

Dentsu Japan Network



Supporting sustainable growth and resolving social issues

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Dentsu Japan Network (DJN), through its extensive network of over 20,000 employees and 160 subsidiary and affiliated companies, delivered 43% of Dentsu Group's net revenue and half of its underlying operating profit in FY2021.

Our target

Reflecting the objective of Dentsu Group's Business to Business to Society (B2B2S) policy adopted this year, DJN aims to become an Integrated Growth Partner to our clients, while simultaneously engaging in the sustainable growth of society.

In these uncertain times it can prove challenging to provide society and businesses with the solutions desired based simply on a two-dimensional view of the issues they face. Currently, we believe, there is a disconnect between consumers, corporations and society. Our job, simply put, is to reunite them.

DJN's business transformation

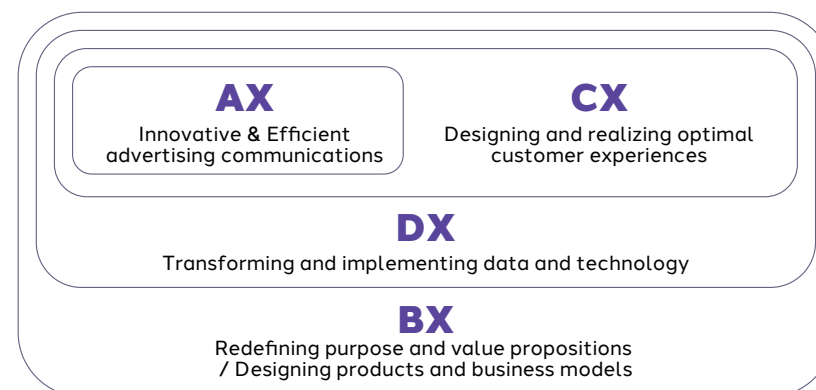
From designing customer experience (CX) which consists of advertising communications innovation (AX), to business design (BX), and data & technology platforming (DX), DJN integrates the breadths of capabilities, A-DX, to offer solutions to our clients as an Integrated Growth Partner.

Based on this framework, BX, CX and DX are the categories within the structural

growth area of Customer Transformation & Technology (CT&T).

To acquire and scale our capabilities we are growing organically, while at the same time, forming alliances with partners with specialized expertise. Over this journey, we have welcomed companies such as Septeni Holdings, CARTA HOLDINGS, Data Artist and Ignition Point to build together the foundation of an Integrated Growth Partner.

DJN's solutions



CT&T talent ratio to top 40% by FY2024

Maintaining talents is the key to growth for DJN. Given the existing robust talent base in our advertising business, we plan to raise the ratio of DJN employees engaged in CT&T-related business from the current 30% to over 40% in FY2024.

To achieve this, amid intensifying competition to acquire employees, we aim to recruit more new graduates and experienced individuals across all DJN companies, as well as offering skill development programs to our employees. DJN is creating attractive opportunities through the expansion of its capabilities for talents who are highly motivated to grow together with our business and contribute to society. DJN also boasts a staff turnover rate below the industry average and is attracting increasing numbers of employees from the major consultancies.

DJN: it's growing

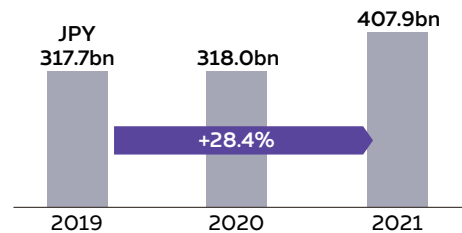
By securing the foundations to become an Integrated Growth Partner, the capabilities and integrated solutions needed by our clients are now in place. We have the skills and are ready. Our ambition is soaring, as is our resolve to maintain this momentum.

The advertising business, including digital advertising, has now rebounded past pre-pandemic levels. In addition to our leading market share position in traditional media, we have bolstered our digital capabilities through the consolidation of Septeni Holdings in FY2022. We expect our market share in digital advertising to overtake the other players in the field, making us number one in Japan in terms of market share and growth rate.

CT&T net revenue has jumped. It grew 29.1% over the FY2019 figure and accounts for over 20% of FY2021 DJN net revenue, thanks to highly synchronized creativity, consumer intelligence, and project management capabilities delivered by DJN companies. Behind the scenes, ISID and Dentsu Digital's advanced skills and talents in system integration deserve equal credit.

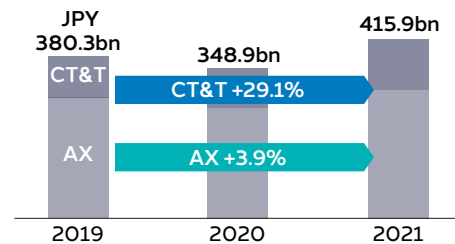
At the same time, we are accelerating the provision of advanced solutions through joint development with platformers and tech companies from outside of the Group. Data Clean Rooms, which facilitate both advertising placements that fulfill consumers' interests while protecting their personal information is a good example.

Digital ad net sales growth rate (DJN incl. Septeni)*



*Simple sum

DJN revenue by AX and CT&T

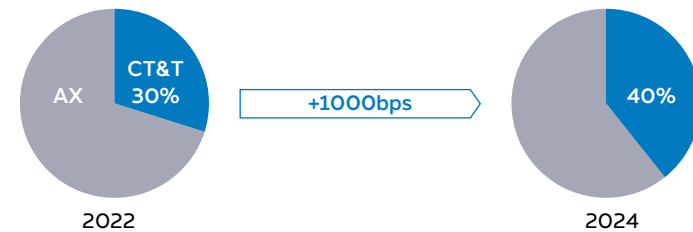


Accelerated growth through enhanced corporate infrastructure

DENTSU CORPORATE ONE was established in January 2022 to provide shared corporate function services among all DJN companies. As a result, great strides have been made to improve the sophistication and efficiency of functions such as HR, finance, legal affairs, and auditing. These services were accessible for 35% of DJN employees in 2022, which we plan to ramp up to 50% or better by 2024.

It is just the beginning of our business transformation to become an Integrated Growth Partner. We will progress further to contribute to the sustainable growth of our clients and society.

Employee proportion by AX and CT&T



Proportion of DJN employees served by Dentsu Corporate One



World-class talents to achieve high marketing ROIAX and CX
Planning**Shuji Yamaguchi**Executive Officer, Dentsu Japan Network
Senior Executive Officer, Dentsu Inc.

Amid fundamental changes in the handling of personal data, DJN acted to ensure continued improvement in ROI for our clients. In 2016 we teamed up with IT companies to develop data clean rooms, or DCRs, enabling access to anonymized customer data, then assisted our clients in overcoming challenges such as backcasting based on purchasing data, acquiring new customers, and transitioning to marketing based on customer lifetime value. Demand for our services was apparent, as 458 such projects were completed in FY2021 alone. But we didn't stop there. Moving society means moving data, and now we're opening up new fields, forging new businesses and assisting with structural reform—all through DCRs.

To satisfy these as well as emerging needs, DJN nurtures highly specialized and dedicated human resources, on hand to deliver high-level marketing and business growth for our clients.

Creativity and technology improving Customer Experience (CX)CX
Execution**Kumiko Nakatsu**Executive Officer, Dentsu Japan Network
Senior Executive Vice President, Dentsu Digital Inc.

The ways in which corporations and people interact, together with their customer experience (CX), are constantly evolving, dissolving the boundaries between on- and offline. For its part, DJN, with a rich heritage in fusing creative ideation with cutting-edge technology, is ideally placed to generate new experiences for customers.

We are also more tuned in to the underlying data, so can orchestrate focused, engaging experiences that yield quality data—crucial to continually refining the experience. Creating these cycles of feedback sits at the very heart of CX planning and is a true passion for DJN.

Realizing and applying CX takes dedicated teams of creatives, technologists, and data experts to constantly push at the bounds of what's possible, reflecting DJN's commitment to bringing companies closer to their customers to maximize marketing ROI.

Business creation and corporate transformationBX and DX
Consulting**Takeshi Sano**Executive Officer, Dentsu Japan Network
Senior Executive Officer, Dentsu Inc.

Our services offer broad-ranging support, from strategy to execution. Through digging deep into consumer data and insights, we can reveal the true strengths of client companies. Leveraging our capabilities in digital, from business model designs aimed at sustainable profits, to customer experience (CX) designs and the marketing platform transformation that follows, we can help businesses transform or create new ones.

We stay close by our clients too, providing unfailing support throughout their transformation, and help define their vision and mission.

In the process, we focus on optimal project design tuned in to our clients' issues to lay the management foundations, ensuring products and services continue functioning at their best for consumers. This requires pooling the imagination, implementation, and networking strengths of the entire spectrum of DJN companies. In this way, we facilitate the giant leaps companies want to make, as well as their sustainable growth.

Integration of marketing, product development and business administration to achieve digital transformation (DX)DX
Delivery**Hirohisa Iwamoto**Executive Officer, Dentsu Japan Network
Managing Executive Officer, Information Services International-Dentsu, Ltd. (ISID)

Behind branding that expresses value, businesses provide goods and services that embody value.

DJN is well-known for its branding capability, and as part of DJN, Information Services International-Dentsu (ISID) is a powerhouse in the domain of value provision with strengths to support the business operations of clients in the manufacturing and financial sectors as well as other sectors. Together as one group, we can help generate high added value, transform corporate business models, and achieve growth for our clients. By extension, we can help develop digital transformation that leads to social transformation.

As part of these efforts, through a strategic collaboration between Dentsu, ISID and Fujitsu, we now help clients transform their value chain while also resolving environmental and social issues. At the same time, the focus is on sustainable business growth and carbon neutrality.