

FOR IMMEDIATE RELEASE

February 19, 2016

## **Dentsu Announces Partial Amendments to Its Articles of Incorporation**

Dentsu Inc. (Tokyo: 4324; ISIN: JP3551520004; President & CEO: Tadashi Ishii; Head Office: Tokyo; Capital: 74,609.81 million yen) today convened a meeting of its Board of Directors at which it passed a resolution seeking shareholder approval for the partial amendments to its Articles of Incorporation. The resolution is expected to be brought to the General Meeting of Shareholders which will be held on March 30, 2016.

### **Proposal No. 2: Partial Amendments to the Articles of Incorporation**

#### 1. Reasons for the proposal

The reasons for the amendments are as follows:

- (1) With the intent of further strengthening the corporate governance structure and enhancing corporate value, the Company will change its governance structure into a Company with an Audit and Supervisory Committee. Thus, amendments required to change the governance structure into a Company with an Audit and Supervisory Committee will be made, such as introducing provisions regarding Directors who are Audit and Supervisory Committee Members and Directors who are not Audit and Supervisory Committee Members, introducing provisions that enable the Board of Directors to delegate its power to make decisions on the execution of important operations to Directors, and deleting the provisions regarding Corporate Auditors and the Board of Corporate Auditors (Articles 19 to 24, Article 27, Article 29, Articles 31 to 42, and Article 45 of the current Articles of Incorporation, and Article 5, Articles 20 to 24, Article 27, Article 28, Article 30, Articles 32 to 34, and Article 37 of the proposed amendments). Additionally, in accordance with the deletion of Article 41 (EXEMPTION FROM CORPORATE AUDITORS' LIABILITY) of the current Articles of Incorporation, supplemental provisions will be introduced as transitional measures.
- (2) In order to make flexible and agile distribution of dividends, etc., amendments required to enable the Board of Directors to make decisions with respect to distribution of dividends, etc., will be made (Articles 47 and 48 of the current Articles of Incorporation and Articles 39 and 40 of the proposed amendments).
- (3) In accordance with the expansion of the Company's business activities, amendments to



Article 2 (PURPOSES) of the current Articles of Incorporation will be made as required.

(4) In addition, in accordance with the introduction and deletion of the above provisions, article numbers will be reorganized.

2. Contents of the amendments

The current Articles of Incorporation shall be partially amended as follows:

(Portions to be amended are underlined.)

Current Articles of Incorporation	Proposed Amendments
ARTICLE 2 PURPOSES (Omitted) 1. to 35. (Omitted) (Newly established)  <u>36.</u> (Omitted) (1) to (66) (Omitted) <u>37. to 39.</u> (Omitted)	ARTICLE 2 PURPOSES (Unchanged) 1. to 35. (Unchanged) <u>36. Research, studies, and consulting                  businesses regarding medical care</u> <u>37.</u> (Unchanged) (1) to (66) (Unchanged) <u>38. to 40.</u> (Unchanged)
(Newly established)	<u>ARTICLE 5 BODIES</u> <u>The Company shall have the following bodies,            in addition to the General Meeting of            Shareholders and Directors.</u> <u>1. Board of Directors</u> <u>2. Audit and Supervisory Committee</u> <u>3. Accounting Auditor</u>

Current Articles of Incorporation	Proposed Amendments
CHAPTER 2 SHARES	CHAPTER 2 SHARES
ARTICLES <u>5</u> to <u>12</u> (Omitted)	ARTICLES <u>6</u> to <u>13</u> (Unchanged)
CHAPTER 3 GENERAL MEETING OF SHAREHOLDERS	CHAPTER 3 GENERAL MEETING OF SHAREHOLDERS
ARTICLES <u>13</u> to <u>18</u> (Omitted)	ARTICLES <u>14</u> to <u>19</u> (Unchanged)
CHAPTER 4 DIRECTORS AND BOARD OF DIRECTORS	CHAPTER 4 DIRECTORS AND BOARD OF DIRECTORS
<u>ARTICLE 19 ESTABLISHMENT OF BOARD OF DIRECTORS</u> <u>The Company shall have a Board of Directors.</u>	(Deleted)
ARTICLE 20 NUMBER OF DIRECTORS The Company shall have no more than fifteen (15) Directors. (Newly established)	ARTICLE 20 NUMBER OF DIRECTORS The Company shall have no more than fifteen (15) Directors. <u>2. Among the Directors described in the preceding paragraph, the Company shall have no more than four (4) Directors who are Audit and Supervisory Committee Members.</u>
ARTICLE 21 ELECTION OF DIRECTORS (Omitted) (Newly established)	ARTICLE 21 ELECTION OF DIRECTORS (Unchanged) <u>2. The election described in the preceding paragraph shall be made, distinguishing between Directors who are Audit and Supervisory Committee Members and Directors who are not Audit and Supervisory Committee Members.</u>
<u>2.</u> (Omitted)	<u>3.</u> (Unchanged)

Current Articles of Incorporation	Proposed Amendments
<p data-bbox="331 344 762 421">ARTICLE 22 TERM OF OFFICE OF DIRECTORS</p> <p data-bbox="359 434 906 640">The term of office of each Director shall expire at the conclusion of the Ordinary General Meeting of Shareholders held for the last business year that ends within one (1) year from his or her election.</p> <p data-bbox="331 958 576 992">(Newly established)</p>	<p data-bbox="928 344 1359 421">ARTICLE 22 TERM OF OFFICE OF DIRECTORS</p> <p data-bbox="956 434 1506 947">The term of office of each Director <u>who is not an Audit and Supervisory Committee Member</u> shall expire at the conclusion of the Ordinary General Meeting of Shareholders held for the last business year that ends within one (1) year from his or her election. <u>The term of office of each Director who is an Audit and Supervisory Committee Member shall expire at the conclusion of the Ordinary General Meeting of Shareholders held for the last business year that ends within two (2) years from his or her election.</u></p> <p data-bbox="928 958 1490 1167"><u>2. The term of office of a Director who is an Audit and Supervisory Committee Member elected to fill a vacancy shall expire at the time the term of office of his or her predecessor expires.</u></p>

Current Articles of Incorporation	Proposed Amendments
<p data-bbox="331 344 906 465">ARTICLE 23 REPRESENTATIVE DIRECTORS AND ASSIGNMENT OF BUSINESSES</p> <p data-bbox="360 479 893 685">The Company shall elect one or more Representative Directors from among the Directors by a resolution of the Board of Directors. Several Representative Directors may be elected.</p> <p data-bbox="331 741 488 772">2. (Omitted)</p> <p data-bbox="331 786 906 992">3. The Company may, if necessary, by a resolution of the Board of Directors, elect a Chairman from among the Directors, and grant the Chairman the right to represent the Company.</p> <p data-bbox="331 1093 893 1214">4. The Board of Directors may elect Directors who are to be responsible for conducting certain businesses of the Company.</p> <p data-bbox="331 1314 488 1346">5. (Omitted)</p>	<p data-bbox="928 344 1487 465">ARTICLE 23 REPRESENTATIVE DIRECTORS AND ASSIGNMENT OF BUSINESSES</p> <p data-bbox="957 479 1503 730">The Company shall elect one or more Representative Directors from among the Directors <u>who are not Audit and Supervisory Committee Members</u> by a resolution of the Board of Directors. Several Representative Directors may be elected.</p> <p data-bbox="928 741 1126 772">2. (Unchanged)</p> <p data-bbox="928 786 1503 1037">3. The Company may, if necessary, by a resolution of the Board of Directors, elect a Chairman from among <u>the Directors who are not Audit and Supervisory Committee Members</u>, and grant the Chairman the right to represent the Company.</p> <p data-bbox="928 1048 1503 1254">4. The Board of Directors may elect Directors who are to be responsible for conducting certain businesses of the Company <u>from among the Directors who are not Audit and Supervisory Committee Members</u>.</p> <p data-bbox="928 1265 1126 1296">5. (Unchanged)</p>
<p data-bbox="331 1352 906 1429">ARTICLE 24 CONVOCAATION OF A MEETING OF BOARD OF DIRECTORS</p> <p data-bbox="331 1442 456 1473">(Omitted)</p> <p data-bbox="331 1487 906 1738">2. A notice of a meeting of the Board of Directors shall be dispatched to each Director <u>and Corporate Auditor</u> at least three (3) days prior to the date of the meeting; provided, however, that in case of emergency, such period may be shortened.</p> <p data-bbox="331 1749 906 1912">3. With the consent of all Directors <u>and Corporate Auditors</u>, the Board of Directors may be convened without following the procedure for convening the meeting.</p>	<p data-bbox="928 1352 1487 1429">ARTICLE 24 CONVOCAATION OF A MEETING OF BOARD OF DIRECTORS</p> <p data-bbox="928 1442 1094 1473">(Unchanged)</p> <p data-bbox="928 1487 1503 1693">2. A notice of a meeting of the Board of Directors shall be dispatched to each Director at least three (3) days prior to the date of the meeting; provided, however, that in case of emergency, such period may be shortened.</p> <p data-bbox="928 1704 1503 1868">3. With the consent of all Directors, the Board of Directors may be convened without following the procedure for convening the meeting.</p>

Current Articles of Incorporation	Proposed Amendments
(Newly established)	<p><u>ARTICLE 27 DELEGATION OF POWER TO MAKE DECISIONS ON EXECUTION OF IMPORTANT OPERATIONS</u></p> <p><u>The Company may, pursuant to the provision of Article 399-13, Paragraph 6 of the Companies Act, delegate all or part of the power to make decisions on the execution of important operations (excluding the matters listed in each Item of Paragraph 5 of the same Article) to Directors by a resolution of the Board of Directors.</u></p>
<p><u>ARTICLE 27 MINUTES OF BOARD OF DIRECTORS</u></p> <p>A summary of the proceedings at a meeting of the Board of Directors and the results thereof and other matters set forth in the laws and regulations shall be recorded in the minutes in writing or by electronic recording, which shall bear the signatures, the names and seal impressions, or the digital signatures of the Directors <u>and the Corporate Auditors</u> present.</p> <p>2. (Omitted)</p>	<p><u>ARTICLE 28 MINUTES OF BOARD OF DIRECTORS</u></p> <p>A summary of the proceedings at a meeting of the Board of Directors and the results thereof and other matters set forth in the laws and regulations shall be recorded in the minutes in writing or by electronic recording, which shall bear the signatures, the names and seal impressions, or the digital signatures of the Directors present.</p> <p>2. (Unchanged)</p>
ARTICLE 28 (Omitted)	ARTICLE 29 (Unchanged)
<p><u>ARTICLE 29 REMUNERATION FOR DIRECTORS</u></p> <p>Remunerations for Directors shall be determined by a resolution of a General Meeting of Shareholders.</p>	<p><u>ARTICLE 30 REMUNERATION FOR DIRECTORS</u></p> <p>Remuneration for Directors shall be determined by a resolution of a General Meeting of Shareholders, <u>distinguishing between Directors who are Audit and Supervisory Committee Members and Directors who are not Audit and Supervisory Committee Members.</u></p>
ARTICLE 30 (Omitted)	ARTICLE 31 (Unchanged)
<p><u>CHAPTER 5</u></p> <p><u>CORPORATE AUDITORS AND THE BOARD OF CORPORATE AUDITORS</u></p>	(Deleted)

Current Articles of Incorporation	Proposed Amendments
<p><u>ARTICLE 31 ESTABLISHMENT OF CORPORATE AUDITORS AND THE BOARD OF CORPORATE AUDITORS</u></p> <p><u>The Company shall have Corporate Auditors and a Board of Corporate Auditors.</u></p>	(Deleted)
<p><u>ARTICLE 32 NUMBER OF CORPORATE AUDITORS</u></p> <p><u>The Company shall have no more than five (5) Corporate Auditors.</u></p>	(Deleted)
<p><u>ARTICLE 33 ELECTION OF CORPORATE AUDITORS</u></p> <p><u>Corporate Auditors shall be elected at General Meetings of Shareholders by a majority of the votes of the shareholders present at the meeting where shareholders holding no less than one-third of the votes of all shareholders entitled to exercise their votes are present.</u></p>	(Deleted)
<p><u>ARTICLE 34 TERMS OF OFFICE OF CORPORATE AUDITORS</u></p> <p><u>The terms of office of each Corporate Auditor shall expire at the conclusion of the Ordinary General Meeting of Shareholders held for the last business year that ends within four (4) years from his or her election.</u></p> <p><u>2. The terms of office of a Corporate Auditor elected to fill a vacancy shall expire at the time the terms of office of his or her predecessor expire.</u></p>	(Deleted)
<p><u>ARTICLE 35 FULL-TIME CORPORATE AUDITOR</u></p> <p><u>The Board of Corporate Auditors shall designate one or more Full-Time Corporate Auditors from among the Corporate Auditors.</u></p>	(Deleted)

Current Articles of Incorporation	Proposed Amendments
<p><u>ARTICLE 36 CONVOCAATION OF BOARD OF CORPORATE AUDITORS</u></p> <p><u>The Board of Corporate Auditors shall be convened by each Corporate Auditor.</u></p> <p><u>2. A notice of a meeting of the Board of Corporate Auditors shall be dispatched to each Corporate Auditor three (3) days prior to the date of such meeting; provided, however, that in case of emergency, such period may be shortened.</u></p> <p><u>3. With the consent of all Corporate Auditors, the Board of Corporate Auditors may be convened without following the procedure for convening the meeting.</u></p>	(Deleted)
<p><u>ARTICLE 37 METHOD OF ADOPTING RESOLUTIONS</u></p> <p><u>Unless otherwise provided by laws or regulations, a resolution of the Board of Corporate Auditors shall be adopted by a majority of all Corporate Auditors.</u></p>	(Deleted)
<p><u>ARTICLE 38 MINUTES OF THE BOARD OF CORPORATE AUDITORS</u></p> <p><u>A summary of proceedings at a meeting of the Board of Corporate Auditors and the results thereof and other matters set forth in the laws and regulations shall be recorded in the minutes in writing or by electronic recording, which shall bear the signatures, the names and seal impressions, or the digital signatures of the Corporate Auditors present.</u></p> <p><u>2. The minutes described in the preceding paragraph shall be kept in the head office for ten (10) years.</u></p>	(Deleted)





Current Articles of Incorporation	Proposed Amendments
<p><u>ARTICLE 39 RULES OF THE BOARD OF CORPORATE AUDITORS</u></p> <p><u>In addition to applicable provisions of laws and regulations and these Articles of Incorporation, all matters concerning the Board of Corporate Auditors shall be governed by the Rules of the Board of Corporate Auditors adopted by the Board of Corporate Auditors.</u></p>	(Deleted)
<p><u>ARTICLE 40 REMUNERATIONS FOR CORPORATE AUDITORS</u></p> <p><u>Remunerations for Corporate Auditors shall be determined by a resolution of a General Meeting of Shareholders.</u></p>	(Deleted)

Current Articles of Incorporation	Proposed Amendments
<p><u>ARTICLE 41 EXEMPTION FROM CORPORATE AUDITORS' LIABILITY</u></p> <p><u>If the requirements provided for in the applicable laws and regulations are satisfied, the Company may, by a resolution of the Board of Directors, exempt a Corporate Auditor (including a person who was a Corporate Auditor) from the liability provided for in Article 423, Paragraph 1 of the Companies Act; provided, however, that the exemption be limited to the amount calculated by deducting the minimum amount of liability provided for in the applicable laws and regulations from the total amount of the Corporate Auditor's liability.</u></p> <p><u>2. The Company may execute an agreement with an Corporate Auditor that limits the liability provided for in Article 423, Paragraph 1 of the Companies Act if the requirements provided for in the applicable laws and regulations are satisfied; provided, however, that the limit of liability under such agreement be (a) a predetermined amount of no less than 10,000,000 yen or (b) the minimum amount of liability provided for in the applicable laws and regulations, whichever is higher.</u></p>	(Deleted)
(Newly established)	<p><u>CHAPTER 5</u></p> <p><u>AUDIT AND SUPERVISORY COMMITTEE</u></p>
(Newly established)	<p><u>ARTICLE 32 AUDIT AND SUPERVISORY COMMITTEE</u></p> <p><u>The Audit and Supervisory Committee shall exercise the authority necessary to execute its duties in addition to deciding upon matters as provided for in the applicable laws and regulations.</u></p>

Current Articles of Incorporation	Proposed Amendments
(Newly established)	<p><u>ARTICLE 33 CONVOCAION OF AUDIT AND SUPERVISORY COMMITTEE</u></p> <p><u>The Audit and Supervisory Committee may be convened by any Audit and Supervisory Committee Member.</u></p> <p><u>2. A notice of a meeting of the Audit and Supervisory Committee shall be dispatched to each member of the Audit and Supervisory Committee at least three (3) days prior to the date of such meeting; provided, however, that in case of emergency, such period may be shortened.</u></p> <p><u>3. With the consent of all Audit and Supervisory Committee Members, the Audit and Supervisory Committee may be convened without following the procedure for convening the meeting.</u></p>
(Newly established)	<p><u>ARTICLE 34 RULES OF THE AUDIT AND SUPERVISORY COMMITTEE</u></p> <p><u>In addition to the applicable provisions of laws and regulations and these Articles of Incorporation, all matters concerning the Audit and Supervisory Committee shall be governed by the Rules of the Audit and Supervisory Committee adopted by the Audit and Supervisory Committee.</u></p>
CHAPTER 6 ACCOUNTING AUDITOR	CHAPTER 6 ACCOUNTING AUDITOR
<u>ARTICLE 42 ESTABLISHMENT OF ACCOUNTING AUDITOR</u> <u>The Company shall have one or more Accounting Auditors.</u>	(Deleted)
ARTICLES <u>43</u> and <u>44</u> (Omitted)	ARTICLES <u>35</u> and <u>36</u> (Unchanged)
ARTICLE <u>45</u> REMUNERATION FOR ACCOUNTING AUDITOR  Remunerations for an Accounting Auditor shall be determined by a Representative Director with the consent of the <u>Board of Corporate Auditors</u> .	ARTICLE <u>37</u> REMUNERATION FOR ACCOUNTING AUDITOR  Remuneration for an Accounting Auditor shall be determined by a Representative Director with the consent of the <u>Audit and Supervisory Committee</u> .

Current Articles of Incorporation	Proposed Amendments
CHAPTER 7 ACCOUNTING	CHAPTER 7 ACCOUNTING
ARTICLE <del>46</del> (Omitted)	ARTICLE <del>38</del> (Unchanged)
ARTICLE 47 <u>DIVIDENDS</u> <u>The Company shall, with a resolution of a General Meeting of Shareholders, pay dividends to the shareholders or registered pledgees recorded in the closing Shareholder Registry as of the thirty-first (31st) day of December of each year.</u>	(Deleted)
ARTICLE 48 <u>INTERIM DIVIDENDS</u> <u>The Company may, with a resolution of the Board of Directors, pay dividends provided for in Article 454, Paragraph 5 of the Companies Act to the shareholders or registered pledgees recorded in the closing Shareholder Registry as of the thirtieth (30th) day of June of each year.</u>	(Deleted)
(Newly established)	ARTICLE 39 <u>BODY FOR DECISION ON DISTRIBUTION OF DIVIDENDS, ETC.</u> <u>Regarding matters provided for in each Item of Article 459, Paragraph 1 of the Companies Act, such as the distribution of dividends, etc., the Company may decide upon such matters by a resolution of the Board of Directors, unless otherwise provided for in the applicable laws and regulations.</u>
(Newly established)	ARTICLE 40 <u>RECORD DATE FOR DISTRIBUTION OF DIVIDENDS</u> <u>The record date for the year-end dividends of the Company shall be the thirty-first (31st) day of December of each year.</u> <u>2. The record date for interim dividends of the Company shall be the thirtieth (30th) day of June of each year.</u> <u>3. In addition to the preceding two paragraphs, distribution of dividends may be made by prescribing a record date.</u>

Current Articles of Incorporation	Proposed Amendments
ARTICLE <u>49</u> TERMINATION OF OBLIGATION (Omitted)	ARTICLE <u>41</u> TERMINATION OF OBLIGATION (Unchanged)
(Newly established)	<p><u>Supplemental Provisions</u>  <u>(TRANSITIONAL MEASURES REGARDING</u>  <u>LIMITATION OF LIABILITY, ETC., OF</u>  <u>CORPORATE AUDITORS)</u></p> <p><u>1. Regarding exemptions made by the</u>  <u>resolution of the Board of Directors from</u>  <u>liability, as provided for in Article 423,</u>  <u>Paragraph 1 of the Companies Act, regarding</u>  <u>actions of Corporate Auditors (including</u>  <u>persons who were Corporate Auditors)</u>  <u>conducted before the conclusion of the 167th</u>  <u>Ordinary General Meeting of Shareholders</u>  <u>held in March 2016, the provisions then in</u>  <u>force shall remain applicable.</u></p> <p><u>2. Regarding agreements that limit liability, as</u>  <u>provided for in Article 423, Paragraph 1 of</u>  <u>the Companies Act, regarding actions of</u>  <u>Corporate Auditors (including persons who</u>  <u>were Corporate Auditors) conducted before</u>  <u>the conclusion of the 167th Ordinary General</u>  <u>Meeting of Shareholders held in March 2016,</u>  <u>the provisions then in force shall remain</u>  <u>applicable.</u></p>

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