

FOR IMMEDIATE RELEASE

February 14, 2012

Dentsu Reports Consolidated Financial Results for the Nine Months Ended December 31, 2011 (Japanese GAAP)

— Posts 1,357.3 Billion Yen in Consolidated Billings (Net Sales) (a 0.6% year-on-year increase), 30.7 Billion Yen in Operating Income (a 13.0% decrease), 37.3 Billion Yen in Ordinary Income (a 10.9% increase) and 13.2 Billion Yen in Net Income (a 52.4% increase)—

Dentsu Inc. (Tokyo: 4324; ISIN: JP3551520004; President & CEO: Tadashi Ishii; Head Office: Tokyo; Capital: 58,967.1 million yen) today convened a meeting of its Board of Directors at its Head Office in Tokyo at which it finalized its consolidated financial results for the nine months ended December 31, 2011 (April 1–December 31, 2011).

Summary of financial results for the period

During the nine months ended December 31, 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, prolonged yen appreciation, and the effects of flooding in Thailand.

The situation in the advertising industry was severe during the first quarter ended June 30, 2011 (from April 1 to June 30, 2011) due to the effects of the earthquake, but demand for advertising, mainly television spots, has shown signs of recovery since the summer as clients' supply chains were restored. As a result, performance has been relatively strong for the third quarter ended December 31, 2011 (from October 1 to December 31, 2011).

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, the 14th FINA World Championships, the 42nd Tokyo Motor Show 2011, and FIFA Club World Cup Japan 2011 presented by TOYOTA 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 nine months ended December 31, 2011, the Group posted billings (net sales) of 1,357,340 million yen, an increase of 0.6% compared with the same period of the previous fiscal year; gross profit of 234,774 million yen, an increase of 2.7%; operating income of 30,723 million yen, a decrease of 13.0%; and ordinary income of 37,309 million yen, an increase of 10.9%. Net income for the nine months ended December 31, 2011 was 13,274 million yen, an increase of 52.4%. This was mainly due to an increase in income taxes—deferred resulting from a decrease in deferred tax assets accompanying promulgation of legislation concerning reduction of the corporate income tax rate as well as to a decrease in extraordinary loss.

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, 2011 (from October 1 to December 31, 2011) 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 1 to September 30, 2011).

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 to September 30, 2011 are, as a general rule, incorporated in the consolidated financial results for the nine months ended December 31, 2011.

Trend of Quarterly Consolidated Financial Results

(Millions of yen)

FY 2011	1Q (Apr–Jun)	YoY Change	2Q (Jul–Sep)	YoY Change	3Q (Oct–Dec)	YoY Change
Net sales	402,131	–3.6%	461,209	+2.2%	493,999	+2.9%
Gross profit	68,146	+0.7%	81,217	+3.9%	85,410	+3.2%
Gross profit margin	16.9%	+0.7ppts	17.6%	+0.3ppts	17.3%	+0.1ppts
SG&A	63,919	+5.3%	70,888	+4.8%	69,244	+6.4%
Operating income	4,227	–39.6%	10,329	–1.9%	16,166	–8.8%
Operating margin*	6.2%	–4.1ppts	12.7%	–0.8ppts	18.9%	–2.5ppts
Ordinary income	6,427	+125.9%	13,176	–3.9%	17,711	+4.1%
Income before income taxes and minority interests	3,708	+140.0%	11,815	+579.7%	16,679	+35.5%
Net income	1,308	+274.0%	6,694	+166.8%	5,271	–9.9%

*Operating margin = operating income ÷ gross profit × 100

For more information regarding the consolidated and non-consolidated financial results for the nine months ended December 31, 2011, please visit the Investor Relations section of the Company's website at <http://www.dentsu.com/ir/>.

Scope of Consolidated Financial Results

As of December 31, 2011, the Dentsu Group includes 139 consolidated subsidiary companies and 36 affiliated companies accounted for by the equity method. 86 of these companies are located in Japan and 89 in countries other than Japan. By business segment, 157 of these companies fall into the Advertising segment, 12 into the Information Services segment, and 6 into the Other Businesses segment.

Outlook for the fiscal year ending March 31, 2012

Results for net sales, operating income, and ordinary income for the nine months ended December 31, 2011 were roughly as forecast; consequently, there are no revisions to the corresponding forecast of consolidated financial results for the fiscal year ending March 31, 2012 which was announced on November 9, 2011. However, due to the increase in income taxes—deferred resulting from a decrease in deferred tax assets accompanying the promulgation of legislation concerning reduction of the corporate income tax rate, the net income forecast for the fiscal year ending March 31, 2012, announced on November 9, 2011,

has been revised.

The forecast of consolidated financial results for the fiscal year ending March 31, 2012 is as follows:

- Net sales: 1,870.0 billion yen
 - ✧ Year-on-year comparison: 2.0% increase
- Operating income: 47.2 billion yen
 - ✧ Year-on-year comparison: 7.3% decrease
- Ordinary income: 57.2 billion yen
 - ✧ Year-on-year comparison: 5.6% increase
- Net income: 22.9 billion yen
 - ✧ Year-on-year comparison: 5.8% increase; against forecast: 16.1% decrease

Cautionary statement with respect to forward-looking statements

These business results forecasts have been made by Dentsu on the basis of currently available information, and hence involve potential risks and uncertainties. Consequently, actual business results may differ from the forecasts due to changes in various factors.

Consolidated Financial Results
for the Nine Months Ended December 31, 2011
(From April 1 to December 31, 2011)

1. Summary of Consolidated Balance Sheets

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

	As of March 31, 2011	As of December 31, 2011	Percentage Change
ASSETS			
Current assets	611,607	620,545	1.5
Noncurrent assets	521,692	521,994	0.1
Total assets	<u>1,133,300</u>	<u>1,142,539</u>	<u>0.8</u>
LIABILITIES			
Current liabilities	478,975	504,505	5.3
Noncurrent liabilities	142,183	119,608	(15.9)
Total liabilities	<u>621,158</u>	<u>624,114</u>	<u>0.5</u>
NET ASSETS			
Shareholders' equity	523,647	529,448	1.1
Accumulated other comprehensive income	(30,714)	(30,665)	-
Minority interests	19,208	19,641	2.3
Total net assets	<u>512,141</u>	<u>518,425</u>	<u>1.2</u>
Total liabilities and net assets	<u>1,133,300</u>	<u>1,142,539</u>	<u>0.8</u>

2. Summary of Consolidated Statements of Income

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

	Nine months ended December 31, 2010	Nine months ended December 31, 2011	Percentage Change
Net sales	1,348,644	1,357,340	0.6
Gross profit	228,682	234,774	2.7
Operating income	35,308	30,723	(13.0)
Non-operating income	5,125	10,091	96.9
Non-operating expenses	6,804	3,505	(48.5)
Ordinary income	33,629	37,309	10.9
Extraordinary income	2,780	499	(82.0)
Extraordinary loss	20,817	5,605	(73.1)
Income before income taxes and minority interests	15,592	32,203	106.5
Net income	8,710	13,274	52.4

3. Summary of Consolidated Statements of Comprehensive Income

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

	Nine months ended December 31, 2010	Nine months ended December 31, 2011	Percentage Change
Income before minority interests	8,737	14,151	62.0
Other comprehensive income	(4,022)	(1,162)	-
Comprehensive income	4,715	12,989	175.5

#####

Contact: Shusaku Kannan
Senior Manager
Corporate Communications Division
Telephone: (813) 6216-8042
E-mail: s.kannan@dentsu.co.jp