

Message from the Chairman

Evolving Group Governance to Support Sustainable Value Creation

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A New Management Structure and My Responsibilities

The world we live in today is undergoing what can be described as a once-in-a-century transformation. The dramatic evolution of technologies such as AI, together with the rapid diversification of *sei-katsu-sha* values, is fundamentally reshaping the structure of every industry, and the advertising sector in which the Hakuhold DY Group operates is no exception.

In the face of this sweeping change, we are being called upon to undertake a full model change from our framework as “a group of advertising companies.” Building on our founding value of *sei-katsu-sha* insight, we are

boldly expanding into six business domains, including consulting and technology, as we pursue our evolution into a creativity platform.

To powerfully lead our growing and diversified Group, we have renewed and strengthened both our management strategy and our Group management structure. We have clearly defined the roles of top management by separating the leadership of the holding company (governance) from that of the core operating companies (business execution), positioning Hakuhold DY Holdings, the pure holding company, as the driver of Group governance.

Under this new structure, Yasuo Nishiyama has assumed the position of president of the holding company, while Kenji Nagura has become president of our core operating

company, Hakuhold. As representative director, chairman, and CEO of the holding company, I will provide high-level support for the new management teams of both organizations.

Precisely because we are in an era of dramatic change, I see my most important responsibility as maintaining a broad, mid- to long-term perspective—overseeing the new structure and advancing initiatives that contribute to the sustainable enhancement of corporate value.

Message from the Chairman

Roles Under the New Management Structure

(1) Separation and Reinforcement of the Governance and Business Execution Functions

The core of our new management structure lies in the separation and strengthening of governance and business execution functions.

As the holding company, Hakuhold DY Holdings will further enhance its activities aimed at value creation across the entire Group, while exercising more advanced supervision over the operations of each operating company. Meanwhile, by integrating the media business company, our core operating company, Hakuhold, has established a framework that enables more sophisticated and agile value proposals. Through this, we will accurately address the increasingly complex business challenges faced by our clients and work to build a stronger competitive position.

I am convinced that enhancing the expertise of the holding company and each domestic and overseas Group company under its umbrella is the surest path to maximizing the Group's overall corporate value.

(2) Enhancing the Functions of the Board of Directors to Support Sustainable Growth

To fully realize the objectives of the new management structure, it is essential that the Board of Directors of the holding company, the core of our governance, functions with even greater effectiveness.

The central theme for the Board is how to balance strong governance with swift decision-making amid the Group's growing diversification. We have received

constructive input on this matter from our outside directors and outside Audit & Supervisory Board members, and we are determined to continue advancing Group governance, including by further enhancing the diversity of the Board.

We pledge to make ongoing efforts to improve the Board's functions and effectiveness in response to changes in the external environment and the expectations of society.

(3) Remaining a Corporate Group Trusted by All Stakeholders

The Hakuhold DY Group's activities are driven by *sei-katsu-sha* insight. In other words, they are powered by creativity rooted in the perspectives of *sei-katsu-sha*. This creativity serves as the foundation for creating value and contributing to society through our relationships with *sei-katsu-sha*, clients, employees, media, and all other stakeholders.

We are committed to conducting our business with integrity to ensure that we remain a corporate group trusted by all.

Our shareholders and investors are vital stakeholders who support our mid- to long-term growth. As chairman of the holding company, I place great importance on constructive dialogue, communicating clearly to capital markets the Group's growth strategies and the soundness of its governance framework as determined through discussions with management and deliberations of the Board. Through such dialogue, I aim to meet your expectations and remain unwavering in our pursuit of sustainable, mid- to long-term value creation.

(4) Our Commitment to Strengthening the Compliance Framework

Compliance is fundamental to our ongoing business and the most critical theme in corporate management. We maintain an unwavering determination never to repeat past misconduct, are rigorously implementing preventive measures and strengthening compliance across the entire Group.

Under the leadership of Hidetaka Tada, our chief compliance officer, we are advancing initiatives across the Hakuhold DY Group to change employees mindsets and instill integrity throughout the organization. To give one example, within Hakuhold we have established the Business Mindset and Behavior Reform Committee, chaired by the Company's representative director and president, to ensure thorough prevention of recurrence and to reinforce the PDCA cycle for compliance implementation. This committee works closely with the Group Compliance Committee, chaired by the representative director and president of Hakuhold DY Holdings and comprising the presidents and CCOs of Group companies, functioning as the core body driving compliance across the entire Group.

The Board of Directors will continue to supervise these initiatives, fostering an open corporate culture and enhancing the effectiveness of our whistleblowing systems.

By fostering a corporate culture grounded in a strong sense of ethics, we will devote ourselves fully to becoming a corporate group that earns the trust of all stakeholders.

Details ▶ Pp. 74–82 Corporate Governance
P. 84 Message from the CCO