

FOR IMMEDIATE RELEASE

September 18, 2014

Dentsu Announces Agreement to Acquire U.S. Full-Service Digital Agency Covario's Search and Content Marketing Agency Business

Dentsu Inc. (Tokyo: 4324; ISIN: JP3551520004; President & CEO: Tadashi Ishii; Head Office: Tokyo; Capital: 74,609.81 million yen) announced today that its global business headquarters Dentsu Aegis Network Ltd. has reached an agreement with the principal shareholders of full-service digital agency Covario, Inc. (Head Office: San Diego, California; hereinafter "Covario") to acquire the company's search and content marketing agency business. Covario has a standalone SEO software unit in addition to its search and content marketing agency business, but only the latter business will be acquired.

Founded in 2006, Covario is a full-service digital agency, with particular strengths in the search engine marketing (SEM), social media and content marketing business domains. The company was named "Search Agency of the Year" in 2011, 2012 and 2013 by OMMA (Online Media Marketing and Advertising) magazine, and its client roster includes a considerable number of multinational companies.

Post acquisition, Covario will be combined with the U.S. offices (Boston, New York, Chicago, Detroit, San Francisco and Fort Worth) of iProspect, the Dentsu Group's digital performance marketing agency with offices in 40 countries worldwide. In addition, the services provided to clients will be enhanced through strengthened collaboration with other Group companies on the west coast of the USA.

In its worldwide advertising expenditure forecasts, the Group's media communications agency Carat announced that digital ad spending in the U.S. grew 14.0% in 2013, and predicted a growth rate of around 16-17% for both 2014 and 2015, greatly exceeding the close to 5% growth rate forecast for the U.S. advertising market as a whole.

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

Profile of Covario

Company Name: Covario, Inc.
Location: San Diego, California, USA
(Offices also in San Francisco, Seattle, Phoenix, Chicago, New York, Toronto, London, Beijing, Singapore, São Paulo and Tokyo)
Date of Establishment: March 2006
Shareholding Ratio*: Dentsu Aegis Network 100%
*After acquisition has been completed
Gross Profit: Approx. USD 33.1 million (year ended December 2013)
Representatives: Michael Gullaksen and Jeff Johnson (Co-CEOs)
Number of Employees: 140
Line of Business: Provider of full-service digital services including search engine marketing

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