

NEWS RELEASE**FOR IMMEDIATE RELEASE****November 9, 2007**

Dentsu Reports Financial Results for First Half Ended September 30, 2007

*- Consolidated Billings (Net Sales) of 997.3 Billion Yen, Operating Income of 23.4 Billion Yen,
Ordinary Income of 30.1 Billion Yen, Net Income of 14.4 Billion Yen -*

Dentsu Inc. (President & COO: Tatsuyoshi Takashima; Head Office: Tokyo; Capital: 58,967.1 million yen) held a meeting of its Board of Directors on November 9, 2007 at its Tokyo Head Office in Shiodome, Tokyo, and finalized its consolidated and non-consolidated financial results for the first half of the fiscal year ending March 31, 2008 (from April 1, 2007 through September 30, 2007).

The Japanese economy for the first half ended September 30, 2007 continued to show mild growth. However, uncertainty about the future, including sluggish salary growth and the pension issue, has inhibited consumers, resulting in a slowdown in consumption that could have contributed to the sluggish growth in advertising expenditures.

In the advertising industry, as business results differ depending on the client, business field and medium, an aggressive competitive environment continues among advertising companies.

Under these circumstances, despite the Dentsu Group recording positive results for the same period of the previous year which were prompted by events such as the 2006 FIFA World Cup™, and this first half's difficult business environment in which clients were conservative in their advertising spending, for the first half ended September 30, 2007, as a result of leveraging the Group's collective efforts and pursuing aggressive business activities, including involvement in international events such as the 11th IAAF World Championships in Athletics Osaka 2007, the Dentsu Group achieved increased ordinary income and net income year on year, although its consolidated billings (net sales), gross profit and operating income decreased year on year.

For the first half ended September 30, 2007, the Dentsu Group posted consolidated billings (net sales) of 997,360 million yen (-3.6% year on year) and gross profit of 165,875 million yen (-1.3%), operating income of 23,437 million yen (-13.7%) and ordinary income of 30,176 million yen (+3.6%). On the other hand, due to extraordinary losses as a consequence of business downsizing of Geneon Entertainment (USA) Inc. and withdrawal from the business activities of the D&T partnership, which was a joint sales business for broadcasting rights in Japan to foreign movies, etc., and extraordinary income as a consequence of additional

contribution of securities to the employee retirement benefit trust, net income of 14,444 million yen (+11.0%) was posted. Dentsu posted non-consolidated billings (net sales) of 776,641 million yen (-0.7%); gross profit of 106,344 million yen (+2.6%); operating income of 17,060 million yen (-1.8%); ordinary income of 27,332 million yen (+14.6%); and net income of 14,086 million yen (+11.9%).

Although the Japan Center for Economic Research has predicted that advertising expenditures for the fiscal year ending March 31, 2008 will slightly increase by 0.4% year on year, the growth rate of the four major media is estimated to be minimal (as of September, 2007).

Under these circumstances, Dentsu forecasts that its consolidated financial results for the fiscal year ending March 31, 2008 will be billings (net sales) of 2,065,871 million yen (-1.3% year on year); operating income of 59,239 million yen (-5.7%); ordinary income of 71,463 million yen (+2.0%); and net income of 37,615 million yen (+22.6%). On a non-consolidated basis, Dentsu forecasts that its financial results for the fiscal year ending March 31, 2008 will be billings (net sales) of 1,596,890 million yen (-0.3%); operating income of 37,823 million yen (-1.7%); ordinary income of 50,584 million yen (+5.9%); and net income of 27,423 million yen (+23.3%).

From the viewpoint of increasing return of profits to Dentsu's shareholders and as a result of comprehensively considering various factors, Dentsu's dividend for the first half ended September 30, 2007 will be increased by 250 yen per share to 1,750 yen.

Note: Cautionary statement with respect to forward-looking statements

This forecast of 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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Contact: Yukihiro Oguchi
Senior Manager
Corporate Communications Division
Telephone: (813) 6216-8042
E-mail: yukihiro.oguchi@dentsu.co.jp

Consolidated Financial Results for First Half Ended September 30, 2007

1. Summary of Consolidated Balance Sheets

	(Millions of Yen: Rounded down to the nearest one million yen)			
	As of September 30, 2007	Consolidated results divided by non-consolidated results	As of March 31, 2007	Change (%)
ASSETS				
Current assets	610,436	1.23	663,887	− 8.1
Fixed assets	604,179	1.04	604,162	0.0
Total assets	1,214,615	1.13	1,268,049	− 4.2
LIABILITIES				
Current liabilities	496,998	1.06	545,906	− 9.0
Long-term liabilities	133,289	1.13	145,097	− 8.1
Total liabilities	630,287	1.07	691,003	− 8.8
EQUITY				
Shareholders' equity	557,093	1.14	546,694	+ 1.9
Valuation and translation adjustments, etc.	4,642	1.66	8,065	− 42.4
Stock acquisition rights	0	−	0	−
Minority interests	22,592	−	22,285	+ 1.4
Total equity	584,328	1.19	577,046	+ 1.3
Total liabilities and equity	1,214,615	1.13	1,268,049	− 4.2

2. Summary of Consolidated Statements of Income

	(Millions of Yen)			
	First half ended September 30, 2007	Consolidated results divided by non-consolidated results	First half ended September 30, 2006	Change (%)
Net sales	997,360	1.28	1,035,043	- 3.6
Gross profit	165,875	1.56	168,139	- 1.3
Operating income	23,437	1.37	27,144	- 13.7
Other income	8,247	0.71	3,691	+ 123.4
Other expenses	1,508	1.09	1,718	- 12.2
Ordinary income	30,176	1.10	29,117	+ 3.6
Extraordinary income	8,641	1.04	1,589	+ 443.5
Extraordinary loss	12,469	0.87	3,760	+ 231.5
Income before income taxes and minority interests	26,348	1.24	26,946	- 2.2
Net income	14,444	1.03	13,011	+ 11.0

3. Summary of Consolidated Statements of Cash Flows

	(Millions of Yen)	
	First half ended September 30, 2007	First half ended September 30, 2006
Net cash provided by operating activities	14,223	22,469
Net cash provided by (used in) investing activities	140	(14,886)
Net cash used in financing activities	(20,469)	(18,824)
Foreign currency translation adjustments on cash and cash equivalents	1,074	507
Net decrease in cash and cash equivalents	(5,030)	(10,733)
Cash and cash equivalents, beginning of first half	62,015	78,412
Cash and cash equivalents of newly consolidated subsidiaries	663	274
Cash and cash equivalents, end of first half	57,648	67,953

Non-Consolidated Financial Results for First Half Ended September 30, 2007

1. Summary of Non-Consolidated Balance Sheets

	(Millions of Yen: Rounded down to the nearest one million yen)		
	As of September 30, 2007	As of March 31, 2007	Change (%)
ASSETS			
Current assets	495,589	549,959	- 9.9
Fixed assets	583,680	585,846	- 0.4
Total assets	1,079,269	1,135,805	- 5.0
LIABILITIES			
Current liabilities	469,181	518,486	- 9.5
Long-term liabilities	118,304	129,973	- 9.0
Total liabilities	587,486	648,459	- 9.4
EQUITY			
Shareholders' equity	488,978	478,544	+ 2.2
Valuation and translation adjustments, etc.	2,804	8,800	- 68.1
Total equity	491,783	487,345	+ 0.9
Total liabilities and equity	1,079,269	1,135,805	- 5.0

2. *Summary of Non-Consolidated Statements of Income*

(Millions of Yen)

	First half ended September 30, 2007	First half ended September 30, 2006	Change (%)
Net sales	776,641	781,812	- 0.7
Gross profit	106,344	103,649	+ 2.6
Operating income	17,060	17,373	- 1.8
Other income	11,657	7,865	+ 48.2
Other expenses	1,384	1,380	+ 0.3
Ordinary income	27,332	23,857	+ 14.6
Extraordinary income	8,286	1,455	+ 469.2
Extraordinary loss	14,328	4,168	+ 243.7
Income before income taxes	21,291	21,145	+ 0.7
Net income	14,086	12,587	+ 11.9