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NEWS RELEASE

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Dentsu Announces "2014 Hit Products in Japan"

—The movie "Frozen," talking mascot characters and Tokyo Skytree chosen as the top three—

Dentsu Inc. (Tokyo: 4324; ISIN: JP3551520004; President & CEO: Tadashi Ishii; Head Office: Tokyo; Capital: 74,609.81 million yen) announced today the release of its "2014 Hit Products in Japan" report. Produced as part of a series that has been chronicling hit products since 1985, the latest report examines major trends that represented the consumer mindset in 2014. It is based on an Internet survey of Japanese consumers carried out in November 2014 by Dentsu Macromill Insight, Inc.

Although 2014 was a year in which Japan and the Japanese people themselves regained confidence as a result of Prime Minister Shinzo Abe's Abenomics policies to stimulate the Japanese economy, it was a "year of ambivalence" in which an awareness of the need to economize fueled by the consumption tax increase in April intersected with aggressive consumption.

According to a close analysis of the rankings made by the Dentsu Innovation Institute, the fact that there is a lot of bright, cheerful content such as the movie *Frozen*, talking mascot characters such as Funassyi, the Yo-kai Watch games, manga and toys, *The Wizarding World of Harry Potter*^{TM} and Halloween costumes in the top-ranked products shows that although people do not want to return to the gloomy deflation era and yet still do not have the courage to move forward with confidence, there are cheerful, comfortable feelings propping them up.

Although growth is stagnant, the strength of the Japanese economy, Japan's participation in overseas events such as the Sochi Winter Olympic Games, the Japanese Nobel laureates who invented blue LEDs, global recognition of the Tomioka Silk Mill as a world cultural heritage by UNESCO, and the ongoing development in Japan of electric vehicles (including fuel cell-powered vehicles) and jet aircraft have enhanced the country's profile both at home and abroad.

In addition, lightweight wearable terminals and other futuristic technology applications are

appearing one after another, and are making inroads into our lifestyles. 3D printers and public Wi-Fi are technologies that are closely related with our daily lives, and will boost expectations toward lifestyle innovations.

The following top 20 products (which include some popular content and social phenomena) were selected from 130 popular items and services by 1,200 Internet survey respondents aged between 20 and 69. The figures in parentheses are last year's rankings. Previously unranked products are indicated with (–).

2014 Hit Products

- No. 1: Frozen (Walt Disney animated movie) (-)
- No. 2: Talking mascot characters (10*)
- No. 3: Tokyo Skytree (1)
- No. 4: Free voice call apps (such as LINE) (13)
- No. 5: Yo-kai Watch (games, manga and toys) (-)
- No. 6: Smartphones (3)
- No. 7: SNSs such as Facebook that require real name registration (24)
- No. 8: The Wizarding World of Harry Potter™ (Universal Studios Japan) (–)
- No. 9: Convenience store freshly brewed coffee (7)
- No. 10: Robot cleaners (4)
- No. 11: NHK television morning drama series (-)
- No. 12: Sochi Winter Olympic Games (–)
- No. 13: Hybrid cars (2)
- No. 14: Japanese Nobel laureates (for blue LEDs) (-)
- No. 15: Shingeki no Kyojin (Attack on Titan) (Japanese anime movie) (22)
- No. 16: Halloween costumes (60)
- No. 17: Tablet devices (35)
- No. 18: Tomioka Silk Mill (-)
- No. 19: Premium beer (-)
- No. 20: Compact cars/K-cars (engine displacement up to 660 cc) (16)

This year, a "2015 Expected Hit Products" list was compiled using the products selected for the "It has been popular this year. / It is popular now." category as a base and then focusing on those selected for the "It will become popular." category.

^{*}Last year "local mascot characters" came in at No. 10.

2015 Expected Hit Products

No. 1: Electric vehicles (including fuel cell-powered vehicles)

No. 2: 3D printers

No. 3: Low-priced smartphones

No. 4: Jet aircraft manufactured in Japan

No. 5: 4K television sets

No. 6: Thinking about how to lead your life in your later years and preparations for the end of

your life

No. 7: Smartwatches

No. 8: Car sharing

No. 9: Public Wi-Fi

No. 10: Wearable cameras

Dentsu "Hit Product Recognition Survey" Overview

Survey period: November 7–10, 2014

Survey subjects: Men and women nationwide aged between 20 and 69

Sample size: 1,200 (responses received)

Survey type: Internet survey

Survey company: Dentsu Macromill Insight, Inc.

Survey content: Respondents were asked to indicate their level of agreement with the

following four statements about 130 items and services:

"It has been popular this year. / It is popular now."

"It will become popular."

"It is not popular, and will not become popular in the future."

"I have never heard of it."

Top Five Hit Products in Earlier Years (2013 to 2004)

2013

- 1. Tokyo Skytree
- 2. Hybrid cars
- 3. Smartphones
- 4. Robot cleaners
- 5. Vehicle collision prevention systems

2012

- 1. Smartphones
- 2. Tokyo Skytree
- 3. SNSs such as Facebook that require real name registration
- 4. Robot cleaners
- 5. Salted rice malt

2011

- 1. Smartphones
- 2. LED light bulbs
- 3. Tokyo Skytree
- Nadeshiko Japan (the Japan women's national football team who won the 2011 FIFA Women's World Cup Germany™ tournament)
- 5. AKB48 (48-member all-girl theater/idol group with its own theater in Akihabara, Tokyo)

2010

- 1. Smartphones
- 2. Twitter
- 3. Munchable chili oil
- 4. Digital broadcasting-equipped widescreen flat-panel TVs
- 5. Ryoma Sakamoto (1836–1867; popular historical figure and visionary who played a key role in bringing about the Meiji Restoration. "*The Legend of Ryoma*" TV drama series also became a hit this year.)

2009

- 1. Hybrid vehicles
- 2. Flu masks
- 3. Low-priced domestic fashions
- 4. Vehicles eligible for tax reductions and eco vehicle purchasing subsidies
- 5. Eco-point energy-saving home appliances

2008

- 1. Innovative remote-controlled TV games
- 2. Gake no Ue no Ponyo (Ponyo on the Cliff by the Sea)
- 3. Digital broadcasting-equipped widescreen flat-panel televisions
- 4. Bargain products (private brand products/outlet malls)
- 5. Touch pen portable games

2007

- 1. Touch pen portable games
- 2. Innovative remote-controlled TV games
- 3. Billy's BootCamp™
- 4. Digital cameras
- 5. Widescreen flat-panel televisions

2006

- 1. Brain training products
- 2. Widescreen flat-panel televisions
- 3. The Da Vinci Code
- 4. HDD-equipped DVD recorders
- 5. High-performance portable game machines

2005

- 1. Portable digital audio players
- 2. HDD-equipped DVD recorders
- 3. Blogs
- 4. Widescreen flat-panel televisions
- 5. Agar weed gelatin

2004

- 1. Widescreen flat panel televisions
- 2. Japanese baseball players in the U.S. Major League
- 3. Crying Out for Love, from the Center of the World (Sekai no Chushin de, Ai wo Sakebu, novel, movie, and TV drama)
- 4. HDD-equipped DVD recorders
- 5. Black vinegar

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