

Consolidated Statement of Income

Dentsu Inc. and Consolidated Subsidiaries
December 31, 2017

	Notes	(Millions of Yen)		(Millions of U.S. Dollars)	
		FY2016 (Year ended December 31, 2016)	FY2017 (Year ended December 31, 2017)	FY2017 (Year ended December 31, 2017)	FY2017 (Year ended December 31, 2017)
(Turnover (Note 1))	6	¥4,924,933	¥5,187,300		\$45,905
Revenue	6	838,359	928,841		8,220
Cost	14, 15, 23, 27	49,316	51,218		453
Revenue less cost of sales	6	789,043	877,622		7,767
Selling, general and administrative expenses	14, 15, 23	659,885	751,957		6,654
Other income	26, 27	16,588	23,347		207
Other expenses	28	8,063	11,620		103
Operating profit	14, 15, 29, 33	137,681	137,392		1,216
Share of profits of investments accounted for using the equity method	6	3,362	4,222		37
Profit before interest and tax	18	141,044	141,614		1,253
Finance income		5,104	20,302		180
Finance expenses	30	13,230	12,254		108
Profit before tax	23, 27, 30	132,918	149,662		1,324
Income tax expenses		43,572	36,520		323
Profit for the year	19	¥89,345	¥113,142		\$1,001
Profit attributable to:					
Owners of the parent		¥83,501	¥105,478		\$933
Non-controlling interests		¥5,844	¥7,663		\$68
Earnings per share			(Yen)		(U.S. Dollars)
Basic earnings per share	32	¥292.85	¥373.11		\$3.30
Diluted earnings per share	32	¥292.84	¥373.10		\$3.30

Reconciliation from operating profit to underlying operating profit

	Notes	(Millions of Yen)		(Millions of U.S. Dollars)	
		FY2016 (Year ended December 31, 2016)	FY2017 (Year ended December 31, 2017)	FY2017 (Year ended December 31, 2017)	FY2017 (Year ended December 31, 2017)
Operating profit		¥137,681	¥137,392		\$1,216
Amortization of intangible assets incurred in acquisitions		24,506	31,779		281
Other adjusting items (selling, general and administrative expenses)		8,762	5,265		47
Other adjusting items (other income)		(7,522)	(15,410)		(136)
Other adjusting items (other expenses)		3,137	4,919		44
Underlying operating profit (Note 2)	6	¥166,565	¥163,946		\$1,451

(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."