

Financial Summary
for the First Quarter of FY2008
(From April 1, 2008 to June 30, 2008)

August 12, 2008
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 12, 2008, 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 FY2007	1Q FY2008	Change
Net sales	474,928	465,731	-1.9%
Gross profit	76,792	73,280	-4.6%
Gross profit margin	16.2%	15.7%	-0.5 pts
SG&A	69,254	68,608	-0.9%
Operating income	7,537	4,671	-38.0%
Operating margin	9.8%	6.4%	-3.4 pts
Ordinary income	9,524	6,437	-32.4%
Income before income taxes	9,820	6,394	-34.9%
Net income	2,238	1,554	-30.6%

Note: Excludes equity in earnings of Publicis.

*Operating margin = Operating income ÷ Gross profit × 100

Consolidated Net Sales < 1 >

Breakdown by Business Segment

(Millions of yen)

	1Q FY2008	Change
Advertising (94.7% of total)	446,788	-2.3%
Information services (3.0% of total)	14,290	—
Other businesses (2.2% of total)	10,482	—
Total	471,560	-2.0%
Eliminations	(5,828)	—
Consolidated	465,731	-1.9%

Note: (1) From Q1, "Other Businesses" has been changed to "Information services" and "Other businesses".

Key Subsidiaries

(Millions of yen)

	1Q FY2008	Change
Advertising		
5 Regional Dentsu	27,731	-1.0%
Dentsu Tec (non-consolidated)	33,824	-4.4%
cci (consolidated)	14,326	+19.6%
Dentsu Holdings USA	11,733	+14.2%
Beijing Dentsu	8,315	-0.6%
Information Services		
ISID (consolidated)	14,290	+8.9%

(2) Sales of subsidiaries include internal transactions.

(3) 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 FY2008	Change	% of Total
Americas	14,212	+21.3%	3.0%
Europe	2,079	-5.4%	0.4%
China	10,576	+17.6%	2.3%
Asia (excl. China)	12,397	-4.4%	2.7%
Eliminations	(16)	—	—
Overseas Total	39,249	+9.5%	8.4%
Japan	428,470	-2.9%	91.6%
Total	467,719	—	100.0%
Eliminations	(1,987)	—	—
Consolidated net sales	465,731	-1.9%	—

Consolidated Operating Income < 1 >

(Millions of yen)

	1Q FY2007	1Q FY2008	Change
Gross profit	76,792	73,280	-4.6%
Personnel expenses	40,103	40,585	+1.2%
Salaries	33,799	33,630	-0.5%
Others	6,304	6,954	+10.3%
Operating expenses	25,214	24,081	-4.5%
Depreciation and amortization	3,935	3,941	+0.2%
SG&A	69,254	68,608	-0.9%
Operating income	7,537	4,671	-38.0%
Operating margin	9.8%	6.4%	-3.4 pts

Consolidated Ordinary Income and Net Income

(Millions of yen)

	1Q FY2007	1Q FY2008	Change
Operating income	7,537	4,671	-38.0%
Other income	2,717	2,525	-7.1%
Other expenses	731	759	+3.9%
Net other income	1,986	1,765	-11.1%
Ordinary income	9,524	6,437	-32.4%
Extraordinary income	637	197	-69.1%
Extraordinary loss	341	239	-29.7%
Net extraordinary income (loss)	296	(42)	—
Income before income taxes	9,820	6,394	-34.9%
Income Taxes	7,721	4,881	-36.8%
Minority Interests	(139)	(41)	—
Net income	2,238	1,554	-30.6%

Note: Excludes equity in earnings of Publicis.

Non-Consolidated Results

Non-Consolidated Financial Results

(Millions of yen)

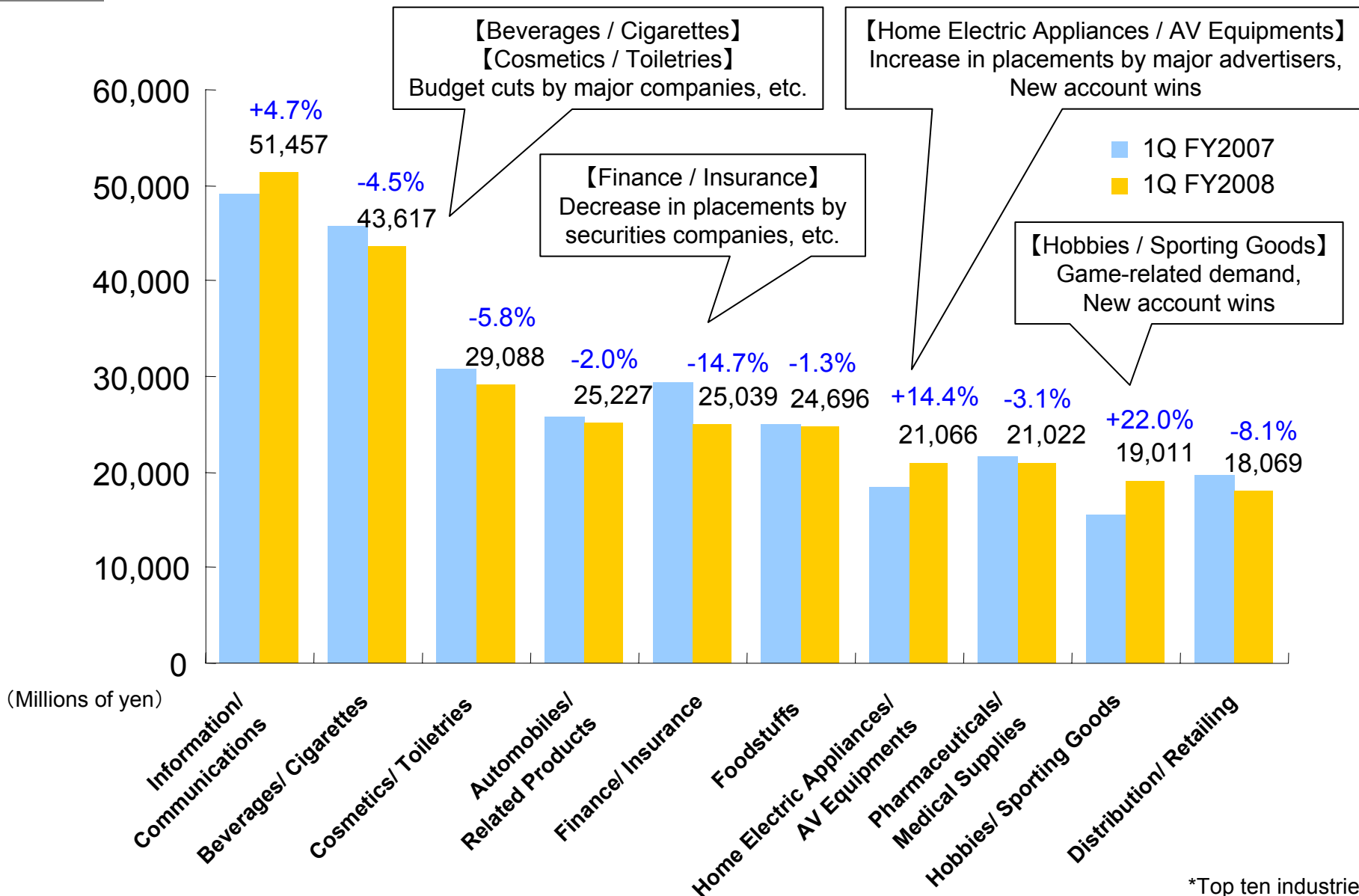
	1Q FY2007	1Q FY2008	Change
Net sales	379,250	365,886	-3.5%
Gross profit	50,377	46,894	-6.9%
Gross profit margin	13.3%	12.8%	-0.5 pts
SG&A	43,007	42,439	-1.3%
Operating income	7,370	4,455	-39.6%
Operating margin	14.6%	9.5%	-5.1 pts
Ordinary income	15,959	12,657	-20.7%
Income before income taxes	16,165	11,825	-26.8%
Net income	9,191	7,841	-14.7%

Non-Consolidated Net Sales by Business Category

(Millions of yen)

Business Category	1Q FY2007	1Q FY2008	Change	% of Total
Newspapers	43,308	36,740	-15.2%	10.0%
Magazines	16,121	15,247	-5.4%	4.2%
Radio	5,905	5,487	-7.1%	1.5%
Television	185,505	182,312	-1.7%	49.8%
Time	81,503	83,673	+2.7%	22.9%
Spot	104,001	98,638	-5.2%	27.0%
Interactive Media	5,271	6,103	+15.8%	1.7%
OOH Media	12,592	12,739	+1.2%	3.5%
Creative	48,434	44,887	-7.3%	12.3%
Marketing/Promotion	36,969	38,277	+3.5%	10.5%
Content Services	20,278	17,690	-12.8%	4.8%
Others	4,863	6,399	+31.6%	1.7%
Total	379,250	365,886	-3.5%	100.0%

Non-Consolidated Net Sales by Industry



*Top ten industries

Non-Consolidated Operating Income

(Millions of yen)

	1Q FY2007	1Q FY2008	Change
Gross profit	50,377	46,894	-6.9%
Personnel expenses	25,691	25,247	-1.7%
Salaries	21,406	20,443	-4.5%
Others	4,284	4,803	+12.1%
Operating expenses	14,118	14,140	+0.2%
Depreciation and amortization	3,197	3,050	-4.6%
SG&A	43,007	42,439	-1.3%
Operating income	7,370	4,455	-39.6%
Operating margin	14.6%	9.5%	-5.1 pts

Non-Consolidated Ordinary Income and Net Income

(Millions of yen)

	1Q FY2007	1Q FY2008	Change
Operating income	7,370	4,455	-39.6%
Other income	9,237	9,673	+4.7%
Other expenses	647	1,471	+127.1%
Net other income	8,589	8,201	-4.5%
Ordinary income	15,959	12,657	-20.7%
Extraordinary income	492	151	-69.3%
Extraordinary loss	286	983	+242.9%
Net extraordinary income (loss)	205	(831)	—
Income before income taxes	16,165	11,825	-26.8%
Income taxes	6,974	3,983	-42.9%
Net income	9,191	7,841	-14.7%

Forecast of Financial Results

Amendment to Forecast of Consolidated Financial Results

First half ended September 30, 2008
(April 1, 2008 through September 30, 2008)

	Previous	Amended	Against initial forecast	YoY Change
Net sales	1,002,400	980,400	-2.2%	-1.7%
Operating income	23,800	21,700	-8.8%	-7.4%
Ordinary income	29,000	27,000	-6.9%	-10.5%
Net income	13,700	12,700	-7.3%	-12.1%

Full of FY2008 (April 1, 2008 through March 31, 2009)

	Previous	Amended	Against initial forecast	YoY Change
Net sales	2,083,000	2,061,000	-1.1%	+0.2%
Operating income	58,400	56,300	-3.6%	+0.3%
Ordinary income	68,700	66,700	-2.9%	-1.9%
Net income	35,500	34,500	-2.8%	-4.8%

Amendment to Forecast of non-consolidated Financial Results

First half ended September 30, 2008 (April 1, 2008 through September 30, 2008)

	Previous	Amended	Against initial forecast	YoY Change
Net sales	774,624	753,809	-2.7%	-2.9%
Operating income	15,592	13,963	-10.4%	-18.2%
Ordinary income	24,881	22,976	-7.7%	-15.9%
Net income	13,760	11,623	-15.5%	-17.5%

Full of FY2008 (April 1, 2008 through March 31, 2009)

	Previous	Amended	Against initial forecast	YoY Change
Net sales	1,600,300	1,579,485	-1.3%	-0.4%
Operating income	34,814	33,185	-4.7%	-8.5%
Ordinary income	46,411	44,506	-4.1%	-6.0%
Net income	25,234	23,097	-8.5%	-5.9%