

FOR IMMEDIATE RELEASE

May 14, 2012

Dentsu Reports Consolidated Financial Results for the Fiscal Year Ended March 31, 2012

—Posts 1,893.0 Billion Yen in Consolidated Billings (Net Sales) (a 3.3% year-on-year increase), 51.9 Billion Yen in Operating Income (a 2.0% increase), 62.8 Billion Yen in Ordinary Income (a 16.0% increase) and 29.5 Billion Yen in Net Income (a 36.7% 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 and non-consolidated financial results for the fiscal year ended March 31, 2012 (April 1, 2011–March 31, 2012; hereinafter “the fiscal year under review”).

Summary of financial results for the fiscal year ended March 31, 2012

During the fiscal year under review, 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, rapid exchange rate fluctuations and escalating crude oil prices.

Due to the effects of the Great East Japan Earthquake, the situation in the advertising industry was severe at the beginning of the fiscal year under review. However, demand for advertising, mainly television spots, showed signs of recovery from the summer onward as clients’ supply chains were restored. As a result, performance in the second half was robust overall.

Dentsu’s estimate for advertising expenditures in Japan for the 2011 calendar year was 5,709.6 billion yen, a decrease of 2.3% compared with the 2010 calendar year. This marked the fourth consecutive year of decline. Looking at the breakdown of advertising expenditures by medium, spending in the Traditional Media category fell 2.6%, while advertising in Promotional Media was down 4.6%, falling below the previous year’s level. In contrast, Satellite Media-Related advertising expenditures posted double-digit growth (up 13.6%) as the switch to digital terrestrial broadcasting boosted demand for television sets equipped with

3-band tuners. Internet advertising continued to grow (up 4.1%) due in part to the development of new advertising modalities targeting social media.

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.

In the fiscal year under review, the Group posted consolidated billings (net sales) of 1,893,055 million yen, an increase of 3.3% compared with the previous fiscal year. The Group recorded gross profit of 332,807 million yen, an increase of 4.8%; operating income of 51,977 million yen, an increase of 2.0%; ordinary income of 62,843 million yen, an increase of 16.0%; and net income of 29,573 million yen, an increase of 36.7%.

Regarding Group companies with a December 31 closing date, including subsidiaries in countries other than Japan, their financial results for the twelve months from January 1 to December 31, 2011 are, as a general rule, incorporated in the consolidated financial results for the fiscal year ended March 31, 2012.

Dentsu posted non-consolidated billings (net sales) of 1,404,663 million yen, an increase of 0.6% compared with the previous fiscal year; gross profit of 194,636 million yen, an increase of 0.8%; operating income of 31,693 million yen, a decrease of 6.2%; ordinary income of 40,654 million yen, an increase of 0.8%; and net income of 42,212 million yen, an increase of 141.6%.

For more details regarding the consolidated and non-consolidated results, please visit <http://www.dentsu.com/ir/>

Reference: Scope of Consolidated Financial Results

As of March 31, 2012, the Dentsu Group includes 144 consolidated subsidiary companies and 36 affiliated companies accounted for by the equity method. 87 of

these companies are located in Japan and 93 in countries other than Japan. By business segment, 163 of these companies fall into the Advertising segment, 12 into the Information Services segment, and 5 into the Other Businesses segment.

Outlook for the fiscal year ending March 31, 2013

Anticipating an increase in spending as the Japanese economy rebounds from the 2011 earthquake as well as the favorable impact of the London Olympic Games and other large-scale events, the Japan Center for Economic Research projects that advertising expenditures in Japan will increase 2.6% year on year during the fiscal year ending March 31, 2013 (forecast as of March 2012).

Against this backdrop, the Group will continue to implement a wide range of concrete reforms based on its "Dentsu Innovation 2013" medium-term management plan, and make every effort on diverse fronts toward the nation's recovery from the Great East Japan Earthquake.

For the fiscal year ending March 31, 2013, on a consolidated basis, Dentsu forecasts billings (net sales) of 1,968.0 billion yen, an increase of 4.0% year on year; operating income of 60.0 billion yen, an increase of 15.4%; ordinary income of 62.6 billion yen, a decrease of 0.4%; and net income of 29.2 billion yen, a decrease of 1.3%.

On a non-consolidated basis, for the fiscal year ending March 31, 2013, Dentsu forecasts billings (net sales) of 1,457.1 billion yen, an increase of 3.7% year on year; operating income of 39.0 billion yen, an increase of 23.1%; ordinary income of 45.7 billion yen, an increase of 12.4%; and net income of 22.6 billion yen, a decrease of 46.5%.

Cash dividends applicable to the fiscal year ended March 31, 2012

Based on a comprehensive view of such factors as business results for the fiscal year under review, the medium- to long-term results outlook and the Group's funding situation, cash dividends per share of common stock are expected to be 31.00 yen, including an interim dividend of 15.00 yen and a year-end dividend of 16.00 yen.

Cash dividends per share of common stock applicable to the fiscal year ending March 31, 2013, are expected to be 32.00 yen, including an interim dividend of 16.00 yen and a year-end dividend of 16.00 yen.

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 Fiscal Year Ended March 31, 2012

1. Summary of Consolidated Balance Sheets

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

	As of March 31, 2011	As of March 31, 2012	% Change
ASSETS			
Current assets	611,607	722,223	18.1
Noncurrent assets	521,692	479,671	(8.1)
Total assets	<u>1,133,300</u>	<u>1,201,894</u>	<u>6.1</u>
LIABILITIES			
Current liabilities	478,975	525,181	9.6
Noncurrent liabilities	142,183	119,824	(15.7)
Total liabilities	<u>621,158</u>	<u>645,005</u>	<u>3.8</u>
NET ASSETS			
Shareholders' equity	523,647	541,929	3.5
Accumulated other comprehensive income	(30,714)	(5,638)	-
Minority interests	19,208	20,598	7.2
Total net assets	<u>512,141</u>	<u>556,889</u>	<u>8.7</u>
Total liabilities and net assets	<u>1,133,300</u>	<u>1,201,894</u>	<u>6.1</u>

2. Summary of Consolidated Statements of Income

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

	Fiscal year ended March 31, 2011	Fiscal year ended March 31, 2012	% Change
Net sales	1,833,449	1,893,055	3.3
Gross profit	317,696	332,807	4.8
Operating income	50,937	51,977	2.0
Non-operating income	9,704	15,880	63.6
Non-operating expenses	6,475	5,014	(22.6)
Ordinary income	54,166	62,843	16.0
Extraordinary income	3,172	7,194	126.8
Extraordinary loss	21,959	11,578	(47.2)
Income before income taxes and minority interests	35,379	58,459	65.2
Net income	21,635	29,573	36.7

3. Summary of Consolidated Statements of Comprehensive Income

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

	Fiscal year ended March 31, 2011	Fiscal year ended March 31, 2012	% Change
Income before minority interests	22,913	31,505	37.5
Other comprehensive income	(6,227)	23,839	-
Comprehensive income	16,686	55,344	231.7

4. Summary of Consolidated Statements of Cash Flows

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

	Fiscal year ended March 31, 2011	Fiscal year ended March 31, 2012
Net cash provided by operating activities	72,914	26,397
Net cash provided by (used in) investing activities	(1,825)	45,941
Net cash used in financing activities	(29,339)	(27,331)
Effect of exchange rate change on cash and cash equivalents	(2,969)	(1,866)
Net increase in cash and cash equivalents	38,781	43,140
Cash and cash equivalents at beginning of period	92,854	131,662
Increase in cash and cash equivalents from newly consolidated subsidiary	26	1,152
Cash and cash equivalents at end of period	131,662	175,956

Non-Consolidated Financial Results for the Fiscal Year Ended March 31, 2012

1. Summary of Non-Consolidated Balance Sheets

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

	As of March 31, 2011	As of March 31, 2012	% Change
ASSETS			
Current assets	505,634	593,069	17.3
Noncurrent assets	505,904	472,595	(6.6)
Total assets	<u>1,011,538</u>	<u>1,065,664</u>	<u>5.4</u>
LIABILITIES			
Current liabilities	480,055	512,175	6.7
Noncurrent liabilities	116,277	90,390	(22.3)
Total liabilities	<u>596,332</u>	<u>602,566</u>	<u>1.0</u>
NET ASSETS			
Shareholders' equity	423,534	458,266	8.2
Valuation and translation adjustments	(8,328)	4,831	-
Total net assets	<u>415,206</u>	<u>463,098</u>	<u>11.5</u>
Total liabilities and net assets	<u>1,011,538</u>	<u>1,065,664</u>	<u>5.4</u>

2. Summary of Non-Consolidated Statements of Income

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

	Fiscal year ended March 31, 2011	Fiscal year ended March 31, 2012	% Change
Net sales	1,396,798	1,404,663	0.6
Gross profit	193,129	194,636	0.8
Operating income	33,799	31,693	(6.2)
Non-operating income	12,350	13,634	10.4
Non-operating expenses	5,838	4,673	(19.9)
Ordinary income	40,312	40,654	0.8
Extraordinary income	7,669	27,142	253.9
Extraordinary loss	21,430	6,154	(71.3)
Income before income taxes	26,551	61,642	132.2
Net income	17,471	42,212	141.6

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