

March 27, 2017

Shinichi Ueno
President and Group CEO
ASATSU-DK INC.
Securities code: 9747

ADK acquires stakes in 1-10 imagine
Advanced technology bolsters up capabilities of offering and
implementation in “experimental design”

ADK (Registered name; ASATSU-DK INC., President & Group CEO; Shinichi Ueno, Head office; Minato-ku, Tokyo) announces that it has received shares of 1-10 imagine, Inc. (President; Yoshiaki Sawabe, Head Office, Kyoto-shi) issued by means of allocation to a third party. Two companies start working collaboratively on a full scale in April. Our clients will only benefit from advanced technology-led proposal and implementation in “experimental design”.

ADK has forged ahead on its own path to a consumer activation company, which moves consumers and contributes to clients’ results directly, by developing a range of services without limiting the traditional advertising discipline.

“Experimental design” is what is strongly needed recently, which creates contact points for consumers and brands, leveraging advanced digital technology. ADK has joined such technology bandwagon to bolster up capabilities of offering and implementation, and expand business resources aggressively. A new image technology market including VR (virtual reality), and AR (augmented reality), is indeed a growing and promising area, which attracts a variety of fields such as sports, apparel, entertainment, real estate, travel, medicine, public welfare, and education. As a new brand experimental approach, it is playing an increasingly prominent role in a consumer activation business that ADK has advocated.

1-10imagine is a wholly-owned company of 1-10HOLDINGS, Inc. (President; Yoshiaki Sawabe, Head Office, Kyoto-shi) and specializes in new business creation and space creative, exploiting digital technology such as VR, AR, MR or mixed reality, as well as projection mapping, CG hologram, drone, and a wide variety of sensors.

Upon receipt of shares of 1-10imagine issued by means of allocation to a third party, ADK will own 49% of 1-10imagine's outstanding shares. Subsequently, ADK assigns two directors, one full-time and another one part-time, who will sit in the board of 1-10imagine, ensuring closer cooperation and alliance.

Up to now, ADK and 1-10 Group have developed communication ideas as a team, for example, a co-project "NOIMAN" established in 2014 by concerted efforts of ADK and 1-10design, Inc. (hereinafter "1-10design"). Among many works, TOYOTA BARISTA, a creative that the co-project planned and created for Toyota Motor Corporation won the silver and bronze awards at 2016 Spike Asia. Our collaborative framework can only be strengthened into the future. Combining ADK's strength in content and promotion business and 1-10 Group's leading edge efforts, we will offer innovative experimental designs and services to brands' promotion, space business including events, commercial complexes, entertainment facility, public spaces.

Such acquisition is expected to enhance the ADK group's digital technology business, hence, contribute to the mid-and long-term performance. Nonetheless, its impact on the consolidated business of the current fiscal year is considered marginal.

■ Outline of third-party allocation of new shares

- (1) The number of shares issued 2,679
- (2) Parties to allocate and the number of shares allocated
 - ASATSU-DK Inc. 1,803
 - 1-10HOLDINGS, Inc. 876

■ About 1-10 Group

1-10design, a creative studio, was founded in 1997, which has now evolved to a group company of nine separate businesses under 1-10HOLDINGS. It has offices in Kyoto, Tokyo, Singapore and Shanghai. It specializes in advertising creative, robot/AI, IoT/product prototype, space production/entertainment, and more. Holding out a tag line "IGNITE EVERYONE, UPDATE EVERYTHING", it indeed ignites consumers' mind with creative and innovative technology, providing them an opportunity to experience to update virtually everything. Its successful track record includes the high-profile development of emotion engine linked to artificial intelligence and emotion recognition designed for the world's first personal robot "Pepper", the proud of SoftBank Group Corp., "Sword Art Online-The Beginning, Sponsored by IBM" which re-created the

interpretation of the world of a virtual reality game. It has so far been awarded as many as 150 advertising and design awards at such major events as Cannes Lions International Festival of Creativity.

For further information, please visit <http://www.1-10.com/>

■ About 1→10imagine, Inc.

Name: 1-10imagine, Inc.

Location: Kyoto Office- 4th floor COCON Karasuyama, 620 Suiginya-cho, Yonjo sagaru,
Karasumaru dori, Shimogyo-ku, Kyoto

Tokyo Office- 7th floor, Sphere Tower Tennouzu, 2-2-4, Higashi Shinagawa,
Shinagawa-ku, Tokyo

Representative: Yoshiaki Sawabe, Representative Director & President

Established: October 2016

Capital fund: ¥125 million (after increase)

Business line: VR, AR, MR digital technology-led development of entertainment facilities,
permanent installation of content, other business.

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