

Hakuhodo Foresight Lifestyle Innovation Survey 3: *Sei-katsu-sha* Attitudes to Sport

Sports account for around 30% of what makes people's lives worth living

Squash, horsemanship and other unconventional sports get a look in as sports people want to play in the future

Figure skating, at 67.8%, is the top sport normally watched on TV

Figure skating, mixed martial arts and synchronized swimming: sports people would like to watch live in future:

Tokyo—24 July, 2007—Hakuhodo's Hakuhodo Foresight consultation team monitors changes in societal and *sei-katsu-sha** values and transformations in consumer behavior, etc. caused by changing lifestyles through its Lifestyle Innovation Survey.

In this 3rd survey, we probe and analyze the myriad attitudes and desires in *sei-katsu-sha*'s sports mindsets. Preliminary findings of this themed research appear below.

Our findings show that although a small number of hugely popular sports were the dearest to *sei-katsu-sha* in the past, new sports are also gaining ground in recent times.

The overall average value given to sports as part of what makes people's lives worth living was a high 27.4%. There was very little variation in this among the age groups, indicating that sports are something that make life worth living for many, regardless of age. We also discovered that sports programming accounts for an average 20.4% of programs watched; that an average 24.1% of free time is devoted to sports, and that an average 18.7% of spending money is spent on sports-related purchases. With responses to questions like these around 20% across the board, sports' position as entertainment appears to be assured amidst the rapid diversification of *sei-katsu-sha* interests and tastes in recent years. Nonetheless, these figures are still around 10 points off the close to 30% part that sports

* *Sei-katsu-sha* ("living consumers") 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 its commitment to a comprehensive, 360-degree perspective on consumer's lives.

play in making people's lives worth living. This suggests that there is still some latent potential in the sports market.

We also investigated the status of new sports that look set to take off, from the perspectives of playing, watching on TV and watching live. Here, a desire for new/unconventional sports was evident; with squash (10.7%) and horsemanship (7.9%) coming in as the 6th and 10th top sports respondents would like to play in the future. Similarly, figure skating (67.8%) topped baseball and soccer as the No. 1 sport normally watched on TV. In sports that respondents would like to watch live in the future, some of the top slots were filled by new sports that are growing in popularity and beginning to be shown on commercial TV: figure skating came in at No 1, mixed martial arts (K-1, PRIDE, etc.) No. 4 and synchronized swimming No. 5.

Hakuhodo Foresight will leverage these survey findings to provide insights into market and corporate futures and consultation on the creation of future scenarios.

Survey outline

Respondents:	Registered HILL net (a Hakuhodo Institute of Life and Living survey panel) participants
Territory:	Tokyo and surrounding prefectures
Sample size:	361 males and females (15-79)
Period:	March 20-31, 2007
Method:	Self-administered postal survey

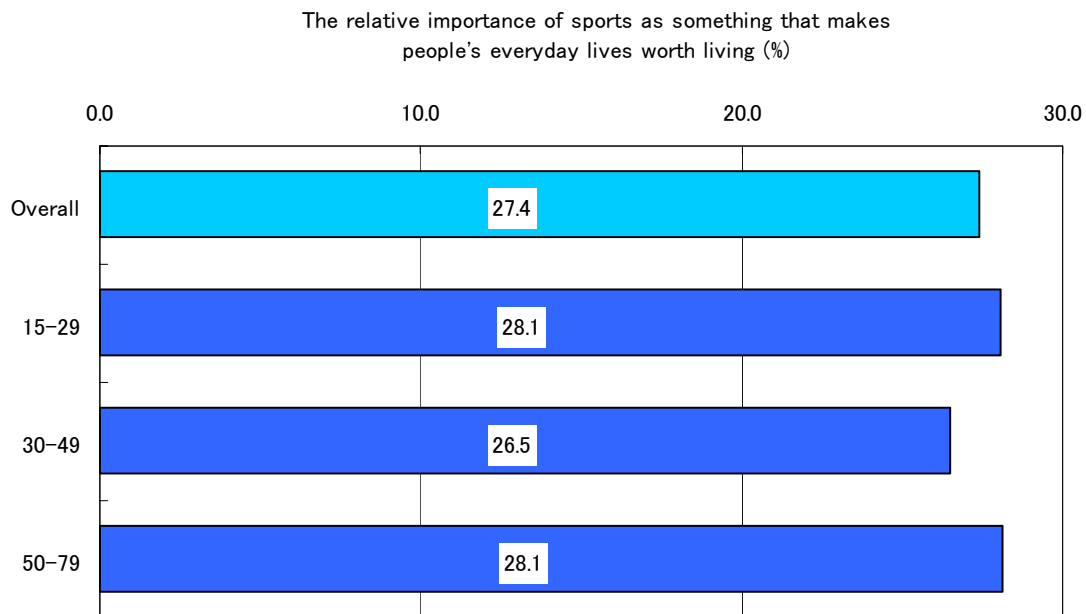
About Hakuhodo Foresight

Hakuhodo Foresight is a specialist consulting team that develops future insight and future scenarios for markets and companies using Demand-Side Innovation. In Demand-Side Innovation, innovation does not refer to new technological advances or transient booms, but instead to paradigm shifts in society and among *sei-katsu-sha* that work in concert with these to create new currents of the times. The idea is that the social value and markets of technologies and products change spontaneously as they become accepted by and spread among users. This leads in turn to the advent of new innovations, and the formation of "visions of the future."

Survey data

- **Sports account for 30% of what makes life worth living for all age groups**

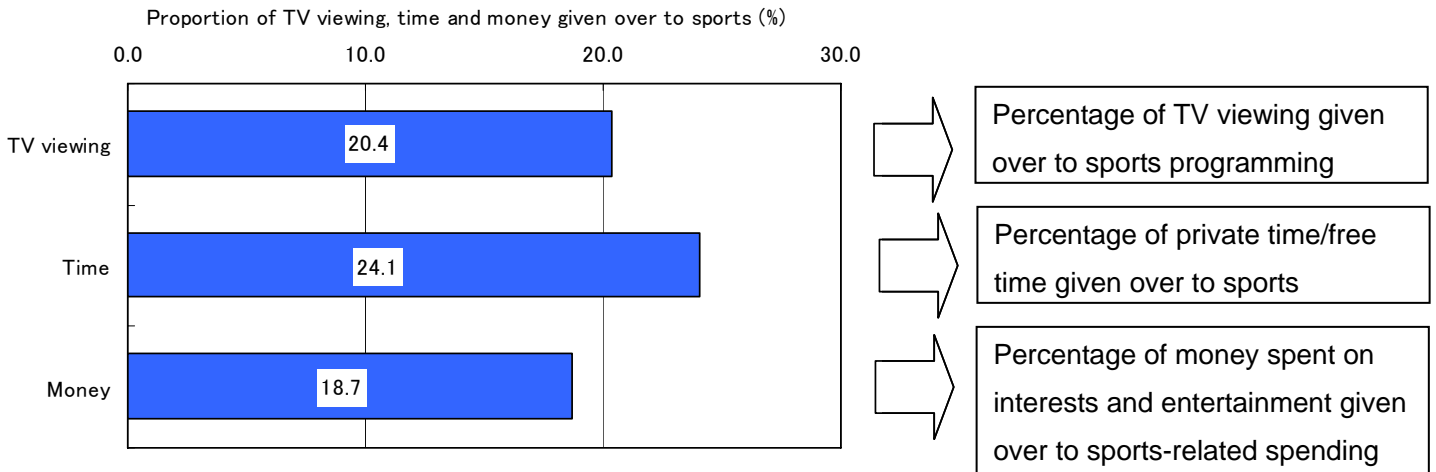
When we asked respondents the relative importance of sports as something that makes their lives worth living, the overall average across all age groups (15–79) was a high 27.4%. By age group, there was very little difference: the average for 15–29 year olds was 28.1%, 30–49 year olds 26.5%, and 50–79 year olds 28.1%. Sports are seen as something that makes life worth living across all age groups. The high score for the 50–79 group in particular suggests that when it comes to consumption, there is potential for sports in the baby-boom and “elder” markets.



- **Sports score high in questions on the importance of sports in respondents' lives. Sports programming accounts for 20.4% of TV programs watched**

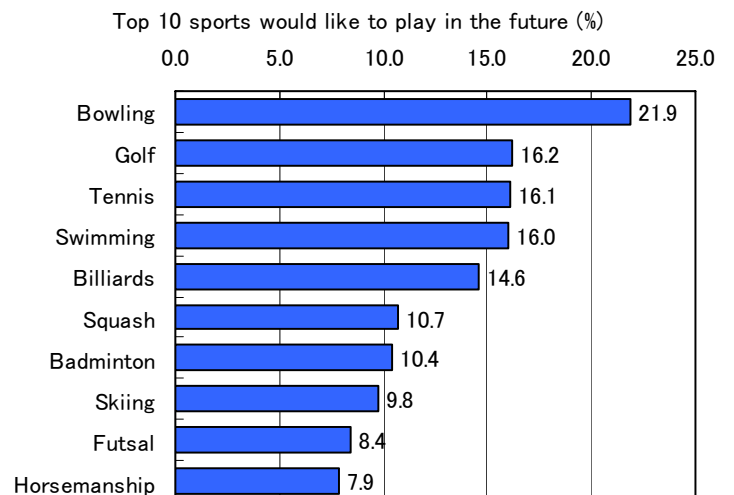
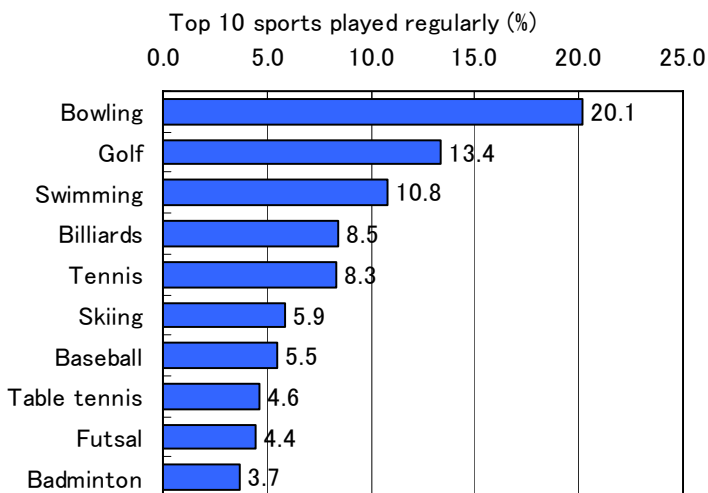
We asked respondents the degree to which sports have penetrated their everyday lives through questions on three areas: TV programs watched, and time and money spent. We found that (1) Sports programming accounts for 20.4% of TV programs watched (2) 24.1% of free time is spent on sports and (3) 18.7% of free spending money is spent on sports. *Sei-katsu-sha* interests and tastes have been diversifying at a staggering rate in recent times, but with scores for sports of around 20% in all these questions, the position of sports as a source of entertainment appears to be assured. However, as there is still a difference of close to 10 points against the close to 30% part that sport plays in making

people's lives worth living, it looks as though sports-related spending could still grow. It would also be fair to say that there is still untapped potential in the sports-related market.



- **Squash, horsemanship and other new sports get mentioned as sports people would like to do in the future**

We asked a variety of questions to uncover new sports with the potential to become big in the future. In terms of sports to play, we asked respondents two questions: which sports they play regularly and which sports they do not play but would like to in the future. In both sports people play regularly and sports they would like to play in the future, standard sports like bowling, golf and tennis fill the top spots. But with squash (10.7%) and horsemanship (7.9%) making inroads into sports people want to play in the future at No. 6 and No. 10 respectively, a desire for new and unconventional sports is gradually becoming apparent.



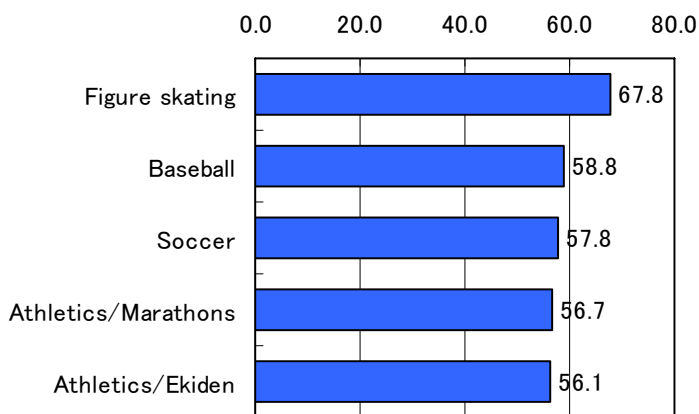
- **Among sports normally watched on TV, figure skating was No. 1 at 67.8%**

In terms of sports watched on TV, we asked respondents what sports they normally watch on TV and what sports do they not currently watch on TV but would like to in the future.

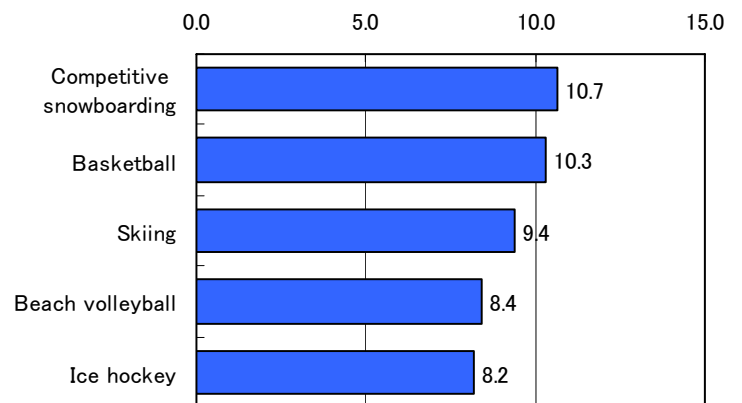
Perhaps due to the timing of the survey (in March), figure skating (67.8%) came out as the top sport normally watched on TV, ahead of baseball (58.8%) and soccer (57.8%)

The top sport that respondents do not currently watch on TV, but would like to in the future was competition snowboarding (10.7%), followed by basketball, skiing (alpine and freestyle), beach volleyball and ice hockey. With this many unconventional sports in the top five, there seems to be some potential for new sports in TV programming.

Top 5 sports normally watched live (%)



Top 5 sports do not normally watch live but would like to in the future (%)

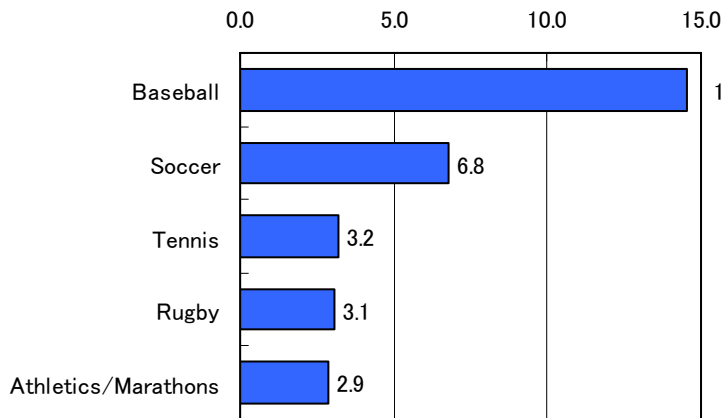


- **The No. 1 sport to watch live in the future is figure skating. Mixed martial arts (K-1, PRIDE, etc.) and synchronized swimming also make the Top 5**

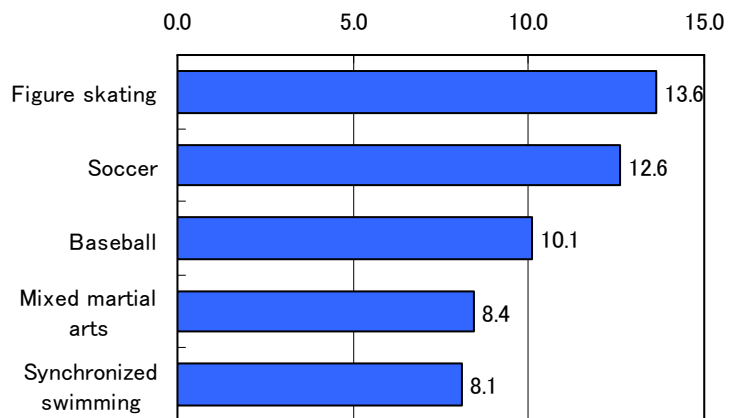
Likewise in sports watched live, we asked respondents what sports they normally watch live and what sports they do not watch live but would like to in the future.

The No. 1 sport watched live is baseball (14.6%) followed by soccer (6.8%) and other mostly standard sports. But in sports respondents do not normally watch live but would like to in the future, the top choice was figure skating (13.6%). Two other unconventional sports that are growing in popularity and beginning to be shown live on commercial TV also made the cut. Mixed martial arts (K-1, PRIDE, etc.) (8.4%) followed at No. 4 and synchronized swimming (8.1%) at No. 5.

Top 5 sports normally watched live (%)



Top 5 sports do not normally watch live but would like to in the future (%)



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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 67 offices in 18 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.hakuhold-dy-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.