

Sei-katsu-sha Environmental Awareness Survey 2007

92.9% are concerned about global warming

More than 60% have become more concerned about the environment in the last year.

Energy-saving actions like adjusting air-con settings and reducing the use of plastic bags and other excess packaging are up across the board

Tokyo—July 5, 2007—To support the environmental communications of its clients, Hakuhodo's Environmental Communication Business Development Division (see below) and Research and Development Division recently conducted *Sei-katsu-sha** Environmental Awareness Survey 2007. The survey, which has been conducted annually since 2004, analyzes the environmental perceptions of *sei-katsu-sha* and their evaluations of environmental activities undertaken by companies. Findings from the latest survey are presented below.

Our findings show that in the last year *sei-katsu-sha* concern about the environment has grown markedly and that *sei-katsu-sha* actions and attitudes to actions that help the environment have also become more proactive. Notably, as much as 92.9% of all respondents say they are concerned about global warming, a significant jump on last year's 81.3%. It appears that environmental issues are starting to become a matter of personal concern to *sei-katsu-sha*.

The high degree of *sei-katsu-sha* concern can be seen in specific actions. Energy-saving actions like diligently turning off lights and adjusting air-conditioner temperature settings are carried out by close to 90%, indicating that these are now pretty much entrenched in people's lives. Then there is simplified packaging and plastic shopping bags, a hot topic as stores begin charging for them. The numbers of *sei-katsu-sha* who say no to excess packaging and who take their own bags with them when they shop are both up more than 10

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

points in comparison with last year. A majority of women—the main shoppers—in particular now refuse excess packaging (70.8%) and take their own bags with them to the supermarket (54.6%). In addition, *sei-katsu-sha* now seem to be actually putting thoughts into action, with the number of people who buy the products of companies with progressive environmental credentials rising from 18.5% last year to 26.3% this year.

Hakuhodo's Environmental Communication Business Development Division will continue this research and other measures in support of corporate environmental communications, thereby assisting clients' environment-focused communication.

About The Environmental Communication Business Development Division

This Hakuhodo unit integrates environment-related functions that were previously spread throughout the company to foster environmental initiatives companywide, support our clients' environmental communication efforts, develop content and carry out other related business.

Survey outline

Period: March 2007
Territory: Greater Tokyo and surrounds, Osaka/Kobe and surrounds
Respondents: Males and females aged 18 and over n = 520 (valid responses)
Method: Web site questionnaire (Hi-panel survey)

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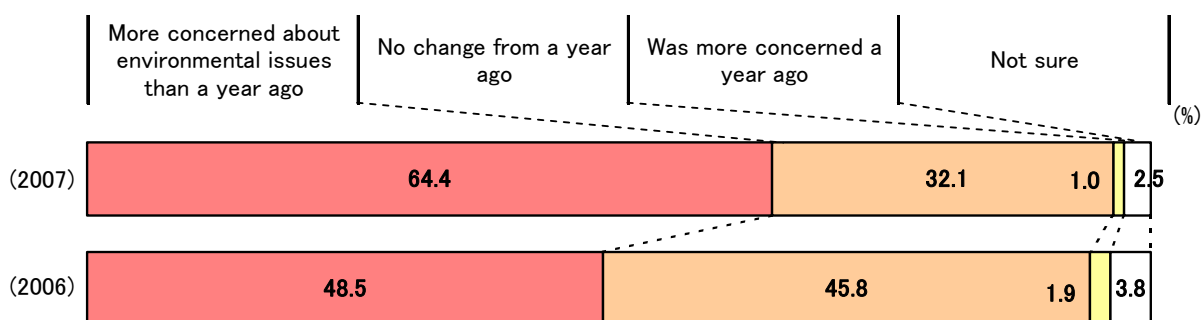
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Reference: Survey data

- **The number of people who have become more concerned about the environment in the last year burgeoned from 48.5% to 64.4%**

In one indication of the degree of concern *sei-katsu-sha* have for the environment, the number of people who say they grew more concerned about the environment in the past year jumped from 48.5% in 2006 to 64.4% this year. This means that in the last year more than 60% felt that some environmental issue was of personal concern.

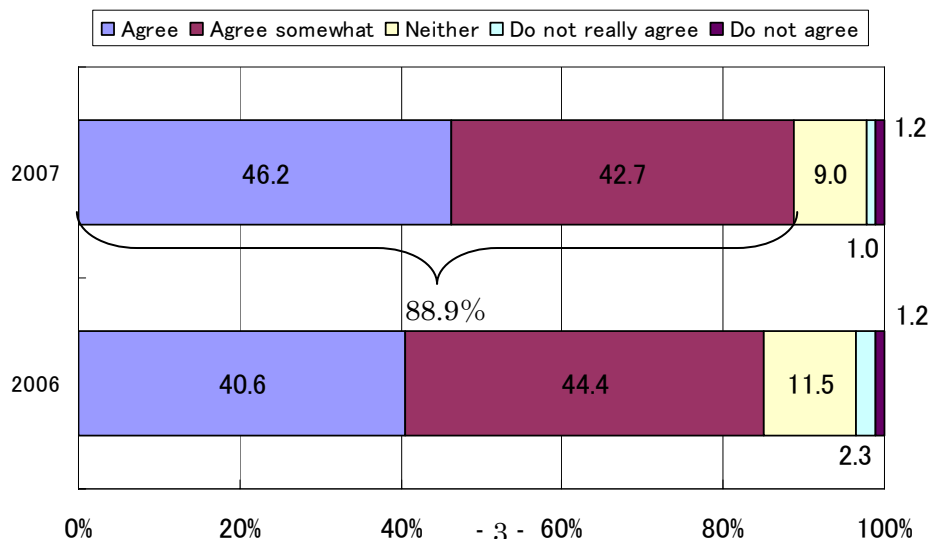
Has your concern about environmental issues grown in the last year?



- **The number who think they should protect the environment even at some inconvenience to themselves grew to 88.9% from 85.0% last year**

Investigating changes in *sei-katsu-sha* perceptions of environmental issues, we found that more people this year (88.9%) than last (85.0%) agreed (agree + agree somewhat) that they should try to protect the environment even if it is a bit inconvenient. This is likely a result of *sei-katsu-sha* resolve toward the environment.

Do you agree that we should protect the environment even at some personal inconvenience?

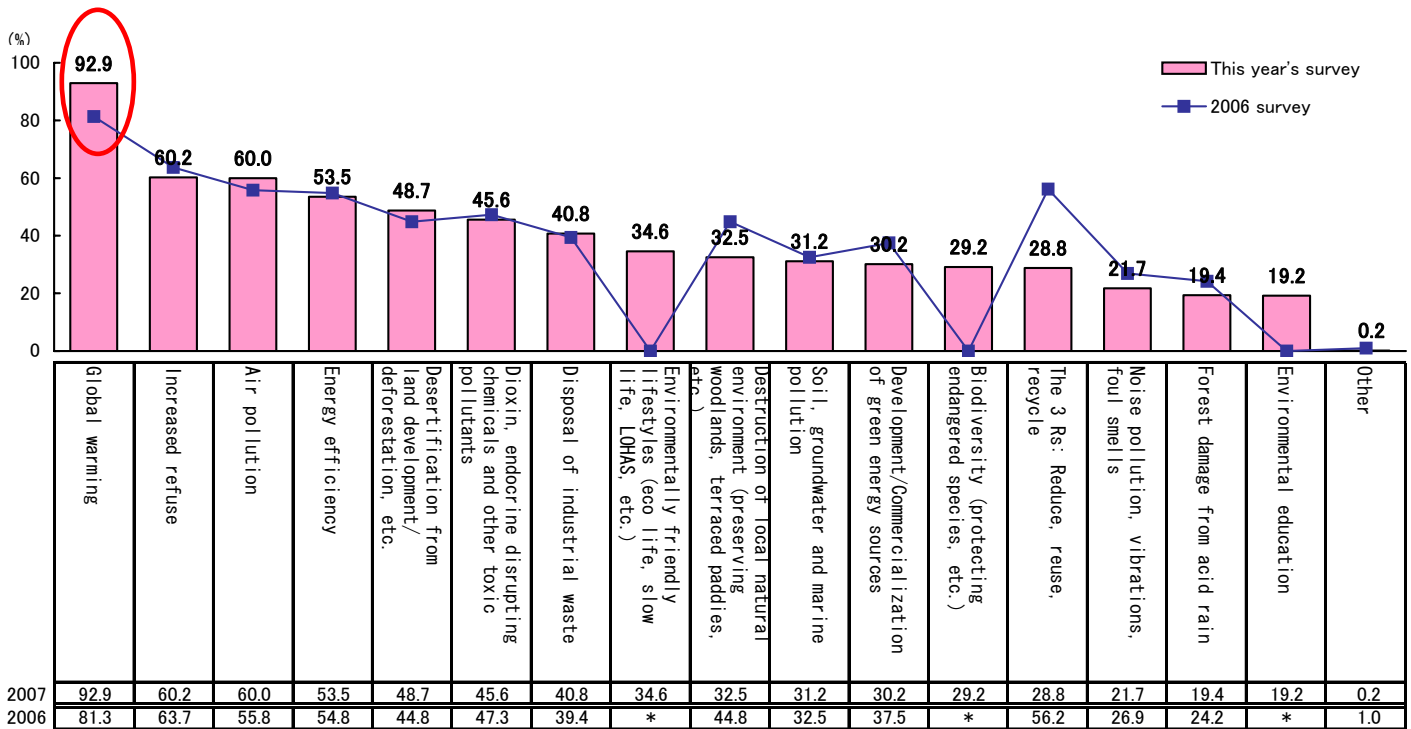


- **The environmental issue par excellence this year was global warming (up from 81.3% to 92.9%). The entities that people think need to work to solve this problem were the countries of the world (91.5%), the Japanese government (38.3%) and individuals (24.2%), in that order**

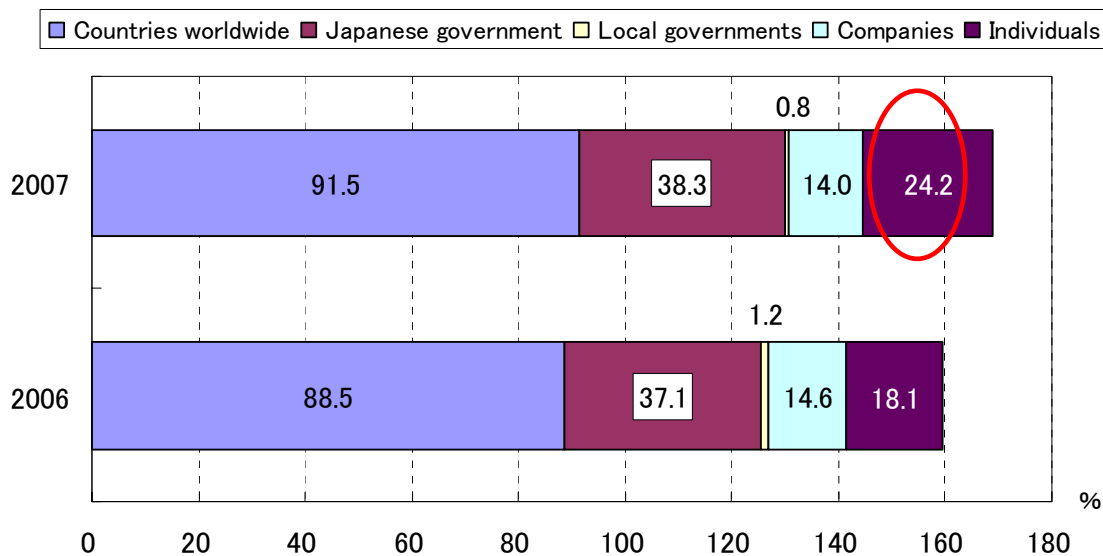
The hot button environmental issue was global warming, concern about which grew from 81.3% last year to 92.9% this year, perhaps due to the effects of the government's minus 6% campaign. A majority of people were also concerned about the growing refuse problem (60.2%), air pollution (60.0%) and energy efficiency (53.5%).

As to who should be responsible for solving global warming, the issue of greatest concern, the top responses were the countries of the world (91.5%), the Japanese government (38.3%) and individuals (24.2%). The figure for individuals is up from 18.1% last year, and shows the change in *sei-katsu-sha* ideas; a shift from simply leaving the environment in the hands of the state, companies and local government, to taking personal responsibility for tackling environmental issues.

Which of the following environmental issues do you personally feel concerned about? (Items marked with an asterisk (*) were not surveyed in 2006)



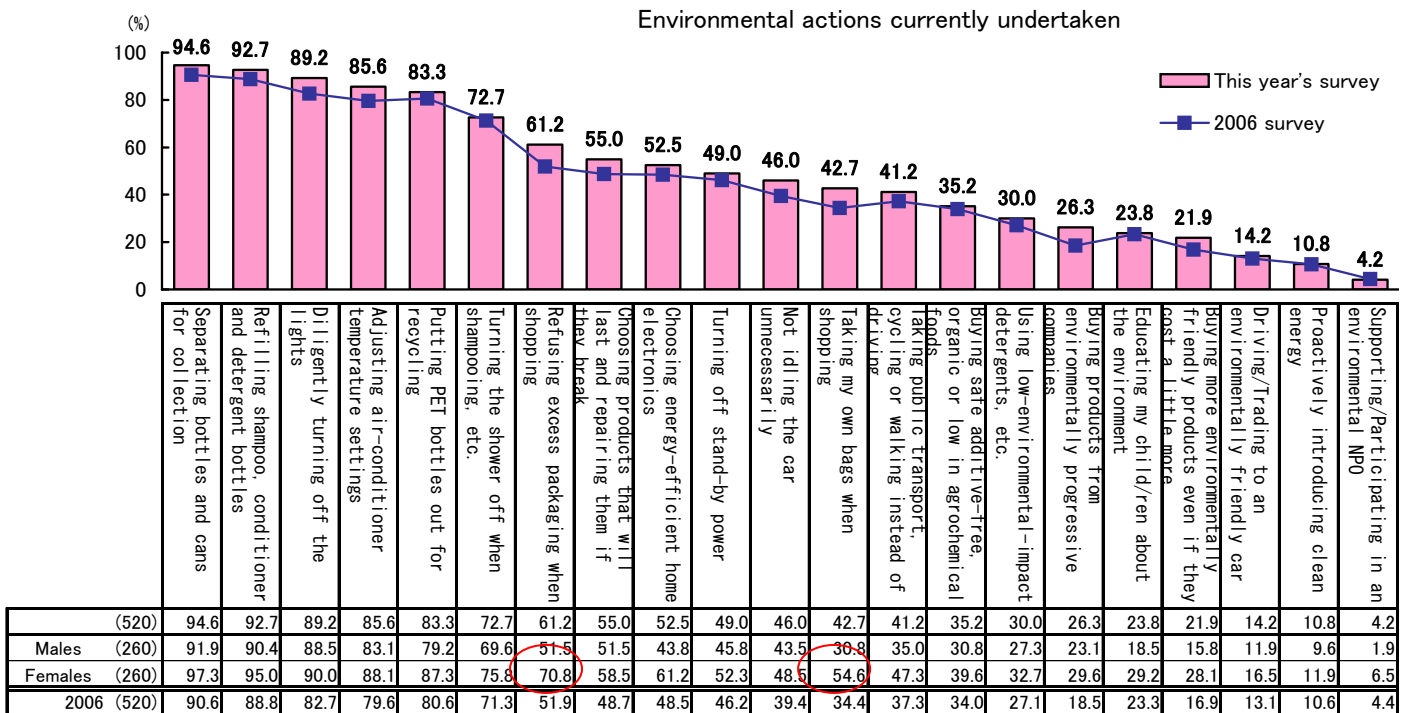
Who should be responsible for solving global warming? Select the two entities you think most responsible



- **Close to 90% of *sei-katsu-sha* diligently turn off lights and adjust their air-conditioner's temperature setting in order to save energy and protect the environment. The numbers of people declining excess packaging and taking their own shopping bags with them to the supermarket were up more than 10 points each since last year**

Among environment friendly activities people undertake in their day-to-day lives, garbage-reducing measures like separating bottles and cans for collection (94.6%) and refilling shampoo, conditioner and detergent bottles (92.7%) topped 90%, while such energy-saving tricks as diligently turning off lights (89.2%) and adjusting air-conditioner temperature settings (85.6%) were undertaken by close to 90% of respondents. Both these seem to be well entrenched in *sei-katsu-sha* lives. Compared with last year, these activities were all up around 6 points. The results for refusing excess packaging (51.9% in 2006, 61.2% in 2007) and taking one's own shopping bags to the supermarket (34.4% in 2006, 42.7% in 2007) were also both up close to 10 points on the previous year. Among women, the main shoppers, clear majorities now turn down excess packaging (70.8%) and take their own shopping bags (54.6%). Additionally, more people buy products from companies with progressive environmental policies this year (26.3%) than last (18.5%), indicating that *sei-katsu-sha* are now starting to put their money where their mouths are when it comes to the environment.

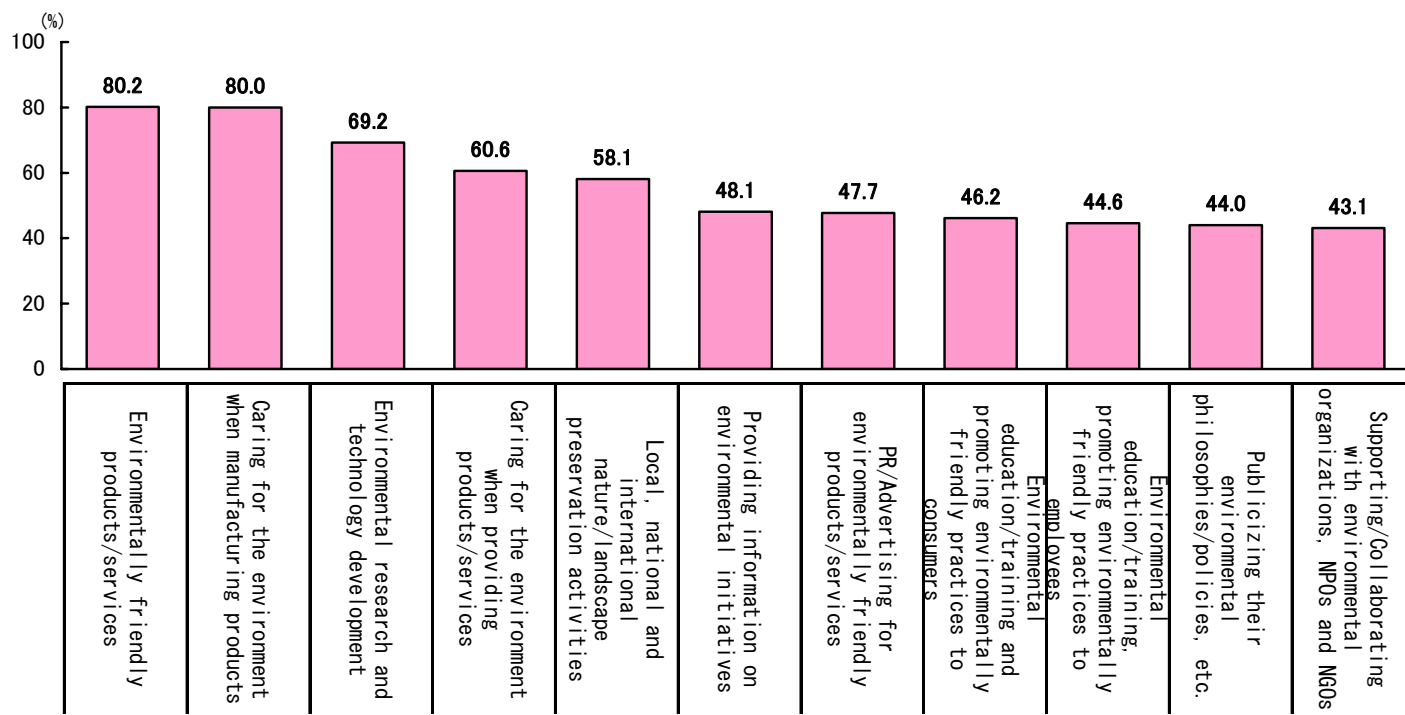
Actions sei-katsu-sha undertake in their day-to-day lives



- **Sei-katsu-sha look to companies to work on solving environmental issues by selling environmentally friendly products and services and giving consideration to the environment when manufacturing products. They would also like to see environmental research and development supporting this**

Among the environmental activities respondents would like to see companies carry out, selling environmentally friendly products and services (80.2%) and being considerate to the environment when manufacturing their wares (80.0%) were selected by around 80% of respondents. Following these was environmental research and development (69.2%) to support these activities.

Which of the following activities would you like to see companies undertake in order to address environmental concerns?



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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 2007. 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 64 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.