

Today's Dentsu at a Glance

About the Dentsu Group

No. 1¹ sales in Japan
and **+80%** larger than the No. 2 player

¹ Sources: *Current Situation of Japanese Advertising Agencies, Advertising and Economy* (Advertising and Economy Research Institute) and *Advertising Expenditures in Japan* (Dentsu)

No. 1 brand agency globally²
No. 5 ad agency group²
4th largest media agency group³

² Source: *Advertising Age*, April 28, 2014 edition

³ Source: *RECMA Overall Activity Billings 2013*

11,000+ clients globally, served by
about **40,000** professionals who continue to
hone intelligence and creativity

Gross profit
overseas ratio
48%

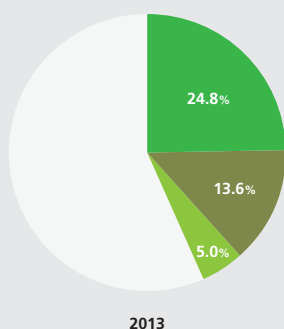
Gross profit
digital domain ratio
28%

(Digital domain ratio of Dentsu Aegis Network accounts for 41%)

About the Dentsu Group

Dentsu's Share of the Japanese Advertising Market

■ Dentsu ■ HDY ■ ADK



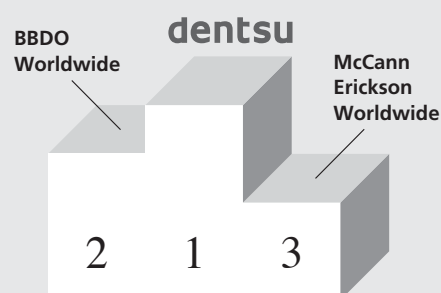
Notes: (1) HDY is the total of non-consolidated net sales by Hakuhodo, Daiko Advertising and Yomiuri Advertising in calendar 2013.

(2) Percentages roughly reflect the ratio of net sales to spending shown in *Advertising Expenditures in Japan*.

Sources: *Current Situation of Japanese Advertising Agencies, Advertising and Economy* (Advertising and Economy Research Institute) and *Advertising Expenditures in Japan* (Dentsu)

No. 1 Brand Agency Globally

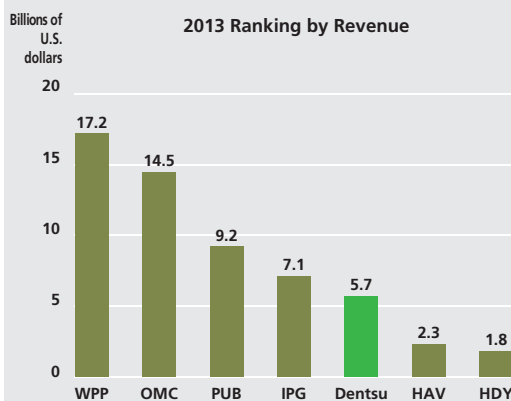
2013 Ranking by Revenue



Source: *Advertising Age*, April 28, 2014 edition

No. 5 Ad Agency Group

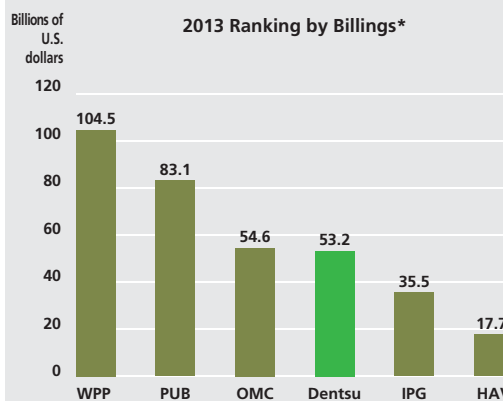
2013 Ranking by Revenue



Source: *Advertising Age*, April 28, 2014 edition

4th Largest Media Agency Group

2013 Ranking by Billings*



* Media billings of WPP, Publicis, Omnicom, Interpublic Group and Havas are based on overall activity billings in *RECMA Overall Activity Rankings 2013*. The Dentsu Group's media billings are a simple sum of Dentsu Aegis Network's media billings and Dentsu's non-consolidated media billings. Dentsu Aegis Network's media billings are based on overall activity billings in *RECMA Overall Activity Rankings 2013*.

Dentsu's U.S. dollar-denominated non-consolidated media billings are converted from yen to U.S. dollars using the average exchange rate for 2013 (calendar year).

Brands

Global Network Brands

**Carat**

U.K.-based Carat is the world's largest media communications company, with a presence in 110 countries. The company creates better business value for clients by maximizing media value.

Dentsu

Advertising companies overseas with Dentsu in the name are Dentsu-brand agencies. Companies that specialize in a particular domain, such as digital, creative, PR or consulting, are specialized-domain agencies.

Dentsu Media

As Dentsu's overseas media agency network, Dentsu Media provides high-quality services to clients around the world through three networks—Media Palette, Media Cubic and Media Matrix—and digital agency brands, including &c.

iProspect

U.K.-based iProspect is a digital performance marketing agency with a presence in more than 40 countries. The company supports clients in maximizing online marketing ROI.

Isobar

U.K.-based Isobar is a digital agency with a presence in more than 30 countries. The company established the world's largest global digital network by bringing together digital technologies from all over the world. Clients enjoy full support through Isobar's outstanding digital marketing capabilities.

Global Network Brands



Dentsu McGarry Bowen

Never confined to existing methodologies or preconceptions, agency Dentsu McGarry Bowen always delivers unique insights and smart solutions. Boasting an excellent reputation for creative capabilities, the agency also puts effort into building new communication platforms.



Posterscope

U.K.-based Posterscope is a media agency specializing in out-of-home (OOH) communications and has a presence in about 30 countries. The company's OOH development expertise is based on an insightful grasp of the purchasing behavior of consumers outside their homes.



Vizeum

U.K.-based Vizeum is a media agency with excellence in communication planning, particularly involving digital media, and is active in more than 40 countries. The company works with other companies within the Dentsu Aegis Network to bring about innovative change in the ad communications of its clients.

Specialist/Multimarket Brands



360i

Championing the fusion of search marketing and social marketing, 360i has earned top marks in the industry as a next-generation digital agency.

Specialist/Multimarket Brands



Amnet

With a presence in 24 countries, Amnet—the Aegis trading desk—organically links all kinds of data to ensure more timely, perfectly targeted online advertising.



Amplifi

This media investment company raises value across all media—from television to print, digital and radio—on a global basis, seeking to reinvent the supply side of media through investments, partnerships and real-time bidding.



Data2Decisions

This consulting company draws on all types of marketing data and analyzes what has worked and what has not to maximize clients' ROI.



Mitchell Communications Group

An award-winning strategic communications and PR company, Mitchell Communications Group boasts a diverse client portfolio that includes some of the world's top-tier corporations and high-profile brands. Covering a wide range of specialized fields, from consumer communications to corporate public relations, this company is known for delivering innovative ideas.



psLIVE

psLIVE is a communications agency with strengths in services that create engaging experiences for consumers by organically connecting the digital world to events in the physical world. The company seeks to redefine and invigorate brands.

Percentage Mix by Major Region



Overview of Medium-term Management Plan

Key Performance Indicators

FY2017 Targets

FY2013 Results

Gross profit organic growth rate¹

3%–5%
(CAGR² FY2012–FY2017)

7.7%

¹ Organic growth rate: Internal growth rate factoring out acquisitions and the effect of exchange rates

² Compound average growth rate

Gross profit overseas ratio

55% or higher

48%

Gross profit digital domain³ ratio

35% or higher

28%

³ Digital domain includes Internet-related marketing services and entrusted development and sales of information technology systems

Operating margin before amortization of goodwill⁴

20% or higher

19.2%

⁴ Calculated by dividing adjusted operating income by gross profit

Adjusted operating income is operating income before amortization of goodwill and M&A related intangible assets

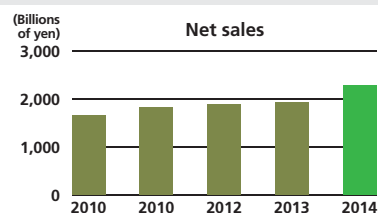
Operating Highlights (Consolidated)

FY2013 (Fiscal Year Ended March 31, 2014) Results

(Years ended March 31)

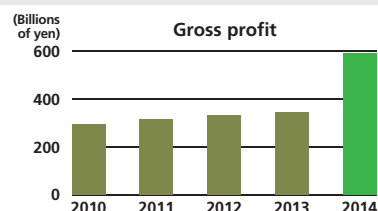
Net sales

¥2,309.3 billion



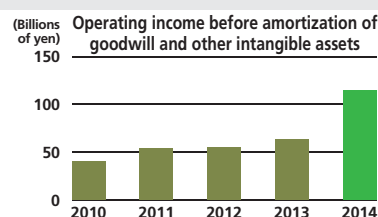
Gross profit

¥594.0 billion



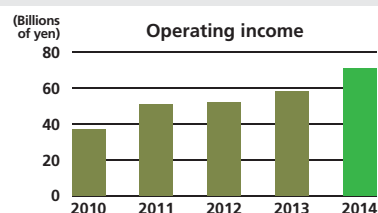
Operating income before amortization of goodwill and other intangible assets

¥114.1 billion



Operating income

¥71.4 billion



Net income

¥38.8 billion

