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Dentsu Group Inc., Asahi Television Broadcasting Corporation and Six Other Companies Launch "ghost Link," a New NFT-Related Demonstration Experiment —Seeking to form a new creator economy in the Web3 era in collaboration—

Dentsu Group Inc. (Tokyo: 4324; ISIN: JP3551520004; President & CEO: Hiroshi Igarashi; Head Office: Tokyo; Capital: 74,609.81 million yen; hereinafter referred to as "the Company") announced today that as part of its efforts to explore a new fan economy in the TV content area for the Web3 era, its R&D organization Dentsu Innovation Initiative^{*1} will work in collaboration with seven other companies^{*2}, namely Asahi Television Broadcasting Corporation (hereinafter "ABC"), 3RD GEAR, Inc., Septeni Incubate, Inc., SIVIRA Inc., Sony Corporation (hereinafter "Sony"), ISI-Dentsu of America, Inc., and Infinite Objects Inc. (hereinafter "IO"), in order to launch "ghost Link"^{*3}, a demonstration experiment regarding the formation of a new creator economy utilizing NFTs.

As a recent trend in the TV content area, consumer activities are not limited to watching content and purchasing related products. User-generated content (UGC) such as the content commentaries and scenario predictions posted by viewers on social networking services (SNS) has led to the creation of a new kind of audience engagement that further stimulates consumer viewing behavior. On blockchains, NFTs can contain immutable data including rights information, so intellectual property (IP) rights for digital data such as images can be assigned to NFTs. Various loyalty services and communities centered on NFTs have been built, and NFT holders are incentivized to mutually increase the value of their tokens. As a benefit of NFT ownership, NFT holders inspired by the original image who sell products such as clothing designs and music using the target IP have also appeared.

In response to such new trends, the eight companies will jointly start conducting a "ghost Link" demonstration experiment using NFTs for the main IP "Magatsuhi" that appears in the "Tokyo Case"^{*4} VR drama content produced by ABC. In this experiment, they will issue NFTs for creators to fully create derivative works. NFT holders are allowed to freely adapt and edit, and rights such as production, duplication, and distribution are granted regardless of whether they are commercial and non-commercial. In addition to considering an appropriate evaluation model for the value of UGC in the content area by verifying the development of secondary creations by creators inspired by the target IP, the companies aim to discover creators who will create content.

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The main IP "Magatsuhi" that appears in ABC's VR drama content

Furthermore, in order to promote the secondary creation of IP by video creators, the Company will invite media artist Yoichi Ochiai, who works at the intersection of digital and physical media, as a lead creator. While receiving his feedback from the creator's point of view, the Company will actively support the creative activities of creators through collaboration with IO. Furthermore, in this experiment, by combining SIVIRA's contract wallet^{*5} and Sony's hardware wallet technology^{*6} with IO's "Video Print"^{*7} product technology, the Company is also planning to verify technology that achieves both security and the convenience of NFT transactions under a simple UX.



Deployment example of "ghost Link": Derivative work by lead creator Yoichi Ochiai

Based on the results of this experiment, the Company will continue to promote new business development utilizing NFTs in the entertainment content field.

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*1 Dentsu Innovation Initiative is a Dentsu Group Inc. in-house organization that promotes R&D for the entire Dentsu Group. In addition, together with Dentsu Inc., Information Services International-Dentsu Ltd., and Septeni Incubate, Inc., it is a member of the "web3 club[™]" cross-Group organization that conducts new business research and implementation in the Web 3.0 area. Please refer to the following URL for the press release concerning the launch of "web3 club[™]." <u>https://www.group.dentsu.com/en/news/release/000805.html</u>

*2 Joint partners of this demonstration experiment

\cdot Asahi Television Broadcasting Corporation	https://corp.asahi.co.jp/en/tv/index.html
· 3RD GEAR, Inc.	https://3dgr.co.jp/
	(Scheduled completion date: April 2023)
• Septeni Incubate, Inc.	<pre>https://septeni-incubate.co.jp/ (Japanese only)</pre>
· SIVIRA Inc.	https://sivira.co/
Sony Corporation	https://www.sony.net/
\cdot ISI-Dentsu of America, Inc.	https://www.isidentsu.com/
• Infinite Objects Inc.	https://infiniteobjects.com/

*3 Dentsu Group Inc. has filed a trademark application for "ghost Link."

- *4 "Tokyo Case" is a drama that has been distributed worldwide on Meta Quest TV (Meta Quest 2 app) from October 2022. It was produced by Asahi Television Broadcasting Corporation. URL: <u>https://tokyocase.asahi.co.jp/en</u>
- *5 In this experiment, the companies will use the "unWallet" self-sovereign wallet that allows users to manage NFTs themselves with a user experience (UX) similar to that of general Web applications, even if they have no knowledge of NFTs or blockchains. It does not require seed phrase management, and has a recovery function to deal with loss or theft of private keys, a meta-transaction payment function, and a lock function to protect NFTs from fraud. For details, please see the URL below. URL: https://www.about.unwallet.world/en
- *6 This technology is used in IC card-type hardware wallets developed based on the knowledge cultivated through the "FeliCa" contactless IC card technology. The combination of SIVIRA's unWallet and Sony's IC card-type hardware wallet has also been verified in other demonstration experiments. For details, please see the URL below.

URL: <u>https://www.sony.co.jp/corporate/information/news/202203/22-0318/</u> (Japanese only)

*7 In this experiment, the companies will adopt IO's "Video Print" patented technology, which enables people to sell videos as non-editable, permanently treated design objects through a customizable digital display. IO's products are equipped with a unique authentication method based on Web3 blockchain technology, and the company has collaborated with the largest partners, and artists in the NFT space including Beeple, NBA Top Shot, Proof/Moonbirds, RTFKT, and more. For details, please see the URL below: URL: <u>https://infiniteobjects.com/nfts</u>

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