

Survey of *Sei-katsu-sha** Awareness of the Environment 2006

- More than 90% of *sei-katsu-sha* are concerned about the environment
- Global warming-preventing actions rise across the board since 2 years ago
- Reducing air-conditioner temperature settings (up from 69.8% to 79.6%)

Tokyo – September 4, 2006 – Hakuhodo constantly monitors *sei-katsu-sha* via a variety of surveys and research. Below we present key findings from our most recent survey into *sei-katsu-sha* awareness of the environment.

Our Survey of *Sei-katsu-sha* Awareness of the Environment has been conducted annually since 2004 to analyze *sei-katsu-sha* perceptions of environmental issues and their evaluations of corporate environmental initiatives. This year's study shows that nine in ten *sei-katsu-sha* are concerned about the environment, and more than half are more concerned about environmental issues than they were a year ago.

The environmental issue of greatest concern was global warming (81.3%), followed by the increase in garbage (63.7%), the promotion of recycling (56.2%) and air pollution (55.8%).

Environment-friendly actions like separating bottles and cans for collection (90.6%), refilling shampoo, conditioner and detergent bottles (88.8%), diligently turning off the lights (82.7%) and putting PET bottles out for recycling (80.6%) all received high scores. Actions that help prevent global warming rose across the board since two years ago. In addition, 74.0% of respondents overall, or 70.4% of men and 77.7% of women, had selected a product out of consideration for the environment.

Hakuhodo will use this and other research in making environmental communication proposals to our clients.

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

Key findings

- **More than 90% of *sei-katsu-sha* are concerned about the environment, while more Greater Tokyo residents than Osaka/Kobe residents are very concerned about the environment.**
- **More men than women are very concerned about environmental issues. Overall, those in their 40s and 50s feel the most concern.**
- **The issues of greatest concern are global warming, increased trash, promoting recycling and air pollution.**
- **The percentage of people carrying out actions that help prevent global warming is up across the board.**
- **More than 80% of *sei-katsu-sha* separate bottles and cans for collection, refill shampoo, conditioner and detergent bottles, diligently turn off lights and put PET bottles out for recycling.**
- **Overall, some 70% have selected a product out of consideration for the environment.**
- **The top five industries thought to be proactively undertaking environment preservation activities were automakers, electricity providers, consumer electronics makers, gas providers and paper manufacturers.**

Survey outline

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|-------------|---|
| Period: | March 2006 |
| Territory: | Greater Tokyo area, Hanshin (Osaka/Kobe) area |
| Population: | M/Fs aged 18 and over n = 520 (valid responses) |
| Method: | Website questionnaire (Hi-panel survey) |

Contact:

Corporate Public Relations Division

Ushio Hirasawa: USHIO.HIRASAWA@hakuodo.co.jp

Mariko Fujimoto: MARIKO.FUJIMOTO@hakuodo.co.jp

Tel: +81-(0)3-5446-6161 Fax: +81-(0)3-5446-6166

Research Findings

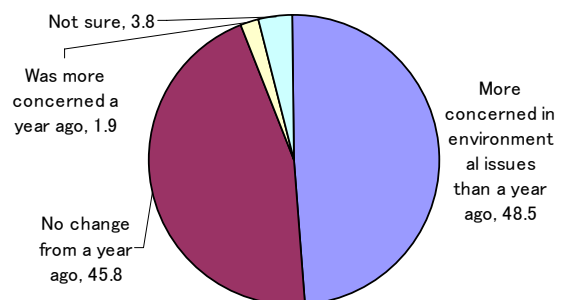
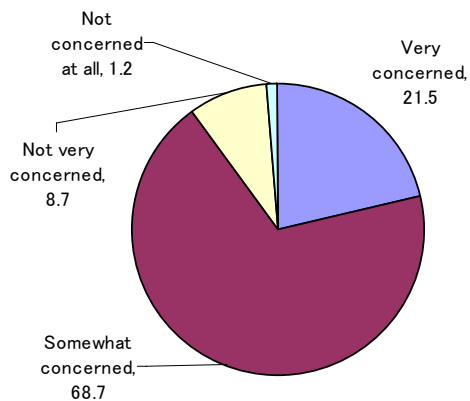
- **More than 90% of *sei-katsu-sha* are concerned about the environment, while more Greater Tokyo residents than Osaka/Kobe residents are very concerned about the environment.**

A total of 90.2% of respondents were concerned about environmental issues (21.5% very concerned; 68.7% somewhat concerned), while there were more respondents in the Greater Tokyo than Osaka/Kobe area that were very concerned about the environment.

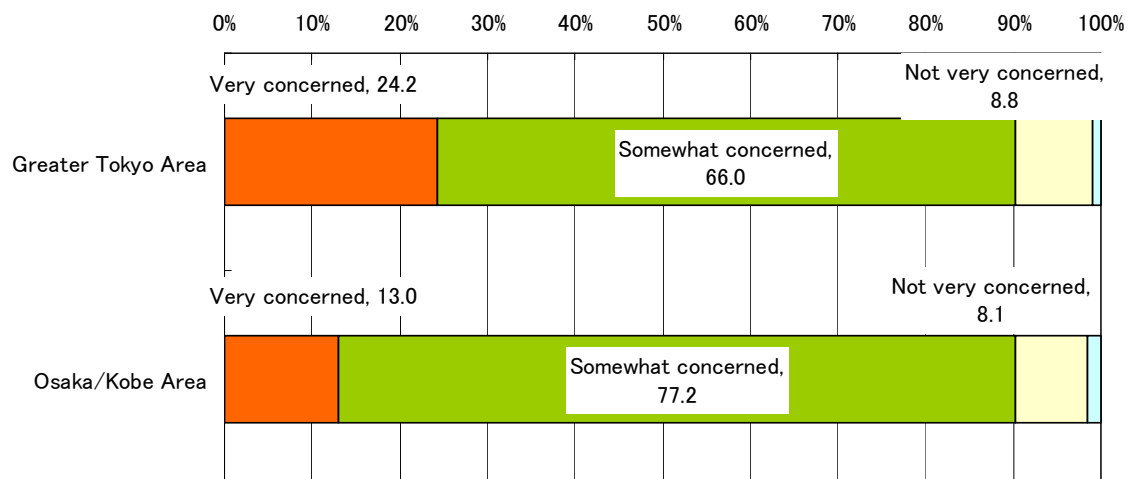
How concerned are you about environmental issues? Has your concern about environmental issues grown in the past year?

Concern about environmental issue (%)

Change in concern about environment issue since one year ago (%)



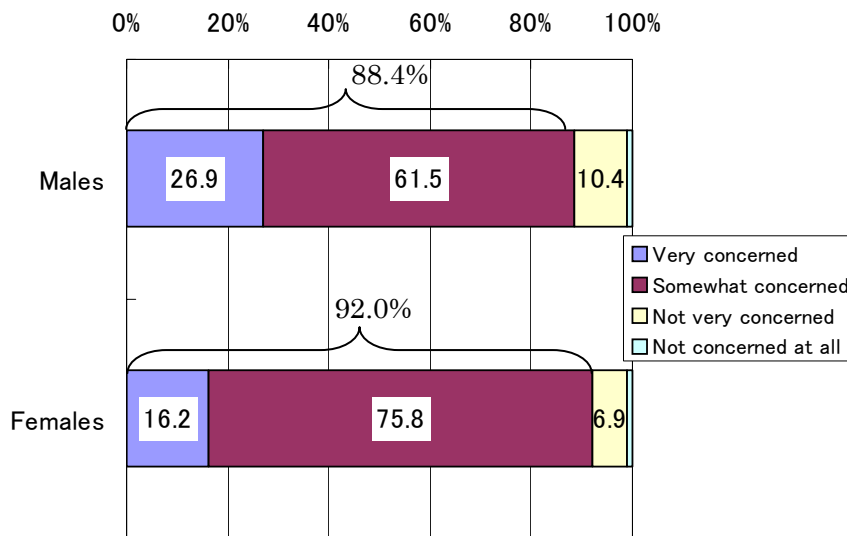
Degree of concern for environmental issues in the Greater Tokyo and Osaka/Kobe areas.



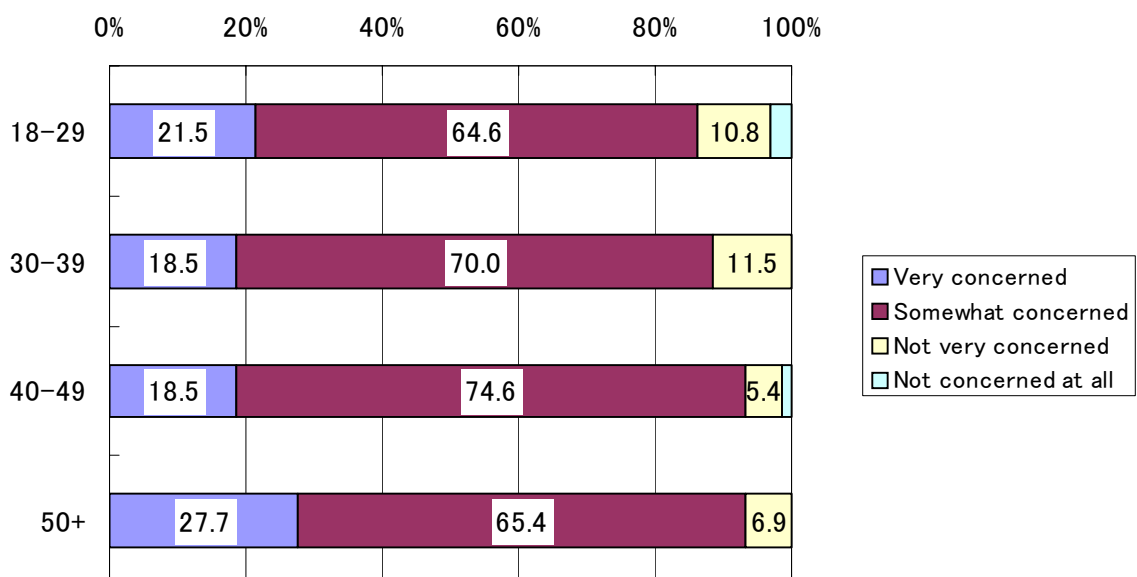
- **More men than women are very concerned about environmental issues. Overall, those in their 40s and 50s feel the most concern.**

By gender, the very concerned and somewhat concerned total was slightly higher for women (92.0%) than men (88.4%). However, with as many as 26.9% of men responding they are very concerned about environmental issues compared with 16.2% of women, men appear to be considerably more concerned than women. Also, by age, the 50+ group had the highest proportion of people who are very concerned (27.7%), making this group the most worried about the environment. However, even amongst 18–29 year olds, more than eight in ten (86.1%) were either very concerned or somewhat concerned, indicating that environmental issues are a considerable concern for all *sei-katsu-sha*, regardless of age.

Degree of concern about environmental issues by gender



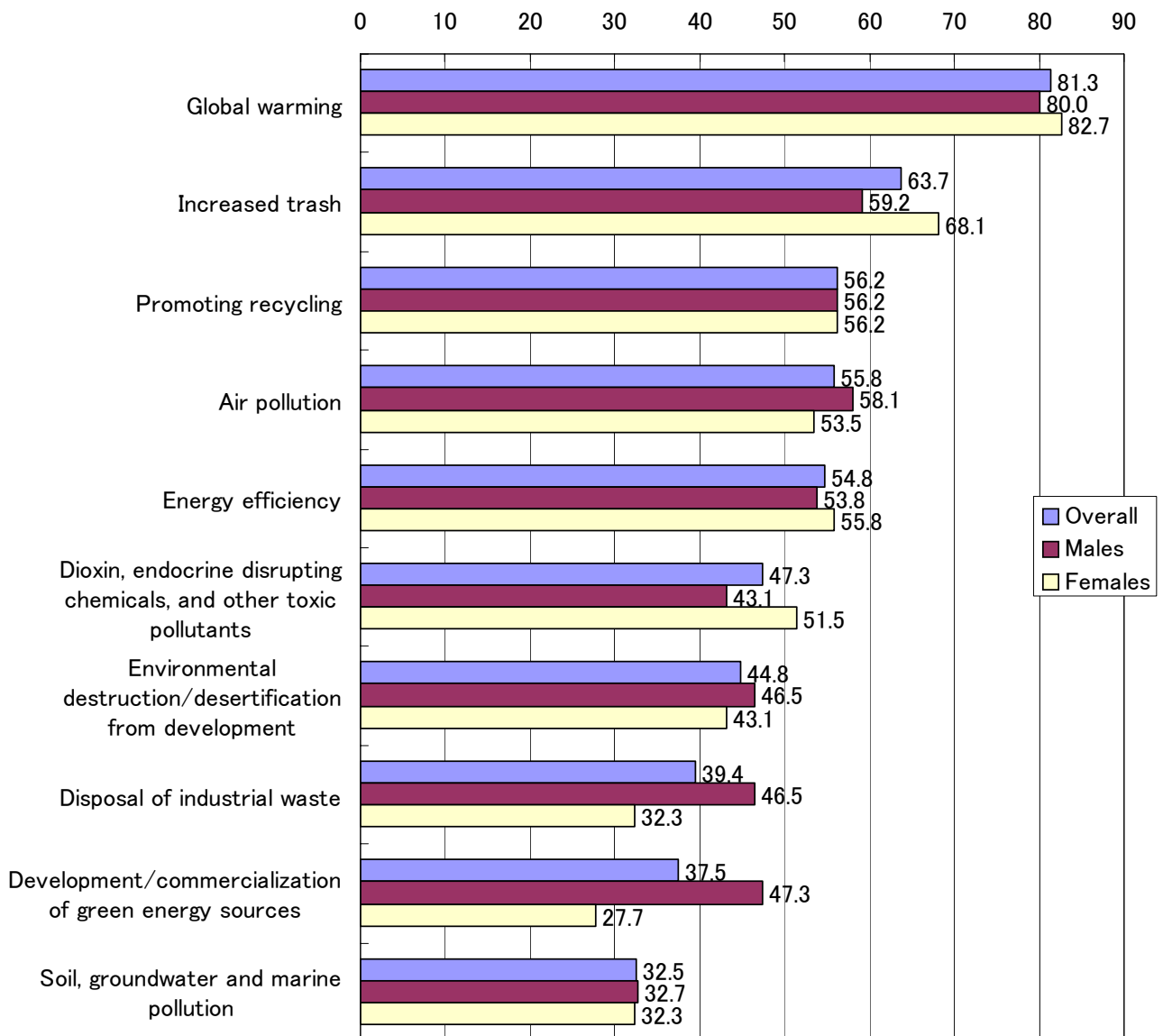
Degree of concern about environmental issues by age



- **The issues of greatest concern are global warming, increased trash, promoting recycling and air pollution.**

The issues of greatest concern were global warming, increased trash, promoting recycling and air pollution. Looking at differences in degree of concern between the sexes, women were relatively more concerned about trash and toxic pollutants, and men about the disposal of industrial waste and the development and commercialization of green energy sources.

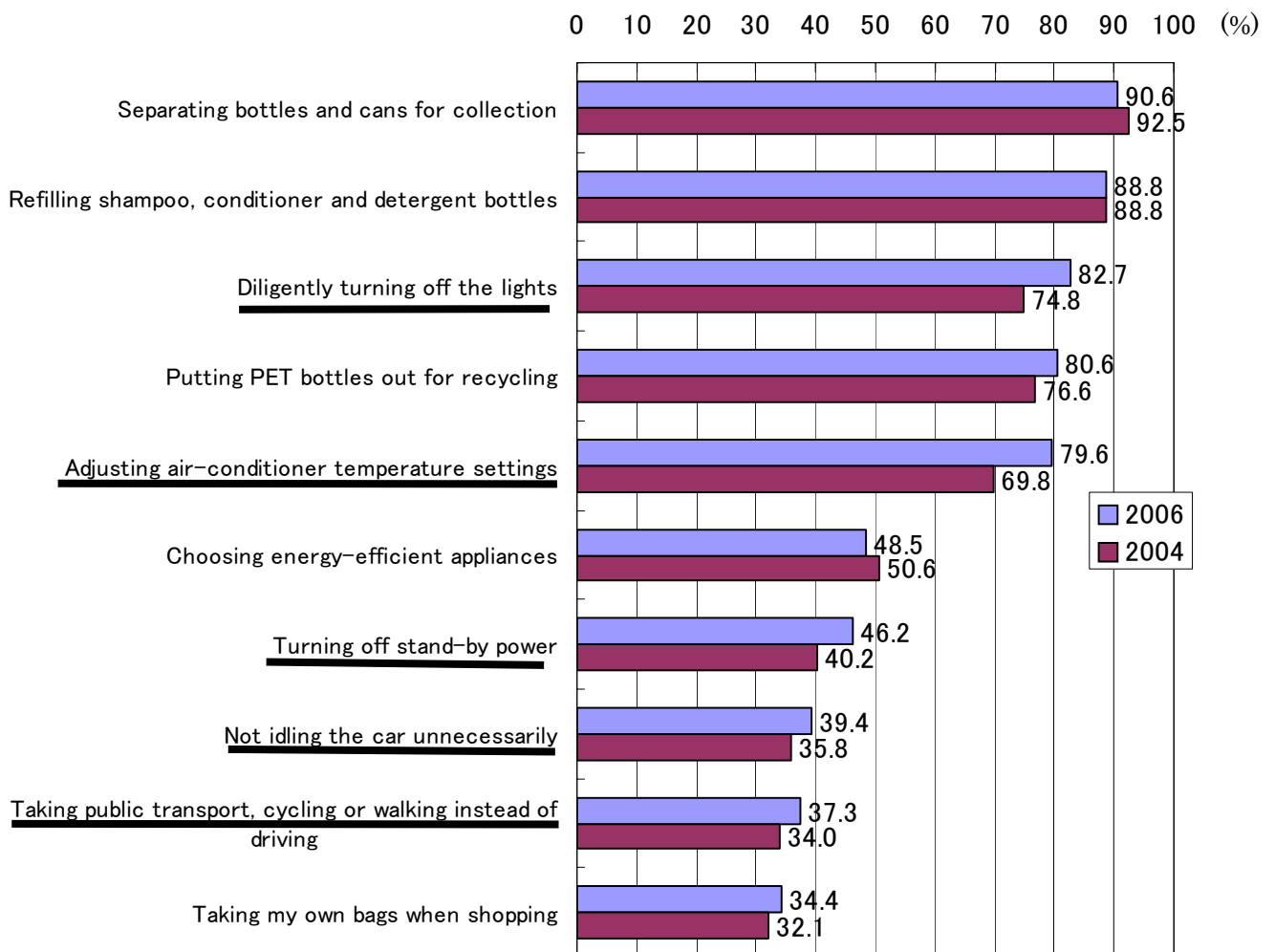
Top 10 environmental issues of concern (%)



- **The percentage of people carrying out actions that help prevent global warming is up across the board. More than 80% of *sei-katsu-sha* separate bottles and cans for collection, refill shampoo, conditioner and detergent bottles, diligently turn off lights and put PET bottles out for recycling.**

Global warming was the issue of greatest concern for *sei-katsu-sha*, and more people are taking steps to deal with this issue (actions underlined in the graph) now than were two years ago, partly in response to a government campaign to attack the problem. In addition, more people are taking other environment-friendly measures overall, with more than 80% of respondents reporting that they separate bottles and cans for collection, refill shampoo, conditioner and detergent bottles, and diligently turn off lights when they are not needed.

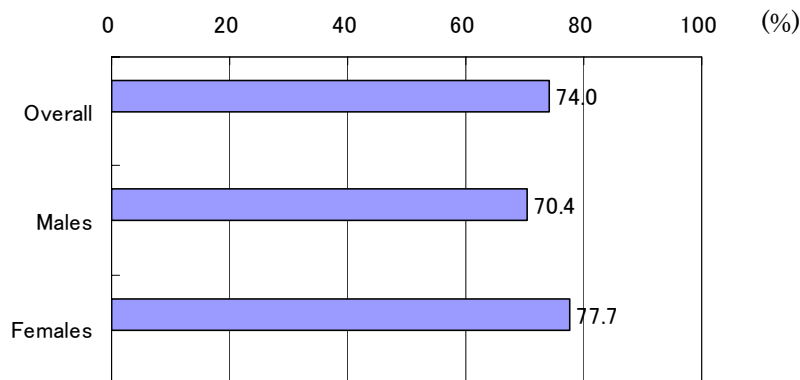
Top 10 actions undertaken in daily life to help protect the environment (compared with 2 years ago)



- **Overall, some 70% have selected a product out of consideration for the environment.**

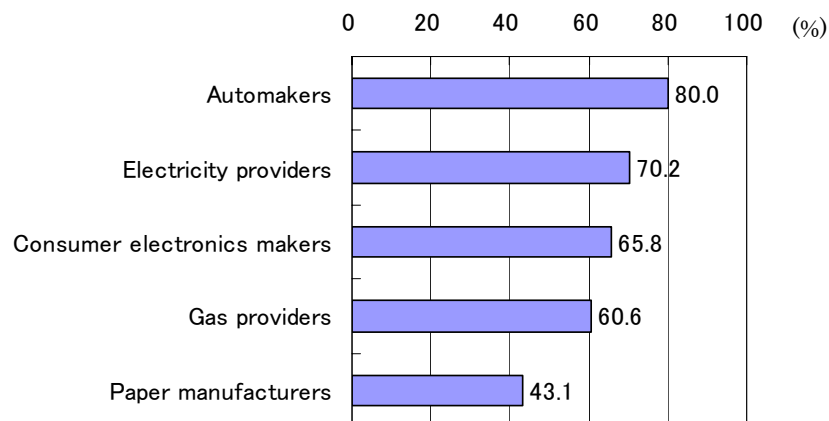
When we asked whether they had ever considered the environment when buying a product, overall, more than 70% said they had, indicating that awareness of environmental issues is affecting purchasing behavior.

Have chosen a product out of consideration for the environment



- **The top five industries thought to be proactively undertaking environment preservation activities were automakers, electricity providers, consumer electronics makers, gas providers and paper manufacturers.**

When we asked what industries they think proactively work to protect the environment, automakers (80.0%), electricity providers (70.2%), consumer electronics makers (65.8%), gas providers (60.6%) and paper manufacturers (43.1%) received the highest scores.



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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 tenth largest core agency in the world according to *Advertising Age's* agency report 2006. 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.