

FOR IMMEDIATE RELEASE

August 24, 2016

Dentsu Announces Notice Concerning Recording of Extraordinary Income on a Non-consolidated Basis Following a Partial Sale of Shares Held in Recruit Holdings

Dentsu Inc. (Tokyo: 4324; ISIN: JP3551520004; President & CEO: Tadashi Ishii; Head Office: Tokyo; Capital: 74,609.81 million yen; hereinafter "Dentsu" or "the Company") announced today that it has decided to sell a portion of the shares held in Recruit Holdings Co., Ltd. (First Section of the Tokyo Stock Exchange, Code Number 6098; hereinafter "Recruit Holdings") through a secondary offering of the shares. For further details, please refer to the announcement "Notification Regarding Secondary Offering of Shares" made by Recruit Holdings today.

1. Pertinent details

Dentsu and Recruit Holdings entered into a capital and business alliance agreement in 2007, at which time Dentsu acquired three million of Recruit Holdings' shares (now 30 million shares as a result of a stock split) at the price of 27 billion yen. In order to proceed with the reduction of assets as highlighted in the Company's policy on shareholdings in accordance with its corporate governance policy, Dentsu has now decided to sell nine million of these shares. If Recruit Holdings repurchases its own shares in accordance with the above-mentioned resolution, then a portion of the nine million shares put up for sale by Dentsu may be acquired by Recruit Holdings. In this case, the number of shares to be sold by Dentsu will decrease accordingly.

Moreover, with regard to the remaining shares of Recruit Holdings that Dentsu will continue to hold, the Company has agreed with the joint global coordinators of this secondary offering on a period starting from the date on which the share sale price is determined and ending on the date that is 180 days from and including the date of delivery of the shares (lock-up period), and that no share disposal of any kind shall be performed without the prior written consent of the

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joint global coordinators.

Going forward, the capital and business alliance between Dentsu and Recruit Holdings will continue as before.

2. Recording of extraordinary income on a non-consolidated basis

Dentsu expects to record a gain on sale of investment securities of approximately 28 billion yen as extraordinary income in its non-consolidated financial results announcement for the year ending December 2016.

3. Impact on earnings forecasts

With regard to the impact on the non-consolidated earnings forecast that was announced on February 15, 2016, careful investigation is currently being made of several factors including the profit and loss impact. An announcement will be made in due course when the investigation has been completed.

On a consolidated basis, the gain on sale of investment securities associated with the sale of Recruit Holdings shares will be accounted for as comprehensive income on the consolidated balance sheet, and will therefore not have any impact on the consolidated earnings forecast for the fiscal year ending December 31, 2016 which was announced on May 16, 2016.

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