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Dentsu Group Inc.

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

The status of Dentsu Group Inc.'s corporate governance is as follows.

## **I . Basic Policy for Corporate Governance, Capital Structure, Corporate Attributes, and Other Basic Information**

### **1. Basic Policy** **Updated**

The Group has set the Purpose, "an invitation to the never before", WHY/WHAT/ HOW and eight values called "the 8 ways" as its Corporate Philosophy (NORTHSTAR), and as a foundation to realize the NORTHSTAR, the Group established the "Dentsu Group Code of Conduct" that defines the way everyone who works for, or on behalf of, the Group should act. According to the NORTHSTAR, the Group will work on the maximization of corporate value for all stakeholders such as shareholders, clients, partners, employees, and consumers by positioning itself as a Business to Business to Society (B2B2S) corporate group that resolves social issues through business with clients.

The Group has established a shared vision "To be at the forefront of people-centered transformations that shape society". In the domain where marketing, technology, and consulting converge, as well as the sports and entertainment domain, the Group have redefined our business domain, as "People-centered Transformations" and will evolve into a corporation that creates new solutions and generate positive social impact by using its standout creativity and technology.

To realize the above, pursuing the best corporate governance is important. The Company shall ensure sustainable growth and enhance the medium- to long-term corporate value through transparent and fair decision-making, effective use of management resources and expeditious and resolute decision-making.

For the above purposes, the Company shall work on realizing the effective corporate governance in accordance with the basic concepts below.

- (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.

For the Company's response policy to the Corporate Governance Code, please also refer to the Company's Corporate Governance Policy.

Corporate Governance Policy

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

[Reasons for not implementing principles of the Corporate Governance Code] Updated

This section is based on the Corporate Governance Code revised in June 2021.

[Supplementary Principle 2.4.1 Ensuring diversity, including active participation of women]

<Policy of ensuring diversity>

Dentsu Group, employing over 120 different nationalities across the world, respects diversity and believes that it is one of our strengths. Our policy is to foster an inclusive corporate culture and provide equal opportunities to everyone, regardless of gender, nationality, age, sexual orientation, disability, length of service, or mid-career status, so that everyone can work to their fullest potential. In accordance with this policy, it is also our policy to promote talented and diverse personnel to managerial positions. As one of the initiatives to embody these policies, we have defined and incorporated our requirements for leadership in the Group into the evaluation indicators for executives and general employees. This approach makes it possible to embody the actions expected of leaders in the Group as one of the evaluation items and enables employees to be evaluated and given opportunities for promotion based on actions instead of attributes.

As the Group operates globally and appoints a diverse range of human resources, including mid-career hires and foreign nationals, to management positions in accordance with the above policy, we have not set "voluntary and measurable goals" for appointing mid-career hires and foreign nationals to management positions. On the other hand, we position the Dentsu Group Inc., which is a holding company, as a global headquarters, and we are working to create an environment that enhances our competitiveness through the collaboration of more diverse talent primarily by transferring personnel from overseas divisions and human resource exchange.

<Status of ensuring diversity and voluntary and measurable goals>

(1) Female employees

The ratio of female leaders (\*1) in managerial positions in the Group as of end of December 2024 is as follows.

Japan(\*2): 13.1%

Americas: 47.3%

EMEA: 36.3%

APAC: 37.9%

\*1: Female leaders are defined as executive class in Japan and officer class overseas.

\*2: Calculated based on information on human resources of the Company and its directly invested companies in Japan.

To achieve an even higher ratio of female leaders especially in the Japanese market, Dentsu Group has been promoting initiatives such as elimination of gender bias in hiring, creation of female staff communities, operation of female leadership development programs, and inclusion of female employees in succession planning for senior positions, which are implemented not only as group-wide measures but also as individual initiatives according to the characteristics of each company or multiple companies working in cooperation.

The Dentsu group has set and is promoting the goal of increasing the ratio of female leaders to 45% globally by 2030.

We will formulate these medium-term targets under the "One dentsu" structure starting in 2023 in a manner that conforms to various information disclosure guidelines, while taking advantage of both domestic and global perspectives.

In regards to the Dentsu Group's other initiatives for the promotion of active participation of women, please refer to "Other" in "3. Status of Efforts Pertaining to Respecting the Position of Stakeholders" under "III Implementation Status of Measures Related to Shareholders and Other Stakeholders"

## (2) Midcareer hires and foreign nationals

As of the end of December 31, 2024, the midcareer hires in managerial positions in dentsu Japan was 50.9% while the percentage of foreign nationals in managerial positions was 1.0%. These are calculated based on human resource information of the Company and its directly invested companies.

<Policies for human resource development and internal environment development to ensure diversity, and status of implementation>

The Dentsu Group considers employees as the source of value creation and believes that fostering a culture in which employees with diverse capabilities can create teams that transcend organizational and geographical constraints will significantly enhance our growth strategy. Therefore, in order to respect the diversity of employees and support their continuous growth, Dentsu Group provides employees with extensive training programs including opportunities for career development across Dentsu Group and a next generation leadership development program and conducts flexible staff allocation across Dentsu Group. In addition, Dentsu Group has been working on the creation of a workplace where each individual can thrive even under drastically changing environments mainly by promoting workstyle reforms and investment in mental health and wellness support for employees. Through these measures, Dentsu Group will ensure the growth of our employees and secure human resources which are the foundation of sustainable business. Moreover, in FY2021, the Dentsu Group launched an employee engagement survey in the entire Group with the aim of identifying challenges in the organization and making improvements while listening to our employees.

For details, please refer to the "People Strategy" (page 47 to 57) in the "Dentsu Integrated Report 2024".

[https://www.group.dentsu.com/en/sustainability/common/pdf/integrated-report2024\\_all.pdf](https://www.group.dentsu.com/en/sustainability/common/pdf/integrated-report2024_all.pdf)

**[Disclosure based on the principles of the Corporate Governance Code]** **Updated**

This section is based on the Corporate Governance Code revised in June 2021.

Among the principles and supplementary principles described in this section, the principles and supplementary principles updated from the Corporate Governance Report as of March 29, 2024 are as follows.

[Principle 1-4 Cross-Shareholdings]

[Principle 3-1(i) Company Objectives (e.g., business principles), business strategies and business plans]

[Supplementary Principle 3-1-3 Sustainability initiatives and investment in human capital and intellectual property, etc.]

[Principle 4-8 Effective use of independent directors (policy for efforts when it is deemed necessary to appoint at least one-third of directors as independent directors)]

[Supplementary Principle 4-11-1 View on the appropriate balance between knowledge, experience, and skills of the Board as a whole and on diversity and appropriate board size]

[Supplementary Principle 4-11-3 Analysis and evaluation of the Board's effectiveness as a whole and disclosure of the summary of the results]

[Supplementary Principle 4-14-2 Training policy of Directors of the Board]

[Principle 5-1 Policy for constructive dialogue with shareholders]

[Principle 5-2 Establishing and Disclosing business strategy and business plan]

[Principle 1-4 Cross-Shareholdings]

With regard to so-called cross-shareholdings, the Company will examine the significance of holding such shares from the standpoint of whether the benefit of holding such shares exceed the Company's estimated cost of capital in relation to the acquisition price, and whether the holding of the shares contributes to maintaining and strengthening business relationships with investees and promoting joint businesses, and if such shares are deemed to have little significance, the Company will basically reduce the number of shares to be held. Based on this basic policy, the Board of Directors shall annually examine the appropriateness of holding all shares held by the Company for policy purposes, economic rationality, etc., from a medium to long-term perspective for each individual stock, and verify the appropriateness of holding such stocks, and disclose the details of such examination in the Corporate Governance Report, etc.

Last year, the Company sold 16 strategic shareholdings with a total value of approximately 20.7 billion yen in accordance with the above basic policy. As of December 31, 2024, the ratio of the amount of strategic shareholdings on the balance sheet to the Company's consolidated net assets was 10.9%. We aim to reduce this ratio to less than 10% by the end of FY2025.

With respect to the exercise of voting rights for cross-shareholdings, in order to ensure appropriate exercise, the Company shall make a comprehensive judgment on each agenda item from the perspective of improving the medium- to long-term corporate value of the company issuing the relevant shares and increasing the medium- to long-term economic benefits of the Company and its group companies. In regard to major cross- shareholdings, the status of the exercise of voting rights shall be reported to the Board of Directors. In particular, the Company shall carefully examine and decide whether to approve or disapprove the below proposals and other proposals that may damage the corporate value and shareholder value of the Company and its subsidiaries and affiliates, regardless of whether they are proposed by the issuing company or its shareholders.

- (1) Appointment of directors and corporate auditor who are responsible for the occurrence of serious violations of laws and regulations as well as of misconduct
- (2) Introduction of takeover defense measures
- (3) Mergers and other organizational restructuring
- (4) Transfer of important assets

Regarding the voting rights which the Company has exercised at general meetings of shareholders of the companies in which the Company has cross-shareholdings in FY2024, the Company exercised its voting rights in favor of all proposals, as none of them threatened to damage the corporate value and shareholder value of the said companies.

In the event that a shareholder who holds shares of the Company as cross-shareholdings (hereinafter referred to as a "Cross-Shareholder") expresses an intention to sell or otherwise dispose of such shares, the Company shall not engage in any act to hinder such sale or otherwise dispose of such shares, such as suggesting a reduction in the transaction. In addition, the Company shall fully examine the economic rationality of the transaction with the Cross-Shareholder and shall not conduct any transaction that would be detrimental to the common interests of the Company or its shareholders.

[Principle 1-7 Related Party Transactions]

With respect to transactions with its directors or executive officers (in this clause, hereinafter referred to as “Officers”) that conflict with the interests of the Company and competitive transactions as defined in the Companies Act, the Company shall explain the details of such transactions at a meeting of the Board of Directors and obtain the approval of the Board of Directors. Then, after obtaining the approval, the Company shall continue reporting on the status of the said transactions, and rigorously operate and monitor the transactions.

In addition, even for transactions that do not fall under the above, the Company distributes individual questionnaires to Officers once a year to confirm whether or not there have been any transactions between the Company or its consolidated subsidiaries and Officers or their close relatives, and the Company appropriately discloses transactions with major shareholders and other related parties in accordance with the Companies Act, the Financial Instruments and Exchange Act, other applicable laws and regulations, and the regulations of the Tokyo Stock Exchange.

[Principle 2-6 Fulfilling functions as an asset owner of corporate pension]

Many of the Company’s employees (excluding its contract employees and temporary staff) are seconded from other companies, and the Company applies the corporate pension systems of their respective companies for these employees. In April 2015, Dentsu Inc., which many employees are seconded from and which is the Company’s main operating subsidiary, transitioned to a defined contribution pension plan. In Dentsu Inc., since the management of corporate pension contributions affects the stable asset formation of employees, the relevant corporate pension organization staffed by personnel who have acquired the qualifications of a corporate pension manager, etc. conducts appropriate administrative work such as monitoring the investment institution while regularly receiving appropriate advice from outside experts.

The Company also introduced a defined contribution pension plan for its directly hired employees in January 2022, established a corporate pension organization similar to that of the above-mentioned Dentsu Inc., and outsources administrative work to one of our group companies which conducts administrative work.

[Principle 3-1(i) Company Objectives (e.g., business principles), business strategies and business plans]

The Group has set the Purpose, "an invitation to the never before", WHY/WHAT/ HOW and eight values called "the 8 ways" as its Corporate Philosophy (NORTHSTAR), and as a foundation to realize the NORTHSTAR, the Group established the “Dentsu Group Code of Conduct” that defines the way everyone who works for, or on behalf of, the Group should act. According to the NORTHSTAR, the Group will work on the maximization of corporate value for all stakeholders such as shareholders, clients, partners, employees, and consumers by positioning itself as a Business to Business to Society (B2B2S) corporate group that resolves social issues through business with clients.

Under a globally integrated leadership structure with “One Management Team,” the Group directly controls business operations across four regions (Japan, Americas, EMEA, and APAC). We have redefined our Group's common vision as “To be at the forefront of ‘People-centered Transformation’ to create positive momentum in society,” and have also redefined our business domains in the domain where marketing, technology and consulting converge, as well as in the sports and entertainment areas, as “People-centered Transformation.” With this, we will evolve into a corporation that will create new solutions and generate a positive social impact by using its standout creativity and technology. In addition, from January 2024, the Group introduced the One dentsu Operating Model, which is a common global business management model. We will promote the provision of Integrated Growth Solutions, which integrates the diverse capabilities

of our group to achieve sustainable growth for our clients.

In February 2025, the Group formulated and announced a medium-term management plan covering the three-year period from fiscal 2025 to fiscal 2027 as a basic policy for achieving medium- to long-term growth. By implementing the plan, the Group aims to revise its business portfolio, concentrate its capital and human resources, and recover its competitive advantage to achieve an organic growth rate of 4% and an underlying operating margin of 16–17% by FY2027, the final year of the plan.

The recovery of profitability, focused on the reevaluation of underperforming businesses and rebuilding the business foundation, is the first step in achieving the Group's targets under the New Medium-Term Management Plan.

In reevaluating underperforming businesses, the posting of several consecutive years of bottom-line losses in certain markets where we have invested substantially is the main reason for the deterioration in Group's business performance. We will proceed to consider a full range of options, over and beyond cost-cutting, and implement these measures swiftly. Through these measures, we aim to eliminate any markets operating at a loss during FY2026. In addition to market-specific initiatives, we are implementing disciplined reviews of past business acquisitions. By swiftly taking actions such as promptly implementing improvement measures or selling businesses that are performing below our criteria, we will eliminate the risk of a future deterioration in business performance. Through these initiatives, we aim to bring about a situation where the International business contributes to enhancing shareholder value as a whole in FY2026, and in terms of each of the four business regions in FY2027.

At the same time, we will engage in rebuilding the business foundation to achieve systematic and continuing cost improvements. Specifically, we will focus on initiatives such as integrating the overlapping headquarters functions currently split between Tokyo and London, streamlining operations by redefining the role of each regional headquarters, and market cost control. Moreover, we will engage in thoroughly boosting efficiency, including the use of AI and outsourcing. Through these initiatives, we expect to reduce costs by up to 50 billion yen per year in FY2027.

The services that the Group provides to its clients are Integrated Growth Solutions that achieve sustainable growth for clients by integrating the Group's diverse range of unique capabilities in the domain where marketing, technology, and consulting converge, as well as the sports and entertainment domain. These services are underpinned by three of the Group's strengths: the long-term relationships we have built with clients in each market based on our deep understanding of client businesses, leveraging our experience in Japan, the successive provision of innovations to meet the complex needs of our clients through trailblazing solutions tailored to each market, and the human resources who steadily realize these strengths to generate substantial social impact. Under the Medium-Term Management Plan, we aim to be a growth partner for our clients in each market based on these strengths. Through successive successes, we will achieve global growth. Under this policy, we will renew our strategies for markets, clients, and capabilities, clarify the Group's competitive strengths, and thus accelerate the implementation of focused business strategies.

Under our markets strategy, we will strengthen our focus on the large markets of Japan and the United States, where the Group boasts unique business assets. We will also selectively strengthen our exposure to markets where the Group has already built a strong position. Under our clients strategy, we will extend our business with existing clients and strengthen the acquisition of new clients based on a customer strategy that further deepens our relationships with large-scale clients in each market.

Under our capabilities strategy, we will focus on enhancing added value in our core Media businesses in the International business, aiming for a recovery in business performance. At the

same time, we will strengthen our capabilities in fields such as consulting, technology, and sports and entertainment to achieve further differentiation in the Japan business, our leading market for Integrated Growth Solutions.

While pursuing selection and focus within the Group's existing business domains in this way, we will simultaneously promote initiatives to create businesses that will be potential pillars of growth for the future. As part of this, we will aim for the global expansion of the sports and entertainment business, which was focused on Japan until now, to achieve discontinuous growth.

The strategies and initiatives described above are aimed at the medium- and long-term enhancement of shareholder value through profit growth. We have added ROE as a management indicator to ensure we achieve this. Specifically, we are targeting to achieve a mid-teens ROE in FY2027.

To underpin our efforts to achieve this goal, we will set a new financial policy, which we will manage and operate with discipline. We will strictly scrutinize the scale of funding needed and carefully manage the balance of capital and liabilities, as well as other aspects, to improve balance-sheet soundness.

On this basis, regarding capital allocation, we will begin by prioritizing expenditure relating to rebuilding the business foundation in FY2025, together with internal investments aimed at business growth, to rebuild our business performance. We will also continue management with a shareholder perspective, with a dividend policy for FY2025 onward of paying a dividend payout ratio of 35% of basic underlying net income per share and ensuring stable dividends in line with our recovery in business performance. However, for FY2025, we plan a dividend of 139.5 yen per share, the same level as for FY2024, as a temporary measure due to our investment in implementing structural reforms for the future.

We have reined in our business acquisitions and similar investments since FY2024. However, measures such as the establishment of an M&A playbook have enabled us to ensure sufficient investment discipline, and we anticipate the gradual resumption of investments based on more stringent management than in the past, in line with our progress and forecast for a recovery in business performance. We will selectively implement projects consistent with our business strategies.

In addition, we will coordinate with the Finance Committee, established in FY2024 as an advisory body to the Board of Directors and composed mainly of outside directors, to strengthen overall financial discipline in the management and implementation of financial policy.

The three-year period from fiscal 2025 to fiscal 2027 covered by the new medium-term management plan is a very important period for the Group to return to a sustainable growth trajectory. The Group will continue to make bold changes to achieve its goals.

For more information on the global management structure of the Group Management Team, please visit our website below.

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

For our New Medium-term Management Plan, please visit our website below.

New Medium-term management plan announced in February 2025

<https://www.group.dentsu.com/en/news/release/001418.html>

For more information about NORTHSTAR, please visit our website below.

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

[Principle 3-1(ii) Basic views and guidelines on corporate governance based on each of the principles in this Code]

To realize the Company's aim to create a better society through contribution to growth of all stakeholders such as its customers, partners, employees and consumers, pursuing the best corporate governance is important. The Company shall ensure sustainable growth and enhance medium- to long-term corporate value through transparent and fair decision-making, effective use of management resources, and expeditious and resolute decision-making.

For the above purposes, the Company shall work on realizing effective corporate governance in accordance with the basic concepts below.

- (1) To respect shareholders' rights and ensure their equal treatment
- (2) To consider the interests of stakeholders, and cooperate with them appropriately
- (3) To appropriately disclose company information and ensure transparency
- (4) To enhance the effectiveness of the supervisory function over business execution
- (5) To engage in constructive dialogue with shareholders who have an investment policy that conforms to the medium- to long-term interests of shareholders

[Principle 3-1(iii) Policies and procedures in determining the compensation of the senior management and directors]

In accordance with the provisions of the Companies Act regarding companies with a nominating committee, etc., the Compensation Committee of the Company has established a policy for determining the amount of compensation for each individual director and executive officer or the method of calculation of such amount. For details, please refer to "II. Status of Decision-making, Execution, and Supervision of Management and Other Corporate Governance Structures " "1. Items Pertaining to Organizational Composition, Organizational Operation, etc." "Incentives" and " Compensation for Directors and Executive Officers.

[Principle 3-1(iv) Policies and procedures in the appointment and dismissal of the senior management and the nomination of director candidates]

#### 1. Nomination Policy

The Company has established the following policies with regard to the appointment of executive officers (including inside directors who concurrently serve as executive officers):

<Criteria for selecting executive officers>

- (1) Ability to make judgments from a company-wide perspective.
- (2) Expertise in the business of the Company and the Group.
- (3) Excellent ability to make business decisions and execute business operations.
- (4) Excellent leadership, determination, foresight, and planning skills
- (5) Personality and insight appropriate for an executive officer

In addition, candidates for each director are appointed based on the following criteria stipulated in the Rules of the Board of Directors.

<Criteria for selecting internal director candidates >

- (1) Ability to make judgments from a company-wide perspective.
- (2) Expertise in the business of the Company
- (3) Excellent ability to make business decisions and execute business operations.
- (4) Excellent leadership, determination, foresight, and planning skills
- (5) Personality and insight appropriate for an outside director



<Criteria for selecting outside director candidates>

- (1) A person who has extensive experience in management or who is a professional in legal, accounting, finance and other such fields
- (2) A person who can be independent of the representative executive officer of the Company
- (3) A person who has character and insight suitable for outside directors

## 2. Nomination procedures

As a company with a Nominating Committee, the Nominating Committee determines the candidates for directors to be submitted to the General Meeting of Shareholders.

For the selection procedure of executive officer candidates, from the viewpoint of securing objectivity and transparency, the Board of Directors shall select executive officer candidates after consultation on the candidate proposal with the Nominating Committee and considering opinions of the Committee formed through its deliberations.

In the event that an executive officer is deemed as not to be fulfilling their duties adequately, from the viewpoint of ensuring objectivity and transparency, the Board of Directors shall submit its dismissal plan to the Nomination Committee and consider opinions of the Committee formed through its deliberation. Based on such opinions, the Board of Directors shall carry out its dismissal procedures.

[Principle 3-1(v) The Rationale for the appointments and dismissals of senior management and nominations of director candidates.]

The reasons for the nomination of each director candidate shall be described in the reference material regarding the relevant appointment proposal(s) of the general meeting of shareholders to which the proposal to nominate the director is submitted, and the Company shall appropriately disclose the reasons for appointment and dismissal of senior management required by laws and regulations.

[Supplementary Principle 3-1-3 Sustainability initiatives and investment in human capital and intellectual property, etc.]

The Dentsu Group considers sustainability to be a core management theme and a prerequisite for realizing the Dentsu Group's Purpose: an invitation to the never before.

In conjunction with the shift to a global management structure, the Dentsu Group established its new Materiality and updated the 2030 Sustainability Strategy accordingly. Progress towards this strategy is monitored and evaluated by the Group Sustainability Committee, which is directly under the Group Management Board.

The Dentsu Group has appointed a Global Chief Sustainability Officer and is promoting this sustainability strategy as One Dentsu.

The 2030 Sustainability Strategy, which was updated in 2024, aims to achieve sustainability for both the Dentsu Group and society by generating ideas for the future to solve the challenges facing society, based on our Purpose, Vision, and Management Policy. In the strategy, to increase our corporate value, the Dentsu Group formulated materiality comprised of the following five material issues: (1) Business ethics & Compliance and Data security, (2) Diversity, Equity & Inclusion (DEI), (3) Human capital development, (4) Innovation leadership, and (5) Climate action. Respective materiality sponsors are responsible for promoting the progress of action plans and KPIs for each of the five material issues. The Group Sustainability Committee chaired by the Global Chief Sustainability Officer, manages promotion of the 2030 Sustainability Strategy overall.

\*For more information on the 2030 Sustainability Strategy, please visit our website below.  
<https://www.group.dentsu.com/en/philosophy/sustainability-strategy-2030.html>

\*For more information on the materiality formulation process, please visit our website below.  
<https://www.group.dentsu.com/en/philosophy/materiality.html>

### Group Sustainability Committee

The Company has established the Group Sustainability Committee under the Group Management Board, based on the Company's recognition of sustainability as a central management theme.

Chaired by the Company's Global Chief Sustainability Officer, Yuko Kitakaze, the committee is composed of eight (8) members who are based in various regions and who possess a wide range of expertise, including the Company's President & Global CEO, Hiroshi Igarashi. At its meetings, held four times a year, the committee confirms and evaluates progress towards the 2030 Sustainability Strategy, one of the Company's core management strategies, as well as key progress indicators (KPIs) relating to factors such as greenhouse gas (GHG) emissions reduction and the proportion of female leaders, which have been components of our executive compensation system since 2021. Human rights are also a standing agenda item at the committee.

The members of the Group Sustainability Committee are as follows.

Chairperson: Yuko Kitakaze, Global Chief Sustainability Officer

Members: Hiroshi Igarashi, President & Global CEO  
Arinobu Soga, Global Chief Governance Officer  
Alison Zoellner, Global General Counsel  
Jean Lin, Global President - Global Practices  
Jeremy Miller, Global Chief Communications Officer  
Manus Wheeler, Chief Brand & Culture Officer  
Miho Tanimoto, Global Chief HR Officer

### Climate Action

Climate action is a material issue with a variety of impacts, including financial, on the Dentsu Group, its shareholders, investors, partners, and clients and is included in materiality set forth in the "2030 Sustainability Strategy".

In order to understand the potential impact on the Dentsu Group's business as much as possible, the Dentsu Group carried out scenario analysis with a focus on the impact by climate change on current and future risk as well as opportunities. The results are reflected in our initiatives and business strategy for decarbonization.

For details, please refer to the "TCFD Report 2024".

<https://www.group.dentsu.com/en/sustainability/common/pdf/TCFDreport2024.pdf>

### Goals for Climate Change

The Dentsu Group has set a goal of reaching net-zero greenhouse gas (GHG) emissions across the value chain by 2040. Our near- and long-term science-based greenhouse gas (GHG) emissions reduction targets are validated by the Science Based Targets initiative (SBTi) as conforming with the SBTi Corporate Net Zero Standard. Our GHG reduction targets are as follows.

#### (1) Near-term targets (-2030)

The Dentsu Group commits to reducing absolute Scope 1 & 2 GHG emissions by 46.2% by 2030 from a 2019 baseline. In addition, the Dentsu Group commits to reducing absolute Scope 3 GHG emissions from purchased goods and services, business travel, and employee commuting by 46.2% within the same timeframe.

#### (2) Long-term targets (-2040)

The Dentsu Group commits to reducing absolute Scope 1 and 2 GHG emissions by 90% by 2040 from a 2019 baseline. In addition, the Dentsu Group commits to reducing absolute Scope 3 GHG emissions by 90% within the same timeframe.

To achieve net zero by 2040, the Dentsu Group will prioritize emissions reductions activities before reducing the remaining emissions (<10%) through credible and verifiable GHG removal projects.

#### 100% Renewable Energy

The Dentsu Group is committed to achieve 100% renewable energy by 2030.

Renewable energy in the context of the Dentsu Group's sustainability strategy and commitments refers to electricity generated from renewable sources. This definition for renewable energy has been aligned with RE100, the global corporate renewable energy initiative of which dentsu is a member.

At Dentsu Building in Shiodome, Tokyo, 100% of the power has been sourced by renewable energy since December 2023. More initiatives to achieve the target are being carried out.

For more details on progress, please visit our website below.

<https://www.group.dentsu.com/en/sustainability/climate-action/>

#### Respect for Human Rights

We comply with the Dentsu Group Code of Conduct, international norms on human rights, and UN Guiding Principles on Business and Human Rights. This commitment aligns with the Group's vision of "To be at the forefront of people-centered transformations."

#### (1) Governance

- The Dentsu Group's initiatives for human rights are overseen by the Global Chief Governance Officer, and the members in charge of human rights affairs work in cooperation on human rights matters in daily operation.
- Human rights are a standing agenda item at the Group Sustainability Committee. Issues specific to Japan are covered by the Dentsu Group Human Rights Committee and Dentsu Human Rights Education Conference.
- The Group respects and complies with all applicable local and international laws, regulations, and related industry standards in each country where the Dentsu Group engages in business.

#### (2) Policies

- Our Code of Conduct, Supplier Code of Conduct, and Human Rights Policy outline our commitment to human rights, complemented by policies covering specific human rights impacts.
- The policies are reviewed periodically. The Human Rights Policy was updated in 2024 to reflect issues clarified in human rights due diligence conducted by the Dentsu Group.

### (3) Risk Assessment and Human Rights Due Diligence

- The Dentsu Group proactively identifies and tracks human rights risk at the global and market level and carried out an impact assessment on human rights by external experts including dialogue with stakeholders in 2024. Our most salient impacts for human rights are disclosed on page 58 of the “Dentsu Integrated Report 2024”.
- We conduct human rights due diligence in alignment with the UN Guiding Principles across our operations and supply chain to identify, prevent, and mitigate risks.
- We have assigned personnel exclusively working on human rights matters and incorporate human rights matters in the management approach and policy of each material risk in cooperation with each organization and team at a global level.
- The Group encourages all internal and external stakeholders to raise any human rights concerns, and provide an externally operated, free, anonymous and confidential hotline, available in all appropriate languages. We undertake thorough investigations into concerns raised, and where they are substantiated, we take appropriate remedial and corrective actions.

### (4) Incidents in 2024

Incidents of sexual abuse in the Japanese media and entertainment industry have become a prominent issue in the country, and we recognize this as a serious human rights issue that conflicts with our Human Rights Policy and international human rights principles. In addition, the Group has established a “Group Charter of Behavior” that calls for mutual respect and the practice of responsible and honest behavior, and we use this as a guideline for our actions toward all stakeholders.

### Human Capital Investment

Human capital is the greatest asset of the Dentsu Group, and the Dentsu Group aims to boost the capabilities of the organization and each individual by creating an environment where diverse human resources will connect and learn together, combining their expertise. To achieve this aim, the Dentsu Group is pursuing human resources initiatives under its human resources mission statement “coming together to unleash the power of our people.” Specifically, the Dentsu Group has established a human resources strategy built on the pillars of 1) People Growth, 2) Winning as One Team, and 3) HR Partnership Excellence, and is pursuing a range of activities. In FY2024, we reviewed our human capital strategy to achieve future business transformation and growth, clarifying the key areas and activities to invest in for FY2025 and beyond. Through these investments, we will further accelerate the “expansion of the potential of our people” unique to the Dentsu Group.

#### (1) People Growth

We believe that our approach to leadership is the key to accelerating personal and organizational growth, and we position it at the center of our strategy. It is vital for us to identify and develop dentsu-style leadership, and we have defined the dentsu Leadership Attributes, our requirements for leadership behavior, as the standard for this. Based on these Attributes, we select, evaluate, and develop human resources for top-level leadership, and we are currently making preparations to apply them to a broader range of employees from FY2025. We also regularly hold what we call People Discussions within each division, while progressively visualizing key human resources investments and discussing human resources development policies Group-wide. This will be the second year since we first held these activities, and the scope of employees to be discussed has expanded significantly. We will continue to renew the human resources pool and implement appropriate training and succession planning.

To maximize the potential of the human resources we have visualized, we provide challenging work experiences that stretch the abilities of our personnel in diverse global environments and training programs that broaden their skills and horizons. In FY2024, we established a development program for the next-generation of global leaders, providing a forum in Tokyo for stimulating learning for approximately 40 participants from around the world. We are also pursuing human resources deployment and secondment plans aimed at developing future senior leaders of the Dentsu Group.

At the same time, we aim to give our employees more career options to facilitate long-term careers. To lay the foundation, we have been introducing Career Framework, a framework with a standardized global job architecture and levelling, successfully implementing the standardization of job level. This has enabled the visualization of human resources in what could be defined as the Dentsu Group's "leadership level," facilitating more precisely targeted human resources initiatives. It has also enabled us to clarify career benchmarks for employees. By reinforcing this foundation, we aim to promote greater human resources mobility across different regions and Dentsu Group companies and support career enhancement for all employees.

## (2) Winning as One Team

The strength of the Dentsu Group lies in its ability to multiply the diverse and unique power of individuals, generating our distinctive creativity and giving birth to innovation. To maximize this strength, we aim for collaboration between a global network of human resources, all striving towards the same goal: in other words, we aim to be One Team. We have focused on activities related to culture and Diversity, Equity & Inclusion (DEI), which provide the groundwork for this. We see "integrity" as the basis of all our efforts, and we aim to nurture a culture of freedom and responsibility based on integrity.

With regard to diversity, we focus primarily on our diversity in terms of factors such as gender and nationality as a global company. We have set a quantitative target for the proportion of female leaders and incorporated this target into the KPIs for executive compensation to enhance the management team's commitment to achieving it. At the same time, we are developing an environment in which talent can play an active role regardless of nationality. We have developed opportunities for talent exchanges within the Dentsu Group, as well as a global policy facilitating smoother talent movement.

Engagement is also a key element in the creation of a corporate culture where employees can work together with a positive attitude. Each year, we survey employees to confirm engagement scores and extensively discuss the action we take to improve these scores on a companywide and division-wide level. So far, these surveys have indicated room for improving communication with management and the clarity and transparency of management messages, and we have accordingly established numerous opportunities for communication and interaction. Meanwhile, they have also indicated a relatively high level of integrity and compliance awareness among individuals. We regard this as a positive opportunity and we will strive to further raise awareness and acknowledgement.

To maximize our potential as One Team, it is vital that we also strive for more productive work styles and actively incorporate new methods leveraging technology. We will continue to pursue and communicate the creative, smart work styles that distinguish dentsu.

## (3) HR Partnership Excellence

To give concrete form to our human resources strategy and generate a genuine impact, it is crucial that we not only enhance the capabilities of our human resources but also build the best possible partnerships between our people and the business. To this end, we are boosting our

organizational capabilities through the establishment of a global structure integrating HR business partners (HRBPs), who work closely with management and businesses, and Centers of Excellence (COEs), composed of specialized teams for talent management, compensation design, etc. In FY2024, we launched HRBP activities centered on the Company in Japan, progressively accumulating insight. We will continue to expand the scope of human resources partnering as we firmly establish functions in Japan.

We continue to invest in HR data and systems that support these activities. Most recently, we have especially focused on improving data precision and establishing Group-wide data items. These initiatives enable us to integrate the information previously scattered between various regions and companies, and we are progressively establishing a platform that will contribute to Group-wide strategic decision-making.

Our efforts to improve the efficiency of everyday business duties are also continuing. We are progressing with the optimization and automation of processes for labor-intensive operational duties and the utilization of shared services in regions where they are highly cost-efficient. We intend to revise processes and systems for operations that would benefit from overall optimization, aiming for global integration and standardization while also taking regional differences into account as we work to further enhance productivity.

#### Investment in Intellectual Property

To promote business transformation and growth, we will continue to invest aggressively in intellectual property, including new technologies and product innovations.

#### [Supplementary Principle 4-1-1 Scope delegated to the management]

The Company appoints the Group Management Team including executive officers to directly control business operations across four regions (Japan, the Americas, EMEA, and APAC).

The Company aims to build an expeditious and highly effective business execution system as well as strengthen the supervisory function of the Board of Directors concerning business execution, by delegating the authority for most of the important business execution from the Board of Directors to the Group Management Team.

Specifically, the Group Management Board, consisting of the five (5) executive officers, is established under the Board of Directors to deliberate and decide on important matters of the Company other than those resolved by the Board of Directors, to make resolutions on important management matters for the entire Group, and to deliberate in advance on matters to be resolved by the Board of Directors.

#### [Principle 4-8 Effective use of independent directors (policy for efforts when it is deemed necessary to appoint at least one-third of directors as independent directors)]

The number of directors is eleven (11) (no more than 15 as the Articles of Incorporation stipulate) and nine (9) of them, the majority of the members, are independent outside directors.

#### [Principle 4-9 Independence standards and qualification for independent directors]

The Company has established Independence Standards for Outside Directors.

Please refer to the Company's website. "Independence Standards for Outside Directors"

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

[Supplementary Principle 4-11-1 View on the appropriate balance between knowledge, experience, and skills of the Board as a whole and on diversity and appropriate board size]

As our policy, the number of directors on the Board of Directors of the Company is fifteen (15) or less and independent outside directors constitute the majority. As of the date of submission of this report, the Board of Directors comprises eleven (11) directors, of which nine (9) are independent outside directors. With regard to the members who make up the Board of Directors, the Company gives consideration to the balance of experience, knowledge, and abilities, as well as diversity, including in terms of gender, internationality, professional experience, and age, and includes persons with management experience at other companies as independent outside directors.

The Company has identified the skills that the board as a whole should have are business management, finance/accounting, auditing, legal /compliance/ risk management, human resources / labor /personnel and organizational development, global management, digital business and sustainability, and the Company has described experience, insight, ability, and other significant elements of each director candidate of the Company in the reference material for the relevant appointment proposal(s) of the general meeting of shareholders.

See Figure 2 at the end of this report for a skills matrix representing the key skills currently possessed by each director and Figure 3 for the reasons for the selection of each skill.

[Supplementary Principle 4-11-2 Concurrent posts of directors as officers at other listed companies]

Directors may concurrently serve as directors, corporate auditors or officers of other listed companies only to the reasonable extent that they are able to devote their necessary time and effort to appropriately fulfill their roles and responsibilities as officers of the Company and after following necessary procedures and obtaining approval by the Board of Directors. Important concurrent posts of directors will be disclosed in the reference material of the relevant general meeting of shareholders and a business report under applicable laws and regulations.

[Supplementary Principle 4-11-3 Analysis and evaluation of the Board's effectiveness as a whole and disclosure of the summary of the results]

In order to continuously improve the effectiveness of the Board of Directors, we conduct an annual evaluation, based on an independent third-party analysis and assessment of the effectiveness and appropriateness of management oversight implemented by the Board of Directors. This year, we confirmed the status of improvement of issues identified in the evaluation in FY2023 and new issues and directions to be taken in the future based on the results of the evaluation in FY2024, and we will implement specific measures to improve the effectiveness of the Board of Directors to further enhance the level of our corporate governance.

#### 1. Methodology for Evaluating Effectiveness in FY2024

With regard to the evaluation for FY2024, an independent third-party organization prepared the items for the questionnaire and distributed and collected surveys for all Directors and some Group Management Team Members, as was the case for FY 2023. Further, the third-party organization conducted interviews with all the Directors and some Group Management Team Members based on the results of the questionnaire.

The results of the questionnaire and the interviews were summarized in a report after the evaluation and examination by the third-party organization, and the content was explained by the third-party organization and discussed at the meeting of the Board of Directors held in December 2024.

(1) Results of initiatives in FY2024 to improve the effectiveness of the Board of Directors

- February 2024 : Establishment of the Finance Committee, composed of independent outside directors, as an advisory body to the Board of Directors to ensure financial governance.  
Review of financial indicators from a shareholder perspective, and monitor their implementation.
- February 2024 : Discussion of the Board's annual agenda and key topics in an informal Board of Directors meeting.
- March 2024 : Implementation of the Board's annual agenda and key topics of the Board of Directors.
- April 2024 : Discussions and formulation of a policy regarding the establishment of a group global governance structure.
- September 2024: ESG Briefing for institutional investors.

In addition to the abovementioned initiatives, we have provided opportunities for preliminary briefings from the executive side to the Outside Directors and informal discussions among the Directors, and have provided necessary training on sustainability (decarbonization), AI, etc., and reports by CEOs in four major regions to further improve the management monitoring function of the Board of Directors by providing information on business issues to the Board of Directors in a timely manner.

(2) Evaluation method for FY2024

- (i) Questionnaire (for all Directors and some Group Management Team Members)  
An anonymity-secured survey was conducted prior to the interviews
- (ii) Interviews by Third Party Organization (for all Directors and some Group Management Team Members)  
Interviews were conducted to obtain candid opinions while ensuring anonymity
- (iii) Opinion exchange meeting (for all Directors)  
Discussions were held with the third-party organization at the Board of Directors meeting to exchange opinions on the issues identified from the surveys and interviews

(3) Main question topics in FY2024 questionnaire and interviews

\* Items on the questionnaire (10 items, 77 questions)

- (i) Overall evaluation (overall effectiveness, functions of monitoring model, the role of supervisory function, transparency, fairness, reasonableness of decision-making) (4 questions)
- (ii) Strategic alignment and engagement (management strategy, capital policy, review of business portfolio, measures for ESG, business risks, dialogue with shareholders, etc.) (12 questions)
- (iii) Composition and structure of the Board of Directors (total number of members, ratio of independence, skill set, etc.) (3 questions)
- (iv) Process and practice of Board of Directors (board operations, institutional design, themes for deliberation, training, etc.) (8 questions)
- (v) Functions of management monitoring (monitoring of business activities, risk management, global governance structure) (9 questions)
- (vi) Culture and dynamics of Board of Directors (3 questions)
- (vii) Nominating Committee (11 questions)
- (viii) Compensation Committee (11 questions)
- (ix) Audit Committee (12 questions)
- (x) Challenges identified in FY2023 effectiveness review (4 questions)



## 2. Outline of Results of Analysis and Evaluation

### (1) Outline of Issues from FY2023 and Results of FY2024 Evaluation

It is confirmed, in the FY2024 evaluation, that the Board of Directors is generally functioning effectively and that the Company is continuously taking steps to improve the effectiveness of the Board of Directors with the aim of enhancing 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. It is also confirmed that the Board of Directors' understanding and sensitivity to compliance matters and financial situations has increased due to the high level of commitment of each Director and the diligent supervisory efforts of the Board of Directors, and that the management monitoring function is improving.

In particular, the following points are cited as noteworthy improvements: (1) the contribution of the Audit Committee has strengthened internal control and organizational auditing functions; (2) the contribution of the Finance Committee has helped to better understand the current status of management from the shareholders' perspective; and (3) communication between the Board of Directors and management team regarding the financial situation has improved and the finance-related departments have been fundamentally strengthened.

On the other hand, it is also confirmed that we need to move forward in earnest with strategic discussion to optimize our business portfolio and ensure our global competitiveness and to increase the persuasiveness of our future medium-term management plan and growth strategy. The status of efforts to address issues (i) to (iv) below, which were identified in the analysis and evaluation for FY2023, and our recognition of this status, are as follows:

- (i) Establishment of Group Global Governance Structure  
We confirmed that the corporate governance system has been qualitatively strengthened through revitalized communication between the finance department and the Board of Directors and the contribution of the Audit Committee through its sincerely diligent activities.
- (ii) Acceleration of Strategic Discussion for Optimization of Business Portfolio  
Progress was made in discussions on capital efficiency, including ROIC-WACC, and we confirmed that there is active discussion of key strategies while understanding the current business portfolio from the shareholder's perspective.
- (iii) Strengthening of Management Monitoring by the Board of Directors  
We confirmed that the Board of Directors increased its sensitivity to issues that have become clearer such as compliance matters and those related to financial situations, the accuracy of management monitoring improved to a certain degree, and steps were taken to fundamentally strengthen finance-related divisions.
- (iv) Improvement of Quality of Materials Suitable for Board of Directors Discussion  
We confirmed that the board materials have been improved to a certain degree, showing an awareness of the required perspectives for discussions at the board level, with an executive summary included.

### (2) Initiatives for Future Improvement

Based on the results of evaluation described in (1) above and the results of the third-party evaluation based on the questionnaire and interviews in FY2024, the issues that the Board of Directors will prioritize and address are as follows, in order to lead the entire Group to sustained growth and corporate value enhancement through both monitoring and executive functions.

- (i) Enrichment of Deliberation on Major Agenda Items Based on Medium- to Long-Term Strategy
  - Continued innovation in the streamlining of agenda items and the securing of time to spend on important items
  - Clarification of the KGIs/KPIs related to medium- and long-term strategies and the alignment of the oversight function and execution with respect to the management monitoring methods through the reaffirmation of the roles and responsibilities of the

Board of Directors and the reorganization of the division of roles between the Board and management

- Exploration of utilization of discussion opportunities outside the Board such as Outside Directors meeting as necessary
- (ii) Further Sophistication of Management Control System of Group
  - Appropriate advice from the board (monitoring side), speedy response by the management side and strengthening of monitoring function of the board
  - Continuous strengthening of the organizational audit functions and exploration of the enhancement of the information gathering system on the monitoring side
- (iii) Realization of Effective CEO Succession Plan
  - Identification of CEO candidates based on the ideal requirements taking into consideration the management environment and management/organizational challenges and transparent and fair selection of candidates
  - Clarification of the plan for candidate training program and its monitoring by the Nominating Committee of the status of leadership development for candidates
  - Sharing at the Board a roadmap/progress and the examination on how to share the status in more detail using the Outside Directors meeting

By promoting the above efforts, we will continue to enhance the effectiveness of our Board of Directors and further strengthen our corporate governance.

[Supplementary Principle 4-14-2 Training policy of Directors of the Board]

The Company shall provide directors with opportunities to acquire knowledge essential to the execution of their duties and to continue their education so that they can adequately fulfill their roles and responsibilities.

As for newly appointed outside directors, the Company shall explain the Group's business, organizational structure, and contents and progress of the medium-term management plan, etc., to them and also provide them with necessary information on business issues, etc., on a regular basis following their appointment.

Currently, when they become directors (excluding internal directors), the Company provides them with lectures conducted by inside and outside experts with respect to the Group's strategies of management, business, finance, and other applicable fields and important matters and laws and regulations related thereto, and enables them to acquire and update the knowledge required for their offices. They are also given opportunities through discussion to find issues to be addressed by the Group and solutions thereto. Moreover, after becoming directors, they are given opportunities to attend study seminars on a regular basis to gain the latest information as to the best practices for various megatrend issues.

[Principle 5-1 Policy for constructive dialogue with shareholders]

The Company has established a Disclosure Policy, and through IR activities, the Company strives to disclose a wide range of information, from management strategies and financial information to non-financial information, to shareholders, investors, securities analysts and other concerned parties in a timely and appropriate manner, and to engage in ongoing constructive dialogue with them, thereby contributing to the enhancement of our corporate value over the medium to long term.

More specifically, mainly the Global CEO, Global CFO, and officers in charge of disclosure carry out various activities, such as holdings regular meetings with securities analysts and institutional investors, participating in conferences hosted by securities firms in Japan and overseas, conducting roadshows both within and outside of Japan to visit investors individually,

holding individual meetings using telephone and video conference system, and conducting sufficient information disclosure on the Company's website. To ensure the effective functioning of these activities, the Group IR Office has been established as a specialized department and works closely with related departments such as the Global Corporate Planning Office, the Group FR Office, Group FP&A Office (accounting function), and the Group Corporate Secretary Office. the Company has also established two Group IR offices, one in Tokyo and the other in London, to facilitate dialogue with securities analysts, investors, and shareholders in Japan and overseas.

Opinions and requests obtained through direct dialogue with shareholders and investors by the management team and investor relations activities. are periodically reported to the Board of Directors and management team and are utilized in efforts to improve corporate management and corporate value. To properly manage insider information, the Company has established the Information Management Committee and a "quiet period" during which we refrain from dialogue regarding financial results information. In addition, we conduct periodic shareholder identification survey in an effort to understand shareholder ownership structure.

For details, please refer to "Disclosure Policy" (established in September 2018) on the Company's website.

<https://www.group.dentsu.com/en/ir/stockandratings/constructivedialogue.html>

Please refer to the Company's website for information on the status of dialogue with shareholders and investors.

<https://www.group.dentsu.com/en/ir/stockandratings/dialogue.html>

[Principle 5-2 Establishing and Disclosing business strategy and business plan]

In February 2025, the Group formulated and released the New Mid-term Management Plan, running from FY2025 through FY2027 as a basic policy to realize growth in the medium- to long-term. For regaining our competitiveness and restoring profitability in this plan, we work on focusing on the business strategy, rebuilding the business foundation, and reevaluating underperforming businesses. In addition, for formulated plans and goals, we analyze progress every year. Then, based on necessity, we revise the plans and goals in an agile manner including the management resource allocation plans such as new business and capital investment, investment in human resource development, and appropriateness of maintaining or continuing each business of the Dentsu Group. The Board of Directors verifies and supervises the soundness, fairness, appropriateness, and efficiency of execution of the plans.

The Company will explain the above matters in an easy-to-understand manner at its financial results briefings and general shareholders' meetings.

For the goals of growth of profitability and profits, and policy for management resource allocation including capital investment, M&A investment, and shareholder returns, please refer to the following release of the New Mid-term Management Plan.

New Medium-term Management Plan updated in February 2025:

<https://www.group.dentsu.com/en/news/release/001418.html>

[Action on Cost of Capital-Conscious Management and Other Requests] [English Disclosure Available]

Strategies and measures set forth in the Mid-term Management Plan aim to increase shareholder value in the medium- to long-term. To ensure the achievement of the goal, we newly added ROE

in our financial indicators and target the mid-teens range of ROE by FY2027.

The Group recorded losses for two consecutive years of FY2023 and FY2024 and negative ROE. For this situation, we will realize profit growth by restoring profitability and regaining competitiveness and improve return on capital.

## 2. Capital Structure

Ratio of Shares Held by Foreigners	More than 20%, below 30%
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### [Status of Major Shareholders]

Name	Number of shares held	Percentage (%)
The Master Trust Bank of Japan, Ltd. (Trust Account)	48,137,100	18.48
Kyodo News Association	18,988,800	7.29
Jiji Press Co., Ltd.	16,028,680	6.15
Custody Bank of Japan, Ltd. (Trust Account)	14,905,400	5.72
NORTHERN TRUST CO. (AVFC) RE SILCHESTER INTERNATIONAL INVESTORS INTERNATIONAL VALUE EQUITY TRUST	10,615,100	4.08
NORTHERN TRUST CO. (AVFC) RE U.S. TAX EXEMPTED PENSION FUNDS	5,251,190	2.02
Dentsu Group Employee Shareholding Association	5,070,057	1.95
Hideo Yoshida Memorial Foundation	4,984,808	1.91
Recruit Holdings Co., Ltd.	4,929,900	1.89
SMBC Nikko Securities Inc.	4,583,537	1.76

Presence or absence of controlling shareholder (excluding parent company)	—
Existence of parent company	None

Supplementary explanation	Updated
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- (1) The number of shares held by trust banks includes the number of shares for trust business.
- (2) In addition to the above, the Company holds 5,327,957 shares in treasury stock. This does not include shares of the Company held by Custody Bank of Japan, Ltd. (Trust Account E) (900,600 shares as of December 2024). These shares were previously held by Trust & Custody Services Bank, Ltd. (Trust Account E), which was a re-trustee of the trust established for operation of the Board Benefit Trust (BBT) program, and were succeeded by Custody Bank of Japan, Ltd. (Trust Account E) due to a re-trustee change.
- (3) Mizuho Securities Co., Ltd. and its co-owners, Mizuho Trust & Banking Co., Ltd. and Asset Management One Co., Ltd. submitted Large Volume Holding Reports dated December 6,

2024, stating that they each owned the following shares as of November 29, 2024. However, as the Company was unable to confirm the actual number of shares held as of December 31, 2024, they are not taken into account in the above status of major shareholders. The contents of the report are as follows.

Name	Number of shares held
Mizuho Securities Co., Ltd.	2866,842
Mizuho Trust & Banking Co., Ltd	900,600
Asset Management One Co., Ltd.	7,231,300

- (4) Nomura Securities Co., Ltd. and its former co-owners, Nomura International PLC, Nomura Securities International, Inc. , and Nomura Asset Management Co., Ltd., submitted a change report dated November 7, 2024, stating that they each owned the following shares as of October 31, 2024. However, as the Company was unable to confirm the actual number of shares held as of December 31, 2024, they are not taken into account in the above status of major shareholders.

The contents of the report are as follows.

Name	Number of shares held
Nomura Securities Co., Ltd.	1,106,475
NOMURA INTERNATIONAL PLC	1,225,916
Nomura Securities international Inc.	—
Nomura Asset Management Co., Ltd.	16,435,200

- (5) Sumitomo Mitsui Trust Bank, Limited submitted a change report dated October 21, 2024, stating that Sumitomo Mitsui Trust Asset Management Co., Ltd. and Nikko Asset Management Co., Ltd each held the following shares as of October 15, 2024. However, the Company is unable to confirm the number of shares actually held by these companies as of December 31, 2024, and therefore these companies are not considered in the above status of major shareholders.

The contents of the report are as follows.

Name	Number of shares held
Sumitomo Mitsui Trust & Asset Management Co., Ltd.	6,645,300
Nikko Asset Management Co., Ltd.	8,226,100

### 3. Corporate Attributes

Listed exchange and market segment	Tokyo Stock Exchange Prime Section
Accounting period	December
Industry	Service
(Consolidated) Number of employees at the end of the previous business year	More than 1,000
(Consolidated) volume of sales at the end of the previous business year	More than 1 trillion yen
Number of companies (consolidated) at the end of the previous business year	More than 300 companies

#### 4. Policy on the Protection of Minority Shareholders in Transactions, etc., with the Controlling Shareholder

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#### 5. Other Special Circumstances that May Have Significant Impact on Corporate Governance

In order to quickly establish a structure that enable us to provide integrated solutions to our clients' diverse challenges on a global basis, the Company has formed a corporate group consisting of companies that operates in fields and regions that are complementary to our group, as well as companies which advanced expertise, through M&A and capital alliances and other means.

To enhance the effectiveness of group management, it is the Company's basic policy to hold all shares issued by subsidiaries directly or indirectly. However, some of its subsidiaries have increased their competitiveness by securing independence and maintaining their listing in light of the special characteristics of their business domains, their unique corporate culture, and the recruitment of human resources.

The Company has three such listed subsidiaries: DENTSU SOKEN INC. (listed on the Prime Section of the Tokyo Stock Exchange; hereinafter referred to as "DENTSU SOKEN". As of January 1, 2024, the company name was changed from Information Services International-Dentsu, Ltd. to DENTSU SOKEN INC.) and CARTA HOLDING, Inc. (listed on the Standard Section of the Tokyo Stock Exchange; hereinafter referred to as "CARTA") and SEPTENI HOLDINGS CO., LTD. (listed on JASDAQ of the Tokyo Stock Exchange, hereinafter "SEPTENI").

DENTSU SOKEN is a subsidiary whose main business is the construction and maintenance of information systems, sales of various business software, and consultation services. The Company believes that maintaining ISID's competitiveness and acquiring highly specialized human resources through independent management will lead to improvement in values offered to the customers of our consolidated group companies.

CARTA is a subsidiary engaged in the digital marketing business where the company offers digital marketing support to clients and advertising companies and assistance for digital transformation (DX) in media and internet related service businesses including the operation of owned media and e-commerce sites. CARTA's independent management has enabled it to quickly respond to a rapidly changing business environment, maintain its unique corporate culture, and achieve the acquisition of highly specialized human resources. The Company believes that this has helped to improve the values offered to the customers of our consolidated group companies.

In the digital marketing business, SEPTENI has a large client channel and advertising management capabilities in the rapidly growing digital managed advertising market, full-funnel integrated marketing capabilities that also integrate the branding domain, and development capabilities in the data solutions domain. In addition, the subsidiary has expertise in the recruitment and training of digital human resources through the use of a data-driven AI-type human resource system as a foundation for supporting business growth. Its independent management structure allows swift mobility in response to the ever-changing business environment and acquisition of highly professional talented human resources including responses to the new business areas, for which the Group was not equipped with sufficient insights in the past. The Company believes that this has helped to improve the added values offered to the customers of our consolidated group companies.

In order to ensure the appropriate execution of business and the overall optimization of the corporate group, the Company or Dentsu Corporate One Inc. has dispatched directors and corporate auditors to these subsidiaries. As a general rule, the Company respects the judgment of the management of these subsidiaries, and strives to ensure that the interests of the shareholders and other stakeholders of these subsidiaries are not unduly impaired.



## II Status of Decisionmaking, Execution, and Supervision of Management and Other Corporate Governance Structures

### 1. Items Pertaining to Organizational Composition, Organizational Operation, etc.

Organizational format	Company with a Nominating Committee, etc.
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#### [Board of Directors]

Number of Directors in the Articles of Incorporation	15 persons
Term of office of Directors in the Articles of Incorporation	1 year
Chairman of the Board of Directors Updated	Outside director
Number of Directors Updated	11 persons

#### [Outside Directors]

Number of Outside Directors	9 persons
Number of Outside Directors specified as Independent Directors	9 persons

#### Relationship with the Company (1)

Name	Attribute	Relationship with the Company										
		a	b	c	d	e	f	g	h	i	j	k
Gan Matsui	Lawyer											
Paul Candland	From another company											
Andrew House	From another company											
Keiichi Sagawa	From another company											
Mihoko Sogabe	Certified Public Accountant											
Yuka Matsuda	Certified Public Accountant											
Yoshihiko Kawamura	From another company											
Norimitsu Takashima	Lawyer											
Naoko Ichikawa	From another company											

#### ※Categories for relationship with the company

“○” when the director presently falls or has recently fallen under the category;

“△” when the director fell under the category in the past

“●” when a close relative of the director presently falls or has recently fallen under the category;

“▲” when a close relative of the director fell under the category in the past

- Executive of the Company or its subsidiaries
- Executive or Non-Executive Director of a parent company of the Company
- Executive of a fellow subsidiary company of the Company
- A party whose major client or supplier is the Company or an executive thereof

- e. Major client or supplier of the listed company or an executive thereof 13
- f. Consultant, accountant or legal professional who receives a large amount of monetary consideration or other property from the Company besides compensation as a Director
- g. Major shareholder of the Company (or an executive of the said major shareholder if the shareholder is a legal entity)
- h. Executive of a client or supplier company of the Company (which does not correspond to any of d, e, or f) (the Director himself/herself only)
- i. Executive of a company, between which the Outside Directors are mutually appointed (the Director himself/herself only)
- j. Executive of a company or organization that receives a donation from the Company (the Director himself/herself only)
- k. Others

Relationship with the Company (2)
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Name	Member of the NC	Member of the CC	Member of the AC	Independent Director	Supplementary Explanation Regarding a Compliant Item	Reason for Appointment
Gan Matsui				○	Mr. Gan Matsui is an attorney at Yaesu Sogo Law Office, and concurrently serves as Outside Director (Audit and Supervisory Committee Member) of Orient Corporation, Outside Corporate Auditor of Nagase & Co., Ltd., Outside Corporate Auditor of Totetsu Kogyo Co., Ltd. and Outside Director who is a member of the Audit and Supervisory Committee of Globeride, Inc. Orient Corporation has a business relationship with Dentsu Inc., a significant subsidiary of the Company, and Nagase & Co., Ltd. has business relationship with Dentsu Inc., a significant subsidiary of the Company, but the amount of transactions during FY2024 was less than 1% of consolidated	<Reason for appointment as an outside director> Mr. Gan Matsui has many years of experience as a prosecutor and has directed the investigation and trial of many serious cases, mainly in the field of economic and tax. Based on this experience and knowledge, he has chaired so-called third-party investigation committees on compliance and crisis management for several firms and governmental bodies. He also assumes the office of outside directors or corporate auditors for some companies. Being the chairman of the Independent Advisory Committee on Labor Environment Reform at Dentsu Inc. since February 2017, and Outside Director of the Company since March 2020, he has made significant contributions, especially in strengthening compliance and governance of the Company. Although he has not been engaged in corporate management other than serving as an Outside Director or an Outside Auditor, from these achievements, the



					<p>net revenue of the Company in both cases and there is no issue with his independence. Furthermore, there are no vested interests with other entities or office mentioned above for which he belongs or concurrently serves.</p>	<p>Company has determined that it can expect him to continue to utilize his experience etc., in strengthening the supervisory function of the Board of Directors as our outside director.</p> <p>&lt;Reason for Designation as an independent director&gt;</p> <p>By the independence standards established by the Tokyo Stock Exchange (Guidelines concerning Listed Company Compliance, etc. III. 5. (3) - 2) and the Company's independence standards for outside directors established based on these guidelines, there is no reason to deny independence, nor is there any particular reason to believe that there is a risk of a conflict of interest with general shareholders. Therefore, the Company designates Mr. Matsui as an independent director.</p>
Paul Candland	○	○		○	<p>Mr. Paul Candland concurrently serves as Outside Director of YAMAHA CORPORATION and Managing Director of PMC Partners Co., Ltd. YAMAHA CORPORATION has a business relationship with Dentsu Inc., a significant subsidiary of the Company, but the amount of transactions during FY2024 was less than 1% of consolidated net revenue of the Company and there is no issue with his independence. Furthermore, there are no vested interests with the other entity mentioned above for which he belongs or concurrently serves.</p>	<p>&lt;Reason for appointment as an outside director&gt;</p> <p>Mr. Paul Candland has been involved in the management of the Asian and Japanese subsidiaries of a global entertainment company for many years, and has abundant experience as a global manager and achievements and extensive insight in the digital business field and business development. Since March 2022, he has actively provided advice and suggestions from the perspective of global management as an outside director of the Company, especially regarding issues such as business operations based on global economic trends and strengthening competitiveness, and has brought a variety of perspectives to the Company. From these achievements, the Company has determined that it can expect him to continue to utilize his experience etc., in areas such as enhancing the governance of the Company's</p>

					<p>global management as our outside director.</p> <p>&lt;Reason for Designation as an independent director&gt;</p> <p>By the independence standards established by the Tokyo Stock Exchange (Guidelines concerning Listed Company Compliance, etc. III. 5. (3) - 2) and the Company's independence standards for outside directors established based on these guidelines, there is no reason to deny independence, nor is there any particular reason to believe that there is a risk of a conflict of interest with general shareholders. Therefore, the Company designates Mr. Candland as an independent director.</p>
Andrew House		○		○	<p>Mr. Andrew House concurrently serves as Strategic Advisor of Intelity, Executive Mentor of The Exco Group, and Outside Director of Nissan Motor Co., Ltd. Nissan Motor Co., Ltd. has a business relationship with Dentsu Inc., a significant subsidiary of the Company, but the amount of transactions during FY2024 was less than 1% of the consolidated net revenue of the Company and there is no issue with his independence. Furthermore, there are no vested interests with other entities mentioned above for which he belongs or concurrently serves.</p> <p>&lt;Reason for appointment as an outside director&gt;</p> <p>Mr. Andrew House possesses international management experience. He has abundant experience and achievement as a manager and extensive insight, including promotion of business transformation and strengthening of corporate governance, gained in key roles at global corporations. Since March 2022, he has leveraged this experience to actively provide useful advice and suggestions from a variety of perspectives based on examples for global management as an outside director of the Company, especially regarding issues such as Group governance and business operations, and has made a great contribution. From these achievements, the Company has determined that it can expect him to continue to utilize his experience etc., in areas such as enhancing the governance of Group management and strengthening competitiveness in the global environment as our outside director.</p>

						<p>&lt;Reason for designation as an independent director&gt;</p> <p>By the independence standards established by the Tokyo Stock Exchange (Guidelines concerning Listed Company Compliance, etc. III. 5. (3) - 2) and the Company's independence standards for outside directors established based on these guidelines, there is no reason to deny independence, nor is there any particular reason to believe that there is a risk of a conflict of interest with general shareholders. Therefore, the Company designates Mr. House as an independent director.</p>
Keiichi Sagawa	○		○	○	<p>Mr. Keiichi Sagawa concurrently serves as Outside Director of GIMIC CO., LTD. and this company has business relationship with Dentsu Inc., a significant subsidiary of the Company, but the amount of the transactions during FY2024 was less than 1% of the consolidated net revenue of the Company, and there is no issue with his independence. He resigned as an Advisor of Recruit Holdings Co., Ltd. in June 2021.</p>	<p>&lt;Reason for appointment as an outside director&gt;</p> <p>Mr. Keiichi Sagawa possesses abundant operational experience regarding business transformation and expansion of global business and digital business in the finance and administration departments of a holding company. He has also been engaged in corporate management for many years as a director and has enhanced corporate value and has expertise and a wealth of experience as a corporate manager. Since March 2022, he has actively provided accurate advice and suggestions as an outside director of the Company, especially regarding issues such as promoting business transformation, strengthening competitiveness globally, and improving management governance. From these achievements, the Company has determined that it can expect him to continue to contribute greatly to improving the management governance, strengthening competitiveness, and ensuring the soundness of the Company, which aims to promote business transformation and achieve</p>

					<p>growth as a global company, as an outside director.</p> <p>&lt;Reason for designation as an independent director&gt;  By the independence standards established by the Tokyo Stock Exchange (Guidelines concerning Listed Company Compliance, etc. III. 5. (3)-2) and the Company's independence standards for outside directors established based on these guidelines, there is no reason to deny independence, nor is there any particular reason to believe that there is a risk of a conflict of interest with general shareholders. Therefore, the Company designates Mr. Sagawa as independent director.</p>
Mihoko Sogabe		○	○	○	<p>Ms. Mihoko Sogabe concurrently serves as Representative of Sogabe Certified Public Accountant Office, Auditor of Japan Kogei Association, Outside Director (audit and supervisory committee member) of Nikko Asset Management Co., Ltd., and Outside Director (audit and supervisory committee member) of Mitsui DM Sugar Holdings Co., Ltd. Nikko Asset Management Co., Ltd. has a business relationship with Dentsu Inc., a significant subsidiary of the Company, but the amount of transactions during FY2024 was less than 1% of consolidated net revenue of the Company and there is no issue with her independence. Furthermore, there are no vested interests with other entities or office</p> <p>&lt;Reason for appointment as an outside director&gt;  Ms. Mihoko Sogabe has specialized knowledge and abundant operational experience in the fields of finance, accounting and auditing as a CPA. She also has profound insight into the supervision of business execution, promoting diversity and strengthening governance from an investor's perspective as Outside Director and Outside Auditor of several companies. Since March 2022, she has actively provided useful suggestions and advice as an outside director of the Company from her expert insight and abundant practical experience, especially regarding issues such as improving the Company's financial governance, promoting internal controls, and strengthening the supervisory function. Although she has not been engaged in corporate management other than serving as an Outside Director or an Outside Auditor, from these achievements, the Company has determined that it can expect her</p>

					<p>mentioned above for which she belongs or concurrently serves. Although she worked for KPMG AZSA LLC, the Company's accounting auditor, until May 2018, but during her tenure at KPMG AZSA LLC, she was not involved in any business related to the Company, and there is no issue with her independence.</p>	<p>to continue to contribute to enhancing and ensuring the soundness of financial governance of the Company as our outside director.</p> <p>&lt;Reason for designation as an independent director&gt; By the independence standards established by the Tokyo Stock Exchange (Guidelines concerning Listed Company Compliance, etc. III. 5. (3)-2) and the Company's independence standards for outside directors established based on these guidelines, there is no reason to deny independence, nor is there any particular reason to believe that there is a risk of a conflict of interest with general shareholders. Therefore, the Company designates Ms. Sogabe as independent director.</p>
Yuka Matsuda			○	○	<p>Ms. Yuka Matsuda concurrently serves as Representative of the Matsuda Yuka CPA and Tax Accounting Office, as Outside Corporate Auditor of DKK Co., Ltd., as Outside Corporate Auditor of Mitsubishi Steel Mfg. Co., Ltd., and as Supervisory Officer of Nochu JAML REIT Investment Corporation. Mitsubishi Steel Mfg. Co., Ltd. has a business relationship with Dentsu Inc., a significant subsidiary of the Company, but the amount of transactions during FY2024 was less than 1% of consolidated net revenue of the Company and there is no issue with her independence.</p>	<p>&lt;Reason for appointment as an outside director&gt; Ms. Yuka Matsuda has specialized knowledge and abundant operational experience in the fields of finance, accounting, taxation and auditing as a CPA and tax accountant. She also has experience in management as Director of a tax accounting firm, and experience in auditing management as outside auditor of several companies. Since March 2023, she has actively provided useful suggestions and advice as an outside director of the Company from her expert insight and abundant practical experience, especially regarding issues such as improving the Company's financial governance, promoting internal controls, and strengthening the supervisory function. Although she has not been engaged in corporate management other than serving</p>

						<p>as an Outside Director or an Outside Auditor, from these achievements, the Company has determined that it can expect her to continue to contribute to enhancing and ensuring the soundness of financial governance of the Company, which aims to promote business transformation and achieve global growth, as an outside director.</p> <p>&lt;Reason for designation as an independent director&gt; By the independence standards established by the Tokyo Stock Exchange (Guidelines concerning Listed Company Compliance, etc. III. 5. (3)-2) and the Company's independence standards for outside directors established based on these guidelines, there is no reason to deny independence, nor is there any particular reason to believe that there is a risk of a conflict of interest with general shareholders. Therefore, the Company designates Ms. Matsuda as independent director.</p>
Yoshihiko Kawamura			○	○	<p>Mr. Yoshihiko Kawamura concurrently serves as Outside Director of circlace Inc, and this entity has no business relationship with the Company.</p>	<p>&lt;Reason for appointment as an outside director&gt; Mr. Yoshihiko Kawamura has led finance and strategy divisions at several business enterprises and has achievements in promoting large-scale corporate digital transformations. In addition to this expertise, he has extensive global business experience spanning a number of different regions and has contributed for many years to the globalization of Japanese companies as a manager. From these achievements, as an outside director, the Company has determined that it can expect him to make substantial contributions to strengthening the Company's competitiveness and enhancing its financial governance, as it strives to promote business</p>

						<p>transformation on a global scale and achieve sustainable growth.</p> <p>&lt;Reason for designation as an independent director&gt;  By the independence standards established by the Tokyo Stock Exchange (Guidelines concerning Listed Company Compliance, etc. III. 5. (3)-2) and the Company's independence standards for outside directors established based on these guidelines, there is no reason to deny independence, nor is there any particular reason to believe that there is a risk of a conflict of interest with general shareholders. Therefore, the Company designates Mr. Kawamura as independent director.</p>
Norimitsu Takashima	○		○	○	<p>Mr. Norimitsu Takashima is an attorney of T&amp;K Partners and this entity has no business relationship with the Company.</p>	<p>&lt;Reason for appointment as an outside director&gt;  Mr. Norimitsu Takashima has many years of experience as a prosecutor. He has served in key positions, investigating and prosecuting corporate and other crimes, and has directed the investigation and trial of many major social incidents. He also has expert experience in legal administration and organizational management, including service as Deputy Vice-Minister of Justice, and then as Vice-Minister of Justice. Although he has not been engaged in corporate management, the Company has determined that it can expect him to contribute to strengthening the supervisory function of the Company's Board of Directors based on his expertise in the legal field underpinned by these achievements, his advanced crisis management abilities, and his extensive personal networks in the legal world.</p> <p>&lt;Reason for designation as an independent director&gt;</p>

						By the independence standards established by the Tokyo Stock Exchange (Guidelines concerning Listed Company Compliance, etc. III. 5. (3)-2) and the Company's independence standards for outside directors established based on these guidelines, there is no reason to deny independence, nor is there any particular reason to believe that there is a risk of a conflict of interest with general shareholders. Therefore, the Company designates Mr. Takashima as independent director.
Naoko Ichikawa				○	Ms. Naoko Ichikawa concurrently serves as Outside Director of TSI HOLDINGS CO., LTD. and this entity has no business relationship with the Company.	<p>&lt;Reason for appointment as an outside director&gt;  Ms. Naoko Ichikawa has achievements leading numerous key divisions at a strategic consulting firm and several business enterprises, together with expertise in many fields such as business development, marketing, and business process improvement. Her long experience in global companies has also enabled her to promote numerous businesses in multinational and multicultural organizations. In recent years, she has served as an outside director at several companies, where she has supervised and advised management. From these achievements, the Company has determined that it can expect her to make a substantial contribution to strengthening competitiveness and achieving growth in the global environment as an outside director.</p> <p>&lt;Reason for designation as an independent director&gt;  By the independence standards established by the Tokyo Stock Exchange (Guidelines concerning Listed Company Compliance, etc. III. 5. (3)-2) and the Company's independence standards for</p>



						outside directors established based on these guidelines, there is no reason to deny independence, nor is there any particular reason to believe that there is a risk of a conflict of interest with general shareholders. Therefore, the Company designates Ms. Ichikawa as independent director.
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### [Three statutory committees]

Constitution and Chair of each Committee
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	Total	Full-Time	Internal Directors	Outside Directors	Chairperson
Nomination Committee	4	1	1	3	Outside Director
Compensation Committee	3	0	0	3	Outside Director
Audit Committee Updated	5	0	0	5	Outside Director

### [Executive Officers]

Number of Executive Officers Updated	5
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Status of Additional Duties	Updated
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Name	Representative Authority	Additional Duties as Director			Additional Duties as Employee
			Nomination Committee Member	Compensation Committee Member	
Hiroshi Igarashi	○	○	○	×	×
Arinobu Soga	○	○	×	×	×
Giulio Malegori	×	×	×	×	×
Takeshi Sano	×	×	×	×	×
Shigeki Endo	×	×	×	×	×

### [Auditing Structure]

Appointment of Directors and/or Employees to Support the Audit Committee	Appointed
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Matters related to the independence of such Directors and/or Employees from Executive Officers
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The Company has established the Audit Committee Office as an organization for fulfilling the role of an administration office for the Audit Committee and aiding operation of the Audit Committee. Dedicated staff members are assigned to the Audit Committee Office, and they report to the Audit Committee. Evaluation and personnel transfers, etc. of these staff members are carried out with approval of the Audit Committee, which ensures independence of Audit Committee Office members from executive officers and the Group Management Team and effectiveness of instructions and orders from Audit Committee members.

Cooperation among Audit Committee, Accounting Auditors, and Internal Audit Departments
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The Audit Committee shall ask the accounting auditors and internal audit departments for reporting on respective audit approaches and results appropriately, exchange information individually in a timely manner, and coordinate with each other. Moreover, the Audit Committee may ask the internal audit departments for reporting on the establishment and operation status of internal control as well.

### [Independent Directors]

Number of Independent Directors	9 persons
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Other Items Pertaining to Independent Directors
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All outside directors who fulfill the requirements of independent directors are designated as independent directors.

The criteria for the independence of outside directors established by the Company are shown in the “Independence Standards for Outside Directors”.

### [Incentive]

Status of Measures Related to Incentives for Directors/Executive Officers	Introduction of a performance-based compensation system
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Supplementary Explanation Regarding Said Item
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Annual bonuses and medium- to long-term bonus are applied to directors who concurrently serving as executive officers. For details, please refer to [Compensation for Directors and Executive Officers] below.

Those who granted stock options	None
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Supplementary Explanation Regarding Said Item
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### [Compensation for Directors and Executive Officers]

Status of Disclosure (of Individual Director's Compensation)	Individually disclosed in part
Status of Disclosure (of Individual Executive Officer's Compensation)	Individually disclosed in part

Supplementary Explanation Regarding Said Item	Updated
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The amount of directors' compensation for the fiscal year ending December 31, 2024 is as follows.

Total compensation for directors (excluding outside directors) was 76 million yen, and total compensation for outside directors was 131 million yen. The total amount of compensation for Executive Officers was 424 million yen, consisting of 190 million yen in fixed compensation (cash), 55 million yen in annual bonuses (cash), and 179 million yen in mid- to long-term bonuses.

Annual bonuses are the sum of (1) the amount recorded as an expense in the fiscal year with respect to annual bonuses for the fiscal year and (2) the difference between the amount of annual bonuses for fiscal 2023 actually paid during the current fiscal year less the amount recorded as an expense in fiscal 2023 with respect to such annual bonuses, and for mid- to long-term bonuses, the amount is recorded as an expense for the fiscal year with respect to mid- to long-term bonuses granted during the fiscal year (this amount includes the amount related to money to be paid out in proportion to half of the number of units vested) . The above figures include the compensation of Nick Priday, who resigned as Director and Executive Officer on February 13, 2024.

The total amount of consolidated compensation paid to Hiroshi Igarashi, director, representative executive officer & president, was 269 million yen, Arinobu Soga, director, representative executive officer & executive vice president, was 181 million yen, and Nick Priday was 444 million yen, respectively.

The total amounts shown above include the amounts recorded as expenses in the Company as described above with respect to annual bonuses and mid- to long-term bonuses paid by the Company, and for director Nick Priday, the above includes the amount expensed by the Company during the year with respect to annual bonuses, performance-based cash compensation and mid- to long-term bonuses received from the Company's major consolidated subsidiary.

Details are as described in the securities report.

Policy on deciding remuneration amounts and their calculation method	Updated
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Yes
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Disclosure of Remuneration Amounts and Their Calculation Method
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In accordance with the provisions of the Companies Act regarding companies with a nominating committee, etc., the Compensation Committee has established a policy to determine the amount of compensation for each individual director and executive officer or the method of calculation of such amount.

#### 1. Basic policy on determining compensation

In a business domain where marketing, technology and consulting are increasingly converging, we aim to evolve into a company that embodies “an invitation to the never before.” and creates social impact by generating innovative ideas and solutions through outstanding creativity and technology.

To empower the executives who drive our success, our executive compensation is designed based on the following objectives and principles. We will continuously review and update our programs as our business transforms so that they reflect who we are and where we are going.

- (1) Attract and retain outstanding talent by providing attractive total rewards and environment
  - (i) Competitive pay
  - (ii) Career growth opportunities

- (2) Achieve the Group's strategic goals by maximizing the performance of the globally integrated management team
  - (iii) Pay for performance
  - (iv) Challenging goals
- (3) Strengthen alignment with interests of shareholders and all other stakeholders
  - (v) Creating value for society
  - (vi) Accountability

## 2. Amount of compensation or the method for calculating that amount

### (1) Compensation Levels

To secure outstanding talent for management on a global basis, the Company sets compensation levels based on roles, with reference to the levels of compensation among its business competitors and talent competitors with similar market capitalization, in the main regions where it operates (Japan, the United States, the United Kingdom, etc.). The Company uses compensation survey data supplied by an external consulting firm to confirm market compensation levels.

### (2) Composition of compensation

Remuneration for Directors shall consist only of fixed remuneration as Directors. Remuneration for Executive Officers consists of a base annual salary as fixed remuneration, and annual bonuses and medium- to long-term bonuses as variable compensation.

In addition to the above compensation, the Representative Executive Officers are paid a fixed compensation for the Representative Executive Officers. For Executive Officers residing outside Japan who do not hold securities accounts that manage domestically listed shares, all mid- to long-term bonus may be paid in an equivalent amount in cash.

The Company sets the ratio of "base annual salary as compensation for Executive Officer, President: annual bonus (base amount): mid- to long-term bonus (base amount)" to "1:1:1.5" as a guide for the composition of compensation for the President and Executive Officer. For other Executive Officers, the payment ratio shall be commensurate with their responsibility for the global management of the Company. Annual bonus and mid- to long-term bonus will fluctuate in the ratio of 0-200% (target: 100%) and 30-170% (target: 100%), respectively, from the base amount that would be paid if each indicator were both at the target value.

### (3) Compensation and calculation method

#### (i) Fixed compensation

The base annual salary as compensation for directors and executive officers and the compensation for the representative executive officer are regular fixed-amount monetary compensation (monthly) and are paid at a fixed time each month. With respect to the compensation for directors, a fixed amount determined in accordance with the duties of the directors is paid. In addition, an external consulting firm is used to determine the base annual compensation for Executive Officers, which is appropriate for the size of the responsibility and role assigned to each Executive Officer, with reference to the compensation levels of business competitors and human resource competitors with similar market capitalization in the major regions where the Company operates (Japan, the U.S., the U.K., etc.). The compensation for the Representative Executive Officers is based on a single flat rate.

#### (ii) Annual Bonus

The annual bonus is performance-based monetary compensation paid to Executive Officers based on the Company's performance and each Executive Officer's individual performance in each fiscal year. The amount of bonus paid is determined using a formula, with the standard amount calculated as a certain percentage of the base annual salary paid as compensation for executive

officer, based on the figures for the financial metrics, as well as their respective weights as shown below, varying within a range from 0% to 200%. The computed amount is paid at a certain time after the Ordinary General Meeting of Shareholders for the relevant fiscal year.

The indicators and the weight of each indicator for FY2025 are as follows.

Among the financial metrics, the organic growth rate and operating margin are indicators that show business growth excluding the effects of exchange rate and M&A, or that measures business profitability. The Company have considered that these are appropriate metrics for evaluating the business performance for one year, while managing the achievement rates for the entire company and each region and business, and have adopted them.

In addition, the cost metrics have been adopted as indicators for measuring the degree of recovery in profitability through the rebuilding of business foundation set out in the new Medium-term Management Plan.

Sustainability metrics promote the achievement of strategic targets related to corporate value that cannot be measured using financial metrics, based on the new Medium-term Management Plan and issues in the current corporate environment. Furthermore, individual performance evaluation clarifies individual roles in this period of business structure transition and makes the Executive Officers strongly aware of the importance of enhancing corporate value by designating the management issues for each Executive Officer and evaluating the degree to which these issues are resolved. The individual performance evaluation also evaluates the level of embodiment of the leadership (dentsu Leadership Attributes), which promotes growth of both individual Executive Officers and the organization. The upper limits, targets, and lower limits of metrics used to determine the range of individual compensation paid, within 0% to 200%, are decided by the Compensation Committee. In addition to claims for forfeiture and return of remuneration under the forfeiture and return of remuneration clause (Mars clawback clause), if the Compensation Committee determines that there is a violation of compliance or integrity, the Committee may reduce the amount of the annual bonus payment of each Executive Officer according to the circumstances.

Metrics	Weight (Note) 1
Financial metrics : Organic growth rate	30%
Financial metrics : Operating margin	30%
Financial metrics : Cost index	10%
Sustainability metrics (Note) 2	10%
Individual performance evaluation	20%

(Notes)

1. This represents the relative composition in the annual bonus amount if all the performance targets of each metric are met.
2. Three indicators are set for sustainability metrics: improving employee engagement, increasing the ratio of female leaders (excluding the US), and reducing GHG emissions (Scope 1 + 2).

(iii) Medium- to long-term bonuses

The medium- to long-term bonus is made up of “performance share units (PSU)” and “Stock price-linked monetary compensation (phantom stock),” with the ratio of these components set at 70%:30%.

< performance share units (PSU)>

Performance share unit is a stock-based compensation plan for executive officers that is linked to the company's performance over three consecutive fiscal years, with the aim of improving medium- to long-term performance and corporate value.

Executive Officers eligible for medium- to long-term bonuses receive, on a certain date during each fiscal year during which they are in office (the "Unit Grant Date"), a standard number of units (calculated by dividing, among the base amount of the medium- to long-term bonus that is set according to their responsibility for the global management of the Company, the base amount for PSU by the average closing value of the Company's shares during the month of January in the relevant fiscal year) set according to level of responsibility of each Executive Officer as consideration for the execution of duties during the relevant fiscal year. In addition, as of a certain date (the "Vesting Date") after the passage of three consecutive fiscal years, the first of which is the fiscal year in which the Unit Grant Date falls (the "Performance Evaluation Period"), the grantee may acquire the right to receive delivery of the Company's shares, etc. from a trust established for this program (the "Trust").

The standard number of units granted to each Executive Officer in the said first fiscal year will be adjusted within the variable range from 30% to 170%, including the number of units of stock price-linked cash compensation (phantom stock), in accordance with the figures and composition ratio of Total Shareholder Return ("TSR") and consolidated ROE (hereinafter, the number of units after adjustment are referred to as the "Vested Units").

Thereafter, the relevant Executive Officer may receive delivery of the Company's shares, etc. from the Trust, in accordance with the number of Vested Units (in principle, the number of the Company's common shares calculated corresponding to half of the Vested Units and amount of cash equivalent to the market value of the number of the Company's common shares calculated corresponding to the remaining half of the Vested Units as of the Vesting Date).

However, the Company may make monetary payment of the amount equivalent to all vested stock to Executive Officers who reside outside Japan and do not hold securities accounts for managing listed shares in Japan

<Stock price-linked monetary compensation (phantom stock)>

Stock price-linked monetary compensation (phantom stock) is a cash-settled compensation linked to the company's stock price, with the aim of motivating Executive Officers to improve the stock price over the medium to long term, and to recruit and retain outstanding human resources. Executive Officers receive phantom stock grants for the number of shares (units) calculated by dividing the standard amount, which is calculated by multiplying the base annual salary by a factor set in accordance with each Executive Officer's management responsibility, by the share price on a certain day of the fiscal year in which they are in office. Whenever a year passes from the vesting date, one third of the shares will be vested and the monetary amount calculated by multiplying the stock price at that time by the number of shares owned by each Executive Officer is paid out in cash.

The indicators for the Performance Share Unit (PSU) and the composition ratio of each indicator for fiscal year 2025 are as follows. The Company has adopted total shareholder return (TSR) as an appropriate indicator for aligning our perspective with that of our shareholders and other stakeholders. In addition, the Company concluded that consolidated ROE is an appropriate metric in the perspective of further strengthening profit sharing with shareholders and consistency with the next-term Medium-term Management Plan.

Indicators	Percentage of total (Note)1
vs. Tokyo Stock Price Index (TOPIX) including dividends TSR	50%
Consolidated ROE	50%

(Note)

1. This is the percentage of the amount that would constitute medium- to long-term bonus if all of the figures in each indicator were the target values.

The Company may withdraw some or all of an Executive Officer's right to receive annual bonus or medium- to long-term bonus (malus) or demand the return some or all of cash or stock that has been paid from an Executive Officer (clawback), by resolution of the Compensation Committee, if the Executive Officer has caused serious damage to the Group through intent, negligence, inappropriate actions, etc., or where there is an error in financial information with the effect of decreasing the amount payable to the Executive Officer.

### 3. Procedure for determining compensation and others

In accordance with the provisions of the Companies Act regarding companies with a nominating committee, etc., the Compensation Committee has established a policy for determining the amount of compensation for each individual director and executive officer or the method for calculating such amount.

The Compensation Committee also deliberates and determines the level of compensation for Directors and Executive Officers, the composition of their compensation, and the setting of targets for variable compensation.

Other details of the compensation for Directors and Executive Officers are described in the Annual Securities Report.

### [Support Structure for Outside Directors]

The secretariat of the Board of Directors provides the outside directors with materials and explanations of the agenda prior to the Board of Directors meetings. Additionally, the Audit Committee Office was established as the section in charge of aiding Audit Committee members, where dedicated staff engages in all work related to the duties of Audit Committee members in order to support them.

In addition, when either of the Nomination Committee and the Compensation Committee is held, the secretariat of the respective committee briefs the outside directors in advance on the contents of the agenda items and other matters.

### [Status of those who retired from representative directors, etc.] Updated

Names of Advisors, etc. who retired representative directors, etc.					
Name	Title	Activity	Full time or not Remuneration, etc.	Date of retirement from CEO	Term
Tatsuyoshi Takashima	Dentsu Inc. Senior Advisor ( <i>Sodanyaku</i> )	Activities for industrial groups or economic organizations, etc.	Full time No compensation	March 31, 2011	One year
Tadashi Ishii	Dentsu Inc. Senior Advisor ( <i>Sodanyaku</i> )	Advising for the executives of the Company, etc.	Full time No compensation	January 22, 2017	One year
The total number of Corporate Advisors, etc., who retired from representative directors' positions			2 persons		

## Other Items

- (1) When a former representative director, president and CEO or former representative executive officer, president and CEO is appointed as a Senior Advisor (*Sodanyaku*) and Executive Advisor (*Komon*) to the Company, the Board of Directors deliberates on the roles expected of the person and the treatment thereof.
- (2) A former representative director, president and CEO or former representative executive officer, president and CEO is appointed as Senior Advisor (*Sodanyaku*) and Executive Advisor (*Komon*) for one year and the appointment must be approved by the Board of Directors for reappointment.
- (3) When a former representative director, president and CEO or former representative executive officer, president and CEO assumes the position of Senior Advisor (*Sodanyaku*) and Executive Advisor (*Komon*) of Dentsu Inc., a wholly owned subsidiary, the expected role and the treatment of such person are deliberated at the dentsu Japan Nomination and Compensation Committee, which is entrusted with the governance of domestic Group companies by the Board of Directors.
- (4) The term of office of the advisors and counselors of Dentsu Inc. who are former President and Representative Director or former President and Representative Executive Officer shall be one year, and upon reappointment, the Board of Directors of Dentsu Inc. shall consult the dentsu Japan Nomination and Compensation Committee regarding the proposed candidates, and the Committee's report shall be considered and approved.

## 2. Items pertaining to business execution, audit & supervision, nomination, compensation determination, and other functions (overview of the current corporate governance structure) **Updated**

The company has chosen to adopt a company with a nominating committee, etc. as its corporate governance structure.

By clearly separating the supervisory and executive functions, the Company aims to accelerate decision-making, strengthen the supervisory function of the Board of Directors, and further enhance transparency.

### <Board of Directors>

The Company's Articles of Incorporation stipulates the number of its directors at a maximum of 15. At the date of this report, the Board of Directors comprises eleven (11) directors (of whom, nine (9) are outside directors). The Board of Directors fulfills a supervisory function over business execution and makes decisions on important matters fundamental to the Group's management, including the formulation of the Group's management strategy, important management decisions, and the appointment of executive officers.

In order to fulfill the roles described above in selecting the members of the Board of Directors, consideration is given to the balance among the members in terms of their experience, insights, and skills, and to diversity in terms of gender, nationality, work experience, age and other elements.

Nine (9) outside directors (who are all independent officers who meet the criteria for independence stipulated by the Company for its outside directors) provide advice in the Board of Directors as needed based on their extensive experience in their respective area of expertise and help upgrade the Company's management strategy and raise its business efficiency. In addition, they fulfil the supervision function over business execution by the Company's management team from a viewpoint of general shareholders independent from the management team.



#### <Nominating Committee>

The Nominating Committee is a committee that establishes criteria for the election of directors and the independence of outside directors, decides on proposals to be submitted to the General Meeting of Shareholders concerning the election and dismissal of directors, and decides on the content of reports in response to inquiries from the Board of Directors concerning the election and dismissal of executive officers and other similar matters. The Nominating Committee consists of four directors, with a majority of the members being independent outside directors, and is chaired by an independent outside director.

#### <Audit Committee>

The Audit Committee audits the execution of duties by directors and executive officers, prepares audit reports, determines the content of proposals to be submitted to the General Meeting of Shareholders concerning the appointment, dismissal, and non-reappointment of accounting auditors, and performs other duties as stipulated by law and the Articles of Incorporation. The Audit Committee consists of five (5) directors, the majority of whom are independent outside directors, and is chaired by an independent outside director.

#### <Compensation Committee>

The Compensation Committee is a committee that establishes policies for determining the compensation of directors and executive officers and determines the details of individual compensation of directors and executive officers.

The Compensation Committee consists of three directors, with a majority of the members being independent outside directors, and is chaired by an independent outside director.

#### <Finance Committee>

The Finance Committee ensures financial governance, reviews financial indicators from the shareholder perspective, and monitors the execution of activities toward targeted financial indicators. The committee also finalizes the response to inquiries from the Board of Directors from the perspective of the fiscal and investment disciplines. The committee consists of three independent outside directors and is chaired by an independent outside director.

#### <Liability Limitation Agreement>

The Company concludes a liability limitation agreement with its outside directors and directors not concurrently serving as executive officers, setting the maximum amount of their liability at either 10 million yen or the minimum amount of liability prescribed in Article 425, Paragraph 1 of the Companies Act, whichever is greater.

#### <Indemnity Agreement>

The Company has entered into an indemnity agreement with each of directors, which provides that the Company will indemnify the expenses stipulated in Article 430-2, Paragraph 1, Item 1 of the Companies Act and the losses stipulated in Paragraph 1, Item 2 of the same Article to the extent provided for by laws and regulations. In order to ensure that the indemnification agreement does not impair the appropriateness of the execution of duties by the officer, it is stipulated that indemnification is not applicable in cases where directors perform their duties with malicious intent or gross negligence or when the company holds directors liable for their actions.

#### <Directors and Officers Liability Insurance>

The Company has entered into directors and officers liability insurance (D&O insurance) agreement with an insurance company, which covers insured persons for legal damages and litigation costs. The scope of insured persons under the agreement is directors, executive officers, Group Management Team Members, corporate officers and corporate auditors of the Company

and its subsidiaries (excluding three listed subsidiaries (and their subsidiaries) and 26 other subsidiaries that are not covered by the insurance agreement), and their heirs. Such insurance covers derivative suit, corporate suit and claims from third parties, but does not cover claims for damages arising from acts committed while aware of the violation of laws and regulations. The insurance premium for each director and manager is paid in full by the Company in which the relevant officer and manager perform his/her duties.

#### <Business Execution Structure>

The Company has established the Group Management Board, as an executive body under the Board of Directors and is composed of five (5) Executive Officers including President and two (2) Executive Vice Presidents. The Group Management Board deliberates (including deliberation in preparation for submission to the Board of Directors) and decides on important matters including budgets, the settlement of accounts, dividend, earning forecasts, M&A and investment-related activities, Medium-Term Management Plan, major personnel matters, and the establishment, revision, and abolition of major internal regulations.

In addition, the Company has established the Group M&A Committee, Group Sustainability Committee, Group Compliance Committee, Group Risk Committee, Group Nominating Committee, Group Compensation Committee, and Group Human Rights Committee as expert committees to deliberate on specific matters to ensure the soundness, transparency and efficiency of management, and enhance medium- to long-term corporate value.

Please see Figure 1 for information on our corporate governance system.

### 3. Reason for Choosing the Current Corporate Governance Structure

The Company's Board of Directors considers that providing a strategic direction for the Company based on its Purpose and Vision is its main role and responsibility and has chosen a company with a Nominating Committee, etc. as a structure to achieve this.

The Board of Directors delegates a large part of its decision-making authority regarding business execution to the Group Management Team members including executive officers and urges expeditious and resolute business judgment thereby. The Board of Directors, in which a majority of directors are independent outside directors, also enhances corporate value by strengthening oversight of overall management, including its management strategy and Medium-term Management Plan, and by improving the effectiveness of auditing and internal controls.

The Company expects outside directors to contribute to the enhancement of corporate governance by invigorating discussions at meetings of the Board of Directors including by raising questions and expressing opinions, and to promote appropriate decision-making by the Board of Directors including by expressing opinions from their respective professional perspectives. In addition, one of their roles is to verify and evaluate the results of management and the performance of the management team in light of the management strategies determined by the Board of Directors, and from the perspective of shareholders' interests, to determine the pros and cons of entrusting management to the management team and to express their opinions.

### III Implementation Status of Measures Related to Shareholders and Other Stakeholders

#### 1. Efforts to vitalize the General Meeting of Shareholders and ensure the smooth exercise of voting rights **Updated**

	Supplemental Explanation
Sending of convocation notices of general meeting of shareholders at an early timing	In order to enable its shareholders to secure sufficient time to consider the proposals of the General Meeting of Shareholders, the Company shall promptly provide reference materials for the meeting electronically on the Company's website, after the Board of Directors resolves to convene the meeting. For the 176th Ordinary General Meeting of Shareholders held on March 28, 2025, reference materials for the meeting were provided electronically on the Company's website and the Tokyo Stock Exchange's website on Wednesday February 26, 2025 and were mailed out on Thursday, March 6, 2025, which is two weeks before the date of the general meeting of shareholders.
Exercise of voting rights by an electromagnetic method	Considering shareholder convenience in exercising their voting rights, the Company introduced an online voting platform from the 156th Ordinary General Meeting of Shareholders (June 29, 2005). Furthermore, shareholders were given the options of exercising their voting rights through the internet from their smart phone or through an online voting platform provided by ICJ, Inc. from the 159th Ordinary General Meeting of Shareholders (June 27, 2008).
Participation in an electronic voting platform and other efforts to improve the voting environment for institutional investors	The Company uses an electronic voting platform provided by ICJ, Inc.
Provision of convocation notice (summary) in English	The Company began preparing an English version of convocation notice from the 166th Ordinary General Meeting of Shareholders (June 26, 2015) to improve constructive dialogues with shareholders and to respond to the growing ratio of overseas institutional investors. The English version of convocation notice is disclosed on the Company's website before the convocation notices are mailed out.
Other	The Company provides easy-to-understand explanations at the general meeting of shareholders by providing visual presentations of its business report and other information.

## 2. Status of IR Activities **Updated**

	Supplemental Explanation	Explanation by the Representative Executive Officer
Preparation and publication of Disclosure Policy	<p>The Company has established a Disclosure Policy to disclose information to shareholders, investors, securities analysts, and other concerned parties in a timely, accurate, and fair manner in accordance with relevant laws and regulations such as the Financial Instruments and Exchange Act and the regulations of the stock exchanges where our shares are listed. For more information, please visit our website.</p> <p>Disclosure Policy</p> <p><a href="https://www.group.dentsu.com/en/ir/stockandratings/constructivedialogue.html">https://www.group.dentsu.com/en/ir/stockandratings/constructivedialogue.html</a></p>	
Regular briefings for analysts and institutional investors	<p>The Company holds briefings on financial results following the announcement of full-year results and each quarterly results.</p> <p>Every year, the Company attends a conference sponsored by a brokerage firm.</p> <p>The Company also holds roadshows every year and visits individual investors in Japan.</p> <p>If it is impossible to provide face-to-face briefings or to pay individual visits under extenuating circumstances, we maintain the opportunities for and the frequency of dialogues using telephone and online video conference systems.</p>	Yes
Regular briefings for overseas investors	<p>The Company holds briefings on full-year results and each quarterly results with simultaneous interpretation in English.</p> <p>Each year, the Company attends a conference sponsored by a brokerage firm abroad.</p> <p>The Company also holds roadshows every year and visits individual investors overseas. If it is impossible to pay individual visits under extenuating circumstances, we maintain the opportunities for and the frequency of dialogues using online video conference systems.</p>	
Posting of IR data on website	<p>The Company posts on its website the materials we use in financial result briefings for securities analysts and institutional investors, highlights of our business results, other disclosure materials, and Integrated Reports and ESG Data book, etc. that include non-financial information.</p> <p>Most of the materials are disclosed simultaneously in Japanese and English.</p>	
Establishment of a section (persons in charge of) related to IR	Group IR Office	

### 3. Status of Efforts Pertaining to Respecting the Position of Stakeholders Updated

	Supplemental Explanation
Internal rules and other instruments requiring respect for stakeholders' positions	The Group has positioned to establish an organizational culture that places the highest priority on integrity, as well as corporate governance, respect for human rights, improvement of the working environment, environmental conservation, fair business practices, resolution of consumer issues, and contribution to community development as priority areas, and has considered the fulfillment of its social responsibility as a voluntary effort to resolve social issues and realize a sustainable society with all stakeholders in mind. To fulfill our social responsibility, we have established the "Dentsu Group Code of Conduct" (posted on the Company's website) which articulates what all Dentsu Group managers and employees must voluntarily undertake to fulfill their respective responsibilities to society. All Dentsu Group companies have expressed their commitment to complying with the Code.
Implementation of environmental protection, CSR, and other activities	The Company introduces its activities on its website.
Establishment of policies, etc., pertaining to the provision of information to stakeholders	The Company are honest and accurate in our record-keeping, financial and non-financial reporting, and our financial and non-financial disclosures are timely and transparent. (Quoted from the "Dentsu Group Code of Conduct")
Others	

## IV Items Pertaining to the Internal Control System

### 1. Basic policy on internal control system and their development status **Updated**

Effective from January 1, 2023, the “Company transitioned to a global management structure to accelerate business transformation and further enhance management, with the aim of contributing to the sustainable growth of the Group and the enhancement of its corporate value over the medium to long term. Based on the approval of the 174th Ordinary General Meeting of Shareholders held on March 30, 2023, the Company went on to transition from a company with an audit and supervisory committee to a company with a nominating committee, etc. in order to further strengthen corporate governance. In this way, through the broad delegation of authority over business execution from the Board of Directors to Executive Officers and the clear separation of the supervisory function from the executive function, the Company has established a structure to accelerate the decision-making process and clarify responsibilities while also strengthening and achieving even greater transparency of the management supervisory function.

With this transition, the Board of Directors resolved at its meeting held on March 30, 2023 to establish the systems designated under Article 416, Paragraph 1, Items (b) and (e) of the Companies Act as the Company’s Basic Policy on the Internal Control System. In addition, primarily along with the change to the risk management system and clarification of the roles in the internal control system of the four regions under the Company’s supervision (Japan, Americas, EMEA, and APAC (excluding Japan). The same applies hereinafter.) as well as clusters and markets under the four regions’ umbrellas, revision of the said policy was resolved in the Board of Directors meeting held on May 14, 2024. The details of the policy following the revisions are as follows.

The Internal Control System of the Company, the four regions under the Company’s supervision, clusters and markets under the four regions’ umbrellas, and the Company’s subsidiaries (hereinafter, the “Group”) are designed for the Company’s Directors, Executive Officers, Group Management Team Members, employees, as well as CEOs and CFOs of the four regions under the Company’s supervision, CEOs and CFOs of the clusters and markets under the umbrella of the said regions, and Directors, Executive Officers, and employees of the Company’s subsidiaries (hereinafter, “Group Officers and Employees”) to discipline themselves while supporting the Group with fulfilling its social responsibilities and growth.

The Group shall aim to maintain and improve the Internal Control System by setting the Dentsu Group Code of Conduct as the common standard of acceptable behavior that must be observed to ensure that the execution of duties by the Group Officers and Employees comply with laws, regulations, and the Articles of Incorporation and that business operations are conducted appropriately.

#### (1) System to Ensure the Appropriateness of Operations throughout the Group

The Company will define matters that the four regions under the Company’s supervision, clusters and markets under the four regions’ umbrellas, and the Company’s subsidiaries must establish and operate as members of the Group, starting with the following items, and will ensure the appropriateness of operations throughout the Group through proper support, oversight, and management of the four regions under the Company’s supervision, clusters and markets under the four regions’ umbrellas, and the Company’s subsidiaries by the Company as a holding company.

- (i) The Dentsu Group Code of Conduct was drafted as the standard for acceptable corporate behavior and embraces the entire Group. Each subsidiary passes a resolution on the adoption of the Code.
- (ii) Subsidiaries will define standards pursuant to the Dentsu Group Code of Conduct, and by resolution of a meeting of the Board of Directors, etc. will ensure compliance and risk management as members of the Group.
- (iii) In addition to receiving periodic reports from the four regions under the Company’s supervision, clusters and markets under the four regions’ umbrellas, and the Company’s subsidiaries concerning their respective business operations, business results, and other significant matters, the four regions under the Company’s supervision, clusters and markets under the four regions’ umbrellas, and the Company’s subsidiaries will request advance

approval, consult with, or report to the Company certain matters that may significantly impact the business operations or business results of the Company.

- (iv) In order to ensure efficient and appropriate decision-making and business execution of the businesses, the Group Management Team controls, manages, and supervises the four regions through the Group Executive Management Meeting.
- (v) The Company will enforce the establishment and operation of the system described in the following on the four regions under the Company's supervision, clusters and markets under the four regions' umbrellas, and the Company's subsidiaries.

(2) Compliance System for Group Officers and Employees

- (i) The Company's Directors, Executive Officers, Group Management Team Members, CEOs and CFOs of the four regions under the Company's supervision, CEOs and CFOs of the clusters and markets under the four regions' umbrellas, and Directors and Executive Officers of the Company's subsidiaries must perform their duties appropriately, in accordance with rules such as the Board of Directors' Rules, Rules for the Operation of the Important Committees, Directors' Rules, Executive Officers' Rules and Rules for Group Management Team Members, Executive Officers' Rules, and various Group policies.
- (ii) If a Company Director, Executive Officer, Group Management Team Member, CEO or CFO of the four regions under the Company's supervision, CEO or CFO of the clusters and markets under the four regions' umbrellas, or Director or Executive Officer of the Company's subsidiaries discovers a violation of the prevailing laws or comes across any other serious compliance-related issue, it is imperative that he/she reports it without delay to the Board of Directors or the important committees. The Audit Committee of the Company or the corporate auditors, board of corporate auditors, audit committees, or similar bodies at the relevant subsidiary must also be immediately advised of the circumstances.
- (iii) Directors, Executive Officers, and Group Management Team Members of the Company shall autonomously foster a corporate culture of compliance. They shall establish rules on compliance and, through the Group Compliance Committee established under the Group Management Board, monitor factors such as the status of compliance at each Group company, the expansion of compliance measures, and response to these measures, to maintain and enhance the Group's compliance system.
- (iv) The Company has set up a help desk for consultation regarding violations of laws and other compliance issues as well as internal and external contact points for whistleblowing as a system directly accessible to Group Officers and Employees, and operates them appropriately.
- (v) If the Audit Committee of the Company or the corporate auditors, board of corporate auditors, audit committees, or similar bodies at each company states opinions on the compliance system or requests improvements to the system, the Company's Directors, Executive Officers, Group Management Team Members, CEOs and CFOs of the four regions under the Company's supervision, CEOs and CFOs of the clusters and markets under the four regions' umbrellas, and Directors and Executive Officers of the Company's subsidiaries must respond without delay and make the requested improvements.
- (vi) The Company has established a department to facilitate the termination of business relationships with organized crime groups and elements thereof—termed "antisocial forces"—when a link is discovered and to resolutely refuse any and all future transactions. This department functions as the liaison between the affected in-house divisions and the relevant authorities to expedite an appropriate course of action.

(3) Systems to Ensure Efficient Execution of Duties by the Company's Executive Officers and Group Management Team Members as well as CEOs and CFOs of the four regions under the Company's supervision, CEOs and CFOs of the clusters and markets under the four regions' umbrellas, and Directors and Executive Officers of the Company's Subsidiaries

- (i) The Group holds a wide variety of meetings of various committees in addition to a wide array of meetings of the Board of Directors, the Group Management Board, and the Group Executive Management Meeting, in order to ensure efficient execution of duties by the Company's Executive Officers and Group Management Team Members as well as CEOs and CFOs of the



four regions under the Company's supervision, CEOs and CFOs of the clusters and markets under the four regions' umbrellas, and Directors and Executive Officers of the Company's subsidiaries, and makes decisions on important matters pertaining to management policy and strategy appropriately and flexibly.

- (ii) Items resolved at such meetings are transmitted to all employees through the corporate structure for prompt reflection in the execution of duties. Urgent items are posted on the internal electronic bulletin board in the interest of rapid dissemination.

(4) Storage and Management of Information Related to the Execution of Duties by the Company's Executive Officers and Group Management Team Members as well as CEOs and CFOs of the four regions under the Company's supervision, CEOs and CFOs of the clusters and markets under the four regions' umbrellas, and Directors and Executive Officers of the Company's Subsidiaries

Information concerning the execution of duties by Executive Officers and Group Management Team Members of the Company, CEOs and CFOs of the four regions under the Company's supervision, CEOs and CFOs of the clusters and markets under the four regions' umbrellas, and Directors and Executive Officers of the Company's subsidiaries is stored and managed appropriately, in accordance with laws, regulations, and the Company's Documentation Management Rules and Information Management Rules etc.

(5) Risk Management System

- (i) The Executive Officers and Group Management Team Members of the Company adequately address the risks in uncertain factors in the future that may impede the achievement of the Group's management targets by avoidance and reduction of the risks or any other actions and establish risk management regulations to make use of addressing the risks as opportunities for improvement. The Group Risk Committee, set up under the Group Management Board, performs self-checks with regard to the situation of risk management, selects material risks to be handled, and implements risk management based on concrete response plans.
- (ii) The response policy for material risks in management and other material items concerning risk management are discussed primarily by the Group Risk Committee or Risk Committee, etc. in the four regions and are reported to the Board of Directors and the Audit Committee of the Company or the corporate auditors, board of corporate auditors, audit committees, or similar bodies at each company based on necessity.

(6) Internal Structure to Support the Audit Committee and its Independent Status

The Company has an Audit Committee Office, which consists of employees who assist the Audit Committee in its duties. This office reports directly to the Audit Committee, thereby preserving its independence from Executive Officers and Group Management Team Members and the effectiveness of instructions from the Audit Committee.

(7) System for Reporting to the Audit Committee and Improving Audit Effectiveness

- (i) Policies are in place to define issues that Group Officers and Employees (excluding the Company's Directors who are members of the Audit Committee, the same applies hereinafter in this section) are required to report to the Audit Committee, while at the same time, the system ensures that significant matters that have an impact on the Group's business operations or business results are reported by Group Officers and Employees to the Audit Committee in a certain and prompt manner.
- (ii) In the event that the Audit Committee requests information other than that indicated in the previous item, Group Officers and Employees are still required to respond without delay.
- (iii) It will be ensured that parties who report under the condition of the previous items do not receive disadvantageous treatment as a result of reporting.
- (iv) Pursuant to laws and regulations, a policy will be defined to account for expenses, etc., incurred during the course of execution of duties by the Audit Committee, and this information will be disseminated to concerned parties.
- (v) To enhance audit effectiveness, the Company has established a Group-wide auditing system



composed of audit committees that audit the organizations controlling business operations in Japan and overseas and the Company's Audit Committee. These audit committees report to the Company's Audit Committee and the Company ensures coordination with internal audit functions and external auditors.

(8) System to Ensure Appropriateness of Financial Reporting

- (i) The Representative Executive Officer and President (Global CEO), the Global Chief Financial Officer (Global CFO), and the Global Chief Governance Officer (Global CGO)\*1 of the Company shall maintain and continuously improve a system that ensures appropriateness in financial reporting by the Group under the supervision of the Board of Directors.
- (ii) The Company's departments involved in business activities, the four regions under the Company's supervision, the clusters and markets under the four regions' umbrellas, and subsidiaries of the Company shall perform self-checks through their everyday operations to ascertain whether the established internal controls are functioning appropriately. The four regions under the Company's supervision, the clusters and markets under the four regions' umbrellas, and subsidiaries of the Company shall report the results of these self-checks to the Company.
- (iii) The Group Internal Control Office and the Group Internal Audit Office shall monitor the Internal Control System from a perspective free of operational bias to assess the effectiveness of internal controls related to financial reporting.

<The Status of the Internal Control System>

In adherence to the Basic Policy on Internal Control stated in 1. above which has been resolved by the Board of Directors, the Company is promoting the development and operation of an Internal Control System upon establishing Internal Control System Management Rules, Risk Management Policy, Document Management Rules, and other internal rules and regulations, holding meetings of the Internal Control and Risk Committee and other committees, and with the department in charge of internal control serving as the core.

The summary of operational status is as follows:

(1) Ensuring Appropriate Group Operations

The Company is working to make it known through intranet and e-learning compliance training in accordance with revised the Dentsu Group Code of Conduct, as a code of conduct for Group employees. The Company identifies applicable companies in advance, sets the rules to be followed as a corporate group, and requests each company to comply with them. At the end of a fiscal year, the Company checks whether applicable companies in Japan and overseas are performing operations in accordance with the aforementioned rules and calls for improvement if there are any issues.

(2) Internal Control System for Group Officers and Employees

The Group Management Board, which is the supreme executive decision-making body, is responsible for establishing and monitoring the operation of plans in line with the Basic Policy on the Internal Control System and promotes the improvement of corporate behavior. The new position of CGO, in charge of internal controls, compliance, risk management, and sustainability, was established in 2023. The CGO is engaged in strengthening corporate governance and improving disclosure.

(3) Compliance System

The Company has established the Group Compliance Committee under the Group Management Board mainly to approve the Group's basic policy on compliance, approve and monitor the implementation of the compliance program and action plan, direct the implementation of the compliance program and action plan in the four regions managed by the Company, as well as approve improvement plans based on the results of monitoring and monitor the implementation status of the plans.

In FY2023, the Company carried out a compliance risk assessment for Japan and 15 countries overseas based on the Dentsu Group Ethics and Compliance Program, which was established with

the aim of achieving the Company's commitment to help realize a better society. In FY2024, the Company continued to address the four major risks identified in the FY2023 assessment for Japan (counterparty management, inappropriate accounting procedures, information leaks, and Antimonopoly Act response), while engaging in mitigation activities for the risks identified in each market in the other three regions. It also implemented a compliance risk assessment for 23 new markets, completing the assessment for 16 high-revenue markets as of the end of FY2024. The Company has also partially revised its Group-wide legal affairs and compliance policies and established new policies concerning the preservation and handling of Dentsu Group data, as well as the Dentsu Group Human Rights Policy, Dentsu Group Environmental Policy, and Dentsu Group Procurement Policy. Moreover, in addition to communicating management messages from the CEOs of the four regions managed by the Company, it engaged in activities to re-embed a compliance culture within the organization, including a Group-wide messages to all employees from Hiroshi Igarashi, the Company's Representative Executive Officer, President & Global CEO, in August 2024, as well as posting news articles on the intranet, as a part of a psychological safety campaign concerning the internal reporting platform Speak Up @dentsu.

The dentsu Japan Reform Committee chaired by Hiroshi Igarashi, Representative Executive Officer, President & Global CEO, which was established at dentsu Japan on May 15, 2023 in response to the incident related to the Tokyo 2020 Olympic and Paralympic Games, held 10 meetings in FY2024. The committee reported on matters such as the progress of various measures for the dentsu Japan Mindset and Behavior Reform and the results of the committee's survey of employee awareness of the dentsu Japan Mindset and Behavior Reform, implementing appropriate monitoring. Under the committee's monitoring, the Company continued its efforts from FY2023, engaging in 17 initiatives pivoting on the three pillars set forth in the Mindset and Behavior Reform, which was established to continuously improve the effectiveness of the Group's efforts to prevent recurrence of issues stemming from problems of fairness and transparency in the organizational culture, legal and compliance matters, and business processes. These three pillars are: 1) the establishment of an organizational culture that ensures proper corporate activities, 2) strengthening of the risk management system and legal/compliance functions, and 3) introduction of business processes that ensure fair and transparent transactions. As part of these efforts, the Company is pursuing communication activities that promote dialogue between management and employees to spread and embed integrity in the organizational culture. These include integrity dialogue meetings, sharing meetings, roundtable meetings, information sharing via the intranet, and the production of an integrity hint book.

#### (4) Risk Management

The Group Risk Committee was established in 2023 as an expert committee under the Group Management Board. The Committee is engaged in enhancing and controlling the Group-wide risk management function. Through the Group Risk Committee, the Company operates the following items as "enterprise risk management (ERM)" at the Group level, and they have been on the agenda of the Group Executive Management Meeting; 1) identifying risks that impede the Company's efforts to achieve its management targets, 2) evaluating identified risks, 3) specifying "material risk," which may have a significant impact on the Company, 4) formulating a plan to minimize such "material risk," and 5) reporting progress in dealing with such "material risk." In addition to 1) to 5) above, important matters such as the Group's basic policy on risk management, risk registers, risk sponsors (Group management members, etc.), risk response plans, and the status of risk management in Japan, the Americas, EMEA, and APAC, are deliberated by the risk committees in each region before being discussed by the Group Risk Committee and submitted as agenda items or reported to meetings of the Group Management Board. Formulation and implementation of plans to deal with risks are led by risk sponsors and each specialized department on a companywide level.

#### (5) Structures to Ensure the Appropriateness of Financial Reporting

In May 2024, in response to the "Internal Control Reporting System" stipulated in Article 24-4-4 of the Financial Instruments and Exchange Act, the Company formulated the "Basic Plan" which provides the companies and business processes applicable for evaluation and the evaluation system,

etc., upon discussion with the Accounting Auditor. Following the Basic Plan, the departments executing the business applicable for evaluation and applicable group companies confirm that internal control is implemented appropriately and functioning effectively in daily operations and such companies make reports on such confirmation to the Company.

#### Basic Policy on the Rejection of Antisocial Forces and Status of its Development

The Company has established a dedicated section to facilitate the termination of business relationships with antisocial forces and organizations and to resolutely refuse any demands made by them. This section fulfills its role by liaising with relevant entities within and outside the Company. Furthermore, following the nationwide enforcement of ordinances on the exclusion of antisocial forces in October 2011, we revised various internal rules, established a framework to terminate business relationships with antisocial forces, and resolved to strengthen the screening procedures of antisocial forces.

## V Other

### 1. Introduction of anti-takeover measures

Introduction of anti-takeover measures	None
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### 2. Other Items Pertaining to the Corporate Governance Structure, etc.

An overview of the Company's internal structures for the timely disclosure of its corporate information are as described below.

#### (1) On our timely disclosure system

The Company has established a Disclosure Policy and discloses information in a timely, accurate, and fair manner according to relevant laws and regulations such as the Financial Instruments and Exchange Act of Japan, rules established by the stock exchanges on which our shares are listed, and other relevant instruments.

Material facts, etc. concerning the Company and its subsidiaries are centrally managed by the Information Management Committee based on the Rules for the Timely Disclosure of Information and Insider Trading and the Rules of the Information Management Committee. The officer in charge of disclosure (person in charge of information handling) serves as the chairperson of the Information Management Committee, and the Group Corporate Secretary Office serves as its secretariat. The Information Management Committee obtains information within the Company based on the duty of notification of material facts, etc., described below and determines the level of information management and the period of management for each piece of information as necessary. With respect to information that the Information Management Committee considers may fall under the scope of material facts, the Information Management Committee Secretariat identifies the Officers and Employees who have received such information and, if necessary, requests the relevant Officers and Employees to submit a written confirmation note on the receipt of information and the prohibition of equity trading in order to ensure rigorous information management and to prevent insider trading until the disclosure of such information.

#### (2) Timely disclosure system

##### a. Comprehension of material facts, etc.

The rules mentioned above stipulate the duty to notify material facts, etc. as shown below.

##### (i) Facts Determined

If the head of any office handles any work that is likely to become a material fact, etc. of the Company, he/she must immediately report its details to the officer in charge of disclosure, head of the Group Corporate Communication Office, or the Information Management Committee Secretariat.

(ii) Facts Occurred

If any material fact, etc. other than in (i) above occurs, the head of the responsible section must check such a fact and report its details to the officer in charge of disclosure, the head of the Group Corporate Communication Office, or the Information Management Committee Secretariat.

Additionally, the Group Corporate Communication Office endeavors to obtain information on material facts, etc. through information exchange with relevant sections such as the Group Strategy Office, the Group Corporate Secretary Office (Information Management Committee Secretariat), and the Group FR/FP&A Office.

b. Disclosure of material facts, etc.

The Group Corporate Communication Office is the section in charge of information disclosure and announcements to news organizations.

The contents and timing of announcements are determined by consultations among the sections in charge of the information to be disclosed and the Group Corporate Communication Office. With respect to material facts, etc., however, the officer in charge of disclosure makes final decisions.

Announcements are made by the Group Corporate Communication Office to news organizations based on the prescribed rules such as TD-NET. In addition, documents released to news organizations are posted on the Company's website promptly after the release to the media.

Please see the Figure 4 "Timely disclosure system".

Figure 1 Corporate Governance Structure

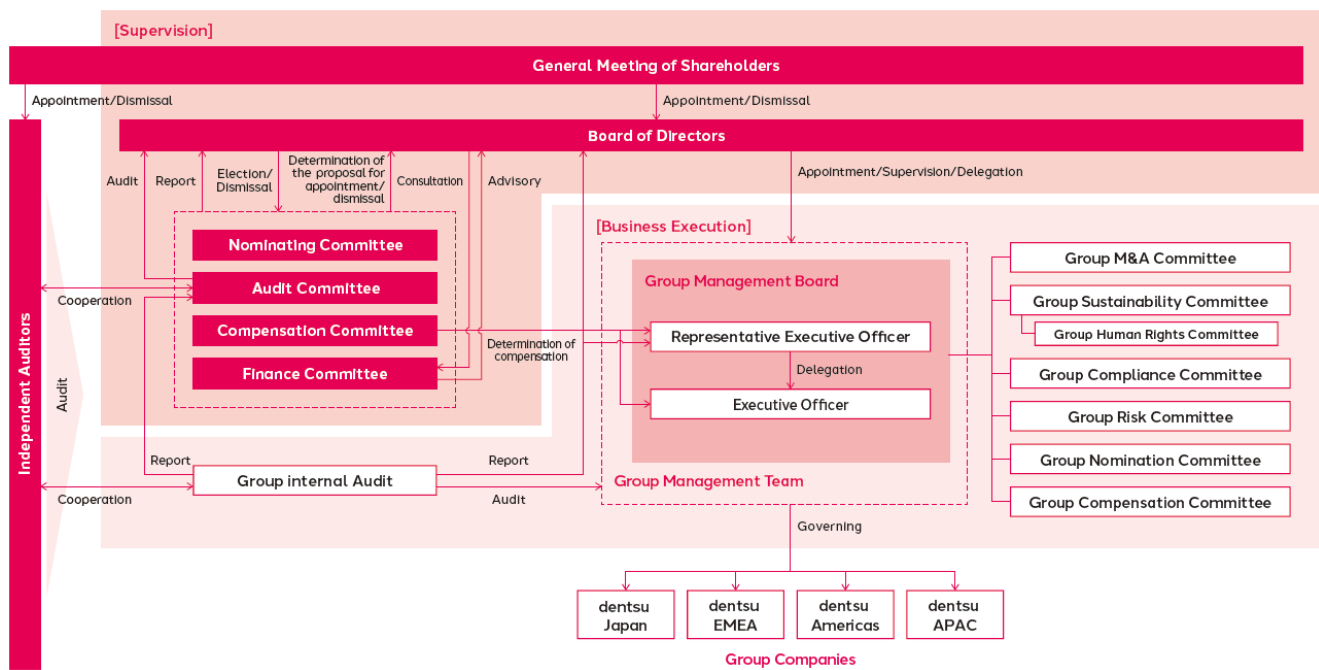


Figure 2 Directors Skills

Name	Skills							
	Business Management	Finance /Accounting	Audit	Legal /Compliance /Risk Management	Human Resources /Labor /Personnel and Organizational Development	Global Management	Digital Business	Sustainability
Gan Matsui			○	○	○			
Hiroshi Igarashi*	○			○	○	○	○	○
Arinobu Soga*	○	○	○	○		○		○
Paul Candland	○				○	○	○	
Andrew House	○					○	○	
Keiichi Sagawa	○	○	○	○		○	○	
Mihoko Sogabe		○	○	○				○
Yuka Matsuda		○	○	○				
Yoshihiko Kawamura [New appointment]	○	○	○	○		○		
Norimitsu Takashima [New appointment]		○	○	○	○			
Naoko Ichikawa [New appointment]	○					○	○	○

Figure 3 Reasons for selection as a skill set that will contribute to the management structure and enhancing shareholder value

Business Management	Directors with experience and achievements in business management are necessary to exercise appropriate “business judgment” amid dramatic changes in the Group’s environment, including the rapid advance of globalization and digitalization, and further the sustainable growth of the Group’s corporate value.
Finance/Accounting	Directors with strong knowledge and experience in the finance and accounting fields are necessary not only to ensure accurate financial reporting but also to build a solid financial base, and to realize capital policy to promote growth investment to sustainably enhance corporate value and achieve stronger shareholder returns.
Audit	Directors with strong knowledge and experience in the audit field are necessary to ensure sound and sustainable growth, and to achieve highly transparent financial reporting and establish governance systems to fulfill social trust.
Legal/Compliance/Risk Management	Risk management based on laws and compliance is the foundation for the Group’s continued growth. Directors with strong knowledge and experience in the legal and compliance fields are necessary to strengthen the supervisory function of the Board of Directors.
Human Resources/Labor/Personnel and Organizational Development	The Group’s greatest resource is people. Directors with strong knowledge and experience in the human resources, labor and personnel development fields are necessary to enable the Group’s 68,000 employees to make maximum use of their abilities to contribute to the Company’s development.
Global Management	For the Group, with business operations spread over approximately 120 countries, Directors are necessary who have actual business experience overseas and abundant knowledge and experience in domains such as overseas lifestyles, cultures and business environments.
Digital Business	Radical business transformation centered on digital technology is vital for the Group’s business growth. Directors with strong knowledge and experience in the digital business domain are necessary.
Sustainability	Directors are necessary who have knowledge and experience in the sustainability field so that the Group can generate ideas for the future to solve difficult social issues, fulfilling its responsibility to realize a vigorous and sustainable society full of the joy of human life.

Figure 4 Timely disclosure system

