

# FY2019 Third Quarter Results

Yushin Soga  
DENTSU INC.  
Director and Executive Officer

**dentsu**

November 14, 2019

\* Please be reminded that the figures shown in this presentation may be different from those shown in the financial statements as this presentation has been prepared for investors to understand our businesses. Please refer to the annotations in the Appendices for each definition of the indicators.

- Revenue less cost of sales organic rate for Q3 2019 (July-Sept) was ▲0.1% (Japan +1.7%, International ▲1.0%)
- Revenue less cost of sales organic growth rate YTD / 9m (Jan-Sep) is ▲1.0% (Japan ▲0.9%, International ▲1.0%)
- The proportion of revenue from digital business has expanded to 47.8% (Japan 28.6%, International 61.1%)
- YTD/ 9m (Jan-Sep) Operating margin ▲220 bps YoY. Q3 Operating margin +70 bps YoY
- Looking ahead to the fourth quarter:
  - The Japan business to benefit from a number of large-scale events
  - The international business to benefit from continued momentum in U.S. market
- The FY2019 financial guidance announced on August 7, 2019 remain unchanged

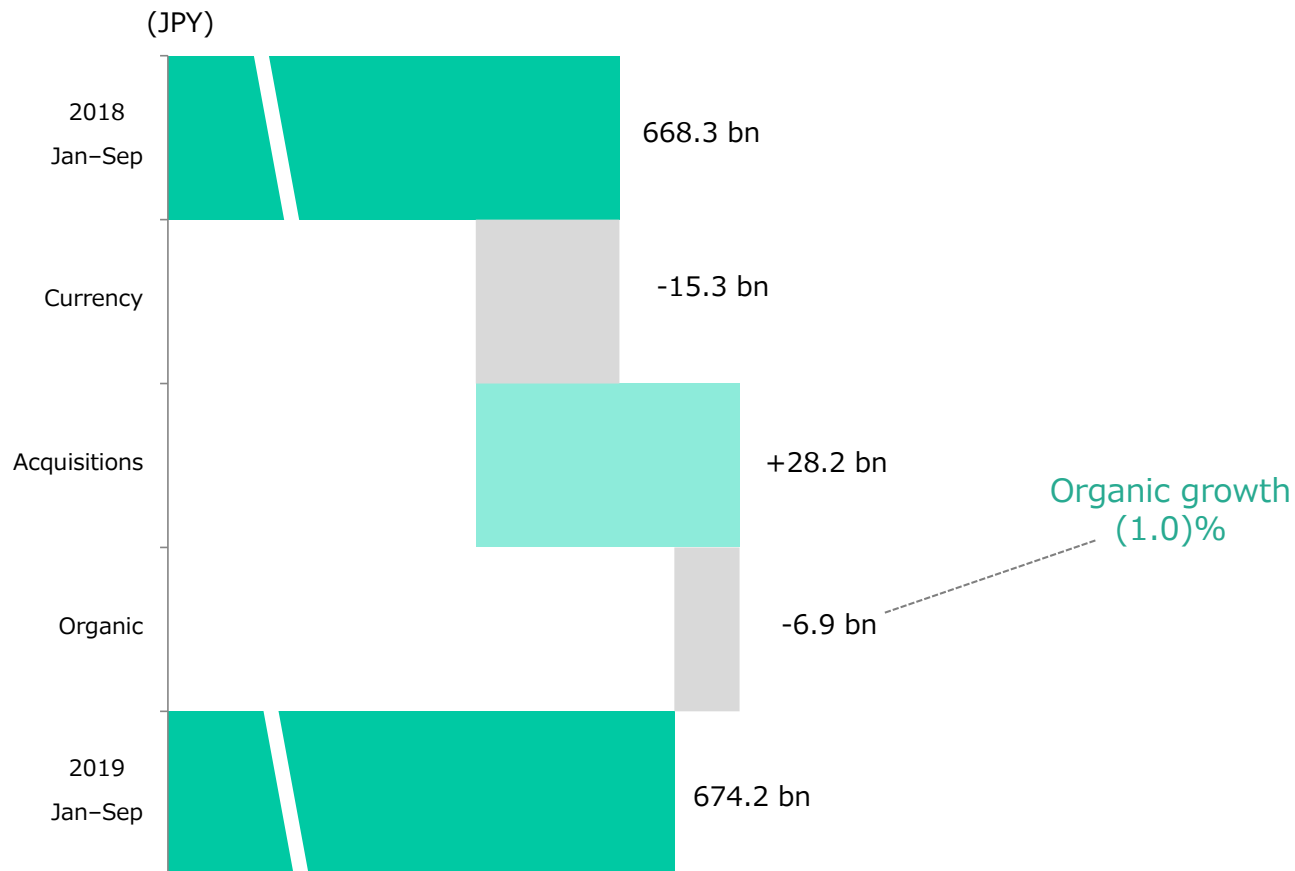
(JPY mn)

	2019 Jan-Sep	2018 Jan-Sep	YoY %	Constant currency basis %
Turnover	3,665,096	3,836,587	(4.5)	-
Revenue	746,610	725,168	+3.0	-
Revenue less cost of sales	674,205	668,301	+0.9	+3.3
Digital domain ratio	47.8%	45.4%	+2.4	+2.6
International business ratio	59.0%	59.2%	(0.2)	+0.8
Underlying operating profit	75,578	89,510	(15.6)	(14.9)
Operating margin	11.2%	13.4%	(2.2)	(2.4)
Underlying net profit	39,432	48,006	(17.9)	-
Underlying basic EPS	139.93 yen	170.30 yen		
Operating profit	37,050	57,993	(36.1)	-
Net profit	4,742	58,200	(91.9)	-
EBITDA	105,016	102,202	+2.8	-
Currency				
JPY/USD	109.1 yen	109.6 yen	(0.4)	-
JPY/GBP	139.0 yen	148.2 yen	(6.2)	-

Net profit, underlying net profit and underlying basic EPS: Excluding attribution to non-controlling interests

# Movement of Revenue less cost of sales

dentsu



(JPY mn)

	2019 Jan-Sep	2018 Jan-Sep	YoY %	Constant currency basis %	Organic growth %
Revenue less cost of sales	276,444	272,676	+1.4	+1.4	(0.9)
Digital domain ratio	28.6%	23.4%	+5.2	+5.2	
Underlying operating profit	50,502	61,494	(17.9)	(17.9)	
Operating margin	18.3%	22.6%	(4.3)	(4.3)	

(JPY mn)

	2019 Jan-Sep	2018 Jan-Sep	YoY %	Constant currency basis %	Organic growth %
EMEA	146,444	144,605	+1.3	+8.1	(0.2)
Americas	174,337	163,327	+6.7	+8.0	+2.7
APAC	77,352	87,875	(12.0)	(7.5)	(9.7)
Revenue less cost of sales total	398,141	395,811	+0.6	+4.6	(1.0)
Digital domain ratio	61.1%	60.5%	+0.6	+0.4	
Underlying operating profit	25,079	28,015	(10.5)	(8.3)	
Operating margin	6.3%	7.1%	(0.8)	(0.9)	

# Statutory Operating Profit to Net Profit

**dentsu**

	(JPY mn)			
	2019 Jan-Sep	2018 Jan-Sep	YoY #	YoY %
Operating profit	37,050	57,993	(20,942)	(36.1)
Share of results of associates	409	1,996	(1,587)	(79.5)
Gain on sales of shares of associates	-	52,128	(52,128)	-
Revaluation gain on step acquisition	2,239	-	+ 2,239	-
Profit before interest and tax	39,698	112,118	(72,419)	(64.6)
Net finance income (costs)	(23,602)	(13,631)	(9,970)	-
Finance income	6,504	6,081	+ 422	+7.0
Finance costs	30,107	19,713	+ 10,393	+52.7
Profit before tax	16,096	98,487	(82,390)	(83.7)
Income tax expense	6,831	35,745	(28,914)	(80.9)
Net profit	9,265	62,741	(53,476)	(85.2)
Attributable to owners of the parent	4,742	58,200	(53,457)	(91.9)
Attributable to non-controlling interests	4,522	4,541	(18)	(0.4)

# FY2019 Forecast (no change from Aug 7th)

dentsu

				(JPY mn)
	2019 Jan-Dec	2018 Jan-Dec	YoY %	Constant currency basis %
Revenue	1,054,400	1,018,512	+3.5	-
Revenue less cost of sales	959,700	932,680	+2.9	+4.5
Underlying operating profit	142,900	153,229	(6.7)	(6.3)
Operating margin	14.9%	16.4%	(1.5)	(1.7)
Underlying net profit	86,000	97,419	(11.7)	-
Underlying basic EPS	305.08 yen	345.59 yen		
Operating profit	98,500	111,638	(11.8)	-
Net profit	35,800	90,316	(60.4)	-
Currency	Av. Jan-Jun in 2019	Av. Jan-Dec in 2018		
JPY/USD	110.0 yen	110.4 yen	(0.3)	-
JPY/GBP	142.4 yen	147.5 yen	(3.4)	-

Net profit, underlying net profit and underlying basic EPS: Excluding attribution to non-controlling interests

# FY2019 Forecast by Region (no change from Aug 7th) **dentsu**

		(JPY mn)			
		2019 Jan-Dec	2018 Jan-Dec	YoY %	Constant currency basis %
Japan	Revenue less cost of sales	383,200	369,258	+3.8	+3.8
	Underlying operating profit	66,800	80,268	(16.8)	(16.8)
	Operating margin	17.4%	21.7%	(4.3)	(4.3)
International total	Revenue less cost of sales	576,500	563,852	+2.2	+5.1
	Underlying operating profit	76,100	72,963	+4.3	+7.2
	Operating margin	13.2%	12.9%	+0.3	+0.3
Currency		Av. Jan-Jun in 2019	Av. Jan-Dec in 2018		
JPY/USD		110.0 yen	110.4 yen	(0.3)	-
JPY/GBP		142.4 yen	147.5 yen	(3.4)	-

## Forward-Looking Statements

This presentation contains statements about Dentsu that are or may be forward-looking statements. All statements other than statements of historical facts included in this presentation may be forward-looking statements. Without limitation, any statements preceded or followed by or that include the words “targets”, “plans”, “believes”, “expects”, “aims”, “intends”, “will”, “may”, “anticipates”, “estimates”, “projects” or, words or terms of similar substance or the negative thereof, are forward-looking statements. Forward-looking statements include statements relating to the following: information on future capital expenditures, expenses, revenues, earnings, synergies, economic performance, and future prospects.

Such forward-looking statements involve risks and uncertainties that could significantly affect expected results and are based on certain key assumptions. Many factors could cause actual results to differ materially from those projected or implied in any forward-looking statements. Due to such uncertainties and risks, readers are cautioned not to place undue reliance on such forward-looking statements, which speak only as of the date hereof.

Risks, uncertainties or other factors that could cause actual results to differ materially from those expressed in any forward-looking statement include, without limitation

- i Risk related to fluctuations in the economic and business environment
- ii Risk related to structural changes in the media
- iii Risk related to our ability to realize our financial targets
- iv Risk related to common business practices
- v Risk related to competition among advertising agencies
- vi Risk related to the development of systems and databases
- vii Risk related to legal or regulatory changes
- viii Risk of litigation

Dentsu disclaims any obligation to update any forward-looking or other statements contained herein, except as required by applicable law.

## IFRS15 “Revenue from Contracts with Customers”:

IFRS15 “Revenue from Contracts with Customers” is applied from January 1st, 2018.

In this presentation file, IFRS15 is also applied to the past years and presented as pro forma information.

## IFRS 16 “Leases”:

IFRS 16 “Leases” is applied from January 1st, 2019. The cumulative effect of initially applying IFRS 16 is recognized at the date of initial application (modified retrospective approach). Past results are not restated under IFRS 16.

# Appendices

- Turnover: The gross amounts billable to clients handled by the Group on behalf of clients, with net of discounts, VAT and other sales-related taxes
- Underlying operating profit: KPI to measure recurring business performance which is calculated as operating profit added with amortization of M&A related intangible assets, acquisition costs, share-based compensation expenses related to acquired companies and one-off items such as impairment loss and gain/loss on sales of non-current assets
- Operating margin: Underlying operating profit divided by Revenue less cost of sales
- Underlying net profit (attributable to owners of the parent):  
KPI to measure recurring net profit attributable to owners of the parent which is calculated as net profit (attributable to owners of the parent) added with adjustment items related to operating profit, gain/loss on sales of shares of associates, revaluation of earnout liabilities / M&A related put-option liabilities, tax-related, NCI profit-related and other one-off items
- Underlying basic EPS: EPS based on underlying net profit (attributable to owners of the parent)
- EBITDA: Operating profit before depreciation, amortization and impairment losses
- Constant currency basis: Comparison with the current period where the previous year's numbers are recalculated using the currency exchange rate which is used for the current year's numbers
- Currency: Currency movements comparing prior period reported revenue less cost of sales at reported currency to prior period revenue less cost of sales at constant currency (reported currency of the current year)
- Acquisitions: The effect of business acquired or disposed of since the beginning of the prior year
- Organic growth: Organic growth represents the constant currency year-on-year growth after adjusting for the effect of business acquired or disposed of since the beginning of the prior year. This is calculated by comparing current period reported revenue less cost of sales to prior period revenue less cost of sales, adjusted for the pre-acquisition or pre-disposal revenue less cost of sales as applicable, and stated at constant exchange rate, in order to derive like-for-like growth

					(JPY mn)	
	2019 Jul-Sep	YoY %	2019 Apr-Jun	YoY %	2019 Jan-Mar	YoY %
Turnover	1,186,396	(5.0)	1,263,985	(5.5)	1,214,714	(2.9)
Revenue	249,542	+2.5	246,489	+2.9	250,578	+3.5
Revenue less cost of sales	224,962	+1.1	221,268	+1.0	227,974	+0.6
Japan	89,950	+4.3	84,932	+1.0	101,561	(0.8)
International	135,232	(0.8)	136,427	+1.0	126,482	+1.7
Underlying operating profit	30,580	+6.7	20,525	(27.0)	24,472	(25.3)
Japan	14,866	(6.8)	10,980	(27.3)	24,655	(19.0)
International	15,713	+23.8	9,549	(26.6)	(183)	-
Operating margin	13.6%	+0.7	9.3%	(3.6)	10.7%	(3.7)
Japan	16.5%	(2.0)	12.9%	(5.0)	24.3%	(5.4)
International	11.6%	+2.3	7.0%	(2.6)	(0.1%)	(2.0)
Underlying net profit	16,568	+0.9	10,312	(24.3)	12,551	(30.2)
Operating profit	18,974	+8.7	8,781	(51.6)	9,294	(58.5)
Net profit	6,017	(87.3)	1,308	-	(2,583)	-
EBITDA	41,367	+28.0	31,446	(4.3)	32,201	(13.0)

Net profit, underlying net profit: Excluding attribution to non-controlling interests

	(%)			(%)			(%)		
	Dentsu consolidated total			Japan			International total		
	2019	2018	2017	2019	2018	2017	2019	2018	2017
Jan-Mar	(1.6)	+2.1	+3.7	(2.7)	+1.9	+4.3	(0.7)	+2.2	+3.1
Apr-Jun	(1.3)	+5.9	(4.6)	(1.4)	+8.4	(7.6)	(1.3)	+4.5	(2.7)
Jul-Sep	(0.1)	+5.4	(2.1)	+1.7	+2.7	(4.8)	(1.0)	+7.0	(0.2)
Oct-Dec	-	+0.9	+2.8	-	(3.0)	+5.5	-	+3.4	+1.2

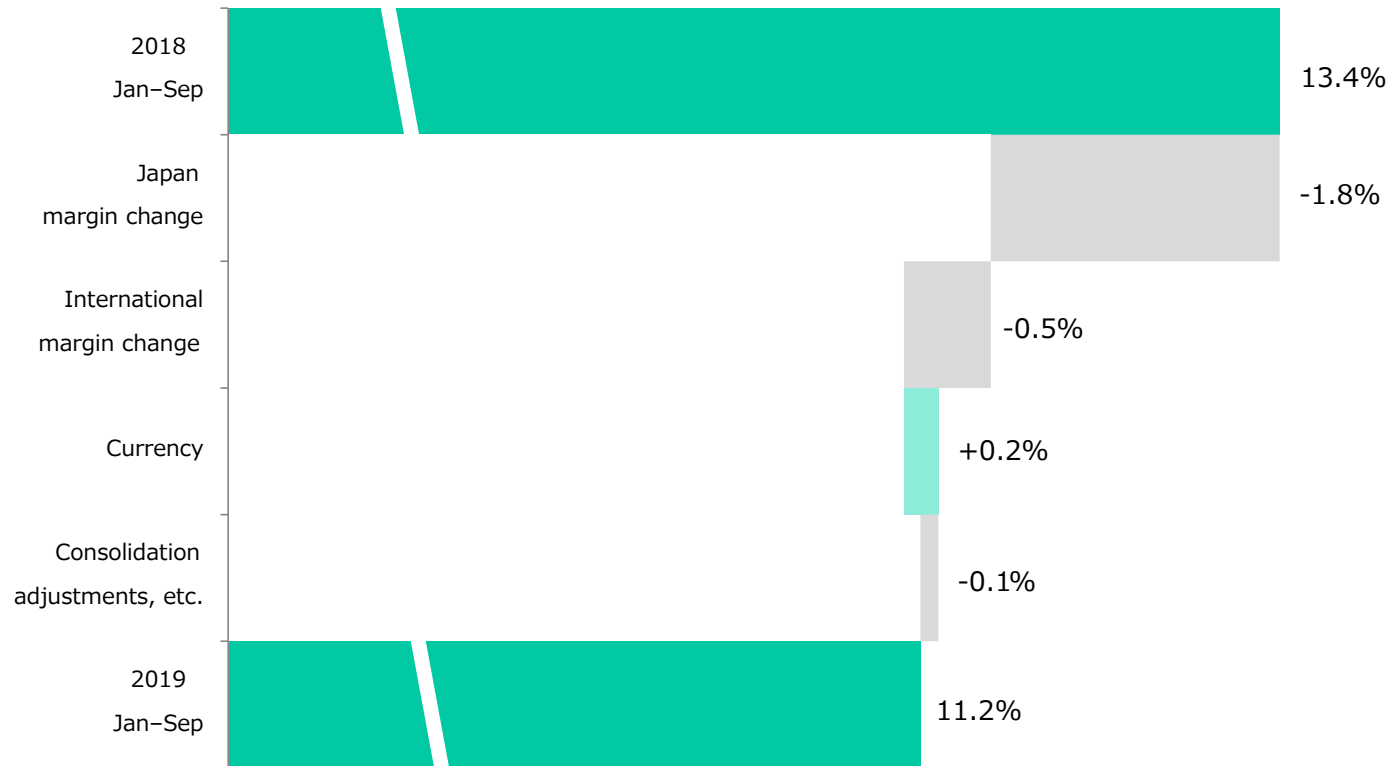
  

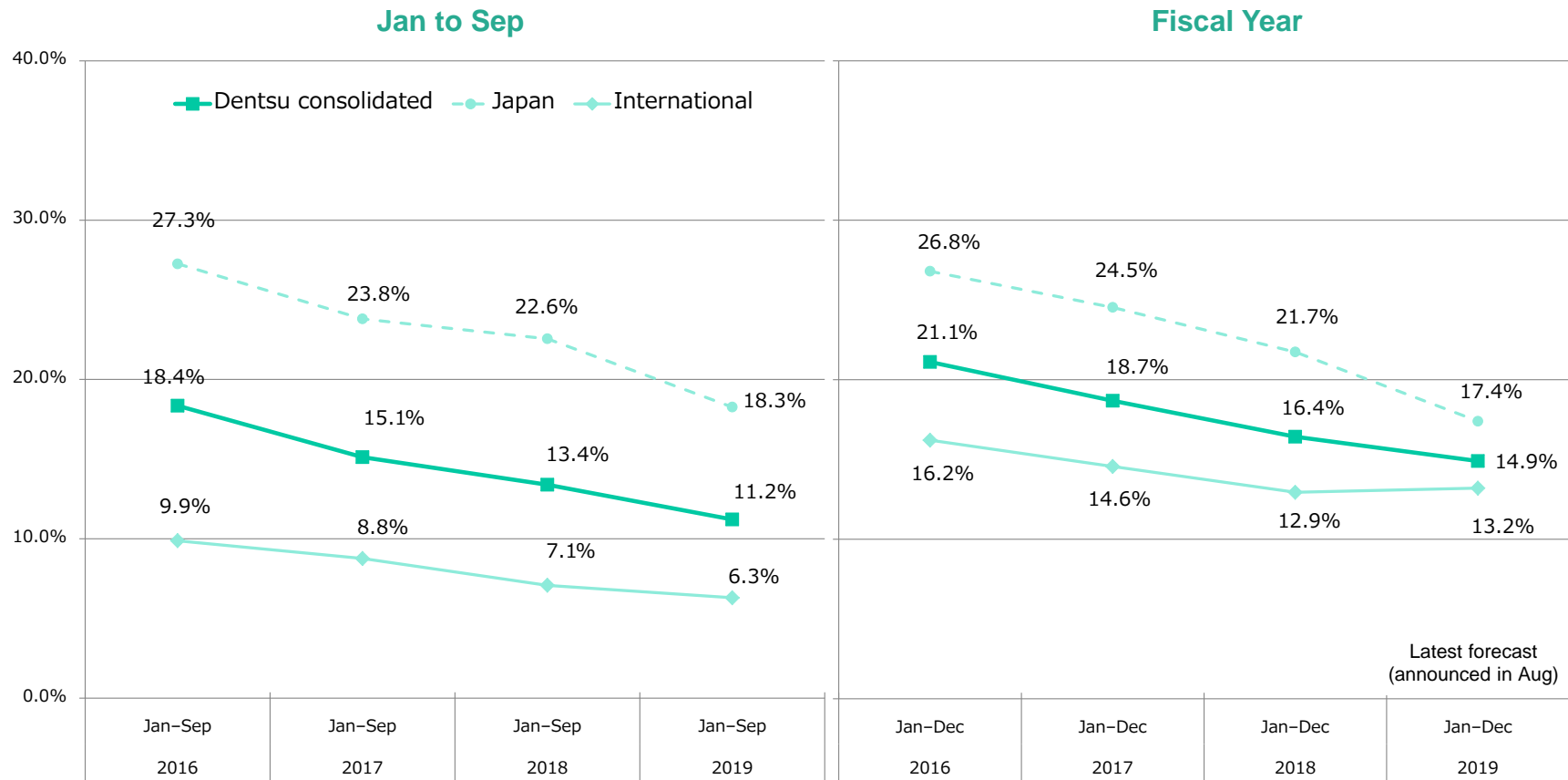
	International – EMEA			International – Americas			International – APAC		
	2019	2018	2017	2019	2018	2017	2019	2018	2017
Jan-Mar	(0.4)	+2.7	+5.8	+0.1	+4.6	+0.6	(3.0)	(2.9)	+4.5
Apr-Jun	+0.7	+4.8	(0.3)	+2.8	+6.5	(4.1)	(12.3)	+0.8	(3.8)
Jul-Sep	(1.0)	+8.2	+5.9	+5.0	+5.3	(2.0)	(12.3)	+8.2	(5.5)
Oct-Dec	-	+12.0	+1.3	-	+3.5	(0.0)	-	(9.6)	+2.6

2019 Jan-Sep Organic Growth %	Markets
"10% or more" to "less than 20%"	Switzerland
"5% or more" to "less than 10%"	Russia
"0% or more" to "less than 5%"	Canada, Denmark, Germany, India, Italy, Netherlands, Poland, Spain, USA
"Less than 0%"	Australia, Brazil, China, France, Japan, Norway, Sweden, Taiwan, Thailand, UK

# Change in Underlying Operating Margin

dentsu





# Reconciliation from Underlying OP to Statutory OP

dentsu

(JPY mn)

	2019 Jan-Sep	2018 Jan-Sep	YoY #	YoY %
Underlying operating profit	75,578	89,510	(13,931)	(15.6)
Adjustment items	(38,527)	(31,517)	(7,010)	
Amortization of M&A related intangible assets	(26,789)	(26,290)	(499)	
Acquisition costs	(936)	(831)	(105)	
Share-based compensation expenses related to acquired companies	(6,182)	(3,996)	(2,186)	
One-off items	(4,620)	(400)	(4,220)	
Operating profit	37,050	57,993	(20,942)	(36.1)

# Analysis of Underlying Operating Profit

dentsu



Operating expenses: selling, general & administrative expenses, other income and other expenses

# Reconciliation from Underlying NP to Statutory NP

dentsu

	(JPY mn)			
	2019 Jan-Sep	2018 Jan-Sep	YoY #	YoY %
Underlying net profit	39,432	48,006	(8,574)	(17.9)
Adjustment items	(34,689)	+ 10,193	(44,883)	
Operating profit adjustments	(38,527)	(31,517)	(7,010)	
Gain(Loss) on revaluation of earnout liabilities and M&A related put-option liabilities	(12,229)	(8,003)	(4,225)	
Gain on sales of shares of associates	-	+ 52,128	(52,128)	
Revaluation gain on step acquisition	+ 2,239	-	+ 2,239	
Related income tax expense	+ 11,373	(4,575)	+ 15,949	
Adjustments attributable to non-controlling interests	+ 2,455	+ 2,161	+ 293	
Net profit	+ 4,742	58,200	(53,457)	(91.9)

Operating profit adjustments: Please refer to “Reconciliation from Underlying OP to Statutory OP”

Underlying net profit and net profit: Excluding attribution to non-controlling interests

	(JPY mn)		
	2019 Jan-Sep	2018 Jan-Sep	YoY #
Profit before tax	16,096	98,487	(82,390)
Share of results of associates	(409)	(1,996)	1,587
Depreciation and amortization	67,965	44,209	23,756
Others	22,156	(40,346)	62,503
Income taxes paid	(68,650)	(41,619)	(27,030)
Cash flow from operations before change in working capital	37,159	58,733	(21,574)
Change in working capital	(160,888)	(85,150)	(75,737)
Net cash flow from operating activities <sup>i</sup>	(123,728)	(26,417)	(97,311)

	(JPY mn)		
	2019 Jan-Sep	2018 Jan-Sep	YoY #
Net cash flow from operating activities <b>i</b>	(123,728)	(26,417)	(97,311)
Payments/proceeds for PPE, intangible assets and investment property (net)	(21,245)	(19,722)	(1,523)
Net cash (paid) received on acquisition and disposal of subsidiaries and securities <b>(A)</b>	(34,975)	(465)	(34,509)
Others <b>(B)</b>	(1,760)	(694)	(1,065)
Net cash flow from investing activities <b>ii</b>	(57,980)	(20,882)	(37,098)
Net increase (decrease) in borrowings	88,371	31,087	57,283
Payment/proceeds for acquisition/sales of interest in a subsidiary from/to non-controlling interests (net) <b>(C)</b>	(3,923)	(8,030)	4,107
Dividends	(28,056)	(28,121)	65
Others	(29,829)	2,883	(32,713)
Net cash flow from financing activities <b>iii</b>	26,561	(2,181)	28,742
Effect of exchange rate changes <b>iv</b>	(6,543)	(5,888)	(655)
Net increase (decrease) in cash and cash equivalents <b>i + ii + iii + iv</b>	(161,691)	(55,369)	(106,322)
Reference:			
Payments for investing activities (net) <b>(A)+(B)+(C)</b>	(40,658)	(9,191)	(31,467)
Acquisition payments (net), included in above	(46,056)	(34,193)	(11,863)

Acquisition payments (net): Net cash (paid) received on acquisition and disposal of subsidiaries + Payment for acquisition of interest in subsidiary from non-controlling interests

	(JPY mn)			
	2019 End of Sep	2018 End of Dec	Var. #	Var. %
Current assets	1,679,537	1,935,586	(256,048)	(13.2)
Non-current assets	1,848,064	1,702,902	+ 145,162	+8.5
Goodwill	788,602	786,851	+ 1,750	+0.2
Intangible assets	245,356	249,921	(4,564)	(1.8)
<b>Total assets</b>	<b>3,527,602</b>	<b>3,638,488</b>	<b>(110,885)</b>	<b>(3.0)</b>
Current liabilities	1,611,919	1,785,608	(173,688)	(9.7)
Non-current liabilities	836,912	742,130	+ 94,782	+12.8
<b>Total liabilities</b>	<b>2,448,832</b>	<b>2,527,738</b>	<b>(78,906)</b>	<b>(3.1)</b>
Owners' interests	1,004,690	1,047,619	(42,929)	(4.1)
Non-controlling interests	74,079	63,129	+ 10,949	+17.3
<b>Total equity</b>	<b>1,078,770</b>	<b>1,110,749</b>	<b>(31,979)</b>	<b>(2.9)</b>
<b>Total liabilities and equity</b>	<b>3,527,602</b>	<b>3,638,488</b>	<b>(110,885)</b>	<b>(3.0)</b>
Currency				
JPY/USD	107.9 yen	111.0 yen	-	(2.8)
JPY/GBP	132.7 yen	140.5 yen	-	(5.5)

			(JPY mn)
	2019 End of Sep	2018 End of Dec	Var. #
Total debt	611,954	538,859	+ 73,095
Cash and cash equivalents	254,976	416,668	(161,691)
Net debt	356,978	122,191	+ 234,786
Total debt (LTM average)	561,787	472,460	+ 89,326
Cash and cash equivalents (LTM average)	310,995	282,648	+ 28,346
Net debt (LTM average)	250,792	189,812	+ 60,980
EBITDA (LTM)	174,220	171,406	+ 2,813
Net debt / EBITDA (LTM)	2.05	0.71	
Net debt (LTM average) / EBITDA (LTM)	1.44	1.11	

The above Total debt is sum of loans and bonds. Lease obligation (JPY 128,195mn as of September 30, 2019) is not included

LTM average: Average of latest twelve months

LTM: Latest twelve months

# Turnover of Japan Business by Business Category (IFRS basis)

(JPY mn)

	2019 Jan-Sep	YoY %	2019 July-Sep	YoY %	2019 Apr-June	YoY %	2019 Jan-Mar	YoY %
Newspapers	54,170	(4.9)	15,822	+5.5	14,986	(9.4)	23,361	(8.0)
Magazines	13,620	(18.5)	4,467	(14.6)	4,198	(19.0)	4,954	(21.4)
Radio	11,121	(4.9)	3,808	(5.4)	3,463	(2.0)	3,849	(6.8)
Television	500,020	(3.5)	158,809	(2.6)	166,231	(4.5)	174,979	(3.3)
Internet*1	176,667	+30.0	55,469	+31.8	53,479	+20.6	67,718	+36.7
OOH Media	37,777	(5.5)	10,776	(5.4)	12,974	(1.2)	14,025	(9.3)
Creative	152,419	(2.4)	47,545	(5.6)	48,478	+4.0	56,394	(4.8)
Marketing/Promotion	192,608	+3.2	67,054	+13.6	63,609	+13.6	61,944	(13.5)
Content Services (Japan GAAP)*2	158,345	(8.9)	34,291	(37.2)	28,735	(1.6)	95,318	+6.0
Others	110,262	+5.6	35,763	+4.6	36,713	+7.4	37,784	+4.8
Consolidation adjustments and others*3	(8,981)	-	19,302	-	16,566	-	(44,850)	-
Internet included in mass media*4	(4,943)	-	(1,556)	-	(1,343)	-	(2,044)	-
<b>Total</b>	<b>1,393,087</b>	<b>+0.5</b>	<b>451,554</b>	<b>+1.9</b>	<b>448,096</b>	<b>(0.2)</b>	<b>493,435</b>	<b>(0.0)</b>

\*1 The aggregate of Internet (previous calculation) and internet turnover which is included in mass media (2019 Jan to September: JPY 4,943 mn)

\*1 Excluding the increase from the consolidation of VOYAGE GROUP, Inc., Internet YoY% increase would be +12.6% for 2019 Jan to September period, and +12.9% for 2019 July to September period.

\*2 There is a difference in revenue recognition timing between IFRS and Japan GAAP. In the table, Japan GAAP, applied by Parent Company, is used for this section. The difference between IFRS and Japan GAAP is recorded in "Consolidation adjustments and others."

\*3 Turnover to group companies in International business, GAAP difference and others are included.

\*4 Amounts included in both "Internet" and mass media.

(JPY mn)

	2019 Jan-Sep	YoY %
Digital domain turnover	292,463	+16.5
Digital domain revenue less cost of sales	79,041	+23.7
Digital domain revenue less cost of sales: Digital domain ratio in Japan business*1	28.6%	+5.2

\*1 Digital domain: Internet and data related marketing service, and development and sales of IT system

# Results of Parent Company (J-GAAP)

dentsu

(JPY mn)

	2019 Jan-Sep	YoY %	Jul-Sep	YoY %	Apr-Jun	YoY %	Jan-Mar	YoY %
Net sales (Turnover)	1,127,447	(2.6)	344,512	(5.0)	344,145	(0.1)	438,789	(2.6)
Revenue less cost of sales	162,286	(7.6)	50,398	(12.7)	46,455	(1.0)	65,432	(7.8)
Revenue less cost of sales margin	14.4%	(0.8)	14.6%	(1.3)	13.5%	(0.1)	14.9%	(0.9)
SG&A	133,824	(0.3)	43,386	(3.2)	43,300	+3.4	47,136	(0.8)
Operating income	28,461	(31.2)	7,011	(45.8)	3,154	(37.4)	18,295	(21.9)
vs. Revenue less cost of sales	17.5%	(6.1)	13.9%	(8.5)	6.8%	(3.9)	28.0%	(5.0)
Ordinary income	44,787	(25.9)	8,111	(47.7)	5,529	(32.8)	31,146	(15.2)
Income before income taxes	71,974	(39.7)	35,446	(52.0)	5,492	(37.3)	31,034	(15.3)
Net income	53,044	(38.2)	25,503	(50.6)	4,017	(40.7)	23,524	(14.1)

SG&A: Selling, general & administrative expenses

# Net Sales (Turnover) of Parent Company by Business Category (J-GAAP)

(JPY mn)

	2019 Jan-Sep	YoY %	Jul-Sep	YoY %	Apr-Jun	YoY %	Jan-Mar	YoY %
Newspapers	47,158	(6.3)	13,485	+2.8	13,189	(10.9)	20,483	(8.6)
Magazines	12,628	(18.3)	4,177	(12.0)	3,842	(20.3)	4,608	(21.7)
Radio	9,314	(5.0)	3,162	(6.7)	2,949	(0.9)	3,202	(6.7)
Television	469,835	(3.3)	150,028	(1.7)	156,225	(4.7)	163,581	(3.5)
Internet*1	99,800	+13.5	30,809	+13.4	30,922	+10.2	38,068	+16.4
OOH Media	35,026	(8.5)	10,368	(4.6)	11,846	(6.4)	12,812	(13.2)
Creative	137,454	(3.5)	43,222	(6.4)	43,670	+3.7	50,561	(6.6)
Marketing/Promotion	141,882	+5.0	49,534	+15.0	48,100	+19.1	44,246	(14.4)
Content Services	151,312	(9.4)	31,813	(40.1)	26,099	(1.5)	93,400	+6.9
Others	27,978	(4.7)	9,467	(2.0)	8,641	(10.5)	9,869	(1.7)
Internet included in mass media*2	(4,943)	-	(1,556)	-	(1,343)	-	(2,044)	-
<b>Total</b>	<b>1,127,447</b>	<b>(2.6)</b>	<b>344,512</b>	<b>(5.0)</b>	<b>344,145</b>	<b>(0.1)</b>	<b>438,789</b>	<b>(2.6)</b>

\*1 The aggregate of Internet (previous calculation) and internet turnover which is included in mass media (2019 Jan to September: JPY 4,943mn)

\*2 Amounts included in both "Internet" and mass media.

Please refer to the Appendices "Turnover of Japan Business by Business Category(IFRS basis)" slide for the turnover of Japan business which includes subsidiaries in Japan.

# Net Sales(Turnover) of Parent Company by Industry (J-GAAP)

dentsu

(JPY mn)

	2019 Jan-Sep	YoY %	Jul-Sep	YoY %	Apr-Jun	YoY %	Jan-Mar	YoY %
Information/Communications	151,307	(17.3)	45,127	(40.4)	41,789	+0.8	64,389	(2.2)
Finance/Insurance	116,732	+4.9	33,140	+3.9	32,190	+3.9	51,402	+6.2
Beverages/Cigarettes	109,273	(1.5)	31,481	(2.8)	38,902	(7.2)	38,888	+6.1
Cosmetics/Toiletries	95,767	(4.8)	29,030	(12.9)	37,995	(1.3)	28,741	(0.2)
Foodstuffs	78,292	(4.8)	21,965	(7.9)	26,623	(6.2)	29,703	(0.9)
Government/Organizations	69,046	+69.7	25,651	+118.7	24,080	+126.4	19,315	+5.5
Food Services/Other Services	62,616	(5.0)	21,137	+13.3	18,409	(4.5)	23,069	(17.6)
Automobiles/Related Products	59,752	(12.3)	18,995	+1.3	15,159	(12.4)	25,597	(20.2)
Transportation/Leisure	58,890	+4.8	19,089	+18.0	15,139	+3.6	24,660	(2.8)
Distribution/Retailing	54,934	(5.6)	17,789	(0.3)	19,294	(10.2)	17,850	(5.3)
Pharmaceuticals/Medical Supplies	48,676	(1.6)	16,501	(4.1)	15,547	(0.4)	16,628	+0.0
Real Estate/Housing Facilities	47,348	(3.5)	13,509	+5.7	11,319	(6.8)	22,519	(6.7)
Hobbies/Sporting Goods	31,722	(4.3)	10,977	+7.3	8,043	(16.2)	12,701	(4.8)
Energy/Materials/Machinery	29,680	+13.4	8,637	+14.4	7,020	+19.4	14,021	+10.0
Publications	23,547	+6.3	6,058	+9.5	5,420	+11.6	12,067	+2.7
Others	89,860	(10.4)	25,419	(12.3)	27,209	(14.5)	37,231	(5.8)
<b>Total</b>	<b>1,127,447</b>	<b>(2.6)</b>	<b>344,512</b>	<b>(5.0)</b>	<b>344,145</b>	<b>(0.1)</b>	<b>438,789</b>	<b>(2.6)</b>

	Average rate			Period end rate		
	2019 Jan-Sep	2018 Jan-Sep	Var. %	2019 End of Sep	2018 End of Dec	Var. %
JPY/USD	109.1 yen	109.6 yen	(0.4)	107.9 yen	111.0 yen	(2.8)
JPY/EUR	122.7 yen	131.0 yen	(6.3)	118.0 yen	127.0 yen	(7.1)
JPY/CNY	15.9 yen	16.8 yen	(5.6)	15.1 yen	16.2 yen	(6.4)
JPY/GBP	139.0 yen	148.2 yen	(6.2)	132.7 yen	140.5 yen	(5.5)
JPY/AUD	76.3 yen	83.1 yen	(8.1)	72.9 yen	78.2 yen	(6.8)

Revenue less cost of sales ratio by currency (%)

	JPY	USD	EUR	GBP	CNY	AUD	Others	Total
2019 Jan-Sep	41.0	23.0	9.4	5.8	3.6	2.0	15.2	100.0