

Financial Summary for 1H/FY2009

(from April 1 to September 30, 2009)

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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 November 13, 2009, are not guarantees of future performance and involve risks and uncertainties. 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 Financial Results

(Millions of yen)

	1H FY08	1H FY09	Change	Against Forecast*
Net sales	948,621	785,858	-17.2 %	-1.9 %
Gross profit	156,464	134,923	-13.8 %	-1.3 %
Gross profit margin	16.5%	17.2%	+0.7 pts	+0.1 pts
SG&A	138,668	128,088	-7.6 %	-3.3 %
Operating income	17,795	6,834	-61.6 %	+58.9 %
Operating margin**	11.4%	5.1%	-6.3 pts	+2.0 pts
Ordinary income	22,117	10,460	-52.7 %	+34.1 %
Income before income taxes	15,703	10,105	-35.6 %	+26.3 %
Net income	8,111	7,138	-12.0 %	+123.1 %

* Against forecast = differences from the initial forecast announced May 11, 2009

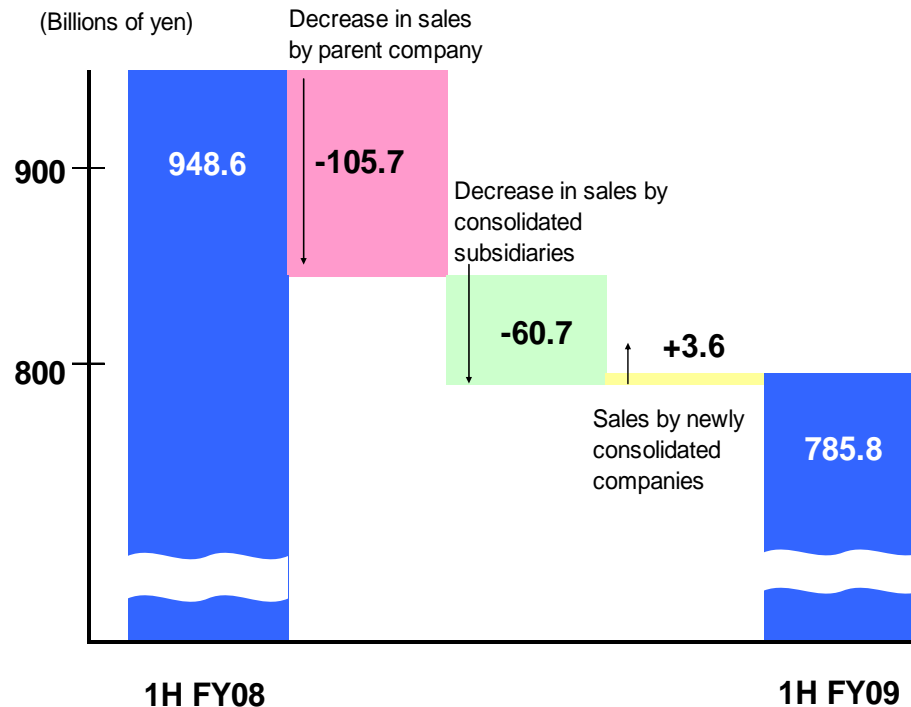
** Operating margin = operating income / gross profit x 100

Consolidated Net Sales

(Millions of yen)

	1H FY08	1H FY09	Change (%)	Change (value)
Net sales	948,621	785,858	-17.2%	-162,763

Factors Behind Change in Consolidated Net Sales



Note: Figures used for the decrease in sales by the parent company, the decrease in sales by consolidated subsidiaries, and sales by newly consolidated companies exclude internal transactions. Also, sales by newly consolidated companies exclude sales by some of their subsidiaries.

Comments

■ Principal Group companies contributing to Y/Y change

• Parent

Decrease in ad spend by clients due to sluggish economy

• Subsidiaries

Decrease in sales by Dentsu Holdings USA Inc., etc.

Decrease in sales due to exclusion of Geneon Entertainment Inc. (Japan)

• Newly consolidated

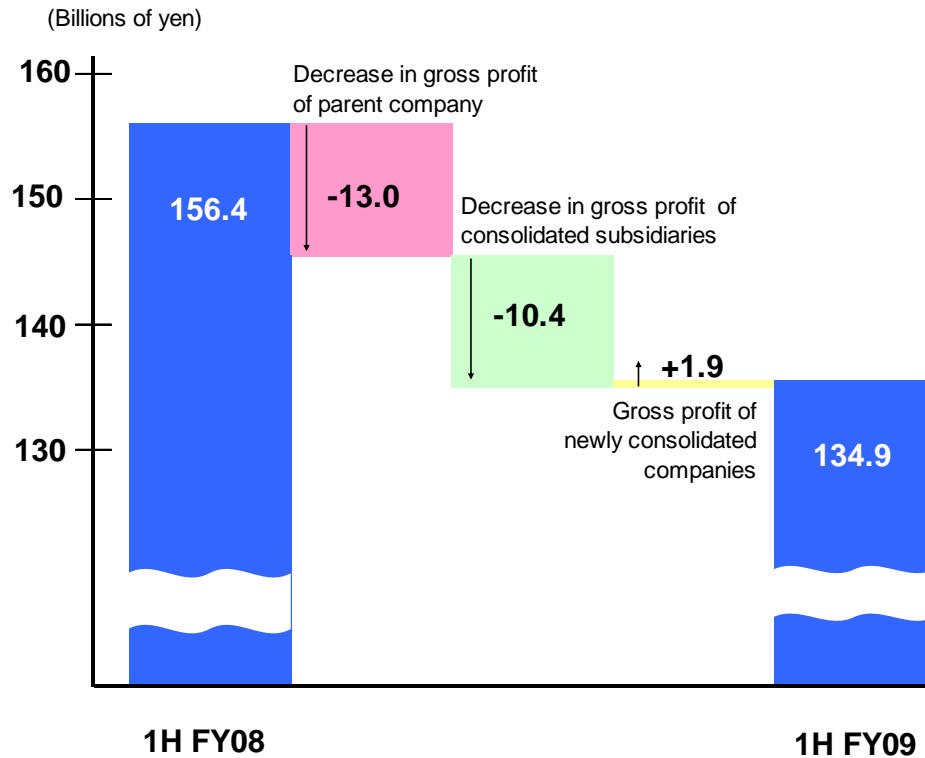
Dentsu-Smart LLC, etc.

Consolidated Gross Profit

(Millions of yen)

	1H FY08	1H FY09	Change (%)	Change (value)
Gross profit	156,464	134,923	-13.8%	-21,541
Gross profit margin	16.5%	17.2%	+0.7ppts	-

Factors Behind Change in Consolidated Gross Profit



Note: Gross profit of newly consolidated companies excludes gross profit of some of their subsidiaries.

Comments

■ Principal Group companies contributing to Y/Y change

• Parent

Decrease in profit due to declining net sales

• Subsidiaries

Decrease in sales by ISID (Information Services International-Dentsu, Ltd.), etc.

Decrease in sales due to exclusion of Geneon Entertainment Inc. (Japan)

• Newly consolidated

Dentsu Creative X Inc., etc.

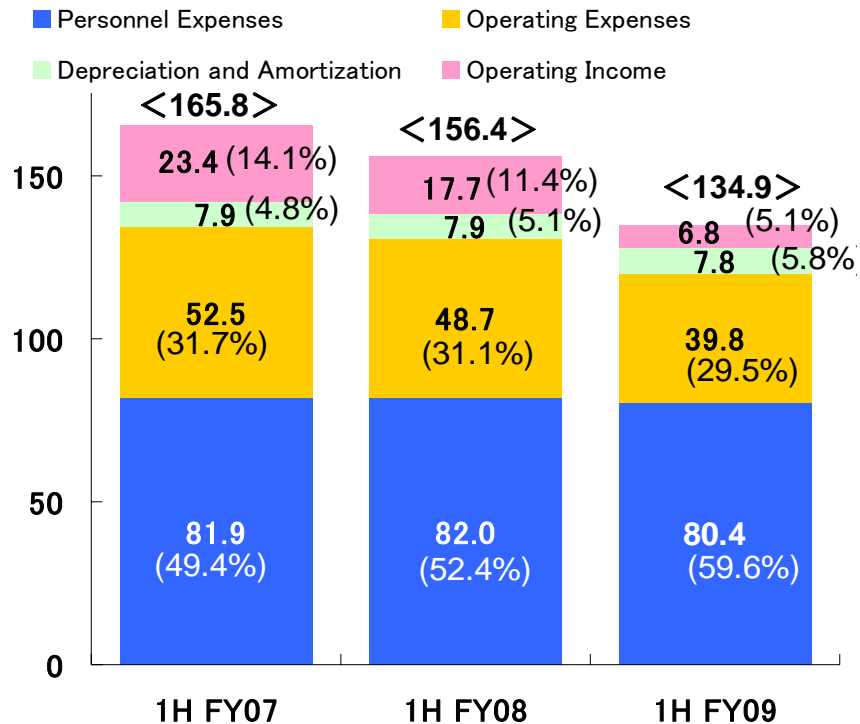
Consolidated Operating Income

(Millions of yen)

	1H FY08	1H FY09	Change (%)	Change (value)
Operating income	17,795	6,834	-61.6%	-10,961
Operating margin	11.4%	5.1%	-6.3ppts	—

Consolidated Gross Profit Breakdown of Costs

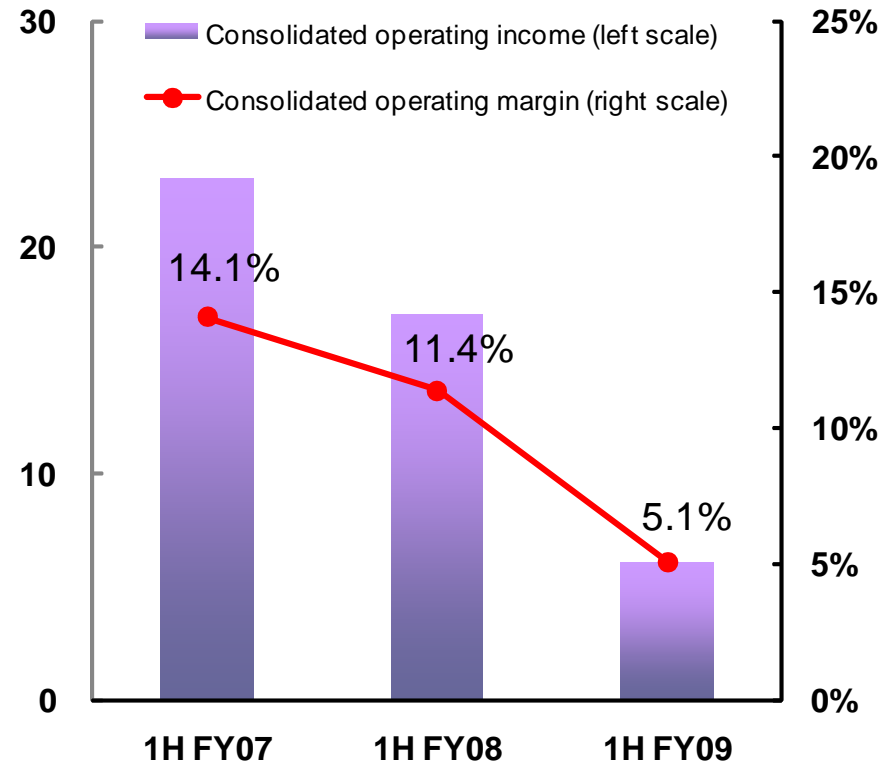
< >: Gross profit (Billions of yen)



Notes: Depreciation includes amortization of goodwill.
Parenthesized figures are composite ratios.

Consolidated Operating Income and Operating Margin

(Billions of yen)



Consolidated Ordinary Income and Net Income / Loss

	(Millions of yen)			Comments
	1H FY08	1H FY09	Change (%)	
Operating income	17,795	6,834	-61.6%	<p>■ Principal non-operating income items</p> <p>Equity method investment gain: ¥2.5 bil.</p> <p>Dividend income: ¥1.2 bil.</p> <p>Interest income: ¥0.3 bil.</p>
Non-operating income	6,187	5,296	-14.4%	<p>■ Principal non-operating expense items</p> <p>Interest expenses: ¥1.1 bil.</p> <p>Loss from investments in investment consortiums: ¥0.2 bil.</p>
Non-operating expenses	1,865	1,670	-10.4%	
Net non-operating income	4,321	3,626	-16.1%	
Ordinary income	22,117	10,460	-52.7%	<p>■ Principal extraordinary income items</p> <p>Gain on sales of noncurrent assets: ¥0.8 bil.</p>
Extraordinary income	1,269	1,347	+6.1%	<p>■ Principal extraordinary loss items</p> <p>Loss from business restructuring: ¥0.6 bil.</p> <p>Loss on liquidation of subsidiaries: ¥0.4 bil.</p>
Extraordinary loss	7,683	1,702	-77.8%	
Net extraordinary loss	(6,414)	(355)	—	
Income before income taxes	15,703	10,105	-35.6%	
Income taxes	7,631	3,445	-54.9%	
Minority interests	(39)	(478)	—	
Net income	8,111	7,138	-12.0%	

Consolidated Balance Sheets

(Millions of yen)

	Mar 31, 2009	Sep 30, 2009	Change
Current assets	546,317	474,306	-13.2%
Fixed assets	546,226	552,112	+1.1%
Total assets	1,092,543	1,026,419	-6.1%
Current liabilities	450,075	378,764	-15.8%
Long-term liabilities	169,318	166,313	-1.8%
Total liabilities	619,394	545,078	-12.0%
Shareholders' equity	482,798	487,807	+1.0%
Valuation and translation adjustments, etc.	(30,230)	(26,938)	—
Minority interests	20,581	20,471	-0.5%
Total net assets	473,149	481,340	+1.7%
Total liabilities and net assets	1,092,543	1,026,419	-6.1%

Comments

■ Principal reasons for changes in assets

- Decrease in notes receivable and accounts receivable
- Gain on revaluation of investment securities

■ Principal reasons for changes in liabilities

- Decrease in notes payable and accounts payable
- Decrease in loans payable

■ Principal reasons for changes in equity

- Increase in retained earnings
- Increase in valuation and translation adjustments

■ Financial indicators

	Sep 30, 2008	Mar 31, 2009	Sep 30, 2009
Equity ratio	43.5%	41.4%	44.9%
D/E ratio (times)	0.26	0.32	0.27

Consolidated Cash Flows for 1H/FY2009

Consolidated Cash Flows

Cash flows from operating activities
+ ¥32.4 billion

Cash flows from investment activities
- ¥6.1 billion

Cash flows from financing activities
- ¥24.4 billion

Change in cash and cash equivalents
+ ¥2.9 billion

Note: The change in cash and cash equivalents includes a positive translation of ¥1.1 billion.

Comments

Income before income taxes and minority interests:	+ ¥10.1 bil.
Depreciation and amortization:	+ ¥9.2 bil.
Change in working capital:	+ ¥16.5 bil.
Income taxes—paid:	- ¥3.5 bil.

Sale of property, plant and equipment:	+ ¥1.3 bil.
Purchase of property, plant and equipment, and of software:	- ¥3.5 bil.

Dividend payments:	- ¥3.7 bil.
Change in debt (long/short-term):	- ¥3.2 bil.
Repayment of CP:	- ¥15.0 bil.

Note: Cash inflow is indicated by +, cash outflow by -.

Full-term Consolidated Forecast

(Millions of yen)

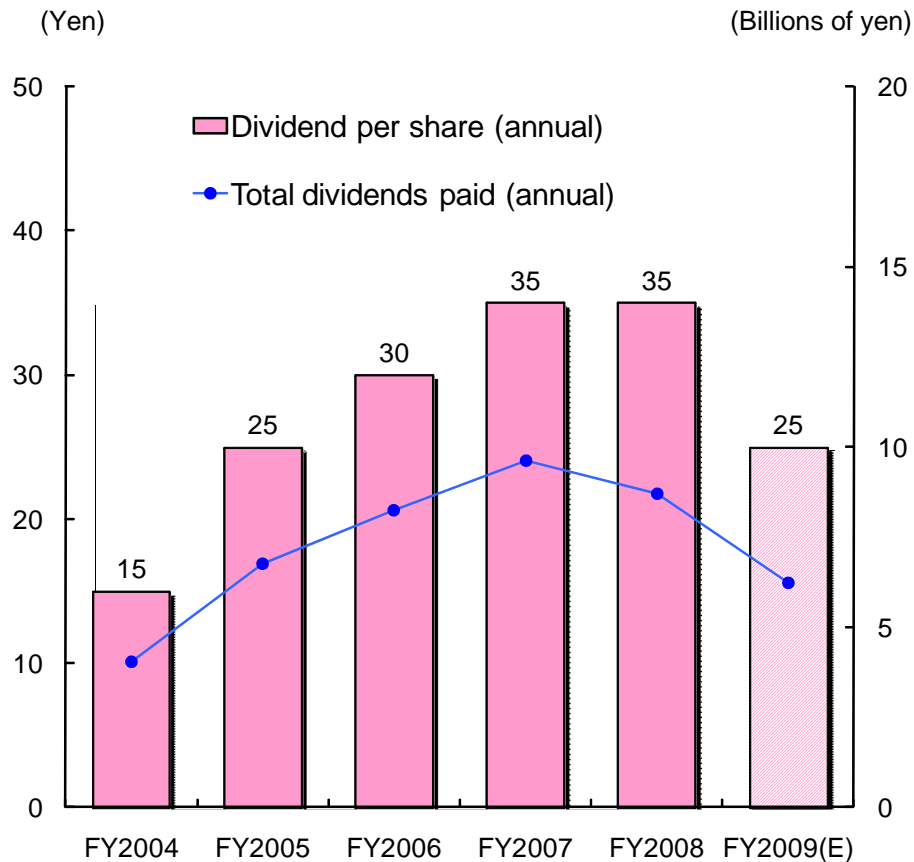
	FY2008 Actual	FY2009 Forecast	Change	Against Initial Forecast *
Net sales	1,887,170	1,610,600	- 14.7 %	- 1.5 %
Gross profit	314,474	278,200	- 11.5 %	- 0.6 %
Gross profit margin	16.7%	17.3%	+0.6 pts	+0.2 pts
SG&A	271,290	258,800	- 4.6 %	- 2.0 %
Operating income	43,184	19,400	- 55.1 %	+22.8 %
Operating margin	13.7%	7.0%	- 6.7 pts	+1.4 pts
Ordinary income	53,363	27,600	- 48.3 %	+15.5 %
Income (loss) before income taxes	(4,972)	26,500	—	+12.3 %
Net income (loss)	(20,453)	16,400	—	+43.9 %

Note: With regard to forecasts, our forecast assumes equity in earnings from an equity-method affiliate, Publicis Groupe of ¥3,867 million (after excluding ¥1,192 million for the amortization of goodwill), the equivalent amount recorded for its fiscal year ended December 31, 2008, as Publicis Groupe does not disclose its performance forecasts for the current fiscal year. The exchange rate used here is 1 euro = ¥129, the approximate average rate of exchange from January to September 2009.

* Against initial forecast = differences from the initial forecast announced May 11, 2009

Dividend Payments

Total Dividends and Dividend per Share



Note: The above dividends per share reflect the share split carried out in January 2009.

【FY2009】

Total dividends (forecast):
Approx. ¥6.2 billion annually

Dividend per share (forecast):
¥25 annually

(¥12.5 for interim and ¥12.5 for year-end)

Our Policy on Shareholder Returns

- Maintain positive shareholder returns, while ...
 - sustaining medium-to-long-term financial security and soundness
 - securing certain levels of internal reserves for further investments needed for growth