

Summary of Financial Results for the Six Months Ended September 30, 2011

—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: Tadashi Ishii, President & CEO

Scheduled date for filing of the Quarterly Consolidated Financial Statements:

November 14, 2011

Scheduled start date of dividend payment:

December 5, 2011

Supplementary briefing material on quarterly results:

Available

Quarterly results briefing:

Scheduled (for institutional investors and analysts)

Contact: Shusaku Kannan

Senior Manager

Corporate Communications Division

Telephone: (813) 6216-8042

E-mail: s.kannan@dentsu.co.jp

Summary of Consolidated Financial Results for the Six Months Ended September 30, 2011 [Japanese GAAP]

1. Summary of Financial Results for the Six Months Ended September 30, 2011 (from April 1 to September 30, 2011)

(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	
Six months ended September 30, 2011	863,340	(0.6)%	14,556	(17.2)%	19,604	18.0%	8,003	179.9%
Six months ended September 30, 2010	868,407	10.5%	17,586	157.3%	16,616	58.8%	2,859	(59.9)%

(Note)

Comprehensive income

Six months ended September 30, 2011: 10,669 million yen; —%

Six months ended September 30, 2010: (3,004) million yen; —%

(Yen)

	Net income per share (Basic)	Net income per share (Diluted)
Six months ended September 30, 2011	32.12	30.64
Six months ended September 30, 2010	11.48	10.10

(2) Consolidated Financial Position

(Millions of yen, except percentages)

	Total assets	Net assets	Equity ratio
As of September 30, 2011	1,114,425	518,734	44.8%
As of March 31, 2011	1,133,300	512,141	43.5%

(Reference)

Equity

As of September 30, 2011: 499,009 million yen

As of March 31, 2011: 492,933 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, 2011	—	14.50	—	15.00	29.50
Dividend paid for the fiscal year ending March 31, 2012	—	15.00			
Dividend forecast of the fiscal year ending March 31, 2012			—	15.00	30.00

(Note) Amendment to the dividend forecast from recently announced figures: None

3. Forecast of Consolidated Financial Results for the Fiscal Year Ending March 31, 2012 (from April 1, 2011 to March 31, 2012)

(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, 2012	1,870,000 2.0%	47,200 (7.3)%	57,200 5.6%	27,300 26.2%	109.57

(Note) Amendment to the forecast of consolidated financial results from recently announced figures: Yes

4. Others

- (1) Changes in Significant Consolidated Subsidiaries during the Six Months (change in specified subsidiaries involving changes in the scope of consolidation):
None
- (2) Application of Specific Accounting Treatments for Preparing Quarterly Consolidated Financial Statements: None
- (3) Changes in Accounting Policies, Changes in Accounting Estimates and Corrections of Errors
 - a. Changes in accounting policies due to revisions of accounting standards: None
 - b. Changes in accounting policies due to other reasons: None
 - c. Changes in accounting estimates: None
 - d. Corrections of errors: None

(4) Number of issued shares (common stock)

- a. Total number of issued shares at the end of the period
(including treasury stock)

As of September 30, 2011	278,184,000 shares
As of March 31, 2011	278,184,000 shares

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

As of September 30, 2011	29,030,870 shares
As of March 31, 2011	29,029,808 shares

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

As of September 30, 2011	249,153,687 shares
As of September 30, 2010	249,156,501 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

Since the forecast of financial results has been prepared based on certain conditions which Dentsu believes to be reasonable at this time, actual financial results may be substantially different from the forecast due to various factors. For information relating to the forecast above, please refer to "Forecast of Consolidated Financial Results" on page 9.

1. Qualitative Information on Quarterly Financial Results

(1) Consolidated Financial Results

During the six months ended September 30, 2011 (from April 1 to September 30, 2011), production in Japan continued to recover from the decline that resulted from the Great East Japan Earthquake. However, the Japanese economy remained uncertain due to concerns about the economic slowdown overseas as well as the prolonged appreciation of the yen.

Meanwhile, the situation in the advertising industry remained severe during the first half of the six months ended September 30, 2011 due to the effects of the earthquake, but demand for advertising, particularly for television spots, showed signs of recovery since the summer as clients' supply chains were restored.

Under such circumstances, the Dentsu Group (hereinafter "the Group") implemented a broad range of specific measures under the "Dentsu Innovation 2013" medium-term management plan announced in July 2009. Furthermore, events such as the 13th IAAF World Championships and the 14th FINA World Championships provided opportunities for multi-faceted business development. At the same time, the Group leveraged its comprehensive resources and pursued a diverse array of business activities by offering Integrated Communication Design solutions.

As a result, for the six months ended September 30, 2011, the Group posted consolidated billings (net sales) of 863,340 million yen, a decrease of 0.6% compared with the same period of the previous fiscal year; gross profit of 149,363 million yen, an increase of 2.4%; operating income of 14,556 million yen, a decrease of 17.2%; and ordinary income of 19,604 million yen, an increase of 18.0%. The Group recorded net income of 8,003 million yen, an increase of 179.9%, for the six months ended September 30, 2011.

Financial results by reportable segment for the six months ended September 30, 2011 were as follows:

a. Advertising

In the Advertising segment, net sales of 834,693 million yen, a decrease of 0.4% compared with the same period of the previous fiscal year, and segment income of 12,062 million yen, a decrease of 23.2%, were posted.

b. Information Services

In the Information Services segment, net sales of 30,640 million yen, an increase of 6.1% compared with the same period of the previous fiscal year, and segment income of 606 million yen (segment loss of 317 million yen for the same period of the previous fiscal year) 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 9,462 million yen, a decrease of 26.1% compared with the same period of the previous fiscal year, and segment income of 352 million yen, a decrease of 54.6%, were posted.

Financial results by geographic segment were as follows:

a. Japan

In Japan, net sales of 759,297 million yen, a decrease of 2.7% compared with the same period of the previous fiscal year, and operating income of 13,741 million yen, a decrease of 15.4%, were posted.

b. Other Countries

In other countries, net sales of 109,069 million yen, an increase of 18.2% compared with the same period of the previous fiscal year, and operating income of 557 million yen, a decrease of 61.5%, were posted.

Regarding Dentsu Group companies with a December 31 closing date, including subsidiaries in countries other than Japan, their financial results for the six months from January 1 to June 30, 2011 are, as a general rule, incorporated in the consolidated financial results for the six months ended September 30, 2011.

Consolidated financial results are greatly affected by the non-consolidated financial results of Dentsu Inc. (hereinafter "Dentsu" or "the Company"). Non-consolidated financial results by business and industry categories for the six months ended September 30, 2011 were as follows:

Dentsu posted non-consolidated billings (net sales) of 648,619 million yen, a decrease of 3.5% compared with the same period of the previous fiscal year; gross

profit of 88,186 million yen, a decrease of 1.9%; operating income of 8,394 million yen, a decrease of 30.4%; and ordinary income of 15,030 million yen, a decrease of 10.2%. Dentsu posted net income of 7,978 million yen, a decrease of 9.5%, for the six months ended September 30, 2011.

<By Business Category>

Category	Net sales (Millions of yen)	Composition ratio (%)	Change (%, compared to the same period of the previous year)
Newspapers	51,212	7.9	(5.8)
Magazines	16,070	2.5	(14.9)
Radio	8,718	1.3	(7.1)
Television	310,839	47.9	(3.1)
Time	140,189	21.6	(2.3)
Spot	170,650	26.3	(3.7)
Interactive Media	21,296	3.3	9.9
OOH Media	21,753	3.4	3.7
Creative	85,561	13.2	2.5
Marketing/Promotion	82,421	12.7	(0.8)
Content Services	37,496	5.8	(27.8)
Others	13,247	2.0	29.8
Total	648,619	100.0	(3.5)

(Notes) 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

2. The composition ratio of each business category is rounded to the nearest tenth.

The four mass media posted net sales of 386,842 million yen, a decrease of 4.1% compared with the same period of the previous fiscal year. For businesses other than the four mass media, net sales of 261,776 million yen, a decrease of 2.7%, were posted, and the net sales composition ratio came to 40.4%.

<By Industry Category>

Category	Net sales (Millions of yen)	Composition ratio (%)	Change (%, compared to the same period of the previous year)
Information/Communications	89,338	13.8	(12.1)
Beverages/Cigarettes	75,098	11.6	(5.5)
Cosmetics/Toiletries	64,309	9.9	4.7
Finance/Insurance	43,184	6.7	(3.4)
Distribution/Retailing	42,493	6.6	20.3
Foodstuffs	40,667	6.3	(4.3)
Home Electric Appliances/ AV Equipment	33,294	5.1	(13.1)
Pharmaceuticals/ Medical Supplies	32,913	5.1	(7.4)
Food Services/Other Services	29,153	4.5	(12.6)
Government/Organizations	26,776	4.1	3.2
Hobbies/Sporting Goods	26,335	4.1	(8.4)
Transportation/Leisure	26,311	4.1	2.0
Automobiles/ Related Products	24,707	3.8	(16.8)
Real Estate/Housing Facilities	20,787	3.2	19.3
Apparel/Fashion, Accessories/Personal Items	18,072	2.8	9.0
Others	55,175	8.5	(1.4)
Total	648,619	100.0	(3.5)

(Note) The composition ratio of each industry category is rounded to the nearest tenth.

For the six months ended September 30, 2011, among the Company's top fifteen contributing industry categories, net sales decreased in nine industry categories, including Information/Communications, with a decrease of 12.1% compared with the same period of the previous fiscal year, and Beverages/Cigarettes, with a decrease of 5.5%. Only six categories showed year-on-year increases, including Cosmetics/Toiletries, with an increase of 4.7%, and Distribution/Retailing, with an increase of 20.3%.

(2) Forecast of Consolidated Financial Results

Although the advertising market is currently showing signs of recovery, economic trends overseas and the strong yen mean that the outlook is far from optimistic. Furthermore, according to the Japan Center for Economic Research, as of September 2011 Japan's total advertising expenditure for fiscal 2011 is predicted to be 4.0% lower than the previous fiscal year. Considering these circumstances, Dentsu's forecast of consolidated financial results for the fiscal year ending March 31, 2012 released on May 12, 2011 has been amended as shown on page 3.

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 3,329 million yen (after deducting 848 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, 2010. The average foreign exchange rate for the period from January to September 2011 of approximately 1 euro = 113.4 yen, the same rate used for other affiliated companies, has been applied.

Meanwhile, non-consolidated financial results for the fiscal year ending March 31, 2012 are forecast as follows: net sales of 1,405,300 million yen, an increase of 0.6% compared to the previous fiscal year; operating income of 31,800 million yen, a decrease of 5.9%; ordinary income of 40,500 million yen, an increase of 0.5%; and net income of 20,000 million yen, an increase of 14.5%.

2. Matters Related to Summary Information and Additional Information

(1) Changes in Significant Consolidated Subsidiaries during the Six Months

No items to report

(2) Application of Specific Accounting Treatments for Preparing Quarterly Consolidated Financial Statements

No items to report

(3) Changes in Accounting Policies, Changes in Accounting Estimates and Corrections of Errors

No items to report

(4) Additional Information

Revisions of accounting standards

Starting from the beginning of the first quarter of fiscal 2011, the "Accounting Standard for Accounting Changes and Error Corrections" (ASBJ Statement No. 24, December 4, 2009) and the "Guidance on Accounting Standard for Accounting Changes and Error Corrections" (ASBJ Guidance No. 24, December 4, 2009) have been applied for accounting changes and corrections of prior period errors.

3. Quarterly Consolidated Financial Statements

(1) Quarterly Consolidated Balance Sheets

	(Millions of yen)	
	As of March 31, 2011	As of September 30, 2011
Assets		
Current assets		
Cash and deposits	132,483	134,547
Notes and accounts receivable—trade	430,477	399,294
Short-term investment securities	94	125
Inventories	9,458	17,176
Other	41,357	37,747
Allowance for doubtful accounts	(2,262)	(2,470)
Total current assets	<u>611,607</u>	<u>586,421</u>
Noncurrent assets		
Property, plant and equipment		
Land	160,379	160,383
Other, net	83,197	82,556
Total property, plant and equipment	<u>243,577</u>	<u>242,940</u>
Intangible assets		
Goodwill	32,853	35,162
Other	20,327	19,979
Total intangible assets	<u>53,180</u>	<u>55,142</u>
Investments and other assets		
Investment securities	155,193	162,751
Other	73,045	71,497
Allowance for doubtful accounts	(3,198)	(4,227)
Allowance for investment loss	(106)	(100)
Total investments and other assets	<u>224,934</u>	<u>229,921</u>
Total noncurrent assets	<u>521,692</u>	<u>528,003</u>
Total assets	<u>1,133,300</u>	<u>1,114,425</u>

(Millions of yen)

	As of March 31, 2011	As of September 30, 2011
Liabilities		
Current liabilities		
Notes and accounts payable—trade	379,374	361,294
Short-term loans payable	3,138	2,500
Income taxes payable	11,412	3,991
Provision	566	251
Asset retirement obligations	53	—
Other	84,428	106,702
Total current liabilities	478,975	474,741
Noncurrent liabilities		
Long-term loans payable	78,961	57,158
Provision for retirement benefits	33,177	35,567
Other provision	661	467
Asset retirement obligations	784	832
Other	28,598	26,924
Total noncurrent liabilities	142,183	120,949
Total liabilities	621,158	595,690
Net assets		
Shareholders' equity		
Capital stock	58,967	58,967
Capital surplus	60,899	60,899
Retained earnings	468,846	473,116
Treasury stock	(65,064)	(65,067)
Total shareholders' equity	523,647	527,915
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,930	3,564
Deferred gains or losses on hedges	(2,823)	(3,845)
Revaluation reserve for land	(7,187)	(7,187)
Foreign currency translation adjustment	(22,634)	(21,437)
Total accumulated other comprehensive income	(30,714)	(28,905)
Minority interests	19,208	19,724
Total net assets	512,141	518,734
Total liabilities and net assets	1,133,300	1,114,425

(2) Quarterly Consolidated Statements of Income and Comprehensive Income
Quarterly Consolidated Statements of Income

(Millions of yen)

	Six months ended September 30, 2010	Six months ended September 30, 2011
Net sales	868,407	863,340
Cost of sales	722,511	713,976
Gross profit	145,896	149,363
Selling, general and administrative expenses		
Salaries and allowances	68,020	71,214
Provision for directors' bonuses	181	180
Provision for retirement benefits	5,445	5,649
Provision for directors' retirement benefits	81	66
Welfare expenses	8,576	9,400
Depreciation	6,451	6,036
Amortization of goodwill	1,379	1,220
Provision of allowance for doubtful accounts	475	1,261
Other	37,697	39,777
Total selling, general and administrative expenses	128,309	134,807
Operating income	17,586	14,556
Non-operating income		
Interest income	311	336
Dividends income	1,287	1,447
Equity in earnings of affiliates	300	3,523
Other	1,614	1,991
Total non-operating income	3,513	7,298
Non-operating expenses		
Interest expenses	1,093	954
Foreign exchange losses	1,465	107
Amortization of long-term prepaid expenses	732	763
Other	1,192	425
Total non-operating expenses	4,484	2,250
Ordinary income	16,616	19,604

(Millions of yen)

	Six months ended September 30, 2010	Six months ended September 30, 2011
Extraordinary income		
Gain on sales of noncurrent assets	7	11
Gain on sales of investment securities	1,366	150
Dividends distribution from partnership	444	258
Other	256	34
Total extraordinary income	2,074	455
Extraordinary loss		
Loss on sales of noncurrent assets	3	17
Loss on retirement of noncurrent assets	61	207
Impairment loss	3,598	1,029
Special retirement expenses	1,665	989
Loss on revision of retirement benefit plan	—	949
Amortization of goodwill	8,177	—
Other	1,902	1,341
Total extraordinary losses	15,407	4,535
Income before income taxes and minority interests	3,283	15,524
Income taxes—current	2,526	4,254
Income taxes—deferred	(1,860)	2,475
Total income taxes	665	6,729
Income before minority interests	2,617	8,794
Minority interests in income (loss)	(241)	791
Net income	2,859	8,003

Quarterly Consolidated Statements of Comprehensive Income

(Millions of yen)

	Six months ended September 30, 2010	Six months ended September 30, 2011
Income before minority interests	2,617	8,794
Other comprehensive income		
Valuation difference on available-for-sale securities	(2,069)	1,695
Deferred gains or losses on hedges	(1,899)	(1,033)
Foreign currency translation adjustment	(1,715)	(273)
Share of other comprehensive income of associates accounted for using equity method	62	1,486
Total other comprehensive income	(5,621)	1,875
Comprehensive income	(3,004)	10,669
Comprehensive income attributable to		
Owners of the parent	(2,495)	9,811
Minority interests	(508)	858

(3) Notes on Premise of Going Concern

No items to report

(4) Segment and Other Information

<Segment Information>

I. Six Months Ended September 30, 2010 (from April 1 to September 30, 2010)

1. Net sales and income or loss by reportable segment

	Advertising	Information Services	Other Businesses	Total	Adjustment	(Millions of yen) Amount on quarterly consolidated statements of income
Net sales	838,133	28,878	12,803	879,815	(11,407)	868,407
Segment income (loss)	15,696	(317)	776	16,156	1,430	17,586

(Notes) 1. The difference between the total 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.

2. Goodwill and impairment of noncurrent assets 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 13,110 million yen for the six months ended September 30, 2010, resulting in an increase in the Advertising segment.

Dentsu amortized 8,177 million yen in the goodwill 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.

II. Six Months Ended September 30, 2011 (from April 1 to September 30, 2011)

1. Net sales and income by reportable segment

(Millions of yen)

	Advertising	Information Services	Other Businesses	Total	Adjustment	Amount on quarterly consolidated statements of income
Net sales	834,693	30,640	9,462	874,796	(11,455)	863,340
Segment income	12,062	606	352	13,022	1,534	14,556

(Notes) 1. The difference between the total income 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 has been adjusted to equal the operating income on the quarterly consolidated statements of income.

2. Goodwill and impairment of noncurrent assets by reportable segment

No items to report

(Reference Information)

[By Geographic Segment]

Six Months Ended September 30, 2010 (from April 1 to September 30, 2010)

(Millions of yen)

	Japan	Other Countries	Total	Eliminations/ Corporate	Consolidated
Net sales	780,224	92,252	872,477	(4,069)	868,407
Operating income	16,244	1,447	17,692	(105)	17,586

Six Months Ended September 30, 2011 (from April 1 to September 30, 2011)

(Millions of yen)

	Japan	Other Countries	Total	Eliminations/ Corporate	Consolidated
Net sales	759,297	109,069	868,367	(5,026)	863,340
Operating income	13,741	557	14,298	257	14,556

(Note) "Other Countries" consists substantially of the U.S. and China.

[Overseas Sales]

Six Months Ended September 30, 2010 (from April 1 to September 30, 2010)

I. Overseas net sales:	88,733 million yen
II. Consolidated net sales:	868,407 million yen
III. Overseas net sales as a percentage of consolidated net sales:	10.2 %

Six Months Ended September 30, 2011 (from April 1 to September 30, 2011)

I. Overseas net sales:	109,837 million yen
II. Consolidated net sales:	863,340 million yen
III. Overseas net sales as a percentage of consolidated net sales:	12.7 %

- (Notes) 1. Overseas net sales indicate net sales in countries or regions other than Japan by the Company and its consolidated subsidiaries.
2. "Countries or regions other than Japan" consists substantially of the U.S. and China.

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

No items to report