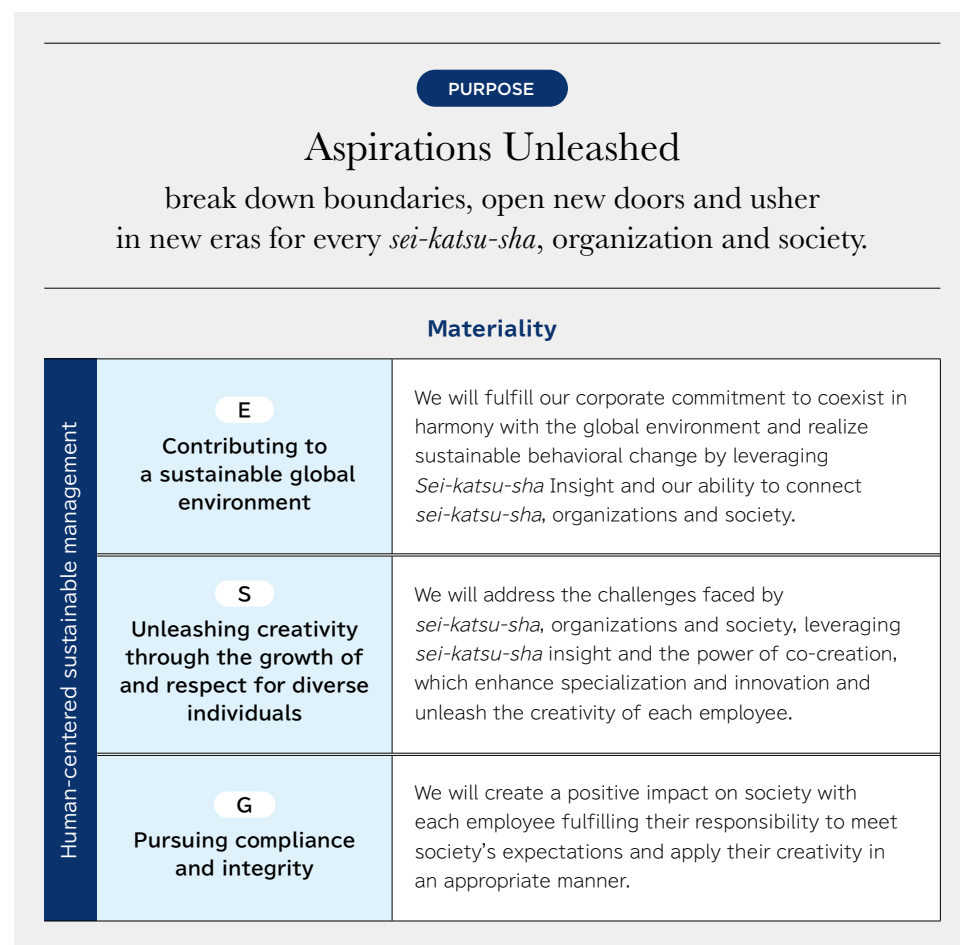


Sustainability at the Hakuhold DY Group

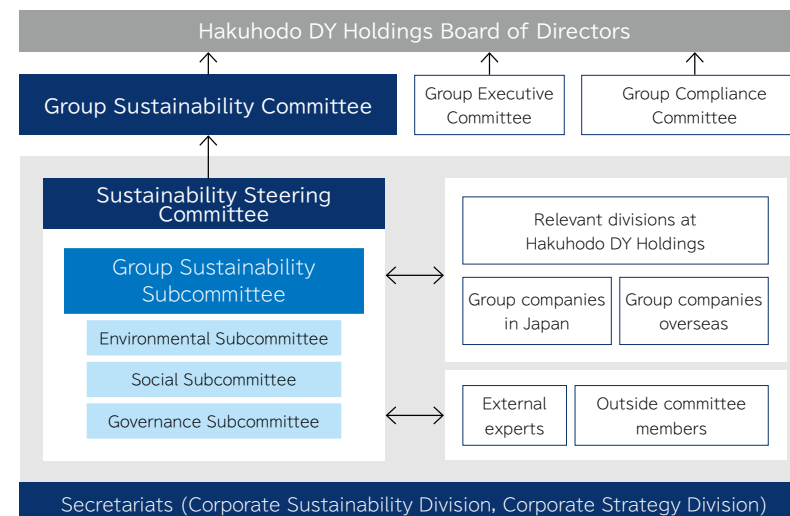
To pursue human-centered sustainable management, in 2024 the Hakuhold DY Group established its sustainability policy and identified material issues (materiality) with a view to 2030. Based on the principles of independence and solidarity, we will leverage the unique business characteristics and strengths of each Group company to advance sustainability initiatives that are distinctively our own.

Sustainability Policy



Sustainability Implementation Structure

Under the Board of Directors, which serves as the decision-making body, we have established the Group Sustainability Committee which directors participate in and which discusses topics related to sustainability. We formed the Sustainability Steering Committee to enhance Group companies' implementation capabilities. Below this committee are the Group Sustainability Subcommittee, which comprises directors responsible for overseeing sustainability at each Group company, and ESG subcommittees that include people in charge from Group companies.



Fiscal 2023 Agenda Items

First Group Sustainability Committee Meeting	Second Group Sustainability Committee Meeting
<ul style="list-style-type: none"> Reporting progress on human rights due diligence and social contribution activities 	<ul style="list-style-type: none"> Reporting progress on the environment, human rights due diligence, and diversity, equity, and inclusion

Dialogue

Realizing a Society Overflowing with *Sei-katsu-sha* Aspirations Through Sustainable, People-Centered Management

The Hakuhold DY Group Sustainability Steering Committee (ESG Subcommittee), composed of sustainability representatives from companies within the Hakuhold DY Group, actively advances sustainability initiatives within the Group. The subcommittee facilitates the sharing of approaches and progress within the Group, as well as discussions on specific ESG themes. ESG Subcommittee members from Group companies gathered to discuss their respective achievements and challenges, with Outside Director Ikuko Arimatsu participating in the discussion.



(From left)

**Takeru
Hatsuzawa**

Sustainability
Promotion Office
HR Division
SoldOut

**Hiroaki
Sato**

Division Manager
General Affairs
Division
Management
Strategy Unit
Daiko Advertising

**Testsuya
Kurosu**

Senior Executive
Officer
Hakuhold DY ONE

**Rinako
Ota**

Division Manager
Career Design Division
Corporate Operations
HQ
YOMIKO ADVERTISING

**Ikuko
Arimatsu**

Outside Director

**Hiroshi
Funakoshi**

Executive Manager
Corporate Sustainability
Planning Department
Corporate Strategy Division
Corporate Strategy Design
Headquarters
Hakuhold

Deputy General Manager
Corporate Strategy Division
Hakuhold DY Media Partners

**Ayako
Kiuchi**

Executive Manager
Human Resources
Department 1
HR Strategy Division
HAKUHODO
Technologies

**Shizuka
Nakajima**

General Manager
Corporate
Sustainability
Division
Hakuhold DY
Holdings

**Yuriko
Oshimoto**

Team Leader
Sustainability
Promotion Team
Public Relations
Department
General Affairs
Division
HAKUHODO
PRODUCT'S

Sustainability Implementation Structure of Companies, Linked by Group Independence and Solidarity

Nakajima Since 2022, the Hakuhold DY Group has been strengthening its sustainability implementation structure. Each subsidiary is assigned officers responsible for sustainability in the environmental (E), social (S), and governance (G) categories. Under the Group Sustainability Policy, operating companies have been sharing their strengths and challenges, and enhancing their execution capabilities around various themes.

Taking into account our Global Purpose and the new Medium-Term Business Plan, we have identified nine key matters to focus on in our Group Sustainability Policy in three areas: contribute to a sustainable global environment, unleash creativity through the growth of and respect for diverse individuals, and pursue compliance and integrity. Based on these areas, we will collaborate with our operating companies to create a society abounding in *sei-katsu-sha's* aspirations and where they can live vibrant lives.

Here, we hear from ESG Subcommittee members sharing their company's initiatives, followed by comments from Ms. Arimatsu, outside director.

Sato Daiko Advertising fostered sustainability awareness early with the

Sustainability at the Hakuhodo DY Group



establishment in 2016 of our LGBT-focused think tank Japan LGBT Research Institute, and the COCO-Project for creating inclusive and supportive workplaces, which launched in 2017. One challenge we faced was a lack of internal collaboration, which delayed company-wide efforts. To address this, we launched a project led by corporate division general managers to drive sustainability. Rather than relying just on top-down approaches, we aim to also coordinate the efforts of each division, accelerating sustainability implementation across the company.

Kurosu Hakuhodo DY ONE was formed April 2024 through the integration of two companies, IREP and D.A.Consortium, both operating in the domain of digital marketing. We have many young people in our workforce with an equal gender ratio, and 25% of our people in management positions are women. However, one significant challenge we face is the relatively short tenure of our employees. This is a common

concern among companies that have grown rapidly in line with market expansion. The advertising industry offers a wide range of methods to deliver results to clients, and there are frequent changes in platform specifications, making the workload demanding. Recognizing the importance of transforming the nature of the industry itself and building lifelong careers, we have initiated an approach led jointly by in-the-field and HR personnel, rather than taking top-down approach or having HR make requests. We have formed a diverse team consisting of members from various backgrounds, ages, and employment histories, and we are actively working to address issues and find solutions.

Realigning the Career Path of Each Employee

Ota Under a new management structure introduced in 2021, YOMIKO ADVERTISING set out to achieve a challenging balance in the advertising industry: “work-life value.” We implemented various initiatives, including achieving a 100% rate of eligible male employees taking parental leave. At that time, the rate was only 13%, so it was important for management to demonstrate that the company was embracing change. Our efforts were successful: the following year, 100% of eligible male employees took parental leave.

In 2022, we implemented a unique pulse survey called Y-PRIDE capable of monitoring an individual’s well-being indicators on a monthly basis. In 2023, we established the Life Career Support Desk to help employees lead fulfilling lives both personally and professionally. We believe it is important to consider both quantitative information based on individual data and qualitative information obtained through dialogue.

Kiuchi I belong to HAKUHODO Technologies, which was established in 2022 and is responsible for the Hakuhodo DY Group’s technology strategy. To promote sustainability, we set up a DE&I subcommittee in fiscal 2023. Our first focus was on creating a work environment where employees can personally relate to DE&I. We have been working on initiatives such as networking events where employees can freely discuss work and childcare, and

approving commutes by bullet train even for short distances, among other allowances, in order to support the work-life balance of employees with time constraints. Currently, 20% of employees are women, and women in management positions account for 16% of management in total. Given the under-representation of women among the technology workforce, we aim to promote a flexible working style that is not bound by location or time—features uniquely suited to technology professionals—and contribute to improving those ratios in the future.

Hatsuzawa SoldOut’s main focus is on providing comprehensive support for people taking up challenges in small and medium-sized businesses, including in outlying regions. Currently, we have 23 branches throughout Japan. In our efforts to implement sustainability, we prioritize contributing to local communities. We strive to



Sustainability at the Hakuholdo DY Group

understand the unique challenges and characteristics of each region and provide services to match.

In 2021, we entered into “Local Revitalization Entrepreneurship Program” agreements with the cities of Kamaishi, Iwate Prefecture, and Unnan, Shimane Prefecture, dispatching employees to each municipality. Our employees are utilizing the skills and expertise they have cultivated throughout their careers to contribute to the revitalization of these regions. We are committed to continuing our support for ambitious small and medium-sized businesses nationwide, including those in rural areas.

Funakoshi Hakuholdo and Hakuholdo DY Media Partners established Corporate Sustainability Planning Departments in 2024 and have begun implementing DE&I. We have a culture that values the eclectic over the generic and celebrates diversity and individuality. Since 2018 we have been implementing workstyle transformation to create an environment where each employee can demonstrate their individual strengths. We have set a policy designed to entrench the idea that “changing the perception of working hours = time value management” and have implemented various initiatives under this theme. While we still

have some way to go, we aim to improve work-life balance from both qualitative and quantitative perspectives with the idea of “working hard and resting completely.”

Demonstrating Creativity Toward Behavioral Change Among *Sei-katsu-sha*

Oshimoto HAKUHODO PRODUCT'S is a comprehensive production company that operates in various domains, including traditional promotions, digital communication, commerce, BPO / BPS, and IT / DX. We undertake sustainability activities through our creative work and tackle environmental issues. One of our productions, “Momigara Notebook,” was led by a special project team called Sustainable Engine, which consists of approximately 30 employees who want to help solve social issues through business. The project got its start



Momigara Notebook

consulting with a client who sought to give new value to waste materials through regeneration, and is the result of Group collaboration in the pursuit of upcycling. It makes use of a unique material developed using rice husks produced by “Hakuho Farm,” which Hakuholdo and Hakuholdo DY Media Partners utilize for agricultural experiences and training. Our designers produced this material by incorporating a design that symbolizes circulation. We chose to create a notebook because we wanted it to be something that can be carried around at all times, allowing users to jot down ideas for the future, record words and phrases that pique their interest and draw sketches, and connect these to future actions. We hope to leverage the experience gained from this initiative to develop further measures for reducing environmental impact and to create circular solutions for our clients.

The Need to Know Our Role in Solving and Continuing to Work on Social Issues

Arimatsu I believe efforts to implement sustainability are still at a stage where many people wonder why such actions are even necessary. However, it is essential



for the Group's employees to fully understand that sustainability is something that cannot be avoided in the course of conducting business. By listening to the ESG Subcommittee members of each company and creating more opportunities for sharing among employees, we can gradually change their awareness. You may feel that you have only just taken the first step in this direction, but the important thing is to keep moving forward. The Hakuholdo DY Group is expected to contribute to society by promoting sustainability to the community and advocating for behavioral change. Through the already-established Sustainability Steering Committee, we aim to collaborate and leverage the unique strengths of each company within the Hakuholdo DY Group while conscious of addressing not only our own challenges but broader issues faced in society.