

FOR IMMEDIATE RELEASE

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Commencement of Analysis of Potential Changes in Group Holding Structure

Dentsu Inc. (Tokyo: 4324; ISIN: JP3551520004; President & CEO: Toshihiro Yamamoto; Head Office: Tokyo; Capital: 74,609.81 million yen) announced that a resolution for the commencement of an analysis of potential changes to the Group's holding structure was adopted at the meeting of the Company's Board of Directors today. The changes are likely to occur in January 2020. The implementation of these changes will be dependent on the approval of the Company's shareholders in the ordinary general shareholders' meeting, scheduled for the end of March 2019. Details shall be communicated at an appropriate time.

1. Background and purpose of analysis

The decision to analyze potential changes in the Group holding structure was made because it is deemed necessary to review the Dentsu Group's governance structure, considering the three points below. This will allow the Group to respond to medium and long-term changes in its business environment, to continue to fully meet stakeholders' expectations, and to successfully strengthen the Group's governance and increase its corporate value:

(1) Maintain and enhance the Dentsu Group's continuous growth

In order to respond to an evolving market and changing client needs, whilst maintaining and enhancing the Dentsu Group's continuous growth, it is deemed necessary to proceed with the transfer of authority to business divisions. This will ensure a proper governance system is established, and, thereby, ensure both the entire organization's unity and the compliance with applicable laws and regulations.

(2) Respond to radical changes in the business environment resulting from the evolution and enlargement of business areas

The operating environment of the Company and its Group has been changing radically. In order to promptly respond to such changes, it is crucial to implement procurement and allocation of internal and external business resources and to

also establish a structure that further promotes the management of richly diverse human resources and fosters an open organizational culture.

- (3) Establish governance that enables expeditious decision-making from medium and long-term viewpoints

Due to the global development of business through Dentsu Aegis Network Ltd., which has seen rapid growth, it has become increasingly important for the Group to make more unified and cross-sectional decisions within a set of shared values. For this reason, it has become essential to establish a governance structure that is not restricted by the current framework of each operating company and enables expeditious decision making from a medium and long-term perspective taking into account the Group as a whole.

2. Approach to intended changes in group holding structure

Analyses of specific schemes will be based on a concept where the currently-existing Dentsu Inc. will be split into an operating company and a pure holding company. The pure holding company will hold the shares of the post-split operating company and the existing operating companies in Japan, and the shares of Dentsu Aegis Network. Further announcements will be provided after further analysis has been conducted.

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