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February 12, 2026

Consolidated Financial Results for the Nine Months Ended December 31, 2025 (Under Japanese GAAP)

Company name: HAKUHODO DY HOLDINGS INCORPORATED

Listing: Tokyo Stock Exchange

Securities code: 2433

URL: <https://www.hakuhodody-holdings.co.jp/>

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Representative Director & President

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Scheduled date to commence dividend payments: -

Preparation of supplementary material on financial results: Yes

Holding of financial results briefing: Yes (For Analysts and Institutional Investors)

(Yen amounts are rounded down to millions, unless otherwise noted.)

1. Consolidated financial results for the nine months ended December 31, 2025 (from April 1, 2025 to December 31, 2025)

(1) Consolidated operating results (cumulative)

(Percentages indicate year-on-year changes.)

	Revenue		Operating profit		Ordinary profit		Profit attributable to owners of parent	
Nine months ended December 31, 2025	Millions of yen 595,323	% (9.7)	Millions of yen 28,599	% 26.3	Millions of yen 29,540	% 18.7	Millions of yen 10,371	% -
December 31, 2024	659,512	2.0	22,649	44.9	24,877	46.4	256	-
Note: Comprehensive income	For the nine months ended December 31, 2025:		¥		14,958 million	[205.5%	
	For the nine months ended December 31, 2024:		¥		4,896 million	[(77.8) %	

	Basic earnings per share	Diluted earnings per share
Nine months ended December 31, 2025	Yen 28.38	Yen 28.37
December 31, 2024	0.70	0.69

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio
As of December 31, 2025	Millions of yen 1,007,643	Millions of yen 407,647	% 37.9
March 31, 2025	1,050,191	413,682	37.2

Reference: Equity

As of December 31, 2025: ¥ 381,954 million

As of March 31, 2025: ¥ 390,255 million

2. Cash dividends

	Annual dividends per share				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total
Fiscal year ended March 31, 2025	Yen -	Yen 16.00	Yen -	Yen 16.00	Yen 32.00
Fiscal year ending March 31, 2026	Yen -	Yen 16.00	Yen -		
Fiscal year ending March 31, 2026 (Forecast)				16.00	32.00

Note: Revisions to the forecast of cash dividends most recently announced: None

3. Consolidated financial result forecasts for the fiscal year ending March 31, 2026 (from April 1, 2025 to March 31, 2026)

(Percentages indicate year-on-year changes.)

	Revenue		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	970,000	1.8	40,000	6.4	43,000	0.8	20,000	85.7	54.93

Note: Revisions to the financial result forecast most recently announced: None

*** Notes**

(1) Significant changes in the scope of consolidation during the period: Yes

Newly included: 2 companies(DIGITAL HOLDINGS, INC. , OPT, Inc.)
Excluded: 3 companies(D.A.Consortium Inc. , IREP Co.,Ltd , UNITED, Inc.)

(Note) For details regarding Newly included, please refer to "2. Quarterly Consolidated Financial Statements and Primary Notes

(3) Notes to Quarterly Consolidated Financial Statements (Business Combinations, etc.)" on page 13 of the Attached Material.

(2) Adoption of accounting treatment specific to the preparation of quarterly consolidated financial statements: None

(3) Changes in accounting policies, changes in accounting estimates, and restatement

- (i) Changes in accounting policies due to revisions to accounting standards and other regulations: None
- (ii) Changes in accounting policies due to other reasons: None
- (iii) Changes in accounting estimates: None
- (iv) Restatement: None

(4) Number of issued shares (common shares)

(i) Total number of issued shares at the end of the period (including treasury shares)

As of December 31, 2025	389,559,436 shares
As of March 31, 2025	389,559,436 shares

(ii) Number of treasury shares at the end of the period

As of December 31, 2025	29,538,996 shares
As of March 31, 2025	22,174,066 shares

(iii) Average number of shares outstanding during the period (cumulative from the beginning of the fiscal year)

Nine months ended December 31, 2025	365,468,048 shares
Nine months ended December 31, 2024	367,257,344 shares

* Review of the Japanese-language originals of the attached consolidated quarterly financial statements by certified public accountants or an audit firm: None

* Proper use of earnings forecasts, and other special matters

Forward-looking statements, including earnings forecasts, contained in this document are based on information currently available to the Company and on certain assumptions deemed to be reasonable. The Company does not intend to promise that these forecasts will be achieved. Actual results may differ significantly due to various factors. For the assumptions underlying the earnings forecasts and precautions regarding their use, please refer to "1. (3) Explanation of Consolidated Forecasts" on page 3 of the attached material. Supplementary explanatory materials on quarterly financial results are available on the Company's website (<https://www.hakuhodody-holdings.co.jp/>).

Table of Contents of Attachments

1. Qualitative Information Regarding Quarterly Results.....	2
(1) Explanation of Consolidated Operating Results	2
(2) Explanation of Consolidated Financial Position	3
(3) Explanation of Consolidated Forecasts	3
2. Quarterly Consolidated Financial Statements and Primary Notes	5
(1) Quarterly Consolidated Balance Sheet	5
(2) Quarterly Consolidated Statements of Income and Comprehensive Income	7
(3) Notes to Quarterly Consolidated Financial Statements	10
(Notes Regarding the Going Concern Assumption)	10
(Notes to Consolidated Statements of Cash Flows)	10
(Notes Regarding Significant Changes in Shareholders' Equity)	10
(Segment Information, etc.)	11
(Business Combinations, etc.)	13
(Significant Subsequent Events)	14

1. Qualitative Information Regarding Quarterly Results

(1) Explanation of Consolidated Operating Results

During the consolidated cumulative third quarter under review (April 1, 2025 to December 31, 2025; hereinafter, the “consolidated cumulative third quarter”), the Japanese economy continued to show a moderate recovery, with consumer sentiment showing signs of picking up supported by steady improvements in the employment and income environment, and corporate capital investment remaining solid, although the impact of soaring prices continued to linger. The domestic advertising market (Note 1) also generally exceeded the previous year’s level and performed steadily.

Under such an environment, looking at the consolidated cumulative third quarter, due to the exclusion of UNITED, Inc. (Note 2) from consolidation, the impact of a reactionary decline in government projects, sluggish growth in the Greater China region and ASEAN affected by tariff issues, and foreign exchange fluctuations, consolidated billings (Note 3) decreased to 1,115,175 million yen (down 3.0% year on year). However, looking at the third quarter consolidated accounting period alone (October 1, 2025 to December 31, 2025; hereinafter, the “third quarter accounting period”) from October 2025 onwards, signs of recovery are appearing, centered on the domestic market, which saw a revenue increase of 2.6% due to growth in the marketing promotion domain and television turning positive year on year. Consequently, consolidated billings turned to an increase from the decline in the first half, reaching 420,151 million yen (up 1.5% year on year).

In addition to the recovery of the top line, initiatives to improve profitability in Japan and overseas also proved successful. Gross profit after adjustments (Note 4) for the third quarter accounting period increased by 5.8% year on year, and for the consolidated cumulative third quarter, it reached 287,605 million yen, shifting to an increase of 2.0% year on year. The gross margin after adjustments for the consolidated cumulative third quarter improved by 1.2 points to 25.8%.

Furthermore, due to the effects of cost control measures implemented in Japan and overseas, SG&A expenses were reduced by 3,673 million yen year on year even as gross profit exceeded the previous year. Operating income was 28,599 million yen (up 26.3% year on year), and operating income after adjustments increased by 9,206 million yen year on year (up 47.5% year on year), expanding the profit increase margin compared to the first half. The adjusted operating margin before amortization of goodwill (Note 5) was 13.2% (up 2.1 points year on year), indicating steady progress in structural reforms.

Reflecting the increase in operating income, net income attributable to owners of parent was 10,371 million yen, an increase of 10,114 million yen.

(Notes)

- (1) Sources: "Monthly Survey on Service Industries" (Ministry of Internal Affairs and Communications).
- (2) The company was our consolidated subsidiary until the fiscal year ended March 2025, but became an equity-method affiliate from the fiscal year ending March 2026.
- (3) "Billings" are based on previous accounting standards but are voluntarily disclosed because we believe the metric is useful to financial statement users, although not in accordance with the "Accounting Standard for Revenue Recognition" (ASBJ Statement No. 29, March 31, 2020) and other standards.
- (4) "After adjustments" excluding impact from the sale of shares in Mercari, Inc. held by UNITED, Inc.
- (5) Adjusted operating margin before amortization of goodwill = Operating income after adjustments and before amortization of goodwill ÷ Gross profit after adjustments.

(2) Explanation of Consolidated Financial Position

Total assets at the end of the consolidated third quarter decreased by 42,548 million yen compared to the end of the previous consolidated fiscal year to 1,007,643 million yen. The main changes were a decrease of 47,339 million yen in cash and deposits, a decrease of 16,327 million yen in notes and accounts receivable, an increase of 14,492 million yen in inventories, and an increase of 26,141 million yen in investment securities.

Liabilities decreased by 36,513 million yen compared to the end of the previous consolidated fiscal year to 599,996 million yen. The main changes were a decrease of 9,322 million yen in notes and accounts payable, an increase of 55,949 million yen in short-term borrowings, a decrease of 12,346 million yen in income taxes payable, a decrease of 11,661 million yen in provision for bonuses, and a decrease of 51,592 million yen in deposits received.

Net assets decreased by 6,034 million yen compared to the end of the previous consolidated fiscal year to 407,647 million yen. The main changes were a decrease of 3,509 million yen in retained earnings, an increase of 8,569 million yen in treasury shares, and an increase of 2,393 million yen in non-controlling interests.

From the end of the consolidated third quarter, the balance sheet of the DIGITAL HOLDINGS Group has been consolidated.

(3) Explanation of Consolidated Forecasts

There are no changes to the full-year consolidated earnings forecast at this time.

(Note) Please note that these forecasts are based on conditions we currently deem reasonable, and actual results may differ significantly depending on various future factors.

Regarding Dividend Forecast

Our basic policy is to pay stable dividends, and the amount of annual dividends is determined by comprehensively taking into consideration the dividend payout ratio (approximately 30%), our funding needs, and the enhancement of retained earnings.

Regarding the year-end dividend forecast, there is no change from the previous forecast, and it will be 16 yen per share, bringing the annual total to 32 yen per share, the same amount as the previous year.

2. Quarterly Consolidated Financial Statements and Primary Notes

(1) Quarterly Consolidated Balance Sheet

(Millions of yen)

	As of March 31, 2025	As of December 31, 2025
Assets		
Current assets		
Cash and deposits	211,504	164,165
Notes and accounts receivable - trade	413,350	397,023
Securities	10,976	6,947
Inventories	28,460	42,952
Short-term loans receivable	799	785
Other	48,851	50,265
Allowance for doubtful accounts	(668)	(828)
Total current assets	<u>713,273</u>	<u>661,311</u>
Non-current assets		
Property, plant and equipment		
Buildings and structures	43,345	43,191
Accumulated depreciation	(21,454)	(22,620)
Buildings and structures, net	<u>21,890</u>	<u>20,571</u>
Land	9,527	9,521
Other	57,151	55,351
Accumulated depreciation	(30,777)	(32,991)
Other, net	26,374	22,360
Total property, plant and equipment	<u>57,791</u>	<u>52,452</u>
Intangible assets		
Software	27,528	26,391
Goodwill	57,213	52,047
Other	14,869	12,312
Total intangible assets	<u>99,610</u>	<u>90,751</u>
Investments and other assets		
Investment securities	126,834	152,976
Long-term loans receivable	556	508
Retirement benefit asset	8,593	8,956
Deferred tax assets	12,581	10,743
Other	32,610	31,629
Allowance for doubtful accounts	(1,661)	(1,687)
Total investments and other assets	<u>179,515</u>	<u>203,127</u>
Total non-current assets	<u>336,918</u>	<u>346,332</u>
Total assets	<u>1,050,191</u>	<u>1,007,643</u>

(Millions of yen)

	As of March 31, 2025	As of December 31, 2025
Liabilities		
Current liabilities		
Notes and accounts payable - trade	260,020	250,697
Short-term borrowings	6,882	62,832
Current portion of long-term borrowings	585	4,498
Accrued expenses	28,190	24,201
Income taxes payable	16,494	4,148
Provision for bonuses	33,380	21,718
Provision for bonuses for directors (and other officers)	1,123	755
Deposits received	57,029	5,437
Other	66,127	58,958
Total current liabilities	469,834	433,248
Non-current liabilities		
Bonds payable	30,000	30,000
Long-term borrowings	84,091	83,936
Deferred tax liabilities	8,806	14,480
Provision for retirement benefits for directors (and other officers)	554	511
Retirement benefit liability	16,422	15,470
Other	26,799	22,349
Total non-current liabilities	166,675	166,747
Total liabilities	636,509	599,996
Net assets		
Shareholders' equity		
Share capital	10,790	10,790
Retained earnings	346,296	342,786
Treasury shares	(20,774)	(29,343)
Total shareholders' equity	336,312	324,233
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	31,643	40,489
Foreign currency translation adjustment	26,250	20,640
Remeasurements of defined benefit plans	(3,951)	(3,409)
Total accumulated other comprehensive income	53,942	57,720
Share acquisition rights	127	-
Non-controlling interests	23,299	25,693
Total net assets	413,682	407,647
Total liabilities and net assets	1,050,191	1,007,643

(2) Quarterly Consolidated Statements of Income and Comprehensive Income

Quarterly Consolidated Statement of Income

For the Nine-Month Period

(Millions of yen)

	For the nine months ended December 31, 2024	For the nine months ended December 31, 2025
Revenue	659,512	595,323
Cost of sales	374,183	307,717
Gross profit	285,328	287,605
Selling, general and administrative expenses		
Salaries and allowances	118,204	115,775
Retirement benefit expenses	5,722	6,152
Provision for bonuses	18,083	19,807
Provision for retirement benefits for directors (and other officers)	107	148
Provision for bonuses for directors (and other officers)	702	729
Amortization of goodwill	9,543	7,501
Provision of allowance for doubtful accounts	7	49
Other	110,306	108,841
Total selling, general and administrative expenses	262,679	259,005
Operating profit	22,649	28,599
Non-operating income		
Interest income	530	451
Dividend income	1,971	1,848
Foreign exchange gains	553	850
Gain on investments in investment partnerships	756	-
Other	1,212	1,007
Total non-operating income	5,024	4,157
Non-operating expenses		
Interest expenses	891	1,013
Share of loss of entities accounted for using equity method	933	1,015
Loss on investments in investment partnerships	-	309
Other	971	877
Total non-operating expenses	2,796	3,216
Ordinary profit	24,877	29,540
Extraordinary income		
Gain on sale of investment securities	280	185
Gain on sale of shares of subsidiaries and associates	903	149
Other	265	177
Total extraordinary income	1,448	511
Extraordinary losses		
Extra retirement payments	1,307	2,894
Loss on retirement of non-current assets	1,262	1,006
Impairment losses	2,541	171
Loss on valuation of investment securities	4,256	298
Loss on liquidation of business	738	-
Other	1,876	1,972
Total extraordinary losses	11,983	6,344
Profit before income taxes	14,343	23,708
Income taxes - current	10,051	10,162
Income taxes - deferred	2,486	2,549
Total income taxes	12,538	12,711

(Millions of yen)

	For the nine months ended December 31, 2024	For the nine months ended December 31, 2025
Profit	1,804	10,996
Profit attributable to non-controlling interests	1,548	625
Profit attributable to owners of parent	256	10,371

Quarterly Consolidated Statement of Comprehensive Income
For the Nine-Month Period

(Millions of yen)

	For the nine months ended December 31, 2024	For the nine months ended December 31, 2025
Profit	1,804	10,996
Other comprehensive income		
Valuation difference on available-for-sale securities	2,537	8,698
Deferred gains or losses on hedges	(1,482)	-
Foreign currency translation adjustment	1,626	(5,356)
Remeasurements of defined benefit plans, net of tax	395	542
Share of other comprehensive income of entities accounted for using equity method	15	78
Total other comprehensive income	3,092	3,962
Comprehensive income	4,896	14,958
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	4,443	14,203
Comprehensive income attributable to non-controlling interests	453	755

(3) Notes to Quarterly Consolidated Financial Statements

(Notes Regarding the Going Concern Assumption)

Not applicable.

(Notes to Consolidated Statements of Cash Flows)

The quarterly consolidated statement of cash flows for the consolidated cumulative third quarter has not been prepared. Depreciation and amortization (including amortization of intangible assets other than goodwill) and amortization of goodwill for the consolidated cumulative third quarter are as follows:

	For the nine months ended December 31, 2024	For the nine months ended December 31, 2025
Depreciation	11,976 Million yen	12,139 Million yen
Amortization of goodwill	9,543 Million yen	7,501 Million yen

(Notes Regarding Significant Changes in Shareholders' Equity)

Not applicable.

(Segment Information, etc.)

In the consolidated cumulative third quarter of the previous fiscal year and the consolidated cumulative third quarter of the current fiscal year, the Company and its consolidated subsidiaries have been engaged in advertising operations in various media such as newspapers, magazines, radio, television, and digital media, as well as the provision of services such as planning and production related to advertising expression, marketing, and PR. As the business is aggregated into a single segment, the description is omitted.

<Reference Information>

I. The status of regional business results and overseas revenue in the consolidated cumulative third quarter of the previous fiscal year (April 1, 2024 – December 31, 2024) is as follows.

i. Regional business results

(Unit: Millions of yen)

	Japan	Overseas	Total	Eliminations or Corporate	Consolidated
Revenue					
(1) Revenue from external customers	489,967	169,544	659,512	—	659,512
(2) Inter-segment revenue or transfers	3,634	3,439	7,074	(7,074)	—
Total	493,602	172,984	666,586	(7,074)	659,512
Gross profit	210,039	79,382	289,422	(4,093)	285,328
Operating income or loss	55,523	(7,183)	48,339	(25,690)	22,649

ii. Overseas revenue

(1) Overseas revenue (Millions of yen)	183,158
(2) Consolidated revenue (Millions of yen)	659,512
(3) Ratio of overseas revenue to consolidated revenue (%)	27.8

(Note) Major countries or regions classified as "Overseas":

USA, Canada, Germany, UK, France, Turkey, China, Taiwan, Korea, Thailand, Malaysia, Singapore, Vietnam, Philippines, India, Australia

II. The status of regional business results and overseas revenue in the consolidated cumulative third quarter of the current fiscal year (April 1, 2025 – December 31, 2025) is as follows.

i. Regional business results

(Unit: Millions of yen)

	Japan	Overseas	Total	Eliminations or Corporate	Consolidated
Revenue					
(1) Revenue from external customers	441,942	153,380	595,323	—	595,323
(2) Inter-segment revenue or transfers	3,891	2,829	6,721	(6,721)	—
Total	445,834	156,210	602,044	(6,721)	595,323
Gross profit	215,032	77,063	292,095	(4,490)	287,605
Operating income or loss	60,147	(3,210)	56,937	(28,337)	28,599

ii. Overseas revenue

(1) Overseas revenue (Millions of yen)	166,723
(2) Consolidated revenue (Millions of yen)	595,323
(3) Ratio of overseas revenue to consolidated revenue (%)	28.0

(Note) Major countries or regions classified as "Overseas":

USA, Canada, Germany, UK, France, Turkey, China, Taiwan, Korea, Thailand, Malaysia, Singapore, Vietnam, Philippines, India, Australia

(Business Combinations, etc.)

(Business Combination through Acquisition)

The Company acquired the common shares and stock acquisition rights of DIGITAL HOLDINGS, INC. on December 10, 2025, through a tender offer and the acquisition of all shares of HIBC, Inc. and Time and Space, Inc., which are asset management companies that are major shareholders of the said company, as well as through an absorption-type company split agreement.

As a result, the Company's voting rights ratio in DIGITAL HOLDINGS, INC. became 51.15%, and the said company and its subsidiary OPT, Inc. along with 5 other companies, were made consolidated subsidiaries on the same date.

1. Outline of the Business Combination

(1) Name of the acquiree and description of its business

Name of the acquiree: DIGITAL HOLDINGS, INC.

Description of business: Group strategy planning and execution, and subsidiary management

(2) Main reasons for the business combination

By DIGITAL HOLDINGS, INC. joining the Group, it becomes possible to combine the LTVM (Life Time Value Marketing) strategy advocated by the said company with the assets possessed by each company in the Group, and we believe that we can maintain and expand the competitive advantage of both companies even in a market environment undergoing drastic changes. Specifically, we anticipate synergies such as (1) building a more robust digital marketing structure, (2) further strengthening the ability to develop new accounts, (3) expanding the value provided to customers, (4) expanding the customer base, and (5) continuous cost optimization.

(3) Date of business combination

December 10, 2025 (Deemed acquisition date: December 31, 2025)

(4) Legal form of the business combination

Acquisition of shares, etc. for cash consideration

(5) Name of the company after the combination

No change.

(6) Percentage of voting rights acquired

Percentage of voting rights before the business combination: -%

Percentage of voting rights after the business combination: 51.15%

(7) Main basis for determining the acquiring company

The Company was determined to be the acquiring company because it acquired 51.15% of the voting rights of the acquiree through share acquisition for cash consideration.

2. Period of the Acquiree's Performance Included in the Quarterly Consolidated Financial Statements

As only the balance sheet is consolidated for the consolidated third quarter accounting period, the performance of the acquiree is not included in the quarterly consolidated statements of income.

3. Breakdown of Acquisition Cost of the Acquiree and Consideration by Type

Consideration for acquisition: Cash and deposits 19,248 million yen

Acquisition cost: 19,248 million yen

4. Amount of Goodwill Occurring, Reason for Occurrence, Amortization Method and Period

(1) Amount of goodwill occurring

4,313 million yen

The amount of goodwill is provisionally calculated because the allocation of the acquisition cost was not completed by the end of the consolidated third quarter accounting period.

(2) Reason for occurrence

It occurred due to future excess earning power expected from future business development.

(3) Amortization method and period

It is scheduled to be amortized using the straight-line method over the period during which the effect manifests, and the amortization period is currently being calculated.

(Significant Subsequent Events)

Not applicable.