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Transforming the Dentsu Group in 2018

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*The numeric figures and indicators are disclosed in this presentation for the purpose of promoting proper understanding of business conditions. Note that in certain cases, the numeric figures herein differ from those in our financial statements. Refer to the Appendices for definitions on terms used.

Feb. 15, 2018

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Group Priorities

1 Working Environment Reform and Improvement of Corporate Infrastructure in Japan

2 Group Business Transformation

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1

Working Environment Reform and Improvement of Corporate Infrastructure

Reform with both shortening of work hours and improving quality of the service	Transform overall corporate infrastructure	Reform that opens up the future

compliance with laws and eradication of overwork

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2

Business Transformation

[Changes in our Business Environment]

Change in client needs	Change in consumers	Changes in media
Pursue ROI and KPI overall in the marketing funnel	Diversification of contact points/purchasing points owing to numerous devices	Irreversible digitalization occurring in society
Refine and hone integrated planning methods	R&D/partnership to capture contact point with consumers	Driving the paradigm shift
Evolving method functions	**Establish data infrastructure**	**Reform media/content businesses**

The transformation the Dentsu Group is aiming for

In-depth marketing & communication business

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2

Business Transformation (Japan Business)

Strengthen functions within the group and revamp structure

Actively partner with or invest in other companies

	Evolving method functions	Create data infrastructure
Establish system	Establish integrated planning framework People Driven Marketing™	Use viewership data STADIA SHAREST ・・・視聴率予測AI・・・
External collaboration/ investment	Improve ad quality IAS Integral Ad Science Fortify system for video ads KAIZEN PLATFORM	Establish development platform DD Data Artist Convert AI development company into subsidiary Enhance ties with platform developer

2

Business Transformation (Japan Business)

Data Artist to become a subsidiary

Data Artist

Enhance integrated planning, including digital using AI	Improve operational efficiency and optimize HRM using AI	Develop new businesses that leverage AI
Expand topline in the marketing communication domain	Improve group overall corporate infrastructure	Secure new revenue source

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2 Business Transformation (Japan Business)

Change in environment surrounding customer business

More sophisticated and complex business issues

Expand business domain

Business design

AI

Data management

CRM/SFA support

Introduce marketing cloud

Diverse customer network

Client

Rights holder

Media

Various organizations

Platform developers

Content developers

Joint business with diverse customers

Customer

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Customer

Customer

The transformation the Dentsu Group is aiming for

Evolve into a business partner

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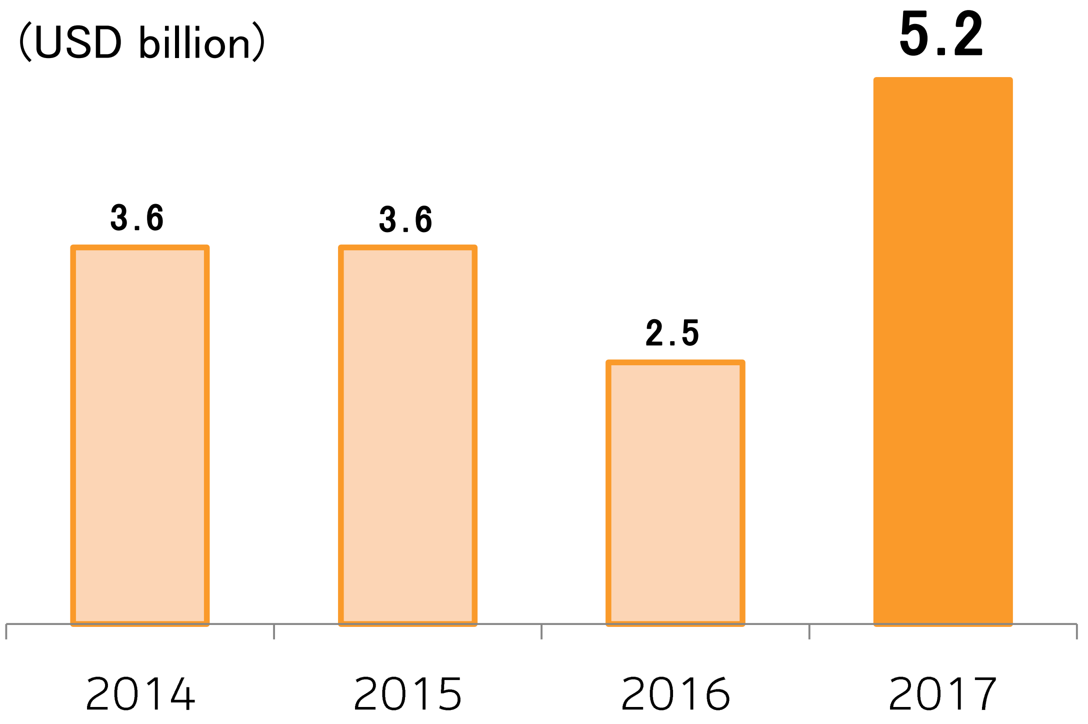
2

Business Transformation (International Business)

A record year for net new business



2 Business Transformation (International Business)

Strategic Priorities for Dentsu Aegis Network 2018

Building on record year for new business

- Drive product competitiveness and innovation
- Data strategy to accelerate shift to people-based marketing; M1 Platform roll out
- Prioritize full consumer journey services to clients

Investment in global infrastructure

- Investment in global platforms & shared systems to operate efficiently at scale
- Standardization of business operations to support faster decision making

M&A

- Continue targeted acquisitions in digital to support growth and innovation

Aggressive investment to accelerate business transformation

Expand functions of existing business

Expand business domain

Looking forward, both the Japanese business and international business will pursue and execute investments that will enhance the entire Group

Dentsu Group wants to be an optimal partner that helps customers transform their business.

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