

Hakuhodo DY holdings

# Consolidated Financial Highlights FY2022 First-half (April-Sep., 2022)

November 10, 2022

# Consolidated Results Highlights of 1H FY 2022

**Top line growth outperformed the domestic advertising market. SG&A expenses increased as planned due to strategic investments, resulting in increase in billings and decrease in profits.**

- The domestic advertising market was not strong against economic uncertainty. The billings increased by 9.1% YoY\*, which was higher than the market as a result of seizing the opportunities by recovery from the COVID. M&As also boosted the growth.
- Billings, revenues and gross profit achieved record highs for the 1H.
- In Japan, the trad- media services decreased from 1H FY2021, however, internet media and outdoor media were up from the previous year. As a result, media business as a whole were up from last year. Marketing/Promotion increased significantly.
- Looking at overseas, the recovery trend continued in Asia including Greater China. In addition, the impact of foreign exchange fluctuations and M&As also boosted profits.
- SG&A expenses increased by 13.2% YoY due to strategic investments, a return of activity expenses, and the impact of exchange rate fluctuations, resulting in a decrease in operating income by 28.3% YoY (\*).
- Progress of performance was basically in line with the company's guidance.

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

(Millions of JPY)	Actual	YOY	
<b>Billings</b>	<b>719,646</b>	<b>+58,272</b>	<b>+8.8%</b>
<b>Revenue</b>	<b>419,382</b>	<b>+48,479</b>	<b>+13.1%</b>
<b>Operating Income</b>	<b>20,525</b>	<b>-7,724</b>	<b>-27.3%</b>
<b>Ordinary Income</b>	<b>24,006</b>	<b>-5,891</b>	<b>-19.7%</b>
<b>Net Income Attributable to Owners of Parent</b>	<b>11,719</b>	<b>-2,837</b>	<b>-19.5%</b>

- Billings increased by 8.8% YoY, and revenue increased by 13.1% YoY.
- Operating income decreased by 27.3% YoY to ¥20.5 billion.
- Net income attributable to owners of the parent decreased by 19.5% YoY to ¥11.7 billion.

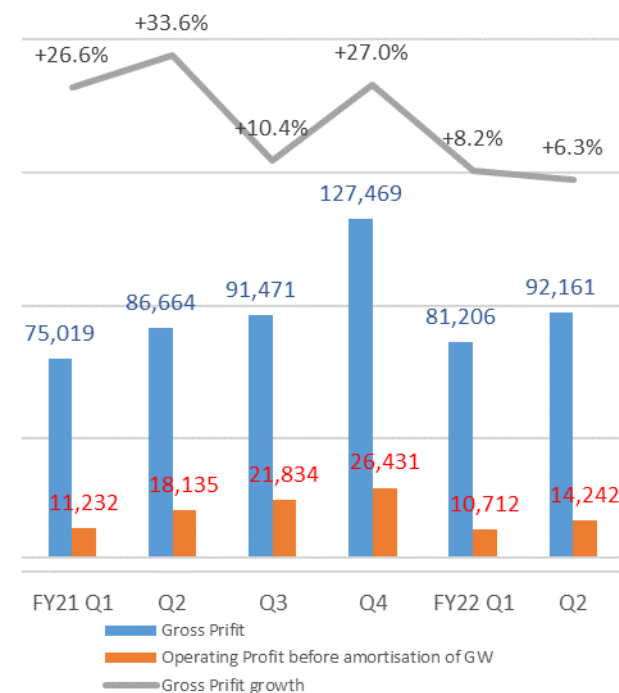
# 1H FY2022 Results (Excluding Investment Business)

Hakuhodo DY holdings

(Millions of JPY)

	Actual	YOY	
<b>Billings</b>	<b>715,611</b>	<b>+59,402</b>	<b>+9.1%</b>
<b>Revenue</b>	<b>415,346</b>	<b>+49,608</b>	<b>+13.6%</b>
<b>Gross Profit</b>	<b>173,368</b>	<b>+11,685</b>	<b>+7.2%</b>
<b>Gross Margin</b>	<b>24.2%</b>	<b>-0.4pt</b>	
<b>SGA</b>	<b>156,616</b>	<b>+18,292</b>	<b>+13.2%</b>
<b>Operating Income</b>	<b>16,751</b>	<b>-6,607</b>	<b>-28.3%</b>
<b>Operating Margin</b>	<b>9.7%</b>	<b>-4.8pt</b>	
<b>Amortization of Goodwill*</b>	<b>8,202</b>	<b>+2,193</b>	<b>+36.5%</b>
<b>Operating Income before Amortization of G/W</b>	<b>24,954</b>	<b>-4,413</b>	<b>-15.0%</b>
<b>Operating Margin before Amortization of G/W</b>	<b>14.4%</b>	<b>-3.8pt</b>	

Gross profit & Operating Income before amortization of goodwill by quarter



- Billings increased by 9.1% YoY.
- Gross profit increased by 7.2% YoY. Billings, Revenue and Gross Profit reached record high for the 1H.
- SG&A expenses increased by 13.2%. Operating income decreased by 28.3% since SG&A expenses increased more than top-line growth.
- Operating income before amortization of goodwill decreased by 15.0%.

\* 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)

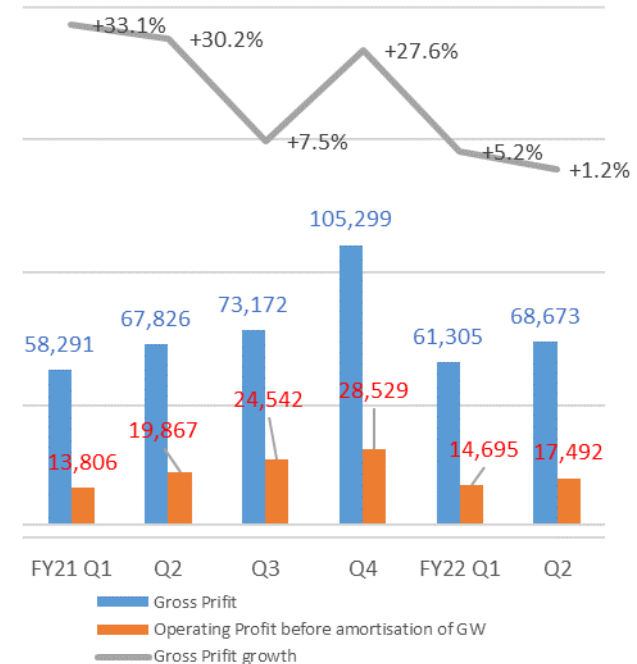
1H FY2022

(Millions of JPY)

	Actual	YOY	
<b>Billings</b>	<b>611,069</b>	<b>+35,025</b>	<b>+6.1%</b>
<b>Revenue</b>	<b>310,805</b>	<b>+25,232</b>	<b>+8.8%</b>
<b>Gross Profit</b>	<b>129,978</b>	<b>+3,860</b>	<b>+3.1%</b>
<b>Gross Margin</b>	<b>21.3%</b>	<b>-0.6pt</b>	
<b>SGA</b>	<b>98,562</b>	<b>+5,548</b>	<b>+6.0%</b>
<b>Operating Income</b>	<b>31,416</b>	<b>-1,687</b>	<b>-5.1%</b>
<b>Operating Margin</b>	<b>24.2%</b>	<b>-2.1pt</b>	
<b>Amortization of Goodwill*</b>	<b>772</b>	<b>+201</b>	<b>+35.3%</b>
<b>Operating Income before Amortization of G/W</b>	<b>32,188</b>	<b>-1,485</b>	<b>-4.4%</b>
<b>Operating Margin before Amortization of G/W</b>	<b>24.8%</b>	<b>-1.9pt</b>	

Gross profit &amp; Operating Income before amortization of goodwill by quarter

(millions of JPY)



- Billings increased by 6.1%, driven by marketing/promotion and internet media.
- Gross profit increased by 3.1% YoY, however, gross margin decreased by 0.6pt from the previous year.
- SG&A expenses increased by 6.0% YoY due in part to strategic investments, operating income decreased by 5.1% YoY, and operating income before goodwill amortization decreased by 4.4% YoY.

# Results by Region (Overseas)

Hakuhodo DY holdings

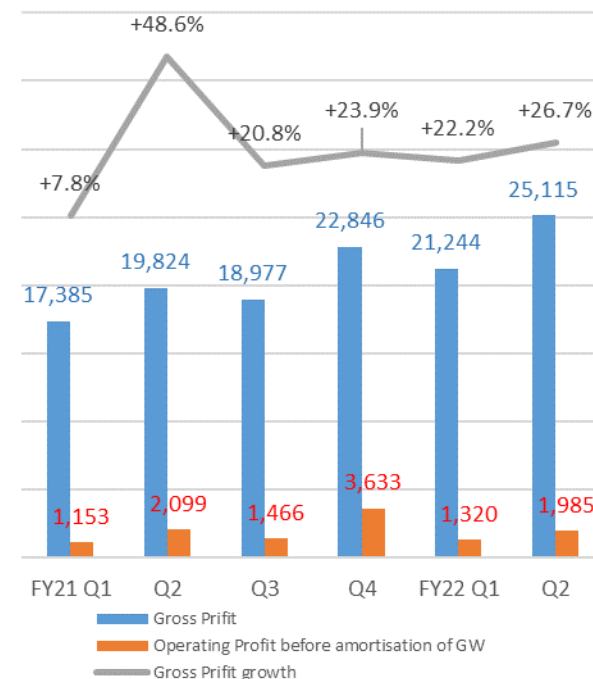
1H FY2022

(Millions of JPY)

	Actual	YOY	
<b>Billings</b>	<b>108,833</b>	<b>+25,476</b>	<b>+30.6%</b>
<b>Revenue</b>	<b>108,833</b>	<b>+25,476</b>	<b>+30.6%</b>
<b>Gross Profit</b>	<b>46,359</b>	<b>+9,148</b>	<b>+24.6%</b>
<b>Gross Margin</b>	<b>42.6%</b>	<b>-2.0pt</b>	
<b>SGA</b>	<b>50,483</b>	<b>+11,088</b>	<b>+28.1%</b>
<b>Operating Income</b>	<b>-4,124</b>	<b>-1,939</b>	<b>n/a</b>
<b>Operating Margin</b>	<b>-8.9%</b>	<b>-3.0pt</b>	
<b>Amortization of Goodwill*</b>	<b>7,430</b>	<b>+1,992</b>	<b>+36.6%</b>
<b>Operating Income before Amortization of G/W</b>	<b>3,306</b>	<b>+52</b>	<b>+1.6%</b>
<b>Operating Margin before Amortization of G/W</b>	<b>7.1%</b>	<b>-1.6pt</b>	

Gross profit & Operating Income before amortization of goodwill by quarter

(Millions of JPY)



- Gross profit increased by 30.6% YoY.
- The strong recovery in Greater China, ASEAN, and other Asian regions, as well as the impact of foreign exchange and M&A in North America, contributed to the strong growth.
- SG&A expenses increased by 28.1% YoY, and operating income before amortization of goodwill increased by 1.6% YoY.
- Overseas business accounted 26.7% of consolidated gross profit, excluding the investment business.

\* 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 FY2022

(Millions of JPY)	Actual	YOY		Composition Ratio
Newspapers	14,373	-3,050	-17.5%	2.4%
Magazines	3,625	-409	-10.2%	0.6%
Radio	5,632	-134	-2.3%	0.9%
Television	178,149	-5,161	-2.8%	29.3%
Trad-Media Service Subtotal	201,781	-8,755	-4.2%	33.2%
Internet Media	156,351	+16,265	+11.6%	25.8%
Outdoor Media	16,109	+2,871	+21.7%	2.7%
Media Service Subtotal	374,242	+10,381	+2.9%	61.6%
Creative	68,298	+2,673	+4.1%	11.3%
Marketing/Promotion	147,161	+18,473	+14.4%	24.2%
Others (Contents, etc.)	17,368	+2,410	+16.1%	2.9%
Other than Media Service Subtotal	232,828	+23,557	+11.3%	38.4%
Total	607,071	+33,939	+5.9%	100.0%
Investment Business	4,035	-1,129		
Other than above	3,998			
Domestic Billings	615,105	+33,896	+5.8%	
Internet Advertising Domain Billings	185,365	+18,440	+11.0%	30.5%
Marketing Execution Domain Billings	76,279	+8,243	+12.1%	12.6%

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



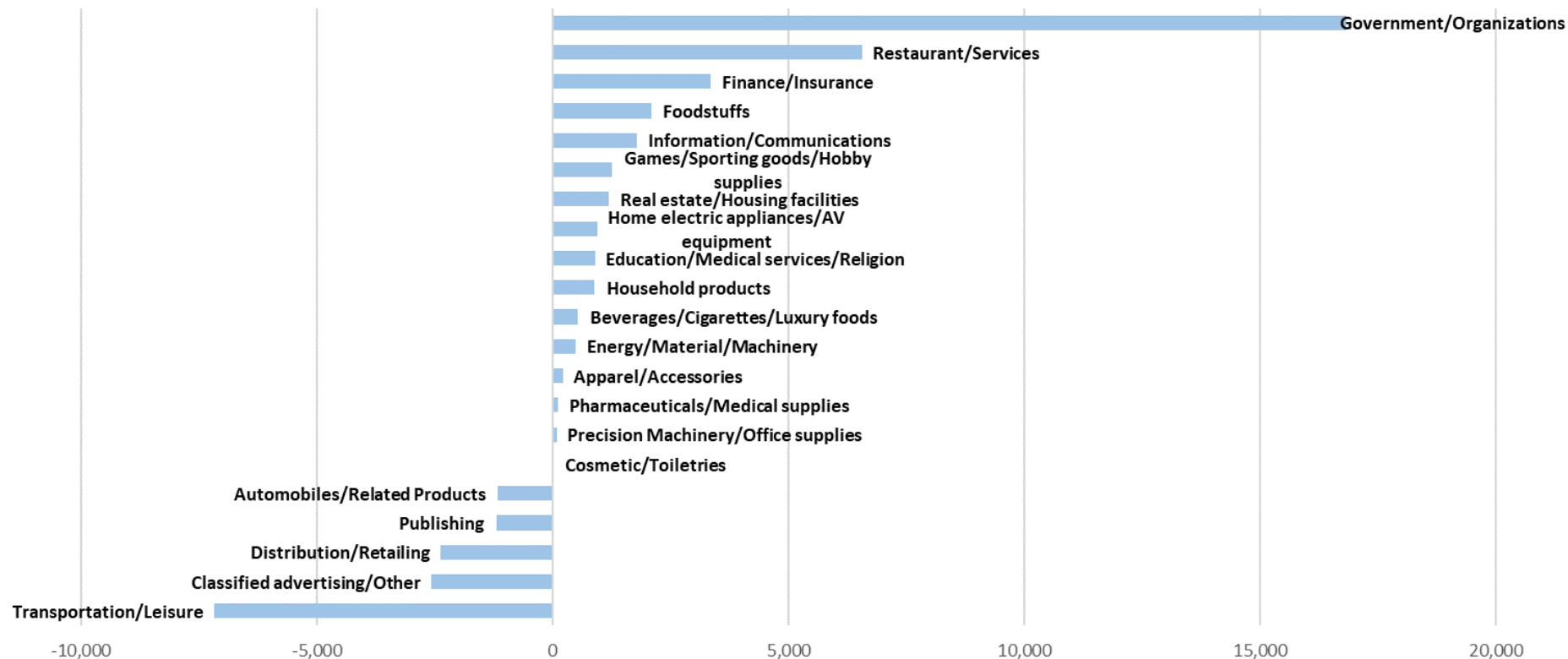
# Billings by Clients' Industry

Hakuhodo DY holdings

1H FY2022

See p.23-26 for details.

Millions of JPY



## - Main Positive Industries

Government/Organizations	1H FY2022	Actual	¥ 27.3bil	YoY	+¥16.8bil (+159.6%)
Restaurant/Services			¥ 31.3bil		+¥6.5bil (+26.4%)
Finance/Insurance			¥ 30.5bil		+¥3.3bil (+12.3%)

## - Main Negative Industries

Transportation/Leisure	1H FY2022	Actual	¥ 16.3bil	YoY	-¥7.1bil (-30.5%)
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# Selling, General & Administrative Expenses

Hakuhodo DY holdings

1H FY2022

(Millions of JPY)

	Actual	YOY	
<b>Personnel</b>	<b>103,908</b>	<b>+8,067</b>	<b>+8.4%</b>
<b>Rent</b>	<b>9,807</b>	<b>+573</b>	<b>+6.2%</b>
<b>Depreciations</b>	<b>3,939</b>	<b>+607</b>	<b>+18.2%</b>
<b>Amortization of Goodwill</b>	<b>8,202</b>	<b>+2,193</b>	<b>+36.5%</b>
<b>Others</b>	<b>30,799</b>	<b>+6,835</b>	<b>+28.5%</b>
<b>Other Expenses</b>	<b>52,749</b>	<b>+10,209</b>	<b>+24.0%</b>
<b>SGA total</b>	<b>156,657</b>	<b>+18,277</b>	<b>+13.2%</b>

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

Q2 FY21 SG&A	138,380
Change in scope of consolidation	+2,769
Amortization of goodwill	+2,193
Personnel (other than above)	+6,089
Other expenses (other than above)	+7,225
Q2 FY22 SG&A	156,657

- SG&A expenses increased by 13.2% YoY.
- Personnel expenses increased by 8.4% YoY and other expenses increased by 24.0% YoY due to the investment in strategic expenses for future growth.
- SG&A expenses increased by ¥13.3 billion excluding the impact of changes in the scope of consolidation and amortization of goodwill. Personnel expenses increased by ¥6.0 billion, and other expenses increased by ¥7.2 billion.
- The number of employees was 27,413 as of Sep 30, 2022. (Increased by 1,891 from Mar 31, 2022)

1H FY2022

## Other Income/Loss

(Millions of JPY)

Actual

YOY

### Non-operating Income

4,308

+1,953

Interest Income

188

+39

Dividend Income

1,317

+136

FOREX

1,341

+1,341

Investment Partnership Income

471

+142

### Non-operating Expenses

827

+120

Interest Expenses

210

-39

Equity Method Loss

293

+156

## Extra-ordinary Items

(Millions of JPY)

Actual

YOY

### Extraordinary Income

2,106

+1,738

Gain on sales of investment securities

1,022

Gain on sales of shares of subsidiaries and associates

501

Transfer of rights income

350

### Extraordinary losses

888

+466

Special retirement expenses

338

Loss on valuation of investment securities

111

Guidance for FY2022

Forecasts for the fiscal year ending March 31, 2023 unchanged.

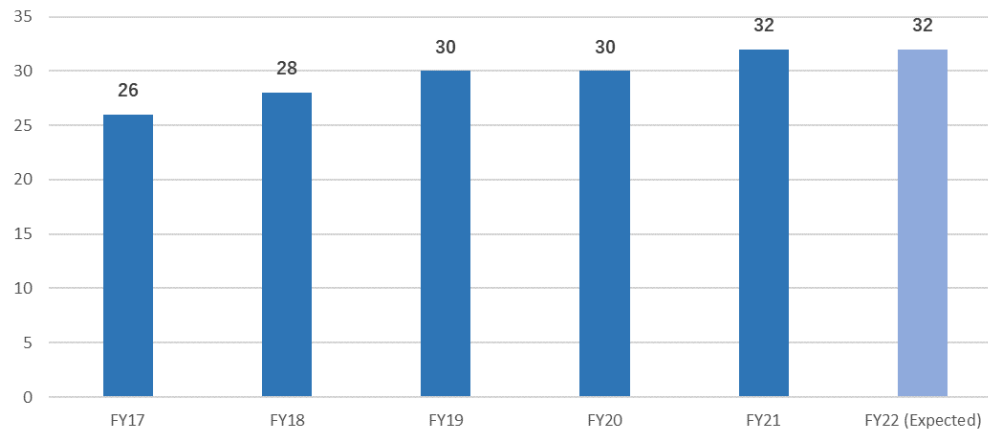
## Performance forecast for FY2022

(Millions of JPY)	Forecast	YOY	
<b>Billings</b>	<b>1,630,000</b>	<b>+111,078</b>	<b>+7.3%</b>
<b>Operating Income</b>	<b>51,000</b>	<b>-20,642</b>	<b>-28.8%</b>
<b>Ordinary Income</b>	<b>53,000</b>	<b>-22,740</b>	<b>-30.0%</b>
<b>Net Income Attributable to Owners of Parent</b>	<b>26,000</b>	<b>-29,179</b>	<b>-52.9%</b>
<b>Operating Income before amortization of Goodwill</b>	<b>64,000</b>	<b>-20,029</b>	<b>-23.8%</b>

# Shareholders Return

## Dividend forecast

The annual dividend will be ¥32 per share (including an interim dividend of ¥16 per share), unchanged from the previous forecast.



## Acquisition of own shares (share buyback)

On November 10, 2022, we announced the acquisition of our own shares up to ¥10 billion. We are currently aggressively investing funds in infrastructure development for future growth, and at the same time, we will consider additional shareholder returns based on comprehensive consideration of our business performance, progress in our investment plans, and financial condition.

## **(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 FY2022

(Millions of JPY)	YTD (6-Month)			by Quarter (3-Month)			
	Actual	YOY		Q1	YOY	Q2	YOY
<b>Billings</b>	719,646	+58,272	+8.8%	349,106	+6.8%	370,540	+10.8%
<b>Revenue</b>	419,382	+48,479	+13.1%	195,636	+13.5%	223,746	+12.7%
<b>Gross Profit</b>	177,182	+10,552	+6.3%	84,420	+7.9%	92,762	+4.9%
<b>Gross Margin</b>	24.6%	-0.6pt	+0.0%	24.2%	+0.3pt	25.0%	-1.4pt
<b>SG&amp;A</b>	156,657	+18,277	+13.2%	72,961	+10.3%	83,695	+15.9%
<b>Operating Income</b>	20,525	-7,724	-27.3%	11,458	-5.2%	9,066	-43.9%
<b>Operating Margin</b>	11.6%	-5.4pt	+0.0%	13.6%	-1.9pt	9.8%	-8.5pt
<b>Non-operating Income</b>	4,308	+1,953	+83.0%	2,949	+83.7%	1,359	+81.3%
<b>Non-operating Expenses</b>	827	+120	+17.1%	537	+21.8%	289	+9.2%
<b>Ordinary Income</b>	24,006	-5,891	-19.7%	13,870	+4.7%	10,136	-39.1%
<b>Extraordinary Income</b>	2,106	+1,738	+472.9%	366	+30.7%	1,740	+1885.7%
<b>Extraordinary Loss</b>	888	+466	+110.8%	661	+512.2%	227	-27.5%
<b>Net Income before Taxes</b>	25,224	-4,619	-15.5%	13,574	+1.1%	11,649	-29.1%
<b>Income Tax</b>	11,955	-1,194	-9.1%	7,656	+27.8%	4,299	-39.9%
<b>Non-controlling Interest</b>	1,549	-587	-27.5%	1,336	+12.0%	212	-77.4%
<b>Net Income Attributable to Owners of Parent</b>	11,719	-2,837	-19.5%	4,582	-26.5%	7,136	-14.2%
<b>Amortization of Goodwill</b>	8,202	+2,193	+36.5%	2,447	+5.1%	5,755	+56.4%
<b>Operating Income before Amortization of Goodwill</b>	28,727	-5,530	-16.1%	13,905	-3.5%	14,822	-25.3%
<b>Operating Margin before Amortization of Goodwill</b>	16.2%	-4.3pt		16.5%	-2.0pt	16.0%	-6.5pt

\* 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 FY2022

	YTD (6-Month)			by Quarter (3-Month)			
Results Excluding Investment Business							
(Millions of JPY)	Actual	YOY		Q1	YOY	Q2	YOY
Billings	715,611	59,402	+9.1%	345,848	+6.8%	369,763	+11.2%
Revenue	415,346	49,608	+13.6%	192,377	+13.8%	222,969	+13.4%
Gross Profit	173,368	11,685	+7.2%	81,206	+8.2%	92,161	+6.3%
Gross Margin	24.2%	-0.4pt		23.5%	+0.3pt	24.9%	-1.1pt
SG&A	156,616	18,292	+13.2%	72,941	+10.3%	83,674	+15.9%
Operating Income	16,751	-6,607	-28.3%	8,264	-7.2%	8,486	-41.3%
Operating Margin	9.7%	-4.8pt		10.2%	-1.7pt	9.2%	-7.5pt
Amortization of Goodwill	8,202	+2,193	+36.5%	2,447	+5.1%	5,755	+56.4%
Operating Income before Amortization of Goodwill	24,954	-4,413	-15.0%	10,712	-4.6%	14,242	-21.5%
Operating Margin before Amortization of Goodwill	14.4%	-3.8pt		13.2%	-1.8pt	15.5%	-5.5pt
Impact from Investment Business							
(Millions of JPY)	Actual	YOY		Q1	YOY	Q2	YOY
Billings	4,035	-1,129		3,258	-25	776	-1,103
Revenue	4,035	-1,129		3,258	-25	776	-1,103
Gross Profit	3,814	-1,132		3,213	-7	600	-1,124
SG&A	41	-14		19	-17	21	+2
Operating Income	3,773	-1,117		3,193	+9	579	-1,127

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

1H FY2022

(Millions of JPY)	Actual	YOY	
<b>Japan</b>			
Billings	615,105	+33,896	+5.8%
Revenue	314,841	+24,103	+8.3%
Gross Profit	133,793	+2,728	+2.1%
SG&A	98,603	+5,533	+5.9%
Operating Income	35,189	-2,804	-7.4%
<b>Overseas</b>			
Billings	108,833	+25,476	+30.6%
Revenue	108,833	+25,476	+30.6%
Gross Profit	46,359	+9,148	+24.6%
SG&A	50,483	+11,088	+28.1%
Operating Income	-4,124	-1,939	n/a
<b>Elimination or Corporate</b>			
Billings	-4,291	-386,997	
Revenue	-4,291	+369,801	
Gross Profit	-2,970	-104,153	
SG&A	7,569	-63,073	
Operating Income	-10,540	-41,079	
<b>Consolidated</b>			
Billings	719,646	+58,272	+8.8%
Revenue	419,382	+48,479	+13.1%
Gross Profit	177,182	+10,552	+6.3%
SG&A	156,657	+18,277	+13.2%
Operating Income	20,525	-7,724	-27.3%

# Results by Region(YTD, by Quarter)

Hakuhodo DY holdings

1H FY2022

	YTD (6-Month)			by Quarter (3-Month)			
Japan (Excluding Investment Business)							
(Millions of JPY)	YTD Actual	YOY		Q1	YOY	Q2	YOY
Billings	611,069	+35,025	+6.1%	298,466	+4.8%	312,603	+7.4%
Gross Profit	129,978	+3,860	+3.1%	61,305	+5.2%	68,673	+1.2%
Gross Margin	21.3%	-0.6pt		20.5%	+0.1pt	22.0%	-1.3pt
SG&A	98,562	+5,548	+6.0%	46,837	+4.6%	51,724	+7.2%
Operating Income	31,416	-1,687	-5.1%	14,467	+6.9%	16,949	-13.4%
Operating Margin	24.2%	-2.1pt		23.6%	+0.4pt	24.7%	-4.2pt
Amortization of Goodwill	772	+201	+35.3%	228	-18.1%	543	+86.6%
Operating Income before Amortization of Goodwill	32,188	-1,485	-4.4%	14,695	+6.4%	17,492	-12.0%
Operating Margin before Amortization of Goodwill	24.8%	-1.9pt		24.0%	+0.3pt	25.5%	-3.8pt
International							
(Millions of JPY)	YTD Actual	YOY		Q1	YOY	Q2	YOY
Billings	108,833	+25,476	+30.6%	49,499	+22.8%	59,333	+37.8%
Gross Profit	46,359	+9,148	+24.6%	21,244	+22.2%	25,115	+26.7%
Gross Margin	42.6%	-2.0pt		42.9%	-0.2pt	42.3%	-3.7pt
SG&A	50,483	+11,088	+28.1%	22,142	+21.1%	28,341	+34.2%
Operating Income	-4,124	-1,939	n/a	-897	n/a	-3,226	n/a
Operating Margin	-8.9%	-3.0pt		-4.2%	+0.9pt	-12.8%	-6.3pt
Amortization of Goodwill	7,430	+1,992	+36.6%	2,218	+8.3%	5,212	+53.8%
Operating Income before Amortization of Goodwill	3,306	+52	+1.6%	1,320	+14.5%	1,985	-5.4%
Operating Margin before Amortization of Goodwill	7.1%	-1.6pt		6.2%	-0.4pt	7.9%	-2.7pt

# Billings by Service Category

Hakuhodo DY holdings

1H FY2022

(Millions of JPY)	YTD (6-Month)			by Quarter (3-Month)			
	YTD Actual	YOY		Q1	YOY	Q2	YOY
<b>Newspapers</b>	14,373	-3,050	-17.5%	7,275	-20.9%	7,098	-13.7%
<b>Magazines</b>	3,625	-409	-10.2%	1,553	-18.6%	2,071	-2.6%
<b>Radio</b>	5,632	-134	-2.3%	2,866	-0.7%	2,766	-4.0%
<b>Television</b>	178,149	-5,161	-2.8%	91,278	-4.5%	86,871	-0.9%
<b>Mass Media Service Subtotal</b>	201,781	-8,755	-4.2%	102,973	-6.1%	98,807	-2.1%
<b>Internet Media</b>	156,351	+16,265	+11.6%	80,118	+5.9%	76,232	+18.3%
<b>Outdoor Media</b>	16,109	+2,871	+21.7%	7,706	+16.8%	8,403	+26.5%
<b>Media Service Subtotal</b>	374,242	+10,381	+2.9%	190,798	-0.6%	183,444	+6.7%
<b>Creative</b>	68,298	+2,673	+4.1%	33,310	+5.0%	34,987	+3.2%
<b>Marketing/Promotion</b>	147,161	+18,473	+14.4%	66,004	+24.7%	81,156	+7.1%
<b>Others (Contents, etc.)</b>	17,368	+2,410	+16.1%	7,405	-2.4%	9,963	+35.1%
<b>Other than Media Service Subtotal</b>	232,828	+23,557	+11.3%	106,720	+15.7%	126,108	+7.8%
<b>Total</b>	607,071	+33,939	+5.9%	297,518	+4.7%	309,552	+7.1%
<b>Other than above</b>	8,034	-1,129		4,205		3,828	
<b>Consolidated Billings</b>	615,105	+33,896	+5.8%	301,724	+4.7%	313,380	+6.9%
<b>Internet Advertising Domain Billings</b>	185,365	+18,440	+11.0%	93,536	+6.7%	91,829	+15.8%

# Billings by Clients' Industry

Hakuhodo DY holdings

1H FY2022

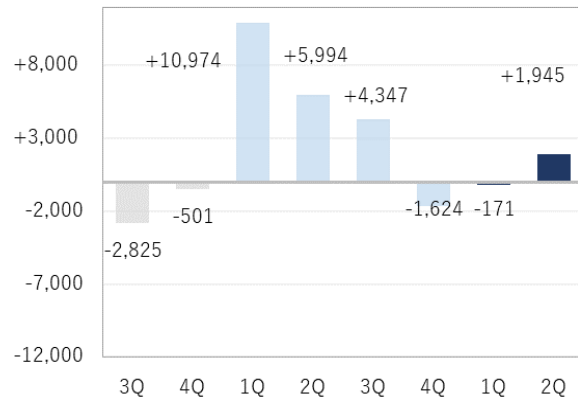
(Millions of JPY)	Actual	YOY		Compositor
<b>Information/Communications</b>	66,234	+1,773	+2.8%	13.1%
Beverages/Cigarettes/Luxury foods	58,892	+532	+0.9%	11.6%
Automobiles/Related products	46,916	-1,161	-2.4%	9.3%
<b>Foodstuffs</b>	38,605	+2,082	+5.7%	7.6%
Cosmetics/Toiletries	34,140	+20	+0.1%	6.7%
<b>Restaurant/Services</b>	31,358	+6,553	+26.4%	6.2%
<b>Finance/Insurance</b>	30,593	+3,342	+12.3%	6.0%
Pharmaceuticals/Medical supplies	29,024	+112	+0.4%	5.7%
<b>Government/Organizations</b>	27,362	+16,821	+159.6%	5.4%
<b>Distribution/Retailing</b>	22,249	-2,368	-9.6%	4.4%
<b>Real estate/Housing facilities</b>	21,547	+1,199	+5.9%	4.3%
<b>Transportation/Leisure</b>	16,363	-7,175	-30.5%	3.2%
Games/Sporting goods/Hobby supplies	13,501	+1,260	+10.3%	2.7%
<b>Household products</b>	11,308	+891	+8.6%	2.2%
<b>Apparel/Accessories</b>	10,611	+216	+2.1%	2.1%
Home electric appliances/AV equipment	9,088	+946	+11.6%	1.8%
<b>Energy/Material/Machinery</b>	8,627	+488	+6.0%	1.7%
<b>Publishing</b>	7,555	-1,184	-13.6%	1.5%
Education/Medical services/Religion	6,870	+897	+15.0%	1.4%
Precision machinery/Office supplies	3,099	+78	+2.6%	0.6%
<b>Classified advertising/Other</b>	12,715	-2,569	-16.8%	2.5%
<b>Total</b>	506,665	+22,758	+4.7%	100.0%
<b>Investment Business</b>	4,035	-1,129		
<b>Other than Above</b>	104,404			
<b>Domestic Billings</b>	615,105	+33,896	+5.8%	

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

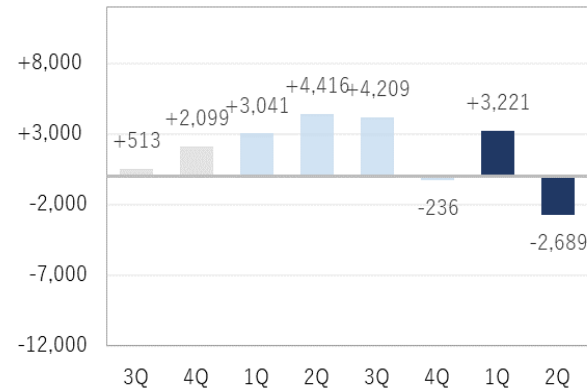
HakuhodoDY holdings

FY2020 FY2021 FY2022  
(Millions of JPY)

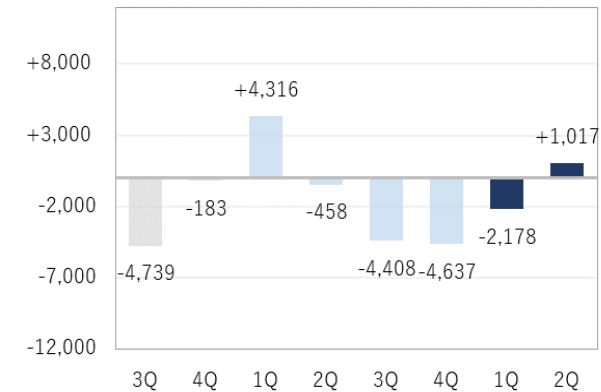
Information/Communications



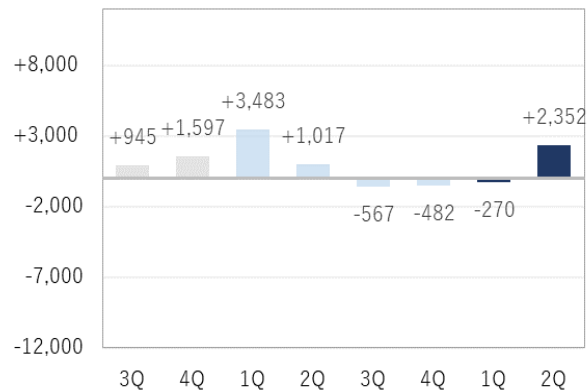
Beverages/Cigarettes/Luxury foods



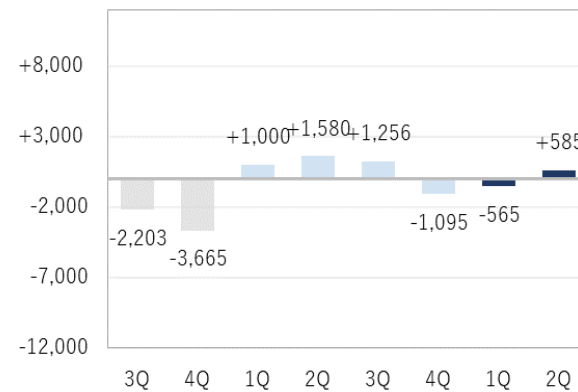
Automobiles/Related products



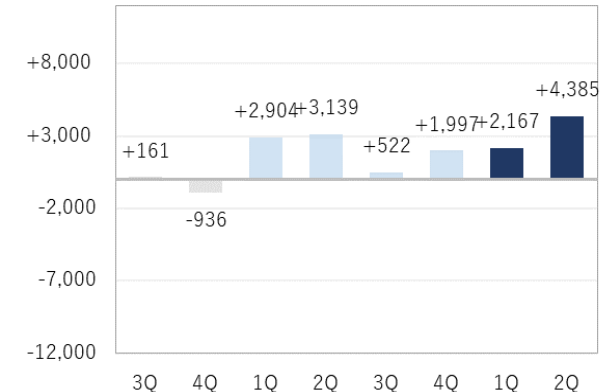
Foodstuffs



Cosmetics/Toiletries



Restaurant/Services



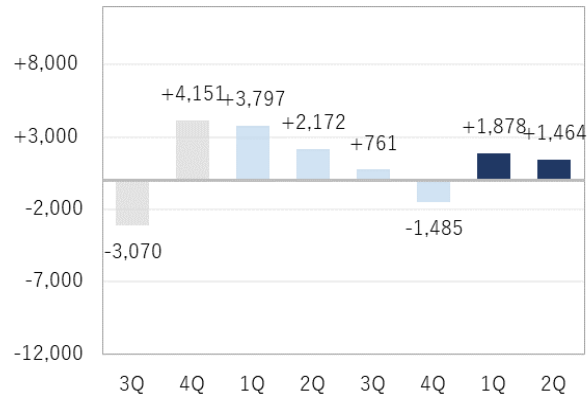


# Billings by Clients' Industry (YoY by Quarter) 2

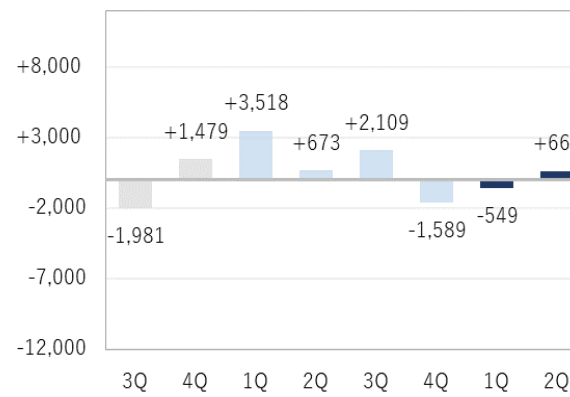
Hakuhodo DY holdings

FY2020 FY2021 FY2022  
(Millions of JPY)

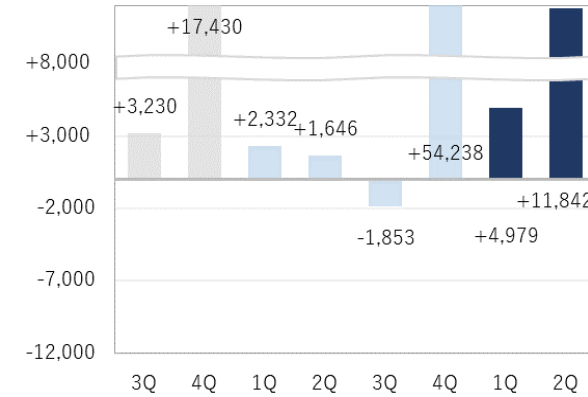
Finance/Insurance



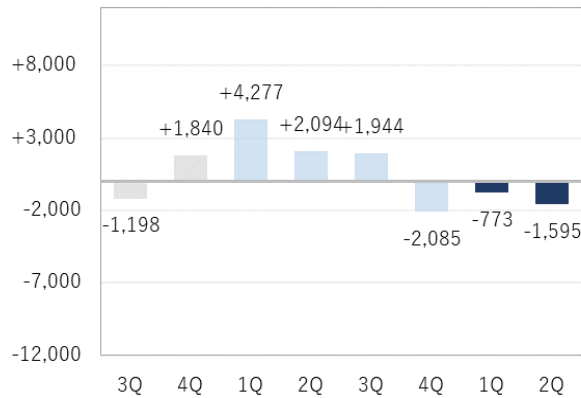
Pharmaceuticals/Medical supplies



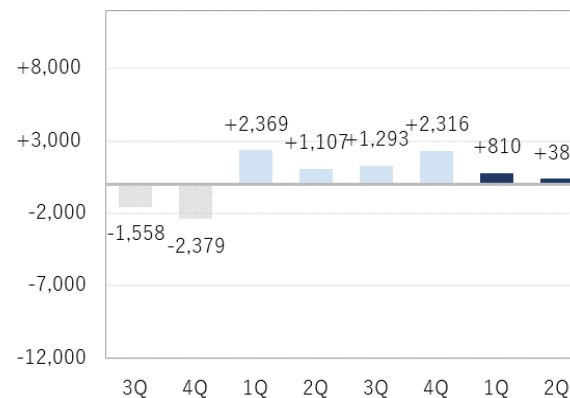
Government/Organizations



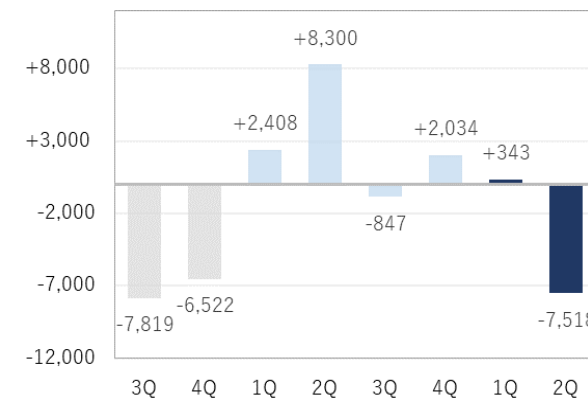
Distribution/Retailing



Real estate/Housing facilities



Transportation/Leisure

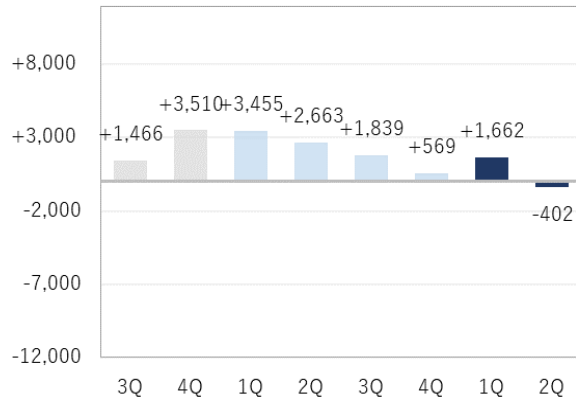


# Billings by Clients' Industry (YoY by Quarter) 3

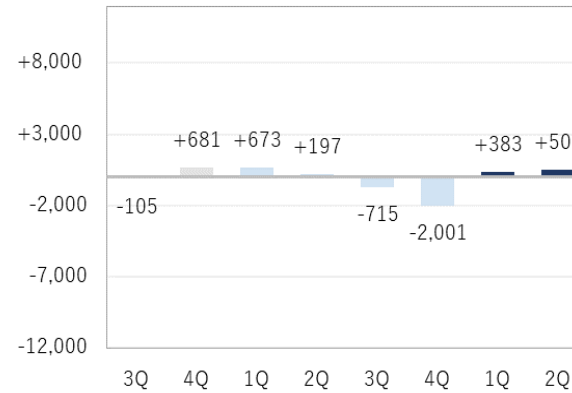
Hakuhodo DY holdings

FY2020 FY2021 FY2022  
(Millions of JPY)

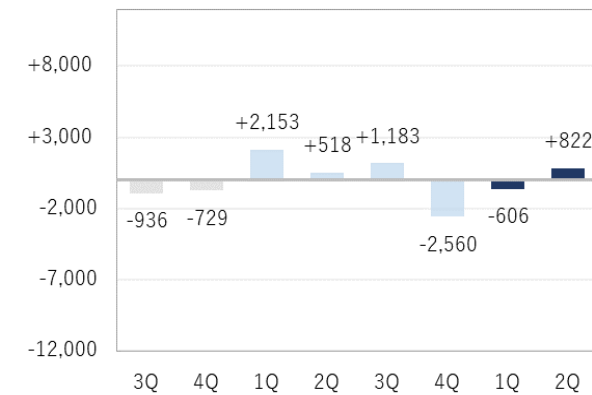
Games/Sporting goods/Hobby supplies



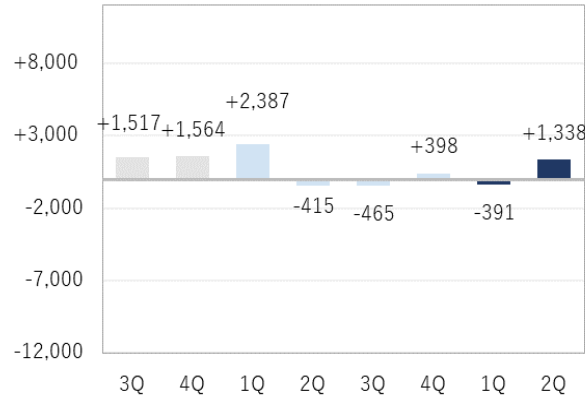
Household products



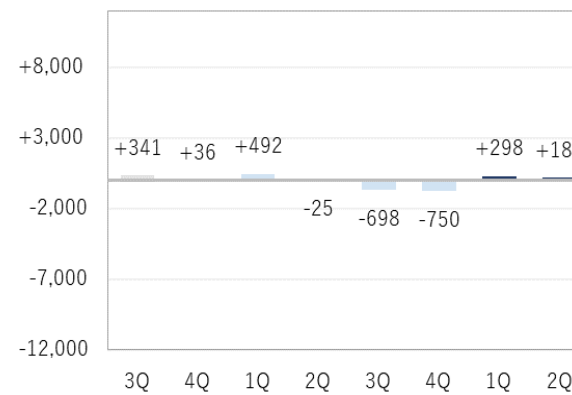
Apparel/Accessories



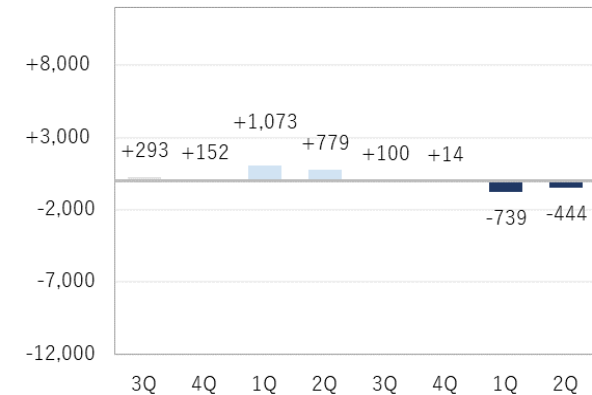
Home electric appliances/AV equipment



Energy/Material/Machinery



Publishing

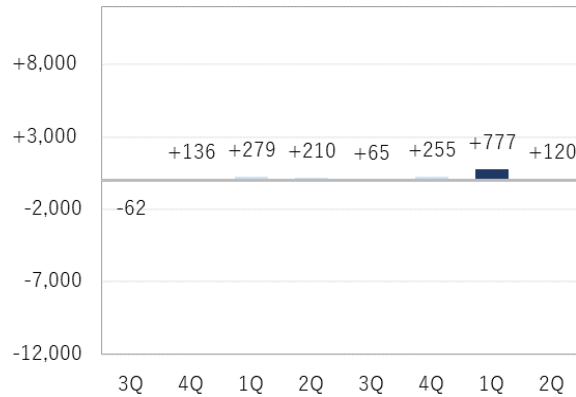


# Billings by Clients' Industry (YoY by Quarter) 4

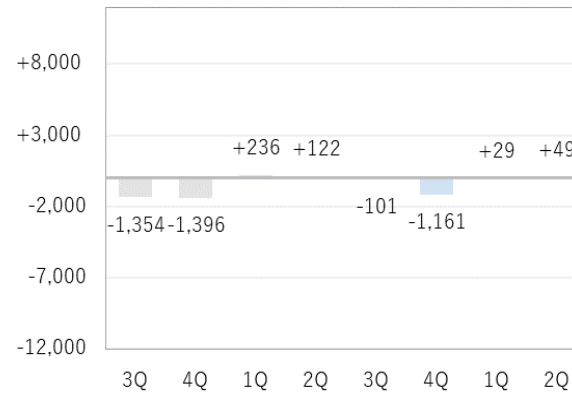
Hakuhodo DY holdings

FY2020
  FY2021
  FY2022  
 (Millions of JPY)

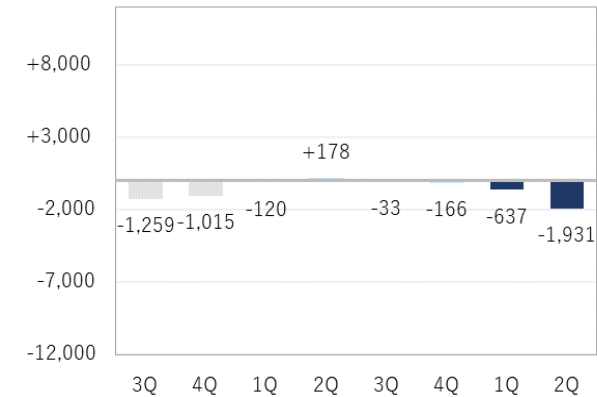
Medical/Education/Religion



Precision machinery/Office supplies



Classified advertising/Other



(Millions of JPY)	End of Sep. 2022	Change *	Composition
<b>Current Assets</b>	648,160	-106,693	66.5%
Cash & Deposits	205,385	21,401	
Accounts Recievable	316,550	-121,854	
<b>Non-current Assets</b>	327,229	29,066	33.5%
Tangible Assets	39,688	2,564	
Intangible Assets	103,614	31,297	
Goodwill	72,387	27,289	
Investments & Other Assets	183,926	-4,794	
Investment Securities	137,422	725	
<b>Total Assets</b>	975,390	-77,626	100.0%
<b>Current Liabilities</b>	421,483	-84,156	43.2%
Accounts Payable	241,902	-56,767	
Short-term Borrowings	8,731	-2,019	
<b>Non-current Liabilities</b>	154,712	-5,249	15.9%
Long-term Borrowings	113,332	-655	
<b>Total Liabilities</b>	576,195	-89,406	59.1%
<b>Shareholders' Equity</b>	324,673	5,497	33.3%
Share Capital	10,790	-	
Capital Surplus	-	-	
Retained Earnings	325,094	5,336	
Treasury Stock	-11,212	160	
Accumulated Other Comprehensive Incom	44,800	6,122	4.6%
Share Aquisiton Rights	223	-2	0.0%
Non-controlling Interests	29,497	162	3.0%
<b>Total Net Assets</b>	399,194	11,779	40.9%

\* Change from the balance as of the end of Mar. 2022

# Cash Flow Statements

Hakuhodo DY holdings

1H FY2022

(Millions of JPY)	Actual	YOY
<b>Cash Flows from Operating Activities</b>	<b>47,616</b>	<b>+15,858</b>
<b>Cash Flows from Investing Activities</b>	<b>-18,850</b>	<b>-9,251</b>
Purchase of property, plant and equipment	-2,530	-487
Purchase of intangible assets	-4,659	-2,450
Purchase of investment securities	-3,449	-1,299
Payments for investments in capital	-2,535	-2,151
Purchase of subsidiary shares and capital	-8,478	-4,256
Proceeds from purchase of shares of subsidiaries resulting in change in scope of consolidation	1,975	+1,975
<b>Cash Flows from Financing Activities</b>	<b>-14,412</b>	<b>-17,013</b>
Net increase (decrease) in short-term borrowings	-3,189	-13,457
Net increase (decrease) in Long-term borrowings & Bonds	-2,666	-3,267
Dividends paid	-6,347	-758
Dividends paid to non-controlling interests	-453	+334
Payments from changes in ownership interests in subsidiaries that do not result in change in scope of consolidation	-263	-106
<b>Cash and cash equivalents at beginning of period</b>	<b>180,697</b>	<b>+4,654</b>
<b>Cash and cash equivalents at end of period</b>	<b>201,058</b>	<b>-1,665</b>

Hakuhodo DY holdings