

NEWS RELEASE**FOR IMMEDIATE RELEASE****December 15, 2008**

Dentsu to Establish Dentsu-Smart, Advertising Subsidiary in Russia

Dentsu Inc. (President & COO: Tatsuyoshi Takashima; Head Office: Tokyo; Capital: 58,967.1 million yen) announced today that it had established an advertising subsidiary in Russia on December 12, 2008, as a joint venture with business partners in Russia.

Until now, Dentsu has conducted its business operations in Russia through Smart Communications (Headquarters: Moscow, Russia; written as SC below), an advertising company and subsidiary of Russia's largest media sales group, Video International Group of Companies (written as VI below). Accompanying the rapid expansion of the Russian economy in recent years, the level of advertising activity undertaken by Dentsu's clients in Russia has grown sharply. For this reason, Dentsu has decided to embark on a business expansion in Russia, serving both its Japan-based clients as well as Russian domestic and other international clients. By establishing its own operations in Russia and introducing its unique expertise, Dentsu aims to provide a more extensive range of services than was possible in the past.

Dentsu, along with Alexander Romanov, the President of SC, and Alexander Mitroshenkov, Dentsu's partner in Russia, will manage the operations of Dentsu-Smart through a jointly-funded holding company in the Netherlands. The holding company, Dentsu-Smart Holdings (written below as DSH), has been established in Amsterdam, the Netherlands, with Dentsu having 51% of its capital. DSH has acquired full equity of SC from VI, and has made the new company, Dentsu-Smart, a 100%-owned subsidiary.

Alexander Romanov says that Dentsu-Smart will become one of the core agencies of the Dentsu Group, providing integrated communications services across Russia and most of the CIS countries in collaboration with partner agencies in specialized advertising /marketing disciplines.

Alexander Mitroshenkov says that the appearance of a new and strong business operation base in Russia, at a time when the world is in the depth of a financial crisis, will provide clients with additional guarantees for success and stability. At the same time it will also change the whole configuration of the Russian advertising market.

According to Advertising Expenditure Forecasts published in October 2008 by ZenithOptimedia, Russia's advertising market was ranked as the 13th-largest in the world in 2007, with total expenditures of US\$8,957 million. By 2010, this market is forecast to grow to US\$16,110 million, making it the world's sixth-largest advertising market. This rapid growth makes Russia one of the most closely watched advertising markets globally.

Impact on Dentsu's Financial Results

The impact of this transaction on Dentsu's consolidated and non-consolidated financial results for the fiscal year ending March 31, 2008 is expected to be minimal.

Information on Dentsu-Smart and Dentsu-Smart Holdings is provided below.

Outline of Dentsu-Smart

Company Name: Dentsu-Smart LLC
Capital: RUB 15,200,000 (approximately 62 million yen)
Location: Moscow, Russia
Shareholding Ratio: Dentsu-Smart Holdings B.V. 100%
Date of Establishment: December 12, 2008
Directors: CEO: Alexander Romanov, Director: Yoichi Kanokohata (currently Senior Project Manager, Dentsu Moscow Office), Director: Alexander Mitroshenkov

Number of Employees: 109

Outline of Dentsu-Smart Holdings

Company Name: Dentsu-Smart Holdings B.V.
Capital: €300,000 (approximately 43 million yen)
Location: Amsterdam, the Netherlands

Shareholding Ratio: Dentsu Inc. 51%

Date of Establishment: October 9, 2008

Directors: Alexander Romanov, Alexander Mitroshenkov, Takeshi Mori (currently Executive Officer, Dentsu Inc.), Yoichi Kanokohata (currently Senior Project Manager, Dentsu Moscow Office), Ken Konishi (currently Project Manager, Group Corporate Management Division, Dentsu Inc.)

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