

## Launch of R&D Transformation Service: Joint Establishment of R&D Transformation Promotion Team with Dentsu

Since it was founded, Dream Incubator Inc. (headquartered in Chiyoda-ku, Tokyo; Representative Director & COO: Takayuki Miyake; “DI”) has been engaged in business creation and business production. In serving clients in R&D divisions, DI has offered a range of support for connecting R&D to business. As the maturing of their existing operations drives companies to pursue new businesses, setting new agendas (formulating concepts) is a pressing need. For this reason, DI believes the role of R&D divisions, which have experience in setting new technical agendas by continually thinking about the future, will once again become central.

To support this role, DI today launched an R&D Transformation service jointly with partner Dentsu Inc. (headquartered in Minato-ku, Tokyo; Representative Director, President and CEO: Norihiro Kuretani) to facilitate transformation of the research arms and other R&D divisions of companies.

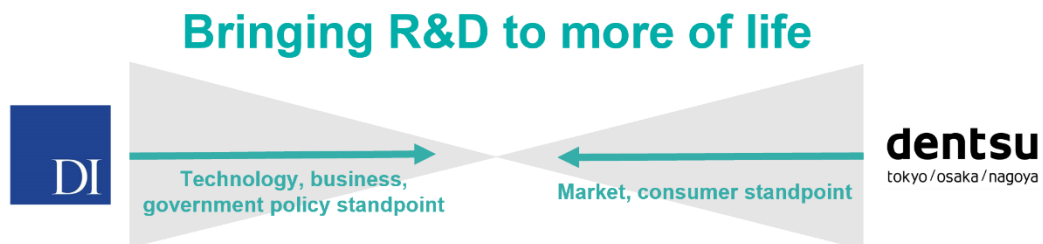
### ■ Approach and uniqueness of R&D Transformation

To sustain growth, companies must not only add depth to existing businesses but also add breadth by expanding into new areas. Although Japanese companies spent 14,538.3 billion yen\* on R&D in fiscal 2020, DI often hears from the R&D divisions of companies that they continue to face numerous challenges. For example, the divisions report that they are unable to define the role or future course of their in-house R&D efforts; that the prominence of R&D divisions has diminished over time both internally and externally; that they are unable to update their methods of identifying new research themes; and that the results of R&D efforts are not easily commercialized. To meet these needs, DI and Dentsu launched the R&D Transformation service designed to help companies rebuild the meaning and value of their R&D divisions and create businesses rooted in R&D.

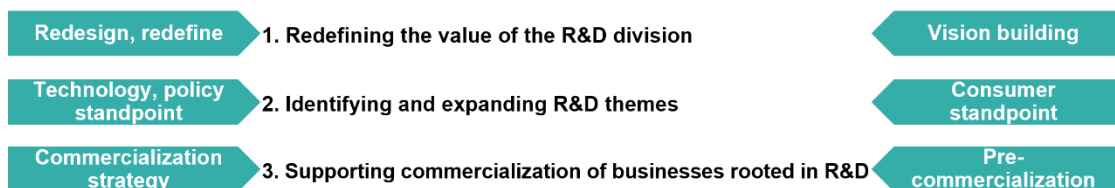
Both DI and Dentsu have a history of helping companies address issues in their R&D divisions, albeit from different angles. As a business producer, DI has helped companies address R&D issues from a technology, business, and government policy standpoint, while Dentsu has helped companies from the standpoint of markets and consumers as an expert in solutions and marketing measures that strongly appeal to people. Reinforcing the collaborative framework now enables the companies to offer a lineup of services that integrate their respective strengths and knowledge.

\*Source: Ministry of Economy, Trade and Industry “2021 Basic Survey of Japanese Business Structure and Activities”.

### Overview of R&D Transformation



**R&D Transformation that combines DI and Dentsu’s distinctive business production capabilities and expertise to create businesses rooted in R&D**



The R&D Transformation service will help client companies (1) redefine the value of their R&D divisions, (2) identify and expand R&D themes, and (3) support commercialization of businesses rooted in R&D. Rather than a consulting service aimed at improving efficiency or lowering costs, the joint initiative is about harnessing the expertise and creativity of the two partners to help client companies maximize the future value of their R&D divisions by delivering realistic, concrete solutions, connecting research results and markets to achieve early commercialization, and walking with clients through the commercialization process, including PDCA-based management.

## ■ Service details

### 1. Redefining the value of the R&D division

- Redefining the mission and value of the R&D division in view of social and business developments and patents held by the company, etc.
- Redesigning and optimizing portfolios, budgets, organizational frameworks, and processes
- Verbalization and visualization to effectively communicate and instill the new value of the R&D division inside and outside the company
- Product endorsements and PR planning through tie-ups with other companies and organizations

### 2. Identifying and expanding R&D themes

- Setting future research themes from a technology, business, and government policy standpoint
- Offering knowledge on consumer trends (insights, behavior data, media contact, etc.), other trends (market, industry, global, etc.), and social issues (SDGs, DE&I, etc.)
- Providing a framework to enable clients to identify research themes through both forecasting and backcasting (planning backward from desired outcomes)

### 3. Supporting commercialization of businesses rooted in R&D

- Objectively judging the commercialization potential of technology and formulating business models and plans
- Bringing out ideas (ideation) and holding creative workshops to make commercialization more effective
- Co-creation support, including collaboration with other companies and organizations
- Prototyping and early commercialization as a microbusiness
- Verifying market response, revisiting business plans

Since DI and Dentsu Group Inc. signed a capital and business alliance in May 2021, the two companies have stepped up their collaboration to promote transformation at client companies.

DI will continue to contribute to the business growth and business creation of companies in a range of ways, including collaboration with Dentsu, addressing issues across various divisions, including the transformation of R&D divisions.

## ■ About Dentsu Inc. (<https://www.dentsu.co.jp/en/>)

Location: 1-8-1 Higashi-shimbashi, Minato-ku, Tokyo  
Established: July 1, 1901  
Capital: 10,000.00 million yen  
Representative: Representative Director, President and CEO, Norihiro Kuretani  
Business: In addition to providing various solutions for overall client marketing, Dentsu promotes the development of efficient advertising in response to changes in the digital age; designs optimal customer experiences; innovates marketing infrastructure; and transforms client business. We also integrate diverse capabilities that have evolved beyond the marketing domain to provide integrated solutions, which contribute to the sustainable growth of clients and society.

## ■ About Dream Incubator Inc. (<https://www.dreamincubator.co.jp/en/>)

DI works not only to develop services for client companies, but also to produce businesses that transform society and infuse energy into the Japanese economy. DI achieves this by combining strategic consulting skills—the most universal, valuable, and fundamental skills in the business sphere—with managerial abilities honed by a pragmatic and ownership-spirited mindset fostered through our incubation initiatives.

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