

November 21, 2022

**Dentsu Group Launches the “VARK ARENA”
Festival Venue in the Metaverse Space
—As the first step, the venue is provided for the “TV Tokyo Virtual
Music Festival”—**

Dentsu Group Inc. (Tokyo: 4324; ISIN: JP3551520004; President & CEO: Hiroshi Igarashi; Head Office: Tokyo; Capital: 74,609.81 million yen) announced today that in collaboration with its investee company VARK Inc. (CEO: Takuya Kato; Head Office: Tokyo), it has jointly developed and launched the “VARK ARENA,” a live entertainment festival venue where people can participate in online live performances by various artists in the metaverse space. As the first step, we will provide this venue for the virtual live music event “TV Tokyo Virtual Music Festival” to be held from November 24.

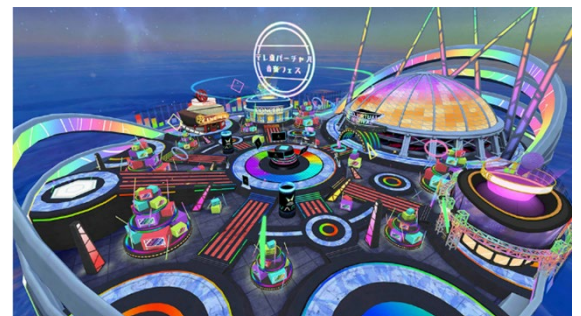
Demand for online live shows has expanded rapidly in the wake of the spread of COVID-19, and the market continues to grow. In addition to the advantage of being able to participate remotely from anywhere in the world, online live performances in the metaverse space allow people to feel the power and immersion of actually participating in a live performance at a real venue. On the other hand, holding live performances in such a metaverse space also raised the problem of a significant increase in production costs due to the production of the virtual space and the special shooting methods required.

In response to these issues, by standardizing the design and production of event venues and live production, events can be held in the “VARK ARENA” at reduced costs while maintaining high quality. Also, not only VTubers but also real artists can hold live events together in the venue. Other main functions of the “VARK ARENA” are as follows.

Main functions

- **Custom design for each event**

The design of the venue can be changed according to the event and original objects can be installed. Original avatars and items of client companies can also be sold and distributed.



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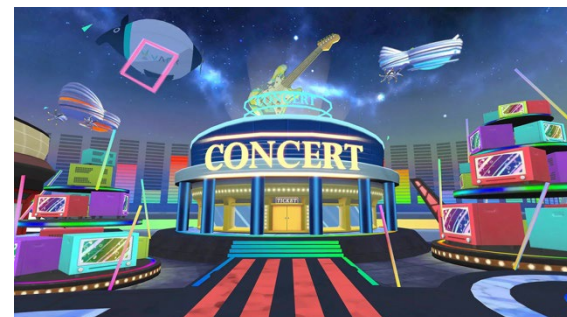
- **Virtual live 3D models**

Participants can experience powerful virtual live performances by using 3D models such as VTuber Live. They can also participate interactively by gifts and comments.



- **360-degree live video**

360-degree images of real artists, not 3D models, can be experienced live.



- **Theater**

Participants can watch video content including past archives.



- **Karaoke**

A karaoke facility is also installed in the ARENA. Participants can enjoy karaoke from the prepared song list.

During the event period, the design of the karaoke room may be a special edition.



- **3D advertisements and avatar items / digital goods commerce**

The use of 3D objects enables the display of advertisements that are more interactive and highly scalable, creating new business opportunities for participating companies.



Note: The content implemented and possible operations and actions will differ depending on the event.

Going forward, dentsu group will promote the XR transformation of a wide range of content such as music and animation through the "VARK ARENA." The Group will create new virtual

experiences and live experiences for live participants and aim for further development of the virtual entertainment business.

At the core of this initiative is the XR team at Dentsu Innovation Institute (hereinafter referred to as "DII"), Dentsu Group Inc.'s in-house organization that promotes R&D across the entire dentsu group. DII is expanding its range of solutions, such as by starting to offer "Integrated Metaverse Solutions"*1, for companies' metaverse activities in May this year. Going forward, DII will continue to contribute to the expansion of the metaverse market While deepening cooperation with client companies and partner companies through collaboration with the co-creative organization "XRX STUDIO"*2 which was jointly formed with five dentsu group companies in Japan, and also with "MCx"*3.

Outline of the TV Tokyo Virtual Musical Festival

Festival period:	From November 24 (Thursday) to November 27 (Sunday), 2022 <ul style="list-style-type: none">● Admission to the festival venue and viewing of free content will be enabled from November 23 (Wednesday)
Organizer:	TV Tokyo Virtual Music Festival Production Committee
Performers :	=LOVE, 96NEKO, Da-iCE, Harusaruhi, koko, Mori Kasumi, Morning Musume. '22, OumaYuu, Sakura Miko
Special event page:	https://lp.vark.co.jp/tvtokyo-virtual-music-festival/ (Japanese language only)
Supported devices:	iOS, Android, Meta Quest 2
Participation method:	You can participate with a smartphone, tablet, or the Meta Quest 2 VR headset. <ul style="list-style-type: none">● VARK's iOS and Android application versions do not support smartphone VR that utilizes cardboard or other VR goggles

DII: R&D policy in the XR domain

- What the XR team believes



At DII, we believe that XR technology will expand dimensions, senses, and spaces,

making people's lives around the world richer and more convenient. We will continue to work globally with outside partners to create valuable business foundations and solutions for the future.

- *1 Solutions that comprehensively support marketing and business development utilizing the metaverse. Integrated support such as business plan formulation (monetization design), partner development, UI/UX planning, implementation, data acquisition and analysis, PDCA cycle, and investment is provided in the areas of business development, owned media development, store development, and integrated promotion. Please see the following press release for details.

<https://www.group.dentsu.com/en/news/release/000726.html>

- *2 XRX STUDIO comprises DII and five companies:

Dentsu Innovation Initiative <https://innovation.dentsu.com/>

Dentsu Inc. <https://www.dentsu.co.jp/en/>

Dentsu Digital Inc. <https://www.dentsudigital.co.jp/en/en-lp>

Dentsu Live Inc. <https://www.dentsulive.co.jp/en/>

Dentsu Promotion Plus Inc. <https://www.dentsu-pmp.co.jp/> (Japanese language only)

Information Services International-Dentsu Ltd. <https://www.isid.co.jp/english/>

For more information on XRX STUDIO, please visit <https://www.xrx.jp/> (Japanese language only)

- *3 Refers to the "Cross MC Transformation Project," a cross-departmental project related to media content at Dentsu Inc.

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