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Dentsu and Toyota Launch New Companies for Marketing Innovation and Mobility Business Creation

Dentsu Inc. (President & CEO: Hiroshi Igarashi, hereinafter "Dentsu") announced today that further to the agreement reached between Dentsu Group Inc. (President & CEO: Toshihiro Yamamoto) and Toyota Motor Corporation (President: Akio Toyoda, hereinafter "Toyota") to launch a new business structure, effective from January 2021 (scheduled), it will work together with Toyota and Toyota's subsidiary Delphys Inc. (President & CEO: Shiroyuki Dobashi, hereinafter "Delphys") to promote and accelerate Toyota's marketing innovation and business creation.

With advances in such areas as CASE (connected, autonomous, shared, electric) and Mobility as a Service (MaaS), we are approaching an era in which all of the things and services that support people's lives are connected by information. Toyota is looking ahead to this era and currently is taking on the challenge of creating business models that bring new value and happiness to its customers.

Dentsu, meanwhile, has provided a large number of people-based integrated marketing communications and digital domain solutions to various industries both in Japan and overseas.

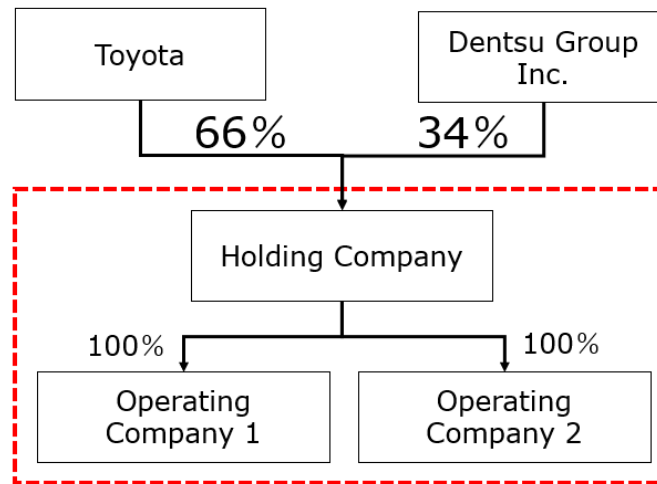
The new business structure to be launched will integrate the strengths of Delphys, which specializes in automotive marketing and in the domain of retail centered on automotive sales, with Dentsu's knowledge and know-how in order to speedily promote the transformation of Toyota's business model. As a result, it will pursue Toyota's: 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) challenge of executing business in a mobility society. Instead of using conventional methods, the aim is to go beyond the realm of automobile manufacturers and advertising agencies by accurately grasping information such as customer situations and needs, developing new businesses, and proposing them to the world.

Dentsu will participate in the new business structure as a "business growth partner" and will promote marketing and the business transformation of client companies.

Outline of launch of new business structure

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

Going forward, after obtaining approval and such from competition authorities in the countries concerned, Dentsu Group Inc. intends to invest in Delphys, with preparations being made toward the launch of the new business 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: 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

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Contact:

Media-related enquiries: Corporate Communications Division

E-mail: global.communications@dentsu.co.jp