

Hakuhodo Enters Capital Partnership and Business Alliance with IMJ Corporation

Tokyo – March 30, 2006 – Hakuhodo announced today its decision to enter a capital partnership and business alliance with IMJ Corporation (IMJ), Japan's largest web integration* company. IMJ will receive part of Hakuhodo's next allocation of new shares to third parties, to be implemented in April.

With advances in the digital environment, the Internet is becoming ever more firmly entrenched as a key touchpoint between *sei-katsu-sha*** and marketers. The need to build up know-how and expertise and bolster capabilities in this area of business is a pressing one for advertising agencies if they are to provide solutions for their clients.

IMJ, Japan's leading Internet production company, is a pioneer in this, a business domain where needs are set to grow exponentially. Offering a one-stop shop for web site development, production and operation, IMJ can provide solutions tailored to Hakuhodo clients' Internet challenges.

The business alliance will see Hakuhodo partner IMJ to establish a new web integration company, further enhancing Hakuhodo's ability to provide solutions to its clients.

Outline of the alliance:

- Establishment of a joint Hakuhodo-IMJ web integration operating company
- Joint development of database marketing business with IMJ group companies.
- IMJ's taking of 7,500 shares of Hakuhodo's allocation of new shares to third parties.

*Web integration is a total support system for corporate web pages, encompassing content consulting, planning and production, system development, web site operation, and research and analysis of results.

***Sei-katsu-sha* are more than simply consumers, people whose lives and lifestyles include more than shopping. Hakuhodo introduced this term in 1980s, to emphasize our commitment to a comprehensive, 360-degree perspective on consumer's lives.

Reference

• **Hakuhodo Inc.**

Representative: Junji Narita, President & CEO
Headquarters: 4-1, Shibaura 3-chome
Minato-ku, Tokyo
Capital: ¥35,848 million
Annual sales: ¥697,281 million (year ended March 31, 2005)
Employees: 2,896 (as of April 1, 2005)
Lines of business: All aspects of advertising

• **IMJ Corporation**

Representative: Takahito Kashino, President
Headquarters: Sumitomo Gotanda Bldg.
1-1, Nishi-Gotanda 7-chome
Shinagawa-ku, Tokyo
Capital: ¥2,426.46 million (as of September 30, 2005)
Annual sales: ¥8,126.55 million (year ended September 30, 2005)
Employees: 331 (as of September 30, 2005)
Lines of business: Web integration, advertising marketing

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About Hakuhold Inc.

Founded in 1895, Hakuhold Inc. (www.hakuhold.jp) is the second largest advertising company in Japan, and the ninth largest core agency in the world according to *Advertising Age's* agency report 2005. Today, innovation and creativity are still at the heart of its operations. Hakuhold shares with its clients an unmatched depth of knowledge about the relationship between people and brands – knowledge that has grown from the concept of *sei-katsu-sha* (“consumers with a heartbeat”) which Hakuhold pioneered in advertising. Through its global network, Hakuhold provides comprehensive marketing and communications services and solutions for some of the best-known brands in the world. Hakuhold has 67 offices in 16 countries/regions, and approximately 5,000 employees.

Sei-katsu-sha insight is the foundation for Hakuhold's thinking, planning, and brand building. It reminds us that consumers are more than shoppers performing an economic function. They have heartbeats. They are individuals with distinct lifestyles. Hakuhold introduced this term in the 1980s to emphasize our commitment to a comprehensive, 360-degree perspective on consumers' lives.

Hakuhold is one of three advertising agencies under the umbrella of Hakuhold DY Holdings Inc. (TSE: 2433) (<http://www.hakuholdody-holdings.co.jp/english/index.html>) a holding company which was established in 2003 through the management integration of Hakuhold Inc., Daiko Advertising Inc. and Yomiko Advertising Inc. Hakuhold DY Holdings Inc. was listed on the first section of Tokyo Stock Exchange in 2005.