

Survey of Japanese Values and Expectations of Companies

– Towards the truly sustainable society people seek –

- ◆ **The biggest gap between ideal and reality for Japanese is a good work-life balance**
- ◆ **The societal role people want companies to perform focuses equally on the environment, economic growth and spiritual richness**

Tokyo - July 31, 2006 - Hakuhodo's Research & Development Div. polled 800 *sei-katsu-sha** living in the Greater Tokyo and Hanshin (Osaka/Kobe) areas of Japan on the spread of emerging social perceptions and people's expectations of the social role of companies. Below are the key findings of the study, which was conducted in March 2006.

Hakuhodo's R&D Div. conducts a variety of studies from differing perspectives to gather basic data that can be applied to many client problems. Focusing on Japanese values and expectations with regard to companies, the Division's latest survey was undertaken as part of a research project examining corporate brands and future corporate social responsibility (CSR) directions.

The survey looks at two topics previously identified by the project: (1) emerging social perceptions, and (2) the values companies will need to provide to respond to these; with the aim of determining the actual spread among *sei-katsu-sha* of the emerging social perceptions, as well as the degree to which *sei-katsu-sha* expect a corporate response. It is hoped that the findings will provide useful pointers for tomorrow's CSR activities.

In this research, we present data on current *sei-katsu-sha* social perceptions and expectations concerning the role of companies in society, as well as future *sei-katsu-sha* desires and demands, and the gaps between the two.

**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.

Key findings

- People are looking to have a peaceful living environment, to live life their own way, and have a better work-life balance.
- *Sei-katsu-sha* are still a long way from achieving the work-life balance they really want.
- People have higher expectations of the economic and moral roles of government, local authorities and bureaucrats than they do of companies.
- Companies today are seen to be fulfilling the role of revitalizing Japan by realizing the country's potential. In the future they will also likely be charged with contributing to the building of a truly sustainable society and a vibrant nation by focusing on the environment, economic growth and spiritual richness, and helping to build social infrastructure to allow people to live peaceful, secure lives.
- There are gaps between the ideal and reality in support for compassion toward family members and others and contribution to the formation of new family styles. In the future companies will be expected to do more to realize richer every day lives.
- Interest in social issues is highest among men in their 50s, and lowest among women in their 20s.

Survey outline

Territory:	Greater Tokyo area, Hanshin (Osaka/Kobe) area
Respondents:	Males & females aged 20–59 n = 800 (weighted for population composition in each survey area)
Period:	March 2006
Method:	Internet survey of Hi-panel monitors

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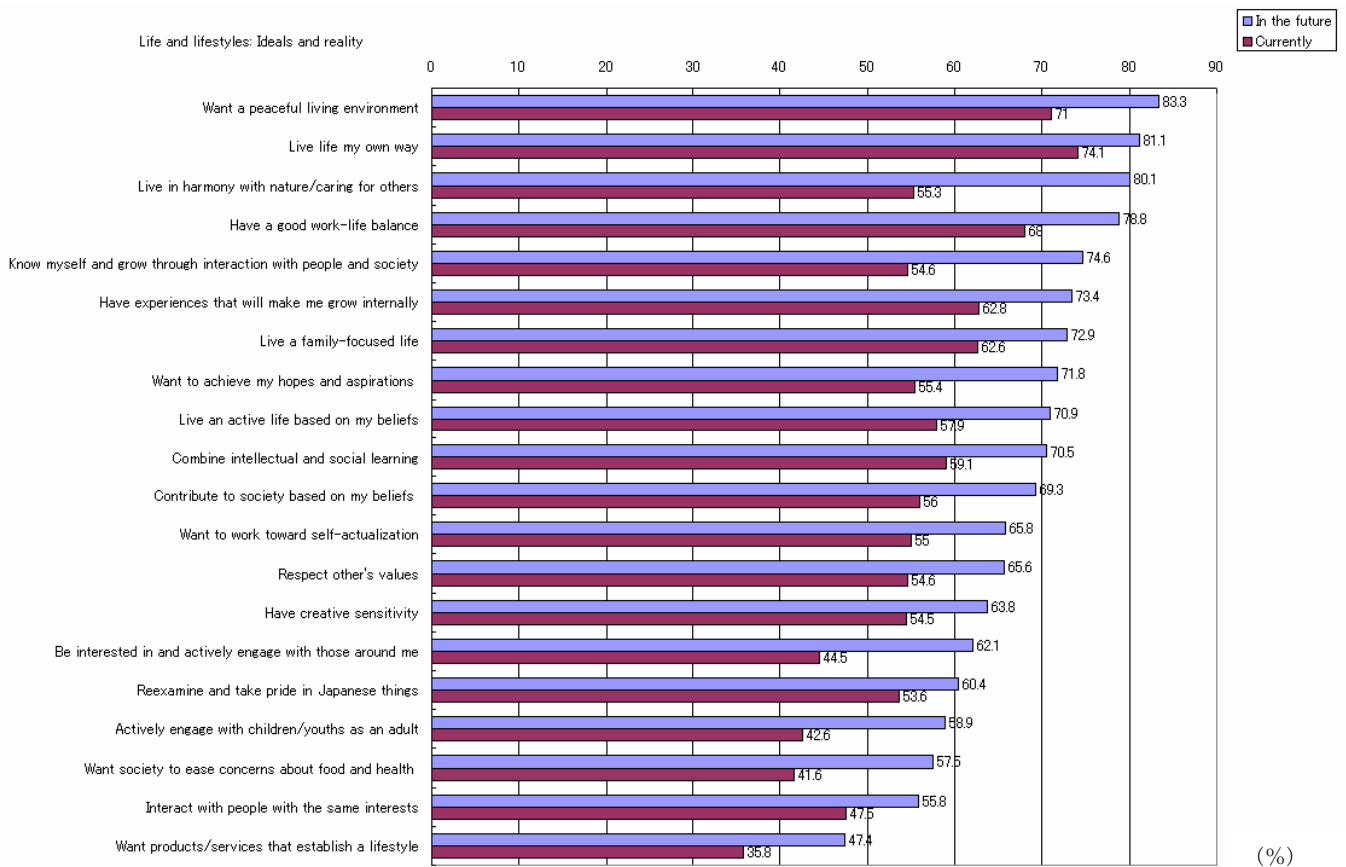
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Appendix: Survey Results

People are looking to have a peaceful living environment, to live life their own way, and have a better work-life balance. They are still a long way from achieving the work-life balance they really want

When we asked respondents about the kind of lives they want to lead, the top three responses were having a peaceful living environment (83.3%), living life their own way (81.1%), a good work-life balance (80.1%). However, by age group there were some differences: a good work-life balance (88.5%) was the top choice for those in their 20s, but for women, living in harmony with nature/caring for others (81.4%) surpassed a good work-life balance (80.4%).

When we asked about the things they were living right now, the top three, living life my own way (74.1%), having a peaceful living environment (71.0%) and living in harmony with nature/caring for others (68.0%), were mostly in the same order as people's ideals. However, a good work-life balance, at 55.3%, was some 25 points lower than the ideal score; the biggest discrepancy between an ideal and actual implementation.



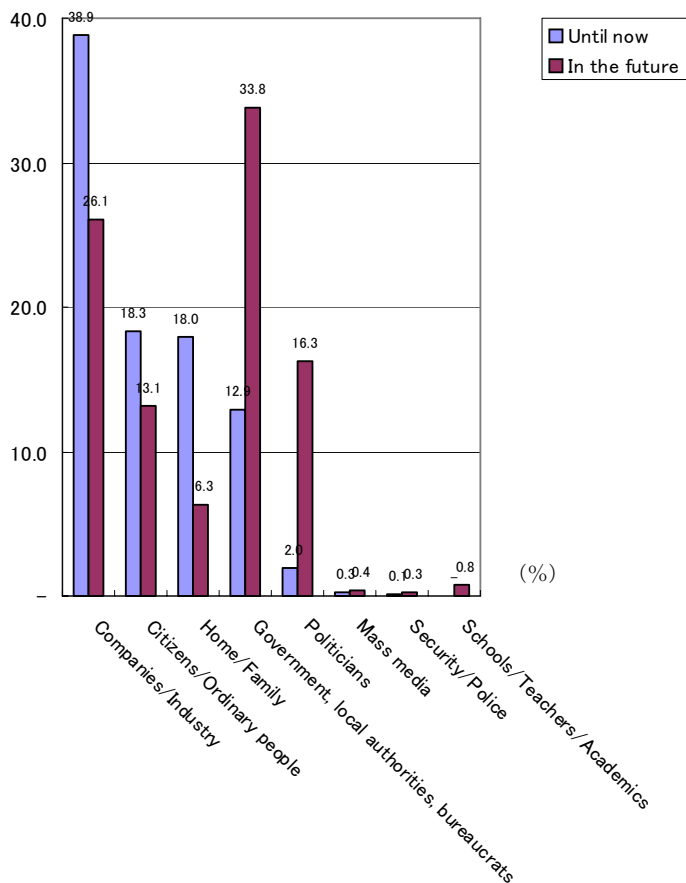
- **People have higher expectations of the economic and moral roles of government, local authorities and bureaucrats than they do of companies**

We asked respondents to choose who/what they thought should be thanked for the people’s economic and monetary wealth until now and in the future. Companies/ industry (38.9%) was the most popular “until now” choice, while respondents expectations of the role of government, local authorities and bureaucrats , at 33.8%, was top for “from now on”. Expectations of the government were high among women, in particular, who gave the government, local authorities and bureaucrats a whopping 40.1%.

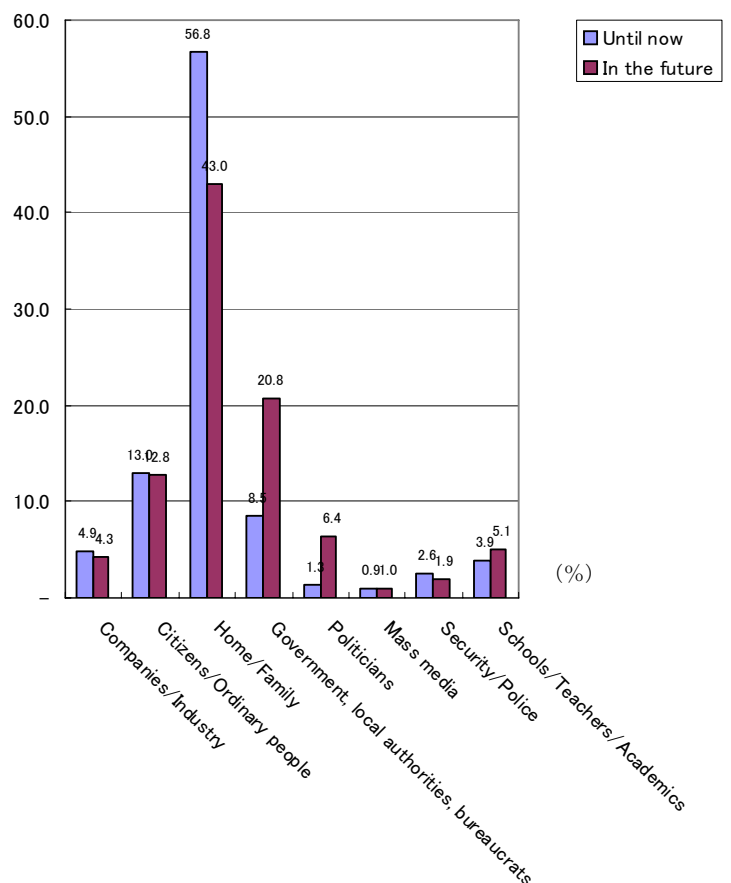
High expectations of the government was also evident in responses to the same question about spiritual wealth. While the top support for spiritual wealth in both “until now” and “from now on” was home and family, 20.8% selected the government, local authorities and bureaucrats, making this the second most popular choice for “from now on.”

While companies/industry received high scores for economic wealth both now and in the future, they could not match the now or in the future scores of either the home/family or government, local authorities and bureaucrats when it came to spiritual wealth.

Who/what do we have to thank for our monetary wealth ?

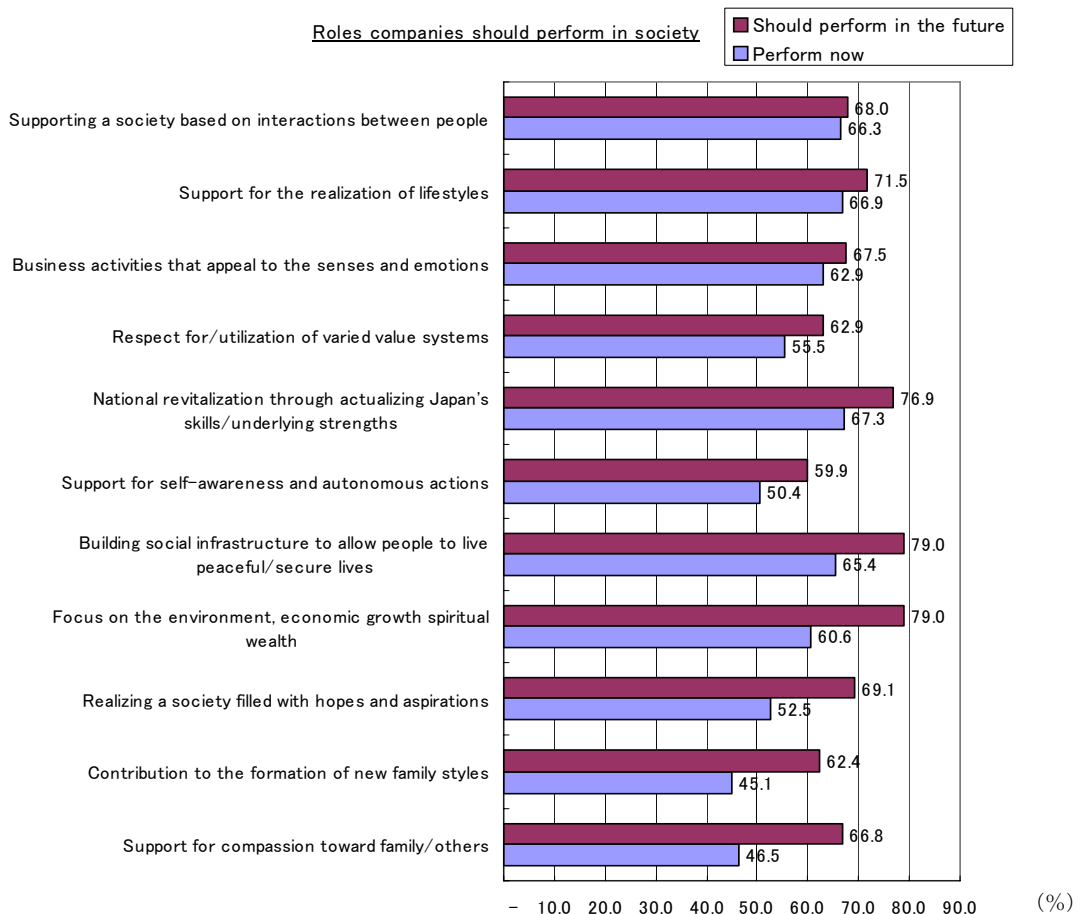


Who/wht do we have to thank for our spiritual wealth?



- Companies today are seen to be fulfilling the role of revitalizing Japan by realizing the country's potential. In the future, they will also likely be charged with contributing to the building of a truly sustainable society and a vibrant nation by focusing on the environment, economic growth and spiritual richness, and helping to build social infrastructure to allow people to live peaceful, secure lives**
 When we asked about people's current and future expectations of companies' social roles, the top three responses for until now were revitalizing Japan by actualizing the country's skills and underlying strengths (67.3%), support for the realization of lifestyles (66.9%) and supporting a society based on interactions between people (66.3%), indicative of a fairly high opinion of the economic value companies have provided until now.

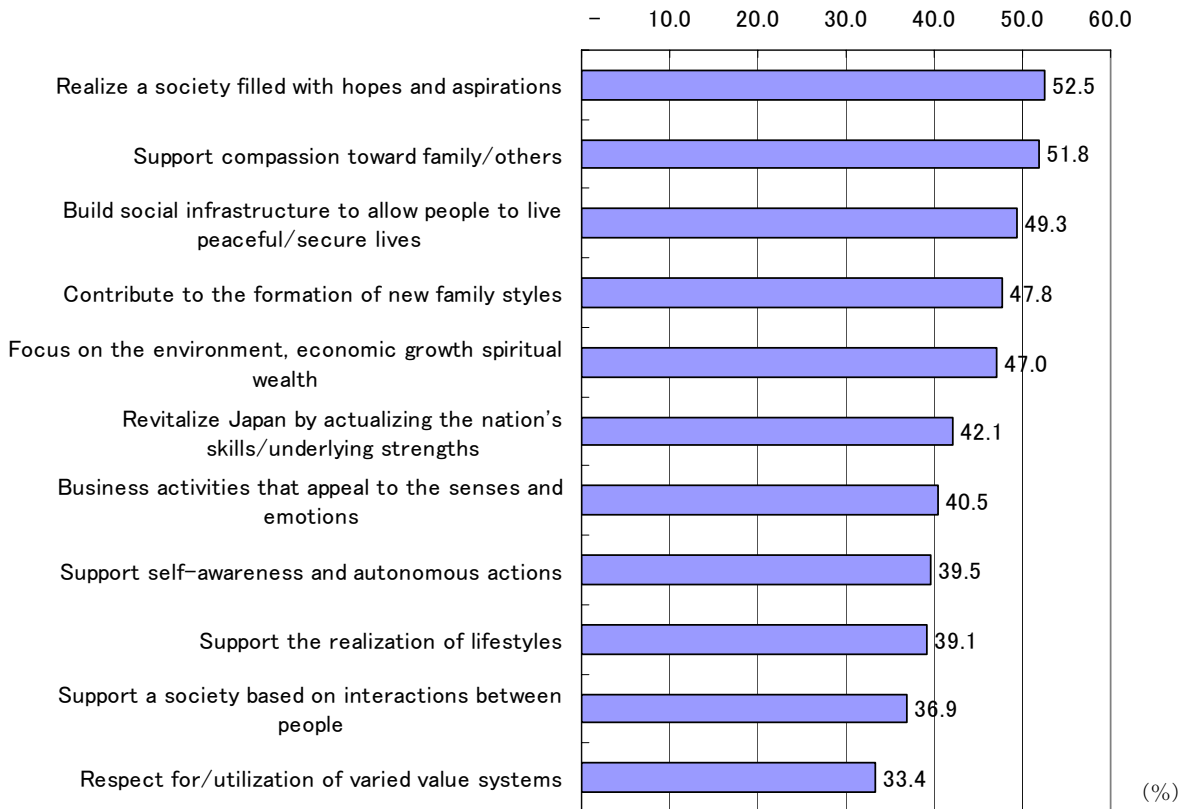
In future expectations, the top three scorers were focus on the environment, economic growth and spiritual richness, building social infrastructure to allow people to live peaceful and secure lives (both 79.0%) and revitalizing Japan by actualizing the country's skills and underlying strengths (76.9%). This seems to indicate that companies will be asked to broaden the scope of their attention slightly to include the environment, safety and spiritual wealth in addition to their direct economic role. Companies' future CSR activities will perhaps need to address expectations that companies play a role in creating a sustainable society and realizing a vibrant Japan.



- **There are gaps between the ideal and reality in support for compassion toward family members and others and contribution to the formation of new family styles. In the future companies will be expected to do more to realize richer every day lives**

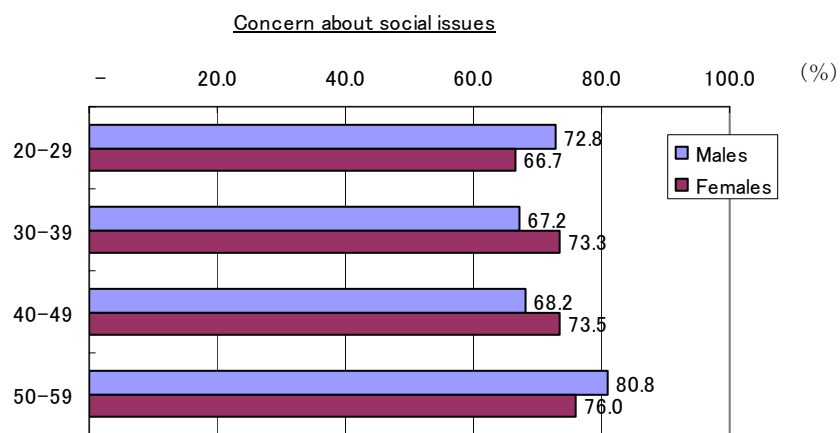
Reality does not meet expectations when it comes to support for compassion toward family members and others (46.5% now vs. 66.8% in the future), contribution to the forming of new family styles (45.1% vs. 62.4%) and realizing a society filled with hopes and aspirations (52.5% vs. 69.1%). These also came out as the top responses to our question on what roles respondents, as employees, expected companies to perform (the kind of company they would like to work for or continue to work for). In the future, companies may want to direct their CSR efforts for employees and others at these areas in which they do not have very strong track records.

Roles employees look to their companies to perform



- **Interest in social issues is highest among men in their 50s, and lowest among women in their 20s**

Looking at the degree of concern about social issues (the environment, human rights, culture, public welfare, etc.) by age group, we discovered that interest was highest amongst men in their 50s (80.8%). At the other end of the scale were women in their 20s, only 66.7% of who said they were interested. The highest responses from people in their 20s and 50s came from men, while interest from women was highest for respondents in their 30s and 40s.



Reference: Corporate Social Roles: Keywords

The following 11 keywords were identified as values that tomorrow's companies will need to provide by a Hakuhodo Research & Development Division study on the values society and other stakeholders look to companies to manifest.

1. Support for self-awareness and autonomous actions

Supporting people in their efforts to discover and affirm their own values, individuality and skills, and live an autonomous life based on these.

2. Respect for and utilization of a variety of value systems

Supporting people's openness to be influenced by, change and grow from the full variety of individuality and value systems around them and in the world at large.

3. Contribution to the formation of new family styles

Supporting people's desire to cherish their families, and support for the creation of different household and family formats in line with individual ideas.

4. Support for the realization of lifestyles

Actively responding to various needs relating to the realization of lifestyles based on people's individual value systems.

5. Supporting compassion towards family members and others

Accepting people's intense feelings toward family members/other people close to them and their day to day lives, and providing support for them to resolve any concerns, thus contributing to a society filled with compassion and kindness.

6. Realizing a society filled with hopes and aspirations

Contributing to the realization of a society filled with hopes and aspirations by offering choices and encouraging awareness of aspirations and goals in people's lives, and supporting the realization of these.

7. National revitalization through actualizing Japan's skills and underlying strengths

Having a concept for reviving Japan and helping form Japan's underlying strengths and skills by offering innovative technologies, products and services.

8. A society based on interactions between people

Supporting the creation and activation of venues (both real and virtual) for human interaction and association.

9. Focus on the environment, economic growth and spiritual richness

Achieving both environmental preservation and economic growth, while also contributing to the generation of spiritual fulfillment and feelings of happiness among people.

10. Business and activities that appeal to people's sensibilities and emotions

Having sensibilities and sensitivities appropriate to the company, and conducting business activities with the aim of providing spiritual richness and a great sense of excitement.

11. Building social infrastructure to allow people to live peaceful, secure lives

Contributing to the creation of a worry-free society with products, services and social activities to make life more peaceful and secure.

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■ About Hakuhodo Inc.

Founded in 1895, Hakuhodo Inc. (www.hakuhodo.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. Hakuhodo 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 Hakuhodo pioneered in advertising. Through its global network, Hakuhodo provides comprehensive marketing and communications services and solutions for some of the best-known brands in the world. Hakuhodo has 64 offices in 16 countries/regions, and approximately 5,000 employees.

Sei-katsu-sha insight is the foundation for Hakuhodo'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. Hakuhodo introduced this term in the 1980s to emphasize our commitment to a comprehensive, 360-degree perspective on consumers' lives.

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