

## Hakuhodo, Toppan Printing, Digital Advertising Consortium and IBM Business Consulting Services to Establish New Branding-Focused CRM Company

Tokyo – April 12, 2006 – Hakuhodo Inc., Toppan Printing Co., Ltd. (Toppan), Digital Advertising Consortium Inc. (DAC), and IBM Business Consulting Services KK. (IBCS; Note; IBCS affiliate IBM Japan Ltd. will make the investment) have agreed to jointly establish a new company that will specialize in branding focused customer relationship management (CRM). To be called BrandXing Inc. (“brand crossing”), the new company will be established in June 2006.

Dramatic technological advances in recent years have quickly expanded the number of touchpoints (points of contact) between marketers and *sei-katsu-sha*<sup>\*</sup>. Marketers (advertisers) are now strongly aware of the need to manage how their brands present in the non-mass media, as well as in more traditional media. They are also increasingly looking beyond customary advertising and campaign promotions for sophisticated strategy planning and implementation in the CRM realm.

Against this changing background, Hakuhodo, Toppan, DAC and IBCS decided to pool the experience and expertise each had gained separately in CRM in its own business domain, and jointly establish BrandXing to offer services that integrate CRM activities into advertisers’ brand building initiatives.

BrandXing’s key concept will be Branded CRM™. While the need for this has been recognized for some time, CRM activities have tended to be handled separately from brand building. Branded CRM™ seeks to knit CRM into advertisers’ brand building activities, building relationships with customers via the brand and the actual point of sale.

BrandXing will combine the strengths of the four companies, namely Hakuhodo’s marketing, creative and media-based brand building support services, Toppan’s planning, production and operation functions (including call centers, etc.) and producing expertise, DAC’s interactive media solutions, and IBCS’s business analysis, consulting and planning strengths, to discover new solutions to advertiser challenges. By weaving “planning, ideas

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\* *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.

and implementation strength” into CRM for brand building, the new company will offer a one-stop shop for the entire process, from consulting to implementation and management, helping to build strong and lasting relations between brands and *sei-katsu-sha*.

The company, with business lines including marketing strategy planning, CRM management, direct response services and support for direct marketing business, as well as the creative and promotions, and traditional, interactive and other media services that will fuse these together, will establish a revolutionary new model for the CRM marketing business.

### **Outline of BrandXing Inc.**

Capital:	¥400 million
Establishment:	June 1, 2006 (anticipated)
Headquarters:	Minato-ku, Tokyo
Employees:	54 (anticipated)
Directors:	Masahiko Hara, President (from Hakuhodo) Toshiya Nakano, Vice President (from Toppan)
Lines of business:	<ul style="list-style-type: none"><li>• Business strategy, CRM consulting</li><li>• Marketing strategy development</li><li>• Development &amp; operation of database marketing systems including web and mobile-accessed sites and call centers</li><li>• Direct response support services</li><li>• Support for direct marketing business</li><li>• Creative and promotion planning and development, media planning</li><li>• Producing and media buying for creative output</li><li>• Research and data analysis services</li></ul>

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Communications

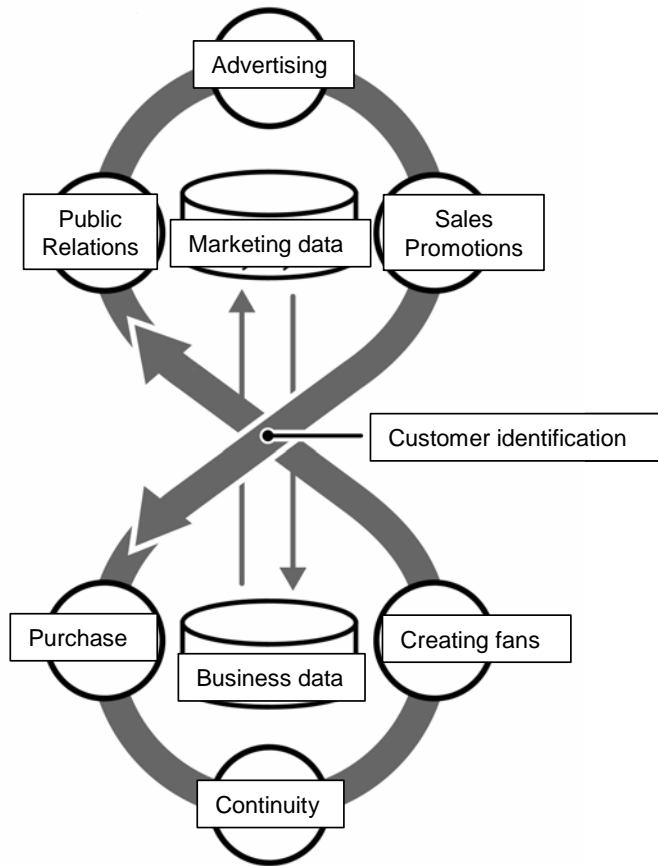
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**Reference**





• **What is “branded CRM”?**

Conceptual Diagram of Branded CRM



Branded CRM links marketing and business data, managing all touchpoints to increase the depth and quality of relations between individuals and a brand.

• **Branded CRM Implementation Structure (Functions of the four companies)**

 <b>HAKUHODO</b>	 <b>TOPPAN</b>	 <b>D.A. Consortium</b>	 <small>IBM ビジネスコンサルティングサービス株式会社</small>
<p><u>Branding</u></p> <ul style="list-style-type: none"> <li>• Marketing strategy</li> <li>• Touchpoint™ Planning</li> <li>• Creative</li> <li>• Brand management</li> </ul>	<p><u>Marketing execution</u></p> <ul style="list-style-type: none"> <li>• Promotion design &amp; Implementation</li> <li>• Customer information management</li> <li>• Contact center operation &amp; management</li> </ul>	<p><u>Interactive media solutions</u></p> <ul style="list-style-type: none"> <li>• Media planning</li> <li>• Media buying</li> <li>• Net business consulting</li> </ul>	<p><u>Consulting</u></p> <ul style="list-style-type: none"> <li>• Corporate &amp; Business strategy</li> <li>• System strategy</li> <li>• Project management</li> </ul>

## Reference

### Overview of the establishing companies

- **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 the advertising business

- **Toppan Printing Co., Ltd.**

Representative: Naoki Adachi, President & CEO  
Headquarters: 1 Kanda Izumi-cho, Chiyoda-ku, Tokyo  
Capital: ¥104,900 million  
Annual sales: ¥952,800 million (year ended March 31, 2005)  
Employees: 10,548 (as of March 31, 2005)  
Lines of business: Printing of securities & credit cards, commercial printing, publications printing, e-business, packaging, manufacture & sale of decorative materials, manufacture/sale of electronic and optronic components

- **Digital Advertising Consortium Inc.**

Representative: Hirotake Yajima, President & CEO  
Headquarters: 33 Fl. Ebisu Garden Place Tower, 20-3, Ebisu 4-chome, Shibuya-ku, Tokyo  
Capital: ¥3,349.72 million  
Annual sales: ¥24,882 million (year ended November 30, 2005)  
Employees: 159 (as of November 30 2005)  
Lines of business: Buying and selling of online advertising space, online advertising planning, implementation and consulting, promotion and public relations, research into the effectiveness of online advertising, research and development of new online advertising technologies and information services

• **IBM Business Consulting Services KK.**

Representative: Teruo Shimizu, President & CEO

Headquarters: 18 Fl. Marunouchi Bldg., 4-1, Marunouchi 2-chome, Chiyoda-ku, Tokyo

Lines of business: Providing industry-leading transformation consulting in the following key business function areas: Strategy and Change, Financial Management, Supply Chain Management Services, Marketing, Sales & Services, Human Capital Management, Application Services.