



**Sustainability / CSR Report
Dentsu 2011**



Corporate Data

- **Company Name:** DENTSU INC.
- **Establishment:** July 1, 1901
- **Corporate Representative:** Tadashi Ishii, President & CEO
- **Head Office:** 1-8-1, Higashi-shimbashi, Minato-ku, Tokyo 105-7001, Japan
TEL: +81-3-6216-5111
URL <http://www.dentsu.com>
- **Number of Employees** (As of March 31, 2011) : 6,903 (Non-Consolidated)
19,535 (Consolidated)
- **Period Covered:** Mainly the fiscal year from April 1, 2010, to March 31, 2011
- **Publication Date:** February 2012
- **Reference Guideline:** GRI Sustainability Reporting Guidelines 2006 (G3), ISO26000

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Top Commitment

**The Dentsu Group's Slogan is "Good Innovation."
"Good" is an Expression of Our Commitment to CSR**

After Confronting the Challenges of 3/11, We Now Look toward the Future

In 2011, Japan was struck by the Great East Japan Earthquake, a disaster of unprecedented scale. On behalf of all the members of the Dentsu Group, I wish to offer my deepest sympathies to all those who have been affected by this disaster. Through a wide range of programs and activities, the entire Dentsu Group is now working to contribute to recovery.

This disaster has overturned many of the things that we had previously taken for granted. However, I think it has also reaffirmed the crucial value and roles of media and communications. I strongly believe that the power of communication can bring people together to create new value, and help them express their hopes for the future.

Based on this thinking, as we grasp people's changing consciousness since 3/11 and look ahead toward society beyond the disaster, we have launched the "NEXT STAGE PROJECT." Driven by our unique analysis capabilities and insights, we will pursue this project on a Group-wide basis as we undertake support activities for disaster-affected areas and explore future directions for our business. We see this project as an important opportunity to focus on the future and reassess many aspects of the Group's activities.



Tadashi Ishii
President & CEO

Through Innovation, We Aim to Realize a Sustainable Society

The Dentsu Group has adopted the slogan "Good Innovation." to succinctly express its corporate philosophy. This slogan is not simply a reference to technological innovation but encompasses the meaning of broad transformation that creates new value for individuals and society. Hence, it communicates our desire to realize a sustainable society. The "Good" in "Good Innovation." is an expression of this commitment.

To put this thinking into practice, we formulated the Dentsu Group Code of Conduct, and are working to ensure that individual Dentsu employees act in accordance with a strong sense of corporate social responsibility as they carry out their day-to-day activities.



Our CSR Structure Integrates Both Top-Down and Bottom-Up Approaches

At Dentsu, people are our greatest asset. That is why we place so much importance on creating an environment and structure in which people can make the most of their abilities. I believe that it is our mission to build an environment where a diverse array of people can work successfully, bringing "Good Innovation." to the world and helping to realize a sustainable society.

Within the Company, each department appoints one employee to promote CSR, while the CSR Committee, which is responsible for formulating and implementing all CSR activities, acts in a coordinating role. As well as working to ensure that all employees have a high level of awareness of all CSR policies, we are also striving to build a bottom-up structure for promoting CSR through various educational programs.

In particular, measures related to the environment are a key theme, and the Environmental Strategy Council, which I chair, is responsible for making important decisions in this area. To date, we have received endorsement as an Eco-First Company from the Minister of the Environment and pursued a variety of proactive measures, including global warming prevention, the promotion of environmental and social communications programs and measures to realize a recycling-oriented society.

We will continue to place high priority on maintaining a close dialog with all our stakeholders, and are committed to fulfilling our role and responsibilities as a leading company in the communications sphere. In these endeavors, I look forward to your understanding and cooperation.



Dentsu's Response to the Great East Japan Earthquake

We offer our heartfelt sympathies to all those who have suffered as a result of the Great East Japan Earthquake. We also wish to express our hope that reconstruction and recovery will be as swift as possible.

Immediately following the earthquake, Dentsu established the Earthquake Response Headquarters, with President Ishii as its head, and worked to ensure the safety of all Dentsu employees. At the same time, the Dentsu Group put its full weight behind a range of measures to support communities affected by the disaster, including through donations for relief and assistance as well as the establishment of the "Great East Japan Earthquake Disaster Relief Fund."

In this section, we report on the major earthquake-related support activities implemented by the Dentsu Group up to June 2011.

1. Support Provided through Collaboration with Media Organizations

- Arrangement of Magazine Advertising Space (United States, United Kingdom)

Dentsu put out a call for the provision of advertising space, and was able to place advertisements free of charge as part of donation campaigns through the cooperation of the Central Community Chest of Japan (CCCJ).

- "Japan is OK" Project (Taiwan)

To support regions that have suffered damage from rumors, Dentsu covered the cost of producing television programs introducing rumor-affected regions and implemented measures to promote the broadcast of these programs. Dentsu also worked to facilitate visits to Japan by journalists from print publications for the purpose of producing feature articles on affected regions.

- Arrangement of Outdoor Advertising Space and Advertisement Production (Russia)

Dentsu worked to arrange the free-of-charge provision of outdoor advertising space, and produced advertisements for a donation campaign.

2. Support based on Dentsu's Creative Capabilities

- Production of the "Dentsu Social Act Bag" in Collaboration with the Japanese Red Cross Society

Dentsu launched sales of its redesigned eco bag and donated a portion of the sales proceeds.

- Production of Pictograms for Use in Classifying Disaster Relief Supplies

Dentsu designed 32 pictograms for use in classifying disaster relief supplies, and published the pictograms on the Internet for free use by the public. In addition, Dentsu provided printed stickers of the pictograms to volunteer aid organizations.

- Production of "Great East Japan Earthquake Support Ring" in Collaboration with NGO "Japanese Organization for International Cooperation in Family Planning" (JOICFP)

Dentsu produced and launched sales of the "Hope" support ring and donated a portion of the sales proceeds to emergency aid for pregnant women, women who had recently given birth and infants in disaster-affected areas.



3. Support Utilizing Dentsu's Extensive Network of Contacts

- Intermediary between Companies Donating Relief Supplies and Aid Organizations

Dentsu collaborated with Japan Platform and other organizations to provide cooperation as an intermediary between companies donating relief supplies and aid organizations.

- Establishment and Operation of the "Tasukeai Japan" web site in Collaboration with the Cabinet Office

Through collaboration with the Cabinet Office of the Japanese government, Dentsu supported the establishment of the "Tasukeai Japan" web site, which serves as an information portal for reconstruction aid. Dentsu also supported communication efforts through assistance with site operation.

4. Participation by Employees

- "Corporate Employees' Volunteer Support Program for Disaster-affected Regions" through the Keidanren (Japan Business Federation) "1% Club" and the "Joint Committee "**

Dentsu dispatched Group employees to disaster-affected areas and covered a portion of the participation costs.

* "Joint Committee" refers to the Joint Committee for Coordinating and Supporting Voluntary Disaster Relief Activities .

- Employees Donate Children's Books to the Japan Committee for UNICEF (JCU) Children's Mini Library Project

Dentsu participated in this project to provide books to children who have been evacuated owing to the disaster. Dentsu employees donated 1,900 books and cooperated in the production of logos, posters and other materials.

5. Cooperation with Power-saving Efforts

- Dentsu Joined Ministry of the Environment "Eco First" Commitment to Conserve Electricity during Summer 2011

In response to electricity shortages following the earthquake, Dentsu made a commitment to the Ministry of the Environment to reduce its Head Office building electricity consumption at peak demand times as well as its peak usage by 15% compared with the same period (July–September) during the previous year. Furthermore, Dentsu made a commitment to work toward power savings through its communication activities, including advertising services.



NEXT STAGE PROJECT

The Great East Japan Earthquake has brought a large number of changes to Japanese society. Dentsu will strive to understand these changes and undertake communication and formulate proposals in response to such change.

The enormous disaster of March 11, 2011, took away many precious lives and wreaked a catastrophic level of damage in eastern Japan. The impact of the disaster on the entire country was profound, and included electricity shortages and severe disruption to goods supply chains. The disaster has led not only to many visible changes but also to major changes in people's lifestyles and values, and this process of change is still ongoing.

Following the disaster, Dentsu rapidly initiated the NEXT STAGE PROJECT on a Group-wide basis across all divisions and business units. The process of renewal—which began with emergency relief and recovery—must go through many stages, including reconstruction planning and implementation of those plans, changes in awareness and behavior, and changes in social systems. As time passes we enter new phases in this process. The NEXT STAGE PROJECT aims to facilitate an accurate understanding of these changes and enable us to read the lines where different currents meet. This will allow us to anticipate coming trends and provide information, solutions and plans accordingly.

One of Dentsu's most important and unique strengths is its continuous drive to explore its own capabilities as an organization and turn those capabilities into tangible action. This includes thinking about the future shape of society and the role of consumers. We try to discover new insights in light of the impact of the disaster and communicate those insights. We also work to harness those insights as part of the solutions we provide for our clients' businesses.

Dentsu undertakes proactive efforts to communicate with society, including through the presentation of research it has conducted in relation to the disaster and seminars for audiences both within and outside the Group.

For the sake of Japan's future, Dentsu is focusing its resources on the NEXT STAGE PROJECT. We are committed to maintaining a long-term approach, and fulfilling the role of an engine driving forward Japan's regeneration.





Dentsu's CSR

1. Establishment of the Dentsu Group Code of Conduct

In 2004, as the advance of economic globalization led to increasing concern over such issues as legal compliance, human rights and the environment, Dentsu formulated the Dentsu Group Code of Conduct, which articulated its basic philosophy on CSR.

The Code is a voluntary initiative by the Dentsu Group focusing on practical ways to enable all Dentsu Group managers and employees to fulfill their respective responsibilities to society. The Code of Conduct was revised in January 2010 to reflect recent advances in thinking regarding CSR.

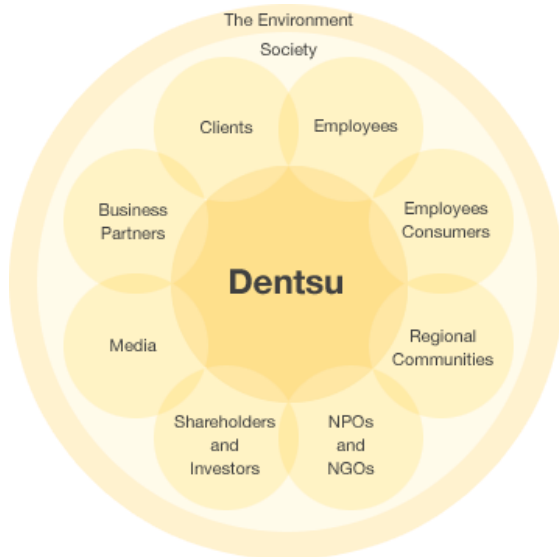
The Code of Conduct provides guidelines for action in such areas as legal compliance, occupational safety and health, protection of human rights, social contribution and environmental protection. Moreover, to enhance stakeholder understanding of the Code of Conduct's intent, Dentsu has also set out "Ten Promises to Stakeholders."





2. Dentsu's Major Stakeholders

Dentsu pursues CSR activities while maintaining close communication with its stakeholders. To achieve "Good Innovation." and address social issues, Dentsu undertakes a variety of activities aimed at fulfilling its responsibilities not only to Group employees, consumers, clients, shareholders and investors, but also to society as a whole and the Earth's environment.



Note: In addition to the groups shown above, Dentsu's stakeholders comprise many groups, including the Japanese government, administrative agencies and various groups.

3. Dentsu's "Ten Promises to Stakeholders"

1. We will observe strict legal compliance and strive to maintain a robust information security management system.
2. We will promote an accurate understanding of human rights and intellectual property rights, and carry out our corporate activities in a conscientious manner.
3. We will strive to disclose information in a manner that is fair, accurate and easy to understand, and we will properly protect the interests of our shareholders.
4. We will conduct our business activities in a fair manner at all times, paying appropriate attention to risk management, and strive to provide our clients with high-quality solutions.
5. We will show respect for the cultures of the countries and regions in which we operate, and will obey all laws and international rules.
6. We will promote and implement programs to protect and improve the earth's environment.
7. As good corporate citizens, we will be extensively involved in social contribution activities.
8. We will establish appropriate personnel policies and systems that respect the human rights of our employees and their right to privacy.
9. We will strive to create a healthy work environment for employees-for both mind and body.
10. Dentsu Group managers will establish internal systems to ensure understanding of-and adherence to-the Dentsu Group Code of Conduct.



4. Dentsu's CSR Promotion System

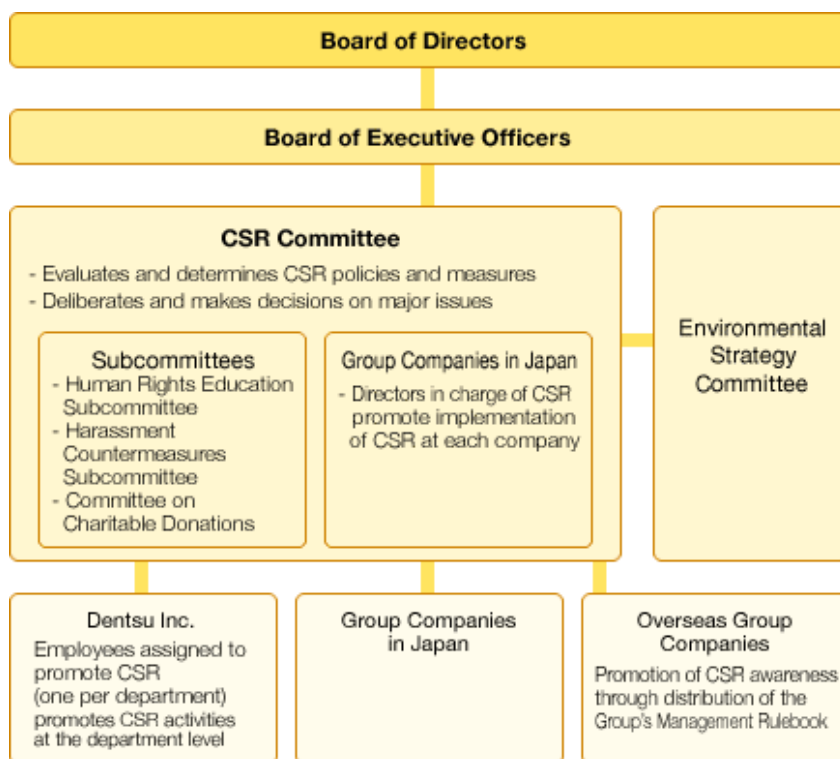
Dentsu has established three principal committees under its Board of Executive Officers, which is responsible for all major management decisions. One of these is the CSR Committee comprising seven officers of the Company. This committee makes decisions regarding the Dentsu Group Code of Conduct and all major CSR-related policies.

Several subcommittees have been established under the CSR Committee, including those involved in human rights education, harassment countermeasures, and the evaluation of donations, as well as a number of specialist working groups covering various fields. Further, each department within the Company has assigned an employee to promote awareness of CSR issues, disseminate information, and develop CSR plans at the department level.

On the key CSR theme of the environment, the CSR Committee works closely with the Environmental Strategy Committee—Dentsu's in-house body tasked with promoting environmental programs—in the planning and adoption of various environment-related policies.

In addition, each Dentsu Group company in Japan has appointed one board member to be in charge of CSR, while at Group companies overseas, the Group's Management Rulebook has been distributed and awareness programs have been implemented to ensure that CSR activities are promoted throughout the entire Dentsu Group.

Looking ahead, we will strive to realize consistent CSR policies across the Dentsu Group while at the same time working to ensure that each Group company fully utilizes its unique characteristics.





5. Dentsu's CSR Purchasing Activities

In line with the Dentsu Group Code of Conduct, in fiscal 2010 we established the Dentsu Basic Purchasing Policy and the Dentsu Purchasing Guidelines.

Through collaboration with our business partners, who cooperate in our CSR purchasing initiatives, we aim to promote the further evolution of Dentsu's CSR activities.

Dentsu Basic Purchasing Policy

In line with the Dentsu Group Code of Conduct, Dentsu aims to conduct fair business dealings with its suppliers and hereby establishes the Dentsu Basic Purchasing Policy.

1. Fair business dealings

We conduct fair business dealings.

- 1) Our business dealings shall comply with laws and regulations.
- 2) When selecting suppliers, we shall not only take into account economic factors but also fully consider compliance and environmental issues.

2. Cooperation with Dentsu's management system

When our suppliers collaborate with us, we request understanding of, and cooperation with, Dentsu's management system, including the Dentsu Group Code of Conduct, the Dentsu Purchasing Guidelines and other Dentsu Group rules.

Dentsu Purchasing Guidelines

In line with the Dentsu Basic Purchasing Policy, Dentsu hereby establishes the Dentsu Purchasing Guidelines. We request that our direct and indirect suppliers adhere to the following.

1. When hiring and dealing with employees, please implement efforts to ensure that respect is accorded to human rights, labor and diversity, and to ensure the maintenance of legal and regulatory compliance.
2. In business dealings conducted with Dentsu and other counterparties, please implement efforts to ensure the maintenance of legal and regulatory compliance. In particular, we request that dealings with antisocial individuals and organizations be banned.
3. Please undertake active efforts to maintain occupational safety and health so that work-related accidents and injuries are eliminated.
4. Please undertake active efforts to address environmental issues.
5. When presenting plans and proposals, we request that intellectual property rights be accorded respect and that third-party rights and interests not be infringed.
6. We request the establishment of information security management systems that cover organizational, individual, technical and physical aspects of information security, to ensure that confidential information and personal information obtained or learned during the course of business dealings is not used fraudulently, disclosed or leaked.
7. We request that appropriate operational processes are used to ensure that high-quality products and services are delivered within the predetermined schedule at a market-competitive cost.



6. Striving for CSR that Conforms with Global Standards

Promoting CSR Activities based on Awareness of ISO 26000

In November 2010, the International Organization for Standardization (ISO) released ISO 26000, an International Standard providing guidelines for social responsibility, which are recommended for adoption by a wide range of organizations worldwide.

By carrying out CSR activities based on an awareness of the seven core themes for social responsibility included in ISO 26000, Dentsu will strive to contribute to sustainable development.

Participation in the United Nations Global Compact

Dentsu joined the United Nations Global Compact in December 2009.

The United Nations Global Compact-a voluntary, principle-based code of conduct for businesses-was first announced by the then UN Secretary-General Kofi Annan in an address to the World Economic Forum at Davos, Switzerland, in January 1999. Participating companies are required to follow and promote 10 internationally established principles in the areas of human rights, labor standards, environment and anti-corruption.

Along with its Group Code of Conduct and "Ten Promises to Stakeholders," Dentsu observes and practices the Global Compact principles as guidelines for its CSR activities.





Principal Measures in Fiscal 2010 vis-à-vis ISO 26000 and the UN Global Compact

The principal measures carried out by the CSR Committee in fiscal 2010 vis-à-vis the seven core themes of ISO 26000 and the 10 principles of the United Nations Global Compact are summarized below.

Global Compact 10 Principles	ISO 26000 Seven Core Themes	Principal Activities
-	Organizational Governance	Internal control reporting system: implementation of self-inspection Implementation of internal control and internal auditing related to financial reporting Formulation of method for identifying and managing major risks, including violation of intellectual property Preparation of business continuity plan (BCP) in response to the emergence of a highly virulent new strain of influenza Formulation of CSR Procurement Basic Policy and Guidelines
Human Rights (Principles 1, 2)	Human Rights	- Review of human rights education activities and preparation of annual plan - Internal and external seminars, training programs and various communication programs (human rights slogan competition, poster production, human rights educational events, etc.)
Labor (Principles 3 - 6)	Labor Practices	Putting in place risk countermeasures when dispatching personnel to the 2010 FIFA World Cup South Africa™ Accompanying the improvement of temporary staffing practices, implementation of new fixed-term direct-hiring policy Support for the Women's Empowerment Principles Implementation of workplace environment improvement survey
Environment (Principles 7 - 9)	Environment	- Review of environmental activities, preparation of annual plan and Implementations of measures - Internal and external reviews and audits, introduction of "Dentsu Group Eco Program" and various communication programs (Group Eco Awards, environmental slogan competition, poster production, etc.)
Anti-corruption (Principle 10)	Compliance (Fair Operating Practices)	Preparation of plan and implementation of measures for reinforcing compliance awareness Implementation of harassment awareness survey covering all employees Launch of company-wide internal campaign tour for the prevention of recurrence of accounting irregularities Formulation of Operational Support Policy for the Handling of Personal Information
-	Social Contribution (Community Involvement and Development)	Monitoring of trends among other companies in the area of CSR activities (lectures by outside instructors, etc.) Review of social contribution activities and preparation of annual plan Promotion of activities to support communities affected by the Great East Japan Earthquake

* With regard to "consumer issues," one of the ISO 26000 seven core themes, based on a variety of consumer research, Dentsu works to understand conditions faced by consumers and identify key issues.



Environmental Measures

1. Dentsu's Environmental Activities

In July 2008, Dentsu set up the Environmental Strategy Council, chaired by the President, to strengthen the Group's structure for implementing environment-related measures.

In November 2008 Dentsu submitted its Eco-First Commitment to the Minister of the Environment and received endorsement as an Eco-First Company. A report on the progress of measures taken was submitted to the minister at the Third Eco-First Follow-Up Conference convened by the Japanese Ministry of the Environment in February 2010, and Dentsu remains committed to the program.

Dentsu acquired ISO 14001 certification in May 2005. To further promote CSR activities throughout the Group, in June 2006 Dentsu acquired integrated Group certification that included domestic subsidiaries (Dentsu and 59 Group companies had acquired this certification as of March 31, 2011).

Further, recognizing that environmental issues in China have become increasingly serious as a result of that country's rapid economic growth, in March 2010 Beijing Dentsu Advertising Co., Ltd. became the first overseas company in the Dentsu Group to acquire ISO 14001 certification.

According to Dentsu's Eco-First Commitment, it will:

- (1) Take measures to curb global warming
- (2) Engage in social communications on environmental issues
- (3) Take steps to help build a recycling-oriented society

* Regarding paper bags with the Dentsu corporate logo, although it was found that the number used in the base year (fiscal 2007) was in fact 142,138 bags and not the 78,000 previously stated, we have not altered our target of an 80% reduction.





Eco-First Commitment Overview of Progress up to FY2010

(1) Dentsu is promoting measures for the prevention of global warming.

Item	Target in Reporting Fiscal Year (FY)	Result (Summary)	Progress
A 13% reduction in the volume of CO ₂ emissions at offices by FY2009 compared with FY2004	Same as commitment item	FY2009: 18,591 tons Achieved a 17.9% reduction in emissions owing to such measures as the installation of LED lighting in offices and the upgrading of variable air volume (VAV) control systems	Achieved target
A thorough commitment to the reduction of environmental burden related to corporate events	Measured the CO ₂ emissions related to the Dentsu New Year's Party held in January 2009, and used this as the basis for formulating measures to reduce environmental burden	Result of measurement: 229.7 tons Utilized information gained in the planning and execution of the event in FY2009	Achieved target
Provide support for employees to take the Certification Test for Environmental Specialists (Eco Test) and acquire certification	Subsidy to cover employees' test fees Holding of study sessions	100% subsidy to cover test fees A cumulative total of 440 Dentsu employees had passed the Eco Test by December 2010	Achieved target
Measures to make Caretta Shiodome (commercial complex within the Dentsu Head Office Building) an environment-friendly shopping center	Upgrading of energy-conservation equipment Implementation of measures to reduce the environmental burden of events	LED lighting installed in the complex's passageways in January 2010. Carbon offsets acquired for events held in FY2009. Use of green electricity for events in FY2010	Achieved target



Eco-First Commitment Overview of Progress up to FY2010

(2) Dentsu is actively involved in promoting environment-related social communication.

Item	Target in Reporting Fiscal Year (FY)	Result (Summary)	Progress
Utilize the <i>Dentsu Green Event Guide</i> for the organization of environment-friendly events	Same as commitment item	Utilized for a wide range of events, including spots events, international conferences and concerts	Achieved target
Acquire emission credits through international emissions trading as part of a carbon offset program	Same as commitment item	Implemented for such events as golf tournaments and concerts, as well as for television and newspaper media programs	Achieved target
Newly introduce the Environmental Advertising Award as one of the Dentsu Advertising Awards to promote environment-related communication by companies	Same as commitment item	Newly established the Environmental Advertising Award beginning with the 62nd Dentsu Advertising Awards held in July 2009, and continue to promote this award annually	Achieved target
Become a partner in the IAA-Dentsu Global Student Poster Competition to promote greater awareness among young people of environmental issues	Same as commitment item	The theme for the 1st competition in 2009 was "Climate Change," and for the 2nd competition in 2010 it was "Biodiversity"	Achieved target

(3) Dentsu implements measures to build a recycling-oriented society

Item	Target in Reporting Fiscal Year (FY)	Result (Summary)	Progress
Achieve a recycling rate of 90% or higher by FY2012	85% or higher	FY2010: Achieved a recycling rate of 87.6%	Achieving steady progress (final target: FY2012)
Introduce cloth eco bags, and achieve an 80% reduction by FY2012 in the use of paper bags with the Dentsu corporate logo compared with FY2007	40% reduction	Commenced the use of cloth eco bags in June 2008. Launched a new version of the eco bags in February 2010 after conducting a design competition among employees. In FY2010, achieved a reduction of 49% compared with the base year	Achieving steady progress (final target: FY2012)



2. Global Warming Prevention Measures

【Raising Environmental Awareness】

Dentsu Group Eco Prize

Dentsu established the Dentsu Group Eco Prize in 2010 as one of its programs to improve environmental communications.

By recognizing excellence in the area of environmental activities, the prize is intended to bolster environmental advocacy across the Dentsu Group and enhance the sharing and accumulation of expertise and knowledge. There are two types of prize: Category A for educational and awareness activities within the Group, and Category B for activities that target an external audience.

In 2010, Dentsu received 46 applications in Category A and 54 applications in Category B. The Eco Prize winners were selected following a rigorous review process.

Head Office Eco Tours

Dentsu conducts eco tours of its Head Office Building. In cooperation with Group companies, the tour participants can view such green facilities as the machine room and garbage room in the Head Office basement, as well as the solar and wind power generation systems and the disaster prevention center on the first floor.

The tours include a look at the meticulous separation of trash conducted in the garbage room; the energy conservation and water reuse systems installed in the machine room; and lectures on the innovative ways in which room temperature is controlled in the building.

Applications for these visits, conducted several times a year, invariably exceed available places, reflecting the keen awareness of environmental issues among employees.

New Measures Introduced to Coincide with Environment Month

To coincide with Environment Month held annually in June since 2009, Dentsu implements a variety of educational programs. In FY2010, Dentsu implemented a program to recycle caps from PET bottles (“eco caps”) into hand fans through the collection of used caps brought from home by employees. Collection boxes were installed at Dentsu offices in Tokyo, Kansai and Chubu, facilitating the collection of approximately 250kg of eco caps. The collected caps were recycled into 10,000 hand fans.

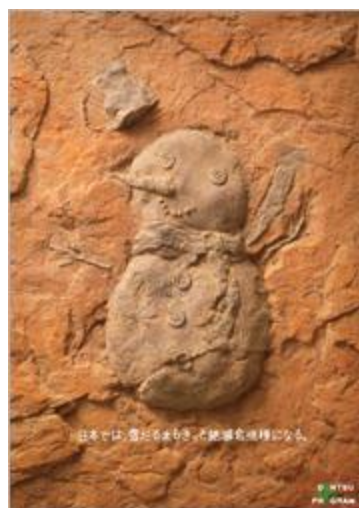
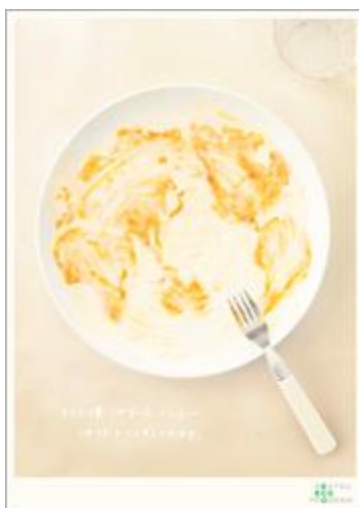




Environment-related Slogans, Posters

Dentsu introduced the Dentsu Group Eco Program as part of its efforts to enhance environmental awareness among employees. To fully utilize its communication resources, in 2005 Dentsu began inviting employees and their families to submit environmental slogans. The winning entries are used in posters designed by Dentsu art directors, thereby helping to raise environmental awareness among employees.

Winning Environmental Slogans



Helping Employees Acquire Eco Test Certification

Dentsu has actively encouraged employees to take the Certification Test for Environmental Specialists (Eco Test), sponsored by the Tokyo Chamber of Commerce and Industry, since the first test was offered in 2006. The goal is to nurture, with a broad range of environmental knowledge, those employees who will lead the way in addressing environmental issues. Employees who acquire the certification are appointed as "eco officers" to promote Dentsu's environmental activities, and also carry out such roles as inspectors for internal environmental audits and judges for environmental slogans. A total of 440 employees had acquired the certification by 2010.



【Reducing CO₂ Emissions】

Reducing CO₂ Emissions in Office Buildings

The Dentsu Head Office Building in Tokyo's Shiodome district is replete with cutting-edge equipment chosen to fit the concepts "built to last a century," "harmony with the global environment," and "energy efficiency." The building incorporates more than 30 energy efficiency-related systems, best represented by the following.

■ Air-Flow Windows

The windows are designed to circulate interior air between two panes of glass and then expel to the outside the heat that has been absorbed by the glass.

■ Cogeneration System

The heat emitted by the generation of electricity is reused.

■ Water Reuse System

Rainwater and wastewater are reused for general purposes other than drinking.

■ Green Space Development

Over 13,000 trees and shrubs have been planted around the Head Office Building to reduce temperatures in the surrounding area. Since the building was completed in 2002, additional green space has been provided, further enhancing energy efficiency.

Certified as a “Top-Level Facility” by the Tokyo Metropolitan Government

For the prevention of global warming, pursuant to the “Tokyo Metropolitan Environmental Security Ordinance,” under the “Mandatory Greenhouse Gas Reduction and Emissions Trading Program” (cap-and-trade program), Dentsu has been designated as a “Specified Facility for Global Warming Countermeasures.”

In fiscal 2010, the adoption of energy efficiency-related systems in the Dentsu Head Office Building was highly appraised, and the building was certified as a “Top-Level Facility” within “Excellent Specified Facilities for Global Warming Countermeasures.”

Pursuant to the Tokyo Metropolitan Environmental Security Ordinance, Dentsu has published its “Fiscal 2010 Plan on Measures against Global Warming.” For details, please refer to the following page on the Dentsu web site:

http://www.dentsu.co.jp/csr/pdf/gw_report2010.pdf (Japanese Only)



Dentsu's Environmental Performance Trend

Dentsu's Environmental Performance Trend				
CO ₂ emissions				
	FY2008	FY2009	FY2010	FY2011 (Forecast)
CO ₂ emissions (tons)	26,157	21,242	21,174	20,962
CO ₂ emissions per m ² of floor space	0.10	0.08	0.08	0.08
Amount of waste				
	FY2008	FY2009	FY2010	FY2011 (Forecast)
Amount of waste (tons)	2,229	1,874	1,871	1,815
Amount of waste per m ² of floor space	8.61	7.24	7.23	7.01
Water consumption				
	FY2008	FY2009	FY2010	FY2011 (Forecast)
Water consumption (m ³)	223,061	166,528	165,129	160,165
Water consumption per m ² of floor space	0.86	0.64	0.64	0.62

Calculation of Environmental Performance Data

[Consolidated and Non-consolidated]

- Estimates for 2011 are based on April–December actual results and January–March amounts for the corresponding period of the previous year.
- Floor area is based on the whole of Dentsu Inc. (Tokyo Head Office, Kansai Branch Office and Chubu Branch Office), a total of 258,838 m².

[Non-consolidated]

<CO₂ emissions>

For the Tokyo Head Office, the coefficient specified under the Tokyo Metropolitan Ordinance is applied, and for the Kansai Branch Office and Chubu Branch Office, the coefficient specified under the Act on the Rational Use of Energy (Energy Saving Act) is applied.

<Waste>

The volume of waste generated (tons) is the sum of general waste and industrial waste. In fiscal 2010, the volume of industrial waste generated (Tokyo Head Office) was approximately 61 tons.

<Water resource usage>

The volume of water resources used is the sum of municipal water and gray water at the Tokyo Head Office, and the building total at the Kansai Branch Office and Chubu Branch Office.



3.Environment-Related Social Communication

Environmental Advertising Award Added to Dentsu Advertising Awards

The Dentsu Advertising Awards were established by Dentsu in 1947, in the wake of the Second World War. They were designed to raise the standards, both social and cultural, of the advertising industry. Advertisers submit entries, and winners are chosen by a selection committee of 560 members drawn from among advertisers, media companies, creatives staff and cultural figures nationwide.

The Environmental Advertising Award was newly introduced as one of the Dentsu Advertising Awards in 2009, and is conferred for the best advertisement with an environmental theme. The recipient of the Environmental Advertising Award is selected from the winners of the Advertising Grand Award, Dentsu Advertising Awards, Area Excellence Awards and Area Outstanding Awards in five categories: newspaper, magazine, poster, radio and television. In 2010 the award was presented to Toshiba LED Lighting (newspaper/ magazine category).

Dentsu plans to continue to raise environmental awareness through awards and recognition of communications activities focused on the environment and related themes.





Utilize Operational Handbooks

Dentsu conducts surveys on such topics as consumer awareness of environmental communications and green consumption, as well as research in conjunction with international environmental NPOs and other experts.

The results of these studies have been compiled in tools such as the Greenwash Guide and the Green Event Guide, and are used to further internal environmental awareness.

- Greenwash Guide

The term "greenwash" is used in reference to the impression some companies give consumers that the organizations' products or policies are environment friendly when they are not, or that they are greener than they actually are. With greater public attention focused on environmental issues, there has been a notable increase in environment-related advertising, some of which includes overblown claims.

Dentsu created the Greenwash Guide as an internal document in response to this situation, designed to enhance employee knowledge, from acquiring a basic understanding of the topic to having the ability to respond to ever-changing social conditions.

- Green Event Guide

This operational handbook defines a green event as one that is environment friendly, and describes how to organize such an event centered on reducing CO₂ emissions, from planning to post-event assessment. It includes a wealth of specific strategies and advice, so that employees can start with the things they can do straight away.



Greenwash Guide



Green Event Guide



【Aiding Public Causes】

Promotion of the Biodiversity Project

Dentsu uses advertising-related communication to promote consumer behavior that supports biodiversity, and to make a connection between biodiversity conservation and sustainable use.

2010 was the International Year of Biodiversity. In October, the Tenth Conference of the Parties to the Convention on Biological Diversity (COP10) was held in Nagoya, Aichi Prefecture, Japan. Dentsu saw this occasion as a major opportunity to undertake a range of communication activities related to the environment, and worked strenuously to promote mainstream understanding of the importance of biodiversity.

Collaboration with the Japanese Government

Dentsu worked with Japanese government agencies to manage such projects as the Life on Earth Supporters Club-comprising prominent figures from many fields-as well as organize various kinds of events. Acting as secretariat for the Interactive Fair for Biodiversity, which was held in conjunction with COP10, Dentsu also promoted the participation of companies in exhibits and stage events and worked to make the fair a success.



Interactive Fair for Biodiversity

Collaboration with the Media

In collaboration with the Ministry of the Environment and the Nikkei Inc., Dentsu implemented the Nikkei Biodiversity Project advertising feature series. By gaining sponsorship from companies for features on COP10 and other topics, Dentsu worked to *bLetter to Living Things: Born on a Biodiverse Planet* build momentum for the event. Dentsu also cooperated in the publication of the book (author: Christel Takigawa; published by Shogakukan Inc.).



COP 10 logo created by Dentsu



Administering the Japanese Government's Eco-Point Program

Dentsu served as an administering company for the Japanese government's Eco-Point program for environment-friendly appliances launched in May 2009, working in a consortium with four other companies. The consortium handled all aspects of the program, from processing applications from purchasers of green appliances, to distributing funds to product manufacturers when points were exchanged for goods. Some 46 million applications were received by 2011.

The Eco-Point Program encouraged consumers to purchase new environment-friendly appliances, and made a considerable contribution to CO₂ reductions.

A housing eco-point system was launched in 2010, and Dentsu also led the consortium managing this program. The Company will utilize this experience to further contribute to the environment and society.



Challenge 25 Campaign

Japan announced at the UN Climate Change Summit in September 2009 that, by 2020, it would reduce greenhouse gas emissions by 25% from 1990 levels. The national movement Challenge 25 Campaign was initiated on January, 2010, to achieve this goal.

Dentsu implemented proactive measures to raise awareness of the Challenge 25 Campaign. Achieving the goal will require a concerted effort at a number of levels, including not only corporations but also local communities and individual lifestyles. Dentsu was commissioned by the Ministry of the Environment to conduct activities aimed at CO₂ reduction in company activities implemented a range of measures connected to this project.

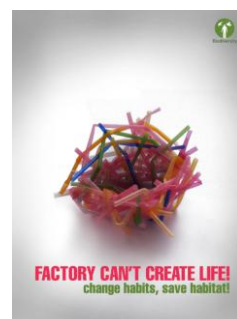


【Event Sponsorship】

IAA-Dentsu Global Student Poster Competition

Dentsu is a partner in the IAA-Dentsu Global Student Poster Competition, sponsored by the International Advertising Association (IAA) in cooperation with the United Nations.

The 2nd competition, in 2010, drew 527 submissions from 27 countries and regions around the world, with awards given for the top three entries, along with regional prizes. The winning entries were displayed at Dentsu offices, as well as international events such as AdAsia and COP 15.



Worldwide Champion
“ FACTORY CAN'T CREATE LIFE! ”



4. Measures to Build a Recycling-Oriented Society

Raising Recycling Rates through Trash Separation

In an effort to raise recycling rates through more careful separation of trash, Dentsu has placed garbage collection centers, called "eco counters," on each floor of its office building, and is working to raise awareness by posting rules regarding trash separation and a recycling chart.

Trash generated in the office is placed into separately colored bins for recyclables (recyclable paper, copy paper, newspapers, magazines, etc.), non-recyclables (non-recyclable paper, food and drink containers, food scraps, etc.), and hazardous materials (batteries, box cutter blades, etc.). Detailed rules are posted regarding disposal methods.

As a result of these measures, the recycling rate of FY2010 is 87.6%.

Replacing Paper Bags with Eco Bags

Dentsu included in its Eco-First Commitment an 80% reduction, from 2007 levels, in the use of paper bags with its corporate logo by fiscal 2012. Cloth eco bags were introduced for internal use in 2008 to help achieve this goal.

In 2009, a project was launched to create a new version of the eco bags, with improved quality and functionality designed to promote their greater use.

The new cloth eco bags were completed in February 2010.

These eco bags are currently in use at Dentsu and its Group companies. In FY 2010, the use of paper bags with the corporate logo was down 49% from fiscal 2007 levels at the Tokyo Head Office (prior to the introduction of cloth eco bags).

In May 2011, we launched a redesigned eco bag called the "Dentsu Social Act Bag." A portion of the proceeds from sales of the bags was donated through the Japanese Red Cross Society to assist victims of the Great East Japan Earthquake.



New Dentsu Eco Bags (in A4, B4 and A3 sizes)



Social Contribution Activities

1. Unique Initiatives by Dentsu

Advertising Elementary School

Fostering communications-related skills is one important issue tackled in elementary school classrooms. In 2006, Dentsu and Tokyo Gakugei University developed the Advertising Elementary School program that tapped into the Company's communications knowledge and expertise. To date, the program has been experienced by approximately 2,300 children nationwide, and has drawn a rousing response.

The Advertising Elementary School program fosters creative thinking, better judgment, self-expression and group problem-solving abilities among the children as they learn to think for themselves, consult others, express themselves and share ideas through the performance of 15-second commercials on topics the children want to address.

Dentsu provides the educational materials to teachers free of charge. In 2008, the program received the Chair's Special Award at the second Kids Design Awards for the significant contribution that Dentsu has made to society. The award cited Dentsu's "model corporate CSR approach in contributing to improving children's abilities via learning through experience in a way that cannot be provided through normal studies alone."

In fiscal 2010, classes were conducted at 44 schools, including the first classes held outside of Japan (Hong Kong Japanese School). In March 2011, the Advertising Elementary School book was published. It introduces the unique features and processes used in the program's classes, as well as examples of storyboards and presentations created by the children taking part. For further details, please refer to the Advertising Elementary School web site:

<http://www.dentsu.co.jp/komainu/index.html> (Japanese Only)



Children putting on a play in the classroom



Advertising Elementary School: Let's Learn
Communication through Television Commercial
Production (published by Sendenkaigi Co., Ltd.)



Keys to Communicating, an NPO Public Relations Skills Improvement Project

Improving public relations skills has become an important issue for non-profit organizations as they attract increasing attention and the expectations placed on them grow year by year. In 2004, Dentsu together with NPOs established the NPO Public Relations Skills Improvement Committee, and is working to address this issue.

This project emphasizes the importance of establishing a clear basis for any communication activity—who is your target audience and what are you trying to communicate to them? These fundamental questions need to be answered before moving onto such issues as how the public relations materials will be produced and what creative approach will be adopted. An original text was developed specifically for the program, entitled *Keys to Communicating*, and every year Dentsu creatives and members of Dentsu's NPO Committee take on the role of lecturers in seminars conducted throughout Japan based on this text, combining lectures and workshop sessions.

In fiscal 2010, a revised edition of the text was published, which strengthens its focus on practical content that can be rapidly applied to the development of public relations materials. Dentsu also launched a new initiative called “Grant Seminars,” which are hosted by regional NPO intermediary support organizations. Dentsu conducted a large number of seminars and received very positive feedback from participants, particularly regarding the highly practical nature of the seminar content.

A total of 53 seminars had been held up to the end of March 2011, involving a total of approximately 2,300 participants.



An NPO Seminar



Keys to Communicating handbook



The Dentsu-China Advertising Study Project Fund

Since 1996, the Dentsu-China Advertising Study Project Fund has conducted a wide range of activities to support advertising-related education at universities in China. This includes inviting Chinese educators to participate in a study exchange program at the Dentsu Head Office, and seminars organized in China. These programs are tailored to meet the conditions and needs of universities in China in the field of advertising education.

The principal mission set for the third three-year installment of the Dentsu–China Advertising Study Project Fund, which was launched in April 2011 and is due to run until March 2014, is to realize collaboration between China and Japan through joint study initiatives, and hence contribute to the development of Dentsu’s global business.

Although a talk session-involving Dentsu employees and up-and-coming Chinese scholars who have thrived in parallel with the Fund’s activities—had been scheduled as the kickoff for the three-year project, the session had to be postponed owing to the impact of the Great East Japan Earthquake.

Under the Dentsu study exchange program, six educators from China attended a course at Dentsu Head Office from January to March 2011. However, following the earthquake, to ensure the safety of participants Dentsu moved the schedule should forward and the participants returned to China on March 15, 2011. To mark the participants’ return to China, Dentsu Senior Executive Vice President Ryuichi Mori offered words of encouragement and presented course completion certificates.

Following the earthquake, many letters were received from China expressing sympathy and offering encouragement to Dentsu employees. These included messages from the Ministry of Education of the People's Republic of China, universities at which Dentsu has provided support and university faculty members who had participated in past study exchange courses at Dentsu.



Dentsu employees review a mock presentation by students



Dentsu is presented with a certificate of appreciation from China's Ministry of Education



2. Activities with NPOs and Other Volunteer Organizations

Support for UNESCO's World Terakoya Movement

UNESCO's World *Terakoya* Movement, an effort to increase literacy, is sponsored by the National Federation of UNESCO Associations in Japan.

Since 2003, Dentsu and three of its group companies -Dentsu Tec Inc., Information Services International-Dentsu, Ltd. (ISID) and Cyber Communications inc.- have supported the movement's activities in a number of ways, including helping construct *Terakoya* centers and developing the association's logo. When the movement celebrated its 20th anniversary in 2009, Dentsu created a special anniversary logo and sponsored commemorative events. In cooperation with Dentsu Group companies, each year Dentsu conducts a campaign asking employees to donate spoilt prepaid postcards, which may be exchanged for a refund by Japan Post.

For further details, please refer to the following Web site:

National Federation of UNESCO Associations in Japan
<http://www.unesco.or.jp/terakoya/> (Japanese Only)



"Donating spoilt prepaid postcards"
Campaign Poster

Supporting Table for Two

Table for Two (TFT) is a movement that originated in Japan to help eliminate both hunger in developing countries in Africa, and obesity and other lifestyle-related diseases in advanced countries. For each purchase of a TFT meal, ¥20 is donated toward a school meal in Africa.

In 2009, Dentsu began offering TFT meals at the employee cafeteria in its Tokyo Head Office. Promotional tools created by Dentsu are used in the companies and universities that have introduced the TFT program.

In 2010, Dentsu supported the "One Million ITADAKIMASU (One Million Meals)" campaign (Oct. 16 to Nov. 30), an event celebrating "World Food Day" (Oct. 16) proclaimed by the United Nations. Dentsu contributed to the campaign by creating the key visual and cooperating at the kick-off event at Caretta Plaza. During the campaign period a special menu was served at the Dentsu employee cafeteria. 17 restaurants located in Caretta Shiodome also participated in the campaign.



The kick-off event at Caretta Plaza



Promoting Human Rights

1. Human Rights Awareness Inside and Outside Dentsu

Dentsu aspires to make its advertising and all business communications activities richer from the viewpoint of human rights. The Company regularly conducts a broad variety of employee training programs throughout the Group aimed at providing all employees with a sound understanding of human rights, which they can then apply within their work.

The Company conducts training programs based on job classification for all new employees, as well as for those in their seventh year, mid-career hires, and newly appointed managers. In addition, special training programs are held for specific organizational units, such as Account Management Divisions and Creative Divisions. We also have group training for human rights education managers appointed at each business unit, and at individual Dentsu Group companies. Furthermore, every other week a newsletter containing timely human rights-related topics to heighten employee awareness is posted on the Company's intranet.

Dentsu is also engaged in human rights activities outside the Company. It participates in human rights seminars and other events held by the Japan Advertising Agencies Association (JAAA), and works on human rights education throughout the advertising industry. Besides supporting public human rights education, Dentsu regularly has employees address human rights seminars when so requested by government officials, local government bodies and other companies.

Dentsu's Basic Policy on Human Rights

1. We have zero tolerance for discriminatory language in advertising or communications activities.
2. Respect for human rights must underpin all aspects of society and be paramount in communications.
3. The objective of human rights education is to effect proper judgment regarding freedom of expression and discrimination.



2. Human Rights Slogans and Posters

As part of its activities to raise awareness of human rights, since 1988 Dentsu has run an annual program in which Group employees and their families are asked to create and submit human rights slogans. The slogans are lively phrases ranging from items with humor and insight to pithy, simple statements of complex human rights themes. This annual appeal has become a unique Dentsu activity.

The best slogans are incorporated into posters produced by Dentsu creatives. As a result of this initiative conducted for more than 20 years, more than 100 posters have been created using advertising techniques combining short, meaningful phrases with apt visual designs to address diverse human rights issues from familiar perspectives. Local government agencies request use of these posters for human rights events throughout Japan.

Dentsu human rights posters have a strong impact and have drawn many positive comments, including "The poster was easy to understand and spoke right to the heart," "I was surprised because the message is intense and yet refined," and "The power of advertising is incredible."

Dentsu Human Rights Posters Produced in 2010





3. Art Project for Joint Production of Human Rights Posters

The Human Rights Art Project has transformed Dentsu's previous in-house human rights poster production activities into a more open activity involving a broader sphere of society. Students at art universities collaborate in the production of posters by providing designs to accompany the human rights slogans collected and reworked by Dentsu.

The collaboration began with Joshibi University of Art and Design in 2007, and continues to expand. Musashino Art University joined in 2008, followed by Tokyo University of the Arts in 2009 and Tama Art University in 2010. To date, some 370 students have worked with Dentsu creatives from the initial idea stage through several review and draft cycles to produce the finished posters.

These activities provide an opportunity to foster human rights awareness within the art production process at universities, and to explore issues surrounding the impact that art can have on society. For the students, the project enables them to focus on human rights and use artistic expression to convey their thoughts and feelings from their own perspectives. For Dentsu, it offers staff members the chance to apply the professional communications skills developed in their advertising work to CSR activities in support of human rights—an important social issue. Dentsu intends to develop this initiative further as part of its social communications activities.

Students attending a lecture by a Dentsu employee



[Collaborating Arts Universit
Joshibi University of Art and Desig
Musashino Art University (2008-
Tokyo University of the Arts (200
Tama Art University (2010-)

Collaboratively Produced Human Right Posters





Employee Relations

1. Promoting a Healthy Work-Life Balance

Creating synergy between a fulfilling personal life and high-quality working life

The Company believes that a fulfilling personal life improves the quality of one's working life and that satisfying work increases one's level of self-fulfillment in life. The object of Dentsu's work/life balance (WLB) program is to generate synergy between the two. Dentsu implements programs to support the mental and physical health of each employee to help them maintain a balance between work and their personal life, and the Company is committed to the creation of friendly workplaces where employees can fulfill their potential.

Internal Workload Management Systems

The most important factor in creating a work-friendly environment is health management, particularly in relation to the issue of long working hours. Dentsu has established a special in-house Human Relations Management Department which is developing and implementing programs to reduce overtime and to make it easier for employees to take holidays. In addition, a Career Design & Work/Life Balance Section has been set up to assist employees in balancing their working and personal lives, and the experience gained by this section is then applied to the improvement of the Company's working environment. In addition, regular joint WLB conferences are held with the labor union to discuss current issues affecting employees.

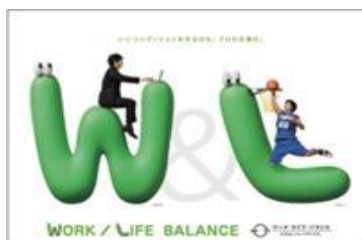
Action Plan under the Law for Measures to Support the Development of the Next Generation

In September 2007, Dentsu received "Kurumin" (next generation support) certification from the Japanese government in recognition of the Company's efforts to help employees balance their work and child-rearing duties. The Company continues to encourage employees to take holidays and is strengthening support for employees with children under the auspices of the current Second Dentsu Action Plan. To date, the Company has conducted two WLB campaigns and will continue to nurture the development of a corporate culture that is supportive of the needs of employees.

Participation in the Ministry of Health, Labor and Welfare's (MHLW) Work/Life Balance Promotion Project

In fiscal years 2008 and 2009, Dentsu participated in the MHLW's Work/Life Balance Promotion Project, and made public its own work/life balance (WLB) programs as part of its efforts to help promote a WLB approach in broader society.

A declaration of support for this project by Dentsu's President has provided a great boost for the Company's efforts to promote a better work/life balance for its employees.



WLB promotional poster



WLB objet d'art on display in the Company lobby



2. Employees Encouraged to Take Vacation Entitlements

For employees to approach each new task with vigor, apply their strengths to achieve outstanding results and generate new ideas, it is crucial to create an organization in which employees can fully refresh themselves through vacation and non-work activities.

Dentsu provides various vacation and leave systems for employees, who are encouraged to take their full vacation entitlements. In addition to regular annual paid vacation, the Company each year grants employees two consecutive days off that can be used to take vacations of five or more days by combining them with Saturdays, Sundays, national holidays, annual paid vacation and compensatory days off.

To create a workplace environment in which it is easy to take vacations, each quarter a "vacation planning chart" is posted at all workplaces so that information on vacation schedules can be shared among employees.

Dentsu employees possess a diverse range of skills and talents. Recognizing this, the Company has created a system whereby "cultural leave" is granted to employees who are involved in high-level cultural or sports events. For example, this system may be used by exceptionally talented employees competing at major competitions, such as a national ski meet or an international American football match. Employees who qualify receive additional leave under this system.

Holiday System Summary		
	Type of Vacation	Number of Days
Paid	Annual paid vacation days	Three or more years of service: 20 days
		More than one but less than three years of service: 15 days
		Less than one year of service: 11 days
	Special consecutive vacation days	Two days each fiscal year
	Accumulated vacation days	Up to 120 days can be accumulated of unused annual paid vacation days that cannot be carried over. They can be taken under the following circumstances.
		Non-work related accidents and sick leave (when taken for seven or more consecutive days)
		Family nursing care leave
		After family nursing care leave is taken (up to 15 days per year)
	Marriage leave	Community service leave (up to five days per year)
		Seven consecutive days, including non-work days
	Maternity leave	Within six weeks before due date, and eight weeks after birth
	Paternity leave for birth	In principle, day of birth and the next day
	Mourning leave	Death of spouse, parent or child: seven days
		Death of sibling or spouse's parent: five days
		Death of grandparent or grandchild: three days
	Culture leave	Number of days approved
	Disaster leave	Number of days approved
	Relocation leave	Appointment to job at different location: up to seven days
		To bring family after transfer: number of days for round trip + two days
	Long-service leave	10 days within two years after receipt of 20-year service award
	Menstrual leave	Necessary number of days (but with a maximum of two days paid holidays)
	Family nursing care leave	Five days
Unpaid	Jury-duty leave	Necessary number of days
	Union leave	Number of days specified by labor-management agreement
	Preschool child nursing care leave	10 days
	Family care leave	10 days
	Maternal care leave	Necessary number of days

Average Number of Vacation Days Taken			
	(Fiscal Year)		
	2008	2009	2010
Male	8.4	8.7	9.2
Female	12.1	12.3	12.9
Total	9.2	9.6	10.1
Percentage of Acquisition	46.0%	48.0%	50.5%



3. A Workplace Environment that Fully Utilizes Employee Talent

For Dentsu — a company that sells ideas in the field of communications— human resources are recognized as the Group's greatest asset. Hence, Dentsu is introducing a personnel system to enable the creation of a workplace environment in which the diverse potential of its employees can flourish.

Respecting Diversity

As the scope of Dentsu's businesses in the communications sphere expands, the Company strives to recruit personnel irrespective of nationality, educational background, sex or age, and to create a workplace environment in which they can realize their potential.

Dentsu employs people with disabilities, many of whom work in account services and the creative divisions. While such employees accounted for 1.66% of the Company's workforce as of June 30, 2011, Dentsu will continue striving to exceed the statutory employment rate.

Work/Life Balance Support System

Dentsu has established childcare leave, modified working hours for employees raising young children, and other systems in compliance with the revised Childcare and Nursing Care Act (the Act on the Welfare of Workers Who Take Care of Children or Other Family Members, Including Child Care and Family Care Leave), and has established a consultation office to support work/life balance.

Post-retirement Reemployment

Employees who have reached mandatory retirement age but wish to continue working may be reemployed as "partners," until they are 65 years old, and use their experience in a supportive role as well as to help train younger staff members.

Number of New Graduates Hired (Fiscal Year)					
	2007	2008	2009	2010	2011
Male	150	118	146	134	160
Female	49	64	67	54	65
Total	199	182	213	188	225
Percentage of Women	24.6%	35.2%	31.5%	28.7%	28.9%

Number of Employees Taking Childcare Leave (Fiscal Year)			
	2008	2009	2010
Female	27	25	48
Male	1	1	6
Total	28	26	54
Percentage of Rehabilitation	100%	96.1%	98.1%

Number of Post-retirement Employees (Fiscal Year)			
	2008	2009	2010
Male	65	93	106
Female	4	8	14
Total	69	101	120



4. Employee Health Management System

Dentsu strives to provide employees with advanced healthcare management, from preventive measures to return-to-work support, so that staff members can enjoy good mental and physical health.

Dentsu also conducts periodic health screenings of all employees. In recent years, about 98% of all employees have been receiving these regular checkups, and those who have not are being urged to participate, so that 100% coverage can be attained.

In addition to the regular health screenings, the Company also provides examinations for lifestyle-related diseases and cancer testing for employees who are over 30 years of age, and helical CT scans for employees 45 years of age and older.

Dentsu has other facilities to promote employee health in addition to the Health Management Center. These include massage rooms and areas with fitness equipment where health instructors direct a wide variety of exercises. Moreover, the Company has been strengthening its support for mental health, which has become a key health-management issue in recent years. In fiscal 2009, Dentsu launched mandatory mental-health training for employees in management positions, and the Company plans to implement this training in each division on a regular basis.

In cooperation with industry-specialized physicians, public health nurses and other medical staff members, Dentsu also provides support for employees returning to work following long periods of convalescence. The return-to-work support system is designed to ensure that excessive pressure is not placed on returning employees and that their illness will not recur.

Employees in Tokyo are free to use the services of the Dentsu Health Management Center, located at the Head Office, at any time. Besides the internal medicine services the center offers daily, on prescheduled days each week employees can use consultation services in such medical areas as orthopedics; ophthalmology; ear, nose and throat; and psychiatry.

Employees' Health Check-up Rate (Fiscal Year)			
	2008	2009	2010
Total	98.4%	98.4%	98.7%



5. Developing Employee Capabilities

Dentsu focuses on developing work environments in which employees can maintain high morale and motivation, and can enthusiastically tackle their work. To realize this goal, Dentsu has developed a training system that emphasizes the improvement of employee capabilities through a variety of seminars.

Dentsu's Training System

Dentsu's human resources development and training system can be broadly divided into the following three stages.

(1) Human Resources Development for the new Employee

Training to acquire the basic knowledge necessary for working at Dentsu and to foster solution (problem-solving) capabilities

(2) Professional Development

Training to foster solution capabilities and expertise so that employees can play central roles in their business units, after their several years at Dentsu

(3) Strengthening Managerial Capabilities

Training to foster leadership and facilitate the acquisition of managerial knowledge

Based on these training objectives, Dentsu conducts a variety of human resource development programs, including the following:

- 1. Management knowledge and strategy skills**
- 2. Digital skills**
- 3. Integrated solutions**
- 4. Basic frontline knowledge and skills (IT literacy etc.)**
- 5. Global skills (foreign language ability, different culture learning)**

Seminars

Dentsu invites top-class professionals from inside and outside the organization to present seminars about their work and perspectives as a means to inspire new ideas among employees. A total of 4,104 employees attended these seminars during fiscal 2010.



Corporate Governance and Compliance

1. Dentsu's Corporate Governance System

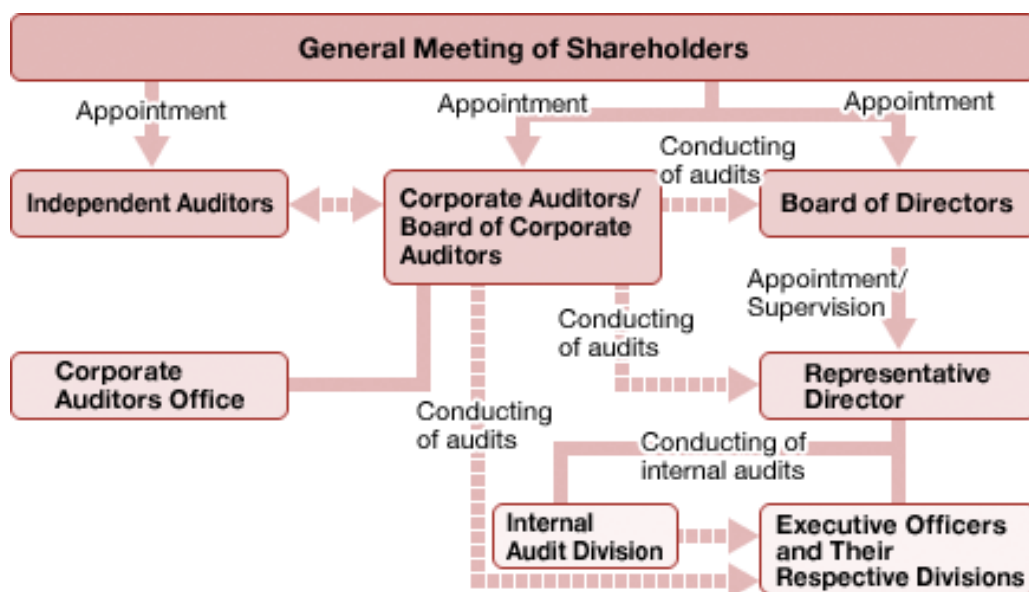
Dentsu's ultimate decision-making body is the General Meeting of Shareholders, which appoints the Board of Directors and the Board of Corporate Auditors. Two of its 11 Directors and three of its five Corporate Auditors are appointed from outside the Company.

(For further information regarding the relationship between Dentsu and its outside Directors and Corporate Auditors as well as the activities of these officers, please refer to the Company's Annual Report 2011 at <http://www.dentsu.com/ir/marketing/annual.html>)

The Board of Directors has established the Board of Executive Officers to deliberate and make decisions on major issues. This important committee, mainly comprising Directors and Executive Officers, deliberates on a variety of specialized matters including investment proposals, personnel policies, and Dentsu Group CSR programs.

Directors and Executive Officers are required to report any matters that could materially affect the Company's operations or performance to the Board of Corporate Auditors. Further, to expedite the auditing process, the Corporate Auditors Office has been established to provide administrative support for the Corporate Auditors who maintain a close working relationship with the Internal Audit Division and Outside Auditors. These measures ensure that the Corporate Auditors remain independent of the Directors and Executive Officers.

Beginning in April 2009, Dentsu introduced a Director and Executive Officer system to clarify roles and responsibilities and reinforce the effectiveness of the Company's management and operations systems.





2. Group Internal Control Systems

The Dentsu Group Code of Conduct applies to all business operations and is the foundation of the Group's internal control systems. The Code stipulates rules and regulations, which form the basis for the creation of manuals and training programs to ensure that employees have a robust understanding of proper operating procedures. During the implementation of operations, checklists are developed to ensure that appropriate rules are in place and that operations are carried out according to those rules. Any problems are quickly reported and thoroughly analyzed to ensure the implementation of an appropriate response. Dentsu has put in place systems to ensure the identification of problems and the implementation of any necessary improvements. These internal control systems are being set up in all Group companies, to maintain and increase the Group's corporate value.

3. Compliance Promotion

Dentsu has established specialized departments covering each part of its organization to be responsible for overseeing compliance. In addition, to promote a thorough level of awareness of compliance issues, the Company formulates work rules and manuals and conducts a variety of training programs.

Dentsu has set up a compliance home page on the corporate intranet at its Head Office and regional offices, and distributes the Compliance Digest booklet to all Group companies to facilitate better understanding of the importance of compliance issues among employees.

Another program instituted by Dentsu is the Compliance Caravan, which introduces recent case studies of compliance-related problems. In fiscal 2010, the program was conducted in all departments at the Company's Head Office and regional offices. Moreover, all employees—from new recruits to Company Directors—are required to attend training programs to promote compliance awareness. In addition, to ensure that the Company remains in compliance with all legal requirements, it has established an internal reporting and suggestion system called D-EAR, which may be used by staff members to report internal incidences of non-compliance.

- Compliance Tutor Program

In fiscal 2010, Dentsu newly appointed one person at management level from each department as a “compliance tutor,” with an appointment period of one year. After receiving training, each tutor served as a lecturer in the Compliance Caravan program at sessions run for departments other than the tutor’s own department. In addition to raising compliance awareness among ordinary employees, this program promoted a greater understanding and awareness of compliance issues among management-level personnel who are responsible for providing leadership to subordinates.



4. Information Security Management System

Dentsu has implemented a very strict information security management system to protect important data held by the Dentsu Group, as well as personal and other information received from clients.

The Dentsu Head Office in Tokyo received BS 7799-Part 2: 2002 certification for information management security in March 2003. This was expanded to the entire Company when the Kansai and Chubu offices received the same certification in April 2005. In December 2006, Dentsu went on to implement ISO/IEC 27001:2005 and JIS Q 27001:2006, the latest international standards for information security management systems (ISMS). As of March 2011, the Dentsu Head Office and 57 Dentsu Group companies have this certification.

