

August 14, 2025

## **Notice Regarding the Recognition of Goodwill Impairment Losses in the Americas and EMEA, as well as the Recognition of a Loss on Valuation of Shares of Subsidiaries and Associates in Dentsu Group Inc.'s Non-Consolidated Financial Statements**

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”) announced today that it has recognized an impairment loss on goodwill in the Americas and EMEA regions. In addition, in its non-consolidated financial statements (under Japanese GAAP) for the second quarter of FY2025 (April 1 – June 30), the Company recognized a loss on valuation of shares of subsidiaries and associates following the impairment of investments in a subsidiary.

### **Recognition of Goodwill Impairment Losses in the Americas and EMEA Regions**

The Company recognized an impairment loss of a total of 86.0 billion yen on goodwill in the Americas and EMEA regions, which was not included in the full-year earnings forecast announced on February 14, 2025, and recorded it in the second quarter of FY2025 (April 1 – June 30).

This impairment resulted primarily from the following factors: Downward revision of the forecast for the international business, a downward revision of growth rate assumptions used for goodwill impairment tests from 2026 to 2029 for the Americas, and the weakening of the US dollar against the British pound. The breakdown per region of the impairment loss is 68.9 billion yen in the Americas and 17.1 billion yen in EMEA.

For details, please refer to the H1 FY2025 Earnings Call Presentation.

### **Recognition of a Loss on Valuation of Shares of Subsidiaries and Associates in the Non-Consolidated Financial Statements**

As a result of evaluating the shares of Dentsu International Limited, a subsidiary of the Company, it was determined that the fair value of the investment had significantly declined compared to the carrying amount. Accordingly, in the Company's non-consolidated financial statements (under Japanese GAAP) for the second quarter of FY2025, a loss on valuation of shares of subsidiaries and associates of approximately 168.1 billion yen was recorded as an extraordinary loss on the income statement.

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