

October 14, 2022

Dentsu Ventures Invests in Mysten Labs, the U.S.-Based Company Developing the Sui Layer 1 Blockchain

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 that Dentsu Ventures Fund II (hereinafter "Dentsu Ventures"), the Company's corporate venture capital fund, has made an investment in Mysten Labs, Inc. (Headquarters: CA, USA; CEO: Evan Cheng; hereinafter "Mysten Labs"), which is developing the Layer 1 blockchain Sui, with the aim of furthering the adoption of web3.

Mysten Labs was launched in 2021 by former executives of Meta's Novi Research and lead architects of the Diem blockchain and Move programming language. Mysten Labs' inaugural product, Sui, is a decentralized proof of stake^{*1} blockchain designed from the ground up to enable creators and developers in a wide variety of fields ranging from gaming and social media to finance to build user experiences that will further the spread of web3. Sui builds on important innovations in consensus algorithms^{*2} and leverages novel data structures that enable it to scale throughput and storage horizontally to meet application demand while maintaining extremely low operating costs per transaction.

Multiple investors such as the web3-focused fund of Andreessen Horowitz (a16z), a prominent U.S. venture capital firm, and the investment divisions of global web3 companies such as FTX and Coinbase also made investments at the same time as Dentsu Ventures. As a result, Mysten Labs' Series B funding amount reached \$300 million and its valuation exceeded \$2 billion.

Going forward, Dentsu Ventures will support Mysten Labs' mission to unlock the ownership economy^{*3} and bring digital assets to the masses. In addition, it will consider creating synergies with the web3 club^{TM*4}, an organization supporting the Group's web3-related businesses in Japan, and with other expertise in this area within the Company.

Profile of Mysten Labs

Company Name:	Mysten Labs, Inc.	<p>Corporate Logo</p> 
Location:	379 University Ave #200 Palo Alto, CA 94301 USA	
Date of Establishment:	September 1, 2021	
Representative:	Evan Cheng, CEO	
Line of Business:	Developing the Layer 1 blockchain Sui and accelerating the adoption of the Sui ecosystem	
URL:	https://mystenlabs.com/	

Profile of Dentsu Ventures Fund II

Name:	Dentsu Ventures Fund II
Total fund capital:	10 billion yen
Date of Establishment:	April 2021
Period of operation:	10-year period from April 2021 until March 2031
Investment regions:	Global investments both within and outside Japan
Investment stages:	Wide range of stages from seed-stage investments through to later-stage investments
URL:	https://dentsu-v.com/en/

*1 : A type of important scheme in blockchain consensus algorithms. Refers to a mechanism wherein depositing (staking) a certain amount of tokens for a certain period of time contributes to the decision-making of the blockchain community and the operation of the consensus algorithm, and tokens are obtained at a certain rate of interest in return. These staking rewards are designed to secure blockchain network participants and maintain the network. One of the mechanism's defining features is that it does not require a large amount of energy (electricity and computing power) compared to proof of work, which is part of the consensus algorithm adopted by Bitcoin.

*2 : Mechanisms where multiple network participants verify whether the transaction information is correct and reach an agreement upon generating a block that summarizes transaction information.

*3 : An economic system in which participants in a particular community are given ownership rights and economic incentives according to their degree of contribution to that community.

*4 : Please refer to the following URL for the release on the launch of the web3 club™.

<https://www.group.dentsu.com/en/news/release/000805.html>

(Reference) Details of each investor

Andreessen Horowitz URL : <https://a16z.com/>

Coinbase Ventures URL : <https://www.coinbase.com/ja/ventures>

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