

Consolidated Statement of Income

Dentsu Inc. and Consolidated Subsidiaries
December 31, 2016

	Notes	(Millions of Yen)		(Millions of U.S. Dollars)	
		FY2015 (Nine months ended December 31, 2015)	FY2016 (Year ended December 31, 2016)	FY2015 (Year ended December 31, 2015)	FY2016 (Year ended December 31, 2016)
(Turnover (Note 1))	6	¥4,513,955	¥4,924,933		\$42,278
Revenue	6	706,469	838,359		7,197
Cost	14, 15, 23, 27	36,979	49,316		423
Gross profit	6	669,489	789,043		6,773
Selling, general and administrative expenses	14, 15, 23	566,487	659,885		5,665
Other income	26, 27	13,030	16,588		142
Other expenses	28	8,766	8,063		69
Operating profit	14, 15, 29, 34	107,265	137,681		1,182
Share of results of associates	6	3,911	3,362		29
Profit before interest and tax	18	111,177	141,044		1,211
Finance income		4,926	5,104		44
Finance costs	30	10,059	13,230		114
Profit before tax	23, 27, 30	106,043	132,918		1,141
Income tax expense		28,339	43,572		374
Profit for the year	19	¥77,704	¥89,345		\$767
Profit attributable to:					
Owners of the parent		¥72,653	¥83,501		\$717
Non-controlling interests		¥5,051	¥5,844		\$50
Earnings per share			(Yen)		(U.S. Dollars)
Basic earnings per share	32	¥254.05	¥292.85		\$2.51
Diluted earnings per share	32	¥254.03	¥292.84		\$2.51

Reconciliation from operating profit to underlying operating profit

	Notes	(Millions of Yen)		(Millions of U.S. Dollars)	
		FY2015 (Nine months ended December 31, 2015)	FY2016 (Year ended December 31, 2016)	FY2015 (Year ended December 31, 2015)	FY2016 (Year ended December 31, 2016)
Operating profit		¥107,265	¥137,681		\$1,182
Amortization of intangible assets incurred in acquisitions		22,798	24,506		210
Other adjusting items (selling, general and administrative expenses)		2,454	8,762		75
Other adjusting items (other income)		(4,565)	(7,522)		(65)
Other adjusting items (other expenses)		5,376	3,137		27
Underlying operating profit (Note 2)	6	¥133,328	¥166,565		\$1,430

(Note 1) Turnover represents the total amount billed and billable to clients by the Group, net of discounts, VAT and other sales-related taxes.

Disclosure of turnover information is not required under IFRS; however, it is voluntarily disclosed in the Consolidated Statement of Income since management has concluded that the information is useful for users of the financial statements.

(Note 2) For the definition of underlying operating profit, refer to "3. SIGNIFICANT ACCOUNTING POLICIES (21) Underlying Operating Profit."