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# **Summary of Financial Results for the Nine Months Ended September 30, 2025**

## **—IFRS Consolidated Results—**

Name of Listed Company: Dentsu Group Inc.

Code Number: 4324

Stock Exchange Listing: Prime Market of the Tokyo Stock Exchange

URL: <https://www.group.dentsu.com/en/>

Name of Representative: Hiroshi Igarashi, Representative Executive Officer,  
President & Global CEO

Scheduled start date of dividend payment:

—

Supplementary briefing material on financial results:

Available

Financial results briefing for institutional investors and analysts:

Scheduled

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## **Summary of Consolidated Financial Results for the Nine Months Ended September 30, 2025 [IFRS]**

### **1. Summary of Financial Results for the Nine Months Ended September 30, 2025 (from January 1, 2025 to September 30, 2025)**

(Figures are rounded down to the nearest one million yen)

#### **(1) Consolidated Financial Results (cumulative)**

(Percentages indicate the rate of increase or decrease compared with the previous corresponding period.)

(Millions of yen, except as otherwise stated)

	Revenue		Net revenue		Underlying operating profit		Operating margin	Operating profit	
Nine months ended September 30, 2025	1,014,316	(1.2%)	851,332	(1.7%)	110,975	14.1%	13.0%	(7,447)	—
Nine months ended September 30, 2024	1,026,142	9.8%	866,057	6.5%	97,244	(1.0%)	11.3%	28,900	(40.2%)

	Profit before tax		Profit for the period		Underlying net profit attributable to owners of the parent		Profit attributable to owners of the parent	Total comprehensive income for the period	
Nine months ended September 30, 2025	(19,035)	—	(55,555)	—	56,557	11.6%	(61,531)	—	(73,711)
Nine months ended September 30, 2024	17,859	(61.1%)	7,811	(71.6%)	50,675	(1.1%)	1,510	(93.1%)	59,223

(Yen)

	Underlying basic earnings per share	Basic earnings per share	Diluted earnings per share
Nine months ended September 30, 2025	217.88	(237.04)	(237.04)
Nine months ended September 30, 2024	193.19	5.76	5.75

For the definition of "Underlying operating profit" and "Underlying net profit attributable to owners of the parent," please refer to "Qualitative Information on Financial Results" on page 6.

## (2) Consolidated Financial Position

(Millions of yen, except as otherwise stated)

	Total assets	Total equity	Total equity attributable to owners of the parent	Ratio of equity attributable to owners of the parent to total assets	Equity attributable to owners of the parent per share (Yen)
As of September 30, 2025	3,116,008	665,040	594,208	19.1%	2,289.05
As of December 31, 2024	3,507,260	769,035	696,838	19.9%	2,684.57

## 2. Dividends

(Yen, except as otherwise stated)

	Cash dividend per share				
	First Quarter	Second Quarter	Third Quarter	Year-end	Total
Fiscal year ended December 31, 2024	—	69.75	—	69.75	139.50
Fiscal year ending December 31, 2025	—	0.00	—	—	—
Fiscal year ending December 31, 2025 (forecast)	—	—	—	—	—

Note: Revisions to the forecast of dividends most recently announced: None

For the forecast of dividends per share for the fiscal year ending December 31, 2025, it remains undetermined at this moment.

## 3. Forecast of Consolidated Financial Results for the Fiscal Year Ending December 31, 2025 (from January 1, 2025 to December 31, 2025)

(Millions of yen, except as otherwise stated)

	Revenue	Net revenue	Underlying operating profit	Operating margin	Operating profit
Fiscal year ending December 31, 2025	1,421,000	0.7%	1,182,600	(1.6%)	161,200

	Profit for the year	Underlying net profit attributable to owners of the parent	Profit attributable to owners of the parent	Underlying basic earnings per share (Yen)	Basic earnings per share (Yen)
Fiscal year ending December 31, 2025	(44,300)	75.8%	83,400	(10.3%)	(52,900)

Note: Revisions to the forecast of consolidated financial results most recently announced: Yes

Given the uncertain business environment, we set targets within a specific range for particularly important KPIs.

For the definition of "Underlying operating profit" and "Underlying net profit attributable to owners of the parent," please refer to "Qualitative Information on Financial Results" on page 6.

## Notes

(1) Significant Changes in the Scope of Consolidation during the Period: None

(2) Changes in Accounting Policies and Changes in Accounting Estimates

- a. Changes in accounting policies required by IFRS: None
- b. Changes in accounting policies due to other reasons: Yes
- c. Changes in accounting estimates: None

(3) Number of Issued Shares (Ordinary Shares)

- a. Total number of issued shares at the end of the period (including treasury shares)

As of September 30, 2025	265,800,000 shares
As of December 31, 2024	265,800,000 shares

- b. Number of treasury shares at the end of the period

As of September 30, 2025	6,212,956 shares
As of December 31, 2024	6,228,557 shares

- c. Average number of shares during the period (cumulative from the beginning of the fiscal year)

Nine months ended September 30, 2025	259,580,234 shares
Nine months ended September 30, 2024	262,302,865 shares

### Notes

**Review of the Japanese-language originals of the attached quarterly consolidated financial statements by the Certified Public Accountants or the audit corporation: Yes (voluntary)**

### **Disclaimer regarding appropriate use of forecasts and related points of note**

Since the forecast of financial results and other forward-looking statements herein have been prepared based on certain conditions which Dentsu Group Inc. (hereinafter "the Company") believes to be reasonable at this time, actual financial results may be substantially different from the forecast due to various factors.

For information relating to forecasts, please refer to "Qualitative Information on Financial Results Forecast" on page 8.

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## **1. Qualitative Information on Quarterly Financial Results**

### **(1) Qualitative Information on Financial Results**

In the nine months ended September 30, 2025, the outlook for the global economy continued to remain uncertain due to factors including trade policies such as the United States' tariff increases and the prolonged instability.

In this environment, the business results of the Group during the nine months ended September 30, 2025, are as presented in the table below. The net revenue organic growth rate was 0.3%, and net revenue decreased by 1.7% year on year due to factors such as exchange rates. Despite topline decline, with measures such as SG&A expenses control, underlying operating profit increased by 14.1% resulting in an operating margin increase of 170 bps, and underlying net profit attributable to owners of the parent increased by 11.6% year on year. Factors such as the posting of an impairment loss led to an operating loss of 7,447 million yen (operating profit of 28,900 million yen for the previous corresponding period) and net loss attributable to owners of the parent of 61,531 million yen (net profit of 1,510 million yen for the previous corresponding period).

Underlying operating profit is a profit indicator to measure recurring business performance which is calculated as operating profit added with M&A related items and one-off items.

M&A related items: amortization of purchased intangible assets, acquisition costs and share-based compensation expenses issued following the acquisition of 100% ownership of a subsidiary

One-off items: items such as business transformation cost, impairment loss, gain/loss on sales of non-current assets and extra retirement payments

Underlying net profit attributable to owners of the parent is an indicator to measure recurring profit attributable to owners of the parent which is calculated as profit (attributable to owners of the parent) added with adjustment items related to operating profit, change in fair value of contingent considerations (gain/loss on revaluation of earnout liabilities), remeasurements of share purchase liabilities (gain/loss on revaluation of M&A related put-option liabilities), tax-related, NCI profit-related and other one-off items.

## Business results for the nine months ended September 30, 2025

(Monetary amounts are shown in millions of yen, with negative amounts shown in parentheses)

Item	Nine months ended September 30, 2024	Nine months ended September 30, 2025	YoY change
Revenue	1,026,142	1,014,316	(1.2)%
Net revenue	866,057	851,332	(1.7)%
Operating profit (loss)	28,900	(7,447)	—
Profit (loss) (attributable to owners of the parent)	1,510	(61,531)	—

## Main profit indicators for the nine months ended September 30, 2025

(Monetary amounts are shown in millions of yen, with negative amounts shown in parentheses)

Item	Nine months ended September 30, 2024	Nine months ended September 30, 2025	YoY change
Underlying operating profit	97,244	110,975	14.1%
Operating margin	11.3%	13.0%	170bps
Underlying net profit (attributable to owners of the parent)	50,675	56,557	11.6%

Note: The sale of the Russia business was completed in July 2024. However, operating profit (loss) related to the Russia business that arose until the completion of the sale is classified as a one-off item and not included in the underlying operating profit.

Performance by reportable segment for the nine months ended September 30, 2025, is as follows.

a. Japan

Japan saw a net revenue organic growth rate of 6.8% and net revenue of 357,473 million yen (6.8% increase year on year), with the growth in Marketing business led by Internet advertising, Business Transformation (BX), Digital Transformation (DX), and Sports & Entertainment (SP&E). Despite an increase in staff costs due to talent expansion, underlying operating profit was 87,792 million yen (22.1% increase year on year) and the operating margin was 24.6% (21.5% for the previous corresponding period) due to topline growth.

b. Americas

The Americas saw a net revenue organic growth rate of negative 3.4%. By major market, results were challenging in the United States and Canada.

Due to a shift in the exchange rate toward a stronger yen and disposals of some subsidiaries, net revenue in the Americas was 230,555 million yen (7.2% decrease year on year). However, with SG&A expenses control, underlying operating profit was 52,384 million yen (2.7% increase year on year), and the operating margin was 22.7% (20.5% for the previous corresponding period).

c. EMEA (Europe (excluding Russia), the Middle East, and Africa)

In EMEA, the net revenue organic growth rate was negative 1.9%. By major market, results were challenging in markets such as the United Kingdom, Italy, the Netherlands, and Denmark, but markets such as Spain and Poland saw a solid performance.

Net revenue in EMEA was 188,289 million yen (1.0% decrease year on year), underlying operating profit was 14,899 million yen (9.6% decrease year on year), and the operating margin was 7.9% (8.7% for the previous corresponding period).

d. APAC (Asia Pacific excluding Japan)

The net revenue organic growth rate in APAC was negative 10.1%. By major market, the results were challenging in markets such as China and Australia, but markets such as Taiwan and Thailand saw a solid performance.

Net revenue in APAC was 70,328 million yen (12.2% decrease year on year), underlying operating loss was 5,694 million yen (underlying operating loss of 4,302 million yen in the previous corresponding period), and the operating margin was negative 8.1% (negative 5.4% for the previous corresponding period).

## **(2) Qualitative Information on Financial Results Forecast**

As mentioned previously, the Company revised the forecast of the full-year consolidated financial results for the fiscal year ending December 31, 2025, in light of the operating results in the nine months ended September 30, 2025 and future prospects. Exchange rates after the revision are based on the average rates during the period from January to October, 2025 (148.4 yen to 1 USD; 195.4 yen to 1 GBP). For details, please refer to "Notice Regarding the Revision of the Full-Year Consolidated Earnings Forecast for FY2025" announced on November 14, 2025. The year-end dividend forecast remains undetermined.

## **2. Matters Pertaining to Summary Information (Notes)**

### **(1) Changes in Significant Consolidated Subsidiaries during the Period**

No items to report

### **(2) Adoption of Accounting Treatment Specific to the Preparation of Quarterly Consolidated Financial Statements**

No items to report

### **(3) Changes in Accounting Policies, Changes in Accounting Estimates, Restatement, and Changes in Presentation**

(Changes in Accounting Policy)

In the previous fiscal year, the Group applied accounting treatment for hedge accounting based on IAS 39, in accordance with the transitional measures in IFRS 9. From the start of the fiscal year ending December 31, 2025, the Group has changed to accounting treatment based on IFRS 9. As a result, the cumulative change in fair value associated with the foreign currency basis spread in interest rate and currency swaps, which was previously included in "Effective portion of the change in the fair value of cash flow hedges" in the Consolidated Statement of Changes in Equity, is now accounted for separately as "Hedge cost." On the Condensed Quarterly Consolidated Statement of Changes in Equity for the nine months ended September 30, 2024, this change in accounting policy has resulted in the recording of "Hedge cost" of (943) million yen and (1,114) million yen as of January 1, 2024 and September 30, 2024, respectively, while the balance of "Effective portion of the change in the fair value of cash flow hedges" has increased by equivalent amounts as of the same respective dates. On the Condensed Quarterly Consolidated Statement of Comprehensive Income for the nine months ended September 30, 2024, this change in accounting policy has resulted in the recording of "Hedge cost" of (171) million yen and an equivalent increase in "Effective portion of the change in the fair value of cash flow hedges." This change in accounting policy has no impact on the opening balance of retained earnings for the nine months ended September 30, 2024.

### 3. Condensed Quarterly Consolidated Financial Statements and Primary Notes

#### (1) Condensed Quarterly Consolidated Statement of Financial Position

	FY2024 (As of December 31, 2024)	The third quarter (As of September 30, 2025)	(Millions of yen)
<b>ASSETS</b>			
<b>CURRENT ASSETS:</b>			
Cash and cash equivalents	371,989	224,961	
Trade and other receivables	1,678,146	1,542,610	
Inventories	6,095	18,503	
Income tax receivables	36,629	40,306	
Other financial assets	25,198	20,083	
Other current assets	59,295	67,548	
Subtotal	2,177,355	1,914,013	
Non-current assets classified as held for sale	—	44,366	
<b>Total current assets</b>	<b>2,177,355</b>	<b>1,958,380</b>	
<b>NON-CURRENT ASSETS:</b>			
Property, plant and equipment	26,159	23,602	
Goodwill	697,052	597,101	
Intangible assets	203,692	183,110	
Right-of-use assets	128,348	121,848	
Investments accounted for using the equity method	54,816	53,583	
Other financial assets	146,188	115,648	
Other non-current assets	36,734	34,172	
Deferred tax assets	36,912	28,562	
<b>Total non-current assets</b>	<b>1,329,904</b>	<b>1,157,628</b>	
<b>TOTAL ASSETS</b>	<b>3,507,260</b>	<b>3,116,008</b>	

		(Millions of yen)
	FY2024 (As of December 31, 2024)	The third quarter (As of September 30, 2025)
<b>LIABILITIES AND EQUITY</b>		
<b>LIABILITIES</b>		
<b>CURRENT LIABILITIES:</b>		
Trade and other payables	1,566,979	1,380,098
Bonds and borrowings	173,646	105,034
Other financial liabilities	87,438	57,270
Income tax payables	27,172	32,147
Provisions	13,447	14,857
Other current liabilities	<u>198,711</u>	<u>169,526</u>
Subtotal	2,067,395	1,758,936
Liabilities directly associated with non-current assets classified as held for sale	—	25,023
<b>Total current liabilities</b>	<b>2,067,395</b>	<b>1,783,959</b>
<b>NON-CURRENT LIABILITIES:</b>		
Bonds and borrowings	373,627	397,791
Other financial liabilities	208,231	192,269
Liability for retirement benefits	17,373	17,674
Provisions	18,636	14,862
Other non-current liabilities	5,645	5,229
Deferred tax liabilities	<u>47,314</u>	<u>39,180</u>
<b>Total non-current liabilities</b>	<b>670,828</b>	<b>667,008</b>
<b>Total liabilities</b>	<b>2,738,224</b>	<b>2,450,968</b>
<b>EQUITY:</b>		
Share capital	74,609	74,609
Share premium account	75,373	75,851
Treasury shares	(26,559)	(26,493)
Other components of equity	216,481	184,530
Retained earnings	<u>356,933</u>	<u>285,710</u>
<b>Total equity attributable to owners of the parent</b>	<b>696,838</b>	<b>594,208</b>
<b>Non-controlling interests</b>	<b>72,197</b>	<b>70,831</b>
<b>Total equity</b>	<b>769,035</b>	<b>665,040</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b><u>3,507,260</u></b>	<b><u>3,116,008</u></b>

## (2) Condensed Quarterly Consolidated Statement of Income

For the nine months ended September 30, 2024 and September 30, 2025

	Nine months ended September 30, 2024 (From January 1 to September 30, 2024)	Nine months ended September 30, 2025 (From January 1 to September 30, 2025)	(Millions of yen)
Revenue	1,026,142	1,014,316	
Cost of sales	(160,084)	(162,983)	
Net revenue	866,057	851,332	
 Selling, general and administrative expenses	 (793,450)	 (758,675)	
Business transformation cost	(2,375)	(12,732)	
Impairment loss	(18,932)	(86,606)	
Other income	692	966	
Other expenses	(23,091)	(1,732)	
Operating profit (loss)	28,900	(7,447)	
 Share of results of associates	 1,992	 2,864	
Impairment loss of associates	(329)	—	
Gain on sales of shares of associates	8	1	
Profit (loss) before interest and tax	30,571	(4,581)	
 Finance income	 10,609	 5,473	
Finance costs	(23,321)	(19,927)	
Profit (loss) before tax	17,859	(19,035)	
 Income tax expense	 (10,048)	 (36,520)	
Profit (loss) for the period	 7,811	 (55,555)	
 Profit (loss) attributable to:			
Owners of the parent	1,510	(61,531)	
Non-controlling interests	6,301	5,976	
 Earnings (loss) per share			
Basic earnings (loss) per share (Yen)	5.76	(237.04)	
Diluted earnings (loss) per share (Yen)	5.75	(237.04)	

## Reconciliation from operating profit (loss) to underlying operating profit

	Nine months ended September 30, 2024 (From January 1 to September 30, 2024)	Nine months ended September 30, 2025 (From January 1 to September 30, 2025)
Operating profit (loss)	28,900	(7,447)
Amortization of intangible assets incurred in acquisitions	22,620	18,725
Selling, general and administrative expenses	1,583	(491)
Business transformation cost	2,375	12,732
Impairment loss	18,932	86,606
Other income	(86)	(136)
Other expenses	<u>22,918</u>	<u>985</u>
Underlying operating profit (Note)	<u>97,244</u>	<u>110,975</u>

(Note) The underlying operating profit is a KPI to measure recurring business performance which is calculated by eliminating gain/loss related to M&As and one-off items from operating profit.

Gain/loss related to M&As: Amortization of M&A related intangible assets, acquisition costs and share-based compensation expenses following the acquisition of 100% ownership of a subsidiary

Examples of one-off items: Business transformation cost, impairment loss, gain/loss on sales of non-current assets and extra retirement payments

Underlying operating profit is not defined under IFRS; however, it is voluntarily disclosed in the Condensed Quarterly Consolidated Statement of Income since management has concluded that the information is useful for users of the financial statements.

The sale transaction of the Russia business was completed in July 2024, however, operating profit (loss) related to the Russia business that arose until the completion of the sale is not included in the underlying operating profit as a one-off item.

### (3) Condensed Quarterly Consolidated Statement of Comprehensive Income

	Nine months ended September 30, 2024 (From January 1 to September 30, 2024) Restatement(Note)	Nine months ended September 30, 2025 (From January 1 to September 30, 2025)	(Millions of yen)
<b>PROFIT (LOSS) FOR THE PERIOD</b>	7,811	(55,555)	
<b>OTHER COMPREHENSIVE INCOME</b>			
<b>ITEMS THAT WILL NOT BE RECLASSIFIED TO PROFIT OR LOSS:</b>			
Net change in financial assets measured at fair value through other comprehensive income	15,277	1,345	
Remeasurements of defined benefit plans	153	52	
Share of other comprehensive income of investments accounted for using the equity method	(75)	9	
<b>ITEMS THAT MAY BE RECLASSIFIED TO PROFIT OR LOSS:</b>			
Exchange differences on translation of foreign operations	39,417	(13,573)	
Effective portion of the change in the fair value of cash flow hedges	(3,211)	(6,036)	
Hedge cost	(171)	21	
Share of other comprehensive income of investments accounted for using the equity method	21	24	
Other comprehensive income, net of tax	51,412	(18,155)	
<b>COMPREHENSIVE INCOME FOR THE PERIOD</b>	<b>59,223</b>	<b>(73,711)</b>	
<b>COMPREHENSIVE INCOME FOR THE PERIOD ATTRIBUTABLE TO:</b>			
Owners of the parent	52,565	(79,447)	
Non-controlling interests	6,658	5,735	

(Note) Please refer to "2. Matters Pertaining to Summary Information (Notes) (3) Changes in Accounting Policies, Changes in Accounting Estimates, Restatement, and Changes in Presentation"

#### (4) Condensed Quarterly Consolidated Statement of Changes in Equity

For the nine months ended September 30, 2024 (From January 1 to September 30, 2024)

(Millions of yen)

	Total equity attributable to owners of the parent					
	Share capital	Share premium account	Treasury shares	Other components of equity		
				Exchange differences on translation of foreign operations	Effective portion of the change in the fair value of cash flow hedges	Hedge cost
As of January 1, 2024	74,609	75,072	(24,964)	77,604	22,268	—
Cumulative effect of accounting change					943	(943)
Restated balance (as of January 1, 2024)	74,609	75,072	(24,964)	77,604	23,212	(943)
Profit for the period						
Other comprehensive income				39,190	(3,211)	(171)
Comprehensive income for the period	—	—	—	39,190	(3,211)	(171)
Repurchase of treasury shares				(20,004)		
Disposal of treasury shares		(163)	173			
Dividends						
Transactions with non-controlling interests						
Transfer from other components of equity to retained earnings						
Other changes		(102)				
Transactions with owners—total	—	(265)	(19,831)	—	—	—
As of September 30, 2024	74,609	74,806	(44,795)	116,795	20,000	(1,114)

(Millions of yen)

	Total equity attributable to owners of the parent						
	Other components of equity						
	Net change in financial assets measured at fair value through other comprehensive income	Remeasurements of defined benefit plans	Total	Retained earnings	Total	Non-controlling interests	Total equity
As of January 1, 2024	48,306	—	148,180	568,753	841,651	71,104	912,755
Cumulative effect of accounting change			—		—		—
Restated balance (as of January 1, 2024)	48,306	—	148,180	568,753	841,651	71,104	912,755
Profit for the period			—	1,510	1,510	6,301	7,811
Other comprehensive income	15,094	153	51,055		51,055	357	51,412
Comprehensive income for the period	15,094	153	51,055	1,510	52,565	6,658	59,223
Repurchase of treasury shares			—		(20,004)		(20,004)
Disposal of treasury shares			—		9		9
Dividends			—	(34,323)	(34,323)	(4,188)	(38,512)
Transactions with non-controlling interests	2,900		2,900	4	2,904	(5,014)	(2,109)
Transfer from other components of equity to retained earnings	(26,583)	(153)	(26,736)	26,736	—		—
Other changes			—	(1,440)	(1,543)		(1,543)
Transactions with owners—total	(23,683)	(153)	(23,836)	(9,022)	(52,956)	(9,203)	(62,159)
As of September 30, 2024	39,718	—	175,399	561,241	841,260	68,559	909,820

For the nine months ended September 30, 2025 (From January 1 to September 30, 2025)

(Millions of yen)

	Total equity attributable to owners of the parent						
	Share capital	Share premium account	Treasury shares	Other components of equity			
				Exchange differences on translation of foreign operations	Effective portion of the change in the fair value of cash flow hedges	Hedge cost	
As of January 1, 2025	74,609	75,373	(26,559)	151,599	18,190	(1,131)	
Profit (loss) for the period							
Other comprehensive income				(13,361)	(6,036)	21	
Comprehensive income for the period	—	—	—	(13,361)	(6,036)	21	
Repurchase of treasury shares				(1)			
Disposal of treasury shares		(17)	67				
Dividends							
Transactions with non-controlling interests							
Transfer from other components of equity to retained earnings							
Transfer to non-financial assets					(1,386)		
Other changes		495					
Transactions with owners—total	—	478	65	—	(1,386)	—	
As of September 30, 2025	74,609	75,851	(26,493)	138,238	10,768	(1,110)	
(Millions of yen)							
Total equity attributable to owners of the parent							
Other components of equity							
Net change in financial assets							
measured at fair value through other comprehensive income	Remeasurements of defined benefit plans	Total	Retained earnings	Total	Non-controlling interests	Total equity	
As of January 1, 2025	47,822	—	216,481	356,933	696,838	72,197	769,035
Profit (loss) for the period			—	(61,531)	(61,531)	5,976	(55,555)
Other comprehensive income	1,408	52	(17,915)		(17,915)	(240)	(18,155)
Comprehensive income for the period	1,408	52	(17,915)	(61,531)	(79,447)	5,735	(73,711)
Repurchase of treasury shares			—		(1)		(1)
Disposal of treasury shares			—		50		50
Dividends			—	(18,105)	(18,105)	(6,679)	(24,784)
Transactions with non-controlling interests			—	(3,865)	(3,865)	(421)	(4,287)
Transfer from other components of equity to retained earnings	(12,597)	(52)	(12,649)	12,649	—		—
Transfer to non-financial assets			(1,386)		(1,386)		(1,386)
Other changes			—	(370)	125		125
Transactions with owners—total	(12,597)	(52)	(14,036)	(9,691)	(23,183)	(7,100)	(30,284)
As of September 30, 2025	36,634	—	184,530	285,710	594,208	70,831	665,040

## (5) Condensed Quarterly Consolidated Statement of Cash Flows

	Nine months ended September 30, 2024 (From January 1 to September 30, 2024)	Nine months ended September 30, 2025 (From January 1 to September 30, 2025)	(Millions of yen)
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Profit (loss) before tax	17,859	(19,035)	
<b>ADJUSTMENTS FOR:</b>			
Depreciation and amortization	60,171	55,844	
Impairment loss	18,932	86,606	
Interest and dividend income	(5,294)	(3,467)	
Interest expense	22,065	17,907	
Share of results of associates	(1,992)	(2,864)	
Impairment loss of associates	329	—	
Revaluation (gain) loss on contingent consideration and put option liability	(1,273)	(410)	
(Gain) loss on valuation of securities	96	1,166	
Increase (decrease) in liability for retirement benefits	(54)	219	
Increase (decrease) in provision of business transformation cost	(7,200)	(4,085)	
Other—net	22,734	2,507	
Cash flows from operating activities before adjusting changes in working capital and others	126,373	134,389	
<b>CHANGES IN WORKING CAPITAL:</b>			
(Increase) decrease in trade and other receivables	44,709	101,652	
(Increase) decrease in inventories	(4,853)	(12,248)	
(Increase) decrease in other current assets	(9,069)	(10,668)	
Increase (decrease) in trade and other payables	(213,948)	(136,014)	
Increase (decrease) in other current liabilities	(8,522)	(20,069)	
Change in working capital	(191,683)	(77,348)	
Subtotal	(65,310)	57,041	
Interest received	4,834	3,014	
Dividends received	3,168	3,208	
Interest paid	(21,830)	(17,653)	
Income taxes paid	(21,802)	(35,022)	
Net cash flow from operating activities	(100,941)	10,588	

	Nine months ended September 30, 2024 (From January 1 to September 30, 2024)	Nine months ended September 30, 2025 (From January 1 to September 30, 2025)	(Millions of yen)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Payment for purchase of property, plant and equipment, intangible assets	(16,999)	(17,960)	
Proceeds from sale of property, plant and equipment, intangible assets	142	34	
Net cash (paid) received on acquisition of subsidiaries	(24,541)	(5,735)	
Net cash (paid) received on sale of subsidiaries	1,410	(8)	
Payments for purchases of securities	(3,868)	(4,578)	
Proceeds from sales of securities	21,884	23,311	
Other—net	(2,165)	1,117	
<b>Net cash flow from investing activities</b>	<b>(24,137)</b>	<b>(3,819)</b>	
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Net increase (decrease) in short-term borrowings	31,865	24,956	
Proceeds from long-term borrowings	40,000	40,000	
Repayment of long-term borrowings	(10)	(58,401)	
Redemption of bonds	—	(50,000)	
Repayments of lease obligations	(30,667)	(27,972)	
Payment for acquisition of interest in a subsidiary from non-controlling interests	(13,260)	(628)	
Repurchase of treasury shares	(20,004)	(1)	
Dividends paid	(34,323)	(18,105)	
Dividends paid to non-controlling interests	(4,188)	(6,679)	
Payments for settlement of derivatives	—	(34,178)	
Other—net	50	412	
<b>Net cash flow from financing activities</b>	<b>(30,538)</b>	<b>(130,596)</b>	
<b>EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS</b>	<b>7,277</b>	<b>(7,001)</b>	
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>(148,339)</b>	<b>(130,829)</b>	
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD</b>	<b>390,678</b>	<b>371,989</b>	
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS INCLUDED IN ASSETS CLASSIFIED AS HELD FOR SALE</b>	<b>640</b>	<b>(16,198)</b>	
<b>CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>	<b>242,979</b>	<b>224,961</b>	

## **(6) Notes on the Condensed Quarterly Consolidated Financial Statements**

### **(Notes on Premise of Going Concern)**

No items to report

### **(Consolidated Statement of Income)**

Nine months ended September 30, 2024 (From January 1 to September 30, 2024)

#### **(Impairment loss)**

Given the deteriorating economic conditions in APAC, at the end of the six months ended June 30, 2024, the Group conducted an impairment test for the cash-generating unit groups in APAC, as there were indications of impairment of intangible assets (primarily customer relationships) allocated to the cash-generating unit groups in APAC. As a result, the recoverable amount of intangible assets allocated to the cash-generating unit groups in APAC was deemed zero, and an impairment loss of 6,710 million yen was recognized. The above amount is included in the "Impairment loss" of 18,932 million yen for the nine months ended September 30, 2024 in the Condensed Quarterly Consolidated Statement of Income.

#### **(Sale of the Russia business)**

In March 2022, the Group began reviewing its business in Russia to ensure compliance with Dentsu Group policies and applicable laws. In November 2022, an agreement was concluded to sell the equity of the Group's Russia business to local partners, subject to approval by the Russian State Authorities, including the Russian Governmental Commission.

After the approval was received, the sale transaction was completed on July 11, 2024, in full compliance with international sanctions. As a result of this sale, there were negative impacts of 22,805 million yen and 19,590 million yen on operating profit and profit attributable to owners of the parent, respectively, due to the recording of related costs during the third quarter ended September 30, 2024. Most related costs are non-cash losses related to the recycling of exchange differences on translation of foreign operations (other components of equity reclassified to profit or loss). There is no impact on net revenue, underlying operating profit, operating margin, or underlying net profit attributable to owners of the parent.

Nine months ended September 30, 2025 (From January 1 to September 30, 2025)

#### **(Impairment loss)**

Given the deteriorating economic conditions in the Americas and EMEA, at the end of the six months ended June 30, 2025, the Group conducted an impairment test of goodwill for the cash-generating unit groups to which the Americas and EMEA goodwill had been allocated, as there were indications of impairment of goodwill. As a result,

impairment losses of 68,858 million yen and 17,094 million yen on goodwill were recognized respectively in the cash-generating unit groups to which the Americas and EMEA goodwill had been allocated.

The above items are included in the "Impairment loss" of 86,606 million yen for the nine months ended September 30, 2025 in the Condensed Quarterly Consolidated Statement of Income.

## **(Segment and Other Information)**

### **1. Description of reportable segments**

The Group's reportable segments are those for which discrete financial information is available, and for which the Board of Directors conducts regular reviews to make decisions about resources to be allocated and to assess performance.

The Group is mainly engaged in providing communications-related services focusing on advertising, and manages its business in the categories of "Japan," "Americas," "EMEA," and "APAC."

Accordingly, the Group has four reportable segments: "Japan," "Americas," "EMEA," and "APAC."

### **2. Information on reportable segments**

Segment profit is based on operating profit net of adjusting items such as M&A related items and one-off items.

Intersegment revenues are based on the prevailing market price.

Nine months ended September 30, 2024 (From January 1 to September 30, 2024)

(Millions of yen)

	Japan	Americas	EMEA	APAC	Total	Eliminations/ Central costs	Consolidated
Revenue (Note 1)	428,544	276,238	224,194	84,864	1,013,842	12,300	1,026,142
Net revenue (Note 2)	334,614	248,417	190,223	80,056	853,312	12,745	866,057
Segment profit (loss) (underlying operating profit (loss)) (Note 3)	71,906	50,999	16,472	(4,302)	135,077	(37,832)	97,244
(Adjusting items)							
Amortization of intangible assets incurred in acquisitions	—	—	—	—	—	—	(22,620)
Selling, general and administrative expenses	—	—	—	—	—	—	(1,583)
Business transformation cost	—	—	—	—	—	—	(2,375)
Impairment loss	—	—	—	—	—	—	(18,932)
Other income	—	—	—	—	—	—	86
Other expenses	—	—	—	—	—	—	(22,918)
Operating profit	—	—	—	—	—	—	28,900
Share of results of associates	—	—	—	—	—	—	1,992
Impairment loss of associates	—	—	—	—	—	—	(329)
Gain on sales of shares of associates	—	—	—	—	—	—	8
Finance income	—	—	—	—	—	—	10,609
Finance costs	—	—	—	—	—	—	(23,321)
Profit before tax	—	—	—	—	—	—	17,859
Segment assets (Note 4)	1,108,251	1,312,368	781,296	333,757	3,535,673	(147,180)	3,388,492

Nine months ended September 30, 2025 (From January 1 to September 30, 2025)

(Millions of yen)

	Japan	Americas	EMEA	APAC	Total	Eliminations/ Central costs	Consolidated
Revenue (Note 1)	440,927	267,347	228,339	73,414	1,010,028	4,287	1,014,316
Net revenue (Note 2)	357,473	230,555	188,289	70,328	846,647	4,685	851,332
Segment profit (loss) (underlying operating profit (loss)) (Note 3)	87,792	52,384	14,899	(5,694)	149,381	(38,405)	110,975
(Adjusting items)							
Amortization of intangible assets incurred in acquisitions	—	—	—	—	—	—	(18,725)
Selling, general and administrative expenses	—	—	—	—	—	—	491
Business transformation cost	—	—	—	—	—	—	(12,732)
Impairment loss	—	—	—	—	—	—	(86,606)
Other income	—	—	—	—	—	—	136
Other expenses	—	—	—	—	—	—	(985)
Operating loss	—	—	—	—	—	—	(7,447)
Share of results of associates	—	—	—	—	—	—	2,864
Impairment loss of associates	—	—	—	—	—	—	—
Gain on sales of shares of associates	—	—	—	—	—	—	1
Finance income	—	—	—	—	—	—	5,473
Finance costs	—	—	—	—	—	—	(19,927)
Loss before tax	—	—	—	—	—	—	(19,035)
Segment assets (Note 4)	1,097,778	1,217,270	621,235	303,143	3,239,427	(123,419)	3,116,008

(Notes)

1. Eliminations/central costs for revenue are due to eliminations of revenue associated with the Russia business and central functions, and intersegment transactions. In the nine months ended September 30, 2024, revenue from the Russia business was 7,767 million yen and revenue from central functions was 5,544 million yen. In the nine months ended September 30, 2025, revenue from central functions was 5,811 million yen and there was no revenue from the Russia business.
2. Eliminations/central costs for net revenue are due to eliminations of net revenue associated with the Russia business and central functions, and intersegment transactions. In the nine months ended September 30, 2024, net revenue from the Russia business was 7,767 million yen and net revenue from central functions was 5,544 million yen. In the nine months ended September 30, 2025, net revenue from central functions was 5,697 million yen and there was no net revenue from the Russia business.
3. Eliminations/central costs for segment profit (underlying operating profit) are primarily expenses associated with central functions.
4. Eliminations/central costs for segment assets are due primarily to central assets and eliminations of intersegment transactions.

### **(Significant Subsequent Events)**

No items to report

## **Independent Auditor's Report on Review of Quarterly Consolidated Financial Statements**

November 14, 2025

To the Board of Directors of Dentsu Group Inc.:

KPMG AZSA LLC Tokyo Office, Japan

Isao Kamizuka  
Designated Limited Liability Partner  
Engagement Partner  
Certified Public Accountant

Shuji Ezawa  
Designated Limited Liability Partner  
Engagement Partner  
Certified Public Accountant

Kentaro Hayashi  
Designated Limited Liability Partner  
Engagement Partner  
Certified Public Accountant

### **Conclusion**

We have reviewed the accompanying condensed quarterly consolidated financial statements of Dentsu Group Inc. ("the Company") and its consolidated subsidiaries (collectively referred to as "the Group") provided in the "Attached Documents" in the Quarterly Earning Reports, which comprise the condensed quarterly consolidated statement of financial position as at September 30, 2025, the condensed quarterly consolidated statements of income, comprehensive income, changes in equity and cash flows for the nine-month period then ended, and notes on the condensed quarterly consolidated financial statements.

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed quarterly consolidated financial statements are not prepared, in all material respects, in accordance with Article 5(2) of Standard for Preparation of Quarterly Financial Statements of Tokyo Stock Exchange, Inc. ("the Standard") (applying the omissions prescribed in Article 5(5) of the Standard).

### **Basis for Conclusion**

We conducted our review in accordance with interim review standards generally accepted in Japan. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Review of the Condensed Quarterly Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the ethical requirements in Japan (including those that are relevant to

audits of the financial statements of public interest entities), and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

### **Responsibilities of Management and the Audit Committee for the Condensed Quarterly Consolidated Financial Statements**

Management is responsible for the preparation and presentation of the condensed quarterly consolidated financial statements in accordance with Article 5(2) of Standard for Preparation of Quarterly Financial Statements of Tokyo Stock Exchange, Inc. (applying the omissions prescribed in Article 5(5) of the Standard), and for such internal control as management determines is necessary to enable the preparation of the condensed quarterly consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the condensed quarterly consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern in accordance with Article 5(2) of Standard for Preparation of Quarterly Financial Statements of Tokyo Stock Exchange, Inc. (applying the omissions prescribed in Article 5(5) of the Standard) and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The Audit Committee is responsible for overseeing the Executive Officers' and Directors' performance of their duties with regard to the design, implementation and maintenance of the Group's financial reporting process.

### **Auditor's Responsibilities for the Review of the Condensed Quarterly Consolidated Financial Statements**

Our responsibility is to express a conclusion on these condensed quarterly consolidated financial statements based on our review in our report on the review of interim consolidated financial statements. As part of our review in accordance with interim review standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the review. We also:

- Make inquiries, primarily of management and persons responsible for financial and accounting matters, and apply analytical and other review procedures. An interim review is substantially less in scope than an audit conducted in accordance with auditing standards generally accepted in Japan.
- Conclude, based on the evidence obtained, that nothing has come to our attention that causes us to believe that the condensed quarterly consolidated financial statements are not prepared in accordance with Article 5(2) of Standard for Preparation of Quarterly Financial Statements of Tokyo Stock Exchange, Inc. (applying the omissions prescribed in Article 5(5) of the Standard), if a material uncertainty relating to events or conditions comes to our attention that may cast significant doubt on

the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report on the review of condensed quarterly consolidated financial statements to the related disclosures in the condensed quarterly consolidated financial statements or, if such disclosures are inadequate, to express a qualified conclusion or an adverse conclusion. Our conclusions are based on the evidence obtained up to the date of our report on the review of condensed quarterly consolidated financial statements; however, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate that nothing has come to our attention that causes us to believe that the presentation and disclosures in the condensed quarterly consolidated financial statements are not prepared in accordance with Article 5(2) of Standard for Preparation of Quarterly Financial Statements of Tokyo Stock Exchange, Inc. (applying the omissions prescribed in Article 5(5) of the Standard).
- Obtain sufficient appropriate evidence regarding the financial information of the entities or business activities within the Group as a basis for forming a conclusion on the condensed quarterly consolidated financial statements. We are responsible for the direction, supervision and review of the interim review on the condensed quarterly consolidated financial statements. We remain solely responsible for our review conclusion.

We communicate with the Audit Committee regarding, the planned scope and timing of the review, significant review findings that we identify during our review.

We also provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

#### **Interest required to be disclosed by the Certified Public Accountants Act of Japan**

Our firm and its designated engagement partners do not have any interest in the Group which is required to be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

#### **Notes to the Reader of Review Report:**

The Independent Auditor's Report herein is the English translation of the Independent Auditor's Report on Review of Quarterly Consolidated Financial Statements originally issued in the Japanese language for the conveniences of the reader.