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# **Summary of Financial Results for the Six Months Ended June 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 date for filing of the Semiannual Report:

August 14, 2025

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 Six Months Ended June 30, 2025 [IFRS]

### 1. Summary of Financial Results for the Six Months Ended June 30, 2025 (from January 1, 2025 to June 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	
Six months ended June 30, 2025	683,904	0.4%	561,994	(3.4%)	67,526	7.2%	12.0%	(36,545)	—
Six months ended June 30, 2024	680,937	12.9%	581,596	9.3%	63,006	3.8%	11.0%	25,730	19.9%

	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	
Six months ended June 30, 2025	(43,375)	—	(69,309)	—	32,442	(1.4%)	(73,647)	—	(94,847)	—
Six months ended June 30, 2024	20,670	(13.5%)	10,268	(45.6%)	32,902	(4.9%)	5,564	(63.7%)	99,456	40.0%

(Yen)

	Underlying basic earnings per share	Basic earnings per share	Diluted earnings per share
Six months ended June 30, 2025	124.98	(283.72)	(283.72)
Six months ended June 30, 2024	124.85	21.11	21.07

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 June 30, 2025	3,149,136	650,078	578,971	18.4%	2,230.35
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: Yes

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	1,433,200	1.6%	1,180,100	(1.8%)	141,600	(19.7%)	12.0%	(3,500)	97.2%

	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	(66,000)	64.0%	63,000	(32.2%)	(75,400)	60.8%	242.70	(290.47)

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

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 June 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 June 30, 2025	6,212,575 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)

Six months ended June 30, 2025	259,576,672 shares
Six months ended June 30, 2024	263,537,798 shares

### **Notes**

**This summary of consolidated financial results for the interim period is exempt from review conducted by the Certified Public Accountants or the audit corporation.**

### **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 Interim Financial Results

## (1) Qualitative Information on Financial Results

In the six months ended June 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 six months ended June 30, 2025, are as presented in the table below. The net revenue organic growth rate was negative 0.2%, and net revenue decreased by 3.4% year on year due to factors such as exchange rates. With measures such as SG&A expenses control, underlying operating profit increased by 7.2% resulting in an operating margin increase of 100 bps but underlying net profit attributable to owners of the parent decreased by 1.4% year on year. Factors such as the posting of an impairment loss led to an operating loss of 36,545 million yen (operating profit of 25,730 million yen for the previous corresponding period) and net loss attributable to owners of the parent of 73,647 million yen (net profit of 5,564 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 six months ended June 30, 2025

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

Item	Six months ended June 30, 2024	Six months ended June 30, 2025	YoY change
Revenue	680,937	683,904	0.4%
Net revenue	581,596	561,994	(3.4)%
Operating profit (loss)	25,730	(36,545)	—
Profit (loss) (attributable to owners of the parent)	5,564	(73,647)	—

## Main profit indicators for the six months ended June 30, 2025

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

Item	Six months ended June 30, 2024	Six months ended June 30, 2025	YoY change
Underlying operating profit	63,006	67,526	7.2%
Operating margin	11.0%	12.0%	100bps
Underlying net profit (attributable to owners of the parent)	32,902	32,442	(1.4)%

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 six months ended June 30, 2025, is as follows.

### a. Japan

Japan saw a net revenue organic growth rate of 5.3% and net revenue of 236,708 million yen (5.3% 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 58,328 million yen (18.8% increase year on year) and the operating margin was 24.6% (21.8% 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 153,847 million yen (7.9% decrease year on year). However, with SG&A expenses control, underlying operating profit was 33,342 million yen (1.4% decrease year on year), and the operating margin was 21.7% (20.2% 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 2.4%. By major market, results were challenging in markets such as the United Kingdom, the Netherlands, France, and Denmark, but markets such as Spain and Poland saw a solid performance.

Net revenue in EMEA was 121,299 million yen (3.2% decrease year on year), underlying operating profit was 5,697 million yen (36.3% decrease year on year), and the operating margin was 4.7% (7.1% for the previous corresponding period).

d. APAC (Asia Pacific excluding Japan)

The net revenue organic growth rate in APAC was negative 8.9%. By major market, the results were challenging in markets such as China and Australia, but Taiwan and Thailand performed well.

Net revenue in APAC was 47,171 million yen (11.9% decrease year on year), underlying operating loss was 4,191 million yen (underlying operating loss of 2,527 million yen in the previous corresponding period), and the operating margin was negative 8.9% (negative 4.7% for the previous corresponding period).

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

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 six months ended June 30, 2025 and future prospects. Exchange rates before the revision are based on the average rates of January 2025 (156.5 yen to 1 USD; 193.3 yen to 1 GBP) and exchange rates after the revision are based on the average rates during the period from January to July, 2025 (148.1 yen to 1 USD; 193.4 yen to 1 GBP).

Regarding dividends, the interim dividend is suspended and the forecast of the year-end dividend is currently undetermined.



For details, please refer to “Notice Regarding the Revision of the Full-Year Consolidated Earnings Forecast for FY2025 and the Dividend of Surplus (Interim Dividend and Year-End Dividend Forecast)” announced on August 14, 2025.

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

### **(1) Significant Changes in the Scope of Consolidation during the Period**

No items to report

### **(2) Adoption of Accounting Treatment Specific to the Preparation of Interim 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 Interim Consolidated Statement of Changes in Equity for the six months ended June 30, 2024, this change in accounting policy has resulted in the recording of "Hedge cost" of (943) million yen and (1,177) million yen as of January 1, 2024 and June 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 Interim Consolidated Statement of Comprehensive Income for the six months ended June 30, 2024, this change in accounting policy has resulted in the recording of "Hedge cost" of (233) 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 six months ended June 30, 2024.

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

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

		(Millions of yen)
	FY2024 (As of December 31, 2024)	Six months ended June 30, 2025 (As of June 30, 2025)
<b>ASSETS</b>		
<b>CURRENT ASSETS:</b>		
Cash and cash equivalents	371,989	369,244
Trade and other receivables	1,678,146	1,448,598
Inventories	6,095	17,477
Income tax receivables	36,629	37,477
Other financial assets	25,198	22,385
Other current assets	59,295	61,154
Subtotal	2,177,355	1,956,336
Non-current assets classified as held for sale	—	43,549
<b>Total current assets</b>	<b>2,177,355</b>	<b>1,999,886</b>
<b>NON-CURRENT ASSETS:</b>		
Property, plant and equipment	26,159	23,821
Goodwill	697,052	583,847
Intangible assets	203,692	184,481
Right-of-use assets	128,348	127,781
Investments accounted for using the equity method	54,816	53,647
Other financial assets	146,188	119,001
Other non-current assets	36,734	34,824
Deferred tax assets	36,912	21,845
<b>Total non-current assets</b>	<b>1,329,904</b>	<b>1,149,250</b>
<b>TOTAL ASSETS</b>	<b>3,507,260</b>	<b>3,149,136</b>

		(Millions of yen)
	FY2024 (As of December 31, 2024)	Six months ended June 30, 2025 (As of June 30, 2025)
<b>LIABILITIES AND EQUITY</b>		
<b>LIABILITIES</b>		
<b>CURRENT LIABILITIES:</b>		
Trade and other payables	1,566,979	1,339,192
Bonds and borrowings	173,646	187,068
Other financial liabilities	87,438	86,027
Income tax payables	27,172	29,426
Provisions	13,447	12,252
Other current liabilities	198,711	166,606
Subtotal	2,067,395	1,820,574
Liabilities directly associated with non-current assets classified as held for sale	—	23,411
<b>Total current liabilities</b>	2,067,395	1,843,985
<b>NON-CURRENT LIABILITIES:</b>		
Bonds and borrowings	373,627	372,358
Other financial liabilities	208,231	202,851
Liability for retirement benefits	17,373	17,470
Provisions	18,636	18,506
Other non-current liabilities	5,645	4,447
Deferred tax liabilities	47,314	39,438
<b>Total non-current liabilities</b>	670,828	655,073
<b>Total liabilities</b>	2,738,224	2,499,058
<b>EQUITY:</b>		
Share capital	74,609	74,609
Share premium account	75,373	75,456
Treasury shares	(26,559)	(26,492)
Other components of equity	216,481	178,692
Retained earnings	356,933	276,705
<b>Total equity attributable to owners of the parent</b>	696,838	578,971
<b>Non-controlling interests</b>	72,197	71,107
<b>Total equity</b>	769,035	650,078
<b>TOTAL LIABILITIES AND EQUITY</b>	3,507,260	3,149,136

## (2) Condensed Interim Consolidated Statement of Income

		(Millions of yen)
	Six months ended June 30, 2024 (From January 1 to June 30, 2024)	Six months ended June 30, 2025 (From January 1 to June 30, 2025)
Revenue	680,937	683,904
Cost of sales	(99,340)	(121,910)
Net revenue	581,596	561,994
Selling, general and administrative expenses	(535,676)	(506,823)
Business transformation cost	(4,790)	(4,369)
Impairment loss	(16,485)	(86,576)
Other income	2,982	325
Other expenses	(1,895)	(1,096)
Operating profit (loss)	25,730	(36,545)
Share of results of associates	1,362	1,905
Gain on sales of shares of associates	8	12
Profit (loss) before interest and tax	27,101	(34,626)
Finance income	9,313	4,481
Finance costs	(15,744)	(13,229)
Profit (loss) before tax	20,670	(43,375)
Income tax expense	(10,402)	(25,934)
Profit (loss) for the period	10,268	(69,309)
Profit (loss) attributable to:		
Owners of the parent	5,564	(73,647)
Non-controlling interests	4,704	4,337
Earnings (loss) per share		
Basic earnings (loss) per share (Yen)	21.11	(283.72)
Diluted earnings (loss) per share (Yen)	21.07	(283.72)

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

		(Millions of yen)
	Six months ended June 30, 2024 (From January 1 to June 30, 2024)	Six months ended June 30, 2025 (From January 1 to June 30, 2025)
Operating profit (loss)	25,730	(36,545)
Amortization of intangible assets incurred in acquisitions	15,602	12,381
Selling, general and administrative expenses	1,320	545
Business transformation cost	4,790	4,369
Impairment loss	16,485	86,576
Other income	(2,566)	(2)
Other expenses	1,643	202
Underlying operating profit (Note)	63,006	67,526

(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 Interim 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 Interim Consolidated Statement of Comprehensive Income

		(Millions of yen)
	Six months ended June 30, 2024 (From January 1 to June 30, 2024) Restatement(Note)	Six months ended June 30, 2025 (From January 1 to June 30, 2025)
<b>PROFIT (LOSS) FOR THE PERIOD</b>	10,268	(69,309)
<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	10,886	1,733
Remeasurements of defined benefit plans	81	60
Share of other comprehensive income of investments accounted for using the equity method	(98)	(57)
<b>ITEMS THAT MAY BE RECLASSIFIED TO PROFIT OR LOSS:</b>		
Exchange differences on translation of foreign operations	73,940	(20,625)
Effective portion of the change in the fair value of cash flow hedges	4,479	(6,850)
Hedge cost	(233)	190
Share of other comprehensive income of investments accounted for using the equity method	133	11
Other comprehensive income, net of tax	89,188	(25,537)
<b>COMPREHENSIVE INCOME FOR THE PERIOD</b>	99,456	(94,847)
<b>COMPREHENSIVE INCOME FOR THE PERIOD ATTRIBUTABLE TO:</b>		
Owners of the parent	93,897	(98,981)
Non-controlling interests	5,559	4,134

(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 Interim Consolidated Statement of Changes in Equity

For the six months ended June 30, 2024 (From January 1 to June 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				73,354	4,479	(233)
Comprehensive income for the period	—	—	—	73,354	4,479	(233)
Repurchase of treasury shares			(15,003)			
Disposal of treasury shares		(163)	173			
Dividends						
Transactions with non-controlling interests						
Transfer from other components of equity to retained earnings						
Other changes		161				
Transactions with owners—total	—	(2)	(14,830)	—	—	—
As of June 30, 2024	74,609	75,069	(39,795)	150,959	27,691	(1,177)

(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			—	5,564	5,564	4,704	10,268
Other comprehensive income	10,653	80	88,333		88,333	855	89,188
Comprehensive income for the period	10,653	80	88,333	5,564	93,897	5,559	99,456
Repurchase of treasury shares			—		(15,003)		(15,003)
Disposal of treasury shares			—		9		9
Dividends			—	(16,129)	(16,129)	(2,526)	(18,656)
Transactions with non-controlling interests	2,900		2,900	(2,482)	417	(1,142)	(725)
Transfer from other components of equity to retained earnings	(13,930)	(80)	(14,011)	14,011	—		—
Other changes			—	(391)	(230)		(230)
Transactions with owners—total	(11,030)	(80)	(11,111)	(4,993)	(30,937)	(3,669)	(34,606)
As of June 30, 2024	47,929	—	225,402	569,324	904,611	72,994	977,605



For the six months ended June 30, 2025 (From January 1 to June 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				(20,374)	(6,850)	190
Comprehensive income for the period	—	—	—	(20,374)	(6,850)	190
Repurchase of treasury shares			(0)			
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					(566)	
Other changes		100				
Transactions with owners—total	—	83	66	—	(566)	—
As of June 30, 2025	74,609	75,456	(26,492)	131,225	10,773	(941)

(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			—	(73,647)	(73,647)	4,337	(69,309)
Other comprehensive income	1,640	60	(25,333)		(25,333)	(203)	(25,537)
Comprehensive income for the period	1,640	60	(25,333)	(73,647)	(98,981)	4,134	(94,847)
Repurchase of treasury shares			—		(0)		(0)
Disposal of treasury shares			—		50		50
Dividends			—	(18,105)	(18,105)	(5,182)	(23,287)
Transactions with non-controlling interests			—	(152)	(152)	(42)	(194)
Transfer from other components of equity to retained earnings	(11,829)	(60)	(11,889)	11,889	—		—
Transfer to non-financial assets			(566)		(566)		(566)
Other changes			—	(212)	(112)		(112)
Transactions with owners—total	(11,829)	(60)	(12,455)	(6,580)	(18,885)	(5,224)	(24,110)
As of June 30, 2025	37,634	—	178,692	276,705	578,971	71,107	650,078

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

	(Millions of yen)	
	Six months ended June 30, 2024 (From January 1 to June 30, 2024)	Six months ended June 30, 2025 (From January 1 to June 30, 2025)
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit (loss) before tax	20,670	(43,375)
<b>ADJUSTMENTS FOR:</b>		
Depreciation and amortization	40,776	37,723
Impairment loss	16,485	86,576
Interest and dividend income	(4,233)	(3,396)
Interest expense	14,732	11,012
Share of results of associates	(1,362)	(1,905)
Revaluation (gain) loss on contingent consideration and put option liability	(3,503)	(35)
(Gain) loss on valuation of securities	(621)	1,699
Increase (decrease) in liability for retirement benefits	(268)	114
Increase (decrease) in provision of business transformation cost	(5,786)	(1,419)
Other—net	(3,247)	(148)
Cash flows from operating activities before adjusting changes in working capital and others	73,642	86,844
<b>CHANGES IN WORKING CAPITAL:</b>		
(Increase) decrease in trade and other receivables	75,700	176,231
(Increase) decrease in inventories	(8,519)	(11,411)
(Increase) decrease in other current assets	(10,240)	(3,319)
Increase (decrease) in trade and other payables	(179,048)	(163,537)
Increase (decrease) in other current liabilities	(10,050)	(22,346)
Change in working capital	(132,158)	(24,383)
Subtotal	(58,516)	62,461
Interest received	3,505	2,181
Dividends received	3,406	2,609
Interest paid	(14,263)	(10,503)
Income taxes paid	(5,691)	(19,768)
Net cash flow from operating activities	(71,558)	36,981

	(Millions of yen)	
	Six months ended June 30, 2024 (From January 1 to June 30, 2024)	Six months ended June 30, 2025 (From January 1 to June 30, 2025)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Payment for purchase of property, plant and equipment, intangible assets	(12,555)	(8,648)
Proceeds from sale of property, plant and equipment, intangible assets	23	29
Net cash (paid) received on acquisition of subsidiaries	(17,267)	—
Net cash (paid) received on sale of subsidiaries	2,265	—
Payments for purchases of securities	(3,767)	(2,786)
Proceeds from sales of securities	4,561	21,427
Other—net	(2,110)	1,124
Net cash flow from investing activities	(28,851)	11,147
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Net increase (decrease) in short-term borrowings	22,003	7,675
Proceeds from long-term borrowings	30,000	15,367
Repayment of long-term borrowings	(6)	(9,632)
Repayments of lease obligations	(19,507)	(19,048)
Payment for acquisition of interest in a subsidiary from non-controlling interests	(9,199)	(628)
Repurchase of treasury shares	(15,003)	(0)
Dividends paid	(16,129)	(18,105)
Dividends paid to non-controlling interests	(2,526)	(5,182)
Other—net	874	338
Net cash flow from financing activities	(9,495)	(29,214)
<b>EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS</b>	19,859	(5,443)
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	(90,045)	13,469
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD</b>	390,678	371,989
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS INCLUDED IN ASSETS CLASSIFIED AS HELD FOR SALE</b>	(1,102)	(16,215)
<b>CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>	299,530	369,244

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

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

No items to report

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

Six months ended June 30, 2024 (From January 1 to June 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.

Six months ended June 30, 2025 (From January 1 to June 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 16,485 million yen and 86,576 million yen for the six months ended June 30, 2024 and the six months ended June 30, 2025, respectively, in the Condensed Interim 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.

Six months ended June 30, 2024 (From January 1 to June 30, 2024)

(Millions of yen)

	Japan	Americas	EMEA	APAC	Total	Eliminations/ Central costs	Consolidated
Revenue (Note 1)	284,703	179,988	148,445	57,175	670,313	10,624	680,937
Net revenue (Note 2)	224,746	167,093	125,284	53,551	570,674	10,921	581,596
Segment profit (loss) (underlying operating profit (loss)) (Note 3)	49,105	33,813	8,950	(2,527)	89,341	(26,334)	63,006
(Adjusting items)							
Amortization of intangible assets incurred in acquisitions	—	—	—	—	—	—	(15,602)
Selling, general and administrative expenses	—	—	—	—	—	—	(1,320)
Business transformation cost	—	—	—	—	—	—	(4,790)
Impairment loss	—	—	—	—	—	—	(16,485)
Other income	—	—	—	—	—	—	2,566
Other expenses	—	—	—	—	—	—	(1,643)
Operating profit	—	—	—	—	—	—	25,730
Share of results of associates	—	—	—	—	—	—	1,362
Gain on sales of shares of associates	—	—	—	—	—	—	8
Finance income	—	—	—	—	—	—	9,313
Finance costs	—	—	—	—	—	—	(15,744)
Profit before tax	—	—	—	—	—	—	20,670
Segment assets (Note 4)	1,138,964	1,443,536	863,602	384,433	3,830,537	(85,149)	3,745,387

Six months ended June 30, 2025 (From January 1 to June 30, 2025)

(Millions of yen)

	Japan	Americas	EMEA	APAC	Total	Eliminations/ Central costs	Consolidated
Revenue (Note 1)	292,765	192,798	146,742	48,860	681,166	2,737	683,904
Net revenue (Note 2)	236,708	153,847	121,299	47,171	559,027	2,966	561,994
Segment profit (loss) (underlying operating profit (loss)) (Note 3)	58,328	33,342	5,697	(4,191)	93,176	(25,650)	67,526
(Adjusting items)							
Amortization of intangible assets incurred in acquisitions	—	—	—	—	—	—	(12,381)
Selling, general and administrative expenses	—	—	—	—	—	—	(545)
Business transformation cost	—	—	—	—	—	—	(4,369)
Impairment loss	—	—	—	—	—	—	(86,576)
Other income	—	—	—	—	—	—	2
Other expenses	—	—	—	—	—	—	(202)
Operating loss	—	—	—	—	—	—	(36,545)
Share of results of associates	—	—	—	—	—	—	1,905
Gain on sales of shares of associates	—	—	—	—	—	—	12
Finance income	—	—	—	—	—	—	4,481
Finance costs	—	—	—	—	—	—	(13,229)
Loss before tax	—	—	—	—	—	—	(43,375)
Segment assets (Note 4)	1,065,926	1,162,805	655,471	302,710	3,186,913	(37,776)	3,149,136

- (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 six months ended June 30, 2024, revenue from the Russia business was 7,773 million yen and revenue from central functions was 3,538 million yen. In the six months ended June 30, 2025, revenue from central functions was 3,797 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 six months ended June 30, 2024, net revenue from the Russia business was 7,773 million yen and net revenue from central functions was 3,538 million yen. In the six months ended June 30, 2025, net revenue from central functions was 3,685 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