

FOR IMMEDIATE RELEASE

October 11, 2016

Dentsu Announces Agreement to Acquire Happy Creative in India

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 creative marketing agency Happy Creative Services (India) Private Limited (Co-Founder & CEO Kartik Iyer; Head Office: Bangalore; hereinafter "Happy Creative") to acquire the company. The deal is expected to close in the next few weeks.

Founded in 2007 by two creatives who had formerly worked at major advertising agencies, Happy Creative provides a wide range of services such as brand creation, which includes the naming and positioning of a new brand at the time of its launch; online and offline communication strategies for existing brands; and the planning and implementation of marketing campaigns. The agency has proven creative strengths, and has won a large number of international and local awards, including a Bronze Effie earlier this year.

Following the acquisition, Happy Creative will become part of creative agency mcgarrybowen¹, one of the Dentsu Group's ten global network brands, and will be rebranded "Happy mcgarrybowen." Headquartered in New York, mcgarrybowen currently has offices in Chicago, San Francisco, San Antonio, Mexico City, São Paulo, London, Paris, Amsterdam, Shanghai, Hong Kong and Singapore. The launch of the brand in India brings the number of mcgarrybowen agencies in Asia to four.

In its September 2016 worldwide advertising expenditure forecasts, the Group's media communications agency Carat announced that advertising expenditures in India are expected to continue showing strong double-digit growth, with 12.0% forecast for 2016 and 13.9% for 2017. Happy mcgarrybowen will work in close collaboration with other Group companies to

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

create synergies and accelerate the Group's growth strategy in India.

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 Happy Creative

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|------------------------|---|
| Company Name: | Happy Creative Services (India) Private Limited |
| Location: | Bangalore, India |
| Date of Establishment: | October 2008 (founded in 2007 but incorporated on this date) |
| Shareholding Ratio*: | Dentsu Aegis Network 100% |
| | *After acquisition has been completed |
| Revenue: | INR 156 million (year ended March 2016) |
| Representatives: | Kartik Iyer (Co-Founder & CEO) Praveen Das (Co-Founder & Chief Creative Officer) |
| Number of Employees: | 100 |
| Line of Business: | Full range of advertising services with a focus on creative |

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