

NEWS RELEASE**FOR IMMEDIATE RELEASE****August 12, 2008****Summary of Financial Results
for the First Quarter Ended June 30, 2008***— 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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1. Summary of Consolidated Financial Results for the First Quarter Ended June 30, 2008 (from April 1, 2008 to June 30, 2008)

(1) Consolidated Financial Results

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

(Percentages indicate rate of increase or decrease compared with the same quarter of the previous fiscal year.)

	Net sales	Operating income	Ordinary income	Net income
First quarter ended June 30, 2008	465,731 (—)	4,671 (—)	6,437 (—)	1,554 (—)
First quarter ended June 30, 2007	474,928 (-2.0%)	7,537 (-32.3%)	9,524 (—)	2,238 (—)

(Yen)

	Net income per share (Basic)	Net income per share (Diluted)
First quarter ended June 30, 2008	570.35	560.56
First quarter ended June 30, 2007	815.72	810.78

(2) Consolidated Financial Conditions

(Millions of Yen, except percentages and Equity per share figures)

	Total assets	Net Assets	Equity ratio	Equity per share (Yen)
First quarter ended June 30, 2008	1,172,452	552,934	45.2%	202,697.83
Fiscal Year ended March 31, 2008	1,251,912	590,861	45.3%	206,602.50

(Reference)

Equity

First quarter ended June 30, 2008: 530,274 million yen

Fiscal year ended March 31, 2008: 567,293 million yen

2. Dividends

(Yen)

(Record date)	Cash dividend per share				
	First Quarter	Second Quarter	Third Quarter	Year-end	Full-year
Dividend paid for the fiscal year ended March 31, 2008	—	1,750.00	—	1,750.00	3,500.00
Dividend paid for the fiscal year ended March 31, 2009	—	—	—	—	—
Dividend forecast of the fiscal year ending March 31, 2009	—	2,000.00	—	2,000.00	4,000.00

(Note) Amendment to Dividend forecast of the quarter ended June 30, 2008: Not Applicable

3. Forecast of Consolidated Financial Results for the Fiscal Year ending March 31, 2009 (from April 1, 2008 through March 31, 2009)

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

	Net sales (millions of yen)	Operating income (millions of yen)	Ordinary income (millions of yen)	Net income (millions of yen)	Net income per share (yen)
First half ending September 30, 2008	980,400 (—)	21,700 (—)	27,000 (—)	12,700 (—)	4,756.56
Fiscal year ending March 31, 2009	2,061,000 (0.2%)	56,300 (0.3%)	66,700 (-1.9%)	34,500 (-4.8%)	13,372.57

(Note) Amendment to forecast of consolidated financial results for the quarter ended June 30, 2008:
Applicable

4. Others

- (1) Changes in significant consolidated subsidiaries for the first quarter (change in specified subsidiaries involving changes in the scope of consolidation): None
- (2) Application of the simplified accounting policies and specific accounting policies for preparing quarterly consolidated financial statements: Applied
(Note) Please refer to "4. Others" of "Qualitative Information and Financial Statements" (page 8) for details.
- (3) Changes in accounting policies, procedures and methods of presentation for preparing the quarterly consolidated financial statements (changes described in the section of "Changes in significant matters forming the basis of preparing the quarterly consolidated financial statements")
 - a. Changes due to revisions of accounting standards: Applicable
 - b. Changes due to other reasons: Not Applicable
 (Note) Please refer to "4. Others" of "Qualitative Information and Financial Statements" (page 8) for details.
- (4) Number of issued shares (common stock)
 - a. Total number of issued shares at the end of the period (including treasury stock)
 - As of June 30, 2008: 2,781,840 shares
 - As of March 31, 2008: 2,781,840 shares
 - b. Number of shares of treasury stock at the end of the period
 - As of June 30, 2008: 165,754 shares
 - As of March 31, 2008: 36,020 shares
 - c. Average number of shares during the period (cumulative from the beginning of the fiscal year)
 - As of June 30, 2008: 2,725,892 shares
 - As of June 30, 2007: 2,744,676 shares

* Disclaimer regarding appropriate use of forecasts and related points of note

- (1) Since the forecast for financial results has been prepared based on certain conditions which we deem reasonable at this time, actual financial results may be substantially different from the forecast due to various factors. Please refer to "3. Qualitative Information on Forecast for Consolidated Financial Results" of "Qualitative Information and Financial Statements" (page 7) for details.]
- (2) Commencing in the fiscal year ending March 31, 2009, the "Accounting Standard for Quarterly Financial Reporting" (Accounting Standards Board of Japan (ASBJ) Statement No. 12) and the "Guidance on Accounting Standard for Quarterly Financial Reporting" (ASBJ Guidance No. 14) are applied to the consolidated financial results. Also, the quarterly consolidated financial statements are prepared in accordance with the "Regulation for Quarterly Consolidated Financial Statements."

Qualitative Information and Financial Statements

1. Qualitative Information on Consolidated Financial Results

For the first quarter ended June 30, 2008, (from April 1, 2008 to June 30, 2008), sluggish economic conditions continued and private consumption slowed due to price increases for gasoline, groceries and daily necessities. Furthermore, corporate income decreased due to the effect of an increase in the cost of raw materials and a slowing in the U.S. economy, which is causing uncertainty about the future. In the advertising industry as well, clients are remaining cautious with their advertising spending, and therefore difficulties in the business environment will continue.

Under these circumstances, the Dentsu Group focused on providing integrated solutions with cross-media as their core, mobilizing all of the Group's available resources, and as a result, the Dentsu Group posted first quarter consolidated billings (net sales) of 465,731 million yen; gross profit of 73,280 million yen; operating income of 4,671 million yen; ordinary income of 6,437 million yen and net income of 1,554 million yen.

Since Publicis Groupe S.A., an affiliated company accounted for by the equity method, does not compile its accounts on a quarterly basis, the financial results for the first quarter ended June 30, 2008 do not take into account Dentsu's share of net income of Publicis Groupe S.A. Dentsu's share of net income of Publicis Groupe S.A. will be taken into account only in its results for the half year and for the fiscal year.

Financial results by business segment were as follows:

- a. Advertising
For Advertising, net sales of 446,788 million yen and operating income of 4,410 million yen were posted.
- b. Information Services
For Information Services, net sales of 14,290 million yen and operating loss of 899 million were posted. Each of the group companies of Information Services International-Dentsu, Ltd. belong to this segment. The group companies of Information Services International-Dentsu, Ltd. post their net sales upon completion of relevant projects. Since many of the clients of such group companies commence operations of new information systems at the beginning of their fiscal years or at the beginning of the second half of their fiscal years, posted net sales of such group companies tend to be high for the second and fourth quarters, while net sales for the first and third quarters tend to be relatively low.
- c. Other Businesses
For Other Businesses, net sales of 10,482 million yen and operating income of 43 million yen were posted.

Financial results by geographic segment were as follows:

a. Japan

In Japan, net sales of 428,470 million yen and operating income of 4,911 million yen were posted.

b. Other Countries

In other countries, net sales of 39,249 million yen and operating loss of 215 million yen were posted.

Consolidated financial results are greatly affected by non-consolidated financial results. Non-consolidated financial results by business category and industry for the first quarter ended June 30, 2008 are as follows:

Dentsu posted non-consolidated billings (net sales) of 365,886 million yen; gross profit of 46,894 million yen; operating income of 4,455 million yen; ordinary income of 12,657 million yen and net income of 7,841 million yen.

<Business Category>

Category	Net sales (millions of Yen)	Composition ratio (%)	Change (%)
Newspapers	36,740	10.0	-15.2
Magazines	15,247	4.2	-5.4
Radio	5,487	1.5	-7.1
Television	182,312	49.8	-1.7
Time	83,673	22.9	2.7
Spot	98,638	27.0	-5.2
Interactive Media	6,103	1.7	15.8
OOH Media	12,739	3.5	1.2
Creative	44,887	12.3	-7.3
Marketing/Promotion	38,277	10.5	3.5
Content Services	17,690	4.8	-12.8
Others	6,399	1.7	31.6
Total	365,886	100.0	-3.5

(Note 1) Major business categories are as follows:

Newspapers: Newspaper advertising

Magazines: Magazine advertising

Radio: Radio advertising

Television: Television advertising

Television (Time): Television time advertising (program sponsorship)

Television (Spot): Television spot advertising (in between programs)

Interactive Media: Internet and mobile-related media advertising

OOH Media: Out of Home (transit, outdoor and flyers) media-related advertising

Creative: Creative planning, production and related services

Marketing/Promotion: Strategic planning and implementation of activities such as branding,

	marketing, communications, sales promotions, events, PR, e-promotions and direct marketing as well as management consulting
Content Services:	Licensing sales, planning and production in the sports marketing and entertainment fields and other content services
Others:	Satellite and other media, including media planning

(Note 2) The composition ratio of each business category does not add up to 100.0, since the amount is rounded to the nearest tenth.

The four major media posted net sales of 239,788 million yen. For those other than the four major media, net sales of 126,097 million yen were posted and the net sales composition ratio was 34.5%.

<Industries>

Among the top 10 contributing industries, net sales increased for 3 industries: Information/Communications (+4.7% compared to the comparable quarter of the prior year); Electric Appliances/AV Equipment (+14.4%) and Sports/Hobbies (+22.0%). On the contrary, net sales decreased for 7 industries: Beverages/Cigarettes (-4.5%); Cosmetics/Toiletries (-5.8%); Automobiles/Related Products (-2.0%); Finance/Insurance (-14.7%); Foodstuffs (-1.3%); Pharmaceuticals/Medical Supplies (-3.1%) and Distribution/Retailing (-8.1%).

2. Qualitative Information on Consolidated Financial Conditions

For the first quarter ended June 30, 2008, compared to the quarter ended June 30, 2007, total assets decreased by 79,460 million yen, mainly reflecting a decrease in current assets such as notes and accounts receivable. Total liabilities also decreased by 41,533 million yen, mainly due to a decrease in notes and accounts payable.

Furthermore, since net income for the first quarter ended June 30, 2008 was less than the amount of dividends and the amount applied to repurchase of Dentsu's treasury stock, net assets decreased by 37,927 million yen year on year.

3. Qualitative Information on Forecast for Consolidated Financial Results

Regarding the future forecast, the Beijing 2008 Olympic Games will be held during the second quarter ending September 30, 2008, but economic conditions are predicted to remain harsh, and the forecast for consolidated and non-consolidated financial results for the first half ending September 30, 2008 and the fiscal year ending March 31, 2009 is accordingly amended as stated.

Regarding the forecast for consolidated financial results for the fiscal year ending March 31, 2009, in relation to Dentsu's share of net income of Publicis Groupe S.A., an affiliated company accounted for by the equity method, Publicis Groupe S.A. does not disclose its forecast for financial results, and accordingly, Dentsu's equity in income of affiliated companies for the current fiscal year is forecast to be 7,183 million yen (after deducting 4,382 million yen for amortization of goodwill) based on the financial results of Publicis Groupe S.A. for the fiscal year ended March 31, 2008. The average foreign exchange rate for the period from January, 2008 to March, 2008 of approximately 1 euro=158 yen, the

same rate used for other affiliated companies, has been applied.

The quarterly average of the number of shares used in the calculation of net income per share forecasted in this announcement takes into account the ongoing repurchase by Dentsu of its own shares.

4. Others

- (1) Changes in significant consolidated subsidiaries for this quarter (change in specified subsidiaries involving changes in the scope of consolidation)

None

- (2) Application of the simplified accounting policies and specific accounting policies for preparing quarterly consolidated financial statements

Applied

1. Simplified accounting policies

Calculation method of depreciation expense for fixed assets

Depreciation expense for assets that are depreciated using the declining-balance method is calculated by dividing on a pro-rata basis the annual depreciation expense.

2. Others

Since Publicis Groupe S.A., an affiliated company accounted for by the equity method, does not compile its accounts on a quarterly basis, the financial results for the first quarter ended June 30, 2008 do not take into account Dentsu's share of net income of Publicis Groupe S.A.

- (3) Changes in accounting policies, procedures and methods of presentation for preparing the quarterly consolidated financial statements

1. Commencing in the fiscal year ending March 31, 2009, the "Accounting Standard for Quarterly Financial Reporting" (Accounting Standards Board of Japan (ASBJ) Statement No. 12) and the "Guidance on Accounting Standard for Quarterly Financial Reporting" (ASBJ Guidance No. 14) are applied to the consolidated financial results. Also, the quarterly consolidated financial statements are prepared in accordance with the "Regulation for Quarterly Consolidated Financial Statements."

2. Changes in revaluation standards and revaluation methods for significant assets

Inventories

Commencing with the consolidated financial results for the first quarter ended June 30, 2008, the "Accounting Standard for Measurement of

Inventories" (ASBJ Statement No. 9, July 5, 2006) is applied.

The impact that will be made on income and loss as well as segment information will be minor.

3. Application of "Practical Solution on Unification of Accounting Policies Applied to Foreign Subsidiaries for Consolidated Financial Statements"

Commencing with the consolidated financial results for the first quarter ended June 30, 2008, the "Practical Solution on Unification of Accounting Policies Applied to Foreign Subsidiaries for Consolidated Financial Statements" (PITF Practical Solution No. 18, May 17, 2006) is applied, and amendments necessary for consolidated accounting are made.

The impact that will be made on income and loss as well as segment information will be minor.

5. Summary of Quarterly Consolidated Financial Statements

(1) Quarterly Consolidated Balance Sheets

	(Unit: millions of yen)	
	As of June 30, 2008	(Reference) As of March 31, 2008
Assets		
Current assets		
Cash and time deposits	53,732	71,578
Trade receivables	442,879	502,791
Marketable securities	263	321
Inventories	25,317	22,768
Other current assets	53,501	48,414
Allowance for doubtful accounts	-4,457	-4,871
Total current assets	571,236	641,002
Fixed assets		
Property, plant and equipment		
Land	158,818	158,868
Other - Net	92,749	94,169
Total property, plant and equipment	251,567	253,038
Intangible assets		
Goodwill	16,188	17,477
Others	23,050	24,305
Total intangible assets	39,239	41,783
Investments and other assets		
Investment securities	244,678	249,684
Other investments and assets	67,025	67,775
Allowance for doubtful accounts	-1,108	-1,093
Allowance for losses on investment securities and investments in unconsolidated affiliates	-186	-278
Total investments and other assets	310,408	316,087
Total current assets	601,216	610,909
Total	1,172,452	1,251,912

	(Unit: millions of yen)	
	As of June 30, 2008	(Reference) As of March 31, 2008
Liabilities		
Current liabilities		
Trade payables	395,591	430,709
Short-term borrowings	8,029	10,289
Income taxes payable	2,287	13,271
Allowance	1,784	2,428
Other current liabilities	80,841	70,805
Total current liabilities	488,535	527,504
Long-term liabilities		
Long-term debt	79,957	81,324
Reserve for retirement benefits for employees	30,860	30,544
Other reserve	1,110	1,386
Other long-term liabilities	19,054	20,291
Total long-term liabilities	130,983	133,547
Total liabilities	619,518	661,051
Net Assets		
Shareholders' equity		
Common stock	58,967	58,967
Capital surplus	61,588	61,586
Retained earnings	456,465	460,444
Treasury stock	-37,764	-6,754
Total shareholders' equity	539,256	574,243
Valuation and translation adjustments, etc.		
Unrealized gain on available-for-sale securities	3,783	4,339
Deferred gain (loss) on derivatives under hedge accounting	25	-559
Land revaluation difference	-7,179	-7,179
Foreign currency translation adjustments	-5,611	-3,550
Total valuation and translation adjustments, etc.	-8,981	-6,950
Stock option	0	0
Minority interests	22,659	23,567
Net assets	552,934	590,861
Total liabilities and net assets	1,172,452	1,251,912

(2) Summary of Quarterly Consolidated Statements of Income

	(Unit: millions of yen)
	First quarter ended June 30, 2008 (From April 1, 2008 to June 30, 2008)
Net sales	465,731
Cost of sales	392,451
Gross profit	<u>73,280</u>
Selling, general and administrative expenses	
Salaries	33,630
Reserve for directors' bonuses	134
Provision for employees' retirement benefits	2,468
Provision for directors' retirement benefits	72
Welfare expense	4,279
Depreciation and amortization	3,436
Amortization of goodwill	505
Other	24,081
Total selling, general and administrative expenses	<u>68,608</u>
Operating income	<u>4,671</u>
Other income	
Interest income	386
Dividend income	1,329
Foreign exchange gain	228
Equity in income of affiliated companies	51
Other	529
Total other income	<u>2,525</u>
Other expenses	
Interest expense	560
Other	198
Total other expenses	<u>759</u>
Ordinary income	<u>6,437</u>
Extraordinary income	
Gain on sales of fixed assets	20
Provision for allowance for losses on investment securities and investments in unconsolidated affiliates	91
Provision for allowance for doubtful accounts	45
Other	38
Total extraordinary income	<u>197</u>
Extraordinary loss	
Loss on sales of fixed assets	7
Loss on disposal of fixed assets	75
Loss on sales of investment securities	52
Special retirement benefits	69

Other	35
Total extraordinary loss	239
Income before income taxes and minority interests	6,394
Corporate tax, inhabitant tax and business tax	1,140
Deffered income taxes	3,741
Total income tax	4,881
Minority loss	-41
Net income	1,554

(Note) Commencing with the fiscal year ending March 31, 2009, the "Accounting Standard for Quarterly Financial Reporting" (ASBJ Statement No. 12) and the "Guidance on Accounting Standard for Quarterly Financial Reporting" (ASBJ Guidance No. 14) are applied. Also, the quarterly consolidated financial statements are prepared in accordance with the "Regulation for Quarterly Consolidated Financial Statements".

(3) Notes on premise of going concern

No items to report

(4) Segment Information

Business Segments

First Quarter Ended June 30, 2008 (from April 1, 2008 to June 30, 2008)

(Unit: millions of Yen)

	Advertising	Information Services	Other Businesses	Total	Eliminations/ Corporate	Total (consolidated)
Net sales	446,788	14,290	10,482	471,560	(5,828)	465,731
Operating income (loss)	4,410	(899)	43	3,553	1,118	4,671

Changes in Business Segments

Previously, Information Services was included in Other Businesses. From the first quarter ended June 30, 2008, however, "Information Services" will be recorded as a separate segment, due to the fact that the operating loss figure for Information Services is not less than 10% of the aggregate operating income of all segments which posted operating income for the first quarter ended June 30, 2008.

Segment information for the first quarter ended June 30, 2008 categorized into the same business segments as in the previous fiscal year ended March 31, 2007 is as follows.

(Unit: millions of Yen)

	Advertising	Other Businesses	Total	Eliminations/ Corporate	Total (consolidated)
Net sales	446,788	24,737	471,525	(5,793)	465,731
Operating income (loss)	4,410	(855)	3,555	1,116	4,671

Geographic Segments

First Quarter Ended June 30, 2008 (from April 1, 2008 to June 30, 2008)

(Unit: millions of Yen)

	Japan	Other Countries	Total	Eliminations/ Corporate	Total (consolidated)
Net sales	428,470	39,249	467,719	(1,987)	465,731
Operating income (loss)	4,911	(215)	4,696	(24)	4,671

Overseas Sales

First Quarter Ended June 30, 2008 (from April 1, 2008 to June 30, 2008)

- I. Net sales in countries other than Japan: 38,029 million yen
- II. Consolidated net sales: 465,731 million yen
- III. Sales in countries other than Japan as a percentage of consolidated net sales:
8.2 %

(5) Notes on significant changes in the amount of shareholders' equity

	Common stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance, end of fiscal year ended March 31, 2008 (millions of yen)	58,967	61,586	460,444	-6,754	574,243
Increase/decrease at the end of the first quarter ended June 30, 2008					
Dividends	—	—	-4,805	—	-4,805
Net income	—	—	1,554	—	1,554
Repurchase of treasury stock ※	—	—	—	-31,022	-31,022
Disposition of treasury stock	—	2	—	12	15
Decrease of capital surplus due to unification of accounting policies applied to foreign subsidiaries	—	—	-728	—	-728
Total increase/decrease at the end of the first quarter ended June 30, 2008 (millions of yen)	—	2	-3,979	-31,009	-34,986
Balance, end of the first quarter ended June 30, 2008 (millions of yen)	58,967	61,588	456,465	-37,764	539,256

※31,021 million yen was applied to the tender offer to the repurchase of treasury stock implemented in June, 2008.

(Reference)

Financial statements for the previous first quarter

(1) Summary of Quarterly Consolidated Statements of Income

First Quarter Ended June 30, 2007 (from April 1, 2007 to June 30, 2007)

(Unit: millions of Yen)

	First quarter ended June 30, 2007
Net sales	474,928
Cost of sales	398,136
Gross profit	76,792
Selling, general and administrative expenses	69,254
Operating income	7,537
Other income	2,717
Other expenses	731
Ordinary income	9,524
Extraordinary income	637
Extraordinary loss	341
Income before income taxes and minority interests	9,820
Income tax expenses	7,721
Minority loss	(139)
Net income	2,238

(Note 1) Since Publicis Groupe S.A., an affiliated company accounted for by the equity method, does not compile its accounts on a quarterly basis, the financial results for the first quarter ended June 30, 2007 do not take into account Dentsu's share of net income of Publicis Groupe S.A.

(Note 2) Income tax expenses are calculated based on annualized estimates of normal effective tax rates.

(2) Segment Information

Business Segments

First Quarter Ended June 30, 2007 (from April 1, 2007 to June 30, 2007)

(Unit: millions of Yen)

	Advertising	Other Businesses	Total	Eliminations/ Corporate	Total (consolidated)
Net sales	457,298	23,954	481,252	(6,323)	474,928
Operating expenses	448,940	25,812	474,752	(7,361)	467,390
Operating income (loss)	8,357	(1,857)	6,500	1,037	7,537

Geographic Segments

First Quarter Ended June 30, 2007 (from April 1, 2007 to June 30, 2007)

(Unit: millions of Yen)

	Japan	Other Countries	Total	Eliminations/ Corporate	Total (consolidated)
Net sales	441,461	35,836	477,297	(2,368)	474,928
Operating expenses	433,406	36,358	469,764	(2,373)	467,390
Operating income (loss)	8,055	(522)	7,533	4	7,537

6. Other Information

Not applicable.