

Consolidated Financial Highlights First-half FY2025 (April–September, 2025)

November 13, 2025



Highlights of Consolidated Results for H1 FY2025

H1 FY2025 Consolidated Results

- Due to the effect of changes in the scope of consolidation and a reactionary decline from the gain on the sale of Mercari, Inc. shares recorded in the previous fiscal year, billings decreased by 5.5% YoY.
- While gross profit decreased by 2.0% YoY, operating income increased by 21.0% YoY as a result of cost control efforts both in Japan and overseas.
- Although an extraordinary loss of ¥3.9 billion, including costs related to the structural reforms implemented both in Japan and overseas, was recorded, net income attributable to owners of parent increased by ¥5.3 billion YoY to ¥0.3 billion.

(Millions of JPY)	Actual	YOY	
Billings	695,023	-40,369	-5.5%
Gross Profit	179,933	-3,612	-2.0%
Operating Income	10,742	+1,866	+21.0%
Ordinary Income	10,696	+897	+9.2%
Net Income Attributable to Owners of Parent	310	+5,300	n/a
Net Income before Amortization of G/W	6,527	+3,314	+103.1%

H1 FY2025 Consolidated Results (After Adjustments) 1

- Billings decreased by 5.1% YoY. Gross profit decreased by 0.2% YoY. The gross margin improved by 1.3 percentage points.
- SG&A expenses decreased by 3.1% YoY. Operating income increased by ¥5.1 billion to ¥10.7 billion.
- Operating income before amortization of goodwill was ¥16.9 billion, an increase of ¥3.1 billion YoY.

(Millions of JPY)	Actual	YOY	
Billings	695,023	-37,103	-5.1%
Gross Profit	179,933	-356	-0.2%
Gross Margin	25.9%	+1.3pt	
SG&A Expenses	169,190	-5,479	-3.1%
Operating Income	10,742	+5,122	+91.1%
Operating Margin	6.0%	+2.9pt	
Amortization of Goodwill*	6,216	-1,985	-24.2%
Operating Income before Amortization of G/W	16,959	+3,136	+22.7%
Operating Margin before Amortization of G/W	9.4%	+1.8pt	

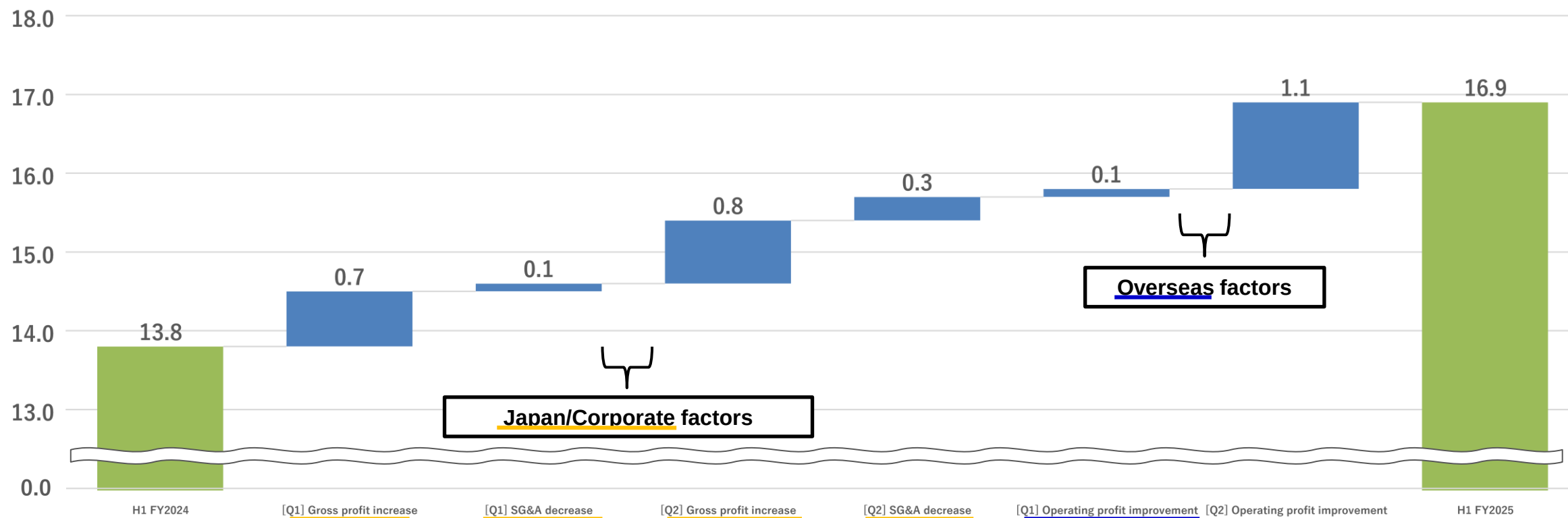
* Amortization of goodwill represents the total of goodwill amortization required under Japanese GAAP and amortization of intangible assets following business combinations.

* After adjustments = Excluding an impact from the sale of shares in Mercari, Inc. held by UNITED, Inc., an equity method affiliate.

H1 FY2025 Consolidated Results (After Adjustments) 2

- The operating income after adjustments and before amortization of goodwill for H1 recorded an increase of ¥1.9 billion in Japan/Corporate and ¥1.2 billion in Overseas.
 - Japan/Corporate: In Japan, the top line fell below the previous year's level due to factors such as the impact of changes in the scope of consolidation and a reactionary decline from BPO in the previous year. However, as profitability improved in some projects, gross profit for H1 increased by 1.2% YoY, and the gross margin improved by 1.1 percentage points. The effect of cost control in Japan/Corporate led to an increase in income of ¥0.8 billion in Q1 and ¥1.1 billion in Q2.
 - Overseas: Despite the top-line stagnation mainly in the Greater China region and ASEAN, the effect of cost structure reforms led to an increase in income of ¥0.1 billion in Q1 and ¥1.1 billion in Q2.

Key factors of increase and decrease (Billions of JPY)





Guidance for FY2025

Guidance for FY2025

- The guidance for the full fiscal year ending March 2026 remains unchanged from the previous forecast.

Guidance for FY2025

(Millions of JPY)	Forecast	YoY
Billings	1,650,000	+2.3%
Revenue	970,000	+1.8%
Operating Income	40,000	+6.4%
Ordinary Income	43,000	+0.8%
Net Income Attributable to Owners of Parent	20,000	+85.7%
Operating Income before Amortization of G/W	53,500	+0.5%
Gross Profit after Adjustments	419,000	+5.7%
Operating Income after Adjustments and before Amortization of G/W	53,500	+7.0%

* After adjustments = Excluding an impact from the sale of shares in Mercari, Inc. held by UNITED, Inc., an equity method affiliate.

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Shareholder Returns for FY2025

Shareholder Returns

1. Dividend forecast for FY2025 (ending March 2026)

- The Board of Directors resolved today (November 13, 2025) 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.

2. Status of acquisition of own shares

- At the Board of Directors meeting held on May 13, 2025, a resolution was passed to acquire own shares, with an upper limit of ¥10 billion (or 12 million shares).
- As of October 31, 2025, the cumulative amount of own shares acquired based on the aforementioned Board of Directors resolution is ¥6.56 billion (5.6 million shares).

3. Cancellation of own shares

- At the Board of Directors meeting held today (November 13, 2025), a resolution was passed regarding the cancellation of own shares pursuant to the provisions of Article 178 of the Companies Act.
- The number of shares consisting of all the own shares acquired based on the Board of Directors resolution of May 13, 2025, plus 17 million shares, is scheduled to be canceled on March 31, 2026.

Summary of H1 FY2025 Results

- **Consolidated results for H1 FY2025 were characterized as higher income on lower billings. Profitability (gross margin and operating margin (OM)) improved.**
 - The top line decreased due to factors such as the impact of changes in the scope of consolidation and a reactionary decline in BPO.
 - On the other hand, partially due to the effect of cost structure reforms overseas, income increased from operating income downwards, resulting in higher earnings. Profitability indicators such as operating margin (OM) also improved.
- **Full-year guidance for FY2025 remains unchanged.**
 - The results for H1 were generally in line with the initial assumptions.
 - Although we anticipate a more severe business environment in H2 than initially assumed, we will aim to achieve the full-year guidance by controlling costs in line with the top-line situation.
- **The cancellation of own shares was resolved.**
 - At the Board of Directors meeting held today, a resolution was passed regarding the cancellation of own shares pursuant to the provisions of Article 178 of the Companies Act.
 - On March 31, 2026, we plan to cancel the number of shares consisting of all the own shares acquired based on the Board of Directors resolution of May 13, 2025, plus 17 million shares.

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Progress of Medium-Term Business Plan

Medium-Term Business Plan (FY2024–2026)

Medium-term strategy

Our goal: 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 beyond the framework of a group of advertising companies into a creativity 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 for 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 (to be achieved by FY2026)

CAGR¹⁾ of operating income after adjustments²⁾ and before amortization of goodwill

At least +10%

CAGR¹⁾ of gross profit after adjustments²⁾

At least +5%

Operating margin after adjustments¹⁾ and before amortization of goodwill

At least 13%

(To be confirmed at the time of full-year financial results presentation)

ROE before amortization of goodwill

At least 10%

(To be confirmed at the time of full-year financial results presentation)

¹⁾ FY2023 as base year, ²⁾ Excluding gain on disposal of Mercari shares

Medium-Term Business Plan: Outline of Progress in H1 FY2025

Medium-term Business Plan

	Medium-term targets (to be achieved by FY2026)	H1 FY2025 result ¹⁾ (vs. PY in parentheses)	Note
CAGR ²⁾ of operating income after adjustments ³⁾ and before amortization of goodwill	At least +10%	+140% (+22.7%)	-
CAGR ²⁾ of gross profit after adjustments ³⁾	At least +5%	+3.2% (-0.2%)	
Operating margin after adjustments ³⁾ and before amortization of goodwill	At least 13%	(To be confirmed at the time of full-year results presentation)	
ROE before amortization of goodwill	At least 10%	(To be confirmed at the time of full-year results presentation)	

Monitoring indicators

	Monitoring indicators (to be achieved by FY2026)	H1 FY2025 result ¹⁾ (vs. PY in parentheses)	Note
Restructuring of marketing business	CAGR ³⁾ of gross profit in domestic marketing business	Approx. +4%	Percentage of gross profit 67%
	Operating margin of domestic marketing business before amortization of goodwill	At least 15%	
Creation of new growth options	CAGR ²⁾ of gross profit in domestic digital marketing	Above market average CAGR ⁴⁾	-
	CAGR ²⁾ of gross profit of the four domestic business domains ⁵⁾ combined	At least +10%	
Remodeling of global business	CAGR ²⁾ of gross profit in global business	Approx. +5%	Percentage of gross profit 28.5%
	Operating margin of global business before amortization of goodwill	Approx. 10%	

Sustainability (Human rights and DE&I action)

- We set objectives on human rights, DE&I and gender equality to promote action on gender-related issues.
- Concrete initiatives included the establishment of systems for LGBTQ+ to promote progress toward a “society for all” and first engagement in Tokyo Pride, one of the biggest LGBTQ+ events in Asia.

¹⁾ To accurately reflect the actual situation, we periodically review calculation methods as appropriate. If the review is expected to have a significant impact, we will retrospectively revise to the figures for previous periods as needed and disclose the revised data

²⁾ FY2023 as base year

³⁾ Excluding gain on disposal of Mercari shares

⁴⁾ Our estimate (To be confirmed at the time of full-year results presentation)

⁵⁾ Consulting business, technology business, content business and incubation business

Hakuhodo DY Group Accelerating Business Growth through the Utilization of AI

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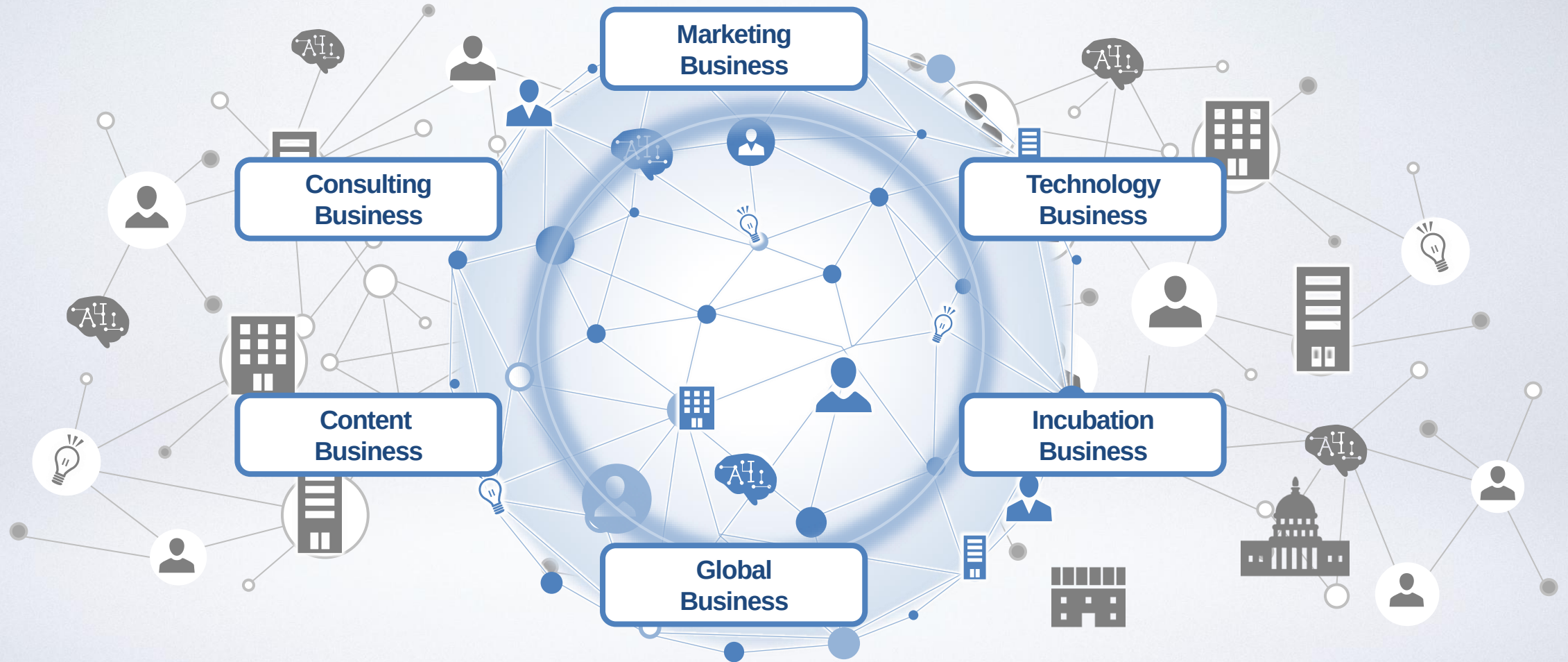


Human-Centered AI

Designing AI Technology Around the *Sei-Katsu-Sha*

Our Goal

Creativity Platform



AI Utilization and AI Business Cases Across Six Business Domains

Marketing Business

•HAKUHODO•

DAIKO

YOMIKO

Hakuhodo DY ONE

SOLDOUT

Driving Enhancement and Efficiency through Utilization of AI Agents

- ✓ Strategy
- ✓ Media
- ✓ Creative
- ✓ Performance Marketing
- ✓ Sales
- ✓ CRM

•PRODUCT'S•

Launched "AI Craft Studio", Revolutionizing Visual Production

Consulting Business

IDEO

AI × Design Thinking

SYPartners

AI-Powered Organizational Transformation Consulting

ENND PARTNERS

Maximizing AI Utilization within Intelligence Functions

Technology Business

HAKUHODO Technologies

Multi-AI Agent System: "Nomatica"

&DIGITAL

Launch of "AI Business Assessment" to Determine Optimal AI Utilization Strategies

ReD.

Consulting for AI-Driven Management

Content Business

HUUM

Providing a Solution to Visualize the Effectiveness of Influencer PR Initiatives, using Generative AI Technology

ZETTAI WORKS

"ZETTAI WORKS," which specializes in AI-powered animation, has achieved profitability.

Incubation Business

HAKUHODO DY VENTURES

×

Third Intelligence

Investing in Japan's AI Evolution by Participating in Third Intelligence's Funding Round

HAKUHODO synVoice

Establishing a New Company to Develop and Offer AI-Powered Systems Aimed at Enhancing Customer Service Capabilities

Global Business

K E P L E R

Development of Kip (Kepler Intelligence Platform), an AI-Powered Platform

kyu PULSE

Implementing Kip Across kyu Pulse to Serve as the Engine for Cross-Group Collaboration

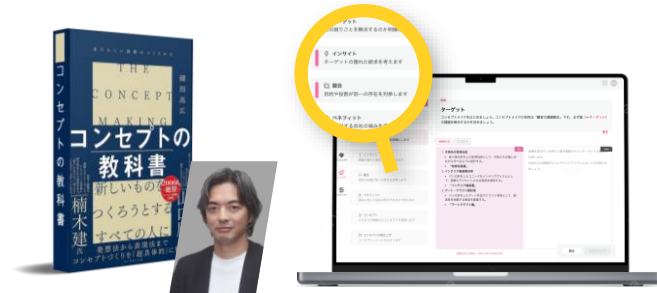
AI × Marketing Business

The total usage across the tools has exceeded 10,000 users group-wide, thereby driving enhancement and efficiency.

Strategy

AI for Strategic Planning Support

Expert AI agents trained on the practical knowledge of renowned planners



Media

AI for Media Planning Support

Developing advertising budget allocation plans through dialogue with multiple planner AGENTS, each with a distinct way of thinking (e.g., a bold media planner).



Creative

AI for Commercial Production Support

A new AI Agent for commercial production support, incorporating consumer awareness of commercials HakuHodo's commercial knowledge



Performance Marketing

AI for Ad Delivery Efficiency and Optimization

Implementing the interoperability of specialized AI agents, such as the creative generation agent and analytics report agent.



Sales

Virtual Salesperson

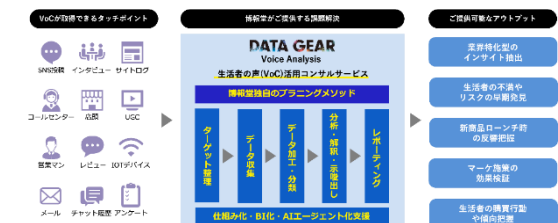
Virtual Salespersons that reflect the personalities of real sales staff are generated to supplement in-person sales during non-service hours, such as nights and holidays.



CRM

AI-Powered Customer Acquisition Support Service

We analyze the qualitative and quantitative customer data (voices and history) owned by each company through the utilization of AI, and provide support for enhanced customer understanding and the planning and implementation of measures.

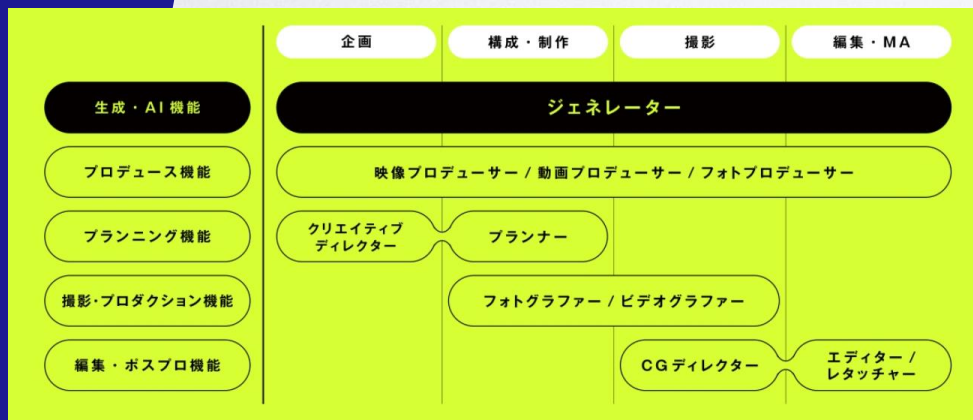


AI × Marketing Business



・PRODUCT'S・

Established "AI Craft Studio",
Revolutionizing the Visual
Production Workflow
with Human and AI Creativity



We have established a next-generation creative structure by creating a new role, the "Generator", as AI specialist, which fuses AI expertise with traditional expertise. Through a proprietary training program designed in collaboration with Adobe, employees acquire advanced generative technology.

AI × Consulting Business



Launch of "AI × Design Thinking Programs"

IDEO

IDEO offers programs where participants learn how to utilize AI in Design Thinking to enhance creativity and drive innovation.

Consulting services catalyzed by AI are booming. **SYPartners**

SY Partners promotes the utilization of AI in management strategy and organizational structure for executives at major companies, and provides organizational transformation consulting through methods like workshops.

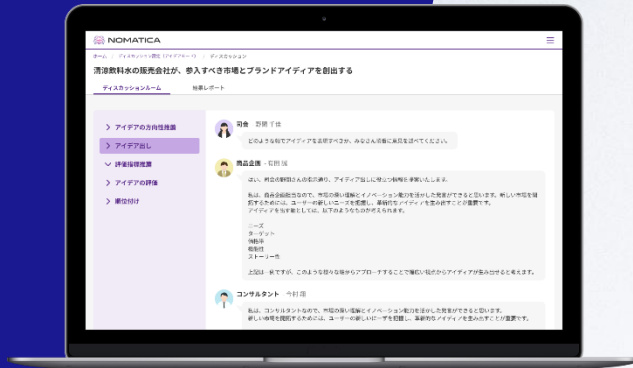
Utilizing AI in Intelligence Functions

ENND PARTNERS

, and other firms

Consulting firms are leveraging multiple AIs for research and information gathering in an integrated way. The integration of AI and operational standardization allows for time reductions, such as cutting the process from five days to two days.

AI × Technology Business



Nomatica: A SaaS-Based AI Service



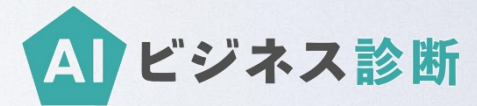
HAKUHODO
Technologies

A multi-AI agent system where multiple expert AI agents mutually collaborate to provide specialized answers and diverse ideas. The number of companies implementing the system is currently expanding.



Launch of the "AI business assessment" service for small and medium-sized enterprises.

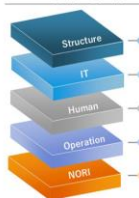
Analyzing clients' understanding of, utilization status, and barriers to Generative AI adoption quantitatively and qualitatively, we present an implementation roadmap tailored to the organization's challenges and phase.



Business Transformation with AI

Hakuhodo DY ONE that has generative AI as a core technology, and with the aim of supporting client companies' business expansion and system strengthening, we have established an AI business assessment service.

変革すべきレイヤー



OUR SERVICES

Business Transformation with AI
人的リソースを高付加価値な業務へ転換

01 セミナー/ワークショップ

AIのトレンドを正しく理解
AIの活用に関する知識を深め、組織全体の理解を促進する。

02 ユースケース創出

業務現場の課題をAIで解決
具体的なユースケースを創出し、AIの活用を促進する。

03 PoCから現場活用

実証実験から本格導入へ
PoCの実施結果を基に、本格導入の計画を立てる。

04 徹底伴走コーチング

導入後のサポートと学習
導入後のサポートと学習を行い、AIの活用を定着させる。

05 全社推進タスクフォース

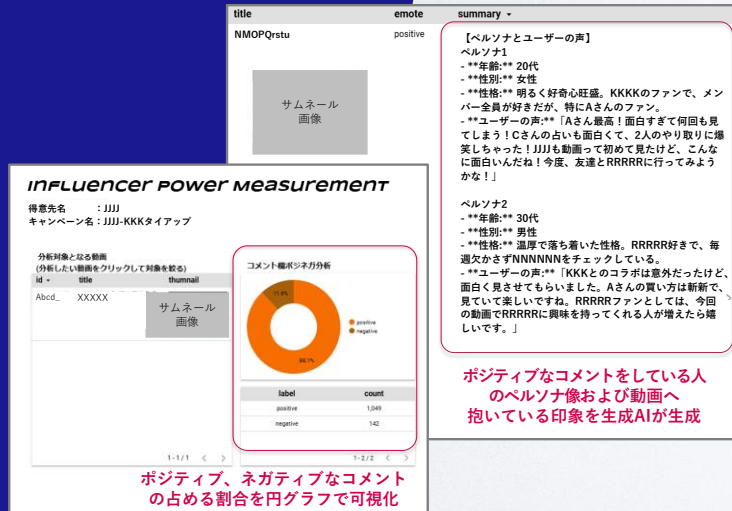
組織全体のAI活用を推進
全社的なAI活用を推進するためのタスクフォースを構築する。

Consulting for AI-Driven Management

A consulting service that utilizes the latest AI technologies to transform organizations and operations, create new customer experiences, and enhance corporate productivity.

ReD.

AI×Content Business



Offering "Influencer Power Measurement," a Generative AI solution for visualizing the effectiveness of PR initiatives.

A new solution offered by "HUUM," a joint venture with UUUM. It utilizes Generative AI to quantitatively and qualitatively analyze comments on influencer PR video posts, visualizing viewer reactions on a dashboard (Patent Pending).

HUUM



"ZETTAI WORKS," which specializes in AI-powered animation, has achieved profitability.

Born from an internal venture program in 2024. By leveraging AI and technology, the company realizes advertising expressions difficult to achieve with conventional production processes. The goal is to break through creative limitations and production workflows at the fastest speed.

ZETTAI
WORKS

AI × Incubation Business

Hakuhodo DY Ventures participates in Third Intelligence's funding round, investing in Japan's AI evolution.

HAKUHODO DY VENTURES

We have participated as an underwriter in the third-party allotment of approximately ¥8 billion, which was implemented by Third Intelligence, Inc., an AI research and product development company, on November 12, 2025. Through this partnership, we aim to accelerate the establishment and social implementation of "Ubiquitous AGI (artificial general intelligence)" targeted by Third Intelligence, Inc.

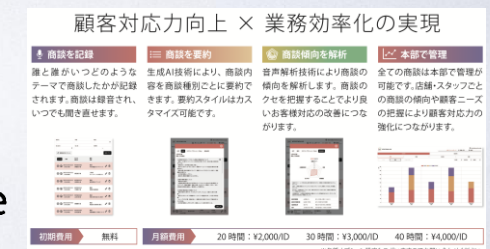
Note: This round was led by MUFG bank, with Sumitomo Mitsui Banking Corporation and SBI holdings also participating.



Third Intelligence is an AI research and product development company co-founded by Prof. Yutaka Matsuo and Mr. Junya Ishibashi. Its mission is to "realize Ubiquitous AGI (Artificial General Intelligence) that grows autonomously in its respective environments, thereby creating a world where humans and AI thrive together." The company officially commenced its proprietary AI development business in June 2025.

"Hakuhodo SYNVOICE," a new company established to develop and offer systems utilizing speech recognition/analysis technology and AI, aimed at enhancing customer service capabilities.

Offering tools such as "voice value," which automatically analyzes and summarizes sales conversations to enhance the quality and efficiency of sales activities.



AI × Global Business



kyu PULSE

Kip (Kepler Intelligence Platform)

Developed by Kepler, a member of kyu Pulse, Kip(Kepler Intelligence Platform) enables AI-enhanced audience insights, media campaign optimization, and workflow automation. It stands as an industry-leading tool.



Implementing Kip Across kyu Pulse to Serve as the Engine for Cross-Group Collaboration

Kip serves as the foundation for a platform across kyu Pulse, strengthening its collaboration model. Through this cross-kyu Pulse collaboration, Kip's functions have been expanded with added capabilities such as AI agent-driven creative production, generative engine optimization. This resulted in marketing campaign outcomes improving by up to 200%.

AI-POWERED CREATIVITY

We are focused on two goals: enhancing productivity and expanding creativity. Both are centered on *Sei-Katsu-Sha* Insight, the core strength of the Hakuhodo DY Group.



We build a Group-wide "*Sei-Katsu-Sha* Insight Platform" that extends beyond the marketing business to augment the creativity of all Group employees.



Building the "Sei-Katsu-Sha Insight Platform"

A proprietary platform that fuses over 40 years of *Sei-Katsu-Sha* research knowledge and extensive *Sei-Katsu-Sha* data with AI technology.
It offers insights and ideation support through dialogue with AI.



Sei-Katsu-Sha Insight Platform

Sei-Katsu-Sha Research Knowledge/Expertise

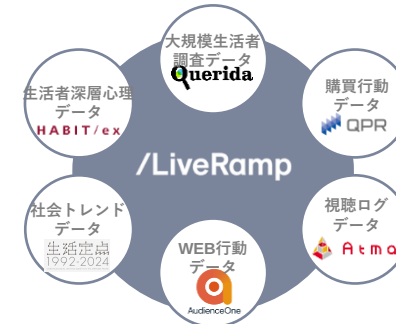
ひらけ、みらい。
生活総研

**The Hakuhodo Institute
of Life and Living(HILL)**
Established in 1981 to materialize
Sei-Katsu-Sha Insight and research
the "future envisioning" of the *Sei-
Katsu-Sha*.

Human-Centered AI functions



Extensive *Sei-Katsu-Sha* Data



e.g.:A data foundation that
securely utilizes customer
data owned by companies,
in addition to proprietary
data such as Audience
One®, which holds over
100 million device IDs.

An Example of the *Sei-Katsu-Sha* Insight Platform

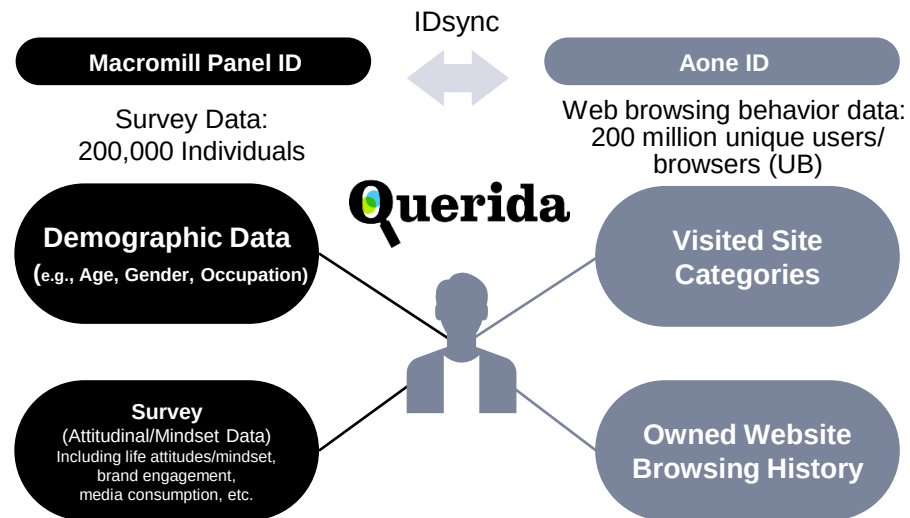
Evidence-
Based

Virtual *Sei-Katsu-Sha*

Generating highly realistic, market-data-driven Virtual *Sei-Katsu-Sha* by leveraging proprietary prompt technology that replicates the exquisite insight work of Hakuhodo DY Group experts, combined with *Sei-Katsu-Sha* Data.

A large-scale panel of 200,000 individuals, accumulated annually since 2018.

A large-scale panel integrating attitudes, web browsing behavior and purchasing behavior, achieved by syncing 200,000 survey data points with 200 million web behavior logs.



Dialogue with highly realistic virtual *Sei-Katsu-Sha*, grounded in market data, now enables higher-quality insight work



コンテンツファン消費
行動調査CL12
田中 真理子

CL12, 17歳 高校生女性。両親と実家で暮らしている。

デモグラフィック

概要

17歳 高校生女性。両親と実家で暮らしている。

詳細

[性年代]: 17歳 女性 [ライフステージ]: 学生女性 [世帯構成]: 2 世代世帯: 夫婦 (または、そのいずれか) と子ども (成人の子ども含む) だけの世帯 [末子年齢]: [世帯年収]: [職業]: 高校生

メディア・インターネットサービス利用状況

概要

利用する媒体は基本的にスマホであり、Instagram、LINE、TikTokの他にXやBeRealなどのSNSを利用する。タイムラインで世の中や繋がりのある人の話題をチェックし、ファッションやコスメ、美容といった自分の知りたい情報にアクセスするだけでなく、仲のいい友達には発信することもある。他にも、気になる商品やサービスを探すためにSNSを利用し、商品を購入する際は楽天やAmazonよりもメルカリを利用する。決済アプリはPayPay。

詳細

[SNS利用頻度]: Instagram, TikTok, LINEは頻繁に利用するが、Xはたまに覗く程度で、Facebookは利用していない。[SNS利用目的]: タイムラインで動画や画像などを含む世の中の話をチェックしたり、商品やサービスを探したりする。好きなコンテンツや仲のいい友達など、自分の興味のある情報を得る。友達に向けてストーリーなどの動画で発信することもある。[その他サービス利用状況]: インスタ、TikTok、LINE、PayPay、メルカリなどを利用。Yahoo!や楽天、新聞などの利用は少ない。[インターネットでの情報接触ジャンル]: ファッションやコスメ、美容などの情報に接触。

Insight work

Activation Initiative
Development

Media planning

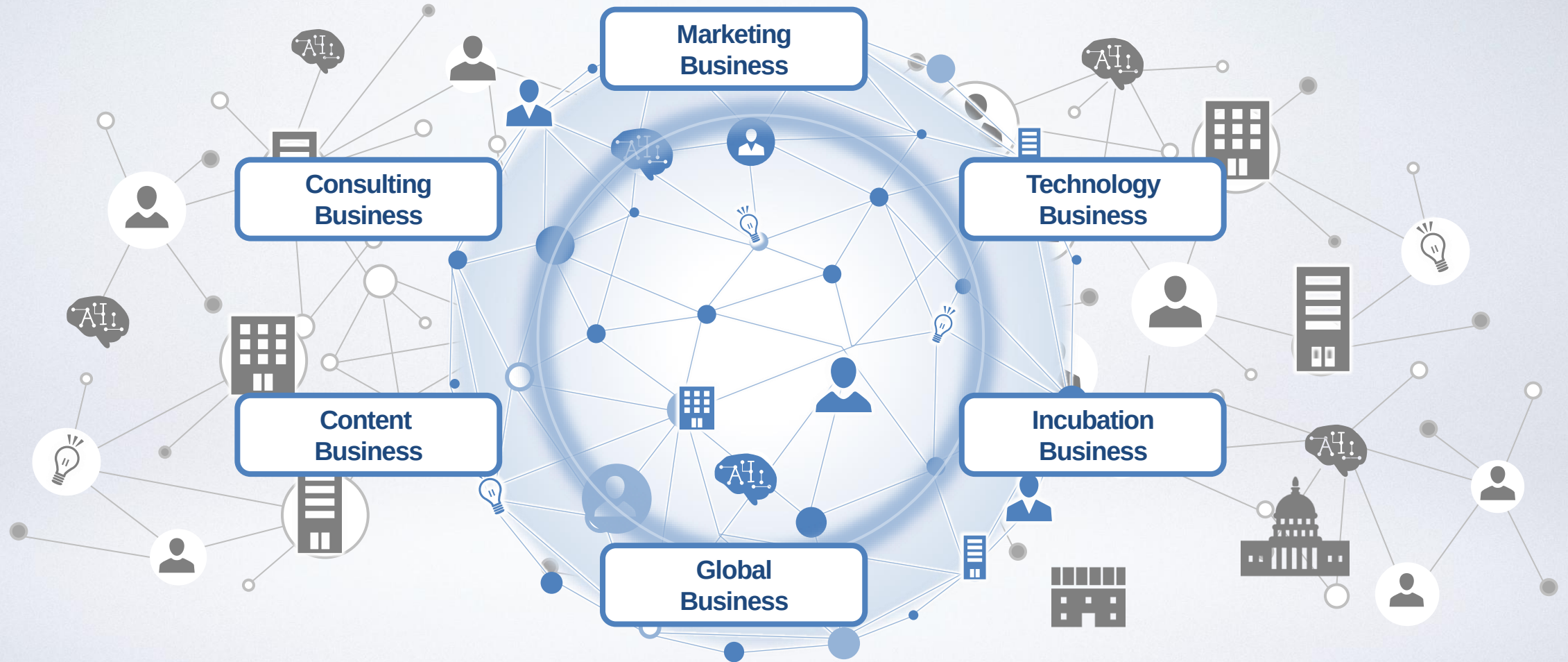
Audience
Segmentation to
Delivery

Creative
planning

Review &
Replanning

Our Goal

Creativity Platform



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Appendix

Related Topics

- We advanced the Virtual *Sei-katsu-sha* prototype, originally unveiled in March 2024, through enhancements in both data and technology.
- Enables deeper and more diverse insights through dialogue with highly realistic “virtual *sei-katsu-sha*,” which are true to market data.

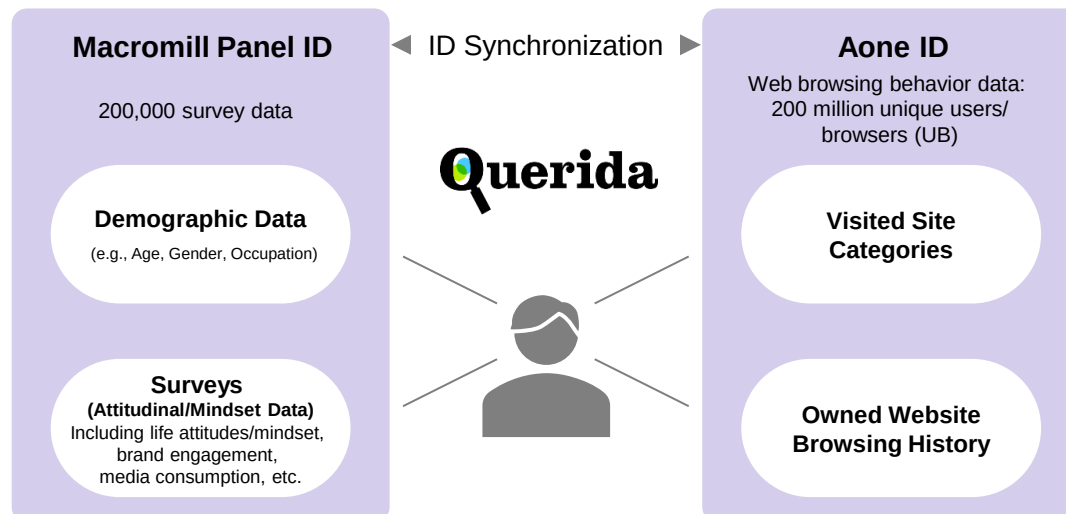
Augmenting Human Creativity with AI

Hakuhodo DY Holdings

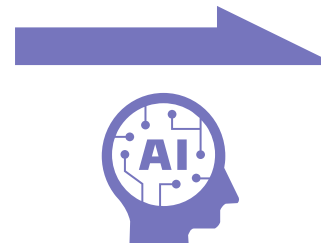
“Evidence-Based” Virtual *Sei-Katsu-Sha*

A large-scale panel of 200,000 individuals, accumulated annually since 2018.

A large-scale panel integrating attitudes, web browsing behavior and purchasing behavior, achieved by syncing 200,000 survey data points with 200 million web behavior logs.



The Integration of AI Technologies



Dialogue with highly realistic virtual *Sei-Katsu-Sha*, grounded in market data, now enables higher-quality insight work



コンテンツファン消費
行動調査CL12
田中 真理子

CL12, 17歳 高校生女性。両親と実家で暮らしている。

デモグラフィック

概要
17歳 高校生女性。両親と実家で暮らしている。

詳細

[世代]: 17歳 女性 [ライフステージ]: 学生女性 [世帯構成]: 2世代世帯: 夫婦 (または、そのいずれか) と子ども (成人の子ども含む) だけの世帯 [未成年]: [世帯年収]: [職業]: 高校生

メディア・インターネットサービス利用状況

概要

利用する媒体は基本的にスマホであり、Instagram、LINE、TikTokの他にXやBeRealなどのSNSを利用する。タイムラインで世の中や周りの人々の話題をチェックし、ファッションやコスメ、美容といった自分の知りたい情報にアクセスするだけでなく、仲のいい友達には発信することもある。他にも、気になる商品やサービスを探すためにSNSを利用し、商品を購入する際は楽天やAmazonよりもメルカリを利用する。決済アプリはPayPay。

詳細

[SNS利用頻度]: Instagram, TikTok, LINEは頻繁に利用するが、Xはたまに覗く程度で、Facebookは利用していない。[SNS利用目的]: タイムラインで動画や画像などを含む世の中の話題をチェックしたり、商品やサービスを探したりする。好きなコンテンツや仲のいい友達など、自分の興味のある情報を得る。友達に向けてストーリーなどの動画で発信することもある。[その他サービス利用状況]: インスタ、TikTok、LINE、PayPay、メルカリなどを利用。Yahoo!や楽天、新聞などの利用は少ない。[インターネットでの情報接触ジャンル]: ファッションやコスメ、美容などの情報に接触。

- ✓ Insight work
- ✓ Creative planning
- ✓ Audience segmentation to delivery
- ✓ Media planning
- ✓ Activation initiative development
- ✓ Review & replanning

Related Topics

- Accelerating the revolution of ad creative through joint research with Matsuo Institute, Inc.
- Ensuring ethical considerations and transparency in AI utilization to contribute to new value creation and the healthy development of the market

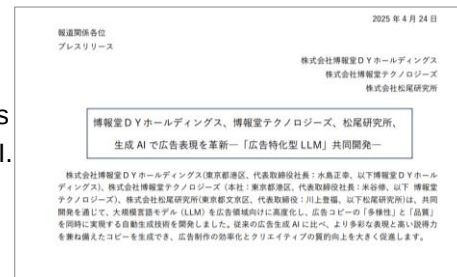
Transforming ad creative expression with generative AI (joint development with Matsuo Institute, Inc.)

Hakuhodo DY Holdings/Hakuhodo Technologies

Ad-Specialized LLM (Large Language Model)

[Link to release
\(in Japanese\)](#)

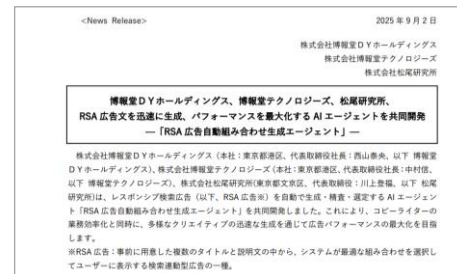
We jointly developed an AI model specialized in advertising, establishing a new technology to generate ad creative that is more diverse and moves people's hearts better than existing ad-generating AI.



Generative agent for automated combination of RSAs

[Link to release
\(in Japanese\)](#)

Built on the technology of the Ad-Specialized LLM, this AI agent automatically generates, evaluates and selects RSAs (responsive search ads) to improve operational efficiency while maximizing advertising performance.



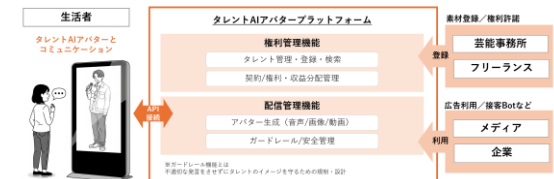
Advancing social implementation of Human-Centered AI

Hakuhodo DY Holdings/Hakuhodo/Hakuhodo DY ONE

Safe and secure celebrity AI avatar

[Link to release
\(in Japanese\)](#)

We built a platform for safe development and delivery of official celebrity avatars with proprietary guardrail* design.



*Guardrail function: Regulation and design to protect the integrity of celebrities by preventing inappropriate remarks.

Ad network that delivers exclusively to humans [Link to release \(in Japanese\)](#)

In collaboration with LG Electronics and Tools for Humanity, we piloted a Human-Verified Ad Network as a new initiative to address the issue of digital ad fraud in the era of AI.



Related Topics

- Driving the enhancement of our business foundation by expanding new models for our integrated marketing platform
- Fostering a culture of cross-generational co-creation through the “AI Mentoring” program, where younger employees coach executive leadership

New model launched for the integrated marketing platform CREATIVITY ENGINE BLOOM

Hakuhodo DY Holdings/Hakuhodo Technologies

Platform to support display ad production

[Link to release](#)
(in Japanese)

We developed an AI-powered platform to support creative production for display ads.



Content-driven marketing support

[Link to release](#)
(in Japanese)

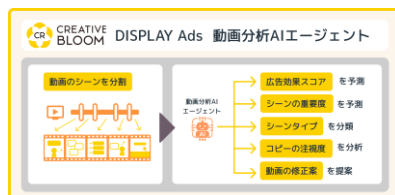
Building on the proprietary data of the HDY Group, we developed products to help clients select and plan content closely aligned with their marketing objective.



Video analysis AI agent

[Link to release](#)
(in Japanese)

With CREATIVE BLOOM DISPLAY Ads, we developed a video ad analysis function to be performed by an AI agent.



AI agent gallery

[Link to release](#)
(in Japanese)

In the production of digital creative, rapid development and use of AI agents is now possible.



AI Mentoring program for young employees to provide guidance to executives

Hakuhodo DY Holdings

Won Runner-up Prize at GenAI HR Awards 2025 [Link to release](#) (in Japanese)

We won the Runner-up Prize in the Large Enterprise Sector at GenAI HR Awards 2025, organized by the Association to Generalize Utilization of Generative AI (GUGA).



GenAI HR Awards 2025
Runner-up
Large Enterprise Sector



(役員とAIメンター担当社員の実際の写真)

AI Mentoring

This program features a two-way exchange: Younger employees who proactively use AI are selected as “AI Mentors” to provide regular training and support on AI tools to paired executives. In return, the executives share their empirical knowledge and insights with the young mentors.

Sustainability: Initiatives on Human Rights and DE&I

- We set objectives on human rights, DE&I and gender equality to promote action on gender-related issues.
- Concrete initiatives included the establishment of systems for LGBTQ+ and external outreach toward a “society for all.”

Establishment of systems and environment for LGBTQ+

- System and environment development

Actions

- | | |
|---|--|
| - Established consultation desk | - Establishment of guidelines for action against harassment |
| - Easing of spouse requirements | - Selection of gender category other than male/female when applying for jobs |
| - Use of aliases and selection of preferred gender category | - Internal awareness-raising events |
| - Installation of multipurpose toilets | - Delivery of training videos |

- Group-wide study group



External communication

- First engagement in Tokyo Pride, one of the biggest LGBTQ+ events in Asia (June 2025)



We launched initiatives to drive understanding and behavioral change through the power of creative

Interim Income Statements

Japanese GAAP-basis Interim Income Statements for H1 FY2025

(Millions of JPY)	YTD (6-Month)			by Quarter (3-Month)			
	Actual	YOY		Q1	YOY	Q2	YOY
Billings	695,023	-40,369	-5.5%	339,011	-3.8%	356,012	-7.0%
Revenue	366,131	-61,722	-14.4%	169,820	-15.2%	196,310	-13.7%
Gross Profit	179,933	-3,612	-2.0%	85,815	-3.6%	94,117	-0.4%
Gross Margin	25.9%	+0.9pt		25.3%	+0.1pt	26.4%	+1.8pt
SG&A Expenses	169,190	-5,479	-3.1%	83,288	-1.8%	85,902	-4.4%
Operating Income	10,742	+1,866	+21.0%	2,527	-39.9%	8,215	+76.0%
Operating Margin	6.0%	+1.1pt		2.9%	-1.8pt	8.7%	+3.8pt
Non-operating Income	2,465	-1,607	-39.5%	1,837	-44.0%	627	-20.8%
Non-operating Expenses	2,511	-638	-20.3%	1,460	+79.6%	1,050	-55.0%
Ordinary Income	10,696	+897	+9.2%	2,904	-56.5%	7,792	+149.4%
Extraordinary Income	329	-1,045	-76.0%	298	-68.5%	31	-92.6%
Extraordinary Loss	3,967	-3,124	-44.1%	959	-57.0%	3,008	-38.1%
Net Income before Taxes	7,058	+2,976	+72.9%	2,243	-58.4%	4,815	n/a
Income Tax	6,173	-1,764	-22.2%	3,865	-4.0%	2,308	-41.0%
Non-controlling Interest	575	-558	-49.3%	194	-81.3%	380	+325.2%
Net Income Attributable to Owners of Parent	310	+5,300	n/a	-1,816	-671.6%	2,127	n/a
Amortization of Goodwill	6,216	-1,985	-24.2%	3,447	-15.6%	2,768	-32.7%
Net Income before Amortization of Goodwill	6,527	+3,314	+103.1%	1,631	-63.0%	4,896	n/a

Results After Adjustments

H1 FY2025

YTD (6-Month)

by Quarter (3-Month)

Results After Adjustments

(Millions of JPY)	Actual	YOY		Q1	YOY	Q2	YOY
Billings	695,023	-37,103	-5.1%	339,011	-2.9%	356,012	-7.0%
Gross Profit	179,933	-356	-0.2%	85,815	+0.0%	94,117	-0.4%
Gross Margin	25.9%	+1.3pt		25.3%	+0.7pt	26.4%	+1.8pt
SG&A Expenses	169,190	-5,479	-3.1%	83,288	-1.8%	85,902	-4.4%
Operating Income	10,742	+5,122	+91.1%	2,527	+165.6%	8,215	+76.0%
Operating Margin	6.0%	+2.9pt		2.9%	+1.8pt	8.7%	+3.8pt
Amortization of Goodwill	6,216	-1,985	-24.2%	3,447	-15.6%	2,768	-32.7%
Operating Income before Amortization of Goodwill	16,959	+3,136	+22.7%	5,975	+18.6%	10,984	+25.1%
Operating Margin before Amortization of Goodwill	9.4%	+1.8pt		7.0%	+1.1pt	11.7%	+2.4pt

Adjustment Amount

(Millions of JPY)	Actual	YOY	Q1	YOY	Q2	YOY
Billings	0	-3,266	0	-3,266	0	+0
Gross Profit	0	-3,256	0	-3,256	0	+0
SG&A Expenses	0	+0	0	+0	0	+0
Operating Income	0	-3,256	0	-3,256	0	+0

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

* After adjustments = Excluding an impact from the sale of shares in Mercari, Inc. held by UNITED, Inc., an equity method affiliate.

Results by Region

H1 FY2025	(Millions of JPY)	Actual	YOY	
Japan				
Billings		598,081	-27,145	-4.3%
Revenue		269,188	-48,498	-15.3%
Gross Profit		131,733	-1,725	-1.3%
SG&A Expenses		102,501	-1,488	-1.4%
Operating Income		29,232	-237	-0.8%
Overseas				
Billings		101,313	-13,708	-11.9%
Revenue		101,313	-13,708	-11.9%
Gross Profit		50,857	-2,172	-4.1%
SG&A Expenses		53,477	-5,196	-8.9%
Operating Income		-2,620	+3,023	n/a
Elimination or Corporate				
Billings		-4,371	+484	
Revenue		-4,371	+484	
Gross Profit		-2,657	+285	
SG&A Expenses		13,211	+1,205	
Operating Income		-15,868	-919	
Consolidated				
Billings		695,023	-40,369	-5.5%
Revenue		366,131	-61,722	-14.4%
Gross Profit		179,933	-3,612	-2.0%
SG&A Expenses		169,190	-5,479	-3.1%
Operating Income		10,742	+1,866	+21.0%

Results by Region (YTD, by Quarter)

H1 FY2025

YTD (6-Month)

by Quarter (3-Month)

Japan (After Adjustments)

(Millions of JPY)	YTD Actual	YOY		Q1	YOY	Q2	YOY
Billings	598,081	-23,879	-3.8%	294,367	-1.2%	303,713	-6.3%
Gross Profit	131,733	+1,530	+1.2%	61,983	+1.2%	69,749	+1.2%
Gross Margin	22.0%	+1.1pt		21.1%	+0.5pt	23.0%	+1.7pt
SG&A Expenses	102,501	-1,488	-1.4%	48,031	-2.1%	54,469	-0.8%
Operating Income	29,232	+3,018	+11.5%	13,951	+14.5%	15,280	+9.0%
Operating Margin	22.2%	+2.1pt		22.5%	+2.6pt	21.9%	+1.6pt
Amortization of Goodwill	984	-154	-13.6%	492	-9.5%	492	-17.3%
Operating Income before Amortization of Goodwill	30,216	+2,863	+10.5%	14,444	+13.4%	15,772	+7.9%
Operating Margin before Amortization of Goodwill	22.9%	+1.9pt		23.3%	+2.5pt	22.6%	+1.4pt

Overseas

(Millions of JPY)	YTD Actual	YOY		Q1	YOY	Q2	YOY
Billings	101,313	-13,708	-11.9%	47,156	-12.3%	54,156	-11.6%
Gross Profit	50,857	-2,172	-4.1%	25,310	-2.7%	25,546	-5.5%
Gross Margin	50.2%	+4.1pt		53.7%	+5.3pt	47.2%	+3.1pt
SG&A Expenses	53,477	-5,196	-8.9%	27,625	-4.8%	25,852	-12.8%
Operating Income	-2,620	+3,023	n/a	-2,314	n/a	-305	n/a
Operating Margin	-5.2%	+5.5pt		-9.1%	+2.4pt	-1.2%	+8.6pt
Amortization of Goodwill	5,231	-1,831	-25.9%	2,955	-16.6%	2,276	-35.3%
Operating Income before Amortization of Goodwill	2,611	+1,192	+84.1%	641	+18.6%	1,970	+124.3%
Operating Margin before Amortization of Goodwill	5.1%	+2.5pt		2.5%	+0.5pt	7.7%	+4.5pt

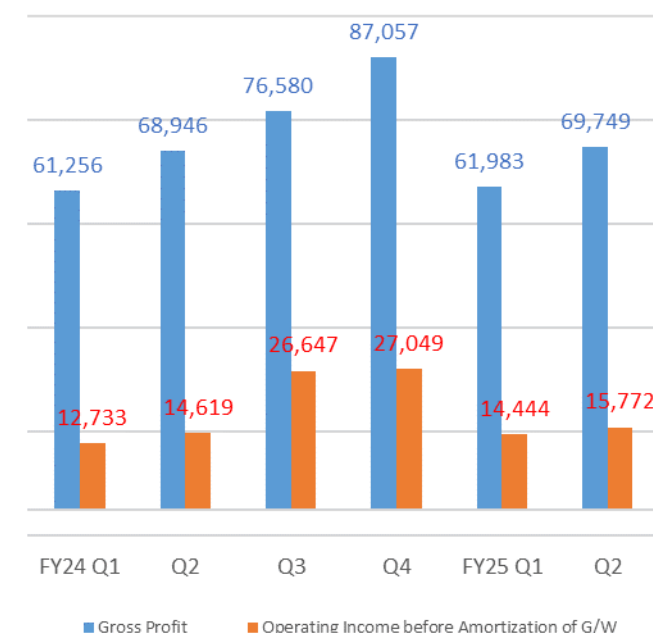
Results by Region (Japan: After Adjustments)

H1 FY2025

(Millions of JPY)	Actual	YOY	
Billings	598,081	-23,879	-3.8%
Gross Profit	131,733	+1,530	+1.2%
Gross Margin	22.0%	+1.1pt	
SG&A Expenses	102,501	-1,488	-1.4%
Operating Income	29,232	+3,018	+11.5%
Operating Margin	22.2%	+2.1pt	
Amortization of Goodwill*	984	-154	-13.6%
Operating Income before Amortization of G/W	30,216	+2,863	+10.5%
Operating Margin before Amortization of G/W	22.9%	+1.9pt	

Gross Profit & Operating Income before Amortization of Goodwill by Quarter

(Millions of JPY)



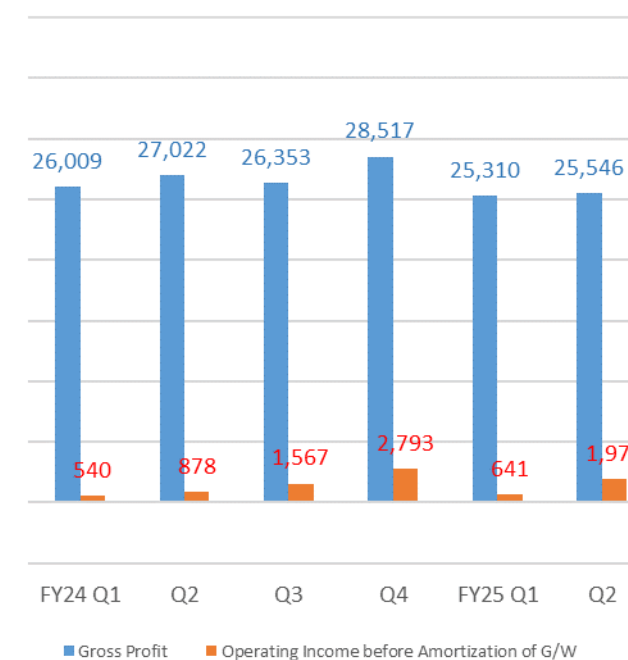
Results by Region (Overseas)

H1 FY2025

(Millions of JPY)	Actual	YOY	
Billings	101,313	-13,708	-11.9%
Gross Profit	50,857	-2,172	-4.1%
Gross Margin	50.2%	+4.1pt	
SG&A Expenses	53,477	-5,196	-8.9%
Operating Income	-2,620	+3,023	n/a
Operating Margin	-5.2%	+5.5pt	
Amortization of Goodwill*	5,231	-1,831	-25.9%
Operating Income before Amortization of G/W	2,611	+1,192	+84.1%
Operating Margin before Amortization of G/W	5.1%	+2.5pt	

Gross Profit & Operating Income before Amortization of Goodwill by Quarter

(Millions of JPY)



Japan: Billings by Type of Service

H1 FY2025

(Millions of JPY)	Actual	YOY		Composition
Newspaper	10,724	-867	-7.5%	1.8%
Magazine	2,462	-517	-17.4%	0.4%
Radio	3,878	-403	-9.4%	0.7%
Television	160,333	-15,576	-8.9%	27.6%
Traditional Media Service Subtotal	177,400	-17,364	-8.9%	30.5%
Internet Media	172,275	+4,729	+2.8%	29.6%
Outdoor Media	18,320	+2,137	+13.2%	3.2%
Media Service Subtotal	367,995	-10,498	-2.8%	63.3%
Creative	72,034	+2,765	+4.0%	12.4%
Marketing/Promotion	123,320	-16,268	-11.7%	21.2%
Other (Content, etc.)	18,204	+2,060	+12.8%	3.1%
Non-Media Service Subtotal	213,559	-11,442	-5.1%	36.7%
Total	581,555	-21,940	-3.6%	100.0%
Internet Advertising Domain Billings	203,997	+6,306	+3.2%	35.1%

Billings by Type of Service (YTD, by Quarter)

H1 FY2025

(Millions of JPY)	YTD (6-Month)			by Quarter (3-Month)			
	YTD Actual	YOY		Q1	YOY	Q2	YOY
Newspaper	10,724	-867	-7.5%	5,113	-7.6%	5,611	-7.4%
Magazine	2,462	-517	-17.4%	1,121	-14.9%	1,341	-19.3%
Radio	3,878	-403	-9.4%	1,908	-13.4%	1,970	-5.3%
Television	160,333	-15,576	-8.9%	80,010	-9.7%	80,323	-7.9%
Traditional Media Service Subtotal	177,400	-17,364	-8.9%	88,153	-9.8%	89,247	-8.1%
Internet Media	172,275	+4,729	+2.8%	90,803	+5.5%	81,471	+0.0%
Outdoor Media	18,320	+2,137	+13.2%	8,959	+12.6%	9,360	+13.8%
Media Service Subtotal	367,995	-10,498	-2.8%	187,915	-2.0%	180,079	-3.6%
Creative	72,034	+2,765	+4.0%	34,567	+5.2%	37,467	+2.9%
Marketing/Promotion	123,320	-16,268	-11.7%	57,102	+1.0%	66,218	-20.3%
Other (Content, etc.)	18,204	+2,060	+12.8%	7,415	-4.7%	10,788	+29.0%
Non-Media Service Subtotal	213,559	-11,442	-5.1%	99,085	+2.0%	114,474	-10.4%
Total	581,555	-21,940	-3.6%	287,001	-0.7%	294,553	-6.4%
Internet Advertising Domain Billings	203,997	+6,306	+3.2%	105,351	+5.2%	98,645	+1.1%

Japan: Billings by Client Industry

H1 FY2025

(Millions of JPY)	Actual	YOY		Composition
Information/Communications	66,256	-5,407	-7.5%	12.4%
Restaurants/Services	56,228	+1,672	+3.1%	10.5%
Beverages/Cigarettes/Luxury foods	55,980	+1,369	+2.5%	10.5%
Automobiles/Related products	42,256	-1,860	-4.2%	7.9%
Finance/Insurance	41,295	+5,494	+15.3%	7.7%
Foodstuffs	38,571	-242	-0.6%	7.2%
Cosmetics/Toiletries	33,393	-4,234	-11.3%	6.2%
Transportation/Leisure	28,818	+1,004	+3.6%	5.4%
Pharmaceuticals/Medical supplies	27,468	-473	-1.7%	5.1%
Real estate/Housing facilities	24,005	-108	-0.4%	4.5%
Distribution/Retailing	22,517	-6,770	-23.1%	4.2%
Apparel/Accessories	12,971	-1,628	-11.2%	2.4%
Government/Organizations	12,435	-15,809	-56.0%	2.3%
Energy/Materials/Machinery	11,702	+784	+7.2%	2.2%
Games/Sporting goods/Hobby supplies	10,792	-1,514	-12.3%	2.0%
Household products	10,089	+1,578	+18.6%	1.9%
Precision machinery/Office supplies	9,483	+1,444	+18.0%	1.8%
Home electric appliances/AV equipment	8,575	+102	+1.2%	1.6%
Medical services/Education/Religion	8,426	+2,389	+39.6%	1.6%
Publishing	6,696	-425	-6.0%	1.3%
Classified advertising/Other	7,153	-229	-3.1%	1.3%
Total	535,119	-22,863	-4.1%	100.0%

Japan: Billings by Client Industry

● Positive Industries

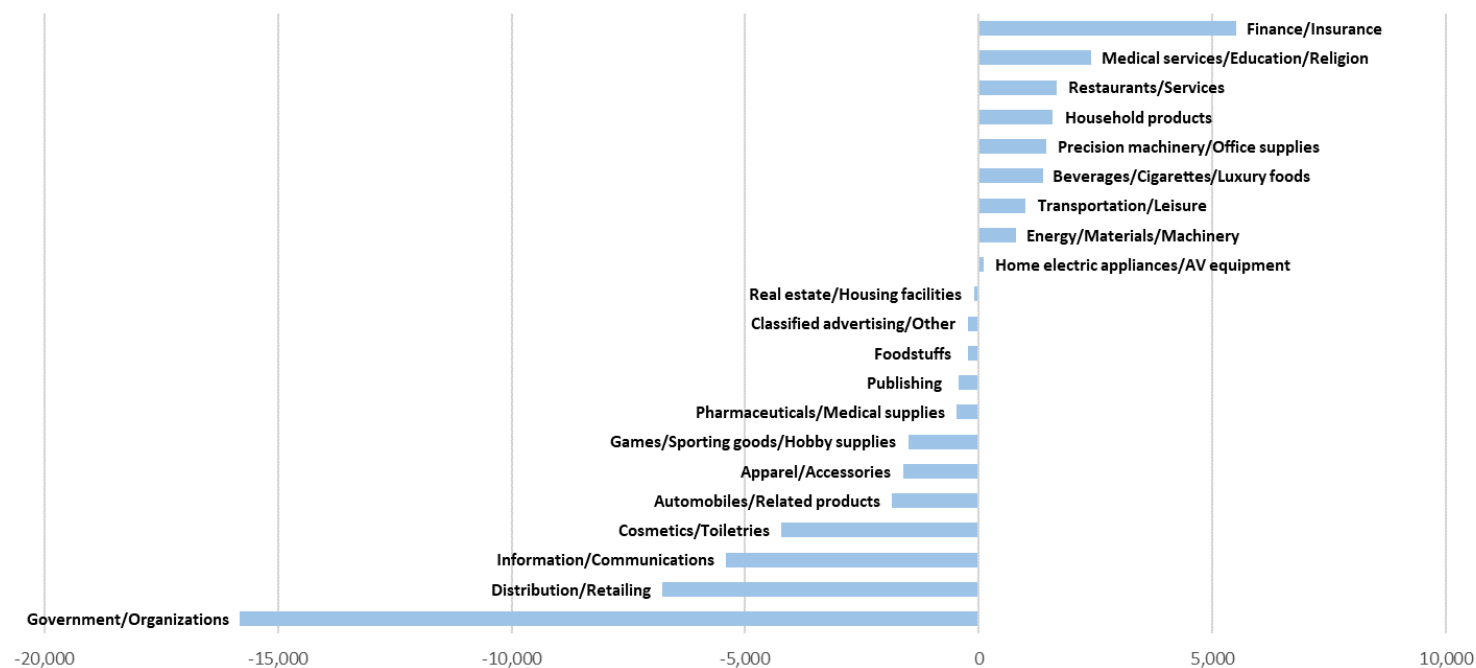
Finance/Insurance	H1 FY2025 Actual	¥ 41.2B	YoY	+¥ 5.4B	(+15.3%)
Medical services/Education/Religion		¥ 8.4B	YoY	+¥ 2.3B	(+39.6%)

● Negative Industries

Government/Organizations	H1 FY2025 Actual	¥ 12.4B	YoY	-¥15.8B	(-56.0%)
Distribution/Retailing		¥ 22.5B	YoY	-¥ 6.7B	(-23.1%)

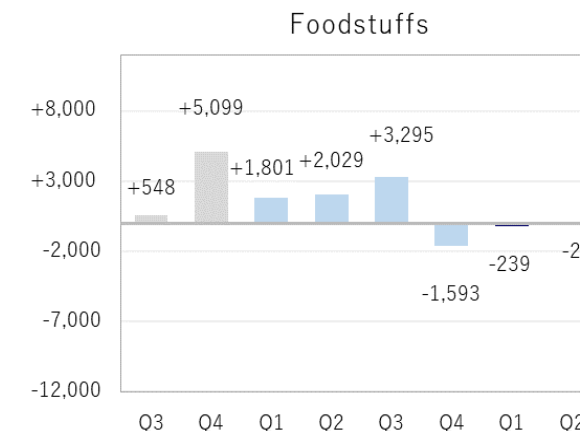
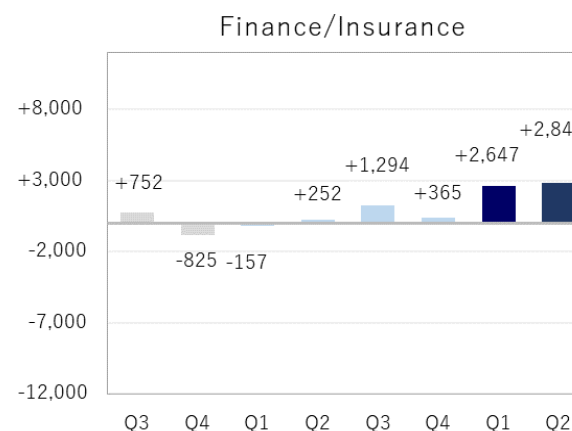
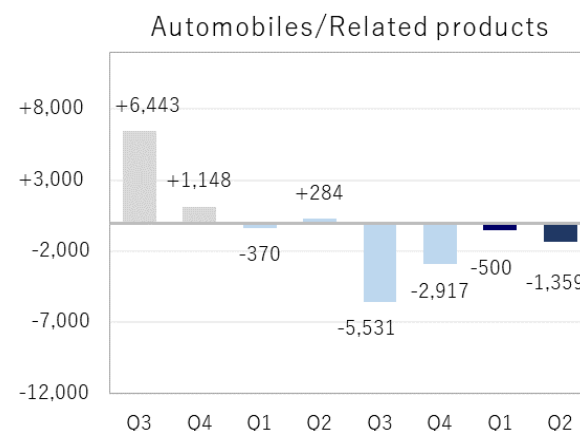
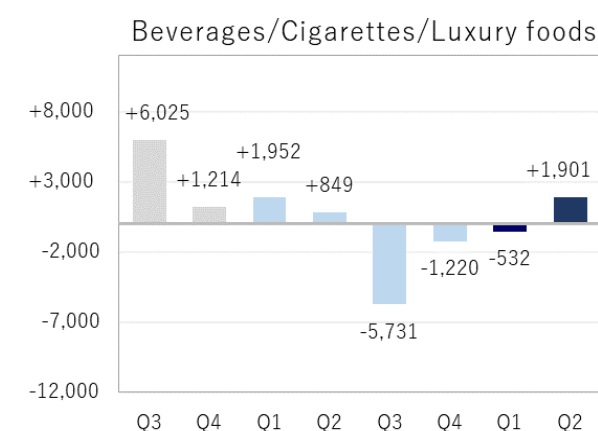
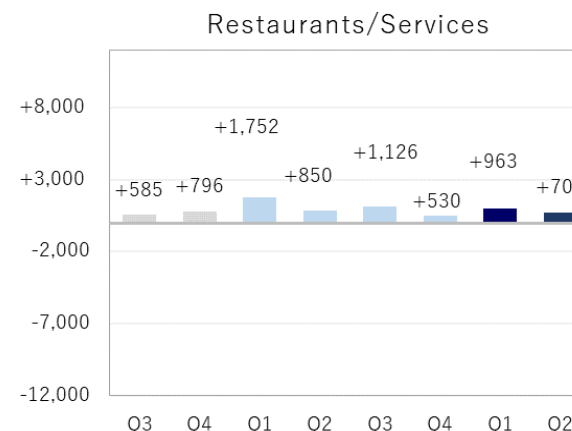
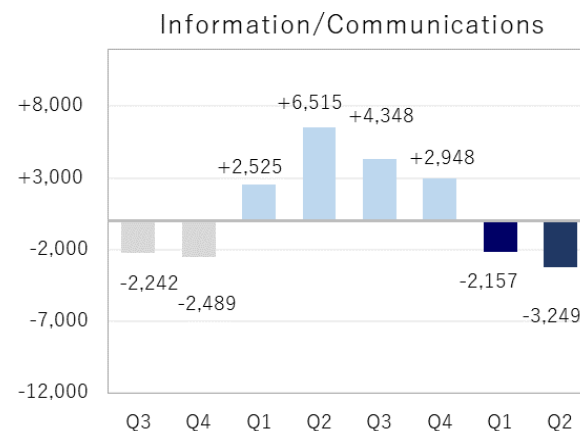
H1 FY2025 *YoY Change Amount

Millions of JPY



Japan: Billings by Client Industry (by Quarter) 1

FY2023
 FY2024
 FY2025
 (Millions of JPY)

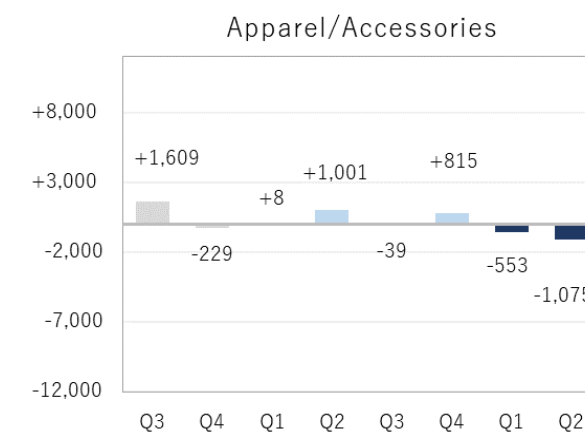
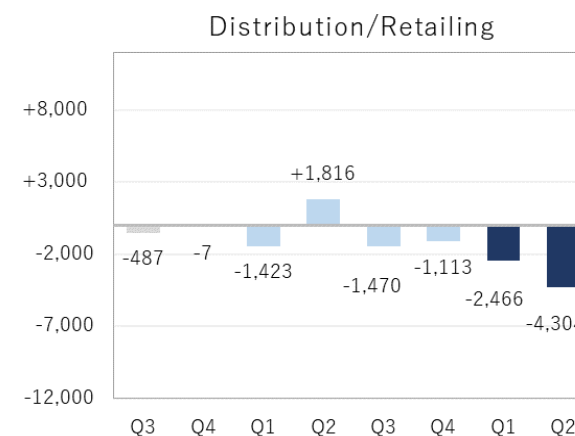
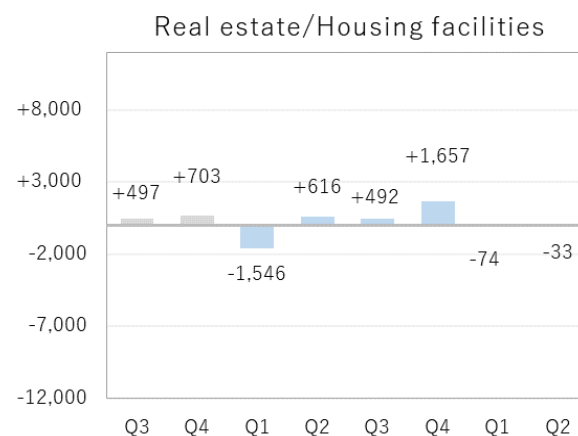
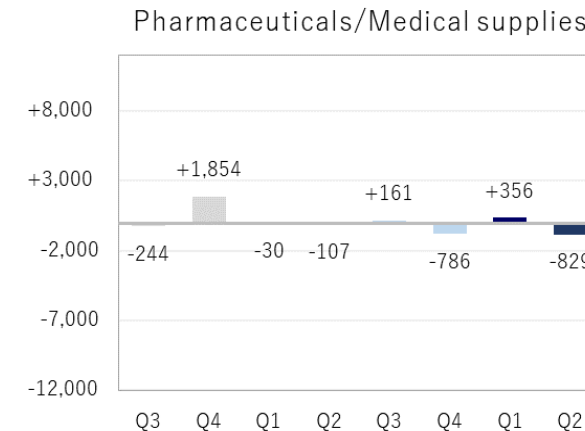
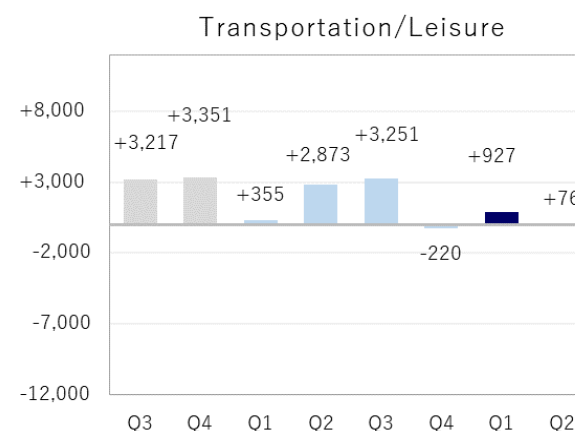
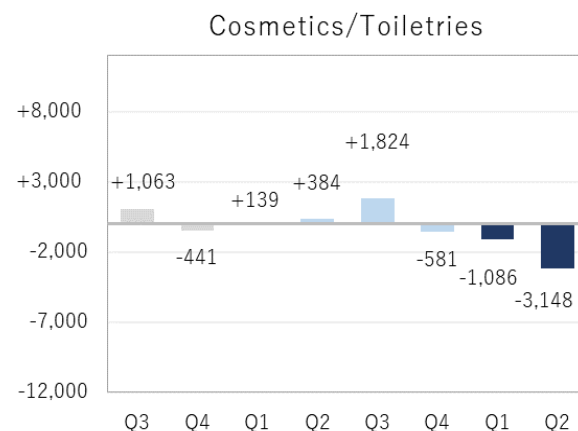


Refer to the Notes on p.52 for the change in the companies included in the calculation of billings by client industry.

YoY figures for the FY2023 and FY2024 are based on data prior to changes in the companies included in the calculation.

Japan: Billings by Client Industry (by Quarter) 2

FY2023
 FY2024
 FY2025
 (Millions of JPY)

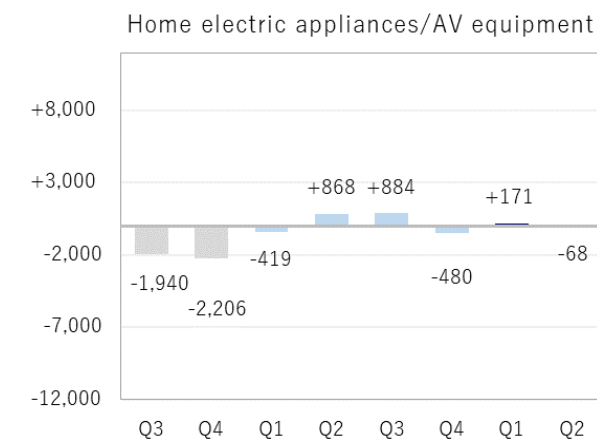
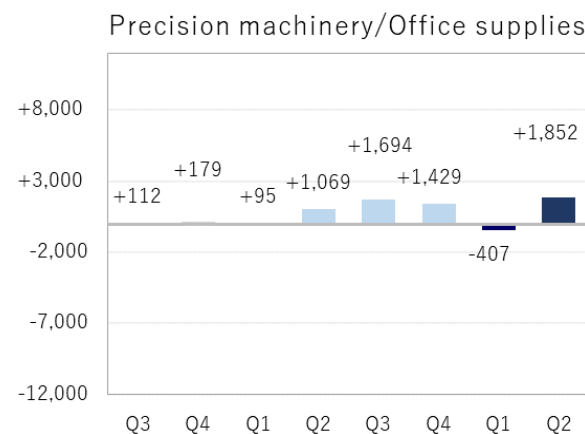
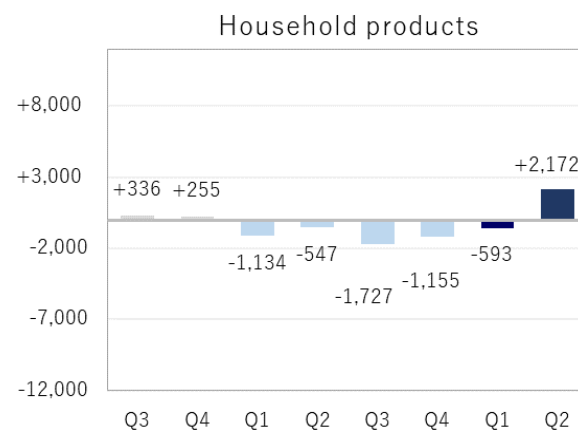
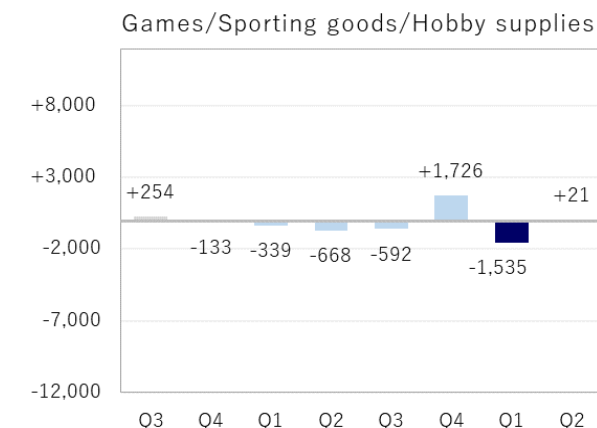
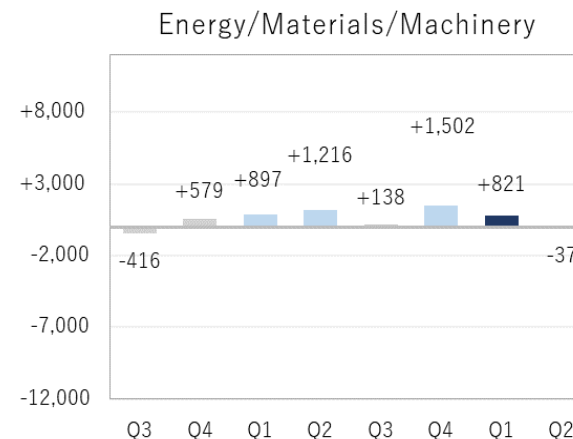
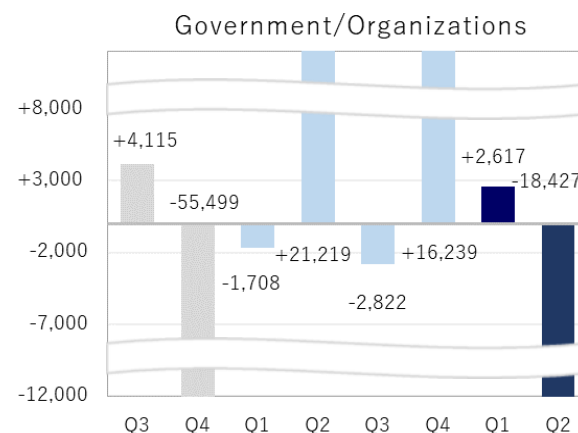


Refer to the Notes on p.52 for the change in the companies included in the calculation of billings by client industry.

YoY figures for the FY2023 and FY2024 are based on data prior to changes in the companies included in the calculation.

Japan: Billings by Client Industry (by Quarter) 3

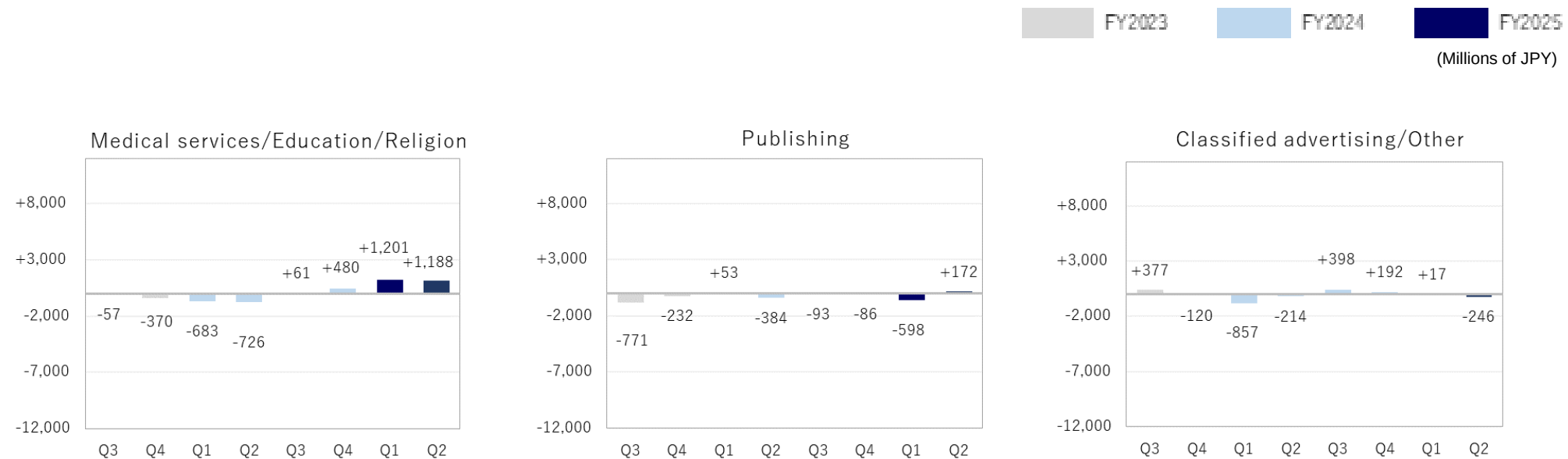
FY2023
 FY2024
 FY2025
 (Millions of JPY)



Refer to the Notes on p.52 for the change in the companies included in the calculation of billings by client industry.

YoY figures for the FY2023 and FY2024 are based on data prior to changes in the companies included in the calculation.

Japan: Billings by Client Industry (by Quarter) 4



Refer to the Notes on p.52 for the change in the companies included in the calculation of billings by client industry.

YoY figures for the FY2023 and FY2024 are based on data prior to changes in the companies included in the calculation.

Selling, General & Administrative Expenses

H1 FY2025

(Millions of JPY)	Actual	YOY	
Personnel	114,038	-3,275	-2.8%
Rent	9,548	-765	-7.4%
Depreciations	5,815	+625	+12.0%
Amortization of Goodwill	6,216	-1,985	-24.2%
Other	33,571	-77	-0.2%
Other	55,152	-2,203	-3.8%
Total SG&A Expenses	169,190	-5,479	-3.1%

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

H1 FY2024 SG&A Expenses	174,670
Change in scope of consolidation	-1,447
Amortization of goodwill	-1,985
Personnel (other than above)	-2,387
Other expenses (other than above)	+340
H1 FY2025 SG&A Expenses	169,190

Other Income/Loss & Extraordinary Items

H1 FY2025	Other Income/Loss	(Millions of JPY)	Actual	YOY
	Non-operating Income		2,465	-1,607
	Interest Income		341	-57
	Dividend Income		1,347	-28
	Investment Partnership Income		-	-1,257
	Non-operating Expenses		2,511	-638
	Interest Expenses		662	+81
	Foreign Exchange Loss		75	-1,285
	Equity Method Loss		776	+120
	Investment Partnership Loss		429	+429
	Extraordinary Items			
		(Millions of JPY)	Actual	YOY
	Extraordinary Income		329	-1,045
	Gain on Sales of Investment Securities		127	
	Gain on Sales of Shares of Subsidiaries and Associates		149	
	Extraordinary Losses		3,967	-3,124
	Special Retirement Expenses		2,302	
	Loss from Disposal of Fixed Assets		776	
	Loss on Valuation of Investment Securities		170	
	Office Relocation Expenses		76	
	Impairment Loss		46	

Balance Sheet

(Millions of JPY)	As of Sep. 30, 2025	Change *	Composition
Current Assets	542,216	-171,057	61.6%
Cash & Deposits	124,458	-87,046	
Notes and Accounts Receivable	326,298	-87,052	
Non-current Assets	338,069	+1,151	38.4%
Tangible Assets	53,252	-4,539	
Intangible Assets	89,156	-10,454	
Goodwill	49,962	-7,250	
Investments & Other Assets	195,660	+16,145	
Investment Securities	146,458	+19,623	
Total Assets	880,286	-169,905	100.0%
Current Liabilities	318,310	-151,524	36.2%
Notes and Accounts Payable	208,361	-51,658	
Short-term Borrowings	6,677	-204	
Current Portion of Long-term Borrowings	514	-71	
Non-current Liabilities	166,582	-92	18.9%
Long-term Borrowings	83,977	-113	
Total Liabilities	484,892	-151,616	55.1%
Shareholders' Equity	328,039	-8,273	37.3%
Share Capital	10,790	-	
Retained Earnings	339,990	-6,305	
Treasury Shares	-22,742	-1,968	
Accumulated Other Comprehensive Income	55,249	+1,306	6.3%
Share Aquisition Rights	0	-127	0.0%
Non-controlling Interests	12,104	-11,195	1.4%
Total Net Assets	395,393	-18,288	44.9%

* Change from the balance as of March 31, 2025

Cash Flow Statements

H1 FY2025

(Millions of JPY)	Actual	YOY
Cash Flows from Operating Activities	-53,351	-54,827
Cash Flows from Investing Activities	-18,833	-5,371
Purchase of Property, Plant and Equipment	-1,530	+70
Purchase of Intangible Assets	-3,854	+1,167
Purchase of Investment Securities	-2,500	-722
Proceeds from Sales of Investment Securities	560	-635
Purchase of Subsidiary Shares and Capital	-967	+3,022
Payments from Purchase of Shares of Subsidiaries Resulting in Change in Scope of Consolidation	-184	+873
Cash Flows from Financing Activities	-10,348	+6,528
Net Increase (Decrease) in Short-term Borrowings	225	+8,834
Net Increase (Decrease) in Long-term Borrowings & Bonds	-290	-290
Purchase of Treasury Shares	-2,252	-2,252
Dividends Paid	-5,877	-3
Dividends Paid to Non-controlling Interests	-413	+475
Payments from Changes in Ownership Interests in Subsidiaries that Do Not Result in Change in Scope of Consolidation	-1,181	-1,055
Cash and Cash Equivalents at Beginning of Period	207,520	+27,452
Cash and Cash Equivalents at End of Period	121,150	-33,598

Cautionary Statements Concerning Forward-looking Statements, Change in Accounting Standards & Note Concerning Audits

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, future figures and values, views and evaluations of facts, and other items associated with Hakuhodo DY Holdings and the Hakuhodo DY Group. 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 companies, 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 globally
- (7) Risks associated with lawsuits and similar actions
- (8) Risks associated with climate, pandemics, and conflicts, etc.

Change in Accounting Standards

Effective from 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.

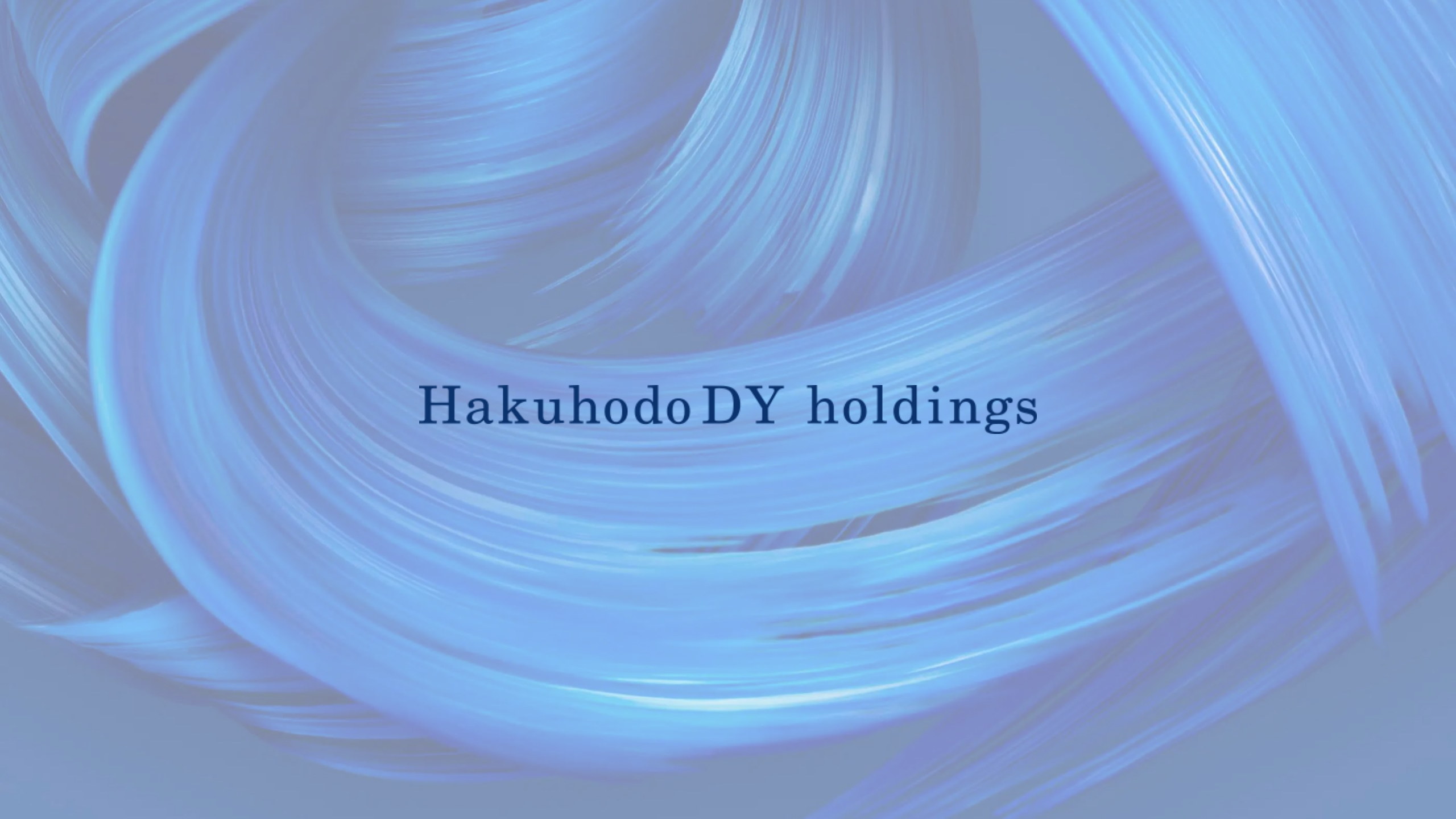
In addition, due to the application of this Standard, “billings” is no longer included in consolidated financial statements, etc. However, following our disclosure in FY2024, we continue to include it in this document, as we believe it is useful for understanding the performance of the Group.

Change in the Companies included in the Calculation of Billings by Type of Service and Client Industry

Effective from FY2025, we have revised the companies included in the calculation in order to accurately reflect the actual situation. Billings by type of service and client industry for FY2024 are, in principle, calculated based on the revised classification method, but some figures based on the previous classification method are included.

Notes Concerning Audit

This presentation information was not audited by an independent auditor.

The background of the slide is an abstract, fluid design composed of numerous thin, overlapping brushstrokes or liquid-like swirls. The color palette is dominated by various shades of blue, ranging from a deep, muted navy to a bright, almost white light blue, with occasional hints of purple and lavender. The overall effect is one of dynamic movement and organic flow, creating a textured, painterly appearance.

Hakuhodo DY holdings