

Financial Summary
for the First Quarter of FY2007
(From April 1, 2007 to June 30, 2007)

August 20, 2007
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 20, 2007, 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 FY2006	1Q FY2007	Change	Outlook for 1H of FY2007	Progress ⁽¹⁾
Net sales	484,798	474,928	-2.0%	1,008,787	47.1%
Gross profit	79,673	76,792	-3.6%	167,571	45.8%
Gross profit margin	16.4%	16.2%	-0.2 pts	16.6%	—
SG&A	68,544	69,254	+1.0%	143,545	48.2%
Operating income	11,129	7,537	-32.3%	24,026	31.4%
Operating margin ⁽²⁾	14.0%	9.8%	-4.2 pts	14.3%	—
Ordinary income	—	9,524	—	28,308	33.6%
Income before income taxes	—	9,820	—	27,146	36.2%
Net income	—	2,238	—	13,155	17.0%

Notes: Outlook for 1H of FY2007 includes equity method investment income of the Publicis Groupe S.A. of ¥2.3 billion while the result of 1Q of FY2007 doesn't include equity method investment income/ loss of the Publicis Groupe S.A..

(1) The rate of progress compared with the outlook for 1H of FY2007 released on May 11, 2007.

(2) Operating margin = operating income ÷ gross profit × 100

Consolidated Net Sales < 1 >

Breakdown by Business Segment

(Millions of Yen)

	1Q FY2007	Change
Advertising (95.0% of total)	457,298	-1.9%
Other business (5.0% of total)	23,954	-3.9%
Total	481,252	-2.0%
Eliminations	(6,323)	—
Consolidated Net sales	474,928	-2.0%

Key Subsidiaries

(Millions of Yen)

	1Q FY2007	Change
Advertising:		
5 Regional Dentsu	28,020	+0.2%
DENTSU TEC	35,363	+7.9%
cci *	11,983	-4.2%
DHUSA *	10,272	+28.3%
Other business:		
ISID *	13,123	+2.2%

* Consolidated basis

Notes: (1) Sales of companies are prior to eliminations.

(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)

	1Q FY2007	Change	% of Total
The Americas (incl. Latin America)	11,719	+29.9%	2.5%
Europe	2,199	-27.5%	0.5%
China	8,994	+4.0%	1.9%
Asia (excl. Japan, China)	12,974	+37.9%	2.7%
Eliminations	(51)	—	—
Overseas Total	35,836	+19.1%	7.5%
Japan	441,461	-3.3%	92.5%
Total	477,297	—	100.0%
Eliminations	(2,368)	—	—
Consolidated Net sales	474,928	-2.0%	—

Consolidated Operating Income < 1 >

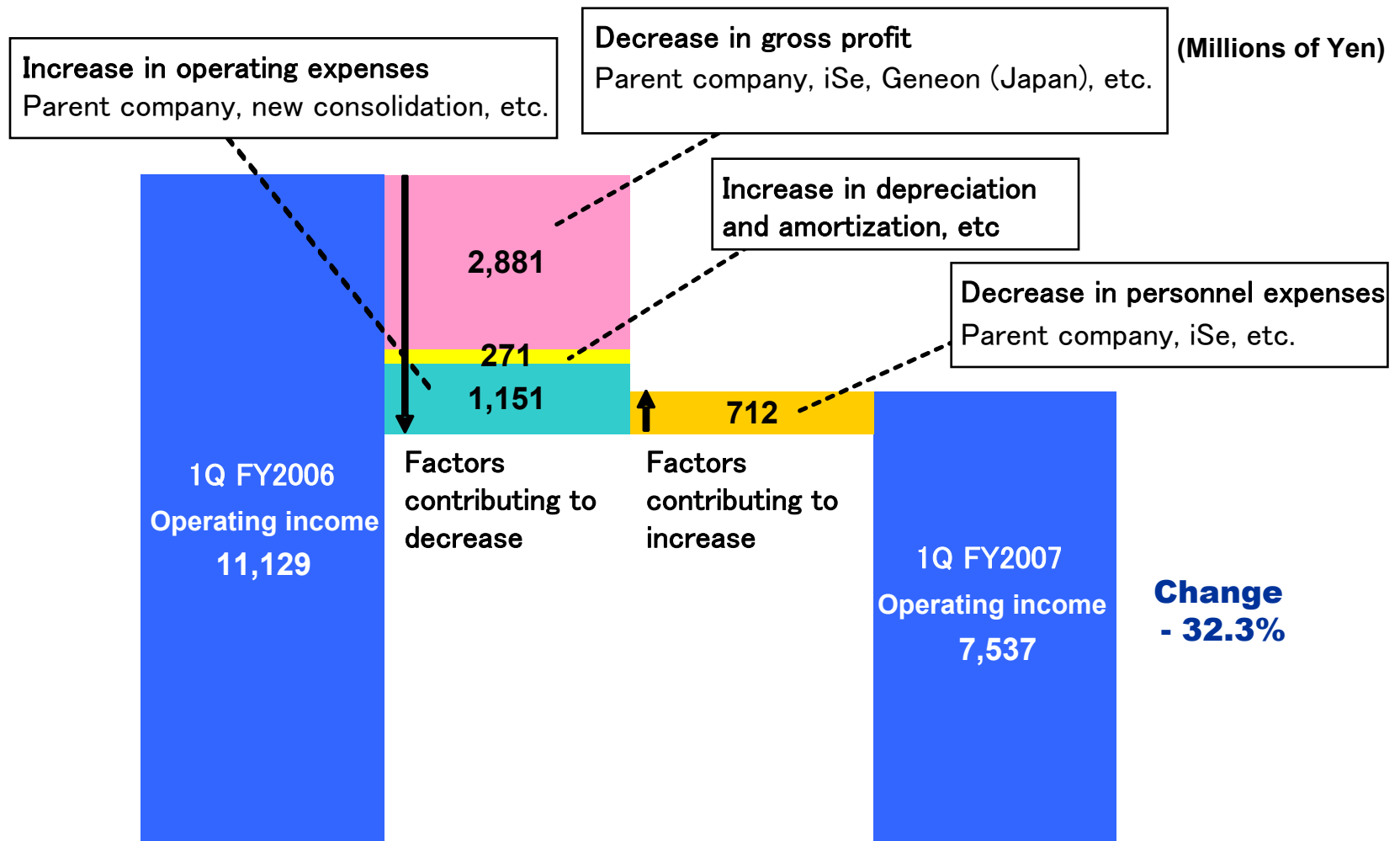
(Millions of Yen)

	1Q FY2006	1Q FY2007	Change	Progress *
Gross profit	79,673	76,792	-3.6%	45.8%
Personnel expenses	40,816	40,103	-1.7%	49.5%
Salaries	34,521	33,799	-2.1%	—
Others	6,294	6,304	+0.2%	—
Operating expenses	24,063	25,214	+4.8%	46.2%
Depreciation and amortization	3,664	3,935	+7.4%	48.8%
SG&A	68,544	69,254	+1.0%	48.2%
Operating income	11,129	7,537	-32.3%	31.4%
Operating margin	14.0%	9.8%	-4.2 pts	—

Note: * The rate of progress compared with the outlook for 1H of FY2007 released on May 11, 2007.

Consolidated Operating Income < 2 >

**Decrease in Gross Profit, and Increase in SG&A
Resulted in 32.3% Decline in Operating Income (y/y)**



Consolidated Ordinary Income and Net Income

(Millions of Yen)

	1Q FY2007	Progress *
Operating income	7,537	31.4%
Other income	2,717	
Other expenses	731	
Net other income	1,986	
Ordinary income	9,524	33.6%
Extraordinary income	637	
Extraordinary loss	341	
Net extraordinary income (loss)	296	
Income before income taxes	9,820	36.2%
Income taxes	7,721	55.5%
Minority interests	(139)	
Net income	2,238	17.0%

Progress in net income for the first quarter ended June 30, 2007 was low mainly due to use of the simplified accounting method for tax calculation.



Tax is calculated in individual Dentsu Group companies without deducting dividend income from income before income taxes, resulting in a high apparent tax rate, and concomitantly, in reduced net income for the first quarter ended June 30, 2007.

Note: Outlook for 1H of FY2007 includes equity method investment income of the Publicis Groupe S.A. of ¥2.3 billion while the result of 1Q of FY2007 doesn't include equity method investment income/ loss of the Publicis Groupe S.A..

* The rate of progress compared with the outlook for 1H of FY2007 released on May 11, 2007.

Non-Consolidated Results

Non-Consolidated Financial Results

(Millions of Yen)

	1Q FY2006	1Q FY2007	Change	Outlook for 1H of FY2007	Progress *
Net sales	395,765	379,250	-4.2%	793,357	47.8%
Gross profit	54,673	50,377	-7.9%	107,836	46.7%
Gross profit margin	13.8%	13.3%	-0.5 pts	13.6%	—
SG&A	43,243	43,007	-0.5%	90,340	47.6%
Operating income	11,430	7,370	-35.5%	17,495	42.1%
Operating margin	20.9%	14.6%	-6.3 pts	16.2%	—
Ordinary income	17,373	15,959	-8.1%	26,460	60.3%
Income before income taxes	17,365	16,165	-6.9%	25,460	63.5%
Net income	10,425	9,191	-11.8%	14,703	62.5%

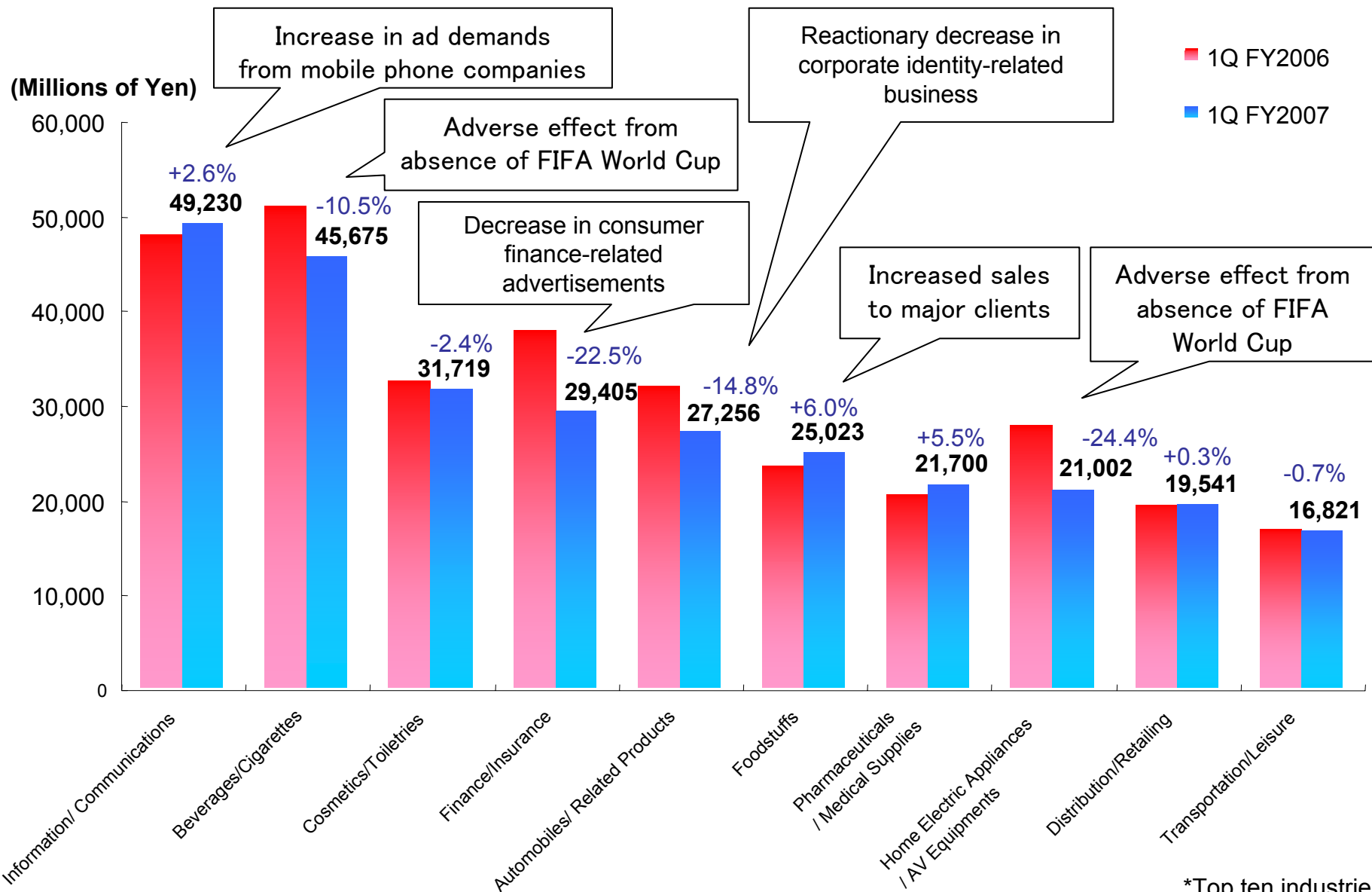
Note: * The rate of progress compared with the outlook for 1H of FY2007 released on May 11, 2007.

Non-Consolidated Net Sales by Business Category

(Millions of Yen)

Business Category	1Q FY2006	1Q FY2007	Change	% of Total
Newspapers	47,927	43,308	-9.6%	11.4%
Magazines	17,880	16,121	-9.8%	4.3%
Radio	6,394	5,905	-7.7%	1.6%
Television	199,053	185,505	-6.8%	48.9%
Time	89,114	81,503	-8.5%	21.5%
Spot	109,939	104,001	-5.4%	27.4%
Interactive Media	6,134	5,271	-14.1%	1.4%
OOH Media	9,988	12,592	+26.1%	3.3%
Creative	43,668	48,434	+10.9%	12.8%
Marketing/Promotion	37,022	36,969	-0.1%	9.7%
Content Services	21,754	20,278	-6.8%	5.3%
Others	5,941	4,863	-18.1%	1.3%
Total	395,765	379,250	-4.2%	100.0%

Non-Consolidated Net Sales by Industry



*Top ten industries

Non-Consolidated Operating Income

(Millions of Yen)

	1Q FY2006	1Q FY2007	Change	Progress *
Gross profit	54,673	50,377	-7.9%	46.7%
Personnel expenses	26,736	25,691	-3.9%	48.4%
Salaries	22,259	21,406	-3.8%	—
Others	4,476	4,284	-4.3%	—
Operating expenses	13,615	14,118	+3.7%	45.7%
Depreciation and amortization	2,891	3,197	+10.6%	50.0%
SG&A	43,243	43,007	-0.5%	47.6%
Operating income	11,430	7,370	-35.5%	42.1%
Operating margin	20.9%	14.6%	-6.3 pts	—

Note: * The rate of progress compared with the outlook for 1H of FY2007 released on May 11, 2007.

Non-Consolidated Ordinary Income and Net Income

(Millions of Yen)

	1Q FY2006	1Q FY2007	Change	Progress *
Operating income	11,430	7,370	-35.5%	42.1%
Other income	6,557	9,237	+40.9%	
Other expenses	613	647	+5.5%	
Net other income	5,943	8,589	+44.5%	
Ordinary income	17,373	15,959	-8.1%	60.3%
Extraordinary income	940	492	-47.7%	
Extraordinary loss	948	286	-69.8%	
Net extraordinary income (loss)	(8)	205	—	
Income before income taxes	17,365	16,165	-6.9%	63.5%
Income taxes	6,939	6,974	+0.5%	
Net income	10,425	9,191	-11.8%	62.5%

Note: * The rate of progress compared with the outlook for 1H of FY2007 released on May 11, 2007.