

December 22, 2006
Information Services International-Dentsu, Ltd.
Koichi Mizuno, President and COO
(Stock Code 4812, TSE, First Section)
Contact for Inquiries: Nobuo Uehara, Executive Director
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The Establishment of a Subsidiary

We notify as follows, that Information Services International-Dentsu, Ltd. (hereafter ISID) has passed on a resolution at a board meeting held on 28th of November 2006, to establish a subsidiary company, and has established it.

1. Object of Establishment

Alongside factors such as the shortening of product development periods, improvement in quality, and cost reduction, the use of CAE (Computer Aided Engineering, the prognostic evaluation and testing of product performance by computer analysis) has become more common in the Japanese manufacturing industry in recent years, with the purpose of pursuing measures that are both safe and environment-friendly. However, it is still a challenge for companies to find engineers capable of handling CAE tasks, and the need is rising for consignment of such tasks to outside companies.

It is under these circumstances that ISID has decided to establish “ISID Hokkaido Ltd.” (hereafter ISID Hokkaido), a company specialized in offering CAE technical support services with the object of establishing structures to cater for demand of manufacturing companies by training engineers to carry out CAE tasks.

As a CAE pioneer in Japan, ISID has significant achievements and know-how to its name, and has been improving its CAE solutions and services offered to client companies through such measures as the acquisition in March 2006 of ESTECH Corporation (hereafter ESTECH), a company excelling in analysis and experimental technology, as a wholly subsidiary company. With the establishment of ISID Hokkaido, structures which enables ISID to work cooperatively with the subsidiary will be implemented. Through this process, we, ISID believe that our ability to offer solutions in the CAE field will be strengthened, and it will also be able to contribute to the sales expansion of CAE software.

As a group company involved in solution services for manufacturers, ISID has under its wing iTiD Consulting. Ltd., related to product development procedures; ISID TechnoSolutions. Ltd., which has

strength in production technologies such as mold design; and ESTECH, which has technical consulting services and performance of analysis and experiments. ISID has established overseas subsidiaries in Shanghai, Hong Kong, Singapore, Malaysia and Thailand in order to support Japanese manufacturers abroad. ISID has also concluded a capital and business alliance deal with Elysium Co. Ltd., which boasts superior technologies for 3D data translation. Through collaborations with group companies, we have set up structures to provide one-stop services for solutions to realize the optimization of the whole product development process.

We, ISID expect to enhance our group structures with the establishment of ISID Hokkaido, and will endeavor to offer valuable solutions and services to meet the diverse needs of manufacturers.

2. Outline of Subsidiary

(1) Trade Name	ISID Hokkaido Ltd.
(2) Representative	Tomoyuki Iwata, President and CEO
(3) Seat	Sapporo, Hokkaido
(4) Date of Establishment	December 12, 2006
(5) Start of Business (planned)	April, 2007
(6) Business Description	Analysis technology support service for manufacturers
(7) Fiscal Term	March
(8) Capital	150 million yen
(9) Large Stock Holders and holding rate	100% held by Information Services International-Dentsu, Ltd.

3. Effects on ISID's financial results

At the establishment stage, ISID Hokkaido is expected to be an unconsolidated subsidiary of ISID. Therefore, the effect of the company's establishment on the business productivity of this term (the 2007 March term) is expected to be negligible.