Hakuhodo DY holdings

Consolidated Financial Highlights First-half FY2026 (April–September, 2026)

November 10, 2026

Highlights of Consolidated Results for H1 FY2026

H1 FY2026 Consolidated Results 1

- Billings increased by 6.0% year-on-year, and gross profit increased by 4.5%.
- Operating income before amortization of goodwill was roughly at the same level as the same period of the previous year.
- Quarterly net income attributable to owners of parent improved from a loss in Q1, turning profitable at 400 million yen for the first half.

H1 FY2026

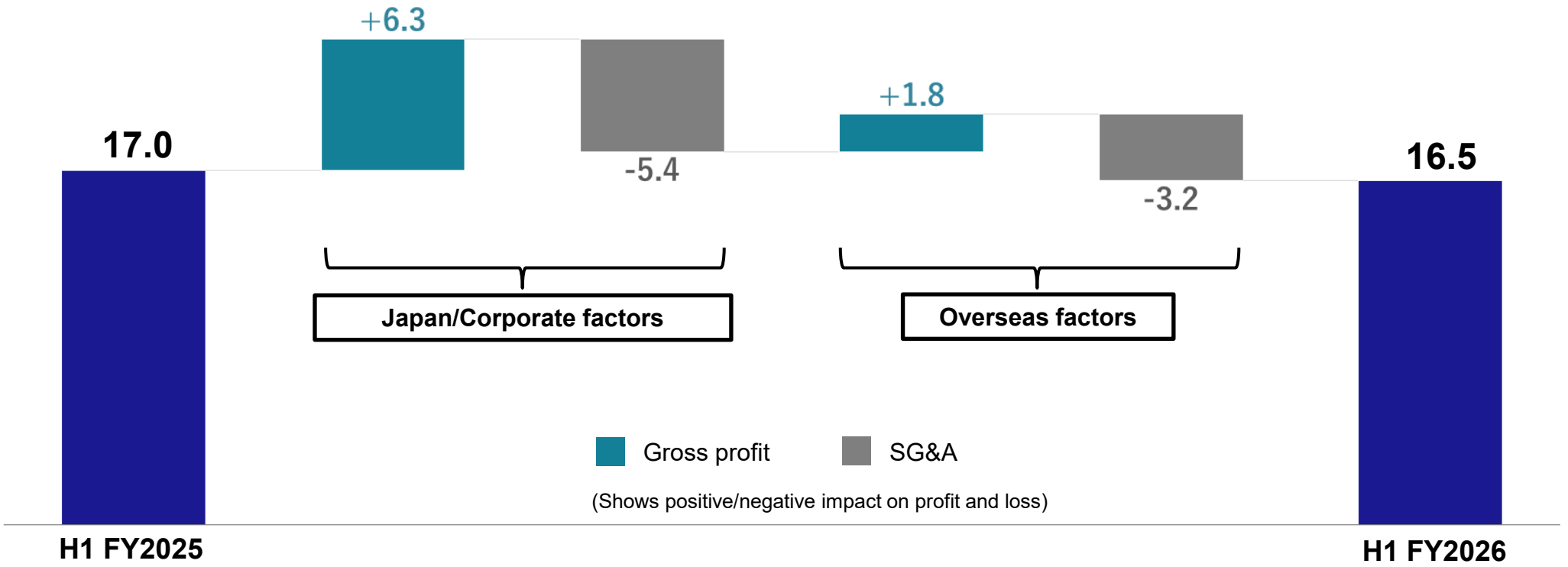
(Millions of JPY)	Actual	YOY	
Billings	**736,825**	+41,801	+6.0%
Gross Profit	**188,111**	+8,177	+4.5%
SG&A	**178,312**	+9,122	+5.4%
Operating Income	**9,798**	-944	-8.8%
Ordinary Income	**9,096**	-1,599	-15.0%
Net Income Attributable to Owners of Parent	**380**	+70	+22.6%
Operating Income before Amortization of G/W	**16,478**	-481	-2.8%
Gross Margin	**25.5%**	-0.4pt	-
Operating Margin before Amortization of G/W	**8.8%**	-0.7pt	-

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H1 FY2026 Consolidated Results 2

- **Domestic/Corporate:** Gross profit for the first half exceeded the previous year, partly driven by the strong performance of TV and other areas, particularly in Q1. Although SG&A expenses also increased, they were controlled within the growth of gross profit, resulting in profit growth domestically.
- **Overseas:** Although a certain degree of recovery was seen entering Q2, sluggish performance in Q1 weighed on results, resulting in a profit decline overseas.

Key factors of increase and decrease (Billions of JPY)



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Guidance for FY2026

Guidance for FY2026

- **The guidance for the full fiscal year ending March 2027 remains unchanged from the previous forecast.**

Guidance for FY2026

(Millions of JPY)	Forecast	YoY
Billings	**1,675,000**	+6.0%
Revenue	**910,000**	+5.7%
Gross Profit	**430,000**	+5.9%
Operating Income	**46,700**	+4.5%
Ordinary Income	**47,000**	+2.0%
Net Income Attributable to Owners of Parent	**26,000**	+55.0%
Operating Income before Amortization of G/W	**60,000**	+4.5%

* The current forecast does not incorporate significant extraordinary income or loss.

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H1 FY2026 Summary

Top line increased year-on-year; operating income before amortization of goodwill was roughly flat, with profitability improvements progressing into Q2

- **Revenue grew, driven mainly by existing domestic advertising business, resulting in increases in billings and gross profit.**
- **Although revenue increased in Q2, cost increases continued to be appropriately controlled. As a result, profitability indicators such as the gross margin and operating margin (OM) improved from Q1 to Q2. While aiming for further revenue growth toward the fiscal year-end, we will continue strict expense management.**
- **Domestically, TV exceeded the previous year and drove overall performance. Internet media also recorded double-digit growth, and total media continued to perform strongly. Collaboration with Digital Holdings is also progressing steadily, and we aim to further expand revenue.**
- **Overseas, despite a challenging Q1 mainly in North America and other regions, a certain degree of improvement was seen entering Q2.**

Quarterly net income attributable to owners of parent turned profitable and secured profit growth in H1, progressing as planned.

- **Full-year guidance remains unchanged.**

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Shareholder Returns for FY2026

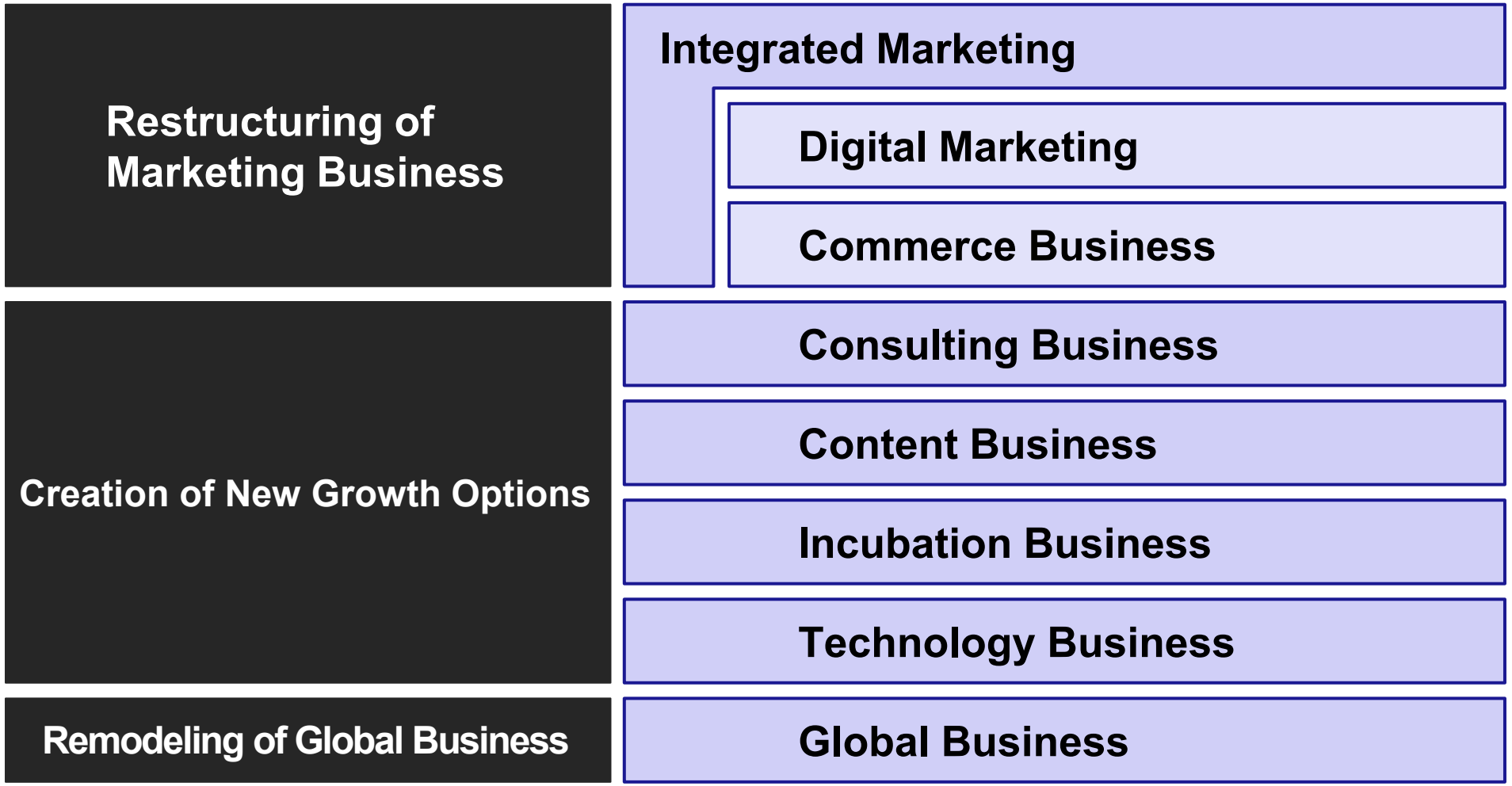
Shareholder Returns

- **Dividend forecast for FY2026 (ending March 2027)**
  - The Board of Directors resolved today (November 10, 2026) to set the interim dividend at ¥16 per share.
  - The forecast for the annual dividend remains unchanged at ¥32 per share, including the interim dividend.

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Progress on the Medium-Term Business Plan

Overview of the Current Medium-Term Business Plan



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Medium-Term Business Plan: Outline of Progress in H1 FY2026

Medium-Term Targets

	MTBP Targets (FY2026)	H1 FY2026 Results (YoY in parentheses)
CAGR of Operating Income after Adjustments and before Amortization of Goodwill	At least +10%	+77.5% (-2.8%)
CAGR of Gross Profit after Adjustments	At least +5%	+3.6% (+4.5%)
OM after Adjustments and before Amortization of Goodwill	At least 13%	(TBC at full-year results)
ROE before Amortization of Goodwill	At least 10%	(TBC at full-year results)

Monitoring Indicators

		Monitoring Indicators (FY2026)	H1 FY2026 Results (YoY in parentheses)
Restructuring of Marketing Business	CAGR of Gross Profit in Domestic Marketing Business	Approx. +4%	+4.2% (+4.7%)
	OM before Amortization of Goodwill in Domestic Marketing Business	At least 15%	(TBC at full-year results)
	CAGR of Gross Profit in Domestic Digital Marketing	Above Market Growth	+8.0% (+15.9%)
Creation of New Growth Options	CAGR of Gross Profit of Four Domestic Business Domains Combined	At least +10%	+16.3% (+5.8%) H1 FY2026 result excludes impact of UNITED, Inc. deconsolidation
Remodeling of Global Business	CAGR of Gross Profit in Global Business	Approx. +5%	+1.7% (+3.4%)
	OM before Amortization of Goodwill in Global Business	Approx. 10%	(TBC at full-year results)

* After adjustments: excl. gain on disposal of Mercari shares
* Above-market growth: our estimate (TBC at full-year results)
* CAGR base year: FY2023
* Four domestic business domains: consulting, technology, content and incubation

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Restructuring of the Domestic Marketing Business

With a stronger organization, steadily driving structural reform

Structural Reform of Marketing

April 2024 — Hakuhodo DY ONE Founded

Hakuhodo DY ONE

April 2025 — Hakuhodo - MP Integration

Hakuhodo

December 2025 — OPT Joins the Group

opt

Results of Structural Reform (FY2025 Full Year)

Domestic Marketing Business OM before Amortization of G/W

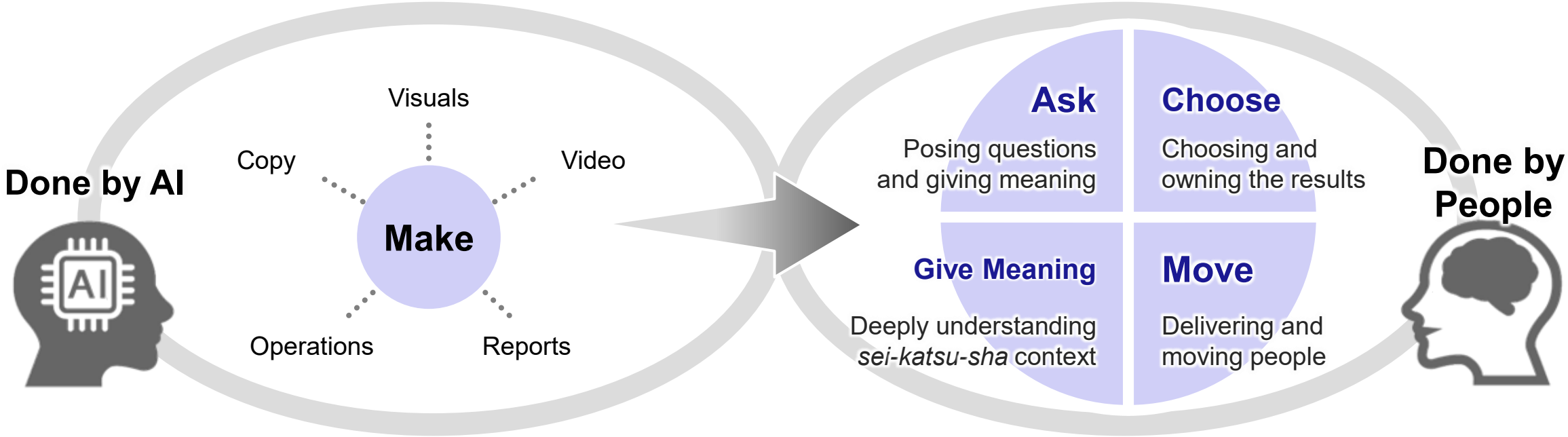
19.4% Target: At least 15%

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Sources of Value in the AI Era

With AI, the source of value shifts from "making" to

Asking, Choosing, Giving Meaning, Moving



A turning point that tests the true value of the Group's strengths:

The *sei-katsu-sha* Centric Mindset at the core of our creativity, and our Commitment to Partnership

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Overall Picture of the Reorganization (Under Consideration)

As part of the restructuring of the domestic marketing business,

consider three structural reforms

Strengthening Our Structure for the AI Era

1 New Marketing with AI

Form a New Business Entity Centered on Three Companies

2 Quality and Speed with AI

Build a Common Platform for Production Functions

Strengthening Regional Business

3 Group Capabilities for the Regions

Restructuring Functions across Three Areas

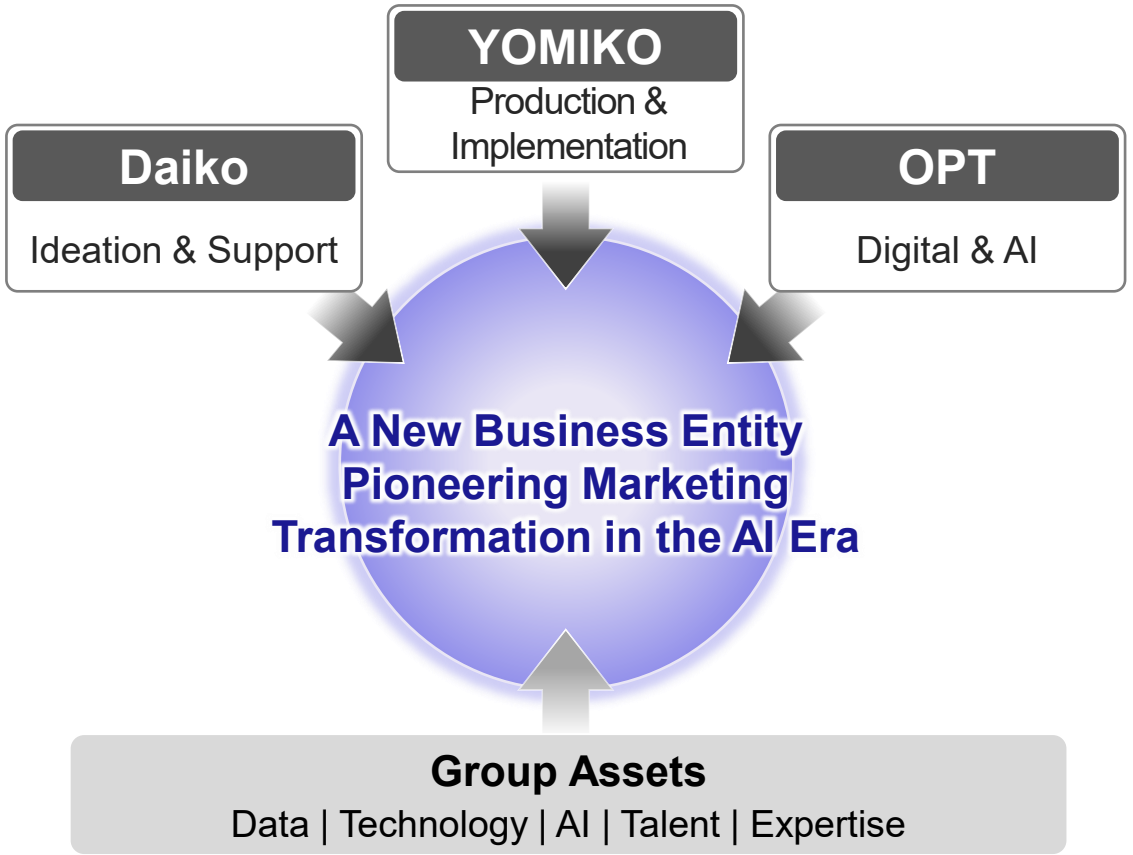
Group Shared Assets ***Sei-katsu-sha*** **Data Platform / Technology**

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1. Form a New Business Entity Centered on Three Companies

Combining each company's strengths, distinct from our existing businesses,

form a new pillar of marketing business



Our Aspirations

Marketing Transformation Company for the AI Era

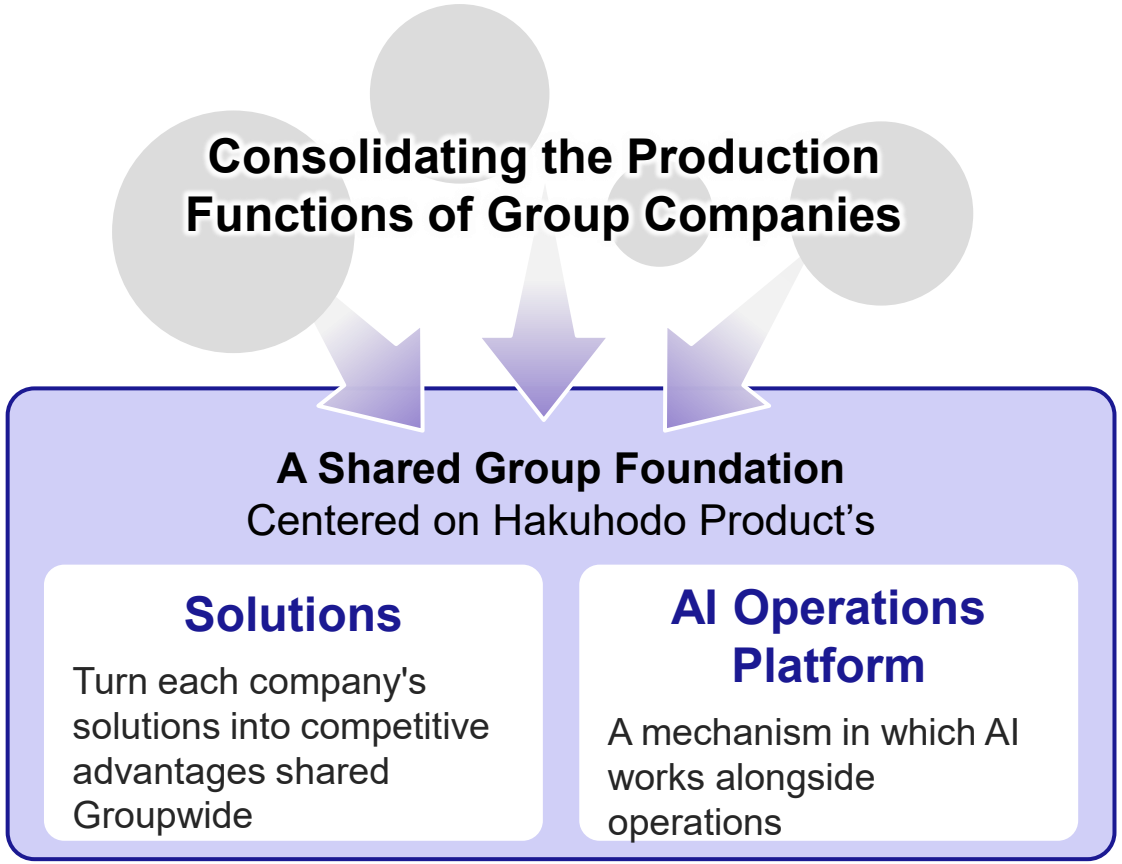
- ☑ Work alongside clients on their marketing activities and business processes.
- ☑ Combine practical knowledge with AI.
- ☑ Build mechanisms that continuously generate business growth.

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2. Build a Shared Infrastructure for Production Functions

Redesigning business processes on the premise of AI,

enhance quality and speed, and visualize effects



Our Aspirations

A Partner That Enhances Value through AI × People

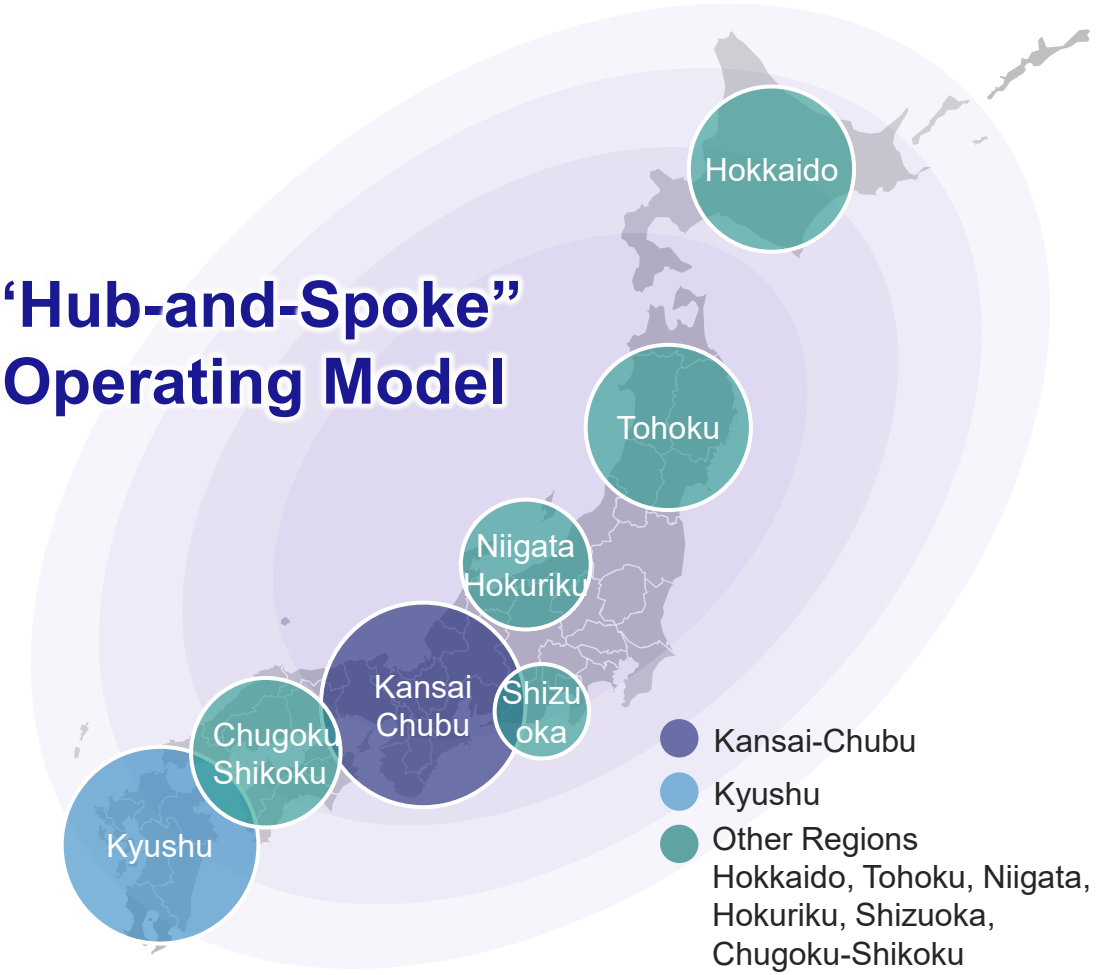
- ☑ Provide optimal solutions to client challenges using AI.
- ☑ Apply to Group companies' projects to strengthen overall competitiveness.
- ☑ Enhance value through a human touch and real experiences.

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3. Restructure Functions across Three Areas

In growing regional economies, provide Group functions on an integrated basis

“Hub-and-Spoke” Operating Model



Our Aspirations

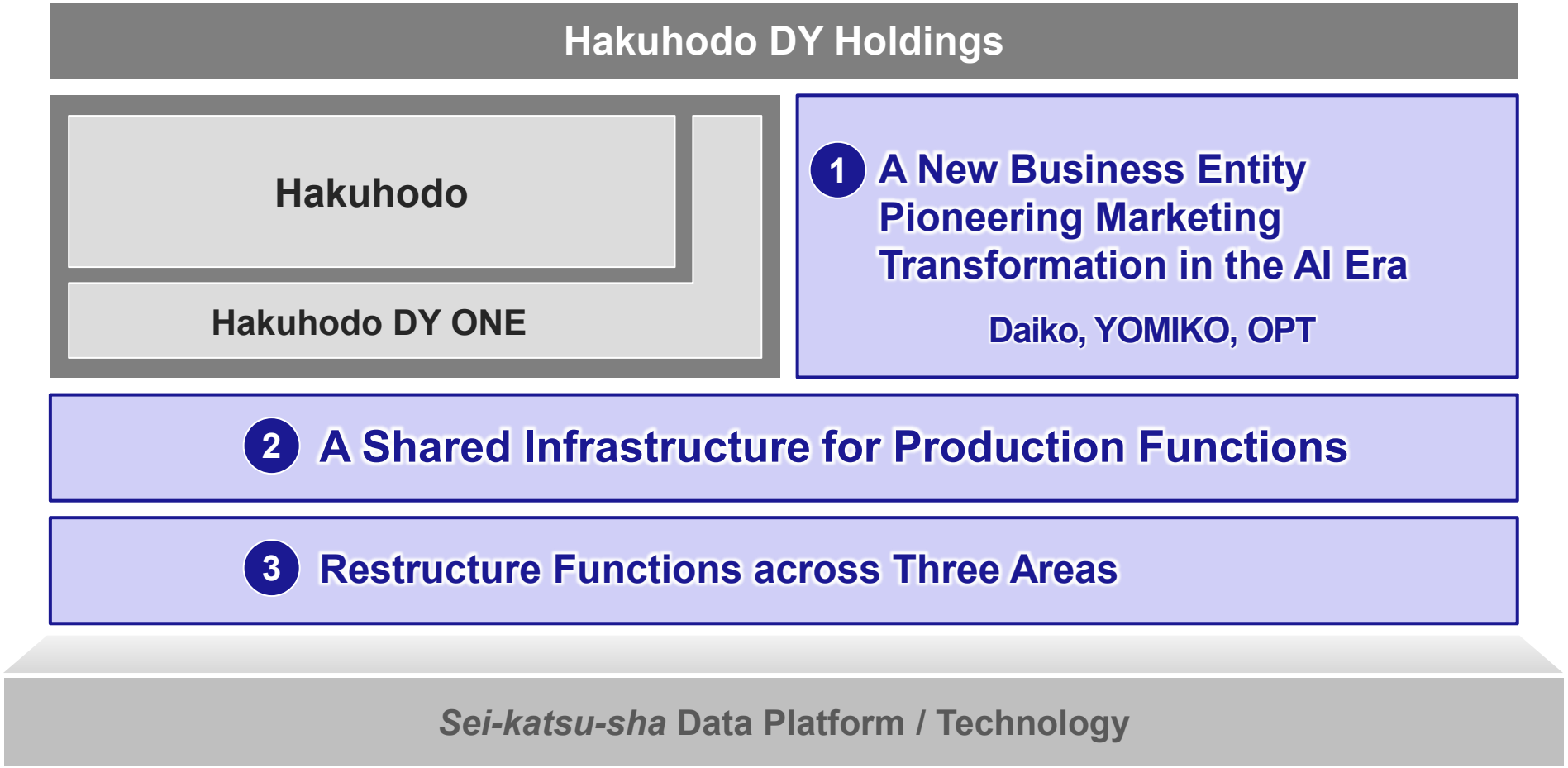
A Partner Contributing to Regional Economic Growth

- ☑ Combine locally rooted strengths with Group functions and knowledge.
- ☑ Regions collaborate with one another across areas.
- ☑ Work as one Group to support the business growth of regional clients.

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Image of the Reorganized Domestic Marketing Business

* Envisioned structure after consideration



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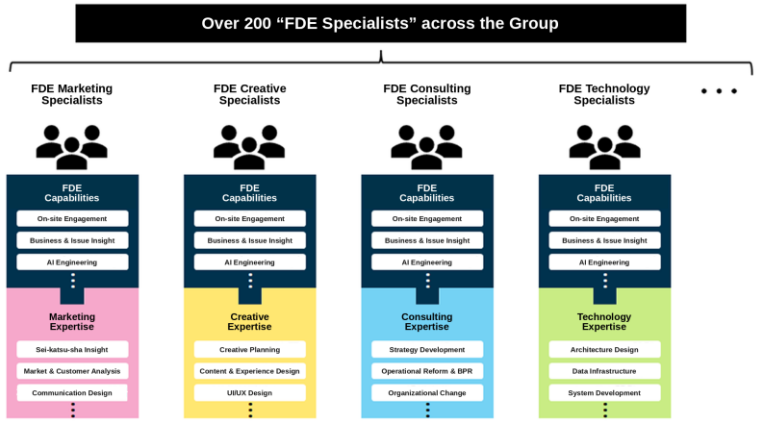
Initiatives in Growth Options

Across diverse domains, from AI to content,

advance Growth Option Businesses

Technology Business

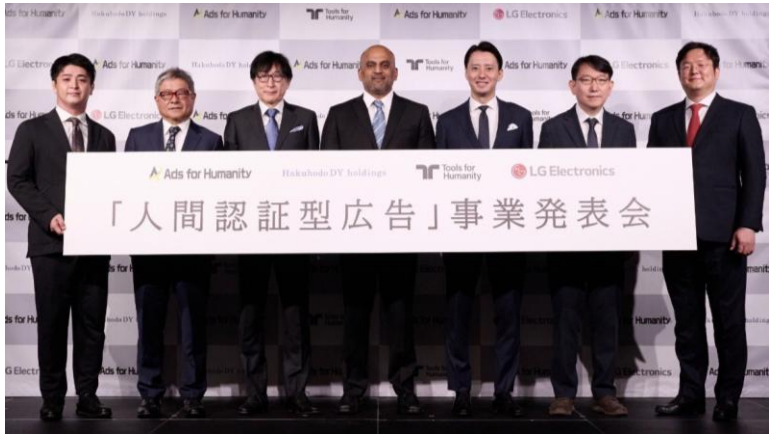
FDE-Led AI Transformation Services



Over 200 specialists support clients from issue discovery to adoption.

Incubation Business

Ads for Humanity: “Human-Verified Ads”



Human-verified ads now delivered on major platforms.

Content Business

Domestic Licensing of Global IP



Generated results with merchandising and promotional licensees.

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Initiatives in Global Business

By restructuring kyu's management and expanding business in growth markets,

advance the Remodeling of Global Business

Restructuring kyu's Management

Collaboration-Driven Operations under a New CEO



Rick Greenberg
kyu CEO (appointed April 2026)

- ☑ **Promoting Group-wide resource sharing and collaboration**
- ☑ **Consolidating administrative functions via shared services**

Business Expansion in Growth Markets

Strengthening Digital Capabilities and *sei-katsu-sha* Understanding in India

Auburn™ Digital Solutions



- ☑ **Acquired a comprehensive digital agency in India**

  Strengthened digital capabilities across India.

- ☑ **Shared emerging Indian trends via proprietary *sei-katsu-sha* research**

  Held the “Hakuhodo India *Sei-katsu-sha* Forum.”

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Looking Ahead

Grasping the turning point brought by AI and opportunities in growth markets,

become a Group that continuously creates new value

Initiatives for This Fiscal Year

Final Year of the Current MTBP

Work toward achieving our targets.

Considering the Reorganization

Advance consideration toward commencing operations under the new structure, targeted for April 2027.

* Details will be announced once finalized.

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Hakuhodo DY holdings

Hakuhodo DY Holdings

Appendix

Interim Income Statement

H1 FY2026

(Millions of JPY)	YTD (6-Month) Actual	YOY		by Quarter (3-Month) Q1	YOY	Q2	YOY
Billings	736,825	+41,801	+6.0%	364,297	+7.5%	372,527	+4.6%
Revenue	375,766	+9,635	+2.6%	176,222	+3.8%	199,544	+1.6%
Gross Profit	188,111	+8,177	+4.5%	90,652	+5.6%	97,458	+3.5%
Gross Margin	25.5%	-0.4pt		24.9%	-0.4pt	26.2%	-0.3pt
SG&A Expenses	178,312	+9,122	+5.4%	87,636	+5.2%	90,676	+5.6%
Operating Income	9,798	-944	-8.8%	3,016	+19.4%	6,781	-17.5%
Operating Margin	5.2%	-0.8pt		3.3%	+0.4pt	7.0%	-1.8pt
Non-operating Income	2,725	+260	+10.6%	1,867	+1.6%	857	+36.6%
Non-operating Expenses	3,426	+915	+36.4%	1,847	+26.5%	1,579	+50.3%
Ordinary Income	9,096	-1,599	-15.0%	3,037	+4.6%	6,059	-22.2%
Extraordinary Income	496	+166	+50.4%	90	-69.5%	405	+1175.4%
Extraordinary Loss	1,506	-2,461	-62.0%	828	-13.6%	677	-77.5%
Net Income before Taxes	8,086	+1,027	+14.6%	2,299	+2.5%	5,787	+20.2%
Income Tax	7,488	+1,315	+21.3%	3,926	+1.6%	3,562	+54.4%
Non-controlling Interest	216	-358	-62.3%	133	-31.4%	83	-78.1%
Net Income Attributable to Owners of Parent	380	+70	+22.6%	-1,760	n/a	2,141	+0.6%
Amortization of Goodwill	6,679	+463	+7.5%	3,325	-3.5%	3,353	+21.1%
Operating Income before Amortization of Goodwill	16,478	-481	-2.8%	6,342	+6.1%	10,135	-7.7%
Net Income before Amortization of Goodwill	7,060	+533	+8.2%	1,565	-4.0%	5,495	+12.2%
Operating Margin before Amortization of Goodwill	8.8%	-0.7pt		7.0%	+0.0pt	10.4%	-1.3pt

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

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Results by Region

H1 FY2026

(Millions of JPY)	Actual	YOY	
Japan			
Billings	633,966	+35,885	+6.0%
Revenue	272,864	+3,723	+1.4%
Gross Profit	138,038	+6,305	+4.8%
SG&A Expenses	107,919	+5,418	+5.3%
Operating Income	30,119	+886	+3.0%
Overseas			
Billings	107,940	+6,626	+6.5%
Revenue	107,940	+6,626	+6.5%
Gross Profit	52,608	+1,750	+3.4%
SG&A Expenses	57,040	+3,562	+6.7%
Operating Income	-4,432	-1,811	n/a
Elimination or Corporate			
Billings	-5,082	-711	
Revenue	-5,038	-714	
Gross Profit	-2,535	+121	
SG&A Expenses	13,353	+141	
Operating Income	-15,888	-19	
Consolidated			
Billings	736,825	+41,801	+6.0%
Revenue	375,766	+9,635	+2.6%
Gross Profit	188,111	+8,177	+4.5%
SG&A Expenses	178,312	+9,122	+5.4%
Operating Income	9,798	-944	-8.8%

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Results by Region (YTD, by Quarter)

H1 FY2026

Japan

(Millions of JPY)	YTD Actual	YOY		Q1	YOY	Q2	YOY
	YTD (6-Month)			by Quarter (3-Month)			
Billings	633,966	+35,885	+6.0%	319,021	+8.4%	314,945	+3.7%
Gross Profit	138,038	+6,305	+4.8%	67,254	+8.5%	70,783	+1.5%
Gross Margin	21.8%	-0.3pt		21.1%	+0.0pt	22.5%	-0.5pt
SG&A Expenses	107,919	+5,418	+5.3%	51,010	+6.2%	56,909	+4.5%
Operating Income	30,119	+886	+3.0%	16,244	+16.4%	13,874	-9.2%
Operating Margin	21.8%	-0.4pt		24.2%	+1.6pt	19.6%	-2.3pt
Amortization of Goodwill	1,058	+74	+7.5%	529	+7.5%	529	+7.5%
Operating Income before Amortization of Goodwill	31,178	+961	+3.2%	16,774	+16.1%	14,403	-8.7%
Operating Margin before Amortization of Goodwill	22.6%	-0.4pt		24.9%	+1.6pt	20.3%	-2.3pt

Overseas

(Millions of JPY)	YTD Actual	YOY		Q1	YOY	Q2	YOY
	YTD (6-Month)			by Quarter (3-Month)			
Billings	107,940	+6,626	+6.5%	47,862	+1.5%	60,077	+10.9%
Gross Profit	52,608	+1,750	+3.4%	24,526	-3.1%	28,081	+9.9%
Gross Margin	48.7%	-1.5pt		51.2%	-2.4pt	46.7%	-0.4pt
SG&A Expenses	57,040	+3,562	+6.7%	28,281	+2.4%	28,759	+11.2%
Operating Income	-4,432	-1,811	n/a	-3,754	n/a	-677	n/a
Operating Margin	-8.4%	-3.3pt		-15.3%	-6.2pt	-2.4%	-1.2pt
Amortization of Goodwill	5,620	+388	+7.4%	2,796	-5.4%	2,824	+24.1%
Operating Income before Amortization of Goodwill	1,188	-1,422	-54.5%	-957	-249.4%	2,146	+8.9%
Operating Margin before Amortization of Goodwill	2.3%	-2.9pt		-3.9%	-6.4pt	7.6%	-0.1pt

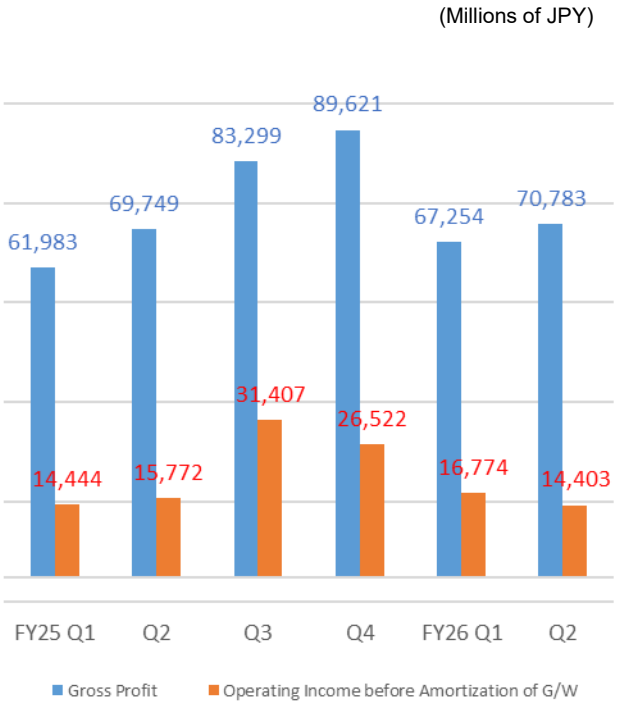
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Results by Region (Japan)

H1 FY2026

(Millions of JPY)	Actual	YOY	
Billings	633,966	+35,885	+6.0%
Gross Profit	138,038	+6,305	+4.8%
Gross Margin	21.8%	-0.3pt	
SG&A Expenses	107,919	+5,418	+5.3%
Operating Income	30,119	+886	+3.0%
Operating Margin	21.8%	-0.4pt	
Amortization of Goodwill	1,058	+74	+7.5%
Operating Income before Amortization of G/W	31,178	+961	+3.2%
Operating Margin before Amortization of G/W	22.6%	-0.4pt	

Gross profit & operating income before amortization of goodwill by quarter



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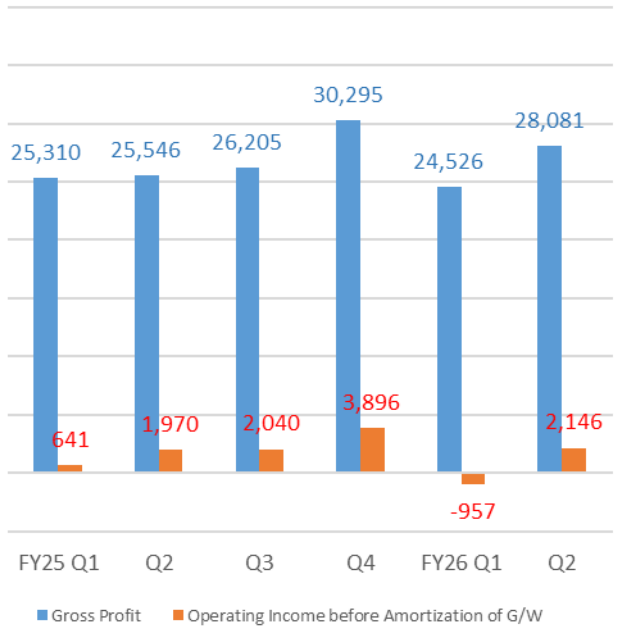
Results by Region (Overseas)

H1 FY2026

(Millions of JPY)	Actual	YOY	
Billings	107,940	+6,626	+6.5%
Gross Profit	52,608	+1,750	+3.4%
Gross Margin	48.7%	-1.5pt	
SG&A Expenses	57,040	+3,562	+6.7%
Operating Income	-4,432	-1,811	n/a
Operating Margin	-8.4%	-3.3pt	
Amortization of Goodwill	5,620	+388	+7.4%
Operating Income before Amortization of G/W	1,188	-1,422	-54.5%
Operating Margin before Amortization of G/W	2.3%	-2.9pt	

Gross profit & operating income before amortization of goodwill by quarter

(Millions of JPY)



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Japan: Billings by Type of Service

H1 FY2026

(Millions of JPY)	Actual	YOY		Composition
Newspaper	8,811	-1,913	-17.8%	1.4%
Magazine	2,515	+52	+2.1%	0.4%
Radio	3,773	-105	-2.7%	0.6%
Television	164,457	+4,123	+2.6%	26.7%
Traditional Media Service Subtotal	179,556	+2,156	+1.2%	29.2%
Internet Media	203,025	+30,750	+17.8%	33.0%
Outdoor Media	17,569	-750	-4.1%	2.9%
Media Service Subtotal	400,151	+32,155	+8.7%	65.0%
Creative	76,120	+4,085	+5.7%	12.4%
Marketing/Promotion	121,856	-1,464	-1.2%	19.8%
Other (Content, etc.)	17,273	-930	-5.1%	2.8%
Non-Media Service Subtotal	215,250	+1,690	+0.8%	35.0%
Total	615,401	+33,845	+5.8%	100.0%
Internet Advertising Domain Billings	238,522	+34,525	+16.9%	38.8%

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Billings by Type of Service (YTD, by Quarter)

H1 FY2026

(Millions of JPY)	YTD (6-Month) YTD Actual	YOY		by Quarter (3-Month) Q1	YOY	Q2	YOY
Newspaper	8,811	-1,913	-17.8%	4,238	-17.1%	4,573	-18.5%
Magazine	2,515	+52	+2.1%	1,277	+13.9%	1,237	-7.8%
Radio	3,773	-105	-2.7%	1,774	-7.0%	1,999	+1.4%
Television	164,457	+4,123	+2.6%	85,881	+7.3%	78,576	-2.2%
Traditional Media Service Subtotal	179,556	+2,156	+1.2%	93,171	+5.7%	86,385	-3.2%
Internet Media	203,025	+30,750	+17.8%	106,226	+17.0%	96,798	+18.8%
Outdoor Media	17,569	-750	-4.1%	8,943	-0.2%	8,625	-7.8%
Media Service Subtotal	400,151	+32,155	+8.7%	208,341	+10.9%	191,809	+6.5%
Creative	76,120	+4,085	+5.7%	36,235	+4.8%	39,885	+6.5%
Marketing/Promotion	121,856	-1,464	-1.2%	58,329	+2.1%	63,526	-4.1%
Other (Content, etc.)	17,273	-930	-5.1%	6,474	-12.7%	10,799	+0.1%
Non-Media Service Subtotal	215,250	+1,690	+0.8%	101,039	+2.0%	114,211	-0.2%
Total	615,401	+33,845	+5.8%	309,380	+7.8%	306,021	+3.9%
Internet Advertising Domain Billings	238,522	+34,525	+16.9%	122,635	+16.4%	115,887	+17.5%

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Japan: Billings by Client Industry

H1 FY2026

(Millions of JPY)	Actual	YOY		Composition
Information/Communications	77,831	+11,575	+17.5%	13.6%
Restaurants/Services	67,347	+11,118	+19.8%	11.8%
Beverages/Cigarettes/Luxury foods	51,689	-4,290	-7.7%	9.0%
Finance/Insurance	50,186	+8,891	+21.5%	8.8%
Automobiles/Related products	42,335	+78	+0.2%	7.4%
Cosmetics/Toiletries	39,862	+6,468	+19.4%	7.0%
Foodstuffs	37,911	-659	-1.7%	6.6%
Pharmaceuticals/Medical supplies	31,195	+3,727	+13.6%	5.5%
Distribution/Retailing	27,609	+5,091	+22.6%	4.8%
Transportation/Leisure	26,131	-2,686	-9.3%	4.6%
Real estate/Housing facilities	24,686	+681	+2.8%	4.3%
Apparel/Accessories	12,055	-916	-7.1%	2.1%
Energy/Materials/Machinery	12,018	+315	+2.7%	2.1%
Games/Sporting goods/Hobby supplies	11,861	+1,069	+9.9%	2.1%
Household products	10,503	+413	+4.1%	1.8%
Government/Organizations	8,505	-3,930	-31.6%	1.5%
Medical services/Education/Religion	8,503	+76	+0.9%	1.5%
Home electric appliances/AV equipment	7,322	-1,253	-14.6%	1.3%
Publishing	5,659	-1,037	-15.5%	1.0%
Precision machinery/Office supplies	5,381	-4,102	-43.3%	0.9%
Classified advertising/Other	13,508	+6,354	+88.8%	2.4%
Total	572,105	+36,986	+6.9%	100.0%

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Japan: Billings by Client Industry

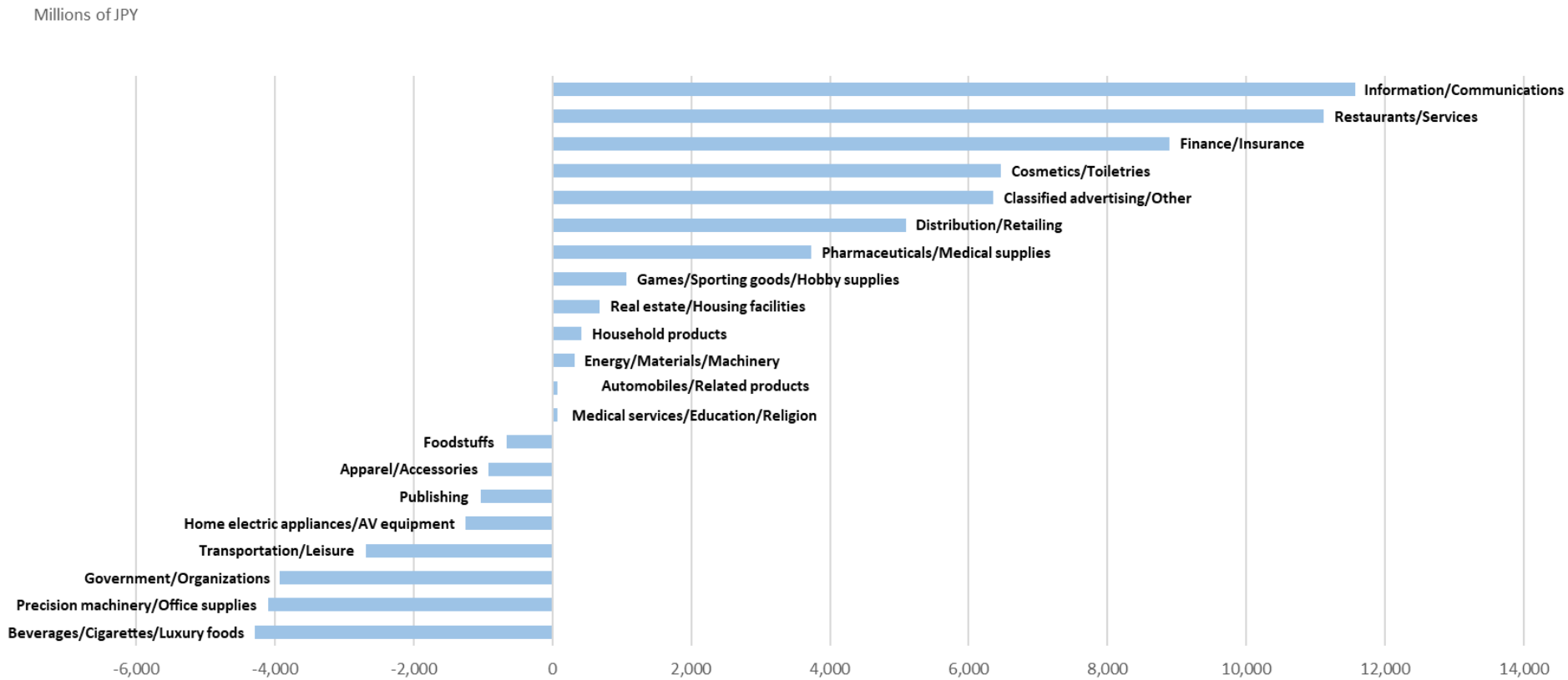
- **Positive Industries**

Information/Communications	H1 FY2026 Actual	¥ 77.8B	YoY +¥ 11.6B (+17.5%)
Restaurants/Services		¥ 67.3B	YoY +¥ 11.1B (+19.8%)

- **Negative Industries**

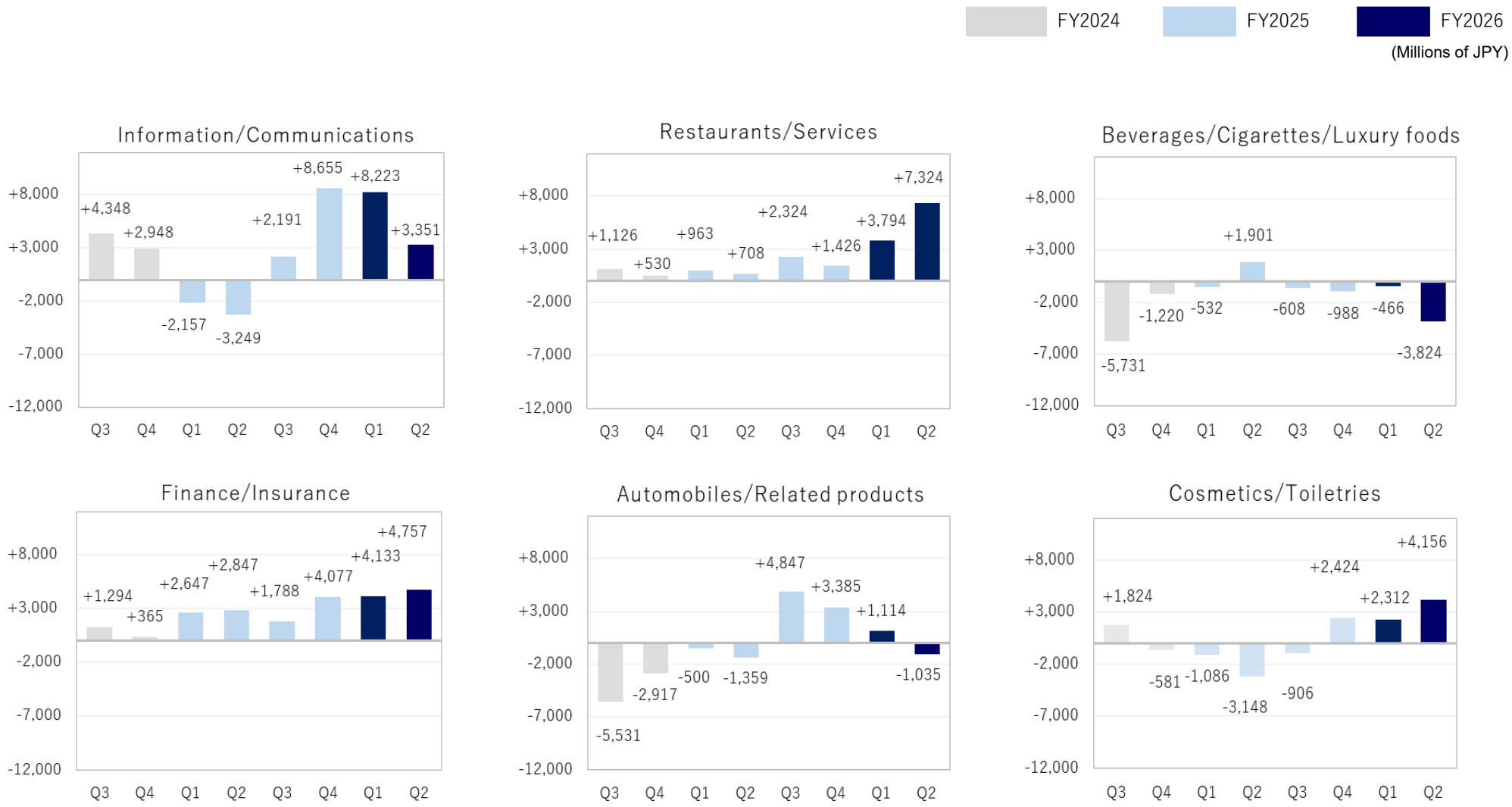
Beverages/Cigarettes/Luxury foods	H1 FY2026 Actual	¥ 51.7B	YoY -¥ 4.3B (-7.7%)
Precision machinery/Office supplies		¥ 5.4B	YoY -¥ 4.1B (-43.3%)

H1 FY2026 *YoY Change



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Japan: Billings by Client Industry (by Quarter) 1



Refer to the Notes on p. 44 for the change in the companies included in the calculation of billings by client industry.
YoY figures for FY2024 are based on data prior to changes in the companies included in the calculation.

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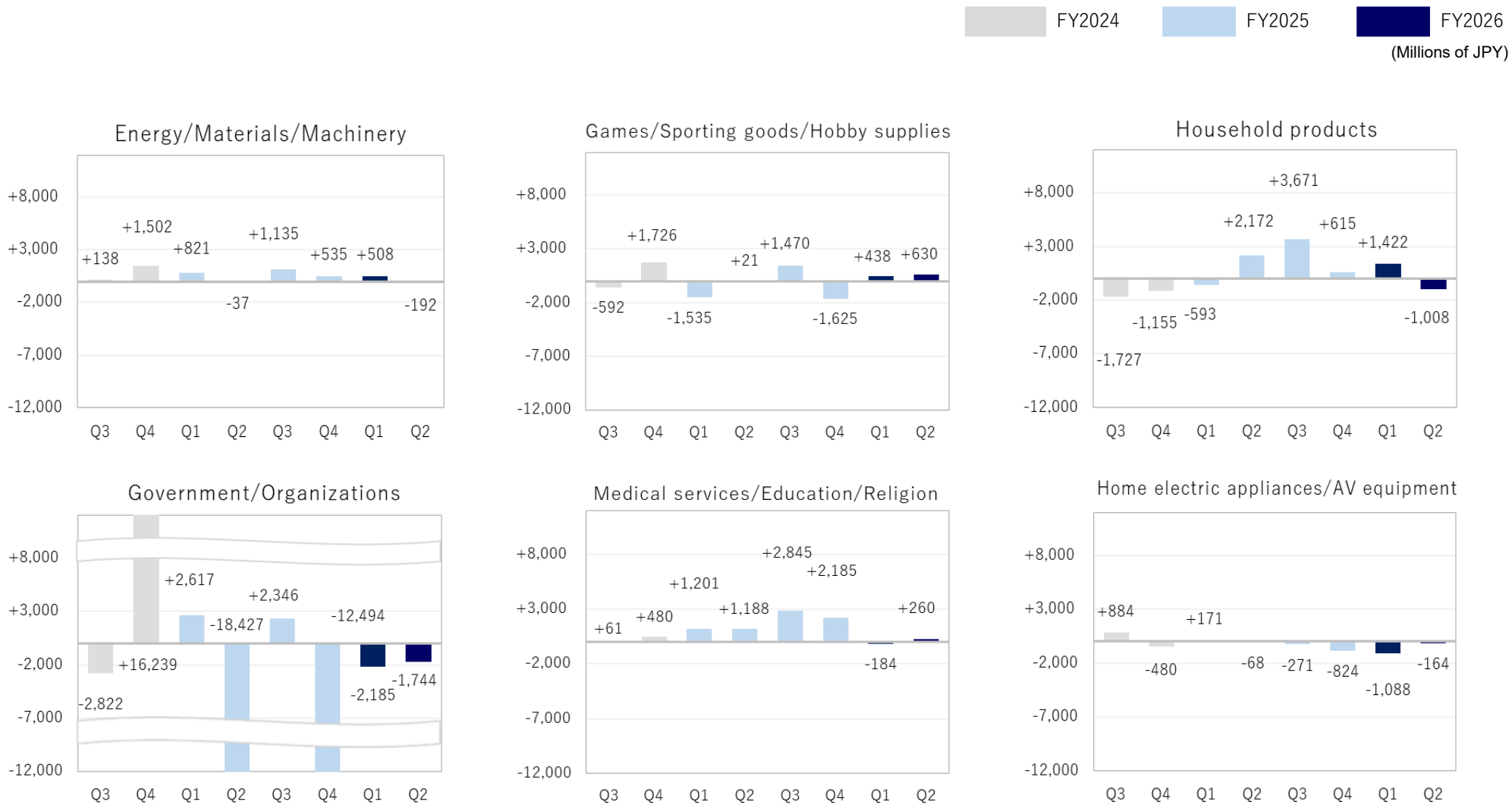
Japan: Billings by Client Industry (by Quarter) 2



Refer to the Notes on p. 44 for the change in the companies included in the calculation of billings by client industry.
YoY figures for FY2024 are based on data prior to changes in the companies included in the calculation.

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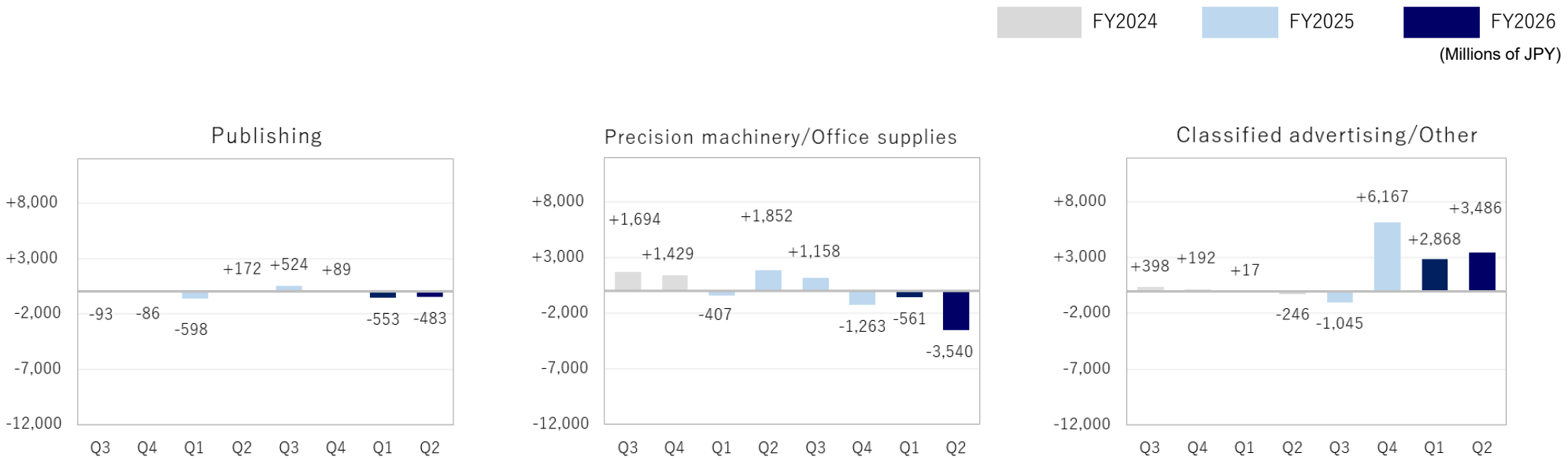
Japan: Billings by Client Industry (by Quarter) 3



Refer to the Notes on p. 44 for the change in the companies included in the calculation of billings by client industry.
YoY figures for FY2024 are based on data prior to changes in the companies included in the calculation.

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Japan: Billings by Client Industry (by Quarter) 4



Refer to the Notes on p. 44 for the change in the companies included in the calculation of billings by client industry.
YoY figures for FY2024 are based on data prior to changes in the companies included in the calculation.

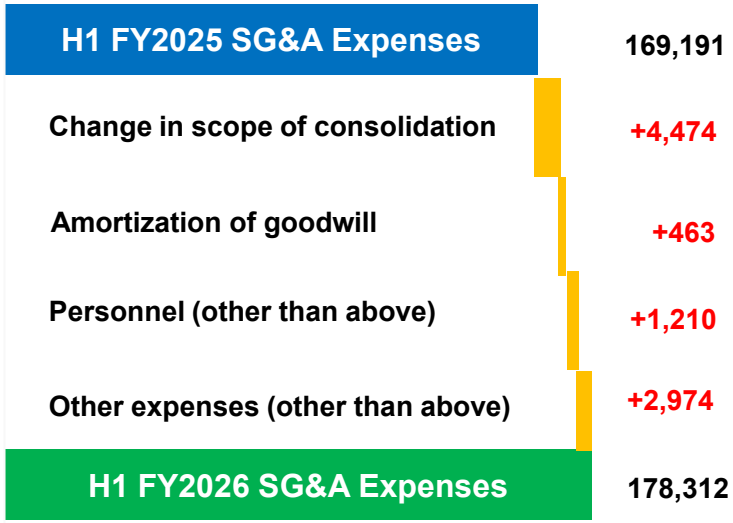
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Selling, General & Administrative Expenses

H1 FY2026

(Millions of JPY)	Actual	YOY	
Personnel	118,114	+4,075	+3.6%
Rent	9,982	+433	+4.5%
Depreciations	6,531	+715	+12.3%
Amortization of Goodwill	6,679	+463	+7.5%
Other	37,005	+3,433	+10.2%
Other	60,198	+5,046	+9.1%
Total SG&A Expenses	178,312	+9,122	+5.4%

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



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Other Income/Loss & Extraordinary Items

H1 FY2026

Other Income/Loss

(Millions of JPY)	Actual	YOY
Non-operating Income	2,725	+260
Interest Income	386	+44
Dividend Income	1,543	+196
Non-operating Expenses	3,426	+915
Interest Expenses	822	+160
Foreign Exchange Loss	657	+581
Equity Method Loss	242	-534
Investment Partnership Loss	1,361	+932

Extraordinary Items

(Millions of JPY)	Actual	YOY
Extraordinary Income	496	+166
Gain on Sale of Non-current Assets	51	
Gain on Sale of Investment Securities	29	
Gain on Change in Equity	53	
Extraordinary Losses	1,506	-2,461
Special Retirement Expenses	468	
Loss from Disposal of Fixed Assets	151	
Loss on Valuation of Investment Securities	462	
Loss on Sale of Investment Securities	115	

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Balance Sheet

(Millions of JPY)	As of September 30, 2026	Change *	Composition
Current Assets	584,852	-158,107	63.2%
Cash & Deposits	141,020	-97,940	
Notes and Accounts Receivable	338,409	-86,401	
Non-current Assets	341,259	+3,087	36.8%
Tangible Assets	55,276	+2,408	
Intangible Assets	86,630	-5,359	
Goodwill	46,197	-3,608	
Investments & Other Assets	199,352	+6,038	
Investment Securities	131,267	+10,082	
Shares of Subsidiaries and Associates	17,745	-866	
Total Assets	926,112	-155,019	100.0%
Current Liabilities	369,604	-166,202	39.9%
Notes and Accounts Payable	216,258	-54,561	
Short-term Borrowings	6,294	-875	
Current Portion of Long-term Borrowings	22,814	-171	
Non-current Liabilities	148,682	+5,874	16.1%
Long-term Borrowings	65,270	-52	
Total Liabilities	518,287	-160,327	56.0%
Shareholders' Equity	321,968	-5,068	34.8%
Share Capital	10,790	-	
Retained Earnings	315,746	-5,363	
Treasury Shares	-4,588	+275	
Accumulated Other Comprehensive Income	71,881	+9,789	7.8%
Share Acquisiton Rights	2	-	0.0%
Non-controlling Interests	13,971	+586	1.5%
Total Net Assets	407,824	+5,307	44.0%

* Change from the balance as of March 31, 2026

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Cash Flow Statement

H1 FY2026

(Millions of JPY)	Actual	YOY
Cash Flows from Operating Activities	**-66,818**	**-13,467**
Cash Flows from Investing Activities	**-8,338**	**+10,495**
Purchase of Property, Plant and Equipment	-2,243	-712
Purchase of Intangible Assets	-3,849	+5
Purchase of Investment Securities	-1,301	+1,199
Proceeds from Sales of Investment Securities	903	+343
Purchase of Subsidiary Shares and Capital	-2,062	-1,095
Payments for Purchase of Subsidiary Shares Resulting in Change in Scope of Consolidation	-391	-206
Cash Flows from Financing Activities	**-23,249**	**-12,901**
Net Increase (Decrease) in Short-term Borrowings	-878	-1,104
Net Increase (Decrease) in Long-term Borrowings & Bonds	-298	-8
Purchase of Treasury Shares	0	+2,252
Dividends Paid	-5,739	+137
Dividends Paid to Non-controlling Interests	-315	+97
Payments for Purchase of Subsidiary Shares Not Resulting in Change in Scope of Consolidation	-15,144	-13,962
Cash and Cash Equivalents at Beginning of Period	**233,077**	**+25,557**
Cash and Cash Equivalents at End of Period	**135,639**	**+14,489**

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Medium-Term Business Plan (FY2024–FY2026)

Medium-Term Strategy

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

Measures to Transform the Business Structure

Enhance Profitability and Create Growth Options

1. Restructuring of Marketing Business
   Upscaling of the growth domain of digital and commerce, and optimizing costs, including in existing business domains
2. Creation of New Growth Options
   Consulting, technology, content and incubation
3. Remodeling of Global Business
   Ensuring profitability through cost control while aiming for growth

MTBP Targets: Key Indicators (FY2026)

CAGR of Operating Income after Adjustments1) and before Amortization of Goodwill	At least +10%
CAGR of Gross Profit after Adjustments1)	At least +5%
Operating Margin after Adjustments[1)] and Before Amortization of Goodwill	At least 13% (TBC at full-year results)
ROE before Amortization of Goodwill	At least 10% (TBC at full-year results)

1) Excluding gain on disposal of Mercari shares

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Group Companies Win at Meta Agency First Awards 2026 Japan

In the growing social advertising domain,

won four awards, including the Top Award

Agency Award

opt

Agency of the Year (Top Award)

Creative of the Year

Hakuhodo

Hakuhodo DY ONE

Brand Impact Award GOLD

SOLDOUT

Creator Solutions Award GOLD

Hakuhodo DY ONE

AI Innovation Award GOLD

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

Cautionary Statements Concerning Forward-looking Statements

This presentation includes forward-looking statements concerning forecasts of operating results, business plans and policies, management strategies, goals, plans, future figures and values, views and evaluations of facts, and other items associated with Hakuhodo DY Holdings and the Hakuhodo DY Group. These and other statements that are not historical facts represent forecasts, expectations, assumptions, plans, views, evaluations and other positions of management based on information available when this presentation was prepared. To prepare figures used for forecasts and predictions, confirmed facts from past activities have been combined with certain assumptions that are essential to formulating forecasts and predictions. Due to the nature of these facts and assumptions, there is no guarantee of their accuracy from an objective viewpoint or any guarantee that future events will occur as presented in these forward-looking statements.

The following is a list of some, but not all, risks and uncertainties that may prevent these facts and assumptions from being accurate from an objective viewpoint or from becoming a reality in the future.

(1) Risks associated with the advertising industry in general (changes in the advertising industry climate due to fluctuations in the economy, changes in business practices and other events)
(2) Risks associated with revisions of laws and regulations
(3) Risks associated with advertisers and media companies (the need to respond accurately to shifts in needs of entities the Company does business with)
(4) Risks associated with competition (competition with other advertising companies, companies newly entering the industry and others)
(5) Risks associated with the expansion of business domains resulting from structural changes in markets
(6) Risks associated with conducting business globally
(7) Risks associated with lawsuits and similar actions
(8) Risks associated with climate, pandemics, and conflicts, etc.

Change in Accounting Standards

Effective from Q1 FY2021, the Company has applied “Accounting Standard for Revenue Recognition” (ASBJ Statement No. 29, March 31, 2020). These materials have been prepared based on figures after retrospective application of the revenue recognition standard.
In addition, due to the application of this Standard, “billings” is no longer included in consolidated financial statements, etc. However, following our disclosure in FY2025, we continue to include it in this document, as we believe it is useful for understanding the performance of the Group.

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

Effective from FY2025, we have revised the companies included in the calculation in order to accurately reflect the actual situation.

Note Concerning Auditing

This presentation information was not audited by an independent auditor.

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