

Consolidated Financial Highlights First-half FY2024 (Apr.–Sep., 2024)

November 13, 2024



Highlights of Consolidated Results for H1 FY2024

H1 FY2024 Consolidated Results

- Billings increased by 5.4 percentage points YoY, and revenue also increased by 7.1 percentage points YoY.
- Operating income increased by ¥7.5 billion to ¥8.8 billion. Ordinary income increased by ¥6.2 billion to ¥9.7 billion.
- As a result of recording an extraordinary loss of ¥7.0 billion related to structural reforms in North America, net income attributable to owners of parent increased by ¥5.8 billion, totaling -¥4.9 billion.

(Millions of JPY)	Actual	YOY	
Billings	735,393	+37,539	+5.4%
Revenue	427,853	+28,295	+7.1%
Gross Profit	183,546	+8,456	+4.8%
Operating Income	8,876	+7,530	+559.4%
Ordinary Income	9,799	+6,237	+175.1%
Net Income Attributable to Owners of Parent	-4,989	+5,883	n/a
Net Income before Amortization of G/W	3,213	+6,382	n/a

H1 FY2024 Consolidated Results (After Adjustments) 1

- Billings increased by 5.8 percentage points YoY. Gross profit increased by 6.7 percentage points YoY. Gross margin improved by 0.2pt.
- SG&A expenses increased by 0.5 percentage points YoY. Operating income increased by ¥10.3 billion YoY to ¥5.6 billion.
- Operating income before amortization of goodwill increased by ¥10.8 billion YoY to ¥13.8 billion.

(Millions of JPY)	Actual	YOY	
Billings	732,127	+40,410	+5.8%
Revenue	424,587	+31,166	+7.9%
Gross Profit	180,290	+11,304	+6.7%
Gross Margin	24.6%	+0.2pt	
SG&A Expenses	174,670	+925	+0.5%
Operating Income	5,620	+10,378	n/a
Operating Margin	3.1%	+5.9pt	
Amortization of Goodwill*	8,202	+498	+6.5%
Operating Income before Amortization of G/W	13,822	+10,877	+369.3%
Operating Margin before Amortization of G/W	7.7%	+5.9pt	

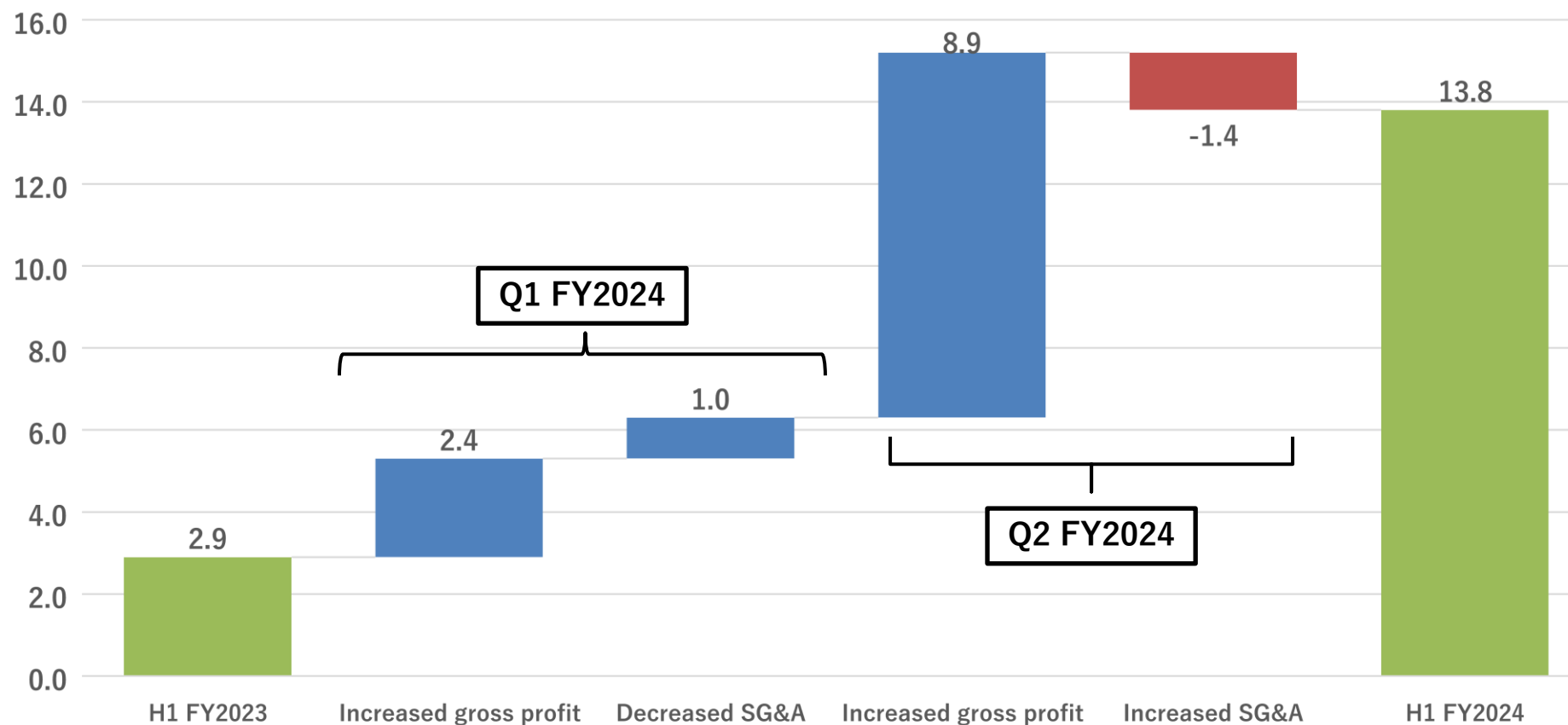
* Amortization of goodwill represents the total of goodwill amortization required under Japanese GAAP and amortization of intangible assets following business combinations.

* After adjustments = Excluding impact from the sale of shares in Mercari, Inc. held by our consolidated subsidiary, UNITED, Inc.

H1 FY2024 Consolidated Results (After Adjustments) 2

- The operating income before amortization of GW for H1 increased by ¥10.9 billion YoY. In particular, the growth in gross profit in Q2 (an increase of ¥8.9 billion YoY) contributed to this profit increase.
 - Q1: Gross profit increased by ¥2.4 billion, and SG&A expenses decreased by ¥1.0 billion.
 - Q2: Gross profit increased by ¥8.9 billion, and SG&A expenses increased by ¥1.4 billion.

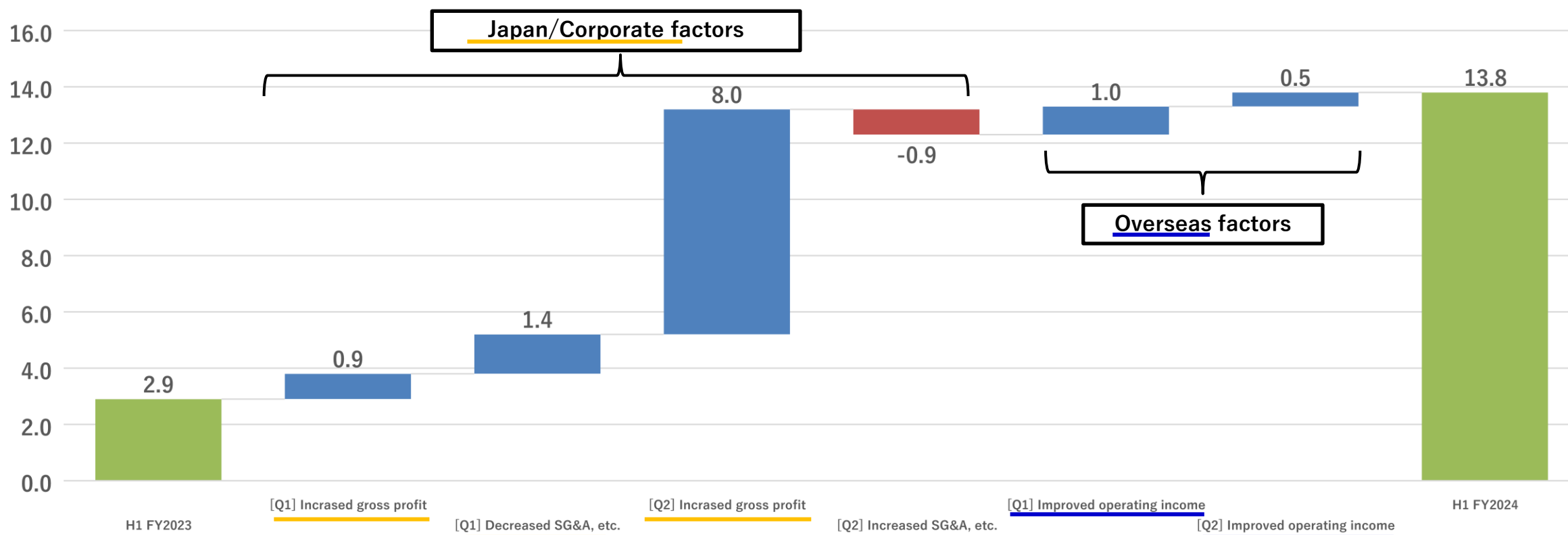
Key factors of increase and decrease (Billions of JPY)



H1 FY2024 Consolidated Results (After Adjustments) 3

- The operating income before amortization of GW for H1 was supported by an increase in domestic gross profit, particularly in Q2 (an increase of ¥8.0 billion YoY).
 - Japan/Corporate: Q1 saw a ¥0.9 billion YoY increase in domestic gross profit, along with the effects of cost control, resulting in a ¥2.3 billion increase in operating income. In Q2, television and internet media performed well, and the recognition of BPO operations carried over from the previous year contributed to a ¥7.1 billion increase in operating income.
 - Overseas: Despite the sluggish top-line growth excluding the impact of currency exchange, the effects of cost structure reforms led to an increase in operating income of ¥1.0 billion in Q1 and ¥0.5 billion in Q2.

Key factors of increase and decrease (Billions of JPY)



The background features a dynamic, abstract composition of blue brushstrokes. The strokes vary in thickness and direction, creating a sense of movement and depth. A semi-transparent horizontal band is overlaid across the center of the image, providing a clear space for the text.

Guidance for FY2024

Guidance for FY2024

- The guidance for the full fiscal year ending March 2025 remains unchanged from the previous forecast.

Guidance for FY2024

(Millions of JPY)	Forecast	YoY
Billings	1,675,000	+6.1%
Revenue	1,000,000	+5.6%
Operating Income	36,000	+5.0%
Ordinary Income	38,500	+1.8%
Net Income Attributable to Owners of Parent	15,000	-39.8%
Operating Income before Amortization of G/W	52,000	+3.8%
Gross Profit after Adjustments	415,000	+6.9%
Operating Income after Adjustments and before Amortization of G/W	49,000	+11.4%


* After adjustments = Excluding impact from the sale of shares in Mercari, Inc. held by our consolidated subsidiary, UNITED, Inc.

The background features a dynamic, abstract pattern of blue, wavy, and flowing lines that create a sense of movement and depth. The colors range from deep navy blue to lighter, almost white highlights, giving it a three-dimensional, liquid-like appearance. A semi-transparent horizontal band is centered across the image, serving as a backdrop for the text.

Shareholder Returns for FY2024

Shareholder Returns

- **Dividend forecast for FY2024 (ending March 2025)**
 - The Board of Directors resolved today (November 13, 2024) to set the interim dividend at ¥16 per share.
 - The forecast for the annual dividend remains unchanged at ¥32 per share, including the interim dividend.

The background features a dynamic, abstract pattern of swirling, brush-stroke-like lines in various shades of blue, ranging from light sky blue to deep navy blue. The lines are fluid and organic, creating a sense of movement and depth. A semi-transparent dark blue horizontal band is centered across the image, serving as a backdrop for the white text.

**Medium-Term Business Plan
Enhancement Measures for Business Structure Reform**

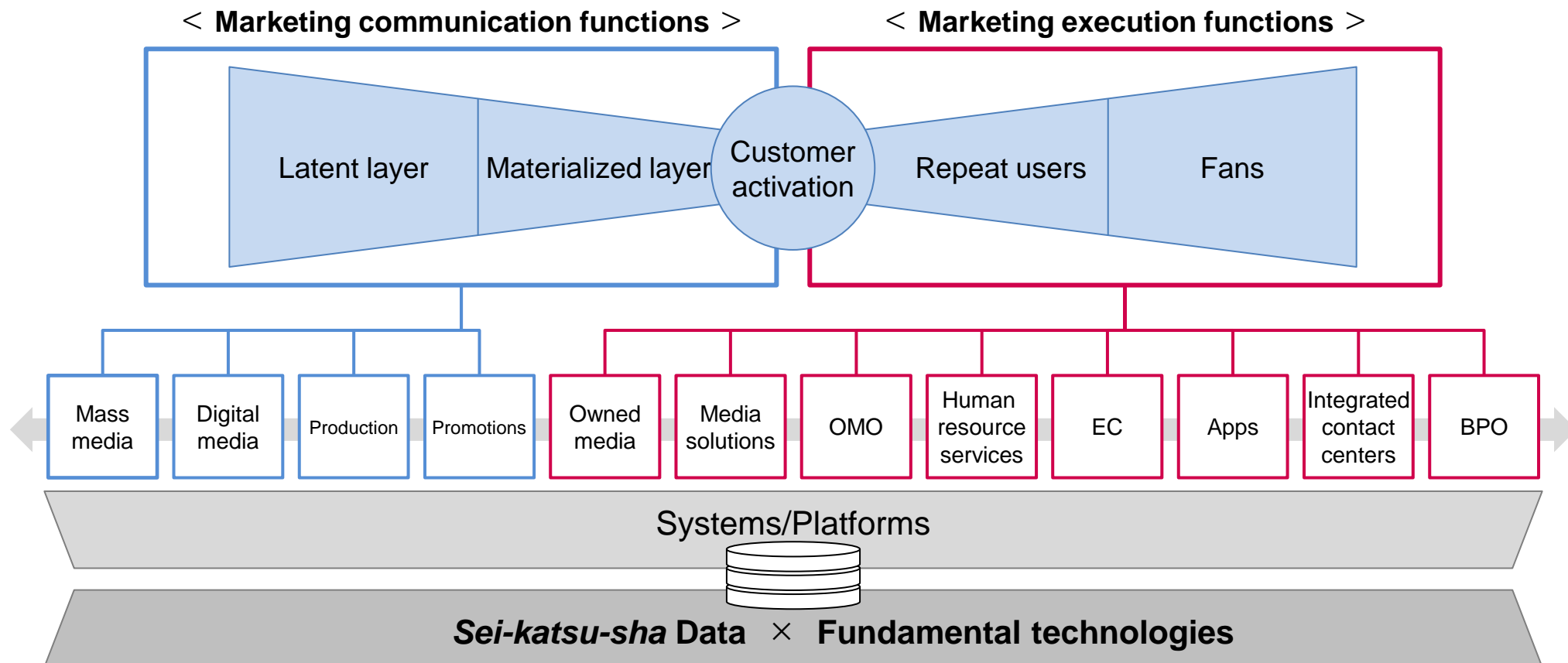
Medium-Term Business Plan: Business structure reform

- One of the objectives of our Medium-Term Business Plan, announced in June 2024, is “restructuring of marketing business.”



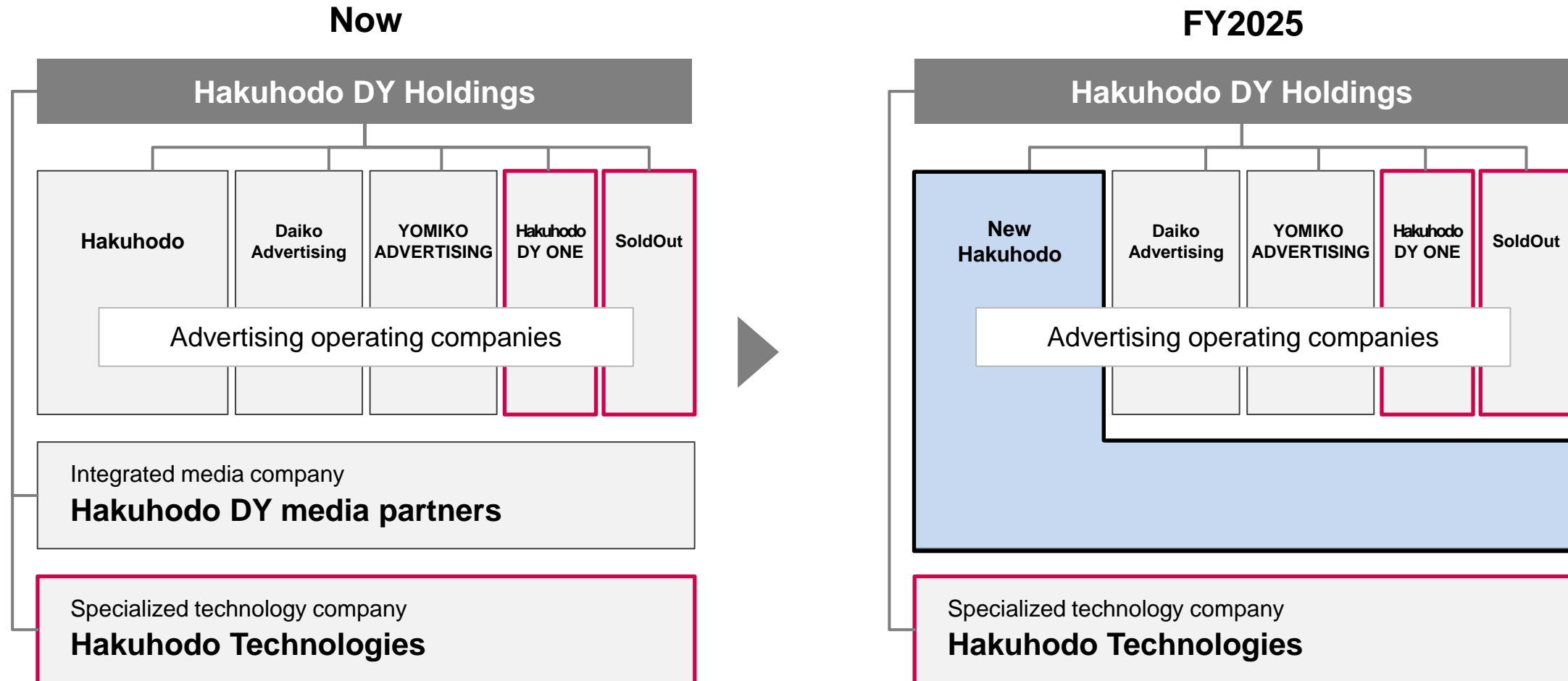
Changes in marketing business

- A full-funnel solution leveraging data and technology is an essential prerequisite for marketing business
- Full-funnel *Sei-katsu-sha* Data-Driven marketing will become mainstream in the future



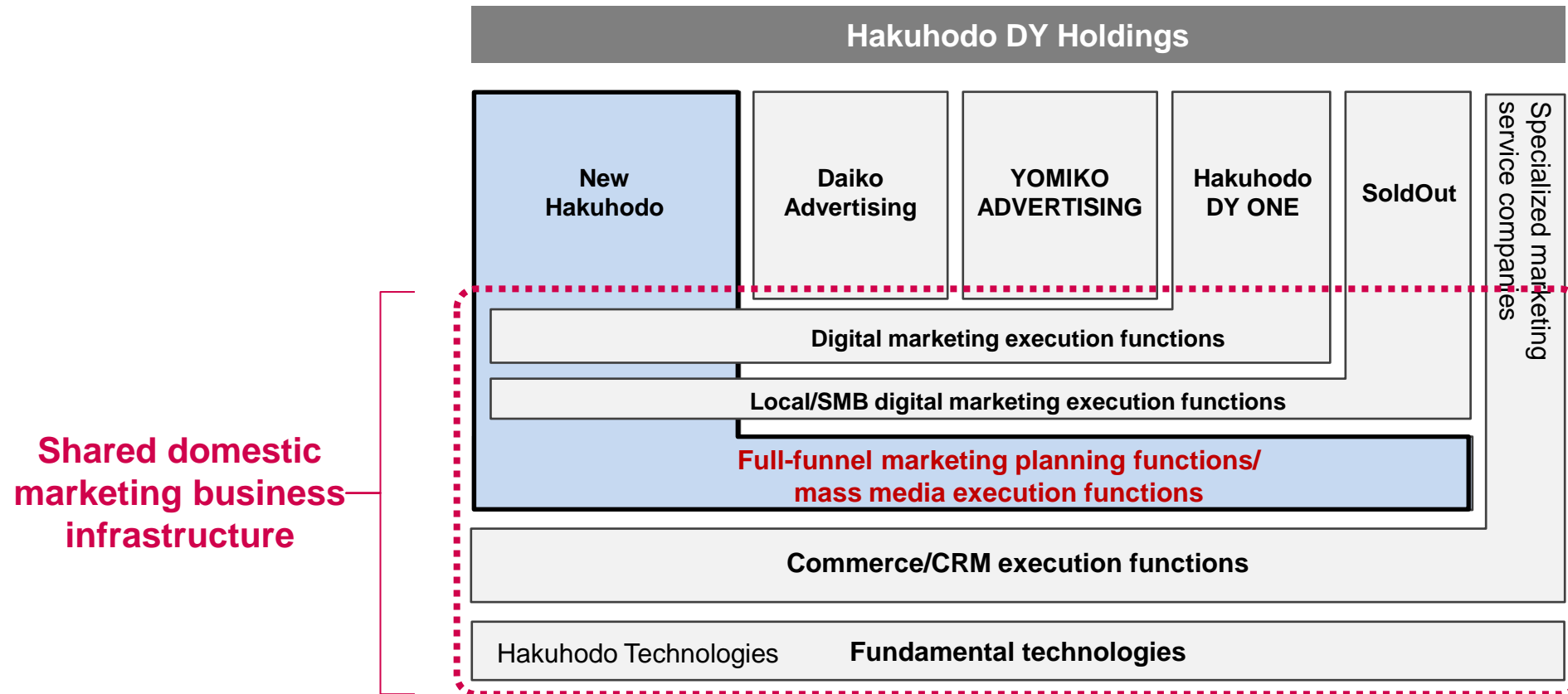
Establishing a seamless full-funnel marketing infrastructure

- Integrating Hakuhodo and Hakuhodo DY Media Partners to consolidate and enhance the core functions of full-funnel planning within Hakuhodo, with a targeted implementation by April 2025
- Along with a seamless response to the full-funnel marketing needs of client companies, we will enhance capabilities of media sales and solution



Future vision

- New Hakuhodo aims to be a shared full-funnel marketing infrastructure for group companies
- To strengthen competitiveness and improve efficiency, we will also consider the reorganization of production domain and specialized marketing service companies
- Group companies will leverage the full-funnel marketing functions to gradually evolve into a domestic marketing group that can provide optimal services



The background of the slide is a vibrant blue with dynamic, flowing patterns that resemble thick brushstrokes or liquid motion. These patterns swirl and curve across the frame, creating a sense of depth and movement. A semi-transparent horizontal band is centered across the image, providing a clear space for the text.

Appendix

Medium-Term Business Plan (FY2024–FY2026)

Medium-term strategy

- **Ideal form: Creativity platform**

- ✓ With *sei-katsu-sha*-centered creativity as our edge, the Hakuhodo DY Group aims to be a group that creates the future by connecting *sei-katsu-sha*, organizations and society to generate new relationship value.
- ✓ We seek to evolve outside the framework of a group of advertising companies into a creative platform with strengths in six business domains, aiming at substantial growth and improved corporate value in the medium to long term through dynamic reform of the business structure.

Enhancement measures toward business structure reform

Enhance profitability and create growth options

- 1. Restructuring of marketing business**

Upscaling of the growth domain of digital and commerce, and optimizing costs, including in existing business domains

- 2. Creation of new growth options**

Consulting, technology, content and incubation

- 3. Remodeling of global business**

Ensuring profitability through cost control while aiming for growth

Medium-Term Business Plan KPIs (FY2026)

CAGR of operating income after adjustments*1 and before amortization of goodwill

At least **+10%**

CAGR of gross profit after adjustments*1

At least **+5%**

Operating margin after adjustments*1 and before amortization of goodwill

At least **+15%**

(TBC with full-year financial results)

ROE before amortization of goodwill

At least **+10%**

(TBC with full-year financial results)

*1 After adjustments: Excluding gain on disposal of Mercari shares

Medium-Term Business Plan: Monitoring benchmarks

		Gross profit CAGR* ²	Monitoring benchmark	Note
Restructuring of marketing business	Domestic marketing business	+7.0%	Approx. 4%	vs. total gross profit 66.4%
	Domestic digital marketing	+7.6%	Above market average CAGR	Market average CAGR (Survey of Selected Service Industries/Apr-Sep) +6.9%
Creation of new growth options	Four domestic business domains combined* ³	+18.9%	At least 10%	vs. total gross profit 3.7%
Remodeling of global business	Global business	+5.8%	Approx. 5%	vs. total gross profit 29.6%

*² Base year: FY2023. The figures represent changes in FY2024 on the previous year.

*³ Four business domains: Consulting, technology, content and incubation

Business topics

- We are enhancing our business infrastructure by establishing a new organization specialized in research and development to help client companies implement our Group Policy, *Sei-katsu-sha* insight, and introducing a new enhanced model of our integrated marketing platform.

Establishment of Hakuhodo *Sei-katsu-sha* Insight R&D Institute

Hakuhodo

We established a new entity specialized in research and development to help client companies utilize and implement *Sei-katsu-sha* Insight throughout their activities.



Kei Takeuchi, Director

Key areas of research and development

●R&D on *sei-katsu-sha* insight business management

Research on *sei-katsu-sha* insight, brands of the next generation, etc.

●Targeted *sei-katsu-sha* R&D

Research on youth, senior generation, etc.

●R&D on *sei-katsu-sha* sentiments and behavior

Cross-modal research, behavior design, research on shopping behavior, etc.

●R&D on co-creation of a well-being society

Research on foresight, solutions to *sei-katsu-sha* issues, etc.

●R&D on *sei-katsu-sha* insight-based creativity

Research on art thinking, organizational creativity, etc.

September 2, 2024 <https://www.hakuhodo.co.jp/news/newsrelease/111845/> (in Japanese)

Launch of a new model of CREATIVITY ENGINE BLOOM, our integrated marketing platform

Hakuhodo Technologies

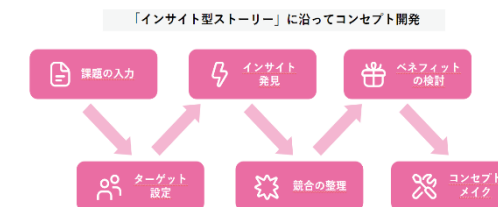
CREATIVE BLOOM PLANNING

Leveraging generative AI for market/product category understanding, persona generation, USP generation, draft copywriting, etc. Aiming to make work more sophisticated and efficient.



STRATEGY BLOOM CONCEPT

AI to disseminate and organize ideas through a “sounding board” approach, thus efficiently implementing our Group’s concept development techniques and supporting creative concept development



Top: October 2, 2024 <https://www.hakuhodody-holdings.co.jp/news/corporate/2024/10/5020.html> (in Japanese)

Bottom: November 8, 2024 <https://www.hakuhodody-holdings.co.jp/news/corporate/2024/11/5080.html> (in Japanese)

Business topics

- Group companies have launched a series of new AI-powered solutions and services.

Partnership with Tools for Humanity, a key player in the World Network project

Hakuhodo

We entered into partnership with Tools for Humanity, a key promoter of the project issuing World ID. We are working together to create a society where AI and humans can coexist by developing the tools that are required for the advancement of AI.

•HAKUHODO•



Working to scale up the World ID service in Japan

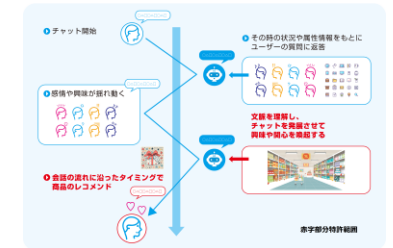
Tools for Humanity (headquartered in the US)
Co-founder & Chairman:
Sam Altman

October 9, 2024 <https://www.hakuhodo.co.jp/news/newsrelease/111571/> (in Japanese)

Group companies developing new AI-powered solutions and services

Hakuhodo / Daiko Advertising / Hakuhodo DY ONE

Hakuhodo was granted a patent for new technology enabling AI to act like a salesperson, identifying customers' needs through conversations and proposing the right products in a natural manner



Daiko Advertising developed a platform of a group of AI tools to provide marketing support on the theme of “dialog.”

Hakuhodo DY ONE launched a service to assist specialized corporate task forces aimed at leveraging generative AI, providing comprehensive support to meet business challenges.



Top: May 16, 2024 <https://www.hakuhodo.co.jp/news/newsrelease/110221/> (in Japanese)

Middle: November 18, 2024, to be updated following the release

Bottom: August 19, 2024 https://www.hakuhodody-one.co.jp/news/news-release_20240819797/ (in Japanese)

Business topics

- We are enhancing the incubation business across diverse areas ranging from the development of an entity to undertake public-private co-creation for growth driven by solutions to social issues, to the launch of a platform business to promote various operations in the well-being industry.

Launch of an entity aimed at larger growth by undertaking public-private co-creation to find solutions to social issues

Hakuhodo

PROJECT_Vega, a public-private co-creation creative studio, started activities to implement solutions to social issues through coordinated efforts of *sei-katsu-sha*, the government, private companies and academia, among others.



April 17, 2024 <https://www.hakuhodo.co.jp/news/newsrelease/109805/> (in Japanese)

Establishment of a new company to transact the platform business in the well-being industry

博報堂 / ソウルドアウト

We are implementing media, incubation and community projects by establishing a platform business to offer co-creation experience and value so that *sei-katsu-sha* may achieve well-being in their daily lives.



October 17, 2024 <https://www.hakuhodo.co.jp/news/newsrelease/112212/>
https://www.sold-out.co.jp/news/topic_20241017 (in Japanese)

Development of sustainability policy and materiality

- We developed a sustainability policy and materiality to realize our Global Purpose, taking into consideration the Medium-Term Business Plan, the Hakuhodo DY Group's business and cultures, risks and opportunities within the Group, and our impact on society and the environment, among other matters.

	Policy	Materiality
Human-centered sustainable management	<p><i>Environment</i></p> <p>Contribute to a sustainable global environment</p> <p>Fulfill our corporate commitment to coexist in harmony with the global environment and realize sustainable behavioral change by leveraging <i>sei-katsu-sha</i> insight and our ability to connect <i>sei-katsu-sha</i>, organizations and society.</p>	<ul style="list-style-type: none"> ● Climate action ● Contribution to sustainable behavioral change
	<p><i>Social</i></p> <p>Enhance creativity through the growth of and respect for diverse individuals</p> <p>Address challenges faced by <i>sei-katsu-sha</i>, organizations and society, leveraging <i>sei-katsu-sha</i> insight and co-creation, which enhance specialization and innovation and unleash the creativity of each employee.</p>	<ul style="list-style-type: none"> ● Investment in, and development of specialized and innovative talent, as well as an enabling environment ● Promotion of well-being ● Implementation of DE&I ● Contribution to the development of human resources for the future and local communities
	<p><i>Governance</i></p> <p>Pursue compliance and integrity</p> <p>Create a positive impact on society with each employee fulfilling their responsibility to meet society's expectations and apply their creativity in an appropriate manner.</p>	<ul style="list-style-type: none"> ● Respect for human rights ● Maintenance of compliance and high ethical standards ● Integrity in marketing activities

Case examples

Launch of Nature Positive Studio

Hakuhodo/Hakuhodo DY Media Partners

Supports nature-positive actions and business creation. Builds integrated solutions around future *sei-katsu-sha* insight and organizes external seminars and workshops.



Launch of RESILIENT LIFE PROJECT

Hakuhodo

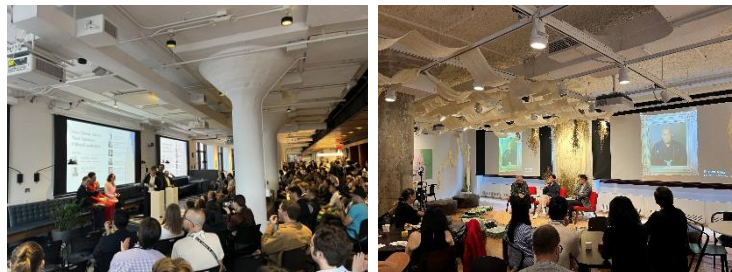
Aims to disseminate “resilient life,” a *sei-katsu-sha*-centered lifestyle characterized by preparedness for all kinds of risk, including natural disasters, to enrich daily experience.



kyu House @NY

kyu

In line with the New York Climate Week held in Sep. 2024, kyu companies showcased their capabilities in addressing climate change challenges.



Hasso Camp - an exploratory learning program for high school students

Hakuhodo

Launched a learning program for middle and high school students that aims to explore and find solutions to social issues while fostering creativity.



Interim Income Statements

Japanese GAAP-basis Interim Income Statements for H1 FY2024

(Millions of JPY)	YTD (6-Month)			by Quarter (3-Month)			
	Actual	YOY		Q1	YOY	Q2	YOY
Billings	735,393	+37,539	+5.4%	352,513	-0.5%	382,880	+11.5%
Revenue	427,853	+28,295	+7.1%	200,361	-0.5%	227,492	+14.8%
Gross Profit	183,546	+8,456	+4.8%	89,054	-0.2%	94,491	+10.0%
Gross Margin	25.0%	-0.1pt	+0.0%	25.3%	+0.1pt	24.7%	-0.3pt
SG&A Expenses	174,670	+925	+0.5%	84,846	-0.7%	89,823	+1.7%
Operating Income	8,876	+7,530	+559.4%	4,207	+11.6%	4,668	n/a
Operating Margin	4.8%	+4.1pt	+0.0%	4.7%	+0.5pt	4.9%	+7.8pt
Non-operating Income	4,072	+57	+1.4%	3,280	+2.1%	792	-1.3%
Non-operating Expenses	3,150	+1,351	+75.1%	813	-19.1%	2,336	+194.3%
Ordinary Income	9,799	+6,237	+175.1%	6,674	+11.7%	3,124	n/a
Extraordinary Income	1,375	+75	+5.8%	946	-13.6%	428	+110.5%
Extraordinary Loss	7,092	+1,078	+17.9%	2,231	+199.2%	4,861	-7.7%
Net Income before Taxes	4,081	+5,234	n/a	5,389	-14.8%	-1,307	n/a
Income Tax	7,937	-114	-1.4%	4,026	-26.3%	3,910	+51.1%
Non-controlling Interest	1,134	-534	-32.0%	1,044	-36.9%	89	+591.6%
Net Income Attributable to Owners of Parent	-4,989	+5,883	n/a	317	n/a	-5,307	n/a
Amortization of Goodwill	8,202	+498	+6.5%	4,087	+10.2%	4,114	+3.0%
Net Income before Amortization of Goodwill	3,213	+6,382	n/a				

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

Results After Adjustments

H1 FY2024

Results After Adjustments (Millions of JPY)	YTD (6-Month)			by Quarter (3-Month)			
	Actual	YOY		Q1	YOY	Q2	YOY
Billings	732,127	40,410	+5.8%	349,246	+0.2%	382,880	+11.6%
Revenue	424,587	31,166	+7.9%	197,095	+0.7%	227,492	+15.0%
Gross Profit	180,290	11,304	+6.7%	85,798	+2.8%	94,491	+10.5%
Gross Margin	24.6%	+0.2pt		24.6%	+0.6pt	24.7%	-0.3pt
SG&A Expenses	174,670	925	+0.5%	84,846	-0.7%	89,823	+1.7%
Operating Income	5,620	10,378	n/a	951	n/a	4,668	n/a
Operating Margin	3.1%	+5.9pt		1.1%	+3.5pt	4.9%	+8.2pt
Amortization of Goodwill	8,202	+498	+6.5%	4,087	+10.2%	4,114	+3.0%
Operating Income before Amortization of Goodwill	13,822	+10,877	+369.3%	5,039	+191.4%	8,783	+622.2%
Operating Margin before Amortization of Goodwill	7.7%	+5.9pt		5.9%	+3.8pt	9.3%	+7.9pt
Adjustment Amount (Millions of JPY)							
	Actual	YOY		Q1	YOY	Q2	YOY
Billings	3,266	-2,871		3,266	-2,514	0	-357
Revenue	3,266	-2,871		3,266	-2,514	0	-357
Gross Profit	3,256	-2,848		3,256	-2,493	0	-354
SG&A Expenses	0	+0		0	+0	0	+0
Operating Income	3,256	-2,848		3,256	-2,493	0	-354

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* After adjustments = Excluding impact from the sale of shares in Mercari, Inc. held by our consolidated subsidiary, UNITED, Inc.

Results by Region

H1 FY2024

(Millions of JPY)	Actual	YOY	
Japan			
Billings	625,227	+36,952	+6.3%
Revenue	317,686	+27,728	+9.6%
Gross Profit	133,459	+6,054	+4.8%
SG&A Expenses	103,989	-2,389	-2.2%
Operating Income	29,469	+8,444	+40.2%
Overseas			
Billings	115,022	+187	+0.2%
Revenue	115,022	+187	+0.2%
Gross Profit	53,030	+2,920	+5.8%
SG&A Expenses	58,674	+2,000	+3.5%
Operating Income	-5,644	+919	n/a
Elimination or Corporate			
Billings	-4,855	+399	
Revenue	-4,855	+379	
Gross Profit	-2,942	-518	
SG&A Expenses	12,006	+1,314	
Operating Income	-14,948	-1,833	
Consolidated			
Billings	735,393	+37,539	+5.4%
Revenue	427,853	+28,295	+7.1%
Gross Profit	183,546	+8,456	+4.8%
SG&A Expenses	174,670	+925	+0.5%
Operating Income	8,876	+7,530	+559.4%

Results by Region (YTD, by Quarter)

H1 FY2024

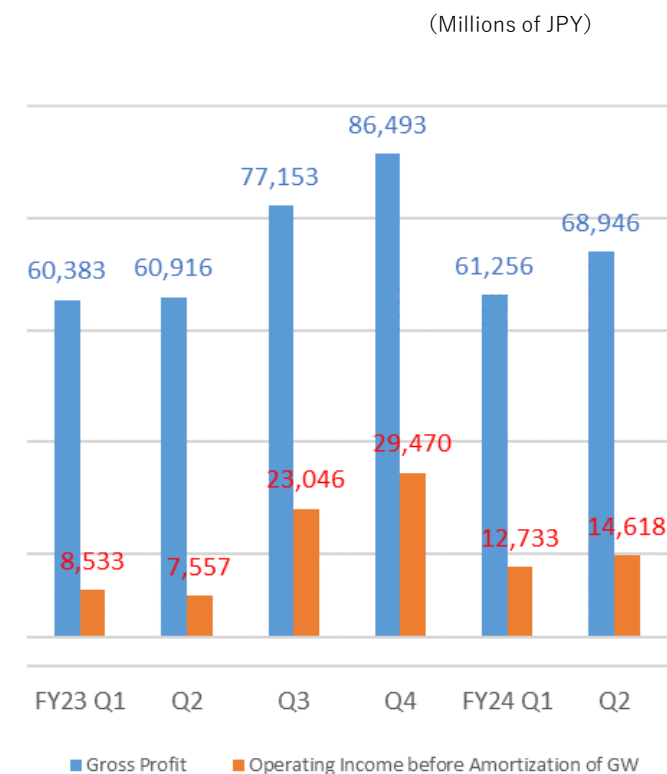
	YTD (6-Month)			by Quarter (3-Month)			
	YTD Actual	YOY		Q1	YOY	Q2	YOY
Japan (After Adjustments)							
(Millions of JPY)							
Billings	621,960	+39,823	+6.8%	297,997	+0.7%	323,963	+13.2%
Gross Profit	130,203	+8,902	+7.3%	61,256	+1.4%	68,946	+13.2%
Gross Margin	20.9%	+0.1pt		20.6%	+0.2pt	21.3%	-0.0pt
SG&A Expenses	103,989	-2,389	-2.2%	49,066	-6.4%	54,923	+1.8%
Operating Income	26,213	+11,292	+75.7%	12,189	+52.9%	14,023	+101.8%
Operating Margin	20.1%	+7.8pt		19.9%	+6.7pt	20.3%	+8.9pt
Amortization of Goodwill	1,139	-29	-2.5%	544	-2.9%	595	-2.2%
Operating Income before Amortization of Goodwill	27,352	+11,263	+70.0%	12,733	+49.2%	14,618	+93.5%
Operating Margin before Amortization of Goodwill	21.0%	+7.7pt		20.8%	+6.7pt	21.2%	+8.8pt
Overseas							
(Millions of JPY)							
Billings	115,022	+187	+0.2%	53,745	-2.6%	61,277	+2.7%
Gross Profit	53,030	+2,920	+5.8%	26,008	+8.0%	27,021	+3.8%
Gross Margin	46.1%	+2.5pt		48.4%	+4.7pt	44.1%	+0.5pt
SG&A Expenses	58,674	+2,000	+3.5%	29,011	+4.8%	29,662	+2.3%
Operating Income	-5,644	+919	n/a	-3,003	n/a	-2,641	n/a
Operating Margin	-10.6%	+2.5pt		-11.5%	+3.4pt	-9.8%	+1.6pt
Amortization of Goodwill	7,063	+527	+8.1%	3,543	+12.5%	3,519	+4.0%
Operating Income before Amortization of Goodwill	1,418	+1,447	n/a	540	n/a	878	+103.8%
Operating Margin before Amortization of Goodwill	2.7%	+2.7pt		2.1%	+4.0pt	3.3%	+1.6pt

Results by Region (Japan: After Adjustments)

H1 FY2024

(Millions of JPY)	Actual	YOY	
Billings	621,960	+39,823	+6.8%
Revenue	314,420	+30,599	+10.8%
Gross Profit	130,203	+8,902	+7.3%
Gross Margin	20.9%	+0.1pt	
SG&A Expenses	103,989	-2,389	-2.2%
Operating Income	26,213	+11,292	+75.7%
Operating Margin	20.1%	+7.8pt	
Amortization of Goodwill*	1,139	-29	-2.5%
Operating Income before Amortization of G/W	27,352	+11,263	+70.0%
Operating Margin before Amortization of G/W	21.0%	+7.7pt	

Gross Profit & Operating Income before Amortization of Goodwill by Quarter



Results by Region (Overseas)

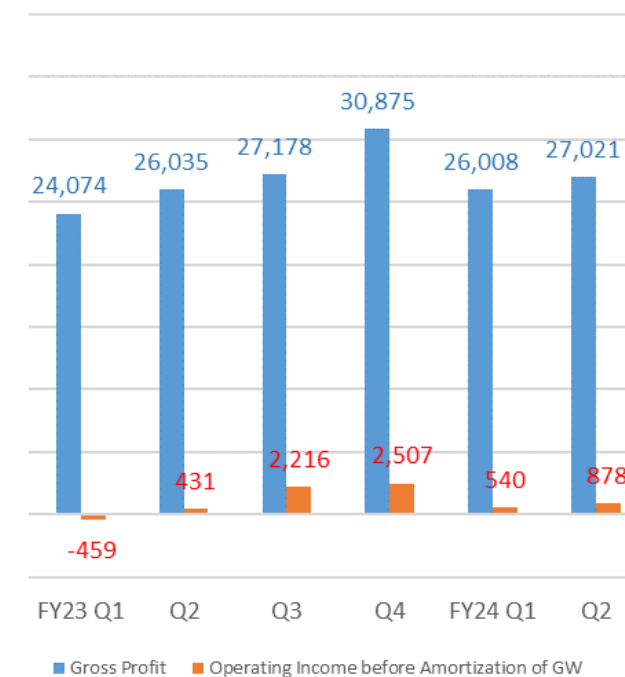
H1 FY2024

(Millions of JPY)

	Actual	YOY	
Billings	115,022	+187	+0.2%
Revenue	115,022	+187	+0.2%
Gross Profit	53,030	+2,920	+5.8%
Gross Margin	46.1%	+2.5pt	
SG&A Expenses	58,674	+2,000	+3.5%
Operating Income	-5,644	+919	n/a
Operating Margin	-10.6%	+2.5pt	
Amortization of Goodwill*	7,063	+527	+8.1%
Operating Income before Amortization of G/W	1,418	+1,447	n/a
Operating Margin before Amortization of G/W	2.7%	+2.7pt	

Gross Profit & Operating Income before Amortization of Goodwill by Quarter

(Millions of JPY)



Japan: Billings by Type of Service

H1 FY2024

(Millions of JPY)	Actual	YOY		Composition
Newspaper	11,613	-2,435	-17.3%	1.9%
Magazine	2,980	-586	-16.4%	0.5%
Radio	4,637	-392	-7.8%	0.8%
Television	180,368	+3,276	+1.9%	29.3%
Trad-Media Service Subtotal	199,600	-137	-0.1%	32.4%
Internet Media	176,493	+12,391	+7.6%	28.6%
Outdoor Media	16,268	+2,128	+15.1%	2.6%
Media Service Subtotal	392,362	+14,382	+3.8%	63.7%
Creative	67,583	+5,760	+9.3%	11.0%
Marketing/Promotion	139,602	+23,697	+20.4%	22.6%
Other (Content, etc.)	16,877	-1,196	-6.6%	2.7%
Other than Media Service Subtotal	224,062	+28,261	+14.4%	36.3%
Total	616,425	+42,644	+7.4%	100.0%
Internet Advertising Domain Billings	204,948	+12,556	+6.5%	33.2%

Billings by Type of Service (YTD, by Quarter)

H1 FY2024

(Millions of JPY)	YTD (6-Month)			by Quarter (3-Month)			
	YTD Actual	YOY		Q1	YOY	Q2	YOY
Newspaper	11,613	-2,435	-17.3%	5,536	-22.4%	6,076	-12.2%
Magazine	2,980	-586	-16.4%	1,318	-22.0%	1,662	-11.4%
Radio	4,637	-392	-7.8%	2,365	-6.3%	2,272	-9.3%
Television	180,368	+3,276	+1.9%	90,485	-1.5%	89,883	+5.4%
Mass Media Service Subtotal	199,600	-137	-0.1%	99,705	-3.4%	99,895	+3.5%
Internet Media	176,493	+12,391	+7.6%	90,552	+3.7%	85,940	+11.9%
Outdoor Media	16,268	+2,128	+15.1%	8,005	+15.4%	8,262	+14.7%
Media Service Subtotal	392,362	+14,382	+3.8%	198,263	+0.4%	194,098	+7.5%
Creative	67,583	+5,760	+9.3%	32,037	-0.5%	35,545	+20.0%
Marketing/Promotion	139,602	+23,697	+20.4%	56,545	+5.4%	83,056	+33.4%
Other (Content, etc.)	16,877	-1,196	-6.6%	8,188	-2.9%	8,688	-9.9%
Other than Media Service Subtotal	224,062	+28,261	+14.4%	96,772	+2.6%	127,290	+25.4%
Total	616,425	+42,644	+7.4%	295,035	+1.1%	321,389	+13.9%
Internet Advertising Domain Billings	204,948	+12,556	+6.5%	103,775	+3.1%	101,173	+10.3%

Japan: Billings by Client Industry

H1 FY2024

(Millions of JPY)	Actual	YOY		Composition
Information/Communications	66,054	+9,041	+15.9%	12.8%
Beverages/Cigarettes/Luxury foods	54,602	+2,801	+5.4%	10.5%
Automobiles/Related products	43,830	-85	-0.2%	8.5%
Foodstuffs	38,005	+3,830	+11.2%	7.3%
Restaurants/Services	37,633	+2,602	+7.4%	7.3%
Cosmetics/Toiletries	35,276	+524	+1.5%	6.8%
Finance/Insurance	32,104	+94	+0.3%	6.2%
Distribution/Retailing	28,340	+393	+1.4%	5.5%
Government/Organizations	28,224	+19,511	+224.0%	5.5%
Pharmaceuticals/Medical supplies	27,903	-137	-0.5%	5.4%
Transportation/Leisure	23,583	+3,228	+15.9%	4.6%
Real estate/Housing facilities	21,347	-929	-4.2%	4.1%
Apparel/Accessories	13,068	+1,010	+8.4%	2.5%
Games/Sporting goods/Hobby supplies	11,600	-1,007	-8.0%	2.2%
Energy/Materials/Machinery	10,244	+2,113	+26.0%	2.0%
Household products	8,464	-1,682	-16.6%	1.6%
Home electric appliances/AV equipment	8,304	+449	+5.7%	1.6%
Publishing	6,939	-330	-4.5%	1.3%
Precision machinery/Office supplies	6,645	+1,164	+21.2%	1.3%
Medical services/Education/Religion	4,818	-1,410	-22.6%	0.9%
Classified advertising/Other	10,858	-1,072	-9.0%	2.1%
Total	517,850	+40,109	+8.4%	100.0%

Japan: Billings by Client Industry

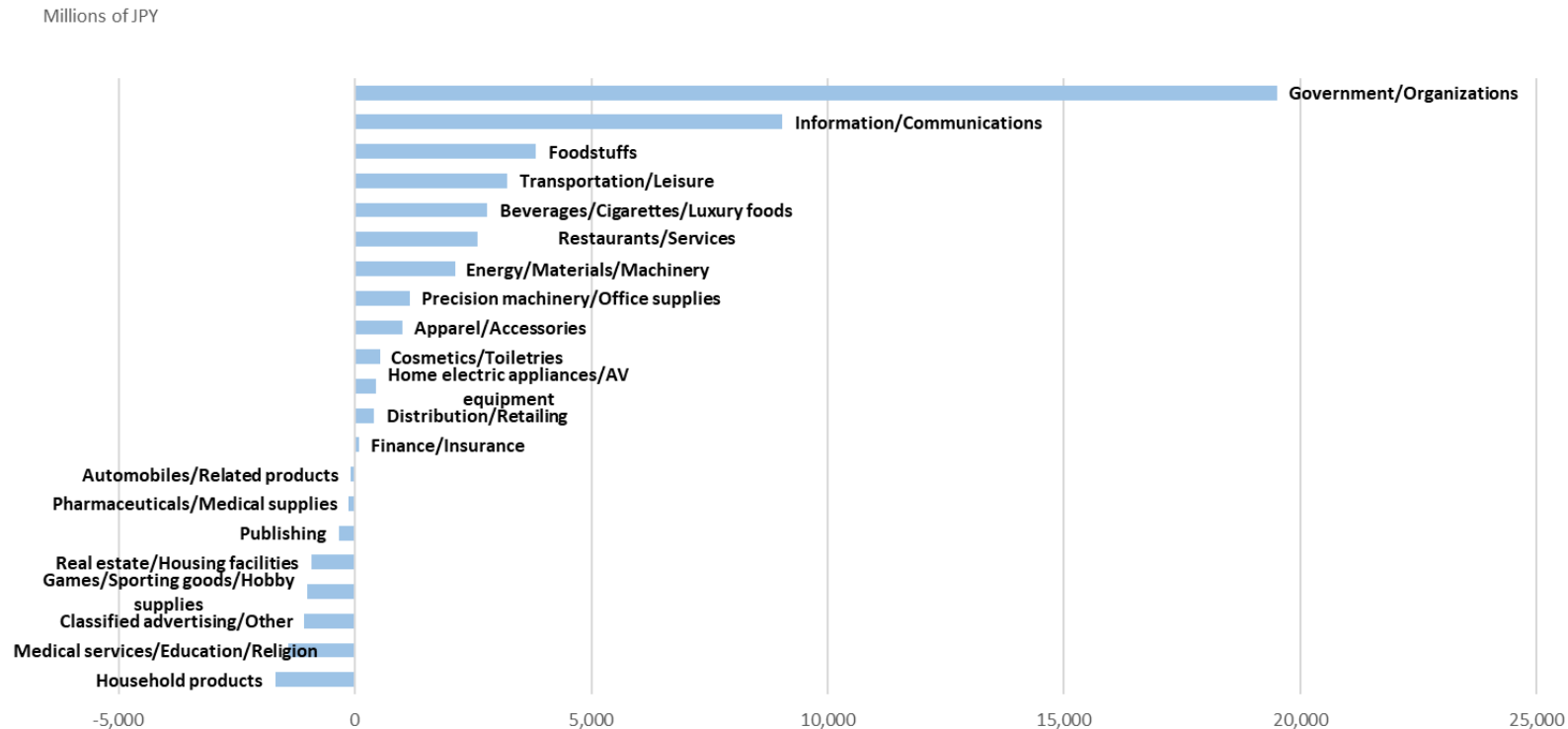
● Positive Industries

Government/Organizations	H1 FY2024 Actual	¥ 28.2bil	YoY	+¥19.5bil	(+224.0%)
Information/Communications		¥ 66.0bil	YoY	+¥ 9.0bil	(+15.9%)

● Negative Industries

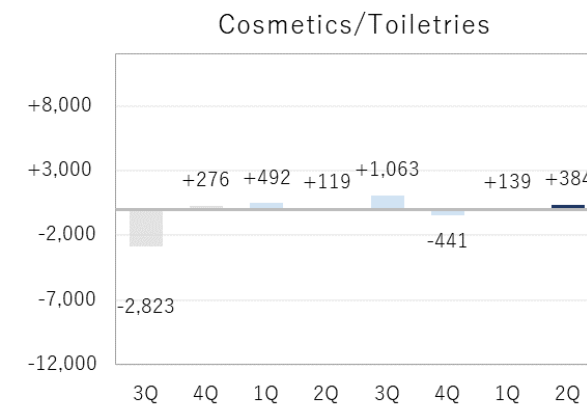
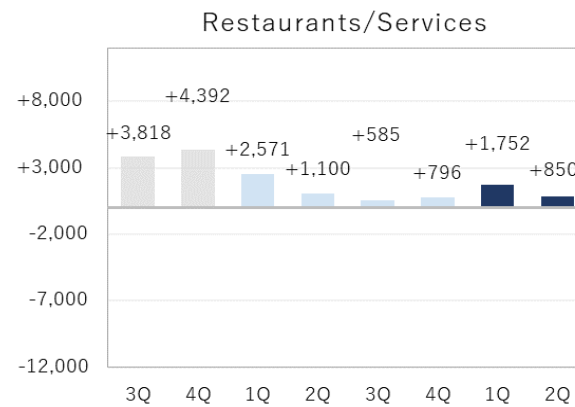
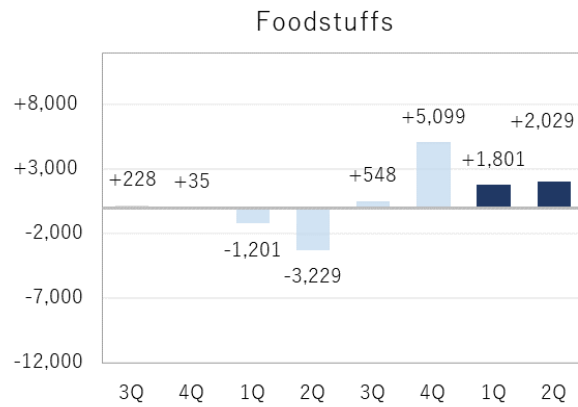
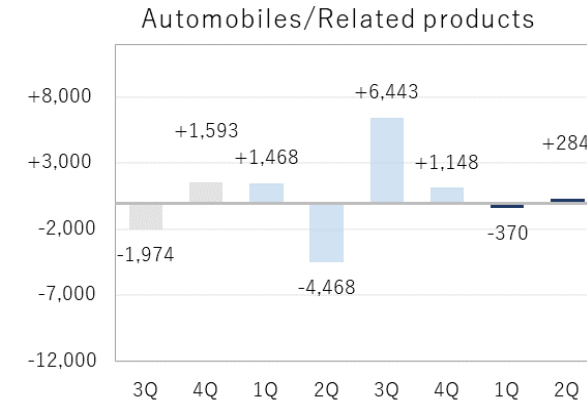
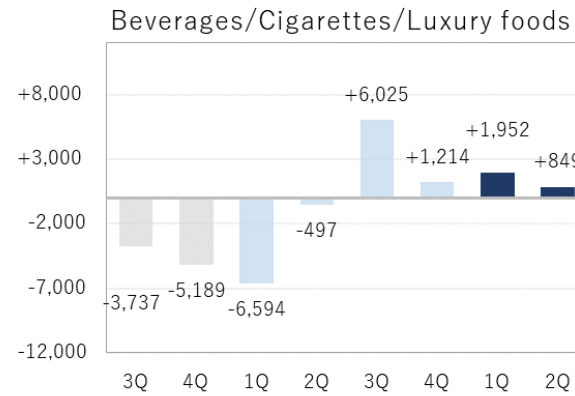
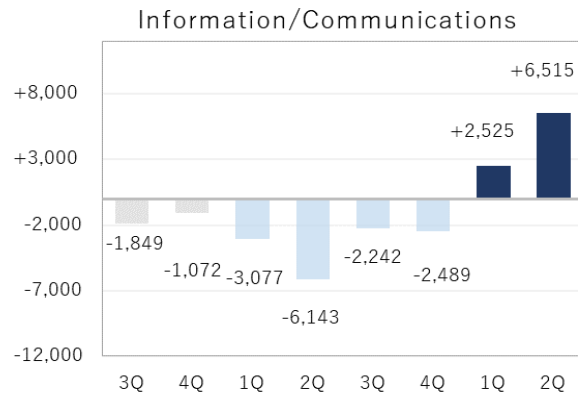
Household products	H1 FY2024 Actual	¥ 8.4bil	YoY	-¥ 1.6bil	(-16.6%)
Medical services/Education/Religion		¥ 4.8bil	YoY	-¥ 1.4bil	(-22.6%)

H1 FY2024 *YoY Change Amount



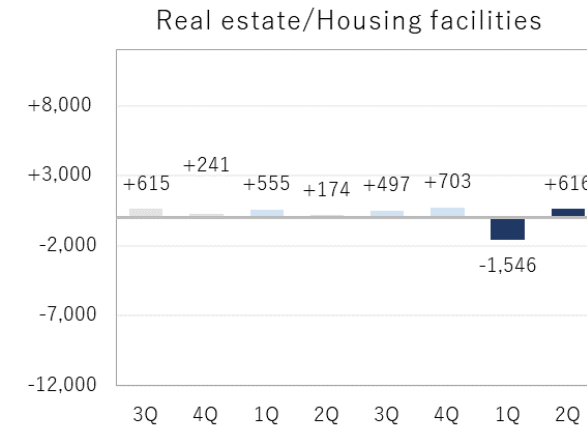
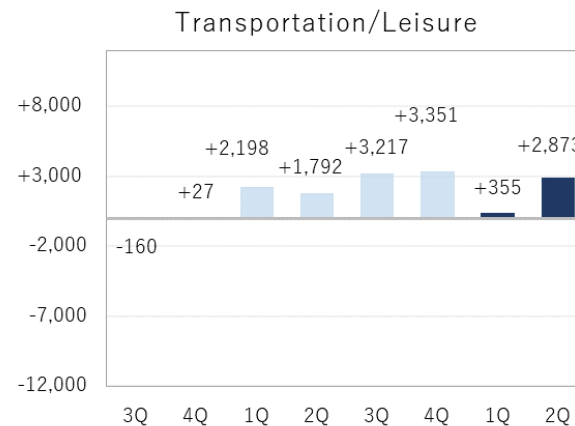
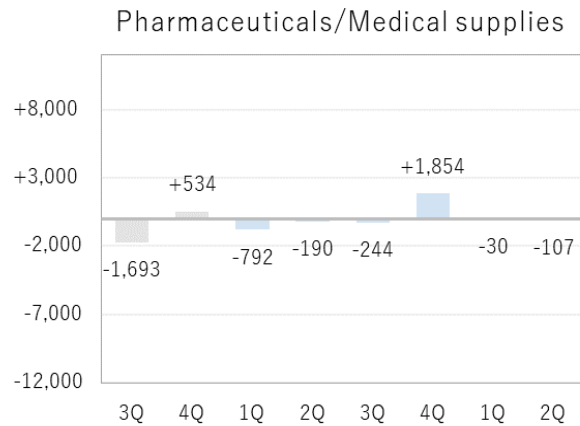
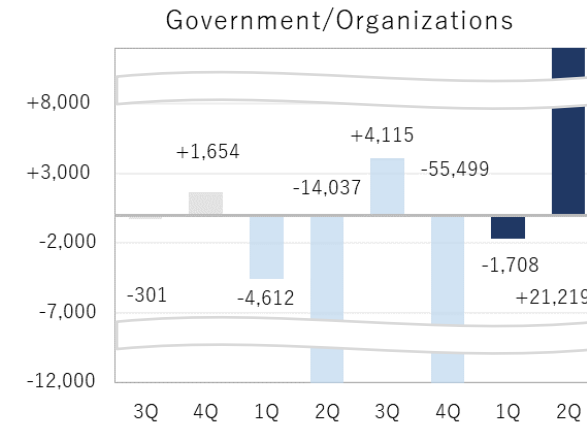
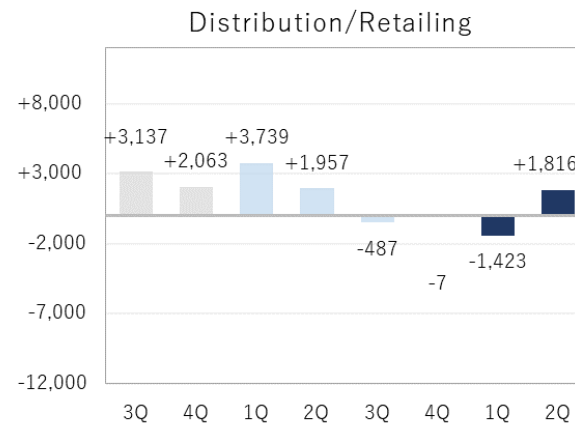
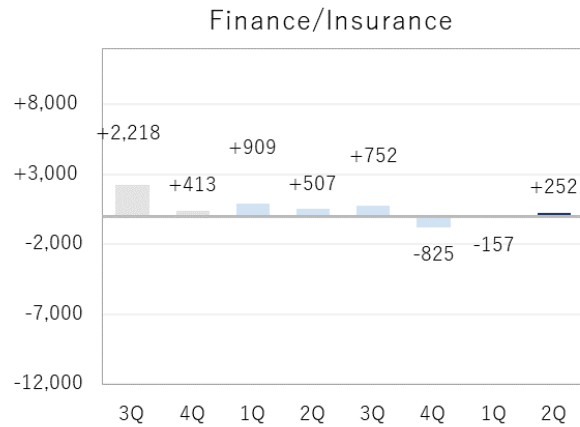
Japan: Billings by Client Industry (by Quarter) 1

FY2022 FY2023 FY2024
(Millions of JPY)



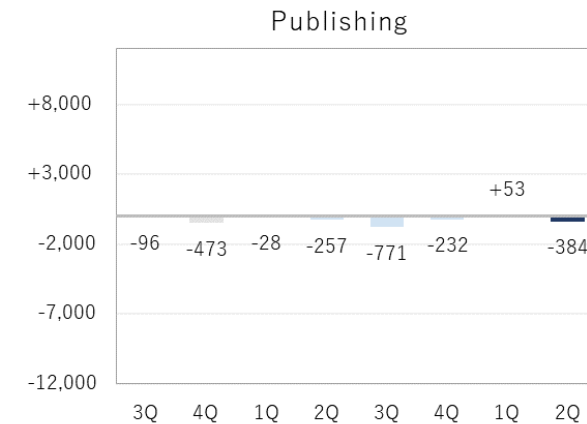
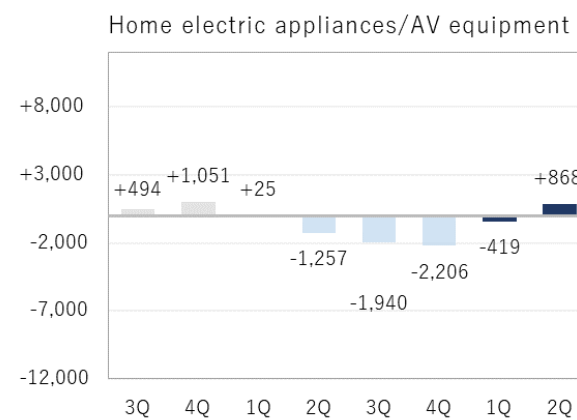
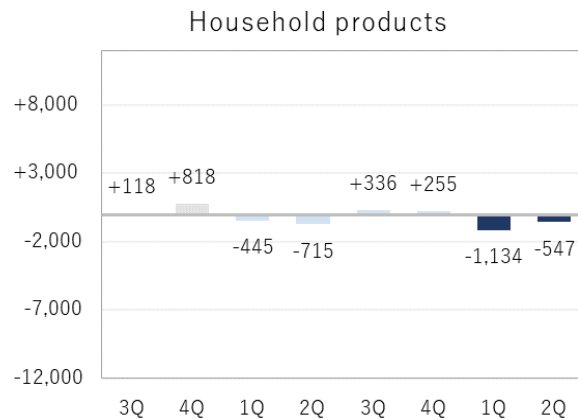
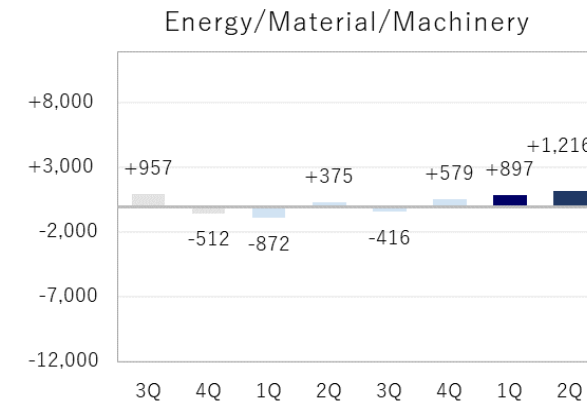
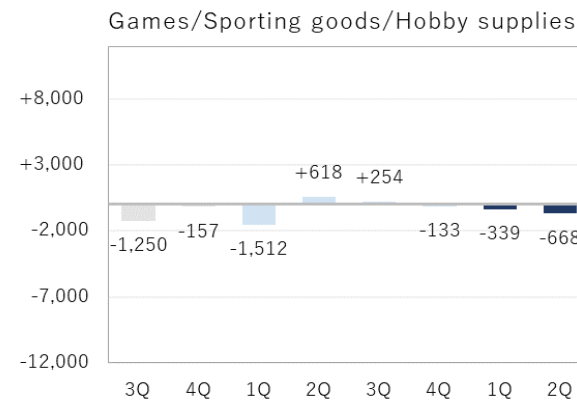
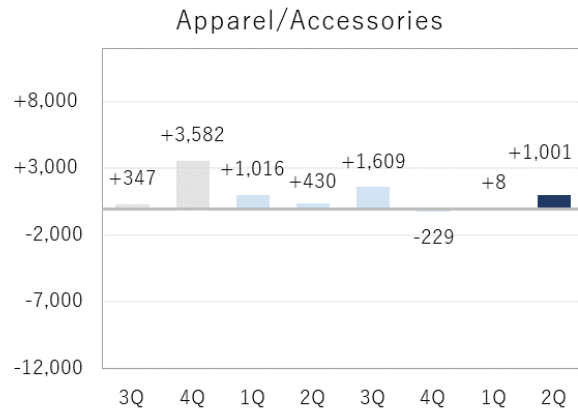
Japan: Billings by Client Industry (by Quarter) 2

FY2022 FY2023 FY2024
(Millions of JPY)



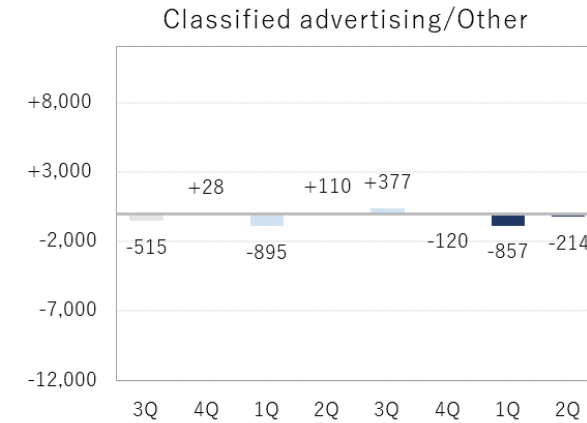
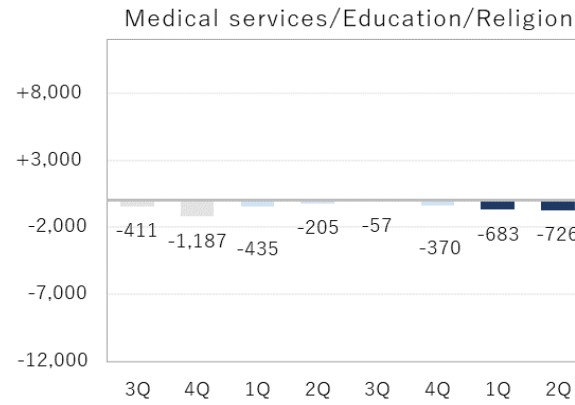
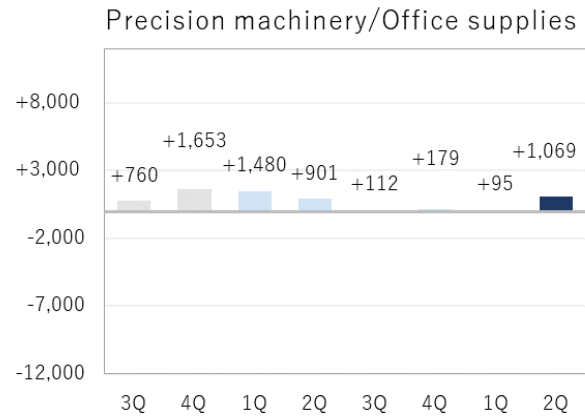
Japan: Billings by Client Industry (by Quarter) 3

FY2022 FY2023 FY2024
(Millions of JPY)



Japan: Billings by Client Industry (by Quarter) 4

FY2022 FY2023 FY2024
(Millions of JPY)

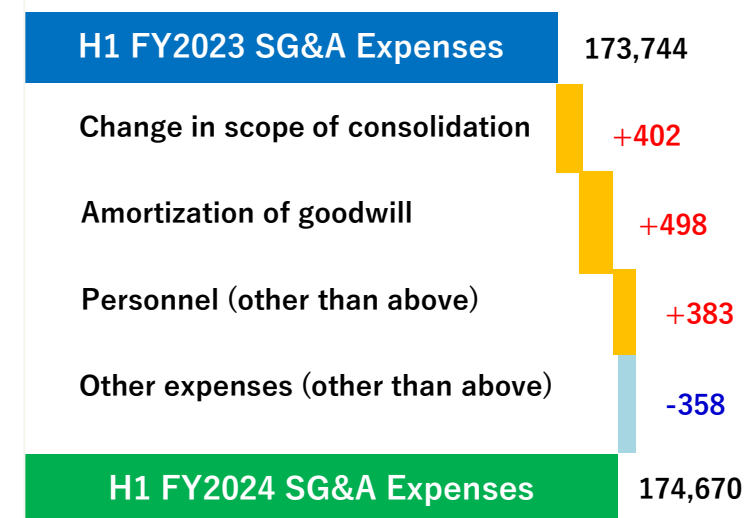


Selling, General & Administrative Expenses

H1 FY2024

(Millions of JPY)	Actual	YOY	
Personnel	117,313	+652	+0.6%
Rent	10,314	-126	-1.2%
Depreciations	5,190	+562	+12.2%
Amortization of Goodwill	8,202	+498	+6.5%
Other	33,648	-661	-1.9%
Other	57,356	+273	+0.5%
SG&A Expenses total	174,670	+925	+0.5%

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



Other Income/Loss & Extraordinary Items

H1 FY2024	Other Income/Loss	(Millions of JPY)	Actual	YOY
	Non-operating Income		4,072	+57
	Interest Income		399	+135
	Dividend Income		1,376	-19
	Foreign Exchange Gains		-	-1,299
	Investment Partnership Income		1,257	+1,257
	Non-operating Expenses		3,150	+1,351
	Interest Expenses		580	-5
	Foreign Exchange Losses		1,360	+1,360
	Equity Method Loss		655	+484
	Investment Partnership Loss		-	-517
	Extraordinary Items	(Millions of JPY)	Actual	YOY
	Extraordinary Income		1,375	+75
	Gain on Sales of Investment Securities		269	
	Gain on Sales of Shares of Subsidiaries and Associates		903	
	Extraordinary Losses		7,092	+1,078
	Special Retirement Expenses		747	
	Loss from Disposal of Fixed Assets		307	
	Loss on Valuation of Investment Securities		1,765	
	Loss on Liquidation of Business		738	
	Impairment Loss		2,315	

Balance Sheet

(Millions of JPY)	As of Sep.30, 2024	Change *	Composition
Current Assets	589,504	-100,884	63.0%
Cash & Deposits	158,643	-25,883	
Notes and Accounts Receivable	331,542	-70,616	
Non-current Assets	346,821	2,195	37.0%
Tangible Assets	59,189	-1,778	
Intangible Assets	106,801	2,319	
Goodwill	65,596	520	
Investments & Other Assets	180,830	1,655	
Investment Securities	138,784	-51	
Total Assets	936,326	-98,688	100.0%
Current Liabilities	338,827	-100,066	36.2%
Notes and Accounts Payable	215,040	-50,517	
Short-term Borrowings	6,198	-9,144	
Current Portion of Long-term Borrowings	552	-622	
Non-current Liabilities	185,216	-1,702	19.8%
Long-term Borrowings	134,583	-50	
Total Liabilities	524,044	-101,769	56.0%
Shareholders' Equity	327,187	-10,542	34.9%
Share Capital	10,790	-	
Retained Earnings	337,114	-10,863	
Treasury Stock	-20,773	264	
Accumulated Other Comprehensive Income	60,796	13,575	6.5%
Share Aquisition Rights	211	-	0.0%
Non-controlling Interests	24,086	48	2.6%
Total Net Assets	412,281	3,081	44.0%

* Change from the balance as of the end of Mar. 2024

Cash Flow Statements

H1 FY2024

(Millions of JPY)

	Actual	YOY
Cash Flows from Operating Activities	1,476	+25,063
Cash Flows from Investing Activities	-13,462	-1,997
Purchase of Property, Plant and Equipment	-1,600	+1,580
Purchase of Intangible Assets	-5,022	+324
Purchase of Investment Securities	-1,777	+1,737
Proceeds from Sales of Investment Securities	1,196	-726
Purchase of Subsidiary Shares and Capital	-3,989	-1,341
Payments from Purchase of Shares of Subsidiaries Resulting in Change in Scope of Consolidation	-1,058	-9
Cash Flows from Financing Activities	-16,876	-43,736
Net Increase (Decrease) in Short-term Borrowings	-8,608	-55,789
Net Increase (Decrease) in Long-term Borrowings & Bonds	-1,090	-1,183
Purchase of Treasury Shares	0	+3,286
Dividends Paid	-5,873	+25
Dividends Paid to Non-controlling Interests	-888	+404
Payments from Changes in Ownership Interests in Subsidiaries that Do Not Result in Change in Scope of Consolidation	-126	+5,093
Cash and Cash Equivalents at Beginning of Period	180,067	+20,985
Cash and Cash Equivalents at End of Period	154,748	+444

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 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). These materials have been prepared based on figures after retrospective application of the revenue recognition standard. As far as possible, "Revenue" prior to and including FY2021 has also been calculated for use in year-on-year comparisons, etc. In addition, with the application of this standard, a figure for "Billings" is no longer given in consolidated financial statements. However, following our disclosure in FY2022, we will again disclose this figure in these materials, since it is useful for understanding the Hakuhodo DY Group's performance.

Notes Concerning Audit

This presentation information was not audited by an independent auditors.

Change in Classification Results by Region

Effective from FY2024, some consolidated subsidiaries previously included in "Japan" are now included in "Eliminations/Corporate" in order to more accurately track performance within the HDY Group. Results by region for FY2023 have been prepared based on the new classification method.

The background features a complex, abstract pattern of overlapping, curved lines in various shades of blue, ranging from light sky blue to deep navy. The lines create a sense of motion and depth, resembling a stylized, swirling vortex or a series of brushstrokes. The overall effect is dynamic and modern.

Hakuhodo DY holdings