

NEWS RELEASE**FOR IMMEDIATE RELEASE****August 2, 2006**

Dentsu Concludes Capital and Business Alliance Contract with Sony Creative Products Inc.

Dentsu Inc. (President: Tateo Mataka; Head Office: Tokyo; Capital: 58,967.1 million yen) announced today that it concluded a capital and business alliance contract on July 25, 2006, for joint management of the major character merchandising company Sony Creative Products Inc. (SCP) (President: Aiichiro Furukawa; Headquarters: Tokyo). The contract is a four-way alliance between Dentsu, DENTSU TEC INC. (President: Tatsuji Matsui; Headquarters: Tokyo), Sony Culture Entertainment (Japan) Inc. (SCU) (President: Kazutomo Enomoto; Headquarters: Tokyo) and SCP. Dentsu will acquire 116,400 ordinary shares and 213,500 dividend preferred shares in SCP, and DENTSU TEC 58,200 ordinary shares and 106,700 dividend preferred shares, through a third-party allocation of new shares to be made on September 1, 2006 (tentative). Details of this contract are as follows.

1. Intent of the Capital and Business Alliance Contract

The character merchandising business has a close connection with the advertising business. Dentsu and DENTSU TEC both have numerous opportunities to generate or acquire popular characters, and recognize that this is an extremely promising advertising-related market.

This contract will provide Dentsu and DENTSU TEC with SCP's marketing capabilities and distribution expertise, strengthen relationships with the licensees that purchase the rights for character use, etc., and enhance the functions of character licensing operations. Further, by pursuing a form of collaboration in which a division of labor exists among Dentsu, DENTSU TEC and SCP in terms of property development and purchasing, licensing operations, product sales, promotion development functions and other areas regarding character merchandising, Dentsu and DENTSU TEC will further enhance the character merchandising business of the Dentsu Group.

2. Overview of the Capital and Business Alliance Contract

Dentsu will acquire 116,400 ordinary shares and 213,500 dividend preferred shares in SCP, and DENTSU TEC 58,200 ordinary shares and 106,700 dividend preferred shares, through a third-party allocation of new shares to be made on September 1, 2006. As a result of the contract, Dentsu and DENTSU TEC will hold shares with 14.99% of voting rights in SCP, and an investment ratio of 33.33%.

At the same time, Dentsu, DENTSU TEC and SCP agreed to a business alliance in the character license and property business fields.

3. Overview of Sony Creative Products Inc. (as of March 31, 2006)

Paid-in Capital:	480 million yen
Shares Issued:	989,600
Location:	4-5, Rokuban-cho, Chiyoda-ku, Tokyo
Establishment:	May 1978
Shareholder:	Sony Culture Entertainment (Japan) Inc.: 100%
Employees:	70
President and CEO:	Aiichiro Furukawa
Sales:	7,446 million yen (FY3/06)
Business Content:	Development and use of domestic and international copyrights, trademarks and other intellectual properties for characters, as well as development of a property business to conduct comprehensive marketing for a range of merchandising and service fields.
Major Properties:	Thomas the Tank Engine; Pingu; Disney on CLASSIC; Postpet

4. Effect on Earnings

The effect on future earnings of Dentsu Inc. as a result of this contract is unknown as of the present time, but is expected to be minimal.

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