

August 14, 2025

## **Regarding the Progress of the Business Restructuring in the International Business**

Dentsu Group Inc. (Tokyo: 4324; ISIN: JP3551520004; President & Global CEO: Hiroshi Igarashi; Head Office: Tokyo; Capital: 74,609.81 million yen; hereinafter referred to as “the Company”) has been promoting business restructuring in its international businesses (Americas, EMEA, and APAC, excluding Japan) with the aim of enhancing operational efficiency and rebuilding the business foundation.

While the business restructuring was initially expected to achieve cost reductions of up to 50 billion yen in 2027 to achieve an operating margin of 16-17% in FY2027, the Company now anticipates an annual cost reduction effect equivalent to approximately 52 billion yen in 2027.

With regard to the costs associated with this business restructuring, the Company previously announced that it expected to record approximately 50 billion yen in FY2025. As the project has moved into execution mode, the Company now expects to record approximately 27 billion yen in FY2025 due to the complexity of these strategically important projects, and to ensure that the changes implemented are sustainable. Of the difference, approximately 6 billion yen will be recorded under expense items other than business restructuring costs, aligned to re-invest for future growth. Total costs of approximately 33 billion yen are expected to be recorded in FY2025. Most of the remaining amount is expected to be recorded as business restructuring costs in or after FY2026. For the first half of FY2025, the Company recorded business restructuring costs of 2.4 billion yen.

As a specific measure of this business restructuring, the Company has decided to implement a headcount reduction of approximately 8% (around 3,400 employees) in the international business. This reduction will be targeted at the headquarters and back-offices, and will be specified so as not to impair growth potential or competitive advantage, with the aim of creating a lean corporate structure.

The Company plans to disclose any significant new decisions or changes regarding the business restructuring in a timely manner.

Moving forward, the Company will continue to promote the rebuilding of its business foundation, enhancing business agility and efficiency, while aiming to restore profitability and sustainably enhance corporate value.

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