

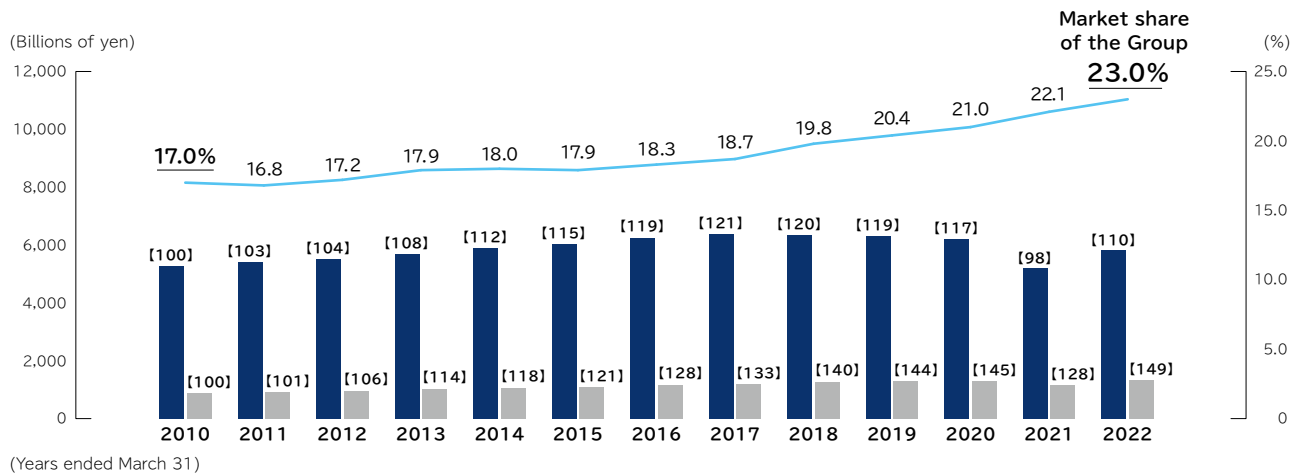
Domestic Advertising Market and Hakuodo DY Group's Domestic Billings

The domestic advertising market leveled off after bottoming out in fiscal 2009 due to the effects of the 2008 global financial crisis. Meanwhile, in fiscal 2020 the market suffered a substantial setback as a result of the COVID-19 pandemic. The market, however, is believed to have made a dramatic resurgence in fiscal 2021 due to a rebound from lackluster results in the previous year and other factors. In particular, internet media, our only media service that improved its results in fiscal 2020 over its results for the previous year, continued on an upward trend in fiscal 2021, outperforming the previous year by over 20%. This improvement reflects the rapid acceleration of our change in structure, such as the digitalization of our marketing activities.

In light of this market landscape, the Group has been engaging in marketing activities that hinge on the use of *sei-katsu-sha* data and technology ahead of its industry peers. In addition, we actively proposed our Advertising as a Service (AaaS) concept, a next-generation model for the advertising media business, and took measures to increase the added value of media such as through the integration of television and digital technologies. We are also enhancing the services we offer through our full-funnel approach by expanding our capabilities beyond advertising to the provision of support for the implementation of marketing activities.

As a result, our domestic billings for fiscal 2021 were 1.49 times those of fiscal 2009, and our estimated market share expanded steadily from 17.0% in fiscal 2009 to 23.0% in fiscal 2021.

The Group's Domestic Billings Relative to the Domestic Advertising Market



Notes: 1. Data for the domestic advertising market is taken from the Survey of Selected Service Industries (Ministry of Economy, Trade and Industry). For certain discontinuities in the numerical results published in the survey arising from changes in the survey pool, adjusted numerical results based on growth rate data are used.
 2. To quantify the annual change in the size of the domestic advertising market and our domestic billings over time, each year's figure was calculated as an index value (of 100) benchmarked to fiscal 2009.
 3. The Group's market share has been calculated using the following formula: HDY's billings (domestic) ÷ domestic advertising market. HDY's billings for the fiscal year ended March 31, 2019 and thereafter exclude the impact of investment projects.

(Left) ■ Domestic advertising market ■ HDY: Billings (domestic) (Right) — Market share
 Figures enclosed in brackets were calculated as an index value (of 100) benchmarked to fiscal 2009.