

Advances in the Digital Marketing Domain



Aiming to become the undisputed No. 1 in the digital marketing domain, we are steadily advancing value creation through our integrated marketing support capabilities and ability to drive innovation.

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First-Year Achievements and Progress Since the Establishment of Hakuhodo DY ONE

Since the April 2024 integration of D.A.Consortium Inc. (DAC) and IREP Co., Ltd. (IREP), we have been working together with the vision of becoming the undisputed No. 1 in digital marketing. By fully combining the strengths of DAC and IREP, we have achieved results that exceed expectations. We enjoyed solid business performance in fiscal 2024. Collaboration within the Hakuhodo DY Group drove significant growth in the mass marketing domain, and ongoing projects have advanced steadily. We made strong progress in areas such as planning and creative proposals leveraging generative AI, the development of the new Attention-to-Action* methodology, and themed marketing business such as the Reiwa Senior Research Institute. Our on-site (resident) support model expanded steadily, while in the global domain we made solid advances in cross-border business and strengthening digital transformation capabilities.

We view these results as proof that our integrated digital marketing support capabilities and ability to drive innovation are being recognized and trusted by clients.

Hakuhodo DY ONE's Competitive Edge in the Digital Marketing Market

Building on the results achieved through our integration, we aim to establish an unshakable advantage in Japan's increasingly competitive digital marketing domain. To that end, we will further refine our problem-solving frontline structure, creative proposals that combine *sei-katsu-sha* insight and AI, and support that goes beyond advertising.

We are also driving four key strategies to further strengthen medium-term competitiveness. First, we are unifying strategy, functions, and talent across Group companies in the digital marketing domain to expand accounts through a dual approach of direct sales and Group-mediated sales. Second, we are rebuilding new models and tools that combine our strengths in advertising

operations and creativity to balance specialization and productivity. As part of this effort, we are actively launching high-demand services such as total support for utilizing TikTok Shop and AI optimization (AIO) support services, enhancing our presence with an integrated production-and-sales structure. Third, we are expanding client support across the entire digital marketing spectrum, from data infrastructure to owned media, e-commerce, and customer relationship marketing (CRM), while pursuing new revenue opportunities. Fourth, we are strengthening Groupwide proposal activities and our on-site support model to contribute more deeply to the business growth of clients.

Contributing to Advancing the Sophistication and Efficiency of Business Through AI and Technology

As AI technology continues to evolve rapidly, the marketing domain is also being called upon to create new value. At Hakuhodo DY ONE, we leverage cutting-edge AI and technology to achieve both business sophistication and efficiency.

Launched in August 2025, ONE-AIGENT represents our vision for the AI era. This solution integrates multiple specialized AI agents that collaborate to comprehensively support the entire marketing process. ONE-AIGENT consists of three services: an AI agent-based programmatic advertising service, an AI-driven advertising creative planning and production service, and an AI agent development support service. These offerings were developed as part of the Hakuhodo DY Group's HCAI Initiative. Through its multi-agent system—where multiple AI agents work in concert—ONE-AIGENT accelerates the sophistication and efficiency of marketing activities and supports the business growth of clients.

* "Attention to Action: Emotional Trigger Creative" is a creative planning method independently developed by Hakuhodo DY ONE as a new framework for creative expression in performance advertising. It uses insights and strong attention triggers to inspire consumer action.

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Within the company, we are also accelerating the use of AI agents. By embedding AI throughout our operations, we have achieved significant improvements in quality, cost, and delivery. As AI takes on routine tasks, employees can focus on higher-value-added work, directly contributing to the sophistication of our business.

Investment in AI and technology is a core source of our competitive advantage and a driving force behind our clients' business growth. We see the evolution of AI as an opportunity for transformation and growth and will

continue to merge the strengths of AI and people to create new value.

Organizational Restructuring and Creating Group Synergies

We view the establishment of Hakuhodo DY ONE as a major turning point for the Hakuhodo DY Group. As the core of the Group's digital marketing strategy, we are pushing forward bold reforms in both organizational strategy and structure. Starting in fiscal 2025, we have integrated our business domains and transitioned to a new leadership structure with Chairman Tanaka and I overseeing the company. We reorganized into five domains—business design, advertising services, marketing solutions, global, and innovation—to break down the barriers between the former DAC and IREP organizations, driving greater efficiency and synergy creation.

We are also augmenting collaboration across the Hakuhodo DY Group. By combining the Group's brand strength with our expertise in operations and technology, we have introduced integrated support frameworks and centralized account management functions based on shared KPIs, steadily advancing our cooperative structure.

Talent Strategy and Organizational Culture

Our greatest strength is our people. Talented individuals with diverse backgrounds and values come together as one team, sparking new possibilities. By respecting each other's expertise, exchanging ideas, and co-creating, we shape new standards beyond the traditional boundaries of advertising companies and deliver creative business value. Each employee approaches client challenges with

sincerity, combining a business design mindset with deep expertise and technology.

We are strengthening talent development and utilization to become the undisputed No. 1 in digital marketing. As AI adoption accelerates, we provide practical opportunities to learn cutting-edge technology through the use of leading agentic AI developer Dify and our in-house Data Juku. Through this, we aim to support employee reskilling and skill acquisition. We are also advancing HAKUNEO ONE, our internal generative AI platform, creating an environment where employees can apply what they have learned directly in their work.

Growth Strategy and Outlook

We will continue to pursue transformation and challenge to achieve a growth rate in Japan's digital marketing domain that outpaces the market. By fully leveraging the collective strengths of the Hakuhodo DY Group and integrating technology with creativity, we will propel clients' business growth while generating new value.

Looking ahead, we aim to accelerate the expansion of our business domains by enhancing marketing support driven by AI and data utilization, developing new services grounded in *sei-katsu-sha* perspectives, and actively expanding into global markets. Through these efforts, and by using the power of digital to solve the diverse challenges of our clients, we will also contribute to the realization of a sustainable society.