

Financial Summary
for the First Quarter of FY2005
(From April 1, 2005 to June 30, 2005)

August 22, 2005
Dentsu Inc.

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 August 22, 2005, 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)

	1Q FY2004	1Q FY2005	Change (1)	Outlook for the first half of FY2005	Progress (2)
Net sales	452,939	455,470	+0.6%	946,479	48.1%
Gross profit	72,022	73,794	+2.5%	155,917	47.3%
Gross profit margin	15.9%	16.2%	+0.3 pts	16.5%	
SG&A	61,838	64,750	+4.7%	133,842	48.4%
Operating income	10,183	9,043	-11.2%	22,074	41.0%
Operating margin (3)	14.1%	12.3%	-1.8 pts	14.2%	

Note: (1) The rate of increase or decrease compared with the same period of the previous fiscal year.

(2) The rate of progress compared with the outlook for the first half of FY2005 released on May 17, 2005.

(3) Operating margin= Operating income ÷ Gross profit × 100

Consolidated Net Sales < 1 >

Breakdown by Business Segment

(Millions of Yen)

	1Q FY2005	Change
Advertising (94.7% of total)	437,053	+1.1%
Other business (5.3% of total)	24,515	-11.5%
Total	461,569	+0.4%
Eliminations	(6,099)	—
Net sales	455,470	+0.6%

Key Subsidiaries

(Millions of Yen)

	1Q FY2005	Change
Advertising:		
4 Regional Dentsu	26,369	+0.6%
DENTSU TEC	29,595	-8.4%
cci	8,463	+83.4%
Other business:		
ISID	12,447	-8.3%

Note: Sales of companies are prior to eliminations.

Consolidated Net Sales < 2 >

Breakdown by Geographic Segment

(Millions of Yen)

	1Q FY2005	Change	% of total
The Americas	7,462	-23.3%	1.6%
Europe	3,353	+27.5%	0.7%
China	7,364	-3.9%	1.6%
Asia (excluding Japan and China)	7,188	+17.0%	1.6%
Eliminations	(254)	—	—
Total overseas sales	25,114	-4.0%	5.5%
Japan	432,361	+0.9%	94.5%
Total	457,476	—	100.0%
Eliminations	(2,006)	—	—
Net sales	455,470	+0.6%	—

Consolidated Operating Income < 1 >

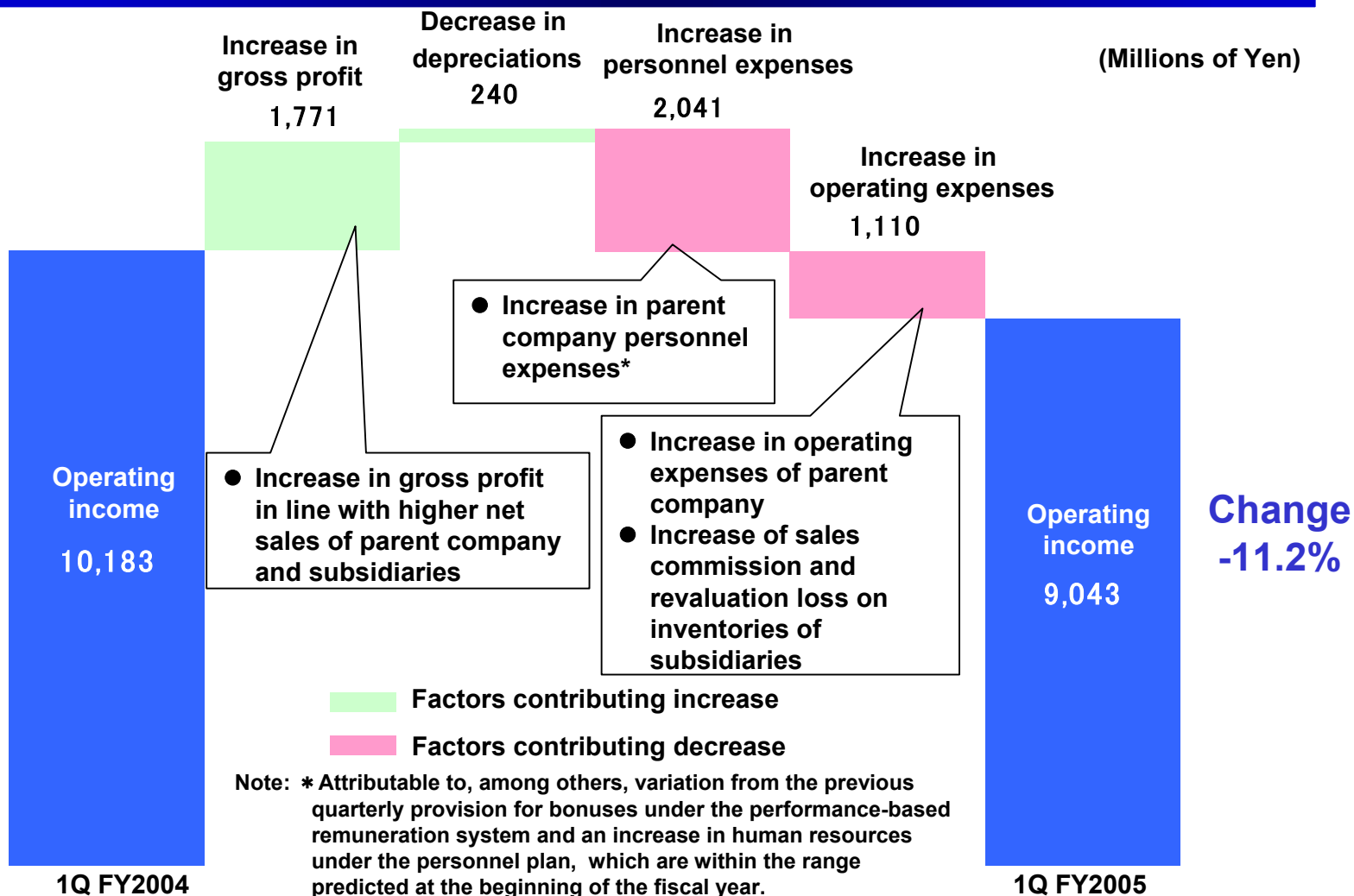
(Millions of Yen)

	1Q FY2004	1Q FY2005	Change	Progress
Gross profit	72,022	73,794	+2.5%	47.3%
Personnel expenses	36,949	38,991	+5.5%	49.9%
Salaries	30,724	32,721	+6.5%	
Other	6,225	6,269	+0.7%	
Operating expenses	21,088	22,198	+5.3%	46.2%
Depreciation	3,799	3,559	-6.3%	46.0%
SG&A	61,838	64,750	+4.7%	48.4%
Operating income	10,183	9,043	-11.2%	41.0%
Operating margin	14.1%	12.3%	-1.8 pts	

Note: The rate of progress compared with the outlook for the first half of FY2005 released on May 17, 2005.

Consolidated Operating Income < 2 >

Factors Contributing to the Change



Non-Consolidated Results

Non-Consolidated Financial Results

(Millions of Yen)

	1Q FY2004	1Q FY2005	Change (1)	Outlook for the first half of FY2005	Progress (2)
Net sales	371,274	376,521	+1.4%	776,895	48.5%
Gross profit	50,367	50,963	+1.2%	106,823	47.7%
Gross profit margin	13.6%	13.5%	-0.1 pts	13.7%	
SG&A	40,673	42,788	+5.2%	88,642	48.3%
Operating income	9,694	8,174	-15.7%	18,180	45.0%
Operating margin	19.2%	16.0%	-3.2 pts	17.0%	
Ordinary income	13,995	12,580	-10.1%	23,119	54.4%
Net income	7,664	7,406	-3.4%	14,561	50.9%

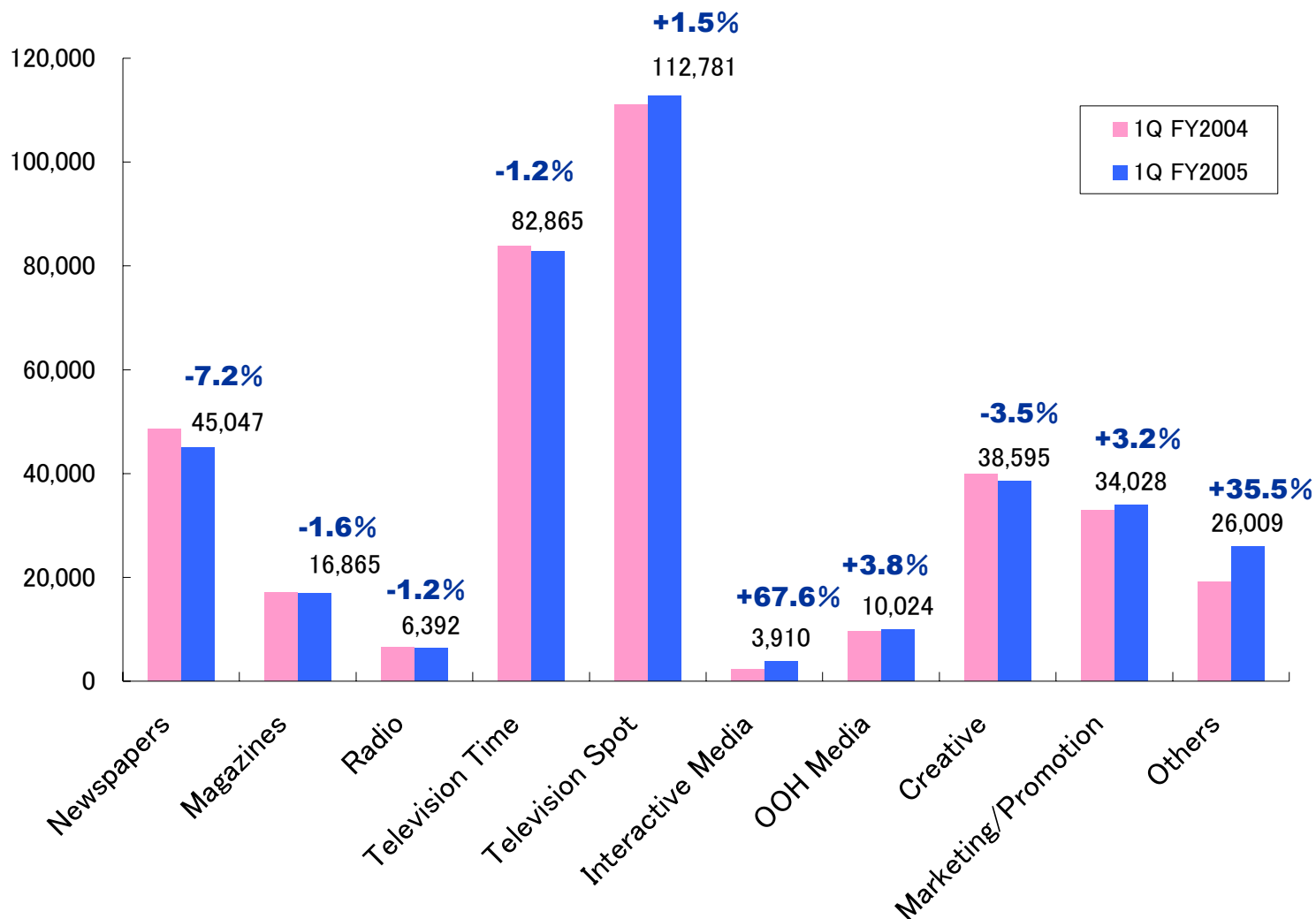
Note: (1) The rate of increase or decrease compared with the same period of the previous fiscal year.

(2) The rate of progress compared with the outlook for the first half of FY2005 released on May 17, 2005.

Non-Consolidated Net Sales by Business Category

First Quarter of FY2005

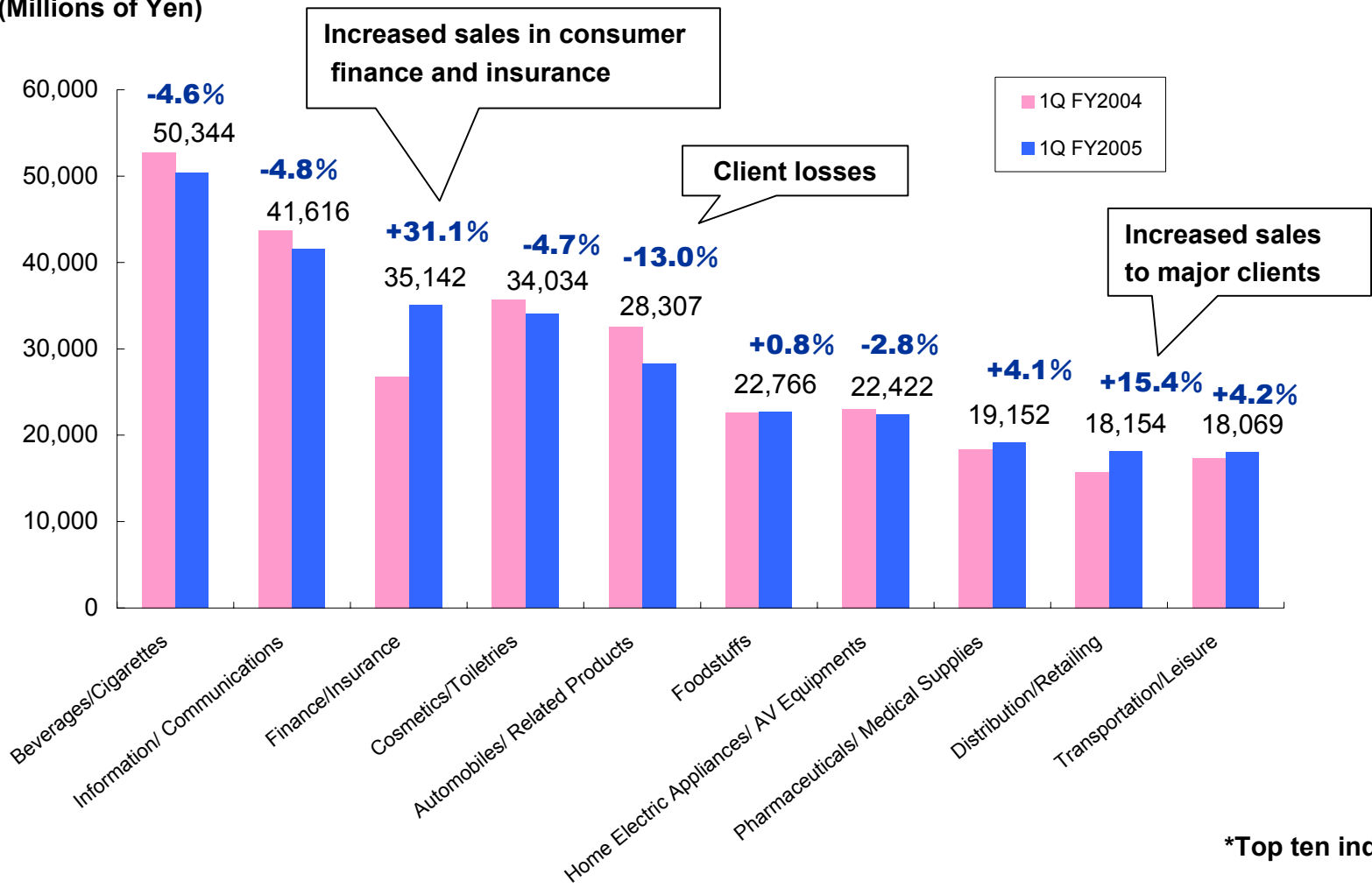
(Millions of Yen)



Non-consolidated Net Sales by industry

First Quarter of FY2005

(Millions of Yen)



*Top ten industries

Non-Consolidated Operating Income

(Millions of Yen)

	1Q FY2004	1Q FY2005	Change	Progress
Gross profit	50,367	50,963	+1.2%	47.7%
Personnel expenses	24,447	26,405	+8.0%	50.3%
Salaries	19,960	21,759	+9.0%	
Other	4,487	4,645	+3.5%	
Operating expenses	12,995	13,342	+2.7%	44.7%
Depreciation	3,229	3,041	-5.8%	48.3%
SG&A	40,673	42,788	+5.2%	48.3%
Operating income	9,694	8,174	-15.7%	45.0%
Operating margin	19.2%	16.0%	-3.2 pts	

Note: The rate of progress compared with the outlook for the first half of FY2005 released on May 17, 2005.

Non-Consolidated Ordinary Income and Net Income

(Millions of Yen)

	1Q FY2004	1Q FY2005	Change	Progress
Operating income	9,694	8,174	-15.7%	45.0%
Other income	5,002	4,985	-0.3%	
Other expense	701	579	-17.5%	
Net other income	4,300	4,405	+2.4%	
Ordinary income	13,995	12,580	-10.1%	54.4%
Extraordinary income	61	155	+153.4%	
Extraordinary loss	586	412	-29.6%	
Net extraordinary income (loss)	(524)	(256)	-51.1%	
Income before income taxes	13,470	12,323	-8.5%	
Net income	7,664	7,406	-3.4%	50.9%

Note: The rate of progress compared with the outlook for the first half of FY2005 released on May 17, 2005.