

FOR IMMEDIATE RELEASE

October 6, 2017

Concerning Court Ruling on Dentsu Inc.'s Labor Standards Violation in Japan

The Tokyo Summary Court today handed down a 500,000 yen fine as penalty for the Company's violation of Japan's Labor Standards Law. We take this ruling very seriously, and extend our deepest apologies to stakeholders and the general public for the concern we have caused. As a member of society, we deeply regret that we could not fulfill our responsibilities.

In November 2016, Dentsu Inc. established the Working Environment Reforms Commission with the president & CEO as director, and undertook a thorough review of laws and regulations, committed to the eradication of excessive overtime work and initiated the fundamental reform of our working environment throughout the Company in Japan. We will continue to make every effort to steadily implement these reforms in our determination to restore public confidence in the Company.

To clarify again that the Company has taken responsibility for violation of the Labor Standards Law, the following three officers have been disciplined:

- Toshihiro Yamamoto: Representative Director and President & CEO
Reduction of 20% monthly compensation for six months
- Shoichi Nakamoto: Representative Director and Senior Executive Vice President & CFO
Reduction of 20% of monthly compensation for three months
- Yoshio Takada: Representative Director and Executive Vice President
Reduction of 20% of monthly compensation for three months

As for the disciplinary action taken internally concerning a series of labor issues, the measures have been carried out as shown in the attached sheet.

Attachment

With regard to the discipline of related parties to date:

In October 2016, ten executive officers, including the acting president and CEO at that time, voluntarily returned a part of their executive compensation.

- President and CEO:
Reduction of 20% of monthly compensation for three months
- Nine Executive Officers:
Reduction of 10% of monthly compensation for three months

In January 2017, Tadashi Ishii, the president and CEO at the time, having taken full responsibility, resigned.

Also in January 2017, the Company in Japan disciplined the following related officers in position at that time in accordance with internal regulations.

- One Senior Executive Vice President:
Reduction of 20% monthly compensation for three months
- One Senior Vice President:
Reduction of 20% monthly compensation for three months
- Three Executive Officers:
Reduction of 20% monthly compensation for three months

Furthermore in January 2017, an additional four executive officers voluntarily returned a part of their executive compensation: (10% reduction of monthly compensation for three months).

The Company has disciplined all related employees in accordance with internal regulations.

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