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**FOR IMMEDIATE RELEASE**

**November 15, 2002**

## Dentsu Reports Interim Financial Results For Fiscal Year Ending March 31, 2003

— Consolidated Billings (Net Sales) of ¥835.8 Billion, Ordinary  
Income of ¥23.4 Billion and Net Income of ¥29.0 Billion  
for the April–September Interim Period —

Dentsu Inc. (President: Tateo Mataka; Head Office: Tokyo; Capital: ¥58,967.1 million) held a meeting of the Board of Directors on November 15 at its Tokyo Tsukiji Office to close the accounts for the half-year period for April 1, 2002 through September 30, 2002 of its fiscal year ending March 31, 2003 and finalize the consolidated and non-consolidated interim financial results for that period.

The Japanese economy during the interim term under review was subjected to a number of difficult challenges, including the possibility of a simultaneous worldwide recession triggered by the dwindling U.S. economy, and the deflation-induced recession and uncertainty over financial institutions on the domestic front. Together with the floundering stock market, these elements prevented the economy from taking a full path to recovery. Although buoyed by positive contributions from the FIFA World Cup 2002<sup>®</sup> (May 31 through June 30), the advertising industry had to maneuver through a difficult environment impacted severely by the underlying economic malaise, which prompted advertisers to shrink their advertising budgets.

Despite this operating environment, Dentsu posted consolidated billings of

¥835.8 billion, a decline of 8.1% year on year; gross profit of ¥140.2 billion, a 4.0% decline; operating income of ¥23.6 billion, a 23.4% decline; ordinary income of ¥23.4 billion, a 24.9% decline; and net income of ¥29.0 billion, an 82.5% increase, as a result of continued, active sales efforts and efficient operations. Non-consolidated interim results for Dentsu showed billings of ¥681.7 billion, a year-on-year decline of 6.6%; gross profit of ¥101.6 billion, a 3.4% decline; operating income of ¥21.3 billion, a 7.8% decline; ordinary income of ¥22.1 billion, an 11.0% decline; and net income of ¥28.0 billion, a 98.3% increase for the period.

Non-consolidated results achieved by Dentsu affect the consolidated performance to a substantial degree, as a large percentage of the consolidated results are derived from it. The jump in consolidated interim net income is attributable to extraordinary profit amounting to ¥35.6 billion, which was derived from the sale of shares in conjunction with the acquisition of Publicis Groupe S.A. shares.

The Japanese economy is expected to remain weak, and advertising expenditures are unlikely to grow significantly. In addition, there is a one-time charge in connection with the transfer of the Head Office upon the completion of the new building in Shiodome, Tokyo, in November. Under these circumstances, the Dentsu Group plans to increase its performance through enhanced sales efforts, business expansion and cost control measures.

For these reasons, Dentsu forecasts that consolidated income for the full fiscal year will slightly exceed the revised forecast it announced on September 26, 2002. Dentsu now expects to post consolidated billings of ¥1,690.3 billion, a decline of 5.5% year on year; ordinary income of ¥43.8 billion, a 26.6% decline; and net income of ¥29.0 billion, a 5.8% increase. On a non-consolidated basis, Dentsu also expects its full fiscal-year results will surpass the September 26 revisions, forecasting ¥1,335.5 billion in billings, a 6.8% decline year on year; ¥36.2 billion in ordinary income, a 21.5% decline; and ¥26.2 billion in net income, a 13.7% increase, in the fiscal year ending March 31, 2003.

## FIRST-HALF FISCAL YEAR 2002 RESULTS (Consolidated)

April 1, 2002–September 30, 2002

Dentsu Inc.

• **Term Results:** Amounts are indicated with figures below ¥1 million omitted.

### (1) Balance-Sheet Summary

Item	Sept. 30, 2002	Consolidated results/ non-consolidated results (times)	Mar. 31, 2002	Rate of increase ( indicates decrease)
(Millions of yen; percent)				
<b>Assets</b>				
Current assets	529,531	1.23	586,685	9.7
Non-current assets	613,335	1.04	510,506	20.1
Total assets	1,142,866	1.12	1,097,192	4.2
<b>Liabilities</b>				
Current liabilities	429,342	1.08	448,761	4.3
Non-current liabilities	232,581	1.10	184,381	26.1
Total liabilities	661,923	1.08	633,142	4.5
<b>Minority interest</b>	23,319	—	22,877	1.9
<b>Stockholders' equity</b>				
Common stock	58,967	1.00	58,967	—
Additional paid-in capital	55,358	1.00	55,358	—
Retained earnings	335,414	1.18	306,623	9.4
Revaluation reserve for land	4,642	1.00	4,642	—
Unrealized gain on securities	5,023	1.03	9,985	49.7
Foreign currency translation adjustments	562	—	6,812	—
Treasury stock	1,219	1.00	1,218	0.2
Total stockholders' equity	457,623	1.12	441,171	3.7
Total liabilities, minority interest and stockholders' equity	1,142,866	1.12	1,097,192	4.2

## (2) Income Statement Summary

(Millions of yen; percent)

Item	First-Half FY 2002	Consolidated results/ non-consolidated results (times)	First-Half FY 2001	Rate of increase ( indicates decrease)
Net sales (billings)	835,803	1.23	909,055	8.1
Gross profit	140,259	1.38	146,068	4.0
Operating income	23,677	1.11	30,895	23.4
Non-operating revenues	1,967	0.80	3,215	38.8
Non-operating expenses	2,160	1.29	2,830	23.7
Ordinary income	23,484	1.06	31,280	24.9
Extraordinary profit	36,770	1.03	232	—
Extraordinary loss	6,154	0.74	965	—
Income before income taxes	54,099	1.09	30,547	77.1
Net income	29,037	1.04	15,913	82.5

## (3) Breakdown of First-Half FY 2002 Consolidated Cash Flow Statement Summary

(Millions of yen; indicates decrease)

	First-Half FY 2002	First-Half FY 2001
Cash flows provided by operating activities	28,280	963
Cash flows used in investing activities	69,267	30,540
Cash flows provided by financing activities	45,772	1,577
Effect of exchange rate changes on cash and cash equivalents	1,011	406
Net increase (decrease) in cash and cash equivalents	3,774	27,592
Cash and cash equivalents at beginning of year	67,690	93,791
Increase in cash and cash equivalents from newly consolidated affiliates	2,233	2,360
Increase in cash and cash equivalents by merger and acquisition	—	331
Cash and cash equivalents at end of year	73,698	68,890

## FIRST-HALF FISCAL YEAR 2002 RESULTS (Non-Consolidated)

April 1, 2002–September 30, 2002

Dentsu Inc.

- **Term Results:** Amounts are indicated with figures below ¥1 million omitted.

### (1) Balance-Sheet Summary

Item	Sept. 30, 2002	Mar. 31, 2002	(Millions of yen; percent)
			Rate of increase ( ( indicates decrease)
<b>Assets</b>			
Current assets	429,745	480,486	10.6
Non-current assets	589,334	481,684	22.3
Total assets	1,019,080	962,170	5.9
<b>Liabilities</b>			
Current liabilities	398,769	413,283	3.5
Non-current liabilities	212,339	163,027	30.2
Total liabilities	611,108	576,310	6.0
<b>Stockholders' equity</b>			
Common stock	58,967	58,967	—
Additional paid-in capital	55,358	55,358	—
Retained earnings	285,351	258,215	10.5
Revaluation reserve for land	4,642	4,642	—
Unrealized gain on securities	4,872	9,894	50.8
Treasury stock	1,219	1,218	0.2
Total stockholders' equity	407,971	385,860	5.7
Total liabilities and stockholders' equity	1,019,080	962,170	5.9

## (2) Income Statement Summary

(Millions of yen; percent)

Item	First-Half FY 2002	First-Half FY 2001	Rate of increase ( indicates decrease )
Net sales (billings)	681,715	729,872	6.6
Gross profit	101,653	105,282	3.4
Operating income	21,360	23,164	7.8
Non-operating revenues	2,469	4,259	42.0
Non-operating expenses	1,674	2,533	33.9
Ordinary income	22,155	24,890	11.0
Extraordinary profit	35,667	58	—
Extraordinary loss	8,335	563	—
Income before income taxes	49,487	24,385	102.9
Net income	28,003	14,118	98.3

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