

## Top Message

### CREATING A NEW DENTSU GROUP

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The last year has been one of continued transformation and investment for the Dentsu Group. We established a Group-wide business transformation program and made significant investments in corporate infrastructure in both Japan and our international business. These are important programs within the context of our strategic objective to deliver sustainable growth and enhanced corporate value for society and all our stakeholders, including our people, our clients, media companies, content owners, platform developers and public institutions.

Over the last two years, the Group has implemented important working environment reforms in the Japanese business to support and promote the mental and physical health of our employees (FY2017 - FY2018). These reforms have included investment in business processes and HR systems, physical work environments and personal development programs for our people. More investment in the working environment reforms will be completed in the current financial year. These ongoing investments in our people and our business strengthen the Group and are vital for the long-term sustainable growth of our business.

In tandem with our domestic initiatives, since FY2017 we have been carrying out corporate infrastructure improvements in our businesses overseas. We are developing a common platform to provide high-quality services efficiently around the world, and promoting the introduction of business tools and a Company intranet to standardize business processes and share knowledge among networks quickly and effectively. We expect that, by FY2019 or FY2020, we will again be on a growth trajectory, as a result of the overall improvement of business following our corporate infrastructure improvements.

Further, given the environmental changes resulting from the advance of technological innovations, the Dentsu Group recognizes the need to transform its Japan and international businesses, in order to continue providing the value demanded by society and customers. To this end, we have devised three policies.

First, we shall expand our marketing communications business. We will promote more precise and sophisticated integrated planning methods, accelerate research and development, and develop external alliances to capture increasingly diverse consumer contact points. The coming full digitization of media will bring the challenge of how all players might best use the digital media environment, while still making good use of traditional media. We will drive the associated innovations by applying our distinctive strength, thereby enhancing our competitiveness.

Second, we will broaden our business domain. We will combine Dentsu Group capabilities, acquired in the advertising business, with the expertise of companies outside the Group to expand our service lines and respond to increasingly complex and advanced customer business issues. In light of the rapid changes afoot in the business environment, the Group views investment as indispensable for quickly expanding its business domain. Up to now, Dentsu Aegis Network (DAN), in charge of our international business, has aggressively engaged in M&As and made other investments. We will expand on these efforts and invest in areas of business promoted by both our domestic business and that of the Group.

Third, we will become a business partner for our customers. By expanding the Group's business domain and enhancing our service lines, we aim to evolve from being a partner in the marketing communications domain to being one able to contribute to the diverse value chains of our customers.

Based on the above policies, the Group will itself institute changes to meet social and industrial transformations. The ultimate goal is for the Group to become the best possible partner when it comes to helping customers realize their own business transformations.

The Group comprises in excess of 900 companies operating in over over 145 countries and regions with more than 60,000 talented employees. By organically linking these employees, strengthening their capabilities, and providing them all with optimal missions, we can increase the value of the services we provide clients. My vision for the Dentsu Group's future is that it be able to create new social value through an organizational structure that facilitates employee and Company growth. We will make every effort to ensure that this is achieved.