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Notice of Continuation and Partial Revision of Stock Compensation System for the Company's Directors, etc.

DENTSU SOKEN INC. (hereinafter, the "Company"), hereby notifies that the Board of Directors resolved today to continue and partially revise stock compensation system (hereinafter, the "System") for the Company's Directors who are not Audit & Supervisory Committee members (excluding non-executive Directors, Outside Directors and domestic non-residents; hereinafter, "Executive Directors") and Executive Officers (including fellows, but excluding incoming seconders and domestic non-residents; the same applies hereinafter), and to submit a proposal regarding the System to the 50th Annual General Meeting of Shareholders scheduled to be held on March 24, 2025 (hereinafter, the "General Meeting of Shareholders"), as described below.

1. Continuation of the System

(1) In preparation for realizing the "Vision 2030" long-term management vision, the Company recently formulated its "Contributing to Progress in Society 2027" medium-term management plan for the three-year period from 2025 to 2027 (hereinafter, "the new medium-term management plan"). "Vision 2030" depicts a vision for 2030 of the Group as it moves to become the embodiment of its Corporate Philosophy, and the new medium-term management plan has been positioned as the second of three medium-term management plans that have been scheduled to realize Vision 2030.

As part of Group efforts to realize new medium-term management plan, the System will be maintained with the objective of clarifying the link between the remuneration of Executive Directors and Executive Officers (hereinafter, "Directors, etc.") and corporate value of the Company to enhance their motivation to achieve the performance targets in the medium-term management plan, as well as encouraging the holding of the Company's own shares by Directors, etc. to promote the further sharing of interests with shareholders.

(2) For the continuation of the System, as stated in 2. below, the Company proposes to extend the trust period of the trust already established by the Company (hereinafter, "the Trust") while also amending certain of the details of the System, conditional on obtaining the approval of the General Meeting of Shareholders.

(3) The System is a stock compensation system using Board Incentive Plan (hereinafter, "BIP Trust"). Similar to the performance-linked stock remuneration (performance shares) and restricted stock remuneration (restricted stock) approaches of Europe and the United States, a BIP Trust is a framework for granting and paying (hereinafter, "delivering, etc.") to Directors, etc. shares of the Company or cash equivalent to the

conversion price of the Company's shares (hereinafter, "Company Shares, etc.") in an amount commensurate with their position and degree to which performance targets are achieved, and other factors.

(4) In addition, in order to ensure sufficient independence from the parent company and ensure transparency and objectivity in the compensation determination process, the Company has established a Nomination and Remuneration Committee, of which majority of the members are independent Outside Directors. The continuation and partial revision of the System has been deliberated by the committee.

2. Partial revision of the System

For the continuation of the System, the Company proposes to extend the trust period of the Trust while also amending certain of the details of the System, conditional on obtaining the approval of the General Meeting of Shareholders. For matters not described below, the content of the System introduced in 2022 will be maintained.

(1) Trust period after the extension

The trust period of the Trust after extension will be the three-year period from June 1, 2025 (scheduled) to the last day of May 2028 (scheduled).

Upon the expiry of the trust period after extension, the Company may continue the Trust through amendments to the trust agreement or the creation of an additional trust. In that event, the trust period will be extended a further three years, and for each extended trust period the Company will make additional contributions up to the maximum amount of trust funds resolved by the General Meeting of Shareholders and will continue to grant points to Directors, etc. (as described in (2) below), during the extended trust period. However, in the event that such additional contributions are made, if there are any shares of the Company (excluding shares of the Company corresponding to the cumulative number of points granted to Directors, etc., for which delivering, etc. has not been completed) or funds that remain in the BIP Trust's property on the last day of the trust period prior to the extension (hereinafter, "Residual Shares, etc."), the total amount of Residual Shares, etc., plus additional contributions of trust funds, will be limited to the scope of the maximum amount resolved at the General Meeting of Shareholders. Extensions of the trust period will not be limited to one extension; the trust period may also be re-extended thereafter in the same manner.

(2) The Company Shares, etc. for Delivering, etc. to Directors, etc.

Delivering, etc. of Company Shares, etc. to Directors, etc. will be determined in accordance with the following rules for granting points, and in proportion to the cumulative points granted to Directors, etc. (hereinafter, "cumulative number of points").

One point shall be one share of the Company's shares, with any fraction less than one point rounded down. If, however, a stock split or reverse stock split occurs with respect to the Company's shares during the trust period, the number of the Company's shares per point and the total maximum number of the Company Shares, etc. for Delivering, etc. from the BIP Trust (defined in (4) below) will be adjusted in accordance with the stock split ratio or reverse stock split ratio, as applicable.

<Rule of granting points>

For each fiscal year during the target period, Directors, etc. are awarded the number of points obtained by dividing the amount of monthly remuneration for each position, calculated based on the reference amount of monthly remuneration for each position, by a certain share price, of which roughly 70% is granted as performance-linked points, with the remaining 30% or so being granted as fixed points.

Performance-linked points are multiplied by a performance-linked coefficient that depends on the level of achievement of performance targets* for the final fiscal year of the target period (for the target period after extension, the fiscal year ending December 31, 2027), varying in a range between 0 and 1.6.

The cumulative number of points is the sum of (1) the total number of fixed points for each fiscal year during the target period and (2) the number of points calculated by multiplying the total number of performance-linked points for each fiscal year during the target period by a performance-linked coefficient.

In the case of a person who was an eligible person for the System during the entire target period, (1) the total number of fixed points shall be equivalent to 4.8 months of monthly remuneration (equivalent to 1.6 months per fiscal year) and (2) the number of points calculated by multiplying the total number of performance-linked points for each fiscal year during the target period by a performance-linked coefficient shall vary in a range equivalent to 0-19.2 months of monthly remuneration (equivalent to 0-6.4 months per fiscal year).

* As performance measures for the target period concluding in the fiscal year ending December 31, 2027, the Company will use (a) consolidated net sales, consolidated operating profit, and consolidated ROE, which are the numerical targets set in the new medium-term management plan, and (b) the ESG-related indicators determined by the Board of Directors as indicators for the System. The weighting of performance-linked points shall be determined by the resolution of the Board of Directors, and it is intended that roughly 90% of points will be allocated to the indicators in (a), and around 10% will be allocated to the indicators in (b). For the target period beginning in the fiscal year ending December 31, 2028, indicators will be determined separately by the Board of Directors, based on the medium-term management plan being implemented at the time, material issues (materiality), and other factors.

(3) The method and time period of Delivering, etc. of the Company Shares, etc., to Directors, etc.

Directors, etc. who fulfill the beneficiary conditions will receive from the Trust a number of shares of the Company equivalent to 50% of the cumulative number of points calculated in accordance with (2) above (rounded down for shares amounting to less than one unit), around May directly following the last day of the final fiscal year of the target period (around May 2028 for the target period after extension, but at the point of resignation if a Director, etc. resigns within the trust period), as well as payment of a cash amount equivalent to the conversion price after the conversion to cash within the Trust of a number of shares of the Company equivalent to the remaining cumulative number of points.

If Directors, etc. die during the trust period, shares of the Company equivalent to the cumulative number of points as calculated at that time shall be converted into cash within the Trust and the heirs of said Directors, etc., shall receive a cash payment from the Trust equivalent to the conversion price. If Directors, etc. become non-residents of Japan during the trust period, shares of the Company equivalent to the cumulative number of points as calculated at that time shall be converted into cash within the Trust and said Directors, etc.,

shall receive a cash payment from the Trust equivalent to the conversion price before they go abroad.

(4) Maximum amount of trust funds contributed to the Trust and maximum number of Company Shares, etc. of which delivering, etc. is made by the Trust

The maximum amount of trust funds contributed to the Trust and maximum number of Company Shares, etc. of which delivering, etc. is made by the Trust during the trust period shall be subject to the following upper limits, conditional upon a resolution by the General Meeting of Shareholders.

(i) Maximum amount of funds contributed to the Trust during the trust period

1.05 billion yen (*)

* The total of funds used by the Trust to acquire shares, and trust fees and expenses during the trust period.

(ii) Maximum number of Company Shares, etc. of which delivering, etc. is made by the Trust during the trust period after extension

240,000 shares (*)

* The maximum number of Company Shares, etc. of which delivering, etc. is made shall be set with reference to the current share price, etc., after taking into account the maximum amount of trust funds mentioned above.

(5) Method used by the Trust to acquire Company Shares, etc.

Acquisitions of shares of the Company after the extension of the Trust are scheduled to take the form of purchases in the stock market, within the scope of the share acquisition funds and the maximum number of shares of the Company delivered, etc. by the Trust in (4) above.

Moreover, in cases where the possibility arises of shares within the Trust being insufficient to provide shares in proportion to the cumulative number of points granted to Directors, etc. during the trust period due to increases in the number of Directors, etc. or other factors, additional contributions of cash to the Trust and additional acquisitions of shares of the Company by the Trust may take place, within the scope of the maximum trust funds contributed to the Trust and the maximum number of shares of the Company delivered, etc. by the Trust in (4) above.

(6) Exercise of voting rights of the Company's shares within the BIP Trust

To ensure the neutrality of management, voting rights for shares of the Company within the Trust (that is to say, shares of the Company before they are delivered, etc. to Directors, etc. in accordance with (3) above) shall not be exercised during the trust period.

(7) Handling of dividends on the Company's shares within the Trust

Dividends on the Company's shares held within the Trust will be received by the Trust and applied to the trust fees and expenses of the Trust.

(8) Handling of the expiry of the trust period

In cases where the Trust continues to be used for the System or for a performance-linked stock remuneration plan of the same type, residual shares arising from the expiry of the trust period due to such factors as performance targets not being met during the target period shall be used for delivering, etc. to Directors, etc. In cases where the Trust comes to an end as a result of the expiry of the trust period, said residual shares shall be the subject of a transfer without consideration to the Company by the Trust and shall be canceled by a resolution of the Board of Directors of the Company, as a means of enhancing returns to shareholders. In addition, in cases where the use of the Trust continues, residual dividends associated with shares of the Company within the Trust arising from the expiry of the trust period will be used as share acquisition funds, but in cases where the Trust ends as a result of the expiry of the trust period, they will be returned to the Company within the scope of trust expense reserves after deducting share acquisition funds from trust funds, and the Company plans to donate the portion exceeding trust expense reserves to a group with no conflict of interest with the Company or Directors, etc.

(Reference)

[Details of the trust agreement]

(i)	Type of trust:	Trust of money other than independently-managed designated money trust (third-party-benefit trust)
(ii)	Purpose of trust:	Granting of incentives to Directors, etc.
(iii)	Settlor:	DENTSU SOKEN INC. (the "Company")
(iv)	Trustee:	Mitsubishi UFJ Trust and Banking Corporation (planned) (Joint trustee: The Master Trust Bank of Japan, Ltd.)
(v)	Beneficiaries:	Directors, etc. who fulfill the beneficiary conditions
(vi)	Trust administrator:	Third party that has no interest in the Company (certified public accountant)
(vii)	Date of Trust agreement:	April 2022 (to be changed in May 2025)
(viii)	Trust Period:	From April 2022 to May 2025 (to be extended by May 2028 based on the above change)
(ix)	Target period after extension:	From June 2025 to May 2028 (planned)
(x)	Exercise of voting rights:	Shall not be exercised.
(xi)	Class of shares acquired:	Ordinary shares of the Company
(xii)	Maximum amount of trust funds:	1.05 billion yen (planned) (including trust fees and expenses)
(xiii)	Timing of the acquisition of shares	From May 12, 2025 (planned) to June 23, 2025 (planned) (excludes the five trading days up to and including the day on which the accounts are closed, including the interim and quarterly closing of accounts)
(xiv)	Acquisition method of the shares:	Acquisition from the stock market
(xv)	Attributable right holder:	The Company
(xvi)	Residual assets:	Residual assets may be received by the Company, which is the right holder, within the scope of trust expense reserves after deducting share acquisition funds from trust funds.

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