

Financial Summary for 1H FY2007

(From April 1, 2007 to September 30, 2007)

November 13, 2007
Dentsu Inc.

Consolidated Results

Consolidated Financial Results

(Millions of Yen)

	1H FY2006	1H FY2007	Change
Net sales	1,035,043	997,360	-3.6%
Gross profit	168,139	165,875	-1.3%
Gross profit margin	16.2%	16.6%	+0.4 pts
Operating income	27,144	23,437	-13.7%
Operating margin	16.1%	14.1%	-2.0 pts
Ordinary income	29,117	30,176	+3.6%
Net income	13,011	14,444	+11.0%

Consolidated Net Sales < 1 >

Breakdown by Business Segment

(Millions of Yen)

	1H FY2007	Change
Advertising (93.9% of total)	950,837	-4.0%
Other business (6.1% of total)	61,635	+1.7%
Total	1,012,473	-3.7%
Eliminations	(15,113)	—
Net sales	997,360	-3.6%

Key Subsidiaries

(Millions of Yen)

	1H FY2007	Change
Advertising:		
5 Regional Dentsu	53,767	-0.7%
DYR Tokyo	17,041	+7.3%
cci	13,405	+9.4%
Beijing Dentsu	22,360	+16.8%
Dentsu Holdings USA	21,483	+20.3%
Other business:		
ISID	28,592	+7.6%
Geneon (Japan)	13,714	-2.0%

Notes: (1) Sales of subsidiaries exclude 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)

	1H FY2007	Change	% of Total
Americas	28,996	+25.9%	2.9%
Europe	4,565	-92.1%	0.5%
China	26,290	+17.6%	2.6%
Asia (excl. Japan, China)	28,035	+34.3%	2.8%
Eliminations	(51)	—	—
Overseas Total	87,838	-29.0%	8.8%
Japan	914,489	-0.2%	91.2%
Total	1,002,327	—	100.0%
Eliminations	(4,967)	—	—
Consolidated Net sales	997,360	-3.6%	—

Consolidated Net Sales < 3 >

Newly Consolidated Subsidiaries Contributing to Net Sales

- | | |
|-----------------------------------|----------------------------|
| • Newly consolidated subsidiaries | 11 |
| • Eliminated | 4 |
| • Consolidated subsidiaries | 124 (an increase of 7 Y/Y) |
| • Contribution to net sales | ¥6.5 billion |

*Newly consolidated subsidiaries include the subsidiaries consolidated in 2H FY2006

Main Subsidiaries Newly Consolidated

【From 2H 2006】

- Dentsu InnovaK
- Beijing Oriental Rihai Advertising
- Dentsu Netyear ABeam

【From 1H 2007】

- Yokohama Super Factory
- Dentsu Retail Marketing
- X-Line Hypermedia, others

Consolidated Operating Income

(Millions of Yen)

	1H FY2006	1H FY2007	Change
Gross profit	168,139	165,875	-1.3%
Personnel expenses	80,451	81,981	+1.9%
Salaries	67,916	69,542	+2.4%
Others	12,534	12,438	-0.8%
Operating expenses	52,987	52,522	-0.9%
Depreciation and amortization	7,556	7,934	+5.0%
SG&A	140,995	142,438	+1.0%
Operating income	27,144	23,437	-13.7%
Operating margin	16.1%	14.1%	-2.0 ppts

Note: "Depreciation and amortization" includes amortization of goodwill

Consolidated Ordinary Income and Net Income

	(Millions of Yen)		
	1H FY2006	1H FY2007	Change
Operating income	27,144	23,437	-13.7%
Other income	3,691	8,247	+123.4%
Other expenses	1,718	1,508	-12.2%
Net other income	1,972	6,739	+241.6%
Ordinary income	29,117	30,176	+3.6%
Extraordinary income	1,589	8,641	+443.5%
Extraordinary loss	3,760	12,469	+231.5%
Net extraordinary income (loss)	(2,171)	(3,828)	-
Income before income taxes and minority interest	26,946	26,348	-2.2%
Net income	13,011	14,444	+11.0%

Consolidated Balance Sheets

(Millions of yen)

	March 31, 2007	September 30, 2007	Change
Current assets	663,887	610,436	-8.1%
Fixed assets	604,162	604,179	+0.0%
Total assets	1,268,049	1,214,615	-4.2%
Current liabilities	545,906	496,998	-9.0%
Long-term liabilities	145,097	133,289	-8.1%
Total liabilities	691,003	630,287	-8.8%
Shareholders' equity	546,694	557,093	+1.9%
Valuation and translation adjustment, etc.	8,065	4,642	-42.4%
Minority interests	22,285	22,592	+1.4%
Total equity	577,046	584,328	+1.3%
Total liabilities and equity	1,268,049	1,214,615	-4.2%

Non-Consolidated Results

Non-Consolidated Financial Results

(Millions of Yen)

	1H FY2006	1H FY2007	Change
Net sales	781,812	776,641	-0.7%
Gross profit	103,649	106,344	+2.6%
Gross profit margin	13.3%	13.7%	+0.4 pts
Operating income	17,373	17,060	-1.8%
Operating margin	16.8%	16.0%	-0.8 pts
Ordinary income	23,857	27,332	+14.6%
Net income	12,587	14,086	+11.9%

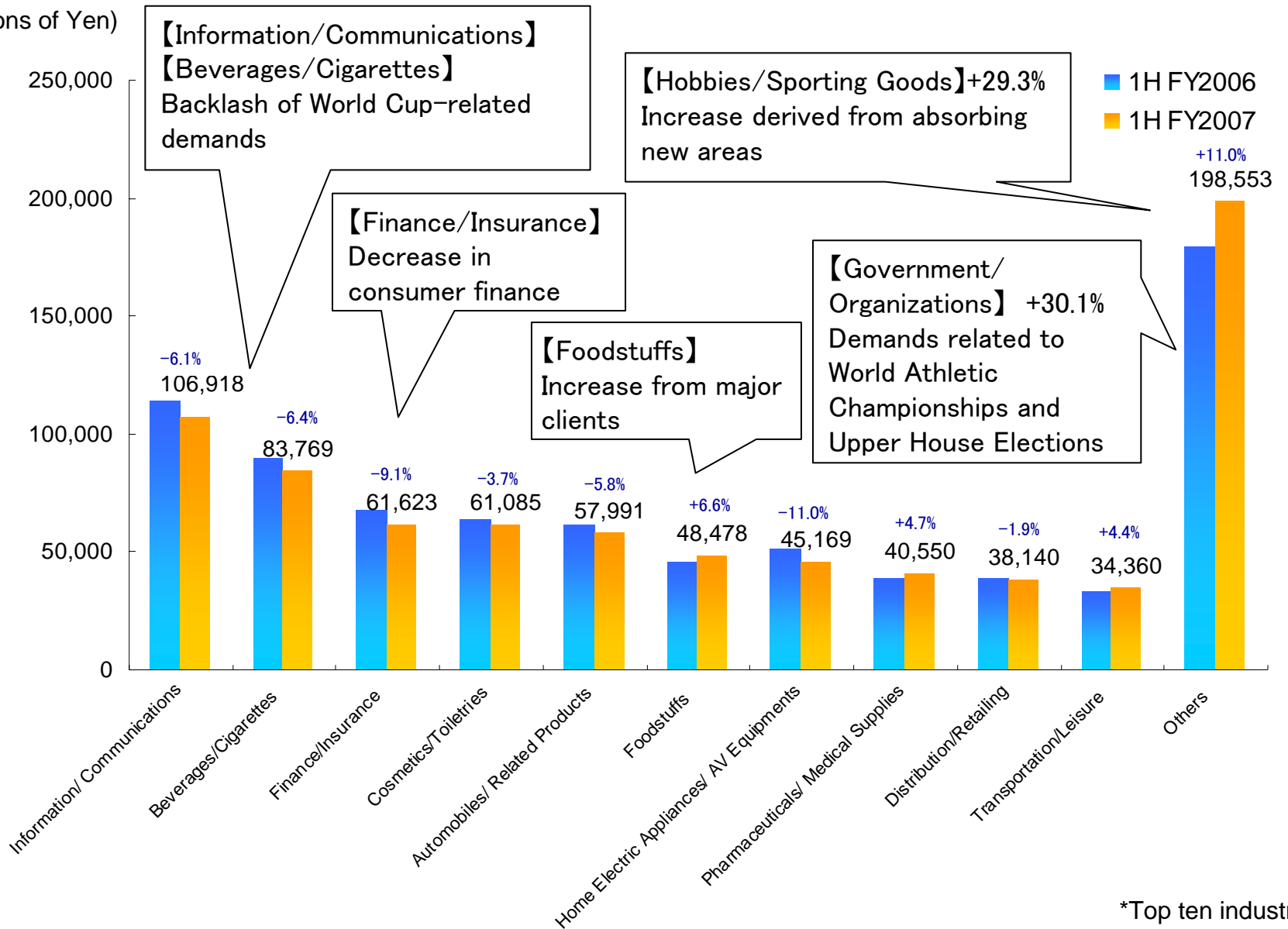
Non-Consolidated Net Sales by Business Category

(Millions of Yen)

Business Category	1H FY2006			1H FY2007		
	Net sales	Change	% of Total	Net sales	Change	% of Total
Newspapers	90,662	-0.7%	11.6%	84,828	-6.4%	10.9%
Magazines	36,502	+5.5%	4.7%	33,653	-7.8%	4.3%
Radio	12,646	-1.0%	1.6%	12,076	-4.5%	1.6%
Television	372,912	+0.5%	47.7%	364,304	-2.3%	46.9%
Time	178,370	+4.4%	22.8%	173,136	-2.9%	22.3%
Spot	194,542	-2.8%	24.9%	191,167	-1.7%	24.6%
Interactive Media	10,990	+34.1%	1.4%	11,266	+2.5%	1.5%
OOH Media	19,144	+7.1%	2.4%	23,431	+22.4%	3.0%
Creative	88,860	+9.0%	11.4%	98,239	+10.6%	12.6%
Marketing/Promotion	81,478	+2.9%	10.4%	80,523	-1.2%	10.4%
Content Services	57,161	+24.1%	7.3%	56,638	-0.9%	7.3%
Others	11,455	-10.8%	1.5%	11,679	+2.0%	1.5%
Total	781,812	+3.5%	100.0%	776,641	-0.7%	100.0%

Non-Consolidated Net Sales by Industry

(Millions of Yen)



*Top ten industries

Non-Consolidated Operating Income

(Millions of Yen)

	1H FY2006	1H FY2007	Change
Gross profit	103,649	106,344	+2.6%
Personnel expenses	51,025	52,807	+3.5%
Salaries	42,360	44,556	+5.2%
Others	8,665	8,251	-4.8%
Operating expenses	29,453	30,068	+2.1%
Depreciation and amortization	5,797	6,406	+10.5%
SG&A	86,276	89,283	+3.5%
Operating income	17,373	17,060	-1.8%
Operating margin	16.8%	16.0%	-0.8 ppts

Non-Consolidated Ordinary Income and Net Income

(Millions of Yen)

	1H FY2006	1H FY2007	Change
Operating income	17,373	17,060	-1.8%
Other income	7,865	11,657	+48.2%
Other expenses	1,380	1,384	+0.3%
Net other income	6,484	10,272	+58.4%
Ordinary income	23,857	27,332	+14.6%
Extraordinary income	1,455	8,286	+469.2%
Extraordinary loss	4,168	14,328	+243.7%
Net extraordinary income (loss)	(2,712)	(6,041)	—
Income before income taxes	21,145	21,291	+0.7%
Net income	12,587	14,086	+11.9%

Outlook for Full-Term FY2007

FY2007 Consolidated Results Outlook

(Millions of yen)

	FY2006 Actual	FY2007 Forecast	Change
Net sales	2,093,976	2,065,871	-1.3%
Gross profit	348,391	349,962	+0.5%
Gross profit margin	16.6%	16.9%	+0.3 pts
Operating income	62,834	59,239	-5.7%
Operating margin	18.0%	16.9%	-1.1 pts
Ordinary income	70,044	71,463	+2.0%
Net income	30,688	37,615	+22.6%

Notes: With regard to the Dentsu Group's full-term consolidated operating performance forecasts, as the Publicis Groupe S.A., an equity-method affiliate, does not disclose its performance forecasts for the second half of FY2007, our forecast assumes equity in profits of the Publicis Groupe S.A. of ¥4,059 million (after excluding ¥2,203 million for the amortization of goodwill), the equivalent amount in euro that was recorded for the same period last year.

The exchange rate used here is 1 euro = ¥159.6, the approximate average rate of exchange, which is also used in other affiliated companies, during the first half of FY2007.

FY2007 Non-Consolidated Results Outlook

(Millions of yen)

	FY2006 Actual	FY2007 Forecast	Change
Net sales	1,602,062	1,596,890	-0.3%
Gross profit	216,739	219,434	+1.2%
Gross profit margin	13.5%	13.7%	+0.2 pts
Operating income	38,496	37,823	-1.7%
Operating margin	17.8%	17.2%	-0.6 pts
Ordinary income	47,746	50,584	+5.9%
Net income	22,243	27,423	+23.3%