

Contents

Corporate Philosophy

Value Creation Story

Management Strategy

Data

Corporate DNA

Purpose

Why/What/How

Values

Vision

Management policy

CEO message

Chapter 1

Corporate Philosophy

Our purpose as a company, and the society we aim to achieve

Corporate DNA

The DNA of dentsu: striving to create and develop a vibrant society for the future



Creating the never before to help shape society

Founded by Hoshio Mitsunaga in 1901, advertising sales and telecommunications were launched as a set, and served as a core business model to disseminate high-quality news articles in rural areas and raise general awareness among the Japanese populace.

In 1936, the company was forced by government policy to let go of its telecommunications business, and relaunched as a company dedicated to advertising. However, the relationship with media companies and the desire to serve society were passed down through generations of employees, resulting in the distinctive Group business model that is now in place.

Diversified business model with the spread of new media

The fourth president, Hideo Yoshida, built the foundation for the development and improvement of the advertising industry as well as the then-new broadcasting media.

Commercial radio and then television broadcasting had been launched in 1951 and 1953, one after the other, and quickly they became popular in households. A new lifestyle, in which broadcast content could be enjoyed in everyday life, spread throughout Japan.

Dentsu also developed with the spread of the new media, becoming involved in a range of businesses: world expos, sports, entertainment, and theme parks. Its efforts to contribute to the development of a richer society became part of dentsu's DNA.



123 years aspiring towards and building “a vibrant society where people enjoy a fulfilling life”

Communications

Innovative technologies

In 1926, dentsu established an Aviation Department to create a system for transporting photos, etc. from news coverage sites. Then in 1928, we were one of the first companies in Japan to acquire new electronic photo transmission technology developed in Germany, placing us in a leading position among our competitors.

Advertising

Advancing Japan's advertising industry

After WWII, dentsu raised the profile of advertising by making newspaper circulation figures public. We also established the Dentsu Advertising Award to promote commercial broadcasting and introduced marketing to Japan's advertising industry. Through efforts such as these, we worked to incorporate fairness, culture, and science into the advertising industry to develop it as a whole.

Events/Sports

Expanding the horizons of the communication business

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

Entertainment/Content

Content-driven marketing

In the 1980s, dentsu began providing content-based solutions for new fields such as theme parks, showrooms, and commercial facilities. In the 1990s, we expanded into producing content, including movies and animation. Such legacies have been carried over in the creation of new consumer culture and digital content marketing.

B2B2S

Solving social issues from a global perspective

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

- 1901** Hoshio Mitsunaga establishes Japan Advertising Ltd. (July) and Telegraphic Service Co. (November).
- 1936** The Company relinquishes its news services department and relaunches itself as a specialized advertising agency.
- 1946** First issue of “Dentsu-ho.”
- 1947** Hideo Yoshida, the “father of Japanese advertising,” becomes dentsu’s fourth President / Dentsu Advertising Awards established.
- 1949** Creation of the Dentsu Advertising Essay Contest for Students.
- 1950** Establishment of the Advertising Merit Award.
- 1951** Contributing to the launch of commercial radio broadcasting in Japan.
- 1953** Contributing to the launch of commercial television broadcasting in Japan.
- 1955** Company name changed to Dentsu Advertising Ltd. / Establishment of the Newspaper Merit Award.
- 1956** First introduction of marketing in the Japanese advertising industry.
- 1961** Announcement of the Dentsu International Vision.
- 1964** Support for the Tokyo Olympic Games.
- 1970** Support for the Japan World Expo (Osaka).
- 1971** Establishment of the Broadcasting Merit Award.
- 1974** Dentsu Advertising Ltd. posts the world’s highest sales for 1973.
- 1978** Dentsu Advertising Ltd. transitions to a communications company; changes name to Dentsu Inc.
- 1980** Dentsu becomes the first foreign advertising agency to enter China.
- 1981** Dentsu forms an alliance with Young & Rubicam, the largest advertising agency in the US.
- 1986** Dentsu adopts the corporate philosophy to provide “Total Communications Service.”
- 1996** Dentsu establishes Japan’s first online advertising agency.
- 2001** Dentsu celebrates 100th year; makes an IPO on the First Section of the Tokyo Stock Exchange; supports production of the animated film Spirited Away.
- 2002** Dentsu constructs and moves to new head office; enters alliance with Publicis Groupe; supports the hosting of the 2002 Japan-Korea FIFA World Cup.
- 2003** Dentsu supports the launch of terrestrial digital broadcasting in Japan.
- 2004** Dentsu launches environmental initiatives.
- 2005** Dentsu supports the hosting of Expo 2005 in Aichi, Japan.
- 2008** Dentsu Acquired “Eco-First” company certification.
- 2009** Dentsu adopts new corporate philosophy of “Good Innovation.”; expands into fields such as content streaming, IT solutions, and smart grids.
- 2013** Dentsu acquires Aegis Group plc and establishes Dentsu Aegis Network Ltd. in the UK.
- 2013** Dentsu Group Code of Conduct established. Capital increased to c.74.7 billion yen.
- 2015** Dentsu changes fiscal year end to December 31st; applies IFRS from fiscal year ending March 2015.
- 2016** Dentsu Digital Holdings Inc. established.
- 2020** Dentsu transitions to a new holding company structure.
- 2021** Dentsu supports the hosting of the 2020 Tokyo Olympic and Paralympic Games; establishes Group-wide purpose, “an invitation to the never before,” and values.
- 2023** Dentsu establishes its Group-wide vision and transitions to One dentsu One Management Team structure.
- 2024** Dentsu adopts the One dentsu Operating Model as a common business management model globally.

Purpose

an invitation to the never before.

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

Hiroshi Igarashi

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



Why/What/How

Why

For lasting good

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

What

The power of the never before

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

How

Open teaming

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



Values—The 8 Ways

Not just in the work we do, but as individuals, we approach life with a higher perspective and act with integrity, always. It is in this spirit we share the 8 ways.

1 WE DREAM LOUD

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

2 WE INSPIRE CHANGE

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

3 WE TEAM WITHOUT LIMITS

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

4 WE ALL LEAD

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

5 WE MAKE IT REAL

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

6 WE CLIMB HIGH

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

7 WE CHOOSE EXCITEMENT

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

8 WE ARE A FORCE FOR GOOD

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

Vision

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



Management policy

B2B2S

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



CEO message

Realizing a vibrant society where people enjoy a fulfilling life

Looking back at our 2023 results

Although 2023 was a challenging year due to the combined effects of internal and external factors, there have been bright spots even amid these circumstances. For example, we are beginning to see signs of a recovery in spending among our clients in the technology sector, and the macro environment is gradually improving. In addition, we are steadily gaining recognition for providing our clients with Integrated Growth Solutions in high-growth areas at the convergence of marketing, technology, and consulting that integrate the diverse capabilities of the entire Group. This is demonstrated through our focus on Customer Transformation & Technology (CT&T), which has grown from 15% of the Group's net revenue in 2016 to account for 30% in 2023, with Japan in particular recording double-digit growth in this field.

In 2024, we will continue to build momentum in our provision of Integrated Growth Solutions to clients as One dentsu to put us back on a growth trajectory.

A shift from external investment to internal growth: our initiatives in 2024

To swiftly recover our business performance, we are accelerating a shift in management resources from a focus on growth based on external investment toward a return to organic growth and strengthening internal investment. Specifically, we will further grow our data and technology capabilities, including AI, which enable us to provide highly accountable solutions, in attracting and developing talent who will develop and deliver industry-leading Integrated Growth Solutions to our clients, and in our business operations and enterprise platforms to continue to drive simplicity and efficiency in our business.

Moreover, we are refining our focus on specific business areas and markets to pursue our business strategy, restructuring, and reviewing unprofitable businesses and markets. To ensure financial discipline in carrying out transformation of our business portfolio and achieving sustainable business growth, we have established the Finance Committee this year, consisting of outside directors, as an advisory body to the Board of Directors.

We are also working to make further progress in our governance and internal controls, the effectiveness of which has been improved in recent years. The Group has established the dentsu Japan Reform Committee, of which I serve as Chair, and we are working hard towards

Mindset and Behavior Reform with the aim of "fulfilling our responsibility to all stakeholders by renewing the way we approach our work." By adapting our systems in this way and disseminating our Code of Conduct throughout the entire Group, we aim to establish an organizational culture that prioritizes integrity.

Dentsu's value creation in a period of significant change

Our external operating environment is undergoing significant changes at an unprecedented speed. The business environment continues to evolve as technology advances at pace, and our world faces major social, political, and ecological challenges that we will all need to come together to urgently address. To realize a sustainable society, we must shape a new and exciting future that is not simply an extension of the past.

As a Business-to-Business-to-Society (B2B2S) company, dentsu seeks to generate both economic and social value. Our Value Creation Model represents how we leverage our own strengths while collaborating with our clients and partners to create value and realize a better society. Going forward, I believe that our corporate value creation should focus on both financial and non-financial performance, with human capital as one prominent example. From this perspective, dentsu has set out five material issues* on which to focus, and

we have commenced initiatives around these on a Group-wide basis.

This year marks the formulation of and start of activities around our updated 2030 Sustainability Strategy, a medium- to long-term corporate strategy that considers the environmental, social, and economic impacts of dentsu's business activities. Our business and sustainability strategies are interconnected as a unified path to long-term and sustainable growth.

I am confident that implementing these strategies as One dentsu are our route to success for our clients.

* Our five Material Issues are detailed in Chapter 2.

The unique strengths of dentsu. The ability of our diverse talent to imagine and shape the future

Since our founding, dentsu has recognized our people as our greatest assets. We believe that our diverse and talented teams around the world - with their client focus, creativity, innovation, and execution ability - are the true drivers of our corporate value.

Our talent find motivation in creating a better society that is one step ahead, which I think is in dentsu's DNA. We also have our "insights into people" that we have cultivated by continuously observing people and society throughout our 123-year history.

By leveraging the creativity and execution abilities of each of our global talent to create innovation, we can achieve our vision to be at the forefront of people-centered transformations that shape society. This is the future of dentsu.

Together with our clients and other stakeholders, we aim to realize a vibrant society where people enjoy a fulfilling life.



Hiroshi Igarashi

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