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FY2018 Third Quarter Results

Yushin Soga

Director and Executive Officer

November 14, 2018

* 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.

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Highlight: 9 month figures

- Revenue less cost of sales increased by 8.0% (YoY, constant currency basis)
- Organic growth: +4.4%
  (Japan +4.1% / International +4.6%)
- Underlying operating profit decreased by 4.0% (constant currency basis)
- Underlying operating margin: 13.4%, -170 bps (constant currency basis)
- The fifth quarter of improving organic growth for International business

The name of “Gross profit” is changed to “Revenue less cost of sales” from FY2018 First Quarter.

IFRS15 “Revenue from Contracts with Customers” is applied from January 1st, 2018.
To enable year-on-year performance comparison, in this file, IFRS15 is applied to the past years, and presented as pro forma information. Please see Appendices “Detail of Pro Forma information by IFRS 15”.

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Summary

Revenue less cost of sales increase driven by organic growth and international M&A
Underlying operating profit decrease due to investment in the Group's improvement of corporate infrastructure and working environment reforms in Japan to support future growth

(JPY mn)

	2018 Jan–Sep	2017 Jan–Sep	YoY %	Constant currency basis %
Turnover	3,836,587	3,638,505	+5.4	-
Revenue	725,168	666,309	+8.8	-
Revenue less cost of sales	668,301	619,179	+7.9	+8.0
Digital domain ratio	45.4%	43.1%	+2.3	+2.4
International business ratio	59.2%	57.7%	+1.5	+1.5
Underlying operating profit	89,510	93,643	(4.4)	(4.0)
Operating margin	13.4%	15.1%	(1.7)	(1.7)
Underlying net profit	48,006	58,922	(18.5)	-
Underlying basic EPS	170.30 yen	208.23 yen	(18.2)	-
Operating profit	57,993	62,582	(7.3)	-
Net profit	58,200	43,694	+33.2	-
EBITDA	102,202	105,682	(3.3)	-
Currency				
JPY/USD	109.6 yen	111.9 yen	(2.1)	-
JPY/GBP	148.2 yen	142.7 yen	+3.9	-

Note: Net profit, underlying net profit and underlying basic EPS… Excluding attribution to non-controlling interests
The scope of digital domain ratio is changed from 2018. Please see Appendices "Japan Business Digital Domain" for details.

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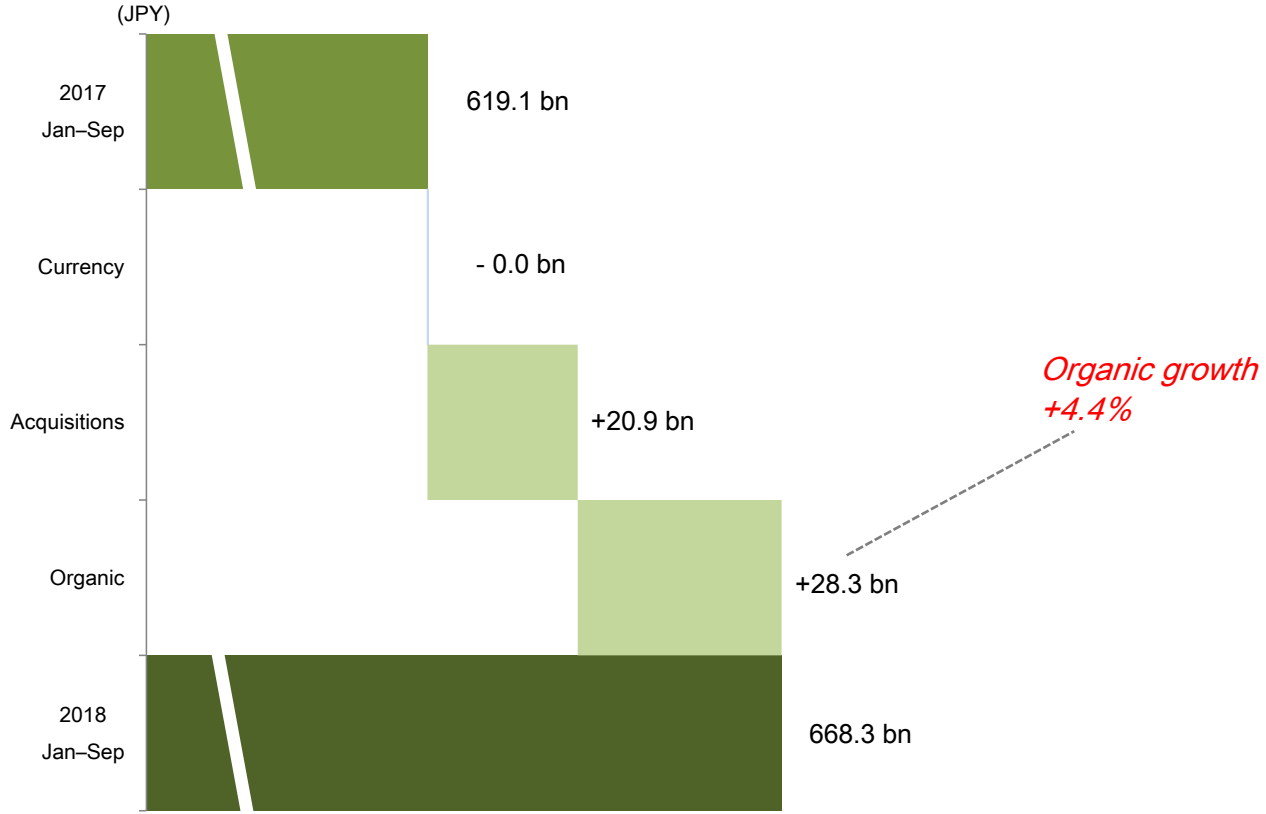
Growth of Revenue less cost of sales

Revenue less cost of sales increase driven by M&A and organic growth from both Japan and the International business, Dentsu Aegis Network



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Regional Information – Japan

9 month organic growth is +4.1%

Cost increase due to investment in working environment reforms and the improvement of corporate infrastructure to support future growth

(JPY mn)

	2018 Jan–Sep	2017 Jan–Sep	YoY %	Constant currency basis %	Organic growth %
Revenue less cost of sales	272,676	261,970	+4.1	+4.1	+4.1
Digital domain ratio	23.4%	21.6%	+1.8	+1.8	
Underlying operating profit	61,494	62,349	(1.4)	(1.4)	
Operating margin	22.6%	23.8%	(1.2)	(1.2)	

Note: The scope of digital domain ratio is changed from 2018. Please see Appendices “Japan Business Digital Domain” for details.

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Regional Information – International

9 month organic growth is +4.6%. The fifth sequential quarter of improving organic growth

Underlying operating profit decrease due to planned investments in global platforms and systems

(JPY mn)

	2018 Jan–Sep	2017 Jan–Sep	YoY %	Constant currency basis %	Organic growth %
EMEA	144,605	125,596	+15.1	+11.7	+5.3
Americas	163,327	148,353	+10.1	+13.0	+5.4
APAC	87,875	83,436	+5.3	+5.6	+2.1
Revenue less cost of sales total	395,811	357,382	+10.8	+10.8	+4.6
Digital domain ratio	60.5%	58.8%	+1.7	+1.8	
Underlying operating profit	28,015	31,308	(10.5)	(9.2)	
Operating margin	7.1%	8.8%	(1.7)	(1.5)	

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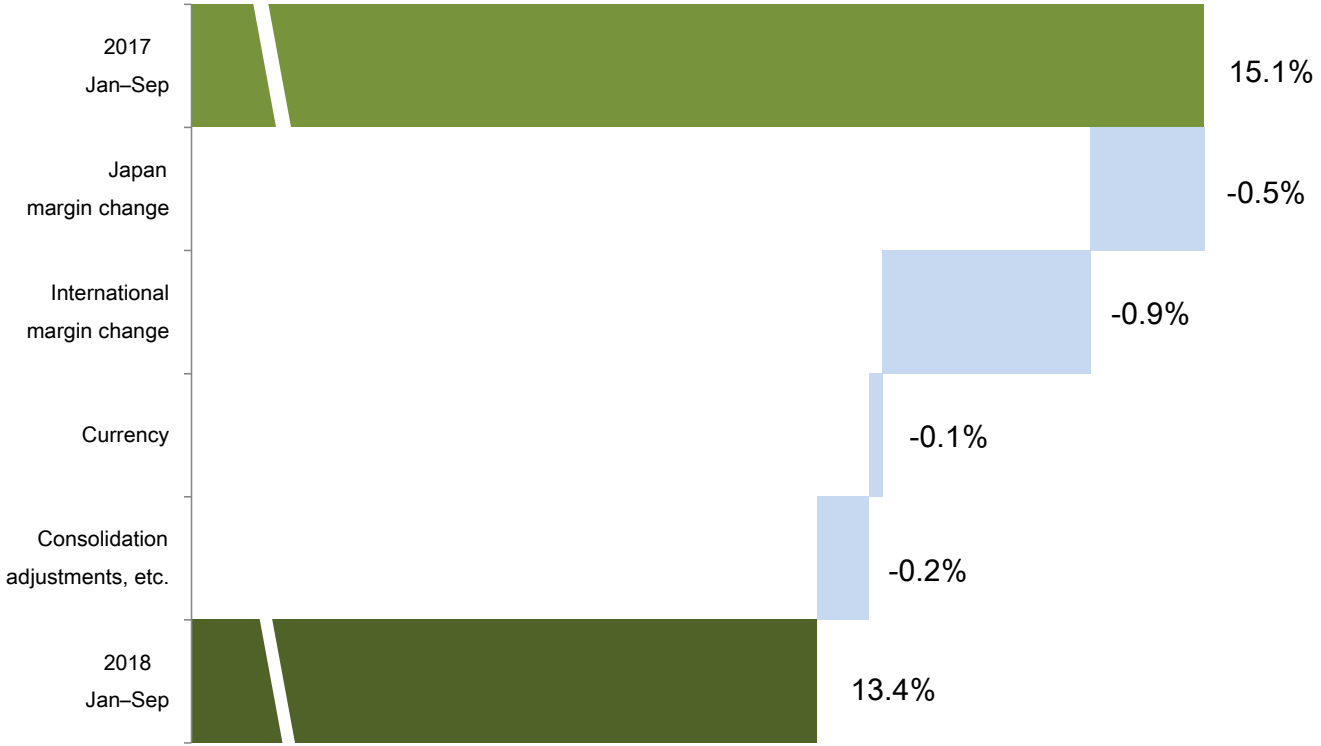
Change in Underlying Operating Margin

Underlying operating margin decreased due to investment in Group's improvement of corporate infrastructure and working environment reforms in Japan to support future growth



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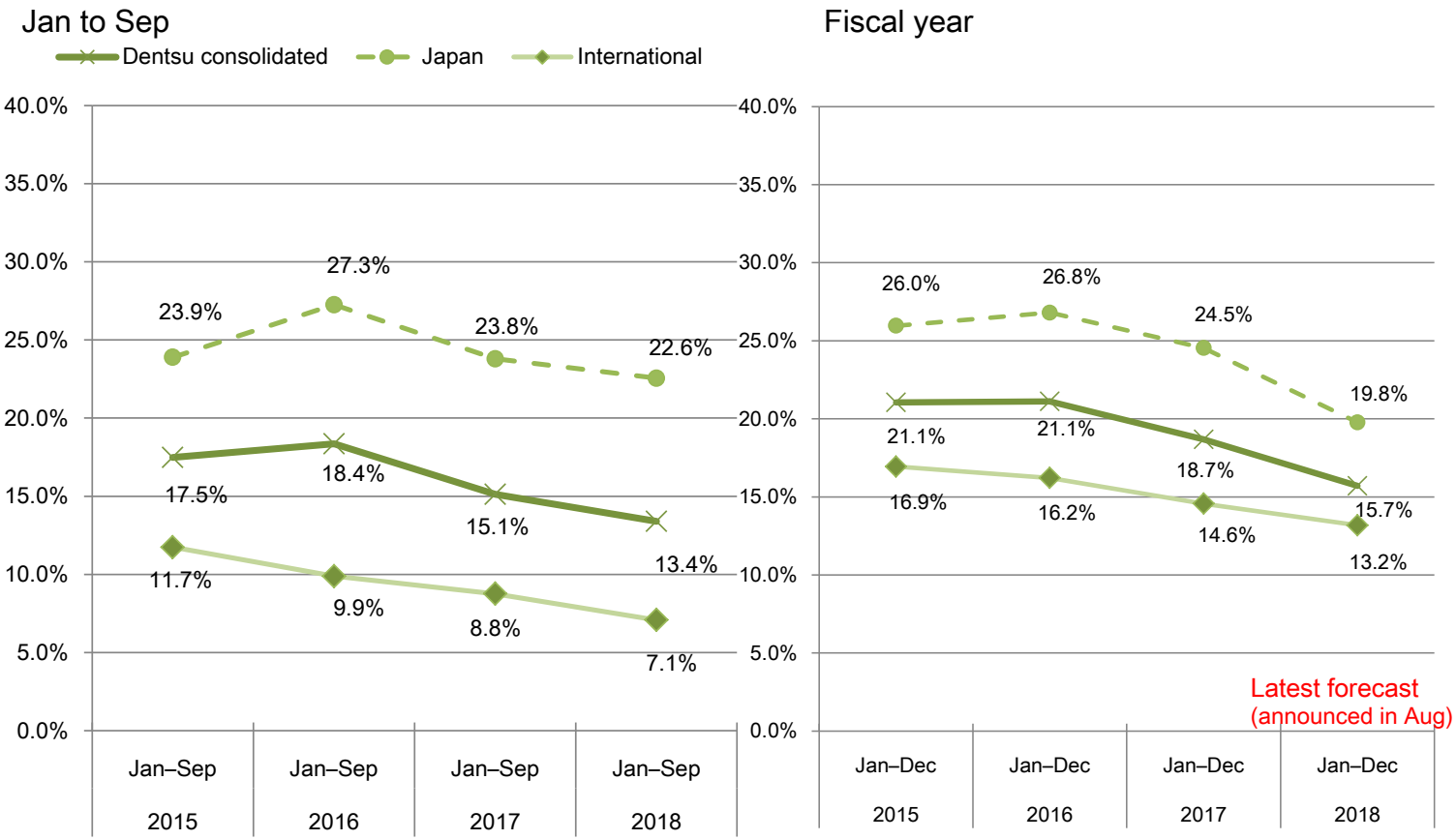
Operating Margin



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Reconciliation from Underlying OP to Statutory OP

(JPY mn)

	2018 Jan–Sep	2017 Jan–Sep	YoY #	YoY %
Underlying operating profit	89,510	93,643	(4,133)	(4.4)
Adjustment items	(31,517)	(31,060)	(456)	
Amortization of M&A related intangible assets	(26,290)	(25,066)	(1,224)	
Acquisition costs	(831)	(1,333)	+ 502	
Share-based compensation expenses related to acquired companies	(3,996)	(1,883)	(2,113)	
One-off items	(400)	(2,778)	+ 2,378	
Payment related to working hours	-	(2,367)	+ 2,367	
Gain (loss) on sales and retirement of non-current assets	(123)	+ 629	(753)	
Impairment loss	-	(705)	+ 705	
Others	(277)	(335)	+ 59	
Operating profit	57,993	62,582	(4,589)	(7.3)

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Statutory Operating Profit to Net Profit

(JPY mn)

	2018 Jan–Sep	2017 Jan–Sep	YoY #	YoY %
Operating profit	57,993	62,582	(4,589)	(7.3)
Share of results of associates	1,996	2,630	(634)	(24.1)
Gain on sales of shares of associates	52,128	-	+ 52,128	-
Profit before interest and tax	112,118	65,213	+ 46,904	+71.9
Net finance income (costs)	(13,631)	3,631	(17,262)	-
Finance income	6,081	12,516	(6,434)	(51.4)
Finance costs	19,713	8,885	+ 10,827	+121.9
Profit before tax	98,487	68,844	+ 29,642	+43.1
Income tax expense	35,745	21,574	+ 14,170	+65.7
Net profit	62,741	47,269	+ 15,471	+32.7
Attributable to owners of the parent	58,200	43,694	+ 14,505	+33.2
Attributable to non-controlling interests	4,541	3,574	+ 966	+27.0

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FY2018 Forecast (no change from Aug 9th)

(JPY mn)

	2018 Jan–Dec	2017 Jan–Dec	YoY %	Constant currency basis %
Revenue	1,006,900	946,225	+6.4	-
Revenue less cost of sales	954,700	877,622	+8.8	+7.2
Underlying operating profit	150,000	163,946	(8.5)	(9.5)
Operating margin	15.7%	18.7%	(3.0)	(2.9)
Underlying net profit	99,800	107,874	(7.5)	-
Underlying basic EPS	354.03 yen	381.58 yen	(7.2)	-
Operating profit	112,900	137,392	(17.8)	-
Net profit	79,500	105,478	(24.6)	-
Currency	Av. Jan 2018	Av. Jan–Dec in 2017		
JPY/USD	110.9 yen	112.2 yen	(1.2)	-
JPY/GBP	153.4 yen	144.5 yen	+6.2	-

Notes: As mentioned in “Highlights”, IFRS15 is applied from 2018. To enable year-on-year performance comparison, in this file, IFRS15 is applied to the past years, and presented as pro forma information. On this page, “revenue” for 2017 Jan- Dec is changed accordingly. The impact on “revenue” for 2018 Jan to Dec is immaterial, and FY2018 forecast disclosed on Feb 13th 2018 is not changed.

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

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FY2018 Forecast by Region (no change)

(JPY mn)

		2018 Jan–Dec	2017 Jan–Dec	YoY %	Constant currency basis %
Japan	Revenue less cost of sales	366,600	361,902	+1.3	+1.3
	Underlying operating profit	72,500	88,801	(18.4)	(18.4)
	Operating margin	19.8%	24.5%	(4.7)	(4.7)
International total	Revenue less cost of sales	588,100	516,052	+14.0	+11.2
	Underlying operating profit	77,500	75,146	+3.1	+0.9
	Operating margin	13.2%	14.6%	(1.4)	(1.3)

Currency	Av. Jan 2018	Av. Jan–Dec in 2017		
JPY/USD	110.9 yen	112.2 yen	(1.2)	-
JPY/GBP	153.4 yen	144.5 yen	+6.2	-

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Dentsu Group Medium-term Direction
Guidelines up to 2020

Organic growth rate
(Revenue less cost of sales)

3-year CAGR up to 2020
3% or higher

Operating margin

Continual improvement in margin from 2018

Shareholder returns

Maintain stable dividends
+
Consider returns tracking earnings and CF performance

Note: There is no change from August 10th disclosure.

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Disclaimer

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.

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Appendices

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1. Definition

- 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

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Detail of Pro Forma information by IFRS 15

The changes implemented in line with the application of IFRS 15 are as follows.

1. For certain revenue, revenue is presented on gross basis.

(JPY mn)

	Pro Forma 2017 Jan–Sep	Financial reporting 2017 Jan–Sep	difference
Revenue	667,501	657,143	+ 10,357

2. The timing related to revenue recognition is changed for certain transactions.

(JPY mn)

	Pro Forma 2017 Jan–Sep	Financial reporting 2017 Jan–Sep	difference
Turnover	3,638,505	3,652,364	(13,859)
Revenue	655,951	657,143	(1,192)
Revenue less cost of sales	619,179	620,371	(1,192)
Underlying operating profit	93,643	94,835	(1,192)
Operating margin	15.1%	15.3%	(0.2)%

The difference occurs only from Q1 to Q3, and there is no difference in full year basis as follows.

Transition of difference (pro forma – financial reporting)

(JPY mn)

	2017 Jan–Dec	2017 Jan–Sep	2017 Jan–Jun	2017 Jan–Mar
Revenue less cost of sales	-	(1,192)	(2,384)	(3,532)

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Quarterly Results

(JPY mn)

	2018 Jul–Sep	YoY %	2018 Apr–Jun	YoY %	2018 Jan–Mar	YoY %
Turnover	1,248,410	+3.9	1,337,338	+9.8	1,250,838	+2.6
Revenue	243,514	+9.4	239,546	+11.6	242,107	+5.7
Revenue less cost of sales	222,562	+7.5	219,073	+10.4	226,665	+6.1
Japan	86,276	+2.7	84,059	+8.4	102,340	+1.9
International	136,326	+10.8	135,099	+11.6	124,385	+9.8
Underlying operating profit	28,647	(9.6)	28,118	+16.1	32,744	(13.3)
Japan	15,954	(7.0)	15,100	+24.5	30,439	(7.9)
International	12,691	(12.5)	13,014	+7.5	2,309	(50.8)
Operating margin	12.9%	(2.4)	12.8%	+0.6	14.4%	(3.3)
Underlying net profit	16,414	(16.0)	13,619	(13.9)	17,972	(23.7)
Operating profit	17,459	(11.2)	18,139	+26.5	22,393	(21.7)
Net profit	47,414	+224.5	(1)	-	10,788	(30.9)
EBITDA	32,314	(6.3)	32,865	+15.0	37,022	(13.1)

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

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Quarterly Organic Growth

(%)

	Dentsu consolidated total			Japan			International total		
	2018	2017	2016	2018	2017	2016	2018	2017	2016
Jan–Mar	+2.1	+3.7	+4.1	+1.9	+4.3	+3.6	+2.2	+3.1	+4.5
Apr–Jun	+5.9	(4.6)	+10.0	+8.4	(7.6)	+13.4	+4.5	(2.7)	+7.2
Jul–Sep	+5.4	(2.1)	+3.0	+2.7	(4.8)	+0.9	+7.0	(0.2)	+5.2
Oct–Dec	-	+2.8	+4.1	-	+5.5	+1.4	-	+1.2	+5.8

	International – EMEA			International – Americas			International – APAC		
	2018	2017	2016	2018	2017	2016	2018	2017	2016
Jan–Mar	+2.7	+5.8	+10.7	+4.6	+0.6	(2.0)	(2.9)	+4.5	+5.2
Apr–Jun	+4.8	(0.3)	+5.0	+6.5	(4.1)	+2.4	+0.8	(3.8)	+16.8
Jul–Sep	+8.2	+5.9	+5.0	+5.3	(2.0)	+5.4	+8.2	(5.5)	+5.3
Oct–Dec	-	+1.3	+7.5	-	(0.0)	+4.4	-	+2.6	+5.6

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Organic Growth of major countries

2018 Jan-Sep Organic Growth %	Country
“10% or more” to “less than 20%”	Denmark, India, Italy, Norway, Russia, Spain, Sweden, Switzerland
“5% or more” to “less than 10%”	Brazil, Canada, Taiwan, USA
“0% or more” to “less than 5%”	Australia, Germany, Japan, Netherlands, Thailand, UK
“Less than 0%”	China, France

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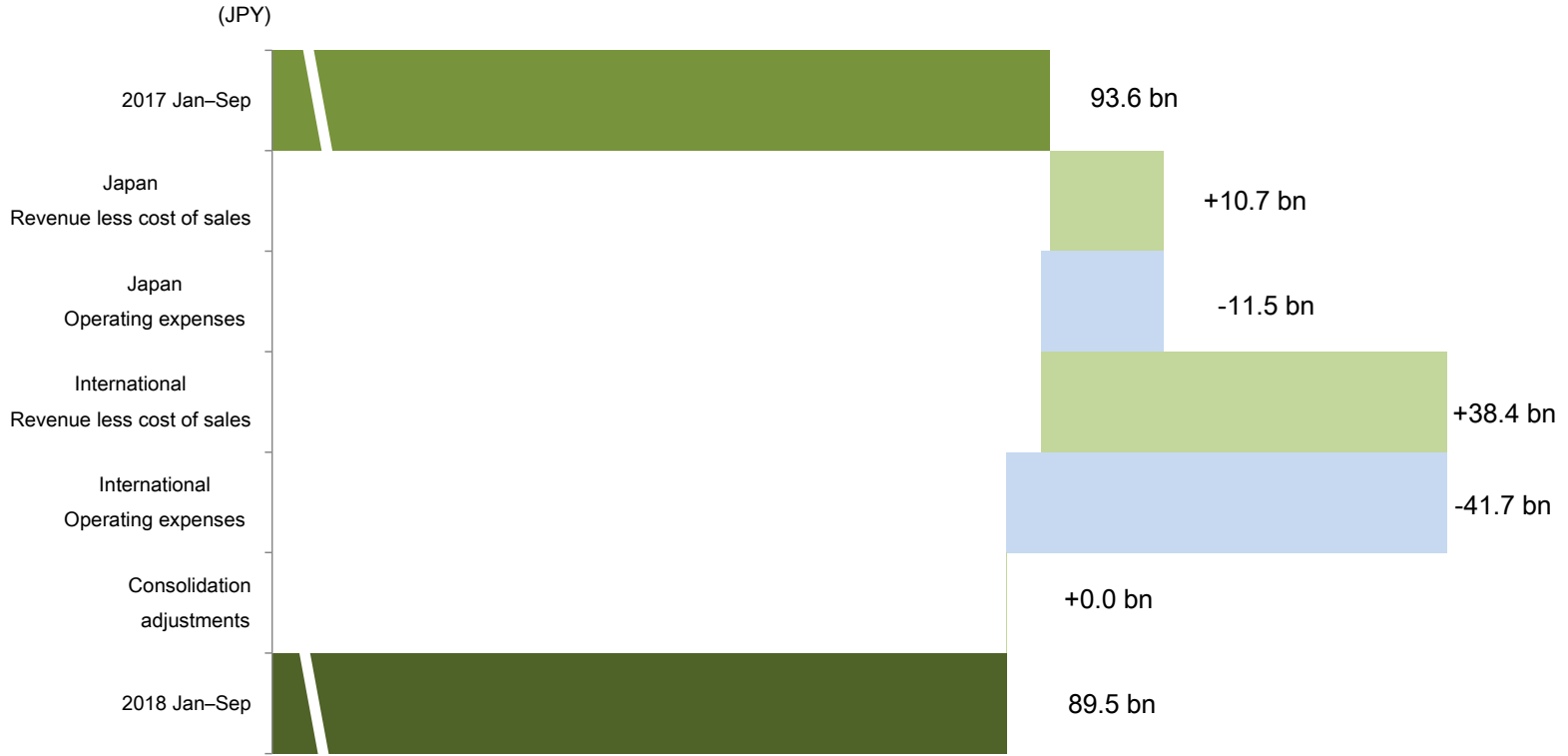
Analysis of Underlying Operating Profit



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

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Reconciliation from Underlying NP to Statutory NP

(JPY mn)

	2018 Jan–Sep	2017 Jan–Sep	YoY #	YoY %
Underlying net profit	48,006	58,922	(10,915)	(18.5)
Adjustment items	+ 10,193	(15,227)	+ 25,420	
Operating profit adjustments	(31,517)	(31,060)	(456)	
Gain(Loss) on revaluation of earnout liabilities and M&A related put-option liabilities	(8,003)	+ 8,011	(16,015)	
Gain on sales of shares of associates	+ 52,128	-	+ 52,128	
Related income tax expense	(4,575)	+ 7,223	(11,799)	
Adjustments attributable to non-controlling interests	+ 2,161	+ 597	+ 1,563	
Net profit	58,200	43,694	+ 14,505	+33.2

Note: 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

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Cash Flow

(JPY mn)

	2018 Jan–Sep	2017 Jan–Sep	YoY #	YoY %
Profit before tax	98,487	68,844	+ 29,642	+43.1
Share of results of associates	(1,996)	(2,630)	+ 634	
Depreciation and amortization	44,209	42,393	+ 1,815	
Impairment loss	-	705	(705)	
Gain on sales of shares of associates	(52,128)	-	(52,128)	
Others	11,782	(8,581)	+ 20,363	
Income taxes paid	(41,619)	(55,820)	+ 14,201	
Cash flow from operations before change in WC i	58,733	44,910	+ 13,822	+30.8

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Use of Cash

(JPY mn)

	2018 Jan–Sep	2017 Jan–Sep	YoY #	YoY %
Change in WC ii	(85,150)	(72,916)	(12,234)	
Payments for PPE, intangible assets and investment property (net)	(19,722)	(13,878)	(5,844)	
Payments for investing activities (net)	(6,299)	(57,141)	+ 50,842	
Dividends paid to shareholders	(25,370)	(25,516)	+ 145	
Dividends paid to non-controlling shareholders	(2,750)	(2,613)	(137)	
Payments for share repurchase	(7)	(20,011)	+ 20,003	
Use of cash iii	(54,150)	(119,161)	+ 65,010	(54.6)
Effect of exchange rate changes and others iv	(1,447)	1,645	(3,093)	
Change in net cash i+ii+iii+iv	(82,016)	(145,520)	+ 63,504	-
(Acquisition payments)				
Initial payments	(10,396)	(34,079)	+ 23,682	
Earn-out payments / Additional acquisition payments	(24,094)	(15,861)	(8,232)	

Notes: “Payments for PPE (property, plant and equipment), intangible assets and investment property (net)” and “Payments for investing activities (net)” are shown as net figures of payments and proceeds by disposal of PPE/intangible assets/investment property and businesses/subsidiaries.
“Effect of exchange rate changes and others”… Including effect of exchange rate changes from debt and net cash that acquired companies had held.

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Financial Position

(JPY mn)

	2018 End of Sep	2017 End of Dec	Var. #	Var. %
Current assets	1,664,267	1,836,584	(172,317)	(9.4)
Non-current assets	1,804,945	1,726,272	+ 78,672	+4.6
Goodwill	801,995	798,177	+ 3,818	+0.5
Intangible assets	254,207	274,502	(20,294)	(7.4)
Total assets	3,469,212	3,562,857	(93,644)	(2.6)
Current liabilities	1,549,950	1,742,215	(192,264)	(11.0)
Non-current liabilities	719,713	670,507	+ 49,206	+7.3
Total liabilities	2,269,664	2,412,722	(143,058)	(5.9)
Owners' interests	1,141,481	1,093,211	+ 48,270	+4.4
Non-controlling interests	58,067	56,923	+ 1,143	+2.0
Total equity	1,199,548	1,150,134	+ 49,414	+4.3
Total liabilities and equity	3,469,212	3,562,857	(93,644)	(2.6)
JPY/USD	113.6 yen	113.0 yen	-	+0.5
JPY/GBP	148.5 yen	152.0 yen	-	(2.3)

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Net Debt

(JPY mn)

	2018 End of Sep	2017 End of Dec	Var. #
Total debt	487,159	460,512	+ 26,646
Cash and cash equivalents	250,391	305,760	(55,369)
Net debt	236,768	154,752	+ 82,016
Total debt (LTM average)	459,923	452,798	+ 7,124
Cash and cash equivalents (LTM average)	233,207	237,976	(4,769)
Net debt (LTM average)	226,715	214,821	+ 11,893
EBITDA (LTM)	190,579	194,073	(3,494)
Net debt / EBITDA (LTM)	1.24	0.80	
Net debt (LTM average) / EBITDA (LTM)	1.19	1.11	

Notes: LTM average… Average of last twelve months
LTM… Last twelve months

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Turnover of Japan business by Business Category(IFRS basis)

(JPY mn)

	2018 Jan–Sep	YoY %	July–Sep	YoY %	Apr–June	YoY %	Jan–Mar	YoY %
Newspapers	56,942	(13.6)	14,997	(14.7)	16,548	(8.0)	25,396	(16.3)
Magazines	16,718	(9.8)	5,228	(13.3)	5,185	(11.2)	6,303	(5.2)
Radio	11,691	(7.9)	4,025	(4.6)	3,534	(12.0)	4,132	(7.3)
Television	517,947	+0.5	162,986	(2.5)	174,037	+2.9	180,923	+0.9
Internet*1	135,945	-	42,084	-	44,334	-	49,527	-
OOH Media	39,992	(5.4)	11,393	(10.4)	13,138	+3.3	15,460	(8.2)
Creative	156,220	(0.5)	50,387	(2.3)	46,604	+3.7	59,228	(2.0)
Marketing/Promotion	186,607	(5.0)	59,028	(3.7)	56,003	(4.9)	71,575	(6.1)
Content Services (Japan GAAP)*2	173,754	+19.2	54,593	+81.8	29,199	+12.2	89,961	+0.3
Others	104,401	+3.2	34,181	+3.5	34,174	(6.8)	36,046	+14.5
Consolidation adjustments and others*3	(9,979)	-	5,753	-	27,531	-	(43,263)	-
Internet included in mass media*4	(4,290)	-	(1,318)	-	(1,358)	-	(1,614)	-
Total	1,385,951	+2.2	443,341	+2.5	448,933	+5.2	493,677	(0.7)
Reference:								
Internet (previous calculation)*5	131,655	+17.8	40,766	+22.6	42,976	+18.0	47,912	+13.8

*1 The aggregate of Internet (previous calculation) and internet turnover which is included in mass media (2018 Jan to Sep: JPY 4,290 mn)

*2 There is a difference in revenue recognition timing between IFRS and Japan GAAP. In the left 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.

*5 Based on the calculation used in “Interactive Media” which was previously disclosed as part of Parent Company disclosure.

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Japan Business Digital Domain (IFRS basis)

(JPY mn)

	2018 Jan–Sep	YoY %
Digital domain turnover	251,069	+15.2
Digital domain revenue less cost of sales	63,875	+12.7
Digital domain ratio in Japan business*1	23.4%	+1.8

*1 From Q1 2018, Internet revenue less cost of sales included in mass media of Parent Company and digital revenue less cost of sales in OOH Media are added to previously used digital domain revenue less cost of sales ratio.

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Results of Parent Company (J-GAAP)

(JPY mn)

	2018 Jan–Sep	YoY %	Jul–Sep	YoY %	Apr–Jun	YoY %	Jan–Mar	YoY %
Net sales (Turnover)	1,157,548	+0.0	362,675	+2.7	344,507	+0.1	450,365	(2.1)
Revenue less cost of sales	175,616	+4.0	57,762	+7.0	46,918	+2.1	70,935	+2.8
Revenue less cost of sales margin	*15.2%*	*+0.6*	*15.9%*	*+0.6*	*13.6%*	*+0.3*	*15.8%*	*+0.8*
SG&A	134,217	+4.6	44,829	+0.7	41,877	+4.7	47,511	+8.4
Operating income	41,398	+2.1	12,932	+36.7	5,041	(15.6)	23,424	(6.8)
vs. Revenue less cost of sales	*23.6%*	*(0.4)*	*22.4%*	*+4.9*	*10.7%*	*(2.3)*	*33.0%*	*(3.4)*
Ordinary income	60,478	(2.0)	15,519	+33.2	8,233	(39.8)	36,725	+0.9
Income before income taxes	119,320	+92.8	73,893	+533.7	8,766	(35.9)	36,660	+0.3
Net income	85,791	+80.9	51,630	+536.9	6,775	(39.5)	27,385	(2.6)

Note: SG&A… Selling, general & administrative expenses

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Net Sales(Turnover) of Parent Company by Business Category

(JPY mn)

	2018 Jan–Sep	YoY %	Jul–Sep	YoY %	Apr–Jun	YoY %	Jan–Mar	YoY %
Newspapers	50,347	(14.4)	13,123	(14.9)	14,802	(7.8)	22,421	(18.0)
Magazines	15,454	(9.4)	4,748	(15.0)	4,819	(10.6)	5,886	(3.1)
Radio	9,801	(2.6)	3,390	+0.8	2,977	(7.6)	3,433	(1.3)
Television	486,054	(0.0)	152,684	(3.2)	163,909	+2.5	169,460	+0.5
Internet*1	87,937	-	27,159	-	28,059	-	32,718	-
OOH Media	38,278	(7.4)	10,866	(13.0)	12,650	+0.9	14,761	(9.4)
Creative	142,422	(0.6)	46,170	(2.4)	42,098	+2.5	54,152	(1.4)
Marketing/Promotion	135,178	(13.1)	43,076	(10.6)	40,398	(18.2)	51,704	(10.8)
Content Services	167,008	+19.5	53,114	+82.5	26,497	+12.2	87,396	+0.3
Others	29,355	(4.5)	9,656	(4.3)	9,652	(4.2)	10,045	(5.1)
Internet included in mass media*2	(4,290)	-	(1,318)	-	(1,358)	-	(1,614)	-
Total	1,157,548	+0.0	362,675	+2.7	344,507	+0.1	450,365	(2.1)
Reference								
Internet (previous calculation)*3	83,646	+12.3	25,841	+8.1	26,701	+15.6	31,103	+13.2

*1 The aggregate of Internet (previous calculation) and internet turnover which is included in mass media (JPY 4,290mn)

*2 Amounts included in both “Internet” and mass media.

*3 Based on the calculation used in “Interactive Media” which was previously disclosed.

Note:

* 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.

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Net Sales(Turnover) of Parent Company by Industry

(J-GAAP)

(JPY mn)

	2018 Jan–Sep	YoY %	Jul–Sep	YoY %	Apr–Jun	YoY %	Jan–Mar	YoY %
Information/Communications	183,047	+10.4	75,603	+40.7	41,597	+2.9	65,846	(8.1)
Finance/Insurance	111,078	+3.9	31,822	+13.1	30,957	+6.5	48,298	(2.8)
Beverages/Cigarettes	111,335	(1.3)	32,505	(14.1)	42,037	+3.4	36,792	+7.4
Cosmetics/Toiletries	103,975	(0.3)	34,511	(0.4)	39,607	+3.3	29,856	(4.8)
Foodstuffs	82,187	(8.0)	23,810	(8.7)	28,384	+5.8	29,993	(17.8)
Food Services/Other Services	64,988	+18.3	18,169	+3.7	18,860	+25.6	27,958	+24.7
Automobiles/Related Products	67,907	(4.5)	18,691	(23.7)	17,256	(17.6)	31,958	+24.5
Distribution/Retailing	57,906	(5.8)	17,890	(6.6)	21,407	(0.3)	18,608	(10.7)
Transportation/Leisure	52,141	(4.7)	15,047	+1.8	13,534	(10.0)	23,559	(5.4)
Real Estate/Housing Facilities	49,030	+3.9	12,778	(1.7)	12,119	+4.6	24,132	+6.7
Pharmaceuticals/Medical Supplies	45,973	+5.2	15,947	+13.0	14,471	(10.1)	15,554	+15.4
Government/Organizations	42,115	(6.7)	12,203	+9.1	11,111	(7.5)	18,800	(14.3)
Hobbies/Sporting Goods	36,346	(11.8)	11,401	(15.0)	10,349	(14.6)	14,595	(7.1)
Energy/Materials/Machinery	26,404	(9.8)	7,648	(15.3)	5,915	+2.6	12,841	(11.2)
Home Electric Appliances/AV Equipment	24,907	(18.8)	6,267	(32.6)	7,945	(12.7)	10,694	(12.9)
Others	98,200	(0.5)	28,374	+6.3	28,952	(2.9)	40,873	(3.0)
Total	1,157,548	+0.0	362,675	+2.7	344,507	+0.1	450,365	(2.1)

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Effects of Currency Exchange Rates

	Average rate			Period end rate		
	2018 Jan–Sep	2017 Jan–Sep	Var. %	2018 End of Sep	2017 End of Dec	Var. %
JPY/USD	109.6 yen	111.9 yen	(2.1)	113.6 yen	113.0 yen	+0.5
JPY/EUR	131.0 yen	124.6 yen	+5.2	132.1 yen	134.9 yen	(2.1)
JPY/CNY	16.8 yen	16.5 yen	+2.3	16.5 yen	17.3 yen	(4.6)
JPY/GBP	148.2 yen	142.7 yen	+3.9	148.5 yen	152.0 yen	(2.3)
JPY/AUD	83.1 yen	85.7 yen	(3.1)	81.8 yen	88.2 yen	(7.2)

Revenue less cost of sales ratio by currency (%)

	JPY	USD	EUR	GBP	CNY	AUD	Others	Total
2018 Jan–Sep	40.8	21.5	9.4	6.3	4.2	3.1	14.7	100.0