

Hakuhodo DY holdings

Consolidated Financial Highlights  
Fiscal Year Ending December 31, 2020  
(Q3 FY 2020)

February 10, 2021

# Consolidated Results Highlights of Q3 FY 2020

## More pronounced recovery in top-line, and significant improvement in profit compared to Q2

- On a year-to-date basis, billings declined by double digits due to the impact of spread of COVID-19.
- Revenue margin improved by 1.6 percentage points due to successful efforts to improve profitability. Revenue decreased by 11.6% year on year\*.
- Both sales and revenue bottomed out in Q1 and have been on a recovery trend, which became more pronounced in Q3. Domestic sales in the October-December period were on a par with the same period last year (\*).
- Continued to control costs, mainly by reducing executive compensation, reducing bonus provisions, and reducing activity expenses such as travel and entertainment expenses. Excluding the impact of changes in the scope of consolidation and amortization of goodwill, SG&A expenses were reduced by 11.4 billion yen YoY.
- Operating income on a YTD basis declined 50% YoY to 18.8 billion yen. Excluding the investment business, operating income was 13.1 billion yen (down 59.3% YoY).
- Operating income excluding the investment business on a third quarter (3 months) basis was 16.8 billion yen, up from the same period last year.

(\*) Excluding investment business

## Full-year earnings forecast revised upward to take into account current advertising demand

- Although there is uncertainty about the future due to the re-issuance of the emergency declaration and other factors, we have revised our full-year forecasts upward on the assumption that the impact of these factors will be limited.
- The forecast is for net sales of 1,260 billion yen, operating income of 30 billion yen, and net income attributable to shareholders of the parent company of 20 billion yen.

► See p.17 for details.

(Millions of JPY)	Actual	YOY	
<b>Billings</b>	<b>883,038</b>	<b>-185,176</b>	<b>-17.3%</b>
<b>Operating Income</b>	<b>18,860</b>	<b>-18,832</b>	<b>-50.0%</b>
<b>Ordinary Income</b>	<b>21,402</b>	<b>-18,401</b>	<b>-46.2%</b>
<b>Net Income Attributable to Owners of Parent</b>	<b>9,091</b>	<b>-22,521</b>	<b>-71.2%</b>

- Billings fell by 50.0% year-on-year due to the spread of COVID-19.
- Operating profit was ¥18.8 billion, despite a 50.0% decline in profits.
- Net income attributable to shareholders of the parent company was 9.0 billion yen, returning to the black in the third quarter.

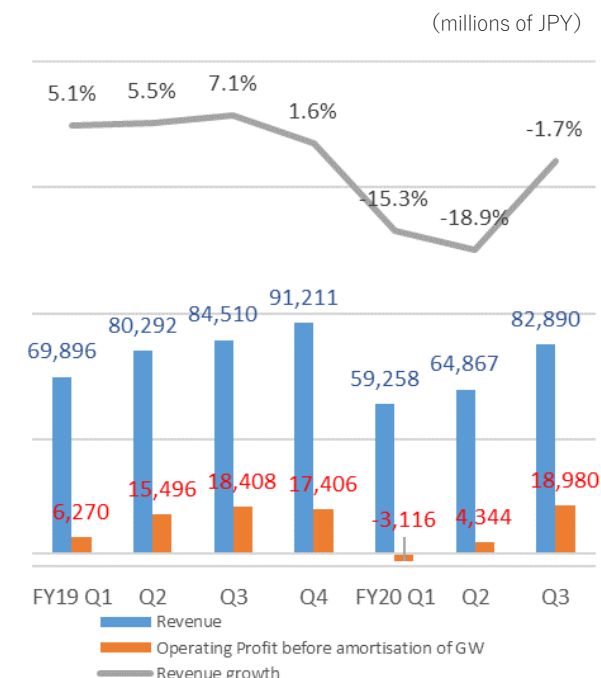
# Q3 FY2020 Results (Excluding Investment Business)

Hakuhodo DY holdings

► See p.18 for details.

(Millions of JPY)	Actual	YOY	
<b>Billings</b>	<b>877,076</b>	<b>-185,424</b>	<b>-17.5%</b>
<b>Revenue</b>	<b>207,015</b>	<b>-27,197</b>	<b>-11.6%</b>
<b>Gross Margin</b>	<b>23.6%</b>	<b>+1.6pt</b>	
<b>SGA</b>	<b>193,857</b>	<b>-8,038</b>	<b>-4.0%</b>
<b>Operating Income</b>	<b>13,158</b>	<b>-19,159</b>	<b>-59.3%</b>
<b>Operating Margin</b>	<b>6.4%</b>	<b>-7.4pt</b>	
<b>Amortization of Goodwill*</b>	<b>7,050</b>	<b>-320</b>	<b>-4.3%</b>
<b>Operating Income before Amortization of G/W</b>	<b>20,209</b>	<b>-19,479</b>	<b>-49.1%</b>
<b>Operating Margin before Amortization of G/W</b>	<b>9.8%</b>	<b>-7.2pt</b>	

Revenue & Operating Income before amortization of goodwill by quarter

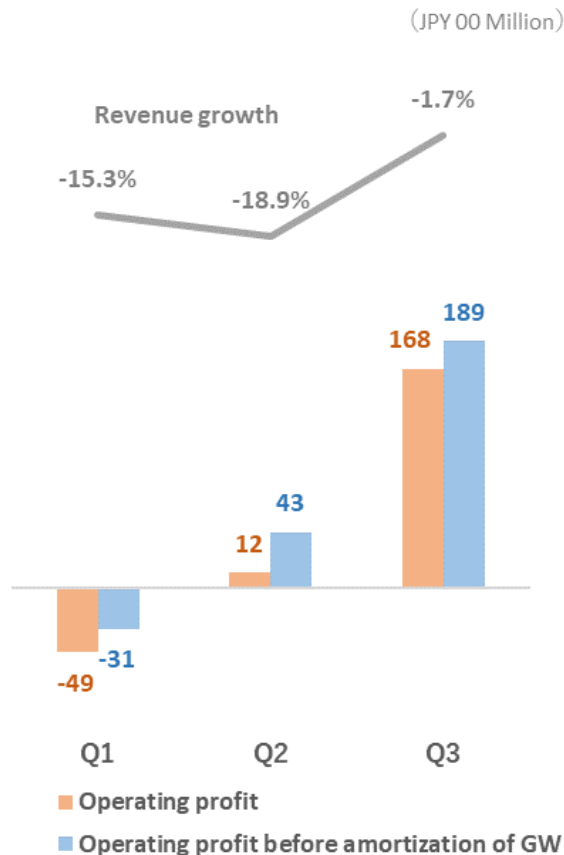


- Billings fell by 17.5% and gross profit by 11.6%.
- Gross profit margin improved by 1.6pt.
- Although SG&A expenses were reduced by ¥8.0 billion year-on-year, this was not enough to offset the decline in the top line, resulting in a ¥19.1 billion decline in operating profit.
- Operating profit declined by ¥19.1 billion. Operating profit before goodwill amortization was 20.2 billion yen.

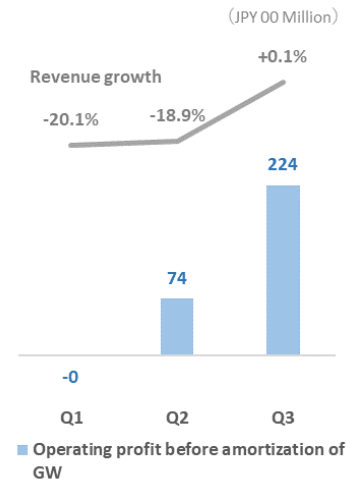
\* Amortization of goodwill represents the total of goodwill amortization required under Japanese GAAP and amortization of intangible assets following business combinations.

# Q3 FY2020 Operating Income before Amortizing of Goodwill

## Consolidation (Excluding Investment Business)

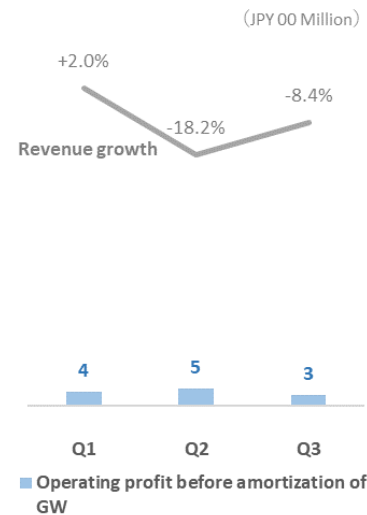


## Japan



- Top line is on a recovery trend after bottoming out in Q1, with Q3 on a par with the same period last year
- Operating profit before amortization of goodwill in Q3 is up on last year, by contribution of top-line recovery and cost control

## International



- The impact of the COVID-19 began to be felt in Q2, as the inclusion period is three months later than in Japan
- Revenue returned to single-digit decline in Q3, boosted by M&A
- Operating profit before goodwill on a quarter basis remained the same level as past two quarters despite continued cost control

# Results by Region (Japan: Excluding Investment Business)

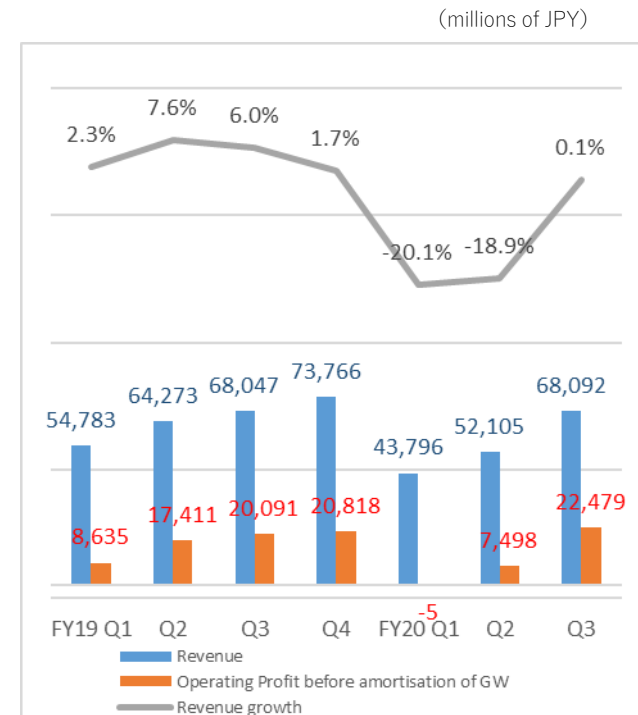
Hakuhodo DY holdings

Q3 FY2020

► See p.19-20 for details.

(Millions of JPY)	Actual	YOY	
<b>Billings</b>	<b>778,096</b>	<b>-174,620</b>	<b>-18.3%</b>
<b>Revenue</b>	<b>163,994</b>	<b>-23,109</b>	<b>-12.4%</b>
<b>Gross Margin</b>	<b>21.1%</b>	<b>+1.4pt</b>	
<b>SGA</b>	<b>134,841</b>	<b>-7,677</b>	<b>-5.4%</b>
<b>Operating Income</b>	<b>29,153</b>	<b>-15,432</b>	<b>-34.6%</b>
<b>Operating Margin</b>	<b>17.8%</b>	<b>-6.1pt</b>	
<b>Amortization of Goodwill*</b>	<b>819</b>	<b>-733</b>	<b>-47.2%</b>
<b>Operating Income before Amortization of G/W</b>	<b>29,973</b>	<b>-16,165</b>	<b>-35.0%</b>
<b>Operating Margin before Amortization of G/W</b>	<b>18.3%</b>	<b>-6.4pt</b>	

Revenue & Operating Income before amortization of goodwill by quarter



- On a year-to-date basis, billings were down 18.3% y-o-y, largely due to the impact of COVID-19.
- Despite a 1.4 pt improvement in the revenue margin, the impact of the decline in billings was significant, resulting in a 12.4% decline in revenue.
- Despite a reduction in SG&A expenses of ¥7.6 billion, operating profit declined by ¥15.4 billion. Operating profit before goodwill fell by 18.5 billion yen.
- The recovery trend in Q3 was remarkable, with revenue for Q3 at the same level as the previous year and operating profit before goodwill ¥1.6 billion higher than the same period last year.

\* Amortization of goodwill represents the total of goodwill amortization required under Japanese GAAP and amortization of intangible assets following business combinations.

# Results by Region (Overseas)

Hakuhodo DY holdings

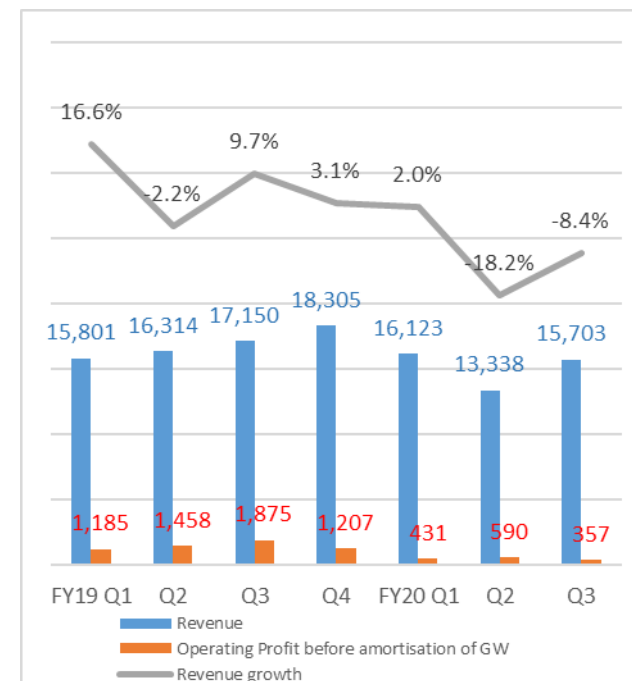
Q3 FY2020

► See p.19-20 for details.

(Millions of JPY)	Actual	YOY	
<b>Billings</b>	<b>103,266</b>	<b>-12,612</b>	<b>-10.9%</b>
<b>Revenue</b>	<b>45,165</b>	<b>-4,100</b>	<b>-8.3%</b>
<b>Gross Margin</b>	<b>43.7%</b>	<b>+1.2pt</b>	
<b>SGA</b>	<b>50,016</b>	<b>-547</b>	<b>-1.1%</b>
<b>Operating Income</b>	<b>-4,851</b>	<b>-3,553</b>	<b>n/a</b>
<b>Operating Margin</b>	<b>-10.7%</b>	<b>-8.1pt</b>	
<b>Amortization of Goodwill*</b>	<b>6,230</b>	<b>+413</b>	<b>+7.1%</b>
<b>Operating Income before Amortization of G/W</b>	<b>1,379</b>	<b>-3,139</b>	<b>-69.5%</b>
<b>Operating Margin before Amortization of G/W</b>	<b>3.1%</b>	<b>-6.1pt</b>	

Revenue & Operating Income before amortization of goodwill by quarter

(Millions of JPY)



- Revenue was down 8.3% y-o-y due to the continued impact of COVID-19 in North America, which accounts for a high proportion of sales, and lower revenue in ASEAN and other Asian markets, but higher revenue in Greater China due to organic recovery and new M&A.
- SG&A expenses were down 1.1% y-o-y, despite the impact of M&A, due to cost-cutting measures. However, this was not enough to compensate for the top-line decrease, and both operating profit and operating profit before goodwill amortization fell in the ¥3 billion range.



Q3 FY2020 YTD

► See p.21 for details.

(Millions of JPY)	Actual	YOY		Composition Ratio
Newspapers	26,097	-6,183	-19.2%	3.4%
Magazines	7,819	-5,657	-42.0%	1.0%
Radio	8,839	-2,354	-21.0%	1.2%
Television	268,559	-51,579	-16.1%	35.0%
<b>Trad-Media Service Subtotal</b>	<b>311,315</b>	<b>-65,774</b>	<b>-17.4%</b>	<b>40.5%</b>
Internet Media	172,083	-12,378	-6.7%	22.4%
Outdoor Media	19,588	-11,842	-37.7%	2.6%
<b>Media Service Subtotal</b>	<b>502,987</b>	<b>-89,995</b>	<b>-15.2%</b>	<b>65.5%</b>
Creative	91,723	-12,407	-11.9%	11.9%
Marketing/Promotion	149,868	-51,772	-25.7%	19.5%
Others (Contents, etc.)	23,562	-16,924	-41.8%	3.1%
<b>Other than Media Service Subtotal</b>	<b>265,154</b>	<b>-81,104</b>	<b>-23.4%</b>	<b>34.5%</b>
<b>Total</b>	<b>768,141</b>	<b>-171,099</b>	<b>-18.2%</b>	<b>100.0%</b>
Investment Business	5,961	+248		
Other than above	9,954	-		
<b>Domestic Billings</b>	<b>784,057</b>	<b>-174,371</b>	<b>-18.2%</b>	
<b>Internet Advertising Domain Billings</b>	<b>209,456</b>	<b>-11,512</b>	<b>-5.2%</b>	

- The scope of tabulation has been expanded and some of the methods of tabulation have been changed from the current fiscal year, and the results of the previous year have been retroactively restated.
- Figures for “Other than above” comprise mainly billings of certain domestic subsidiaries.

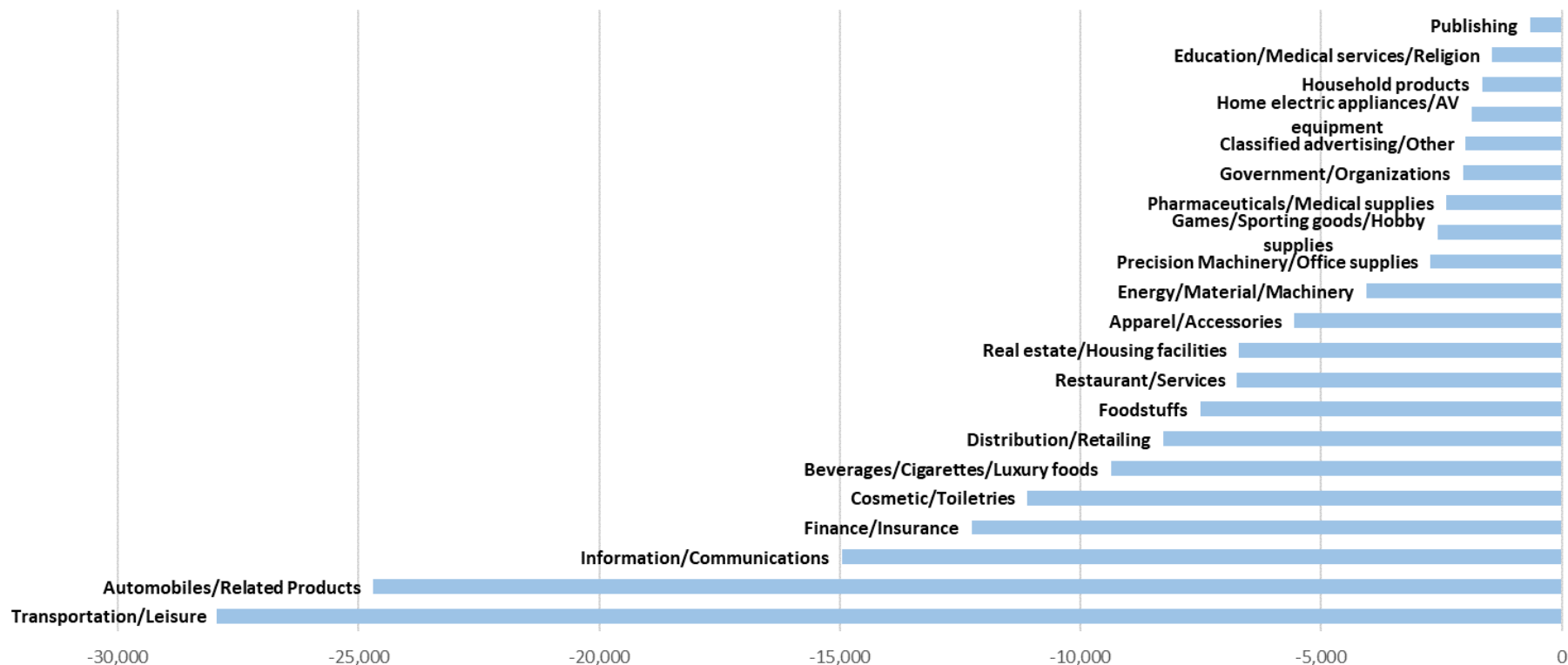
# Billings by Clients' Industry

Hakuhodo DY holdings

See p.22-26 for details.

Q3 FY2020 YTD

Millions of JPY



## - Main Negative Industries

Transportation/Leisure	Q3 FY2020	JPY25.8bil	YOY	JPY- 27.9bil	(-52.0%)
Automobiles/Related Products		77.0bil		-24.6bil	(-24.3%)
Information/Communications		82.3bil		-14.9bil	(-15.4%)

# Selling, General & Administrative Expenses

Hakuhodo DY holdings

Q3 FY2020 YTD

(Millions of JPY)	Actual	YOY	
<b>Personnel</b>	<b>133,002</b>	<b>-1,716</b>	<b>-1.3%</b>
<b>Rent</b>	<b>13,744</b>	<b>+482</b>	<b>+3.6%</b>
<b>Depreciations</b>	<b>4,548</b>	<b>+719</b>	<b>+18.8%</b>
<b>Amortization of Goodwill</b>	<b>7,050</b>	<b>-320</b>	<b>-4.3%</b>
<b>Others</b>	<b>35,579</b>	<b>-7,134</b>	<b>-16.7%</b>
<b>Other Expenses</b>	<b>60,922</b>	<b>-6,253</b>	<b>-9.3%</b>
<b>SGA total</b>	<b>193,925</b>	<b>-7,970</b>	<b>-3.9%</b>

## Major Change Factors in SGA (JPY billion)

<b>FY19 Q3 SG&amp;A</b>	201,895
Change in scope of consolidation	+3,749
Amortization of goodwill	-320
Personnel (other than above)	-4,584
Other expenses (other than above)	-6,816
<b>FY20 Q3 SG&amp;A</b>	193,925

- SG&A expenses decreased by 3.9% year-on-year.
- Personnel expenses were reduced by 1.3% and other expenses by 9.3%.
- Excluding the effect of changes in the scope of consolidation and amortization of goodwill, SG&A expenses were reduced by 11.4 billion yen. In addition to personnel expenses of 4.5 billion yen, other expenses\* such as travel and transportation and entertainment expenses were reduced by 6.8 billion yen. (\* Excluding amortization of goodwill)
- The number of employees at the end of December 2020 increased by 998 from the end of March 2020 to 24,937.

# Other Income & Extra-ordinary Items

Hakuhodo DY holdings

Q3 FY2020 YTD

## Other Income

(Millions of JPY)	Actual	YOY
<b>Non-operating Income</b>	<b>3,692</b>	<b>+750</b>
Interest Income	204	-120
Dividend Income	2,359	+319
Equity Method Earnings	205	+116
<b>Non-operating Expenses</b>	<b>1,151</b>	<b>+318</b>
Interest Expenses	369	-64
FOREX	361	+249

## Extra-ordinary Items

(Millions of JPY)	FY2019 Actual	YOY
<b>Extraordinary Income</b>	<b>7,084</b>	<b>-10,089</b>
Gain on sales of investment securities	7,007	
<b>Extraordinary losses</b>	<b>3,590</b>	<b>-993</b>
Impairment loss	129	
Loss from COVID-19	241	
Loss from write-off of right to imbursement	2,710	

※Major Extraordinary Gain in Q3 FY2019

Gain on sales of investment securities  
¥2,342mil

Gain on sales of investment securities  
¥14,683mil

※Major Extraordinary Gain in Q3 FY2019

Impairment loss  
¥2,895mil

Office move cost  
¥542mil

# Guidance for FY2020

The following upward revisions are made to the full-year forecast for the financial year ending 31 March 2021

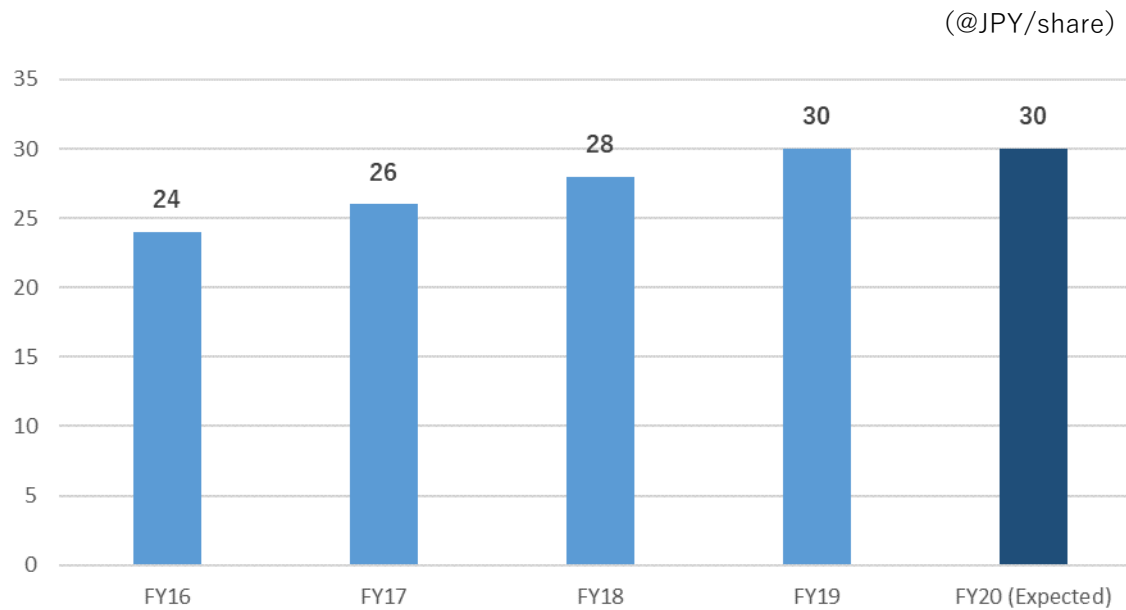
## ASSUMPTION

- Reflects third quarter results and recent recovery in demand
- Assuming that the declaration of a state of emergency has less of an impact on the economy and advertising market than in April and May 2020
- Top line in Q4 is assumed to be around 95% of the same period last year
- Cost control will continue according to trends in the top line

## FORCAST

(Millions of JPY)	Forecast	YOY		Difference from Last Forecast
<b>Billings</b>	<b>1,260,000</b>	<b>-206,249</b>	<b>-14.1%</b>	<b>+13,000</b>
<b>Operating Income</b>	<b>30,000</b>	<b>-25,131</b>	<b>-45.6%</b>	<b>+6,000</b>
<b>Ordinary Income</b>	<b>33,000</b>	<b>-25,100</b>	<b>-43.2%</b>	<b>+6,000</b>
<b>Net Income Attributable to Owners of Parent</b>	<b>20,000</b>	<b>-24,893</b>	<b>-55.4%</b>	<b>+2,500</b>

No change in forecast of dividends



## **(Cautionary Statements Concerning Forward-looking Statements)**

This presentation includes forward-looking statements concerning forecasts of operating results, business plans and policies, management strategies, goals, plans, numbers involving the future, views and evaluations of facts, and other items associated with Hakuhodo DY Holdings and its group companies. These and other statements that are not historical facts represent forecasts, expectations, assumptions, plans, views, evaluations and other positions of management based on information available when this presentation was prepared.

To prepare figures used for forecasts and predictions, confirmed facts from past activities have been combined with certain assumptions that are essential to formulating forecasts and predictions. Due to the nature of these facts and assumptions, there is no guarantee of their accuracy from an objective viewpoint or any guarantee that future events will occur as presented in these forward-looking statements.

The following is a list of some, but not all, risks and uncertainties that may prevent these facts and assumptions from being accurate from an objective viewpoint or from becoming a reality in the future.

- (1) Risks associated with the advertising industry in general (changes in the advertising industry climate due to fluctuations in the economy, changes in business practices and other events)
- (2) Risks associated with revisions of laws and regulations
- (3) Risks associated with advertisers and media companies (the need to respond accurately to shifts in needs of customers and other entities the company does business with)
- (4) Risks associated with competition (competition with other advertising agencies, companies newly entering the industry and others)
- (5) Risks associated with the expansion of business domains resulting from structural changes in markets
- (6) Risks associated with conducting business on a global scale
- (7) Risks associated with lawsuits and similar actions
- (8) Risks associated with climate, pandemics, and conflicts, etc.

## **(Notes Concerning Audit)**

This presentation information was not audited by an independent auditors.



# Supplements

# Interim Income Statements

Hakuhodo DY holdings

Japanese GAAP-basis Interim Income Statements for Q3 FY2020

(Millions of JPY)	YTD (9-Month)			by Quarter (3-Month)					
	Actual	YOY		Q1	YOY	Q2	YOY	Q3	YOY
<b>Billings</b>	883,038	-185,176	-17.3%	261,023	-21.6%	273,041	-22.0%	348,972	-9.4%
<b>Revenue</b>	212,786	-26,802	-11.2%	64,650	-10.8%	65,044	-20.3%	83,091	-2.9%
<b>Gross Margin</b>	24.1%	+1.7pt	+0.0%	24.8%	+3.0pt	23.8%	+0.5pt	23.8%	+1.6pt
<b>SG&amp;A</b>	193,925	-7,970	-3.9%	64,251	-1.9%	63,643	-6.8%	66,030	-3.1%
<b>Operating Income</b>	18,860	-18,832	-50.0%	398	-94.3%	1,401	-89.5%	17,060	-2.2%
<b>Operating Margin</b>	8.9%	-6.9pt	+0.0%	0.6%	-9.0pt	2.2%	-14.1pt	20.5%	+0.1pt
<b>Non-operating Income</b>	3,692	+750	+25.5%	1,495	+2.8%	1,044	+111.7%	1,152	+15.9%
<b>Non-operating Expenses</b>	1,151	+318	+38.3%	351	-33.2%	276	+398.7%	523	+108.9%
<b>Ordinary Income</b>	21,402	-18,401	-46.2%	1,542	-80.4%	2,169	-84.2%	17,690	-2.8%
<b>Extraordinary Income</b>	7,084	-10,089	-58.7%	116	-21.0%	33	-99.8%	6,934	+178.3%
<b>Extraordinary Loss</b>	3,590	-993	-21.7%	199	-70.7%	456	-5.4%	2,934	-14.2%
<b>Net Income before Taxes</b>	24,896	-27,497	-52.5%	1,459	-80.1%	1,747	-93.7%	21,689	+25.6%
<b>Income Tax</b>	13,642	-5,928	-30.3%	2,715	-32.7%	2,153	-78.7%	8,773	+61.2%
<b>Non-controlling Interest</b>	2,161	+952	+78.8%	1,814	+146.5%	-43	-108.8%	391	-1742.5%
<b>Net Income Attributable to Owners of Parent</b>	9,091	-22,521	-71.2%	-3,070	-219.2%	-362	-102.1%	12,524	+5.7%
<b>Amortization of Goodwill</b>	7,050	-320	-4.3%	1,808	-2.6%	3,120	-10.9%	2,121	+5.5%
<b>Operating Income before Amortization of Goodwill</b>	25,911	-19,153	-42.5%	2,207	-74.9%	4,522	-73.1%	19,181	-1.4%
<b>Operating Margin before Amortization of Goodwill</b>	12.2%	-6.6pt		3.4%	-8.7pt	7.0%	-13.6pt	23.1%	+0.3pt

\* Amortization of goodwill represents the total of goodwill amortization required under Japanese GAAP and amortization of intangible assets following business combinations.

# Results Excluding Investment Business

Q3 FY2020

YTD (9-Month)

by Quarter (3-Month)

## Results Excluding Investment Business

(Millions of JPY)	Actual	YOY		Q1	YOY	Q2	YOY	Q3	YOY
Billings	877,076	-185,424	-17.5%	255,573	-22.6%	272,786	-21.6%	348,716	-9.2%
Revenue	207,015	-27,197	-11.6%	59,258	-15.3%	64,867	-18.9%	82,890	-1.7%
Gross Margin	23.6%	+1.6pt		23.2%	+2.0pt	23.8%	+0.8pt	23.8%	+1.8pt
SG&A	193,857	-8,038	-4.0%	64,183	-2.0%	63,643	-6.8%	66,030	-3.1%
Operating Income	13,158	-19,159	-59.3%	-4,925	-210.8%	1,224	-89.5%	16,859	+3.9%
Operating Margin	6.4%	-7.4pt		-8.3%	-14.7pt	1.9%	-12.7pt	20.3%	+1.1pt
Amortization of Goodwill	7,050	-320	-4.3%	1,808	-2.6%	3,120	-10.9%	2,121	+5.5%
Operating Income before Amortization of Goodwill	20,209	-19,479	-49.1%	-3,116	-149.5%	4,344	-71.3%	18,980	+4.1%
Operating Margin before Amortization of Goodwill	9.8%	-7.2pt		-5.3%	-14.3pt	6.7%	-12.3pt	22.9%	+1.3pt

## Impact from Investment Business

(Millions of JPY)	Actual	YOY		Q1	YOY	Q2	YOY	Q3	YOY
Billings	5,961	+248		5,449	+2,812	255	-1,527	256	-1,036
Revenue	5,770	+394		5,392	+2,881	177	-1,461	200	-1,025
SG&A	68	+68		68	+68	0	+0	0	+0
Operating Income	5,702	+326		5,324	+2,813	177	-1,461	200	-1,025

\* Amortization of goodwill represents the total of goodwill amortization required under Japanese GAAP and amortization of intangible assets following business combinations.

Q3 FY2020 YTD

(Millions of JPY)	Actual	YOY	
<b>Japan</b>			
Billings	784,057	-174,371	-18.2%
Revenue	169,765	-22,715	-11.8%
SG&A	134,909	-7,609	-5.3%
Operating Income	34,855	-15,105	-30.2%
<b>International</b>			
Billings	103,266	-12,612	-10.9%
Revenue	45,165	-4,100	-8.3%
SG&A	50,016	-547	-1.1%
Operating Income	-4,851	-3,553	n/a
<b>Elimination or Corporate</b>			
Billings	-4,285	+1,808	
Revenue	-2,144	+13	
SG&A	8,998	+187	
Operating Income	-11,143	-174	
<b>Consolidated</b>			
Billings	883,038	-185,176	-17.3%
Revenue	212,786	-26,802	-11.2%
SG&A	193,925	-7,970	-3.9%
Operating Income	18,860	-18,832	-50.0%

# Results by Region (excluding investment business)

Hakuhodo DY holdings

Q3 FY2020

YTD (9 -Month)

by Quarter (3-Month)

## Japan (Excluding Investment Business)

(Millions of JPY)	YTD Actual	YOY		Q1	YOY	Q2	YOY	Q3	YOY
Billings	778,096	-174,620	-18.3%	218,766	-26.3%	244,623	-21.7%	314,705	-8.4%
Revenue	163,994	-23,109	-12.4%	43,796	-20.1%	52,105	-18.9%	68,092	+0.1%
Gross Margin	21.1%	+1.4pt		20.0%	+1.6pt	21.3%	+0.7pt	21.6%	+1.8pt
SG&A	134,841	-7,677	-5.4%	44,023	-5.7%	44,940	-5.1%	45,877	-5.3%
Operating Income	29,153	-15,432	-34.6%	-294	-103.6%	7,233	-57.2%	22,214	+13.4%
Operating Margin	17.8%	-6.1pt		-0.7%	-15.5pt	13.9%	-12.4pt	32.6%	+3.8pt
Amortization of Goodwill	819	-733	-47.2%	289	-46.3%	264	-47.6%	264	-47.8%
Operating Income before Amortization of Goodwill	29,973	-16,165	-35.0%	-5	-100.1%	7,498	-56.9%	22,479	+11.9%
Operating Margin before Amortization of Goodwill	18.3%	-6.4pt		0.0%	-15.8pt	14.4%	-12.7pt	33.0%	+3.5pt

## International

(Millions of JPY)	YTD Actual	YOY		Q1	YOY	Q2	YOY	Q3	YOY
Billings	103,266	-12,612	-10.9%	38,369	+6.0%	29,401	-21.3%	35,495	-16.1%
Revenue	45,165	-4,100	-8.3%	16,123	+2.0%	13,338	-18.2%	15,703	-8.4%
Gross Margin	43.7%	+1.2pt		42.0%	-1.6pt	45.4%	+1.7pt	44.2%	+3.7pt
SG&A	50,016	-547	-1.1%	17,210	+8.0%	15,603	-12.6%	17,202	+2.5%
Operating Income	-4,851	-3,553	n/a	-1,087	n/a	-2,265	n/a	-1,498	-502.9%
Operating Margin	-10.7%	-8.1pt		-6.7%	-5.9pt	-17.0%	-7.6pt	-9.5%	-11.7pt
Amortization of Goodwill	6,230	+413	+7.1%	1,518	+15.4%	2,855	-4.7%	1,856	+23.5%
Operating Income before Amortization of Goodwill	1,379	-3,139	-69.5%	431	-63.6%	590	-59.5%	357	-80.9%
Operating Margin before Amortization of Goodwill	3.1%	-6.1pt		2.7%	-4.8pt	4.4%	-4.5pt	2.3%	-8.7pt

# Billings by Service Category

Hakuhodo DY holdings

Q3 FY2020

(Millions of JPY)	YTD (9 -Month)			by Quarter (3-Month)					
	YTD Actual	YOY		Q1	YOY	Q2	YOY	Q3	YOY
Newspapers	26,097	-6,183	-19.2%	6,382	-37.4%	8,234	-23.9%	11,480	+2.0%
Magazines	7,819	-5,657	-42.0%	2,391	-38.8%	2,221	-49.3%	3,205	-38.2%
Radio	8,839	-2,354	-21.0%	2,727	-26.9%	2,867	-22.5%	3,244	-13.8%
Television	268,559	-51,579	-16.1%	75,268	-29.2%	84,171	-17.7%	109,118	-2.2%
Mass Media Service Subtotal	311,315	-65,774	-17.4%	86,769	-30.1%	97,496	-19.5%	127,049	-3.6%
Internet Media	172,083	-12,378	-6.7%	54,500	-10.9%	50,397	-11.4%	67,185	+1.2%
Outdoor Media	19,588	-11,842	-37.7%	6,192	-37.7%	5,545	-47.0%	7,850	-28.9%
Media Service Subtotal	502,987	-89,995	-15.2%	147,463	-24.5%	153,439	-18.6%	202,084	-3.4%
Creative	91,723	-12,407	-11.9%	22,500	-25.5%	30,454	-16.4%	38,768	+3.3%
Marketing/Promotion	149,868	-51,772	-25.7%	40,557	-30.2%	47,970	-32.6%	61,340	-15.2%
Others (Contents, etc.)	23,562	-16,924	-41.8%	6,570	-41.2%	7,212	-43.8%	9,778	-40.6%
Other than Media Service Subtotal	265,154	-81,104	-23.4%	69,628	-30.0%	85,637	-28.9%	109,887	-13.0%
Total	768,141	-171,099	-18.2%	217,092	-26.3%	239,076	-22.6%	311,972	-7.0%
Other than above	15,915	+248		7,124		5,802		2,989	
Consolidated Billings	784,057	-174,371	-18.2%	224,216	-25.1%	244,879	-22.1%	314,962	-8.6%
Internet Advertising Domain Billings	209,456	-11,512	-5.2%	63,271	-11.1%	62,349	-10.9%	83,836	+5.0%

Q3 FY2020 YTD

(Millions of JPY)	Actual	YOY		Composition
Information/Communications	82,375	-14,951	-15.4%	12.3%
Beverages/Cigarettes/Luxury foods	79,795	-9,357	-10.5%	11.9%
Automobiles/Related products	77,057	-24,691	-24.3%	11.5%
Foodstuffs	52,829	-7,511	-12.4%	7.9%
Cosmetics/Toiletries	51,654	-11,101	-17.7%	7.7%
Pharmaceuticals/Medical supplies	40,494	-2,399	-5.6%	6.1%
Finance/Insurance	36,002	-12,265	-25.4%	5.4%
Restaurant/Services	33,879	-6,756	-16.6%	5.1%
Distribution/Retailing	31,819	-8,281	-20.7%	4.8%
Real estate/Housing facilities	26,498	-6,700	-20.2%	4.0%
Transportation/Leisure	25,819	-27,946	-52.0%	3.9%
Government/Organizations	15,828	-2,043	-11.4%	2.4%
Household products	15,679	-1,652	-9.5%	2.3%
Apparel/Accessories	13,623	-5,566	-29.0%	2.0%
Energy/Material/Machinery	13,085	-4,065	-23.7%	2.0%
Games/Sporting goods/Hobby supplies	12,746	-2,566	-16.8%	1.9%
Home electric appliances/AV equipment	12,517	-1,876	-13.0%	1.9%
Publishing	11,145	-647	-5.5%	1.7%
Education/Medical services/Religion	8,236	-1,457	-15.0%	1.2%
Precision machinery/Office supplies	5,124	-2,727	-34.7%	0.8%
Classified advertising/Other	22,562	-2,003	-8.2%	3.4%
<b>Total</b>	<b>668,776</b>	<b>-156,569</b>	<b>-19.0%</b>	<b>100.0%</b>
Investment Business	5,961	+248		
Other than Above	109,319			
<b>Domestic Billings</b>	<b>784,057</b>	<b>-174,371</b>	<b>-18.2%</b>	

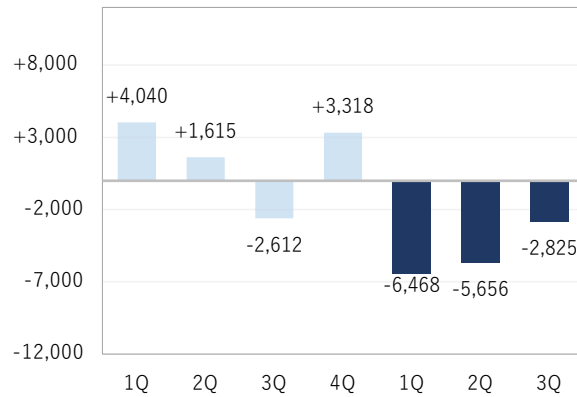
# Billings by Clients' Industry (by Quarter) 1

HakuhodoDY holdings

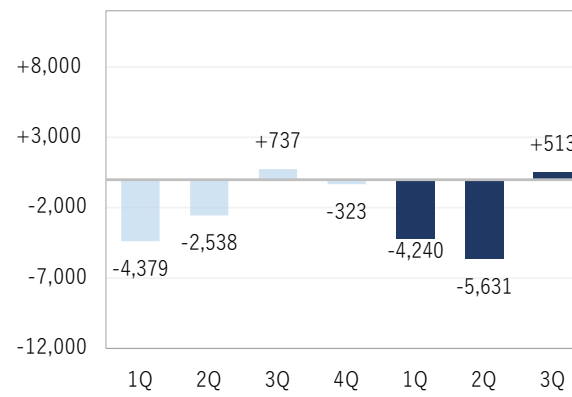
## Major Industries

Left : FY19, Right : FY20  
(Millions of JPY)

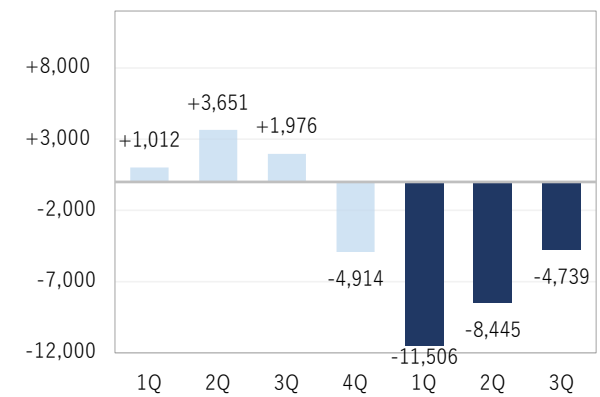
Information/Communications



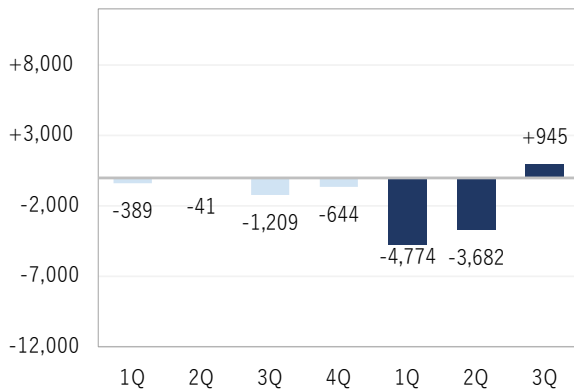
Beverages/Cigarettes/Luxury foods



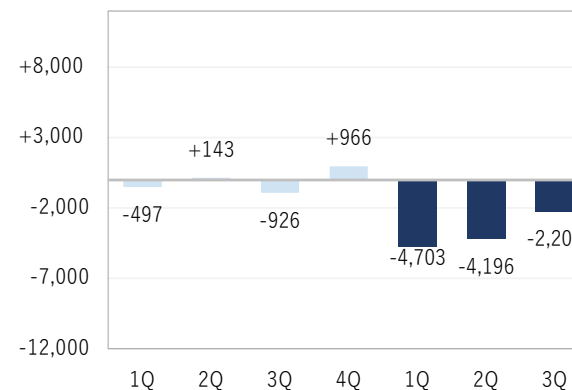
Automobiles/Related products



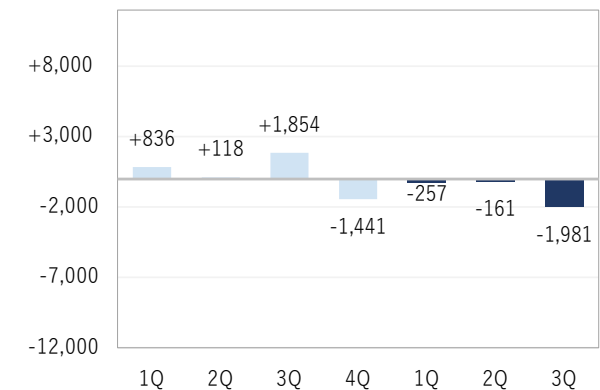
Foodstuffs



Cosmetics/Toiletries



Pharmaceuticals/Medical supplies





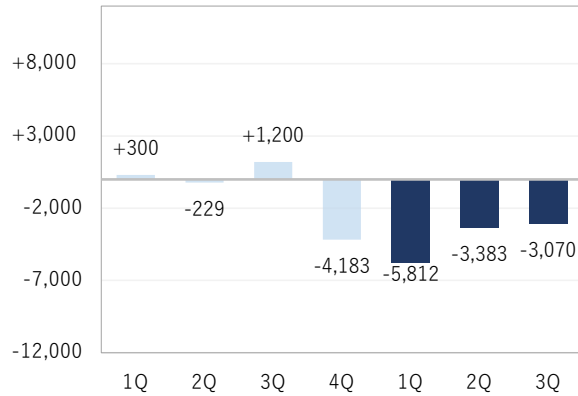
# Billings by Clients' Industry (by Quarter) 2

HakuhodoDY holdings

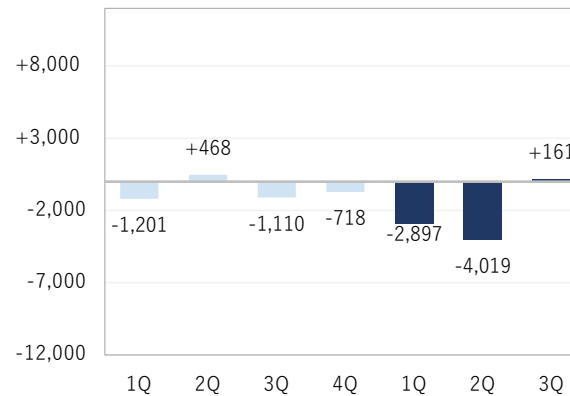
## Major Industries

Left : FY19、 Right : FY20  
(Millions of JPY)

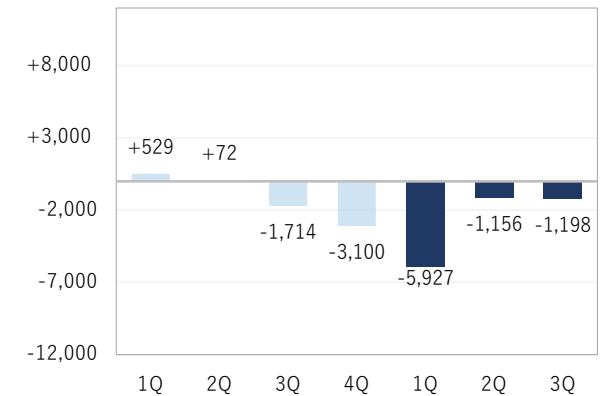
Finance/Insurance



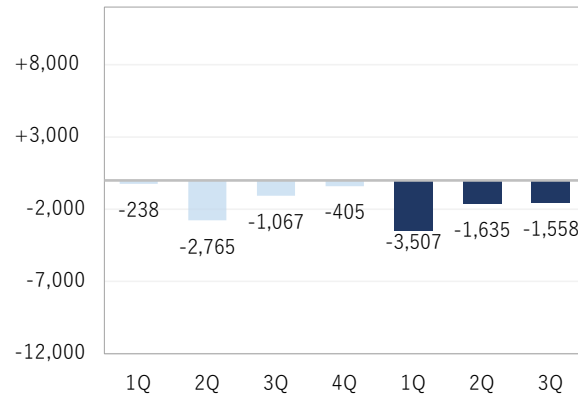
Restaurant/Services



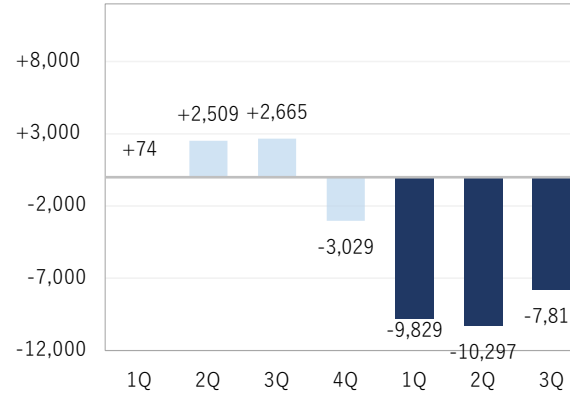
Distribution/Retailing



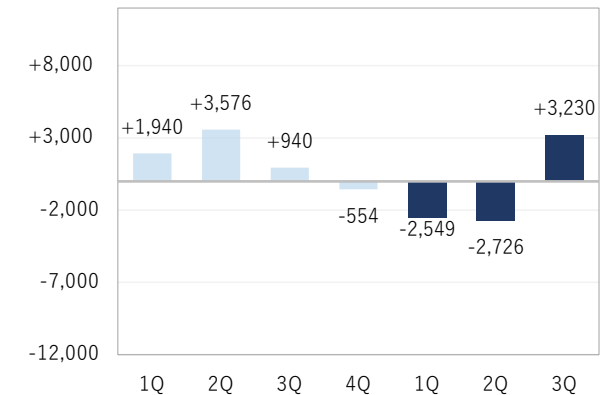
Real estate/Housing facilities



Transportation/Leisure



Government/Organizations



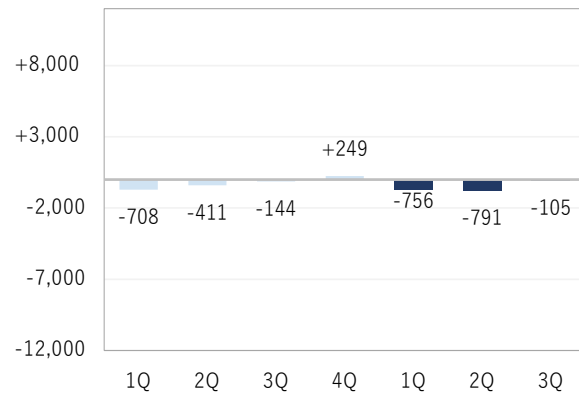
# Billings by Clients' Industry (by Quarter) 3

HakuhodoDY holdings

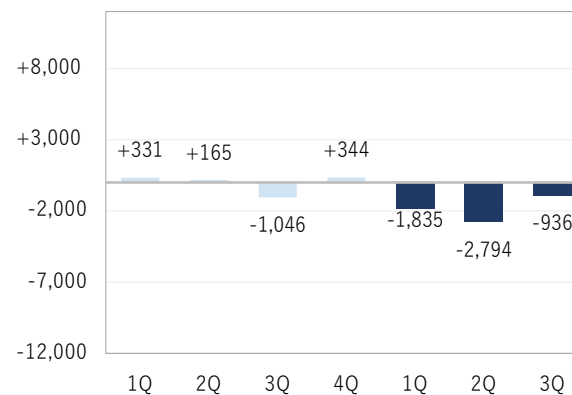
## Major Industries

Left : FY19、 Right : FY20  
(Millions of JPY)

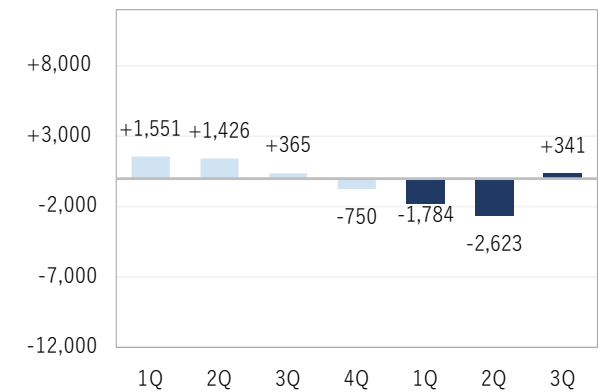
### Household products



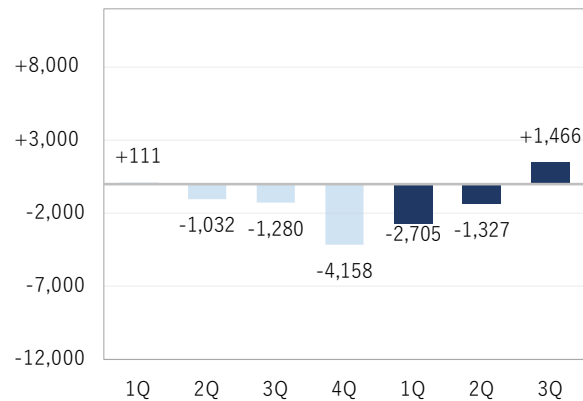
### Apparel/Accessories



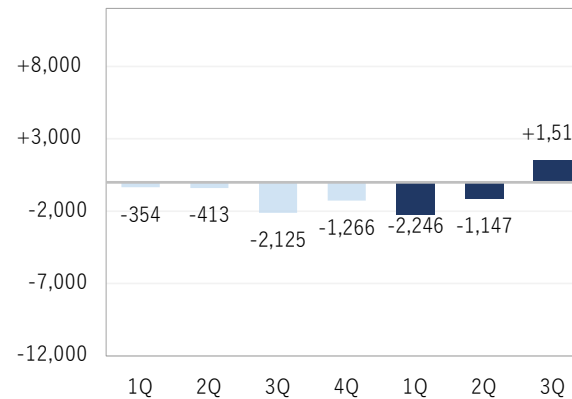
### Energy/Material/Machinery



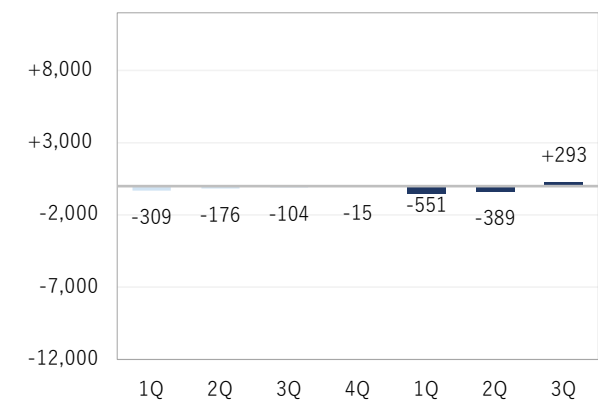
### Games/Sporting goods/Hobby supplies



### Home electric appliances/AV equipment



### Publishing



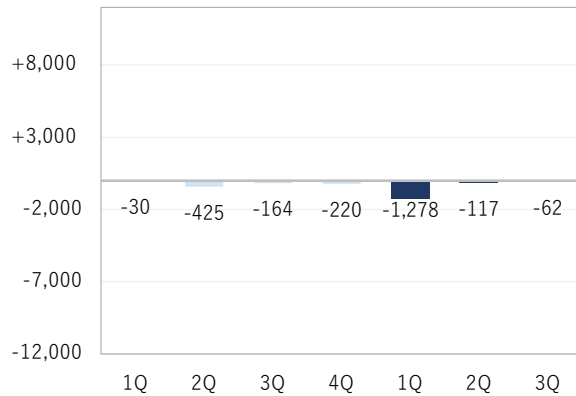
# Billings by Clients' Industry (by Quarter) 4

Hakuhodo DY holdings

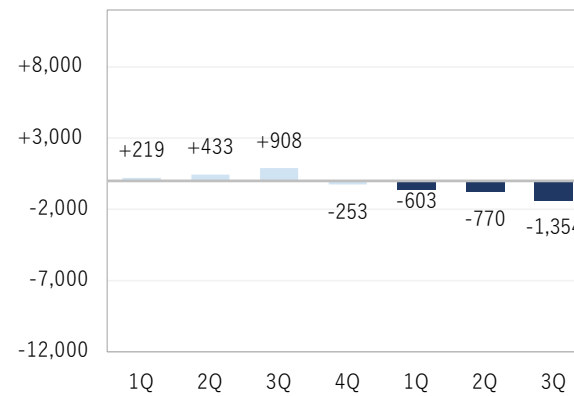
## Major Industries

Left : FY19、 Right : FY20  
(Millions of JPY)

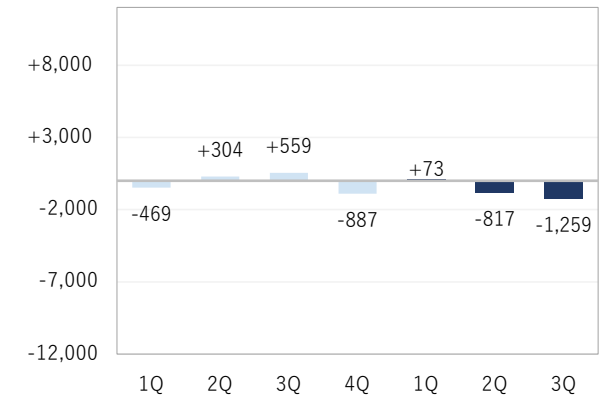
Education/Medical services/Religion



Precision machinery/Office supplies



Classified advertising/Other



(Millions of JPY)	End of Dec 2020	Change *	Composition
<b>Current Assets</b>	<b>552,038</b>	<b>-43,041</b>	<b>65.0%</b>
Cash & Deposits	156,835	-9,741	
Accounts Recievable	303,208	-53,892	
<b>Non-current Assets</b>	<b>297,855</b>	<b>+33,047</b>	<b>35.0%</b>
Tangible Assets	33,297	-832	
Intangible Assets	66,103	+13,720	
Goodwill	39,182	+11,276	
Investments & Other Assets	198,454	+20,160	
Investment Securities	161,927	+24,667	
<b>Total Assets</b>	<b>849,893</b>	<b>-9,993</b>	<b>100.0%</b>
<b>Current Liabilities</b>	<b>358,050</b>	<b>-37,671</b>	<b>42.1%</b>
Accounts Payable	248,327	-43,982	
Short-term Borrowings	13,889	+9,911	
<b>Non-current Liabilities</b>	<b>158,825</b>	<b>+10,807</b>	<b>18.7%</b>
Long-term Borrowings	109,727	+3,501	
<b>Total Liabilities</b>	<b>516,875</b>	<b>-26,864</b>	<b>60.8%</b>
<b>Shareholders' Equity</b>	<b>258,915</b>	<b>-2,226</b>	<b>30.5%</b>
Share Capital	10,648	+156	
Capital Surplus	50	-273	
Retained Earnings	259,588	-2,109	
Treasury Stock	-11,372	+0	
Accumulated Other Comprehensive Incor	44,043	+15,982	5.2%
Share Aquisiton Rights	236	+17	0.0%
Non-controlling Interests	29,823	+3,096	3.5%
<b>Total Net Assets</b>	<b>333,018</b>	<b>+16,870</b>	<b>39.2%</b>

\* Change from the balance as of the end of Mar, 2020

Q3 FY2020

(Millions of JPY)	Actual	YOY
<b>Cash Flows from Operating Activities</b>	<b>4,516</b>	<b>+8,185</b>
<b>Cash Flows from Investing Activities</b>	<b>-10,317</b>	<b>-11,211</b>
Purchase of property, plant and equipment	-2,240	+2,443
Proceeds from sales of property, plant and equipment	105	-3,915
Purchase of intangible assets	-4,264	+208
Purchase of investment securities	-2,509	+1,330
Proceeds from sales of investment securities	8,362	-8,627
Purchase of shares of subsidiaries	-6,145	-1,590
Purchase of shares of subsidiaries resulting in change in scope of consolidation	-4,820	-3,342
<b>Cash Flows from Financing Activities</b>	<b>-2,631</b>	<b>+14,630</b>
Net increase (decrease) in short-term borrowings	9,505	+12,028
Net increase (decrease) in Long-term borrowings & Bonds	1,226	+2,203
Dividends paid	-10,678	-8
Dividends paid to non-controlling interests	-673	+974
Payments from changes in ownership interests in subsidiaries that do not result in change in scope of consolidation	-658	-423
<b>Cash and cash equivalents at beginning of period</b>	<b>163,299</b>	<b>+11,144</b>
<b>Cash and cash equivalents at end of period</b>	<b>153,650</b>	<b>+22,163</b>

Q3 FY2020

(Millions of JPY)	Actual	YOY	
<b>Hakuhodo (Consolidated)</b>			
Billings	606,465	-125,771	-17.2%
Ordinary Income	15,467	-13,334	-46.3%
Net Income Attributable to Owners of Parent	5,453	-11,426	-67.7%
<b>Daiko (Consolidated)</b>			
Billings	100,215	-15,539	-13.4%
Ordinary Income	990	-103	-9.5%
Net Income Attributable to Owners of Parent	416	-1,523	-78.5%
<b>Yomiko (Consolidated)</b>			
Billings	36,955	-14,925	-28.8%
Ordinary Income	-572	-1,469	-163.9%
Net Income Attributable to Owners of Parent	-484	-1,070	-182.7%

FY2020

(Millions of JPY)	Forecast	YOY		Q3 YTD	YOY		Q4	YOY	
<b>Billings</b>	1,260,000	-206,249	-14.1%	883,038	-185,176	-17.3%	376,961	-21,072	-5.3%
<b>Operating Income</b>	30,000	-25,131	-45.6%	18,860	-18,832	-50.0%	11,139	-6,298	-36.1%
<b>Ordinary Income</b>	33,000	-25,100	-43.2%	21,402	-18,401	-46.2%	11,597	-6,699	-36.6%
Net Income Attributable to Owners of Parent	20,000	-24,893	-55.4%	9,091	-22,521	-71.2%	10,908	-2,371	-17.9%

HakuhodoDY holdings

博報堂DYホールディングス