

FOR IMMEDIATE RELEASE

May 15, 2019

**Notice Regarding Disposition of Treasury Shares
 Through Third-party Allotment in Connection with
 Introduction of Performance-based Stock Compensation Plan**

Dentsu Inc. (Tokyo: 4324; ISIN: JP3551520004; President & CEO: Toshihiro Yamamoto; Head Office: Tokyo; Capital: 74,609.81 million yen, hereinafter referred to as "the Company") today convened a meeting of its Board of Directors at its Head Office in Tokyo and resolved to dispose of its treasury shares through a third-party allotment, (hereinafter referred to as "Disposition of Treasury Shares") as described below in connection with the introduction of a performance-based stock compensation plan (hereinafter referred to as the "Plan").

1. Overview of Disposition

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| (1) Disposition date | May 31, 2019 (Fri.) |
| (2) Class and number of shares to be disposed of | 150,000 ordinary shares |
| (3) Disposition price | 4,365yen per share |
| (4) Total amount of disposition | 654,750,000 yen |
| (5) Allottee | Trust & Custody Services Bank, Ltd. (Trust Account E) |
| (6) Others | The Disposition of Treasury Shares will be made on the condition that the filing under the Financial Instruments and Exchange Act takes effect. |

2. Purpose and Reason for Disposition

As notice was given by Dentsu in "Notice Regarding Introduction of Performance-based Stock Compensation Plan," which was released on February 14, 2019, the Company resolved at its Board of Directors meeting held on the said date to introduce the Plan, which will apply to the Company's executive officers (including any executive officer who concurrently serves as a director; the same applies hereinafter) as a mid- to long-term bonus with the objective of further increasing motivation for the "execution of strategy from a mid- to long-term perspective," which has been a mission of the directors and the executive officers; and Dentsu obtained shareholders' approval, at the meeting of the 170th Ordinary General Meeting of Shareholders held on March 28, 2019, for administering the Plan in respect of the executive officers who concurrently serve

as directors as well as for its framework (for a summary of the Plan, please see the above-mentioned "Notice Regarding Introduction of Performance-based Stock Compensation Plan").

The Disposition of Treasury Shares is to dispose of the Company's treasury shares through a third-party allotment to Trust Account E established with Trust & Custody Services Bank, Ltd. (re-trustee), which has been tasked with re-entrustment from Mizuho Trust & Banking Co., Ltd., the trustee of the trust established pursuant to the Plan, for the purpose of holding and distributing the Company's shares in administering the Plan.

The number of shares to be disposed of corresponds to the number of shares expected to be distributed to the Company's executive officers in respect of the period ending on the last day of December 2019 (the First Fiscal Year) pursuant to the "Officers Stock Benefit Regulations" established by the Company's Board of Directors; the scale is small as it constitutes only 0.05% of the total number of shares issued as of the last day of December 2018, which is 288,410,000 shares (the ratio it bears to the total number of voting rights as of the same date, which is 2,816,282, is 0.05%; both ratios were rounded off to two decimal places).

Furthermore, as the Company's shares to be allotted pursuant to the Disposition of Treasury Shares are to be distributed to the Company's executive officers pursuant to the "Officers Stock Benefit Regulations," these shares are not expected to flow into the stock market all at once.

Based on the foregoing, the Company has determined that both the number of shares to be disposed of and the scale of stock dilution are reasonable, and their impact on the secondary market is insignificant.

※Overview of Trust Agreement

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|--------------------------------|---|
| Type of trust | Trust of money other than "money trust" (<i>kinsen-shintaku</i>) (third-party-benefit trust) |
| Purpose of trust | To grant performance-based stock compensation to the executive officers |
| Trustor | DENTSU INC. |
| Trustee | Mizuho Trust & Banking Co., Ltd. Mizuho Trust & Banking Co., Ltd. will conclude a comprehensive trust agreement with Trust & Custody Services Bank, Ltd., through which the latter will become the re-trustee. |
| Beneficiary | Executive officers who satisfy the beneficiary requirements set forth in the Officers Stock Benefit Regulations. |
| Trust administrator | Third party with no interest in Dentsu |
| Date of trust agreement | May 31, 2019 (planned) |
| Date of establishment of trust | May 31, 2019 (planned) |
| Period of trust | From May 31, 2019 (planned) until termination of the trust |
| Exercise of voting rights | Throughout the period of the trust, the voting rights of the shares held in the trust will not be exercised. |

3. Disposition Price Calculation Basis and Its Details

The disposition price has been determined to be 4,365yen, which is the per-share closing price of Dentsu ordinary shares on the Tokyo Stock Exchange on the business day (May 14, 2019) immediately preceding the date of the resolution of the Board of Directors on the Disposition of Treasury Shares.

The closing price on the business day immediately preceding the date of the board resolution was used as the disposition price because the company has determined that such price represents the company's appropriate value in the stock market, and it is highly objective and reasonable as the calculation basis.

The disposition price of 4,365 yen is equivalent to 96.42% of 4,527yen (fractions discarded), which is the average per-share closing price of Dentsu ordinary shares on the Tokyo Stock Exchange for the one-month period immediately preceding the date of the board resolution, equivalent to 93.91% of 4,648 yen (fractions discarded), which is the average of such closing price for the three-month period immediately preceding the said date, and equivalent to 90.04% of 4,848 yen (fractions discarded), which is the average of such closing price for the six-month period immediately preceding the said date. After having considered these facts, the Company has determined that the above-mentioned disposition price is reasonable and cannot be deemed to be particularly favorable to the allottee.

Further, the Company's audit and supervisory committee has issued an opinion to the effect that the above-mentioned disposition price does not constitute a disposition price that is particularly favorable to the allottee.

4. Matters Regarding Procedures Pertaining to Code of Corporate Conduct

Because the Disposition of Treasury Shares will (i) result in a dilution rate of less than 25% and (ii) not be accompanied by a change in the controlling shareholders, it does not call for the fulfillment of the procedure provided in Article 432 of the Securities Listing Regulations prescribed by Tokyo Stock Exchange, Inc. to obtain an opinion from an independent third party or to confirm shareholders' intent.

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