To be a trusted partner.
Transforming into an organization that puts integrity first

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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.

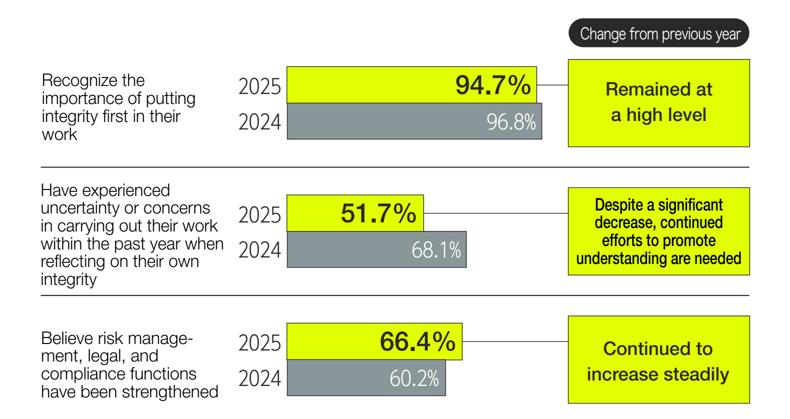
Examples of Mindset and Behavior Reform initiatives in 2025

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

Board of Directors

Group Management Board

Group Compliance Committee

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

Risk assessment
An established risk assessment approach to identify real compliance risks that inform our program and enable mitigation strategies.

Policies and procedures
Strong, well-managed compliance policies and an effective global policy management system that drives an ethical and compliant culture, supports dentsu’s strategic vision, protects its people, and mitigates risk.
Point 1

Training and communications
An integrated, risk-based, multi-channel training and communications program that uses a variety of techniques to deliver effective and engaging training and communications.
Point 2

Confidential reporting and investigation process
A clear and consistent approach to confidential reporting, including whistleblowing and investigations.
Point 3

Due diligence and third-party management
Ongoing contribution to development of a strong third-party governance structure, which is suitable for identifying, detecting, countering, and mitigating the compliance risks associated with third parties.

Mergers and acquisitions (M&A)
Effective compliance due diligence, monitoring, and integration activities that effectively uncover and mitigate compliance risks arising from M&A activities and that are fully integrated with the M&A process.

Program effectiveness

Continuous improvement, periodic testing, and review

Data & Analytics

Investigation, analysis, and remediation of misconduct

Program implementation

Commitment from senior and middle management: tone and conduct from the top

Compliance structure and governance—autonomy and resources

Discipline and incentives

Point 1
Code of Conduct and Group policies

The Dentsu Group Code of Conduct sets out the principles of conduct at dentsu and guides the actions of all dentsu people including Group executives and employees. Group-wide compliance policies, which reflect the Code of Conduct and establish the fundamental principles guiding the Group’s compliance management, are established, communicated, and implemented.

Point 2
Training and communications

Group executives frequently communicate dentsu’s commitment to good governance and to doing business with integrity. The Group conducts a variety of ethics and compliance training programs across the globe through e-learning and in-person training. In particular, training on the Dentsu Group Code of Conduct is mandatory for all Group executives and employees each year, and all executives and employees confirm their understanding and agreement with Code of Conduct and acknowledge its contents.

Point 3
Speak Up and investigations

The Group maintains channels for all officers and employees to raise any concerns through Speak Up @ dentsu, the Group’s whistleblowing hotline for use by all officers and employees of Group companies, as well as through the Compliance Line in Japan. By linking the functions of these hotlines to the early detection and remediation of compliance violations, we are promoting compliance management and the sound growth of our business.

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

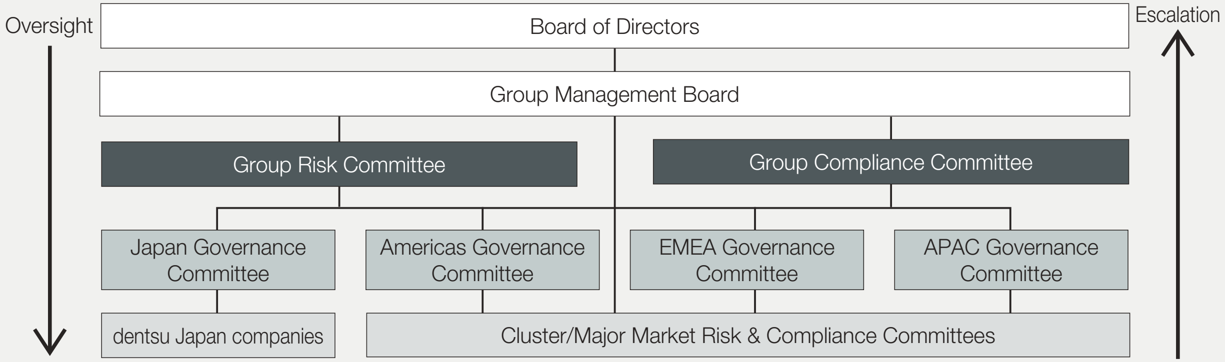
We aim to achieve our management objectives by appropriately identifying and assessing risk. Through management and monitoring of high-priority risks, we seek to mitigate potential threats while maximizing opportunities. We identify strategic, operational, and emerging risks, and continue to enhance 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.

Management structure



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.

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

Dentsu recognizes supply chain management (SCM) as a key priority. We are committed to developing and disclosing Group-wide procurement policies, establishing the necessary organizational structures and processes, and providing training and education to employees to support responsible and effective supply chain practices.

In 2024, we established the Dentsu Group Procurement Policy and the Dentsu Group Supplier Code of Conduct. In August 2026, we revised both policies to further strengthen our response to environmental, human rights, and other issues affecting the supply chain. Group companies are progressively adopting these policies as we work to build a sustainable supply chain.

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.

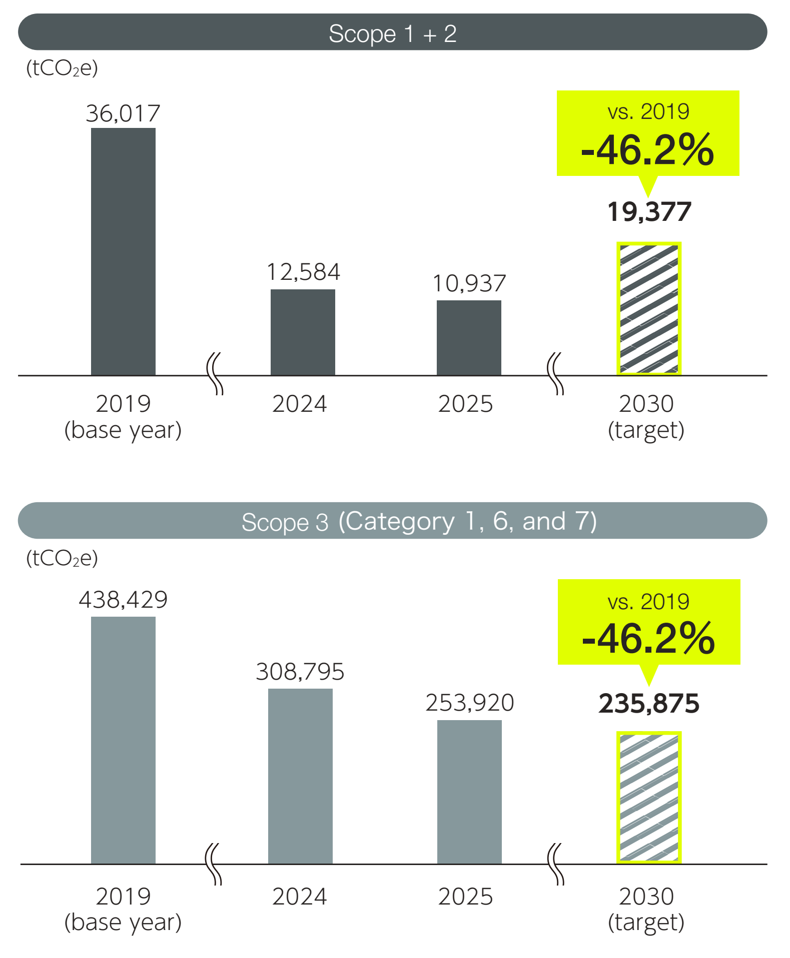
Our GHG emission reduction performance

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)

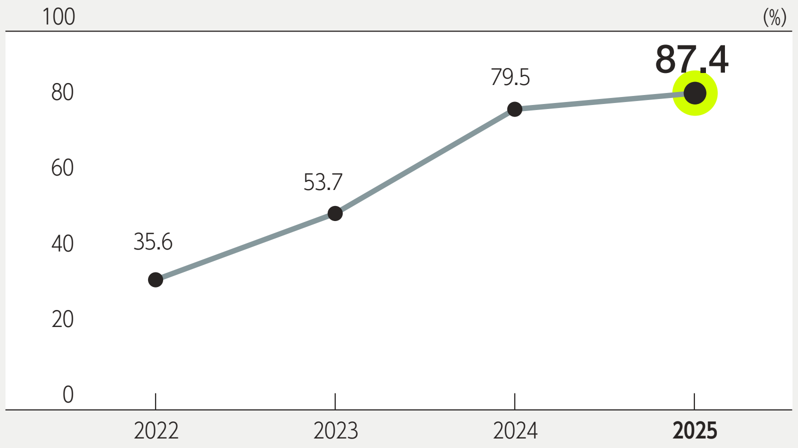


Our renewable energy target and 2025 performance

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