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**Notice of Convocation of the 176th  
Ordinary General Meeting of Shareholders  
Dentsu Group Inc.**



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Provided to Shareholders as a Booklet

Posted on the website and provided to shareholders who have requested a paper copy

## To our shareholders

I would like to take this opportunity to express our sincere gratitude to all our shareholders for your invaluable support.

This notice is to inform you that we will hold our 176th Ordinary Shareholders Meeting as scheduled.

While FY2024 saw the Japan business maintain strong growth throughout the year, in the International business, the Americas and APAC recorded a negative organic growth rate. On a consolidated basis, the Group's organic growth rate was -0.1% and the underlying operating margin was 14.8%. This, together with the recognition of impairment of goodwill and other assets in the International business, resulted in a severe outcome, with the Group posting a bottom-line loss for the second consecutive fiscal year. Under the previous Medium-Term Management Plan that concluded in FY2024, the Group targeted a compound annual growth rate (CAGR) of 4% to 5% through FY2024 vs. FY2021 and an underlying operating margin of 18% in FY2024, but the results each fell short of these targets. We take the Group's failure to achieve results in line with shareholder expectations extremely seriously.

In light of this situation, with a firm resolve to do whatever it takes to rebuild the International business, we have established the Group's new Medium-Term Management Plan for the period to FY2027 to ensure we achieve a return to growth from FY2025 onward.



Hiroshi Igarashi  
Director, Representative Executive Officer,  
President & Global CEO  
Dentsu Group Inc.

### Our New Medium-Term Management Plan

We expect the business environment to remain unpredictable in FY2025 and beyond. It is also expected that our position will relatively shift in the face of intensifying competition with an emergence of highly-scaled players both within and outside the industry accompanied by large-scale investments made by technology and consulting companies, particularly in the field of AI. Based on our awareness of these conditions, the newly announced Medium-Term Management Plan represents a revision of our past M&A-focused growth strategy as we aim to recover strong organic growth. By implementing the plan, the Group aims to revise its business portfolio, concentrate its capital and human resources, and recover its competitive advantage to achieve an organic growth rate of 4% and an underlying operating margin of 16–17% by FY2027, the final year of the plan.

### Reevaluating underperforming businesses and rebuilding the business foundation

The recovery of profitability, focused on the reevaluation of underperforming businesses and rebuilding the business foundation, is the first step in achieving the Group's targets under the Medium-Term Management Plan. In reevaluating underperforming businesses, the posting of several consecutive years of bottom-line losses in certain markets where we have invested substantially is the main reason for the deterioration in Group's business performance, and we will proceed to implement measures swiftly. Through these measures, we aim to eliminate any markets operating at a loss during FY2026. We are also implementing disciplined reviews of past business acquisitions. By swiftly taking actions such as promptly implementing improvement measures or selling businesses that are

performing below our criteria, we will eliminate the risk of a future deterioration in business performance.

Through these initiatives, we aim to bring about a situation where the International business contributes to enhancing shareholder value as a whole in FY2026, and in terms of each of the four business regions in FY2027.

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

#### The focus of our business strategies

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

#### Business operations and financial policy emphasizing shareholder value and capital efficiency

The strategies and initiatives described above are aimed at the medium- and long-term enhancement of shareholder value through profit growth. We have added ROE as a management indicator to ensure we achieve this. Specifically, we target ROE of around 10.5% in FY2027. To underpin our efforts to achieve this goal, we will set a new financial policy, which we will manage and operate with discipline. We will strictly scrutinize the scale of funding needed and carefully manage the balance of capital and liabilities, as well as other aspects, to improve balance-sheet soundness.

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

We have reined in our business acquisitions and similar investments since FY2024. However, measures such as the establishment of an M&A playbook have enabled us to ensure sufficient investment discipline, and we anticipate the gradual resumption of investments based on more stringent discipline than in the past, in line with our progress and forecast for a recovery in business performance. We will selectively implement projects consistent with our business strategies. In addition, we will coordinate with the Finance Committee, established in FY2024 as an advisory body to the Board of Directors and composed mainly of outside directors, to strengthen overall financial discipline in the management and implementation of financial policy.

#### Strengthening governance and internal controls

We will continue to strive to improve the Group's governance and internal controls through measures such as building a Group-wide governance structure, clarifying those responsible for Group governance, and streamlining business operations to achieve appropriate implementation of the One dentsu Operating Model. Progress on these initiatives is regularly confirmed by the Board of Directors and other bodies.

We take the bid-rigging case concerning the “outsourcing contracts of planning test events, etc.” for the Tokyo 2020 Olympic and Paralympic Games, which led to a violation of the Antimonopoly Act, extremely seriously. Based on earnest reflection, we have explained and implemented measures and initiatives to prevent any recurrence. At the same time, the violation cited in the judgment also covers the implementation of test events and main event operations, differing substantially from the Group's assertions, and we have therefore filed an appeal. In FY2024, we completed all the 17 initiatives established in FY2023, and we will address the issues identified through employee surveys and other forms by promoting the Mindset and Behavior Reform under a new structure in FY2025. We sincerely regret the concern caused to shareholders, and we will continue to address these issues with honesty and good faith.

#### dentsu's unique power to generate and execute ideas

The intrinsic strength of dentsu lies in the creativity of each member of our diverse workforce who plays an active role globally and their power to generate and execute ideas. By integrating this power, we aim to realize a vibrant society that is filled with the joy of living. By aiming to solve social issues faced by client companies and achieve sustainable growth for society as a whole, we will create both social and economic value and continue to maximize our corporate value as a B2B2S (Business-to-Business-to-Society) company.

We would like to ask our shareholders for continued support.

# Exercising of Voting Rights

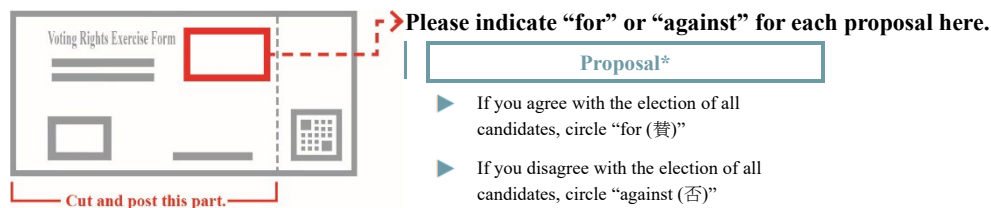
Voting rights are an important way for all shareholders to participate in the management of Dentsu Group Inc (the “Company”).

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 Voting Rights Exercise Form enclosed with the Notice of Convocation that has been provided to shareholders and submit it <a href="#">to the receptionist</a> at the meeting venue.</p> <p>Please bring the Notice of Convocation to the meeting as reference material.</p>	<p>Please <a href="#">indicate “for” or “against” for each proposal</a> shown on the Voting Rights Exercise Form enclosed with the Notice of Convocation that has been provided to shareholders and return it by mail.</p>	<p>Voting rights may be exercised online. <a href="#">Please see the next page for details.</a></p>
<b>Meeting date and time</b>	<b>Deadline for exercising voting rights by mail</b>	<b>Deadline for exercising voting rights online</b>
10:00 AM, March 28 (Fri.), 2025 (Doors are scheduled to open at 9:00 AM)	Must be received by 5:30 PM, March 27 (Thu.), 2025	Must be lodged by 5:30 PM, March 27 (Thu.), 2025

## How to complete the Voting Rights Exercise Form



\* 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.

- 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.
- If voting rights are exercised both through the Voting Rights Exercise Form and online, only the voting rights exercised online will be deemed valid.
- 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 devices such as computers, tablets and smartphones.
- If no indication of approval or disapproval is made in the Voting Rights Exercise Form for each proposal, it will be deemed an indication of approval for the relevant proposal.

## Exercising Voting Rights Online

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

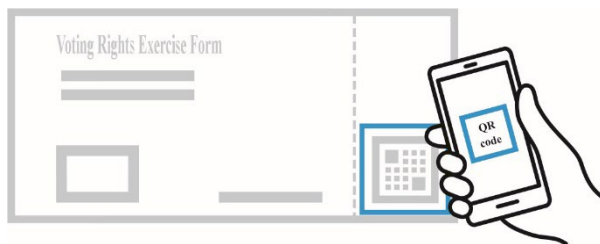
Please access the website designated for exercising voting rights and select “for” or “against.”

**Deadline for exercising voting rights online: 5:30 PM, March 27 (Thu.), 2025**

### 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.

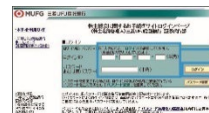
\* “QR code” is a registered trademark of DENSO WAVE INCORPORATED.

### 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.

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 for exercising voting rights online 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)

Shareholders who exercise their voting rights online in advance of the meeting will have the chance to win an electronic gift (worth the equivalent of 500 yen), regardless of whether they vote “for” or “against” each proposal, with 500 winners to be selected by lottery. See here for details ⇒ <https://youtu.be/UUeO-dBG2cw>





To Our Shareholders

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

Dentsu Group Inc.

Hiroshi Igarashi, Director, Representative Executive Officer, President & Global CEO

## Notice of Convocation of the 176th Ordinary General Meeting of Shareholders

We would like to express our sincere gratitude for your continued support.

You are cordially invited to attend the 176th Ordinary General Meeting of Shareholders. The meeting will be held as follows. We have taken measures for the electronic provision of information for this meeting. Matters to be provided electronically have been posted on the Company's Internet website under "Notice of Convocation of the 176th Ordinary General Meeting of Shareholders."

The Company's website:

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

In addition to the above Company's website, the items are also posted on the Internet website shown below.

The website of the Tokyo Stock Exchange:

<https://www2.jpx.co.jp/tseHpFront/JJK020010Action.do?Show=Show>

\* The items can be downloaded from the above URL by following the steps below.

(1) Enter "Dentsu Group" to the field of "Issue Name (company name)" or "4324" to the field of "Code" and click "Search," (2) Click "Basic Information," (3) Select the "Documents for public inspection/PR information" tab, and (4) Click "Click here for access" button in the "Notice of General Shareholders Meeting/ Information Materials for a General Shareholders Meeting" column.

### Notice

Shareholders who have not requested delivery of a paper copy will receive only this Notice of Convocation of the Meeting, the Reference Material for the General Meeting of Shareholders, and the Voting Rights Exercise Form. Please refer to either of the above websites for all other matters to be provided electronically. The paper copy of the notice of convocation sent to shareholders who requested it excludes the following items, which form part of the matters to be provided electronically, in accordance with laws, regulations, and Article 19, Paragraph 2 of the Company's Articles of Incorporation. Please refer to either of the above websites for these items.

#### 1. Business Report:

II Shares and Subscription Rights to Shares (All)

III Items Related to the Company Executives

4. Situation of Important Concurrent Posts

5. Items Related to Outside Directors

IV Items Related to the Accounting Auditor (All)

V Company System and Policy (All)

#### 2. Consolidated Financial Statements:

Notes to Consolidated Financial Statements

#### 3. Financial Statements:

Notes to Nonconsolidated Financial Statements



The business report, consolidated financial statements, and financial statements, including the items shown above, were audited by the Audit Committee and the Accounting Auditor during the preparation of their respective audit reports. If there are any corrections to the matters to be provided electronically, they will be promptly posted on each website above.

1.	<b>Date and Time</b>	<b>10:00 AM, March 28 (Fri.), 2025</b> *Doors are scheduled to open at 9:00 AM.
2.	<b>Place</b>	8-21-1, Ginza, Chuo-ku, Tokyo <b>Sumitomo Realty &amp; Development Shiodome Hamarikyu Building, Belle Salle Shiodome</b>
3.	<b>Agenda of the Meeting</b>	<p><b>Matters to be Reported</b></p> <p>(1) Business report for the 176th business term (January 1, 2024 to December 31, 2024), consolidated financial statements, and audit reports on consolidated financial statements by the Accounting Auditor and Audit Committee</p> <p>(2) Report on financial statements for the 176th business term (January 1, 2024 to December 31, 2024)</p> <p><b>Proposal to be Resolved</b></p> <p><b>Proposal</b>            Appointment of 11 Directors</p>

If you are attending the meeting, please bring the paper copy of the Notice of Convocation that has been provided to shareholders with you and submit the enclosed voting form to the receptionist at the meeting venue. We suggest that you arrive early as it is expected to be crowded right before the start of the meeting.

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

## Request procedures for delivery of a paper copy of the convocation notice

Shareholders who have not made a request for delivery of a paper copy of the convocation notice for this Ordinary General Meeting of Shareholders\* and need to receive such document should apply for a request for delivery of paper copy through a website for delivery request by entering your login ID and password below.

\* The contents will be only in Japanese and the same as the documents sent to shareholders who have made a request for delivery of paper copy.



1. Website for delivery request of a paper copy of the convocation notice:

<https://d.srdb.jp/4324/2503/>

2. Period for acceptance of requests: From 12:00 AM on Thursday, March 6, 2025 (JST) until 11:59 PM on Saturday, March 22, 2025 (JST)

3. Request Procedure:

- (i) Please access the website above, and log in by entering your login ID and password\*

\* **Login ID:** The shareholder number stated on your Voting Rights Exercise Form

**Password:** The postal code (without hyphen) stated on your Voting Rights Exercise Form

\* Please enter the postal code for your registered address as of the end of December 2024.

- (ii) After logging in, please enter the address which you would like the paper copy sent, and your name, and email address, and click the Confirm button.

- (iii) You will receive a confirmation email to the email address entered to confirm the information registered in step (ii) above, then please click the verification URL when you receive it.

\* Since the registration procedure will not be completed unless you click the verification on URL sent to your email address, please make sure to check your email.

\* Please start again from step (i) if you find any errors in the information entered.

- (iv) The estimated delivery date will be shown on the request completed page, and you will receive an acceptance completion email. Following this, the paper copy will be sent to the address entered.

\* Once you have received an acceptance completion email, you cannot login to request a paper copy again.

\* The confirmation email cannot be sent if you entered a wrong email address; please ensure to enter a correct email address when registering.

\* You might not be able to receive an email to confirm the information registered if certain emails are blocked by an anti-spam filter or the like. Please ensure that you can receive emails from the domain “@srdb.jp”.

\* None of the information you provided will be used for any purpose other than this procedure.

**If you have not made a request for delivery of a paper copy and need a paper copy from the next general meeting of shareholders onward, please submit “Request for Delivery of Paper Copy” prescribed by the securities company or the stock transfer agency by the Record Date.**

## Reference Material for the General Meeting of Shareholders

### Proposals and Reference Material

#### Proposal

#### Appointment of 11 Directors

The terms of office of all nine directors will expire at the conclusion of this General Meeting of Shareholders.

Accordingly, based on the decision of the Nominating Committee, we request the appointment of 11 directors, including an increase in the number of outside directors, to ensure management transparency from a variety of perspectives and further strengthen corporate governance.

The terms of office for directors appointed at this General Meeting of Shareholders shall be until the end of the Ordinary General Meeting of Shareholders to be held in March 2026.

The candidates for directors are as follows.



Candidate  
Number

1

Gan Matsui

Candidate for independent outside director

Re-appointment

Date of birth: December 13, 1953, 71 years old

Responsibilities: Member of the Nominating Committee, Chair of the Audit Committee

Board of Directors meetings attended

100% (16/16)

No. of Dentsu Shares Held

0 shares (actually held)

Serving five years as outside director as of the closing of this General Meeting of Shareholders

Bio, Position and Responsibilities

April 1980	Graduated from the Legal Training and Research Institute of Japan, the Supreme Court	June 2017	Outside Corporate Auditor, Orient Corporation
October 2007	Prosecutor, the Otsu District Public Prosecutors Office	June 2018	Outside Director, member of the audit and supervisory committee, Globberide, Inc. (current)
July 2009	Deputy Prosecutor, the Nagoya High Public Prosecutors Office		Outside Corporate Auditor, Totetsu Kogyo Co., Ltd. (current)
October 2010	Deputy Prosecutor, the Osaka High Public Prosecutors Office		Outside Corporate Auditor, Nagase & Co., Ltd. (current)
June 2012	Director-General of Criminal Affairs Department of Supreme Public Prosecutors Office	March 2020	Outside Director who is not a member of the Audit and Supervisory Committee, Dentsu Group Inc.
January 2014	Chief Prosecutor, the Yokohama District Public Prosecutors Office	March 2022	Outside Director (member of the Audit and Supervisory Committee), Dentsu Group Inc.
January 2015	Superintending Prosecutor, the Fukuoka High Public Prosecutors Office	June 2022	Outside Director (Audit and Supervisory Committee Member), Orient Corporation (current)
September 2016	Retired public prosecutor		Outside Director, Dentsu Group Inc. (current)
November 2016	Registered as an attorney at law (Tokyo Bar Association)	March 2023	
	Yaesu Sogo Law Office (current)		
February 2017	Chairman of the Independent Advisory Committee on Labor Environment Reform, Dentsu Inc.		

Reason for candidacy as an Outside Director and expected roles

Mr. Gan Matsui has many years of experience as a prosecutor and has directed the investigation and trial of many serious cases, mainly in the field of economic and tax. Based on this experience and knowledge, he has chaired so-called third-party investigation committees on compliance and crisis management for several firms and governmental bodies. He also assumes the office of outside directors or corporate auditors for some companies. Being the chairman of the Independent Advisory Committee on Labor Environment Reform at Dentsu Inc. since February 2017, and Outside Director of the Company since March 2020, he has made significant contributions, especially in strengthening compliance and governance of the Company. Although he has not been engaged in corporate management other than serving as an Outside Director or an Outside Auditor, from these achievements, the Company expects him to continue to utilize his experience etc., in strengthening the supervisory function of the Board of Directors as our outside director. If he is appointed as a Director, he will be selected as the Chairman of the Board of Directors.

Situation of important concurrent posts

- Attorney, Yaesu Sogo Law Office
- Outside Director (Audit and Supervisory Committee Member), Orient Corporation
- Outside corporate auditor, Nagase & Co., Ltd.
- Outside corporate auditor, Totetsu Kogyo Co., Ltd.
- Outside director who is a member of the audit and supervisory committee, Globberide, Inc.

#### To our shareholders

Under the One dentsu operating model, the Dentsu Group is endeavoring to be a corporate group that creates useful value in Japan and around the world, while also striving to achieve an even bolder transformation. The Dentsu Group faces an adverse environment in many aspects, but I hope to ensure that the board supervises the execution and results of management with an emphasis on stakeholder perspectives, thereby achieving robust corporate governance and corporate value and further enhancing the trust placed in us by our investors and other stakeholders.



Candidate  
Number

2

Hiroshi Igarashi

Candidate for director

Re-appointment

Date of birth: July 23, 1960, 64 years old

Responsibilities: Representative Executive Officer, President & Global CEO

Member of the Nominating Committee

Board of Directors meetings attended

100% (16/16)

No. of the Company's Shares Held

10,829 shares (actually held); maximum 79,931 shares (under performance-based stock compensation)

Bio, Position and Responsibilities

April 1984	Joined Dentsu Inc.	January 2022	Director, President & CEO, Dentsu Group Inc.
April 2013	Managing Director, Account Management Division, Dentsu Inc.		Representative Director, Dentsu Inc.
January 2017	Executive Officer, Dentsu Inc.	March 2022	Representative Director, President & CEO, Dentsu Group Inc.
March 2018	Director, Executive Officer, Dentsu Inc.	March 2023	Director, Representative Executive Officer, President & CEO, Dentsu Group Inc.
January 2020	Representative Director, President and CEO, Dentsu Inc.	January 2024	Director, Representative Executive Officer, President & Global CEO, Dentsu Group Inc. (Current)

Reason for candidacy as a Director

Mr. Hiroshi Igarashi has operational experience in account management and assumed the office of Executive Officer of Dentsu Inc. in January 2017. Being Director, Executive Officer of Dentsu Inc. since March 2018, he has actively provided opinions and advice etc. on the growth and transformation of the Group's businesses, from his standpoint as domestic operation top management and contributed to enhancing the corporate value of the Company. Since March 2022, he has strongly driven business transformation and the further enhancement of management and engaged in maximizing corporate value on a global scale as the Company's Representative Director, President & CEO (Director, Representative Executive Officer, President & CEO since March 2023). From these achievements, the Company expects him to continue to utilize his experience and leadership in bringing the Group together to strengthen competitiveness and enhance corporate value. If he is appointed as a Director, he will be selected as the Representative Executive Officer and President and a member of the Nominating Committee.

#### To our shareholders

The Group's position is expected to shift relatively in the face of intensifying competition with an emergence of highly-scaled players both within and outside the industry accompanied by large-scale investments in AI and other technologies made by technology and consulting companies. Under our new Medium-Term Management Plan that we have set out this year, we will focus on reevaluating underperforming businesses and rebuilding our management foundation to restore profitability in 2025, and we will make every effort to return to growth.



Candidate  
Number

3 Arinobu Soga

Candidate for director

Re-appointment

Date of birth: March 27, 1965, 59 years old

Responsibilities: Representative Executive Officer, Executive Vice President, Global Chief Governance Officer & Global Chief Financial Officer

Board of Directors meetings attended

100% (16/16)

No. of the Company's Shares Held

7,165 shares (actually held); maximum 41,035 shares (under performance-based stock compensation)

Bio, Position and Responsibilities

April 1988	Joined Dentsu Inc.	January 2023	Representative Director, Executive Vice President & Chief Governance Officer, Dentsu Group Inc.
June 2015	Managing Director, Finance & Accounting Division, Dentsu Inc.		
January 2017	Executive Officer, Managing Director, Corporate Strategy Division, Dentsu Inc.	March 2023	Director, Representative Executive Officer, Executive Vice President & Chief Governance Officer, Dentsu Group Inc.
March 2017	Director, Executive Officer, Dentsu Inc.	January 2024	Director, Representative Executive Officer, Executive Vice President & Global Chief Governance Officer, Dentsu Group Inc.
January 2022	Director, Executive Vice President & CFO, Dentsu Group Inc.		
March 2022	Representative Director, Executive Vice President & CFO, Dentsu Group Inc.	February 2024	Director, Representative Executive Officer, Executive Vice President, Global Chief Governance Officer & Global Chief Financial Officer, Dentsu Group Inc.
		February 2025	Director, Representative Executive Officer, Executive Vice President, Global Chief Governance Officer, Dentsu Group Inc. (Current)

Reason for candidacy as a Director

Mr. Arinobu Soga has operational experience in the contents sector as well as finance and accounting and possesses a wealth of experience from a managerial standpoint. Being Executive Officer of Dentsu Inc. since January 2017, Director, Executive Officer of Dentsu Inc. since March 2017, and Representative Director and Executive Vice President since March 2022, he has actively provided opinions and advice, etc. from his standpoint of corporate strategy, IR, disclosure and finance and accounting. He has contributed to the improvement of the financial base and the sustainable enhancement of shareholder value, and to enhancing the corporate value of the Company. Since January 2023, he contributes to further enhancing the Company's corporate value by advancing corporate governance as Representative Director, Executive Vice President & Chief Governance Officer. From these achievements, the Company expects him to continue to utilize his experience, etc., in group management, administration and supervision. If he is appointed as a Director, he will be selected as a Representative Executive Officer and Executive Vice President.

Situation of important concurrent posts

- Chair of the Board, Dentsu International Limited

#### To our shareholders

Last fiscal year was a tough one for the Group, but we are driving a transformation to overcome this situation. With rapid environmental changes on the horizon this fiscal year, we will further promote efforts to improve corporate governance, instill an organizational culture that prioritizes integrity, and improve management transparency, along with this transformation. Under the new Medium-Term Management Plan, beginning this fiscal year, I will do my utmost to enhance corporate value of the Group and gain the trust of our shareholders and other stakeholders.



Candidate  
number

4

Paul Candland

Candidate for independent outside director

Re-appointment

Date of birth: December 4, 1958 (66 years old)

Responsibilities: Member of the Nominating Committee, Member of the Compensation Committee

Board of Directors meetings attended

100% (16/16)

No. of Dentsu Shares Held

0 shares (actually held)

Serving three years as outside director as of the closing of this General Meeting of Shareholders

Bio, Position and Responsibilities

June 1985	Joined Owens Corning Corporation	July 2014	President of The Walt Disney Company, Asia
April 1987	Joined PepsiCO, Inc.		
November 1994	President, Okinawa pepsi-Cola, Inc.	September 2018	Managing Director, PMC Partners Co., Ltd. (current)
April 1998	Representative, Japan Branch, PepsiCo International Ltd.	June 2019	Outside Director, YAMAHA CORPORATION (current)
November 1998	Representative Director and General Manager, The Disney Store Japan, Inc.	September 2019	CEO, Age of Learning, Inc.
		March 2022	Outside Director (member of the Audit and Supervisory Committee), Dentsu Group Inc.
April 2002	Managing Director, Walt Disney Television International Japan of The Walt Disney Company (Japan) Ltd.	March 2023	Outside Director, Dentsu Group Inc. (current)
June 2007	Representative Director, President, The Walt Disney Company (Japan) Ltd.		

Reason for candidacy as an Outside Director and expected roles

Mr. Paul Candland has been involved in the management of the Asian and Japanese subsidiaries of a global entertainment company for many years, and has abundant experience as a global manager and achievements and extensive insight in the digital business field and business development. Since March 2022, he has actively provided advice and suggestions from the perspective of global management as an outside director of the Company, especially regarding issues such as business operations based on global economic trends and strengthening competitiveness, and has brought a variety of perspectives to the Company. From these achievements, the Company expects him to continue to utilize his experience etc., in areas such as enhancing the governance of the Company's global management as our outside director. If he is appointed as a Director, the Company plans to appoint him as a member of the Nominating Committee and the Compensation Committee, to contribute to strengthening the transparency and objectivity of the processes for nominating candidates for directors and determining compensation for directors and Executive Officers.

Situation of important concurrent posts

- Outside Director, YAMAHA CORPORATION
- Managing Director, PMC Partners Co., Ltd.

#### To our shareholders

In 2024, the Dentsu Group made meaningful progress in corporate governance and in evolving to a culture underpinned by a commitment to integrity. While organic growth recovered to roughly flat versus the prior year, business performance was unacceptable as dentsu lagged the market. As a member of the board, I'm committed to ensuring that the Company takes aggressive and necessary steps to return to growth and profitability.



Candidate  
Number

5

Andrew House

Candidate for independent outside director

Re-appointment

Date of birth: January 23, 1965 (60 years old)

Responsibilities: Chair of the Compensation Committee, Member of the Finance Committee

Board of Directors meetings attended

100% (16/16)

No. of Dentsu Shares Held

0 shares (actually held)

Serving three years as outside director as of the closing of this General Meeting of Shareholders

Bio, Position and Responsibilities

October 1990	Joined Sony Corporation	October 2018	Executive mentor, The Exco Group (current)
October 2005	Group executive and chief marketing officer, Sony Corporation	June 2019	Outside director, Nissan Motor Co., Ltd. (current)
September 2011	Group executive, president and Global CEO, Sony Computer Entertainment	May 2021	Non-Executive Director, Nordic Entertainment Group AB (currently Viaplay Group AB)
April 2016	EVP, President and global CEO, Sony Interactive Entertainment	March 2022	Outside Director (member of the Audit and Supervisory Committee), Dentsu Group Inc.
October 2017	EVP and Chairman, Sony Interactive Entertainment	March 2023	Outside Director, Dentsu Group Inc. (current)
April 2018	Strategic advisor, Intelity (current)		

Reason for candidacy as an Outside Director and expected roles

Mr. Andrew House possesses international management experience. He has abundant experience and achievement as a manager and extensive insight, including promotion of business transformation and strengthening of corporate governance, gained in key roles at global corporations. Since March 2022, he has leveraged this experience to actively provide useful advice and suggestions from a variety of perspectives based on examples for global management as an outside director of the Company, especially regarding issues such as Group governance and business operations, and has made a great contribution. From these achievements, the Company expects him to continue to utilize his experience etc., in areas such as enhancing the governance of Group management and strengthening competitiveness in the global environment as our outside director. If he is appointed as a Director, the Company plans to appoint him to chair the Compensation Committee, to contribute to strengthening the transparency and objectivity of the process for determining compensation for directors and Executive Officers.

Situation of important concurrent posts

- Outside director, Nissan Motor Co., Ltd.

#### To our shareholders

The Dentsu Group faces an unprecedented confluence of challenges, including continued digital transformation, industry consolidation and its own evolution as One dentsu. As a director of the Company, I am committed to representing shareholders' interests and helping the Company successfully navigate this period. As a member of the board, I will both challenge and guide management as they restore financial performance and position the Company for future growth.





Candidate  
number

6

Keiichi Sagawa

Candidate for independent outside director

Re-appointment

Date of birth: March 7, 1966 (59 years old)

Responsibilities: Chair of the Nominating Committee, Member of the Audit Committee, Chair of the Finance Committee

Board of Directors meetings attended

100% (16/16)

No. of Dentsu Shares Held

0 shares (actually held)

Serving three years as outside director as of the closing of this General Meeting of Shareholders

Bio, Position and Responsibilities

April 1988	Joined Recruit Holdings Co., Ltd.	May 2017	Board Director and Senior Managing Corporate Executive Officer in charge of Finance (CFO) and Administration (CRO)
April 2006	Corporate Executive officer in charge of Corporate Strategy Office		
June 2011	Board Director and Corporate Executive Officer in charge of Accounting, Finance, Legal Affairs, General Affairs, Investment Management, Corporate Communication and Compliance	April 2019	Board Director and Senior Managing Corporate Executive Officer in charge of Finance (CFO)
		June 2020	Advisor
April 2013	Board Director and Managing Corporate Executive Officer in charge of Administration	June 2021	Retired as Advisor
		January 2022	Outside director, GIMIC CO., LTD. (current)
April 2016	Board Director and Senior Managing Corporate Executive Officer in charge of Finance	March 2022	Outside Director (member of the Audit and Supervisory Committee), Dentsu Group Inc.
April 2017	Board Director and Senior Managing Corporate Executive Officer in charge of Finance and Administration	March 2023	Outside Director, Dentsu Group Inc. (current)

Reason for candidacy as an Outside Director and expected roles

Mr. Keiichi Sagawa possesses abundant operational experience regarding business transformation and expansion of global business and digital business in the finance and administration departments of a holding company. He has also been engaged in corporate management for many years as a director and has enhanced corporate value and has expertise and a wealth of experience as a corporate manager. Since March 2022, he has actively provided accurate advice and suggestions as an outside director of the Company, especially regarding issues such as promoting business transformation, strengthening competitiveness globally, and improving management governance. From these achievements, the Company expects him to continue to contribute greatly to improving the management governance, strengthening competitiveness, and ensuring the soundness of the Company, which aims to promote business transformation and achieve growth as a global company, as an outside director. If he is appointed as a Director, the Company plans to appoint him to chair the Nominating Committee and as a member of the Audit Committee, to contribute to strengthening the transparency and objectivity of the process for nominating candidates for directors and strengthening the auditing function.

#### To our shareholders

The Company's business environment is undergoing an unprecedented transformation, including changing client needs, advances in digital technology, and industry restructuring. Now, more than ever, we must build and steadily implement our competitive strategy based on a clearer understanding of the value we provide to clients and the Dentsu Group's strengths. As a member of the board, I will do my utmost to improve corporate value by encouraging innovative proposals from the management team while also strictly monitoring its progress so that we can meet the expectations of our shareholders and other stakeholders.



Candidate  
number

7

Mihoko Sogabe

Candidate for independent outside director

Re-appointment

Date of birth: December 10, 1969 (55 years old)

Responsibilities: Member of the Audit Committee, Member of the Compensation Committee

Board of Directors meetings attended

100% (16/16)

No. of Dentsu Shares Held

0 shares (actually held)

Serving three years as outside director as of the closing of this General Meeting of Shareholders

Bio, Position and Responsibilities

April 1992	Joined Japan Associated Finance Co., Ltd. (currently JAFECO Group Co., Ltd.)	June 2019	Outside director (Audit and Supervisory Committee member), Nikko Asset Management Co., Ltd. (current)
April 2001	Asahi Audit Corporation (currently KPMG AZSA LLC)	July 2020	Outside auditor, SoleBrain, Co., Ltd.
May 2005	Registered as a CPA	April 2021	Outside director (Audit and Supervisory Committee member), Mitsui DM Sugar Holdings Co., Ltd. (current)
May 2018	Resigned from KPMG AZSA LLC		
June 2018	Outside Audit and Supervisory Board Member, Nikko Asset Management Co., Ltd. Auditor, Japan Kogei Association (current)	March 2022	Outside Director (member of the Audit and Supervisory Committee), Dentsu Group Inc.
	Representative, Sogabe Certified Public Accountant Office (current)	March 2023	Outside Director, Dentsu Group Inc. (current)

Reason for candidacy as an Outside Director and expected roles

Ms. Mihoko Sogabe has specialized knowledge and abundant operational experience in the fields of finance, accounting and auditing as a CPA. She also has profound insight into the supervision of business execution, promoting diversity and strengthening governance from an investor's perspective as Outside Director and Outside Auditor of several companies. Since March 2022, she has actively provided useful suggestions and advice as an outside director of the Company from her expert insight and abundant practical experience, especially regarding issues such as improving the Company's financial governance, promoting internal controls, and strengthening the supervisory function. Although she has not been engaged in corporate management other than serving as an Outside Director or an Outside Auditor, from these achievements, the Company expects her to continue to contribute to enhancing and ensuring the soundness of financial governance of the Company as our outside director. If she is appointed as a Director, the Company plans to appoint her as a member of the Audit Committee and the Compensation Committee, to contribute to strengthening the auditing function and strengthening the transparency and objectivity of the process for determining compensation for directors and Executive Officers.

Situation of important concurrent posts

● Representative, Sogabe Certified Public Accountant Office ● Outside director (Audit and Supervisory Committee member), Mitsui DM Sugar Holdings Co., Ltd.

#### To our shareholders

The Dentsu Group is pursuing initiatives to instill One dentsu Operating Model which is the globally consolidated business management model and leverage the Group's comprehensive strength to achieve growth. As a member of the board, I will do my utmost to ensure that the Group engages in these efforts with integrity, achieves greater corporate value, and fulfills its responsibilities to all stakeholders so that it will continue to enjoy your support.



Candidate  
number

8

Yuka Matsuda

Candidate for independent outside director

Re-appointment

Date of birth: September 19, 1960 (64 years old)

Responsibilities: Member of the Audit Committee, Member of the Finance Committee

Board of Directors meetings attended

100% (16/16)

No. of Dentsu Shares Held

0 shares (actually held)

Serving two years as outside director as of the closing of this General Meeting of Shareholders

Bio, Position and Responsibilities

April 1985	Joined Citibank. N.A., Tokyo Branch	July 2021	Outside Corporate Auditor, DKK Co., Ltd. (current)
October 1991	Joined Chuo Shinko Audit Corporation	June 2022	Outside Corporate Auditor, Mitsubishi Steel Mfg. Co., Ltd. (current)
October 1992	Joined Coopers & Lybrand International Taxation Office		
April 1995	Registered as a CPA	July 2022	Supervisory Officer, Nochu JAML REIT Investment Corporation (current)
April 1999	Registered as a tax accountant		
July 2014	Director, PwC Tax Japan		
June 2021	Representative, Matsuda Yuka CPA and Tax Accounting Office (current)	March 2023	Outside Director, Dentsu Group Inc. (current)

Reason for candidacy as an Outside Director and expected roles

Ms. Yuka Matsuda has specialized knowledge and abundant operational experience in the fields of finance, accounting, taxation and auditing as a CPA and tax accountant. She also has experience in management as Director of a tax accounting firm, and experience in auditing management as outside auditor of several companies. Since March 2023, she has actively provided useful suggestions and advice as an outside director of the Company from her expert insight and abundant practical experience, especially regarding issues such as improving the Company's financial governance, promoting internal controls, and strengthening the supervisory function. Although she has not been engaged in corporate management other than serving as an Outside Director or an Outside Auditor, from these achievements, the Company expects her to continue to contribute to enhancing and ensuring the soundness of financial governance of the Company, which aims to promote business transformation and achieve global growth, as an outside director. If she is appointed as a Director, the Company plans to appoint her to chair the Audit Committee, to contribute to strengthening the auditing function.

Situation of important concurrent posts

● Representative, Matsuda Yuka CPA and Tax Accounting Office ● Outside Corporate Auditor, DKK Co., Ltd. ● Outside Corporate Auditor, Mitsubishi Steel Mfg. Co., Ltd.

#### To our shareholders

The Dentsu Group is in the midst of a great wave of change spanning a number of fronts. Together with the executive side, we will redouble our efforts to achieve continuing measures in areas such as strengthening competitiveness, enhancing governance, and instilling corporate culture. As an independent outside director, I will do my utmost to leverage my experience in accounting, finance, auditing, and risk management to ensure that these efforts are manifested in greater shareholder value.



Candidate  
number

9

Yoshihiko Kawamura

Candidate for independent outside director

New appointment

Date of birth: August 20, 1956 (68 years old)

No. of Dentsu Shares Held

0 shares (actually held)

Bio, Position and Responsibilities

April 1979	Joined Mitsubishi Corporation	April 2018	Senior Vice President and Executive Officer, CSO, General Manager of Investment Strategy Division, and General Manager of Future Investment Division, Hitachi, Ltd.
March 2000	Joined Mitsubishi International Corporation		
April 2010	Senior Vice President and Division COO, IT Service Div., Mitsubishi Corporation	April 2020	Representative Executive Officer, Senior Vice President and Executive Officer, CFO, and General Manager of Finance Group, Hitachi, Ltd.
April 2012	Senior Vice President, Senior Assistant to Group CEO (in charge of management plans), Business Service Group, Mitsubishi Corporation	June 2021	Board Director (Audit and Supervisory Committee Member), Hitachi Astemo, Ltd.
April 2015	Board Member, Executive Officer and Executive Strategist, Information & Telecommunication Systems Group, Hitachi, Ltd.	April 2022	Representative Executive Officer, Executive Vice President and Executive Officer, CFO, CRMO, General Manager of Finance Group, and General Manager of Investment Management Division, Hitachi, Ltd.
April 2016	Board Member, Deputy General Manager of IoT Business Promotion Division, and General Manager of Incubation Division, Hitachi, Ltd.	April 2024	Associate (Executive Advisor to the President), Hitachi, Ltd. (current)
April 2017	Vice President and Executive Officer, General Manager of Investment Strategy Division, and General Manager of Future Investment Division, Hitachi, Ltd.	June 2024	Outside Director, circlace Inc (current)

Reason for candidacy as an Outside Director and expected roles

Mr. Yoshihiko Kawamura has led finance and strategy divisions at several business enterprises and has achievements in promoting large-scale corporate digital transformations. In addition to this expertise, he has extensive global business experience spanning a number of different regions and has contributed for many years to the globalization of Japanese companies as a manager. From these achievements, as an outside director, the Company expects him to make substantial contributions to strengthening the Company's competitiveness and enhancing its financial governance, as it strives to promote business transformation on a global scale and achieve sustainable growth. If he is appointed as a Director, the Company plans to appoint him as a member of the Audit Committee, to contribute to strengthening the auditing function.

Situation of important concurrent posts

- Outside Director, circlace Inc

#### To our shareholders

The Dentsu Group boasts a wealth of management resources, such as outstanding talent, extensive experience, a deep client base, and networks that stretch around the world. I will encourage the executive side to more effectively utilize these management resources to achieve further business growth and expansion. At the same time, I believe it is of primary importance to be fair and upright in the pursuit of business. I hope to fulfill my governance responsibility as an outside director and do my best to meet the expectations of shareholders.



Candidate  
number

10

Norimitsu Takashima

Candidate for independent outside director

New appointment

Date of birth: October 6, 1961 (63 years old)

No. of Dentsu Shares Held

0 shares (actually held)

Bio, Position and Responsibilities

April 1989	Public Prosecutor, Tokyo District Public Prosecutors Office	July 2017	Chief Prosecutor, Matsuyama District Public Prosecutors Office
June 1998	Deputy Director, Planning Division, Financial System Planning Bureau, Ministry of Finance	July 2018	Public Prosecutor, Supreme Public Prosecutors Office
March 2003	Professor, Legal Training and Research Institute, Supreme Court	September 2018	Director-General, Human Rights Bureau, Ministry of Justice
July 2009	Public Prosecutor, Tokyo District Public Prosecutors Office (Deputy Director, Trial Division)	April 2019	Deputy Director-General, Immigration Services Agency
January 2014	Public Prosecutor, Tokyo District Public Prosecutors Office (Director, Trial Division)	December 2020	Deputy Vice-Minister of Justice
April 2015	Deputy Director-General, Minister's Secretariat, Ministry of Justice	September 2021	Vice-Minister of Justice
		January 2023	Superintending Prosecutor, Nagoya High Public Prosecutors Office
		October 2024	Registered as an attorney at law (Dai-Ichi Tokyo Bar Association) T&K Partners (current)

Reason for candidacy as an Outside Director and expected roles

Mr. Norimitsu Takashima has many years of experience as a prosecutor. He has served in key positions, investigating and prosecuting corporate and other crimes, and has directed the investigation and trial of many major social incidents. He also has expert experience in legal administration and organizational management, including service as Deputy Vice-Minister of Justice, and then as Vice-Minister of Justice. Although he has not been engaged in corporate management, the Company believes he can be expected to contribute to strengthening the supervisory function of the Company's Board of Directors based on his expertise in the legal field underpinned by these achievements, his advanced crisis management abilities, and his extensive personal networks in the legal world. If he is appointed as a Director, the Company plans to appoint him as a member of the Nominating Committee and the Audit Committee, to contribute to strengthening the transparency and objectivity of the process for nominating candidates for directors and strengthening the auditing function.

Situation of important concurrent posts

- Attorney, T&K Partners

#### To our shareholders

Until last year, I worked for 35 years as a prosecutor in the offices of public prosecutors and national government agencies. I hope to leverage this experience as a legal specialist and administrative official while also ensuring I gain the knowledge required to handle this new era of rapid change. I will do everything I can to help ensure that the Dentsu Group continues to provide useful goods and services for society long into the future, and I look forward to your support in these efforts.



Candidate  
number

## 11 Naoko Ichikawa

Candidate for independent outside director

New appointment

Date of birth: February 5, 1958 (67 years old)

No. of Dentsu Shares Held

0 shares (actually held)

Bio, Position and Responsibilities

April 1981	Joined KORG INC.	July 2012	Managing Director, Innovation Network Corporation of Japan (INCJ) (currently Japan Investment Corporation (JIC))
September 1989	Booz, Allen & Hamilton (Japan), Inc. (currently PwC Consulting LLC)		
January 1999	GE Capital Edison Life Insurance Company (currently The Gibraltar Life Insurance Co., Ltd.)	July 2017	Executive Officer and Chief Marketing Officer, Mitsubishi Chemical Holdings Corporation (currently Mitsubishi Chemical Group Corporation)
December 2004	GE Capital Leasing Corporation (currently GE Japan Inc.)		
April 2009	Novartis Pharma K.K.	May 2021	Outside Director, TSI HOLDINGS CO., LTD. (current)
		April 2023	Outside Director, Rakuten Securities Holdings, Inc. (current)

Reason for candidacy as an Outside Director and expected roles

Ms. Naoko Ichikawa has achievements leading numerous key divisions at a strategic consulting firm and several business enterprises, together with expertise in many fields such as business development, marketing, and business process improvement. Her long experience in global companies has also enabled her to promote numerous businesses in multinational and multicultural organizations. In recent years, she has served as an outside director at several companies, where she has supervised and advised management. From these achievements, the Company expects her to make a substantial contribution to strengthening competitiveness and achieving growth in the global environment as an outside director.

Situation of important concurrent posts

- Outside Director, TSI HOLDINGS CO., LTD.

### To our shareholders

The Dentsu Group aims to achieve value creation that will lead to sustainable development for its client companies and society, as well as to maintain its own competitive strength. The keys to achieving this will be to advance and strengthen the business model, implement strategic action, utilize human resources around the world, and ensure robust governance. I will strive to utilize my experience in business reform, marketing, and strategic consulting at global companies to contribute to enhancing corporate value, with an emphasis on the importance of communication with members of the executive team.

- (Note 1) Mr. Gan Matsui is an attorney at Yaesu Sogo Law Office, and concurrently serves as Outside Director (Audit and Supervisory Committee Member) of Orient Corporation, Outside Corporate Auditor of Nagase & Co., Ltd., Outside Corporate Auditor of Totetsu Kogyo Co., Ltd. and Outside Director who is a member of the Audit and Supervisory Committee of Globeride, Inc. Orient Corporation has a business relationship with Dentsu Inc., a significant subsidiary of the Company, and Nagase & Co., Ltd. has business relationship with Dentsu Inc., a significant subsidiary of the Company, but the amount of transactions during FY2024 was less than 1% of consolidated net revenue of the Company in both cases and there is no issue with his independence. Furthermore, there are no vested interests with other entities or office mentioned above for which he belongs or concurrently serves.
- (Note 2) Dentsu International Limited, at which Mr. Arinobu Soga serves as Chair of the Board, is a wholly-owned subsidiary of the Company that has a business relationship with the Company.
- (Note 3) Mr. Paul Candland concurrently serves as Outside Director of YAMAHA CORPORATION and Managing Director of PMC Partners Co., Ltd. YAMAHA CORPORATION has a business relationship with Dentsu Inc., a significant subsidiary of the Company, but the amount of transactions during FY2024 was less than 1% of consolidated net revenue of the Company and there is no issue with his independence. Furthermore, there are no vested interests with the other entity mentioned above for which he belongs or concurrently serves.
- (Note 4) Mr. Andrew House concurrently serves as Strategic Advisor of Intelity, Executive Mentor of The Exco Group, and Outside Director of Nissan Motor Co., Ltd. Nissan Motor Co., Ltd. has a business relationship with Dentsu Inc., a significant subsidiary of the Company, but the amount of transactions during FY2024 was less than 1% of the consolidated net revenue of the Company and there is no issue with his independence. Furthermore, there are no vested interests with other entities mentioned above for which he belongs or concurrently serves.
- (Note 5) Mr. Keiichi Sagawa concurrently serves as Outside Director of GIMIC CO., LTD. and this company has business relationship with Dentsu Inc., a significant subsidiary of the Company, but the amount of the transactions during FY2024 was less than 1% of the consolidated net revenue of the Company, and there is no issue with his independence. He resigned as Advisor of Recruit Holdings Co., Ltd. in June 2021.
- (Note 6) Ms. Mihoko Sogabe concurrently serves as Representative of Sogabe Certified Public Accountant Office, Auditor of Japan Kogei Association, Outside Director (audit and supervisory committee member) of Nikko Asset Management Co., Ltd., and Outside Director (audit and supervisory committee member) of Mitsui DM Sugar Holdings Co., Ltd. Nikko Asset Management Co., Ltd. has a business relationship with Dentsu Inc., a significant subsidiary of the Company, but the amount of transactions during FY2024 was less than 1% of consolidated net revenue of the Company and there is no issue with her independence. Furthermore, there are no vested interests with other entities or office mentioned above for which she belongs or concurrently serves. Although she worked for KPMG AZSA LLC, the Company's accounting auditor, until May 2018, but during her tenure at KPMG AZSA LLC, she was not involved in any business related to the Company, and there is no issue with her independence.
- (Note 7) Ms. Yuka Matsuda concurrently serves as Representative of the Matsuda Yuka CPA and Tax Accounting Office, as Outside Corporate Auditor of DKK Co., Ltd., as Outside Corporate Auditor of Mitsubishi Steel Mfg. Co., Ltd., and as Supervisory Officer of Nochu JAML REIT Investment Corporation. Mitsubishi Steel Mfg. Co., Ltd. has a business relationship with Dentsu Inc., a significant subsidiary of the Company, but the amount of transactions during FY2024 was less than 1% of consolidated net revenue of the Company and there is no issue with her independence. Furthermore, there are no vested interests with other entities or office mentioned above for which she belongs or concurrently serves. At DKK Co., Ltd., where she serves as Outside Corporate Auditor, the internal audit report for the fiscal year ended March 31, 2024, submitted on June 28, 2024, states that there were errors in some matters for disclosure and that there were inadequacies in the internal controls related to DKK Co., Ltd.'s financial reporting. She had endeavored to prevent the occurrence of such an incident by coordinating with the internal audit office and the accounting auditor to periodically check the status of response by the executive side, provide advice, and raise awareness. After this incident arose, she appropriately addressed the establishment of corrective policy, including measures to prevent recurrence, and fulfilled her duties as a corporate auditor. Moreover, on December 5, 2024, DKK Co., Ltd. received a warning from the Fair Trade Commission based on Article 7, Paragraph 3 of the Act against Delay in Payment of Subcontract Proceeds, etc. to Subcontractors, as it was found that it had acted in violation of the provisions of Article 4, Paragraph 2, item 3 of the Act (which prohibits unreasonable demands for economic gain). She had endeavored to prevent the occurrence of such an incident by providing a range of advice on legal compliance and raise awareness. After this incident arose, she worked to strengthen the systems of checks and monitoring at DKK Co., Ltd. to prevent recurrence, fulfilling her duties.
- (Note 8) Mr. Yoshihiko Kawamura concurrently serves as Associate (Executive Advisor to the President) of Hitachi, Ltd. and Outside Director of circlace Inc, and neither of these entities have a business relationship with the Company.
- (Note 9) Mr. Norimitsu Takashima is an attorney of T&K Partners and this entity has no business relationship with the Company.
- (Note 10) Ms. Naoko Ichikawa concurrently serves as Outside Director of TSI HOLDINGS CO., LTD. and Outside Director of Rakuten Securities Holdings, Inc., and neither of these entities have a business relationship with the Company.
- (Note 11) There are no vested interests between the other candidates for directors and the Company.
- (Note 12) Mr. Gan Matsui, Mr. Paul Candland, Mr. Andrew House, Mr. Keiichi Sagawa, Ms. Mihoko Sogabe, Ms. Yuka Matsuda, Mr. Yoshihiko Kawamura, Mr. Norimitsu Takashima and Ms. Naoko Ichikawa are Outside Director candidates pursuant to Item 7 Paragraph 3, Article 2 of the Order for Enforcement of the Companies Act. These nine candidates 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 Group Inc." (<https://www.group.dentsu.com/en/about-us/governance/isod.html>) as stipulated by the Company. If the appointment of Mr. Gan Matsui, Mr. Paul Candland, Mr. Andrew House, Mr. Keiichi Sagawa, Ms. Mihoko Sogabe and Ms. Yuka Matsuda is approved at this General Meeting of Shareholders, the Company will continue to register them as independent officers as stipulated by the Tokyo Stock Exchange. If the appointment of Mr. Yoshihiko Kawamura, Mr. Norimitsu Takashima and Ms. Naoko Ichikawa is approved at this General Meeting of Shareholders, the Company will register them as independent officers with the Tokyo Stock Exchange.
- (Note 13) The explanation on the maximum amount under the performance-based stock compensation plan is as follows:  
Under our performance-based stock compensation plan, before FY2022, executive officers (including those who concurrently served as directors), and in FY2023 and thereafter, Group Management Team Members (including executive officers who concurrently serve as Group Management Team Members), will be granted in each relevant fiscal year (1) the "Basic Units" calculated in accordance with the calculation formula prescribed in the Officers Stock Incentive Regulations as compensation for the performance of their duties, then (2) depending on performance of their duties, the Basic Units will be adjusted in accordance with the calculation formula prescribed in the Officers Stock Incentive Regulations after a lapse of three consecutive fiscal years (the "Business performance Assessment Period"), and (3) in accordance with the units adjusted and finalized through these procedures, they receive common stocks of the Company and an amount of money equivalent to the market value ("Common Stocks"). 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 under the performance-based stock compensation plan of the Company. 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 candidates are not exercised until such stocks are received by them.
- (Note 14) The Company has concluded a contract for limitation of liability with Mr. Gan Matsui, Mr. Paul Candland, Mr. Andrew House, Mr. Keiichi Sagawa, Ms. Mihoko Sogabe and Ms. Yuka Matsuda for a maximum liability amount of 10 million yen or the minimum liability amount stipulated in Article 425, Paragraph 1 of the Companies Act, whichever is higher. If their appointment as directors is approved at this General Meeting of Shareholders, the Company intends to renew the above contract with them. In addition, if the appointment of Mr. Yoshihiko Kawamura, Mr. Norimitsu Takashima, and Ms. Naoko Ichikawa as directors is approved at this General Meeting of Shareholders, the Company intends to conclude similar contracts for limitation of liability with them.
- (Note 15) The Company has entered into directors and officers liability insurance (D&O insurance) agreement with an insurance company, which covers insured persons for legal damages and litigation costs to be borne by insured. Each candidate elected under this proposal will be insured under such insurance. Such insurance covers derivative suit, corporate suit and claims from third parties, but does not cover claims for damages arising from acts committed while aware of the violation of laws and regulations. The insurance premium for the candidates will be paid in full by the Company.
- (Note 16) The Company has entered into an indemnity agreement with Mr. Gan Matsui, Mr. Hiroshi Igarashi, Mr. Arinobu Soga, Mr. Paul Candland, Mr. Andrew House, Mr. Keiichi Sagawa, Ms. Mihoko Sogabe and Ms. Yuka Matsuda, which provides that the Company will indemnify the expenses stipulated in Article 430-2, Paragraph 1, Item 1 of the Companies Act and the losses stipulated in Paragraph 1, Item 2 of the same Article to the extent provided for by laws and regulations. If the election of each of the eight candidates above is approved at this General Meeting of Shareholders, the Company intends to continue these agreements with them. Moreover, if the appointment of Mr. Yoshihiko Kawamura, Mr. Norimitsu Takashima and Ms. Naoko Ichikawa as directors is approved at this General Meeting of Shareholders, the Company intends to enter into similar indemnity agreements with them. In order to ensure that the indemnity agreement does not impair the appropriateness of the execution of duties by the officer, the Company will take measures such as excluding the officer from the indemnification in cases where the officer acts with malicious intent or is grossly negligent in performing his/her duties or where the Company pursues the officer's liability.



## Reference

**Directors' Skills and Members of Committees (In the event that each candidate for Director is elected at this General Meeting of Shareholders as proposed)**

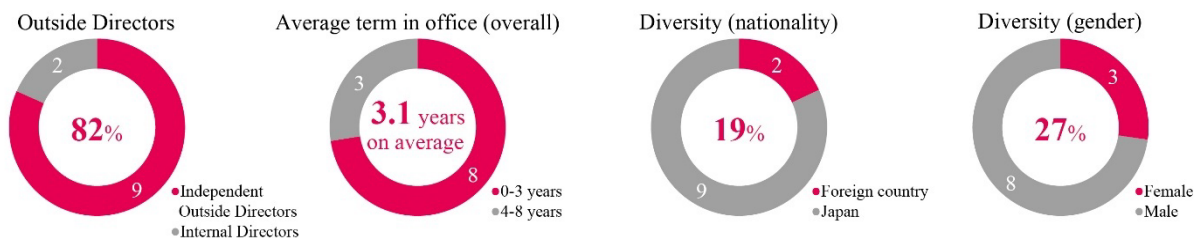
The Company structures the Board of Directors so that it is composed to appropriately balance the following three factors:

1. The diversity of the Board of Directors: two (2) non-Japanese Directors, three (3) female Directors
2. The execution of business and supervisory function: two (2) executive Directors; nine (9) non-executive Directors
3. Internal Directors and Outside Directors: two (2) internal Directors; nine (9) 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.

Name		Position to be assumed	
*Executive Director			
Gan Matsui	Outside		Director
	Independent		Non-Executive Chairman of the Board
Hiroshi Igarashi*		Nominating Committee	Director
			Representative Executive Officer, President & Global CEO
Arinobu Soga*			Director
			Representative Executive Officer, Executive Vice President, Global Chief Governance Officer
Paul Candland	Outside	Nominating Committee	Director
	Independent	Compensation Committee	
Andrew House	Outside	Compensation Committee	Director
	Independent	(Chair)	
Keiichi Sagawa	Outside	Nominating Committee (Chair)	Director
	Independent	Audit Committee	
Mihoko Sogabe	Outside	Audit Committee	Director
	Independent	Compensation Committee	
Yuka Matsuda	Outside	Audit Committee	Director
	Independent	(Chair)	
Yoshihiko Kawamura [New appointment]	Outside	Audit Committee	Director
	Independent		
Norimitsu Takashima [New appointment]	Outside	Nominating Committee	Director
	Independent	Audit Committee	
Naoko Ichikawa [New appointment]	Outside		Director
	Independent		

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



[Reasons for Selection as a Skill Set that will Contribute to the Management Structure and Enhancing Shareholder Value]

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

### **Response to the Antimonopoly Act Violation and Progress of Mindset and Behavior Reform**

#### **Introduction**

On February 28, 2023, the Company had a criminal complaint filed against it by the Japan Fair Trade Commission and was indicted by the Tokyo District Public Prosecutors Office for an alleged violation of the Antimonopoly Act in connection with the Tokyo 2020 Olympic and Paralympic Games. The Company subsequently filed an appeal with the Tokyo High Court against the judgment delivered by the Tokyo District Court on January 30, 2025.

We take this bid-rigging case concerning the “outsourcing contracts of planning test events, etc.” for the Tokyo 2020 Olympic and Paralympic Games extremely seriously. Based on earnest reflection, we have implemented initiatives to prevent any recurrence. At the same time, the violation cited in the judgment also covers the implementation of test events and main event operations, and therefore differs substantially from our assertions.

In the forthcoming appeal hearing, we will reassert the legitimacy of the Company’s actions and request the rectification of the previous judgment. We deeply regret the substantial trouble and concern this issue causes to our shareholders and other stakeholders.

#### **Investigation of Causes and Efforts to Prevent Recurrence**

On February 14, 2023, the Company established a special committee composed of three independent Outside Directors. On February 28, 2023, an Investigation and Review Committee consisting of three outside experts was established under the Special Committee. The Investigation and Review Committee has conducted an investigation into the current case in order to determine the causes and make recommendations for the future.

Subsequently, at the meeting of the Company’s Board of Directors held on June 9, 2023, the Company received the Investigation Report by the Investigation and Review Committee. The Group regards the content and recommendations of the Investigation Report very seriously and is working to prevent the recurrence of any incident arising from issues of organizational culture, compliance, the fairness of business processes, or transparency.

#### **Establishment of the dentsu Japan Reform Committee and Mindset and Behavior Reform**

The Group established the dentsu Japan Reform Committee on May 15, 2023. Representative Executive Officer, President & Global CEO Hiroshi Igarashi was appointed to chair this committee and it also included three attorneys as outside members to provide advice from external perspectives.

We are also engaged in the Mindset and Behavior Reform across all of dentsu Japan, the Group’s Japan Business with the aim of fulfilling its responsibility to all stakeholders by reforming its approach to work. The committee has engaged in discussions 40 times in total as of December 2024, as well as confirming the progress of the reform initiatives and the issues that need to be solved to achieve its aim. The progress made on the Mindset and Behavior Reform is regularly reported to the Board of Directors.

## Structure of the dentsu Japan Reform Committee (FY2024)

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

## Mindset and Behavior Reform Initiatives and Progress

We have pursued the Mindset and Behavior Reform across all of dentsu Japan, through 17 initiatives centered on the following three pillars of the initiatives, based on our policy to raise awareness of social responsibilities and improve transparency as well as clarify the rules and processes that must be followed.

- I. Establishment of an organizational culture that ensures proper corporate activities
- II. Strengthening of the risk management system and legal/compliance functions
- III. Introduction of business processes that ensure fair and transparent transactions

In FY2024, we completed all 17 initiatives established in FY2023. The outside members, through their monitoring evaluation, also praised the initiatives implemented so far and made recommendations for future initiatives.

The results of the fourth employee survey conducted in November 2024 enabled us to confirm the issues to address going forward. While the survey showed an improvement across metrics such as recognition and understanding of the prioritization of integrity and the establishment of a proper organizational culture, compared to previous fiscal year, no improvement was apparent in metrics such as balancing integrity and results. We will continue to engage in addressing these issues and confirm the progress of reform initiatives through the implementation of regular employee surveys.

### The Three Pillars and 17 Initiatives (All Completed in December 2024)

Initiatives		Status		
Pillar	Number of initiatives	In progress	Completed	Completed initiatives
I. Establishment of an organizational culture that ensures proper corporate activities	6	0	6	<ul style="list-style-type: none"> <li>• Reaffirm the Dentsu Group Code of Conduct</li> <li>• Promote dialogue between management and employees to discuss proper corporate activities</li> <li>• Clarify the qualities required of potential leaders and reflect these in promotion and evaluation</li> <li>• Optimize and reform the personnel system</li> </ul>
II. Strengthening of the risk management system and legal/compliance functions	7	0	7	<ul style="list-style-type: none"> <li>• Improve whistleblowing processes and introduce a new platform</li> <li>• Enhance legal and compliance sections</li> <li>• Appoint compliance managers within organizational sections engaged in business operations</li> <li>• Consider further measures to recover corporate order through the disciplinary system</li> </ul>
III. Introduction of business processes that ensure fair and transparent transactions	4	0	4	<ul style="list-style-type: none"> <li>• Use the support of external advisers (experts)</li> <li>• Establish and operate business guidelines</li> <li>• Establish and operate secondment rules</li> </ul>
Total	17	0	17	

### The dentsu Japan Mindset and Behavior Reform Project

In January 2025, the dentsu Japan Reform Committee, established in May 2023 with aims that include instilling an organizational culture that prioritizes integrity and ensuring a high level of compliance, began reform initiatives with a new structure as the dentsu Japan Mindset and Behavior Reform Project. The project is led by the COO of dentsu Japan, with the dentsu Japan Chief Branding/Culture Officer as sub-leader and personnel from the responsible section at DENTSU CORPORATE ONE INC., which supports the business frontline, as promoting members. Under this new structure, we will take a hands-on approach to issues on the business frontline as we continue to engage in initiatives such as the following.

- Activities to raise awareness of integrity, targeting all employees of dentsu Japan (widespread communication through the company newsletter, internal meetings, training, etc.)
- Confirmation of the progress of reform initiatives and issues through regular employee surveys and the implementation of initiatives utilizing the results of these surveys in each organizational section
- Widespread communication and continuing operational monitoring of the guidelines and systems established so far, such as the whistleblowing platform
- More comprehensive training and support for the person responsible for compliance and compliance manager appointed for each organizational section in dentsu Japan
- Continuation of training and awareness-raising activities relating to laws, regulations, and social norms for all dentsu Japan employees

We will provide regular reports on the specific initiatives implemented under the dentsu Japan Mindset and Behavior Reform Project and the progress of our efforts going forward.

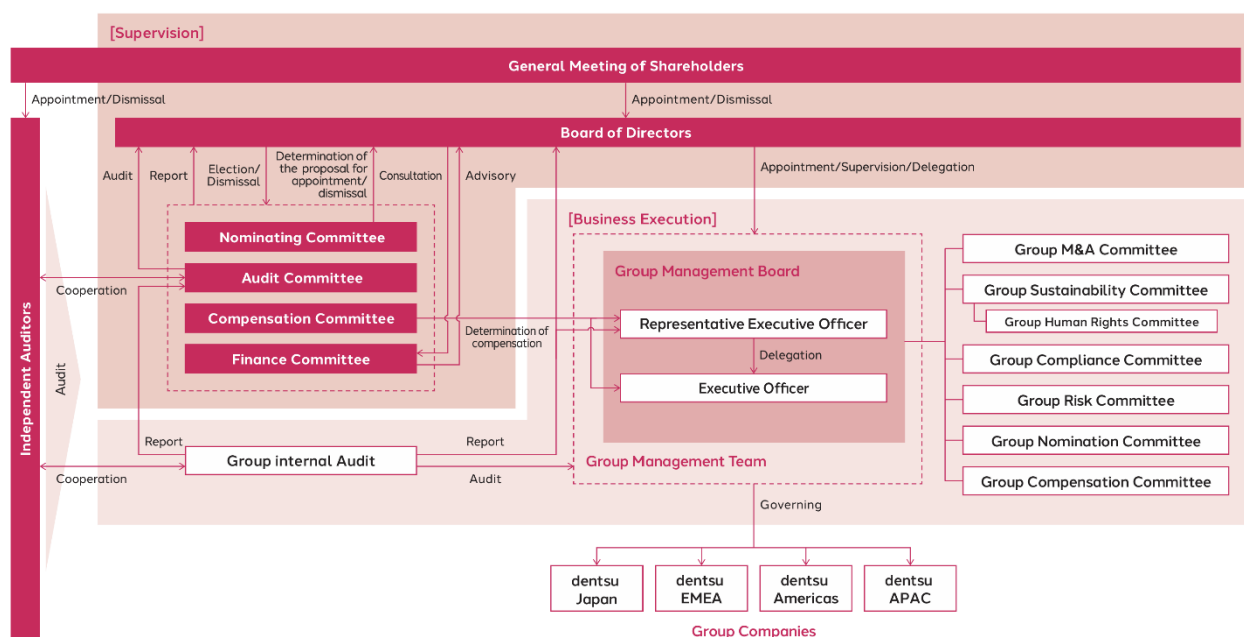
## Reference

### Corporate Governance Structure

The Company transitioned to a company with a nominating committee, etc. through the approval of a proposal to amend the Articles of Incorporation at the 174th Ordinary General Meeting of Shareholders held on March 30, 2023. The corporate governance structure as of January 1, 2025 is as follows.

Corporate governance structure

As of January 1, 2025



### Board of Directors (met 16 times in FY2024)

The Company is a company with a nominating committee, etc., and promotes swift and decisive management decisions by transferring authority regarding business execution from the Board of Directors to Executive Officers. This strengthens the supervisory function provided by the Board of Directors, which is composed of a majority of independent Outside Directors, and enhances the effectiveness of internal control.

Under the Chairman, a non-executive director, the Board of Directors is composed of nine (9) Directors, including six (6) independent Outside Directors, as of December 31, 2024. It is based on the consideration of a balance of factors such as experience, insight, and abilities, diversity in terms of gender, nationality, career, and age, and includes independent outside directors who have management experience at other companies.

In FY2024, the Board of Directors strived to continue to improve corporate governance by engaging in thorough and exhaustive discussion on the following key agenda, including debate at informal meetings.

#### <Key agenda in FY2024>

Group global governance structure

The new Medium-Term Management Plan, capital policy and shareholder return measures, business competitiveness, and business portfolio

Listed subsidiaries, internal control, risk management, and compliance

Sustainability (ESG) strategy

Human capital investment (employees) and corporate culture



## Evaluating the Effectiveness of the Board of Directors

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

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

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

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

#### **(1) Results of initiatives in FY 2024 to improve the effectiveness of the Board of Directors**

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

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

#### **(2) Evaluation method for FY2024**

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

#### **(3) Main question topics in the FY2024 questionnaire and interviews**

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

- (i) Overall evaluation (overall effectiveness, functions of monitoring model, the role of supervisory function, transparency, fairness, reasonableness of decision-making) (4 questions)
- (ii) Strategic alignment and engagement (management strategy, capital policy, review of business portfolio,

- measures for ESG, business risks, dialogue with shareholders, etc.) (12 questions)
- (iii) Composition and structure of the Board of Directors (total number of members, ratio of independence, skill set, etc.) (3 questions)
- (iv) Process and practice of Board of Directors (board operations, institutional design, themes for deliberation, training, etc.) (8 questions)
- (v) Functions of management monitoring (monitoring of business activities, risk management, global governance structure) (9 questions)
- (vi) Culture and dynamics of Board of Directors (3 questions)
- (vii) Nominating Committee (11 questions)
- (viii) Compensation Committee (11 questions)
- (ix) Audit Committee (12 questions)
- (x) Challenges identified in FY2023 effectiveness review (4 questions)

## **II Outline of Results of Analysis and Evaluation**

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

It is confirmed, in the FY2024 evaluation, that the Board of Directors is generally functioning effectively and that the Company is continuously taking steps to improve the effectiveness of the Board of Directors with the aim of enhancing the corporate governance system and financial and investment discipline to achieve sustainable growth and increase the corporate value of the entire group over the medium to long term. It is also confirmed that the Board of Directors' understanding and sensitivity to compliance matters and financial situations has increased due to the high level of commitment of each Director and the diligent supervisory efforts of the Board of Directors, and that the management monitoring function is improving.

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

On the other hand, it is also confirmed that we need to move forward in earnest with strategic discussion to optimize our business portfolio and ensure our global competitiveness and to increase the persuasiveness of our future medium-term management plan and growth strategy.

The status of efforts to address issues (i) to (iv) below, which were identified in the analysis and evaluation for FY2023, and our recognition of this status, are as follows:

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

(iv) Improvement of Quality of Materials Suitable for Board of Directors Discussion

We confirmed that the board materials have been improved to a certain degree, showing an awareness of the required perspectives for discussions at the board level, with an executive summary included.

**(2) Initiatives for Future Improvement**

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

(i) Enrichment of Deliberation on Major Agenda Items Based on Medium- to Long-Term Strategy

- Continued innovation in the streamlining of agenda items and the securing of time to spend on important items
- Clarification of the KGIs/KPIs related to medium- and long-term strategies and the alignment of the oversight function and execution with respect to the management monitoring methods through the reaffirmation of the roles and responsibilities of the Board of Directors and the reorganization of the division of roles between the Board and management
- Exploration of utilization of discussion opportunities outside the Board such as Outside Directors meeting as necessary

(ii) Further Sophistication of Management Control System of Group

- Appropriate advice from the board (monitoring side), speedy response by the management side and strengthening of monitoring function of the board
- Continuous strengthening of the organizational audit functions and exploration of the enhancement of the information gathering system on the monitoring side

(iii) Realization of Effective CEO Succession Plan

- Identification of CEO candidates based on the ideal requirements taking into consideration the management environment and management/organizational challenges and transparent and fair selection of candidates
- Clarification of the plan for candidate training program and its monitoring by the Nominating Committee of the status of leadership development for candidates
- Sharing at the Board a roadmap/progress and the examination on how to share the status in more detail using the Outside Directors meeting

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

**Nominating Committee** (met 11 times in FY2024)

**<Composition>**

Chaired by a voting independent Outside Director and composed of three (3) voting members, of whom two (2) are independent Outside Directors and one (1) is an internal Director, for a total of four (4) members.

**<Results of activities>**

The Committee deliberates on the nomination and succession planning of Directors and Executive Officers, and decides on matters related to Directors. Matters related to Executive Officers are deliberated and reported by the committee before being submitted to the Board of Directors for decision.

Main agenda deliberated during FY2024 were as follows.

- Role, operating policy, and main themes of the Nominating Committee

- Nomination and succession planning policies for Directors
- Nomination and succession planning policies for Executive Officers

#### <Policies on nomination and succession planning>

##### (i) Nomination policy

- Appropriately nominate human resources who will contribute to medium- to long-term sustainable growth and enhance the corporate value of the Dentsu Group, taking account of the Group's management environment. Increase the fairness and transparency of the deliberation process leading to nomination and achieve higher-quality discussions
- 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 strengthen the competitiveness of the Dentsu Group and swiftly embody innovation
- Nominate Directors and Executive Officers of the Company for FY2025

##### (ii) Succession planning policy

- Create a succession plan for Directors and Executive Officers of the Company
- Establish the requirements and priorities, taking account of the Group's management environment, for each relevant position (or group of positions), and consider successors based on these requirements and priorities
- Implement discussions regarding human resources (People Discussions) in the executive team at each division to visualize promising human resources, and consider personnel development plans. Hold discussions based on the information examined through these activities at meetings of the Nominating Committee.
- For some positions, promote searches for candidates outside the Group, in addition to selecting and developing internal candidates, to expand the pool of potential candidates.

#### **Audit Committee** (met 15 times in FY2024)

##### <Composition>

The Audit Committee is composed of four (4) independent Outside Directors selected by a resolution of the Board of Directors. (Three (3) of these independent Outside Directors possess substantial knowledge concerning finance and accounting.)

The Audit Committee, by resolution, has appointed one (1) Chair from among its members.

##### <Results of activities>

The Audit Committee audits the execution of duties by the Directors and Executive Officers based on the provisions of the Companies Act. It also plays a key role on the supervisory function performed by the Board of Directors. The committee's basic policy is to assist in fulfilling the Board's supervision of management by monitoring and supervising financial reporting, internal controls, internal auditing, and accounting audits.

Key audit matters for the Audit Committee are as follows.

- Financial reporting lines and reporting systems to reinforce the reliability of financial reporting
- Group-level initiatives to strengthen the compliance framework

#### **Compensation Committee** (met 8 times in FY2024)

##### <Composition>

Chaired by a voting member and composed of two (2) other voting members for a total of three (3) members, all of whom are independent Outside Directors.

### <Results of activities>

The Committee deliberates and decides on compensation for Directors and Executive Officers.

Main agenda deliberated during FY2024 were as follows.

- Role and operating policy of the Compensation Committee (reconsideration of the scope of matters for approval by the Compensation Committee)
- Review of the performance indicators for incentive compensation (annual bonus and medium- to long-term bonus)
- Establishment of targets, evaluation methods, etc. for performance indicators
- Establishment of individual performance targets for Executive Officers

### <Basic policies on executive compensation>

- (i) Attract and retain outstanding talent by providing attractive total rewards and environment
  - Competitive pay
  - Career growth opportunities
- (ii) Achieve Group's strategic goals by maximizing the performance of the globally integrated management team
  - Pay for performance
  - Challenging goals
- (iii) Strengthen alignment with interests of shareholders and all other stakeholders
  - Creating value for society
  - Accountability

### **Finance Committee** (met 8 times in FY2024)

The Company is engaged in reviewing and refining its focus on specific business areas and markets to transform its business portfolio. To complete this transformation and achieve sound business growth, it has established the Finance Committee, composed of three (3) independent Outside Directors with insight into areas such as finance/accounting, legal/compliance, and global management, as an advisory body reporting to the Board of Directors from the perspective of enhancing shareholder value. The committee supports more sophisticated financial discipline and investment discipline through the examination and consideration of the financial aspect of business strategy, as well as by monitoring the execution of measures, from the perspective of enhancing shareholder value.

Main agenda deliberated during FY2024 were as follows.

- Consideration of the medium-term financial plan
- Examination of ROIC analysis for the Group as a whole and each region
- Consideration of the suitability of financial measures for FY2025

### **Group Sustainability Committee** (met 4 times in FY2024)

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

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

Human rights are also a standing agenda item at the committee.

Main agenda deliberated during FY2024 were as follows:

- Updating the 2030 Sustainability Strategy and confirming progress on its KPIs and action plans
- The Dentsu Group Human Rights Policy, human rights due diligence, and human rights and responsible media
- Analysis of current rating by third-party evaluation organizations and efforts to improve those ratings
- Responding to non-financial disclosure requirements under the EU Corporate Sustainability Reporting Directive (CSRD)

### **Other boards and committees related to the execution of business**

The Company has established the Group Management Board, as an executive body under the Board of Directors. Group Management Board is composed of the President, two (2) executive vice presidents, and other members of the Group's executive management team. All of these are members of the Group Management Team that directly controls business operations across four regions worldwide. The Group Management Board deliberates (including deliberation in preparation for submission to the Board of Directors) and decides on important matters including budgets, the settlement of accounts, dividend, results forecasts, M&A and investment-related activities, Medium-Term Management Plan, major personnel matters, and the establishment, revision, and abolition of major internal regulations.

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

## Composition of the Company's meeting bodies and attendance at meetings in FY2024

(January 1 to December 31, 2024)

C: Chair M: Member

Meetings attended/  
meetings held

Title	Name	Board of Directors	Nominating Committee	Audit Committee	Compensation Committee
Director, Chairman of the Board (Non-Executive Director)	Timothy Andree	C 16/16			
Representative Executive Officer, President & Global CEO	Hiroshi Igarashi	M 16/16	M 9/11		
Representative Executive Officer, Executive Vice President, Global CGO & Global CFO	Arinobu Soga	M 16/16			
Executive Officer & CFO	Nick Priday	M 0/1			
Independent Outside Director	Gan Matsui	M 16/16	M 11/11	C 15/15	
	Paul Candland	M 16/16	M 11/11		M 7/8
	Andrew House	M 16/16			C 8/8
	Keiichi Sagawa	M 16/16	C 11/11	M 15/15	
	Mihoko Sogabe	M 16/16		M 15/15	M 8/8
	Yuka Matsuda	M 16/16		M 15/15	

(Note) Mr. Nick Priday resigned as Director, Executive Officer & CFO on February 13, 2024.

## Information Related to Corporate Governance (as of January 1, 2025)

### Board of Directors

Principle 4.8 (Effective Use of Independent Directors)	Proportion of independent Outside Directors	6 of 9 (66.7%)
Principle 4.11 (Preconditions for Board and <i>Kansayaku</i> Board Effectiveness)	Proportion of Directors who are female	2 of 9 (22.2%)
	Proportion of non-Japanese Directors	3 of 9 (33.3%)

### Audit Committee

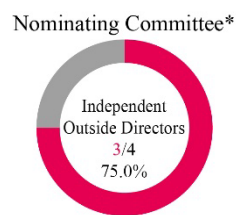
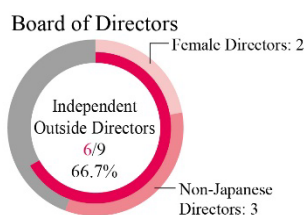
Principle 4.8 (Effective Use of Independent Directors)	Proportion of independent Outside Directors	4 of 4 (100%)
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### Nominating Committee

Principle 4.8 (Effective Use of Independent Directors)	Proportion of independent Outside Directors	3 of 4 (75.0%)
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### Compensation Committee

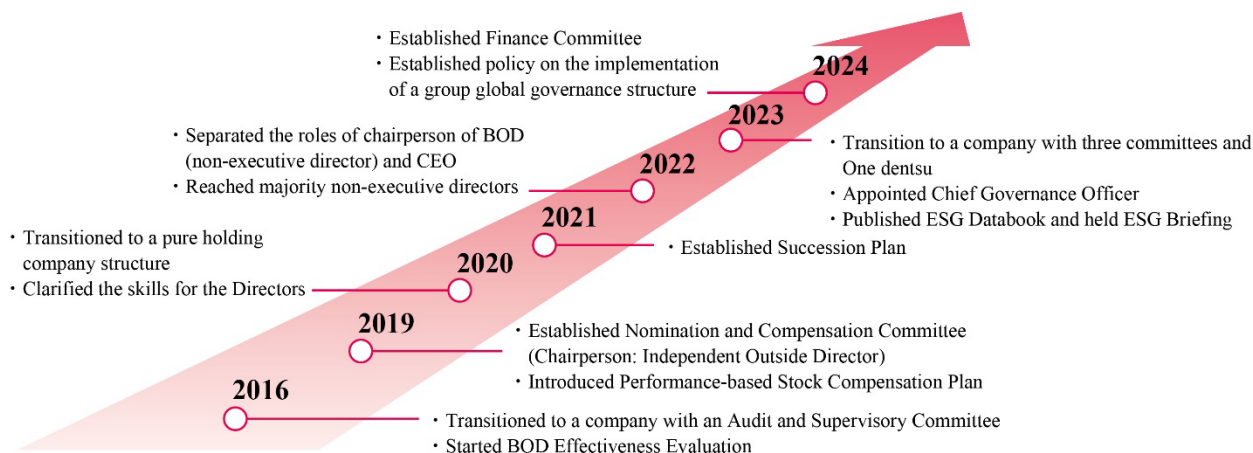
Principle 4.8 (Effective Use of Independent Directors)	Proportion of independent Outside Directors	3 of 3 (100%)
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\*Chair: Independent Outside Director



## Corporate Governance Evolution



## Policy on the Disposal of Strategic Shareholdings and Actual Reductions

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

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

Last year, the Company sold 16 strategic shareholdings with a total value of approximately 20.7 billion yen in accordance with this basic policy.

As of December 31, 2024, the ratio of the amount of strategic shareholdings on the balance sheet to the Company's total equity was 10.9%.

## People strategy to “unleash the power of our people”

Human capital is the greatest asset of the Dentsu Group, and the Group aims to boost the capabilities of the organization and each individual by creating an environment where diverse human resources will connect and learn together, combining their expertise. To achieve this aim, the Group is pursuing human resources initiatives under its human resources mission statement “coming together to unleash the power of our people.” Specifically, the Group has established a human resources strategy built on the pillars of 1) People Growth, 2) Winning as One Team, and 3) HR Partnership Excellence, and is pursuing a range of activities.

In FY2024, we reviewed our human capital strategy to achieve future business transformation and growth, clarifying the key areas and activities to invest in for FY2025 and beyond. Through these investments, we will further accelerate the “expansion of the potential of our people” unique to the Dentsu Group.

### 1. People Growth

We believe that our approach to leadership is the key to accelerating personal and organizational growth, and we position it at the center of our strategy. It is vital for us to identify and develop dentsu-style leadership, and we have defined the dentsu Leadership Attributes, our requirements for leadership behavior, as the standard for this. Based on these Attributes, we select, evaluate, and develop human resources for top-level leadership, and we are

currently making preparations to apply them to a broader range of employees from FY2025. We also regularly hold what we call People Discussions within each division, while progressively visualizing key human resources investments and discussing human resources development policies Group-wide. This will be the second year since we first held these activities, and the scope of employees to be discussed has expanded significantly. We will continue to renew the human resources pool and implement appropriate training and succession planning.

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

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

## **2. Winning as One Team**

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

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

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

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

### **3. HR Partnership Excellence**

To give concrete form to our human resources strategy and generate a genuine impact, it is crucial that we not only enhance the capabilities of our human resources but also build the best possible partnerships between our people and the business. To this end, we are boosting our organizational capabilities through the establishment of a global structure integrating HR business partners (HRBPs), who work closely with management and businesses, and Centers of Excellence (COEs), composed of specialized teams for talent management, compensation design, etc. In FY2024, we launched HRBP activities centered on the Company in Japan, progressively accumulating insight. We will continue to expand the scope of human resources partnering as we firmly establish functions in Japan.

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

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

# **Business Report**

(From January 1, 2024 to December 31, 2024)

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

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

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

The outlook for the global economy in 2024 remained uncertain due to factors such as prolonged instability in the international situations, worldwide inflation and monetary tightening by central banks in response, rapid fluctuations in exchange rates, and uncertain environments such as a slowdown in the Chinese economy.

Under such circumstances, for the business results during the fiscal year 2024 (from January 1 to December 31, 2024), the Group recorded net revenue organic growth (internal growth rate factoring out the effects of foreign exchange rates and M&A) of negative 0.1%. However on the back of overall shift in exchange rates toward a weaker yen, as well as M&A activities, net revenue was 1,201,647 million yen (5.0% increase year on year), underlying operating profit was 176,233 million yen (7.8% increase year on year), operating margin was 14.8% (14.5% for the previous fiscal year), and underlying net profit attributable to owners of the parent was 92,936 million yen (3.4% increase year on year).

Due to recognition of impairment loss, operating loss was 124,992 million yen (operating profit was 45,312 million yen for the previous fiscal year), and net loss attributable to owners of the parent was 192,172 million yen (net loss of 10,714 million yen for the previous fiscal year).

(Note) The sale transaction of the Russia business was completed in July 2024. However, operating profit (loss) related to the Russia business that arose until the completion of the sale is not included in the underlying operating profit as a one-off item.

Underlying operating profit is a profit indicator to measure recurring business performance which is calculated as operating profit added with M&A related items and one-off items.

M&A related items: amortization of purchased intangible assets, acquisition costs, and share-based compensation expense issued following the acquisition of 100% ownership of a subsidiary.

One-off items: items such as business restructuring costs, 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, change in fair value of contingent considerations (gain/loss on revaluation of earnout liabilities), remeasurements of share purchase liabilities (gain/loss on revaluation of M&A related put-option liabilities), tax-related, 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 to a later date according to the future actual results of the acquired business.

#### **(2) Record of Income for Reportable Segments**

##### **1) Japan**

Driven by the growth in the advertising business, including TV and internet, Business Transformation, and Digital Transformation domain, a net revenue organic growth rate of 4.0% and net revenue of 466,746 million yen (4.0% increase year on year). Underlying operating profit was 114,184 million yen (10.4%

increase year on year) and the operating margin was 24.5% (23.0% for the previous fiscal year) mainly due to top-line growth, despite an increase in personnel expenses due to an increase in personnel.

## 2) Americas

The Americas saw a net revenue organic growth rate of negative 4.1%. Among the major markets, results were challenging in the United States. Net revenue in the Americas was 334,642 million yen (3.9% increase year on year), underlying operating profit was 75,161 million yen (2.9% increase year on year), and the operating margin was 22.5% (22.7% for the previous fiscal year), on the back of the overall shift in exchange rates toward a weaker yen, as well as the full-year effect of the acquisition of Tag which was completed in June 2023.

## 3) EMEA (Europe excluding Russia, the Middle East, and Africa)

In EMEA, the net revenue organic growth rate was 2.2%, due mainly to a reactionary increase following the one-off financial impact in the previous fiscal year. Among the major markets, Spain and France performed well, but results were challenging in countries such as the United Kingdom, Italy, and Denmark. Net revenue in EMEA was 269,254 million yen (13.4% increase year on year), underlying operating profit was 38,466 million yen (58.7% increase year on year), and the operating margin was 14.3% (10.2% for the previous fiscal year), on the back of the overall shift in exchange rates toward a weaker yen, as well as the full-year effect of the acquisition of Tag which was completed in June 2023.

## 4) APAC (Asia Pacific excluding Japan)

The net revenue organic growth rate in APAC was negative 7.0%. Among the major markets, India, Taiwan and Thailand showed a solid performance, but the results were challenging in markets such as China and Australia. Net revenue in APAC was 116,413 million yen (2.8% increase year on year) due to the overall shift in exchange rates toward a weaker yen, as well as the full-year effect of the acquisition of Tag which was completed in June 2023. However, underlying operating profit was 1,050 million yen (86.8% decrease year on year), and the operating margin was 0.9% (7.0% for the previous fiscal year) due to factors such as an increase in operating expenses.

## 2. Issues to be Addressed

### (1) New Medium-Term Management Plan

The Group's business continues to undergo substantial changes. While FY2024 saw the Japan business maintain strong growth throughout the year, achieving its highest-ever level of underlying operating profit, in the International business, the Americas and APAC recorded a negative organic growth rate. On a consolidated basis, the Group's organic growth rate was -0.1% and the underlying operating margin was 14.8%. This, together with the recognition of impairment of goodwill and other assets in the International business, resulted in a severe outcome, with the Group posting a bottom-line loss for the second consecutive fiscal year. Under the previous Medium-Term Management Plan that concluded in FY2024, the Group targeted a compound annual growth rate (CAGR) of 4% to 5% through FY2024 vs. FY2021 and an underlying operating margin of 18% in FY2024, but the results each fell short of these targets.

We expect the business environment to remain unpredictable in FY2025 and beyond. It is also expected that our position will relatively shift in the face of intensifying competition with an emergence of highly-scaled players both within and outside the industry accompanied by large-scale investments made by technology and consulting companies, particularly in the field of AI.

Based on our awareness of these conditions, the newly announced Medium-Term Management Plan represents a revision of our past M&A-focused growth strategy as we aim to recover strong organic growth. By implementing the plan, the Group aims to revise its business portfolio, concentrate its capital and human resources, and recover its competitive advantage to achieve an organic growth rate of 4% and an underlying operating margin of 16–17% by FY2027, the final year of the plan.

## **(2) Reevaluating underperforming businesses and rebuilding the business foundation**

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

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

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

## **(3) The focus of our business strategies**

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

Under our markets strategy, we will strengthen our focus on the large markets of Japan and the United States, where the Group boasts unique business assets. We will also selectively strengthen our exposure to markets where the Group has already built a strong position. Under our clients strategy, we will extend our

business with existing clients and strengthen the acquisition of new clients based on a customer strategy that further deepens our relationships with large-scale clients in each market.

Under our capabilities strategy, we will focus on enhancing added value in our core Media businesses in the International business, aiming for a recovery in business performance. At the same time, we will strengthen our capabilities in fields such as consulting, technology, and sports and entertainment to achieve further differentiation in the Japan business, our leading market for Integrated Growth Solutions.

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

#### **(4) Business operations and financial policy emphasizing shareholder value and capital efficiency**

The strategies and initiatives described above are aimed at the medium- and long-term enhancement of shareholder value through profit growth. We have added ROE as a management indicator to ensure we achieve this. Specifically, we target ROE of around 10.5% in FY2027.

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

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

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

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

#### **(5) Improving governance and internal controls**

We will continue to strive to improve the Group's governance and internal controls through measures such as building a Group-wide governance structure, clarifying those responsible for Group governance, and streamlining business operations to achieve appropriate implementation of the One dentsu Operating Model. Progress on these initiatives is regularly confirmed by the Board of Directors and other bodies.

At dentsu Japan, all officers and employees are engaged in the Mindset and Behavior Reform aimed at preventing the recurrence of issues after the Company was indicted for a violation of the Antimonopoly Act in connection with the Tokyo 2020 Olympic and Paralympic Games. In FY2024, we completed all the 17



initiatives established in FY2023, and we will address the issues identified through employee surveys and other forms by promoting the Mindset and Behavior Reform under a new structure in FY2025.

We have appealed the conviction handed down by the Tokyo District Court on January 30, 2025, to the Tokyo High Court. At the same time, we are pursuing further initiatives such as the improvement of governance and internal controls and the Mindset and Behavior Reform, and we will implement business operations and corporate activities based on robust operational processes and governance.

The three years from FY2025 to FY2027, covered by the new Medium-Term Management Plan, represent a crucial period for the Group's return to a sustainable growth trajectory. We will work tirelessly to achieve a bold transformation aimed at achieving this goal.

### **3. Main Business Description of the Group**

The Group is operating various businesses integrating marketing, technology and consulting, together with sports and entertainment, providing its clients with the consultation of management and business transformation by leveraging its advanced data & technology, advertisement strategy planning and creation, placing an advertisement in media, managing end-user experience, sports and entertainment content services and other businesses. In order to contribute to clients' transformation and business growth, the Group provides Integrated Growth Solution, which incorporates a wide range of capabilities held by the entire Group.

### **4. Status of Financing**

The Company procured 40.0 billion yen in loans from financial institutions during the fiscal year as working capital.

### **5. Status of Capital Investment**

No special items reported.

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

In July 2024, the Company sold its interest in the local joint venture company responsible for the Group's Russia business to its local partner.

### **7. Policy regarding the Exercise of the Board of Directors' Authority to Decide on Distribution of Surplus, etc.**

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.

The year-end dividend for this year was resolved to be 69.75 yen per share at the meeting of the Board of Directors held on February 14, 2025, comprehensively taking into consideration factors such as the Group's financial performance. As the Company already paid 69.75 yen per share as an interim dividend, the annual dividend will be 139.50 yen per share.

With regard to the external environment around our group, giant players are emerging both within and outside the industry, and the competitive environment is getting more active. In addition, consulting firms and technology companies are investing huge amounts of capital, particularly in the fields of AI and other areas, and this trend is also affecting adjacent industries, meaning that major changes are expected in the competitive and business environments. In light of these changes, the current medium-term management plan toward

FY2027, aims to return to strong organic growth. After reassessing the strengths of our group, which form the core of our business, we will promote a differentiation strategy that focuses on selection and concentration in strategically important markets. We will also rebuild our management foundation and work to recover sustainable profitability. Through these activities, we will strive to return profits to our shareholders through the appropriate allocation of profits and the improvement of our intrinsic corporate value, and our dividend policy from FY2025 onwards will be to maintain the dividend payout ratio of 35% based on the basic underlying net income per share. However, regarding the dividend per share for FY2025, while adhering to the above policy, we plan to maintain the annual dividend of 139.5 yen per share, which is the same amount as FY2024, as a temporary measure in light of the fact that FY2025 is a transitional period when investment to recover competitiveness and profitability will take precedence.

The Company will continue to return profits to shareholders and improve capital efficiency while implementing flexible capital policies in response to changes in the business environment.

## 8. Main Business Offices of the Company

Headquarters (Minato-ku, Tokyo)

(Significant subsidiaries of the Company are as stated in “12. Status of Significant Subsidiaries.”)

## 9. Situation of Employees of the Group

Number of Employees	Change from Previous Year-end
67,667 persons	Decrease of 3,460 persons

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

## 10. Major Lenders

Lender	Year-end Balance of Loans Payable
	(Millions of yen)
MUFG Bank, Ltd	95,000
Mizuho Bank, Ltd.	75,000
Sumitomo Mitsui Banking Corporation	55,000
Mizuho Bank, Ltd.	49,250 [GBP 250 million]

## 11. 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)

	173rd Term	174th Term	175th Term	176th Term (the fiscal year under review)
	From January 1, 2021 to December 31, 2021	From January 1, 2022 to December 31, 2022	From January 1, 2023 to December 31, 2023	From January 1, 2024 to December 31, 2024
Revenue (Millions of yen)	1,085,592	1,246,401	1,304,552	1,410,961
Net revenue (Millions of yen)	976,577	1,119,519	1,144,819	1,201,647
Operating profit (Millions of yen)	241,841	117,617	45,312	(124,992)
profit for the year (attributable to owners of the parent) (Millions of yen)	108,389	59,847	(10,714)	(192,172)
Basic earnings per share (attributable to owners of the parent) (Yen)	388.79	223.33	(40.52)	(734.56)
Total equity attributable to owners of the parent (Millions of yen)	845,034	880,267	841,651	696,838
Total assets (Millions of yen)	3,720,536	3,741,427	3,634,401	3,507,260

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

(Note 2) Profit distribution from the Content business, which had been presented under "Other income," has been included in "Revenue" for the 175th Term. Moreover, amortization of long-term prepaid expenses, etc., which had been presented under "Other expenses" as expenses related to the said profit distribution, has been included in "Revenue" as a deduction item of revenue.

This change is intended to present the results of the Group's sales activities more appropriately, as the renewal of contracts has led to an increased contribution by the Group's sales activities. The amounts shown for the main management indicators for the 174th Term have been revised retrospectively to reflect these changes in accounting policy.

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

	173rd Term	174th Term	175th Term	176th Term (the fiscal year under review)
	From January 1, 2021 to December 31, 2021	From January 1, 2022 to December 31, 2022	From January 1, 2023 to December 31, 2023	From January 1, 2024 to December 31, 2024
Operating revenue (Millions of yen)	34,897	61,651	92,782	91,683
Ordinary income (Millions of yen)	7,017	33,788	67,339	64,485
Net income (Millions of yen)	122,940	3,547	61,313	(221,172)
Net income per share (Yen)	440.98	13.24	231.90	(845.41)
Net assets (Millions of yen)	699,150	609,303	631,108	359,211
Total assets (Millions of yen)	1,177,686	1,046,010	1,222,456	11,222,456

(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.

## 12. Status of Significant Subsidiaries

Company Name	Location Of headquarters	Capital or Stake	Shareholding Ratio (%)	Main Business Description
Dentsu Inc.	Minato-ku, Tokyo	<b>JPY 10,000 million</b>	<b>100.0</b>	Advertising and advertising-related businesses
Dentsu International Limited	London England	<b>GBP 78 million</b>	<b>100.0</b>	Controlling company for International business operations
Merkle Group Inc.	Maryland USA	<b>USD 0 million</b>	<b>100.0 (100.0)</b>	Data-driven and technological advertising marketing primarily in the USA
Tag Worldwide Holdings Ltd	London England	<b>EUR 18 million</b>	<b>100.0 (100.0)</b>	Digital creative content production business, technology business, channel activation business
CARTA HOLDINGS, INC.	Minato-ku, Tokyo	<b>JPY 1,614 million</b>	<b>53.1</b>	Managerial control over partner sales (media representative), ad-platform, and consumer business
Dentsu Digital Inc.	Minato-ku, Tokyo	<b>JPY 442 million</b>	<b>100.0 (25.0)</b>	Consulting; development and implementation; and operational and execution support concerning all aspects of digital marketing
DENTSU PROMOTION PLUS INC.	Minato-ku, Tokyo	<b>JPY 1,000 million</b>	<b>100.0</b>	Planning and production for sales promotions, events, print, etc.
Information Services International-Dentsu, Ltd.	Minato-ku, Tokyo	<b>JPY 8,180 million</b>	<b>61.8</b>	Information systems building; software sales and support for various business areas
DENTSU LIVE INC.	Chuo-ku, Tokyo	<b>JPY 2,650 million</b>	<b>100.0</b>	Provision of real experiential value through events and event spaces
SEPTENI HOLDINGS CO., LTD.	Shinjuku-ku, Tokyo	<b>JPY 18,430 million</b>	<b>52.5</b>	Digital marketing business, media platform business

(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 727 companies, and the number of associates accounted for using the equity method is 76 companies.

(Note 3) Information Services International Dentsu, Ltd. changed its company name to DENTSU SOKEN INC. as of January 1, 2024

### III Items Related to the Company Executives

#### 1. Names, etc., of Directors and Executive Officers (As of December 31, 2024)

##### (1) Directors

Name	Position	Responsibilities
Timothy Andree	Director	Non-Executive Chairman of the Board
Hiroshi Igarashi	Director	Member of the Nominating Committee
Arinobu Soga	Director	
Gan Matsui	Outside Director	Member of the Nominating Committee Chair of the Audit Committee
Paul Candland	Outside Director	Member of the Nominating Committee Member of the Compensation Committee
Andrew House	Outside Director	Chair of the Compensation Committee
Keiichi Sagawa	Outside Director	Chair of the Nominating Committee Member of the Audit Committee
Mihoko Sogabe	Outside Director	Member of the Audit Committee Member of the Compensation Committee
Yuka Matsuda	Outside Director	Member of the Audit Committee

##### (Notes)

1. Of the Directors, Mr. Gan Matsui, Mr. Paul Candland, Mr. Andrew House, Mr. Keiichi Sagawa, Ms. Mihoko Sogabe, and Ms. Yuka Matsuda are outside directors pursuant to Article 2, Item 15 of the Companies Act.
2. Of the Directors, Mr. Gan Matsui, Mr. Paul Candland, Mr. Andrew House, Mr. Keiichi Sagawa, Ms. Mihoko Sogabe, and Ms. Yuka Matsuda are designated Independent Directors pursuant to the Tokyo Stock Exchange Securities Listing Regulations.
3. Mr. Keiichi Sagawa, a Director who is a member of the Audit Committee, has many years of practical experience in accounting and experience as a corporate officer. He has an appreciable extent of knowledge of finance and accounting. Ms. Mihoko Sogabe and Ms. Yuka Matsuda, Directors who are members of the Audit Committee, are qualified as certified public accountants and have an appreciable extent of knowledge of finance and accounting.
4. The Company has concluded a contract for limitation of liability with each of Directors Mr. Timothy Andree, Mr. Gan Matsui, Mr. Paul Candland, Mr. Andrew House, Mr. Keiichi Sagawa, Ms. Mihoko Sogabe, and Ms. Yuka Matsuda 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.
5. The Company has not appointed a full-time member of the Audit Committee, as it has delegated persons to assist in the duties of the Audit Committee by facilitating the committee's audit activities such as information collection and ensures the effectiveness of audits through reporting to the Audit Committee by the Group Internal Audit team and close coordination with the Accounting Auditor.
6. The Company has entered into directors and officers liability insurance (D&O insurance) agreement with an insurance company, which covers insured persons for legal damages and litigation costs. The scope of insured persons under the agreement is directors, executive officers, Group Management Team Members, corporate officers and corporate auditors of the Company and its subsidiaries (excluding three listed subsidiaries (and their subsidiaries) and 26 other subsidiaries that are not covered by the insurance agreement), and their heirs. Such insurance covers derivative suit, corporate suit and claims from third parties, but does not cover claims for damages arising from acts committed while aware of the violation of laws and regulations. The insurance premium for each director and manager is paid in full by the Company in which the relevant officer and manager perform his/her duties.
7. The Company has entered into an indemnity agreement with each of the directors and the executive officers of the Company, which provides that the Company will indemnify the expenses stipulated in Article 430-2, Paragraph 1, Item 1 of the Companies Act and the losses stipulated in Paragraph 1, Item 2 of the same Article to the extent provided for by laws and regulations. In order to ensure that the indemnification agreement does not impair the appropriateness of the execution of duties by the officer, the Company will take measures such as excluding the officer from the indemnification in cases where the officer is with knowledge or grossly negligent in performing his/her duties or where the Company pursues the officer's liability.

##### (2) Executive Officers

Name	Position	Responsibilities
Hiroshi Igarashi	Representative Executive Officer	President & Global CEO
Arinobu Soga	Representative Executive Officer	Executive Vice President, Global Chief Governance Officer & Global Chief Financial Officer

##### (Notes)

1. Executive Officers Mr. Hiroshi Igarashi and Mr. Arinobu Soga concurrently serve as directors.
2. Executive Officer Mr. Arinobu Soga resigned as Global Chief Financial Officer on February 15, 2025.

## 2. Policy for Determining the Amount or Calculation Method of Compensation for Directors and Executive Officers for FY2024

### (1) Basic policy for determining executive compensation

The Company's Compensation Committee has established a basic policy for determining the details of compensation for individual Directors and Executive Officers (hereinafter, the "Executive Compensation Policy"), based on the provisions of the Companies Act with respect to a company with a nominating committee, etc.

#### Executive Compensation Policy

##### 1. Executive compensation philosophy

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

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

Attract and retain outstanding talent by providing attractive total rewards and environment

- 1) Competitive pay
- 2) Career growth opportunities

Achieve the Group's strategic goals by maximizing the performance of the globally integrated management team

- 3) Pay for performance
- 4) Challenging goals

Strengthen alignment with interests of shareholders and all other stakeholders

- 5) Creating value for society
- 6) Accountability

- 1) Set competitive and equitable compensation levels relative to global peers within affordable pay ranges, considering the individual's scope of responsibility and geographical location
- 2) Provide integrated opportunities that encompass not only pay but also compelling opportunities for career advancement and self-fulfillment, as well as a collaborative environment that stimulates creativity
- 3) Set appropriate variable pay ratios to reward the achievement of dentsu and individual goals, as well as demonstration of excellent leadership attributes
- 4) Set challenging yet achievable goals against global peers to accelerate global business growth and drive shareholder value
- 5) As a B2B2S (Business to Business to Society) company, emphasize long-term performance, especially the impact we have on our communities, client companies, business partners and employees
- 6) Determine compensation based on transparent and objective procedures, taking integrity and compliance into consideration

##### 2. Compensation levels

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

##### 3. Structure of compensation

###### 1) Directors

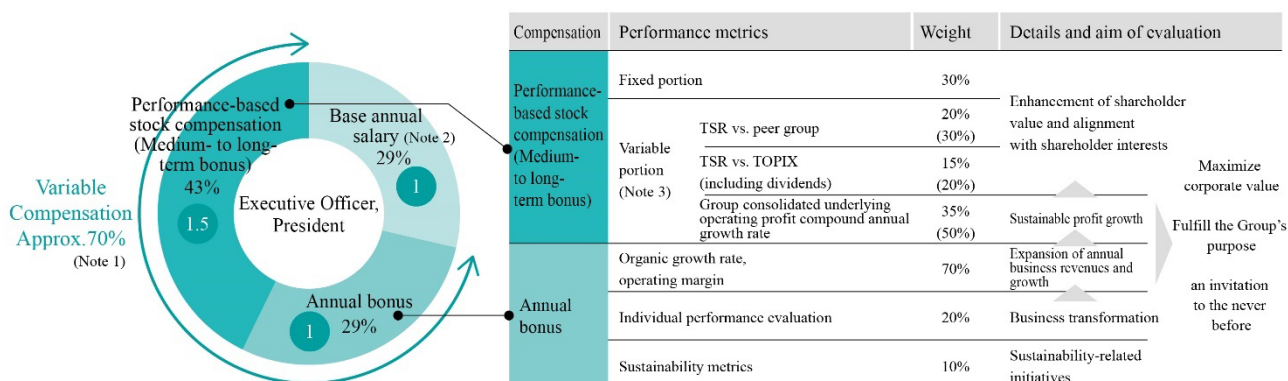
Compensation for Directors consists only of Director compensation as fixed compensation.

###### 2) Executive Officers

Compensation for Executive Officers is composed of 1) base annual salary as fixed compensation, 2) annual bonus as variable compensation, and 3) performance-based stock compensation (medium- to long-term bonus) as variable compensation. Representative Executive Officers receive additional fixed compensation for their role.

To emphasize business performance and the enhancement of corporate value over the medium to long term, the ratio of compensation components for the President & CEO is set at approximately 1:1:1.5 respectively for 1) base annual salary, 2) annual bonus (standard amount), and 3) performance-based stock compensation (standard amount). The compensation ratios for the other Executive Officers are based on their responsibility for the Company's global management. Annual bonuses and performance-based stock compensation payout ratios vary between 0% and 200% (target: 100%) and between 30% and 170% (target: 100%), respectively, based on the results of the performance metrics shown below.

(Compensation ratios when performance targets are met (for the President & CEO) and performance metrics for variable compensation)



- (Notes) 1. This represents the relative composition in amount if all the performance targets of variable compensation are met.  
 2. This represents base annual salary for Executive Officers. Representative Executive Officers receive additional fixed compensation. Executive Officers who concurrently serve as Directors also receive fixed compensation in the capacity of Director.  
 3. The figures in parentheses in the Weight column represent the proportions of the variable portion of performance-based stock compensation.

#### 4. Compensation governance

##### 1) Decision process

As a company with a nominating committee, etc., the Company deliberates and decides on matters such as the levels of compensation for the Directors and Executive Officers, the composition of compensation, and the targets for variable compensation in the Compensation Committee consisting of Outside Directors and chaired by an Outside Director.

##### 2) Malus and clawback clauses

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



## (2) Content and calculation of compensation

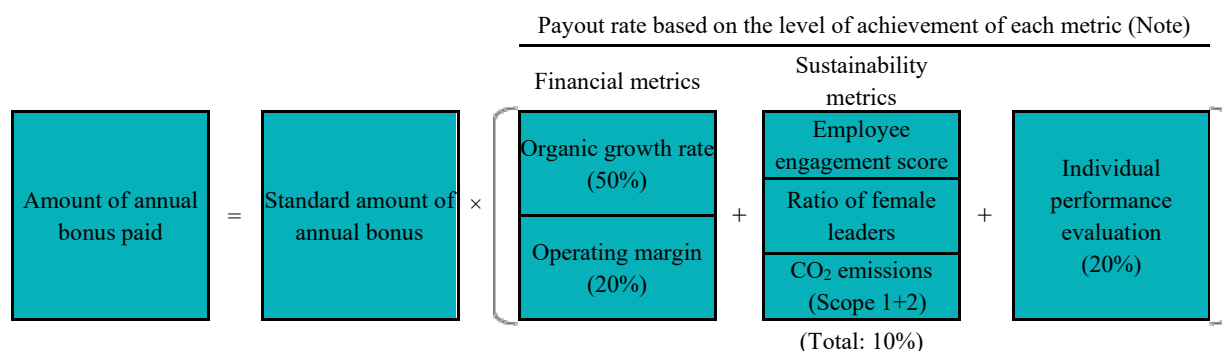
### 1) Fixed compensation

Director compensation, base annual salary and Representative Executive Officer compensation consist of a regular (monthly) fixed amount of monetary compensation, paid at a designated time each month. In the case of Director compensation, a fixed amount is paid according to the Director's duties. In the case of base annual salary for Executive Officers, the appropriate amount of compensation for each Executive Officer is set in accordance with the roles and responsibilities of his or her position, with reference to the levels of compensation among its business competitors and talent competitors with similar market capitalization, in the main regions where the Company operates (Japan, the United States, the United Kingdom, etc.). The Company uses compensation survey data supplied by an external consulting firm to confirm market compensation levels. In the case of Representative Executive Officer compensation, a fixed amount determined uniformly for all Representative Executive Officers is paid.

### 2) Annual bonus

The annual bonus is performance-based monetary compensation paid to Executive Officers based on the Company's performance and each Executive Officer's individual performance in each fiscal year. The amount of bonus paid is determined using a formula, based on the figures for the financial metrics (the Group's organic growth rate and operating margin), sustainability metrics and individual performance evaluation as well as their respective weights as shown below, varying within a range from 0% to 200%. The standard amount is calculated as a certain percentage of the base annual salary paid as compensation for Executive Officers. The computed amount is paid at a certain time after the Ordinary General Meeting of Shareholders for the relevant fiscal year. The upper limits, targets, and lower limits of metrics used to determine the range of individual compensation paid, within 0% to 200%, are decided by the Compensation Committee.

In addition to withdrawing an Executive Officer's right to receive the annual bonus (malus) or demand the return of some or all of the bonus (clawback), the Compensation Committee may reduce the amount of the annual bonus on a case-by-case basis if it determines that actions have occurred that violate compliance or integrity.



(Note) The figures in parentheses represent the relative composition if all the performance targets are met.

The reasons for selecting each metric used to calculate annual bonus are as follows.

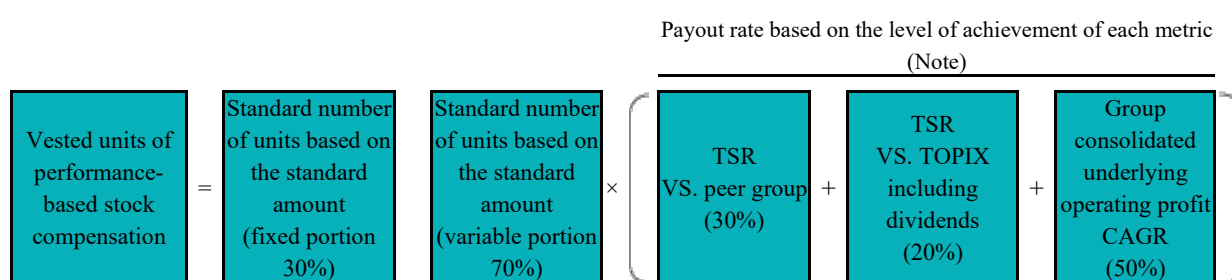
- Financial metrics: These metrics indicate business growth and measure business profitability, while eliminating the effect of exchange rate fluctuations and M&A activities. The Company believes that they are appropriate metrics for evaluating the business results for one year while managing achievement rates for each region and business as well as on a companywide basis.
- Sustainability metrics: These metrics promote the achievement of strategic targets related to corporate value that cannot be measured using financial metrics, based on the Group Medium-Term Management Plan and issues in the current corporate environment.
- Individual performance evaluation: This metric clarifies individual roles in this period of business structure transition and makes the Executive Officers strongly aware of the importance of enhancing corporate value by designating the management issues for each Executive Officer and evaluating the



degree to which these issues are resolved. In addition, they promote growth for both the Executive Officers themselves and the organization by evaluating the degree to which each Executive Officer has demonstrated the dentsu Leadership Attributes.

### 3) Performance-based stock compensation (medium- and long-term bonus)

Performance-based stock compensation is based on corporate performance across three consecutive fiscal years paid to Executive Officers. Executive Officers receive, on a certain date during each fiscal year (the “Unit Grant Date”) while they are in office, a standard number of units determined in accordance with each Executive Officer’s management responsibilities (equivalent to the standard amount of performance-based stock compensation, set in accordance with responsibility for the Company’s global management, divided by the average closing value of the Company’s shares during the month of January in the relevant fiscal year) as consideration for the execution of duties during the relevant fiscal year. In addition, on a certain date (the “Vesting Date”) after the passage of three consecutive fiscal years, the first of which is the fiscal year in which the Unit Grant Date falls (the “Performance Evaluation Period”), the grantee may acquire the right to receive delivery of the Company’s shares, etc. from a trust established based on the performance-based stock compensation plan (hereafter the “Trust”) on the Vesting Date. The standard number of units granted to each Executive Officer in the said first fiscal year will be composed of 30% “fixed portion” and 70% “variable portion.” The standard number of units for the “variable portion” will be adjusted based on the figures for the total shareholder return (TSR) and the Group’s consolidated underlying operating profit as well as their respective weights as shown below, within a range from 0% to 200% (hereinafter, the number of units after adjustment are referred to as the “Vested Units”), after the expiry of the Performance Evaluation Period. In some cases, in the calculation of the Vested Units, the standard number of units for individual Executive Officers may all be designated as “variable portion” units and subjected to the adjustment above, based on the desire of the relevant Executive Officer. Thereafter, each Executive Officer may receive delivery of the Company’s shares, etc. from the Trust, in accordance with the number of Vested Units (in principle, the number of the Company’s common shares calculated corresponding to half of the Vested Units and an amount of cash equivalent to the market value of the number of the Company’s common shares calculated corresponding to the remaining half of the Vested Units as of the Vesting Date). However, Executive Officers residing outside Japan, who do not have a securities account that manages Japanese listed shares may receive monetary payment of an equivalent amount in lieu of all of the applicable performance-based stock compensation.



(Note) The figures in parentheses represent the relative composition if all the performance targets are met.

The reasons for selecting each metric used to calculate performance-based stock compensation are as follows.

- TSR: The Company believes that this metric aligns Executive Officers’ perspectives with those of shareholders and other stakeholders, and has selected a peer group of six competitors:

1	Accenture PLC
2	THE INTERPUBLIC GROUP OF COMPANIES, INC.
3	Omnicom Group Inc.
4	Publicis Groupe S.A.
5	WPP plc

- Consolidated underlying operating profit (CAGR): The Company believes that this metric appropriately evaluates business results as a profit metric that measures business performance on a constant basis.

### 3. Amount and Calculation Method of Executive Compensation for FY2024

#### (1) Total amount of executive compensation for FY2024

Number of eligible persons			Total amount of compensation (million yen)	Amount by type of compensation (million yen)		
				Fixed compensation (monetary)	Variable compensation	
					Annual bonus (monetary)	Performance-based stock compensation
Directors	Internal	4	76	76	-	-
	Outside	6	131	131	-	-
Executive Officers		3	424	190	55	179

- (Notes) 1. For the Executive Officers concurrently serving as Directors, compensation in their capacity as a Director is included in the total compensation for Directors (internal), and compensation in their capacity as an Executive Officer is included in the total compensation for Executive Officers. The three Executive Officers concurrently serving as Directors are therefore counted in both Directors (internal) and Executive Officers.
2. The content, calculation method, etc. of the performance metrics for annual bonus and performance-based stock compensation for FY2024 are as described in “2) Annual bonus and 3) Performance-based stock compensation (medium- and long-term bonus)” in “2. Policy for Determining the Amount or Calculation Method of Compensation for Directors and Executive Officers for FY2024 (2) Content and calculation of compensation.”
3. The amount of annual bonus represents the sum of 1) the amount expensed in the fiscal year under review with respect to the annual bonus for performance in the same fiscal year and 2) the amount of annual bonus for performance in FY 2023 actually paid in FY2024 less the amount expensed in FY2023 with respect to such annual bonus.
4. The amount of performance-based stock compensation represents the amount expensed in the fiscal year under review with respect to the performance-based stock compensation granted in the same fiscal year. (This includes the amount to be paid corresponding to half of the number of vested units.)
5. The table above includes compensation for Mr. Nick Priday, who resigned from the positions of Director and Executive Officer as of February 13, 2024.

#### (2) Targets and actual results of variable compensation metrics

The performance metric targets used to determine variable compensation are set by the Compensation Committee, based on the macro- and micro-economic environment and the Company’s business environment. The metric targets and results for the annual bonus in FY2023 are shown below.

Metric	Weight	Target	Result	Payout rate	Weighted payout rate
Organic growth rate	50%	3.1%	(0.1%)	0%	0%
Operating margin	20%	15.1%	14.8%	80.1%	16.0%
Employee engagement score	10%	68 points	66 points	50.0%	5.0%
Ratio of female leaders		34.2%	32.5%		
CO <sub>2</sub> emissions (Scope 1+2)		79% (vs. 2019)	35%		
Individual performance evaluation	20%	-	-	0.0% (Note)	20.0%
				Annual bonus payout rate	41.0%

- (Notes) 1. The results for employee engagement score, ratio of female leaders, and CO<sub>2</sub> emissions have been calculated based on unaudited preliminary figures and may therefore differ from the final results.
2. The payout rate when the target is met (100%) has been shown for the individual performance evaluation, as the targets, results, and payout rates differ between individuals.

The targets and results for the performance-based stock compensation granted in FY2022 are shown below. Performance-based stock compensation is paid based on the results of metrics over a rolling period of three consecutive fiscal years. As three fiscal years have not yet passed for performance-based stock compensation granted in FY2023 onwards, there are no results for the metrics.

#### Performance-based stock compensation for FY2022

(Performance evaluation period: FY2022 to FY2024)

Metric	Weight	Target	Result	Payout rate	Weighted payout rate
Total shareholder return (TSR)	30%	VS. Tokyo Stock Price Index (TOPIX) including dividends 100%	78.9%	0%	0%
	20%	VS. Average TSR for 3 <sup>rd</sup> and 4 <sup>th</sup> place in peer group	87.2%	0%	0%
Consolidated underlying operating profit	50%	Compound annual growth rate (CAGR) 7.50%	(4.19%)	0%	0%
				Percentage vested	0%

### (3) Activities of the Compensation Committee

In FY2024, the Compensation Committee (consisting of one chair and two members, all three of whom are independent Outside Directors) met eight times. The main matters deliberated and decided on by the Committee during FY2024 were as follows.

January to March	April to June	July to September	October to December, 2024
(4 times)	(once)	(twice)	(once)
(FY2023 compensation) • Deliberation on variable compensation amounts • Decision on individual performance evaluation (FY2024 compensation) • Revision of the incentive system • Establishment of financial metric targets, etc. for variable compensation • Establishment of individual performance targets	(Executive compensation in general) • Revision of the Officers Compensation Rules and Officers Stock Benefit Regulations	(Executive compensation in general) • Reconsideration of the scope of matters for approval by the Compensation Committee and revision of the Officers Stock Benefit Regulations (FY2025 compensation) • Review of the stock compensation plan	(FY2025 compensation) • Review of the stock compensation plan and performance metrics • Resolution on individual compensation for newly appointed executives

The Compensation Committee has deliberated from a range of perspectives, including comparison with external entities and information supplied by an external consulting firm, and has confirmed that the content of compensation for the Directors and Executive Officers is consistent with the determination policy described in 2 above. Therefore, the Committee has determined that the content of individual compensation for the Directors and Executive Officers for the fiscal year under review is in line with the said policy.

Amounts in this business report less than one full unit have been rounded down.

## Consolidated Statement of Financial Position

(As of December 31, 2024)

(Unit: Million yen)

Assets		Liabilities and Equity	
Account item	Amount	Account item	Amount
Current assets	2,177,355	Current liabilities	2,067,395
Cash and cash equivalents	371,989	Trade and other payables	1,566,979
Trade and other receivables	1,678,146	Bonds and Borrowings	173,646
Inventories	6,095	Other financial liabilities	87,438
Income tax receivables	36,629	Income tax payables	27,172
Other financial assets	25,198	Provisions	13,447
Other current assets	59,295	Other current liabilities	198,711
Non-current assets	1,329,904	Non-current liabilities	670,828
Property, plant and equipment	26,159	Corporate bonds and borrowings	373,627
Goodwill	697,052	Other financial liabilities	208,231
Intangible assets	203,692	Liability for retirement benefits	17,373
Right-of-use assets	128,348	Provisions	18,636
Investments accounted for using the equity method	54,816	Other non-current liabilities	5,645
Other financial assets	146,188	Deferred tax liabilities	47,314
Other non-current assets	36,734		
Deferred tax assets	36,912		
		<b>Total liabilities</b>	<b>2,738,224</b>
		Total equity attributable to owners of the parent	696,838
		Share capital	74,609
		Share premium account	75,373
		Treasury shares	(26,559)
		Other components of equity	216,481
		Retained earnings	356,933
		Non-controlling interests	72,197
		<b>Total equity</b>	<b>769,035</b>
<b>Total assets</b>	<b>3,507,260</b>	<b>Total liabilities and equity</b>	<b>3,507,260</b>

**Consolidated Statement of Income**  
(From January 1, 2024 to December 31, 2024)

(Unit: Million yen)	
Account item	Amount
Revenue	1,410,961
Cost of sales	209,313
Net revenue	1,201,647
Selling, general and administrative expenses	1,065,835
Business restructuring cost	10,705
Impairment loss	235,257
Other income	7,605
Other expenses	22,447
Operating loss	(124,992)
Share of results of associates	3,009
Impairment loss on investments accounted for using the equity method	688
Loss on sales of shares of associates	13
loss before interest and tax	(122,685)
Finance income	14,012
Finance costs	31,085
loss before tax	(139,759)
Income tax expense	43,605
loss for the year	(183,364)
loss attributable to:	
Owners of the parent	(192,172)
Non-controlling interests	8,808

## Consolidated Statement of Changes in Equity

(From January 1, 2024 to December 31, 2024)

(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, 2024	74,609	75,072	(24,964)	77,604	22,268	48,306
Profit (Loss) for the year						
Other comprehensive income				73,994	(5,210)	17,282
Comprehensive income for the year	-	-	-	73,994	(5,210)	17,282
Repurchase of treasury shares			(20,006)			
Disposal of treasury shares		(163)	173			
Cancellation of treasury shares			18,238			
Dividends						
Transactions with non-controlling interests						2,900
Transfer from other components of equity to retained earnings						(20,666)
Other changes		464				
Transactions with owners – total	-	301	(1,594)	-	-	(17,766)
As of December 31, 2024	74,609	75,373	(26,559)	151,599	17,058	47,822

(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, 2024	-	148,180	568,753	841,651	71,104	912,755
Profit (Loss) for the year		-	(192,172)	(192,172)	8,808	(183,364)
Other comprehensive income	13,073	99,140		99,140	407	99,547
Comprehensive income for the year	13,073	99,140	(192,172)	(93,032)	9,215	(83,816)
Repurchase of treasury shares		-		(20,006)		(20,006)
Disposal of treasury shares		-		9		9
Cancellation of treasury shares		-	(18,238)	-		-
Dividends		-	(34,323)	(34,323)	(4,242)	(38,566)
Transactions with non-controlling interests		2,900	(157)	2,742	(3,879)	(1,136)
Transfer from other components of equity to retained earnings	(13,073)	(33,740)	33,740	-		-
Other changes		-	(668)	(203)		(203)
Transactions with owners – total	(13,073)	(30,839)	(19,647)	(51,780)	(8,122)	(59,903)
As of December 31, 2024	-	216,481	356,933	696,838	72,197	769,035

**Nonconsolidated Balance Sheet**  
(As of December 31, 2024)

(Unit: Million yen)

Assets		Liabilities	
Account item	Amount	Account item	Amount
Current assets	289,530	Current liabilities	222,805
Cash and deposits	142,090	Short-term loans payable from subsidiaries and associates	143,584
Short-term loans receivable from subsidiaries and associates	128,224	Current portion of bonds payable	70,000
Prepaid expenses	1,356	Other payables	7,290
Other	18,319	Accrued expenses	1,077
Allowance for doubtful accounts	(460)	Income taxes payable	615
		Provision for directors' bonuses	53
		Provision for share-based remuneration	86
		Other	96
Non-current assets	658,891	Non-current liabilities	366,405
Property, plant and equipment	6,874	Bonds payable	95,000
Buildings, net	2,506	Long-term loans payable	262,500
Vehicles, net	2	Provision for share-based remuneration	1,153
Tools, furniture and fixtures, net	581	Asset retirement obligation	863
Land	3,784	Deferred tax liabilities	3,648
		Deferred tax liabilities for land revaluation	844
Intangible assets	867	Other	2,395
Software	866	Total liabilities	589,211
Other	1		
		<b>Net Assets</b>	
Investments and other assets	651,149	Shareholders' equity	313,534
Investment securities	92,134	Capital stock	74,609
Shares of subsidiaries and associates	430,660	Capital surplus	76,541
Investments in other securities of subsidiaries and associates	12,150	Legal capital surplus	76,541
Investments in capital of subsidiaries and associates	15,493	Retained earnings	188,577
Long-term loans receivable from subsidiaries and associates	96,350	Legal retained earnings	722
Other	6,707	Other retained earnings	187,854
Allowance for doubtful accounts	(2,346)	General reserve	320,500
		Retained earnings brought forward	(132,645)
		Treasury shares	(26,195)
		Valuation and translation adjustments	45,677
		Valuation difference on available-for-sale securities	43,796
		Revaluation reserve for land	1,880
<b>Total assets</b>	<b>948,422</b>	<b>Total net assets</b>	<b>359,211</b>
		<b>Total liabilities and net assets</b>	<b>948,422</b>



## Nonconsolidated Statement of Income

(From January 1, 2024 to December 31, 2024)

(Unit: Million yen)

Account item	Amount	
Operating revenue		
Dividend income	88,714	
Management fee income	2,638	
Real estate rental income	329	91,683
Operating expenses		27,197
Operating income		64,485
Non-operating income		
Interest and dividend income	2,635	
Gain on investments in investment partnerships	1,605	
Other	198	4,439
Non-operating expenses		
Interest expenses	2,738	
Interest on bonds	586	
Provision of allowance for doubtful accounts	22	
Other	906	4,254
Ordinary income		64,670
Extraordinary income		
Gain on sales of investment securities	19,626	
Reversal of provision for loss on guarantees	1,442	
Other	32	21,101
Extraordinary loss		
Loss on valuation of other securities of subsidiaries and associates	301,562	
Loss on valuation of investment securities	3,694	
Other	511	305,767
Income before income taxes		(219,995)
Income taxes-current	(9,494)	
Income taxes-deferred	10,671	1,177
Net loss		(221,172)

## Nonconsolidated Statement of Changes in Net Assets

(From January 1, 2024 to December 31, 2024)

(Unit: Million yen)

	Shareholders' equity			
	Capital stock	Capital surplus		
		Legal capital surplus	Other capital surplus	Total capital surplus
As of January 1, 2024	74,609	76,541	-	76,541
Changes of items during the period				
Dividends from retained earnings				-
Net loss				-
Purchase of treasury shares				-
Disposal of treasury shares			(0)	(0)
Cancellation of treasury shares			(18,238)	(18,238)
Transfer of reductions in other capital surplus to retained earnings			18,238	18,238
Changes in items other than shareholders' equity during the period – net			-	-
Total changes of items during the period	-	-	-	-
As of December 31, 2024	74,609	76,541	-	76,541

	Shareholders' equity					
	Retained earnings				Treasury shares	Total shareholders' equity
	Legal retained earnings	Other retained earnings		Total retained earnings		
		General reserve	Retained earnings brought forward			
As of January 1, 2024	722	320,500	141,209	462,431	(24,600)	588,982
Changes of items during the period						
Dividends from retained earnings			(34,443)	(34,443)		(34,443)
Net loss			(221,172)	(221,172)		(221,172)
Purchase of treasury shares				-	(20,006)	(20,006)
Disposal of treasury shares				-	173	173
Cancellation of treasury shares					18,238	-
Transfer of reductions in other capital surplus to retained earnings			(18,238)	(18,238)		-
Changes in items other than shareholders' equity during the period – net				-		-
Total changes of items during the period	-	-	(273,854)	(273,854)	(1,594)	(275,448)
As of December 31, 2024	722	320,500	(132,645)	188,577	(26,196)	313,534

	Valuation and translation adjustments			Total net assets
	Valuation difference on available-for-sale securities	Revaluation reserve for land	Total valuation and translation adjustments	
As of January 1, 2024	40,246	1,880	42,126	631,108
Changes of items during the period				
Dividends from retained earnings			-	(34,443)
Net income			-	(221,172)
Purchase of treasury shares			-	(20,006)
Disposal of treasury shares			-	173
Cancellation of treasury shares			-	-
Transfer of reductions in other capital surplus to retained earnings			-	-
Changes in items other than shareholders' equity during the period – net	3,550		3,550	3,550
Total changes of items during the period	3,550	-	3,550	(271,897)
As of December 31, 2024	43,796	1,880	45,677	359,211

**Independent Auditor's Report**

February 19, 2025

To the Board of Directors of Dentsu Group Inc.  
Dentsu Group Inc.

KPMG AZSA LLC Tokyo Office, Japan  
Isao Kamizuka  
Designated Limited Liability Partner  
Engagement Partner  
Certified Public Accountant

Shuji Ezawa  
Designated Limited Liability Partner  
Engagement Partner  
Certified Public Accountant

Kentaro Hayashi  
Designated Limited Liability Partner  
Engagement Partner  
Certified Public Accountant

**Opinion**

We have audited the consolidated financial statements, which comprise 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. ("the Company") and its consolidated subsidiaries (collectively referred to as "the Group"), as at December 31, 2024 and for the year from January 1, 2024 to December 31, 2024 in accordance with Article 444-4 of the Companies Act.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position and the results of operations of the Group for the period, for which the consolidated financial statements 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.

**Basis for Opinion**

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Japan, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Other Information**

The other information comprises the business report and its supplementary schedules. Management is responsible for the preparation and presentation of the other information. The Audit Committee is responsible for overseeing the Executive Officers' and Directors' performance of their duties with regard to the design, implementation and maintenance of the reporting process for the other information.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

### **Responsibilities of Management and the Audit Committee 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, 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.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern 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.

The Audit Committee is responsible for overseeing the Executive Officers' and Directors' performance of their duties with regard to the design, implementation and maintenance of the Group's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Consolidated Financial Statements**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with auditing standards generally accepted in Japan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of our audit in accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, while the objective of the audit is not to express an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate whether the presentation and disclosures in the consolidated financial statements are in accordance with accounting standards generally accepted in Japan, the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for the purpose of the group audit. We remain solely responsible for our audit opinion. We communicate with the Audit Committee regarding, among other matters, the planned scope and timing of the audit, significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

**Interest required to be disclosed by the Certified Public Accountants Act of Japan**

Our firm and its designated engagement partners do not have any interest in the Company and its consolidated subsidiaries which is required to 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, and the translation is done by the Company.

**Independent Auditor's Report**

February 19, 2025

To the Board of Directors of Dentsu Group Inc.  
Dentsu Group Inc.

KPMG AZSA LLC Tokyo Office, Japan  
Isao Kamizuka  
Designated Limited Liability Partner  
Engagement Partner  
Certified Public Accountant

Shuji Ezawa  
Designated Limited Liability Partner  
Engagement Partner  
Certified Public Accountant

Kentaro Hayashi  
Designated Limited Liability Partner  
Engagement Partner  
Certified Public Accountant

**Opinion**

We have audited the financial statements, which comprise the nonconsolidated balance sheet, the nonconsolidated statement of income, the nonconsolidated statement of changes in net assets and the related notes, and the accompanying supplementary schedules ("the financial statements and the accompanying supplementary schedules") of Dentsu Group Inc. ("the Company") for the 176<sup>th</sup> fiscal year from January 1, 2024 to December 31, 2024 in accordance with Article 436-2-1 of the Companies Act. In our opinion, the financial statements and the accompanying supplementary schedules referred to above present fairly, in all material respects, the financial position and the results of operations of the Company for the period, for which the financial statements and the accompanying supplementary schedules were prepared, in accordance with accounting principles generally accepted in Japan.

**Basis for Opinion**

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements and the Accompanying Supplementary Schedules* section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Japan, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Other Information**

The other information comprises the business report and its supplementary schedules. Management is responsible for the preparation and presentation of the other information. The Audit Committee is responsible for overseeing the Executive Officers' and Directors' performance of their duties with regard to the design, implementation and maintenance of the reporting process for the other information.

Our opinion on the financial statements and the accompanying supplementary schedules does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements and the accompanying supplementary schedules, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements and the accompanying supplementary schedules or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

### **Responsibilities of Management and the Audit Committee for the Financial Statements and the Accompanying Supplementary Schedules**

Management is responsible for the preparation and fair presentation of the financial statements and the accompanying 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 accompanying supplementary schedules that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements and the accompanying supplementary schedules, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern in accordance with accounting principles generally accepted in Japan and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Audit Committee is responsible for overseeing the Executive Officers' and Directors' performance of their duties with regard to the design, implementation and maintenance of the Company's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Financial Statements and the Accompanying Supplementary Schedules**

Our objectives are to obtain reasonable assurance about whether the financial statements and the accompanying supplementary schedules as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with auditing standards generally accepted in Japan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements and the accompanying supplementary schedules.

As part of our audit in accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements and the accompanying supplementary schedules, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, while the objective of the audit is not to express an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the



Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements and the accompanying supplementary schedules or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate whether the presentation and disclosures in the financial statements and the accompanying supplementary schedules are in accordance with accounting standards generally accepted in Japan, the overall presentation, structure and content of the financial statements and the accompanying supplementary schedules, including the disclosures, and whether the financial statements and the accompanying supplementary schedules represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Audit Committee regarding, among other matters, the planned scope and timing of the audit, significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

**Interest required to be disclosed by the Certified Public Accountants Act of Japan**

Our firm and its designated engagement partners do not have any interest in the Company which is required to 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, and the translation is done by the Company.

## Audit Report

The Audit Committee of the Company has audited the Directors' and Executive Officers' performance of their duties for the 176th business year from January 1, 2024, to December 31, 2024 and reports as follows in regard to the methods and results of those audits.

### 1. Methods and Contents of Audits

In regard to the content of resolutions of the Board of Directors regarding the matters stated in Article 416, paragraph (1), items (i)(b) and (i)(e) of the Companies Act, as well as the systems developed pursuant to those resolutions (i.e., internal control systems), the Audit Committee periodically received reports from Directors, Executive Officers, and employees, etc. regarding the status of the establishment and operation of those systems and as necessary requested explanations and expressed opinions in regard thereto, in addition to which the Audit Committee conducted audits using the following methods.

- (i) In accordance with the "Code of Audit Committee Auditing Standards" established by the Audit Committee, and in accordance with the audit policies and division of duties, etc., the Audit Committee set key audit themes, attended important meetings such as meetings of the Board of Directors, received reports from Directors, Executive Officers, etc. on matters related to the performance of their duties, requested explanations as necessary, reviewed important documents, etc., and received regular reports from Internal Audit department and Legal department, etc., and inspected the status of operations and assets including compliance systems and risk management systems. From the perspective of auditing group companies, the Company have established a system to audit the entire group through the Audit Committee and the audit committee of the organization that oversees domestic and overseas operations, respectively, received reports from these audit committees to communicate and exchange information, and received reports on the status of audits of group companies from Internal Audit department.
- (ii) The Audit Committee oversaw and verified whether the Accounting Auditor maintained an independent position and conducted an appropriate audit, received reports from the Accounting Auditor on the status of the performance of its duties, and requested explanations as necessary. Additionally, the Audit Committee received notification from the Accounting Auditor that, in accordance with the "Quality Control Standards for Audits" (Business Accounting Council), etc., it had developed systems in order to ensure that its duties are appropriately performed (i.e., notification of the matters stated in the items of Article 131 of the Ordinance on Accounting of Companies) and requested explanations as necessary.

Using the methods above, the Audit Committee examined the Business Report, the supplementary schedules thereto, the accounting documents (i.e., the balance sheet, statement of income, statement of changes in net assets, and explanatory notes to accounting documents), the supplementary schedules to the accounting documents, and 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) for the business year.

## 2. Audit Results

### (1) Results of audit of the Business Report, etc.

- (i) We find that the Business Report and the supplementary schedules thereto accurately present the status of the Company in accordance with laws, regulations, and the articles of incorporation.
- (ii) We do not find any misconduct nor any material fact constituting a violation of any law, regulation, or the articles of incorporation in relation to the Directors' and Executive Officers' performance of their duties.
- (iii) We find the content of the resolutions of the Board of Directors regarding internal control systems to be reasonable. Additionally, we do not find any matters that should be commented upon in regard to the statements in the Business Report or the Directors' and Executive Officers' performance of their duties relating to the internal control systems.

The Company was indicted for violations of the Antimonopoly Act in 2024, due to its actions related to the Tokyo 2020 Olympic and Paralympic Games, as described in the Business Report. The Audit Committee confirmed that various measures had been taken as the Mindset and Behavior Reform for the officers and employees of dentsu Japan and to prevent recurrence. The Audit Committee will continue to monitor efforts to strengthen the Company's compliance system.

### (2) Results of audit of accounting documents, supplementary schedules thereto and consolidated accounting documents

We find the methods and results of the audit by the Accounting Auditor, KPMG AZSA LLC to be reasonable.

February 19, 2025

Audit Committee, Dentsu Group Inc.

Audit Committee Member	Gan Matsui
Audit Committee Member	Keiichi Sagawa
Audit Committee Member	Mihoko Sogabe
Audit Committee Member	Yuka Matsuda

(Note) Gan Matsui, Keiichi Sagawa, Mihoko Sogabe and Yuka Matsuda, the members of Audit Committee, are Outside Directors provided for in Article 2, item 15 and Article 400, paragraph 3 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
Trading unit	100 shares	Method of displaying public notices	Published in The Nikkei newspaper
Listing	Prime Market 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.

(1) Buyback of fractional shares

Fractional shares may be sold back to the Company.

(2) 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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Share-related inquiries

- (3) 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 administrator of the shareholders' register cannot respond to these inquiries.
- (4) Shares held in a special account  
Please contact the agency administrating special accounts.
- (5) Unclaimed dividends and mail from the Company  
Please contact the administrator of the shareholders' register

# Dentsu Group's 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

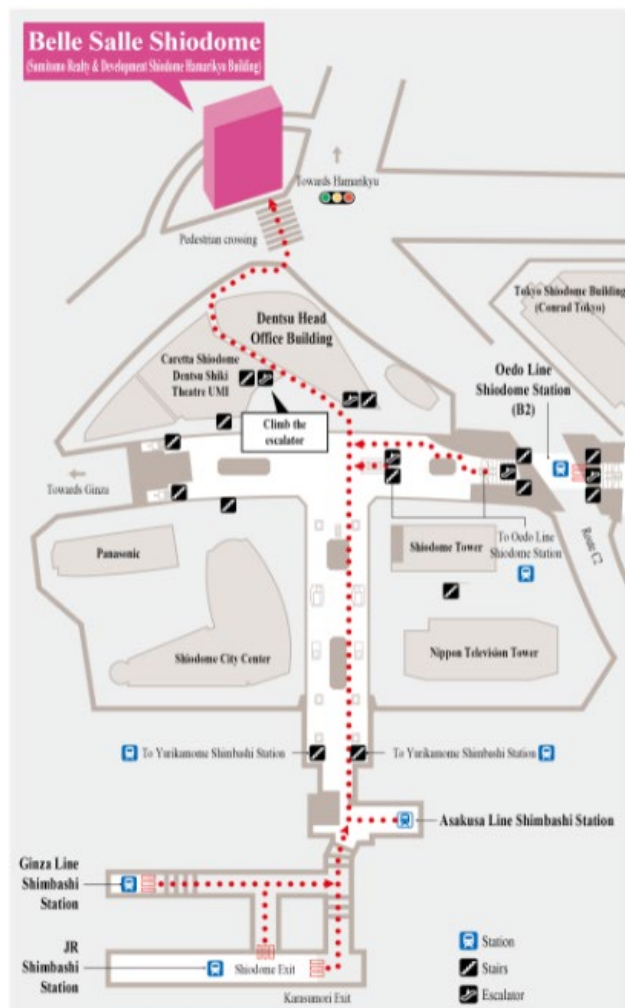
## Shiodome Station

(5 minutes by foot)

- Toei Exit for Shimbashi Station  
Oedo Line

## 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.



Note: Buildings, stores, etc. shown on the access map are as of February 2025.