

Consolidated Statement of Income

Dentsu Inc. and Consolidated Subsidiaries
December 31, 2018

	Notes	(Millions of Yen)		(Millions of U.S. Dollars)
		FY2017 (Year ended December 31, 2017)	FY2018 (Year ended December 31, 2018)	FY2018 (Year ended December 31, 2018)
(Turnover (Note 1))	6	¥5,187,300	¥5,357,278	\$48,264
Revenue	6, 26	928,841	1,018,512	9,176
Cost	14, 15, 23, 28	51,218	85,831	773
Revenue less cost of sales	6	877,622	932,680	8,403
Selling, general and administrative expenses	14, 15, 23, 27, 28	751,957	820,058	7,388
Other income	29	23,347	11,168	101
Other expenses	14, 15, 30, 34	11,620	12,151	109
Operating profit	6	137,392	111,638	1,006
Share of profits of investments accounted for using the equity method	18	4,222	2,699	24
Gain on sale of investments in associates	18	–	52,127	470
Profit before interest and tax		141,614	166,465	1,500
Finance income	31	20,302	6,839	62
Finance expenses	23, 28, 31	12,254	24,553	221
Profit before tax		149,662	148,751	1,340
Income tax expenses	19	36,520	51,250	462
Profit for the year		¥113,142	¥97,501	\$878
Profit attributable to:				
Owners of the parent		¥105,478	¥90,316	\$814
Non-controlling interests		¥7,663	¥7,185	\$65
Earnings per share			(Yen)	(U.S. Dollars)
Basic earnings per share	33	¥373.11	¥320.39	\$2.89
Diluted earnings per share	33	¥373.10	¥320.38	\$2.89

Reconciliation from operating profit to underlying operating profit

	Notes	(Millions of Yen)		(Millions of U.S. Dollars)
		FY2017 (Year ended December 31, 2017)	FY2018 (Year ended December 31, 2018)	FY2018 (Year ended December 31, 2018)
Operating profit		¥137,392	¥111,638	\$1,006
Amortization of intangible assets incurred in acquisitions		31,779	35,123	316
Other adjusting items (selling, general and administrative expenses)		5,265	1,700	15
Other adjusting items (other income)		(15,410)	(840)	(8)
Other adjusting items (other expenses)		4,919	5,606	51
Underlying operating profit (Note 2)	6	¥163,946	¥153,229	\$1,380

(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."