

Hakuhodo DY Holdings Begins Operations

Tokyo — October 1, 2003 — The holding company Hakuhodo DY Holdings Inc. begins operations today, following the transfer of shares from Hakuhodo Inc., Daiko Advertising Inc., and Yomiko Advertising Inc.

The establishment of the holding company is in line with the share transfer agreement that Hakuhodo, Daiko and Yomiko adopted at the meeting of their boards of directors on August 5, and that was subsequently endorsed by the shareholders at the extraordinary general meetings held separately by the three agencies on August 26.

The three advertising agencies, Hakuhodo Inc., Daiko Advertising Inc., and Yomiko Advertising Inc. now become fully owned subsidiaries of Hakuhodo DY Holdings Inc., yet will continue to compete with one another, drawing on the cultures and strengths that each has build over the years to provide precisely tailored solutions to their client needs.

As announced previously, the three agencies will spin off their media arms into Hakuhodo DY Media Partners, a new multidiscipline media agency that will be established on December 1 of this year to provide clients with enhanced solutions and services.

The formation of this new advertising group is unprecedented and will pioneer a new framework for the advertising industry in Japan, and this will provide the clients, the media, the consumers, and the society with even greater creativity and diversified added value.

At the outset of this bold initiative, it is our pleasure to announce the group's corporate philosophy. Each of the group companies will apply themselves to the twin tasks of providing the ultimate solutions, and maximizing the corporate value of the group as a whole.

Group corporate philosophy

1. Strive continuously to provide advertisers the optimal services to add value to their business.
2. Embrace changes in media and play an instrumental role in building media value.
3. Build a dynamic global network to enhance services.
4. Create abundance in the next generation and work to further the society, with our unique insight into *seikatsusha* – people who have lives beyond what they consume.
5. Create value by drawing on individual dynamism and a solid team ethic, while upholding freedom and self-discipline.
6. Take on the world by constantly seeking out new challenges in the spirit of competition and harmony.
7. Work ceaselessly to increase corporate value and meet the trust and the expectations of the shareholders.

Overview of Hakuhold DY Holdings Inc.

Company name:	Hakuhold DY Holdings Inc.
Business content:	As the holding company, maximize group's corporate value, in other words the shareholder value, by establishing and implementing corporate strategy, and financial and group governance policies.
Location:	Shiodome City Center 5-2, Higashi Shinbashi 1-chome Minato-ku, Tokyo Note: From Oct. 1—Nov. 25 the office will be located at: Granpark Tower, 4-1, Shibaura 3-chome, Minato-ku, Tokyo
Management:	Takashi Shoji, Chairman & Representative Director Toshio Miyagawa, President & Representative Director
Capital:	¥10 billion
No. of shares issued:	38,855,810
Fiscal year:	12 months to March 31

For further information, please contact:

O. Nishimura, C. Hasegawa or K. Tashiro
Corporate Public Relations Division, Hakuhold DY Holdings Inc.
Tel: +81-(0)3-5446-8185

For inquiries to Hakuhold Inc., Daiko Advertising Inc, and Yomiko Advertising Inc,
please contact the Public Relations Division of each agency.