

Dentsu Japan Network



Contributing to the sustainable development of our clients and society through transformation

Hiroshi Igarashi

Director and Executive Officer, Dentsu Group Inc.
 President & CEO, Dentsu Japan Network
 Representative Director, President & CEO, Dentsu Inc.

Dentsu Japan Network (hereinafter, “DJN”) business accounted for over 40% of Dentsu Group’s revenue less cost of sales, and half of its underlying operating profit in 2020. DJN has some 20,000 employees at more than 130 companies.

Becoming an Integrated Growth Partner

In times of abrupt change, clients need partners that will work with them to solve complex issues, transform business, and realize growth.

DJN aims to become an “Integrated Growth Partner,” a true partner committed to the sustainable growth of our clients and society. We believe we can provide new value for society by helping our clients expand their businesses. This should result in sustainable growth for ourselves, our clients, and society as one.

Sustainable growth through Integrated Growth Solutions

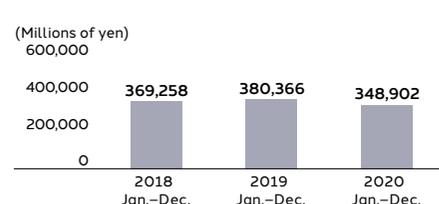
Advances in data and technology have led to more sophisticated and complex advertising, marketing, customer experience design, business development, and business design—our specialty areas.

In order to drive growth for our clients, we must strengthen our expertise in each of these areas. At the same time, our integrated planning and execution must go beyond business domain and organizational frameworks.

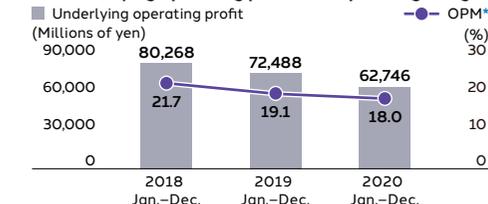
To this end, DJN will leverage the diverse capabilities of each company in the network to provide “Integrated Growth Solutions (IGS)” that contribute to the sustainable development of our clients and society.

Additionally, we will introduce indicators facilitating the measurement of clients’ sustainable growth, that strengthen collaboration, evaluation, and improvements across business domains.

DJN revenue less cost of sales



DJN underlying operating profit and operating margin



* OPM: Operating margin

Our transformation

To provide clients with IGS, we have redefined our domestic business. Having divided it into four domains—AX, BX, CX, and DX—we plan to boost the value provided by each domain.

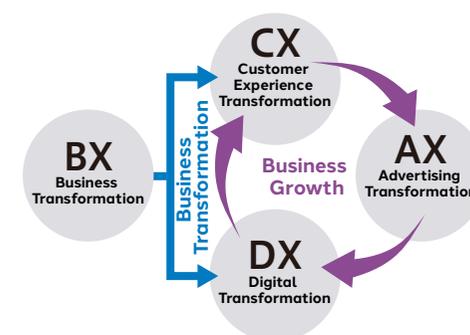
Further, we aim to help optimize the functions of the companies within DJN by grouping them into the four business domains based on specialization and the potential for synergy creation. This will enable us to maximize the capabilities of each company within Japan while strengthening DJN’s competitiveness.

We also plan to strengthen Dentsu Group’s platform businesses (data, sports, other content, etc.) that will add distinctive value across these domains. We will also look to advance and increase efficiencies in our corporate functions.

By enhancing human resources liquidity and specialization, we will seek to maintain a work environment in which employees who help increase value can come together for mutual empowerment. Office environments will be redesigned and workstyle reforms updated to make employees more effective in this age of remote work.

DJN will equip itself with the skill set and mindset necessary to provide IGS, and develop the consumer insights, ideas, and creative capabilities that are our strengths.

By so doing, we aim to achieve a transformation that will generate original DJN value, enabling us to become an Integrated Growth Partner.



AX

Committed to boosting advertising ROI

Advertising Transformation



Shun Maekawa

General Manager
Platform Data Department
Data Technology Center
Dentsu Inc.

In digital advertising, television commercials, media creative efforts, and all other advertising activities, improving ROI requires that indicators be directly linked to the sustainable growth of business, the plan-do-check-act cycle based on those indicators, and a data infrastructure that enables the cycle to support continuous improvement.

Data infrastructure is essential for businesses, and must ensure secure environments for consumers and provide value and experiences that make users want to remain connected.

Thus DJN will support data-driven transformation, not only of sophisticated and efficient advertising, but also of business organizations. We will achieve this through the use of “Data Clean Rooms*” and the development of new indicators, which help balance market needs with privacy protection requirements.

* A secure environment that analyzes platform data for each ID within a range of specific consumer permissions.

BX

Empowering clients to achieve sustainable growth

Business Transformation



Atsuo Habe

Business Designer
Strategic Projects
Department
Transformation Producers
Division
Dentsu Inc.

Our team provides consulting services that support the development of innovative products and services, leading to the redefinition and redesign of businesses.

Through these projects, we gain a deep understanding of a client’s business strengths and then formulate strategies for them to transition to a business model that generates sustainable earnings throughout their entire business, driven by the development of products and services.

By providing total support, from strategy formulation to execution, we seek to increase the accuracy and speed of subsequent customer experience designs and communication, while also collaborating in the creation of infrastructure for marketing promotions.

CX

Designing customer experiences to transform business

Customer Experience Transformation



Eri Tagawa

Planning Director
Data-Driven Planning
Business Department
Manager
Assistant Department
Manager
CX Transformation
Department
Dentsu Digital Inc.

Over the past few years, it has become harder to gain competitive advantage and increasingly important to foster relationships with customers.

At the same time, many clients are under pressure to transform the customer experience they offer, in terms of how they communicate, create products, and engage in sales.

In this environment, specialized DJN teams provide total support, covering a broad area. It includes the formulation of strategies based on a thorough understanding of the client; the design of journeys, services, and UX/UI; the design and development of data infrastructure; as well as the cultivation of human resources who can promote transformation and organizational design.

Our aim is to continue contributing to sustainable business growth as a partner with which to realize the design and fruition of client company transformation leaders.

DX

Planning, developing, and operating marketing databases for clients

Digital Transformation



Yuichi Nakamura

Executive Officer
Enterprise IT Business
Department Manager
Information Services
International-
Dentsu, Ltd. (ISID)

In terms of digital transformation in marketing domains, we think in terms of offense and defense. The former involves the transformation of contacts and communications with consumers; the latter requires that a foundation be set up to build core systems and customer management systems.

DJN is the domestic leader in the communications domain and works in conjunction with ISID, which has a wealth of experience in building and implementing such core systems as ERP at large companies. Together, DJN and ISID will combine their knowledge and expertise to offer distinctive marketing-based approaches to support their clients’ business transformation.

Dentsu Digital, Dentsu Isobar (merged with Dentsu Digital on July 1, 2021), and ISID have already formed the cross-functional Dentsu DX Ground, which is a cross-Group organization that addresses client issues and promotes new initiatives.