

FOR IMMEDIATE RELEASE

Hakuhodo DY Holdings

April 5, 2018

kyu, a strategic operating unit of Hakuhodo DY Holdings, acquires
US digital marketing agency Kepler Group

Hakuhodo DY Holdings Inc. (Minato-ku, Tokyo; Hirokazu Toda, President & CEO) is pleased to announce that its strategic operating unit kyu has acquired a majority stake in US digital marketing agency Kepler Group LLC (Kepler) headquartered in New York.

Kepler is a digital marketing agency offering one-stop solutions, from digital marketing strategy planning to media buying, through the application of big data and its original Kepler Intelligence Platform (KIP). KIP optimizes marketing outcomes across multiple platforms and channels by integrating and customizing diverse data sets (such as customer data, campaign data, market data, and CRM data) on its own platform. This integration and customization enables automated, high-efficiency campaign deployments. Since its inception in 2012, Kepler has set up offices in Philadelphia, Chicago, and San Francisco to complement its New York headquarters. With a full-time staff of around 170 people, the company is seeking further business expansion.

Digitalization and globalization have made the marketing activities that companies carry out more complex and sophisticated worldwide, 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 creative service companies that offer advanced specialist marketing methods and solutions as a key driver of growth (See Note) in its new Medium-Term Business Plan. The acquisition of Kepler is part of this endeavor.

Note: 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 Hakuholdo DY Group, through kyu, will continue to enhance specialization and innovation within the Group in order to contribute to revenue growth in the Group's international operations and to realize our basic medium-term strategies. These are to be among the world's leading creative service groups as our clients' best marketing partner; and to create new markets and movements that continuously invigorate society and *sei-katsu-sha* through the provision of advanced and creative integrated marketing solutions.

The impact of the acquisition of Kepler on Hakuholdo DY Holdings Inc.'s consolidated performance in the year ending March 31, 2019 will not be material.

■ About Kepler

Company name: Kepler Group LLC
Headquarters: New York, USA
Offices: Philadelphia, Chicago, San Francisco
Established: 2012
Employees: Approximately 170
Field of business: Provision of integrated digital marketing services
Major clients: Fortune 500 companies primarily in the fields of finance, services, retail, and healthcare
Website: <http://www.keplergrp.com/>

■ About Hakuholdo DY

Hakuholdo DY Holdings Inc. is a marketing services company headquartered in Tokyo, Japan. It was formed in 2003 when its core brand agencies Hakuholdo 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 Hakuholdo DY Group comprises five distinct groups: Hakuholdo, Daiko, Yomiko, Hakuholdo 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 312 subsidiaries and associates with a combined total of over 15,000 employees working in 21 countries.



Sei-katsu-sha Insight, the centerpiece of the Hakuholdo DY 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.” Hakuholdo introduced this term in the 1980s to emphasize its commitment to a comprehensive, 360-degree, perspective on peoples’ lives. Renowned for its creativity, the Hakuholdo DY Group has won the Grand Prix at the Cannes Lions International Festival of Creativity multiple times.

■ **About kyu**

kyu is an independent strategic operating unit of Hakuholdo DY Holdings Inc. operating in parallel with the Group’s core companies. It was created in May 2014 to ensure the continuous enhancement of specialization and innovation in the Hakuholdo DY Group through M&A with innovative and unique specialist marketing service companies primarily in North America and Europe. The CEO of kyu is Michael Birkin and its CFO is A.J. Hughes.

Website: <http://kyu.com/>

Media contacts:

Corporate Public Relations Division

koho.mail@hakuholdo.co.jp