

November 1, 2005

Digital Palette Inc.

Digital Palette Inc. Invests in Chinese Mobile Solution Business

~ Providing assistance to mobile marketing in China ~

Digital Palette Inc. has enhanced its mobile marketing activities in China through the investment of approximately ¥100 million in a Chinese affiliate of Fractalist Inc., which has been actively expanding its mobile solution business.

The investment will support mobile solution operations of Fractalist's Chinese affiliate, in particular providing the company with the license for Digital Palette's integrated marketing platform DATA SCIENCE® as well as consultation on of the latest digital marketing. The investment will also enable Digital Palette to accumulate its knowledge of business operations in China by dispatching its outside board members and employees to the affiliate.

Since its establishment in 2001, Digital Palette as part of the Dentsu Group has been utilizing various digital media and the latest digital technologies such as web, mobile, and digital printing to plan and develop marketing solutions. Digital Palette was among the first to recognize the value of digital cross-media marketing and its development, a one-to-one marketing solution that utilizes digital media and integrated databases. In April 2005, Digital Palette enhanced its business operations by merging with R2 innovation Ltd., which possesses the digital cross-media marketing platform DATA SCIENCE®.

On the other hand, Fractalist has been rapidly growing as a powerful mobile solution technology vendor. It established a subsidiary company, Fractalist China Inc., in October 2003 and has been steadily developing its mobile marketing business aimed at the Chinese market. Going forward, Fractalist aims to launch a full-scale mobile solution business, which it expects will grow at an explosive pace in China.

There are more than 330 million mobile users in China, and this number continues to grow, giving China the potential to become the world's largest mobile Internet market. Digital Palette views its latest investment as giving it a foothold in the Chinese market, where dramatic growth is expected in the future.

Through its mobile solution business in China, Digital Palette expects to generate approximately ¥200 million in sales in FY 2007.

【Outline of investment】

Digital Palette has invested in an affiliate of Fractalist, a company that carries out mobile solution business operations in China.

- (1) Investment destination: MEDIAPRO TECHNOLOGY LIMITED (holding company established in the British Virgin Islands)
- (2) Investment form: allocation of newly issued shares to a third party
- (3) Acquired number of shares: 100,000 shares
- (4) Amount invested: US denominated investment worth the equivalent of approximately ¥100 million
- (5) Investment date: end of October 2005

【Outline of the concerned parties】

Company Name	Digital Palette Inc.
Capital	¥ 400,000,000
Head Office	HAMARIKYU PARKSIDE PLACE 5-6-10, Tsukiji, Chuo-ku, Tokyo
Establishment	April, 2001
Corporate Representative	Ryosuke Watanabe (President & CEO)
Business Outline	① Planning and development of digital content for websites, mobile sites, etc. ② Development and distribution of database marketing systems ③ Consultation on enhanced personal information protection and other forms of information security, and on the acquisition of international accreditation ④ Consultation on marketing strategies for various industries
Number of Employees	113
URL	http://www.digitalpalette.co.jp/

Company Name	Fractalist Inc.
Capital	¥ 202,350,000
Head Office	3F Matsuura Building 1-18-3 Ebisuminami, Shibuya-ku, Tokyo
Establishment	September, 2000
Corporate Representative	Yusuke Tanaka (President & CEO)
Number of Employees	50

Company Name	MEDIAPRO TECHNOLOGY LIMITED
Capital	US\$ 50,000 (issued shares : 1,000,000)
Head Office	the British Virgin Islands
Establishment	June, 2005
Corporate Representative	Tony Tang Ngee

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