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## Strategic Partnership between Navibird/nissen and Baidu

Nissen, Inc. (Head Office: Minami-ku, Kyoto, Japan; Representative Director: Nobuya Samura; hereafter “nissen”), the principle business of nissen Group, has agreed on the entering into of a strategic partnership with Baidu (Head Office: Beijing, China; Chairman/CEO: Robin Li; hereafter “Baidu”), with the aim of proactively expanding operations in the Chinese e-commerce marketplace.

### 1. The Background and Aims of the Partnership

In addition to planning for the aggressive increase of its online computer- and cell phone-based sales within Japan, nissen Group's mid- to long-term strategy sees it selling to the countries of Europe, America, and other counties of Asia through its online shopping site "JSHOPPERS.com." This is one of the first steps on its road to further expansion into the overseas marketplace.

In China, the business environment for new participation in e-commerce continues to become more favorable, thanks to the expansion of communications and distribution infrastructure, the increasing interest in fashion on the part of regular customers – owing, among other things, to the proliferation of fashion brand shops in the large cities – and the dramatic economic development that has seen growth of average real GDP in excess of 10% every year in the five years from 2003.

In this business environment, Navibird/nissen is aiming for the expansion of operations in the Chinese e-commerce marketplace via a strategic partnership with Baidu, which operates the largest search engine in China: “Baidu.com.” This partnership is intended to secure a monumental traffic flow, and create increased brand-name recognition, trust etc. in China through the development of a double brand-name shopping site.

The “Baidu.com” site operated by Baidu is the largest Chinese-language site in the world, and records an average of in excess of 1 hundred million unique users each day. It is used by 95% of Chinese Internet users – said to exceed 2 hundred million in total – and has established an overwhelming leading share in the Chinese search engine marketplace.

### 2. The Nature of the Partnership

- ① In order to consistently deliver a stable level of traffic, Baidu will open a "Baidu nissen area Japanese portal" through “Baidu.com” at the end of February, 2009, and will recommend nissen Group’s overseas shopping site “JSHOPPERS.com” to its users. In return, Navibird/nissen will remunerate Baidu based on the number of customers successfully referred.
- ② As an Internet promotions strategic partner in China, Navibird/nissen will use the Baidu brand logo. Navibird/nissen and Baidu plan to open a Chinese shopping site under a double brand-name.
- ③ Navibird/nissen and Baidu will regularly create opportunities for consultation and analysis in order to improve the performance of the site, and through these aim for increased traffic and customer uptake effectiveness.