

FOR IMMEDIATE RELEASE

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Summary of Financial Results for the Nine Months Ended December 31, 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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Available

Quarterly results briefing:

Not scheduled

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Summary of Consolidated Financial Results for the Nine Months Ended December 31, 2010 [Japanese GAAP]

1. Summary of Financial Results for the Nine Months Ended December 31, 2010 (from April 1, 2010 to December 31, 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	
Nine months ended December 31, 2010	1,348,644	11.1%	35,308	86.2%	33,629	49.1%	8,710	(55.3)%
Nine months ended December 31, 2009	1,213,826	(15.1)%	18,963	(34.3)%	22,560	(31.7)%	19,506	370.9%

(Yen)

	Net income per share (Basic)	Net income per share (Diluted)
Nine months ended December 31, 2010	34.96	33.54
Nine months ended December 31, 2009	78.36	78.00

(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 December 31, 2010	1,115,594	500,560	43.2%	1,934.16
As of March 31, 2010	1,118,236	505,556	43.3%	1,943.55

(Reference)

Equity

As of December 31, 2010: 481,906 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	—	14.50	—		
Dividend forecast of the fiscal year ending March 31, 2011				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 previous fiscal year.)

(Millions of yen)

	Net sales	Operating income	Ordinary income	Net income	Net income per share (Yen)
Fiscal year ending March 31, 2011	1,830,500 9.0%	51,700 38.5%	52,000 16.1%	19,000 (39.0)%	76.26

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

4. Others (for details, please refer to "Other Information" on pages 9-10.)

(1) Changes in Significant Consolidated Subsidiaries during the Nine 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 nine months.

(2) Application of 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 December 31, 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 December 31, 2010	29,028,948 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 December 31, 2010	249,156,295 shares
As of December 31, 2009	248,919,521 shares

Notes

Presentation regarding execution status of quarterly review procedures

Although 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, the quarterly financial statement review procedures based on the Law have been completed at the time of the disclosure of these financial results.

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 nine months ended December 31, 2010, the Japanese economy showed signs that it was on track to a gradual recovery as exports increased and the Japanese government's economic stimulus packages showed positive results. However, since the global economy did not recover as initially expected and concerns over the deteriorating employment situation increased, there is a lingering sense of stagnation in the Japanese economy.

On the other hand, although clients in certain sectors still remained cautious about spending their advertising budgets, the soaring demand for TV commercials resulted in a shortage of television spots from October to December 2010.

Under such circumstances, the Dentsu Group (hereinafter "the Group") pursued a diverse array of business opportunities, while implementing a broad range of tangible measures under its Medium-Term Management Plan dubbed "Dentsu Innovation 2013."

As a result, the Group posted consolidated billings (net sales) of 1,348,644 million yen (+11.1% compared to the same period of the previous fiscal year), gross profit of 228,682 million yen (+8.9%), operating income of 35,308 million yen (+86.2%) and ordinary income of 33,629 million yen (+49.1%) for the nine months ended December 31, 2010. However, as the Group posted extraordinary loss including amortization of goodwill and loss on valuation of investment securities, net income for the nine months ended December 31, 2010 came to 8,710 million yen (-55.3%).

Since Publicis Groupe S.A., an affiliated company accounted for by the equity method, does not disclose its accounts on a quarterly basis, the financial results for the third quarter ended December 31, 2010 (from October to December 2010) do not take into account Dentsu's share of net income of Publicis Groupe S.A. and amortization of goodwill based on the third quarter financial results of Publicis Groupe S.A. (from July to September 2010).

Financial results by reportable segment for the nine months ended December 31, 2010 were as follows:

a. Advertising

In the Advertising segment, net sales of 1,303,687 million yen and segment income of 32,083 million yen were posted.

b. Information Services

In the Information Services segment, net sales of 42,179 million yen and segment loss of 307 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 19,212 million yen and segment income of 1,211 million yen were posted.

Financial results by geographic segment were as follows:

a. Japan

In Japan, net sales of 1,211,370 million yen and operating income of 32,508 million yen were posted.

b. Other Countries

In other countries, net sales of 143,460 million yen and operating income of 2,907 million yen were posted.

Regarding Dentsu Group companies with a December 31 closing date, including subsidiaries in countries other than Japan, their financial results for the nine months from January 1, 2010 to September 30, 2010 are, as a general rule, incorporated in the consolidated financial results for the nine months ended December 31, 2010.

Consolidated financial results are greatly affected by non-consolidated financial results. Non-consolidated financial results by business and industry categories for the nine months ended December 31, 2010 were as follows:

Dentsu Inc. posted non-consolidated billings (net sales) of 1,043,524 million yen (+8.4% compared to the same period of the previous fiscal year), gross profit of 141,711 million yen (+6.2%), operating income of 24,195 million yen (+47.7%) and ordinary income of 28,078 million yen (+17.3%). Dentsu Inc. posted loss on valuation of stocks of subsidiaries and affiliates, loss on valuation of investment securities, and other losses, resulting in net income of 11,027 million yen (-49.9%) for the nine months ended December 31, 2010.

<By Business Category>

Category	Net sales (Millions of yen)	Composition ratio (%)	Change (%, compared to the same period of the previous year)
Newspapers	88,694	8.5	3.1
Magazines	29,620	2.8	(9.5)
Radio	14,036	1.3	(4.4)
Television	499,184	47.8	6.8
Time	219,444	21.0	1.0
Spot	279,740	26.8	11.9
Interactive Media	32,510	3.1	39.6
OOH Media	32,123	3.1	10.9
Creative	127,687	12.2	8.5
Marketing/Promotion	134,356	12.9	10.9
Content Services	69,124	6.6	26.3
Others	16,186	1.6	3.2
Total	1,043,524	100.0	8.4

(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 631,535 million yen. For businesses other than the four mass media, net sales of 411,988 million yen were posted and the net sales composition ratio was 39.5%.

<By Industry Category>

For the nine months ended December 31, 2010, the top ten industry categories accounting for the major share of Dentsu Inc.'s net sales were as follows:

Information/Communications (+21.6% compared to the same period of the previous fiscal year); Beverages/Cigarettes (+6.9%); Cosmetics/Toiletries (+17.6%); Finance/Insurance (+14.5%); Home Electric Appliances/AV Equipment (+15.5%); Foodstuffs (-2.5%); Distribution/Retailing (+11.5%); Pharmaceuticals/Medical Supplies (+0.4%); Food Services/Other Services (+4.1%); and Automobiles/Related Products (-9.8%).

(2) Forecast of Consolidated Financial Results

The forecast of consolidated financial results for the fiscal year ending March 31, 2011, which was announced on November 8, 2010, has been adjusted only to reflect the differences between results and forecasts for the nine months ended December 31, 2010. Dentsu has not revised the forecast announced on November 8, 2010 for the fourth quarter.

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 for the second half of the current fiscal year is forecast to be 2,350 million yen (after deducting 866 million yen for amortization of goodwill) based on the financial results of Publicis Groupe S.A. for the same period of the previous fiscal year ended December 31, 2009. The average foreign exchange rate for the period from January 2010 to September 2010 of approximately 1 euro = 117.8 yen has been applied.

Meanwhile, non-consolidated financial results for the fiscal year ending March 31, 2011 are forecast as follows: net sales of 1,396,700 million yen (+6.2% compared to the previous fiscal year), operating income of 34,500 million yen (+31.1%), ordinary income of 39,100 million yen (+16.0%) and net income of 17,300 million yen (-36.1%).

2. Other Information

(1) Changes in Significant Consolidated Subsidiaries

No items to report

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

1. Simplified Accounting Treatments

Calculation method of depreciation expense for noncurrent assets

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 accounts on a quarterly basis, the financial results for the third quarter ended December 31, 2010 do not take into account Dentsu's share of net income of Publicis Groupe S.A. and amortization of goodwill based on the third quarter financial results of Publicis Groupe S.A. Dentsu's share of net income of Publicis Groupe S.A. and amortization of goodwill for the first half of their fiscal year 2010 are included in the financial results for the nine months ended December 31, 2010.

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

1. Application of "Accounting Standard for Equity Method of Accounting for Investments" and "Practical Solution on Unification of Accounting Policies Applied to Associates Accounted for Using the Equity Method"

Starting from the beginning of the first quarter of fiscal 2010, the "Accounting Standard for Equity Method of Accounting for Investments" (ASBJ Statement No. 16, March 10, 2008) and the "Practical Solution on Unification of Accounting Policies Applied to Associates Accounted for Using the Equity Method" (ASBJ PITF No. 24, March 10, 2008) have been applied.

The impact of the change on income and loss was not material.

2. 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 for the nine months ended December 31, 2010 decreased 44 million yen respectively, while income before income taxes and minority interests decreased 479 million yen. The change in asset retirement obligations due to the adoption of this accounting standard, etc. is 737 million yen.

3. Application of "Accounting Standard for Business Combinations," etc.

Starting from the beginning of the first quarter of fiscal 2010, the "Accounting Standard for Business Combinations" (ASBJ Statement No. 21, December 26, 2008), the "Accounting Standard for Consolidated Financial Statements" (ASBJ Statement No. 22, December 26, 2008), the "Partial Amendments to Accounting Standard for Research and Development Costs" (ASBJ Statement No. 23, December 26, 2008), the "Revised Accounting Standard for Business Divestitures" (ASBJ Statement No. 7, December 26, 2008), the "Revised Accounting Standard for Equity Method of Accounting for Investments" (ASBJ Statement No. 16, December 26, 2008) and the "Revised Guidance on Accounting Standard for Business Combinations and Accounting Standard for Business Divestitures" (ASBJ Guidance No. 10, December 26, 2008) have been applied.

3. Quarterly Consolidated Financial Statements

(1) Quarterly Consolidated Balance Sheets

	(Millions of yen)	
	As of December 31, 2010	As of March 31, 2010
Assets		
Current assets		
Cash and deposits	115,483	93,837
Notes and accounts receivable-trade	431,027	415,657
Short-term investment securities	101	163
Inventories	12,786	11,208
Other	41,541	48,913
Allowance for doubtful accounts	(2,195)	(1,356)
Total current assets	<u>598,744</u>	<u>568,424</u>
Noncurrent assets		
Property, plant and equipment		
Land	160,359	160,396
Other, net	84,282	87,598
Total property, plant and equipment	<u>244,642</u>	<u>247,994</u>
Intangible assets		
Goodwill	27,872	23,647
Other	21,165	21,733
Total intangible assets	<u>49,038</u>	<u>45,380</u>
Investments and other assets		
Investment securities	152,997	181,878
Other	72,596	76,440
Allowance for doubtful accounts	(2,317)	(1,883)
Allowance for investment loss	(106)	—
Total investments and other assets	<u>223,169</u>	<u>256,436</u>
Total noncurrent assets	<u>516,849</u>	<u>549,811</u>
Total assets	<u>1,115,594</u>	<u>1,118,236</u>

(Millions of yen)

	As of December 31, 2010	As of March 31, 2010
Liabilities		
Current liabilities		
Notes and accounts payable-trade	373,488	360,759
Short-term loans payable	2,821	3,382
Income taxes payable	2,053	6,526
Provision	518	825
Asset retirement obligations	40	—
Other	83,812	90,102
Total current liabilities	462,733	461,595
Noncurrent liabilities		
Long-term loans payable	93,655	97,576
Provision for retirement benefits	33,340	31,942
Other provision	630	862
Asset retirement obligations	736	—
Other	23,936	20,701
Total noncurrent liabilities	152,299	151,083
Total liabilities	615,033	612,679
Net assets		
Shareholders' equity		
Capital stock	58,967	58,967
Capital surplus	60,899	60,899
Retained earnings	455,480	454,014
Treasury stock	(65,062)	(65,056)
Total shareholders' equity	510,284	508,824
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	2,179	737
Deferred gains or losses on hedges	(3,395)	(886)
Revaluation reserve for land	(7,187)	(7,187)
Foreign currency translation adjustment	(19,973)	(17,237)
Total valuation and translation adjustments	(28,377)	(24,573)
Minority interests	18,654	21,306
Total net assets	500,560	505,556
Total liabilities and net assets	1,115,594	1,118,236

(2) Quarterly Consolidated Statements of Income

	(Millions of yen)	
	Nine months ended December 31, 2009	Nine months ended December 31, 2010
Net sales	1,213,826	1,348,644
Cost of sales	1,003,861	1,119,962
Gross profit	209,964	228,682
Selling, general and administrative expenses		
Salaries and allowances	99,661	104,166
Provision for directors' bonuses	187	275
Provision for retirement benefits	8,585	8,186
Provision for directors' retirement benefits	147	117
Welfare expenses	12,528	13,021
Depreciation	10,056	9,538
Amortization of goodwill	1,537	1,872
Provision of allowance for doubtful accounts	16	565
Other	58,282	55,629
Total selling, general and administrative expenses	191,001	193,374
Operating income	18,963	35,308
Non-operating income		
Interest income	530	514
Dividends income	1,353	1,465
Foreign exchange gains	151	—
Equity in earnings of affiliates	2,760	876
Other	1,835	2,269
Total non-operating income	6,632	5,125
Non-operating expenses		
Interest expenses	1,719	1,625
Foreign exchange losses	—	2,872
Other	1,315	2,306
Total non-operating expenses	3,034	6,804
Ordinary income	22,560	33,629

	(Millions of yen)	
	Nine months ended December 31, 2009	Nine months ended December 31, 2010
Extraordinary income		
Gain on sales of noncurrent assets	866	13
Gain on sales of investment securities	359	1,466
Gain on negative goodwill	—	652
Other	527	647
Total extraordinary income	<u>1,753</u>	<u>2,780</u>
Extraordinary loss		
Loss on sales of noncurrent assets	30	3
Loss on retirement of noncurrent assets	599	102
Impairment loss	101	3,595
Amortization of goodwill	—	8,177
Loss on valuation of investment securities	561	6,245
Restructuring loss	662	—
Other	809	2,694
Total extraordinary losses	<u>2,766</u>	<u>20,817</u>
Income before income taxes and minority interests	<u>21,548</u>	<u>15,592</u>
Income taxes-current	6,807	5,031
Income taxes for prior periods	(2,229)	—
Income taxes-deferred	(1,618)	1,822
Total income taxes	<u>2,959</u>	<u>6,854</u>
Income before minority interests	<u>—</u>	<u>8,737</u>
Minority interests in income (loss)	(917)	27
Net income	<u>19,506</u>	<u>8,710</u>

(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 Inc.'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 and others. "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

Nine Months Ended December 31, 2010 (from April 1, 2010 to December 31, 2010)

(Millions of yen)

	Advertising	Information Services	Other Businesses	Total	Adjustment	Amount on Quarterly Consolidated Statements of Income
Net sales	1,303,687	42,179	19,212	1,365,079	(16,434)	1,348,644
Segment income (loss)	32,083	(307)	1,211	32,988	2,319	35,308

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

2. Segment income (loss) 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)

Starting from the first quarter of fiscal 2010, Dentsu Innovation Interactive, LLC became a consolidated subsidiary. As a result, Dentsu posted goodwill of 12,847 million yen for the nine months ended December 31, 2010, resulting in an increase in the Advertising segment.

Dentsu amortized goodwill of 8,177 million yen for cyber communications inc. and posted the charge as an extraordinary loss under the provision of Paragraph 32 of the "Practical Guidelines on Accounting Standards for Capital Consolidation Procedures in Preparing Consolidated Financial Statements" (Accounting Practice Committee Report No. 7, June 9, 2009). The amortization of the goodwill resulted in a decrease in the Advertising segment.

<By Geographic Segment>

Nine Months Ended December 31, 2010 (from April 1, 2010 to December 31, 2010)

(Millions of yen)

	Japan	Other Countries	Total	Eliminations/Corporate	Consolidated
Net sales	1,211,370	143,460	1,354,831	(6,186)	1,348,644
Operating income	32,508	2,907	35,415	(107)	35,308

<Overseas Sales>

Nine Months Ended December 31, 2010 (from April 1, 2010 to December 31, 2010)

- I. Net sales in countries other than Japan: 139,695 million yen
- II. Consolidated net sales: 1,348,644 million yen
- III. Sales in countries other than Japan as a percentage of consolidated net sales: 10.4%

(Reference)

<By Business Segment>

Nine Months Ended December 31, 2009 (from April 1, 2009 to December 31, 2009)

(Millions of yen)

	Advertising	Information Services	Other Businesses	Total	Eliminations/Corporate	Consolidated
Net sales	1,174,358	40,761	16,182	1,231,302	(17,475)	1,213,826
Operating income (loss)	17,824	(3,139)	1,586	16,271	2,691	18,963

<By Geographic Segment>

Nine Months Ended December 31, 2009 (from April 1, 2009 to December 31, 2009)

(Millions of yen)

	Japan	Other Countries	Total	Eliminations/Corporate	Consolidated
Net sales	1,126,210	91,780	1,217,990	(4,164)	1,213,826
Operating income (loss)	19,219	(253)	18,965	(2)	18,963

<Overseas Sales>

Nine Months Ended December 31, 2009 (from April 1, 2009 to December 31, 2009)

- I. Net sales in countries other than Japan: 94,401 million yen
- II. Consolidated net sales: 1,213,826 million yen
- III. Sales in countries other than Japan as a percentage of consolidated net sales: 7.8%

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

No items to report

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