

October 15, 2021

**Dentsu Japan Network launches Dentsu Creative Cube
—Two group companies in Japan are merged to form a new integrated
production company that covers the entire CX domain—**

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 the merger of two of the companies under its umbrella. Pict Inc. and Yokohama Super Factory Co., Ltd., both of whose business domains are the production of advertising content, will merge to form a new company, Dentsu Creative Cube Inc., which will focus on integrated production work that covers the CX (customer experience) domain in collaboration with digital production companies. The new company will be launched on January 1, 2022, and will be a wholly owned subsidiary of Dentsu Group Inc.

Since this year, 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” that is committed to the sustainable growth of client companies and society. With its “change in business formation^{*3}” strategy as one of the ongoing measures, DJN will increase the value created by its four business domains (AX, BX, CX and DX)^{*4} and strengthen its competitiveness as a whole while maximizing the power of individual companies. Out of these four business domains, the new company aims to strengthen the CX (Customer Experience Transformation) domain.

Behind the establishment of the new company are the changing needs in the area of advertising content production. In recent years in this area, in addition to traditional production such as TV commercials and graphics ads, production needs have been increasing not only for owned and advertising content such as digital videos and still images, but also content as an experience to enhance engagement with customers, as well as in new fields such as virtual reality (VR) and augmented reality (AR). To meet those needs, these different types of advertising content need to be integrated with a consistent concept based on the CX (customer experience) design.

dentsu **creative cube**

This merger of the two companies provides a response to these changes. By combining the skills of Pict, which has strengths in top-of-the-funnel video production centered on TV commercials, and those of Yokohama Super Factory, which has high production capabilities in the shooting of graphics, and then expanding these capabilities in collaboration with

digital production, DJN will establish a system that can realize integrated production of all content in the CX (customer experience) domain. DJN believes that the new workflow established by integrating Pict's human resources and equipment for shooting and lighting business with Yokohama Super Factory's studio and equipment management capabilities will create a high level of competitiveness in the production field.

Going forward, DJN will continue to strengthen its four business domains (AX, BX, CX and DX) and increase the value they create so that it can contribute to the achievement of the Dentsu Group's Medium-term Management Plan, which has 2024 as its final business year, and to the further improvement of corporate value.

■ Profile of the new company Dentsu Creative Cube after the merger

Company name	Dentsu Creative Cube Inc.
Headquarters location	5-4-18, Tsukiji, Chuo-ku, Tokyo
Date of establishment	January 1, 2022 (merger agreement date: November 12, 2021) (scheduled)
Capital	120 million yen
Number of employees	220 (scheduled number as of the date of establishment)
Line of business	Production of videos, graphics, and digital content in the entire CX domain, management of equipment, shooting and lighting human resources, and studio management
Management structure	Daisuke Murayama, President and Executive Officer Akio Fujimori, Vice President and Executive Officer

The merger will be an absorption-type merger with Pict as the surviving company and Yokohama Super Factory as the absorbed company, after which the company name will be changed to Dentsu Creative Cube.

■ Profiles of the two companies prior to the merger

Company name	Pict. Inc. (Surviving company) The company name will be changed to Dentsu Creative Cube Inc. (scheduled for January 1, 2022)
Headquarters location	5-4-18, Tsukiji, Chuo-ku, Tokyo
Representative	Ken Natori, Representative Director, President and Executive Officer
Date of establishment	June 13, 1980
Capital	120 million yen
Number of employees	141 (as of October 1, 2021)

Line of business	Development of business in both the video production area centered on TV commercials and Web videos, and the area of management of equipment and shooting and lighting human resources; provision of high-quality video production services with a competitive advantage that enables one-stop in-house planning, production and shooting. After the merger, Pict's shooting and lighting rental equipment business will be integrated with Yokohama Super Factory's lighting equipment rental business to strengthen operational capabilities.
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Company name	Yokohama Super Factory Co., Ltd. (absorbed company)
Headquarters location	1-11, Suehiro-cho, Tsurumi-ku, Yokohama City, Kanagawa
Representative	Daisuke Murayama, Representative Director, President and Executive Officer
Date of establishment	March 25, 1991
Capital	100 million yen
Number of Employees	91 (as of October 1, 2021)
Line of Business	<ul style="list-style-type: none"> • Rental studio business for photographs, commercial films (CF), video tape recordings (VTR) and other photography/filming/shooting work • Shooting of graphics and shooting coordination work • Rental business of lighting and other equipment, management and storage of photography products • GRIP / location assistance business, production business for advertisements and other marketing communications

*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.

<https://www.japan.dentsu.com/en/about.html>

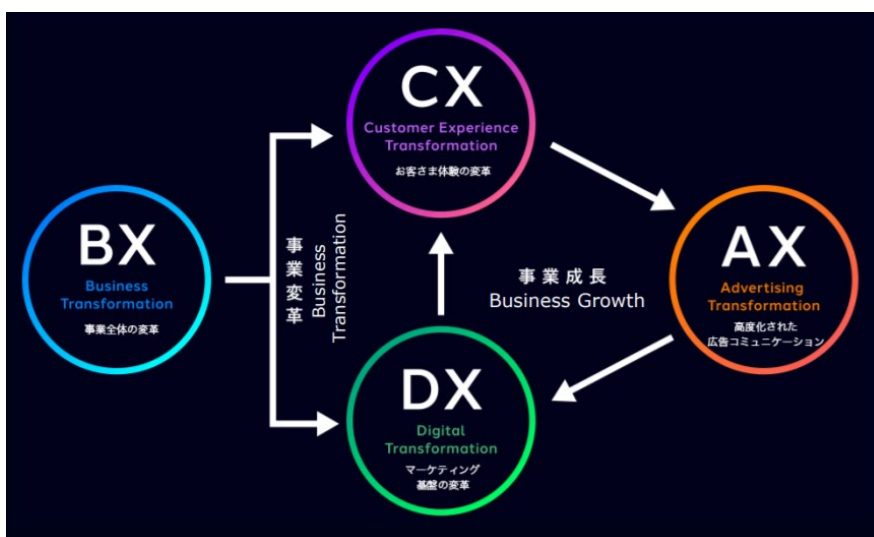
*2: Please refer to this site for details on "Integrated Growth Partner"

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

*3: Business Transformation

DJN is in the process of transforming its business domains into four new business domains (AX, BX, CX and DX) in order to provide client companies with Integrated Growth Solutions of the highest quality and with the most efficient value chain. These solutions are designed to support the growth of client companies from a wider area beyond advertising and marketing, and to contribute to the growth of society as a whole. The specialized services in each domain realized by this transformation and the advanced services across the four domains will bring a cycle of transformation and growth to the business of client companies.

<Japan Business Transformation and Growth Model>



In addition, in order to increase the value created by these four business domains, maximize the power of individual companies, and strengthen its competitiveness, DJN has already implemented or decided to implement various measures to optimize the functions of the DJN companies that make up the Japan business, including the establishment of a virtual organization and grouping the companies from the perspective of areas of expertise and synergies. The main measures are as follows.

- Establishment of a virtual organization within DJN to promote AX, BX, CX and DX
- Four DJN companies were merged into two companies to strengthen the CX and DX domains (merger of Dentsu Digital and Dentsu Isobar, and merger of Dentsu Direct Marketing and DA search & link) (announced on March 15 and completed on July 1)
<https://www.group.dentsu.com/en/news/release/000413.html>
- Strengthening of the BX domain through a capital and business alliance with Dream Incubator Inc. (announced on May 14)
<https://www.group.dentsu.com/en/news/release/000449.html>
- Establishment of a new company to realize the sophistication and efficiency of DJN's corporate functions (announced on May 25)
<https://www.group.dentsu.com/en/news/release/000453.html>
- Establishment of a joint venture with Sumitomo Mitsui Financial Group (announced on July 8)
<https://www.group.dentsu.com/en/news/release/000504.html>

*4: New business domains (AX, BX, CX and DX) of the Dentsu Group's Japan business (Dentsu Japan Network)

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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