

FOR IMMEDIATE RELEASE

August 3, 2012

## **Dentsu Reports Consolidated Financial Results for the Three Months Ended June 30, 2012 (Japanese GAAP)**

***—Posts 447.4 Billion Yen in Consolidated Billings (Net Sales) (11.3% year-on-year increase), 9.5 Billion Yen in Operating Income (126.4% increase), 11.4 Billion Yen in Ordinary Income (78.9% increase) and 5.8 Billion Yen in Net Income (349.8% 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 three months ended June 30, 2012 (April 1–June 30, 2012).

### **Summary of financial results for the three months ended June 30, 2012**

During the three-month period ended June 30, 2012, the Japanese economy showed a gradual recovery due to demand from reconstruction in the wake of the Great East Japan Earthquake and the effects of policies such as Japan's eco-car subsidy program. However, the situation remained uncertain due to concerns about the European government debt crisis, economic slowdown overseas and prolonged appreciation of the yen.

Meanwhile, demand for advertising, mainly television spots, showed a strong upturn as the market rebounded from the effects of the devastating earthquake and tsunami which had affected the advertising industry during the same period a year earlier.

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. At the same time, the Group leveraged its comprehensive resources and proactively pursued a diverse array of business opportunities by providing "Integrated Communication Design" solutions. As a result, for the three months ended June 30, 2012, the Group posted consolidated billings (net sales) of 447,469 million yen, an

increase of 11.3% compared with the same period of the previous fiscal year; gross profit of 76,481 million yen, an increase of 12.2%; operating income of 9,571 million yen, an increase of 126.4%; and ordinary income of 11,497 million yen, an increase of 78.9%. The Group recorded net income of 5,886 million yen, an increase of 349.8%, for the three months ended June 30, 2012.

Looking at the results by geographic segment, net sales of 391,517 million yen, an increase of 11.4% compared with the same period of the previous fiscal year, and operating income of 8,843 million yen, an increase of 128.9%, were posted in Japan. In other countries, net sales of 58,532 million yen, an increase of 10.3% compared with the same period of the previous fiscal year, and operating income of 590 million yen, an increase of 27.0%, were posted.

Regarding Group companies with a December 31 closing date, including subsidiaries in countries other than Japan, their financial results for the three months from January 1 to March 31, 2012 are, as a general rule, incorporated in the consolidated financial results for the three months ended June 30, 2012.

Dentsu posted non-consolidated billings (net sales) of 335,486 million yen, an increase of 11.4% compared with the previous fiscal year; gross profit of 44,693 million yen, an increase of 10.6%; operating income of 7,800 million yen, an increase of 121.9%; ordinary income of 12,971 million yen, an increase of 34.4%; and net income of 8,077 million yen, an increase of 56.0%.

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

### **Reference: Scope of Consolidated Financial Results**

As of June 30, 2012, the Dentsu Group includes 147 consolidated subsidiary companies and 39 affiliated companies accounted for by the equity method. 90 of these companies are located in Japan and 96 in countries other than Japan. By business segment, 168 of these companies fall into the Advertising segment, 13 into the Information Services segment, and 5 into the Other Businesses segment.

### Outlook for the first half ending September 30, 2012 and the fiscal year ending March 31, 2013

Since the results for the first quarter were in line with expectations, no changes have been made to the forecast of consolidated financial results for the first half ending September 30, 2012 and fiscal year ending March 31, 2013, which was announced on May 14, 2012.

On July 12, 2012 Dentsu announced that it has agreed with Aegis Group plc, a leading global media and digital communications agency headquartered in the United Kingdom, to start proceedings to be effected by means of a scheme of arrangement under the laws of England and Wales that will make it a wholly owned subsidiary of Dentsu. The recommended acquisition of Aegis by Dentsu is expected to come into force sometime during the October–December period, but since the actual date and other factors have not yet been finalized, the effect of this acquisition on the Company's consolidated results has not been taken into consideration at the present time. Dentsu will announce the specific effect of the acquisition on its performance in the fiscal year ending March 31, 2013 at an appropriate time.

	Three months ended June 30, 2012	YoY change (%)	Forecast for the six months ending Sept. 30, 2012*	YoY change (%)	FY2012 forecast (from April 1, 2012 to March 31, 2013)*	YoY change (%)
Net sales	447,469	11.3	919,400	6.5	1,968,000	4.0
Operating income	9,571	126.4	21,100	45.0	60,000	15.4
Ordinary income	11,497	78.9	22,800	16.3	62,600	(0.4)
Net income	5,886	349.8	9,300	16.2	29,200	(1.3)

\*No changes have been made to the Forecast of Financial Results announced on May 14, 2012.

### 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 Three Months Ended June 30, 2012

### 1. Summary of Consolidated Balance Sheets

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

	As of March 31, 2012	<b>As of June 30, 2012</b>	% Change
<b>ASSETS</b>			
Current assets	722,223	<b>655,738</b>	(9.2)
Noncurrent assets	479,671	<b>503,842</b>	5.0
Total assets	<u>1,201,894</u>	<u><b>1,159,580</b></u>	<u>(3.5)</u>
<b>LIABILITIES</b>			
Current liabilities	525,181	<b>487,307</b>	(7.2)
Noncurrent liabilities	119,824	<b>113,899</b>	(4.9)
Total liabilities	<u>645,005</u>	<u><b>601,207</b></u>	<u>(6.8)</u>
<b>NET ASSETS</b>			
Shareholders' equity	541,929	<b>543,965</b>	0.4
Accumulated other comprehensive income	(5,638)	<b>(6,178)</b>	-
Minority interests	20,598	<b>20,586</b>	(0.1)
Total net assets	<u>556,889</u>	<u><b>558,373</b></u>	<u>0.3</u>
Total liabilities and net assets	<u>1,201,894</u>	<u><b>1,159,580</b></u>	<u>(3.5)</u>

## 2. Summary of Consolidated Statements of Income

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

	Three months ended June 30, 2011	<b>Three months ended June 30, 2012</b>	% Change
Net sales	402,131	<b>447,469</b>	11.3
Gross profit	68,146	<b>76,481</b>	12.2
Operating income	4,227	<b>9,571</b>	126.4
Non-operating income	3,500	<b>3,001</b>	(14.2)
Non-operating expenses	1,300	<b>1,076</b>	(17.2)
Ordinary income	6,427	<b>11,497</b>	78.9
Extraordinary income	136	<b>21</b>	(84.1)
Extraordinary loss	2,856	<b>1,262</b>	(55.8)
Income before income taxes and minority interests	3,708	<b>10,256</b>	176.6
Net income	1,308	<b>5,886</b>	349.8

## 3. Summary of Consolidated Statements of Comprehensive Income

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

	Three months ended June 30, 2011	<b>Three months ended June 30, 2012</b>	% Change
Income before minority interests	1,356	<b>5,890</b>	334.3
Other comprehensive income	1,707	<b>(434)</b>	-
Comprehensive income	3,063	<b>5,455</b>	78.1

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