

NEWS RELEASE**FOR IMMEDIATE RELEASE****December 7, 2005**

The Key Phrase for 2005 Was “Vibrant Consumption — Toward a Recovery of Vigorously Positive Consumer Confidence”

— *Dentsu Announces 2005 Hit Products in Japan* —

- **Most topical product: The 2005 World Exposition, Aichi, Japan**
- **Most recognized product: Mobile phones with electronic payment function**
- **Most interesting product: HDD-equipped DVD recorders**

Dentsu Inc. (President: Tateo Mataka; Head Office: Tokyo; Capital: 58,967.1 million yen) announced today the release of its *2005 Hit Products in Japan*. The report, produced as part of a series that has been chronicling hit products since 1985, examines and generalizes major trends that represented the “consumer mindset” in 2005. This year’s report is based on an Internet survey of Japanese consumers carried out in November 2005 by Dentsu’s Center for Consumer Studies (CCS). The products (including some popular content and social phenomena) selected by the respondents as the top 10 products of 2005 are listed below.

The report identified five significant consumer trends in 2005, with each trend represented by a Chinese character: 華 [hana] “luxuriance,” 連 [ren] “connectivity,” 賢 [ken] “ingenuity,” 熟 [juku] “maturation” and 異 [i] “diversity.” The overall trend was summarized by the key phrase “Vibrant Consumption — Toward a Recovery of Vigorously Positive Consumer Confidence.”

After years of meandering aimlessly, the Japanese economy moved slowly out of the doldrums in 2004 and began taking steps toward recovery. In 2005, stock prices rose against the background of robust corporate performances, and the employment environment improved. A chain reaction against letting the recovery prove transient has been generated.

This trend toward a revival of the Japanese economy will soon spread to and penetrate every facet of society, and will serve as a tailwind for a recovery of consumer confidence. We have adopted the phrase “Vibrant Consumption” to express this state of mind.

An extensive range of products, services and content, including those in our Hit Products rankings, attracted attention and gained popularity once more in 2005.

Reflecting widely varied spheres of consumption, they include items offering a fuller, higher-quality AV life, convenient IT-related products imparting a sense of individuality, health foods contributing to the realization of LOHAS and networks enabling free expansion of users' private worlds. These spheres, in turn, reveal five underlying consumption trends corresponding to today's consumer mentality:

- (1) 華 Luxuriance: Exuberant enjoyment of a taste of personal luxury or festivity
- (2) 連 Connectivity: Expansion of networks to include more people, goods and interests as information technologies and communications continue their constant evolution
- (3) 賢 Ingenuity: Reduction of consumption- and living-related waste and risks and the establishment of experience-enhanced lifestyles
- (4) 熟 Maturation: Pursuit by mature adults of values rooted in experience, in contrast to a younger generation disheartened by falling birthrates and the appearance of the NEET ("Not in Employment, Education or Training") phenomenon
- (5) 異 Diversity: Growing appeal of obscure cultish spheres due to diversification and the emergence of Internet communities

2005 Hit Products Top 10 List

No. 1: Portable digital audio players

No. 2: HDD-equipped DVD recorders

No. 3: Blogs

No. 4: Widescreen flat-panel televisions

No. 5: Agar weed gelatin

No. 6: The 2005 World Exposition, Aichi, Japan

No. 7: Mobile phones with electronic payment function

No. 8: *Gokusen* (inspiring *manga*-based TV drama of gangster's granddaughter turned teacher)

No. 9: Electronic money

No.10: Music distribution services

Runner-up: Disaster-prevention goods/services

Top 3 Hit Products in Each Survey Category

[Topicality]

No.1: The 2005 World Exposition, Aichi, Japan

No.2: *Gokusen*

No.3: Agar weed gelatin

[Recognition]

No.1: Mobile phones with electronic payment function

No.2: The 2005 World Exposition, Aichi, Japan

No.3: Cool Biz

[Attraction and interest]

No.1: HDD-equipped DVD recorders

No.2: Portable digital audio players

No.3: Highly advanced microwave oven combos

Note: The above products were chosen from approximately 160 popular items included in the Internet survey. Total scores in the categories of “topicality,” “recognition,” and “attraction and interest” were calculated and indexed to determine the top 10 products of 2005.

“Hit Product Recognition Survey” Overview

Survey period: November 1 to 7, 2005

Survey subjects: Men and women nationwide aged over 15

Sample size: 1,000 (responses received)

Survey type: Closed Internet study

Subject selection: Subjects were randomly selected from a list of registered monitors.

※The full report of *2005 Hit Products in Japan* will be posted on Dentsu’s website, www.dentsu.com, in January 2006.

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