

# Integrated Report 2025

**dentsu**  
Dentsu Group Inc.

## NORTHSTAR

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Note: Where “dentsu” is written on its own, this basically refers to the entire Dentsu Group.

NORTHSTAR, consisting of PURPOSE, WHY/WHAT/HOW and VALUES, is the unique corporate philosophy that makes dentsu what it is.

## PURPOSE

# an invitation to the never before.

Through connecting diverse talents within and beyond our organization,  
we exist to create new solutions and new beginnings for the sustainable development of our clients and society.

## WHY

### For lasting good

We exist to create truly sustainable value for the organizations  
we work with and in the lives of millions.

## WHAT

### The power of the never before

Our ideas create new solutions and new beginnings for  
an ever-changing business environment.

## HOW

### Open teaming

Anyone from anywhere in the dentsu world and beyond  
can get together in a team, there are no boundaries.

## Values—The 8 Ways

Not just in the work we do, but as individuals, we approach life with a higher perspective and act with integrity, always.

It is in this spirit we share the 8 ways.

### 1 WE DREAM LOUD

We rise to the ever-evolving needs of our clients and partners by dreaming big and loud. We take businesses to unexplored territory and everyone of us is invited to join. Thinking small is for other people. Let's celebrate audacity.

### 2 WE INSPIRE CHANGE

Change is our path through the impossible. Change is where the magic happens. Change knows the present is already the past. Change never gets old. Change is the adventure we love. Let's be fearless about change.

### 3 WE TEAM WITHOUT LIMITS

All our diverse and talented people around the world are able to come together in any formation. All our doors are open to innovation from anyone, anywhere. We're building the new by connecting the different. Let's unleash the "power of us."

### 4 WE ALL LEAD

We believe that leadership is what we do together. It flows through all of us. Anyone in dentsu can lead us towards the never before. Anyone can help us. Anyone can influence the outcome. Let's lead together, be strong together—and show the world.

### 5 WE MAKE IT REAL

We're more than idealists, we're entrepreneurs. We turn strategic vision into measurable plans, executed beautifully. What we dream, we build. It's not genius until it's real. Let's make it happen.

### 6 WE CLIMB HIGH

What we do isn't always easy. But even when a task seems impossible, we meet it with grace and optimism. We step towards difficulties and turn problems into progress. We're here to find solutions. Let's welcome challenges.

### 7 WE CHOOSE EXCITEMENT

On every project we look for ways to go further, to make our work more interesting and rewarding. In choosing our way, we take the exciting path, because in tough times and good, it's excitement that propels business forward. Let's love the work we do.

### 8 WE ARE A FORCE FOR GOOD

We work with honesty, integrity and responsibility. We are endlessly curious about ways to add value to people's lives. When we do the right thing as individuals, it becomes who we are as a company. Let's use our powers for the good of everyone.



# Corporate DNA: The Road to B2B2S

Since our founding in 1901, dentsu has continually responded to changes in society to create new value. We started with innovation, combining communications and advertising into a revolutionary business model aimed at delivering high-quality news across Japan. We grew as an advertising company dedicated to supporting the development of society, and then added new media, international expositions, sports, and entertainment, always striving toward a vibrant society where people enjoy a fulfilling life.



Founder **Hoshio Mitsunaga**  
**Creating the never before to help shape society—establishing the cornerstone of dentsu’s value proposition handed down over generations**



Fourth president **Hideo Yoshida**  
**Foresaw the emergence of popular culture and expanded through diversified business models and the spread of new media**

## Contributing to the development of the country and its people through innovative ideas

We developed a revolutionary business model combining communications and advertising as a package, with the aim of widely distributing high-quality news articles to the Japanese public. In 1926, we established the Aviation Department to create a system for transporting photos, and in 1928, we became Japan’s pioneer in commercializing high-speed communication using newly invented electronic photo transmission technology from Germany.



## Dedicated to improving Japan’s advertising industry from the perspective of the nation’s people

We made newspaper circulation figures public in Japan with the goal of advancing the entire advertising industry for the betterment of society. We also established the Dentsu Advertising Award to promote commercial broadcasting and introduced marketing to Japan’s advertising industry. These were just some of the initiatives we took from the perspective of the nation’s people to raise the advertising industry to new standards and promote Japan’s economic growth.



## Expanding the horizons of the communication business to connect companies with consumers

Leveraging the know-how accumulated during preparations for, and operation of, the Japan World Exposition Osaka 1970, we were able to connect content, companies, and consumers to expand our corporate client services in areas including sports, events, and PR.



## Content-driven marketing to generate new consumer culture

In the 1980s, dentsu began providing content-based solutions for new fields such as theme parks, showrooms, and commercial facilities. In the 1990s, we expanded into producing content, including movies and animation. Such legacies have been carried over in today’s creation of digital content marketing. Our efforts contributed to a new, vibrant culture of sightseeing and tourism among Japanese consumers.



## Solving emerging social needs with business pursued from a global perspective

Since our founding, dentsu has provided solutions to improve society from a consumer perspective. Amid a rapidly changing external environment, businesses, and society face many challenges that call for global collaboration. We are making bold efforts to solve these issues by building systems and infrastructure as a sustainable growth partner for our clients.





### Vision

**To be at the forefront of people-centered transformations that shape society**

### Management policy

**B2B2S**

**Business to Business to Society**

**Resolving social issues together with clients, and achieving sustainable growth for all**

### Society to be realized

**A vibrant society where people enjoy a fulfilling life**

## CEO message

# Creating positive societal change through innovation inspired by people's creativity and insights

## Hiroshi Igarashi

Director, Representative Executive Officer,  
President & Global CEO, dentsu

## Management policy

### The vision behind B2B2S

Three years have passed since I was appointed President & Global CEO of Dentsu Group Inc. in January 2022. As we look ahead from a medium- to long-term perspective, I would like to revisit the B2B2S management policy introduced at that time—our commitment to resolving social issues together with clients and achieving sustainable growth for all.

Back in January 2020, when I became president of Dentsu Inc., the world was facing various challenges, notably the spread of the COVID-19 pandemic. It was during this pressing time that we faced the fundamental question: What exactly is a company's responsibility to society? That period became a rare opportunity for us to contemplate our purpose in society for the future.



Ever since our founding, dentsu has endeavored to drive positive transformations in society by working with clients and partners to solve challenges.

Upon my appointment as President and Global CEO of dentsu, we introduced “B2B2S” as a global management policy to reaffirm this founding spirit and share it among all our employees.

Upon unveiling B2B2S, I noted that anticipating the societal issues transcending our clients’ challenges, comprehensively confronting them, and proposing and implementing solutions yields the greatest pleasure in our work. Three years later, I feel even more passionate about that statement, and cases of putting B2B2S into practice are increasing year by year. (see [p. 35](#)).

## Vision

### People-centered transformations

In 2023, dentsu adopted a vision “to be at the forefront of people-centered transformations that shape society.” The purpose of this vision is to support the implementation of B2B2S by giving the Group a clear direction. I would like to elaborate on three aspects of what we mean by the phrase “people-centered.”

#### 1. The creativity of our people

We believe in the creativity of our people. The people of dentsu proactively address complex challenges, and with so many different personalities and backgrounds, we are adept at using teamwork to look at problems from different perspectives, generate new ideas, and find creative solutions to our clients’ challenges.

Based on these unique strengths, we introduced our clients to our new global brand proposition “Innovating to Impact” in May 2024. This brand message is directed at the market to share dentsu’s promise to unleash innovation and spur client growth by

combining transformative creativity, media, data, and technology. Innovating to Impact also embraces our determination to go beyond our clients’ business growth to ensure positive influences on people, society, and the world.

#### 2. Ideas generated from our insights into people

Our strength lies in our people and in their insights into consumers. At dentsu, we closely track consumer behavior and sentiment, and based on these insights, we generate innovative ideas and design the best consumer experiences.

We have built long-standing relationships with our clients based on our deep understanding of their businesses. Here, too, we use insights into clients’ businesses to create new solutions and establish a continuous cycle of innovation and success.

#### 3. The power to transform society for the future

Transformations start with people and are realized by people. That is why we focus on people and their potential to drive positive change in society.

Our transformative power is the force behind a 124-year history that has continually evolved with the times to launch new business (see [p. 05](#)).

We can summarize our “people-centered” approach in three simple statements:

- We believe in our people’s creativity.
- We leverage dentsu’s unique insights into people (consumers).
- We drive positive, transformative change for society so people can thrive.

This “people-centered” approach is reflected in all our businesses and initiatives, giving shape to our vision and a clear path to its achievement.

## New Mid-Term Management Plan

### Growing together globally with our clients

As we announced in our 2024 financial results in February 2025, the business growth and profitability targets set out in the previous Mid-Term Management Plan have not been achieved. To return to sustainable and strong organic growth, we have formulated our new Mid-Term Management Plan, which covers the period up to fiscal 2027.

The core strategy of the plan is to realign our business portfolio and refocus our capital and people into priority businesses to restore our competitiveness.

In our International business, 2025 will be a critical year for achieving our strategy, as we strive to regain profitability and competitiveness by reevaluating underperforming businesses and rebuilding our business foundation.

To win in this competitive business landscape, we set our strategic focus as, “A network that wins globally by growing locally.” In support of our policies, we continue to build long-standing relationships with clients in each market based on a deep understanding of their businesses, while delivering continuous innovation in response to the unique needs of each market. Our people will be at the center of making this happen, collaborating with clients to generate significant impact for society. This is a time that necessitates flexible strategy-making and execution responsive to local market characteristics and client needs. We are focusing our capital and people on priority businesses and key markets to further strengthen our competitive footholds around the world.

In each market, we will serve as growth partners for our clients, and together we will strive for global growth.

Under the new Mid-Term Management Plan, we have adopted ROE as a KPI to raise the priority of shareholder value.

Based on business growth, we aim for an ROE in the mid-teens range by 2027.

### **International: Offering Integrated Growth Solutions with media as the focal point**

In our International business, together with bolstering our presence in the US, which has large revenue potential and diverse business assets, we are also executing a flexible strategy that leverages the unique characteristics of each region. We will focus on the Media business and areas that lead to added value, which are the starting point for our Integrated Growth Solutions (IGS). We are placing particular emphasis on next-generation advertising tools, including the use of AI and data to disseminate advertising, as well as new forms of retail media linked directly to purchasing behavior.

In addition to these initiatives, we are deepening our strategic partnerships with media and platform companies, while integrating our creative work and customer experience management (CXM) to offer complete solutions addressing the specific needs of each client. We are promoting this approach under the name “Media ++ strategy.”

### **Japan: Differentiating ourselves based on unique added value and reinforcing collaboration with our International business**

In Japan, we are differentiating ourselves through IGS driven by unique added value. Our focus is on strengthening our unparalleled competitive advantage in the Marketing domain in Japan to generate new business opportunities for our clients throughout their value chains.

In Consulting, we aim for new growth, while in Technology we will improve synergies with Marketing. In Sports & Entertainment, we will eye global markets for expansion. Our Japan business will not stop at the border, but rather we will help

Japanese clients with overseas expansion and local businesses, leveraging the dentsu global network to enhance collaboration around the world.

### **Improving corporate value from a long-term perspective Toward 2030**

We are working to raise our corporate value in the medium to long term. In 2024, we announced our 2030 Sustainability Strategy as a central initiative, and this has been renamed the 2030 Value Creation Strategy to better reflect our strong commitment to value creation initiatives. This strategy is all about generating ideas for the future to solve the challenges facing society through business. Under each of our four material themes of Integrity, People & Culture, Innovation, and Environment, we have set goals, action plans, and KPIs.

Together, these non-financial areas of our business represent a critical platform for the future of dentsu. We will execute the action plans steadily, one step at a time, to reach our goals.

### **For our stakeholders**

## **The power to shape the future**

In 2025, we are executing a reform program across the Group to recover profitability and a competitive advantage in our International business and rebuild the business foundation.

We aim to achieve the KPIs in the Mid-Term Management Plan with transparency of our growth strategy and milestones. Trust cannot be built overnight. That is why we believe in making steady progress in each and every activity we undertake, building a record of success and valuing the dialogues we have with stakeholders.

Our people are the most important driving force behind our ability to achieve transformations for the future. At dentsu, our

most powerful asset is our unique talent and their understanding of consumers, their creativity and insight, and their ability to execute on this. The continuous innovations generated by our talent enable us to provide solutions that are guided by client-centricity. With these core competencies, we must now move forward with even greater relevance and responsibility to society.

What is the purpose behind the value we create? That is a question we address with the utmost sincerity, each one of us playing a role and continually meeting the challenges we face with integrity. Our dedication to this approach opens new doors for us, helping us to realize a vibrant society where people enjoy a fulfilling life.

To our shareholders, investors, and other stakeholders, we ask for your understanding of dentsu’s medium- to long-term value and for your unwavering support.

# Review of the previous Mid-Term Management Plan and changes in the external environment

The Mid-Term Management Plan for 2021-2024 focused on growth through M&A. However, challenges emerged due to incomplete integration and lagging business portfolio realignment. At the same time, changes in business challenges and the competitive

landscape, as well as an external environment in which taking a people-centered approach is increasingly required, have significantly impacted the effectiveness of our existing growth model.

## 2021-2024

### Review of the previous Mid-Term Management Plan

Profitability and competitiveness of the International business has been undermined by executing an M&A-focused growth strategy

#### Incomplete integration

- Organization has become more complex and siloed, with high-cost structures
- Results of recent acquisitions tend to be below expectations due to unrealized synergies

#### Lagging business portfolio realignment

- Profits have deteriorated significantly in some businesses and markets
- Some obsolete assets have become fixed within the Group

#### Insufficient updates to existing capabilities

- Focus on Customer Transformation & Technology (CT&T) has resulted in inadequate enhancement of Media/Creative capabilities
- Lack of internal investment driven by the Group

## External environment surrounding dentsu

### Business and technology

#### Changes in business challenges and the competitive environment

- Growing demand for disclosure of non-financial initiatives and business strategies
- Exploring trade-on business models for a sustainable society
- A growing need for new businesses aligned with circular/sharing economies
- Increasingly complex business challenges driven by multifaceted consumer needs
- Greater sophistication of media and content domains driven by the growing importance of personalized experiences
- The uncertain outlook of the global situation is influencing the global macroeconomic landscape
- The ongoing, rapid development of AI continues to spark worldwide debate, and relevant regulations are being introduced
- Large-scale AI investments by tech companies and consulting firms are underway
- Exploring the role and identity of humans in an age of AI
- New social media and digital economic spheres are emerging
- The importance of data security, including protection of personal information, is increasing

### People, society, and the environment

#### Growing importance of a people-centered approach

- New consumer values are shifting away from mass consumption
- Responses to environmental and human rights issues are having a significant impact on brands and consumer preferences
- Social fragmentation is increasing globally due to factors including rising inequality and generational gaps
- The global population is increasing, while some countries struggle with aging societies and declining birth rates
- Geopolitical tensions continue to rise as wars and conflicts persist
- There is growing interest in personal development, including reskilling
- There is a growing need for inter-company collaboration to address social issues
- Disclosure requirements for non-financial information are becoming increasingly complex and sophisticated
- It is becoming essential to enhance resilience against the frequent occurrence of natural disasters and the collapse of biodiversity

## Key challenges for dentsu

- Swift reevaluation of underperforming businesses
- Need to restore the profitability and competitiveness of our International business
- Focus on business strategies that leverage dentsu's unique strengths
- Strategic concentration of capital and talent into priority areas and markets
- As a company where people are the greatest asset, dentsu must lead in talent management

Initiatives are already underway, including the implementation of the One dentsu Operating Model, a review of the business portfolio, and the promotion of internal investment

# Overview of the Group Mid-Term Management Plan (2025–2027)

In light of the challenges highlighted in the previous Mid-Term Management Plan, and considering the external environment marked by the unprecedented scale and speed of change, dentsu has formulated a new plan that aims to achieve both competitive advantage and profitability on the path toward realizing our vision. To regain our competitive edge, we will shift our focus toward becoming a growth partner for clients in each market, driving global expansion. By concentrating resources in Japan and the US, we will build a successful model for delivering Integrated Growth Solutions (IGS)—comprehensive offerings tailored to client needs. At the same time, we will work to restore profitability by swiftly addressing underperforming

businesses and implementing ongoing cost efficiencies. In the next-generation growth area, we will expand our distinctive business model in Sports & Entertainment across key markets and strengthen our portfolio of intellectual property-driven businesses.

From a financial perspective, we will prioritize internal investment while continuing to maintain financial soundness and delivering consistent shareholder returns. Furthermore, by strengthening governance, sustainability & value creation, and talent management, we will build a framework in which all regions actively contribute to increasing shareholder value.

## Vision

To be at the forefront of people-centered transformations that shape society

## Key financial targets for 2027

Organic growth: **4%**

Operating margin: **16%–17%**

Operating cash flow for the year: **140 billion yen**

ROE: **mid-teens range**

## Regain competitiveness

Shift to a strategy of achieving global growth by driving success in each market

Focus International business capabilities around Media

Concentrate resources in Japan and the US to scale the successful model for IGS

## Restore profitability

Execute thorough and swift measures to address underperforming businesses

Systematically carry out sustainable cost reductions

Aim to have all four regions contributing to enhancing shareholder value

## Next-generation growth area

Expand the Sports & Entertainment business

## Financial plan and capital allocation

Prioritize rebuilding the business foundation and internal investment, and consider M&A on a limited basis

Maintain a dividend payout ratio of 35%, consistent with the previous Mid-Term Management Plan  
Maintain per-share dividend at the previous year's level in 2025

## Corporate governance/value creation & sustainability/talent management

Establish governance and an organizational culture that support business execution

Implement the 2030 Value Creation Strategy, which is integrated in the business strategy

Advance talent management that unlocks the potential of our talent as a driver of growth



# Value Creation Model

Dentsu is a creative organization that generates new ideas and values.

By leveraging unprecedented methods and the power of people, we bring about transformations and move society in a positive direction.

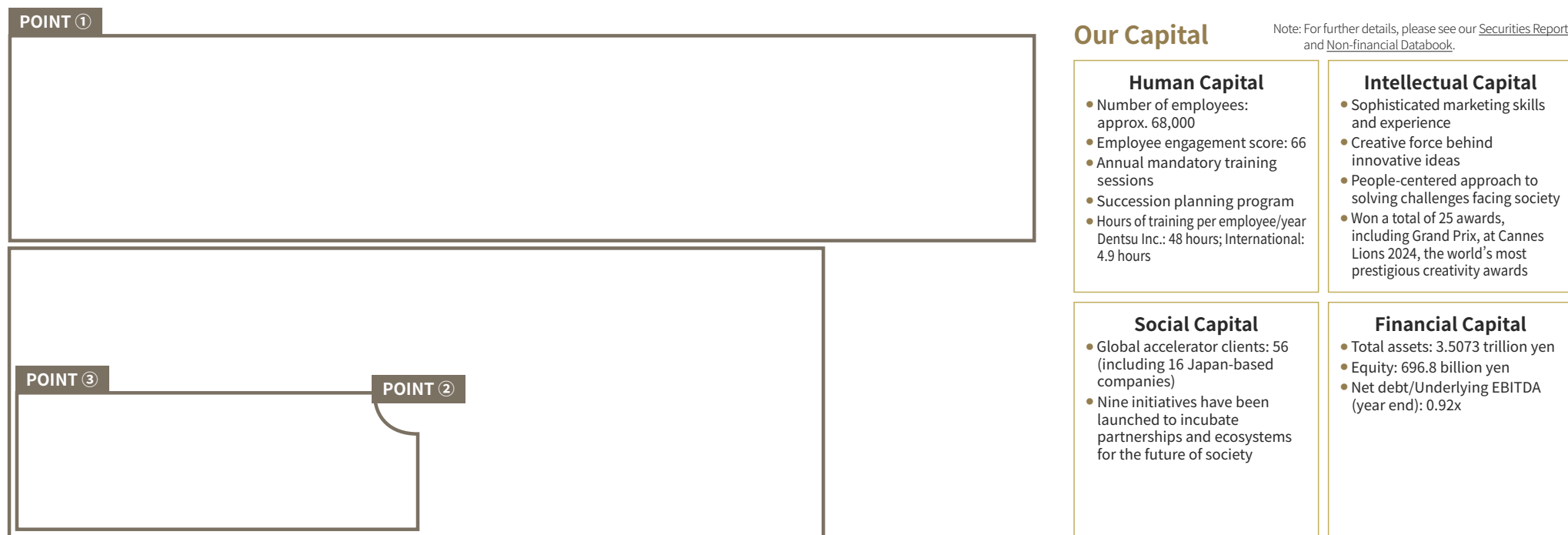
We inspire people everywhere towards a new way of living to realize a vibrant society where people enjoy a fulfilling life.

This is the value creation dentsu aims to achieve, and our Value Creation Model is designed to illustrate the activities we engage in to do just that.

# Understanding our Value Creation Model

The energy powering the Group’s value creation is our talent. This is the essence of dentsu, consistent throughout our 124 years of business.

We believe in the unlimited possibilities that arise when people connect with each other.



**POINT 1**

The 2030 Value Creation Strategy (see p. 17) was established to implement B2B2S in the spirit of our purpose and vision. The initiatives taken toward our four material themes, which are critical for the sustainable improvement of dentsu’s corporate value, serve as the foundation of our value creation.

**POINT 2**

Our capital inputs are the source of our value creation process, as the arrow shows. This process supports the growth of our people through their work, building a wealth of human capital, intellectual capital, and social capital. By augmenting these three forms of capital with financial capital, we create economic and social value and continue to enhance our corporate value as a B2B2S company. (Our capital inputs are explained in the upper right of this page.)

**POINT 3**

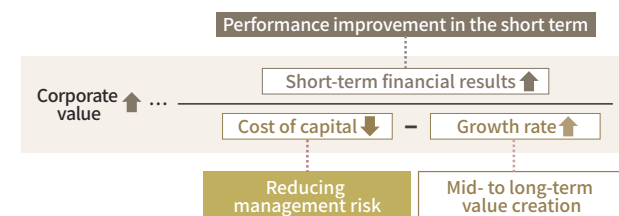
We pride ourselves on Transformative Creativity. We unleash our talent at the convergence of Marketing, Technology, and Consulting, as well as Sports & Entertainment, bringing forth novel ideas and solutions that lead to real innovation to solve the challenges facing our clients and society. The One dentsu Operating Model connects dentsu with our clients through a single, consistent point of service, ensuring rapid response to their needs as well as operational efficiency. This management model is supported by a robust governance system, creating a platform for the promotion of our business activities.

# Materiality

Amid an ever-changing external environment, we continue seeking to both realize our purpose—an invitation to the never before—and maximize corporate value for our stakeholders. To this end, we have framed our Materiality based on the two axes of “importance from the management perspective” and “importance from the stakeholder perspective.” (Materiality formulation process: [dentsu website](#))

Materiality is a key aspect in our interactions with society, clients, shareholders, investors, partners, talent, and all other stakeholders. It is also a management issue that enables the Group to sustainably create value and achieve growth. (Stakeholder details: [dentsu website](#))

For this reason, initiatives toward our material themes are deeply connected to our corporate value.



External environment	Material themes	Reasons for selection (risks, opportunities)	Relation to corporate value
Intensifying business competition driven by changing business assumptions and challenges, as well as the evolving needs of consumers	<b>INTEGRITY</b>	Our corporate activities are predicated on adherence to corporate ethics and compliance, as well as integrity with respect to society and all other stakeholders. There is a growing demand for respect for human rights, protection of data privacy, and cybersecurity. We will fulfill our responsibilities and establish a solid foundation for value creation by further evolving our corporate governance and risk management.	<div style="border: 1px solid black; padding: 2px; margin-bottom: 2px;">Reducing management risk</div> <div style="border: 1px solid black; padding: 2px;">Mid- to long-term value creation</div>
	<b>PEOPLE &amp; CULTURE</b>	As human capital is the core of the Group’s competitiveness, its shortage is a major risk. We hire uniquely talented people, train them, and place them in nurturing work environments to bring out their best. Then we multiply the talents of our people to create new value. This leads directly to better service for our clients and society, energizes dentsu and the wider industry, and meets shareholder and investor expectations.	<div style="border: 1px solid black; padding: 2px; margin-bottom: 2px;">Performance improvement in the short term</div> <div style="border: 1px solid black; padding: 2px; margin-bottom: 2px;">Reducing management risk</div> <div style="border: 1px solid black; padding: 2px;">Mid- to long-term value creation</div>
Escalating importance of a people-centric approach in response to changes in the values of consumers and society and increase in societal issues	<b>INNOVATION</b>	Our purpose and vision entail providing unprecedented ideas and solutions for clients and society to produce transformations. By collaborating with stakeholders, displaying thought leadership throughout our industry and society, and investing in the realization of new ideas, we expect to become a driving force for innovation aimed at solving challenging social issues.	<div style="border: 1px solid black; padding: 2px; margin-bottom: 2px;">Performance improvement in the short term</div> <div style="border: 1px solid black; padding: 2px;">Mid- to long-term value creation</div>
	<b>ENVIRONMENT</b>	The environment is an issue that has a profound influence on our entire value chain. We ascertain the risks and opportunities related to the environment and incorporate those into our business strategy. This is of critical importance to the sustainable enhancement of dentsu’s corporate value. By proactively addressing environmental issues, we can create business opportunities and sharpen our competitive edge, while enhancing our resilience and management efficiency.	<div style="border: 1px solid black; padding: 2px; margin-bottom: 2px;">Reducing management risk</div> <div style="border: 1px solid black; padding: 2px;">Mid- to long-term value creation</div>

CSusO message

# Generating ideas for the future to solve challenges facing society through business

**Yuko Kitakaze** Global Chief Sustainability Officer, dentsu



Our offering under our B2B2S management policy is Integrated Growth Solutions (IGS). Combining our renewed Mid-Term Management Plan with dentsu’s unique experience and wide-ranging capabilities will enable us to drive innovation that positively impacts the entire business value chain, including our clients and society. To implement dentsu’s management policy while also flexibly adapting to changing external circumstances, we have updated our approach to sustainability with revisions approved by the Board of Directors in June 2025.

Our updated 2030 Value Creation Strategy—Generating ideas for the future to solve challenges facing society through business—aims to enhance the Group’s corporate value by further integrating financial and non-financial aspects of our business.

Our four material themes are as follows:

(2030 Value Creation Strategy)

## Generating ideas for the future to solve challenges facing society through business

(Material themes)

<p><b>INTEGRITY</b> Putting integrity first</p>	<p><b>PEOPLE &amp; CULTURE</b> Valuing differences in people’s skills, strengths, and perspectives</p>
<p><b>INNOVATION</b> Creating ideas for the future with the power of creativity and technology</p>	<p><b>ENVIRONMENT</b> Embedding environmental risks, opportunities, and resilience into our business strategy</p>

We believe that addressing our material themes strengthens our human, intellectual, social, and financial capital and creates economic and social value through our business. Our Group-wide efforts based on this conviction have enhanced our long-term resilience and have led to improved evaluations by major ratings agencies.

We intend to continue to follow all applicable disclosure laws and regulations and to demonstrate to investors and other key stakeholders how we are generating solutions to pressing environmental, social, and economic challenges while also effectively managing financial risks to achieve our long-term business goals, initiatives, and success.

Since our founding, dentsu has cultivated great insights into people and their interaction with businesses. Such insights, coupled with our 2030 Value Creation Strategy, will strengthen our commitment to generating innovative ideas for the future and delivering them in ways that uphold the highest standards of integrity, nurture a people-centric culture, and enhance environmental resilience. By leveraging the “insights into people” we have cultivated since our founding, we strive to shape attitudes and behaviors that advance and foster positive and sustainable transformation. Through this core focus on integrity, our people and culture, innovation, and environmental resilience, we aim to inspire enduring progress that benefits society at large.

# 2030 Value Creation Strategy—Progress and governance in 2024

## 2030 Value Creation Strategy

### Generating ideas for the future to solve challenges facing society through business

Material themes	Headline goals	Relation to corporate value	Sponsor	Our progress in 2024
<b>INTEGRITY</b>	Putting integrity first	<div style="background-color: #808000; color: white; padding: 2px;">Reducing management risk</div> <div style="border: 1px solid #808000; padding: 2px;">Mid- to long-term value creation</div>	Global Chief Governance Officer <b>Arinobu Soga</b>	6 themes: 1) business ethics and compliance, 2) human rights, 3) data privacy, 4) corporate governance, 5) risk management, and 6) cybersecurity <ul style="list-style-type: none"> <li>• Training plans drafted for all themes</li> <li>• Contact points established for all themes</li> <li>• Third-party rankings improved and certifications acquired</li> </ul>
<b>PEOPLE &amp; CULTURE</b>	Valuing differences in people’s skills, strengths, and perspectives	<div style="background-color: #808000; color: white; padding: 2px;">Performance improvement in the short term</div> <div style="background-color: #808000; color: white; padding: 2px;">Reducing management risk</div> <div style="border: 1px solid #808000; padding: 2px;">Mid- to long-term value creation</div>	Global Chief HR Officer <b>Miho Tanimoto</b>	<ul style="list-style-type: none"> <li>• Group Executive Member succession readiness rate: 100%</li> <li>• Talent discussion time: 13 hours at the Group management level</li> <li>• Check In survey “Engagement” score: no change from 2023</li> <li>• Ratio of female leaders: 32.5%</li> <li>• Check In survey “Respect” score: 1 point down from 2023</li> </ul>
<b>INNOVATION</b>	Creating ideas for the future with the power of creativity and technology	<div style="background-color: #808000; color: white; padding: 2px;">Performance improvement in the short term</div> <div style="border: 1px solid #808000; padding: 2px;">Mid- to long-term value creation</div>	Global President – Global Practices <b>Jean Lin</b>	<ul style="list-style-type: none"> <li>• Promoting investments and R&amp;D for future innovation: 6 initiatives (a 20% increase from 2023)</li> <li>• Generating thought leadership that inspires action toward a more sustainable future for society: disclose representative cases</li> <li>• Creating social value through partnerships and ecosystems: 9 initiatives (an 80% increase from 2023)</li> </ul>
<b>ENVIRONMENT</b>	Embedding environmental risks, opportunities, and resilience into our business strategy	<div style="background-color: #808000; color: white; padding: 2px;">Reducing management risk</div> <div style="border: 1px solid #808000; padding: 2px;">Mid- to long-term value creation</div>	Global Chief Sustainability Officer <b>Yuko Kitakaze</b>	<ul style="list-style-type: none"> <li>• Scope 1 + 2 GHG emissions: 65.1% reduction (from 2019 baseline)</li> <li>• Scope 3 GHG emissions: 28.2% reduction (from 2019 baseline)</li> <li>• Renewable energy rate: 79.5%</li> </ul>

» For details, please see p. 52

» For details, please see p. 40

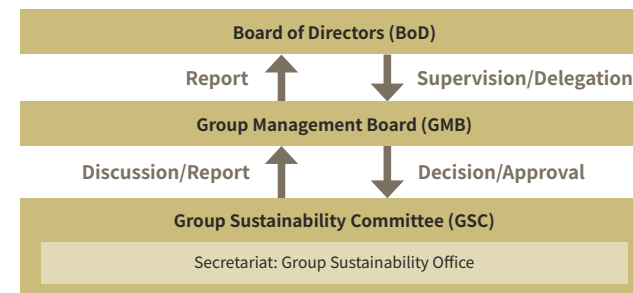
» For details, please see p. 35

» For details, please see p. 47

## Governance

At dentsu, we have integrated sustainability into our value creation strategy and positioned it as a core management theme. The Group Sustainability Committee (GSC) has been established directly under the Group Management Board (GMB), and its activities are overseen by the Board of Directors (BoD).

The GSC, chaired by Global Chief Sustainability Officer Yuko Kitakaze, is composed of eight members with a variety of expertise and regional backgrounds. Through quarterly meetings, the GSC monitors and evaluates the progress of the 2030 Value Creation Strategy. In addition, human rights have been designated as a standing agenda item.



### Group Sustainability Committee members for 2024

<b>Chair:</b>	<b>Yuko Kitakaze</b>	Global Chief Sustainability Officer
	<b>Hiroshi Igarashi</b>	President & Global CEO
	<b>Arinobu Soga</b>	Global Chief Governance Officer
	<b>Alison Zoellner</b>	Global General Counsel
<b>Members:</b>	<b>Jean Lin</b>	Global President - Global Practices
	<b>Jeremy Miller</b>	Global Chief Communications Officer
	<b>Manus Wheeler</b>	Chief Brand & Culture Officer
	<b>Miho Tanimoto</b>	Global Chief HR Officer

## Progress in 2024

Under the leadership of each Materiality Sponsor, the initiatives stated above were undertaken in 2024.

## CFO message

# Our priority for 2025 is to restore profitability, primarily in the International business, aiming for a return to growth by 2027

**Shigeki Endo** Executive Officer, Global CFO, dentsu

I joined dentsu in July 2024 after managing the finances of several global companies. Appointed Global CFO in February 2025, my role is to plan and execute the financial strategy for the entire Group, drawing on more than 30 years of experience in promoting corporate transformation through financial management.

Over the past several years, dentsu has succeeded in divesting non-operating assets and improving shareholder returns. Unfortunately, in 2024, the final year of the previous Mid-Term Management Plan, we failed to meet our targets for two key KPIs: organic growth rate and operating margin.

In the new Mid-Term Management Plan, we are planning for a return to growth, and one urgent task will be to rebuild the International business. In 2025, the first year of the plan, our immediate priorities will be to reevaluate underperforming businesses and to rebuild the business foundation as a path to restoring profitability.

## Review of 2024

In 2024, our organic growth rate declined 0.1% mainly due to challenges in the International business, while we continued to achieve strong business growth in Japan. Our consolidated net revenue in 2024 reached a record 1.2016 trillion yen (up 5.0% year on year), due to an overall shift in exchange rates toward a weaker yen, as well as the full-year effect of the acquisition of Tag, which was completed in June 2023. Our underlying operating profit totaled 176.2 billion yen (up 7.8%) and our underlying net profit

totaled 92.9 billion yen (up 3.4%). Overall, we recorded a net loss of 192.2 billion yen, largely due to the recording of a goodwill impairment loss of 210.1 billion yen in EMEA and the Americas in the fourth quarter of 2024. This was our second consecutive year of net losses. The main factors behind this level of goodwill impairment loss were an application of a higher discount rate than previously used, given recent movements in interest rates, and a more conservative reflection of various risks associated with the International business.

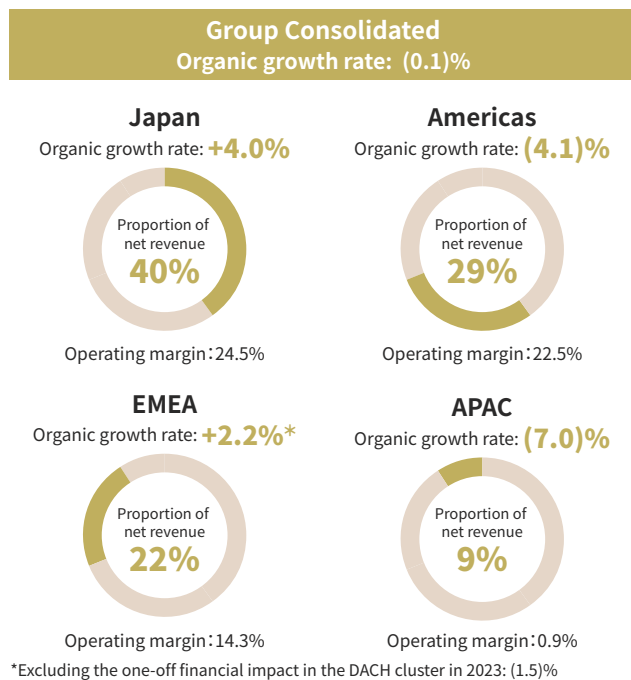
I would like to provide a more detailed explanation of our 2024 results in each region.

In Japan, we achieved 4.0% organic growth, powered by television, internet, and other advertising businesses, as well as growth in Business Transformation (BX) and Digital Transformation (DX). In the Americas, the organic growth rate was negative 4.1%, although the region continued to show sequential improvement by quarter after bottoming out in the fourth quarter of 2023. In EMEA, the organic growth rate was 2.2%, and negative 1.5% excluding the one-off financial impact that occurred in 2023. APAC (excluding Japan) reported negative growth of 7.0%. Outside of Japan, all regions are continuing to face challenging situations.

One of the factors behind the challenging performance of the International business was a decline in client IT spending, which resulted in slower than expected recovery in CXM. While we succeeded in winning new international clients, the business



suffered from project postponements amid shrinking budgets of existing clients, as well as higher interest rates. In the Americas, CXM accounts for a larger proportion of net revenue compared with other regions, and this seriously impacted results.



In 2024, the Group’s operating margin improved 30bps year on year to 14.8%, owing to higher net revenue driven by growth in Japan. In Japan alone, despite higher personnel costs to bolster our human resources, we posted record-high underlying operating profit based on revenue growth, and our operating margin grew 150bps. In the Americas, operating margin was largely unchanged from the previous year, as cost reductions

offset the revenue decline. In EMEA, operating margin rebounded by 410bps due to the one-off financial impact in 2023. In APAC (ex. Japan), operating margin declined significantly due to both decreased revenue and higher other operating expenses.

## Comprehensive review and capital allocation

### Comprehensive review

In 2020, we launched a comprehensive review of our business, resulting in the sale of our headquarters building in Japan and various other property assets, as well as the sale of strategic shareholdings. In 2024, we sold an additional 16 strategic shareholdings with a total value of approximately 20.7 billion yen. Between 2020 and 2024, we have sold a total of 59 stakes, generating 271.7 billion yen, allowing for both improved investment in the business and shareholder returns.

### Our timeline of improving balance sheet efficiency



### Capital allocation

The Group also published a capital allocation framework in February 2022, which outlines how capital generated from both business and the comprehensive review would be allocated towards business growth. The main provisions were as follows.

- 250–300 billion yen for M&A and approximately 70 billion yen for capital expenditures over the three-year period
- Progressive dividends, reaching a 35% payout ratio of underlying basic EPS by 2024 (compared with a ratio of 28.5% in 2020)
- Additional shareholder returns assessed in light of our Mid-Term Management Plan, while prioritizing growth and investment in the business
- Upper limit of 1.5x Net debt / Underlying EBITDA year-end; indicative medium-term range of 1.0x to 1.5x (non IFRS 16 basis)

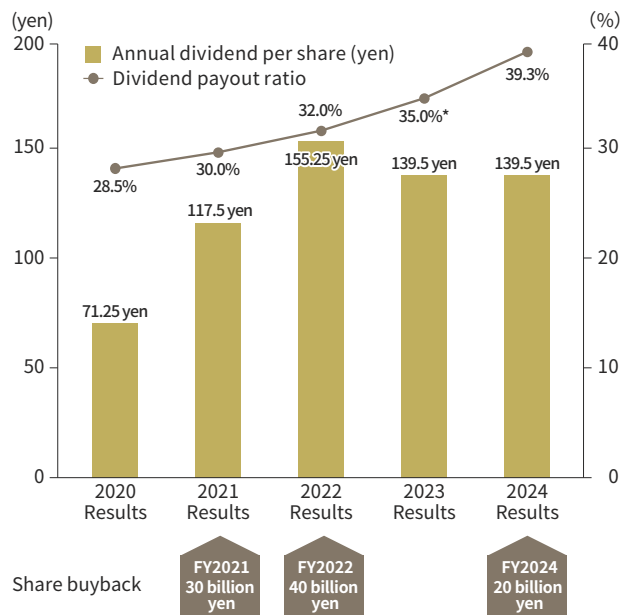
### Internal investment to ensure sound business growth

Since publishing our capital allocation framework, we have invested a total of about 200 billion yen in M&A covering 2022 and 2023. For 2024, we shifted the balance of investment from M&A to internal investment. Specifically, we have made strategic investments to bolster Integrated Growth Solutions, which serve as the core driver of our Group’s business growth. The results of this shift have begun to emerge, as we have enhanced previously acquired assets and combined them with our other capabilities to win major global accounts including Adobe and eBay.

### Improving shareholder returns

Improving shareholder returns remains a key focus for the Board of Directors and management, as we recognize the importance of improving our corporate value from the shareholder perspective. In 2023, we achieved our dividend payout ratio target of 35% one year ahead of schedule, paying an annual dividend of 139.5 yen per share. For 2024, we made the same dividend payment as in 2023 (payout ratio of

39.3%), based on comprehensive consideration of performance trends and financial conditions, while focusing on stable dividends.



\*Payout ratio for 2023 calculated based on the adjusted underlying basic EPS

## New Mid-Term Management Plan (2025-2027)

While we achieved our targeted dividend payout ratio under the previous Mid-Term Management Plan, we failed to meet our targets for organic growth (CAGR of 4–5%, from 2021 through 2024) and operating margin (18.0% in 2024).

One factor was the relative weakening of the Group’s positioning in an increasingly competitive environment. The main reason, however, was overreliance on an M&A growth strategy, which led to lower profitability and competitiveness in the

International business. Under the new Mid-Term Management Plan, we will improve profitability by reevaluating underperforming businesses and rebuilding the business foundation, primarily in the International business, and then using this enhanced structure as a platform for growth.

### Key financial targets

Under the new Mid-Term Management Plan, we have added operating cash flow and ROE based on statutory net profit as two new financial targets. The Finance Committee supported the reevaluation of the business portfolio and validation of the targets, ensuring that the plan was designed to raise shareholder value.

In the medium term, we will strive to recover our competitive edge and spur sound business growth, thereby generating operating cash flows and improving our ROE.

#### Key financial targets for 2027

- Organic growth rate: 4%
- Operating margin: 16–17%
- Operating cash flow per year: 140 billion yen
- ROE: mid-teens range

### Financial policy and capital allocation

The following financial policies were established to return to a growth trajectory.

- Restore a healthy balance sheet over three years by recovering profitability and competitiveness
- Continue disposal of non-operating assets, such as strategic shareholdings
- Further strengthen investment discipline in cooperation with the Finance Committee

With regard to capital allocation, we aim to rebuild the business foundation and prioritize internal investments. At the

same time, in terms of the key management theme of shareholder returns, we will strive to return our business to profitability as soon as possible to ensure stable dividends. Regarding M&A, which we have restricted, we will remain selective, taking into consideration the pace of recovery in business performance.

### Capital allocation

<b>Rebuilding the business foundation</b>	Initiatives to recover profitability: one-off cost of 50 billion yen planned in 2025
<b>Internal investment</b>	Initiatives to recover competitiveness: planned investment of 45 billion yen into core markets and businesses over three years
<b>Shareholder returns</b>	Maintaining a dividend payout ratio of 35%: in 2025, the dividend per share will be maintained at the previous year’s level as a transitional period
<b>M&amp;A, etc.</b>	Implement selectively depending on the level of business performance improvement. Operate based on strengthened discipline

## Outlook for 2025

We anticipate intensifying competition in 2025. Major players are expected to strengthen their positions in the industry, while technology companies, consultancies, and other corporations are expected to make significant investments in technology. Additionally, there is rising uncertainty in the global economic outlook. Despite these challenges, we are aiming for growth in 2025, with a forecast for an organic growth rate of approximately 1%. In Japan, we expect continued steady growth, with a target of approximately 3% organic growth. In our International business, we aim for a return to a positive organic growth rate.

However, the first year of the new Mid-Term Management

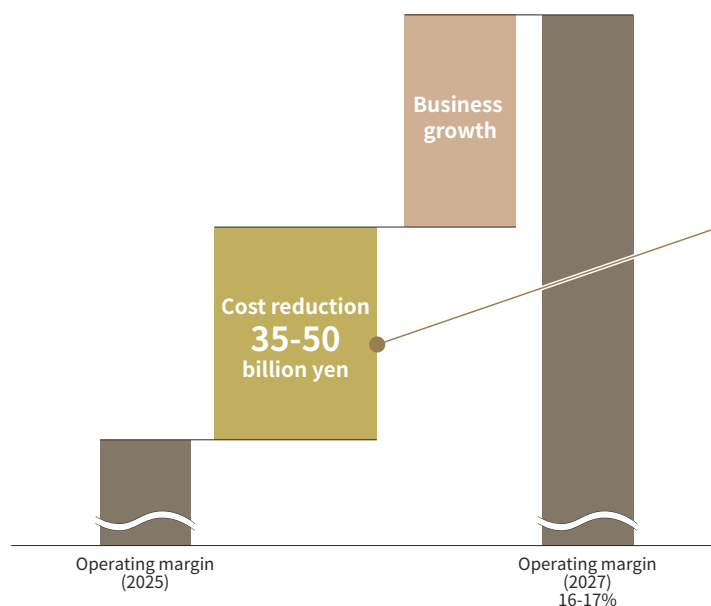
Plan, 2025, is expected to be challenging from a profitability standpoint, as upfront expenses will be incurred to implement our initiatives. In the International business, 2025 will be a critical year to focus on reevaluating underperforming businesses and rebuilding the business foundation by eliminating the main factors undermining profitability, namely incomplete integration and lagging business portfolio realignment.

Regarding the reevaluation of underperforming businesses, using capital efficiency as a yardstick, we have already identified the businesses to be affected, and we will be thorough and swift in taking reform measures during 2025. Regarding the rebuilding of the business foundation, we will simplify organizational structures while pursuing the standardization and sophistication of operations. These initiatives will support the reduction of operating costs over the medium and long term (35 to 50 billion

yen in reductions in 2027). To implement these initiatives, we plan to record a one-off cost of 50 billion yen in 2025.

Overall, 2025 will be an extremely important year for revamping our International business. In the past, our organizations suffered from overly complex structures caused by siloed approaches to business and M&A outside of Japan. We have endeavored to consolidate and optimize these structures but ultimately failed to fully integrate our International businesses. As a result, operational costs have increased.

As Global CFO, I am committed to steadily implementing each of the initiatives we have developed to achieve the targets of our new Mid-Term Management Plan. While prioritizing the recovery of profitability, I will also provide financial support for our business plans to help restore the Group's competitive advantage.



### 1. Simplification of organizations

- **Global HQ**  
Integrating Tokyo and London HQ functions
- **Regional HQ**  
Simplifying operations by redefining the role of the Regional HQ
- **Markets**  
Controlling market costs

### 2. Standardization and sophistication of operations

Extensively automating with AI systems and leveraging outsourcing

## Systematically carrying out sustainable cost reductions

### Finance Committee

Dentsu is working to transform our business portfolio by reviewing and refining the business domains and markets that we should focus on. In order to accomplish this reform and achieve sustainable business growth, in 2024 the Group established the Finance Committee, which consists of independent outside directors with expertise including finance, accounting, law, compliance, and global management, as an advisory body to the Board of Directors from the perspective of raising shareholder value.

This committee supports new investments and sophistication of investment projects through review and scrutiny of the business strategy from a financial point of view, as well as by monitoring the implementation of these initiatives from the perspective of improving shareholder value.

Main agenda items in 2024

- Evaluation of ROIC analyses for the Group and each individual region
- Consideration of medium-term financial plan, including setting ROE and other financial targets for the Mid-Term Management Plan
- Consideration of the adequacy of various financial initiatives for 2025
- Support for the establishment of rules and guidelines for future M&A

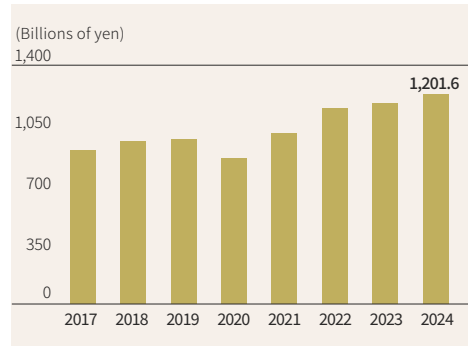
2024 committee members (© indicates Chair)

- © Keiichi Sagawa (independent outside director)
- Yuka Matsuda (independent outside director)
- Andrew House (independent outside director)

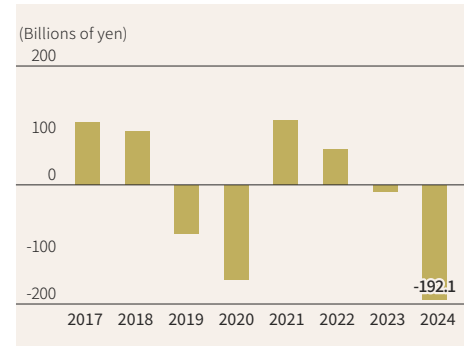
\*At the Board of Directors meeting held following the General Meeting of Shareholders in March 2025, Keiichi Sagawa (Chair), Yuka Matsuda, and Yoshihiko Kawamura (newly elected independent outside director) were appointed members of the Finance Committee.

# Financial highlights

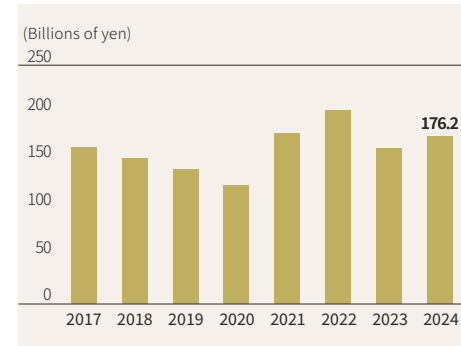
**Net revenue**



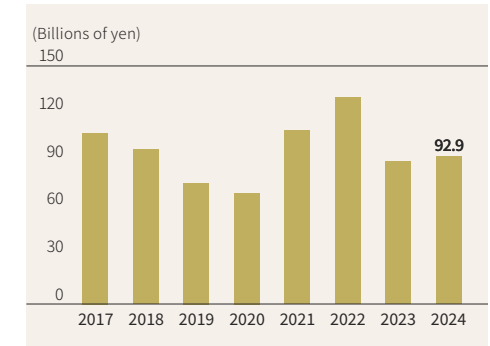
**Profit (loss) for the year attributable to owners of the parent**



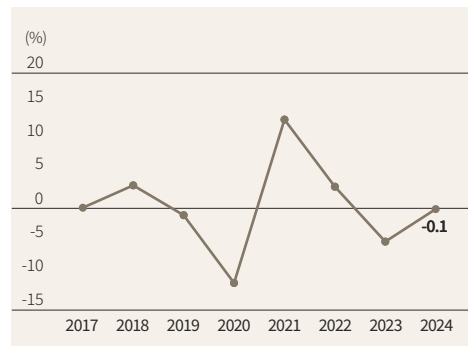
**Underlying operating profit\*1**



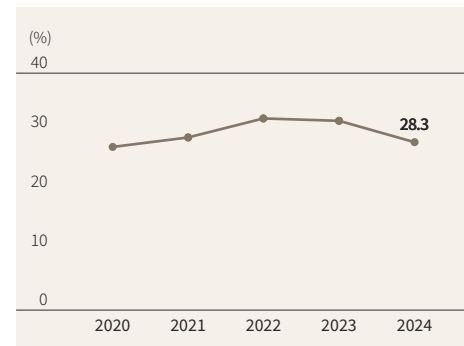
**Underlying net profit (attributable to owners of the parent)\*\*2**



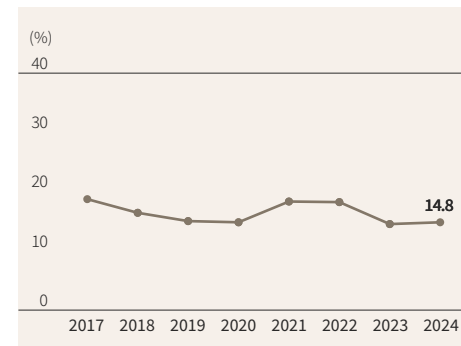
**Organic growth rate\*\*3**



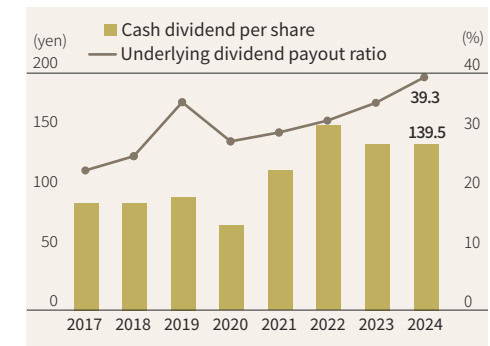
**CT&T\*\*4 ratio**



**Operating margin\*\*5**



**Cash dividend per share/ Underlying dividend payout ratio\*\*6**



\*1 KPI to measure recurring business performance which is calculated as operating profit added with M&A related items and one-off items  
M&A related items: amortization of purchased intangible assets, acquisition costs, share-based compensation expenses related to acquired companies, share-based compensation expense issued following the acquisition of 100% ownership of a subsidiary. One-off items: items such as business transformation cost, impairment loss and gain/loss on sales of non-current assets

\*\*2 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, revaluation of earnout liabilities/M&A related put-option liabilities, gain/loss on sales of shares of associates, tax-related and NCI profit-related and other one-off items

\*\*3 Organic growth rate represents the constant currency year-on-year growth after adjusting for the effect of business acquired or disposed of since the beginning of the previous year

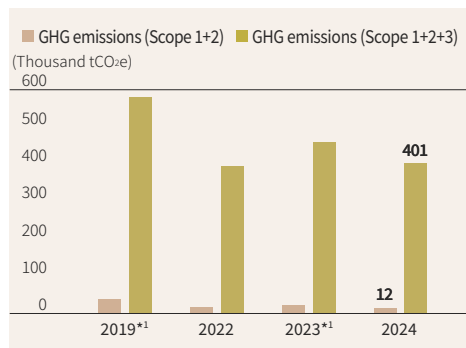
\*\*4 CT&T = Customer Transformation & Technology: new business domain including the services related to marketing technology, customer experience management, commerce, system integration, and transformation & growth strategy

\*\*5 Operating margin = Underlying operating profit ÷ Net revenue x 100

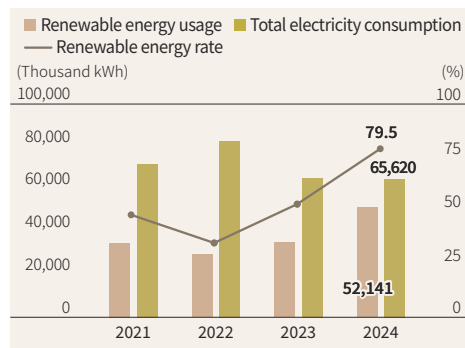
\*\*6 Underlying dividend payout ratio = Cash dividend per share ÷ Basic underlying net profit per share x 100

# Non-financial highlights

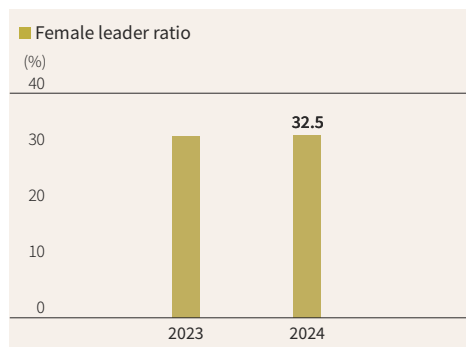
## GHG emissions



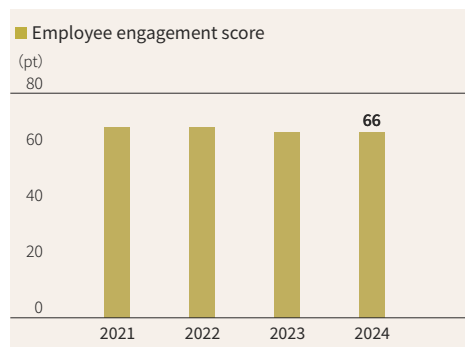
## Renewable energy rate\*3



## Female leader ratio\*2



## Employee engagement score



\*1 Due to changes in the scope of consolidation resulting from M&A, we have recalculated and revised the figures for 2019 (SBT baseline) and 2023 in reference to the GHG Protocol "Chapter 5 Tracking Emissions Over Time."  
 \*2 For details, please see the Independent Practitioner's Limited Assurance Report: <https://www.group.dentsu.com/en/sustainability/common/pdf/third-party-assurance.pdf>  
 \*3 The definition of renewable energy ratio is aligned with RE100.

## External evaluation of our sustainability initiatives

Member of  
**Dow Jones Sustainability Indices**  
 Powered by the S&P Global CSA

Included for the second consecutive year as a member of the Dow Jones Sustainability World Index (DJSI World). Included for the ninth time in the DJSI Asia Pacific Index.



Continued also to be selected as a constituent of FTSE4Good, FTSE Blossom Japan, and the FTSE Blossom Japan Sector Relative Index.



Selected for the first time as a constituent of the SOMPO Sustainability Index, an investment universe for sustainable management.



Awarded a Bronze Medal by EcoVadis for sustainability performance, including in the supply chain.

## Recognitions for creating an environment where our talent can thrive



Recognized for the third consecutive year with a 4.5-star rating by Nikkei Smart Work as a leading company driving a productivity revolution through work-style reforms, earning an S+ rank or higher in the categories of talent utilization, talent investment, and technology utilization.



Dentsu Inc. was ranked No. 1 in the Best Companies to Work for 2025 ranking announced by Japan's OpenWork, Inc., which operates the OpenWork information platform for career change and employment (out of 20,484 companies eligible for the ranking).



Dentsu Soken Inc. (for the third consecutive year) and Ignition Point Inc. (for the ninth consecutive year) were selected as Best Workplaces in the 2025 Best Companies to Work in the survey conducted by the Great Place To Work® Institute Japan.



Received the highest three-star Eruboshi certification from Japan's Ministry of Health, Labour and Welfare (MHLW) as a company promoting women's participation and advancement. Received Kurumin certification from MHLW as a company offering good child-rearing support, based on the Act on Advancement of Measures to Support the Development of the Next Generation.

Platinum Eruboshi Certification: Dentsu Creative Force Inc.  
 Eruboshi Certification (3-star): Dentsu, Dentsu Digital, The Goal, Dentsu East Japan, Dentsu Ad-Gear, Carta Holdings, Dentsu PR Consulting, Dentsu Kyushu, Dentsu Casting and Entertainment, Dentsu Science Jam, Dentsu Hokkaido, Dentsu Meitetsu Communications, Dentsu Operation Partners, Dentsu Corporate One, Dentsu I&C Partners, Dentsu Anime Solutions, Dentsu Live, Dentsu Japan International Brands

Platinum Kurumin Certification: Dentsu Soken, Dentsu Creative Force  
 Kurumin Certification: Dentsu Soken IT, Dentsu Digital, The Goal, Dentsu PR Consulting, Dentsu Soken Secure Solutions



Awarded the highest\* Gold rating for the third consecutive year by work with Pride in their Pride Index, which evaluates companies on their LGBTQ+ initiatives.

## Recognitions for our creativity and innovation capabilities



At Cannes Lions 2024, the world's largest celebration of creativity, dentsu received a total of 25 awards, including a Grand Prix in the Creative Strategy category, two Golds, 11 Silvers, and 11 Bronzes.



Dentsu Inc. won a total of 12 awards, including two Grand Prix—one in the Digital Craft category and the Grand Prix for Good awarded to work for nonprofit organizations—as well as one Gold, one Silver, and eight Bronze awards at Spikes Asia 2025, one of the most prestigious advertising award ceremonies in the Asia-Pacific region. In addition, dentsu was ranked first in Japan in the Agency of the Year by Market category, which recognizes the top agency in each country and region. Group-wide, dentsu received a total of 26 awards.



Named Network of the Year as the most creative network at ADFEST 2025, Asia's leading creative festival (ninth award, fourth consecutive year).

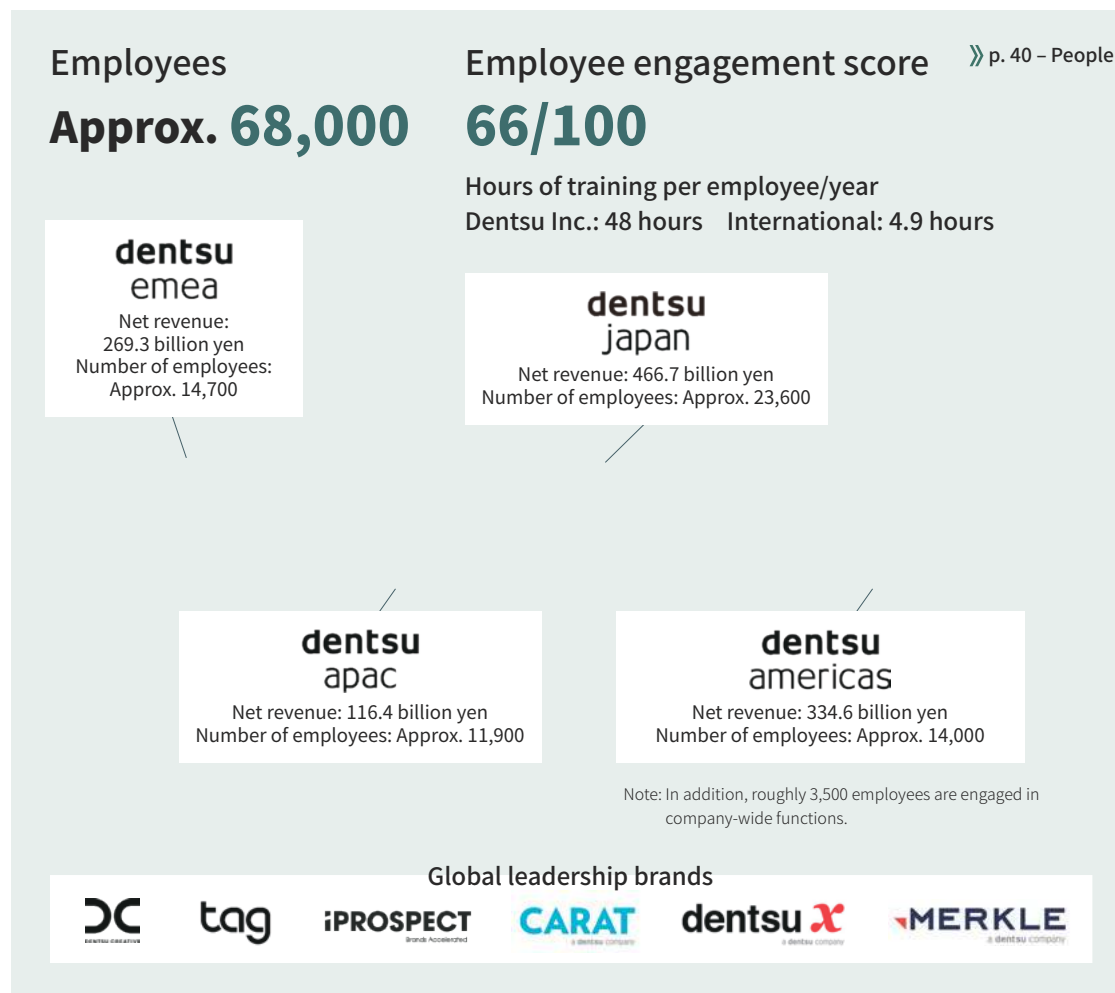
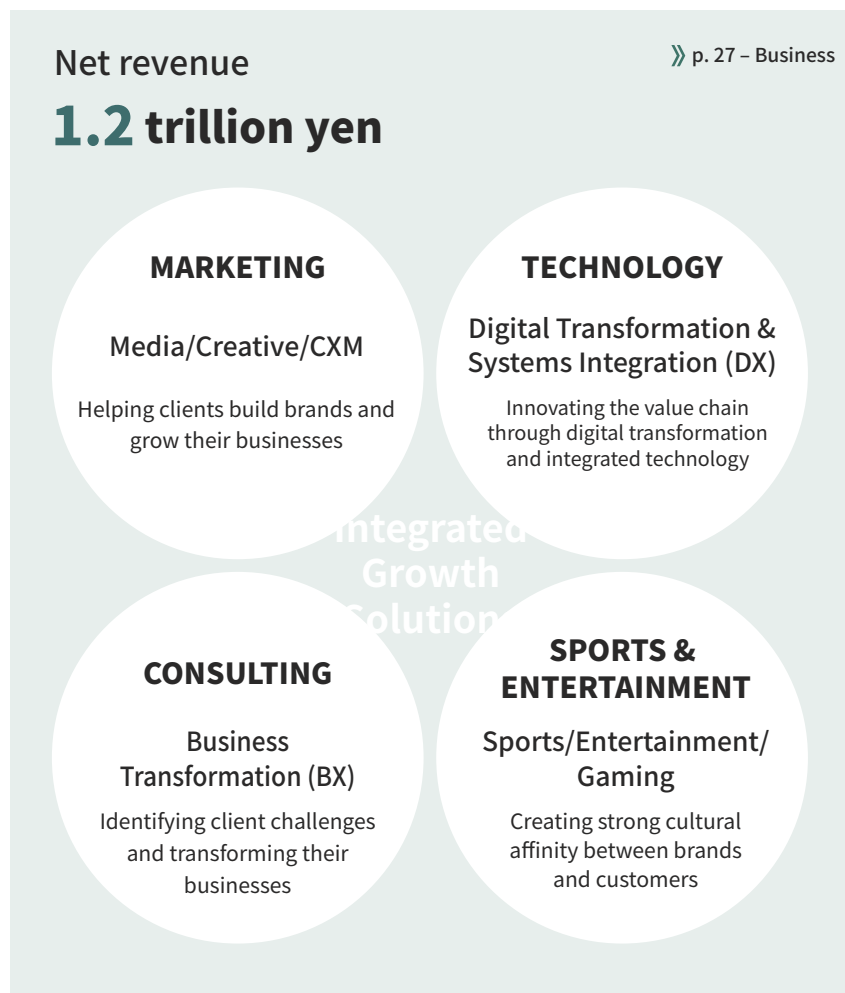
Dentsu Inc. was named Agency of the Year as the most creative single agency (11th award, third consecutive year), as well as Digital Agency of the Year and East Asia Agency of the Year (second consecutive year). Group-wide, dentsu received a total of 43 awards.

Note: Where the company name is not specified, the award/recognition was received by Dentsu Group Inc.



# Overview of dentsu's business

Dentsu's business integrates unique capabilities across Marketing, Technology, and Consulting, as well as Sports & Entertainment, to solve the complex and pressing challenges faced by clients, consumers, and society at large. We foster an environment where employees can grow through their work, enabling us to combine their various strengths and scale our Integrated Growth Solutions (IGS) globally. By combining the power of our global leadership brands, each with their own unique capabilities, IGS continues to evolve and deliver greater value.



Note: For details, please refer to the "Securities Report" and the "Non-financial Databook"



## CSO message

# Strategic overview of our new Mid-Term Management Plan (2025–2027)

**Yoshiki Ishihara** Global Chief Strategy Officer & APAC Lead, dentsu

## A look back at the previous Mid-Term Management Plan

We must acknowledge that the business growth and profitability targets set out in the previous Mid-Term Management Plan (2021–2024) were not achieved.

In terms of internal factors, the underperformance was chiefly the result of overdependence on M&A as a strategy for growth in the International business, which lowered profitability and weakened our competitive advantage. In terms of external factors, major competitors emerged and dentsu suffered from a relatively weakened market position.

## Overview of the new Mid-Term Management Plan

In response to these challenges, we have formulated the new Mid-Term Management Plan from 2025 through 2027 charting a return to robust organic growth for the Group. Under the new plan, we are reevaluating our business portfolio, refocusing our capital and talent into business strategies that leverage our unique capabilities, and directly addressing the need to restore our competitive edge. At the same time, the new plan aims to restore the Group's profitability by reevaluating underperforming businesses and rebuilding the business foundation to achieve systematic, sustainable cost reductions. Successfully executing the main initiatives of the new plan will return the International business to a

growth track, and in 2027, the final year of the plan, we will reach our goal of organic growth of 4% and an underlying operating margin of 16%–17%, working together under the banner of One dentsu.

## Phasing

The Group's first milestone on the path to achieving the targets of our new Mid-Term Management Plan will be to restore profitability, primarily by reevaluating underperforming businesses and rebuilding the business foundation. With regard to reevaluating underperforming businesses, we aim to have zero markets with net losses by the end of 2026.

We will also conduct a thorough review of past acquisitions. For businesses failing to meet our standards, we will act swiftly with improvement programs, divestitures, and other initiatives to eliminate risks to future Group performance.

We will strive to recover profitability and competitiveness in our International business by the end of 2026. We aim to have all four regions on a growth track by 2027, with each region contributing to improvement of shareholder value.

At the same time, we will be rebuilding the business foundation and implementing systematic, sustainable cost reductions. Specific measures will include combining the headquarters functions previously divided between Tokyo and London to eliminate overlap, redefining and simplifying the regional headquarters functions, and introducing stricter cost controls in each market. We will utilize AI, outsourcing, and other initiatives to raise efficiency, with the goal of reducing costs by as much as 50 billion yen annually by 2027.

Note: Please refer to [p. 11](#) for an overview of the Group Mid-Term Management Plan (2025–2027).

COO message

# Focus of the business strategy in the New Mid-Term Management Plan (2025–2027)

**Giulio Malegori** Executive Officer, Executive Vice President, Global Chief Operating Officer, dentsu & Chairman & Acting CEO, dentsu Americas

## A network that wins globally by growing locally

The Integrated Growth Solutions (IGS) we deliver to clients integrate dentsu’s unique capabilities in a broad range of fields, from Marketing and Technology to Consulting and Sports & Entertainment, with the singular goal of realizing our clients’ sustainable growth.

Our ability to deliver IGS is supported by the Group’s three core strengths. First, placing client-centricity at the heart of every part of the business in order to promote strong relationships of trust and a deep understanding of client needs. Second, acting as a true innovation partner to clients as they seek exponential growth to gain an outsized advantage in their market and to develop new categories and revenue streams. And third, being intensely focused on achieving results through a skilled and talented team, whether it be boosting sales, transforming organizations, or fostering positive societal change. In the current Mid-Term Management Plan, these strengths will form the foundation for us to serve as a growth partner for our clients in each market. Supporting the local expansion of our clients in each market will ensure that dentsu will grow globally by accumulating local success.

## Refocusing our capital and people into priority businesses

In pursuit of growth, we will refocus our capital and people into functional strategies designed for each market, client, and capability.

Our market strategy will prioritize Japan and the US, where dentsu has a large revenue base with an abundance of business assets. We will also expand our business in other markets where dentsu has established a robust competitive position.

Our client strategy will continue to revolve around deepening our long-term relationships with clients in each market. To this end, we will bolster our client management organizations to accelerate our Group’s networking at both the global and local levels.

Our capability strategy will highlight the enhancement of added value of the Media domain, which serves as the core of delivering IGS. This strategy will be especially important in our International business as we strive to restore profitability. In Japan, the leading market in our Group’s business portfolio, we will continue to augment our Consulting, Technology, and Sports & Entertainment offerings with the kind of added value only dentsu can provide to differentiate and enhance the sophistication of IGS.

### Focus areas under the new Mid-Term Management Plan

 <b>Market</b>	Focus on Japan and the US, as well as other markets where we have already built a strong position
 <b>Client</b>	Focus on large and medium-sized clients in each market while bolstering our client management organizations
 <b>Capability</b>	Prioritize the enhancement of the added value of the Media domain, which is the core of delivering IGS in the International business, while enhancing the differentiation and sophistication of IGS in Japan



## Focus area 1: Market

# Innovating to Impact

**Jean Lin** Global President – Global Practices, dentsu

### Innovation born from technology and creativity, powering business and making positive impacts on society



Innovating to Impact represents dentsu’s promise to our brands. Our innovations are driven by clear outcomes, with a strong focus on delivering meaningful impact to both our brands and their communities.

In an era dominated by algorithms, where AI increasingly personalizes user experiences behind the scenes, innovation is more essential than ever to truly reach audiences. While algorithms can deliver efficiency and consistency, innovation is the critical ingredient to differentiation and relevance. Ideas are the lifeblood of growth, propelling business forward and leading to positive impacts.

To create significant business impact in today’s world, brands must survive within a landscape governed by algorithms—gatekeepers that control access to culture and commerce. It is only when culture and consumer connect seamlessly that brands can capture unparalleled interest and drive meaningful business impact, sustainable success, and accelerated growth. Winning in the final mile of the purchasing process requires a strong focus on innovation. Moreover, it is essential for brands to become integral parts of people’s cultural lives—through avenues such as sports, entertainment, and gaming.

For more than 120 years, dentsu has driven innovation and built an unparalleled track record of success. Our structured approach to innovation powers our Integrated Growth Solutions—ideas-led, AI-powered, and value-driven. These solutions are enabled by products, platforms, data, and technologies designed for seamless integration and transparency, ensuring every innovation leads to meaningful impact.

To create work that truly shapes culture, it is essential to combine cross-disciplinary creative thinking with a deep understanding of data and technology capabilities. Since the launch of Innovating to Impact one year ago, dentsu has expanded two key business units that are central to our differentiation. The first is Dentsu Lab, founded in Tokyo and now operating internationally, which represents our commitment to building environments where anyone can drive innovation on behalf of brands. Each Dentsu Lab embodies an open mindset,

taking fresh approaches to challenges that may initially appear unsolvable. The second is the global launch of dentsu BX, which powerfully signals our commitment—and our ability—to go beyond advertising, focusing on business impact and leading transformation across the entire organization.

The innovation that dentsu seeks goes beyond the business world, influencing culture, people, and society. By nurturing a culture of innovation, dentsu ensures that brands remain relevant and impactful—actively supporting their success in the age of algorithms and amid a rapidly changing external environment.

## INNOVATING TO IMPACT

**dentsu**

## Focus area 2: Client Client-centricity

**Takeshi Sano** Executive Officer, CEO, dentsu Japan & Deputy Global Chief Operating Officer, dentsu

### Disseminating client insights generated in Japan internationally to become a true partner



The business environments surrounding our clients are constantly evolving, and the challenges they face have become increasingly complex and specialized in nature. Using conventional approaches to find novel solutions can be difficult if not impossible in these types of business environments.

The Group is deploying the client insight it has developed over decades in Japan to other markets around the world. These capabilities enable us to accurately identify and analyze issues at the heart of client challenges, and then share our understanding with clients to reach an agreement. Based on this profound

understanding of our clients and their challenges, we harness the full capabilities of the Group to design highly integrated solutions optimized to their needs. Since our founding, we have leveraged this kind of integrated perspective to deliver innovative services to clients. Our goal has been not just to solve individual challenges, but to join our clients on their journey to sustainable growth and business transformation, providing total support as a true business partner.

### Strengthening the implementation of our One dentsu Operating Model

In 2024, we introduced the One dentsu Operating Model as a framework to maximize the service and value we provide to our clients. With this new model, we consolidated the Group's point of service for each client and established a new structure for rapidly and efficiently delivering sophisticated solutions globally and locally. The One dentsu Operating Model is our solution to bolstering the long, trusted relationships we have with our clients.

In the new Mid-Term Management Plan for 2025–2027, one of the priority business strategies is to strengthen our support for Japanese clients expanding to international markets and for their local businesses, leveraging our global network. We are confident that augmented support for the global growth of Japan-based clients will advance and enrich the One dentsu Operating Model.

### Case study | Nisshin Seifun Welna and dentsu partner for international market growth

- **Background and challenges:** 2024 positioned as the launchpad for international expansion



The Nisshin Seifun Group supplies about 40% of Japan's wheat flour market. Nisshin Seifun Welna boasts the top share\* among Japanese suppliers of pastas and various other household wheat flour products. International business expansion is a priority of the company's medium-term management plan (2022–2026), and 2024 was positioned as the start of full-scale initiatives overseas.

\* Based on INTAGE SRI+ data (cumulative sales value): flour, pasta (spaghetti), pasta sauces, and frozen pasta (spaghetti & sauces and short pasta in the frozen prepared foods category) from April 2024 to March 2025; tempura and okonomiyaki flour from April 2023 to March 2025; and karaage flour from April 2022 to March 2025.

- **Initiative status:** A partner for creating new food cultures around the world

Nisshin Seifun Welna identified Vietnam as a priority market for expansion in 2024, planning a B-to-C business expansion strategy. Dentsu Inc. and Dentsu Vietnam (dentsu X Vietnam and Dentsu Redder) led the project promotion and business consulting through all stages, from developing the country's first consumer-directed brand to product launch and promotion. Dentsu Inc. coordinated efforts with the client's Japan headquarters while Dentsu Vietnam worked with the client's local subsidiary. All the offices collaborated to synergize Nisshin Seifun Welna's Japanese know-how with local approaches to find optimal solutions and lead the project to success. Pasta has yet to become a main part of the Vietnamese diet. Dentsu is working with Nisshin Seifun Welna to create a food culture where pasta can be enjoyed as a daily food choice. Beyond simple advertising, we continue to support the client in strategic business planning and execution to expand the local market. In addition, we are working with Nisshin Seifun Welna to use the business acumen and platforms developed in Vietnam as a springboard for other ASEAN markets, as well as looking further afield to the EU market, where we are already planning to exhibit at one of the world's largest food trade shows.

Nisshin Seifun Welna and dentsu will continue to use their collaborative insights into consumers to broaden the appeal and promise of Japan's abundant food culture around the world, striving to create ever-new cultures.

## Focus area 3: Capability

# Adobe GenStudio dentsu+

**Abbey Klaassen** Global Brand President, dentsu Creative

**Adobe GenStudio dentsu+ powered by proprietary technology delivers highly efficient, groundbreaking solutions across the entire content supply chain**



Around the world, chief marketing officers (CMOs) and chief technology officers (CTOs) are grappling daily with challenges across the content supply chain. They must strike a balance between the rising demand for highly personalized content and the fragmented systems and processes that create friction. With the emergence of generative AI, dentsu is transforming how brands plan, produce, deliver, and optimize content through end-to-end solutions. These AI-powered approaches accelerate

creativity, reduce costs, and enable the delivery of the right content at the right moment—precisely when it matters most to customers.

Adobe GenStudio dentsu+ enhances large-scale content creation and delivery for clients by integrating Adobe’s advanced Content Supply Chain solutions with dentsu’s proprietary tools and capabilities—including audience insight and behavior analysis, generative AI, and translation technologies.

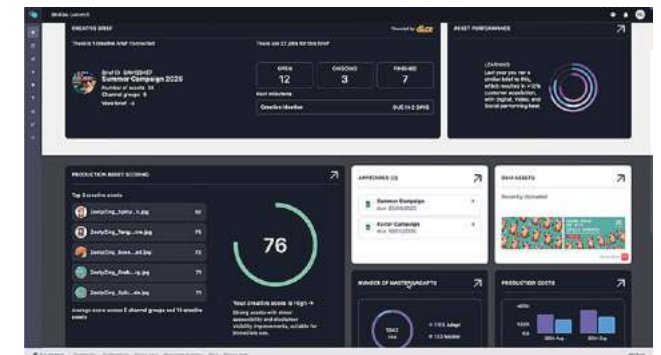
Complementing Adobe’s core functionality, Adobe GenStudio dentsu+ delivers high-quality, integrated solutions such as the following:

- AI-driven creative and production services from Dentsu Creative, including Dynamic Creative Optimization (DCO) and offline distribution
- Data and technology solutions powered by dentsu, including the dentsu.Connect application, proprietary data-media integration infrastructure, and identity and data capabilities
- Implementation support from Merkle, dentsu’s CXM brand and an Adobe Platinum Partner, helping clients optimize content delivery and transform their operating models through cutting-edge technology

By combining these elements, the solution connects every step of the content journey—from campaign planning to content production, management, delivery, and performance measurement—in a seamless, end-to-end process. This innovative approach reduces waste, improves media efficiency, and enhances both engagement and conversion.

Adobe GenStudio dentsu+ is already delivering promising results, beginning to make a tangible impact on our clients’ businesses by addressing critical content challenges, boosting revenue, and enhancing productivity through more efficient content operations.

## Adobe GenStudio dentsu+



## Focus area 3: Capability

# dentsu.Connect

**Shirli Zelcer** Chief Data & Technology Officer, dentsu

### Dentsu's data & technology stack designed to help clients predict their next impact



In 2024, we made significant strides in enhancing our data and technology capabilities internationally through the creation of one centralized Global Data & Technology team to accelerate product feature development, consistency, and agility. Powered by our competitive data, identity, and AI platform, we have expanded upon our media and martech partner relationships to co-create and bring to market industry first innovations; developed an end-to-end marketing solution that facilitates audience creation through planning, activation, measurement, and optimization; and launched an AI-powered audience builder.

Our ambition for 2025 remains focused on continuing to drive the development of an integrated, AI-powered platform that predicts brands' next best impact. Driven by our clients' most complex challenges—from disconnected

technology, unintegrated data, and impersonal personalization—our data and technology platform is designed to deliver what it takes for brands to make a significant impact today.

**1. Global Data & Identity Spine:** Our platform offers a truly global approach, enabling clients to find, win, and grow their best customers through unmatched audience intelligence. This includes our international identity reference-base with AI-generated audiences linked to real IDs and activated through partner platforms.

**2. Seamless Interoperability:** Ensuring no disruptions, our platform seamlessly integrates with existing global and local applications, accelerating adoption and maximizing current data and tech investments. This drives operational efficiency by an average of 25%.

**3. AI-orchestrated Workflow:** Our dynamic experience is supercharged by agentic workflows that help brands find their next best impact across the entire marketing lifecycle—from creative to media and experience. This includes pushing the boundaries of a brief, identifying new growth audiences, and delivering the highest fidelity and single source of truth for agile, data-informed decision-making.

With our data and technology stack designed to enhance our team's craft, maximize efficiency, and deliver unified client and customer experiences, dentsu is powerfully different in helping our clients predict their next best impact:

- **Making the Big Idea Connected:** By leveraging audience fidelity to deliver actionable insights, we understand the person—their behaviors, attitudes, culture, and context—which is key to unlocking growth. Our strategy addresses the lack of alignment to audience preferences by developing thoughtful, audience-first content. This enables us to create dynamic content that drives media effectiveness and production efficiency at scale. By seamlessly

integrating creative concepts across the entire brand ecosystem, we enhance relevance, speed, and scale, ensuring every piece of content is aligned with audience preferences and behaviors for dynamic multi-channel retargeting.

- **Mastering the Algorithm:** In the algorithmic era, AI-powered algorithms are the gatekeepers of modern marketing. Our strategy builds systems that help brands thrive by moving at the speed of culture and commerce. We unlock the potential of AI platform algorithms to elevate resonant creative, optimize investments, and drive outcomes throughout the consumer journey.
- **Accelerating Insight to Impact:** Optimizing future outcomes and delivering results is at the core of our strategy. By aligning every action with business goals, we shorten the gap between insights and action. Our data science models are highly predictive, deployed on the highest fidelity data, and deliver significant improvements in business outcomes—125x faster insights, 20% more predictive AI, and 30% better outcomes.

Together with our Data, Identity, Technology and AI, the human craft across our agencies, and our client's investments, we are predicting the next best impact for businesses, delivering on our client promise of Innovating to Impact.

**DENTSU • CONNECT**



## Next-generation growth area: Sports & Entertainment

### Connecting brands and society through the power of Sports & Entertainment

In the Sports & Entertainment industry, dentsu has a long history of creating value that connects businesses with consumers and wider society.

We partner with international sporting events, professional leagues, and athletes to raise corporate brand value and help solve challenges facing society. In recent years, we have also become involved in stadium development and operations as part of a broadened range of ventures designed to revitalize regional communities. In the entertainment field, we invest in and collaborate on the production of a variety of content and intellectual property, including films, animation, video games, and music. Through these initiatives, we strive to cultivate and grow new markets, while utilizing intellectual property to help companies develop storylines behind the brand experiences for their customers.

On June 16, 2025, the Group announced the global launch of Dentsu Sports & Entertainment, a new Group-wide initiative that brings together capabilities from both domestic and international operations. Moving forward, we will leverage our One dentsu approach to strengthen our globally integrated support, combining our global networks, expert talent, technology, and data to address clients' marketing and branding challenges with highly sophisticated solutions in this field, while supporting the global expansion of intellectual property and value creation.

#### Case study | B.LEAGUE GROWTH PARTNER



Our work for Japan's professional basketball league, B.LEAGUE, extends far beyond the conventional sale of sponsorship rights into multiple collaborative areas, including support for the development of growth strategies as well as fan marketing strategies.

We are committed to B.LEAGUE's overall growth, leveraging dentsu's entire network, data, technology, and creative assets to fulfill our role as the league's growth partner. This is just one of many sports-related projects we are spearheading to support the revitalization of Japan's regional communities and the sustainable development of sports culture.

#### Case study | Expo 2025 and STAGE:0 offer a glimpse into the future of e-sports and teen culture



Dentsu is sponsoring the seventh annual STAGE:0, one of Japan's largest e-sports competitions for high schoolers, at the Expo 2025 Osaka, Kansai. E-sports are a new platform for younger generations that is diverse, fair, and inclusive, and in which everyone can take part regardless of gender, physical ability, or location. We consider e-sports to be a culture of the future. Through marketing initiatives, we are raising awareness of the social significance of e-sports and collaborating on the launch and operation of new business in the industry, working with our partners to share the passion throughout Japanese society and around the globe.



## CCRO message

# In the AI era, the unique creativity of dentsu's talent will truly shine

**Yasuharu Sasaki** Global Chief Creative Officer, dentsu

## The drive to delight others sparks true innovation

AI is evolving rapidly, and at dentsu, we are leveraging our AI capabilities to deepen insights, enhance creative expression, and optimize advertising effectiveness. Our AI is even being trained on the thought processes of dentsu's creative talent, enabling it to support everything from concept development to business design. As a result, we are building an integrated workflow that unites human creativity and AI.

Ultimately, the impact of AI depends on how it is used. If everyone uses AI in the same way, the output will inevitably become homogeneous, and people will lose interest. That is why human-led creative direction, rooted in empathy and originality, will be the driving force behind breakthrough innovations. The future will not belong to those who simply learn from AI, but to those who can also teach and guide it.

At dentsu, creativity runs through every area of our work, regardless of our individual role. To us, creativity means having the mindset and ambition to bring joy to others. For more than 120 years, dentsu has thrived as a collective of unique professionals across Media, Creative, CXM, Digital, Sports & Entertainment, Brand Experience, and more. We go beyond expectations to create positive change in the world. This dedication fuels creativity across all domains and drives bold B2B2S innovation.

## Creating the future through transformative creativity and AI

In times of uncertainty, companies are searching for direction—for the future. At dentsu, we combine foresight with creativity to drive transformation at the core of business and management. We aim to surprise and inspire across industries, creating meaningful change. This is the essence of dentsu's transformative creativity. Organizations such as Dentsu Lab and the Future Creative Center are leading the way, connecting emerging technologies and future-focused visions with business innovation. While it is easy to focus on tools and execution, the true value of our work lies in the originality of the ideas that shape them.

By combining transformative creativity with AI, we are accelerating innovation across dentsu. AI enables easier access to knowledge across fields, making interdisciplinary collaboration more fluid. For dentsu, this is a powerful advantage. It allows us to connect the full range of capabilities across our Group, spark more innovation, and bring to life ideas the world has yet to imagine. With bold ideas that transcend boundaries, the ability to orchestrate vibrant and inclusive experiences, and the unique creativity in each of us, dentsu will continue delivering lasting impact—to people, to businesses, and to society.

# B2B2S case studies

B2B2S aims to generate both economic and social value for businesses. Solving social issues is never easy—particularly in the age of AI, when ideas must increasingly resonate with people on a deeper, emotional level. To bring such projects to life, the ability to connect individuals with media, platforms, and companies is essential. From this perspective, we

introduce some of dentsu’s initiatives that have achieved business viability, solutions to social challenges, measurable impact, insights into people, application of Integrated Growth Solutions, embodiment of our purpose and vision, and broad collaboration both inside and outside the organization.

## Inflation Cookbook

### Rising prices are driving food insecurity, even in developed countries. Chefs and nutritionists provide healthy recipes using AI-predicted lowest-cost ingredients

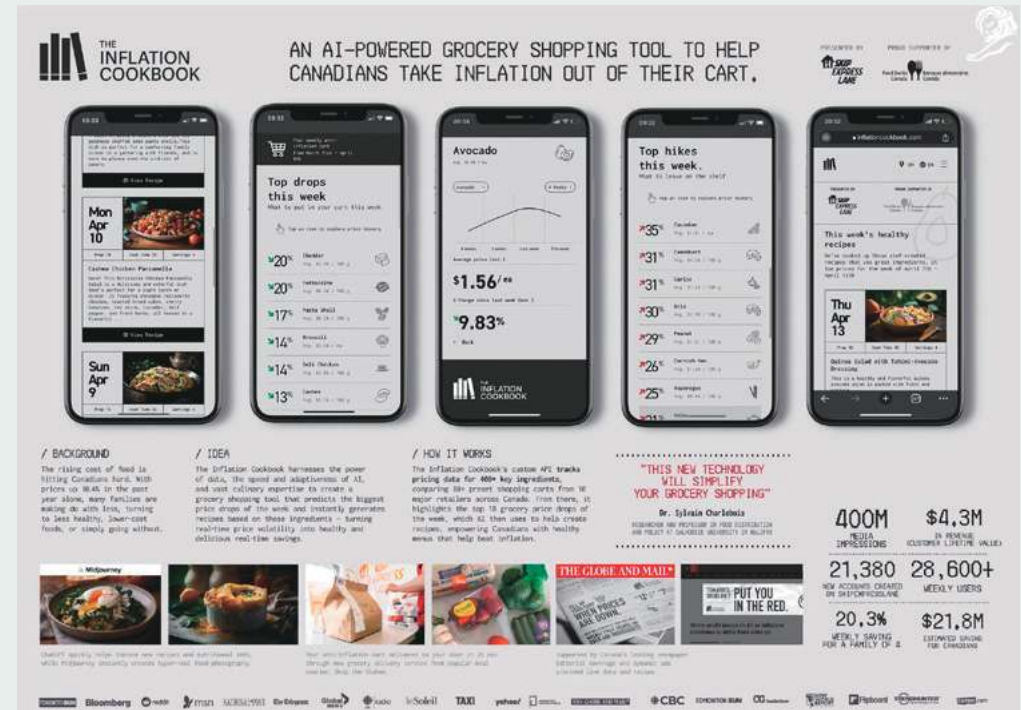
#### Client: Skip

Due to the sharp rise in food prices, even in the developed nation of Canada, more households are reducing meal portions or opting for lower-priced processed foods. Nutritional deficiencies among the population have become a social issue, with malnutrition being especially serious for children.

To address this, Dentsu Creative Toronto launched the Inflation Cookbook together with Skip, a Canadian food delivery service. Using AI to analyze the prices of 400 food items across more than 80 stores nationwide, the system predicts the lowest-cost ingredients each week. The website, which includes an app, features recipes inspired by chefs and vetted by nutritionists, all based on these affordable ingredients.

Canadian consumers were estimated to have saved a total of CAD\$21.8 million through the initiative by December 2023. The project received extensive media coverage, successfully drawing widespread public attention. With roughly 28,600 weekly users, the company generated more than CAD\$4.3 million in revenue.

A deep understanding of people’s desire to enjoy tasty, healthy meals at an affordable price played a key role in addressing this social issue.



Dentsu was awarded Gold in the Creative Strategy and Media categories at Cannes Lions 2024.

Note: This initiative exemplifies Innovation, one of the material themes in our 2030 Value Creation Strategy, through its focus on partnerships and ecosystem incubation for the future of society.

### A Piece of Me

## A campaign that began as an online risk awareness initiative for youth and led to the revision of sex crime laws

### Client: KPN

The non-consensual sharing of personal sexual images online remains a serious social issue. As part of its commitment to building a safer digital environment, KPN, the Netherlands' largest telecom provider, partnered with Dentsu Creative Amsterdam to launch the “A Piece of Me” campaign, aimed at raising awareness among young people about the risks of sharing intimate images online. The campaign led to a 9% increase in brand consideration, a 16% rise in brand trust, and a 16% improvement in perceptions of KPN as a brand that drives positive social impact.

The campaign served as a catalyst for legislative change in the Netherlands, where Parliament passed a law classifying the sharing of someone’s personal sexual images online without consent—along with the associated shaming and harassment—as a sexual offense. The initiative is now gaining global traction, with an English version of the campaign recently released.



Grand Prix winner in the Creative Strategy category at Cannes Lions 2024.

### Carry On Learning: Scholar Panel

## Discarded suitcases help solve noise issues in schools and significantly improve the learning environment

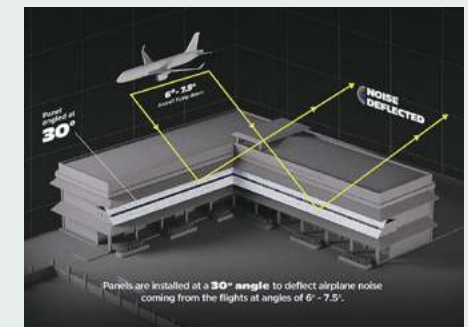
### Client: Samsonite

Dentsu Creative Indonesia offered Samsonite ways to repurpose suitcases collected through a trade-in program for its customers. They developed an innovative solution by converting the suitcase shells into panels and installing them in schools near airports to reduce noise levels by up to 40 decibels. These “Scholar Panels” effectively mitigate disruptive aircraft noise. The team took charge of everything from panel production and coordination with schools to installation management and PR strategy.

Students at the pilot school had previously been exposed to aircraft noise levels severe enough to cause hearing loss, and the installation significantly improved the learning environment. The campaign generated approximately USD\$60,000 in PR value and over 101 million total impressions. Encouraged by its success, the Indonesian government plans to expand the initiative to schools across the country.



Shortlisted in the Design category at Cannes Lions 2025.



**TUNA SCOPE**

## Transforming Japan's traditional eye for quality into a global standard through AI. Pursuing income growth for fisheries workers and sustainable marine resources

Tuna quality has traditionally been assessed through tacit knowledge—skills cultivated through years of human intuition and experience. As Japan faces a decline in expert graders due to its aging population, Dentsu Inc. has spent more than five years training AI through deep learning to replicate this expertise. The result is TUNA SCOPE, an AI-based tuna grading system. In collaboration with leading revolving sushi chain Kura Sushi, TUNA SCOPE enabled the rapid remote purchase of high-quality tuna from overseas markets. The AI-selected tuna achieved sales three times higher than expected and continues to be a long-running seller at supermarkets.

Meanwhile, in Indonesia—one of the world's largest tuna-producing countries—the absence of skilled graders like those in Japan has led to inconsistent and opaque evaluations, making it difficult to determine fair pricing. This has contributed to unstable incomes for local fisheries workers and issues such as overfishing.

To address this, Dentsu Inc. is leveraging TUNA SCOPE to establish a standardized quality grading system for Indonesian tuna, with the goal of ensuring fair pricing and enhanced product value. In December 2024, the project was selected by the Japan International Cooperation Agency (JICA) under its “Support for SMEs and SDGs Businesses” initiative. The effort is expected to contribute both to improving livelihoods for Indonesian fisheries workers and to the sustainability of marine resources.



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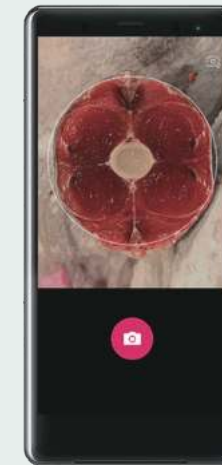


Image capture



Result



Grand Prix winner in the Creative Data category at Spikes Asia 2022.

**AI for EVERY****Delivering AI services that blend consumer-centric insights with advanced AI technology to solve social challenges****Business partner: Hitachi, Ltd.**

As generative AI technologies advance, there is growing demand for AI services that blend a human touch with a deep understanding of consumers' daily lives. To design and deliver optimal customer experiences, Dentsu Inc. and Dentsu Digital Inc. have teamed up with Hitachi—renowned for its advanced digital transformation (DX) solutions across industries—to launch the collaborative project, AI for EVERY. This initiative aims to explore and provide new generative AI services that contribute to solving social issues.

The first joint offering, “Today’s Whimsical Recipe,” uses Hitachi’s demand-forecasting system to accurately predict ingredients at risk of going unsold. A generative AI engine—trained on the insights of dentsu’s creative experts—then generates recipes using those ingredients. Leveraging Dentsu Digital’s Mugen (“Infinite”) AI Ads know-how, the service delivers these recipes via signage and mobile apps in retail environments, creating unexpected moments of discovery for consumers and helping to reduce food waste.

Moving forward, the partners will explore additional generative AI-powered services across a broader range of sectors.

**AIQQQ Studio****Ideas that create corporate value. A concept development solution refined by AI and creators****Clients: dentsu Japan clients**

In the development of corporate businesses and services, the stagnation of ideas and difficulty in achieving breakthroughs, along with insufficient time for deliberation, are ongoing challenges. Dentsu Japan has combined human intelligence with AI intelligence under its AI strategy, AI For Growth, which supports growth for clients and society. As part of this initiative, dentsu Japan significantly revamped AIQQQ Studio in May 2025.

By leveraging creative thinking methods cultivated by dentsu Japan over many years alongside extensive consumer data, AI rapidly generates ideas free from preconceived notions and instantly simulates interviews with realistic customer personas. The system also supports workshops, enabling the generation, verification, and refinement of hundreds of ideas within approximately one month. Global deployment has also begun.



**IMD Business School research support**

## Uncovering modern consumer mindsets to reinvigorate sustainable innovation in business

**Business partner: Institute for Management Development (IMD)**

Based on our B2B2S management policy, we have supported research for IMD, an independent academic institute based in Lausanne and Singapore, since 2023 to ensure that our corporate contributions to society remain sustainable. We provide a framework that positions corporate sustainability efforts not just as regulatory compliance or reporting requirements but also as drivers of business transformation and growth.

We appointed Professor Goutam Challagalla of IMD as dentsu Group Chair in Sustainable Strategy and Marketing and support IMD's Center for Sustainable and Inclusive Business, which delivers cutting-edge insights and solutions to companies aiming to create positive social and environmental impact. By combining IMD's strategic expertise with our knowledge of consumers and marketing, we co-create value that contributes to the sustainable growth of our clients.



**dentsu good**  
a sustainability accelerator

**SUSTAINABILITY TO IMPACT**

## Program transforming sustainability from something “we have to do” to something “we want to do”

**Clients: dentsu Japan clients**

Sustainability builds new relationships between companies and society while enhancing corporate value. Although interest in sustainability is high, many companies face challenges linking sustainability initiatives to their business and fostering employee ownership of these efforts. In response, in August 2024, dentsu Japan launched its sustainability promotion support program, SUSTAINABILITY TO IMPACT, which harnesses its extensive expertise in “moving people’s hearts” to support co-creation of ideas that address social challenges together with clients.

Using a people-driven model, the program offers concrete actions tailored to each client’s situation and challenges—from diagnosing overall corporate activities and formulating strategies to driving transformation through initiatives and business ideas, and communicating efforts both inside and outside the company.

Note: These initiatives exemplify Innovation, one of the material themes in our 2030 Value Creation Strategy, specifically highlighting thought leadership content promoting actions toward a more sustainable society.

**CHRO message****Winning by developing Integrated Growth Partners****Miho Tanimoto** Global Chief HR Officer, dentsu**Our people**

At dentsu, our business is powered by people. By bringing together individuals with wide-ranging expertise and integrating their strengths, we unlock creativity, deliver innovative solutions to address client growth challenges, and bring those solutions to life. This collaborative dynamic lies at the heart of our business model—and defines our role as an Integrated Growth Partner, committed to driving sustainable growth for both our clients and society.

In addition, dentsu has always been driven by employees who find purpose in seeing clients thrive. This client-centric mindset remains constant, even as technology evolves and the business and societal landscapes undergo profound change. In fact, the more technology advances, the more certain we become: it is people—through their ingenuity and intent—who transform potential into value.

We believe that every individual has a fundamental desire to contribute and grow. This belief drives our commitment to building an environment where every employee can explore their potential, embrace new challenges, and continue to grow. We are confident that such efforts lead not only to business success but also to lasting value for society.

Reflecting this belief, our HR policy is rooted in believing in brilliance—a commitment to empowering and energizing our people. We are focused on building a vibrant organization where individuals thrive through meaningful challenges, guided by the following priorities.

**Combining wide-ranging expertise as an Integrated Growth Partner**

Our strategy centers on uniting people with unique expertise and combining creativity with technology to deliver impactful solutions—what we call Integrated Growth Solutions (IGS)—to address the challenges faced by clients and society. Client needs are constantly evolving, and so too are the skills required of us as professional partners to drive true, sustainable growth.

**Three focus areas to win as a people-centered organization**

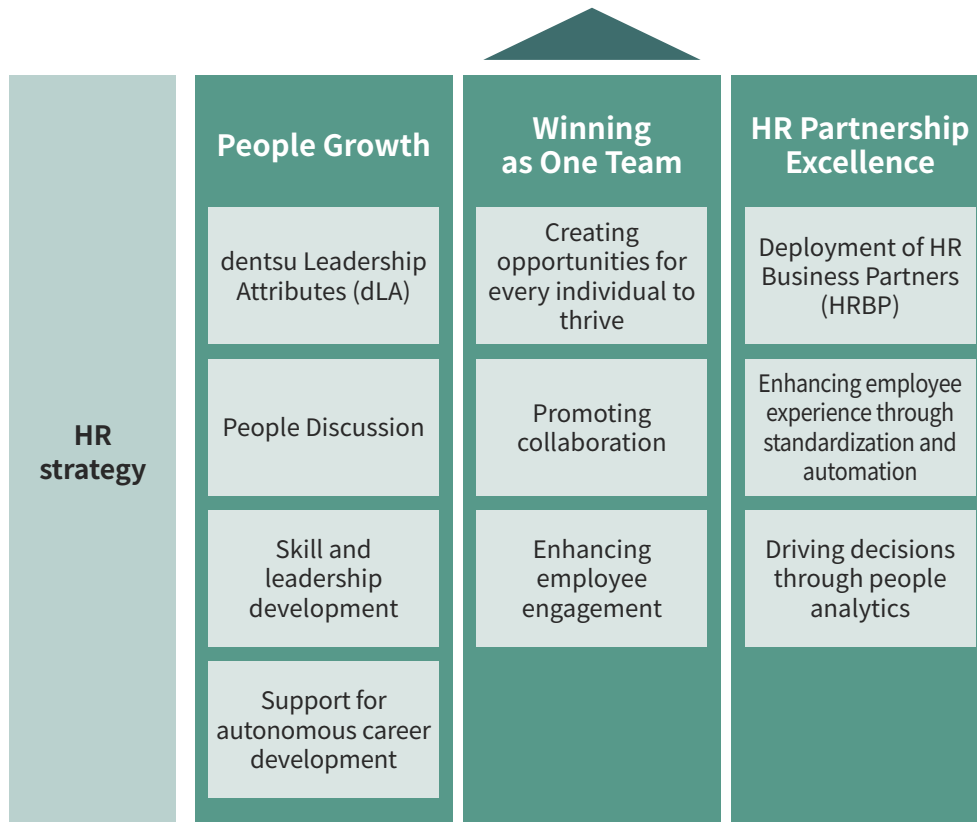
To nurture our strength in IGS, scale it globally, and enhance our solution capabilities across markets, we must continue to empower our people. We are focusing on the following three areas to become a truly people-centered organization:

1. People Growth – Supporting employee growth and deepening expertise
2. Winning as One Team – Fostering deep collaboration and energizing our organization
3. HR Partnership Excellence – Uniting HR and business teams to drive growth



## HR strategy to unleash the power of our people

<b>Purpose</b>	<b>an invitation to the never before.</b>
<b>Management policy</b>	<b>B2B2S—Resolving social issues together with clients, and achieving sustainable growth for all</b>
<b>Business strategy</b>	<b>Delivering Integrated Growth Solutions through the One dentsu framework</b>



## People Growth

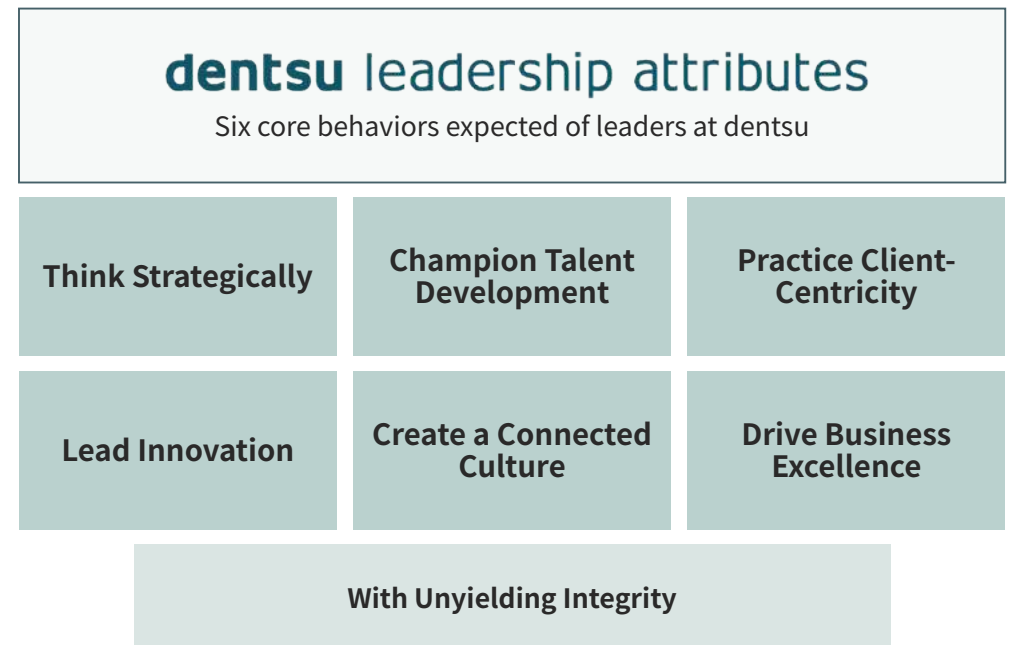
### Supporting employee growth and deepening expertise

#### dentsu Leadership Attributes (dLA):

#### Organizational foundations built on leadership

At dentsu, we believe leadership is defined by actions that positively influence others, regardless of one’s role or title. To embody this, we developed the dentsu Leadership Attributes (dLA)—a leadership behavior framework shaped by extensive input from employees and leaders reflecting on what drives dentsu’s growth. Set to launch globally as a unified standard in 2025, dLA is already being embedded into key HR processes, including goal setting, performance evaluations, and development planning.

Through this framework, we aim to foster a culture where every employee demonstrates leadership and proactively drives change.



**People Discussion:****Group-wide talent development dialogues**

As part of our talent development using the dLAs, leaders regularly hold People Discussion sessions to review employee growth and development plans. These discussions help identify skills and potential, enabling targeted actions to build stronger talent and teams.

Importantly, these sessions are not for performance evaluation but focus on leadership behaviors and future growth potential, fostering positive dialogue aimed at nurturing the next generation of dentsu leaders. Through ongoing discussions, we enable strategic HR planning that supports succession development and optimal placement.

In its first year, 2023, the program targeted the top 100 global leaders; in 2024, the scope expanded significantly within Japan. Today, it covers over 4,000 employees. This initiative accelerates identification and development of growth opportunities while cultivating a culture where leaders actively develop the next generation of leaders.

**Enhancing client value through skill development**

Building on the growth potential identified in People Discussions, we offer a variety of development opportunities with a focus on key skills essential for driving IGS. Central to this is the ability to thoroughly understand client challenges and deliver integrated, impactful solutions.

To extend the expertise developed in Japan to a global scale, we have launched the EIGYO training program internationally. Participants gain knowledge from leading IGS practitioners in Japan and overseas on client-centric problem-solving, strategic planning, and cross-departmental solution development.

We are also integrating AI into all aspects of our operations to deliver higher-value solutions. Creating a culture where

employees actively explore and share technological knowledge is vital to nurturing AI talent. Our global AI community includes over 7,000 members who regularly exchange insights. Collaborative hackathons with clients and platform partners further support this effort.

In Japan, we are expanding AI skill certification and training programs to empower employees to effectively leverage new technologies and enhance client proposals. Alongside this, we promote initiatives to improve AI literacy Group-wide, with attention to ethics and governance.

**Cultivating global change leaders to drive the future**

To successfully expand IGS on a global scale, strong leadership talent capable of driving this vision across borders is essential. To support the continuous development of globally active leaders, we have established a comprehensive talent development framework featuring tiered and cross-market programs such as:

- dentsu Leadership Connect: A next-generation leadership program designed to deepen understanding and practical skills related to our global strategy. In 2024, 40 global leaders participated, sharing best practices and broadening their perspectives as change leaders.
- dentsu NEXT 20: A new initiative focused mainly on the Japan market that selects promising global leadership candidates. Through immersive experiences at overseas locations, participants undergo rigorous self-reflection and take on challenging assignments to foster growth as purpose-driven leaders.

Bringing together talented individuals from around the world, this engagement between current and emerging leaders sparks dynamic discussions about dentsu's future, energizing the organization on a global scale.



dentsu Leadership Connect

**Listening to our people and exploring growth together**

In addition to selective development programs, accelerating the growth of each individual requires an environment where employees can take ownership of their careers, explore personal themes at their own pace, and take on challenges in a fair and open setting—regardless of their tenure or background. To promote career autonomy, the HR department and the business transformation (BX) team, which drives organizational transformation, have jointly launched the Human Capital Project in Japan. This employee-driven initiative focuses on organizational development by actively collecting feedback and exploring what it takes to build an empowered organization where individuals are motivated to pursue meaningful careers. Through cross-hierarchical workshops and open dialogue, a shared understanding has emerged: career autonomy is fostered when employees identify what they truly want to do, continuously take on new challenges, and grow within an environment full of open opportunities. Moving forward, we will continue co-creating HR

initiatives with our people, using their intentions and values as guiding principles.



Human Capital Project: Empowering each individual's will

## Winning as One Team Fostering deep collaboration and energizing our organization

### Engagement: Listening to employees and shaping the organization together

A strong sense of engagement—where employees feel connected to the company's direction—is key to creating a vibrant and resilient organization. At dentsu, we conduct a global annual engagement survey, Check In, to better understand how our people feel and what they need to thrive. Each team then develops its own action plans based on the results, ensuring that improvement starts close to the ground. At the broader organizational level, we are working to enhance communication from leadership and deepen employee understanding of our shared vision and strategy. In 2024, approximately 200 senior leaders from around the world gathered in Tokyo for in-person discussions and strategic alignment. Throughout the year, we also hosted regular Dentsu

Global Leadership Meetings for the top 1,200 leaders, as well as town halls and Open Talks that facilitate direct dialogue between leaders and employees. By creating more open and timely communication between leadership and teams, we are fostering greater transparency, strengthening trust, and driving collective engagement across the organization.



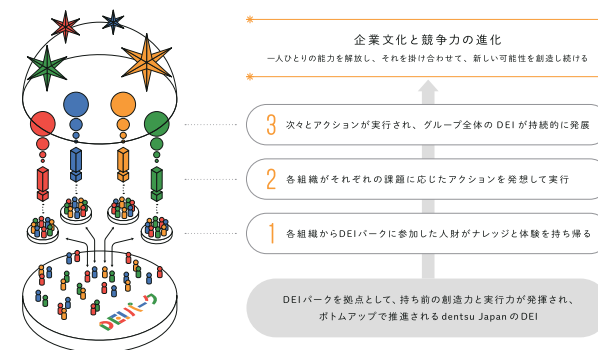
Snapshot of the Senior Leadership Meeting

### Creating an environment where every individual can thrive

At the heart of IGS is the power of a multitude of talent, expertise, and perspectives coming together. At dentsu, we are committed to fostering a culture of mutual respect, setting it as a shared goal across the Group. Specific initiatives are tailored to the unique social and cultural contexts of each region.

In Japan, we have been running the DEI Park since 2021—a platform that accelerates bottom-up DEI-related actions across individual companies and teams. Since 2022, selected DEI leaders from each organization have gathered to build foundational knowledge, listen to minority opinions, engage in open dialogue, and bring their insights back to their own teams. By doing so, they

lead tailored initiatives that address their team's specific challenges, fostering personal ownership and driving sustainable action. As of June 2025, around 1,500 DEI leaders have participated in the program, and in 2024, approximately 70% of all dentsu Japan employees took part in DEI-related actions.



Implementation structure of dentsu Japan's DEI Park

In the EMEA region, we are delivering an inclusive marketing program designed to equip employees with the skills to engage clients in open and meaningful conversations. So far, 93 employees across CXM, creative, client services, and strategy have completed the program, with plans to expand it into the media domain.

Meanwhile in APAC, we continue to focus on raising awareness and driving inclusion for underrepresented communities. Programs around neurodiversity, mental health, and LGBT+ inclusion highlight the importance of these communities not only within dentsu, but also for our clients and society. In 2024, more than 4,000 employees participated in initiatives such as dentsu APAC's Inclusion Month and joint programs exploring the workplace impact of menopause. Our Voices Library, developed in collaboration with partners like

Mastercard and Microsoft, further positions dentsu APAC as an inclusive workplace.

At the Group level, we monitor employees' sense of respect through our regular Check In survey, aiming to build a workplace where all professionals can confidently bring their full capabilities to life. We have also revised our gender goals, setting a new aspirational goal for women to hold 35% of leadership positions across the Group (excluding the US) by 2030. This goal is based on the critical mass theory, which suggests that when minority representation exceeds one-third, individuals are less likely to feel marginalized.

### Striving to be a great place to work

To continuously generate innovation through creativity, it is essential to provide an environment where employees can thrive. At dentsu, we emphasize a results-oriented approach to work. While maintaining flexibility through hybrid and remote work options, we also encourage in-person collaboration at offices. This is because face-to-face interaction plays a vital role in fostering the ideas and creativity that are core to dentsu's strengths.

We have also introduced a well-being leave system to help employees manage their own work-life balance, enabling them to take time off and work with autonomy.

Thanks to initiatives such as these, several of our companies and regions were recognized last year as great places to work. We will continue to enhance both the opportunities and the environment that empower employees to stay motivated and engaged.

### HR Partnership Excellence

## Driving growth through close collaboration between HR and business units

To strengthen our unique expertise and cultivate a collaborative culture, HR must act as a transformation partner fully integrated with the business. Working alongside business leaders to deliver talent management that precisely addresses business challenges requires ongoing efforts to enhance the quality and productivity of HR services. In today's fast-evolving technological environment, the ability to provide high-quality services efficiently and with agility is a key driver of organizational competitiveness.

### HRBPs supporting the business frontline

A key element in achieving this is the deployment of HR Business Partners (HRBPs), who drive talent management as strategic partners to the business.

Since 2019, the HRBP system has been implemented in our International business, where HRBPs have worked closely with leaders to promote talent management and organizational transformation tailored to regional challenges. In 2024, efforts focused on facilitating smooth leadership transitions and optimizing organizational structures. Moving forward, support will be intensified to help each division evolve into a leaner, more agile organization.

In Japan, the HRBP initiative is still in its early stages, with knowledge being accumulated through practical experience. In the future, domestic and international HRBPs will collaborate to build a system that closely aligns with business strategy, aiming to establish a more comprehensive and effective HR partnership.

### Enhancing HR operations to improve the employee experience

To elevate the experience value for each employee while increasing overall organizational efficiency, we are focusing on improving HR service processes.

In our International business, we promote the use of the integrated platform, Ask People Services, to streamline routine HR inquiries and procedures. By incorporating process automation tools such as AI-powered chatbots, we encourage self-resolution and aim to improve both response speed and service quality.

Additionally, as a foundation for our service system, we are strategically expanding the use of nearshore and offshore centers. Alongside broadening the range of HR services they can handle, the volume of tasks processed at each location continues to grow steadily. For example, at our South America center, customer satisfaction rates exceed 90%, demonstrating a high level of service quality.

We are also revising work-related policies, including the remote work policy and international mobility policy, to ensure they are consistently applied across the entire Group. These updates aim to support an environment where employees can work flexibly and productively.

### Utilizing HR data and technology

As a foundation supporting strategic talent management, it is essential to continuously enhance our HR data and systems. Insights derived from talent data not only improve the quality of business- and talent-related decision-making but also contribute to a better experience for each employee.

At the core of dentsu's talent data infrastructure is our career framework, a standardized system that defines job functions and job levels. By identifying internal jobs based on this framework, dentsu not only gains valuable insights into its talent pool but also empowers employees to explore a variety of career paths

and take ownership of their career development. Currently, job labeling aligned with this framework has been implemented for approximately 50,000 employees in our International business. The use of standardized criteria and integrated talent data supports the streamlining of HR processes—including performance evaluation, compensation, development, and people analytics—while also enhancing efficiency through AI-driven solutions. In Japan, dentsu has also begun building a

unified talent database aligned with these global standards, starting with the standardization of job levels, with the aim of creating cross-company opportunities and enabling more strategic talent placement.

### In closing

Our goal in HR is to believe in brilliance and energize our people.

We believe that only when each individual's drive to contribute and grow is activated can we truly deliver value as a trusted Integrated Growth Partner for our clients around the world. We are committed to building an HR infrastructure that fuels this energy—together with the business.

Ideal image	Indicators of progress	2023 figures	2024 figures
Employees willing to contribute positively to the team/organization (high engagement)	“Engagement” score	66	66
Employees adding new capabilities with adequate growth opportunities	“Growth opportunity” score	66	66
Well established successor pipeline (leadership development)	Group executive management successor readiness rate	None	100%* <small>* Includes emergency coverage</small>
Every individual is enabled to contribute and thrive within our organization	Female leader ratio	32.4%	32.5%
Employees work with mutual respect	“Respect” score	78	77
Active collaboration among employees	“Collaboration” score	69	68
Engaging in correct behavior based on integrity	“Personal integrity” score	81	80



# Integrating environmental risks, opportunities, and resilience into our business strategy

## Our approach

At dentsu, we aim to achieve sustainable business growth by integrating environmental risks, opportunities, and resilience into our business strategy.

We have conducted scenario analyses on the impact of climate change on our business and published reports in line with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). In 2025, we carried out analysis and reporting based on the IFRS Sustainability Disclosure Standards issued by the International Sustainability Standards Board (ISSB), referring to the climate-related disclosure standard IFRS S2. This has enabled us to clarify how climate-related risks and opportunities affect the Group's financial position. For details, please see dentsu's [Climate-related Disclosures 2025](#).

## Overview of climate-related risks and opportunities across dentsu's business and value chain

Impact on business		Exposure under a net-zero scenario			Impact on business		Exposure under a net-zero scenario		
		Short term (2025-2029)	Medium term (2030-2039)	Long term (2040-2050)			Short term (2025-2029)	Medium term (2030-2039)	Long term (2040-2050)
<b>Transition risks</b>				<b>Transition opportunities</b>					
Revenue decline due to changes in the global economy	Net-zero transition				Access to new markets, partners, and businesses	Net-zero transition			
	Delayed transition					Delayed transition			
	Current policy trajectory					Current policy trajectory			
Changes in demand for sustainability services due to regulatory shifts	Net-zero transition				Deployment of low-carbon technologies in own business and client services	Net-zero transition			
	Delayed transition					Delayed transition			
	Current policy trajectory					Current policy trajectory			
Risk that clients cannot respond to changing consumer behavior	Net-zero transition				<b>Physical risks</b>				
	Delayed transition				Rising energy costs due to long-term climate change	Net-zero transition			
	Current policy trajectory				Delayed transition				
Costs related to carbon taxes and other climate regulations	Net-zero transition				Revenue decline due to reduced employee productivity caused by extreme weather	Net-zero transition			
	Delayed transition					Delayed transition			
	Current policy trajectory				Supply chain disruptions caused by extreme weather events	Cannot be quantified			

## Classification of risks and opportunities

Risks	Opportunities	Category	Financial impact
		Extremely high	More than ¥18.1 billion
		High	¥9.1 billion - ¥18.1 billion
		Moderate	¥4.5 billion - ¥9.1 billion
		Low	¥1.8 billion - ¥4.5 billion
		Minimal	Less than ¥1.8 billion

## Indicators and targets

Based on the findings of the risk and opportunity analysis described here and informed by dentsu's previous TCFD climate risk disclosures and enhanced understanding of environmental and business impacts across its operations, we have set a target to achieve net-zero greenhouse gas (GHG) emissions across the value chain by 2040. In 2024, dentsu's near- and long-term targets were validated by the Science Based Targets initiative (SBTi) as conforming with the SBTi Corporate Net Zero Standard. The specific target values are as follows.

### ■ Near-term targets:

Reduce absolute Scope 1 & 2 GHG emissions by 46.2% by 2030 from a 2019 baseline. In addition, reduce absolute Scope 3 GHG emissions from purchased goods and services, business travel, and employee commuting by 46.2% by 2030 from a 2019 baseline.

### ■ Long-term targets:

Reduce absolute Scope 1 & 2 GHG emissions by 90% by 2040 from a 2019 baseline. In addition, reduce absolute Scope 3 GHG emissions by 90% by 2040 from a 2019 baseline.

### ■ 100% renewable energy\*

Achieve 100% renewable energy by 2030.

\*Renewable energy in the context of dentsu's value creation strategy and commitments refers to electricity generated from renewable sources. This definition aligns with RE100.

## 2024 performance

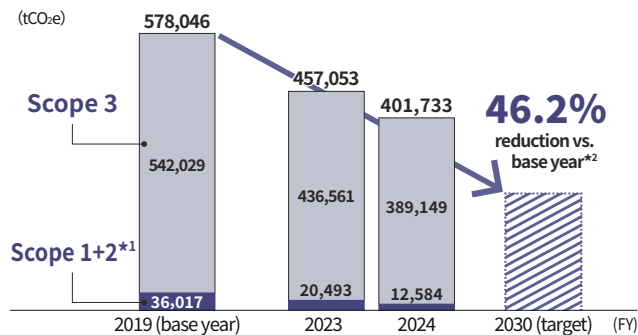
### Establishing a centralized environmental management system and making steady progress toward our targets

In 2024, we completed a long-standing initiative to establish a centralized system for managing environmental data across the Group, improving the efficiency of data aggregation.

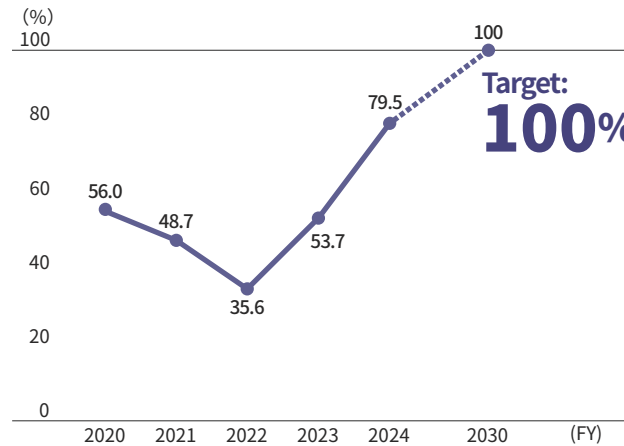
We have made steady progress in reducing GHG emissions compared to our 2019 baseline: Scope 1 and 2 emissions decreased by 65.1%, Scope 3 emissions decreased by 28.2%, and total emissions across Scope 1–3 decreased by 30.5%. The reductions in Scope 1 and 2 were primarily driven by increased procurement of renewable energy at major facilities, while improvements in Scope 3 were largely due to reductions in Category 1 emissions (purchased goods and services) in our International business.

In addition, in October 2024, we signed a renewable energy supply contract for the Dentsu Soken Inc. head office in Shinagawa—the second-largest office for our Japan business in terms of power consumption. This contributed to a significant year-on-year increase in our renewable energy ratio, reaching 79.5% in 2024.

### GHG emissions (consolidated)



### Renewable energy ratio (consolidated)



Note: The renewable energy ratio complies with the RE100 definition. For data on the renewable energy ratio based on the amount of renewable energy purchased, please refer to the [Non-financial Databook](#).

### Net-zero Transition Plan

In 2025, we formulated our Net-zero Transition Plan based on the requirements of the SBTi, for which we obtained certification in 2024, to ensure the reliable achievement of our targets. The plan identifies key emission hotspots and details the strategies and timelines for reductions. For details, please see dentsu's [Climate-related Disclosures 2025](#).

## Our approach to nature-related issues

Our material theme of Environment covers nature-related factors. We have conducted a high-level assessment of our dependencies and impacts on natural capital for key business areas across our value chain based on the recommendations of the Taskforce on Nature-related Financial Disclosures (TNFD). Although the results of this assessment found relatively low dependencies and impacts on nature, we identified several areas in our upstream value chain where we could make positive impacts for nature. We also confirmed the potential to make an even greater contribution by providing solutions that support biodiversity conservation. Based on these findings, dentsu will contribute to nature through the following initiatives.

- Including considerations around GHG emissions, nature, and related stakeholders in our procurement policies
- Formulating business guidelines that consider nature and the global environment, and creating ecosystems to realize them
- Reducing water usage and waste in our operations
- Providing programs and opportunities for employees to better understand and appreciate the value of nature
- Developing and offering solutions that contribute to the preservation and conservation of biodiversity
- Conducting awareness-raising activities on the environment, including biodiversity
- Conducting awareness-raising activities on sustainable consumption, including nature positivity

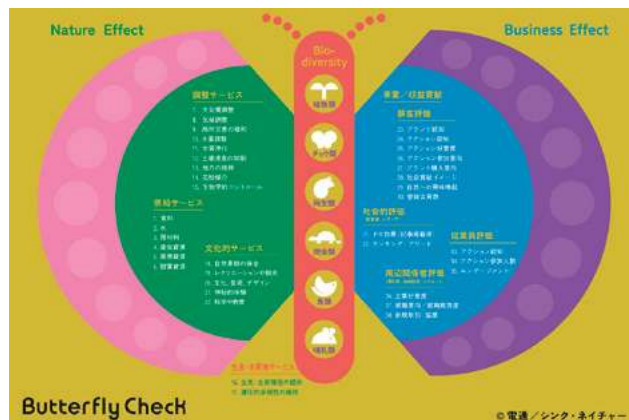
## Results of initiatives

In 2024, we developed the following new solutions that contribute to the preservation and conservation of biodiversity.

### Development and launch of Butterfly Check—a service to measure and visualize the impacts of nature-related corporate activities on biodiversity and business

Jointly developed by Dentsu Inc. and Think Nature Inc., Butterfly Check is a service that enables companies to measure and visualize the impacts of their nature-related activities on biodiversity and their business.

The results are presented in the form of butterfly wings, providing an intuitive, bird’s-eye view that supports the identification of areas for improvement and the discovery of new business opportunities. For details, please see [Dentsu Inc.’s news release](#). (Available in Japanese only)

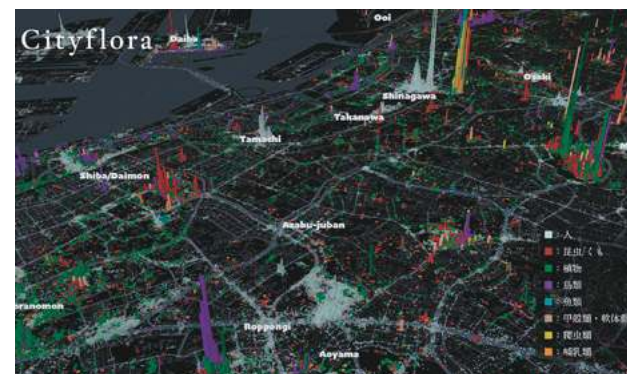


An example of analytical results from Butterfly Check on nature-related corporate activities

### Providing integrated support for biodiversity conservation and urban/corporate growth through City Flora™

As more urban and community development projects aim to contribute to biodiversity conservation, Dentsu Inc. has developed City Flora™—a service that supports value creation from the perspectives of people, biodiversity, and urban risks, covering everything from city analysis to future-oriented planning. The service offers integrated solutions that position biodiversity conservation as a driver of both urban and corporate growth.

By reframing greening efforts and biodiversity initiatives as investments in future growth, dentsu—leveraging our deep insights into consumers and the future—has partnered with Biome Inc., a company that fosters new relationships between people and nature, to support clients in addressing nature-related challenges. For details, please see [Dentsu Inc.’s news release](#). (Available in Japanese only)



The City Flora™ map overlays information on people, biodiversity, and other factors onto urban layers, enabling multi-perspective observation and fieldwork. It serves as a platform for discussions focused on creating unique value for cities and communities.

### Publication of the children’s book series Minna de Shiritai Seibutsu Tayosei (Let’s Learn About Biodiversity Together)

Dentsu Diversity Lab, a cross-functional task force within dentsu Japan, planned and authored a five-volume educational series on biodiversity for elementary and junior high school students.

The books feature abundant research data, up-to-date case studies, manga, and worksheets, all designed to help children learn about, think about, and take action on nature-related issues.

This initiative was carried out in collaboration with Dentsu Team SDGs, another cross-functional task force within dentsu Japan. For details, please see [Dentsu Inc.’s news release](#). (Available in Japanese only)



## Leveraging insights into society

Through the implementation of our 2030 Value Creation Strategy—which is all about generating ideas for the future to solve challenges facing society through business—dentsu actively shares the insights we have developed with a wide range of stakeholders. This ongoing effort supports the sustainable development of society as a whole.

### Publication of an inclusive communication design guide

In April 2024, the Act Partially Amending the Act for Eliminating Discrimination against Persons with Disabilities came into effect in Japan, making it a legal requirement for companies to provide reasonable accommodation for persons with disabilities. In response, and in pursuit of communication that truly leaves no one behind, nine dentsu Japan companies—Dentsu Inc., Dentsu Digital Inc., Dentsu Live Inc., Dentsu Promotion Plus Inc., Dentsu PR Consulting Inc., Dentsu Creative Force Inc., Dentsu Creative Pictures Inc., Dentsu Institute, and dentsu promotion exe Inc.—collaborated with experts to produce and publish an inclusive communication design guide in January 2025. The guide outlines key communication considerations and addresses the individual needs of people with disabilities. It is available free of charge. For details, please see [our website](#). (Available in Japanese only)



### Advertising Elementary School

In 2006, Dentsu Inc. launched the Advertising Elementary School program, jointly developed with Tokyo Gakugei University. This program was conceived by an employee who asked, “What can we contribute to society as an advertising company?” As of March 2025, it has been offered to approximately 530 schools, from elementary schools to universities nationwide, for a total of over 67,000 students. This program cultivates basic communication skills, such as the ability to think, judge, express, and solve problems in a group through the creation of commercials.

The program continues to evolve in step with the times. For details, please see [the special Advertising Elementary School website](#). (Available in Japanese only)



### Communication tips to help improve PR skills for nonprofit organizations (NPOs)

In 2004, Dentsu Inc. and Japan NPO Center (Specified Nonprofit Corporation), an intermediary support organization for NPOs in Japan, established the NPO Public Relations Skills Improvement Committee. Utilizing the creative power of dentsu and the Japan NPO Center’s network, we developed the Tips for Communicating program and offered it to NPOs across Japan. This initiative, which celebrated its 20th anniversary in 2024, has held 169 seminars across the country, with a total of over 6,100 participants. For more information, please visit [the Japan NPO Center website](#). (Available in Japanese only)



### Provision of university-sponsored courses to address the shortage of DX talent

In Japan, the lack of specialized personnel to drive digital transformation (DX) is a key challenge. Dentsu Digital Inc. has leveraged its extensive expertise, knowledge, and network gained through business operations to offer sponsored courses at multiple universities since 2022. The 15-lecture series provides practical learning based on case studies from projects led by Dentsu Digital and includes guest speakers from leading clients in various industries in the DX field. In 2024, approximately 800 students from four universities (Waseda University, Keio University, Kobe University, and the University of Osaka) took these courses. For more details on the course content, please visit [the Dentsu Digital Inc. website](#). (Available in Japanese only)



## Strategic collaboration with stakeholders

To better inform how we respond to various issues, we participate in organizations and initiatives that align with our Group's strategies and principles, leveraging insights gained through collaboration with stakeholders into Group management. Key achievements in 2024 are highlighted below.

### Utilization of GHG emission visualization tools in Taiga drama and other video media

Metaverse Production, a joint project aiming to reduce GHG emissions and improve process efficiency in video production, collaborated with dentsu Japan to develop the Carbon Calculator for Movie Production, a carbon emission calculation tool for commercials and TV programs, which launched in Japan for the first time in 2022. In 2024, this tool was used to measure emissions for NHK's Taiga drama—a long-running annual historical TV series—*Berabou: Tsutajū Eika no Yumebanashi* (“Unbound”) and other productions, and confirmed the achievement of carbon reductions by replacing traditional filming with virtual production. Plans are underway to expand the tool's use across a variety of works and production sites.

### Scheme design for the “#dakara 1.5 °C” campaign by the Japan Climate Leaders' Partnership (JCLP)

Since 2023, dentsu has been an associate member of JCLP, a Japan-based corporate group addressing GHG emission reduction from a business perspective. In 2024, JCLP launched a campaign to encourage Japan to set reduction targets aimed at limiting global average temperature increases to below 1.5°C above pre-industrial levels. A team led by creatives from Dentsu Inc. was responsible for designing the campaign scheme.

For details on other organizations and initiatives in which dentsu participates, please refer to the [Non-financial Databook](#).



## Training opportunities for employees

To enhance the understanding of our 2030 Value Creation Strategy internally and translate it into business opportunities, we provide a variety of training programs tailored to the specific characteristics of our business.

Since 2023, more than 2,500 employees globally have completed courses on dentsu's value creation strategy and related business cases through our employee learning platform, dentsu university. In Japan, the Sustainability Leaders program is held monthly for all employees to share updates on the value creation strategy, related topics, and new business initiatives. On average, about 500 employees participate in each online session.

In addition, we have supported more than 100 cross-functional business leaders in completing an 8-week intensive course from the University of Cambridge Institute for Sustainability Leadership (CISL) on Sustainable Marketing, Media and Creative.

To further advance our value creation strategy, we provide employees with an opportunity to gain awareness and understanding of social issues through One Day for Change, a program dedicated to hands-on engagement in activities that address challenges relevant to their local markets.

In 2024, more than 8,000 employees from 63 countries and regions participated in approximately 35,000 hours of activities, including habitat restoration for wildlife, plastic recycling and upcycling, food collection and redistribution, and educational programs.



**CGO message**

# Building a corporate culture that values putting integrity first to realize effective corporate governance

**Arinobu Soga** Director, Representative Executive Officer, Executive Vice President, Global Chief Governance Officer, dentsu

Corporate governance is, at its core, a framework for maximizing both the quality and quantity of outputs by leveraging a company's various forms of capital. Over more than 120 years, dentsu has continuously enhanced the quality of our corporate governance, which supports our business across the entire Group, promoting collaboration beyond national and organizational boundaries to drive improvements in corporate value.

In recent years, we have strengthened the oversight functions of the Board of Directors and advanced the evolution of our corporate governance through measures such as transitioning to a board structure with three committees (nominating, audit, and compensation), establishing the Chief Governance Officer position, and establishing the Finance Committee.

In addition, we are advancing initiatives toward the following six topics under our material theme of Integrity: business ethics & compliance, human rights, data privacy, corporate governance, risk management, and cybersecurity.

## **Toward a corporate culture that prioritizes integrity**

In the rapidly changing business environment surrounding our Group, there are increasingly situations where decision-making cannot rely solely on past experience. During this period of transformation, I believe that integrity is the key. We will embed an integrity perspective into all activities and cultivate an environment where individuals feel empowered to correct themselves and speak up when something does not feel right.

## **Dentsu Group Code of Conduct\***

To continue being a corporate group that is a force for good, everyone belonging to dentsu is required to understand and uphold the Dentsu Group Code of Conduct, which places emphasis on integrity.

Positioned as the foundation for realizing our NORTHSTAR (corporate philosophy), the Code of Conduct serves as a behavioral guideline for those within the Group as well as for all stakeholders, including business partners, shareholders, and local communities.

\*Dentsu Group Code of Conduct  
<https://www.group.dentsu.com/en/about-us/governance/codeofconduct.html>

Governance is ultimately driven by people. Accordingly, when necessary, we will reevaluate the corporate culture and values we have built to date, with the goal of fostering a culture that prioritizes ethics and integrity above all else.

We are committed to fulfilling our responsibilities to all stakeholders and to implementing effective corporate governance that supports sustainable growth and enhances corporate value over the medium to long term.



# Our governance-related material theme: Integrity

In pursuit of the goal of “putting integrity first,” building a foundation for value creation is a critical challenge for the Group to earn the trust of all stakeholders.

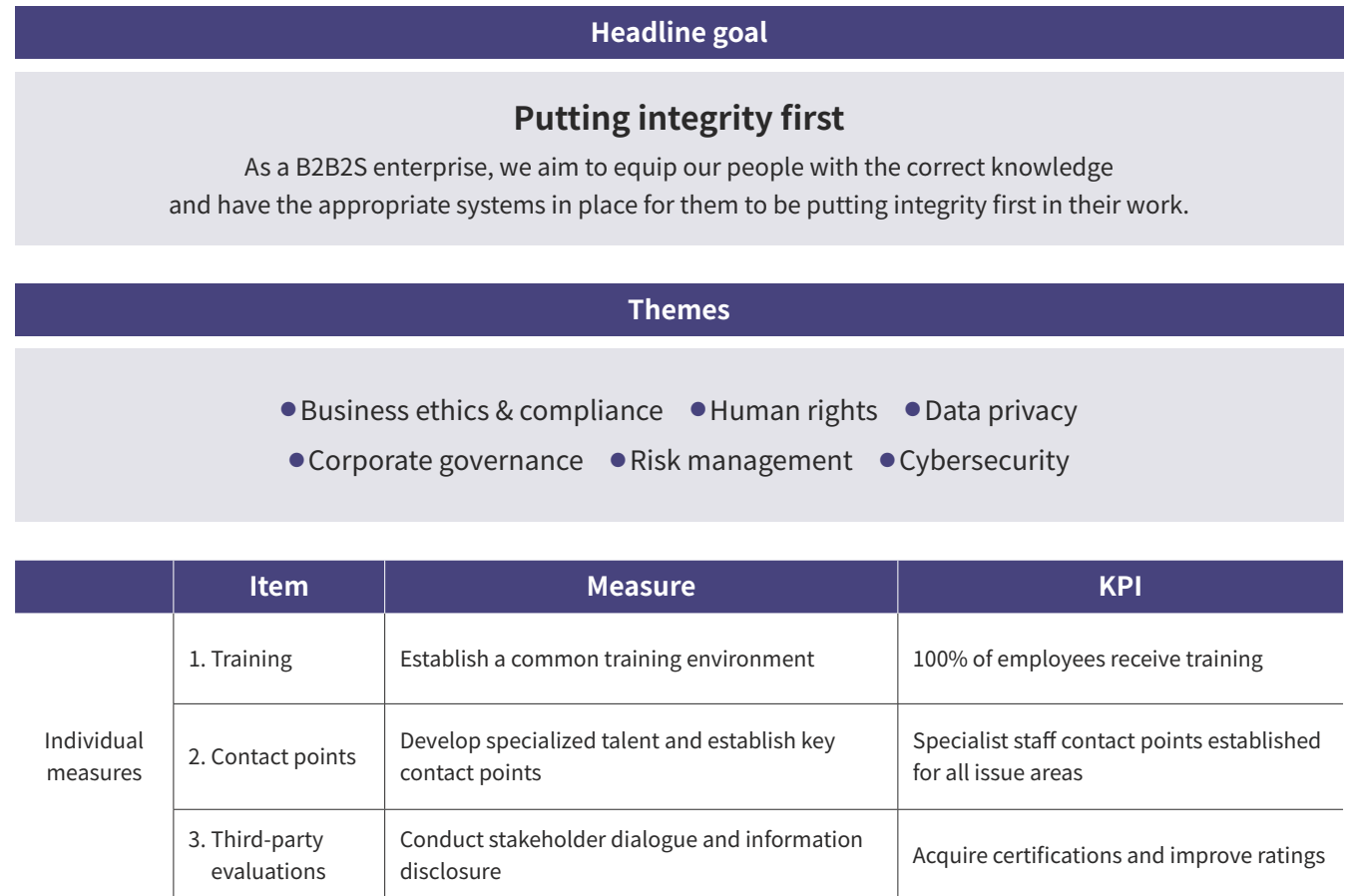
In 2024, we advanced initiatives across six key areas shown in the figure on the right, including the following:

- Enhancing training infrastructure and updating training content
- Ensuring that consultation desks for all topics are operating reliably and staffed with experts for each theme
- Analyzing third-party evaluation results and responding to changes in evaluation criteria

Group-wide progress toward these initiatives is regularly monitored by the Group Sustainability Committee.

This material theme is overseen by Arinobu Soga, Global Chief Governance Officer, and key leaders including Alison Zoellner, Global General Counsel, and Tadashi Nagae, Global Corporate Secretary and Deputy Global General Counsel, are actively involved in driving and supporting these efforts, ensuring a coordinated and ongoing Group-wide approach.

Note: To see how this material theme relates to the 2030 Value Creation Strategy, see [pp. 16–17](#).



# Mindset and Behavior Reform at dentsu Japan

## Response to the Antimonopoly Act violation and Mindset and Behavior Reform

On February 28, 2023, due to a criminal complaint filed by the Japan Fair Trade Commission against an employee of dentsu's Japanese subsidiary, Dentsu Group Inc. was subsequently indicted by the Tokyo District Public Prosecutors Office for an alleged violation of the Antimonopoly Act in connection with the Tokyo 2020 Olympic and Paralympic Games. We sincerely apologize to our shareholders and all other stakeholders for the inconvenience and concern this has caused.

With regard to the Games, the Group has acknowledged that it engaged in collusive behavior in the “outsourcing contracts of planning test events, etc.” which constituted a violation of applicable laws\*. The Group takes this matter very seriously. As a result, dentsu Japan is engaged in company-wide, compliance-related Mindset and Behavior Reform. This initiative is based on the investigation report and recommendations issued by the Investigation and Review Committee, which is comprised of external experts. The aim is to ensure operational fairness and transparency, and to prevent the recurrence of issues resulting from our organizational culture.

\*The Group subsequently filed an appeal with the Tokyo High Court against the judgment delivered by the Tokyo District Court on January 30, 2025. The judgment cited violations extending to both the implementation of test events and main event operations, which differs substantially from the Group's position. Moving forward, we will continue to assert the legitimacy of our stance and seek a correction of the ruling.

## The dentsu Japan Reform Committee

On May 15, 2023, dentsu Japan established the dentsu Japan Reform Committee. Representative Executive Officer, President & Global CEO Hiroshi Igarashi was appointed as Chair, and three

external attorneys were appointed as outside members to provide independent advice and perspectives.

As part of our commitment to fulfilling our responsibilities to all stakeholders, we are advancing Mindset and Behavior Reform across dentsu Japan aimed at transforming our approach to work. As of December 2024, the committee had convened 40 times to review the progress of these reform initiatives and to identify remaining issues that must be addressed to achieve the intended outcomes. Updates on the Mindset and Behavior Reform are regularly reported to the Board of Directors and disclosed on our website.

### Members of the dentsu Japan Reform Committee (as of December 2024)

	Member	Responsibility
Chair	Hiroshi Igarashi Representative Executive Officer, President & Global CEO, dentsu	Project lead, reporting to the Board of Directors
Vice-chair	Arinobu Soga Representative Executive Officer, Executive Vice President, Global Chief Governance Officer & Global CFO, dentsu	Assisting the Chair, implementation of reforms
Outside Member	Toshihiko Itami, Attorney-at-Law	Advisory
Outside Member	Genta Yoshino, Attorney-at-Law	Advisory
Outside Member	Yasuo Daito, Attorney-at-Law	Advisory
Member	Tadashi Nagae Global Corporate Secretary & Deputy Global General Counsel, dentsu	Implementation of reforms
Leader	Takeshi Sano CEO, dentsu Japan	Drafting the initiatives, reporting progress to the Committee
Leader/ Secretariat Head	Yoshimasa Watahiki COO, dentsu Japan	Drafting the initiatives, reporting progress to the Committee, operation of the Committee

## Mindset and Behavior Reform initiatives and progress

We have pursued Mindset and Behavior Reform across all of dentsu Japan through 17 initiatives centered on the following three pillars.

- I. Establish an organizational culture that ensures proper corporate activities (six initiatives)
- II. Strengthen our risk management system and legal and compliance functions (seven initiatives)
- III. Introduce business processes that ensure fair and transparent transactions (four initiatives)

All 17 initiatives, formulated in 2023, were completed in 2024. External committee members have provided positive evaluations of our efforts to date, along with recommendations for future improvements.

In the fourth employee survey conducted in November 2024, we observed improvements in areas such as recognition and understanding of the prioritization of integrity, as well as in establishing a sound organizational culture. However, areas such as understanding the balance between integrity and performance showed limited progress compared to the previous year, indicating that challenges remain. We will continue to address these issues and regularly monitor the progress of our reform efforts.

While the Mindset and Behavior Reform is an initiative of dentsu Japan, certain measures—such as raising awareness of the Dentsu Group Code of Conduct and improving internal reporting processes—are being implemented across the entire Group, including our International business.

## Examples of specific initiatives completed by 2024

### Development and application of business guidelines

We developed and implemented guidelines that employees are required to follow in areas such as sports businesses, public-sector operations, and the prevention of bid-rigging, ensuring thorough adherence across the organization.

### Appointment of compliance officers and managers Systemization and enhancement of compliance

We appointed compliance officers or managers within each organization responsible for business execution at dentsu Japan. In addition, we made it mandatory for all employees to complete training programs on the Antimonopoly Act and the Unfair Competition Prevention Act, actively promoting participation to reinforce compliance awareness.

### Promoting dialogue on proper corporate conduct

To support employees when they face uncertainty or concerns related to integrity in their work, we compiled practical approaches and ways of thinking into tools such as the Integrity Checkpoints and the Integrity Hint Book. These resources have been shared with all employees to encourage their active use.



## The dentsu Japan Mindset and Behavior Reform Project

To further embed a culture that prioritizes integrity and ensure a high level of compliance, the dentsu Japan Reform Committee transitioned into the dentsu Japan Mindset and Behavior Reform Project with a new structure starting in January 2025.

As in the previous year, three attorneys continue to serve as advisors. The new structure is led by the COO of dentsu Japan, with the Chief Branding/Culture Officer of dentsu Japan as the sub-leader, and the department in charge of supporting dentsu Japan's business sites in dentsu Corporate One Inc. as a promoting member. We will take a hands-on approach to issues on the business front line as we continue to engage in initiatives for the project.

We will provide regular reports on the specific initiatives implemented under the dentsu Japan Mindset and Behavior Reform Project and the progress of our efforts through our website and other channels.

### Structure of the dentsu Japan Reform Project

	Member	Responsibility
Leader	Yoshimasa Watahiki COO, dentsu Japan	Drafting the initiatives, reporting progress to the Committee
Sub-leader	Yuko Yoshiba Chief Branding/Culture Officer, dentsu Japan	Drafting the initiatives, reporting progress to the Committee, operation of the Committee
Support	Tadashi Nagae Global Corporate Secretary & Deputy Global General Counsel, dentsu	Promotion support
Members	Dentsu Corporate One Inc. Legal Office, Compliance Office, Branding Office, Business/Management Planning Office	Promotion of initiatives, collaboration with the onsite teams
Advisor (external)	Toshihiko Itami, Attorney-at-Law	Monitoring/Advisory
Advisor (external)	Genta Yoshino, Attorney-at-Law	Monitoring/Advisory
Advisor (external)	Yasuo Daito, Attorney-at-Law	Monitoring/Advisory

## 2025 initiatives of the Mindset and Behavior Reform Project (examples)

- Regular employee surveys to assess reform progress and identify issues, along with organization-specific initiatives based on survey results
- Enhanced training and support for compliance officers, managers, and their assistants appointed in each dentsu Japan organization (including interactive workshops led by managers, officers, and their assistants)
- Integrity awareness initiatives for all dentsu Japan employees (including enhanced communication, updates to support tools, and internal meetings/training sessions)
- Ongoing mandatory training and awareness-raising on laws and regulations for all dentsu Japan employees
- Continued communication and monitoring of the guidelines, internal reporting platform, and other systems established to date



For the latest information, please visit the following website:  
**Recurrence Prevention Initiatives (mindset and behavior reform) - Dentsu Group Inc.**

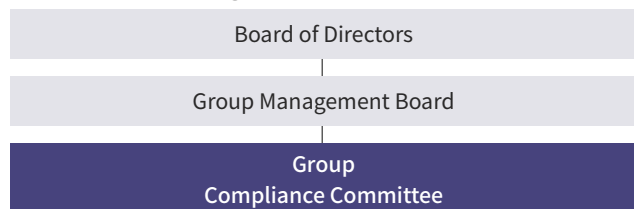
[https://www.group.dentsu.com/en/about-us/governance/preventive\\_measures.html](https://www.group.dentsu.com/en/about-us/governance/preventive_measures.html)

# Compliance

## Our approach

The Dentsu Group Code of Conduct states: “At dentsu we believe we must be a force for good. When we do the right thing as individuals, it becomes who we are as a company. It’s what makes being a force for good possible, and it starts with each and every one of us.” To put this commitment into practice, we have established the Group Compliance Committee under the Group Management Board. The committee plays a central role in advancing compliance-driven management by promoting a unified policy across the entire Group.

### Compliance management



## Compliance program

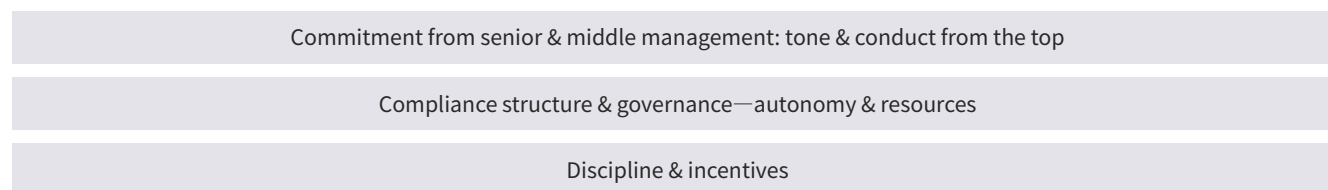
The vision of the Group Compliance Program is to meet global standards of best practice in ethics and compliance and establish a reputation as a governance leader. Realizing the vision requires the Group to ensure that the Group Compliance Program is well designed, applied with commitment, and operated effectively in practice.

Equally important is the responsibility and dedication of top leadership at both the Group and regional levels to actively promote ethical and compliant business practices. The following diagram illustrates the overall structure of the Group Compliance Program.

### Program design

Risk assessment	Policies & procedures	Training & communication	Confidential reporting & investigations process	Due diligence & third-party management	Mergers & acquisitions	Program effectiveness
An established risk assessment approach to identify real compliance risks that inform our program and enable mitigation strategies.	Strong, well-managed compliance policies and an effective global policy management system that drives an ethical and compliant culture, supports dentsu's strategic vision, protects its people, and mitigates risk.	An integrated, risk-based, multichannel training and communications program that uses a variety of techniques to deliver effective and engaging training and communications.	A clear and consistent approach to confidential reporting including whistleblowing and investigations.	Ongoing contribution to development of a strong third-party governance structure, which is suitable for identifying, detecting, countering, and mitigating the compliance risks associated with third parties.	Effective compliance due diligence, monitoring, and integration activities that effectively uncover and mitigate compliance risks arising from M&A activities and that are fully integrated with the M&A process.	Continuous improvement, periodic testing & review
	<b>Point 1</b> p. 57	<b>Point 2</b> p. 57	<b>Point 3</b> p. 57			Investigation of misconduct, analysis & remediation

### Implementation



**Point 1 Policies & procedures**

The Dentsu Group Code of Conduct establishes a code of behavior that serves as the fundamental philosophy for promoting compliance across the Group. It stipulates the actions to be taken and the principles to be observed as a member of dentsu, including an emphasis on maintaining a respectful workplace and compliance with laws, regulations, and internal rules.

For the full text of the Dentsu Group Code of Conduct, please refer to our website.

<https://www.group.dentsu.com/en/about-us/governance/codeofconduct.html>

- Establishment of Group Policies

To realize the principles of the Dentsu Group Code of Conduct, we have established Group-wide policies including the Group Anti-Bribery & Corruption Policy, Group Legal Policy, and Group Global Data Protection Principles. Going forward, we will further introduce Group-wide policies and promote compliance management under a unified vision across the Group.

**Point 2 Training & communication**

We conduct a variety of ethics and compliance training programs worldwide such as e-learning for the Code of Conduct. We also provide employees with a variety of compliance-related information through our intranet for their awareness.

**このEラーニングの目次**

1. コンプライアンスについての基本的考え方 - 23年は次のフェーズに -
2. dentsu Japanコンプライアンスプログラムの体系 - コンプライアンス・ホームページの刷新 -
3. 行動規範「電通グループ行動憲章」 - コンプライアンスの最上位概念 -
4. 内部通報制度 - コンプライアンス違反の早期発見と未然防止 -
5. コンプライアンスに違反した場合のペナルティ - 懲戒処分の実態 -



dentsu Japanでは、コンプライアンスに関する様々な研修を実施します  
各研修を受講する前に  
このEラーニングでコンプライアンスの基本事項を学びましょう！

Compliance training in Japan



Compliance training outside of Japan

**Point 3 Confidential reporting & investigations process**

As our whistleblowing hotline for use by all officers and employees of Group companies, we have Speak Up @ dentsu. We also have the Compliance Line for Japan. By linking the functions of these hotlines to the early detection and remediation of compliance violations, we are promoting compliance management and the sound growth of our business.



Group-wide whistleblowing hotline

# Human rights

**Strengthening corporate resilience and building an ethical organization that supports stakeholders across our value chain.**

To demonstrate dentsu's corporate value to clients, employees, partners, and society, it is essential to uphold a strong commitment to human rights and comply rigorously with all relevant laws and regulations. These principles are also vital to our sustained success, as they help reduce operational disruptions and mitigate risks that could impair the Group's reputation or valuation.

## Governance

The Executive Vice President and Global Chief Governance Officer of Dentsu Group Inc. oversees efforts to ensure compliance with human rights-related regulations, robust risk management, and the assurance of business continuity.

The practical management of human rights impacts is overseen by our Heads of Human Rights, who build the internal networks needed to identify and manage human rights risks and opportunities, collaborating closely with relevant departments.

Human rights are a standing agenda item at the Executive-level Group Sustainability Committee, which meets four times a year. Through this, we ensure that the Group has the necessary systems in place to manage impacts across all regions where we operate. Issues specific to Japan are covered by the Dentsu Group Human Rights Committee and the dentsu Japan Human Rights Education Conference. (For details on specific initiatives, please see [here](#).)

## Policies

Policies established by the Group—including our [Code of Conduct](#), [Supplier Code of Conduct](#), and [Human Rights Policy](#)—

clearly define the standards that all employees and suppliers should follow. These policies help minimize risks and protect the Group's reputation. They have been approved by the Group Management Committee with input from external experts and are continuously reviewed to address emerging risks that could impact the Group's business.

## Risks and impacts

The Group proactively identifies risks at both the global and market levels. This includes continuous monitoring of social and environmental impacts, as well as challenges related to the safe operation of our business. Risk profiles for each market are assessed biennially, complemented by an annual employee engagement survey. Additionally, we engaged external specialists to conduct a global Human Rights Impact Assessment (HRIA). Insights from these assessments guide the Group's prioritization of response areas.

## Risk mitigation measures

We conduct human rights due diligence across our business operations and throughout our supply chains to identify, prevent, and mitigate risks, striving to minimize potential impacts. This approach includes risk assessments, policy development and enforcement, establishment of governance structures, management support, training programs, and internal controls to monitor and track compliance.

### The most salient impacts to dentsu and our suppliers include:

- Equality and non-discrimination
- Freedom of thought, opinion, religion, belief, expression, and access to information
- Labor rights and harassment
- Privacy and data security
- Child rights
- Right to a healthy environment

## Grievance and remedy

We actively encourage all employees, suppliers, and stakeholders to report and consult on human rights issues through our externally operated, free, anonymous, and confidential portal, [Speak Up @ dentsu](#). For more details, please refer to [p. 57](#).

Thorough investigations are conducted for all reported concerns, and if the issues are confirmed to be factual, appropriate corrective and improvement measures are promptly implemented.

## Response to issues arising in 2024

The Group recognizes the recent cases of sexual misconduct in the entertainment and media sectors—now a prominent social issue in Japan—as serious human rights violations that contravene our Human Rights Policy. We also uphold the Dentsu Group Code of Conduct, which promotes mutual respect and responsible, ethical behavior, serving as a guiding framework for all interactions with our stakeholders.

# Independent outside director messages

At dentsu, our three statutory committees are vested with significant authority and work in close coordination with the Board of Directors to reinforce supervisory functions. In this feature, we speak with the Chair of the Board and the chairs of each committee about the current progress and future direction of efforts to strengthen Board-centered oversight.

**Q1.** Please share your views on the commendable initiatives and achievements of the Board of Directors and each committee to date, as well as any areas you believe should be improved going forward.

## Gan Matsui

Independent Outside Director, Chair of the Board



### Enhancing discussion quality through diverse perspectives and reinforcing supervision from a shareholder perspective

The Board of Directors has drawn on the diverse expertise of its members, as outlined in the skills matrix, to enhance oversight of executive management—particularly in the development of the Mid-Term Management Plan and the evolution of Group governance under the One dentsu framework.

In March 2025, the addition of three new independent outside directors brought greater diversity to the Board. Moving forward, it will be important to create an environment that enables focused discussions on key agenda items, while also increasing opportunities for dialogue among independent outside directors to further elevate the quality of discussions through diverse perspectives. On financial matters, closer collaboration with the Finance Committee will be essential to further strengthen the Board's supervisory function from a shareholder's standpoint.

## Keiichi Sagawa

Independent Outside Director, Chair of the Nominating Committee and Finance Committee



### Boosting transparency in the nomination process and making recommendations rooted in shareholder value

The Nominating Committee reviewed its processes with a focus on transparency and fairness, including director selection based on the skills matrix and executive appointments centered on discussions solely among independent outside directors. Moving forward, the committee will strengthen monitoring not only of succession planning for the management team, with a focus on the President & Global CEO, but also the status of development-related initiatives. The Finance Committee conducted business-unit evaluations based on ROIC, shared the results at Board meetings, and made recommendations during the formulation of the Mid-Term Management Plan regarding business selection and concentration, with shareholder value as a starting point, as well as introducing KPIs.

Moving forward, we will reinforce monitoring of the Mid-Term Management Plan's execution and proactively offer recommendations that drive the enhancement of corporate value.

## Yuka Matsuda

Independent Outside Director, Chair of the Audit Committee



### Identifying and monitoring issues in collaboration with management and the independent auditors

As a company with a nominating committee, we have established a system where independent outside directors lead each committee. The Audit Committee maintains close coordination with the Global Chief Governance Officer (CGO), Global Chief Financial Officer (CFO), Global Head of Internal Control & Risk, and Global Head of Internal Audit to gather necessary information, identify issues, and conduct thorough monitoring. Alongside committee discussions, regular information sharing with the independent auditors enables all parties to tackle challenges with a unified perspective, collaboratively strengthening corporate governance.

Given the ever-changing external environment surrounding the Group, we believe it is essential to continuously and flexibly monitor evolving issues and corresponding responses.

## Andrew House

Independent Outside Director, Chair of the Compensation Committee



### Facilitating constructive discussions to ensure fair compensation and support talent retention

I have endeavored to ensure that the committee is faithful to dentsu's compensation philosophy. I have fostered healthy debate and discussion among members and management, allowing for all voices and points of view to be heard. I have also helped ensure the committee provides neutral oversight and outside perspective on executive compensation in the interests of shareholders. As an example, we have extended the committee's oversight to the full management team. In a difficult operating environment, we have met the challenge of striking a balance between compensation that is properly linked to performance but also functions to retain key talent amid global competition.

In terms of the wider board, I have challenged the potential for over-optimism around target-setting, pressed for full disclosure and debate around all strategic options, and encouraged dentsu to simplify its organization and business focus.

## Q2. As an independent outside director, what role do you envision fulfilling going forward?

### Gan Matsui

Independent Outside Director, Chair of the Board



#### Ensuring the Board operates with independence and objectivity while enhancing governance transparency

Since 2017, I have served as Chair of the Independent Advisory Committee on Labor Environment Reform, and since 2020 as an outside director, deepening my understanding of the Group's business, governance, and organizational culture. In March 2025, I became the first independent outside director appointed as Chair of the Board. This appointment reflects the Group's commitment to further strengthening the Board's supervisory functions. Leveraging my judicial experience and expertise, I will ensure the Board is managed with independence and objectivity to enhance the Group's corporate value. Additionally, I will continue to provide appropriate advice to the executive team through the Board.

I also aim to contribute to enhancing governance transparency through effective communication with shareholders and other stakeholders.

### Keiichi Sagawa

Independent Outside Director, Chair of the Nominating Committee and Finance Committee



#### Strengthening monitoring of the Mid-Term Management Plan and management succession

Amid a challenging business environment, fundamentally rebuilding the management foundation outlined in the Mid-Term Management Plan is essential to restoring competitiveness and profitability. Drawing on my experience and knowledge in finance, business transformation, and global management, I will enhance the monitoring of progress through active discussions at the Finance Committee and Board of Directors.

The sustainable growth of dentsu hinges on a succession plan focused on the President & Global CEO and the management team. The Nominating Committee, primarily composed of outside directors, actively leads discussions to develop succession plans and will rigorously monitor their execution going forward.

Through these activities, we aim to contribute to enhancing the corporate value of the Group.

### Yuka Matsuda

Independent Outside Director, Chair of the Audit Committee



#### Advancing global governance and enhancing risk management

Leveraging my extensive experience and expertise in audit, tax, and risk management gained at a global professional firm, I will work to strengthen monitoring of execution to advance the evolution of the Group's global governance in internal control, internal audit, and finance.

Amid the major transformations underway within the Group, it is essential to strengthen risk management effectiveness by adapting to changes in business domains, operational processes, and organizational structures. As Chair of the Audit Committee, I will lead initiatives within the Board and the committee to ensure thorough risk monitoring and offer guidance on risk response in execution, contributing to the further enhancement of the Group's risk management.

### Andrew House

Independent Outside Director, Chair of the Compensation Committee



#### Providing objective external perspectives and supporting decisions that prioritize shareholder interests

The Group is facing many challenges, both in its business environment as well as its structure and culture. Within this context, I view my primary responsibility to be holding management accountable for driving both financial performance and shareholder value while also helping them to navigate these challenges. I will look to interrogate and debate strategies in a robust manner with a view to improving them and providing outside perspective based on experience, and help management return the business to stable, sustainable, profitable growth. At the same time, I look to balance challenging management with advice and counsel. I also look to gain an ever-deeper understanding of the business, technology, and changing operating environment to ensure the company continues to live up to its reputation.

Finally, I am committed to ensuring that management reviews all strategic options, carefully and with full regard to shareholder interests.

# Corporate governance

The Group realizes effective corporate governance based on the following basic policy to fulfill its responsibilities to its stakeholders including shareholders, clients, employees, and consumers; to ensure sustainable growth; and enhance its corporate value over the medium to long term.

- (i) To respect shareholders’ rights and ensure their equal treatment
- (ii) To consider the interests of stakeholders, including shareholders, and cooperate with them appropriately
- (iii) To appropriately disclose company information and ensure transparency
- (iv) To enhance the effectiveness of the supervisory function over business execution
- (v) To engage in constructive dialogue with shareholders who have an investment policy that conforms to the medium- to long-term interests of shareholders

**Point ① Strengthening the supervisory function of the Board of Directors**

Our policy is that the number of directors on the Group’s Board of Directors is to be 15 or less, and the majority of the members are to be independent outside directors. To ensure transparency in management through diverse perspectives and to further strengthen corporate governance, the Group increased the number of outside directors by three in March 2025. As a result, of the 11 directors currently serving, nine meet the Group’s independence criteria for outside directors. Additionally, the Chair of the Board is selected from among the outside directors.

**Point ② Bolstering the execution function**

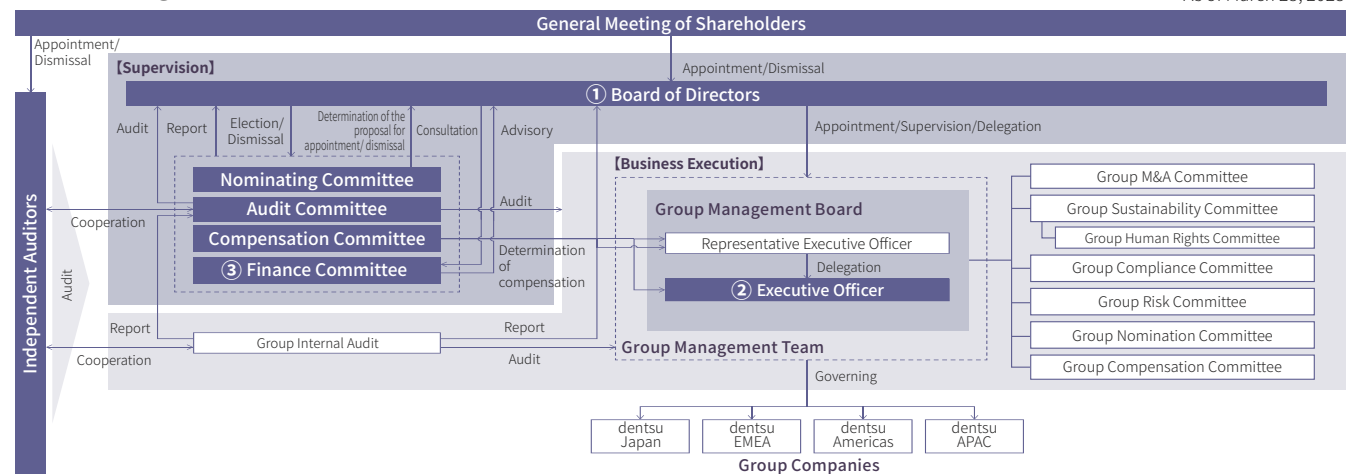
In March 2025, we appointed three new executive officers: the Global Chief Operating Officer, the Chief Executive Officer for the Japan region, and the Global Chief Financial Officer, thereby reinforcing the execution function. By further strengthening both the supervisory and execution functions, the Group aims to maximize corporate value for all stakeholders, including shareholders, clients, partners, and employees, and to more robustly promote the realization of medium- to long-term value creation for society.

**Point ③ Enhancing financial discipline to increase corporate value**

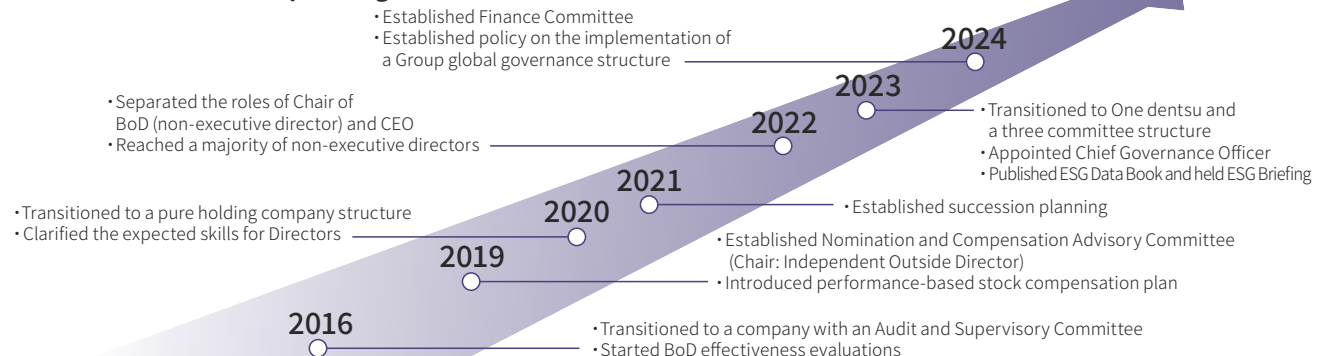
The Group is engaged in reviewing and refining its focus on specific business areas and markets to transform its business portfolio. To complete this transformation and achieve sound business growth, we have established the Finance Committee, composed of three independent outside directors with insight into areas such as finance, accounting, legal, compliance, and global management, as an advisory body reporting to the Board of Directors from the perspective of enhancing shareholder value. The committee supports greater sophistication of financial and investment discipline by examining and considering the financial aspects of business strategy, as well as by monitoring the execution of measures, from the perspective of enhancing shareholder value.

## Corporate governance structure

As of March 28, 2025














## Evolution of dentsu’s corporate governance



For details on the independence standards for outside directors, please refer to our website: <https://www.group.dentsu.com/en/about-us/governance/isod.html>

## Board member skills and committees

Name	Official position	2024 Board attendance	Years as director	Business management	Finance/ accounting	Audit	Legal/ compliance/ risk management	Human resources/ labor/personnel and organizational development	Global management	Digital business	Sustainability
 <b>Gan Matsui</b> Outside Independent	Director Chairman of the Board	16/16	5			○	○	○			
 <b>Hiroshi Igarashi*</b> Nominating	Director, Representative Executive Officer President & Global CEO	16/16	7	○			○	○	○	○	○
 <b>Arinobu Soga*</b>	Director, Representative Executive Officer, Executive Vice President Global Chief Governance Officer	16/16	8	○	○	○	○		○		○
 <b>Paul Candland</b> Nominating Compensation Outside Independent	Director	16/16	3	○				○	○	○	
 <b>Andrew House</b> Compensation (Chair) Outside Independent	Director	16/16	3	○					○	○	
 <b>Keiichi Sagawa</b> Nominating (Chair) Audit Outside Independent	Director	16/16	3	○	○	○	○		○	○	
 <b>Mihoko Sogabe</b> Audit Compensation Outside Independent	Director	16/16	3		○	○	○				○
 <b>Yuka Matsuda</b> Audit (Chair) Outside Independent	Director	16/16	2		○	○	○				
 <b>Yoshihiko Kawamura</b> Audit Outside Independent Newly appointed	Director	—	—	○	○	○	○		○		
 <b>Norimitsu Takashima</b> Nominating Audit Outside Independent Newly appointed	Director	—	—		○	○	○	○			
 <b>Naoko Ichikawa</b> Outside Independent Newly appointed	Director	—	—	○					○	○	○

\*Executive roles indicated by asterisk

## Board member skill set and composition

In establishing the skills matrix, the Nomination Committee engaged in extensive discussions regarding the skills necessary to sustainably enhance the Group’s corporate value. While confirming that the existing categories remain important as foundational elements of management, we updated and supplemented them to enable a more comprehensive approach to management challenges.

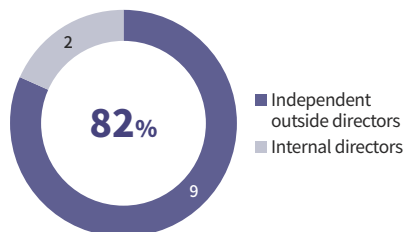
Specifically, we added “risk management” to the “legal/compliance” category and revised “human resources/labor” to “human resources/labor/personnel and organizational development.” In addition, we introduced a new category, “sustainability,” reflecting the recognition that this area is a crucial factor for enhancing the medium- to long-term corporate value of the Group.

### Management structure/Rationale for selecting skills that contribute to enhancing shareholder value

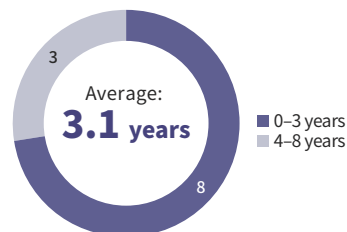
<b>Business management</b>	Amid rapid changes in the environment surrounding the Group, including globalization and digitalization, it is essential to have directors with experience and proven track records in corporate management who can make appropriate management decisions and drive the sustainable growth of dentsu’s corporate value.	<b>Human resources/labor/personnel and organizational development</b>	Our people are dentsu’s greatest asset. To ensure that each of our approximately 68,000 employees can fully realize their potential and contribute to the Group’s growth, it is essential to have directors with deep knowledge and experience in human resources, labor, and talent development.
<b>Finance/accounting</b>	In addition to ensuring accurate financial reporting, directors with solid knowledge and experience in finance and accounting are needed to build a strong financial foundation and implement capital policies that drive growth investments to sustainably enhance corporate value and improve shareholder returns.	<b>Global management</b>	Given that the Group operates in roughly 120 countries, it is essential to have directors with extensive knowledge and experience in international business practices, as well as in local cultures and business environments worldwide.
<b>Auditing</b>	To ensure sound and sustainable growth, to deliver highly transparent financial reporting that meets the expectations of society, and to establish a robust governance framework, directors with strong expertise and experience in auditing are required.	<b>Digital business</b>	Fundamental business transformation driven by digital technology is essential to the growth of dentsu’s business. To lead this transformation, it is critical to have directors with solid knowledge and experience in the digital business domain.
<b>Legal/compliance/risk management</b>	Risk management based on legal and compliance considerations is a critical foundation for the Group’s sustainable growth. To enhance the oversight function of the Board, it is essential to have directors with solid knowledge and experience in the areas of legal affairs and compliance.	<b>Sustainability</b>	To fulfill our responsibility of realizing a vibrant and sustainable society where people enjoy a fulfilling life, and to generate ideas for the future to solve challenges facing society through business, it is essential to have directors with knowledge and experience in the field of sustainability.

### Board composition

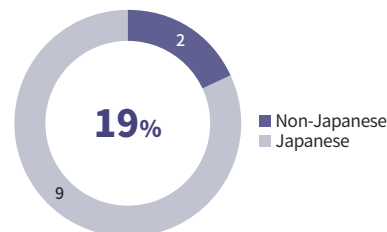
Composition of outside directors



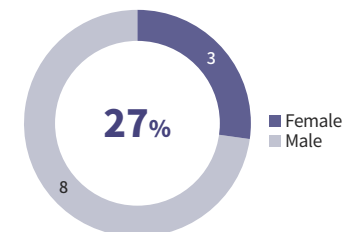
Tenure (overall)



Diversity (nationality)



Diversity (gender)



## Activities of the Board of Directors

### Board of Directors (met 16 times in 2024)

#### — Composition

The Board consists of 11 directors, nine of whom are independent outside directors, and is chaired by a non-executive director. The independent outside directors include members who have management experience at other companies. When selecting Board members, consideration is given to ensuring a sound balance of experience, expertise, and skills, as well as diversity in terms of gender, nationality, professional background, and age.



#### — Results of activities

The Company operates with a nominating committee and other committees as a structure, promoting swift and decisive management decisions by delegating authority for business execution from the Board to executive officers. This structure strengthens oversight of business execution by the Board—composed predominantly of independent outside directors—and enhances the effectiveness of internal controls.

In 2024, we prioritized the following key agenda items, conducting thorough discussions among directors, including informal deliberations, to ensure ample debate and continued improvement of corporate governance.

#### Key agenda items in 2024

- Group global governance structure
- New Mid-Term Management Plan, capital policies, shareholder returns, business competitiveness, and business portfolio
- Listed subsidiaries, internal controls, risk management, and compliance
- Sustainability strategy
- Human capital investment (employees) and culture

## Training for directors

To ensure directors can properly fulfill their roles and responsibilities, the Company provides opportunities for acquiring essential knowledge and ongoing learning. Currently, upon appointment, directors (excluding internal directors) undergo training led by internal and external experts covering the Group’s management, business, financial and other strategies, key related matters, and relevant laws and regulations. This

training helps them acquire and update the knowledge necessary for their duties and includes discussions on identifying the Group’s challenges and solutions.

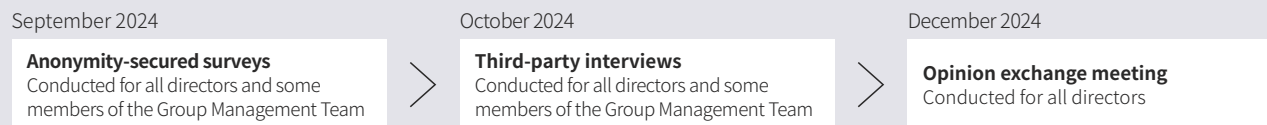
After appointment, directors participate regularly in executive study sessions where they receive the latest information on best practice in relation to various issues around megatrends. In 2024, the training included sustainability (GHG emissions reduction), AI training, and reports from the four Regional CEOs.

## Evaluating Board effectiveness

The Company continuously strives to enhance the effectiveness of the Board of Directors by obtaining analysis and evaluation from an independent third-party organization regarding the effectiveness and appropriateness of the Board’s oversight of management. Based on this, the Company conducts an annual

effectiveness evaluation of the Board involving all directors. The Company reviewed the progress on issues identified in the 2023 evaluation, confirmed new issues and future direction based on the 2024 evaluation results, and implemented specific measures to improve the Board’s effectiveness, thereby further strengthening corporate governance.

### Evaluation method for 2024



#### Survey items (10 topics, 77 questions)

- |   |  |
|---|--|
| <ul style="list-style-type: none"> <li>(1) Overall evaluation (overall effectiveness, functions of the monitoring model, role of supervisory function, transparency, fairness, reasonableness of decision-making) (4 questions)</li> <li>(2) Strategic alignment and engagement (e.g., management strategy, capital policy, review of business portfolio, ESG measures, business risks, dialogue with shareholders) (12 questions)</li> <li>(3) Composition and structure of the Board of Directors (total number of members, ratio of independence, skill set) (3 questions)</li> <li>(4) Processes and practices of the Board of Directors (e.g., Board operations, institutional design, themes for deliberation,</li> </ul> | <ul style="list-style-type: none"> <li>training) (8 questions)</li> <li>(5) Management monitoring function (e.g., monitoring of business activities, risk management, global governance structure) (9 questions)</li> <li>(6) Culture and dynamics of the Board of Directors (3 questions)</li> <li>(7) Nominating Committee (11 questions)</li> <li>(8) Compensation Committee (11 questions)</li> <li>(9) Audit Committee (12 questions)</li> <li>(10) Challenges identified in the 2023 effectiveness review (4 questions)</li> </ul> |
|---|--|

### Outline of issues from 2023 and results of the 2024 evaluation

The 2024 evaluation confirmed that the Board of Directors is generally functioning effectively and that the Company is continuously taking steps to enhance the Board's effectiveness.

These efforts aim to strengthen the corporate governance system and financial and investment discipline to achieve sustainable growth and increase the corporate value of the entire Group over the medium to long term. Furthermore, due to the high level of commitment from each director and the Board's diligent supervisory efforts, the Board's understanding and sensitivity to compliance matters and financial conditions have improved, leading to enhancements in the management monitoring function.

In particular, the following points are cited as noteworthy improvements: (1) the contribution of the Audit Committee has strengthened internal control and audit functions; (2) the contribution of the Finance Committee has enhanced understanding of management's current status from the shareholders' perspective; and (3) communication regarding oversight of the financial situation and execution by management has improved, alongside fundamental strengthening of finance-related departments.

On the other hand, it is also confirmed that we need to move forward earnestly with strategic discussions to optimize our business portfolio and ensure global competitiveness, as well as to enhance the persuasiveness of our next Mid-Term Management Plan and growth strategy.

### Status of 2024 efforts to address issues identified in 2023 and the Company's evaluation thereof

#### Establishment of a Group global governance structure

We confirmed that the corporate governance system has been qualitatively strengthened through enhanced communication between the finance department and the Board of Directors, as well as the sincere and diligent contributions of the Audit Committee.

#### Acceleration of strategic discussions for business portfolio optimization

We confirmed that discussions on capital efficiency, including ROIC-WACC, have progressed, and important strategic discussions are actively being held while understanding the current business portfolio from a shareholder perspective.

#### Enhanced monitoring of execution by the Board of Directors

We confirmed that the Board has become more sensitive and improved the accuracy of monitoring on clearly defined issues such as compliance incidents and financial conditions, and that measures to fundamentally strengthen finance-related departments are progressing.

#### Improved quality of materials suitable for discussion at Board meetings

We confirmed that the Board materials have improved to a certain degree, reflecting an awareness of the perspectives required for Board-level discussions, such as the inclusion of executive summaries.

### Initiatives for future improvement

To ensure that supervision and execution work in tandem to drive the Group's sustainable growth and enhance corporate value, the Board of Directors has identified the following priority issues and corresponding policies for addressing them.

By advancing these initiatives, the Company aims to continuously enhance the effectiveness of the Board of Directors and further strengthen its corporate governance.

#### (1) Enrichment of deliberation on major agenda items based on medium- to long-term strategy

- Continuously streamline agenda items to ensure sufficient time is allocated to important matters
- Reaffirm the roles and responsibilities of the Board of Directors, reorganize the division of roles between the Board and management, clarify the KGIs/KPIs related to medium- to long-term strategy, and align oversight and execution perspectives on monitoring methods
- Consider utilizing forums outside the Board, such as meetings of outside directors, as necessary

#### (2) Further sophistication of the Group management control system

- Provide appropriate advice from the oversight side to support prompt action by the execution side and further strengthen the Board's monitoring function
- Continue strengthening the organizational audit functions and consider enhancing the information-gathering framework on the oversight side

#### (3) Realization of an effective Global CEO succession plan

- Identify CEO candidates based on the ideal profile, taking into account the management environment and key management and organizational challenges, and ensure transparent and fair selection
- Clarify the development plan for candidates and have the Nominating Committee monitor the progress of their leadership development
- Share the roadmap and progress with the Board of Directors, and consider leveraging outside directors meetings to provide more detailed updates to non-committee outside directors

## Activities of each committee

### Nominating Committee (held 11 times in 2024)

#### — Committee composition



#### — Results of activities

The Nominating Committee deliberates on the nomination and succession plans of directors and executive officers, and decides on matters related to directors. Matters related to executive officers are deliberated and reported by the Committee before being submitted to the Board of Directors for a decision.

In 2024, the Committee mainly deliberated on the following matters.

- The Nominating Committee's role, operating policy, and main topics of discussion
- Policies concerning director nominations and succession planning
- Policies concerning executive officer nominations and succession planning

#### 1. Nomination policy

- Nominate suitable candidates who can contribute to enhancing the Group's sustainable growth and value over the medium to long term, in view of the Group's operating environment. Enhance the fairness and transparency of the nomination process to enable more robust and high-quality discussions.
- Select candidates with management-related expertise, experience, and ability, while ensuring a good balance between diversity and fields of expertise with the goal of assembling a management team capable of improving the Group's competitiveness and quickly generating innovations.
- Select candidates to become the Company's directors and executive officers in 2025.

#### 2. Succession planning policy

- The Committee shall prepare succession plans for the Company's directors and executive officers.
- The Committee shall consider successor candidates for each position or set of positions, based on priorities and requirements that reflect the Group's operating environment.
- People Discussions shall be held in all relevant workplaces by executive managers to identify promising successor candidates and consider personnel development plans. Information screened through these activities informs the Nominating Committee's deliberations.
- In addition to selecting and training successors from within the Group, depending on the management position, the Committee shall expand the pool of successor candidates by recruiting people from outside the Group.

The succession plan for key positions, including the CEO, is based on three core elements:

(1) criteria, (2) process, and (3) governance.

The overall framework, including each of these elements and how they are interlinked, is reported to and reviewed by the Nominating Committee before implementation.

- (1) Criteria:** Define the dentsu Leadership Attributes—the behavioral requirements expected of dentsu leaders—as well as the specific skills and experience required for each position.
- (2) Process:** From the candidate pool identified through People Discussions, select the most promising individuals. Refine the list of final candidates based on external assessments, interviews conducted by the Nominating Committee, and other relevant information.
- (3) Governance:** Ensure transparency and objectivity of the process through oversight by the Nominating Committee. Appointments to succession positions are subject to nomination by the Committee and subsequent approval by the Board of Directors.

**Audit Committee** (held 15 times in 2024)

– **Committee composition**



– **Results of activities**

In accordance with the Companies Act of Japan, the Audit Committee audits the execution of duties performed by directors and executive officers, supervises the activities of the Board of Directors, and, as a basic policy, assists the Board in its supervisory role by monitoring and supervising financial reporting, internal controls, internal audits, and financial audits.

Key audit matters for the Audit Committee are the following.

- Ensuring the reliability of financial reporting through the financial reporting lines and closing processes
- Strengthening compliance systems at the Group level

**Compensation Committee** (held 8 times in 2024)

– **Committee composition**



– **Results of activities**

The Committee deliberates and decides on compensation for directors and executive officers. In 2024, the Committee mainly debated the following matters.

- Roles and operational policies of the Compensation Committee (including a review of the scope of matters requiring Committee approval)
- Individual compensation for directors and executive officers
- Revision of performance indicators for incentive compensation (annual incentives and medium- to long-term incentives)
- Establishing targets for performance indicators and evaluation methods
- Establishing individual performance goals for executive officers

– **Basic policy for determining compensation of officers**

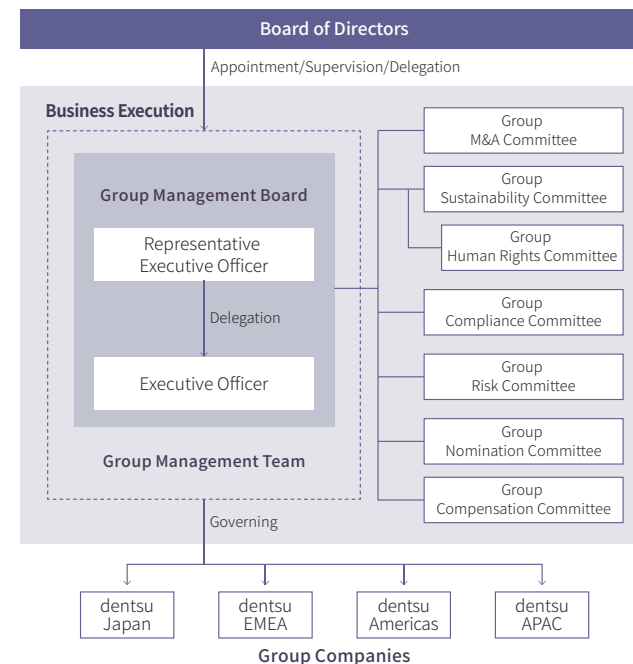
- 1. Attract and retain outstanding talent by providing attractive total rewards and environment**
  - Competitive pay
  - Career growth opportunities
- 2. Achieve the Group’s strategic goals by maximizing the performance of the globally-integrated management team**
  - Pay for performance
  - Challenging goals
- 3. Strengthen alignment with interests of shareholders and all other stakeholders**
  - Creating value for society
  - Accountability

**Other bodies involved in business execution**

The Company appoints a Group Management Team, including executive officers, to directly oversee business operations across four regions: Japan, Americas, EMEA, and APAC. By delegating authority from the Board of Directors to the Group Management Team for most important business execution matters, the Company establishes a swift and effective execution system while strengthening the Board’s supervisory function over business execution.

Specifically, under the Board of Directors, a Group

Management Board composed of five executive officers is established to deliberate and decide on important matters of the Company that are not subject to Board resolutions. This includes making decisions regarding significant management issues for the entire Group and conducting preliminary discussions on matters to be resolved by the Board. Additionally, specialized committees have been established to deliberate on specific issues: the Group M&A Committee, Group Sustainability Committee, Group Compliance Committee, Group Risk Committee, Group Nomination Committee, Group Compensation Committee, and Group Human Rights Committee. These bodies work to ensure soundness, transparency, and efficiency in management while promoting the enhancement of corporate value over the medium to long term.



## Executive compensation policy for determining the amount of compensation and calculation methods

### Basic policy for determining compensation of officers

#### – Philosophy for compensating officers

As a company with a board committee structure, dentsu has the Compensation Committee whose members and chair are outside directors. The Compensation Committee deliberates and decides on the level and structure of compensation as well as targets for variable compensation for directors and executive officers based on the following compensation philosophy.



#### – Compensation levels

To secure globally talented management personnel, the Group sets compensation levels appropriate for each management role based on amounts paid by industry competitors and companies with similar market caps operating in major markets, including Japan, the US, and the UK.

Category	Type	Details
Fixed compensation	Annual base salary	Regular fixed amount, paid each month
	Annual incentive	Based on numerical values of indicators for each fiscal year
Variable compensation	Monetary compensation	Medium- to long-term incentive (stock price-linked monetary compensation) A specified number of base units are granted on a fixed date each fiscal year. One-third of the units vest annually, starting one year after the grant date, and the corresponding amount—calculated by multiplying the number of vested units by the stock price at that time—is paid in cash.
	Stock compensation	Medium- to long-term incentive (performance share units) The Group’s stock is awarded, through a trust, in amounts reflecting the number of units allocated on a specific date each fiscal year and is adjusted after three years based on the performance indicator targets reached.

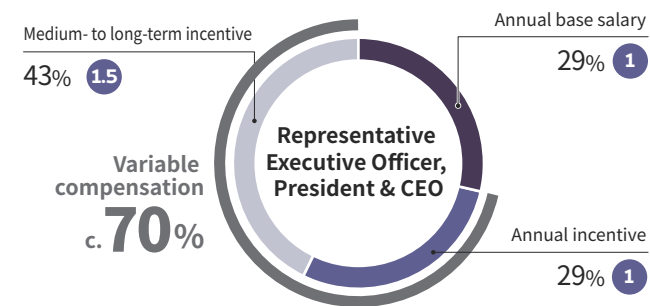
#### – Compensation system

Compensation for executive officers (including those who concurrently serve as directors) consists of base salary, annual incentives, and medium- to long-term incentives.

For outside directors, only fixed compensation is paid.

To help improve its financial performance and market capitalization over the medium and long terms, the Group has set the medium- to long-term incentive for the President & Global CEO at 1.5 times the amount of the annual base salary and the annual incentive, respectively. The proportions set for other executive officers are based on their global management responsibilities.

#### Compensation structure for the Representative Executive Officer, President & CEO



Note: The diagram shows the final composition of annual compensation assuming that all targets have been accomplished.

## Performance-based compensation structure

### – Objective of setting indicators

For each type of performance-based compensation, the Group has specified performance indicators and chair methods to motivate executive officers to promote business transformation and growth strategies, work to maximize corporate value, and fulfill the Group's purpose: an invitation to the never before.

### Performance-based compensation structure

Compensation	Performance indicator	Details and objective
Medium- to long-term incentive	Total Shareholder Return (TSR) including dividends vs. Tokyo Stock Exchange Stock Price Index (TOPIX)	Further enhance alignment with shareholder interests through share price growth and increased profit attributable to shareholders
	ROE	
Annual incentive	Organic growth rate, operating margin	Growth each fiscal year and expansion of business revenue
	Cost indicators	Reexamining underperforming businesses/Restoring profitability recovery through restructuring of the business foundation
	Individual performance evaluation	Promote business transformation
	Sustainability indicators	Progress in sustainability initiatives

Maximize corporate value/Fulfill the Group's purpose: an invitation to the never before.

### – Performance targets and compensation breakdown in 2025

Annual and medium- to long-term incentives will vary based on the level of achievement against the target values shown below. Annual incentives range from 0% to 200% (with 100% as the target), and medium- to long-term incentives range from 30% to 170% (with 100% as the target).

### Annual incentive

Category	Performance indicator	Target	Upper limit target	Ratio
Financial indicators	Organic growth rate	2.3%	5.8%	30%
	Operating margin	11.8%	13.6%	30%
	Cost indicators	Aligned with the cost reduction plan outlined in the new Mid-Term Management Plan		10%
Individual performance evaluation		Management targets set for each executive officer		20%
Sustainability indicators	Employee engagement score	66	—	10%
	Ratio of female leaders* (excluding the US)	26.9%	—	
	GHG emissions (Scope 1+2, excluding the US)	11,925.4 tCO <sub>2</sub> e	—	

\* Definition of "female leaders"

<https://www.group.dentsu.com/en/sustainability/common/pdf/third-party-assurance.pdf>

## Compensation governance

### – Malus and clawback clauses

If an executive officer causes significant damage to the Company due to willful misconduct, negligence, or other inappropriate actions, or if there are material errors in financial reporting that would have reduced the amount of compensation paid, the Company may, by resolution of the Compensation Committee, forfeit all or part of the executive's right to receive annual and medium- to long-term incentives (malus), or require the return of all or part of any cash or shares already paid (clawback).

### Medium- to long-term incentive (allocations for 2025)

Category	Performance indicator	Target	Upper limit target	Ratio
Stock price indicator	Total Shareholder Return (TSR) including dividends vs. Tokyo Stock Exchange Stock Price Index (TOPIX)	100%	150%	35%
Financial indicators	ROE	Evaluated with reference to the ROE target set as a KPI in the new Mid-Term Management Plan		35%
Stock price-linked monetary compensation		—	—	30%

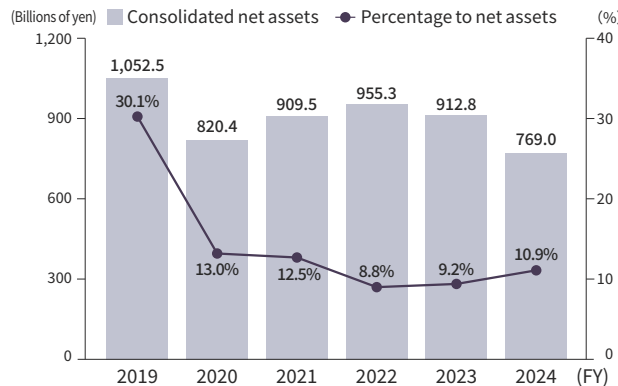
### Policy on the disposal of strategic shareholdings and actual reductions

The Group’s basic policy regarding strategic shareholdings is to validate whether shareholdings are meaningful from perspectives such as whether the benefits of holding the shares are higher than the Group’s anticipated cost of capital and whether the stock ownership contributes to the maintenance and enhancement of the business relationship with the investee company and the promotion of collaboration, and to reduce individual shareholdings where they are not deemed meaningful.

Each year, the Board of Directors examines the purpose and economic rationale for every strategic shareholding from a medium- to long-term perspective and assesses the appropriateness of continuing to hold each stock.

In 2024, the Group sold 16 strategic shareholdings with a total value of approximately 20.7 billion yen in accordance with this policy.

As of December 31, 2024, the book value of strategic shareholdings accounted for 10.9% of the Group’s consolidated net assets. This ratio is expected to be reduced to below 10% by the end of 2025.



For further details regarding dialogues with shareholders and investors, please refer to the Disclosure Policy section of the Company’s website. <https://www.group.dentsu.com/en/ir/stockandratings/constructivedialogue.html>

### Risk management

#### Approach

The Group aims to achieve our management objectives by appropriately identifying and assessing risks arising from uncertainty. For high-priority risks, we implement response measures and conduct monitoring to avoid or mitigate risks that could impede the achievement of these objectives. At the same time, we strive to overcome risks—or take calculated risks—to realize and maximize opportunities.

The Group is committed to appropriately identifying strategic risks, key operational risks, and emerging risks. We also work to streamline our risk management processes by formulating an annual risk management plan and ensuring its effective implementation.

#### Structure

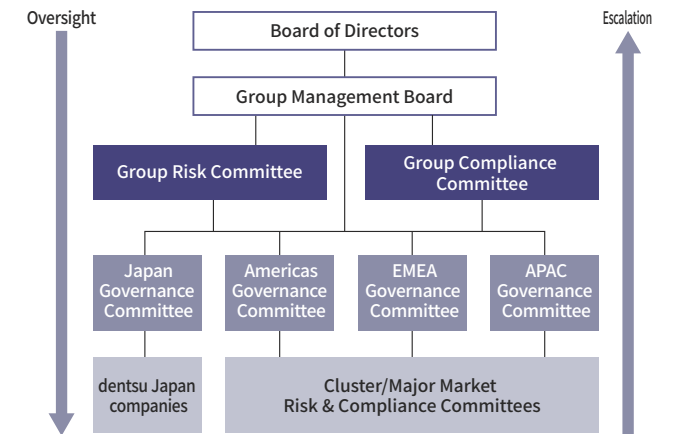
Under the corporate governance structure, dentsu has established the Group Risk Committee, which is responsible for overseeing risk management. This committee primarily manages key risks related to strategy, operations, legal/compliance, finance, and external factors. The committee is chaired by the Representative Executive Officer, Executive Vice President, Global Chief Governance Officer (CGO), and its members include the Representative Executive Officer, President & Global CEO, and the four Regional CEOs overseeing Japan, Americas, EMEA, and APAC. Additionally, the Group Management Team has appointed a Global Head of Internal Control & Risk who oversees risk management and internal controls across the organization, further strengthening the Group’s risk management structure.

In April 2025, the Risk & Compliance Committees for each of the four regions were restructured and relaunched as regional Governance Committees under the umbrella of the Group Management Board. Each committee includes dentsu’s Global

General Counsel and Global Head of Internal Control & Risk as standing participants, strengthening oversight of regional decision-making and ensuring transparency in discussions.

The activities and responses of the Group Risk Committee and the regional Governance Committees are regularly monitored by the Group Management Board and the Board of Directors.

#### Management structure



### Risk management process

Based on the Enterprise Risk Management (ERM) approach, dentsu identifies and evaluates risks that are of major significance to Group management. To manage the likelihood of risks materializing and control their impact should they materialize and reach certain levels, we create heat maps based on the likelihood of occurrence and the severity of impact, allowing us to understand our risk exposure. While our overall risk exposure is reviewed annually, individual risks are reassessed as necessary and appropriate. Additionally, risk sponsors are appointed for each specific risk, with these sponsors responsible for developing and promoting response plans.

To progressively enhance the quality of risk management, the Group has developed a three-year risk management plan and is working to establish a more effective and efficient risk management process.

### Specific risk management initiatives

As part of the enterprise risk assessment (ERA) conducted in 2024, the Group carried out extensive interviews on risk-related matters with key leaders—including the Global CEO and Global CGO—as well as with regional and major market leaders and outside directors. The insights gained through these interviews were carefully reviewed by the Group Risk Committee and the Group Management Board, leading to an updated list of major risks identified as significant for inclusion in the Group’s risk register\*.

To further enhance the comprehensiveness of the Group’s risk coverage, we also undertook the development of a structured risk taxonomy, including the refinement of risk-related terminology. The updated risk register includes risk items that were previously discussed as emerging risks by the Group Risk Committee in 2024.

\*For details on major risk items, please refer to the section “Business Risks,” starting on page 28 of the 176th Securities Report. (Available in Japanese only)

Building on the above ERA, the Group has developed two types of risk training programs: one for executive members at both the Group and regional levels, and another for all other employees. This year, risk training will be conducted for all Group employees to deepen understanding of risks across the organization and to further embed a robust and sustainable risk culture.



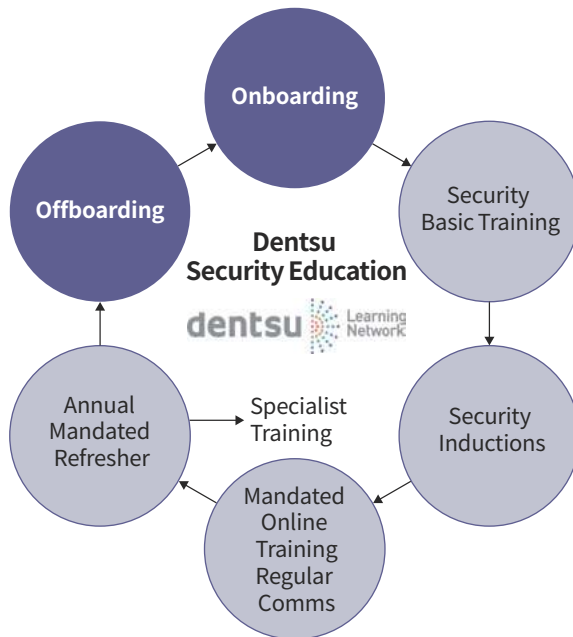
## Cybersecurity

### Our security program

Dentsu has developed a security program with an overarching objective to protect our business and people from threats, enable our colleagues to work securely, and provide assurance to clients and Group leadership.

- Business priority

Security is an integral part of our business processes and recognized as critical to meeting the needs of our internal and external stakeholders.



- Significant investment

We take security seriously and commit resources to ensure consistent implementation of industry standard safeguards across our business.

- Global consistency

The security team operates under a unified global framework, led by the Group Chief Information Security Officer, who is responsible for the Group's overall security. This officer works in close coordination with the Chief Information Security Officers in each region to provide comprehensive support across the organization.

- Sound governance

Our management is responsible for effective oversight of security processes, including specific accountabilities, policies, and controls.

- Independent assurance

Assessments (internal and external) are conducted for corporate governance, client compliance, and risk management purposes.

### Employee awareness

The Group promotes a comprehensive security awareness and education program through several key initiatives:

- Annual mandatory security awareness training
- Targeted training for high-risk roles and functions
- Regular policy-focused communications
- Periodic simulated phishing campaigns

### Governance and risks

Based on the Enterprise Risk Management (ERM) approach, dentsu aims to minimize the likelihood of identified security risks materializing. However, should they occur, the Group minimizes their impact by selecting risk sponsors to whom they delegate the formulation and implementation of risk response plans, with

the Dentsu Security Risk Committee regularly monitoring the responses. Furthermore, known security issues arising from second line assurance are also monitored and reported through the same risk management methodology.

### Securing our operations

- Advanced threat protection
  - Anti-malware for e-mail, web, and endpoints
  - Next-gen endpoint detection and response (EDR) system
  - Actionable intelligence to defend against emerging threats
  - Proactive threat hunting across network and devices
- Monitoring and incident response
  - Expert 24×7 security monitoring
  - Centralized, correlated visibility of activity
  - Capability to quickly contain and respond to threats
  - Regular testing of incident response processes
- Identity and access management
  - Central oversight of user access and joiner/leavers
  - Real-time auditing of privileged users and domains
  - Multi-factor authentication used for core applications
- Infrastructure and asset protection
  - Independent testing of network perimeter
  - Detect and fix vulnerabilities before attackers
  - Secure internet gateway used by our endpoints

### 2025–2027 focus areas

- Continuously review and improve security structure
- Continuously strengthen data-centric management systems
- Promote security in product development
- Develop dentsu's security personnel

## Supply chain management

### Basic stance

The Group recognizes supply chain management as a key priority. We are committed to developing and disclosing Group-wide policies related to procurement, establishing the necessary organizational structures and processes, and providing training and education to employees to ensure responsible and effective supply chain practices.

<p>Disclosure of supply chain management policies</p>	<p>The Group has established guidelines for the conduct of business partners within the Dentsu Group Code of Conduct, which all Group members are required to understand and comply with.</p> <p>As a global company committed to contributing to societal development, we have established and published the Dentsu Group Procurement Policy, which outlines our approach, and the Dentsu Group Supplier Code of Conduct, which sets out our expectations for suppliers who do business with us. Guidelines and procedures have also been formulated for each region in accordance with regional business practices and structures, and these are managed by the procurement teams in charge of each region.</p>
<p>Structure</p>	<p>The Global Chief Governance Officer is responsible for Group policies related to procurement and oversees supply chain management. Procurement teams in Japan (dentsu Japan) and overseas, which handle supply chain management, manage various initiatives in accordance with these policies. For high-priority procurement matters, decisions are deliberated and made at key company meetings, including the Group Management Board, with reports provided to the Board of Directors as needed.</p>
<p>Eligible suppliers</p>	<p>The Group works with a wide range of suppliers—including contractors, outsourcing partners, and business affiliates—across areas such as media, production, technology services, goods supply, consulting, and other professional services. We consider not only primary (first-tier) suppliers but also secondary and lower-tier suppliers to be within the scope of our supply chain management.</p>
<p>Dealing with suppliers</p>	<p>Important risks in supply chain management—including environmental, human rights, compliance, information security, anti-corruption, and governance issues—are clearly defined across all countries and industries. Due diligence is conducted at the beginning of supplier relationships, with regular monitoring maintained throughout the contract period.</p> <p>Furthermore, the procurement and sustainability teams collaborate to promote supplier initiatives focused on emission reductions.</p>
<p>Response to supplier inquiries</p>	<p>Regional procurement teams, independent from business divisions, collect information from multiple sources—including reports received through a dedicated hotline for external supplier consultations. They analyze and verify the information and consider and implement necessary responses. Moreover, the Group has established an anonymous reporting channel, Speak Up @ dentsu, which is available to suppliers and other stakeholders.</p>

## Details of dentsu Japan initiatives

### (1) Establishment of guidelines

To build a sustainable supply chain that contributes to the development of society and stakeholders, dentsu Japan has established and published the dentsu Japan Procurement Guidelines, which require compliance not only from all dentsu Japan companies but also from their suppliers.

### (2) Guideline compliance measures

To promote compliance with the dentsu Japan Procurement Guidelines, dentsu Japan regularly engages with the management teams of dentsu Japan companies. This includes monitoring the status of adherence and execution, and providing necessary support as needed.

### (3) Monitoring

When individual cases or issues, or the possibility of such issues, are identified with a supplier—based on reports and reviews from business units or information gathered as needed by the dentsu Japan procurement team—internal investigations and interviews are conducted, and a prompt decision is made regarding whether to continue the business relationship.

### (4) Escalation

Dentsu Japan works with dentsu Japan companies to share information and address issues. Critical matters are reported to and reviewed by the dentsu Japan Trade Committee, a body established to ensure appropriate management decisions that promote transaction safety and sound profitability. The committee investigates the details of each case and determines whether to continue the business relationship.

### (5) Education and training

The dentsu Japan procurement team provides dentsu Japan companies with support and shares practical methods related to procurement, including contract management, information security, and monitoring.

### (6) Risk management and due diligence

At the start of a business relationship, risk is managed by ensuring that a master transaction agreement is executed. In addition, investigations and checks tailored to the supplier's industry are conducted to determine whether the transaction should proceed. The template for the master transaction agreement is also reviewed and updated as needed to ensure fair and transparent dealings.

### (7) Examples of supply chain optimization and ongoing initiatives

The dentsu Japan procurement team collaborates with dentsu Japan companies to implement various initiatives. Examples include appointing dedicated transaction managers and issuing the Partnership Building Declaration, a message expressing the aim of mutual prosperity with suppliers.

## Details of initiatives outside of Japan

### (1) Establishment of guidelines

We have established policies on contracts, procurement, and payments for our International operations, and conduct procurement in compliance with local business practices and regulations.

### (2) Guideline compliance measures

The Global Procurement Team manages high-spend and criticality central or global contracts with third-party suppliers. Beyond this, procurement is managed by either local procurement teams or other functions such as operations or finance. Procurement activity compliance is managed through the Internal Control Framework.

### (3) Monitoring

In addition to monitoring conducted by each region and company, the Global Procurement Team supports supplier due diligence and risk management for global requirements and addresses issue resolution.

The status of procurement-related risk assessments is shared

with relevant members through a dashboard.

### (4) Escalation

The Global Procurement Team submits monthly reports detailing key contract activities, negotiation outcomes with quantitative results, and procurement-related risks and opportunities. These reports are presented at major meetings attended by representatives from finance, legal, and technology departments.

### (5) Education and training

Members of the Global Procurement Team receive training in data protection, security, and the Dentsu Group Code of Conduct, as well as in commercial negotiation and sustainable procurement, with support provided for acquiring relevant procurement qualifications.

### (6) Risk management and due diligence

For new suppliers, due diligence is conducted to obtain agreement to dentsu's Supplier Code of Conduct, verify financial soundness, assess compliance risks, and confirm appropriate information security measures. In collecting information related to supplier sustainability, relevant questions are assigned a certain weighting.

### (7) Examples of supply chain optimization and ongoing initiatives

The Global Procurement Team implements supplier segmentation to identify key suppliers and ensure appropriate resources are assigned to manage their activities.

In addition, to ensure proper supply chain management, tools have been introduced to support contract conclusion with suppliers, facilitate thorough supplier due diligence, and assist procurement sourcing.

[Financial data](#)

[Non-financial data](#)

[Subsidiaries and affiliates](#)

[Information for shareholders/Share information](#)

[Editorial policy](#)

# Data

# Financial data

## Consolidated

(Millions of yen)

	2017	2018	2019	2020	2021	2022	2023	2024
<b>Profit and loss statement</b>								
Turnover	5,187,300	5,357,278	5,146,802	4,498,216	5,256,492	5,819,519	5,953,391	<b>6,352,444</b>
Revenue	928,841	1,018,512	1,047,881	939,243	1,085,592	1,243,883	1,304,552	<b>1,410,961</b>
Net revenue	877,622	932,680	939,385	835,042	976,577	1,117,002	1,144,819	<b>1,201,647</b>
Operating profit (loss)	137,392	111,638	(3,358)	(140,625)	241,841	117,617	45,312	<b>(124,992)</b>
Profit (loss) before tax	149,662	148,751	(42,769)	(141,133)	208,833	100,908	33,103	<b>(139,759)</b>
Profit (loss) for the year attributable to owners of the parent	105,478	90,316	(80,893)	(159,596)	108,389	59,847	(10,714)	<b>(192,172)</b>
Underlying EBITDA*	—	—	—	145,335	195,006	217,515	175,758	<b>189,507</b>
Underlying operating profit	163,946	153,229	140,751	123,979	179,028	203,189	163,515	<b>176,233</b>
Underlying net profit (attributable to owners of the parent)	107,874	97,419	76,120	69,890	109,203	130,037	89,839	<b>92,936</b>
<b>Balance sheet</b>								
Total assets	3,562,857	3,638,488	3,795,729	3,380,412	3,720,536	3,741,427	3,634,401	<b>3,507,260</b>
Total equity attributable to owners of the parent	1,093,211	1,047,619	974,977	756,870	845,034	880,267	841,651	<b>696,838</b>
<b>Cash flow</b>								
Net cash flow from operating activities	141,557	133,049	79,957	88,313	139,715	80,896	75,267	<b>59,984</b>
Net cash flow from investing activities	(85,531)	(61,382)	(76,051)	137,013	262,226	(24,346)	(146,297)	<b>(30,908)</b>
Net cash flow from financing activities	1,226	57,522	(7,803)	(96,622)	(232,189)	(188,192)	(153,681)	<b>(65,714)</b>
Cash and cash equivalents at end of period	305,760	416,668	414,055	530,692	723,541	603,740	390,678	<b>371,989</b>
Number of employees	60,064	62,608	66,400	64,533	64,832	69,066	71,127	<b>67,667</b>
Number of consolidated subsidiaries	911	976	1,004	1,007	907	881	808	<b>724</b>

\*Underlying operating profit before underlying depreciation and amortization (excluding depreciation adjustments under IFRS 16).

Notes: 1. Group has adopted IFRS 15 "Revenue from Contracts with Customers" from the fiscal year ended December 31, 2018, and IFRS 16 "Leases" from the fiscal year ended December 31, 2019.

The figures for prior years are not restated and based on the former standards.

2. The Group previously recognized intangible assets for configuration or customization costs in cloud computing contracts in accordance with IAS 38 "Intangible Assets." However, from FY2021, based on the discussions that led to the agenda decision of the IFRS Interpretations Committee issued in April 2021, the Company has changed to a method of recognizing the cost of configuration or customization services as an expense when they are received. However, in this report, figures for prior years are presented before the change in accounting policy. Therefore, the figures of the fiscal year ended December 31, 2020, differ from the 2020 figures in the Summary of Financial Results for the Fiscal Year Ended December 31, 2021, where the presentation was retrospectively restated.

	2017	2018	2019	2020	2021	2022	2023	2024
								(%)
Organic growth rate	0.1	3.4	(1.0)	(11.1)	13.1	3.2	(4.9)	<b>(0.1)</b>
Japan	(0.3)	2.1	0.4	(8.4)	17.9	0.4	1.6	<b>4.0</b>
International	0.4	4.3	(1.9)	(13.0)	9.7	5.1	—	—
Americas	—	—	—	—	—	—	(7.2)	<b>(4.1)</b>
EMEA	—	—	—	—	—	—	(10.9)	<b>2.2</b>
APAC	—	—	—	—	—	—	(8.2)	<b>(7.0)</b>
CT&T* <sup>1</sup> ratio	—	—	—	27.5	29.1	32.3	31.9	<b>28.3</b>
Japan	—	—	—	24.5	24.4	28.5	—	—
International	—	—	—	29.7	32.6	34.6	—	—
Operating margin	18.7	16.4	15.0	14.8	18.3	18.2	14.5	<b>14.8</b>
Japan	24.5	21.7	19.1	18.0	22.9	24.1	—	—
International	14.6	12.9	12.2	13.7	15.9	15.7	—	—
Return on equity (ROE)* <sup>2</sup>	10.4	8.4	(8.0)	(18.4)	13.7	6.9	(1.2)	<b>(25.0)</b>
Underlying ROE* <sup>3</sup>	10.6	9.1	7.5	8.1	13.8	15.1	10.4	<b>12.1</b>
Return on assets (ROA)* <sup>4</sup>	4.5	4.1	(1.2)	(3.9)	5.9	2.7	0.9	<b>(3.9)</b>
Ratio of equity attributable to owners of the parent (Equity ratio)* <sup>5</sup>	30.7	28.8	25.7	22.4	22.7	23.5	23.2	<b>19.9</b>
Basic earnings per share (yen)	373.11	320.39	(287.92)	(571.19)	388.79	223.33	(40.52)	<b>(734.56)</b>
Basic underlying profit per share (yen)	381.58	345.59	270.94	250.14	391.71	485.26	339.79	<b>355.24</b>
Cash dividend per share (yen)	90.00	90.00	95.00	71.25	117.50	155.25	139.50	<b>139.50</b>
Dividend payout ratio* <sup>6</sup>	24.1	28.1	—	—	30.2	69.5	—	—
Underlying dividend payout ratio* <sup>7</sup>	23.6	26.0	35.1	28.5	30.0	32.0	35.0	<b>39.3</b>

\*1 CT&T = Customer Transformation & Technology; new business domain including the services related to marketing technology, customer experience management, commerce, system integration, and transformation and growth strategy

\*2 ROE (IFRS) = Profit for the year attributable to owners of the parent ÷ Average equity attributable to owners of the parent based on equity at the beginning and end of the fiscal year × 100

Note: Fiscal year-end before alignment across the Group means March

\*3 Underlying ROE = Underlying net profit (attributable to owners of the parent) ÷ Average equity attributable to owners of the parent based on equity at the beginning and end of the fiscal year × 100

Note: Fiscal year-end before alignment across the Group means March

\*4 ROA (IFRS) = Profit before tax ÷ Average total assets based on total assets at the beginning and end of the fiscal year × 100

\*5 Ratio of equity attributable to owners of the parent = Equity attributable to owners of the parent ÷ Total assets

\*6 Dividend payout ratio = Cash dividend per share ÷ Basic earnings per share × 100

\*7 Underlying dividend payout ratio = Cash dividend per share ÷ Basic underlying profit per share × 100

FY2023 is calculated based on the adjusted underlying basic EPS

Note: On January 1, 2023, the Group formed the Group Management Team, one management team to promote global management as part of efforts to accelerate business transformation and further enhance management sophistication so as to achieve business growth and the sustainable enhancement of corporate value. The team directly governs the four business regions worldwide. As a result, effective from FY2023, we have changed from the previous two-segment system comprising the "Japan business" and "International business" to a four-segment system comprising "Japan," "Americas," "EMEA," and "APAC."

# Non-financial data

## Environmental performance data\*<sup>1</sup>

(tCO<sub>2e</sub>)

	2019* <sup>2</sup>	2021	2022	2023	2024
Scope 1	11,759	3,195	3,267	4,501	<b>3,001</b>
Scope 2	24,258	20,908	12,771	15,992	<b>9,583</b>
Scope 1+2	36,017	24,103	16,039	20,493	<b>12,584</b>
Scope 3	542,029	360,325	377,456	436,561	<b>389,149</b>
Category 1	285,259	316,082	294,923	264,790	<b>222,048</b>
Category 2	40,657	N/A	N/A	14,285	<b>55,848</b>
Category 3	10,978	10,779	8,254	10,520	<b>5,762</b>
Category 4	1,375	3,558	4,264	3,107	<b>1,642</b>
Category 5	6,424	1,207	904	6,578	<b>4,707</b>
Category 6	80,642	9,909	35,899	42,178	<b>32,980</b>
Category 7	72,528	14,668	27,848	58,601	<b>53,767</b>
Category 13	893	331	309	580	<b>659</b>
Category 15	43,273	3,790	5,055	35,923	<b>11,736</b>
Total greenhouse gas (GHG) emissions (Scope 1+2+3)	578,046	384,428	393,494	457,053	<b>401,733</b>

\*<sup>1</sup> Scope and method of calculation

•Organizational boundary of calculation: Includes consolidated subsidiaries in Japan and globally over which Dentsu Group Inc. (“dentsu”) exercises operational control. Consolidated subsidiaries that can be judged to have a negligible impact due to number of employees, type of use of bases, etc. are not included.

•Reference made to the Greenhouse Gas (GHG) Protocol in the calculation.

•Scope 1: The refrigerant emissions reported represent only those for which actual data could be collected.

•Scope 3 Category 8: Emissions from applicable leases are calculated under Scope 1 and 2.

•Scope 3 Category 9–12 and 14 are not included in the calculation because the impact is negligible.

•For details, please see the Independent Practitioner’s Limited Assurance Report.

<https://www.group.dentsu.com/en/sustainability/common/pdf/third-party-assurance.pdf>

\*<sup>2</sup> Due to changes in the scope of consolidation resulting from M&A, we have recalculated and revised the figures for 2019 (SBT baseline) and 2023 in reference to the GHG Protocol “Chapter 5 Tracking Emissions Over Time.”

## Total electricity consumption, amount of renewable energy usage, and renewable energy rate

	2021	2022	2023	2024
Total electricity consumption (kWh)	72,752,991	83,661,353	66,227,058	<b>65,620,130</b>
Renewable energy usage (kWh)*	35,397,299	29,756,238	35,564,698	<b>52,141,260</b>
Renewable energy rate	48.7%	35.6%	53.7%	<b>79.5%</b>

\*The renewable energy rate is calculated in line with the RE100 definition.

## Governance data

	2020	2021	2022	2023	2024
Directors	12	13	13	10	<b>9</b>
Outside Directors (independent Outside Directors)	5(4)	5(5)	5(5)	6(6)	<b>6(6)</b>
Ratio of independent Outside Directors (%)	33.3	38.5	38.4	60.0	<b>66.7</b>
Female Directors	2	3	4	2	<b>2</b>
Ratio of female Directors (%)	16.7	23.1	30.8	20.0	<b>22.2</b>
Board of Director meeting attendance rate (%)	95.6*	99.1	100.0	98.0	<b>99.0</b>
Attendance rate of independent Outside Directors at Board of Director meetings (%)	100.0	98.8	100.0	99.0	<b>100.0</b>

\*Attendance rate was 97.8% excluding times when Tim Andree was absent due to illness.

	2020	2021	2022	2023	2024
Internal reporting: number of “Speak Up” incident reports (cases)	43	38	100	218	<b>314</b>
Internal reporting: Compliance Line reports (cases)* <sup>1</sup>	10	6	12	32	<b>28</b>
Number of internally reported complaints (cases)* <sup>2</sup>	106	136	106	164	<b>177</b>

\*<sup>1</sup> Main report content topics include internal harassment, improper treatment, fraud in business operations, and misgivings about Company systems.

\*<sup>2</sup> In 2021, previous fiscal year figures were recounted.

# Subsidiaries and affiliates

As of December 31, 2024, the Group included 724 consolidated subsidiaries and 76 affiliated companies accounted for by the equity method.

## Consolidated subsidiaries

<p><b>Dentsu Inc.*<sup>1</sup></b> Geographic area: Japan Equity held by dentsu: 100.0%</p>	<p><b>Dentsu Corporate One Inc.*<sup>1</sup></b> Geographic area: Japan Equity held by dentsu: 100.0%</p>	<p><b>Tag Europe Limited*<sup>3</sup></b> Geographic area: United Kingdom Equity held by dentsu: 100.0% (100.0%)</p>	<p><b>Dentsu Singapore Holdings Pte. Ltd.*<sup>1,3</sup></b> Geographic area: Singapore Equity held by dentsu: 100.0% (100.0%)</p>	<p><b>Dentsu International GPS Holdings Limited*<sup>1,3</sup></b> Geographic area: United Kingdom Equity held by dentsu: 100.0% (100.0%)</p>
<p><b>Dentsu East Japan Inc.</b> Geographic area: Japan Equity held by dentsu: 100.0%</p>	<p><b>Dentsu Creative Advertising, LLC*<sup>1,3</sup></b> Geographic area: USA Equity held by dentsu: 100.0% (100.0%)</p>	<p><b>Dentsu Aegis Network Central Europe Holding GmbH*<sup>3</sup></b> Geographic area: Germany Equity held by dentsu: 100.0% (100.0%)</p>	<p><b>Dentsu Asia Pte. Ltd.*<sup>1,3</sup></b> Geographic area: Singapore Equity held by dentsu: 100.0% (100.0%)</p>	<p><b>Dentsu International Finance*<sup>1,3</sup></b> Geographic area: United Kingdom Equity held by dentsu: 100.0% (100.0%)</p>
<p><b>Dentsu West Japan Inc.</b> Geographic area: Japan Equity held by dentsu: 100.0%</p>	<p><b>Dentsu Creative, LLC*<sup>1,3</sup></b> Geographic area: USA Equity held by dentsu: 100.0% (100.0%)</p>	<p><b>Dentsu Aegis Network Central Europe GmbH*<sup>3</sup></b> Geographic area: Germany Equity held by dentsu: 100.0% (100.0%)</p>	<p><b>Dentsu Aegis Network India Private Limited*<sup>1,3</sup></b> Geographic area: India Equity held by dentsu: 100.0% (100.0%)</p>	<p><b>Dentsu International Regents Place Finance Limited*<sup>3</sup></b> Geographic area: United Kingdom Equity held by dentsu: 100.0% (100.0%)</p>
<p><b>Dentsu Kyushu Inc.</b> Geographic area: Japan Equity held by dentsu: 100.0%</p>	<p><b>Dentsu US, Inc.*<sup>1,3</sup></b> Geographic area: USA Equity held by dentsu: 100.0% (100.0%)</p>	<p><b>Dentsu France*<sup>1,3</sup></b> Geographic area: France Equity held by dentsu: 100.0% (100.0%)</p>	<p><b>Dentsu Australia Holdings Pty Ltd.*<sup>1,3</sup></b> Geographic area: Australia Equity held by dentsu: 100.0% (100.0%)</p>	<p><b>Dentsu International Treasury Limited*<sup>1,3</sup></b> Geographic area: United Kingdom Equity held by dentsu: 100.0% (100.0%)</p>
<p><b>Dentsu Runway Inc.</b> Geographic area: Japan Equity held by dentsu: 100.0%</p>	<p><b>Merkle Group Inc.*<sup>3</sup></b> Geographic area: USA Equity held by dentsu: 100.0% (100.0%)</p>	<p><b>Aegis France*<sup>1,3</sup></b> Geographic area: France Equity held by dentsu: 100.0% (100.0%)</p>	<p><b>Dentsu International Australia Pty Ltd.*<sup>1,3</sup></b> Geographic area: Australia Equity held by dentsu: 100.0% (100.0%)</p>	<p>_____ and 674 other companies</p>
<p><b>Dentsu Ad-Gear Inc.</b> Geographic area: Japan Equity held by dentsu: 66.7%</p>	<p><b>Isobar US, LLC*<sup>1,3</sup></b> Geographic area: USA Equity held by dentsu: 100.0% (100.0%)</p>	<p><b>Aegis International Holding Company B.V.*<sup>3</sup></b> Geographic area: Netherlands Equity held by dentsu: 100.0% (100.0%)</p>	<p><b>Dentsu Corporate Services Pty Ltd.*<sup>1,3</sup></b> Geographic area: Australia Equity held by dentsu: 100.0% (100.0%)</p>	<p><b>Equity-accounted investees</b></p>
<p><b>Dentsu Digital Inc.*<sup>3</sup></b> Geographic area: Japan Equity held by dentsu: 100.0% (25.0%)</p>	<p><b>Dentsu International Americas, LLC*<sup>1,3</sup></b> Geographic area: USA Equity held by dentsu: 100.0% (100.0%)</p>	<p><b>Group Carat (Nederland) B.V.*<sup>1,3</sup></b> Geographic area: Netherlands Equity held by dentsu: 100.0% (100.0%)</p>	<p><b>Dentsu International Limited*<sup>1,3</sup></b> Geographic area: United Kingdom Equity held by dentsu: 100.0%</p>	<p><b>Video Research Ltd.</b> Geographic area: Japan Equity held by dentsu: 34.2%</p>
<p><b>Dentsu Live Inc.</b> Geographic area: Japan Equity held by dentsu: 100.0%</p>	<p><b>Gyro, LLC*<sup>1,3</sup></b> Geographic area: USA Equity held by dentsu: 100.0% (100.0%)</p>	<p><b>Dentsu Media, S.L.U.*<sup>1,3</sup></b> Geographic area: Spain Equity held by dentsu: 100.0% (100.0%)</p>	<p><b>Dentsu International Holdings Limited*<sup>1,3</sup></b> Geographic area: United Kingdom Equity held by dentsu: 100.0% (100.0%)</p>	<p><b>D2C Inc.</b> Geographic area: Japan Equity held by dentsu: 46.0%</p>
<p><b>Dentsu Promotion Plus Inc.</b> Geographic area: Japan Equity held by dentsu: 100.0%</p>	<p><b>Portman Square Acquisition Co.*<sup>3</sup></b> Geographic area: USA Equity held by dentsu: 100.0% (100.0%)</p>	<p><b>Dentsu (Shanghai) Investment Co., Ltd.*<sup>1,3</sup></b> Geographic area: China Equity held by dentsu: 100.0% (100.0%)</p>	<p><b>Portman Square US Holdings Limited*<sup>1,3</sup></b> Geographic area: United Kingdom Equity held by dentsu: 100.0% (100.0%)</p>	<p>_____ and 74 additional companies</p>
<p><b>Carta Holdings, Inc.*<sup>2</sup></b> Geographic area: Japan Equity held by dentsu: 53.1%</p>	<p><b>Agenciatick Midia Interativa Ltda.*<sup>1,3</sup></b> Geographic area: Brazil Equity held by dentsu: 100.0% (100.0%)</p>	<p><b>Beijing Dentsu Advertising Co., Ltd.</b> Geographic area: China Equity held by dentsu: 100.0%</p>	<p><b>Dentsu International Group Participations Limited*<sup>1,3</sup></b> Geographic area: United Kingdom Equity held by dentsu: 100.0% (100.0%)</p>	
<p><b>Septeni Holdings Co., Ltd.*<sup>1,2</sup></b> Geographic area: Japan Equity held by dentsu: 52.5%</p>	<p><b>Dentsu Brasil Holdings Ltda.*<sup>3</sup></b> Geographic area: Brazil Equity held by dentsu: 100.0% (100.0%)</p>	<p><b>Dentsu Asia Pacific Holdings Pte. Ltd.*<sup>1,3</sup></b> Geographic area: Singapore Equity held by dentsu: 100.0% (100.0%)</p>	<p><b>Dentsu International Triton Limited*<sup>3</sup></b> Geographic area: United Kingdom Equity held by dentsu: 100.0% (100.0%)</p>	
<p><b>Dentsu Soken Inc.*<sup>1,2,3</sup></b> Geographic area: Japan Equity held by dentsu: 61.8% (0.0%)</p>	<p><b>Tag Worldwide Holdings Limited*<sup>3</sup></b> Geographic area: United Kingdom Equity held by dentsu: 100.0% (100.0%)</p>			

\*1 Specified subsidiary \*2 Company that submits an annual securities report \*3 In Equity held by dentsu, the figure in parentheses indicates the ratio of equity held indirectly.

# Information for shareholders/Share information

## Information for shareholders

(As of December 31, 2024)

Dentsu Group Inc.

### Corporate Headquarters

1-8-1, Higashi-shimbashi, Minato-ku,  
Tokyo 105-7050, Japan  
Phone: +81-3-6217-6600

### Contact Info

Investor Relations Department,  
Group IR Office,  
1-8-1, Higashi-shimbashi, Minato-ku,  
Tokyo 105-7050, Japan  
[https://contact.group.dentsu.com/m/en\\_ir](https://contact.group.dentsu.com/m/en_ir)

### Stock Exchange Listing

Tokyo Stock Exchange, Prime Market  
Securities code: 4324

### Capital

74,609,810,000 yen

### Total Number of Shares Issued

265,800,000

### General Meeting of Shareholders

The Ordinary General Meeting of Shareholders  
is held in Tokyo in March each year.

### Transfer Agent

The Mitsubishi UFJ Trust and Banking  
Corporation  
4-5, Marunouchi 1-Chome, Chiyoda-ku,  
Tokyo 100-8212, Japan

### Internet Address

<https://www.group.dentsu.com/en/>

## Share information (As of December 31, 2024)

### Breakdown of shareholders by type

	Number of shareholders	Number of shares held	Percentage of total number of shares issued
Japanese financial institutions	41	71,883,100	27.04
Japanese securities firms	44	10,044,545	3.78
Other Japanese corporations	610	72,504,774	27.28
Japanese individuals and others (Including treasury stock)	40,649	42,801,090	16.10
Foreign institutions and individuals	703	68,566,491	25.80
Total	42,047	265,800,000	100.00

### Major shareholders (top 10)

Major shareholder	Number of shares held	Percentage of total number of shares issued
1 The Master Trust Bank of Japan, Ltd. (Trust accounts)	48,137,100	18.48
2 Kyodo News	18,988,800	7.29
3 Jiji Press, Ltd.	16,028,680	6.15
4 Custody Bank of Japan, Ltd. (Trust accounts)	14,905,400	5.72
5 NORTHERN TRUST CO. (AVFC) RE SILCHESTER INTERNATIONAL INVESTORS INTERNATIONAL VALUE EQUITY TRUST	10,615,100	4.08
6 NORTHERN TRUST CO. (AVFC) RE U.S. TAX EXEMPTED PENSION FUNDS	5,251,190	2.02
7 Group Employees' Stockholding Association	5,070,057	1.95
8 Yoshida Hideo Memorial Foundation	4,984,808	1.91
9 Recruit Holdings Co., Ltd.	4,929,900	1.89
10 SMBCNikko Securities Inc.	4,583,537	1.76

Notes: 1. The number of shares held by each trust bank includes shares related to trust services.

2. The Company holds 5,327,957 treasury shares but is excluded from the major shareholders listed above.

3. The percentage of total number of shares issued is calculated excluding treasury shares.

# Editorial policy

Integrated Report 2025 outlines dentsu's efforts to enhance corporate value under our new Mid-Term Management Plan. It highlights how we are deepening value creation by linking financial and non-financial initiatives and advancing the execution of our strategies.

In particular, our growth will be driven by three key initiatives: reshaping our business portfolio to adapt to a changing competitive landscape, advancing talent management, and addressing material themes with a view toward 2030.

We hope this report provides you with a clearer understanding of dentsu's direction and reinforces your confidence in our long-term growth.

**Target audience:** All stakeholders including shareholders/investors, clients, partners, consumers, and employees.

**Period covered by the report:** FY2024

(January 1, 2024–December 31, 2024)

**Organizations covered:** Dentsu Group Inc. and dentsu companies

**Publication date:** July 2025 (Next scheduled: around July 2026)

## Reference guidelines:

- IFRS Foundation, The International Integrated Reporting Framework
- Guidance for Collaborative Value Creation, Ministry of Economy, Trade and Industry
- Sustainability Reporting Standards, Global Reporting Initiative (GRI)
- For the GRI content index, please refer to the link below.  
<https://www.group.dentsu.com/en/sustainability/common/pdf/GRI2025.pdf>

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## Forward-looking statements:

This integrated report contains statements that constitute forward-looking statements regarding the intent, belief, or current expectations of Dentsu Group Inc. or its management with respect to the results of operations and the financial condition of the Group. Such forward-looking statements are not guarantees of future performance and involve risks and uncertainties. Actual results may differ from those in the forward-looking statements as a result of various factors. The information contained in this integrated report identifies important factors that could cause such differences. These forward-looking statements speak only as of the date hereof. Dentsu Group Inc. disclaims any obligation to update or publicly announce any revisions to these forward-looking statements to reflect future events, conditions, or circumstances.