

Progress of Medium-Term Management Plan “Dentsu 2017 and Beyond”

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Good Innovation.

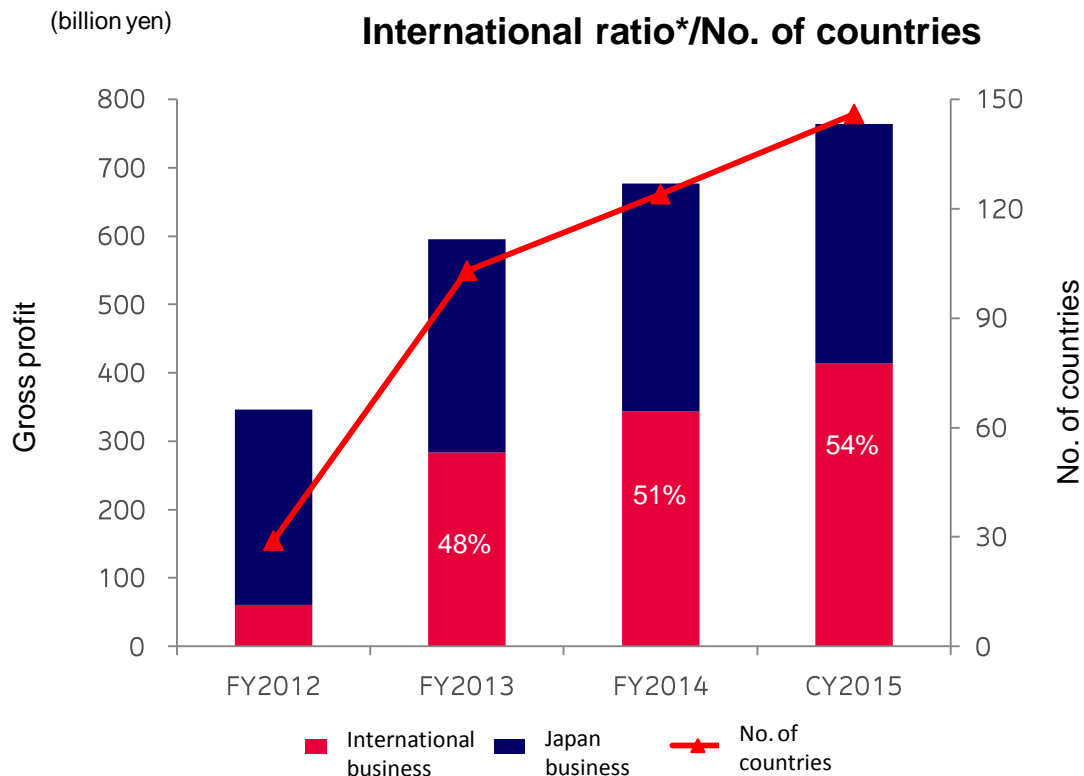
Progress of Medium-Term Management Plan

| | 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 |

Progress of “Dentsu 2017 and Beyond”

- 1** Evolving into a global network
- 2** Organic growth continues to exceed that of our competitors
- 3** Industry-leading operating margin
- 4** Initiatives for establishing a foundation for sustainable growth
- 5** Improving corporate value

Our international business is showing continuous growth in addition to the steady performance of our core Japan business.



* International business ratio is on a gross profit basis.

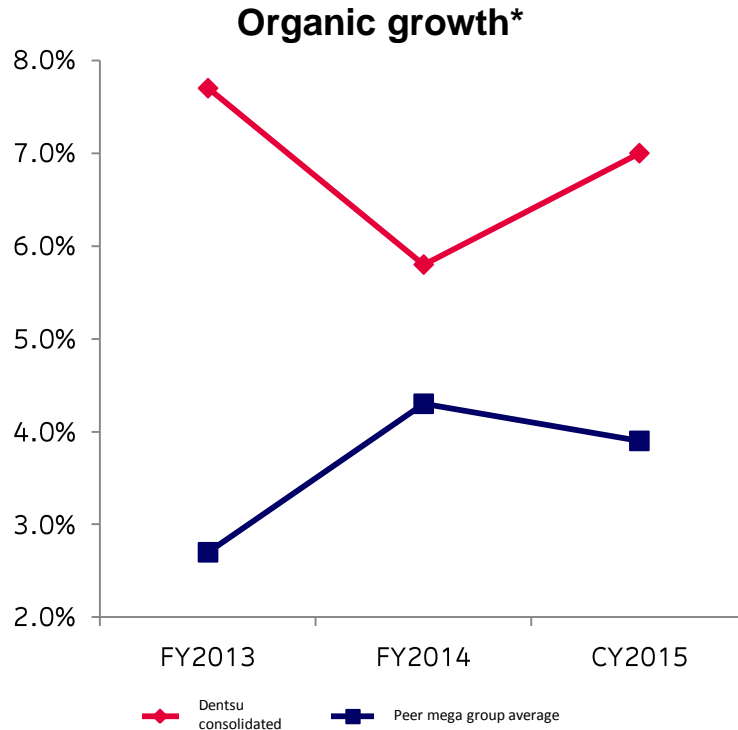
Data for 2012 through 2014 are on a fiscal year basis (from April to March of the following year) while data for 2015 are on a calendar year basis (from January to December).
Gross profit for FY2012 and for FY2013 is on a JGAAP basis while that for FY2014 and CY2015 is on a IFRS basis.

We are strengthening our competitiveness as a unique global network which has a strong business foundation in Japan.

- Retain management who can lead the growth of our international business
- Continued focus on new business opportunities
- Talent migration across our Japan and international businesses
- Launch and evolution of a unique operating model

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Our Group continues to prioritize industry-leading organic growth.

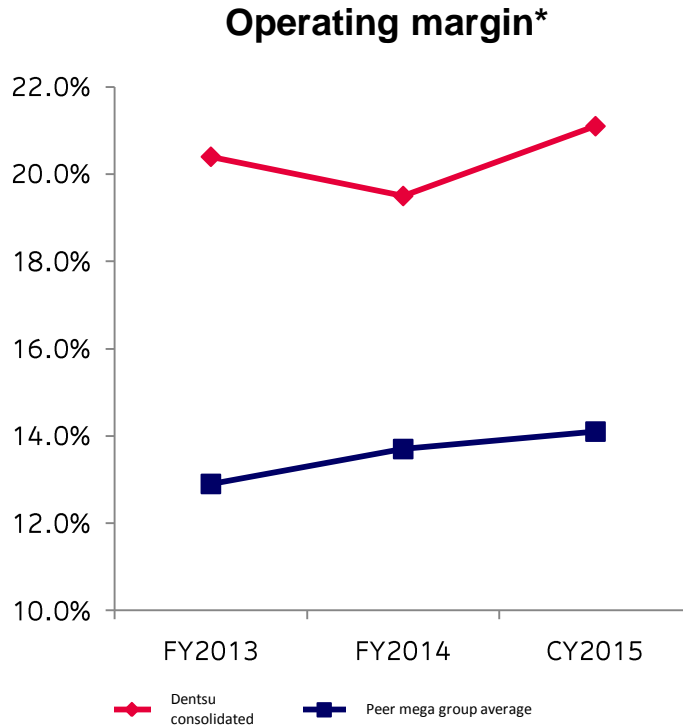


- Steady growth of new businesses
- Strong retention record, supported by on-going cross-selling and up-selling
- Significant growth of the Digital domain, both in our Japan and international businesses

* Organic growth is on a gross profit basis.

Data for FY2013 and FY2014 are on a fiscal year basis (from April to March of the following year) while data for CY2015 are on a calendar year basis (from January to December).

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



- Continued cost control in both our Japan and international businesses, and expansion of our highly profitable fee business
- Japan business: Group-wide restructuring of the value chain
- Strengthening our business platform to achieve improved competitiveness across the Group
- Aim to constantly achieve a consolidated operating margin of 20% or higher

* Operating margin is on an adjusted operating income basis.

Data for FY2013 and FY2014 are on a fiscal year basis (from April to March of the following year) while data for CY2015 are on a calendar year basis (from January to December). Peer mega group average for CY2015 partly uses an analyst consensus.

We successfully executed M&As as a means to establish a business foundation outside Japan.

M&A outside Japan (from April 2013 to December 2015)

760 m£

M&A investment

76

transactions

**No. of M&A
transactions**

91 m£

**Contribution of M&A
investment to PBT
(2015)**

43%

**Digital domain ratio in
M&A investment**

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Capability enhancement through M&A in growing business areas continues.



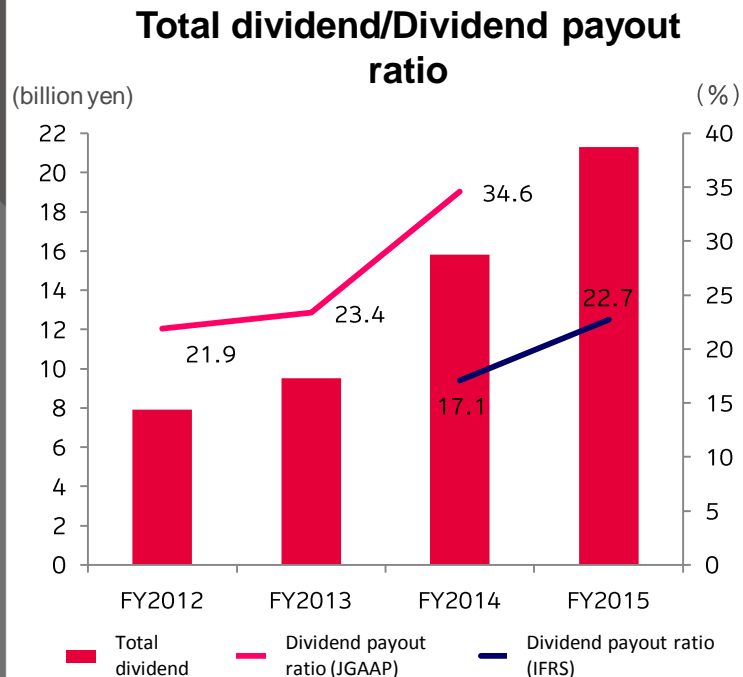
We aim to achieve growth opportunities created by the acceleration of digitalization in Japan.

- 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 seek growth opportunities through contribution to the revitalization of Japan.

| | | 2016 | 2017 | 2018 | 2019 | 2020 | Beyond 2020 |
|------------------------------------|----------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------|-------------------|-----------------------|----------|-----------------|---------------------|
| World Sports Events | Olympic and Paralympic Games | Rio (Summer)) | | ★Pyeongchang (Winter) | | ★Tokyo (Summer) | |
| | Asian Games | | ★Sapporo (Winter) | ★Jakarta (Summer) | | | |
| | FIFA World Cup™ | | | Russia | | | ★Qatar (2022) |
| | FIFA Club World Cup | ★Japan | ★UAE | ★UAE | | | |
| | World Championships in Athletics | | London | | ★Doha | | Oregon (2021) |
| | World Aquatics Championships | | Budapest | | ★Gwangju | | ★Fukuoka (2012) |
| | Rugby World Cup | | | | ★Japan | | |
| Action plans related to TOKYO 2020 | | Vision of the Future Society Brought by Accelerated Advancement of Intelligence in ICT (Ministry of Internal Affairs and Communication) | | | | | |
| | | Infrastructure Improvement toward the 2020 Paralympics Games (Metropolitan Tokyo) | | | | | |
| Other events in Japan | | World Forum on Sport and Culture | | | | | World Masters Games |
| | | G7 Ise-Shima Summit | | | | | ★Kansai (2021) |


We will reinforce our governance system and improve shareholder returns.



- Further reinforcing the governance system
 - Shift to a company with an audit and supervisory committee
 - Independent outside directors to comprise at least one third of the board members

* Data for FY2012 through FY2014 are on a twelve-month basis (from April to March of the following year) while data for FY2015 are on a nine-month basis (from April to December).

**Dividend payout ratio (IFRS)...Based on underlying net profit attributable to owners of the parent

A decorative graphic on the left side of the slide, featuring a vertical orange bar with a darker orange triangle at the top left corner.

**To evolve into a truly global network
at the forefront of marketing convergence
- Innovation x Reinvention -**