

Domestic Advertising Market and Hakuodo DY Group's Domestic Billings

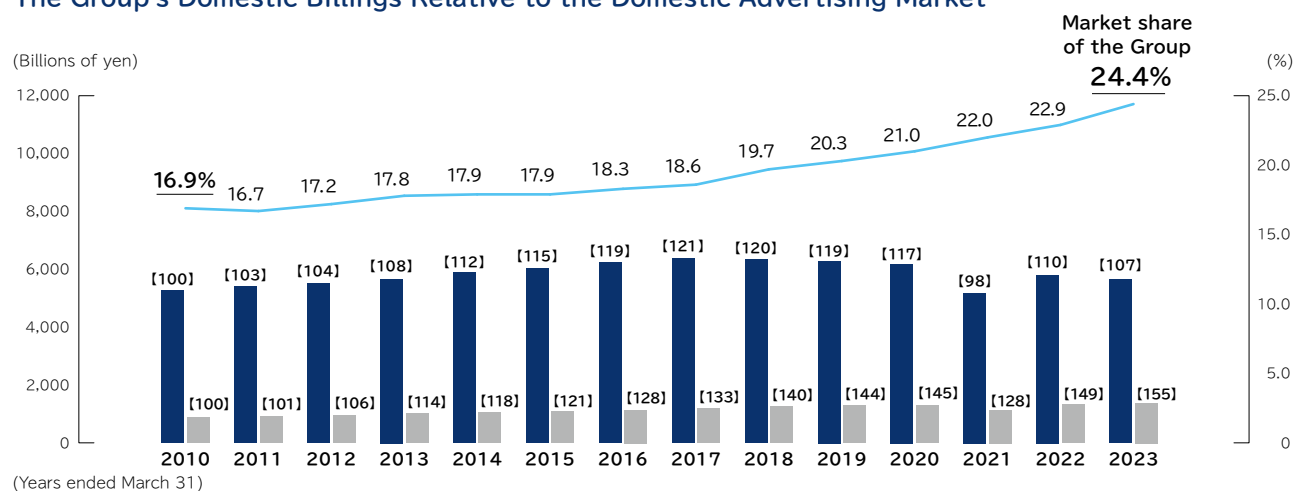
After bottoming out in fiscal 2009, the Japanese advertising market rebounded following the effects of the 2008–2009 global financial crisis, then flattened out. After significant negative growth in fiscal 2020 during the COVID-19 pandemic, the market has been recovering. Meanwhile, the market's structure continues to change, with corporate marketing activities shifting to digital methods. Internet advertising remains strong, although its rate of growth has slowed.

In light of this 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

have actively proposed our Advertising as a Service (AaaS), a next-generation model for the advertising media business, and taken 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 support for the implementation of marketing activities.

As a result, our domestic billings in fiscal 2022 were 1.55 times those of fiscal 2009, and our estimated market share expanded steadily from 16.9% in fiscal 2009 to 24.4% in fiscal 2022.

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 business.

(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.