

**NEWS RELEASE****FOR IMMEDIATE RELEASE****May 16, 2003**

## **Dentsu Announces Issuance of Stock Options (Stock Acquisition Rights)**

Dentsu Inc. (President: Tateo Mataka; Head Office: Tokyo; Capital: 58,967.1 million yen) announced today that it has adopted a resolution to seek approval of the issuance of stock acquisition rights as stock options, on the terms and conditions described below and pursuant to Article 280-20 and Article 280-21 of the Commercial Code. The resolution, adopted at a meeting of the Board of Directors held on May 16, 2003, will be taken up at the 154th Ordinary General Meeting of Shareholders scheduled to be held on June 27, 2003.

Such issuance of stock options is conditional upon the approval and adoption of the agenda "Issuance of Stock Acquisition Rights as Stock Options" at the 154th Ordinary General Meeting of Shareholders.

### **1. Reason for Issuing Stock Acquisition Rights**

Dentsu will issue stock acquisition rights as stock options to board members, executive officers and employees of Dentsu and board members of Dentsu's subsidiaries at no cost in order to further encourage willingness and motivation to improve the business performance of the Company and its subsidiaries and to enhance shareholder returns.

### **2. Persons to be Allocated Stock Acquisition Rights**

Board members, executive officers and employees of Dentsu and board members of Dentsu's subsidiaries ("Allottees"), as designated by the Board of Directors.

### **3. Terms and Conditions of Stock Acquisition Rights**

- (1) Kind and number of shares to be issued upon exercise of stock acquisition rights:  
Up to 12,000 shares of common stock of Dentsu Inc.

In the event of a stock split or stock consolidation of Dentsu, the number of shares to be issued upon exercise of stock acquisition rights shall be adjusted in accordance with the following formula. Provided that, such adjustment shall be made only for the number of shares for which the stock acquisition rights have not yet been exercised by

the Allottees, and that any fraction less than one yen resulting from such adjustment shall be rounded down.

$$\text{Number of shares after adjustment} = \text{Number of shares before adjustment} \times \text{Ratio of split (or consolidation)}$$

- (2) Aggregate number of stock acquisition rights to be issued:  
Up to 12,000 stock acquisition rights

Provided that the number of shares to be issued upon exercise of stock acquisition rights initially shall be one share per one stock acquisition right, and that in the event that any adjustment is made to the Exercise Price due to a stock split or stock consolidation of Dentsu thereafter, adjustments shall be made in the manner set forth in (1) above.

- (3) Issue price of stock acquisition rights:  
Zero

- (4) Amount payable upon exercise of stock acquisition rights:  
The amount payable upon exercise of the stock acquisition rights ("Exercise Price") shall be the higher of (i) the average (fractions less than one yen shall be rounded up) of the closing prices of Dentsu's common stock on the Tokyo Stock Exchange ("Closing Price") for each of the trading days (excluding any days on which no trades have taken place) of the month immediately preceding the month in which the date of issuance of the stock acquisition rights (the "Issue Date") falls, or (ii) the Closing Price on the Issue Date (provided that, if no Closing Price is quoted on such date, the Closing Price on the nearest date prior to such date shall be applied).

In the event of a stock split or stock consolidation of Dentsu after the issuance of the stock acquisition rights, the Exercise Price shall be adjusted in accordance with the following formula, provided that fractions less than one yen resulting from such adjustment shall be rounded up.

$$\text{Exercise Price after adjustment} = \text{Exercise Price Before adjustment} \times \frac{1}{\text{Ratio of split (or consolidation)}}$$

- (5) Exercise period of stock acquisition rights:  
From July 8, 2005 to July 7, 2009

(6) Conditions for exercise of stock acquisition rights:

An Allottee shall hold the position of board member, executive officer or employee of either Dentsu or a subsidiary thereof for at least two years from the date of grant of the stock acquisition rights. Provided that, after such period, the Allottee may exercise the stock acquisition rights even if such Allottee loses his/her position, and that, even in the event the Allottee loses the position of board member, executive officer or employee of Dentsu or a subsidiary thereof during such two-year period, such Allottee shall be eligible to exercise stock acquisition rights if the Company determines that such loss is due to expiration of term of office, mandatory retirement or other reasonable cause.

Heirs of an Allottee shall not succeed to the stock acquisition rights of such Allottee and therefore may not exercise such stock acquisition rights.

Other conditions of the exercise of stock acquisition rights shall be determined at the meeting of Board of Directors of Dentsu.

(7) Causes and conditions of cancellation of stock acquisition rights:

Dentsu may at any time and at no cost cancel any stock acquisition rights which are not yet exercised, upon resolution of the Board of Directors of the Company.

(8) Transfer of stock acquisition rights:

Approval by the Board of Directors of Dentsu shall be obtained for transfer of stock acquisition rights.

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Contact: Takafumi Hotta  
Senior Manager  
Corporate Communications Division  
Telephone: (813) 6216-8042  
E-mail: t.hotta@dentsu.co.jp