

NEWS RELEASE**FOR IMMEDIATE RELEASE****February 6, 2008**

Dentsu and Cyber Communications to Launch a Full-Fledged, Network-Based Service for the Delivery of Audio Advertisements via Podcasts

—New Service to Be Called PodcastAD (Tentative Name)—

Dentsu Inc. (President & COO: Tatsuyoshi Takashima; Head Office: Tokyo; Capital: 58,967.1 million yen) and Cyber Communications Inc. (hereafter CCI; CEO: Hideyuki Nagasawa; Head Office: Tokyo), together with OTOBANK Inc. (hereafter OTOBANK; President & CEO: Wataru Ueda; Head Office: Tokyo) announced today the development of a network-based dynamic advertising delivery system (see Note 1) for podcasts (see Note 2). The tentative name for the new service is PodcastAD. Dentsu and CCI will launch an ad network service for podcasts using the PodcastAD service with the aim of establishing a new advertising medium. Advertising sales for the new service will begin later this month.

1. Background and Objective of the System Development

Because an advert and podcast must be combined in a single data file that is saved and transmitted, the inclusion of advertisements in podcast programs has been hampered by the need to reedit the program data each time an advertisement is changed.

To resolve this problem, in September 2006, Dentsu and CCI began experimenting with a dynamic advertising delivery system that sends advertisements to a single media outlet with designated delivery periods or specific content, or combined with multiple advertisements. By building on the insights gained through these experiments, and with the assistance of OTOBANK, the two companies have developed PodcastAD, a new network-based advertisement delivery system that allows for the dynamic delivery of advertising to multiple media outlets or program content.

The development of PodcastAD will allow media companies to effectively place advertising into the ad spot designated for their podcast programming, as well as more flexibly utilize their advertising and programming slots. Advertisers, meanwhile, will be able to place advertisements in multiple podcast programs according to period and exposure.

2. Responsibilities of the Two Companies and Future Development

Dentsu and CCI have begun urging radio stations in Tokyo and Osaka as well as major newspapers to utilize the PodcastAD system, working to establish a network centered on high-quality podcast programming and developing the advertising market for downloadable content. For the time being, Dentsu will exclusively handle advertising sales.

CCI will operate the ad network service for the PodcastAD system. The company plans to begin offering AD-SCRUM (its next-generation advertising operations support system), with this podcast advertising, advertising products emerging from new fields, and cross-media advertising products. By expanding and enhancing the advertising marketplace (see Note 3), CCI is building a structure that will offer a one-stop solution to support greater efficiency in media buying, as well as wide-ranging advertising developments.

Going forward, Dentsu and CCI will enhance the functionality of the PodcastAD system to provide attribute-based delivery of advertisement by programming content, the program's category or genre, or by the attributes of the registered recipients, making deliveries by their age, gender or region. The companies also plan to be proactive in the development of new fields of ad technology and advertising products, such as long-tail advertising delivery models (see Note 4) for podcast programming, and expanding the service to videocasts (see Note 5).

Notes:

1. Dynamic advertising delivery system

A system for automatically inserting audio advertisements into an ad spot designated for a specific podcast program provided by a media company. Because the advert and programming are typically combined into a single file that is saved and delivered, it has been impossible to change the advertisement or control the posting period, but with the PodcastAD system a wide range of controls on delivery have become possible.

2. Podcast

A podcast is an audio file distributed over the internet using the Rich Site Summary (RSS) technology commonly employed by blogs and other websites. Text data sent via RSS also links to audio content, and software for these applications that receive a notice that new data are available automatically download the audio file, which can then be played on a portable music player. Users can automatically receive programs of their choice by subscribing to a program's RSS feed.

3. Advertising marketplace

A market model that utilizes a system for optimal matching of the needs of advertisers with those of media companies through ad marketplace functionality, i.e. the online advertising business market. This model is a response to the growth of media advertising planning and media business relationships that has arisen following the diversification of media and advertising products in the digital media era, and the growth of long-tail ad placements by advertisers.

4. Long-tail advertising delivery model

A model in which advertisements are delivered for content on a wide range of scales.

5. Videocast

A video version of a podcast; one method of publicizing and delivering video files. Videocasts are also referred to as podcasts or video podcasts. Delivery methods and locations are the same for those of podcasts.

Outline of OTOBANK

Company Name: OTOBANK Inc.
Representative: Wataru Ueda, President & CEO
Capitalization: 89 million yen
Head Office Location: BUREX Kojimachi Bldg., 3-5-2, Kojimachi, Chiyoda-ku, Tokyo
Business Content: Audio content creation, rights management and delivery services, including book narration and summaries, radio programming, and language educational materials.

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