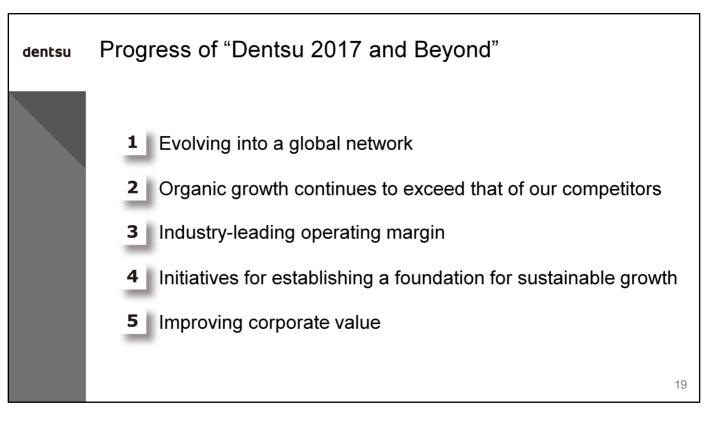


• As fiscal 2015 was the halfway point of the current medium-term management plan, which started in fiscal 2013, today I would like to summarize the progress of the plan halfway through.

dentsu	Progress of Medium-Term Management Plan					
		FY2012		CY2015 (pro forma)		2017 target
	Gross Profit Organic Growth Rate			7.0%	÷	3-5%
	Gross Profit International Business Ratio	43%	→	54.3%	÷	55% or higher
	Gross Profit Digital Domain Ratio	24%	→	34%	÷	35% or higher
	Underlying Operating Income Operating Margin	17%	→	21.1%	÷	20% or higher
						18

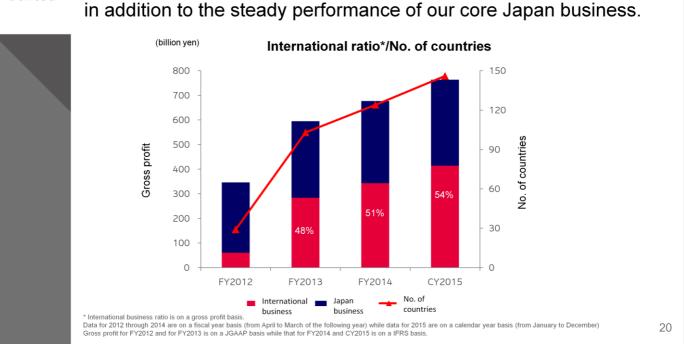
- First of all, I would like to confirm the KPIs of our current medium-term management plan.
- You can see that in 2015 we made good progress in moving toward achieving our 2017 goals.



- With the progress of structural changes from globalization and digitalization, our Group has carried out initiatives to deal with those changes and to achieve sustainable growth.
- From now on, I would like to summarize the progress of our medium-term management plan in the first three years, in line with the five points listed in this slide.

1. Evolving into a global network Our international business is showing continuous growth

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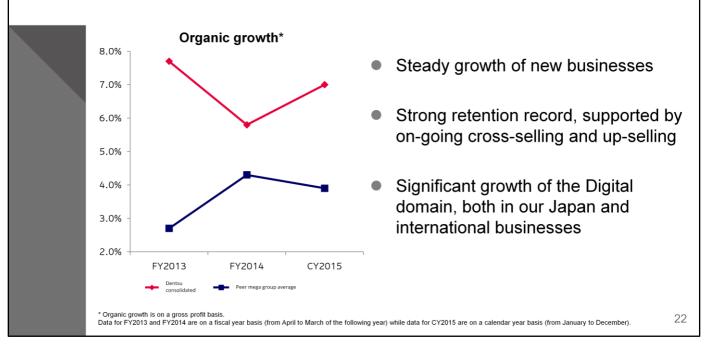
- Consolidated gross profit of the Dentsu Group almost doubled from that as of 2013 with the acquisition of Aegis.
- We have maintained strong momentum, so our Group's gross profit steadily grew both in our Japan and international businesses.
- The ratio of international business was 15% in fiscal 2012, but reached 54% in 2015. Our Group has evolved into a global network with about 47,000 professionals in more than 140 countries.



- The strong momentum of our Group is supported by the smooth integration of the former Aegis Group into our Group, as well as the progress of Group-wide collaboration.
- All of the leadership team of the former Aegis entity remain in Dentsu Aegis Network to drive our growth, which is supporting the momentum of our Group.
- With the expansion of Japanese companies' operations outside Japan and the entry of foreign companies from outside Japan into the Japanese market, we have won much new business in markets both within and outside Japan since the inauguration of Dentsu Aegis Network to date. We will continue to work on new business activities aggressively in every market.
- We have promoted personnel exchange between our Japan and international businesses, resulting in mutual sharing of expertise, particularly in the digital field.
- With regard to One P&L, which is our unique operating model introduced at all locations outside Japan, we have made continued efforts to improve it and already introduced a next generation model in some regions.
- We will continue to work on measures to strengthen our competitiveness as a global network.

2. Organic growth continues to exceed that of our competitors

dentsu Our Group continues to prioritize industry-leading organic growth.

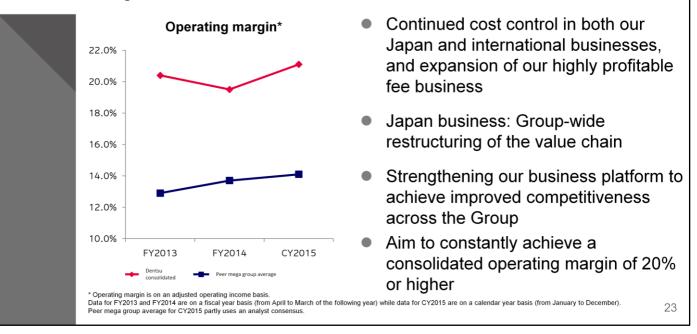


- We prioritize organic growth as well as growth through M&A.
- Organic growth of the entire Dentsu Group continues to outperform our mega group competitors.
- Recently, large-scale pitches outside Japan have been in the news. However, we have also been successful in retaining many major clients without the need for a pitch.
- That proves their appreciation of our Group's performance. Expansion of our business with existing clients significantly contributed to organic growth.
- In the fast-growing digital domain, both Japan and our international business achieved double-digit growth in gross profit with increases of 22.2% and 24.8% respectively on a year-on-year basis.

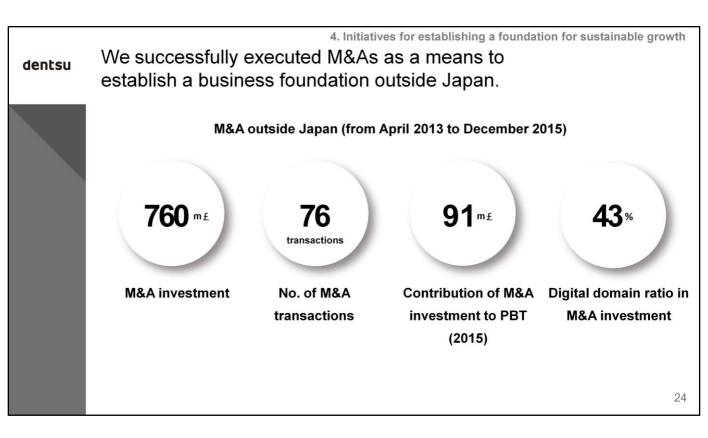
3. Industry-leading operating margin

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We are focused on maintaining and improving our high operating margin.



- Also in terms of operating margin, the Dentsu Group as a whole has maintained a level that outperforms mega group competitors, as we further boosted our Japan business, which was already at a high level, and improved the margin of our international business.
- Particularly in 2015, consolidated margin improved significantly because our international business started to see some effects of its first-phase business platform development and because our Group companies in Japan made a great contribution.
- In Japan, we will continue to restructure our value chain, including our Group companies.
- In 2016, we will continue investment to improve our competitiveness in the medium term and to further strengthen the level of our business platform across the Group. Through a series of initiatives, we aim to constantly achieve a consolidated operating margin of 20% or higher, which is one of the KPIs of the current medium-term management plan.



- Now I will talk about M&A to establish a foundation for sustainable growth.
- M&A is an important means for this and we executed M&As aggressively outside Japan.
- In recent years, we have aggressively carried out M&A as the top-priority issue in capital allocation. After the acquisition of Aegis in March 2013, we carried out 76 M&A transactions, which totaled about 760 million pounds in value terms.
- Contribution of past M&A to profit has reached the level of 90 million pounds or higher in 2015.
- M&A in the fast-growing digital domain accounts for 43% of total transactions.



- In the digital domain, we have expanded our acquisition target not only in the digital media area but also in newly developing areas.
- This slide shows some examples of recent acquisitions, such as John Brown in content marketing, MKTG in experiential marketing, eCommera which provide e-commerce solutions with a focus on brand commerce, Fetch in mobile, Grip in CRM, and Navegg in data analytics.
- These business areas are growing rapidly and getting more important areas for our clients and us.
- We will conduct M&A to enhance our capabilities as one of the important\_growth\_strategies to cope with changes in consumer behavior and the progress of marketing convergence which I touched upon at the beginning of this presentation.

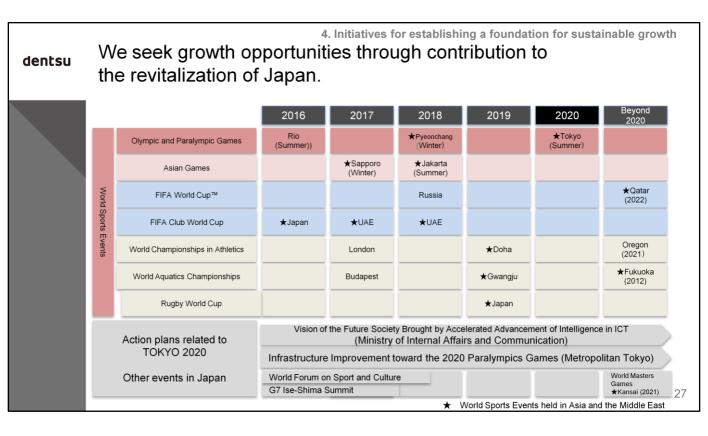
4. Initiatives for establishing a foundation for sustainable growth

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We aim to achieve growth opportunities created by the acceleration of digitalization in Japan.

- Responding to the ongoing marketing convergence accelerated by digitalization
- Integrating/restructuring the specialized services of the Dentsu Group in Japan in response to the needs for integrated digital marketing
  → Establishment of the Dentsu Digital Marketing Center
- Expanding the business domain, including CRM, e-commerce, system solutions and data analytics

- We are working on gaining growth opportunities derived from marketing convergence in Japan in addition to those through M&A across the globe.
- The Dentsu Digital Marketing Center which we established in January this year is one example. This is a new division of Dentsu Inc., and it was created by integrating and restructuring our specialized services in this area in order to respond more agilely and quickly to the digitalization of our clients.
- We are proud of having strong competitiveness in the traditional domains of media content, creative and marketing.
- Our clients urge us to broaden and merge these core competences with new capabilities such as CRM, e-commerce, system solutions and data analytics in a proactive way.
- We aim to gain growth opportunities in the Japanese market by developing a business structure to provide one-stop service in all areas of digital marketing to respond to demands from our clients.

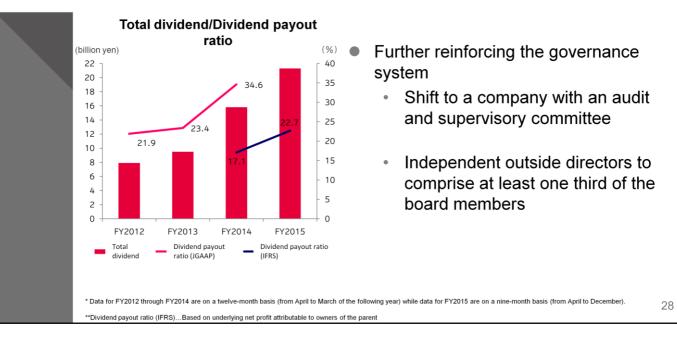


- This year, the summer Olympic and Paralympic Games will be held in Rio de Janeiro. This chart shows the schedule of world sports events and other activities over the next five years up to 2020 and beyond.
- Each of them will heighten the momentum toward TOKYO 2020, including activations of sponsor companies.
- Moreover, there are various action plans related to the 2020 Olympic and Paralympic Games which will be held in Tokyo.
- "Vision of the Future Society Brought by Accelerated Advancement of Intelligence in ICT" and "Infrastructure Improvement in Metropolitan Tokyo" are two such plans.
- We will seek new opportunities for the Dentsu Group to contribute to their success, as well as to the growth and realization of innovation in Japan, and ultimately the revitalization of the "Japan" brand.

5. Improving corporate value

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## We will reinforce our governance system and improve shareholder returns.



- Now, the last of the five points. Let me introduce our initiatives for improving our corporate value.
- In line with M&A and other growth measures, the Dentsu Group has improved shareholder returns, including stable dividend distribution and share buyback in the previous fiscal year.
- We strongly feel the great expectations of our shareholders and investors for our Group's performance, that is, achieving high growth outside Japan through Dentsu Aegis Network while working on changes and expanding profits of the core Japan business.
- To improve the effectiveness of the Group governance system, we decided to discuss a shift to a company with an audit and supervisory committee at our shareholders meeting in March, with the goal of improving our corporate value in the mid- to long-term.
- We will also submit an agenda of selecting three independent outside directors who are to comprise at least one third of the board members.
- We will continue to work on improving our corporate value in the medium and long term.



- Changes in the business environment, which are driven by globalization and digitalization, are forcing big changes in the advertising industry and its business model.
- Under these circumstances, it is not just competition between advertising agencies that is intensifying. Players from other industries are entering the advertising business.
- The rise of such new competitors is nothing less than a threat, but we see a series of changes in the industrial structure as a big chance for us to expand the domain of our Group's business and achieve further growth.
- Centering around our Japan business while making the best of the global coverage of Dentsu Aegis Network, we will improve our integrated problem-solving ability and revenue creation ability in order to become a partner who supports its clients' success in diverse ways.
- I would like to conclude my presentation by stating my appreciation for your continued support for the development of the Dentsu Group.