Value Creation Model

PURPOSE

The Hakuhodo DY Group aims to create a society abounding in *sei-katsu-sha's* aspirations and where they can live vibrant lives. Our Global Purpose is "Aspirations Unleashed break down boundaries, open new doors and usher in new eras for every *sei-katsu-sha*, organization and society." Maximizing the advanced creativity of our human and intellectual capital as the foundation for value creation, we aim to be a group that shapes the future by generating new relationship value between *sei-katsu-sha* and organizations and society.

Aspirations Unleashed

break down boundaries, open new doors and usher in new eras for every sei-katsu-sha, organization and society.



01. INPUT

The Foundation of Value Creation

Our creativity has emerged through diverse talent and the synergies between them. As we transform our business into a creativity platform as part of our new Medium-Term Business Plan, we will strengthen our foundations of human, intellectual, social, and financial capital to engage in a broader range of business domains to create value.

In terms of human capital, the participation and development of diverse talent with even greater specialization and innovation will be crucial. For intellectual capital, we will enhance our utilization of *sei-katsu-sha* insight and associated data and technologies, and for social capital, we will advance co-creation with various stakeholders.

03. OUTCOME

Creation of Relationship Value

Relationship value is about creating new value between *sei-katsu-sha* and organizations and society through the new relationships the Group aims to foster among them as a creativity platform. To date, we have been creating relationship value between *sei-katsu-sha* and companies and products through advertising. We have clearly expressed the significance and role of companies or products and services and helped *sei-katsu-sha* find meaning in choosing to use these products and services, thereby connecting the two through messages and media to generate new value.

Moving forward as a platform that creates the future, we will design new relationships with various stakeholders through diverse business endeavors. By connecting them with ideas, technology, people, systems, and business, we will create new relationship value.

02. STRATEGY / OUTPUT

Value Creation Strategy

The creativity platform the Group aspires to is a platform that, with *sei-katsu-sha*-centered creativity as its edge, creates the future by connecting *sei-katsu-sha*, organizations and society to generate new relationship value. The Group's diverse talent come together as a team, collaborating with various stakeholders both in and outside the Group to combine ideas, systems, technologies, and more in order to create new relationship value. We aim to evolve beyond the framework of a group of advertising companies into a creativity platform with strengths in six business domains. By actively pursuing business structure reform, we strive to achieve significant growth in the medium to long term and enhance corporate value.

01. 02. 03. Creation of relationship value The society we wis to create Value creation strategy Creating the Future by Generating New Relationship Value Between Sei-katsu-sha and Organizations and Society **Creativity Platform** Intellectua Capital Creating a society abounding in sei-katsu-sha's Social Capital aspirations and where they can live Changes in sel-katsu-sh with sei-katsu-sha organizations and society behavior toward a the global environ vibrant lives luman-centered sustainable management - A society in which everyone car Financial Capita play an active role Materiality Details + page 1 Marketing activities that creat Social the growth of and diverse individuals

Material Issues (Materiality) > See the following pages for details on materiality.