

NEWS RELEASE**FOR IMMEDIATE RELEASE****November 29, 2004**

Dentsu and Asatsu-DK to Establish Drill Inc., a Joint Venture Specializing in Creative Development for Next-Generation Advertising

Dentsu Inc. (President & CEO: Tateo Mataki; Head Office: Tokyo; Capital: 58,967.1 million yen), and Asatsu-DK Inc. (President & Group COO: Koichiro Naganuma; Head Office: Tokyo; Capital: 37,581 million yen) announced today that they had agreed to establish a new joint venture, Drill Inc., to specialize in creative development for next-generation advertising. The new company will be established on Wednesday, December 1, 2004, and will begin operations on Wednesday, January 5, 2005.

Drill Inc. will bring together advanced advertising expertise and talented personnel from both Dentsu and Asatsu-DK, and will create a new area of specialization that will provide clients with new communication planning services by taking a holistic approach. Unlike conventional advertising planning in which media strategy and creative strategy are developed separately, a holistic approach takes into account a wide variety of media simultaneously in a comprehensive manner. The advertising industry in Europe and North America has focused a great deal of attention on the concept of holistic planning in recent years. Cross-media creative planning that takes advantage of the 21st century media environment, content communication that makes use of film, animation and other content in advertising planning, and the strategic use of “buzz” to promote effective word-of-mouth advertising are all representative examples of holistic communication methods.

To provide this type of comprehensive planning, Drill Inc. will organize itself differently from conventional creative planning companies: it will build a single creative organization that includes both art directors and copywriters from conventional creative departments, as well as experts from various other advanced divisions such as media planning, strategic planning/strategic PR, interactive media, and others.

The new company will not simply provide advertising planning services to its clients; it will collaborate actively with various media companies to promote the development of new types of content. In this way, it hopes to contribute to the further business development of established media such as newspapers, magazines, radio, television, Internet, and mobile media.

Profile of the New Company

- (1) Company Name: Drill Inc.
- (2) Capitalization: 100 million yen
- (3) Location of Head Office: 6-2-1 Ginza, Chuo-ku, Tokyo (through February 2005)
- (4) Shareholding Ratio: Dentsu 60%, Asatsu-DK 40%
- (5) Date of Establishment: December 1, 2004
- (6) Directors:
- President & Executive Creative Director: Kotaro Sugiyama (to serve concurrently with his present position as Executive Officer at Dentsu)
- Executive Vice-President: Kaoru Detake (to serve concurrently with his present position as Interactive Media Center President at Asatsu-DK)
- Director: Masanori Watanabe (presently Deputy Director at Dentsu)
- Director: Morihiko Harano (presently Senior Planner at Dentsu)
- Director: Osamu Enari (presently PR/SP Planner at Asatsu-DK)
- Director: Noboru Yagi (to serve concurrently with his present position as Senior Manager at Dentsu)
- Director: Syouichi Tase (to serve concurrently with his present position as Center of Media Strategy Vice-President at Asatsu-DK)
- (7) Expected Net Sales: 500 million yen (fiscal year ending March 31, 2006)

Explanation of the Company Name “Drill”

Drill was selected as the name of the new company in the expectation that the new firm will break through, open the way, and provide solutions to the challenges facing advertisers in the 21st century, such as information overload, consumer skepticism, and market maturation.

Profile of the President & Executive Creative Director, Kotaro Sugiyama

- Born in 1948
- Graduated from the College of Economics at Rikkyo University in March 1971
- Entered Dentsu in 1974
- Became a Creative Director in 1990
- Promoted to Director of the Interactive Communications Division in 2001
- Became an Executive Officer in 2004

Major awards: ACC Award, ADC Member’s Grand Prize, New York Festivals World

Medal (Gold), London International Advertising Awards (Grand Prize in the media advertising award category), Cannes Lions International Advertising Festival (Silver Lion), New Media Invision Awards Grand Prize for Web design, and many others both domestic and foreign.

Profile of Dentsu Inc.

- (1) Company Name: Dentsu Inc.
- (2) President & CEO: Tateo Mataki
- (3) Location: 1-8-1, Higashi-Shimbashi, Minato-ku, Tokyo
- (4) Capitalization: 58,967.1 million yen
- (5) Annual Billings: 1,402.5 billion yen (actual results for fiscal year ending March 31, 2004; non-consolidated)
- (6) Number of Employees: 5,733
- (7) Description of Business: General advertising services

Profile of Asatsu-DK Inc.

- (1) Company Name: Asatsu-DK Inc.
- (2) President & Group COO: Koichiro Naganuma
- (3) Location: 1-13-1, Tsukiji, Chuo-ku, Tokyo
- (4) Capitalization: 37,581 million yen
- (5) Annual Billings: 357,597 million yen (actual results for fiscal year ending December 31, 2003; non-consolidated)
- (6) Number of Employees: 1,901
- (7) Description of Business: General advertising services

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