

March 24, 2021

Notice regarding the sale of fixed assets by Dentsu Group Inc.

Dentsu Group Inc. (Tokyo: 4324; ISIN: JP3551520004; President & CEO: Toshihiro Yamamoto; Head Office: Tokyo; Capital: 74,609.81 million yen; hereinafter referred to as “the Company”) last night convened a meeting of its Board of Directors at which it resolved to sell two property assets to a third party, generating a gain on the sale of fixed assets of approximately 30.0 billion yen in FY2021. The details are as follows.

1. Reason for transfer of fixed assets

In August 2020 the Company announced a comprehensive review to accelerate the transformation of the Group. The review launched with four aims; creating a more simplified structure, structurally and permanently lowering operating expenses, enhance the efficiency of the balance sheet, and maximizing long-term shareholder value. Significant progress has been made against each of these aims.

In February 2021 the Group confirmed the review of non-trading assets on the balance sheet would continue and as part of that review, the Group today announces the sale of two property assets.

The sale will improve capital efficiency, further strengthen the financial structure, and secure funds to invest for growth. This will help the Group achieve the targets of the “Medium-term Management Plan”.

2. Details of the assets to be transferred

Asset details and locations	Current usage
<p>Komazawa (Facility name: Dentsu Hasseien)</p> <ul style="list-style-type: none">● Land: 27,544.70 m²● Buildings (total of four buildings): 4,515.27 m²● Location: 1-919 and others, Komazawa, Setagaya-ku, Tokyo	Being used as an athletic facility and a garden
<p>Kamakura (Facility name: Dentsu Kamakura Training Center)</p> <ul style="list-style-type: none">● Land: 14,034.31 m²● Buildings (total of two buildings): 2,691.35 m²● Location: 3-1340 and others, Omachi, Kamakura City, Kanagawa Prefecture	Being used as a training center

Note: The Company will refrain from disclosing the transfer value and book price of the individual assets in accordance with the wishes of the transferee.

3. Outline of transferee

The transferee is a Japanese corporation (financial business / real estate business entity located in Tokyo) but the Company will refrain from disclosing its name based on a

confidentiality agreement with the transferee. There is no capital or personal relationship between the Company and the transferee, and the transferee does not fall under the category of a related party of the Company.

4. Transfer schedule

The Company plans to transfer the two above-mentioned fixed assets on the same date.

- (1) Board of Directors resolution date: March 23, 2021
- (2) Contract conclusion date: March 24, 2021 (planned)
- (3) Property handover date: April 30, 2021 (planned)

5. Future outlook

The Company has refrained from announcing a consolidated earnings forecast for FY2021 due to the uncertain macro environment. However, due to the transfer of the above two properties, the Company plans to record a gain on sales of fixed assets of approximately 30.0 billion yen in the second quarter of FY2021.

The Group continues the comprehensive review to accelerate the transformation of the company, including the review of all non-trading assets, such as Dentsu Headquarters building.

For Additional Inquiries

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