

May 31, 2022

The Dentsu Group Strengthens Its Digital Marketing Operations in Japan through the Acquisition of Dig into

Dentsu Group Inc. (Tokyo: 4324; ISIN: JP3551520004; President & CEO: Hiroshi Igarashi; Head Office: Tokyo; Capital: 74,609.81 million yen) announced today that on May 13 it acquired additional shares of the digital marketing operations company Dig into Inc. (President & CEO: Aya Miyata; Head Office: Sapporo City, Hokkaido). This announcement makes Dig into a wholly owned subsidiary of Dentsu Group (having previously owned 15% of Dig into.)

Dig into becomes part of Dentsu Japan Network (DJN)^{*1}, which is responsible for the Dentsu Group's business in Japan. The consolidation will allow for deeper cooperation with Dentsu Digital Inc., the company at the core of DJN's digital marketing activities, and contribute to the sustainable business growth of client companies.

In recent years, the internet advertising market in Japan has maintained a double-digit growth rate, reaching 21.4% in 2021 and surpassing the total advertising expenditures of the four traditional media for the first time^{*2}. In this market environment, DJN's internet advertising sales grew faster than the market at 27.5%^{*3} and Dentsu Digital grew by 41.0%^{*4} in 2021.

Against the background of this dramatic increase in demand, welcoming Dig into to DJN allows for the expansion of the partnership with Dentsu Digital which has been in place since its establishment in January 2018. The deal allows DJN to accelerate its growth strategy by strengthening in the scale and expertise of talents within the digital marketing domain, improving operational quality, and further expanding its business domain.

Dig into Inc.'s company name will be changed to Dentsu Digital Anchor Inc. from June 1. This new company name embodies the idea of playing the role of an anchor in the value chain of the digital marketing business, moving firmly toward the goal of execution.

Going forward, DJN will continue to maximize the power of individual DJN companies, enhance the competitiveness of DJN as a whole, and continue to provide added value to client companies. Through the growth of DJN, the Dentsu Group aims to continuously improve its corporate value by accelerating its evolution into a "B2B2S (Business to Business to Society)^{*5}" company.

The impact of this transaction on the Dentsu Group's consolidated financial results for the fiscal year ending December 31, 2022 is expected to be minimal.

Profile of Dig into

Company name:	Current company name: Dig into Inc. New company name: Dentsu Digital Anchor Inc.
Location:	Minami Ichijo K Building 7F, 2-5 Nishi, Minami Ichijo, Chuo-ku, Sapporo City, Hokkaido
Date of Establishment:	January 2018
Shareholder Composition:	100% Dentsu Group Inc. after acquisition of shares
Representative:	Aya Miyata, President & CEO
Number of Employees:	185 (as of May 2022)
Line of Business:	Management and operations in the digital marketing domain
URL:	https://www.dentsu-danchor.co.jp/ (Japanese language only) (The website will go live on June 1.)

Corporate logo of Dentsu Digital Anchor Inc.

dentsu digital anchor

*1

Dentsu Japan Network (DJN) (President & CEO: Norihiro Kuretani; Head Office: Tokyo) is an in-house company within Dentsu Group Inc. It also refers to the network itself which consists of approximately 160 Dentsu Group companies in Japan.

URL: <https://www.japan.dentsu.com/en/>

*2

Source: "2021 Advertising Expenditures in Japan" published by Dentsu Inc.

URL: <https://www.dentsu.co.jp/en/news/release/2022/0224-010500.html>

*3

IFRS standard, Turnover base

*4

IFRS standard, Net revenue base

*5

The new Group's commitment set forth in February 2022. Going forward, the Dentsu Group will evolve into a "B2B2S" (Business to Business to Society) corporate group that faces S (Society) beyond "B2B." By working with companies to solve social issues together, we will create value for society as a whole over the medium to long term. We also aim to maximize the Group's corporate value for shareholders, client companies, partners, and employees.

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Contact:

Jumpei Kojima

Chief Director

Group Corporate Communications Office

Dentsu Group Inc.

Telephone: +81 (3) 6217-6602

E-mail: group-cc@dentsu-group.com