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.

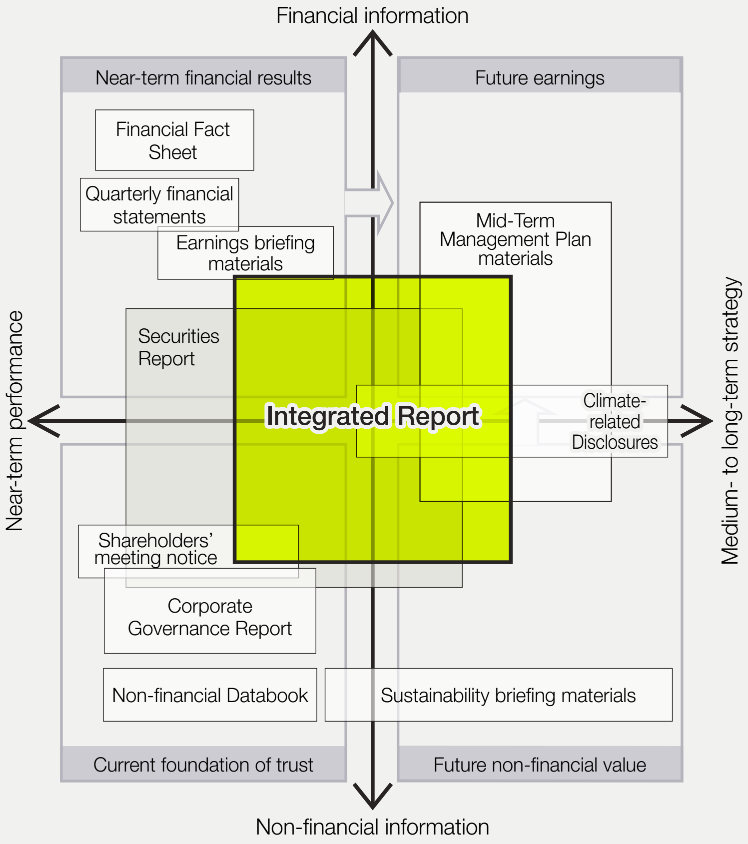
Supervising executive
Global Chief Sustainability Officer

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

Net revenue
2025
1,197.5 billion yen
2025
2024 1,201.6
2023 1,144.8

Underlying operating profit
2025
172.5 billion yen
2025
2024 176.2
2023 163.5

Organic growth rate
2025
0.5%
2024 (0.1)
2023 (4.9)

Operating margin
2025
14.4%
2024 14.8
2023 14.5

Employee-related data

People strategy P.028

Employees
2025
Approx. 67,000
2024 Approx. 68,000
2023 Approx. 71,000

Employee engagement score
2025
66/100
2024 66
2023 66

Operating regions

dentsu emea
Net revenue (billion yen)
2025 271.9
2024 269.3
2023 237.5
Approx. 14,100 employees

dentsu apac
Net revenue (billion yen)
2025 107.3
2024 116.4
2023 113.2
Approx. 11,300 employees

dentsu japan
Net revenue (billion yen)
2025 495.6
2024 466.7
2023 449.0
Approx. 23,900 employees

dentsu americas
Net revenue (billion yen)
2025 315.7
2024 334.6
2023 322.1
Approx. 12,800 employees

Note: In addition, roughly 5,400 employees are engaged in company-wide functions.

Business areas

Business strategy P.022

MARKETING
Media/Creative/CXM (Customer Experience Management)
Helping clients build brands and grow their businesses

TECHNOLOGY
Digital Transformation & Systems Integration (DX)
Innovating the value chain through digital transformation and integrated technology

CONSULTING
Business Transformation (BX)
Identifying client challenges and transforming their businesses

SPORTS & ENTERTAINMENT
Sports/Entertainment/Gaming
Creating strong cultural affinity between brands and customers

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

Global leadership brands
DC Creative
tag Creative
iPROSPECT Media
CARAT Media
dentsu X Media
MERKLE CXM

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

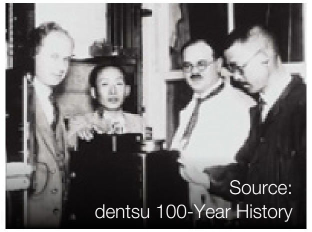
Hideo Yoshida

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.

Entertainment/Content →

Events/Sports →

Advertising →

Communications →

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.

01 Our Growth Story

Create a future that inspires

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

CEO MESSAGE

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.

Our Ambition: The Growth Partner that drives the greatest impact for clients, partners, and society

FY2026-FY2028 Improve Financial Soundness and Strengthen the Foundation for Sustainable Competitiveness

Priority Agenda

- Drive Structural Transformation
- Improve Profitability
- Focus Resources on Priority Areas
- Strengthen Alliances

KPIs

FY2028 Operating Margin: 16%

- More than 50 billion yen operating cost reductions by FY2027
- c. 30% reduction in Global HQ costs by FY2028 (vs. FY2026 plan)
- FY2027: No loss-making markets* FY2028: All four regions contribute to increasing shareholder value
- Higher productivity per employee
- FY2028 Organic Growth 2-3%

Our Growth Drivers

Human Engagement | **Our Global Core | Anchored in Media** | Business and Technology Transformation

Selected Markets Leveraging Distinctive Assets | **Highest-Priority Area | Scaled Across All Markets** | Selected Markets Leveraging Creative & Technology Strength

Roles and Strategy by Region

Japan **Group Core**	Americas **Growth Engine**
Turnaround Focus EMEA	**Next Growth Base** APAC

Each region plays a distinct role, working together to drive sustainable growth across the Group

Financial Policy	● Prioritize balance sheet improvement and cash flow management in order to accelerate the rebuilding of our financial foundation to secure capacity for future growth investments
Shareholder Returns	● Strengthen profitability and implement available measures to resume dividends at the earliest timeline
Investment and M&A	● Prioritize investment in AI, Data & Technology, and structural transformation, while maintaining a selective and disciplined approach to M&A in the near term

Human Capital Management	● Provide opportunities to develop talent while implementing market-specific programs to attract and retain talent ● Continuously monitor engagement scores to build an organization where people feel engaged and energized
Governance	● Advance effective corporate governance in line with the policies established in FY2025 ● Continue efforts to embed an integrity-first culture ● Strengthen risk management and further enhance internal controls
Sustainability	● Continue addressing the Group's material themes as our sustainability strategy ● Enhance the Group's corporate value through further integration of financial and non-financial aspects

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

Business

- Increasing risks to supply chains and corporate activities arising from trade and tariff barriers
- Strengthening of personal data protection regulations
- Increasing relevance of non-financial initiatives to medium- and long-term corporate value assessments
- Pursuing business continuity with sustainability considerations and seizing new business opportunities

Consumers

- Shifting consumer values and brand preferences
- Changing consumer behavior due to accelerating global inflation
- Diversifying media consumption behaviors
- Evolving value of human connections in the age of AI
- Widening social and digital divides
- Growing desire for personal growth in an era of longer working lives

Growing business complexity driven by uncertainty and structural changes in the competitive landscape resulting from technological advances

dentsu

Growing importance of developing business concepts from a consumer-centric perspective

Environment

- Corporate sustainability disclosures becoming mandatory
- Rising frequency of climate-related events and natural disasters driving increased focus on business resilience

Technology

- Rapid advances in AI reshaping industry structures and required skill sets
- Growing international momentum toward AI governance and regulatory frameworks
- Data utilization becoming indispensable as digital ecosystems expand
- Increasing adoption of smart living environments
- Rising importance of cybersecurity

Society

- Growing demand for stability amid an increasingly uncertain social environment
- Increasing need for collaborative approaches among companies to address social issues
- Rising expectations for corporate conduct that respects ethics and human rights in addition to legal compliance

Value creation process

Purpose — **an invitation to the never before.** Through connecting diverse talents within and beyond our organization, we exist to create new solutions and new beginnings for the sustainable development of our clients and society.

Returning value to stakeholders

- Employees ······· Providing an environment and opportunities to enable our people to grow, and rewarding them based on their contributions
- Clients ······· Contributing to the business growth of our clients and helping to address social issues over the medium to long term through collaboration
- Partners ······· Ensuring fair, impartial, and ethical business practices, building sustainable supply chains, and expanding business through collaboration
- Shareholders/Investors ······· Achieving sustainable growth and enhancing shareholder value over the medium to long term
- Society ······· Solving challenges facing society through our business and creating a positive impact

Changes in the external environment

P.012

Capitals

Human capital
Talent who possess creativity and expertise

Social capital
Strong, trust-based relationships with clients and partners

Intellectual capital
Insights into people and uniquely sophisticated capabilities

Financial capital
Sustainable profitability and a sound, stable financial base

P.016

Strategies

People strategy
- Skills: Enhance leadership and deepen expertise
- Teams: Promote human-AI teaming and collaboration
- Culture: Strengthen employee engagement

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Business strategy
- Leveraging the competitive strengths of each region for business development and strengthening global collaboration
- Realizing client growth centered on Media
- Establishing a value creation model leveraging AI, Data, and the partner ecosystem

P.022

Financial strategy
- Prioritizing balance sheet improvement and cash flow management to secure capacity for future growth investments
- Embedding a disciplined investment approach

P.019

Addressing our material themes
- Integrity
- People & Culture
- Innovation
- Environment

P.018

dentsu's business

The Growth Partner that drives the greatest impact for clients, partners, and society

Value we deliver to clients
- Driving client growth through customer acquisition and retention
- Building brand relevance to people
- Transforming marketing and business architecture

P.022

+

Improving financial soundness and strengthening the foundation for sustainable competitiveness
- Driving structural transformation: Strengthening the business foundation for sustainable growth
- Improving profitability: Building a more agile and profitable operating model
- Focusing resources on priority areas: Concentrating investment on priority areas and growth markets
- Strengthening alliances: Standardizing AI-embedded delivery

Direct outcomes

Revenue growth
- FY2028 organic growth: 2-3%

Cost minimization
- More than 50 billion yen operating cost reductions by FY2027
- c. 30% reduction in Global HQ costs by FY2028

Business portfolio optimization
- A review of underperforming businesses
- No markets operating at a loss

Efficiency maximization
- Higher productivity per employee

Sustainability
- GHG emission reductions P.043
  Scope 1+2: -69.6% vs. 2019 baseline
  Scope 3: -43.0% vs. 2019 baseline
- Renewable energy ratio: 87.4%
- Improved non-financial ratings P.017
  - CDP: Selected for the first time for the CDP Climate A List
  - Sustainalytics ESG Risk Ratings: Recognized as a Regional ESG Leader
  - MSCI ESG Ratings: Upgraded to AA
- Addressing challenges facing society through our business P.031

Value created

Economic value
- FY2028 operating margin: 16%
- Contribution to enhancing shareholder value above the cost of capital
  ・FY2027: Our International business contributes to enhancing shareholder value
  ・FY2028：All four regions contribute to enhancing shareholder value
- Early resumption of dividends

Social value
- Achievement of KPIs for material themes

P.018

- Further promotion of social value creation

Enhanced corporate value

dentsu's strength: a culture of mutual respect that brings out the best in people

Governance

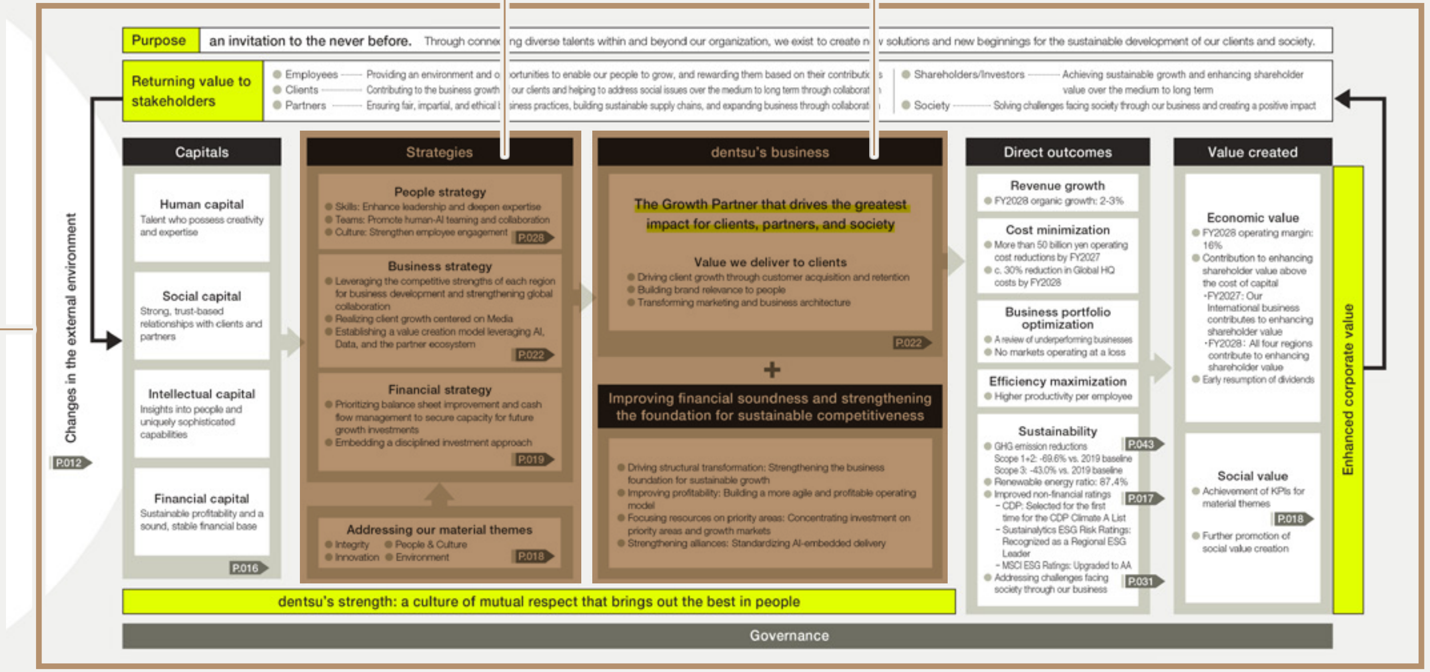
Key points of the value creation process

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

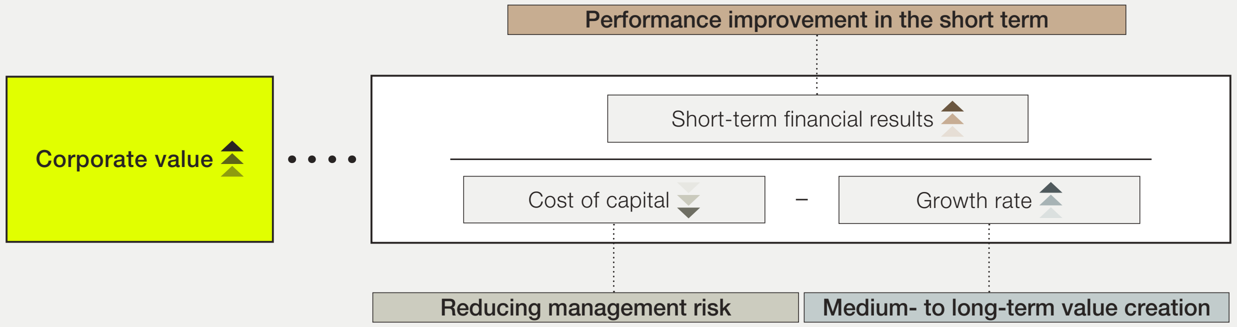
Amid an ever-changing external environment, we continue seeking both to realize our Purpose and maximize corporate value for our stakeholders. To this end, we have framed our Materiality based on the two axes of “importance from the management perspective” and “importance from the stakeholder perspective.”

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 tCO2e (69.6% reduction from 2019 baseline) ● Scope 3 GHG emissions: 308,783 tCO2e (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	Americas	EMEA	APAC
42%	26%	23%	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
1. Excludes all projects with identified potential order losses and adopts a significantly more conservative order outlook than the normal budget
2. Unrealized cost reduction effects from the rebuilding of the business foundation are not anticipated
3. Unlike the impairment test in Q4 2024, the first-year outlook—which significantly impacts additional impairment risk—is estimated with extreme conservatism
4. 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.