NEWS RELEASE

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FOR IMMEDIATE RELEASE

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ASATSU-DK Announces Year-End 2008 Results

- **Unaudited Consolidated Gross Billings down 8.2% to ¥ 399.4 billion**
- **Gross Margin Improved to 12.3%**
- **Gross Profit Down 4.0% to ¥ 49.1 billion**
- **Operating Income Down 48.1% to ¥ 3.6 billion**
- **Net Income Down 60.3% to ¥ 2.1 billion**
- **EPS down to ¥ 48.14**
- **Annual Dividend Announced at ¥ 20 per share (Down 52.4%) with 41.0% Dividend Payout Ratio**
- **2 million Shares Bought-back for ¥ 5.8 billion**

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 financial results for the year ended December 31, 2008. Under the global financial crisis, the ADK group ended the year with smaller gross billings of ¥399.4 billion. Even though the gross margin ratio improved, gross profits decreased by 4.0% at ¥ 49.1 billion. Because of limited elasticity in operating expenses, operating income was down by 48.1% at ¥ 3.6 billion. However, equity-method affiliates performed well. Recurring profits were down by 40.5% at ¥ 5.3 billion. After extraordinary profits, mainly from gain on sales of investment securities, and losses, mainly from valuation losses on investment securities and provisions for retirement benefits for directors at subsidiaries, Net Income decreased to ¥ 2.1 billion. EPS was disappointing at ¥ 48.14 and the annual dividend was announced at ¥20 per share marking 41.0% pay out ratio. During the year ADK acquired 2 million shares, or 4.4% of the issued and outstanding shares. Total shareholders returns in FY2008 mark 317.9% of the net income. Because of disposals, decline in stock prices and appreciation of the Japanese Yen, consolidated investment securities decreased to ¥ 41.9 billion and the group recognized an unrealized loss of ¥ 2.3 billion on available-for-sale securities. With 52.4% net worth ratio and little leverage, however, the group maintains strong financial stability. Consolidated financial highlights are provided in **Appendix 1.**

Gross billings totaled ¥ 399,452 million, for an 8.2% year-on-year decline Gross margins improved to 12.3%, or by 0.4 points. Gross profit totaled ¥ 49,143 million, a 5.0% year-on-year decrease. Operating income was ¥ 3,699 million for a year-on-year decrease of 48.1%. The ADK group reported a 7.5% operating margin, disappointingly lower than management's target of 15%, because of limited elasticity of operating expenses. Staff costs to gross profits totaled 62.4%, exceeding management's 55% target. A discussion of management's targets follows.

The ADK group incurred equity in profits of affiliates-net at ¥ 648 million, because Digital Advertising Consortium Inc., a publicly traded internet media buying rep, grew its gross profits and regained its profitability, and another equity-method affiliate in the System Integration business reported large net profits mainly thanks to gain on sale of investment securities. However, mainly because of consolidated adjustments to offset intra-group company transactions, the group reported ¥ 1,111 million foreign exchange loss. As a result, recurring profit was ¥ 5,335 million, down 40.5%. Extraordinary Profits and Losses for the period were ¥1,608 million and ¥ 3,168 million, respectively. Income before income taxes and minority interests totaled ¥ 3,774 million, and after deductions of ¥ 1,641 million in income taxes and ¥ 7 million in minority interest, net income was ¥ 2,125 million, a 60.3% decrease. Net income per share totaled ¥ 48.14, a 58.6% decrease. Consolidated income statement information is provided in **Appendix 2.**

The ADK group's performance on its management targets are as follows:

Fiscal Year	2005	2006	2007	2008	Objective
Operating Margin	15.7%	13.1%	13.8%	7.5%	15.0%
Staff Cost to Gross Profit	56.0%	57.8%	57.8%	62.4%	55.0%
Operating Income Growth (Decrease)	(9.3%)	(14.6%)	11.6%	(48.1%)	5.0%

ADK has been striving to improve labor efficiency. However, in the advertising business where talents are the most competitive assets, it is not always wise to reduce staff. Besides, in order to get prepared to offer competitive 360-degree communications programs, the ADK group should have sufficient talent in every specialty. In FY 2008, facing the global economic turmoil, the ADK group suffered from sharp decline in gross profits. With limited elasticity in operating expenses including staff costs, the ADK group showed disappointing operating margin. The ADK group will accelerate its campaign to regain 15% or larger operating margin by growing gross profits and obtaining more efficient work force.
The number of the employees at the end of 2008 totalled 3,264, or an increase of 49 from

the FY 2007 year-end. The number of the employees engaged in the advertising business segment was 3,185, or an increase of 62.

FY	2005 Actual	2006 Actual	2007 Actual	2008 Actual	Targets
EPS (Yen)	122.11	106.62	116.40	48.14	N.A.
ROE (%)	4.6	3.7	3.9	1.8	6.0~8.0

At the start of 2008, we set an EPS forecast of ¥130.40 through improvements in profitability and the acquisition of treasury stock. The ADK group could not meet the EPS goal, due to limited growth of operating profits. The ADK group will strive harder to achieve the EPS goal. We will reset our EPS goal after the world economy overcomes the serious global economic crisis.

2. <u>The Enhanced Dividend Distribution Policy and Accelerated Share Buy-back</u>

Maximizing shareholder value is a top priority at ADK. Under the dividend distribution policy, 35% of consolidated net income would be distributed through common dividends with a minimum annual dividend of ¥ 20 per share. ADK keeps semi-annual dividend distributions instead of quarterly dividend distributions in order to save on operational costs. Under this policy, the final dividend for fiscal 2008 is announced as ¥ 10 per share, making the annual dividend per share ¥20, or the floor, as shown below:

FY 2008 Dividend	Interim Dividend	Year-end Dividend	Total Annual Dividend
Dividend Per share	¥ 10	¥ 10	¥ 20
Record Date	Jun. 30, 2008	Dec. 31, 2008	
Disbursement Date	Sep. 16, 2008	Mar.12, 2009	

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. ADK acquired 2,003,030 shares net of sale and purchase of less-than-unit shares for ¥ 5,885 million. The total shareholder returns consisting of this share buy-back program and the common dividends for FY 2008 is 317.9% of Net Income.

3. Review of Operations

① Advertising Business Segment

The group's advertising business generated gross billings of ¥391,229 million, registering a 8.2% year-on-year decline, while segment operating income decreased by 47.5% to ¥ 3,748 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 91.7% of the company's consolidated advertising gross billings, unconsolidated performance will be reviewed as follows:

- Unconsolidated Performance by Division:

Breakdown by Division		Gross Billings (Millions of yen)	Composition %	Y-o-Y change %
Media	Magazine	23,737	6.6	(16.4)
	Newspaper	30,376	8.5	(11.1)
	TV (Program, Spot, and Content)	162,453	45.3	(8.7)
	Radio	3,710	1.0	(16.7)
	Digital Media	13,467	3.8	(0.3)
	OOH Media	12,097	3.4	4.4
Sub-total		245,843	68.6	(9.0)
Non-Media	Sales Promotion	57,434	16.0	(0.9)
	Creative and Others	55,318	15.4	(7.5)
Sub-total		112,752	31.4	(4.3)
Total		358,595	100.0	(7.5)

The Magazine Division decreased its billings because of smaller billings to clients in the Cosmetics/Toiletries sector and negative influence from growing digital media. Division gross billings suffered 16.4% year-on-year decline at ¥ 23,737 million.

The Newspaper Division suffered a decline in gross billings by 11.1% year-on-year with smaller gross billings to clients in Finance/Insurance and Automobile/Automobile-related products. As a result, the division generated gross billings of ¥ 30,376 million.

The Television Division kept focusing on profitability over size of gross billings. The division could generate slightly smaller gross billings from program TV sales mainly due to smaller gross billings to clients in the Finance/Insurance and Restaurants/other services sectors, in spite that the group generated larger gross billings to clients in the Information/Communications, Foods, and Automobile/Automobile-related products. The profitability improved, however, because of the media buying business generated higher profitability. Spot TV sales decreased in gross billings significantly and gross profits with business with clients in Cosmetics/Toiletries, Restaurants/Others, Automobile/Automobile-related products, Electric machines/AV Equipment, and Information/Communications sectors. The ADK group started to sell animation content via PC sites and mobile phones, sold more new and old programs abroad, and promoted sales of DVDs. However because of appreciation of the yen, overseas sales of animation programs declined. As a result, the division yielded gross billings of ¥ 162,453 million, an 8.7% year-on-year decline.

The Radio Division generated only smaller gross billings to clients in Automobile/Automobile-related products sector, the largest client sector for the division because of tighter spending policies, and reported ¥ 3,710 million gross billings, for a year-on-year decline of 16.7%.

The Digital Media Division kept generating larger gross billings to clients in Education/Healthcare services/Religion sector by offering cross communications programs, closer relationship with media owners, and enhanced services by the newly established digital media sales subsidiary, ADK Interactive, Inc. However, because a large billing contract with a customer completed, the division generated smaller gross billings at ¥ 13,467 million, a 0.3% year-on-year decrease.

The Out-of-Home Media Division generated larger gross billings by offering integrated services of sales promotion campaigns and cross media solutions, and developing billboards and in-store-media to clients in Electric machines/AV Equipment, Automobile/Automobile-related products sectors. The division achieved gross billings of ¥ 12,097 million, a 4.4% year-on-year growth.

The Sales Promotion Division generated gross billings of ¥ 57,434 million, a 0.9% decrease because of smaller gross billings to clients in the sectors of Distribution/Retail, Information/Communications, and Automobile/Automobile-related products in spite that the division grew its billings to clients in the sectors of Beverages/Tobacco products, Classified ads/Other by offering better integrated solutions and faster, less costly, more sophisticated ideas.

The Creative Division continued to help and educate younger creators so that they are able to design integrated communications program with deep insights in every medium. The division also redesigned the organization for more flexible assignment of creators to respond to the clients needs. The division also focused on some growing markets, like real estate. Therefore, the division could obtain more business. The Marketing Division could also generate larger gross billings. Even so, the gross billings of the two divisions and other miscellaneous advertising businesses decreased by 7.5% to ¥ 55,318 million.

As a result, ADK generated unconsolidated gross billings of ¥ 358,595 million, a 7.5% year-on-year decline. Although gross margin improved by 0.3 point to 10.8%, ADK generated smaller gross profits of ¥ 38,640, a 5.0% year-on-year decline. With the operating expenses of ¥ 36,176 million, a 4.8% year-on-year increase, operating income was ¥ 2,463 million, down 60.1%. 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 decreased their gross billings and incurred operating loss under the stagnant market. Overseas subsidiaries as a whole reported smaller gross billings on a Japanese yen basis due to appreciation of Japanese yen, but reported larger operating income thanks to growth in subsidiaries in the US and the South East Asia and smaller expenses at European and Taiwanese subsidiaries after restructuring campaigns.

② Other Business Segment

ADK has two consolidated subsidiaries in the publications industry. Among the two, the smaller subsidiary, specializing in publication of periodicals to select club members, kept struggling to 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 generated smaller sales and kept reporting operating losses, although the subsidiary cut redundancies, discontinued less profitable titles and promoted its campaign to squeeze printing costs. As a result, the group’s Other Business generated gross billings of ¥ 8,222 million, a 4.5% year-on-year decline, and an operating loss of ¥ 44 million, while the segment reported ¥ 4 million operating loss in FY 2007.

③ Overseas Sales

The ADK group obtained 6.2% of its gross billings from abroad. All overseas sales are for the advertising business.

4. Balance Sheets and Cash flow

While the ADK group did not make any large capital expenditures during FY 2008, the group accelerated buying back its shares, and continued its efficient capital management program focus. Because of the global financial crisis, however, stock prices decline sharply and Japanese Yen appreciated significantly, causing values of the ADK group's investment securities plunge. After disposals of investment securities reduction in accounts－payable-trade, and decline in investment securities, the total assets of the group decreased by ¥ 54,314 million from FY 2007 end to ¥ 191,782 million. Consolidated interest bearing debt was ¥ 1,044 million. Total net assets, including net valuation gain on hedging derivatives but excluding Minority Interests, were ¥ 100,588 million, with a 52.4 % book net assets ratio. Further consolidated and unconsolidated balance sheet information is provided in **Appendices 3 and 8**.

At the end of FY 2008, cash and cash equivalents amounted to ¥ 12,807 million, a decrease of ¥ 5,187 million from the previous fiscal year end.

Among the Operating Activities, Income before income taxes and minority interests for FY2008 was ¥ 3,774 million, and depreciation was ¥ 803 million, while the decrease of notes and accounts receivable and notes and accounts payable were ¥ 5,421 million and ¥ 8,385 million, respectively, because of smaller gross billings generated by ADK parent company and a Thai subsidiary, especially toward the FY end. Inventories decreased by ¥ 6million. Tax paid during the period was ¥ 4,065 million, relatively larger reflecting larger taxable income in 2007. As a result, net cash flow provided by Operating Activities was negative ¥ 3,181 million, compared to positive ¥ 183 million in 2007.

Net cash of ¥ 7,085 million was obtained from investing activities compared to ¥ 4,488 million cash provided in 2007. The purchase and sale of marketable securities were ¥ 4,562 million and ¥ 7,196 million, respectively, and the purchase and sale of investment securities were ¥ 999 million and ¥ 6,148 million, respectively.

Net cash used for financing activities was ¥ 7,853 million, compared to ¥ 8,968 million in FY 2007, mainly for larger returns to shareholders, like dividends for ¥ 1,883 million and acquisition of treasury stocks of ¥ 5,885 million. Further cash flow information is provided in **Appendix 5**.

The major indices of consolidated financial conditions are as follows:

Term	FY 2005	FY 2006	FY 2007	FY 2008
Book Equity Ratio	54.6%	54.7%	53.1%	52.4%
Market Cap. to Book Total Assets	72.8%	69.3%	57.3%	44.8%
Years to redeem debts	6.8	0.1	6.5	(0.3)
Interest Coverage Ratio (times)	5.1	247.8	5.7	(121.8)

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

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 FY 2008 were a negative amount because of large decrease in accounts payable in the normal course of business, and relatively larger cash tax payments reflecting larger taxable income in 2007. When you use Operating Income to calculate Years to redeem debts and Interest Coverage Ratios, those will be 0.28 years and 160.7 times.

5. Corporate Strategies

① Appropriate response to the global economic crisis

After the collapse of the US sub-prime loan crisis, the world now faces the global economic crisis. In 2009 the Japanese economy is expected to keep suffering from recession. Many corporate advertisers are under pressure of squeezed profitability and, therefore, tend to cut expenses. Under this situation, we worry that the Japanese advertising market could keep contracting and the competition would become tougher. We at the ADK group will try harder to secure gross profits by better competing and reducing costs of goods sold, save operating expenses and maintain financial stability.

② Strategies on growing markets

A) <u>360-degree cross communication program for the new era</u>

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-neutral, solution-neutral communication programs that seamlessly integrate traditional and other various media like digital, OOH, in-store media to reach consumers with more impressive impacts.

In August 2008, ADK launched its digital media sales specialty subsidiary; ADK Interactive, Inc. as a joint venture with Digital Advertising Consortium, Inc. to promote buying business of interactive media and offer other interactive agency services.

B) <u>Enhanced 360-degree solution services: Client-oriented business units</u>

In order to be able to offer better 360-degree solutions faster and more flexibly, ADK organizes client-oriented business units, or cross-functional working force units over creators, communication planners, and officers at promotion and media contents divisions for select prime clients.

C) <u>ADK Contents: Development of animation and other content businesses</u>

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, accelerate investments to create new contents for both domestic and overseas viewers, and develop new digital video sales channels of PC and mobile.

D) <u>Overseas Markets</u>

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 network infrastructure. Even under the global economical recession, we view that these areas show relatively faster growth. During 2008 the ADK group developed its ties with a WPP company in India, invested in a local advertising company in the Middle East, and launched its Dubai office. In 2009, the group will further develop its bases in Korea, the Philippines, and Russia and even further. In China the ADK group will reorganize its subsidiaries to better network with each other. And by promoting its global account director program, which will lead marketing on select global accounts, the ADK group will try to increase its market share overseas. In the matured US and European markets, we will also take advantage of our alliance with the WPP group.

E) 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 other domestic markets. We will continue to focus on our local branch offices in these markets, where our presence is still limited.

③ Enhancements of Core Competencies

The ADK group seeks to enhance competitiveness by executing the following programs:

A) ADK University: Development of talent

Advertising business is people business. They key to the success depends on human talent resources, especially under the recessional economy. 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 keeps developing 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, 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 Planner

In order to better offer media-neutral and solution neutral program which enjoys higher ROI in communication, the ADK group should transform media planner to communication channel planner, who will promote 360-degree media neutral solutions. Also, in order to 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.

D) <u>ROI optimization</u>

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.

E) <u>Enhancement of profitability and efficiency of subsidiaries and affiliates</u>

The ADK group is proud of its specialty subsidiaries and seeks to realize synergies with those companies to better respond to the tough economic condition. Among others, ADK Arts Inc. offers creative and sales promotion. By shifting procurement from non-group vendors to ADK Arts, we enhance the group's abilities to offer solutions and profitability. ADK will make joint pitch to medicine companies with Kyowa Kikaku, Ltd., a health care and ethical medicine advertising specialty agency.

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 in free-magazines.

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.

F) <u>Internal Control, CSR</u>

FY 2009 is the first year for ADK to report on its internal control environment under the new financial instrument exchange law. Although we believe we have already prepared for the law, but the compliance requires on-going efforts. ADK also promotes to ascertain its information security under the ISO 27001 standard and other compliance issues so that the group will be able to sustain its sound operations to achieve growth. Also, ADK keep trying to fill its CSR, including environment protection measures, like obtaining ISO 24001 standard by all the departments in the company.

6. Outlook for Fiscal Year 2009

We worry that it will take some time before the world economy overcomes the global economic crisis and regain its growth and it is hard to guess how much the world economy could suffer. Besides, the Japanese economy would remain stagnant without political leadership and appreciation of Japanese yen. In turn, the country's advertising market could be stagnant, too. Under today's more demanding business conditions, the advertising market environment will be a more challenging one than ever.

Under the environment, ADK forecasts its consolidated performance for fiscal 2009 at ¥ 393.2 billion in gross billings, ¥ 3.1 billion in operating income, ¥ 4.9 billion in recurring profits, and ¥ 2.5 billion in net income. For 1H 2009, gross billings of ¥ 190.1 billion, ¥ 1.15 billion in operating income, ¥ 2.05 billion in recurring profits, and ¥ 0.95 billion in net income are forecasted. EPS for the year is forecasted at ¥58.02.

On an unconsolidated basis, the forecasts are set at ¥ 352.3 billion in gross billings, ¥ 2.5 billion in operating income, ¥ 3.9 billion in recurring profits, and ¥ 1.9 billion in net income. For 1H 2009, gross billings of ¥ 170.0 billion, ¥ 1.0 billion in operating income, ¥ 1.9 billion in recurring profits, and ¥ 0.9 billion in net income are forecasted.

Dividend for the FY 2008 is forecasted as in the table below:
Dividend Forecast for the fiscal 2009

FY 2009 Dividend	Interim Dividend	Year-End Dividend	Total Annual Dividend
Per share Dividend	¥10	¥11	¥21
Record Date	Jun. 30, 2009	Dec. 31, 2009	
Date of Disbursement	TBD	TBD in 2010	

On February 13, 2009, the board of directors at ADK resolved that the company acquires up to 500,000 treasury stocks, or 1.16% of the issued and outstanding shares as of the beginning of 2009, for the period between February 16 and June 23, 2009 with the maximum purchase amount of ¥ 1.25 billion.

7. Forward Looking Statements and Risk Factors

- 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, including, but not limited to those shown below (under TSE guidance), 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.

- Domestic economy
  During FY 2008, the group generates 93.8% of its gross billings from the Japanese domestic markets. Japanese national advertising spending has been strongly correlated with the nominal GDP. In the event that the domestic economy deteriorates seriously, the ADK group's performance and financial conditions could be negatively impacted.

- Changes in the advertising market

  The ADK group intends to continue to sell traditional mass media advertising space and time to its well-diversified clientele as well as carry out sales promotions and a wide range of peripheral services under its 360-degree communications approach. However, failure to respond appropriately to any market changes – including, but not limited to changes in advertiser's budgets (by name and/or industry), media inventory costs and advertising methods – could significantly impact performance and financial conditions.

- Response to the development of new media

  Among the advertising media, digital media are developing rapidly through broadband and mobiles, supported by more developed technologies like videos, enhanced search engines, information and view sharing services, weblogs, etc. These changes affects on consumers to spend more time on digital media and behave differently when purchasing goods. The ADK group sees the traditional and non-traditional media complement each other and it is essential for an advertising agency to offer 360-degree cross communication program. However, if ADK fails to adapt to changes in the advertising media, its performance and financial conditions could be adversely impacted.

- Risks arising from industry customs
  - With advertising clients:

  In Japan, traditionally advertisers do not strictly require an exclusive relationship with their agencies, which may have business with competitors. However, there is no assurance that this practice will continue in the future. In the event that ADK fails to adapt to such changes in the advertising market, its performance and financial conditions could be adversely impacted.

  Advertising companies in Japan do not always have documented contracts with media and clients so as to maximize their flexibility in order to adapt to sudden changes. However, ADK works to ensure it has written contracts with more media and more clients. When this is the rule, not the exception, the company believes accountability by both parties will minimize disputes. Until that time, however, there remains the possibility of disputes with media and clients.

  An advertising agency buys media time or space and materials on behalf of its clients on its own account. Sometimes a purchase is made through another agency. Therefore, even if a client and/or such another agency default, the advertising company is still liable for the media and or materials toward a media owner and or a sub-contracting production company.
  - With media owners:

  Occasionally, ADK purchases media inventories, particularly animation programs, at fixed prices based on orders from client advertisers. Although we strive to improve the quality of contents**,** and increase the demand of such programs by keeping a close relationship with the media, in the case of weak sales, excess inventories could have an adverse effect on our performance and financial conditions.

- With sub-contractors

In Japanese advertising markets, an advertising agency is usually required to absorb credit and functionality risks of many small and specialty sub contractors without shifting them to the advertisers. Besides, sometimes an agency needs to help financing of such sub-contractors by advance payments. In an international business, a partial advance payment is commonly required. When a sub contractor cannot fulfill an order from an advertiser or maintain its business as a going-concern, an agency is likely to suffer a loss.

- Competitive risk

Competition among Japan's major advertising companies is intensifying. The several top tier agencies dominate nearly 50% market share. The ADK group, the third largest group with 5~6% market share, competes in the market. Under the recessional economy, our advertising clients select effective ad campaigns and may tend to buy communication solutions from a small number of preferred agencies to better measure communication efficiencies and enjoy better prices. In addition, the entry of foreign mega agency groups into Japanese market, and many new and rapidly growing entrants in the internet advertising market, the dominance of Google in search engine marketing, accelerates competition. In the event that ADK is unable to respond appropriately to client needs and changes in the advertising industry, and loses its competitiveness as a result, there is significant risk that its market share could decline and profitability could deteriorate. This would have a serious impact on its performance and financial condition.

- Relationship with advertisers

The ADK group has a diversified portfolio of first-tier clients. The parent company's largest 10 and 20 clients' share 21.8 and 33.0% of total unconsolidated gross billings for FY 2008 and compared to the competitors, sector concentration risk is limited. Although we strive to maintain and develop good relationships with our clients, there is no assurance that we will be able to continue to do so.

- Relationships with media

ADK generates 68.6% of its unconsolidated gross billings by handling the four major mass media as well as the rapidly growing internet and digital advertising sectors and OOH media. ADK strives to secure advertising time and/or space of these traditional and new media during FY 2008. However, in the event of a decrease in advertising volume and/or changes in business terms and conditions and advertising methods, and/or the emergence of new advertising formats, and the ADK group does not respond to these changes appropriately, there is a significant possibility that its performance and financial conditions could be adversely affected.

- Relationship with sub-contractors

While ADK carries out the planning for advertising and sales promotion campaigns, the execution of these activities is mostly outsourced to qualified sub-contractors. In the case of a change in trading relationships with these sub-contracted companies and in the event that ADK is unable to respond appropriately, this could have a negative impact on group performance and financial conditions.

- Staff
  Advertising is a people business and talents are critical assets in the advertising industry. In the event that ADK is unable to secure and train its talented staff adequately, there could be a negative impact on performance and financial conditions. Also, most of staff cost are fixed cost and shares 67.5% of the total SG&A expenses in 2008. Therefore, staff cost would have large influence on cost structure of the ADK group.

- Overseas operations
  In overseas markets, because of the difference in culture and society, a variety of problems may arise. In addition, both country risk and currency risk are inherent in conducting international business. In the event that the ADK group is unable to expand its overseas operations as planned, the group's performance and financial condition could be significantly impacted.

- Contents business
  ADK continues to develop new contents under existing and new business models. However there is no guarantee of the continued success of these contents or of derivative and or resale income from them. Accordingly, in the case that the group is not able to generate income as expected, the group could experience a significant impact on its performance and financial conditions.

- Relationship with WPP plc
  ADK has maintained strategic operating and equity ties with the WPP plc since August 1998, holding a 2.49% equity stake in WPP (as of December 31, 2008). WPP holds 24.04% of voting rights in ADK. At the same time, both companies have non-executive directors on each other's boards. By way of operating alliances with WPP group operating companies, including JWT, ADK made a number of creative and promotional tie-ups and will continue to develop operations worldwide.

  Because ADK does not own a majority of WPP's voting rights, and our influence on WPP group operations is limited, in the event that the ADK group is unable to realize the benefits from this relationship or if the relationship should negatively change in any way, there may be an impact on the ADK group's performance and financial conditions in the future.

  In addition, although the yen translated market value of the equity stake in WPP is ¥16,605 million as of the end of December 2008, when WPP stock price was ￡4.025 per share, compared to the book value of ¥22,262 million (under the lower-of-cost-or-market method as of the end of 1998, when the stock price was

￡3.6517), in the event of a major deterioration in the group’s stock price on sterling basis, there is a possibility that ADK would have to account for valuation losses on this holding.

- Marketable securities and investment securities

  The ADK group’s holdings of marketable and investment securities (including the aforementioned stake in the WPP plc and equity method value of Digital Advertising Consortium, Inc. “DAC”) totaled ¥41,925 million, representing 21.9% of our ¥191,782 million in total assets as of December 31, 2008. Of this amount, ¥29,833 million is publicly traded equity securities mostly for cross-shareholdings in advertising clients and other trading partners (excluding our investments in 27.0% stake in DAC, unconsolidated results of which is accounted for by the equity method at ¥2,024 million). Under the global financial crisis, the ADK group incurs balance of unrealized loss on available-for-sale securities at ¥2,394 million after deducting deferred tax assets on such loss. In the event of a major decline in the market prices in each of these holdings, we would be forced to account for valuation losses.

- Retirement Benefits and Pension Plans

  At the end of 2004, ADK parent company reformed its employee retirement benefits and pension plans, and adopted a defined contribution pension plan and a cash balance plan to reduce the volatility of net periodic benefit costs, an element of the staff costs, through a smaller Projected Benefit Obligation and less risky pension asset investment strategies.

  In the event of deterioration in pension asset management performance, and a significant change in actuarial assumptions, the ADK group could face a negative impact on its performance and financial condition.

  ADK and some of its domestic subsidiaries are the members of the Japan Advertising Industry Welfare Pension Fund. Because the ADK group cannot technically and reasonably define how much pension assets and liabilities the group is accountable for, the group recognizes its annual cash contribution to the fund as its periodical benefit costs applicable for the fund. In the case that the fund requires the group to make a larger contribution due to changes in the discount rate, pension plan asset performance, number of member companies and beneficiaries, and so on, the group would need to recognize larger net periodic benefit costs.

  The fund’s total pension assets and liabilities as of March 31, 2008 were ¥ 70,570 million and ¥ 86,836 million respectively, and therefore the difference was negative ¥ 16,266 million. The discount rates for the liabilities were mainly 5.5%.
  The ADK group’s cash contribution share by the both employers and employees made during the year through March 2008 were 9.01% and 5.54% respectively making the total 14.55%. Applying simply the shares to the aforementioned total fund assets, the group’s prorate shares of assets as of March 31, 2008 were ¥10,265 million in total.

Out of the amount, the employers' portion and employees' portion were ¥6,358 million and ¥3,907 million respectively. Likewise, the group's prorate shares of pension liabilities were ¥12,632 million in total. Out of the amount, the employers' portion and employees' portion were ¥7,824 million and ¥4,807 million respectively.

- Contingent Litigation Risks
  As of the date of the statements, the ADK group has not been involved or exposed to a law suit or dispute which could place significantly negative influence on the group's performance and financial conditions. However, there is no guarantee that the group would never be involved or exposed to such a law suit or dispute.

- Legal Risks
  The ADK group's advertising clients are affected by a number of mandatory and voluntary regulations, depending on the type or types of businesses in which they are engaged. If these laws and regulations are tightened or new ones are enacted, our clients' advertising activities could shrink or become curtailed. Such changes may have a negative impact on our performance and financial conditions.

- Regulatory Changes
  In Japan, there are a number of laws that bind advertising companies, including ADK. These include laws to prevent delays in payment to subcontractors and protect personal information as well as regulations applicable to advertising companies. If there is a strengthening of existing laws or regulations affecting the advertising activities of advertisers or the format or content of advertisements, the financial results of the ADK group and other advertising companies could be adversely affected. In the case there is the introduction of new laws or regulations, or the reinterpretation of existing laws or regulations, the result could also impact the ADK group's performance.

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Appendix 1.

ASATSU-DK INC. and Consolidated Subsidiaries

Consolidated Financial Highlights

Year Ended December 31, 2008

(Unaudited and before reclassifications and rearrangements)

Millions of Yen

	Year Ended December 31, 2008	Year Ended December 31, 2007
GROSS BILLINGS	399,452	435,011
YEAR-ON-YEAR GROWTH RATE (%)	(8.2)	3.6
GROSS PROFIT	49,143	51,754
OPERATING INCOME	3,699	7,134
YEAR-ON-YEAR GROWTH RATE (%)	(48.1)	11.6
RECURRING PROFIT	5,335	8,960
YEAR-ON-YEAR GROWTH RATE (%)	(40.5)	0.5
INCOME BEFORE INCOME TAXES AND MINORITY INTERESTS	3,774	10,122
NET INCOME	2,125	5,350
ANNUAL DIVIDEND PER SHARE (Yen)	21.00	42.00
TOTAL ASSETS	191,782	246,097
SHAREHOLDERS' EQUITY (Shareholders' equity plus valuation and translation adjustments)	100,588	130,695
MINORITY INTERESTS	1,028	1,150
TOTAL NET ASSETS (Total of shareholders' equity plus minority interests)	101,617	131,846
SHAREHOLDERS' EQUITY PER SHARE (Yen)	2,334.48	2,898.49
NET INCOME PER SHARE (Yen)	48.14	116.40
CASH FLOW FROM OPERATING ACTIVITIES	(3,181)	183
CASH FLOW FROM INVESTING ACTIVITIES	7,085	4,488
CASH FLOW FROM FINANCING ACTIVITIES	(7,853)	(8,968)
CASH AND CASH EQUIVALENTS, END OF YEAR	12,807	17,994

Appendix 2.

ASATSU-DK INC. and Consolidated Subsidiaries

Consolidated Income Statements

Year Ended December 31, 2008

(Unaudited and before reclassifications and rearrangements)

Millions of Yen

	Year Ended December 31, 2008	Year Ended December 31, 2007
Ⅰ GROSS BILLINGS	399,452	435,011
Ⅱ COST OF SALES	350,308	383,257
GROSS PROFIT	49,143	51,754
Ⅲ SELLING, GENERAL AND ADMINISTRATIVE EXPENSES		
1. Salaries	24,785	23,812
2. Provision for bonus expenses	302	650
3. Provision for pension benefits	1,916	1,866
4. Rent expenses	4,024	3,877
5. Other expenses	14,415	14,412
Total selling, general and administrative expenses including others	45,444	44,619
OPERATING INCOME	3,699	7,134
Ⅳ NON－OPERATING INCOME		
1. Interest income	495	616
2. Dividend income	1,263	1,318
3. Equity in earnings of affiliated companies-net	648	—
4. Other income	573	550
Total non-operating income including others	2,981	2,485
Ⅴ NON－OPERATING EXPENSES		
1. Interest expenses	26	32
2. Equity in losses of affiliated companies-net	—	258
3. Other expenses	1,319	368
Total non-operating expenses including others	1,345	660
RECURRING PROFIT	5,335	8,960
Ⅵ EXTRAORDINARY PROFITS	1,608	3,144
Ⅶ EXTRAORDINARY LOSSES	3,168	1,982
INCOME BEFORE INCOME TAXES AND MINORITY INTERESTS	3,774	10,122
INCOME TAXES		
1. Current	1,487	4,514
2. Deferred	153	179
Total income tax	1,641	4,694
MINORITY INTERESTS IN NET INCOME	7	77
NET INCOME	2,125	5,350

Appendix 3-1.

ASATSU-DK INC. and Consolidated Subsidiaries

Consolidated Balance Sheets

December 31, 2008

(Unaudited and before reclassifications and rearrangements)

Millions of Yen

	December 31, 2008	December 31, 2007
ASSETS		
Ⅰ CURRENT ASSETS		
1. Cash and time deposits	14,881	22,863
2. Notes and accounts receivable-trade	101,823	108,045
3. Marketable securities	3,419	3,676
4. Inventories	8,623	9,037
5. Other current assets	3,447	4,549
6. Allowance for doubtful accounts	(723)	(624)
Total current assets	131,472	147,546
Ⅱ FIXED ASSETS		
1. Tangible fixed assets	4,077	3,866
2. Intangible fixed assets	1,966	1,063
3. Investments and other assets		
(1) Investment securities	41,925	83,720
(2) Other assets	13,310	11,074
(3) Allowance for doubtful accounts	(968)	(1,174)
Total investments and other assets	54,267	93,620
Total fixed assets	60,310	98,550
TOTAL ASSETS	191,782	246,097

Appendix 3-2.

ASATSU-DK INC. and Consolidated Subsidiaries

Consolidated Balance Sheets

December 31, 2008

(Unaudited and before reclassifications and rearrangements)

Millions of Yen

	December 31, 2008	December 31, 2007
LIABILITIES		
Ⅰ CURRENT LIABILITIES		
1. Notes and accounts payable-trade	78,241	87,417
2. Short-term debts	551	1,084
3. Current portion of long-term debt	151	48
4. Accrued bonuses to employees	291	679
5. Allowance for sales returns	599	537
6. Other current liabilities	7,718	10,129
Total current liabilities	87,554	99,896
Ⅱ LONG-TERM LIABILITIES		
1. Long-term debts	341	60
2. Accrued retirement benefits	850	1,246
3. Allowance for retirement benefits to directors	1,145	694
4. Other long-term liabilities	273	12,352
Total long-term liabilities	2,611	14,354
TOTAL LIABILITIES	90,165	114,251
NET ASSETS		
Ⅰ SHAREHOLDERS' EQUITY		
1. Common stock	37,581	37,581
2. Capital surplus	20,024	20,024
3. Retained earnings	52,158	51,901
4. Treasury stock-at cost	(6,088)	(203)
Total shareholders' equity - net	103,675	109,303
Ⅱ VALUATION AND TRANSLATION ADJUSTMENTS		
1. Unrealized gain on available-for-sale securities	(2,394)	20,304
2. Deferred gain on derivatives under hedge accounting	(21)	1
3. Foreign currency translation adjustments	(671)	1,085
Total valuation and translation adjustments	(3,087)	21,392
Ⅲ MINORITY INTERESTS	1,028	1,150
TOTAL NET ASSETS	101,617	131,846
TOTAL LIABILITIES AND NET ASSETS	191,782	246,097

Appendix 4-1.

ASATSU-DK INC. and Consolidated Subsidiaries

Consolidated Statements of Changes in Net Assets

Year Ended December 31, 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 fiscal year					
Dividend payments			(1,883)		(1,883)
Net income			2,125		2,125
Increase due to newly consolidated subsidiaries			19		19
Acquisitions of treasury stock				(5,888)	(5,888)
Disposals and cancellation of treasury stock		(0)		3	2
Increase due to change in accounting standards of foreign subsidiaries			1		1
Other decrease in retained earnings *			(5)		(5)
(Net) changes of items other than shareholders' equity					
Total change during the consolidated fiscal year		(0)	257	(5,884)	(5,628)
Balance as of December 31, 2008	37,581	20,024	52,158	(6,088)	103,675

	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		
Balance as of December 31, 2007	20,304	1	1,085	21,392	1,150	131,846
Changes during the consolidated fiscal year						
Dividend payments						(1,883)
Net income						2,125
Increase due to newly consolidated subsidiaries						19
Acquisitions of treasury stock						(5,888)
Disposals and cancellation of treasury stock						2
Increase due to change in accounting standards of foreign subsidiaries						1
Other decrease in retained earnings *						(5)
(Net) changes of items other than shareholders' equity	(22,699)	(23)	(1,757)	(24,479)	(121)	(24,600)
Total change during the consolidated fiscal year	(22,699)	(23)	(1,757)	(24,479)	(121)	(30,229)
Balance as of December 31, 2008	(2,394)	(21)	(671)	(3,087)	1,028	101,617

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

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
Increase due to newly consolidated subsidiaries			138		138
Acquisitions of treasury stock				(7,813)	(7,813)
Disposals and cancellation of treasury stock		(20,583)		20,583	0
(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		
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
Increase due to newly consolidated subsidiaries						138
Acquisitions of treasury stock						(7,813)
Disposals and cancellation of treasury stock						0
(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

Year Ended December 31, 2008

(Unaudited and before reclassifications and rearrangements)

Millions of Yen

		Year Ended December 31, 2008	Year Ended December 31, 2007
Ⅰ	OPERATING ACTIVITIES		
	Income before income taxes and minority interests	3,774	10,122
	Depreciation and amortization	803	1,170
	Decrease (increase) in notes and accounts receivable	5,421	(6,156)
	Increase (decrease) in notes and accounts payable	(8,385)	1,435
	Others-net	(4,795)	(6,388)
	Net cash provided by operating activities	(3,181)	183
Ⅱ	INVESTING ACTIVITIES		
	Purchases of property and equipment	(745)	(302)
	Purchases of intangible assets	(1,319)	(304)
	Purchases of investment securities	(999)	(1,357)
	Proceeds from sales of investment securities	6,148	4,622
	Others-net	4,001	1,830
	Net cash used in by investing activities	7,085	4,488
Ⅲ	FINANCING ACTIVITIES		
	Purchases of treasury stock - net	(5,885)	(7,812)
	Dividends paid	(1,883)	(1,258)
	Others-net	(83)	102
	Net cash used in financing activities	(7,853)	(8,968)
Ⅳ	FOREIGN CURRENCY TRANSLATION ADJUSTMENTS ON CASH AND CASH EQUIVALENTS	(1,289)	251
Ⅴ	NET DECREASE IN CASH AND CASH EQUIVALENTS	(5,238)	(4,045)
Ⅵ	CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	17,994	21,932
Ⅶ	CASH AND CASH EQUIVALENTS OF NEWLY CONSOLIDATED SUBSIDIARIES,BEGINNING OF THE YEAR	50	107
Ⅷ	CASH AND CASH EQUIVALENTS, END OF THE YEAR	12,807	17,994

Appendix 6.

ASATSU-DK INC. and Consolidated Subsidiaries

Segment Information

(Unaudited and before reclassifications and rearrangements)

Year Ended December 31, 2008

Millions of Yen

	Advertising	Non-advertising	Total	Eliminations or Corporate	Consolidated
GROSS BILLINGS					
(1) Billings to customers	391,229	8,222	399,452	−	399,452
(2) Inter-segment billings	29	170	199	(199)	−
Total billings	391,258	8,393	399,652	(199)	399,452
Operating expenses*	387,510	8,438	395,948	(195)	395,752
Operating income	3,748	(44)	3,703	(4)	3,699

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

Year Ended December 31, 2008

(Unaudited and before reclassifications and rearrangements)

Millions of Yen

	Year Ended December 31, 2008	Year Ended December 31, 2007
Ⅰ GROSS BILLINGS	358,595	387,860
Ⅱ COST OF SALES	319,955	347,181
GROSS PROFIT	38,640	40,678
Ⅲ SELLING, GENERAL AND ADMINISTRATIVE EXPENSES	36,176	34,506
OPERATING INCOME	2,463	6,172
Ⅳ NON－OPERATING INCOME	2,002	2,091
Ⅴ NON－OPERATING EXPENSES	481	254
RECURRING PROFIT	3,984	8,009
Ⅵ EXTRAORDINARY PROFITS	1,480	3,376
Ⅶ EXTRAORDINARY LOSSES	2,155	1,955
INCOME BEFORE INCOME TAXES	3,309	9,430
INCOME TAXES	1,587	4,099
NET INCOME	1,721	5,330

Appendix 8-1.

ASATSU-DK INC.

Non-consolidated

Balance Sheets

December 31, 2008

(Unaudited and before reclassifications and rearrangements)

Millions of Yen

	December 31, 2008	December 31, 2007
ASSETS		
Ⅰ CURRENT ASSETS		
1. Cash and time deposits	5,483	11,934
2. Notes receivable-trade	4,810	5,947
3. Accounts receivable-trade	85,455	87,726
4. Marketable securities	2,087	3,294
5. Inventories	5,397	5,705
6. Other current assets	3,392	4,146
7. Allowance for doubtful accounts	(639)	(529)
Total current assets	105,986	118,226
Ⅱ FIXED ASSETS		
1. Tangible fixed assets	1,648	1,788
2. Intangible fixed assets	1,837	967
3. Investments and other assets		
(1) Investment securities	42,635	84,452
(2) Other assets	11,118	9,216
(3) Allowance for doubtful accounts	(675)	(749)
Total investments and other assets	53,077	92,918
Total fixed assets	56,562	95,675
TOTAL ASSETS	162,549	213,901

Appendix 8-2.

ASATSU-DK INC.

Non-consolidated

Balance Sheets

December 31, 2008

(Unaudited and before reclassifications and rearrangements)

Millions of Yen

	December 31, 2008	December 31, 2007
LIABILITIES		
Ⅰ CURRENT LIABILITIES		
1. Notes payable-trade	16,225	16,926
2. Accounts payable-trade	56,000	63,248
3. Other current liabilities	3,356	6,143
Total current liabilities	75,582	86,318
Ⅱ LONG-TERM LIABILITIES		
1. Accrued retirement benefits	84	404
2. Allowance for retirement benefits to directors	739	694
3. Other long-term liabilities	140	12,243
Total long-term liabilities	963	13,342
TOTAL LIABILITIES	76,546	99,661
NET ASSETS		
Ⅰ SHAREHOLDERS' EQUITY		
1. Common stock	37,581	37,581
2. Capital surplus	20,024	20,024
3. Retained earnings	37,272	37,433
4. Treasury stock-at cost	(6,088)	(203)
Total shareholders' equity - net	88,789	94,836
Ⅱ VALUATION AND TRANSLATION ADJUSTMENTS		
1. Unrealized gain on available-for-sale securities	(2,764)	19,402
2. Deferred gain on dervatives under hedge accounting	(21)	1
Total valuation and translation adjustments	(2,786)	19,404
TOTAL NET ASSETS	86,002	114,240
TOTAL LIABILITIES AND NET ASSETS	162,549	213,901

Appendix 9.

ASATSU-DK INC.

Non-consolidated

Gross Billings Breakdown by Division

(Non-consolidated Basis)

Year Ended December 31, 2008

Millions of Yen

	Year Ended December 31, 2008		Year Ended December 31, 2007		Changes from previous year	
Advertising		%		%		%
Magazine	23,737	6.6	28,400	7.3	(4,662)	(16.4)
Newspaper	30,376	8.5	34,157	8.8	(3,780)	(11.1)
Television *	162,453	45.3	177,965	45.9	(15,511)	(8.7)
Radio	3,710	1.0	4,453	1.1	(743)	(16.7)
Digital Media *	13,467	3.8	13,506	3.5	(39)	(0.3)
OOH Media *	12,097	3.4	11,592	3.0	504	4.4
Total	245,843	68.6	270,076	69.6	(24,232)	(9.0)
Creative						
Sales Promotion*	57,434	16.0	57,978	15.0	(544)	(0.9)
Creative and Others *	55,318	15.4	59,804	15.4	(4,486)	(7.5)
Total	112,752	31.4	177,783	30.4	(5,031)	(4.3)
Grand Total	358,595	100	387,860	100	(29,264)	(7.5)

* "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.