

Financial Summary
for First Half of FY2005
(April 1, 2005 to September 30, 2005)

Consolidated Results

Consolidated Financial Results for 1H FY2005

(Millions of yen)

	1H FY2004	1H FY2005	Change	Comparison with Projected Results*
Net sales	923,438	931,401	+0.9%	-1.6%
Gross profit	151,673	153,969	+1.5%	-1.2%
Gross profit margin	16.4%	16.5%	+0.1 pts	
Operating income	24,758	23,235	-6.2%	+5.3%
Operating margin	16.3%	15.1%	-1.2 pts	
Ordinary income	24,693	25,418	+2.9%	+16.9%
Net income	12,244	9,797	-20.0%	-12.8%

* Comparison is with projections released on May 17, 2005

Consolidated Net Sales <1>

Breakdown by Business Segment

	(Millions of yen)	
	1H FY2005	Change
Advertising (93.8% of total)	889,319	+1.4%
Other business (6.2% of total)	59,009	-4.6%
Total	948,329	+1.0%
Eliminations	(16,928)	—
Consolidated Net sales	931,401	+0.9%

Key Subsidiaries

	(Millions of yen)	
	1H FY2005	Change
Advertising		
5 Regional Dentsu	53,208	+3.1%
DYR Tokyo	16,796	-21.9%
Dentsu USA	17,568	-14.1%
Beijing Dentsu	11,989	-12.6%
Other business		
ISID	25,504	-5.4%
GENEON (Japan)	13,296	-5.4%

Notes:

1. Sales of companies are after eliminations.
2. "5 Regional Dentsu" comprises Dentsu East Japan + Dentsu EYE, Dentsu West Japan, Dentsu Kyushu, Dentsu Hokkaido and Dentsu Okinawa.
3. Dentsu EYE was merged into Dentsu East Japan on July 1, 2005.

Consolidated Net Sales <2>

Breakdown by Geographic Segment

(Millions of yen)

	1H FY2005	Change	% of total in 1H FY2005	% of total in 1H FY2004
The Americas	19,663	-13.3%	2.1%	2.4%
Europe	6,481	+19.7%	0.7%	0.6%
China	15,530	-11.5%	1.6%	1.9%
Asia (ex. Japan, China)	16,495	+8.4%	1.8%	1.6%
Eliminations	(265)	—	—	—
Overseas total	57,904	-4.9%	6.2%	6.6%
Japan	877,702	+1.4%	93.8%	93.4%
Total	935,607	+1.0%	100.0%	100.0%
Eliminations	(4,206)	—	—	—
Consolidated net sales	931,401	+0.9%	—	—

Consolidated Net Sales <3>

Newly Consolidated Subsidiaries Contributing to Net Sales

▪ Newly consolidated subsidiaries	10 companies
▪ Eliminated	4 companies
▪ Consolidated subsidiaries	107 companies (6 more than in previous term)
▪ Net sales contribution*	¥1.6 billion

*Includes 1H 2005 net sales of subsidiaries newly consolidated in 2H FY2004

Newly Consolidated Subsidiaries

- DENTSU TABLE MEDIA COMMUNICATIONS
- Drill
- dof
- Dentsu Marcom
- 3P Corporation
- Invisible Hand, others

Consolidated Operating Income

(Millions of yen)

	1H FY2004	1H FY2005	Change
Gross profit	151,673	153,969	+1.5%
Personnel expenses	74,936	77,036	+2.8%
Salaries	62,930	64,633	+2.7%
Other	12,005	12,403	+3.3%
Operating expenses	44,361	46,476	+4.8%
Depreciation and amortization	7,617	7,220	-5.2%
SG&A	126,914	130,733	+3.0%
Operating income	24,758	23,235	-6.2%
Operating margin	16.3%	15.1%	-1.2 ppts

Consolidated Ordinary Income and Net Income

	1H FY2004	1H FY2005	(Millions of yen) Change
Operating income	24,758	23,235	-6.2%
Other income	1,939	3,945	+103.4%
Other expense	2,004	1,762	-12.1%
Net other income (expense)	(64)	2,182	—
Ordinary income	24,693	25,418	+2.9%
Extraordinary income	1,157	1,661	+43.6%
Extraordinary loss	3,340	4,867	+45.7%
Net extraordinary income (loss)	(2,183)	(3,206)	—
Income before income taxes	22,510	22,212	-1.3%
Net income	12,244	9,797	-20.0%

Consolidated Balance Sheets

(Millions of yen)

	March 31, 2005	September 30, 2005	Change
Current assets	666,851	620,298	-7.0%
Fixed assets	573,185	592,787	+3.4%
Total assets	1,240,037	1,213,086	-2.2%
Current liabilities	530,837	513,159	-3.3%
Long-term liabilities	192,457	169,846	-11.7%
Total liabilities	723,294	683,006	-5.6%
Minority interests	24,888	25,269	+1.5%
Total stockholders' equity	491,855	504,810	+2.6%
Total liabilities, minority interests and stockholders' equity	1,240,037	1,213,086	-2.2%

Non-Consolidated Results

Non-Consolidated Financial Results for 1H FY2005

	1H FY2004	1H FY2005	Change	(Millions of yen) Comparison with Projected Results*
Net sales	743,504	755,551	+1.6%	-2.7%
Gross profit	104,875	103,518	-1.3%	-3.1%
Gross profit margin	14.1%	13.7%	-0.4 ppts	
Operating income	20,201	17,049	-15.6%	-6.2%
Operating margin	19.3%	16.5%	-2.8 ppts	
Ordinary income	25,201	23,276	-7.6%	+0.7%
Net income	16,096	11,879	-26.2%	-18.4%

* Comparison is with projections released on May 17, 2005

Non-Consolidated Net Sales by Business Category

(Millions of yen)

Affected by ATHENS 2004 Olympic Games in previous term

Business Category (year-on-year change)

Newspapers (-6.2%)

Magazines (-0.3%)

Radio (-6.0%)

Television time (-4.4%)

Television spot (+1.2%)

Brisk sales in Finance/ Insurance

Interactive media (+68.0%)

OOH media (-6.3%)

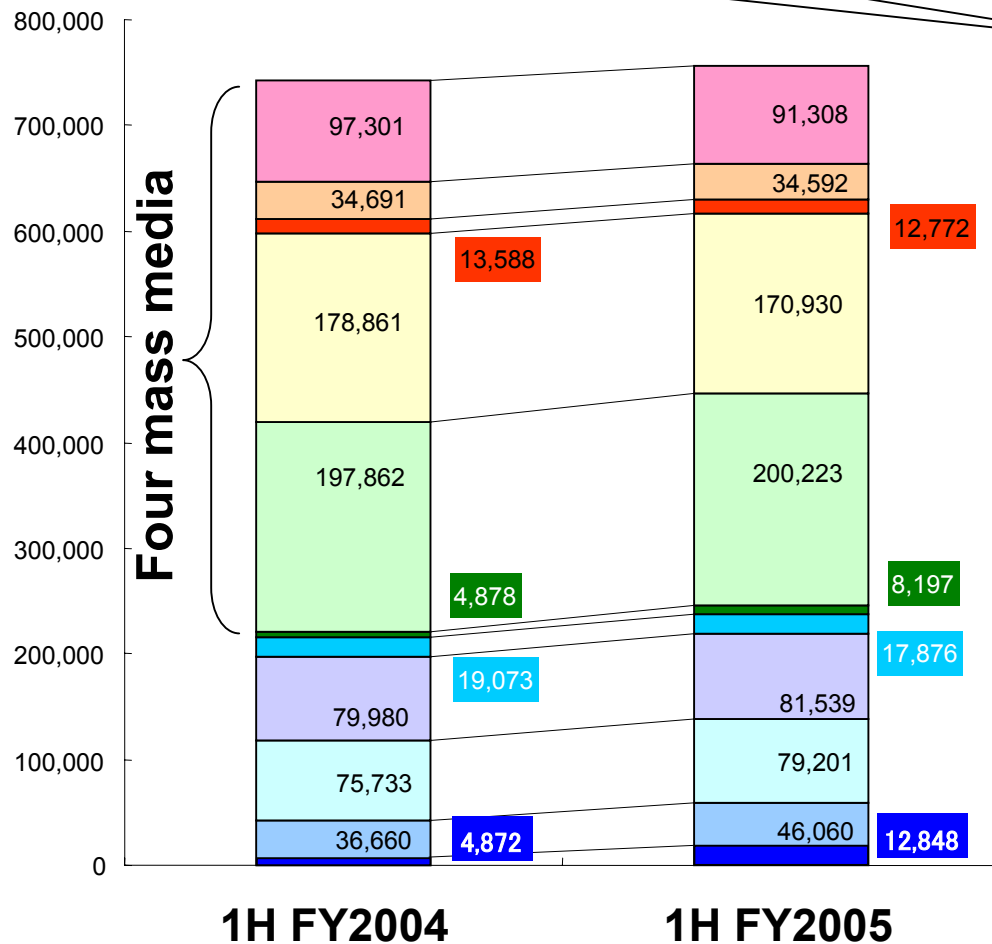
Creative (+1.9%)

Increase due to 2005 World Exposition, Aichi, Japan

Marketing/promotion (+4.6%)

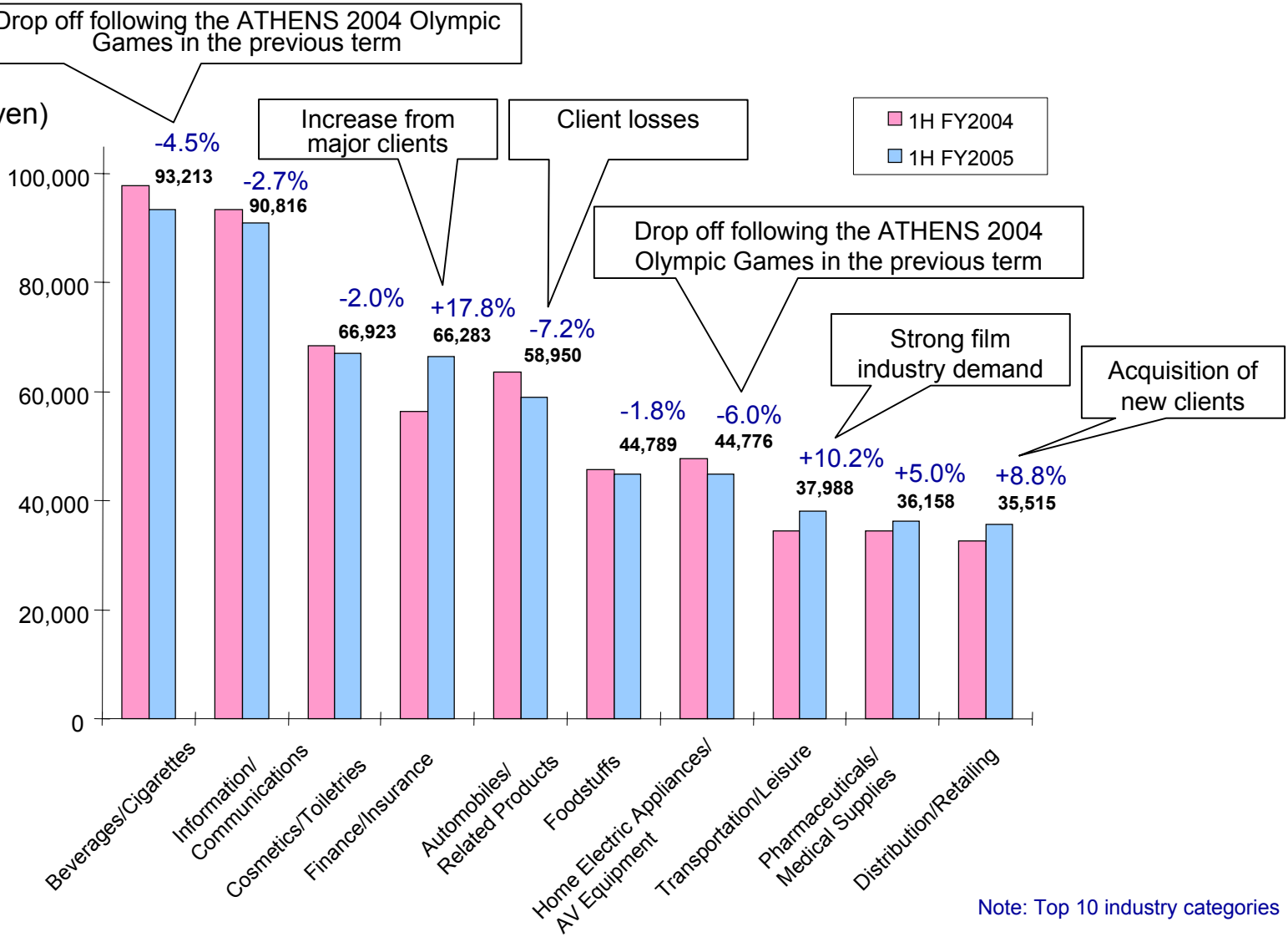
Content services (+25.6%)

Others (+163.7%)



Non-Consolidated Net Sales by Industry

(Millions of yen)



Note: Top 10 industry categories

Non-Consolidated Operating Income

	1H FY2004	1H FY2005	(Millions of yen) Change
Gross profit	104,875	103,518	-1.3%
Personnel expenses	49,962	51,459	+3.0%
Salaries	41,328	42,366	+2.5%
Other	8,634	9,093	+5.3%
Operating expenses	28,298	28,931	+2.2%
Depreciation and amortization	6,413	6,078	-5.2%
SG&A	84,674	86,469	+2.1%
Operating income	20,201	17,049	-15.6%
Operating margin	19.3%	16.5%	-2.8 ppts

Non-Consolidated Ordinary Income and Net Income

(Millions of yen)

	1H FY2004	1H FY2005	Change
Operating income	20,201	17,049	-15.6%
Other income	6,389	7,660	+19.9%
Other expense	1,388	1,433	+3.2%
Net other income	5,000	6,227	+24.5%
Ordinary income	25,201	23,276	-7.6%
Extraordinary income	991	1,598	+61.3%
Extraordinary loss	1,298	4,084	+214.5%
Net extraordinary income (loss)	(307)	(2,485)	—
Income before income taxes	24,894	20,790	-16.5%
Net income	16,096	11,879	-26.2%

Outlook for Full-Term FY2005

Outlook for FY2005 Consolidated Financial Results

(Millions of yen)

	FY2004 (Results)	FY2005 (Estimated)	Change
Net sales	1,910,469	1,940,110	+1.6%
Gross profit	317,902	326,337	+2.7%
Gross profit margin	16.6%	16.8%	+0.2 ppts
Operating income	57,603	58,140	+0.9%
Operating margin	18.1%	17.8%	-0.3 ppts
Ordinary income	59,265	60,869	+2.7%
Net income	27,532	28,148	+2.2%

Outlook for FY2005 Non-Consolidated Financial Results

	FY2004 (Results)	FY2005 (Estimated)	(Millions of yen) Change
Net sales	1,531,939	1,558,048	+1.7%
Gross profit	213,649	213,862	+0.1%
Gross profit margin	13.9%	13.7%	-0.2 pts
Operating income	41,717	38,202	-8.4%
Operating margin	19.5%	17.9%	-1.6 pts
Ordinary income	49,261	46,377	-5.9%
Net income	26,321	24,966	-5.1%