## dentsu

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## The New Dentsu Group to Make Advances in "Digital" and "Global"

-President & COO Takashima Addresses Dentsu Employees at the 106th Anniversary Ceremony Commemorating the Company's Foundation-

Dentsu Inc. (President & COO Tatsuyoshi Takashima; Head Office: Tokyo; Capital: 58,967.1 million yen), held a ceremony commemorating the 106th anniversary of the Company's foundation at 10:00 a.m. on July 2, 2007, at its Tokyo Head Office and its Kansai and Chubu branch offices.

The Tokyo Head Office ceremony took place in the Dentsu Hall on the first floor of the Head Office Building in Shiodome, where President Takashima delivered a speech on Group strategy.

Following are highlights of the speech.

"Since marking the historical turning point of the Company's 100th anniversary, Dentsu has carried out significant reforms. Under the leadership of President Narita, a new infrastructure, including the Company's first initial public offering and the construction of the new Head Office building, was put in place for the Dentsu Group to excel in the 21st century. Following this, President & CEO Mataki adopted a vision demonstrating Dentsu's commitment to becoming "A Partner in Creating Value" and implemented the "4-2-2 Strategy". As a result of such leadership initiatives, the Dentsu Group was recently able to realize the achievement of two trillion yen in consolidated billings (net sales) for the 2006 fiscal year ended in March 2007.

"Today, as I assume the position of President, I would like to openly share my thoughts as we embark together at the start of the New Dentsu Group.

"Over the recent years, we have continued to lay the groundwork in preparation for the advancement of digital technology such as Internet and mobile. However, changes in the digital business environment occur rapidly, and as such, we can not sit by idly.

"Clients' increasing need to achieve deeper communication with consumers has led us to enhance our promotional activities-related businesses, and conduct our work while finding a balance between capabilities in planning and execution, as well as cost competitiveness and profitability. Moreover, in light of the increasing globalization of our clients' businesses, we "must adopt a number of measures to ensure that the Dentsu Group itself is able to capture new business opportunities.

"To date, we have adopted a variety of measures while focusing on four markets – the domestic advertising market, advertising-related markets, new markets, and overseas markets. Business opportunities for the Dentsu Group still exist in these four markets. But it is my feeling that major changes are starting to surface across these respective markets. As such, it is critical for us to ascertain the true substance of these changes.

"I would like to review the current circumstances with all of you, and study the direction in which we should head in hereafter. I see the following two points as key aspects of our study.

"First is unquestionably the rapid digitalization in media and marketing. Regardless of the region, digitalization has steadily penetrated through our various business domains, be it mass media, promotion, or content. Today, Internet and mobile-related topics are subjects to be discussed not only among specialized divisions and companies. These are now themes which require the involvement of the Dentsu Group in all facets. Digital technology already plays an important role in the advertising business, instigating technological developments spanning across industries and geographic boundaries, while competition to secure technology is also expanding. I would like to institute a Group-wide effort to think about and put into practice the best means of applying advanced communication technologies to the provision of client solutions, while at the same time, ensuring our own business foundation.

"Second is globalization. It appears to me that in the past, many of those at Dentsu, in Japan and elsewhere, tended to view business in their local market and that outside as different domains. However, our clients today build and execute their business strategies with a global perspective. Looking ahead, it is imperative that all the activities of the Dentsu Group are reviewed again from a global perspective, and that we share in the viewpoints of our clients as we engage in our activities. The time has come for each and every one of us to work with a mindset that local and overseas business comprise a single operational unit. At Dentsu, account management divisions should recognize that support for our clients' local business needs and support for their overseas operations is a unified undertaking. And media contents divisions must apply their individual expertise while exploring possible international developments in their respective fields. The same can be said for all of the Group companies. The time has come for us to reinforce collaboration among our worldwide offices and network, and as a single Group, give full consideration to our global operations.

"Our 17,000-member strong workforce makes the Dentsu Group what it is today. I am convinced that it is in our lively working environment that there is truth, and that this open, free and energetic environment is the source of our power. I wish to take part in active discussion with all members of the Dentsu Group and be a President whose decisions are made after listening to the voices of the workforce. I look forward to constructing a concrete plan and putting it into practice to further develop the New Dentsu Group."

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