

## Corporate governance: shift from creating a robust system to enhancing efficiency

In August 2020, we launched a Comprehensive Review of our business operations and capital efficiency and in February 2021, we announced our Medium-term Management Plan for FY2021–FY2024. Effective corporate governance will support the delivery of our plan and ultimately deliver improved shareholder value.

Of the 13 members of the Dentsu Group Board, five are independent Outside Directors, four non-Japanese Directors, and three female Directors. Together, they represent diversity of voice, with a variety of professional experience.

In FY2019 and FY2020, Outside Directors' meetings were held in addition to our regular Board of Directors' meetings. These provided the opportunity needed to conduct the review of business operations and capital efficiency and support the formulation of our Medium-term Management Plan.

To date, the focus has been on setting up a robust system of governance in line with the Corporate Governance Code. Accordingly, we have Nomination and Compensation Advisory Committees with Outside Directors.

In the future, however, we believe there will be a need to make governance even more effective. Thus, for example, in FY2020, we began to enhance the Board's efficiency. This we are doing—in addition to conducting third-party surveys and producing reports based on these—by having third parties conduct interviews with Board members, publishing reports, and encouraging Directors to openly exchange opinions regarding the reports. We have made continued efforts to enhance the effectiveness of the Board. We make Directors aware of their changing roles, the Board's agenda, and the agenda items that should be discussed by Board members.

The Board will continue its efforts to improve corporate governance. I believe strong corporate governance can support and enhance the corporate value of Dentsu Group over the medium to long term, through sustainable growth.



**Shun Sakurai**  
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