

Revisions to the Medium-Term Business Plan (MTBP)

Good afternoon. My name is Masayuki Mizushima, and I am the Representative Director & President of Hakuhodo DY Holdings Inc. Please allow me to explain the details of the revisions we have made to the Hakuhodo DY Group's Medium-Term Business Plan (MTBP).

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

- When we released our financial results in November 2020, we announced that, although there were no changes in the Core Medium-Term Strategy, we had withdrawn the numerical targets for the current Medium-Term Business Plan.

Core Medium-Term Strategy

With *sei-katsu-sha* 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 *sei-katsu-sha* and society as a whole.

Strengthening Fundamentals for Growth

- Establish a leading position in the broader digital domain
- Strengthen response capabilities for borderless corporate activities
- Accelerate innovation through external collaborations

Aggressive Investment
Data, technologies,
infrastructure, human resources,
M&A, and other areas

Outline of Growth (FY2023)

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).

Medium-Term Business Plan Targets (FY2023)

We have been moving forward with a variety of initiatives in accordance with the MTBP, which runs through to the end of FY2023. Due to the COVID-19 pandemic's impact on the economy and advertising market, however, we announced that we had withdrawn the numerical targets for the current MTBP when we released our financial results for the first half of FY2020.

Although we continue to face a situation where the outlook for the economy and the advertising market is unclear, we decided to revise the MTBP, including updating our strategies and announcing numerical targets.

From the next slide on, I will explain the progress we have made under the MTBP thus far both from strategic and business performance perspectives. After that, I will provide details of the revisions to the plan.

Progress of Core Medium-Term Strategy

- Although a certain level of progress was made with our Core Medium-Term Strategy, some issues have come to light in a rapidly changing environment.

Strengthening Fundamentals for Growth 1	<p><u>Establish a leading position in the broader digital domain</u></p> <p>Enhance the sophistication of <i>Sei-katsu-sha</i> Data-Driven Marketing</p> <ul style="list-style-type: none"> • Made efforts to strengthen data platform together with Data EX Platform Inc. and external organizations • Faced issues in developing methods to utilize <i>sei-katsu-sha</i> data, including our response to cookieless marketing, in a manner that complies with personal information protections <p>Respond to diversifying digital touchpoints</p> <ul style="list-style-type: none"> • Made progress with specific initiatives SP EXPERT'S™, smart cities, etc. • Faced issues with accelerating various initiatives and further expanding scale <p>Expand our structure in the rapidly growing domain of internet media</p> <ul style="list-style-type: none"> • Maintained a leading market share, centered on the industries in which we excel, despite the significant impact of the COVID-19 pandemic • Faced issues enhancing structure to respond to the rapid increase in work
Strengthening Fundamentals for Growth 2	<p><u>Strengthen response capabilities for borderless corporate activities</u></p> <ul style="list-style-type: none"> • Continued to deal with issues related to returning performance to previous levels and enhancing profitability amid the COVID-19 pandemic, although a certain level of progress was made with strengthening structures and functions through M&A • Pushed forward development of competitive methods for utilizing data in Asia leveraging external collaborations
Strengthening Fundamentals for Growth 3	<p><u>Accelerate innovation through external collaborations</u></p> <ul style="list-style-type: none"> • Strengthened external collaborations through UNIVERSITY of CREATIVITY (UoC) and corporate venture capital fund • Began efforts toward new business development, through the MIRAI Business Division and other organizations

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First, let me explain the progress we have made from a strategic perspective.

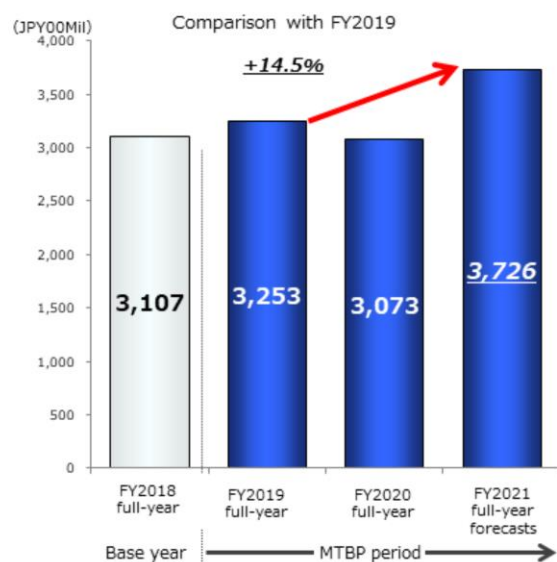
As you can see in this slide, we have achieved a certain level of progress in terms of the plan's Three Fundamentals for Growth, which are "Establish a leading position in the broader digital domain," "Strengthen response capabilities for borderless corporate activities," and "Accelerate innovation through external collaboration." Amid the rapid changes occurring in the external environment, however, we recognize that there are new issues that we must tackle.

Profit/Loss Situation for FY2021

- Both gross profit after adjustments and operating income before amortization of goodwill are forecast to recover to levels that they were before the COVID-19 pandemic
- Forecasts include temporary positive factors, such as work related particularly to the COVID-19 pandemic and activity expenses unspent due to the pandemic

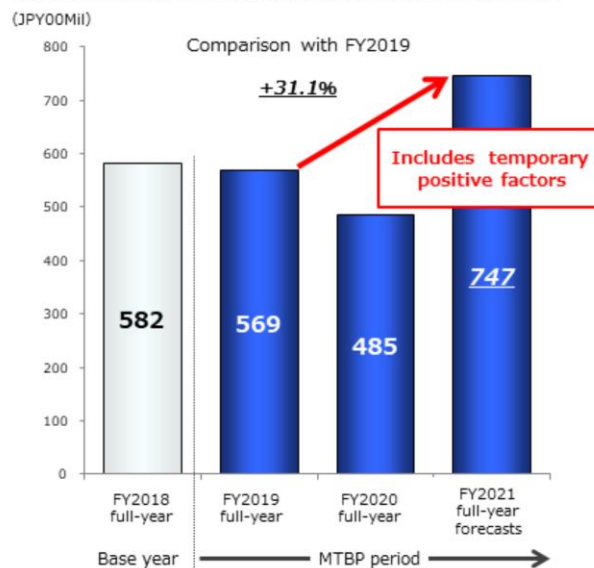
Adjusted* Gross Profit

* Adjusted: Excluding investment projects and after retroactive restatements



Adjusted* Operating Income Before Amortization of Goodwill

* Adjusted: Excluding investment projects and after retroactive restatements



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Next, I will explain our profit and loss situation, including our forecasts for FY2021.

In FY2020, adjusted gross profit and adjusted operating income before amortization of goodwill both declined due to the impact of the COVID-19 pandemic. In FY2021, however, we forecast that both of these will recover to above the level that they were before the pandemic started.

Compared with FY2019, we expect significant growth both in adjusted gross profit and in adjusted operating income before amortization of goodwill, up 14.5% and 31.1%, respectively.

Please note that these forecasts include temporary positive factors, such as work related specifically to the COVID-19 pandemic and activity expenses unspent due to the pandemic.

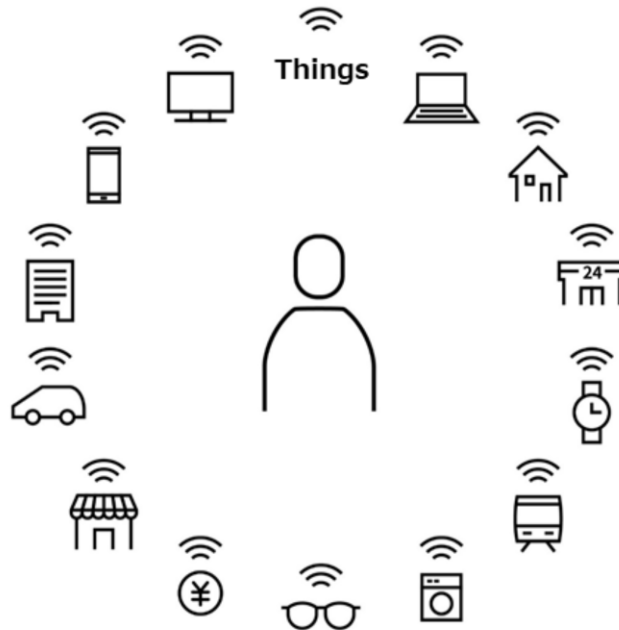
Understanding of the Business Environment

I will now explain the details of our revisions to the MTBP, in light of the preceding review.

First, I will talk about our understanding of the external environment.

Rapidly Changing External Environment Due to the Shift to Complete Digitalization

- Progressing shift to complete digitalized lifestyles and rapid external environment changes resulting from the pandemic
 - Rapid popularization of online services, leading to a swift transition toward constantly connected lifestyles
 - Sudden emergence of new services and markets that transcend industrial boundaries, thereby gradually redefining the frameworks of industries

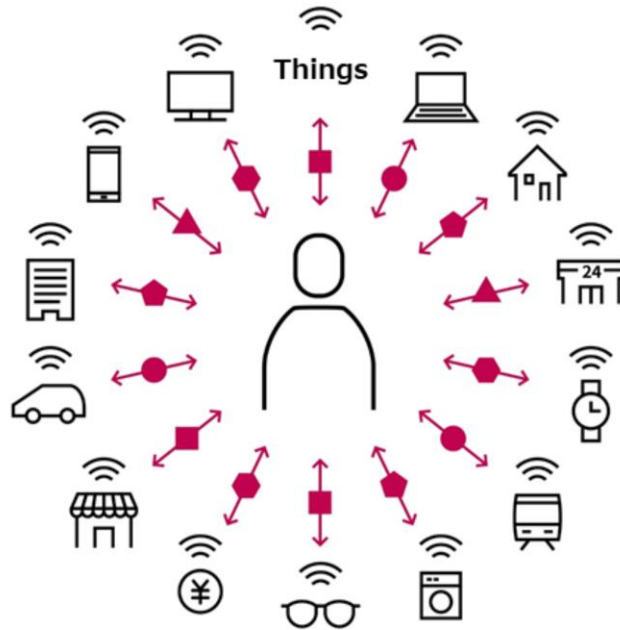


As a result of the COVID-19 pandemic, the external environment surrounding the Hakuhodo DY Group has seen dramatic changes from all angles, including the progressing shift to digitalized lifestyles.

For example, online services have rapidly become mainstream, and constantly connected lifestyles are quickly becoming the norm. There has also been a sudden emergence of new services and markets that transcend industrial borders, and this is gradually redefining the frameworks of industries.

Expansion of the *Sei-katsu-sha* Interface Market

- A world in which various things are connected to the internet has become a reality. As a result, the relationship between things and *sei-katsu-sha* has evolved into an interface for the mutual exchange of information, rather than a simple contact point.

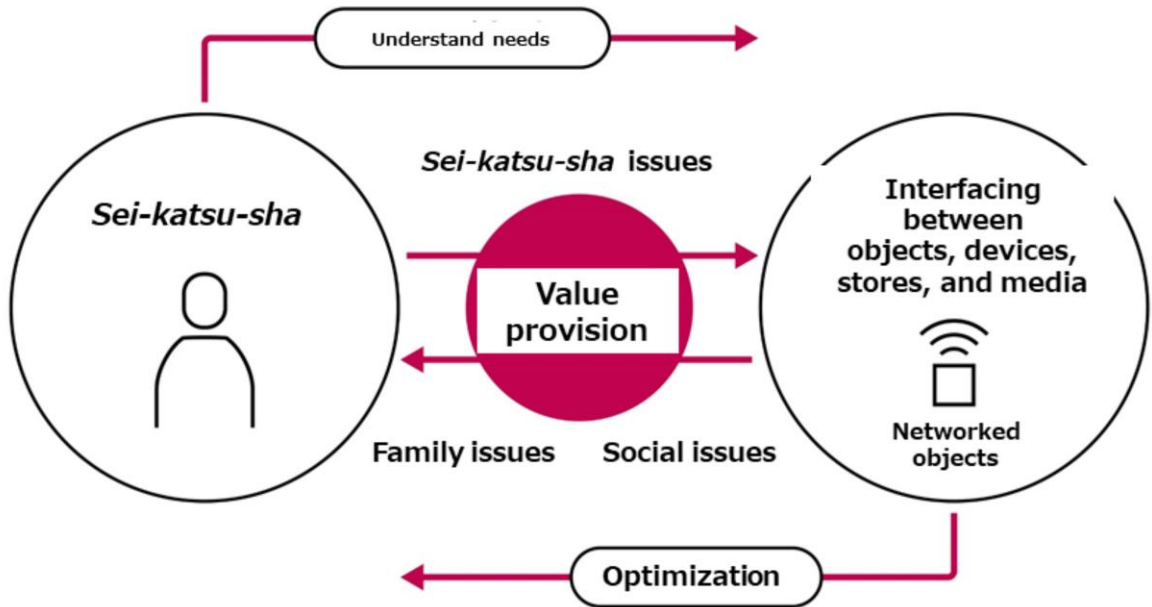


We are living in a world in which the connection of things to the internet has become a reality. As a result, the relationships between things and *sei-katsu-sha* have evolved into interfaces for the mutual exchange of information, rather than simply points of contact.

We have named the new market that has emerged in this new world the “*Sei-katsu-sha* Interface Market.”

Expansion of the *Sei-katsu-sha* Interface Market

- Objects around *sei-katsu-sha* are now linked with the internet and have become digital touchpoints. Drawing on the data these touchpoints provide, we are now able to provide services that are optimized for each individual *sei-katsu-sha*



In the *Sei-katsu-sha* Interface Market, the objects, devices, stores, and media that surround *sei-katsu-sha* have formed a network of digitalized interfaces.

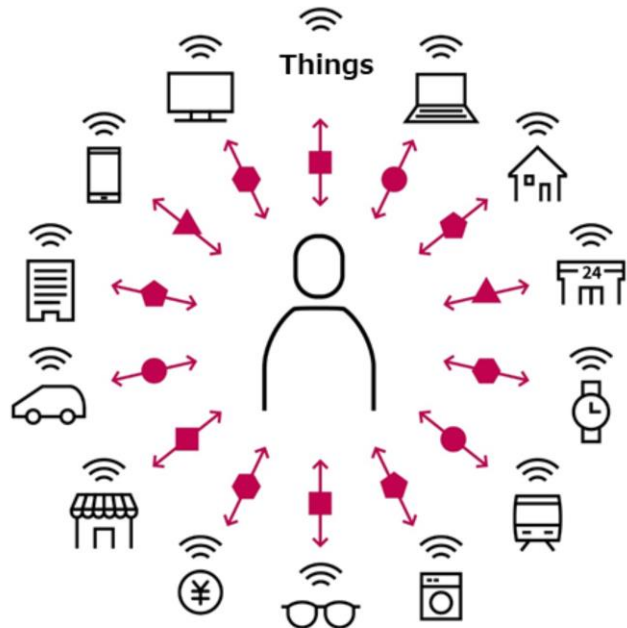
By leveraging this network, companies are now able to provide services that are optimized toward each individual *sei-katsu-sha*.

Expansion of the *Sei-katsu-sha* Interface Market

- New lifestyles have emerged at the boundary lines between people and things, turning the world into a place where new markets are created
- The acceleration of digitalization brought about by the COVID-19 pandemic has expanded these new markets at a much faster rate than expected

***Sei-katsu-sha* Interface Market**

New lifestyles and new markets
created from the boundary lines
between things and people

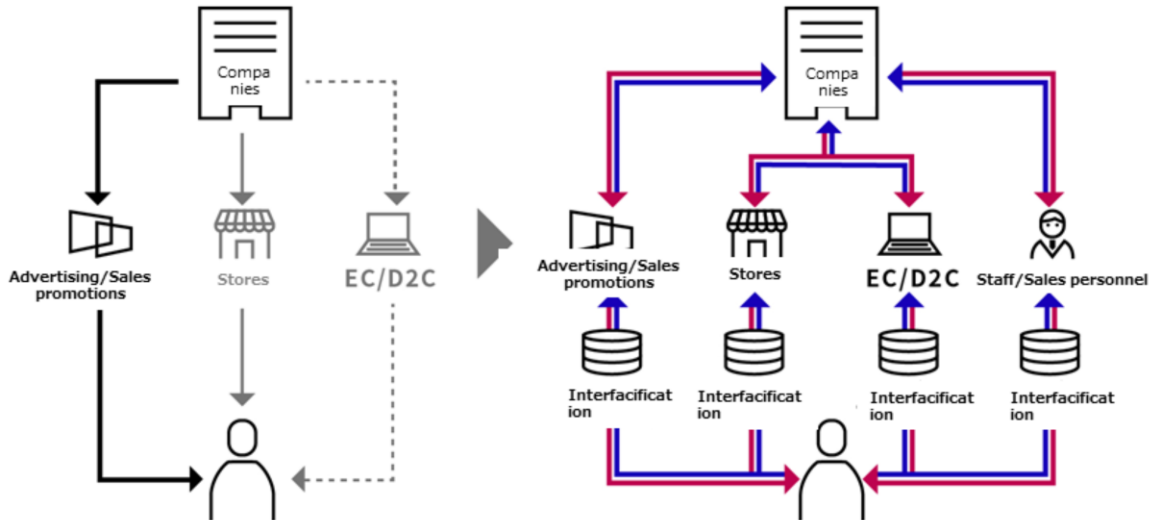


New lifestyles have emerged at the boundary lines between people and things, turning the world into a place where new markets are being created.

The accelerated digitalization brought about by the COVID-19 pandemic has expanded these new markets at a rate that far exceeded our expectations.

Expansion from Indirect Touchpoints to Direct Touchpoints

- As the *Sei-katsu-sha* Interface Market expands, the marketing needs of clients are changing
- The connection between clients and *sei-katsu-sha* has expanded from just indirect touchpoints, such as advertising, to include direct touchpoints, such as stores and e-commerce websites. This has created an environment where overall connection needs to be managed in an integrated manner using data



The marketing needs of our clients are changing amid the expansion of the *Sei-katsu-sha* Interface Market.

In addition to indirect touchpoints such as advertising, direct touch points, including stores and e-commerce websites, will become extremely important in terms of the connection between companies and *sei-katsu-sha* going forward. We believe this will create a need for managing this overall connection in an integrated manner using data.

Direction of the MTBP Revisions

Continuing on, I will talk about the direction of the MTBP revisions.

Positioning of the MTBP Revisions

- We have positioned FY2021 to FY2023 as a period in which we accelerate transformation of our services and business foundation to lead with solutions to clients' marketing and innovation-related challenges and realize sustainable growth for our clients and the Group
- While continuing to implement our Core Medium-Term Strategy, we will undertake the following initiatives and update our Group as a whole:

- 1 Transform the services we provide**
- 2 Strengthen cross-organizational functions to accelerate transformation**
- 3 Continuously pursue transformation based on existing strategies**
- 4 Strengthen our foundation for sustainable business management**

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Under the newly revised plan, we have positioned the three fiscal years FY2021 to FY2023 as a period in which we will accelerate transformation of our services and business foundation in order to lead with solutions to clients' marketing and innovation-related challenges and realize sustainable growth for our clients and the Group.

While continuing to execute our Core Medium-Term Strategy, we will pursue the four initiatives you see on this slide and update the Group as a whole.

1.Transform the Services We Provide

Let me explain the first of these four initiatives, which is to “Transform the services we provide.”

1. Transform the Services We Provide

- Evolve *Sei-katsu-sha* Data-Driven Marketing, with which we have led the way, to enable it to be implemented across the full funnel

Implementation of Full-Funnel *Sei-katsu-sha* Data-Driven Marketing

- (1) Expand marketing execution domains
- (2) Transform media business
- (3) Implement *sei-katsu-sha* insight-based digital transformation (DX)

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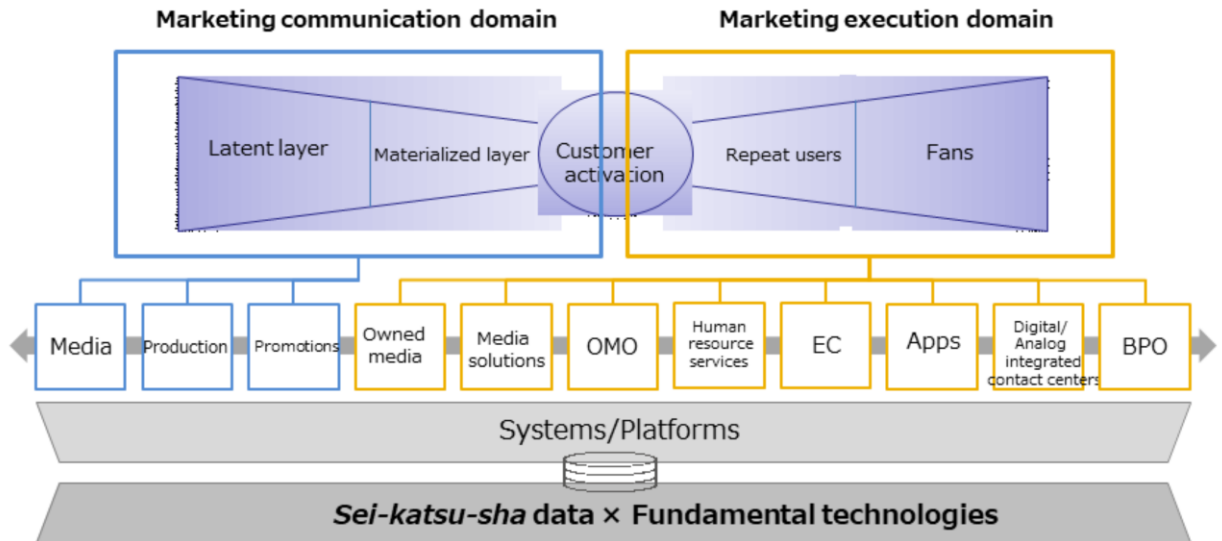
The shift to a digitalized era has been progressing rapidly, and in this era, companies and *sei-katsu-sha* are becoming constantly connected via various touchpoints. Under these circumstances, there is a growing need for data-driven full-funnel marketing—which entails a comprehensive approach that covers everything from awareness, interest, and consideration to customer relationship management.

Accordingly, we will evolve our *Sei-katsu-sha* Data-Driven Marketing, with which we have led the way, to enable it to be implemented across the full funnel, thereby allowing us to accurately respond to these kinds of marketing needs. By doing so, we aim to carve out a leading position for ourselves.

In order to accomplish this task, we will move forward with the three strategic initiatives listed on this slide.

1 - (1) Expand marketing execution domains

- As the *Sei-katsu-sha* Interface Market expands, it is essential that we expand our functions in marketing execution domains
- We are pressed with the urgent task of strengthening our ability to carry out integrated management in a more neutral and sophisticated manner, based on our *sei-katsu-sha* data and fundamental technologies



Target: Achieve an annual gross profit growth rate of at least 10% in marketing execution domains

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The first strategic initiative is “Expand marketing execution domains.”

As the *Sei-katsu-sha* Interface Market expands, we are seeing the connection between clients and *sei-katsu-sha* extend into direct touchpoints. It is therefore essential that we expand our functions in marketing execution domains.

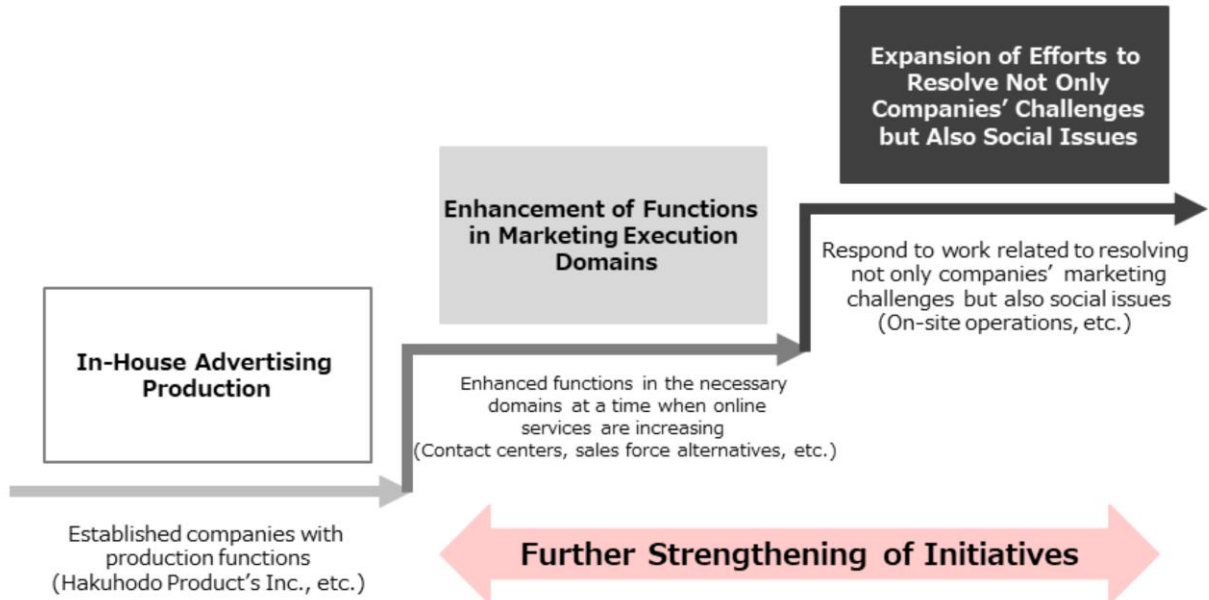
Furthermore, we are pressed with the urgent task of strengthening our ability to carry out integrated management across each stage of the funnel in a more neutral and sophisticated manner, underpinned by our *sei-katsu-sha* data and fundamental technologies.

To that end, we will continue to strengthen our functions in marketing execution domains, actively investing resources in order to enhance our full-funnel marketing capabilities.

Also, to measure our progress with this initiative, we established a target to achieve an annual growth rate of at least 10% for gross profit in marketing execution domains.

1 - (1) Expand marketing execution domains

- Although we have improved profitability by implementing in-house advertising production, beyond the advertising domain, we have enhanced functions that support the implementation of marketing activities in anticipation of changes in companies' marketing needs
- In terms of marketing overall, we are implementing a strategy that ensures the provision of swift, high-quality services and a high level of profitability by maintaining both strategic planning and execution functions within the Group.
- Going beyond solving companies' challenges, we will contribute to solving social issues as well, including responding to the COVID-19 pandemic



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Starting with the establishment of a structure for in-house advertising production, we have sought to enhance functions for supporting the execution of marketing activities that go beyond the domain of advertising.

This initiative has focused on a strategy that involves the following: possessing both strategic planning and execution functions within the Group in order to build a structure that allows us to provide swift, high-quality services to our customers and secure a high level of profitability.

We have worked to establish such structures with the intention of solving the marketing-related issues of our clients. Through the skillful utilization of these structures, however, we have been able to contribute to solving social issues too, including responding to the COVID-19 pandemic.

Going forward, we will continue to leverage these response capabilities not only in solving companies' challenges, but also in solving social issues.

1 - (2) Transform media business

- Focusing on transforming our business through Advertising as a Service (AaaS), we will maintain and expand existing business by increasing the added value of media
- Within the Group, we will establish an ecosystem for providing digital services that cater to the growth of clients. We also aim to strengthen business for regional/small- and medium-sized businesses (SMBs) and startups and expand digital business, including the long tail market

Transition from Providing Ad Space to Providing Ad Effects

- Crossing TV and digital advertising
- Maintain and expand existing business

AaaSTM
Advertising as a Service

Expansion of Digital Businesses

- Establish service structure that caters to client growth
- Win regional/SMBs and long tail market business



Target: Achieve an annual billings growth rate of at least 15% in the internet domain

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I will now talk about the next strategic initiative, “Transform media business.”

The first part of this initiative is transforming our business through Advertising as a Service (AaaS). We believe we need to transform the advertising media business from one that simply involves the sale of ad space to one that involves the provision of services for maximizing the effects of advertising. By promoting the introduction of AaaS, the Group’s unique new business model driving our business transformation, we will enhance the added value of media to maintain and expand our existing media business.

Furthermore, with the aim of further expanding our digital business, we will establish an ecosystem in the Group for providing digital services that cater to the growth of clients. To that end, we will strengthen not only our long-cultivated, advanced digital operations and systems for on/off integration, but also functions for responding to the needs of regional companies, small and medium-sized businesses, and startups.

To measure our progress with this initiative, we established a target to achieve an annual growth rate of at least 15% for billings in the internet domain, which exceeds the market growth rate.

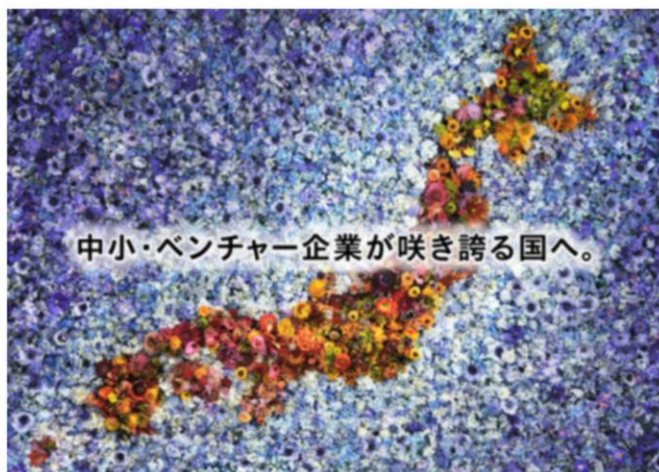
(Reference) About SoldOut, Inc

- A leading company in the digital marketing, software, digital transformation (DX), and media domains that supports the growth of small and medium-sized businesses (SMBs) and startups across Japan, including in regional areas
- Through its nationwide network of 20 offices, SoldOut offers comprehensive, community-based support from launching a startup to accelerating an existing business

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SOLDOUT

- Name: SoldOut, Inc
- Established: December 16, 2009
- Employees (consolidated): 419 (as of September 2021)
- Billings: 20,447.6 million JPY (fiscal year ended December 31, 2020)



A country where SMBs and startups flourish

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With the aim of enhancing our functions for providing digital services to regional companies, small and medium-sized businesses, and startups, on February 9, 2022, we announced a tender offer to acquire all shares in the digital marketing company SoldOut, Inc, which is listed on the first section of the Tokyo Stock Exchange.

SoldOut is a leading company in the digital marketing, software, digital transformation (DX), and media domains. SoldOut supports the growth of small and medium-sized businesses (SMBs) and startups across Japan, including regional areas, in these domains.

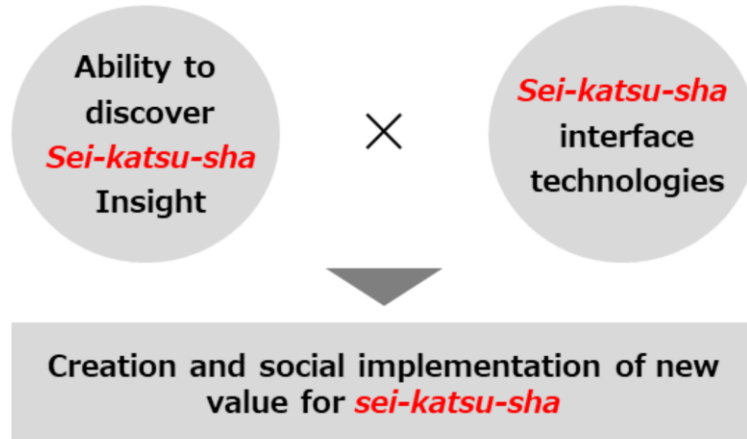
Through its nationwide network of 20 offices, SoldOut offers comprehensive, community-based support that covers everything from launching a startup company to accelerating an existing business. Accordingly, we believe there are a broad range of areas in which Group companies and SoldOut can collaborate.

Going forward, we will report the progress and results of this tender offer as appropriate.

1 - (3) Promote *Sei-katsu-sha* insight-based digital transformation (DX)

- The Group's DX operations aim to transform companies' marketing activities and their businesses themselves with a focus on *sei-katsu-sha*. In addition, these operations aim to transform society as a whole

Transformation of businesses/society with a focus on *sei-katsu-sha*



Realize transformation in companies' marketing and their businesses themselves, as well as in society

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The third strategic initiative is to "Promote *Sei-katsu-sha* Insight-based digital transformation."

The Group's DX operations aim to transform companies' marketing activities and their businesses themselves with a focus on *sei-katsu-sha*. In addition, these operations aim to transform society as a whole.

One major feature of our DX operations is the ability to realize the creation and social implementation of new value for *sei-katsu-sha* by combining our ability to discover *sei-katsu-sha* insight with *sei-katsu-sha* interface technologies.

On the next slide, you will see some examples of our *sei-katsu-sha* insight-based DX.

(Reference) Examples of *Sei-katsu-sha* Insight-based DX

- The Group's diverse capabilities have given rise to examples of DX involving the design of interfaces between our clients and *sei-katsu-sha* and the provision of new value to *sei-katsu-sha* and society as a whole

Passenger Car Ride-Share-Based Public Transport Service nokkaru asahimachi

- A mobility service that responds to mobility challenges in regional areas as a result of the rising numbers of people who do not have access to mobility due to drivers aging or returning their licenses, the unprofitability of public transportation, and other reasons, by breathing new life into the age-old idea of giving someone a ride on your way
- Realizing community mobility where citizens care for and help each other using the power of digital technology, the service not only makes getting around convenient, it also moves people to want to go out



3D Avatar Fitting Room Service Jibun Runway

- We developed a prototype digital fitting room service that addresses the need for alternatives to visiting real world stores using the latest 3D avatar technology to make it possible to experience trying on several outfits simultaneously in an instant
- Providing *sei-katsu-sha* not only with convenience, but fun, the traditional value of shopping, the service also contributes to reducing companies' environmental footprint through the control of manufacturing volumes based on actual needs



The example on the left is a public transport service we helped introduce where local residents share rides with each other using their own cars.

The example on the right is a fitting room service developed using 3D avatar technologies.

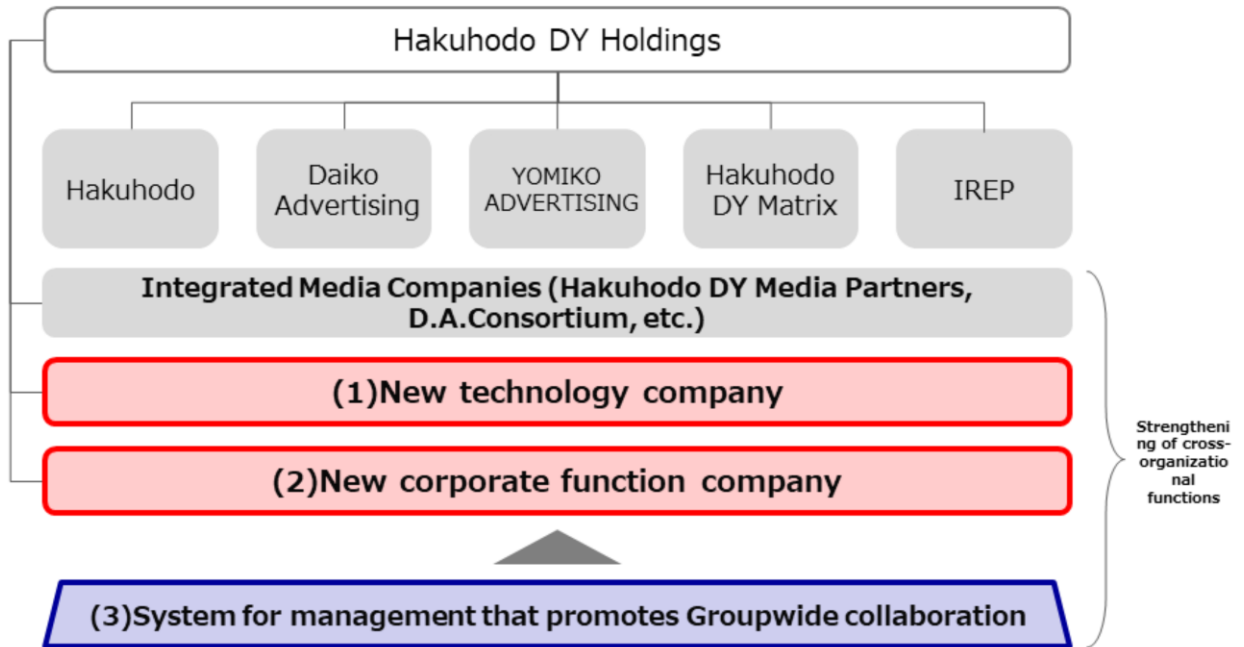
Going forward, we will continue to realize various kinds of value-creating DX with a focus on *sei-katsu-sha* insight.

2 . Strengthen Cross-Organizational Functions to Accelerate Transformation

Now let me explain the second initiative of the MTBP, “Strengthen cross-organizational functions to accelerate transformation.”

2. Strengthen Our Groupwide Competitiveness

- To accelerate transformation, we are moving forward with efforts to enhance three new cross-organizational functions, as well as our existing media functions. By doing so, we will transition to management that further emphasizes Groupwide optimization
 - We will start our efforts to strengthen cross-organizational functions in Japan, and expect to roll out these efforts overseas in the future



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To accelerate transformation and bolster our Groupwide competitiveness, as well as our existing media functions, we are moving forward with the new efforts you see here to enhance three cross-organizational functions.

The first is to establish a new company that will serve as a foundation for the Group's technologies.

The second is to establish a new company to make our corporate functions more sophisticated and efficient.

The third is to strengthen our management system for promoting Groupwide collaboration.

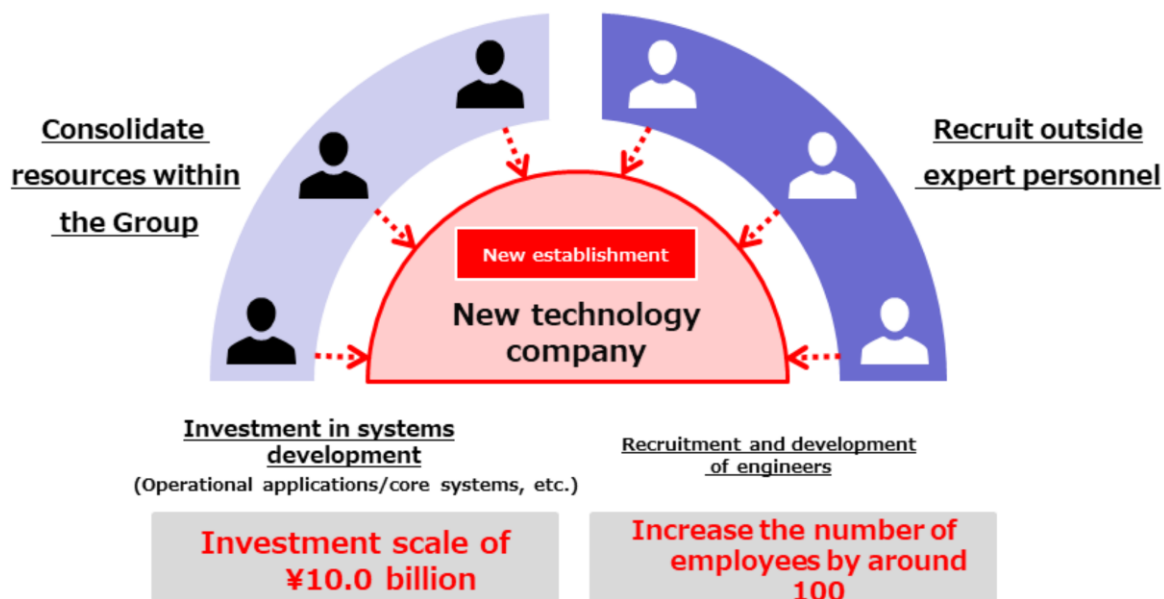
By strengthening these cross-organizational functions, we will transition to management that further emphasizes Groupwide optimization.

I will now provide a bit more detail regarding our new technology company.

Please see the next slide.

Establishment of New Technology Company

- We will establish a new technology company as a part of our Group shared infrastructure with the aim of evolving ourselves into a more technology-driven corporate group
- In addition to consolidating resources scattered across the Group, this new technology company will serve as a specialized functional company that will ensure a human resource management system that meets the needs of engineers and strengthen the recruitment and development of expert personnel from outside the organization



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Utilizing technology is an essential part of bolstering our competitiveness.

To that end, we will establish a new technology company to serve as a shared core for the Group with the aim of evolving ourselves into a more technology-driven corporate group.

In addition to consolidating resources that are spread across the Group, this new technology company will serve as a specialized functional company that will provide a human resource management system that meets the needs of engineers and strengthens the recruitment and development of expert personnel from outside the organization.

We plan for this company to start out as a corporate entity with over 200 expert personnel and a development budget of about ¥10 billion. During the period of the MTBP, however, we will steadily reinforce the functions of this company, including hiring another 100 or so engineers.

We will report the details as they are officially decided upon.

3. Continuously Pursue Transformation based on Existing Strategies

The third initiative is “Continuously pursue transformation based on existing strategies.”

3 - (1) Strengthen Response Capabilities for Borderless Corporate Activities

- We will actively invest overseas, which is a growth market, as we continue to strengthen our overseas business based on three elements (listed below)
- Also, we will reinforce the link between the functions of our international network and the specialization and innovation of kyu, and strengthen Hakuhodo DY Holdings' Group strategic function, which implements overseas business expansion on a Groupwide basis

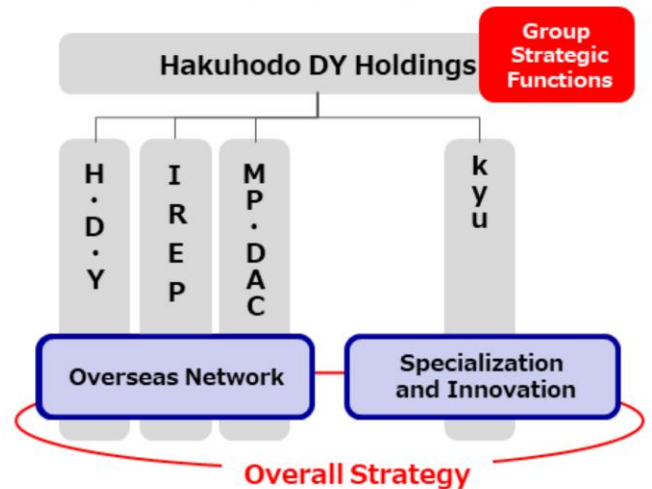
Overseas Business Expansion Based on Three Elements



Ongoing proactive investment

Target: Achieve an annual gross profit growth rate of at least 15% in our overseas operations

Strengthening Group Strategic Function



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First, I will comment on “Strengthen response capabilities for borderless corporate activities.”

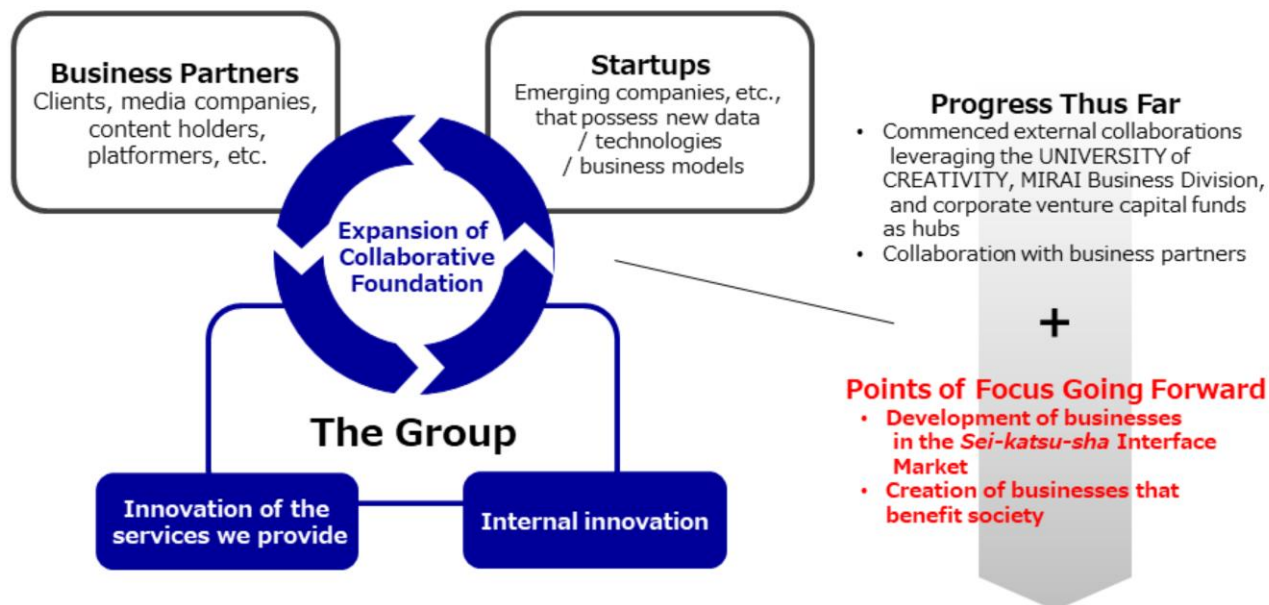
We will actively invest overseas, which will remain a growth market, as we continue to strengthen our overseas business based on the three elements listed on this slide.

Additionally, we will strengthen the links between our overseas network, including that of Hakuhodo Inc., and the specialization and innovation of kyu to further expand our overseas businesses on a Groupwide scale. To do so, we will strengthen Hakuhodo DY Holdings' functions for planning and implementing Groupwide strategies.

To measure our progress with this initiative, we established a target to achieve an annual growth rate of at least 15% for gross profit in our overseas operations.

3 - (2) Accelerate Innovation through External Collaborations

- We will expand our collaborative foundation that links the Group with our business partners and startups, working to create synergies among the strengths all three parties possess. By doing so, we will accelerate innovation of the services we provide and internal innovation
- We will undertake new business development based on the combination of creativity and technology in order to provide new value to *sei-katsu-sha*. These efforts will include the development of new business in the *Sei-katsu-sha* Interface Market and the creation of businesses that benefit society.



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Next, allow me to comment on "Accelerate innovation through external collaborations."

To date, we have accelerated innovation of both the services we provide and internally by expanding the collaborative foundation that links the Group with our business partners and startups and by generating synergies among the strengths of these three parties.

While continuing to implement this strategy, we will pursue new business development based on combining creativity and technology to provide new value to *sei-katsu-sha*. This endeavor will include the development of new business in the *Sei-katsu-sha* Interface Market and the creation of businesses that benefit society.

(Reference) Examples of Innovation through External Collaboration

- We have seen numerous examples of innovation through external collaboration pursued using the UNIVERSITY of CREATIVITY, MIRAI Business Division, and corporate venture capital fund as hubs

New Business Creation

- Commenced Earth hacks, a co-creation platform aimed at realizing a decarbonized society through the actions of individual *sei-katsu-sha*, in collaboration with Mitsui & Co., Ltd.
- Developed 21 Factors for *Sei-katsu-sha* Well-Being, as indicators for diagnosing well-being
- Commenced FAVOUR MARKET, a community-based e-commerce website that connects producers and *sei-katsu-sha*

MIRAI Business Division



Upgrading Our Creativity

- Held CREATIVITY FUTURE FORUM 2021 (December)



Startup Investments

- Invested in 37 startups since the establishment of our corporate venture capital fund and have been collaborating with these companies



For reference, here are some examples of how we are accelerating innovation through external collaboration.

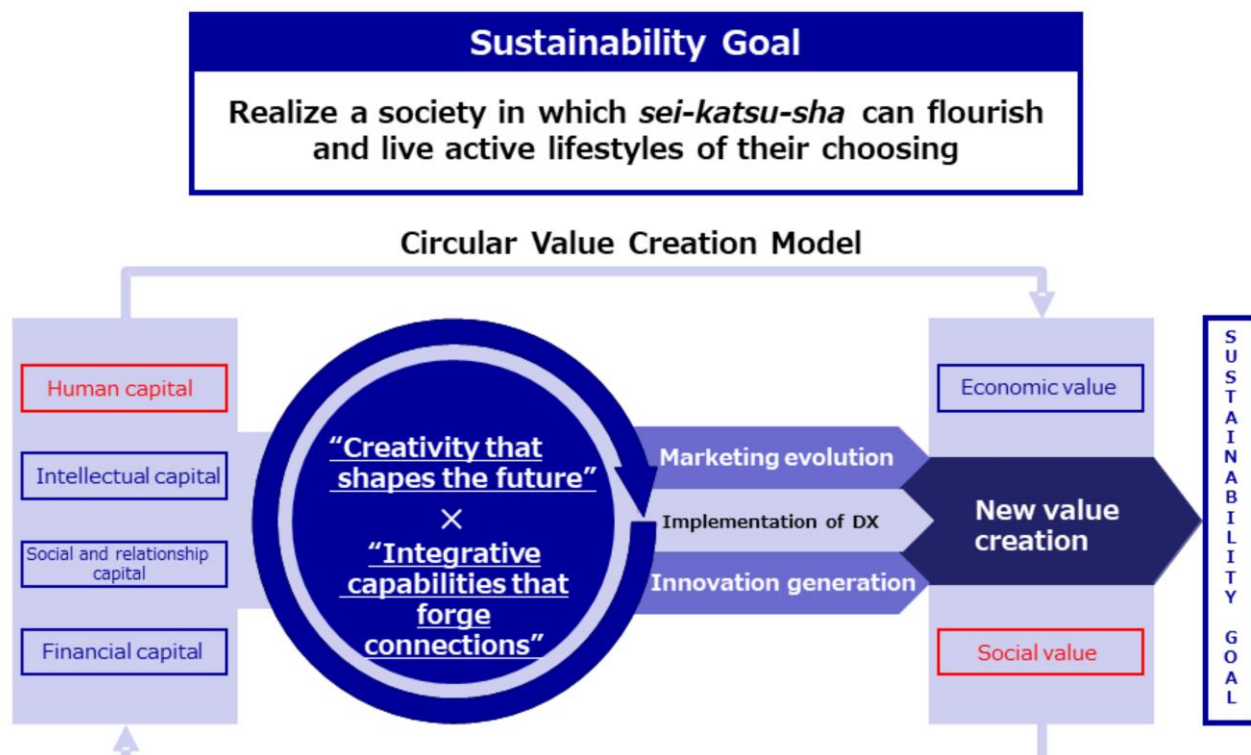
As the slide shows, there are numerous examples of our innovation through external collaboration, which have been pursued using the UNIVERSITY of CREATIVITY (UoC), MIRAI Business Division, and corporate venture capital funds as hubs.

4. Strengthen our Foundation for Sustainable Business Management

The fourth initiative is “Strengthen our foundation for sustainable business management.”

4. Establishment of an Environment for Sustainable Management

- Guided by a circular value creation model, we will aim to realize our sustainability goal
 - We expect to reinforce the function of Hakuhodo DY Holdings with a view to implementing our sustainability efforts



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As announced in last year's integrated report, we have adopted "realize a society in which *sei-katsu-sha* can flourish and live active lifestyles of their choosing" as our sustainability goal, and are working to achieve this goal based on a circular value creation model.

As an important theme of our MTBP going forward, we will strive Groupwide to create an environment for sustainable management.

We believe that reinforcing our human capital is a particularly important aspect for creating not only economic value, but various kinds of social value.

I will explain in further detail on the next slide.

Active Investment in Human Resources

- Our people represent the most important element underpinning the sustainable growth of the Group. To that end, we will move forward with human resource investments, including initiatives that will incur costs in the near term
- Through these investments, we aim to establish an environment in which each employee can leverage their creativity to the greatest extent possible

Active Investment in Human Resources (Including Upfront Investments) to Achieve Sustainable Growth

Overview of Initiatives

- Promotion of sound and healthy workstyles
- Establishment of systems to enable collaboration even when working from home
- Establishment of workplace environments where employees can feel a sense of growth
- Further promotion of diversity and inclusion, etc.



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Our people are the most essential element underpinning the sustainable growth of the Group. To that end, we believe that active investment in human resources is crucial to becoming an attractive company that can grow significantly over the medium to long term.

As you can see here, we are moving forward with a broad range of initiatives, including those that will incur costs in advance, with the aim of establishing an environment where each employee can leverage their creativity to the greatest extent possible.

MTBP Targets

Lastly, I will explain the targets of the MTBP.

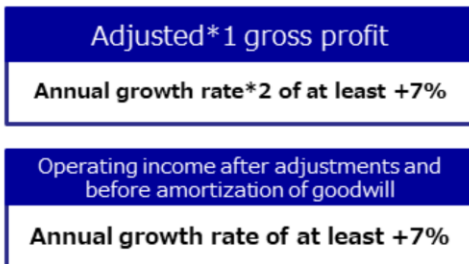
MTBP Targets

- We will implement strategic investment in structural reforms aimed at maintaining and enhancing our growth potential and realizing continuous growth over the medium to long term.

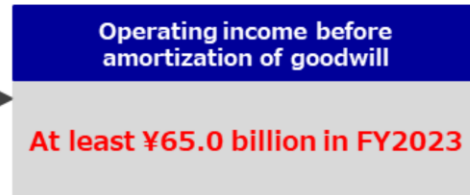
□ MTBP Targets (FY2023)

*1 Adjusted = Excluding investment projects
*2 FY2020–FY2023

Excluding investment profits/losses



Including investment business profits/losses



Important indicators



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As I mentioned at the beginning of this presentation, under the newly revised plan, we have positioned the three fiscal years FY2021 to FY2023 as a period in which we will accelerate transformation of our services and business foundation. To that end, we have established numerical targets for the MTBP that reflect our strategic investment in structural reforms geared toward maintaining and enhancing our growth potential and realizing continuous growth over the medium to long term.

The new MTBP targets are as follows:

Annual growth rate in adjusted gross profit of at least 7%, excluding investment projects

Annual growth rate in adjusted operating income before amortization of goodwill of at least 7%, also excluding investment projects

Operating income before amortization of goodwill, including investment projects, of at least ¥65.0 billion by FY2023, the final fiscal year of the MTBP

The important indicators for achieving these targets are as follows:

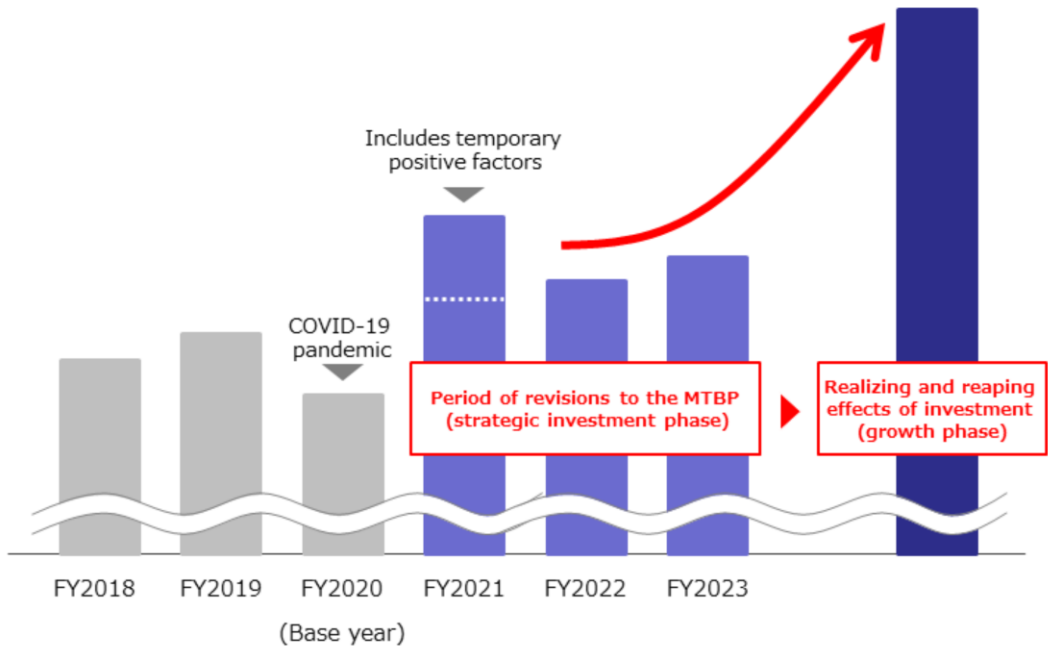
Adjusted operating margin before amortization of goodwill of around 15%

ROE before amortization of goodwill of at least 10%

Outline of Medium- to Long-Term Growth

- Rather than pursue short-term profit growth in the three years, a period in which we find ourselves on the verge of significant transformation, we will move forward with structural reforms and aim to establish a firm foundation for significant growth over the medium to long term.

Outline of Growth in Operating Income After Adjustments and Before Amortization of Goodwill



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This slide shows an outline of our medium- to long-term growth.

Rather than pursue short-term profit growth in the three fiscal years to FY2023, a period in which we find ourselves on the verge of significant transformation, we will move forward with structural reforms and aim to establish a firm foundation for significant growth over the medium to long term.



HakuhodoDY holdings

This concludes my explanation of the revisions we made to the MTBP.

In accordance with the newly revised MTBP, we will steadily work to transform the Group with the aim of realizing significant medium- to long-term growth and enhancing our corporate value.

Thank you for your attention.