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NEWS FOR IMMEDIATE RELEASE

New study of Japanese stakeholders shows PR-earned media coverage is believed to be more effective than advertising-paid media coverage

- ◆ *60% say earned media coverage using a PR agency is more effective than paid media coverage using an advertising agency (33%)*
- ◆ *79% have engaged in 'blogging,' compared to 52% last year (+27%)*
- ◆ *49% say CSR is a sincere business shift rather than just image-building (46%)*
- ◆ *Japanese corporations score high on offering 'top quality products/services,' while Western corporations get higher marks for 'operates in an open and transparent fashion'*

TOKYO, JAPAN, 2006 November 27 -- Edelman (www.edelman.jp), the world's largest independent public relations firm, today announced the results of a new study of Japanese stakeholders. The survey -- the 2006 Edelman Japan Stakeholder Study conducted by Harris Interactive Inc. -- polled a total of 140 Japanese opinion-leaders from seven stakeholder groups: senior business executives, institutional investors, government, media, NGOs, up-scale consumers, and employees.

PR versus advertising

A clear majority (60%) expressed the view that companies that primarily communicate with their stakeholders through earned media coverage using a PR agency are using a more effective approach than those communicating with their stakeholders primarily through paid media coverage using an advertising agency.

"These results clearly show that public relations may have been an underappreciated aspect of corporate communications," says Edelman Japan Deputy Managing Director Keizo Kumazawa. "We hope that marketers will take note and apply resources accordingly as stakeholders are saying a PR-driven approach is the more effective."


The rise of blogging and online communications

The study reveals a striking increase in the percentage of stakeholders saying that they have done blogging themselves or visited blogs online (79% in 2006 compared to 52% in 2005, a +27% increase). Also notable is the fact that more stakeholders (42%) would be more likely to use a corporate website to get information about a company than from any other communications vehicle (even daily newspaper), at 39%.

"Modern communication continues to move online," says Edelman North Asia President Robert Pickard. "Companies need to supplement the traditional power of one-way vertical communications through the company website by building two-way horizontal communications using today's new peer-to-peer approaches, and that includes reaching out through social media and entering into new conversations with stakeholders online."

CSR: a sincere change in business or image-making?

Japanese stakeholders are divided between whether they see Corporate Social



Responsibility as a sincere shift in the way companies do business today (49%) rather than as a way to improve their image in the marketplace (46%).

Japanese and Western corporations

Ninety-four percent (94%) of Japanese stakeholders say that 'good and responsible' corporations 'stand behind their products and services when something goes wrong.' Yet only 29% of Japanese and Western corporations are seen as living-up to that characteristic.

Seventy-two percent (72%) say that 'good and responsible' corporations 'offer top quality products and services,' and here 57% say that Japanese corporations are doing that, far ahead of the 26% who feel that Western corporations are living-up to the characteristic.

However, Western corporations scored higher (36%) compared to Japanese corporations (11%) when it comes to 'operates in an open and transparent fashion,' which was identified by 71% as a characteristic of a 'good and responsible corporation.'

Perceptions of Japanese companies in Japan compared to other Asian markets

Interestingly, Japanese stakeholders held less positive perceptions of the extent to which Japanese corporations are meeting the following characteristics compared to stakeholders polled in Australia, China, India and South Korea: 'provides senior leadership that can be trusted,' 'works hard at building relationships with key stakeholders,' 'communicates frequently and openly with employees,' and 'operates in an open and transparent fashion.'

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About the 2006 Edelman Japan Stakeholder Study

The 2006 Edelman Japan Stakeholder Study -- created as part of the firm's fourth annual Asia-Pacific Stakeholder Research Study of 1,050 stakeholders in 10 countries -- was conducted in partnership with Harris Interactive Inc. (www.harrisinteractive.com), the fastest-growing market research firm in the world. The objective of the study was to understand which factors are most important to stakeholders when corporations communicate and build relationships with them. For a copy of the extended findings, please visit www.edelman.jp or send a request by e-mail to japan@edelman.com.

The 140 Japanese respondents -- who were surveyed during 40-minute interviews during June-August -- represented seven different stakeholder groups, including: **senior business executives** (c-suite executive decision-makers); **institutional investors**; **government officials** (mid-range officials or above, such as senior officers and senior executive officers); **media representatives** (senior business editors/reporters/journalists and producers); **NGOs** (managers or above working in institutions, non-profit organizations, industry associations and/or trade associations); **up-scale consumers** (middle- to upper-class consumers with buying power); and **employees** (working at either multinational or large corporations).

Founded in 1952, Edelman (www.edelman.jp) is the world's largest independent public relations agency with annual revenues of USD 292 million (JPY 34 billion). The firm's more than 2,200 professionals serve clients from 47 offices in 23 countries. Edelman was named "The Best Agency in 2005" by *Advertising Age* and "Large Agency of the Year 2006" by *The Holmes Report*. Japan's premier international PR consultancy, Edelman offers a full spectrum of the most state-of-the-art public relations services available today. From CSR consulting to crisis communications to understanding the rise of blogging and personal media, Edelman is working to set a new PR standard by helping world companies communicate in Japan, and helping Japanese companies communicate around the world.