

FOR IMMEDIATE RELEASE

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Dentsu Has Established Its “Working Environment Reforms Commission”

Dentsu Inc. (Tokyo: 4324; ISIN: JP3551520004; President & CEO: Tadashi Ishii; Head Office: Tokyo) has implemented various measures, taking into account corrective recommendations that have been made by the competent Labor Standards Inspection Offices in connection with the Labor Standards Act.

We take labor standards extremely seriously and want to proactively try to remove *karoshi* from Dentsu's working culture.

We have promoted measures to raise employee awareness to full compliance with the Article 36 agreement (*saburoku kyōtei*) based on that particular article in Japan's Labor Standards Act, control long working hours and ensure safety and measures concerning working style reform, and improvement in the office environment, among others. Most recently, we have started to (i) prohibit employees from working after 10pm as a general rule and all lights in all buildings are turned off thereafter (from 10pm to 5am the following morning); (ii) prohibit employees from staying in the office for personal matters; (iii) maintain overtime work in excess of the statutory working hours at up to 45 hours per month (overtime work in excess of the prescribed working hours at up to 65 hours per month) and to limit overtime work under the special provisions at 30 hours; (iv) ensure thorough compliance with daily working hours under the Article 36 agreement; (v) prohibit new employees from making special provisions applications; and (vi) develop tools for educational activities.

To accelerate work on these measures to improve our working environment and control long working hours, we aim to eliminate *karoshi* so that our employees maintain a healthy work/life balance and operate in an environment where they can realize their growth potential. To drive this, we today announced the establishment of the Dentsu Working Environment Reforms Commission, headed by the President & CEO (and composed of eight members: the President, the Senior Executive Vice President and the six Executive Officers who are each in charge of the Japan Business, Corporate Strategy Planning, HR, Sales, Media Relations and Solutions operations). Going forward, this Dentsu Working Environment Reforms Commission will create a comprehensive reform plan to prevent repeated overwork issues, including business planning and a comprehensive review of the organization, its personnel system and business flow, and implement various specific actions. In addition, we

are initiating an independent review into our company's labor practices to ensure compliance with laws and regulations. We have engaged a law firm that has never been involved in our company's human resources and labor practices, in addition to the internal investigation that has already been conducted.

We are also establishing four "Internal Teams for Recommendations." The members of these teams will be drawn from employees across the organization to build in opinions of junior employees and middle-level managers working in our company to provide input and ideas to the changes which will be led by the Dentsu Working Environment Reforms Commission. These groups will be established this month.

Further, in preparing a comprehensive reform plan, we plan to seek advice from several external experts.

Finally, Dentsu continues to cooperate fully with the authorities on their investigation and once a determination is made on the facts about overwork issues, any disciplinary measures deemed appropriate to any Executive Officers or employees will be made rigorously and announced separately.

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