

NEWS RELEASE**FOR IMMEDIATE RELEASE****July 17, 2003**

Dentsu to Acquire Two New Companies in the Video and Music Software Field

Dentsu Inc. (President: Tateo Mataki; Head Office: Tokyo; Capital: 58,967.1 million yen) announced today that it has reached a preliminary agreement with Pioneer Corporation to purchase all of the outstanding shares of two of its subsidiaries involved in the video and music software business; Japan-based Pioneer LDC, Inc. and Pioneer Entertainment (USA) Inc., headquartered in the United States.

Each of these two companies owns an abundance of video and music-related content. With their acquisition, the video images, characters and other content they have developed will become available to Dentsu for use in the advertising field, and the synergies created will also be valuable in promoting the growth of Dentsu's entertainment-related business. Dentsu is also considering other ways of using these acquisitions to promote wider participation in and cooperation between the software content industry.

Details concerning the conditions and the schedule of each acquisition are under discussion and will be finalized accordingly at a later date.

1. Profile of the Two Companies

(1) Pioneer LDC, Inc.

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| Corporate Name: | Pioneer LDC, Inc. |
| Location of Headquarters: | 1-20-6, Ebisu-minami, Shibuya-ku, Tokyo |
| Representative: | Yoshikiyo Arai, President |
| Founded: | 1980 |
| Content of Business: | Planning, production and sale of video and music software |
| Number of Employees: | 145 (as of June 2003) |
| Capital: | 3.6 billion yen (wholly owned subsidiary of Pioneer Corporation) |

(2) Pioneer Entertainment (USA) Inc.

Corporate Name: Pioneer Entertainment (USA) Inc.
Location of Headquarters: Long Beach, California, USA
Representative: Yosuke Kobayashi, President
Founded: 1995
Content of Business: Planning, production and sale of video and music software in the United States
Number of Employees: 43 (as of July 2003)
Capital: 37.156 million dollars
(wholly owned subsidiary of Pioneer North America, Inc.)

2. Source and Number of Shares to Be Acquired

Dentsu plans to acquire 100% of the outstanding shares of each company as described below.

(1) Pioneer LDC, Inc.

Dentsu plans to acquire 7.2 million shares (100% of the outstanding shares) from Pioneer Corporation (President: Kaneo Ito; Headquarters: Tokyo).

(2) Pioneer Entertainment (USA) Inc.

Dentsu plans to acquire 35,300 shares (100% of the outstanding shares) from Pioneer North America, Inc. (President and CEO: Kazunori Yamamoto; Headquarters: Long Beach: Pioneer North America, Inc., which is a wholly owned subsidiary of Pioneer Corporation, manages Pioneer Group operations in North America.)

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