

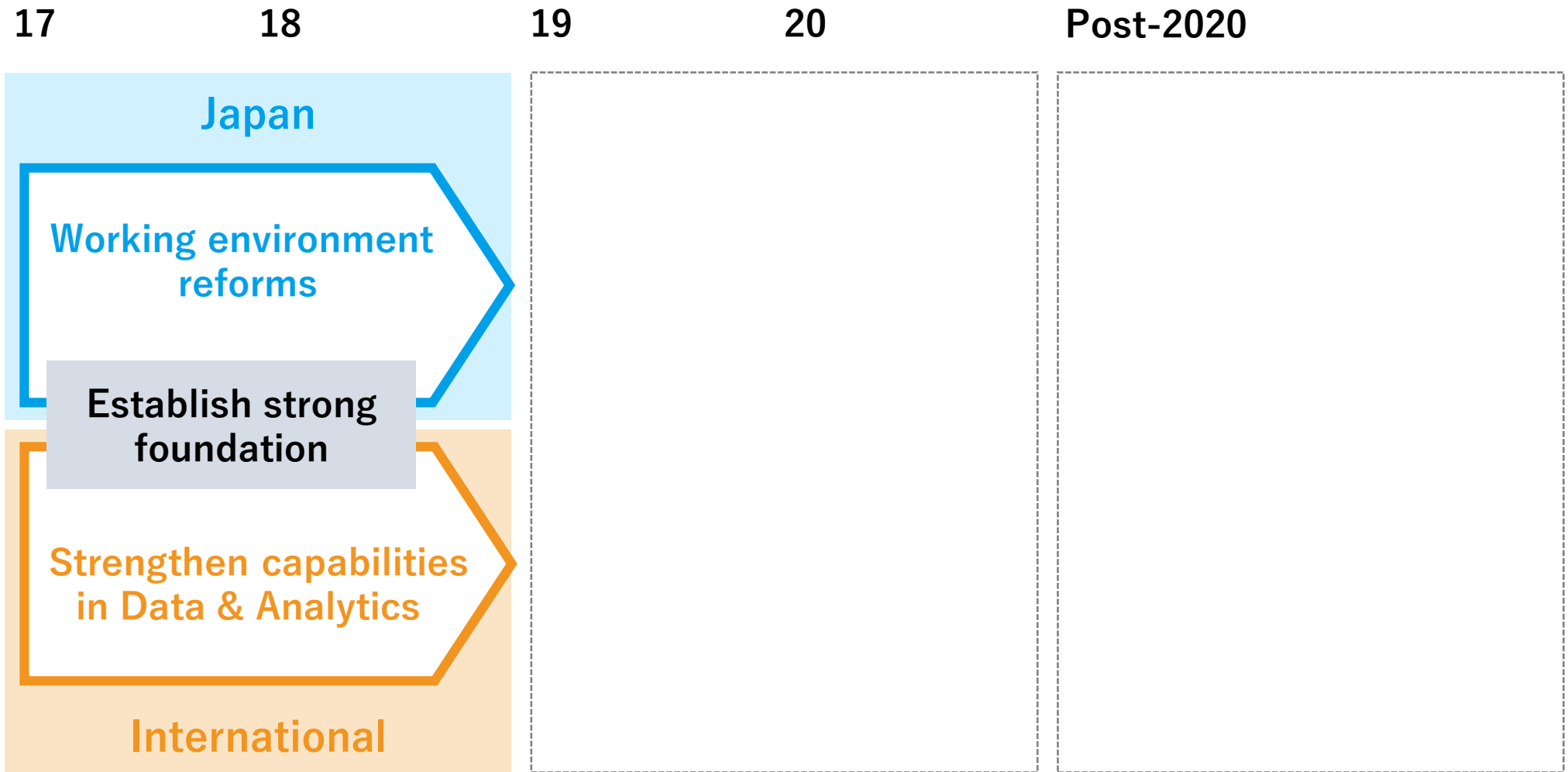
# Dentsu Group Medium-term Direction

Toshihiro Yamamoto  
President & CEO  
Dentsu Inc.

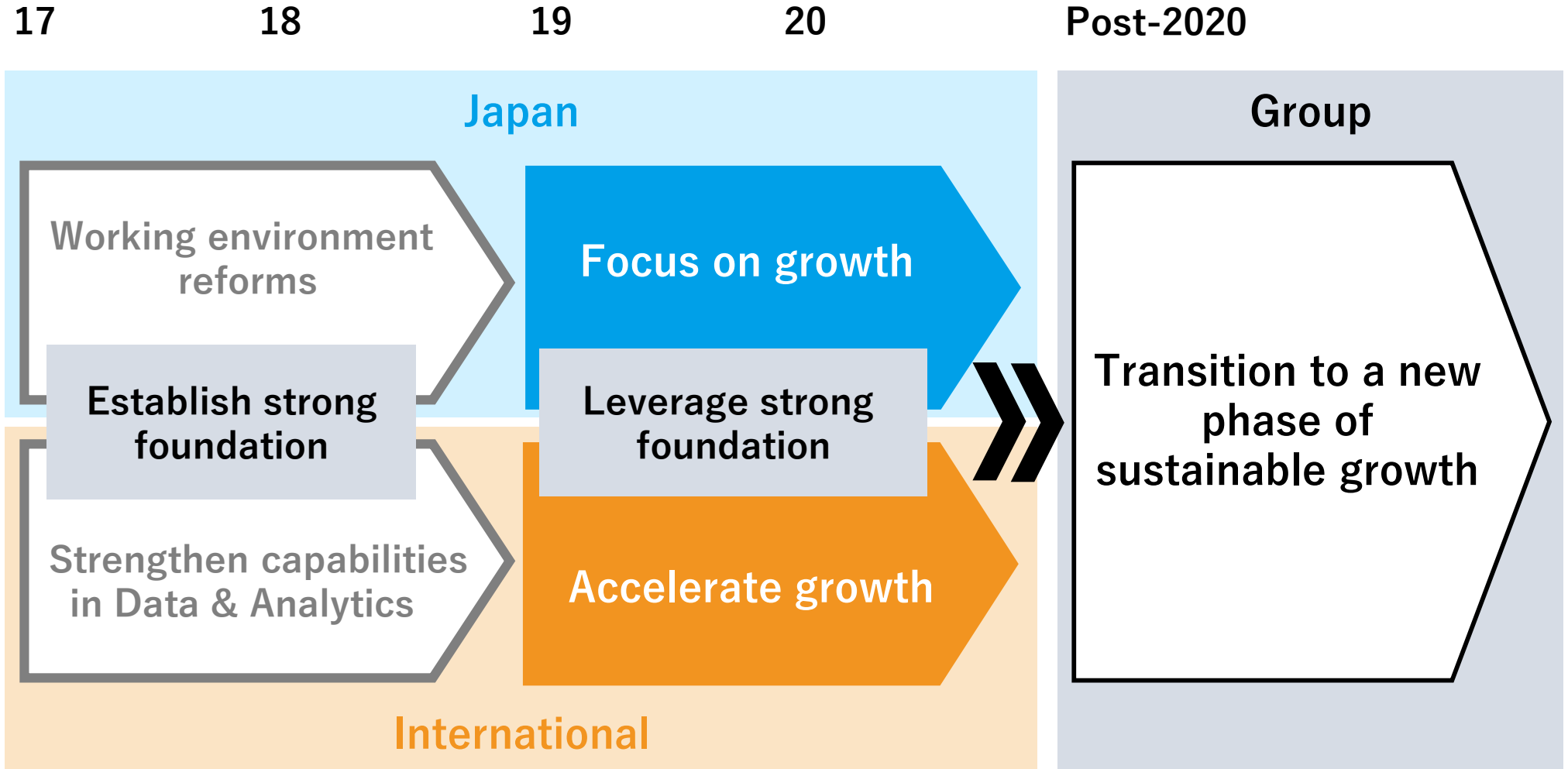
August 10, 2018

\* Please be reminded that the figures shown in this presentation may be different from those shown in the financial statements as this presentation has been prepared for investors to understand our businesses. Please refer to the annotations in the Appendices for each definition of the indicators.

# Phase 1 : 2017-2018 Initiatives



# Phase 2 : Medium-term Direction for 2019-2020



# Dentsu Group's Self-Reforms

Create value for all our stakeholders:  
shareholders, clients, our people and society



**Creativity & Technology**  
.....



**Collaborations**  
.....



Diverse & rich customer relations



# Medium-Term Direction for International Business

Continue evolving our business  
 to become “100% digital economy” by 2020

Six strategic priorities to promote momentum and growth :

- 1 Build integrated solutions offering
- 2 Leverage media partnerships and content opportunities
- 3 Differentiate the business with effective use of data

# Medium-Term Direction for International Business

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Six strategic priorities to promote momentum and growth :

- 4** Purposefully grow revenue in high margin, high growth sectors
- 5** Mitigate cost of complexity
- 6** Evaluate market transformation opportunities to accelerate our strategy through ongoing M&A program

# Medium-Term Direction for Japan Business

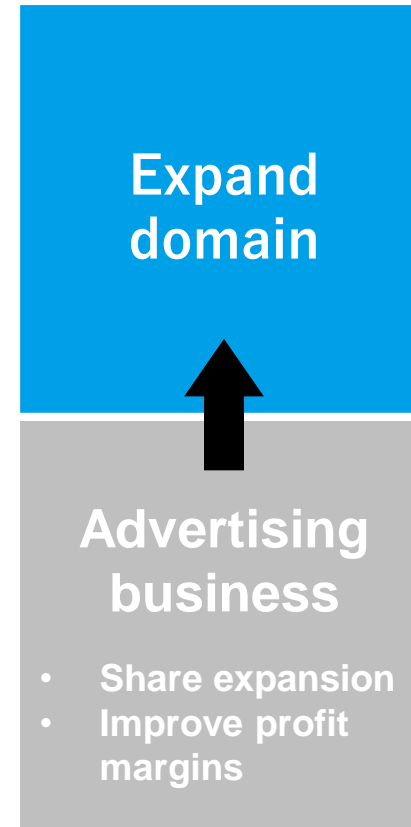
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## Advertising business

- Share expansion
- Improve profit margins

# Medium-Term Direction for Japan Business

Expand domain  
in business



## Marketing Technology

- Data Strategy Consulting
- Marketing Cloud System Integration
- Customer Experience Design

## Business Design

- Management reform support/new business development
- New media development
- Content management

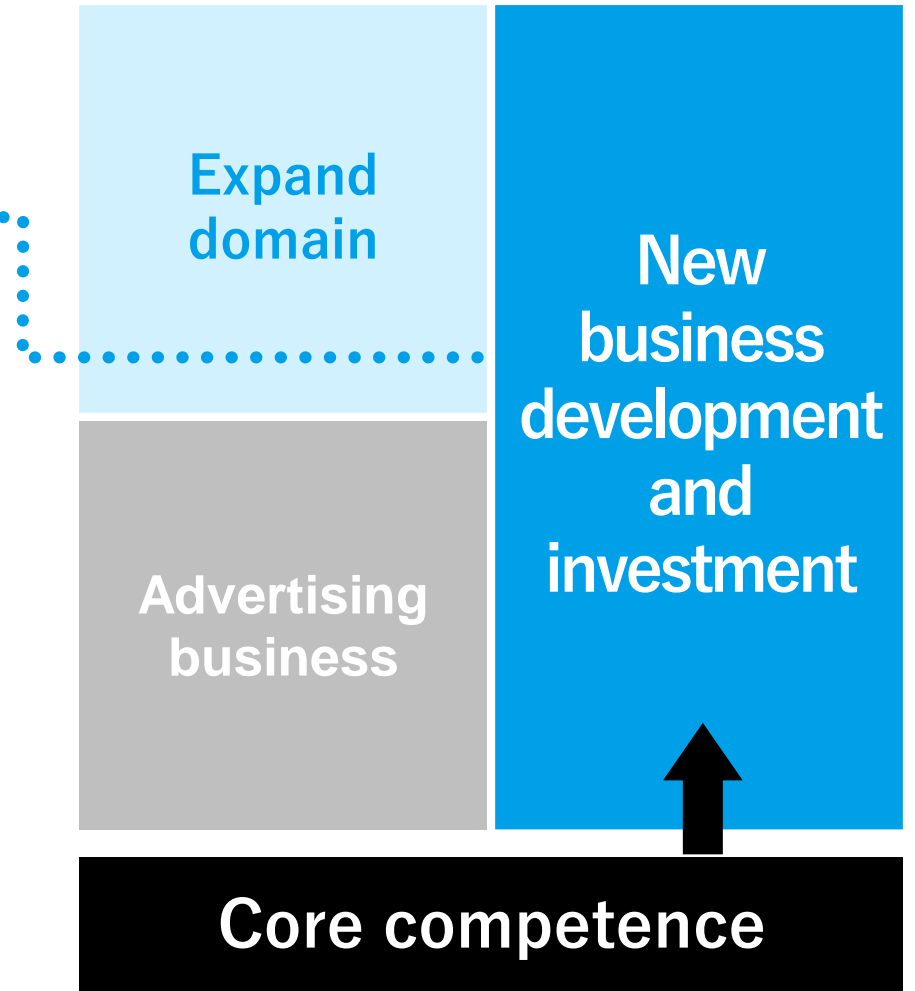
Core competence



# Medium-Term Direction for Japan Business

New business development and investment

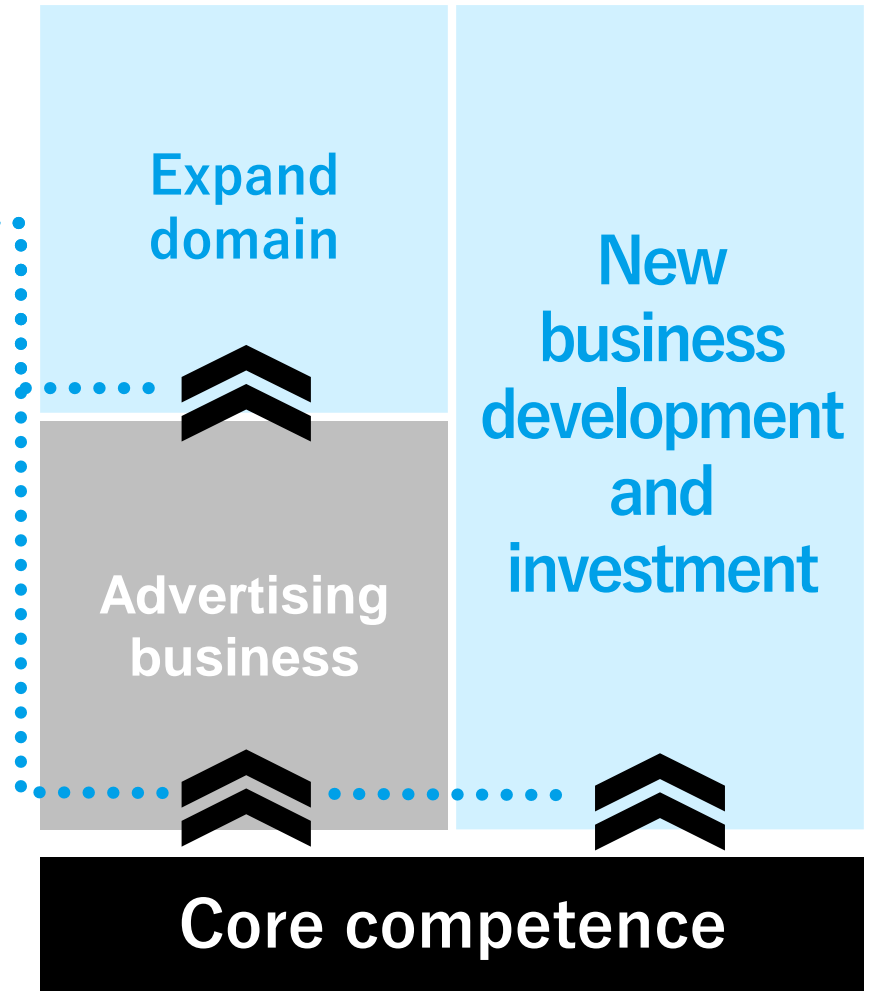
- Develop new business partnerships with our diverse customer base and invest own capital
- Create new value through connecting the capabilities of the Dentsu Group and our customers
- Gain revenue share by becoming a part of the business



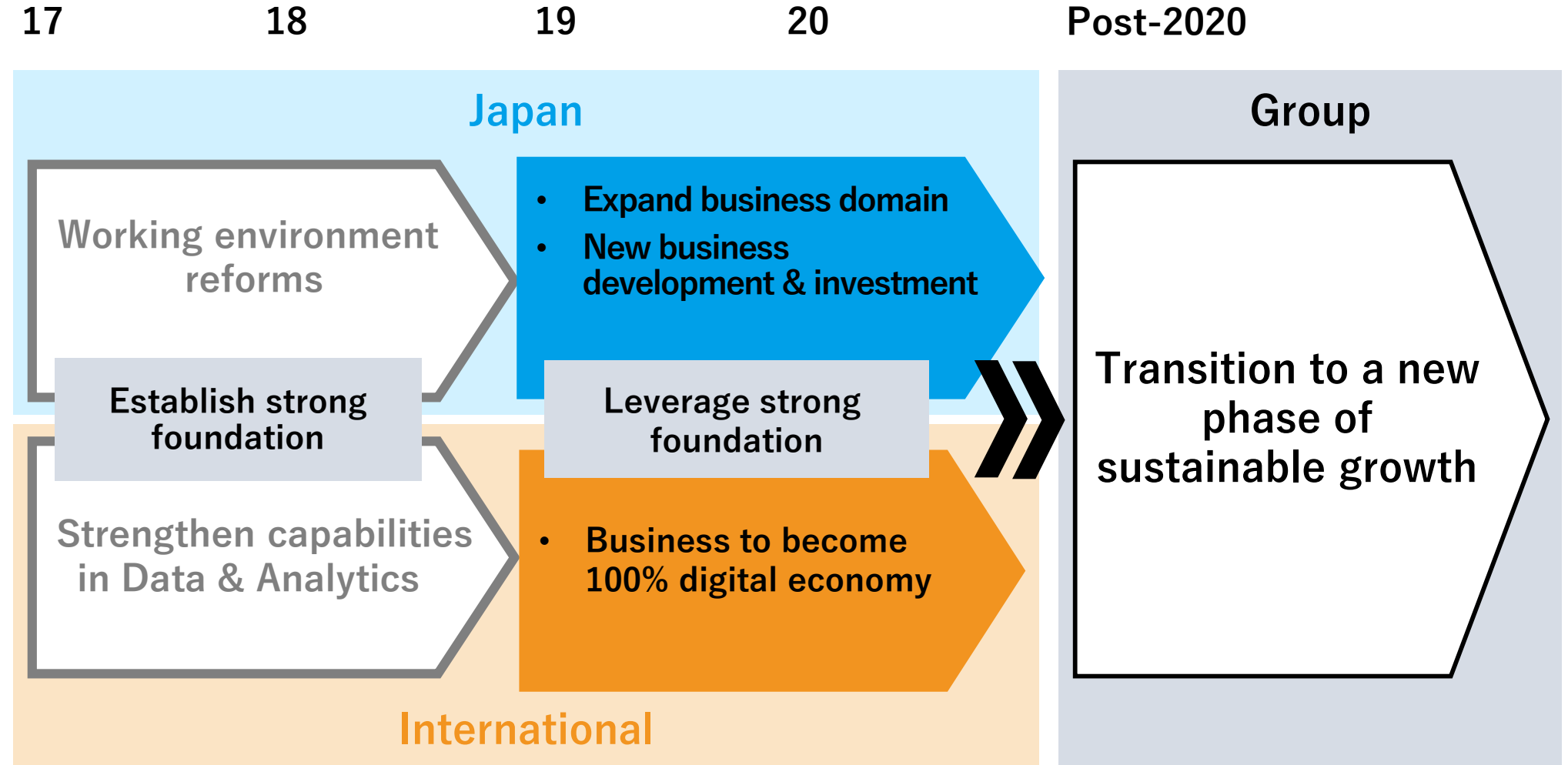
# Medium-Term Direction for Japan Business

Accelerate business growth by expanding capabilities

- Attract and retain talent
- Increase investment activity, including M&A



# Phase 2 (2019-2020)



## Ahead of Post-2020

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- Unique, diverse network operating in 145 countries with a diverse range of customers, including over 11,000 clients, media owners, rights holders, content creators, governments and organizations
- Transformation is the common need of almost every customer
- Difference in business stage and core competence for Japan and International businesses

## **Create New Growth Post-2020**

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**Transitioning from an international  
to a metanational organization**

# **Potential Changes of Group Holding Structure**

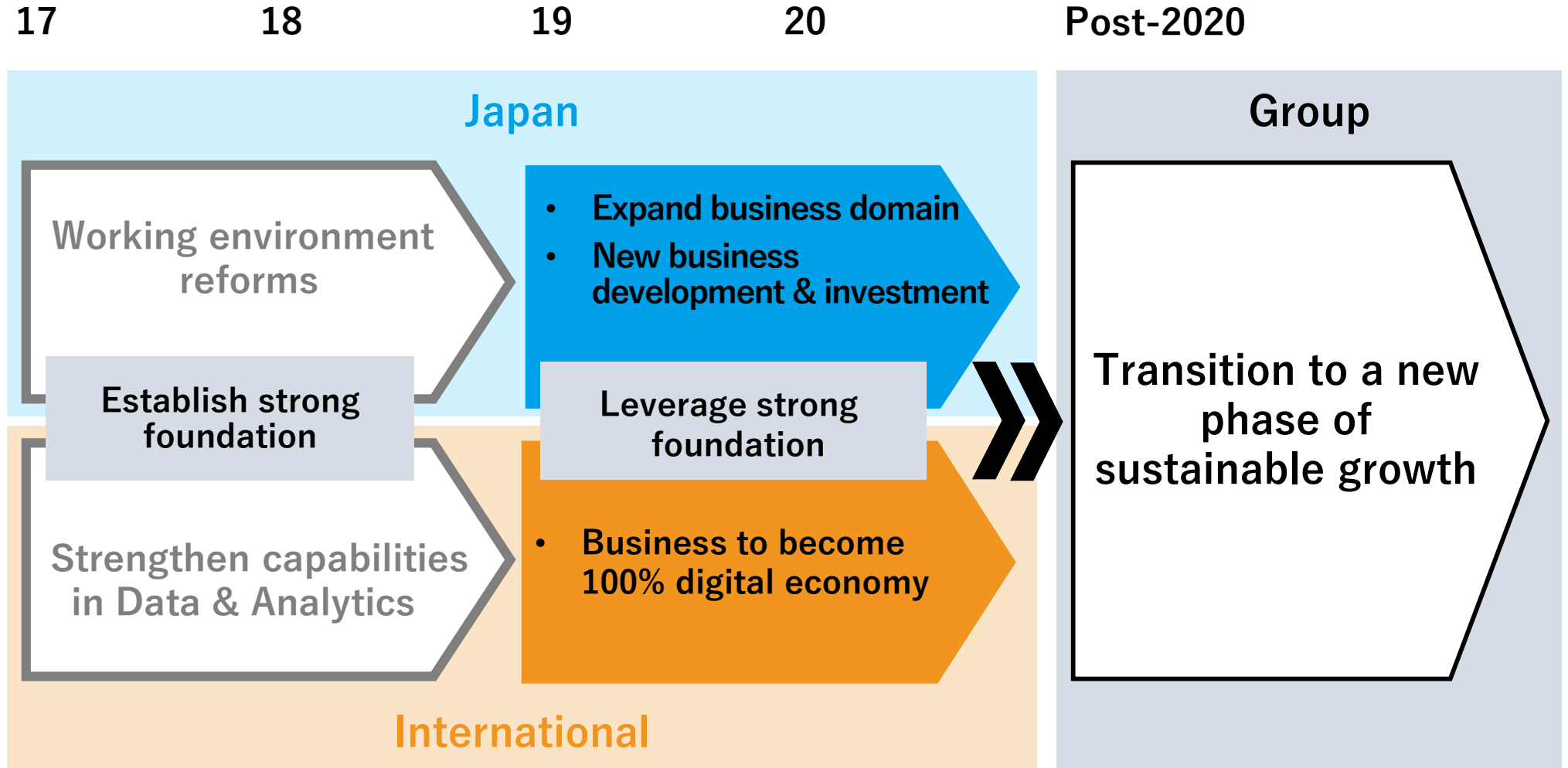
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**Commence analysis of changes to Group holding structure :**

**The changes are likely to occur in Jan. 2020, upon the approval at the ordinary general shareholder meeting in March 2019**

- **Maintain and enhance the Group's continuous growth**
- **Respond to radical changes in the business environment**
- **Establish governance that enables expeditious decision-making from medium and long-term viewpoints**

# Dentsu Group Moving on to a New Phase



# Guidance up to 2020

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**Organic growth rate**  
(Revenue less cost of sales)

3-year CAGR up to 2020  
**3% or higher**

**Operating margin**

**Continual  
improvement  
in margin  
from 2018**

**Shareholder returns**

**Steady dividend  
policy**

Consider returns  
tracking earnings  
and CF performance



**The Dentsu Group will play  
a leading role in the creation of  
value for all our stakeholders  
and wider society**