

Financial Summary for 1H/FY2009

(from April 1 to September 30, 2009)

November 13, 2009
Dentsu Inc.

Consolidated Results

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 < 1 >

Breakdown by Business Segment

(Millions of yen)

	1H FY2009	Change
Advertising (95.0% of total)	758,416	-16.0%
Information Services (3.6% of total)	28,710	-20.7%
Other Businesses (1.4% of total)	10,944	-54.1%
Total	798,071	-17.1%
Eliminations	(12,213)	—
Consolidated Net Sales	785,858	-17.2%

Key Subsidiaries

(Millions of yen)

	1H FY2009	Change
Advertising		
5 regional Dentsu	46,809	-13.3%
Dentsu Tec	59,683	-17.4%
cci	24,275	+1.6%
Dentsu Holdings USA	11,251*	-55.0%
Beijing Dentsu	20,677	-12.7%
Information Services		
ISID	28,710*	-20.6%

(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.

* Figures of Dentsu Holdings USA and ISID are their consolidated net sales.

Consolidated Net Sales < 2 >

Breakdown by Geographic Segment

(Millions of yen)

	1H FY2009	Change	% of Total
Americas	12,623	-59.4%	1.6%
Europe	4,494	-0.8%	0.6%
China	23,947	-14.7%	3.0%
Asia (excl. China)	17,118	-34.5%	2.2%
Eliminations	(28)	—	—
Overseas Total	58,155	-35.2%	7.4%
Japan	730,697	-15.5%	92.6%
Total	788,852	—	100.0%
Eliminations	(2,993)	—	—
Consolidated Net Sales	785,858	-17.2%	—

Consolidated Net Sales < 3 >

Newly Consolidated Subsidiaries Contributing to Net Sales

▪ Newly consolidated subsidiaries	10
▪ Eliminated	13
▪ Consolidated subsidiaries	125 (an decrease of 3 y/y)
▪ Contribution to net sales	¥3.6 billion

*Newly consolidated subsidiaries include the subsidiaries consolidated in 2H FY2008.

Main Newly Consolidated Subsidiaries

【From 2H FY2008】

- &c. Inc.
- Dentsu McGarry Bowen, etc.

【From 1H FY2009】

- Dentsu Creative X Inc.
- Dentsu-Smart Holdings B.V.
- Dentsu-Smart LLC
- Dentsu Sports America, Inc.

Consolidated Operating Income

(Millions of yen)

	1H FY2008	1H FY2009	Change
Gross profit	156,464	134,923	-13.8%
Personnel expenses	82,025	80,411	-2.0%
Salaries	68,333	66,019	-3.4%
Others	13,691	14,391	+5.1%
Operating expenses	48,726	39,850	-18.2%
Depreciation and amortization	7,916	7,827	-1.1%
SG&A	138,668	128,088	-7.6%
Operating income	17,795	6,834	-61.6%
Operating margin	11.4%	5.1%	-6.3ppts

Consolidated Ordinary Income and Net Income

(Millions of yen)

	1H FY2008	1H FY2009	Change
Operating income	17,795	6,834	-61.6%
Non-operating income	6,187	5,296	-14.4%
Non-operating expense	1,865	1,670	-10.4%
Net non-operating income	4,321	3,626	-16.1%
Ordinary income	22,117	10,460	-52.7%
Extraordinary income	1,269	1,347	+6.1%
Extraordinary loss	7,683	1,702	-77.8%
Net extraordinary income (loss)	(6,414)	(355)	—
Income before income taxes	15,703	10,105	-35.6%
Net income	8,111	7,138	-12.0%

Consolidated Balance Sheets

(Millions of yen)

	March 31, 2009	September 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 adjustment, 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%

Non-Consolidated Results

Non-Consolidated Financial Results

(Millions of yen)

	1H FY08	1H FY09	Change	Against Forecast*
Net sales	727,160	618,617	-14.9%	-0.3%
Gross profit	97,999	84,965	-13.3%	+2.0%
Gross profit margin	13.5%	13.7%	+0.2 ppts	+0.3 ppts
SG&A	86,827	78,334	-9.8%	-3.6%
Operating income	11,172	6,630	-40.6%	+226.2%
Operating margin**	11.4%	7.8%	-3.6 ppts	+5.4 ppts
Ordinary income	20,810	13,450	-35.4%	+63.4%
Income before income taxes	15,555	12,820	-17.6%	+55.7%
Net income	10,368	9,884	-4.7%	+92.6%

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

Non-Consolidated Net Sales by Business Category

(Millions of yen)

Business Category	1Q FY2008		2Q FY2008		Total		1Q FY2009		2Q FY2009		Total	
	Net sales	Change	Net sales	Change	Net sales	Change	Net sales	Change	Net sales	Change	Net sales	Change
Newspapers	36,740	-15.2%	35,915	-13.5%	72,656	-14.3%	27,197	-26.0%	27,278	-24.0%	54,475	-25.0%
Magazines	15,247	-5.4%	15,521	-11.5%	30,769	-8.6%	10,310	-32.4%	11,172	-28.0%	21,482	-30.2%
Radio	5,487	-7.1%	5,734	-7.1%	11,222	-7.1%	4,775	-13.0%	4,742	-17.3%	9,517	-15.2%
Television	182,312	-1.7%	170,816	-4.5%	353,129	-3.1%	153,787	-15.6%	146,320	-14.3%	300,108	-15.0%
Time	83,673	+2.7%	94,633	+3.3%	178,306	+3.0%	70,083	-16.2%	73,736	-22.1%	143,819	-19.3%
Spot	98,638	-5.2%	76,183	-12.6%	174,822	-8.6%	83,704	-15.1%	72,583	-4.7%	156,288	-10.6%
Interactive Media	6,103	+15.8%	6,860	+14.5%	12,964	+15.1%	6,110	+0.1%	7,699	+12.2%	13,810	+6.5%
OOH Media	12,739	+1.2%	10,307	-4.9%	23,047	-1.6%	11,485	-9.8%	7,983	-22.5%	19,468	-15.5%
Creative	44,887	-7.3%	46,204	-7.2%	91,091	-7.3%	39,003	-13.1%	39,377	-14.8%	78,381	-14.0%
Marketing / Promotion	38,277	+3.5%	42,292	-2.9%	80,569	+0.1%	32,743	-14.5%	41,425	-2.1%	74,168	-7.9%
Content Services	17,690	-12.8%	20,008	-45.0%	37,699	-33.4%	16,293	-7.9%	20,733	+3.6%	37,026	-1.8%
Others	6,399	+31.6%	7,611	+11.7%	14,010	+20.0%	4,967	-22.4%	5,211	-31.5%	10,179	-27.3%
Total	365,886	-3.5%	361,273	-9.1%	727,160	-6.4%	306,674	-16.2%	311,943	-13.7%	618,617	-14.9%

Non-Consolidated Net Sales by Industry

(Millions of yen)

Industry	1Q FY2008		2Q FY2008		Total		1Q FY2009		2Q FY2009		Total	
	Net sales	Change	Net sales	Change	Net sales	Change	Net sales	Change	Net sales	Change	Net sales	Change
Information/Communications	51,413	+4.6%	52,947	-8.4%	104,361	-2.4%	42,029	-18.3%	45,795	-13.5%	87,824	-15.8%
Beverages/Cigarettes	43,509	-4.6%	34,499	-9.5%	78,008	-6.8%	38,363	-11.8%	32,855	-4.8%	71,219	-8.7%
Cosmetics/Toiletries	29,111	-5.8%	26,421	-12.7%	55,533	-9.2%	25,726	-11.6%	24,688	-6.6%	50,415	-9.2%
Foodstuffs	24,689	-1.3%	23,275	+0.2%	47,965	-0.6%	23,094	-6.5%	22,717	-2.4%	45,811	-4.5%
Pharmaceuticals/ Medical Supplies	21,023	-3.1%	19,101	+1.4%	40,124	-1.0%	19,695	-6.3%	18,467	-3.3%	38,163	-4.9%
Finance/Insurance	25,039	-14.7%	28,230	-12.5%	53,269	-13.6%	18,793	-24.9%	19,350	-31.5%	38,143	-28.4%
Distribution/Retailing	18,031	-8.2%	19,057	+1.4%	37,089	-3.5%	17,460	-3.2%	18,166	-4.7%	35,627	-3.9%
Hobbies/Sporting goods	19,205	+22.7%	18,424	+3.9%	37,629	+12.7%	17,615	-8.3%	16,284	-11.6%	33,899	-9.9%
Automobiles/Related Products	25,227	-2.0%	21,795	-24.9%	47,023	-14.1%	15,545	-38.4%	16,673	-23.5%	32,218	-31.5%
Food Services/Other Services	18,162	-8.7%	16,471	-28.3%	34,634	-19.2%	15,436	-15.0%	15,738	-4.5%	31,174	-10.0%
Others	90,471	-6.3%	101,048	-6.7%	191,519	-6.6%	72,914	-19.4%	81,204	-19.6%	154,118	-19.5%
Total	365,886	-3.5%	361,273	-9.1%	727,160	-6.4%	306,674	-16.2%	311,943	-13.7%	618,617	-14.9%

Note : Note: "Others" refers to the total of industries other than the top 10 industries for the first half of FY2009.

Non-Consolidated Operating Income

(Millions of yen)

	1H FY2008	1H FY2009	Change
Gross profit	97,999	84,965	-13.3%
Personnel expenses	51,431	50,253	-2.3%
Salaries	42,175	40,514	-3.9%
Others	9,255	9,738	+5.2%
Operating expenses	29,272	22,807	-22.1%
Depreciation and amortization	6,123	5,273	-13.9%
SG&A	86,827	78,334	-9.8%
Operating income	11,172	6,630	-40.6%
Operating margin	11.4%	7.8%	-3.6 pts

Non-Consolidated Ordinary Income and Net Income

(Millions of yen)

	1H FY2008	1H FY2009	Change
Operating income	11,172	6,630	-40.6%
Non-operating income	11,311	8,480	-25.0%
Non-operating expense	1,673	1,661	-0.7%
Net non-operating income	9,638	6,819	-29.2%
Ordinary income	20,810	13,450	-35.4%
Extraordinary income	1,396	588	-57.8%
Extraordinary loss	6,651	1,218	-81.7%
Net extraordinary income (loss)	(5,255)	(630)	—
Income before income taxes	15,555	12,820	-17.6%
Net income	10,368	9,884	-4.7%

Outlook for Full-Term FY2009

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 1euro=¥129, the approximate average rate of exchange from January to September 2009.

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

Full-term Non-Consolidated Forecast

(Millions of yen)

	FY2008 Actual	FY2009 Forecast	Change	Against Initial Forecast *
Net sales	1,447,410	1,253,400	-13.4%	-1.4%
Gross profit	192,716	171,600	-11.0%	+1.0%
Gross profit margin	13.3%	13.7%	+0.4 ppts	+0.3 ppts
SG&A	168,845	157,300	-6.8%	-1.7%
Operating income	23,870	14,300	-40.1%	+43.5%
Operating margin	12.4%	8.3%	-4.1 ppts	+2.4 ppts
Ordinary income	34,585	22,900	-33.8%	+28.9%
Income (loss) before income taxes	(25,466)	23,000	—	+29.5%
Net income (loss)	(32,771)	15,500	—	+45.4%

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