

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.

October 30, 2025

Consolidated Financial Results for the Third Quarter of Fiscal Year Ending December 31, 2025 (Japanese GAAP)

Name of Listed Company: DENTSU SOKEN INC.
Listed Exchange: Tokyo
Code Number: 4812
URL: <https://www.dentsusoken.com/english>
Representative: Hirohisa Iwamoto, President, CEO and COO
Contact for Inquiries: Naoto Momiki, Executive Office
Tel: +81-3-6713-6160

Date of scheduled payment of dividends: –

Quarterly earnings supplementary explanatory documents: Yes

Quarterly earnings presentation: Yes (For analysts, institutional investors, etc.)

(Amounts less than one million yen are rounded down.)

1. Consolidated Business Performance for the Third Quarter of FY2025 (from January 1, 2025 to September 30, 2025)

(1) Consolidated Operating Results (Cumulative)

Percentages indicate year-on-year increase/(decrease)

	Net sales		Operating profit (loss)		Ordinary profit (loss)		Net profit (loss)*	
	(million yen)	(%)	(million yen)	(%)	(million yen)	(%)	(million yen)	(%)
Third Quarter of FY2025	121,151	7.9	16,277	12.5	16,892	17.2	11,716	16.3
Third Quarter of FY2024	112,231	6.6	14,463	(7.0)	14,413	(8.2)	10,074	(7.0)

* Profit attributable to owners of parent

Note: Comprehensive profit: Third Quarter of FY2025: 11,611 million yen (up14.3%); Third Quarter of FY2024: 10,156 million yen (down8.6%)

	Net profit (loss) per share	Net profit per share after dilution
	(yen)	(yen)
Third Quarter of FY2025	180.04	–
Third Quarter of FY2024	154.83	–

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
	(million yen)	(million yen)	(%)
As of September 30, 2025	158,326	95,204	60.1
As of December 31, 2024	147,331	91,194	61.9

Reference: Total shareholders' equity: As of September 30, 2025: 95,204 million yen; As of December 31, 2024: 91,194 million yen

2. Dividends

Record date	Dividends per share				
	End of first quarter	End of second quarter	End of third quarter	Fiscal year-end	Full year
	(yen)	(yen)	(yen)	(yen)	(yen)
FY2024	–	54.00	–	54.00	108.00
FY2025	–	58.00	–		
FY2025 (forecast)			–	58.00	116.00

Note: Revision to the dividend forecasts from the latest announcement: No

3. Consolidated Forecasts for FY2025 (from January 1, 2025 to December 31, 2025)

Percentages indicate year-on-year increase/(decrease)

	Net sales		Operating profit		Ordinary profit		Net profit *		EPS
	(million yen)	(%)	(million yen)	(%)	(million yen)	(%)	(million yen)	(%)	(yen)
FY2025	168,000	10.1	23,000	9.3	23,500	11.4	16,200	7.2	248.95

* Profit attributable to owners of parent

Note: Revision to the consolidated forecasts from the latest announcement: No

Notes

- Changes in the scope of consolidation for significant subsidiaries (Changes in specified subsidiaries resulting in change in the scope of consolidation): None
- Application of special accounting practices in the preparation of the quarterly consolidated financial statements: None
- Changes in accounting policies, changes in accounting estimates and restatements:
 - Changes in accounting policies in accordance with revision of accounting standards: Yes
 - Changes in accounting policies other than 1) above: None
 - Changes in accounting estimate: None
 - Restatements: None

4. Issued and outstanding common stock

1) Number of shares issued and outstanding at the end of the period, including treasury stock	September 30, 2025: 65,182,480 shares	December 31, 2024: 65,182,480 shares
2) Number of treasury stock at the end of the period	September 30, 2025: 123,317 shares	December 31, 2024: 107,821 shares
3) Average number of shares outstanding for each period	Nine months ended September 30, 2025: 65,076,196 shares	Nine months ended September 30, 2024: 65,073,187 shares

This quarterly financial report is outside the scope of quarterly review procedures under the Financial Instruments and Exchange Act.

Explanation regarding the appropriate use of forecasts of business results

Forecast figures are projections based on information available at the time of release and are not intended as a guarantee that the Company will achieve these targets. Actual results may differ significantly from the above forecasts as a result of changes in the business environment and other factors.

Index of the Attachment

I. Qualitative Information on the Consolidated Financial Results for the Subject Period	
1. Explanation of Business Results.....	2
2. Explanation of Financial Position	4
3. Explanation of Consolidated Financial Results Forecasts	4
II. Consolidated Financial Statement	
1. Consolidated Balance Sheets	5
2. Consolidated Statements of Income and Consolidated Statements of Comprehensive Income	
[Consolidated Statements of Income]	7
[Consolidated Statements of Comprehensive Income]	8
3. Notes on Quarterly Consolidated Financial Statement	
(Notes on Changes in Accounting Policies)	9
(Segment Information and other)	9
(Notes on Significant Changes in Shareholders' Equity)	10
(Notes regarding Assumption of a Going Concern).....	10
(Notes on the Quarterly Consolidated Statement of Cash Flows)	10

I. Qualitative Information on the Consolidated Financial Results for the Subject Period

1. Explanation of Business Results

(Millions of yen)

	Third quarter of FY2024 (cumulative)	Third quarter of FY2025 (cumulative)	YoY	
			Variance	% change
Net sales	112,231	121,151	8,920	7.9
Operating profit	14,463	16,277	1,814	12.5
Operating profit margin	12.9%	13.4%	0.5p	-
Ordinary profit	14,413	16,892	2,479	17.2
Profit attributable to owners of parent	10,074	11,716	1,642	16.3

During the third quarter of the current consolidated fiscal year (January 1, 2025 to September 30, 2025), the Japanese economy continued to show a moderate recovery trend with improvement in the employment and income environment. The business environment surrounding our group also remained firm, with strong corporate appetite for digital investment. On the other hand, looking ahead, concerns remain regarding the potential impact on the domestic economy from global policy developments, financial market volatility, and geopolitical risks, resulting in an uncertain outlook.

Amid these circumstances, we started a three-year medium-term management plan "Contributing to Progress in Society 2027," the second phase of our efforts to realize our long-term management vision "Vision 2030" from the current consolidated fiscal year. The title, "Contributing to Progress in Society," is the name of the business concept established by our group for 2024 and summarizes a new form of business in which think tank, consulting, and system integration functions will work together to create a cycle from the proposal of issues to their resolution through technology. This medium-term management plan is built around three basic policies of "Addition of value to corporate and social transformation," "Enhancement of competitive solutions," and "Strengthening of management" and seven priority measures, the medium-term management plan sets five quantitative targets (net sales of ¥210 billion, operating profit of ¥31.5 billion, operating profit margin of 15.0%, and ROE of 18.0% or higher for the year ending December 2027, with a total number of 6,000 employees). We will aim for further growth through more aggressive challenges than ever before, taking advantage of the business base expanded under the previous medium-term management plan.

In the third quarter of the current consolidated fiscal year, net sales were ¥121,151 million (up 7.9% year on year), operating profit was ¥16,277 million (up 12.5% year on year), ordinary profit was ¥16,892 million (up 17.2% year on year) and profit attributable to owners of parent was ¥11,716 million (up 16.3% year on year).

Net sales increased mainly in the Business Solutions segment and Communication IT segment. Operating profit increased despite costs associated with the retirement of intangible assets related to in-house software and higher selling, general and administrative expenses, all profit items increased primarily due to the effect of higher sales.

In order to implement the growth strategy in the current medium-term management plan, from the beginning of the current fiscal year, the business classifications under the reportable segments have been changed. As a result, the results for the same period of the previous fiscal year are compared and analyzed with the figures reclassified into the new classification.

Net sales, operating profit, and business results by reportable segment are as follows.

Net sales and operating profit (loss) by reportable segment

(Millions of yen)

Reportable segment	Third quarter of FY2024 (cumulative)			Third quarter of FY2025 (cumulative)			Variance	
	Net sales	Operating profit	Operating margin	Net sales	Operating profit	Operating margin	Net sales	Operating profit
Financial Solutions	25,592	3,243	12.7%	25,240	3,068	12.2%	(352)	(175)
Business Solutions	17,370	3,671	21.1%	20,317	4,871	24.0%	2,947	1,200
Manufacturing Solutions	44,578	5,938	13.3%	45,644	5,771	12.6%	1,066	(167)
Communication IT	24,690	1,609	6.5%	29,949	2,565	8.6%	5,259	956
Total	112,231	14,463	12.9%	121,151	16,277	13.4%	8,920	1,814

Status of business operations by reportable segment

Financial Solutions

The main business of this segment is providing solutions that support business transformation in the financial industry and the utilization of financial services functions by general operating companies.

Net sales and operating profit decreased due to a decline in add-on development projects for third-party software in the accounting area, although custom system development projects and sales and implementation projects for Stream-R, a BOJ settlement management system, and BANK R, a loan solution, expanded.

Business Solutions

The main business of this segment is providing solutions that support the sophistication of business management operations of corporates, centered on human resources and accounting.

Net sales and operating profit increased due to the expansion of implementation projects for STRAVIS, a consolidated accounting solution, mainly for trading companies, and the expansion of implementation projects for POSITIVE, an integrated human capital management solution, for the service and insurance industries.

Manufacturing Solutions

The main business of this segment is providing solutions that support the enhancement of business processes and value chains in the manufacturing industry.

Net sales increased due to the expansion of CAE and PLM solution sales to the transportation equipment industry, despite a decrease in SAP introductions. Operating profit declined due to a decrease in profitable third-party software add-on development projects and higher personnel expenses.

Communication IT

The main business of this segment is providing solutions that support corporate marketing transformation and digital reform initiatives for government agencies and municipalities.

Net sales and operating profit increased due to the expansion of business for the public sector and the Dentsu Group, as well as the contribution of Mitsue-Links Co., Ltd., which was included in the scope of consolidation from the third quarter of the previous fiscal year.

2. Explanation of Financial Position

Status of Assets, Liabilities and Net Assets

(1) Assets

Total assets at the end of the third quarter of the current consolidated fiscal year increased by ¥10,995 million from the end of the previous consolidated fiscal year to ¥158,326 million. Current assets increased by ¥10,735 million from the end of the previous consolidated fiscal year to ¥129,793 million, due to an increase in contract liabilities and progress in the collection of accounts receivable, as well as an increase in advance payments related to subscription and maintenance contracts for services to customers. Non-current assets increased by ¥260 million from the end of the previous consolidated fiscal year to ¥28,533 million, mainly due to an increase in deferred tax assets.

(2) Liabilities

Total liabilities at the end of the third quarter of the current consolidated fiscal year increased by ¥6,984 million from the end of the previous consolidated fiscal year to ¥63,121 million. Current liabilities increased by ¥6,916 million from the end of the previous consolidated fiscal year to ¥59,460 million, mainly due to an increase in trade payable and other factors. Non-current liabilities increased by ¥69 million from the end of the previous consolidated fiscal year to ¥3,661 million.

(3) Net assets

Net assets at the end of the third quarter of the current consolidated fiscal year increased by ¥4,010 million from the end of the previous consolidated fiscal year to ¥95,204 million, mainly as a result of an increase in retained earnings due to the recording of profit attributable to owners of parent, despite the payment of dividends from retained earnings.

3. Explanation of Consolidated Financial Results Forecasts

There are no changes to our forecasts for the full fiscal year, as announced on July 30, 2025.

Note: Forecast figures are projections based on information available at the time of release and are not intended as a guarantee that we will achieve these targets. Actual results may differ significantly from the above forecasts because of changes in the business environment.

II. Consolidated Financial Statement

1. Consolidated Balance Sheets

(Millions of yen)

	As of December 31, 2024	As of September 30, 2025
Assets		
Current assets		
Cash and deposits	6,354	5,601
Notes and accounts receivable - trade, and contract assets	33,560	32,053
Merchandise and finished goods	106	65
Raw materials and supplies	14	15
Advance payments to suppliers	21,629	28,413
Deposits paid	55,961	61,717
Other	1,430	1,925
Total current assets	119,058	129,793
Non-current assets		
Property, plant and equipment	3,572	3,634
Intangible assets		
Goodwill	5,532	5,040
Other	9,164	8,716
Total intangible assets	14,696	13,757
Investments and other assets		
Investments and other assets	10,005	11,143
Allowance for doubtful accounts	(1)	(1)
Total investments and other assets	10,004	11,142
Total non-current assets	28,273	28,533
Total assets	147,331	158,326
Liabilities		
Current liabilities		
Notes and accounts payable - trade	15,083	21,446
Income taxes payable	3,721	3,477
Contract liabilities	18,939	19,574
Provision for loss on orders received	98	14
Asset retirement obligations	—	20
Provision for share awards	256	—
Other	14,445	14,926
Total current liabilities	52,544	59,460
Non-current liabilities		
Retirement benefit liability	103	112
Asset retirement obligations	954	944
Provision for share awards	—	113
Other	2,534	2,490
Total non-current liabilities	3,592	3,661
Total liabilities	56,137	63,121

(Millions of yen)

	As of December 31, 2024	As of September 30, 2025
Net assets		
Shareholders' equity		
Share capital	8,180	8,180
Capital surplus	15,270	15,270
Retained earnings	66,858	71,276
Treasury shares	(389)	(692)
Total shareholders' equity	89,920	94,034
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	222	284
Foreign currency translation adjustment	1,051	885
Total accumulated other comprehensive income	1,274	1,169
Total net assets	91,194	95,204
Total liabilities and net assets	147,331	158,326

2. Consolidated Statements of Income and Consolidated Statements of Comprehensive Income
[Consolidated Statements of Income]

(Millions of yen)

	Nine months ended September 30, 2024	Nine months ended September 30, 2025
Net sales	112,231	121,151
Cost of sales	71,807	77,350
Gross profit	40,424	43,801
Selling, general and administrative expenses	25,961	27,524
Operating profit	14,463	16,277
Non-operating income		
Interest and dividend income	109	343
Share of profit of entities accounted for using equity method	—	98
Foreign exchange gains	—	74
Dividend income of insurance	51	22
Subsidy income	17	31
Gain on investments in investment partnerships	—	20
Miscellaneous income	20	60
Total non-operating income	199	650
Non-operating expenses		
Interest expenses	27	29
Share of loss of entities accounted for using equity method	79	—
Foreign exchange losses	86	—
Loss on investments in investment partnerships	48	—
Miscellaneous losses	7	5
Total non-operating expenses	248	34
Ordinary profit	14,413	16,892
Extraordinary income		
Gain on sale of investment securities	320	—
Total extraordinary income	320	—
Extraordinary losses		
Impairment losses	25	—
Total extraordinary losses	25	—
Profit before income taxes	14,709	16,892
Income taxes - current	5,387	6,191
Income taxes - deferred	(753)	(1,014)
Total income taxes	4,634	5,176
Profit	10,074	11,716
Profit attributable to owners of parent	10,074	11,716

[Consolidated Statements of Comprehensive Income]

(Millions of yen)

	Nine months ended September 30, 2024	Nine months ended September 30, 2025
Profit	10,074	11,716
Other comprehensive income		
Valuation difference on available-for-sale securities	(51)	61
Foreign currency translation adjustment	133	(166)
Total other comprehensive income	81	(104)
Comprehensive income	10,156	11,611
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	10,156	11,611

3. Notes on Quarterly Consolidated Financial Statement

(Notes on Changes in Accounting Policies)

(Application of “Accounting Treatment and Disclosure for Corporate Taxes Related to the Global Minimum Tax Regime”)

We have applied the “Accounting Treatment and Disclosure for Corporate Taxes Related to the Global Minimum Tax Regime” (Accounting Practice Report No. 46, issued on March 22, 2024; hereinafter referred to as “this Practice Report”) from the beginning of the current consolidated fiscal year.

In accordance with paragraph 7 of this Practice Report, corporate taxes related to the global minimum tax regime are not recognized in the consolidated financial statements for the third quarter of the current consolidated fiscal year.

(Segment Information and other)

Segment Information

(1) The third quarter cumulative period of FY2024 (from January 1, 2024 to September 30, 2024)

1) Information on net sales and operational profit or loss by reportable segment

(Millions of yen)

	Reportable segment				
	Financial Solutions	Business Solutions	Manufacturing Solutions	Communication IT	Total
Net sales					
Sales to customers	25,592	17,370	44,578	24,690	112,231
Inter-segment sales and transfers	-	-	-	-	-
Total	25,592	17,370	44,578	24,690	112,231
Segment profit	3,243	3,671	5,938	1,609	14,463

Note: Total values for segment profit match those for the operating profit on the “Consolidated Statements of Income.”

2) Information on impairment loss on non-current assets and goodwill by reportable segment

(Significant changes in the amount of goodwill)

In the "Communication IT" segment, goodwill was incurred due to the acquisition of all shares of Mitsue-Links Co., Ltd. in the previous third quarter consolidated accounting period and its inclusion in the scope of consolidation. The increase in goodwill due to this event was ¥5,760 million for the same period.

The amount of goodwill is after reflecting the significant review of the initial allocation of the acquisition cost due to the finalization of the provisional accounting treatment for business combinations.

(2) The third quarter cumulative period of FY2025 (from January 1, 2025 to September 30, 2025)

1) Information on net sales and operational profit or loss by reportable segment

(Millions of yen)

	Reportable segment				
	Financial Solutions	Business Solutions	Manufacturing Solutions	Communication IT	Total
Net sales					
Sales to customers	25,240	20,317	45,644	29,949	121,151
Inter-segment sales and transfers	-	-	-	-	-
Total	25,240	20,317	45,644	29,949	121,151
Segment profit	3,068	4,871	5,771	2,565	16,277

Notes: Total values for segment profit match those for the operating profit on the “Consolidated Statements of Income.”

2) Information on changes in reportable segment

In order to implement the growth strategy in the current medium-term management plan, from the first quarter of the current fiscal year, the business classifications under the reportable segments have been changed. As a result, the results for the third quarter of the previous fiscal year are compared and analyzed with the figures reclassified into the new classification.

(Notes on Significant Changes in Shareholders' Equity)

Not applicable

(Notes regarding Assumption of a Going Concern)

Not applicable

(Notes on the Quarterly Consolidated Statement of Cash Flows)

The Quarterly Consolidated Statement of Cash Flows for the current consolidated cumulative period for the third quarter has not been prepared. Depreciation (including amortization of intangible fixed assets excluding goodwill) and amortization of goodwill for the consolidated cumulative period for the third quarter are as follows.

	(Millions of yen)	
	Third quarter of FY2024 (cumulative)	Third quarter of FY2025 (cumulative)
Depreciation and amortization	2,415	2,918
Amortization of goodwill	265	491