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August 5, 2026

Consolidated Financial Results for the Three Months Ended June 30, 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
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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 three months ended June 30, 2026 (from April 1, 2026 to June 30, 2026)

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

	Revenue		Operating profit		Ordinary profit		Profit attributable to owners of parent	
Three months ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
June 30, 2026	176,222	3.8	3,016	19.4	3,037	4.6	(1,760)	-
June 30, 2025	169,820	(15.2)	2,527	(39.9)	2,904	(56.5)	(1,816)	-

Note: Comprehensive income For the three months ended June 30, 2026: ¥ 463 million [-%]
For the three months ended June 30, 2025: ¥ (1,423) million [-%]

	Basic earnings per share	Diluted earnings per share
Three months ended	Yen	Yen
June 30, 2026	(4.90)	-
June 30, 2025	(4.95)	-

Note: Diluted earnings per share for the three months ended June 30, 2025 and three months ended June 30, 2026 are not stated as a net loss per share was recorded, despite the existence of potential shares.

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio
As of	Millions of yen	Millions of yen	%
June 30, 2026	907,881	397,213	42.3
March 31, 2026	1,081,132	402,516	36.0

Reference: Equity
As of June 30, 2026: ¥ 383,866 million
As of March 31, 2026: ¥ 389,128 million

2. Cash dividends

	Annual dividends per share				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2026	-	16.00	-	16.00	32.00
Fiscal year ending March 31, 2027	-				
Fiscal year ending March 31, 2027 (Forecast)		16.00	-	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, 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

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

*** Notes**

(1) Significant changes in the scope of consolidation during the period: None

(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 June 30, 2026	363,902,636 shares
As of March 31, 2026	363,902,636 shares

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

As of June 30, 2026	4,870,596 shares
As of March 31, 2026	4,870,596 shares

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

Three months ended June 30, 2026	359,032,040 shares
Three months ended June 30, 2025	367,385,364 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 Earnings 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/english/)

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1. Qualitative Information on the Quarterly Consolidated Financial Statements

(1) Explanation of Consolidated Operating Results

During the cumulative first quarter of the consolidated fiscal year under review (April 1, 2026 to June 30, 2026, hereinafter the "first quarter"), the Japanese economy continued a moderate recovery trend overall, driven by a pickup in personal consumption accompanying improvements in the employment and income environments, and an increase in capital investment on the back of demand for AI and semiconductors. On the other hand, the economy trended in a situation where a sense of uncertainty regarding the future was recognized, such as soaring resource prices due to the tightening of the situation in the Middle East and financial market fluctuations caused by additional interest rate hikes by the Bank of Japan. Under these circumstances, the domestic advertising market (Note 1) showed firm movements, starting at a level exceeding the results of the previous year.

Under this environment, the Group's financial results for the first quarter showed that, although the overseas business was sluggish due to the impact of economic uncertainty amid the tightening situation in the Middle East, the domestic business successfully captured the recovery in advertising demand through the acquisition of new clients and the expansion of existing clients. In addition tothis, aided by the new consolidation effect of DIGITAL HOLDINGS, INC., etc., Billings (Note 2) reached 364,297 million yen (an increase of 7.5% year on year), Revenue was 176,222 million yen (an increase of 3.8% year on year), Gross profit was 90,652 million yen (an increase of 5.6% year on year), Operating income was 3,016 million yen (an increase of 19.4% year on year), Ordinary income was 3,037 million yen (an increase of 4.6% year on year), and Net loss attributable to owners of parent was 1,760 million yen (compared to a net loss of 1,816 million yen in the same period of the previous year), resulting in an increase in revenue and profit.

The domestic and overseas situations are as follows.

In the domestic business, as a result of steadily capturing the recovery in advertising demand, television grew steadily, increasing 7.3% year on year, and internet media, impacted by the expansion of the scope of consolidation, grew significantly, increasing 17.0% year on year. By client industry (Note 3), although Transportation/Leisure and Government/Organizations fell below the same period of the previous year, Information/Communications (an increase of 24.2% year on year) and Finance/Insurance (an increase of 19.7% year on year) grew significantly. As a result, Billings were 319,021 million yen (an increase of 8.4% year on year) and Gross profit was 67,254 million yen (an increase of 8.5% year on year). Selling, general and administrative expenses increased due to changes in the scope of consolidation, but this was absorbed by the increase in revenue, resulting in an Operating income of 16,244 million yen (an increase of 16.4% year on year).

In the overseas business, Billings were 47,862 million yen (an increase of 1.5% year on year) and Gross profit was 24,526 million yen (a decrease of 3.1% year on year) due to sluggish top-line growth in the North America region. As a result, Operating loss was 3,754 million yen (compared to an operating loss of 2,314 million yen in the same period of the previous year), widening the deficit.

(Notes)
(1) Sources: "Monthly Survey on Service Industries" (Ministry of Internal Affairs and Communications).
(2) "Billings" are based on previous accounting standards but are voluntarily disclosed, because we believe the metric is useful to financial statement users, although it is not in accordance with the "Accounting Standard for Revenue Recognition" (ASBJ Statement No. 29, March 31, 2020) and other standards.
(3) Based on the Company's internal management classification and tabulation.

(2) Explanation of Consolidated Financial Position

Total assets at the end of the first quarter under review decreased by 173,250 million yen compared to the end of the previous consolidated fiscal year to 907,881 million yen. The main factors of increase and decrease were a decrease of 87,381 million yen in Cash and deposits, a decrease of 95,398 million yen in Notes and accounts receivable - trade, an increase of 6,876 million yen in Inventories, and an increase of 2,124 million yen in Investment securities.

Liabilities decreased by 167,947 million yen compared to the end of the previous consolidated fiscal year to 510,668 million yen. The main factors of increase and decrease were a decrease of 54,728 million yen in Notes and accounts payable - trade, a decrease of 28,900 million yen in Provision for bonuses, and a decrease of 49,043 million yen in Deposits received.

Net assets decreased by 5,303 million yen compared to the end of the previous consolidated fiscal year to 397,213 million yen. The main factors of increase and decrease were a decrease of 7,525 million yen in Retained earnings and an increase of 1,832 million yen in Valuation difference on available-for-sale securities.

(3) Explanation of Consolidated Earnings Forecasts

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

Note: The earnings forecasts are prepared based on certain conditions that the Company currently judges to be reasonable, and actual results may differ significantly due to various factors in the future.

2. Quarterly Consolidated Financial Statements and Primary Notes

(1) Quarterly Consolidated Balance Sheet

(Millions of yen)

	As of March 31, 2026	As of June 30, 2026
Assets		
Current assets		
Cash and deposits	238,960	151,579
Notes and accounts receivable - trade	424,811	329,412
Securities	6,684	6,689
Inventories	22,600	29,476
Short-term loans receivable	840	899
Other	50,072	53,893
Allowance for doubtful accounts	(1,008)	(797)
Total current assets	742,959	571,153
Non-current assets		
Property, plant and equipment		
Buildings and structures	44,184	44,780
Accumulated depreciation	(23,436)	(23,633)
Buildings and structures, net	20,747	21,146
Land	9,520	9,435
Other	56,841	56,799
Accumulated depreciation	(34,241)	(33,717)
Other, net	22,600	23,082
Total property, plant and equipment	52,867	53,664
Intangible assets		
Software	26,301	26,164
Goodwill	49,805	48,158
Other	15,882	15,341
Total intangible assets	91,990	89,664
Investments and other assets		
Investment securities	139,796	141,921
Long-term loans receivable	504	503
Retirement benefit asset	10,949	10,973
Deferred tax assets	11,468	10,417
Other	33,124	32,236
Allowance for doubtful accounts	(2,529)	(2,652)
Total investments and other assets	193,314	193,400
Total non-current assets	338,172	336,728
Total assets	1,081,132	907,881

(Millions of yen)

	As of March 31, 2026	As of June 30, 2026
Liabilities		
Current liabilities		
Notes and accounts payable - trade	270,819	216,091
Short-term borrowings	7,170	6,137
Current portion of long-term borrowings	22,985	23,010
Accrued expenses	26,237	27,971
Income taxes payable	14,051	2,542
Provision for bonuses	36,383	7,483
Provision for bonuses for directors (and other officers)	1,279	760
Deposits received	79,454	30,411
Other	77,424	50,984
Total current liabilities	535,806	365,392
Non-current liabilities		
Bonds payable	30,000	30,000
Long-term borrowings	65,323	65,288
Deferred tax liabilities	11,144	13,708
Provision for retirement benefits for directors (and other officers)	516	492
Retirement benefit liability	11,863	11,673
Other	23,961	24,112
Total non-current liabilities	142,808	145,275
Total liabilities	678,615	510,668
Net assets		
Shareholders' equity		
Share capital	10,790	10,790
Retained earnings	321,110	313,585
Treasury shares	(4,864)	(4,864)
Total shareholders' equity	327,036	319,511
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	35,940	37,772
Deferred gains or losses on hedges	(5)	-
Foreign currency translation adjustment	25,970	26,339
Remeasurements of defined benefit plans	187	242
Total accumulated other comprehensive income	62,091	64,354
Share acquisition rights	2	2
Non-controlling interests	13,385	13,344
Total net assets	402,516	397,213
Total liabilities and net assets	1,081,132	907,881

(2) Quarterly Consolidated Statements of Income and Comprehensive Income

Quarterly Consolidated Statement of Income

For the Three-Month Period

(Millions of yen)

	For the three months ended June 30, 2025	For the three months ended June 30, 2026
Revenue	169,820	176,222
Cost of sales	84,004	85,569
Gross profit	85,815	90,652
Selling, general and administrative expenses		
Salaries and allowances	38,671	40,531
Retirement benefit expenses	1,968	2,002
Provision for bonuses	4,501	4,336
Provision for retirement benefits for directors (and other officers)	88	29
Provision for bonuses for directors (and other officers)	243	251
Amortization of goodwill	2,817	2,623
Provision of allowance for doubtful accounts	7	(22)
Other	34,989	37,883
Total selling, general and administrative expenses	83,288	87,636
Operating profit	2,527	3,016
Non-operating income		
Interest income	163	150
Dividend income	1,052	1,286
Foreign exchange gains	-	125
Gain on investments in investment partnerships	196	-
Other	424	305
Total non-operating income	1,837	1,867
Non-operating expenses		
Interest expenses	323	411
Foreign exchange losses	530	-
Share of loss of entities accounted for using equity method	277	142
Loss on investments in investment partnerships	-	1,095
Other	329	197
Total non-operating expenses	1,460	1,847
Ordinary profit	2,904	3,037
Extraordinary income		
Gain on sale of non-current assets	13	48
Gain on sale of investment securities	127	3
Gain on sale of shares of subsidiaries and associates	149	1
Gain on change in equity	-	35
Other	7	2
Total extraordinary income	298	90
Extraordinary losses		
Extra retirement payments	330	240
Loss on retirement of non-current assets	404	74
Impairment losses	14	-
Loss on valuation of investment securities	1	148
Other	208	364
Total extraordinary losses	959	828
Profit before income taxes	2,243	2,299

(Millions of yen)

	For the three months ended June 30, 2025	For the three months ended June 30, 2026
Income taxes - current	1,094	1,318
Income taxes - deferred	2,770	2,608
Total income taxes	3,865	3,926
Loss	(1,622)	(1,626)
Profit attributable to non-controlling interests	194	133
Loss attributable to owners of parent	(1,816)	(1,760)

Quarterly Consolidated Statement of Comprehensive Income

For the Three-Month Period

(Millions of yen)

	For the three months ended June 30, 2025	For the three months ended June 30, 2026
Loss	(1,622)	(1,626)
Other comprehensive income		
Valuation difference on available-for-sale securities	5,382	1,908
Foreign currency translation adjustment	(5,474)	315
Remeasurements of defined benefit plans, net of tax	176	54
Share of other comprehensive income of entities accounted for using equity method	113	(188)
Total other comprehensive income	198	2,090
Comprehensive income	(1,423)	463
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(1,573)	540
Comprehensive income attributable to non-controlling interests	149	(76)

(3) Notes to Quarterly Consolidated Financial Statements

(Notes Regarding the Going Concern Assumption)

Not applicable.

(Notes to Consolidated Statements of Cash Flows)

The consolidated statement of cash flows for the three months ended June 30, 2026 has not been prepared. Depreciation (including amortization of intangible assets excluding goodwill) and amortization of goodwill for the three months ended June 30, 2025 and 2026 are as follows:

	For the three months ended June 30, 2025	For the three months ended June 30, 2026
Depreciation	4,029 Million yen	4,445 Million yen
Amortization of goodwill	2,817 Million yen	2,623 Million yen

(Notes Regarding Significant Changes in Shareholders' Equity)

Not applicable.

(Segment Information, etc.)

During the first quarter of the previous fiscal year and the first quarter of the current fiscal year, the Company and its consolidated subsidiaries are primarily engaged in the handling of advertising in various media, including newspapers, magazines, radio, television, and digital media, as well as providing services such as planning and production related to advertising content, marketing, and public relations (PR). As the Group's businesses are aggregated into a single segment, the disclosure of segment information is omitted.

Reference Information

I. Regional business results and overseas revenue for the first quarter of the previous fiscal year (From April 1, 2025 to June 30, 2025) are as follows:

i. Regional business results

(Millions of yen)

	Japan	Overseas	Total	Eliminations or Corporate	Consolidated
Revenue					
(1) Revenue from external customers	123,574	46,245	169,820	—	169,820
(2) Inter-segment revenue or transfers	1,574	911	2,485	(2,485)	—
Total	125,148	47,156	172,305	(2,485)	169,820
Gross profit	61,983	25,310	87,294	(1,479)	85,815
Operating income or loss	13,951	(2,314)	11,637	(9,109)	2,527

ii. Overseas revenue

(1) Overseas revenue (Millions of yen)	48,838
(2) Consolidated revenue (Millions of yen)	169,820
(3) Ratio of overseas revenue to consolidated revenue (%)	28.8

Note: Major countries or regions classified as "Overseas":
United States, Canada, Germany, United Kingdom, France, Turkey, China, Taiwan, South Korea, Thailand, Malaysia, Singapore, Vietnam, Philippines, India, and Australia

II. Regional business results and overseas revenue for the first quarter of the current fiscal year (From April 1, 2026 to June 30, 2026) are as follows:

i. Regional business results

(Millions of yen)

	Japan	Overseas	Total	Eliminations or Corporate	Consolidated
Revenue					
(1) Revenue from external customers	129,505	46,717	176,222	—	176,222
(2) Inter-segment revenue or transfers	1,424	1,145	2,570	(2,570)	—
Total	130,929	47,862	178,792	(2,570)	176,222
Gross profit	67,254	24,526	91,781	(1,128)	90,652
Operating income or loss	16,244	(3,754)	12,490	(9,473)	3,016

ii. Overseas revenue

(1) Overseas revenue (Millions of yen)	51,665
(2) Consolidated revenue (Millions of yen)	176,222
(3) Ratio of overseas revenue to consolidated revenue (%)	29.3

Note: Major countries or regions classified as "Overseas":
United States, Canada, Germany, United Kingdom, France, Turkey, China, Taiwan, South Korea, Thailand, Malaysia, Singapore, Vietnam, Philippines, India, and Australia

(Significant Subsequent Events)

Not applicable.