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October 31, 2024

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Notice of Revision to Consolidated Financial Forecast for the Fiscal Year Ending December 31, 2024

DENTSU SOKEN INC., in consideration of recent earnings performance, has revised its consolidated financial forecast as follows from those announced on July 24, 2024.

Revisions to Consolidated Financial Forecast

Revisions to Consolidated Financial Forecast for the Fiscal Year Ending December 31, 2024
(January 1, 2024–December 31, 2024)

	Net sales	Operating profit	Ordinary profit	Net profit*	Net profit per share
	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Yen
Previous Forecast (A)	155,000	22,500	22,500	15,700	241.28
Revised Forecast (B)	152,000	20,000	20,000	14,000	215.14
Variance (B – A)	(3,000)	(2,500)	(2,500)	(1,700)	
Percentage Change (%)	(1.9) %	(11.1) %	(11.1) %	(10.8) %	
(Ref.) FY2023 Results	142,608	21,028	21,244	14,663	225.35

* Profit attributable to owners of parent

Reasons for the Revision

In addition to net sales in the third quarter of the current fiscal year falling below expectations, orders received increased mainly in the Business Solutions segment but were at a lower-than-expected level. Therefore, we have revised downward our full year forecast of net sales.

In terms of profit, in addition to the impact of a decrease in net sales compared to the forecast, the gross profit margin is expected to be lower than expectations due to the occurrence of unprofitable projects, and selling, general and administrative expenses are expected to expand in line with the aggressive expansion of operating activities. Therefore, we have revised downward the forecast for operating profit, ordinary profit, and profit attributable to owners of parent.

Regarding the dividend forecast for the fiscal year ending December 31, 2024, we have already paid an interim dividend of ¥54 per share, unchanged from the forecast announced on February 14, 2024 (year-end dividend of ¥54 per share and annual dividend of ¥108 per share).

END

Forward-Looking Statements

The forecast figures for sales and earnings presented in this document were determined in accordance with industry trends, client situations, and other judgments and assumptions made with information available at the time of preparation. Accordingly, actual sales and earnings may differ from forecasts as a result of uncertainties inherent in the forecasts, as well as internal and external fluctuations in business operations.