

FOR IMMEDIATE RELEASE

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Dentsu Japan Network to Establish a New Company that Realizes the Sophistication and Efficiency of Corporate Functions in the Dentsu Group's Business in Japan

Dentsu Japan Network (President & CEO: Hiroshi Igarashi; Head Office: Tokyo; hereinafter "DJN"^{*1}), which oversees and manages the Dentsu Group's business in Japan, announced today that it will establish a new company to realize the sophistication and efficiency of DJN corporate functions.

Since February 2021, DJN has been promoting the structural reform^{*2} of the Group's business in Japan with the aim of evolving into an "Integrated Growth Partner"^{*3}. With its "change in business formation" strategy as one of the structural reform pillars, it has been accelerating the transformation of the Japanese business into four business domains (AX, BX, CX and DX)^{*4} and the optimization of the organization. The establishment of a new company will enable DJN to make changes to the corporate functions that go hand-in-hand with business functions to support the business. At the same time, this initiative will lead DJN to promote a change of the human resources formation, improving expertise within each function.

The new company will centrally and stably provide corporate functions to each DJN company. In the future it plans to expand the scope of the services provided to all of the DJN companies, aiming to increase the sophistication and efficiency of overall corporate functions. At the same time, it will maximize the performance of their human resources as well as improve operational efficiency by consolidating the corporate functions of each DJN company. To achieve these goals as a group of professionals responsible for various corporate functions, the new company plans to introduce a personnel system that provides opportunities to improve professional skills, expand career paths, and enable flexible and diverse work styles.

A preparatory company will be established by July 2021. Dentsu Management Services Inc. and Dentsu Works Inc., both of which specialize in corporate functions within DJN, will be consolidated and integrated into the preparatory company together with selected human resources from the main corporate functions within Dentsu Inc. The new company will start business from January 2022. In the future, in addition to upgrading and expanding the scope of services provided, the new company plans to expand by consolidating the corporate functions of other DJN companies after considering the appropriate target companies, timing, and methods, and build a strong management foundation for DJN.

dentsu japan network

By continuing to quickly and reliably implement the structural reform of the Group's business in Japan and the business transformation measures to drive growth, DJN will contribute to the achievement of the Dentsu Group's medium-term management plan announced in February 2021 and to further enhancement of Dentsu Group's corporate value.

*1 Dentsu Japan Network (DJN) is an in-house company within Dentsu Group Inc. It also refers to the network itself which consists of approximately 130 Dentsu Group companies in Japan.

URL <https://www.japan.dentsu.com/en/>

*2 For details on the structural reform of the Japan business please refer to the press release "Notice Concerning the Structural Reform of the Dentsu Group's Japan Business and Expected Expenses" dated February 15, 2021.

URL <https://www.group.dentsu.com/en/news/release/000388.html>

*3 A partner who commits to the sustainable growth of client companies and contributes to the solving of social issues.

*4 AX (Advertising Transformation) domain:

Domain to maximize the sophistication and efficiency of advertising

BX (Business Transformation) domain:

Domain to support the business transformation of client companies

CX (Customer Experience Transformation) domain:

Domain to design and deliver the optimum customer experience

DX (Digital Transformation) domain:

Domain to facilitate transformation of the marketing infrastructure

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