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Summary of Financial Results for the Three Months Ended March 31, 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 Three Months Ended March 31, 2025 [IFRS]

1. Summary of Financial Results for the Three Months Ended March 31, 2025 (from January 1, 2025 to March 31, 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	
Three months ended March 31, 2025	345,160	3.7%	287,287	(0.6%)	33,926	13.7%	11.8%	25,426	75.5%
Three months ended March 31, 2024	332,905	8.9%	288,949	6.9%	29,849	(22.1%)	10.4%	14,489	(43.8%)

	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	
Three months ended March 31, 2025	21,788	16.8%	9,033	(16.9%)	16,538	4.5%	6,269	12.9%	(10,380)	—
Three months ended March 31, 2024	18,651	(19.4%)	10,865	(24.5%)	15,823	(31.1%)	5,554	(53.2%)	56,265	156.4%

(Yen)

	Underlying basic earnings per share	Basic earnings per share	Diluted earnings per share
Three months ended March 31, 2025	63.71	24.15	24.08
Three months ended March 31, 2024	59.84	21.00	20.96

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 March 31, 2025	3,258,942	734,891	665,284	20.4%	2,563.01
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	—				
Fiscal year ending December 31, 2025 (forecast)		69.75	—	69.75	139.50

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

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	1,494,000	5.9%	1,215,000	1.1%	146,000	(17.2%)	12.0%	66,000	—%

	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	19,300	—%	71,000	(23.6%)	10,000	—%	273.53	38.53

Note: Revisions to the forecast of consolidated financial results most recently announced: None

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 March 31, 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 March 31, 2025	6,228,710 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)

Three months ended March 31, 2025	259,571,354 shares
Three months ended March 31, 2024	264,426,779 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 three months ended March 31, 2025, the outlook for the global economy remained uncertain due to factors such as the prolonged instability. Additionally, trade policies such as the United States' tariff increases have further heightened uncertainty regarding the outlook for the global economy.

In this environment, the business results of the Group during the three months ended March 31, 2025, are as presented in the table below. Although the net revenue organic growth rate was 0.2%, net revenue decreased by 0.6% year on year due to the inclusion of the results of the Russia business, which sales transaction was completed in July 2024, in the consolidated results for the previous corresponding period. On the other hand, underlying operating profit increased by 13.7% due to measures such as SG&A expenses control, resulting in an operating margin increase of 140 bps, underlying net profit attributable to owners of the parent increased by 4.5% year on year, operating profit increased by 75.5% year on year, and profit attributable to owners of the parent increased by 12.9% year on year.

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 three months ended March 31, 2025

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

Item	Three months ended March 31, 2024	Three months ended March 31, 2025	YoY change
Revenue	332,905	345,160	3.7%
Net revenue	288,949	287,287	(0.6)%
Operating profit	14,489	25,426	75.5%
Profit for the period (attributable to owners of the parent)	5,554	6,269	12.9%

Main profit indicators for the three months ended March 31, 2025

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

Item	Three months ended March 31, 2024	Three months ended March 31, 2025	YoY change
Underlying operating profit	29,849	33,926	13.7%
Operating margin	10.4%	11.8%	140bps
Underlying net profit (attributable to owners of the parent)	15,823	16,538	4.5%

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 three months ended March 31, 2025, is as follows.

a. Japan

Driven by the growth in marketing business led by internet advertising, Business Transformation (BX), and Sports & Entertainment (SP&E), Japan saw a net revenue organic growth rate of 5.5% and net revenue of 129,695 million yen (5.5% increase year on year). Despite an increase in staff costs due to talent expansion, underlying operating profit was 37,638 million yen (11.0% increase year on year) and the operating margin was 29.0% (27.6% for the previous corresponding period) due to topline growth.

b. Americas

The Americas saw a net revenue organic growth rate of negative 5.1%. By major market, results were challenging in the United States and Canada.

Net revenue in the Americas was 76,291 million yen (5.3% decrease year on year) but underlying operating profit was 13,523 million yen (3.5% increase year on year) with SG&A expenses control, and the operating margin was 17.7% (16.2% 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 0.9%. By major market, Germany and Switzerland performed well, but results were challenging in countries such as the United Kingdom, Netherlands, and Denmark.

Net revenue in EMEA was 56,952 million yen (0.4% decrease year on year), underlying operating loss was 1,554 million yen (underlying operating loss of 658 million yen in the previous corresponding period), and the operating margin was negative 2.7% (negative 1.2% for the previous corresponding period).

d. APAC (Asia Pacific excluding Japan)

The net revenue organic growth rate in APAC was negative 4.6%. By major market, Taiwan and India performed well, but the results were challenging in China.

Net revenue in APAC was 23,068 million yen (4.6% decrease year on year), underlying operating loss was 3,224 million yen (underlying operating loss of 3,143 million yen in the previous corresponding period), and the operating margin was negative 14.0% (negative 13.0% for the previous corresponding period).

(2) Qualitative Information on Financial Results Forecast

The forecast of the full-year consolidated financial results for the fiscal year ending December 31, 2025, which was disclosed on February 14, 2025, is reiterated. Uncertainty in the global economy is increasing with concerns such as the impact of the United States tariff policies, but the effect on our business performance is difficult to quantify reasonably at this point.

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 three months ended March 31, 2024, this change in accounting policy has resulted in the recording of "Hedge cost" of (943) million yen and (1,380) million yen as of January 1, 2024 and March 31, 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 three months ended March 31, 2024, this change in accounting policy has resulted in the recording of "Hedge cost" of (436) million 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.

3. Condensed Quarterly Consolidated Financial Statements and Primary Notes

(1) Condensed Quarterly Consolidated Statement of Financial Position

		(Millions of yen)
	FY2024 (As of December 31, 2024)	The first quarter (As of March 31, 2025)
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	371,989	315,172
Trade and other receivables	1,678,146	1,524,669
Inventories	6,095	16,030
Income tax receivables	36,629	49,847
Other financial assets	25,198	23,272
Other current assets	59,295	64,647
Total current assets	2,177,355	1,993,641
NON-CURRENT ASSETS:		
Property, plant and equipment	26,159	25,083
Goodwill	697,052	675,250
Intangible assets	203,692	192,870
Right-of-use assets	128,348	130,880
Investments accounted for using the equity method	54,816	55,845
Other financial assets	146,188	125,380
Other non-current assets	36,734	35,915
Deferred tax assets	36,912	24,074
Total non-current assets	1,329,904	1,265,301
TOTAL ASSETS	3,507,260	3,258,942

		(Millions of yen)
	FY2024 (As of December 31, 2024)	The first quarter (As of March 31, 2025)
LIABILITIES AND EQUITY		
LIABILITIES		
CURRENT LIABILITIES:		
Trade and other payables	1,566,979	1,381,130
Bonds and borrowings	173,646	195,454
Other financial liabilities	87,438	90,777
Income tax payables	27,172	23,138
Provisions	13,447	12,129
Other current liabilities	198,711	171,823
Total current liabilities	2,067,395	1,874,452
NON-CURRENT LIABILITIES:		
Bonds and borrowings	373,627	367,349
Other financial liabilities	208,231	204,700
Liability for retirement benefits	17,373	17,138
Provisions	18,636	18,376
Other non-current liabilities	5,645	4,210
Deferred tax liabilities	47,314	37,822
Total non-current liabilities	670,828	649,598
Total liabilities	2,738,224	2,524,050
EQUITY:		
Share capital	74,609	74,609
Share premium account	75,373	75,410
Treasury shares	(26,559)	(26,560)
Other components of equity	216,481	185,343
Retained earnings	356,933	356,480
Total equity attributable to owners of the parent	696,838	665,284
Non-controlling interests	72,197	69,607
Total equity	769,035	734,891
TOTAL LIABILITIES AND EQUITY	3,507,260	3,258,942

(2) Condensed Quarterly Consolidated Statement of Income

	(Millions of yen)	
	Three months ended March 31, 2024 (From January 1 to March 31, 2024)	Three months ended March 31, 2025 (From January 1 to March 31, 2025)
Revenue	332,905	345,160
Cost of sales	(43,955)	(57,872)
Net revenue	288,949	287,287
Selling, general and administrative expenses	(267,323)	(259,210)
Business transformation cost	(3,909)	(2,264)
Impairment loss	(6,237)	—
Other income	3,430	523
Other expenses	(420)	(910)
Operating profit	14,489	25,426
Share of results of associates	1,660	1,570
Gain (loss) on sales of shares of associates	(0)	12
Profit before interest and tax	16,150	27,009
Finance income	9,426	1,804
Finance costs	(6,925)	(7,025)
Profit before tax	18,651	21,788
Income tax expense	(7,785)	(12,755)
Profit for the period	10,865	9,033
Profit attributable to:		
Owners of the parent	5,554	6,269
Non-controlling interests	5,310	2,763
Earnings per share		
Basic earnings per share (Yen)	21.00	24.15
Diluted earnings per share (Yen)	20.96	24.08

Reconciliation from operating profit to underlying operating profit

		(Millions of yen)
	Three months ended March 31, 2024 (From January 1 to March 31, 2024)	Three months ended March 31, 2025 (From January 1 to March 31, 2025)
Operating profit	14,489	25,426
Amortization of intangible assets incurred in acquisitions	7,598	6,216
Selling, general and administrative expenses	90	335
Business transformation cost	3,909	2,264
Impairment loss	6,237	—
Other income	(2,768)	(366)
Other expenses	293	49
Underlying operating profit (Note)	29,849	33,926

(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

		(Millions of yen)
	Three months ended March 31, 2024 (From January 1 to March 31, 2024) Restatement(Note)	Three months ended March 31, 2025 (From January 1 to March 31, 2025)
PROFIT FOR THE PERIOD	10,865	9,033
OTHER COMPREHENSIVE INCOME		
ITEMS THAT WILL NOT BE RECLASSIFIED TO PROFIT OR LOSS:		
Net change in financial assets measured at fair value through other comprehensive income	7,042	(649)
Remeasurements of defined benefit plans	97	(47)
Share of other comprehensive income of investments accounted for using the equity method	(159)	(62)
ITEMS THAT MAY BE RECLASSIFIED TO PROFIT OR LOSS:		
Exchange differences on translation of foreign operations	35,635	(14,884)
Effective portion of the change in the fair value of cash flow hedges	3,185	(3,874)
Hedge cost	(436)	117
Share of other comprehensive income of investments accounted for using the equity method	35	(12)
Other comprehensive income, net of tax	45,400	(19,414)
COMPREHENSIVE INCOME FOR THE PERIOD	56,265	(10,380)
COMPREHENSIVE INCOME FOR THE PERIOD ATTRIBUTABLE TO:		
Owners of the parent	50,085	(12,970)
Non-controlling interests	6,179	2,589

(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 three months ended March 31, 2024 (From January 1 to March 31, 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				34,914	3,185	(436)
Comprehensive income for the period	—	—	—	34,914	3,185	(436)
Repurchase of treasury shares			(1)			
Disposal of treasury shares		(163)	173			
Dividends						
Transactions with non-controlling interests						
Transfer from other components of equity to retained earnings						
Other changes		(229)				
Transactions with owners—total	—	(393)	171	—	—	—
As of March 31, 2024	74,609	74,678	(24,793)	112,519	26,397	(1,380)

(Millions of yen)

	Total equity attributable to owners of the parent						
	Other components of equity						Total 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	
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			—	5,554	5,554	5,310	10,865
Other comprehensive income	6,771	97	44,531		44,531	868	45,400
Comprehensive income for the period	6,771	97	44,531	5,554	50,085	6,179	56,265
Repurchase of treasury shares			—		(1)		(1)
Disposal of treasury shares			—		9		9
Dividends			—	(16,129)	(16,129)	(2,486)	(18,616)
Transactions with non-controlling interests	3,388		3,388	617	4,006	261	4,268
Transfer from other components of equity to retained earnings	(15,252)	(97)	(15,349)	15,349	—		—
Other changes			—	(547)	(776)		(776)
Transactions with owners—total	(11,863)	(97)	(11,960)	(709)	(12,892)	(2,224)	(15,117)
As of March 31, 2024	43,214	—	180,751	573,598	878,844	75,058	953,903

For the three months ended March 31, 2025 (From January 1 to March 31, 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 for the period						
Other comprehensive income				(14,708)	(3,874)	117
Comprehensive income for the period	—	—	—	(14,708)	(3,874)	117
Repurchase of treasury shares			(0)			
Disposal of treasury shares						
Dividends						
Transactions with non-controlling interests						
Transfer from other components of equity to retained earnings						
Transfer to non-financial assets					(73)	
Other changes		37				
Transactions with owners—total	—	37	(0)	—	(73)	—
As of March 31, 2025	74,609	75,410	(26,560)	136,891	14,242	(1,014)

(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 for the period			—	6,269	6,269	2,763	9,033
Other comprehensive income	(726)	(47)	(19,239)		(19,239)	(174)	(19,414)
Comprehensive income for the period	(726)	(47)	(19,239)	6,269	(12,970)	2,589	(10,380)
Repurchase of treasury shares			—		(0)		(0)
Disposal of treasury shares			—		—		—
Dividends			—	(18,105)	(18,105)	(5,138)	(23,243)
Transactions with non-controlling interests			—	4	4	(41)	(37)
Transfer from other components of equity to retained earnings	(11,871)	47	(11,823)	11,823	—		—
Transfer to non-financial assets			(73)		(73)		(73)
Other changes			—	(445)	(408)		(408)
Transactions with owners—total	(11,871)	47	(11,897)	(6,722)	(18,583)	(5,179)	(23,763)
As of March 31, 2025	35,225	—	185,343	356,480	665,284	69,607	734,891

(5) Condensed Quarterly Consolidated Statement of Cash Flows

	(Millions of yen)	
	Three months ended March 31, 2024 (From January 1 to March 31, 2024)	Three months ended March 31, 2025 (From January 1 to March 31, 2025)
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	18,651	21,788
ADJUSTMENTS FOR:		
Depreciation and amortization	19,955	18,767
Impairment loss	6,237	—
Interest and dividend income	(1,754)	(1,080)
Interest expense	6,570	5,217
Share of results of associates	(1,660)	(1,570)
Revaluation (gain) loss on contingent consideration and put option liability	(5,501)	(41)
(Gain) loss on valuation of securities	(1,403)	1,470
Increase (decrease) in liability for retirement benefits	(514)	(97)
Increase (decrease) in provision of business transformation cost	(3,108)	(89)
Other—net	(3,665)	(4,571)
Cash flows from operating activities before adjusting changes in working capital and others	33,806	39,792
CHANGES IN WORKING CAPITAL:		
(Increase) decrease in trade and other receivables	44,921	118,346
(Increase) decrease in inventories	(6,286)	(10,075)
(Increase) decrease in other current assets	(12,074)	(8,790)
Increase (decrease) in trade and other payables	(181,733)	(144,073)
Increase (decrease) in other current liabilities	(6,645)	(16,919)
Change in working capital	(161,818)	(61,511)
Subtotal	(128,012)	(21,719)
Interest received	1,666	1,081
Dividends received	247	203
Interest paid	(6,944)	(6,042)
Income taxes paid	(19,298)	(24,457)
Net cash flow from operating activities	(152,340)	(50,933)

		(Millions of yen)
	Three months ended March 31, 2024 (From January 1 to March 31, 2024)	Three months ended March 31, 2025 (From January 1 to March 31, 2025)
CASH FLOWS FROM INVESTING ACTIVITIES		
Payment for purchase of property, plant and equipment, intangible assets	(5,938)	(3,726)
Proceeds from sale of property, plant and equipment, intangible assets	19	0
Net cash (paid) received on acquisition of subsidiaries	(7,196)	—
Net cash (paid) received on sale of subsidiaries	2	—
Payments for purchases of securities	(1,076)	(2,344)
Proceeds from sales of securities	5,434	17,047
Other—net	1,955	(148)
Net cash flow from investing activities	(6,800)	10,827
CASH FLOWS FROM FINANCING ACTIVITIES		
Net increase (decrease) in short-term borrowings	73,771	18,829
Proceeds from long-term borrowings	—	10,000
Repayment of long-term borrowings	(3)	(9,606)
Repayments of lease obligations	(10,030)	(9,566)
Payment for acquisition of interest in a subsidiary from non-controlling interests	(9,172)	(13)
Repurchase of treasury shares	(1)	(0)
Dividends paid	(16,129)	(18,105)
Dividends paid to non-controlling interests	(2,486)	(5,138)
Other—net	(11)	183
Net cash flow from financing activities	35,935	(13,417)
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	9,063	(3,293)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(114,142)	(56,816)
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	390,678	371,989
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS INCLUDED IN ASSETS CLASSIFIED AS HELD FOR SALE	(1,410)	—
CASH AND CASH EQUIVALENTS AT END OF PERIOD	275,125	315,172

(6) Notes on the Condensed Quarterly Consolidated Financial Statements

(Notes on Premise of Going Concern)

No items to report

(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.

Three months ended March 31, 2024 (From January 1 to March 31, 2024)

(Millions of yen)

	Japan	Americas	EMEA	APAC	Total	Eliminations/ Central costs	Consolidated
Revenue (Note 1)	151,565	84,684	67,629	25,074	328,954	3,951	332,905
Net revenue (Note 2)	122,951	80,518	57,179	24,185	284,835	4,113	288,949
Segment profit (loss) (underlying operating profit (loss)) (Note 3)	33,910	13,062	(658)	(3,143)	43,170	(13,320)	29,849
(Adjusting items)							
Amortization of intangible assets incurred in acquisitions	—	—	—	—	—	—	(7,598)
Selling, general and administrative expenses	—	—	—	—	—	—	(90)
Business transformation cost	—	—	—	—	—	—	(3,909)
Impairment loss	—	—	—	—	—	—	(6,237)
Other income	—	—	—	—	—	—	2,768
Other expenses	—	—	—	—	—	—	(293)
Operating profit	—	—	—	—	—	—	14,489
Share of results of associates	—	—	—	—	—	—	1,660
Loss on sales of shares of associates	—	—	—	—	—	—	(0)
Finance income	—	—	—	—	—	—	9,426
Finance costs	—	—	—	—	—	—	(6,925)
Profit before tax	—	—	—	—	—	—	18,651
Segment assets (Note 4)	1,171,224	1,309,407	826,937	360,462	3,668,031	(43,325)	3,624,706

Three months ended March 31, 2025 (From January 1 to March 31, 2025)

(Millions of yen)

	Japan	Americas	EMEA	APAC	Total	Eliminations/ Central costs	Consolidated
Revenue (Note 1)	158,556	93,586	68,170	23,676	343,989	1,170	345,160
Net revenue (Note 2)	129,695	76,291	56,952	23,068	286,008	1,279	287,287
Segment profit (loss) (underlying operating profit (loss)) (Note 3)	37,638	13,523	(1,554)	(3,224)	46,382	(12,456)	33,926
(Adjusting items)							
Amortization of intangible assets incurred in acquisitions	—	—	—	—	—	—	(6,216)
Selling, general and administrative expenses	—	—	—	—	—	—	(335)
Business transformation cost	—	—	—	—	—	—	(2,264)
Other income	—	—	—	—	—	—	366
Other expenses	—	—	—	—	—	—	(49)
Operating profit	—	—	—	—	—	—	25,426
Share of results of associates	—	—	—	—	—	—	1,570
Gain on sales of shares of associates	—	—	—	—	—	—	12
Finance income	—	—	—	—	—	—	1,804
Finance costs	—	—	—	—	—	—	(7,025)
Profit before tax	—	—	—	—	—	—	21,788
Segment assets (Note 4)	1,130,612	1,263,638	629,455	290,721	3,314,427	(55,485)	3,258,942

- (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 three months ended March 31, 2024, revenue from the Russia business was 2,559 million yen and revenue from central functions was 1,637 million yen. In the three months ended March 31, 2025, revenue from central functions was 1,793 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 three months ended March 31, 2024, net revenue from the Russia business was 2,559 million yen and net revenue from central functions was 1,637 million yen. In the three months ended March 31, 2025, net revenue from central functions was 1,732 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

May 15, 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 March 31, 2025, the condensed quarterly consolidated statement of income, comprehensive income, changes in equity and cash flows for the three-month period then ended, and notes to 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.

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- (Notes)
1. This is a duplicate copy of the review report and the original copies are kept separately by the Company (the company disclosing the Summary of Consolidated Financial Results).
 2. XBRL data and HTML data are not included in the scope of the interim review.