

Financial Summary for FY2006

(From April 1, 2006 to March 31, 2007)

Cautionary Statement

This document contains forward-looking statements regarding the intent, belief or current expectations of Dentsu Inc. or its management with respect to the results of operations and financial condition of the Dentsu Group.

Such forward-looking statements, based on information known to the management as of May 14, 2007, are not guarantees of future performance and involve risks and uncertainties, and actual results may differ from those in the forward-looking statements as a result of various factors.

Unless otherwise stated, the following discussion is based on the Dentsu Group's consolidated financial statements prepared in accordance with Generally Accepted Accounting Principles in Japan.

Consolidated Results

Consolidated Financial Results

(Millions of yen)

	FY2005	FY2006	Change
Net sales	1,963,296	2,093,976	+6.7%
Gross profit	325,896	348,391	+6.9%
Gross profit margin	16.6%	16.6%	+0.0 pts
Operating income	58,776	62,834	+6.9%
Operating margin ⁽¹⁾	18.0%	18.0%	+0.0 pts
Ordinary income	64,837	70,044	+8.0%
Net Income	31,002	30,688	-1.0%

Note: (1) Operating margin = operating income ÷ gross profit x 100

Consolidated Net Sales < 1 >

Breakdown by Business Segment

(Millions of yen)

	FY2006	Change
Advertising (94.0% of total)	1,998,668	+6.8%
Other business (6.0% of total)	128,381	+2.5%
Total	2,127,049	+6.5%
Eliminations	(33,073)	—
Consolidated net sales	2,093,976	+6.7%

Key Subsidiaries

(Millions of yen)

	FY2006	Change
Advertising:		
5 Regional Dentsu	115,514	+1.1%
DYR Tokyo	31,228	+0.6%
Dentsu Holdings USA	41,548	+12.4%
Beijing Dentsu	35,549	+29.3%
cci	26,152	+20.2%
Other business:		
ISID	59,477	+9.9%
Geneon (Japan)	27,441	-6.5%

Notes: 1. Sales of companies are after eliminations.

2. "5 Regional Dentsu" comprises Dentsu East Japan, Dentsu West Japan, Dentsu Kyushu, Dentsu Hokkaido and Dentsu Okinawa

Consolidated Net Sales < 2 >

Breakdown by Geographic Segment

(Millions of yen)

	FY2006	Change	% of Total
The Americas	57,228	+31.1%	2.7%
Europe	64,834	+308.3%	3.1%
China	45,798	+29.0%	2.2%
Asia (ex. Japan, China)	50,103	+28.2%	2.4%
Eliminations	(131)	—	—
Overseas total	217,832	+62.8%	10.3%
Japan	1,889,179	+2.6%	89.7%
Total	2,107,012	—	100.0%
Eliminations	(13,036)	—	—
Consolidated Net sales	2,093,976	+6.7%	—

Note: "Change" of The Americas excludes subsidiaries in South America, which were newly consolidated in FY2006.

Consolidated Net Sales < 3 >

Newly Consolidated Subsidiaries Contributing to Net Sales

- **Newly consolidated subsidiaries** **11 Companies**
- **Eliminated** **2 Companies**
- **Consolidated subsidiaries** **120 Companies**
(9 more than in previous term)
- **Contribution to net sales** **¥30.4 billion**

Newly Consolidated Subsidiaries

【From 1H FY2006】

- **Dentsu Latin America**
- **Dentsu Alpha**
- **Shingata Azabu/ Shingata Soken, others**

【From 2H FY2006】

- **Dentsu InnovaK**
- **Beijing Oriental Rihai Advertising**
- **Dentsu Operations Development**
(former Dentsu Table Media Communications),
others

Note: "Contribution to net sales" includes the two companies (Meitetsu Agency and Interlogics) that were consolidated only during FY2005 on the balance sheets.

Consolidated Operating Income

(Millions of yen)

	FY2005	FY2006	Change
Gross profit	325,896	348,391	+6.9%
Personnel expenses	157,495	165,354	+5.0%
Salaries	132,499	139,865	+5.6%
Others	24,996	25,488	+2.0%
Operating expenses	95,005	104,620	+10.1%
Depreciation and amortization	14,619	15,581	+6.6%
SG&A	267,120	285,556	+6.9%
Operating income	58,776	62,834	+6.9%
Operating margin	18.0%	18.0%	+0.0 ppts

Consolidated Ordinary Income and Net Income

(Millions of yen)

	FY2005	FY2006	Change
Operating income	58,776	62,834	+6.9%
Other income	9,352	10,401	+11.2%
Other expenses	3,291	3,192	-3.0%
Net other income	6,060	7,209	+18.9%
Ordinary income	64,837	70,044	+8.0%
Extraordinary income	13,080	2,247	-82.8%
Extraordinary loss	12,814	11,579	-9.6%
Net extraordinary income (loss)	266	(9,331)	-
Income before taxes	65,103	60,712	-6.7%
Net income	31,002	30,688	-1.0%

Consolidated Balance Sheets

(Millions of yen)

	March 31, 2006	March 31, 2007	Change
Current assets	708,414	663,887	-6.3%
Fixed assets	569,308	604,162	+6.1%
Total assets	1,277,722	1,268,049	-0.8%
Current liabilities	590,140	545,906	-7.5%
Long-term liabilities	138,904	145,097	+4.5%
Total liabilities	729,045	691,003	-5.2%
Shareholder's equity	510,985	546,694	+7.0%
Accumulated other comprehensive income	10,195	8,065	-20.9%
Share warrant	-	0	
Minority interests	27,496	22,285	-19.0%
Total net assets	548,677	577,046	+5.2%
Total liabilities and net assets	1,277,722	1,268,049	-0.8%

Non-Consolidated Results

Non-Consolidated Financial Results

(Millions of yen)

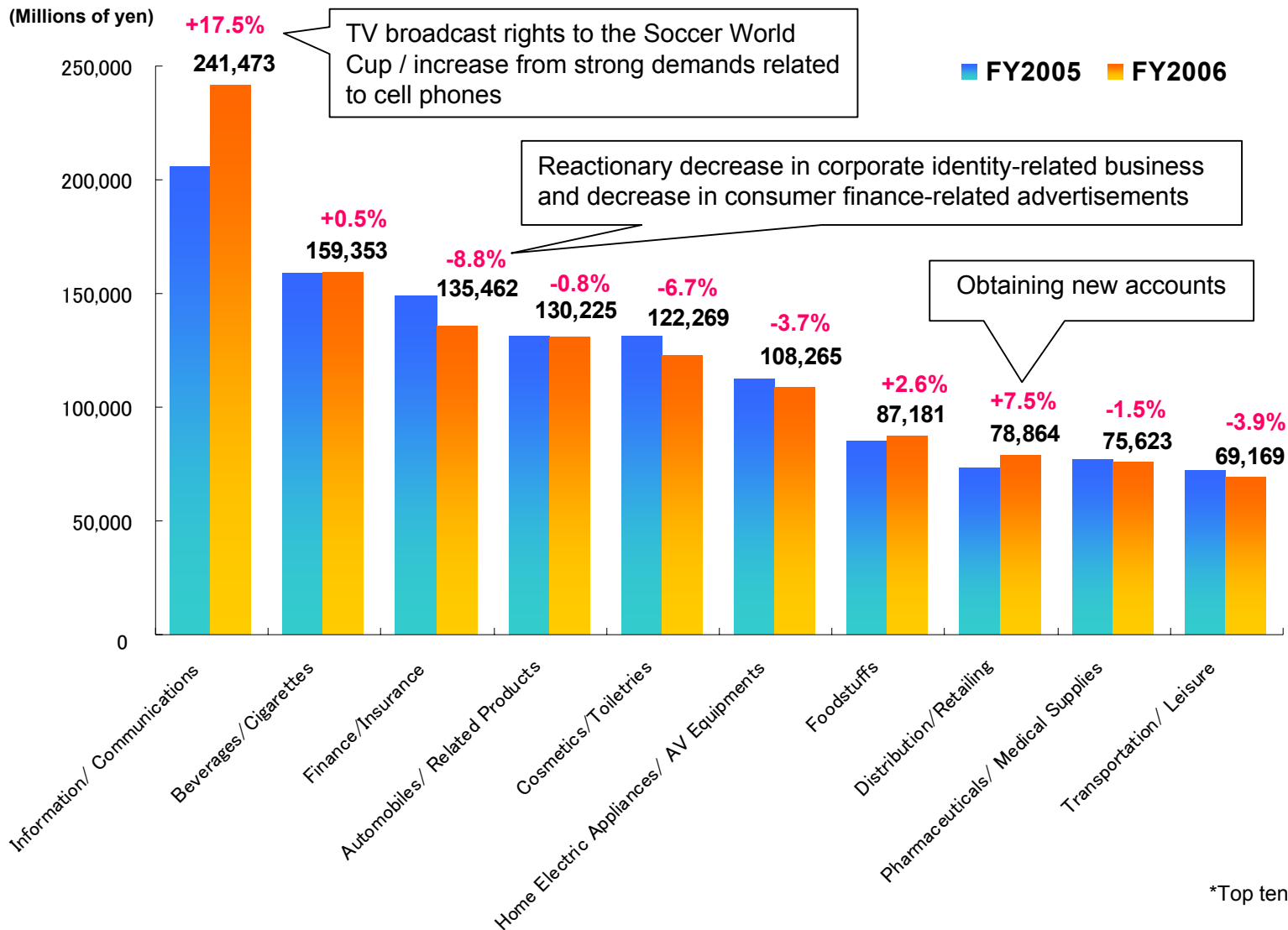
	FY2005	FY2006	Change
Net sales	1,577,131	1,602,062	+1.6%
Gross profit	214,144	216,739	+1.2%
Gross profit margin	13.6%	13.5%	-0.1 pts
Operating income	39,214	38,496	-1.8%
Operating margin	18.3%	17.8%	-0.5 pts
Ordinary income	46,218	47,746	+3.3%
Net income	21,537	22,243	+3.3%

Non-Consolidated Net Sales by Business Category

(Millions of yen)

Business Category	1H FY2006			2H FY2006			FY2006		
	Net Sales	Change (%)	% of Total	Net Sales	Change (%)	% of Total	Net Sales	Change (%)	% of Total
Newspapers	90,662	-0.7%	11.6%	103,068	-3.2%	12.6%	193,731	-2.0%	12.1%
Magazines	36,502	5.5%	4.7%	37,201	-7.2%	4.5%	73,703	-1.3%	4.6%
Radio	12,646	-1.0%	1.6%	12,100	-7.4%	1.5%	24,746	-4.2%	1.5%
Television	372,912	0.5%	47.7%	375,943	-0.8%	45.8%	748,856	-0.2%	46.7%
Time	178,370	4.4%	22.8%	179,233	1.7%	21.9%	357,603	3.0%	22.3%
Spot	194,542	-2.8%	24.9%	196,710	-3.1%	24.0%	391,252	-3.0%	24.4%
Interactive Media	10,990	34.1%	1.4%	10,555	-0.1%	1.3%	21,545	14.8%	1.3%
OOH Media	19,144	7.1%	2.4%	23,931	30.9%	2.9%	43,075	19.2%	2.7%
Creative	88,860	9.0%	11.4%	99,370	11.1%	12.1%	188,230	10.1%	11.7%
Marketing/Promotion	81,478	2.9%	10.4%	91,843	-13.4%	11.2%	173,321	-6.4%	10.8%
Content services	57,161	24.1%	7.3%	52,818	14.8%	6.4%	109,980	19.4%	6.9%
Others	11,455	-10.8%	1.5%	13,416	7.9%	1.6%	24,871	-1.6%	1.6%
Total	781,812	3.5%	100.0%	820,249	-0.2%	100.0%	1,602,062	1.6%	100.0%

Non-Consolidated Net Sales by Industry



Non-Consolidated Operating Income

(Millions of yen)

	FY2005	FY2006	Change
Gross profit	214,144	216,739	+1.2%
Personnel expenses	104,890	106,688	+1.7%
Salaries	86,752	89,175	+2.8%
Others	18,138	17,513	-3.4%
Operating expenses	57,908	59,462	+2.7%
Depreciation and amortization	12,130	12,091	-0.3%
SG&A	174,929	178,242	+1.9%
Operating income	39,214	38,496	-1.8%
Operating margin	18.3%	17.8%	-0.5 pts

Non-Consolidated Ordinary Income and Net Income

(Millions of yen)

	FY2005	FY2006	Change
Operating income	39,214	38,496	-1.8%
Other income	11,254	11,613	+3.2%
Other expenses	4,249	2,364	-44.4%
Net other income	7,004	9,249	+32.0%
Ordinary income	46,218	47,746	+3.3%
Extraordinary income	12,295	1,997	-83.8%
Extraordinary loss	13,437	10,036	-25.3%
Net extraordinary income (loss)	(1,141)	(8,038)	—
Income before taxes	45,076	39,707	-11.9%
Net income	21,537	22,243	+3.3%

Outlook for FY2007

FY2007 Consolidated Results Outlook

(Millions of yen)

	FY2006 (Results)	FY2007 (Forecast)	Change
Net sales	2,093,976	2,107,073	+0.6%
Gross profit	348,391	355,589	+2.1%
Gross profit margin	16.6%	16.9%	+0.3 ppts
Operating income	62,834	63,842	+1.6%
Operating margin	18.0%	18.0%	-0.0 ppts
Ordinary income	70,044	73,113	+4.4%
Net Income	30,688	37,004	+20.6%

* With regard to our consolidated operating performance forecasts, as the Publicis Groupe S.A., an equity-method affiliate, does not disclose its performance forecasts, for the fiscal year ending December 31, 2007, our forecast assumes equity method investment gain of the Publicis Groupe S.A. of ¥6,046 million (after excluding ¥4,312 million for the amortization of goodwill), the same amount as was recorded for the fiscal year ended March 31, 2007.

(The exchange rate used here is 1 euro = ¥146, the approximate average rate of exchange during FY2006.)

FY2007 Non-Consolidated Results Outlook

(Millions of yen)

	FY2006 (Results)	FY2007 (Forecast)	Change
Net sales	1,602,062	1,630,012	+1.7%
Gross profit	216,739	221,621	+2.3%
Gross profit margin	13.5%	13.6%	+0.1 pts
Operating income	38,496	39,041	+1.4%
Operating margin	17.8%	17.6%	- 0.2 pts
Ordinary income	47,746	50,600	+6.0%
Net Income	22,243	27,066	+21.7%