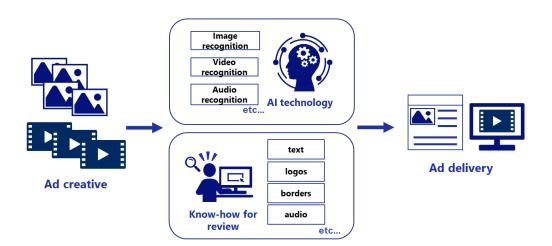


NEWS RELEASE
CARTA COMMUNICATIONS INC
NEC Corporation

CCI and NEC Launch PoC for Using AI for Advertising Review

PUBLISHED
June 30, 2023

TOKYO, JAPAN, June 30, 2023 -- CARTA COMMUNICATIONS Inc. (Headquarters: Chuo-ku, Tokyo; Taku Meguro, Representative Director, President; "CCI"), a group company of CARTA HOLDINGS, Inc. and NEC Corporation (Head Office: Minato-ku, Tokyo; Takayuki Morita, President and CEO; "NEC") are pleased to announce that the two companies are partnered to run a PoC for using artificial intelligence (AI) for advertising review. The PoC will start in July 2023, aiming to complete with the commercial launch of an advertising review support system by the end of 2025. The companies filed a joint patent application for this system in March 2023.



In recent years, as smartphones and tablets have become ubiquitous in our daily lives, digital advertising has become increasingly influential, and it's now as important as the four major mass media, including television, newspapers, magazines and radio. According to Dentsu's 2022 Advertising Expenditures in Japan, the domestic advertising market is expected to exceed 3 trillion yen in 2022.





NEWS RELEASE CARTA COMMUNICATIONS INC NEC Corporation

When advertisers place an ad on any medium, whether it's television, newspapers, magazines, radio, digital or transit, each ad is reviewed by publishers and/or advertising agencies to ensure that their content is in compliance with laws and regulations such as the Act against Unjustifiable Premiums and Misleading Representations and the Act on Pharmaceuticals and Medical Devices, voluntary regulations and industry standards set by various trade organizations including those related to real estate and alcohol, as well as policies and guidelines provided independently by different publishers and media owners.

Traditionally, in these reviews, ad content is visually checked against relevant advertising standards. However, as the demand for digital advertising increases, the number of ads to be reviewed is also increasing, resulting in a huge workload for reviewers and a shortage of manpower.

To address these challenges, CCI and NEC have decided to jointly conduct a PoC for automating these review processes for various types of advertising media, with NEC bringing in its development and engineering expertise in artificial intelligence and broadcasting systems, and CCI its knowledge and experience in digital advertising reviews.

In the first phase which starts in July 2023, the scope of PoC includes the following capabilities:

- 1) Text content review: to ensure all required information such as the name of the advertiser is duly included; or to ensure no banned words (including those overstating a product's benefits) are used.
- 2) Corporate and/or product logos and characters review
- 3) Detecting borders around ads (Ads must have a high-contrasting border to clearly distinguish the ad from the rest of the content.)

In addition to this system development initiative, CCI and NEC will continue to work together to facilitate digital transformation in advertising as well as the evolution of the digital and television advertising markets. Various other R&D partners will be invited to join our development efforts for a wide range of advertising solutions helping businesses truly adapt to the age of DX.





NEWS RELEASE CARTA COMMUNICATIONS INC NEC Corporation

Contact: PR Office, CARTA HOLDINGS Inc.

Inquiry form is available at https://cartaholdings.co.jp/en/contact-ir/