

Hakuhodo DY holdings

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

November 12, 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

1H FY2021 Income Statements Highlight

Hakuhodo DY holdings

(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.

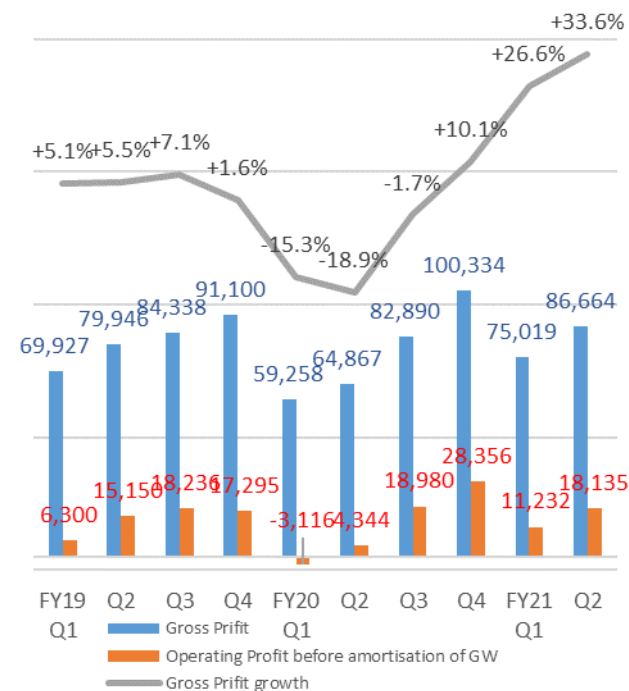
1H FY2021 Results (Excluding Investment Business)

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)

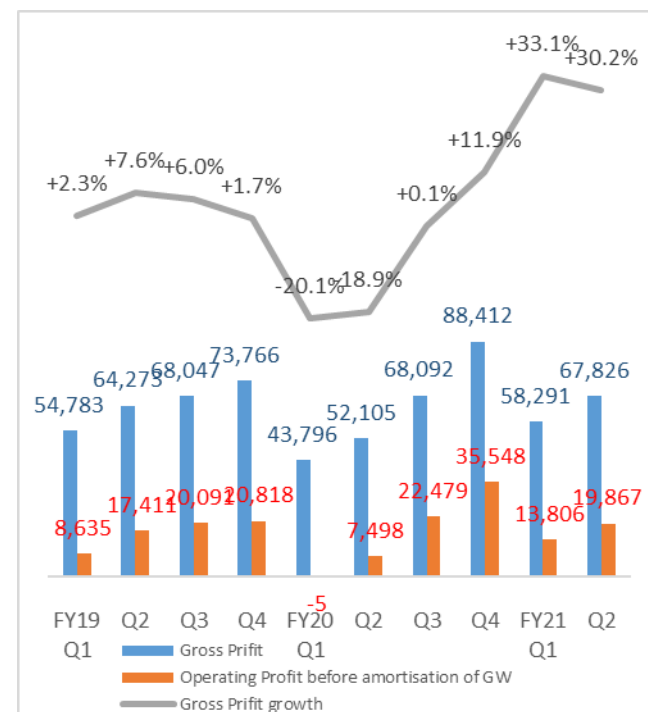
1H FY2021

(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)

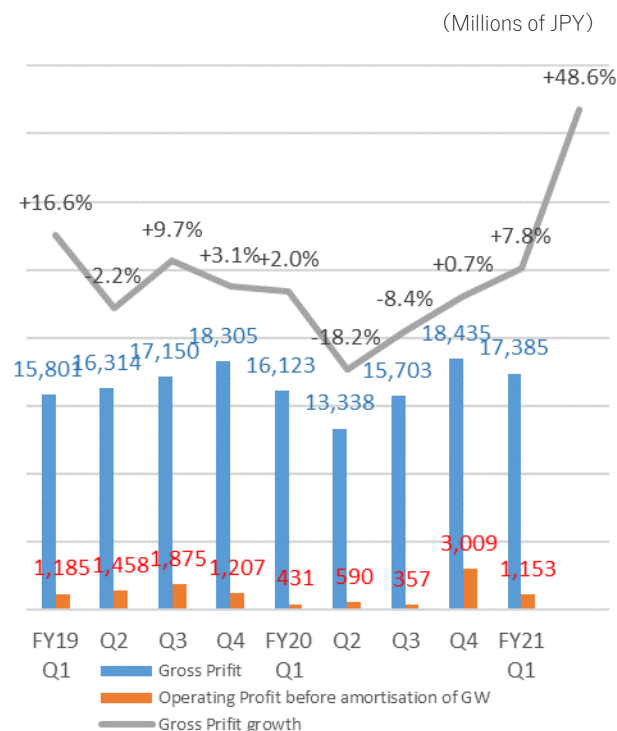
Hakuhodo DY holdings

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.

Billings by Service Category

Hakuhodo DY holdings

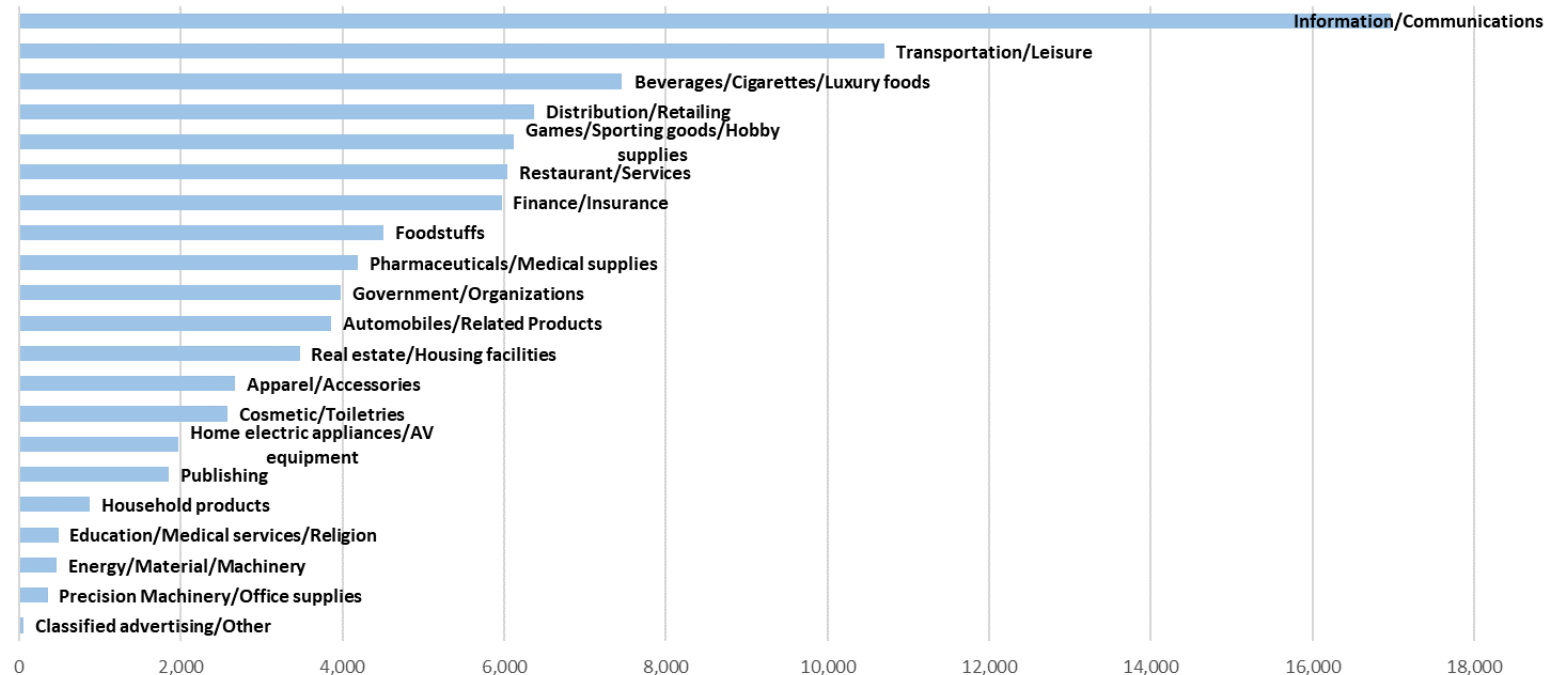
1H FY2021

(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.

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

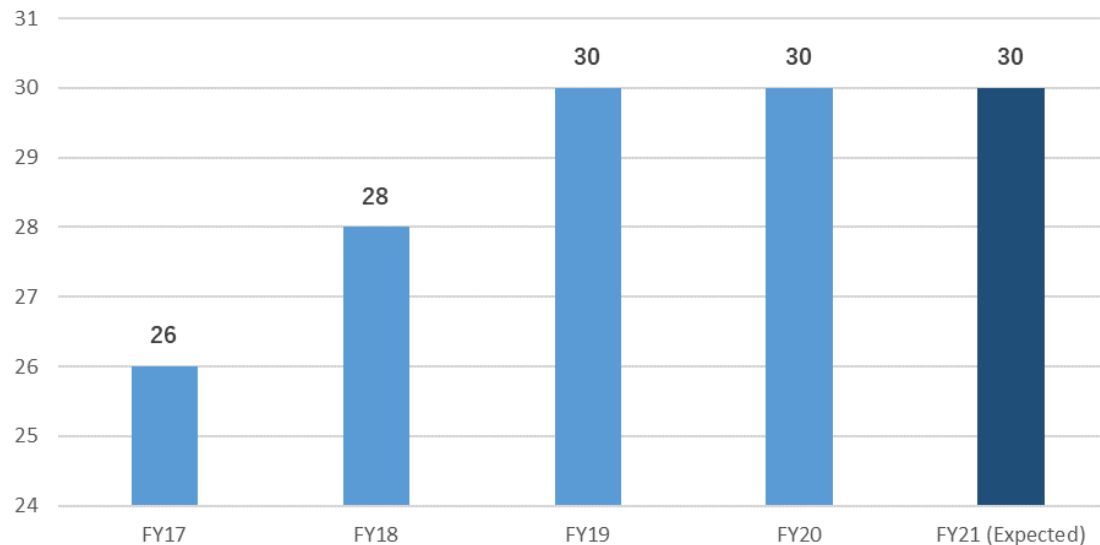
(Millions of JPY)	Forecast	YOY		Difference from Last Forecast
Billings	1,480,000	+182,052	+14.0%	+20,000
Operating Income	60,000	+14,966	+33.2%	+13,000
Ordinary Income	63,000	+13,405	+27.0%	+13,000
Net Income Attributable to Owners of Parent	35,000	+8,520	+32.2%	+8,500

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

HakuhodoDY holdings

1H FY2021

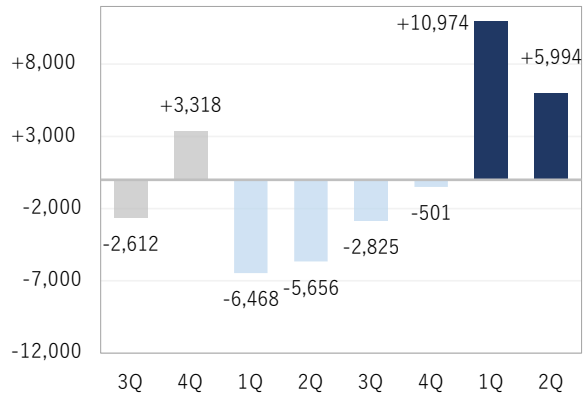
(Millions of JPY)	Actual	YOY		Composition	vs FY2019	
Information/Communications	64,460	+16,969	+35.7%	13.3%	+4,844	+8.1%
Beverages/Cigarettes/Luxury foods	58,360	+7,458	+14.7%	12.1%	-2,413	-4.0%
Automobiles/Related products	48,077	+3,857	+8.7%	9.9%	-16,093	-25.1%
Foodstuffs	36,523	+4,501	+14.1%	7.5%	-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

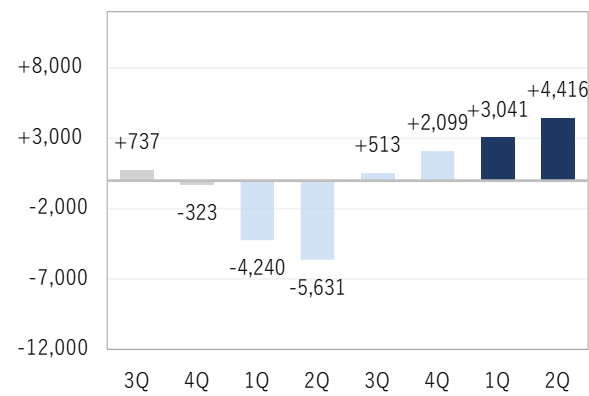
Hakuhodo DY holdings

FY2019 FY2020 FY2021
(Millions of JPY)

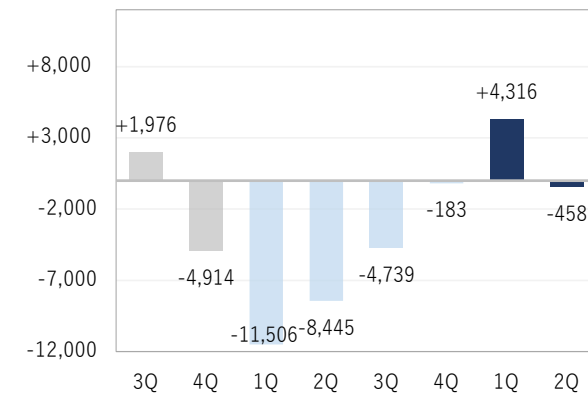
Information/Communications



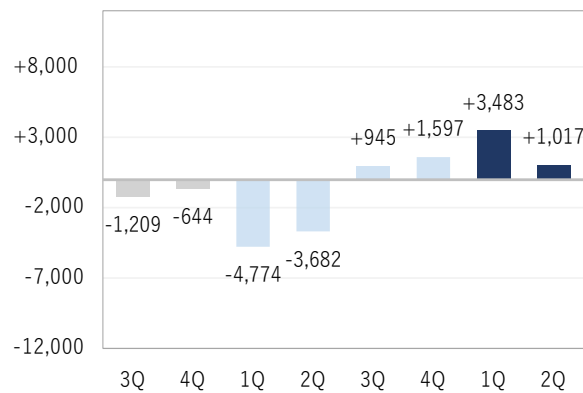
Beverages/Cigarettes/Luxury foods



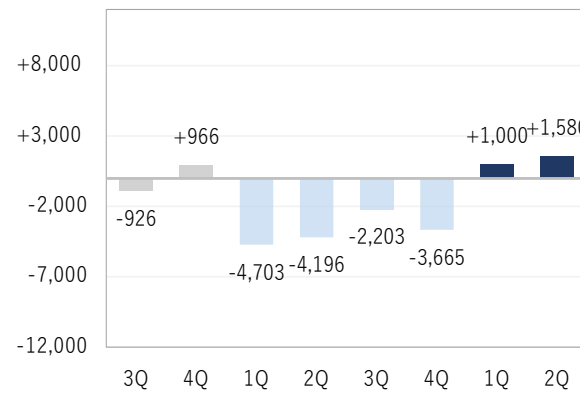
Automobiles/Related products



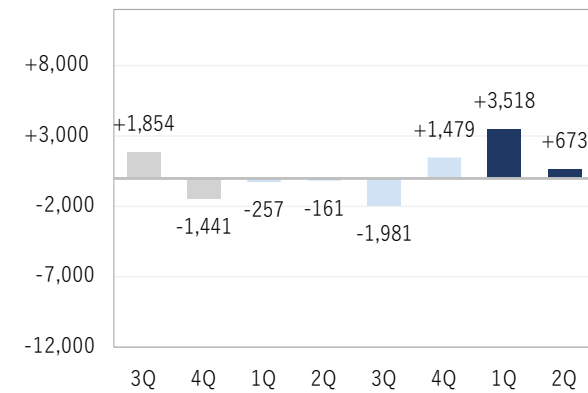
Foodstuffs



Cosmetics/Toiletries



Pharmaceuticals/Medical supplies

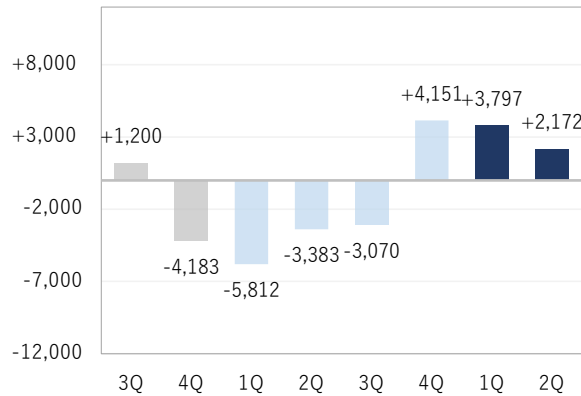


Billings by Clients' Industry (YoY, by Quarter) 2

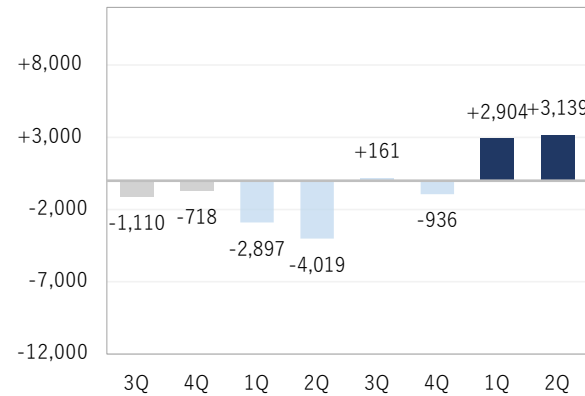
Hakuhodo DY holdings

FY2019 FY2020 FY2021
(Millions of JPY)

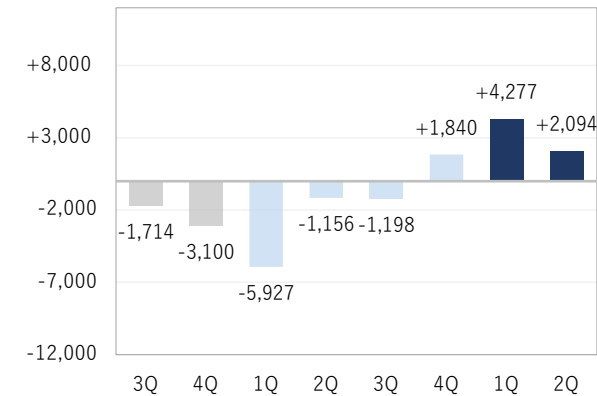
Finance/Insurance



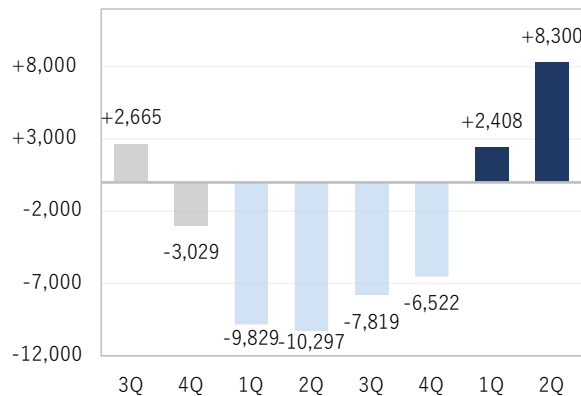
Restaurant/Services



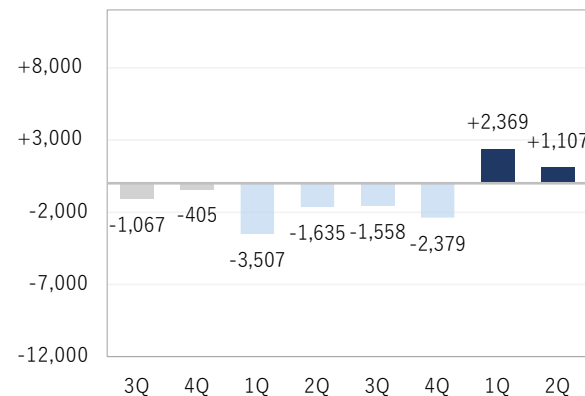
Distribution/Retailing



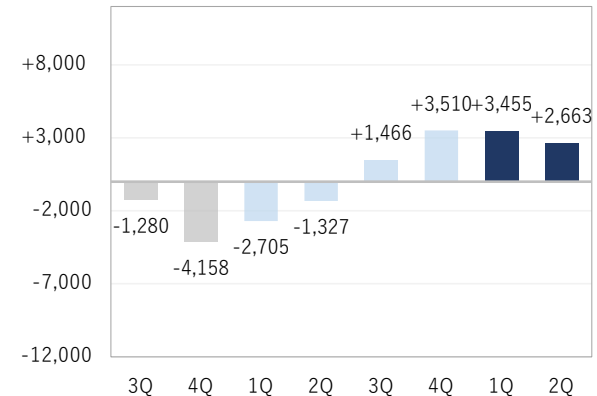
Transportation/Leisure



Real estate/Housing facilities



Games/Sporting goods/Hobby supplies

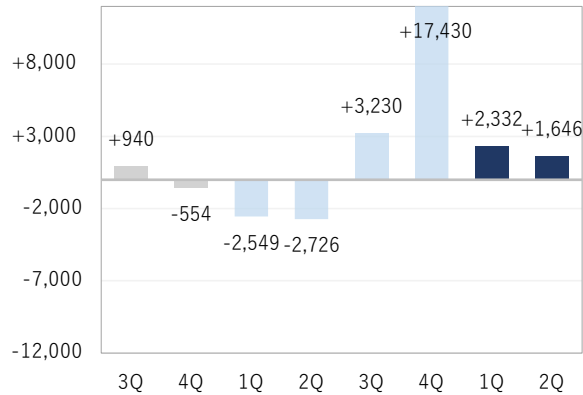


Billings by Clients' Industry (YoY, by Quarter) 3

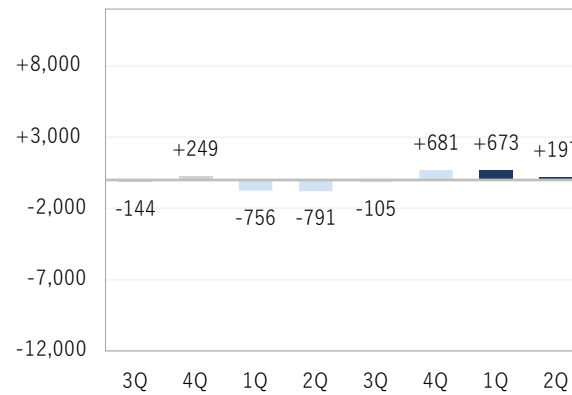
HakuhodoDY holdings

FY2019 FY2020 FY2021
(Millions of JPY)

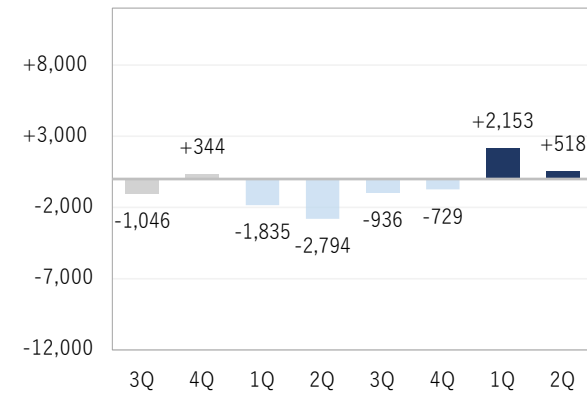
Government/Organizations



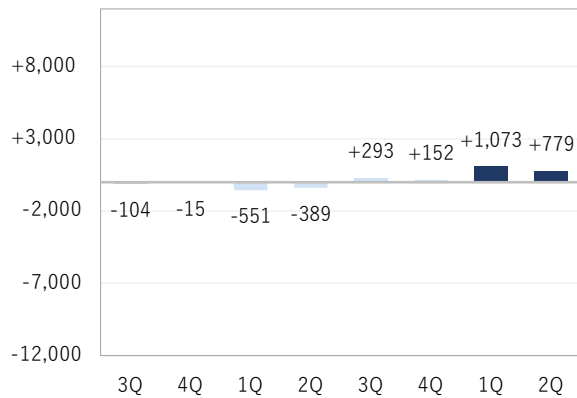
Household products



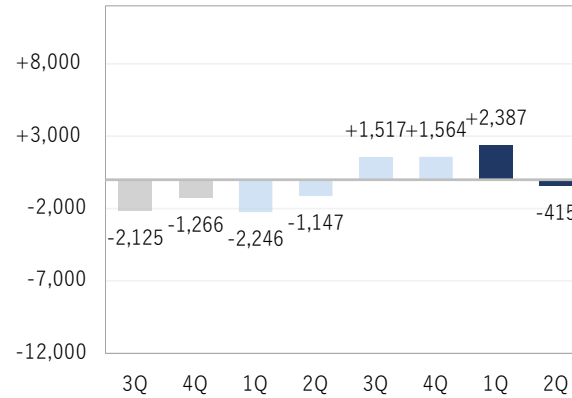
Apparel/Accessories



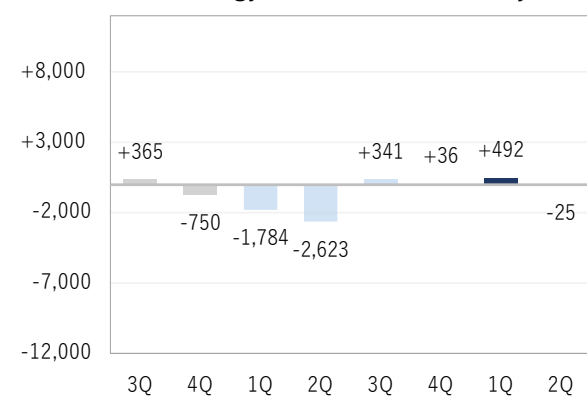
Publishing



Home electric appliances/AV equipment



Energy/Material/Machinery

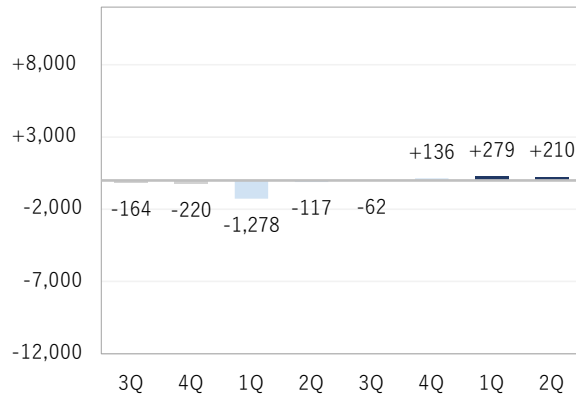


Billings by Clients' Industry (YoY, by Quarter) 4

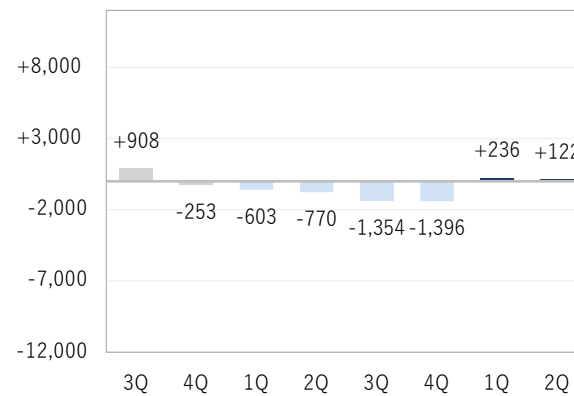
Hakuhodo DY holdings

FY2019 FY2020 FY2021
(Millions of JPY)

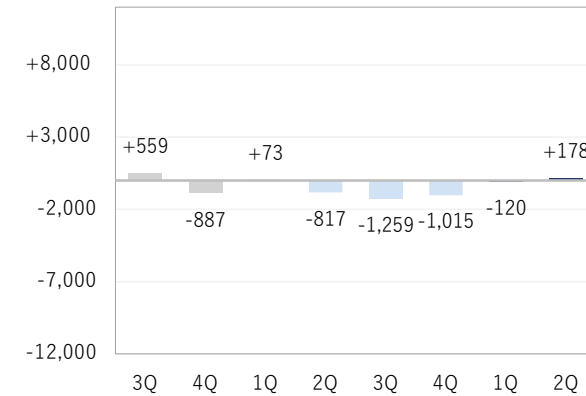
Education/Medical services/Religion



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

Update on progress under the Medium-Term Business Plan

Abbreviations within this document

HC: Hakuodo DY Holdings Inc. H: Hakuodo Inc. D: Daiko Advertising Inc. Y: YOMIKO ADVERTISING INC.
MP: Hakuodo DY Media Partners Inc. DAC: D.A.Consortium Inc. IREP: IREP Co., Ltd
HP: HAKUHODO PRODUCT'S INC. Shanghai H: Shanghai Hakuodo Advertising 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 1895 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>

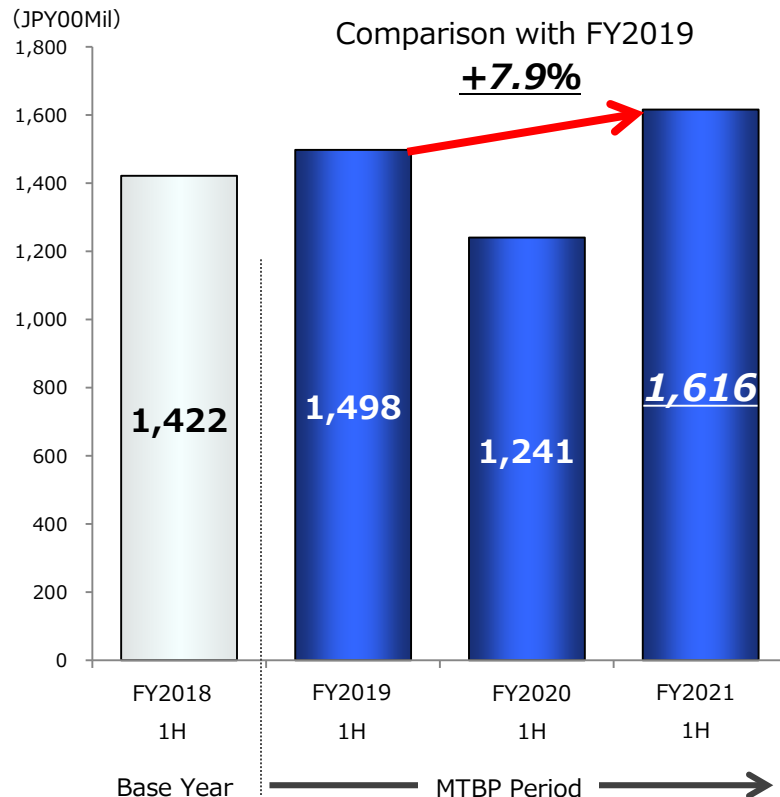
* Figures are a comparison of the base year (FY2018) and FY2023

Overview of Progress in the First Half of FY2021

- Both revenue after adjustments and operating income before amortization of goodwill exceeded the levels that they were before the COVID-19 pandemic due to recovery of advertising demand and appropriate responses to various needs during the pandemic, as well as impacts from reducing activity expenses and structural reforms.

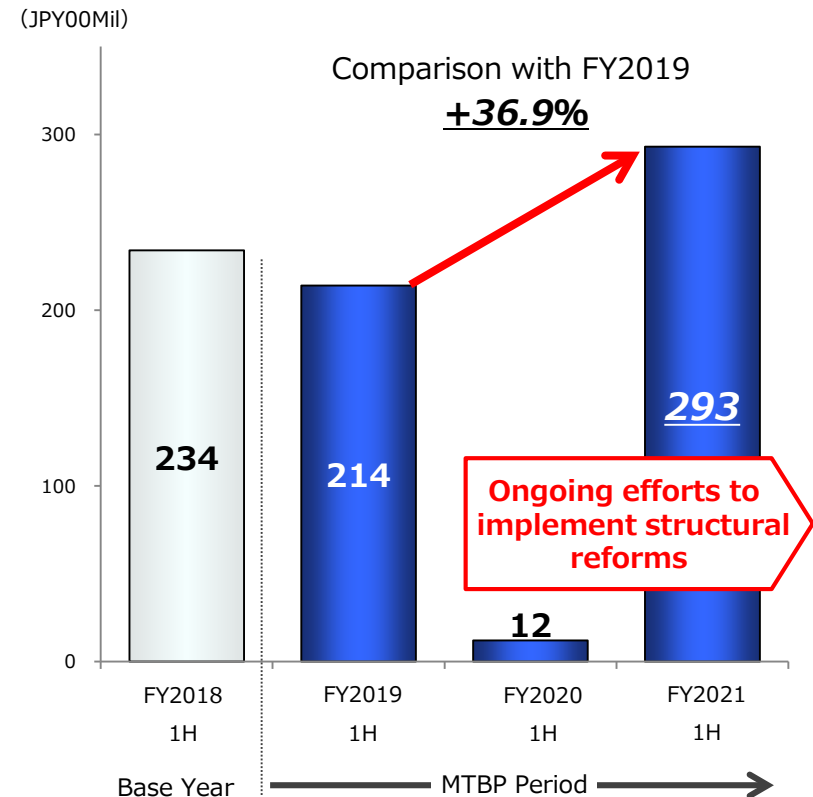
Adjusted* Revenue

*Adjusted: Excluding investment projects and after retroactive restatements



Adjusted* Operating Income Before Amortization of Goodwill

*Adjusted: Excluding investment projects and after retroactive restatements



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

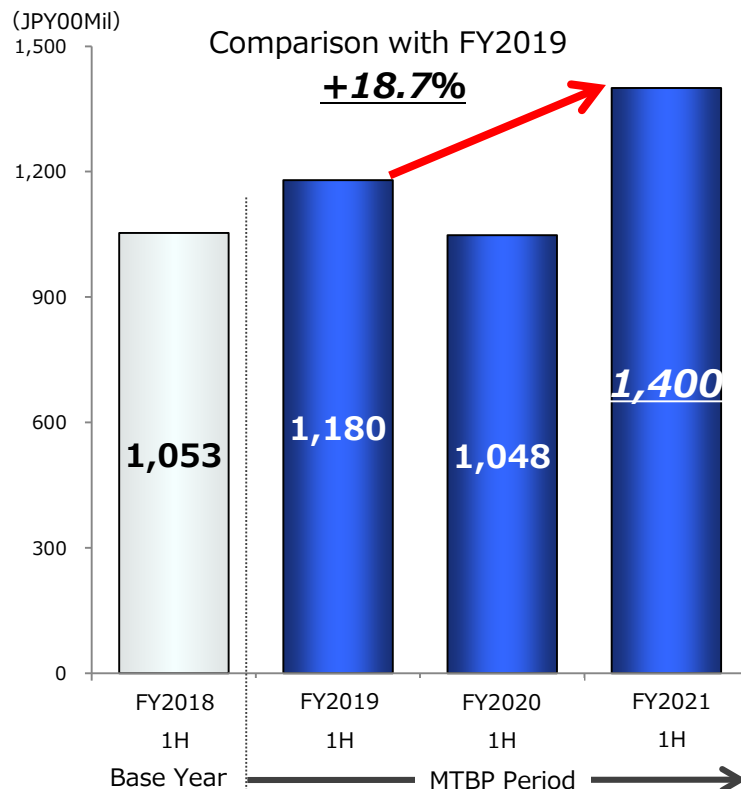
Strengthen response capabilities for borderless corporate activities

Accelerate innovation through external collaborations

Establish a Leading Position in the Broader Digital Domain

- While a certain level of impact remained from the COVID-19 pandemic, Internet media billings were up 18.7% compared with FY2019.
- Focused efforts on not only strengthening our response to clients' DX (digital transformation) needs in line with the acceleration of complete digitalization, but also enhancing our structure in the digital domain, including through external collaborations.

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

- Commenced the provision of GRIP & GROWTH, a solution for implementing marketing DX for BtoB clients in an integrated manner, through a collaboration with seven Group companies (H)
- Began collaboration with IBM Japan, Ltd. geared toward the provision of a SaaS (Software as a Service) platform for advancing DX in the telecommunications and media industries (DAC)
- Rolled out AaaS (Advertising as a Service), a next-generation model for the advertising media business, as a package comprising four new services (MP)

**Analytics AaaS™ Tele-Digi AaaS™
TV AaaS™ Digital AaaS™**

Enhancement of Business Structure in the Digital Domain

- Enhanced the capital and business alliance with Adways Inc., a digital agency with strengths in app marketing (HC/MP)

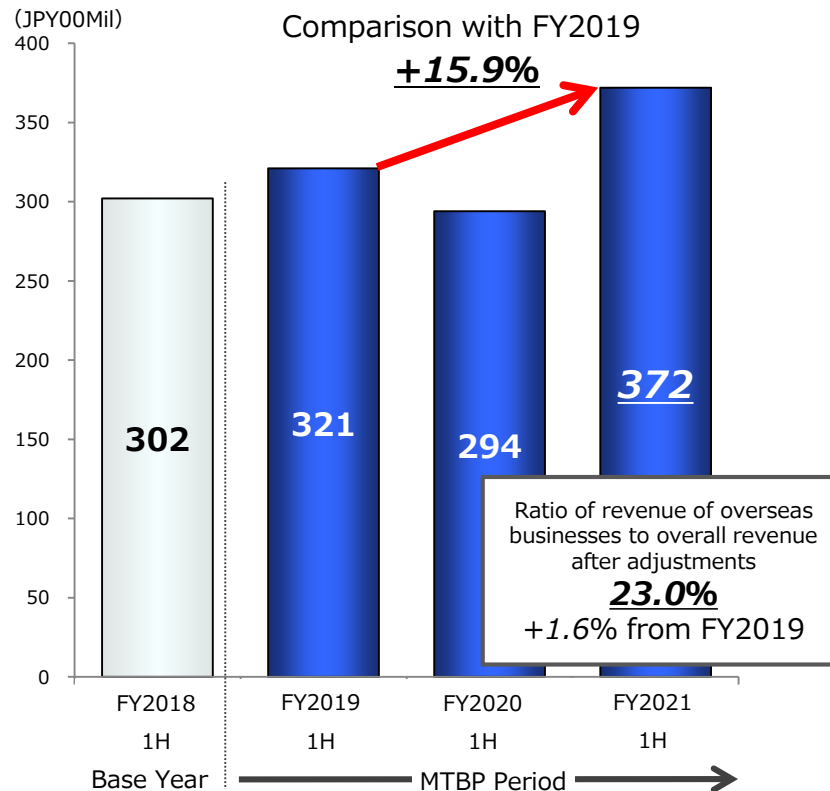


- Hakuhodo Product's Technologies Tohoku LLP jointly established by Hakuhodo Product's Inc., TENDA Co., Ltd. and eight systems integrator companies in the Tohoku area (HP)

Strengthen Response Capabilities for Borderless Corporate Activities

- Revenue from overseas businesses saw a 15.9% increase compared with FY2019 owing to recovery in the business performance of Group companies in Greater China and North America, as well as the positive impact of M&A. Overseas revenue expanded to 23.0% of our overall revenue after adjustments.
- Continued efforts to enhance functions through M&A, utilize data in collaboration with platform companies, and strengthen creativity.

Revenue from Overseas Businesses



Topics

Enhancement of Functions through M&A

- Rich Talent Group, a company that boasts strengths in terms of executive human resources in the technology domain, joined kyu (kyu)
- Made the Russia-based digital creativity agency Ailove Digital LLC a subsidiary (H)

Implementation of Data Utilization in Collaboration with Platform Companies

- Commenced provision of a Japan-China cross-border business support solution utilizing big data held by Baidu, Inc. (HC/DAC)
- Began to offer business support for EC (e-commerce) in the Chinese market utilizing the purchasing data of Tmall.com, which operates under the corporate umbrella of Alibaba Group Holding Limited (Shanghai H)

Strengthening of Creativity

- Hakuhodo Inc. named Network of the Year at ADFEST 2021, one of the Asia-Pacific region's premier advertising festivals (H)
- IdeasXMachina Group won four awards at *Campaign's* 2020 Global Agency of the Year Awards (H)

Acceleration of Innovation through External Collaborations

- Amid the lingering impact of the COVID-19 pandemic, continued to reinforce our foundations for collaboration with a view to creating new businesses with diverse partners.
- Focused efforts on creating businesses that benefit society by integrating the Hakuhodo DY Group's *sei-katsu-sha* insight and creativity with assets possessed by partner companies.

Reinforcement of Foundation for Collaboration with Diverse Partners

- Established the Hakuhodo JV Studio program in Hakuhodo Inc.'s MIRAI Business Division and subsequently commenced full-scale efforts to co-create new businesses through joint ventures with clients (H)



- Strengthened collaboration with academic partners and start-ups through investments in UTokyo IPC's AOI Fund 1 and the World Innovation Lab's venture fund WiL Ventures III, L.P. (H/MP/DAC)



Creation of Businesses that Benefit Society

- At the UNIVERSITY of CREATIVITY, promoted the creation of new lifestyle culture through urban farming, which involves making use of idle land and rooftops in urban areas (H)



- As co-creation partner of EXPO 2025 Osaka, Kansai, Japan's TEAM EXPO 2025 program, contributed to the co-creation of the society of the future through EARTH MALL, a sustainable shopping initiative whose slogan is "Shopping that can change the future" (H)



Hakuhodo DY holdings