

NEWS RELEASE**FOR IMMEDIATE RELEASE****May 11, 2007**

Dentsu Reports Financial Results for Fiscal Year Ended March 31, 2007

-Consolidated Billings (Net Sales) of 2,093.9 Billion Yen, Operating Income of 62.8 Billion Yen

Ordinary Income of 70.0 Billion Yen -

Dentsu Inc. (President & CEO: Tateo Mataki; Head Office: Tokyo; Capital: 58,967.1 million yen) held a meeting of its Board of Directors on May 11, 2007 at its Head Office in Shiodome, Tokyo and finalized its consolidated and non-consolidated financial results for the fiscal year ended March 31, 2007 (from April 1, 2006 through March 31, 2007).

During the fiscal year ended March 31, 2007, the Japanese economy continued to show moderate growth based principally on private sector demand, as the robust corporate sector extended its impact into the household sector through improvements in the employment and income environment, and private consumption remained stable.

In the advertising industry, Dentsu estimates that advertising expenditures in Japan for the 2006 calendar year amounted to 5,995.4 billion yen (+0.6% year-on-year), the third consecutive year-on-year increase, although growth slowed. Expenditures in the four major media fell below those in the previous year for the second consecutive year (-2.0%), while Internet advertising expenditures, continuing their substantial increase, were up by 29.3% year-on-year.

In this business environment, with the aim of becoming a true "Partner in Creating Value" for clients, media and content-related companies and consumers, the Dentsu Group pursued a wide range of business activities in order to maintain steady growth in the domestic advertising market, develop advertising-related markets and expand its business in content-related and overseas markets. Using the 2006 FIFA World CupTM (June), 15th Asian Games Doha 2006 (December) and others as springboards, the Dentsu Group made efforts to expand its business, which contributed to its business results.

As a result, the Dentsu Group for the fiscal year ended March 31, 2007 posted consolidated billings (net sales) of 2,093,976 million yen (+6.7% year-on-year), exceeding 2 trillion yen

for the first time; gross profit of 348,391 million yen (+6.9%); operating income of 62,834 million yen (+6.9%); and ordinary income of 70,044 million yen (+8.0%). However, net income for the fiscal year ended March 31, 2007 was 30,688 million yen (-1.0%) due to such factors as the rebound from gain on contribution of stock holding trust for retirement benefit plan being accounted for as extraordinary income in the previous fiscal year. Dentsu posted non-consolidated billings (net sales) of 1,602,062 million yen (+1.6% year-on-year); gross profit of 216,739 million yen (+1.2%); operating income of 38,496 million yen (-1.8%); ordinary income of 47,746 million yen (+3.3%); and net income of 22,243 million yen (+3.3%).

According to the economic outlook for the fiscal year ending March 31, 2008 reported by the Cabinet Office on January 25, 2007, it is anticipated that the Japanese economy will continue to improve both in the corporate sector and in the household sector, and will realize autonomous and continuous economic growth under stable commodity prices, with real GDP estimated to increase by approximately 2.0%, and nominal GDP estimated to increase by approximately 2.2% year-on-year. Meanwhile, according to the Japan Center for Economic Research, advertising expenditures for the fiscal year ending March 31, 2008 are estimated to increase by 1.8% year-on-year (as of March, 2007).

For the fiscal year ending March 31, 2008, such factors favorable to the advertising industry as the IAAF World Championships in Athletics Osaka 2007 and the Tokyo Motor Show are expected, and in such an environment, the Dentsu Group will seek to expand its business in the four strategically defined markets - the domestic advertising market which is its core business field, advertising-related markets, content-related markets and overseas markets.

For the foregoing reasons, Dentsu forecasts that its consolidated results for the fiscal year ending March 31, 2008 will be billings (net sales) of 2,107,073 million yen (+0.6% year-on-year); operating income of 63,842 million yen (+1.6%); ordinary income of 73,113 million yen (+4.4%); and net income of 37,004 million yen (+20.6%). On a non-consolidated basis, Dentsu forecasts that its results for the fiscal year ending March 31, 2008 will be billings (net sales) of 1,630,012 million yen (+1.7% year-on-year); operating income of 39,041 million yen (+1.4%); ordinary income of 50,600 million yen (+6.0%); and net income of 27,066 million yen (+21.7%).

Note: Cautionary statement with respect to forward-looking statements

This forecast for business results has been made by Dentsu based on information currently available to it, and contains potential risks and uncertainties. Therefore, actual business results may differ from the forecast due to changes in various factors.

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Consolidated Financial Results for Fiscal Year Ended March 31, 2007

1. Summary of Consolidated Balance Sheets

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

	As of March 31, 2007	Consolidated results divided by non-consolidated results	As of March 31, 2006	Change (%)
ASSETS				
Current assets	663,887	1.21	708,414	- 6.3
Fixed assets	604,162	1.03	569,308	+ 6.1
Total assets	1,268,049	1.12	1,277,722	- 0.8
LIABILITIES				
Current liabilities	545,906	1.05	590,140	- 7.5
Long-term liabilities	145,097	1.12	138,904	+ 4.5
Total liabilities	691,003	1.07	729,045	- 5.2
MINORITY INTERESTS AND SHAREHOLDERS' EQUITY				
Minority interests	-	-	27,496	-
Shareholders' equity:				
Common stock	-	-	58,967	-
Capital surplus	-	-	55,678	-
Retained earnings	-	-	410,812	-
Land revaluation surplus	-	-	(6,370)	-
Unrealized gain on available-for-sale securities	-	-	20,303	-
Foreign currency translation adjustments	-	-	(3,737)	-
Treasury stock	-	-	(14,472)	-
Total shareholders' equity	-	-	521,180	-
Total liabilities, minority interests and shareholders' equity	-	-	1,277,722	-
EQUITY				
Shareholders' equity	546,694	1.14	-	-
Valuation and translation adjustments, etc.	8,065	0.92	-	-
Stock acquisition rights	0	-	-	-
Minority interests	22,285	-	-	-
Total equity	577,046	1.18	-	-
Total liabilities and equity	1,268,049	1.12	-	-

2. Summary of Consolidated Statements of Income

(Millions of Yen)

	Fiscal year ended March 31, 2007	Consolidated results divided by non-consolidated results	Fiscal year ended March 31, 2006	Change (%)
Net sales	2,093,976	1.31	1,963,296	+ 6.7
Gross profit	348,391	1.61	325,896	+ 6.9
Operating income	62,834	1.63	58,776	+ 6.9
Other income	10,401	0.90	9,352	+ 11.2
Other expenses	3,192	1.35	3,291	- 3.0
Ordinary income	70,044	1.47	64,837	+ 8.0
Extraordinary income	2,247	1.13	13,080	- 82.8
Extraordinary loss	11,579	1.15	12,814	- 9.6
Income before income taxes and minority interests	60,712	1.53	65,103	- 6.7
Net income	30,688	1.38	31,002	- 1.0

3. Summary of Consolidated Statements of Cash Flows

(Millions of Yen)

	Fiscal year ended March 31, 2007	Fiscal year ended March 31, 2006
Net cash provided by operating activities	41,962	81,058
Net cash used in investing activities	(52,003)	(31,238)
Net cash used in financing activities	(9,779)	(42,668)
Foreign currency translation adjustments on cash and cash equivalents	1,849	1,101
Net increase (decrease) in cash and cash equivalents	(17,971)	8,253
Cash and cash equivalents, beginning of year	78,412	69,901
Cash and cash equivalents of newly consolidated subsidiaries	1,574	55
Cash and cash equivalents of subsidiaries excluded from consolidation	—	(67)
Cash and cash equivalents increased by merger	—	268
Cash and cash equivalents, end of year	62,015	78,412

Non-Consolidated Financial Results for Fiscal Year Ended March 31, 2007

1. Summary of Non-Consolidated Balance Sheets

(Millions of Yen: Rounded down to the nearest one million yen)			
	As of March 31, 2007	As of March 31, 2006	Change (%)
ASSETS			
Current assets	549,959	554,203	- 0.8
Fixed assets	585,846	547,798	+ 6.9
Total assets	1,135,805	1,102,001	+ 3.1
LIABILITIES			
Current liabilities	518,486	515,627	+ 0.6
Long-term liabilities	129,973	121,849	+ 6.7
Total liabilities	648,459	637,477	+ 1.7
SHAREHOLDERS' EQUITY			
Common stock	-	58,967	-
Capital surplus	-	55,678	-
Retained earnings	-	350,752	-
Land revaluation surplus	-	(6,370)	-
Unrealized gain on available-for-sale securities	-	19,969	-
Treasury stock	-	(14,472)	-
Total shareholders' equity	-	464,524	-
Total liabilities and shareholders' equity	-	1,102,001	-
EQUITY			
Shareholders' equity	478,544	-	-
Valuation and translation adjustments, etc.	8,800	-	-
Total equity	487,345	-	-
Total liabilities and equity	1,135,805	-	-

2. Summary of Non-Consolidated Statements of Income

(Millions of Yen)

	Fiscal year ended March 31, 2007	Fiscal year ended March 31, 2006	Change (%)
Net sales	1,602,062	1,577,131	+ 1.6
Gross profit	216,739	214,144	+ 1.2
Operating income	38,496	39,214	- 1.8
Other income	11,613	11,254	+ 3.2
Other expenses	2,364	4,249	- 44.4
Ordinary income	47,746	46,218	+ 3.3
Extraordinary income	1,997	12,295	- 83.8
Extraordinary loss	10,036	13,437	- 25.3
Income before income taxes	39,707	45,076	- 11.9
Net income	22,243	21,537	+ 3.3