

November 25, 2005

Information Services International - Dentsu, Ltd.

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(Stock Code 4812,TSE, First Section)

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## **Notice Regarding the Sale of Kanematsu Electronics Ltd. Shares and Revisions to Full-Year Business Projections (Consolidated and Non-consolidated)**

As reported in an earlier notice issued on November 1, 2005, the Company made all of its share holdings in the equity-method affiliate, Kanematsu Electronics Ltd. (Kanematsu Electronics), available for a takeover bid by Kanematsu Corporation (Kanematsu Corp.). Takeover bid procedures were completed this past November 24, 2005. Details, including the number of shares actually sold, are reported below.

Full-year business projections (consolidated and non-consolidated) are revised out of consideration for the impact from the aforementioned securities sale as well as the sale of Japan Business Create Co.,Ltd. (Japan Business Create) stock announced on November 11, 2005 and the corporate dissolution of ISID Finance of America, Inc. Those revisions are also detailed below.

### **1. Details Pertaining to the Sale of Kanematsu Electronics Shares**

- (1) Reasons for sale: Accommodation of Kanematsu Corp. takeover bid for Kanematsu Electronics, as a step in business restructuring in line with Medium-Term Business Targets.
- (2) Settlement date: November 30, 2005
- (3) Number of shares sold: 3,568,400 shares
- (4) Total Sales price: 3,425 million yen
- (5) Total profit from sale: 401 million yen (consolidated) , 1,171 million yen (non-consolidated)
- (6) Future outlook

All profit from the securities sale are to be accounted for as extraordinary gains earned in the third quarter of the accounting year that ends March 31, 2006. Also, beginning from the third quarter of the business year ending March 31, 2006, Kanematsu Electronics will no longer be treated as an equity-method affiliate on the consolidated financial statements.

## 2. Revised Full-Year Business Projections for the Year Ending March 31, 2006

### (1) Consolidated Projections

(Million Yen)

	Sales	Operating Income	Ordinary Income	Net Income
Previously released projections (A)	71,539	2,657	3,103	1,539
Revised projections (B)	71,209	2,690	2,911	1,591
Differential (B-A)	- 330	33	- 192	52
Change (%)	- 0.5%	1.2%	- 6.2%	3.4%
(Reference)Results for previous year (ended March 31, 2005)	72,092	1,827	2,294	- 33

### (2) Non-consolidated Projections

(Million Yen)

	Sales	Operating Income	Ordinary Income	Net Income
Previously released projections (A)	54,845	2,061	2,474	1,392
Revised projections (B)	54,845	2,061	2,474	2,379
Differential (B-A)	-	-	-	987
Change (%)	-	-	-	70.9%
(Reference)Results for previous year (ended March 31, 2005)	56,948	1,320	1,721	- 945

### (3) Reasons for Revisions

- 1) As a result of the Japan Business Create stock sale (announced on November 11, 2005), JBC is no longer a consolidated affiliate of the Company. Accordingly, it is expected that consolidated sales and consolidated operating income will be respectively 330 million yen lower and 33 million higher than previously projected (announced on November 11, 2005).
- 2) Consolidated ordinary income is expected to be 192 million yen lower than the previous forecast. The primary reason is that equity-method-based investment gains are expected to be lower than previously forecasted because, as stated in 1. above, Kanematsu Electronics Ltd. will no longer be treated as an equity-method affiliate.
- 3) Non-consolidated net income for the year is expected to be 987 million yen higher than previously forecasted for the following reasons: the accounting of profit from the sale of shares in Kanematsu Electronics as extraordinary gains (as noted in 1. above); the accounting of profit from the sale of shares in Japan Business Create as extraordinary gains; and the accounting of liquidation losses stemming from the dissolution of ISID Finance of America, Inc. as extraordinary losses. Consolidated net income is expected to be 52 million yen higher than previously forecasted due to the effects from an increase in non-consolidated tax expenditures.