

FOR IMMEDIATE RELEASE

May 28, 2014

## **Dentsu Announces Agreement to Start Proceedings for the Acquisition of U.S. Full-Service Marketing Agency MKTG INC by Aegis Lifestyle, Inc.**

Dentsu Inc. (Tokyo: 4324; ISIN: JP3551520004; President & CEO: Tadashi Ishii; Head Office: Tokyo; Capital: 74,609.81 million yen) announced today that Aegis Lifestyle, Inc., a newly formed subsidiary of its global business headquarters Dentsu Aegis Network Ltd., has entered into an agreement with the principal shareholders of MKTG INC (Head Office: New York City; CEO: Charlie Horsey; hereinafter "MKTG"), a leading full-service marketing agency with strengths in experiential marketing, to start proceedings for the acquisition of all outstanding shares of MKTG INC common stock.

The board of directors of MKTG has unanimously approved the proposed acquisition, and its management has agreed to continue to take part in planning activities related to MKTG even after the acquisition has been completed. Since MKTG is a publicly traded company on the OTC Bulletin Board and procedures such as obtaining the approval of the United States Securities and Exchange Commission as well as the general meeting of shareholders of MKTG are required, completion of the acquisition is estimated to take two to three months.

Unlike the conventional advertising approach which attempts to increase consumer brand awareness of a product or service through appropriate exposure to advertising in terms of both quality and quantity, experiential marketing is a marketing technique that allows a consumer to actually experience a product or a service through a marketing event designed to increase his or her engagement with a brand both rationally and emotionally, which in turn generates favorable social media buzz and creates a virtuous communication cycle.

Founded in 1992, MKTG has grown into one of the largest and fastest growing independent experiential marketing agencies in the United States and executes approximately 70,000 marketing events annually across the country. The company currently serves a variety of the world's most recognizable brands, and its services include experiential marketing, digital marketing, retail promotions, and strategic research and planning. The addition of MKTG to the Dentsu Group's roster of companies in the U.S. will enable the Group to enhance the

value-added services that it provides to its clients and accelerate its growth strategy in the world's largest advertising market.

In its March 2014 worldwide advertising expenditure forecasts, the Group's media communications agency Carat announced that ad spending in the United States grew 3.5% in 2013 and predicted a steady growth rate of 4.0% in both 2014 and 2015.

The impact of this transaction on Dentsu's consolidated financial results for the fiscal year ending March 31, 2015 is expected to be minimal.

**For reference: Dentsu Group companies in the U.S.**

The Dentsu Group companies located in the United States include full-service agency Dentsu America; creative agencies mcgarrybowen, Attik and Firstborn; media communications agency Carat; media buying agency Vizeum; digital agencies Isobar, iProspect and 360i; OOH agency Posterscope; PR agency Mitchell Communications Group; sports marketing agency Dentsu Sports America; and entertainment content developer Dentsu Entertainment USA.

**Profile of MKTG**

Company Name:	MKTG INC
Location:	Headquarters: New York, USA (Offices also in San Francisco, Los Angeles, Chicago, Cincinnati, and London)
Date of Establishment:	March 1992
Shareholding Ratio*:	Aegis Lifestyle, Inc. 100% *After acquisition has been completed
Gross Profit:	USD 42,900,000 (for the year ended December 2013)
Representative:	Charlie Horsey (CEO)
Number of Employees:	340 full time employees; 6,600 non-full time field network employees
Line of Business:	Services include experiential marketing, digital marketing, retail promotions, and strategic research and planning

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