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(News release material)

NTT DATA Corporation
AD-DAM Inc.
Nippon Telegraph and Telephone Corporation

Validation tests scheduled to be commenced for the "Digital Asset Central Management Service"
in order to fully digitalize advertising production and exercise central management for advertising contents
- Promoting HIKARI Market Creation with a new information sharing service that utilizes optical networks-

NTT DATA Corp. (NTT DATA, headquartered in Koto-Ku, Tokyo; President: Toshiharu Aoki), AD-DAM Inc. (AD-DAM, headquartered in Minato-ku, Tokyo; President: Makoto Yanase) and Nippon Telegraph and Telephone Corporation (NTT, headquartered in Chiyoda-ku, Tokyo; President: Jun-Ichiro Miyazu) are gearing up to start validation tests for their "Digital Asset Central Management Service" (Brand DAM (*1) Service) in the Tokyo metropolitan area. This service will support corporate brand strategy activities by allowing the participating companies to share advertising contents and utilize optical networks. The tests are scheduled to start in October of this year and last for about 6 months.

The enhancement of a company's brand image serves to improve the efficiency and creativity of its corporate activities through the use of IT, and it has become a critical factor in sharpening a company's competitive edge. For this reason, staging efficient and effective advertising operations has come to play an absolutely essential role in the brand strategies mounted by companies. In July 2000, Hakuhodo Inc. and NTT DATA announced the "e-Ad Platform concept" through which they propose a new advertising production platform based on the use of IT in response to the anticipated diversification of advertising media in the future. AD-DAM was established by financing from Hakuhodo and NTT DATA on the basis of this "e-Ad Platform concept." While developing a number of different services centered on DAM, the three companies will be offering the Brand DAM Service to carry out such operations as fully digitalized advertising production and digital transmission of documents and, at the same time, support the brand strategy activities of the advertisers.
Nowadays, more and more digital technology is being introduced into the processes of advertising production, but the existence of analog media in some areas is a stumbling block to achieving centralized control over materials and production and working on cooperative projects as it this control and work require a great deal of time and effort to be expended. Meanwhile, in the network environment, the ongoing spread of digital technology--and, in particular, the advent of the age of the broadband--is giving rise to some rapid advances in establishing and building up optical networks with high speeds ranging from 10 to 100 Mbps. These advances are to be seen not only in intra-company LANs but in inter-company wide-area networks as well. The validation tests conducted for the new Brand DAM Service will link up companies involved with advertising production in a dozen or so locations in the Tokyo metropolitan area using NTT's high-speed broadband optical networks, incorporate digital technology throughout the advertising production work flow to cover those areas where analog media have been

used to date, expedite the distribution of advertising materials, and improve the efficiency of the advertising production work flow.

The validation tests for the Brand DAM Service are pioneering endeavors that aim to verify the validity of the business model of the BtoB services that utilize optical networks, and the NTT Group is promoting them as HIKARI Market Creation activities (*2) in cooperation with a number of its business partners.

Some of the special features of the Brand DAM Service which will be offered through the tests will now be described in detail.

(1) Central management of digital assets
Centralized management will be exercised at the Brand DAM Service Center over the digital assets which are now dispersed among advertisers, advertising agents, advertising production companies, plate-makers and printing companies alike. By utilizing this Center, it will be possible for all the digital assets to be centrally managed among the companies involved in advertising production, and also for maximum use of these assets to be made.

(2) Fully digitalized advertising production
In order to ensure cooperation and coordination at each stage of advertising production, the asset-holding entities mentioned above, the Brand DAM Service Center and AD-DAM will be linked by NTT's optical networks to achieve a fully digitalized flow for their advertising production work. By so doing, it will become possible for the various companies involved in advertising production to cooperate and coordinate their efforts with one another seamlessly, for the overall length of the production process to be shortened, and for the quality of the production contents to be improved.

(3) Multi-faceted utilization of advertising materials aimed at integrating brand images
The service will provide a single-source multi-use format to ensure that the digital assets that have been placed under the central management of the Service will be used for a wide range of different advertising media. Due to the differences inherent in the production process of each kind of advertising material, the production work flow is different for each advertising medium. By building an integrated work flow around the Brand DAM Service, it will be possible for a company to integrate its brand image irrespective of the advertising media it may choose to employ.

(4) Improvement in the efficiency of transactions conducted with sales companies and branch offices
Expansion in the network to cover the sales companies and branch offices of the advertisers will make it possible to place and receive orders for advertising contents over the network and for these contents to be distributed digitally.

With the full cooperation of Quark Japan KK, NTT DATA will use the QuarkDMS (*3) made by Quark Inc. of the U.S. as the basis for the server at the Brand DAM Service Center, and the server will be endowed with functions for registering, browsing, downloading, approving and remote-proofing the advertising materials. It will also have a function for searching advertising materials using the image search technology (*4) of the NTT Cyber Space Laboratories to achieve an even higher efficiency.

In the broad sense of the term, 'contents distribution' starts with the distribution of the advertising materials and ends with the digital transmission of documents to those who represent the advertising media. In the advertising business of the future, contents distribution is expected to play an important role as a hub function in the networks that link up the advertisers with the parties who offer the advertising media. AD-DAM and NTT DATA will be establishing the infrastructure for contents distribution in the advertising industry so that they can offer information hub functions. The results yielded by the validation tests will be reflected in the ways that the companies concerned improve their service menus that will take into consideration the directions in which their business activities are to be developed after the completion of the tests. Starting this October, the tests will be performed for about six months. NTT's image search technology will be applied to the Brand DAM Service Center constructed by NTT DATA, and using this center, AD-DAM will be working on actual advertising production projects and assessing the efficacy of the service alongside companies involved in the advertising production business.

(Glossary)

*1 DAM (Digital Asset Management)
DAM refers to a management method which treats digital data as 'living' assets and which manages these assets with a view to utilizing them in the actual work flow. What is essential in the advertising industry are organizational setups which ensure close liaison between the creative teams, the media and the marketing personnel that constitute the three links in the advertising chain. Among them, the Service tests will focus on the digital contents in the creative arena.

*2 HIKARI Market Creation activities
HIKARI Market Creation is a set of activities in which NTT is cultivating demand for HIKARI business opportunities and creating new markets by providing new information distribution services (HIKARI-Soft Services) to corporate clients and general users in cooperation with business partners. The services utilize the three characteristics of optical networks, namely, "high speed and broad bandwidth," "interactive capability" and "ability to integrate composite media." ("HIKARI" is the Japanese word for "light." It suggests "optical" and implies "forefront," "hope" and "innovation.") The vision was announced in November 2000. (http://www.ntt.co.jp/news/news00e/0011/001128.html)

*3 QuarkDMS
The system which is being employed for the tests is the Quark Digital Media System (http://www.quark.co.jp/products/quarkdms). It has a scalable triple-layer construction that enables utilization by hundreds of users simultaneously. It has digital content input, cataloging, storage, search and archive functions. It supports a large variety of file types, and one of its most salient features is its high degree of affinity with QuarkXPress.

*4 Image search technology "ImageCompass"
This technology was developed by the NTT Cyber Space Laboratories. It provides image similarity search as well as keyword search such as titles and creators. For image similarity calculation, features such as colors and shapes of the images are used. The technology can automatically extract the objects appearing on the images and

register their image features, and it enables high-speed searches using not only the features of the whole images but also the objects appearing in those images as the search keys. (http://www-db.isl.ntt.co.jp/~exdemo/)

- Brand DAM System

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