NEWS RELEASE

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## Dentsu Announces Acquisition by Dentsu Aegis Network of Performance Marketing Agency Search Factory in Australia

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 acquired leading performance marketing agency Search Factory Pty Ltd (CEO: Michael Bell; Head Office: Brisbane; hereinafter "Search Factory").

Founded in 2011, Search Factory has rapidly become a market leader in the delivery of services including search engine marketing, content marketing, content development, analytics and digital strategy, winning high acclaim from both local and global clients in the retail and service industries. Brisbane is Australia's third largest metropolitan market after Sydney and Melbourne, and the acquisition of Search Factory will enable the Dentsu Group to expand its digital business not only across Queensland but throughout the whole continent.

Post-acquisition, Search Factory will become part of global performance marketing agency iProspect, one of the Dentsu Group's nine global network brands<sup>1</sup> and a leading digital marketing agency in the Asia-Pacific region. Following the recent addition of Scorch in Melbourne and Sydney, iProspect now has more than 200 people nationally, cementing its position as the largest digital performance agency in the country. The company will be known as Search Factory | iProspect, and will create synergies with other Group companies in order to accelerate the Group's growth strategy in Australia.

In its March 2016 worldwide advertising expenditure forecasts, the Group's media communications agency Carat announced that digital advertising expenditures in Australia grew 11.8% in 2015. Continued growth is expected, with 7.8% forecast for 2016 and 7.3% for 2017.

<sup>&</sup>lt;sup>1</sup> Dentsu Aegis Network Ltd., the Dentsu Group's global business headquarters based in London, is expanding the Group's business worldwide through nine global network brands—Carat, Dentsu (Dentsu Branded Agencies), Dentsu media, iProspect, Isobar, mcgarrybowen, MKTG, Posterscope and Vizeum—as well as through several specialist/multi-market brands.

## dentsu

The impact of this transaction on Dentsu's consolidated financial results for the fiscal year ending December 31, 2016 is expected to be minimal.

## **Profile of Search Factory**

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|------------------------|--|
| Company Name:          | Search Factory Pty Ltd                   |
| Location:              | Brisbane, Queensland, Australia          |
| Date of Establishment: | May 2011                                 |
| Shareholding Ratio*:   | Dentsu Aegis Network 100%                |
|                        | *After acquisition has been completed    |
| Revenue:               | AUD 2,400,000 (year ended December 2015) |
| Representatives:       | Nic Blair (Founder)                      |
|                        | Michael Bell (CEO)                       |
| Number of Employees:   | 24                                       |
| Line of Business:      | Full range of digital marketing services |
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