

June 4, 2013

ASATSU-DK INC.

ADK and Stipple conduct a strategic business partner agreement for regions of Asia, including Japan

On May 31, ASATSU-DK INC. (President & Group CEO: Shinichi Ueno; Head Office: Chuo-ku, Tokyo; hereinafter "ADK") conducted a strategic business partner agreement for regions of Asia, including Japan, with Stipple, Inc. (U.S.). Stipple, the global leader in image-based advertising and e-commerce, enables brands to advertise in images across the Internet that contain their products.

Stipple is a venture corporation based in San Francisco, U.S. and has developed the "Stipple" service based on a total of 9 million US dollars in capital invested from firms such as Floodgate, Relevance Capital and Kleiner Perkins Caufield & Byers.

More consumers see brands' images freely floating across the web than the combination of consumers that visit brand websites, see brand ads and follow brands on social media. Stipple's unique technology reconnects these dispersed images from across the web (including images on top tier websites, Facebook and Twitter) back to their original owners, enabling the distribution of interactive media, advertising and e-commerce through photos. Consumers who touch these "intelligent images" can explore an array of interactive content, such as videos, photos, product information and more, without needing to click to another page. Stipple's development of in-line commerce^{*1} unlocks tremendous value for e-commerce businesses as it enables them to efficiently drive revenue directly through photos on social media and websites.

Stipple is used in advertising campaigns in the U.S. and internationally. Prior to the formation of this business partnership agreement, Stipple has worked in Japan, such as use in promotions for the film *Nobo-no-Shiro* (The Floating Castle; ©2011 Nobo-no-Shiro Film Partners) which was released in November 2012. The partnership agreement was concluded as part of ADK's growth strategy for the digital field, as well as part of Stipple's international growth.

Based on this agreement, ADK shall construct a new revenue model and increase our presence as a competitive advertising company by working to expand services in the digital field. Examples include performance-based advertising for units of engagement,^{*2} which is a new internet advertising index, development of advertising and PR services derived from native advertising,^{*3} which is a new trend in

advertising methods, and development of services for e-commerce businesses.

In conjunction with this agreement, ADK plans to exhibit at “ad:tech kyushu,” a digital marketing conference which will be held on June 5th and 6th in Fukuoka. Our booth will allow visitors to experience the Stipple service and we will also hold a workshop.

Stipple, Inc.: Company Information

Name: Stipple, Inc.

Location: 360 Ritch Street, 3rd Floor, San Francisco, CA, 94107 USA

Established: June 2010

Representative: Founder & CEO, Rey Flemings

Employees: 16

Capital: \$9M

Website: <https://stipple.com/>

Overview of ad:tech kyushu

Held June 5th & 6th, 2013 at Fukuoka International Congress Center

<http://www.adtech-kyushu.com/en>

ADK Workshop Schedule: June 6th; 15:10 to 16:00

Title:

Now the world takes attention to the totally unique and new technology born in San Francisco, "Stipple", which is an image-based ad solution, is coming to Japan at last!

(*1) In Line Commerce

Generic name for services in which an e-commerce purchasing screen is established in-line with the existing content. It includes, in-stream commerce on a timeline in social media such as SNS and blogs, and all payment procedures can be completed on the timeline. Since payment can be completed without moving to another page, the service prevents users from leaving. Furthermore, by spreading through friendships on social media, the service creates a strong incentive for purchasing.

(*2) Engagement

Behavior taken by users based on interest in advertisements is defined as an effect of advertising. In addition to conventional indexes such as “clicks” and “impressions,” engagement measures the action of touching advertisements and the participation in contents within the advertising as the expression of interest towards a products or service. Research for engagement is being conducted as a method for heightening the effects of advertising, such as utilizing as data for optimization of advertising insertion.

(*3) Native Advertising

Instead of using a conventional fixed advertising framework, native advertising is a method which appeals to users by featuring products and

services within the context of contents such as articles. Native advertising is considered to be an improvement on advertorials. From around the summer of 2012, native advertising has been the subject of attention and debate mainly in the U.S. as an effective advertising method for future web media which will continue to diversity in terms of user browsing devices such as PCs, smartphones and tablets.

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