

Dentsu Innovation 2013

Medium-Term Management Plan of the Dentsu Group

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President & CEO

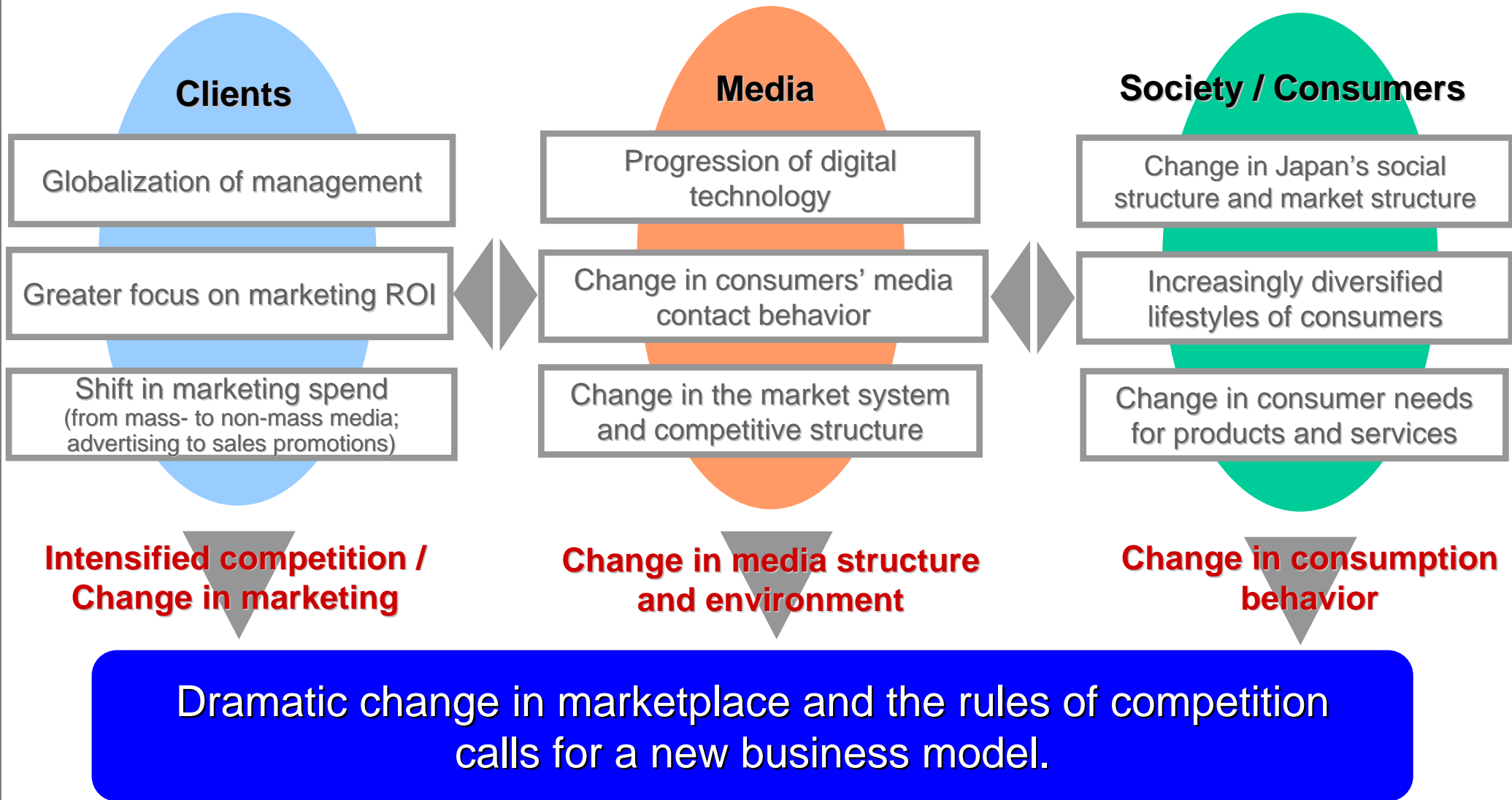
Cautionary Statement

This document contains forward-looking statements regarding the intent, belief or current expectations of Dentsu Inc. or its management with respect to the results of operations and financial conditions of the Dentsu Group.

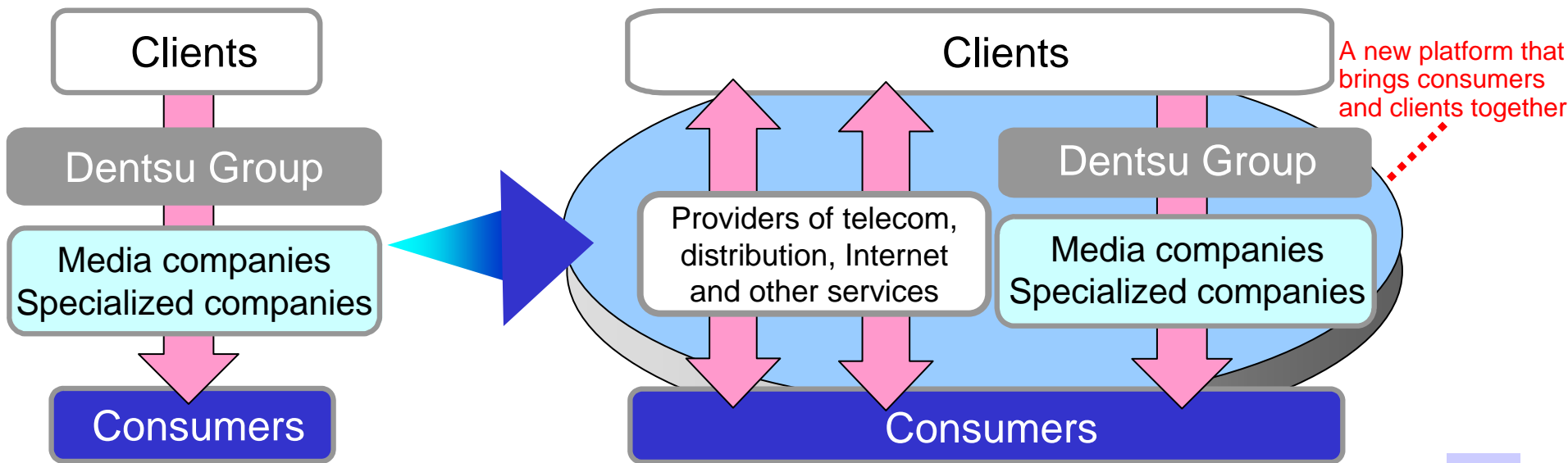
Such forward-looking statements, based on information known to the management as of July 29, 2009, are not guarantees of future performance and involve risks and uncertainties, and actual results may differ from those in the forward-looking statements as a result of various factors.

Unless otherwise stated, the following discussion is based on the Dentsu Group's consolidated financial statements prepared in accordance with Generally Accepted Accounting Principles in Japan.

Changing Macro-Environment for the Dentsu Group



Structural Shift in Our Business in Response to Change



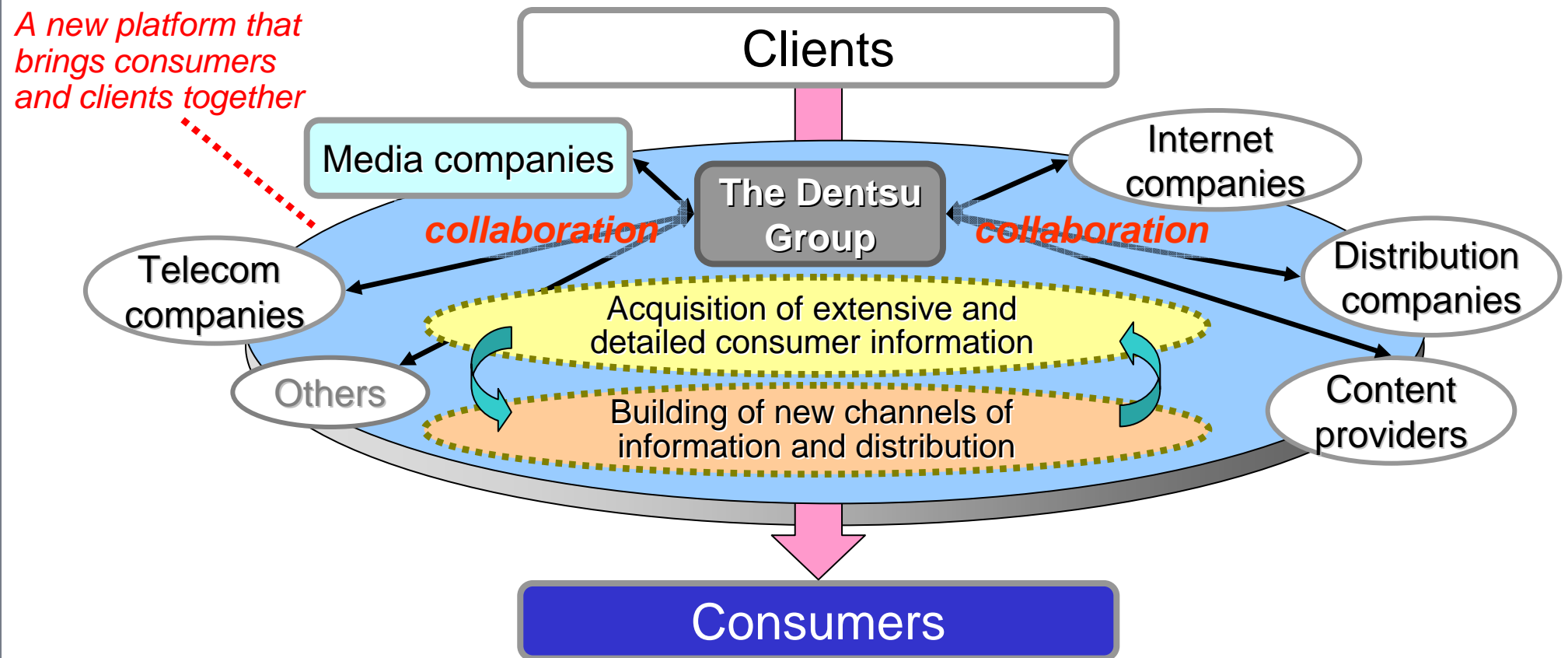
Consumers, clients, media and various other players can now share the same information and be engaged in free and direct communications, transactions and consumption—with their activities being recorded at the same time. All this translates into a sea change in communications and information delivery.

Concurrent global change

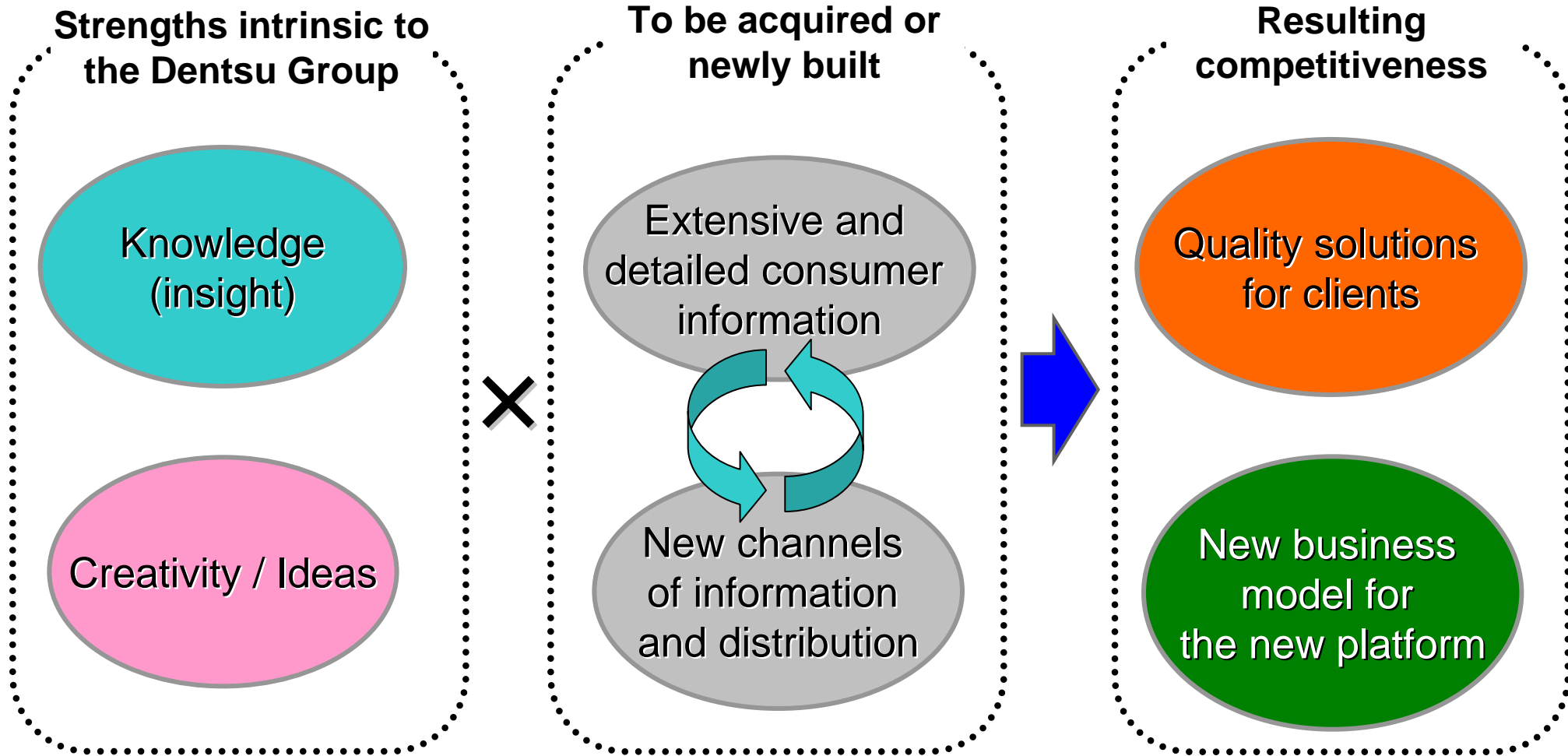
Arrival of the New Platform Era

The Position We Seek in the New Platform Era

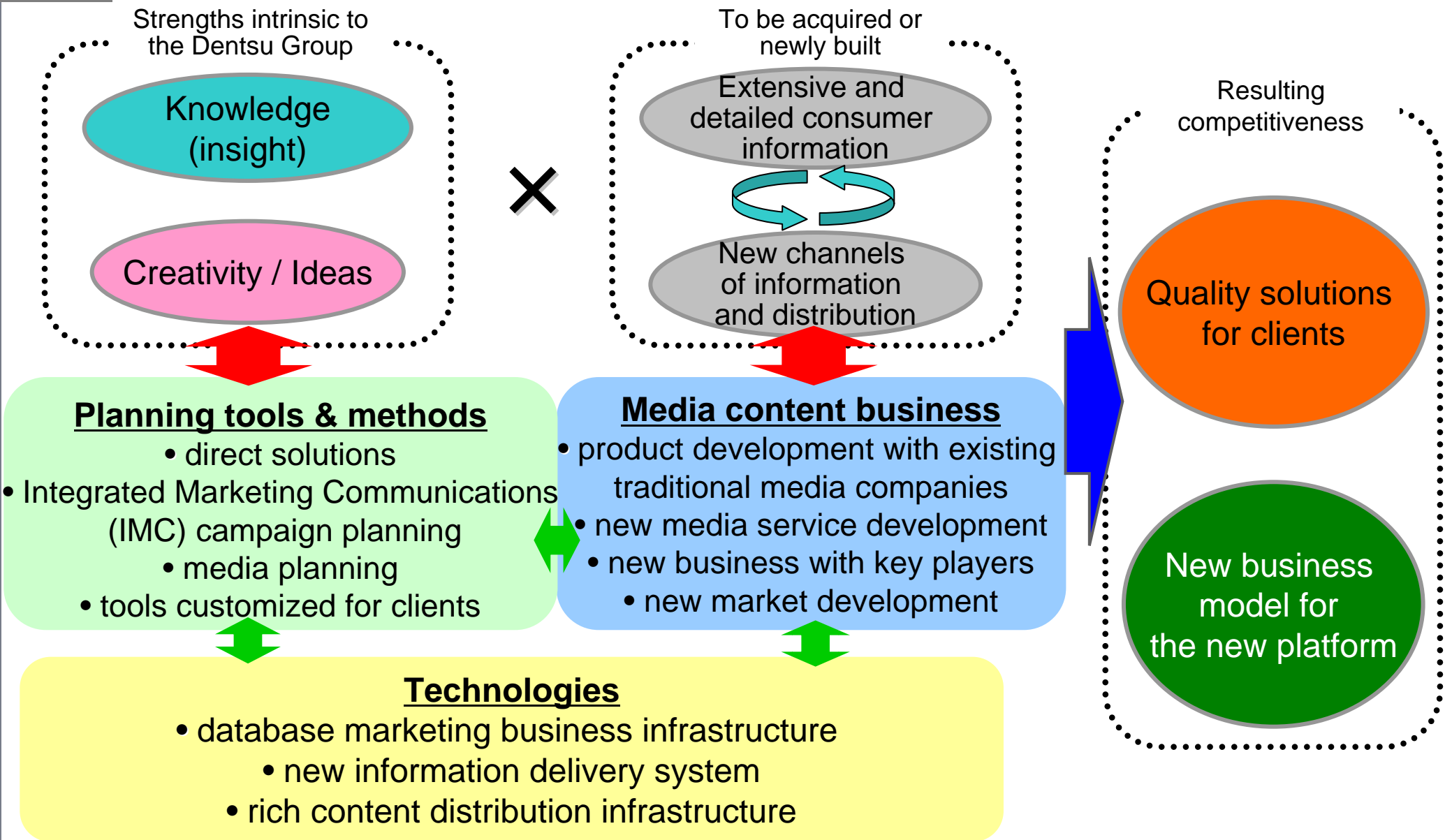
In the new platform era, the Dentsu Group will continue to exercise leadership, while securing a solid position needed to create and deliver value to all players.



Our Competitiveness in the New Platform Era



Focus Areas for Increased Competitiveness



Management Vision of the Dentsu Group

Medium- to long-term goal we are pursuing under our Group corporate philosophy—*“Good Innovation.”*

“Taking on the Platform Era”

In the new platform era, we will strive to be a business group that continues to pursue innovation in our client services, with media companies, for consumers, and certainly within our own mindset, while delivering new value to society at large.

Five Areas for Innovation to Turn Vision into Reality

“Taking on the Platform Era”

“Dentsu Innovation 2013”
Medium-Term Management Plan for FY2009-2013

Five specific areas for innovation to turn our plan to reality

Services
Innovation

Business
Model
Innovation

Global
Business
Innovation

Human
Resources
Innovation

Cost
Innovation

Rebuilding Our Business Model

Services Innovation

Continue to strengthen client relationships. / Restructure our media businesses.

- Expand the scope of client issues we can address and the delivery of our solutions.
- Try to embrace diverse remuneration models.
- Restructure our services systems to meet the diverse needs of clients.

Business Model Innovation

Secure the position to provide highly value-added services.

- Strengthen our collaboration with key players to gain keener insight into consumers and to provide clients with quality solutions.
- Develop a new media business model and make it profitable.

Global Business Innovation

Reinforce global competitiveness from a new perspective.

- Carry out management reforms—e.g., localize management, delegate, ensure profit control.
- Expand our portfolio of marketing services and build a strong agency network to make us competitive with local competitors.

Corporate Infrastructure Reform

Human Resources Innovation

Reform Group-wide human resources and development programs.

- Provide more appropriate evaluation and payment system to employees based on their contributions, skills, and market value.
- Enhance education / training systems and develop diversified career paths and work-styles.

Cost Innovation

Implement Group-wide cost structural reforms.

- Translate added value into profit, and establish a mechanism for further cost reduction.
- Review our back-office sections for more resilient, streamlined operations.
- Undertake a Group-wide review of roles and functions of each Group company for realignment.

Goal-setting

Medium-Term Management Plan Objectives (FY2013)

- Consolidated operating income: ¥70.0 billion
- Increase operating margin to 20% or higher
- ROE: 8%

Priority Initiatives

- Increase billings to existing clients
- Win new clients and increase opportunities
- Increase gross profit margin in creative and marketing planning services
- Increase gross profit on mass-media sales
- Expand digital domain
- Expand global business
- Reduce SG&A
- Implement M&A
- Develop new businesses

Note: This Medium-Term Management Plan is for a five fiscal year period (FY2009-2013) and, in principle, rolling is not expected during this period.

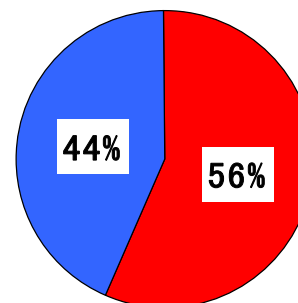
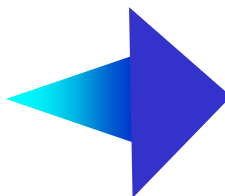
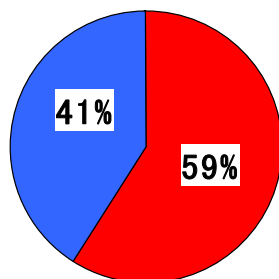
Expected Changes in Profit Structure

Expected change in category share (domestic)

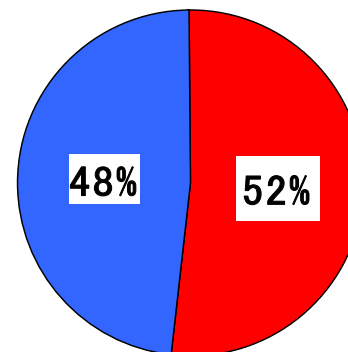
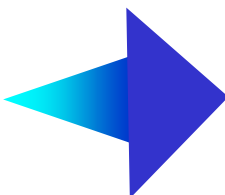
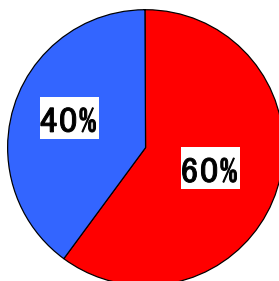
Forecast for FY2009

Projection for FY2013

Net Sales



Gross Profit



- Four traditional mass media
- Other than the above*

* Includes all our services in Japan except for the services related to the four traditional mass media (eg, interactive, outdoor, marketing services, creative, content services)

Implementing the growth strategies and cost structural reforms, set forth in the medium-term management plan, should allow us to achieve the following:

1. Approx. ¥100 billion of free cash flow generated over the five-year period
2. Investments in growth areas and building of the infrastructure for our future businesses
3. Capital efficiency harmonized with creditworthiness, plus positive shareholder returns