

FOR IMMEDIATE RELEASE

August 9, 2017

Dentsu Announces Changes to the Forecast of Financial Results for the Fiscal Year Ending December 31, 2017

Dentsu Inc. (Tokyo: 4324; ISIN: JP3551520004; President & CEO: Toshihiro Yamamoto; Head Office: Tokyo; Capital: 74,609.81 million yen) hereby announces changes to the forecast of financial results for the fiscal year ending December 31, 2017 announced on February 14, 2017, as follows.

1. Changes to the Forecast of Financial Results for the Fiscal Year Ending December 31, 2017

(1) Forecast of Consolidated Financial Results (IFRS)

(Millions of yen)

	Revenue	Gross profit	Underlying Operating Profit	Underlying Net Profit	Underlying Basic EPS (Yen)	Operating Profit	Net Profit	Basic EPS (Yen)
Previously announced forecast (A)	978,500	929,500	168,900	111,800	392.09	151,500	86,600	303.71
Amended forecast (B)	933,000	884,000	160,300	105,900	374.60	136,500	86,800	307.04
Variance (B-A)	(45,500)	(45,500)	(8,600)	(5,900)		(15,000)	200	
Rate of variance (%)	(4.6)	(4.9)	(5.1)	(5.3)		(9.9)	0.2	
(Reference) Actual results for prior year (Fiscal year ended December 31, 2016)	838,359	789,043	166,565	112,972	396.20	137,681	83,501	292.85

* Underlying operating profit: KPI to measure recurring business performance which is calculated as operating profit added with amortization of M&A related intangible assets, acquisition costs, share-based compensation expenses related to acquired companies and one-off items such as impairment loss and gain/loss on sales of non-current assets

*Underlying net profit (attributable to owners of the parent): KPI to measure recurring net profit attributable to the owners of the parent which is calculated as net profit (attributable to owners of the parent) added with adjustment items related to operating profit, reevaluation of earn-out liabilities/M&A related put-option liabilities, tax-related, NCI profit-related and other one-off items

(2) Forecast of Non-consolidated Financial Results (Japanese GAAP)

(Millions of yen)

	Net sales	Gross profit	Operating Profit	Ordinary Profit	Net Income	Net Income per Share (Yen)
Previously announced forecast (A)	1,574,800	232,000	59,400	77,200	63,100	221.30
Amended forecast (B)	1,551,800	223,300	50,500	72,100	60,900	215.42
Variance (B-A)	(23,000)	(8,700)	(8,900)	(5,100)	(2,200)	
Rate of variance (%)	(1.5)	(3.8)	(15.0)	(6.6)	(3.5)	
(Reference) Actual results for prior year (Fiscal year ended December 31, 2016)	1,600,196	234,846	64,736	97,131	91,962	322.52

2. Reason

Beginning this year, the movement by clients in industries such as consumer packaged goods to review their global marketing budgets has continued to impact business results. Gross profit, in mainly overseas business, is therefore expected to fall below the original forecast. This is a factor that has led to the above changes in the forecast of financial results.

The currency exchange rate for the revised forecast uses the average rate for the period between January and June 2017.

	Previously announced forecast	Amended forecast	FY 2016
JPY/USD	114.8 yen	112.4 yen	108.9 yen
JPY/GBP	141.6 yen	141.4 yen	147.8 yen

Note

The forecasts of consolidated revenue/profit and non-consolidated net sales/profit provided in this document have been calculated based on judgments and assumptions made using currently available information such as industry trends and client circumstances. Therefore, actual results may differ from the forecasts due to uncertain elements inherent in the forecasts as well as other factors including changes in the domestic or overseas economic conditions of business operations going forward.

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