

NEWS RELEASE**FOR IMMEDIATE RELEASE****August 21, 2006****Summary of Financial Results
for the First Quarter Ended June 30, 2006***— Consolidated and Non-Consolidated Results —*

Name of Company Listed: Dentsu Inc.

Code Number: 4324

Stock Exchange Listing: First Section of the Tokyo Stock Exchange

URL: <http://www.dentsu.com/>

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Summary of Consolidated Financial Results for the First Quarter Ended June 30, 2006

1. Summary of Financial Results for the First Quarter Ended June 30, 2006 (from April 1, 2006 to June 30, 2006)

Consolidated Financial Results

(Millions of Yen: Rounded down to the nearest one million yen)

	Three months ended June 30, 2006	Change (%)	Three months ended June 30, 2005	Change (%)	(Reference) Fiscal year ended March 31, 2006	Change (%)
Net sales	484,798	+ 6.4	455,470	+ 0.6	1,963,296	+ 2.8
Gross Profit	79,673	+ 8.0	73,794	+ 2.5	325,896	+ 2.5
Operating income	11,129	+ 23.1	9,043	- 11.2	58,776	+ 2.0

Note: Percentages indicate rate of increase or decrease compared with the same period of the previous fiscal year.

Qualitative Information on Progress of Consolidated Financial Results

- For the first quarter ended June 30, 2006, although there were causes for concern, such as oil prices hovering at a high level, an increase in the cost of raw materials and anticipation of high interest rates due to the lifting of its quantitative easing policy by the Bank of Japan, capital expenditures increased and the employment and income environment improved, reflecting improvement in the corporate sector, and the Japanese economy sustained a general recovery trend.
- Under these circumstances, the Dentsu Group focused on providing effective and efficient "one-stop solutions" for clients and pursued aggressive sales efforts and business activities. Furthermore, Dentsu enhanced its financial results through significant contribution to the success of 2006 FIFA World Cup™ (held from June 9, 2006 to July 9, 2006).
- As a result, for the first quarter Dentsu recorded non-consolidated net sales of 395,765 million yen, an increase of 5.1% year on year, and the highest amount ever recorded. This year marks the third year in a row that Dentsu has posted a first quarter increase.
- The Dentsu Group as a whole maintained stable results, with contributions from newly consolidated companies and leadership from its interactive business activities and others, posting consolidated billings (net sales) for the first quarter of 484,798 million yen, an increase of 6.4% year on year and gross profit of 79,673 million yen, an increase of 8.0% year on year.
- Although selling, general and administrative expenses increased 5.9% year on year due to factors such as an increase in operating expenses, this was within the range predicted at the beginning of the fiscal year. As a result, operating income of 11,129 million yen was posted, a substantial increase of 23.1% year on year yielding an operating margin (operating income/gross profit) of 14.0%, up 1.7 percentage points from the 12.3% recorded in the same period of the previous fiscal year.

- Since one of its affiliated companies accounted for by the equity method does not compile its accounts on a quarterly basis, Dentsu has restricted its disclosure of consolidated financial results to statement of income items through operating income.
- Changes in consolidated subsidiaries for the first quarter comprise three new consolidations and no reductions, and the number of consolidated subsidiaries as of June 30, 2006 was 114.

2. Segment Information

Business Segments

First Quarter Ended June 30, 2006 (from April 1, 2006 to June 30, 2006)

	(Millions of Yen)				
	Advertising	Other business	Total	Eliminations	Total (consolidated)
Net sales	466,265	24,923	491,189	-6,390	484,798
Cost of sales and SG&A	454,042	26,882	480,925	-7,256	473,669
Operating income (loss)	12,222	(1,958)	10,263	866	11,129

First Quarter Ended June 30, 2005 (from April 1, 2005 to June 30, 2005)

	(Millions of Yen)				
	Advertising	Other business	Total	Eliminations	Total (consolidated)
Net sales	437,053	24,515	461,569	-6,099	455,470
Cost of sales and SG&A	427,488	26,036	453,525	-7,098	446,426
Operating income (loss)	9,565	(1,520)	8,044	999	9,043

Geographic Segments

First Quarter Ended June 30, 2006 (from April 1, 2006 to June 30, 2006)

	(Millions of Yen)				
	Japan	Other countries	Total	Eliminations	Total (consolidated)
Net sales	456,460	30,082	486,543	-1,744	484,798
Cost of sales and SG&A	444,480	30,897	475,378	-1,708	473,669
Operating income (loss)	11,980	(815)	11,164	-35	11,129

First Quarter Ended June 30, 2005 (from April 1, 2005 to June 30, 2005)

	(Millions of Yen)				
	Japan	Other countries	Total	Eliminations	Total (consolidated)
Net sales	432,361	25,114	457,476	-2,006	455,470
Cost of sales and SG&A	423,319	25,149	448,469	-2,043	446,426
Operating income (loss)	9,042	(35)	9,006	37	9,043

(Reference) Outlook for Consolidated Financial Results for the Fiscal Year Ending March 31, 2007 (from April 1, 2006 to March 31, 2007)

	(Millions of Yen)	
	First Half	Full fiscal year
Net sales	1,027,773	2,081,364
Ordinary income	30,897	68,875
Net income	14,641	35,097

*Outlook for net income per share (full fiscal year): 12,804.40 Yen

Note: The outlook for financial results has been compiled based on certain conditions which Dentsu deems reasonable at this time, and actual financial results may differ due to various factors.

Qualitative Information on Outlook for Financial Results

No revision has been made to the outlook for consolidated financial results announced on May 15, 2006.

In the first quarter ended June 30, 2006, the growth rate of selling, general and administrative expenses was low in comparison to the growth rate for gross profit, and operating income consequently exceeded Dentsu's outlook at the beginning of the fiscal year. Dentsu, however, has decided to keep its outlook for consolidated financial results for the first half ending September 30, 2006 and for the fiscal year ending March 31, 2007 unchanged, due to reasons such as uncertainties regarding the advertising market for the second quarter ending September 30, 2006.

Summary of Non-Consolidated Financial Results for the First Quarter Ended June 30, 2006

1. Matters Pertaining to Preparation of Financial Results for the First Quarter Ended June 30, 2006

- a. Application/Absence under the accounting policies of simplified methods: Applied
In calculating income tax expenses, a simplified accounting method is applied.
- b. Any changes in accounting policies from previous accounting year: None

2. Summary of Financial Results for the First Quarter Ended June 30, 2006 (from April 1, 2006 to June 30, 2006)

(1) Non-Consolidated Financial Results

(Millions of Yen: Rounded down to the nearest one million yen)

	Three months ended June 30, 2006	Change (%)	Three months ended June 30, 2005	Change (%)	(Reference) Fiscal year ended March 31, 2006	Change (%)
Net sales	395,765	+ 5.1	376,521	+ 1.4	1,577,131	+ 3.0
Operating income	11,430	+ 39.8	8,174	- 15.7	39,214	- 6.0
Ordinary income	17,373	+ 38.1	12,580	- 10.1	46,218	- 6.2
Net income	10,425	+ 40.8	7,406	- 3.4	21,537	- 18.2

Note: Percentages indicate rate of increase or decrease compared with the same period of the previous fiscal year.

(Yen)

	Three months ended June 30, 2006	Three months ended June 30, 2005	(Reference) Fiscal year ended March 31, 2006
Net income per share			
Basic	3,801.24	2,748.02	7,901.97
Diluted	3,796.33	2,746.15	7,892.39

(Reference) Increase or Decrease in Net Sales by Industry for the First Quarter Ended June 30, 2006 for Top Ten Industries. (non-consolidated)

Industries showing increase

Beverages/Cigarettes (+7.8% year on year), Information/Communications (+15.2%), Finance/Insurance (+7.3%), Automobiles/Related Products (+12.3%), Home Electric Appliances/AV Equipment (+23.9%), Foodstuffs (+1.5%), Distribution/Retailing (+6.5%), Transportation/Leisure (+3.5%)

Industries showing decrease

Cosmetics/Toiletries (-4.5%), Pharmaceuticals/Medical Supplies (-3.8%)

(Reference) Non-Consolidated Net Sales by Business Category for the First Quarter Ended
June 30, 2006

Category	(Millions of Yen)	
	Net sales	Change(%)
Newspapers	47,927	+ 6.4
Magazines	17,880	+ 6.0
Radio	6,394	+ 0.0
Television	199,053	+ 1.7
Time	89,114	+ 7.5
Spot	109,939	- 2.5
Interactive Media	6,134	+ 56.9
OOH Media	9,988	- 0.4
Creative	43,668	+ 13.1
Marketing/Promotion	37,022	+ 8.8
Content Services	21,754	+ 7.6
Others	5,941	+ 2.5
Total	395,765	+ 5.1

Note 1: The total amount may not equal the sum of subtotals, as sales figures have had amounts of less than one million yen truncated.

Note 2: Television includes both time (program sponsorship) and spot advertising.

Note 3: OOH (Out Of Home) Media consists of transit advertising, outdoor advertising, etc.

Note 4: Interactive Media consists of Internet and mobile-related media.

Note 5: Content Services includes sports marketing, entertainment business and other content.

Note 6: Others includes satellite and other media, media planning and others.

Note 7: Percentages indicate rate of increase or decrease compared with the same period of the previous fiscal year.

(2) Non-Consolidated Financial Position

	As of June 30, 2006	As of June 30, 2005	(Reference) As of March 31, 2006
Total assets (Millions of Yen)	1,103,997	1,090,153	1,102,001
Net assets (Millions of Yen)	477,706	451,024	464,524
Shareholders' equity ratio (%)	43.3	41.4	42.2
Net assets per share (Yen)	174,280.36	167,333.95	171,913.14

(Reference) Outlook for Non-Consolidated Financial Results for the Fiscal Year Ending
March 31, 2007 (from April 1, 2006 to March 31, 2007)

	(Millions of Yen)	
	First Half	Full fiscal year
Net sales	785,621	1,610,000
Ordinary income	22,734	46,854
Net income	13,659	28,131

*Outlook for net income per share (full fiscal year): 10,263.13 Yen

Note: The outlook for financial results has been compiled based on certain conditions which Dentsu deems reasonable at this time, and actual financial results may differ due to various factors.

Qualitative Information on Outlook for Financial Results

No revision has been made to the outlook for non-consolidated financial results announced on May 15, 2006.

In the first quarter ended June 30, 2006, the growth rate of selling, general and administrative expenses was low in comparison to the growth rate for gross profit, and operating income consequently exceeded Dentsu's outlook at the beginning of the fiscal year. Dentsu, however, has decided to keep its outlook for non-consolidated financial results for the first half ending September 30, 2006 and for the fiscal year ending March 31, 2007 unchanged, due to reasons such as uncertainties regarding the advertising market for the second quarter ending September 30, 2006.

Summary of Non-Consolidated Balance Sheets

	(Millions of Yen)		
	As of June 30, 2006	As of June 30, 2005	(Reference) As of March 31, 2006
ASSETS			
Current assets	543,872	537,443	554,203
Fixed assets	560,124	552,710	547,798
Total assets	1,103,997	1,090,153	1,102,001
LIABILITIES			
Current liabilities	506,432	479,061	515,627
Long-term liabilities	119,857	160,067	121,849
Total liabilities	626,290	639,129	637,477
STOCKHOLDERS' EQUITY			
Total stockholders' equity	—	451,024	464,524
Total liabilities and shareholders' equity	—	1,090,153	1,102,001
NET ASSETS			
Total net assets	477,706		
Total liabilities and net assets	1,103,997		

Summary of Non-Consolidated Statement of Income

	(Millions of Yen)		
	Three months ended June 30, 2006	Three months ended June 30, 2005	(Reference) Fiscal year ended March 31, 2006
Net sales	395,765	376,521	1,577,131
Cost of sales	341,091	325,557	1,362,987
Gross profit	54,673	50,963	214,144
Selling, general and administrative expenses	43,243	42,788	174,929
Operating income	11,430	8,174	39,214
Other income	6,557	4,985	11,254
Other expenses	613	579	4,249
Ordinary income	17,373	12,580	46,218
Extraordinary income	940	155	12,295
Extraordinary loss	948	412	13,437
Income before income taxes	17,365	12,323	45,076
Income tax expenses	6,939	4,916	23,539
Net income	10,425	7,406	21,537