

(Joint Release)

Hakuhodo Inc.
Japan Airlines

Hakuhodo and Japan Airlines to test KOKYO NFT, experiential NFTs aimed at increasing “relationship populations”

~Utilizing the web3 technology, demonstration experiments start from February 2023~

Tokyo—February 9, 2023—Hakuhodo Inc., an integrated marketing and innovation company headquartered in Tokyo, and Japan Airlines Co., Ltd. (JAL) today announced an agreement to jointly conduct demonstration experiments in Amami, Kagoshima Prefecture and Toba, Mie Prefecture, with the aim of verifying the feasibility of experiential NFTs intended to increase “relationship populations^{*1}” by selling local experiences as NFTs^{*2} both internationally and domestically, using web3^{*3} technology.



JAL, which aims to solve social issues and create a sustainable human flow as stated in its ESG strategy, and Hakuhodo's Mirai Business Division, which aims to develop new businesses beyond the advertising business, have been discussing “experiential NFTs” to revitalize regional areas facing the social challenge of rapid population decline. This initiative started as a project of Scrum Studio Inc.'s “SmartCityX,” a global open innovation program in which large corporations representing various industries and startups from around the world collaborate to co-create highvalue services and applications.

The "KOKYO NFT" project aims to build a system that enables long-term relationships between visitors and the region before and after the trip and increase the number of relationship population.

*1 Relationship populations are people who are not permanent residents or one-time visitors, but people who have a great love and appreciation for the place they are visiting, and are more likely to visit multiple times.

*2 NFTs (non-fungible tokens) are digital tokens that exist on a blockchain and cannot be replicated. It can be used as proof of community membership, as it is difficult to scam and can prove the authenticity of a transaction.

*3 web3 is the next-generation of the World Wide Web that utilizes blockchain and other decentralized technologies. Unlike web 2.0, which is the centralized network, web3 allows each person to control their digital identity.

In Toba, we offer the right to experience the "Pearl Wedding Ceremony," which celebrates the 30th anniversary of marriage. As Toba is famous for the origin of pearl farming, married couples can celebrate the 30 years of marriage at a special "Pearl Wedding Ceremony" with Toba NFT. In Amami, we offer an NFT which contains a co-ownership right of a shochu barrel. NFT holders could taste the shochu and join the distillery experiential program when they visit the distillery. After the shochu is to be distilled in the barrel for three years, they could receive the original kokuto shochu.

The NFTs will be produced and sold by 4M, Inc. and all processes involving NFT development and SNS operation will be outsourced to Lead Edge Consulting Co.,Ltd. NFT will be available at "KOKYO NFT website."

Through this initiative, JAL Group aims to build a new business challenge contributing to create relationship population by utilizing web 3.

Hakuhodo's MIRAI Business Division is creating web 3 experiences together with partner companies, leveraging its strengths in *Sei-katsu-sha* Insight and creativity. This initiative is part of this endeavor and the Division's aim to build a world where more *sei-katsu-sha* can participate in web 3.

Overview of the demonstration experiments

Toba, Mie

In Toba, we are offering the right to experience the "Pearl Wedding Ceremony," which celebrates the 30th anniversary of marriage. It includes a special course meal at Ama Hut, socialization with Ama divers, and a digital coupon to purchase pearl jewelry at Mikimoto Pearl Island.

1. Release date: Feb. 28, 2023
2. Price : 1,000,000JPY
3. Experience program provider:

- i. Ise-Shima Resort Management Co.,Ltd./Toba Hotel International (Toba, Mie•General Manager : Fukunori Somyo)
 - ii. AMA hut "HACHIMAN" (Toba, Mie•CEO : Kazuhiro Nomura)
 - iii. MIKIMOTO PEARL ISLAND CO.,LTD. (Toba, Mie•CEO : Otohisa Matsuda)
4. Toba NFT URL: <https://kokyo-nft.jp/toba/>
 5. Twitter: https://twitter.com/Kokyo_nft

The Mie Prefectural Government has been involved in "SmartCityX" from the very beginning of the project, and has provided a support for the demonstration experiment in Toba City together with Toba City.

Amami, Kagoshima

In Amami, we offer the co-ownership right of a kokuto shochu barrel and the right to choose the music for sonic-aging. There will be events in every summer and winter till the original shochu is to be distilled in three years. NFT holders can enjoy tasting event, music concert, and distillery experiential program.

1. Release date: Feb. 28, 2023
2. Price: 120,000JPY
3. Experience program provider: NISHIHIRA DISTILLERY (Amami, Kagoshima•CEO : Selena Nishihira)
4. Amami NFT URL : <https://kokyo-nft.jp/amami/>
5. Twitter: https://twitter.com/Kokyo_nft

Amami City has provided a support for the demonstration experiment in Amami.

Roles of each company

JAL: Overall service planning

Hakuhodo: Overall service planning, and project production management

4M: Producing the demonstration experiment (system construction and progress management), NFT publishment and sales

Lead Edge Consulting: NFT publishing technology support, SNS operation, PR support, and community management support

JAL and Hakuhodo will verify the possibility of creating relationship population through this demonstration experiments and contribute to solving the major social issue of Japan's depopulation.

About Hakuholdo Inc.

Founded in 1895, Hakuholdo is an integrated marketing solutions company headquartered in Tokyo, Japan. With offices in 20 countries and regions, and over 10,000 specialists working in Japan and around the world, Hakuholdo is the world's second largest advertising agency according to Ad Age's "Agency Report 2022." The company is the core agency of the Hakuholdo DY Group.

Sei-katsu-sha insight is the foundation for Hakuholdo'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. Hakuholdo introduced this term in the 1980s to emphasize its commitment to a comprehensive, 360-degree perspective on consumers' lives.

About Hakuholdo's MIRAI Business Division

Launched in 2019, the MIRAI Business Division is a Hakuholdo unit dedicated to developing new businesses beyond the company's traditional field of advertising. Based on a commitment to collective business creation, Hakuholdo itself becomes an owner of the businesses developed, bringing together a variety of partners with the goal of realizing large projects. Leveraging Hakuholdo's strengths in *sei-katsu-sha* insight and creativity for business creation, the Division works to design the lives and society of the future beyond business.

About Japan Airlines

Japan Airlines (JAL) was founded in 1951 and became the first international airline in Japan. A member of the oneworld® Alliance, the airline now reaches 411 airports in 60 countries and regions together with its codeshare partners with a modern fleet of 241 aircraft. JAL Mileage Bank (JMB), the airline's loyalty program, is one of the largest mileage programs in Asia. Awarded as one of the most punctual major international airlines and a certified 5-Star Airline by Skytrax. JAL is committed to providing customers with the highest levels of flight safety and quality in every aspect of its service, and to becoming one of the most preferred airlines in the world. More information can be found at <https://www.jal.com/en/>.

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