

# Presentation Material of Financial Results for the Second Quarter of FY2025 (from January 1, 2025 to June 30, 2025)

---

Note: This English translation is solely for reference purposes and not a legally definitive translation of the original Japanese text. In the event a difference arises regarding the meaning herein, the original Japanese version will prevail as the official authoritative version.

DENTSU SOKEN INC.

July 30, 2025



- 01** Outline of Financial Results for Q2 FY2025
- 02** Forecasts for FY2025
- 03** Outlook and Focus Areas for the Second Half of FY2025

- The business classifications under the reportable segments have been changed from the fiscal year ending December 31, 2025. As a result, the results for the previous fiscal year are compared and analyzed with the figures reclassified into the new classification.

- I 01** Outline of Financial Results for Q2 FY2025
- 02 Forecasts for FY2025
- 03 Outlook and Focus Areas for the Second Half of FY2025

# Summary for the Second Quarter of FY2025

## Year-on-year change

Net sales **+8.1%**, Operating profit **+2.9%**; Both net sales and operating profit increased, absorbing an increase in amortization of goodwill and personnel expenses. Record high for the first half.

## Change from initial forecast

Net sales **-3.3%**, Operating profit **-7.3%**; Business Solutions and Communication IT were strong, but Financial Solutions and Manufacturing Solutions fell short of the plan.

## Orders

Orders received **+3.4%**, Order backlog **+3.3%**; Proactive sales activities have been successful, resulting in a significant increase in the order backlog for Financial Solutions and Business Solutions.

## Full-Year forecast

The pipeline remains strong in the second half. **Net sales forecasts have been revised downward by 2 billion yen** based on the situation in the first half of the fiscal year, but **operating profit forecast remains unchanged** due to sales growth and improved productivity.

# Consolidated Results for the Second Quarter of FY2025

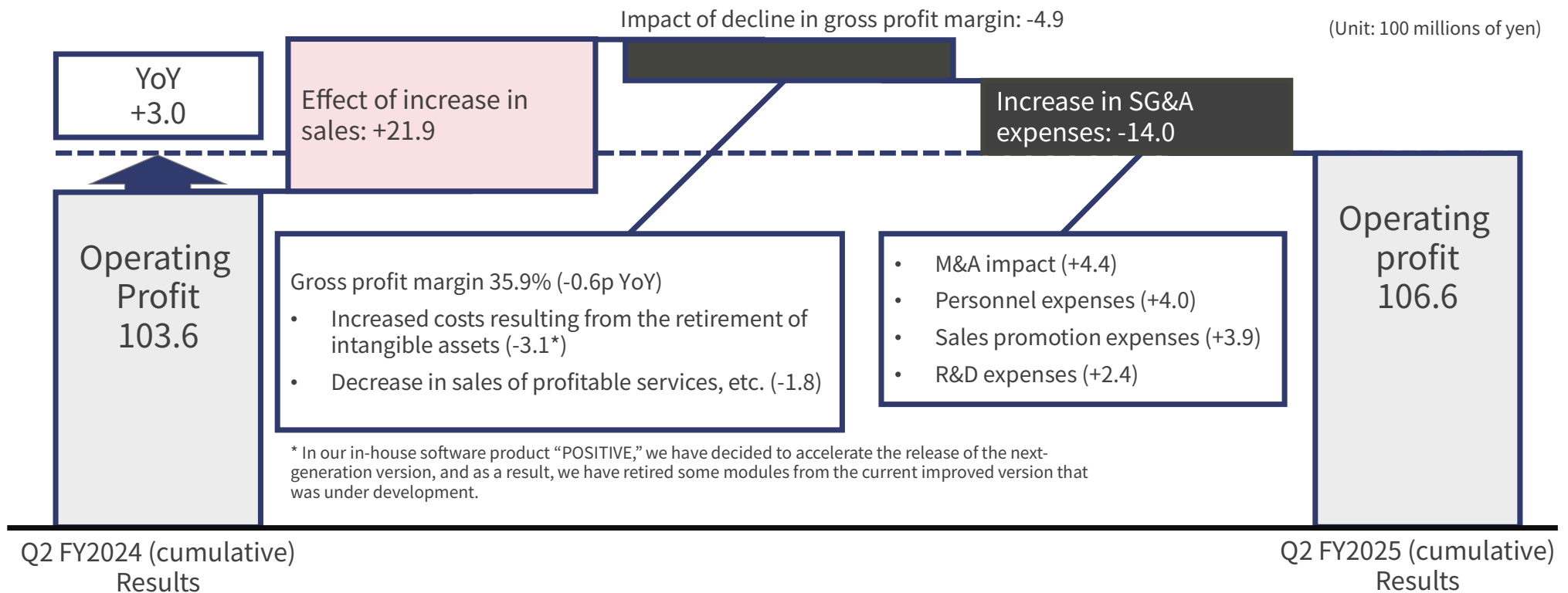
(Unit: Millions of yen)

	Q2 FY2025 (cumulative)	YoY			Vs. Initial Forecast (Announced on February 12, 2025)		
		Q2 FY2024 (cumulative)	Variance	% change	forecast	Variance	% change
Net sales	80,239	74,235	+6,004	+8.1	83,000	-2,761	-3.3
Gross profit	28,785	27,076	+1,709	+6.3	30,800	-2,015	-6.5
Gross profit margin (%)	35.9	36.5	-0.6p	-	37.1	-1.2p	-
Selling, general and administrative expenses	18,123	16,715	+1,408	+8.4	19,300	-1,177	-6.1
Operating profit	10,661	10,360	+301	+2.9	11,500	-839	-7.3
Operating margin (%)	13.3	14.0	-0.7p	-	13.9	-0.6p	-
Ordinary profit	11,109	10,262	+847	+8.2	11,500	-391	-3.4
Profit attributable to owners of parent	7,684	7,248	+436	+6.0	8,000	-316	-4.0
Number of employees (people)*	4,592	4,349	+243	+5.6			

\* At the end of the second quarter

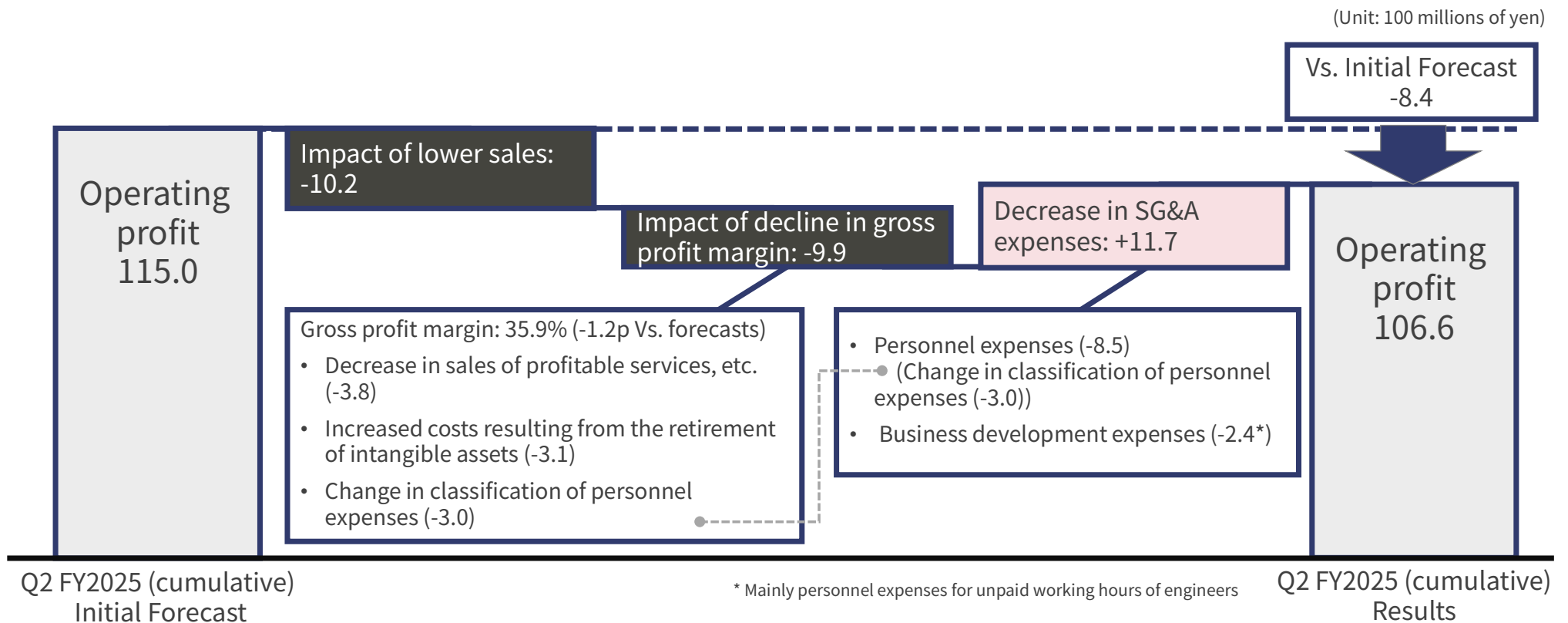
# Factors of Increase/Decrease in Operating Profit [YoY]

- Despite the impact of a decline in gross profit margin and an increase in selling, general and administrative expenses, operating profit increased due to the effect of higher sales.
- The decline in gross profit margin was mainly attributable to increased costs resulting from the retirement of intangible assets\* following a revision of the in-house software development plan, and a decrease in net sales from highly profitable in-house software licenses and third-party software add-on development.



# Factors of Increase/Decrease in Operating profit [Vs. Forecasts]

- Operating profit decreased due to the impact of lower sales and a decline in gross profit margin.
- The decline in gross profit margin was mainly due to the impact of lower-than-planned net sales from in-house software licenses and third-party software add-on development, as well as an increased costs resulting from the retirement of intangible assets and the reclassification of certain engineering personnel expenses from selling, general and administrative expenses to cost of sales.



# Non-operating Income/Expenses and Extraordinary Income/Losses

- Non-operating income/expenses: Non-operating income improved, mainly due to an increase in interest income associated with a rise in interest rates.
- Extraordinary income/losses: Absence of the impact of the recording of gain on sales of investment securities as extraordinary income in the same period of the previous fiscal year.

(Unit: Millions of yen)

	Q2 FY2025 (cumulative)	YoY		
		Q2 FY2024 (cumulative)	Variance	% change
Operating profit	10,661	10,360	+301	+2.9
Non-operating income	470	130	+340	+261.5
Non-operating expenses	22	228	-206	-90.4
Ordinary profit	11,109	10,262	+847	+8.2
Extraordinary income	-	320	-320	-
Extraordinary losses	-	25	-25	-
Profit before income taxes	11,109	10,557	+552	+5.2
Total income taxes	3,424	3,309	+115	+3.5
Profit attributable to non-controlling interests	-	-	-	-
Profit attributable to owners of parent	7,684	7,248	+436	+6.0



# Net Sales and Operating Profit by Reportable Segment

(Unit: Millions of yen)

		Q2 FY2025 (cumulative)	YoY			Vs. initial forecast	
			Variance	% change	Overview	Variance	% change
Financial Solutions	Net sales	16,355	-822	-4.8	Net sales and operating profit decreased due to a decrease in implementation projects of third-party software in the accounting area, despite an increase in sales and implementation projects for Stream-R* <sup>1</sup> , and third-party software in the customer contact reform area.	-1,645	-9.1
	Operating profit	1,905	-294	-13.4		-	-
	%	11.6	-1.2p	-		-	-
Business Solutions	Net sales	13,105	+1,242	+10.5	Net sales and operating profit increased, driven by a rise in the number of implementation projects of STRAVIS* <sup>2</sup> primarily among trading companies, as well as an increase in implementation projects of POSITIVE* <sup>3</sup> within the insurance and service industries.	+105	+0.8
	Operating profit	2,930	+229	+8.5		-	-
	%	22.4	-0.4p	-		-	-
Manufacturing Solutions	Net sales	31,002	+1,678	+5.7	Net sales increased due to the expansion for the transportation equipment industry of consulting services, NX* <sup>4</sup> , various CAE software and Teamcenter* <sup>5</sup> . Operating profit declined due to a decrease in profitable third-party software add-on development projects and higher personnel expenses.	-1,998	-6.1
	Operating profit	4,121	-37	-0.9		-	-
	%	13.3	-0.9p	-		-	-
Communication IT	Net sales	19,775	+3,905	+24.6	Net sales and operating profit increased due to the expansion of business for the public sector and the contribution of Mitsue-Links Co., Ltd. which was included in the scope of consolidation from the third quarter of the previous fiscal year.	+775	+4.1
	Operating profit	1,703	+402	+30.9		-	-
	%	8.6	+0.4p	-		-	-

\*1 BOJ settlement management system, \*2 Consolidated accounting solution, \*3 Integrated human capital solution, \*4 3D CAD software, \*5 PLM Solution

# Ref. Consolidated Results for the Q2 FY2025 (April-June)

## Consolidated Results

(Unit: Millions of yen)

	Q2 FY2025 (April-June)	YoY		
		Q2 FY2024 (Apr-Jun)	Variance	% change
Net sales	39,994	37,135	+2,859	+7.7
Gross profit	14,388	13,509	+879	+6.5
(%)	36.0	36.4	-0.4p	-
SG & A expenses	9,505	8,906	+599	+6.7
Operating profit	4,882	4,603	+279	+6.1
(%)	12.2	12.4	-0.2p	-

## Reportable Segment

(Unit: Millions of yen)

		Q2 FY2025 (April-June)	YoY	
			Variance	% change
Financial Solutions	Net sales	8,050	-716	-8.2
	Operating profit	799	-254	-24.1
	%	9.9	-2.1p	-
Business Solutions	Net sales	7,399	+1,224	+19.8
	Operating profit	1,940	+439	+29.2
	%	26.2	+1.9p	-
Manufacturing Solutions	Net sales	14,843	+517	+3.6
	Operating profit	1,550	-60	-3.7
	%	10.4	-0.8p	-
Communication IT	Net sales	9,702	+1,835	+23.3
	Operating profit	591	+153	+34.9
	%	6.1	+0.5p	-

# Net Sales by Service Category and Dentsu Group Companies

(Unit: Millions of yen)

Service category	Q2 FY2025 (cumulative)	YoY		Vs. Initial Forecast	
		Variance	% change	Variance	% change
Consulting Services	5,611	+848	+17.8	-189	-3.3
Custom System Development	16,469	+1,442	+9.6	-31	-0.2
In-house Software	16,078	+942	+6.2	-422	-2.6
Third-party Software	26,855	-31	-0.1	-2,645	-9.0
Outsourcing, Operation and Maintenance Services	10,196	+1,792	+21.3	-104	-1.0
IT Equipment Sales and Others	5,027	+1,010	+25.1	+627	+14.3

Counterparty	Q2 FY2025 (cumulative)	YoY	
		Variance	% change
Dentsu Group Inc. and Its subsidiaries	10,541	-222	-2.1

# Net Sales by Industry

(Unit: Millions of yen)

Industry		Q2 FY2025 (cumulative)		YoY	
		Net sales	Composition ratio (%)	Variance	% change
	Banks	11,688	14.6	+416	+3.7
	Other financial institutions	4,488	5.6	+174	+4.0
	Financial	16,176	20.2	+590	+3.8
	Transportation equipment	15,404	19.2	+2,585	+20.2
	Electric appliances, Precision instruments	8,100	10.1	-76	-0.9
	Machinery	5,215	6.5	-376	-6.7
	Other products	5,304	6.6	-189	-3.4
	Manufacturing	34,025	42.4	+1,944	+6.1
	Services and public offices	22,172	27.6	+1,814	+8.9
	Distributions and others	7,865	9.8	+1,657	+26.7

\* As we reviewed some of our client industries, we used reclassified figures for comparison with the same period last year.

# Orders Received and Order Backlog

- Financial Solutions and Business Solutions received multiple large orders. The reactionary decline that continued since last year has run its course, and orders backlog increased significantly.
- The decrease in Manufacturing Solutions was mainly due to the reactionary decline in large SAP orders and the progress in net sales recognition of subscription contracts.

(Unit: Millions of yen)

		Orders received				Order backlog	
		Q2 FY2025 (Apr.-Jun.)	YoY % change	Q2 FY2025 (cumulative)	YoY % change	End of Q2 FY2025	YoY % change
Total		41,528	+0.8	90,046	+3.4	69,666	+3.3
Reportable segment	Financial Solutions	9,749	+8.3	19,552	+5.1	11,814	+24.4
	Business Solutions	8,822	+39.7	16,422	+33.0	10,494	+23.9
	Manufacturing Solutions	13,157	-16.9	30,121	-10.8	27,754	-8.9
	Communication IT	9,799	-2.6	23,949	+7.1	19,602	+3.3
Service category	Consulting Services	3,094	+4.7	5,748	+4.7	2,377	+8.2
	Custom System Development	9,403	+27.0	19,100	+17.9	8,318	+20.6
	In-house Software	10,085	+20.1	20,255	+26.3	13,346	+14.3
	Third-party Software	12,054	-28.2	28,051	-17.8	31,338	-8.8
	Outsourcing, Operation and Maintenance Services	4,405	+18.2	12,354	+14.6	8,651	+33.9
	IT Equipment Sales and Others	2,483	+28.1	4,535	+3.1	5,633	-3.4

# Consolidated Balance Sheets

(Unit: Millions of yen)

	As of June 30, 2025	As of Dec. 31, 2024	Variance	Main factors for increase/decrease
Total current assets	122,828	119,058	+3,770	Increase in deposits paid (+6,707) Decrease in accounts receivable - trade, and contract assets (-3,285)
Total non-current assets	27,611	28,273	-662	Decrease in goodwill (-340)
Total assets	150,440	147,331	+3,109	
Total current liabilities	51,921	52,544	-623	Increase in contract liabilities (+2,769) Decrease in accounts payable - trade (-1,919) Decrease in accrued consumption taxes (-1,009) Decrease in accrued expenses (-598)
Total non-current liabilities	3,664	3,592	+72	Increase in provision for share awards (+75)
Total liabilities	55,586	56,137	-551	
Total net assets	94,854	91,194	+3,659	Increase in retained earnings (+4,166)
Total liabilities and net assets	150,440	147,331	+3,109	

# Consolidated Statements of Cash Flows

(Unit: Millions of yen)

	Q2 FY2025 (cumulative)	Main factors	YoY	
			Q2 FY2024 (cumulative)	Variance
Cash flows from operating activities	11,890	Profit before income taxes (11,109) Decrease in accounts receivable - trade, and contract assets (3,178) Increase in contract liabilities (2,801) Income taxes paid (-3,237) Decrease in trade payables (-1,866)	16,207	-4,317
Cash flows from investing activities	-1,337	Purchases of intangible assets (-1,001)	-10,146	+8,809
Cash flows from financing activities	-4,302	Dividends paid (-3,518) Purchase of treasury shares (-575)	-4,048	-254
Effect of exchange rate change on cash and cash equivalents	-224		367	-591
Net increase (decrease) in cash and cash equivalents	6,024		2,379	+3,645
Cash and cash equivalents at the beginning of period	61,722		57,515	+4,207
Cash and cash equivalents at the end of period	67,747		59,895	+7,852

- 01 Outline of Financial Results for Q2 FY2025
- I 02** Forecasts for FY2025
- 03 Outlook and Focus Areas for the Second Half of FY2025



# Forecasts for FY2025

- The pipeline in the second half is expected to exceed initial forecasts. Revised net sales forecast downward, incorporating part of the shortfall in H1 vs. forecast.
- Operating profit forecast remains unchanged, with sales for H2 increased from the initial forecast and productivity improved.

(Unit: Millions of yen)

	Initial Forecast (Announced on February 12, 2025)	Revised Forecast (Announced on July 30, 2025)	Vs. Initial Forecast		YoY		
			Variance	% change	FY2024 (cumulative)	Variance	% change
Net sales	170,000	168,000	-2,000	-1.2	152,642	+15,358	+10.1
Gross profit	63,000	61,200	-1,800	-2.9	56,123	+5,077	+9.0
Gross profit margin (%)	37.1	36.4	-0.7p	-	36.8	-0.4p	-
Selling, general and administrative expenses	40,000	38,200	-1,800	-4.5	35,083	+3,117	+8.9
Operating profit	23,000	23,000	-	-	21,039	+1,961	+9.3
Operating margin (%)	13.5	13.7	+0.2p	-	13.8	-0.1p	-
Ordinary profit	23,000	23,500	+500	+2.2	21,093	+2,407	+11.4
Profit attributable to owners of parent	16,000	16,200	+200	+1.3	15,117	+1,083	+7.2
Number of employees (people)*	4,800	4,700	-100	-2.1	4,413	+287	+6.5

\* At the end of the fiscal year

# Net Sales Forecasts for FY2025 by Reportable Segment

- Revised Financial Solutions, Manufacturing Solutions, and Communication IT in light of H1 progress.

(Unit: Millions of yen)

	Initial Forecast (Announced on February 12, 2025)	Revised Forecast (Announced on July 30, 2025)	Vs. Initial Forecast		YoY		
			Variance	% change	FY2024 (cumulative)	Variance	% change
Financial Solutions	37,000	36,000	-1,000	-2.7	34,050	+1,950	+5.7
Business Solutions	27,000	27,000	-	-	23,626	+3,374	+14.3
Manufacturing Solutions	67,000	65,000	-2,000	-3.0	60,564	+4,436	+7.3
Communication IT	39,000	40,000	+1,000	+2.6	34,401	+5,599	+16.3

# Net Sales Forecasts for FY2025 by Service Category

- Revised downward third-party software in light of H1 progress.

(Unit: Millions of yen)

	Initial Forecast (Announced on February 12, 2025)	Revised Forecast (Announced on July 30, 2025)	Vs. Initial Forecast		YoY		
			Variance	% change	FY2024 (cumulative)	Variance	% change
Consulting Services	12,000	12,000	-	-	10,480	+1,520	+14.5
Custom System Development	34,000	34,000	-	-	31,013	+2,987	+9.6
In-house Software	34,000	34,000	-	-	30,095	+3,905	+13.0
Third-party Software	60,000	58,000	-2,000	-3.3	54,372	+3,628	+6.7
Outsourcing, Operation and Maintenance Services	21,000	21,000	-	-	18,498	+2,502	+13.5
IT Equipment Sales and Others	9,000	9,000	-	-	8,182	+818	+10.0

- 01 Outline of Financial Results for Q2 FY2025
- 02 Forecasts for FY2025
- | 03 Outlook and Focus Areas for the Second Half of FY2025**

# Forecasts for the Second Half of FY2025

- Strong pipeline mainly on Financial Solutions and Business Solutions.
- Aiming to return to a high-growth path through steady orders and improved productivity, despite the risk of tariff impact.

(Unit: Millions of yen)

	Initial H2 Forecast (Announced on February 12, 2025)	Revised H2 Forecast (Announced on July 30, 2025)	Vs. Initial H2 Forecast		YoY		
			Variance	% change	H2 FY2024 (cumulative)	Variance	% change
Net sales	87,000	87,760	+760	+0.9	78,407	+9,353	+11.9
Gross profit	32,200	32,414	+214	+0.7	29,046	+3,368	+11.6
Gross profit margin (%)	37.0	36.9	-0.1p	-	37.0	-0.1p	-
Selling, general and administrative expenses	20,700	20,076	-624	-3.0	18,367	+1,709	+9.3
Operating profit	11,500	12,338	+838	+7.3	10,679	+1,659	+15.5
Operating margin (%)	13.2	14.1	+0.9p	-	13.6	+0.5p	-
Ordinary profit	11,500	12,390	+890	+7.7	10,830	+1,560	+14.4
Profit attributable to owners of parent	8,000	8,515	+515	+6.4	7,869	+646	+8.2

# Net Sales Forecasts for the Second Half of FY2025

(Unit: Millions of yen)

Reportable Segment	Revised H2 Forecast	YoY		
		H2 FY2024 (cumulative)	Variance	% change
Financial Solutions	19,644	16,873	+2,771	+16.4
Business Solutions	13,894	11,762	+2,132	+18.1
Manufacturing Solutions	33,997	31,240	+2,757	+8.8
Communication IT	20,224	18,531	+1,693	+9.1

(Unit: Millions of yen)

Service category	Revised H2 Forecast	YoY		
		H2 FY2024 (cumulative)	Variance	% change
Consulting Services	6,388	5,716	+672	+11.8
Custom System Development	17,530	15,986	+1,544	+9.7
In-house Software	17,921	14,958	+2,963	+19.8
Third-party Software	31,144	27,486	+3,658	+13.3
Outsourcing, Operation and Maintenance Services	10,803	10,094	+709	+7.0
IT Equipment Sales and Others	3,972	4,164	-192	-4.6

# Focus Areas for the Second Half of FY2025

(Unit: Millions of yen)

Reportable Segment	Revised H2 Forecast	YoY		
		H2 FY2024 (cumulative)	Variance	% change
Financial Solutions	19,644	16,873	+2,771	+16.4

- The impact of the interruption of two large-scale projects in the second half of last year has been passed.
- Against the backdrop of aggressive IT investment by major banks, increase sales inquiries in the areas of **accounting, loans, global banking, and customer contact area**.
- To strengthen our in-house software products, we will accelerate investment in sales support for **regional banks, fund and asset management, and the decentralized finance infrastructure sector**.

(Unit: Millions of yen)

Reportable Segment	Revised H2 Forecast	YoY		
		H2 FY2024 (cumulative)	Variance	% change
Business Solutions	13,894	11,762	+2,132	+18.1

- In the accounting and HR areas, both moved out of last year's lull in projects.
- In addition to the start of large-scale projects in **STRAVIS** and **POSITIVE**, the acquisition of new customers in **Ci\*X Financials** is progressing.
- Continuing to **strengthen our organizational structure** to further enhance competitive advantage and sustain high growth.

# Focus Areas for the Second Half of FY2025

(Unit: Millions of yen)

Reportable Segment	Revised H2 Forecast	YoY		
		H2 FY2024 (cumulative)	Variance	% change
Manufacturing Solutions	33,997	31,240	+2,757	+8.8

- Investment appetite in the manufacturing industry remains strong, mainly in areas such as **software-based function control** and **software development management (ALM\*)**.
- Cases of automated design and technology transfer using **AI agents** are expanding, mainly among major automobile manufacturers.
- The SAP market remains strong, and we will focus on **SAP-provided cloud services** and aim for steady business development.

\*Application Lifecycle Management

(Unit: Millions of yen)

Reportable Segment	Revised H2 Forecast	YoY		
		H2 FY2024 (cumulative)	Variance	% change
Communication IT	20,224	18,531	+1,693	+9.1

- Solutions to the **customers contact area** for the private sector and to support **business execution** and **improve productivity** for government agencies and local governments are brisk.
- Dentsu Group's sales are expected to remain firm.
- Participate in **AI strategic "AI For Growth"** promoted by the Dentsu Group and aim to expand group collaboration in the marketing.



# Toward the achievement of the Medium-Term Management Plan

- Our company will celebrate its 50th anniversary in 2025. To drive growth for the next 50 years, we will demonstrate three types of leadership.

I.

## **Enhancing Global Competitiveness for Manufacturing Companies**

～Transforming Manufacturing through the Implementation of AI and Advanced Technologies～

II.

## **Advancing Corporate Productivity**

～Becoming a Leading Supporter of Corporate Transformation through Strengthening and Expanding the Provision of Unique Solutions～

III.

## **Improving the Value of Consumer Experience for Businesses and Society**

～Becoming a Producer of Transformation Together with the Dentsu Group～



---


For further information, please contact:

---

**DENTSU SOKEN INC.**  
**Executive Office**  
**Investor Relations**

 <https://www.dentsusoken.com/english/ir>

 [g-ir@group.dentsusoken.com](mailto:g-ir@group.dentsusoken.com)

 +81-3-6713-6160

---