

FOR IMMEDIATE RELEASE

November 8, 2012

Dentsu Reports Consolidated Financial Results for the Six Months Ended September 30, 2012 (Japanese GAAP)

— Posts 921.0 Billion Yen in Consolidated Billings (Net Sales) (6.7% year-on-year increase), 22.1 Billion Yen in Operating Income (51.9% increase), 19.7 Billion Yen in Ordinary Income (0.9% increase) and 9.3 Billion Yen in Net Income (16.8% 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 six months ended September 30, 2012 (April 1–September 30, 2012).

Summary of financial results for the period

During the six-month period ended September 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 in the April–June quarter 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. However, against the background of increasing uncertainty about the future of the global economy, advertising demand started to slow in the summer.

Under such circumstances, the Dentsu Group (hereinafter "the Group") leveraged its comprehensive resources and proactively pursued a diverse array of business opportunities by offering "Integrated Communication Design" solutions. Furthermore, events such as the London 2012 Olympic Games provided the Group with opportunities for multi-faceted business development.

As a result, for the six months ended September 30, 2012, the Group posted consolidated billings (net sales) of 921,036 million yen, an increase of 6.7% compared with the same period of the previous fiscal year; gross profit of 162,654 million yen, an increase of 8.9%; operating income of 22,110 million yen, an increase of 51.9%; and ordinary income of 19,784 million yen, an increase of 0.9%. The Group recorded net income of 9,349 million yen, an increase of 16.8%, for the six months ended September 30, 2012.

Looking at the results by business segment, net sales of 891,286 million yen, an increase of 6.8% compared with the same period of the previous fiscal year, and segment income of 19,766 million yen, an increase of 63.9%, were posted in the Advertising segment. In the Information Services segment, net sales of 33,328 million yen, an increase of 8.8%, and segment income of 1,014 million yen, an increase of 67.3%, were posted. Net sales in the Other Business segment totaled 8,337 million yen, a decrease of 11.9%, with segment income of 462 million yen, an increase of 31.0%.

By geographic area, net sales of 794,742 million yen, an increase of 4.7% compared with the same period of the previous fiscal year, and operating income of 19,960 million yen, an increase of 45.3%, were posted in Japan. In other countries, net sales of 130,454 million yen, an increase of 19.6%, and operating income of 2,036 million yen, an increase of 265.3%, were posted.

Regarding 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, 2012 are, as a general rule, incorporated in the consolidated financial results for the six months ended September 30, 2012.

Dentsu posted non-consolidated billings (net sales) of 676,126 million yen, an increase of 4.2% compared with the same period of the previous fiscal year; gross profit of 93,400 million yen, an increase of 5.9%; operating income of 14,080 million yen, an increase of 67.7%; ordinary income of 14,731 million yen, a decrease of 2.0%; and net income of 8,109 million yen, an increase of 1.7%.

For more details regarding the consolidated and non-consolidated results, please see the presentation slides that will be uploaded to the Presentation Materials section of the company website on November 13 at:

<http://www.dentsu.com/ir/data/setsumeikai/index.html>

Reference: Scope of Consolidated Financial Results

As of September 30, 2012, the Dentsu Group includes 149 consolidated subsidiary companies and 40 affiliated companies accounted for by the equity method. 90 of these companies are located in Japan and 99 in countries other than Japan. By business segment, 171 of these companies fall into the Advertising segment, 13 into the Information Services segment, and 5 into the Other Businesses segment.

Outlook for the fiscal year ending March 31, 2013

Although the net sales and operating income results for the first half (the six-month period ended September 30, 2012) were almost in line with expectations, advertising demand is slowing down. In view of this situation, Dentsu has amended its forecast of consolidated financial results for the fiscal year ending March 31, 2013, which was announced on May 14, 2012. As shown in the chart below, the net sales forecast was revised slightly downward. With regard to the operating income forecast, Dentsu will work toward achieving the target announced on May 14 through cost controls. The full-year ordinary income and net income forecasts were revised after the differences between the forecasts and actual results for the first half were taken into account.

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. Since the actual date when the recommended acquisition of Aegis by Dentsu will come into force has 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.

(Unit: million yen)

	Three months ended June 30, 2012 (Apr–Jun)	YoY change (%)	Three months ended Sept. 30, 2012 (Jul–Sep)	YoY change (%)	Six months ended Sept. 30, 2012 (Apr–Sep)	YoY change (%)	FY2012* forecast announced on May 14, 2012	Amended FY2012* forecast	YoY change (%)
Net sales	447,469	11.3	473,566	2.7	921,036	6.7	1,968,000	1,961,000	3.6
Operating income	9,571	126.4	12,539	21.4	22,110	51.9	60,000	60,000	15.4
Ordinary income	11,497	78.9	8,287	(37.1)	19,784	0.9	62,600	57,100	(9.1)
Net income	5,886	349.8	3,463	(48.3)	9,349	16.8	29,200	28,100	(5.0)

* FY2012: April 1, 2012 to March 31, 2013

Dentsu's forecast of non-consolidated financial results for the fiscal year ending March 31, 2013 that was released on May 14, 2012 has been amended as follows:

- Net sales: 1,440.0 billion yen (2.5% year-on-year increase)
- Operating income: 39.0 billion yen (23.1% year-on-year increase)
- Ordinary income: 39.9 billion yen (1.9% year-on-year decrease)
- Net income: 20.0 billion yen (52.6% year-on-year decrease)

Dividends

The interim dividend per share of common stock will be 16.0 yen, and the total annual dividend is expected to be 32.0 yen, as was announced on May 14, 2012.

Since Dentsu considers a "sustainable and stable" dividend to be the basis of its shareholder returns policy, it will continue to make utmost efforts to maximize shareholder returns through medium- to long-term growth of the business while sustaining financial stability and soundness and securing the investments needed for further growth mainly in its digital and global operations.

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 Six Months Ended September 30, 2012 (From April 1 to September 30, 2012)

1. Summary of Consolidated Balance Sheets

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

	As of March 31, 2012	As of September 30, 2012	% Change
ASSETS			
Current assets	722,223	553,312	(23.4)
Noncurrent assets	479,671	578,172	20.5
Total assets	1,201,894	1,131,485	(5.9)
LIABILITIES			
Current liabilities	525,181	474,619	(9.6)
Noncurrent liabilities	119,824	94,905	(20.8)
Total liabilities	645,005	569,525	(11.7)
NET ASSETS			
Shareholders' equity	541,929	547,428	1.0
Accumulated other comprehensive income	(5,638)	(6,750)	-
Minority interests	20,598	21,282	3.3
Total net assets	556,889	561,960	0.9
Total liabilities and net assets	1,201,894	1,131,485	(5.9)

2. Summary of Consolidated Statements of Income

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

	Six months ended September 30, 2011	Six months ended September 30, 2012	% Change
Net sales	863,340	921,036	6.7
Gross profit	149,363	162,654	8.9
Operating income	14,556	22,110	51.9
Non-operating income	7,298	4,723	(35.3)
Non-operating expenses	2,250	7,050	213.3
Ordinary income	19,604	19,784	0.9
Extraordinary income	455	192	(57.7)
Extraordinary loss	4,535	2,249	(50.4)
Income before income taxes and minority interests	15,524	17,727	14.2
Net income	8,003	9,349	16.8

3. Summary of Consolidated Statements of Comprehensive Income

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

	Six months ended September 30, 2011	Six months ended September 30, 2012	% Change
Income before minority interests	8,794	10,278	16.9
Other comprehensive income	1,875	(1,171)	-
Comprehensive income	10,669	9,106	(14.6)

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