

FOR IMMEDIATE RELEASE

September 16, 2020

Dentsu Group Inc. Announces a Capital and Business Alliance with Toyota Motor Corporation to Establish a Joint Venture Aimed at Marketing Innovation and Mobility Business Creation

Dentsu Group Inc. (Tokyo: 4324; ISIN: JP3551520004; President & CEO: Toshihiro Yamamoto; Head Office: Tokyo; Capital: 74,609.81 million yen; hereinafter “the company”) announced today an agreement to form a capital and business alliance with Toyota Motor Corporation (President: Akio Toyoda; Head Office: Toyota City, Aichi; hereinafter “Toyota”) and Toyota’s subsidiary Delphys Inc. (President & CEO: Shiroyuki Dobashi; Head Office: Tokyo; hereinafter “Delphys”). As a result of the agreement, the company and Toyota are scheduled to establish a joint venture, effective from January 2021 (scheduled). The joint venture will be a holding company for an operating company based on Delphys's current business as well as for a separately established operating company. The business domains of these two companies will be Toyota’s “strengthening of communication that is considerate of customers” and “promotion of digital transformation,” respectively.

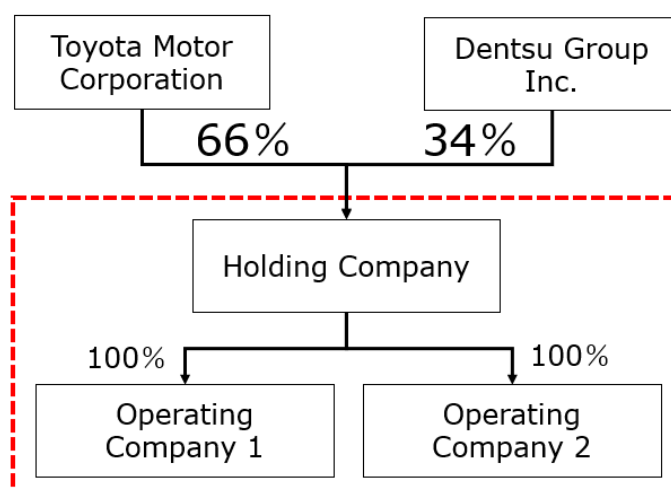
Under this new business structure, centered around Dentsu Inc., the Dentsu Group will deliver marketing transformation including Toyota’s DX and accelerate its mobility business creation. At the same time, the Group will promote its business transformation through its contribution to the marketing transformation of client companies.

The joint venture will be an equity-method affiliate of the company.

Outline of launch of new business structure

In September 2020, the company, Toyota and Delphys entered into a capital and business alliance agreement including a third-party allotment of capital to the company by Delphys. Based on the agreement, the companies will launch the new business structure.

Going forward, after obtaining approval from competition law authorities in the countries concerned, Dentsu Group Inc. will invest in Delphys and prepare for the launch of the structure in January 2021 (scheduled).



Operating company 1:

With Delphys's business as its foundation, operating company 1 will conduct: 1) innovation of communication toward brand-building that generates exceptional customer trust, 2) innovation of marketing that anticipates changes of the times, such as the advancement of a digital society, and 3) the challenge of executing business in a mobility society.

Operating company 2:

Operating company 2 will engage in the creation of new mechanisms and businesses, as a research entity in the field of digital communications, through the advancement of digital transformation in the retail domain.

Holding company:

The holding company will preside over operating company 1 (transformed from Delphys) and operating company 2 (newly established), and will conduct strategic decision-making related to innovation in the marketing domain.

	Holding company (Newly established)	Operating company 1 (Name changed from Delphys's name)	Operating company 2 (Newly established)
Company name	Undecided	Undecided	Undecided
Start of operations	January 2021 (scheduled)	January 2021 (scheduled)	January 2021 (scheduled)
Representative Director	Yoshiyuki Yamashita	Jun Nagata	Yoshiyuki Yamashita
Shareholder structure	Toyota Motor Corporation: 66% Dentsu Group Inc.: 34%	Fully owned subsidiary of newly established holding company	Fully owned subsidiary of newly established holding company
Principle lines of business	Strategic decision- making for all three companies in the new business structure	Strengthening of communication that is considerate of customers	Promotion of digital transformation

Note:

Please refer to the Dentsu Inc. press release "Dentsu and Toyota Launch New Companies for Marketing Innovation and Mobility Business Creation" that was also issued today.

URL: <https://www.dentsu.co.jp/en/news/release/2020/0916-010137.html>

About the Dentsu Group

Led by Dentsu Group Inc. (Tokyo: 4324; ISIN: JP3551520004), a pure holding company established on January 1, 2020, the Dentsu Group encompasses two operational networks: Dentsu Japan Network, which oversees Dentsu's agency operations in Japan, and Dentsu Aegis Network, its international business headquarters in London, which oversees Dentsu's agency operations outside of Japan.

With a strong presence in over 145 countries and regions across five continents and with more than 66,000 dedicated professionals, the Dentsu Group provides a comprehensive range of client-centric integrated communications, media and digital services through its ten global brands—Carat, Dentsu, dentsu X, iProspect, Isobar, dentsumcgarrybowen, Merkle, MKTG, Posterscope and Vizeum—as well as through Dentsu Japan Network companies, including Dentsu Inc., the world's largest single brand agency with a history of innovation. The Group is also active in the production and marketing of sports and entertainment content on a global scale.

Dentsu Group Inc. website URL: <https://www.group.dentsu.com/en/>

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