

Members of the Press

February 10, 2016  
Hakuhodo DY Holdings Inc.

**Global design and innovation company IDEO will join kyu, a strategic operating unit of Hakuhodo DY Holdings Inc.**

Hakuhodo DY Holdings Inc. (Minato-ku, Tokyo; Hirokazu Toda, President & CEO) announces that its strategic operating unit kyu will invest in IDEO LP (“IDEO”), a world-renowned design and innovation firm based in the United States, to have a 30% equity stake in the company. We have also reached an agreement with IDEO’s shareholders to have an option to purchase a majority interest at a future date.

Originally founded in California's celebrated Silicon Valley, IDEO today has 10 global offices in North America, Europe and Asia. It offers design consulting in a broad range of fields, including products, services, digital experiences, healthcare, education and issues of public interest. Named in *Businessweek* magazine’s list of the most innovative companies in the world in three consecutive years, IDEO has a formidable reputation worldwide.

The Hakuhodo DY Group has put forward in our current Medium Term Business Plan the acquisition of and investment in specialist creative service companies that offer advanced brand building methods and solutions as a key driver of growth\*. The investment in IDEO is part of this endeavor and through its superlative creativity and innovation we expect IDEO to have great synergy with the current members of kyu - SY Partners, Red Peak Group, Digital Kitchen and Sid Lee.

\* 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, (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 our basic medium-term strategies. These are to be among the world’s leading creative service groups; to be our clients’ most important brand building partner; and to create new markets and movements to continuously invigorate society and *sei-katsu-sha* through our new, advanced

creative solutions.

IDEO will also contribute to the growth of the Group's international operations going forward, although the impact of the investment in IDEO on consolidated performance in the year ending March 31, 2016 will not be material.

#### ■ About IDEO

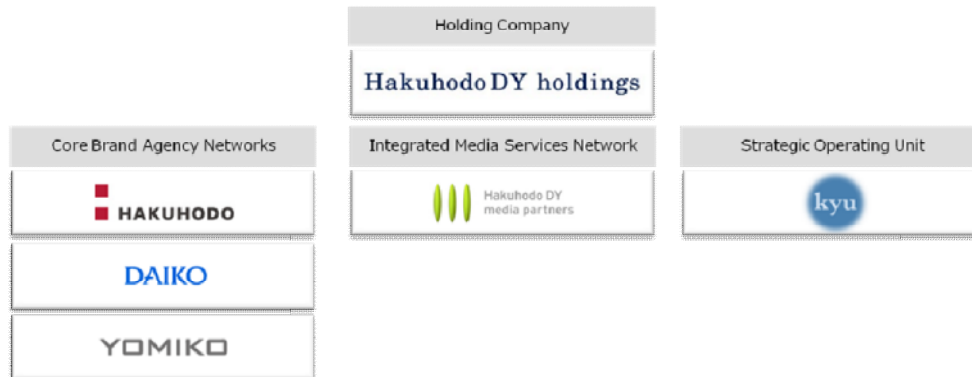
IDEO is an award winning global design and innovation company. It creates positive impact through design by taking a human-centered approach to helping organizations in the public and private sectors innovate, grow, and bring to market new ideas. IDEO has offices in New York, Boston, San Francisco, Palo Alto, Chicago, London, Munich, Shanghai, Singapore and Tokyo.

#### ■ About Hakuhodo DY

Hakuhodo DY Holdings Inc. is a marketing services company headquartered in Tokyo, Japan. It was formed in 2003 when its core brand agencies Hakuhodo Inc. (founded 1895), Daiko Advertising Inc. (founded 1944) and Yomiko Advertising Inc. (founded 1946) integrated and created a joint holding company ("DY" represents the initial letter of Daiko and Yomiko, respectively).

The Hakuhodo DY Group comprises five distinct groups: Hakuhodo, Daiko, Yomiko, Hakuhodo DY Media Partners, an integrated media services network, and kyu, a strategic operating unit. *Advertising Age* ranks the Group among the world's top ten

agency companies. The Group consists of 265 subsidiaries and associates with a combined total of over 14,000 employees working in 21 countries.



*Sei-katsu-sha* Insight, the centerpiece of the Hakuholdings Group's philosophy, is the foundation for the Group's thinking, planning, and brand building. It recognizes that people are not just consumers performing an economic function, but rather individuals with distinct lifestyles, aspirations and dreams. They are *sei-katsu-sha*, or "people with lives." Hakuholdings introduced this term in the 1980s to emphasize its commitment to a comprehensive, 360-degree, perspective on peoples' lives.

Renowned for its creativity, the Hakuholdings Group has won the Grand Prix at the Cannes Lions International Festival of Creativity multiple times.

#### ■ About *kyu*

Established in May 2014, *kyu* is a strategic operating unit of Hakuholdings DY Holdings. Working principally in North America and Europe, the unit's function is to ensure continuous enhancement of specialization and innovation in the Group through the partnership of companies that produce many unique and advanced creative services. Current members of *kyu* include Digital Kitchen, Red Peak Group, Sid Lee, and SY Partners.

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