

FOR IMMEDIATE RELEASE

March 25, 2020

Information on the effects of the spread of COVID-19 on Dentsu Group

Dentsu Group Inc. (the “company”) today makes following announcement regarding the impact of COVID-19 on the Dentsu Group as follows.

1. Dentsu Group’s Response

Since February 26, Dentsu Group has been utilizing a remote operating system in Japan, with employees in most other markets now also working from home. We continue to place the highest priority around the health of our employees and preventing the spread of infection inside and outside the company. Our response is evolving as the situation develops, in line with local government guidelines and reflecting the local context in which we are operating.

The Dentsu Group has a number of collaborative systems and tools in place to ensure operations continue as smoothly as possible.

2. Impact on Business Results

The performance of advertising companies, including our group, tends to be susceptible to economic fluctuations as many advertisers increase or decrease their advertising expenditures due to economic conditions. In particular, the spread of COVID-19 is having an impact on the macroeconomy on a global scale, and as a result, the suspension or postponement of advertising and communication activities, including events by companies and organizations, is beginning to have an impact.

We are striving to respond swiftly by supporting our clients in the fast-changing environment, but the Dentsu Group will see an impact on our FY2020 financial results as a result of the economic fluctuations.

The Dentsu Group has seen a relatively solid start to the year. In Japan, January and February performed well in revenues less cost of sales and underlying operating profit, ahead of the forecast as of February 13, 2020. In the International business, January and February recorded slightly negative organic growth, but the performance of the business excluding the seven markets undergoing restructuring remained strong. The restructuring in the International business is continuing as planned with most markets on track.

The Group’s performance from March onwards is likely to be impacted by COVID-19, this remains a fluid situation.

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On March 24, 2020, the International Olympic Committee (IOC) and the Tokyo 2020 Organising Committee announced a joint statement regarding an agreement of postponement of the Tokyo 2020 Olympic and Paralympic Games, and a holding of it until not later than summer 2021. We are confirming the details of the announcement and other policies to matters stemmed from COVID-19 announced in Japan and other countries/areas worldwide respectively.

The impact on Dentsu Group's consolidated financial position and consolidated operating results for the year ended December 31, 2020 is under assessment. The business environment on which the full-year consolidated financial forecast announced on February 13, 2020 was based has been changing significantly and we will announce the revised financial forecast as soon as we recognize the impact from factors mentioned above.

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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/>