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NEWS RELEASE

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FOR IMMEDIATE RELEASE
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Dentsu Announces Changes to the Forecast of Financial Results for the Fiscal Year Ending December 31, 2018

Dentsu Inc. (Tokyo: 4324; ISIN: JP3551520004; President & CEO: Toshihiro Yamamoto; Head Office: Tokyo; Capital: 74,609.81 million yen) convened a meeting of its Board of Directors on August 9, 2018 to record gains on the sale of the Company's all common shares of Kakaku.com for Q3 FY2018 (July to September) announced on August 2, 2018. Taking into account the impact of the sale and other factors the Company hereby announces changes to the forecast of financial results for the fiscal year ending December 31, 2018 announced on February 13, 2018, as follows.

1. Changes to the Forecast of Consolidated Financial Results for the Fiscal Year Ending December 31, 2018 (IFRS)

(Millions of yen)

	Previously announced forecast (A)	Revised forecast (B)	Variance (B-A)	Rate of variance (%)	(Reference) Actual results for prior year (Fiscal year ended December 31, 2017)
Revenue	1,006,900	1,006,900	—	—	946,225
Revenue less cost of sales	954,700	954,700	—	—	877,622
Underlying Operating Profit	150,000	150,000	—	—	163,946
Underlying Net Profit*	99,800	99,800	—	—	107,874
Underlying Basic EPS (Yen)*	354.03	354.03			381.58
Operating Profit	112,900	112,900	—	—	137,392
Net Profit*	61,600	79,500	+17,900	+29.1	105,478
Basic EPS (Yen)*	218.52	282.02			373.11

*Attributable to owners of the parent

Notes:
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 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. Changes to the Forecast of Non-consolidated Financial Results for the

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Fiscal Year Ending December 31, 2018 (Japanese GAAP)

(Millions of yen)

	Previously announced forecast (A)	Revised forecast (B)	Variance (B-A)	Rate of variance (%)	(Reference) Actual results for prior year (Fiscal year ended December 31, 2017)
Net Sales	1,561,600	1,561,600	—	—	1,561,528
Gross Profit	228,500	228,500	—	—	228,472
Operating Profit	46,300	46,300	—	—	54,289
Ordinary Profit	67,200	67,200	—	—	76,837
Net Income	50,100	90,400	+40,300	+80.4	63,556
Net Income per Share (Yen)	177.72	320.68			224.82

3. Reason

As reported on August 2, 2018, the Company expects to announce in its Q3 FY 2018 (July to September) consolidated financial statements (IFRS basis) that approximately 51.5 billion yen will be recorded as a gain on sales of shares of associates. Furthermore, on a standalone basis (Japanese GAAP), the Company expects to record approximately 58.4 billion yen as an extraordinary gain. Meanwhile, against the backdrop of strong business performance in our companies acquired overseas the Company has revised the above figures accordingly as we anticipate recording a loss on revaluation of earnout liabilities and M&A related put option liabilities while taking into consideration the impact on corporate taxes.

The currency exchange rate of the revised forecast is not changed from the previously announced forecast, as the average rate in January 2018 is used. However, although the average rate for January-June 2018 is used for the loss on revaluation of earnout liabilities and M&A put-option liabilities, the impact on business performance is minimal.

(Reference) Currency Exchange Rate

	Previously announced forecast	Revised forecast	(Reference) Average rate Jan-June 2018	(Reference) Average rate Jan-Dec 2017
JPY/USD	110.9 yen	110.9 yen	108.7 yen	112.2 yen
PY/GBP	153.4 yen	153.4 yen	149.7 yen	144.5 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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