

HDY Group to establish new company as a shared foundation in the digital marketing domain in line with the Group's new growth strategy

Tokyo—February 9, 2024—Hakuhodo DY Holdings Inc. is set to establish a new company that will be the digital marketing core of the Hakuhodo DY Group. The move is part of the Group's new Medium-Term Business Plan, which begins in FY2024. The company will incorporate the Group's digital marketing operating companies D.A.Consortium Inc. ("DAC") and IREP Co., Ltd. ("IREP"), and bring together digital marketing knowledge and resources from other operating companies of the Group, with the aim of strengthening the digital marketing domain as the Group's new digital core company.

The Hakuhodo DY Group has announced in its Medium-Term Business Plan, which commences in FY2024, that it will be transforming from a group of advertising companies into a creativity platform. With *sei-katsu-sha*-centered creativity as our edge, the HDY Group aims to be a group that creates the future by connecting *sei-katsu-sha**, companies and society to generate new relationship value. Toward this end, we have identified six business domains for focus and, through the upscaling of each business and fostering of collaboration between them, will strengthen the Group's overall growth and profitability.

In particular, within the marketing business, which has supported the entire Group to date as a pillar of profitability, the digital marketing domain is an area where not only is market growth significant, but change swift and competition stiff. To respond to the digital marketing needs of our clients, we believe that further accelerating the upgrading of our services and the strengthening of our response systems, as well as increasing our competitiveness in the market, are urgent matters.

As the digital core of the Group, the new company will bring together not only the functions of DAC and IREP, but also digital marketing knowledge and resources of Hakuhodo, Hakuhodo DY Media Partners and other operating companies of the Group. We aim for it to become the industry's leading digital marketing operating company by realizing enhanced productivity and increased profitability through the consolidation of resources and strengthening of operational structure.

* "*Sei-katsu-sha*" is a term we use to describe people not simply as consumers, but as fully rounded individuals with their own lifestyles, aspirations and dreams.

About the new company

Name:	To be determined
Location:	4-20-3 Ebisu, Shibuya-ku, Tokyo
Shareholders:	100% owned by the Hakuholdo DY Group
Representative Directors:	Yuzo Tanaka, Chairman; Hiroto Kosaka, President
Employees:	Approx. 3,000 (simple total of DAC and IREP: April 1, 2024 forecast)
Start of integration:	April 1, 2024 (tentatively)
Business content:	Planning, consulting and outsourcing business in the digital marketing field; investment business

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