



Creating experiences
to enrich lives.

ADK SDG ACTION REPORT



Creating experiences
to enrich lives.



In 2020, ADK formulated the purpose statement, **Creating experiences to enrich lives**. Our goal is to redesign the lives of all stakeholders, including our employees, as stages to actually experience value, and to become a marketing company that enriches people's lives. In times which demand physical distancing, we feel that people are looking for compelling **enriching experiences** that will bring them closer together in the psychological realm. ADK's purpose and vision are being tested during these times.

Sustainable Development Goals have been established as “a universal call to action to end poverty, protect the planet and ensure that all people enjoy peace and prosperity.” These goals resonate with our purpose at ADK, and we are aiming to devote greater effort to these issues.

Representative Director
President & Group CEO, ADK Holdings Inc.

Shinichi Ueno

Sustainable
Development
Goals

At the United Nations Sustainable Development Goals Summit held in September 2015, 17 goals and 169 target actions for 2030 were established. With the goal to leave no one behind, various global issues are categorized into the areas of economy, society and environment, with an aim to make the 2030 Agenda for Sustainable Development a reality.

**SUSTAINABLE
DEVELOPMENT GOALS**





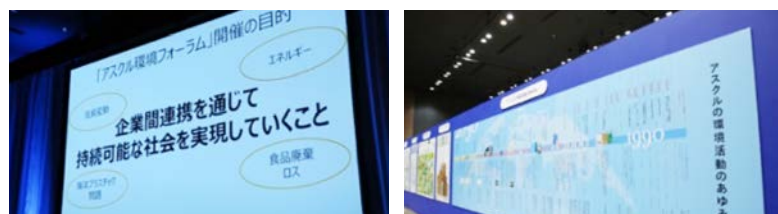
SDG Projects by ADK Clients

Here are some examples of SDG Projects undertaken by clients
with assistance from ADK.

(listed in Japanese phonetic order)

ASKUL Corporation ACTION FILE①

ASKUL Environmental Forum 2019



Mr. Akira Yoshioka, President & CEO of ASKUL Corporation, speaking at the ASKUL Environmental Forum 2019.

Aiming for realization of a sustainable society through corporate collaboration, a Forum was held to share environmental issues faced by companies

Issues brought on by climate change cannot be solved by individual companies. Companies in the supply chain must collaborate and cooperate to aim for reduction of CO₂ and a carbon-free society. ASKUL created opportunities for suppliers and companies to recognize and share various environmental issues together, and started a forum from 2016. ADK has been involved from the preparation phase where the purpose and objectives of the forum were set, organizing presentations on the most recent findings by specialists, as well as panel discussions with top executives of major corporations, to make the entire forum a successful environmental event.

ASKUL Corporation ACTION FILE②

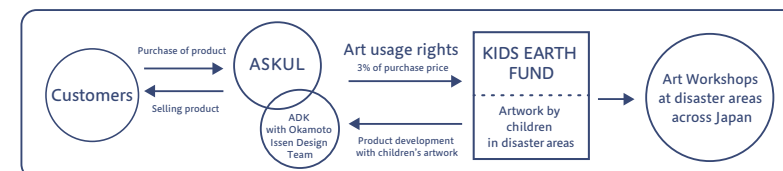
ASKUL Kodomo (Children's) Art Project



A Restoration Project to support children, initiated following the 2011 Great East Japan Earthquake

Art created by children living in the affected areas is made into product design, and 3% of the purchase price is donated to the Specified Nonprofit Organization, "KIDS EARTH FUND" from ASKUL as usage rights for the artwork. The usage fee is used for social contribution activities that benefit children such as art workshops for children in Tohoku and other affected areas. This project, which ADK has supported, has continued for many years, and has produced more than a dozen original products. In 2014, the project was awarded in the Restoration Support Category for the 8th Kids' Design Award (held by the Specified Nonprofit Organization Kids' Design Council).

Support Structure



Otsuka Holdings ACTION FILE③

OTSUKA Manga Health & Wellness Books



Started in 1989. Conveying basic health to children using easy-to-understand manga

In order to contribute to the health and wellness of children, and to facilitate deeper understanding of how the body works and how to stay healthy, a new Health-themed manga is published every year. The Otsuka Group donates these books to elementary and junior high schools, special education schools, and national and public libraries across Japan, as well as overseas Japanese schools, etc. These activities have been continued for more than 30 years since the start of the publication in 1989, and ADK has been supporting the Otsuka Group from the beginning. Not only do we produce the books, but we have also created comparison charts that show how the books correspond to the school curriculum guidelines, to promote utilization in the classrooms. ADK has also organized annual seminars on how to utilize the material for health education, targeted at teachers from schools across Japan.



Ory Laboratories ACTION FILE④

Avatar Robot Café



Promoting social involvement of persons with handicaps or mobility issues through a café where persons who are bedridden work as attendants

For a limited time, a café was opened where 30 individuals with various types of difficulties that kept them home attended to customers through a remotely controlled avatar robot. This attempt was recognized by various media and large corporations, and resulted in 10 out of the 30 people with handicaps becoming employees of corporations. ADK was in charge of selling the sponsorship, the creative work, event operation and PR for this project, and supported the social actualization of the remote work utilizing the avatar robot advocated by Ory Laboratories. The work has received the ACC 2020 Design Grand Prix, Spikes Asia Innovation Grand Prix, D&A 2020 Wood Pencil and many other awards.

- 1 Operation costs were funded by 9 co-sponsor companies who supported the cause, and 500 participants through crowd-funding.
- 2 30 persons with handicaps were employed and trained to operate the avatar robot for the café service.
- 3 The experience of piloting the avatar robot was provided to people with handicaps, and the resulting café attendant service was offered to 1,200 customers who visited the café over 3 weeks.

*Including spectators, 2,000 people visited the café.



KOSE ACTION FILE⑤

SEKKISEI Clear Wellness



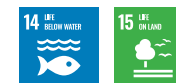
**SEKKISEI has been involved in environmental activities for 12 years
It is sustainable, and meets global additive-free standards**

The SEKKISEI series has been developed using natural ingredients, and a new brand line was created, where the brand concept focuses on sustainability. No labels, no printing, biomass PET, cardboard package: through these efforts, the product succeeded in carbon reduction. Activities are being extended as a brand that leads sustainable actions. The lineup will grow, and hold the position of the main series among the global SEKKISEI brand.



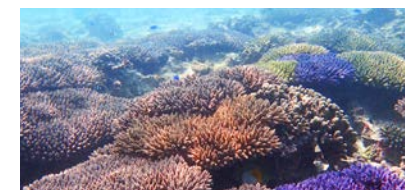
KOSE ACTION FILE⑥

SEKKISEI SAVE the BLUE



**As you become beautiful, so does the Earth
A project to donate proceeds, since summer of 2009**

Coral reefs in Okinawa are endangered from global warming. ADK proposed SAVE the BLUE, an environmental protection project to protect coral, to the SEKKISEI brand which benefits from the natural blessings of Japanese and Chinese medical herbs. The SEKKISEI SAVE the BLUE Project started in summer of 2009. From the 10th year, the project has expanded to tree-planting activities in forests in the Tohoku region, based on findings that this will restore and activate marine ecosystems. Deeper understanding toward coral protection/cultivation activities has had impact on retail store design, cooperation toward events and promotional support. The campaign has extended to a SAVE the BLUE design bottle for the product, and continues to expand further.

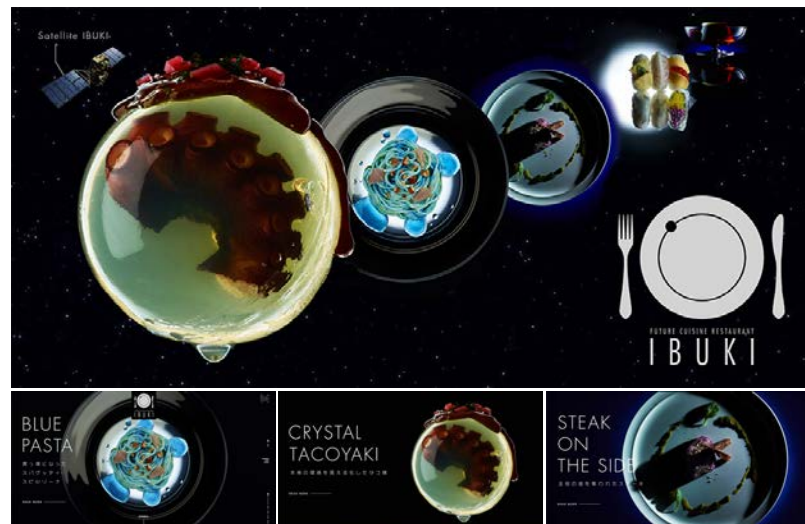


JAXA

Japan Aerospace Exploration Agency
Earth Observation Project

ACTION FILE ⑦

Future Restaurant IBUKI



Restaurant named after a satellite,
serving “future dishes we may be eating if global warming progresses”
based on scientific reports

To commemorate the 60th anniversary of ADK, ideas and solutions for social issues or daily matters utilizing our skills and knowledge were presented. PR for the JAXA Greenhouse Gases Observing Satellite IBUKI was part of the limited-time pro-bono/CSR project called “Braintal.” Since the public interest in global warming issues was low, ADK developed and executed the idea for “future dishes that we may be eating if global warming continues at this rate.” A one-day-only restaurant serving edible warnings toward global warming was widely featured on TV and social media, and was awarded a Bronze Lion at Cannes Lions 2018.



WWF JAPAN ACTION FILE ⑧

WITH STAMP



Japanese culture x Donation culture

New design solutions to raise commitment toward REDLIST animals protection

This campaign enabled site visitors to create their own WITH STAMP, which are name stamps designed with silhouettes of endangered species (REDLIST animals), and was developed and operated by ADK. By filling in one's own surname in Kanji characters on the special site, a design combining the surname and an endangered animal is generated. Site visitors can order the stamps, and part of the purchase price is donated to WWF for environmental protection activities. This was a totally new style of animal protection activity, using the unique Japanese culture of “Hanko” or stamps, and received a great deal of attention. As a donation campaign that people could easily participate in, the word spread through Twitter and other SNS, and was featured on various media including NHK TV.

The work was awarded a Bronze for the ACC 2018 Marketing Effectiveness and a Silver for the ACC 2017 Marketing Communication category, and a Bronze Lotus at ADFEST 2018 Design Lotus Poster Category.

WWF JAPAN ACTION FILE⑨

#ANIMAL_SELFIE



Global environmental issues are raised through selfies by the world's endangered animals

This was a campaign to call out a warning for the environmental issues we face, through endangered species, called #ANIMAL_SELFIE. Endangered animals were shown in their current environment, as though they had shot their own selfies, and were uploaded on Instagram. The attempt was to raise the awareness and concern toward the Earth's environmental issues, leading to support activities. From the selfie shots, people could directly purchase support stickers, and this contributed to increasing donations to the WWF. The animal selfies were widely shared through SNS, and many educational institutions as well as border customs utilized the images.

This idea received a D&AD Graphite Pencil in 2019, a Gold for ACC 2019 Media Creative, Bronze for ADFEST 2019 Media category and Bronze at ADSTARS 2019 for Promotion.



Mekong Blue ACTION FILE⑩

Special Package for gifts to parents purchased with initial paychecks: "Parenting Diploma"



A gift from children becoming independent, to thank parents for raising them

Mekong Blue is a silk scarf brand created by female artisans who live in the lowest income areas of Cambodia. Scarf-making has brought the joy of working and income to women who previously could not work due to illiteracy. Since these scarves made by the women are a symbol of "independence," ADK proposed a campaign with this theme. As a gift from a child who has stepped out into the world to become independent, a package was created with a Mekong Blue silk scarf and a diploma commemorating graduation from parenting. A total of 15 variations and 16 designs of diplomas were prepared, including a basic "Parenting Diploma" to "Paying for my smartphone bills Diploma," "Paying for my meals Diploma," "Folding my laundry Diploma," to name a few. The packages became very popular, and a special version to present to parents at the child's wedding was also created by popular demand.



Contributions of ADK Group Companies

Our initiatives to map a better path for society are based on our expertise as a communications company and ideas that take full advantage of our creativity.

ADK 60th Anniversary CSR /CSV Project Braintal Project



Looking for ways to harness the unique ideas and solution skills of a communications company to resolve various social issues, ADK launched the **Braintal Project** in 2016 to mark the 60th anniversary of the company's founding. For this "brain rental" project, ADK employees formed teams of volunteers to address problems and issues submitted to the project website by organizations and members of the general public. Among solutions developed by Braintal teams were the Future Cuisine Restaurant IBUKI promotion developed for the Japan Aerospace Exploration Agency (JAXA), and special initial paycheck gift "Parenting Diploma" packaging designed for Mekong Blue.



Art Gallery



Established at the entrance to the ADK Head Office when the company relocated to Toranomon Hills in 2014, the ADK Art Gallery displays original works by up-and-coming artists. Selected by ADK art directors in cooperation with the Koyama Tomio Gallery, artists are commissioned to create new artwork reflecting the theme, "The Power of Action." With works changed almost every year, the Art Gallery introduces and supports the vision of talented new artists.

Works currently on display

From July 2020, a new work by artist Nana Funo titled *The Series of Things to Take on My Boat: Key, Window, and a Spread Curtain*, is on display. Transforming as the viewing angle is shifted, this unique, multi-layered work, illuminated by light streaming in from the large window at the entrance, shows different motifs and brush strokes, appearing to float and sink repeatedly.



Education and Public Awareness Programs Nurturing Thinking and Communication Skills



In recent years, the field of education has begun to emphasize the importance of independent thinking and effective communication. ADK implements ongoing educational initiatives targeting junior and senior high school students, aiming to encourage understanding of the advertising business and provide opportunities for young people to exercise creativity and communication skills. ADK also organizes workshops to nurture creativity, maximizing knowledge of the children's market accumulated through development of TV anime and other content-related business.

Work experience workshops for junior high school students

During these three-day workshops, students learn about the services provided by advertising agencies and experience "the power of questions" and "the power of idea-generation," essential for agency employees. The students also work on creating an ad under the guidance of creative staff. The workshops are structured so that students can experience the role and pleasures of advertising by devising an idea, creating communication tools, and disseminating the message to the public.



Kids' workshops

ADK hosts workshops as an extension of "Kids' Workshop" summer vacation events held at Toranomon Hills. Leveraging the creativity of an advertising agency, the workshops feature a variety of programs for participating children, such as creating original artworks or designing characters to convey a specific message.



*Workshops were cancelled in 2020 due to preventive measures toward COVID-19.

Publication of *From Minami Sanriku* Photo Collection



To support the recovery of Minami Sanriku, a town in Miyagi Prefecture that was devastated by the Great East Japan Earthquake of 2011, ADK has published volumes 1 through 5 of *From Minami Sanriku*, a series of photo collections taken by local photographer Shinichi Sato. In addition to documenting the destruction of the earthquake and the progress of restoration in the area, the volumes combine letters and photographs by Sato, conveying the appeal of Minami Sanriku as a destination, functioning as guidebooks that Sato hopes will encourage as many people as possible to visit the region.



Industry-Academia Collaborations



ADK is proactively developing cooperative ties with universities and research organizations, enabling them to use our experience and knowhow in data analysis and marketing in their educational curriculums and studies.

The University of Tokyo: Participation in the UTokyo MDS Consortium

ADK is a member of UTokyo MDS Consortium (MDS Consortium), an industry-and-education cooperative organized by the University of Tokyo Mathematics and Informatics Center (MI Center). The MI Center is an organization spanning the entire University to promote data science education—a field in which society-wide demand has been recently rising. The MDS Consortium was founded to enable industry partners to support the MI Center. In turn, the Consortium supports industry in developing human resources for data sciences, a key issue for many businesses. ADK provides the Consortium with proprietary General Consumer Survey data as an element of support for University educational activities. The ADK-provided data is used by the University for in-house data science contests. ADK also supports the University's PBL (Problem-Based Learning) initiatives by accepting students in in-house training programs. Additionally, ADK is nurturing closer ties in other ways such as joining in the University's employee education trials for participating business partners.

The University of Tokyo Graduate School of Mathematics and Science Scholarships

As one aspect of ADK support for data science education, we provide scholarship funding for Master's students in the University of Tokyo Graduate School of Mathematics and Science (as of February 2021).

Academic Exchange Agreements with Waseda University and Musashi University

ADK entered into academic exchange agreements with Waseda and Musashi Universities, aiming to broaden the horizon of data science use in Japan and contribute to the advancement of scientific and academic research and education. ADK supplies its General Consumer Survey data to these partners for research and educational endeavors. For example, the data is used by the schools' data science competitions as a basis for analysis. ADK also accepts interns from these universities. Through such collaborative arrangements, ADK contributes to the advancement of data science education and human-resource development in universities.

ADK Group Sustainability Initiatives

We aim to create experiences to enrich day-to-day endeavors and life at work for our employees.
Here we introduce initiatives ADK is pursuing on behalf of environmental conservation and work-style reform.

Our Purpose

Creating experiences to enrich lives.

It is no longer easy to differentiate through just the basic functions, and adding value is becoming more challenging than ever. The driving force that moves consumers is not the functional value of products or services, but the appealing **experience** that comes with the brand. Our business has also shifted from a one-way transmission of information to holistic experiential design. With these trends in mind, we at ADK have defined our purpose as **Creating experiences that enrich lives**. Through designing experiences, we want people's lives to be positive and enriched. This is an important standard by which ADK will determine our actions toward realizing our business vision and SDGs, and also our approach to work-style reform.

— Our Purpose — **Creating experiences to enrich lives.**

In Our Business Domain

— Business Vision —

Creating Customer Experiences
to build Customer Equity for brands.

In Our Corporate Domain

HR : Providing positive working experiences for all employees.
Administration / IT : Creating positive working environments for all employees.
CSR/SDGs : Engaging in social activities that will enrich the lives of people everywhere, including our employees.

Business Vision

Creating customer experiences to build customer equity for brands.

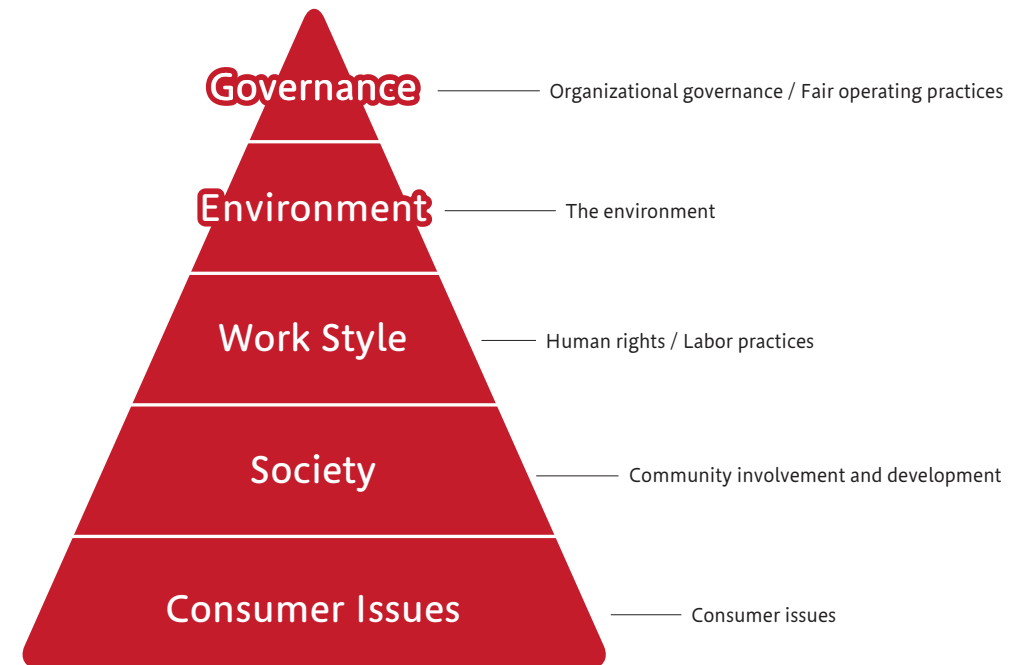
By continuously and consistently creating experiences that enrich lives at every touchpoint, our aim is to activate consumers and turn them into customers and eventually into fans of brands. These fans will be loyal users of products or services, and also create new fans for us. The enthusiastic fans of brands will propel the sustainable growth of companies. With precise experiential design utilizing data and technology, we will contribute to our clients' businesses with integrated marketing that aims for acquisition, retention, and increase of customers, ultimately creating fans.

CSR Philosophy

ADK Holdings and its affiliated operating companies recognize the importance of fulfilling environmental and social responsibilities and contributing to society through business activities to achieve sustainable growth. The ADK CSR Committee has defined five fields of focus for CSR initiatives in keeping with the seven core subjects of ISO 26000 international responsibility guidelines.

ADK Group Code of Conduct

The 7 core subjects of ISO 26000



The Environment

At ADK, every employee recognizes the impact of the communication business on the environment and we have developed a range of initiatives to contribute to society and protect the environment as an extension of our business activities. Through proposals to advertisers and alliances with media and partner companies, we are working to realize effective environment-related communication and contribute to building a sustainable society.

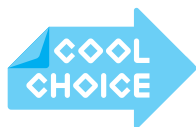


Data collected in compliance with legislation is submitted to relevant ministries and agencies.

- ◎ The ADK Head Office submits a “Specific Tenant Global Warming Countermeasure Efforts Report” to the Director of the Kanto Bureau of Economy Trade and Industry via Toranomon Hills (Mori Building).
- ◎ In compliance with the Waste Management Law, ADK maintains manifests and submits Industrial Waste Management Reports to the relevant authorities.

We support COOL CHOICE.

ADK supports COOL CHOICE, a national movement promoting a variety of wise choices aimed at reducing greenhouse gas emissions.



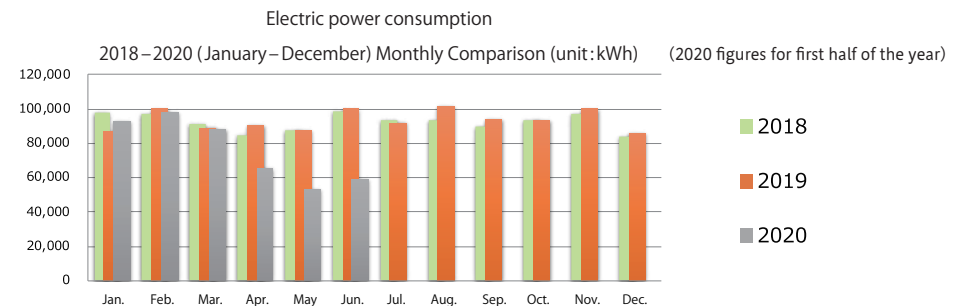
About COOL CHOICE

Adopted in 2015, the Paris Agreement is a legally binding international treaty governing efforts to mitigate climate change. In keeping with the Paris Agreement, Japan has set a goal of reducing greenhouse gas emissions by 26% compared to 2013 levels by fiscal 2030. COOL CHOICE is a nationwide campaign to encourage public involvement in reaching these goals.

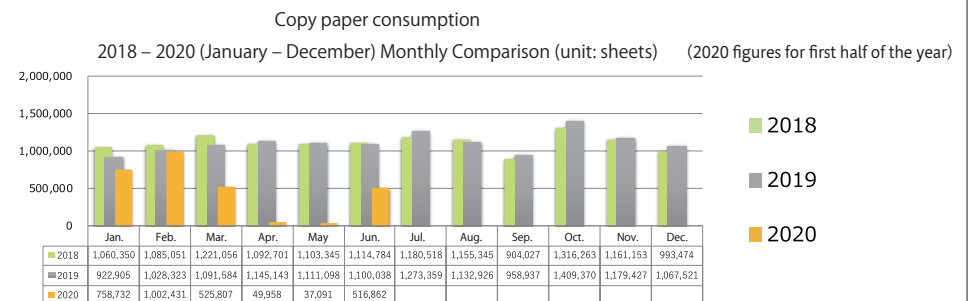


Collation and analysis of environmental data enables us to minimize consumption of energy and resources.

- ◎ In conjunction with work-style reforms such as No Overtime Days, we are reducing use of electricity by restricting after-hours air conditioning.
- ◎ We are reducing use of electricity by turning off all lights at predetermined times.



- ◎ We implement the “Cool Biz” dress code during summer months.
- ◎ We measure and aim to reduce use of copy paper. Meeting rooms are equipped with monitors and tablets to encourage paperless meetings.



- ◎ In addition to increasing the ratio of eco-friendly office products through green purchasing, we are also working to recycle used stationery.
- ◎ At our Head Office, both industrial and general waste are measured as part of ongoing efforts to minimize and control waste.
- ◎ Reference materials and other books that are no longer needed are donated or recycled.

Work Styles

To realize our purpose of **Creating experiences that enrich lives** in the course of our day-to-day endeavors and achieve our business vision of **Creating customer experiences to build customer equity for brands** that transcend the conventional parameters of an advertising agency, ADK is introducing a variety of work-style reforms. As a group of professionals distinguished by various specialists with a variety of values, we aim to create a working environment that respects diverse values and styles of working, encouraging each and every individual to make the most of their skills and cooperate with their colleagues to maximize our collective capabilities.

Nurturing Human Resources

To achieve our business vision of **Creating customer experiences to build customer equity for brands**, our realm of activities extends to every field, and it is increasingly important that our employees are professionals with a wide range of capabilities. We have developed a variety of educational and training programs to nurture a group of professionals with expertise in various fields who are able to create new value and contribute to the business success of our clients.

Inauguration of ADK University

This stratified training program was conceived to refine basic professional capabilities and create a solid foundation for advancement. Numerous effective programs have been developed in collaboration with internal and external instructors and educational institutions. In 2020, ADK allocated ¥92.5 million to education and training.

(The projected budget for 2021 is ¥151 million.)

Healthy, wholesome work styles

ADK encourages healthy and highly productive work styles. As a networked organization where highly specialized professionals cooperate autonomously, we have introduced discretionary work systems and are encouraging employees to use their paid vacation time through company-wide days off and other measures. We are also transitioning to a hybrid working system* that encourages independent choice of working styles according to the individual or organizational situation, promoting self-sufficient ways of working that respect diverse values and working styles.

* Freedom to work at the office, at home, or from a remote location according to the individual's discretion.

Work / Life Balance

ADK aims to provide a workplace where all employees can maximize their capabilities, including those who are looking after small children or caring for family members. Since 2014, more than 90% of eligible female employees took maternity leave, reaching 100% in 2019. The number of male employees taking childcare leave has been increasing as well. And all of the male and female employees who took leave have been reinstated.

○Women

■ Ratio taking maternity leave: 100%

■ Reinstatement ratio: 100%

2014	90.5%	19/21 people
2015	93.8%	15/16 people
2016	95.0%	19/20 people
2017	100.0%	17/17 people
2018	91.7%	22/24 people
2019	100.0%	20/20 people
2020	100.0%	8/8 people

○Men

■ Number taking childcare leave

	No. taking childcare leave
2015	1
2016	2
2017	7
2018	5
2019	2
Total	17

(As of August 26, 2020)

Children's Visiting Day offers workplace tours and experiences

Held once a year during summer vacation, ADK Children's Visiting Day offers children of ADK employees a chance to understand their parents' work. In addition to tours of the offices, children also have the opportunity to enjoy experiences with ADK creators such as conceiving ads or designing numbers to create their own clocks.



ADK Holdings Inc.

ADK Holdings is a pure holding company involved in formulating groupwide strategy and administrative policies, managing and supervising operating companies, and providing back-office functions.

ADK Marketing Solutions Inc.

ADK Marketing Solutions provides comprehensive solutions in the realm of marketing to address diverse issues faced by our clients.

Overview of Group Companies

Aiming to refine our expertise and create a professional group that transcends the conventional parameters of an advertising agency, ADK has been transformed into a holding company structure with ADK Holdings Inc. functioning as a pure holding company, and three affiliated operating companies: ADK Marketing Solutions Inc., ADK Creative One Inc., and ADK Emotions Inc.



ADK Creative One Inc.

ADK Creative One is an integrated creative company that offers planning, creative, production, and execution for communication strategy, as a one-stop source for high-quality, optimal solutions.

ADK Emotions Inc.

ADK Emotions inherits the DNA of an industry pioneer, leveraging digital technology to create new trends in Japan's anime content business.