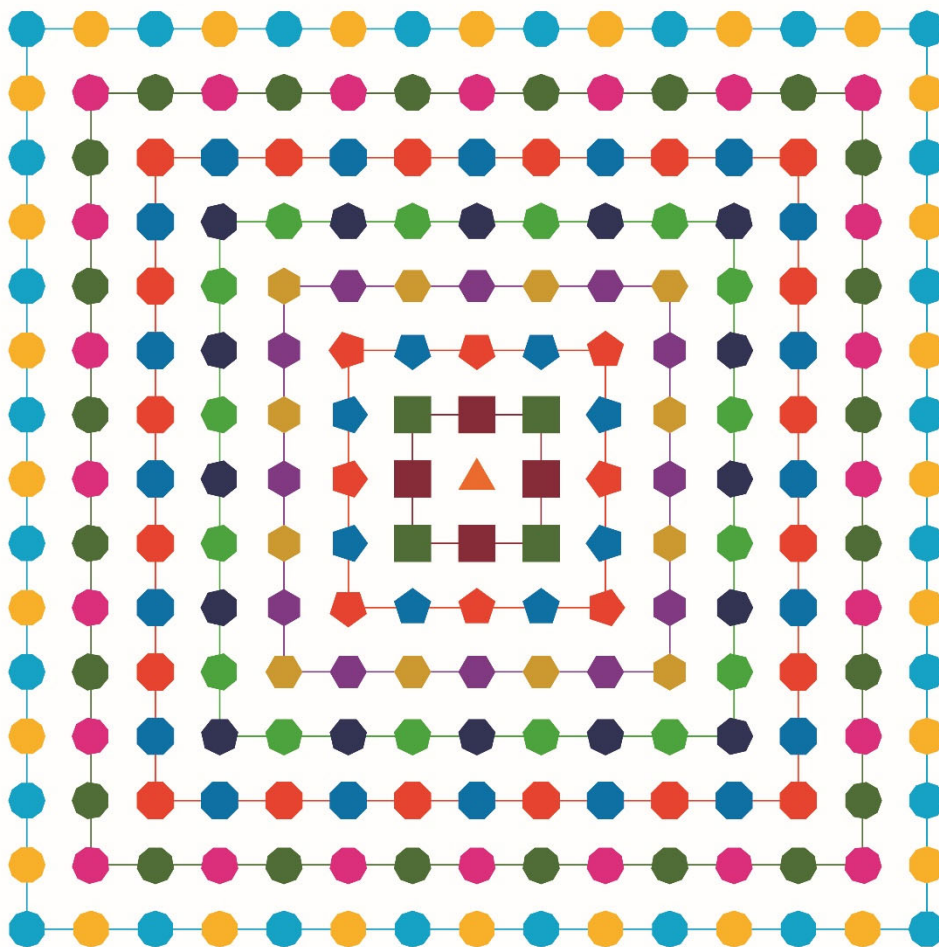


These documents have been translated from a part of Japanese originals for reference purposes only. In the event of any discrepancy between these translated documents and the Japanese originals, the originals shall prevail. The Company assumes no responsibility for this translation or for direct, indirect or any other forms of damages arising from the translations.

Notice of Convocation of the 171st Ordinary General Meeting of Shareholders **dentsu group**



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Memo for shareholders

## To Our Shareholders

We are pleased to present our notice of convocation of the 171st Ordinary General Meeting of Shareholders to be held on March 27, 2020. We would appreciate your attendance.

The Company shifted to a pure holding company (“Dentsu Group Inc.”) structure in this January. Each employee connects with each other in an open and flat manner with various perspective across organizational boundaries on a global level to invigorate innovation. Such people, in turn, offer new value one after another for challenges clients or society face by collaborating with various partners inside and outside the group and building a team flexibly. The Dentsu Group Inc., a pure holding company, supports the entire group not only by fulfilling group governance function, but also by empowering group companies and personnel as the “Teaming Company” for the purpose of creating affluent, frank and ability-oriented culture of the group.

What is more, the Tokyo Olympic and Paralympic Games are held this year. The entire group is going to make them successful by making the best use of our knowledge as to activation of sporting events and sports marketing that we have cultivated so far.

Thank you for your continuous support.



Toshihiro Yamamoto  
Representative Director, President and CEO

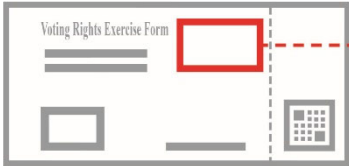
# Request to exercise voting rights

Voting rights are an important way for all shareholders to participate in the management of Dentsu Group Inc (the “Company”). Voting rights may be exercised using the methods shown below.

Please exercise your voting rights after consideration of the Reference Material for the General Meeting of Shareholders.

Attendance at the General Meeting of Shareholders	Exercising voting rights by mail	Exercising voting rights online
<p>Please submit the enclosed Voting Rights Exercise Form <a href="#">to the receptionist</a> at the meeting venue.</p> <p>Please bring this Notice of Convocation to the meeting as reference material.</p> <p style="text-align: center;"><b>Meeting date and time</b></p> <hr/> <p>10:00 AM, March 27 (Fri.), 2020 (Doors are scheduled to open at 9:00 AM)</p>	<p>Please <a href="#">indicate “for” or “against” for each proposal</a> shown on the enclosed Voting Rights Exercise Form, and return it by mail.</p> <p style="text-align: center;"><b>Deadline for exercising voting rights by mail</b></p> <hr/> <p style="text-align: center;">Must be received by 5:30 PM, March 26 (Thu.), 2020</p>	<p>Voting rights may be exercised online. <a href="#">Please see the next page for details.</a></p> <p style="text-align: center;"><b>Deadline for exercising voting rights online</b></p> <hr/> <p style="text-align: center;">Must be lodged by 5:30 PM, March 26 (Thu.), 2020</p>

## How to complete the Voting Rights Exercise Form



**Please indicate “for” or “against” for each proposal here.**

Proposal No. 1	Proposals No. 2 and No. 3*
<p>▶ If you agree, circle “for (贊)”</p> <p>▶ If you disagree, circle “against (否)”</p>	<p>▶ If you agree with the election of all candidates, circle “for (贊)”</p> <p>▶ If you disagree with the election of all candidates, circle “against (否)”</p>

\* To indicate different votes for some candidate(s), please write the relevant candidate number(s).

## Please take note of the following matters when exercising voting rights.

- (1) Voting rights may be exercised by nominating one proxy who is also a shareholder to attend the General Meeting of Shareholders. However, in this case the nominated proxy must submit written proof of his/her right of proxy.
- (2) If voting rights are exercised both through the Voting Rights Exercise Form and online, only the voting rights exercised online will be deemed valid.
- (3) If voting rights are exercised online multiple times, only the voting rights exercised last will be deemed valid. The same provision applies where voting rights are exercised online multiple times through different media such as computers, smartphones and cell phones.

## Exercising voting rights online

Voting rights may only be exercised online by accessing the website designated for exercising voting rights from a computer or smartphone.

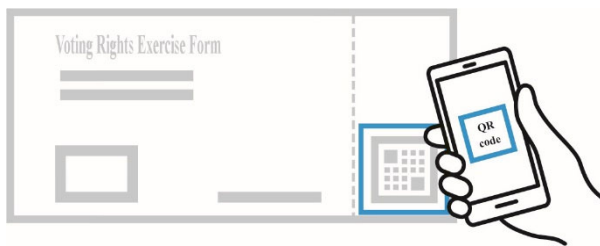
Please access the website designated for exercising voting rights and select “for” or “against.”

**Deadline for exercising voting rights online: 5:30 PM, March 26 (Thu.), 2020**

### Voting by scanning the QR code

Using the QR code shown on the bottom-right of the Voting Rights Exercise Form, it is possible to login to the website designated for exercising voting rights without entering a “login ID” or “temporary password.”

Scan the QR code shown on the bottom-right of your Voting Rights Exercise Form.



\* It may not be possible to login using the QR code on some smartphone models.

**You can only login once using the QR code.**

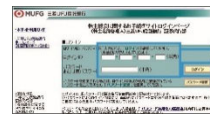
To login more than once, or to login without the QR code, please see the instructions to the right on “Entering a login ID and temporary password.”

### Voting by entering a login ID and temporary password

- 1 Access the website designated for exercising voting rights.

**Website:** <https://evote.tr.mufg.jp/>

- 2 Enter the “login ID” and “temporary password” shown on the bottom-right of your Voting Rights Exercise Form, and select “Login.”

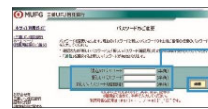


Enter the “login ID” and “temporary password”

Select “Login”

\* An example of the screen shown when accessing the website on a computer.

- 3 Register a new password.



Enter a “new password”

Select “send”

Follow the instructions on the screen to enter “for” or “against” for each proposal.

### Inquiries related to using the website designated for exercising voting rights

Please direct inquiries regarding the use of the website designated for exercising voting rights to:

Mitsubishi UFJ Trust and Banking Corporation Stock Transfer Agency Department

**0120-173-027** (toll-free call, reception hours: 9:00 AM - 9:00 PM)

March 4, 2020

To Our Shareholders

1-8-1, Higashi-shimbashi, Minato-ku, Tokyo

Dentsu Group Inc.

Toshihiro Yamamoto, Representative Director, President & CEO

## Notice of Convocation of the 171st Ordinary General Meeting of Shareholders

You are cordially invited to attend the 171st Ordinary General Meeting of Shareholders. The meeting will be held as follows. **If you are unable to attend the meeting, you can exercise your right to vote by paper form or via the Internet. Please review the Reference Material for the General Meeting of Shareholders and vote.**

### Notice concerning items posted on the Company's website

Of the business report, consolidated financial statements, and financial statements that were audited by the Audit and Supervisory Committee and the Accounting Auditor during the preparation of their respective audit reports, the documents attached to this notice of convocation exclude the following items. Pursuant to laws and regulations and Article 19 of the Company's Articles of Incorporation, these items are available on the **Company's website** (<https://www.group.dentsu.com/en/ir/stockandratings/shareholdersmeeting.html>) and are not contained within this notice of convocation.

#### 1. Business Report:

- 2 Stocks and Subscription Rights to Shares
- 3 (2) Situation of Important Con-current Posts  
(4) Items Related to Outside Directors
- 4 Matters related to the Accounting Auditor
- 5 Company System and Policy

#### 2. Consolidated Financial Statements:

Notes to Consolidated Financial Statements

#### 3. Financial Statements:

Notes to Financial Statements

- (2) If there are any corrections to items in the Reference Material for the General Meeting of Shareholders, business report, consolidated financial statements, and financial statements, they will be promptly posted on the Dentsu website (<https://www.group.dentsu.com/en/news/>).

<b>1.</b>	<b>Date and Time</b>	<b>10:00 AM, March 27 (Fri.), 2020</b> *Doors are scheduled to open at 9:00 AM.
<b>2.</b>	<b>Place</b>	8-21-1, Ginza, Chuo-ku, Tokyo <b>Sumitomo Realty &amp; Development Shiodome Hamarikyu Building, Belle Salle Shiodome</b>
<b>3.</b>	<b>Agenda of the Meeting</b>	<p><b>Matters to be Reported</b></p> <p>(1) Business report for the 171st business term (January 1, 2019 to December 31, 2019), consolidated financial statements, and audit reports on consolidated financial statements by the Accounting Auditor and Audit and Supervisory Committee</p> <p>(2) Report on financial statements for the 171st business term (January 1, 2019 to December 31, 2019)</p> <hr/> <p><b>Proposals to be Resolved</b></p> <p><b>Proposal No. 1</b> Partial Amendments to the Articles of Incorporation (reorganization and consolidation of business purpose)</p> <p><b>Proposal No. 2</b> Partial Amendments to the Articles of Incorporation (maximum number of Directors who are members of the Audit and Supervisory Committee)</p> <p><b>Proposal No. 3</b> Appointment of 7 Directors who are not members of the Audit and Supervisory Committee</p> <p><b>Proposal No. 4</b> Appointment of 5 Directors who are members of the Audit and Supervisory Committee</p>

If you are attending the meeting, please submit the enclosed voting form at the front desk.

Please bring this notice of convocation with you to the meeting.

Because it is expected to be crowded right before the start of the meeting, we suggest that you arrive early.

**We have not prepared gifts for shareholders who attend the meeting. We appreciate your understanding.**

#### **Notice Regarding the Novel Coronavirus**

There are concerns over the possibility that the novel coronavirus outbreak will spread.

Shareholders attending this Ordinary General Meeting of Shareholders are requested to take suitable precautions to prevent infection, such as wearing face masks, after considering the current state of the virus' spread as of the day when the Meeting is held, as well as their own state of health.

Measures to prevent the spread of the infection may be taken at the venue of the Ordinary General Meeting of Shareholders. Your cooperation is requested in these matters.

## Reference Material for the General Meeting of Shareholders

### Proposals and Reference Material

#### Proposal No. 1

#### Partial Amendments to the Articles of Incorporation (reorganization and consolidation of business purpose)

##### 1. Reasons for the Proposal

In line with the transition to a pure holding company completed on January 1, 2020, the provisions of Article 2 of the current Articles of Incorporation (PURPOSES) shall be reorganized and consolidated for the purpose of enabling our Group companies to develop flexible and mobile business activities corresponding to future social change and advanced technology, while clarifying the scope of their business purpose.

##### 2. Contents of the amendments

The current Articles of Incorporation shall be partially amended as follows.

(Portions to be amended are underlined.)

Current Articles of Incorporation	Proposed Amendments
<p>ARTICLE 2 PURPOSES</p> <p>The business purposes of the Company shall be as follows as well as control and management of companies engaged in the following activities through shareholdings of such companies:</p> <ol style="list-style-type: none"> <li>1. <u>planning and production relating to advertising and publicity;</u></li> <li>2. <u>advertising in newspapers, magazines, broadcasting media, sales promotions, movies, billboards, public transportation, direct mail and the Internet and all other advertisements, publicity and public relations;</u></li> <li>3. <u>various types of marketing;</u></li> <li>4. <u>businesses relating to planning, projection and production of sales promotions;</u></li> <li>5. <u>printing, plate-making, publishing and photography and photomechanical operations;</u></li> </ol>	<p>ARTICLE 2 PURPOSES</p> <p>The business purposes of the Company shall be as follows as well as control and management of companies engaged in the following activities through shareholdings of such companies:</p> <ol style="list-style-type: none"> <li>1. <u>planning, projection, production, sales etc. of advertising, publicity, public relations, marketing, sales promotion, etc.;</u></li> <li>2. <u>planning, attracting, preparation, operation, performance, broadcast, rights sales, etc. of events, conferences, seminars, meetings, etc.</u></li> <li>3. <u>planning, design, production, construction and operation, etc. of boards, exhibitions, exhibits, decorations, etc.</u></li> <li>4. <u>research, investigation, analysis, information gathering, etc. concerning industries, sectors, businesses, business fields, markets, technologies, services, etc.</u></li> <li>5. <u>research, investigation, analysis, advice, proposals, etc. concerning the business, organization, strategy, management, branding, risk, activities, improvement plans, etc. of national and local governments, companies, etc.</u></li> </ol>



Current Articles of Incorporation	Proposed Amendments
6. <u>planning, production, operation and implementation of events and seminars, and acquisition, management, utilization, sales, import and export of broadcasting rights, official sponsor rights, rights to use convention marks, rights to use characters, rights to hold corporate names, performance rights and other similar rights relating to sports events, cultural events and any other events;</u>	6. <u>execution of construction facilities work, steel structure work, interior work, telecommunications engineering work, electrical engineering work, etc. as well as the design and administration of architecture;</u>
7. <u>display business and planning, production and construction of exhibitions and decoration;</u>	7. <u>development, manufacture, production, sales, rental, management, maintenance, etc. of equipment, devices, software, etc. for telecommunications;</u>
8. <u>construction work, steel structure work, interior work and design and administration of architecture;</u>	8. <u>planning, production, screening, performance, public dissemination, distribution, sales, etc. of movies, programs, dramas and other content;</u>
9. <u>planning, design, construction, operation management and sales of neon light boards, electric decorated boards and various types of electronic devices, and planning, design, development, sales and lease of materials and systems related thereto;</u>	9. <u>planning, production, manufacture, reproduction, supply, sales etc. of music, sound, visual images, photographs, etc., the media used to record them and devices used to play them, etc.;</u>
10. <u>planning, production, acquisition, management and sales of movies, visual software and sound software;</u>	10. <u>planning, production, development, promotional use, commercialization, etc. of characters, mascots, marks, symbols, etc.;</u>
11. <u>planning, production, and operation of television programs, radio programs, dramas, etc., and subcontracting thereof;</u>	11. <u>acquisition, utilization, management, operation, etc. of intellectual property rights and other intangible property rights;</u>
12. <u>businesses of managing and promoting professional entertainers, athletes and other celebrities;</u>	12. <u>casting, management, promotion, etc. of professional entertainers, athletes and other celebrities;</u>
13. <u>acquisition, utilization, management, lease and sales of intellectual property rights, such as industrial intellectual property rights (patent rights, utility model rights, design rights and trademark rights), copyrights, publication rights, rights neighboring copyrights and other intangible property rights, and character rights and software rights, and consignment thereof, and businesses relating to the management of copyrights;</u>	13. <u>planning, design, research, development, sales, leasing, operation, maintenance, etc. of devices, systems, media, equipment, technology, software, databases, programs, etc. for information communication and information processing, as well as product and services that use or apply these;</u>
14. <u>collection, analysis and management of information and data processing services, information providing services and research and development relating to data processing;</u>	14. <u>planning, production, editing, plate-making, printing, binding, processing, sales, etc. of printed material;</u>
15. <u>planning, research, development, sales, maintenance, lease and rental of computer software and computer hardware;</u>	15. <u>planning, production, manufacture, lease and rental, management, sales, etc. of goods (including liquors, tobacco, medical supplies, etc.);</u>

Current Articles of Incorporation	Proposed Amendments
16. <u>businesses relating to planning, design, development, sales, operation and maintenance of various types of information and communication systems, various types of information distribution systems, various types of commercial transaction systems, and various types of sales promotion systems utilizing electronic technology, the Internet, mobile communications and any other electronic media;</u>	16. <u>planning, management, operation, etc. of commercial stores, etc.;</u>
17. <u>businesses relating to planning, design, development, sales, operation and maintenance of Internet websites;</u>	17. <u>businesses relating to security under the Security Business Act (<i>keibigyo-ho</i>);</u>
18. <u>businesses relating to investigation, research, planning, development, sales, lease, rental, installation instruction, management operation and maintenance of data processing systems using computers, database systems, network systems, computer software, computer security and information technology;</u>	18. <u>businesses relating to travel agencies under the Travel Agency Act (<i>ryokogyo-ho</i>);</u>
19. <u>planning and research relating to commercial transactions making use of the Internet, mobile communications and any other electronic media;</u>	19. <u>acquisition, holding, management, trading, etc. of shares and other financial instruments;</u>
20. <u>brokerage services for inquiries, applications, and orders relating to commodities making use of the Internet, mobile communications and any other electronic media;</u>	20. <u>businesses relating to finance, property insurance agencies, life insurance sales, etc.;</u>
21. <u>consignment of data input by computer systems and office work related thereto;</u>	21. <u>collection services, factoring, account settlement services, etc.;</u>
22. <u>businesses relating to mail-orders and distribution services and other media businesses making use of computer systems and communications networks (the Internet, mobile communications and any other electronic media);</u>	22. <u>provision, etc. of electronic clearing, electronic signature certification and other services relating to e-commerce;</u>
23. <u>planning, research, design and implementation of regional development, urban development, tourism development, and resort development, and construction consulting services therefor;</u>	23. <u>dispatch of temporary laborers, employment placement, education of personnel, training, human resource development, etc.;</u>
24. <u>purchase, sales, lease, and management of real estate and brokerage services and agency businesses thereof;</u>	24. <u>purchase, sales, lease, development, management, maintenance, operation, etc. of facilities, buildings and other real estate;</u>
25. <u>businesses relating to security under the Security Business Act (<i>keibigyo-ho</i>);</u>	25. <u>planning, investigation, design, etc. of regional development, urban development, tourism development, resort development, etc.;</u>
26. <u>businesses relating to property insurance agencies and life insurance sales;</u>	26. <u>lease, management, maintenance, provision, etc. of equipment, automobiles, machines, devices, fixtures, etc.;</u>
27. <u>businesses relating to dispatch of temporary laborers and consulting for education of personnel and human resource development;</u>	27. <u>packing, storage, transportation, conveyance, etc. of cargo, etc.;</u>
28. <u>planning, lease, rental and management of training facilities, sports facilities, game halls, medical facilities, art galleries, theatres, rental assembly halls, studios and parking lots, and building maintenance services;</u>	28. <u>consignment services for secretarial duties, bookkeeping, personnel, and other administrative work, etc.;</u>

Current Articles of Incorporation	Proposed Amendments
<p>29. <u>businesses relating to travel agencies under the Travel Agency Act (<i>ryokogyo-ho</i>);</u></p> <p>30. <u>warehousing under the Warehousing Business Act (<i>sokogyo-ho</i>);</u></p> <p>31. <u>sales of daily miscellaneous goods, rice and other grains, liquors, stamps, postcards, revenue stamps, etc., controlled medical devices, and products relating to events, campaigns, etc.;</u></p> <p>32. <u>second-hand dealing;</u></p> <p>33. <u>investing;</u></p> <p>34. <u>consulting services relating to management;</u></p> <p>35. <u>environment-induced business;</u></p> <p>36. <u>investigation, research, and consulting businesses regarding medical care</u></p> <p>37. <u>production, sales, import and export of advertisement relating to sales promotions;</u></p> <p>38. <u>planning, editing and sales of printed matter, such as magazines, books and musical scores;</u></p> <p>39. <u>translations;</u></p> <p>40. <u>performance relating to entertainment and sports;</u></p> <p>41. <u>planning, attracting and holding various types of events, such as trade fairs, exhibitions, national and international conferences, cultural events, and sports events;</u></p> <p>42. <u>planning, attracting, and holding conventions for political parties, religious bodies and economic organizations, etc., and planning and attracting conventions for labor unions, etc.;</u></p> <p>43. <u>businesses relating to planning, production, development, and sales of designs and merchandising of characters and commodities with such characters (attached with pictures of persons, animals, etc. with individual names and features);</u></p> <p>44. <u>planning, production, management, supply, and transfer of original records and original videograms, and copying and sales of records;</u></p> <p>45. <u>research, planning, production, management, and sales of information management techniques relating to licensed rights for use in order to smoothly circulate intellectual expressions and properties, such as music, visual images, video games, photographs, novels, information, and industrial property rights, created by individuals or groups among consumers under a wide range of license conditions;</u></p> <p>46. <u>offering information and intermediary services relating to ceremonies;</u></p> <p>47. <u>design, development, maintenance, and operation management of computer systems, and investigation and research thereof;</u></p>	<p>29. <u>consulting services relating to each business of any of the foregoing; and</u></p> <p>30. <u>services incidental or relating to any of the foregoing;</u></p>

Current Articles of Incorporation	Proposed Amendments
<p>48. <u>planning, design, and analysis of computer network systems and databases;</u></p> <p>49. <u>sales, lease, and rental of information and communication devices and information processing devices;</u></p> <p>50. <u>services relating to electronic clearing, electronic signature certification systems and e-commerce;</u></p> <p>51. <u>employment agency business with fees;</u></p> <p>52. <u>education of employees and counseling businesses for human resources;</u></p> <p>53. <u>manufacture, sales, and maintenance of computer peripheral units;</u></p> <p>54. <u>planning, manufacture, import, export, sales, and intermediary services of foods, liquors, cosmetics, clothing, miscellaneous clothing goods, daily miscellaneous goods, sports-related goods, works of art, accessories, precious metals, welfare-related goods, office automation equipment, visual and sound equipment, electric equipment, furniture, interior ornaments, fixtures, medical appliances, and quasi-drugs;</u></p> <p>55. <u>sales of tobacco and medical supplies, and intermediary services therefor;</u></p> <p>56. <u>manufacture, lease, and sales of works of industrial art;</u></p> <p>57. <u>intermediary services for lease and rental of welfare-related goods, office automation equipment, visual and sound equipment, furniture, interior ornaments, fixtures, and medical appliances;</u></p> <p>58. <u>rental and lease of ceremonial equipment, ornaments for exhibition, business equipment, and fixtures;</u></p> <p>59. <u>rental of, and management services and technical assistance for, machines and equipment necessary for production of visual media;</u></p> <p>60. <u>acquisition and holding of securities;</u></p> <p>61. <u>operation and supervision of interests in venture capital funds and limited venture capital funds and equity participation in venture capital funds and limited liability venture capital funds;</u></p> <p>62. <u>consulting services relating to various types of business plans, product developments and corporate image;</u></p> <p>63. <u>consulting services relating to corporate risk management;</u></p> <p>64. <u>sales, import, and export of various types of broadcast programs;</u></p> <p>65. <u>intermediary services for acquisition, sales, and management of industrial property rights and know-how;</u></p>	

Current Articles of Incorporation	Proposed Amendments
<p>66. <u>consulting services relating to consignment of development and design for new products, and efficiency and improvement of production process thereof;</u></p> <p>67. <u>intermediary services for mergers of companies and business alliances in technology, sales, manufacturing, etc.;</u></p> <p>68. <u>consignment services for bookkeeping and consulting services relating to bookkeeping;</u></p> <p>69. <u>preparation of documents relating to finance;</u></p> <p>70. <u>consignment services for payroll accounting;</u></p> <p>71. <u>administration of information relating to appraisals of employees' business capability and consulting services therefor;</u></p> <p>72. <u>consulting services relating to labor management and other matters relating to labor and social insurance under social insurance laws and regulations;</u></p> <p>73. <u>consignment services for planning and implementation relating to employment and recruiting;</u></p> <p>74. <u>factoring;</u></p> <p>75. <u>businesses relating to operation and dispatch control of automobiles, and maintenance and management of communication devices;</u></p> <p>76. <u>businesses relating to maintenance, operation, and management of welfare facilities, such as recreational facilities and dormitories owned by companies;</u></p> <p>77. <u>design, management, and subcontracting of telecommunications engineering work, electrical engineering work, and construction facilities work;</u></p> <p>78. <u>planning, creation, management, and sales of computer games;</u></p> <p>79. <u>fostering of entertainment personalities;</u></p> <p>80. <u>training and education for electronic computer engineer personnel;</u></p> <p>81. <u>planning, subcontracting, design, construction, supervision of, and consulting for, the tree-planting business;</u></p> <p>82. <u>businesses relating to planning, production, and commercialization of compact discs for music and game software, etc.;</u></p> <p>83. <u>telecommunications under the Telecommunications Business Law;</u></p> <p>84. <u>installation and maintenance of telecommunications facilities and maintenance and management services pursuant to the Authorization System for Consignment of Maintenance and Management Services under the Electricity Business Law;</u></p>	

Current Articles of Incorporation	Proposed Amendments
<p>85. <u>development, production, sales, lease, and rental of equipment and software related to telecommunications;</u></p> <p>86. <u>subcontracting relating to the preparation of assembly halls for conferences, exhibitions, and banquets;</u></p> <p>87. <u>planning and management of shops, such as restaurants;</u></p> <p>88. <u>forwarding agent services;</u></p> <p>89. <u>packing and cargo distribution, and intermediary services therefor;</u></p> <p>90. <u>manufacturing, processing, and sales of paper, and intermediary services therefor;</u></p> <p>91. <u>sales of tickets and admissions for concerts, events, movies, plays, etc.;</u></p> <p>92. <u>consignment services relating to recruiting, assessment, personnel changes, benefits and welfare, health care, background checks, salary and other personnel affairs;</u></p> <p>93. <u>consignment services relating to secretarial duties, management and guarding of offices and facilities, document management, legal proceedings, and other administrative services;</u></p> <p>94. <u>consignment services relating to receipts and disbursements, keeping account books, asset management, budgets, closing of accounts, and other businesses relating to accounting and finance;</u></p> <p>95. <u>consignment services relating to purchases of goods, inventory control, and selection of suppliers;</u></p> <p>96. <u>consignment services relating to preparation of estimates and contracts, order management, credit management, and billing incidental to business activities;</u></p> <p>97. <u>general truck freight forwarding;</u></p> <p>98. <u>financial business and collection services;</u></p> <p>99. <u>consulting services relating to employment;</u></p> <p>100. <u>production, sales, and lease of video tapes, DVDs, and other media in which audio and visuals, etc. are recorded; and</u></p> <p>101. <u>consulting services incidental or related to any of the foregoing (except for the case in which consulting services are separately defined in each item);</u></p> <p>102. <u>any business incidental or related to any of the foregoing; and</u></p> <p>103. <u>in addition to the foregoing, any business necessary to accomplish the purpose and objectives of the Company.</u></p>	

**Proposal No. 2****Partial Amendments to the Articles of Incorporation (maximum number of Directors who are members of the Audit and Supervisory Committee)**

## 1. Reasons for the Proposal

In line with the transition to a pure holding company, the maximum number of Directors who are members of the Audit and Supervisory Committee, prescribed in Paragraph 2, Article 20 of the current Articles of Incorporation (NUMBER OF DIRECTORS), shall be amended from four to five, for the purpose of further strengthening the auditing of governance of the entire Dentsu Group, including overseas operations.

## 2. Contents of the amendments

The current Articles of Incorporation shall be partially amended as follows.

(Portions to be amended are underlined.)

Current Articles of Incorporation	Proposed Amendments
ARTICLE 20 NUMBER OF DIRECTORS 1. The Company shall have no more than fifteen (15) Directors. 2. Among the Directors described in the preceding paragraph, the Company shall have no more than <u>four (4)</u> Directors who are Audit and Supervisory Committee Members.	ARTICLE 20 NUMBER OF DIRECTORS 1. (Unchanged) 2. Among the Directors described in the preceding paragraph, the Company shall have no more than <u>five (5)</u> Directors who are Audit and Supervisory Committee Members.

## Appointment of 7 Directors who are not members of the Audit and Supervisory Committee

The terms of office of eight directors who are not members of the Audit and Supervisory Committee will expire at the conclusion of this General Meeting of Shareholders.

Accordingly, we request the appointment of seven directors who are not members of the Audit and Supervisory Committee.

The terms of office for the directors who are not members of the Audit and Supervisory Committee appointed at this General Meeting of Shareholders shall be until the end of the Ordinary General Meeting of Shareholders to be held in March 2021.

The Audit and Supervisory Committee admitted that each director candidate is proper since the Nomination and Compensation Advisory Committee, of which two directors who are members of the Audit and Supervisory Committee are members, reviewed determination policy and process of the nomination plan of director candidates which the Board of Directors submitted to the Nomination and Compensation Advisory Committee.

The candidates for directors who are not members of the Audit and Supervisory Committee are as follows.

Candidate No.

1

**Toshihiro Yamamoto**

(Date of birth: May 31, 1958, 61 years old)

Candidate for director



### Bio, Position, Responsibilities, Reasons for Appointment, and Situation of Important Con-current Positions

April 1981	Joined Dentsu
July 2008	EPM, Communication Design Center, Dentsu
April 2009	Head of Communication Design Center, Dentsu
April 2010	Head of Communication Design Center; Managing Director, MC Planning Division, Dentsu
April 2011	Executive Officer, Dentsu
June 2014	Director, Executive Officer, Dentsu
January 2016	Director, Senior Vice President, Dentsu
March 2016	Senior Vice President, Dentsu
January 2017	President & CEO, Dentsu
March 2017	Representative Director, President & CEO, Dentsu (current)

<b>No. of Dentsu Shares Held</b>
4,307 shares (actually held);
55,294 shares (maximum amount under the performance-based stock compensation plan)
<b>Board of Directors meetings attended</b>
100% (16 / 16)

### Reasons for candidacy as a Director who is not an Audit and Supervisory Committee Member

Mr. Toshihiro Yamamoto has operational experience in media contents and business development; and possesses a wealth of experience from a managerial standpoint. As President & CEO of the Company since January 2017 and as Representative Director of the Company since March 2017, he has actively provided opinions and advice, etc. from his standpoint of supervising Group management. He is addressing the urgent issue of working environment reforms as the responsible person and is contributing to concrete results. Judging from these achievements, it has been judged that he can be expected to continue to utilize his experience, etc., in the managerial control of our group companies as a Director who is not a member of the Audit and Supervisory Committee of the Company which is currently a pure holding company.

### Situation of important con-current posts

Corporate Auditor, Kyodo Television, Ltd.  
Non-executive Director, Dentsu Aegis Network Ltd.  
Outside Director, Rakuten Data Marketing, Inc.



Candidate No.

2

Shun Sakurai

Candidate for director

(Date of birth: December 14, 1953, 66 years old)



Bio, Position, Responsibilities, Reasons for Appointment, and Situation of Important Con-current Positions

- April 1977 Joined the Ministry of Posts and Telecommunications
- July 2008 Director-General, Telecommunications Bureau, Ministry of Internal Affairs and Communications (MIC)
- September 2012 Director-General, Global ICT Strategy Bureau, MIC
- June 2013 Vice-Minister for Policy Coordination (Postal and Communications), MIC
- July 2015 Vice-Minister, MIC
- September 2016 Cooperate Advisor, Sumitomo Mitsui Trust Bank, Limited
- January 2018 Executive Officer, Dentsu
- June 2018 Outside Director, Tokyu Fudosan Holdings Corporation
- March 2019 Director, Executive Officer, Dentsu
- January 2020 Director, Senior Executive Vice President, Dentsu Group (current)

No. of Dentsu Shares Held

434 shares  
(actually held);  
37,115 shares  
(maximum amount under the performance-based stock compensation plan)

Board of Directors meetings attended

100% (12 / 12)

Responsibilities

Assistance to the President

Management of Group-wide Basis

Reasons for candidacy as a Director who is not an Audit and Supervisory Committee Member

Mr. Shun Sakurai has many years of experience in postal and telecommunications affairs and has experience as an Outside Director of a company, and possesses a wealth of experience from a social and managerial standpoint. As Executive Officer of the Company since January 2018 and Director since March 2019, he has been actively addressing the strengthening of the corporate management structure. Judging from these achievements, it has been judged that he can be expected to utilize his experience, etc., in the managerial control of our group companies as a Director who is not a member of the Audit and Supervisory Committee of the Company which is currently a pure holding company.

Situation of important con-current posts

Non-executive Director, Dentsu Aegis Network Ltd.

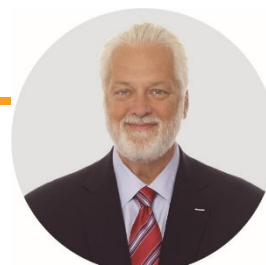
Candidate No.

3

Timothy Andree

Candidate for director

(Date of birth: April 28, 1961, 58 years old)



Bio, Position, Responsibilities, Reasons for Appointment, and Situation of Important Con-current Positions

- March 2002 Joined the National Basketball Association as Senior Vice President, Communications & Marketing
- December 2005 Joined BASF Corporation as CCO
- May 2006 Joined Dentsu America, LLC. as CEO
- June 2008 Executive Officer, Dentsu
- November 2008 President & CEO, Dentsu Holdings USA, LLC. (current)
- April 2012 Senior Vice President, Dentsu
- April 2013 Executive Vice President, Dentsu
- June 2013 Director, Executive Vice President, Dentsu
- January 2018 Director, Executive Officer, Dentsu
- January 2020 Director, Senior Executive Vice President, Dentsu Group (current)

No. of Dentsu Shares Held

11,230 shares  
(actually held);  
6,408 shares  
(maximum amount under the performance-based stock compensation plan)

Board of Directors meetings attended

93.7% (15 / 16)

Responsibilities

Overseas operations management

Reasons for candidacy as a Director who is not an Audit and Supervisory Committee Member

Mr. Timothy Andree has operational experience overseas, and possesses a wealth of experience from a managerial standpoint. As Director of the Company since June 2013, he has actively provided opinions and advice, etc., concerning Group management from the standpoint of overseas operations management and enhanced the presence of overseas operations, contributing to improvement of corporate value of the Company. Judging from these achievements, it has been judged that he can be expected to continue to utilize his experience, etc., in the managerial control of our group companies as a Director who is not an Audit and Supervisory Committee Member of the Company which is currently a pure holding company .

Situation of important con-current posts

Executive Chairman & CEO, Dentsu Aegis Network Ltd.

President & CEO, Dentsu Holdings USA, LLC.

Candidate No.

4

Hiroshi Igarashi

(Date of birth: July 23, 1960, 59 years old)



Bio, Position, Responsibilities, Reasons for Appointment, and Situation of Important Con-current Positions

April 1984 Joined Dentsu  
 April 2013 Managing Director, Account Management Division, Dentsu  
 January 2017 Executive Officer, Dentsu  
 March 2018 Director, Executive Officer, Dentsu (current)

No. of Dentsu Shares Held

4,254 shares  
 (actually held);  
 35,529 shares

(maximum amount under the performance-based stock compensation plan)

Board of Directors meetings attended

100% (16 / 16)

Responsibilities

Domestic operations management

Reasons for candidacy as a Director who is not an Audit and Supervisory Committee Member

Mr. Hiroshi Igarashi has operational experience in account management, and possesses a wealth of experience from a managerial standpoint. As Director of the Company since March 2018, he has actively provided opinions and advice, etc. from his standpoint as domestic operations top management and contributing to improvement of corporate management of the Company. Judging from these achievements, it has been judged that he can be expected to continue to utilize his experience, etc., in the managerial control of our group companies as a Director who is not a member of the Audit and Supervisory Committee of the Company which is currently a pure holding company.

Situation of important con-current posts

Representative Director, Dentsu Inc.  
 Director, FRONTAGE INC.

Candidate No.

5

Arinobu Soga

(Date of birth: March 27, 1965, 54 years old)

Candidate for director



Bio, Position, Responsibilities, Reasons for Appointment, and Situation of Important Con-current Positions

April 1988 Joined Dentsu  
 June 2015 Managing Director, Finance & Accounting Division, Dentsu  
 January 2017 Executive Officer; Managing Director, Corporate Strategy Division, Dentsu  
 March 2017 Director, Executive Officer, Dentsu (current)

No. of Dentsu Shares Held

1,000 shares  
 (actually held);  
 28,880 shares

(maximum amount under the performance-based stock compensation plan)

Board of Directors meetings attended

100% (16 / 16)

Responsibilities

CFO

Assistant of Management of Group-wide Basis  
 Assistant of Group corporate management  
 Assistant of overseas operations management

Reasons for candidacy as a Director who is not an Audit and Supervisory Committee Member

Mr. Arinobu Soga has operational experience in contents sector as well as finance and accounting; and possesses a wealth of experience from a managerial standpoint. As Director of the Company since March 2017, he has actively provided opinions and advice, etc. from his standpoint of corporate strategy, IR/information disclosure, and finance and accounting, contributing to improvement of corporate value of the Company. Judging from these achievements, it has been judged that he can be expected to continue to utilize his experience, etc., in the managerial control of our group companies as a Director who is not a member of the Audit and Supervisory Committee of the Company which is currently a pure holding company.

Situation of important con-current posts

Non-executive Director, Dentsu Aegis Network Ltd.

Candidate No.

6

Nick Friday

New candidate for director

(Date of birth: July 20, 1974, 45 years old)



Bio, Position, Responsibilities, Reasons for Appointment, and Situation of Important Con-current Positions

August 1996 Ernst & Young Audit Manager  
 August 2003 Aegis Group Director  
 September 2009 Aegis Group CFO  
 April 2013 Dentsu Aegis Network CFO (current)  
 January 2018 Executive Officer, Dentsu Inc.(current)

No. of Dentsu Shares Held

0 shares  
 (actually held)  
 0 shares  
 (maximum amount under the  
 performance based stock  
 compensation plan)

Responsibilities

Deputy Chief Financial Officer (D-CFO)

Reasons for candidacy as a Director who is not an Audit and Supervisory Committee Member

He has a wealth of experience of both financial and managerial perspectives from business experience overseas. Since April 2013, as the CFO of Dentsu Aegis Network, and since January 2018, as an executive officer of the Company, he has contributed to overseas management of our group. Based on such achievements, the Company expects him to offer his experience and knowledge for managerial control of our group companies as a Director who is not a member of the Audit and Supervisory Committee of the Company which is currently a pure holding company.

Situation of important con-current posts

Non-executive Director, Dentsu Aegis Network Ltd.

Candidate No.

7

Gan Matsui

New candidate for outside director

(Date of birth: December 13, 1953, 66 years old)



Bio, Position, Responsibilities, Reasons for Appointment, and Situation of Important Con-current Positions

April 1980 Graduated from the Legal Training and Research Institute of Japan, the Supreme Court  
 October 2007 Prosecutor, Otsu District Public Prosecutors Office  
 July 2009 Deputy Prosecutor of the Nagoya High Public Prosecutors Office  
 October 2010 Deputy Prosecutor of Osaka High Public Prosecutors Office  
 June 2012 Chief Prosecutor General  
 Chairperson of the Supreme Financial Securities Expert Committee  
 January 2014 Chief Persecutor, Yokohama District Prosecutors Office  
 January 2015 Superintending Prosecutor of Fukuoka High Public Prosecutors Office  
 September 2016 Retired public prosecutor  
 November 2016 Registered as an attorney at law (Tokyo Bar Association)  
 Yaesu General Law Office (current)  
 February 2017 Chairman of the Independent Advisory Committee on Labor Environment Reform of the Company (current)  
 June 2017 Orient Corporation, Outside Corporate Auditor (current)  
 June 2018 Outside Director, member of the audit and supervisory committee, Globeride, Inc. (current)  
 June 2018 Outside Corporate Auditor, Totetsu Kogyo Co. (current)  
 June 2018 Outside Corporate Auditor, Nagase & Co., Ltd. (current)

No. of Dentsu Shares Held

0 shares

Reasons for candidacy as a Director who is not an Audit and Supervisory Committee Member

He served as a prosecutor for many years at significant positions and was involved in the investigation and trial of a lot of serious cases, mainly in the field of economic and tax. He knows significance of crisis management; and has got abundant knowledge and insight for coping with an emergency case and crisis management. Furthermore, he is serving as chairpersons of so-called third-party investigation committees on compliance or crisis management for several firms and governmental bodies. He also assumes office of outside directors or corporate auditors for some companies.

He has been in the position of the chairman of the Independent Advisory Committee on Labor Environment Reform at the Company since February 2017. He actively expressed opinions and proposals; and contributed a lot for our labor environment reform.

Although he has not been involved in corporate management other than assuming office of outside directors or outside corporate auditors, based on such achievements, the Company expects him to offer his knowledge and expertise to business execution and managerial control as an outside director who is not a member of the Audit and Supervisory Committee of the Company which is currently a pure holding company.

Situation of important con-current posts

Attorney, Yaesu General Law Office  
 Outside corporate auditor, Orient Cooperation  
 Outside corporate auditor, Nagase & Co., Ltd.  
 Outside corporate auditor, Totetsu Kogyo Co.  
 Outside director who is a member of the audit and supervisory committee, Globeride, Inc.

- (Notes)
1. Mr. Toshihiro Yamamoto concurrently serves as Corporate Auditor of Kyodo Television, Ltd. and Outside Director of Rakuten Data Marketing, Inc., which both have business relationships with Dentsu Inc. which succeeded the whole of business operations of the Company in January 1, 2020. In addition, Kyodo Television, Ltd. is in competition with Dentsu Inc. in the content production business. Dentsu Inc. is collaborating with Rakuten Data Marketing, Inc. in providing new marketing solutions utilizing big data.
  2. Dentsu Aegis Network Ltd., at which Mr. Toshihiro Yamamoto, Mr. Shun Sakurai, and Mr. Arinobu Soga serve as Non-executive Directors; Mr. Timothy Andree serves as Executive Chairman & CEO; and Mr. Nick Priday serves as CFO, is a company that oversees our overseas business operations and has a business relationship with Dentsu Inc.
  3. Mr. Timothy Andree concurrently serves as President & CEO of Dentsu Holdings USA, LLC. which has a business relationship with Dentsu Inc.
  4. Mr. Hiroshi Igarashi concurrently serves as director of FRONTAGE INC., which has business relationships with Dentsu Inc. and are in competition with Dentsu Inc. in the advertising business. He also concurrently serves as representative director of Dentsu Inc. from January 1, 2020, to which the Company is to provide managerial instruction and from which receives management fee and so forth.
  5. Mr. Gan Matsui is an outside director candidate pursuant to Item 7, Paragraph 3, Article 2 of the Order for Enforcement of the Companies Act.
  6. Mr. Gan Matsui concurrently serves as outside corporate auditor of Orient Cooperation, outside corporate auditor of Nagase & Co., Ltd., outside corporate auditor of Totetsu Kogyo Co. and outside director who is a member of the audit and supervisory committee of Globberide, Inc. Orient Cooperation has a business relationship until the end of 2019 with the Company which was not a pure holding company and has a business relationship with Dentsu Inc. from January 1, 2020, but the amount of transactions during fiscal year 2019 were less than 1% of net sales of the Company. Furthermore, he engaged in examining and monitoring our labor environment reform as the chairman of the Independent Advisory Committee. He received compensation for his duties from the Company. He will resign from the chairman of the Independent Advisory Committee which will end its role and break up on March 26, 2020.
  7. The Company has concluded a contract for limitation of liability with Mr. Gan Matsui for a maximum liability amount of 10 million yen or the minimum liability amount stipulated in Paragraph 1, Article 425 of the Companies Act, whichever is higher.
  8. There are no vested interests between the other director candidates who are not members of the Audit and Supervisory Committee and the Company.
  9. The explanation on the maximum amount under the performance-based stock compensation plan is as follows:

Under our performance-based stock compensation plan (for details, please refer to our press release dated on February 14, 2019, “Notice Regarding Introduction of Performance-based Stock Compensation Plan”), executive officers including those who concurrently serve as directors will be granted in each relevant fiscal year (1) the “Basic Points” calculated in accordance with the calculation formula prescribed in the Officers Stock Benefit Regulations as compensation for the performance of their duties, then (2) depending on performance of their duties, the Basic Points will be adjusted in accordance with the calculation formula prescribed in the Officers Stock Benefit Regulations after a lapse of three consecutive fiscal years (the “Business Performance Assessment Period”), and (3) in accordance with the points adjusted and finalized through these procedures, they receive common stocks of the Company and an amount of money equivalent to the market value. The above number of stocks of the Company means a calculated maximum amount which can be provided for each candidate as a reward for their performance in the relevant fiscal year. Thus, the total actual number of common stocks of the Company provided for each candidate vary between 0 and the maximum amount according to the business results of the Company in the Business Performance Assessment Period. For the avoidance of doubt, the voting rights with the stocks provided for executive officers are not exercised until such stocks are received by them actually.

**Proposal No. 4****Appointment of 5 Directors who are members of the Audit and Supervisory Committee**

The terms of office of current four directors who are members of the Audit and Supervisory Committee will expire at the conclusion of this General Meeting of Shareholders.

Accordingly, we request the appointment of five directors who are members of the Audit and Supervisory Committee on condition that the proposal No.2 is approved for the purpose of strengthening audit function under a holding company structure for the whole of our group including overseas group companies.

The terms of office for the directors who are members of the Audit and Supervisory Committee appointed at this General Meeting of Shareholders shall be until the end of the Ordinary General Meeting of Shareholders to be held in March 2022.

This proposal was approved by the Audit and Supervisory Committee.

The candidates for directors who are members of the Audit and Supervisory Committee are as follows.

Candidate No.

1

**Izumi Okoshi**

New candidate for director

(Date of birth: April 29, 1964, 55 years old)



**Bio, Position, Responsibilities, Reasons for Appointment, and Situation of Important Con-current Positions**

October 1989    Joined Social Engineering Research Institute, Inc.  
 May 1995      Joined Warner Lambert  
 January 1998    Joined Dentsu Inc.  
 April 2014     Senior Specialist, Business Creation Division  
 July 2016      ECD, Business Creation Center  
 October 2017    EBD, Business D&A Division  
 January 2018    EBD, Dentsu Innovation Initiative  
 May 2019       EPD, Data Technology Center (current)

No. of Dentsu Shares Held  
2,360 shares

**Reasons for candidacy as a Director who is a member of the Audit and Supervisory Committee**

After joining the Company, she has extensive work experience, mainly in solutions, and has contributed to enhancing the corporate value of the Company from a managerial point of view in business transformation and new business fields. Based on such achievements, the Company expects her to offer her knowledge and expertise for auditing and supervising our business execution as a Director, member of the Audit and Supervisory Committee of the Company which is currently a pure holding company.

Candidate No.

2

Toshiaki Hasegawa

Candidate for independent outside director

(Date of birth: September 13, 1948, 71 years old)



Bio, Position, Responsibilities, Reasons for Appointment, and Situation of Important Con-current Positions

- April 1977 Registered as an attorney at law (Dai-ichi Tokyo Bar Association)
- January 1982 Partner, Ohashi, Matsueda and Hasegawa Law Offices
- January 1990 Representative, Hasegawa Toshiaki Law Office (current)
- June 2011 Outside Corporate Auditor of the Company
- March 2016 Outside Director, member of the Audit and Supervisory Committee (current)

No. of Dentsu Shares Held

0 shares

Serving four years as outside director as of the closing of this ordinary shareholders' meeting

Board of Directors meetings attended

87.5% (14 / 16)

Audit and Supervisory Committee meetings attended 92.8% (13/14)

Reasons for candidacy as a Director who is a member of the Audit and Supervisory Committee

He has expertise and extensive experience as an international lawyer. As an outside director who is a member of the Audit and Supervisory Committee, he actively expresses opinions and suggestions from legal perspective, thereby contributing to the improvement of our governance. Based on such achievements, the Company expects him to offer his knowledge and experience for auditing our management as an outside director, member of the Audit and Supervisory Committee of the Company which is currently a pure holding company, though he has not been involved in corporate management other than assuming office of outside directors or outside corporate auditors.

Situation of important con-current posts

Representative, Hasegawa Toshiaki Law Office

Candidate No.

3

Kentaro Koga

Candidate for independent outside director

(Date of birth: August 11, 1961, 58 years old)



Bio, Position, Responsibilities, Reasons for Appointment, and Situation of Important Con-current Positions

- April 1985 Joined Mitsubishi Research Institute
- May 1993 Completed a master's degree course at the Graduate School of Business Administration, Columbia University
- June 1999 Completed the Doctor's degree course at Harvard University's Graduate School of Business Administration and acquired Doctor of Business Administration.
- April 2001 Assistant Professor of Commerce, Waseda University
- January 2002 Assistant Professor, Accounting Department, University of Illinois
- July 2009 Associate Professor, Graduate School of International Corporate Strategy, Hitotsubashi University
- June 2012 Outside Corporate Auditor of the Company
- June 2013 Outside Corporate Auditor, Risona Bank
- March 2016 Outside Director, member of the Audit and Supervisory Committee (current)
- April 2018 Associate Professor, School of Business Administration, Hitotsubashi University Business School (current)

No. of Dentsu Shares Held

300 shares

Serving four years as outside director as of the closing of this ordinary shareholders' meeting

Board of Directors meetings attended

100% (16 / 16)

Audit and Supervisory Committee meetings attended 92.8% (13/14)

Reasons for candidacy as a Director who is a member of the Audit and Supervisory Committee

As an associate professor at graduate school, Mr. Koga has expertise and extensive experience as an accounting expert. As an outside director who is a member of the Audit and Supervisory Committee, he actively expresses opinions and suggestions from an economic perspective, thereby contributing to improving governance of the Company. Based on such achievements, the Company expects him to offer his knowledge and expertise for auditing our management as an outside director, member of the Audit and Supervisory Committee of the Company which is currently a pure holding company, though he has not been involved in corporate management other than assuming office of outside directors or outside corporate auditors.

Situation of important con-current posts

Associate Professor, School of Business Administration, Hitotsubashi University Business School


**Bio, Position, Responsibilities, Reasons for Appointment, and Situation of Important Con-current Positions**

April 1978	Joined the Bank of Tokyo, Ltd. (currently MUFJ Bank, Ltd.)
January 1992	Research Division, The Japan Research Institute, Limited
April 1995	Associate Professor of Finance and Economics, Ibaraki University
April 1998	Associate Professor, School of Political Science and Economics, Meiji University
January 2001	Member of Council of Custom and Foreign Exchange, Ministry of Finance
April 2003	Professor, School of Political Science and Economics, Meiji University (current)
January 2007	Member, Labour Policy Council, Ministry of Health, Labour and Welfare
April 2008	Vice President International, Meiji University
March 2015	Member, Council for Science and Technology, Ministry of Education, Culture, Sports, Science and Technology (current)
June 2016	Outside Director, Mitsui O.S.K. Lines, Ltd. (current)
March 2019	Outside Director, member of the Audit and Supervisory Committee, Dentsu (current)

**No. of Dentsu Shares Held**

0 shares

Serving one year as outside director as of the closing of this ordinary shareholders' meeting

**Board of Directors meetings attended**

100% (12 / 12)

**Audit and Supervisory Committee meetings attended**

100% (10/10)

**Reasons for candidacy as a Director who is a member of the Audit and Supervisory Committee**

Ms. Etsuko Katsu has many years of operational and research experience at companies and colleges; and possesses specialized knowledge and a wealth of experience in finance, international economy, economic policies and raising global human resources as a college professor. As an outside director who is a member of the Audit and Supervisory Committee, she actively expresses opinions and suggestions from an economic perspective, thereby contributing to improving governance of the Company. Based on such achievements, the Company expects her to offer her knowledge and expertise for auditing our management as an outside director, member of the Audit and Supervisory Committee of the Company which is currently a pure holding company, though she has not been involved in corporate management other than assuming office of outside directors or outside corporate auditors.

**Situation of important con-current posts**

Professor, School of Political Science and Economics, Meiji University

Outside Director, Mitsui O.S.K. Lines, Ltd.



#### Bio, Position, Responsibilities, Reasons for Appointment, and Situation of Important Con-current Positions

November 1990	CFO & Property Director Safeway plc
April 2004	Director, Simon Laffin Business Service Ltd (current)
January 2009	Non Executive Director, Mitchells & Butlers
March 2009	Chairman, Hozelock Group
August 2009	Non Executive Director, Aegis Group plc
August 2011	Chairman, Assura plc
November 2013	Chairman, Flyve Group plc
April 2014	Chairman of the Audit Committee, Dentsu Aegis Network (current)
March 2016	Non Executive Director, Watkin Jones Group (current)

No. of Dentsu Shares Held  
0 shares

#### Reasons for candidacy as a Director who is a member of the Audit and Supervisory Committee

He has been serving as the financial manager of firms as well as an outside director of listed and unlisted firms and got a wealth of practical experience and knowledge concerning corporate management and auditing. Furthermore, he served as an outside director in the Aegis Group plc prior to the acquisition by the Company, and after the acquisition, he served as the chairman of the Audit Committee of Dentsu Aegis Network plc, an interim holding company for our overseas operations. He has a wealth of knowledge on our international operations. Based on such achievements, the Company expects him to offer his knowledge and experience for auditing and supervising of our business execution of our group as a director, member of the Audit and Supervisory Committee of the Company which is currently a pure holding company.

#### Situation of important con-current posts

Director, Simon Laffin Business Service Ltd  
Chairman of the Audit Committee, Dentsu Aegis Network  
Non Executive Director, Watkin Jones Group

- (Notes) 1. Mr. Toshiaki Hasegawa, Mr. Kentaro Koga, Ms. Etsuko Katsu and Mr. Simon Laffin are outside director candidates pursuant to Item 7, Paragraph 3, Article 2 of the Order for Enforcement of the Companies Act. Mr. Toshiaki Hasegawa, Mr. Kentaro Koga, Ms. Etsuko Katsu and Mr. Simon Laffin meet the standards for an independent officer as stipulated by the Tokyo Stock Exchange, Inc. as well as the "Independence Standards for Outside Directors at Dentsu Inc." (<https://www.group.dentsu.com/en/about-us/governance/isod.html>) as stipulated by the Company. If the appointment of them who are members of the Audit and Supervisory Committee is approved at this General Meeting of Shareholders, the Company will register them as an independent officer with the Tokyo Stock Exchange.
- Mr. Toshiaki Hasegawa represents Hasegawa Law Office, which has no business relationship with the Company.
  - Mr. Kentaro Koga concurrently serves as associate professor for Hitotsubashi University, which has business relationship with the Company before becoming a pure holding company and with Dentsu Inc. from January 1, 2020, but the amount of transactions during fiscal year 2019 were less than 1% of net sales of the Company. There is no issue with his independence nor any vested interests.
  - Ms. Etsuko Katsu concurrently serves as professor of Meiji University and as outside director of Mitsui O.S.K. Lines, Ltd, both of which have business relationships with the Company before becoming a pure holding company and Dentsu Inc. from January 1, 2020, but the amount of transactions during fiscal year 2019 were less than 1% of net sales of the Company. There is no issue with her independence nor any vested interests.
  - Mr. Simon Laffin concurrently serve as director of Simon Laffin Business Service Ltd, and non-executive director of Watkin Jones Group, of which have no business relationship with the Company. He also concurrently serve as the chairman of the Audit Committee of Dentsu Aegis Network, wholly owned subsidiary of the Company managing overseas business, but he has never been executives or employees of the Company and its subsidiaries and satisfies the independence standards of outside directors set by the Tokyo Stock Exchange and the Company. There is no issue with his independence nor any vested rights.
  - The Company concludes a contract for limitation of liability with them for a maximum liability amount of 10 million yen or the minimum liability amount stipulated in Paragraph 1, Article 425 of the Companies Act, whichever is higher, with Mr. Toshiaki Hasegawa, Mr. Kentaro Koga and Ms. Etsuko Katsu. If the appointment of these three directors who are members of the Audit and Supervisory Committee is approved at this general meeting of shareholders, the Company intends to renew the contracts with them. Furthermore, if the appointment of Ms. Izumi Okoshi and Mr. Simon Laffin is approved at this ordinary general meeting of shareholders, the Company intends to conclude a contract for limitation of liability with them for a maximum liability amount of 10 million yen or the minimum liability amount stipulated in Paragraph 1, Article 425 of the Companies Act, whichever is higher.
  - There are no vested interests between Ms. Izumi Okoshi and the Company.



**Directors' Skills (on condition that each director candidate is appointed at this ordinary meeting of shareholders)**

The Company structures the Board of Directors so that it is composed to appropriately balance the following three factors:

1. The diversity of the Board of Directors: three (3) foreign citizens, two (2) female Directors
2. The execution of business and supervisory function: six (6) executive directors; six (6) non-executive Directors
3. Internal Directors and Outside Directors: seven (7) internal Directors; five (5) Outside Directors

The Board of Directors is also structured appropriately to utilize the skills of each individual Director, so that there is no excess or deficit in any area, as shown below.

	Position within the Company	Name	
Reappointment	Representative Director	Toshihiro Yamamoto	
Reappointment	Director	Shun Sakurai	
Reappointment	Director	Timothy Andree	
Reappointment	Director	Hiroshi Igarashi	
Reappointment	Director	Arinobu Soga	
New appointment		Nick Priday	
New appointment		Gan Matsui	Outside
New appointment		Izumi Okoshi	
Reappointment	Director, Audit and Supervisory Committee Member	Toshiaki Hasegawa	Outside Independent
Reappointment	Director, Audit and Supervisory Committee Member	Kentaro Koga	Outside Independent
Reappointment	Director, Audit and Supervisory Committee Member	Etsuko Katsu	Outside Independent
New appointment		Simon Laffin	Outside Independent

Legend: ☆Responsibility; ◎Main skill; ○Secondary skill(s)

Expertise and characteristics of the candidates for Director

No.	Name	Business Execution	Supervisory Function	Corporate Strategy	Business Strategy	Management Resources	Finance	Accounting	Legal	Organization and HR
1	Toshihiro Yamamoto	☆		◎	○					
2	Shun Sakurai	☆				◎			○	○
3	Timothy Andree	☆		○	◎					
4	Hiroshi Igarashi	☆		○	◎					
5	Arinobu Soga	☆					◎	○		
6	Nick Priday	☆					◎	○		
7	Gan Matsui		☆						◎	○
8	Izumi Okoshi		☆		○	◎				
9	Toshiaki Hasegawa		☆						◎	○
10	Kentaro Koga		☆				○	◎		
11	Etsuko Katsu		☆				◎	○		
12	Simon Laffin		☆				○	◎		

## [Reference]

### Corporate Governance Structure

The Company's Corporate Governance Structure is as follows.

#### Board of Directors (met 16 times during the fiscal year ended December 31, 2019)

The Company has adopted a form of governance with an Audit and Supervisory Committee, and has transferred authority for important business execution in part from the Board of Directors to Executive Officers in order to realize an expeditious and effective business execution system. As well as exercising a supervisory function over business execution, the Board of Directors determines core management matters for the Dentsu Group, such as the establishment of Group management strategy, making decisions on important management issues, and appointing Executive Officers.

The Board of Directors is presently composed of twelve (12) Directors, who have advanced knowledge and expertise, including four (4) independent Outside Directors.

#### Evaluation of Effectiveness of the Board of Directors

To continuously increase the effectiveness of the Board of Directors, the Company implemented surveys to all Directors regarding the effectiveness and appropriateness of corporate supervision by the Board of Directors and analysis and evaluation were performed by a third-party institution. Upon receiving reports regarding the results from the secretariat of the Board of Directors, the Board of Directors conducted analysis and evaluation on the overall effectiveness of the Board of Directors.

According to the analysis and evaluation of the fiscal year ended December 31, 2019, the composition, operation and content of deliberations of the Board of Directors are generally appropriate, adequate deliberations are being made via active exchange of opinions, etc., and it was confirmed that the effectiveness and appropriateness of management supervision by the Board of Directors have been secured. The main issues revealed by the surveys conducted in the fiscal year ended December 31, 2018, and countermeasures implemented to improve these issues, as well as the main issues and planned countermeasures for the surveys conducted in the fiscal year ended December 31, 2019, are shown below. By aiming to improve them in the future, the Company will work to further improve the effectiveness and appropriateness of the monitoring of management by the Board of Directors.

Main issues revealed and countermeasures implemented from surveys in the fiscal year ended December 31, 2018		Main issues revealed and planned countermeasures from surveys in the fiscal year ended December 31, 2019	
Main issues	Main countermeasures	Main issues	Main countermeasures (planned)
<ul style="list-style-type: none"><li>Involvement of independent Outside Directors in nomination and compensation</li></ul>	<ul style="list-style-type: none"><li>A Nomination and Compensation Advisory Committee was established in July 2019, consisting of two (2) Audit and Supervisory Committee Members who are independent Outside Directors, one (1) of whom chairs the Committee, and one (1) internal Director</li></ul>	<ul style="list-style-type: none"><li>CEO successor training plan</li></ul>	<ul style="list-style-type: none"><li>Implement policies of the Nomination and Compensation Advisory Committee and establish concrete proposals</li></ul>
<ul style="list-style-type: none"><li>Management and supervision of Group companies</li></ul>	<ul style="list-style-type: none"><li>A review was implemented of the governance and monitoring systems for Group companies in Japan and overseas</li></ul>	<ul style="list-style-type: none"><li>Management and supervision of Group companies</li></ul>	<ul style="list-style-type: none"><li>Continuing review of the monitoring systems</li></ul>
<ul style="list-style-type: none"><li>Feedback of investors' opinions</li></ul>	<ul style="list-style-type: none"><li>More complete reporting to the Board of Directors</li></ul>	<ul style="list-style-type: none"><li>Provision of necessary information for deliberation on strategy</li></ul>	<ul style="list-style-type: none"><li>Meetings will be established for Outside Directors in particular, where market information and information on industry trends, etc. will be provided</li></ul>

**Audit and Supervisory Committee** (met 14 times during the fiscal year ended December 31, 2019)

The Audit and Supervisory Committee is a body composed of all Directors who are Audit and Supervisory Committee Members. Working in coordination with the internal control division and the Accounting Auditor, it engages in audit and supervision of the Executive Officers and Directors who are not Audit and Supervisory Committee Members, from the perspectives of compliance and adequacy. The Company presently has four (4) Directors who are Audit and Supervisory Committee Members, of which one (1) is from within the Dentsu Group, and three (3) are independent Outside Directors (of which one has extensive finance and accounting knowledge).

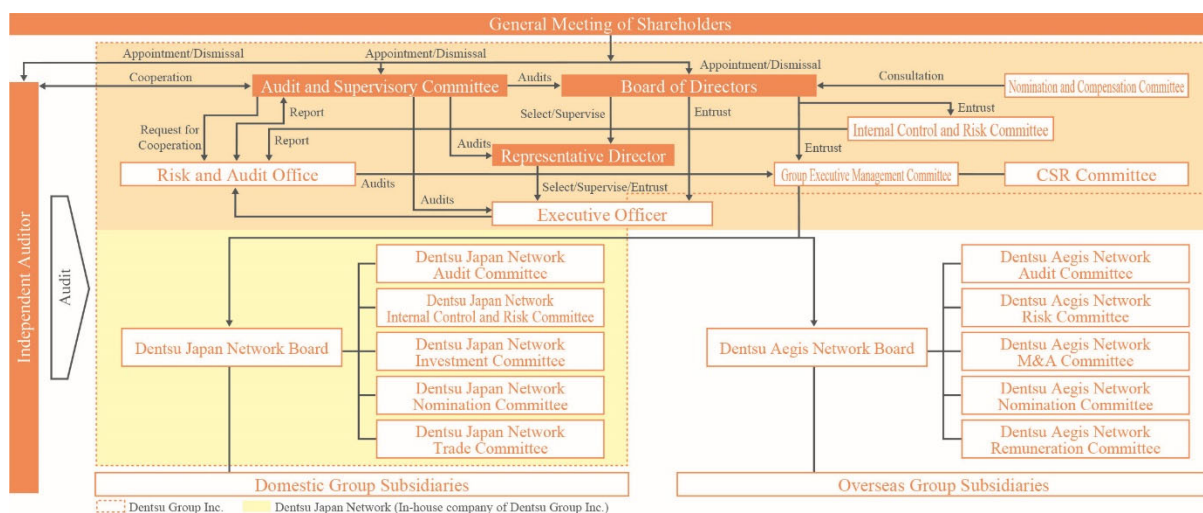
Positioned under the Board of Directors is the “Group Executive Management Committee” consisting of Representative Directors and Executive Officers, including Executive Directors, which deliberates on important Company matters except for those exclusively resolved by the Board of Directors, makes decisions on important business matters concerning the entire Dentsu Group and deliberates on matters to be decided by the Board of Directors.

Moreover, the Company established the Dentsu Japan Network Board (under the Dentsu Japan Network, an internal company) to deliberate on important matters of Japan business and the Dentsu Aegis Network Board (DAN Board) to deliberate on important matters of the Group’s international business, thereby dividing the business execution system into the Japan business sector and the international business sector. Each is delegated responsibility for profit and authority for its respective region.

Regarding internal controls and risk management, the Company established the Internal Control and Risk Committee to enhance the effectiveness of internal controls and risk management across the entire Dentsu Group.

Through this structure, the Company seeks to ensure management soundness, transparency, and efficiency and enhance corporate value over the medium- to long-term.

**Corporate Governance Structure**



## Nomination and Compensation Advisory Committee

(Establishment) Established as an advisory organization to the Board of Directors on July 1, 2019.

(Composition) The Committee is composed of a majority of Outside Directors, and chaired by an independent Outside Director.

(Process) In response to inquiries received from the Board of Directors, the Committee deliberates and reports on matters relating to nomination, compensation and succession planning concerning Directors and Executive Officers, and submits items to be decided by the Board of Directors.

(Results) Four (4) meetings of the Committee were held during the fiscal year ended December 31, 2019. Agenda deliberated during the fiscal year were as follows.

(Main agenda)

- Deliberation and reporting concerning nomination policy, compensation policy, and succession planning policy
- Implementation of a management survey on nomination by a third-party agency
- Implementation of a management compensation survey on compensation by a third-party agency
- Deliberation and reporting concerning candidates for the positions of Director and Executive Officer
- Deliberation and reporting concerning individual compensation for Directors and Executive Officers

(Policies on nomination and compensation)

(1) Nomination policy

- Appropriately nominate officers who will contribute to medium- to long-term sustainable growth and enhance the corporate value of the Dentsu Group
- Select from among the candidates with management knowledge, experience and ability, to compose a management team with a balance of diversity and expertise, that will swiftly embody the innovation of the Dentsu Group
- Nominate the Directors and Executive Officers of Dentsu Group Inc.

(2) Compensation policy

- Implement a globally-competitive compensation system and compensation levels
- Implement a compensation system based on management performance and results. Ensure a balance between fixed compensation and variable compensation (performance-based compensation and stock compensation)
- Determine compensation levels based on compensation levels in the region

\* Policies, etc. concerning succession planning are scheduled for deliberation during the fiscal year ending December 31, 2020.

## Executive Compensation

The Company considers executive compensation to be an important means of attaining mid- to long-term sustainable growth and corporate value enhancement for the Dentsu Group. The basic structure of compensation for Directors and Executive Officers is as follows.

### 1. Compensation system

The composition of the compensation system for Directors and Executive Officers is shown in the table below.

(1) Directors' compensation	(2) Executive Officers' compensation		
Fixed compensation	Fixed compensation	Variable compensation	
Monetary compensation	Monetary compensation		Stock compensation
Basic annual compensation	Basic annual compensation	Annual bonus	Medium- to long-term bonus
(Monthly compensation)	(Monthly compensation)	(Performance-based compensation)	

### 2. Scope

The items of compensation for Directors and Executive Officers applicable for each type of Director are shown in the table below.

Legend: Y = applicable; N = not applicable

Type of Director	Basic annual compensation	Annual bonus	Medium- to long-term bonus
Internal Director who is not an Audit and Supervisory Committee Member*	Y	Y	Y
Outside Director who is not an Audit and Supervisory Committee Member	Y	N	N
Internal Director who is an Audit and Supervisory Committee Member	Y	N	N
Outside Director who is an Audit and Supervisory Committee Member	Y	N	N

\* Concurrently serving as Executive Officer.

### 3. Composition

The composition of compensation (the theoretical amount at a fixed share price) for internal Directors who are not Audit and Supervisory Committee Members (who concurrently serve as Executive Officers) is shown in the table below.

Variable compensation (annual bonus: monetary compensation; medium- to long-term bonus: stock compensation) shown is premised on a basic annual compensation of 100%.

(1) Where the performance indicators have achieved the target

Basic annual compensation 100%	Annual bonus 5%	Medium- to long-term bonus 60%	Fixed compensation: 60%
			Variable compensation: 40%

(2) Where the performance indicators have fallen below the lower threshold

Basic annual compensation 100%			Fixed compensation: 100%
			Variable compensation: 0%

(3) Where the performance indicators have exceeded the upper threshold

Basic annual compensation 100%	Annual bonus 5%	Medium- to long-term bonus 145%	Fixed compensation: 40%
			Variable compensation: 60%

\* Directors who are foreign citizens, in principle, receive the main part of their compensation from overseas subsidiaries, and are thus not subject to the system shown above.

### 4. Performance indicators

Performance indicators are established as appropriate for each fiscal year, based on the macro- and micro-economic environment and the Company's business environment.

(Performance indicators for the fiscal year ended December 31, 2019)

Annual bonus	(IFRS) Achievement of the Dentsu Group's consolidated operating profit budget for the fiscal year ended December 31, 2019
Medium- to long-term bonus	(IFRS) Simple average organic growth rate of the Dentsu Group's consolidated revenue less cost of sales for the three years from the fiscal year ended December 31, 2019 to the fiscal year ended December 31, 2021

## Governance as of January 1, 2020

Title	Name	Duties
※1 President & CEO	Toshihiro Yamamoto	President & CEO
※1 Senior Executive Vice President	Shun Sakurai	Chief Administration Officer (CAO)
※1 Senior Executive Vice President	Tim Andree	Chief Operating Officer (COO)
※1 Executive Officer	Hiroshi Igarashi	※2 Chief Operating Officer (COO); CEO of Dentsu Japan Network; and President and CEO of Dentsu Inc.
※1 Executive Officer	Arinobu Soga	Chief Financial Officer (CFO)
※1 Executive Officer	Nick Priday	Deputy Chief Financial Officer (D-CFO)
Executive Officer	Jun Shibata	Chief Human Resources Officer (CHRO)
Executive Officer	Takaki Hibino	Chief Teaming Development Officer (CTDO)
Executive Officer	Yuichi Okubo	※2 Management of client services, Dentsu Japan Network
Executive Officer	Takashi Yagi	※2 Client services, Dentsu Japan Network
Executive Officer	Shigeru Ishida	External Affairs
Executive Officer	Yuko Takahashi	Internal audit
Executive Officer	Yoshimasa Watahiki	※2 Operations, Dentsu Japan Network
Executive Officer	Keiichi Higuchi	Strategy
Executive Officer	Dominic Shine	Chief Information Officer (CIO)
Executive Officer	Simon Zinger	Deputy Chief Administration Officer (D-CAO)
Executive Officer	Anna Moulton	Deputy Chief Human Resources Officer (D-CHRO)

※1 Director candidate

※2 Concurrently serving as executive officers of the Dentsu Japan Network, an internal company



[Reference]

Information Related to Corporate Governance (as of January 1, 2020)

**Board of Directors**

(page reference)

Principle 4.8 (Effective Use of Independent Directors)	Proportion of independent Outside Directors	4 of 12 (33.3%)
Principle 4.11 (Preconditions for Board and <i>Kansayaku</i> Board Effectiveness)	Proportion of Directors who are female	2 of 12 (16.7%)
	Proportion of Directors who are foreign citizens	1 of 12 (8.3%)

**Audit and Supervisory Committee**

Principle 4.8 (Effective Use of Independent Directors)	Proportion of independent Outside Directors	3 of 4 (75.0%)
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**Nomination and Compensation Advisory Committee**

Principle 4.8 (Effective Use of Independent Directors)	Proportion of outside committee members	2 of 3 (66.6%)
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**Other matters**

Supplementary Principle 4.2.1 (healthy incentives in management compensation)	Proportion of Executive Directors' compensation that is performance-based compensation*	40%
	Proportion of Executive Directors' compensation that is stock compensation*	36%

\* Where performance indicators have achieved the target levels.

# Business Report

(From January 1, 2019 to December 31, 2019)

## **I Items Pertaining to the Current State of the Corporate Group**

### **1. Business Progress and Results**

#### **(1) Business progress and results**

The Japanese economy during the fiscal year 2019 under review remained on a moderate recovery track as improvements in both corporate earnings and the employment and earnings environment continued; however, the outlook became more uncertain due to weak exports and production. Meanwhile, the global economy remained uncertain due to unstable international situations from the trade friction between the United States and China, and the issue of the United Kingdom leaving the EU.

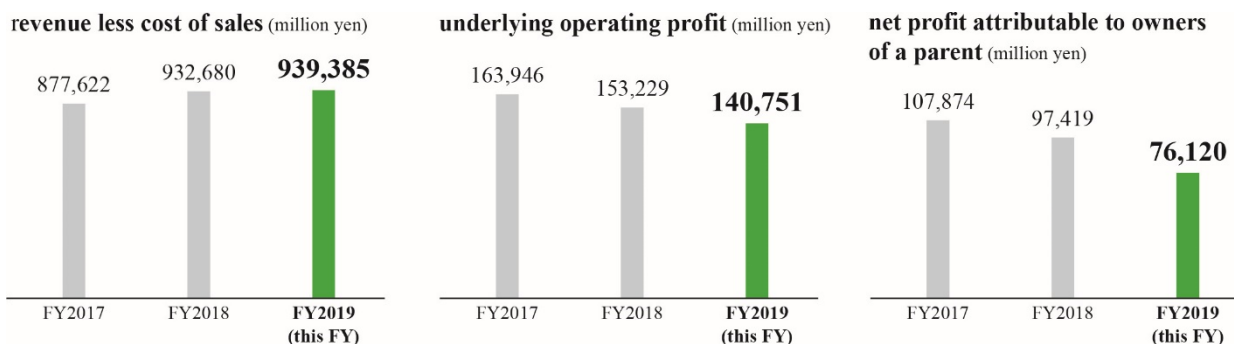
The growth rate forecast for worldwide advertising expenditure in the 2019 calendar year published in January 2020 by Dentsu Aegis Network Ltd. was 2.6%. Forecasts by region were as follows: Japan 1.2%; Europe, the Middle East and Africa (hereinafter “EMEA”) 1.7%; the Americas 3.4%; and the Asia Pacific region (excluding Japan; hereinafter “APAC”) 2.7%.

Under such circumstances, for the business results of the Group’s Japan business operations during the fiscal year under review (from January 1, 2019 to December 31, 2019) the Group posted 1,047,881 million yen in revenue (2.9% increase year on year), 939,385 million yen in revenue less cost of sales (0.7% increase year on year), and the revenue less cost of sales organic growth rate was negative 1.0%. As a result of sluggish organic growth rate, underlying operating profit was 140,751 million yen (8.1% decrease year on year), operating margin (underlying operating profit divided by revenue less cost of sales) was 15.0% (16.4% for the previous fiscal year), and the underlying net profit attributable to owners of the parent was 76,120 million yen (21.9% decrease year on year). As a result of goodwill impairment loss in the APAC region and charges for the implementation of structural reforms in international business operations, operating loss was 3,358 million yen (operating profit of 111,638 million yen for the previous fiscal year) and loss for the year attributable to owners of the parent was 80,893 million yen (profit attributable to owners of the parent of 90,316 million yen for the previous fiscal year), due to a downturn of the gain on sales of shares of associates recorded in the previous year and an increase in revaluation of earnout liabilities/M&A related put-option liabilities.

Underlying operating profit is a profit indicator to measure recurring business performance which is calculated as operating profit added with amortization of M&A related intangible assets, acquisition costs, share-based compensation expenses related to acquired companies, and one-off items such as impairment loss and gain/loss on sales of non-current assets.

Underlying net profit attributable to owners of the parent is an indicator to measure recurring net profit attributable to owners of the parent which is calculated as net profit (attributable to owners of the parent) added with adjustment items related to operating profit, gain/loss on sales of shares of associates, revaluation of earnout liabilities/M&A related put-option liabilities, tax-related and NCI profit-related and other one-off items.

(Note) An earnout is a contractual provision stating that only a certain portion of the total purchase price is to be paid at the time of the acquisition and the remaining portion is to be payable at a later date according to the future actual results of the acquired business.



## (2) Record of Income for Reportable Segments

### 1) Japan business

By business segment in Japan, turnover for the Internet (26.6% increase year on year) grew significantly due to the management integration of VOYAGE GROUP Inc. and Cyber Communications Inc., and the capital and business alliance with SEPTENI HOLDINGS CO., LTD. Meanwhile, turnover for television (4.0% decrease year on year), creative (3.5% decrease year on year), and newspapers (6.3% decrease year on year) decreased from the previous year. As a result, the revenue less cost of sales in the Japan business was 380,366 million yen (3.0% increase year on year), the revenue less cost of sales organic growth rate was 0.4%, and underlying operating profit was 72,488 million yen (9.7% decrease year on year) due to sluggish organic growth and expenditures for future growth, and operating margin was 19.1% (21.7% for the previous year).

### 2) International business

By region, the revenue less cost of sales organic growth rate from international business operations was negative 0.7% in EMEA, 2.4% in the Americas, and negative 12.3% in APAC, and was negative 1.9% overall. By major countries, profits were strong in Switzerland, Spain, Russia, Italy, the United States, and India, while results were severe in the United Kingdom, France, Brazil, China, and Australia. The revenue less cost of sales from international business operations was 559,772 million yen (0.7% decrease year on year) partly due to mergers and acquisitions, underlying operating profit was 68,361 million yen (6.3% decrease year on year) due to sluggish organic growth, and operating margin was 12.2% (12.9% for the previous fiscal year).

## (3) Financial results of the Company

In terms of non-consolidated financial results (Japanese GAAP, from January 1, 2019 to December 31, 2019), the Company posted net sales of 1,526,241 billion yen (0.9% decrease year on year), revenue less cost of sales of 215,568 billion yen (6.9% increase year on year), operating income of 37,044 million yen (23.8% decrease year on year), and ordinary income of xx million yen (xx% decrease). Net income was xx million yen (xx% decrease year on year) while there was a capital gain from selling shares of affiliated companies recorded in the previous fiscal year

## 2. Issues to be Addressed

Client needs, both in Japan and overseas, go beyond conventional advertising and communication domains, and require integrated problem-solving capabilities based on business strategies of clients and the ability to propose and implement plans that make use of data. As a result, the competitive environment surrounding the Company is getting more and more fierce. There are many occasions where the Company compete with firms other than the advertising industry such as consulting firms.

Under such environment, the Company shifted to a pure holding company (“Dentsu Group Inc.”) structure in this January. Each employee connects with each other in an open and flat manner with various perspective across organizational boundaries on a global level to invigorate innovation. Such people, in turn, offer new value one after another for challenges clients or society face by collaborating with various partners inside and outside the group and building a team flexibly. The Dentsu Group Inc., a pure holding company, supports the entire group not only by fulfilling group governance function, but also by empowering group companies and personnel as the “Teaming Company” for the purpose of creating affluent, frank and ability-oriented culture of the group.

In the first year of the Teaming Company, we will focus on creating an environment where flexible teams can be created beyond organizational barriers, providing opportunities to expand our business domains and launch new businesses, building a supporting system and offering opportunities to raise the capabilities of idea execution management to generate innovation.

#### (1) Domestic Business

##### ① Continuous promotion of labor environment reform

The Company is presumably required to provide a working environment where each employee constantly keeps good conditions, which is not only a basis for compliance with labor laws and regulations but is essential for acquiring diverse human resources to energize and maximize employee performance. In FY 2019, Dentsu Inc. continued to implement and follow up on labor environment reforms conducted in FY 2017 and 2018. As a result, total hours worked per employee decreased from 1,952 hours in FY 2018 to 1,903 hours in FY 2019. Our group is fully committed to making efforts to improve the working environment for our employees.

##### ② Strengthen business foundation in Japan

###### (A) Enhancing Capabilities in the Digital Domain

The Company executed a strategic alliance agreement with Septeni Holdings in FY 2018 for the purpose of strengthening digital business foundation, and CARTA HOLDINGS Inc. was newly established as a result of integration of VOYAGE GROUP and Cyber Communications. As they participated in our group, domestic group companies including Dentsu Digital achieved two-digit growth in domestic digital business domain in FY 2019. We made considerable progress in providing one of the best services in the digital advertising industry in Japan since our group could make the best use of managerial resources of Septeni Holdings, CARTA HOLDINGS and us. We will continue to maintain this momentum.

###### (B) Success of the Tokyo Olympic and Paralympic Games

In FY 2019, we were involved in a lot of global sports events such as the World Aquatics Championships, World Championships in Athletics, and the Rugby World Cup. In particular, the Rugby World Cup attracted a great deal of attention from around the world, and momentum for the Tokyo Olympic and Paralympic Games in this summer has greatly increased. We build a foundation for activating the Tokyo Olympic and Paralympic Games this year. The entire group is going to make the Tokyo Olympic and Paralympic Games successful by making the best use of our knowledge as to activation of sporting events and sports marketing that we have cultivated so far.

###### (C) Securing and expanding revenue sources in areas peripheral to advertising and marketing as well as areas other than advertising and marketing

Our group has long worked to expand revenue sources in areas peripheral to advertising and marketing

and new areas other than advertising and marketing. Over the past few years, we have been focusing on joint ventures with client companies. We will continue to energize the Japanese society while actively pursuing new business domains that diversify our revenue sources.

## (2) Overseas business

### ① Developing foundation

Since the acquisition of Aegis Group plc, UK company, in March 2013, we restructured its overseas business under Dentsu Aegis Network, expanding its global network through aggressive M&A activities. In addition, in FY 2016, we acquired Merkle, Inc. of the United States, which resulted in getting a large-scale data analytics-related capability and in achieving significant top-line growth.

In FY 2019, however, results were below initial plans in several markets including Australia, China, and Brazil, and the organic growth rate of revenue less cost of sales in the overseas business was negative 1.9%. On the other hand, the year-on-year growth rate was 2.5% in overseas business excluding the United Kingdom, France, China, Australia and Brazil.

Based on these results, we launched structural reforms in overseas markets (the United Kingdom, Australia, China, Germany, Brazil, France, and Singapore) in last December for the purpose of improving operating margins while steadily expanding revenues and creating a business foundation that can respond flexibly to the competitive environment surrounding our group. By steadily implementing these structural reforms, we will build a robust business foundation for our overseas operations.

### ② Response to the Competitive Environment Surrounding Overseas Business

In the past, our overseas operations have competed with the mega-agency group in the advertising industry. Over the past few years, however, we have faced a new competitive environment with other industries as in the domestic market. Clients are demanding more efficient and optimized advertising and marketing services, and marketing solutions customized by each client are increasingly required. As a result, we began to compete with more and more firms in the data analytics, user experience (UX), customer experience (CX), and consulting service.

We reorganized our overseas business operations into three business units, or lines of business: creative, media, and CRM for the purpose of providing such services as lead the market in this competitive environment. By creating a simple and flexible structure that can provide clients with integrated solutions combining creativity and data technology, we will fully respond to future changes in client needs.

In FY 2019, we tried to reinforce our CRM unit. For example, we acquired Ugam Solutions Private Limited, an Indian data analytics company with 1,800 employees for the purpose of strengthening offshore capabilities of Merkle.

Lastly, our group continues to address global social issues.

In June 2019, the G20 (Ministerial Conference on Energy Transformation and the Global Environment for Sustainable Growth) was held, and an action plan was presented on climate change, biodiversity loss, efficient use of resource, sustainable consumption and production, etc. Without resolving these social issues on a global level, companies cannot achieve sustainable growth. As a result, they must search for new relationships with society.

Our group has been engaging in the marketing and communication business, which entails a great social mission as a bridge between companies and consumers. It is essential for corporate management to emphasize ESG, or environment, society, and governance, by encouraging sustainable consumer behavior, implementing responsible communications and so forth, which we believe contributes to realizing the Sustainable Development Goals (SDGs).

Going forward, we will continue to strengthen activities as a leading global group in the field of communications, and to increase corporate value.

For more information about our individual activities such as environmental impact reduction activities, diversity and inclusion response, responsible communication/content production policies, and SDGs actions, please refer to our integrated report (<https://www.group.dentsu.com/en/sustainability/>).

### 3. Changes in Assets and Profit and Loss Status

#### (1) Changes in the Dentsu Group's assets and profit and loss status

IFRS (International Financial Reporting Standards)

	168th Term	169th Term	170th Term	171st Term (the fiscal year under review)
	From January 1, 2016 to December 31, 2016	From January 1, 2017 to December 31, 2017	From January 1, 2018 to December 31, 2018	From January 1, 2019 to December 31, 2019
Revenue (Millions of yen)	<b>838,359</b>	<b>928,841</b>	<b>1,018,512</b>	<b>1,047,881</b>
Revenue less cost of sales (Millions of yen)	<b>789,043</b>	<b>877,622</b>	<b>932,680</b>	<b>939,385</b>
Operating profit (Millions of yen)	<b>137,681</b>	<b>137,392</b>	<b>111,638</b>	<b>(3,358)</b>
Profit for the year (attributable to owners of the parent) (Millions of yen)	<b>83,501</b>	<b>105,478</b>	<b>90,316</b>	<b>(80,893)</b>
Basic earnings per share (attributable to owners of the parent) (Yen)	<b>292.85</b>	<b>373.11</b>	<b>320.39</b>	<b>(287.92)</b>
Total equity attributable to owners of the parent (Millions of yen)	<b>932,742</b>	<b>1,093,211</b>	<b>1,047,619</b>	<b>947,977</b>
Total assets (Millions of yen)	<b>3,155,230</b>	<b>3,562,857</b>	<b>3,638,488</b>	<b>3,795,729</b>

(Note 1) Basic earnings per share is calculated based on the average number of shares during the period.

#### (2) Changes in Dentsu's assets and profit and loss status

	168th Term	169th Term	170th Term	171st Term (the fiscal year under review)
	From January 1, 2016 to December 31, 2016	From January 1, 2017 to December 31, 2017	From January 1, 2018 to December 31, 2018	From January 1, 2019 to December 31, 2019
Net sales (Millions of yen)	<b>1,600,196</b>	<b>1,561,528</b>	<b>1,539,962</b>	<b>1,526,241</b>
Ordinary income (Millions of yen)	<b>97,131</b>	<b>76,837</b>	<b>75,414</b>	<b>54,303</b>
Net income (Millions of yen)	<b>91,962</b>	<b>63,556</b>	<b>94,841</b>	<b>58,294</b>
Net income per share (Yen)	<b>322.52</b>	<b>224.82</b>	<b>336.44</b>	<b>207.49</b>
Net assets (Millions of yen)	<b>857,206</b>	<b>939,212</b>	<b>991,086</b>	<b>1,048,593</b>
Total assets (Millions of yen)	<b>1,673,415</b>	<b>1,764,774</b>	<b>1,838,638</b>	<b>1,867,565</b>

(Note 1) The non-consolidated financial statements of the Company are prepared in accordance with Japanese GAAP.

(Note 2) Net income per share is calculated based on the average number of shares during the period.

#### 4. Status of the Acquisition or Disposal of Other Companies' Shares and Other Equity

January 1, 2019, the Company acquired 13,441,506 shares of common stock of CARTA HOLDINGS, INC. through a share exchange between CARTA HOLDINGS, INC. (company name changed from VOYAGE GROUP, Inc. on the same date) as the share exchange wholly-owning parent company and cyber communications inc., which was a wholly owned subsidiary of the Company, as the share exchange wholly-owned subsidiary. CARTA HOLDINGS, INC. is a holding company that holds all shares of common stock of VOYAGE GROUP, Inc. and of cyber communications inc. VOYAGE GROUP, Inc. Split Preparation Company to which all businesses (excluding rights and obligations necessary for managing subsidiaries) were transferred from the former VOYAGE GROUP, Inc. on January 1, 2019 through an absorption-type split changed its company name to VOYAGE GROUP, Inc. on the same date.

The Company sold 9.45 million common shares of Recruit Holdings it owned for approximately 28.2 billion yen in September 2019.

#### 5. Status of Financing and Capital Investment

Our group procured 660 million sterling pond (approximately 94.7 billion yen) and 196 million US dollar (approximately 21.5 billion yen) from financial institutions for the purpose of mergers and acquisitions by Dentsu Aegis Network and repayment for existing debt.

#### 6. Main Business Description of the Group

The Dentsu Group, with the communications domain at its core, is engaged in a wide range of business activities. From management and operating solutions to the implementation of marketing and communications strategies for advertisers as well as media and content holders, the Group works to provide the best integrated solutions capabilities in Japan and in the global market. Specifically, the Dentsu Group offers management and operating consulting, advertising strategy formulation and production work, ad placement in various media, various marketing services, and content services in the areas of sports and entertainment, focusing on the advertising segment, as well as communications-related services such as IT management and related consulting services.

#### 7. Main Business Offices of the Company

Headquarters (Minato-ku, Tokyo),

Dentsu Inc. Kansai (Osaka City, Osaka), Dentsu Inc. Chubu (Nagoya City, Aichi)

(Note 1) Kansai and Chubu branches were abolished as of December 31, 2019. Dentsu Inc. established Kansai and Chubu branches as of January 1, 2020.

(Note 2) Significant subsidiaries of the Company are as stated in "10. Status of Significant Subsidiaries."

#### 8 Situation of Employees of the Group

Number of Employees	Change from Previous Year-end
66,400 persons	Increase of 3,792 persons

(Note) The above number of employees indicates the number of working employees.



## 9. Major Lenders

Lender	Year-end Balance of Loans Payable (Millions of yen)
MUFG Bank, Ltd.	60,000
Syndicated loan (Note)	30,000
Meiji Yasuda Life Insurance Company	20,000
Nippon Life Insurance Company	10,000
MUFG Bank, Ltd.	152,946 [USD 1,396 million]
Mizuho Bank, Ltd.	121,958 [GBP 850 million]
Sumitomo Mitsui Banking Corporation	43,824 [USD 400 million]
Norinchukin	10,956 [USD 100 million]

(Note) Syndicate with Mizuho Bank, Ltd. as lead manager and another company.

## 10. Status of Significant Subsidiaries

Company Name	Location of headquarters	Capital or Stake	Shareholding Ratio (%)	Main Business Description
Dentsu Aegis Network Ltd.	London England	GBP 78 million	100.0	Controlling company for overseas business operations
Merkle Group Inc.	Maryland USA	USD 0 million	74.6 (74.6)	Data-driven and technological advertising marketing primarily in the USA
Beijing Dentsu Advertising Co., Ltd.	Beijing China	RMB 142 million	100.0	Advertising in China
CARTA HOLDINGS, INC	Chuo-ku, Tokyo	1,096 million yen	52.9	Managerial control over partner sales (media representative), ad-platform, and consumer business
Dentsu Digital Inc.	Minato-ku, Tokyo	442 million yen	100.0	Consulting; development and implementation; and operational and execution support concerning all aspects of digital marketing
Dentsu Tec Inc.	Chiyoda-ku, Tokyo	1,000 million yen	100.0	Planning and production for sales promotions, events, print, etc.
Information Services International-Dentsu, Ltd.	Minato-ku, Tokyo	8,180 million yen	61.8 (0.0)	Information systems building; software sales and support for various business areas

(Note 1) The Shareholding Ratio is the holding ratio of voting rights. The figures in parentheses in Shareholding Ratio represent shares held indirectly.

(Note 2) The number of consolidated subsidiaries, including significant subsidiaries, is 976 companies, and the number of associates accounted for using the equity method affiliates is xx companies.

(Note 3) Dentsu Inc. became our specific entire subsidiary as of January 1, 2020, whose address is 1-8-1 Higashi-shimbashi, Minato-ku, Tokyo; book value is approximately 47.5 billion yen; and total asset is 488 billion yen.

## 11. Status of Company-split

In order to shift to a pure holding company structure, Dentsu Inc. (“Dentsu”) and Dentsu Successor Preparatory Corporation Inc. (the “Successor Company”), a preparatory company completely owned by Dentsu, implemented absorption-type company split effective as of January 1, 2020 approved by the 170th ordinary meeting of shareholders, whereby the Successor Company succeeded to any and all businesses operated by Dentsu. The trade name of Dentsu was changed to “Dentsu Group Inc.” and that of the Successor Company to “Dentsu Inc.” on the same day.

## 12. Policy Regarding Exercise of Right to Determine Distribution of Surplus, etc., by the Board of Directors as Stipulated in the Articles of Incorporation (Article 459, Paragraph 1 of the Companies Act)

Regarding matters provided for in each Item of Article 459, Paragraph 1 of the Companies Act, such as the distribution of dividends, etc., the Company has stipulated in the Articles of Incorporation that it may decide upon such matters by a resolution of the Board of Directors, unless otherwise provided for in the applicable laws and regulations.

Dentsu considers the return of profits an important management issue. Dentsu will work for comprehensive profit return through a combination of a maximization of corporate value through long-term business growth, continued and stable dividend distribution, flexible acquisition of treasury shares, etc., in accordance with the changes in the management environment surrounding the Company. Dividends for each term shall be decided taking into consideration the necessary internal reserve for sustained investment for business growth, consolidated performance trends, financial situation and other factors, while placing an emphasis on stability. While paying attention to the stability of management and financial soundness, the Company is aggressively seeking to create additional business opportunities by responding to the globalization of corporate activities, technological development, etc., through aggressive activities such as investment. By further improving the Group’s competitiveness, profitability and business growth, the Company wishes to enhance returns to shareholders through improving fundamental corporate value.

The year-end dividend for this year was resolved to be 47.5 yen per share at the meeting of the Board of Directors held on February 13, 2020, comprehensively taking into consideration the aforementioned factors. As a result, because Dentsu has already paid 47.5 yen per share as an interim dividend, the annual dividend will be 95 yen per share.

## II Shares and Subscription Rights to Shares

Pursuant to laws and regulations and Article 19 of the Company’s Articles of Incorporation, the above items are provided to shareholders on the Company’s website (<https://www.group.dentsu.com/en/ir/stockandratings/shareholdersmeeting.html>).

### III Items Related to Company Executives

#### 1. Names, etc., of Directors

Name	Position and Responsibilities
Toshihiro Yamamoto	Representative Director, President & CEO
Yoshio Takada	Representative Director, Executive Officer (Responsibilities) Assistant to President, in charge of overall construction and special assignment (Rugby World Cup 2019, Tokyo2020 Olympic and Paralympic Games)
Nobuyuki Tohya	Representative Director, Executive Officer (Responsibilities) Assistant to President and management of group corporate
Shun Sakurai	Director, Executive Officer (Responsibilities) Assistant to President and management of group-wide basis
Timothy Andree	Director, Executive Officer (Responsibilities) Management of overseas operations
Arinobu Soga	Director, Executive Officer (Responsibilities) CFO, assistant to President, assistant to management of group corporate and assistant to management of overseas operations
Hiroshi Igarashi	Director, Executive Officer (Responsibilities) Management of domestic operations
Nobuko Matsubara	Director
Yoshiharu Sengoku	Director, Audit and Supervisory Committee Member (full-time)
Atsuko Toyama	Director, Audit and Supervisory Committee Member
Toshiaki Hasegawa	Director, Audit and Supervisory Committee Member
Kentaro Koga	Director, Audit and Supervisory Committee Member
Etsuko Katsu	Director, Audit and Supervisory Committee Member

(Notes)

1. Director Mr. Wataru Mochizuki resigned from their positions as Directors with the expiration of their terms of office at the conclusion of the March 29, 2018 Ordinary General Meeting of Shareholders. Director Ms. Atsuko Toyama resigned from their positions as Directors at the conclusion of the March 29, 2018 Ordinary General Meeting of Shareholders.
2. Of the Directors, Mr. Toshiaki Hasegawa, Mr. Kentaro Koga, Ms. Nobuko Matsubara and Ms. Etsuko Katsu are outside directors pursuant to Article 2, Item 15 of the Companies Act.
3. Of the Directors, Mr. Toshiaki Hasegawa, Mr. Kentaro Koga, Ms. Nobuko Matsubara and Ms. Etsuko Katsu are designated Independent Directors pursuant to the Tokyo Stock Exchange Securities Listing Regulations.
4. Director who is a member of the Audit and Supervisory Committee Mr. Kentaro Koga has many years of experience as a university associate professor (accounting) and has an appreciable extent of knowledge on finance and accounting.
5. The Company has concluded a contract for limitation of liability with each of Directors Mr. Yoshiharu Sengoku, Ms. Atsuko Toyama, Mr. Toshiaki Hasegawa, Mr. Kentaro Koga, Ms. Nobuko Matsubara and Ms. Etsuko Katsu for a maximum liability amount of 10 million yen or the minimum liability amount stipulated in Article 423, Paragraph 1 of the Companies Act, whichever is higher. The Company has directors and officers liability insurance (D&O insurance) for directors, corporate auditors, executive officers who assumed office after October 1992, and their heirs without costs incurred by them. Such insurance does not cover claims resulting from willful misconduct or gross negligence of directors, executive officers and so forth.
6. To work toward further enrichment of the duties of the Audit and Supervisory Committee, the Company designates a full-time member of the Audit and Supervisory Committee, and Director Yoshiharu Sengoku fulfills this role.
7. The Company has directors and officers liability insurance (D&O insurance) for directors, corporate auditors, executive officers who assumed office after October 1992, and their heirs without costs incurred by them. Such insurance does not cover claims resulting from willful misconduct or gross negligence of directors, executive officers and so forth.
8. Director Yoshio Takada and Nobuyuki Tohya assumed office of representative directors of Dentsu Inc. as of January 1, 2020.

## 2. Situation of Important Concurrent Posts

Pursuant to laws and regulations and Article 19 of the Company's Articles of Incorporation, the above items are provided to shareholders on the Company's website

(<https://www.group.dentsu.com/en/ir/stockandratings/shareholdersmeeting.html>).

## 3. Total Amount of Remuneration for Company Executives

Class	Number	Total amount of compensation (million yen)	Total amount by type of compensation (million yen)			
			Fixed compensation		Variable compensation	
			Monetary compensation		Stock compensation	
			Basic annual compensation	Annual bonus	Medium- to long-term bonus	
Directors who are not Audit and Supervisory Committee Members	Internal	8 [8]	413 [355]	330 [272]	-	83 [83]
	Outside	1	15	15	-	-
Directors who are Audit and Supervisory Committee Members	Internal	1	36	36	-	-
	Outside	4	45	45	-	-

(Notes)

- Some of the internal Directors who are not members of the Audit and Supervisory Committee concurrently serve as Executive Officers. The portion of the compensation amounts corresponding to compensation for these Directors in their capacity as Executive Officers is shown in square brackets above.
- The maximum amounts of compensation for the Company's Directors (including Executive Officers' compensation, for those Directors concurrently serving as Executive Officers) are as follows:
  - Monetary compensation

The maximum total amount of monetary compensation for Directors who are not Audit and Supervisory Committee Members is 1,200 million yen per year, in accordance with the resolution of the 167th Ordinary General Meeting of Shareholders.

The maximum total amount of monetary compensation for Directors who are Audit and Supervisory Committee Members is 150 million yen per year, in accordance with the resolution of the 167th Ordinary General Meeting of Shareholders.
  - Stock compensation

The maximum total amount contributed per fiscal year by the Company for the purchase of its common shares through the trust established in the Performance-based Stock Compensation Plan for internal Directors who are not Audit and Supervisory Committee Members (limited to Directors who concurrently serve as Executive Officers; the same limitation applies hereinafter in this section) is 900 million yen, and the maximum number of common shares of the Company distributed to internal Directors who are not Audit and Supervisory Committee Members is 360,000 shares, in accordance with the resolution of the 170th Ordinary General Meeting of Shareholders.
- The monetary amounts shown for stock compensation (medium- to long-term bonus) above are the amounts recorded as expenses under Japanese GAAP in the fiscal year under review.
- "Basic annual compensation" in the table above includes the amount for one Director whose term of office expired and retired from his position as Director who is not an Audit and Supervisory Committee Member at the conclusion of the March 28, 2019 Ordinary General Meeting of Shareholders, and for one Director who resigned from his position as Director who is an Audit and Supervisory Committee Member at the conclusion of the March 28, 2019 Ordinary General Meeting of Shareholders.
- There is no annual bonus to be shown for the fiscal year under review.
- The Audit and Supervisory Committee, in response to the Board of Directors, checked the determination policy, the approach, and the deliberation process for Directors' compensation, as responded by the Nomination and Compensation Advisory Committee (composed of three Directors: two Outside Directors who are Audit and Supervisory Committee Members and one Representative Director, President & CEO), but no significant issues were found.

#### **4. Items Related to Outside Directors**

Pursuant to laws and regulations and Article 19 of the Company's Articles of Incorporation, the above items are provided to shareholders on the Company's website (<https://www.group.dentsu.com/en/ir/stockandratings/shareholdersmeeting.html>).

#### **IV Items Related to the Accounting Auditor**

Pursuant to laws and regulations and Article 19 of the Company's Articles of Incorporation, the above items are provided to shareholders on the Company's website (<https://www.group.dentsu.com/en/ir/stockandratings/shareholdersmeeting.html>).

#### **V Company Policy**

Pursuant to laws and regulations and Article 19 of the Company's Articles of Incorporation, the above items are provided to shareholders on the Company's website (<https://www.group.dentsu.com/en/ir/stockandratings/shareholdersmeeting.html>).

## Consolidated Statement of Financial Position

(As of December 31, 2019)

(Unit: Million yen)

<b>Assets</b>		<b>Liabilities and Equity</b>	
Account item	Amount	Account item	Amount
Current assets	1,933,691	Current liabilities	1,859,224
Cash and cash equivalents	414,055	Trade and other payables	1,390,778
Trade and other receivables	1,424,127	Borrowings	184,816
Inventories	21,007	Other financial liabilities	72,863
Other financial assets	15,859	Income tax payables	17,689
Other current assets	57,976	Provisions	8,554
Non-current assets classified as held for sale	665	Other current liabilities	184,326
Liabilities directly associated with non-current assets classified as held for sale			195
Non-current assets	1,862,037	Non-current liabilities	883,970
Property, plant and equipment	315,116	Corporate bonds and borrowings	439,110
Goodwill	754,796	Other financial liabilities	283,711
Intangible assets	245,517	Liability for retirement benefits	24,254
Investment property	36,835	Provisions	4,389
Investments accounted for using the equity method	47,662	Other non-current liabilities	27,717
Other financial assets	423,410	Deferred tax liabilities	104,787
Other non-current assets	15,052	<b>Total liabilities</b>	<b>2,743,195</b>
Deferred tax assets	23,645	Total equity attributable to owners of the parent	974,977
<b>Total assets</b>	<b>3,795,729</b>	Share capital	74,609
		Share premium account	100,102
		Treasury shares	(60,202)
		Other components of equity	206,649
		Retained earnings	653,818
		Non-controlling interests	77,556
		<b>Total equity</b>	<b>1,052,533</b>
		<b>Total liabilities and equity</b>	<b>3,795,729</b>

## Consolidated Statement of Income

(From January 1, 2019 to December 31, 2019)

(Unit: Million yen)

Account item	Amount
Turnover (Note)	5,146,802
Revenue	1,047,881
Cost	108,496
Revenue less cost of sales	939,385
Selling, general and administrative expenses	835,195
Provision of allowance for doubtful accounts	4,829
Business restructuring cost	19,682
Impairment loss	73,670
Other income	7,814
Other expenses	17,180
Operating loss	(3,358)
Share of results of associates	517
Revaluation gain on step acquisition	2,175
Loss before interest and tax	(665)
Finance income	6,819
Finance costs	48,922
Loss before tax	(42,769)
Income tax expense	30,136
Loss for the year	(72,905)
Loss attributable to:	
Owners of the parent	(80,893)
Non-controlling interests	7,987

(Note) Turnover represents the total amount billed and billable to clients by the Group, net of discounts, VAT and other sales-related taxes. Disclosure of turnover information is not required under IFRS; however, it is voluntarily disclosed in the Consolidated Statement of Income since management has concluded the information is useful for users of financial statements.

## Consolidated Statement of Changes in Equity

(From January 1, 2019 to December 31, 2019)

(Unit: Million yen)

	Total equity attributable to owners of the parent					
	Share capital	Share premium account	Treasury shares	Other components of equity		
				Exchange differences on translation of foreign operations	Effective portion of the change in the fair value of cash flow hedges	Net change in financial assets designated as at fair value through other comprehensive income
As of January 1, 2019	74,609	99,751	(40,194)	23,888	6,364	130,482
Cumulative effects of changes in accounting policies						
Restated balance as of January 1, 2019	74,609	99,751	(40,194)	23,888	6,364	130,482
Profit (Loss) for the year						
Other comprehensive income				2,670	(3,412)	59,341
Comprehensive income for the year	-	-	-	2,670	(3,412)	59,341
Repurchase of treasury shares			(20,008)			
Disposal of treasury shares		(0)	1			
Dividends						
Transactions with non-controlling interests						
Transfer from other components of equity to retained earnings						(12,685)
Other changes		351				
Transactions with owners – total	-	351	(20,007)	-	-	(12,685)
As of December 31, 2019	74,609	100,102	(60,202)	26,559	2,952	177,137



(Unit: Million yen)

	Total equity attributable to owners of the parent					
	Other components of equity		Retained earnings	Total	Non-controlling interests	Total equity
	Remeasurements of defined benefit plans	Total				
As of January 1, 2019	-	160,735	752,717	1,047,619	63,129	1,110,749
Cumulative effects of changes in accounting policies		-	(8,417)	(8,417)	(557)	(8,975)
Restated balance as of January 1, 2019	-	160,735	744,299	1,039,202	62,572	1,101,774
Profit (Loss) for the year		-	(80,893)	(80,893)	7,987	(72,905)
Other comprehensive income	4,980	63,580		63,580	213	63,793
Comprehensive income for the year	4,980	63,580	(80,893)	(17,313)	8,201	(9,112)
Repurchase of treasury shares		-		(20,008)		(20,008)
Disposal of treasury shares		-		0		0
Dividends		-	(26,075)	(26,075)	(2,416)	(28,491)
Transactions with non-controlling interests		-	(1,242)	(1,242)	9,225	7,983
Transfer from other components of equity to retained earnings	(4,980)	(17,666)	17,666	-		-
Other changes		-	63	415	(26)	388
Transactions with owners – total	(4,980)	(17,666)	(9,587)	(46,911)	6,782	(40,128)
As of December 31, 2019	-	206,649	653,818	974,977	77,556	1,052,533

## Nonconsolidated Balance Sheet

(As of December 31, 2019)

(Unit: Million yen)

<b>Assets</b>		<b>Liabilities</b>	
Account item	Amount	Account item	Amount
<b>Current assets</b>	<b>630,481</b>	<b>Current liabilities</b>	<b>553,498</b>
Cash and deposits	208,560	Notes payable-trade	5,824
Notes receivable-trade	29,653	Accounts payable-trade	337,523
Accounts receivable-trade	321,441	Short-term loans payable	119,151
Works	1,714	Current portion of long-term loans payable	32,720
Work in process	6,566	Lease obligations	4
Supplies	37	Other payables	11,204
Prepaid expenses	2,549	Accrued expenses	12,009
Other	60,111	Advances received	16,425
Allowance for doubtful accounts	(153)	Deposits received	1,560
		Unearned revenue	88
		Other	16,985
<b>Non-current assets</b>	<b>1,237,084</b>	<b>Non-current liabilities</b>	<b>265,473</b>
Property, plant and equipment	181,996	Bonds payable	80,000
Buildings, net	46,110	Long-term loans payable	94,240
Structures, net	669	Lease obligations	10
Vehicles, net	20	Provision for retirement benefits	18,098
Tools, furniture and fixtures, net	2,575	Provision for share-based remuneration for directors (and other officers)	326
Land	132,620	Deferred tax liabilities	64,499
		Deferred tax liabilities for land revaluation	4,276
<b>Intangible assets</b>	<b>13,234</b>	Asset retirement obligations	440
Software	13,065	Other	3,581
Other	168		
<b>Investments and other assets</b>	<b>1,041,853</b>	<b>Total liabilities</b>	<b>818,971</b>
Investment securities	322,838	<b>Net Assets</b>	
Shares of subsidiaries and associates	583,431	Shareholders' equity	875,318
Investments in other securities of subsidiaries and associates	55,899	Capital stock	74,609
Investments in capital of subsidiaries and associates	15,777	Capital surplus	99,835
Long-term loans receivable	45,048	Legal capital surplus	76,541
Other	20,037	Other capital surplus	23,293
Allowance for doubtful accounts	(1,180)	Retained earnings	760,804
		Legal retained earnings	722
		Other retained earnings	760,082
		Reserve for advanced depreciation of non-current assets	1,698
		General reserve	445,500
		Retained earnings brought forward	312,883
		Treasury shares	(59,931)
		Valuation and translation adjustments	173,275
		Valuation difference on available-for-sale securities	177,196
		Deferred gains or losses on hedges	5,988
		Revaluation reserve for land	(9,909)
<b>Total assets</b>	<b>1,867,565</b>	<b>Total net assets</b>	<b>1,048,593</b>
		<b>Total liabilities and net assets</b>	<b>1,867,565</b>

## Nonconsolidated Statement of Income

(From January 1, 2019 to December 31, 2019)

(Unit: Million yen)

Account item	Amount	
Net sales		1,526,241
Cost of sales		1,310,673
Gross profit		215,568
Selling, general, and administrative expenses		178,524
Operating income		37,044
Non-operating income		
Interest and dividend income	17,527	
Profit distributions	5,818	
Other	3,101	26,447
Non-operating expenses		
Interest expenses	1,148	
Loss on investments in investment partnerships	1,300	
Amortization of long-term prepaid expenses	4,577	
Other	2,162	9,188
Ordinary income		54,303
Extraordinary income		
Gain on sales of non-current assets	5,155	
Gain on sales of investment securities	25,804	
Other	29	30,989
Extraordinary loss		
Loss on sales of non-current assets	62	
Loss on valuation of investment securities	3,885	
Loss on valuation of shares of subsidiaries and associates	743	
Other	118	4,809
Income before income taxes		80,482
Income taxes-current	16,785	
Income taxes-deferred	5,403	22,188
Net income		58,294

## Nonconsolidated Statement of Changes in Net Assets

(From January 1, 2019 to December 31, 2019)

(Unit: Million yen)

	Shareholders' equity			
	Capital stock	Capital surplus		
		Legal capital surplus	Other capital surplus	Total capital surplus
As of January 1, 2019	74,609	76,541	23,564	100,106
Changes of items during the period				
Dividends from retained earnings				-
Reversal of reserve for advanced depreciation of non-current assets				-
Net income				-
Purchase of treasury shares				-
Disposal of treasury shares			(271)	(271)
Changes in items other than shareholders' equity during the period – net				-
Total changes of items during the period	-	-	(271)	(271)
As of December 31, 2019	74,609	76,541	23,293	99,835

	Shareholders' equity							
	Retained earnings						Treasury shares	Total shareholders' equity
	Legal retained earnings	Other retained earnings				Total retained earnings		
		Reserve for advanced depreciation of non-current assets	General reserve	Retained earnings brought forward	Total retained earnings			
Total retained earnings								
As of January 1, 2019	722	3,722	445,500	278,647	728,592	(40,194)	863,114	
Changes of items during the period								
Dividends from retained earnings				(26,082)	(26,082)		(26,082)	
Reversal of reserve for advanced depreciation of non-current assets		(2,023)		2,023	-		-	
Net income				58,294	58,294		58,294	
Purchase of treasury shares					-	(20,663)	(20,663)	
Disposal of treasury shares					-	926	655	
Changes in items other than shareholders' equity during the period – net					-		-	
Total changes of items during the period	-	(2,023)	-	34,235	32,211	(19,737)	12,203	
As of December 31, 2019	722	1,698	445,500	312,883	760,804	(59,931)	875,318	

(Unit: Million yen)

	Valuation and translation adjustments				Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Revaluation reserve for land	Total valuation and translation adjustments	
As of January 1, 2019	131,151	6,729	(9,909)	127,971	991,086
Changes of items during the period					
Dividends from retained earnings				-	(26,082)
Reversal of reserve for advanced depreciation of non-current assets				-	-
Net income				-	58,294
Purchase of treasury shares				-	(20,663)
Disposal of treasury shares				-	655
Changes in items other than shareholders' equity during the period – net	46,044	(741)		45,303	45,303
Total changes of items during the period	46,044	(741)	-	45,303	57,506
As of December 31, 2019	177,196	5,988	(9,909)	173,275	1,048,593

**Independent Auditor's Report**

February 17, 2020

The Board of Directors  
Dentsu Group Inc.

KPMG AZSA LLC  
(Seal)  
Designated Limited Liability Partner  
Engagement Partner  
Certified Public Accountant  
(Seal)  
Designated Limited Liability Partner  
Engagement Partner  
Certified Public Accountant  
(Seal)  
Designated Limited Liability Partner  
Engagement Partner  
Certified Public Accountant

We have audited the consolidated financial statements, comprising the consolidated statement of financial position, the consolidated statement of income, the consolidated statement of changes in equity and the related notes of Dentsu Group Inc. (formerly Dentsu Inc.) as at December 31, 2019 and for the year from January 1, 2019 to December 31, 2019 in accordance with Article 444-4 of the Companies Act.

**Management's Responsibility for the Consolidated Financial Statements**

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the latter part of Article 120-1 of the Ordinance of Companies Accounting that prescribes some omissions of disclosure items required by International Financial Reporting Standards accounting principles, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

**Auditor's Responsibility**

Our responsibility is to express an opinion on the consolidated financial statements based on our audit as independent auditor. We conducted our audit in accordance with auditing standards generally accepted in Japan. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, while the objective of the financial statement audit is not to express an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**Opinion**

In our opinion, the consolidated financial statements referred to above, which were prepared in accordance with the latter part of Article 120-1 of the Ordinance of Companies Accounting that prescribes some omissions of disclosure items required by International Financial Reporting Standards, present fairly, in all material respects, the financial position and the results of operations of Dentsu Group Inc. (formerly Dentsu Inc.) and its consolidated subsidiaries for the period, for which the consolidated financial statements were prepared.

**Emphasis of Matter**

We draw attention to the significant subsequent events in the notes to consolidated financial statements, stating that the Company executed an absorption-type company split on January 1, 2020, whereby the businesses operated by the Company were succeeded by the Successor Company, and the Company transitioned to a holding company effective that day.

Our opinion is not modified in respect of this matter.

**Other Matter**

Our firm and engagement partners have no interest in the Company which should be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

**Notes to the Reader of Independent Auditor's Report:**

The Independent Auditor's Report herein is the English translation of the Independent Auditor's Report as required by the Companies Act.

**Independent Auditor's Report**

February 17, 2020

The Board of Directors  
Dentsu Group Inc.

KPMG AZSA LLC  
(Seal)  
Designated Limited Liability Partner  
Engagement Partner  
Certified Public Accountant  
(Seal)  
Designated Limited Liability Partner  
Engagement Partner  
Certified Public Accountant  
(Seal)  
Designated Limited Liability Partner  
Engagement Partner  
Certified Public Accountant

We have audited the financial statements, comprising the nonconsolidated balance sheet, the nonconsolidated statement of income, the nonconsolidated statement of changes in net assets and the related notes, and the supplementary schedules of Dentsu Group Inc. (formerly Dentsu Inc.) as at December 31, 2019 and for the year from January 1, 2019 to December 31, 2019 in accordance with Article 436-2-1 of the Companies Act.

**Management's Responsibility for the Financial Statements and Others**

Management is responsible for the preparation and fair presentation of the financial statements and the supplementary schedules in accordance with accounting principles generally accepted in Japan, and for such internal control as management determines is necessary to enable the preparation of financial statements and the supplementary schedules that are free from material misstatement, whether due to fraud or error.

**Auditor's Responsibility**

Our responsibility is to express an opinion on the financial statements and the supplementary schedules based on our audit as independent auditor. We conducted our audit in accordance with auditing standards generally accepted in Japan. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements and the supplementary schedules are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements and the supplementary schedules. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial statements and the supplementary schedules, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the financial statements and the supplementary schedules in order to design audit procedures that are appropriate in the circumstances, while the objective of the financial statement audit is not to express an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements and the supplementary schedules.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**Opinion**

In our opinion, the financial statements and the supplementary schedules referred to above present fairly, in all material respects, the financial position and the results of operations of Dentsu Group Inc. for the period, for which the financial statements and the supplementary schedules were prepared, in accordance with accounting principles generally accepted in Japan.

**Emphasis of Matter**

We draw attention to the significant subsequent events in the notes to nonconsolidated financial statements, stating that the Company executed an absorption-type company split on January 1, 2020, whereby the businesses operated by the Company were succeeded by the Successor Company, and the Company transitioned to a holding company effective that day.

Our opinion is not modified in respect of this matter.

**Other Matter**

Our firm and engagement partners have no interest in the Company which should be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

**Notes to the Reader of Independent Auditor's Report:**

The Independent Auditor's Report herein is the English translation of the Independent Auditor's Report as required by the Companies Act.

## Audit Report

We have created this Auditors' Report based on the unanimous opinions of all Audit and Supervisory Committee Members, concerning the Directors' execution of their duties over the Company's 171st fiscal year between January 1, 2019 and December 31, 2019. The Auditors' Report is as follows.

### 1. Methods and contents of the audits undertaken by the Audit and Supervisory Committee

We have, in addition to setting out the guiding principles for undertaking audits, allocating audit-related duties, etc., and receiving reports from each Audit and Supervisory Committee Member on the implementation status and results of their audits, also received reports from Directors, Executive Officers, and Accounting Auditors on the execution status of their duties, and requested explanations of them as necessary.

Each Audit and Supervisory Committee Member has communicated with Directors and Executive Officers in accordance with the Audit and Supervisory Committee's Standards and in accordance with the Audit Plan (concerning guiding principles for undertaking audits, allocating audit-related duties, etc.) which was established through consultations among all Audit and Supervisory Committee Members, made all efforts to gather information and maintain an appropriate environment for the audit, and audited Directors and Executive Officers' execution of their duties so as to ensure their compliance with the law and the sound management of the Company.

#### (1) Methods and contents of the audit relating to the Business Report

In addition to attending the Board of Directors Meeting, other important meetings and committees, we have received reports from the Directors, Executive Officers, and others on the execution status of their duties, requested explanations of them as necessary, inspected important documents, etc., including written authorizations, received regular reports from the Internal Audit Office and Legal Affairs Division, and surveyed the state of operations and assets at the Company, including the internal control systems such as the structure for legal compliance and other areas and the risk management structure.

With regard to internal control systems, we have received regular reports from the Directors, Executive Officers, and others on the status of the establishment and operation of structures, requested explanations as necessary, and expressed our opinion on the contents of resolutions passed at Board of Directors' meetings on matters set out in Article 399-13, Paragraph 1, Item 1 (b) and (c) of the Companies Act and the structures which are being maintained based on the resolutions in question, based on the Guidelines for the Audit and Supervisory Committee's Implementation of Audits of Internal Control Systems and the Checklist for the Audit and Supervisory Committee's Implementation of Audits of Internal Control Systems established through consultations among all Audit and Supervisory Committee Members.

In addition, with regard to internal controls related to the Financial Report, we have received reports from the Directors, Executive Officers, and others as well as from Accounting Auditors on the evaluation of the internal controls in question and on the status of the audit, and have requested explanations as necessary.

From the perspective of auditing the Dentsu Group as a whole, in addition to attending the relevant committee meetings we have communicated with the Directors, Auditors, and other officers of major subsidiary companies, etc., conveyed information on a mutual basis, exchanged opinions and received reports from the Internal Audit Office on the status of audits of Group companies. We have also traveled to the major subsidiary companies as necessary where we have received explanations on the situation in the companies in question and exchanged opinions.

We have also requested the Directors to submit confirmation letters of Directors' execution of duties concerning competitive transactions by Directors, transactions where there is a conflict of interest between the Director and the Company, any pro grata payoffs provided by the Company, any transactions with subsidiary companies or shareholders which fall outside regular practices and the acquisition and disposal, etc., of treasury shares, and have surveyed these letters.

#### (2) Methods and contents of audits concerning financial statements, annexed specifications, and consolidated financial statements

In addition to the above, we have monitored and verified the Accounting Auditors to ascertain whether they have maintained an independent position and carried out their audits appropriately, while receiving reports from Accounting Auditors on the execution status of their duties and requesting explanations on an as-needed basis. We have also received notifications from the Accounting Auditors stating that the structures intended to ensure that duties are carried out appropriately (i.e., the items set out in the company accounting regulations) have been maintained appropriately in accordance with the Quality Management Standards for Audits, and requested explanations as necessary.

Based on the above methods, we have added our reviews to the Business Report and annexed specifications for the fiscal year in question, the financial statements for the fiscal year in question (comprising the balance sheet, statement of income, statement of changes in net assets, and notes to financial statements) and their annexed specifications, and to the consolidated financial statements (comprising the consolidated statement of financial position, consolidated statement of income, consolidated statement of changes in equity, and notes to consolidated financial statements, prepared in accordance with stipulations of Article 120, Paragraph 1 of the Ordinance on Company Accounting, which allow for preparation with the omission of a portion of items required for disclosure by International Financial Reporting Standards), and have reviewed the Accounting Auditors' methods and results.



2. Audit results

(1) Results of the audit of the Business Report

- 1) We recognize the Business Report and annexed specifications as being in accordance with the law and regulations, and as representing the situation of the company correctly.
- 2) We do not consider that any fraudulent acts or major violations of the law or regulations have been committed by the Directors in the execution of their duties, including in any duties concerning subsidiary companies, etc.
- 3) We recognize the contents of the resolutions formed by the Board of Directors regarding the internal control systems as being appropriate. We do not recognize any items which require special mention regarding the contents of the Business Report concerning the internal control systems in question nor Directors' execution of duties, including the internal control systems for financial statements.

(2) Results of the audit of financial statements and annexed specifications and consolidated financial statements

We recognize the methods and results of KPMG AZSA LLC, the limited liability audit corporation carrying out the audit as being appropriate.

February 18, 2020

Dentsu Group Inc. Audit and Supervisory Committee

Full-time Audit and Supervisory Committee Member

Yoshiharu Sengoku (Seal)

Audit and Supervisory Committee Member

Toshiaki Hasegawa (Seal)

Audit and Supervisory Committee Member

Kentaro Koga (Seal)

Audit and Supervisory Committee Member

Etsuko Katsu (Seal)

(Note) Audit and Supervisory Committee Member Atsuko Toyama, Audit and Supervisory Committee Member Toshiaki Hasegawa and Audit and Supervisory Committee Member Kentaro Koga are Outside Directors pursuant to Article 2, Item 15 and Article 331, Paragraph 6 of the Companies Act.

## Shareholders' Memo

Fiscal year	January 1 to December 31	Administrator of the shareholders' register	Mitsubishi UFJ Trust and Banking Corporation
Record date	December 31 (year-end dividend) June 30 (interim dividend)	Agency administrating special accounts	Mitsubishi UFJ Trust and Banking Corporation Mizuho Trust & Banking Co., Ltd.*
Trading unit	100 shares	Method of displaying public notices	Published in The Nikkei newspaper
Listing	First Section of the Tokyo Stock Exchange		

Information concerning the buyback and additional purchase system for numbers of shares less than one trading unit (fractional shares)

Numbers of shares less than one trading unit (hereinafter "fractional shares") cannot be traded on the stock exchange, so the Company has prepared the following system for those shareholders who wish to dispose of fractional shares.

Please inquire at the brokerage firm or other agency where you opened your account. Where the fractional shares are held in a special account, please direct inquiries to the agency administrating special accounts.

● Buyback of fractional shares

Fractional shares may be sold back to the Company.

● Additional purchase of fractional shares

Additional fractional shares may be purchased from the Company to bring the total number of fractional shares up to one trading unit (100 shares), and combined into one trading unit.

Administrator of the shareholders' register (contact details)	Mitsubishi UFJ Trust and Banking Corporation Stock Transfer Agency Department 1-1 Nikkocho, Fuchu-shi, Tokyo Phone: 0120-232-711 (toll-free, reception hours: 9:00 AM to 5:00 PM excluding weekends and public holidays) Postal address: Mitsubishi UFJ Trust and Banking Corporation Stock Transfer Agency Department P.O. Box 29, Shin Tokyo Post Office 137-8081
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Agency administrating special accounts	Mitsubishi UFJ Trust and Banking Corporation Stock Transfer Agency Department 1-1 Nikkocho, Fuchu-shi, Tokyo Phone: 0120-232-711 (toll-free, reception hours: 9:00 AM to 5:00 PM excluding weekends and public holidays) Postal address: Mitsubishi UFJ Trust and Banking Corporation Stock Transfer Agency Department P.O. Box 29, Shin Tokyo Post Office 137-8081
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\* Agency administrating special accounts related to the former Cyber Communications inc.:

Mizuho Trust & Banking Co., Ltd. Stock Transfer Agency Department  
2-8-4 Izumi, Suginami-ku, Tokyo 168-8507  
Phone: 0120-288-324  
(toll-free, reception hours: 9:00 AM to 5:00 PM excluding weekends and public holidays)

\* Mizuho Trust & Banking Co., Ltd. is the agency administrating special accounts for those shareholders who held shares in former Cyber Communications inc. in special accounts on July 30, 2009, the day prior to the day when the share exchange between the Company and Cyber Communications inc. came into effect.

Share-related inquiries

- Shares held in an account at a brokerage firm or other agency  
Please inquire at the brokerage firm or other agency where you opened the account.  
The agency administrating special accounts cannot respond to these inquiries.
- Shares held in a special account  
Please contact the agency administrating special accounts.
- Unclaimed dividends and mail from the Company  
Please contact the administrator of the shareholders' register

# General Meeting of Shareholders venue access map

## Venue: Belle Salle Shiodome

B1, Sumitomo Realty & Development Shiodome Hamarikyu Building  
8-21-1, Ginza, Chuo-ku, Tokyo

Staff will be positioned along the route through the **underground walkway** from the direction of Shimbashi Station to guide you.

## Shimbashi Station (10 minutes by foot)

- JR Karasumori Exit or Shiodome Exit
- Toei Asakusa Line JR Shimbashi Station Shiodome underground gate
- Tokyo Metro Ginza Line Gate for JR Line

## Shiodome Station (5 minutes by foot)

- Toei Oedo Line Exit for Shimbashi Station

< Inquiries regarding the General Meeting of Shareholders >

## Dentsu Group Inc.

1-8-1, Higashi-shimbashi, Minato-ku, Tokyo 105-7050

Phone: 03-6217-6600 (reception)

- Requests:
- \* Please refrain from traveling to the meeting by car, as heavy traffic is expected in the roads and car parks in the vicinity of the venue on the day.
  - \* No gifts or souvenirs have been prepared for shareholders who attend the General Meeting of Shareholders. We request your understanding in this matter.

