

Hakuhodo DY holdings

Consolidated Financial Highlights
Fiscal Year Ending March 31, 2021
(FY 2020)

May 14, 2021

Consolidated Results Highlights of FY 2020

Profits up by top line recovery after the second half year.

- On a year-to-date basis, billings decreased 11.5% due to the impact of spread of COVID-19.
- Gross profit margin improved by 1.5 points due to successful efforts to improve profitability. Gross profit decreased by 5.5% year on year*.
- Both billings and Gross profit bottomed out in Q1 and have been on a recovery trend, which became more pronounced in the second half year. Both billings and gross profit were higher than the previous year due to a recovery trend but the large-scale projects in Q4 (*).
- Continued to control costs, mainly by reducing executive compensation, bonus provisions, and 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 ¥15.3 billion YoY.
- Operating income on a YTD basis decreased 18.3% YoY to ¥45 billion. Excluding the investment business, operating income was ¥39.2 billion (decreased 18.2% YoY).
- Operating income excluding the investment business on a forth quarter (3 months) basis was ¥26 billion, up from the same period last year.
- (*) Excluding investment business

▶ See p.17 for details.

(Millions of JPY)	Actual	YOY		Difference from Forecast *	
Billings	1,297,947	-168,301	-11.5%	+37,947	+3.0%
Operating Income	45,033	-10,098	-18.3%	+15,033	+50.1%
Ordinary Income	49,594	-8,506	-14.6%	+16,594	+50.3%
Net Income Attributable to Owners of Parent	26,479	-18,413	-41.0%	+6,479	+32.4%

- Billings decreased by 11.5% year-on-year due to the spread of COVID-19.
- Operating profit was ¥45 billion, despite a 18.3% decrease from previous year.
- Net income attributable to owners of parent was ¥26.4 billion yen, these profits were much higher than company forecast.

FY2020 Results (Excluding Investment Business)

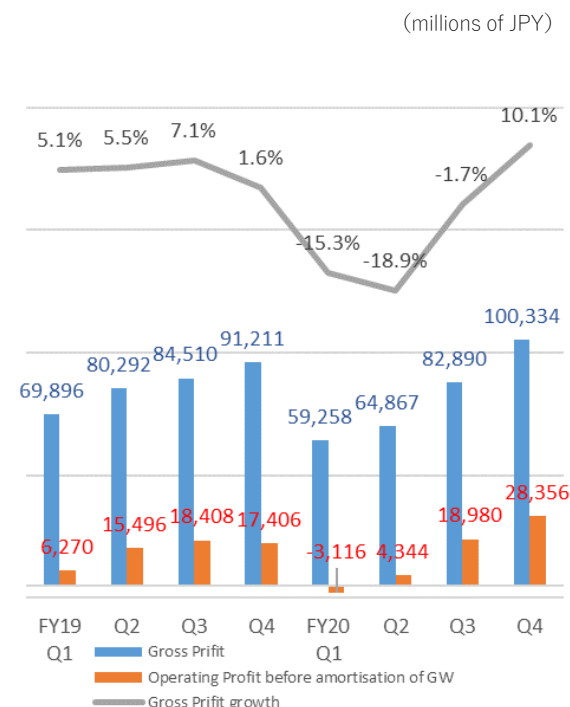
Hakuhodo DY holdings

► See p.18 for details.

(Millions of JPY)

	Actual	YOY	
Billings	1,291,822	-166,796	-11.4%
Gross Profit	307,350	-17,963	-5.5%
Gross Margin	23.8%	+1.5pt	
SGA	268,116	-9,251	-3.3%
Operating Income	39,233	-8,711	-18.2%
Operating Margin	12.8%	-2.0pt	
Amortization of Goodwill*	9,332	+293	+3.2%
Operating Income before Amortization of G/W	48,565	-8,418	-14.8%
Operating Margin before Amortization of G/W	15.8%	-1.7pt	

Revenue & Operating Income before amortization of goodwill by quarter



- Billings decreased by 11.4%, Gross profit decreased by 5.5% and Gross profit margin improved by 1.5 points.
- Although SG&A expenses were reduced by ¥9.2 billion year-on-year, this was not enough to offset the decline in the top line, resulting in a ¥8.7 billion decrease in operating profit.
- Operating profit before goodwill amortization was ¥48.5 billion.

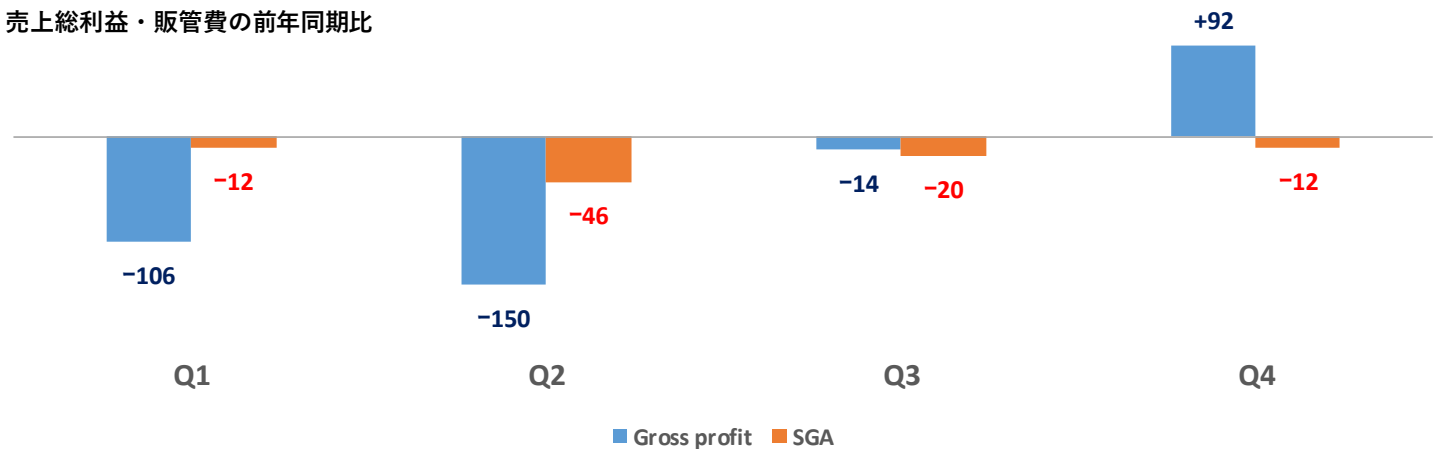
* Amortization of goodwill represents the total of goodwill amortization required under Japanese GAAP and amortization of intangible assets following business combinations.

FY2020 Operating income Quarterly Results (Excluding Investment Business) Hakuhodo DY holdings

(00 millions of JPY)

	Q1	Q2	Q3	Q4
Operating income	-49	12	168	260
YoY	-93	-104	+6	+104

売上総利益・販管費の前年同期比



- In the Q1 and Q2, top line decreased due to the impact of COVID-19, it was not enough to compensate of cost control.
- Top line has been recovered since 3Q, this recovery trend became more pronounced in the 4Q with the record large projects.
- Operating profit recovered sharply due to successful cost control throughout the FY2020

Results by Region (Japan: Excluding Investment Business)

FY2020

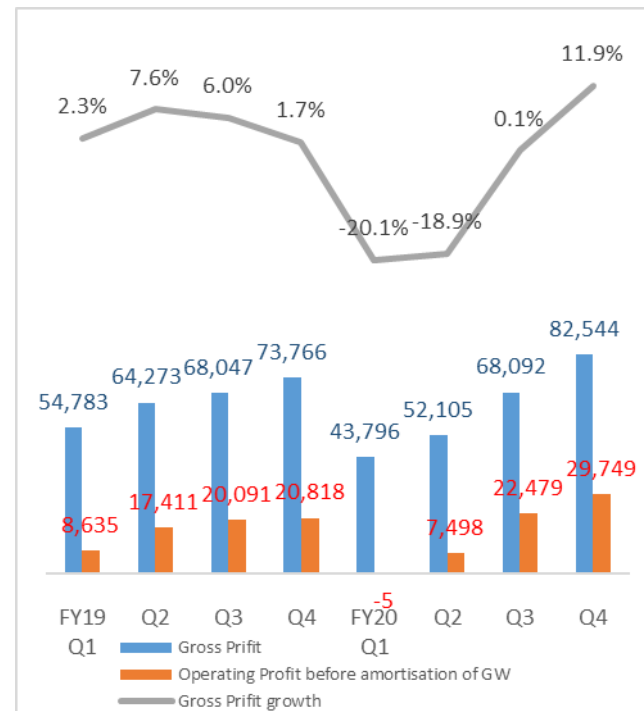
► See p.19-20 for details.

(Millions of JPY)

	Actual	YOY	
Billings	1,143,103	-158,287	-12.2%
Gross Profit	246,539	-14,332	-5.5%
Gross Margin	21.6%	+1.5pt	
SGA	187,912	-7,845	-4.0%
Operating Income	58,626	-6,486	-10.0%
Operating Margin	23.8%	-1.2pt	
Amortization of Goodwill*	1,095	-748	-40.6%
Operating Income before Amortization of G/W	59,722	-7,235	-10.8%
Operating Margin before Amortization of G/W	24.2%	-1.4pt	

Revenue & Operating Income before amortization of goodwill by quarter

(millions of JPY)



- On a year-to-date basis, billings decreased 12.2% due to the impact of spread of COVID-19.
- Despite a 1.5 pt improvement in the Gross margin, the impact of the decline in billings was significant, resulting in a 5.5% decline in revenue.
- Despite a reduction in SG&A expenses of ¥7.8 billion, operating income decreased by ¥6.4 billion. Operating income before goodwill decreased by ¥7.2 billion.
- The recovery trend in Q3/Q4 was remarkable, with gross profit for Q3/Q4 at the same level as the previous year and operating profit before goodwill were 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

FY2020

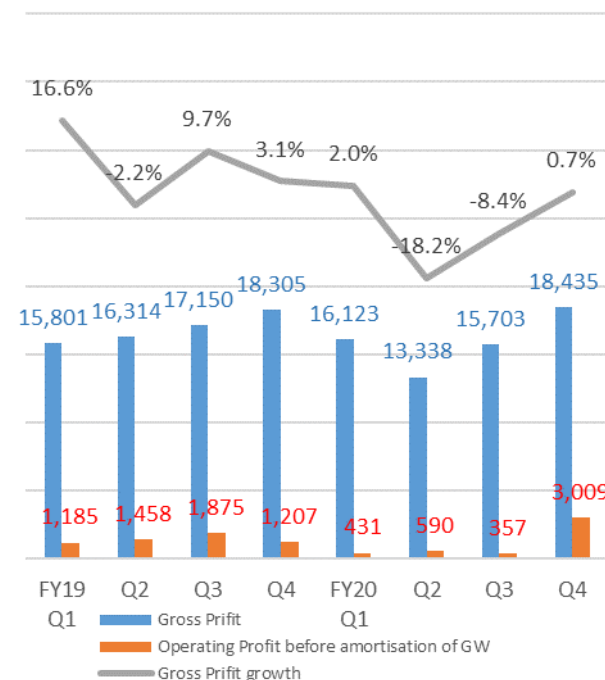
► See p.19-20 for details.

(Millions of JPY)

	Actual	YOY	
Billings	154,048	-11,212	-6.8%
Gross Profit	63,601	-3,970	-5.9%
Gross Margin	41.3%	+0.4pt	
SGA	67,449	-1,589	-2.3%
Operating Income	-3,847	-2,380	n/a
Operating Margin	-6.0%	-3.9pt	
Amortization of Goodwill*	8,236	+1,042	+14.5%
Operating Income before Amortization of G/W	4,388	-1,338	-23.4%
Operating Margin before Amortization of G/W	6.9%	-1.6pt	

Revenue & Operating Income before amortization of goodwill by quarter

(Millions of JPY)



- Gross profit was down 5.9% y-o-y due to the continued impact of COVID-19 in North America, which accounts for a high proportion of billings, and lower gross profit in ASEAN and other Asian markets. However, gross profit in Greater China increased due to organic recovery and new M&A.
- SG&A expenses were down 2.3% 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. Operating income was decreased by ¥2.3 billion and operating profit before goodwill amortization decreased by ¥1.3 billion.

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

Billings by Service Category

Hakuhodo DY holdings

► See p.21 for details.

FY2020 YTD

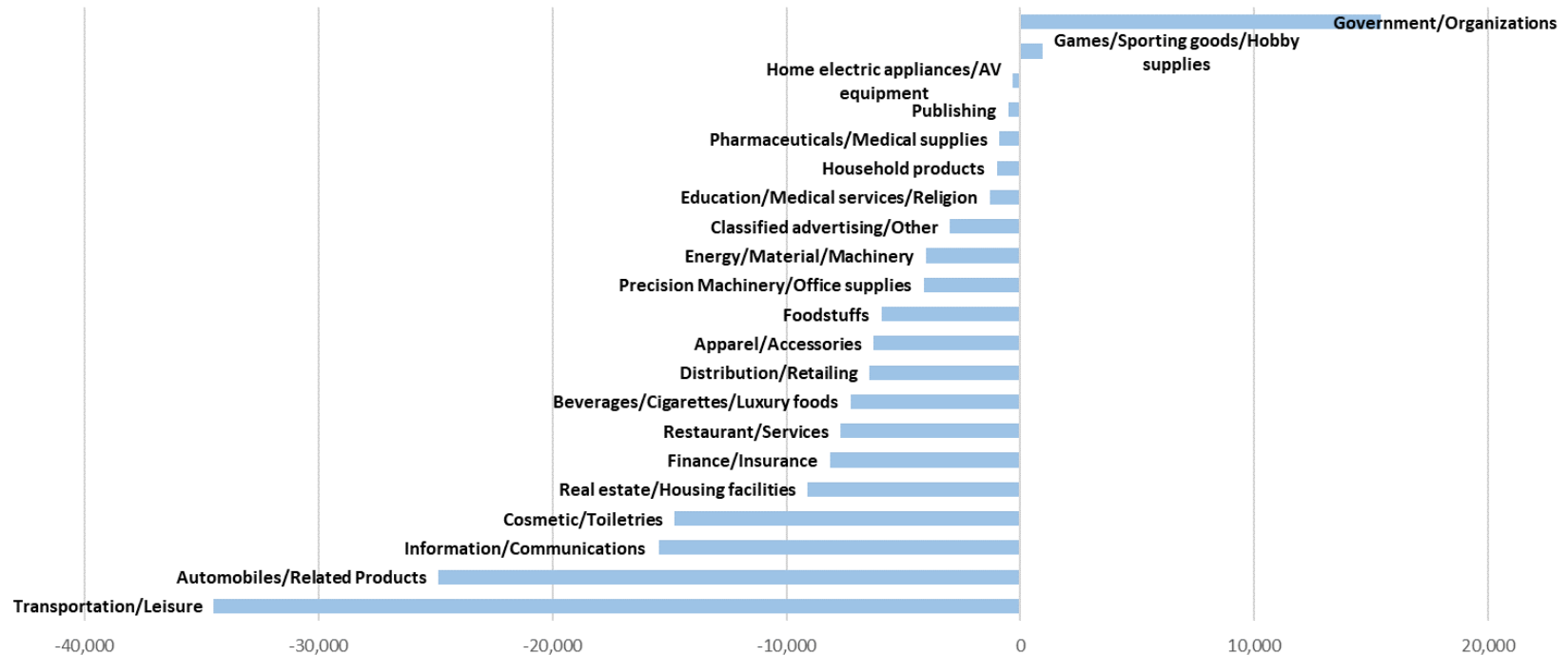
(Millions of JPY)	Actual	YOY		Composition Ratio	Q4 YOY
Newspapers	37,623	-6,748	-15.2%	3.3%	-4.7%
Magazines	10,265	-7,583	-42.5%	0.9%	-44.1%
Radio	11,982	-2,895	-19.5%	1.1%	-14.7%
Television	381,672	-45,795	-10.7%	33.9%	+5.4%
Trad-Media Service Subtotal	441,544	-63,023	-12.5%	39.2%	+2.2%
Internet Media	247,068	-7,497	-2.9%	21.9%	+7.0%
Outdoor Media	28,335	-14,413	-33.7%	2.5%	-22.7%
Media Service Subtotal	716,947	-84,935	-10.6%	63.6%	+2.4%
Creative	140,005	-9,196	-6.2%	12.4%	+7.1%
Marketing/Promotion	234,077	-41,182	-15.0%	20.8%	+14.4%
Others (Contents, etc.)	35,422	-17,956	-33.6%	3.1%	-8.0%
Other than Media Service Subtotal	409,505	-68,336	-14.3%	36.4%	+9.7%
Total	1,126,453	-153,271	-12.0%	100.0%	+5.2%
Investment Business	6,125	-1,505			
Other than above	16,650	-			
Domestic Billings	1,149,228	-159,793	-12.2%		+4.2%
Internet Advertising Domain Billings	304,874	-2,225	-0.7%		+10.8%

- 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.

See p.22-26 for details.

FY2020 YTD

Millions of JPY



- 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.

- Main Positive Industries

Government/Organizations	FY2020 Actual JPY 43.3bil	YOY JPY+15.3bil	(+55.0%)
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- Main Negative Industries

Transportation/Leisure	FY2020 Actual JPY 35.3bil	YOY JPY- 34.4bil	(-49.4%)
Automobiles/Related Products	111.1bil	-24.5bil	(-18.1%)
Information/Communications	123.5bil	-15.4bil	(-11.1%)

Selling, General & Administrative Expenses

Hakuhodo DY holdings

FY2020 YTD

(Millions of JPY)

Actual

YOY

Major Change Factors in SGA (Millions of JPY)

	Actual	YOY	
Personnel	183,656	-107	-0.1%
Rent	18,279	+520	+2.9%
Depreciations	6,002	+619	+11.5%
Amortization of Goodwill	9,332	+293	+3.2%
Others	50,912	-10,509	-17.1%
Other Expenses	84,527	-9,075	-9.7%
SGA total	268,184	-9,183	-3.3%

FY20 SG&A	277,367
Change in scope of consolidation	+5,862
Amortization of goodwill	+293
Personnel (other than above)	-4,262
Other expenses (other than above)	-11,077
FY20 SG&A	268,184

- SG&A expenses decreased by 3.3% year-on-year.
- Personnel expenses were reduced by 0.1% and other expenses by 9.7%.
- Excluding the effect of changes in the scope of consolidation and amortization of goodwill, SG&A expenses were reduced by ¥15.3 billion. In addition to personnel expenses of ¥4.2 billion, other expenses* such as travel and transportation and entertainment expenses were reduced by ¥11 billion. (* Excluding amortization of goodwill)
- The number of employees at the end of March 2021 increased by 836 from the end of March 2020 to 24,775.

Other Income & Extra-ordinary Items

Hakuhodo DY holdings

FY2020 YTD

Other Income (Millions of JPY)	Actual	YOY	
Non-operating Income	5,633	+1,276	
Interest Income	301	-65	
Dividend Income	2,633	+394	
Investment Partership Income	517	+507	
Equity Method Earnings	670	-163	
Non-operating Expenses	1,072	-315	
Interest Expenses	483	-46	
FOREX	4	-253	
Extra-ordinary Items (Millions of JPY)	Actual	YOY	※Major Extraordinary Gain in FY2020
Extraordinary Income	14,658	-10,037	Gain on sales of non-current assets ¥9,328mil
Gain on sales of investment securities	14,026		Gain on sales of investment securities ¥14,687mil
Extraordinary losses	10,582	+2,657	※Major Extraordinary Loss in FY2020
Impairment loss	4,899		Impairment loss ¥4,082mil
Loss from write-off of right to imbursement	2,710		Loss on valuation of investment securities
Loss from disposal of fixed assets	486		¥1,116mil

Guidance for FY2021

ASSUMPTION

Based on the this assumption that the spread of corona infection will gradually come to an end and that even if there is a temporary increase in infection, the impact on the economy will be limited. The Consolidated Forecast numbers are estimated based on the following ideas.

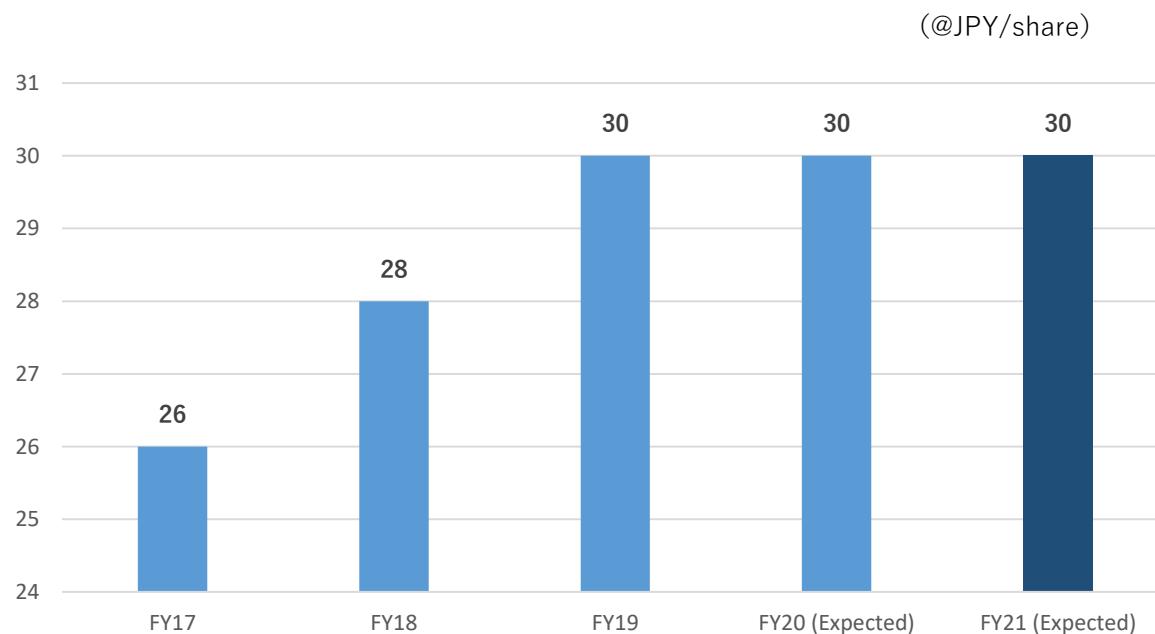
- The top line will grow faster than the market growth and aim to recover to the level of the fiscal year ending March 2020.
- Reforms for cost structure and upfront investments on the scale of ¥10,000 million for medium/long-term growth.
- Operating profit growth will be slower than the top line.

FORECAST

(Millions of JPY)	Forecast	YOY	
Billings	1,460,000	+162,052	+12.5%
Operating Income	47,000	+1,966	+4.4%
Ordinary Income	50,000	+405	+0.8%
Net Income Attributable to Owners of Parent	26,500	+20	+0.1%

- Dividends for fiscal 2020 (including a mid-term dividend of ¥15 per share) full- year dividend of ¥30 per share.
- Dividends for fiscal 2021: expected same as fiscal 2020.

*Based on getting approval at the General Meeting of Shareholders



(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 FY2020

(Millions of JPY)	YTD (12-Month)			by Quarter (3-Month)							
	Actual	YOY		Q1	YOY	Q2	YOY	Q3	YOY	Q4	YOY
Billings	1,297,947	-168,301	-11.5%	261,023	-21.6%	273,041	-22.0%	348,972	-9.4%	414,909	+4.2%
Gross Profit	313,217	-19,281	-5.8%	64,650	-10.8%	65,044	-20.3%	83,091	-2.9%	100,431	+8.1%
Gross Margin	24.1%	+1.5pt	+0.0%	24.8%	+3.0pt	23.8%	+0.5pt	23.8%	+1.6pt	24.2%	+0.9pt
SG&A	268,184	-9,183	-3.3%	64,251	-1.9%	63,643	-6.8%	66,030	-3.1%	74,259	-1.6%
Operating Income	45,033	-10,098	-18.3%	398	-94.3%	1,401	-89.5%	17,060	-2.2%	26,172	+50.1%
Operating Margin	14.4%	-2.2pt	+0.0%	0.6%	-9.0pt	2.2%	-14.1pt	20.5%	+0.1pt	26.1%	+7.3pt
Non-operating Income	5,633	+1,276	+29.3%	1,495	+2.8%	1,044	+111.7%	1,152	+15.9%	1,940	+37.2%
Non-operating Expenses	1,072	-315	-22.7%	351	-33.2%	276	+398.7%	523	+108.9%	-79	-114.3%
Ordinary Income	49,594	-8,506	-14.6%	1,542	-80.4%	2,169	-84.2%	17,690	-2.8%	28,191	+54.1%
Extraordinary Income	14,658	-10,037	-40.6%	116	-21.0%	33	-99.8%	6,934	+178.3%	7,573	+0.7%
Extraordinary Loss	10,582	+2,657	+33.5%	199	-70.7%	456	-5.4%	2,934	-14.2%	6,992	+109.3%
Net Income before Taxes	53,669	-21,201	-28.3%	1,459	-80.1%	1,747	-93.7%	21,689	+25.6%	28,773	+28.0%
Income Tax	24,548	-3,289	-11.8%	2,715	-32.7%	2,153	-78.7%	8,773	+61.2%	10,906	+31.9%
Non-controlling Interest	2,641	+500	+23.4%	1,814	+146.5%	-43	-108.8%	391	-1742.5%	479	-48.5%
Net Income Attributable to Owners of Parent	26,479	-18,413	-41.0%	-3,070	-219.2%	-362	-102.1%	12,524	+5.7%	17,388	+30.9%
Amortization of Goodwill	9,332	+293	+3.2%	1,808	-2.6%	3,120	-10.9%	2,121	+5.5%	2,281	+36.8%
Operating Income before Amortization of Goodwill	54,365	-9,804	-15.3%	2,207	-74.9%	4,522	-73.1%	19,181	-1.4%	28,453	+48.9%
Operating Margin before Amortization of Goodwill	17.4%	-1.9pt		3.4%	-8.7pt	7.0%	-13.6pt	23.1%	+0.3pt	28.3%	+7.8pt

* 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

FY2020

YTD (12-Month)

by Quarter (3-Month)

Results Excluding Investment Business

(Millions of JPY)	Actual	YOY	Q1	YOY	Q2	YOY	Q3	YOY	Q4	YOY
Billings	1,291,822	-166,796 -11.4%	255,573	-22.6%	272,786	-21.6%	348,716	-9.2%	414,745	+4.7%
Gross Profit	307,350	-17,963 -5.5%	59,258	-15.3%	64,867	-18.9%	82,890	-1.7%	100,334	+10.1%
Gross Margin	23.8%	+1.5pt	23.2%	+2.0pt	23.8%	+0.8pt	23.8%	+1.8pt	24.2%	+1.2pt
SG&A	268,116	-9,251 -3.3%	64,183	-2.0%	63,643	-6.8%	66,030	-3.1%	74,259	-1.6%
Operating Income	39,233	-8,711 -18.2%	-4,925	-210.8%	1,224	-89.5%	16,859	+3.9%	26,074	+66.9%
Operating Margin	12.8%	-2.0pt	-8.3%	-14.7pt	1.9%	-12.7pt	20.3%	+1.1pt	26.0%	+8.8pt
Amortization of Goodwill	9,332	+293 +3.2%	1,808	-2.6%	3,120	-10.9%	2,121	+5.5%	2,281	+36.8%
Operating Income before Amortization of Goodwill	48,565	-8,418 -14.8%	-3,116	-149.5%	4,344	-71.3%	18,980	+4.1%	28,356	+64.0%
Operating Margin before Amortization of Goodwill	15.8%	-1.7pt	-5.3%	-14.3pt	6.7%	-12.3pt	22.9%	+1.3pt	28.3%	+9.3pt

Impact from Investment Business

(Millions of JPY)	Actual	YOY	Q1	YOY	Q2	YOY	Q3	YOY	Q4	YOY
Billings	6,125	-1,505	5,449	+2,812	255	-1,527	256	-1,036	163	-1,754
Gross Profit	5,867	-1,318	5,392	+2,881	177	-1,461	200	-1,025	97	-1,712
SG&A	68	+68	68	+68	0	+0	0	+0	0	+0
Operating Income	5,799	-1,386	5,324	+2,813	177	-1,461	200	-1,025	97	-1,712

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

FY2020 YTD

(Millions of JPY)	Actual	YOY	
Japan			
Billings	1,149,228	-159,793	-12.2%
Gross Profit	252,406	-15,650	-5.8%
SG&A	187,980	-7,777	-4.0%
Operating Income	64,426	-7,873	-10.9%
International			
Billings	154,048	-11,212	-6.8%
Gross Profit	63,601	-3,970	-5.9%
SG&A	67,449	-1,589	-2.3%
Operating Income	-3,847	-2,380	n/a
Elimination or Corporate			
Billings	-5,330	+2,703	
Gross Profit	-2,790	+339	
SG&A	12,754	+184	
Operating Income	-15,545	+155	
Consolidated			
Billings	1,297,947	-168,301	-11.5%
Gross Profit	313,217	-19,281	-5.8%
SG&A	268,184	-9,183	-3.3%
Operating Income	45,033	-10,098	-18.3%

Results by Region (excluding investment business)

Hakuhodo DY holdings

FY2020

YTD (12 -Month)

by Quarter (3-Month)

Japan (Excluding Investment Business)

(Millions of JPY)	YTD Actual	YOY		Q1	対前年同期比	YOY	Q2	YOY	Q3	YOY	Q4	YOY
Billings	1,143,103	-158,287	-12.2%	218,766	+0	-26.3%	244,623	-21.7%	314,705	-8.4%	365,007	+4.7%
Gross Profit	246,539	-14,332	-5.5%	43,796	+0	-20.1%	52,105	-18.9%	68,092	+0.1%	82,544	+11.9%
Gross Margin	21.6%	+1.5pt		20.0%	+0.0pt	+1.6pt	21.3%	+0.7pt	21.6%	+1.8pt	22.6%	+1.5pt
SG&A	187,912	-7,845	-4.0%	44,023	+0	-5.7%	44,940	-5.1%	45,877	-5.3%	53,071	-0.3%
Operating Income	58,626	-6,486	-10.0%	-294	+0	-103.6%	7,233	-57.2%	22,214	+13.4%	29,473	+43.6%
Operating Margin	23.8%	-1.2pt		-0.7%	+0.0pt	-15.5pt	13.9%	-12.4pt	32.6%	+3.8pt	35.7%	+7.9pt
Amortization of Goodwill	1,095	-748	-40.6%	289	+0	-46.3%	264	-47.6%	264	-47.8%	275	-5.1%
Operating Income before Amortization of Goodwill	59,722	-7,235	-10.8%	-5	+0	-100.1%	7,498	-56.9%	22,479	+11.9%	29,749	+42.9%
Operating Margin before Amortization of Goodwill	24.2%	-1.4pt		0.0%	+0.0pt	-15.8pt	14.4%	-12.7pt	33.0%	+3.5pt	36.0%	+7.8pt

International

(Millions of JPY)	YTD Actual	YOY		Q1	対前年同期比	YOY	Q2	YOY	Q3	YOY	Q4	YOY
Billings	154,048	-11,212	-6.8%	38,369	+0	+6.0%	29,401	-21.3%	35,495	-16.1%	50,782	+2.8%
Gross Profit	63,601	-3,970	-5.9%	16,123	+0	+2.0%	13,338	-18.2%	15,703	-8.4%	18,435	+0.7%
Gross Margin	41.3%	+0.4pt		42.0%	+0.0pt	-1.6pt	45.4%	+1.7pt	44.2%	+3.7pt	36.3%	-0.8pt
SG&A	67,449	-1,589	-2.3%	17,210	+0	+8.0%	15,603	-12.6%	17,202	+2.5%	17,432	-5.6%
Operating Income	-3,847	-2,380	n/a	-1,087	+0	n/a	-2,265	n/a	-1,498	-502.9%	1,003	n/a
Operating Margin	-6.0%	-3.9pt		-6.7%	+0.0pt	-5.9pt	-17.0%	-7.6pt	-9.5%	-11.7pt	5.4%	+6.4pt
Amortization of Goodwill	8,236	+1,042	+14.5%	1,518	+0	+15.4%	2,855	-4.7%	1,856	+23.5%	2,005	+45.7%
Operating Income before Amortization of Goodwill	4,388	-1,338	-23.4%	431	+0	-63.6%	590	-59.5%	357	-80.9%	3,009	+149.1%
Operating Margin before Amortization of Goodwill	6.9%	-1.6pt		2.7%	+0.0pt	-4.8pt	4.4%	-4.5pt	2.3%	-8.7pt	16.3%	+9.7pt

Billings by Service Category

Hakuhodo DY holdings

FY2020

(Millions of JPY)	YTD (12-Month)			by Quarter (3-Month)							
	YTD Actual	YOY		Q1	YOY	Q2	YOY	Q3	YOY	Q4	YOY
Newspapers	37,623	-6,748	-15.2%	6,382	-37.4%	8,234	-23.9%	11,480	+2.0%	11,525	-4.7%
Magazines	10,265	-7,583	-42.5%	2,391	-38.8%	2,221	-49.3%	3,205	-38.2%	2,446	-44.1%
Radio	11,982	-2,895	-19.5%	2,727	-26.9%	2,867	-22.5%	3,244	-13.8%	3,142	-14.7%
Television	381,672	-45,795	-10.7%	75,268	-29.2%	84,171	-17.7%	109,118	-2.2%	113,113	+5.4%
Mass Media Service Subtotal	441,544	-63,023	-12.5%	86,769	-30.1%	97,496	-19.5%	127,049	-3.6%	130,228	+2.2%
Internet Media	247,068	-7,497	-2.9%	54,500	-10.9%	50,397	-11.4%	67,185	+1.2%	74,984	+7.0%
Outdoor Media	28,335	-14,413	-33.7%	6,192	-37.7%	5,545	-47.0%	7,850	-28.9%	8,746	-22.7%
Media Service Subtotal	716,947	-84,935	-10.6%	147,463	-24.5%	153,439	-18.6%	202,084	-3.4%	213,960	+2.4%
Creative	140,005	-9,196	-6.2%	22,500	-25.5%	30,454	-16.4%	38,768	+3.3%	48,282	+7.1%
Marketing/Promotion	234,077	-41,182	-15.0%	40,557	-30.2%	47,970	-32.6%	61,340	-15.2%	84,208	+14.4%
Others (Contents, etc.)	35,422	-17,956	-33.6%	6,570	-41.2%	7,212	-43.8%	9,778	-40.6%	11,860	-8.0%
Other than Media Service Subtotal	409,505	-68,336	-14.3%	69,628	-30.0%	85,637	-28.9%	109,887	-13.0%	144,351	+9.7%
Total	1,126,453	-153,271	-12.0%	217,092	-26.3%	239,076	-22.6%	311,972	-7.0%	358,311	+5.2%
Other than above	22,775	-1,505		7,124		5,802		2,989		6,859	
Consolidated Billings	1,149,228	-159,793	-12.2%	224,216	-25.1%	244,879	-22.1%	314,962	-8.6%	365,171	+4.2%
Internet Advertising Domain Billings	304,874	-2,225	-0.7%	63,271	-11.1%	62,349	-10.9%	83,836	+5.0%	95,417	+10.8%

FY2020 YTD

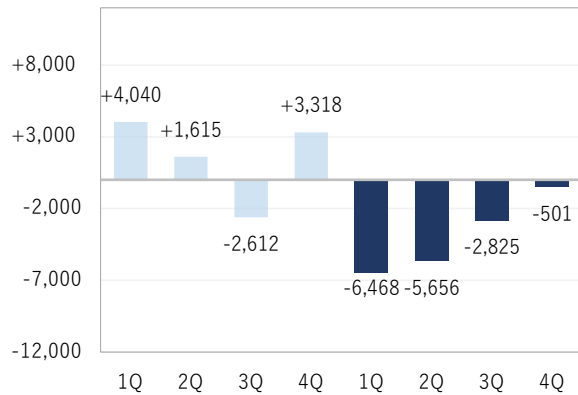
(Millions of JPY)	Actual	YOY		Composition
Information/Communications	123,519	-15,452	-11.1%	12.5%
Beverages/Cigarettes/Luxury foods	112,992	-7,258	-6.0%	11.5%
Automobiles/Related products	111,120	-24,874	-18.3%	11.3%
Foodstuffs	73,445	-5,913	-7.5%	7.4%
Cosmetics/Toiletries	67,893	-14,766	-17.9%	6.9%
Finance/Insurance	58,463	-8,113	-12.2%	5.9%
Pharmaceuticals/Medical supplies	55,269	-920	-1.6%	5.6%
Restaurant/Services	49,488	-7,692	-13.5%	5.0%
Distribution/Retailing	47,419	-6,440	-12.0%	4.8%
Government/Organizations	43,340	+15,386	+55.0%	4.4%
Real estate/Housing facilities	39,695	-9,079	-18.6%	4.0%
Transportation/Leisure	35,350	-34,468	-49.4%	3.6%
Household products	21,549	-970	-4.3%	2.2%
Energy/Material/Machinery	21,095	-4,028	-16.0%	2.1%
Games/Sporting goods/Hobby supplies	19,909	+944	+5.0%	2.0%
Apparel/Accessories	19,461	-6,295	-24.4%	2.0%
Home electric appliances/AV equipment	18,818	-312	-1.6%	1.9%
Publishing	16,072	-494	-3.0%	1.6%
Education/Medical services/Religion	13,331	-1,320	-9.0%	1.4%
Precision machinery/Office supplies	7,146	-4,123	-36.6%	0.7%
Classified advertising/Other	30,572	-3,018	-9.0%	3.1%
Total	985,956	-139,217	-12.4%	100.0%
Investment Business	6,125	-1,505		
Other than Above	157,147			
Domestic Billings	1,149,228	-155,995	-11.9%	

Billings by Clients' Industry (by Quarter) 1

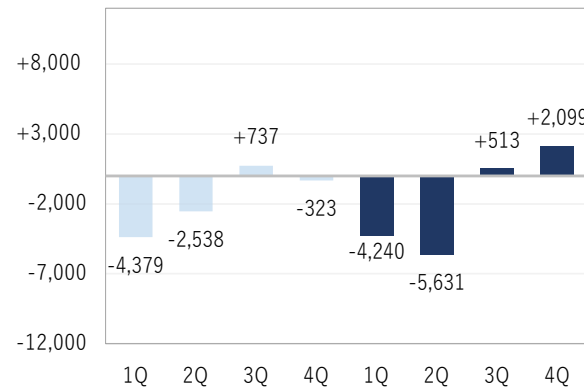
HakuhodoDY holdings

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

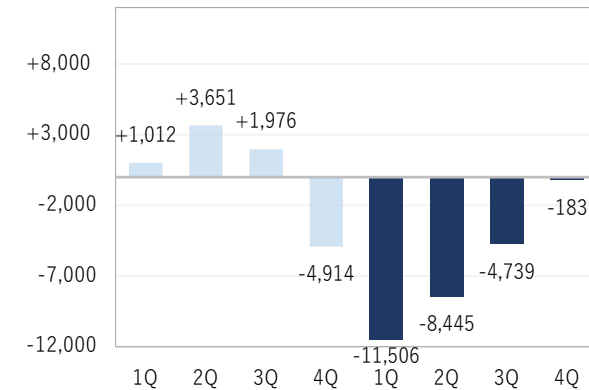
Information/Communications



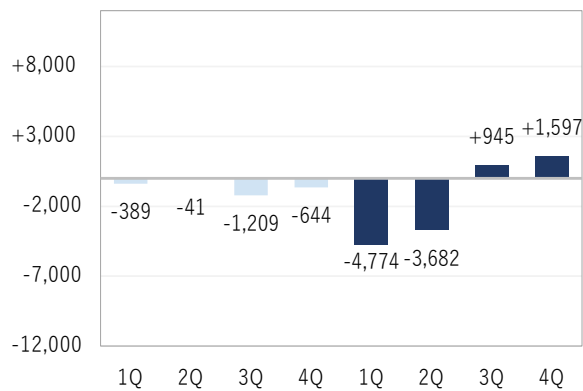
Beverages/Cigarettes/Luxury foods



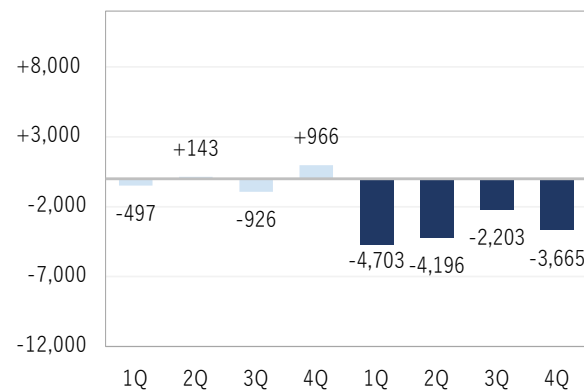
Automobiles/Related products



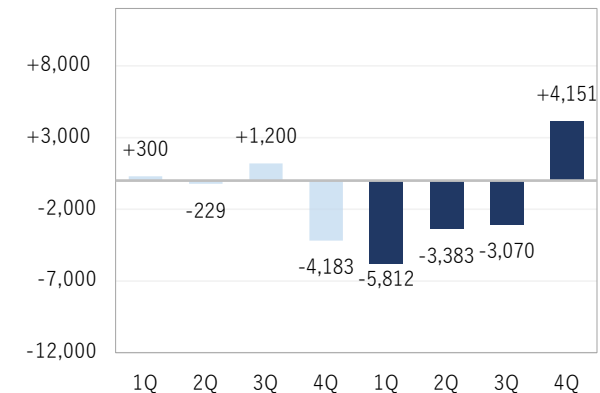
Foodstuffs



Cosmetics/Toiletries



Finance/Insurance

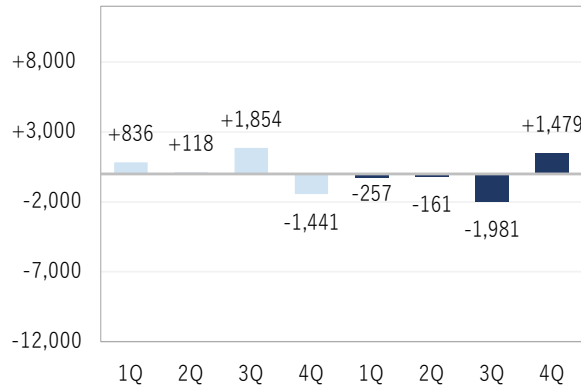


Billings by Clients' Industry (by Quarter) 2

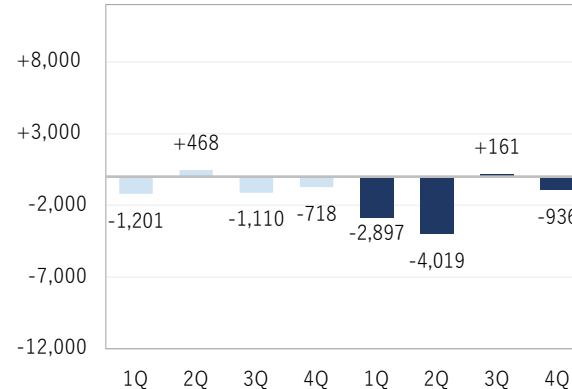
HakuhodoDY holdings

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

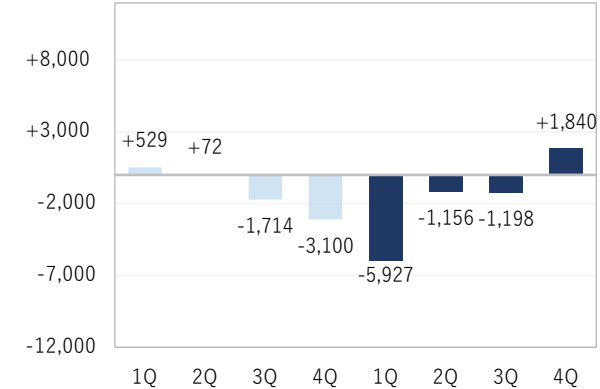
Pharmaceuticals/Medical supplies



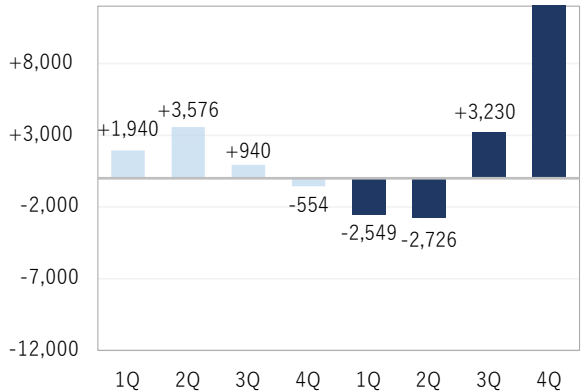
Restaurant/Services



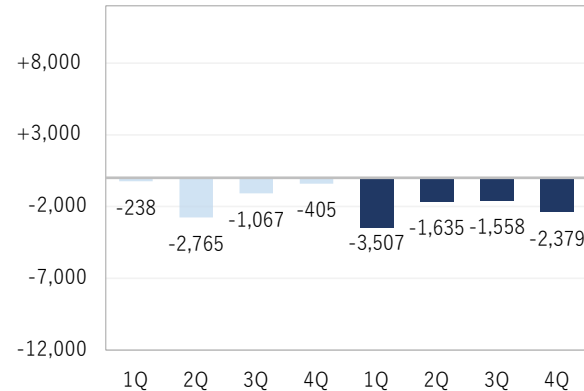
Distribution/Retailing



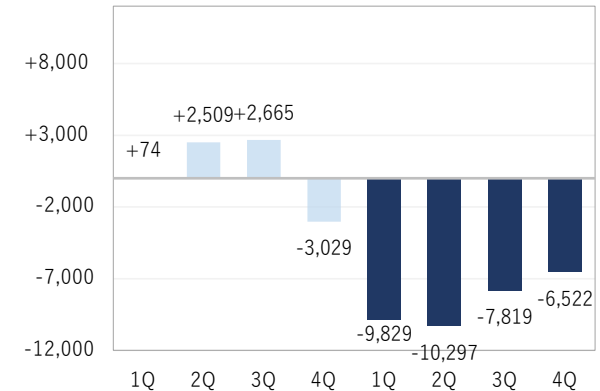
Government/Organizations



Real estate/Housing facilities



Transportation/Leisure

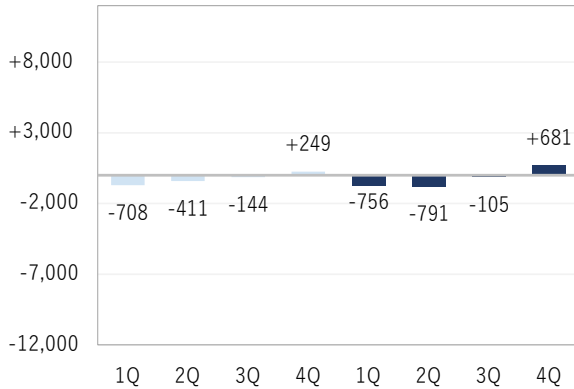


Billings by Clients' Industry (by Quarter) 3

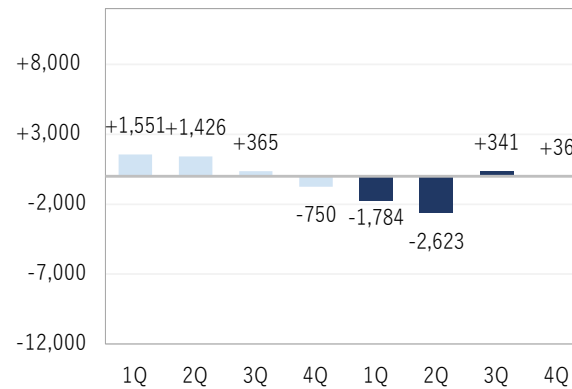
HakuhodoDY holdings

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

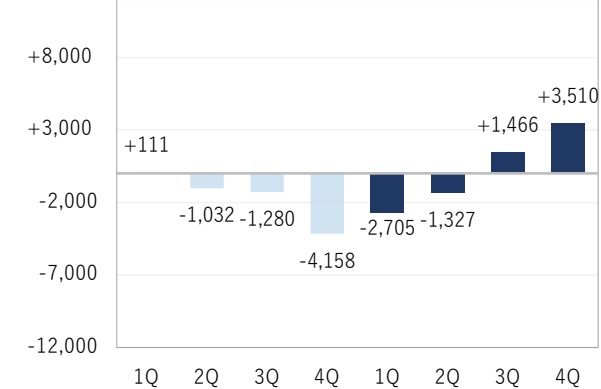
Household products



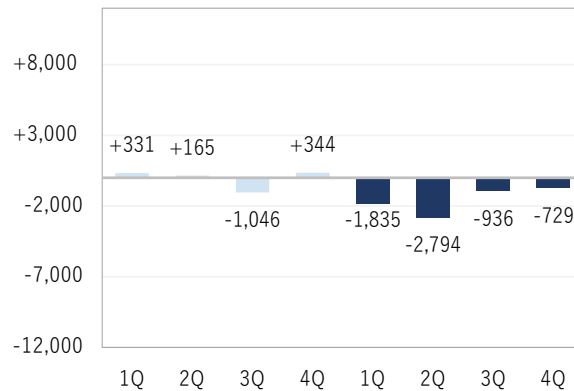
Energy/Material/Machinery



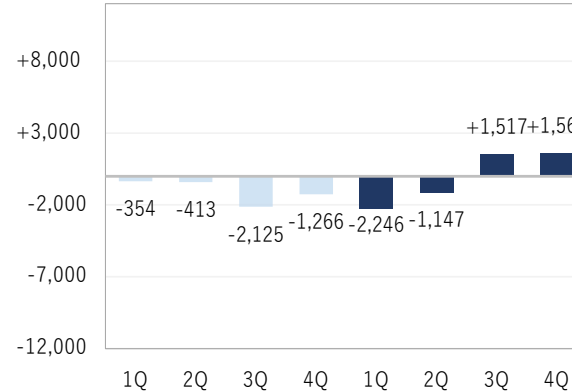
Games/Sporting goods/Hobby supplies



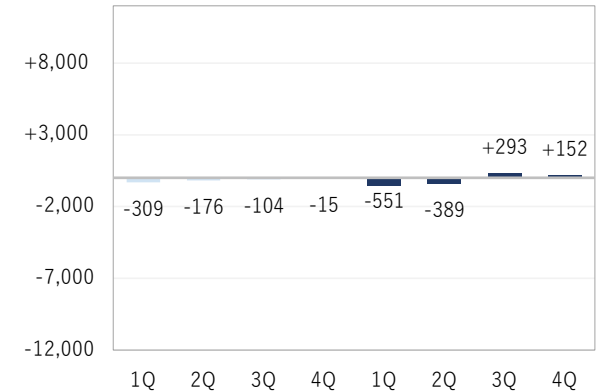
Apparel/Accessories



Home electric appliances/AV equipment



Publishing

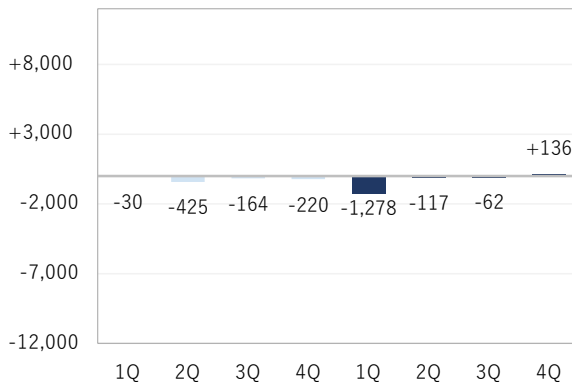


Billings by Clients' Industry (by Quarter) 4

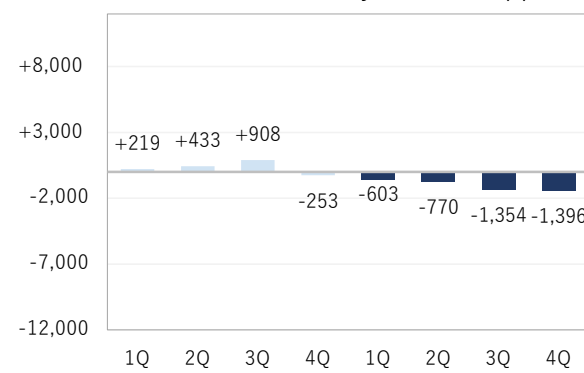
Hakuhodo DY holdings

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

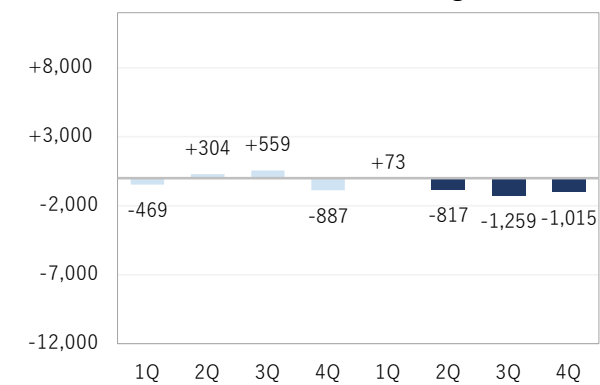
Education/Medical services/Religion



Precision machinery/Office supplies



Classified advertising/Other



(Millions of JPY)	End of Dec 2020	Change *	Composition
Current Assets	626,731	+31,651	66.6%
Cash & Deposits	179,312	+12,735	
Accounts Recievable	360,723	+3,622	
Non-current Assets	314,372	+49,564	33.4%
Tangible Assets	34,915	+786	
Intangible Assets	69,051	+16,667	
Goodwill	41,801	+13,896	
Investments & Other Assets	210,404	+32,110	
Investment Securities	171,193	+33,932	
Total Assets	941,103	+81,216	100.0%
Current Liabilities	416,338	+20,617	44.2%
Accounts Payable	281,607	-10,702	
Short-term Borrowings	4,271	+293	
Non-current Liabilities	162,625	+14,607	17.3%
Long-term Borrowings	110,316	+4,091	
Total Liabilities	578,964	+35,224	61.5%
Shareholders' Equity	276,197	+15,055	29.3%
Share Capital	10,648	+156	
Capital Surplus	37	-287	
Retained Earnings	276,884	+15,186	
Treasury Stock	-11,372	+0	
Accumulated Other Comprehensive Income	54,228	+26,168	5.8%
Share Aquisiton Rights	247	+28	0.0%
Non-controlling Interests	31,466	+4,739	3.3%
Total Net Assets	362,139	+45,992	38.5%

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

Cash Flow Statements

Hakuhodo DY holdings

FY2020

(Millions of JPY)	Actual	YOY
Cash Flows from Operating Activities	36,212	+8,846
Cash Flows from Investing Activities	-9,831	-13,204
Purchase of property, plant and equipment	-4,764	+1,271
Proceeds from sales of property, plant and equipment	115	-13,039
Purchase of intangible assets	-6,006	+494
Purchase of investment securities	-2,897	+1,098
Proceeds from sales of investment securities	16,515	-580
Purchase of shares of subsidiaries	-6,196	-1,641
Purchase of shares of subsidiaries resulting in change in scope of consolidation	-7,944	-6,095
Cash Flows from Financing Activities	-12,767	+6,667
Net increase (decrease) in short-term borrowings	-48	+4,948
Net increase (decrease) in Long-term borrowings & Bonds	1,478	+1,844
Dividends paid	-11,191	-378
Dividends paid to non-controlling interests	-825	+891
Payments from changes in ownership interests in subsidiaries that do not result in change in scope of consolidation	-658	-303
Cash and cash equivalents at beginning of period	163,299	+11,144
Cash and cash equivalents at end of period	176,042	+12,743

Update on progress under the Medium-Term Business Plan

Abbreviations within this document

HC: Hakuholdo DY Holdings Inc. H: Hakuholdo Inc. D: Daiko Advertising Inc. Y: YOMIKO ADVERTISING INC.
MP: Hakuholdo DY Media Partners Inc. DAC: D.A.Consortium Inc. IREP: IREP Co., Ltd

Medium-Term Business Plan (FY2019-FY2023: 5-year plan)

Core Medium-Term Strategy	<p>With <i>sei-katsu-sha</i> insight as our cornerstone, the Hakuhodo DY Group will combine its creativity, integrative capabilities, and data and technology utilization skills to play a leading role in evolving companies' marketing activities and generating innovation in a completely digitalized era. In this way, we will continue to impact and provide new value to <i>sei-katsu-sha</i> and society as a whole.</p>
Strengthening Fundamentals for Growth	<ul style="list-style-type: none"> ● Establish a leading position in the broader digital domain ● Strengthen response capabilities for borderless corporate activities ● Accelerate innovation through external collaborations <div data-bbox="1477 521 1901 692"> <p>Aggressive Investment</p> <p>◀ Data, technologies, infrastructure, human resources, M&A, and other areas</p> </div>
Outline of Growth (FY2023)	
Medium-Term Business Plan Targets (FY2023)	<p>Since our view of the economy and advertising market, which underpins this plan, has changed greatly, we withdrew the numerical targets of the current Medium-Term Business Plan (MTBP).</p>

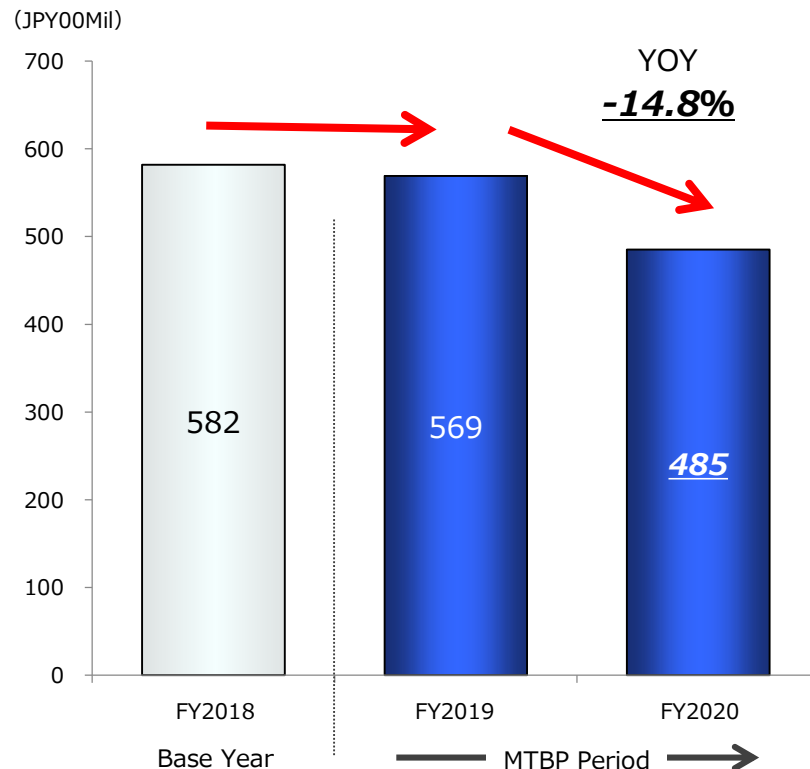
* Figures are a comparison of the base year (FY2018) and FY2023

Overview of Profit/Loss Situation in FY2020

- While operating income excluding investment projects, after adjustments and before amortization of goodwill, was stable in the first year of the MTBP (FY2019), a year in which we actively made strategic investments, it declined year on year in the plan's second year due to the significant negative impact from the COVID-19 pandemic.
- To respond to rapidly occurring changes in the business environment, we commenced initiatives to accelerate innovation in the services we provide and reform and improve cost-cutting measures.

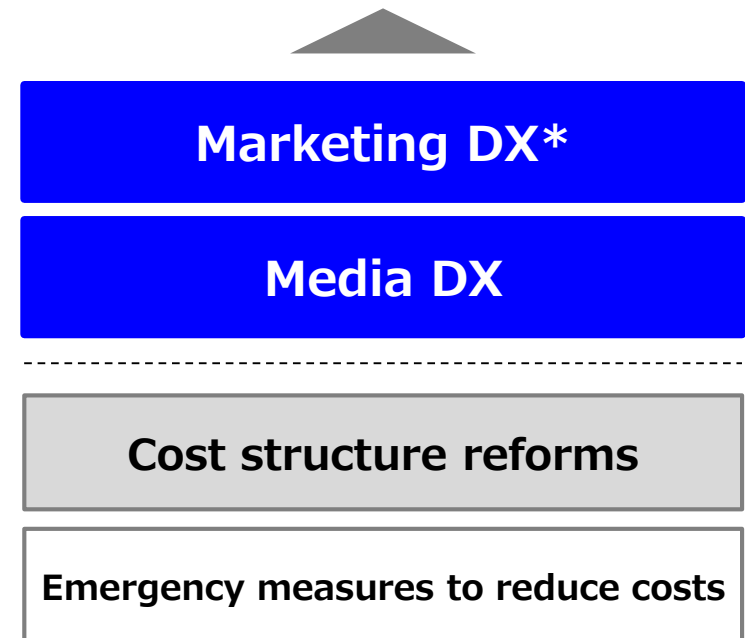
Operating Income after Adjustments* and before Amortization of Goodwill

*Adjusted: Excluding investment projects and after retroactive restatements



Responding to Rapidly Occurring Changes

- Challenging profit/loss environment due to the COVID-19 pandemic
- Changes in the behavior and lifestyles of *sei-katsu-sha*



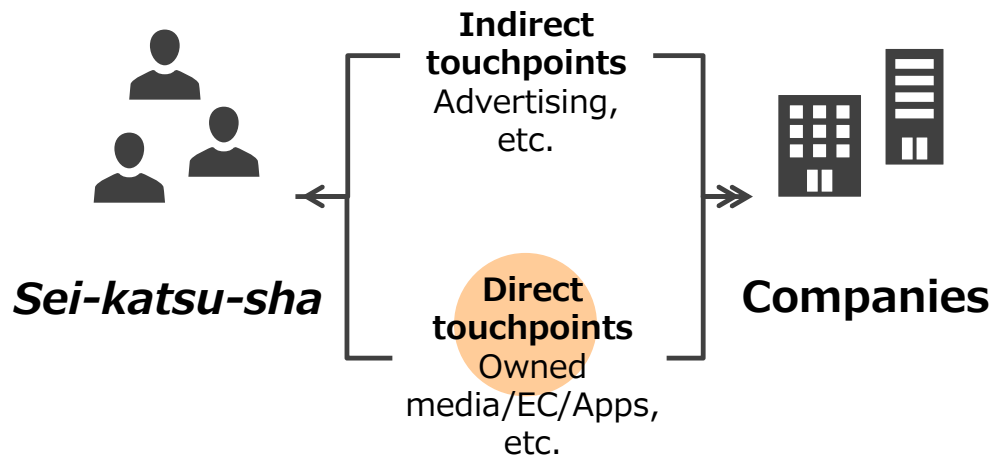
* DX: Digital transformation

Marketing DX and Media DX

- With complete digitalization increasing opportunities for *sei-katsu-sha* and companies to connect directly, focused efforts on building structures able to respond to such direct contact points and respond to companies' marketing DX needs.
- In the media domain, with a view to business transformation, announced Advertising as a Service (AaaS).

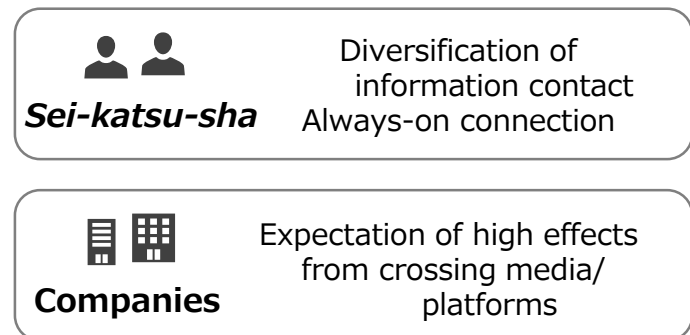
Marketing DX

Increased importance of direct touchpoints
as a result of complete digitalization



Build DX response structures for CRM, EC/D2C, owned media, stores and other domains

Media DX



AaaS™
Advertising as a Service

Maximization of media effects from integrated ad media ops services

Integration of Marketing DX and Media DX

- Establishment of HAKUHODO DX_UNITED, a strategic organization that implements digital transformation (DX) for clients and partner companies in an integrated manner through a two-pronged approach that incorporates marketing DX and media DX. (H/MP/DAC)
- Implementation of value-creating DX that uncovers latent demand and encourages new preferences and actions in *sei-katsu-sha* to create better lifestyles and a better society.

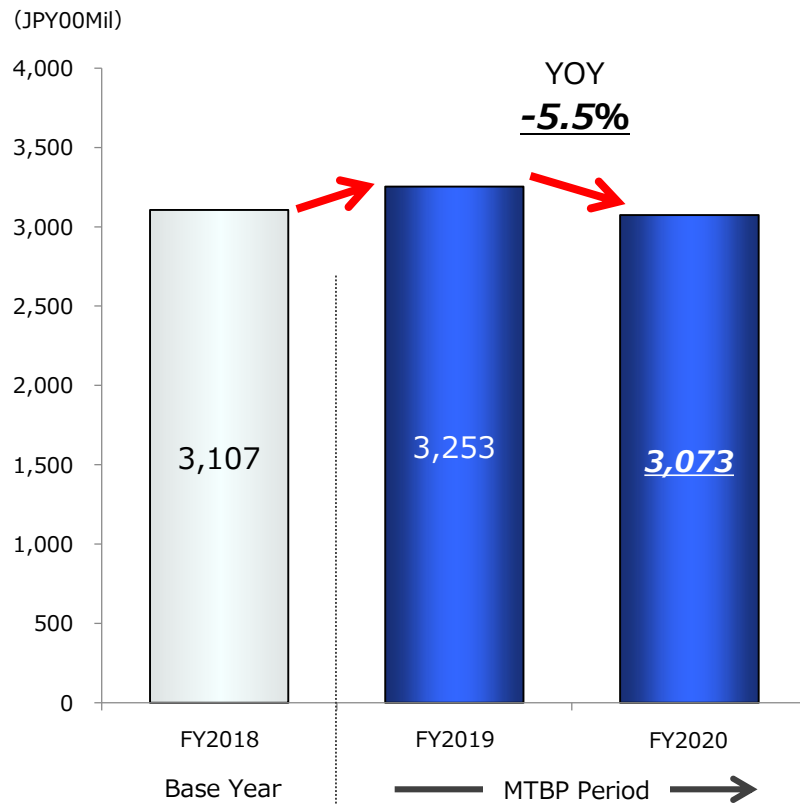


Overview of Progress toward Other Indicators

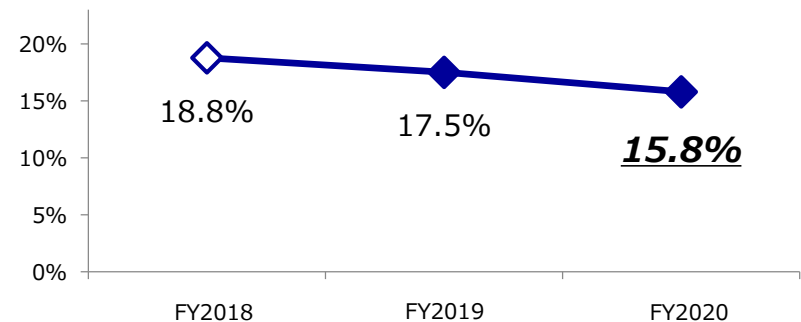
- Revenue after adjustments held at a 5.5% decrease amid a double-digit decline in the domestic advertising market, the Company's main area of operation.
- Operating margin after adjustments and before amortization of goodwill rose above the 15% level due to the success of emergency measures to reduce costs.
- ROE before amortization of goodwill remained at the double-digit level.

Adjusted* Revenue

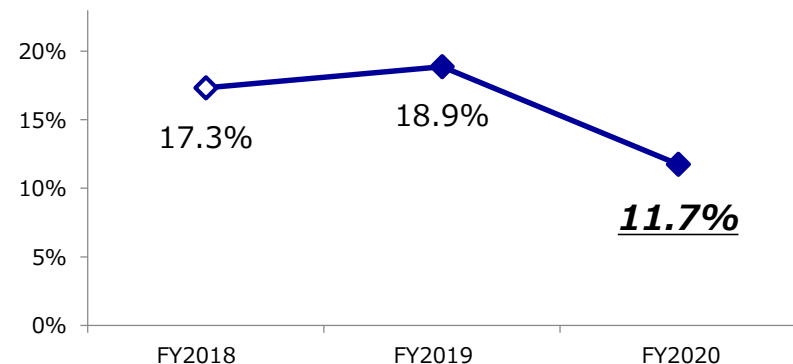
*Adjusted: Excluding investment projects and after retroactive restatements



Operating Margin after Adjustments and before Amortization of Goodwill



ROE before Amortization of Goodwill



Key Strengthening Measures Centered around the Three Fundamentals for Growth

- Strengthening of structures and response capabilities centered around the MTBP's three fundamentals for growth.

Main measures

Establish a leading position in the broader digital domain

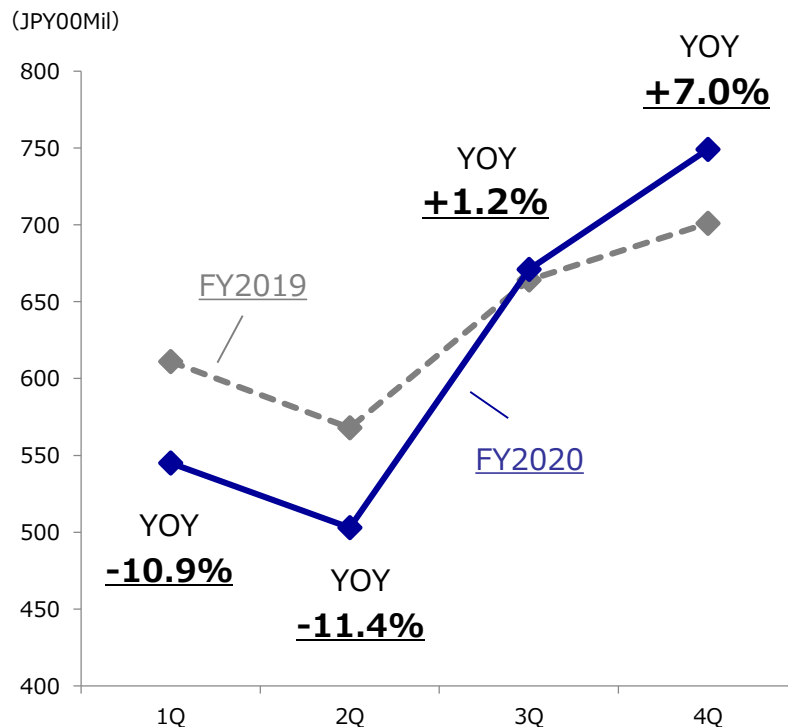
Strengthen response capabilities for borderless corporate activities

Accelerate innovation through external collaborations

Establish a Leading Position in the Broader Digital Domain

- Internet media billings declined year-on-year in the first half due to the COVID-19 pandemic, but rapidly recovered in the second half, resulting in a year-on-year increase in the second half.
- In addition to the development of services for rapidly growing EC/D2C business, focused efforts on creating new experience value for *sei-katsu-sha* utilizing cutting-edge technology.

Internet Media Billings*



* Relates to domestic business on a consolidated basis. Excluding investment projects. Figures after retroactive adjustment.

* Figures adjusted retroactively to reflect the change in calculation method for billings by service category

Topics

Implementation of Marketing DX and Media DX for Clients and Partner Companies

- Introduced AaaS, a next-generation model for advertising media business, and began provision of integrated operations services for advertising media. (MP)
- Established HAKUHODO DX_UNITED, a strategic organization that implements value-creating DX. (H/MP/DAC)
- Began the provision of HAKUHODO Marsys Assessment, a service that supports the optimization of marketing system infrastructure. (H)

Support for the EC/D2C Businesses of Clients and Partner Companies

- Collaborated with FRACTA Inc., a ShopifyPlus partner company, to develop D2C Gate, a solution that supports the swift creation of D2C websites for large companies. (H)
- Began provision of Commerce Flow, a platform for optimizing programmatic advertising on EC websites. (DAC/IREP)

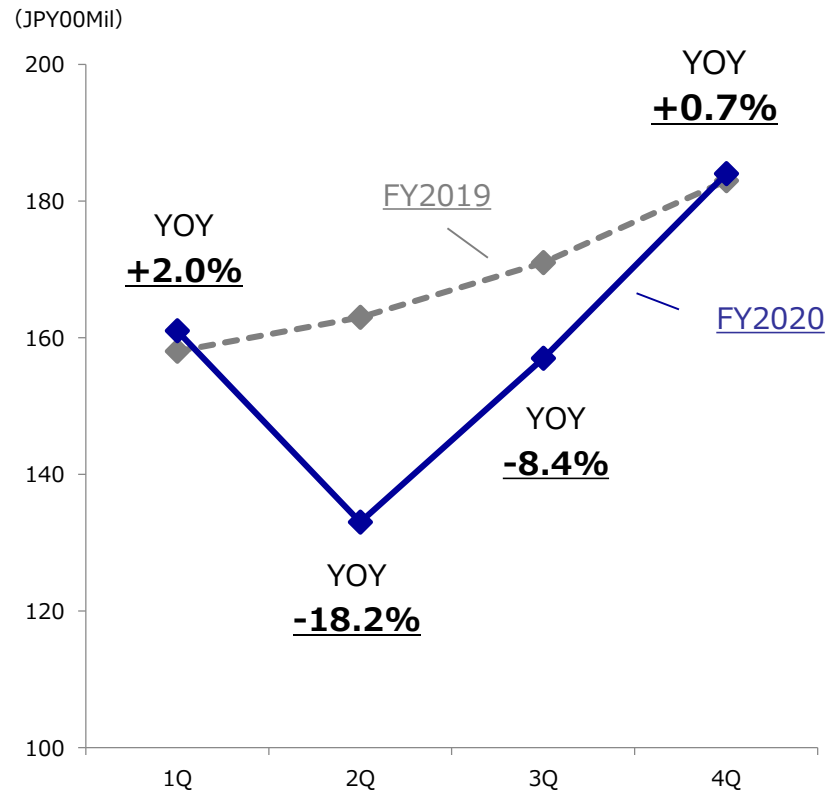
Creation of New Experience Value Utilizing Cutting-Edge Technologies

- Launched hakuholdo-XR, a Group-wide project that aims to create new experience value for *sei-katsu-sha* utilizing XR technologies. (H/MP)

Strengthen Response Capabilities for Borderless Corporate Activities

- Revenue from overseas businesses saw a double-digit decline in the second quarter due to the COVID-19 pandemic, but recovered and increased year on year by the fourth quarter owing to the positive impact of M&A.
- Continued to enhance structure in specialized domains and strengthen creativity amid the COVID-19 pandemic through M&A and external collaborations.

Revenue from Overseas Business



Topics

Contribution of Newly-Incorporated Profits and Losses

Contributions from companies whose profits and losses were newly incorporated into the Group's performance from the second half helped push revenue in the fourth quarter above last year's level.

- GROWWW Media (H), Godfrey Dadich (kyu), and others

Enhancement of Organizational Structure in Specialized Domains

- Infectious Media, a digital agency with strengths in programmatic advertising, participated in Kepler Group (kyu)
- Entered into a strategic partnership with Wipro Appirio, K.K. of the major India-based IT service company Wipro Group. (H)

Strengthening of Creativity

Our subsidiaries won awards at Campaign Asia-Pacific's Agency of the Year Awards 2020.

- IdeasXMachina Advertising (Philippines) (H)
- Winter Agency (Thailand) (H)

Accelerate Innovation through External Collaborations

- Stepped up creativity-based collaborations with external companies and efforts to generate innovation.
- Continued to invest in start-up companies that are anticipated to grow amid and after the COVID-19 pandemic, further strengthening external collaborations.

Upgrading creativity

- Creativity as “capital for creating the future”
- UNIVERSITY of CREATIVITY TOKYO Campus launched in September 2020
- A learning platform for co-development that transcends public-private-academic, humanities-science-arts, and internal-external borders
- In total, over 7,000 people have participated in sessions



Ongoing Investment in Start-Ups

- As part of efforts to reinforce our foundation for collaborations with external companies, formed a new corporate venture capital fund and commenced investment activities in July 2019.
- Continued to invest in promising venture companies, thereby reinforcing collaborations.



Number of venture companies
invested in during FY2020*

11 companies
(FY2019: Five companies)

* Publicly announced investments

Hakuhodo DY holdings