

Presentation Material of Financial Results for the Third Quarter of FY12/2025 (from January 1, 2025 to September 30, 2025)

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DENTSU SOKEN INC.

October 30, 2025



01 Outline of Financial Results for Q3 FY12/2025

02 Forecast for 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.

- | **01** Outline of Financial Results for Q3 FY12/2025
- 02** Forecast for FY2025

Summary for the Third Quarter of FY12/2025

Net sales, Operating profit

Net sales increased by **+7.9%**, mainly in Business Solutions and Communication IT. Operating profit increased by **+12.5%** despite the increase in R&D expenses and goodwill amortization expenses associated with M&A. **Record high for the third quarter.**

Orders

Orders received **+12.8%**, order backlog **+19.9%**: Orders received for the third quarter (July-September) **increased significantly to +36.1%**, mainly for Financial Solutions and Manufacturing Solutions.

Expected progress rate for the full year

Net sales **72.1% (-1.4p)**, operating profit **70.8% (+2.1p)** and profit attributable to owners of parent **72.1% (+5.7p)**: Sales progress is slightly delayed, but profit is improving from the previous year.

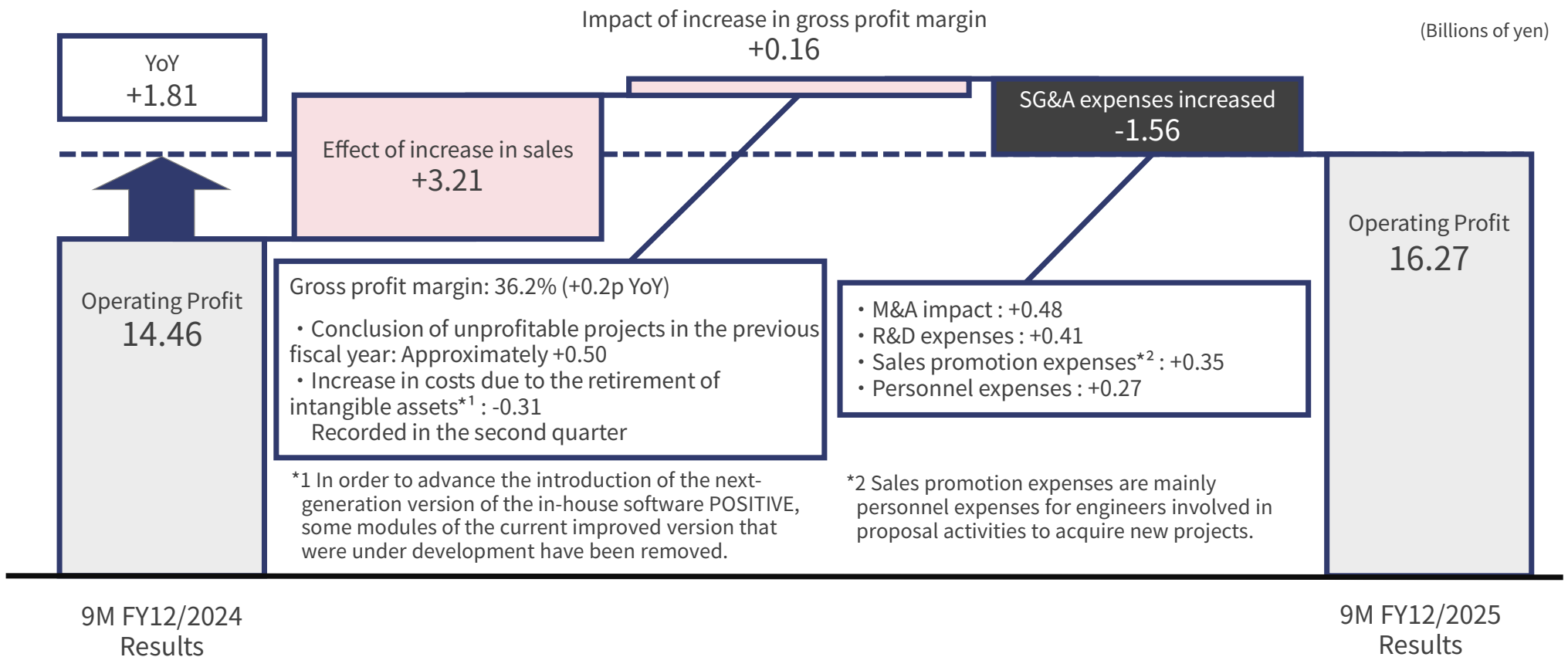
Consolidated Results for the Third Quarter of FY12/2025

(Millions of yen)

	9M FY12/2025	YoY			Progress rate (%) for the full year* ²	
		9M FY12/2024	Variance	% change	9M FY12/2025	9M FY12/2024
Net sales	121,151	112,231	+8,920	+7.9	72.1	73.5
Gross profit	43,801	40,424	+3,377	+8.4	-	-
Gross profit margin (%)	36.2	36.0	+0.2p	-	-	-
Selling, general and administrative expenses	27,524	25,961	+1,563	+6.0	-	-
Operating profit	16,277	14,463	+1,814	+12.5	70.8	68.7
Operating margin (%)	13.4	12.9	+0.5p	-	-	-
Ordinary profit	16,892	14,413	+2,479	+17.2	71.9	68.3
Profit attributable to owners of parent	11,716	10,074	+1,642	+16.3	72.3	66.6
Number of employees (people)* ¹	4,604	4,400	+204	+4.6		

Factors of Increase/Decrease in Operating Profit[YoY]

- Although SG&A expenses increased, operating profit increased mainly due to the effect of increased sales.
- The gross profit margin improved due to the conclusion of unprofitable projects in the previous fiscal year, although there was an increase in costs due to the retirement of intangible assets.



Non-operating Income/Expenses and Extraordinary Income/Losses

- Non-operating income and expenses: Improvement mainly due to an increase in interest income due to rising interest rates
- Extraordinary income and losses: Impact of recording gains on sale of investment securities as extraordinary income in the same period of the previous year

(Millions of yen)

	9M FY12/2025	YoY		
		9M FY12/2024	Variance	% change
Operating profit	16,277	14,463	+1,814	+12.5
Non-operating income	650	199	+451	+226.6
Non-operating expenses	34	248	-214	-86.3
Ordinary profit	16,892	14,413	+2,479	+17.2
Extraordinary income	-	320	-320	-
Extraordinary losses	-	25	-25	-
Profit before income taxes	16,892	14,709	+2,183	+14.8
Total income taxes	5,176	4,634	+542	+11.7
Profit attributable to non-controlling interests	-	-	-	-
Profit attributable to owners of parent	11,716	10,074	+1,642	+16.3

Net Sales and Operating Profit by Reportable Segment

(Millions of yen)

		9M FY12/2025	YoY		
			Variance	% change	Overview
Financial Solutions	Net sales	25,240	-352	-1.4	Net sales and operating profit decreased due to a decline in third-party software add-on development projects for the accounting area, despite an increase in custom system development projects and an increase in sales and implementation projects for Stream-R ^{*1} and BANK R ^{*2} .
	Operating profit	3,068	-175	-5.4	
	%	12.2	-0.5p	-	
Business Solutions	Net sales	20,317	+2,947	+17.0	Net sales and operating profit increased due to the expansion of STRAVIS ^{*3} implementation projects mainly for trading companies and the expansion of POSITIVE ^{*4} implementation projects for the service and insurance industries.
	Operating profit	4,871	+1,200	+32.7	
	%	24.0	+2.9p	-	
Manufacturing Solutions	Net sales	45,644	+1,066	+2.4	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.
	Operating profit	5,771	-167	-2.8	
	%	12.6	-0.7p	-	
Communication IT	Net sales	29,949	+5,259	+21.3	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.
	Operating profit	2,565	+956	+59.4	
	%	8.6	+2.1p	-	

*1 BOJ settlement management system, *2 Loan solution, *3 Consolidated accounting solution, *4 Integrated human capital solution

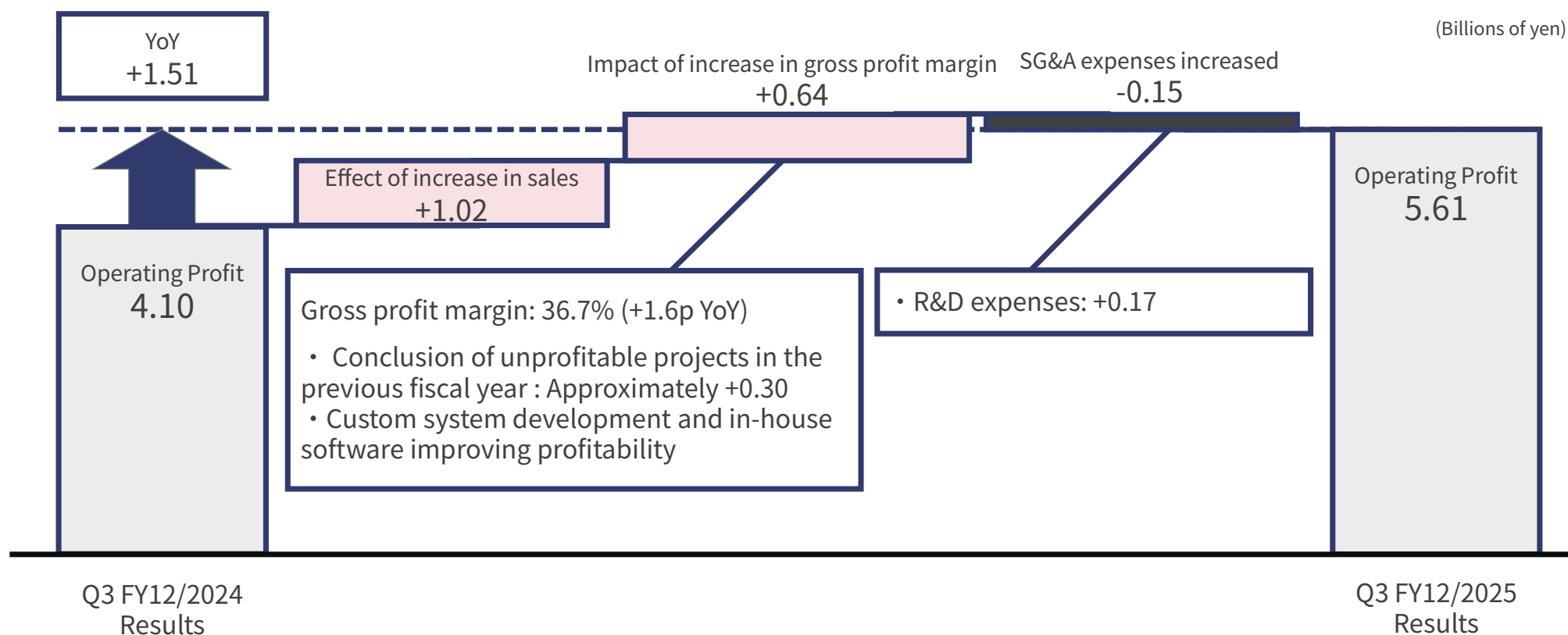
Ref. Consolidated results for the Q3 FY12/2025

(Millions of yen)

	Q3 FY12/2025	YoY		
		Q3 FY12/2024	Variance	% change
Net sales	40,912	37,995	+2,917	+7.7
Gross profit	15,015	13,348	+1,667	+12.5
Gross profit margin (%)	36.7	35.1	+1.6p	-
Selling, general and administrative expenses	9,400	9,245	+155	+1.7
Operating profit	5,615	4,103	+1,512	+36.9
Operating margin (%)	13.7	10.8	+2.9p	-
Ordinary profit	5,783	4,151	+1,632	+39.3
Profit attributable to owners of parent	4,031	2,826	+1,205	+42.6

Ref. Factors of Increase/Decrease in Operating Profit for the Q3 FY12/2025[YoY]

- Operating profit increased due to increased sales and gross profit margin.
- The increase in gross profit margin was due to the conclusion of unprofitable projects in the previous fiscal year, as well as improved profitability of custom system development and in-house software.



Ref. Consolidated Results for the Q3 FY12/2025 by Reportable Segment and Service Category

(Millions of yen)

		Q3 FY12/2025	YoY	
			Variance	% change
Financial Solutions	Net sales	8,884	+470	+5.6
	Operating profit	1,163	+119	+11.4
	%	13.1	+0.7p	-
Business Solutions	Net sales	7,211	+1,704	+30.9
	Operating profit	1,940	+970	+100.0
	%	26.9	+9.3p	-
Manufacturing Solutions	Net sales	14,642	-612	-4.0
	Operating profit	1,649	-131	-7.4
	%	11.3	-0.4p	-
Communication IT	Net sales	10,173	+1,353	+15.3
	Operating profit	861	+554	+180.5
	%	8.5	+5.0p	-

(Millions of yen)

Service Category	Q3 FY12/2025	YoY	
		Variance	% change
Consulting Services	2,508	-201	-7.4
Custom System Development	8,912	+1,323	+17.4
In-house Software	8,403	+1,446	+20.8
Third-party Software	13,570	-109	-0.8
Outsourcing, Operation and Maintenance Services	5,282	+285	+5.7
IT Equipment Sales and Others	2,235	+174	+8.4

Net Sales by Service Category and Dentsu Group Companies

(Millions of yen)

Service category	9M FY12/2025	YoY	
		Variance	% change
Consulting Services	8,120	+648	+8.7
Custom System Development	25,381	+2,765	+12.2
In-house Software	24,482	+2,388	+10.8
Third-party Software	40,425	-141	-0.3
Outsourcing, Operation and Maintenance Services	15,479	+2,077	+15.5
IT Equipment Sales and Others	7,263	+1,184	+19.5

Counterparty	9M FY12/2025	YoY	
		Variance	% change
Dentsu Group Inc. and Its subsidiaries	16,205	+451	+2.9

Net Sales by Industry

(Millions of yen)

Industry		9M FY12/2025		YoY	
		Net sales	Composition ratio (%)	Variance	% change
	Banks	18,107	14.9	+1,090	+6.4
	Other financial institutions	7,031	5.8	+462	+7.0
	Financial	25,138	20.7	+1,552	+6.6
	Transportation equipment	22,509	18.6	+2,481	+12.4
	Electric appliances, Precision instruments	12,325	10.2	-55	-0.4
	Machinery	7,823	6.5	-552	-6.6
	Other products	8,135	6.7	+27	+0.3
	Manufacturing	50,793	42.0	+1,900	+3.9
	Services and public offices	33,377	27.5	+3,020	+9.9
	Distributions and others	11,841	9.8	+2,447	+26.0

* 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

- In the third quarter (July-September), orders received increased significantly due to the expansion of custom system development for the banking industry and third-party software focused on the ALM* area of Manufacturing Solutions.

(Millions of yen)

		Orders received				Order backlog	
		Q3 FY12/2025	YoY % change	9M FY12/2025	YoY % change	End of Q3 FY12/2025	YoY % change
Total		47,823	+36.1	137,870	+12.8	76,577	+19.9
Reportable segment	Financial Solutions	9,368	+31.6	28,921	+12.5	12,298	+49.9
	Business Solutions	6,170	+15.7	22,592	+27.8	9,453	+13.9
	Manufacturing Solutions	24,768	+55.5	54,890	+10.5	37,880	+21.7
	Communication IT	7,516	+11.3	31,466	+8.1	16,945	+4.5
Service category	Consulting Services	2,262	-26.6	8,010	-6.5	2,131	-13.4
	Custom System Development	9,276	+30.9	28,377	+21.9	8,682	+49.6
	In-house Software	7,006	+21.2	27,262	+24.9	11,950	+13.8
	Third-party Software	23,050	+79.0	51,102	+8.7	40,819	+21.7
	Outsourcing, Operation and Maintenance Services	4,248	-12.8	16,603	+6.1	7,617	+20.2
	IT Equipment Sales and Others	1,979	+37.8	6,514	+11.7	5,377	+3.3

*Abbreviation for Application Lifecycle Management

01 Outline of Financial Results for Q3 FY12/2025

| 02 Forecast for FY2025

Forecast for the Full-year FY12/2025

- There is no change from the forecast announced on July 30, 2025.

(Millions of yen)

	FY12/2025 (Announced on July 30, 2025)	YoY		
		FY12/2024	Variance	% change
Net sales	168,000	152,642	+15,358	+10.1
Gross profit	61,200	56,123	+5,077	+9.0
Gross profit margin (%)	36.4	36.8	-0.4p	-
Selling, general and administrative expenses	38,200	35,083	+3,117	+8.9
Operating profit	23,000	21,039	+1,961	+9.3
Operating margin (%)	13.7	13.8	-0.1p	-
Ordinary profit	23,500	21,093	+2,407	+11.4
Profit attributable to owners of parent	16,200	15,117	+1,083	+7.2
Number of employees (people)*	4,700	4,413	+287	+6.5

* At the end of the fiscal year

Net Sales Forecast for the Full-year FY12/2025 by Reportable Segment and Service Category

- There is no change from the forecast announced on July 30, 2025.

(Millions of yen)

Reportable Segment	FY12/2025 (Announced on July 30, 2025)	YoY	
		Variance	% change
Financial Solutions	36,000	+1,950	+5.7
Business Solutions	27,000	+3,374	+14.3
Manufacturing Solutions	65,000	+4,436	+7.3
Communication IT	40,000	+5,599	+16.3

(Millions of yen)

Service Category	FY12/2025 (Announced on July 30, 2025)	YoY	
		Variance	% change
Consulting Services	12,000	+1,520	+14.5
Custom System Development	34,000	+2,987	+9.6
In-house Software	34,000	+3,905	+13.0
Third-party Software	58,000	+3,628	+6.7
Outsourcing, Operation and Maintenance Services	21,000	+2,502	+13.5
IT Equipment Sales and Others	9,000	+818	+10.0

Ref. Forecast for the Q4 FY12/2025

- The figures for the fourth quarter fiscal period, minus the 9M results from the full-year forecast, are as follows.

(Millions of yen)

	Q4 FY12/2025 forecast	YoY		
		Q4 FY12/2024	Variance	% change
Net sales	46,848	40,411	+6,437	+15.9
Gross profit	17,398	15,698	+1,700	+10.8
Gross profit margin (%)	37.1	38.8	-1.7p	-
Selling, general and administrative expenses	10,675	9,122	+1,553	+17.0
Operating profit	6,722	6,576	+146	+2.2
Operating margin (%)	14.3	16.3	-2.0p	-
Ordinary profit	6,607	6,679	-72	-1.1
Profit attributable to owners of parent	4,483	5,042	-559	-11.1

Ref. Net Sales Forecast for the Q4 FY12/2025 by Reportable Segment and Service Category

(Millions of yen)

Reportable Segment	Q4 FY12/2025 forecast	YoY	
		Variance	% change
Financial Solutions	10,759	+2,301	+27.2
Business Solutions	6,682	+427	+6.8
Manufacturing Solutions	19,355	+3,370	+21.1
Communication IT	10,050	+339	+3.5

(Millions of yen)

Service Category	Q4 FY12/2025 forecast	YoY	
		Variance	% change
Consulting Services	3,879	+872	+29.0
Custom System Development	8,618	+221	+2.6
In-house Software	9,517	+1,517	+19.0
Third-party Software	17,574	+3,768	+27.3
Outsourcing, Operation and Maintenance Services	5,520	+424	+8.3
IT Equipment Sales and Others	1,736	-367	-17.5



For further information, please contact:

DENTSU SOKEN INC.
Executive Office
Investor Relations

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

 g-ir@group.dentsusoken.com

 +81-3-6713-6160
