

NEWS RELEASE**FOR IMMEDIATE RELEASE****March 30, 2006****Dentsu Survey Estimates the Economic Impact on Consumption Resulting from the Retirement of Baby Boomers**

**— *Direct consumer spending to be bolstered by 7,776.2 billion yen;
Total economic impact estimated at 15,323.3 billion yen* —**

Dentsu Inc. (President: Tateo Mataka; Head Office: Tokyo; Capital: 58,967.1 million yen) announced today the results of a survey conducted by its Center for Consumer Studies (CCS) regarding the impact on consumption resulting from the retirement of Japan's baby boomer generation born between 1947 and 1951.

The mass retirement of baby boomers will start in 2007, and will inevitably have a significant impact on consumption in Japan. Dentsu's survey shows that consumption per household of comparatively expensive items, such as real estate, travel and financial products, will be particularly strong.

Along with the boost to consumer spending, there is also expected to be widespread economic impact in the form of greater B-to-B economic activity, such as in production, distribution and construction.

Based on the results of its survey, the CCS estimated the scale of consumption and economic impact that will be generated as result of the retirement of the baby boomers. Baby boomer spending on preparation for retirement is estimated to provide a boost of approximately 1,177.5 billion yen, and 6,598.7 billion yen after retirement, for a total of 7,776.2 billion yen (Table 1). Of this amount, the boost in consumption related to real estate is calculated at 4,092.4 billion yen, or 53% of the overall total.

Domestic and overseas travel prompted by retirement is estimated to account for 1,116.0 billion yen, purchase of financial products 675.5 billion yen, and purchases of expensive items such as cars or motorcycles 404.0 billion yen.

Furthermore, the boost provided by this direct consumer spending is forecast to ultimately stimulate an economic impact nearly double that amount, for a total of 15,323.3 billion yen over the medium term through the wide range of sourcing, distribution and other activity it generates (Table 2).

Consumer spending accounts for approximately 60% of Japan's GDP, a total of 300 trillion yen annually. Considering that the retirement of baby boomers will continue over a five-year period, this is equivalent

to an increase of about 0.6% of the total GDP during this period. This is expected to create significant business opportunities for industries that will be given a lift by consumption triggered by retirement, particularly in the areas of housing and real estate.

Definition of the “Baby Boom” Generation Used for this Survey

Regularly employed men born between 1947 and 1951.

The number of baby boomer retirees, according to Population Estimates and the 2002 Employment Status Survey (both prepared by the Ministry of Internal Affairs and Communications) is estimated to be approximately 3.32 million persons.

Dentsu Retirement Market Survey Outline

- Survey subjects: 200 men of the baby boomer generation, and 200 women with baby boomer husbands, residing in Tokyo and three neighboring prefectures (Chiba, Kanagawa and Saitama).
- Survey method: Internet survey
- Survey period: February 2006
- Main survey areas: Consumption triggered by retirement, projected cost, whether such spending was due merely to retirement, etc.

Table 1: Estimated Impact on Consumer Spending Resulting from the Retirement of Baby Boomers

	Amount (billion yen)	Share of total (%)
Preparation for Retirement	1,177.5	15.1
Interests and activities (sports)	237.8	3.1
Interests and activities (non-sports)	444.8	5.7
Study/Learning	269.9	3.5
Dining out to establish social networks	76.2	1.0
Purchase items needed after retirement	82.9	1.1
Other	66.0	0.8
After Retirement	6,598.7	84.9
Travel	1,116.0	14.4
<i>Overseas travel</i>	980.4	12.6
<i>Domestic travel</i>	135.7	1.7
Dining out	66.7	0.9
Study/Learning	244.0	3.1
<i>University/Graduate school study</i>	72.5	0.9
<i>English or other foreign language lessons</i>	20.2	0.3
<i>Acquiring certifications</i>	18.6	0.2
<i>Overseas study</i>	103.7	1.3
<i>Other</i>	29.2	0.4
Purchase of expensive items	404.0	5.2
<i>Purchase of computers</i>	4.9	0.1
<i>Purchase of major appliances or AV equipment</i>	3.7	0.0
<i>Purchase of expensive jewelry, watches or brand-name goods</i>	8.5	0.1
<i>Sporting goods, musical instruments or other items for interests and activities</i>	2.3	0.0
<i>New cars or motorcycles</i>	323.0	4.2
<i>Other</i>	61.7	0.8
Purchase of financial products	675.5	8.7
<i>Stocks, mutual funds or other investments</i>	596.3	7.7
<i>Purchase of club memberships</i>	79.2	1.0
Real estate	4,092.4	52.6
<i>New house or remodeling</i>	1,337.8	17.2
<i>Purchase of vacation home</i>	2,742.2	35.3
<i>Other</i>	12.4	0.2
Total	7,776.2	100.0

Table 2: Estimated Economic Impact According to Industry (Value of Induced Production)

	Amount (billion yen)	Share of total (%)
Primary industry	165.0	1.1
Secondary industry	8,612.3	56.2
Mining and manufacturing	4,413.2	28.8
Construction	4,199.1	27.4
Tertiary industry	6,546.0	42.7
Commerce	1,247.6	8.1
Finance, insurance and real estate	1,051.7	6.9
Transportation and communications	1,138.4	7.4
Services	2,700.4	17.6
Other	408.0	2.7
Total	15,323.3	100.0

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