

Integrated Report 2026

Dentsu Group Inc. **dentsu**

About this report

Integrated Report 2026 outlines dentsu's efforts to enhance corporate value and the progress of those initiatives under the leadership of President & Global CEO Takeshi Sano, who was appointed in March 2026.

This year, to foster more meaningful dialogue with our stakeholders, we have streamlined our disclosures and further clarified the overall picture of our value creation through a more integrated presentation of our financial and non-financial information.

We also provide an overview of the direction and progress of key initiatives under our new management structure, including the evolution of our business strategy, our approach to human capital management, and our efforts to address our material themes.

Through this report, we hope to provide stakeholders with a deeper understanding of dentsu's approach to sustainable growth and the actions we are taking to achieve it over the medium to long term.



Supervising executive
Global Chief Sustainability Officer

Yuko Kitakaze

Section highlights

1 Our Growth Story

This section presents dentsu's value creation story through the Global CEO's message, our perspective on the external environment, and the update to our Mid-Term Management Plan. It highlights the effectiveness of our strategy through the integration of financial and non-financial initiatives and outlines our medium- to long-term growth scenario.

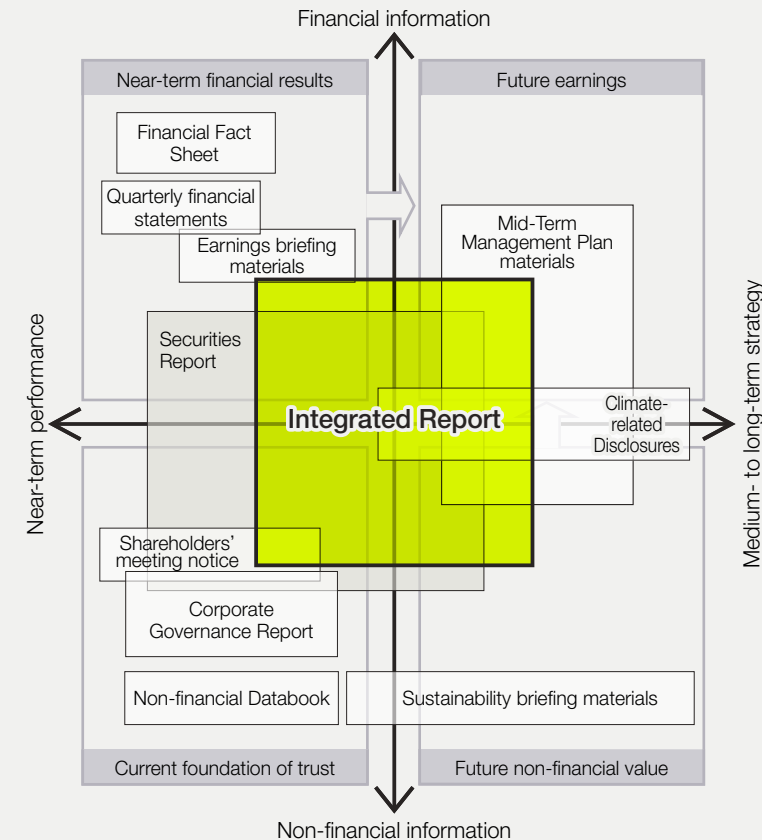
2 Our Driving Force

This section outlines how we will enhance profitability and competitiveness through the evolution of our business and talent strategies. It highlights the key drivers of sustainable value creation, including a shift toward global growth areas and an organization design that maximizes individual potential.

3 Value Acceleration Platform

Through the dual pillars of Group governance on the management side and corporate governance on the Board side, we are proactively addressing a broadening range of risks and building a stronger management foundation. Through ongoing efforts to enhance our governance, including dentsu Japan's Mindset and Behavior Reform initiative, we have strengthened the effectiveness of risk management, compliance, human rights, and AI governance. We have also enhanced the oversight functions of the Board of Directors and its Nomination, Audit, and Compensation committees.

Disclosure mapping



Target audience:

All stakeholders including shareholders/investors, employees, clients, partners, and customers

Reference guidelines:

- The International Integrated Reporting Framework, IFRS Foundation
- Guidance for Collaborative Value Creation, Ministry of Economy, Trade and Industry
- Sustainability Reporting Standards, Global Reporting Initiative (GRI)
- For the GRI content index, please refer to the [Non-financial Databook](#).

Period covered by the report:

FY2025
(January 1, 2025–December 31, 2025)
Note: This report also includes certain initiatives undertaken in 2026

Publication date:

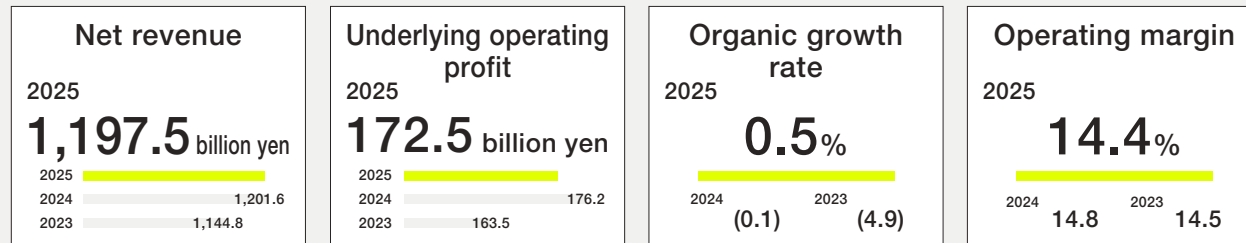
August 2026

Forward-looking statements:

This integrated report contains forward-looking statements regarding the intent, belief, or current expectations of Dentsu Group Inc. or its management with respect to the results of operations and financial condition of the Group. Such forward-looking statements are not guarantees of future performance or financial results and involve risks and uncertainties. Actual results may materially differ from those in the forward-looking statements as a result of various factors. The information contained in this integrated report identifies important factors that could cause such differences. These forward-looking statements speak only as of the date hereof. Dentsu Group Inc. disclaims any obligation to update or publicly announce any revisions to these forward-looking statements to reflect future events, conditions, or circumstances.

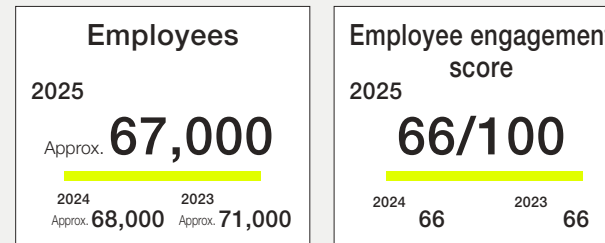
dentsu at a glance: Our business

Performance

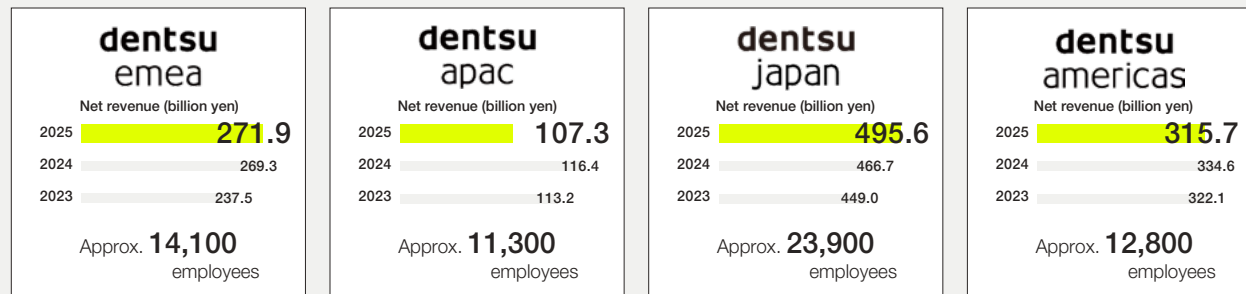


Employee-related data

People strategy | P.028

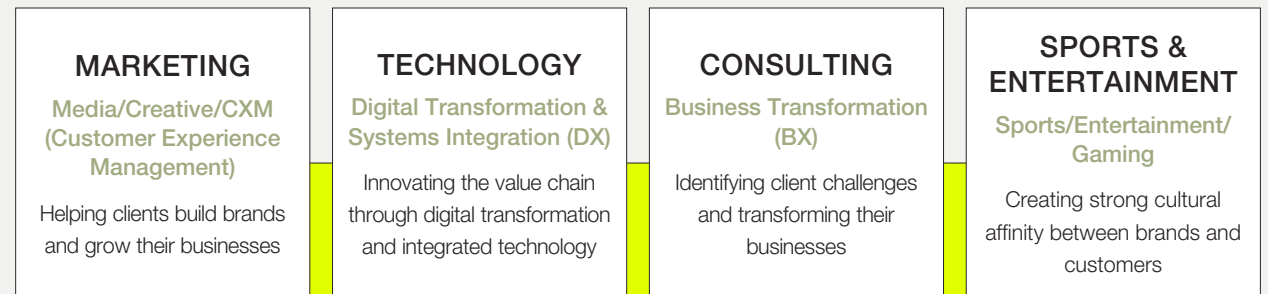


Operating regions



Business areas

Business strategy | P.022



As the Growth Partner that drives the greatest impact for our clients, we provide solutions that leverage the competitive strengths of each region.



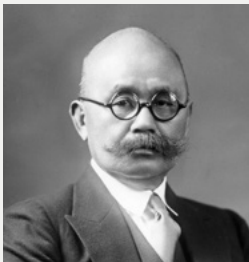
Note: 1. Figures are for FY2025.

2. Underlying operating profit: A profit indicator used to measure the performance of ongoing business operations, calculated by excluding temporary factors from operating profit, such as amortization of intangible assets arising from acquisitions, M&A-related expenses, impairment losses, and gains or losses on the sale of fixed assets.

dentsu at a glance: Our DNA

Since its founding in 1901, dentsu has continually responded to changes in society to create new value.

We started with innovation, combining communications and advertising into a revolutionary business model aimed at delivering high-quality news across Japan. We grew as an advertising company dedicated to supporting societal development, then expanded into new media, international expositions, and sports and entertainment, always striving to build a more vibrant society.



Founder

Hoshio Mitsunaga

Creating the “never before” to help shape society—establishing the values that have guided dentsu across generations.



Fourth president

Hideo Yoshida

Foresaw the emergence of popular culture and expanded through diversified business models and the adoption of new media.

Our value creation journey

Contributing to the development of the country and its people through innovative ideas

We developed a revolutionary business model combining communications and advertising as a package, with the aim of widely distributing high-quality news articles to the Japanese public. In 1926, we established an aviation department to transport photos, and in 1928, we became Japan's pioneer in commercializing high-speed communication using newly invented electronic photo transmission technology from Germany.



Source:
dentsu 100-Year History

Dedicated to improving Japan's advertising industry from the perspective of the nation's people

We made newspaper circulation figures public in Japan with the goal of advancing the entire advertising industry for the betterment of society. We also established the Dentsu Advertising Award to raise creative standards, popularized commercial broadcasting, and introduced marketing to Japan's advertising industry. These were just some of the initiatives we took from the perspective of the nation's people to raise the advertising industry to new standards and promote Japan's economic growth.



Source:
dentsu 100-Year History

Expanding the horizons of the communication business to connect companies with consumers

Leveraging the expertise accumulated during preparations for, and operation of, the Japan World Exposition Osaka 1970, we expanded our corporate client services to connect content, companies, and consumers through experiential offerings in areas including sports, events, and PR.



Content-driven marketing to generate new consumer culture

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 content production, including movies and animation—foundations that continue to shape our digital content marketing today. Our efforts contributed to a new, vibrant culture of entertainment among Japanese consumers.



Going beyond marketing to create new value for clients and society

Building on the creativity and consumer insight we have cultivated since our founding, we integrate a wide range of expertise across Media, Data & Technology, and AI. Going beyond marketing, we have expanded the value we provide to help drive transformation in our clients' businesses and technologies. By taking a comprehensive, end-to-end approach from strategy formulation to implementation, we aim to contribute to the sustainable growth of both our clients and society.

Advertising

Communications

Events/Sports

Entertainment/Content

Since our founding, we have worked to create new value for our clients and society through our ability to move people's hearts

Growth Partner

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Note: Where "dentsu" is written on its own, this basically refers to the entire Dentsu Group.

CEO message

Mid-Term Management Plan update

External environment surrounding dentsu

Value creation process

Materiality

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Financial strategy

01 Our Growth Story



Create a future that inspires

Takeshi Sano

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

CEO MESSAGE



Takeshi Sano

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

To create a future that inspires

— Renewing corporate value through client-centricity,
agility, and collaboration —

Vision

The role dentsu must fulfill in the age of AI

Dentsu is now at a major turning point.

As AI continues to evolve at a rapid pace, the ability to solve short-term challenges will become increasingly sophisticated and efficient. Access to information will become more uniform, and many services are likely to become commoditized.

In this environment, the value we must provide lies not simply in improving efficiency or addressing existing challenges, but in creating new opportunities for growth for businesses and society through human creativity, while bringing people hope and vitality for the future.

At dentsu, we possess capabilities that will become even more important in the age of AI: the ability to identify emerging challenges, envision new sources of value, and move people. To further strengthen these capabilities and maximize the value we deliver, we are now transforming the way we manage our business, moving beyond the assumptions of the past.

Looking back on 2025

Continued growth in the Japan business, challenges in the International business

In 2025, our Japan business achieved growth for the 11th consecutive quarter, with the Marketing business, led by television and internet advertising, as well as Business Transformation (BX) serving as key growth drivers. In our International business, some segments built through past acquisitions are experiencing structurally declining profitability, while others have not demonstrated sufficient competitive advantage. We recognized a goodwill impairment loss in the fourth quarter after revising our impairment testing outlook in February 2026 to a level at which we expect no further impairment losses to arise. As a result, we recorded a net loss for the third consecutive year and, regrettably, decided not to pay a dividend for 2025. We are confronting this reality head-on.

Until a few years ago, dentsu grew its global business through both organic growth and acquisitions. While this expanded our capabilities and client base, it also increased complexity and fragmented management resources and focus.

Going forward, our focus will not be on expanding scale for its own sake. Instead, we will clearly define where we can win and where we can deliver value that contributes to our clients' growth and concentrate our management resources on areas where we have a strong competitive advantage.

Mid-term strategy

Creating a more agile organization by rebuilding the business foundation

We are currently undertaking a fundamental review of underperforming businesses in our International operations and rebuilding our business foundation.

When evaluating underperforming businesses, our focus extends beyond cost reduction. We are rigorously evaluating whether each business can accelerate our clients' growth, establish a sustainable competitive advantage, and strengthen our position in areas where dentsu can deliver truly differentiated value. Based on these priorities, we are reviewing our portfolio, including potential downsizing, exit, divestiture, or strategic partnerships where appropriate. While profitability is improving in markets such as China and Australia, we are taking decisive action to restructure businesses where the path to sustainable competitive advantage is limited.

At the same time, we are strengthening the foundations of our business across the Group. This includes integrating Global headquarters (HQ) functions previously split between Tokyo and London, simplifying regional HQ structures, improving operational efficiency through AI, and streamlining our International entities. Through these initiatives, we expect to deliver more than 50 billion yen in cost savings by 2027.

We are also transforming how we operate to accelerate decision-making and increase the speed at which we deliver value to clients

by reducing layers between management and frontline teams.

Some of the corporate groups we compete with are larger than dentsu. However, in today's environment, success is not defined by scale alone. It belongs to organizations that are agile, resilient, and able to move quickly to meet changing client needs and seize new opportunities.

Strengthening competitiveness for growth

We are transforming dentsu into a more agile organization. Our ultimate aim is to contribute even more to our clients' growth and achieve sustainable growth together. In the update to our Mid-Term Management Plan announced on August 14, 2026, we reaffirmed our strategic direction while refining the plan for the 2026–2028 period. We also provided greater clarity on how management resources will be allocated to support growth and the role each region will play in delivering the strategy.

As we have expanded our business over the years, we have built deep expertise, a strong client base, and a global network. What matters now is identifying where these strengths can create the greatest competitive advantage and focusing our management resources on the markets, clients, and capabilities where they can have the greatest impact. In addition to investing for growth, particularly in Media, we will further strengthen our competitiveness by expanding our distinctive capabilities and products and

developing new revenue models. We will steadily translate these initiatives into tangible results and contribute more deeply to our clients' growth.

We will step up investment in AI and Data & Technology, advancing the adoption of AI in our clients' businesses, providing AI-driven marketing approaches, and embedding AI into our own business processes. While AI will make operations more efficient and sophisticated, human creativity and insight will become more important than ever. By harnessing the respective strengths of AI and people, we will enhance our ability to identify our clients' underlying challenges and support them from concept through to execution.

We will further strengthen collaboration with our partners to deliver this value at greater scale. By flexibly combining dentsu's expertise and distinctive assets with the technologies and capabilities of our partners, we will provide each client with the combination that best meets their needs. Through this open collaboration, we will create new value together and drive sustained growth.

To accelerate growth globally, we are taking a more focused and differentiated approach, clearly defining the role of each region according to its market dynamics, competitive strengths, and ability to create long-term value. In Japan, we will leverage our strong client base to broaden our contribution across our clients' entire value chain. In the Americas, we will contribute to dentsu's global growth by expanding our client base with Media at the core and driving AI transformation

through Customer Experience Management (CXM). In EMEA, we aim to regain market share and improve profitability through integrated, media-led proposals and a simplified operating model. In APAC, we will enhance our competitive advantage and profitability by accelerating collaboration across markets and concentrating investment on growth opportunities. By building on the distinctive strengths of each region and harnessing the power of collaboration across our global network, we aim to create greater value for clients and drive sustained growth across the Group.

Note: For details on the Mid-Term Management Plan update, please see the following link.
<https://www.group.dentsu.com/en/ir/common/pdf/MTMP2026E.pdf>

A growth model driven by client-centricity, agility, and collaboration

Delivering this strategy successfully will require us to remain anchored in three core principles: client-centricity, agility, and collaboration.

First is client-centricity.

Our definition of client-centricity goes beyond simply responding to our clients' requests. It means continually asking what is truly best for the client and identifying challenges and opportunities that even the client may not yet recognize. At times, it means offering new perspectives and directions for change that differ from the client's current thinking, while working together to envision and realize business growth. We are fairly rewarded for the value we create and reinvest those returns to strengthen our

capabilities and create even greater impact. That is the kind of Growth Partner we aspire to be.

In the years ahead, clients will not be looking for individual services. They will be looking for partners that can bring together diverse expertise to address management challenges, transform businesses, and ultimately deliver results.

Second is agility.

Through my interactions with hundreds of clients over many years, I have come to believe that what clients value most in a partner is not the size of the organization, but the ability of the team serving them to deliver exceptional value. Even a large organization cannot respond effectively to changing client needs if it operates in silos or moves too slowly. What matters is having talented people with diverse expertise who can quickly come together as a team to address client challenges and create exceptional value with speed and agility.

Third is enhanced collaboration across each area of expertise.

Looking ahead, no single area of expertise will be enough to solve the complex challenges our clients face. The key is not to optimize individual capabilities in isolation, but rather to connect them across the organization and transform them into value for our clients. By collaborating across functions, Group companies, and regions, while also deepening collaboration with a wide range of external partners, we will flexibly and organically integrate our diverse capabilities.

Through unwavering client-centricity, agility, and the optimal integration of diverse capabilities

through collaboration, we deliver value that contributes to our clients' growth. We believe this is a competitive advantage unique to dentsu.

People strategy

A culture shaped by creativity, analytical thinking, and heart

People are dentsu's greatest asset. In the age of AI, human imagination, curiosity, insight, determination, and passion will become more important than ever.

Across dentsu, we have people with diverse expertise spanning Media and Creative, which we have cultivated over many years, as well as in Consulting, Data & Technology, and Sports & Entertainment. Our ability to bring these different strengths together enables us to create unique value that sets us apart.

Our strongest competitive advantage comes not only from bringing together creative and analytical thinkers, but from fostering an environment where people inspire each other, bring out the best in one another, and are motivated by a genuine desire to help others succeed. A culture built on mutual respect, collaboration, and continuous growth is one of dentsu's defining strengths globally.

A culture of mutual respect creates an environment where innovation flourishes, bringing together diverse perspectives and areas of expertise to create new ideas and solutions. In fact, when colleagues who have left dentsu choose to return, they often cite three reasons:

our deep client-centricity, our collaborative environment that fosters innovation, and the culture of mutual respect that is such a distinctive part of dentsu.

Historically, this culture has been a source of competitive strength in Japan. However, as areas of expertise expanded in response to evolving market needs, organizational silos began to emerge there as well. As CEO of dentsu Japan, I have worked to foster a more open environment where people could engage in candid discussion and collaborate across organizational boundaries.

Today, many of those barriers have been broken down, accelerating cross-functional collaboration focused on creating greater value for clients. This has contributed to stronger business performance, including higher success rates in competitive pitches and new business growth. Importantly, this culture is not unique to Japan. It exists across our International business, and we continue to strengthen it. Clients are increasingly recognizing the power of dentsu's integrated teams, and we are already seeing tangible results, including multiple major competitive pitch wins in the first half of 2026. At the Group management level, we have also created new opportunities for open dialogue and the active exchange of ideas through monthly leadership meetings and regular discussion across the business. By modelling collaboration, openness, and mutual respect, our leaders are helping to break down organizational and regional boundaries, accelerating the pace at which we work together to create value for clients and drive growth.

Governance

Putting integrity at the heart of management

I believe that the true source of corporate value lies not in business scale or profit, but in the trust we earn from society. That is why, since 2023, dentsu has positioned “Integrity” as one of its material themes and has worked to enhance governance while fostering a culture that puts integrity first.

Specifically, we have strengthened the Board of Directors’ oversight function as a company with a three-committee governance structure. We also maintain a high proportion of outside directors and seek to enhance management transparency and effectiveness through discussions among directors with a variety of backgrounds and perspectives.

To embed this culture more deeply across the organization, we are continuing the dentsu Japan Mindset and Behavior Reform initiative while reinforcing an integrity-first culture throughout the business. This includes conducting integrity-focused training for all employees, strengthening consultation and reporting channels through Speak Up @ dentsu, and fostering greater dialogue between management and frontline teams.

I do not view governance as purely defensive or focused solely on mitigating risk.

In the age of AI, companies are expected to demonstrate greater transparency and accountability than ever before. That is why I believe that governance grounded in integrity can serve as a source of competitive strength,

enabling us to continue to be chosen by our clients and society. In our industry in particular, the use of AI can give rise to risks such as copyright infringement. As a leading company in our industry, we have established global guidelines through our AI Governance Committee and continue to provide employee training aiming to ensure their effectiveness.

Entering a new phase of growth

Dentsu has built a strong global presence and diverse capabilities across many markets. The opportunity now is to harness these strengths more effectively, creating greater value for clients while driving sustainable growth across the Group.

To achieve this, we will review our business portfolio and strengthen investment discipline while placing greater emphasis on profitability and capital efficiency, balancing these efforts with investment for growth.

Dentsu continues to evolve.

We think from the client’s perspective.

We act with agility.

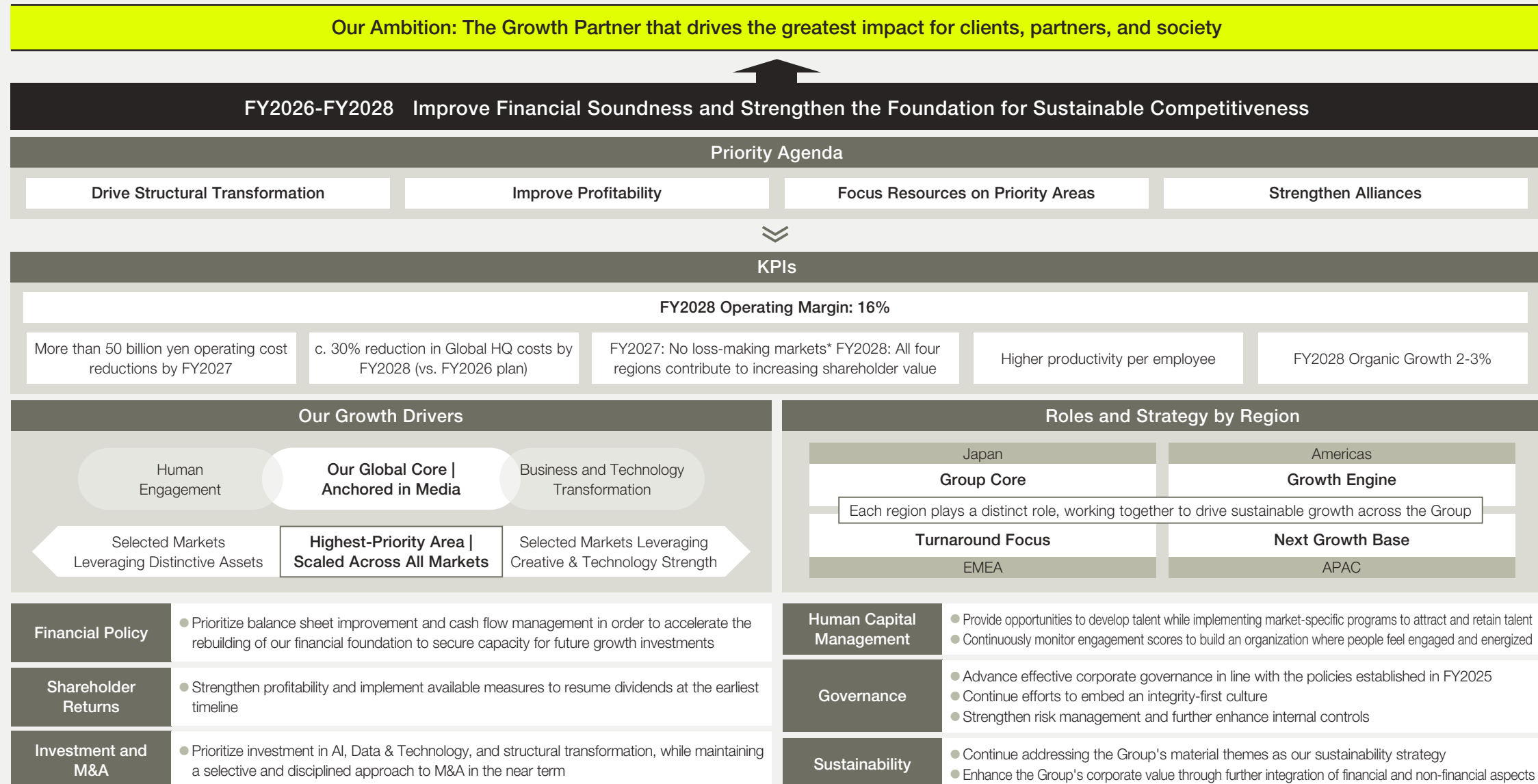
And we bring together talent with diverse expertise to create new value.

Through these actions, we aim to harness the power of creativity to bring new hope and vitality to society.

Alongside our shareholders, investors, and other stakeholders, we will forge a new phase of growth. We look forward to this next chapter together and sincerely appreciate your continued support.

Mid-Term Management Plan update

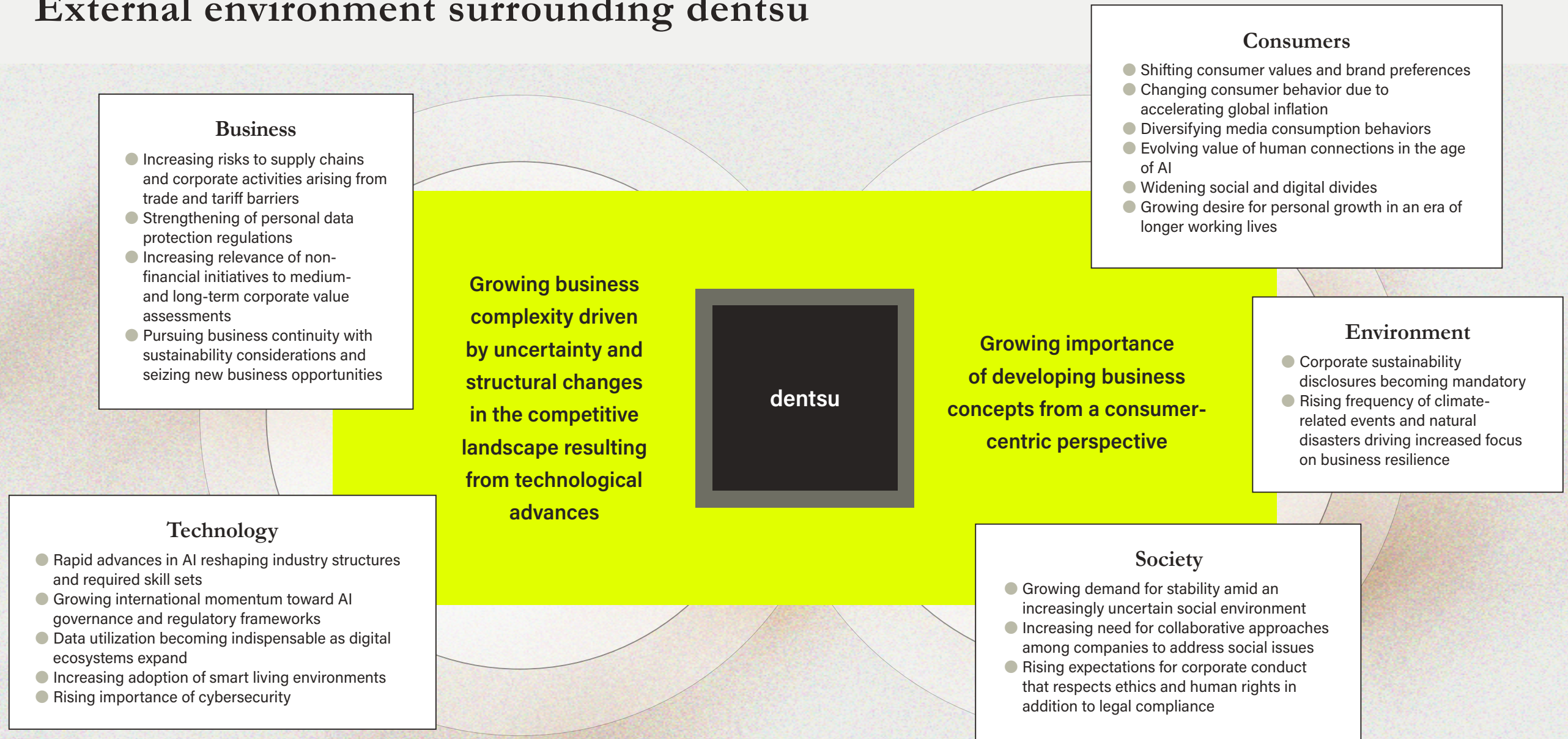
In the update to our Mid-Term Management Plan announced on August 14, 2026, we maintained our existing direction while redesigning the plan for the 2026–2028 period.



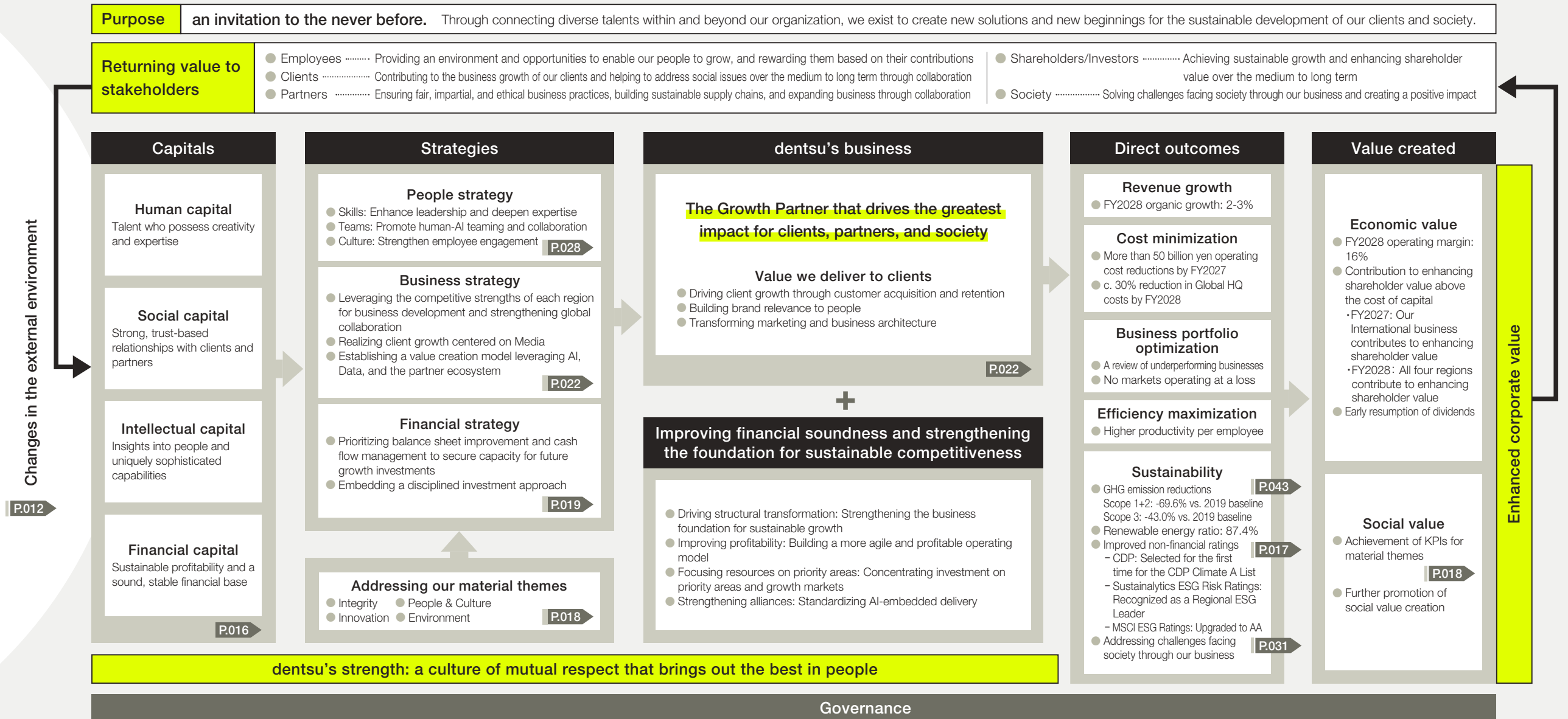
Note: For details on the Mid-Term Management Plan update, please see the following link. <https://www.group.dentsu.com/en/ir/common/pdf/MTMP2026E.pdf>

*Refers to markets that have seen over 10 billion yen of cumulative investment as of February 2025

External environment surrounding dentsu



Value creation process



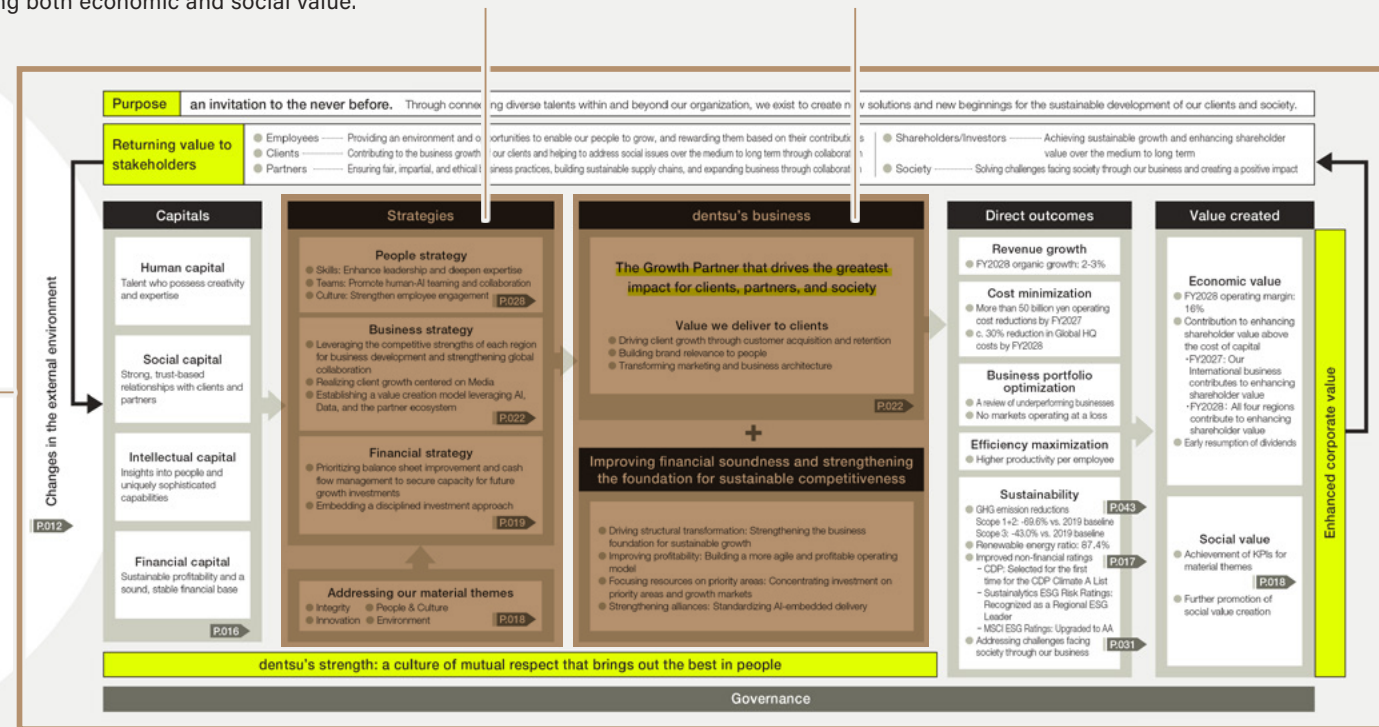
Key points of the value creation process

Point I The Group's strategy for value creation

To translate our Purpose into action, we have established people, business, and financial strategies and identified four material themes that support medium- to long-term value creation. Through the steady execution of these strategies and initiatives to address our material themes, we aim to enhance corporate value by creating both economic and social value.

Point II Strengthening the business foundation for sustainable growth

At dentsu, we fully leverage creativity, one of our key strengths, to generate innovative ideas and solutions across Marketing, Technology, Consulting, and Sports & Entertainment. At the same time, we are pursuing bold structural reforms and investment concentration and accelerating our return to sustainable business growth under a strong governance framework.



Point III Accelerating the virtuous cycle of corporate value enhancement

We translate the economic and social value generated through our business activities into enhanced corporate value, while returning the resulting benefits to our stakeholders. By reinvesting these outcomes in our management capital, we further strengthen the foundation for value creation, creating a virtuous cycle of sustainable growth and further value creation.

Materiality

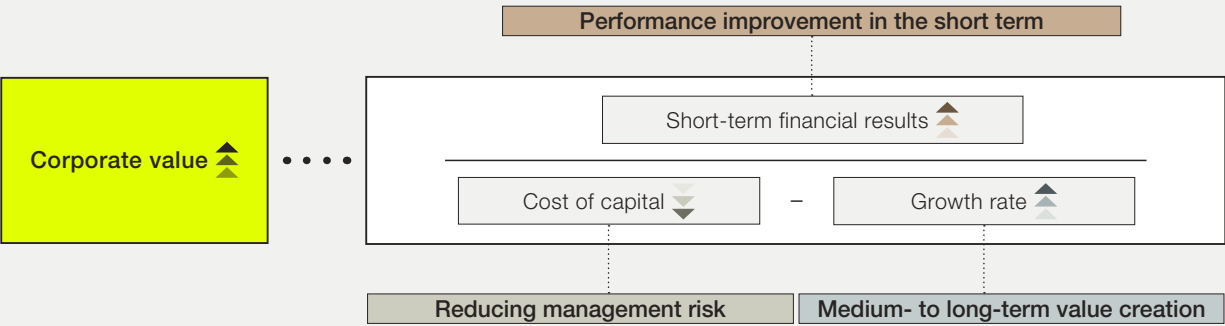
Amid an ever-changing external environment, we continue seeking both to realize our Purpose and maximize corporate value for our stakeholders. To this end, we have framed our Materiality based on the two axes of “importance from the management perspective” and “importance from the stakeholder perspective.”

Materiality is a key consideration in our interactions with shareholders, investors, employees, clients, partners, and society. It also represents management priorities that support the Group’s efforts to sustainably create value and achieve growth.

For this reason, initiatives toward our material themes are closely connected to our corporate value.

Note: For more information on dentsu's materiality formulation process, please see the following link:
<https://www.group.dentsu.com/en/philosophy/materiality.html>

For more information on dentsu's stakeholders, please see the following link:
<https://www.group.dentsu.com/en/philosophy/stakeholder.html>



External environment	Material themes	Reasons for selection (risks, opportunities)	Relation to corporate value
Increasing complexity of business challenges caused by uncertainty and structural changes in the competitive environment driven by technological advancements Growing importance of developing business strategies from the consumer perspective	INTEGRITY	Our corporate activities are predicated on adherence to corporate ethics and compliance, as well as integrity with respect to society and all other stakeholders. As AI continues to advance rapidly, expectations are also rising around the responsible use of AI, the protection of data privacy, and cybersecurity. By diligently addressing these and other key areas of Group governance, including corporate governance and risk management, we seek to fulfill our responsibilities and establish a solid foundation for value creation.	Performance improvement in the short term Reducing management risk Medium- to long-term value creation
	PEOPLE & CULTURE	Human capital is at the core of the Group’s competitiveness, and it is essential that we continue to thoroughly develop our talent. We hire uniquely talented people, develop them, and provide nurturing work environments designed to help them perform at their best. By combining the diverse talents of our people, we aim to create new value. This approach supports better service for our clients and society, helps energize dentsu and the wider industry, and positions us to meet shareholder and investor expectations.	Performance improvement in the short term Reducing management risk Medium- to long-term value creation
	INNOVATION	Our Purpose entails providing innovative ideas and solutions for clients and society to help drive meaningful change. By collaborating with stakeholders, exercising thought leadership throughout our industry and society, and investing in bringing new ideas to fruition, we aim to be a driving force for innovation that addresses complex challenges facing society.	Performance improvement in the short term Medium- to long-term value creation
	ENVIRONMENT	The environment is an issue that has a significant influence across our value chain. We work to identify environmental risks and opportunities and incorporate those considerations into our management approach. This is important to the sustainable enhancement of our corporate value. By proactively addressing environmental issues, we can pursue business opportunities and sharpen our competitive position, while working to enhance our resilience and management efficiency.	Reducing management risk Medium- to long-term value creation

Strengthening our capitals

At dentsu, we view human capital, social capital, intellectual capital, and financial capital as key sources of our competitive advantage. The chart to the right shows the connection between these four capitals, our performance in 2025, and areas to address for further improvement.

Financial capital is invested in human capital, social capital, and intellectual capital, which are interconnected and work together to drive value creation. The value created through this process is then returned to financial capital, creating a cycle that reinforces our competitive advantage. We view the turnaround of our International business, improving financial soundness, and strengthening the foundation for sustainable competitiveness as key priorities, and we will continue to allocate capital efficiently to address these challenges going forward.

Capitals	2025 performance	Areas to address for further improvement
Human capital Talented professionals with creativity and expertise - Employees: approximately 67,000 (as of December 31, 2025) - L&D and annual mandatory training	- Engagement score: 66 (2024: 66) - Ratio of female leaders: 25.4% (excluding the US) - External recognition: - Dentsu Inc.: Ranked 2nd in OpenWork's Best Companies to Work For 2026 (out of 19,681 companies) - Eruboshi certification (three-star rating) (18 dentsu Japan companies), etc.	- Improving employee engagement - Increasing the proportion of female leaders - Developing Growth Partners - Developing and strengthening the workforce data infrastructure
Social capital Strong, trust-based relationships with clients and partners - Wide-ranging client base - Strategic partnerships	- Global Accelerator clients*: 40 (2024: 56) - Accelerated collaboration with strategic partners to enhance client solutions - Creation of social value through partnerships and ecosystems: 9 cases - Ranked 2nd overall for the 3rd consecutive year in Keidanren's 4th Startup Friendly Scoring - Promoted sustainability through collaboration within and across industries	- Further expanding partnerships - Further strengthening AI governance - Engaging stakeholders to build a sustainable supplier network
Intellectual capital Insights into people and uniquely sophisticated capabilities - Advanced marketing skills and experience - Creativity to generate innovative ideas - Ability to address social issues based on people insights - Further advancement in the media sector - Executed focused internal investments in AI	- Capability development: - dentsu Japan AI for Growth 2.0 (AI for Growth 3.0 announced in 2026) - dentsu.Connect: over 1,900 implementations, etc. - Awards: 15 awards at Cannes Lions 2026, including four Golds 13 awards at Spikes Asia 2026, including one Grand Prix and one Gold 32 awards at ADFEST 2026, including two Grande awards, and named Network of the Year for the fifth consecutive year and the 10th time overall - Sports Agency of the Year at the International Sports Awards (Dentsu Sports International), etc.	- Strengthening creativity in the AI era - Enhancing synergies within the Group - Creating integrated solutions that combine expertise across disciplines
Financial capital Sustainable profitability and a sound, stable financial base	- Organic growth rate: 0.5% (2024: -0.1%) - Operating margin (OPM): 14.4% (2024: 14.8%) - Net debt / adjusted EBITA (year-end): 0.95x (2024: 0.92x) - Total assets: 3,206.8 billion yen (2024: 3,507.3 billion yen) - Equity: 374.8 billion yen (2024: 696.8 billion yen)	- Strengthening our financial foundation (consolidated and non-consolidated) - Resuming dividend payments - Turning around the International business, including through structural reforms - Improving financial soundness and strengthening the foundation for sustainable competitiveness

* Refers to key global clients with strong growth potential as defined through a top-line analysis and client segmentation. In 2025, applicable client numbers were changed due to Japan-based global clients being under the jurisdiction of Japan.

Creating value through both financial and non-financial initiatives to drive Good Growth for the future



Yuko Kitakaze
Global Chief Sustainability Officer,
dentsu

The Group’s Purpose aims for the sustainable development of our clients and society. This means not only achieving business growth but also creating positive change for people, organizations, culture, and society. We define this virtuous cycle as Good Growth.

With our clients, we build trust and grow together as we work toward shared success. We put integrity first, while harnessing the individual strengths and expertise of our people to expand the potential of both our organization and the talent that powers it. We believe these efforts help create the momentum to shape the future.

Our sustainability strategy is centered on addressing four material themes—Integrity, People & Culture, Innovation, and Environment—toward the realization of our Purpose. Through these efforts, we seek to evolve our management, develop talent capable of creating social value, and drive positive change across our industry and society.

By strengthening our competitiveness from both the financial and non-financial perspectives, the Group seeks to maintain its presence as an organization that society values while generating Good Growth, and working to create a future that inspires.

Governance

At dentsu, we have established a three-tier sustainability governance structure comprising the Board of Directors, the Group Management Board (GMB), and the Group Sustainability Committee

(GSC). The Board sets the Group’s core sustainability policies and oversees the GMB, receiving reports on key sustainability-related matters approved by the GMB. The GMB reviews and approves sustainability strategies, KPIs, and other proposals developed by the GSC, while monitoring the committee’s activities. Chaired by the Global Chief Sustainability Officer, the GSC serves as an executive body that reports directly to the GMB and is responsible for managing progress toward dentsu’s material themes. Four new members, including Global CFO Shigeki Endo, will join the committee from 2026 to bolster our efforts to assess the financial impact of the non-financial initiatives we have advanced to date.

Sustainability governance structure for 2026



Evaluations of the Group’s non-financial performance

At dentsu, we view assessments by external non-financial rating organizations as valuable inputs for improving the quality of our management. Through internal discussions based on the ratings results, we strive to meet the expectations of our external stakeholders. The status of non-financial assessments received at the Group level is shown below (as of June 2026).

MSCI ESG Rating:
Received an AA rating
(March 2026)

Dow Jones Best-in-Class World Index: Selected as a constituent for the third consecutive year

Dow Jones Best-in-Class Asia Pacific Index: Selected as a constituent for the 10th consecutive year

EcoVadis:
Received a score of 59/100
(December 2025)



CDP: Included in the CDP Climate A List in 2025



FTSE4Good Index Series and FTSE Blossom Japan Index: Selected as a constituent for the sixth consecutive year

FTSE Blossom Japan Sector Relative Index: Selected as a constituent for the third consecutive year

Sustainalytics:
Received an ESG Risk Rating score of 12.0 (Low risk)
(May 2026)

ISS ESG Corporate Rating:
Achieved Prime status



SOMPO Sustainability Index: Selected as a constituent in 2026 for the second consecutive year



Progress on addressing our material themes

Material themes and headline goals	Sponsor	Action plans and KPIs for 2025	2025 performance	Action plans and KPIs for 2026 and beyond (as of August 31, 2026)
INTEGRITY Putting integrity first	Global Chief Corporate Affairs Officer Yoshimasa Watahiki	Six themes: 1) business ethics and compliance, 2) human rights, 3) data privacy, 4) corporate governance, 5) risk management, and 6) cybersecurity		Themes: business ethics and compliance, human rights, corporate governance, risk management, cybersecurity, data privacy, and AI ● Raising awareness of Integrity: Personal Integrity score: 83* ³ , Leader Integrity score: 77* ³ , and Compliance score: 82* ³ (Check In survey) ● Enhancing training and ensuring completion: Training completion rate: 100% ● Operation of Speak Up @ dentsu: Speaking Up score: 74* ³ (Check In survey) P.035
		● Training: Establish mechanisms to encourage participation and create and update content for each theme	● Created and updated content and conducted training for all employees (planning for some themes remains underway)	
		● Contact points: Establish an operational framework in which specialist staff with expertise in the six themes serve as consultation and reporting contact points (e.g., Speak Up @ dentsu)	● Maintained an operational framework in which specialist staff respond to consultations and reports; regularly monitored the number of reports and the occurrence of serious incidents	
		● Third-party evaluations: Enhance disclosure of information on efforts related to the six themes; improve ratings and acquire certifications (or maintain and improve a track record with no significant deficiencies)	● Confirmed that ratings were maintained or improved and conducted a gap analysis	
PEOPLE & CULTURE Elevating each other, connecting beyond boundaries, and creating value together	Global Chief HR Officer Miho Tanimoto	● Form an organization composed of professionals with different backgrounds, expertise, and ideas: Ratio of female leaders* ¹ (excluding the US), aspirational goal: 26.9%	● Ratio of female leaders* ¹ (excluding the US): 25.4%	● Empowered people, continuous growth: High-performer retention rate (Outside of Japan) / Successor coverage for key roles / Growth score (Check In survey) ● Team with diverse expertise: AI adoption (survey planned) / Ratio of female leaders* ¹ (excluding the US) , aspirational goal: 35% by 2030 / Collaboration score (Check In survey) ● A vibrant culture, driving innovation: Engagement score: 67* ³ / Respect score (Check In survey) P.028
		● Foster the growth of each professional and create an environment where expertise is amplified through collaboration: Succession readiness for key roles: 100% / Growth score: 66 (Check In survey)	● Group Executive Management succession readiness rate: 100% (including emergency coverage) ● Growth score: No change (achieved KPI)	
		● Create workplaces where everyone can work with high levels of engagement while respecting each other's differences: Engagement score: 66 / Respect score: 77 (Check In survey)	● Engagement score: No change (achieved KPI) ● Respect score: two-point increase (achieved KPI)	
INNOVATION Creating ideas for the future with the power of creativity and technology	Global Chief Creative Officer Yasuharu Sasaki	● Promote investment and R&D for future innovation	● 6 cases	● By fostering environments conducive to innovation—through investment, R&D, and talent development—we will generate the source for creating a future that inspires: Innovation score / Collaboration score / Internal Mobility score / Growth score (Check In survey) ● Promoting teams with diverse skillsets and co-creation with stakeholders to catalyze new combinations that drive innovation: Number of innovation-related press releases ● Propose, create, and implement future value for society and systematize the insights gained: Number of Northstar Awards (dentsu's global employee recognition program) submissions (as a collection of dentsu-led, real-world case studies that generated social value)
		● Generate SDGs-related thought-leadership and proposals with a clear call-to-action	● (case numbers not disclosed)	
		● Create social value through partnerships and ecosystems	● 9 cases	
ENVIRONMENT Embedding the consideration of environmental risks, opportunities, and resilience into management strategy	Global Chief Sustainability Officer Yuko Kitakaze	● Reduce absolute Scope 1+2 greenhouse gas (GHG) emissions by 46.2% by 2030 compared to a 2019 baseline ● Reduce absolute Scope 3 GHG emissions from purchased goods and services, business travel, and employee commuting by 46.2% by 2030 compared to a 2019 baseline ● Achieve net-zero GHG emissions across the value chain by 2040	● Scope 1+2 GHG emissions: 10,937 tCO ₂ e (69.6% reduction from 2019 baseline) ● Scope 3 GHG emissions: 308,783 tCO ₂ e (43.0% reduction from 2019 baseline)	● Reduce absolute Scope 1+2 GHG emissions by 46.2% by 2030 compared to a 2019 baseline ● Reduce absolute Scope 3 GHG emissions from purchased goods and services, business travel, and employee commuting by 46.2% by 2030 compared to a 2019 baseline ● Achieve net-zero GHG emissions across the value chain by 2040 ● Achieve 100% renewable energy* ² by 2030 P.043
		● Achieve 100% renewable energy* ² by 2030	● Renewable energy* ² rate: 87.4%	

*1: In the grading system established by the Group, a "leader" is defined as Japan Job Level 55 or higher in Japan and Job Level 55 or higher outside Japan. The definition of a "leader" in Japan was revised in 2025.

*2: Renewable energy in the context of dentsu's commitments refers to electricity generated from renewable sources. This definition aligns with RE100.

*3: The KPI is a one-point increase from the previous year's Check In survey results. Check In is the Group's annual employee engagement survey conducted for all employees worldwide.

Promoting the creation of a solid business foundation for a return to growth, thereby achieving sustainable improvement of corporate value



Shigeki Endo

Director, Executive Officer, Global CFO
dentsu

Review of 2025

In 2025, the Group’s organic growth was broadly in line with our initial expectations, while the operating margin significantly exceeded our initial expectations. Performance in Japan remained strong, while conditions in the International business remained challenging. However, signs of recovery have begun to be seen in our US Customer Experience Management (CXM) business.

In 2025, the Group focused on restoring profitability through reevaluating underperforming businesses and rebuilding the business foundation in the International business. We have already made progress in reevaluating underperforming businesses, with both China and Australia returning to profitability on an underlying operating profit basis. We have also made steady progress in rebuilding the business foundation through the standardization and sophistication of operations via AI-driven business transformation as well as workforce reductions and organizational restructuring, including the continued integration and reduction of Group companies. As a result, we recognized cost savings of 14.0 billion yen in 2025. Operating cash flow in the International business also returned to positive, supported by various factors including improved profitability. However, as a result of recording a goodwill impairment loss, we recorded an operating loss and net loss.

2025 consolidated profit and loss highlights

	Jan-Dec 2025	Jan-Dec 2024	YoY
Net revenue (billions of yen)	1,197.5	1,194.1*	+0.3%*
Organic growth rate	0.5%	(0.1)%	+60bp
Underlying operating profit (billions of yen)	172.5	176.2	(2.1)%
Operating margin	14.4%	14.8%	(40)bp
Underlying net profit (billions of yen)	93.5	92.9	+0.7%
Operating profit (loss) (billions of yen)	(289.2)	(125.0)	-
Statutory net profit (loss) (billions of yen)	(327.6)	(192.2)	-

*Figures exclude operations in Russia; therefore, they differ from those in the financial results summary.

2025 regional highlights

Proportion of net revenue

	Japan 42%	Americas 26%	EMEA 23%	APAC 9%
	Japan	Americas	EMEA	APAC (excluding Japan)
Organic growth rate	6.2%	(3.0)%	(1.8)%	(6.8)%
Operating margin	24.4%	22.9%	12.4%	2.5%

Recognition of a goodwill impairment loss in the International business

As a result of recognizing a goodwill impairment loss totaling 396.1 billion yen for the full year (including 310.1 billion yen in the fourth quarter), the balance of goodwill decreased to less than half of its level at the end of 2024.

The goodwill impairment loss recognized in the fourth quarter resulted from a revision of the assumptions for impairment test, to a level at which no further goodwill impairment losses were expected to arise as of February 2026. This does not indicate a rapid deterioration in the medium-term outlook for the International business.

The assumptions for impairment test are separate from our guidance. In addition, we adopted more conservative assumptions than those used in previous impairment tests.

Differences in organic growth between guidance as of February 2026 and impairment test assumptions

	2026	Americas	EMEA
Guidance		c. (2)%	c. 1%
Assumptions for impairment test		(8.2)%	(2.0)%

Assumptions for impairment test

- Excludes all projects with identified potential order losses and adopts a significantly more conservative order outlook than the normal budget
- Unrealized cost reduction effects from the rebuilding of the business foundation are not anticipated
- Unlike the impairment test in Q4 2024, the first-year outlook—which significantly impacts additional impairment risk—is estimated with extreme conservatism
- The growth rate for 2028 and beyond has also been lowered from c. 3% based on the Q2 2025 impairment test to c. 1%

Outlook for 2026

In the first half of 2026, organic growth was 0.3%, broadly in line with expectations, as Japan delivered strong performance while our International business recorded an organic decline. Operating margin was 12.3%, slightly above expectations, supported by strong performance in Japan as well as selling, general, and administrative (SG&A) expenses control, including the benefits of rebuilding our business foundation. While macroeconomic uncertainty remains, we have reiterated our February 2026 guidance of 0-1% organic growth and an operating margin in the 13% range.

Mid-Term Management Plan update

From 2026 through 2028, the Group will prioritize restoring profitability and improving financial soundness. As the most important KPI supporting this objective, we have set a target operating margin of 16% for 2028. While we are targeting organic growth of 2-3% in 2028, our immediate priority is to restore profitability, while pursuing sustainable growth over the longer term. The fundamental principle behind the Mid-Term Management Plan update is not only to pursue short-term margin improvement but also to enhance corporate value by balancing profitability improvement with investments we believe are necessary to strengthen our future competitiveness.

Since announcing the Mid-Term Management Plan in February 2025, we have implemented several initiatives

to improve profitability. As part of rebuilding our business foundation, we now expect to deliver more than 50 billion yen in operating cost reductions by 2027, exceeding the original target. The number of International entities has also been reduced from more than 1,000 in January 2021 to approximately half that level as of January 2026, reflecting steady progress in the simplification of our organizational and operating structure.

While reviewing underperforming businesses, in addition to business turnaround we are considering all available options including downsizing, exits, and divestments. We remain committed to the goal of achieving no loss-making markets and ensuring that all four regions contribute to enhancing shareholder value; however we have revised the target years for these milestones to 2027 and 2028, respectively, to support their successful delivery. We also plan to reduce Global HQ costs previously split between Tokyo and London by approximately 30% by 2028 compared with the 2026 plan and to pursue further consolidation of International entities.

A portion of the savings generated through the reduction of Global HQ costs will be reinvested in growth areas, particularly AI and Data & Technology. At the same time, we will continue to take a selective and disciplined approach to M&A.

With respect to shareholder returns, we aim for the early resumption of dividends while maintaining an appropriate balance between growth investments and financial soundness. Improving financial soundness is not solely for resuming dividends. We believe that

securing the capacity to invest for future growth and building a strong financial foundation capable of withstanding changes in the business environment are essential prerequisites for long-term corporate value creation. By maintaining financial discipline and steadily executing our transformation, we aim to improve earnings per share (EPS) and maximize total shareholder return (TSR), with the goal of returning the Group to a sustainable growth trajectory.

Dividend policy

Our basic policy is to pay stable continuous dividends upon ensuring growth investments and financial soundness that are necessary for enhancing corporate value over the medium to long term.

However, due to the recognition of goodwill impairment losses in 2025, Dentsu Group Inc.'s distributable profit under the Companies Act of Japan became significantly negative at approximately negative 234.3 billion yen. Accordingly, we regrettably decided not to pay dividends for 2025 and declared no interim dividend for 2026.

Although distributable profit is expected to improve to approximately negative 160.0 billion yen by the end of 2026, no year-end dividend is currently forecast for 2026.

Registration for bond-type class shares

A shelf registration for bond-type class shares has been

filed to preserve flexibility for future growth investments and strengthen the financial foundation. No decision has been made regarding the timing of any issuance. Whether to proceed with an issuance will depend on funding needs and prevailing market conditions at the relevant time.

Bond-type class shares do not carry voting rights or conversion rights into common shares. While having only a limited impact on ROE and EPS attributable to common shareholders, they contribute to capital enhancement from both accounting and credit-rating perspectives.

Business strategy

— Mid-Term Management Plan update and business growth strategy

— Japan

— Americas

— EMEA

— APAC

People strategy

Initiatives to address social issues

02 Our Driving Force

Mid-Term Management Plan update and business growth strategy

Summary of the Mid-Term Management Plan update and achievements to date

The Group intends to maintain the core policies outlined in February 2025 while updating the plan to cover 2026–2028, with restoring profitability and improving financial soundness as the highest priorities.

Our progress to date includes reducing the number of International entities from more than 1,000 as of January 2021 to approximately half by January 2026. We anticipate being able to achieve our target to reduce operating costs by more than 50 billion yen by 2027. We are making progress in structural transformation, including the partial divestment of the Customer Experience Management (CXM) business in Australia and New Zealand, while China and Australia achieved profitability on an underlying operating profit basis. We invested approximately 12 billion yen internally from the first half of 2025 through the first half of 2026 as growth investments, primarily in the areas of Media, AI, and Data & Technology.

In our priority markets of Japan and the US, Japan has continued to deliver positive organic growth for 13 consecutive quarters as of the second quarter of 2026. The US CXM business is expected to return to positive growth at an early stage for the full fiscal year. Our International Media business, where we have focused on increasing added value, has delivered positive organic growth for two consecutive years through 2025 and remained positive in the first half of 2026, and momentum for growth is steadily building across our businesses.

Priority agenda to improve financial soundness and strengthen the foundation for sustainable competitiveness

In the Mid-Term Management Plan update, we recognize current challenges such as organic growth below market growth rates, a complex operating model, and fragmented investment across markets and capabilities. Against this backdrop, the Group has set “improving financial soundness and strengthening the foundation for sustainable competitiveness” as its core themes and established four priority agenda items.

To drive structural transformation, we aim to simplify the organization, optimize the business portfolio, rebuild the financial foundation, and enhance governance and talent management to strengthen the business foundation for sustainable growth.

To improve profitability, we intend to streamline the cost structure and operations, review underperforming businesses, and improve productivity per employee, aiming to build a more agile and profitable operating model.

We plan to concentrate investment on priority areas and growth markets by investing in growth centered on Media, expanding proprietary offerings and products, and developing new revenue models.

Finally, to standardize AI-embedded delivery, we intend to strengthen alliances with leading partners, leverage partners’ AI platforms and tools, and embed AI across client touchpoints and business processes.



Dentsu’s competitive advantage and value provided to clients

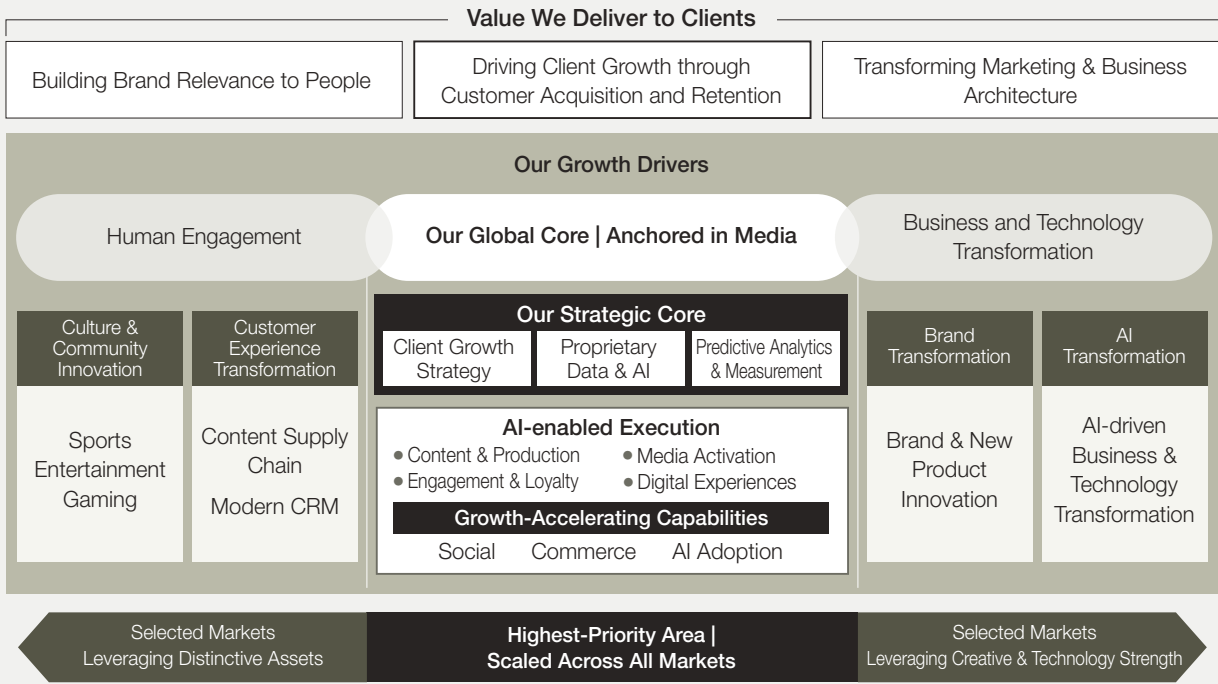
The sources of our competitive advantage include our expertise and global network, the trusted partnerships built on long-standing relationships with our clients and partners, and an open ecosystem that provides optimal solutions tailored to our clients’ challenges and needs.

Based on these strengths, we plan to focus management resources on priority client segments where we can demonstrate a clear competitive advantage, as well as markets with sufficient scale and potential for sustained growth. We are also sharing our ambition to become a Growth Partner with our employees globally, and deploying the strategies and execution required to realize it based on the competitive environment and strengths of each region. The four regions will work together while capturing their respective market characteristics and growth opportunities, with the aim of driving long-term growth across the Group and increasing corporate value.

For our clients, we support the long-term growth of their businesses through customer acquisition and retention, building of brand value through connections with consumers, and transformation of marketing and business structures.

To strengthen the value we provide to our clients, while positioning Media as a strategic core, we will leverage proprietary Data & AI, predictive analytics, measurement capabilities, and AI-enabled execution capabilities to deliver consistent value globally. In selected markets, we also provide value by strengthening engagement with people through Sports & Entertainment and promoting AI-driven business and technology transformation by leveraging our creative and technological capabilities.

Growth Architecture – Delivering Value for Client Growth



Building a growth model with AI × Data × Execution × Partnerships

We are currently working to build a growth model that delivers AI- and data-driven value creation based on our co-creative partner ecosystem.

While promoting an open ecosystem based on co-creation with clients and partners, we are collaboratively developing solutions that integrate our proprietary assets through joint pilots (Customer Zero) to accelerate value creation.

We are also promoting open and transparent collaboration by leveraging the knowledge developed in the Japan market and our global network.

Through these efforts, we are advancing marketing transformation for clients, applying AI to operating

models, and adopting agentic workflows.

At the same time, within our own organization, we are using proprietary AI solutions, data assets, and AI products to enhance planning and decision-making, automate content and activation, and drive AI-powered project management, thereby supporting the transformation and growth of our clients.

Our ambition: To be the Growth Partner that drives the greatest impact for clients, partners, and society

We aim to achieve sustainable growth and improved profitability through business and organizational transformation, investment in priority areas, productivity improvements, and strengthening our talent foundation.

We will optimize our business portfolio and cost structure, expand investment in AI and Data & Technology, establish an AI-native operating model, and make strategic investments in talent to strengthen our competitiveness.

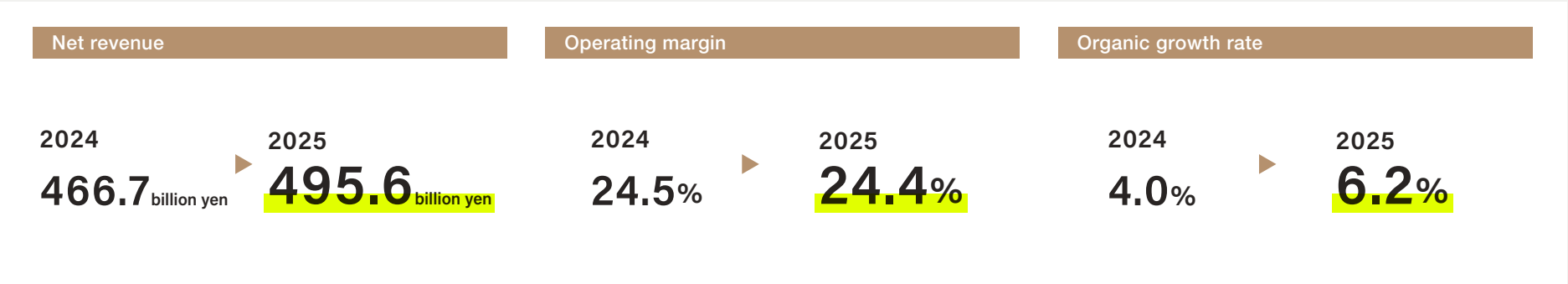
Furthermore, by providing value beyond marketing, we will work to contribute to the business growth of our clients and to value creation for society, aiming to achieve sustained improvement in our corporate value.

Our ambition is to be the Growth Partner that drives the greatest impact for clients, partners, and society.

Japan



Takeshi Sano
Director, Representative Executive
Officer, President & Global CEO,
dentsu
CEO, dentsu Japan



External environment and 2025 performance

Japan’s organic growth rate was 6.2%, with both net revenue and underlying operating profit reaching record highs. Marketing continued to perform strongly, led by double-digit growth in internet advertising, while Business Transformation (BX) maintained double-digit growth. Work related to Expo 2025 Osaka-Kansai further contributed to results. Amid rapid advances in AI, the dentsu Japan AI Center was established with the aim of bringing together specialized expertise to accelerate AI development and adoption. A growing portfolio of AI products is helping clients to enhance the sophistication and efficiency of their operations, supporting the transformation of their businesses. As client demand for transformation continues to grow, strengthening dentsu Japan’s capabilities and competitive position through proactive investment is

becoming increasingly important.

Growth strategy for 2026–2028

As corporate transformation needs continue to increase, dentsu Japan will accelerate the integration of unique Group capabilities beyond marketing as an Integrated Growth Partner, expanding the areas where we can contribute across clients’ entire value chains. We will also work alongside clients to transform the value chain itself and support their sustainable growth.

To achieve this, we will continue to actively invest in developing solutions, including AI, product development, and talent development, while strengthening competitiveness and advancing business transformation and operating model enhancement. Through these efforts, we aim to achieve further growth with strong, above-market momentum across Marketing, BX, and Sports & Entertainment.

Case Study

Nestlé Japan

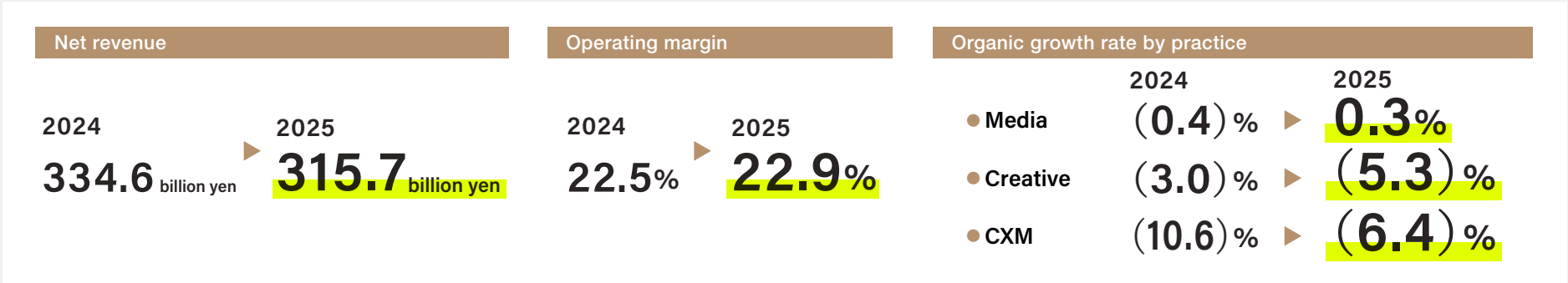


In developing the marketing strategy for NESCAFÉ, a brand of Nestlé Japan Ltd, dentsu Japan utilized AI not merely to improve operational efficiency but also to facilitate deeper discussions between the two companies. Using AI agents built on “AI For Growth Canvas,” developed by dentsu, the team supported the extraction of consumer insights, the design of target customer profiles, and the mapping of the consumer journey through to purchase. The process drew on dentsu Japan’s proprietary consumer research data as well as research data provided by Nestlé Japan, enabling the AI agents to generate multiple personas and insights reflecting consumer realities. This approach reduced the time required for upfront preparation, allowing both companies to focus earlier on strategic discussions around target audiences and value propositions. Based on multiple proposals generated by the AI agents, both companies combined their respective knowledge and refined the outputs, thereby improving efficiency in the marketing process. The initiative received positive feedback in usefulness evaluations, particularly for its contribution to improving process efficiency. Going forward, the companies are considering expanding the scope to additional brands, further developing AI agents using dentsu Japan’s proprietary data, and extending the approach to creative development. We will continue to develop these capabilities and explore how AI-enabled collaboration with clients can strengthen our competitive position.

Americas



Beth Ann Kaminkow
Chief Global Client Officer, dentsu
CEO, dentsu Americas



External environment and 2025 performance

Across the Americas, clients increasingly consolidated agency rosters and sought partners that combine AI-enabled content, personalization, and efficiency with scaled execution and measurable business outcomes. This shift favored agencies with integrated capabilities, while intensifying competition, pricing pressure, and economic and political uncertainty constrained spending and slowed decision-making.

While Creative and Customer Experience Management (CXM) are on a path to recovery, Media remained stable. Meanwhile, as the US and Canada recorded negative organic growth, Latin America maintained stable growth. As a result, dentsu Americas improved an operating margin from 22.5% in 2024 to 22.9% in 2025.

Growth strategy for 2026–2028

In the Americas, dentsu is advancing toward a client-centered, outcome-led growth platform, organized around clients’ business challenges and growth opportunities.

The region will deepen C-suite relationships, positioning frontline client leaders as solution architects who identify and convert opportunities into growth, while scaling productized solutions, repeatable playbooks, and continuous innovation. This is underpinned by differentiated expertise in commerce, social, and creator-led engagement; an AI-enabled content supply chain; and data-driven marketing.

Furthermore, through our proprietary next-generation intelligent operating system, “[dentsu.Connect](#),” which integrates the entire marketing lifecycle through a single AI-enabled system, we will connect data, AI and workflows across Media, Creative,

CXM, and Production to enhance the speed of value delivery, execution quality, and the value we provide to clients.

EMEA



Giulio Malegori
Executive Senior Advisor, dentsu
Chairman, dentsu EMEA

Net revenue		Operating margin		Organic growth rate by practice		
2024	2025	2024	2025		2024	2025
269.3 billion yen	271.9 billion yen	14.3%	12.4%	● Media	1.7%	2.4%
				● Creative	(6.0)%	(6.8)%
				● CXM	8.8%	(9.1)%

External environment and 2025 results

Although organic growth in 2025 was negative 1.8%, Media, which accounts for over 60% of the region’s business, remained stable despite fierce market competition and increasingly complex client demands. Spain performed strongly not only in Media but also across all practices, including Customer Experience Management (CXM) and Creative, achieving positive growth. In contrast, the UK continued to struggle due to negative growth in CXM, despite solid performance in Media and Creative. Throughout the broader EMEA region, we also engaged in continuous cost reductions to build a foundation for a return to growth.

Growth strategy for 2026–2028

In dentsu EMEA, with the aim of returning to growth from 2028 onwards, we will decisively execute structural

reforms between 2026 and 2028. By enforcing strict cost discipline and restructuring the organization, we will work to rebuild an earnings foundation that leads to improved profitability.

By simplifying the cluster structure, we will accelerate decision-making and the deployment of capabilities across markets. In parallel, within Media—the core driver of our return to growth—we will strengthen integrated solutions that combine capabilities across Creative, CXM, and Data, delivering high-value-added proposals that contribute to our clients’ growth and providing closely-aligned, collaborative support, including continuous improvement through PDCA.

Furthermore, through focused investments in key markets such as the UK and Germany, we aim to enhance capabilities that contribute to the competitive advantage of the region as a whole, and to build a foundation for sustainable growth by deploying these capabilities across other markets.

Case Study

Vodafone



Dentsu has expanded its role from a partner focused on media delivery to a partner supporting business growth, resulting in a third contract renewal. Beyond media execution, dentsu has also worked to address Vodafone’s broader business challenges. For example, the two companies jointly developed a global Health & Safety program across the Out-of-Home (OOH) supply chain. This initiative embedded governance, accountability, and consistent standards across markets and suppliers. It was also highly commended, earning a Vodafone “Supplier of the Year” award.

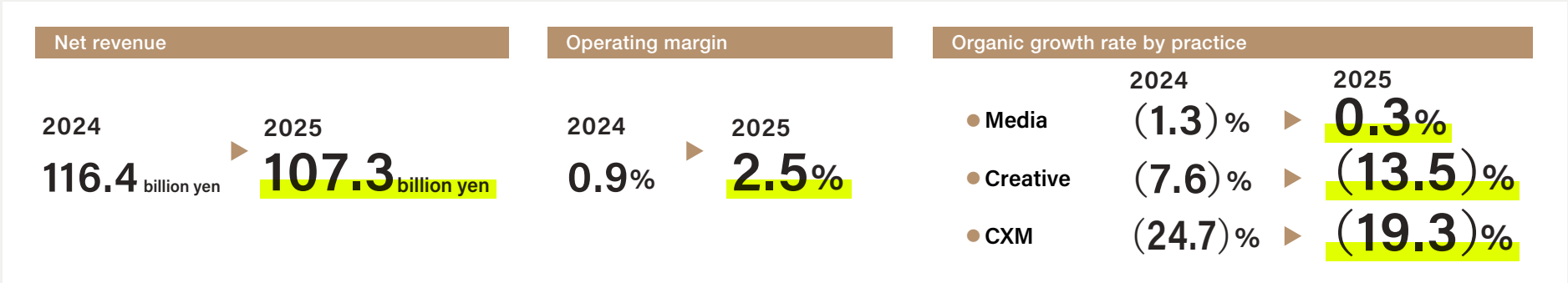
Dentsu EMEA also introduced the Vodafone Media Brain, conceived as a decision-making layer connecting data, planning, and activation to enable faster, more precise investment choices. In parallel, a privacy-compliant data monetization initiative was piloted in the UK. Through the partnership with the Union of European Football Associations (UEFA), dentsu also helped redefine sponsorship as a platform for deeper customer engagement, stronger brand relevance, and commercial growth.

Through these initiatives, dentsu’s role has evolved beyond marketing to become a trusted partner in shaping and delivering Vodafone’s growth strategy.

APAC



Yuichi Toyoda
CEO, dentsu APAC



External environment and 2025 performance

In 2025, while organic growth for the regional business as a whole was negative 6.8%, dentsu APAC continued to secure solid growth opportunities, particularly in India and Southeast Asia, where high growth helped further strengthen our market positions.

In APAC, the use of AI is reshaping the advertising value chain, creating new transformation opportunities across areas such as content production, media planning, and personalization. As client demand continues to expand amid population growth and the development of social commerce and retail media, we are accelerating the development of new solutions that integrate our capabilities across Media, Commerce, and Data.

Meanwhile, clients have become more cautious about investment amid changes in the macroeconomic environment, while marketing budgets have contracted.

Amid intensifying competition, weakness in Customer Experience Management (CXM) and Creative has also continued. Despite these changes in the external environment, we have continued to advance reforms. In China and Australia, where losses had continued since 2023, we achieved a return to profitability on an underlying operating profit basis by rebuilding our business foundation, including through cost reductions.

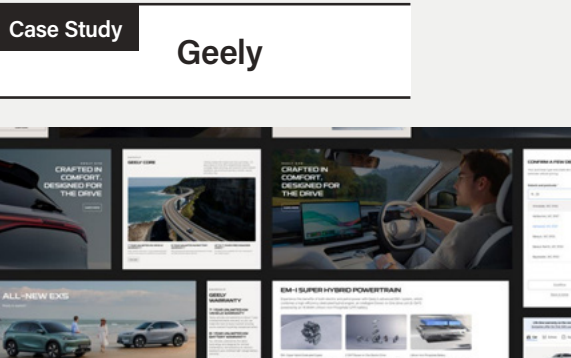
Growth strategy for 2026–2028

In dentsu APAC, we will pursue a strategy centered on Media, while combining capabilities according to client needs. Specifically, by integrating not only Media, Creative, and CXM, but also capabilities such as Business Transformation (BX) and Sports & Entertainment, we aim to establish our position as a Growth Partner for clients by 2028.

In Southeast Asia, where solid market growth is

expected to continue, we will target further growth by deploying AI products across individual markets. India, where the advertising market is expected to grow by approximately 10%, will be positioned as a priority growth market with high potential where we will focus on further client development.

In parallel, we will continue the rebuilding of our business foundation which began in 2025, including by reviewing our systems architecture and accelerating the adoption of AI and automation. We will also drive cost reductions through greater operational efficiency in each market, thereby improving profitability and further strengthening our competitiveness.



Geely, one of the world’s leading automotive manufacturers, faced the challenge of establishing trust and presence when entering the highly competitive Australian market for the first time, despite having no existing brand awareness.

Merkle, dentsu’s CXM specialist, supported the launch of Geely EX5, Geely’s first vehicle introduced to the Australian market, while also laying the foundation for future business growth. This included designing a digital platform, including the website, that supported the journey from product awareness through consideration and purchase. The website was positioned as a critical customer touchpoint for communicating the appeal of the vehicle and encouraging consideration. We localized the global standard for the Australian market, combining immersive product presentation with features that allowed users to select vehicle models and specifications according to their preferences. We also prioritized usability on smartphones and built a flexible structure that could accommodate future functionality and content updates. This created a consistent customer experience from vehicle consideration through specification selection, reservation, and test drive.

Within six months of launch, inquiries generated through the website accounted for 48% of all inquiries, with approximately two-thirds of leads generated from product pages featuring the vehicle selection function. The conversion rate to orders reached 30%, exceeding the typical benchmark for the automotive industry, and more than 2,300 Geely EX5 vehicles were sold.

Empowering people and bringing diverse strengths together to drive innovation



Miho Tanimoto
Global Chief HR Officer, dentsu

At dentsu, we work together with our clients to drive growth for people, businesses, and society. We aspire to be the world’s leading Growth Partner in helping our clients grow, with client centricity, agility, and collaboration at the heart of everything we do.

Our people are the ones who create this value. Across dentsu worldwide, there is a shared desire to move people through the power of innovation. This shared belief and culture are the driving force behind our value creation.

The Japan business continues to deliver steady growth, while we are advancing structural reforms in our International operations. Having observed businesses and organizations around the world, I have come to see that high performers share certain traits in common. They put clients first, bring together people with diverse expertise across boundaries to create value as One Team, and foster a vibrant organizational culture that makes it all possible.

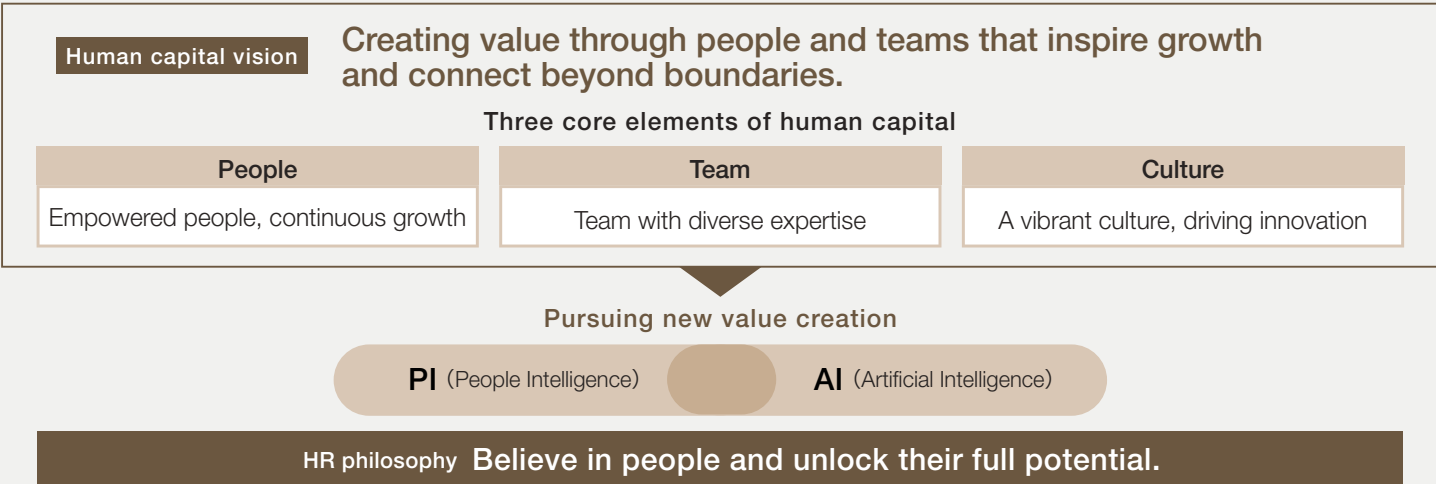
At dentsu, we see people, teams, and culture as the three sources of our competitive strength. This belief is embodied in our human capital vision: “Creating value through people and teams that inspire growth and connect beyond boundaries.”

To realize this vision, we are focusing on three priorities: “Empowered people, continuous growth”, “Team with diverse expertise”, and “A vibrant culture, driving innovation”. Through investment in human capital, we aim to support sustainable business growth.

Advances in technology, particularly generative AI, are opening up new possibilities for both individuals

and teams. At dentsu, we call the distinctly human strengths of creativity, curiosity, determination, and judgment shaped by experience “People Intelligence (PI).” By bringing PI and AI together, we aim to unlock individual potential, amplify the collective power of our teams, and accelerate the creation of new value. By connecting people across organizations, regions, and areas of expertise, and enabling them to learn and co-create together, we can achieve what no individual could accomplish alone.

Underlying all these efforts is our HR philosophy: Believe in people and unlock their full potential. We believe in every employee’s desire to contribute and grow, remove the barriers that stand in the way of that potential, and encourage them to take on new challenges. We are convinced that an organization where people can thrive, learn through challenges, and inspire one another to grow provides the foundation for sustainable corporate growth and value creation for society. This belief underpins all our people-related initiatives.



Supporting the growth of people who continuously learn and embrace new challenges

In today’s rapidly changing and uncertain business environment, it is essential for employees to develop deep expertise, take ownership of their careers, and continually hone their capabilities. We aim not only to enhance individual skills and capabilities, but also to strengthen leadership: the ability to consistently create value across teams. To support this, we have established the dentsu Leadership Attributes (dLAs) as the shared behavioral framework for all employees, articulating the values that define dentsu and the leadership behaviors expected of everyone. The dLAs are embedded in employee goal setting and feedback for managers, and the desired behaviors are reflected in performance evaluations.

One of the key initiatives supporting people growth is our Group-wide “People Discussion” program, which has been in place since 2024. Through regular talent review discussions, leaders from our business and functions

assess each employee’s behaviors defined in the dLAs, together with their job performance, and engage in constructive dialogue about how best to support their growth. Rather than a performance evaluation, People Discussions focus on each employee’s growth potential. By encouraging employees to take greater ownership of their careers while strengthening managers’ focus on talent development, they support strategic talent management, including placing the right people in the right roles and investing in high-potential talent.

We actively invest in the growth potential identified through these discussions. For example, we are committed to the continued development of the next generation of global talent, including through overseas assignments. We believe that taking on challenges in various markets and demonstrating leadership across different cultures are essential to developing globally competitive leaders. Through programs such as dentsu Leadership Connect and dentsu NEXT 20, we place particular emphasis on connecting outstanding employees from around the world and broadening their perspectives through hands-on business experience. We

are also steadily developing talent capable of delivering results on the front lines through capability development programs focused on new client acquisition and business expansion, and the Eigyo program, which extends capabilities developed in Japan to our International markets.

Teaming that creates value by combining diverse expertise

One of dentsu's key strengths lies in the creativity that emerges when professionals from a wide range of backgrounds combine their expertise and perspectives. In Japan, our largest market, we are focused on unlocking the potential of every individual and multiplying the power of collaboration. Through initiatives such as mentoring for women in management, targeted action plans to address gender-related challenges, and efforts to foster more inclusive leadership, we are strengthening an inclusive culture where everyone can thrive and contribute at their best.

We view AI as a means of expanding the capabilities of our teams and are strengthening both AI-related skills and mindsets. Across regions, both company-led and employee-led initiatives are being launched at a rapid pace. Beyond providing tools and training, we foster global collaboration through communities across regions, where people learn from one another, thereby strengthening our collective capabilities. In Japan, we support AI skill development through our proprietary AI certification program. As of May 2026, cumulative participation in training programs in Japan had reached 20,848. At the same time, to promote broader teaming, we are rolling out networking initiatives, such as our open-application internal internship program, which encourages employees to build connections across entities.

As a result of these ongoing efforts, we have maintained strong collaboration scores in our global employee engagement survey, Check In, demonstrating that cross-organizational collaboration has become an integral part of dentsu. While preserving the flexibility of hybrid work, we also encourage face-to-face collaboration through employee events held around the world. By creating an environment where our people can work effectively and building teams that can thrive, we are strengthening the foundations for sustainable competitiveness.

HR as a strategic business partner

As the function supporting the growth of individuals and teams, HR continues to evolve as a strategic partner to the business. HR Business Partners are embedded across each region, working closely with business leaders to advance talent management tailored to local business needs.

We have also begun implementing a globally unified career framework that standardizes job architecture and job grades, while building a global talent data platform. This is intended to enable us to create opportunities across countries and organizational boundaries and support more strategic talent mobility.

This talent data platform will allow us to optimize team composition and talent assignments, an approach that has been highly regarded by many of our clients, who view our people as the foundation of our services.

We are also working to enhance the quality of our HR services by embedding AI into HR processes, including through AI-based chatbots that respond to inquiries. Through these efforts, we continue to evolve as an organization that delivers a better employee experience.

dentsu leadership attributes

Six core behaviors expected of leaders at dentsu

Think Strategically	Champion Talent Development	Practice Client-centricity
Lead Innovation	Create a Connected Culture	Drive Business Excellence
With Unyielding Integrity		

Cultivating a client-centric culture that drives innovation

A deep desire to contribute to and create value together with our clients, a collaborative spirit that brings teams together to tackle complex challenges, a selfless commitment to celebrating the success of others, and the initiative to act with curiosity are the foundations of dentsu's competitive advantage. We share this culture with employees around the world and continue to cultivate it as the foundation for innovation by inspiring one another. By bringing together people from various regions, each with their own unique perspectives and strengths, we aim to build an even more vibrant culture.

To reinforce this culture, we have introduced recognition programs that celebrate colleagues for outstanding work. Our global Northstar Awards recognize not only the results achieved, but also how those results were achieved. Across ten categories that embody our client promise, Innovating to Impact, from improving the way we work and delivering breakthrough ideas for clients to creating positive change for society, we celebrate individuals and teams who take on challenges that go beyond conventional boundaries. Recognition extends beyond formal awards through everyday tools that encourage employees to recognize and thank one another. By fostering a culture in which appreciation is shared every day, we inspire our people to embrace new challenges and encourage them to take the next step.

Leaders also create numerous opportunities for open and candid dialogue with employees across regions and functions. Whether through town hall meetings, roundtable discussions, or other forums, the common thread is a commitment to two-way communication rather than one-way messaging from leadership. For example, shortly after assuming the role

of Global CEO in April 2026, Takeshi Sano launched Taiwa Live sessions as a forum to engage directly with employees worldwide. Sharing both his vision as Global CEO and his own personal experiences, he responded to employees' questions in real time and spoke about the importance of collaboration and a spirit of selflessness. When leaders communicate the culture in their own words and engage in ongoing dialogue with employees around the world, they help embed the culture throughout the organization.

We believe that dentsu's culture is our greatest strength in attracting clients and outstanding talent globally. With a commitment to further strengthen this culture and carry it forward into the future, we will continue to advance our human capital strategy.



Key indicators and performance

Employees are motivated to contribute positively to their teams and the organization (high engagement)			
Engagement score	2023 66	▶ 2024 66	▶ 2025 66
Employees have sufficient opportunities for growth and are developing their capabilities			
Growth score	66	▶ 66	▶ 66
Well-established successor pipeline (leadership development)			
Group executive management successor readiness rate	None	▶ 100% (Includes emergency coverage)	▶ 100% (Includes emergency coverage)
Every individual is empowered to contribute and thrive within our organization			
Female leader ratio	32.4% Note: The 2023 and 2024 figures are presented under the prior definition and are not directly comparable to the 2025 figure.	▶ 32.5%	▶ 25.4% (excluding the US) Note: The definition of "leader" was changed in 2025.
Employees work with mutual respect			
Respect score	78	▶ 77	▶ 79
Active collaboration among employees			
Collaboration score	69	▶ 68	▶ 69
Acting with integrity and doing the right thing			
Personal integrity score	81	▶ 80	▶ 82

Initiatives to address social issues

Collaborating with stakeholders to address social issues is a key part of dentsu's ambition to achieve sustainable growth together with society. Leveraging the wide-ranging networks, insights into social issues, and execution capabilities developed through our business, we engage in strategic collaboration with stakeholders to share the knowledge and expertise accumulated across the Group with society. We aim to draw on the new perspectives gained through these collaborations to support further value creation.



The Blue Ocean Initiative's approach



CASE 1

Launch and promotion of the Blue Ocean Initiative, a cross-sector co-creation platform dedicated to ocean conservation and sustainable economic development

Issues surrounding the marine environment are wide-ranging, including marine plastic pollution, climate change, and biodiversity conservation, and require coordinated action across society. To help address these challenges, Dentsu Inc. participated in launching the Blue Ocean Initiative, a cross-sector co-creation action platform bringing together industry, government, academia, and civil society, in April 2023.

With 2030 as its target year, approximately 115 organizations (as of May 2026)—including companies, startups, academic institutions, financial institutions, local governments, fisheries-related organizations, and NGOs/NPOs—have joined forces to explore solutions to issues facing society through business co-creation, pursuing approaches that go beyond conventional boundaries.

At Expo 2025 Osaka, Kansai, Japan, we collaborated with the BLUE OCEAN DOME of the Specified Nonprofit Corporation ZERI Japan to showcase a range of initiatives addressing ocean-related challenges and present future-oriented proposals to visitors. Building on this experience, we intend to accelerate our efforts toward our 2030 mission “to lead the world by creating Blue Innovation that balances business viability with public interest.”

Note: For more information about the Blue Ocean Initiative, please visit this website (Japanese only). <https://blueocean-initiative.or.jp/>



dentsu Japan's GHG emission reduction solutions package for marketing

CASE
2

Joint development of a carbon calculator for Japan's advertising industry and release of MIRAI STANDARD SWITCH

Building the foundation for decarbonization across Japan's advertising industry is a priority for dentsu. In 2023, we launched the Decarbonization Initiative for Marketing, a marketing-sector initiative aimed at promoting a Japanese advertising industry standard for the visualization and reduction of greenhouse gas (GHG) emissions. In 2025, together with the Japan Advertising Agencies Association (JAAA), the Japan Ad. Contents Association (JAC), and the Japan Association for the Promotion of Creative Events (JACE), we participated in the joint development of a carbon calculator designed to visualize and calculate the emissions associated with advertising activities, including advertising production and events, with the goal of reducing emissions across Japan's advertising and marketing industry. Through this cross-industry framework, we aim to develop a calculator that can be used by advertising agencies, production companies, and event companies, while establishing transparent standards. Going forward, we intend to validate the tool across different areas of the advertising industry, with the goal of promoting industry-wide standardization and providing solutions to clients. In August 2026, dentsu Japan launched MIRAI STANDARD SWITCH, a solutions package designed to support the reduction of GHG emissions in marketing activities across dentsu Japan.

CASE
3

Hosting the 48th annual Communication Producer Academy (yearly training program for local government, Self-Defense Forces, and other public-sector employees)

The Communication Producer Academy (CP Academy) is a unique, one-year training program offered by Dentsu Inc. for people working in the public sector. This training is provided free of charge, aiming to help participants working on social and regional issues across Japan to apply their learnings in their home organizations after completing the program. CP Academy covers the problem-solving approaches and methods developed through our business activities, as well as communication production, planning, marketing (including digital transformation (DX)), and practical execution skills to support social change.

Since its launch in 1979, the program has produced 446 graduates from across Japan over 47 years (as of March 2026). In 2026, 10 participants are enrolled. Through classroom sessions and on-the-job training provided by a wide range of dentsu employees, participants deepen their learning. At the same time, the program provides dentsu employees with opportunities to gain a better understanding of, and engage with, social and regional issues.



CASE
4

Launch of INOU CREATIVE School, a collaboration with the University of Tokyo to develop uniquely talented creatives

In March 2025, Dentsu Inc. and the University of Tokyo (UTokyo) entered into a partnership agreement with the aim of developing talent capable of translating ideas for solving social issues into practical solutions and launched INOU CREATIVE School. By combining UTokyo’s academic expertise with Dentsu Inc.’s creative capabilities, the program aims to nurture “uniquely talented creatives” who will tackle social issues with fresh approaches.

The first term, which began in July 2025, was themed “Making Tokyo Bay the World’s Most Vibrant Sea.” Through lectures by UTokyo faculty and Dentsu Inc. employees, as well as marine fieldwork, the program offered a hands-on curriculum covering the full process from idea generation to practical implementation.

The program generated innovative project concepts, including environmental improvement initiatives involving new materials and marine product recycling approaches. Efforts are currently underway to assess the feasibility of implementing these concepts.

The second term in 2026, under the theme “Changing the World with Food Innovation from Japan,” aims to address a wide range of food-related challenges through industry-academia collaboration and explore pathways for practical implementation.

Note: For more information about INOU CREATIVE School, please visit this website (Japanese only). <https://inou-creative.com/>



CASE
5

dentsu Sleep Out for Sheltersuit: Expanding support for people experiencing homelessness through industry collaboration

Dentsu Netherlands has hosted the dentsu Sleep Out for Sheltersuit on three occasions to support the Sheltersuit Foundation, an organization dedicated to protecting the lives and dignity of people experiencing homelessness. Through this initiative, dentsu employees and media partners spend a night outdoors in cold weather conditions to raise awareness of the challenges faced by those living without stable shelter, while also raising donations and providing pro bono media space to support the foundation.

Funds raised through this initiative are used to produce the Sheltersuit, a multifunctional windproof and waterproof jacket. The jacket can also be used as a sleeping bag and is distributed to those experiencing homelessness.

In addition, through collaboration with out-of-home media partners including Ocean Outdoor Netherlands, JCDecaux, and Global, we coordinated the provision of digital signage advertising space valued at approximately 500,000 euros on a pro bono basis as part of a cross-industry support initiative. This demonstrates how partnerships and insights into people developed through our business activities can be applied to help address social challenges.

03 Value Acceleration Platform

Business execution

- Governance principles
- Mindset and Behavior Reform at dentsu Japan
- Compliance
- Human rights
- AI governance
- Risk management
- Data privacy
- Cybersecurity
- Supply chain management
- Environmental initiatives

Oversight

- Message from the Chairman of the Board
- Corporate governance structure and evolution
- Board member skills and composition
- Directors
- Board initiatives
- Chairperson messages and Committee activities
- Executive compensation

To be a trusted partner.

Transforming into an organization that puts integrity first



Yoshimasa Watahiki

Director,
Representative Executive Officer,
Executive Vice President,
Global Chief Corporate Affairs Officer,
dentsu

Integrity means more than simply following rules. It is a mindset of continually questioning our own actions against the expectations of society and serves as the foundation for every decision we make. We will continue to transform ourselves into an organization in which every officer and employee embraces and embodies these values as their own.

Embodying integrity requires us to continually ask ourselves difficult questions. “Can I openly explain my work to my family? Is this work something I can genuinely share and take pride in with my colleagues? Is it work that I can explain to our clients and earn their understanding and trust?” These are the questions we arrived at through discussions with employees as we reflected seriously on past misconduct and advanced Mindset and Behavior Reform across dentsu Japan. At a time when the effectiveness of governance is under close scrutiny, it is essential that we bring conviction and commitment to the systems and frameworks we have established and put them into practice every day.

Since the transition to a holding company structure, I have been involved in rebuilding group governance and reforming the organizational culture at dentsu Japan. We have established organizational structures and rules, strengthened the director nomination process, and advanced the establishment of a consistent framework for policies and regulations across the Group. Through dentsu Japan’s Mindset and Behavior Reform initiatives, we have also defined three key pillars and 17 specific measures centered on

integrity, strengthening organizational culture, internal controls, and compliance awareness while building the foundation for restoring trust. Throughout this process, I have engaged repeatedly in dialogue with employees about integrity.

Going forward, in my role as the executive responsible for overseeing Group-wide governance functions, including legal and compliance, internal controls and risk management, and sustainability, I will apply the knowledge and experience gained through our initiatives in Japan to the continued evolution of governance across the Group. I will also work to enhance the independence of governance execution and oversight while contributing to corporate value enhancement.

As illustrated in the figure on the right, our efforts to address the key areas of Group governance form the foundation for Integrity, one of our material themes. When each of us puts integrity first, it becomes a driving force for enhancing corporate value and achieving business growth. By upholding accountability to our clients and conducting business with a high degree of transparency, we can earn their trust. We believe that building long-term relationships with our clients, rather than pursuing short-term gains, helps to establish a competitive advantage and generate sustainable profits.

Through a range of initiatives and systems, we are creating an environment in which employees feel increasingly able to speak up, and a culture that places

a high value on integrity is steadily taking root across the organization. By embedding this culture and continuing to build trust, we aim to remain an organization that is consistently chosen by our clients and society.

Material theme
Integrity
Headline goal
Putting integrity first By creating an environment where employees possess the right knowledge and can approach their work with integrity as their top priority, we will strengthen relationships of trust with our clients and society and achieve long-term growth in corporate value.
Action plans and KPIs
● Raising awareness of Integrity (KPIs: Personal Integrity score: 83*, Leader Integrity score: 77*, and Compliance score: 82*) ● Enhancing training and ensuring completion (KPI: training completion rate: 100%) ● Operation of Speak Up @ dentsu (KPI: Speaking Up score: 74*) *The KPIs are a one-point increase from the previous year's Check In survey results. Check In is the Group's annual employee engagement survey conducted for all employees worldwide.
Key Group governance themes underpinning integrity
Business ethics and compliance, human rights, corporate governance, risk management, cybersecurity, data privacy, and AI

Mindset and Behavior Reform at dentsu Japan

Response to the Antimonopoly Act violation and Mindset and Behavior Reform

In February 2023, Dentsu Group Inc. 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. Dentsu Group Inc. subsequently appealed the initial ruling and later filed a final appeal against the appellate court’s decision. However, in December 2025, we received a decision dismissing the final appeal. We sincerely apologize to our stakeholders for the significant concern and inconvenience this matter has caused.

Dentsu Group Inc. takes seriously the fact that certain activities related to the Games were found to be in violation of applicable laws and regulations. In May 2023, dentsu Japan established the dentsu Japan Reform Committee. By December 2024, all 17 remediation initiatives developed under the committee to prevent recurrence had been completed. Since January 2025, dentsu Japan has been advancing Mindset and Behavior Reform under a new framework, building on the outcomes of those 17 initiatives.

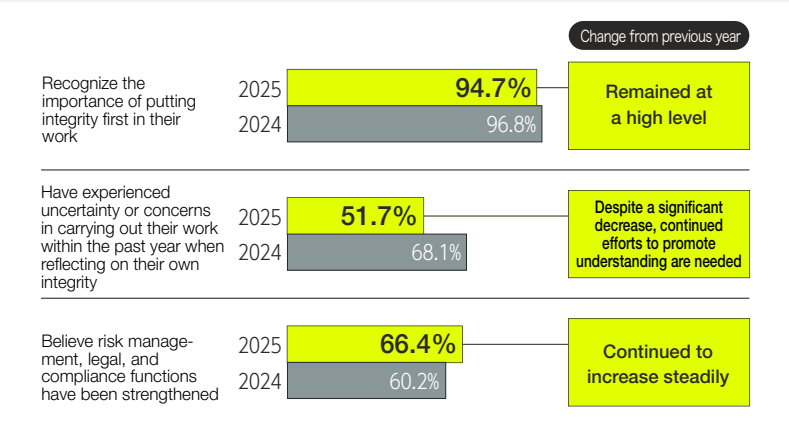
Role of Mindset and Behavior Reform

The Mindset and Behavior Reform initiatives go beyond preventing the recurrence of Antimonopoly Act violations. They are designed to help employees across dentsu Japan deepen their understanding of applicable laws and regulations, strengthen internal controls and management systems, and promote changes in mindset and behavior. We view these efforts as a foundation for building stronger relationships of trust with society and our clients, and for supporting the Group’s continued growth.

Examples of Mindset and Behavior Reform initiatives in 2025
Since January 2025, a range of initiatives have continued to be implemented across dentsu Japan, while working closely with business teams to address the specific challenges associated with each initiative.

Engaging in dialogue to foster a culture that puts integrity first	A total of nine discussion sessions were held, including roundtable discussions between senior management and dentsu Japan business teams, as well as conversations between dentsu Japan employees and clients. Key insights and learnings from these discussions were regularly shared across dentsu Japan.
Reinforcing awareness of the Dentsu Group Code of Conduct	As in 2024, training on the Dentsu Group Code of Conduct was provided to all dentsu Japan employees, and their commitment to the Code was reaffirmed. The program was conducted and completed in August and September 2025.
Supporting employees’ understanding of integrity	The revised 2025 edition of the Integrity Hint Book was developed and released to all dentsu Japan employees in October 2025. This resource is also being used to support dialogue and discussion within individual departments. 
Strengthening compliance frameworks across the organization	Compliance officers and designated support personnel were appointed across dentsu Japan organizations. In addition, compliance managers and support personnel from Dentsu Inc. participated in workshops designed to strengthen their understanding of how to respond to compliance-related incidents.
Expanding and continuing compliance-related training	New training video content covering the prevention of conflicts of interest, proper preparation and appropriate use of price quotes, and the prevention of Antimonopoly Act violations was developed and made mandatory for all dentsu Japan employees.

Assessment of Mindset and Behavior Reform initiatives to date
An employee survey on Mindset and Behavior Reform was conducted in November 2025 to assess progress and identify areas for continued improvement. The key findings are summarized below.



In addition, external advisors (legal counsel) have recognized the multilayered efforts undertaken to embed integrity across the organization and the progress made in improving employee understanding. These advisors have also provided recommendations on areas that should be addressed going forward.

Plan for Mindset and Behavior Reform in 2026

Based on the results of the employee survey and evaluations by external advisors, we will continue to enhance the quality and effectiveness of our initiatives. To further embed a culture that prioritizes integrity, we will continue to incorporate the outcomes of Mindset and Behavior Reform in training programs and HR initiatives.

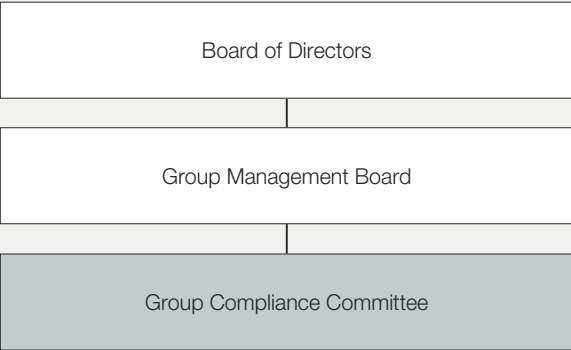
Note: For more information on dentsu Japan's Mindset and Behavior Reform initiatives, please see this website:
https://www.group.dentsu.com/en/about-us/governance/preventive_measures.html

Compliance

Our approach

The Dentsu Group Code of Conduct states: “At dentsu we believe we must be a force for good. When we do the right thing as individuals, it becomes who we are as a company. It’s what makes being a force for good possible, and it starts with each and every one of us.” To put this commitment into practice, we have established the Group Compliance Committee under the Group Management Board. The committee plays a central role in advancing compliance-driven management by promoting a unified policy across the entire Group.

Compliance management



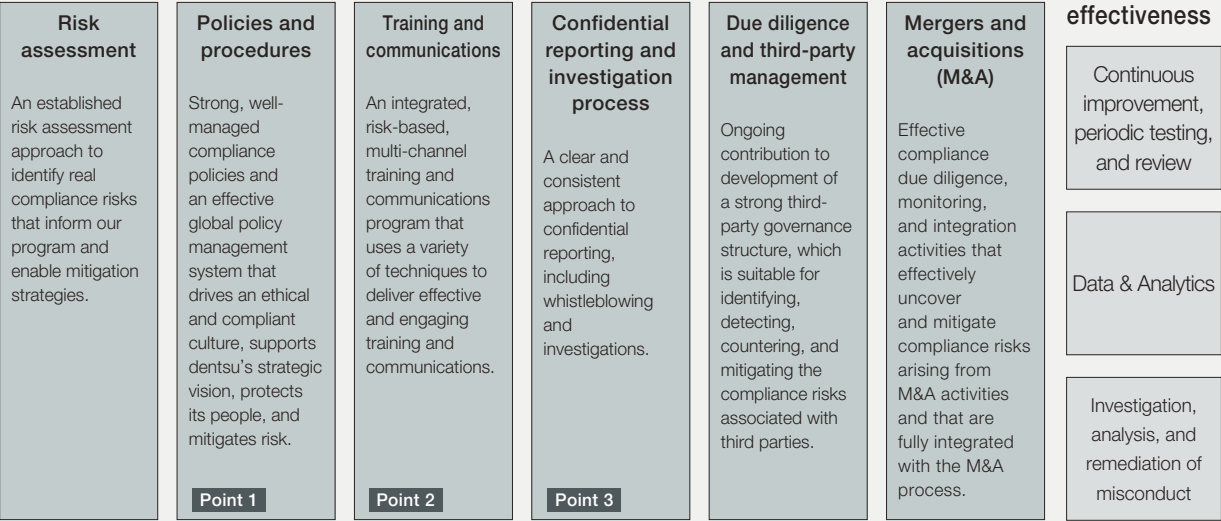
Compliance program

We have designed our Group Compliance Program to meet global standards of best practice in ethics and compliance, and to ensure that the Group program is well-designed, applied with commitment, and operated effectively in practice. As important, top leadership at Group and regional levels promote leadership attributes centered on unyielding integrity. The overall structure of the Group Compliance Program is illustrated in the diagram to the right.

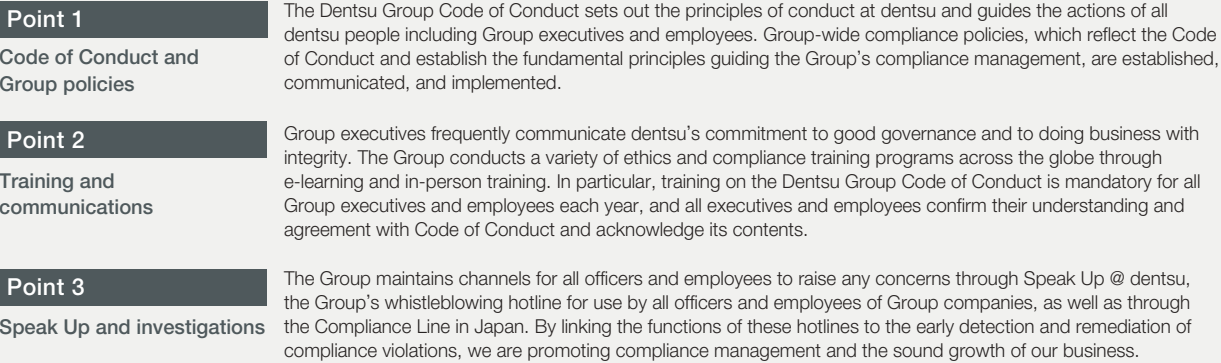
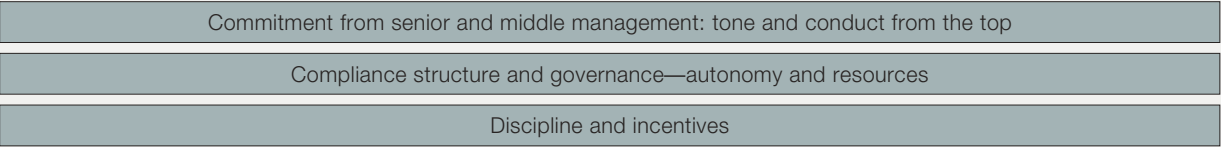
Adopting current compliance expectations, we have added Data & Analytics as a core element of our Program Effectiveness to prioritize initiatives that enhance objectivity and insight based on metrics.

Note: For more information on dentsu's compliance initiatives, please see this website:
<https://www.group.dentsu.com/en/about-us/governance/compliance.html>

Program design



Program implementation



Human rights

Governance and implementation structure

Human rights initiatives are overseen by dentsu’s Global Chief Corporate Affairs Officer. These efforts are coordinated by the executive responsible for human rights and the relevant functions, working in close collaboration with related departments across dentsu. The Group Sustainability Committee and the Group Human Rights Committee, both comprising members of senior management, regularly review and oversee human rights issues, the status of related initiatives, and the results of effectiveness assessments.

Basic policy

Dentsu respects internationally recognized human rights frameworks and principles, including the United Nations Guiding Principles on Business and Human Rights. Through the Dentsu Group Code of Conduct, the Dentsu Group Human Rights Policy, the Dentsu Group Procurement Policy, and the Dentsu Group Supplier Code of Conduct, we express our commitment to respecting the rights of individuals and organizations that may be affected by our business activities and business relationships.

These policies were developed in collaboration with relevant internal functions and through consultation with external experts, and they have been approved by the Group Management Board. They are reviewed regularly in response to changes in the business environment, and compliance with them is continuously monitored.

We also expect our business partners to respect

human rights in line with internationally recognized standards, and we advance these efforts through ongoing engagement.

Respect for human rights is an important foundation for value creation and helps to bring our Purpose to life.

Human rights due diligence

Dentsu conducts ongoing human rights due diligence in line with international standards.

Identification and assessment of adverse impacts

We identify and assess potential adverse human rights impacts through consultation with external experts and dialogue with stakeholders. These impacts are prioritized based on factors such as severity, likelihood of occurrence, and the degree of our involvement. The 2024 impact assessment identified six salient human rights issues.

In addition, we complement our Group-wide impact assessment by conducting assessments of specific human rights risks, developing and implementing related initiatives, and carrying out more detailed

impact assessments at the market level.

Six salient human rights issues

- Equality and non-discrimination
- Freedom of thought, opinion, religion, belief, and expression, as well as access to information
- Labor rights and harassment
- Privacy and data security
- Child rights
- Right to a healthy environment

Prevention and mitigation of adverse impacts

Working in collaboration with relevant functions, our human rights team seeks to prevent and mitigate adverse human rights impacts not only in our own business activities but also across our business relationships, exercising our influence where practicable.

Effectiveness assessment and disclosure

To assess the effectiveness of our efforts, we use feedback from both internal and external stakeholders.

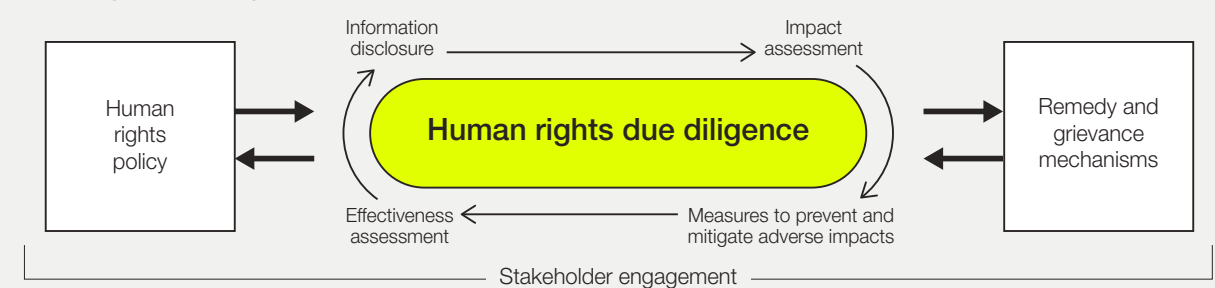
We analyze consultations and reports received through Speak Up @ dentsu and other reporting and consultation channels from both qualitative and quantitative perspectives. The results inform reporting processes within the relevant governance frameworks.

Note: For examples of human rights issues and stakeholder engagement activities in 2025, please refer to the [Non-financial Databook 2026](#).

Remedy and grievance mechanisms

We encourage the reporting of and consultation on human rights–related concerns through Speak Up @ dentsu, an externally operated reporting and consultation platform that is anonymous, free of charge, and confidential. The platform is available to all directors, officers, employees, suppliers, and other stakeholders. Reports are investigated, and appropriate corrective and remedial actions are taken where warranted.

Human rights due diligence process



AI governance

AI governance philosophy

The Group’s AI governance philosophy aims to ensure that AI is used responsibly, ethically, and effectively—both internally and for clients. Against the backdrop of the rapid advancement of generative AI and agentic AI, and the growing concerns that accompany them, robust governance is positioned as a foundation of trust and a source of competitive advantage.

All AI initiatives within dentsu are overseen by the Global CEO, and AI governance is promoted under the supervision of the Global Chief Corporate Affairs Officer.

Prioritizing responsible AI utilization not only helps meet stakeholder expectations but also serves as a competitive differentiator in a rapidly evolving environment.

AI governance implementation initiatives (2025–2026)

AI inventory and classification	A framework for AI inventory—including intake processes and classification—has been established to identify higher-risk AI systems and escalation requirements. AI use cases are recorded in shared IT service management tools.
Access classification model	To streamline enablement, a tiered assessment process categorizes third-party offerings as “Enterprise” or “Non-Enterprise” (or “Blocked”), with a corresponding scope of pre-approved use cases.
Policy integration	Global AI-related documents have been organized, and a Policy Landscape Map has been created. Work is currently underway to develop a unified internal policy framework.
Integration into business operations	Ongoing development and improvement of client-facing RFI/RFP materials, contract guidelines, supplier management updates, and procurement workflow enhancements are being carried out.
Literacy enhancement	By ensuring teams understand risks, obligations, and best practices, safe and responsible AI use is being embedded across the organization while responding to the evolving regulatory environment.

Key policies and initiatives

Dentsu Responsible AI Principles

[The Dentsu Responsible AI Principles](#) articulate dentsu’s commitment to the responsible and ethical use of AI technology.

Introduction

In an era where data, technology, and insights coalesce to fundamentally change the shape of society and redefine the fabric of professional services, dentsu stands at the vanguard, sculpting the future of marketing, advertising, and brand transformation. Our commitment extends beyond the traditional realms of advertising; it encompasses a holistic suite of capabilities that pivot on delivering exceptional experiences. This includes business transformation consulting, driven by data and technology, and anchored in the profound understanding of the consumer journey.

The 8 Principles

1. Accountability and Transparency 2. Fairness 3. Privacy 4. Partner and Vendor Oversight
5. Safety 6. Accuracy and Compliance with Laws 7. AI Literacy 8. AI Sustainability

The Dentsu Responsible AI Principles are anchored in fairness, transparency, accountability, and explainability, serving as guiding principles for all AI use across the organization. Through continuous investment in transparency and oversight structures, we clearly demonstrate our commitment to the responsible and appropriate use of AI.

GenAI Policy and Group AI Governance Standard

In addition to the Dentsu Responsible AI Principles, the Group has established the Dentsu Group Generative AI Policy (“GenAI Policy”) as a more practical set of guidelines, supporting the responsible and effective use of AI across the organization.

The Group has also established the Group AI Governance Standard, which defines management requirements. This standard reflects dentsu’s commitment to the responsible and ethical use of AI technologies. It outlines requirements for the development, deployment, use, and management of AI and applies to all AI systems used by dentsu, whether developed internally or procured from third parties.

EU AI Pact Signatory

The Group is a signatory of the EU AI Pact. This pact was launched by the European Commission in 2024 as a voluntary framework to promote the early implementation of the EU AI Act. It is built on three commitments.

1. Adoption of an AI governance strategy 2. Identification and mapping of high-risk AI systems 3. Promotion of AI awareness and literacy among employees

These commitments are strongly aligned with the Dentsu Responsible AI Principles and the Group’s AI governance initiatives, and are consistent with the values and priorities shared with clients and partners. Through participation in the EU AI Pact, dentsu aims to address trust-related concerns associated with AI adoption and contribute to positive change in AI development and utilization.

Risk management

Approach

We aim to achieve our management objectives by appropriately identifying and assessing risk. Through management and monitoring of high-priority risks, we seek to mitigate potential threats while maximizing opportunities. We identify strategic, operational, and emerging risks, and continue to enhance our risk management processes. By executing our annual risk management plans effectively, we strive to reinforce our management foundation and enhance corporate value.

Structure

Under its corporate governance framework, dentsu has established the Group Risk Committee (GRC), which oversees risk management across the Group. The GRC manages key risks that could materially affect dentsu’s business, including strategic risks, operational risks, compliance and legal risks, financial risks, and external

risks. The GRC is chaired by the Global Chief Corporate Affairs Officer. Its members include the Global CEO and Regional/Cluster CEOs. In addition, dentsu has appointed a Global Head of Internal Control & Risk, who oversees risk management and internal controls across the organization.

The status of regional risk management activities is monitored regularly not only by the GRC but also by the Group Management Board (GMB) and the Board of Directors.

Risk management process

Under its Enterprise Risk Management (ERM) framework, dentsu identifies and assesses key risks using heat maps that evaluate likelihood and potential impact to assess risk exposure. In addition to conducting an annual review, we reassess individual risks as needed to ensure timely and appropriate responses. For each risk, a risk sponsor is appointed

and is responsible for developing and driving the implementation of response plans.

We are also working to enhance and streamline our risk management processes through the implementation of a three-year risk management plan.

Specific risk management initiatives

As part of the 2024 Enterprise Risk Assessment (ERA), interviews were conducted with Group and regional leaders, as well as outside directors. Drawing on the insights gained through these interviews, the GRC and GMB reviewed updates to the Group’s risk register and a three-year risk management plan. To further strengthen the comprehensiveness of Group-wide risk management, we also continued to refine our risk taxonomy, including the standardizing of risk-related terminology.

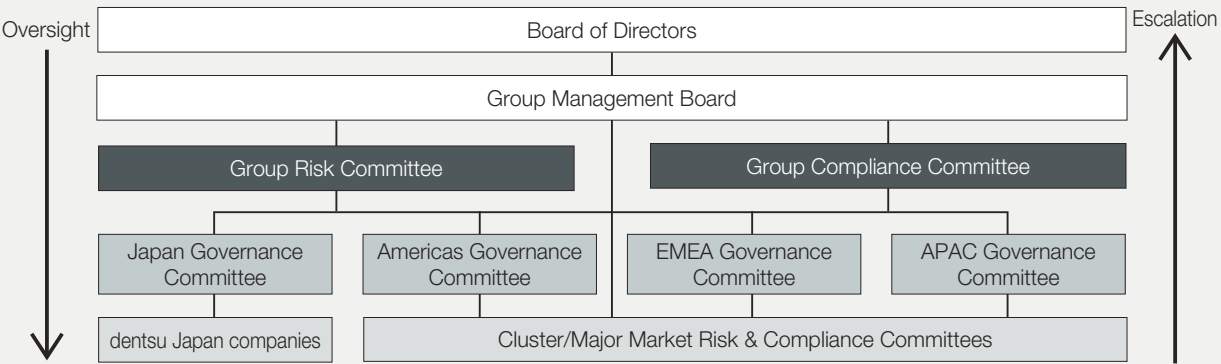
Also, in 2025, “branding and reputation risk” was identified as a new key risk, and management responses to this risk were reviewed and discussed.

Building on the ERA, we have also developed risk training programs for executive members serving on Group, regional, and other risk-related committees, as well as programs for all employees. Through these programs, we aim to deepen risk awareness across the organization and further embed a strong risk culture.

Note: For information on major risk items, please refer to “Risk Factors” beginning on page 31 of the [Financial Report \(FY2024-2025\)](#) or the table to the right.

Category	Specific risks
Strategic risks	Business transformation, Branding & Reputation, etc.
Operational risks	Information security, cybersecurity, etc.
Compliance & legal risks	Compliance, litigation, etc.
Other external risks	Geopolitical developments, etc.

Management structure



Data privacy

(Risks relating to personal information)

The Group may receive personal information relating to its clients’ end users in the course of its business activities. In addition, in response to increasingly sophisticated client needs, the Group develops and provides products and services that leverage personal data.

Key risks include the following:

● **Risk of personal information leaks**

The Group complies with personal information protection laws and regulations in Japan and overseas, including the EU General Data Protection Regulation (GDPR) and applicable US data privacy laws such as the California Consumer Privacy Act (CCPA). In addition, the Group has established Group-wide Global Data Protection Principles and strives to ensure the appropriate management of personal information. However, if a leak of personal information or a similar incident were to occur, it could undermine trust in the Group and adversely affect its business performance.

● **Regulatory and ethical risks relating to the use of data**

Restrictions may be imposed on the use of personal data as a result of changes to laws and regulations or ethical considerations. As a result, the Group may be unable to provide certain products and services to client companies, which could adversely affect its business.

Response measures

- Compliance with applicable laws and regulations in Japan and overseas, and prompt response to regulatory changes
- Implementation of the Group’s Global Data Protection Principles
- Regular training and awareness programs for employees on data protection and compliance
- Periodic internal audits and assessments of data handling practices

Cybersecurity

Our security program

Dentsu operates a global cybersecurity program designed to protect our business and people, enable secure ways of working, and provide assurance to clients and Group leadership. Security is embedded into core business processes and is recognized as essential to meeting stakeholder expectations.

Industry best practice

We invest in consistent implementation of industry-standard safeguards across our operations. Our global cybersecurity program conforms with ISO 27001, the international standard for information security management. This program is governed through a unified global framework led by the Global Chief Information Security Officer, working in close coordination with regional Business Information Security Officers (BISOs) to ensure alignment and comprehensive coverage.

Cybersecurity is subject to clear executive accountability and specialist functional oversight. Accountability sits with the Global Chief Information Officer, while the Global Chief Information Security Officer leads the global cybersecurity program, including the design, operation, and continuous improvement of cybersecurity controls, supported by regional BISOs and established governance forums.

Governance underpins our approach, with defined accountabilities, policies, and controls, using independent assessments to help ensure our program is effectively implemented to satisfy industry standards, client expectations, and corporate governance.

Managing security risk

Our approach is aligned to [dentsu’s Enterprise Risk Management \(ERM\) framework](#), focusing on reducing the likelihood of security risks and minimizing impact where incidents occur. Risk owners are accountable for designing and executing response plans, which are regularly reviewed

by the Dentsu Security Risk Committee. Identified issues are tracked and remediated using this consistent risk management methodology.

Employee awareness

We promote security awareness through a comprehensive education program that includes

- mandatory annual training,
- targeted role-based learning,
- regular policy communications, and
- simulated phishing campaigns.

Securing our operations

We use layered security controls across our environment, including

- advanced threat protection spanning e-mail, web, and endpoints, supported by threat intelligence and proactive hunting;
- 24×7 monitoring and incident response with centralized visibility and tested response processes;
- identity and access management with strong governance, auditing, and multi-factor authentication; and
- infrastructure and asset protection through vulnerability management and independent security testing.

2026–2028 focus areas

Our focus areas include

- continuous improvement of security capabilities,
- strengthening data-centric controls,
- client solution development,
- supporting secure AI adoption, and
- investing in the development of our security workforce.

Supply chain management

Basic stance

Disclosure of supply chain management policies	● The Dentsu Group Code of Conduct sets out guidelines for engagement with business partners. We have also established and published the Dentsu Group Procurement Policy and the Dentsu Group Supplier Code of Conduct. ● In August 2026, we revised both policies to strengthen our approach to supplier assessment, environmental risks and opportunities, reducing GHG emissions across the value chain, and respect for human rights. ● Regional procurement teams manage guidelines tailored to local business practices and business structures.
Structure	● The Global Chief Corporate Affairs Officer oversees SCM. Procurement teams in dentsu Japan and the International business manage various initiatives related to SCM. High-priority matters are deliberated and approved by the Group Management Board and other relevant bodies, with reports provided to the Board of Directors as needed.
Eligible suppliers	● We work with a wide range of suppliers, including media companies, production companies, technology service providers, goods suppliers, and consulting firms. Our SCM efforts extend beyond first-tier suppliers to include second-tier and, where practicable, lower-tier suppliers.
Engagement with suppliers	● We identify key SCM risks across countries and industries, including environmental, human rights, compliance, information security, anti-corruption, and governance risks. ● We integrate sustainability considerations into procurement processes and category planning, conduct due diligence when initiating business relationships and supplier assessments, and carry out ongoing monitoring. ● Our procurement and sustainability teams work together to address environmental and social issues across the value chain through dialogue with and support for suppliers.
Response to supplier inquiries	● Regional procurement teams, operating independently from business divisions, collect information through channels such as hotlines for external suppliers. They analyze and verify the information and implement appropriate responses as needed. In addition, we maintain Speak Up @ dentsu, an anonymous reporting channel available to suppliers and other stakeholders.

Responsible procurement across dentsu

In the August 2026 revisions, we added supplier assessment requirements to the Dentsu Group Procurement Policy and explicitly stated that environmental risks, opportunities, and resilience are to be considered in procurement and sourcing decisions. We also clarified our commitments to reducing greenhouse gas (GHG) emissions across the value chain and respecting human rights in accordance with international standards and the UN Guiding Principles on Business and Human Rights.

We also revised the Dentsu Group Supplier Code of Conduct to align it with the Dentsu Group Code of Conduct, including revisions to provisions concerning gifts and entertainment from suppliers. Environmental requirements were also updated to reflect changes to the Dentsu Group Environmental Policy.

Under a governance framework that emphasizes sustainability, we integrate sustainability considerations into supplier relationship management (SRM), conducting ongoing monitoring and dialogue and taking additional measures as necessary.

In addition to the Dentsu Group Supplier Code of Conduct, dentsu Japan has established the Supplement to the Dentsu Group Supplier Code of Conduct (dentsu Japan), which applies to its operations in Japan and clarifies how we communicate with suppliers and what we require of them.

When issues arise, investigations and interviews are

conducted both internally and externally, and decisions regarding the continuation of business relationships are reviewed and determined promptly. Significant issues are reported to and reviewed by the dentsu Japan Trade Committee.

Furthermore, dentsu Japan has adopted the Partnership Building Declaration and is working to achieve sustainable coexistence with suppliers and enhance added value across the entire supply chain.

In key markets and priority spend categories in the Group's International operations, we conduct annual monitoring and enhanced due diligence through SRM to assess and address risks related to environmental and social issues, including climate change and water resources as well as occupational health and safety and governance.

In 2026, we intend to further expand our supplier support program, prioritizing suppliers with higher GHG emissions and providing support tailored to each supplier's level of progress as we work toward our net-zero goals.

Environmental initiatives

Our approach to the environment

As one of dentsu’s material themes, the “Environment” pillar emphasizes compliance with environmental laws and regulations across our business activities. These efforts also support the development of new solutions that contribute to the sustainable growth of our clients and society, as outlined in our Purpose. The Dentsu Group Code of Conduct addresses dentsu’s environmental and social responsibilities under “Working in Partnership and Community.” The Dentsu Group Environmental Policy provides additional guidance on greenhouse gas (GHG) emission reductions, water stewardship, waste management, and biodiversity conservation.

Our science-based net-zero targets and 2025 performance

Dentsu aims to achieve net-zero GHG emissions across the value chain by 2040. Our near- and long-term GHG emission reduction targets have been validated by the Science Based Targets initiative (SBTi) as conforming with the SBTi Corporate Net Zero Standard.

Target and scope	Near-term target (2030)	Long-term target (2040)	2025 performance (vs. baseline)
Absolute Scope 1 + 2 GHG emissions* (vs. 2019 baseline)	-46.2%	-90%	-69.6%
Absolute Scope 3 GHG emissions from purchased goods and services (Category 1), business travel (Category 6), and employee commuting (Category 7) (vs. 2019 baseline)*	-46.2%		-42.1%
Absolute Scope 3 GHG emissions* (vs. 2019 baseline)		-90%	-43.0%

*The target boundary includes land-related emissions and removals from bioenergy feedstocks.

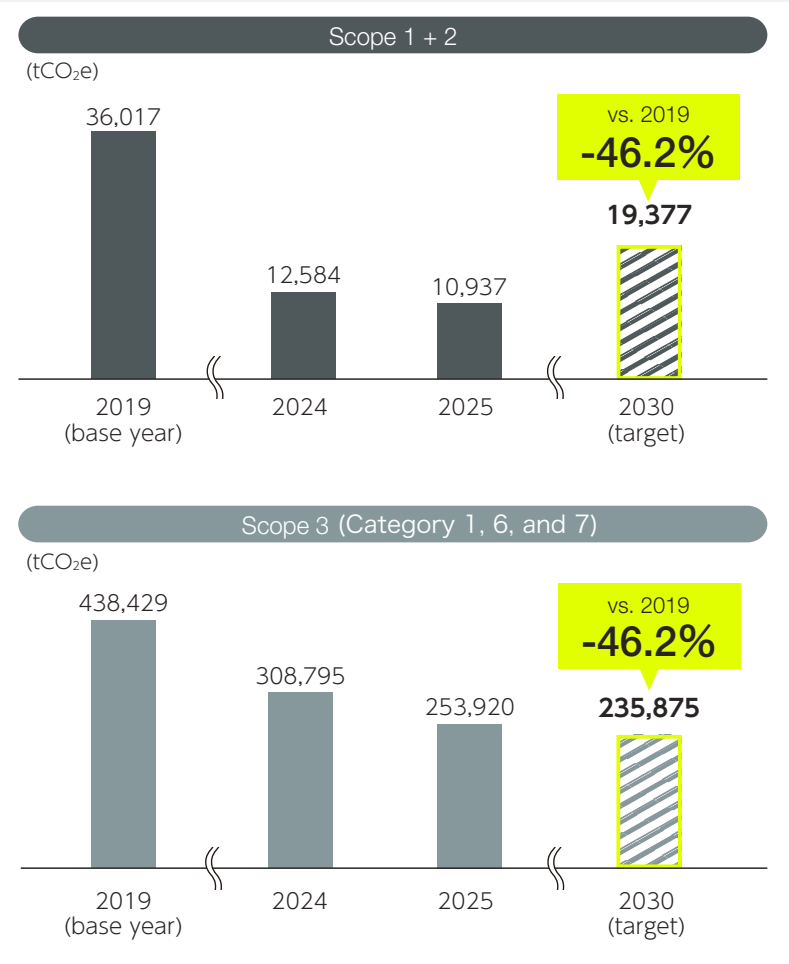
Our GHG emission reduction performance

In 2025, we continued to make steady progress in reducing GHG emissions. Reductions in Scope 1 + 2 emissions were primarily driven by increased procurement of renewable energy at major facilities and evaluations of our company vehicle fleets. For Scope 3 emissions, reductions in Category 1 (Purchased Goods and Services) contributed to improved performance.

Our 2025 GHG emissions data received limited assurance from an independent third-party provider.

Note: For complete environmental performance data, please refer to the [Non-financial Databook](#).

GHG emissions (consolidated)

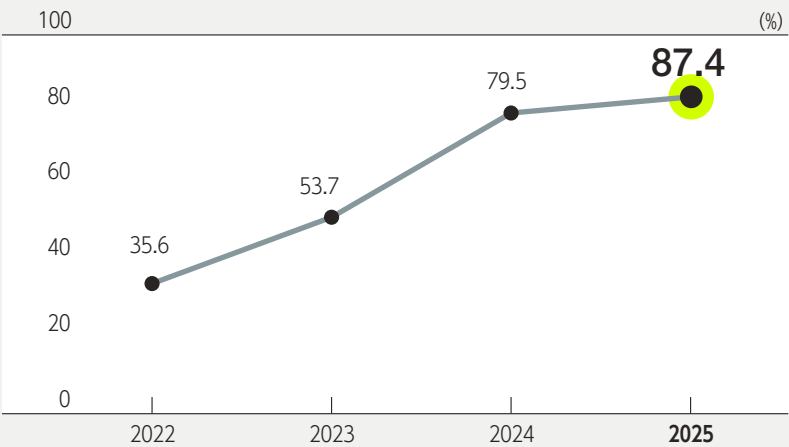


Our renewable energy target and 2025 performance

Dentsu aims to achieve 100% renewable energy by 2030. Renewable energy in the context of dentsu’s commitments refers to electricity generated from renewable sources. This definition aligns with the global corporate initiative RE100, of which dentsu is a member.

Since setting a Group-wide target in 2023, we have focused our efforts on procuring renewable energy, particularly in Japan, and we achieved a renewable energy ratio of 87.4% in 2025.

Renewable energy ratio (consolidated)



Note: The renewable energy ratio complies with the RE100 definition. For data on the renewable energy ratio based on the amount of renewable energy purchased, please refer to the [Non-financial Databook](#).

Assessing climate-related risks and opportunities across the value chain

Since 2025, we have prepared our annual Climate-related Disclosures while referring to IFRS S2 Climate-related Disclosures, issued by the International Sustainability Standards Board (ISSB). Building on our previous disclosures based on the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD), we continue to enhance our assessment of the

impacts of climate-related risks and opportunities on the Group’s financial position. The risks and opportunities identified in our 2026 assessment are outlined below, and we are considering measures to address them.

Overview of climate-related risks and opportunities across dentsu’s business and value chain

	Financial impact (billions of yen)								
	Low-carbon Emissions Scenario			Medium-carbon Emissions Scenario			High-carbon Emissions Scenario		
	SHORT (2026- 2029)	MED (2030- 2039)	LONG (2040- 2050)	SHORT (2026- 2029)	MED (2030- 2039)	LONG (2040- 2050)	SHORT (2026- 2029)	MED (2030- 2039)	LONG (2040- 2050)
Physical risks									
Loss of underlying operating profit from extreme weather events affecting employees’ ability to work	-0.5	-2.7	-5.8	-0.5	-2.7	-6.1	-0.5	-2.7	-6.4
Reduced advertising demand due to clients being impacted by extreme weather events	-0.1	-0.8	-0.9	-0.1	-0.7	-1.2	-0.2	-0.8	-1.9
Transition risks									
Decrease in underlying operating profit due to global economic changes	-4.1	-8.1	-9.3	-4.0	-9.9	-13.6	-4.0	-9.4	-18.6
Reduced underlying operating profit from clients that fail to adapt to low-carbon consumer behavior	-0.6	-3.6	-9.4	-0.7	-3.2	-7.7	-0.7	-2.6	-4.9
Increased compliance costs from carbon taxes and other climate regulations	-1.5	-5.9	-5.7	-1.4	-4.9	-4.0	-0.7	-2.4	-1.0
Transition opportunities									
Access to new markets, suppliers, and companies emerging during the low-carbon transition	0.0	0.1	3.7	0.0	0.0	5.7	0.0	0.0	0.1
Ability to attract clients through adoption of technologies, including AI, that reduce emissions intensity in services	1.0	3.8	3.2	1.1	3.6	2.7	1.1	3.5	2.9

Note: For details, please see [dentsu’s Climate-related Disclosures 2026](#).

Risk categories

	Category	Financial thresholds (Underlying operating profit)
	Fundamental	>18.1 billion yen
	Major	9.1-18.1 billion yen
	Moderate	4.5-9.1 billion yen
	Minor	1.8-4.5 billion yen
	Insignificant	<1.8 billion yen

Net-zero Transition Plan

In 2025, we formulated our Net-zero Transition Plan, setting out a roadmap to achieve our science-based GHG emission reduction targets in line with the requirements of the Science Based Targets initiative (SBTi). Based on this plan, we are advancing GHG emission reduction initiatives tailored to the business environment and characteristics of each region and market. Through the steady implementation of these initiatives, we aim to strengthen organizational resilience and support dentsu’s long-term value creation.

Note: For details, please see dentsu’s Net-zero Transition Plan: <https://www.group.dentsu.com/en/sustainability/common/pdf/net-zero-transition-plan2025.pdf>

Other environmental initiatives

For information on dentsu’s biodiversity-related initiatives, please visit dentsu’s website. Details on water resource management and waste management are available in Non-financial Databook 2026.

Dentsu Group Inc. Environment webpage: <https://www.group.dentsu.com/en/sustainability/environment/>

Non-financial Databook 2026: <https://www.group.dentsu.com/en/sustainability/common/excel/databook2026.xlsx>

Strengthening the Board of Directors’ oversight to enhance medium- to long-term corporate value



Gan Matsui
Independent Outside Director,
Chairman of the Board

My commitment to bolstering the Board’s oversight

As Chairman of the Board, I find it regrettable that dentsu recorded its largest-ever net loss in 2025 and did not pay a dividend per share.

In addition to making swift decisions in response to changes in the business environment, a recovery in the Group’s performance will require appropriate oversight of those decisions. With this in mind, I am committed to further strengthening the Board’s oversight from the perspective of shareholders and other stakeholders.

Key themes for the Board

In light of the challenging environment facing the Group, the Board focused its discussions in 2025 on three key themes: the evolution of Group governance, the advancement of structural reforms in overseas operations, and the review of capital policy and financial strategy. Working closely with the three statutory committees and the Finance Committee, we identified key issues in advance and sought to enhance the quality of Board discussions by drawing out a range of perspectives on important matters. As a result, while the evolution of Group governance has yielded some positive results, reflected in improved evaluations from both internal and external stakeholders, efforts to implement measures aimed at structural reforms in overseas operations remain a work in progress. Continued discussion of capital policy and financial strategy will also be necessary in response to the changing environment.

Every member of the Board is acutely aware of the various challenges arising from multiple factors associated with the Group’s past expansion of its overseas business, and every Board meeting is marked by continued, intensive discussions with a strong sense of urgency. We firmly recognize that effective Board oversight is more important than ever to ensure that management executes key initiatives steadily and with speed, including reviewing underperforming businesses, rebuilding competitive advantage, optimizing costs, simplifying the organizational structure, and strengthening Group governance.

As Chairman of the Board

The Group has undertaken two major reform initiatives across the organization: Working Environment Reform and Mindset and Behavior Reform, which have achieved steady results. Before assuming the role of Chairman of the Board, I oversaw these reforms as Chairperson of the Independent Advisory Committee for Labor Environment Reform Activities and as an outside director, which gave me a firsthand appreciation of the Group’s underlying strength. I also have high expectations that the various reforms currently underway will likewise deliver meaningful results.

Since March 2025, when the number of independent outside directors increased, the Board has benefited from more robust discussions that fully leverage the expertise, experience, and insights of directors from increasingly varied professional backgrounds. A wide range of perspectives and opinions are brought forward on important themes, and it is not uncommon for discussions to continue well beyond the scheduled time as directors engage in in-depth deliberation. To ensure productive discussions with a larger Board, it is essential to focus agendas on the most important issues, facilitate discussions in a way that draws out the different viewpoints of individual directors, and operate the Board efficiently.

Going forward, as Chairman of the Board, I will continue to ensure the Board’s appropriate operation with independence and objectivity, advance initiatives to enhance its effectiveness, and contribute to strengthening the Board’s oversight and enhancing the Group’s corporate value.

Corporate governance structure and evolution

(As of March 27, 2026)

Point 1 A Board of Directors with independence and unique perspectives

Dentsu Group Inc. has strengthened the oversight function of its Board of Directors by appointing eight independent outside directors, constituting a majority of the Board’s 11 directors, and by selecting an independent outside director to serve as Chairman of the Board. In addition, independent outside directors with management experience and a wide variety of expertise, including accounting/finance, auditing, global management, and legal affairs, actively participate in discussions. Based on sufficient and appropriate information provided by management, they engage in constructive discussions and decision-making on important management issues, risks, capital allocation, and other key matters.

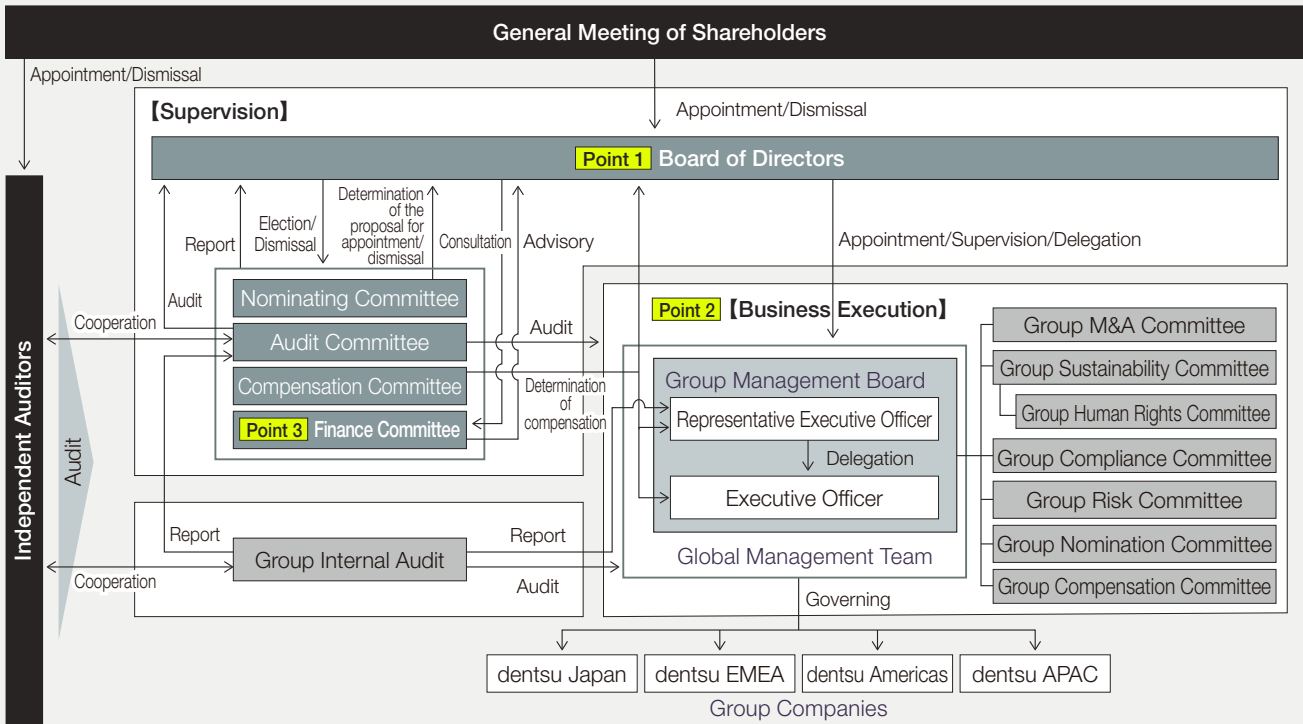
Point 2 Strengthening the global management execution structure

To prioritize stronger execution and accelerate transformation, the Group streamlined certain layers of management and established the new Global Management Team, which includes executive officers and is responsible for driving global management. This structure enables the Global Management Team to directly oversee the Group’s four business regions—Japan, Americas, EMEA, and APAC—thereby creating a more agile and effective Group management framework. In 2026, we also established the new position of Global Chief Transformation Officer, appointing Noritaka Omi to the role, to further accelerate transformation across the Group.

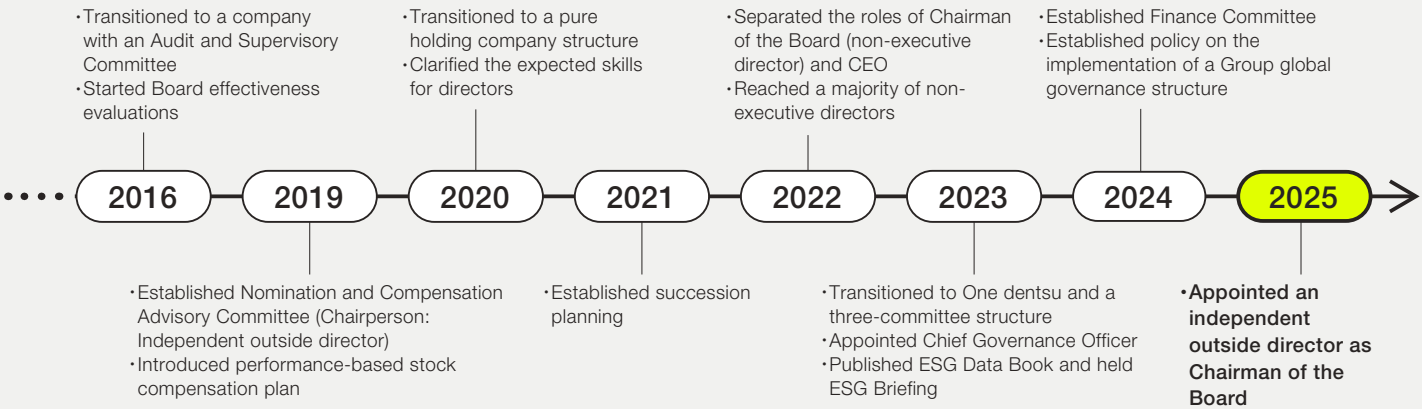
Point 3 Enhancing financial discipline to improve corporate value

The Group is transforming its business portfolio through a review of its priority business domains and markets, while strengthening its financial foundation and improving capital efficiency through greater selectivity and concentration. To support this transformation and achieve sustainable business growth, the Company has established the Finance Committee (see [page 52](#) for details) as an advisory committee to the Board of Directors that provides recommendations based on specialized expertise. Through reviewing financial issues and policies, assessing the appropriateness and progress of various financial initiatives, and examining financial and investment discipline, the Committee supports the enhancement of corporate value from a shareholder perspective.

Corporate governance structure



Evolution of dentsu’s corporate governance



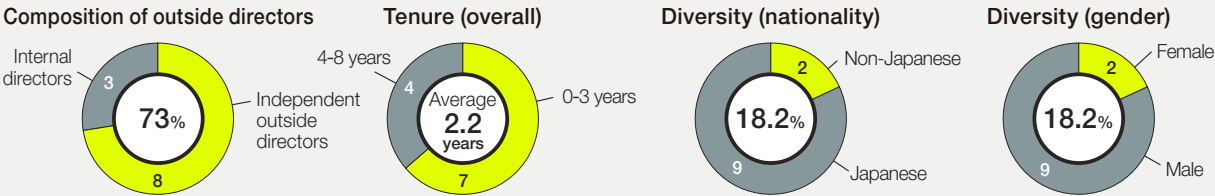
Board member skills and composition

To enhance the effectiveness of the Board of Directors, we disclose a skills matrix that outlines the knowledge, experience, and capabilities of our directors. Taking into account changes in the business environment and the direction of medium- to long-term value creation, we continuously review the skills and criteria required of the Board as a whole.

In 2026, in light of the restructuring of our global management structure and the strengthening of governance, we appointed directors with expertise in both business and corporate functions. Through these appointments, we aim to strengthen our management foundation, enhance accountability in business execution, and improve the effectiveness of the Board's supervisory function. We also continue to review the optimal composition of the Board while maintaining a majority of outside directors.

Name *Executive Director	Official position	Business management	Finance/ accounting	Audit	Legal/ compliance/ risk management	Human resources/labor/ personnel and organizational development	Global management	Digital business	Sustainability
Gan Matsui OutsideIndependent	Director, Chairman of the Board			○	○	○			
Takeshi Sano* Nominating	Director, Representative Executive Officer, President & Global CEO, dentsu, CEO, dentsu Japan	○				○	○	○	○
Yoshimasa Watahiki*	Director, Representative Executive Officer, Executive Vice President, Global Chief Corporate Affairs Officer, dentsu	○			○	○		○	
Shigeki Endo*	Director, Executive Officer, Global CFO, dentsu	○	○	○			○		
Paul Candland Compensation (Chair)OutsideIndependent	Director	○				○	○	○	
Andrew House CompensationOutsideIndependent	Director	○					○	○	
Keiichi Sagawa AuditFinanceOutsideIndependent	Director	○	○	○	○		○	○	
Yuka Matsuda Audit (Chair)NominatingOutsideIndependent	Director		○	○	○				
Yoshihiko Kawamura Finance (Chair)AuditCompensationOutsideIndependent	Director	○	○	○	○		○		
Norimitsu Takashima Nominating (Chair)AuditOutsideIndependent	Director			○	○	○			
Naoko Ichikawa NominatingFinanceOutsideIndependent	Director	○					○	○	○

Board composition



Management structure/Rationale for selecting skills that contribute to enhancing corporate value

Business management	Amid rapid changes in the environment surrounding the Group, it is essential to have directors with experience and proven track records in corporate management who can make appropriate management decisions and drive the sustainable growth of corporate value.	Human resources/ labor/personnel and organizational development	To ensure that each employee can fully realize their potential and contribute to dentsu's growth, it is essential to have directors with deep knowledge and experience in human resources, labor, and talent development.
Finance/ accounting	Directors with solid knowledge and experience in finance and accounting are needed to build a strong financial foundation and implement capital policies that drive growth investments and strengthen shareholder returns.	Global management	Given that the Group operates in approximately 120 countries and territories, it is essential to have directors who have international business experience as well as extensive knowledge and experience regarding foreign cultures and business environments.
Auditing	To ensure sound and sustainable growth, to deliver highly transparent financial reporting, and to establish a robust governance framework, directors with strong expertise and experience in auditing are required.	Digital business	Fundamental business transformation centered on digital technologies, including AI, is essential to the growth of dentsu's business. To lead this transformation, it is critical to have directors with solid knowledge and experience in the digital business domain.
Legal/compliance/ risk management	Risk management is a critical foundation for the Group's sustainable growth. To enhance the oversight function of the Board, it is essential to have directors with solid knowledge and experience in the areas of legal affairs and compliance.	Sustainability	To support the Group's efforts to create a future that inspires and to oversee initiatives that address environmental and social challenges, it is essential to have directors with knowledge and experience in the field of sustainability.

Reasons for the appointment of the Global CEO

Dentsu is currently at a critical stage in rebuilding its business, including its International operations, and the Nominating Committee gave careful consideration to the selection of the next Global CEO. As part of its ongoing succession planning process, the Committee has continuously reviewed and discussed potential candidates. Taking into account the current business environment and the challenges facing the Group, it selected Takeshi Sano for the role. In making its selection, the Committee placed particular emphasis on the ability to make decisions from a Group-wide perspective across regions under a global management structure. Sano has experience making decisions across multiple regions and business areas, and

the Committee concluded that he is well suited to the Company's current circumstances, which require both short-term performance improvement measures and medium- to long-term structural reforms to be pursued in parallel. In addition, the Committee evaluated his track record as dentsu Japan CEO and an executive officer of Dentsu Group Inc., as well as his strong leadership and management capabilities, and appointed him as Global CEO.

Norimitsu Takashima
Independent Outside Director,
Chairperson of the Nominating Committee

Note: For an interview regarding the appointment of the Global CEO with Nominating Committee Chairperson Takashima and Committee Member Ichikawa, please see the following link.
<https://www.group.dentsu.com/en/about-us/governance/dialogue.html>

Directors



Gan Matsui (Chairman of the Board, Outside Director) Outside Independent

Over the course of a long career as a public prosecutor, Gan Matsui held senior positions including Chief Prosecutor of the Otsu District Public Prosecutors Office, Director of the Criminal Affairs Department of the Supreme Public Prosecutors Office, and Superintending Prosecutor of the Fukuoka High Public Prosecutors Office, overseeing investigations and trials involving major cases, including economic and tax-related offenses. After retiring from the Public Prosecutors Office, he became an attorney and has served as an outside director of Dentsu Group Inc. since 2020. Drawing on his extensive expertise in legal affairs and compliance, he contributes to the strengthening of the Group’s governance framework.

- Tenure as director: 6 years
- Board meeting attendance in 2025: 15 of 15
- Shares held: 0



Takeshi Sano (Director, Representative Executive Officer, President & Global CEO, dentsu, CEO, dentsu Japan) Nominating

After joining Dentsu Inc. in 1992, Takeshi Sano has built extensive experience in the account management division and has contributed to business transformation, international expansion, and the strengthening of the Group’s competitiveness. In 2024, he was appointed CEO of dentsu Japan, and in 2025 assumed the dual roles of CEO of dentsu Japan and Deputy Global COO, leading the transformation of both the Japan business and Group-wide operations.

- Tenure as director: Newly appointed
- Board meeting attendance in 2025: N/A
- Shares held: 13,721



Yoshimasa Watahiki (Director, Representative Executive Officer, Executive Vice President, Global Chief Corporate Affairs Officer (CCAO), dentsu)

After building extensive experience in the media and business planning fields in Dentsu Inc., Yoshimasa Watahiki served as an Executive Officer of Dentsu Japan Network, a director of several affiliated companies, and COO of dentsu Japan, among other leadership positions. He was appointed Representative Executive Officer and Executive Vice President, as well as Global CCAO of Dentsu Group Inc., in 2026, and is leading efforts to strengthen the Group’s management foundation.

- Tenure as director: Newly appointed
- Board meeting attendance in 2025: N/A
- Shares held: 19,211



Shigeki Endo (Director, Executive Officer, Global CFO, dentsu)

After beginning his career at Itochu Corporation, Shigeki Endo held senior finance and accounting positions at several global companies, including General Electric, British American Tobacco, and Accenture. He joined Dentsu Group Inc. in 2024 and was appointed Executive Officer and Global CFO in 2025. Drawing on his extensive financial expertise and global management experience, he is leading efforts to improve profitability and enhance corporate value.

- Tenure as director: Newly appointed
- Board meeting attendance in 2025: N/A
- Shares held: 100



Paul Candland (Outside Director) Compensation (Chair) Outside Independent

Paul Candland has held senior leadership positions at global companies including PepsiCo, The Walt Disney Company Japan, and The Walt Disney Company Asia Pacific, where he helped drive business growth across Asia and in the digital domain. He has served as an Outside Director of Dentsu Group Inc. since 2022 and contributes to strengthening the Group’s competitiveness and governance from a global management perspective.

- Tenure as director: 4 years
- Board meeting attendance in 2025: 15 of 15
- Shares held: 0



Andrew House (Outside Director) Compensation Outside Independent

Andrew House has extensive experience in international corporate management and business transformation, having held leadership roles in business operations and marketing within Sony Group and served as Global CEO and Chairman of the Board of Sony Interactive Entertainment. He has served as an Outside Director of Dentsu Group Inc. since 2022 and contributes to strengthening global competitiveness and governance.

- Tenure as director: 4 years
- Board meeting attendance in 2025: 15 of 15
- Shares held: 0



Keiichi Sagawa (Outside Director) Audit Finance Outside Independent

After joining Recruit in 1988, Keiichi Sagawa held a wide range of management roles in areas including finance and accounting, legal affairs, investment management, and compliance. He also served as CFO and CRO from 2017, playing a key role in strengthening the company’s management foundation and driving business transformation. He has served as an Outside Director of Dentsu Group Inc. since 2022 and contributes to strengthening the Group’s global competitiveness and governance.

- Tenure as director: 4 years
- Board meeting attendance in 2025: 15 of 15
- Shares held: 0



Yuka Matsuda (Outside Director) Audit (Chair) Nominating Outside Independent

After beginning her career at Citibank, Yuka Matsuda built extensive experience in accounting and tax matters at Chuo Shinko Audit Corporation and Chuo Coopers & Lybrand International Tax Office. She was appointed a Board Member of PwC Tax Japan in 2014. Drawing on her expertise as a certified public accountant and licensed tax accountant, she has served as an Outside Director of Dentsu Group Inc. since 2023 and contributes to strengthening the Board’s oversight of auditing and financial matters.

- Tenure as director: 3 years
- Board meeting attendance in 2025: 15 of 15
- Shares held: 199



Yoshihiko Kawamura (Outside Director) Finance (Chair) Audit Compensation Outside Independent

After joining Mitsubishi Corporation in 1979, Yoshihiko Kawamura served as Senior Vice President and Senior Assistant to Group CEO of the Business Service Group (in charge of management plans) before holding positions including Representative Executive Officer, Executive Vice President and Executive Officer, and CFO at Hitachi, Ltd. Drawing on his extensive expertise in finance, strategy, digital transformation, and global management, he has served as an Outside Director of Dentsu Group Inc. since 2025 and contributes to business transformation, strengthening competitiveness, and enhancing financial governance.

- Tenure as director: 1 year
- Board meeting attendance in 2025: 11 of 11
- Shares held: 284



Norimitsu Takashima (Outside Director) Nominating (Chair) Audit Outside Independent

After being appointed as a public prosecutor in 1989, Norimitsu Takashima held a number of senior positions, including Deputy Director-General of the Minister’s Secretariat of the Ministry of Justice, Director-General of the Human Rights Bureau of the Ministry of Justice, Deputy Director-General of the Immigration Services Agency, Vice-Minister of Justice, and Superintending Prosecutor of the Nagoya High Public Prosecutors Office. Drawing on his extensive experience in the investigation and prosecution of corporate crime and other cases, as well as in legal administration, he has served as an Outside Director of Dentsu Group Inc. since 2025 and contributes to strengthening governance and oversight functions.

- Tenure as director: 1 year
- Board meeting attendance in 2025: 11 of 11
- Shares held: 284



Naoko Ichikawa (Outside Director) Nominating Finance Outside Independent

After joining KORG Inc. in 1981, Naoko Ichikawa built extensive experience at several organizations, including Booz Allen Hamilton Japan, GE Capital Edison Life Insurance, Novartis Pharma, Innovation Network Corporation of Japan (INCJ), and Mitsubishi Chemical Holdings. She has served as an Outside Director of Dentsu Group Inc. since 2025 and contributes to strengthening the Group’s competitiveness and driving business transformation by drawing on her expertise in strategic consulting, business development, and marketing.

- Tenure as director: 1 year
- Board meeting attendance in 2025: 11 of 11
- Shares held: 142

For detailed biographies, please refer to the materials below.
<https://www.group.dentsu.com/en/ir/common/pdf/ams177noticeE.pdf>

Board initiatives

Key initiatives in 2025

In 2025, the Board identified the following as key agenda items. In addition to holding 15 Board meetings, management provided advance briefing sessions for outside directors, and directors were given multiple opportunities for informal discussions. These efforts were aimed at deepening discussions and enhancing the effectiveness of the Board.

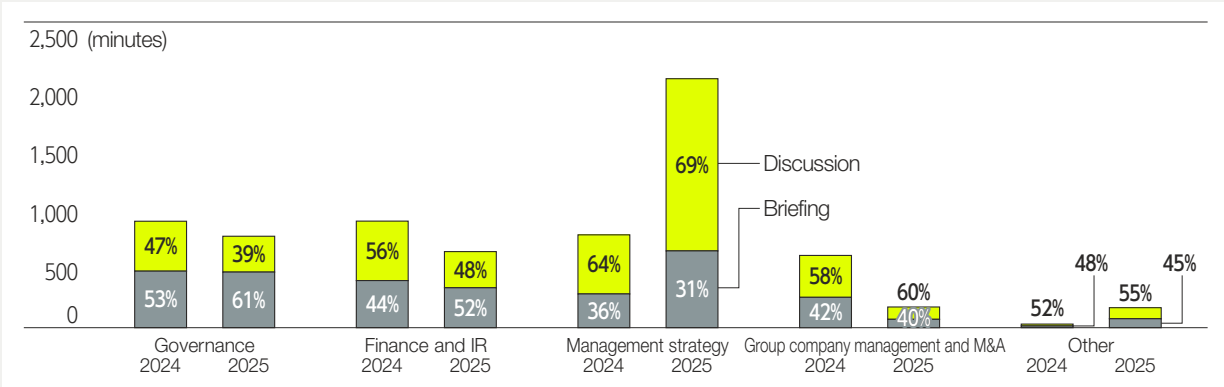
- Mid-Term Management Plan (2025–2027), structural reform of the business outside of Japan, business competitiveness, capital policy, and shareholder return initiatives
- Internal control, risk management, and compliance
- Group global governance structure
- 2030 Value Creation Strategy (sustainability strategy)
- Brand enhancement and communications

In the Mid-Term Management Plan (2025–2027) announced in February 2025, dentsu identified the recovery of its International business as its most significant challenge. Accordingly, the Board devoted considerable attention to management strategy. In particular, outside directors provided extensive comments and recommendations on strategic initiatives for the Group’s International business, management framework, and capital and financial strategies, leading to more in-depth discussions. As a result, the optimization of the Group’s International business portfolio progressed through greater selectivity and focus, while the Group’s management framework was further strengthened.

Key agenda items by category

Category	Key agenda items
Governance	Reports from committees and other bodies; executive appointments and compensation; internal control, risk management, and compliance; sustainability-related reports (including environmental, social, and governance matters)
Finance and IR	Financial results and business performance; financial initiatives; IR activity reports
Business strategy	Mid-Term Management Plan (2025–2027); consideration of business and capital structure reform; various projects
Group company management and M&A	Subsidiary support; M&A and investments
Other	Litigation reports and other matters

2025 briefing and discussion time by category



Training for directors

To ensure that directors appropriately fulfill their roles and responsibilities and that the Board fully exercises its supervisory function, Dentsu Group Inc. provides directors with ongoing training opportunities. Newly appointed outside directors receive onboarding by internal and external experts to deepen their understanding of the Group’s management policies, business, finance, governance structure, key management issues, and relevant laws and regulations. Following their appointment, directors also participate in regular executive study sessions aimed at enhancing the effectiveness of the Board, providing opportunities to acquire up-to-date knowledge on various issues arising from megatrends and best practices. In 2025, outside directors participated in onboarding sessions covering Data & Technology. Through these initiatives, we support the enhancement of the Board’s supervisory function and the medium- to long-term enhancement of corporate value.



Initiatives to enhance Board effectiveness aimed at growing corporate value

To continuously enhance the effectiveness of the Board of Directors, Dentsu Group Inc. conducts an annual evaluation involving all directors, drawing on an independent third-party analysis and assessment of the effectiveness and appropriateness of the Board's oversight of management. We reviewed the progress made in addressing issues identified in the 2024 review, as well as new issues and future priorities identified through the 2025 review. Based on these reviews, we intend to implement specific measures to enhance Board effectiveness and strive for the continued evolution of our corporate governance framework.

The 2025 survey items are shown on the right.

Achievements in 2025

February 2025

- Formulated the Mid-Term Management Plan (2025-2027)

March 2025

- Appointed an independent outside director as Chairman of the Board
- Selected the Board's key agenda items for 2025 based on issues identified through the 2024 Board effectiveness review

December 2025

- Held a meeting of outside directors

Other initiatives

- Advance briefing sessions for outside directors conducted by management
- Informal discussions among directors

Survey items

	Survey items	No. of questions
1	Overall evaluation (overall effectiveness, functions of the monitoring model, role of supervisory function, transparency, fairness, reasonableness of decision-making)	5
2	Strategic alignment and engagement (e.g., management strategy, capital policy, review of business portfolio, ESG oversight and performance, business risks, dialogue with shareholders)	9
3	Composition and structure of the Board (e.g., total number of members, ratio of independence, skill set)	3
4	Processes and practices of the Board (e.g., Board operations, institutional design, themes for deliberation, training)	6
5	Management monitoring function (e.g., monitoring of business activities, risk management, global governance structure)	6
6	Culture and dynamics of the Board	3
7	Nominating Committee	11
8	Compensation Committee	11
9	Audit Committee	12
10	Issues identified in the 2024 effectiveness review	3

Evaluation method for 2025



Progress in addressing issues identified in 2024 and initiatives for further improvement

The status of initiatives undertaken in 2025 to address issues identified through the 2024 analysis and review, together with an assessment of progress, is shown below.



* Regional Governance Committee: A committee established under the Group Management Board to strengthen regional self-governance.

Chairperson messages and Committee activities



Norimitsu Takashima
Independent Outside Director,
Chairperson of the Nominating Committee

The Nominating Committee focused on the selection process for directors and executive officers, as well as the Global CEO succession planning. In 2025, a key priority was the selection of a director candidate to serve as the Global CEO.

Going forward, under the new management structure, we will continue to review succession plans on a regular basis while broadening the candidate pool and strengthening candidate development. We will also continue to evaluate candidates from multiple perspectives through direct interviews conducted by Nominating Committee members and the use of external assessments.

In 2026, we will focus on strengthening our medium- to long-term leadership pipeline, with succession planning for directors and other senior leaders as a key priority. By further refining our approach to selection and development, we aim to contribute to the Group’s sustainable creation of corporate value.

Nominating Committee (met 13 times in 2025)

Committee composition • Chairperson (outside) • 4 members (1 internal, 3 outside)

Activities

- The key matters discussed are outlined below.
- **Review and selection of executive officers:** In conjunction with discussions regarding the appointment of directors, the Committee reviewed and selected candidates deemed suitable to serve as executive officers. In addition, outside directors shared their expectations for the new executive management structure with the Global CEO candidate and held direct discussions to exchange views and ensure alignment.
 - **Succession planning for executive officers:** Following the establishment of the Global CEO requirements, the Committee reviewed the succession pipeline and assessed potential candidates. Through assessments and interviews with successor candidates, the Committee narrowed the candidate pool, identified each candidate’s strengths and areas for further development, and discussed development plans. The Committee also reviewed a watchlist that included individuals with the potential to become future candidates.
 - **Succession planning for directors:** The Committee established its policy for outside directors for 2025 and conducted a multifaceted review of the qualities and qualifications expected of future outside directors, taking into account factors such as the skills matrix and diversity.



Yuka Matsuda
Independent Outside Director,
Chairperson of the Audit Committee

The Audit Committee works closely with the internal audit function, internal control function, and independent auditor to conduct effective oversight. Except for certain agenda items, the heads of the internal audit and internal control functions, the Global CFO, the independent auditor, and other relevant personnel attend Audit Committee meetings. Audit Committee members, all of whom are independent outside directors, receive reports from these parties and engage in active discussions. Drawing on their expertise and extensive experience, Committee members exchange views with the Representative Executive Officers and other executives from an independent perspective and develop the Committee’s audit views and conclusions. The Company has also established a framework to ensure that any significant compliance-related matters, including violations of laws and regulations, are promptly reported to the Audit Committee together with information on their causes, response measures, and potential impact. As part of its role in supporting the Board’s oversight of management, the Audit Committee confirms that appropriate internal controls are maintained and that the organizational capabilities needed to develop and execute strategy effectively are in place. Through these efforts, the Committee contributes to the enhancement of corporate value.

Audit Committee (met 14 times in 2025)

Committee composition • Chairperson (outside) • 4 members (0 internal, 4 outside)

Activities

- In accordance with the Companies Act of Japan, the Audit Committee audits the execution of duties performed by directors and executive officers, supervises the activities of the Board, and, as a basic policy, assists the Board in its supervisory role by monitoring and supervising financial reporting, internal controls, internal audits, and financial audits. During the year, the Audit Committee conducted audits in accordance with its standards. In addition, the Committee identified the following as key audit themes and, at Audit Committee meetings, requested reports from the heads of the internal audit and internal control functions, the Global CFO, the independent auditor, and others, and reviewed each matter in detail.
- Oversight of compliance, risk management, fraud prevention, and related matters by management across the Group’s four business regions
 - Ensuring the reliability of financial reporting through the financial reporting lines and closing processes
 - Appropriateness of the independent auditor’s audit
 - Embedding a culture that places the highest priority on integrity and ensuring thorough compliance



Paul Candland
Independent Outside
Director,
Chairperson of
the Compensation
Committee

The Compensation Committee conducted a candid and fair assessment of performance in light of the challenging business environment and shareholder interests, and determined that incentives should be withheld or reduced for certain individuals.

While the focus in 2025 was on business restructuring and rightsizing, in 2026 the emphasis is on growth under the new management team. The compensation framework has also been designed to strongly incentivize organic growth and cash generation. In addition, the long-term incentive program was revised by replacing the stock price-linked monetary compensation introduced in 2025 with Restricted Stock Units (RSUs), creating a mechanism that enables continued alignment of interests with stakeholders even after vesting.

The Compensation Committee will continue to apply global best practices and monitor progress against the Mid-Term Management Plan.

Compensation Committee (met 10 times in 2025)

Committee composition • Chairperson (outside) • 3 members (0 internal, 3 outside)

Activities

Key matters discussed are outlined below.

- **Determination of compensation systems for directors, executive officers, and other senior executives:** Taking into account the Mid-Term Management Plan and the business environment, the Committee discussed the compensation systems for directors, executive officers, and Global Executive Management members. With respect to the financial and sustainability indicators used for variable compensation (short-term and long-term incentives), the Committee determined target levels and evaluation methods from the perspective of enhancing corporate value and aligning interests with stakeholders.
- **Setting and evaluation of individual performance targets and determination of individual compensation for executive officers and Global Executive Management members:** The Committee established individual performance targets for executive officers and Global Executive Management members and evaluated performance from both financial and non-financial perspectives. For 2025, the Committee conducted a fair and objective assessment, taking into account the challenging business environment, and determined that short-term incentives for certain individuals should be withheld or reduced.

Finance Committee

To strengthen the financial discipline needed to support business transformation, Dentsu Group Inc. established the Finance Committee (an advisory committee to the Board of Directors), composed of independent outside directors, in March 2024. From a shareholder perspective, the Finance Committee provides a forum for in-depth discussions on financial matters affecting the Group that are often difficult to address fully at the Board of Directors due to time constraints and other considerations. In 2025, its second year of operation, the Committee held focused discussions on the themes outlined below with the Committee’s three members and the Global CFO, further strengthening financial discipline (eight meetings, totaling approximately 600 minutes).

- Review of medium-term financial challenges facing the Group and confirmation of related policies
- Review of the appropriateness and progress of various financial initiatives, including financing activities
- Oversight of investment management within dentsu Japan (Japan business) in accordance with the investment discipline established in 2024
- Review of progress on initiatives to strengthen financial soundness, particularly efforts to reduce assets held by the Group

2025 Committee members

The Committee is composed of three independent outside directors with substantial expertise in areas including finance and accounting, legal affairs and compliance, and global management.

Chairperson: Keiichi Sagawa **Members:** Yuka Matsuda, Yoshihiko Kawamura

Note: At the Board of Directors meeting following the General Meeting of Shareholders in March 2026, Yoshihiko Kawamura (Chairperson), Keiichi Sagawa, and Naoko Ichikawa were appointed to the Finance Committee.

Key themes for 2026

To strengthen the financial foundation needed to return to growth and enhance corporate value, the Committee will focus its discussions on the following two themes from a shareholder perspective and, together with the Board of Directors, oversee the execution of finance-related initiatives.

- Financial review of the policies and plans for revising the business portfolio, and monitoring the progress of related initiatives
- Monitoring the progress of initiatives aimed at improving asset efficiency

Executive compensation

Basic policy for determining compensation of officers

Philosophy for compensating officers

As a company with three statutory committees, Dentsu Group Inc. has established the Compensation Committee chaired by and composed of outside directors. Based on the following compensation philosophy, the Committee deliberates and determines the compensation levels and structure for directors and executive officers, as well as the performance targets used for variable compensation.

Competitive pay
Pay for performance
Creating value for society
Career growth opportunities
Challenging goals
Accountability

Compensation levels

To attract and retain highly capable management talent on a global basis, compensation levels are determined according to roles and responsibilities, taking into account business competitors and talent market trends in the Group’s key markets (e.g., Japan, the US, and the UK).

Compensation system

Compensation for executive officers (including those who concurrently serve as directors) consists of annual

base salary, short-term incentives, and long-term incentives. To help improve its financial performance and market capitalization over the medium to long term, the Group has set the long-term incentive for the President & Global CEO at 1.5 times the amount of the annual base salary and the short-term incentive, respectively. The proportions set for other executive officers are based on their global management responsibilities. Outside directors receive fixed compensation only.

Note: For details on compensation amount and related matters, please refer to page 46 of the Financial Report (FY2024-2025): https://www.group.dentsu.com/en/ir/common/pdf/FY2025_finance.pdf

1	Annual base salary	Fixed monetary compensation paid monthly and determined based on the scope of responsibilities and role assigned to each executive officer.
2	Short-term incentive	Performance-based monetary compensation that varies from 0% to 200% of the target amount based on company performance and the performance evaluation of each executive officer for the relevant fiscal year.
3	Long-term incentive	Equity-based compensation consisting of Performance Share Units (PSUs), which are awarded based on company performance over a three-fiscal-year period, and Restricted Stock Units (RSUs), which are awarded subject to continued service over a specified period.

Performance-based compensation structure

Objective of setting indicators

Performance-based compensation is designed to encourage executive officers to drive the business transformation and growth strategies set out in the Mid-Term Management Plan, while motivating them

to maximize corporate value and ultimately realize the Group’s Purpose. Appropriate performance indicators and calculation methods are established for each compensation component according to its nature.

Compensation governance

Malus and clawback clauses

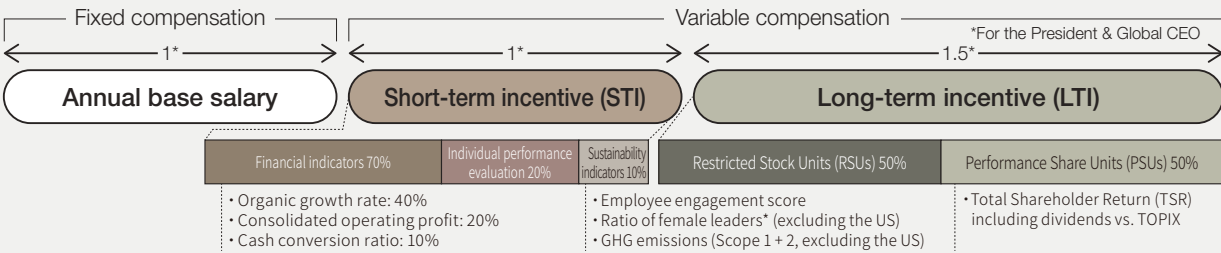
If an executive officer causes significant damage to the Company due to willful misconduct, negligence,

or other inappropriate actions, or if there are material errors in financial reporting that would have reduced the amount of compensation paid, the Company may, by resolution of the Compensation Committee, forfeit all or part of the executive’s right to receive short-term and long-term incentives (malus), or require the return of all or part of any cash or shares already paid (clawback).

Performance indicators and target levels for 2026 short-term and long-term incentives

Compensation	Category	Ratio	Performance indicator	Target
Short-term incentive	Financial indicators	40%	Organic growth rate	2.0%
		20%	Consolidated operating profit	149.8 billion yen
		10%	Cash conversion ratio	90.5%
	Individual performance evaluation	20%	Management targets set for each executive officer	
	Sustainability indicators	10%	Employee engagement score	67
			Ratio of female leaders (excluding the US)	26.9%
GHG emissions (Scope 1 + 2, excluding the US)			9,707tCO ₂ e	
Long-term incentive	RSUs	50%	—	
	PSUs	50%	Total Shareholder Return (TSR) including dividends vs. TOPIX	100%

Overall compensation structure



* Definition of “female leaders” >For details, please see this link.

04 Data Overview

Financial data

Consolidated

(Millions of yen)

	2018	2019	2020	2021	2022	2023	2024	2025
Profit and loss statement								
Turnover	5,357,278	5,146,802	4,498,216	5,256,492	5,819,519	5,953,391	6,352,444	6,439,513
Revenue	1,018,512	1,047,881	939,243	1,085,592	1,243,883	1,304,552	1,410,961	1,435,245
Net revenue	932,680	939,385	835,042	976,577	1,117,002	1,144,819	1,201,647	1,197,530
Operating profit (loss)	111,638	(3,358)	(140,625)	241,841	117,617	45,312	(124,992)	(289,212)
Profit (loss) before tax	148,751	(42,769)	(141,133)	208,833	100,908	33,103	(139,759)	(306,789)
Profit (loss) for the year attributable to owners of the parent	90,316	(80,893)	(159,596)	108,389	59,847	(10,714)	(192,172)	(327,601)
Underlying EBITDA*	—	—	145,335	195,006	217,515	175,758	189,507	182,256
Underlying operating profit	153,229	140,751	123,979	179,028	203,189	163,515	176,233	172,536
Underlying net profit (attributable to owners of the parent)	97,419	76,120	69,890	109,203	130,037	89,839	92,936	93,548
Balance sheet								
Total assets	3,638,488	3,795,729	3,380,412	3,720,536	3,741,427	3,634,401	3,507,260	3,206,787
Total equity attributable to owners of the parent	1,047,619	974,977	756,870	845,034	880,267	841,651	696,838	374,849
Cash flow								
Net cash flow from operating activities	133,049	79,957	88,313	139,715	80,896	75,267	59,984	117,972
Net cash flow from investing activities	(61,382)	(76,051)	137,013	262,226	(24,346)	(146,297)	(30,908)	(2,856)
Net cash flow from financing activities	57,522	(7,803)	(96,622)	(232,189)	(188,192)	(153,681)	(65,714)	(180,473)
Cash and cash equivalents at end of period	416,668	414,055	530,692	723,541	603,740	390,678	371,989	295,183
Number of employees	62,608	66,400	64,533	64,832	69,066	71,127	68,102	67,454
Number of consolidated subsidiaries	976	1,004	1,007	907	881	808	724	684

* Underlying operating profit before underlying depreciation and amortization (excluding depreciation adjustments under IFRS 16).

Notes: 1. The Group has adopted IFRS 16 "Leases" from the fiscal year ended December 31, 2019. The figures for years prior to the adoption of the new standard have not been restated and are based on the former standard.

2. The Group previously recognized intangible assets for configuration or customization costs in cloud computing contracts in accordance with IAS 38 "Intangible Assets." However, from FY2021, based on the discussions that led to the agenda decision of the IFRS Interpretations Committee issued in April 2021, the Company has changed to a method of recognizing the cost of configuration or customization services as an expense when they are received. However, in this report, figures for prior years are presented before the change in accounting policy. Therefore, the figures of the fiscal year ended December 31, 2020, differ from the 2020 figures in the Summary of Financial Results for the Fiscal Year Ended December 31, 2021, where the presentation was retrospectively restated.

	2018	2019	2020	2021	2022	2023	2024	2025
Organic growth rate	3.4	(1.0)	(11.1)	13.1	3.2	(4.9)	(0.1)	0.5
Japan	2.1	0.4	(8.4)	17.9	0.4	1.6	4.0	6.2
International	4.3	(1.9)	(13.0)	9.7	5.1	—	—	—
Americas	—	—	—	—	—	(7.2)	(4.1)	(3.0)
EMEA	—	—	—	—	—	(10.9)	2.2	(1.8)
APAC	—	—	—	—	—	(8.2)	(7.0)	(6.8)
Operating margin	16.4	15.0	14.8	18.3	18.2	14.5	14.8	14.4
Japan	21.7	19.1	18.0	22.9	24.1	23.0	24.5	24.4
International	12.9	12.2	13.7	15.9	15.7	—	—	—
Americas	—	—	—	—	—	22.7	22.5	22.9
EMEA	—	—	—	—	—	10.2	14.3	12.4
APAC	—	—	—	—	—	7.0	0.9	2.5
Return on equity (ROE)*1	8.4	(8.0)	(18.4)	13.7	6.9	(1.2)	(25.0)	(61.1)
Underlying ROE*2	9.1	7.5	8.1	13.8	15.1	10.4	12.1	17.5
Return on assets (ROA)*3	4.1	(1.2)	(3.9)	5.9	2.7	0.9	(3.9)	(9.1)
Ratio of equity attributable to owners of the parent (equity ratio)*4	28.8	25.7	22.4	22.7	23.5	23.2	19.9	11.7
Basic earnings per share (yen)	320.39	(287.92)	(571.19)	388.79	223.33	(40.52)	(734.56)	(1,262.04)
Basic underlying profit per share (yen)	345.59	270.94	250.14	391.71	485.26	339.79	355.24	360.38
Cash dividend per share (yen)	90.00	95.00	71.25	117.50	155.25	139.50	139.50	0.00
Dividend payout ratio*5	28.1	—	—	30.2	69.5	—	—	—
Underlying dividend payout ratio*6	26.0	35.1	28.5	30.0	32.0	35.0	39.3	—
Strategic shareholdings — Balance (billions of yen) / Percentage to net assets	245.4/22.1	316.6/30.1	107.0/13.0	114.1/12.5	84.1/8.8	83.9/9.2	84.0/10.9	50.9/11.4

*1 ROE (IFRS) = Profit for the year attributable to owners of the parent ÷ Average equity attributable to owners of the parent based on equity at the beginning and end of the fiscal year × 100

*2 Underlying ROE = Underlying net profit (attributable to owners of the parent) ÷ Average equity attributable to owners of the parent based on equity at the beginning and end of the fiscal year × 100

*3 Ratio of profit before tax to total assets (ROA) = Profit before tax ÷ Average total assets based on total assets at the beginning and end of the fiscal year × 100

*4 Ratio of equity attributable to owners of the parent = Equity attributable to owners of the parent ÷ Total assets

*5 Dividend payout ratio = Cash dividend per share ÷ Basic earnings per share × 100

*6 Underlying dividend payout ratio = Cash dividend per share ÷ Basic underlying profit per share × 100 FY2023 is calculated based on the adjusted underlying basic EPS.

Note: On January 1, 2023, the Group formed the Global Management Team, one management team to promote global management as part of efforts to accelerate business transformation and further enhance management sophistication so as to achieve business growth and the sustainable enhancement of corporate value. The team directly governs the four business regions worldwide. As a result, effective from FY2023, we have changed from the previous two-segment system comprising the “Japan business” and “International business” to a four-segment system comprising “Japan,” “Americas,” “EMEA,” and “APAC.”

Non-financial data

Environmental performance data*

	2019	2022	2023	2024	2025
Scope 1	11,759	3,267	4,501	3,001	3,384
Scope 2	24,258	12,771	15,992	9,583	7,553
Scope 1 + 2	36,017	16,039	20,493	12,584	10,937
Scope 3	542,029	377,456	436,561	389,149	308,783
Category 1	285,259	294,923	264,790	222,048	182,314
Category 2	40,657	N/A	14,285	55,848	36,890
Category 3	10,978	8,254	10,520	5,762	5,647
Category 4	1,375	4,264	3,107	1,642	593
Category 5	6,424	904	6,578	4,707	4,773
Category 6	80,642	35,899	42,178	32,980	30,313
Category 7	72,528	27,848	58,601	53,767	41,294
Category 13	893	309	580	659	615
Category 15	43,273	5,055	35,923	11,736	6,344
Total greenhouse gas (GHG) emissions (Scope 1 + 2 + 3)	578,046	393,494	457,053	401,733	319,720

*Scope and method of calculation

- Organizational boundary of calculation: Includes consolidated subsidiaries in Japan and globally over which Dentsu Group Inc. ("dentsu") exercises operational control. Consolidated subsidiaries that can be judged to have a negligible impact due to number of employees, type of use of bases, etc., are not included.
- Reference made to the Greenhouse Gas (GHG) Protocol in the calculation.
- Scope 3 Category 8: Emissions from applicable leases are calculated under Scope 1 and 2.
- Scope 3 Category 9–12 and 14 are not included in the calculation because the impact is negligible.
- For details, please see the Independent Practitioner’s Limited Assurance Report.
<https://www.group.dentsu.com/en/sustainability/common/pdf/third-party-assurance.pdf>

Total electricity consumption, amount of renewable energy usage, and renewable energy rate

	2022	2023	2024	2025
Total electricity consumption (kWh)	83,661,353	66,227,058	65,620,130	62,582,276
Renewable energy usage (kWh)	29,756,238	35,564,698	52,141,260	54,691,074
Renewable energy rate*	35.6%	53.7%	79.5%	87.4%

*The renewable energy rate is calculated in line with the RE100 definition.

Governance data

	2021	2022	2023	2024	2025
Directors	13	13	10	9	11
Outside directors (independent outside directors)	5 (5)	5 (5)	6 (6)	6 (6)	9 (9)
Ratio of independent outside directors (%)	38.5	38.4	60.0	66.7	81.8
Female directors	3	4	2	2	3
Ratio of female directors (%)	23.1	30.8	20.0	22.2	27.3
Board of Directors meeting attendance rate (%)	99.1	100.0	98.0	99.0	100.0
Attendance rate of independent outside directors at Board of Directors meetings (%)	98.8	100.0	99.0	100.0	100.0

	2021	2022	2023	2024	2025
Internal reporting: number of “Speak Up” incident reports (cases)	38	100	218	314	377
Internal reporting: Compliance Line reports (cases)*	6	12	32	28	14
Number of internally reported complaints (cases)	136	106	164	177	206

*Main report content topics include internal harassment, improper treatment, fraud in business operations, and misgivings about Company systems.

Corporate information and share information

Corporate information

Dentsu Group Inc.

Corporate headquarters

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

Tokyo 105-7050, Japan

Phone: +81-3-6217-6600

Capital

74,609,810,000 yen

Company website

<https://www.group.dentsu.com/en/>

Stock exchange listing

Tokyo Stock Exchange, Prime Market

Securities code: 4324

Total number of shares issued

265,800,000

General Meeting of Shareholders

The Ordinary General Meeting of Shareholders is held in Tokyo every March.

Transfer agent

The Mitsubishi UFJ Trust and Banking Corporation

4-5, Marunouchi 1-chome, Chiyoda-ku, Tokyo 100-8212, Japan

(As of December 31, 2025)

Share information

(As of June 30, 2026)

	Number of shareholders	Number of shares held	Percentage of total number of shares issued
Japanese financial institutions	22	45,665,390	17.18
Japanese securities firms	35	2,226,773	0.84
Other Japanese corporations	587	70,157,121	26.39
Japanese individuals and others (Including treasury stock)	44,453	44,406,470	16.71
Foreign institutions and individuals	578	103,344,246	38.88
Total	45,675	265,800,000	100.00

	Major shareholders	Number of shares held	Percentage of total number of shares issued
1	The Master Trust Bank of Japan, Ltd. (Trust accounts)	30,140,900	11.57
2	Kyodo News	18,988,800	7.29
3	Jiji Press, Ltd.	15,828,680	6.08
4	NORTHERN TRUST CO. (AVFC) RE SILCHESTER INTERNATIONAL INVESTORS INTERNATIONAL VALUE EQUITY TRUST	10,887,000	4.18
5	Custody Bank of Japan, Ltd. (Trust accounts)	8,984,190	3.45
6	STATE STREET BANK AND TRUST COMPANY 505001	6,694,210	2.57
7	BNYMSANV AS AGENT/CLIENTS LUX UCITS NON TREATY 1	6,296,500	2.42
8	NORTHERN TRUST CO. (AVFC) RE U.S. TAX EXEMPTED PENSION FUNDS	6,049,356	2.32
9	Group Employees' Stockholding Association	5,081,173	1.95
10	Yoshida Hideo Memorial Foundation	4,984,808	1.91

Notes: 1. The number of shares held by each trust bank includes shares related to trust services.

2. The Company holds 5,313,214 treasury shares but is excluded from the major shareholders listed above.

3. The percentage of total number of shares issued is calculated excluding treasury shares.