

Our business

Transforming ourselves in line with the accelerating changes in our business environment One dentsu Operating Model × Integrated Growth Solutions



Giulio Malegori

Executive Vice President,
Global Chief Operating Officer &
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dentsu

2023 has been a year of challenge for the Group and change for our business. Since January 2024, we introduced the One dentsu Operating Model, which serves as a framework to maximize the service and value we provide to our clients globally, efficiently, and quickly.

In my career, my experience has spanned across market, regional, and global-level roles, which means I know first-hand the challenges of our complex business. I also know how powerful it is to be part of a winning company.

This is why our paramount goal in 2024 is to recover our competitiveness, meaning we must enhance our focus on critical sources of growth to gain back strong momentum.

To achieve this, two of our main priorities are to accelerate and deepen our Integrated Growth Solutions (IGS) and to win in every practice and in every market.

This includes:

- connecting our capabilities around our clients' needs to develop industry leading IGS
- strengthening our client management capabilities, talent, and organization, supported by clearer, more differentiated brand positioning
- launching a globally consistent One dentsu Client Management Model

Another crucial priority is to firmly embed our One dentsu Operating Model. This means implementing a simplified organizational structure to enable faster decision-making, clearer accountabilities, and empowerment, helping to embed a client-centered mindset and way of working.

Business Operations and Enterprise Technology are also key to enabling simplification, integration-led and cross-functional collaboration to drive operational excellence and create an agile organization, and momentum to invest and scale our IT infrastructure to drive speed, agility, and flexibility.

Going forward in 2024 we will continue the journey of transforming dentsu in line with the accelerating changes in our business environment, aiming to return to being a high performing organization.

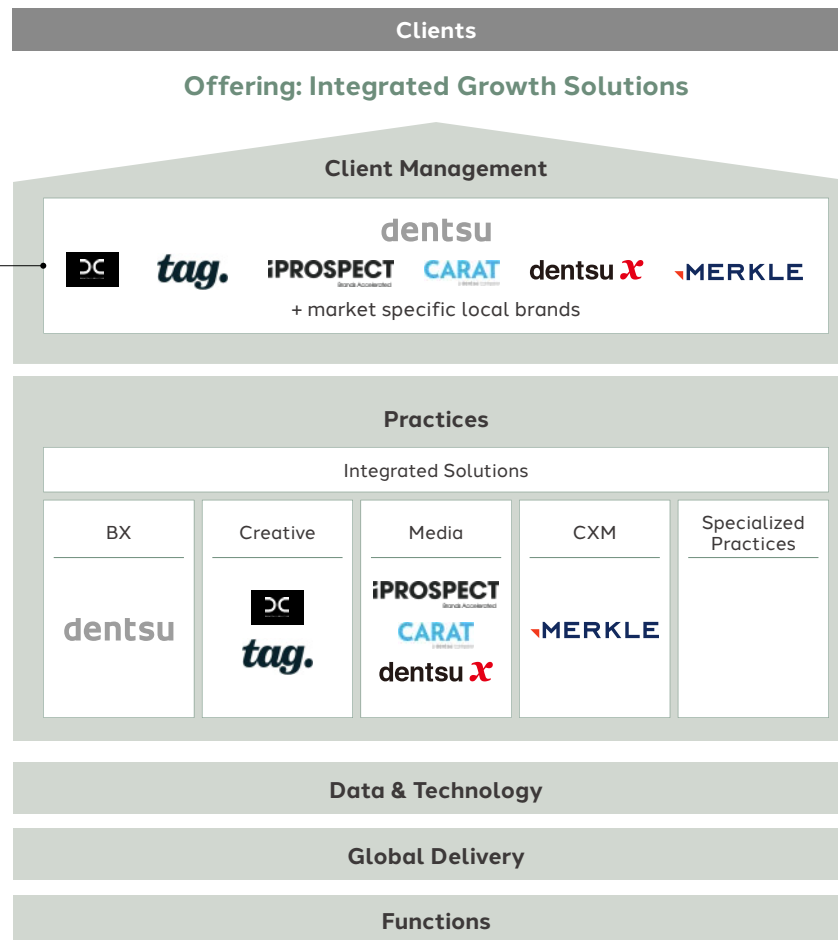
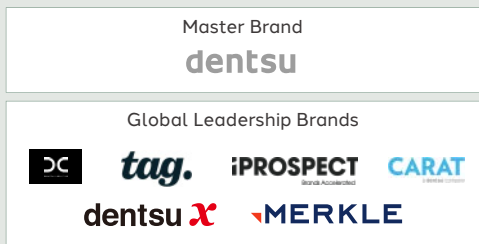
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Embedding our One dentsu Operating Model

In 2023, we transitioned to a global management structure under One Management Team, and 2024 sees the introduction of the One dentsu Operating Model, a common business management model across all four regions. This enables dentsu to globally consolidate customer touch points, promote faster delivery of diverse and advanced Practices, and further elevate operational efficiency.

Dentsu is our master brand—a critical point of connection and equity for our global leadership brands as our hallmark of innovation and global scale.

Global Leadership Brands are our go-to-market brands that leverage solutions, services, products, and platforms to deliver differentiated offerings to our clients and attract talent to our organization.



1. Client Management delivers mid/long-term growth for our clients through strong client relationships and a deep understanding of their businesses.

2. Practices accelerate growth through delivering innovative services and integrated capabilities to our clients.

3. Data & Technology underpin our Practices by developing scalable, revenue-generating assets through investments in data and technology.

4. Global Delivery is the network of delivery hubs with specialized talent who provide high-quality, scaled, and cost-competitive services to support dentsu's diverse capabilities.

5. Functions provide flexible and efficient support to the execution of dentsu's client-centric business through Centers of Excellence and experienced local business partnering.



Jean Lin
Global President - Global Practices,
dentsu

Accelerating and deepening our Integrated Growth Solutions

A partnership model that contributes to the sustainable growth of our clients

I have been serving as Global President - Global Practices at dentsu since October 2023. In this newly created position, my role is to bring together dentsu's capabilities and practices through the services that we provide to our clients. Globally our goal is to provide the optimal Integrated Growth Solutions (IGS) to our clients and establish our position as an Integrated Growth Partner to them.

The world we face is increasingly complex. When presented with new challenges, traditional approaches will not necessarily work. Integration of solutions is essential for our clients to solve the myriad of increasingly sophisticated issues they face and help them to continue to grow. Since its founding, dentsu has always taken an integrated perspective and has provided innovative services to our customers. Our IGS represent a partnership model that contributes to the sustainable growth of our clients.

At the convergence of marketing, consulting, and technology, our competitive advantage lies in our strong client relationships, using creativity to imagine new solutions, and continuous improvement in data-driven marketing ROI.

Initiatives that are key to accelerating and deepening IGS

To accelerate and deepen IGS, we are driving cross-regional and cross-functional initiatives throughout the organization. The initiatives shown below are representative examples.

First, as an approach to meeting the increasingly sophisticated needs of our clients, we have formed a global BX team responsible for business transformation and we are working to enhance its functionality. This is an important offering that allows us to differentiate ourselves and create higher added value to our clients. ([see pp. 35–37](#))

In addition, we acquired global creative production powerhouse Tag in 2023 as a resource that strongly complements our ability to provide end-to-end integrated services from strategy to implementation. We are making good progress in building a collaborative structure, and we have already succeeded in securing new projects in regions such as the Americas. ([see p. 37](#))

To further solidify this momentum, this year we will bolster investments internally and accelerate those in the data and technology space. Especially when introducing technologies such as generative AI, we will actively utilize collaborative relationships with our partner companies to improve the sophistication and efficiency of our operations, while striving to improve our services to clients. ([see pp. 38–39](#))

Our people are front and center in the delivery of

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excellence to our clients. We will also focus on developing, retaining, and acquiring leaders who will be responsible for providing advanced services as well as talent with diverse expertise.

No need to separate “growth” and “good”

Lastly, I would like to touch on sustainability, which is the most important driver of innovation in our business today. If a company can achieve sustainable growth and create strategies, products, and services that contribute to the realization of a sustainable society, it will not only be acting as good corporate citizen for

society, but it will also become a brand people respect and have affinity with.

The important thing is that “growth” and “good” should not be considered separately. A company’s growth in economic terms is just one aspect of the world we live in today. We need to put sustainability at the core of our corporate business strategies to achieve not only short-term gains but also medium- to long-term growth.

One of the material issues we are addressing through our 2030 Sustainability Strategy is Innovation Leadership. We intend to achieve this through the following actions:

- Promote investments and R&D for future innovation
- Generate SDGs-related thought-leadership and proposals with a clear call-to-action
- Create social value through partnerships and ecosystems

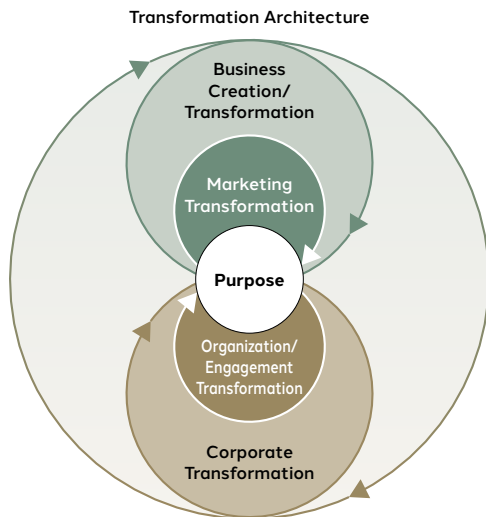
By pursuing these actions from a medium- to long-term perspective, we will work with our clients to solve social challenges and generate both economic and social value as a leading B2B2S (Business-to-Business-to-Society) company.

Accelerating and deepening IGS Initiative 1: Strengthening BX

Business transformation practices

One key initiative for accelerating the delivery of Integrated Growth Solutions involves strengthening our business transformation (BX) practices. In the Japanese market, we have received many requests for consultation about business strategy from client company

Holistic transformation model



Our service offerings under our Holistic Transformation Model that enable transformation and sustainable growth for our clients

Management	Corporate Units			R&D	Business Units					
	HR	Comms	IT		Co-creation/Innovation	DX Promotion	Business/Marketing	Advertising	Sales	SCM
Establishing a corporate identity that serves as the foundation for transformation										
Purpose Purpose/MVV & Future Vision										
Developing strategies, roadmaps and action plans to guide transformation										
Transformation Architecture Management Strategy & Management Plan, Corporate Value Enhancement & IR Strategy, DX Strategy/Data Strategy, Sustainability Strategy										
Consistent business development support from strategy formulation to market launch / streamlining and upgrading existing businesses										
Business Creation/Transformation Business Strategy & Vision, New Business Development, Existing Business Transformation & Streamlining, SCM Transformation										
Support for streamlining and upgrading of marketing/branding										
Marketing Transformation Rebranding, Marketing Strategy, Sales & Distribution Strategy, Customer Data Strategy & Marketing Foundation Building										
Formulation and implementation of organizational and HR strategies to foster a corporate culture of transformation / strengthen engagement										
Organization/Engagement Transformation Organization and HR Strategy, HR System Design & Talent Development, HR System Installation/DB Construction, Internal Marketing										
System construction / infrastructure transformation to encapsulate transformation architecture										
Corporate Transformation IT Strategy, IT Foundation/Data Management Foundation Building & Operation Advancement, Operational System Transformation & Construction										

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management teams over the past decade, so we have enhanced our BX capabilities. We support the transformation of businesses and organizations, including defining their purpose, ultimately supporting the transformation of the entire company.

Our BX practice is experiencing a high rate of organic growth that exceeds that of the consulting market. The capital and business alliance with Dream Incubator, which commenced in 2021, and the capital alliance with Ignition Point, which started in 2022, are also helping to accelerate business growth.

Holistic approach to client transformation

We call our novel approach to achieving sustainable growth for our clients the Holistic Transformation Model. This enables companies seeking transformation to start with the unique character of their company and make internal changes, create businesses, and promote overall

transformation.

As shown in the diagram, we provide BX services for clients ranging from management teams and corporate divisions to R&D and business units. ([see p. 35](#))

Moving clients towards internal and external transformation

Dentsu BX is characterized by three main features:

① Creativity: This is woven into every phase of the process, from the evaluation of client issues to strategy design and implementation.

We design client-centered BX projects by organizing issues in a compelling and bespoke manner through dialogue with clients.

② Moving people: We move people's hearts and emotions to shape their attitudes and bring about change. For all BX projects, we believe we must consider

the people behind the project. In projects aimed at developing new products or services, we target our clients' customers, and in organizational transformation projects, we target employees working at the client company. Our insights enable us to fully leverage the knowledge we have accumulated in the marketing communications domain.

③ Activation and execution: To realize change, we organize issues and formulate strategies, while walking clients through the process of execution and adoption.

We believe our contribution to clients' sustainable growth does not end with the creation of a strategy, but also extends to execution and accountability.

To achieve this, it is essential to integrate our practices outside of BX: Media, Creative, and CXM. Having these capabilities within the Group further strengthens our BX capabilities.

Achieving higher added value globally

Our challenge is how to scale up the approach we have taken in Japan and execute it in our other markets.

Under the One dentsu Operating Model, we have over 400 BX consultants active worldwide in BX practices launched in 2024, providing location-free services.

To deploy our BX practice globally, we believe it is important to achieve synergy between the capabilities and services we already possess in markets outside of



Japan, with the BX skillset that we have cultivated in the Japanese market. To this end, we are proactively engaged in globally standardized training programs and various cross-regional collaborations.

Furthermore, to realize business growth through contributions to society, the dentsu good team, which assists clients in formulating sustainability strategies and other efforts, is also involved in our BX activities.

We feel that strengthening BX represents an effort to redefine our value proposition as a company that conducts business in the marketing communications domain. This, in turn, will lead to our own transformation.

We will continue to drive change and create ever higher added value not only in our BX actions but also, by extension, in all our services. In this way, we will help our clients to achieve sustainable growth.

Accelerating and deepening IGS Initiative 2: Integration of Tag

A global production powerhouse

Tag is a global omnichannel content production and channel activation powerhouse to brands and agencies worldwide. Established in 1972, Tag is the global partner that helps brands across borders and cultures. With teams in 29 countries across the world, Tag offers local market insights at scale, while our distributed hub model means the wheels are always turning.

With 2,700+ people operating in four key regions (Americas, EMEA, APAC and India), collaborating with 4,000+ in-market linguists, Tag operates through one global production hub and 10 specialist hubs, with one proprietary technology platform, Digital Interact (DI), designed to connect the end-to-end marketing ecosystem and help all marketers get more out of every day – more value, more efficiencies, more impact.

Tag: at the forefront of the AI revolution

Tag offers end-to-end capabilities across all media channels, ingesting the big idea directly from clients and Agency Of Record and producing the omnichannel content needed to fuel the advertising campaign, offering analytics for in-campaign live optimization. All this is powered through Tag's proprietary marketing execution platform, DI – Digital Interact, offering real-time collaboration, content management, insights, and analytics.

Tag is investing heavily in AI: the objective is to evolve DI - Digital Interact - into Digital Interact Content Engine - DICE, in order to enable media plan ingest, production automation technologies, AI across production, distribution and analytics, dynamic content distribution and personalization, modular content production at scale post DCO (dynamic content optimization) integration, measurement and insights, and client communications and auto-briefing.



Integration of Tag into dentsu

In July 2023, Tag was acquired by dentsu. Tag remains a distinct brand and is headquartered in London, UK. United in business acumen, Tag and dentsu share similar core values, company culture, and embrace a vision “to be at the forefront of people-centered transformations that shape society.”

As our acquisition of Tag significantly expands our content delivery capabilities, Tag's expertise to deliver personalized, omnichannel content in real-time and at-scale for clients remains unparalleled across the entire customer journey, unlocking marketing effectiveness and efficiency.

Equipping brands with engaging, creative production and sourcing solutions, Tag and dentsu together provide the perfect platform to help brands improve marketing ROI, meet ESG initiatives, manage their carbon footprint, and leverage first, second, and third-party consumer and customer data to drive growth. Tag and dentsu bring together their innovation and technology infrastructure to help solve clients' toughest challenges through the provision of IGS.

Accelerating and deepening IGS Initiative 3: One dentsu, powered by AI

AI is rewriting our business

Dentsu is an industry pioneer in the multifaceted use of AI technology, which provides distinctive value to our clients and society.

AI has been in use since the mid-2010s, and its impact on society has increased dramatically with the emergence of generative AI over the past few years. AI is rapidly transforming traditional workflows by streamlining all marketing-related activities, from data collection, analysis, utilization, and ideation, to creative production.

AI not only streamlines and automates, it also contributes to the way creative ideas and content are shaped, generating new expressions and experiences such as conversational interactions as well as personalized, dynamic, and creative content.

Furthermore, AI has proved to be a great help in the most human of activities—generating ideas. In this way, AI has the potential to fundamentally change the way we do business with our clients.

The Group has long focused on Customer Transformation & Technology (CT&T) and has been an industry pioneer in the use of AI.

After its rapid evolution over the past few years, AI has become a technology that is indispensable for dentsu to realize its purpose: an invitation to the never before. Rather than being limited to improving internal operational efficiency, we are now also using AI to solve challenges facing our clients and society.

Leveraging generative AI: Extensive partnerships, and proprietary products and services

We believe in the importance of our extensive partnerships, rather than playing catch-up with rapid technological developments on our own.

As announced in 2023 and 2024, we are strengthening our partnerships with major tech platforms such as Microsoft, Google, and Amazon Web Services (AWS). We are also developing several products and services that leverage these platforms' cutting-edge generative AI, and 2023 was the first year that we made these available to market.

As an example, Merkle GenCX is a product that uses AI to analyze client data and Merkle data to derive various insights and intelligence. As well as for the optimization and visualization of budget allocation, the solution uses

natural language to operate data-based functions. These include AI-based recommendations for optimal content, channels, and timing tailored to the client.

Dentsu Digital's ∞AI (infinity AI) series is a one-stop product for digital advertising optimization and customer experience using chatbots. ∞AI Ads uses generative AI to automatically generate advertising text and banner ads, and improve them to deliver optimized ads.

∞AI Chat facilitates the creation of chatbots that incorporate expert knowledge to engage in natural conversations with customers and users, flexibly responding to diverse needs.

These are just a few examples. The Group will continue to strengthen its collaboration with a wide variety of players to stay on top of cutting-edge AI developments and be able to convert them quickly into value for clients and society.



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Utilizing AI internally: Improving productivity and transforming operations

With AI increasingly being seen as a personal assistant, the Group is applying this internally. One example is the use of Microsoft Copilot and Microsoft M365 Copilot, two of Microsoft's most advanced tools.

Microsoft M365 Copilot, in particular, is a generative AI solution combined with Office software that supports document creation, email and chat replies, and online meetings.

Dentsu began using M365 Copilot in August 2023, and this was presented as a case study at a Microsoft event in November of the same year. The video featured dentsu employees using AI to streamline their work.

In addition to the use of these external tools, we are also developing AI tools for specific tasks at dentsu.

The benefits of these initiatives go beyond simply increasing individual productivity. Automated translation tools in meetings, for example, facilitate collaboration across countries. Sharing prompts allow for the sharing of know-how throughout dentsu and across organizations. We are thus promoting collaboration that transcends various boundaries and positioning generative AI as a tool to help realize One dentsu.

Urgent need for AI governance initiatives

While generative AI has great potential for business, it also entails ethical risks and social implications. In response to these challenges, dentsu is working to strengthen governance by setting up appropriate points of contact. This we are doing with comprehensive Group-wide guidelines, in addition to guidelines that reflect local legislation and norms at multiple levels.

Reflecting our B2B2S (Business-to-Business-to-Society) management policy, we see the governance of generative AI not merely as an obligation, but as an opportunity to improve the sustainability and competitiveness of our business. We believe that, by strengthening the governance of generative AI and properly understanding its potential and risks, we can deliver the new value it will create.

One dentsu, powered by AI

Today, AI has become a universal technology—a common language, so to speak—not bound by country or region. For this reason, it is an area in which we can expect the strengths of One dentsu to be optimally multiplied.

We are already collaborating with, and learning from, each other in ways that transcend the boundaries of brands and regions. The Group will unite to focus on the utilization of new technologies and pursue the never before, the greatest value for our clients and society.

Note: The text of "Accelerating and deepening IGS - Initiative 3: One dentsu, powered by AI" is the result of human-AI collaboration.

Transformative creativity: connecting our diverse talent to change society

Creativity is the most distinctive feature of dentsu's B2B2S solutions.

Creativity is sometimes interpreted as artistic expression, but we at dentsu define it in a much broader sense. In Integrated Report 2023, we introduced the



concept of transformative creativity.

This is the new type of creativity we advocate, through which people are moved, companies grow, and society is transformed. We stimulate innovation using novel methods and unexpected combinations of existing approaches, to help solve a variety of issues.

Transformative creativity is not only characteristic of people in creative divisions, but an ability possessed by countless individuals throughout the Group.

B2B2S is a highly complex solution combining a company's economic and social value. Correct strategies alone will not move people, and it is difficult to create growth for companies in an increasingly commoditized world.

Nor is it easy to solve complex social issues involving a variety of factors. And we now live in an age when anyone can generate expressions using AI. As people are no longer moved merely by the delicacy of expression, there is a need for ideas capable of resonating more deeply in people's hearts.

Our transformative creativity always starts with our people. And by using the power of ideas, the power of craft, and the power to execute projects, we connect our people to media, platforms, and companies. This allows us to maximize the power of individuals and transform it into a positive driving force for social change. Below, we have listed some examples.

- Voice Watch is a system developed in collaboration with an auto maker that uses AI-generated voice commentary enabling everyone to enjoy sports and entertainment
- Scrolling Therapy is an app that serves users as an exercise tool to help improve the early symptoms of Parkinson's disease
- The Shopping for Good project is a social contribution platform in which many companies participate, enabling consumers to support charities while they shop
- Project Humanity is a joint research and development project involving a telecommunications company that enables people living with ALS to use their own bodies to move avatars freely in digital space
- We are a supporting partner of WOTA's initiatives targeting the social implementation of water recycling systems
- Butterfly Check is a tool facilitating the analysis of connections between biodiversity conservation and business growth
- The De Owarasenai Platform which we developed makes it easy and affordable for people to take part in recycling

The abundantly creative B2B2S solutions offered by dentsu are born from unexpected combinations of the diverse functions and talent across the Group. We will continue to pursue the creation of innovations that impact the world by placing people-centered creativity above all else.

Case Studies | B2B2S

Voice Watch

Helping create a society in which everyone, including the visually impaired, can enjoy sports together

AI has been used for the first time to provide real-time, play-by-play audio commentary enabling the visually impaired to enjoy motor sports.

“I don’t understand what’s going on in front of me when I go to the venue.”
“I don’t feel comfortable asking friends and family to explain what’s going on during the race.”
“Even if everyone else is excited, we don’t feel like going to the venue because we can’t get in on the excitement.”

Visually impaired people often have difficulty enjoying sporting events because they cannot follow the action, so Voice Watch was developed in recognition of the disparity in the amount of information available to people of various abilities.

With support from the Toyota Mobility Foundation, technology was created to convert a wide range of race data into audio information and generate play-by-play commentary for the visually impaired in spectator stands at racetracks where play-by-play commentary is unavailable.

Camera images depict the race as it happens, while changes in race conditions are quickly detected and communicated, based on the analysis of driving data. The system also constructs unique speech frames based on knowledge of professional announcer techniques. The images and speech frames are combined to generate real-time, play-by-play phrasing.

Voice Watch was used at Super Taikyu, Japan’s biggest endurance race, where it created a new motor sports experience that enabled spectators to “listen” to the race.



The technology was the winner in the Best of Artificial Intelligence category at the 102nd ADC Awards in New York. As a Good Design Award 2023 winner, the technology has been included in the Good Design Best 100. Voice Watch has been expanded for application to other sports, and was used at the 2023 World Aquatics Championships in Fukuoka. Trials currently are being conducted at elementary school athletic meets and other events. Our goal is to help create a world in which everyone can enjoy all kinds of sports, regardless of physical ability.

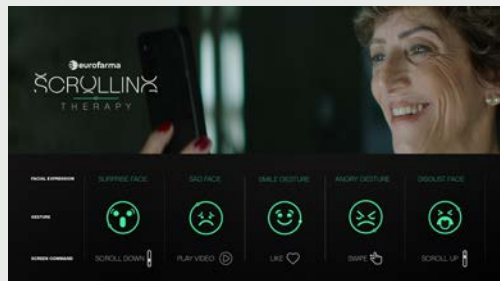
Scrolling Therapy

Mobile app to help mitigate early symptoms of Parkinson’s disease

According to the World Health Organization (WHO), some 8.5 million people are living with Parkinson’s disease worldwide. For this reason, Dentsu Creative teams in Argentina, Brazil, and the US collaborated with Eurofarma, a major Brazilian pharmaceutical company, to develop a tool that helps mitigate the early symptoms of Parkinson’s, including facial muscles becoming stiff and rigid.

This tool is a smartphone app that enables users to perform the hand-based movements necessary to browse social media using their facial expressions.

Using AI-based facial recognition technology, users practice facial expressions guided by the emojis for surprise, sadness, happiness, anger, and disgust that appear in the app. The app supports users’ daily physical therapy while they browse social media.



Over 45,000 physicians in 10 countries are using the app, which won the Pharma Lions Grand Prix at Cannes Lions 2023. The app was a finalist in the Social Media category of the Innovation Awards at South by Southwest (SXSW) 2024, one of the world’s largest festivals for creatives.

Shopping for Good

From a “consumer” society to a “giving back” society. A project aiming to make a positive impact on society through everyday shopping

Dentsu Inc. has launched and helps to operate the Shopping for Good Project Promotion Committee, together with leading Japanese manufacturers, payment service providers, and retailers.

When customers purchase eligible products at participating stores using a specific payment method, 1% of the purchase amount is donated to charitable organizations. Customers will also be awarded up to an extra 10% in reward points.

In addition, companies participating in this project donate 1% of the sales to charitable organizations. By developing campaigns that incorporate charitable contributions into everyday shopping, we are creating a new economy that is not only sustainable, but also spreads good around the world.



The first stage of the project was implemented in 2022, and the second in 2023. The project had a cumulative total of approximately 810,000 participants and raised over 37 million yen in donations, the impact of which is steadily expanding. The third stage is slated for 2024.

Project Humanity

The world's first project enabling people living with ALS to control avatars in the digital space using electromyography and regain physicality

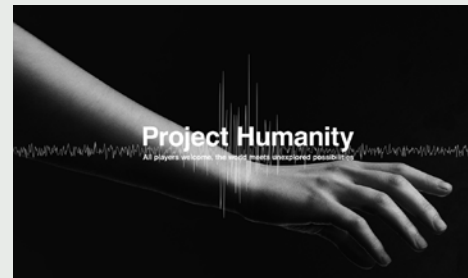
Amyotrophic lateral sclerosis (ALS) is a disease in which motor nerves are damaged and can no longer transmit commands from the brain to muscles. This gradually makes it increasingly difficult to move muscles throughout the body. An estimated 400,000 people worldwide are living with this disease.

Project Humanity was jointly developed by Dentsu Lab Tokyo, Nippon Telegraph and Telephone Corporation (NTT), and WITH ALS. It aims to facilitate the manipulation and control of physical avatars in the digital space using electrical signals (electromyography) emitted when muscles are moved.

The individual's body is fitted with electromyography sensors that acquire biometric information from minute muscle activity, which is then converted into information to control the avatar. With these technological advances, we envision a future in which even those with physical disabilities will be able to operate avatars through their own will and senses in real time through the power of electromyography signals.

Project Humanity was the only project from Japan chosen as a finalist in the Interface Design category of the Innovation Awards at South by Southwest (SXSW) 2024.

In addition, the project received the Grande for Humanity award at ADFEST 2024. This award recognizes creative excellence and is given to a project that demonstrates aspects such as services and significance to society with outstanding creativity.



WOTA CORP.

Creating sustainable water infrastructure by partnering with a start-up that aims to implement small-scale decentralized water recycling systems in society

Access to safe water and sanitation is fundamental to supporting human health and well-being. According to the United Nations, water resources currently available to humanity will meet only 60% of the global demand expected in 2030.

In addition, Japan's government budgetary allocations for the maintenance of water- and sewage-related infrastructure are deteriorating. This is due to the population decline and accelerated aging of water and sewage infrastructure.

Against this backdrop, WOTA CORP. is developing and marketing a small-scale decentralized water recycler. This compact water reclamation system instantly turns used water into water that can be usable again.

Since first connecting with WOTA in 2020, dentsu has supported WOTA through two internal organizations. One is the Future Creative Center, which envisions and aims to help bring about societies and businesses of the future. The other is dentsu Startup Growth Partners (SGP), which specializes in supporting the growth of start-ups.

Transcending the boundaries of advertising, we have worked directly with WOTA's management team to partner in the company's growth through numerous initiatives. These include the implementation of the WELCOME WASH project to promote public hand washing outside the home during the COVID-19 pandemic; formulation of a master plan to visualize WOTA's medium- to long-term growth; and taking the lead in forming an alliance with, and investing in, Japan's largest toiletry company.

In 2023, we also invested in WOTA through the Dentsu Ventures SGP Fund. We are currently promoting the social implementation of WOTA's water circulation system through efforts including the development of global brands.

By supporting WOTA, we aim to contribute to structural solutions for water-related issues.



WOTA is providing "WOTA BOX," private rooms for warm showers, and "WOSH" sanitary hand washing stations in nearly all areas where water was cut off due to the January 2024 Noto Peninsula earthquake in Japan.

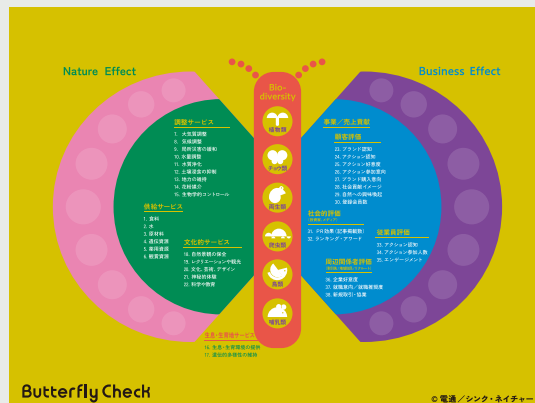
Butterfly Check

Providing visibility to biodiversity impacts and business outcomes

Butterfly Check is a service that supports initiatives aiming for nature positivity, jointly developed by Dentsu Inc. and Think Nature Inc., a startup company that holds some of the world's largest natural capital big data.

This service is an original solution by dentsu that enables integrated analysis based on evaluations from different stakeholder perspectives, including not only the measurement and visualization of the impact of a company's nature-related activities on ecosystems from a scientific standpoint, but also how this relates to business activities such as branding.

By measuring the impact of a company's nature-related activities on both biodiversity and business, and comparing them from a bird's-eye view using a diagram modeled after the wings of a butterfly, we analyze the relationship between these two interconnected concepts, which had previously been considered separately, to identify areas for improvement and further business opportunities. The service has wide-ranging potential for new business development and corporate branding, with the aim of creating a sustainable cycle that enriches both biodiversity and business.



The De Owarasenai resource platform

Promoting consumer participation in the circular economy

The resource circularity platform De Owarasenai—in English roughly meaning “it doesn't end here”—was developed by Dentsu Inc. in Japan. This platform allows arterial and venous industries to be digitally connected with consumers, thereby promoting a cycle of purchasing, collection, and recycling.

For two months starting in November 2023, dentsu conducted a proof-of-concept trial with Lawson, Meiji, and Nakadai Holdings.

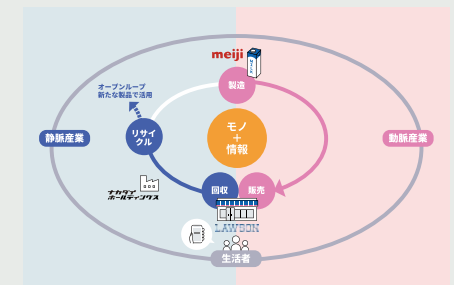
We not only connected manufacturers, distributors, and recyclers, but also leveraged our marketing expertise to create a system that enables consumers to participate in the circular economy. The response we received from stakeholders including government agencies and the media was huge, and two patents are currently pending.

Consumers who take empty paper milk cartons to a Lawson store are eligible to receive discount coupons for Meiji Oishii Gyunyu-brand milk.

We considered collection and recycling from a marketing perspective, and by creating purchasing incentives based on collection, we are encouraging consumer behavioral change as well as supporting companies by contributing to their business and reducing their environmental impact.

Analogous to blood circulation in the body, industries that create products using natural resources are referred to as arterial industries. Those that collect, process, and recycle the resulting waste are referred to as venous industries.

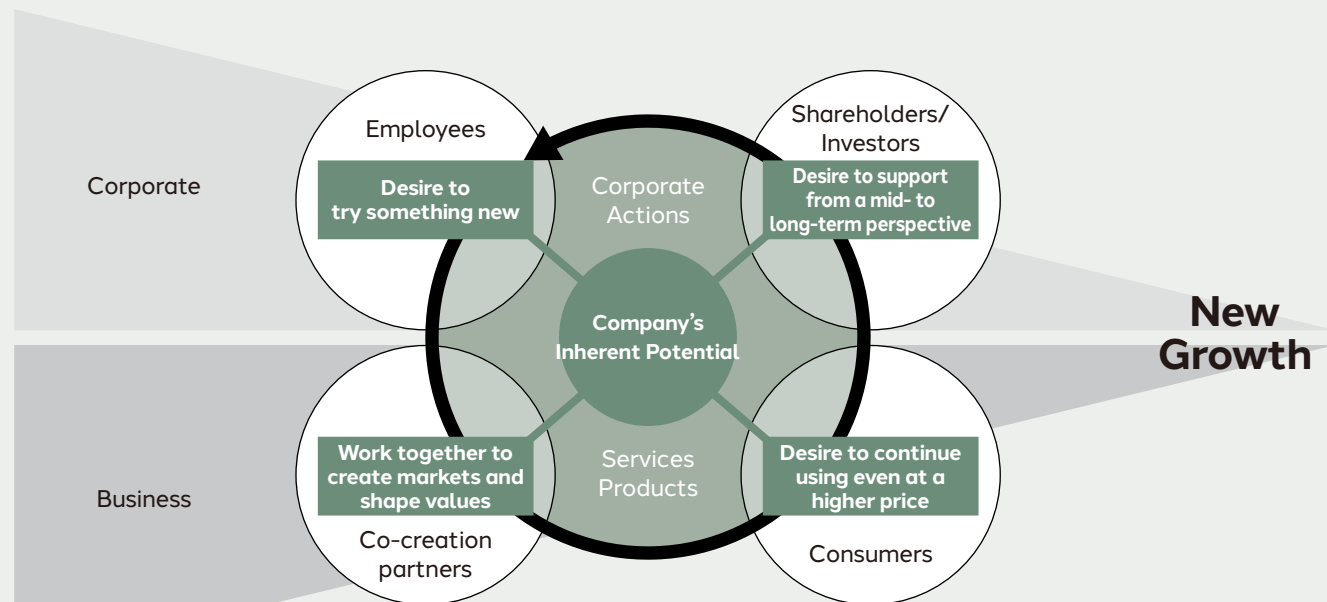
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Sustainable transformation (SX) and branding Sustainability Consulting Office

Dentsu Inc. established a dedicated sustainability transformation (SX) consulting department in 2023 to provide solutions on themes such as the circular economy, DEI, biodiversity, decarbonization, and ESG. This new endeavor brings together sustainability experts and branding professionals in areas such as creativity, PR, digital transformation, and space design.

With “Sustainability for New Growth” as our vision, we uncover the unique growth potential of each company through a sustainability lens, and by taking a multistakeholder approach and forging new relationships, we aim to achieve growth and enhance corporate value. We provide comprehensive business support from the SX strategy phase to the execution phase, which includes symbolic actions as well as internal and external branding.



Note: The “Butterfly Check” and “De Owarasenai Platform” introduced on p. 45 are examples of this organization’s work.