

Shanghai Hakuhodo becomes official ISV of Alibaba's Tmall Innovation Center

Will utilize Tmall purchase data to provide full support, including new product development, for e-commerce businesses in the Chinese market

Tokyo—August 3, 2021—Hakuhodo Inc., Japan's second largest advertising company, is pleased to announce that Hakuhodo Group company Shanghai Hakuhodo Advertising Co., Ltd. (Headquarters: Shanghai, China; President: Shoichi Hirano) has acquired official accreditation as an independent software vendor (ISV) (Note 1) of Alibaba Group's Tmall Innovation Center (TMIC).

Through this, Hakuhodo Shanghai and the Hakuhodo Group will offer full-scale support for developing new products that are more attractive to customers and realizing e-commerce businesses. They will do this by combining massive stores of purchasing data from the TMIC-owned e-commerce site Tmall and other external data and functions with *sei-katsu-sha* insight and implementation capabilities the Hakuhodo Group has honed over many years.

In recent years, e-commerce has come to account for 50% of total retail sales in China (Note 2), and companies' marketing is pivoting toward e-commerce. The number of new products in the Chinese e-commerce market has been increasing year by year, and Tmall, which has around 760 million users, launches several tens of millions of new products each year.

Because the time spend by companies in developing new products is long, accurately and effectively grasping the ever-changing needs of Chinese *sei-katsu-sha* is challenging, which makes it difficult to create hit products.

The Hakuhodo Group has long emphasized support for companies looking to revamp their marketing, and the acquisition of official ISV accreditation with TMIC will enable us to contribute more than ever to clients' entry into and expansion in China's e-commerce business. The forming of teams of Shanghai Hakuhodo specialists who have TMIC New Product Planner certification will enable the development of new products that meet *sei-katsu-sha* needs, and much shorter lead times.

Moreover, besides new product development, we support Japanese and Chinese clients' e-commerce businesses in the Chinese market with one-stop support, from marketing strategy planning to creative, ad delivery, and post-product-launch purchasing analysis using TIMC's marketing dashboard.

The Hakuhodo Group will continue to leverage *sei-katsu-sha* data to provide full-funnel support for clients' marketing DX to help them maximize the value they provide.

Note 1: At Alibaba, an ISV is a service partner

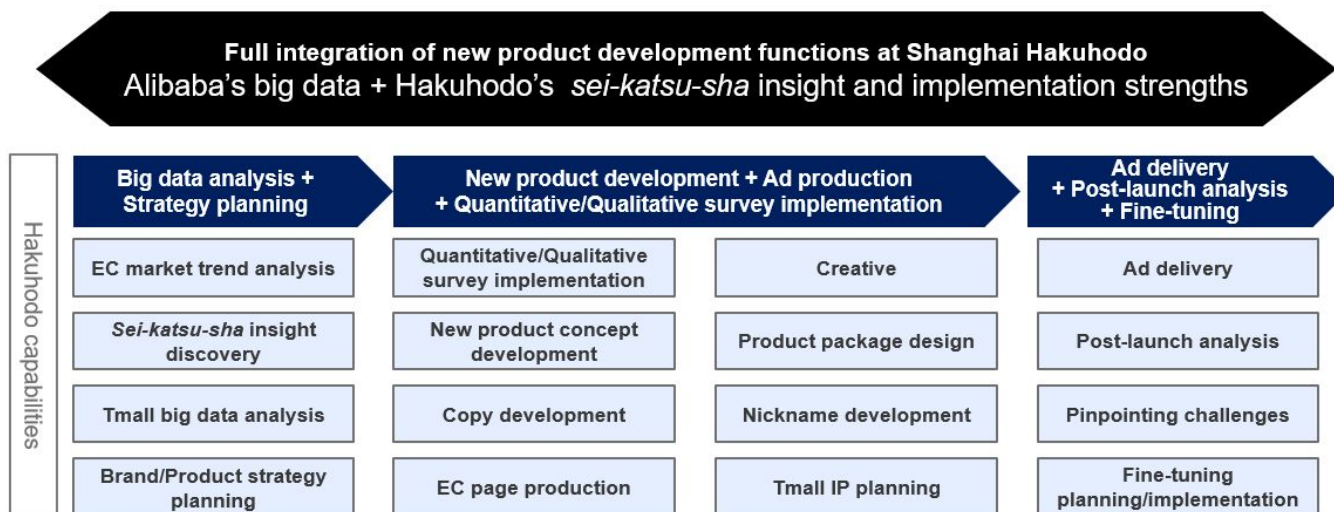
Note 2: Source: "FY2019 E-Commerce Market Survey," Ministry of Economy Trade and Industry of Japan, 2020

Contact for business and service content inquiries:
Shanghai Hakuhodo Advertising Co., Ltd.
sh-contact@hakuhodo.cn

Media contact:
Corporate Public Relations Division
Hakuhodo Inc.
koho.mail@hakuhodo.co.jp

Supporting material

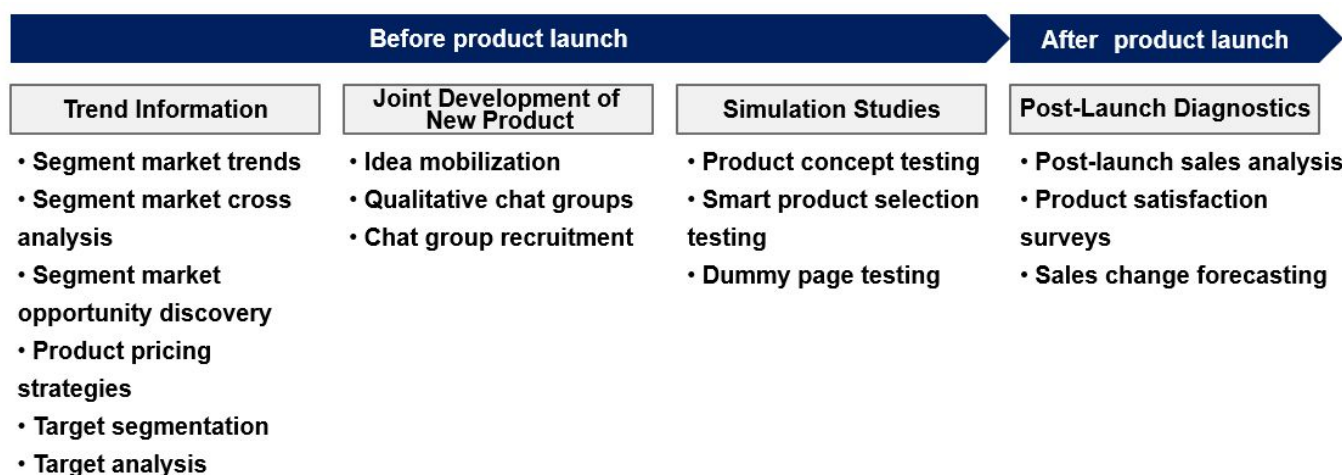
The Hakuhodo Group's one-stop e-commerce business services



Functions and tools that can be utilized as an official TMIC independent software vendor

Tmall Innovation Center (TMIC)'s marketing dashboard uses big data from Tmall and various surveys to support processes from strategies in the pre-product-development phase, through measuring results after the new product launches.

The dashboard has market opportunity discovery, product opportunity search, pricing strategy, ad delivery improvement and other functions.



TMIC New Product Planner Certifications



About Alibaba and Tmall

Established 1999 in China, Alibaba is a pioneering company in the Chinese e-commerce market. One of Alibaba's e-commerce sites, the B-to-C e-commerce site Tmall was established in 2008 and, in terms of total retail sales, is now one of the largest online shopping malls in China. Due to the requirement of having a corporation in China, only local Chinese companies and international companies with a presence in China can sell on Tmall.

■ About Shanghai Hakuodo Advertising Co., Ltd.

Established in 1996, Shanghai Hakuodo is the Hakuodo Group's first full-service advertising company in China. In the 25 years since its establishment, it has implemented the Group's Partnership and *Sei-katsu-sha* Insight philosophies and provided Japanese and Chinese companies with integrated marketing services. Leveraging Hakuodo's global network, it works with Hakuodo HQ in Tokyo and our offices around the world to provide high-quality one-stop services to clients in China, from strategy planning to implementation. Establishing a new DX Business Division this year, Shanghai Hakuodo is strengthening its offerings in the e-commerce business, big data, customer data platform and customer relationship management domains and, drawing on *sei-katsu-sha* data, provides full-funnel support for clients' marketing DX.