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Summary of Financial Results for the Fiscal Year Ended December 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 date of Ordinary General Meeting of Shareholders: March 27, 2026

Scheduled start date of dividend payment:

Scheduled date for filing of the Financial Report: March 26, 2026

Supplementary briefing material on financial results: Available

Financial results briefing for institutional investors and analysts: Scheduled

Contact: Jumpei Kojima
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Summary of Consolidated Financial Results for the Fiscal Year Ended December 31, 2025 [IFRS]

1. Summary of Financial Results for the Fiscal Year Ended December 31, 2025 (from January 1, 2025 to December 31, 2025)

(Figures are rounded down to the nearest one million yen)

(1) Consolidated Financial Results

(Percentages indicate the rate of increase or decrease compared with the previous fiscal year.)

(Millions of yen, except as otherwise stated)

	Revenue		Net revenue		Underlying operating profit		Operating margin	Operating profit		Profit before tax	
Fiscal year ended December 31, 2025	1,435,245	1.7%	1,197,530	(0.3%)	172,536	(2.1%)	14.4%	(289,212)	—	(306,789)	—
Fiscal year ended December 31, 2024	1,410,961	8.2%	1,201,647	5.0%	176,233	7.8%	14.8%	(124,992)	—	(139,759)	—

	Profit for the year		Underlying net profit attributable to owners of the parent		Profit attributable to owners of the parent		Total comprehensive income for the year		Return on equity attributable to owners of the parent	Ratio of profit before tax to total assets
Fiscal year ended December 31, 2025	(318,939)	—	93,548	0.7%	(327,601)	—	(289,458)	—	(61.1%)	(9.1%)
Fiscal year ended December 31, 2024	(183,364)	—	92,936	3.4%	(192,172)	—	(83,816)	—	(25.0%)	(3.9%)

(Yen)

	Underlying basic earnings per share	Basic earnings per share	Diluted earnings per share
Fiscal year ended December 31, 2025	360.38	(1,262.04)	(1,262.04)
Fiscal year ended December 31, 2024	355.24	(734.56)	(734.56)

(Reference)

Share of results of associates

Fiscal year ended December 31, 2025: 3,868 million yen

Fiscal year ended December 31, 2024: 3,009 million yen

For the definition of "Underlying operating profit" and "Underlying net profit attributable to owners of the parent," please refer to "Summary of financial results for the fiscal year ended December 31, 2025" on page 7.

(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 December 31, 2025	3,206,787	447,954	374,849	11.7%	1,444.02
As of December 31, 2024	3,507,260	769,035	696,838	19.9%	2,684.57

(3) Consolidated Cash Flows

(Millions of yen)

	Net cash flow from operating activities	Net cash flow from investing activities	Net cash flow from financing activities	Cash and cash equivalents at end of period
Fiscal year ended December 31, 2025	117,972	(2,856)	(180,473)	295,183
Fiscal year ended December 31, 2024	59,984	(30,908)	(65,714)	371,989

2. Dividends

(Yen, except as otherwise stated)

	Cash dividend per share					Total cash dividends for the year (Millions of yen)	Dividend payout ratio (Consolidated)	Ratio of dividend to equity attributable to owners of the parent (Consolidated)
	First Quarter	Second Quarter	Third Quarter	Year-end	Total			
Fiscal year ended December 31, 2024	—	69.75	—	69.75	139.50	36,298	—	4.8%
Fiscal year ended December 31, 2025	—	0.00	—	0.00	0.00	—	—	—
Fiscal year ending December 31, 2026 (forecast)	—	0.00	—	0.00	0.00		—	

Total cash dividends for the fiscal year ended December 31, 2024 do not include a dividend of 125 million yen for the Company's shares held by the Trust E Unit in relation to the Directors' Stock Compensation Trust.

3. Forecast of Consolidated Financial Results for the Fiscal Year Ending December 31, 2026 (from January 1, 2026 to December 31, 2026)

(Millions of yen, except as otherwise stated)

	Revenue		Net revenue		Underlying operating profit		Operating margin	Operating profit	
Fiscal year ending December 31, 2026	1,491,500	3.9%	1,230,200	2.7%	166,300	(3.6%)	13% range	152,600	—

	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, 2026	78,700	—	85,200	(8.9%)	69,700	—	328.21	268.50

Given the uncertain business environment, we set targets within a specific range for particularly important KPIs.

For the definition of "Underlying operating profit" and "Underlying net profit attributable to owners of the parent," please refer to "Summary of financial results for the fiscal year ended December 31, 2025" on page 7.

Notes

(1) Changes in Significant Consolidated Subsidiaries during the Fiscal Year (change in specified subsidiaries involving changes in the scope of consolidation): 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 December 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 December 31, 2025	6,213,175 shares
As of December 31, 2024	6,228,557 shares

c. Average number of shares during the period

Fiscal year ended December 31, 2025	259,581,915 shares
Fiscal year ended December 31, 2024	261,616,336 shares

Notes

This summary of consolidated financial results for the fiscal year is not subject to auditing 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 "Outlook for the fiscal year ending December 31, 2026" on page 10.

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1. Financial Results and Financial Position

(1) Financial Results

1) Summary of financial results for the fiscal year ended December 31, 2025

In 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 fiscal year 2025 (from January 1 to December 31, 2025) were as presented in the table below. Although the net revenue organic growth rate was 0.5%, net revenue decreased by 0.3% 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 fiscal year. Underlying operating profit decreased by 2.1%, resulting in an operating margin decrease of 40 bps, but underlying net profit attributable to owners of the parent increased by 0.7% year on year due to a decrease in corporate income tax. On the other hand, factors such as the postings of impairment loss led to an operating loss of 289,212 million yen (operating loss of 124,992 million yen for the previous fiscal year) and net loss attributable to owners of the parent of 327,601 million yen (net loss of 192,172 million yen for the previous fiscal 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 fiscal year ended December 31, 2025

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

Item	Fiscal year ended December 31, 2024	Fiscal year ended December 31, 2025	YoY change
Revenue	1,410,961	1,435,245	1.7%
Net revenue	1,201,647	1,197,530	(0.3)%
Operating loss	(124,992)	(289,212)	—
Loss attributable to owners of the parent	(192,172)	(327,601)	—

Main profit indicators for the fiscal year ended December 31, 2025

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

Item	Fiscal year ended December 31, 2024	Fiscal year ended December 31, 2025	YoY change
Underlying operating profit	176,233	172,536	(2.1)%
Operating margin	14.8%	14.4%	(40)bps
Underlying net profit (attributable to owners of the parent)	92,936	93,548	0.7%

Note: As stated in "(5) Notes on the Consolidated Financial Statements (Consolidated Statement of Income) (Sale of the Russia business)," 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 fiscal year ended December 31, 2025 is as follows.

a. Japan

Japan saw a net revenue organic growth rate of 6.2% and net revenue of 495,592 million yen (6.2% increase year on year), with the growth in the Marketing business led by Internet advertising, Business Transformation (BX), and Digital Transformation (DX). Despite an increase in staff costs due to talent expansion, underlying operating profit was 121,105 million yen (6.1% increase year on year) and the operating margin was 24.4% (24.5% for the previous fiscal year) mainly due to topline growth.

b. Americas

The Americas saw a net revenue organic growth rate of negative 3.0%. By major market, results were challenging in the United States.

Due to a shift in the exchange rate toward a stronger yen against the United States Dollar and disposals of some subsidiaries, net revenue in the Americas was 315,746 million yen (5.6% decrease year on year). With the control of SG&A expenses mitigating the net revenue decrease, underlying operating profit was 72,310 million yen (3.8% decrease year on year), and the operating margin was 22.9% (22.5% for the previous fiscal year).

c. EMEA (Europe excluding Russia, the Middle East, and Africa)

In EMEA, the net revenue organic growth rate was negative 1.8%. By major market, results were challenging in markets such as the United Kingdom, Germany, Italy and the Netherlands, but markets such as Spain and Poland saw a solid performance.

Due to a shift in the exchange rate toward a weaker yen against the Great Britain Pound and Euro, net revenue in EMEA was 271,942 million yen (1.0% increase year on year). However due to factors such as a decrease in net revenue on a constant currency basis and internal investments, the underlying operating profit was 33,832 million yen (12.0% decrease year on year) and the operating margin was 12.4% (14.3% for the previous fiscal year).

d. APAC (Asia Pacific excluding Japan)

The net revenue organic growth rate in APAC was negative 6.8%. By major market, the results were challenging in Australia, but markets such as India, Thailand, and Taiwan saw a solid performance.

Net revenue in APAC was 107,262 million yen (7.9% decrease year on year). However, through highly disciplined control of SG&A expenses, underlying operating profit was 2,720 million yen (159.0% increase year on year), and the operating margin was 2.5% (0.9% for the previous fiscal year).

2) Outlook for the fiscal year ending December 31, 2026

Looking ahead to 2026, although our Japan business is expected to maintain steady growth, we foresee continued uncertainty in the economic environment and market outlook amid prolonged global geopolitical instability.

In this environment, the forecast for full-year financial results for the fiscal year ending December 31, 2026 is as presented in "3. Forecast of Consolidated Financial Results for the Fiscal Year Ending December 31, 2026 (from January 1, 2026 to December 31, 2026)." For further details, please refer to the "FY2025 Earnings Presentation" available on our Group website.

3) Basic policy concerning distribution of profit and distribution of dividends for the fiscal year ended December 31, 2025 and the fiscal year ending December 31, 2026

Regarding dividends, it was resolved not to pay a year-end dividend for FY2025 and to forecast no dividends for FY2026.
For details, please refer to "Notice Regarding Dividend of Surplus for FY2025 and FY2026" announced on February 13, 2026.

(2) Financial Position

The financial position at the end of the fiscal year under review is as follows. Total assets decreased by 300,473 million yen from the end of the previous fiscal year, primarily due to decreases in goodwill and other financial assets, despite an increase in trade and other receivables. Meanwhile, total liabilities increased by 20,607 million yen, primarily due to increases in trade and other payables and liabilities directly associated with non-current assets held for sale, despite a decrease in bonds and borrowings. Total equity decreased by 321,080 million yen, primarily due to a decrease in retained earnings resulting from the posting of a net loss.

Cash flow status for the fiscal year under review
As of December 31, 2025, cash and cash equivalents (hereinafter "cash") amounted to 295,183 million yen, compared to the 371,989 million yen posted at the end of the previous fiscal year. This decrease of 76,806 million yen was primarily due to cash used in financing activities.

Net cash flow from operating activities

Net cash provided by operating activities increased by 57,987 million yen compared to the previous fiscal year to 117,972 million yen, primarily due to a decrease of changes in working capital.

Net cash flow from investing activities

Net cash used in investing activities decreased by 28,052 million yen compared to the previous fiscal year to 2,856 million yen. This was primarily due to a decrease in net cash paid on acquisition of subsidiaries.

Net cash flow from financing activities

Net cash used in financing activities increased by 114,758 million yen compared to the previous fiscal year to 180,473 million yen. This was primarily due to an increase in repayment of long-term borrowings and an increase in redemption of bonds.

(Reference) Trends in cash flow indicators

	Fiscal year ended December 31, 2024	Fiscal year ended December 31, 2025
Ratio of equity attributable to owners of the parent to total assets (%)	19.9	11.7
Ratio of equity attributable to owners of the parent to total assets at market value (%)	28.2	26.9
Cash flows/Interest-bearing debt ratio (years)	9.1	3.9
Interest coverage ratio (times)	2.0	4.6

(Notes)

Ratio of equity attributable to owners of the parent to total assets = Total equity attributable to owners of the parent/Total assets

Ratio of equity attributable to owners of the parent to total assets at market value = Aggregate market value/Total assets

Cash flows/Interest-bearing debt ratio = Interest-bearing debts/Operating cash flow

Interest coverage ratio = Operating cash flow/Interest payment

- Each indicator is calculated based on the consolidated financial figures.
- Operating cash flow represents "Net cash flow from operating activities" in the consolidated statement of cash flows. Interest-bearing debt does not include lease obligations.

2. Basic Stance Concerning Choice of Accounting Standards

The Company acquired Aegis Group plc (renamed Dentsu International Limited), a large UK-based advertising company, in March 2013. The Company currently has business operations around the world, establishing itself as a global company. Amid such circumstances, with the intent of improving the ability of financial information to be compared in an international context in capital markets, in place of the previous Japanese GAAP, the Company has applied IFRS from the fiscal year ended March 31, 2015 (from April 1, 2014 to March 31, 2015).

3. Consolidated Financial Statements and Primary Notes

(1) Consolidated Statement of Financial Position

(Millions of yen)

	FY2024 (As of December 31, 2024)	FY2025 (As of December 31, 2025)
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	371,989	295,183
Trade and other receivables	1,678,146	1,818,316
Inventories	6,095	9,492
Income tax receivables	36,629	41,514
Other financial assets	25,198	22,289
Other current assets	59,295	60,899
Subtotal	2,177,355	2,247,696
Non-current assets classified as held for sale	—	53,707
Total current assets	2,177,355	2,301,403
NON-CURRENT ASSETS:		
Property, plant and equipment	26,159	22,967
Goodwill	697,052	320,102
Intangible assets	203,692	178,219
Right-of-use assets	128,348	104,511
Investments accounted for using the equity method	54,816	53,164
Other financial assets	146,188	107,661
Other non-current assets	36,734	65,690
Deferred tax assets	36,912	53,066
Total non-current assets	1,329,904	905,383
TOTAL ASSETS	3,507,260	3,206,787

	(Millions of yen)	
	FY2024 (As of December 31, 2024)	FY2025 (As of December 31, 2025)
LIABILITIES AND EQUITY		
LIABILITIES		
CURRENT LIABILITIES:		
Trade and other payables	1,566,979	1,655,434
Bonds and borrowings	173,646	122,067
Other financial liabilities	87,438	71,037
Income tax payables	27,172	37,271
Provisions	13,447	18,864
Other current liabilities	198,711	210,390
Subtotal	2,067,395	2,115,065
Liabilities directly associated with non-current assets classified as held for sale	—	30,176
Total current liabilities	2,067,395	2,145,241
NON-CURRENT LIABILITIES:		
Bonds and borrowings	373,627	346,174
Other financial liabilities	208,231	198,914
Liability for retirement benefits	17,373	15,868
Provisions	18,636	13,048
Other non-current liabilities	5,645	6,259
Deferred tax liabilities	47,314	33,325
Total non-current liabilities	670,828	613,590
Total liabilities	2,738,224	2,758,832
EQUITY:		
Share capital	74,609	74,609
Share premium account	75,373	75,862
Treasury shares	(26,559)	(26,494)
Other components of equity	216,481	201,359
Retained earnings	356,933	49,511
Total equity attributable to owners of the parent	696,838	374,849
Non-controlling interests	72,197	73,105
Total equity	769,035	447,954
TOTAL LIABILITIES AND EQUITY	3,507,260	3,206,787

(2) Consolidated Statement of Income and Comprehensive Income

Consolidated Statement of Income

(Millions of yen)

	FY2024 (Year ended December 31, 2024)	FY2025 (Year ended December 31, 2025)
Revenue	1,410,961	1,435,245
Cost of sales	(209,313)	(237,715)
Net revenue	1,201,647	1,197,530
Selling, general and administrative expenses	(1,065,835)	(1,048,986)
Business transformation cost	(10,705)	(33,046)
Impairment loss	(235,257)	(402,563)
Other income	7,605	882
Other expenses	(22,447)	(3,028)
Operating loss	(124,992)	(289,212)
Share of results of associates	3,009	3,868
Impairment loss of associates	(688)	(958)
Gain (loss) on sales of shares of associates	(13)	254
Loss before interest and tax	(122,685)	(286,046)
Finance income	14,012	7,617
Finance costs	(31,085)	(28,359)
Loss before tax	(139,759)	(306,789)
Income tax expense	(43,605)	(12,150)
Loss for the year	(183,364)	(318,939)
Loss attributable to:		
Owners of the parent	(192,172)	(327,601)
Non-controlling interests	8,808	8,661
Loss per share		
Basic loss per share (Yen)	(734.56)	(1,262.04)
Diluted loss per share (Yen)	(734.56)	(1,262.04)

Reconciliation from operating loss to underlying operating profit

(Millions of yen)

	FY2024 (Year ended December 31, 2024)	FY2025 (Year ended December 31, 2025)
Operating loss	(124,992)	(289,212)
Amortization of intangible assets incurred in acquisitions	29,335	25,258
Selling, general and administrative expenses	3,873	(986)
Business transformation cost	10,705	33,046
Impairment loss	235,257	402,563
Other income	(130)	(312)
Other expenses	22,184	2,179
Underlying operating profit (Note)	176,233	172,536

(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 Consolidated Statement of Income since management has concluded that the information is useful for users of the financial statements.

As stated in "(5) Notes on the Consolidated Financial Statements (Consolidated Statement of Income) (Sale of the Russia business)," 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.

Consolidated Statement of Comprehensive Income

(Millions of yen)

	FY2024 (Year ended December 31, 2024) Restatement(Note)	FY2025 (Year ended December 31, 2025)
LOSS FOR THE YEAR	(183,364)	(318,939)
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	17,380	2,885
Remeasurements of defined benefit plans	13,073	23,534
Share of other comprehensive income of investments accounted for using the equity method	(1)	14
ITEMS THAT MAY BE RECLASSIFIED TO PROFIT OR LOSS:		
Exchange differences on translation of foreign operations	74,377	8,249
Effective portion of the change in the fair value of cash flow hedges	(5,021)	(5,553)
Hedge cost	(188)	240
Share of other comprehensive income of investments accounted for using the equity method	(71)	110
Other comprehensive income, net of tax	99,547	29,481
COMPREHENSIVE INCOME FOR THE YEAR	(83,816)	(289,458)
COMPREHENSIVE INCOME FOR THE YEAR ATTRIBUTABLE TO:		
Owners of the parent	(93,032)	(297,939)
Non-controlling interests	9,215	8,481

(Note) Refer to "(5) Notes on the Consolidated Financial Statements (Changes in Accounting Policy)."

(3) Consolidated Statement of Changes in Equity

(Millions of yen)

	Total equity attributable to owners of the parent					
				Other components of equity		
	Share capital	Share premium account	Treasury shares	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 (loss) for the year						
Other comprehensive income				73,994	(5,021)	(188)
Comprehensive income for the year	—	—	—	73,994	(5,021)	(188)
Repurchase of treasury shares			(20,006)			
Disposal of treasury shares		(163)	173			
Cancellation of treasury shares			18,238			
Dividends						
Transactions with non-controlling interests						
Transfer from other components of equity to retained earnings						
Other changes		464				
Transactions with owners—total	—	301	(1,594)	—	—	—
As of December 31, 2024	74,609	75,373	(26,559)	151,599	18,190	(1,131)
Profit (loss) for the year						
Other comprehensive income				8,393	(5,553)	240
Comprehensive income for the year	—	—	—	8,393	(5,553)	240
Repurchase of treasury shares			(2)			
Disposal of treasury shares		(17)	67			
Cancellation of treasury shares						
Dividends						
Transactions with non-controlling interests						
Transfer from other components of equity to retained earnings						
Transfer to non-financial assets					(1,757)	
Other changes		506				
Transactions with owners—total	—	489	65	—	(1,757)	—
As of December 31, 2025	74,609	75,862	(26,494)	159,993	10,879	(890)

(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, 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 (loss) for the year			—	(192,172)	(192,172)	8,808	(183,364)
Other comprehensive income	17,282	13,073	99,140		99,140	407	99,547
Comprehensive income for the year	17,282	13,073	99,140	(192,172)	(93,032)	9,215	(83,816)
Repurchase of treasury shares			—		(20,006)		(20,006)
Disposal of treasury shares			—		9		9
Cancellation of treasury shares			—	(18,238)	—		—
Dividends			—	(34,323)	(34,323)	(4,242)	(38,566)
Transactions with non-controlling interests	2,900		2,900	(157)	2,742	(3,879)	(1,136)
Transfer from other components of equity to retained earnings	(20,666)	(13,073)	(33,740)	33,740	—		—
Other changes			—	(668)	(203)		(203)
Transactions with owners—total	(17,766)	(13,073)	(30,839)	(19,647)	(51,780)	(8,122)	(59,903)
As of December 31, 2024	47,822	—	216,481	356,933	696,838	72,197	769,035
Profit (loss) for the year			—	(327,601)	(327,601)	8,661	(318,939)
Other comprehensive income	3,047	23,534	29,662		29,662	(180)	29,481
Comprehensive income for the year	3,047	23,534	29,662	(327,601)	(297,939)	8,481	(289,458)
Repurchase of treasury shares			—		(2)		(2)
Disposal of treasury shares			—		50		50
Cancellation of treasury shares			—		—		—
Dividends			—	(18,105)	(18,105)	(6,717)	(24,822)
Transactions with non-controlling interests			—	(3,448)	(3,448)	(855)	(4,304)
Transfer from other components of equity to retained earnings	(19,492)	(23,534)	(43,026)	43,026	—		—
Transfer to non-financial assets			(1,757)		(1,757)		(1,757)
Other changes			—	(1,293)	(786)		(786)
Transactions with owners—total	(19,492)	(23,534)	(44,783)	20,179	(24,050)	(7,572)	(31,622)
As of December 31, 2025	31,377	—	201,359	49,511	374,849	73,105	447,954

(4) Consolidated Statement of Cash Flows

(Millions of yen)

	FY2024 (Year ended December 31, 2024)	FY2025 (Year ended December 31, 2025)
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before tax	(139,759)	(306,789)
ADJUSTMENTS FOR:		
Depreciation and amortization	81,449	74,610
Impairment loss	235,257	402,563
Interest and dividend income	(7,444)	(4,731)
Interest expense	29,262	25,661
Share of results of associates	(3,009)	(3,868)
Impairment loss of associates	688	958
Revaluation (gain) loss on contingent consideration and put option liability	(289)	(857)
(Gain) loss on valuation of securities	(1,532)	1,006
Increase (decrease) in liability for retirement benefits	2,158	3,580
Increase (decrease) in provision of business transformation cost	(7,096)	5,547
Other—net	30,221	11,543
Cash flows from operating activities before adjusting changes in working capital and others	219,905	209,223
CHANGES IN WORKING CAPITAL:		
(Increase) decrease in trade and other receivables	(63,482)	(101,423)
(Increase) decrease in inventories	707	(2,911)
(Increase) decrease in other current assets	(8,397)	(1,615)
Increase (decrease) in trade and other payables	(49,888)	64,429
Increase (decrease) in other current liabilities	6,161	12,871
Change in working capital	(114,899)	(28,649)
Subtotal	105,006	180,574
Interest received	6,510	4,277
Dividends received	2,718	3,600
Interest paid	(28,598)	(25,131)
Income taxes paid	(25,651)	(45,347)
Net cash flow from operating activities	59,984	117,972

(Millions of yen)

	FY2024 (Year ended December 31, 2024)	FY2025 (Year ended December 31, 2025)
CASH FLOWS FROM INVESTING ACTIVITIES		
Payment for purchase of property, plant and equipment, intangible assets	(25,684)	(26,916)
Proceeds from sale of property, plant and equipment, intangible assets	120	30
Net cash (paid) received on acquisition of subsidiaries	(24,550)	(5,854)
Net cash (paid) received on sale of subsidiaries	2,207	113
Payments for purchases of securities	(6,091)	(5,913)
Proceeds from sales of securities	23,331	33,607
Other—net	(242)	2,077
Net cash flow from investing activities	(30,908)	(2,856)
CASH FLOWS FROM FINANCING ACTIVITIES		
Net increase (decrease) in short-term borrowings	5,668	5,617
Proceeds from long-term borrowings	40,000	40,015
Repayment of long-term borrowings	(12)	(59,187)
Redemption of bonds	—	(70,000)
Repayments of lease obligations	(39,482)	(37,040)
Payment for acquisition of interest in a subsidiary from non-controlling interests	(12,418)	(629)
Repurchase of treasury shares	(20,006)	(2)
Dividends paid	(34,323)	(18,105)
Dividends paid to non-controlling interests	(4,242)	(6,717)
Payments for settlement of derivatives	—	(34,178)
Other—net	(897)	(245)
Net cash flow from financing activities	(65,714)	(180,473)
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	17,114	6,099
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(19,523)	(59,257)
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	834	(17,549)
CASH AND CASH EQUIVALENTS AT END OF PERIOD	371,989	295,183

(5) Notes on the Consolidated Financial Statements

(Notes on Premise of Going Concern)

No items to report

(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 ended 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 Consolidated Statement of Changes in Equity for the fiscal year ended December 31, 2024, this change in accounting policy has resulted in the recording of "Hedge cost" of (943) million yen and (1,131) million yen as of January 1, 2024 and December 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 Consolidated Statement of Comprehensive Income for the fiscal year ended December 31, 2024, this change in accounting policy has resulted in the recording of "Hedge cost" of (188) 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 fiscal year ended December 31, 2024.

(Consolidated Statement of Income)

FY2024: Year ended December 31, 2024

(Business transformation cost)

This is the cost that was incurred in connection with business transformation.

Business transformation cost primarily consists of property optimization expenses, workforce reduction expenses, and expenses arising from other related initiatives.

(Impairment loss)

In the fiscal year ended December 31, 2024, the Company conducted an impairment test of goodwill based on the latest business plan compiled using the most recent results. As a result, the Company recognized impairment loss on goodwill of 57,091 million yen and 153,071 million yen in the Americas and EMEA operations, respectively. The impairment loss recognized in the fiscal year ended December 31, 2024, also includes an impairment loss on some of the property, plant and equipment as well as intangible assets in the APAC operation.

(Sale of the Russia business)

In March 2022, the Group began reviewing its business in Russia to ensure compliance with Dentsu Group policies and applicable laws. In November 2022, an agreement was concluded to sell the equity of the Group's Russia business to local partners, subject to approval by the Russian State Authorities, including the Russian Governmental Commission.

After the approval was received, the sale transaction was completed on July 11, 2024, in full compliance with international sanctions. As a result of this sale, there were negative impacts of 23,260 million yen and 20,036 million yen on operating profit and profit attributable to owners of the parent, respectively, due to the recording of related costs during the fiscal year ended December 31, 2024. Most related costs are non-cash losses related to the recycling of exchange differences on translation of foreign operations (other components of equity reclassified to profit or loss). There is no impact on net revenue, underlying operating profit, operating margin, or underlying net profit attributable to owners of the parent.

FY2025: Year ended December 31, 2025

(Business transformation cost)

This is the cost that was incurred in connection with business transformation.

Business transformation cost primarily consists of property optimization expenses,

workforce reduction expenses, and expenses arising from other related initiatives.

(Impairment loss)
In the fiscal year ended December 31, 2025, the Company conducted an impairment test of goodwill based on the latest business plan compiled using the most recent results. As a result, the Company recognized impairment loss on goodwill of 299,656 million yen and 96,418 million yen in the Americas and EMEA operations, respectively.

In the impairment tests conducted at the end of the previous fiscal year and at the end of the current fiscal year, the cash-generating unit groups to which goodwill in the Americas and EMEA has been allocated, the recoverable amount is calculated based on the value in use, which is derived from the five-year performance forecast starting from the next fiscal year, including the budget for the subsequent consolidated fiscal year approved by management. The key assumptions and inputs used in calculating the value in use are as follows.

	FY2024 (As of December 31, 2024)		FY2025 (As of December 31, 2025)	
	Americas	EMEA	Americas	EMEA
Operating margin	21.1% – 21.7%	16.7%	16.6% – 18.2%	12.5% – 13.5%
Net revenue growth rate	1.7% – 4.0%	1.6% – 2.5%	(8.2%) – 1.5%	(2.0%) – 1.0%
Continuous growth rate	2.0%	1.5%	1.5%	1.0%
Discount rate before tax	11.5%	13.0%	10.3%	10.7%

(Segment and Other Information)

(Segment 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.

FY2024: Year ended December 31, 2024

(Millions of yen)

	Japan	Americas	EMEA	APAC	Total	Eliminations/ Central costs	Consolidated
Revenue (Note 1)	574,548	380,533	319,250	122,816	1,397,148	13,812	1,410,961
Net revenue (Note 2)	466,746	334,642	269,254	116,413	1,187,056	14,591	1,201,647
Segment profit (underlying operating profit) (Note 3)	114,184	75,161	38,466	1,050	228,862	(52,628)	176,233
(Adjusting items)							
Amortization of intangible assets incurred in acquisitions	—	—	—	—	—	—	(29,335)
Selling, general and administrative expenses (Note 7)	—	—	—	—	—	—	(3,873)
Business transformation cost (Note 5)	—	—	—	—	—	—	(10,705)
Impairment loss (Note 6)	—	—	—	—	—	—	(235,257)
Other income	—	—	—	—	—	—	130
Other expenses	—	—	—	—	—	—	(22,184)
Operating loss	—	—	—	—	—	—	(124,992)
Share of results of associates	—	—	—	—	—	—	3,009
Impairment loss of associates	—	—	—	—	—	—	(688)
Loss on sales of shares of associates	—	—	—	—	—	—	(13)
Finance income	—	—	—	—	—	—	14,012
Finance costs	—	—	—	—	—	—	(31,085)
Loss before tax	—	—	—	—	—	—	(139,759)
Segment assets (Note 4)	1,199,299	1,414,899	719,650	345,344	3,679,193	(171,933)	3,507,260
(Other items)							
Depreciation and amortization (excluding amortization of intangible assets incurred in acquisitions)	31,365	2,994	8,057	6,150	48,568	3,545	52,113
Investments accounted for using the equity method	53,348	—	—	206	53,555	1,260	54,816
Capital expenditures	19,447	750	3,071	1,694	24,964	719	25,684

FY2025: Year ended December 31, 2025

(Millions of yen)

	Japan	Americas	EMEA	APAC	Total	Eliminations/ Central costs	Consolidated
Revenue (Note 1)	608,310	369,666	338,401	112,199	1,428,577	6,668	1,435,245
Net revenue (Note 2)	495,592	315,746	271,942	107,262	1,190,544	6,986	1,197,530
Segment profit (underlying operating profit) (Note 3)	121,105	72,310	33,832	2,720	229,969	(57,432)	172,536
(Adjusting items)							
Amortization of intangible assets incurred in acquisitions	—	—	—	—	—	—	(25,258)
Selling, general and administrative expenses (Note 7)	—	—	—	—	—	—	986
Business transformation cost (Note 5)	—	—	—	—	—	—	(33,046)
Impairment loss (Note 6)	—	—	—	—	—	—	(402,563)
Other income	—	—	—	—	—	—	312
Other expenses	—	—	—	—	—	—	(2,179)
Operating loss	—	—	—	—	—	—	(289,212)
Share of results of associates	—	—	—	—	—	—	3,868
Impairment loss of associates	—	—	—	—	—	—	(958)
Gain on sales of shares of associates	—	—	—	—	—	—	254
Finance income	—	—	—	—	—	—	7,617
Finance costs	—	—	—	—	—	—	(28,359)
Loss before tax	—	—	—	—	—	—	(306,789)
Segment assets (Note 4)	1,219,046	1,142,949	667,523	351,634	3,381,153	(174,366)	3,206,787
(Other items)							
Depreciation and amortization (excluding amortization of intangible assets incurred in acquisitions)	29,613	3,203	8,021	5,446	46,284	3,066	49,351
Investments accounted for using the equity method	51,609	—	—	294	51,903	1,260	53,164
Capital expenditures	18,941	2,010	2,693	2,796	26,441	475	26,916

(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 fiscal year ended December 31, 2024, revenue from the Russia business was 7,578 million yen and revenue from central functions was 8,402 million yen. In the fiscal year ended December 31, 2025, revenue from central functions was 9,446 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 fiscal year ended December 31, 2024, net revenue from the Russia business was 7,578 million yen and net revenue from central functions was 8,402 million yen. In the fiscal year ended December 31, 2025, net revenue from central functions was 9,068 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.
5. Business transformation cost by segment is 1,745 million yen for Japan, 9,214 million yen for the Americas, (86) million yen for EMEA, (83) million yen for APAC, and (83) million yen for eliminations/central costs in the previous fiscal year, and 4,791 million yen for Japan, 12,762 million yen for the Americas, 5,977 million yen for EMEA, 3,770 million yen for APAC, and 5,744 million yen for eliminations/central costs in the current fiscal year.
6. Impairment loss by segment in the previous fiscal year comprises 534 million yen for Japan, 64,749 million yen for the Americas, 155,459 million yen for EMEA, 14,427 million yen for APAC, and 86 million yen for eliminations/central costs. Impairment loss by segment in the current fiscal year comprises 85 million yen for Japan, 301,362 million yen for the Americas, 99,928 million yen for EMEA, and 1,187 million yen for APAC.
7. The breakdown of "Selling, general and administrative expenses" is as follows.

(Millions of yen)

	FY2024 (Year ended December 31, 2024)	FY2025 (Year ended December 31, 2025)
Selling, general and administrative expenses		
Extra retirement payments	2,729	3
Costs associated with merger and acquisitions	299	150
Depreciation and other adjustment items	673	(1,145)
Other	172	5
Total	3,873	(986)

3. Information on products and services

"Advertising" refers to business activities related to the development and execution of advertising via a wide range of media including newspapers, magazines, radio, television, the internet, sales promotions, movies, outdoor, transit and all other media plus strategy planning, creative, marketing, PR, content and other services. "Information Services" refers to business activities related to the provision of information services and sales of information-related merchandise and others. "Other Business" refers to business activities such as the provision of specialized functions in corporate domains, the leasing of office space, and building maintenance services.

Revenue from clients outside the Company for each of the products and services is as follows:

(Millions of yen)

	FY2024 (Year ended December 31, 2024)	FY2025 (Year ended December 31, 2025)
Advertising	1,277,680	1,290,840
Information Services	131,986	144,075
Other Business	1,294	329
Total	1,410,961	1,435,245

4. Information by region

(1) Revenue from clients outside the Company

In "International," revenues attributable to the United States were 330,240 million yen for the year ended December 31, 2024 and 315,907 million yen for the year ended December 31, 2025. The said amounts are allocated according to the location of each client.

(2) Non-current assets (property, plant and equipment, goodwill, intangible assets, and right-of-use assets)

(Millions of yen)

	FY2024 (As of December 31, 2024)	FY2025 (As of December 31, 2025)
Japan	175,314	160,106
International (mainly the United Kingdom and the United States)	879,939	465,695
Total	1,055,253	625,801

(Notes) 1. Non-current assets are allocated according to the location of each Group entity.

2. In "International," goodwill and intangible assets that are not tied to a specific country are included at 671,592 million yen and 120,841 million yen for the year ended December 31, 2024, and 292,830 million yen and 97,121 million yen for the year ended December 31, 2025, respectively.

5. Information on major clients

Information is omitted since none of the clients outside the Company contribute 10% or more to the Company's revenue included in the Consolidated Statement of Income.

(Per Share Information)

1. Basic loss per share and diluted loss per share

	FY2024 (Year ended December 31, 2024)	FY2025 (Year ended December 31, 2025)
Basic loss per share (Yen)	(734.56)	(1,262.04)
Diluted loss per share (Yen)	(734.56)	(1,262.04)

2. Basis of calculating basic loss per share and diluted loss per share

	FY2024 (Year ended December 31, 2024)	FY2025 (Year ended December 31, 2025)
Loss for the year used for calculation of basic loss per share and diluted loss per share		
Loss for the year attributable to owners of the parent (Millions of yen)	(192,172)	(327,601)
Amounts not attributable to ordinary equity holders of the parent (Millions of yen)	—	—
Loss for the year used for calculation of basic loss per share (Millions of yen)	(192,172)	(327,601)
Adjustment		
Share-based payment held by subsidiaries and associates (Millions of yen)	—	—
Loss for the year used for calculation of diluted loss per share (Millions of yen)	(192,172)	(327,601)
Weighted average number of ordinary shares outstanding used for the calculation of basic loss per share and diluted loss per share		
Weighted average number of ordinary shares outstanding used for the calculation of basic loss per share (Thousands of shares)	261,616	259,581
Effect of dilutive potential ordinary shares (Thousands of shares)	—	—
Weighted average number of ordinary shares outstanding used for the calculation of diluted loss per share (Thousands of shares)	261,616	259,581
Summary of financial instruments not included in the calculation of diluted loss per share due to their dilutive effect (Thousands of shares)	Performance-based Stock Compensation Plan: 307 Restricted Stock Compensation Plan: 2	Performance-based Stock Compensation Plan: 414 Restricted Stock Compensation Plan: 0

(Significant Subsequent Events)

(Transfer of fixed asset)

At a meeting of its Board of Directors held on December 24, 2025, the Company resolved to transfer a fixed asset it possessed (Dentsu Ginza Building), and it transferred the fixed asset on January 30, 2026.

1. Reason for the transfer

This transfer was decided upon for the purpose of meeting necessary funding needs in order to conduct appropriate capital allocation. The Company aims to realize a simple and sustainable business structure in terms of both business operations and capital efficiency by working to rein in costs, such as repair expenses due to facility aging and fixed asset taxes, and manage assets efficiently.

2. Details of transferred asset

Asset description and location	Transfer gain*	Current status
Dentsu Ginza Building ・Location: 7-101-1 Ginza, Chuo-ku, Tokyo ・Site area: 696.64 m^2 ・Structure: Reinforced concrete block construction, two belowground floors, eight aboveground floors, rooftop level, with penthouse	Approx. 29.6 billion yen	Office building (not currently in use)

*The transfer gain on the Consolidated Statement of Income arising from this transfer is an estimated amount. The transfer price and book value will not be disclosed at the request of the transferee.

3. Overview of the transferee

Based on the confidentiality agreement with the transferee, the Company will refrain from making information public. There are no capital or personnel relationships between the Company and the transferee, and the transferee does not constitute a related party of the Company.

4. Transfer timeline

(1) Resolved by the Board of Directors: December 24, 2025
(2) Contract concluded: December 24, 2025
(3) Transfer (handover) date: January 30, 2026

5. Future outlook

With the transfer of the fixed asset based on this contract, a gain on sales of fixed

assets of approximately 29.6 billion yen is expected to occur on the consolidated financial statements for the first quarter of the fiscal year ending December 31, 2026. This is expected to positively impact the Company’s consolidated business results for the fiscal year ending December 31, 2026 by approximately 29.6 billion yen for operating profit (loss) and approximately 22.2 billion yen for profit (loss) for the year (attributable to owners of the parent). There will be no impact on underlying operating profit (loss) or underlying net profit (loss) (attributable to owners of the parent), which are indicators of business profit.