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Dentsu Announces Acquisition of Majority Stake by Dentsu Aegis Network in Leading Independent Data Marketing Agency Merkle in the USA

–Strategic investment in the increasingly important performance marketing landscape will lay the foundation to support the further growth of the Dentsu Group–

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 a majority stake in Merkle Group Inc. (Chairman & CEO: David Williams; Head Office: Columbia, Maryland; hereinafter “Merkle”), a leading U.S. independent data marketing agency.

Merkle's predecessor entity was founded in 1971, and acquired by the current management in 1988. Since then, the company has moved from local data processing to the analysis of first-party data (customer data), and, through the polishing of its expertise and know-how, grown into a global player with its own technology platforms. With more than 650 of the world's leading companies as its clients, Merkle has access to more than 150 marketing databases and manages more than 3.7 billion first-party data records.

The wide range of services provided by Merkle include the development of business and client strategies; management of cloud data and CRM systems; data analysis and insights; production of creative and content that leverage the most appropriate channels, media, technology and platforms; and campaign planning. Through the integration of these solutions, Merkle enhances engagement with consumers and maximizes marketing return on investment, one of the company's strengths. Approximately 3,400 employees, including more than 1,000 technology specialists and 500 analytics professionals, are on hand to support these integrated services. Partnerships with leading cloud software companies enhance Merkle's capabilities in its promotion of the strengths of data-driven marketing.

Acquisitions are important investments to support the further growth of the Dentsu Group in several respects. These include the provision of scale, talent and new capabilities in the area of solutions that utilize data and technology, which will become even more important in the

future; the further enabling of the Dentsu Group to become a strategic partner to its clients; the strong complementary strategic, cultural and geographic fit; the important potential revenue synergy opportunities available; and the further bolstering of the senior management team.

Merkle was ranked the ninth largest network in *Advertising Age's* CRM/Direct Marketing: Worldwide category, and the fifth largest network in the CRM/Direct Marketing: U.S. category in 2015. The company was also named a leader for Marketing Database Operations and a strong performer for Customer Engagement Strategy in the Forrester Wave™: Customer Insights Services Providers report for the fourth quarter of 2015.

Following the acquisition, Merkle will become a new Dentsu Group global network brand¹, and, through collaboration with other Group companies and global platform companies, will work to create synergies in order to further develop and provide value-added services.

The transaction, which is subject to customary closing conditions, is expected to complete before the end of September 2016. The impact of this transaction on Dentsu's consolidated financial results for the fiscal year ending December 31, 2016 is expected to be minimal, but in any matter that must be disclosed should arise, such information shall be immediately disclosed.

Profile of Merkle

Company Name:	Merkle Group Inc.
Headquarters Location:	Columbia, Maryland, USA 15 additional offices in the USA as well as offices in London, Bristol, Barcelona, Shanghai and Nanjing
Year of Establishment:	Predecessor entity established in 1971 and acquired by current management in 1988
Revenue:	USD 436 million (year ended December 2015)
Representative:	David Williams (Chairman and CEO)
Number of Employees:	Approximately 3,400
Line of Business:	Provision of data-driven technology-enabled marketing solutions

¹ 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 Brand Agencies), Dentsu media, iProspect, Isobar, mcgarrybowen, MKTG, Posterscope and Vizeum—as well as through several specialist/multi-market brands.

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