

FOR IMMEDIATE RELEASE

January 7, 2020

**Dentsu Group Announces the Subsequent Disclosure
Document Concerning Absorption-type Company Split**

(Document Prescribed in Article 791, Paragraph 1, Item 1 and Article 801, Paragraph 3, Item 2 of the Companies Act, and Article 189 of the Ordinance for Enforcement of the Companies Act)

Dentsu Group Inc. (trade name changed from "Dentsu Inc." as of January 1, 2020; hereinafter referred to as "Dentsu Group", Tokyo: 4324; ISIN: JP3551520004; President & CEO: Toshihiro Yamamoto; Head Office: Tokyo; Capital: 74,609.81 million yen) and Dentsu Inc. (trade name changed from "Dentsu Successor Preparatory Corporation Inc. " as of January 1, 2020; hereinafter referred to as "Dentsu", President & CEO: Hiroshi Igarashi; Head Office: Tokyo) have carried out an absorption-type company split, by which any and all businesses that were operated by Dentsu Group (except for the business pertaining to the control or management of the business activities of the companies whose shares are owned by Dentsu Group and pertaining to the management of the Dentsu Group companies; hereinafter referred to as the "Business") have been succeeded to by Dentsu (hereinafter referred to as the "Absorption-type Split"), pursuant to the absorption-type company split agreement (hereinafter referred to as the "Absorption-type Company Split Agreement") concluded between Dentsu Group and Dentsu on February 19, 2019.

The matters to be disclosed for subsequent disclosure regarding the Absorption-type Split are as follows.

1. Effective date of the absorption-type company split

January 1, 2020

2. Matters concerning the progress of statutory procedures with respect to the splitting company

- (1) The progress of procedures pursuant to the provision of Article 784-2 of the Companies Act (demand to cease the absorption-type company split):

No shareholder of Dentsu Group demanded pursuant to the provision of Article 784-2 of the Companies Act that Dentsu Group cease the Absorption-type Split.

- (2) The progress of procedures pursuant to the provision of Article 785 of the Companies Act (appraisal rights of dissenting shareholders):

Pursuant to the provisions of Article 785, Paragraph 3 of the Companies Act and Article 161, Paragraph 2 of the Act on Book-Entry Transfer of Corporate Bonds, Stocks, etc., Dentsu Group gave a public notice to its shareholders in the Nikkei (Nihon Keizai Shimbun) on December 6, 2019, but no shareholder of Dentsu Group demanded pursuant to the provision of Paragraph 1 of the said Article that Dentsu Group purchase its shares.

- (3) The progress of procedures pursuant to the provision of Article 787 of the Companies Act (appraisal rights regarding stock acquisition rights):

Such procedures were not applicable since Dentsu Group has not issued any stock acquisition rights.

- (4) The progress of procedures pursuant to the provision of Article 789 of the Companies Act (objections by creditors):

There was no need to undertake such procedures since the assumption of all liabilities from Dentsu Group to Dentsu through the Absorption-type Split was effected in the form of a concomitant assumption of liabilities pursuant to the Absorption-type Company Split Agreement, and there was no creditor of Dentsu Group who would be unable to seek Dentsu Group to perform its obligations regarding such creditor's claim after the Absorption-type Split.

3. Matters concerning the progress of statutory procedures with respect to the successor company

- (1) The progress of procedures pursuant to the provision of Article 796-2 of the Companies Act (demand to cease the absorption-type company split):

No shareholder of Dentsu demanded pursuant to the provision of Article 796-2 of the Companies Act that Dentsu cease the Absorption-type Split since Dentsu Group was the sole shareholder of Dentsu.

- (2) The progress of procedures pursuant to the provision of Article 797 of the Companies Act (appraisal rights of dissenting shareholders):

Such procedures were not applicable since the Absorption-type Split was resolved at the general meeting of shareholders of Dentsu by the consent of Dentsu Group, the sole shareholder of Dentsu, which means there was no dissenting shareholders of Dentsu.

Please note that, since Dentsu Group fell under the category of a special controlling company (tokubetsu shihai kaisha) set forth in the provision of Article

796, Paragraph 1 of the Companies Act, Dentsu did not give any notice pursuant to the provision of Article 797, Paragraph 3 of the same Act.

- (3) The progress of procedures pursuant to the provision of Article 799 of the Companies Act (objections by creditors):

Pursuant to the provision of Article 799, Paragraph 2 of the Companies Act, Dentsu gave a public notice to its creditors in the Official Gazette (Kampo) on November 25, 2019, but no creditor of Dentsu submitted any objection to Dentsu.

Please note that Dentsu did not give any notices separately to each known creditor since there was no creditor of Dentsu known to Dentsu.

4. Matters concerning the important rights and obligations succeeded to by the successor company through the absorption-type company split from the splitting company

Pursuant to the provisions in the Absorption-type Company Split Agreement, Dentsu has succeeded to the assets, liabilities, employment contracts and other rights and obligations held by Dentsu Group in respect of the Business as of the effective date of the Absorption-type Split. The amount of the assets succeeded to thereupon is 473.4 billion yen (estimate) and the amount of the liabilities succeeded to is 396.4 billion yen (estimate).

5. Date of registration regarding change to the registered matters pursuant to the provision of Article 923 of the Companies Act

January 6, 2020

6. Other important matters concerning the absorption-type company split

- (1) Matters concerning the delivered shares and the allocation thereof upon the absorption-type company split:

Upon the Absorption-type Split, Dentsu, the successor company, newly issued 248,000 ordinary shares, and allocated and delivered all of them to Dentsu Group, the splitting company.

- (2) Matters concerning the stated capital and the legal reserves of the successor company:

The stated capital and the legal reserves of Dentsu, the successor company, that increased as a result of the Absorption-type Split are as follows.

· Stated capital: 9,950,000,000 yen

- Capital reserves (shihonjunbikin): 2,450,000,000 yen
- Profit reserve (riekijunbikin): 0 yen

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About the Dentsu Group

Led by Dentsu Group Inc. (Tokyo: 4324; ISIN: JP3551520004), a pure holding company established on January 1, 2020, the Dentsu Group encompasses two operational networks: Dentsu Japan Network, which oversees Dentsu's agency operations in Japan, and Dentsu Aegis Network, its international business headquarters in London, which oversees Dentsu's agency operations outside of Japan.

With a strong presence in over 145 countries and regions across five continents and with more than 62,000 dedicated professionals, the Dentsu Group provides a comprehensive range of client-centric integrated communications, media and digital services through its ten global brands—Carat, Dentsu, dentsu X, iProspect, Isobar, mcgarrybowen, Merkle, MKTG, Posterscope and Vizeum—as well as through Dentsu Japan Network companies, including Dentsu Inc., the world's largest single brand agency with a history of innovation. The Group is also active in the production and marketing of sports and entertainment content on a global scale.

Dentsu Group Inc. website URL: <https://www.group.dentsu.com/en/>

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