

FOR IMMEDIATE RELEASE
December 25, 2020

Update on the Partial Sale of Recruit Holdings (Progress Report)

Dentsu Group Inc. (Tokyo: 4324; ISIN: JP3551520004; President & CEO: Toshihiro Yamamoto; Head Office: Tokyo; Capital: 74,609.81 million yen; hereinafter "the Company") issued a press release on December 2, 2020 stating Morgan Stanley MUFG Securities Co., Ltd. had the right to acquire additional shares held by the Company in Recruit Holdings Co., Ltd. (Tokyo: 6098; hereinafter "Recruit Holdings") up to a ceiling of 6,624,000 common shares. Morgan Stanley MUFG Securities Co., Ltd., have exercised this right and the Company today announces it is expected to record an additional extraordinary income on a non-consolidated basis of JPY 24 billion. Further details are provided below.

Dentsu Group has sold 6,624,000 of Recruit Holdings shares to Morgan Stanley MUFG Securities Co at 3,869.67 yen per share, resulting in a gain of approximately 24 billion yen on the sale of investment securities. This gain is expected to be recorded as extraordinary income in the Company's non-consolidated financial results for the fiscal year ending December 31, 2020. As the Company's consolidated financial statements comply with International Financial Reporting Standards (IFRS), gains on sales of investment securities are accounted for as "other comprehensive income." The cash proceeds from the sale of the 6,624,000 shares is expected to be 26 billion yen.

In total, Dentsu Group has now sold 50 million shares in Recruit Holdings when today's announcement is combined with the sale announced on December 2nd. The Company is expected to record a total gain of approximately 179 billion yen on the sale of investment securities on a non-consolidated basis for the fiscal year ending December 31, 2020. The cash proceeds from the sale of the 50 million shares are expected to be 194 billion yen. The remaining number of shares held by the Company in Recruit Holdings will be 3.55 million.

The use of proceeds will be to support the accelerated transformation program, including business restructuring, the final payment for Merkle and other M&A related payments with full details to be announced in February 2021.

In August this year, Dentsu Group announced the launch of a comprehensive review and accelerated transformation program. The review will simplify the business for both clients

and operations, structurally and permanently lower operating expenses, enhance the efficiency of the balance sheet and maximize long term shareholder value. This will deliver a return to future growth, margin improvement and a winning competitive advantage through the delivery of integrated, bespoke client solutions. The sale of shares in Recruit Holdings is one of the initiatives of the review.

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About dentsu

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 the Dentsu Group's agency operations in Japan, and dentsu international, its international business headquarters in London, which oversees the Dentsu Group's agency operations outside of Japan.

With a strong presence in over 145 countries and regions across five continents and with more than 66,000 dedicated professionals, the Dentsu Group provides a comprehensive range of client-centric integrated communications, media and digital services through its nine leadership brands—Carat, dentsu X, iProspect, Isobar, dentsumcgarrybowen, 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/>

For Additional Inquiries

	Tokyo	London
Media – Please contact Corporate Communications:	Shusaku Kannan: +81 3 6217 6602 s.kannan@dentsu.co.jp	Manus Wheeler: +44 20 7070 7785 manus@dentsu.com
Investors & analysts – Please contact Investor Relations:	Yoshihisa Okamoto: +81 3 6217 6613 yoshihisa.okamoto@dentsu.co.jp	Kate Stewart: +44 7900 191 093 kate.stewart@dentsu.com