

FOR IMMEDIATE RELEASE

August 11, 2010

**Summary of Financial Results for the  
Three Months Ended June 30, 2010  
—Japanese GAAP, Consolidated Results—**

Name of Listed Company: Dentsu Inc.

Code Number: 4324

Stock Exchange Listing: First Section of the Tokyo Stock Exchange

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

Name of Representative: Tatsuyoshi Takashima, President & CEO

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Supplementary briefing material on quarterly results:

Available

Quarterly results briefing:

Not scheduled

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## Summary of Consolidated Financial Results for the Three Months Ended June 30, 2010 [Japanese GAAP]

### 1. Summary of Financial Results for the Three Months Ended June 30, 2010 (from April 1, 2010 to June 30, 2010)

(Figures are rounded down to the nearest one million yen)

#### (1) Consolidated Financial Results (Cumulative)

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

(Millions of yen)

	Net sales		Operating income		Ordinary income		Net income	
Three months ended June 30, 2010	416,998	9.4%	6,997	413.9%	2,845	8.4%	349	(81.7)%
Three months ended June 30, 2009	381,087	(18.2)%	1,361	(70.9)%	2,623	(59.2)%	1,913	23.1%

(Yen)

	Net income per share (Basic)	Net income per share (Diluted)
Three months ended June 30, 2010	1.40	1.36
Three months ended June 30, 2009	7.71	7.66

#### (2) Consolidated Financial Position

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

	Total assets	Net assets	Equity ratio	Equity per share (Yen)
As of June 30, 2010	1,120,787	500,474	42.9%	1,931.04
As of March 31, 2010	1,118,236	505,556	43.3%	1,943.55

(Reference)

Equity

As of June 30, 2010: 481,132 million yen

As of March 31, 2010: 484,250 million yen

## 2. Dividends

(Yen)

	Annual cash dividend per share				
	First Quarter	Second Quarter	Third Quarter	Year-end	Total
Dividend paid for the fiscal year ended March 31, 2010	—	12.50	—	14.50	27.00
Dividend paid for the fiscal year ending March 31, 2011	—				
Dividend forecast of the fiscal year ending March 31, 2011		14.50	—	14.50	29.00

(Note) Amendment to the dividend forecast: None

## 3. Forecast of Consolidated Financial Results for the Fiscal Year ending March 31, 2011 (from April 1, 2010 to March 31, 2011)

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

(Millions of yen)

	Net sales	Operating income	Ordinary income	Net income	Net income per share (Yen)
Six months ending September 30, 2010 (Cumulative)	836,700 6.5%	13,600 99.0%	11,900 13.8%	6,100 (14.5)%	24.48
Fiscal year ending March 31, 2011	1,749,800 4.2%	42,200 13.1%	42,700 (4.7)%	22,800 (26.8)%	91.51

(Note) Amendment to the forecast of consolidated financial results: Yes

## 4. Others (for details, please refer to "Other Information" on pages 8-9.)

(1) Changes in Significant Consolidated Subsidiaries during the Three Months: None

New companies: None

Excluded companies: None

(Note) This refers to whether or not there were changes in specified subsidiaries resulting in changes in the scope of consolidation during the three months.

(2) Application of the Simplified Accounting Treatments and Specific Accounting Treatments: Yes

(Note) This refers to whether or not the simplified accounting treatments and specific accounting treatments for preparing quarterly consolidated financial statements were applied.

(3) Changes in Accounting Principles, Procedures and Methods of Presentation

a. Changes due to revisions of accounting standards: Yes

b. Changes due to other reasons: None

(Note) This refers to whether or not there were changes in the accounting principles, procedures, methods of presentation, etc., related to preparation of quarterly consolidated financial statements (those to be described as Changes in Important Matters Used as the Basis for Preparation of the Quarterly Consolidated Financial Statements).

(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, 2010	278,184,000 shares
As of March 31, 2010	278,184,000 shares

b. Number of shares of treasury stock at the end of the period

As of June 30, 2010	29,027,611 shares
As of March 31, 2010	29,026,278 shares

c. Average number of shares during the period (cumulative from the beginning of the fiscal year)

As of June 30, 2010	249,156,841 shares
As of June 30, 2009	248,222,846 shares

(Notes)

\* Presentation regarding execution status of quarterly review procedures

This summary of consolidated quarterly financial results is not subject to the quarterly review procedures provided for by the Japanese Financial Instruments and Exchange Law. Therefore, at the time of the disclosure of these financial results, the quarterly financial statement review procedures based on the Law have not been completed.

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

Forward-looking statements, including the forecast of future financial results in this document, were prepared based on currently available information and certain preconditions which we believe to be reasonable at this time. Actual results may be substantially different from those discussed in the forward-looking statements due to various factors. For notes concerning the use of earnings forecasts and their preconditions, please refer to "Forecast of Consolidated Financial Results" on page 8.

## 1. Qualitative Information on Consolidated Financial Results

### (1) Consolidated Financial Results

During the three-month period ended June 30, 2010, the Japanese economy showed some signs that it was on track to recovery as exports increased and the Japanese government's economic stimulus packages showed positive results. However, a sense of uncertainty remained as mounting concerns about the credit risk in Europe triggered by Greece's financial crisis put downward pressure on the economy. The business environment of the advertising industry continues to be severe as clients remained cautious about spending their advertising budgets.

Under such circumstances, the Dentsu Group (hereinafter "the Group") implemented a broad range of tangible measures under its Medium-term Management Plan dubbed "Dentsu Innovation 2013." Furthermore, with an aim to provide integrated solutions, the Group leveraged its comprehensive resources and pursued a diverse array of business opportunities including those related to the 2010 FIFA World Cup South Africa™ and Japan's 22nd Elections to the House of Councillors.

As a result, the Group posted consolidated billings (net sales) of 416,998 million yen (+9.4% compared to the same period of the previous fiscal year), gross profit of 67,700 million yen (+7.2%) and operating income of 6,997 million yen (+413.9%) for the three months ended June 30, 2010. However, as the Group posted equity in loss of affiliated companies and foreign exchange losses, ordinary income stood at 2,845 million yen (+8.4%) and net income for the three months ended June 30, 2010 came to 349 million yen (-81.7%).

Since Publicis Groupe S.A., an affiliated company accounted for by the equity method, does not disclose its accounts on a quarterly basis, the consolidated financial results for the three months ended June 30, 2010 do not take into account Dentsu's share of net income and amortization of goodwill of Publicis Groupe S.A.

Financial results by reportable segment for the three months ended June 30, 2010 were as follows:

a. Advertising

In the Advertising segment, net sales of 404,380 million yen and segment income of 7,000 million yen were posted.

b. Information Services

In the Information Services segment, net sales of 12,376 million yen and segment loss of 1,258 million yen were posted. Each of the group companies of Information Services International-Dentsu, Ltd. belongs to this segment.

c. Other Businesses

In the Other Businesses segment, net sales of 5,654 million yen and segment income of 472 million yen were posted.

Financial results by geographic segment were as follows:

a. Japan

In Japan, net sales of 377,050 million yen and operating income of 6,648 million yen were posted.

b. Overseas

In other countries, net sales of 41,212 million yen and operating income of 431 million yen were posted.

Consolidated financial results are greatly affected by non-consolidated financial results. Non-consolidated financial results by business and industry categories for the three months ended June 30, 2010, were as follows:

Dentsu posted non-consolidated billings (net sales) of 325,944 million yen (+6.3% compared to the same period of the previous fiscal year); gross profit of 42,013 million yen (+2.9%); operating income of 5,728 million yen (+50.3%) and ordinary income of 9,747 million yen (-5.6%). The Group posted an extraordinary income relating to the gain on sales of stocks in Publicis Groupe S.A. and other gains, resulting in net income of 8,746 million yen (+1.9%) for the three months ended June 30, 2010.

<By Business Category>

Category	Net sales (Millions of yen)	Composition ratio (%)	Change (%, compared to the same period of the previous year)
Newspapers	27,855	8.5	2.4
Magazines	8,938	2.7	(13.3)
Radio	4,554	1.4	(4.6)
Television	165,153	50.7	7.4
Time	71,218	21.9	1.6
Spot	93,934	28.8	12.2
Interactive Media	9,230	2.8	51.1
OOH Media	11,222	3.4	(2.3)
Creative	40,518	12.4	3.9
Marketing/Promotion	37,555	11.5	14.7
Content Services	15,989	4.9	(1.9)
Others	4,926	1.5	(0.8)
Total	325,944	100.0	6.3

(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 is rounded to the nearest tenth.

The four mass media posted net sales of 206,501 million yen (+5.3% compared to the same period of the previous fiscal year). For businesses other than the four mass media, net sales of 119,442 million yen (+8.0%) were posted and the net sales composition ratio was 36.6 % (+0.5 points compared to the same period of the previous fiscal year).

<By Industry Category>

For the three months ended June 30, 2010, the top ten industry categories accounting for the major share of Dentsu Inc.'s net sales were as follows: Information/Communications (+11.3% compared to the same period of the previous fiscal year); Beverages/Cigarettes

(-1.6%); Cosmetics/Toiletries (+19.8%); Finance/Insurance (+23.2%); Foodstuffs (+3.9%); Home Electric Appliances/AV Equipment (+14.6%); Distribution/Retailing (+11.6%); Food Services/Other Services (+8.6%); Pharmaceuticals/Medical Supplies (-8.1%) and Automobiles/Related Products (-6.5%).

## (2) Forecast of Consolidated Financial Results

The forecast of consolidated financial results for the first half ending September 30, 2010 and fiscal year ending March 31, 2011, which was announced on May 17, 2010, has been adjusted only to reflect the differences between results and forecasts for the first quarter ended June 30, 2010. For that reason, Dentsu has not revised the forecasts for the second and subsequent quarters announced on May 17, 2010.

Regarding the forecast of consolidated financial results, 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 of financial results, and accordingly, Dentsu's equity in income of affiliated companies is forecast to be 4,282 million yen (after deducting 1,742 million yen for amortization of goodwill) based on the financial results of Publicis Groupe S.A. for its fiscal year ended December 31, 2009. The average foreign exchange rate for the period from January 2010 to March 2010 of approximately 1 euro = 126 yen, the same rate used for other affiliated companies, has been applied.

## 2. Other Information

### (1) Changes in Significant Consolidated Subsidiaries

No items to report

### (2) Application of the Simplified Accounting Treatments and Specific Accounting Treatments

#### 1. Simplified Accounting Treatments

##### *Calculation method of depreciation expense for property, plant and equipment*

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



## 2. Others

Since Publicis Groupe S.A., an affiliated company accounted for by the equity method, does not disclose its quarterly financial results, the consolidated financial results for the three months ended June 30, 2010 do not take into account Dentsu's share of net income and amortization of goodwill of Publicis Groupe S.A.

### (3) Changes in Accounting Principles, Procedures and Methods of Presentation

*Application of "Accounting Standard for Asset Retirement Obligations", etc.*

Starting from the beginning of the first quarter of fiscal 2010, the "Accounting Standard for Asset Retirement Obligations" (ASBJ Statement No. 18, March 31, 2008) and the "Guidance on Accounting Standard for Asset Retirement Obligations" (ASBJ Guidance No. 21, March 31, 2008) have been applied.

As a result, operating income and ordinary income decreased 14 million yen respectively, while quarterly income before income taxes and minority interests decreased 410 million yen. The change in asset retirement obligations due to the adoption of this accounting standard is 737 million yen.

### 3. Quarterly Consolidated Financial Statements

#### (1) Quarterly Consolidated Balance Sheets

	(Millions of yen)	
	As of June 30, 2010	As of March 31, 2010
<b>Assets</b>		
Current assets		
Cash and deposits	122,043	93,837
Notes and accounts receivable-trade	392,344	415,657
Short-term investment securities	22	163
Inventories	14,694	11,208
Other	55,452	48,913
Allowance for doubtful accounts	(1,612)	(1,356)
Total current assets	<u>582,944</u>	<u>568,424</u>
Noncurrent assets		
Property, plant and equipment		
Land	160,413	160,396
Other, net	86,986	87,598
Total property, plant and equipment	<u>247,399</u>	<u>247,994</u>
Intangible assets		
Goodwill	36,669	23,647
Other	25,112	21,733
Total intangible assets	<u>61,781</u>	<u>45,380</u>
Investments and other assets		
Investment securities	155,676	181,878
Other	75,085	76,440
Allowance for doubtful accounts	(1,979)	(1,883)
Allowance for investment loss	(119)	—
Total investments and other assets	<u>228,662</u>	<u>256,436</u>
Total noncurrent assets	<u>537,843</u>	<u>549,811</u>
<b>Total assets</b>	<u>1,120,787</u>	<u>1,118,236</u>

(Millions of yen)

	As of June 30, 2010	As of March 31, 2010
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable-trade	357,063	360,759
Short-term loans payable	4,108	3,382
Income taxes payable	1,467	6,526
Provision	587	825
Asset retirement obligations	12	—
Other	100,364	90,102
<b>Total current liabilities</b>	<b>463,602</b>	<b>461,595</b>
Noncurrent liabilities		
Long-term loans payable	96,214	97,576
Provision for retirement benefits	32,239	31,942
Other provision	571	862
Asset retirement obligations	730	—
Other	26,954	20,701
<b>Total noncurrent liabilities</b>	<b>156,710</b>	<b>151,083</b>
<b>Total liabilities</b>	<b>620,313</b>	<b>612,679</b>
<b>Net assets</b>		
Shareholders' equity		
Capital stock	58,967	58,967
Capital surplus	60,899	60,899
Retained earnings	450,732	454,014
Treasury stock	(65,059)	(65,056)
<b>Total shareholders' equity</b>	<b>505,539</b>	<b>508,824</b>
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	(416)	737
Deferred gains or losses on hedges	(1,934)	(886)
Revaluation reserve for land	(7,187)	(7,187)
Foreign currency translation adjustment	(14,869)	(17,237)
<b>Total valuation and translation adjustments</b>	<b>(24,407)</b>	<b>(24,573)</b>
Minority interests	19,342	21,306
<b>Total net assets</b>	<b>500,474</b>	<b>505,556</b>
<b>Total liabilities and net assets</b>	<b>1,120,787</b>	<b>1,118,236</b>

## (2) Quarterly Consolidated Statements of Income

	(Millions of yen)	
	Three months ended June 30, 2009	Three months ended June 30, 2010
Net sales	381,087	416,998
Cost of sales	317,923	349,298
Gross profit	63,164	67,700
Selling, general and administrative expenses		
Salaries and allowances	31,311	31,700
Provision for directors' bonuses	68	92
Provision for retirement benefits	2,836	2,709
Provision for directors' retirement benefits	54	50
Welfare expenses	4,209	4,377
Depreciation	3,437	3,175
Amortization of goodwill	451	648
Provision of allowance for doubtful accounts	7	—
Other	19,425	17,947
Total selling, general and administrative expenses	61,802	60,702
Operating income	1,361	6,997
Non-operating income		
Interest income	216	108
Dividends income	1,157	1,258
Foreign exchange gains	236	—
Equity in earnings of affiliates	24	—
Other	427	960
Total non-operating income	2,061	2,327
Non-operating expenses		
Interest expenses	575	546
Equity in losses of affiliates	—	2,564
Foreign exchange losses	—	2,620
Other	224	747
Total non-operating expenses	799	6,479
Ordinary income	2,623	2,845
Extraordinary income		
Gain on sales of noncurrent assets	116	4
Gain on sales of investment securities	—	1,347
Other	10	73
Total extraordinary income	126	1,424

	(Millions of yen)	
	Three months ended June 30, 2009	Three months ended June 30, 2010
Extraordinary loss		
Loss on sales of noncurrent assets	3	3
Loss on retirement of noncurrent assets	179	40
Impairment loss	—	226
Restructuring loss	228	—
Special retirement expenses	—	1,478
Other	130	977
Total extraordinary losses	540	2,725
Income before income taxes and minority interests	2,209	1,544
Income taxes-current	850	967
Income taxes for prior periods	(2,230)	—
Income taxes-deferred	2,299	813
Total income taxes	919	1,781
Loss before minority interests	—	(236)
Minority interests in loss	(623)	(586)
Net income	1,913	349

### (3) Notes on Premise of Going Concern

No items to report

### (4) Segment Information

#### <Segment Information>

Starting from the beginning of the first quarter of fiscal 2010, the "Accounting Standard for Disclosures about Segments of an Enterprise and Related Information" (ASBJ Statement No. 17, March 27, 2009) and the "Guidance on Accounting Standard for Disclosures about Segments of an Enterprise and Related Information" (ASBJ Guidance No. 20, March 21, 2008) have been applied.

#### 1. Reportable segments

Reportable segments are corporate units within the Group for which the financial information is separately accessible. Dentsu's Board of Directors reviews the allocation of management resources and regularly evaluates the business performance of these units.

The Group is engaged in the advertising business and other services related to communications. The three reportable segments are "Advertising," "Information Services" and "Other Businesses."

"Advertising" refers to business activities related to the development and execution of advertising via a wide range of media including newspapers, magazines, radio, television, the Internet, sales promotions, movies, outdoor and transit plus strategy planning, creative, marketing, PR, content and other services. "Information Services" refers to business activities related to the provision of information services and sales of information-related merchandise. "Other Businesses" refers to business activities related to the leasing of office space, building maintenance services, temporary staffing, accounting and other services.

## 2. Net sales and income or loss by reportable segment

Three Months Ended June 30, 2010 (from April 1, 2010 to June 30, 2010)

(Millions of yen)

	Advertising	Information Services	Other Businesses	Total	Adjustment	Amount on Quarterly Consolidated Statements of Income
Net sales	404,380	12,376	5,654	422,411	(5,412)	416,998
Segment income (loss)	7,000	(1,258)	472	6,214	782	6,997

(Notes) 1. The differences between the aggregates of income or loss of reportable segments and the amount stated in the quarterly consolidated statements of income are due to the elimination of intersegment transactions and deduction of unrealized profits.

2. Segment income has been adjusted to equal the operating income on the quarterly consolidated statements of income.

## 3. Goodwill by reportable segment

(Significant change in amount of goodwill)

Dentsu Innovation Interactive, LLC became a consolidated subsidiary during the three-month period ended June 30, 2010. As a result, Dentsu posted goodwill of 13,034 million yen for the three-month period ended June 30, 2010, resulting in an increase in the Advertising segment.

<By Geographic Segment>

Three Months Ended June 30, 2010 (from April 1, 2010 to June 30, 2010)

(Millions of yen)

	Japan	Other Countries	Total	Eliminations/ Corporate	Total (consolidated)
Net sales	377,050	41,212	418,262	(1,263)	416,998
Operating income	6,648	431	7,079	(82)	6,997

<Overseas Sales>

Three Months Ended June 30, 2010 (from April 1, 2010 to June 30, 2010)

- I. Net sales in countries other than Japan: 40,379 million yen
- II. Consolidated net sales: 416,998 million yen
- III. Sales in countries other than Japan as a percentage of consolidated net sales: 9.7%

(Reference)

<By Business Segment>

Three Months Ended June 30, 2009 (from April 1, 2009 to June 30, 2009)

	(Millions of yen)					
	Advertising	Information Services	Other Businesses	Total	Eliminations/Corporate	Total (consolidated)
Net sales	369,943	11,216	5,342	386,502	(5,414)	381,087
Operating income (loss)	1,980	(2,162)	549	367	993	1,361

<By Geographic Segment>

Three Months Ended June 30, 2009 (from April 1, 2009 to June 30, 2009)

	(Millions of yen)				
	Japan	Other Countries	Total	Eliminations/Corporate	Total (consolidated)
Net sales	358,987	23,795	382,783	(1,695)	381,087
Operating income (loss)	2,497	(1,082)	1,414	(53)	1,361

<Overseas Sales>

Three Months Ended June 30, 2009 (from April 1, 2009 to June 30, 2009)

- I. Net sales in countries other than Japan: 23,024 million yen
- II. Consolidated net sales: 381,087 million yen
- III. Sales in countries other than Japan as a percentage of consolidated net sales: 6.0%

(5) Notes on Significant Changes in the Amount of Shareholders' Equity

No items to report

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