Items for Disclosure on the Internet Pursuant to Laws, Regulations, and the Articles of Incorporation Regarding the Notice of Convocation of the 167th Ordinary General Meeting of Shareholders

Dentsu Inc.

Pursuant to laws and regulations and Article 18 of the Company's Articles of Incorporation, the above items are provided to shareholders on the Company's website (http://www.dentsu.co.jp/ir/shares/sokai.html).

III **2. Situation of Important Con-current Posts**

Name	Organization of Con-current Post	Position
Director		
Tadashi Ishii	TOKYO BROADCASTING SYSTEM HOLDINGS, INC.	Outside Director
	Tokyo Broadcasting System Television, Inc.	Director
	Dentsu Aegis Network Ltd.	Non-executive Director
Shoichi Nakamoto	Dentsu Aegis Network Ltd.	Non-executive Director
	Dentsu Corporate Pension Fund	President
Yuzuru Kato	Dentsu Aegis Network Ltd.	Non-executive Director
Timothy Andree	Dentsu Aegis Network Ltd.	Executive Chairman
	Dentsu Holdings USA, LLC.	President & CEO
Kunihiro Matsushima	Dentsu Aegis Network Ltd.	Non-executive Director
	Wunderman Dentsu, Inc.	Director
	Dentsu Sudler & Hennessey Inc.	Director
	Beacon Communications K.K.	Representative Director and Chairman
	Dentsu Young & Rubicam Inc.	Director
Yoshio Takada	D2C Inc.	Outside Director
	Kyodo Television, Ltd.	Corporate Auditor
Toshihiro Yamamoto	CAL Co., Ltd.	Director
	Dentsu Digital Holdings, Inc.	Director
	Interactive Program Guide Inc. (currently IPG Inc.)	Outside Director
	WOWOW INC.	Outside Director
	Advertisement EDI Center Inc.	President
Yutaka Nishizawa	Jiji Press, Ltd.	President
	Central Research Services, Inc.	Representative Director
	Naigai Josei Chosakai	Chairman
Masaki Fukuyama	Kyodo News	President
Audit & Supervisory Board Member		
Atsuko Toyama	The Toyota Foundation	President
	National Council on Mt. Fuji World Heritage	Chief Director
Toshiaki Hasegawa	T. Hasegawa & Co. Law Offices	Lawyer
	Mizuho Bank, Ltd.	Outside Corporate Auditor
	Mitsui Fudosan Co., Ltd.	Outside Corporate Auditor
Kentaro Koga	Hitotsubashi University Graduate School of International Corporate Strategy	Associate Professor
	Resona Bank, Ltd.	Outside Corporate Auditor

(Notes)

1. No items to report for Director Akira Tonouchi, Director Kazufumi Hattori, Audit & Supervisory Board Member Kaoru Shimura, and Audit & Supervisory Board Member Kenichi Kato.
2. Audit & Supervisory Board Member Atsuko Toyama resigned as President of Panasonic Education Foundation on June 12, 2015.

5. (2) Important Con-current Posts and Relationship with Dentsu

Category / Name	Organization of Con-current Post / Description	Relationship with Said Organization
Outside Director Yutaka Nishizawa	Jiji Press, Ltd. President	Jiji Press, Ltd. is a major shareholder of the Company holding 6.04% of shares and a specified related business operator of the Company. Dentsu maintains a business relationship with Jiji Press, Ltd.
	Central Research Services, Inc. Representative Director	Dentsu maintains a business relationship with Central Research Services, Inc.
	Naigai Josei Chosakai Chairman	Dentsu maintains a business relationship with Naigai Josei Chosakai.
Outside Director Masaki Fukuyama	Kyodo News President	Kyodo News is a major shareholder of the Company holding 6.66% of shares and a specified related business operator of the Company. Dentsu maintains a business relationship with Kyodo News.
Outside Audit & Supervisory Board Member Atsuko Toyama	The Toyota Foundation President	Dentsu does not have any special relationship with the Toyota Foundation.
	Panasonic Education Foundation President (Resigned as of June 12, 2015)	Dentsu does not have any special relationship with the Panasonic Education Foundation.
	National Council on Mt. Fuji World Heritage Chief Director	Dentsu donates money to the National Council on Mt. Fuji World Heritage. However, the amount is extremely small.
Outside Audit & Supervisory Board Member Toshiaki Hasegawa	T. Hasegawa & Co. Law Offices Lawyer	Dentsu does not have any special relationship with T. Hasegawa & Co. Law Offices.
	Mizuho Bank, Ltd. Outside Corporate Auditor	Dentsu maintains a business relationship with Mizuho Bank, Ltd.
	Mitsui Fudosan Co., Ltd. Outside Corporate Auditor	Dentsu maintains a business relationship with Mitsui Fudosan Co., Ltd.
Outside Audit & Supervisory Board Member Kentaro Koga	Hitotsubashi University Graduate School Associate Professor, Graduate School of International Corporate Strategy	Dentsu does not have any special relationship with Hitotsubashi University.
	Resona Bank, Ltd. Outside Corporate Auditor	Dentsu maintains a business relationship with Resona Bank, Ltd.

V Company System and Policy

1. Basic Policy on Internal Control System

With regard to Article 362, Paragraph 4, Item 6 of the Companies Act "The development of systems necessary to ensure that the execution of the duties by the directors complies with the laws and regulations and the articles of incorporation, and other systems prescribed by the applicable Ordinance of the Ministry of Justice as systems necessary to ensure the properness of operations of a Stock Company and operations of group of enterprises consisting of said Stock Company and its Subsidiaries," the Board of Directors made a resolution at its meeting on March 30, 2006. Subsequent revisions to the Basic Policy on Internal Control System are made as necessary at the meetings of the Board of Directors. The Company's Basic Policy on Internal Control System is as follows.

Basic Policy on Internal Control System

The Internal Control System at Dentsu is designed to encourage compliance among Directors, Executive Officers, and employees while it supports continuous corporate development as the Company strives to meet its social responsibilities.

The Company has chosen the Dentsu Group Code of Conduct to define the parameters of acceptable behavior, which ensures that Directors, Executive Officers and employees of Dentsu and its subsidiaries comply with all laws, regulations, and the Articles of Incorporation during the course of their duties and that business is conducted appropriately. The CSR Committee is charged with creating, operating, and improving the Internal Control System.

1. Compliance System for Directors, Executive Officers and Employees

(1) Directors and Executive Officers must perform their duties appropriately, in accordance with rules such as the Rules for the Board of Directors, Rules for Executive Management Committee operation, Rules for Directors, and the Rules for Executive Officers.

(2) If a Director or an Executive Officer discovers a violation of the prevailing laws or comes across any other serious compliance-related issue, it is imperative that he/she reports it without delay to the Board of Directors or the Executive Management Committee. Audit & Supervisory Board Members must also be immediately advised of the circumstances.

(3) The departments reporting to the CSR Committee create internal policies and manuals and conduct training to improve and enhance the compliance system for employees. The Internal Audit Office, which reports directly to the Representative Director, conducts internal audits.

(4) The Company has set up an internal reporting and proposal system to respond appropriately in the event a law is broken or some other internal compliance issue arises.

(5) If Audit & Supervisory Board Members state opinions on the Company's compliance system or require steps to improve the system, Directors and Executive Officers must respond without delay and make the recommended improvements.

(6) The Company has established a department to facilitate the termination of business relationships with organized crime groups and elements thereof – termed "antisocial forces" in Japan – when a link is discovered and to resolutely refuse any and all future transactions. This department functions as the liaison between the affected in-house division and the relevant authorities to expedite an appropriate course of action.

2. Systems to Ensure Efficient Execution of Duties by Directors and Executive Officers

(1) In addition to meetings of the Board of Directors, Dentsu holds meetings of the Board of Executive Officers, Executive Management Committee, Business Management Committee, various important committees, and expert committees. These meetings provide opportunities to discuss important matters pertaining to management policy and strategy, and to make executive decisions.

(2) Items resolved at such meetings a transmitted to all employees through the corporate structure for prompt reflection in the execution of duties. Urgent items are posted on the internal electronic bulletin board in the interest of rapid dissemination.

3. Storage and Management of Information Related to the Execution of Duties by Directors and Executive Officers

Information concerning the execution of duties by Directors and Executive Officers is stored and managed appropriately, in accordance with the Company's documentation management regulations and information management guidelines.

4. Risk Management System

(1) Dentsu establishes risk management regulations to maintain and improve a structure that precludes the spread of damage or loss and minimizes the impact of risk progression in the event risks become reality. The Company prioritizes key risks and formulates concrete measures that can be put into effect should a response be required.

(2) Responsibility for monitoring the status of risk management efforts at Dentsu falls primarily on the department in charge of internal control, under the CSR Committee. Efforts are directed toward self-inspection and approaches to strengthen the risk management system.

5. Internal Structure to Support Audit & Supervisory Board Members and Their Independent Status, etc.

The Company maintains an Audit & Supervisory Board, which consists of employees who assist Audit & Supervisory Board Members in their duties. This office reports directly to the Audit & Supervisory Board, thereby preserving its independence from Directors and Executive Officers and ensuring effectiveness of orders from Audit & Supervisory Board Members.

6. System for Reporting to Audit & Supervisory Board Members and Improving Audit Effectiveness

(1) In addition to stipulating items that Directors, Executive Officers, and employees (hereinafter "executives and employees") of Dentsu and its subsidiaries are required to report to Audit & Supervisory Board Members of Dentsu, the system ensures that significant matters that have an impact on Dentsu's business operations or business results are reported by executives and employees to Audit & Supervisory Board Members of Dentsu in a certain and prompt manner.

(2) In the event that Audit & Supervisory Board Members of Dentsu request information other than those contained in the previous item, executives and employees of Dentsu and its subsidiaries are still required to respond without delay.

(3) It will be ensured that parties who report under the conditions of the previous items do not receive harmful treatment as a result of reporting.

(4) Pursuant to laws and regulations, a policy will be defined to account for expenses, etc., incurred during the course of execution of duties by Audit & Supervisory Board Members, and this information

will be disseminated to concerned parties.

(5) To enhance audit effectiveness, the Internal Audit Office and the Independent Auditors collaborate to handle any such requests from the Audit & Supervisory Board Members.

7. Internal Control System for the Dentsu Group, Including Subsidiaries

Starting with the following items, matters that subsidiaries must establish and operate as members of the Dentsu Group will be defined, and the establishment, operation, and improvement of the Dentsu Group's Internal Control System will be promoted.

(1) The Dentsu Group Code of Conduct was drafted as the standard for acceptable corporate behavior and embraces the entire Group, including subsidiaries. Each subsidiary passes a resolution on the adoption of the Code.

(2) In addition to receiving periodic reports from subsidiaries concerning the business operations, business results, and other significant matters concerning subsidiaries, for certain matters that may have a significant effect on the business operation or business results of Dentsu, subsidiaries will request advance approval or report to Dentsu.

(3) Through Dentsu Aegis Network, which oversees each overseas subsidiary within the Dentsu Group, decision-making and business execution in overseas business operations will be made in an efficient manner.

(4) Subsidiaries will define standards pursuant to the Dentsu Group Code of Conduct, and by resolution of a meeting of the Board of Directors, etc., will ensure compliance and risk management as members of the Dentsu Group.

8. System to Ensure Appropriateness of Financial Reporting

(1) Through the CSR Committee, Dentsu continually supports a system that ensures appropriateness in financial reporting by the Group.

(2) Subsidiaries and departments involved in business activities perform self-checks through the course of day-to-day operations to determine if internal controls are functioning properly.

(3) The Internal Audit Office monitors the Internal Control System from a perspective free of operational bias to assess the effectiveness of internal controls related to financial reporting.

2. Summary of Operational Status of Internal Control System

The Company is promoting the development and operation of an Internal Control System, based on Article 362, Paragraph 4, Item 6 of the Companies Act, and in adherence with the Basic Policy on Internal Control System stated in 1. above which has been resolved by the Board of Directors, upon establishing risk management regulations, document handling regulations, and other internal regulations, holding meetings of the CSR Committee and other committees, and with the department in charge of internal control serving as the core.

As of the end of the fiscal year under review, regarding the appropriate implementation and effective function of the Internal Control System pursuant to the Company's Basic Policy on Internal Control System stated in 1. above, the department in charge of internal control has reviewed meeting minutes of the meetings of the Board of Directors and other important meetings, received reports from each department, and conducted interviews, etc., to confirm the status. The following points are notable specific operation statuses.

(1) The Company promotes risk management based on the "Risk Management Regulations," through the five steps of 1) identifying risks that impedes the Company's efforts to achieve its management targets or Internal Control targets, 2) evaluating identified risks, 3) specifying "highest order risk," which

may have a significant impact on the Company, 4) formulating a plan to minimize such “highest order risk,” and 5) reporting progress in dealing with such “highest order risk.” Formulation and implementation of plans to deal with risks are led by each specialized department on a companywide level.

(2) Concerning establishment of Internal Control Systems across the group of enterprises, including consolidated subsidiaries, applicable companies are identified in advance, rules that must be followed as a group of enterprises are formulated, and requests are made to each company to comply. The Company checks applicable companies in Japan and overseas at the end of each business year whether operations are performed in line with the aforementioned rules, and requires improvement in the case of issues.

(3) Regarding structures to ensure the appropriateness of financial reporting, in July 2015, in response to the “Internal Control Reporting System” stipulated in Article 24-4-4 of the Financial Instruments and Exchange Act, the Company formulated the “Basic Plan” which provides the companies and business processes applicable for evaluation and the evaluation system, etc., upon discussion with the Independent Auditor. Following the Basic Plan, the departments executing the business applicable for evaluation and applicable companies confirm that internal control is implemented appropriately and functioning effectively in daily operations and such companies make reports on such confirmation to the Company.

(Note) All figures in this Business Report are rounded down to the nearest presented unit.

Notes to Consolidated Financial Statements

1. Significant matters for preparing consolidated financial statements

(1) Accounting principles for preparing consolidated financial statements

The consolidated financial statements of Dentsu Inc. (hereinafter the “Company”) are prepared in accordance with International Financial Reporting Standards (hereinafter “IFRS”) under the Paragraph 1 of Article 120 of the Ordinance on Company Accounting. Under the provisions of the second sentence of the same paragraph of the same Ordinance, some disclosure items required under IFRS are omitted.

(2) Scope of consolidation

Number of consolidated subsidiaries, including Dentsu Aegis Network Ltd., is 760.

(3) Scope of equity method

Number of associates, including Video Research Ltd., accounted for using the equity method is 58.

(4) Change in fiscal year end

Effective from the current fiscal year, the Company and its subsidiaries with fiscal year ends other than December 31 changed their fiscal year ends to December 31 in order to enhance and improve the efficiency of the account closing and management system on a Group-wide basis by unifying the fiscal year end with the Group’s overseas consolidated subsidiaries.

As a result of this change of fiscal year end from March 31 to December 31, the current fiscal year was the nine-month period from April 1, 2015 to December 31, 2015.

The fiscal year end date of Dentsu Aegis Network Ltd. and its subsidiaries under control (hereinafter, collectively "Dentsu Aegis Network"), which operate the Group's international advertising business, continues to be December 31 as before, hence the Group consolidates financial results of Dentsu Aegis Network for the twelve-month period from January 1, 2015 to December 31, 2015 into the consolidated financial results for the nine-month period ended December 31, 2015.

If the current fiscal year had been the twelve-month period from January 1, 2015 to December 31, 2015, revenue, gross profit, operating profit, and profit attributable to owners of the parent in the consolidated statement of income for the period would have been 818,566 million yen, 761,996 million yen, 128,212 million yen, and 83,090 million yen, respectively.

(5) Accounting policies

1) Basis and method of valuation for significant assets

i Non-derivative financial assets

The Group has early adopted IFRS 9 "Financial Instruments" (revised in October 2010).

a. Financial assets measured at amortized cost

Non-derivative financial assets are classified as financial assets measured at amortized cost if both of the following conditions are met.

- The asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows.
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Subsequent to initial recognition, financial assets measured at amortized cost are measured at amortized cost using the effective interest method.

The Group assesses whether objective evidence of impairment exists at each reporting date. Impairment losses for a financial asset measured at amortized cost are measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the original effective interest rate of financial asset, and recognized as losses. If the amount of impairment losses decreases due to an event occurring after the impairment losses were recognized, the previously recognized impairment losses are reversed by the amount of the decrease through profit.

The impairment losses are recognized through an allowance for doubtful accounts, and the carrying amount of a financial asset is directly reduced by an offset against the allowance for doubtful accounts when it is considered uncollectible.

b. Financial assets measured at fair value through profit or loss

At the time of initial recognition, equity financial assets not designated as financial assets measured at fair value through other comprehensive income and debt financial assets that do not satisfy amortized cost criteria are classified as financial assets measured at fair value through profit or loss.

Subsequent to initial recognition, financial assets measured at fair value through profit or loss are measured at fair value, and changes in fair value subsequent to initial recognition and dividends are recognized in profit or loss.

c. Financial assets measured at fair value through other comprehensive income

Equity financial assets not held-for-sale, in principle, are designated as financial assets measured at fair value through other comprehensive income at the time of initial recognition.

Subsequent to initial recognition, financial assets measured at fair value through other comprehensive income are measured at fair value. Changes in fair value subsequent to initial recognition are recognized in other comprehensive income, and are transferred to retained earnings if a financial asset is derecognized or the fair value declines significantly. Dividends derived from these financial assets are recognized in profit or loss for the year.

ii Derivative financial instruments and hedge accounting

The Group utilizes derivative financial instruments, such as foreign exchange contracts and interest rate swap contracts, to hedge its foreign currency risks and interest rate risks, respectively. At the inception of the hedge, the Group designates and documents the relationship between hedging instruments and hedged items, as well as the objectives and strategies of risk management for undertaking the hedge. The documentation includes hedging relationships, the risk management objective, strategies for undertaking the hedge, and an assessment of the hedge effectiveness.

These hedges are expected to be highly effective in achieving offsetting changes in fair value or cash flows and are assessed on an ongoing basis to determine that they actually have been highly effective throughout the periods for which they were designated.

Derivative financial instruments are initially recognized at fair value. In addition, derivatives are measured at fair value after initial recognition and changes in the fair value are accounted for as follows:

a. Fair value hedge

Changes in the fair value of derivative financial instruments are recognized in profit or loss. The change in the fair value of the hedged item attributable to the hedged risk is recorded as part of its carrying amount and recognized in profit or loss.

b. Cash flow hedge

For the effective portion of gains or losses on hedging instruments, changes in the fair value are recognized in other comprehensive income. The amounts recognized in other comprehensive income are recognized in profit or loss when the cash flows from the hedged items affect profit or loss.

For the ineffective portion, changes in the fair value are recognized in profit or loss.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated or exercised, when the hedge no longer meets the criteria for hedge accounting, or when hedging designation is revoked.

c. Hedge of net investment in foreign operations

Translation differences resulting from the hedges of a net investment in a foreign operation are accounted for similarly to cash flow hedges.

Gains or losses on the hedging instrument relating to the effective portion of the hedge are recognized in other comprehensive income while those for the ineffective portion are recognized in profit or loss.

On disposal of the foreign operation, the cumulative gains or losses recognized in equity as other comprehensive income are reclassified to profit or loss.

d. Derivative financial instruments not designated as hedges

Changes in the fair value of derivative financial instruments are recognized in profit or loss.

iii Inventories

Inventories are mainly comprised of broadcasting rights and contents related to sports and entertainment. The inventories are measured at the lower of cost or net realizable value. The cost of inventories is determined mainly by the specific identification method.

2) Depreciation method for significant depreciable assets

i Property, plant and equipment

Property, plant, and equipment is presented at acquisition cost using the cost model subsequent to initial recognition less accumulated depreciation and accumulated impairment losses. The acquisition cost includes any costs directly attributable to the acquisition of the asset and dismantlement, removal and restoration costs.

Except for assets such as land that are not depreciated, property, plant, and equipment are depreciated mainly using the straight-line method over their estimated useful lives.

However, leased assets are depreciated using the straight-line method over the shorter of their estimated useful lives or lease terms.

ii Intangible assets

Intangible assets are presented at acquisition cost using the cost model subsequent to initial recognition less accumulated amortization and accumulated impairment losses. Intangible assets acquired separately are measured at acquisition cost for their initial recognition, and the costs of intangible assets acquired in business combinations are recognized at fair value at the acquisition date. The acquisition cost for internally generated intangible assets is the sum of the expenditures incurred from the date when the intangible asset first meets all of the capitalization criteria.

Except for intangible assets with indefinite useful lives, intangible assets are amortized using the straight-line method over their estimated useful lives.

However, leased assets are depreciated using the straight-line method over the shorter of their estimated useful lives or lease terms.

iii Investment property

Investment property is presented at acquisition cost using the cost model subsequent to initial recognition less accumulated depreciation and accumulated impairment losses.

Except for assets that are not depreciated such as land, investment property is depreciated mainly using the straight-line method over its estimated useful life.

3) Goodwill

Goodwill is presented at acquisition cost less accumulated impairment losses. Goodwill is not amortized.

Impairment tests for goodwill are performed once a year, irrespective of whether there is any indication that it may be impaired, and in cases where there is an indication of impairment.

4) Recognition of significant provisions

Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the obligation will be required to be settled and a reliable estimate can be made for the amount of the obligation. Where the effect of the time value of money is material, provisions are measured based on the present value using a discount rate reflecting the risks specific to the liability.

5) Post-employment benefits

The Group has set up defined benefit plans and defined contribution plans as employee retirement benefit plans. For defined benefit plans, the Group recognizes the difference between the present value of defined benefit obligations and the fair value of any plan assets as either liabilities or assets. For each of the defined benefit plans, the Group determines the present value of defined benefit obligations, related current service cost and past service cost using the projected unit credit method. Discount rate is determined based on high quality corporate bonds yield rate at fiscal year end for the discount period which is set for the projected period until the expected date of benefit payment in each fiscal year.

Service costs and interest costs of defined benefit plans are recognized in profit or loss, and net interest is determined using the discount rate described above. Remeasurements of defined benefit plans are recognized in other comprehensive income in the period when they are incurred. Past service costs are recognized in profit or loss in the period incurred.

The cost for retirement benefits for defined contribution plans is recognized in profit or loss in the period in which the employees render the related services.

6) Foreign currency translation

Foreign currency transactions are translated into each functional currency of Group entity using the exchange rate at the date of the transaction.

At each fiscal year end, monetary assets and liabilities denominated in foreign currencies, and non-monetary assets and liabilities denominated in foreign currencies carried at fair value are translated into the functional currency at closing rate, and the resulting translation differences are recognized in profit or loss.

Non-monetary items measured at foreign currency-denominated costs are translated at exchange rate at the date of transaction.

For financial statements of foreign operations, assets and liabilities are translated into Japanese yen at closing rate for a reporting period, and revenue and expenses are translated into Japanese yen using the average rate for the reporting period unless there are significant changes in the exchange rate. Resulting translation differences are recognized in other comprehensive income, and cumulative differences are recognized in other components of equity.

When a foreign operation of the Group is disposed of, cumulative translation differences relating to that foreign operation are transferred to profit or loss.

7) Accounting method for consumption taxes

Consumption taxes are accounted for using tax-excluding method.

8) All figures are rounded down to the nearest million yen.

2. Notes to consolidated statement of financial position

(1) Assets pledged as collateral

Other financial assets (current assets) **57** million yen

The above assets are pledged as collateral to secure trade and other payables of 509 million yen. Other than the above, other financial assets (current assets) of 15 million yen are pledged as collateral for guarantee transactions that are disclosed in the "Official Gazette" (Kanpou) and related to other operations.

(2) Allowance for doubtful accounts directly deducted from assets

Trade and other receivables	**4,000** million yen
Other financial assets (non-current assets)	**17,592** million yen

(3) Accumulated depreciation and impairment losses of property, plant and equipment	**111,560** million yen
(4) Accumulated depreciation and impairment losses of investment property	**9,303** million yen

(5) Contingent liabilities

Guarantees of loans and other liabilities

Liabilities on guarantees resulting from a loan scheme for housing funds for employees	**492** million yen
Liabilities for guarantees of bank loans and others	**1,252** million yen
Total	**1,745** million yen

3. Notes to consolidated statement of changes in equity

(1) Class and total number of issued shares as of December 31, 2015

Ordinary shares: **288,410,000** shares

(2) Cash dividends

1) Dividends paid

Resolution	Class of shares	Total dividends (million yen)	Dividends per share (yen)	Basis date	Effective date
Annual Shareholders Meeting (June 26, 2015)	Ordinary shares	**10,092**	**35.00**	March 31, 2015	June 29, 2015
Board of Directors (November 11, 2015)	Ordinary shares	**9,979**	**35.00**	September 30, 2015	December 4, 2015
Total		**20,072**			

2) Dividends for which the basis date falls before fiscal year end, while the effective date falls in the following fiscal year:

With regard to dividends to ordinary shares, the following proposal will be placed on the agenda of the Annual Shareholders Meeting to be held on March 30, 2016.

i	Total dividends	**11,405** million yen
ii	Dividends per share	**40** yen
iii	Basis date	December 31, 2015
iv	Effective date	March 31, 2016

Retained earnings are reserved as a source of dividends.

4. Financial instruments

(1) Status of financial instruments

The Group limits the use of capital to short-term deposits and others, and raises working capital through borrowings from bank and other financial institution.

The Group aims to reduce customer credit risk associated with trade receivables, such as notes and accounts receivables, based on credit management rules and guidelines. Fair value for equity securities included in other financial assets are obtained and analyzed every quarter.

The use of the borrowings ranges from capital investment to investment and working capital. For interest rate fluctuation risks associated with a portion of long-term borrowings, interest expenses are fixed using interest rate swap contracts. In addition, derivative transactions are limited to those based on the actual demands in line with the internal management rules.

(2) Fair value of financial instruments

The carrying amount on the consolidated statement of financial position, fair value and the difference as of December 31, 2015 are as follows. The fair value of financial assets and financial liabilities measured at amortized cost approximates their carrying amount, except for long-term borrowings.

(Unit: Million yen)

	Carrying amount	Fair value	Difference
(Financial liabilities) Long-term borrowings	**321,592**	**326,130**	**(4,538)**

(Note) The calculation method of fair value for financial instruments is as follows:

1. Long-term borrowings

Current portion of long-term borrowings is included in the above. The fair value of long-term borrowings is determined by discounting the total of the principal and interest by the interest rate assumed in a case where the same loan is newly made.

5. Investment property

(1) Status of investment property

The Company and its certain subsidiaries own some rental properties such as office buildings and commercial facilities in Tokyo Prefecture and other areas.

(2) Fair value of investment property

The carrying amount on the consolidated statement of financial position and the fair value as of December 31, 2015 are as follows:

(Unit: Million yen)

	Carrying amount	Fair value
Investment property	**41,642**	**48,593**

(Notes)

1. The carrying amount on the consolidated statement of financial position is the acquisition cost less accumulated depreciation and accumulated impairment losses, if any.
2. The fair value of investment property is mainly based on a valuation conducted by independent real estate appraisers. The valuation techniques are based on discounted cash flow model or observable quoted prices for similar properties and others.

6. Per share information

(1) Equity attributable to owners of the parent per share **3,746.30** yen

(2) Basic earnings per share (attributable to owners of the parent) **254.05** yen

Notes to Nonconsolidated Financial Statements

1. Summary of significant accounting policies

(1) Valuation basis and method for securities

1) Subsidiaries' and associates' shares

Stated at cost determined by the moving-average method

2) Other securities

Available-for-sale securities with fair values

Stated at fair value as of the fiscal year end date, based on quoted market prices (Unrealized gains and losses are reported, net of applicable taxes, in a separate component of net assets. The cost of securities sold is determined by the moving-average method.)

Available-for-sale securities without fair values

Stated mainly at cost determined by the moving-average method

(2) Valuation basis and method for inventories

Inventories held for the purpose of ordinary sales

Works, work in process and supplies

Stated at cost determined by the specific identification method

(Amounts in the balance sheet were calculated by writing down the book value based on decreased profitability.)

(3) Valuation basis and method for derivative instruments

Stated at fair value

(4) Depreciation method for non-current assets

1) Property, plant and equipment

Depreciation of property, plant and equipment is calculated by the declining-balance method based on the fixed rates, while the straight-line method is applied to buildings (excluding building improvements) acquired on or after April 1, 1998.

The range of useful lives is principally as follows:

Buildings: 2-50 years

Structures: 2-50 years

Tools, furniture and fixtures: 2-20 years

However, finance leases other than those that are deemed to transfer the ownership of the leased assets to the lessees are depreciated by the straight-line method, assuming the lease period as the useful life and residual value as zero.

2) Intangible assets

Amortization of intangible assets is calculated by the straight-line method. Software for internal use is amortized by the straight-line method over the estimated useful lives (5 years).

Assets leased under finance leases other than those that are deemed to transfer the ownership of the leased assets to the lessees are amortized by the straight-line method, assuming the lease period as the useful life and residual value as zero.

3) Long-term prepaid expenses

Long-term prepaid expenses are equally amortized.

(5) Accounting policy for provisions

1) Allowance for doubtful accounts

To prepare for losses from bad debts such as operating receivables, the Company provides an allowance for doubtful accounts at an amount corresponding to possible losses from uncollectible trade receivables based on the actual rate of losses from bad debt for ordinary receivables, and on the estimated recoverability for specific doubtful receivables.

2) Provision for directors' bonuses

The Company makes a provision for directors' bonuses based on the estimated amount payable.

3) Provision for retirement benefits

The Company accounts for the liability for employees' retirement benefits based on the projected retirement benefit obligation and plan assets at the balance sheet date.

i. Service period attribution method for projected retirement benefits

In calculating retirement benefit obligations, expected benefit payments are assigned to the period up to the current fiscal year in accordance with the benefit formula method.

ii. Accounting for actuarial gain or loss and past service cost

The actuarial gain or loss is amortized by the straight-line method over a certain number of years (17 years) within the average remaining service years for employees at the time of recognition from the following fiscal year of recognition during each fiscal year.

Past service cost is amortized by the straight-line method over a certain number of years (17 years) within the average remaining service years for employees at the time of recognition.

The actuarial gain or loss related to a defined benefit pension plan for retired employees before transfer to a defined contribution pension plan is amortized over a certain number of years (8 years) by the straight-line method within the average remaining years of payment for eligible employees.

(Additional information)

The Company transferred a portion of its defined benefit corporate pension plan to a defined contribution pension plan, effective April 1, 2015.

(6) Derivatives and hedging activities

1) Hedge accounting methods

The Company uses the deferred-hedge accounting method. The interest rate swaps which qualify for hedge accounting and which meet specific matching criteria are not remeasured at market value, but the differential paid or received under the swap agreements is recognized and included in interest expense or income.

2) Hedging instruments and hedged items

i. Hedging instrument: Forward exchange contracts
Hedged item: Forecasted transactions denominated in a foreign currency

ii. Hedging instrument: Interest rate swaps
Hedged item: Interest on loans payable

3) Hedging policy

The Company uses derivative financial instruments to manage its exposures to fluctuations in foreign currency exchange for transactions denominated in foreign currencies and interest rate fluctuations on loans payable. The Company does not enter into derivatives for trading or speculative purposes.

4) Method of evaluating hedge effectiveness

Concerning forward foreign exchange contracts, the Company evaluates hedge effectiveness by confirming that there is a high correlation between the exchange rate fluctuations of hedged items or cash flow fluctuations and exchange rate fluctuations of hedge instruments or cash flow fluctuations.

The evaluation of hedge effectiveness for interest rate swaps which qualify for hedge accounting and which meet specific matching criteria is omitted since the above exceptional treatment is adopted.

(7) Accounting method for consumption taxes

Consumption taxes are accounted for using tax-excluding method.

(8) Accounting for retirement benefits

The method of accounting for unrecognized actuarial losses and unrecognized past service costs relating to retirement benefits differs from the method used in the consolidated financial statements.

(9) Change in fiscal year end

Effective from the current fiscal year, the Company changed its fiscal year end to December 31 in order to enhance and improve the efficiency of the account closing and management system on a Group-wide basis by unifying its fiscal year end with the Group's overseas consolidated subsidiaries. As a result of this change, the current fiscal year was the nine-month period from April 1, 2015 to December 31, 2015.

(10) All figures are rounded down to the nearest million yen.

2. For nonconsolidated balance sheets

(1) Assets pledged as collateral

Cash and deposits securing transactions	**10** million yen

(2) Accumulated depreciation of property, plant and equipment	**72,434** million yen

(3) Contingent liabilities

Guarantee obligations outstanding

Liability on guarantees resulting from a loan scheme for housing funds for employees	**492** million yen
Liabilities on guarantees of bank loans taken out by the following companies:	
Dentsu Aegis Network Ltd. and Aegis Group Holdings Ltd.	
(Line of credit for operating funds: GBP500,000 thousand)	**89,390** million yen
Aegis Triton Ltd.	
(Loan of USD400,000 thousand to cover early redemption of US private placement bonds)	**48,244** million yen
Total of 10 companies including Dentsu East Japan Inc.	**1,603** million yen
Total	**139,730** million yen

(4) Monetary claims/obligations to associated companies

Short-term monetary claims	**66,743** million yen
Long-term monetary claims	**55,252** million yen
Short-term monetary obligations	**248,309** million yen
Long-term monetary obligations	**274** million yen

(5) Monetary obligations toward Directors and Auditors

Long-term monetary obligations	**72** million yen

(6) The Company revalued the land used for its business in accordance with the "Law Concerning Revaluation of Land (Act No. 34; March 31, 1998)." The revaluation difference after deducting the related tax has been included in "Net assets" as "Revaluation reserve for land," and the related tax is included in "Liabilities" as "Deferred tax liabilities for land revaluation."

Revaluation method set forth in Paragraph 3 of Article 3 of said law

The value of land is determined using two methods. One is to compute the property value based on the assessed value of the property, which becomes the basis of calculation of the property tax amounts as stipulated in Article 16 of the Property Tax Act, computed by a method determined and announced by the Director-General of the National Tax Agency Japan, adjusted reasonably, as stipulated in Paragraph 4 of Article 2 of the Ordinance for Enforcement of the Act on Revaluation of Land (government ordinance No. 119; March 31, 1998). The other method is calculation by appraisal and evaluation by a real estate appraiser as stipulated in Paragraph 5 of Article 2 of the Ordinance for Enforcement of the Act on Revaluation of Land.

Date of revaluation **March 31, 2001**

Total fair values of revaluated properties as of the end of the fiscal year ended December 31, 2015 were not below the book value after the revaluation.

3. For nonconsolidated statement of income

Volume of transactions with associated companies

Sales	**87,370** million yen
Cost of sales	**234,011** million yen
Other operating transactions	**14,601** million yen
Other than operating transactions	**31,049** million yen

4. For nonconsolidated statement of changes in net assets

Classes and number of treasury shares at the end of the fiscal year ended December 31, 2015

Common stock	**3,270,939** shares

5. Tax effect accounting

The main factors resulting in deferred tax assets are provision for retirement benefits and losses on valuation of investment securities.

The main factors resulting in deferred tax liabilities are valuation difference on available-for-sale securities and the gain on contribution of securities to the employee benefit trust.

6. Transactions with related parties

Subsidiaries and associates

Category	Name of company	Ratio of voting rights	Relationship with affiliated entity	Description of transactions	Transaction sum (mil. yen)	Item	Ending balance (mil. yen)
Subsidiary company	Dentsu Aegis Network Ltd.	Dentsu has voting rights Direct; **100%**	Entrusted management of overseas business operation and guarantee of bank loans Concurrently serving officers	Guarantee of bank line of credit[1] Receipt of guarantor's fees[3]	**89,390** **0**	- Other (Accrued income)	- **0**
Subsidiary company	Aegis Group Holdings Ltd.	Dentsu has voting rights Indirect; **100%**	Guarantee of bank loans				
Subsidiary company	Aegis Triton Ltd.	Dentsu has voting rights Indirect; **100%**	Lending to cover early redemption of US private placement bonds issued by Dentsu Aegis Network and guaranteeing its bank loans	Loans receivable[2] Receipt of loans interest[2] Guarantee of bank loans[3] Receipt of guarantor's fees[3]	- **339** **48,244** **67**	Long-term loans receivable Other (Accrued income) - Other (Accrued income)	**48,244** **95** - **67**
Subsidiary company	Dentsu Management Services Inc.	Dentsu has voting rights Direct; **100%**	Lending operational fund to Dentsu Management Services Inc. for its factoring operations and receiving factoring services	Loans receivable[4] Receipt of loans interest[4] Factoring of accounts receivable[5]	- **29** **135,489**	Other (Short-term loans receivable) Other (Accrued income) Accounts payable-trade	**25,527** **3** **45,727**
Subsidiary company	Dentsu Tec, Inc.	Dentsu has voting rights Direct; **100%**	Dentsu purchases ad planning and production services	Purchases[6] Loans payable via cash management system[7] Payment of loans interest[7]	**90,449** **-** **15**	Accounts payable-trade Short-term loans payable Accrued expenses	**42,274** **20,629** **1**
Subsidiary company	Information Services International -Dentsu, Ltd.	Dentsu has voting rights Direct; **61.8%**	Dentsu outsources information processing services	Loans payable via cash management system[7] Payment of loans interest[7]	**-** **15**	Short-term loans payable Accrued expenses	**20,955** **2**

Remarks

1. A guarantee was made for a bank line of credit (GBP 500,000 thousand, five-year period) with Dentsu Aegis Network Ltd. and Aegis Group Holdings Ltd. as counterparties, and based on the actual amount of borrowings, guarantee fee is received at the rate of 0.2% per annum.

2. The interest rates for the loaned funds (USD 400,000 thousand, five-year period, and bullet repayment upon maturity) are determined reasonably with reference to market interest rates. No collateral has been accepted.
3. The bank loans (USD 400,000 thousand, seven-year period) have been guaranteed, and a guarantor's fee of 0.2% per annum has been received.
4. Because the balance of the loaned funds fluctuates daily based on the basic contract, only the ending balance is stated here. Interest rates are determined with reference to market interest rates.
5. Factoring transactions are settled through a factoring method based on a three-party basic contract between the Company, the Company's business partner and Dentsu Management Service Inc.; the terms of the transactions set out in the basic contract are determined with reference to the market conditions. The transaction sum and ending balance also include consumption tax.
6. Transaction terms and the principles for deciding on them are determined in the same manner as for ordinary transaction terms. Consumption taxes and other expenses are not included in the transaction sum. However, they are included in the ending balance.
7. Because the balance for the loans payable via cash management system fluctuates daily based on the basic contract, only the ending balance is stated here. Interest rates are determined with reference to market interest rates.

7. Per share information

(1)	Net assets per share	**2,771.30 yen**
(2)	Net income per share	**187.30 yen**