

IMMEDIATE RELEASE
May 10, 2022

Dentsu Group Forms a Capital Alliance with Ignition Point

– The collaboration between Dentsu Japan Network and Ignition Point will strengthen business in the Business Transformation (BX) and Digital Transformation (DX) domains, and further increase Dentsu Group’s exposure to Customer Transformation & Technology–

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 it has formed a capital alliance with Ignition Point Inc. (CEO and Co-Founder: Takafumi Suemune; Head Office: Tokyo), which supports the innovation and transformation of clients, and made the company a consolidated subsidiary.

Dentsu Japan Network (hereinafter referred to as DJN^{*1}), which is responsible for the Dentsu Group’s business in Japan, has already begun collaboration with Ignition Point and is promoting the strengthening of business both in Business Transformation (BX) that supports the business transformation of clients and in Digital Transformation (DX) that facilitates transformation of the marketing infrastructure.

DJN has the stated aim of evolving into an “Integrated Growth Partner” that is committed to the sustainable growth of both clients and society, and is focusing on strengthening its competitiveness in its four business domains (AX, BX, CX, and DX^{*2}).

Ignition Point, meanwhile, is a consulting business that works to solve problems faced by society and clients by creating new businesses from the start-up stage and leveraging its strengths in the BX and DX domains. It is also developing an innovation business that creates new businesses by forming an ecosystem with companies, academia, and administrative bodies. It is expected to continue to deliver a high-growth rate with over 30% in sales year on year.

By combining these strengths with DJN’s creativity, realization power, and network capabilities, there is a high affinity in terms of growth direction and corporate culture. Dentsu Group’s management policy of “B2B2S (Business to Business to Society)^{*3}” and Ignition Point’s aspiration to contribute to the business creation and growth of society and clients provide clear alignment between the two organizations. This alliance was concluded with the belief that this synergistic effect based on the affinity between the two companies will enable the development and provision of new services and solutions across both Business Transformation (BX) and Digital Transformation (DX) domains.

This alliance will further Dentsu Group's ambition of reaching 50% of consolidated revenue less cost of sales generated by the structural growth area of "Customer Transformation & Technology (CT&T)*4" over time, in line with the medium-term management plan (2021 to 2024) updated by the Group in February 2022.

Going forward, the Group will continue to contribute to the top-line growth of client companies by providing "Integrated Growth Solutions*5." It will also aim to achieve the medium-term management plan which has FY2024 as its final year and further improve corporate value.

Profile of Ignition Point

Name:	Ignition Point Inc. URL: https://www.ignitionpoint-inc.com/ (Japanese only)
Location:	Shibuya Property Tower 8F, 1-32-12, Higashi, Shibuya-ku, Tokyo
Date of Establishment:	June 4, 2014
Representative:	Takafumi Suemune, CEO and Co-Founder
Number of Employees:	254 (As of May 2022)
Lines of Business:	Consulting business: Provision of consulting centered on new businesses and DX Innovation business: New business development in collaboration with companies, academia, and administrative bodies Investment business: Investment in start-ups and growth support for investees

*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 160 Dentsu Group companies in Japan.
URL <https://www.japan.dentsu.com/en/>

*2

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

*3

The new management policy set forth in February 2022. Going forward, the Dentsu Group will evolve into a "B2B2S" (Business to Business to Society) corporate group that faces S (Society) beyond "B2B." By working with companies to solve social issues together, we will create value for society as a whole over the medium to long term. We also aim to maximize the Group's corporate value for shareholders, client companies, partners, and employees.

*4

High-growth area consisting of businesses across the Group such as marketing technology, customer experience management, commerce, system integration, and transformation & growth strategy

*5

Group business strategy that contributes to the realization of top-line growth for clients by integrating various Group capabilities and assets that transcend the marketing domain

#####

Contact:

Jumpei Kojima

Chief Director

Group Corporate Communications Office

Dentsu Group Inc.

E-mail: group-cc@dentsu-group.com