



May 26, 2017

Shinichi Ueno
President and Group CEO
ASATSU-DK INC.
Securities code: 9747

Notification of out-of-court settlement

Asatsu-DK Inc. (hereinafter referred to as “ADK”) hereby announces that it has reached a reconciliation to settle disputes over Iwakaze No.1 Investment Business Liability Partnership (hereinafter referred to as “Iwakaze Fund”) and Iwakaze Capital, Inc. (hereinafter referred collectively to as “the other party”).

1. Background that led up to disputes

The background that led up to disputes between ADK and the other party is described in the series of announcement we released in the past, that were the *Notification on Inadequate Accounting Applied in Past Fiscal Years by a Consolidated Affiliate* dated December 27, 2016, the *Notification on Receipt of an Investigative Report Compiled by the Special Investigation Panel Regarding Inadequate Accounting Applied in Past Fiscal Years by a Consolidated Affiliate* dated January 6, 2017, the *Notification on Disclosure of Investigation Report Compiled by the Special Investigation Panel Regarding Inadequate Accounting Applied by a Consolidated Subsidiary* dated January 10, 2017, the *(Progress Report on) Notification of Inadequate Accounting Applied by a Consolidated Subsidiary* dated January 31, 2017, the *(Progress Report on) Notification of Inadequate Accounting Applied by a Consolidated Subsidiary* dated February 6, 2017, and the “*(Progress Report on) Notification of Inadequate Accounting Applied by a Consolidated Subsidiary (Findings of ADK’s Investigation)*” dated February 20, 2017.

The board of directors meeting of ADK, held on February 20, 2017, decided a policy consisting actions to take (including a legal action when out-of-court settlement comes to naught) against the other party such as a compensation claim for violation of Representation & Warranty stipulated in a tender offer agreement in relation to damages ADK suffered (including expenses ADK bore to set up a special investigation

panel and of its operation, and of ADK investigations). ADK hence did all that was possible toward a conciliation. After lengthy negotiations, we have today reached a reconciliation with the other party before filing an action.

2. Contents of settlements

The other party acknowledged that it had made a Rep & Warranty breach of a tender offer agreement reached by ADK and Iwakaze Fund on July 14, 2016. It thereby agreed to pay ADK a certain amount of settlement to this matter.

(Note that we decline to disclose the details of settlements including settlement money under a contract by two concerned parties)

3. Impact on results

ADK believes that such settlements have no impact on our consolidated forecast for the current period ending December 2017.

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