

Integrated Growth Solutions

Integrating our diverse capabilities across the Group.

Delivering top-line growth for our clients, beyond marketing.

Our strategy of Integrated Growth Solutions remains the center point of our vision. As we integrate our diverse capabilities across the Group, we will deliver top-line growth for our clients, beyond marketing.

Integrated Growth Solutions create integrated solutions for all customer experiences, starting with consumer intelligence based on data and technology, and using creativity to integrate the Group's diverse capabilities. In doing so, we will achieve growth for our clients. Throughout its history, the Group has expanded its capabilities and diversified its revenue streams by combining traditional and new capabilities. The result is a market position that is unrivalled today.

Content, media activation, and creative form part of our marketing communication practice—while marketing technology, CXM, systems integration, and transformation & growth strategies form part of our Customer Transformation & Technology practice.

Over time, our capabilities have expanded from executional work to strategic projects that deliver greater value to our clients. As digital adoption accelerates, this fits precisely with our competitive advantage as one of the very few integrated global innovators who integrates diverse capabilities. This remains a significant opportunity for the Group in FY2021.

Customer Transformation & Technology

Through our early investment in digital and data our expertise is centered in the fast growth areas of the market where we remain well positioned.

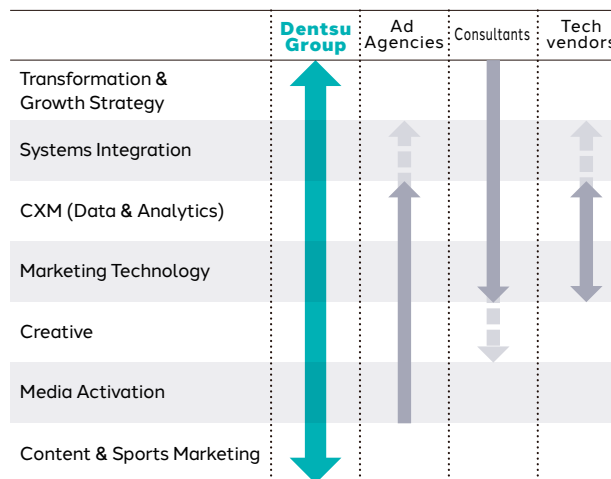
53.9% of our activities are generated from digital activities in 2020—in Dentsu International that reached 67.5% and in Dentsu Japan Network that reached 34.8%.

28% of our group revenue is generated from Customer Transformation & Technology services.

The growth of Customer Transformation & Technology is underpinned by three companies with industry leading capabilities including Merkle, ISiD,

and Dentsu Digital, which together have generated a CAGR revenue growth of over 20% over the past three years, demonstrating our ability to deliver bespoke solutions that address our clients' needs combining data, analytics, and technology.

This is our fastest growth area of the business and where we see greatest potential for the Group in the coming years. Over time we expect to increase the revenue from Customer Transformation & Technology, which is currently 28%, to 50% of Group revenues. This shift will be driven by organic growth—growth from our existing assets supported by investment to develop new products and services—and also by targeted acquisitions.



MERKLE

- 25 years experience in people based marketing creating data-driven and technology enabled solutions delivering customer experiences that drive business growth.

iSiD

- IT Solutions, supporting clients' digital transformation with capabilities spanning technology and creative.
- Strength in fintech, smart enterprises, and logistics innovations.

DENTSU DIGITAL

- Developing integrated solutions combining consulting, development, implementation and operational and executional support with commerce, and advanced creative.

Integrated Growth Solutions

The foundation for outstanding consumer intelligence

Consumer Intelligence underpins the broad capabilities of the Group. This is the data, analytics, and insights that lead to an understanding of consumer behavior. The Group possesses a multilayered array of data and analytics tools and has the human resources to use them to meet the challenges of its clients.

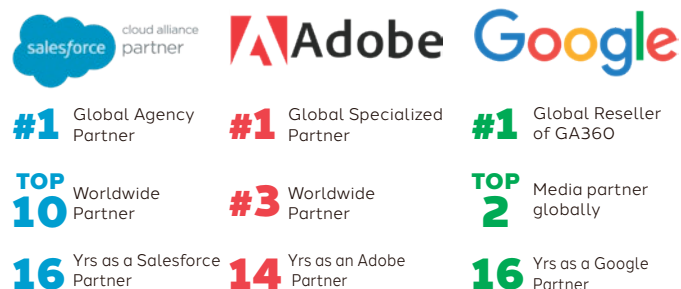
“CCS” and “People Driven Marketing” for media planning and customer journey design and “M1” and “Merkury,” which comprehensively analyze and operate third and first party data, are our proprietary tools.



Wide network of partners

The Group also engages in partnerships and alliances with technology companies and platformers at a group level on a global basis, building relationships that outperform the competition in terms of both quantity and quality. Leveraging our global scale across both the Japan and international businesses allows us to become true partners to platforms such as Google, Facebook, Z Holdings, and Rakuten as well as technology companies such as Salesforce, Adobe, and AWS.

In these partnerships and alliances, we have already achieved a high degree of synergy between our Japanese and international operations, giving the Group a competitive advantage. Through our proprietary solutions, developed in conjunction with these platforms, we are able to differentiate our offerings from those of our peers.



Talent development for growth

In order to continue developing capabilities to meet the needs of our clients, the growth of all our employees is essential.

Thus, to respect the diversity of employees and support their continuous growth, the Group offers access to a wide range of training programs, in conjunction with group-wide programs to help design the careers of all employees. One program promotes flexible assignments across the entire group, while tirelessly striving to create a work environment that enables employees to fully realize their potential.

We believe that fostering a culture in which employees with diverse capabilities can create teams that transcend organizational and geographical constraints will significantly enhance our growth strategy.

Integrated Growth Solutions

CASE 1

Tokyo Game Show 2020 Online Powered by Amazon Japan

From 2020 onward, Dentsu will co-host the Tokyo Game Show (TGS), one of the three largest game shows in the world. TGS 2020 was organized completely online for the first time ever due to the COVID-19 pandemic, and Dentsu worked with Amazon Japan to stream sponsors' videos and offer a live commerce platform with strong content on Amazon.co.jp, allowing visitors to purchase sponsors' products on site. It has become a milestone event in the new era.



TOYOTA CONIQ

CASE 2

TOYOTA CONIQ

A new format of partnerships for our clients' marketing digital transformation is emerging. Toyota: Coniq, a new joint venture with Toyota, which is pursuing its transformation as a mobility company, is one example. Dentsu's people-based solutions are expected to contribute to a deeper layer of the transformation through a united organization involving our client.