

Hakuhodo DY holdings

Consolidated Financial Highlights FY2021 First-half (April-Sep., 2021)

November 11, 2021

Consolidated Results Highlights of 1H FY 2021

Recovery trend from COVID-19 continues, with significant increases in both billings and profits.

- Significant increase in both billings and profit due to recovery in advertising demand and contribution from Government/Organizations sector business.
- Top line recovered to the level of 1H FY2019, and gross margin improved. Gross profit exceeded 1H FY2019.
- Gross profit and operating income, excluding investment business, achieved record highs for the 1H.
- In Japan, Internet media continued to grow strongly, and marketing/promotion increased significantly due to COVID-related and Olympics-related business. TV and creative also recovered.
- In overseas, there was a recovery trend in Greater China and North America, and M&A also boosted billings.
- Billings, excluding the investment business, increased by 24.2% YoY.
- Gross profit increased by 30.3% YoY, outperforming the 1H FY2019 by 7.9%*.
- SG&A expenses were limited to an 8.2% increase, and operating income increased by ¥27.0 billion. Operating income exceeded by 45% from 1H FY2019(*).
- Excluding the investment business, operating income and operating income before amortization of goodwill achieved record highs.

(*) These numbers are calculated based on excluding the investment business

| (Millions of JPY) | Actual | YOY | |
|--|----------------|-----------------|-----------------|
| Billings | 661,373 | +127,308 | +23.8% |
| Revenue | 370,902 | +83,042 | +28.8% |
| Operating Income | 28,249 | +26,449 | +1468.9% |
| Ordinary Income | 29,898 | +26,185 | +705.4% |
| Net Income Attributable to Owners of Parent | 14,557 | +17,990 | n/a |

- Both billings and profit increased significantly following the Q1 FY2021, driven by the recovery of market conditions.
- Billings increased by 23.8% YoY, and revenue increased by 28.8% YoY.
- Operating income increased by ¥26.4 billion YoY to ¥28.2 billion and net income attributable to owners of the parent increased by ¥17.9 billion YoY to ¥14.5 billion.
- Top line recovered to the same level of 1H FY2019, and gross profit achieved a record high.

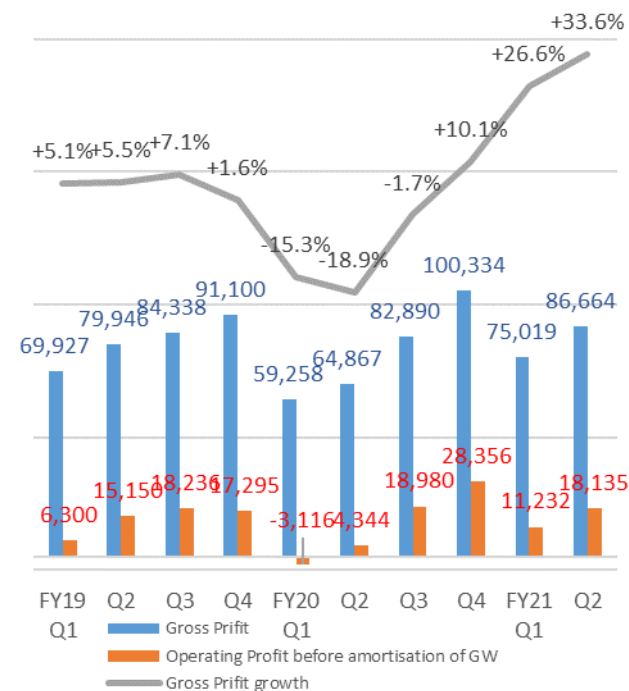
1H FY2021 Results (Excluding Investment Business)

Hakuhodo DY holdings

(Millions of JPY)

| | Actual | YOY | | vs FY2019 |
|--|----------------|-----------------|-----------------|---------------|
| Billings | 656,209 | +127,848 | +24.2% | -3.3% |
| Revenue | 365,737 | +83,582 | +29.6% | +0.8% |
| Gross Profit | 161,683 | +37,557 | +30.3% | +7.9% |
| Gross Margin | 24.6% | +1.1pt | | +2.5pt |
| SGA | 138,323 | +10,497 | +8.2% | +3.4% |
| Operating Income | 23,359 | +27,059 | n/a | +45.2% |
| Operating Margin | 14.4% | +17.4pt | | +3.7pt |
| Amortization of Goodwill* | 6,008 | +1,079 | +21.9% | +12.1% |
| Operating Income before Amortization of G/W | 29,368 | +28,139 | +2291.0% | +36.9% |
| Operating Margin before Amortization of G/W | 18.2% | +17.2pt | | +3.9pt |

Gross profit & Operating Income before amortization of goodwill by quarter



- Billings increased by 24.2% YoY. (-3.3% compared to 1H FY2019)
- Gross profit increased 30.3% YoY and +7.9% compared to 1H FY2019, and a record high for the 1H.
- SG&A expenses increased by only 8.2% YoY, and operating income increased by ¥27.0 billion. (+45.2% compared to 1H FY2019)
- Operating income before amortization of goodwill was ¥29.3 billion, and operating income also reached a record high for 1H.

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

Results by Region (Japan: Excluding Investment Business)

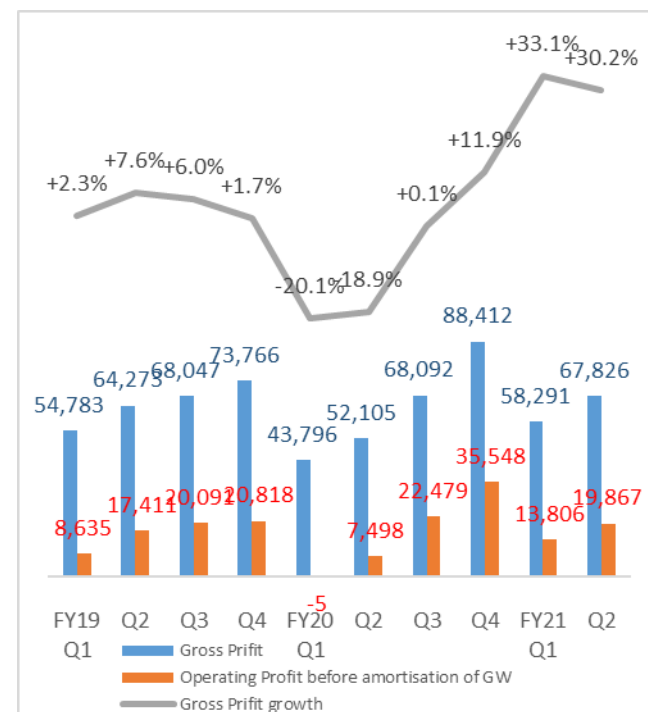
1H FY2021

(Millions of JPY)

| | Actual | | YOY | vs FY2019 |
|--|----------------|-----------------|----------------|---------------|
| Billings | 576,043 | +112,653 | +24.3% | -5.4% |
| Revenue | 285,572 | +68,387 | +31.5% | -2.7% |
| Gross Profit | 126,118 | +30,215 | +31.5% | +5.9% |
| Gross Margin | 21.9% | +1.2pt | | +2.4pt |
| SGA | 93,014 | +4,050 | +4.6% | -1.1% |
| Operating Income | 33,103 | +26,165 | +377.1% | +32.4% |
| Operating Margin | 26.2% | +19.0pt | | +5.2pt |
| Amortization of Goodwill* | 570 | +15 | +2.9% | -45.4% |
| Operating Income before Amortization of G/W | 33,674 | +26,181 | +349.4% | +29.3% |
| Operating Margin before Amortization of G/W | 26.7% | +18.9pt | | +4.8% |

Gross profit & Operating Income before amortization of goodwill by quarter

(millions of JPY)



- Billings increased by 24.3% due to a recovery in advertising demand and contributions from Government/Organization sector business.
- Gross profit increased by 31.5% YoY (+5.9% compared to 1H FY2019) and gross margin improved by 1.2pt YoY.
- SG&A expenses increased by only 4.6% YoY, and both operating income and operating income before amortization of goodwill increased by ¥26.1 billion.
- Compared to 1H FY2019, operating income increased by 32.4% and operating income before goodwill amortization increased by 29.3%.

* 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)

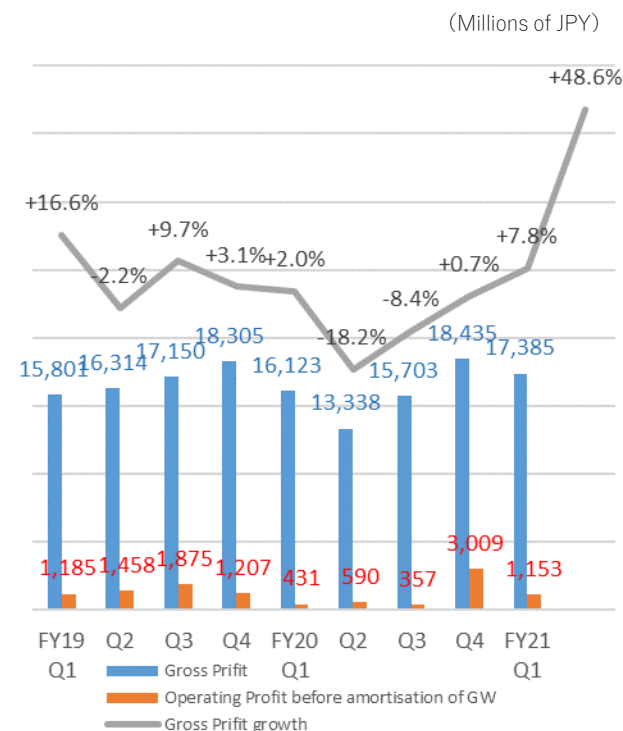
Hakuhodo DY holdings

1H FY2021

(Millions of JPY)

| | Actual | YOY | | vs FY2019 |
|--|---------------|----------------|----------------|---------------|
| Billings | 83,356 | +15,585 | +23.0% | +13.3% |
| Revenue | 83,356 | +15,585 | +23.0% | +13.3% |
| Gross Profit | 37,210 | +7,748 | +26.3% | +15.9% |
| Gross Margin | 44.6% | +1.2pt | | +1.0pt |
| SGA | 39,395 | +6,580 | +20.1% | +16.6% |
| Operating Income | -2,184 | +1,167 | n/a | n/a |
| Operating Margin | -5.9% | +5.5pt | | -0.7pt |
| Amortization of Goodwill* | 5,438 | +1,063 | +24.3% | +26.1% |
| Operating Income before Amortization of G/W | 3,253 | +2,231 | +218.3% | +23.1% |
| Operating Margin before Amortization of G/W | 8.7% | +5.3pt | | +0.5pt |

Gross profit & Operating Income before amortization of goodwill by quarter



- Gross profit increased by 26.3% YoY.
- In Europe, the U.S., and Greater China, organic growth associated with the resumption of economic activity, as well as the impact of M&A, led to a significant YoY increase. In addition, organic growth in ASEAN and other Asian countries also turned positive.
- Despite 20.1% YoY increase in SG&A expenses, operating income before amortization of goodwill increased by ¥ 2.2 billion, recovering to more than the level of 1H FY2019.

* 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

1H FY2021

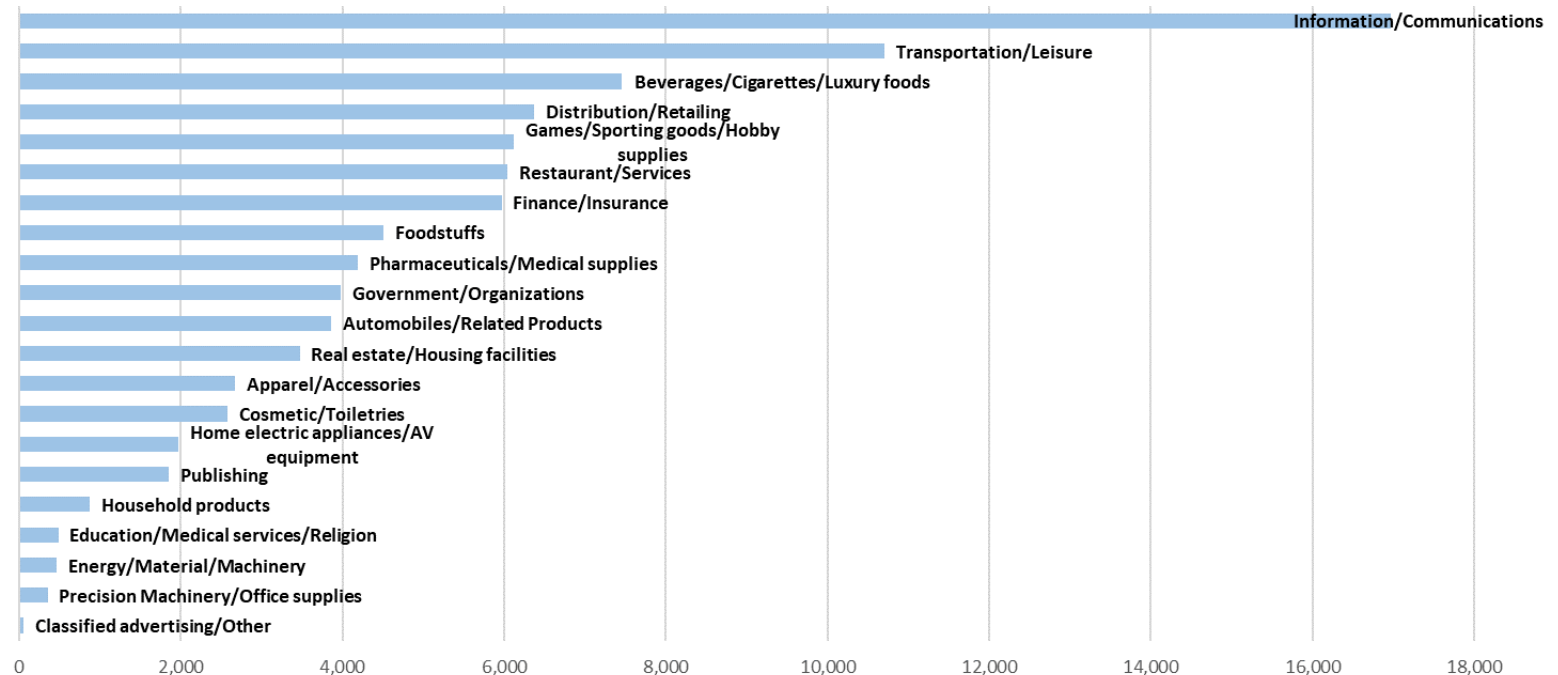
| (Millions of JPY) | Actual | YOY | | Composition Ratio | (ref.) vs Q1 FY19 | |
|--------------------------------------|---------|----------|--------|-------------------|-------------------|--------|
| Newspapers | 17,424 | +2,807 | +19.2% | 3.0% | -3,596 | -17.1% |
| Magazines | 4,034 | -578 | -12.5% | 0.7% | -4,255 | -51.3% |
| Radio | 5,767 | +172 | +3.1% | 1.0% | -1,662 | -22.4% |
| Television | 183,310 | +23,869 | +15.0% | 32.0% | -25,206 | -12.1% |
| Trad-Media Service Subtotal | 210,537 | +26,271 | +14.3% | 36.7% | -34,720 | -14.2% |
| Internet Media | 140,085 | +35,187 | +33.5% | 24.4% | +22,030 | +18.7% |
| Outdoor Media | 13,237 | +1,499 | +12.8% | 2.3% | -7,159 | -35.1% |
| Media Service Subtotal | 363,861 | +62,958 | +20.9% | 63.5% | -19,849 | -5.2% |
| Creative | 65,624 | +12,669 | +23.9% | 11.5% | -974 | -1.5% |
| Marketing/Promotion | 128,688 | +40,159 | +45.4% | 22.5% | -618 | -0.5% |
| Others (Contents, etc.) | 14,958 | +1,175 | +8.5% | 2.6% | -9,055 | -37.7% |
| Other than Media Service Subtotal | 209,270 | +54,004 | +34.8% | 36.5% | -10,648 | -4.8% |
| Total | 573,131 | +116,962 | +25.6% | 100.0% | -30,498 | -5.1% |
| Investment Business | 5,164 | -540 | | | | |
| Other than above | 2,911 | | | | | |
| Domestic Billings | 581,208 | +112,113 | +23.9% | | -32,457 | -5.3% |
| Internet Advertising Domain Billings | 166,925 | +41,305 | +32.9% | | +25,833 | +18.3% |

- Figures for "Other than above" comprise mainly billings of certain domestic subsidiaries.

See p.19-23 for details.

1H FY2021

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

| | | | |
|-----------------------------------|------------------|-----------|------------------------|
| Information/Communications | 1H FY2021 Actual | ¥ 64.4bil | YOY +¥16.9bil (+35.7%) |
| Transportation/Leisure | | ¥ 23.5bil | +¥10.7bil (+83.5%) |
| Beverages/Cigarettes/Luxury foods | | ¥ 58.3bil | +¥7.4bil (+14.7%) |

Selling, General & Administrative Expenses

Hakuhodo DY holdings

1H FY2021

| (Millions of JPY) | Actual | YOY | |
|---------------------------------|----------------|----------------|---------------|
| Personnel | 95,840 | +8,496 | +9.7% |
| Rent | 9,233 | -37 | -0.4% |
| Depreciations | 3,332 | +394 | +13.4% |
| Amortization of Goodwill | 6,008 | +1,079 | +21.9% |
| Others | 23,963 | +552 | +2.4% |
| Other Expenses | 42,539 | +1,988 | +4.9% |
| SGA total | 138,380 | +10,485 | +8.2% |

Major Change Factors in SG&A (Millions of JPY)

| | |
|-----------------------------------|---------|
| Q2 FY20 SG&A | 127,894 |
| Change in scope of consolidation | +3,347 |
| Amortization of goodwill | +1,079 |
| Personnel (other than above) | +5,869 |
| Other expenses (other than above) | +190 |
| Q2 FY21 SG&A | 138,380 |

- Overall SG&A expenses increased by 8.2% YoY.
- Personnel expenses increased by 9.7%, and other expenses increased by 4.9%.
- Excluding the effect of changes in the scope of consolidation and amortization of goodwill, SG&A expenses increased by ¥6.0 billion YoY. (equivalent to 4.7% YoY)
- The number of employees was 25,298 as of Sep 30, 2021 (increased by 523 from Mar 31, 2021),

1H FY2021

Other Income/Loss

| (Millions of JPY) | Actual | YOY |
|-------------------------------------|--------------|-------------|
| Non-operating Income | 2,355 | -184 |
| Interest Income | 148 | -4 |
| Dividend Income | 1,180 | -489 |
| Investment Partership Income | 329 | +329 |
| Non-operating Expenses | 706 | +78 |
| Interest Expenses | 249 | +26 |
| FOREX | 42 | -62 |
| Share of loss of entities accounted | 137 | +137 |

Extra-ordinary Items

| (Millions of JPY) | Actual | YOY |
|--|------------|-------------|
| Extraordinary Income | 367 | +217 |
| Gain on sales of investment securities | 242 | |
| Extraordinary losses | 421 | -234 |
| Office relocation expense | 130 | |
| Loss from disposal of fixed assets | 101 | |

Guidance/Dividend for FY2021

Advertising demand in the second half of the fiscal year is expected to remain firm at present, although uncertainty remains due to the impact of supply chain disruptions and concerns about the reemergence of the COVID.

Based on such market conditions, and taking into account the fact that the gross margin is higher than initially expected, we have revised our top-line forecast and upwardly revised our forecasts for operating income, ordinary income, and net income attributable to shareholders of the parent company as follows.

Performance forecast

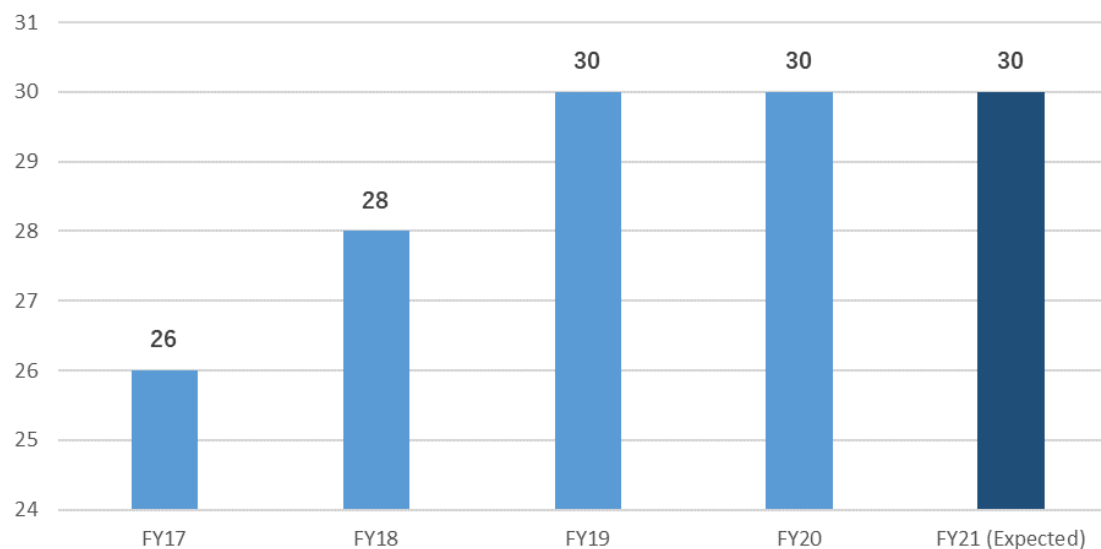
| (Millions of JPY) | Forecast | YOY | | Difference from Last Forecast |
|--|------------------|-----------------|---------------|----------------------------------|
| Billings | 1,480,000 | +182,052 | +14.0% | +20,000 |
| Operating Income | 60,000 | +14,966 | +33.2% | +13,000 |
| Ordinary Income | 63,000 | +13,405 | +27.0% | +13,000 |
| Net Income Attributable to Owners of Parent | 35,000 | +8,520 | +32.2% | +8,500 |

Our basic policy is to pay dividends in a stable and continuous manner. The amount of dividends will be determined after comprehensively taking into consideration the status of demand for financial funds, trends in business performance, and the enhancement of retained earnings.

Under our policy, we have decided to pay an interim dividend of ¥15 per share for the current fiscal year.

The year-end dividend is expected to be ¥15 per share, for a total annual dividend of ¥30 per share, the same amount as the previous year.

Dividend forecast



(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.

(Change in accounting standards)

Effective from the Q1 FY2021, the company has applied "Accounting Standard for Revenue Recognition" (ASBJ Statement No. 29, March 31, 2020). Year-on-year comparisons are based on figures after retrospective application. "Revenue" in the following is the figure after the application of the revenue recognition standard.

In addition, "Billings" is based on the previous accounting standard and is voluntarily disclosed, although it is not in accordance with the ASBJ No.29 standard, since it is useful to users of financial statements.

(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 1H FY2021

| (Millions of JPY) | YTD (6-Month) | | | by Quarter (3-Month) | | | |
|---|---------------|----------|----------|----------------------|----------|---------|----------|
| | Actual | YOY | | Q1 | YOY | Q2 | YOY |
| Billings | 661,373 | +127,308 | +23.8% | 326,964 | +25.3% | 334,409 | +22.5% |
| Revenue | 370,902 | +83,042 | +28.8% | 172,378 | +22.3% | 198,524 | +35.2% |
| Gross Profit | 166,629 | +36,934 | +28.5% | 78,240 | +21.0% | 88,389 | +35.9% |
| Gross Margin | 25.2% | +0.9pt | +0.0% | 23.9% | -0.8pt | 26.4% | +2.6pt |
| SG&A | 138,380 | +10,485 | +8.2% | 66,152 | +3.0% | 72,227 | +13.5% |
| Operating Income | 28,249 | +26,449 | +1468.9% | 12,087 | +2929.6% | 16,161 | +1053.1% |
| Operating Margin | 17.0% | +15.6pt | +0.0% | 15.4% | +14.8pt | 18.3% | +16.1pt |
| Non-operating Income | 2,355 | -184 | -7.3% | 1,605 | +7.3% | 750 | -28.2% |
| Non-operating Expenses | 706 | +78 | +12.5% | 441 | +25.4% | 265 | -4.0% |
| Ordinary Income | 29,898 | +26,185 | +705.4% | 13,251 | +759.1% | 16,646 | +667.3% |
| Extraordinary Income | 367 | +217 | +145.1% | 280 | +141.0% | 87 | +159.4% |
| Extraordinary Loss | 421 | -234 | -35.7% | 108 | -45.9% | 313 | -31.3% |
| Net Income before Taxes | 29,844 | +26,637 | +830.8% | 13,423 | +820.0% | 16,420 | +839.8% |
| Income Tax | 13,150 | +8,281 | +170.1% | 5,991 | +120.7% | 7,158 | +232.4% |
| Non-controlling Interest | 2,136 | +366 | +20.7% | 1,193 | -34.2% | 943 | n/a |
| Net Income Attributable to Owners of Parent | 14,557 | +17,990 | n/a | 6,238 | n/a | 8,318 | n/a |
| Amortization of Goodwill | 6,008 | +1,079 | +21.9% | 2,328 | +28.7% | 3,680 | +18.0% |
| Operating Income before Amortization of Goodwill | 34,258 | +27,529 | +409.1% | 14,416 | +553.0% | 19,842 | +338.8% |
| Operating Margin before Amortization of Goodwill | 20.6% | +15.4pt | | 18.4% | +15.0pt | 22.4% | +15.5pt |

* 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

Hakuhodo DY holdings

1H FY2021

| | YTD (6-Month) | | | by Quarter (3-Month) | | | |
|--|---------------|---------|----------|----------------------|---------|---------|----------|
| Results Excluding Investment Business | | | | | | | |
| (Millions of JPY) | Actual | YOY | | Q1 | YOY | Q2 | YOY |
| Billings | 656,209 | 127,848 | +24.2% | 323,680 | +26.6% | 332,528 | +21.9% |
| Revenue | 365,737 | 83,582 | +29.6% | 169,094 | +24.8% | 196,643 | +34.1% |
| Gross Profit | 161,683 | 37,557 | +30.3% | 75,019 | +26.6% | 86,664 | +33.6% |
| Gross Margin | 24.6% | +1.1pt | | 23.2% | -0.0pt | 26.1% | +2.3pt |
| SG&A | 138,323 | 10,497 | +8.2% | 66,114 | +3.0% | 72,209 | +13.5% |
| Operating Income | 23,359 | 27,059 | n/a | 8,904 | n/a | 14,454 | +1080.7% |
| Operating Margin | 14.4% | +17.4pt | | 11.9% | +20.2pt | 16.7% | +14.8pt |
| Amortization of Goodwill | 6,008 | +1,079 | +21.9% | 2,328 | +28.7% | 3,680 | +18.0% |
| Operating Income before Amortization of Goodwill | 29,368 | +28,139 | +2291.0% | 11,232 | n/a | 18,135 | +317.4% |
| Operating Margin before Amortization of Goodwill | 18.2% | +17.2pt | | 15.0% | +20.2pt | 20.9% | +14.2pt |
| Impact from Investment Business | | | | | | | |
| (Millions of JPY) | Actual | YOY | | Q1 | YOY | Q2 | YOY |
| Billings | 5,164 | -540 | | 3,283 | -2,166 | 1,880 | +1,625 |
| Revenue | 5,164 | -540 | | 3,283 | -2,166 | 1,880 | +1,625 |
| Gross Profit | 4,946 | -622 | | 3,221 | -2,170 | 1,725 | +1,548 |
| SG&A | 56 | -11 | | 37 | -30 | 18 | +18 |
| Operating Income | 4,890 | -610 | | 3,183 | -2,140 | 1,707 | +1,529 |

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

Results by Region

Hakuhodo DY holdings

1H FY2021

| (Millions of JPY) | Actual | YOY | |
|--------------------------|---------|----------|----------|
| Japan | | | |
| Billings | 581,208 | +112,113 | +23.9% |
| Revenue | 290,737 | +67,847 | +30.4% |
| Gross Profit | 131,064 | +29,593 | +29.2% |
| SG&A | 93,070 | +4,038 | +4.5% |
| Operating Income | 37,994 | +25,554 | +205.4% |
| Overseas | | | |
| Billings | 83,356 | +15,585 | +23.0% |
| Revenue | 83,356 | +15,585 | +23.0% |
| Gross Profit | 37,210 | +7,748 | +26.3% |
| SG&A | 39,395 | +6,580 | +20.1% |
| Operating Income | -2,184 | +1,167 | n/a |
| Elimination or Corporate | | | |
| Billings | -3,191 | -390 | |
| Revenue | -3,191 | -390 | |
| Gross Profit | -1,645 | -406 | |
| SG&A | 5,914 | -134 | |
| Operating Income | -7,559 | -272 | |
| Consolidated | | | |
| Billings | 661,373 | +127,308 | +23.8% |
| Revenue | 370,902 | +83,042 | +28.8% |
| Gross Profit | 166,629 | +36,934 | +28.5% |
| SG&A | 138,380 | +10,485 | +8.2% |
| Operating Income | 28,249 | +26,449 | +1468.9% |

Results by Region(YTD, by Quarter)

Hakuhodo DY holdings

1H FY2021

| | YTD (6 -Month) | | | by Quarter (3-Month) | | | |
|--|----------------|----------|---------|----------------------|---------|---------|---------|
| Japan (Excluding Investment Business) | | | | | | | |
| (Millions of JPY) | YTD Actual | YOY | | Q1 | YOY | Q2 | YOY |
| Billings | 576,043 | +112,653 | +24.3% | 284,874 | +30.2% | 291,169 | +19.0% |
| Gross Profit | 126,118 | +30,215 | +31.5% | 58,291 | +33.1% | 67,826 | +30.2% |
| Gross Margin | 21.9% | +1.2pt | | 20.5% | +0.4pt | 23.3% | +2.0pt |
| SG&A | 93,014 | +4,050 | +4.6% | 44,764 | +1.7% | 48,250 | +7.4% |
| Operating Income | 33,103 | +26,165 | +377.1% | 13,527 | n/a | 19,576 | +170.6% |
| Operating Margin | 26.2% | +19.0pt | | 23.2% | +23.9pt | 28.9% | +15.0pt |
| Amortization of Goodwill | 570 | +15 | +2.9% | 279 | -3.6% | 291 | +10.0% |
| Operating Income before Amortization of Goodwill | 33,674 | +26,181 | +349.4% | 13,806 | n/a | 19,867 | +165.0% |
| Operating Margin before Amortization of Goodwill | 26.7% | +18.9pt | | 23.7% | +23.7pt | 29.3% | +14.9pt |
| International | | | | | | | |
| (Millions of JPY) | YTD Actual | YOY | | Q1 | YOY | Q2 | YOY |
| Billings | 83,356 | +15,585 | +23.0% | 40,301 | +5.0% | 43,054 | +46.4% |
| Gross Profit | 37,210 | +7,748 | +26.3% | 17,385 | +7.8% | 19,824 | +48.6% |
| Gross Margin | 44.6% | +1.2pt | | 43.1% | +1.1pt | 46.0% | +0.7pt |
| SG&A | 39,395 | +6,580 | +20.1% | 18,280 | +6.2% | 21,114 | +35.3% |
| Operating Income | -2,184 | +1,167 | n/a | -895 | n/a | -1,289 | n/a |
| Operating Margin | -5.9% | +5.5pt | | -5.1% | +1.6pt | -6.5% | +10.5pt |
| Amortization of Goodwill | 5,438 | +1,063 | +24.3% | 2,048 | +34.9% | 3,389 | +18.7% |
| Operating Income before Amortization of Goodwill | 3,253 | +2,231 | +218.3% | 1,153 | +167.2% | 2,099 | +255.7% |
| Operating Margin before Amortization of Goodwill | 8.7% | +5.3pt | | 6.6% | +4.0pt | 10.6% | +6.2pt |

Billings by Service Category

Hakuhodo DY holdings

1H FY2021

| (Millions of JPY) | YTD (6-Month) | | | by Quarter (3-Month) | | | |
|--------------------------------------|---------------|----------|--------|----------------------|--------|---------|--------|
| | YTD Actual | YOY | | Q1 | YOY | Q2 | YOY |
| Newspapers | 17,424 | +2,807 | +19.2% | 9,201 | +44.2% | 8,222 | -0.1% |
| Magazines | 4,034 | -578 | -12.5% | 1,907 | -20.2% | 2,126 | -4.3% |
| Radio | 5,767 | +172 | +3.1% | 2,887 | +5.9% | 2,880 | +0.4% |
| Television | 183,310 | +23,869 | +15.0% | 95,622 | +27.0% | 87,687 | +4.2% |
| Mass Media Service Subtotal | 210,537 | +26,271 | +14.3% | 109,619 | +26.3% | 100,917 | +3.5% |
| Internet Media | 140,085 | +35,187 | +33.5% | 75,665 | +38.8% | 64,420 | +27.8% |
| Outdoor Media | 13,237 | +1,499 | +12.8% | 6,595 | +6.5% | 6,642 | +19.8% |
| Media Service Subtotal | 363,861 | +62,958 | +20.9% | 191,880 | +30.1% | 171,980 | +12.1% |
| Creative | 65,624 | +12,669 | +23.9% | 31,719 | +41.0% | 33,904 | +11.3% |
| Marketing/Promotion | 128,688 | +40,159 | +45.4% | 52,943 | +30.5% | 75,744 | +57.9% |
| Others (Contents, etc.) | 14,958 | +1,175 | +8.5% | 7,585 | +15.4% | 7,373 | +2.2% |
| Other than Media Service Subtotal | 209,270 | +54,004 | +34.8% | 92,248 | +32.5% | 117,022 | +36.6% |
| Total | 573,131 | +116,962 | +25.6% | 284,128 | +30.9% | 289,003 | +20.9% |
| Other than above | 8,076 | -540 | | 4,029 | | 4,046 | |
| Consolidated Billings | 581,208 | +112,113 | +23.9% | 288,158 | +28.5% | 293,049 | +19.7% |
| Internet Advertising Domain Billings | 166,925 | +41,305 | +32.9% | 87,630 | +38.5% | 79,294 | +27.2% |

Billings by Clients' Industry

Hakuhodo DY holdings

1H FY2021

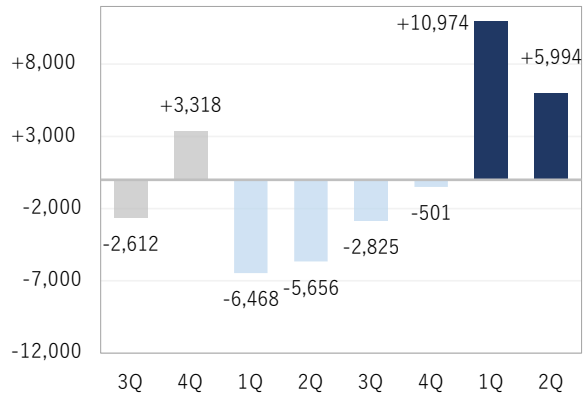
| (Millions of JPY) | Actual | YOY | | Composition | vs FY2019 | |
|---------------------------------------|----------------|-----------------|---------------|---------------|----------------|--------------|
| Information/Communications | 64,460 | +16,969 | +35.7% | 13.3% | +4,844 | +8.1% |
| Beverages/Cigarettes/Luxury foods | 58,360 | +7,458 | +14.7% | 12.1% | -2,413 | -4.0% |
| Automobiles/Related products | 48,077 | +3,857 | +8.7% | 9.9% | -16,093 | -25.1% |
| Foodstuffs | 36,523 | +4,501 | +14.1% | 7.5% | -3,955 | -9.8% |
| Cosmetics/Toiletries | 34,120 | +2,581 | +8.2% | 7.1% | -6,317 | -15.6% |
| Finance/Insurance | 27,250 | +5,970 | +28.1% | 5.6% | +3,773 | +15.0% |
| Pharmaceuticals/Medical supplies | 28,912 | +4,192 | +17.0% | 6.0% | -3,225 | -10.6% |
| Restaurant/Services | 24,804 | +6,043 | +32.2% | 5.1% | -874 | -3.4% |
| Distribution/Retailing | 24,618 | +6,372 | +34.9% | 5.1% | -710 | -2.8% |
| Government/Organizations | 10,540 | +3,978 | +60.6% | 2.2% | -9,416 | -28.6% |
| Real estate/Housing facilities | 20,347 | +3,476 | +20.6% | 4.2% | -1,665 | -7.6% |
| Transportation/Leisure | 23,538 | +10,709 | +83.5% | 4.9% | +2,086 | +20.5% |
| Household products | 10,416 | +870 | +9.1% | 2.2% | -1,295 | -10.9% |
| Energy/Material/Machinery | 8,139 | +466 | +6.1% | 1.7% | -676 | -6.1% |
| Games/Sporting goods/Hobby supplies | 12,241 | +6,119 | +100.0% | 2.5% | -1,957 | -15.8% |
| Apparel/Accessories | 10,395 | +2,672 | +34.6% | 2.1% | +912 | +11.7% |
| Home electric appliances/AV equipment | 8,141 | +1,971 | +32.0% | 1.7% | -1,422 | -14.9% |
| Publishing | 8,740 | +1,853 | +26.9% | 1.8% | -3,940 | -32.6% |
| Education/Medical services/Religion | 5,972 | +489 | +8.9% | 1.2% | -904 | -13.2% |
| Precision machinery/Office supplies | 3,021 | +359 | +13.5% | 0.6% | -1,013 | -25.1% |
| Classified advertising/Other | 15,285 | +58 | +0.4% | 3.2% | -684 | -4.3% |
| Total | 483,906 | +90,972 | +23.2% | 100.0% | -44,950 | -8.5% |
| Investment Business | 5,164 | -540 | | | +744 | |
| Other than Above | 92,137 | | | | | |
| Domestic Billings | 581,208 | +112,113 | +23.9% | | -32,457 | -5.3% |

Billings by Clients' Industry (YoY, by Quarter) 1

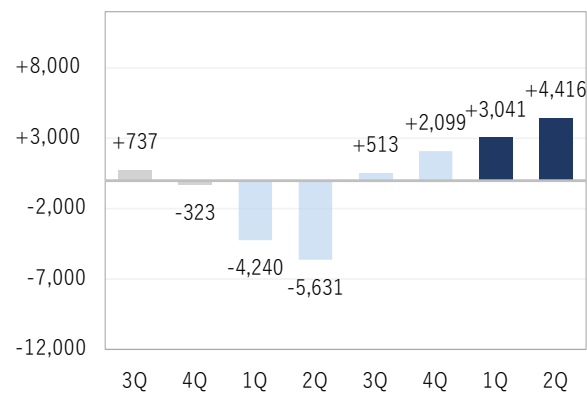
Hakuhodo DY holdings

FY2019 FY2020 FY2021
(Millions of JPY)

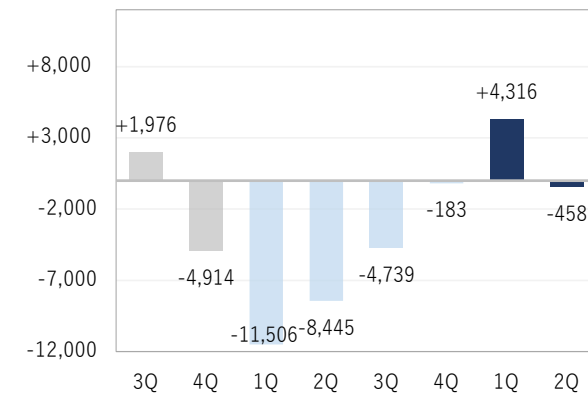
Information/Communications



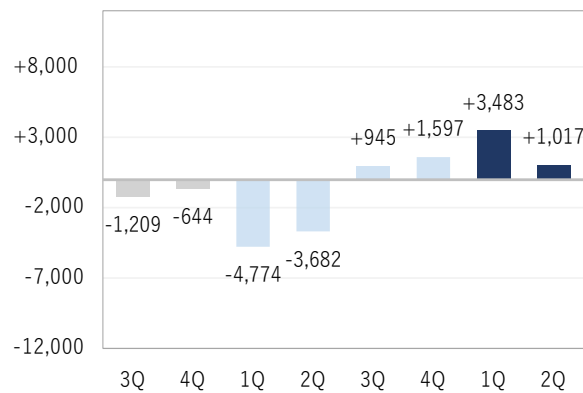
Beverages/Cigarettes/Luxury foods



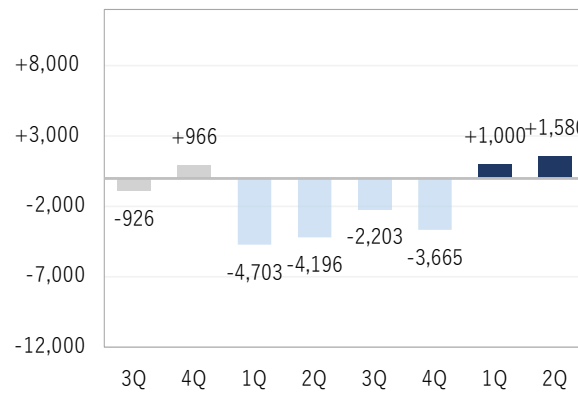
Automobiles/Related products



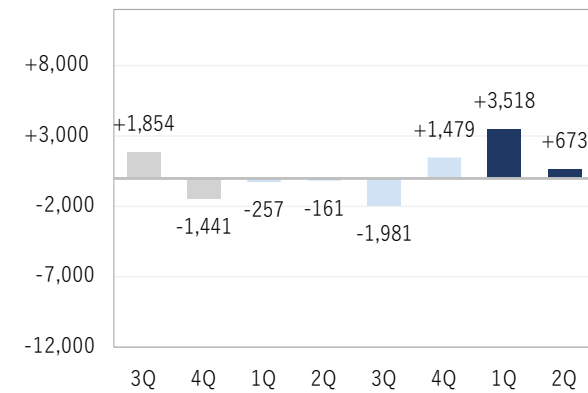
Foodstuffs



Cosmetics/Toiletries



Pharmaceuticals/Medical supplies

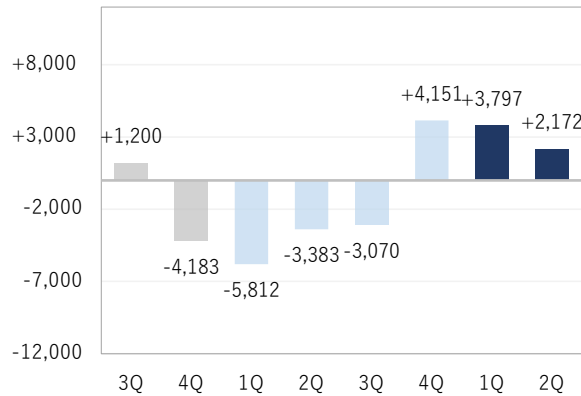


Billings by Clients' Industry (YoY, by Quarter) 2

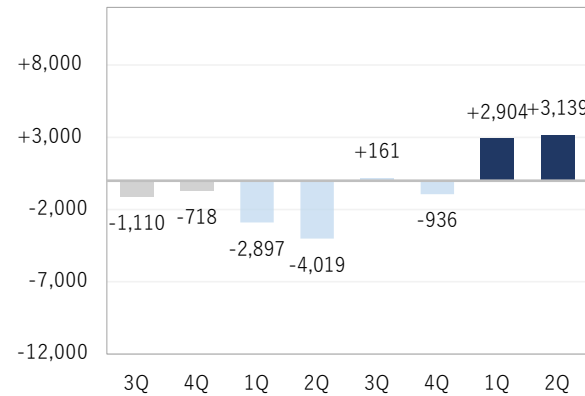
Hakuhodo DY holdings

FY2019 FY2020 FY2021
(Millions of JPY)

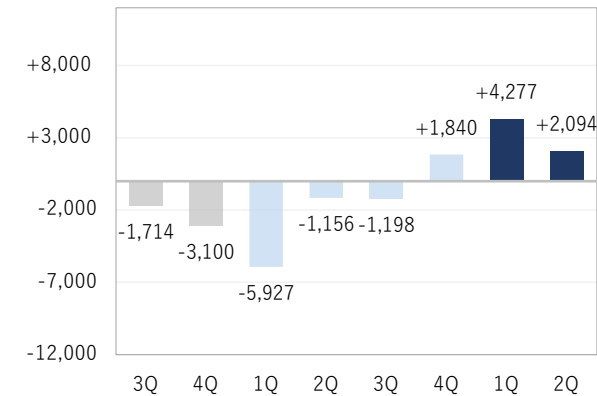
Finance/Insurance



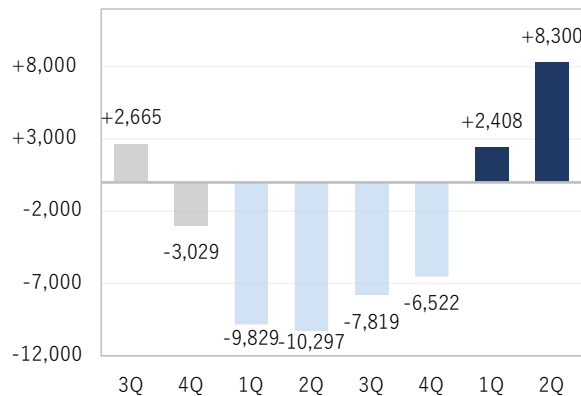
Restaurant/Services



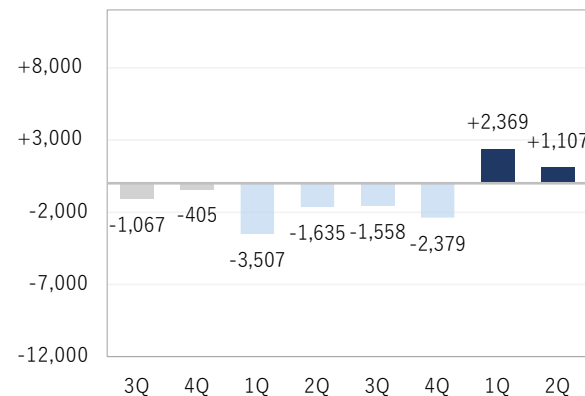
Distribution/Retailing



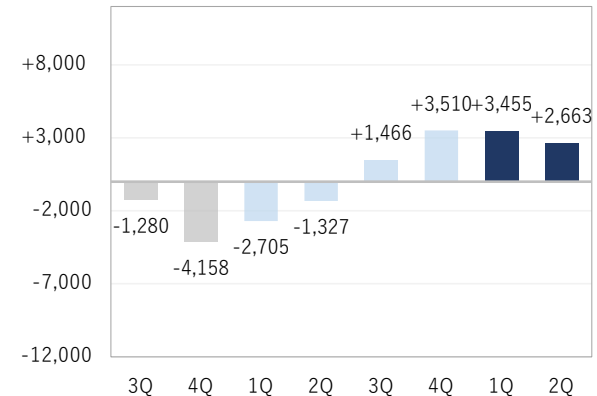
Transportation/Leisure



Real estate/Housing facilities



Games/Sporting goods/Hobby supplies

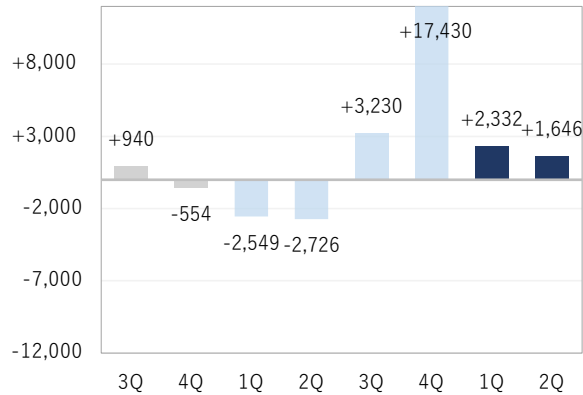


Billings by Clients' Industry (YoY, by Quarter) 3

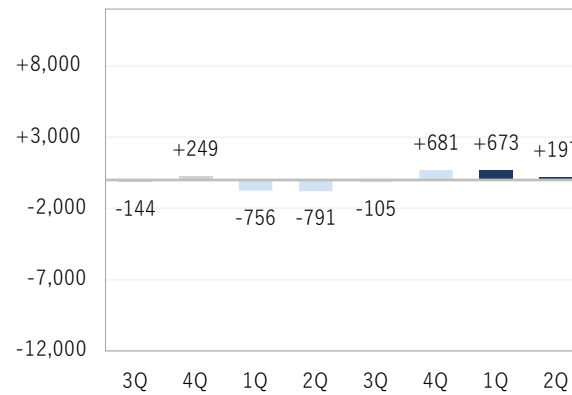
HakuhodoDY holdings

FY2019 FY2020 FY2021
(Millions of JPY)

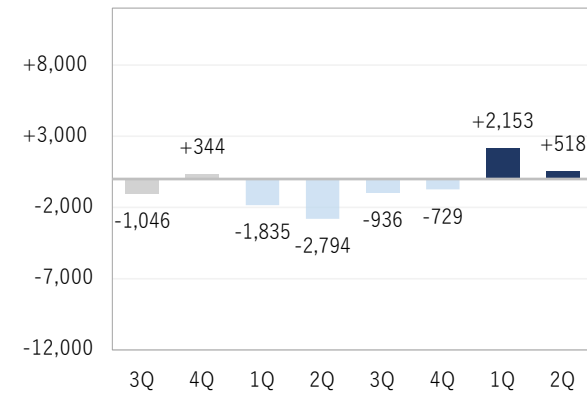
Government/Organizations



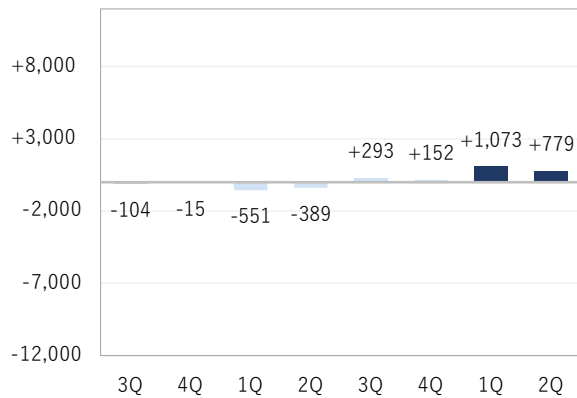
Household products



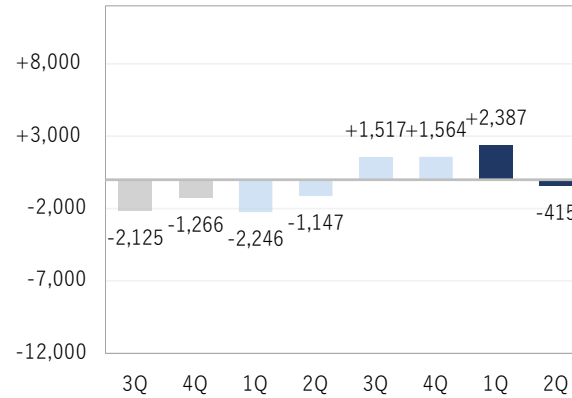
Apparel/Accessories



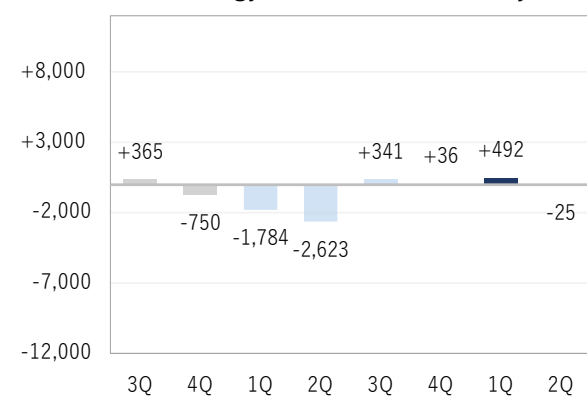
Publishing



Home electric appliances/AV equipment



Energy/Material/Machinery

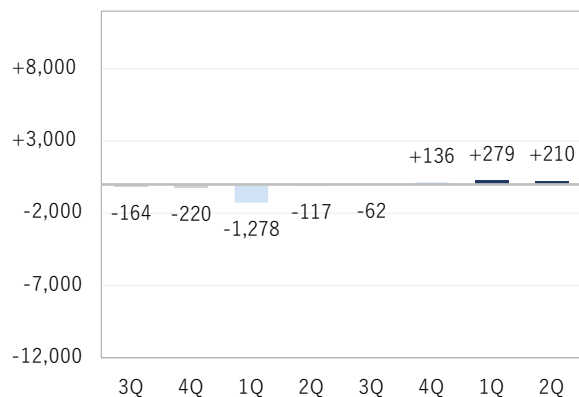


Billings by Clients' Industry (YoY, by Quarter) 4

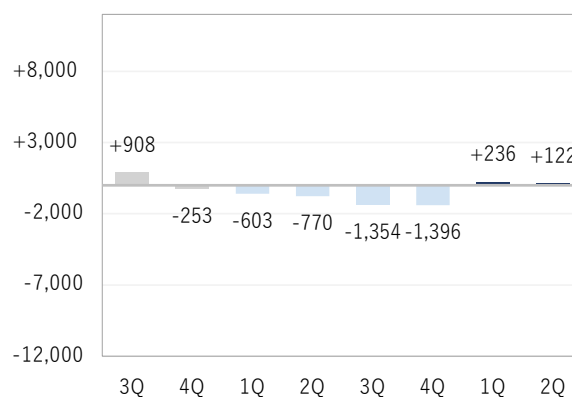
Hakuhodo DY holdings

FY2019 FY2020 FY2021
(Millions of JPY)

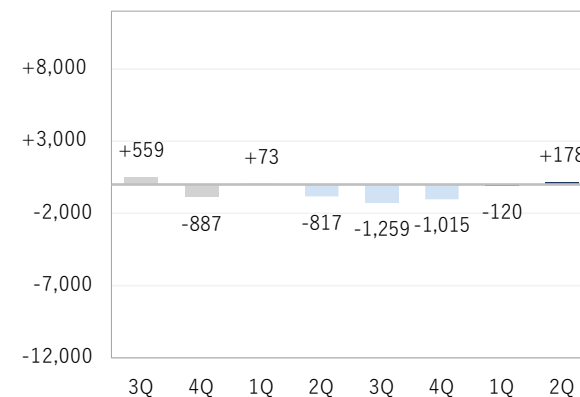
Education/Medical services/Religion



Precision machinery/Office supplies



Classified advertising/Other



| (Millions of JPY) | End of Sep 2021 | Change * | Composition |
|--|-----------------|----------|-------------|
| Current Assets | 639,873 | 13,141 | 65.6% |
| Cash & Deposits | 205,962 | 26,650 | |
| Accounts Recievable | 312,685 | -48,038 | |
| Non-current Assets | 334,862 | 20,490 | 34.4% |
| Tangible Assets | 35,888 | 972 | |
| Intangible Assets | 73,516 | 4,465 | |
| Goodwill | 46,223 | 4,422 | |
| Investments & Other Assets | 225,457 | 15,052 | |
| Investment Securities | 187,604 | 16,410 | |
| Total Assets | 974,736 | 33,632 | 100.0% |
| Current Liabilities | 404,464 | -11,874 | 41.5% |
| Accounts Payable | 219,116 | -62,490 | |
| Short-term Borrowings | 14,885 | 10,614 | |
| Non-current Liabilities | 177,206 | 14,580 | 18.2% |
| Long-term Borrowings | 111,352 | 1,036 | |
| Total Liabilities | 581,670 | 2,706 | 59.7% |
| Shareholders' Equity | 284,394 | 8,196 | 29.2% |
| Share Capital | 10,790 | 142 | |
| Capital Surplus | 0 | -37 | |
| Retained Earnings | 284,976 | 8,091 | |
| Treasury Stock | -11,372 | - | |
| Accumulated Other Comprehensive Incom | 75,168 | 20,939 | 7.7% |
| Share Aquisiton Rights | 270 | 23 | 0.0% |
| Non-controlling Interests | 33,232 | 1,765 | 3.4% |
| Total Net Assets | 393,065 | 30,925 | 40.3% |

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

Cash Flow Statements

Hakuhodo DY holdings

1H FY2021

| (Millions of JPY) | Actual | YOY |
|---|----------------|----------------|
| Cash Flows from Operating Activities | 31,758 | +52,975 |
| Cash Flows from Investing Activities | -9,599 | +2,905 |
| Purchase of property, plant and equipment | -2,043 | -534 |
| Purchase of intangible assets | -2,208 | +860 |
| Purchase of investment securities | -2,150 | -1,313 |
| Proceeds from sales of investment securities | 2,038 | +1,474 |
| Purchase of shares of subsidiaries | -4,222 | +1,923 |
| Purchase of shares of subsidiaries resulting in change in scope of consolidation | -1,285 | +3,259 |
| Cash Flows from Financing Activities | 2,601 | -1,233 |
| Net increase (decrease) in short-term borrowings | 10,268 | +253 |
| Net increase (decrease) in Long-term borrowings & Bonds | 600 | +15 |
| Dividends paid | -5,589 | +4 |
| Dividends paid to non-controlling interests | -787 | -454 |
| Payments from changes in ownership interests in subsidiaries that do not result in change in scope of consolidation | -157 | +493 |
| Cash and cash equivalents at beginning of period | 176,042 | +12,743 |
| Cash and cash equivalents at end of period | 202,723 | +70,216 |

Hakuhodo DY holdings