

Members of the Press

May 9, 2014  
Hakuhodo DY Holdings Inc.

**Hakuhodo DY Holdings creates new strategic operating unit named “kyu” and acquires US companies SYPartners and Red Peak Group**

Hakuhodo DY Holdings Inc. (Minato-ku, Tokyo; Hirokazu Toda, President & CEO) has created a new strategic operating unit, *kyu*, to ensure continuous enhancement of specialization and innovation in the Hakuhodo DY Group, something that has been identified as one of three growth drivers in the Group’s new Medium-Term Business Plan (see Note 1 on page 3). The new unit has acquired a 100% interest in US-based companies SYPartners and Red Peak Group.

Digitalization and globalization have made marketing as a profession more complex and sophisticated—spurring innovation in both methods and approaches. To respond to these changes, the Hakuhodo DY Group has put forward, as a key driver of growth in its new Medium-Term Business Plan, the acquisition of leading service companies that offer advanced marketing methods and solutions. The new unit, *kyu*, will have the task of continuously enhancing expertise, specialization and innovation in the Group and driving the Group’s growth by conducting M&A principally in North America and Europe - markets that have over time produced many unique and advanced firms - as well as major Asian markets.

*kyu*, which will take the form of a strategic operating unit, will be positioned parallel to the Hakuhodo DY Group’s three advertising operating companies (Hakuhodo Group, Daiko Group and Yomiko Group) and integrated media company (Hakuhodo DY Media Partners Group). In addition to managing and controlling the specialized marketing service companies under its umbrella, *kyu* will be charged with nurturing each company’s management talent, developing their capabilities, and supporting and promoting innovation through collaboration and cooperation. The post of CEO of *kyu* will be formally filled by Michael Birkin (see Note 2 on page 3) on July 1, 2014. Birkin will also assume the office of Senior Executive Corporate Officer of Hakuhodo DY Holdings Inc. on the same date.

Established in the United States in 1994, SYPartners is a firm with studios in San Francisco and New York. SYPartners Consulting has a 20-year track record of working with leaders of some of the world's most influential companies. The firm helps CEOs and senior management build great companies by focusing on vision and strategy; culture building; and customer experiences. SYPartners has in recent years introduced SY Products – a division of SY Partners that is dedicated to creating products and services from the company's intellectual capital. *Teamworks* and *Unstuck* (see footnote) are the first two services released under SY Products.

Red Peak Group is a specialized marketing services company established by Birkin in the US in 2009. The company currently has offices in New York, Los Angeles, Nashville, London, Rio de Janeiro and Taipei, and operates through the brands Red Peak Branding and RPMC. Red Peak Branding, which has high-level specialist expertise in the areas of design and branding, offers integrated consultation on brand strategy development; research; and naming, packaging and advertising production. RPMC offers a wide range of advanced experiential services in the world of sports and music. The firm is a global leader in sponsorship support, hospitality programs and a variety of other promotional services.

The Hakuholdo DY Group, through *kyu*, will continuously enhance specialization and innovation in the Group in order to realize the core mid-term strategy in the Group's new Medium-Term Business Plan. This is: With our mission of serving as the best marketing partner for each one of our clients, the Hakuholdo DY Group stands as one of the world's top advertising and marketing services groups. Our cutting-edge creative ideas and integrated marketing solutions create new markets, trends and movements that engage *sei-katsu-sha* (see Note 3 on page 3) and invigorate society. This will also contribute to the growth of our international operations and financial results over the medium term.

The impact of the acquisitions of SYPartners and Red Peak Group on the Hakuholdo DY Group's consolidated performance in the year ending March 31, 2015 will be small relative to the Group's size.

Note 1: The three growth drivers identified in the Hakuhodo DY Group's 2014 Medium-Term Business Plan (1) Strengthening of *sei-katsu-sha* data-driven marketing response capabilities, (2) strengthening of business structures in emerging markets, particularly in Asia, (3) continuous enhancement of specialization and innovation

Note 2: Biography of Michael Birkin

Born in 1958 in the United Kingdom, he became CEO of Interbrand Group in 1986, a position he retained until the sale of the company to Omnicom in 1993 (the company has been part of Omnicom ever since). He was President of DAS Worldwide (the largest division of Omnicom) from 1999 until 2005. He subsequently filled the role of Omnicom Group Vice Chairman and CEO Asia Pacific from 2005 until 2009. He left Omnicom in 2009 to establish Red Peak Group, taking up the post of Chairman.

Note 3: *Sei-katsu-sha* means more than simply a consumer of goods and services; the term expresses the holistic person—an individual with a lifestyle, aspirations and dreams. *Sei-katsu-sha* insight provides an understanding of the individual as a whole person and exposes changes in values and desires that are central to the person. All of our work at the Hakuhodo DY group follows from *sei-katsu-sha* insight. It is the heart of our competitive advantage.

#### About SYPartners

Company name:	SYPartners LLC
Headquarters:	California, USA
Established:	1994
Senior management:	Chairman: Keith Yamashita, CEO: Susan Schuman
Employees:	110
Business:	<p>Innovation and transformation consulting for CEO's and their leadership teams – focusing on corporate vision and strategy; culture-building; and transformational customer experiences.</p> <p>SY Products creates products for behavior-change.</p> <p>1. Teamworks (<a href="http://www.teamworks.is">www.teamworks.is</a>) is a set of web-based tools and advice to help managers keep their teams more connected and aligned to achieve new levels of engagement and performance.</p> <p>2. Unstuck (<a href="http://www.unstuck.com">www.unstuck.com</a>) is a suite of advice tools and an app aimed to help individuals live their best lives.</p>
Key clients:	AARP, American Express, Bloomberg, eBay, General Electric, IBM, Starbucks, The Coca-Cola Company
URL:	<a href="http://www.sypartners.com/">http://www.sypartners.com/</a>

### **About Red Peak Group**

Company name: Red Peak Group LLC  
Headquarters: New York, USA  
Established: 2009  
Senior management: Founder/Chairman: Michael Birkin  
Employees: 80

### **Red Peak Branding**

Senior management: CEO: James Fox, CCO: Stewart Devlin  
Business: Integrated and transformational consulting services in the areas of design and branding. Red Peak Branding has also established Red Peak Youth (RPY) to help marketers better connect with Millennials and lead thinking in this area.  
Key clients: Acer, Intel, Gannett  
URL: <http://www.redpeakgroup.com/>  
<http://www.redpeakyouth.com/>

### **RPMC**

Senior management: CEO RPMC Europe: Stephen Hall; Executive Vice President USA: Kelly Weinberg  
Business: Advanced experiential services in the world of sports and music. The firm is a global leader in sponsorship support and hospitality programs and a variety of other promotional services.  
Key clients: AB InBev, Emirates, McDonald's, Amgen, Discovery Networks, Dun & Bradstreet  
URL: <http://rpmc.com/>

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