

Members of the Press

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Hakuhodo DY Holdings Inc.

Hakuhodo DY Holdings acquires Canadian creative agency
Sid Lee International

Hakuhodo DY Holdings Inc. (Minato-ku, Tokyo; Hirokazu Toda, President & CEO) strategic operating unit kyu has acquired a 100% interest in Sid Lee International Inc. ("Sid Lee") and a 49 % stake in Sid Lee Architecture.

Sid Lee is a global creative company with offices in six cities in Canada, the Netherlands, France and the US that transforms brand experiences across a wide range of disciplines, including advertising, architecture, digital marketing, social marketing, interior design, content, branding, customer relationship marketing and data analysis, and events and store activation. With specialized companies in digital technology and architecture under its umbrella, Sid Lee is an innovator recognized for its ability to transform the brand experience.

Sid Lee is highly regarded inside and outside the advertising industry. Its entries into award shows have garnered over 300 prizes at top-tier competitions including the International Festival of Creativity at Cannes, D&AD, One Show and Marketing Awards. In 2014, it was named independent agency of the year by France's Grand prix des agences de l'annee and agency of the year by the influential Canadian marketing journal *Marketing Magazine* (four times since 2009). The agency, which has around 550 professionals with an array of specializations from over 27 countries, is partner to numerous global companies.

Digitalization and globalization have made the marketing activities that companies carry out more complex and sophisticated world-wide, spurring innovation in marketing methods and the development of new solutions. To respond to these changes, the Hakuhodo DY Group put forward the acquisition of specialist marketing service companies that offer advanced specialist marketing methods and solutions as a key driver of growth* in its new Medium-Term Business Plan. The acquisition of Sid Lee is part of this endeavor.

* Hakuhodo DY Holdings' three Key Drivers:

- (1) Strengthening of *sei-katsu-sha* driven marketing response capabilities,
- (2) strengthening of business structures in emerging countries, particularly Asia, and
- (3) continuous enhancement of specialization and innovation

The Hakuhodo DY Group, through kyu, will continue to enhance specialization and innovation within the Group in order to realize its basic medium-term strategies. These are: to be among the world's leading marketing service groups and to be our clients' best marketing partner. kyu's purpose is to create new markets and movements and continuously invigorate society and people through our advanced and creative integrated marketing solutions. Doing so will also contribute to the growth of the Group's international operations in terms of revenue.

The impact of the acquisition of Sid Lee on consolidated performance in the year ending March 31, 2016 will not be material.

About Sid Lee International Inc.

Headquarters: Montreal, Quebec, Canada
Offices: Canada (Montreal, Toronto), Netherlands (Amsterdam), France (Paris), USA (New York, Los Angeles) (6 cities in 4 countries)
Established: 1993
Management: Bertrand Cesvet, Executive Chairman
Jean-François Bouchard, President & CEO
Gérard Tardif, CFO
Employees: 550
Business: Integrated marketing services including digital, advertising, online marketing, branding, construction, retail design, entertainment and more
Key clients: Absolut Vodka, Cirque du Soleil, Facebook, Coca-Cola, Samsung, Intel, Instagram, Adidas, Videotron, SAQ
URL: <http://sidlee.com/>

About kyu

kyu, the strategic operating unit of Hakuhodo DY Holdings, was created in May 2014 to ensure the continuous enhancement of specialization and innovation in the

Hakuhodo DY Group. Michael Birkin heads kyu as CEO; its operating companies include SY Partners, Red Peak Group (Red Peak Branding, Red Peak Youth and RPMC) and, since June 2015, Digital Kitchen.

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