

# Investor's Guide 2019



／tv asahi holdings corporation

## To Our Shareholders



**Hiroshi Hayakawa**  
Chairman & CEO

早河洋

I would like to take this opportunity to extend my sincere gratitude to our shareholders for your continued support of the TV Asahi Group (TV Asahi Holdings Corporation and its consolidated subsidiaries). Our business report for the 79th term is as follows.

The fiscal year under review was the second year of the TV Asahi 360° 2017–2020 management plan. During the fiscal year, we once again deployed content through every available medium and channel, including the airwaves, the Internet, and real entertainment, and sought to maximize points of contact with customers with the aim of evolving into “a TV station for a new era” capable of responding to a dramatically changing media environment.

Annual average viewer ratings in the all-day time slot (6 a.m.–midnight), golden time slot (7 p.m.–10 p.m.), and prime time slot (7 p.m.–11 p.m.) increased year on year, and TV Asahi ranked second among commercial broadcasters in each of these time slots. TV Asahi captured the top average weekly rating on an all-day basis 22 out of 52 weeks, the most since TV Asahi was established.

We concentrated efforts on expanding points of contact with customers in our Internet-related businesses. AbemaTV, an Internet TV station that we operate jointly with CyberAgent, Inc., enjoys strong popularity, with the cumulative number of application downloads reaching 39 million during the fiscal year under review and more than 40 million by the end of April. We are collaborating with KDDI Corporation on Video Pass, a subscription video-on-demand service that KDDI operates, and are deepening the collaborative relationship by distributing original spin-off content of TV Asahi dramas on Video Pass. TV Asahi Catch-up, a free-of-charge ad-supported TV streaming service, has shown steady growth in the number of users and advertising revenue.

In the area of real entertainment, *TV Asahi-Roppongi Hills Summer Festival SUMMER STATION* was a great success in its fifth year and has become established as a regular summer event.

Strong content is the most important factor in making this kind of 360° business expansion possible. Our drama programs, including *Aibou (PARTNERS)*, *Keishichou Sosa Ikkacho*, *Kasoken no Onna (Woman of the Crime Lab)*, *Legal V – Ex-Lawyer Shoko Takanashi*, *Tokuso 9*, and *Mikaiketsu no Onna*, proved popular among many viewers. News and information programs such as *Good! Morning*, *Shinichi Hatori’s MORNING SHOW*, *Wide! Scramble*, *Super J Channel*, and *Hodo Station* contributed to raising the baseline level of terrestrial all-day viewer ratings. Maintaining powerful content, including variety and sports programs, is key to our sustained growth and development.

During the fiscal year under review, excellent content that will serve as a model of success was created. Although the terrestrial broadcast viewer ratings of *Ossan’s Love*, a spring programming season Saturday night drama, did not quite meet expectations, it sparked a huge sensation on social media and generated record income from video streaming, DVDs, books, and events. A movie version is scheduled for release this summer, and a decision has been made to produce a second season for terrestrial broadcasting. In the 80th term, we will continue to focus on creating this kind of content with explosive potential.

Despite cost control initiatives, revenue and income for the fiscal year under review decreased due to the impact of the weakened television advertising market. Although at present the advertising market is showing no signs of strength, we will, in the 80th term, continue to strive to improve our business performance as much as possible by pursuing growth through strengthening of our content-creation capabilities and implementing appropriate cost control, in order to meet the expectations of our shareholders.

We ask for your continued support and encouragement.

# TV Asahi Group Philosophy

## Company Creed

**Be Fair, Be Bold and Be Glowing at Heart**

## TV Asahi Group Philosophy



## Corporate Mission

TV Asahi Group will contribute to the realization of a society that can hold on to its dreams and hopes by offering information and content that are not only more attractive but also sought by the society through its broadcast and other businesses

## Five Declarations

TV Asahi Group pledges to evolve and grow with its customers, and will work together closely to fulfill those promises.

### With customers including viewers

Contribute to the realization of safe and fulfilling life by offering various content including prompt and accurate news reports and high quality entertainment while striving to strengthen the relationship of trust with customers including viewers

### With advertisers

Contribute to the maintenance and promotion of free competition and sound development of the company by appropriately capturing the needs of the customers including viewers as well as the advertisers and by raising the value as an advertising medium

### With partners

Strive for coexistence and mutual prosperity by working together with the staff and other involved parties of all cooperating companies including affiliated broadcasting stations

### With the society

Contribute to the development of the local community and society by fully recognizing the social mission, complying with the laws and ordinances, and carrying out business activities based on social norms and common sense

### With shareholders

Build good and long-lasting relationship of trust with shareholders and generate appropriate profits by carrying out business activities that are sound and highly transparent aimed at realizing the company's vision

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### Forward-Looking Statements

This report contains forward-looking statements based on management's assumptions and beliefs in light of the information currently available. These statements are subject to risks and uncertainties that could cause actual results to differ materially from those discussed in this report.

Such risks include, but are not limited to, market trends, economic conditions and changes in industry regulations.

### Note

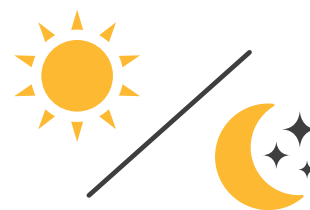
"FY19/3" refers to the fiscal year ended March 31, 2019 and all other fiscal years are referred to in the same manner.

# Strong Viewer Ratings, due in part to the results of timetable reorganization!

FY19/3

Maintained the

**No.2 spot** in all time slots!



FY19/3

Captured the

**top rating**

22 of 52 weeks on an all-day basis!

FY19/3

Captured the

**top weekly average ratings**

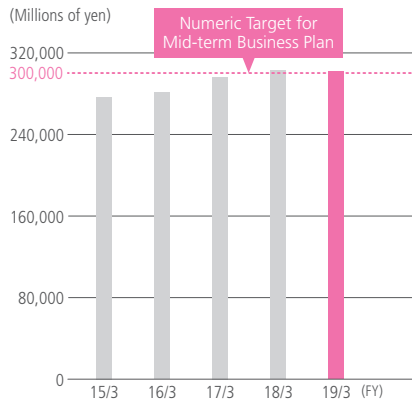
4 weeks on an all-day, golden, and prime time basis!



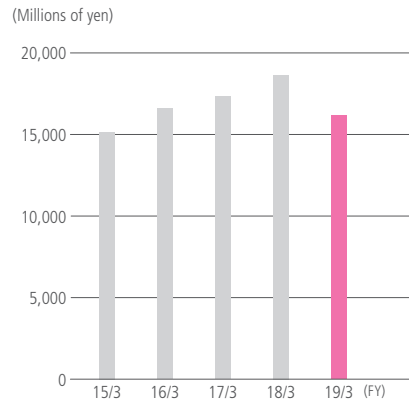
Autumn programming season

Captured the **top rating**  
on an all-day basis!

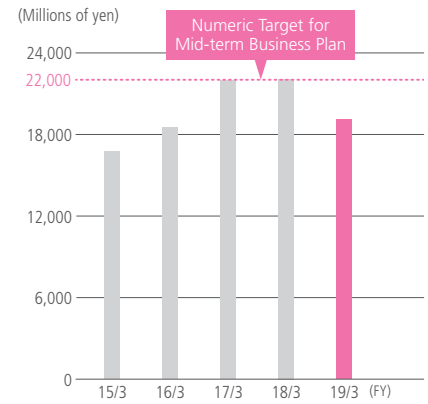
### Net Sales



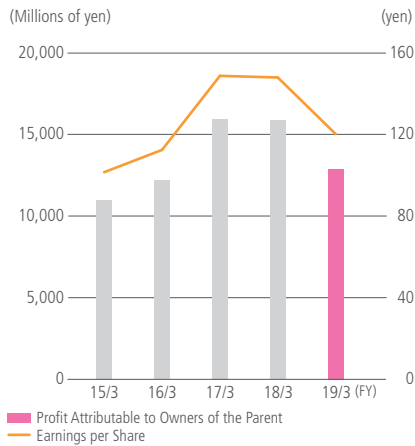
### Operating Income



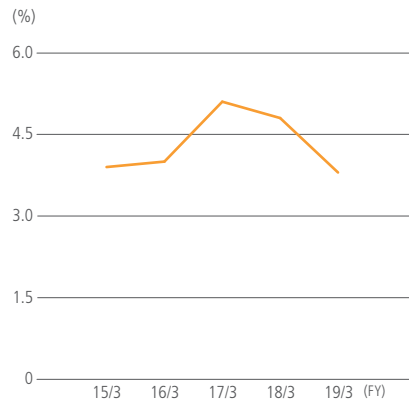
### Ordinary Income



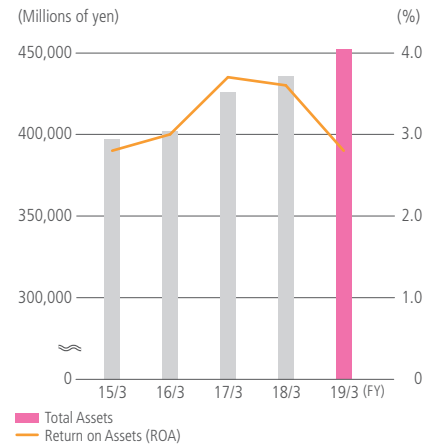
### Profit Attributable to Owners of the Parent and Earnings per Share



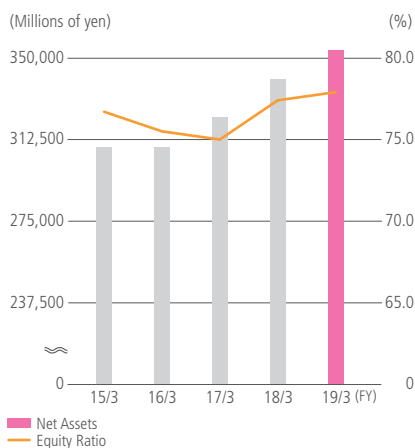
### Return on Equity (ROE)



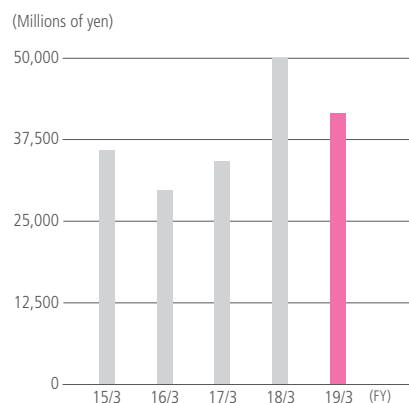
### Total Assets and Return on Assets (ROA)



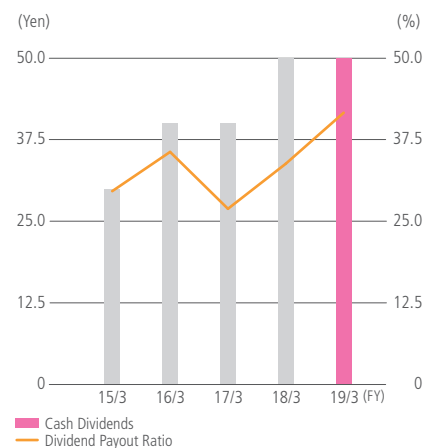
### Net Assets and Equity Ratio



### Cash and Cash Equivalents at End of Period



### Cash Dividends and Dividend Payout Ratio



# Consolidated Financial Highlights

## Five-Year Summary

TV Asahi Holdings Corporation and Consolidated Subsidiaries (As of and for the years ended March 31)

Millions of yen

	2015	2016	2017	2018	2019
<b>Operating Results:</b>					
Net sales	¥ 276,473	¥ 280,779	¥ 295,879	¥ 302,511	¥ 301,744
Operating income	15,138	16,570	17,278	18,634	16,164
Ordinary income	16,712	18,509	21,947	22,053	19,097
Profit attributable to owners of the parent	10,994	12,169	15,949	15,848	12,879
Comprehensive income	28,946	5,747	20,369	22,157	18,445
Capital expenditures	9,266	12,392	15,233	6,813	14,615
Depreciation and amortization	9,690	10,356	9,541	9,752	10,350
<b>Financial Position:</b>					
Total assets	¥ 397,062	¥ 402,251	¥ 426,070	¥ 435,488	¥ 452,000
Total net assets	309,231	308,917	322,793	340,161	353,757
<b>Cash Flows:</b>					
Cash flow from operating activities	¥ 21,296	¥ 13,022	¥ 23,464	¥ 18,149	¥ 20,273
Cash flow from investing activities	(48,755)	(12,329)	(11,635)	4,134	(21,260)
Cash flow from financing activities	(3,795)	(6,719)	(7,441)	(6,506)	(7,430)
Cash and cash equivalents at end of period	35,862	29,835	34,202	49,961	41,533
<b>Per Share Data (yen):</b>					
Earnings per share	¥ 101.47	¥ 112.39	¥ 148.66	¥ 147.85	¥ 120.18
Net assets per share	2,809.57	2,832.02	2,979.63	3,144.71	3,264.51
Cash dividends	30	40	40	50*1	50*2
Dividend payout ratio (%)	29.6	35.6	26.9	33.8	41.6
<b>Key Ratios (%):</b>					
Operating margin	5.5	5.9	5.8	6.2	5.4
Return on equity (ROE)	3.9	4.0	5.1	4.8	3.8
Return on assets (ROA)	2.8	3.0	3.7	3.6	2.8
Equity Ratio	76.7	75.5	75.0	77.4	77.4
<b>Other Data:</b>					
Number of shares issued (Thousands)	108,529	108,529	108,529	108,529	108,529
Number of employees	4,164	4,271	4,616	4,938	5,085

\*1 Year-end dividend for the fiscal year ended March 31, 2018 is 30 yen per share. This includes a special dividend of 10 yen per share.

\*2 Year-end dividend for the fiscal year ended March 31, 2019 is 30 yen per share. This includes a commemorative dividend of 10 yen per share.



## Shifting Toward “a TV Station for a New Era”

### To Continue to Stand Out at All Times

The Company is currently implementing the TV Asahi 360° management plan for the four-year period from FY18/3 to FY21/3. This new plan, underpinned by our reaffirmation that the underlying source of our value is in our “content,” is designed to pave the way for our evolution into “a TV Station for a new era” so that we can continue to stand out at all times.

Specifically, with 360° as our key concept, we will create all kinds of content to meet the needs of our viewers and customers as well as the times. Moreover, in addition to TV, Internet and other conventional content, we will actively produce content taking advantage of state-of-the-arts technology, such as artificial intelligence (AI), virtual reality (VR) and augmented reality (AR).

Based on these initiatives, we will develop this content for all media, including terrestrial and satellite (BS and CS) broadcasting, Internet and Media City, for 360° deployment.

To achieve its targets, the Company intends to cautiously yet boldly cultivate new businesses in which it will strategically invest a maximum of 30.0 billion yen over a four-year period.



#### Television (Terrestrial)

While maintaining our position among the top-ranked broadcasters in viewer ratings, we aim to recapture the highest viewer rating by FY21/3. Furthermore, we will strive to further increase advertising revenue with higher viewer ratings to achieve top-ranking advertising revenue.



#### Satellite (BS and CS)

Programs by Asahi Satellite Broadcasting Limited (BS Asahi) currently have high nationwide viewer ratings. While maintaining and improving these ratings, we will boldly enter new media fields, including 4K broadcasting.



#### Internet

The Company will endeavor to further nurture its Internet platforms, most notably AbemaTV, a joint venture with CyberAgent Inc., and au Video pass, that it established in collaboration with KDDI Corporation. In addition, we will also actively expand our catch-up streaming services, given the steady expansion of that market and its impact on promoting TV viewing.



#### Media City

The Company will further enhance real entertainment, including Summer Festival, and strengthen infrastructure to reinforce the functions of the Content Output Hub, which forms the basis of efforts to promote its management plan.

## Strategic Investment

### Strategic Investment of up to 30.0 Billion Yen (four-year period)

We will allocate 30.0 billion yen over a four-year period starting from FY18/3 for a strategic investment program to promote “TV Asahi 360°.” Most of the funds will be used to boost content production capabilities and for capital alliances and M&As to enhance our content-centered business. Additionally, we assume that we will invest in real estate to strengthen the foundation for implementing our Media City strategy.

## Numeric Target

■ Net Sales **320.0** Billion Yen ■ Ordinary Income **22.0** Billion Yen by Fiscal Year Ending March 31, 2021



## TV BROADCASTING BUSINESS

The Company firmly maintained the No.2 spot, with strong viewer ratings exceeding the prior-year levels in all time slots, and steadily narrowed the gap with the ratings leader.

### Net Sales

**250.5** Billion Yen  
(down 0.9% year on year)

### Operating Income

**11.8** Billion Yen  
(down 24.0% year on year)



For the fiscal year ended March 31, 2019, the TV Broadcasting Business generated net sales of ¥250.581 billion (down 0.9%) while incurring operating expenses of ¥238.768 billion (up 0.7%), resulting in operating income of ¥11.812 billion (down 24.0%).

Despite strong viewer ratings, net sales decreased because of weak advertising revenue. Although the Company took measures including cost control centered on program production costs, operating income decreased.

Average viewer ratings in all day parts for the TV Broadcasting Business for the fiscal year ended March 31, 2019 exceeded those of the previous fiscal year. These were as follows: 7.7% on an all-day basis (6 a.m.–midnight), 10.5% for golden time (7 p.m.–10 p.m.), 10.6% for prime time (7 p.m.–11 p.m.), and 5.5% for prime 2 (11 p.m.–1 a.m.). The Company captured the second highest average viewer ratings in all time slots, maintaining its position among the top broadcasting groups.

During the fiscal year ended March 31, 2019, the Company succeeded in further strengthening all-day viewer ratings, with the annual average ratings for regular morning programs *Good! Morning* and *Shinichi Hatori's MORNING SHOW* and the weekend evening programs *Jinsei no Rakuen*, *Rosen Bus de Yorimichi no Tabi*, and *Aiba's Joy of Learning* reaching new highs. The Company captured the top weekly average rating in 22 out of 52 weeks, the most since TV Asahi was established, and captured the top weekly average ranking for non-prime time (the all-day day parts other than prime time) for the first time.

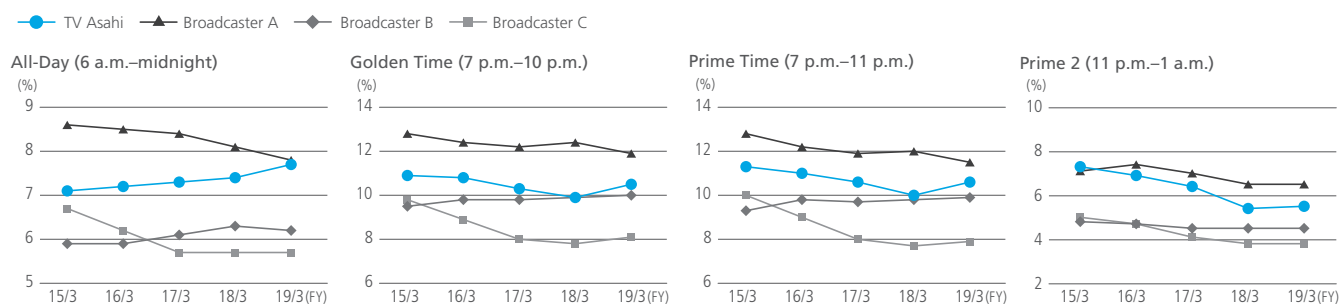


*Good! Morning*



*Shinichi Hatori's Morning Show*

### Viewer Rating for Japan's Top Four Commercial Broadcasters



Source: Video Research Ltd.



The Company succeeded in further strengthening golden time and prime time viewer ratings on Sundays and Mondays, with *Sunday Prime* and *Kaere Monday Mikketai!!*, which began airing with the April programming change, and *Nani Kore Chin Hyakkei*, which began airing with the October programming change, delivering strong results.

Many of our drama series ranked among the top programs of commercial broadcasting companies, including the popular series *Aibou (PARTNERS)* (season average viewer rating of 15.3%; average viewer rating of over 15% for thirteen consecutive seasons), *Keishicho Sosa Ikkacho* (average viewer rating of 12.8%), and *Kasoken no Onna (Woman of the Crime Lab)* (average of 12.5%) as well as the new drama series *Legal V – Ex-lawyer Takanashi Shoko* (average of 15.8%), which captured the top annual viewer rating in 2018 average viewer ratings, *Tokuso 9* (average of 14.0%), and *Mikaiketsu no Onna* (average of 13.0%). Furthermore, the Saturday night drama *Ossan's Love* became a hot topic, winning the Tokyo Drama Awards Grand Prix in the Series Drama Category and a nomination for a Buzzwords Award.

Major live sports broadcasts delivered strong performances. In soccer, *2018 FIFA World Cup™ Russia* captured high viewer ratings, notably *Brazil vs Costa Rica* (18.3%) with the highest all-day/prime time viewer ratings among commercial broadcasting companies, and *AFC Asian Cup 2019*, with a high average viewer rating of 15.6% for seven matches, topped by *Final Match – Japan vs Qatar* (21.4%). In figure skating, *ISU Grand Prix of Figure Skating Finland Men/Ladies Free Skating* (16.2%) and the *ISU Grand Prix of Figure Skating Final Ladies Free Skating* (17.4%) captured high viewer ratings.

In the results for programs aired during the three-day New Year's holiday period, *Partners New Year Special* captured a high viewer rating, and TV Asahi programs maintained the top average viewer ratings for the three-day period in the prime time slot for the eleventh consecutive year and in the golden time slot for the fifth consecutive year.

#### Time Sales

**86.4** Billion Yen (down 1.8% year on year)

In regard to time advertising sales revenue, a movement among advertisers to place importance on flexibility and efficiency in advertising activities has resulted in continuation of a tendency to reduce fixed costs, and advertising sales for regular programs decreased.

On the other hand, revenue from one-off broadcasting events such as *2018 FIFA World Cup™ Russia*, *AFC Asian Cup 2019*, and *AFC Women's Asia Cup 2018 FIFA Women's World Cup Final Asia Qualifiers* increased. As a result of the above, time advertising sales revenue for the fiscal year ended March 31, 2019 totaled ¥86.401 billion (down 1.8% year on year).

#### Spot Sales

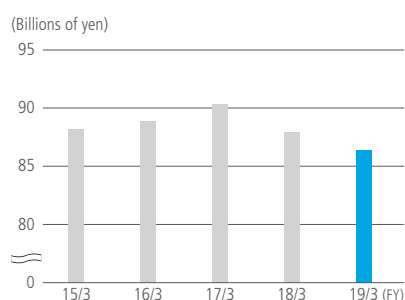
**101.5** Billion Yen (down 3.1% year on year)

Spot advertising sales decreased due to weak market conditions, such as a year-on-year decrease in Tokyo area spot advertising volume. Although revenues increased year on year in 7 out of 21 client industry sectors, including food services and other services; distribution and retail; and education, medical services, and religion; revenues from categories including real estate and housing; automobiles and related products; and finance and insurance failed to grow. Reflecting the above factors, spot advertising sales revenue in the fiscal year under review totaled ¥101.538 billion (down 3.1%).

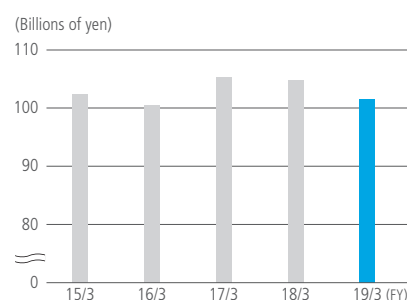
#### Sales of TV Broadcasting Business

	Billions of yen		
	FY18/3	<b>FY19/3</b>	YoY
Time Sales	87.988	<b>86.401</b>	△ 1.8%
Spot Sales	104.768	<b>101.538</b>	△ 3.1%
Program Sales	13.166	<b>12.975</b>	△ 1.4%
BS/CS	26.018	<b>26.844</b>	+ 3.2%
Other	20.824	<b>22.821</b>	+ 9.6%
Total	252.765	<b>250.581</b>	△ 0.9%

#### Time Sales Revenue



#### Spot Sales Revenue





## MUSIC PUBLICATION BUSINESS

Affiliated artists energetically pursued professional activities!

### Net Sales

**9.8** Billion Yen  
(down 10.7% year on year)

### Operating Income

**0.8** Billion Yen  
(up 1.0% year on year)



Artists affiliated with TV ASAHI MUSIC CO., LTD. (a consolidated subsidiary of the Company) continued to energetically pursue professional activities, such as holding nationwide tours and releasing CDs during the fiscal year under review.

As a result of the above, the Music Publication Business generated net sales of ¥9.863 billion (down 10.7% year on year). The decrease reflects factors including the absence of the *Ketsumeishi* nationwide concert tour held in the previous fiscal year. Operating expenses were ¥9.043 billion (down 11.6%), resulting in operating income of ¥0.819 billion (up 1.0%).

The Company will continue to make efforts to expand its business by actively promoting live concerts by its artists, as well as discovering and nurturing new artists.



*KETSUMEISHI,  
Live 2018 in MetLife Dome*



*SHONAN NO KAZE,  
15th Anniversary Nationwide Tour*



## OTHER BUSINESSES

Business results driven by strong performance from video distribution in Internet-related businesses and DVD sales, which benefited from hit titles!

### Net Sales

**54.3** Billion Yen  
(up 6.7% year on year)

### Operating Income

**3.5** Billion Yen  
(up 57.0% year on year)



During the fiscal year under review, the Other Businesses segment recorded net sales of ¥54.344 billion (up 6.7% year on year), while operating expenses rose to ¥50.780 billion (up 4.3%). As a result, operating income was ¥3.564 billion (up 57.0%).

The overall business results were driven by Internet-related businesses, fueled by strong performance from video distribution business; DVD sales, which benefitted from hit titles; the shopping business with strong sales from TV shopping; and other businesses.

Details of each business are as follows.

We strategically expanded our internet-related businesses. AbemaTV, a joint venture with CyberAgent, Inc., delivered strong performance, achieving a cumulative total of 39 million application downloads. We distributed content on au Video pass such as *Ossan's Love*, the terrestrial broadcast Saturday night drama program, which proved unusually popular with all episodes simultaneously ranking in the top ten, as well as original content such as the third season of *Doctor Y – Gekai Kaji Hideki*, a spinoff of *Doctor X – Surgeon Daimon Michiko*. In addition, the number of users of *TV Asahi Catch-up*, a free-of-charge ad-supported TV streaming service, increased together with an increase in the number of distributed programs, and advertising revenue is steadily increasing as well. Furthermore, the *NJPW World* video distribution business is experiencing a rapid increase in the number of fans in the United States and other countries, thanks in part to distribution of an event in San Francisco, the third to be held in the United States, and it continues to grow as a global content platform.

In the special events business, the fifth *TV Asahi-Roppongi Hills Summer Festival SUMMER STATION* was held over a period of 44 days beginning on July 14. Other well-received events included the *Continues ~with Wings~* ice show of figure skater Yuzuru Hanyu; *TV Asahi Dream Festival 2018*, a regular music event; *TOKYO-OSAKA METROPOLITAN ROCK FESTIVAL 2018*, an event held in both metropolises; and *Munch: A Retrospective*, an exhibition that drew 670,000 visitors. A high operation rate led to strong operating results from EX THEATER Roppongi, which held various entertainment programs such as *Natsu Matsuri! Hadaka no Shounen*, a song and dance competition held during the summer festival by Johnny's Jr. featuring HiHi Jets and Tokyo B Shounen.

Revenue increased in the shopping business. The Company undertook product development and sales channel expansion, the *Jun Sanpo* TV shopping program achieved strong performance, and *Ossan's Love*-related merchandise was well received.

The Company's investment in motion pictures produced regular releases linked to television series that delivered stable box-office revenue, such as *Crayon Shin-chan* as well as *Doraemon*, whose 38th episode drew the highest audience ever and set a new box-office record of ¥5.370 billion for the series.

In the results for DVD sales, the Company released a variety of titles, including *Ossan's Love*, which achieved the highest-ever first press shipment volume for a TV Asahi drama, and the popular series *Aibou (PARTNERS)*.

## Sales of Major Other Businesses

	Billions of yen		
	FY18/3	FY19/3	YoY
Internet Related	15.598	17.755	+ 13.8%
Shopping	8.526	9.582	+ 12.4%
Special Events	7.863	6.578	△16.3%
Equipment Sales/Lease	5.061	5.551	+ 9.7%
Motion Pictures	2.164	2.207	+ 2.0%
DVD	0.976	1.907	+95.2%

## PICK UP!!

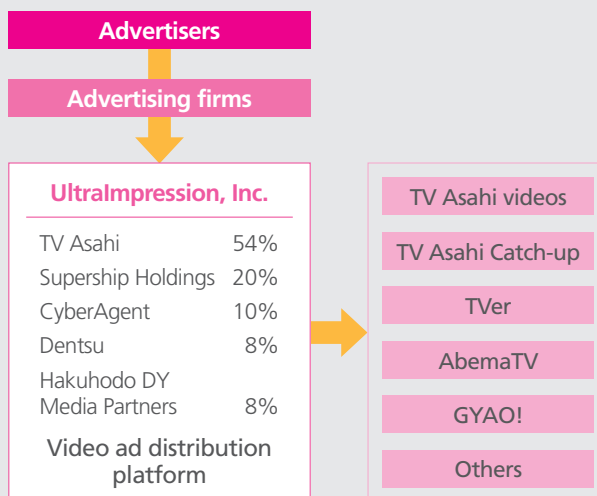
## Establishment of a new digital video advertising distribution platform company

To rapidly respond to important issues in the Internet era and accelerate our evolution into "a TV station for a new era," in November 2018 the Company launched a new organization: The Internet of Television Center (IoT Center).

The IoT Center is considering wide-ranging themes, such as strategy building for the video distribution business and content business development that takes advantage of state-of-the-art technologies. As a result of the first step in this effort, in May 2019 the Company established the new company UltraImpression.

The new company will build and operate a digital video advertising distribution platform with the aim of establishing infrastructure to capture fast-growing Internet video advertising demand. Since platform development requires high-level specialized expertise, we invited the highly capable partners shown here to participate.

Through these initiatives, the Company will move ahead with further implementation of the TV Asahi 360° management plan.



**UltraImpression**

# TV Asahi Group's Initiatives for ESG

The Group actively promotes non-financial initiatives, such as ESG (Environment, Social, Governance). We believe that it is vital to reduce future risks and build a strong foundation for creating value through the realization of sustainable management for all stakeholders. Based on this policy, we have taken the following initiatives.

## Specific ESG initiatives



- Reduce CO<sub>2</sub> emissions (convert to LED, limit use of air conditioners and heaters), greening of headquarters building, etc.
- Engage in recycling activities for used videotapes to reduce waste material



- Implement "TV Asahi 360° workstyle transformation," a measure to reduce long working hours
- Conduct social welfare activities, supporting activities for domestic and overseas disaster victims and so forth via the TV Asahi Welfare Foundation
- Provide media-related integrated learning support activities such as "TV Asahi Cater Classes"



- Transition to a "Company with an Audit and Supervisory Committee" (June 2015)
- Establish "Nomination and Compensation Committee"
- Delegate important decisions on business execution to the Directors based on the Articles of Incorporation
- Implement various management initiatives which position improvement of capital efficiency and returns to shareholders as top priorities

The specific measures we have taken are as follows.

## Environment

### CO<sub>2</sub> emission reductions and other energy-saving measures

Introducing the "Stop the Global Warming Project" in November 2007, TV Asahi has been engaged in environmental activities as a member of the media in order to preserve the global environment and all its natural splendor for the benefit of our children and future generations.

TV Asahi systematically reduces CO<sub>2</sub> emissions from air conditioning and other electric equipment used at the Company's headquarters building. In the first term between FY11/3 and FY15/3, the Company succeeded in lowering CO<sub>2</sub> emissions by an average of 13.3% annually by converting to LED lighting, switching off half of its office lighting equipment, setting the office air conditioner temperature to 28°C during the "Cool Biz" period by encouraging employees to dress more casually in late spring and summer. We aim to reduce CO<sub>2</sub> emissions by an average 15% annually in the second term between FY16/3 and FY20/3. Furthermore, the Company is greening two buildings, the "headquarters" and "Gochan Square." Greening is effective in reducing the heat island effect and purifying the atmosphere and plays a significant role in urban life.

### Initiatives for Reusing (Recycling of discarded videotapes)

TV Asahi has engaged in recycling activities for used videotapes to reduce waste material since 1998. Every month, we collect discarded videotapes accumulated at in-house recycling sites that are transported to work clubs for people with disabilities and disassembled.

The approximately 50 types of disassembled videotape components are then used as recycling resources in construction materials and so forth.

## Social

### Implement Workstyle Transformation

We implement "workstyle transformation" aimed at maintaining the physical and mental health of employees and related staff to ensure the continuous and stable creation of "appealing content," the source of value at the Company.

As this issue is highly urgent and must address the needs of society, the Company is proactively taking the following initiatives.

- ▶ Implement measures to encourage leave utilization, such as establishment of "Lucky! Fridays"
- ▶ Reorganize and review all aspects of work (Review of meetings, introduction of robots for clerical work, etc.)

- ▶ Consideration of diverse work styles (introduction of a telework system, etc.)

Through these initiatives, total working hours have steadily decreased, and this has led to higher productivity. The Company will continue to steadily implement such initiatives and strive to reduce total working hours to better facilitate the creation of appealing content.

### Integrated Learning Support Activities

TV Asahi conducts various information and integrated learning support activities, including Guided Tours, TV Asahi Cater Classes and TV Asahi Cater Classes for grown-ups, etc. We will continue to pursue the development of interactive media literacy activities in which both viewers and broadcasters can think about the television business in an enjoyable manner.



TV Asahi Cater Class

Information on the activities is available on the following site.

<http://www.tv-asahi.co.jp/hq/tour/index.html>

\*Only available in Japanese

### Social Contributions through the TV Asahi Welfare Foundation

The TV Asahi Welfare Foundation (established in 1977) conducts a broad range of social welfare activities relating to children, senior citizens, people with disabilities and singlemother families living in support facilities.

Furthermore, TV Asahi introduced the Doraemon Charity Fund in 1999 to support domestic and overseas disaster victims in view of the public nature of the broadcasting business.

Donations collected in the campaigns held thus far for the Great East Japan Earthquake and other disasters have been allocated, via the TV Asahi Welfare Foundation, as financial aid for the victims.

The details of these activities are reported on the following site. We will continue to engage in a broad array of social activities in close collaboration with the broadcasting business.

<http://www.tv-asahi.co.jp/fukushi/>

\*Only available in Japanese

## G overnance

**The Company recognizes corporate governance to be one of management's top priorities. Based on this basic policy, we are proactively building a management structure and taking initiatives as outlined below.**

### Basic Policy on Corporate Governance

The Company, as a certified broadcasting holding company with commercial broadcasters as subsidiaries, maintains appropriate relationships with various stakeholders while

pursuing profit through fair and proper means. At the same time, the Company fosters and secures human resources that share the same philosophy, maintains the trust of its stakeholders and fulfills its responsibility as a broadcaster and news media, while enhancing its corporate value by continuing to produce and transmit content that match the needs of society based on these principles. We believe this basic policy is the source of our corporate value.

Accordingly, the Company considers the establishment and utilization of a system that will enable its sustained growth and medium- to long-term enhancement of corporate value to be the basis of its corporate governance.

### Corporate Governance System

Based on our corporate governance policy and efforts to maintain public interest, we intend to strive for the long term, stable enhancement of the TV Asahi Group's corporate value and the interests of shareholders and other stakeholders. To this end, the Company has adopted "a company with an audit and supervisory committee" system that is able to both execute operations and provide appropriate management oversight through the appointment of Audit and Supervisory Committee members who will be responsible for auditing and supervising the execution of business by directors, to the Board of Directors.

In addition, the Company's policy regarding major bodies and organizations and their functions which have built our governance system is as follows.

#### • General Meeting of Shareholders

The Company believes that to begin with, securing the exercise of voting rights of all shareholders and other rights equally will lead to the substantive exercise of rights. Based on this policy, the Company makes decisions on the schedule for General Meeting of Shareholders and disclose information in accordance with the Companies Act and other related laws and regulations.

#### • Board of Directors and Audit and Supervisory Committee

For the members of the Board of Directors, in addition to the Standing Directors who execute business operation, the Company elects persons with diverse roles and backgrounds such as partners for capital and management strategy purposes, persons who have certain relationships with the broadcasting industry and abundant experience and knowledge of the broadcasting business, and persons independent from the Company's management who are capable of objectively overseeing the Company's fair and appropriate relationship with its stakeholders.

#### ▶ Board of Directors:

Pursuant to a provision of the Articles of Incorporation, the Company has established a framework that enables the Company to delegate important decisions on business execution (regarding acquisitions and disposals of vital assets, etc.) to the Directors and make flexible decisions.



### ► Audit and Supervisory Committee:

A majority of the Committee members are independent Outside Directors who have met the Company's standards for the independence of Outside Directors.

### ► Nomination and Compensation Committee:

The Nomination and Compensation Committee, which consists of a majority of independent Outside Directors, is a body that reports to the Board of Directors on policies and decision-making procedures concerning the selection, dismissal, and compensation of the Company's senior officers and Directors (excluding Directors who are Audit and Supervisory Committee members).

In addition to monetary compensation, a portion of compensation for Directors consists of stock compensation utilizing restricted stock.



### System to Protect Stakeholder Interests

As a listed company, we will ensure the equality of shareholders while providing vital and appropriate information via our website and other various tools so that our shareholders can appropriately exercise their rights. In addition, the Company works to ensure that, based on the Broadcasting Act and other various regulations, doubts are not raised over the exercise of legal shareholders' rights regarding individual and common benefits to strictly maintain its public nature, public interest and impartiality as a certified broadcasting holding company with commercial broadcasters as subsidiaries.

With regard to cross shareholdings, the Company has established the Investment Review Committee, a sub-organization of the standing Board Meeting to examine, in principle annually, in which companies it will invest and whether to continue to invest in certain firms based on the results of verifications by the Committee.

### Shareholdings

In principle, the Company does not, without reasonable grounds, continuously hold for long periods of time shares

that do not contribute to enhancement of the Company's corporate value for reasons such as customary business practices or long-standing relationships. The policy is to acquire and hold shares of companies with which the Company has important business trading relationships or collaborative relationships provided that the holding of these shares will contribute to the enhancement of corporate value. The Company has established the Investment Review Committee as a sub-organization of the standing Board Meeting to monitor and manage investments in these companies and the status of shareholdings after investment.

The Investment Review Committee considers the necessity of investments and holdings in accordance with their purpose, scale, type, necessity, risk, profitability, and other factors based on regulations concerning investments. In the light of these regulations, the Committee's verification results, and other factors, the Board of Directors is able to judge the necessity of investments and their continuation, and the Company disposes of shares for which the necessity of continued holding is judged to be low.

### Information Disclosure

To ensure appropriate information disclosure in compliance with laws and regulations, the Company appoints one standing executive officer who will ultimately be in charge of the subject matter and content of the information to be disclosed. Regarding non-financial information for accurate and highly useful content, officers in charge of the Company's accounting, general affairs and IR divisions will hold regular meetings to carefully examine the information to be disclosed, have constructive discussions, and make preliminary decisions on policies.

The Company has compiled and disclosed the basic policy on its corporate governance as "TV Asahi's Corporate Governance Guidelines."

## Selection for the FTSE4Good Index Series

As a result of these initiatives, the Company has been selected as one of the companies that make up the FTSE4Good Index Series, a leading benchmark for socially responsible investment, since 2009. FTSE4Good Index Series is a series of share price indices designed to promote investments in companies that satisfy ESG global standards.

Further, the Group has also been a constituent of the FTSE Blossom Japan Index, one of the ESG share index adopted by GPIF, since 2017. We will continue to proactively promote ESG initiatives into the future.





## MD&A/Risk Information

### Significant Accounting Principles and Estimates

The consolidated financial statements of TV Asahi Group are prepared in accordance with accounting standards generally accepted in Japan as fair and appropriate. Some assets and liabilities, as well as some income and expenses, are based on estimates and management interpretations at the time the consolidated financial statements were prepared.

### Operating Environment for the Broadcasting Industry

During the fiscal year under review (ended March 31, 2019), the Japanese economy continued to show a gradual recovery trend amid continuing improvement in the employment and income environment.

Conditions in the television advertising market remained difficult, with, for example, Tokyo area spot advertising volume falling below the prior-year level.

### Risk Information

#### • Dependence on the TV Broadcasting Business

A large portion of TV Asahi Group's net sales are from TV broadcasting business, which relies on corporate advertising expenditure. This factor is in turn affected greatly by the state of the Japanese economy.

Moreover, within the TV broadcasting business, viewer ratings play an essential role in the determination of price in the sale of advertising time.

Thus, in the event the Japanese economy experiences a downturn and/or the Company is unable to produce and broadcast programs that are widely popular with viewers, the operating results of the Group may be affected.

#### • Competition

The business environment facing the TV Asahi Group is changing rapidly. With the spread of smartphones and tablet PCs, the ways of viewing television are gradually changing. In addition, with the advent of smart TVs, the position of terrestrial broadcasting on TV sets may be relativized in the future.

Content distribution channels are also diversifying with the spread of broadband communications, causing intensified competition between other media services, and this may affect the operating results of the Group.

#### • Capital Expenditures and Investments

TV Asahi Group will continue to allocate appropriate capital expenditure and make other investments to maintain technical standards, improve its content production competency, acquire popular content and enhance its media strategy. If sufficient profits cannot be attained to balance such investments, the operating results of the Group may be affected.

#### • Handling of Personal Information

TV Asahi Group holds personal information of individuals appearing on its programs and program spectators, audience and viewers, as well as that of subscribed members of its mobile and internet-related businesses and customers of its shopping business. While such personal information is subject to stringent management in accordance with internal rules and is handled with adequate care, leakage of the information due to unauthorized access or use or other

reasons may cause a decline in the Group's social credibility and affect its operating results.

#### • Impact of Disasters

In the TV broadcasting business, which is TV Asahi Group's principal business, the occurrence of a major disaster may render broadcasting difficult or result in the broadcasting of commercial-free disaster information programs. It is also possible that broadcasting hours will be shortened to address power shortages. In such cases, the operating results of the Group may be affected by a decrease in advertising revenue.

#### • Legal Regulations

By obtaining certification pursuant to the Broadcasting Act, a certified broadcasting holding company is permitted to own multiple terrestrial, BS and CS broadcasting companies as its subsidiaries. The Company has been certified as a certified broadcasting holding company that owns TV Asahi Corporation, Asahi Satellite Broadcasting Limited and CS One Ten, Ltd. as its subsidiaries. There is a possibility that the certification will be rescinded in the future, should the Company cease to satisfy the criteria and other requirements relating to the assets of a certified broadcasting holding company or the criteria stipulated in the Broadcasting Act. Should the certification be rescinded, the business performance and the financial position of the TV Asahi Group may be seriously impacted.

Further, the principal business of the TV Asahi Group is TV broadcasting, and TV Asahi Corporation, Asahi Satellite Broadcasting Limited and CS One Ten, Ltd. are subject to the requirements and restrictions under the Radio Act, the Broadcasting Act, and other laws and ordinances in conducting said business.

The revocation of a broadcast license, due to violation of law or ordinance, or failure to obtain a relevant business license may impact the business performance of the TV Asahi Group.

#### • Shares Held by Foreign Nationals and Entities

Regarding voting rights of the Company held by foreign nationals, etc. stipulated in the Broadcasting Act ((i) those who are not Japanese nationals, (ii) foreign governments or representatives of such foreign governments, (iii) foreign corporations or associations, (iv) a corporation or an association which ratio of voting rights directly held by the aforementioned (i) through (iii) is the same or more than such ratio as stipulated in the Ordinance of the Ministry of Internal Affairs and Communications) (hereinafter, "foreign nationals"), if the total of the ratio of voting rights directly held by those set out in (i) through (iii) and ratio of voting rights to be indirectly held by those set out in (i) through (iii) through those set out in (iv) as stipulated by the Ministry of Internal Affairs and Communications is 20 % or more, the certification as a certified broadcasting holding company will be revoked.

Upon such condition, based on Article 116, Paragraph 2 of the Broadcasting Act which will be applied mutatis mutandis pursuant to Article 161, Paragraph 1 and 2, the Company is capable of refusing to enroll or record the name and address of foreign nationals in the shareholder register, and based on Article 116, Paragraph 3 of the Broadcasting Act which will be applied mutatis mutandis pursuant to Article 161, Paragraph 2, the exercise of voting rights of them will be restricted.

## Consolidated Balance Sheets

As of March 31, 2018 and 2019

	Millions of yen	
	2018	2019
<b>Assets</b>		
<b>Current assets</b>		
Cash and deposits	¥ 32,263	¥ 29,908
Trade notes and accounts receivable	78,692	78,534
Marketable securities	43,703	44,400
Inventories	10,128	10,571
Other current assets	9,896	12,422
Less allowance for doubtful accounts	(75)	(73)
Total current assets	174,608	175,762
<b>Fixed assets</b>		
<b>Tangible assets</b>		
Buildings and structures, net	29,978	28,957
Machinery and vehicles, net	13,628	16,897
Land	42,281	43,700
Leased assets, net	5,756	5,337
Other tangible assets, net	4,199	5,748
Total tangible assets	95,845	100,642
<b>Intangible assets</b>		
Other intangible assets	6,888	6,373
Total intangible assets	6,888	6,373
<b>Investments and other assets</b>		
Investment securities	136,035	148,176
Deferred tax assets	14,408	13,892
Other investments and other assets	7,879	7,330
Less allowance for doubtful accounts	(177)	(178)
Total investments and other assets	158,146	169,220
Total fixed assets	260,880	276,237
<b>Total assets</b>	¥435,488	¥452,000

	Millions of yen	
	2018	2019
<b>Liabilities</b>		
<b>Current liabilities</b>		
Trade notes and accounts payable	¥ 7,731	¥ 9,149
Other payables	17,922	21,268
Accrued expenses	26,527	25,409
Other current liabilities	8,452	6,510
Total current liabilities	60,634	62,337
<b>Non-current liabilities</b>		
Deferred tax liabilities	13,971	16,274
Net defined benefit liabilities	17,735	17,596
Other non-current liabilities	2,986	2,035
Total non-current liabilities	34,693	35,905
Total liabilities	95,327	98,243
<b>Net assets</b>		
<b>Stockholders' equity</b>		
Common stock	36,642	36,642
Additional paid-in capital	70,226	70,226
Retained earnings	204,941	212,447
Treasury stock	(2,850)	(2,854)
Total stockholders' equity	308,959	316,462
<b>Accumulated other comprehensive income</b>		
Valuation difference on available-for-sale securities	32,200	37,484
Deferred gain (loss) on hedges	695	580
Foreign currency translation adjustments	(40)	(57)
Remeasurements of defined benefit plans	(4,817)	(4,640)
Total accumulated other comprehensive income	28,038	33,367
<b>Non-controlling interests</b>	3,163	3,926
<b>Total net assets</b>	340,161	353,757
<b>Total liabilities and net assets</b>	¥435,488	¥452,000

## Consolidated Statements of Income

Years ended March 31, 2018 and 2019

	Millions of yen	
	2018	2019
<b>Net sales</b>	¥302,511	<b>¥301,744</b>
Cost of sales	217,789	<b>220,469</b>
<b>Gross profit</b>	84,722	<b>81,275</b>
<b>SGA expenses</b>	66,088	<b>65,110</b>
<b>Operating income</b>	18,634	<b>16,164</b>
<b>Non-operating revenue</b>		
Dividend income	1,349	<b>1,134</b>
Share of profit of entities accounted for using equity method	1,844	<b>1,477</b>
Other non-operating revenue	507	<b>464</b>
Total non-operating revenue	3,701	<b>3,076</b>
<b>Non-operating expenses</b>		
Loss on disposal of noncurrent assets	207	<b>119</b>
Other non-operating expenses	75	<b>24</b>
Total non-operating expenses	282	<b>143</b>
<b>Ordinary Income</b>	22,053	<b>19,097</b>
<b>Extraordinary gains</b>		
Gain on sales of investment securities	337	<b>548</b>
Gain on bargain purchase	1,507	—
Total extraordinary gains	1,845	<b>548</b>
<b>Extraordinary losses</b>		
Loss on valuation of investment securities	47	<b>92</b>
Loss on step acquisitions	569	—
Total extraordinary losses	617	<b>92</b>
<b>Income before income taxes</b>	23,281	<b>19,552</b>
<b>Income taxes</b>		
Current	7,542	<b>5,952</b>
Deferred	(350)	<b>483</b>
Total income taxes	7,192	<b>6,436</b>
<b>Profit</b>	16,089	<b>13,116</b>
<b>Profit attributable to non-controlling interests</b>	240	<b>237</b>
<b>Profit attributable to owners of the parent</b>	¥ 15,848	<b>¥ 12,879</b>

## Consolidated Statements of Comprehensive Income

Years ended March 31, 2018 and 2019

	Millions of yen	
	2018	2019
<b>Profit</b>	¥ 16,089	<b>¥ 13,116</b>
<b>Other comprehensive income</b>		
Valuation difference on available-for-sale securities	6,349	<b>5,239</b>
Deferred gain (loss) on hedges	(835)	<b>(116)</b>
Foreign currency translation adjustments	(19)	<b>(14)</b>
Remeasurements of defined benefit plans	517	<b>177</b>
Share of other comprehensive income of entities accounted for using equity method	57	<b>44</b>
Total other comprehensive income	6,068	<b>5,329</b>
<b>Comprehensive income</b>	¥ 22,157	<b>¥ 18,445</b>
Components:		
Comprehensive income attributable to owners of the parent	¥ 21,916	<b>¥ 18,208</b>
Comprehensive income attributable to non-controlling interests	241	<b>237</b>

# Consolidated Statements of Changes in Net Assets

Years ended March 31, 2018 and 2019

Millions of yen												
	Stockholders' equity					Accumulated other comprehensive income					Non-controlling interests	Total net assets
	Common stock	Additional paid-in capital	Retained earnings	Treasury stock	Total stockholders' equity	Valuation difference on available-for-sale securities	Deferred gain (loss) on hedges	Foreign currency translation adjustments	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at March 31, 2017	¥36,642	¥70,220	¥193,391	¥(2,690)	¥297,563	¥25,794	¥1,533	¥(22)	¥(5,334)	¥21,970	¥3,259	¥322,793
Changes during term												
Cash dividends			(4,298)		(4,298)							(4,298)
Profit attributable to owners of the parent			15,848		15,848							15,848
Change in ownership interest of parent due to transactions with non-controlling interests		6			6							6
Change in treasury stock arising from change in equity in entities accounted for using equity method				(102)	(102)							(102)
Increase due to a change in the scope of applying equity method-treasury stock				(57)	(57)							(57)
Net changes other than stockholder's equity						6,406	(837)	(18)	517	6,067	(96)	5,971
Total changes during term	—	6	11,550	(159)	11,396	6,406	(837)	(18)	517	6,067	(96)	17,368
Balance at March 31, 2018	¥36,642	¥70,226	¥204,941	¥(2,850)	¥308,959	¥32,200	¥ 695	¥(40)	¥(4,817)	¥28,038	¥3,163	¥340,161
Changes during term												
Cash dividends			(5,372)		(5,372)							(5,372)
Profit attributable to owners of the parent			12,879		12,879							12,879
Purchase of treasury stock				(0)	(0)							(0)
Increase due to a change in the scope of applying equity method-treasury stock				(3)	(3)							(3)
Net changes other than stockholder's equity						5,284	(115)	(16)	177	5,329	763	6,092
Total changes during term	—	—	7,506	(3)	7,502	5,284	(115)	(16)	177	5,329	763	13,595
Balance at March 31, 2019	¥36,642	¥70,226	¥212,447	¥(2,854)	¥316,462	¥37,484	¥ 580	¥(57)	¥(4,640)	¥33,367	¥3,926	¥353,757

## Consolidated Statements of Cash Flows

Years ended March 31, 2018 and 2019

	Millions of yen	
	2018	2019
<b>Cash flows from operating activities</b>		
Income before income taxes	¥ 23,281	¥19,552
Depreciation and amortization	9,752	10,350
Amortization of goodwill	282	282
Loss on disposal of noncurrent assets	207	119
(Gain) loss on sales of investment securities	(337)	(548)
Loss on valuation of investment securities	47	92
Increase (decrease) in allowance for doubtful accounts	(18)	(3)
Increase (decrease) in net defined benefit liabilities	506	132
Dividend income	(1,349)	(1,134)
Share of (profit) loss of entities accounted for using equity method	(1,844)	(1,477)
(Gain) loss on step acquisitions	569	—
Gain on bargain purchase	(1,507)	—
(Increase) decrease in trade notes and accounts receivables	3,274	517
(Increase) decrease in inventories	(2,324)	(353)
Increase (decrease) in trade notes and accounts payables	(3,891)	1,007
Other cash flows from operating activities	(72)	(3,199)
Subtotal	26,575	25,337
Interest and dividend received	2,069	1,874
Income taxes refunded	763	1,414
Income taxes paid	(11,259)	(8,353)
Net cash provided by operating activities	18,149	20,273
<b>Cash flows from investing activities</b>		
Payments into time deposits	(11,068)	(3,097)
Proceeds from withdrawal of time deposits	23,433	998
Purchase of marketable securities	(138,200)	(145,200)
Proceeds from redemption of marketable securities	143,700	148,200
Purchase of trust beneficiary right	(4,398)	(26,799)
Proceeds from redemption of trust beneficiary right	6,082	24,500
Purchase of tangible assets	(7,586)	(8,288)
Purchase of intangible assets	(1,242)	(1,651)
Purchase of investment securities	(8,104)	(12,309)
Proceeds from redemption of investment securities	120	1,000
Proceeds from sales of investment securities	485	598
Proceeds from purchase of shares of subsidiaries resulting in change in scope of consolidation	1,530	889
Other cash flows from investing activities	(616)	(99)
Net cash used in investing activities	4,134	(21,260)
<b>Cash flows from financing activities</b>		
Dividends paid to stockholders	(4,298)	(5,372)
Dividends paid to non-controlling interests	(13)	(16)
Other cash flows from financing activities	(2,194)	(2,041)
Net cash used in financing activities	(6,506)	(7,430)
Effect of exchange rate changes on cash and cash equivalents	(18)	(11)
Net increase (decrease) in cash and cash equivalents	15,759	(8,428)
Cash and cash equivalents at beginning of term	34,202	49,961
Cash and cash equivalents at end of term	¥ 49,961	¥41,533



## Segment Information

Business segment of the Company and its consolidated subsidiaries for the fiscal years ended March 31, 2018 and 2019 are summarized as follows:

### Business Segment Information

The Company's major business categories are TV broadcasting business, music publication business and other businesses.

	Millions of yen					Amounts reported on consolidated financial statements <sup>2</sup>
	2018					
	Reportable segment				Adjustments <sup>1</sup>	
TV Broadcasting Business	Music Publication Business	Other Businesses	Total			
Sales						
Sales to outside customers	¥250,206	¥10,775	¥41,530	¥302,511	¥ —	¥302,511
Inter-segment sales and transfers	2,559	266	9,415	12,242	(12,242)	—
Total	252,765	11,042	50,945	314,753	(12,242)	302,511
Segment income	15,550	811	2,269	18,632	2	18,634
Segment assets	266,143	9,607	57,681	333,431	102,057	435,488
Other items						
Depreciation/amortization	7,980	97	1,674	9,752	—	9,752
Investment in affiliates	10,828	—	13,129	23,958	—	23,958
Increase in tangible/intangible assets	5,685	27	1,100	6,813	—	6,813

Notes: 1. Details of adjustments are as follows:

- 1) Segment income adjustments totaling 2 million yen includes elimination of inter-segment transactions of minus 99 million yen, 2,049 million yen income accruing from inter-company transactions with our subsidiaries, and corporate expenses of minus 1,948 million yen. Corporate expenses are chiefly those expenses related to the Company's management of the Group's business.
- 2) Segment assets adjustment of 102,057 million yen consists of corporate assets of 140,252 million yen and elimination of inter-segment claims and liabilities of minus 38,195 million yen.
2. Segment income is adjusted to align it with operating income reported on the consolidated statements of income for the corresponding period.

	Millions of yen					
	2019					Amounts reported on consolidated financial statements <sup>2</sup>
	Reportable segment				Adjustments <sup>1</sup>	
TV Broadcasting Business	Music Publication Business	Other Businesses	Total			
Sales						
Sales to outside customers	¥247,689	¥9,616	¥44,438	¥301,744	¥ —	¥301,744
Inter-segment sales and transfers	2,892	246	9,906	13,045	(13,045)	—
Total	250,581	9,863	54,344	314,789	(13,045)	301,744
Segment income	11,812	819	3,564	16,197	(32)	16,164
Segment assets	268,233	9,898	56,496	334,628	117,371	452,000
Other items						
Depreciation/amortization	8,490	98	1,761	10,350	—	10,350
Investment in affiliates	11,548	—	14,338	25,886	—	25,886
Increase in tangible/intangible assets	12,599	29	1,986	14,615	—	14,615




Notes: 1. Details of adjustments are as follows:

- 1) Segment income adjustments totaling minus 32 million yen includes elimination of inter-segment transactions of minus 132 million yen, 2,058 million yen income accruing from inter-company transactions with our subsidiaries, and corporate expenses of minus 1,957 million yen. Corporate expenses are chiefly those expenses related to the Company's management of the Group's business.
- 2) Segment assets adjustment of 117,371 million yen consists of corporate assets of 164,648 million yen and elimination of inter-segment claims and liabilities of minus 47,276 million yen.
2. Segment income is adjusted to align it with operating income reported on the consolidated statements of income for the corresponding period.










## Holding Company Structure

### tv asahi holdings corporation

#### Consolidated Subsidiaries of TV Asahi Holdings Corporation

 TV Asahi Corporation
 Asahi Satellite Broadcasting Limited
 CS One Ten, Ltd.

#### Equity-Method Affiliates of TV Asahi Holdings Corporation

 Akita Asahi Broadcasting Co., Ltd.
 Asahi Broadcasting Aomori Co., Ltd.
 Asahi Broadcasting Nagano Co., Ltd.
 Fukushima Broadcasting Co., Ltd.
 HIGASHI NIPPON BROADCASTING Co., Ltd.
 Iwate Asahi Television Co., Ltd.
 Shizuoka Asahi Television Co., Ltd.
 The Niigata Television Network 21, Inc.
 Yamagata Television System Inc.

#### Consolidated Subsidiaries of TV Asahi Corporation

 AbemaProduction, Inc.	 Tokyo Sound Production Inc.
 Bunkakobo, inc.	 TRUST NETWORK INC.
 FLEX Co., Ltd.	 TV ASAHI AMERICA, Inc.
 HOSOGIYUTSUSHA CO., LTD.	 TV Asahi ASK Co., Ltd.
 Japan Cable Television, Ltd.	 TV Asahi BEST Co., Ltd.
 Media Mix Japan Co., Ltd.	 TV Asahi Create Corporation
 Plus ZERO Co., Ltd.	 TV Asahi mediaplex corporation
 ROPPING LIFE Co., Ltd.	 TV ASAHI MUSIC CO., LTD.
 SHIN-EI ANIMATION Co., Ltd.	 TV Asahi Productions Co., Ltd.
 TAKESYSTEMS Co., Ltd.	 TV Asahi Service Co., Ltd.

#### Equity-Method Affiliates of TV Asahi Corporation

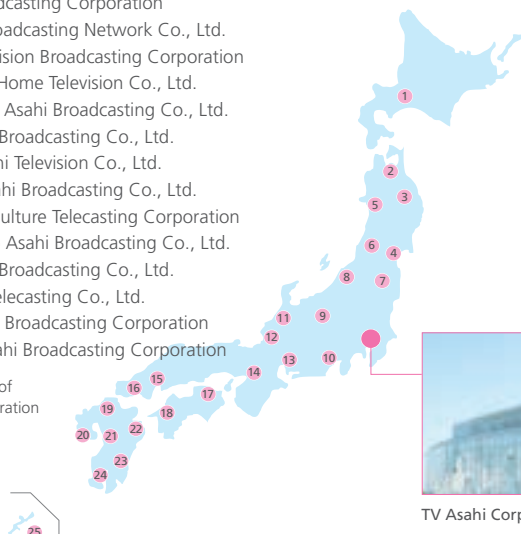
 AbemaNews, inc.	 New Japan Pro-Wrestling Co., Ltd.
 AbemaTV, inc.	 Ray Corporation
 Kaeru AbemaTV, Inc.	 TOEI ANIMATION CO., LTD.

 TV BROADCASTING BUSINESS  MUSIC PUBLICATION BUSINESS  OTHER BUSINESSES

## Domestic Network

- 1 **HTB** Hokkaido Television Broadcasting Co., Ltd.
- 2 **ABA** Asahi Broadcasting Aomori Co., Ltd.\*
- 3 **IAT** Iwate Asahi Television Co., Ltd.
- 4 **KHB** HIGASHI NIPPON BROADCASTING Co, Ltd.\*
- 5 **AAB** Akita Asahi Broadcasting Co., Ltd.\*
- 6 **YTS** Yamagata Television System Inc.\*
- 7 **KFB** Fukushima Broadcasting Co., Ltd.\*
- 8 **UX** The Niigata Television Network 21, Inc.\*
- 9 **abn** Asahi Broadcasting Nagano Co., Ltd.\*
- 10 **SATV** Shizuoka Asahi Television Co., Ltd.\*
- 11 **HAB** Hokuriku Asahi Broadcasting Co., Ltd.
- 12 **FBC** Fukui Broadcasting Corporation
- 13 **NBN** Nagoya Broadcasting Network Co., Ltd.
- 14 **ABC** Asahi Television Broadcasting Corporation
- 15 **HOME** Hiroshima Home Television Co., Ltd.
- 16 **yab** Yamaguchi Asahi Broadcasting Co., Ltd.
- 17 **KSB** Setonaikai Broadcasting Co., Ltd.
- 18 **eat** Ehime Asahi Television Co., Ltd.
- 19 **KBC** Kyusyu Asahi Broadcasting Co., Ltd.
- 20 **NCC** Nagasaki Culture Telecasting Corporation
- 21 **KAB** Kumamoto Asahi Broadcasting Co., Ltd.
- 22 **OAB** Oita Asahi Broadcasting Co., Ltd.
- 23 **UMK** Miyazaki Telecasting Co., Ltd.
- 24 **KKB** Kagoshima Broadcasting Corporation
- 25 **QAB** Ryukyu Asahi Broadcasting Corporation

\* Equity-Method Affiliates of TV Asahi Holdings Corporation



TV Asahi Corporation

## International Network

### Bureaus

- **North America**  
New York (TV ASAHI AMERICA, Inc.)  
Washington, D.C.  
(TV ASAHI AMERICA, Inc.)  
Los Angeles (TV ASAHI AMERICA, Inc.)
- **Europe/Africa**  
London  
Moscow  
Cairo  
Paris (ABC's Bureau\*)
- **Asia/Oceania**  
Bangkok (News Bureau)  
Bangkok (Business Bureau)  
Beijing  
Seoul  
Shanghai (ABC's Bureau\*)

\*ABC: Asahi Television Broadcasting Corporation

### Media Partners

- **North America**  
CNN USA
- **Europe/Africa**  
RTL Germany  
TF1 France
- **Asia/Oceania**  
JTBC South Korea  
CCTV China  
SMG China  
CTV Taiwan  
ETTV Taiwan  
CH3 Thailand  
Kantana Thailand  
ZEEL India  
CH7 Australia

## ■ Board of Directors As of June 27, 2019

### Chairman and CEO

Hiroshi Hayakawa\*

### President and COO

Shinichi Yoshida\*

### Vice President

Gengo Sunami

### Senior Executive Director

Masaya Fujinoki

### Members of the Board

Keiji Kameyama

Toru Takeda

Tadahisa Kawaguchi

Koichi Morozumi

Hiroshi Shinozuka

Keizo Kayama

Satoshi Hamashima

Junji Itabashi

Arata Nishi

Tsuyoshi Okada

Susumu Okinaka

Masataka Watanabe

Yoshihisa Yabuuchi

Katsuhiko Ikeda

Akira Genma

\*Representative Directors

(Note)

- Messrs. Tsuyoshi Okada, Susumu Okinaka, Masataka Watanabe, Katsuhiko Ikeda and Akira Genma are Outside Members of the Board.
- Messrs. Yoshihisa Yabuuchi, Katsuhiko Ikeda and Akira Genma are Members of the Board who also serve as Audit and Supervisory Committee members.

## ■ Stock Information

Authorized Number of Shares	300,000,000
Issued Number of Shares	108,529,000
Number of Stockholders	20,054
Foreign Shareholding Ratio(%)	14.26%
Listing	Tokyo Stock Exchange

## ■ Stockholder Information

Fiscal Year-End	March 31
General Meeting of Stockholders	June
Transfer Agent	Sumitomo Mitsui Trust Bank, Limited

## ■ Underwriter

Daiwa Securities Co. Ltd.

## ■ Sub-Underwriter

Nomura Securities Co., Ltd.

SMBC Nikko Securities Inc.

## ■ Corporate Data

Corporate Name	TV Asahi Holdings Corporation
Abbreviation	TV Asahi HD
Head Office	6-9-1, Roppongi, Minato-Ku, Tokyo 106-8001, Japan Tel. +81-3-6406-1115 <a href="http://www.tv-asahi-hd.co.jp/e/">http://www.tv-asahi-hd.co.jp/e/</a>
Date of Establishment	November 1, 1957
Paid-in Capital	¥36,642,800,000

## ■ Major Stockholders

Name	Shares	Shareholding Ratio (%)
The Asahi Shimbun Company	26,651,840	24.80
TOEI COMPANY, LTD.	16,525,600	15.38
KOSETSU Museum of Art	5,030,000	4.68
Mizuho Trust & Banking Co., Ltd. Retirement Benefit Trust Dai Nippon Printing Account Retruster Trust & Custody Services Bank, Ltd	4,030,000	3.75
Kyushu Asahi Broadcasting Co., Ltd.	3,333,500	3.10
The Master Trust Bank of Japan, Ltd. (Trust Account)	3,022,000	2.81
The Asahi Shimbun Foundation	2,297,100	2.14
Recruit Holdings Co., Ltd.	2,100,000	1.95
SSBTC CLIENT OMNIBUS ACCOUNT	2,019,991	1.88
Japan Trustee Services Bank, Ltd. (Trust Account)	1,972,400	1.84

Note: The Shareholding Ratio is calculated deducting the Company's treasury stock (1,069,338 shares).

