

February 2, 2010
ASATSU-DK Inc.

Notice Regarding Establishment of Joint Venture Company to Engage in Advertising Transmission Business Using Digital Signage: LAWSON, ADK, and NTT DOCOMO

On February 2, 2010, three companies—LAWSON, INC. (LAWSON: headquartered in Tokyo; Takeshi Niinami, President & CEO), ASATSU-DK Inc. (ADK; headquartered in Tokyo; Koichiro Naganuma, President and Group CEO), and NTT DOCOMO, INC. (NTT DOCOMO, headquartered in Tokyo; Ryuji Yamada, President and Group CEO)—formed an agreement to establish a joint venture company to mutually develop and operate “New Media” (new, high-value-added media centering on digital signage technologies). The new company is scheduled to be established in March 2010 launch services in June 2010.

Purpose of Three-Way Joint Venture

LAWSON operates around 9,700 convenience stores nationwide and possesses a wealth of customer information via its points-based card, while ADK has undertaken independent research into digital signage in its capacity as an advertising company. NTT DOCOMO, meanwhile, has amassed considerable technological expertise and provision of mobile phone services. The three companies plan to establish a joint venture aimed at proliferating and expanding New Media as a platform that deploys their respective infrastructures and know-how. In the process, the three companies will seek to raise their own corporate value.

Background and Overview of New Company

In recent years, the Japanese advertising market has seen remarkable growth in outdoor and Internet advertising, which are becoming more and more important as effective media for area- and time-specific ads, especially in major cities.

In this context, the digital signage segment of the advertising market is expected to keep growing as digital displays become more high-performance and low-priced, while the Internet and other networks enjoy upgraded infrastructures and deliver higher speeds.

The objective of the new company is to “foster communication with consumers and contribute to regional communities.” To this end, it will strive to establish “interactive communication media” combining digital signage and mobile phones, forged around LAWSON stores.

In developing New Media, the joint venture company will bring together the strengths of LAWSON, ADK, and NTT DOCOMO. Those strengths are summarized below.

- LAWSON: Nationwide network, customer-drawing power, information on customer characteristics according to region and store-visiting times
- ADK: Advertising sales know-how, media value quantification and analytical expertise, content planning and production capabilities
- NTT DOCOMO: Technological expertise related to linking digital signage and mobile phones (FeliCa®, Web coupons, etc.)

Features and Strengths of New Media

(1) Permits information delivery to numerous people in Tokyo

People visit convenience stores frequently in the course of their daily lives. In this context, LAWSON plans to set up outside-facing video displays at stores with the highest foot-traffic (around 300 stores in first year). This will allow provision of information not only to store visitors but also people passing by.

(2) Permits information to be customized according to area and time

The most appropriate information, tailored to the needs of store passers-by according to location and time, can be transmitted to New Media using the NTT DOCOMO network and displayed on monitors. Because the content of information can be changed depending on area and store, New Media can be used as a community information transmission point in conjunction with local festivities and events.

(3) Permits cross-media advertising in conjunction with mobile phones, FeliCa® terminals, and the Internet

Information on products and events is transmitted to mobile phones, encouraging recipients to visit LAWSON stores. More detailed information is displayed on store-front monitors, with FeliCa® terminals installed alongside. Customers can use the terminals to have coupons sent to their mobile phones or get more information about campaigns and other events.

Strengths of New Media from Advertisers' Standpoint

- Located close to convenience stores, so easy to link ads to purchasing behavior
- High visibility (two high-luminance monitors located side-by-side, just below eye line)
- Sound transmission can be limited to people in vicinity of monitors through use of directional speakers
- High level of content expression freedom since platform will be compatible with multiple formats, including video, still images, and Flash Media
- Effectiveness of advertisements can be analyzed by store and area through integration with LAWSON's sales data (purchasing information on point-card customers)

- Permits transmission of most appropriate content, tailored to the needs of passers-by according to area and time
- Permits implementation of consumer-participation-content (for example, people can use mobile phones to answer questionnaires or view images and videos)

Overview and Features of New Media

General format

Display of video and still images via two 46-inch monitors; audio delivered through directional speakers

Mobile phone link available via FeliCa® terminals installed alongside monitors

Locations

Front of LAWSON convenience stores (facing outward)

Scale

Operation to start at around 300 stores, centering on Tokyo (incremental expansion); initial focus on major business areas, such as Shinjuku, Shibuya, Ginza, and Shinbashi

Transmission content

Advertisements and original content (entertainment information, tie-up content, lifestyle information, and local information, etc.)

Launch date

June 2010 (plan)

Concept

“Instant contact x Numerous contact points—New media for communicating with customers”

Profile of Joint Venture Company

Name	Cross Ocean Media Co., Ltd. (plan)
Main business	Advertising business via digital signage, centering on LAWSON convenience store chain
Headquarters	Shibuya, Tokyo (plan)
Representative	Yoshifumi Ichihara, President
Capitalization	¥785 million (capital stock: ¥393 million; additional paid-in capital: ¥392 million)
Equity holders	LAWSON (42%); ADK (38%); NTT DOCOMO: (20%)
Establishment	March 2010 (plan)
Service launch	June 2010 (plan)
Employees	10 (plan)

Information contained in this document is valid as of the release date. Readers are asked to acknowledge that information contained herein, including specifications, service content, and contact details, is subject to change without notice.

* FeliCa® is a registered trademark of Sony Corporation.

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