

FOR IMMEDIATE RELEASE

February 8, 2013

Dentsu Reports Consolidated Financial Results for the Nine Months Ended December 31, 2012 (Japanese GAAP)

— Posts 1,412.1 Billion Yen in Consolidated Billings (Net Sales) (4.0% year-on-year increase), 38.1 Billion Yen in Operating Income (24.1% increase), 39.0 Billion Yen in Ordinary Income (4.8% increase) and 19.9 Billion Yen in Net Income (50.2% 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 nine months ended December 31, 2012 (April 1–December 31, 2012).

Summary of financial results for the period

During the nine months ended December 31, 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 prolonged European government debt crisis as well as the slowdown in economic growth seen in China and other emerging economies.

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 and TOYOTA Presents FIFA Club World Cup Japan 2012 provided the Group with opportunities for multi-faceted business development.

As a result, for the nine months ended December 31, 2012, the Group posted consolidated billings (net sales) of 1,412,195 million yen, an increase of 4.0% compared with the same period of the previous fiscal year; gross profit of 248,963 million yen, an increase of 6.0%; operating income of 38,116 million yen, an increase of 24.1%; and ordinary income of 39,098 million yen, an increase of 4.8%. Net income for the nine months ended December 31, 2012 was 19,939 million yen, an increase of 50.2%.

Looking at the results by business segment, net sales of 1,368,930 million yen, an increase of 4.0% compared with the same period of the previous fiscal year, and segment income of 35,106 million yen, an increase of 24.0%, were posted in the Advertising segment. In the Information Services segment, net sales of 48,113 million yen, an increase of 9.7%, and segment income of 742 million yen were posted (a segment loss of 461 million yen was posted for the same period of the previous fiscal year). Net sales in the Other Business segment totaled 12,365 million yen, a decrease of 9.9%, with segment income of 823 million yen, an increase of 87.3%.

By geographic area, net sales of 1,217,696 million yen, an increase of 1.8% compared with the same period of the previous fiscal year, and operating income of 34,781 million yen, an increase of 21.7%, were posted in Japan. In other countries, net sales of 200,980 million yen, an increase of 19.8%, and operating income of 3,120 million yen, an increase of 68.8%, were posted.

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, 2012 are, as a general rule, incorporated in the consolidated financial results for the nine months ended December 31, 2012.

Dentsu posted non-consolidated billings (net sales) of 1,037,789 million yen, an increase of 0.9% compared with the same period of the previous fiscal year; gross profit of 142,699 million yen, an increase of 2.0%; operating income of 24,705 million yen, an increase of 23.3%; ordinary income of 28,565 million yen, an increase of 1.8%; and net income of 15,869 million yen, an increase of 31.0%.

For more details regarding the consolidated and non-consolidated results, please see the presentation slides in the Presentation Materials section of the company website at:

<http://www.dentsu.com/ir/>

Reference: Scope of Consolidated Financial Results

As of December 31, 2012, the Dentsu Group includes 150 consolidated subsidiary companies and 38 affiliated companies accounted for by the equity method. 88 of these companies are located in Japan and 100 in countries other than Japan. By business segment, 170 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 results for the nine months ended December 31, 2012 were slightly below expectations, advertising demand has been on an upward trend since the start of the 2013 calendar year. Consequently, there are no revisions to the forecast of consolidated financial results for the fiscal year ending March 31, 2013 which was announced on November 8, 2012.

On July 12, 2012, Dentsu announced that it had agreed with Aegis Group plc, a leading global media and digital communications agency headquartered in the United Kingdom, to proceed with the acquisition of Aegis by scheme of arrangement under the laws of England and Wales to make it a wholly owned subsidiary of Dentsu. As of today, February 8, the acquisition of Aegis has not become effective yet and therefore its performance has not been contemplated in the Company's consolidated results for the fiscal year ending March 31, 2013.

Trend of Quarterly Consolidated Financial Results and Forecast for the Fiscal Year Ending March 31, 2013

(Unit: million yen)

FY2012*	Three months ended June 30, 2012 (Apr–Jun)	YoY change (%)	Three months ended Sept. 30, 2012 (Jul–Sep)	YoY change (%)	Three months ended Dec. 31, 2012 (Oct–Dec)	YoY change (%)	Nine months ended Dec. 31, 2012 (Apr–Dec)	YoY change (%)
Net sales	447,469	11.3	473,566	2.7	491,159	(0.6)	1,412,195	4.0
Gross profit	76,481	12.2	86,172	6.1	86,308	1.1	248,963	6.0
Selling, general and administrative expenses	66,910	4.7	73,633	3.9	70,302	1.5	210,846	3.3
Operating income	9,571	126.4	12,539	21.4	16,005	(1.0)	38,116	24.1
Ordinary income	11,497	78.9	8,287	(37.1)	19,488	10.0	39,098	4.8
Net income	5,886	349.8	3,463	(48.3)	10,590	100.9	19,939	50.2

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

(Unit: million yen)

FY2012*	Six months ended Sept. 30, 2012 (Apr–Sep)	YoY change (%)	Forecast for the six months ending March 31, 2013 (Oct–Mar)	YoY change (%)	FY2012* forecast announced on Nov. 8 2012	YoY change (%)
Net sales	921,036	6.7	1,039,963	1.0	1,961,000	3.6
Operating income	22,110	51.9	37,889	1.2	60,000	15.4
Ordinary income	19,784	0.9	37,315	(13.7)	57,100	(9.1)
Net income	9,349	16.8	18,750	(13.1)	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 revised on November 8, 2012 remains unchanged:

- 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)

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, 2012 (From April 1 to December 31, 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 December 31, 2012	% Change
ASSETS			
Current assets	722,223	580,786	(19.6)
Noncurrent assets	479,671	586,487	22.3
Total assets	<u>1,201,894</u>	<u>1,167,273</u>	<u>(2.9)</u>
LIABILITIES			
Current liabilities	525,181	479,745	(8.7)
Noncurrent liabilities	119,824	94,767	(20.9)
Total liabilities	<u>645,005</u>	<u>574,513</u>	<u>(10.9)</u>
NET ASSETS			
Shareholders' equity	541,929	554,031	2.2
Accumulated other comprehensive income	(5,638)	17,239	-
Minority interests	20,598	21,489	4.3
Total net assets	<u>556,889</u>	<u>592,760</u>	<u>6.4</u>
Total liabilities and net assets	<u>1,201,894</u>	<u>1,167,273</u>	<u>(2.9)</u>

2. Summary of Consolidated Statements of Income

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

	Nine months ended December 31, 2011	Nine months ended December 31, 2012	% Change
Net sales	1,357,340	1,412,195	4.0
Gross profit	234,774	248,963	6.0
Operating income	30,723	38,116	24.1
Non-operating income	10,091	7,414	(26.5)
Non-operating expenses	3,505	6,433	83.5
Ordinary income	37,309	39,098	4.8
Extraordinary income	499	233	(53.2)
Extraordinary loss	5,605	2,810	(49.9)
Income before income taxes and minority interests	32,203	36,521	13.4
Net income	13,274	19,939	50.2

3. Summary of Consolidated Statements of Comprehensive Income

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

	Nine months ended December 31, 2011	Nine months ended December 31, 2012	% Change
Income before minority interests	14,151	21,057	48.8
Other comprehensive income	(1,162)	22,961	-
Comprehensive income	12,989	44,018	238.9

#####

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