues and profits to fall when translated back into Yen.

② Other Business Segment

ADK has 2 consolidated subsidiaries in the publications industry. Among the two, the smaller subsidiary, specializing in publication of periodicals to select club members, could not obtain sufficient 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 kept struggling. As a result, the group's Other Business generated gross billings of ¥ 4,106 million, a 0.9% year-on-year decline, and an operating loss of ¥ 99 million, while the segment reported ¥ 204 million operating loss in 1H 2007.

③ Overseas Sales

The ADK group obtained 6.4% of its gross billings from abroad. All overseas sales are for the advertising business.

4. Outlook for Fiscal Year 2008

The Japanese economy has long enjoyed a moderate but prolonged expansion but recently finally looks to enter a recessionary phase, at least for some time, because smaller exports and cost- induced inflation led by higher oil and food prices and other factors are squeezing corporate profitability and consumer spending. Under today's more demanding business conditions, the advertising market will remain a challenging one.

Facing this difficult environment, ADK has revised its consolidated and non-consolidated forecasts for fiscal 2008 as follows:

Consolidated gross billings: ¥ 407.5 billion
Operating income: ¥ 4.7 billion
Recurring profits: ¥ 7.45 billion
Net income: ¥ 4.4 billion

Non-consolidated gross billings: ¥ 360.8 billion
Operating Income: ¥ 4.2 billion
Recurring profits: ¥ 6.1 billion
Net Income: ¥ 3.6 billion

Based on the number of outstanding shares as of the end of June 2008, consolidated and non-consolidated net income per share for the fiscal year are reforecast to be ¥ 99.20 and ¥ 81.16, respectively.

5. Balance Sheets and Cash flow

While the ADK group did not make any large capital expenditures during the 6 months through June 2008, the group accelerated buying back its shares, and continued its efficient capital management program focus. The total assets of the group decreased by ¥ 51,493 million from 1H 2007 end to ¥ 214,762 million. Consolidated interest bearing debt was ¥ 555 million. Total net assets, including net valuation gain on hedging derivatives and excluding Minority Interests, were ¥ 117,212 million, with a 54.6 % book net assets ratio. Further consolidated and non-consolidated balance sheet information is provided in **Appendices 3 and 8**.

At the end of 1H 2008, cash and cash equivalents amounted to ¥ 22,254 million, a increase of ¥ 1,111 million from the end of 1H2007.

Among Operating Activities, Income before income taxes and minority interests for 1H 2008 was ¥ 3,946 million, and depreciation and amortization was ¥ 408 million, while the decreases of notes and accounts receivable and notes and accounts payable were ¥ 17,846 million and ¥ 9,260 million, respectively, and Inventories increased by ¥ 1,816 million. Tax paid during the period was ¥ 2,183 million. As a result, net cash flow provided by Operating Activities was ¥ 6,562 million, compared to ¥ 5,134 million in the corresponding 2007 period. This cash was used for investing and financing to increase shareholder value.

Net cash of ¥ 3,281 million was obtained from investing activities compared to ¥ 366 million cash used in the corresponding 2007 period. The sale and purchase of marketable securities were ¥ 2,101 million and ¥ 594 million, respectively, and the sale and purchase of investment securities were ¥ 3,947 million and ¥ 326 million, respectively.

Net cash used for financing activities was ¥ 5,413 million, compared to ¥ 6,837 million in 1H 2007, mainly because of larger returns to shareholders, like 2007 year-end dividends for ¥ 1,442 million and acquisition of treasury stocks of ¥ 3,319 million. Further cash flow information is provided in **Appendix 5**.

The major indices of consolidated financial conditions are as follows:

Term	6 months Jun. 2006	6 months Jun. 2007	6 months Jun. 2008	FY 2006	FY 2007
Book Net Assets Ratio	54.7%	53.0%	54.6%	54.7%	53.1%
Market Cap. to Book Total Assets	71.0%	71.7%	60.4%	69.3%	57.3%
Years to Redeem Debt	0.1	0.1	0.0	0.1	6.5
Interest Coverage Ratio (times)	307.1	315.1	707.9	247.8	5.7

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)

Note:
Cash Flows from Operations in FY2007 were smaller than usual years because of large changes in accounts receivable in the normal course of business and relatively larger cash tax payments. When you use Operating Income to calculate Years to redeem debt and Interest Coverage Ratios, those will be 0.2 years and 240.9 times, respectively.

6. Strategies on Competition

① Strategies on growing markets

A) Cross communications program for the new era

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 TV 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 cross communications programs bridging traditional media and new media like interactive media and OOH media seamlessly with the core idea that we offer media-neutral and solution neutral services, which represent the interests of advertising clients over media owners.

In January 2008, ADK enhanced its Cross Communications Department to offer services in the area for the new era. We are also working hard to offer integrated services of our Planning, Promotion, and Creative Departments with the Cross Communications Department.

In August 2008, ADK established ADK Interactive Inc., a 80% owned joint venture with Digital Advertising Consortium to accelerate the group's interactive advertising business. The new venture will handle interactive media buying, promote sales to its own advertising customers and provide sales supports to ADK parent's own sales forces. Because the new venture will be able to act closer to the parent company to approach clients jointly, but still enjoy its autonomy and own staff cost management, and have access to DAC's abundant experience in interactive businesses.

B) <u>Enhanced 360-degree solution services</u>

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 how the ADK group secures its access to new solutions. It should be noted that the ADK group concentrates revenue generation abilities through those new approaches to the parent company, thereby offering holistic solutions to clients. The ADK group's cost-controlled alliances with leading companies are as below:

- ✧ In August 2006, ADK set up a joint venture, ASP Co., Ltd., with Septeni Co., Ltd., a growing internet advertising specialist, 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.
- ✧ ADK established AD & M Inc. to provide comprehensive retail or in-store media solutions. Many consumers make final purchasing decisions at the point of purchase. Communication with consumers in retail stores will therefore be very influential.

- ✧ In January 2008, ADK signed on an alliance with Field Media Network, Inc. an advertising company specialized in free-promotional magazine media to expand business via free-magazines.

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 started its 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. ADK's Direct Communications Department also supports the company.

D) 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, cultural events, and theatrical movies.

E) Overseas Markets

Considering the importance of China, India, and other Asian markets, which account for 60% of the world's population, we have been busy upgrading our regional network infrastructure. Our view of these fast-growing markets will not change. In addition, more new, fast-growing emerging markets are following China and India. These include the Middle East and Russia, among others. 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. This year we will establish a joint venture with WPP Group's JWT brand company in India and another with a local partner in the Middle East.

F) Local Domestic Markets

Because the economies of Osaka and Nagoya areas are the largest in Asia, only after Tokyo and China, 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

The advertising business is a people business. They key to 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 their brands and enhance profitability, the ADK group must take advantage of its human talent pool. Therefore, ADK develops its talent 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 program to train, hire, and support star-creators, 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 and enhancement of accountability

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 to strive improvements in an internal control environment and management efficiency of its subsidiaries and affiliates. Also, the group will work to turn around loss-making and underperforming subsidiaries and affiliates. The group has already shut down the operations of its German subsidiary in August 2007 and made Tri Communication Inc., a loss making subsidiary merged by ADK International in January 2008. A Taiwan subsidiary has been right-sized and reported profitability in1H 2008.

④ Management by All, our corporate genome

We like to reiterate that "Advertising business is People business." A key to a success as a Future Agency depends on how and if the talents in the ADK group could maximize their creativity and performance with enthusiasm and responsibilities. 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, 2008

(Unaudited and before reclassifications and rearrangements)

Millions of Yen

	6 Months Ended June 30, 2008	6 Months Ended June 30, 2007	Year Ended December 31, 2007
GROSS BILLINGS	200,590	214,559	435,011
YEAR-ON-YEAR GROWTH RATE (%)	(6.5)	0.4	3.6
GROSS PROFIT	24,894	25,588	51,754
OPERATING INCOME	2,331	3,987	7,134
YEAR-ON-YEAR GROWTH RATE (%)	(41.5)	(6.2)	11.6
RECURRING PROFIT	3,920	5,127	8,960
YEAR-ON-YEAR GROWTH RATE (%)	(23.5)	(8.5)	0.5
INCOME BEFORE INCOME TAXES AND MINORITY INTERESTS	3,946	6,119	10,122
NET INCOME	2,362	3,208	5,350
INTERIM (FULL-YEAR) DIVIDEND PER SHARE (Yen)	10.00	10.00	42.00
TOTAL ASSETS	214,762	266,256	246,097
SHAREHOLDERS' EQUITY (Shareholders' equity plus valuation and translation adjustments)	117,212	141,018	130,695
MINORITY INTERESTS	1,088	1,140	1,150
TOTAL NET ASSETS (Total of shareholders' equity plus minority interests)	118,300	142,159	131,846
SHAREHOLDERS' EQUITY PER SHARE (Yen)	2,658.50	3,081.97	2,898.49
NET INCOME PER SHARE (Yen)	52.94	68.68	116.40
CASH FLOW FROM OPERATING ACTIVITIES	6,562	5,134	183
CASH FLOW FROM INVESTING ACTIVITIES	3,281	366	4,488
CASH FLOW FROM FINANCING ACTIVITIES	(5,413)	(6,837)	(8,968)
CASH AND CASH EQUIVALENTS, END OF YEAR	22,254	21,143	17,994

Appendix 2.

ASATSU-DK INC. and Consolidated Subsidiaries

Consolidated Income Statements

6 Months Ended June 30, 2008

(Unaudited and before reclassifications and rearrangements)

Millions of Yen

	6 Months Ended June 30, 2008	6 Months Ended June 30, 2007	Year Ended December 31, 2007
Ⅰ GROSS BILLINGS	200,590	214,559	435,011
Ⅱ COST OF SALES	175,695	188,970	383,257
GROSS PROFIT	24,894	25,588	51,754
Ⅲ SELLING, GENERAL AND ADMINISTRATIVE EXPENSES			
1. Salaries	12,408	11,569	23,812
2. Provision for bonus expenses	212	182	650
3. Provision for pension benefits	934	937	1,866
4. Rent expenses	2,008	1,868	3,877
5. Other expenses	6,998	7,042	14,412
Total selling, general and administrative expenses including others	22,563	21,600	44,619
OPERATING INCOME	2,331	3,987	7,134
Ⅳ NON－OPERATING INCOME			
1. Interest income	282	315	616
2. Dividend income	875	759	1,318
3. Equity in earnings of affiliated companies-net	305	-	-
4. Other income	353	421	550
Total non-operating income including others	1,816	1,497	2,485
Ⅴ NON－OPERATING EXPENSES			
1. Interest expenses	9	16	32
2. Equity in loss of affiliated companies-net	-	260	258
3. Other expenses	218	80	368
Total non-operating expenses including others	227	357	660
RECURRING PROFIT	3,920	5,127	8,960
Ⅵ EXTRAORDINARY PROFITS	1,563	1,769	3,144
Ⅶ EXTRAORDINARY LOSSES	1,537	777	1,982
INCOME BEFORE INCOME TAXES AND MINORITY INTERESTS	3,946	6,119	10,122
INCOME TAXES			
1 Current	1,437	2,806	4,514
2 Deferred	123	78	179
Total income tax	1,560	2,885	4,694
MINORITY INTERESTS IN NET INCOME	23	25	77
NET INCOME	2,362	3,208	5,350

Appendix 3-1.

ASATSU-DK INC. and Consolidated Subsidiaries

Consolidated Balance Sheets

June 30, 2008

(Unaudited and before reclassifications and rearrangements)

Millions of Yen

	June 30, 2008	June 30, 2007	December 31, 2007
ASSETS			
Ⅰ CURRENT ASSETS			
1. Cash and time deposits	24,226	22,023	22,863
2. Notes and accounts receivable-trade	91,091	102,764	108,045
3. Marketable securities	5,948	5,822	3,676
4. Inventories	10,693	10,618	9,037
5. Other current assets	4,014	6,710	4,549
6. Allowance for doubtful receivables	(556)	(562)	(624)
Total current assets	135,416	147,377	147,546
Ⅱ FIXED ASSETS			
1. Tangible fixed assets	4,401	3,823	3,866
2. Intangible fixed assets	1,197	1,274	1,063
3. Investments and other assets			
(1) Investment securities	63,975	102,933	83,720
(2) Other assets	10,733	11,875	11,074
(3) Allowance for doubtful accounts	(961)	(1,029)	(1,174)
Total investments and other assets	73,746	113,780	93,620
Total fixed assets	79,345	118,878	98,550
TOTAL ASSETS	214,762	266,256	246,097

Appendix 3-2.

ASATSU-DK INC. and Consolidated Subsidiaries

Consolidated Balance Sheets

June 30, 2008

(Unaudited and before reclassifications and rearrangements)

Millions of Yen

	June 30, 2008	June 30, 2007	December 31, 2007
LIABILITIES			
Ⅰ CURRENT LIABILITIES			
1. Notes and accounts payable-trade	77,826	91,344	87,417
2. Short-term debt	466	299	1,084
3. Current portion of bonds	-	500	-
4. Current portion of long-term debt	28	49	48
5. Accrued bonuses to employees	239	208	679
6. Allowance for sales returns	461	722	537
7. Other current liabilities	9,716	10,066	10,129
Total current liabilities	88,738	103,191	99,896
Ⅱ LONG-TERM LIABILITIES			
1. Long-term debts	60	88	60
2. Accrued retirement benefits	1,066	1,435	1,246
3. Allowance for retirement benefits to directors	1,006	671	694
4. Other long-term liabilities	5,590	18,709	12,352
Total long-term liabilities	7,722	20,905	14,354
TOTAL LIABILITIES	96,461	124,096	114,251
NET ASSETS			
Ⅰ SHAREHOLDERS' EQUITY			
1. Common stock	37,581	37,581	37,581
2. Capital surplus	20,024	40,607	20,024
3. Retained earnings	52,834	50,224	51,901
4. Treasury stock-at cost	(3,523)	(18,215)	(203)
Total shareholders' equity - net	106,916	110,197	109,303
Ⅱ VALUATION AND TRANSLATION ADJUSTMENTS			
1. Unrealized gain on available-for-sale securities	9,585	29,614	20,304
2. Deferred gain on derivatives under hedge accounting	7	0	1
3. Foreign currency translation adjustments	702	1,205	1,085
Total valuation and translation adjustments	10,295	30,820	21,392
Ⅲ MINORITY INTERESTS	1,088	1,140	1,150
TOTAL NET ASSETS	118,300	142,159	131,846
TOTAL LIABILITIES AND NET ASSETS	214,762	266,256	246,097

Appendix 4-1.

ASATSU-DK INC. and Consolidated Subsidiaries

Consolidated Statements of Changes in Net Assets
6 Months Ended June 30, 2008

(Unaudited and before reclassifications and rearrangements)

Millions of Yen

	SHAREHOLDERS' EQUITY				
	Common stock	Capital surplus	Retained earnings	Treasury stock-at cost	Total sharehoders' equity
Balance as of December 31, 2007	37,581	20,024	51,901	(203)	109,303
Changes during the consolidated period					
Dividend payments	-	-	(1,442)	-	(1,442)
Net income	-	-	2,362	-	2,362
Acquisitions of treasury stock	-	-	-	(3,320)	(3,320)
Disposals and cancellation of treasury stock	-	0	-	0	0
Increase due to newly consolidated subsidiaries	-	-	19	-	19
Other decrease in retained earnings *	-	-	(6)	-	(6)
(Net) changes of items other than shareholders' equity	-	-	-	-	-
Total change during the consolidated period	-	0	932	(3,319)	(2,386)
Balance as of June 30, 2008	37,581	20,024	52,834	(3,523)	106,916

	VALUATION AND TRANSLATION ADJUSTMENTS				MINORITY INTERESTS	TOTAL NET ASSETS
	Unrealized gain on available-for-sale securities	Deferred gain on derivatives under hedge accounting	Foreign currency translation adjustments	Total valuation and translation adjustments		
Balance as of December 31, 2007	20,304	1	1,085	21,392	1,150	131,846
Changes during the consolidated period						
Dividend payments	-	-	-	-	-	(1,442)
Net income	-	-	-	-	-	2,362
Acquisitions of treasury stock	-	-	-	-	-	(3,320)
Disposals and cancellation of treasury stock	-	-	-	-	-	0
Increase due to newly consolidated subsidiaries	-	-	-	-	-	19
Other decrease in retained earnings *	-	-	-	-	-	(6)
(Net) changes of items other than shareholders' equity	(10,719)	6	(383)	(11,096)	(61)	(11,158)
Total change during the consolidated period	(10,719)	6	(383)	(11,096)	(61)	(13,345)
Balance as of June 30, 2008	9,585	7	702	10,295	1,088	118,300

Note: Other decrease in retained earnings is appropriation of earnings of a Chinese subsidiary to provide reserves under Chinese accounting standards.

Appendix 4-2.

ASATSU-DK INC. and Consolidated Subsidiaries

Consolidated Statements of Changes in Net Assets
6 Months Ended 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 shareholders' equity
Balance as of December 31, 2006	37,581	40,607	47,671	(12,973)	112,886
Changes during the consolidated period					
Dividend payments	-	-	(800)	-	(800)
Net income	-	-	3,208	-	3,208
Acquisitions of treasury stock	-	-	-	(5,242)	(5,242)
Disposals and cancellation of treasury stock	-	0	-	0	0
Increase due to newly consolidated subsidiaries	-	-	145	-	145
(Net) changes of items other than shareholders' equity	-	-	-	-	-
Total change during the consolidated period	-	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 gain on derivatives under hedge accounting	Foreign currency translation adjustments	Total valuation and translation adjustments		
Balance as of December 31, 2006	26,676	1	774	27,452	1,048	141,387
Changes during the consolidated period						
Dividend payments	-	-	-	-	-	(800)
Net income	-	-	-	-	-	3,208
Acquisitions of treasury stock	-	-	-	-	-	(5,242)
Disposals and cancellation of treasury stock	-	-	-	-	-	0
Increase due to newly consolidated subsidiaries	-	-	-	-	-	145
(Net) changes of items other than shareholders' equity	2,937	(0)	431	3,368	91	3,459
Total change during the consolidated period	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 4-3.

ASATSU-DK INC. and Consolidated Subsidiaries

Consolidated Statements of Changes in Net Assets
Year Ended December 31, 2007

(Unaudited and before reclassifications and rearrangements)

Millions of Yen

	SHAREHOLDERS' EQUITY				
	Common stock	Capital surplus	Retained earnings	Treasury stock-at cost	Total sharehoders' equity
Balance as of December 31, 2006	37,581	40,607	47,671	(12,973)	112,886
Changes during the consolidated fiscal year					
Dividend payments	-	-	(1,258)	-	(1,258)
Net income	-	-	5,350	-	5,350
Acquisitions of treasury stock	-	-	-	(7,813)	(7,813)
Disposals and cancellation of treasury stock		(20,583)	-	20,583	0
Increase due to newly consolidated subsidiaries	-	-	138	-	138
(Net) changes of items other than shareholders' equity	-	-	-	-	-
Total change during the consolidated fiscal year	-	(20,583)	4,230	12,770	(3,582)
Balance as of December 31, 2007	37,581	20,024	51,901	(203)	109,303

	VALUATION AND TRANSLATION ADJUSTMENTS				MINORITY INTERESTS	TOTAL NET ASSETS
	Unrealized gain on available-for-sale securities	Deferred gain on derivatives under hedge accounting	Foreign currency translation adjustments	Total valuation and translation adjustments		
Balance as of December 31, 2006	26,676	1	774	27,452	1,048	141,387
Changes during the consolidated fiscal year						
Dividend payments	-	-	-	-	-	(1,258)
Net income	-	-	-	-	-	5,350
Acquisitions of treasury stock	-	-	-	-	-	(7,813)
Disposals and cancellation of treasury stock	-	-	-	-	-	0
Increase due to newly consolidated subsidiaries	-	-	-	-	-	138
(Net) changes of items other than shareholders' equity	(6,372)	0	311	(6,060)	101	(5,959)
Total change during the consolidated fiscal year	(6,372)	0	311	(6,060)	101	(9,541)
Balance as of December 31, 2007	20,304	1	1,085	21,392	1,150	131,846

Appendix 5.

ASATSU-DK INC. and Consolidated Subsidiaries

Consolidated Statements of Cash Flows

6 Months Ended June 30, 2008

(Unaudited and before reclassifications and rearrangements)

Millions of Yen

	6 Months Ended June 30, 2008	6 Months Ended June 30, 2007	Year Ended December 31, 2007
Ⅰ OPERATING ACTIVITIES			
Income before income taxes and minority interests	3,946	6,119	10,122
Depreciation and amortization	408	587	1,170
Decrease (increase) in notes and accounts receivable	17,846	(738)	(6,156)
Increase (decrease) in notes and accounts payable	(9,260)	6,282	1,435
Others-net	(6,379)	(7,116)	(6,388)
Net cash provided by operating activities	6,562	5,134	183
Ⅱ INVESTING ACTIVITIES			
Purchases of property and equipment	(789)	(88)	(302)
Purchases of intangible assets	(349)	(125)	(304)
Purchases of investment securities	(326)	(922)	(1,357)
Proceeds from sales of investment securities	3,947	1,480	4,622
Others-net	799	21	1,830
Net cash used in by investing activities	3,281	366	4,488
Ⅲ FINANCING ACTIVITIES			
Purchases of treasury stock - net	(3,319)	(5,241)	(7,812)
Dividends paid	(1,442)	(800)	(1,258)
Others-net	(651)	(796)	102
Net cash used in financing activities	(5,413)	(6,837)	(8,968)
Ⅳ FOREIGN CURRENCY TRANSLATION ADJUSTMENTS ON CASH AND CASH EQUIVALENTS	(220)	439	251
Ⅴ NET INCREASE IN CASH AND CASH EQUIVALENTS	4,208	(896)	(4,045)
Ⅵ CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	17,994	21,932	21,932
Ⅶ CASH AND CASH EQUIVALENTS OF NEWLY CONSOLIDATED SUBSIDIARIES, BEGINNING OF THE YEAR	50	107	107
Ⅷ CASH AND CASH EQUIVALENTS, END OF YEAR	22,254	21,143	17,994

Appendix 6.

ASATSU-DK INC. and Consolidated Subsidiaries

Segment Information

(Unaudited and before reclassifications and rearrangements)

6 Months Ended June 30, 2008

Millions of Yen

	Advertising	Non-advertising	Total	Eliminations or Corporate	Consolidated
GROSS BILLINGS					
1. Billings to customers	196,483	4,106	200,590	-	200,590
2. Inter-segment billings	15	74	89	(89)	-
Total billings	196,499	4,181	200,680	(89)	200,590
Operating expenses *	194,067	4,280	198,347	(88)	198,259
Operating income	2,432	(99)	2,332	(1)	2,331

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

Year Ended December 31, 2007

Millions of Yen

	Advertising	Non-advertising	Total	Eliminations or Corporate	Consolidated
GROSS BILLINGS					
1. Billings to customers	426,402	8,609	435,011	-	435,011
2. Inter-segment billings	37	221	258	(258)	-
Total billings	426,439	8,830	435,270	(258)	435,011
Operating expenses *	419,299	8,835	428,134	(258)	427,876
Operating income	7,139	(4)	7,135	(0)	7,134

* 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, 2008

(Unaudited and before reclassifications and rearrangements)

Millions of Yen

	6 Months Ended June 30, 2008	6 Months Ended June 30, 2007	Year Ended December 31, 2007
Ⅰ GROSS BILLINGS	179,493	193,930	387,860
Ⅱ COST OF SALES	159,625	173,411	347,181
GROSS PROFIT	19,867	20,519	40,678
Ⅲ SELLING, GENERAL AND ADMINISTRATIVE EXPENSES	17,796	16,805	34,506
OPERATING INCOME	2,071	3,713	6,172
Ⅳ NON－OPERATING INCOME	1,416	1,344	2,091
Ⅴ NON－OPERATING EXPENSES	217	59	254
RECURRING PROFIT	3,270	4,998	8,009
Ⅵ EXTRAORDINARY PROFITS	1,468	1,789	3,376
Ⅶ EXTRAORDINARY LOSSES	1,176	823	1,955
INCOME BEFORE INCOME TAXES	3,561	5,965	9,430
INCOME TAXES	1,540	2,652	4,099
NET INCOME	2,021	3,312	5,330

Appendix 8-1.

ASATSU-DK INC.

Non-consolidated

Balance Sheets

June 30, 2008

(Unaudited and before reclassifications and rearrangements)

Millions of Yen

	June 30, 2008	June 30, 2007	December 31, 2007
ASSETS			
Ⅰ CURRENT ASSETS			
1. Cash and time deposits	11,657	10,553	11,934
2. Notes receivable-trade	5,527	7,011	5,947
3. Accounts receivable-trade	76,183	84,669	87,726
4. Marketable securities	4,860	4,560	3,294
5. Inventories	6,732	7,292	5,705
6. Other current assets	3,572	6,219	4,146
7. Allowance for doubtful receivables	(461)	(410)	(529)
Total current assets	108,071	119,896	118,226
Ⅱ FIXED ASSETS			
1. Tangible fixed assets	1,722	1,865	1,788
2. Intangible fixed assets	1,091	1,166	967
3. Investments and other assets			
（1） Investment securities	64,815	103,469	84,452
（2） Other assets	9,009	9,697	9,216
（3） Allowance for doubtful accounts	(781)	(919)	(749)
Total investments and other assets	73,043	112,246	92,918
Total fixed assets	75,857	115,278	95,675
TOTAL ASSETS	183,928	235,175	213,901

Appendix 8-2.

ASATSU-DK INC.

Non-consolidated

Balance Sheets

June 30, 2008

(Unaudited and before reclassifications and rearrangements)

Millions of Yen

	June 30, 2008	June 30, 2007	December 31, 2007
LIABILITIES			
Ⅰ CURRENT LIABILITIES			
1. Notes payable-trade	15,668	20,365	16,926
2. Accounts payable-trade	55,654	64,818	63,248
3. Other current liabilities	4,860	5,679	6,143
Total current liabilities	76,182	90,863	86,318
Ⅱ LONG-TERM LIABILITIES			
1. Accrued retirement benefits	187	620	404
2. Allowance for retirement benefits to directors	709	671	694
3. Other long-term liabilities	5,491	18,569	12,243
Total long-term liabilities	6,388	19,861	13,342
TOTAL LIABILITIES	82,571	110,724	99,661
NET ASSETS			
Ⅰ SHAREHOLDERS' EQUITY			
1. Common stock	37,581	37,581	37,581
2. Capital surplus	20,024	40,607	20,024
3. Retained earnings	38,012	35,874	37,433
4. Treasury stock-at cost	(3,523)	(18,215)	(203)
Total shareholders' equity - net	92,095	95,847	94,836
Ⅱ VALUATION AND TRANSLATION ADJUSTMENTS			
1. Unrealized gain on available-for-sale securities	9,253	28,602	19,402
2. Deferred gain on dervatives under hedge accounting	7	0	1
Total valuation and translation adjustments	9,261	28,602	19,404
TOTAL NET ASSETS	101,356	124,450	114,240
TOTAL LIABILITIES AND NET ASSETS	183,928	235,175	213,901

Appendix 9.

ASATSU-DK INC.

Non-consolidated

Gross Billings Breakdown by Division

(Non-consolidated Basis)

6 Months Ended June 30, 2008

Millions of Yen

	6 Months Ended June 30, 2008		6 Months Ended June 30, 2007		Changes from previous year		Year Ended December 31, 2007	
Advertising		%		%		%		%
Magazine	12,462	7.0	13,783	7.1	(1,321)	(9.6)	28,400	7.3
Newspaper	15,331	8.5	18,331	9.5	(2,999)	(16.4)	34,157	8.8
Television *	81,472	45.4	90,552	46.7	(9,080)	(10.0)	177,965	45.9
Radio	1,831	1.0	2,090	1.1	(259)	(12.4)	4,453	1.1
Digital Media *	6,612	3.7	6,882	3.5	(269)	(3.9)	13,506	3.5
OOH Media *	5,907	3.3	5,520	2.8	387	7.0	11,592	3.0
Total	123,618	68.9	137,160	70.7	(13,542)	(9.9)	270,076	69.6
Creative								
Sales Promotion	27,770	15.5	27,380	14.1	389	1.4	57,978	15.0
Creative and Others *	28,105	15.6	29,389	15.2	(1,284)	(4.4)	59,804	15.4
Total	55,875	31.1	56,770	29.3	(895)	(1.6)	117,783	30.4
Grand Total	179,493	100	193,930	100	(14,437)	(7.4)	387,860	100

* "Television" includes time, spot and contents business.
* "Digital Media" includes internet and mobile media.
* "OOH(Out-of-Home) Media" includes transit advertising, outdoor advertising and newspaper inserts etc.
* "Others" includes marketing, consulting and PR etc.