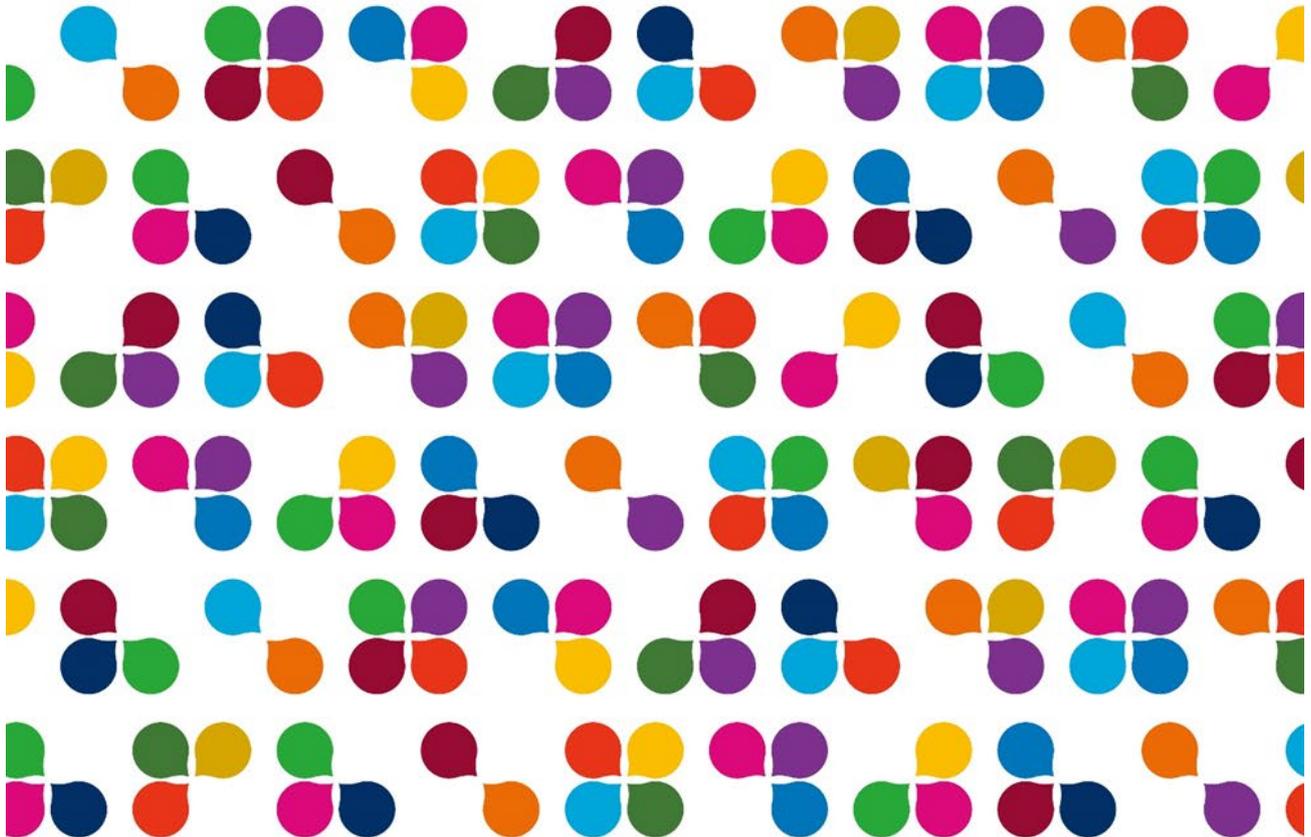


These documents have been translated from a part of Japanese originals for reference purposes only. In the event of any discrepancy between these translated documents and the Japanese originals, the originals shall prevail. The Company assumes no responsibility for this translation or for direct, indirect or any other forms of damages arising from the translations.

Notice of Convocation of the 174th
Ordinary General Meeting of Shareholders



dentsu group

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To our shareholders

I would like to take this opportunity to express our sincere gratitude to all our shareholders for your invaluable support.

This notice is to inform you that we will hold our 174th Ordinary Shareholders Meeting as scheduled.

First, we would like to express our deepest apologies for the great concern caused by the indictment of an employee of the Group's Japan region for an alleged violation of the Antimonopoly Act in connection with the bidding for the test events of the Tokyo 2020 Olympic and Paralympic Games and the indictment of the Company under the Dual Criminal Liability Provision, both of which occurred on February 28, 2023.

In my responsibility for the Group as a whole, I am working with a serious sense of urgency on our response to the case. In addition to taking disciplinary action against the officers and managers who directly supervised the bidding-related operations at the time and were in a position to prevent the incident from occurring, we are also taking steps to strengthen our management governance—a crucial initiative. An Investigation and Review Committee consisting of three outside experts will provide findings on the causes of the case and recommendations for the future, which we will then use to formulate preventive measures, implement those measures, and, furthermore, perform a far-reaching review of the Japan region's approach to business. The Group will work to regain trust by implementing these reforms and striving to ensure further compliance.

FY2022 saw the Group post its highest net revenue, underlying operating profit, and underlying basic EPS since going public. Aiming to sustain and drive that momentum going forward, the Group transitioned to a global management structure through a “Group Management Team” that governs four business regions worldwide (Japan, the Americas, EMEA, and APAC) this January. The progress of digital transformation and people's changing ways of living, working, and perceiving value have led to the creation of a wide range of business opportunities that transcend the conventional barriers between business sectors. In this era of accelerating change, business disruptions and opportunities go hand-in-hand. We perceive this as a chance for us to transform ourselves into a group that more fundamentally contributes to our clients and society.

Under our global and highly-diverse management structure, we will engage in swift decision-making to create environments that maximize the potential of the Group's 69,000-strong employee base, bringing together the strengths of each region to contribute to the sustainable growth and development of our clients and society. Through this process, we will work to enhance the corporate value of the whole Group.

On behalf of the Dentsu Group, I ask for your continued support for the ongoing development of the Group.



Hiroshi Igarashi
Representative Director, President & CEO
Dentsu Group Inc.

Measures to Prevent the Spread of COVID-19 at the Company's 174th Ordinary General Meeting of Shareholders

We will hold the 174th Ordinary General Meeting of Shareholders on Thursday, March 30, 2023, but please note the following requests for our shareholders and measures to be taken by the Company to prevent the spread of COVID-19, as described below.

We ask for the understanding and cooperation of our shareholders.

Request and information for our shareholders

- In a bid to prevent the spread of COVID-19, we recommend that our shareholders exercise their voting rights in advance in writing or via the Internet for this year's meeting. The deadline for exercising voting rights in writing or via the Internet is no later than 5:30 PM, Wednesday, March 29, 2023. For details, please refer to pages 5 to 6 of the notice of convocation.
- Please fully consider your health condition and refraining from attending the meeting if you have any symptoms such as fever. Especially, elderly people, those with underlying illness, and pregnant people are kindly asked to make a careful decision about attending in person.

Request and information for the shareholders attending the meeting

- We may request to take your temperature and ask you to use hand sanitizers at the hall entrance etc., on the day of the meeting. Anyone found to have a fever and other symptoms may be denied entry and asked to leave the venue from the perspective of infection prevention to other shareholders.
- On February 10, 2023, the government decided to leave the wearing of masks after March 13, 2023 to the discretion of individuals. However, in the "Points to Note Regarding Restrictions on Events and Use of Facilities Based on the Basic Response Policy," which was released at the same time, it was stated that event organizers, etc. In order to take all possible measures to prevent the spread of infection, we would like to ask the participants to wear masks in the venue at this General Meeting, as we did last year, in order to prevent the spread of infection.
- There will be fewer seats than usual as they are arranged to maintain appropriate distance for the infection prevention purpose. Please be aware that entry may be limited if available seats become full.

Measures taken by the Company

- The meeting will run shorter as much as possible.
- Officers who will be speaking and event staff will be wearing face masks.
- Event staff may ask anyone who appears to be unwell to leave the venue even after you have entered the venue from the perspective of infection prevention to other shareholders.
- The meeting will be held with the doors of the venue kept open for the purpose of ventilation.

We will post a notice on our website in the event that there is a major change to the scheduled holding and running of the meeting due to future circumstances.

Thank you for your understanding and cooperation.

Exercising of Voting Rights

Voting rights are an important way for all shareholders to participate in the management of Dentsu Group Inc (the “Company”).

Voting rights may be exercised using the methods shown below.

Please exercise your voting rights after consideration of the Reference Material for the General Meeting of Shareholders.

Attendance at the General Meeting of Shareholders	Exercising voting rights by mail	Exercising voting rights online
<p>Please submit the Voting Rights Exercise Form enclosed with this Notice of Convocation and submit it to the receptionist at the meeting venue.</p> <p>Please bring this Notice of Convocation to the meeting as reference material.</p>	<p>Please indicate “for” or “against” for each proposal shown on the Voting Rights Exercise Form enclosed with this Notice of Convocation and return it by mail.</p>	<p>Voting rights may be exercised online. Please see the next page for details.</p>
<p>Meeting date and time</p> <hr/> <p>10:00 AM, March 30 (Thu.), 2023 (Doors are scheduled to open at 9:00 AM)</p>	<p>Deadline for exercising voting rights by mail</p> <hr/> <p>Must be received by 5:30 PM, March 29 (Wed.), 2023</p>	<p>Deadline for exercising voting rights online</p> <hr/> <p>Must be lodged by 5:30 PM, March 29 (Wed.), 2023</p>

How to complete the Voting Rights Exercise Form

Voting Rights Exercise Form

Cut and post this part.

Please indicate “for” or “against” for each proposal here.

Proposal No. 1	Proposal No. 2
<ul style="list-style-type: none"> ▶ If you agree, circle “for (贊)” ▶ If you disagree, circle “against (否)” 	<ul style="list-style-type: none"> ▶ If you agree with the election of all candidates, circle “for (贊)” ▶ If you disagree with the election of all candidates, circle “against (否)”

* To indicate different votes for some candidate(s), please write the relevant candidate number(s).

Please take note of the following matters when exercising voting rights.

- Voting rights may be exercised by nominating one proxy who is also a shareholder to attend the General Meeting of Shareholders. However, in this case the nominated proxy must submit written proof of his/her right of proxy.
- If voting rights are exercised both through the Voting Rights Exercise Form and online, only the voting rights exercised online will be deemed valid.
- If voting rights are exercised online multiple times, only the voting rights exercised last will be deemed valid. The same provision applies where voting rights are exercised online multiple times through different device such as computers, tablets and smartphones.
- If no indication of approval or disapproval is made in the Voting Rights Exercise Form for each proposal, it will be deemed indication of approval for the relevant proposal.

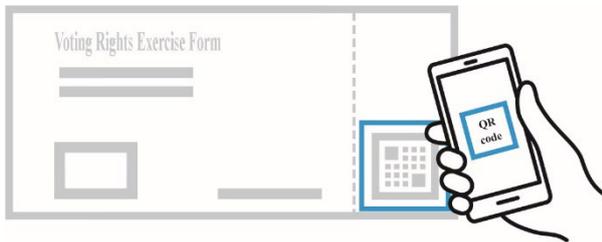
Voting rights may only be exercised online by accessing the website designated for exercising voting rights from a computer, tablet or smartphone.

Please access the website designated for exercising voting rights and select “for” or “against.”

Deadline for exercising voting rights online: 5:30 PM, March 29 (Wed.), 2023

Using the QR code shown on the bottom-right of the Voting Rights Exercise Form, it is possible to login to the website designated for exercising voting rights without entering a “login ID” or “temporary password.”

Scan the QR code shown on the bottom-right of your Voting Rights Exercise Form.



* It may not be possible to login using the QR code on some smartphone models.

You can only login once using the QR code.

To login more than once, or to login without the QR code, please see the instructions to the right on “Entering a login ID and temporary password.”

Access the website designated for exercising voting rights.

Website: <https://evote.tr.mufg.jp/>

Enter the “login ID” and “temporary password” shown on the bottom-right of your Voting Rights Exercise Form, and select “Login.”



Enter the “login ID” and “temporary password”

Select “Login”

* An example of the screen shown when accessing the website on a computer.

Register a new password.



Enter a “new password”

Select “send”

Inquiries related to using the website designated for exercising voting rights

Please direct inquiries regarding the use of the website for exercising voting rights online to:

Mitsubishi UFJ Trust and Banking Corporation Stock Transfer Agency Department

0120-173-027 (toll-free call, reception hours: 9:00 AM - 9:00 PM)

March 15, 2023

(Measures for electronic provision commenced on March 9, 2023)

To Our Shareholders

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

Dentsu Group Inc.

Hiroshi Igarashi, Representative Director, President & CEO

Notice of Convocation of the 174th Ordinary General Meeting of Shareholders

We would like to express our sincere gratitude for your continued support.

You are cordially invited to attend the 174th Ordinary General Meeting of Shareholders. The meeting will be held as follows. We have taken measures for the electronic provision of information for this meeting. Matters to be provided electronically have been posted on the Company's Internet website under "Notice of Convocation of the 174th Ordinary General Meeting of Shareholders."

The Company's website:

<https://www.group.dentsu.com/en/ir/stockandratings/shareholdersmeeting.html>

The items are also posted on the Internet website shown below.

The website of the Tokyo Stock Exchange:

<https://www2.jpex.co.jp/tseHpFront/JJK020010Action.do?Show=Show>

* The items can be downloaded from the above URL by following the step below.

(1) Enter "Dentsu Group" to the field of "Issue Name (company name)" or "4324" to the field of "Code" and click "Search," (2) Click "Basic Information," (3) Select the "Documents for public inspection/PR information" tab, and (4) Click "Click here for access" button in the "Notice of General Shareholders Meeting/ Information Materials for a General Shareholders Meeting" column.

Notice

Of the business report, consolidated financial statements, and financial statements that were audited by the Audit and Supervisory Committee and the Accounting Auditor during the preparation of their respective audit reports, the notice of convocation sent to shareholders exclude the following items. Please refer to each website above as these items are not contained within the notice of convocation sent to shareholders.

1. Business Report:

II Shares and Subscription Rights to Shares (All)

III Items Related to the Company Executives

6. Situation of Important Con-current Posts

7. Items Related to Outside Directors

IV Items Related to the Accounting Auditor (All)

V Company System and Policy (All)

2. Consolidated Financial Statements:

Notes to Consolidated Financial Statements

3. Financial Statements:

Notes to Nonconsolidated Financial Statements

If there are any corrections to the matters to be provided electronically, they will be promptly posted on each website above.

1.	Date and Time	10:00 AM, March 30 (Thu.), 2023 *Doors are scheduled to open at 9:00 AM.
2.	Place	8-21-1, Ginza, Chuo-ku, Tokyo Sumitomo Realty & Development Shiodome Hamarikyu Building, Belle Salle Shiodome
3.	Agenda of the Meeting	<p>Matters to be Reported</p> <p>(1) Business report for the 174th business term (January 1, 2022 to December 31, 2022), consolidated financial statements, and audit reports on consolidated financial statements by the Accounting Auditor and Audit and Supervisory Committee</p> <p>(2) Report on financial statements for the 174th business term (January 1, 2022 to December 31, 2022)</p> <p>Proposals to be Resolved</p> <p>Proposal No.1 Partial Amendments to the Articles of Incorporation</p> <p>Proposal No.2 Appointment of 10 Directors</p>

In a bid to prevent the spread of COVID-19, we strongly recommend that our shareholders exercise their voting rights in advance in writing or via the Internet for this year's meeting. If you are attending the meeting, please bring this notice of convocation with you and submit the enclosed voting form to the receptionist at the meeting venue.

We have not prepared gifts for shareholders who attend the meeting. We appreciate your understanding.

The convocation notice for this General Meeting of Shareholders has been uniformly sent in writing as before, regardless of whether or not a provision of the notice in writing was requested. The Company will announce the content of the convocation notice which will be provided after the General Meeting of Shareholders held in March 2024 on its website as soon as it is determined. For details regarding the system of electronic provision or requests for delivery of documents, please contact the Stock Transfer Agency Department of Mitsubishi UFJ Trust and Banking Corporation.

<Inquiries regarding the system of electronic provision>

System of electronic provision inquiries line, Stock Transfer Agency Department Telephone Center
Mitsubishi UFJ Trust and Banking Corporation

0120-696-505 (within Japan; business hours: 9:00 AM to 5:00 PM business days)

<https://www.tr.mufg.jp/daikou/denshi.html> (available in Japanese)

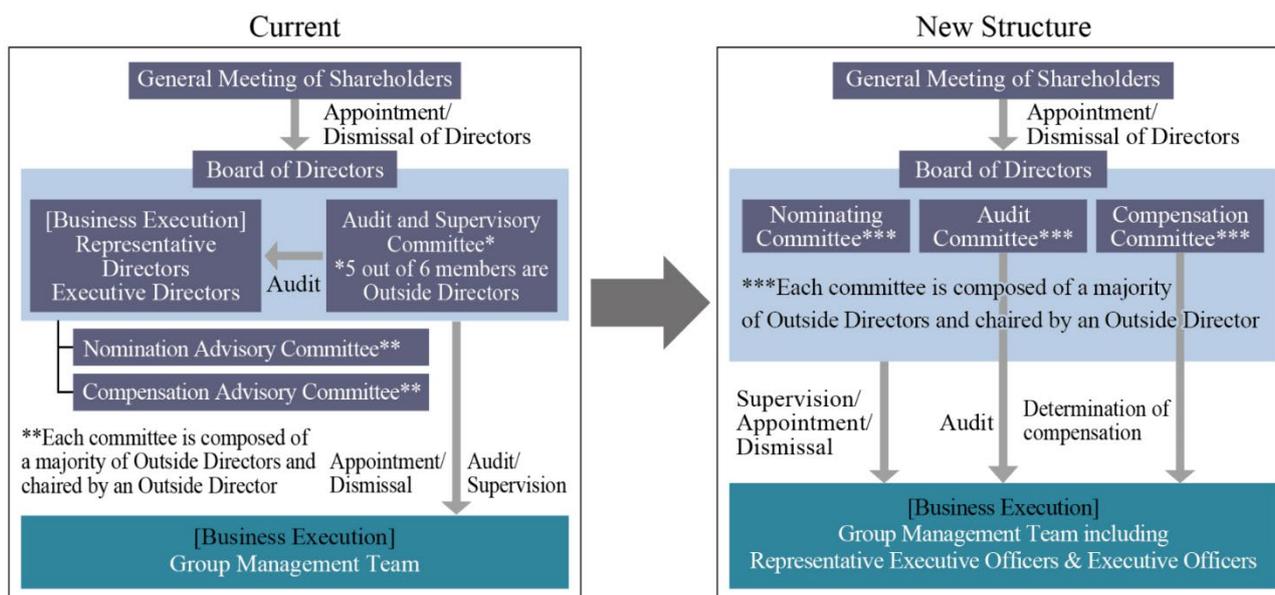
Reference Material for the General Meeting of Shareholders

Proposals and Reference Material

Proposal No. 1 Partial Amendments to the Articles of Incorporation

1. Reasons for the proposal

The Company has consistently engaged in improving its corporate governance with the aim of contributing to the sustainable growth of the Dentsu Group and the enhancement of its corporate value over the medium to long term. Effective from January 1, 2023, the Group transitioned to a global management structure to accelerate business transformation and further enhance management. In addition, in order to accelerate the decision-making process and to strengthen, and further enhance the transparency of, the supervisory function of the Board of Directors through clear separation of the supervisory function from the executive function of the Company, we now propose to transition to a company with a nominating committee, etc. with three committees, which allows the Board of Directors to broadly delegate authority over business execution to Executive Officers and has three committees, the majority of each of which is composed of Outside Directors. Accordingly, we propose to establish new provisions concerning the Nominating Committee, the Audit Committee, the Compensation Committee and Executive Officers in the Company's Articles of Incorporation, to delete provisions concerning the Audit and Supervisory Committee and Audit and Supervisory Committee Members therefrom, and make other necessary amendments. The amendments to the Articles of Incorporation under this proposal shall come into effect at the conclusion of this General Meeting of Shareholders. In addition, the establishment of Article 37 (EXEMPTION OF EXECUTIVE OFFICERS' LIABILITY) has been consented to by each Audit and Supervisory Committee Member.



2. Contents of the amendments

The contents of the amendments are as follows.

(Portions to be amended are underlined.)

Current Articles of Incorporation	Proposed Amendments
ARTICLE 1 to ARTICLE 4 (Omitted)	ARTICLE 1 to ARTICLE 4 (Unchanged)
<p>ARTICLE 5 BODIES</p> <p>The Company shall have the following bodies, in addition to the General Meeting of Shareholders and Directors.</p> <ol style="list-style-type: none"> 1. Board of Directors 2. <u>Audit and Supervisory Committee</u> 3. Accounting Auditor 	<p>ARTICLE 5 BODIES</p> <p>The Company shall have the following bodies, in addition to the General Meeting of Shareholders and Directors.</p> <ol style="list-style-type: none"> 1. Board of Directors 2. <u>Nominating Committee, Audit Committee, and Compensation Committee (hereinafter, the “Three Committees)</u> 3. <u>Executive Officers</u> 4. Accounting Auditor
ARTICLE 6 to ARTICLE 10 (Omitted)	ARTICLE 6 to ARTICLE 10 (Unchanged)
<p>ARTICLE 11 SHAREHOLDER REGISTRY ADMINISTRATOR</p> <ol style="list-style-type: none"> 1. (Omitted) 2. The Shareholder Registry Administrator and its place of business shall be determined by <u>a resolution of the Board of Directors</u> and shall be notified by way of public notice. 3. (Omitted) 	<p>ARTICLE 11 SHAREHOLDER REGISTRY ADMINISTRATOR</p> <ol style="list-style-type: none"> 1. (Unchanged) 2. The Shareholder Registry Administrator and its place of business shall be determined by <u>the Board of Directors or an Executive Officer delegated to make such determination by a resolution of the Board of Directors</u> and shall be notified by way of public notice. 3. (Unchanged)
<p>ARTICLE 12 SHARE HANDLING RULES</p> <p>In addition to the applicable provisions of laws and regulations and these Articles of Incorporation, the handling of shares and share options of the Company, procedures applicable upon exercise of shareholders’ rights, and fees for such procedures shall be governed by the Share Handling Rules <u>adopted by the Board of Directors.</u></p>	<p>ARTICLE 12 SHARE HANDLING RULES</p> <p>In addition to the applicable provisions of laws and regulations and these Articles of Incorporation, the handling of shares and share options of the Company, procedures applicable upon exercise of shareholders’ rights, and fees for such procedures shall be governed by the Share Handling Rules <u>adopted by the Board of Directors or an Executive Officer delegated to make such adoption by a resolution of the Board of Directors.</u></p>
ARTICLE 13 to ARTICLE 14 (Omitted)	ARTICLE 13 to ARTICLE 14 (Unchanged)
<p>ARTICLE 15 PERSON TO CONVENE GENERAL MEETING OF SHAREHOLDERS AND CHAIRPERSON</p> <ol style="list-style-type: none"> 1. Unless otherwise provided by applicable laws or regulations, General Meetings of Shareholders shall be convened <u>by a Representative Director in accordance with a resolution of the Board of Directors, and the Representative Director shall act as chairperson of the General Meetings of Shareholders.</u> 2. If <u>none of the Representative Directors is able to perform his or her duties above, General Meetings of Shareholders shall be convened by another Director specified in accordance with the order previously determined by the Board of Directors, and that Director shall act as chairperson thereat.</u> 	<p>ARTICLE 15 PERSON TO CONVENE GENERAL MEETING OF SHAREHOLDERS AND CHAIRPERSON</p> <ol style="list-style-type: none"> 1. Unless otherwise provided by applicable laws or regulations, General Meetings of Shareholders shall be convened <u>in accordance with a resolution of the Board of Directors by a Director designated in advance by the Board of Directors. If the aforementioned Director is unable to perform his or her duties above, the General Meetings of Shareholders shall be convened by another Director specified in accordance with the order previously determined by the Board of Directors.</u> 2. <u>General Meetings of Shareholders shall be chaired by a Representative Executive Officer designated in advance by the Board of Directors. If the aforementioned Representative Executive Officer is unable to perform his or her duties above, General Meetings of Shareholders shall be chaired by another Executive Officer specified in accordance with the order previously determined by the Board of Directors.</u>

Current Articles of Incorporation	Proposed Amendments
ARTICLE 16 to ARTICLE 19 (Omitted)	ARTICLE 16 to ARTICLE 19 (Unchanged)
<p>ARTICLE 20 NUMBER OF DIRECTORS</p> <p>1. (Omitted)</p> <p>2. <u>Among the Directors described in the preceding paragraph, the Company shall have no more than six (6) Directors who are Audit and Supervisory Committee Members.</u></p>	<p>ARTICLE 20 NUMBER OF DIRECTORS</p> <p>1. (Unchanged)</p> <p style="text-align: center;"><Deleted></p>
<p>ARTICLE 21 ELECTION OF DIRECTORS</p> <p>1. (Omitted)</p> <p>2. <u>The election described in the preceding paragraph shall be carried out while distinguishing between Directors who are Audit and Supervisory Committee Members and Directors who are not Audit and Supervisory Committee Members.</u></p> <p>3. (Omitted)</p>	<p>ARTICLE 21 ELECTION OF DIRECTORS</p> <p>1. (Unchanged)</p> <p style="text-align: center;"><Deleted></p> <p>2. (Unchanged)</p>
<p>ARTICLE 22 TERMS OF OFFICE OF DIRECTORS</p> <p>1. <u>The term of office of each Director who is not an Audit and Supervisory Committee Member shall expire at the conclusion of the Ordinary General Meeting of Shareholders held for the last business year that ends within one (1) year from his or her election. The term of office of each Director who is an Audit and Supervisory Committee Member shall expire at the conclusion of the Ordinary General Meeting of Shareholders held for the last business year that ends within two (2) years from his or her election.</u></p> <p>2. <u>The term of office of a Director who is an Audit and Supervisory Committee Member elected to fill a vacancy shall expire at the time the term of office of his or her predecessor expires.</u></p>	<p>ARTICLE 22 TERMS OF OFFICE OF DIRECTORS</p> <p>The term of office of each Director shall expire at the conclusion of the Ordinary General Meeting of Shareholders held for the last business year that ends within one (1) year from his or her election.</p> <p style="text-align: center;"><Deleted></p>
<p>ARTICLE 23 REPRESENTATIVE DIRECTORS AND ASSIGNMENT OF BUSINESSES</p> <p>1. <u>The Company shall elect one or more Representative Directors from among the Directors who are not Audit and Supervisory Committee Members by a resolution of the Board of Directors. Several Representative Directors may be elected.</u></p> <p>2. <u>Each Representative Director shall represent the Company and conduct the business of the Company in accordance with resolutions of General Meetings of Shareholders and the Board of Directors.</u></p> <p>3. <u>The Company may, if necessary, by a resolution of the Board of Directors, elect a Chairperson of the Company from among the Directors who are not Audit and Supervisory Committee Members, and grant the Chairperson the right to represent the Company.</u></p> <p>4. <u>The Board of Directors may elect Directors who are to be responsible for conducting certain businesses of the Company from among the Directors who are not Audit and Supervisory Committee Members.</u></p> <p>5. <u>The Company may elect Executive Officers by a resolution of the Board of Directors and have them execute the business of the Company assigned to them.</u></p>	<p>ARTICLE 23 DIRECTORS WITH TITLES</p> <p style="text-align: center;"><Deleted></p> <p style="text-align: center;"><Deleted></p> <p>The Company may, by a resolution of the Board of Directors, elect a Chairperson of the Company <u>and other Directors with titles</u> from among the Directors.</p> <p style="text-align: center;"><Deleted></p> <p style="text-align: center;"><Deleted></p>
ARTICLE 24 to ARTICLE 26 (Omitted)	ARTICLE 24 to ARTICLE 26 (Unchanged)

Current Articles of Incorporation	Proposed Amendments
<p><u>ARTICLE 27 DELEGATION OF POWER TO MAKE DECISIONS ON EXECUTION OF IMPORTANT OPERATIONS</u> <u>The Company may, pursuant to the provisions of Article 399-13, Paragraph 6 of the Companies Act, delegate all or part of the power to make decisions on the execution of important operations (excluding the matters listed in each Item of Paragraph 5 of the same Article) to Directors by a resolution of the Board of Directors.</u></p>	<p><Deleted></p>
<p>ARTICLE 28 to ARTICLE 29 (Omitted)</p>	<p>ARTICLE 27 to ARTICLE 28 (Unchanged)</p>
<p>ARTICLE 30 REMUNERATION FOR DIRECTORS Remuneration for Directors shall be determined by a resolution of a <u>General Meeting of Shareholders while distinguishing between Directors who are Audit and Supervisory Committee Members and Directors who are not Audit and Supervisory Committee Members.</u></p>	<p>ARTICLE 29 REMUNERATION FOR DIRECTORS Remuneration for Directors shall be determined by a resolution of <u>the Compensation Committee.</u></p>
<p>ARTICLE 31 (Omitted)</p>	<p>ARTICLE 30 (Unchanged)</p>
<p style="text-align: center;"><u>CHAPTER 5</u> <u>AUDIT AND SUPERVISORY COMMITTEE</u></p> <p><u>ARTICLE 32 AUDIT AND SUPERVISORY COMMITTEE</u> <u>The Audit and Supervisory Committee shall exercise the authority necessary to execute its duties in addition to deciding upon matters as provided for in the applicable laws and regulations.</u></p>	<p><Deleted></p> <p><Deleted></p>
<p><u>ARTICLE 33 CONVOCATION OF AUDIT AND SUPERVISORY COMMITTEE</u> 1. <u>The Audit and Supervisory Committee may be convened by any Audit and Supervisory Committee Member.</u> 2. <u>A notice of a meeting of the Audit and Supervisory Committee shall be dispatched to each member of the Audit and Supervisory Committee at least three (3) days prior to the date of such meeting; provided, however, that in case of emergency, such period may be shortened.</u> 3. <u>With the consent of all Audit and Supervisory Committee Members, the Audit and Supervisory Committee may be convened without following the procedure for convening the meeting.</u></p>	<p><Deleted></p>
<p><u>ARTICLE 34 RULES OF THE AUDIT AND SUPERVISORY COMMITTEE</u> <u>In addition to the applicable provisions of laws and regulations and these Articles of Incorporation, all matters concerning the Audit and Supervisory Committee shall be governed by the Rules of the Audit and Supervisory Committee adopted by the Audit and Supervisory Committee.</u></p>	<p><Deleted></p>

Current Articles of Incorporation	Proposed Amendments
<p data-bbox="359 181 588 215"><Newly established></p> <p data-bbox="359 342 588 376"><Newly established></p>	<p data-bbox="976 159 1262 237" style="text-align: center;"><u>CHAPTER 5</u> <u>THREE COMMITTEES</u></p> <p data-bbox="810 297 1353 353"><u>ARTICLE 31 SELECTION OF COMMITTEE MEMBERS</u></p> <p data-bbox="810 360 1430 450"><u>Members of the Three Committees shall be elected from among the Directors by a resolution of the Board of Directors.</u></p>
<p data-bbox="359 461 588 495"><Newly established></p>	<p data-bbox="810 461 1238 488"><u>ARTICLE 32 COMMITTEE RULES</u></p> <p data-bbox="810 495 1430 645"><u>In addition to the applicable provisions of laws and regulations and these Articles of Incorporation, all matters concerning each of the Three Committees shall be governed by the rules of each committee adopted by the Board of Directors.</u></p>
<p data-bbox="359 714 588 748"><Newly established></p> <p data-bbox="359 844 588 878"><Newly established></p>	<p data-bbox="970 696 1278 775" style="text-align: center;"><u>CHAPTER 6</u> <u>EXECUTIVE OFFICERS</u></p> <p data-bbox="810 831 1326 887"><u>ARTICLE 33 ELECTION OF EXECUTIVE OFFICERS</u></p> <p data-bbox="810 893 1430 952"><u>Executive Officers shall be elected by a resolution of the Board of Directors.</u></p>
<p data-bbox="359 963 588 996"><Newly established></p>	<p data-bbox="810 963 1414 1019"><u>ARTICLE 34 TERM OF OFFICE OF EXECUTIVE OFFICERS</u></p> <p data-bbox="810 1025 1430 1211"><u>The term of office of each Executive Officer shall expire at the conclusion of the first meeting of the Board of Directors held after the conclusion of the Ordinary General Meeting of Shareholders held for the last business year that ends within one (1) year from his or her election.</u></p>
<p data-bbox="359 1223 588 1256"><Newly established></p>	<p data-bbox="810 1223 1390 1301"><u>ARTICLE 35 REPRESENTATIVE EXECUTIVE OFFICER AND EXECUTIVE OFFICERS WITH TITLES</u></p> <p data-bbox="810 1308 1430 1402"><u>1. Representative Executive Officers shall be elected from among the Executive Officers by a resolution of the Board of Directors.</u></p> <p data-bbox="810 1408 1430 1563"><u>2. By a resolution of the Board of Directors, the Company shall elect one (1) Executive Officer & President, and may elect one or more Executive Officers & Vice Presidents and other Executive Officers with titles from among the Executive Officers.</u></p>
<p data-bbox="359 1574 588 1608"><Newly established></p>	<p data-bbox="810 1574 1430 1626"><u>ARTICLE 36 REMUNERATION FOR EXECUTIVE OFFICERS</u></p>
	<p data-bbox="810 1628 1430 1693"><u>Remuneration for Executive Officers shall be determined by a resolution of the Compensation Committee.</u></p>
<p data-bbox="359 1727 588 1760"><Newly established></p>	<p data-bbox="810 1727 1353 1783"><u>ARTICLE 37 EXEMPTION OF EXECUTIVE OFFICERS' LIABILITY</u></p> <p data-bbox="810 1789 1430 2130"><u>If the requirements provided for in the applicable laws and regulations are satisfied, the Company may, by a resolution of the Board of Directors, exempt an Executive Officer (including a person who was an Executive Officer) from the liability provided for in Article 423, Paragraph 1 of the Companies Act; provided, however, that the exemption shall be limited to an amount calculated by deducting the minimum amount of liability provided for in the applicable laws and regulations from the total amount of the Executive Officer's liability.</u></p>

Current Articles of Incorporation	Proposed Amendments
<p style="text-align: center;">CHAPTER <u>6</u> ACCOUNTING AUDITOR</p> <p>ARTICLE <u>35</u> to ARTICLE <u>36</u> (Omitted)</p>	<p style="text-align: center;">CHAPTER <u>7</u> ACCOUNTING AUDITOR</p> <p>ARTICLE <u>38</u> to ARTICLE <u>39</u> (Unchanged)</p>
<p>ARTICLE <u>37</u> REMUNERATION FOR ACCOUNTING AUDITOR Remuneration for an Accounting Auditor shall be determined by a Representative <u>Director</u> with the consent of the Audit <u>and Supervisory</u> Committee.</p>	<p>ARTICLE <u>40</u> REMUNERATION FOR ACCOUNTING AUDITOR Remuneration for an Accounting Auditor shall be determined by a Representative <u>Executive Officer</u> with the consent of the Audit Committee.</p>
<p style="text-align: center;">CHAPTER <u>7</u> ACCOUNTING</p> <p>ARTICLE <u>38</u> to ARTICLE <u>41</u> (Omitted)</p>	<p style="text-align: center;">CHAPTER <u>8</u> ACCOUNTING</p> <p>ARTICLE <u>41</u> to ARTICLE <u>44</u> (Unchanged)</p>

Proposal No. 2 Appointment of 10 Directors

The Company will transition from a company with an audit and supervisory committee to a company with a nominating committee, etc. and the terms of office of all twelve directors (including directors who are members of the Audit and Supervisory Committee) will also expire. In case Proposal No. 1: Partial Amendments to the Articles of Incorporation is approved as proposed and the amendments to the Articles of Incorporation under such proposal comes into effect. Accordingly, we request the appointment of ten directors. The resolution regarding this proposal shall come into effect subject to the effectiveness of the amendments to the Articles of Incorporation regarding Proposal No. 1.

The Audit and Supervisory Committee admitted that each candidate is proper as a director of the Company after the transition to a company with a nominating committee, etc. since the Nomination Advisory Committee reviewed the determination policy and process of the nomination plan of director candidates which the board of Directors submitted to the Nomination Advisory Committee.

The ten candidates for directors are as follows.

The ten candidates for directors are as follows.



Candidate
Number

1 Timothy Andree

Candidate for director

Date of birth: April 28, 1961. 61 years old)

Responsibilities: Chairperson of the Board of Directors

Board of Directors meeting attended

100% (15/15)

No. of Dentsu Shares Held

11,901 shares (actually held); maximum 76,442 shares (under performance-based stock compensation)

Bio, Position and Responsibilities

March 2002	Senior Vice President, Communications & Marketing, The National Basketball Association	June 2013	Director, Executive Vice President, Dentsu Inc.
December 2005	CCO (Chief Communication Officer), BASF Corporation	January 2020	Director, Executive Vice President, Dentsu Group Inc.
May 2006	CEO, Dentsu America, LLC.	September 2020	Executive Chairman, Dentsu International Limited
June 2008	Executive Officer, Dentsu Inc.	March 2021	Representative Director, Executive Vice President, Dentsu Group Inc.
November 2008	President & CEO, Dentsu Holdings USA, LLC.	March 2022	Director, Non-Executive Chairperson of the Board, Dentsu Group Inc. (current)

Reason for candidacy as a Director

Mr. Timothy Andree has operational experience overseas and possesses a wealth of experience from a managerial standpoint. Being Executive Officer of Dentsu Inc. since June 2008, Director, Executive Vice President of Dentsu Inc. since June 2013, and Director, Executive Vice President of Dentsu Group Inc. since January 2020, he has actively provided opinions and advice, etc., concerning group management from the standpoint of overseas operations management and enhanced the presence of overseas operations, thereby contributing to enhancing corporate value of the Company over many years. In March 2022, he was selected as Chairperson of the Board as a Non-Executive Director, operating the Board of Directors with his strong leadership to strengthen the supervisory function of the Board of Directors. From these achievements, the Company expects him to continue to utilize his experience, etc., in strengthening the supervisory function of the Board of Directors, achieving sustainable growth and corporate value enhancement. If he is appointed as a Director, he will be reselected as a Chairperson of the Board of Directors as a Non-Executive Director.



Candidate Number

Hiroshi Igarashi

Candidate for director

2

Date of birth: July 23, 1960, 62 years old

Responsibilities: President and CEO
Board of Directors meetings attended
100% (15/15)

No. of Dentsu Shares Held
6,159 shares (actually held); maximum 62,769 shares (under performance-based stock compensation)

Bio, Position and Responsibilities

April 1984	Joined Dentsu Inc.	January 2022	Director, President and CEO, Dentsu Group Inc.
April 2013	Managing Director, account Management Division, Dentsu Inc.		Representative Director, Dentsu Inc.
January 2017	Executive Officer, Dentsu Inc.	March 2022	Representative Director, President & CEO, Dentsu Group Inc.
March 2018	Director, Executive Officer, Dentsu Inc.		Representative Director, President & CEO, Dentsu Group Inc. (current)
January 2020	Representative Director, President and CEO, Dentsu Inc.	January 2023	

Reason for candidacy as a Director

Mr. Hiroshi Igarashi has operational experience in account management. Being Executive Officer of Dentsu Inc. since January 2017 and Director, Executive Officer of Dentsu Inc. since March 2018, he has actively provided opinions and advice etc. on transforming the Group's businesses, from his standpoint as domestic operation top management and contributed to enhancing corporate value of the Company. Since March 2022, he has strongly promoted the acceleration of business transformation and the further enhancement of management and engaged in maximizing corporate value as the Company's Representative Director, President & CEO (Representative Director, President & CEO since January 2023). From these achievements, the Company expects him to continue to utilize his experience, etc., in group management administration and supervision. If he is appointed as a Director, he will be selected as the Representative Executive Officer and President and a member of the Nominating Committee.

Situation of important concurrent posts

- Non-Executive Chairman of the Board, Dentsu International Limited



Candidate Number

Arinobu Soga

Candidate for director

3

Date of birth: March 27, 1965, 57 years old

Responsibilities: Executive Vice President and Chief Governance Officer
Board of Directors meetings attended
100% (15/15)

No. of Dentsu Shares Held
3,201 shares (actually held); maximum 43,949 shares (under performance-based stock compensation)

Bio, Position and Responsibilities

April 1988	Joined Dentsu Inc.	January 2022	Director, Executive Vice President & CFO, Dentsu Group Inc.
June 2015	Managing Director, Finance & Accounting Division, Dentsu Inc.	March 2022	Representative Director, Executive Vice President & CFO, Dentsu Group Inc.
January 2017	Executive Officer, Managing Director, Corporate Strategy Division, Dentsu Inc.	January 2023	Representative Director, Executive Vice President & Chief Governance Officer, Dentsu Group Inc. (current)
March 2017	Director, Executive Officer, Dentsu Inc.		

Reason for candidacy as a Director

Mr. Arinobu Soga has operational experience in contents sector as well as finance and accounting and possesses a wealth of experience from a managerial standpoint. Being Executive Officer of Dentsu Inc. since January 2017, Director, Executive Officer of Dentsu Inc. since March 2017, and Representative Director and Executive Vice President since March 2022, he has actively provided opinions and advice, etc. from his standpoint of corporate strategy, IR, information disclosure and finance and accounting. He has contributed to the improvement of the financial base and the sustainable enhancement of shareholder value, and to enhancing the corporate value of the Company. Since January 2023, he contributes to further enhancing the Company's corporate value by advancing its corporate governance as Representative Director, Executive Vice President and Chief Governance Officer. From these achievements, the Company expects him to continue to utilize his experience, etc., in group management, administration and supervision. If he is appointed as a Director, he will be selected as a Representative Executive Officer and Vice President.

Situation of important concurrent posts

- Non-Executive Director, Dentsu International Limited



Candidate Number

4

Nick Priday

Candidate for director

Date of birth: June 20, 1974, 48 years old

Responsibilities: CFO

Board of Directors meeting attended

100% (15/15)

No. of Dentsu Shares Held

0 shares (actually held); maximum 233,495 shares (under performance-based stock compensation)

Bio, Position and Responsibilities

August 1996	Audit manager, Ernst & Young	January 2018	Executive Officer, Dentsu Inc.
August 2003	Director, Aegis Group plc	March 2020	Director, Executive Officer, Dentsu Group Inc.
September 2009	CFO, Aegis Group plc		
April 2013	CFO, Dentsu Aegis Network Ltd. (currently Dentsu International Limited) (Current)	January 2023	Director, CFO, Dentsu Group Inc. (current)

Reason for candidacy as a Director

Mr. Nick Priday has a wealth of experience of both financial and managerial perspectives from business experience overseas. Being CFO of Dentsu Aegis Network Ltd. (currently Dentsu International Limited) since April 2013, Executive Officer of Dentsu Inc. since January 2018, and Director, Executive Officer of Dentsu Group Inc. since March 2020, he has promoted the optimization of the global business and contributed to overseas business management of our group (Director, CFO since January 2023). From these achievements, the Company expects him to continue to utilize his experience, etc., in group management, administration and supervision. If he is appointed as a Director, he will be selected as an Executive Officer and CFO.

Situation of important concurrent posts

- Executive Director, CFO, Dentsu International Limited



Candidate Number

5

Gan Matsui

Candidate for independent outside director

Date of birth: December 13, 1953, 69 years old

Board of Directors meeting attended

100% (15/15)

No. of Dentsu Shares Held

0 shares (actually held)

Serving three years as outside director as of the closing of this General Meeting of Shareholders

Bio, Position and Responsibilities

April 1980	Graduated from the Legal Training and Research Institute of Japan, the Supreme Court	February 2017	Chairman of the Independent Advisory Committee on Labor Environment Reform, Dentsu Inc.
October 2007	Prosecutor, Otsu District Public Prosecutors Office	June 2017	Outside Corporate Auditor, Orient Corporation
July 2009	Deputy Prosecutor of the Nagoya High Public Prosecutors Office	June 2018	Outside Director, member of the audit and supervisory committee, Globberide, Inc. (current)
October 2010	Deputy Prosecutor of Osaka High Public Prosecutors Office		Outside Corporate Auditor, Totetsu Kogyo Co. (current)
June 2012	Chief Prosecutor General Chairperson of the Supreme Financial Securities Expert Committee		Outside Corporate Auditor, Nagase & Co., Ltd. (current)
January 2014	Chief Prosecutor, Yokohama District Prosecutors Office	March 2020	Outside Director who is not a member of the Audit and Supervisory Committee, Dentsu Group Inc.
January 2015	Superintending Prosecutor of Fukuoka High Public Prosecutors Office	March 2022	Outside Director (member of the Audit and Supervisory Committee), Dentsu Group Inc. (current)
September 2016	Retired public prosecutor		Outside Director (Audit and Supervisory Committee Member), Orient Corporation (current)
November 2016	Registered as an attorney at law (Tokyo Bar Association) Yaesu General Law Office (current)	June 2022	

Reason for candidacy as an Outside Director and expected roles

Mr. Gan Matsui served as a prosecutor for many years at significant positions and was involved in the investigation and trial of a lot of serious cases, mainly in the field of economic and tax. He knows significance of crisis management; and has got abundant knowledge and insight for coping with an emergency case and crisis management. Furthermore, he is serving as chairpersons of so-called third-party investigation committees on compliance or crisis management for several firms and governmental bodies. He also assumes office of outside directors or corporate auditors for some companies.

He was in the position of the chairman of the Independent Advisory Committee on Labor Environment Reform at Dentsu Inc. from February 2017, and actively expressed opinions and proposals. Being Outside Director of the Company since March 2020, he has actively provided advice and suggestions based on his abundant insight and made significant contributions, especially to compliance and governance of the Company. Although he has not been engaged in corporate management other than serving as an Outside Director or an Outside Auditor, from these achievements, the Company expects him to continue to utilize his experience etc., in ways such as strengthening the supervisory function of the Board of Directors as our outside director.

If he is appointed as a Director, the Company plans to appoint him to chair the Audit Committee and as a member of the Nominating Committee, to contribute to strengthening the auditing function and the transparency and objectivity of the process for nominating candidates for director.

Situation of important concurrent posts

- Attorney, Yaesu Sogo Law Office
- Outside Director (Audit and Supervisory Committee Member), Orient Corporation
- Outside corporate auditor, Nagase & Co., Ltd.
- Outside corporate auditor, Totetsu Kogyo Co.
- Outside director who is a member of the audit and supervisory committee, Globberide, Inc.



6 Paul Candland

Date of birth: December 4, 1958 (64 years old)

Board of Directors meeting attended
100% (11/11)

No. of Dentsu Shares Held
0 shares (actually held)

Serving one year as outside director as of the closing of this General Meeting of Shareholders

Bio, Position and Responsibilities

June 1985	Joined Owens Coming Corporation	June 2007	Representative Director, President, The Walt Disney Company (Japan) Ltd.
April 1987	Joined PepsiCO, Inc.		
November 1994	President, Okinawa pepsi-Cola, Inc.		
April 1998	Representative, Japan Branch, PepsiCo International Ltd.	July 2014	President of The Walt Disney Company, Asia
November 1998	Representative Director and General Manager, The Disney Store Japan, Inc.	September 2018	Managing Director, PMC Partners Co., Ltd.
April 2002	Managing Director, Walt Disney Television International Japan of The Walt Disney Company (Japan) Ltd.	June 2019	Outside Director, YAMAHA CORPORATION (current)
		September 2019	CEO, Age of Learning, Inc.
		November 2021	CEO, Age of Learning Japan, Inc.
		March 2022	Outside Director (member of the Audit and Supervisory Committee), Dentsu Group Inc. (current)

Reason for candidacy as an Outside Director and expected roles

Mr. Paul Candland has been involved in the management of the Asian and Japanese subsidiaries of a global entertainment company for many years, and has abundant experience as a global manager and achievements and extensive insight in the digital business field and business development. Since March 2022, he has actively provided advice and suggestions from the perspective of global management as an outside director of the Company, especially regarding issues such as business operations based on global economic trends and strengthening competitiveness, and has brought a variety of perspectives to the Company. From these achievements, the Company expects him to continue to utilize his experience etc., in areas such as enhancing the governance of Group management as our outside director.

If he is appointed as a Director, the Company plans to appoint him as a member of the Nominating Committee and the Compensation Committee, to contribute to strengthening the transparency and objectivity of the processes for nominating candidates for directors and determining compensation for directors and Executive Officers.

Situation of important concurrent posts

- Outside Director, YAMAHA CORPORATION



7 Andrew House

Date of birth: January 23, 1965 (58 years old)

Board of Directors meeting attended
100% (11/11)

No. of Dentsu Shares Held
0 shares (actually held)

Serving one year as outside director as of the closing of this General Meeting of Shareholders

Bio, Position and Responsibilities

October 1990	Joined Sony Corporation	April 2018	Strategic advisor, Intelity (current)
October 2005	Group executive and chief marketing officer, Sony Corporation	October 2018	Executive mentor, The Exco Group (current)
September 2011	Group executive, president and Global CEO, Sony Computer Entertainment	June 2019	Outside director, Nissan Motor CO., Ltd. (current)
April 2016	EVP, President and global CEO, Sony interactive Entertainment	May 2021	Non-Executive Director, Nordic Entertainment Group AB (currently Viaplay Group AB) (current)
October 2017	EVP and Chairman, Sony Interactive Entertainment	March 2022	Outside Director (member of the Audit and Supervisory Committee), Dentsu Group Inc. (current)

Reason for candidacy as an Outside Director and expected roles

Mr. Andrew House possesses international management experience. He has abundant experience and achievement as a manager and extensive insight, including promotion of business transformation and strengthening of corporate governance, gained in key posts at global corporations. Since March 2022, he has leveraged this experience to actively provide useful advice and suggestions from a variety of perspectives based on examples for global management as an outside director of the Company, especially regarding issues such as Group governance and business operations, and has made a great contribution. From these achievements, the Company expects him to continue to utilize his experience etc., in areas such as enhancing the audit of Group management, further improving governance, and strengthening competitiveness as our outside director.

If he is appointed as a Director, the Company plans to appoint him to chair the Compensation Committee, to contribute to strengthening the transparency and objectivity of the process for determining compensation for directors and Executive Officers.

Situation of important concurrent posts

- Outside director, Nissan motor CO., Ltd.
- Non-Executive Director, Viaplay Group AB



Candidate number

8

Keiichi Sagawa

Candidate for independent outside director

Date of birth: March 7, 1966 (57 years old)

Board of Directors meeting attended

100% (11/11)

No. of Dentsu Shares Held

0 shares (actually held)

Serving one year as outside director as of the closing of this General Meeting of Shareholders

Bio, Position and Responsibilities

April 1988	Joined Recruit Holdings Co., Ltd.	April 2017	Board Director and Senior Managing
April 2006	Corporate Executive officer in charge of Corporate Strategy Office		Corporate Executive Officer in charge of Finance and Administration
June 2011	Board Director and Corporate Executive Officer in charge of Accounting, Finance, Legal Affairs, General Affairs, Investment Management, Corporate Communication and Compliance	May 2017	Board Director and Senior Managing Corporate Executive Officer in charge of Finance (CFO) and Administration (CRO)
April 2013	Board Director and Managing Corporate Executive Officer in charge of Administration	April 2019	Board Director and Senior Managing Corporate Executive Officer in charge of Finance (CFO)
April 2016	Board Director and Senior Managing Corporate Executive Officer in charge of Finance	June 2020 January 2022	Advisor Outside director, GIMIC CO., LTD. (current)
		March 2022	Outside Director (member of the Audit and Supervisory Committee), Dentsu Group Inc. (current)

Reason for candidacy as an Outside Director and expected roles

Mr. Keiichi Sagawa possesses abundant operational experience regarding business transformation and expansion of global business and digital business in the finance and administration departments of a holding company. He has also been engaged in corporate management for many years as a director and has enhanced corporate value and has expertise and a wealth of experience as a corporate manager. Since March 2022, he has actively provided accurate advice and suggestions as an outside director of the Company, especially regarding issues such as promoting business transformation, strengthening competitiveness globally, and improving management governance. From these achievements, the Company expects him to continue to contribute greatly to improving the management governance, strengthening competitiveness as a global corporation, and ensuring the soundness of the Company, which aims to promote business transformation and achieve global growth, as an outside director.

If he is appointed as a Director, the Company plans to appoint him to chair the Nominating Committee and as a member of the Audit Committee, to contribute to strengthening the transparency and objectivity of the process for nominating candidates for director and strengthening the auditing function.



Candidate number

9

Mihoko Sogabe

Candidate for independent outside director

Date of birth: December 10, 1969 (53 years old)

Board of Directors meeting attended

100% (11/11)

No. of Dentsu Shares Held

0 shares (actually held)

Serving one year as outside director as of the closing of this General Meeting of Shareholders

Bio, Position and Responsibilities

April 1992	Joined Japan Associated Finance Co., Ltd. (currently JAFCO Group Co., Ltd.)	June 2019	Outside director (Audit and Supervisory Committee member), Nikko Asset Management Co., Ltd. (current)
April 2001	Asahi Audit Corporation (currently KPMG AZSA LLC)	July 2020	Outside auditor, SoleBrain, Co., Ltd. (current)
May 2005	Registered as a CPA		
May 2018	Resigned from KPMG AZSA LLC	April 2021	Outside director (Audit and Supervisory Committee member), Mitsui DM Sugar Holdings Co., Ltd. (current)
June 2018	Outside director, Nikko Asset Management Co., Ltd. Auditor, Japan Kogei Association (current)	March 2022	Outside Director (member of the Audit and Supervisory Committee), Dentsu Group Inc. (current)
	Representative, Sogabe Certified Public Accountant Office (current)		

Reason for candidacy as an Outside Director and expected roles

Ms. Mihoko Sogabe has specialized knowledge and abundant operational experience in the fields of finance, accounting and auditing as a CPA. She also has abundant experience in the supervision of business execution, promoting diversity and strengthening governance from an investor's perspective as Outside Director and Outside Auditor of several companies. Since March 2022, she has actively provided useful advice and suggestions as an outside director of the Company from her expert insight and abundant practical experience as a CPA, especially regarding issues such as improving the Company's financial governance, promoting internal controls, and strengthening the supervisory function. Although she has not been engaged in corporate management other than serving as an Outside Director or an Outside Auditor, from these achievements, the Company expects her to continue to contribute to enhance and ensure the soundness of financial governance of the Company as our outside director.

If she is appointed as a Director, the Company plans to appoint her as a member of the Audit Committee and the Compensation Committee, to contribute to strengthening the auditing function and strengthening the transparency and objectivity of the process for determining compensation for directors and Executive Officers.

Situation of important concurrent posts

● Representative, Sogabe Certified Public Accountant Office ● Outside director (Audit and Supervisory Committee member), Mitsui DM Sugar Holdings Co., Ltd.



Candidate number

New candidate for independent outside director

Yuka Matsuda

10

Date of birth: September 19, 1960 (62 years old)

No. of Dentsu Shares Held

0 shares (actually held)

Bio, Position and Responsibilities

April 1985	Joined Citibank. N.A., Tokyo Branch	July 2014	Director, PwC Tax Japan
October 1991	Joined Chuo Shinko Audit Corporation	June 2021	Representative, Matsuda Yuka CPA and Tax Accounting Office (current)
October 1992	Joined Coopers & Lybrand International Taxation Office	July 2021	Outside Corporate Auditor, DKK Co., Ltd. (current)
April 1995	Registered as a CPA	June 2022	Outside Corporate Auditor, Mitsubishi Steel Mfg. Co., Ltd. (current)
April 1999	Registered as a tax accountant		
		July 2022	Supervisory Officer, Nochu JAML REIT Investment Corporation

Reason for candidacy as an Outside Director and expected roles

Ms. Yuka Matsuda has specialized knowledge and abundant operational experience in the fields of finance, accounting, taxation and auditing as a CPA and tax accountant. She also has experience in auditing management as outside auditor of several companies. Although she has not been engaged in corporate management other than serving as an Outside Director or Outside Auditor, from these achievements, the Company expects her to contribute to enhance and ensure the soundness of financial governance of the Company, which aims to promote business transformation and achieve global growth, as an outside director.

If she is appointed as a Director, the Company plans to appoint her as a member of the Audit Committee, to contribute to strengthening the auditing function.

Situation of important concurrent posts

● Representative, Matsuda Yuka CPA and Tax Accounting Office ● Outside Corporate Auditor, DKK Co., Ltd. ● Outside Corporate Auditor, Mitsubishi Steel Mfg. Co., Ltd.

- (Note 1) Dentsu International Limited, at which Mr. Hiroshi Igarashi serves as Non-Executive Chairman of the Board, Mr. Arinobu Soga serves as Non-Executive Director, and Nick Priday serves as Executive Director, CFO, is a wholly-owned subsidiary of the Company that has a business relationship with the Company.
- (Note 2) Mr. Gan Matsui is an attorney at Yaesu Sogo Law Office, and concurrently serves as Outside Director (Audit and Supervisory Committee Member) of Orient Corporation, Outside Corporate Auditor of Nagase & Co., Ltd., Outside Corporate Auditor of Totetsu Kogyo Co. and Outside Director who is a member of the Audit and Supervisory Committee of Globeride, Inc. Nagase & Co., Ltd. has business relationships with Dentsu Inc., a significant subsidiary of the Company, but the amount of transactions during fiscal year 2022 was less than 1% of consolidated net sales of the Company and there is no issue with his independence. Furthermore, there are no vested interests with other entities or office mentioned above for which he belongs or concurrently serves.
- (Note 3) Mr. Paul Candland concurrently serves as Outside Director of YAMAHA CORPORATION. YAMAHA CORPORATION has a business relationship with Dentsu Inc., a significant subsidiary of the Company, but the amount of transactions during fiscal year 2022 was less than 1% of consolidated net sales of the Company and there is no issue with his independence.
- (Note 4) Mr. Andrew House concurrently serves as Strategic Advisor of Intelity, Executive Mentor of The Exco Group, Outside Director of Nissan Motor Co., Ltd. and Non-Executive Director of Viaplay Group AB. Nissan Motor Co., Ltd. has a business relationship with Dentsu Inc., a significant subsidiary of the Company, but the amount of transactions during fiscal year 2022 was less than 1% of consolidated net sales of the Company and there is no issue with his independence. Furthermore, there are no vested interests with other entities mentioned above for which he belongs or concurrently serves.
- (Note 5) Mr. Keiichi Sagawa is outside director of GIMIC CO., LTD. and this company has business relationship with Dentsu Inc., a significant subsidiary of the Company, but the amount of the transactions during fiscal year 2022 was less than 1% of the consolidated net sales of the Company, and there is no issue with his independence. Recruit Holdings CO., Ltd., where he served as a director from June 2011 to June 2020, violated the Act on Special Measures concerning the Correction of Acts that Inhibit the Shifting of Consumption Taxes to Ensure Smooth and Appropriate Shifting of Consumption Taxes in relation to the payment of commission fees to subcontractors for the operation of its website and other facts. This company, along with its subsidiary, Recruit Co., Ltd. which succeeded the said fact, received a recommendation from Japan Fair Trade Commission in May 2019. In addition, in December 2019, Recruit Co., Ltd. received recommendations and guidance from the Personal Information Protection Commission for violations of the Act on the Protection of Personal Information, and guidance from the Tokyo Labor Bureau for violations of the Employment Security Act and guidelines based on the Act with regard to the “Rikunabi DMP Follow” service operated by its subsidiary Recruit Career Co., Ltd. After the occurrence of both incidents, he proactively made proposals as a director for measures to prevent recurrence and fulfilled his responsibilities.
- (Note 6) Ms. Mihoko Sogabe concurrently serves as Representative of Sogabe Certified Public Accountant Office, Auditor of Japan Kogei Association, Outside Director (audit and supervisory committee member) of Nikko Asset Management Co., Ltd., Outside Auditor of SoleBrain, Co., Ltd., and Outside Director (audit and supervisory committee member) of Mitsui DM Sugar Holdings Co., Ltd. Nikko Asset Management Co., Ltd. has a business relationship with Dentsu Inc., a significant subsidiary of the Company, but the amount of transactions during fiscal year 2022 was less than 1% of consolidated net sales of the Company and there is no issue with her independence. Furthermore, there are no vested interests with other entities or office mentioned above for which she belongs or concurrently serves. Although she worked for KPMG AZSA LLC, the Company’s accounting auditor, until May 2018, but during her tenure at KPMG AZSA LLC, she was not involved in any business related to the Company, and there is no issue with her independence.
- (Note 7) Ms. Yuka Matsuda concurrently serves as Representative of the Matsuda Yuka CPA and Tax Accounting Office, as Outside Corporate Auditor of DKK Co., Ltd., as Outside Corporate Auditor of Mitsubishi Steel Mfg. Co., Ltd., and as Supervisory Officer, Nochu JAML REIT Investment Corporation. Mitsubishi Steel Mfg. Co., Ltd. has a business relationship with Dentsu Inc., a significant subsidiary of the Company, but the amount of transactions during fiscal year 2022 was less than 1% of consolidated net sales of the Company and there is no issue with her independence. Furthermore, there are no vested interests with other entities or office mentioned above for which she belongs or concurrently serves.
- (Note 8) Mr. Gan Matsui, Mr. Paul Candland, Mr. Andrew House, Mr. Keiichi Sagawa, Ms. Mihoko Sogabe and Ms. Yuka Matsuda are Outside Director candidates pursuant to Item 7 Paragraph 3, Article 2 of the Order for Enforcement of the Companies Act. These six candidates meet the standards for an independent officer as stipulated by the Tokyo Stock Exchange, Inc. as well as the “Independence Standards for Outside Directors at Dentsu Group Inc.” (<https://www.group.dentsu.com/en/about-us/governance/isod.html>) as stipulated by the Company. If the appointment of them is approved as this General Meeting of Shareholders, the Company will register them as independent officers with the Tokyo Stock Exchange.
- (Note 9) The explanation on the maximum amount under the performance-based stock compensation plan is as follows:
The maximum amount is the maximum number of common stocks of the Company that may be vested under the Company’s or its subsidiaries’ performance-based stock compensation plans. Under our performance-based stock compensation plan, executive officers (Group Management Team Members after fiscal year 2023), including those who concurrently serve as directors, will be granted in each relevant fiscal year (1) the “Basic Units” calculated in accordance with the calculation formula prescribed in the Officers Stock Benefit Regulations as compensation for the performance of their duties, then (2) depending on performance of their duties, the Basic Units will be adjusted in accordance with the calculation formula prescribed in the Officers Stock Benefit Regulations after a lapse of three consecutive fiscal years (the “Business performance Assessment Period”), and (3) in accordance with the units adjusted and finalized through these procedures, they receive common stocks of the Company and an amount of money equivalent to the market value (“Common Stocks”). Under the performance-based stock compensation plan of Dentsu Inc., a subsidiary of the Company, Common Stocks of the Company will be delivered to its executive officers under basically the same conditions as those of the Company’s performance-based stock compensation plan. The Company’s overseas subsidiary, Dentsu International Limited, also grants Common Stocks of the Company to its Senior Leaders under basically the same conditions as the Company’s performance-based stock compensation plan, except that the Senior Leaders of Dentsu International Limited must have continuously held the position of Senior Leader during the three fiscal years, which is the performance evaluation period. The above number of stocks of the Company means a calculated maximum amount which can be provided for each candidate as a reward for their performance in the relevant fiscal year under the performance-based stock compensation plan of the Company or its subsidiaries. Thus, the total actual number of Common Stocks of the Company provided for each candidate vary between 0 and the maximum amount according to the business results of the Company in the Business Performance Assessment Period. For the avoidance of doubt, the voting rights with the stocks provided for executive officers are not exercised until such stocks are received by them.
- (Note 10) The company has concluded a contract for limitation of liability with Mr. Timothy Andree, Mr. Gan Matsui, Mr. Paul Candland, Mr. Andrew House, Mr. Keiichi Sagawa and Ms. Mihoko Sogabe for a maximum liability amount of 10 million yen or the minimum liability amount stipulated in Article 425, Paragraph 1 of the Companies Act, whichever is higher. If their appointment as directors is approved at this General Meeting of Shareholders, the Company intends to renew the above contract with them. In addition, if appointment of Ms. Yuka Matsuda as director is approved at this General Meeting of Shareholders, the Company intends to conclude a contract for limitation of liability with her for a maximum liability amount of 10 million yen or the minimum liability amount stipulated in Article 425, Paragraph 1 of the Companies Act, whichever is higher.
- (Note 11) The Company has entered into directors and officers liability insurance (D&O insurance) agreement with an insurance company, which covers insured persons for legal damages and litigation costs to be borne by insured. Each candidate elected as proposed will be insured under such insurance. Such insurance covers derivative suit, corporate suit and claims from third parties, but does not cover claims for damages arising from acts committed while aware of the violation of laws and regulations. The insurance premium for the candidates will be paid in full by the Company.
- (Note 12) The Company has entered into an indemnity agreement with each of the nine candidates in this proposal excluding Ms. Yuka Matsuda, which provides that the Company will indemnify the expenses stipulated in Article 430-2, Paragraph 1, Item 1 of the Companies Act and the losses stipulated in Paragraph 1, Item 2 of the same Article to the extent provided for by laws and regulations. If the election of each of the nine candidates in this proposal for appointment is approved at this General Meeting of Shareholders, the Company intends to continue these agreements with them. Moreover, if the appointment of Ms. Yuka Matsuda as a director is approved, the Company intends to enter into a similar indemnity agreement with her. In order to ensure that the indemnification agreement does not impair the appropriateness of the execution of duties by the officer, the Company will take measures such as excluding the officer from the indemnification in cases where the officer is with knowledge or grossly negligent in performing his/her duties or where the Company pursues the officer’s liability.

Reference

Directors' Skills and Members of Committees (In the event that each candidate for Director is elected at this General Meeting of Shareholders as proposed)

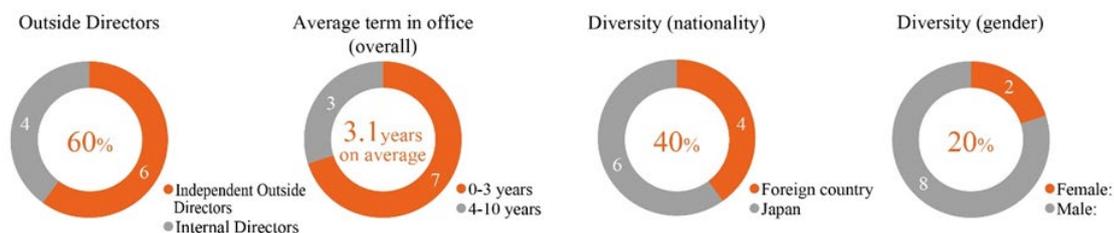
The Company structures the Board of Directors so that it is composed to appropriately balance the following three factors:

1. The diversity of the Board of Directors: four (4) foreign citizens, two (2) female Directors
2. The execution of business and supervisory function: three (3) executive Directors; seven (7) non-executive Directors
3. Internal Directors and Outside Directors: four (4) internal Directors; six (6) Outside Directors

The Board of Directors is also structured appropriately to utilize the skills of each individual Director, so that there is no excess or deficit in any area, as shown below.

Name			Position to be assumed
*Executive Director			
Timothy Andree			Director
			Non-Executive Chairperson of the Board
Hiroshi Igarashi*		Nominating Committee	Director
			Representative Executive Officer, President & CEO
Arinobu Soga*			Director
			Representative Executive Officer, Executive Vice President and Chief Governance Officer
Nick Priday*			Director
			Executive Officer and CFO
Gan Matsui	Outside	Audit Committee (Chair)	Director
	Independent	Nominating Committee	
Paul Candland	Outside	Nominating Committee	Director
	Independent	Compensation Committee	
Andrew House	Outside	Compensation Committee	Director
	Independent	(Chair)	
Keiichi Sagawa	Outside	Nominating Committee	Director
	Independent	(Chair)	
		Audit Committee	
Mihoko Sogabe	Outside	Audit Committee	Director
	Independent	Compensation Committee	
Yuka Matsuda	Outside	Audit Committee	Director
[New candidate]	Independent		

Name	Skills						
	Business	Finance	Audit	Legal	Human	Global	Digital
	Management	/Accounting		/Compliance	Resources	Management	Business
Timothy Andree	○					○	○
Hiroshi Igarashi*	○					○	○
Arinobu Soga*	○	○	○			○	
Nick Priday*	○	○	○			○	
Gan Matsui			○	○	○		
Paul Candland	○					○	○
Andrew House	○		○			○	○
Keiichi Sagawa	○	○	○			○	○
Mihoko Sogabe		○	○				
Yuka Matsuda		○	○	○			
[New Appointment]							



[Reasons for Selection as a Skill Set that will Contribute to the Management Structure and Enhancing Shareholder Value]

Business Management	Directors with experience and achievements in business management are necessary to exercise appropriate “business judgement” amid dramatic changes in the Company’s environment, including the rapid advance of globalization and digitalization, and further the sustainable growth of the Company’s corporate value.
Finance /Accounting	Directors with strong knowledge and experience in the finance and accounting fields are necessary not only to ensure accurate financial reporting but also to build a solid financial base, and to realize capital policy to promote growth investment to sustainably enhance corporate value and achieve stronger shareholder returns.
Audit	Directors with strong knowledge and experience in the audit field are necessary to ensure sound and sustainable growth, and to achieve highly transparent financial reporting and establish governance systems to fulfill

	social trust.
Legal/Compliance	Risk management based on laws and compliance is the foundation for the Company's continued growth. Directors with strong knowledge and experience in the legal and compliance fields are necessary to strengthen the supervisory function of the Board of Directors.
Human Resources	The Company's greatest resource is people. Directors with strong knowledge and experience in the human resources, labor and personnel development fields are necessary to enable the Group's 69,000 employees to make maximum use of their abilities to contribute to the Company's development.
Global Management	For the Company, with businesses spread over more than 145 countries, Directors are necessary who have actual business experience overseas and abundant knowledge and experience in domains such as overseas lifestyles, cultures and business environments.
Digital Business	Radical business transformation centered on digital technology is vital for the Company's business growth. Directors with strong knowledge and experience in the digital business domain are necessary.

and effective business execution system and strengthening the supervisory function of the Board of Directors over business execution.

Under the Chairperson, a non-executive director, the Board of Directors is composed of thirteen (13) Directors, including five (5) independent Outside Directors, as of December 31, 2022. It is based on the consideration of a balance of factors such as experience, insight, and abilities, diversity in terms of gender, nationality, career, and age, and includes independent outside directors who have management experience at other companies. The Company plans to transition to a company with a nominating committee, etc., subject to the approval of the shareholders at this General Meeting of Shareholders, to further expedite decision-making, strengthen the supervisory function of the Board of Directors, and further enhance its transparency.

Evaluating the Effectiveness of the Board of Directors

In order to continuously enhance the effectiveness of the Board of Directors, the Company conducts an evaluation of the effectiveness and appropriateness of management supervision by the Board of Directors by all directors, and a third-party organization analyzes and evaluates the effectiveness of the Board of Directors. The Company confirms the status of improvement of issues identified in the previous year's evaluation, as well as new issues and directions to be taken in the future, and implements specific measures to improve the effectiveness of the Board of Directors to further strengthen corporate governance.

I Methodology for Evaluating Effectiveness in FY2022

For the FY2022 evaluation, as in FY2021, an independent third-party evaluation organization prepared survey items and distributed and collected surveys for all directors. In addition, based on the results of the surveys, interviews were conducted with all directors and some executive officers.

The results were evaluated and reviewed by a third-party organization and compiled into a report, and the content was explained by the third-party organization and discussed at the Board of Directors meeting held in January 2023.

(1) Results of initiatives in FY2022 to improve the effectiveness of the Board of Directors

- (i) Feb. 2022: Updated the Dentsu Group Mid-Term Management Plan, proposed the new management policy “B-to-B-to-S,” and further specified the strategies and targets of the Mid-Term Management Plan
- (ii) Mar. 2022: Renewed the structure of the Board of Directors, separating the roles of chairperson of the board (non-executive director) and CEO
- (iii) Aug. 2022: Held a full day meeting of directors and executive officers concerning the long-term vision and strategies
- (iv) Sep. 2022: Announced the transition to the new global management structure, “One Management Team” (effective January 1, 2023)
- (v) Nov. 2022: Announced the management structure for FY2023, “Group Management Team,” which leads the One Management Team (effective January 1, 2023)

(2) Evaluation method for FY2022

- (i) Surveys (for all directors)
Surveys were conducted prior to interviews
- (ii) Third-party interviews (for all directors and some executive officers)

Interviews were conducted to obtain candid opinions while ensuring anonymity

(iii) Opinion exchange meeting (for all directors)

Discussions were held with third-party organizations at the Board of Directors meeting to exchange opinions on the issues identified from the surveys and interviews

(3) Key topics in the survey and interviews in FY2022

* Items in the survey (8 items, 46 questions)

- (i) Strategic alignment and engagement (management strategy, capital policy, business portfolio review, ESG response, business risk, dialogue with shareholders, etc.) (13 questions)
- (ii) Composition and structure of the Board of Directors (succession plan, skill set, etc.) (4 questions)
- (iii) Board of Directors' process and practices (board management, organizational design, discussion topics, training, etc.) (9 questions)
- (iv) Management supervisory functions (monitoring business activities, risk management, global governance system) (9 questions)
- (v) Board culture and dynamics (3 questions)
- (vi) Audit and Supervisory Committee (4 questions)
- (vii) Issues from the FY2021 effectiveness evaluation (3 questions)
- (viii) Other (1 question)

II Results of Analysis and Summary of Evaluation

(1) Tasks from FY2021 and progress for FY2022

Issues from the FY2021 analysis and evaluation and efforts to address them were as follows.

- (i) Promote continuous improvement of the long-term vision and management strategies and the governance system to support them under the new management structure
Effective discussion by the Board of Directors was further enhanced under a system including highly diverse members with new insight. A full day meeting joined by executive officers was held in August 2022, featuring constructive discussion and consideration regarding the long-term vision and strategies.
- (ii) Enhance discussions at the Board of Directors meetings to incorporate shareholder and ESG perspectives (Enhance the monitoring of the Mid-Term Management Plan)
The Board of Directors is effectively monitoring progress and implementation of the Mid-Term Management Plan. At the same time, there is an understanding of the need for opportunities to reach a clear consensus among all directors regarding how to engage in monitoring to incorporate shareholder and ESG perspectives.
- (iii) Further evolution of the management of the Board of Directors (to strengthen the monitoring function)
Efforts were made to improve points such as the scrutiny of agenda items, clarification of issues, implementation of advance briefings, provision of materials, and securing time for deliberation.

(2) Efforts for improvement in the future

As a result of this fiscal year's evaluation of the effectiveness of the Board of Directors and repeated discussions aimed at improving its effectiveness, we assessed that the foundations have been established for a highly effective Board of Directors. At the same time, the need to engage in the initiatives in (i) to (iv) below has emerged, to realize an even more effective Board of Directors based on these foundations.

- (i) Deliberation on important agenda items and the determination of direction based on the long-term vision and strategies
 Consider specific visions and goals for each important agenda item (business portfolio, human capital investment, ESG/sustainability strategy, etc.) based on the results of consideration of the long-term vision and strategies
- (ii) Establishment of common frameworks for effective monitoring
 - Reconfirm specific frameworks for monitoring by the Board of Directors from the perspectives of shareholders and ESG
 - Organize information on the business portfolio, visualize information on financial targets, the allocation of management resources, competitive strengths, etc. by business and region, and share it within the Board of Directors
- (iii) Consideration of the approach to monitoring after the transition to the One Management Team
 Redesign monitoring methods for regional risks, issues of execution, etc.
- (iv) Consideration regarding changes to organizational design
 Consider changes to organizational design to transition to a company with a nominating committee, etc. from the perspectives of facilitating an even more effective supervisory function and making the organization easier for stakeholders to understand

Audit and Supervisory Committee (met 16 times in FY2022)

The Audit and Supervisory Committee is a body composed of all Directors who are Audit and Supervisory Committee Members. Working in coordination with the internal control division and the Accounting Auditor, it engages in audit and supervision of the Executive Officers and Directors, from the perspectives of compliance and adequacy. The Company presently has six (6) Directors who are Audit and Supervisory Committee Members, of which one (1) is from within the Dentsu Group, and five (5) are independent Outside Directors (of which two have extensive finance and accounting knowledge).

Nomination Advisory Committee and Compensation Advisory Committee

The Company has established two committees, namely the Nomination Advisory Committee and the Compensation Advisory Committee, as advisory organizations to the Board of Directors. The Nomination Advisory Committee advises the Board of Directors on the nomination, appointment and dismissal of directors and executive officers, and the Compensation Advisory Committee advises the Board of Directors on compensation for directors and executive officers. The overview and activities of these committees are as follows.

(1) Nomination Advisory Committee (met 6 times in FY2022)

(Establishment) Established as an advisory organization to the Board of Directors on April 1, 2020 by reorganizing the Nomination and Compensation Advisory Committee, which had been established in July 2019.

(Composition) Chaired by a voting independent Outside Director and composed of two (2) voting members, both of whom are independent Outside Directors, and one (1) non-voting member, who is an internal Director, for a total of four (4) members.

(Process) In response to inquiries received from the Board of Directors, the Committee deliberates and reports on matters relating to the nomination and succession planning concerning internal Directors and Executive Officers, and submits items to be decided by the Board of Directors.

(Results) Convened six (6) times during the fiscal year ended December 31, 2022. Main agenda deliberated during the fiscal year were as follows.

- Role and operating policy of the Nomination Advisory Committee
- Reporting concerning nomination and succession planning policies
- Reporting concerning the Group business execution system for FY2023

(Policies on nomination and succession planning)

(i) Nomination policy

- Appropriately nominate officers who will contribute to medium- to long-term sustainable growth and enhance the corporate value of the Dentsu Group
- Select from among the candidates with management knowledge, experience and ability, to compose a management team with a balance of diversity and expertise, that will strengthen the competitiveness of the Dentsu Group and swiftly embody innovation
- Nominate Directors and Executive Officers of the Company for FY2023

(ii) Succession planning policy

- Create a succession plan for important Executive Director and Executive Officer posts of the Company
- Specify CEO and the CEO's direct reports as important posts
- Prepare a list of successor candidates for each important post from the perspective of business execution (members of the Group Executive Management Meeting) to allow for comparison
Deliberation in FY2022 focused on the group management structure for FY2023, and deliberation and report on specific succession planning was left for FY2023.

(2) Compensation Advisory Committee (met 7 times in FY2022)

(Establishment) Established as an advisory organization to the Board of Directors on April 1, 2020 by reorganizing the Nomination and Compensation Advisory Committee, which had been established in July 2019.

(Composition) Chaired by a voting independent Outside Director and composed of two (2) voting members, both of whom are independent Outside Directors, and one (1) non-voting member, who is an internal Director, for a total of four (4) members.

(Process) In response to inquiries received from the Board of Directors, the Committee deliberates and reports on matters relating to compensation concerning Directors and Executive Officers, and submits items to be decided by the Board of Directors.

(Results) Convened seven (7) times during the fiscal year ended December 31, 2022. Main agenda deliberated during the fiscal year were as follows.

- Role and operating policy of the Compensation Advisory Committee
- Review of executive evaluation indicators and design of the evaluation process
- Reporting concerning the executive compensation system and compensation levels
- Reporting on proposals for compensation for individual Directors and Executive Officers

(Basic policies on executive compensation)

- Implement a globally-competitive compensation system and compensation levels
- Implement a compensation system based on management performance and results. Ensure a balance between fixed compensation and variable compensation

(Policies on reforms to the executive compensation system)

- Revise the compensation system for Directors and Executive Officers (including those concurrently serving as Directors) based on factors such as the Company's management and business environment and responsibility for governance and performance
- Major reforms in FY2023 will consist of (i) reviewing the level of compensation, (ii) increasing performance linkage, and (iii) clarifying individual responsibilities and revising performance indicators

Sustainable Business Board (met 4 times in FY2022)

The Company established a Sustainable Business Board composed of senior management on March 31, 2021, based on a recognition of social, environmental and other sustainability issues as central management themes for the Dentsu Group. The Sustainable Business Board engages in activities such as a series of discussions on social issues and core themes that the Dentsu Group should proactively tackle in the future, and initiatives to align the sustainable business strategies of the Dentsu Japan Network and Dentsu International, share and assess the latest knowledge. Other initiatives include case studies at the group level. In FY2023, we plan to launch the Group Sustainability Committee as the successor meeting body to the Sustainable Business Board. The committee members have been elected, and the schedule and specific agenda for the committee, which is expected to meet four times a year, is being worked out between the relevant directors and the secretariat.

Other boards and committees related to the execution of business

As described above, effective January 1, 2023, the Dentsu Group transitioned to a global management structure to accelerate business transformation and further enhance management. The Company has established the Group Management Board, composed of five (5) Group Management Team members, two of whom are the Representative Directors, as an executive body under the Board of Directors. The Group Management Board deliberates and decides on budgets, the settlement of accounts, dividend, results forecasts, M&A and investment-related activities, mid-term management plans, and important personnel and internal regulation matters.

The Company has also established the Group Executive Management Meeting composed of 21 members of the Group's executive management with executive responsibility, among the members of the Group Management Team. The Group Executive Management Meeting deliberates and decides on the formulation and promotion of the Group's management strategies (business, finance, human capital and ESG). In addition, the Company has established the Group M&A Committee, Group Sustainability Committee, Group Compliance Committee, Group Risk Committee, Group Nominating Committee and Group Compensation Committee as expert committees to deliberate on specific matters to ensure the soundness, transparency and efficiency of management, and enhance medium- to long-term corporate value.

Composition of the Board of Directors, the Audit and Supervisory Committee and other committees, and attendance at meetings in FY2022

(January 1 to December 31, 2022)		C: Chair	M: Member (M)	Non-voting member	Meetings attended/ meetings held
Title	Name	Board of Directors	Audit and Supervisory Committee	Nomination Advisory Committee	Compensation Advisory Committee
Director, Chairperson of the Board (Non-Executive Director)	Timothy Andree	C 15/15			
Representative Director, President & CEO	Hiroshi Igarashi	M 15/15		(M) 6/6	
Representative Director, Executive Vice President & CFO	Arinobu Soga	M 15/15			(M) 7/7
Director	Nick Priday	M 15/15			
	Wendy Clark	M 15/15			
	Norihiro Kuretani	M 11/11			
Non-Executive Director	Yuko Takahashi	M 11/11			
Director Audit and Supervisory Committee Member	Izumi Okoshi	M 15/15	C 16/16		
Director Audit and Supervisory Committee Member (Independent Outside Director)	Gan Matsui	M 15/15	M 10/10	C 6/6	
	Paul Candland	M 11/11	M 10/10	M 5/6	
	Andrew House	M 11/11	M 10/10		M 7/7
	Keiichi Sagawa	M 11/11	M 10/10	M 5/6	C 7/7
	Mihoko Sogabe	M 11/11	M 10/10		M 7/7

Information Related to Corporate Governance (as of January 1, 2023)

Board of Directors (page reference)

Principle 4.8 (Effective Use of Independent Directors)	Proportion of independent Outside Directors	5 of 12 (41.6%)
Principle 4.11 (Preconditions for Board and <i>Kansayaku</i> Board Effectiveness)	Proportion of Directors who are female	3 of 12 (25.0%)
	Proportion of Directors who are foreign citizens	4 of 12 (33.3%)

Audit and Supervisory Committee

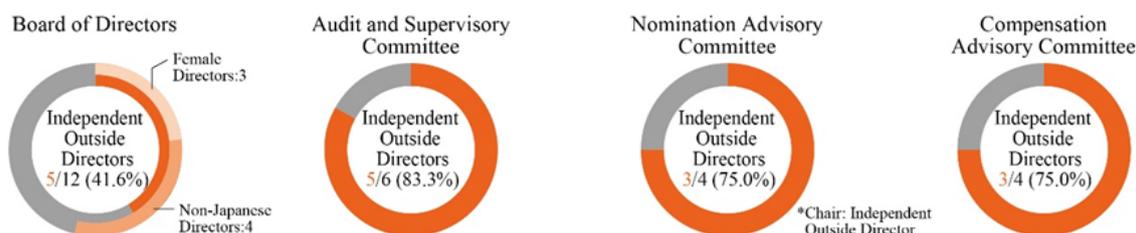
Principle 4.8 (Effective Use of Independent Directors)	Proportion of independent Outside Directors	5 of 6 (83.3%)
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Nomination Advisory Committee

Principle 4.8 (Effective Use of Independent Directors)	Proportion of independent Outside Directors	3 of 4 (75.0%)
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Compensation Advisory Committee

Principle 4.8 (Effective Use of Independent Directors)	Proportion of independent Outside Directors	3 of 4 (75.0%)
--------------------------------------------------------	---------------------------------------------	-------------------



Policy on the Disposal of Strategic Shareholdings and Actual Reductions

The Company's basic policy regarding so-called strategic shareholdings is to validate whether shareholdings are meaningful from perspectives such as whether the benefits of holding the shares are higher than the Company's anticipated cost of capital, and whether the stock ownership contributes to the maintenance and enhancement of the business relationship with the investee company and the promotion of collaboration, and to reduce individual shareholdings where they are not deemed meaningful.

Accordingly, each year the Board of Directors examines the purpose and economic rationale for each and every strategic shareholding from a medium- to long-term perspective, and assesses the appropriateness of continuing to hold each stock.

Last year, the Company sold 15 strategic shareholdings with a total value of approximately 23.0 billion yen in accordance with this basic policy.

As of December 31, 2022, the ratio of the amount of strategic shareholdings on the balance sheet to the Company's total equity was 8.8%.

Organizational and human capital initiatives for transformation

Human capital is the greatest asset of the Dentsu Group, and the Group aims to realize an environment where people will develop and grow: where diverse human resources will connect and work together, continually helping each other and learning to expand the capabilities of the Group and each individual. In this context, the Group is focusing on initiatives founded on embedding Dentsu's unique culture, such as "THE 8 WAYS." These include (i) establishing leadership, (ii) building and enhancing the human capital portfolio, (iii) providing environments where human resources can reach their maximum potential, (iv) data-driven human capital planning to achieve this, and (v) expanding the scope of the Group's professional corporate capabilities.

1. Establishing leadership to drive key growth domains from the perspective of corporate value enhancement

We will define Dentsu's unique vision of leadership based on the values of "THE 8 WAYS" and the working styles indicated in the Code of Conduct, to foster leaders capable of driving key growth domains and enhancing corporate value. At the same time as developing human capital, we are endeavoring to stabilize the business base through measures such as integrated succession planning for Japan and overseas.

2. Building a human capital portfolio to strengthen the value we provide

We will build our human capital portfolio to accelerate the values only the Dentsu Group, as an Integrated Growth Partner, can provide, in line with changes in society and client needs. By strengthening mid-career recruitment in each domain and introducing measures such as Open Classroom to encourage reskilling for internal talents, we constantly aim to achieve an appropriate portfolio of human capital with updated creativity and technological competence.

3. Building environments where everyone can perform to their best, developing human capital, and establishing opportunities for growth

Enabling all of the diverse human capital within the Group to make full use of their abilities and play active and vibrant roles is a key challenge to maximize the value we provide.

Based on "labor environment reform" to facilitate healthy activities for employees, Dentsu Inc. and other group companies are enhancing the business environment, reducing working hours and assigning more appropriate duties, with an additional focus on remote working. We provide goal-setting, evaluation, and detailed feedback to

enable individual employees to reach their potential while taking into account the development of skills over the medium term. We assign duties across the Group and utilize opportunities such as secondment to companies within the Group and elsewhere to enable employees to grow through real business experience that augments our various education systems, further developing the potential of each employee.

The Group's strength lies in its power to integrate the different perspectives of diverse human capital sharing a common goal, and to give shape to these ideas. We promote Employee Diversity, Equity & Inclusion (DE&I) led by the Chief Diversity Officer (Note 1) for domestic operations and the Chief Equity Officer for international operations, to enable employees to understand the differences between each of us and feel secure about being themselves. Since 2021, we have implemented the "Check In" engagement survey of employees around the world, including Japan, as a comprehensive review of these measures. We regard the Group-wide engagement scores (on satisfaction and degree of recommendation) as key management indicators, and incorporate them in management measures, reflect them in executive compensation, and disclose them internally and externally. By listening to the opinions of our employees, we aim to be a company that offers a higher level of growth opportunities and job satisfaction.

4. Data-driven human capital planning to achieve a competitive compensation system optimally matching our human capital

By organizing duties and positions based on expected results, we are progressively building a framework of duties and ranks that incorporates a Group-wide perspective. This is based on our initiatives to implement and utilize data related to human capital at each company, such as the "Human Capital Visualization Project" at Dentsu Inc.

5. Building professional corporate domains

Since fiscal year 2022, we have also begun full-scale work to build professional corporate domains, to provide a complete operational foundation. As part of this effort, we launched Dentsu Corporate One Inc. as a corporate platform. We will continue to strive to optimize this structure in line with changes in our global structure.

(Note 1) The title of Chief Diversity Officer for domestic operations was effective in FY2022, and changed to Chief Sustainability Officer from January 1, 2023.

Business Report

(From January 1, 2022 to December 31, 2022)

I Items Pertaining to the Current State of the Corporate Group

1. Business Progress and Results

(1) Business progress and results

In 2022, although the economy was on the way to recovery from the COVID-19, the invasion of Ukraine by Russia changed the market landscape significantly. Supply chain disruptions, raw material shortages, and rising inflationary pressures due to soaring energy prices, and the monetary tightening in the United States and Europe have intensified warnings of a slowdown in the economy. The Chinese economy, which had been robust, also became increasingly uncertain, as some cities were forced to lock down due to a sharp increase of COVID-19 cases.

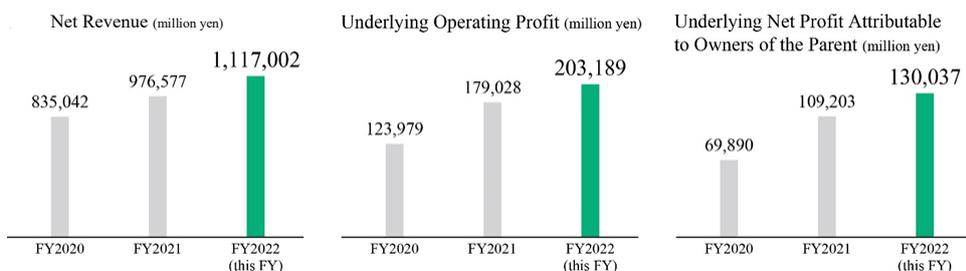
Under such circumstances, for the business results during the fiscal year 2022 (from January 1 to December 31, 2022), with consolidation of Septeni, the Group recorded 14.4% increase year on year for net revenue, and net revenue organic growth rate (internal growth rate factoring out the effects of foreign exchange rates and acquisitions) was 3.2%. Underlying operating profit resulted in 13.5% increase year on year, operating margin (underlying operating profit divided by net revenue) was 18.2% (18.3% for the previous fiscal year), and underlying net profit attributable to owners of the parent resulted in 19.1% increase year on year. Operating profit was 117,617 million yen (51.4% decrease year on year) due to the decrease in amount of gain on sale of non-current assets, net profit attributable to owners of the parent was 59,847 million yen (44.8% decrease year on year).

Underlying operating profit is a profit indicator to measure recurring business performance which is calculated as operating profit added with M&A related items and one-off items.

M&A related items: amortization of purchased intangible assets, acquisition costs, share-based compensation expense issued following the acquisition of 100% ownership of a subsidiary.

One-off items: items such as business restructuring costs, impairment loss and gain/loss on sales of non-current assets.

Underlying net profit attributable to owners of the parent is an indicator to measure recurring net profit attributable to owners of the parent which is calculated as net profit (attributable to owners of the parent) added with adjustment items related to operating profit, change in fair value of contingent considerations (gain/loss on revaluation of earnout liabilities), remeasurements of share purchase liabilities (gain/loss on revaluation of M&A related put-option liabilities), tax-related, NCI profit-related and other one-off items.



(Note) An earnout is a contractual provision stating that only a certain portion of the total purchase price is to be paid at the time of the acquisition and the remaining portion is to be payable to a later date according to the future actual results of the acquired business.

(2) Record of Income for Reportable Segments

1) Japan business

Despite exceptional prior year one-off comparables, with the growth of the digital solution area which remained strong due to the demand for digital transformation of client companies, the integrated solutions strengthened by business transformation, and new consolidation, net revenue for Japan business was 438,740 million yen (5.5% increase year on year), and net revenue organic growth rate was 0.4%. Underlying operating profit was 105,665 million yen (10.8% increase year on year), and operating margin was 24.1% (22.9% for the previous fiscal year) due to operating leverage from higher revenues and the continued focus on costs.

1. International business

By region, net revenue organic growth rate for international business was 5.1% in Europe, the Middle East and Africa (“EMEA”), 6.1% in the Americas, 2.5% in the Asia Pacific region (“APAC,” excluding Japan), and was 5.1% overall. By major countries, United Kingdom, France, the United States, Australia, etc. grew significantly, while results were severe in China and Brazil. Due to the impact of exchange fluctuations, net revenue from international business was 678,872 million yen (21.0% increase year on year), and underlying operating profit was 106,335 million yen (19.5% increase year on year). The operating margin was 15.7% (15.9% for the previous fiscal year).

2. Issues to be Addressed

(1) Changes in the business environment and growth opportunities

The Group’s business environment is undergoing major changes in recent years. With disruptive advances in technology and changes in social norms for the post-pandemic era, consumers’ behavior and value perceptions are becoming more diverse, and personalized experiences are becoming ever more important.

Due to these changes, the needs of the Group’s client companies in Japan and overseas are expanding to include the entire customer experience design using data and technology, and the creation of ways to improve the value of the experience. Moreover, with business issues becoming increasingly sophisticated and complex, proposals are required that provide integrated solutions based on business strategy, digital transformation of marketing infrastructure, the transformation of existing businesses, and the creation of new businesses. Interest in social issues is also rising, and even greater emphasis is being placed on corporate initiatives in the ESG domain.

While these changes have also resulted in increasing competition with companies in industries such as consulting and IT systems, the Group’s growth opportunities are not limited to the advertising domain, and are expanding to include providing solutions to address all aspects of clients’ business and marketing challenges. We will focus on fostering and developing personnel to capture these opportunities.

(2) Maximizing corporate value through the Group Management Team

In January this year, the Group transitioned to a global management structure with the Group Management Team, aiming to accelerate business transformation and achieve more sophisticated management amid the environmental changes described above. We eliminated the dual business structures of Dentsu Japan Network and Dentsu International to directly control business operations across four regions worldwide (Japan, the Americas, EMEA, and APAC).

With this, the Group has established a shared vision “To be at the forefront of people-centered transformations that shape society.” The Group will reposition its business domains, where convergence of marketing, technology and consulting is taking place, as “People-centered Transformation”, As a corporate group of “B2 B2 S (Business to Business to Society)” that resolves social issues through client businesses, the Group will strive to maximize corporate value for all stakeholders.

(3) Continuing promotion of “Mid-Term Management Plan 2024”

In February 2021, we established the “Mid-Term Management Plan 2024: Sustainable Growth through Transformation” as a business transformation and growth strategy for the period to FY2024, to accurately grasp the business opportunities revealed by changes in the environment and achieve sustainable business growth. FY2021 and FY2022, the first two years of the plan, have seen a strong performance, with record high revenue less cost of sales, underlying operating profit, and annual dividend per share.

The key domains designated in the Mid-Term Management Plan and the targets, which were revised upwards in February 2022, are as follows.

2. Growth Strategy through Business Transformation

In response to increasingly sophisticated and complex client issues, the Group has positioned “Integrated Growth Solutions,” which realize integrated solutions by combining its unique and diverse capabilities, as the core of its strategy. In the “Customer Transformation & Technology” domain, we will establish a model for providing solutions using consumer intelligence through data and insight, and strengthen our capabilities in businesses that support client business transformation.

3. Improve Profitability and Efficiency

We will continue to carry out necessary measures founded on the structural reforms and cost reductions implemented so far. We will engage in perpetual profitability improvements through measures such as further utilizing near and offshore, integrating corporate functions, and developing IT infrastructure.

4. Sustainable Enhancement of Shareholder Value and Improvement of Financial Base

We will continue to strive to maintain a robust balance sheet from the perspective of securing the funds necessary for business transformation. We endeavor to sustainably increase shareholder value by appropriately managing financial leverage and implementing disciplined investment based on our capital allocation policy. We progressively increase the payout ratio (underlying basic EPS basis) to 35% by FY2024.

• Advancement of ESG Management

We emphasize corporate social responsibility, and will engage in further promoting ESG management to enhance corporate value. We will implement the “2030 Sustainability Strategy” and strengthen initiatives in the human capital and corporate culture domains. We will also proceed with the necessary measures to further advance the governance system.

• Targets of the Mid-Term Management Plan (updated in February 2022)

- Growth Strategy through Business Transformation
 - Organic Growth vs. 2021 through 2024 CAGR 4-5%
 - Customer Transformation & Technology to reach 50% of Group revenues (LCoS) over time

- Improve Profitability and Efficiency
 - 17.0-18.0% operating margin through 2023, reaching 18.0% in 2024
- Sustainable Enhancement of Shareholder Value and Improvement of Financial Base
 - Upper limit of 1.5x Net debt / Underlying EBITDA (year end); indicative medium-term range of 1.0 to 1.5x (after eliminating the impact of applying IFRS 16)
 - Progressive dividend, reaching 35% payout ratio of underlying basic EPS by 2024
- Advancement of ESG management
 - 46% absolute reduction in CO2 by 2030; 100% renewable by 2030 (in markets where available)
 - Improvement in employee engagement score
 - Diverse, equal & inclusive workforce; female managers to reach 30% by 2030

(4) Ensuring Compliance

On February 8, 2023, one former employee of Dentsu Inc, a subsidiary of the Company (now belongs to the domestic affiliated company of the sports business), was arrested on suspicion of the alleged violation of the Antitrust Laws in connection with the business of planning, development, execution, etc. of test events conducted in each competition/venue for the Tokyo 2020 Olympic and Paralympic Games. We take this situation seriously and deeply apologize to our shareholders and other stakeholders for causing it. A special committee staffed by three independent outside directors who are the members of the Audit and Supervisory Committee has been established, and under the leadership of this committee, a third-party committee of outside experts will be promptly formed, the causes will be investigated, and recommendations on future measures will be received. Based on such recommendations, we will formulate and implement measures to prevent recurrence, and all executives and employees will work to regain trust by further ensuring compliance.

3. Status of Financing

No special items reported.

4. Status of Capital Investment

No special items reported.

5. Status of the Acquisition or Disposal of Other Companies' Shares and Other Equity

In May 2022, the Company acquired 61.3% of the equity interest in Ignition Point Inc. which supports corporate innovation and transformation, and it became a consolidated subsidiary of the Company. In August 2022, the Company, through its consolidated subsidiary Dentsu International Limited, acquired 80% of the equity interest in Extentia Information Technology (headquartered in Pune, India), which engages in Salesforce product development globally.

In addition, in November 2022, the Company's Board of Directors resolved to sell the Company's interest in the local joint venture company responsible for the Group's Russia business to its local partner. This sale will be executed after approval is obtained from the Russian authorities.

6. Main Business Description of the Group

The Dentsu Group, with the communications domain at its core, is engaged in a wide range of business activities. From management and operating solutions to the implementation of marketing and communications strategies for advertisers as well as media and content holders, the Group works to provide the best integrated

solutions capabilities in Japan and in the global market. Specifically, the Dentsu Group offers management and operating consulting, advertising strategy formulation and production work, ad placement in various media, various marketing services, and content services in the areas of sports and entertainment, focusing on the advertising segment, as well as communications-related services such as IT management and related consulting services.

7. Policy regarding the Exercise of the Board of Directors' Authority to Decide on Distribution of Surplus, etc.

Regarding matters provided for in each Item of Article 459, Paragraph 1 of the Companies Act, such as the distribution of dividends, etc., the Company has stipulated in the Articles of Incorporation that it may decide upon such matters by a resolution of the Board of Directors, unless otherwise provided for in the applicable laws and regulations.

During the period of the Mid-Term Management Plan the Company, while paying attention to the stability of management and financial soundness, the Company will actively seize the changes and business opportunities in society brought about by the progress of digitalization of corporate activities and other factors, thereby contributing to the broad resolution of social issues, and aiming to further increase corporate value and shareholder value. The Company will endeavor to return profits to shareholders by appropriately allocating profits from these activities and enhancing intrinsic corporate value. In terms of our dividend policy, the Company will gradually increase the dividend payout ratio to basic underlying net income per share to 35% by FY2024.

Based on the renewed dividend policy, the payout ratio for FY2022 is targeted at 32% of underlying basic EPS. The year-end dividend for this year was resolved to be 85 yen per share at the meeting of the Board of Directors held on February 14, 2023, comprehensively taking into consideration factors such as the Group's financial performance. As the Company already paid 70.25 yen per share as an interim dividend, the annual dividend will be 155.25 yen per share.

The Company will continue to return profits to shareholders and improve capital efficiency while implementing flexible capital policies in response to changes in the business environment.

8. Main Business Offices of the Company

Headquarters (Minato-ku, Tokyo)

(Significant subsidiaries of the Company are as stated in "12. Status of Significant Subsidiaries.")

9. Situation of Employees of the Group

Number of Employees	Change from Previous Year-end
69,066 persons	Increase of 4,234 persons

(Note) The above number of employees indicates the number of working employees.

10. Major Lenders

Lender	Year-end Balance of Loans Payable
	(Millions of yen)
Meiji Yasuda Life Insurance Company	20,000
Nippon Life Insurance Company	10,000
Mizuho Bank, Ltd.	104,000 [GBP 650 million]
MUFG Bank, Ltd.	92,890 [USD 700 million]
Sumitomo Mitsui Banking Corporation	53,080 [USD 400 million]
Norinchukin	13,270 [USD 100 million]

11. Changes in Assets and Profit and Loss Status

(1) Changes in the Dentsu Group's assets and profit and loss status

IFRS (International Financial Reporting Standards)

	171th Term	172nd Term	173rd Term	174th Term (the fiscal year under review)
	From January 1, 2019 to December 31, 2019	From January 1, 2020 to December 31, 2020	From January 1, 2021 to December 31, 2021	From January 1, 2022 to December 31, 2022
Revenue (Millions of yen)	1,047,881	939,243	1,085,592	1,243,883
Net revenue (Millions of yen)	939,385	835,042	976,577	1,117,002
Operating profit (Millions of yen)	(3,358)	(140,625)	241,841	117,617
Profit for the year (attributable to owners of the parent) (Millions of yen)	(80,893)	(159,596)	108,389	59,847
Basic earnings per share (attributable to owners of the parent) (Yen)	(287.92)	(571.19)	388.79	223.33
Total equity attributable to owners of the parent (Millions of yen)	974,977	740,821	845,034	880,267
Total assets (Millions of yen)	3,795,729	3,364,364	3,720,536	3,741,427

(Note) Basic earnings per share is calculated based on the average number of shares during the period.

(2) Changes in the Company's assets and profit and loss status

	171th Term	172nd Term	173rd Term	174th Term (the fiscal year under review)
	From January 1, 2019 to December 31, 2019	From January 1, 2020 to December 31, 2020	From January 1, 2021 to December 31, 2021	From January 1, 2022 to December 31, 2022
Net sales and revenue (after 172nd Term) (Millions of yen)	1,526,241	36,054	34,897	61,651
Ordinary income (Millions of yen)	54,303	16,493	7,017	33,788
Net income (Millions of yen)	58,294	(278,309)	122,940	3,547
Net income per share (Yen)	207.49	(996.05)	440.98	13.24
Net assets (Millions of yen)	1,048,593	616,425	699,150	609,303
Total assets (Millions of yen)	1,867,565	1,093,173	1,177,686	1,046,010

(Note 1) The non-consolidated financial statements of the Company are prepared in accordance with Japanese GAAP.

(Note 2) Net income per share is calculated based on the average number of shares during the period.

(Note 3) Pursuant to the absorption-type company split agreement approved at the 170th Ordinary General Meeting of Shareholders, the Company transferred to the successor company (currently Dentsu Inc.) all businesses operated by the Company (excluding businesses related to control or management of the business activities of companies in which the Company holds shares and group management).

Accordingly, the net sales of the Company prior to the transition to a pure holding company are provided for the 171st term and before, and the operating revenue of the Company after the transition to a pure holding company is provided for the 172nd term and after.

12. Status of Significant Subsidiaries

Company Name	Location of headquarters	Capital or Stake	Shareholding Ratio (%)	Main Business Description
Dentsu Inc.	Minato-ku, Tokyo	JPY 10,000 million	100.0	Advertising and advertising-related businesses
Dentsu International Limited	London England	GBP 78 million	100.0	Controlling company for overseas business operations
Merkle Group Inc.	Maryland USA	USD 0million	100.0 (100.0)	Data-driven and technological advertising marketing primarily in the USA
CARTA HOLDINGS, INC.	Shibuya-ku, Tokyo	JPY 1,514 million	53.4	Managerial control over partner sales (media representative), ad-platform, and consumer business
Dentsu Digital Inc.	Minato-ku, Tokyo	JPY 442 million	100.0 (25.0)	Consulting; development and implementation; and operational and execution support concerning all aspects of digital marketing
DENTSU PROMOTION PLUS INC.	Chiyoda-ku, Tokyo	JPY 1,000 million	100.0	Planning and production for sales promotions, events, print, etc.
Information Services International-Dentsu, Ltd.	Minato-ku, Tokyo	JPY 8,180 million	61.8	Information systems building; software sales and support for various business areas
DENTSU LIVE INC.	Chiyoda-ku, Tokyo	JPY 2,650 million	100.0	Provision of real experiential value through events and event spaces
SEPTENI HOLDINGS CO., LTD.	Shinjuku-ku, Tokyo	JPY 18,428 million	52.0	Digital marketing business, media platform business

(Note 1) The Shareholding Ratio is the holding ratio of voting rights. The figures in parentheses in Shareholding Ratio represent shares held indirectly.

(Note 2) The number of consolidated subsidiaries, including significant subsidiaries, is 881 companies, and the number of associates accounted for using the equity method is 89 companies.

(Note 3) The company name of DENTSU TECH INC. was changed to DENTSU PROMOTION PLUS INC. effective April 1, 2022.

III Items Related to the Company Executives

1. Names, etc., of Directors

Name	Position and Responsibilities
Timothy Andree	Director, Non-Executive Chairman of the Board
Hiroshi Igarashi	Representative Director, President & CEO
Arinobu Soga	Representative Director, Executive Vice President Chief Financial Officer (CFO)
Nick Priday	Director, Executive Officer
Wendy Clark	Director, Executive Officer
Norihiro Kuretani	Director, Executive Officer
Yuko Takahashi	Director
Izumi Okoshi	Director, Audit and Supervisory Committee Member (full-time)
Gan Matsui	Director, Audit and Supervisory Committee Member
Paul Candland	Director, Audit and Supervisory Committee Member
Andrew House	Director, Audit and Supervisory Committee Member
Keiichi Sagawa	Director, Audit and Supervisory Committee Member
Mihoko Sogabe	Director, Audit and Supervisory Committee Member

(Notes)

1. Director Mr. Toshihiro Yamamoto, Mr. Shun Sakurai, Mr. Toshiaki Hasegawa, Mr. Kentaro Koga, Ms. Etsuko Katsu and Mr. Simon Laffin resigned from their positions as Directors with the expiration of their terms of office at the conclusion of the March 30, 2022 Ordinary General Meeting of Shareholders.
2. Of the Directors, Ms. Wendy Clark resigned from her position as Director and Executive Officer as of December 31, 2022.
3. Of the Directors, Mr. Paul Candland, Mr. Andrew House, Mr. Keiichi Sagawa, and Ms. Mihoko Sogabe are outside directors pursuant to Article 2, Item 15 of the Companies Act.
4. Of the Directors, Mr. Gan Matsui, Mr. Paul Candland, Mr. Andrew House, Mr. Keiichi Sagawa, and Ms. Mihoko Sogabe are designated Independent Directors pursuant to the Tokyo Stock Exchange Securities Listing Regulations.
5. Director who is a member of the Audit and Supervisory Committee Mr. Keiichi Sagawa has many years of practical experience in accounting and experience as a corporate officer. He has an appreciable extent of knowledge on finance and accounting. Director who is a member of the Audit and Supervisory Committee Ms. Mihoko Sogabe is qualified as a certified public accountant and has an appreciable extent of knowledge on finance and accounting.
6. The Company has concluded a contract for limitation of liability with each of Directors Mr. Timothy Andree, Ms. Yuko Takahashi, Ms. Izumi Okoshi, Mr. Gan Matsui, Mr. Paul Candland, Mr. Andrew House, Mr. Keiichi Sagawa, and Ms. Mihoko Sogabe for a maximum liability amount of 10 million yen or the minimum liability amount stipulated in Article 423, Paragraph 1 of the Companies Act, whichever is higher.
7. To work toward further enrichment of the duties of the Audit and Supervisory Committee, the Company designates a full-time member of the Audit and Supervisory Committee, and Director Ms. Izumi Okoshi fulfills this role afterwards.
8. The Company has entered into directors and officers liability insurance (D&O insurance) agreement with an insurance company, which covers insured persons for legal damages and litigation costs. The scope of insured persons under the agreement is directors, executive officers, Group Management Team Members, corporate officers and corporate auditors of the Company and its 36 subsidiaries in Japan, and their heirs. Such insurance covers derivative suit, corporate suit and claims from third parties, but does not cover claims for damages arising from acts committed while aware of the violation of laws and regulations. The insurance premium for each director and manager is paid in full by the Company in which the relevant officer and manager perform his/her duties.
9. The Company has entered into an indemnity agreement with each of the directors of the Company, which provides that the Company will indemnify the expenses stipulated in Article 430-2, Paragraph 1, Item 1 of the Companies Act and the losses stipulated in Paragraph 1, Item 2 of the same Article to the extent provided for by laws and regulations. In order to ensure that the indemnification agreement does not impair the appropriateness of the execution of duties by the officer, the Company will take measures such as excluding the officer from the indemnification in cases where the officer is with knowledge or grossly negligent in performing his/her duties or where the Company pursues the officer's liability.

2. Outline of Policy for Determining the Amount or Calculation Method of Executive Compensation for FY2022

(1) Basic policy for determining executive compensation

In order to clarify the linkage between executive compensation and Dentsu Group's business performance and corporate value, and to promote the sharing of interests with shareholders and other stakeholders, the Company determines executive compensation under the following policy. This also aims to raise awareness among Executive Officers to contribute to the sustainable growth of the Group and the enhancement of corporate value over the medium to long term.

- Implement a globally competitive compensation system and compensation levels
- Implement a compensation system based on management performance and results. Ensure a balance between fixed compensation and variable compensation

(2) Structure of executive compensation

The Company has set forth the structure of executive compensation, the method used to calculate each component of compensation, and related matters through resolutions of the Board of Directors (including the Group Executive Management Meeting, delegated by the Board of Directors) and the Officers Compensation Rules and the Officers Stock Benefit Regulations based on resolutions of the Board of Directors. An overview of the structure of executive compensation is shown below.

1) Structure of executive compensation

Executive compensation is structured as shown below.

Fixed compensation		Variable compensation	
Monetary compensation		Stock compensation	
a. Basic annual salary	b. Phantom stock (Medium-to long-term bonus)	c. Annual bonus	d. Performance-based stock compensation (Medium- to long-term bonus)

2) Method used to calculate the amount of each component of compensation

An overview of the method used to calculate the amount of each component of compensation is shown below.

a. Basic annual salary

Basic annual compensation consists of a regular (monthly) fixed amount of monetary compensation, paid at a designated time each month. In the case of basic annual salary as Directors' compensation, a fixed amount is paid according to each Director's duties, as set forth in the Company's Officers Compensation Rules. In the case of basic annual salary as Executive Officers' compensation, the appropriate amount of compensation for each Executive Officer is set in accordance with his or her position, taking into account the Company's corporate value, company size, and compensation level, with reference to the compensation market survey data from an external specialist organization for each fiscal year.

b. Phantom stock (medium- to long-term bonus)

Phantom stock (medium- to long-term bonus) is granted as compensation for Executive Officers, concurrently serving as Directors, who reside outside Japan and do not hold securities accounts for

managing listed shares in Japan, in place of the basic annual salary, annual bonus and performance-based stock compensation (medium- to long-term bonus) as compensation for Executive Officers. Executive Officers who are also Directors eligible for the phantom stock (medium- to long-term bonus) shall receive, on a certain date during their term of office, a number of units of the base amount calculated in accordance with the duties they are in charge of divided by the average share price of the Company's common stock on that date. On a certain date after the passage of three consecutive fiscal years with the fiscal year in question as the first fiscal year, the officer will be entitled to receive a cash payment from the Company in an amount equal to the average share price of the Company's common stock on that date multiplied by the number of units granted above.

c. Annual bonus

The annual bonus is a performance-based monetary compensation paid to each Executive Officer in accordance with the Officers Compensation Rules, based on the numerical values of the performance indicators shown below for each fiscal year during which he or she is in office. The standard amount of annual bonus to be paid to each Executive Officer in the event that the performance indicators shown below have achieved the target (upper limit target when it is set, the same applies hereinafter) for each fiscal year is the amount of the basic annual compensation for that Executive Officers multiplied by 15%. The standard amount is then used to compute the payment in accordance with the calculation formula stipulated in the Officers Compensation Rules within the range described in 4) below, based on the numerical value of the indicators shown below. The computed amount is paid at a certain time after the Ordinary General Meeting of Shareholders for the relevant fiscal year.

For FY2022, the Company has adopted, as the main performance indicators for calculating annual bonuses, the consolidated underlying operating profit of the Group or the consolidated underlying operating profit of the Company's Japan business (both of which are based on International Financial Reporting Standards (IFRS), the same applies hereinafter), depending on the responsibilities of the officers to whom the bonus is paid. The Company decided to adopt these indicators since they are profit indicators that measure the performance of the Company's businesses on a regular basis, and the Company believes that they are appropriate indicators for evaluating the business results for one year. The Company has also established strategic targets concerning corporate value, which cannot be measured using financial indicators, as non-financial indicators for each fiscal year. The proportional weight given to the evaluation of non-financial indicators shall be no more than 10% of the total standard value of the annual bonus (15% of the total compensation if the targets are achieved).

d. Performance-based stock compensation (medium- to long-term bonus)

Performance-based stock compensation (medium- to long-term bonus) is paid to each Executive Officer in accordance with the Officers Compensation Rules and the Officers Stock Benefit Regulations, based on the numerical values of the performance indicators shown below for each of the three consecutive fiscal years from the fiscal year in which he or she is in office.

Executive Officers eligible for performance-based stock compensation (medium- and long-term bonus) receive, on a certain date during each fiscal year during which they are in office (the "Unit Grant Date"), a standard number of units (equivalent to 50% of basic annual compensation received as an Executive Officer in the relevant fiscal year, divided by the average closing value of the Company's shares during the month of January in the relevant fiscal year) as consideration for the execution of duties during the relevant fiscal year. In addition, by taking the prescribed procedures by a certain date (the "Vesting Date")

after the passage of three consecutive fiscal years, the first of which is the fiscal year in which the Unit Grant Date falls (the “Performance Evaluation Period”), the grantee may acquire the right to receive delivery of the Company’s shares, etc. from a trust established based on the performance-based stock compensation plan (hereafter the “Trust”) on the Vesting Date. In doing so, the standard number of units granted to each Executive Officer in the said first fiscal year will be adjusted based on the values of the indicators described below, in accordance with the formula stipulated in the Officers Stock Benefit Regulations (hereinafter, the number of units after adjustment are referred to as the “Vested Units”). Thereafter, the relevant Executive Officer may receive delivery of the Company’s shares, etc. from the Trust, in accordance with the number of Vested Units (in principle, the number of the Company’s common shares calculated corresponding to half of the Vested Units and an amount of cash equivalent to the market value of the number of the Company’s common shares calculated corresponding to the remaining half of the Vested Units as of the Vesting Date).

Prior to FY2020, the simple average of the Group’s consolidated organic revenue growth rate over three fiscal years had been used as an indicator for calculating performance-based stock compensation (medium- to long-term bonus). This indicator was selected because it was deemed an appropriate indicator to assess the sustainable growth of the Group and the enhancement of corporate value over the medium to long term.

From FY2021 onward, the Company has adopted a combination of total shareholder return (TSR) and the consolidated underlying operating profit of the Dentsu Group as indicators for calculating performance-based stock compensation (medium- to long-term bonus). The Company decided to adopt these indicators because it believes that it is appropriate to use total shareholder return (TSR) as an indicator that aligns officers’ perspectives with those of with shareholders and other stakeholders, and that it is appropriate to use the Group’s consolidated underlying operating profit, which is a profit indicator that measures the performance of the Group’s businesses on a constant basis, as an indicator for evaluating operating results.

3) Ratio of fixed compensation to variable compensation

The ratio of fixed compensation (basic annual salary paid as compensation for Executive Officers) to variable compensation which is paid to Executive Officers (excluding those who are paid phantom stock (medium- to long-term bonus)) is approximately 60%:40% when the target is achieved (see 6) below) for each performance indicator for variable compensation. Only phantom stock (medium- to long-term bonus), which is fixed compensation, is paid to Directors who concurrently serve as Executive Officers who reside outside Japan and do not hold securities accounts for managing listed shares in Japan, and variable compensation is not paid.

4) Range of variable compensation

Variable compensation varies between 0% and 200% of fixed compensation (basic annual salary paid as compensation for Executive Officers). By setting the upper limit of the amount of variable compensation at an amount that exceeds the amount of fixed compensation, and by increasing the proportion of compensation paid in stocks to promote the sharing of interests with shareholders and other stakeholders, the Company intends to strengthen the motivation of officers to realize the sustainable growth of the Group and the medium- to long-term enhancement of corporate value. The upper and lower limits of the indices to determine such fluctuation range will be determined by the Board of Directors

after consultation with the Compensation Advisory Committee.

(Range of variable compensation for FY2022)

(If the indicators for variable compensation achieve the targets)

Basic annual salary paid as compensation for Executive Officers	Annual bonus	Performance-based stock compensation (Medium- to long-term bonus)
100%	15%	50%

Fixed compensation:	60%
Variable compensation:	40%

(If the indicators for performance-based stock compensation fall short of the lower limits (or the targets in the case of TSR, which has no lower limits), and indicators for annual bonus fall short of the targets but exceed the lower limits)

Basic annual salary paid as compensation for Executive Officers	Annual bonus
100%	6.75% - 15%

Fixed compensation:	87%-94%
Variable compensation:	6% - 13%

(If the indicators for performance-based stock compensation fall short of the lower limits (or the targets in the case of TSR, which has no lower limits), and indicators for annual bonus also fall short of the lower limits)

Basic annual salary paid as compensation for Executive Officers
100%

Fixed compensation:	100%
Variable compensation:	0%

(If the indicators for variable compensation exceed the upper limits)

Basic annual salary paid as compensation for Executive Officers	Annual bonus	Performance-based stock compensation (Medium- to long-term bonus)
100%	100%	100%

Fixed compensation:	33%
Variable compensation:	67%

5) Officers eligible for each component of compensation

The components of executive compensation applicable for each type of Director are shown in the table below.

(Legend: Y = applicable; N = not applicable)

	Fixed compensation		Variable compensation	
	Monetary compensation		Stock compensation	
	Basic annual salary	Phantom stock (Medium-to long-term bonus)	Annual bonus	Performance-based stock compensation (Medium- to long-term bonus)
a. Internal Director who is not an Audit and Supervisory Committee Member (who is not below b.)	Y (Note 1)	N	Y (Note 2)	Y (Note 2)
b. Internal Director who is not an Audit and Supervisory Committee Member (limited to those who concurrently serve as Executive Officers who reside outside Japan and do not hold securities accounts for managing listed shares in Japan)	Y (Note 3)	Y	N	N
c. Outside Director who is not an Audit and Supervisory Committee Member	Y	N	N	N
d. Internal Director who is an Audit and Supervisory Committee Member	Y	N	N	N
e. Outside Director who is an Audit and Supervisory Committee Member	Y	N	N	N

(Notes) 1. Basic annual salary paid as compensation for Executive Officers is limited to those who concurrently serve as Executive Officers.

2. Among internal Directors who are not Audit and Supervisory Committee Members, limited to those who concurrently serve as Executive Officers.

3. Basic annual salary paid is limited to compensation as Director.

6) Indicator targets and actual results

The performance indicator targets used to determine variable compensation is set by the Board of Directors after consultation with the Compensation Advisory Committee, based on the macro- and micro-economic environment and the Company's business environment.

The indicator targets and results for annual bonuses in fiscal 2022 are shown below. The amounts represent the composition of annual bonuses if all indicator targets are met.

Indicator	Target (FY2022)	Composition	Actual figure (FY2022)
Consolidated underlying operating profit of the Dentsu Group	189.9 billion yen	90% (Note 1)	203.1 billion yen
Consolidated underlying operating profit of the Company's domestic businesses	104.9 billion yen		105.6 billion yen
Employee engagement score (points)	Dentsu Japan Network (DJN) 63 Upper limit target 65 Dentsu International (DI) 70 Upper limit target 72	10%	DJN 60 DI 71
Proportion of female managers (%)	Dentsu Group 17.0 Upper limit target 17.4		17.6
CO ₂ emissions (Scope 1 + 2) (t-CO ₂)	Dentsu Group 29,202 Upper limit target 28,706		20,055

(Note) 1. One of these indicators will be used, depending on the duties of the officer receiving the bonus.

Performance-based stock compensation (medium- to long-term bonus) is paid based on the results for indicators over a rolling period of three consecutive fiscal years. The indicator targets and results for each fiscal year are shown below. The amounts represent the composition of performance-based stock compensation (medium- to long-term bonus) if all indicator targets are met. Regarding performance-based stock compensation (medium- to long-term bonus) for FY2021 onwards, as three fiscal years have not yet passed, there are no actual values for the indicators.

Performance-based stock compensation (medium- to long-term bonus) for FY2020

(Performance Evaluation Period: FY2020 - FY2022)

Indicator	Target	Composition	Actual figure (Note 1)
The Group's consolidated organic revenue growth rate	Simple average for the three fiscal years 3% Upper limit 10%	100%	1.73%

Performance-based stock compensation (medium- to long-term bonus) for FY2021

(Performance Evaluation Period: FY2021 - FY2023)

Indicator	Target	Composition	Actual figure
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Total shareholder return (TSR)	VS. Tokyo Stock Price Index (TOPIX) *including dividends 100% Upper limit 110%	30%	-
	VS. Average total shareholder return (TSR) for peer group (Note 2) 100% Upper limit 110%	20%	-
Consolidated underlying operating profit of the Dentsu Group	Compound annual growth rate (CAGR) 8.25% Upper limit 14.5%	50%	-

Performance-based stock compensation (medium- to long-term bonus) for FY2022

(Performance Evaluation Period: FY2022 - FY2024)

Indicator	Target	Composition	Actual figure
Total shareholder return (TSR)	VS. Tokyo Stock Price Index (TOPIX) *including dividends 100% Upper limit 110%	30%	-
	VS. Average total shareholder return (TSR) for peer group (Note 2) 100% Upper limit 110%	20%	-
Consolidated underlying operating profit of the Dentsu Group	Compound annual growth rate (CAGR) 7.5% Upper limit 11.5%	50%	-

(Notes) 1. The Group's consolidated organic revenue growth rate was (11.10)% in FY2020, 13.10% in FY2021, and 3.20% in FY2022.

2. A peer group of six companies has been selected, comprising WPP plc, Omnicom Group Inc., Publicis Groupe S.A., INTERPUBLIC GROUP OF COMPANIES, INC., Accenture PLC, and Hakuholdo DY Holdings Inc., which are competitors of the Dentsu Group.

(3) Maximum amount of payment

The maximum amount of executive compensation to be paid is as follows.

1. Monetary compensation (basic annual salary, annual bonus, phantom stock (medium-to long-term bonus))

The upper limit of the total amount of financial compensation for Directors who are not Audit and Supervisory Committee Members (including compensation received in the capacity of an Executive Officer, for Directors who concurrently serve as Executive Officers) was resolved to be 1.2 billion yen per year (including an annual amount of 18 million yen for outside directors) by the 167th Ordinary General Meeting of Shareholders (March 30, 2016). There are five Directors who are not Audit and Supervisory Committee Members who are subject to this resolution of the Ordinary General Meeting of Shareholders.

The upper limit of the total amount of financial compensation for Directors who are Audit and Supervisory Committee Members was resolved to be 150 million yen per year at the 167th Ordinary General Meeting of Shareholders (March 30, 2016). There are four Directors who are Audit and Supervisory Committee Members who are subject to this resolution of the Ordinary General Meeting of Shareholders.

2. Stock compensation (performance-based stock compensation (medium- to long-term bonus))

With regard to stock compensation for internal Directors who are not Audit and Supervisory Committee Members (limited to those who concurrently serve as Executive Officers; the same applies hereinafter in this item), it was resolved by the 170th Ordinary General Meeting of Shareholders (March 28, 2019) that the maximum amount of cash to be contributed by the Company each fiscal year to fund the acquisition of shares of the Company's common stock to be acquired through the Trust established under the performance-based stock compensation plan shall be 900 million yen, and the maximum number of shares of common stock to be delivered to internal Directors who are not Audit and Supervisory Committee members each fiscal year shall be 360,000 shares. There are seven Directors who are not Audit and Supervisory Committee Members who are subject to this resolution of the Ordinary General Meeting of Shareholders.

3. Total Amount of Compensation for Directors for FY2022

		Number	Total amount of compensation (million yen)	Total amount by type of compensation (million yen)			
				Fixed compensation		Variable compensation	
				Monetary compensation			Stock compensation
				Basic annual salary	Phantom stock (medium-to long-term bonus)	Annual bonus	Performance-based stock compensation (medium-to long-term bonus)
Directors who are not members of the Audit and Supervisory Committee	Internal	9 [5]	505 [375]	276 [183]	15 [15]	48 [48]	165 [129]
	Outside	1	3	3	-	-	-
Directors who are members of the Audit and Supervisory Committee	Internal	1	36	36	-	-	-
	Outside	9	81	81	-	-	-

(Notes) 1. Some of the internal Directors who are not members of the Audit and Supervisory Committee concurrently serve as Executive Officers. The portion of the compensation amounts corresponding to compensation for these Directors in their capacity as Executive Officers is shown in square brackets[] above.

2. The amount of phantom stock (medium- and long-term bonuses) and performance-based stock compensation (medium-to long-term bonus) shown in the above table represents the amount expensed in the current fiscal year. In addition, the amount outside [] in performance-based stock compensation (medium- and long-term bonuses) includes the portion of performance-based stock compensation (medium- and long-term bonuses) granted as compensation as Executive Officers prior to the previous fiscal year to internal directors who were not members of the Audit and Supervisory Committee and concurrently served as Executive Officers prior to the previous fiscal year, although they did not concurrently serve as Executive Officers in the current fiscal year.

3. The Audit and Supervisory Committee checked the determination policy, the approach, and the deliberation process for Directors' compensation, which had been reported to the Board of Directors by the Compensation Advisory Committee (see 4. below for details) on reference from the Board of Directors. No significant issues were found.

4. Mr. Simon Laffin, Director who is included as a member of the Audit and Supervisory Committee, concurrently served as Chairman of the Audit Committee at Dentsu International Limited, a subsidiary of the Company, and received 15,666 pounds as compensation from the company during FY2022. He retired that position due to expiration of his term of office at the conclusion of the Ordinary General Meeting of Shareholders held on March 30, 2022.

5. The table shown in the above includes the portion of two Internal Directors who are not members of the Audit and Supervisory Committee and four Outside Directors who are members of the Audit and Supervisory Committee, those retired due to expiration of their terms of office at the conclusion of the Ordinary General Meeting of Shareholders held on March 30, 2022. In addition, since an Outside Director who is not a member of the Audit and Supervisory Committee as of March 30, 2022 retired that position at the conclusion of that Ordinary General Meeting of Shareholders and was newly assigned as an Outside Director who is a member of the Audit and Supervisory Committee as of the same date,

the portion for each position is included separately.

4. Authority to Determine the Amount or Calculation Method of Executive Compensation (including the Policy for the Determination Thereof) and the Activities of the Board of Directors, Committees, etc. for FY2022

(1) Authority

The Company has established the Compensation Advisory Committee as an advisory organization to the Board of Directors, to strengthen the independence, objectivity, and accountability of the Board of Directors' functions related to the determination of compensation for Directors and Executive Officers, and to further enhance the corporate governance structure. The Compensation Advisory Committee is composed of three or more Directors or external experts elected by resolution of the Board of Directors. A majority of the committee members are independent Outside Directors, and the committee is chaired by an independent Outside Director selected by resolution of the Board of Directors from among the committee members, thus ensuring independence.

Regarding the policy for determining the amount of compensation for individual Directors who are not Audit and Supervisory Committee Members (including compensation received in the capacity of Executive Officers for those who concurrently serve as Executive Officers), a policy proposal is submitted by the Board of Directors to the Compensation Advisory Committee, which deliberates on the proposal and reports back to the Board of Directors on the results of its deliberations. The policy is then decided by the Board of Directors based on this report.

Regarding the amounts of compensation for individual Directors who are not Audit and Supervisory Committee Members (including compensation received in the capacity of Executive Officers for those who concurrently serve as Executive Officers), compensation proposals are submitted by the Board of Directors to the Compensation Advisory Committee, which deliberates on the proposals and reports back to the Board of Directors on the results of its deliberations. The amounts of compensation are then decided by the Board of Directors based on this report, within the compensation limits established by resolution of the General Meeting of Shareholders, and after disclosure of the individual compensation amounts.

The amounts of compensation for individual Directors who are Audit and Supervisory Committee Members are determined through discussions among Directors who are Audit and Supervisory Committee Members, within the compensation limits established by resolution of the General Meeting of Shareholders.

(2) Activities of the Board of Directors, committees, etc.

In FY2022, the Board of Directors deliberated on the amounts and other details of compensation for Directors who are not Audit and Supervisory Committee Members (including the amount of compensation received in the capacity of Executive Officers for those who concurrently serve as Executive Officers), executive compensation, then submitted a proposal to the Compensation Advisory Committee, which deliberated on the proposal and reported back to the Board of Directors on the results of its deliberations. The Board of Directors then decided on the amounts and other details of the relevant executive compensation.

In FY2022, the Compensation Advisory Committee is composed of four members; one voting chairperson and two voting members (all three are independent Outside Directors), and one non-voting member (Internal Director). The main matters referred to the Compensation Advisory Committee by the Board of Directors in FY2022 were as follows. Deliberations were conducted by the Compensation Advisory Committee seven times.

(Main matters deliberated)

- Role and operating policy of the Compensation Advisory Committee
- Review of executive evaluation indicators and design of the evaluation process
- Reporting concerning the executive compensation system and compensation levels
- Reporting on proposals for compensation for individual Directors and Executive Officers

The Compensation Advisory Committee deliberates based on materials concerning specific calculations, etc. in accordance with the decision-making policy described in 2 (2) above and reports to the Board of Directors. The Board of Directors has confirmed that the method of determining the content of compensation and the content of compensation for Directors who are not members of the Audit and Supervisory Committee (including compensation for Executive Officers who also serve as Directors) for which a report was made are consistent with the above decision-making policy. Therefore, the Board of Directors has determined that the content of individual compensation for Directors who are not members of the Audit and Supervisory Committee for the current fiscal year is in line with the above decision policy.

5. (Reference) Compensation System for Group Management Team Members those concurrently serving as Directors after FY2023

The Company decided the compensation for Group Management Team Members by the resolution of the Board of Directors based on reporting by the Compensation Advisory Committee accompanied by the transition to the global management structure by Group Management Team in January 2023. The compensation as Group Management Team Members for those concurrently serving as Directors has been reviewed as follows compared to the compensation system for Executive Officers until FY 2022.

(1) Background and purpose of the review

The Company aims to achieve the Dentsu Long-Term Strategy 2030 and gain a major position in the global CT&T market. To this end, we transitioned to the global management structure in January 2023, forming the Group Management Team as one management team to promote global management. Under this structure, the team is headed by President & CEO, and Group Management Team Members those who are responsible for execution (Group Executive Management and Group Management) directly govern the four business regions worldwide to foster agile decision-making, strategic focus and clarity across the group whilst driving operational excellence.

In this context, Group Management Team Members are responsible to be fully conscious of the Company's social significance and realize high performance and corporate value, over the medium and long term. Therefore, this review of compensation for Group Management Team Members will strengthen the incentives for increasing corporate value by increasing its linkage with performance compared to the compensation system for Executive Officers before the transition, and steadily boost structural reform initiatives that are not apparent from financial figures immediately by reviewing the performance indicators.

(2) Overview of the review

The Compensation for Group Management Team Members is consist of basic annual salary as fixed compensation and annual bonus and performance-based stock compensation (medium-to long-term bonus) as variable compensation in principle as same as the compensation system for Executive Officers before the

transition, and has been reviewed mainly in terms of the following three points compared to the compensation system before the transition in order to secure globally talented management personnel and to make Group Management Team Members strongly aware of the importance of enhancing corporate value.

1) Reviewing the level of compensation

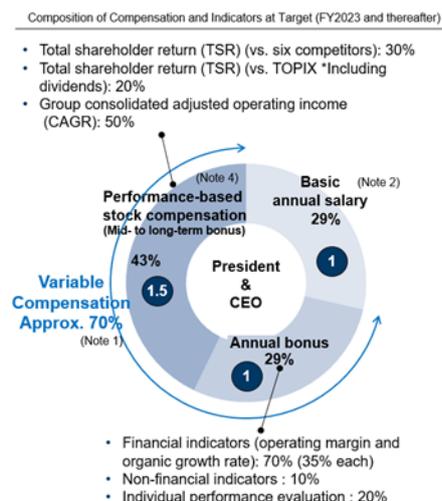
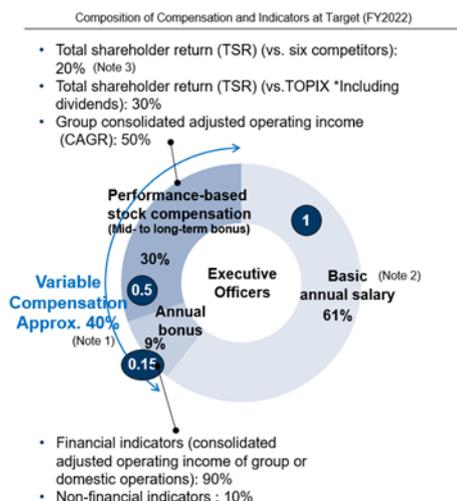
In order to secure globally talented management personnel, utilizing a specialized external agency and with reference to compensation market survey data, including that from companies with a similar market capitalization in Japan and global advertising companies (WPP plc, Omnicom Group Inc., Publicis Groupe S.A., INTERPUBLIC GROUP OF COMPANIES, INC., Hakuhodo DY Holdings Inc., etc.), etc., we have set the compensation level according to the size of the responsibility and roles of the Group Management Team Members.

2) Increasing performance linkage

In the past, compensation for executive officers was composed of basic annual salary, annual bonus, and performance-based stock compensation (medium- to long-term bonus), with a payment ratio of approximately 100:15:50 if the performance targets are met. We have set this ratio at 100:100:150 in the case of the President & CEO if the performance targets are met after a transition to a structure of Group Management Team Members. Also, we emphasize medium- to long-term performance and corporate value enhancement in particular, setting the proportion of performance-based stock compensation (medium- to long-term bonus) at approximately 40% of overall compensation. For other Group Management Team Members, the payment ratio has been based on their responsibilities for the Company's global management. The annual bonus and performance-based stock compensation (medium- to long-term bonus) paid to Group Management Team Members each varies between 0% and 200% of the standard amount paid if the values of all performance indicators meet the targets. We believe that linking compensation more strongly to performance will boost sustainable corporate value enhancement by Group Management Team Members.

3) Clarifying personal responsibility and reviewing performance indicators

Regarding the evaluation indicators for the annual bonus, we have revised uniform evaluation based on companywide performance (financial and non-financial performance indicators) and introduced individual performance evaluation in addition to financial and non-financial performance indicators to clarify individual roles in this period of business structure transition. Individual performance evaluation is set management issues for each Group Management Team Member and evaluate the degree to which these issues have been resolved. Operating margin and organic growth rate, for which the level of achievement can be assessed for each region and business as well as on a companywide basis, and for which it is possible to eliminate the impact of exchange rate fluctuations, has been adopted as financial indicators. For indicators related to medium- to long-term bonus, total shareholder return (TSR) has been applied as in the past, but the proportional composition of TSR relative to the six competitors (WPP plc, Omnicom Group Inc., Publicis Groupe S.A., INTERPUBLIC GROUP OF COMPANIES, INC., Accenture PLC, and Hakuhodo DY Holdings Inc.) has been raised to 30% from 20% and higher targets have been set, aiming for the higher TSR among competitors.



- (Notes) 1. This represents the relative composition of compensation in the total compensation if all the performance targets of variable compensation are met.
2. If one serves concurrently as a Director, the basic annual salary as a Director will be also paid.
3. The six companies has been selected, comprising WPP plc, Omnicom Group Inc., Publicis Groupe S.A., INTERPUBLIC GROUP OF COMPANIES, INC., Accenture PLC, and Hakuhodo DY Holdings Inc., which are competitors of the Dentsu Group.
4. An amount of performance-based stock compensation (medium- to long-term bonus) may be all granted in an equivalent amount of cash to Group Management Team Members, who reside outside Japan and do not hold securities accounts for managing listed shares in Japan.

(3) Governance

1) Deliberation and reporting by the Compensation Advisory Committee

Compensation after a transition to a structure with Group Management Team Member was decided by the Board of Directors as in the past in response to the deliberation and reporting by the Compensation Advisory Committee (composed of one chairperson and two voting members, three of whom are independent Outside Directors, and one non-voting member, who is an internal Director, for a total of four members.) in order to strengthen the independence, objectivity and accountability of the Board of Directors' functions with respect to its decisions, and to further enhance the corporate governance system. Under this decision, the Company targets appropriate indicators that reflect a higher target and compensation for achieving it accompanied by this review of the compensation system in order to make Group Management Team Members strongly aware of the importance of enhancing corporate value.

2) Malus and clawback clauses

The Company has set the Officers Stock Benefit Regulations stipulating that the Company may withdraw some or all of a Group Management Team Member's right to receive performance-based stock compensation (malus) or demand the return some or all of stock or cash that has been paid from a Group Management Team Member (clawback), by resolution of the Board of Directors, if the Group Management Team Member has caused serious damage to the Company through intent, negligence, inappropriate actions, etc., or where there is an error in financial information with the effect of decreasing the amount payable to the Group Management Team Member.

Amounts in this business report less than one full unit have been rounded down.

Consolidated Statement of Financial Position

(As of December 31, 2022)

(Unit: Million yen)

Assets		Liabilities and Equity	
Account item	Amount	Account item	Amount
Current assets	2,317,496	Current liabilities	2,017,696
Cash and cash equivalents	603,740	Trade and other payables	1,532,591
Trade and other receivables	1,531,957	Bonds and borrowings	95,790
Inventories	3,670	Other financial liabilities	92,237
Income tax receivables	46,964	Income tax payables	30,894
Other financial assets	18,731	Provisions	12,700
Other current assets	55,226	Other current liabilities	215,740
Non-current assets classified as held for sale	57,205	Non-current assets classified as held for sale directly related to liabilities	37,740
Non-current assets	1,423,931	Non-current liabilities	768,403
Property, plant and equipment	168,859	Corporate bonds and borrowings	436,639
Goodwill	749,755	Other financial liabilities	222,811
Intangible assets	212,345	Liability for retirement benefits	23,991
Investments accounted for using the equity method	47,515	Provisions	21,887
Other financial assets	168,386	Other non-current liabilities	7,333
Other non-current assets	20,241	Deferred tax liabilities	55,740
Deferred tax assets	56,827	Total liabilities	2,786,099
		Total equity attributable to owners of the parent	880,267
		Share capital	74,609
		Share premium account	74,931
		Treasury shares	(25,478)
		Other components of equity	135,786
		Retained earnings	620,418
		Non-controlling interests	75,060
		Total equity	955,327
Total assets	3,741,427	Total liabilities and equity	3,741,427

Consolidated Statement of Income

(From January 1, 2022 to December 31, 2022)

(Unit: Million yen)

Account item	Amount
Revenue	1,243,883
Cost of sales	(126,881)
Net revenue	1,117,002
Selling, general and administrative expenses	(950,768)
Business restructuring cost	(33,941)
Gain on sale and retirement of non-current assets	16,826
Impairment loss	(35,972)
Other income	11,184
Other expenses	(6,713)
Operating profit	117,617
Share of results of associates	3,418
Impairment loss on investments accounted for using the equity method	(5,950)
Gain on sales of shares of associates	600
Revaluation gain on step acquisition	5,467
Profit before interest and tax	121,153
Finance income	19,701
Finance costs	(39,947)
Profit before tax	100,908
Income tax expense	(34,982)
Profit for the year	65,925
Profit attributable to:	
Owners of the parent	59,847
Non-controlling interests	6,077

Consolidated Statement of Changes in Equity

(From January 1, 2022 to December 31, 2022)

(Unit: Million yen)

	Total equity attributable to owners of the parent					
	Share capital	Share premium account	Treasury shares	Other components of equity		
Exchange differences on translation of foreign operations				Effective portion of the change in the fair value of cash flow hedges	Net change in financial assets designated as at fair value through other comprehensive income	
As of January 1, 2022	74,609	77,864	(64,603)	31,465	12,199	37,759
Profit for the year						
Other comprehensive income				38,309	26,325	(33,627)
Comprehensive income for the year	-	-	-	38,309	26,325	(33,627)
Repurchase of treasury shares			(40,006)			
Disposal of treasury shares		(88)	149			
Retirement of treasury shares		(5,646)	78,981			
Dividends						
Transactions with non-controlling interests						
Transfer from other components of equity to retained earnings						23,355
Other changes		2,803				
Transactions with owners – total	-	(2,932)	39,124	-	-	23,355
As of December 31, 2022	74,609	74,931	(25,478)	69,774	38,524	27,487

(Unit: Million yen)

	Total equity attributable to owners of the parent						
	Other components of equity			Retained earnings	Total	Non-controlling interests	Total equity
	Remeasurements of defined benefit plans	Total					
As of January 1, 2022	-	81,423	675,739	845,034	64,440	909,474	
Profit for the year		-	59,847	59,847	6,077	65,925	
Other comprehensive income	5,392	36,400		36,400	(5,502)	30,897	
Comprehensive income for the year	5,392	36,400	59,847	96,248	575	96,823	
Repurchase of treasury shares		-		(40,006)		(40,006)	
Disposal of treasury shares		-		61		61	
Retirement of treasury shares		-	(73,334)	-		-	
Dividends		-	(37,035)	(37,035)	(3,763)	(40,799)	
Transactions with non-controlling interests		-	13,897	13,897	14,885	28,782	
Transfer from other components of equity to retained earnings	(5,392)	17,962	(17,962)	-		-	
Other changes		-	(733)	2,069	(1,077)	992	
Transactions with owners – total	(5,392)	17,962	(115,169)	(61,014)	10,044	(50,969)	
As of December 31, 2022	-	135,786	620,418	880,267	75,060	955,327	

Nonconsolidated Balance Sheet

(As of December 31, 2022)

(Unit: Million yen)

Assets		Liabilities	
Account item	Amount	Account item	Amount
Current assets	373,339	Current liabilities	262,904
Cash and deposits	224,907	Short-term loans payable	191,297
Short-term loans receivable from subsidiaries and associates	115,624	Current portion of long-term loans payable	30,000
Prepaid expenses	2,018	Current portion of bonds payable	35,000
Other	31,404	Other payables	3,885
Allowance for doubtful accounts	(615)	Accrued expenses	1,947
		Provision for directors' bonuses	48
		Provision for share-based remuneration	333
		Provision for loss on guarantees	245
		Other	147
Non-current assets	672,670	Non-current liabilities	173,802
Property, plant and equipment	6,990	Bonds payable	165,000
Buildings, net	2,574	Long-term loans payable	1,500
Vehicles, net	6	Provision for share-based remuneration	3,016
Tools, furniture and fixtures, net	624	Asset retirement obligation	863
Land	3,784	Deferred tax liabilities for land revaluation	844
Intangible assets	371	Other	2,577
Software	370		
Other	1	Total liabilities	436,706
Investments and other assets	665,308		
Investment securities	92,267	Net Assets	
Shares of subsidiaries and associates	340,957	Shareholders' equity	570,556
Investments in other securities of subsidiaries and associates	27,755	Capital stock	74,609
Investments in capital of subsidiaries and associates	15,481	Capital surplus	76,541
Long-term loans receivable from subsidiaries and associates	180,950	Legal capital surplus	76,541
Deferred tax assets	2,423	Retained earnings	444,510
Other	7,215	Legal retained earnings	722
Allowance for doubtful accounts	(1,742)	Other retained earnings	443,788
		General reserve	420,500
		Retained earnings brought forward	23,288
		Treasury shares	(25,106)
		Valuation and translation adjustments	38,746
		Valuation difference on available-for-sale securities	36,866
		Revaluation reserve for land	1,880
Total assets	1,046,010	Total net assets	609,303
		Total liabilities and net assets	1,046,010

Nonconsolidated Statement of Income

(From January 1, 2022 to December 31, 2022)

(Unit: Million yen)

Account item	Amount	
Operating revenue		
Dividend income	49,989	
Management fee income	11,359	
Real estate rental income	302	61,651
Operating expenses		28,101
Operating income		33,549
Non-operating income		
Interest and dividend income	2,535	
Other	225	2,760
Non-operating expenses		
Interest expenses	396	
Interest on bonds	629	
Loss on investments in investment partnerships	754	
Other	740	2,521
Ordinary income		33,788
Extraordinary income		
Gain on sales of investment securities	16,764	
Gain on sales of non-current assets	1,536	
Other	705	19,005
Extraordinary loss		
Loss on valuation of investments in capital of subsidiaries and associates	32,309	
Loss on valuation of shares of subsidiaries and associates	7,633	
Loss on valuation of investment securities	2,912	
Other	684	43,540
Income before income taxes		9,254
Income taxes-current	8,805	
Income taxes-deferred	(3,098)	5,707
Net income		3,547

Nonconsolidated Statement of Changes in Net Assets

(From January 1, 2022 to December 31, 2022)

(Unit: Million yen)

	Shareholders' equity			
	Capital stock	Capital surplus		
		Legal capital surplus	Other capital surplus	Total capital surplus
As of January 1, 2022	74,609	76,541	5,449	81,991
Changes of items during the period				
Dividends from retained earnings				-
Net income				-
Reversal of revaluation reserve for land				-
Purchase of treasury shares			-	-
Disposal of treasury shares			196	196
Cancellation of treasury shares			(5,646)	(5,646)
Changes in items other than shareholders' equity during the period – net				-
Total changes of items during the period	-	-	(5,449)	(5,449)
As of December 31, 2022	74,609	76,541	-	76,541

	Shareholders' equity						
	Retained earnings					Treasury shares	Total shareholders' equity
	Legal retained earnings	Other retained earnings		Total retained earnings	Total retained earnings		
		General reserve	Retained earnings brought forward				
As of January 1, 2022	722	420,500	129,609	550,832	(64,031)	643,401	
Changes of items during the period							
Dividends from retained earnings			(37,085)	(37,085)		(37,085)	
Net income			3,547	3,547		3,547	
Reversal of revaluation reserve for land			551	551		551	
Purchase of treasury shares				-	(43,233)	(43,233)	
Disposal of treasury shares				-	3,177	3,374	
Cancellation of treasury shares			(73,334)	(73,334)	78,981	-	
Changes in items other than shareholders' equity during the period – net				-		-	
Total changes of items during the period	-	-	(106,321)	(106,321)	38,925	(72,845)	
As of December 31, 2022	722	420,500	23,288	444,510	(25,106)	570,556	

	Valuation and translation adjustments			Total net assets
	Valuation difference on available-for-sale securities	Revaluation reserve for land	Total valuation and translation adjustments	
As of January 1, 2022	53,317	2,431	55,748	699,150
Changes of items during the period				
Dividends from retained earnings			-	(37,085)
Net income			-	3,547
Reversal of revaluation reserve for land			-	551
Purchase of treasury shares			-	(43,233)
Disposal of treasury shares			-	3,374
Cancellation of treasury shares			-	-
Changes in items other than shareholders' equity during the period – net	(16,450)	(551)	(17,001)	(17,001)
Total changes of items during the period	(16,450)	(551)	(17,001)	(89,847)
As of December 31, 2022	36,866	1,880	38,746	609,303

Independent Auditor's Report

February 22, 2023

The Board of Directors
Dentsu Group Inc.

KPMG AZSA LLC
Hideaki Koyama (Seal)
Designated Limited Liability Partner
Engagement Partner
Certified Public Accountant
Kentaro Maruta (Seal)
Designated Limited Liability Partner
Engagement Partner
Certified Public Accountant
Shuji Ezawa (Seal)
Designated Limited Liability Partner
Engagement Partner
Certified Public Accountant

Opinion

Pursuant to Article 444, Paragraph 4 of the Companies Act, we have audited the accompanying consolidated financial statements, which comprise the consolidated statement of financial position, the consolidated statement of profit or loss, the consolidated statement of changes in equity and the notes to the consolidated financial statements of Dentsu Group Inc. (the "Company") for the fiscal year from January 1, 2022 through December 31, 2022.

In our opinion, the above consolidated financial statements, in accordance with accounting standards, with the omission of some disclosure items required under the International Financial Reporting Standards, as stipulated in the provisions of the latter part of Article 120, Paragraph 1 of the Regulation on Corporate Accounting, present fairly, in all material respects, the financial position and results of operations of the corporate group, which consists of the Company and its consolidated subsidiaries, for the period covered by the consolidated financial statements.

Basis for the Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibility under the auditing standards is stated in "Auditor's Responsibility for the Audit of the Consolidated Financial Statements." We are independent of the Company and its consolidated subsidiaries in accordance with the provisions related to professional ethics in Japan, and are fulfilling other ethical responsibilities as an auditor. We believe that we have obtained sufficient and appropriate audit evidence to provide a basis for our audit opinion.

Other Information

Other information is comprised of the business report and the accompanying supplementary schedules. Management is responsible for the preparation and disclosure of the other information. The Audit and Supervisory Committee is responsible for monitoring the execution of the duties of Directors related to designing and operating the reporting process of the other information.

Our audit opinion on the consolidated financial statements does not cover the other information and we do not express an opinion on the other information.

Our responsibility for the audit of the consolidated financial statements is to read the other information and consider, while reading, whether or not there is a material inconsistency between the other information and the consolidated financial statements or the knowledge that we obtained in the audit process, and to pay attention as to whether, other than such material inconsistency,

there are any indications of material misstatements in the other information.

If we determine, based on the work we performed, that a material misstatement is included in the other information, we are required to report that fact.

We have nothing to report in relation to the other information.

Responsibilities of Management and the Audit and Supervisory Committee for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting standards, with the omission of some disclosure items required under the International Financial Reporting Standards, as stipulated in the provisions of the latter part of Article 120, Paragraph 1 of the Regulation on Corporate Accounting, and for designing and operating such internal control as management determines is necessary to enable the preparation and fair presentation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing whether it is appropriate to prepare the consolidated financial statements in accordance with the premise of a going concern, and for disclosing matters relating to going concern when it is required to do so in accordance with accounting standards, with the omission of some disclosure items required under the International Financial Reporting Standards, as stipulated in the provisions of the latter part of Article 120, Paragraph 1 of the Regulation on Corporate Accounting.

The Audit and Supervisory Committee is responsible for monitoring the execution of Directors' duties related to designing and operating the financial reporting process.

Auditor's Responsibility for the Audit of the Consolidated Financial Statements

Our responsibility is to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to express an opinion on the consolidated financial statements from an independent standpoint in an audit report, based on our audit. Misstatements can occur as a result of fraud or error, and are deemed material if they can be reasonably expected to, either individually or collectively, influence the decisions of users taken on the basis of the consolidated financial statements.

We make professional judgment in the audit process in accordance with auditing standards generally accepted in Japan, and perform the following while maintaining professional skepticism.

- Identify and assess the risks of material misstatement, whether due to fraud or error. Design and implement audit procedures to address the risks of material misstatement. The audit procedures shall be selected and applied as determined by the auditor. In addition, sufficient and appropriate audit evidence shall be obtained to provide a basis for the audit opinion.
- In making those risk assessments, the auditor considers internal control relevant to the entity's audit in order to design audit procedures that are appropriate in the circumstances, although the purpose of the audit of the consolidated financial statements is not to express an opinion on the effectiveness of the entity's internal control.
- Assess the appropriateness of accounting policies adopted by management and the method of their application, as well as the reasonableness of accounting estimates made by management and the adequacy of related notes.
- Determine whether it is appropriate for management to prepare the consolidated financial statements on the premise of a going concern and, based on the audit evidence obtained, determine whether there is a significant uncertainty in regard to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If there is a significant uncertainty concerning the premise of a going concern, the auditor is required to call attention to the notes to the consolidated financial statements in the audit report, or if the notes to the consolidated financial statements pertaining to the significant uncertainty are inappropriate, issue a modified opinion on the consolidated financial statements. While the conclusions of the auditor are based on the audit evidence obtained up to the date of the audit report, depending on future events or conditions, an entity may be unable to continue as a going concern.
- Besides assessing whether the presentation of and notes to the consolidated financial statements are in accordance with accounting standards, with the omission of some disclosure items required under the International Financial Reporting

Standards, as stipulated in the provisions of the latter part of Article 120, Paragraph 1 of the Regulation on Corporate Accounting, assess the presentation, structure, and content of the consolidated financial statements including related notes, and whether the consolidated financial statements fairly present the transactions and accounting events on which they are based.

- Obtain sufficient and appropriate audit evidence regarding the financial information of the Company and its consolidated subsidiaries in order to express an opinion on the consolidated financial statements. The auditor is responsible for instructing, supervising, and implementing the audit of the consolidated financial statements, and is solely responsible for the audit opinion.

The auditor reports to the Audit and Supervisory Committee regarding the scope and timing of implementation of the planned audit, material audit findings including material weaknesses in internal control identified in the course of the audit, and other matters required under the auditing standards.

The auditor reports to the Audit and Supervisory Committee regarding the observance of provisions related to professional ethics in Japan as well as matters that are reasonably considered to have an impact on the auditor's independence and any safeguards that are in place to reduce or eliminate obstacles.

Interest required to be disclosed by the Certified Public Accountants Act of Japan

We do not have any interest in the Company or its consolidated subsidiaries which is required to be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

Notes to the Reader of Independent Auditor's Report:

The Independent Auditor's Report herein is the English translation of the Independent Auditor's Report as required by the Companies Act, and the translation is done by the Company.

Independent Auditor's Report

February 22, 2023

The Board of Directors
Dentsu Group Inc.

KPMG AZSA LLC
Hideaki Koyama (Seal)
Designated Limited Liability Partner
Engagement Partner
Certified Public Accountant
Kentarō Maruta (Seal)
Designated Limited Liability Partner
Engagement Partner
Certified Public Accountant
Shuji Ezawa (Seal)
Designated Limited Liability Partner
Engagement Partner
Certified Public Accountant

Opinion

Pursuant to Article 436, Paragraph 2, Item 1 of the Companies Act, we have audited the accompanying financial statements, which comprise the balance sheet, the statement of income, the statement of changes in net assets and the related notes, and the accompanying supplementary schedules of Dentsu Group Inc. (the "Company") for the 174th fiscal year from January 1, 2022 through December 31, 2022.

In our opinion, the financial statements and the accompanying supplementary schedules referred to above present fairly, in all material respects, the financial position of the Company as of December 31, 2022, and the results of its operations for the year then ended in conformity with accounting principles generally accepted in Japan.

Basis for the Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibility under the auditing standards is stated in "Auditor's Responsibility for the Audit of the Financial Statements and the Accompanying Supplementary Schedules." We are independent of the Company in accordance with the provisions related to professional ethics in Japan, and are fulfilling other ethical responsibilities as an auditor. We believe that we have obtained sufficient and appropriate audit evidence to provide a basis for our audit opinion.

Other Information

Other information is comprised of the business report and the accompanying supplementary schedules. Management is responsible for the preparation and disclosure of the other information. The Audit and Supervisory Committee is responsible for monitoring the execution of the duties of Directors related to designing and operating the reporting process of the other information.

Our audit opinion on the financial statements and the accompanying supplementary schedules does not cover the other information and we do not express an opinion on the other information.

Our responsibility for the audit of the financial statements and the accompanying supplementary schedules is to read the other information and consider, while reading, whether or not there is a material inconsistency between the other information and the financial statements and the accompanying supplementary schedules or the knowledge that we obtained in the audit process, and to pay attention as to whether, other than such material inconsistency, there are any indications of material misstatements in

the other information.

If we determine, based on the work we performed, that a material misstatement is included in the other information, we are required to report that fact.

We have nothing to report in relation to the other information.

Responsibilities of Management and the Audit and Supervisory Committee for the Financial Statements and the Accompanying Supplementary Schedules

Management is responsible for the preparation and fair presentation of the financial statements and the accompanying supplementary schedules in accordance with accounting principles generally accepted in Japan, and for designing and operating such internal control as management determines is necessary to enable the preparation and fair presentation of the financial statements and the accompanying supplementary schedules that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements and the accompanying supplementary schedules, management is responsible for assessing whether it is appropriate to prepare the financial statements and the accompanying supplementary schedules in accordance with the premise of a going concern, and for disclosing matters relating to going concern when it is required to do so in accordance with accounting principles generally accepted in Japan.

The Audit and Supervisory Committee is responsible for monitoring the execution of Directors' duties related to designing and operating the financial reporting process.

Auditor's Responsibility for the Audit of the Financial Statements and the Accompanying Supplementary Schedules

Our responsibility is to obtain reasonable assurance about whether the financial statements and the accompanying supplementary schedules as a whole are free from material misstatement, whether due to fraud or error, and to express an opinion on the financial statements and the accompanying supplementary schedules from an independent standpoint in an audit report, based on our audit. Misstatements can occur as a result of fraud or error, and are deemed material if they can be reasonably expected to, either individually or collectively, influence the decisions of users taken on the basis of the financial statements and the accompanying supplementary schedules.

We make professional judgment in the audit process in accordance with auditing standards generally accepted in Japan, and perform the following while maintaining professional skepticism.

- Identify and assess the risks of material misstatement, whether due to fraud or error. Design and implement audit procedures to address the risks of material misstatement. The audit procedures shall be selected and applied as determined by the auditor. In addition, sufficient and appropriate audit evidence shall be obtained to provide a basis for the audit opinion.
- In making those risk assessments, the auditor considers internal control relevant to the entity's audit in order to design audit procedures that are appropriate in the circumstances, although the purpose of the audit of the financial statements and the accompanying supplementary schedules is not to express an opinion on the effectiveness of the entity's internal control.
- Assess the appropriateness of accounting policies adopted by management and the method of their application, as well as the reasonableness of accounting estimates made by management and the adequacy of related notes.
- Determine whether it is appropriate for management to prepare the financial statements and the accompanying supplementary schedules on the premise of a going concern and, based on the audit evidence obtained, determine whether there is a significant uncertainty in regard to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If there is a significant uncertainty concerning the premise of a going concern, the auditor is required to call attention to the notes to the financial statements and the accompanying supplementary schedules in the audit report, or if the notes to the financial statements and the accompanying supplementary schedules pertaining to the significant uncertainty are inappropriate, issue a modified opinion on the financial statements and the accompanying supplementary schedules. While the conclusions of the auditor are based on the audit evidence obtained up to the date of the audit report, depending on future events or conditions, an entity may be unable to continue as a going concern.

- Besides assessing whether the presentation of and notes to the financial statements and the accompanying supplementary schedules are in accordance with accounting principles generally accepted in Japan, assess the presentation, structure, and content of the financial statements and the accompanying supplementary schedules including related notes, and whether the financial statements and the accompanying supplementary schedules fairly present the transactions and accounting events on which they are based.

The auditor reports to the Audit and Supervisory Committee regarding the scope and timing of implementation of the planned audit, material audit findings including material weaknesses in internal control identified in the course of the audit, and other matters required under the auditing standards.

The auditor reports to the Audit and Supervisory Committee regarding the observance of provisions related to professional ethics in Japan as well as matters that are reasonably considered to have an impact on the auditor's independence and any safeguards that are in place to reduce or eliminate obstacles.

Interest required to be disclosed by the Certified Public Accountants Act of Japan

We do not have any interest in the Company which is required to be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

Notes to the Reader of Independent Auditor's Report:

The Independent Auditor's Report herein is the English translation of the Independent Auditor's Report as required by the Companies Act, and the translation is done by the Company.

Audit Report

We have created this Audit Report based on the unanimous opinions of all Audit and Supervisory Committee Members, concerning the Directors' execution of their duties over the Company's 174th fiscal year between January 1, 2022 and December 31, 2022. The Audit Report is as follows.

(1) Methods and contents of the audits undertaken by the Audit and Supervisory Committee

We have, in addition to setting out the guiding principles for undertaken audits, allocating audit-related duties, etc., and receiving reports from each Audit and Supervisory Committee Member on the implementation status and results of their audits, also received reports from Directors, Executive Officers, and Accounting Auditors on the execution status of their duties, and requested explanations of them as necessary.

The Audit and Supervisor Committee has communicated with Directors and Executive Officers in accordance with the Audit and Supervisory Committee's Standards and in accordance with the Audit Plan which was established through consultations among all Audit and Supervisory Committee Members, made all efforts to gather information and maintain an appropriate environment for the audit, and audited Directors and Executive Officers' execution of their duties so as to ensure their compliance with the law and the sound management of the Company.

(1) Methods and contents of the audit relating to the Business Report

In addition to attending the Board of Directors Meeting, other important meetings and committees, we have received reports from the Directors, Executive Officers, and others on the execution status of their duties, requested explanations of them as necessary, inspected important documents, etc., received regular reports from the Internal Audit team and Legal Affairs team, and surveyed the state of operations and assets at the Company, including the internal control systems such as the structure for legal compliance and other areas and the risk management structure.

With regard to internal control systems, we have received regular reports from the Directors, Executive Officers, and others on the status of the establishment and operation of structures, requested explanations as necessary, and expressed our opinion on the contents of resolutions passed at Board of Directors' meetings on matters set out in Article 399-13, Paragraph 1, Item 1(b) and (c) of the Companies Act and the structures which are being maintained based on the resolutions in question, based on the Guidelines for the Audit and Supervisory Committee's Implementation of Audits of Internal Control Systems established through consultations among all Audit and Supervisory Committee Members.

In addition, with regard to internal controls related to the Financial Report, we have received reports from the Directors, Executive Officers, and others as well as from Accounting Auditors on the evaluation of the internal controls in question and on the status of the audit, and have requested explanations as necessary.

From the perspective of auditing the Dentsu Group as a whole, we have received reports from the audit committees of subsidiary organizations which are in charge of domestic and overseas respectively after establishing a system for auditing the entire group by the Audit and Supervisory Committee and the audit committees. In addition, we attended the relevant committee meetings and have communicated with the Directors, Auditors, and other officers of major subsidiary companies, etc., conveyed information on a mutual basis, exchanged opinions and received reports from the Internal Audit team on the status of audits of Group companies.

We have also requested the Directors to submit confirmation letters of Directors' execution of duties concerning competitive transactions by Directors, transactions where there is a conflict of interest between the Director and the Company, any property benefits provided by the Company without charge, any transactions with subsidiary companies or shareholders which fall outside regular practices and the acquisition and disposal, etc., of treasury shares, and have surveyed these letters.

(2) Methods and contents of audits concerning financial statements, annexed specifications, and consolidated financial statements

In addition to the above, we have monitored and verified the Accounting Auditors to ascertain whether they have maintained an independent position and carried out their audits appropriately, while receiving reports from Accounting Auditors on the execution status of their duties and requesting explanations on an as-needed basis. We have also received notifications from the Accounting Auditors stating that the structures intended to ensure that duties are carried out appropriately (i.e., the items set out in the company accounting regulations) have been maintained appropriately in accordance with the Quality Management Standards for Audits, and requested explanations as necessary.

Based on the above methods, we have added our reviews to the Business Report and annexed specifications for the fiscal year in question, the financial statements for the fiscal year in question (comprising the balance sheet,

statement of income, statement of changes in net assets, and notes to financial statements) and their annexed specifications, and to the consolidated financial statements (comprising the consolidated statement of financial position, consolidated statement of income, consolidated statement of changes in equity, and notes to consolidated financial statements, prepared in accordance with stipulations of Article 120, Paragraph 1 of the Ordinance on Company Accounting, which allow for preparation with the omission of a portion of items required for disclosure by International Financial Reporting Standards), and have reviewed the Accounting Auditors' methods and results.

(2) Audit results

1) Results of the audit of the Business Report

- (1) We recognize the Business Report and annexed specifications as being in accordance with the law and regulations, and as representing the situation of the company correctly.
- (2) We do not consider that any fraudulent acts or major violations of the law or regulations have been committed by the Directors in the execution of their duties, including in any duties concerning subsidiary companies, etc.
- (3) We recognize the contents of the resolutions formed by the Board of Directors regarding the internal control systems as being appropriate. We do not recognize any items which require special mention regarding the contents of the Business Report concerning the internal control systems in question nor Directors' execution of duties, including the internal control systems for financial statements.
The Audit and Supervisory Committee regards gravely and seriously the recent incident within the Dentsu Group concerning the Antitrust Laws, described in the Business Report. We will closely monitor any developments in the situation. We will also monitor and verify the efforts by the Company and the Group to further strengthen compliance.

2) Results of the audit of financial statements and annexed specifications and consolidated financial statements

We recognize the methods and results of KPMG AZSA LLC, the limited liability audit corporation carrying out the audit as being appropriate.

February 22, 2023

Dentsu Group Inc. Audit and Supervisory Committee

Full-time Audit and Supervisory Committee Member
Izumi Okoshi

Audit and Supervisory Committee Member
Gan Matsui

Audit and Supervisory Committee Member
Paul Candland

Audit and Supervisory Committee Member
Andrew House

Audit and Supervisory Committee Member
Keiichi Sagawa

Audit and Supervisory Committee Member
Mihoko Sogabe

(Note) Audit and Supervisory Committee Member Gan Matsui, Audit and Supervisory Committee Member Paul Candland, Audit and Supervisory Committee Member Andrew House, Audit and Supervisory Committee Member Keiichi Sagawa and Audit and Supervisory Committee Member Mihoko Sogabe are Outside Directors pursuant to Article 2, Item 15 and Article 331, Paragraph 6 of the Company Act.

Shareholders' Memo

Fiscal year	January 1 to December 31	Administrator of the shareholders' register	Mitsubishi UFJ Trust and Banking Corporation
Record date	December 31 (year-end dividend) June 30 (interim dividend)	Agency administrating special accounts	Mitsubishi UFJ Trust and Banking Corporation
Trading unit	100 shares	Method of displaying public notices	Published in The Nikkei newspaper
Listing	Prime Market of the Tokyo Stock Exchange		

Information concerning the buyback and additional purchase system for numbers of shares less than one trading unit (fractional shares)

Numbers of shares less than one trading unit (hereinafter "fractional shares") cannot be traded on the stock exchange, so the Company has prepared the following system for those shareholders who wish to dispose of fractional shares.

Please inquire at the brokerage firm or other agency where you opened your account. Where the fractional shares are held in a special account, please direct inquiries to the agency administrating special accounts.

(1) Buyback of fractional shares

Fractional shares may be sold back to the Company.

(2) Additional purchase of fractional shares

Additional fractional shares may be purchased from the Company to bring the total number of fractional shares up to one trading unit (100 shares), and combined into one trading unit.

Administrator of the shareholders' register (contact details)	Mitsubishi UFJ Trust and Banking Corporation Stock Transfer Agency Department 1-1 Nikkocho, Fuchu-shi, Tokyo Phone: 0120-232-711 (toll-free, reception hours: 9:00 AM to 5:00 PM excluding weekends and public holidays) Postal address: Mitsubishi UFJ Trust and Banking Corporation Stock Transfer Agency Department P.O. Box 29, Shin Tokyo Post Office 137-8081
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Agency administrating special accounts

Mitsubishi UFJ Trust and Banking Corporation Stock Transfer Agency Department
1-1 Nikkocho, Fuchu-shi, Tokyo
Phone: 0120-232-711
(toll-free, reception hours: 9:00 AM to 5:00 PM excluding weekends and public holidays)
Postal address:
Mitsubishi UFJ Trust and Banking Corporation Stock Transfer Agency Department
P.O. Box 29, Shin Tokyo Post Office 137-8081

Share-related inquiries

- (3) Shares held in an account at a brokerage firm or other agency
Please inquire at the brokerage firm or other agency where you opened the account.
The administrator of the shareholders' register cannot respond to these inquiries.
- (4) Shares held in a special account
Please contact the agency administrating special accounts.
- (5) Unclaimed dividends and mail from the Company
Please contact the administrator of the shareholders' register

General Meeting of Shareholders venue access map

Venue: Belle Salle Shiodome

B1, Sumitomo Realty & Development Shiodome Hamarikyu Building
 8-21-1, Ginza, Chuo-ku, Tokyo

Staff will be positioned along the route through the **underground walkway** from the direction of Shimbashi Station to guide you.

Shimbashi Station (10 minutes by foot)

- JR Karasumori Exit or Shiodome Exit
- Toei JR Shimbashi Station
 Asakusa Shiodome underground gate
 Line
- Tokyo Gate for JR Line
 Metro Ginza Line

Shiodome Station (5 minutes by foot)

- Toei Exit for Shimbashi Station
 Oedo Line

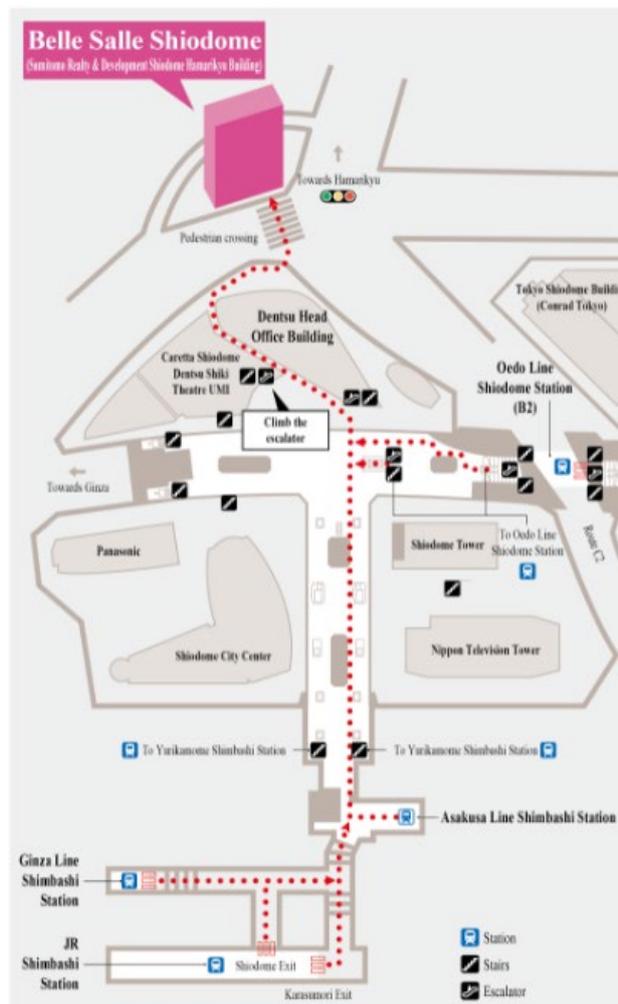
< Inquiries regarding the General Meeting of Shareholders >

Dentsu Group Inc.

1-8-1, Higashi-shimbashi, Minato-ku, Tokyo 105-7050

Requests: * Please refrain from traveling to the meeting by car, as heavy traffic is expected in the roads and car parks in the vicinity of the venue on the day.

* No gifts or souvenirs have been prepared for shareholders who attend the General Meeting of Shareholders. We request your understanding in this matter.



Note: Buildings, stores, etc. shown on the access map are as of February 2023.