

**NEWS RELEASE****FOR IMMEDIATE RELEASE****January 22, 2008****Dentsu and Focus Media Subsidiary  
HUA KUANG Advertising to Jointly Establish  
Internet Advertising Company in China**

*—New Company to Be Called DIGIT ONES Co., Ltd. (Tentative Name)—*

Dentsu Inc. (President & COO: Tatsuyoshi Takashima; Head Office: Tokyo; Capital: 58,967.1 million yen) and HUA KUANG Advertising Co., Ltd. (hereinafter HUA KUANG Advertising; Chairman of the Board: Pang Hou Cheung; Headquarters: Hong Kong), a wholly owned subsidiary of Focus Media (China) Holding Limited (hereinafter Focus Media; CEO: Jason Jiang; Headquarters: Cayman Islands), announced today that they have agreed to jointly establish a new Internet advertising company in China. Within China's rapidly growing Internet advertising market, the new company will integrate the Internet advertising-related businesses of the Dentsu Group in China. The tentative name for the new company is DIGIT ONES Co., Ltd.

**Purpose of the Establishment of the New Company**

As of December 2007, the number of Internet users in China was estimated to be 210 million people with the growth rate reaching 53.3%, and the number of broadband users was estimated at 163 million people. Furthermore, the size of the Chinese Internet advertising market is forecast to grow from approximately 140 billion yen in 2007, to around 400 billion yen by 2010 (sources: China Internet Network Information Center [CNNIC]; iResearch).

Against this background of rapid market growth, the Dentsu Group is committed to further strengthening its capabilities in the digital field in China. The Dentsu Group's three major advertising companies in China—Beijing Dentsu Advertising Co., Ltd., Beijing Oriental Rihai Advertising Co., Ltd., and Shanghai Oriental Partner Advertising Co., Ltd.—decided to integrate all of their Internet advertising-related operations into a single specialist company in order to bolster their solutions capabilities and media buying competence.

Focus Media, the parent company of HUA KUANG Advertising—the joint partner for the establishment of the new company—is a fast-growing group listed on the Nasdaq. With their corporate mission of “Building a media platform to reach consumers anytime, anywhere,” Focus Media is active in three main business fields that encompass a spectrum of consumer lifestyle needs: outdoor advertising, Internet advertising and mobile advertising, and is the leading advertising group in China as measured by advertising revenues. Among the three fields, Focus Media is working particularly to boost its strengths in Internet advertising; the Internet advertising distribution software developed by the Focus Media Group boasts a market share of more than 80%, and with regard to the Internet advertising sales market, Focus Media is among the top companies in China’s domestic market. Focus Media provides integrated marketing services covering research, technology development, planning, sales and campaign evaluation.

By sharing the diverse and extensive resources of the Dentsu Group and the Focus Media Group—including technology, databases and expertise—the new company will aim to increase business efficiency in this field and enhance the level of services delivered to clients. The partners envisage the new company as a further stimulus to the Internet advertising market in China and as a pioneer of new marketing possibilities.

### **Principal Business Activities of the New Company**

- (1) Provide Internet advertising-related services to clients of the Dentsu Group companies in China. (The new company will integrate all interactive services the Dentsu Group offers in China on an outsourced basis.)
- (2) Develop its own client base through direct sales activities, and provide interactive services to these clients.
- (3) Specific operations:
  - Campaign planning for Internet media
  - Internet media planning and handling of some negotiations for Internet media buying
  - Advertising sales activities in the Internet advertising field
  - Advertising campaign production and management for Internet media
  - Analysis and reporting on campaign effectiveness and results

### **Outline of the New Company**

Company Name:	DIGIT ONES Co., Ltd. (tentative name)
Capital:	US\$9.0 million
Location:	Beijing, China

Shareholding Ratio: Dentsu Inc. 67%, HUA KUANG Advertising Co., Ltd. 33%

Date of Establishment: March 31, 2008 (tentative)

Date of Business Commencement: June 2008 (tentative)

Chairman of the Board: To be decided (To be assigned from Dentsu Inc., Tokyo)

Managing Director: To be decided

Number of Employees: Approximately 50

### **Outline of the Other Companies**

#### Focus Media

Company Name: Focus Media (China) Holding Limited

Capital: US\$50,000

Location: Cayman Islands

Date of Establishment: May 2003

Consolidated Net Sales: US\$480.0 million (2007 estimate)

CEO: Jason Jiang

Number of Employees: Approximately 4,000 (entire Focus Media Group)

#### HUA KUANG Advertising

Company Name: HUA KUANG Advertising Co., Ltd.

Capital: HK\$1.0 million

Location: Hong Kong

Shareholding Ratio: Focus Media (China) Holding Limited 100%

Date of Establishment: 1979

Net Sales: US\$30.0 million (2007 estimate)

Chairman of the Board: Pang Hou Cheung

Number of Employees: Approximately 80

### **Impact on Dentsu's Financial Results**

The impact of this transaction on Dentsu's consolidated and non-consolidated financial results is expected to be minimal.

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