

21 November 2018
ASATSU-DK INC.

For immediate release

ADK announces transition to holding company structure

ASATSU-DK Inc. (headquarters: Minato-ku, Tokyo, Japan; President & CEO: Shinichi Ueno) has announced today, that ADK group will complete its transition to a holding company structure as of January 2019. The official announcement will be subject to approval by the general shareholders meeting and the board of directors meeting scheduled for each company on January 1, 2019 or January 4, 2019.

1. Background and objective of transition to holding company structure

In 2013, ADK announced "VISION 2020", envisioning the growth up to 2020 based on the objective of becoming a true Consumer Activation Company.

This focus was to go beyond the traditional advertising agency business model and transform the organization into a marketing communications company that can provide clients with solutions that will activate consumer behaviour.

With the dramatic evolution of digital technology and the rapid penetration of social media, ADK has further evolved to embrace these changes to provide real-time future-facing solutions – solutions that will truly activate consumers.

ADK believe that optimising its core assets of professionalism and productivity is necessary in order to become the leading Consumer Activation Company.

Based on such imperative, ADK will further invest in its content business and strengthen its ability to provide best-in-class marketing services by accelerating and optimising data and technology.

Following the TOB by Bain Capital and the delisting from the Tokyo stock exchange in March of 2018, ADK has been accelerating its restructuring and structural reform towards strengthening professional areas and increasing productivity. This has resulted in the establishment of a new creative company and further enhancement of strength in direct business.

Through these reform measures, ADK group will evolve into a collective group of business entities with distinctive expertise, strengthening autonomous expertise in each business sector and increasing the output each entity can offer. These development led to the decision to transform into a holding company structure. By restructuring itself to become a group of specialized companies with a common mission of Consumer Activation, each entity will optimise its core output and professional strengths, culminating in effective network collaboration.

2. Overview of the reorganization

From January 2019, ADK group will transform into a holding company structure with ADK Holdings Inc. (ADKHD) functioning solely as a pure holding company, and ADK Marketing Solutions Inc., ADK Creative One Inc., and ADK Emotions Inc. being operating companies affiliated with ADKHD.

ADK Marketing Solutions Inc. will be responsible for providing integrated solutions in the marketing field, focusing on communication and planning / buying of digital and mass media, and utilising marketing data.

ADK Creative One Inc., the product of a merger between the former Creative Solutions Sector of ASATSU-DK Inc. and ADK Arts Inc, will be a fully integrated creative company, providing one-stop solution to its clients, ranging from planning through production & implementation in the creative and promotion areas.

ADK Emotions Inc. will further demonstrate its uniqueness and strength in the content business and will firmly establish its foundation in the rights marketing business.

As a result, ADK group will become a collective group in which each operating company has its own expertise and strengths.

Effective today, Nov. 21, 2018	Announcement of transition to holding company structure
Scheduled for Jan. 1, 2019	Effective disposition of absorption-type company split and changes of company names <ul style="list-style-type: none"> •ADK Holdings Inc. •ADK Marketing Solutions Inc. •ADK Creative One Inc.
Scheduled for Jan. 4, 2019	Effective disposition of incorporation-type company split pertaining to the establishment of ADK Emotions Inc.

3. Overview of major companies after transition to holding company structure

Company Name	ADK Holdings Inc.	
Company Address	1-23-1 Toranomom, Minato-ku, Tokyo	
Business Activities	Pure holding company providing overall group strategy and operational policies, management and direction of operating companies, as well as back-office functions to group companies	
Representative	Representative Director: Shinichi Ueno	
Capital	100 million JPY	
Fiscal Year	From Jan. 1 to Dec. 31	
Number of Employees	271 (Expected)	
Board of directors	Representative Director, President & Group CEO	Shinichi Ueno
	Director, Operating Officer, Executive Vice President, Group CTO (Chief Transformation Officer)	Hiroki Inada
	Outside Director, Chairman of Audit and Supervisory Committee	Toshio Kinoshita
	Director, Member of Audit and Supervisory Committee	Yuji Sugimoto
	Outside Director, Member of Audit and Supervisory Committee	Naofumi Nishi
Operating Officers	Operating Officer, Executive Vice President, Group CSO (Chief Strategy Officer)	Noriyuki Nakai
	Operating Officer, Executive Vice President, Group CFO (Chief Financial Officer)	Jin Akiyama
	Operating Officer, Group CHRO (Chief Human Resource Officer)	Akihide Miyawaki
	Operating Officer	Hitoshi Kasuga
	Operating Officer	Noriaki Kamei
	Operating Officer	Kenji Morinaga
	Operating Officer	Takahiro Noda
	Operating Officer	Yasuyuki Katagi
Operating Officer	Shun Watanabe	

(as of 1 January 2019)

Company Name	ADK Marketing Solutions Inc.	
Company Address	1-23-1 Toranomom, Minato-ku, Tokyo	
Business Activities	Solutions company providing integrated proposals and executions to solve marketing issues, planning and buying of digital and mass media, data-driven marketing, etc.	
Representative	Representative Director: Shinichi Ueno	
Capital	100 million JPY	
Fiscal Year	From Jan. 1 to Dec. 31	
Number of Employees	1,273 (Expected)	
Board of directors and auditors	Representative Director	Shinichi Ueno
	Director	Hitoshi Kasuga
	Director	Noriaki Kamei
	Auditor	Haruyuki Shimizu
	Auditor	Kyoko Ujita

(as of 1 January 2019)

Company Name	ADK Creative One Inc.	
Company Address	1-23-1 Toranomom, Minato-ku, Tokyo	
Business Activities	Fully integrated creative agency providing one-stop service from planning, creative development, to execution/implementation in creative and promotional areas.	
Representative	Representative Director: Kenji Morinaga	
Capital	90 million JPY	
Fiscal Year	From Jan. 1 to Dec. 31	
Number of Employees	671 (Expected)	
Board of directors and auditors	Representative Director	Kenji Morinaga
	Director	Ichihiko Suzuki
	Director	Shun Watanabe
	Auditor	Fuminori Unosawa
	Auditor	Sumito Sekine

(as of 1 January 2019)

Company Name	ADK Emotions Inc.	
Company Address	1-23-1 Toranomom, Minato-ku, Tokyo	
Business Activities	Planning and producing of IP (Intellectual Property) business, including planning/production/import & export/sales of various content, and rights marketing for anime, etc.	
Representative	Representative Director; Takahiro Noda	
Capital	100 million JPY	
Fiscal Year	From Jan. 1 to Dec. 31	
Number of Employees	72 (Expected)	
Board of directors and auditors	Director, Chairman	Shinichi Ueno
	Representative Director	Takahiro Noda
	Director	Shuji Wada
	Auditor	Fumikatsu Nakayama
	Auditor	Katsumi Tatsumoto

(as of 4 January 2019)

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