New Coating Technology Enables Color Inkjet Printing of 4 Color Offset Pre-Printed Documents: Digip-Plus System Description

Keizaburo Matsumoto Matsumoto Inc., Japan

(1) Introduction

Digip-Plus is a new and unique advertisement tool, which allows customization of traditional mass merchandizing material at local sites where the promotional material is to be used.

New trends in business communication are requiring a more customer-centric approach as opposed to mass advertisement to sell goods directly to the customer: one to one vs. the one to many approach. The message needs to be tailored to the customer to be more effective.

However, mass marketing communication (broad-cast advertisement) such as TV commercials and printed products cannot achieve this level of customization at an affordable cost. It is obvious that mass merchandizing is still an important and effective way to communicate, but it is not an adequate medium to produce customized merchandizing at a commercially viable cost.

Matsumoto Inc. has invented a new technology that allows the merging of conventional centralized printing technology with localized DPP technology such as Ink-Jet printers & Digital Image capture devices.

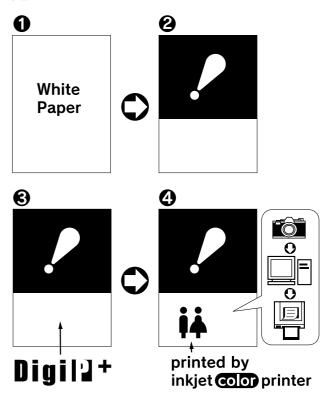
The technology allows the customization of mass produced AD merchandizing at local sites by adding personal information (customer photo from a Digital Camera for example) and updated messages using a local Ink-Jet printer.

We developed a special coating formula that can successfully be coated on printing paper on any area that needs to be reserved for later customization via an Ink-Jet printer. We also successfully developed the in-line coating technology to apply this formula as an overcoat of an already 4-color conventionally printed material.

Several patents cover all aspects of this technology: the coating formula, the printing technology, the application method, the business model etc.

We are currently using a Heidel 102 model, and an 8-color press with double coating units (Bruno doctor chamber & PRI dryer with Heidel press). As a matter of fact, we will show you today some samples that were printed as mass marketing merchandisers and including a special area that was successfully coated with our formula. This area is reserved for the local marketing people to person-alize and localize generic promotional brochures by printing their

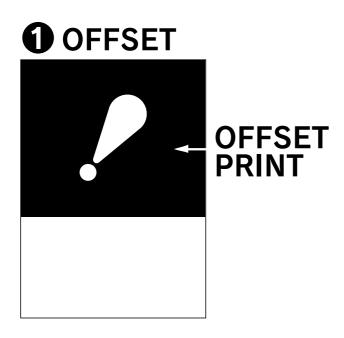
own information using an Ink Jet printer and Digital camera.

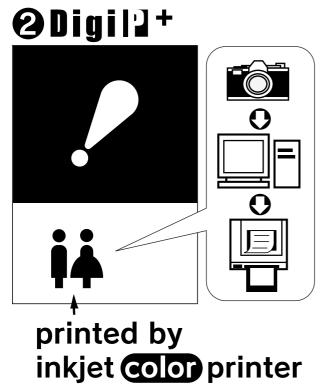


You can imagine many market applications for this technology. For example, car manufacturers could produce generic promotional brochures and fliers with a reserved area specially coated with our formula. This area will enable their local dealers to customize brochures by printing relevant local in-formation and promotions.

Truly, Digip Plus is a revolutionary advertisement tool allowing the creation of a New generation of Ink Jet paper. Applications are endless, and our market creators, starting with you, will develop new application ideas!!

Matsumoto Inc. is presently commercializing the Digip Plus system through Marketing Agents and Contract Distributors under a special Licensing Agreement. Because of the potential wide range of applications for our technology, Licensees could be part of a large spectrum of industries such as AD Agencies /Marketing SP Companies/ Graphic Art Printing Companies/ Ink-jet Paper Manufacturers/ Digital Camera Manufacturers/ Ink-Jet Printer Manufacturers.





(2) Digip Plus Description and Value Proposition

Digip Plus is a very economical customized printing AD system allowing the creation of relationship (one to one) marketing merchandisers. It allows the mass production of an easy to use pre-printed Ink-Jet paper that can be customized at local sites with the latest relevant information.

Benefits

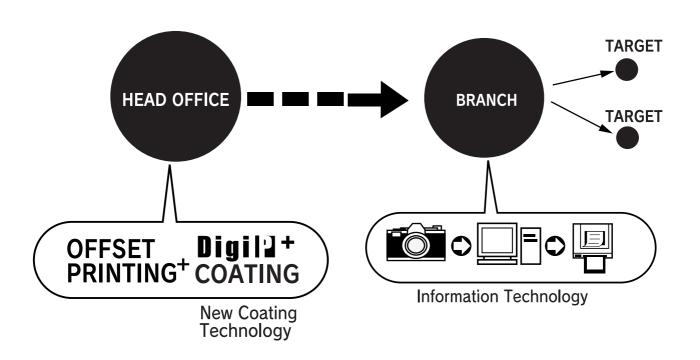
- 1. Economical one to one communication tool
- 2. Easy to use system
- Combines the advantages of economy of scale of mass printing promotional material with an economical way to customize them
- 4. Increase the perceived value of printed merchandisers through local personalization / customization and thus increasing their retention rate in end users hands.
- Unique low cost Ink-Jet paper allowing mass production of easily personalized promotional material for commercial and consumer applications
 - Youth market with pre-printed Ink-Jet Paper with cartoon characters
 - Everyday event imaging applications: wide range of applications to create personal memories on a promotional document at special events (golf, family restaurants.

(3) Digip Plus Business Model

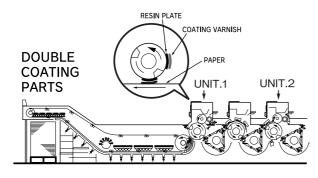
- Licensing to Graphic Art Printers to increase their product portfolio and expand their business revenues
- Licensing to Ink-Jet Paper manufacturers to produce low cost Ink-Jet paper for commercial/consumer applications
- Licensing to AD agencies to develop new market applications for Pre-printed Ink-Jet Paper to enhance the value of existing printed merchandisers

Example 1: AD agency working with their clients such as fast food restaurant chains to create pre-printed paper mats that could be personalized at the local restaurant

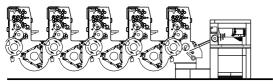
Example 2: AD agency working with Car manufacturers to offer their dealers easily customized car brochures that could include the picture of the prospective buyer in it. As you know, most car buyers don't make a buying decision on the spot. Providing them with a reminder of their visit to the car dealership (a picture of themselves in the car they would like to purchase for example) will be a powerful tool to keep the customer attention focused on his/her favorite car once they leave the dealership.

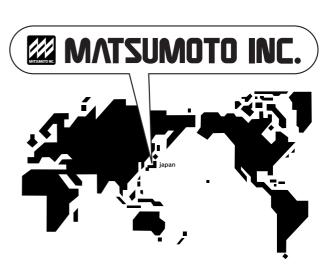


DOUBLE COATING PRINTING MACHINE



OFFSET PARTS-5COLOR





1-2-1 shanoki. moji-ku. kitakyushu-city. fukuoka. japan http://www.matsumoto-inc.co.jp/