

NEWS RELEASE**FOR IMMEDIATE RELEASE****July 8, 2009**

Dentsu to Launch Electronic Magazine Subscription Service “MAGASTORE”

Dentsu Inc. (President & CEO: Tatsuyoshi Takashima; Head Office: Tokyo; Capital: 58,967.1 million yen) announced today that this summer, through a partnership with digital contents distribution technology leader YAPPA Corporation (CEO: Masahiro Ito; Head Office Tokyo; hereinafter, “YAPPA”), it will launch “MAGASTORE,” a specialized sales business selling electronic magazines on mobile phones and other platforms.

Service will begin as an application on Apple’s iPhone, and then be introduced gradually to other carriers.

The background and characteristics of this new service development are as follows.

1. Background and Aim of the New Service

The yearly domestic market for electronic distribution services including books and comics is around 73 billion yen (see Note 1), but magazines are still not as easy to view as books and comics, and the electronic delivery service market for magazines has not yet been established.

However, with the rapid spread of mobile phones with large-screen, high-resolution, touch-panel displays such as the iPhone, certain electronic magazine delivery services are beginning to appear. Against this backdrop, Dentsu has partnered with YAPPA, with its high-level mobile phone digital contents distribution technology, to develop a viewer suitable for electronic magazine viewing and a sales platform for electronic magazine contents.

Concurrently, Dentsu has actively pursued negotiations with publishers for their participation. Sales of 30 types of magazines from 20 publishers have been confirmed for the launch of the service, with this expected to grow to 50 types of magazines from 30 publishers within the year.

Development is also expanding not only for iPhone applications, but also for the official sites of other mobile carriers, personal computers and videogame consoles.

Furthermore, while the electronic magazine contents initially sold will not contain advertisements, future plans call for the inclusion of advertisements.

2. Characteristics of MAGASTORE

User-Focused Characteristics

- Just by downloading the MAGASTORE application, magazines can be purchased when connected to the website and saved to be read anytime after.
- Purchased magazines can be read easily by turning the page with one finger and enlarging the screen.
- An unlimited number of purchased magazines (see Note 2) can be stored on “MyShelf” within the application.
- Both the current magazine contents and past contents (back issues) may be purchased.

Publisher-Focused Characteristics

- Provides all of the functions publishers require related to electronic magazine sales including viewer development, data conversion, data distribution, settlement and earnings management.
- By conducting contents ID management based on the “Digital Rights Permission Code” (see Note 3) to manage digital contents rights information, encourages the spread of digital contents by reducing complicated contents rights management.

Advertiser-Focused Characteristics

- Provides a new advertising solution combining the characteristics of magazine contents and the technology of mobile advertising.

3. Overview of Business Plan

Name of Service:	MAGASTORE
Primary Operator:	Dentsu Inc. (overall operation, service planning, sales, advertising development)
Business Tie-up Partner:	YAPPA Corporation (service planning, viewer development and system development)
Start of Operations:	Summer 2009
Participating Publishers:	ALBA Inc., Asahi Shimbun Publications Inc., CONDÉ NAST PUBLICATIONS JAPAN, Diamond Inc., Ei Publishing Co., Ltd., Fusosha Publishing Inc., GENTOSHA INC., Golf Digest Inc., Hachette Fujingaho Co., Ltd., Hankyu Communications Co., Ltd., Kodansha Co., Ltd., NEKO PUBLISHING CO., LTD., President Inc., San-ei Shobo Publishing Co., Ltd., Sekai Bunka

Publishing Inc., Shinchosha, Shogakukan Inc., Shufunotomo Co., Ltd., Shufu-to-Seikatsu Sha Ltd., Sony Magazines Inc., The Cuisine Magazine Publishing Inc., Toyo Keizai Inc., TRANSWORLD Japan Inc.

(In alphabetical order as of July 8, 2009)

Note: A more detailed list of available titles is planned to be listed by time the service is launched (in Japanese only).

Service Models:	iPhone, with later development planned for smart phones and models of other carriers
Usage Fee:	1. The MAGASTORE application will cost 115 yen. (A free trial version of the application will also be available.) 2. Magazine contents will range from 115 to 600 yen depending on the magazine.
Official Website:	http://www.magastore.jp/ (in Japanese only)

4. Overview of YAPPA

Company Name: YAPPA Corporation

CEO: Masahiro Ito

Capital: 1,329.63 million yen

Head Office: Aoyama Tanaka Building 5F & 6F

2-1-5, Shibuya, Shibuya-ku, Tokyo 150-0002, Japan

Note: The base technology for this service is a world-leading distribution technology patented by YAPPA in 2004. Using a proprietary numerical formula, it converts and quickly delivers high-resolution images, and is an ideal solution for restricted environments such as mobile phones. It enjoys a solid track record in creating many popular applications through partnerships with contents providers such as The Sankei Shimbun, women's magazines and comics. In addition to mobile phone solutions, it provides desktop-based electronic media printing technology to many companies, including The Yomiuri Shimbun.



MAGASTORE Logo



MAGASTORE Screen Shot

Note 1: From the Digital Contents White Paper 2008.

Note 2: While the amount of data that can be stored on the unit is limited, magazines for data purchased in the past can be read from MyShelf an unlimited number of times, so that in actuality an unlimited number of magazines can be read from MyShelf.

Note 3: The “Digital Rights Permission Code” was developed by Dentsu in 1997, and through the simplification and numerical coding of complicated rights permission information from rights holders, was designed to allow the simple use of digital contents on various equipment including mobile phones, mobile terminals, home televisions, television converters and personal computers, and was made a standard (IEC 62227) by the IEC (International Electrotechnical Commission) in June 2008. By identifying the From ID identifying the contents ID rights holder/permission controller handled by the contents and the To ID identifying the delivery vendor/user/equipment, the contents owner/rights holder can manage contents usage and consumption.

#####

Contact: Yukihiro Oguchi
Senior Manager
Corporate Communications Division
Telephone: (813) 6216-8042
E-mail: yukihiro.oguchi@dentsu.co.jp