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May 12, 2026

Consolidated Financial Results for the Fiscal Year Ended March 31, 2026 (Under Japanese GAAP)

Company name: HAKUHODO DY HOLDINGS INCORPORATED
Listing: Tokyo Stock Exchange
Securities code: 2433
URL: https://www.hakuhodody-holdings.co.jp/
Representative: Yasuo Nishiyama Representative Director & President
Inquiries: Daisuke Hara Executive Manager, Investor Relations Division
Telephone: +81-3（6441）9033
Scheduled date of annual general meeting of shareholders: June 26, 2026
Scheduled date to commence dividend payments: June 29, 2026
Scheduled date to file annual securities report: June 25, 2026
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 fiscal year ended March 31, 2026 (from April 1, 2025 to March 31, 2026)

(1) Consolidated operating results (Percentages indicate year-on-year changes.)

	Revenue		Operating profit		Ordinary profit		Profit attributable to owners of parent	
Fiscal year ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31, 2026	861,003	(9.7)	44,675	18.9	46,061	8.0	16,775	55.8
March 31, 2025	953,316	0.7	37,581	9.6	42,660	12.8	10,768	(56.8)

Note: Comprehensive income For the fiscal year ended March 31, 2026: ¥ 25,960 million [44.7%]
For the fiscal year ended March 31, 2025: ¥ 17,937 million [(52.6) %]

	Basic earnings per share	Diluted earnings per share	Rate of return on equity	Ordinary profit to total assets ratio	Operating profit to revenue ratio
Fiscal year ended	Yen	Yen	%	%	%
March 31, 2026	46.09	46.08	4.3	4.3	5.2
March 31, 2025	29.32	29.31	2.8	4.1	3.9

Reference: Share of profit (loss) of entities accounted for using equity method
For the fiscal year ended March 31, 2026: ¥ (1,137) million
For the fiscal year ended March 31, 2025: ¥ (1,346) million

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
March 31, 2026	1,081,132	402,516	36.0	1,083.83
March 31, 2025	1,050,191	413,682	37.2	1,062.25

Reference: Equity
As of March 31, 2026: ¥ 389,128 million
As of March 31, 2025: ¥ 390,255 million

(3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
Fiscal year ended	Millions of yen	Millions of yen	Millions of yen	Millions of yen
March 31, 2026	68,361	(14,086)	(30,662)	233,077
March 31, 2025	82,446	(13,529)	(45,848)	207,520

2. Cash dividends

	Annual dividends per share					Total cash dividends (Total)	Payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Fiscal year ended March 31, 2025	-	16.00	-	16.00	32.00	11,756	109.1	3.0
Fiscal year ended March 31, 2026	-	16.00	-	16.00	32.00	11,597	69.4	3.0
Fiscal year ending March 31, 2027 (Forecast)	-	16.00	-	16.00	32.00		44.2	

3. Consolidated financial result forecasts for the fiscal year ending March 31, 2027 (from April 1, 2026 to March 31, 2027)

(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	910,000	5.7	46,700	4.5	47,000	2.0	26,000	55.0	72.42

*** 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 "5. Consolidated Financial Statements and Primary Notes (5) Notes to Consolidated Financial Statements (Business Combinations, etc.)" on page 22 of the Attached Material.

(2) 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

(3) Number of issued shares (common shares)

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

As of March 31, 2026	363,902,636 shares
As of March 31, 2025	389,559,436 shares

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

As of March 31, 2026	4,870,596 shares
As of March 31, 2025	22,174,066 shares

(iii) Average number of shares outstanding during the period

Fiscal Year ended March 31, 2026	363,962,426 shares
Fiscal Year ended March 31, 2025	367,289,435 shares

[Reference] Overview of non-consolidated financial results

1. Non-consolidated financial results for the fiscal year ended March 31, 2026 (from April 1, 2025 to March 31, 2026)

(1) Non-consolidated operating results

(Percentages indicate year-on-year changes.)

	Operating revenue		Operating profit		Ordinary profit		Profit	
Fiscal year ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31, 2026	58,457	11.8	17,731	24.9	18,120	34.2	17,548	40.2
March 31, 2025	52,285	(3.1)	14,191	(39.4)	13,500	(47.7)	12,515	(69.8)

	Basic earnings per share	Diluted earnings per share
Fiscal year ended	Yen	Yen
March 31, 2026	48.21	-
March 31, 2025	34.07	-

(2) Non-consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
March 31, 2026	544,543	306,097	56.2	852.56
March 31, 2025	522,201	311,304	59.6	847.35

Reference: Equity

As of March 31, 2026: ¥ 306,097 million

As of March 31, 2025: ¥ 311,304 million

* Financial results reports are exempt from audit conducted by certified public accountants or an audit firm.

* Proper use of earnings forecasts, and other special matters

The forward-looking statements, including earnings forecasts, contained in these materials are based on information currently available to the Company and on certain assumptions deemed to be reasonable. These statements do not purport that the Company pledges to realize such statements. Actual business and other results may differ substantially due to various factors. Supplementary materials for financial results are posted on the Company's website (https://www.hakuhodody-holdings.co.jp/).

Table of Contents of Attachments

1. Qualitative Information Regarding Annual Results

(1) Explanation of Consolidated Operating Results

During the consolidated fiscal year under review, the Japanese economy continued to show a moderate recovery led by domestic demand, driven by a pickup in personal consumption supported by improvements in the employment and income environment, and solid capital investment aimed at labor saving, despite the continuing heightened awareness of protecting livelihoods due to soaring prices. On the other hand, the sense of uncertainty about the future has rapidly heightened due to soaring resource prices and supply chain disruptions accompanying the tension in the Middle East situation that occurred at the end of the fiscal year. Under these economic conditions, the domestic advertising market (Note 1) was generally above the level of the previous year and performed steadily.

Under this environment, regarding the business results for the current consolidated fiscal year, Billings (Note 3) amounted to 1,580,460 million yen (down 2.0% year-on-year), resulting in a decrease in Revenue due to the impact of the exclusion of UNITED, Inc. from consolidation (Note 2) and a reactionary decline in government agency business. On the other hand, in the second half of the year (October 2025 to March 2026), Billings secured an increase of 0.9% year-on-year, showing signs of recovery.

In terms of Revenue, improvement measures implemented domestically and overseas proved successful, and Gross profit after adjustments (Note 4) increased by 2.4% year-on-year for the full year, and the operating margin after adjustments and before amortization of goodwill also rose by 1.1 percentage points.

Regarding profit, in Japan, due to the strong growth of Gross profit in the second half, Operating profit after adjustments and before amortization of goodwill increased by 7,098 million yen year-on-year to 88,147 million yen (up 8.8% year-on-year). Overseas, due to the effects of cost control measures, Operating profit before amortization of goodwill increased by 2,769 million yen year-on-year to 8,547 million yen (up 47.9% year-on-year). As a result, Operating profit increased significantly from the same period of the previous year, achieving a 18.9% increase in profit year-on-year, and the growth of Gross profit especially in the second half greatly contributed to this profit increase.

As a result of the above, although an extraordinary loss of 10,559 million yen including structural reform-related expenses implemented domestically and overseas was recorded, the increase in Operating profit compensated for this, and Profit attributable to owners of parent resulted in 16,775 million yen (an increase of 6,006 million yen year-on-year).

(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” refers to figures in the core business excluding the gain on the sale of Mercari shares.

(Outlook for the next fiscal year)

The full-year consolidated earnings forecast for the fiscal year ending March 31, 2027 is as follows.

Full-year consolidated earnings forecast (April 1, 2026 - March 31, 2027)

(Millions of yen)

	Fiscal year ended March 31, 2026 Actual	**Fiscal year ending March 31, 2027 Forecast**	**Year-on-year**	
			Amount of change	(%)
Billings (Note 1)	1,580,460	1,675,000	+94,539	+6.0
Revenue	861,003	910,000	+48,996	+5.7
Operating profit	44,675	46,700	+2,024	+4.5
Ordinary profit	46,061	47,000	+938	+2.0
Profit attributable to owners of parent	16,775	26,000	+9,224	+55.0
Operating profit before amortization of goodwill (Note 2)	57,401	60,000	+2,598	+4.5

(Note 1) “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.

(Note 2) “Operating profit before amortization of goodwill” refers to consolidated Operating profit calculated by excluding the amortization amount of goodwill, etc., arising from corporate acquisitions.

(Regarding the full-year earnings forecast)

Regarding the full-year consolidated earnings forecast for the fiscal year ending March 2027, although the uncertain situation regarding the future of the economic and market environment is expected to continue, we plan to achieve increases in Billings and profit through aggressive business development Group-wide. Specifically, we forecast Billings of 1,675,000 million yen (up 6.0% year-on-year) and Revenue of 910,000 million yen (up 5.7% year-on-year). The increases in Billings and Revenue are due to the impact of changes in the scope of consolidation (consolidation of DIGITAL HOLDINGS, INC.) in addition to the signs of recovery from the second half (October 2025 - March 2026) of the fiscal year ended March 2026.

In terms of profit, we plan for Operating profit of 46,700 million yen (up 4.5% year on year) and Ordinary profit of 47,000 million yen (up 2.0% year on year). Regarding extraordinary income and losses, we are proceeding with considerations regarding the sale of cross-shareholdings, etc., but at this point, we have not factored in any specific extraordinary income or loss items, and Profit attributable to owners of parent is expected to be 26,000 million yen (up 55.0% year on year).

(2) Explanation of Consolidated Financial Position

(Status of assets, liabilities and net assets)

Total assets at the end of the current consolidated fiscal year increased by 30,940 million yen compared to the end of the previous consolidated fiscal year, amounting to 1,081,132 million yen. The main increases and decreases were an increase of 27,455 million yen in Cash and deposits, an increase of 11,460 million yen in Notes and accounts receivable, a decrease of 5,859 million yen in Inventories, a decrease of 7,407 million yen in Goodwill, and an increase of 12,961 million yen in Investment securities.

Liabilities increased by 42,105 million yen compared to the end of the previous consolidated fiscal year, amounting to 678,615 million yen. The main increases and decreases were an increase of 10,799 million yen in Notes and accounts payable, an increase of 22,400 million yen in Current portion of long-term borrowings, an increase of 22,425 million yen in Deposits received, and a decrease of 18,767 million yen in Long-term borrowings.

Net assets decreased by 11,165 million yen compared to the end of the previous consolidated fiscal year, amounting to 402,516 million yen. The main increases and decreases were a decrease of 25,185 million yen in Retained earnings, a decrease of 15,909 million yen in Treasury shares, and a decrease of 9,914 million yen in Non-controlling interests.

It should be noted that from the end of the third quarter of the current consolidated fiscal year, the balance sheet of the DIGITAL HOLDINGS Group has been consolidated.

(Status of cash flows)

Cash and cash equivalents at the end of the current consolidated fiscal year increased by 25,557 million yen compared to the end of the previous consolidated fiscal year, amounting to 233,077 million yen.

<Cash flows from operating activities>

Cash flows from by operating activities amounted to an increase of 68,361 million yen (an increase of 82,446 million yen at the end of the previous consolidated fiscal year), mainly due to the recording of Income before income taxes of 37,741 million yen, against Depreciation of 14,264 million yen, Amortization of goodwill of 10,258 million yen, Increase (decrease) in deposits received of 22,740 million yen, and Income taxes paid of (23,358) million yen, etc.

<Cash flows from investing activities>

Cash flows from investing activities amounted to a decrease of 14,086 million yen (a decrease of 13,529 million yen at the end of the previous consolidated fiscal year), mainly due to Proceeds from sale of investment securities of 8,795 million yen, and Payment for sales of shares and investments in capital of subsidiaries resulting in change in scope of consolidation of (11,524) million yen, etc.

< Cash flows from financing activities >

Cash flows from financing activities amounted to a decrease of 30,662 million yen (a decrease of 45,848 million yen at the end of the previous consolidated fiscal year), mainly due to Purchase of treasury shares of (10,000) million yen, Purchase of shares and investments in capital of subsidiaries not resulting in change in scope of consolidation of (6,197) million yen, and Dividends paid of (11,726) million yen, etc.

(Reference) Trends in cash flow-related indicators

	Fiscal year ended March 31, 2024	**Fiscal year ended March 31, 2025**	**Fiscal year ended March 31, 2026**
Equity-to-asset ratio (%)	37.2	37.2	36.0
Market value equity-to-asset ratio (%)	49.1	37.9	34.1
Cash flow to interest-bearing debt ratio (times)	17.79	1.78	2.16
Interest coverage ratio (times)	8.15	66.87	43.49

Equity-to-asset ratio: Equity / Total assets

Market value equity-to-asset ratio: Market capitalization / Total assets

Cash flow to interest-bearing debt ratio: Interest-bearing debt / Cash flow

Interest coverage ratio: Cash flow / Interest paid

(Notes)

(1) All are calculated based on consolidated financial figures.

(2) Market capitalization is calculated based on the number of issued shares excluding Treasury shares.

(3) Cash flow utilizes operating cash flow.

(4) Interest-bearing debt covers all liabilities recorded on the consolidated balance sheet on which interest is paid.

(3) Basic Policy on Profit Distribution and Dividends for the Current and Next Fiscal Years

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

Regarding the number of dividend payments per business year, our basic policy is to pay dividends twice a year, an interim dividend and a year-end dividend (Note). The decision-making bodies for these dividends are the Board of Directors for the interim dividend and the General Meeting of Shareholders for the year-end dividend. Furthermore, we position the acquisition of Treasury shares as a means of shareholder return that complements dividends, and our policy is to consider it appropriately, comprehensively taking into account our financial condition, funding needs, business performance, and the environment surrounding the Group.

Based on the above policy, the annual dividend for the fiscal year ended March 31, 2026 is scheduled to be 32 yen per share (including the interim dividend of 16 yen already implemented). The annual dividend for the fiscal year ending March 31, 2027 is scheduled to be 32 yen per share.

(Note) The Company has stipulated in its Articles of Incorporation that it may pay interim dividends pursuant to the provisions of Article 454, Paragraph 5 of the Companies Act.

2. Status of the Corporate Group

The Group consists of the Company (holding company), 385 subsidiaries, and 66 affiliates, and as a marketing service corporate group, its principal business is the provision of integrated marketing solutions to clients.

Specifically, centered on the advertising business companies Hakuhodo Inc., Daiko Advertising Inc., YOMIKO ADVERTISING INC., Hakuhodo DY ONE Inc., and SoldOut, Inc., as well as the strategic operating unit kyu, we provide specialized marketing services domestically and overseas, ranging from the formulation of marketing strategies and various marketing-related plans for client companies to the handling of advertising media such as newspapers, magazines, radio, television, internet, and outdoor advertising domestically and overseas, advertising production, consulting, research, sales promotion, public relations, and event execution.

Note that the Company falls under the category of a specified listed company, etc. stipulated in Article 49, Paragraph 2 of the Cabinet Office Ordinance on Restrictions on Securities Transactions, etc., and accordingly, judgments regarding the minor criteria for material facts under insider trading regulations are based on consolidated figures.

Important subsidiaries, including Hakuhodo Inc., Daiko Advertising Inc., YOMIKO ADVERTISING INC., Hakuhodo Products Inc., CEREBRIX Corporation, Tohoku Hakuhodo,Inc., Niigata Hakuhodo,Inc., Shizuoka Hakuhodo,Inc., Chugokushikoku Hakuhodo,Inc., Hokkaido Hakuhodo,Inc., Hokuriku Hakuhodo,Inc., TBWAHAKUHODO, Hakuhodo DY Sports Marketing Inc., Hakuhodo DY ONE Inc., Chuo Advertising Shinsha, Inc., Hakuhodo Consulting Inc., Hakuhodo Casting & Entertainment Inc., Hakuhodo Gravity Inc, OZMA PR /Inc., Backs Group Inc., Carrac Co.,Ltd., D. BRAIN Co., Ltd., JPDH Co., Ltd., OMD HAKUHODO Inc., Kyushu Hakuhodo,Inc., Hakuhodo i-studio Inc., YOMIKO CROSS COM Inc., Daiko WE-DO creative & development inc., D Create Inc., Daiko Kyushu, Inc., Hakuhodo DY Music & Pictures Inc., Digital Holdings, Inc., OPT, Inc., HAKUHODO Technologies INC., Hakuhodo DY Corporate Initiative Inc., SoldOut, Inc., SO Technologies,Inc, and ENND PARTNERS Co., Ltd. operate domestic advertising business based in various regions in Japan, while DAC ASIA PTE LTD, GIMC-Hakuhodo Co., Ltd., Beijing Hakuhodo Advertising Co. Ltd., Guangdong GIMC and Hakuhodo Advertising Co. Ltd., Hakuhodo Taipei Investment Inc., Hakuhodo (Bangkok) Co., Ltd., Hakuhodo First Co., Ltd., AdGlobal360 India Pvt. Ltd., Square Communications Joint Stock Company, Hakuhodo Integrated Communications Group, Hakuhodo & Saigon Advertising CoLtd., kyu Investment Incorporated, SYPartners LLC, Sid Lee Inc., IDEO LLC, Kepler Group LLC, Godfrey Dadich Partners LLC, Lexington Communications Limited, and Public Digital Holdings Limited. operate advertising business based in international regions.

3. Issues to be Addressed

The business environment surrounding our Group is entering a period of major transformation. In addition to the full-fledged arrival of the “sei-katsu-sha–led society” where sei-katsu-sha are at the center of everything, sustainability is becoming an important factor in the behavior of sei-katsu-sha and companies. Furthermore, at the same time as the industrial structure is changing due to advanced technologies such as AI and the enhancement of digital infrastructure, the expansion of human capabilities and potential by technology is progressing.

Under these circumstances, the needs of clients have greatly expanded beyond the conventional advertising and marketing domains to the transformation of business models and qualitative improvement of customer touchpoints. Against the backdrop of this dramatic environmental change, our Group intends to transform its business structure into a corporate entity that provides broader value, going beyond our origin as a “group of advertising companies.” In an era of high uncertainty, to push forward the transformation of the entire Group, it is essential to clarify the “raison d'etre” that serves as the foundation for all judgments and motivations. Therefore, as a shared value of our Group based on a global perspective, we formulated the Global Purpose: “Aspirations Unleashed - break down boundaries, open new doors and usher in new eras for every sei-katsu-sha, organization and society.”

Placing this Global Purpose at the starting point of all corporate activities, and with our Group's creativity as our edge, by connecting sei-katsu-sha, organizations and society to generate new relationship value, we aspire to transform from a group of advertising companies into a “creativity platform.”

(1) Medium-Term Basic Strategy

We have established six business domains as areas where our Group will generate new relationship value: “Marketing,” “Consulting,” “Technology,” “Content,” “Incubation,” and “Global.” The policy is to pursue further growth and stabilize the business foundation not only by expanding earnings through unique business models in each domain but also by deepening organic collaboration between domains. Positioning the current Medium-Term Business Plan period (Fiscal year ended March 2025 - Fiscal year ending March 2027) as a period to enhance profitability and create growth options, we will powerfully push forward the structural reform of the marketing business and the development of new growth opportunities. On top of that, targeting the fiscal year ending March 2032, we will complete the establishment and mutual collaboration of these six domains, fundamentally transforming the profit structure of the entire Group.

Based on this basic strategy, we will proceed with the following three initiatives.

(2) Enhancement of Profitability and Creation of Growth Options

・Structural transformation of the marketing business

As the needs for integrated marketing become more sophisticated and complex, we are advancing the strengthening of collaboration among operating companies and the diversification of profit models, building an optimal service provision system as a Group. In particular, we will strengthen the rapidly growing digital and commerce domains to achieve further expansion of the business scale.

To further accelerate this Group collaboration, centered on the “Group Account Strategy” Division under the direct control of the holding company, we will seamlessly integrate the specializations of each Group company, promoting efficiency and productivity improvement through the optimization of resource allocation.

In the digital marketing domain, which continues to grow, a system for sustainable profitability improvement has been put in place through the business integration effects at Hakuhodo DY ONE Inc. At the same time, through collaboration with DIGITAL HOLDINGS, INC., which became a consolidated subsidiary, we will accelerate cross-sell proposals and expand our market share in growth areas.

In addition, we will advance the implementation of proprietary technologies and solutions, including our proprietary AI, Virtual Sei-katsu-sha, which is trained on the data of tens of thousands of sei-katsu-sha. Armed with strategy planning based on advanced analysis, we will increase our win rate in large-scale competitive pitches, while simultaneously achieving an improvement in added value through the sophistication of operations.

Through this series of initiatives, we will evolve into a system that provides “full-funnel responsiveness” to support everything from brand building to customer acquisition consistently across the entire Group. By further deepening collaboration among operating companies and diversifying profit models, we will solidify the compatibility of sustainable growth of Gross profit and a highly profitable structure.

・Creation of new growth options

During the three years of the current Medium-Term Business Plan, we will actively invest in each business domain of “Consulting,” “Technology,” “Content,” and “Incubation,” business domains and by building a business foundation, we will nurture them as the Group's pillars of profitability.

In the consulting business, starting from strategic consulting, we are deeply engaging with clients from the layer of management issues, proceeding with the strengthening of profitability leveraging Group collaboration, such as an earnings expansion model that leads to large-scale integrated marketing projects. We are steadily proceeding with the construction of new revenue bases. In the content business, we are undertaking the expansion of stock-type businesses utilizing proprietary IPs. In the music domain, we established a new company, “Chapter-I Inc.,” which handles merchandise and ticket sales for artists, and in the sports domain, we acquired a management company for top athletes in Japan and the US, operating it in full scale as “HAKUHODO Athlete Solution Inc.” To further accelerate the creation of these new growth options, we consolidated the implementation functions of the content business and incubation business into the holding company. This aims to speed up investment decisions by management and strengthen the business operation function across the entire Group, aiming to maximize the return on investment in new domains.

・Remodeling of the global business

Group companies based overseas will execute their respective individual strategies and expand their service provision areas while simultaneously strengthening intra-Group collaboration. By combining the specialization and innovation of the strategic operating unit kyu with Hakuhodo's Sei-katsu-sha Centric Mindset, we will strengthen profitability centered on the digital marketing domain. In addition, we will continue to explore non-continuous growth opportunities through M&A.

At the strategic operating unit kyu, we have renewed the management structure and are tackling profitability improvement as the highest priority issue. We will strongly advance the shared service of management functions previously dispersed among companies and resource sharing within the Group, aiming to improve management efficiency. In the ASEAN region, which is a growth market, we started integrated operations of Hakuhodo Inc. and Hakuhodo DY ONE Inc. By integrating the know-how of both companies, we will pursue the maximization of value provided to clients and thoroughly optimize operational costs. Through these fundamental structural renewals and cost structure reforms, we will transform into a solid profit structure and achieve sustainable expansion of Gross profit.

(3) Strengthening of Group Management Foundation

By continuing to strengthen the Group shared foundation, including HAKUHODO Technologies Inc. and Hakuhodo DY Corporate Initiative Inc., which were established during the previous Medium-Term Business Plan period, we will aim to strengthen competitiveness and efficiency as a Group.

(4) Promotion of Sustainability Management

Our Group aims to create value for society through human-centered sustainable management. Engaging in appropriate collaboration with multiple stakeholders, including employees, shareholders, business partners, media, content holders, and various organizations, we aim to realize a society in which sei-katsu-sha can flourish and live active lifestyles of their choosing.

Regarding the progress of sustainability management, we have set target values for the environment and gender equality and are advancing various initiatives. For environmental issues, we have set a goal of carbon neutrality in fiscal 2050, and as an interim indicator, we have set a target to reduce Scope 1 and 2 emissions in fiscal 2030 by 50% compared to fiscal 2023 (fiscal year ended March 2024). Also, regarding gender equality, we aim to achieve a ratio of women in management positions of 30% by fiscal 2030.

In the fiscal year ended March 2026, we undertook various initiatives, such as formulating the basic Procurement policies and procurement guidelines, with the aims of stable procurement (ensuring QCD), fulfillment of social responsibilities (human rights, environment), and establishment of legal compliance and risk management systems. We will implement sustainability management across all ESG domains, while simultaneously cultivating human resources capable of responding to social issues, aiming to realize a society abounding in *sei-katsu-sha's* aspirations and where they can live vibrant lives.

(5) Targets in the Medium-Term Business Plan

Our Group positions the three years from the fiscal year ended March 2025 to the fiscal year ending March 2027 as a period to enhance profitability and create growth options, and set planned values based on “maintenance and improvement of growth potential” and “strengthening of profitability.” The new medium-term management targets are as follows.

<Medium-Term Management Targets (Fiscal Year Ending March 31, 2027)>

<Medium-Term Management Targets (Fiscal Year Ending March 31, 2027)>

CAGR of operating income after adjustments and before amortization of goodwill (Note 1)	: At least +10%
CAGR of gross profit after adjustments (Note 2)	: At least +5%
Operating margin after adjustments and before amortization of goodwill (Note 3)	: At least 13%
ROE before amortization of goodwill (Note 4)	: At least 10%

(Note 1) CAGR of operating income after adjustments and before amortization of goodwill refers to the compound annual growth rate over the three years from the actual results of the fiscal year ended March 31, 2025 to the fiscal year ending March 31, 2027, of consolidated Operating profit calculated by excluding amortization of goodwill, etc. arising from corporate acquisitions in the core business, excluding the gain on sale of Mercari shares.

(Note 2) CAGR of gross profit after adjustments refers to the compound annual growth rate over the three years from the actual results of the fiscal year ended March 31, 2025 to the fiscal year ending March 31, 2027 in the core business, excluding the gain on sale of Mercari shares.

(Note 3) Operating margin after adjustments and before amortization of goodwill = Operating profit after adjustments and before amortization of goodwill / Consolidated gross profit after adjustments

(Note 4) Profit attributable to owners of parent calculated by excluding amortization of goodwill, etc. arising from corporate acquisitions / Equity (average of beginning and end of period)

Towards achieving the medium-term management targets listed above, in accordance with the stated basic medium-term strategy, we will steadily advance the transformation of the Group, aiming for significant growth in the medium to long term and the enhancement of corporate value.

4. Basic Rationale for Selection of Accounting Standards

Our Group's policy is to prepare consolidated financial statements based on Japanese GAAP for the time being, considering the inter-period comparability of consolidated financial statements. Regarding the application of IFRS, our policy is to respond appropriately in consideration of various domestic and international circumstances.

5． Consolidated Financial Statements and Primary Notes

（1） Consolidated Balance Sheet

(Millions of yen)

	As of March 31, 2025	As of March 31, 2026
Assets		
Current assets		
Cash and deposits	211,504	238,960
Notes and accounts receivable - trade	413,350	424,811
Securities	10,976	6,684
Inventories	28,460	22,600
Short-term loans receivable	799	840
Other	48,851	50,072
Allowance for doubtful accounts	(668)	(1,008)
Total current assets	713,273	742,959
Non-current assets		
Property, plant and equipment		
Buildings and structures	43,345	44,184
Accumulated depreciation	(21,454)	(23,436)
Buildings and structures, net	21,890	20,747
Land	9,527	9,520
Other	57,151	56,841
Accumulated depreciation	(30,777)	(34,241)
Other, net	26,374	22,600
Total property, plant and equipment	57,791	52,867
Intangible assets		
Software	27,528	26,301
Goodwill	57,213	49,805
Other	14,869	15,882
Total intangible assets	99,610	91,990
Investments and other assets		
Investment securities	126,834	139,796
Long-term loans receivable	556	504
Retirement benefit asset	8,593	10,949
Deferred tax assets	12,581	11,468
Other	32,610	33,124
Allowance for doubtful accounts	(1,661)	(2,529)
Total investments and other assets	179,515	193,314
Total non-current assets	336,918	338,172
Total assets	1,050,191	1,081,132

(Millions of yen)

	As of March 31, 2025	As of March 31, 2026
Liabilities		
Current liabilities		
Notes and accounts payable - trade	260,020	270,819
Short-term borrowings	6,882	7,170
Current portion of long-term borrowings	585	22,985
Accrued expenses	28,190	26,237
Income taxes payable	16,494	14,051
Provision for bonuses	33,380	36,383
Provision for bonuses for directors (and other officers)	1,123	1,279
Deposits received	57,029	79,454
Other	66,127	77,424
Total current liabilities	469,834	535,806
Non-current liabilities		
Bonds payable	30,000	30,000
Long-term borrowings	84,091	65,323
Deferred tax liabilities	8,806	11,144
Provision for retirement benefits for directors (and other officers)	554	516
Retirement benefit liability	16,422	11,863
Other	26,799	23,961
Total non-current liabilities	166,675	142,808
Total liabilities	636,509	678,615
Net assets		
Shareholders' equity		
Share capital	10,790	10,790
Retained earnings	346,296	321,110
Treasury shares	(20,774)	(4,864)
Total shareholders' equity	336,312	327,036
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	31,643	35,940
Deferred gains or losses on hedges	-	(5)
Foreign currency translation adjustment	26,250	25,970
Remeasurements of defined benefit plans	(3,951)	187
Total accumulated other comprehensive income	53,942	62,091
Share acquisition rights	127	2
Non-controlling interests	23,299	13,385
Total net assets	413,682	402,516
Total liabilities and net assets	1,050,191	1,081,132

(２) Consolidated Statements of Income and Comprehensive Income

Consolidated Statement of Income

(Millions of yen)

	For the fiscal year ended March 31, 2025	For the fiscal year ended March 31, 2026
Revenue	953,316	861,003
Cost of sales	553,717	454,965
Gross profit	399,598	406,037
Selling, general and administrative expenses		
Salaries and allowances	156,607	154,792
Retirement benefit expenses	7,749	8,222
Provision for bonuses	30,047	31,973
Provision for retirement benefits for directors (and other officers)	144	170
Provision for bonuses for directors (and other officers)	1,094	1,231
Amortization of goodwill	12,584	10,258
Provision of allowance for doubtful accounts	128	221
Other	153,661	154,491
Total selling, general and administrative expenses	362,017	361,361
Operating profit	37,581	44,675
Non-operating income		
Interest income	770	505
Dividend income	2,213	2,218
Foreign exchange gains	-	1,430
Gain on investments in investment partnerships	1,040	-
Fair value adjustment of contingent consideration	2,342	-
Other	3,407	1,953
Total non-operating income	9,774	6,108
Non-operating expenses		
Interest expenses	1,296	1,561
Share of loss of entities accounted for using equity method	1,346	1,137
Foreign exchange losses	624	-
Loss on investments in investment partnerships	-	279
Fair value adjustment of contingent consideration	-	642
Other	1,428	1,101
Total non-operating expenses	4,695	4,722
Ordinary profit	42,660	46,061
Extraordinary income		
Gain on sale of investment securities	4,864	1,313
Gain on sale of shares of subsidiaries and associates	903	231
Gain on forgiveness of debts	-	300
Other	344	394
Total extraordinary income	6,111	2,239
Extraordinary losses		
Extra retirement payments	3,132	4,261
Loss on retirement of non-current assets	1,474	1,267
Impairment losses	4,770	1,080
Loss on valuation of investment securities	4,607	1,350
Loss on liquidation of business	738	-
Other	2,708	2,598
Total extraordinary losses	17,430	10,559
Profit before income taxes	31,342	37,741

(Millions of yen)

	For the fiscal year ended March 31, 2025	For the fiscal year ended March 31, 2026
Income taxes - current	24,011	22,238
Income taxes - deferred	(5,052)	(2,138)
Total income taxes	18,958	20,100
Profit	12,383	17,640
Profit attributable to non-controlling interests	1,614	865
Profit attributable to owners of parent	10,768	16,775

Consolidated Statement of Comprehensive Income

(Millions of yen)

	For the fiscal year ended March 31, 2025	For the fiscal year ended March 31, 2026
Profit	12,383	17,640
Other comprehensive income		
Valuation difference on available-for-sale securities	(3,207)	4,191
Deferred gains or losses on hedges	(1,482)	-
Foreign currency translation adjustment	10,884	(133)
Remeasurements of defined benefit plans, net of tax	(692)	4,138
Share of other comprehensive income of entities accounted for using equity method	52	122
Total other comprehensive income	5,553	8,319
Comprehensive income	17,937	25,960
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	17,490	24,924
Comprehensive income attributable to non-controlling interests	447	1,036

（３）Consolidated Statement of Changes in Equity

For the fiscal year ended March 31, 2025

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	10,790	-	347,977	(21,038)	337,730
Changes during period					
Change in ownership interest of parent due to transactions with non-controlling interests		(771)			(771)
Dividends of surplus			(11,751)		(11,751)
Profit attributable to owners of parent			10,768		10,768
Purchase of treasury shares				(0)	(0)
Disposal of treasury shares		73		264	338
Cancellation of treasury shares					-
Transfer from retained earnings to capital surplus		698	(698)		-
Net changes in items other than shareholders' equity					
Total changes during period	-	-	(1,681)	264	(1,417)
Balance at end of period	10,790	-	346,296	(20,774)	336,312

	Accumulated other comprehensive income					Share acquisition rights	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance at beginning of period	34,612	730	15,135	(3,258)	47,220	211	24,037	409,200
Changes during period								
Change in ownership interest of parent due to transactions with non-controlling interests								(771)
Dividends of surplus								(11,751)
Profit attributable to owners of parent								10,768
Purchase of treasury shares								(0)
Disposal of treasury shares								338
Cancellation of treasury shares								-
Transfer from retained earnings to capital surplus								-
Net changes in items other than shareholders' equity	(2,969)	(730)	11,114	(692)	6,721	(84)	(737)	5,899
Total changes during period	(2,969)	(730)	11,114	(692)	6,721	(84)	(737)	4,481
Balance at end of period	31,643	-	26,250	(3,951)	53,942	127	23,299	413,682

For the fiscal year ended March 31, 2026

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	10,790	-	346,296	(20,774)	336,312
Changes during period					
Change in ownership interest of parent due to transactions with non-controlling interests		(4,665)			(4,665)
Dividends of surplus			(11,731)		(11,731)
Profit attributable to owners of parent			16,775		16,775
Purchase of treasury shares				(10,000)	(10,000)
Disposal of treasury shares		61		284	345
Cancellation of treasury shares		(25,625)		25,625	-
Transfer from retained earnings to capital surplus		30,229	(30,229)		-
Net changes in items other than shareholders' equity					
Total changes during period	-	-	(25,185)	15,909	(9,276)
Balance at end of period	10,790	-	321,110	(4,864)	327,036

	Accumulated other comprehensive income					Share acquisition rights	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance at beginning of period	31,643	-	26,250	(3,951)	53,942	127	23,299	413,682
Changes during period								
Change in ownership interest of parent due to transactions with non-controlling interests								(4,665)
Dividends of surplus								(11,731)
Profit attributable to owners of parent								16,775
Purchase of treasury shares								(10,000)
Disposal of treasury shares								345
Cancellation of treasury shares								-
Transfer from retained earnings to capital surplus								-
Net changes in items other than shareholders' equity	4,296	(5)	(280)	4,138	8,149	(124)	(9,914)	(1,889)
Total changes during period	4,296	(5)	(280)	4,138	8,149	(124)	(9,914)	(11,165)
Balance at end of period	35,940	(5)	25,970	187	62,091	2	13,385	402,516

（4）Consolidated Statement of Cash Flows

(Millions of yen)

	For the fiscal year ended March 31, 2025	For the fiscal year ended March 31, 2026
Cash flows from operating activities		
Profit before income taxes	31,342	37,741
Depreciation	13,766	14,264
Impairment losses	4,770	1,080
Amortization of goodwill	12,584	10,258
Increase (decrease) in provision for bonuses	1,515	2,578
Increase (decrease) in provision for bonuses for directors (and other officers)	153	155
Increase (decrease) in retirement benefit liability	(286)	(1,079)
Increase (decrease) in provision for retirement benefits for directors (and other officers)	58	(41)
Increase (decrease) in allowance for doubtful accounts	(63)	793
Interest and dividend income	(2,983)	(2,723)
Interest expenses	1,296	1,561
Foreign exchange losses (gains)	779	(1,373)
Share of loss (profit) of entities accounted for using equity method	1,346	1,137
Loss (gain) on sale of investment securities	(4,809)	(1,299)
Loss (gain) on valuation of investment securities	4,607	1,350
Extra retirement payments	3,132	4,261
Decrease (increase) in trade receivables	(4,833)	(1,680)
Decrease (increase) in inventories	13,265	5,920
Increase (decrease) in trade payables	(10,120)	(321)
Increase (decrease) in deposits received	32,086	22,740
Increase (decrease) in advances received	(5,479)	(3,529)
Decrease (increase) in retirement benefit asset	146	167
Other, net	9,292	1,048
Subtotal	101,563	93,012
Interest and dividends received	3,054	5,027
Interest paid	(1,233)	(1,571)
Extra retirement payments	(3,893)	(4,748)
Income taxes paid	(17,044)	(23,358)
Net cash provided by (used in) operating activities	82,446	68,361

(Millions of yen)

	For the fiscal year ended March 31, 2025	For the fiscal year ended March 31, 2026
Cash flows from investing activities		
Payments into time deposits	(1,970)	(3,150)
Proceeds from withdrawal of time deposits	2,765	1,563
Purchase of property, plant and equipment	(3,879)	(3,394)
Proceeds from sale of property, plant and equipment	277	70
Purchase of intangible assets	(12,761)	(8,051)
Purchase of investment securities	(3,327)	(4,297)
Proceeds from sale of investment securities	13,688	8,795
Payments for investments in capital	(1,753)	(262)
Proceeds from divestments	129	267
Payments for investments in subsidiaries resulting in change in scope of consolidation	(1,799)	(1,047)
Proceeds from purchase of shares and investments in capital of subsidiaries resulting in change in scope of consolidation	22	8,760
Payment for sales of shares and investments in capital of subsidiaries resulting in change in scope of consolidation	(381)	(11,524)
Purchase of shares and investments in capital of subsidiaries	(4,250)	(1,469)
Payments of leasehold deposits	(1,107)	(972)
Proceeds from refund of leasehold deposits	1,475	1,185
Decrease (increase) in short-term loans receivable	(583)	(205)
Long-term loan advances	(5)	(3)
Proceeds from collection of long-term loans receivable	14	15
Other, net	(83)	(364)
Net cash provided by (used in) investing activities	(13,529)	(14,086)
Cash flows from financing activities		
Increase (decrease) in short-term borrowings	(8,239)	(272)
Proceeds from long-term borrowings	-	62
Repayments of long-term borrowings	(51,532)	(614)
Proceeds from issuance of bonds	30,000	-
Repayments of finance lease liabilities	(1,624)	(1,524)
Purchase of treasury shares	(0)	(10,000)
Purchase of treasury shares of subsidiaries	(0)	-
Purchase of shares and investments in capital of subsidiaries not resulting in change in scope of consolidation	(1,442)	(6,197)
Sales of shares and investments in capital of subsidiaries not resulting in change in scope of consolidation	59	-
Dividends paid	(11,745)	(11,726)
Dividends paid to non-controlling interests	(1,872)	(666)
Proceeds from share issuance to non-controlling shareholders	561	274
Other, net	(12)	2
Net cash provided by (used in) financing activities	(45,848)	(30,662)
Effect of exchange rate change on cash and cash equivalents	4,383	1,944
Net increase (decrease) in cash and cash equivalents	27,452	25,557
Cash and cash equivalents at beginning of period	180,067	207,520
Cash and cash equivalents at end of period	207,520	233,077

（5） Notes to Consolidated Financial Statements

(Notes Regarding the Going Concern Assumption)

Not applicable.

(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

Since only the balance sheet is consolidated for the current consolidated fiscal year, the acquired company's performance is not included in the 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. Details and amounts of major acquisition-related costs

Advisory fees, etc.: 565 million yen

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

(1) Amount of goodwill occurring

2,806 million yen

The amount of goodwill has been finalized upon the completion of the allocation of the acquisition cost.

(2) Cause of generation

Generated by the future excess earning power expected from future business development.

(3) Amortization method and amortization period

Straight-line amortization over 15 years

6. Amounts of assets accepted and liabilities assumed on the business combination date and their main breakdown

Current assets	40,705 million yen	Current liabilities	15,803 million yen
Non-current assets	11,310 million yen	Non-current liabilities	2,318 million yen
Total assets	52,016 million yen	Total liabilities	18,122 million yen

7. Amounts allocated to intangible assets other than goodwill, breakdown by type, and amortization period

(1) Amount allocated to intangible assets

3,671 million yen

(2) Breakdown by type

Customer-related assets

(3) Amortization period

15 years

8. Estimated amount of impact on the consolidated statements of income for the current consolidated fiscal year and its calculation method, assuming the business combination was completed on the beginning date of the consolidated fiscal year

Revenue: 13,102 million yen

Operating income: 372 million yen

(Calculation method for estimated amount)

The difference between the sales and profit/loss information calculated assuming the business combination was completed on the beginning date of the current consolidated fiscal year and the sales and profit/loss information in the acquiring company's consolidated statements of income is used as the estimated impact amount. In addition, the amortization amount is calculated assuming that the goodwill and customer-related assets recognized at the time of the business combination were generated on the beginning date of the current consolidated fiscal year, and included in the estimated amount.

Please note that the calculation of this estimated amount has not received an audit certification.

(Segment Information, etc.)

In the previous consolidated fiscal year and the consolidated fiscal year under review, 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 – March 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	714,897	238,419	953,316	-	953,316
(2) Inter-segment revenue or transfers	5,127	4,286	9,414	(9,414)	-
Total	720,025	242,705	962,730	(9,414)	953,316
Gross profit	297,097	107,899	404,996	(5,398)	399,598
Operating income or loss	81,953	(7,539)	74,413	(36,831)	37,581

ii. Overseas revenue

(1) Overseas revenue (Millions of yen)	257,899
(2) Consolidated revenue (Millions of yen)	953,316
(3) Ratio of overseas revenue to consolidated revenue (%)	27.1

(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 – March 31, 2026) is as follows.

i. Regional business results

(Unit: Millions of yen)

	Japan	Overseas	Total	Eliminations or Corporate	Consolidated
Revenue					
(1) Revenue from external customers	638,972	222,031	861,003	-	861,003
(2) Inter-segment revenue or transfers	5,496	4,023	9,520	(9,520)	-
Total	644,469	226,054	870,523	(9,520)	861,003
Gross profit	304,654	107,359	412,013	(5,975)	406,037
Operating income or loss	86,193	(2,223)	83,969	(39,293)	44,675

ii. Overseas revenue

(1) Overseas revenue (Millions of yen)	238,223
(2) Consolidated revenue (Millions of yen)	861,003
(3) Ratio of overseas revenue to consolidated revenue (%)	27.7

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

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

(Per Share Information)

Net assets per share and the basis for calculation, basic earnings per share and the basis for calculation, and diluted earnings per share and the basis for calculation are as follows:

Item	Previous consolidated fiscal year (March 31, 2025)	Current consolidated fiscal year (March 31, 2026)
(1) Net assets per share	1,062.25 yen	1,083.83 yen
(Basis for calculation)		
Total net assets (Millions of yen)	413,682	402,516
Net assets relating to common shares (Millions of yen)	390,255	389,128
Main breakdown of difference (Millions of yen)		
Share acquisition rights	127	2
Non-controlling interests	23,299	13,385
Number of issued common shares (Thousands of shares)	389,559	363,902
Number of Treasury shares of common shares (Thousands of shares)	22,174	4,870
Number of common shares at the end of the period used in the calculation of net assets per share (Thousands of shares)	367,385	359,032

Item	Previous consolidated fiscal year (April 1, 2024 - March 31, 2025)	Current consolidated fiscal year (April 1, 2025 - March 31, 2026)
(2) Basic earnings per share	29.32 yen	46.09 yen
(Basis for calculation)		
Profit attributable to owners of parent (Millions of yen)	10,768	16,775
Amount not attributable to common shareholders (Millions of yen)	—	—
Profit attributable to owners of parent relating to common shares (Millions of yen)	10,768	16,775
Average number of common shares outstanding during the period (Thousands of shares)	367,289	363,962
(3) Diluted earnings per share	29.31 yen	46.08 yen
(Basis for calculation)		
Adjustment to Profit attributable to owners of parent (Millions of yen)	(2)	(2)
(Of which, adjustment due to potential shares of consolidated subsidiaries) (Millions of yen)	(2)	(2)
Overview of potential shares that were not included in the calculation of diluted earnings per share because they have no dilutive effect, and for which there was a significant change since the end of the previous consolidated fiscal year	—	—

(Significant Subsequent Events)

Not applicable.