

Hakuhodo DY holdings

Consolidated Financial Highlights FY2023 First-half (April-Sep., 2023)

November 13, 2023

Consolidated Results Highlights of 1H FY 2023

(Notes about Retroactive Restatement)

In April 2022, we conducted tentative accounting treatment for the business combination associated with the acquisition of shares of SoldOut, Inc. in accordance with Japanese GAAP. The treatment was finalized at the end of the previous consolidated fiscal year. With the finalization of this provisional accounting treatment, we have retroactively corrected the allocation of the acquisition cost, and restated the related interim financial information for the fiscal year ended March 31, 2023.

As a result, compared to the consolidated interim income statements which were previously disclosed, the operating income, ordinary income, and quarterly net income before taxes for the second quarter in FY2022 have each decreased by ¥12.0 million, and the quarterly net income attributable to the parent has decreased by ¥5.0 million.

1H FY2023 Income Statement Highlights

Hakuhodo DY holdings

1H FY2023

(Millions of JPY)	Actual	YOY	
Billings	697,854	-21,791	-3.0%
Revenue	399,558	-19,824	-4.7%
Operating Income	1,346	-19,165	-93.4%
Ordinary Income	3,562	-20,431	-85.2%
Net Income Attributable to Owners of Parent	-10,872	-22,586	-192.8%

- Billings decreased by 3.0% YoY, and revenue decreased by 4.7% YoY.
- Operating income decreased by 93.4% to ¥1.3 billion.
- Net income (loss) attributable to owners of the parent decreased by ¥22.5 billion YoY to a net loss of ¥10.8 billion due to extraordinary losses of ¥6.0 billion, including loss on valuation of investment securities.

1H FY2023 Results (Excluding Investment Business)

Hakuhodo DY holdings

1H FY2023

(Millions of JPY)	Actual	YOY	
Billings	691,576	-24,034	-3.4%
Revenue	393,279	-22,067	-5.3%
Gross Profit	168,962	-4,405	-2.5%
Gross Margin	24.4%	+0.2pt	
SGA	173,534	+16,905	+10.8%
Operating Income	-4,571	-21,310	-127.3%
Operating Margin	-2.7%	-12.4pt	
Amortization of Goodwill*	7,703	-511	-6.2%
Operating Income before Amortization of G/W	3,132	-21,822	-87.4%
Operating Margin before Amortization of G/W	1.9%	-12.5pt	

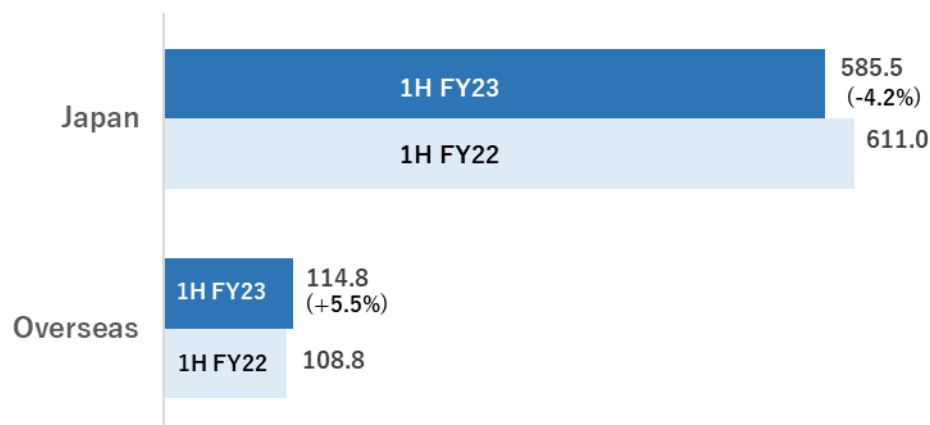
- Billings decreased by 3.4% YoY. Gross profit decreased by 2.5% YoY. Gross margin improved by 0.2pt.
- SG&A expenses increased by 10.8% YoY.
- Operating income (loss) decreased by ¥21.3 billion YoY to a loss of ¥4.5 billion.
- Operating income before goodwill amortization decreased by 87.4%.

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

1H FY2023

Consolidated**¥691.5 billion (-¥24.0 billion / -3.4% YoY)**

(Billions of JPY)



- In Japan, excluding the impact of COVID-19 related BPO operations, our performance is on par with the previous year. We have been promoting the use of AaaS and group collaboration, and have increased our internet media by 5.0% YoY. Even as the advertising market stagnates, our media service subtotal, including television, has exceeded the previous year by 1.0%.
- By clients' industry, "Government/Organizations" and "Information/Communications" decreased, while "Distribution/Retailing," "Transportation/Leisure," and "Restaurant/Services" increased.
- Overseas billings increased by 5.5% YoY due to growth in India, ASEAN area and Taiwan, as well as M&A and the impact of exchange rate fluctuations.

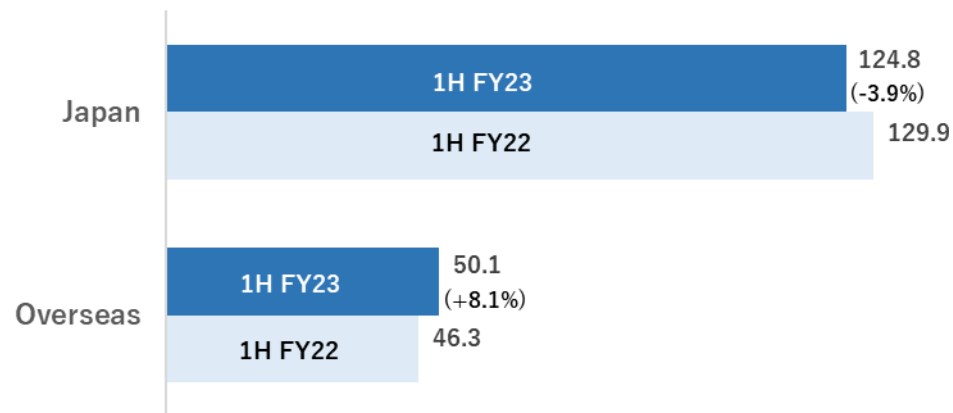
1H FY2023

Consolidated

Gross Profit : ¥168.9 billion (-¥4.4 billion / -2.5% YoY)

- Gross Margin : 24.4% (+0.2pt YoY)

(Billions of JPY)

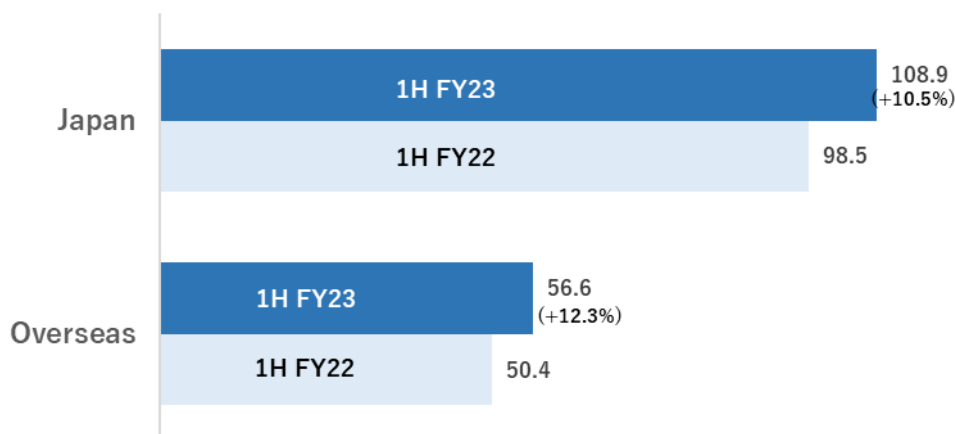


- In Japan, gross margin improved by 0.1 pt YoY due to the contribution of various technology-based solutions such as AaaS, as well as successful efforts to improve profitability. Gross profit, excluding BPO operations, was higher than the previous year.
- Overseas, growth continued mainly in Asia, including Taiwan and India, as well as boosted by M&A and the exchange rate fluctuations, resulting in an 8.1% YoY increase in gross profit.

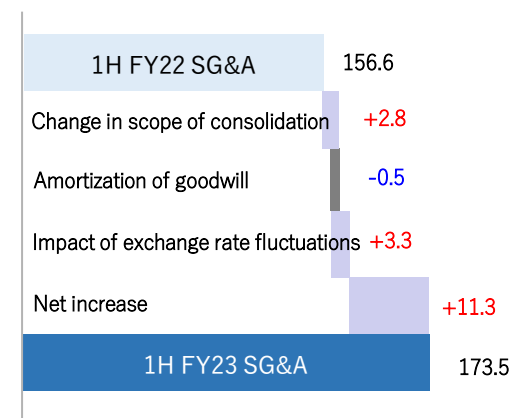
1H FY2023

Consolidated

¥173.5 billion (+¥16.9 billion / +10.8% YoY)



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



- SG&A expenses increased by 10.8% YoY.
- Net increase excluding effects of changes in scope of consolidation, amortization of goodwill, and exchange rate fluctuations was ¥11.3 billion (+7.2% YoY). The main factors for the net increase are strategic up-front investments for future sustainable growth, such as strengthening hiring focused on digital/technology talent, developing solutions using cutting-edge technology, reskilling, and office renovations to support flexible work styles.
- The number of employees at the end of September 2023 increased by 1,423 from the end of September 2022 to 28,836.

1H FY2023

Consolidated

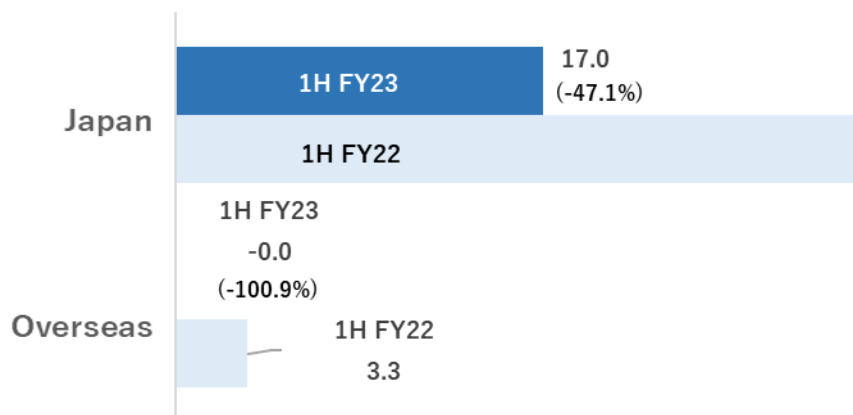
Operating Loss : -¥4.5 billion (-¥21.3 billion)

- Operating Margin : -2.7% (-12.4pt YoY)

Operating Income before Goodwill : ¥3.1 billion (-¥21.8 billion)

- Operating Margin before Goodwill : 1.9% (-12.5pt YoY)

Operating Income before Amortization of G/W (Billions of JPY)



- In Japan, operating income before goodwill declined by 47.1% YoY due to a decrease in BPO operations and continued strategic investments.
- Overseas, operating income before goodwill decreased by ¥3.3 due to the significant impact of decrease in earnings at some bases and higher expenses in North America.
- Operating income decreased by ¥21.3 billion, and operating income before goodwill decreased by ¥21.8 billion.

Guidance for FY2023

- Based on the 1H results and the 2H outlook, we have revised our full-year forecasts.
- The main reasons for the revision are as follows. The first is a decrease in earnings at some bases in North America. Despite pushing for cost structure reforms and expecting to improve profitability in 2H, the annual profit is anticipated to fall short of the initial forecast. The second reason is that some BPO operations have been carried over to the next fiscal year.
- In Japan, excluding the reactionary reduction of COVID-19 related BPO operations in 2H, we anticipate a top-line growth that surpasses the market.
- We will continue our strategic investments for establishing a foundation for medium to long-term growth as planned. This will help us meet the evolving needs of our clients and lead to future improvements in our operating margin.

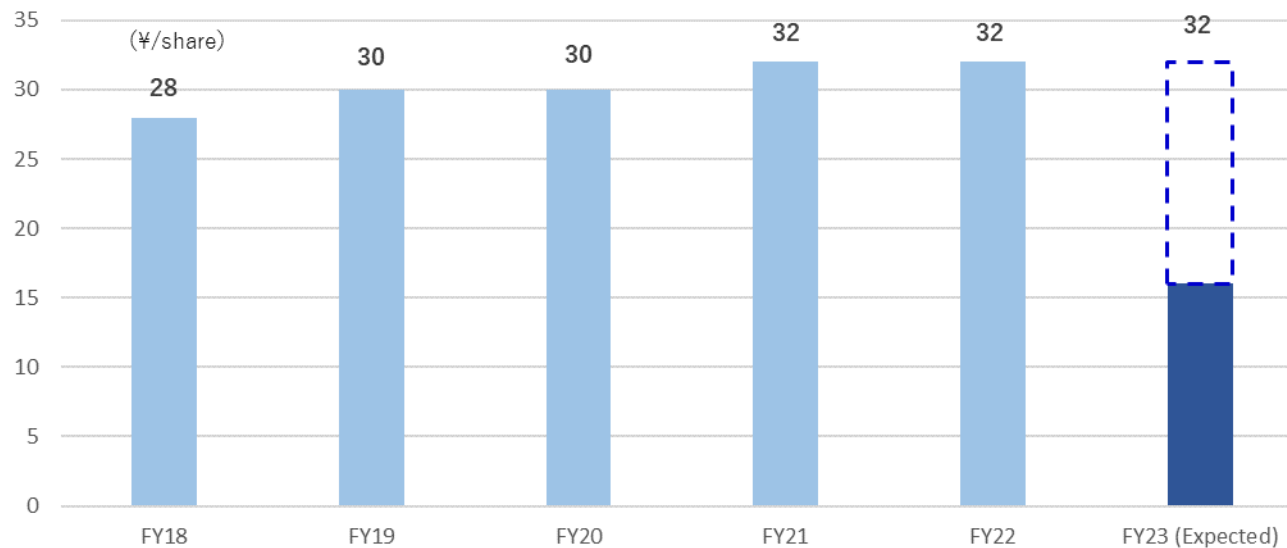
Announced on November 13, 2023, Guidance for FY2023

(Millions of JPY)	Forecast	Difference from FY22	Comparison with FY22	Difference from Last Forecast	Comparison with Last Forecast
Billings	1,600,000	-34,340	-2.1%	-95,000	-5.6%
Revenue	970,000	-21,137	-2.1%	-60,000	-5.8%
Operating Income	35,000	-20,410	-36.8%	-14,000	-28.6%
Ordinary Income	36,000	-24,379	-40.4%	-15,000	-29.4%
Net Income Attributable to Owners of Parent	14,000	-17,010	-54.9%	-13,000	-48.1%
Operating Income before amortization of Goodwill	50,000	-21,404	-30.0%	-15,000	-23.1%

Shareholder Returns

Dividend forecast for FY2023

- The annual dividend will be ¥32 per share (including an interim dividend of ¥16 per share), unchanged from the previous 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 FY2023

(Millions of JPY)	YTD (6-Month)			by Quarter (3-Month)			
	Actual	YOY		Q1	YOY	Q2	YOY
Billings	697,854	-21,791	-3.0%	354,422	+1.5%	343,432	-7.3%
Revenue	399,558	-19,824	-4.7%	201,466	+3.0%	198,091	-11.5%
Gross Profit	175,090	-2,092	-1.2%	89,189	+5.6%	85,900	-7.4%
Gross Margin	25.1%	+0.5pt	+0.0%	25.2%	+1.0pt	25.0%	-0.0pt
SG&A	173,744	+17,073	+10.9%	85,420	+17.1%	88,323	+5.5%
Operating Income	1,346	-19,165	-93.4%	3,768	-67.1%	-2,422	-126.8%
Operating Margin	0.8%	-10.8pt	+0.0%	4.2%	-9.3pt	-2.8%	-12.6pt
Non-operating Income	4,014	-294	-6.8%	3,211	+8.9%	803	-40.9%
Non-operating Expenses	1,798	+971	+117.4%	1,004	+86.9%	793	+173.9%
Ordinary Income	3,562	-20,431	-85.2%	5,975	-56.9%	-2,413	-123.8%
Extraordinary Income	1,299	-806	-38.3%	1,095	+199.3%	203	-88.3%
Extraordinary Loss	6,014	+5,126	+576.9%	745	+12.8%	5,268	+2218.1%
Net Income before Taxes	-1,153	-26,364	-104.6%	6,325	-53.4%	-7,478	-164.3%
Income Tax	8,051	-3,897	-32.6%	5,462	-28.6%	2,588	-39.7%
Non-controlling Interest	1,668	+119	+7.7%	1,655	+23.9%	12	-93.9%
Net Income Attributable to Owners of Parent	-10,872	-22,586	-192.8%	-793	-117.3%	-10,079	-241.3%
Amortization of Goodwill	7,703	-511	-6.2%	3,710	+51.6%	3,993	-30.8%
Operating Income before Amortization of Goodwill	9,050	-19,677	-68.5%	7,479	-46.2%	1,571	-89.4%
Operating Margin before Amortization of Goodwill	5.2%	-11.0pt		8.4%	-8.1pt	1.8%	-14.1pt

* 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

1H FY2023

	YTD (6-Month)			by Quarter (3-Month)			
Results Excluding Investment Business							
(Millions of JPY)	Actual	YOY		Q1	YOY	Q2	YOY
Billings	691,576	-24,034	-3.4%	348,568	+0.8%	343,007	-7.2%
Revenue	393,279	-22,067	-5.3%	195,612	+1.7%	197,667	-11.3%
Gross Profit	168,962	-4,405	-2.5%	83,378	+2.7%	85,584	-7.1%
Gross Margin	24.4%	+0.2pt		23.9%	+0.4pt	25.0%	+0.0pt
SG&A	173,534	16,905	+10.8%	85,322	+17.0%	88,212	+5.4%
Operating Income	-4,571	-21,310	-127.3%	-1,943	-123.5%	-2,628	-131.0%
Operating Margin	-2.7%	-12.4pt		-2.3%	-12.5pt	-3.1%	-12.3pt
Amortization of Goodwill	7,703	-511	-6.2%	3,710	+51.6%	3,993	-30.8%
Operating Income before Amortization of Goodwill	3,132	-21,822	-87.4%	1,766	-83.5%	1,365	-90.4%
Operating Margin before Amortization of Goodwill	1.9%	-12.5pt		2.1%	-11.1pt	1.6%	-13.9pt
Investment Business							
(Millions of JPY)	Actual	YOY		Q1	YOY	Q2	YOY
Billings	6,278	+2,242		5,853	+2,595	424	-352
Revenue	6,278	+2,242		5,853	+2,595	424	-352
Gross Profit	6,127	+2,313		5,810	+2,597	316	-284
SG&A	209	+168		98	+78	111	+90
Operating Income	5,918	+2,144		5,712	+2,519	205	-374

* 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 FY2023

(Millions of JPY)	Actual	YOY	
Japan			
Billings	591,807	-23,297	-3.8%
Revenue	293,510	-21,330	-6.8%
Gross Profit	130,975	-2,818	-2.1%
SG&A	109,182	+10,565	+10.7%
Operating Income	21,792	-13,383	-38.0%
Overseas			
Billings	114,834	+6,001	+5.5%
Revenue	114,834	+6,001	+5.5%
Gross Profit	50,110	+3,750	+8.1%
SG&A	56,674	+6,190	+12.3%
Operating Income	-6,563	-2,439	n/a
Elimination or Corporate			
Billings	-8,787	-4,495	
Revenue	-8,787	-4,495	
Gross Profit	-5,994	-3,024	
SG&A	7,887	+317	
Operating Income	-13,882	-3,342	
Consolidated			
Billings	697,854	-21,791	-3.0%
Revenue	399,558	-19,824	-4.7%
Gross Profit	175,090	-2,092	-1.2%
SG&A	173,744	+17,073	+10.9%
Operating Income	1,346	-19,165	-93.4%

Results by Region(YTD, by Quarter)

Hakuhodo DY holdings

1H FY2023

YTD (6-Month)

by Quarter (3-Month)

Japan (Excluding Investment Business)

(Millions of JPY)	YTD Actual	YOY		Q1	YOY	Q2	YOY
Billings	585,529	-25,540	-4.2%	297,790	-0.2%	287,738	-8.0%
Gross Profit	124,847	-5,131	-3.9%	62,137	+1.4%	62,710	-8.7%
Gross Margin	21.3%	+0.1pt		20.9%	+0.3pt	21.8%	-0.2pt
SG&A	108,972	+10,397	+10.5%	53,607	+14.5%	55,365	+7.0%
Operating Income	15,874	-15,528	-49.4%	8,529	-41.0%	7,344	-56.6%
Operating Margin	12.7%	-11.4pt		13.7%	-9.9pt	11.7%	-12.9pt
Amortization of Goodwill	1,168	+383	+48.8%	559	+144.7%	608	+9.4%
Operating Income before Amortization of Goodwill	17,043	-15,145	-47.1%	9,089	-38.1%	7,953	-54.5%
Operating Margin before Amortization of Goodwill	13.7%	-11.1pt		14.6%	-9.3pt	12.7%	-12.8pt

Overseas

(Millions of JPY)	YTD Actual	YOY		Q1	YOY	Q2	YOY
Billings	114,834	+6,001	+5.5%	55,156	+11.4%	59,677	+0.6%
Gross Profit	50,110	+3,750	+8.1%	24,074	+13.3%	26,035	+3.7%
Gross Margin	43.6%	+1.0pt		43.6%	+0.7pt	43.6%	+1.3pt
SG&A	56,674	+6,190	+12.3%	27,684	+25.0%	28,989	+2.3%
Operating Income	-6,563	-2,439	n/a	-3,609	n/a	-2,954	n/a
Operating Margin	-13.1%	-4.2pt		-15.0%	-10.8pt	-11.3%	+1.5pt
Amortization of Goodwill	6,535	-895	-12.0%	3,150	+42.0%	3,385	-35.0%
Operating Income before Amortization of Goodwill	-28	-3,334	-100.9%	-459	-134.8%	431	-78.3%
Operating Margin before Amortization of Goodwill	-0.1%	-7.2pt		-1.9%	-8.1pt	1.7%	-6.2pt

Results by Region (Japan: Excluding Investment Business) Hakuhodo DY holdings

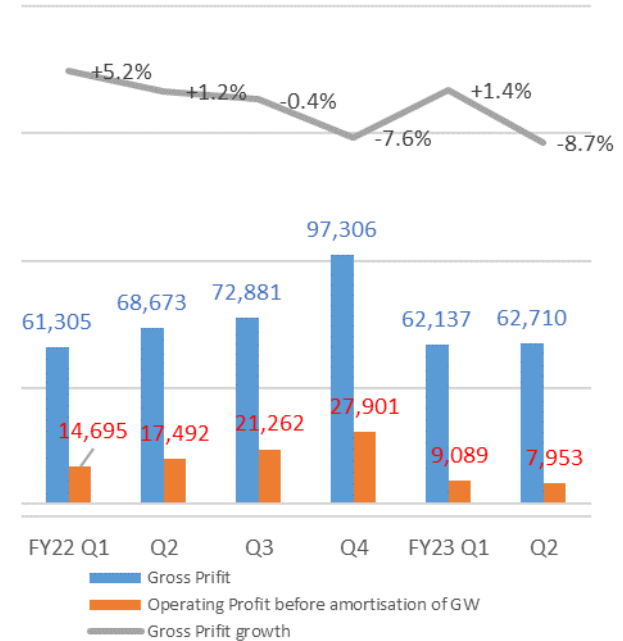
1H FY2023

(Millions of JPY)

	Actual	YOY	
Billings	585,529	-25,540	-4.2%
Revenue	287,232	-23,608	-7.6%
Gross Profit	124,847	-5,131	-3.9%
Gross Margin	21.3%	+0.1pt	
SGA	108,972	+10,397	+10.5%
Operating Income	15,874	-15,528	-49.4%
Operating Margin	12.7%	-11.4pt	
Amortization of Goodwill*	1,168	+383	+48.8%
Operating Income before Amortization of G/W	17,043	-15,145	-47.1%
Operating Margin before Amortization of G/W	13.7%	-11.1pt	

Gross profit & Operating Income before amortization of goodwill by quarter

(Millions of JPY)



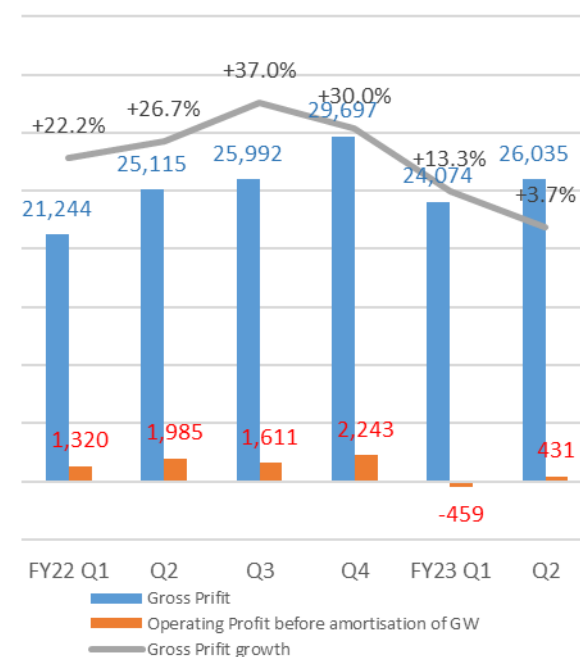
1H FY2023

(Millions of JPY)

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Revenue	114,834	+6,001	+5.5%
Gross Profit	50,110	+3,750	+8.1%
Gross Margin	43.6%	+1.0pt	
SGA	56,674	+6,190	+12.3%
Operating Income	-6,563	-2,439	n/a
Operating Margin	-13.1%	-4.2pt	
Amortization of Goodwill*	6,535	-895	-12.0%
Operating Income before Amortization of G/W	-28	-3,334	-100.9%
Operating Margin before Amortization of G/W	-0.1%	-7.2pt	

Gross profit & Operating Income before amortization of goodwill by quarter

(Millions of JPY)



Billings by Service Category

Hakuhodo DY holdings

1H FY2023

(Millions of JPY)	Actual	YOY		Composition Ratio
Newspapers	14,048	-325	-2.3%	2.4%
Magazines	3,566	-58	-1.6%	0.6%
Radio	5,030	-602	-10.7%	0.9%
Television	177,092	-1,057	-0.6%	30.9%
Trad-Media Service Subtotal	199,737	-2,043	-1.0%	34.8%
Internet Media	164,101	+7,750	+5.0%	28.6%
Outdoor Media	14,140	-1,969	-12.2%	2.5%
Media Service Subtotal	377,979	+3,737	+1.0%	65.9%
Creative	61,822	-6,475	-9.5%	10.8%
Marketing/Promotion	115,904	-31,257	-21.2%	20.2%
Others (Contents, etc.)	18,073	+704	+4.1%	3.1%
Other than Media Service Subtotal	195,801	-37,027	-15.9%	34.1%
Total	573,780	-33,290	-5.5%	100.0%
Investment Business	6,277	+2,242		
Other than above	11,748			
Domestic Billings	591,807	-23,297	-3.8%	
Internet Advertising Domain Billings	192,392	+7,027	+3.8%	33.5%
Marketing Execution Domain Billings	45,645	-24,363	-34.8%	8.0%

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

Billings by Service Category

Hakuhodo DY holdings

1H FY2023

(Millions of JPY)	YTD (6-Month)			by Quarter (3-Month)			
	YTD Actual	YOY		Q1	YOY	Q2	YOY
Newspapers	14,048	-325	-2.3%	7,130	-2.0%	6,917	-2.5%
Magazines	3,566	-58	-1.6%	1,690	+8.8%	1,876	-9.4%
Radio	5,030	-602	-10.7%	2,524	-11.9%	2,505	-9.4%
Television	177,092	-1,057	-0.6%	91,831	+0.6%	85,260	-1.9%
Mass Media Service Subtotal	199,737	-2,043	-1.0%	103,177	+0.2%	96,560	-2.3%
Internet Media	164,101	+7,750	+5.0%	87,284	+8.9%	76,817	+0.8%
Outdoor Media	14,140	-1,969	-12.2%	6,939	-10.0%	7,200	-14.3%
Media Service Subtotal	377,979	+3,737	+1.0%	197,401	+3.5%	180,578	-1.6%
Creative	61,822	-6,475	-9.5%	32,206	-3.3%	29,615	-15.4%
Marketing/Promotion	115,904	-31,257	-21.2%	53,646	-18.7%	62,258	-23.3%
Others (Contents, etc.)	18,073	+704	+4.1%	8,432	+13.9%	9,641	-3.2%
Other than Media Service Subtotal	195,801	-37,027	-15.9%	94,286	-11.7%	101,514	-19.5%
Total	573,780	-33,290	-5.5%	291,687	-2.0%	282,092	-8.9%
Other than above	18,026	+9,992		11,956		6,070	
Consolidated Billings	591,807	-23,297	-3.8%	303,644	+0.6%	288,163	-8.0%
Internet Advertising Domain Billings	192,392	+7,027	+3.8%	100,639	+7.6%	91,753	-0.1%

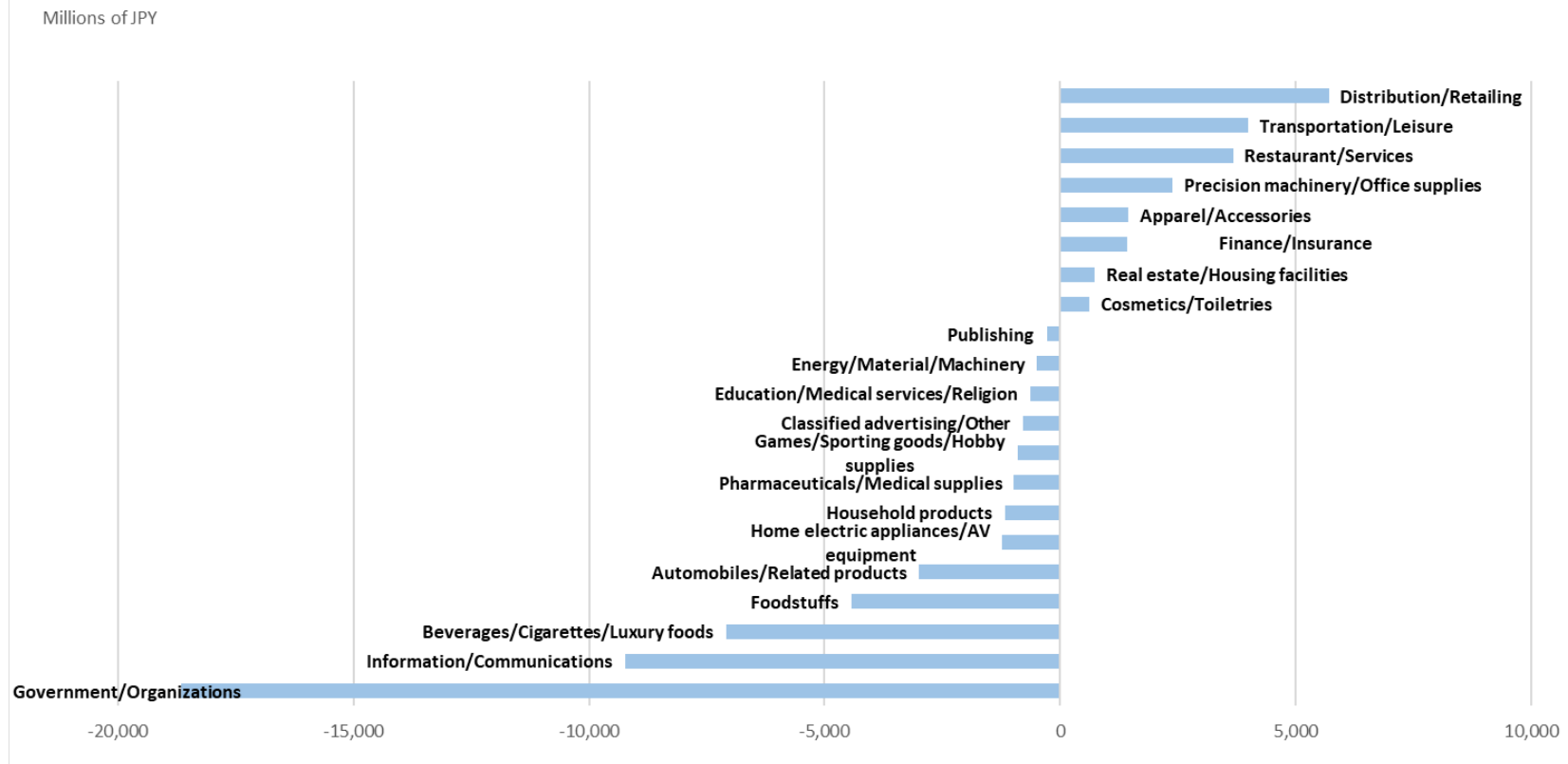
Billings by Clients' Industry

Hakuhodo DY holdings

1H FY2023

(Millions of JPY)	Actual	YOY		Composition
Information/Communications	57,013	-9,220	-13.9%	11.9%
Beverages/Cigarettes/Luxury foods	51,800	-7,091	-12.0%	10.8%
Automobiles/Related products	43,916	-3,000	-6.4%	9.2%
Restaurant/Services	35,030	+3,672	+11.7%	7.3%
Cosmetics/Toiletries	34,752	+612	+1.8%	7.3%
Foodstuffs	34,175	-4,430	-11.5%	7.2%
Finance/Insurance	32,010	+1,416	+4.6%	6.7%
Pharmaceuticals/Medical supplies	28,041	-983	-3.4%	5.9%
Distribution/Retailing	27,946	+5,697	+25.6%	5.8%
Real estate/Housing facilities	22,277	+730	+3.4%	4.7%
Transportation/Leisure	20,354	+3,991	+24.4%	4.3%
Games/Sporting goods/Hobby supplies	12,608	-893	-6.6%	2.6%
Apparel/Accessories	12,058	+1,447	+13.6%	2.5%
Household products	10,147	-1,161	-10.3%	2.1%
Government/Organizations	8,712	-18,649	-68.2%	1.8%
Energy/Material/Machinery	8,130	-496	-5.8%	1.7%
Home electric appliances/AV equipment	7,855	-1,232	-13.6%	1.6%
Publishing	7,269	-285	-3.8%	1.5%
Education/Medical services/Religion	6,228	-641	-9.3%	1.3%
Precision machinery/Office supplies	5,481	+2,382	+76.9%	1.1%
Classified advertising/Other	11,930	-785	-6.2%	2.5%
Total	477,741	-28,924	-5.7%	100.0%
Investment Business	6,277	+2,242		
Other than Above	107,788			
Domestic Billings	591,807	-23,297	-3.8%	

1H FY2023



- Positive Industries

Distribution/Retailing	1H FY2023 Actual	¥ 27.9bil	YoY +¥ 5.6bil (+25.6%)
Transportation/Leisure		¥ 20.3bil	+¥ 3.9bil (+24.4%)

- Negative Industries

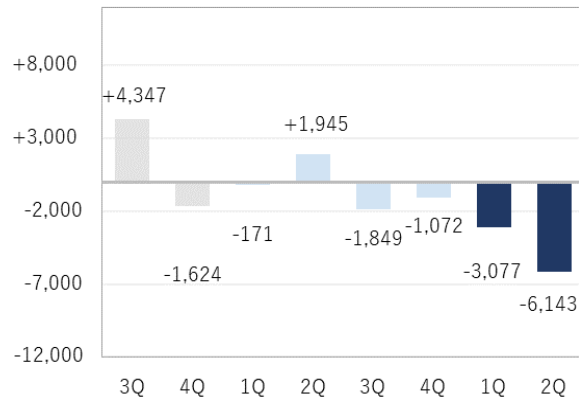
Government/Organizations	1H FY2023 Actual	¥ 8.7bil	YoY -¥18.6bil (-68.2%)
Information/Communications		¥57.0bil	YoY -¥ 9.2bil (-13.9%)

Billings by Clients' Industry (by Quarter) 1

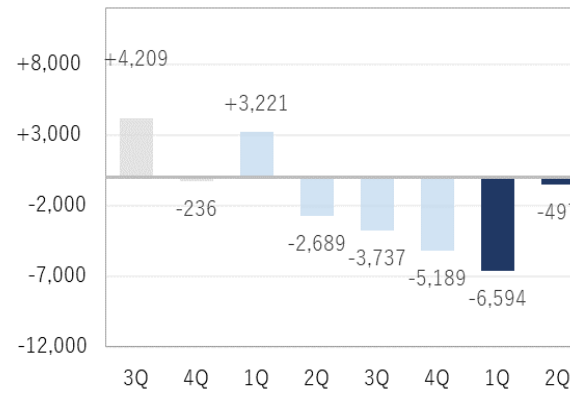
Hakuhodo DY holdings

FY2021 FY2022 FY2023
(Millions of JPY)

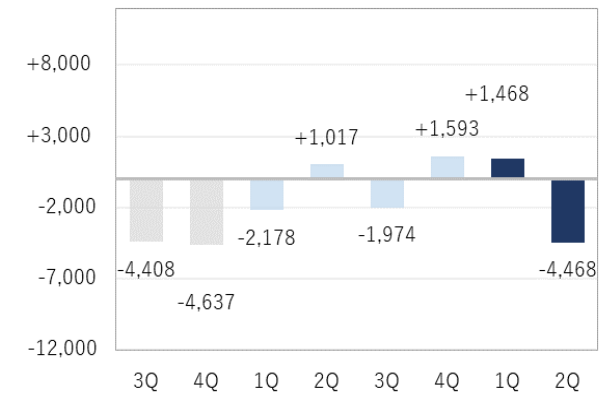
Information/Communications



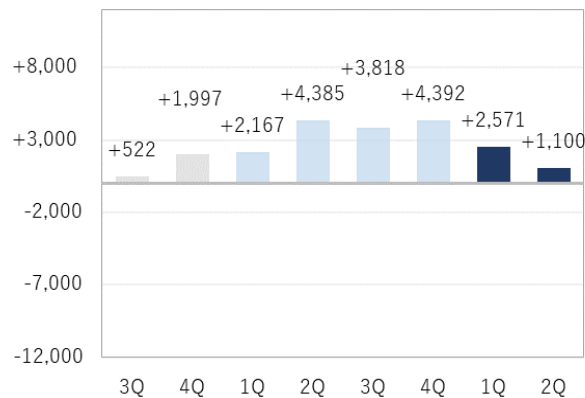
Beverages/Cigarettes/Luxury foods



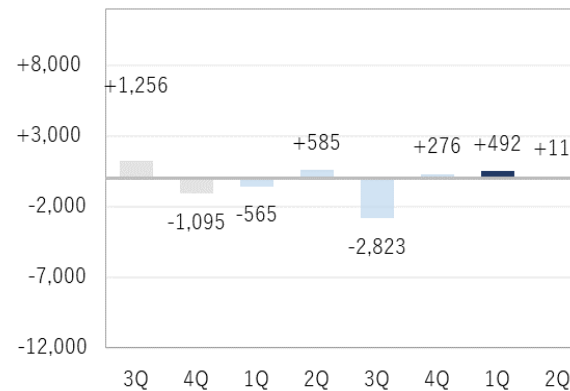
Automobiles/Related products



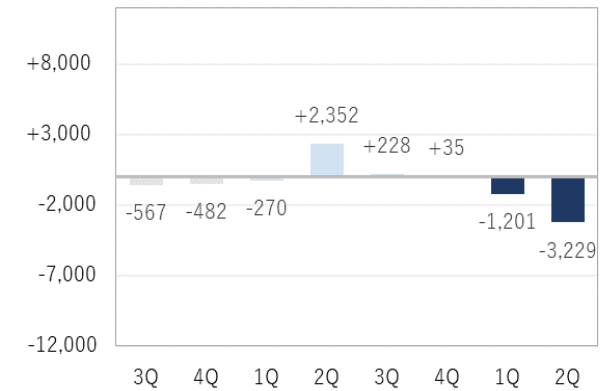
Restaurant/Services



Cosmetics/Toiletries



Foodstuffs

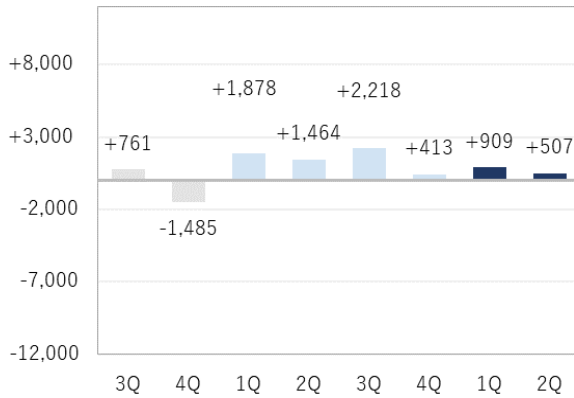


Billings by Clients' Industry (by Quarter) 2

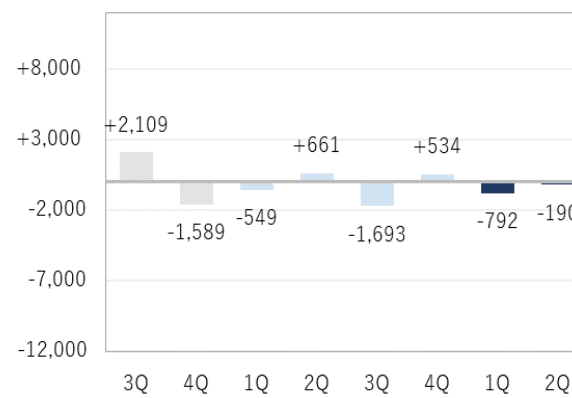
HakuhodoDY holdings

FY2021 FY2022 FY2023
(Millions of JPY)

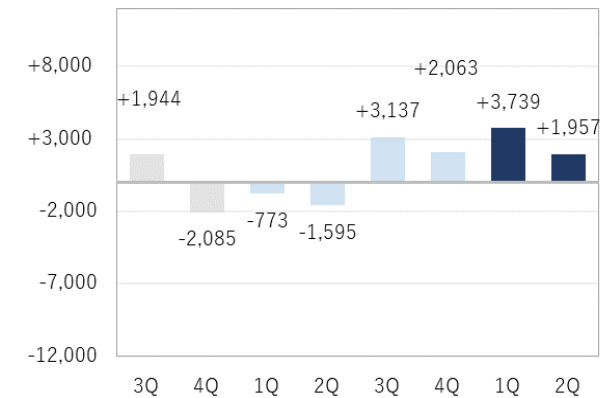
Finance/Insurance



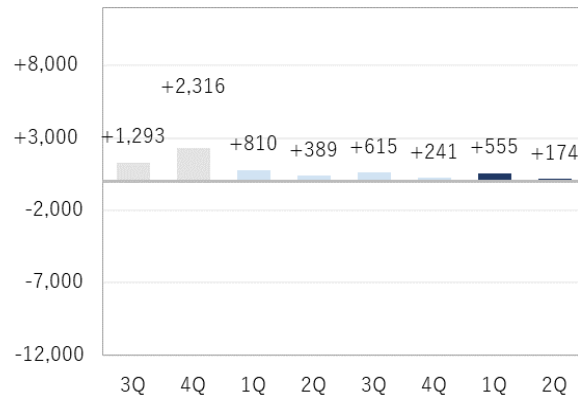
Pharmaceuticals/Medical supplies



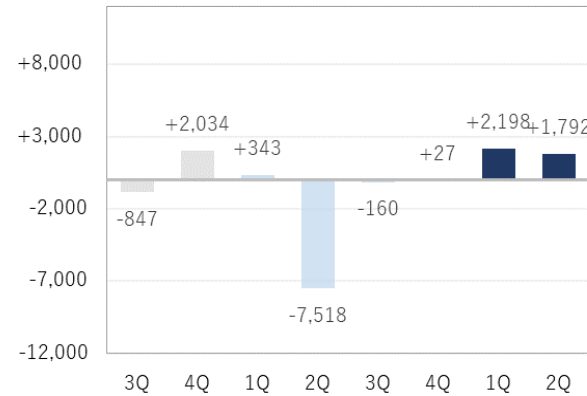
Distribution/Retailing



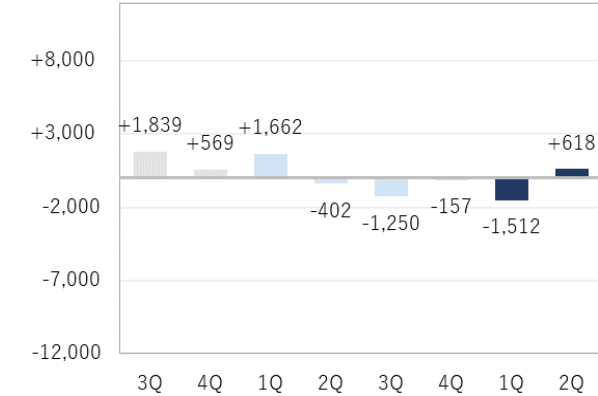
Real estate/Housing facilities



Transportation/Leisure



Games/Sporting goods/Hobby supplies

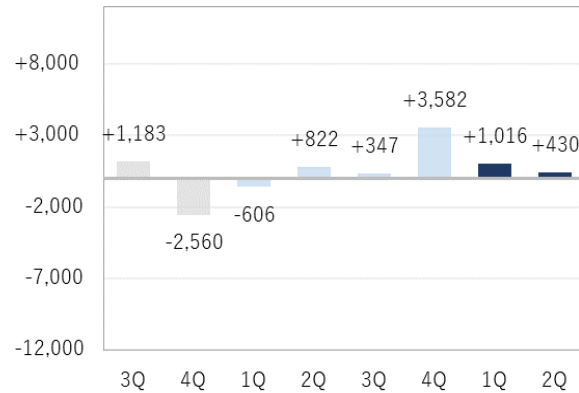


Billings by Clients' Industry (by Quarter) 3

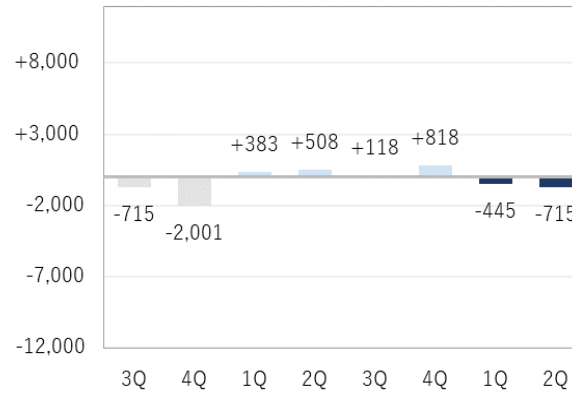
HakuhodoDY holdings

FY2021 FY2022 FY2023
(Millions of JPY)

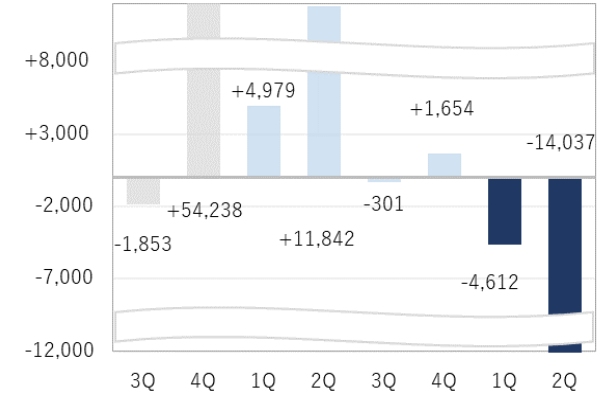
Apparel/Accessories



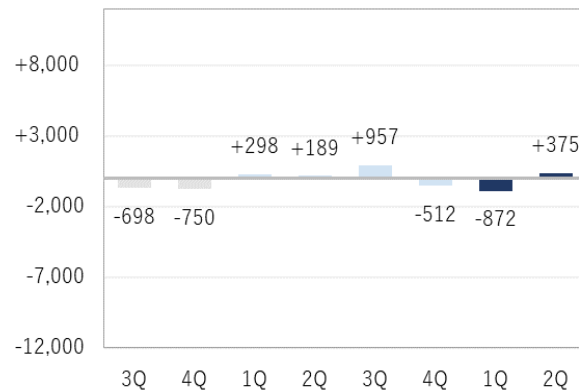
Household products



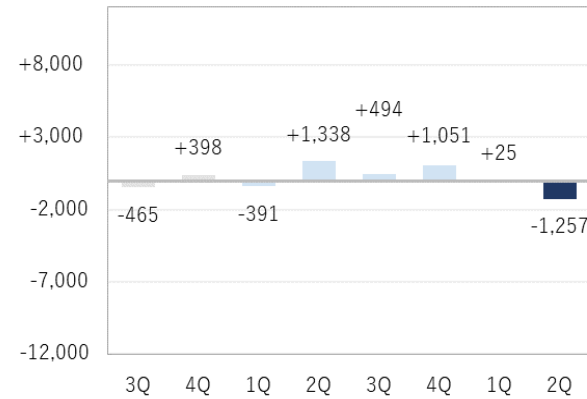
Government/Organizations



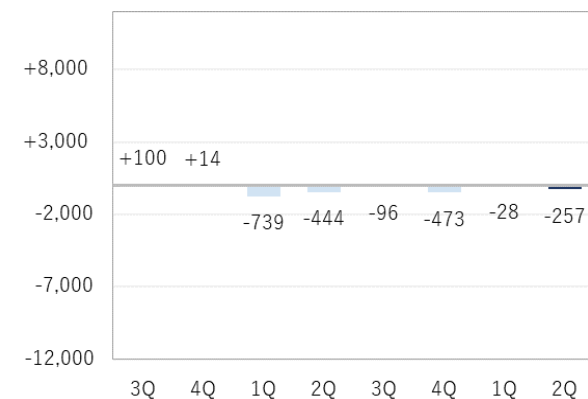
Energy/Material/Machinery



Home electric appliances/AV equipment



Publishing

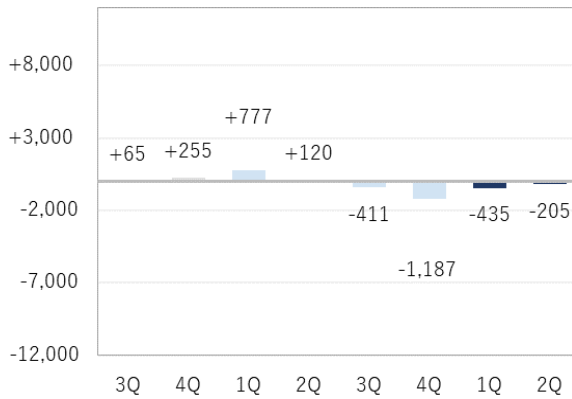


Billings by Clients' Industry (by Quarter) 4

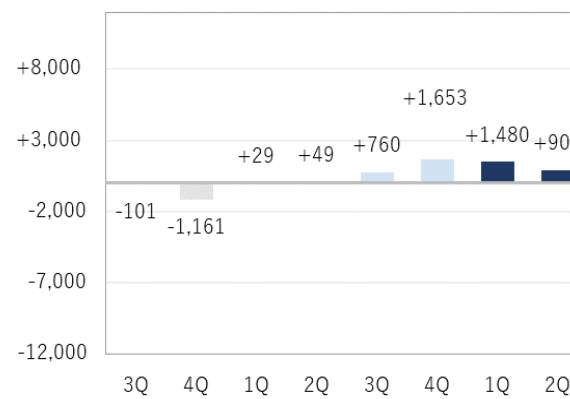
Hakuhodo DY holdings

FY2021 FY2022 FY2023
(Millions of JPY)

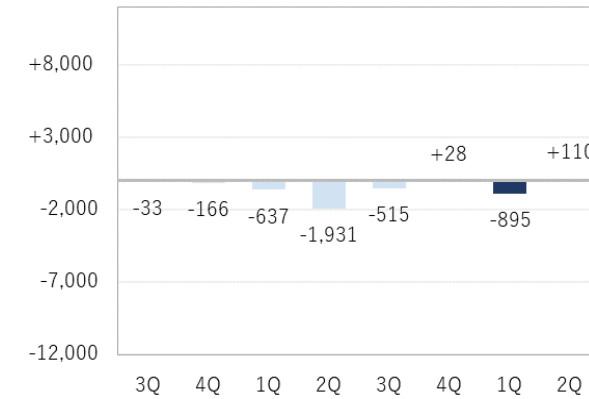
Medical/Education/Religion



Precision machinery/Office supplies



Classified advertising/Other



Selling, General & Administrative Expenses

Hakuhodo DY holdings

1H FY2023

(Millions of JPY)	Actual	YOY	
Personnel	116,661	+12,753	+12.3%
Rent	10,440	+633	+6.5%
Depreciations	4,627	+687	+17.5%
Amortization of Goodwill	7,703	-511	-6.2%
Others	34,310	+3,523	+11.4%
Others	57,082	+4,333	+8.2%
SGA total	173,744	+17,086	+10.9%

Other Income & Extra-ordinary Items

Hakuhodo DY holdings

1H FY2023

Other Income/Loss	(Millions of JPY)	Actual	YOY
Non-operating Income		4,014	-294
Interest Income		264	+75
Dividend Income		1,395	+77
FOREX		1,299	-41
Investment Partership Income		-	-471
Non-operating Expenses		1,798	+971
Interest Expenses		585	+375
Equity Method Loss		171	-122
Loss on investments in investment partnerships		517	+517
Extra-ordinary Items	(Millions of JPY)	Actual	YOY
Extraordinary Income		1,299	-806
Gain on sales of investment securities		1,271	+248
Gain on sales of shares of subsidiaries and associates		21	-480
Extraordinary losses		6,014	+5,126
Special retirement expenses		718	+379
Office relocation expenses		460	+291
Impairment Loss		571	+571
Loss on valuation of investment securities		3,759	+3,648

(Millions of JPY)	As of September 2023	Change *	Composition
Current Assets	595,471	-85,257	61.9%
Cash & Deposits	158,619	-4,362	
Accounts Recievable	319,773	-91,334	
Non-current Assets	366,872	21,185	38.1%
Tangible Assets	62,378	3,958	
Intangible Assets	112,391	3,924	
Goodwill	72,063	385	
Investments & Other Assets	192,102	13,301	
Investment Securities	152,110	19,324	
Total Assets	962,343	-64,071	100.0%
Current Liabilities	505,359	-60,491	52.5%
Accounts Payable	229,240	-71,230	
Short-term Borrowings	57,444	48,505	
Current portion of long-term borrowings	106,259	80	
Non-current Liabilities	68,630	-2,119	7.1%
Long-term Borrowings	4,919	-4,238	
Total Liabilities	573,990	-62,610	59.6%
Shareholders' Equity	307,885	-21,699	32.0%
Share Capital	10,790	-	
Retained Earnings	318,132	-18,587	
Treasury Stock	-21,037	-3,112	
Accumulated Other Comprehensive Inco	55,591	21,277	5.8%
Share Aquisiton Rights	223	-	0.0%
Non-controlling Interests	24,652	-1,039	2.6%
Total Net Assets	388,353	-1,461	40.4%

* Change from the balance as of the end of Mar. 2023

1H FY2023

(Millions of JPY)	Actual	YOY
Cash Flows from Operating Activities	-23,587	-71,204
Cash Flows from Investing Activities	-11,465	+7,385
Purchase of property, plant and equipment	-3,181	-650
Purchase of intangible assets	-5,346	-686
Purchase of investment securities	-3,514	-64
Proceeds from sales of investment securities	1,923	+759
Purchase of subsidiary shares and capital	-2,647	+5,830
Payments from purchase of shares of subsidiaries resulting in change in scope of consolidation	-1,048	+2,598
Cash Flows from Financing Activities	26,859	+41,272
Net increase (decrease) in short-term borrowings	47,180	+50,370
Net increase (decrease) in Long-term borrowings & Bonds	-4,601	-6,463
Purchase of treasury shares	-3,286	-3,286
Dividends paid	-5,898	+448
Dividends paid to non-controlling interests	-1,293	-840
Payments from changes in ownership interests in subsidiaries that do not result in change in scope of consolidation	-5,219	-4,956
Cash and cash equivalents at beginning of period	159,081	-21,615
Cash and cash equivalents at end of period	154,303	-46,754

Hakuhodo DY holdings