

Dentsu CSR Report 2013



Editorial Policy

This report is intended to provide a faithful account of Dentsu's CSR activities, and every effort has been made to present the material in a manner that is readable and easy to understand.

As with previous reports of this nature, overall planning and editing were handled in-house. Staff in each of the relevant departments wrote the original drafts, in which they were asked to review their activities and share the thinking behind each of their programs. It is our hope that this will help readers to better understand the efforts that Dentsu is making toward the realization of a sustainable society.

This report has not been produced merely to disclose information. Rather, we view it as an important tool to help us improve our CSR activities.

We look forward to hearing the views and opinions of our readers.

■ Reference Guidelines

- GRI (Global Reporting Initiative) 'Sustainability Reporting Guidelines, 3rd ed. (G3)'
- UN Global Compact
- ISO 26000

■ Period covered by the report

Centered on activities during fiscal 2012 (April 1, 2012 through March 31, 2013), but also describes some activities from preceding or more recent periods.

■ Organizations covered

Dentsu Inc.
(including certain Group companies)

■ Publication Date

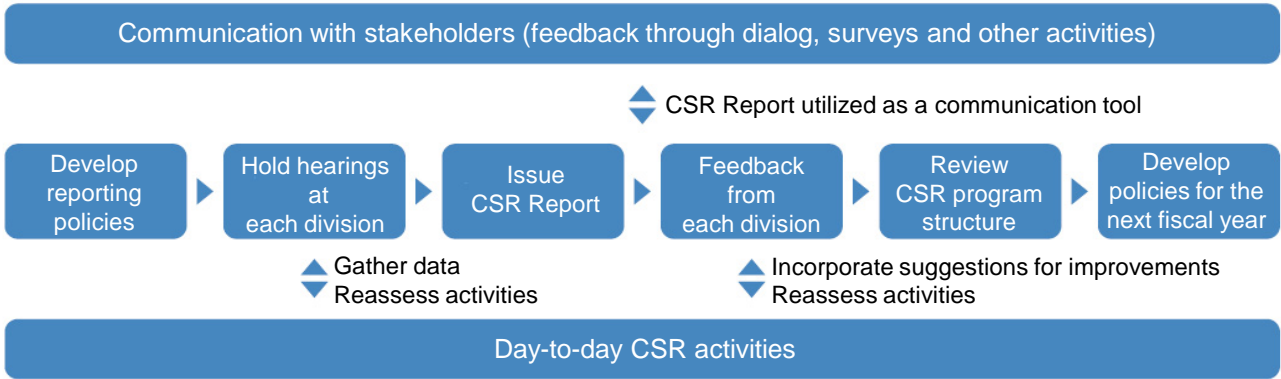
September 2013 (Next edition scheduled for publication in September 2014)

■ Contact Info

CSR Committee Secretariat
Dentsu Inc.

TEL: +81-3-6216-8794
FAX: +81-3-6217-5709
E-mail: dentsucsr@dentsu.co.jp

PDCA cycle to edit the Dentsu CSR Report



Communication with stakeholders

For fiscal 2012, we held meetings with the Musashino University Faculty of Environmental Science to exchange opinions.

Contents

Editorial Policy	1
Contents	2
Top Commitment	3
Financial Highlights	4
Corporate Data / Business Lineup	8
Dentsu's CSR	11

Highlight: Aegis Media's CR Strategy	16
--------------------------------------	----

I. Corporate Governance 18

- Dentsu's Corporate Governance Implementation Structure
- Dentsu Group Internal Control System
- Risk Management
- Communication with Shareholders and Investors

II. Respect for Human Rights 22

- Human Rights Awareness Inside and Outside Dentsu
- Human Rights Slogans and Posters
- Human Rights Art Project
- Activities of the Harassment Counseling Section

III. Ensuring a Safe and Civilized Working Environment 26

- Promotion of Work/Life Balance
- Employee Health Care Systems
- Confirmation of Employee Safety in Emergency Situations
- Employees Encouraged to Take Vacation Entitlements
- A Workplace Environment that Fully Utilizes Employee Talent
- Promotion of Employees' Capabilities

IV. Environmental Protection 31

- Structures for Environmental Activities
- Promotion of Environmental Communication
- Raising Environmental Awareness
- Reducing CO₂ Emissions

V. Fair Business Practices 38

- Promotion of Compliance
- Dentsu's CSR Purchasing Activities
- Respect for Intellectual Property Rights

VI. Addressing Consumer Issues 42

- Cooperation with the Government
- Lab Activities
- Development of an Information Security Management System

VII. Contributing to the Community 46

- Efforts to Assist Earthquake Reconstruction
- Support to Resolve Social Issues
- Dentsu's Social Contribution Activities

Independent Practitioner's Review	55
-----------------------------------	----

Related Publications

■ Dentsu Annual Report (September 2013)

This information disclosure document is prepared mainly for the benefit of overseas shareholders, investors, and client companies. The Annual Report presents Dentsu's management philosophy, business activities, consolidated financial statements, and other pertinent information.

<http://www.dentsu.com/ir/data/annual.html>



**We adapt to changes in the social environment
and undertake CSR activities from a global perspective.**

Aiming for CSR activities with a global perspective

In March 2013, Dentsu completed the acquisition of Aegis Group plc of the UK. With the acquisition of Aegis, the Dentsu Group's sphere of activities has expanded to 110 countries and regions.

Additionally, Dentsu joined the United Nations Global Compact in 2009. In addition to supporting its 10 principles, we have also adopted ISO 26000, which indicates the social responsibilities that organizations worldwide should follow, as guidelines. And now with the expansion of the Dentsu Group's activities, we have updated the 'Dentsu Group Code of Conduct' in accordance with global standards, establishing a common code of conduct and CSR philosophy to which every individual Group employee across the globe should adhere in order to fulfill their respective responsibilities to society in each region. I believe that the formulation of this new Code of Conduct will be the first step in pushing the Group's CSR activities to a global level.



T. Ishii

Tadashi Ishii

President & CEO
Dentsu Inc.

CSR activities based on the philosophy of 'Good Innovation.'

Against the backdrop of huge changes in the social environment Japan is facing on a global level, Dentsu stakeholders, including client companies, business partners, and consumers, are being required to make changes and transformations on an unprecedented level.

However, even amid the great changes in our social environment, the Dentsu Group's role remains to continually identify social issues and offer proposals for their resolution. We believe that it is our mission to expose unfound issues in society and commit ourselves to their resolution.

We are undertaking various CSR activities including reconstruction assistance for the Great East Japan Earthquake, activities initiated voluntarily through employees' awareness of issues, and the promotion of social communication measures.

Under the Dentsu Group's corporate philosophy of 'Good Innovation.', we identify client issues, propose solutions, and steadily implement those solutions. I hope that the accumulation of such work will not only bring light and vigor to the world, but will also lead to the creation of new social values and the realization of a sustainable society.

As a leading company in the advertising and communication industry and as a corporate group that is active in many countries and regions around the world, we will continue to undertake CSR activities that are unique to Dentsu. As we advance these endeavors, I look forward to hearing opinions and requests from our stakeholders.

Financial Highlights

■ Consolidated

(Millions of yen)

Years ended March 31	2009	2010	2011	2012	2013
Net sales	1,887,170	1,678,618	1,833,449	1,893,055	1,941,223
Gross profit	314,474	296,490	317,696	332,807	345,940
Selling, general and administrative expenses	271,290	259,166	266,758	280,829	287,474
Operating income	43,184	37,323	50,937	51,977	58,466
Ordinary income	53,363	44,790	54,166	62,843	59,027
Income (loss) before income taxes and minority interests	(4,972)	40,048	35,379	58,459	63,310
Net income (loss)	(20,453)	31,130	21,635	29,573	36,336
Total assets	1,092,543	1,118,236	1,133,300	1,201,894	2,205,569
Equity	452,568	484,250	492,933	536,290	584,495
Net cash provided by operating activities	42,359	74,989	72,914	26,397	83,295
Net cash provided by (used in) investing activities	(22,263)	(9,251)	(1,825)	45,941	(51,236)
Net cash used in financing activities	(27,748)	(31,282)	(29,339)	(27,331)	(5,349)
Cash and cash equivalents at end of period	57,271	92,854	131,662	175,956	207,578
Depreciation and amortization	18,001	16,165	15,485	14,251	12,928
Cash dividend per share (Yen)	35	27	29.5	31	32
Dividend payout ratio (%) <i>Note</i>	—	21.6	34.0	26.1	21.9
Number of employees	17,921	18,255	19,535	21,649	37,450
Number of consolidated subsidiaries	126	122	130	144	656

■ Non-consolidated

(Millions of yen)

Years ended March 31	2009	2010	2011	2012	2013
Net sales	1,447,410	1,315,072	1,396,798	1,404,663	1,412,376
Gross profit	192,716	185,479	193,129	194,636	197,867
Operating income	23,870	26,313	33,799	31,693	35,766
Ordinary income	34,585	33,702	40,312	40,654	39,091
Net income (loss)	(32,771)	27,055	17,471	42,212	28,189
Total assets	986,741	1,010,812	1,011,538	1,065,664	1,409,387
Equity	383,028	406,410	415,206	463,098	492,505
Number of shares issued	278,184,000	278,184,000	278,184,000	278,184,000	278,184,000
Number of employees	6,532	6,724	6,903	7,494	7,515

Note : Dividend payout ratio = cash dividend per share ÷ net income per share × 100

Financial Highlights

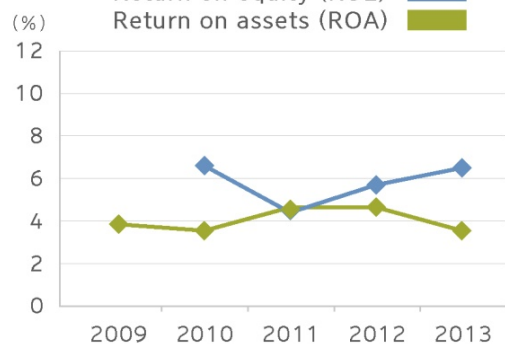
Gross profit margin



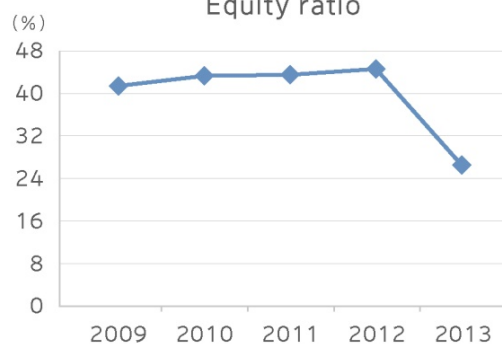
Operating margin



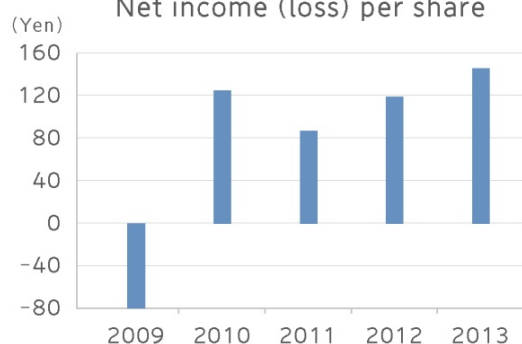
Return on equity (ROE) ■
Return on assets (ROA) ■



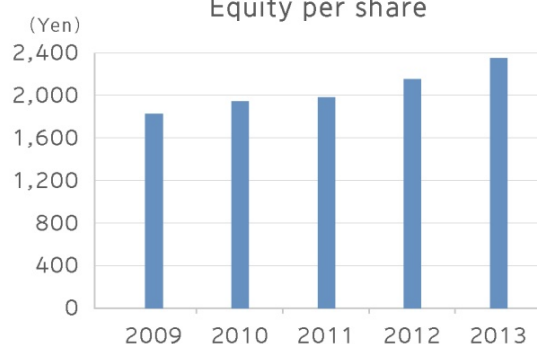
Equity ratio



Net income (loss) per share



Equity per share



Years ended March 31	2009	2010	2011	2012	2013
Gross profit margin (1)	16.7	17.7	17.3	17.6	17.8
Operating margin (2)	13.7	12.6	16.0	15.6	16.9
Return on equity (ROE) (3)	—	6.6	4.4	5.7	6.5
Return on assets (ROA) (4)	3.7	3.4	4.5	4.5	3.4
Equity ratio (5)	41.4	43.3	43.5	44.6	26.5
Net income (loss) per share (Yen)	(79.61)	125.03	86.84	118.69	145.84
Equity per share (Yen)	1,823.23	1,943.55	1,978.43	2,152.46	2,345.97

Notes: (1) Gross profit margin = gross profit ÷ net sales × 100

(2) Operating margin = operating income ÷ gross profit × 100

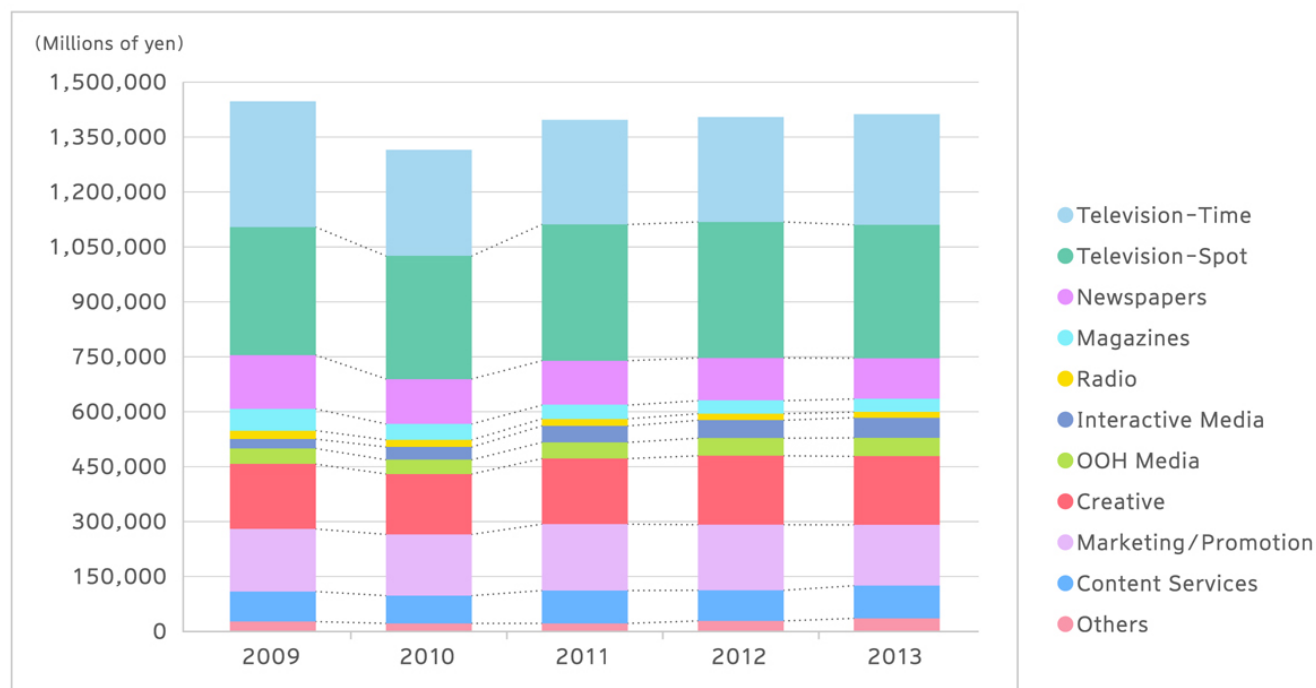
(3) ROE = net income ÷ average equity based on equity at the beginning and end of the fiscal year × 100

(4) ROA = operating income ÷ average total assets based on total assets at the beginning and end of the fiscal year × 100

(5) Equity ratio = equity ÷ total assets × 100

Financial Highlights

Net Sales by Business Category (Non-consolidated)



(Millions of yen, %)

Years ended March 31	2009		2010		2011		2012		2013	
Television	692,992	47.9	626,274	47.6	658,056	47.1	658,179	46.9	666,480	47.2
Time	343,431	23.7	289,464	22.0	285,668	20.5	286,724	20.4	302,164	21.4
Spot	349,561	24.2	336,810	25.6	372,387	26.7	371,454	26.4	364,315	25.8
Newspapers	146,766	10.1	122,264	9.3	119,643	8.6	115,502	8.2	110,553	7.8
Magazines	60,010	4.1	43,392	3.3	39,159	2.8	36,500	2.6	35,896	2.5
Radio	22,014	1.5	19,434	1.5	18,580	1.3	17,420	1.2	16,027	1.1
Interactive Media (1)	26,220	1.8	34,606	2.6	45,392	3.2	48,984	3.5	54,808	3.9
OOH Media (2)	42,056	2.9	39,233	3.0	43,911	3.1	48,396	3.4	49,780	3.5
Creative	177,438	12.3	164,973	12.5	178,959	12.8	187,981	13.4	187,804	13.3
Marketing/Promotion	170,868	11.8	167,209	12.7	181,381	13.0	179,120	12.8	166,068	11.8
Content Services (3)	82,104	5.7	75,492	5.7	89,721	6.4	83,904	6.0	89,358	6.3
Others	26,938	1.9	22,191	1.7	21,992	1.6	28,672	2.0	35,598	2.5
Total	1,447,410	100.0	1,315,072	100.0	1,396,798	100.0	1,404,663	100.0	1,412,376	100.0

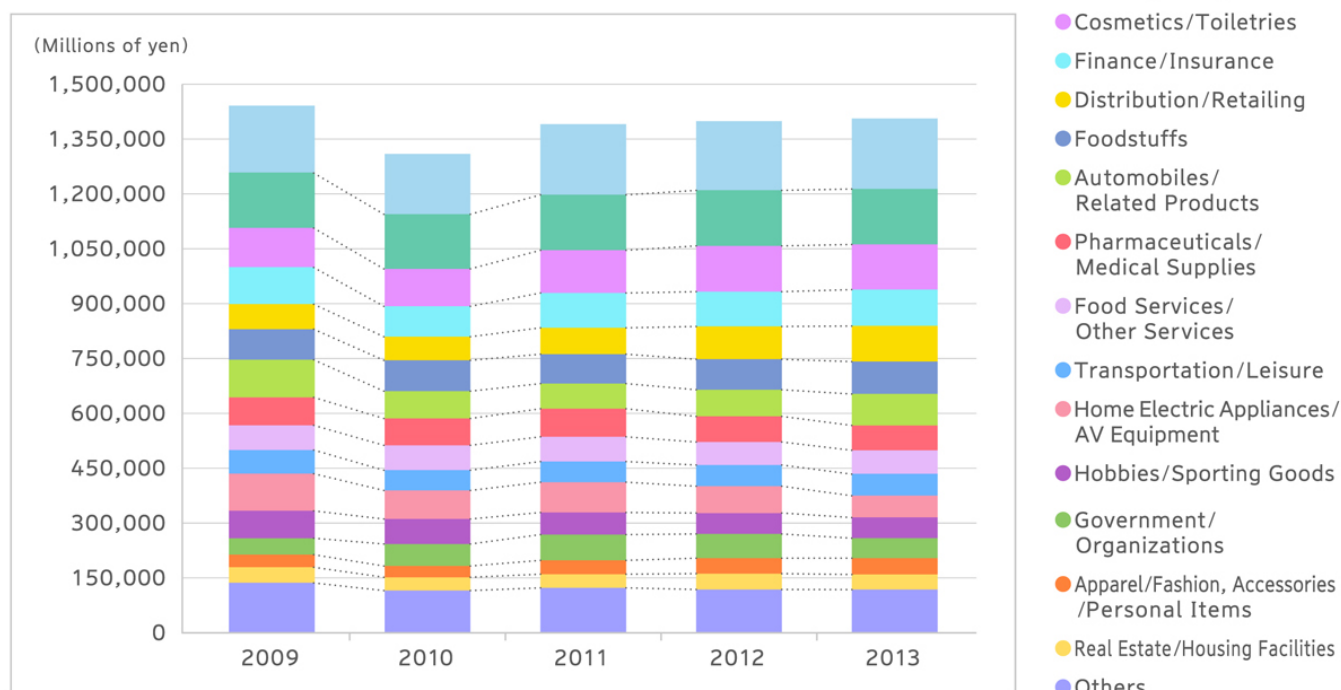
Notes: (1) Interactive media refers to Internet and mobile-related media.

(2) OOH media stands for out-of-home media and comprises transportation and outdoor billboard advertising.

(3) Content services refer to rights sales, planning and production as well as other content-related services in the sports and entertainment fields.

Financial Highlights

Net Sales by Industry (Non-consolidated)



(Millions of yen, %)

Years ended March 31	2009		2010		2011		2012		2013	
Information/Communications	183,808	12.7	165,615	12.6	193,950	13.9	189,524	13.5	193,473	13.7
Beverages/Cigarettes	151,928	10.5	150,393	11.4	152,238	10.9	152,797	10.9	152,584	10.8
Cosmetics/Toiletries	107,758	7.4	102,573	7.8	117,583	8.4	125,929	9.0	123,903	8.8
Finance/Insurance	101,356	7.0	83,532	6.4	95,724	6.9	95,123	6.8	99,624	7.1
Distribution/Retailing	69,237	4.8	64,913	4.9	72,402	5.2	90,014	6.4	98,063	6.9
Foodstuffs	83,376	5.8	84,546	6.4	80,495	5.8	83,901	6.0	88,871	6.3
Automobiles/Related Products	103,827	7.2	75,010	5.7	69,257	5.0	73,203	5.2	86,549	6.1
Pharmaceuticals/Medical Supplies	76,674	5.3	73,849	5.6	77,060	5.5	70,414	5.0	68,349	4.8
Food Services/Other Services	67,674	4.7	68,166	5.2	67,915	4.9	63,266	4.5	64,490	4.6
Transportation/Leisure	64,776	4.5	55,548	4.2	56,680	4.1	57,928	4.1	60,168	4.3
Home Electric Appliances/AV Equipment	102,065	7.1	78,268	6.0	83,288	6.0	74,329	5.3	59,536	4.2
Hobbies/Sporting Goods	75,626	5.2	69,179	5.3	60,659	4.3	56,991	4.1	56,861	4.0
Government/Organizations	44,692	3.1	60,163	4.6	70,564	5.1	66,388	4.7	55,031	3.9
Apparel/Fashion, Accessories/Personal Items	34,576	2.4	31,304	2.4	38,289	2.7	42,583	3.0	44,574	3.2
Real Estate/Housing Facilities	42,623	2.9	35,898	2.7	37,375	2.7	43,448	3.1	41,431	2.9
Others	137,406	9.5	116,108	8.8	123,310	8.8	118,819	8.5	118,862	8.4
Total	1,447,410	100.0	1,315,072	100.0	1,396,798	100.0	1,404,663	100.0	1,412,376	100.0

Notes: (1) The above ranking is based on data for the fiscal year ended March 31, 2013.

(2) Dentsu reviews the criteria for each industry category frequently for the purposes of its own accounts. Accordingly, these categories may differ qualitatively from those used in *Advertising Expenditures in Japan* for the respective years. Figures for previous years have been recalculated to reflect the current industry breakdown, as of March 31, 2013.

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/>
- **Capital:** (as of September 1, 2013)
¥74,609.81 million
(Number of shares outstanding: 288,410,000)
- **Number of Employees:** (as of March 31, 2013)
7,515 (Non-consolidated)
37,450 (Consolidated)

Dentsu Group Corporate Philosophy

Statement :

Ideas that reach beyond the imaginable.
Technology that crosses the bounds of possibilities.
Entrepreneurship that surpasses the expected.

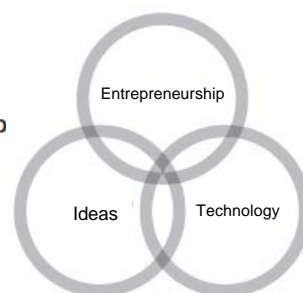
Three sources of strength, driving our innovation,
bringing positive change to people and society.

Slogan :

Good Innovation.

The three elements of innovation :

Entrepreneurship
+Ideas
+Technology



By 'Innovation' we are talking about much more
than just technological innovation.

We mean generating new value for people and
society through a wide variety of changes.

Business Domains and Strengths

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 has earned a top-class reputation.

Top Share in Japan, 5th in Global Ranking

The Dentsu Group continues to hold the top share of the domestic advertising market, which is the third-largest advertising market in the world. According to *Advertising Age*, in calendar 2012 the Dentsu Group again ranked fifth globally in terms of revenue (gross profit).

Business Lineup

'Good Innovation.,' the Dentsu Group's corporate philosophy, encapsulates the Group-wide drive to create new value and lead the way toward transformation, while also emphasizing its commitment to supporting innovation within business enterprises and other organizations. Commensurate with its position as a solutions partner responding to the challenges faced by its clients in such areas as corporate management, business operations and marketing, the Dentsu Group provides a diverse range of services. To meet the changing needs of society, the environment and consumer lifestyles, the Dentsu Group's service sphere is expanding to cover an array of societal issues.

Strategic Solutions

The Dentsu Group strives to be a solutions partner for its clients, responding to the myriad challenges that business enterprises face in such areas as corporate management, business operations and marketing.

To realize this goal, the Group offers a broad lineup of consulting services and solutions related to corporate strategy building. It also conceives and develops ideas that capture people's imaginations and creates dynamic strategies underpinned by the ingenuity it has long cultivated in the communications sphere. Backed by its proven capabilities in execution, the Group turns strategies into tangible results.

Principal Service Lineup

- Corporate innovation and consulting
- Brand consulting
- Corporate identity (CI) and visual identity (VI)
- Marketing consulting
- Crisis communications
- Direct marketing solutions

Communication Design

Consumer contact points are rapidly diversifying, making it more difficult for brand messages to reach the target audience. Consequently, there is an increasing need for ever better communication design—which focuses on creating the optimum environment for people to receive information within the communication process.

To this end, efforts are directed toward accurately identifying consumer preferences and

prevailing conditions and to designing communication processes, opportunities and methods. Utilizing not only existing mass media but also various information channels outside the conventional media framework, the Dentsu Group implements media-neutral planning. Furthermore, since the Group's sphere of activity covers corporate, business and product development, it is able to deliver solutions to the challenges clients face by leveraging a wide range of communication opportunities.

Principal Service Lineup

- Integrated communication design
- Cross-media communications planning
- Strategic PR design

Creative Sphere

'Innovative creativity' is a core element of the Dentsu Group's corporate culture, and the Group is not bound by the limitations inherent in conventional thinking and such dichotomies as 'traditional versus digital.' By adopting a flexible approach to the cross-pollination and combination of ideas, media and human resources, the Group is able to deliver optimum solution proposals.

The Dentsu Group includes creative staff, each of whom is an innovator. By accessing the unique talents of each of these individuals to generate different potential solutions, the Group is able to respond to a myriad communication challenges.

Exemplifying these capabilities, Dentsu's creative staff in Japan have been named 'Creator of the Year'—Japan's premier annual award for advertising creatives—for 22 of the award's 24-year history. On an international basis, over the past 10 years, *The Gunn Report*, which each year tallies the winners of the world's most important print and TV advertising awards, shows Dentsu Inc. consistently among the top five most-awarded agencies.

Promotions

The essence of promotions is the ability to create mechanisms that will motivate people to act. As products and services become more diverse, it becomes more difficult to stimulate purchasing behavior based on product strength alone.

At the same time, consumers are constantly exposed to a torrent of information, making it

difficult for them to make optimum purchasing decisions.

The Dentsu Group possesses the substantial organizational, content and network resources necessary for the planning and execution of a broad array of promotion strategies, and has the technical expertise to increase the effectiveness of these strategies. The Group excels not only in the field of in-store communications but also in such areas as knowledge, tools for the digital sphere, and space-branding disciplines.

Principal Service Lineup

- In-store/shopper marketing
- Digital promotions
- Space branding

Digital

In such spheres as the marketing activities of business enterprises and the business operations of media companies, digital technology has become indispensable for solving a variety of issues.

The Dentsu Group utilizes the strengths that it has accumulated to date in integrated campaigns, creative design, strategic planning, building partnerships with media companies and other areas to deliver digital solutions that are exclusive to the Group.

These solutions, in turn, are supported by the Group's extensive network. Led by Dentsu Digital Holdings Inc., the Group is constantly advancing its digital solutions to help clients meet a range of challenges.

Principal Service Lineup

- Business and technology development
- Interactive media
- Data management and marketing
- Digital campaign production
- Digital authoring (website building, channel development, digital creative ideas)

Media Content

The Dentsu Group retains significant technology building capabilities essential for efficient media planning and buying, backed up by its many decades of experience as well as the numerous groundbreaking methods and tools it has

developed and utilized. The Group has also created the systems necessary to leverage a wide array of high quality content, including the production of television programs, investments in feature film production and the acquisition of broadcasting rights to major sports events.

The Group possesses the media planning knowhow, methods and tools necessary for solving brand issues, as well as a portfolio of high-quality content, and utilizes such assets, together with its media expertise and execution capabilities, in the development of highly innovative media plans.

Principal Service Lineup

- Media planning
- Media buying
- Interactive media
- Sports content
- Entertainment content
- New business development with media companies
- Audience insight

Social Solutions

To realize effective solutions to societal issues requires the active participation and cooperation of government agencies, private-sector organizations, non-profit organizations (NPOs) and ordinary citizens. Management believes that it is essential to work toward solutions that will help to realize a better society based on the acceptance and participation of all stakeholders.

The Dentsu Group identifies social themes through future predictions focusing on changes in society, the environment and consumer lifestyles, and then visualizes complex, interrelated issues. Furthermore, specialist teams provide optimal solutions at the consulting, planning, and execution phases for such projects as business scheme development, communications strategy planning, and the development of programs to encourage social involvement.

Principal Service Lineup

- Environmental, renewable energy and smart grid initiatives
- Food and agriculture business development
- Consultation and planning related to corporate social responsibility (CSR) and sustainability
- Social Design Engine, emphasizing visualization of social themes

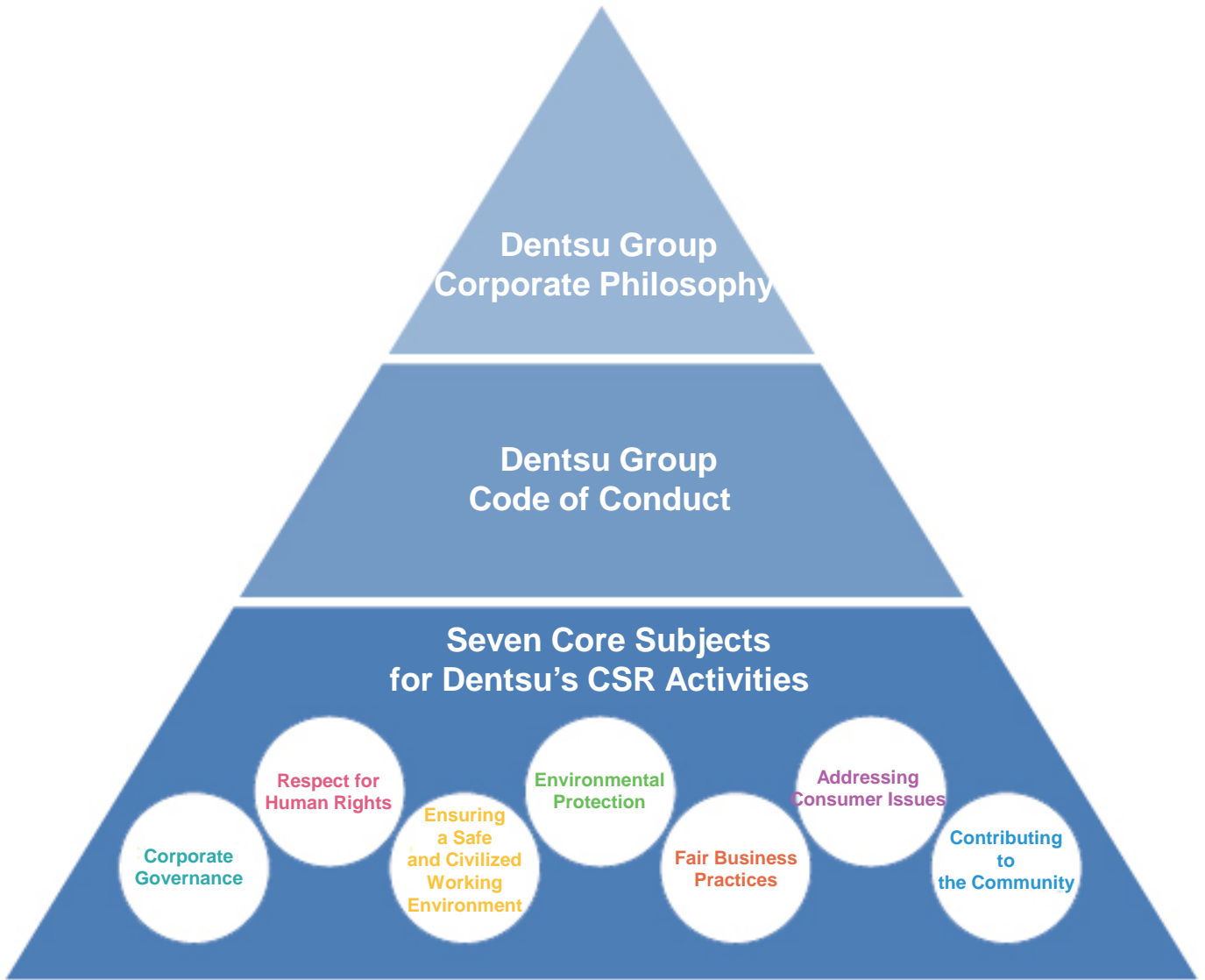
Dentsu's Basic CSR Structure

In Dentsu's basic CSR structure, we have recently updated the Dentsu Group Code of Conduct under the Dentsu Group's corporate philosophy. We have also set out seven key areas for Dentsu's CSR activities on which our specific activities are based.

We took the occasion of the acquisition of Aegis Group plc of the UK to formulate an updated Dentsu Group Code of Conduct in April 2013 based on ISO 26000, the international standard for CSR. This was done in order to indicate the role of corporate governance in each country in

which the Group operates, our efforts for human rights and the environment, and our policies for those as the Dentsu Group further expands globally.

As the new basic philosophy for the Dentsu Group's CSR program, we have laid out actions that Dentsu Group managers and employees worldwide must undertake to fulfill their respective responsibilities to society and have committed ourselves to their adherence.



The New Dentsu Group Code of Conduct

The Dentsu Group Code of Conduct, which is the Group's new CSR philosophy, is structured around Dentsu's seven key areas for CSR activities. These activities are, namely, corporate governance, respect for human rights, ensuring a safe and civilized working environment, environmental protection, fair business practices, addressing consumer issues, and contributing to the community. The Code of Conduct articulates what all Dentsu Group managers and employees must undertake in order to fulfill their respective responsibilities to society.

At the same time, we formulated the 'Guidance on the Code of Conduct'. This guidance details specific actions required in connection with each of the seven key areas to enable Dentsu Group managers and employees to deepen their understanding and practice the Code of Conduct in a proactive way.

The Code of Conduct is premised on a declaration of compliance with all national, local, and international laws and regulations in all markets in which we conduct business, and it serves as a common set of principles for the Dentsu Group worldwide in conducting business.

Dentsu Group Code of Conduct

- The Dentsu Group of companies, its officers and employees ('we' or 'us') are committed to protecting the interests of our stakeholders by conducting business to the highest ethical standards. To achieve this commitment, we have established the Dentsu Group Code of Conduct ('Code of Conduct') to serve as our basic principles for conducting business in a socially responsible manner.

- We will comply with the Code of Conduct in all respects. Outside of the Dentsu Group, we will encourage compliance with the Code of Conduct by our business partners.

- We will comply with all national, local and international laws and regulations in all markets in which we conduct business.

- We will respect diversity and will not discriminate on any basis. We will also respect the diverse social and cultural standards of each region in which we conduct business.

1. Corporate governance

We respect the interests of our stakeholders and will refrain from engaging in inappropriate activities or taking inappropriate risks that might harm these interests. Our officers will take responsibility for developing and maintaining appropriate corporate governance systems.

2. Respect for human rights

We comply with internationally-recognized principles of human rights. We respect the human rights of all people connected with our business activities and will not discriminate on any basis.

3. Ensuring a safe and civilized working environment

We will ensure that our work places are safe and create a civilized working environment.

4. Environmental protection

We aim to minimize the impact of our business on the environment and contribute to making society sustainable.

5. Fair business practices

In carrying out our business we will compete fairly in all markets in which we operate. We will avoid or appropriately manage any conflicting interests. We will not knowingly take part in any form of corrupt business practice, including bribery and money laundering.

6. Addressing consumer issues

We will strive to address consumer issues in all markets in which we operate, including by providing appropriate information to consumers and giving due attention to safety and security in all of our activities.

7. Contributing to the community

We are committed to contributing to the development of all local and global communities in which we operate and to the resolution of social issues in each community.

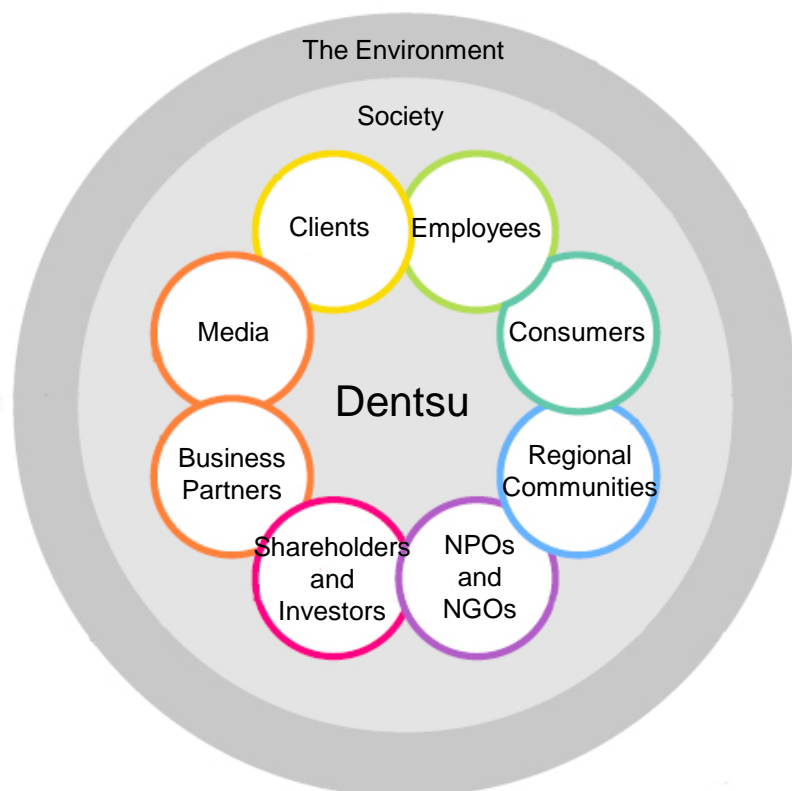
To download a PDF file of the Dentsu Group Code of Conduct, please refer to the following website: http://www.dentsu.com/csr/csr_report.html

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.



Clients

Dentsu understands client needs and provides high-quality solutions. Through our efforts linked to issues with a strong social aspect, we also contribute to the realization of a sustainable society.

Media / Business Partners

Dentsu supports proper business activities through fair competition and business dealings. When placing an order, we clarify the decision-making process, with due consideration to not just economic factors, but compliance and environmental issues as well, in an effort to be socially and environmentally conscious.

Consumers

Dentsu gives appropriate consideration to the safety of consumers, and provides high-quality solutions. We also conduct a wide range of consumer surveys and other analysis in an effort to identify consumer issues.

NPOs and NGOs

Dentsu, through cooperation with external organizations and persons with social value and expertise, proactively contributes to society, and furthers the realization of a sustainable society.

Shareholders and Investors

Dentsu, through proper investor relations and its General Meeting of Shareholders, actively pursues communication with shareholders, and provides accurate information disclosure. When disclosing information we take care to ensure that our communications are easy to understand, impartial, and appropriate for the circumstances.

Regional Communities

Dentsu respects the cultures and customs of the countries and regions in which it operates, works to build mutual understanding and trust, and contributes to development. We also strive to understand and find solutions to social issues through our business activities.

Employees

Dentsu actively supports human resources and career development for its employees, working to bring out their individuality, abilities, and work motivation. We also strive to create a work environment that fosters the mental and physical health of employees.

Dentsu's CSR Promotion System

Dentsu has established three principal committees under its Executive Management Committee and Business Supervision Committee, which are responsible for all major management decisions.

One of the committees established under the Executive Management Committee is the CSR Committee, comprising six Executive Officers and chaired by a Senior Vice President. The committee makes decisions regarding both the Dentsu Group Code of Conduct, which is the Group's new CSR philosophy, and all major CSR-related measures.

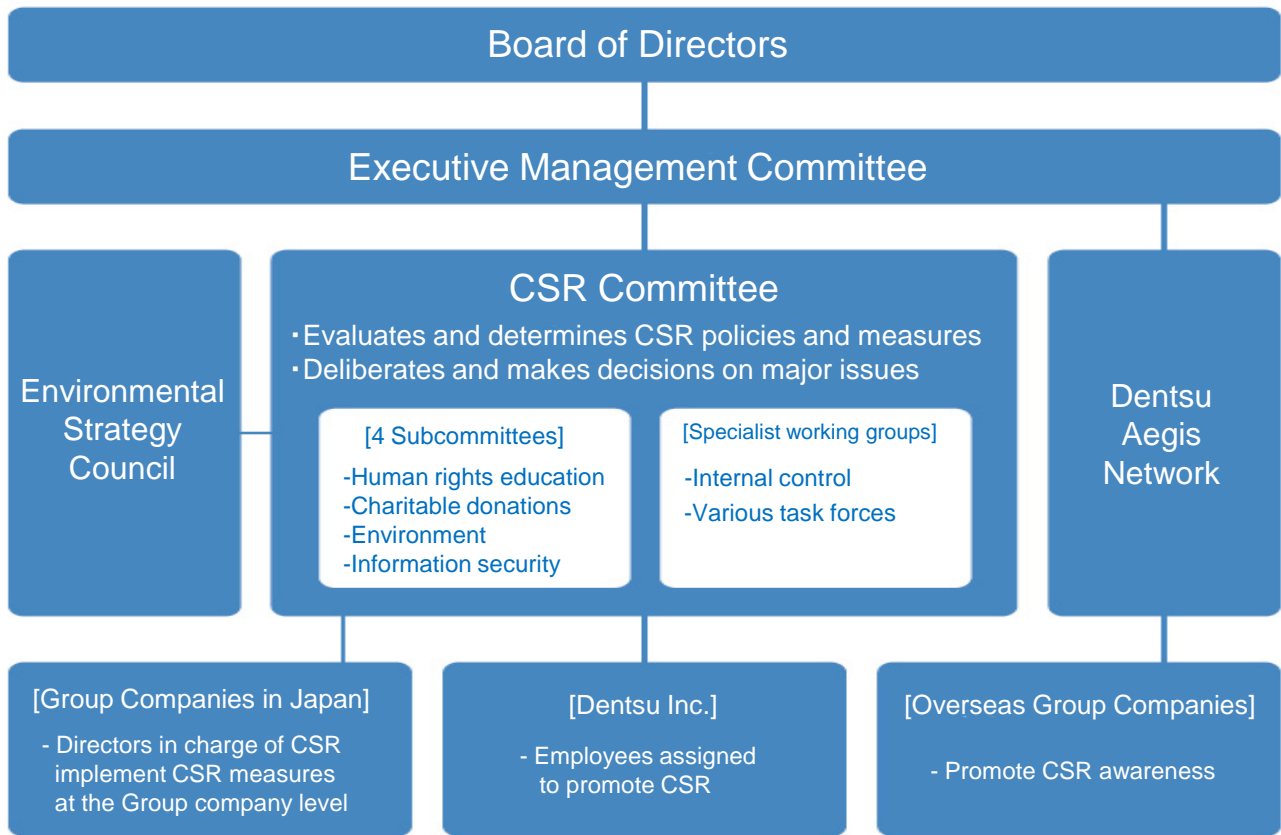
Under the CSR Committee, Dentsu has established subcommittees for human rights education, charitable donations, the environment, and information security, as well as various specialist working groups to deliberate on issues in various fields. We have also designated CSR promotion committee members in all Company departments to promote awareness of and disseminate information on specific CSR

measures so that CSR efforts can be done on a company-wide basis.

On the key theme of the environment, the CSR Committee works closely with the Environmental Strategy Council—Dentsu's in-house body tasked with promoting environment-related programs—to promote greater Company-wide awareness concerning the environment.

Each Dentsu Group company in Japan has one board member in charge of CSR. And we are also promoting CSR activities at overseas Group companies, which have increased greatly with the acquisition of Aegis Group plc.

Dentsu aims to ensure that its CSR measures are consistent across the Group, while at the same time ensuring that each Group company in Japan and overseas remains able to fully express its characteristics.



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 social responsibility guidelines that 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, as is demonstrated by the Dentsu Group Code of Conduct, Dentsu aims to contribute to sustainable development.

companies are required to follow and promote 10 internationally established principles in the areas of human rights, labor standards, the environment, and anti-corruption.

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



Participation in the United Nations Global Compact

Dentsu joined the United Nations Global Compact in December 2009.

The compact—a voluntary, principle-based code of conduct for businesses—was first announced by the then UN Secretary-General Kofi Annan at the World Economic Forum held in Davos, Switzerland in January 1999. Participating

Principal Measures in Fiscal 2012 vis-à-vis ISO 26000 and the UN Global Compact

Dentsu's principal measures in fiscal 2012 with regard to 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 Core subjects and issues	Principal Measures	Pages
-	Organizational Governance	Formulation of and compliance with the new "Dentsu Group Code of Conduct"	P12
		Development of a management structure that can respond swiftly to change and a management control structure that covers our globally expanding business scope	P19
		Proper operation of internal control systems (compliance with Financial Instruments and Exchange Law / Companies Act)	P20
		Implementation of robust risk management systems (review risk assessments > develop and implement response plans > monitor)	P20
		Appropriate and close communication with shareholders and investors	P20-21
Human rights (Principles 1, 2)	Human rights	[Review of human rights education activities and preparation of annual plan] Internal and external seminars, human rights awareness training programs, and various communication programs (human rights slogan competition, human rights poster production, human rights educational events and others)	P23-24
		Introduction of harassment counseling contacts, the Harassment Counseling Section, creation of a guidebook, holding employee education/training programs	P24
Labor (Principles 3-6)	Labor practices	Promotion of work/life balance (development of systems to help employees balance child-rearing and work; employee health care systems and others)	P27
		Employees encouraged to take vacation entitlements and a workplace environment that fully utilizes employee talent	P28-29
		Promotion of employee development (conduct workshops, seminars and others)	P30
Environment (Principles 7-9)	Environment	[In-house activities related to the environment] Measures to fulfill our Eco-First Commitment, internal and external reviews and audits, implementation of the Dentsu Group Eco Program, and various communication activities (Group Eco Awards, environmental slogan competition, environmental poster production and others)	P32,34-37
		[Promotion of environmental communication] Promotion of a national campaign for the prevention of global warming, Tokyo Waterworks Caravan, use of the Greenwash Guide to promote advertising designed to help prevent consumers from being deceived	P33-34
Anti-corruption (Principle 10)	Fair operating practices	[Promotion of compliance systems at Dentsu and Dentsu Group companies] Fostering employee awareness of compliance issues through publication of a Compliance Digest and compliance website, conducting compliance workshops, introducing and implementing an internal reporting and proposal system	P39
		Formulation of a CSR Basic Purchasing Policy and Purchasing Guidelines, introduction of a partnership hotline	P40
-	Consumer issues	Identification of issues through various lab activities, formulation and implementation of plans for their resolution	P43-45
		Strict information security management in order to protect personal information, formulation of the Dentsu Group Basic Information Security Policy	P45
-	Community Involvement and Development (Social contribution)	Promotion of the Open Innovation Project	P47-48
		Support for recovery efforts related to the Great East Japan Earthquake and Tsunami	P48
		[Various social contribution activities] Advertising Elementary School Program, 'Keys to Communicating' project to help NPOs learn communication basics, China Advertising HR Development Project, UNESCO's World Terakoya movement, participation in the TABLE FOR TWO program, and others	P49-54

Note: This report references other indices, including the *Global Reporting Initiative Guidelines*, often referred to as the *GRI*, and *OECD Guidelines for Multinational Enterprises* (2011, revised edition).



Aegis Media’s CR Strategy

In March 2013 Dentsu completed the acquisition of Aegis Group plc, the holding company of Aegis Media, a multinational media and digital marketing communications company headquartered in London, the United Kingdom.

The following is an overview of Aegis Media and its Corporate Responsibility (CR) strategy.

Aegis Media is an advertising group that comprises five global network brands: Carat, Vizeum, Posterscope, Isobar and iProspect. Its principal services are communications strategies through media and digital.

CR Vision

Aegis Media launched ‘Future Proof’, its medium-term CR strategy, in 2010 with the aim of realizing its corporate vision ‘Reinventing the way Brands are Built’ and building sustainable relationships with all its stakeholders. It tries to do that by leveraging its digital capabilities and expertise to inspire positive action around ‘Future Proof’.

The ‘Future Proof approach’

- Becoming a more responsible business
- Inspiring action to make a positive difference
- Reinventing the way brands are built

Global Network Brands	Business Overview
	The global market leader in digital and diversified media solutions
	The most strategic agency in media
	A modern digital communications network
	A leading global digital performance agency
	The world’s leading OOH communications agency

Highlight



Aegis Media and our responsibility

Aegis Media has economic, social and environmental impacts beyond our core business. We use the term "corporate responsibility" to describe how we manage those impacts and associated risks and opportunities.

Nigel Morris,
Chair of Corporate
Responsibility Steering Group
Aegis Media

The five areas of action of 'Future Proof' and targets 2015

Environment

Reduce the carbon footprint of Aegis Media's products and services by 20%

Community

Increase Aegis Media's community investment to the equivalent of 1% of our people's time

Work Place

Enable 90% of Aegis Media's people to understand what Future Proof means in their day-to-day job

Market Place

Inform 90% of Aegis Media's people on what they can do to help future proof the workplace

Governance

Achieve a GRI A+ accreditation on Aegis Media's annual CR reporting.

Aegis Group's Significant Stakeholders

Employees

A sustainable workplace where people can work in an environment that is healthy both mentally and physically plays a significant role in Aegis Media's business.

Clients

Together with its clients, Aegis Media aims to realize a sustainable society by responding to social needs.

Business partners

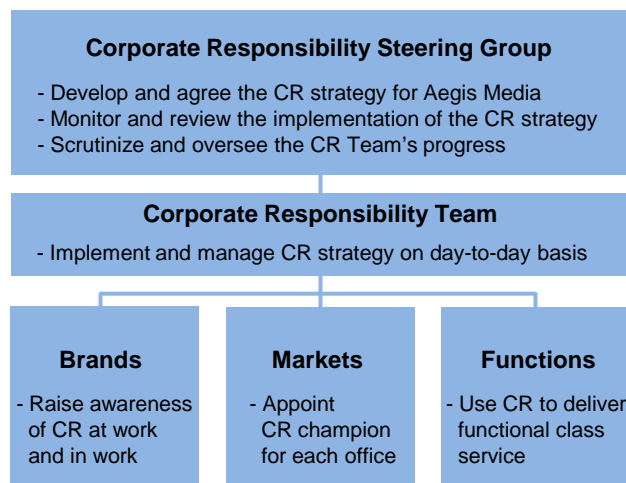
Aegis Media endeavors to realize social initiatives by working together for good with business partners such as creative agencies and media owners.

Consumers and the wider community

Understanding the needs of consumers can help Aegis Media deliver positive impacts on the communities and environment we work in.

CR Promotion System

The Corporate Responsibility Steering Group plans, agrees and checks the progress of Aegis Media's CR strategy. On a practical level, the Corporate Responsibility Team implements and manages the CR strategy on a day-to-day basis to order to attain the objectives across the five areas of action.





I. Corporate Governance

We consider key issues of Dentsu's corporate governance to be development of a management structure that can respond swiftly to changes in the economic environment, a management control structure that covers our globally expanding scope of operations, and control and management functions that can employ those structures appropriately. Therefore, we strive to enhance our corporate governance in order to respond to the expectations of our stakeholders by improving corporate value.

Dentsu's Corporate Governance Implementation Structure

Dentsu's ultimate decision-making body is the General Meeting of Shareholders, which appoints the Board of Directors and the Audit & Supervisory Board. Effectively directed and controlled through its system of corporate governance, the company has in place a system of checks that enables it to reach rapid business-related decisions. Dentsu appoints two of its eleven Directors and three of its five Audit & Supervisory Board Members from outside the company.

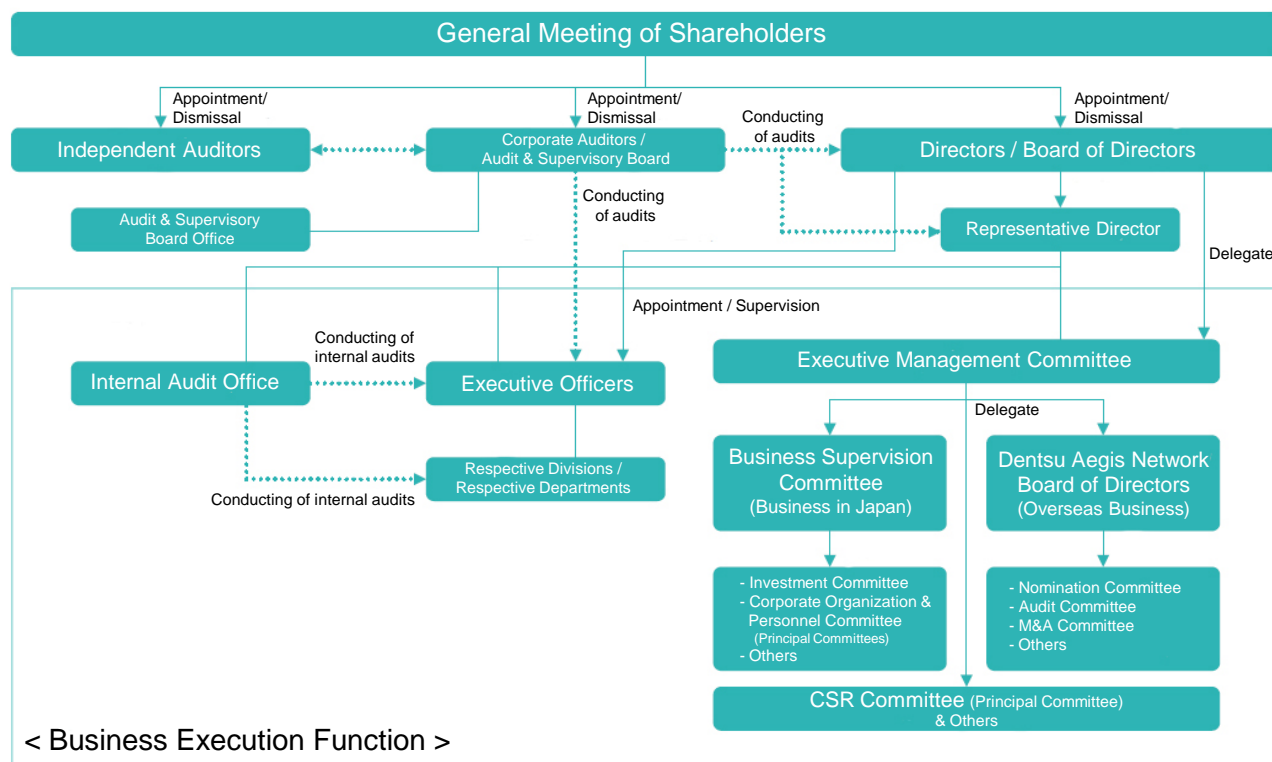
Dentsu has introduced a Director and Executive Officer System to clarify roles and responsibilities and to reinforce the effectiveness of its management and operations systems. The Audit & Supervisory Board in principle meets once a month to determine policy, assign work, and check how the Directors have carried out their duties based on an audit plan. Audits are performed with a particular focus on the internal control, compliance, and risk-management structures of the entire Dentsu Group.

The Executive Management Committee is positioned under the Board of Directors, and serves to deliberate and make decisions on important matters relating to management. In April 2012, the internal organization of the Company was divided into domestic and overseas business operations, with authority and responsibility for the

earnings transferred to each. The acquisition of Aegis Group plc in March 2013 further prompted us to make organizational changes with the aim of strengthening governance functions in our expanding overseas business operations.

Two key committees have been set up, authorized by the Executive Management Committee to discuss and decide important operational matters not subject to Board of Directors resolution. These are the Business Supervision Committee, responsible for domestic business, and the Dentsu Aegis Network Board of Directors, responsible for overseas business. In addition, two principal committees (Investment Committee and Corporate Organization & Personnel Committee) were established under the Business Supervision Committee, and various committees (Nomination Committee, Audit Committee, and others) were set up under the Dentsu Aegis Network Board of Directors.

The CSR Committee has been positioned as a principal committee comprising Directors and Executive Officers to deliberate on CSR-related matters for the entire Company under the authorization of the Executive Management Committee.



Dentsu Group Internal Control System

We believe that the Dentsu Group Internal Control System encourages compliance among Directors, Executive Officers, and employees, while supporting continuous corporate development as Dentsu meets its social responsibilities. The Company has established the Dentsu Group Code of Conduct to ensure that operations conform to laws and regulations and that business is conducted appropriately. The code also forms the basis of the internal control system.

Based on the Dentsu Group Code of Conduct, the Company familiarizes all employees with the relevant business procedures through regulations, manuals, and training. Check items relating to risk management and compliance have been created, and inspections are carried out from various perspectives. These include whether rules are appropriate, business is correctly implemented based on the rules, and whether issues—should they occur—are promptly reported and/or the appropriate measures are taken. In this way, the Company is discovering problems and working on improvements.

In addition, a similar internal control structure is being deployed in Group companies in order to maintain and improve the corporate value of the entire Dentsu Group.

For details regarding Dentsu's internal control policy, please refer to the business report in the following website:

http://www.dentsu.co.jp/csr/pdf/governance_2013.pdf
(Japanese only)

Risk Management

On the hypothesis that the Company faces diverse risks, Dentsu has created a structure to prevent the spread of damage and minimize impact in the event a risk is actualized. The CSR Committee has oversight over the structure.

The risks faced by a business change according to the prevailing economic and social conditions. Each year, Dentsu reviews its hypothesis, specifies major risks with the potential for serious impact, and implements focused measures to counter these risks.

Major risks are managed by applying a plan-do-check-act (PDCA) cycle. Specific sections of this model for implementing change are responsible

for managing risk; deciding on and implementing a response plan for risk mitigation; and putting together mid-year progress reports, year-end self-evaluations, and guidelines for the next fiscal year. The following are examples of major risk to which Dentsu responded in fiscal 2012.

[Response to Major Risks] Continued Response to Large-Scale Disasters

In accordance with the anticipated damage from an inland earthquake striking Tokyo and the enactment by the Tokyo Metropolitan Government of an ordinance on support for those stranded due to suspension of public transportation, Dentsu continues to develop measures in order to respond to large-scale disasters with a focus on earthquakes. Specifically, Dentsu has developed measures for refining how it deals with client companies in the initial stage after an earthquake and for securing the necessary infrastructure for operations. It has also developed a manual for those having difficulties in returning home.

Communication with Shareholders and Investors

Dentsu strives to conduct proactive IR activities for investors and swiftly deliver accurate information regarding its management situation and policies. In addition to holding earnings presentations twice a year, we aim for wide-ranging two-way communication with shareholders and investors through individual briefings for institutional investors and analysts in Japan and overseas.

Additionally, we have established an Investor Relations page on the Dentsu website where we post various IR material including information on our management strategies, the latest IR and financial information, annual reports, and information geared toward private investors. Through our website, we strive to provide to investors in a timely manner information that is easy to understand. We also post non-financial information such as information on environmental, social, and governance activities.

- Basic Policy on Shareholder Return and Profit Allocation

Dentsu places return of profit to shareholders as one of our key policies. We aim to improve our capital efficiency as well as strive for comprehensive redistribution of profits by

adapting to changes in the economic environment and combining improved long-term corporate value through business growth, stable dividends, and flexible acquisition of treasury stock.

Dividends for each term are decided taking into consideration the necessary internal reserve for sustained investment in order to respond to changes, financial performance of the term in question, mid- to long-term performance outlooks, the situation of funds, and other factors. This is done while placing an emphasis on stability.

- General Meeting of Shareholders

At Dentsu's General Meeting of Shareholders, we make efforts to ensure that shareholders' voting rights are exercised smoothly. This is done through the prompt delivery of notices of General Meetings of Shareholders, introduction of voting through the Internet, and other measures.

The 163rd General Meeting of Shareholders, held on June 28, 2012, was entitled 'Good 100 Color Rainbow, Good Innovation.' Business cards with 100 colors representing the individuality of Dentsu's people were used to create a motif. In front of the meeting venue, we also introduced Dentsu's various efforts by means such as a panel exhibition to publicize Dentsu's CSR activities and the up-coming London Olympics and by playing a collection of commercials created by Dentsu.

On the day of the meeting, 490 shareholders attended to hold deliberations. The voting results, including those of shareholders present at the General Meeting of Shareholders, were disclosed on the Dentsu website the following day.



The General Meeting of Shareholders (left) and a notice featuring business cards (right)

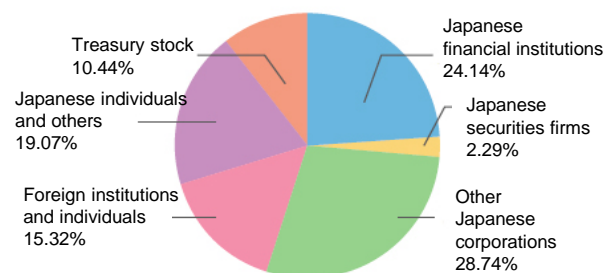
- Earnings Presentation

Dentsu places importance on its relationship with analysts and investors. We hold earnings presentations twice a year to explain our financial situation, general overview, and management

policies. Additionally, the documents used at earnings presentations are posted on the Dentsu website and made widely available to general investors.

- Composition of Shareholders

The total number of Dentsu shareholders is 40,942 as of the end of March 2013, and the percentage of total shares issued by type of shareholder is as follows.



Stakeholder Comments



Toshiaki Hasegawa, lawyer
Representative, T. Hasegawa & Co. Law Offices
(Dentsu Outside Corporate Auditor)

Corporate governance is based on the coordination of the vested interests of the various stakeholders of a company. At a company with effective corporate governance, systems are in place to reflect the opinions of stakeholders. I have been attending Dentsu Board of Directors meetings as an Outside Corporate Auditor for a little more than two years. I think that Dentsu's attitude to listen earnestly to the voices of shareholders and other stakeholders is excellent. Even in board meetings, which generally tend to have an exclusive atmosphere, members listen carefully to the opinions of Outside Directors who also serve as a pipeline for communication with stakeholders, and they answer questions sufficiently.

I think a major issue the company will have to face in the coming future is global response. With the acquisition of Aegis Group plc, Dentsu has made a big step forward to becoming a truly global corporation. It will become increasingly necessary to be able to ascertain the demands of foreign shareholders and other stakeholders. It will also be necessary to become able to accept opinions that are based on different sets of values.



II. Respect for Human Rights

Dentsu aspires to enrich its advertising and business communications activities from a human rights perspective. It regularly conducts Group-wide employee training programs designed to provide employees with a sound understanding of human rights that they can then apply to their work. We at Dentsu also consider that the thorough prevention of harassment and protection of employees' human rights are important themes to address to ensure employees can fully exercise their capabilities.



Human Rights Awareness Inside and Outside Dentsu

Dentsu runs training programs based on job requirements of new employees, those in their seventh year, mid-career hires, and newly appointed managers. Programs are also held according to occupational fields such as Account Management Divisions and Creative Divisions. Dentsu trains the human rights education managers in each business unit and at Dentsu Group companies as well. In fiscal 2011, training programs were also introduced for contract employees.

Furthermore, to boost employee awareness, every other week the Company's intranet has a newsletter containing timely human rights-related topics. In fiscal 2012, 24 issues were posted. 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 it works on human rights education throughout the advertising industry.

Besides supporting public human rights education, Dentsu regularly has employees address human rights seminars as a lecturer when so requested by government officials, local government bodies, and other companies.

Human Rights Slogans and Posters

The annual competition which has been held since 1988 is not just for Dentsu Group employees—their family members can also create and submit human rights-related slogans. These represent the whole gamut, from the humorous and insightful, to pithy, simple statements of complex human rights themes. In fiscal 2012, there were 8,430 entries. The best slogans are incorporated into human rights posters produced by Dentsu creatives. This program has continued for 25 years, and more than 100 posters have been created to date.

Dentsu's human rights posters use advertising techniques to combine condensed, short phrases and visual designs to highlight human rights. They are characterized by statements about various human rights issues presented from a familiar viewpoint. Local government bodies and corporations make requests for their use, and they are used for human rights-related events across Japan. That fact that some local government bodies ask to use the posters every year shows how Dentsu has received high recognition for its proactive efforts.

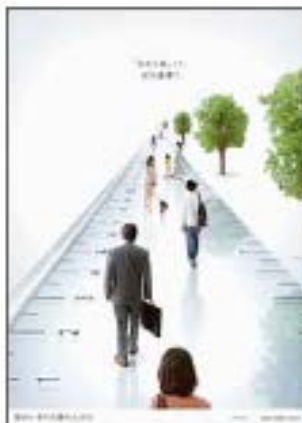
Dentsu Human Rights Posters Produced in 2012 (25th Program)



[Slogan]
If we quit, it ends with us.

[Theme]
Eliminating discrimination against people of *buraku* origin

[Underlying message]
I feel that the actions of every individual are important to break the flow of discrimination against people of *buraku* origin, which has continued in Japan for a long time.



[Slogan]
By whose standard is it 'normal'?

[Theme]
For the rights of those with disabilities

[Underlying message]
There may be things that come easy to you. But I want people to know that that only means 'I can' and not 'Anyone can.'



[Slogan]
Has your Send button become the trigger of a weapon?

[Theme]
To eliminate human rights infringements on the Internet

[Underlying message]
Imagine the other person's face for a second before pressing the Send button.



Human Rights Art Project

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 visual designs to accompany the human rights slogans reworked by Dentsu. To date, some 600 students have worked with Dentsu creatives from the initial idea stage through several review and draft cycles to produce the finished posters.

The collaboration began with Joshibi University of Art and Design in 2007, and it continues to expand. Musashino Art University joined in 2008, followed by Tokyo University of the Arts in 2009 and Tama Art University in 2010. The project expanded in 2011 with the additional participation of Kyoto University of Art and Design, the first institution in the Kansai region to join. Then, to attract more attention from the general public and foster greater interaction among participating universities, we opened a Digital Gallery on our website.

To view the Digital Gallery, please visit:
<http://www.jinkenart.jp/>
 (Japanese only)

Human Rights Art Posters Produced in 2012



Centralization of Functions at the Harassment Counseling Section and Its Activities

At Dentsu, to prevent and curb in-house actions that violate laws and corporate ethics, both the 'D-EAR' internal reporting and proposal system and the Harassment Counseling Section had been functioning as contacts for various harassment issues. In March 2013, the contacts for harassment-related issues were centralized at the Harassment Counseling Section.

The Harassment Counseling Section has contact points at Dentsu branches as well as outside the company, and it provides consultation to achieve and maintain employees' respect for human rights as well as a safe and civilized working environment. Consultation is given for various harassment issues, in-house human relationships, breaches of manners, troublesome behavior, and more. Additionally, the Harassment Counseling Section coordinates with harassment contacts at each Dentsu Group company to prevent harassment throughout the entire Group. Moreover, issuing the *STOP! HARASSMENT* educational guidebook, holding training sessions for those requiring them, posting on Company bulletin boards, and utilization of employees to promote awareness of CSR at each Company department serve to call attention to issues and thus help prevent them from occurring. In fiscal 2012, there were 47 consultations at the Harassment Counseling Section (2011: 43 consultations, 2010: 53 consultations), which were individually handled to make improvements to the working environment.

Stakeholder Comments



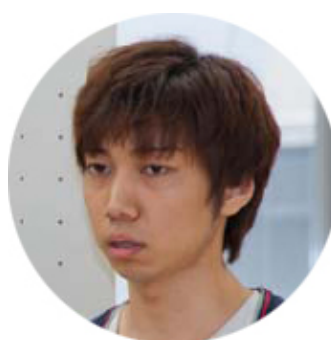
Rin Nishimura
Joshibi University of Art and Design

The words 'human rights' in the Human Rights Art Project posters posted at my school stood out greatly and left an impression on me. Being exposed to the profound catch phrases created by people at Dentsu and seeing the posters produced in the past at the briefing, the weighty impression I had of human rights until then was lightened in a good sense. This made me want to say something in a poster too. I struggled thinking of phrases with a twist and how to use visuals to strongly appeal a message. I realized that even with the same content, people's impressions changed depending on how you conveyed the idea. My theme was "to eliminate discrimination against women," and because I myself am a woman, I resolved to "become stronger as a woman" when creating the visuals.

After the Great East Japan Earthquake, I began to think more deeply about 'people.' I became more aware of people's strengths and weaknesses and the importance of human relationships, and I began to take an active part in reconstruction volunteer work. Participating in the Human Rights Art Project made me become more thoughtful and I felt that it gave an inexperienced me a bit of encouragement. Going forward, I think it would be nice if these activities could also lead to cross-cultural communication.



Stakeholder Comments



Yuki Ueda
Tokyo University of the Arts

I started to become interested in advertising work in my sophomore year, and I heard in the summer of my junior year that there was going to be a workshop with Dentsu. I thought it would be a good opportunity to produce something with people actually working in the field, so I participated.

I hadn't really created anything on a serious theme like this before, so I devoted even more of my time than I usually do and put my mind to it. I learned that, because the theme of 'human rights' is a delicate matter, making a statement could end up inadvertently criticizing someone.

I created a poster on the theme of 'promoting children's rights.' While thinking about children's rights, I also focused on the perspective of how adults should behave toward children and society. I still have much room to grow, but I hope to be able to face what is happening before me straight on and one day become an adult who, like in my poster, is able to proudly present a back to which others can look up. I hope that such activities spread throughout society and that society will become a place in which we can take human rights for granted and we don't have to make a point about it.





III. Ensuring a Safe and Civilized Working Environment

Maximizing all of our employees' capabilities and putting them into action is essential to realizing a sustainable society. At Dentsu, where we consider people to be our greatest asset, we believe that the development of an environment where employees can maintain high morale and motivation and can take on their work enthusiastically is an extremely important agenda.

To this end, Dentsu implements detailed measures from the perspective of developing capabilities, work/life balance, and a structure for managing health and safety.



Promotion of Work/Life Balance

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 therefore is to generate synergy between the two.

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 working hours 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. Joint WLB conferences are also held when needed with the labor union to discuss current issues affecting employees.

In October 2007, Dentsu received *Kurumin* (next generation support certification mark) certification. The Company continues to encourage employees to take holidays and is strengthening its work/life balance support system under the auspices of the Third Dentsu Action Plan. To date, the Company has conducted two WLB campaigns, and it will continue to nurture the development of a corporate culture that is supportive of the needs of employees.

Employee Health Care Systems

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 and actively urges those who haven't to participate in health screenings.

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

In recent years, the Company has been enhancing measures for mental health, which is

an essential health management agenda, and it has held mandatory training on that subject for managers since fiscal 2009. 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 are free to use the services of the Dentsu Health Management Center, located at the Tokyo 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

	FY 2010	FY 2011	FY 2012
Total	98.7%	99.0%	99.1%

Confirmation of Employee Safety in Emergency Situations

From the standpoint of our obligation to ensure safety, and based on our business continuity plan (BCP), Dentsu has a rapidly deployable system in place for emergency situations. The system allows confirmation domestically and overseas of employee survival, degree of injury, and ability to establish contact.

Emergency situations in this context are those that affect Dentsu Group locations in Japan and overseas. They include disasters such as earthquakes, storm damage, and fires, as well as various other conceivable situations such as air and rail accidents, outbreak of infectious disease, and terrorist incidents.

Our system to confirm employee safety utilizes a departmentally organized contact list together with a dedicated system for the instantaneous company-wide broadcast of confirmed information. Contact points (email addresses and telephone numbers) in Japan are registered in this dedicated system in advance, allowing rapid response, and it also collects information from responses about safety status. In fiscal 2012, a safety confirmation test was held in October.



Employees Encouraged to Take Vacation Entitlements

It is crucial that employees are able to refresh themselves through vacation. Doing so helps fuel their ability to approach each new task with vigor, apply their strengths to achieve outstanding results, and generate new ideas.

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. In April 2010, Dentsu introduced a system to take annual paid vacation in hour increments, enabling a flexible way of working. The Company has also created a system whereby “cultural leave” is granted to employees who are involved in high-level cultural or sports events at national or international levels.

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

- Annual Paid Vacation in Hour Increments Taken

	FY 2010	FY 2011	FY 2012
Total Hours Taken	19,734	36,094	43,600

- Average Number of Vacation Days Taken

	FY 2010	FY 2011	FY 2012
Male	9.2	9.6	9.7
Female	12.9	13.1	12.9
Total	10.1	10.5	10.6
Leave Taken	50.5%	52.5%	53.0%

- 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	2 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.
		1) Non-work related accidents and sick leave (when taken for 7 or more consecutive days)
		2) Family nursing care leave - After family nursing care leave is taken (up to 15 days per year)
		3) Community service leave (up to 5 days per year)
	Marriage leave	7 consecutive days, including non-work days
	Maternity leave	Within 6 weeks before due date, and 8 weeks after birth
	Paternity leave for birth	In principle, day of birth and the next day
	Mourning leave	1) Death of spouse, parent or child: 7 days
		2) Death of sibling or spouse's parent: 5 days
		3) Death of grandparent or grandchild: 3 days
	Culture leave	Number of days approved
	Disaster leave	Number of days approved
	Relocation leave	1) Appointment to job at different location: up to 7 days
		2) To bring family after transfer: number of days for round trip + 2 days
	Long-service leave	10 days within 2 years after receipt of 20-year service award
Unpaid	Menstrual leave	Necessary number of days (but with a maximum of 2 days paid holidays)
	Family nursing care leave	5 days
	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



A Workplace Environment that Fully Utilizes Employee Talent

For Dentsu—a company whose sales-point is its ideas in the field of communication—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 1.62% of the Company's workforce as of June 2013, Dentsu will continue striving to exceed the statutory employment rate.

- Number of Employees by Age and Gender (Mar. 31, 2013)

	Male	Female	Total
Under 30 yrs	937	656	1,593
30-39	1,800	927	2,727
40-49	1,441	362	1,803
50-59	1,011	241	1,252
60 and over	116	24	140
Total	5,305	2,210	7,515
Average age	40.1	36.0	38.9
Average Length of service (yrs)	14.7	9.3	13.1

- Employees Taking Childcare Leave, Reinstatement Ratio

	FY 2010	FY 2011	FY 2012
Male	6	7	9
Female	48	54	51
Total	54	61	60
Reinstatement ratio	98.1%	95.1%	96.7%

- Number of New Graduates Hired

	FY 2011	FY 2012	FY 2013
Male	160	132	93
Female	65	60	43
Total	225	192	136
Female component	28.9%	31.3%	31.6%

As part of its efforts to promote the employment of people with disabilities, the Company established Dentsu Solari as a Group company in April 2013. We will continue to expand employment for people with disabilities into the future.

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). It has also established a consultation office to support work/life balance.

Post-retirement Reemployment

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

- Post-retirement Employees

	FY 2010	FY 2011	FY 2012
Male	106	34	21
Female	14	7	7
Total	120	41	28

- Employee Composition (Mar. 31, 2013)

	Male	Female	Total
Executive officers, others	30	0	30
Management staff	1,509	116	1,622
Non-management staff	3,089	1,081	4,170
Contract employees	285	352	637
Clerical staff	7	547	554
Partners	89	24	113
Part-timers, others	18	10	28
Seconded from other entities	281	80	361
Total	5,305	2,210	7,515

Note 1: Executive officers, others: includes senior corporate advisors, special advisors, and executive officers

Note 2: Part-timers, others: includes permanent part-timers, non-permanent part-timers, and trainees from overseas

Promotion of Employees' Capabilities

Dentsu's Training System

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

1. Training to acquire the basic knowledge necessary for working at Dentsu and to foster solution (problem-solving) capabilities for the new employees
2. 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. Training to foster leadership and facilitate the acquisition of managerial knowledge in more senior employees

Based on these training objectives, Dentsu conducts a variety of human resource development programs such as for digital skills

and global skills (foreign language ability, cross-cultural communication and others).

Additionally, Dentsu launched the Dentsu Management Institute (DMI) and Dentsu Management Juku (DMJ) in 2010. The objective of these programs is to enhance management capabilities within the Dentsu Group, including overseas Group companies, as well as to foster professionals who can deliver sophisticated solutions for the management and operational issues of various stakeholders such as clients and the media. Trainees are selected by nomination for these programs jointly developed with the Hitotsubashi University Graduate School of International Corporate Strategy (ICS).

- Changes in the Number of Training and Seminar Participants

	FY 2011	FY 2012
Training	4,395	4,756
Seminars	6,211	3,413

Stakeholder Comments



Hajime Yamamoto
Dentsu Inc.
(on temporary assignment to Dentsu Thailand)

I attended the Dentsu Management Institute in 2010. It was a one-year program that consisted of monthly three-day retreats, and it was fulfilling in terms of both quality and quantity. We learned about management theory and considered and discussed Dentsu's management issues, becoming able to see problems from an objective viewpoint. There were opportunities to talk to Dentsu management and more-senior employees involved in the management of Group companies. Getting a glimpse of scenes of actual management was also a valuable experience.

After training, I was transferred to our location in Thailand, where I was involved in the management of an account services team of about 30 people as deputy managing director. In the rapidly growing Asian market, I feel that the theories I learned and discussions I had in training support me in my work. That applies not only in day-to-day operations, but also in formulating and implementing plans for account services and human resource strategies.

Stakeholder Comments



Toshiaki Morio
MC Planning Division, Dentsu Inc.

In the wake of the Great East Japan Earthquake which occurred 10 days after the Dentsu Management Institute program ended, I started to participate in work geared towards the reconstruction of the Tohoku region. Against the backdrop of all businesses having to start rebuilding from the ground up, I thought of how we could sense what this region required from Dentsu and how we could link that to work. This may be the kind of work that gives new social value for Dentsu and creates new business.

I feel that DMI, thanks to the breadth of contents covered in its lectures and the high level of awareness of my fellow trainees, gave me the perseverance to look for clues with a broad perspective when faced with difficult challenges. In particular, a viewpoint that allows me to think about things freely is one concrete asset that I acquired in this program. It is not only about where you look; it is also about from where you look. Once you notice something, pursue it. It is because I acquired the ability to think from such a free viewpoint that I can keep going on.



IV. Environmental Protection

Dentsu strengthened its arrangement for implementing environment-related measures with the establishment in July 2008 of the Environmental Strategy Council, chaired by the President & CEO, to promote environmental strategy as a corporate group. Dentsu submitted its Eco-First Commitment to the Minister of the Environment and was certified as an Eco-First Company. Dentsu will continue to advance environmental protection activities not only through internal activities, but also through efforts in cooperation with our stakeholders and the implementation of environmental communications, in order to contribute to the realization of a sustainable society.

Structures for Environmental Activities

-Adoption of the Dentsu Group Eco Program

In January 2005, we adopted the Dentsu Group Eco Program (ongoing), and in May 2005 we acquired ISO 14001 certification. Integrated Group certification that included domestic subsidiaries was acquired in June 2006. Dentsu and 54 Group companies held this certification as of March 31, 2013.

- Eco-First Commitment (Revised)

Dentsu presented a revised Eco-First Commitment to the Minister of the Environment in March 2012, citing the following three points as focus areas.

1. We will actively promote environmental communications, thereby spreading the environmental message to the public.
2. We will support next-generation environmental communications and the environmental efforts of our employees.
3. We will promote further advancements in 'green' office buildings.

The revised Eco-First Commitment promises that Dentsu will reduce CO₂ emissions at the Dentsu Head Office Building by 21% of the 2003-2004 average and improve the waste recycling rate to 90% by 2015.

The Company achieved a CO₂ emissions reduction of 24.6% in fiscal 2012 and a recycling rate of 90.2%, reaching our targets before the deadline. Additionally, transformation of Caretta Shiodome, a commercial facility at the Head Office Building, into an eco shopping mall was promoted. Renovations were made for energy-saving facilities, and green energy was used at events held in fiscal 2012.

These efforts were recognized and Lloyd's Register Quality Assurance Limited presented Dentsu with its Environment Award in February 2013. This was the first time that a private-sector enterprise in Japan has received this award.

Stakeholder Comments



Toshihiko Shirabe
Vice President of Japan & Korea,
Lloyd's Register Quality Assurance Limited

In November 2012, Dentsu had the highest scores among advertising companies in the world in the Carbon Disclosure Project (CDP) 2012 report, which measures the degree of information disclosure for companies' environmental measures. This further increased its value not only as a corporate citizen of Japan, but also of the world. I think that this recognition clarifies Dentsu's position in advance of the global expansion for which Dentsu aims. Compared to 2003, when the Dentsu Head Office Building was completed in Shiodome, electricity, water, and heat consumption as well as CO₂ emissions has been reduced by 20-58%, leading to significant cost reductions. This is the result of efforts undertaken by each individual employee as well as Dentsu as a whole.

Dentsu achieved these impressive results through its Environmental Management System (EMS). In May 2005, Dentsu acquired ISO 14001 certification, and it later expanded EMS activities to its more than 50 Group companies in Japan. Under the Environmental Strategy Council led by the President & CEO, Dentsu established the Dentsu Group Eco Awards, which recognize excellent internal and external environmental activities. In this and other ways, Dentsu is extending its efforts for global warming countermeasures not only to the Dentsu Group, but to families of employees and externally as well. We will continue to cooperate with Dentsu through third-party reviews for the further improvement of Dentsu's environmental protection activities and the kind of management hoped for by Dentsu's stakeholders and aimed for by Dentsu.



Promotion of Environmental Communication

- Promotion of the National Campaign for the Prevention of Global Warming

Dentsu was commissioned by the Ministry of the Environment to promote the national campaign for the prevention of global warming, and the Company takes proactive measures to raise the public's awareness of global warming countermeasures.

Since the Great East Japan Earthquake, awareness in society has grown not only for CO₂ reduction, but also for power saving and energy conservation. Dentsu has been conducting communications activities to encourage a concerted effort throughout Japan at the corporate, community, and individual levels. In particular, Dentsu collaborates with local government bodies, NPOs and NGOs, the media, J-League (Japan Professional Football League), and other organizations for specific measures such as Cool Biz, Warm Biz, and Smart Move to create various opportunities for global warming countermeasures that people can carry out at home or in the workplace.



- Tokyo Waterworks Caravan

The Waterworks Caravan visits elementary schools in Tokyo (districts served by Tokyo Waterworks) to teach students about Japan's waterworks culture that is outstanding in which we can 'drink water coming directly from the tap' and have them deepen their understanding and interest in tap water. These activities incorporate skits, movies, experiments, quizzes, and more, and they are held as part of social studies classes.

Dentsu was commissioned to run the Waterworks Caravan for three years from 2010 to 2012. We approached about 1,370 schools within districts served by Tokyo Waterworks and accepted applications. As a result, the Waterworks Caravan visited 1,222 schools in fiscal 2012.



Waterworks Caravan logo

- Cooperation for the Environmental Leadership Program

Dentsu co-sponsors lectures for the Environmental Marketing Seminar held annually since fiscal 2010 at Sophia University Graduate School, the central institution for the Environment Ministry's Environmental Leadership Program. In fiscal 2012, lectures for students in the field of global environment studies featured how to use media and communications to attract the interest of businesses in environmental issues.

Ten Dentsu employees knowledgeable in the area of environmental business conducted lectures designed to help students acquire skill in methods of solving environmental issues. The program, which comprised study cases on themes relevant to today's situation and six creative workshops, was met with high acclaim by both the students and the graduate school.

[Principal Lectures]

- Introduction to Environment-Related Communications
- Trends in Environmental Advertising and Examples of Greenwashing
- Promotion of Environmentally-Friendly events, Creative workshops and others.



Students making presentations during a workshop



- Fourth 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), and supports its activities. The fourth competition was themed 'sustainable development' and asked competitors to provide ideas and visions of how to create a future in which mankind can prosper while preserving our natural environment and how to make a world in which future generations can be happier.

The competition drew 127 submissions from 15 countries and territories around the world, with awards given for the top three entries, along with regional prizes.



World Champion:
TIME NEVER RETURNS



Worldwide 2nd Place:
Off Makes On



Worldwide 3rd Place:
Let's Walk Together

- Selection Made for the Environmental Advertising Award of the 2012 Dentsu Advertising Awards

The Dentsu Advertising Awards, which have been presented by Dentsu for many years, were designed to raise the social and cultural standards of the advertising industry. Advertisers submit entries, and winners are chosen by a selection committee drawn from among advertisers, media companies, creatives, staff, and cultural figures nationwide.

Dentsu introduced the Environmental Advertising Award as one of the Dentsu Advertising Awards in 2009, and one entry that is themed on the environment is selected. The 2012 Environmental Advertising Award was presented to NTT DOCOMO for its 'TOUCH WOOD SH-08C - Forest Xylophone -'.

For details on the Dentsu Advertising Awards, please visit:

<https://d2award.dentsu.co.jp/daaEntry/>
(Japanese only)

Raising Environmental Awareness

- Dentsu Group Eco Prize

Dentsu established the Dentsu Group Eco Prize in 2009 as one of its programs to improve environmental communications, and it is awarded every year. 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 2012, Dentsu received 39 applications in Category A and 46 applications in Category B. The Eco Prize winners were selected from both categories.



The Eco Prize awards ceremony

- Internal Use of Awareness-Raising Handbooks

The term 'greenwash' is used in reference to labels and advertising that use unsubstantiated information or partial data to give the impression that products or corporate activities are more environment friendly than they actually are. This practice is under scrutiny by corporations and NPOs. With environmental measures becoming essential to supporting company management today, eliminating the risks of greenwashing in advertising communications is imperative. In response to this situation, Dentsu created the Greenwash Guide as an internal document. It is designed to enhance employee knowledge so that we will be able to respond to ever-changing social conditions and consumers' environmental awareness.

Dentsu defines a 'green event' as an event that is an environment-friendly one, and the Green Event Guide is used for organizing such events. The



guide describes how to organize such events from the viewpoint of a PDCA cycle, in line with the flow of event management, from the planning stage to implementation and post-event evaluation. It also includes case studies that are useful in putting these instructions into practice.



Greenwash Guide



Green Event Guide

- Environment-related Slogans and 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. In 2012, there was a total of 6,909 entries in both the employee and family categories. The winning entries are used in posters designed by Dentsu art directors, thereby helping to raise environmental awareness among employees.

- Helping Employees Acquire Eco Test Certification

Dentsu actively encourages its employees to take the Certification Test for Environmental Specialists (Eco Test), sponsored by the Tokyo Chamber of Commerce and Industry, and has done so since the test was the first offered in 2006. The goal is to nurture, with a broad range of environmental knowledge, those employees who will play a leading role in addressing environmental issues.

Employees who acquire the certification are appointed as eco officers to promote Dentsu's environmental activities, and they also carry out such roles as inspectors for internal environmental audits and judges for environmental slogans. A total of 620 employees had acquired the certification as of the end of March 2013.

- Activities Held in Environment Month

Dentsu implements a variety of educational programs to coincide with Environment Month, held annually in June since 2009.

In fiscal 2012, Dentsu introduced a program to recycle caps from plastic PET bottles (eco caps) that employees brought from home. The caps were made into hand fans. Recycling boxes were placed at each of the Tokyo, Kansai, and Chubu offices, and about 248 kg of eco caps were gathered. Those caps were made into 11,000 hand fans, which were distributed to all Dentsu and Group company employees in Japan.

Dentsu Environmental Posters Produced in 2012



[Slogan]
I wear my 9th-grade son's outgrown T-shirts and shorts as at-home clothes. It stings to admit it, so I call them hand-me-ups instead of hand-me-downs.



[Slogan]
Speed of extinction:
4.6 species per hour.



[Slogan]
The reverse side is paper as well, you know.



Reducing CO₂ Emissions

- Energy-Saving at 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.

Wind Turbines and Solar-Power Panels

Dentsu installed wind turbines and solar-power panels at the main entrance of its Head Office Building, using the energy generated for the illumination of building signs during evening hours.

LED Lighting

LED lighting has been installed in all work areas of the Head Office Building. In fiscal 2012, additional LED lighting was also installed in parts of office areas and shared space at Dentsu-owned buildings including the Chubu Branch Office.

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 for other purposes.

Water Recycling System

Recycled wastewater and rainwater are used for 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.

Improved Air Conditioning Control System Program

The air conditioning control system program was modified to resolve the problem of mixed heating and cooling that occurs near windows and in internal spaces.

Insulating Jackets for Cold Water Plate Heat Exchangers

Insulating jackets were placed on the cold water heat exchangers to eliminate heat loss due to the difference in temperature between the exchangers and the machine room.

Waste Water Recycling Systems

Water generation systems were installed to recycle waste water from kitchen areas. In addition, Dentsu invested in around 40 projects (new facilities and renovations) involving specific measures and operational improvements.

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

Dentsu has been designated a Specified Facility for Global Warming Countermeasures under the Mandatory Greenhouse Gas Reduction and Emissions Trading Program (cap-and-trade program) of the Tokyo Metropolitan Environmental Security Ordinance.

Additionally, Dentsu was certified as a Top-Level Facility among the Excellent Specified Facilities for Global Warming Countermeasures. The Company also publishes an annual Plan on Measures to Prevent Global Warming, pursuant to the Tokyo Metropolitan Environmental Security Ordinance.

For further details, please refer to the following page on the Dentsu website:

http://www.dentsu.co.jp/csr/pdf/gw_report2012.pdf
(Japanese only)

- 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 it is working to raise awareness by posting rules regarding trash separation and a recycling chart.

Trash generated in the office is placed in bins separately colored for recyclables, non-recyclables, and hazardous materials (batteries, box cutter blades and others). Detailed rules are posted regarding disposal methods. As a result of these measures, the recycling rate for fiscal 2012 was 90.2%.



Dentsu's Environmental Performance Trends

— Calculation of Environmental Performance Data

Common Criteria

Floor area is based on the entire floor space occupied by Dentsu Inc. (Tokyo Head Office, Kansai Branch Office, and Chubu Branch Office), a total of 258,838 m².

Location-specific Criteria

CO₂ emissions:

For the Tokyo Head Office, the coefficient specified under the Tokyo Metropolitan Ordinance is applied, while 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 (in tons) is the sum of general waste and industrial waste. In fiscal 2012, the volume of industrial waste generated (Tokyo Head Office) was approximately 36 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 municipal water used at the Kansai Branch Office and Chubu Branch Office.

- CO₂ emissions

	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013 (Forecast)
CO ₂ emissions (tons)	21,242	21,174	19,358	19,259	19,067
CO ₂ emissions per m ² of floor space	0.082	0.082	0.075	0.074	0.074

- Amount of waste

	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013 (Forecast)
Amount of waste (kg)	1,873,754	1,871,188	1,851,206	1,859,028	1,840,437
Amount of waste per m ² of floor space	7.239	7.229	7.152	7.182	7.110

- Water consumption

	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013 (Forecast)
Water consumption (m ³)	166,528	165,129	164,468	170,825	169,117
Water consumption per m ² of floor space	0.643	0.648	0.635	0.660	0.653



V. Fair Business Practices

The Dentsu Group Code of Conduct sets out fair business practices as one of the key areas for Dentsu's CSR activities. Dentsu considers fair, equitable, and ethical actions and legal compliance to be the foundation for social responsibilities that corporations must fulfill. Dentsu and Dentsu Group companies strive to be companies trusted by society through fair business practices.

Promotion of Compliance

Dentsu aims to promote thorough awareness of compliance issues in employees. That is achieved through the development of regulations and manuals by departments responsible for compliance, the implementation of various training programs, and other measures.

In March 2013, Dentsu centralized contact points for harassment-related issues at the Harassment Counseling Section. Also, the internal reporting and proposal system D-EAR was renamed 'The Compliance Line' and designated as a contact point specializing in inquiries and reporting to deter actions that violate legal compliance and corporate ethics.

The Compliance Line has an in-house contact point as well as an external contact point where calls are handled by a law office. Operational and information management structures are in place to ensure that those seeking consultation or reporting violations are not penalized in any way. In fiscal 2012, a total of 21 reports and proposals (2011: 27 cases, 2010: 31 cases) were made by Dentsu and Dentsu Group company employees and dealt with by the Company.

Additionally, in order to prevent non-compliance activities, the Dentsu Head Office has set up a compliance website on the corporate intranet and distributed the Compliance Digest booklet to all Group companies to promote understanding of the importance of compliance issues. The Company also holds compliance training every year for new and mid-career hires at Dentsu and Dentsu Group companies, as well as third-year employees at Dentsu, to foster compliance awareness.



'Compliance Digest' booklet

- Basic Policy on the Rejection of Organized Crime Groups and Other Antisocial Forces

The Basic Policy on the Rejection of Organized Crime Groups and Other Antisocial Forces was established at the same time as the establishment of the updated Dentsu Group Code of Conduct in April 2013 to replace the section on Severing Relationships with Antisocial Forces defined in the previous Dentsu Group Code of Conduct.

This articulates the determination of Dentsu and Dentsu Group companies to take a firm stand against antisocial forces and that the Company will call on business partners to take the same action.

Basic Policy on the Rejection of Organized Crime Groups and Other Antisocial Forces

Dentsu and all Dentsu Group companies see it as the social responsibility of corporations to take a firm stand to sever relationships with and reject organized crime groups and other antisocial forces that threaten social order and safety. To this end, Dentsu has formulated and complies with the following Basic Policy on the Rejection of Organized Crime Groups and Other Antisocial Forces.

1. We will sever any relationship with organized crime groups and other antisocial forces.
2. We will resolutely oppose unwarranted demands from organized crime groups and other antisocial forces.
3. We will not conduct transactions such as the provision of funds or favors to organized crime groups and other antisocial forces.
4. We will take systematic and appropriate response to organized crime groups and other antisocial forces through the establishment of internal structures as well as through cooperation with police, centers for the elimination of organized crime groups, attorneys and others.

Dentsu's CSR Purchasing Activities

For Dentsu, social responsibility includes ensuring that ample consideration is given in dealings with its business partners (contractors) in regard to human rights, legal and regulatory compliance, environmental protection, and respect for intellectual property rights throughout the production and provision of services. Thus, the Company formulated the Dentsu Basic Purchasing Policy and, to ensure that the Dentsu Purchasing Guidelines are observed, we began requesting in fiscal 2011 that our business partners conclude a Basic Agreement for Outsourcing.

Dentsu also set up a Partner Hotline to enable business partners to report any legal violations by Dentsu directors or employees that had come to light in the course of business so as to identify and deal with legal and regulatory compliance violations. No reports were received during fiscal 2012. Dentsu plans to further develop its CSR program through cooperation with business partners involved in CSR-based purchasing.

Dentsu Basic Purchasing Policy

In line with the Dentsu Group Code of Conduct and desire for fair business dealings with its suppliers, the Company established 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 give due consideration to 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, the Company has established the Dentsu Purchasing Guidelines, and requests that our direct and indirect suppliers adhere to the following.

1. When hiring and dealing with employees, efforts should be made to respect human rights, labor regulations, and diversity, and ensure legal and regulatory compliance.
2. In business dealings with Dentsu and other parties, an effort should be made to ensure legal and regulatory compliance. In particular, we request that dealings with antisocial individuals and organizations be banned.
3. Please make every effort to ensure workplace health and safety, to prevent work-related accidents and injuries.
4. Please make an active effort 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 disclosed, leaked, or used fraudulently.
7. We request that appropriate operational processes be used to ensure that high-quality products and services are delivered within the predetermined schedule at a market-competitive cost.

Respect for Intellectual Property Rights

As a corporate group working in the field of advertising and communications, Dentsu strives not only for general legal compliance, but also for compliance with related laws and regulations. That includes adhering to the Act against Unjustifiable Premiums and Misleading Representations and being sensitive to human rights and the environment. In many types of campaigns handled by Dentsu, the Group must take particular care when dealing with personal information, offers of premium goods, and advertising representations. Dentsu undertakes measures to deal with these and other issues, including measures related to the rapid expansion of Internet-related business and the safety of premium goods.

Dentsu pays particular attention to the respect of intellectual property rights in the realm of creative expression, such as trademarks (names and marks), design rights, copyrights (literature, works of art and others) and publicity rights. To assist in those efforts, Dentsu has developed an environment for the respect of intellectual property rights. In addition to enhancing its legal departments, Dentsu has developed handbooks and manuals that introduce the basics on copyright, publicity, trademark and other rights. The Company has also established the Legal Consulting Department for Creative Affairs and conducts a variety of related educational and training programs for employees.

Stakeholder Comments



Naoya Suzuki
Business Management Division, Dentsu Inc.

What are fair transactions? At Dentsu, they are those premised on being 'right.' In the latter half of fiscal 2011, Dentsu formulated the Basic Agreement for Outsourcing to request its business partners' understanding for and cooperation with legal compliance and the Dentsu management structure. Currently, more than 2,000 companies have concluded the agreement.

Another essential element in maintaining fair transactions is that they be 'open.' An atmosphere of openness is essential to ensuring that requests for cooperation are not unilateral. To this end, Dentsu has established the Partner Hotline in order to receive reports in confidence on legal violations in business transactions.

The work of an advertising company is founded on trust with clients and the many other stakeholders involved in advertising. I hope for us to forge a solid footing in advertising by fulfilling Dentsu's social responsibilities in each individual transaction.

Handbooks for Intellectual Property Rights



What's a Trademark?



What's a Copyright?



What are Publicity Rights?



Rights Handling in Ad Music



VI. Addressing Consumer Issues

Dentsu engages in various projects in cooperation with government organizations that cover topics such as improvement of people's diet and food self-sufficiency rate.

The Company also makes proactive efforts for the promotion of diversity such as for LGBT (sexual minority) communities and for the resolution of social issues associated with the declining birth rate and aging population. Those efforts are made through 'Lab activities,' which are voluntary initiatives by employees.

Cooperation with the Government

- Promotion of the 'Smart Life Project'

Under the slogan 'healthy life expectancy,' the Ministry of Health, Labour and Welfare is promoting the Smart Life Project, a national campaign aiming to ensure that people can maintain energetic, healthy, and enjoyable lives. Along with cooperating with local government bodies, organizations, and corporations, the Ministry calls on people to take concrete measures mainly in the fields of exercise, dietary habits and others.

As part of the Smart Life Project, Dentsu cooperated with the hosting of the first Healthy Life Expectancy Award, which recognized local government bodies, organizations, and corporations engaged in outstanding activities in 2012. By widely publicizing concrete cases, Dentsu is promoting Japan's efforts to make the populace healthier.



Leaflet introducing award winners

In March 2013, two years after the Great East Japan Earthquake, a 'Healthy Life Expectancy in Kesennuma' event was held in collaboration with Kesennuma City, Miyagi Prefecture. About 200 people living in temporary housing participated, from children to senior citizens, as well as the Mayor of Kesennuma City. The dancer Papaya Suzuki demonstrated a stretching method adapted from the Kazufumi-kun dance method and other health tips that could be easily done.



Event at Kesennuma, Miyagi Pref.

- Involvement in the Food Action Nippon Campaign

Since October 2008, Dentsu has been responsible for the strategic administration (secretariat) of the Food Action Nippon campaign, a national campaign aimed at boosting Japan's food self-sufficiency rate. Dentsu established the 'Rice Flour Club' in order to promote the use of rice flour in the food market and thereby contribute to improving Japan's food self-sufficiency rate. Various corporations and organizations from different business fields participated in the club and worked to introduce rice flour, which is now used not only in bread and noodles, but in snack foods as well.

In fiscal 2012, various efforts were launched to increase consumption of different domestically produced foods such as rice flour along with wheat and soybeans. Dentsu contributed to the concrete increase in consumption of domestically produced foods through communications activities promoting the use of such foods throughout the market as well as collaboration with various corporations and organizations to develop products and sales platforms. In order to improve Japan's food self-sufficiency rate, Dentsu will continue to engage in various projects to improve the value of domestically produced foods and encourage consumption.



Rice Flour Club sampling event poster

Lab Activities

- Dentsu Diversity Lab

Dentsu is working to achieve a diverse society where differences such as a disability, gender, age, sex, race, and sexual orientation are respected as expressions of one's individuality rather than being seen as aspects making one superior or inferior. Dentsu Diversity Lab (DDL) was launched in recognition of the fact that achieving such a goal is important for society and Dentsu's business operations.

The Lab's principal activities in fiscal 2012 include the development and sales of Dentsu's original universal design (UD) font called *Minna no Moji*. It is used for publications by government bodies, financial institutions and other organizations. The Lab also undertakes a variety of activities, such as the creation of the Braille Pamphlet Creation Guide, promotion of television commercials with subtitles, consultation for the creation of sales platforms that are senior citizen-friendly, cooperation for LGBT-related events, and more.



Minna no Moji announcement poster (left)
Braille Pamphlet Creation Guide (right)

- ISID* Open innovation Lab

The Open Innovation Lab is engaged in the Tohaku Navi joint research project in cooperation with the Tokyo National Museum and Koozyt to enhance experiences at the museum through the use of IT.

In January 2013, the latest version of Tohaku Navi, a museum guide Android application equipped with augmented reality (AR) and precise positioning technologies, was released to the public. A free service to lend Android terminals at the museum was started as well. The latest version of the application offers functions such as a guided tour in which a virtual actor appears on the screen to explain about works of art in a theater-type setup when the terminal camera is pointed at an AR marker. Another function is a guide menu that links two indoor positioning

technologies for smooth navigation between area guides and guides for exhibits in specific cases.

This project will continue until March 2014. It will be promoted not only toward younger generations, but a wider demographic as well, so as to broaden the base of museum visitors.

*ISID stands for Information Services International-Dentsu, Ltd., a Dentsu Group company.



Exhibit explanation using augmented reality technology

Stakeholder Comments



Naoatsu Sata
Creative Planning Division 5, Dentsu Inc.
Disabilities Working Group, Dentsu Diversity Lab

There is a hint of change that I feel. That change is in the form of surround audio technology, which increases the pleasure of watching movie content. This is a fun technology I have enjoyed for nearly 30 years. But it is not only fun; it can be used as a UD technology by making just the dialog coming out of the center speaker louder for people with hearing difficulties.

For people who can't see, it is also possible to have the commentary come out of the sub speakers. The opposite is possible as well. Television broadcasts with subtitling is a support technology for those with hearing disabilities. This is also convenient and enjoyable for people who can hear to see information in text form. It is a collaboration of fun and convenience. The activities of DDL aim to go beyond the theme of overcoming communication gaps to develop the greater trend of creating for the enjoyment of everyone.

- Committee for Raising the Next Generation

Dentsu formed a planning team to consider what adults and parents could do to support the children who will be the next generation of adults. The team comprises about 50 parents in various specialty departments who are raising young children and individuals with experience in child-related businesses. From a real-life perspective, the committee supports marketing, consulting, various types of planning, and project implementation. These are geared to children and their families as well as the child-rearing society in general.

The Committee for Raising the Next Generation also develops and distributes related materials, such as the *Iku-G Shimbun* serialized in formats such as *Nikkei Business* magazine and *Shumito Club* social network. In March 2013, the Committee had a booth at Workshop Collection 9, a workshop exhibition for children (sponsored by the NPO CANVAS and Keio University Graduate School of Media Design (KMD)). It won the Visitors' Choice Award chosen by the children with its original program, the Hajimemashite Card.



On the day of the workshop



Iku-G Shimbun

Development of an 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 (predecessor to ISO/IEC 27001:2005) 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 31, 2013, the Dentsu Head Office and 56 Dentsu Group companies have this certification.

Additionally, the Company established the Dentsu Group Basic Policy on Information Security in July 2012. In October of the same year, it separated the deliberation function for highly specialized information security from the CSR Committee to a newly established Information Security Committee, a specialist subcommittee under the CSR Committee. Dentsu strives to implement stringent information security management through such measures for the entire Dentsu Group to flexibly respond to the ever-changing and increasingly sophisticated environment of information and communication technology.



IS 598941/ISO 27001:2005 (Dentsu)

IS 91070/ISO 27001:2005 (Dentsu Group companies)



VII. Contributing to the Community

Dentsu considers regional communities to be important stakeholders. The Company contributes to resolving issues and promoting development of regional communities through its business operations and continuously deploys various social contribution activities. We believe that it is our role as a leading company in the sphere of communications to build relationships of trust with regional communities.

Efforts to Assist Earthquake Reconstruction

- Support for the 'Tohoku Rokkon (Six-Soul) Festival'

As part of its efforts to support areas affected by the Great East Japan Earthquake, the Dentsu Group has provided administrative support for the Tohoku Rokkon Festival since 2011. 'Tohoku Rokkon Festival 2012, Morioka' held in Morioka City of Iwate Prefecture on May 26 and 27 was the second festival and it attracted 243,000 visitors.

The festival featured various events that could be enjoyed by people of all ages. These included a big six-festival parade stretching for about a kilometer, performances of traditional local performing arts, and a children's dance stage. Six Tohoku cities worked as one to prepare for the festival and showed their zeal towards recovery to tourists gathered from all over Japan.



A stage performance at the festival

- Domestic and International Communications for Reconstruction of Disaster-Affected Areas

Dentsu accurately identifies information needed in disaster-hit areas, and it participates in regular reporting of disaster support information in accordance with local needs and various reconstruction study cases through local media outlets and the Internet. These activities are carried out in collaboration with the Reconstruction Agency and the Cabinet Office as well as local government bodies, the media, and NPOs.

Dentsu is also involved in a project to actively report overseas on the positive and creative stance that is being fostered in Japan as it enters the reconstruction phase. Under the slogan 'Made in New Japan,' we have gathered case examples of new innovation that have sprung up after the earthquake to report on them throughout the world

through mass and social media. In this way, Dentsu is promoting the re-branding of Japan.



Poster created for overseas

- Various Support Projects for the Reconstruction of Fukushima Prefecture

Dentsu Group companies led by Dentsu and Dentsu East Japan are advancing support projects for various prefectural government departments in Fukushima Prefecture to dispel damaging rumors about Fukushima associated with the nuclear plant accident.

In fiscal 2012, we launched Fukushima Prefecture's official Facebook page to report on the current situation in Fukushima and took other measures in collaboration with various media outlets to spread information. During the summer Olympic Games, we also held an event in London to report on the situation in Fukushima.

The Company also holds regular study groups with local media outlets and experts with the aim of dispelling damaging rumors. Other efforts include a national tour and exhibition of the *Yae-tai* caravan named after the NHK historical fiction television series, *Yae no Sakura*. Dentsu will continue with efforts to provide assistance for the reconstruction of Fukushima Prefecture into the future.



Campaign logo

- Administering the 'Housing Eco-point Program Supporting Reconstruction'

Following the housing Eco-point program launched in March 2010 for providing incentives to build more environment-friendly houses, Dentsu is leading the consortium managing the housing Eco-point program supporting reconstruction, revived in January 2012. Dentsu is promoting the project in collaboration with other consortium member companies.

This program issues points when new environment-friendly houses are built or environment-friendly renovations are made to existing houses, and these points can be exchanged for local products from disaster-affected areas or environment-friendly products. It adds the goal of supporting reconstruction after the Great East Japan Earthquake to the goal of the original 'Housing Eco-point Program.' Dentsu manages and promotes all processes in this program from receiving and screening applications to distributing public funds to the various operators who participate in the point exchange. In fiscal 2012, there were about 500,000 applications.

復興支援＊住宅エコポイント

Campaign logo

- PLAY FOR JAPAN Charity Concert

On November 14, 2012, the PLAY FOR JAPAN Charity Concert (sponsored by the Dentsu Social Design Engine, Dentsu Orchestra, and the NPO Donation Music) was held at the Dentsu Head Office Building. This concert was held as part of a project to create 'bonds connected through 1,000 sounds,' aiming to have 1,000 people perform in a relay on violins created from driftwood collected from disaster-affected areas. The concert attracted an audience of over 800 people from Dentsu and the general public. After the concert, the audience and performers gave donations.



The concert performers

Support to Resolve Social Issues— Promotion of the 'Open Innovation Project'

Dentsu incorporates a wide range of knowledge and ideas into client value chains and promotes the Open Innovation Project to actively harness them. As part of this project, Dentsu provides an original program called 'D-hints' utilizing the SNS tool Spigit. This program allows people to exchange opinions online on a scale of several tens of thousands of people. It is used to resolve various issues at local government bodies such as a project to consider the future of Tokyo and disaster prevention sessions at Makinohara City, Shizuoka Prefecture as well as those at other corporations.

In June 2012, Dentsu also launched the community site 'Cotas' jointly with digital communication agency Infobahn. The site introduces open innovation success stories and new methods from Japan and abroad as well as hosting the 'Japan Co-creation Awards' that recognize excellent examples of open innovation.



For more information on 'Cotas,' please refer to the following website.

<http://cotas.jp>
(Japanese only)



'D-hints' logo

Dentsu's Social Contribution Activities

Dentsu leverages the experience and professional skills its employees have acquired in the area of communications—its main business—and collaborates with NPOs and other organizations to resolve social issues. The Company also engages in activities that contribute to the development of communities on all scales, from regional to global communities.

Under the basic policy of 'using the power of communication to benefit society,' Dentsu formulates and implements various projects with the aim of resolving key social issues from two different perspectives. These perspectives are 'Fostering human resources to tackle social issues' and 'Supporting activities initiated in Japan to tackle international social issues.'

Dentsu has also undertaken distinctive activities to support recovery following the Great East Japan Earthquake. Going forward, Dentsu will continue to engage in support activities while exploring and implementing new ways of support.

Policy: *Using the power of communication to benefit society*

Perspective:

Fostering human resources to tackle social issues

Social issues to be resolved through our activities:

- Fostering the next generation in Japan
- Improving citizens' capabilities
- International exchange
- Support for disaster-affected areas

Principal activities:

- Advertising Elementary School
- NPO support program:
Keys to Communicating
- Dentsu-China
Advertising HR Development Project
- Participation in
'*Michinoku Fukkou Jigyō Partners*'
(consortium of major companies
for recovery)
and other activities

Perspective:

Supporting activities initiated in Japan to tackle international social issues

Social issues to be resolved through our activities:

- Support for global education
- World food problem

Principal activities:

- Supporting
'UNESCO's World *Terakoya* Movement'
- Supporting
'TABLE FOR TWO (TFT)'
and other activities

Dentsu's Social Contribution Activities —Fostering Human Resources to Tackle Social Issues

- Advertising Elementary School

'Communication skills development' is one of the important themes in school classrooms. The aim of the 'Advertising Elementary School' program thus is to foster children's communication skills. Dentsu developed program materials together with Tokyo Gakugei University over the course of three years from 2006. These materials are used in classes taught by school teachers, and over 13,000 students at 135 schools in 32 prefectures have taken part in this activity as of the end of March 2013. The program has been incorporated not only in elementary school classes, but also at junior high schools, high schools, and universities as well.

In these classes, children express a theme in 15-second commercial skits. The children learn to think by themselves, consult others, and express themselves. By working together and through the process of communicating to each other, the children learn skills they need in order to communicate effectively, such as creative thinking, decision-making, how to express ideas, and group problem-solving technique while having fun.

The program is also utilized in so-called 'reconstruction education' in disaster-affected areas of the Great East Japan Earthquake. In Miyako City, Iwate Prefecture, Tsugaruishi Junior High School took up the theme of a local traditional performing art. Fourth-grade students at Kuwagasaki Elementary School, also in Miyako City, made a commercial skit on the theme of 'the scallops of Kuwagasaki' as the conclusion of their study experience.



Presentation at Kuwagasaki Elementary School

Stakeholder Comments



Tadashi Sasakawa
Principal, Tsugaruishi Junior High School,
Miyako City, Iwate Prefecture

The tsunami caused by the Great East Japan Earthquake swept away all the props for our local traditional performing art 'Nori no Waki Shishi Odori.' We therefore conducted classes on the theme of restoring this traditional performing art, adapting the Advertising Elementary School program. At the end of August 2012, 15 eighth- and ninth-grade students were divided into four teams to make commercial skits, which were presented to the entire student body in September. The tough process bore fruit as demonstrated by how the ideas the students came up with after repeated discussion amongst themselves received the ovation of many people. Seeing firsthand how the experience and confidence gained from that experience changed the students, I truly felt the significance of the 'Advertising Elementary School' program. In one case, I noticed how the way a ninth-grade student interacted with people changed. Now he even actively engages me in conversation. I also sensed that he matured greatly even in his efforts during supplementary lessons before high school entrance exams.

I take pride in the role that schools play as a hub for community recovery, and I believe that 'Communication skills'—the ability to communicate the profound feelings inside ourselves properly as we interact with people—is essential in this endeavor.

- NPO Support Program: Keys to Communicating

For NPOs, the improvement of the internal and external communication skills of their staff and organization has become an important issue, for these skills are essential in order to lead an organization, increase the number of sympathizers and collaborators, and engage in fulfilling activities that contribute more to society. To address these needs, Dentsu launched the 'Keys to Communicating' project jointly with NPOs in 2004 in an effort to support utilization of Dentsu's specialized communication skills.

This project emphasizes the importance of communication basics; for example, clearly identifying your target audience and discussing, organizing, and sharing within the organization what you are trying to communicate to them before developing advertising tool expression modalities. Using textbooks created in three parts (concept, basics, and application), Dentsu creatives and members of Dentsu's NPO Committee serve as presenters at seminars held throughout Japan.

In fiscal 2012, seminars were held at five venues including Tokyo, Osaka, Nagoya, and Hokkaido. Additionally, a special disaster-affected area support seminar was held for young NPO leaders engaged in reconstruction in those prefectures. As of the end of March 2013, the number of seminars presented had reached 89, with a cumulative total of around 3,700 participants.



Seminar held in a disaster-affected area
(Miyako City, Iwate Pref.)

Stakeholder Comments



Emiko Nagasawa
Manager, General Planning Office,
Keidanren-Jigyo Service

When Dentsu came to us to discuss engaging in social contribution activities distinct to Dentsu, people in charge of social contribution at other corporations noted that advertising companies make proposals but don't practice themselves. However, I believe that Dentsu's conscientious activities over the past 10 years have contributed in no small measure in gaining trust from other companies.

CSR activities are undertaken by each individual employee and are practiced in their day-to-day activities. Participation in CSR activities that incorporate a company's primary business is becoming important from a risk management viewpoint as well.

On the other hand, many NPOs are working on the leading edge of social issues and are particular in their operations. Opportunities such as 'Keys to Communicating,' where corporate employees and NPOs collaborate, lead to realistically assessing the ever-changing situations and issues of society. I believe that these initiatives help corporations and employees develop stronger social sensitivity.

Sophisticated communication skills are required for collaboration between diverse organizations. And I expect that Dentsu will continue to explore what it can do to create a better society.

- Dentsu-China Advertising HR Development Project

The 'Dentsu-China Advertising HR Development Project' was established for the purpose of supporting advertising-related human resources development in China and contributing to friendly relations between Japan and China. In fiscal 2012, the following three programs constituted the project's main activities.

< Inviting Chinese Researchers >

Six educators in the field of advertising selected from universities all over China were invited to the Dentsu Head Office for training. The six trainees learned about the latest trends in the international and Japanese advertising industries and were actively exposed to Japanese culture through a three-month curriculum starting in January. Many of them made positive comments such as how hands-on participation was truly a case of a picture being worth a thousand words, expressing a desire to devote efforts to cultural exchanges between Japan and China in the future. The three months proved fruitful in aspects other than the training as well. As of March 2012, 132 Chinese advertising-related teachers from 45 universities have completed training at the Dentsu Head Office.

< Dispatch of Dentsu Guest Lecturers >

Dentsu has a program to dispatch young employees to prestigious universities in China as guest lecturers. For the fiscal 2012 program, participants were dispatched to Fudan University in Shanghai. The four-month curriculum started in April, and the innovative teaching style distinct to advertising professionals received wide acclaim. An official in charge at the Chinese Ministry of Education commented that educators as well as students should also attend to learn the teaching method.



In the classroom

< Dentsu-China Advertising Education Forum >

The Dentsu-China Advertising Education Forum was held in Suzhou City, China. About 70 deans of

advertising faculties and educators from around the country participated in the forum where a team of lecturers made up of Dentsu employees introduced the latest industry trends and advertising case studies. There are many forums related to advertising and marketing, but this forum is the only one of its kind that exposes Chinese advertising educators to the world's latest trends in advertising.



The participants on the day of the forum

Stakeholder Comments



Yang Chao
Lecturer, Minzu University of China, China

I participated in training at the Dentsu Head Office from January to March 2013 as part of the eighth delegation of researchers to Dentsu. I learned about the overall business of an advertising company, from the company structure to actual worksite case studies. I came to understand well what kind of human resources are needed in this industry. Moreover, I learned about the social responsibilities that companies fulfill. As someone who is involved in developing human resources in advertising, this training was extremely beneficial and I learned a great deal from the experience. We often see only the flashy parts of the path Dentsu travelled to become a leading company, but I feel that the path is actually built on an inner sense of responsibility, knowledge, and hard work. By learning high-level communication skills from Japan, I was able to feel firsthand the power of communication—how to come up with ideas that are outside the box and generate innovation. I hope to adapt what I learned in Japan in the academic field and contribute to interaction between Japan and China in the future.

- Participation in 'Michinoku Fukkou Jigyō Partners'

Since June 2012, Dentsu has been participating in *Michinoku Fukkou Jigyō Partners* (consortium of major companies for recovery), a platform to support next generation leaders engaged in the reconstruction of disaster-affected areas. This consortium was launched as a result of a consultation from the NPO ETIC.* about how mid-to long-term reconstruction support needed the collaborative efforts of several companies. ETIC. had come to speak to a gathering of volunteers from among corporations participating in a *Keidanren* (Japan Business Federation) panel on social contribution in March of that year. The consortium started with the participation of four companies (Ajinomoto, Kao, Sampo Japan Insurance, and Dentsu) who agreed with this opinion. Later, Benesse Holdings joined the consortium, and the member companies have been engaging in various activities that utilize their respective resources.

In March 2013, the first joint event, '*Michinoku Recovery Project Symposium*,' was held at the Dentsu Head Office. Its aim was to share information on this new form of corporate social contribution with corporate employees in charge of CSR and with relevant organizations. The symposium attracted over 200 participants from 50 companies from whom we received many comments such as how the event was an opportunity to think anew about the role of companies in recovery assistance and about the significance of corporate collaboration.

*NPO ETIC.: Established in 1993 as an organization to train young next generation entrepreneurial leaders, ETIC. has produced many operational NPOs that will lead future generations.

<http://www.etic.or.jp/english/index.html>



Session at the symposium by personnel in charge of CSR and social contribution at the five *Michinoku Fukkou Jigyō Partners* member companies

Stakeholder Comments



Haruo Miyagi
Executive Director, NPO ETIC.

After the earthquake, people from many companies came to disaster-affected areas to carry out volunteer work, and that became an opportunity for them to develop connections hitherto unseen. However, I felt that the assistance given did not fully utilize the abilities of these corporate people. If corporations could fully harness their resources—knowledge gained from their primary businesses, human resources, information, and more—we could turn that into a significant force for disaster-affected areas. Furthermore, by combining the resources of various companies, the impact they could have would be extremely large. We called on companies to see if they would engage in collaborative efforts for recovery. As a result, five companies including Dentsu agreed with our idea and the consortium took off.

In recovery assistance, innovation is precisely what is needed to take on a challenge with no right answers and create a future for those affected. I strongly feel that the companies that take on this challenge will come to achieve huge results. And I also think that this will link to how we see the future of society and how we transform ourselves.

Dentsu's Social Contribution Activities

—Supporting activities initiated in Japan to tackle international social issues

-Supporting 'UNESCO's World Terakoya Movement'

UNESCO's World *Terakoya* Movement, an effort to increase venues (*terakoya*) to acquire literacy, is sponsored by the National Federation of UNESCO Associations in Japan. Dentsu has supported the movement's activities since 2003. From the end of 2012 to the beginning of the new year, Dentsu and three of its Group companies (Dentsu Tec Inc., Information Services International-Dentsu, Ltd. (ISID), and Cyber Communications Inc.) held a campaign asking employees to donate 'Kakisonji-Hagaki—unusable prepaid postcards—,' which may be exchanged for a refund by Japan Post. The campaign gathered over 1,600 postcards in total. Additionally, the cumulative number of postcards gathered at dedicated mailboxes in three locations in Caretta Shiodome since 2010 exceeded 8,000 as of February 2013. The unusable prepaid postcards are sent to the National Federation of UNESCO Associations in Japan, where they are exchanged for a donation of about 45 yen per postcard. The money is then used to fund the *Terakoya* movement.

For further details, please refer to the National Federation of UNESCO Associations in Japan website:

<http://www.unesco.or.jp/en/>



Fiscal 2012 donate 'Kakisonji-Hagaki —unusable prepaid postcards—' campaign poster

- Supporting the 'TABLE FOR TWO' Programs

'TABLE FOR TWO (TFT)' is a movement that originated in Japan to help eliminate both hunger in developing countries and obesity and other lifestyle-related diseases in advanced countries. For each purchase of a TFT meal, 20 yen is donated toward a school meal in developing countries. In 2009, Dentsu began offering TFT meals at the employee cafeteria in its Tokyo Head Office.

In fiscal 2012, in addition to offering TFT meals, Dentsu lent its support to the 'One Million ITADAKIMASU (One Million Meals) campaign' (Oct. 16 to Nov. 30) celebrating the United Nations' World Food Day. New campaign tools were created centered around a promotional film featuring Dentsu employees, and these were introduced through in-house media. Dentsu also provided campaign materials on request free of charge to companies implementing the TFT program.



2012 World Food Day posters featuring employees

Independent Practitioner's Review

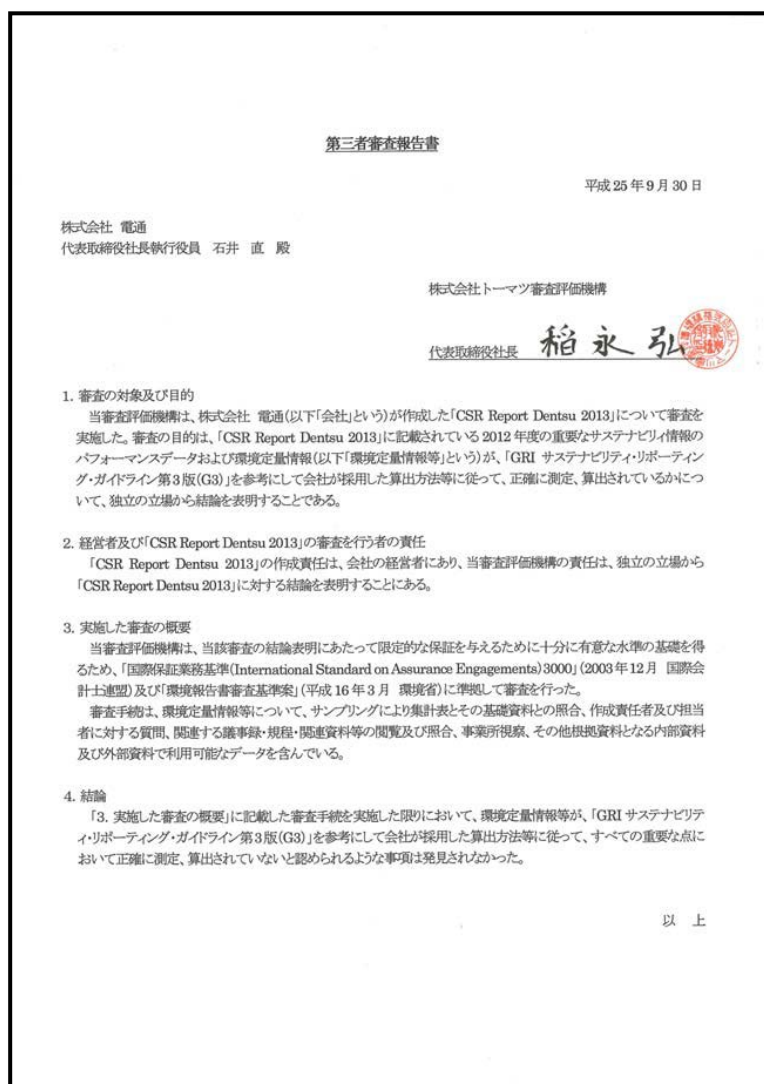
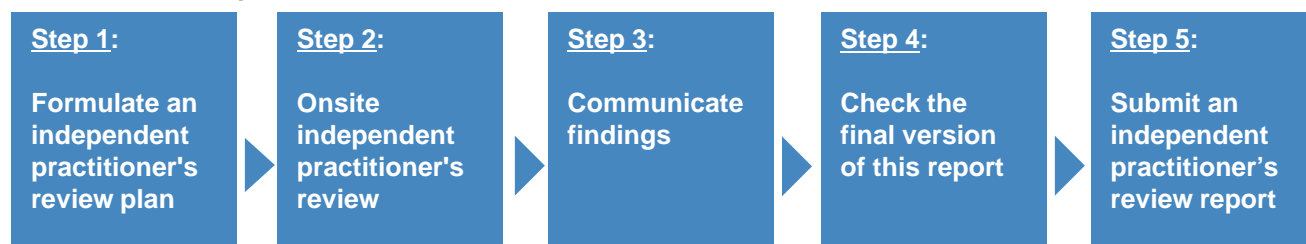
Dentsu places importance on an independent practitioner's review process to improve the accuracy and objectivity of its CSR Report.

To this end, the information provided in the Japanese version of this report has undergone an independent practitioner's review by Deloitte Tohmatsu Evaluation and Certification Organization Co., Ltd., a subsidiary of Deloitte Touche Tohmatsu LLC which is a member-firm of Deloitte Touche Tohmatsu Limited.

For further details about Deloitte Tohmatsu Evaluation and Certification Organization Co., Ltd., please refer to the following website:

http://www.tohmatsu.com/view/en_JP/jp/companies/teco/index.htm?lgtog=lgtog

- Overview of Independent Practitioner's Review Procedure



Review of those in charge of CSR