

Financial Summary for FY2007

(From April 1, 2007 to March 31, 2008)

May 13, 2008
Dentsu Inc.

Consolidated Results

Consolidated Financial Results

(Millions of yen)

	FY2006	FY2007	Change	Against Forecast
Net sales	2,093,976	2,057,554	-1.7%	-0.4%
Gross profit	348,391	345,222	-0.9%	-1.4%
Gross profit margin	16.6%	16.8%	+0.2 pts	-0.1 pts
Operating income	62,834	56,126	-10.7%	-5.3%
Operating margin	18.0%	16.3%	-1.7 pts	-0.6 pts
Ordinary income	70,044	67,993	-2.9%	-4.9%
Income before income taxes	60,712	63,610	+4.8%	-6.4%
Net income	30,688	36,246	+18.1%	-3.6%

*Comparisons “against forecast” indicate differences from the forecast announced November 9, 2007.

Consolidated Net Sales < 1 >

Breakdown by Business Segment

(Millions of yen)

	FY2007	Change
Advertising (93.7% of total)	1,957,035	-2.1%
Other business (6.3% of total)	131,197	+2.2%
Total	2,088,233	-1.8%
Eliminations	(30,678)	—
Net sales	2,057,554	-1.7%

Key Subsidiaries

(Millions of yen)

	FY2007	Change
Advertising		
5 Regional Dentsu	120,988	-1.5%
DYR Tokyo	32,175	+1.2%
Dentsu Holdings USA	54,193	+14.1%
Beijing Dentsu	52,120	+28.2%
cci	51,762	+6.0%
Other business		
ISID	77,311	+2.8%
Geneon (Japan)	28,920	+4.9%

* (1) Sales of subsidiaries include internal transactions.

(2) 5 Regional Dentsu includes Dentsu East Japan, Dentsu West Japan, Dentsu Kyushu, Dentsu Hokkaido and Dentsu Okinawa.

Consolidated Net Sales < 2 >

Breakdown by Geographic Segment

(Millions of yen)

	FY2007	Change	% of Total
Americas	65,478	+14.4%	3.2%
Europe	10,574	-83.7%	0.5%
China	60,325	+31.7%	2.9%
Asia (excl. China)	60,464	+20.7%	2.9%
Eliminations	(136)	—	—
Overseas Total	196,706	-9.7%	9.5%
Japan	1,877,590	-0.6%	90.5%
Total	2,074,296	—	100.0%
Eliminations	(16,742)	—	—
Consolidated Net sales	2,057,554	-1.7%	—

Consolidated Net Sales < 3 >

Newly Consolidated Subsidiaries Contributing to Net Sales

▪ Newly consolidated subsidiaries	12
▪ Eliminated	3
▪ Consolidated subsidiaries	129 (an increase of 9 y/y)
▪ Contribution to net sales	¥5.9 billion

Main Subsidiaries Newly Consolidated

【From 1H 2007】

- Yokohama Super Factory
- Dentsu Retail Marketing
- X-Line Hypermedia, etc.

【From 2H 2007】

- Dentsu Argentina
- Dentsu Sports Europe
- Shanghai Oriental Partner
- ATTIK, etc.

Consolidated Operating Income

(Millions of yen)

	FY2006	FY2007	Change
Gross profit	348,391	345,222	-0.9%
Personnel expenses	165,354	166,401	+0.6%
Salaries	139,865	141,274	+1.0%
Others	25,488	25,126	-1.4%
Operating expenses	104,620	106,732	+2.0%
Depreciation and amortization	15,581	15,961	+2.4%
SG&A	285,556	289,095	+1.2%
Operating income	62,834	56,126	-10.7%
Operating margin	18.0%	16.3%	-1.7 pts

Consolidated Ordinary Income and Net Income

(Millions of yen)

	FY2006	FY2007	Change
Operating income	62,834	56,126	-10.7%
Other income	10,401	15,057	+44.8%
Other expenses	3,192	3,190	-0.0%
Net other income	7,209	11,867	+64.6%
Ordinary income	70,044	67,993	-2.9%
Extraordinary income	2,247	9,953	+342.8%
Extraordinary loss	11,579	14,336	+23.8%
Net extraordinary income (loss)	(9,331)	(4,382)	—
Income before income taxes	60,712	63,610	+4.8%
Net income	30,688	36,246	+18.1%

Consolidated Balance Sheets

(Millions of yen)

	March 31, 2007	March 31, 2008	Change
Current assets	663,887	641,002	-3.4%
Fixed assets	604,162	610,909	+1.1%
Total assets	1,268,049	1,251,912	-1.3%
Current liabilities	545,906	527,504	-3.4%
Long-term liabilities	145,097	133,547	-8.0%
Total liabilities	691,003	661,051	-4.3%
Shareholders' equity	546,694	574,243	+5.0%
Valuation and translation adjustment, etc.	8,065	(6,950)	—
Minority interests	22,285	23,567	+5.8%
Total equity	577,046	590,861	+2.4%
Total liabilities and equity	1,268,049	1,251,912	-1.3%

Non-Consolidated Results

Non-Consolidated Financial Results

(Millions of yen)

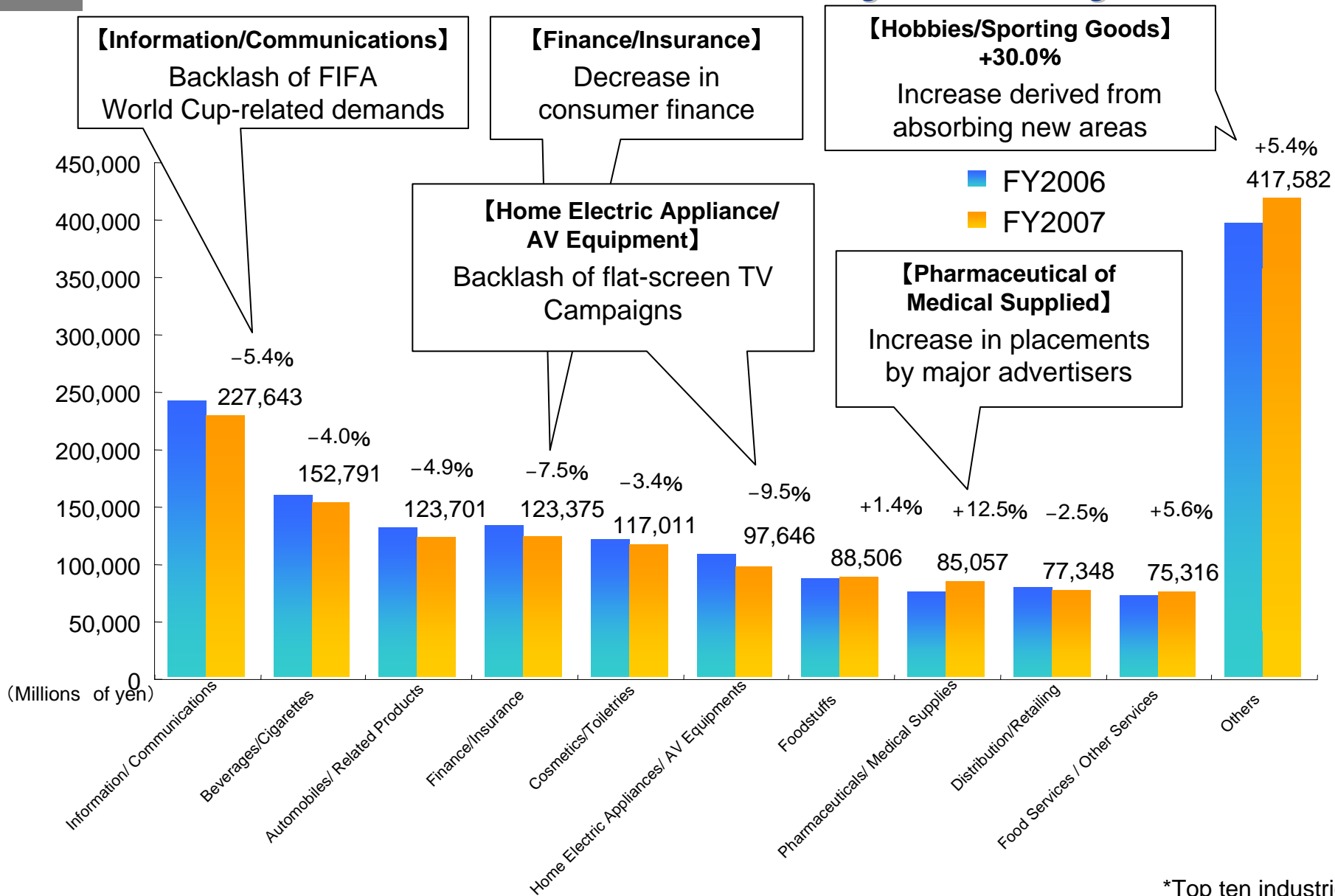
	FY2006	FY2007	Change	Against Forecast
Net sales	1,602,062	1,585,982	-1.0%	-0.7%
Gross profit	216,739	216,692	-0.0%	-1.2%
Gross profit margin	13.5%	13.7%	+0.2 pts	-0.1 pts
Operating income	38,496	36,281	-5.8%	-4.1%
Operating margin	17.8%	16.7%	-1.1 pts	-0.5 pts
Ordinary income	47,746	47,341	-0.8%	-6.4%
Income before income taxes	39,707	38,865	-2.1%	-14.1%
Net income	22,243	24,533	+10.3%	-10.5%

Non-Consolidated Net Sales by Business Category

(Millions of yen)

Business Category	1H FY2007			2H FY2007			FY2007		
	Net sales	Change	% of Total	Net sales	Change	% of Total	Net sales	Change	% of Total
Newspapers	84,828	-6.4%	10.9%	96,717	-6.2%	12.0%	181,545	-6.3%	11.4%
Magazines	33,653	-7.8%	4.3%	36,261	-2.5%	4.5%	69,914	-5.1%	4.4%
Radio	12,076	-4.5%	1.6%	11,627	-3.9%	1.4%	23,704	-4.2%	1.5%
Television	364,304	-2.3%	46.9%	369,901	-1.6%	45.7%	734,205	-2.0%	46.3%
Time	173,136	-2.9%	22.3%	174,962	-2.4%	21.6%	348,098	-2.7%	21.9%
Spot	191,167	-1.7%	24.6%	194,939	-0.9%	24.1%	386,107	-1.3%	24.3%
Interactive Media	11,266	+2.5%	1.5%	12,724	+20.6%	1.6%	23,990	+11.3%	1.5%
OOH Media	23,431	+22.4%	3.0%	25,472	+6.4%	3.1%	48,904	+13.5%	3.1%
Creative	98,239	+10.6%	12.6%	100,552	+1.2%	12.4%	198,792	+5.6%	12.5%
Marketing/Promotion	80,523	-1.2%	10.4%	98,528	+7.3%	12.2%	179,051	+3.3%	11.3%
Content Services	56,638	-0.9%	7.3%	43,939	-16.8%	5.4%	100,578	-8.5%	6.3%
Others	11,679	+2.0%	1.5%	13,614	+1.5%	1.7%	25,294	+1.7%	1.6%
Total	776,641	-0.7%	100.0%	809,340	-1.3%	100.0%	1,585,982	-1.0%	100.0%

Non-Consolidated Net Sales by Industry



*Top ten industries

Non-Consolidated Operating Income

(Millions of yen)

	FY2006	FY2007	Change
Gross profit	216,739	216,692	-0.0%
Personnel expenses	106,688	107,336	+0.6%
Salaries	89,175	90,979	+2.0%
Others	17,513	16,356	-6.6%
Operating expenses	59,462	60,228	+1.3%
Depreciation and amortization	12,091	12,845	+6.2%
SG&A	178,242	180,410	+1.2%
Operating income	38,496	36,281	-5.8%
Operating margin	17.8%	16.7%	-1.1 pts

Non-Consolidated Ordinary Income and Net Income

(Millions of yen)

	FY2006	FY2007	Change
Operating income	38,496	36,281	-5.8%
Other income	11,613	15,379	+32.4%
Other expenses	2,364	4,319	+82.7%
Net other income	9,249	11,060	+19.6%
Ordinary income	47,746	47,341	-0.8%
Extraordinary income	1,997	8,920	+346.6%
Extraordinary loss	10,036	17,397	+73.3%
Net extraordinary income (loss)	(8,038)	(8,476)	—
Income before income taxes	39,707	38,865	-2.1%
Net income	22,243	24,533	+10.3%

Outlook for Full-Term FY2008

FY2008 Consolidated Results Outlook

(Millions of yen)

	FY2007 Actual	FY2008 Forecast	Change
Net sales	2,057,554	2,083,000	+1.2%
Gross profit	345,222	352,400	+2.1%
Gross profit margin	16.8%	16.9%	+0.1 pts
Operating income	56,126	58,400	+4.1%
Operating margin	16.3%	16.6%	+0.3 pts
Ordinary income	67,993	68,700	+1.0%
Income before income taxes	63,610	65,700	+3.3%
Net income	36,246	35,500	-2.1%

*With regard to forecasts, our forecast assumes equity in profits from an equity-method affiliate, Publicis Groupe S.A. of ¥7,183 million (after excluding ¥4,382 million for the amortization of goodwill), the equivalent amount recorded for the previous year, as Publicis Groupe S.A. does not disclose its performance forecasts for the fiscal year ending December 31, 2008.

The exchange rate used here is 1 euro = ¥158, the approximate average rate of exchange from January to March, 2008.

FY2008 Non-Consolidated Results Outlook

(Millions of yen)

	FY2007 Actual	FY2008 Forecast	Change
Net sales	1,585,982	1,600,300	+0.9%
Gross profit	216,692	219,325	+1.2%
Gross profit margin	13.7%	13.7%	+0.0 pts
Operating income	36,281	34,814	-4.0%
Operating margin	16.7%	15.9%	-0.8 pts
Ordinary income	47,341	46,411	-2.0%
Income before income taxes	38,865	43,411	+11.7%
Net income	24,533	25,234	+2.9%