

Investor's Guide 2021



／tv asahi holdings corporation

IN THIS REPORT

Whilst facing a rapidly changing industry landscape and braving an unforeseen global pandemic this past year ...

To Our Shareholders

P. 1

... we forged ahead to evolve into a "TV Station for the New Era."

Mid-term Management Plan

P. 2

Although our financial results were not as strong as the previous year ...

FY21/3 at a Glance

P. 4

Consolidated Financial Highlights

P. 5

... we made headways into crucial growth areas ...

Review of Operations

P. 6

... while also focusing on sustainable development and being a responsible social citizen...

ESG Initiatives

P. 10

Additional Information and Risks

P. 13

... by operating a sound business that is the cornerstone of future value.

Financial Section

P. 15

Corporate Information

P. 20



TV Asahi's mascot character Gochan
10th anniversary since arriving to earth from Planet EXPANDA

TV Asahi Group Philosophy

Company Creed

At Heart – Be Just, Be Bold, Be Remarkable

TV Asahi Group Philosophy



Corporate Mission

TV Asahi Group will take part in building a society that encourages the pursuit of dreams and hopes by providing information and content that are both inspiring and worthy to society through its broadcast and other businesses

Five Declarations

TV Asahi Group pledges to evolve and grow with its customers, and will collectively work together to fulfill these promises:

– With customers including viewers

Contribute to leading a safe and rich life by delivering diverse content such as timely and accurate news and high-quality entertainment while also earning trust from customers including viewers

– With advertisers

Contribute to furthering free competition and sound corporate growth by enhancing the value of the Group's advertising channels by aptly capturing the needs of viewers and advertisers

– With partners

Work as one with staff and members of partner companies including affiliate stations in order to achieve a prosperous coexistence

– With society

Contribute to the advancement of society and local communities by appreciating the Group's public duty as a corporate citizen, abiding by the law and executing business in accordance with social customs and practices

– With shareholders

Build a firm and enduring trustworthy relationship with shareholders by operating sound and transparent businesses that produce steady profits with aim of carrying out the Group's Philosophy

■ To Our Shareholders



Hiroshi Hayakawa
Chairman & CEO

早河洋

I would like to take this opportunity to extend my sincere gratitude for your continued support of the TV Asahi Group (TV Asahi Holdings Corporation and its consolidated subsidiaries).

During fiscal year ended March 31, 2021, the novel coronavirus (COVID-19) pandemic rapidly impacted economic activity worldwide, and TV Asahi Group's earnings were also greatly impacted. Television advertising revenue fell sharply, the music publishing business, with the activities of artists managed by the Group being restricted by provisional government mandates, was also hit hard, as was the special event business, which was required to cancel and postpone events.

In response to this emergency situation, in April 2020 we established the Business Solution Headquarters to integrate the operation of our four main profit-earning divisions (Content Programming Division, Sales Promotion Division, Business Development Division, and IoTv Division) and with the new Headquarters under my lead, we collectively planned and executed a diverse range of measures aimed at generating higher earnings. One result was expansion of the TV shopping business where early action was taken in response to increased stay-at-home demand. We also carried out company-wide cost control measures, including considerable reduction in program production costs. As a result of the expeditious efforts of all our group employees working as a team, we were able to achieve an increase in operating income.

Television broadcasters will face a progressively adverse business environment even after the pandemic subsides. The digital shift among viewers and consumers will continue and entertainment styles sought will shift. Based on the Group's management plan TV Asahi 360° 2020-2025, we will deliver content through our broadcasts and also through other channels such as online and live entertainment venues, as our purpose is to evolve into a company that is appreciated by viewers and users.

We have developed a range of online businesses, such as TELASA, an online video subscription service; ABEMA, an online TV station proving very popular among young adults; and TV Asahi Catch-up, an ad-supported streaming service and will continue improving our services.

Furthermore, we recently acquired 13,000m² of land in Ariake district of Tokyo Bay with the aim of strengthening our earning capacity by creating a space dedicated to real entertainment. The new site will advance our competency in information and content distribution and will include halls, event spaces, studios and commercial facilities. Construction will be completed in 2024 and together with the TV Asahi's headquarters in Roppongi, we will provide real entertainment that can be enjoyed by local communities and oversea visitors.

Going forward, we strive to serve our shareholders and are committed to being valued by our viewers and customers by embracing change and facing boldly the many challenges that lay ahead.

Thank you once again for your support and continued understanding.

June 2021

Evolving into a “TV Station for the New Era”

Innovative Station & Studio

TV Asahi 360° 2020-2025 succeeds the core strategy of the previous mid-term management plan where the aim is to firmly pivot toward a 360° management of content creation and distribution.

The business environment surrounding the TV Asahi Group continues to rapidly change due to a structural reallocation of advertiser spending where television advertising is seeing a steady decline and Internet video advertising is rising. Appreciating that content is the source of all value and in order to evolve into a TV station and studio for the new era, the TV Asahi Group launched a new mid-term management plan TV Asahi 360° 2020-2025 which started in July 2020.

Delivering Strategic Results

Under the new management plan, the Group refined and accelerated its endeavors to increase its creative output that generates new revenue streams. In order to better integrate various operations and rapidly respond to the changing demands of advertisers and viewers, a new organizational structure was implemented where the four key revenue-generating sections, namely the Content Programming Division, Sales Promotion Division, Business Development Division and IoTV (Internet of Television) Division, were brought together to form the Business Solution Headquarters.

Several cross-over special promotions were carried out that captured the current needs and imagination of both advertisers and viewers. A noteworthy campaign is the company-wide initiative THE FUTURE STARTS HERE where the impact of trailblazers and game-changers are featured on our daily news shows and special programs.

In the Internet business, SVOD, ABEMA and AVOD continues to be identified as the vital growth services and the Group continues to make crucial competitive advancements in each of the areas.

The SVOD service TELASA, launched in April 2020 together with KDDI Corporation, consists mainly of TV Asahi premier content as well as original spin-off productions of popular drama series. The number of subscribers continues to grow. ABEMA remains to be largely embraced by the younger generation and the news channel ABEMA NEWS is becoming the dependable online channel for live breaking news broadcasts. On the AVOD front, the joint operation by terrestrial broadcasters, TVer, is gaining penetration as the primary catch-up service for prime time shows. Furthermore, Ultraimpression, Inc., an online video advertising platform in its second year of operation and the only such business run by a broadcaster, posted profits – a pace of growth that exceeded the Group’s expectations.

In addition, as demand for TV shopping and e-commerce increased following the upsurge in time spend at home from the execution of state of emergencies in major cities in Japan, the Company (TV Asahi Holdings corporation) swiftly executed a strategy to strengthen its shopping arm. Special shopping programs were tactically slotted which resulted in the shopping segment to record its highest revenue ever. Moreover, an important acquisition was made to include ITTY, Inc. as a wholly-owned subsidiary, which will further the development and sales capabilities of original products geared towards the younger generation.

Basic Policy of the Management Plan



Looking towards the Future

An important pillar of the 360° strategy is advancing the Media City strategy. The Group aims to strengthen its information and content distribution function in a multi-year transition. To date, the Group has mainly carried out such activities through the annual Summer Festival where Roppongi served as the main area for carrying out various exhibitions, events and performances that merged the Group’s content with cutting-edge technology.

Groundbreaking examples include collaborating with teamLab to create a unique event, teamLab Reconnect: Art with Rinkan Sauna, that brings the experience of enjoying the sauna and digital art together. TV Asahi is also working together with NAKED, Inc. to create an original sensory event and planning with other new and upcoming technology-fused companies to create one-of-a-kind experiences.

In order to further develop Media City endeavors and lead the way to creating technology-fused real entertainment experiences that build on the Group's diverse and compelling content, TV Asahi has purchased land in Ariake, Tokyo to construct a neighborhood that brings such vision to life.

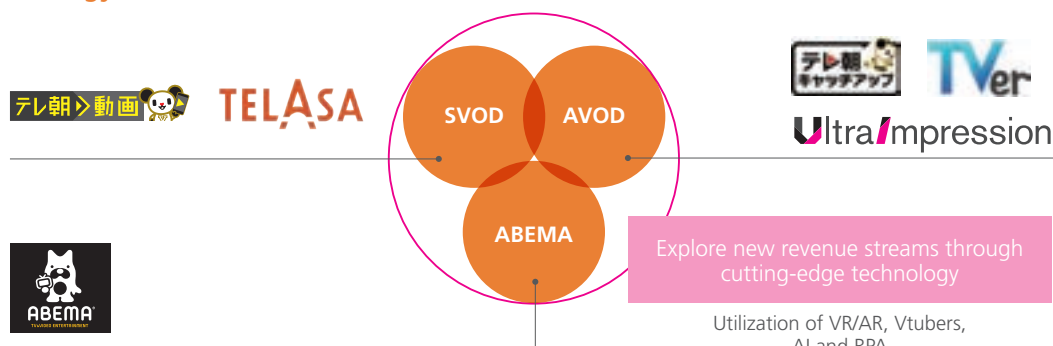
•Strategic Investment

The Group intends to continue with making planned investments to achieve its strategic objectives: examples include mergers and acquisitions, new business development, and real estate investments to accelerate the Media City strategy.

•Numerical Target

Although the Company plans to set numerical targets, the outlook for the future remains uncertain due to the COVID-19 pandemic. Accordingly, the Company is committed to making an announcement once it becomes possible to reasonably calculate specific numerical targets.

Internet Strategy for the 5G Era



Media City / Ariake Development Project



A significant step in the TV Asahi's Media City strategy was taken in December 2020 when the Company acquired approximately 13,000m² of land in the Ariake district in Tokyo Bay.

The new site will advance the information and content distribution competency of the Group. The plan is to build a multifaceted complex with studios, multi-purpose halls, and event and entertainment spaces to make Ariake the key information and content distribution hub envisaged in our Media City strategy. Commercial facilities and office space will also be part of the design. Construction is scheduled to begin in spring 2022 and be completed in 2024. The Group will use its own funds to cover the cost of land and construction, which are expected to total approximately ¥32 billion.

Development plans are underway including specific schemes and initiatives aimed at shifting the Group's business model to enhance its information and content distribution competency in the digital era.

Viewer ratings

NO.2 Spot in prime time for 8 years straight!
(individual all*¹)



NO.2 Spot in all-day for 9 years straight!
(individual all and household*²)

Recorded highest ratings average annual ratings for all-day!

4.1% for individual all

8.0% household



*1 Individual all refers to the percentage of individuals watching television among households that own television sets.

*2 Household refers to the percentage of households watching television among households that own television sets.

Sales Composition Ratio

Other Businesses

Net Sales **58.6** billion yen

Operating Income **2.6** billion yen

■ Strong performance of Internet and shopping businesses despite disruptions in other business areas

Music Publication

Net Sales **6.3** billion yen

Operating Income **0.7** billion yen

■ Adverse impact from suspension and cancellation of concerts

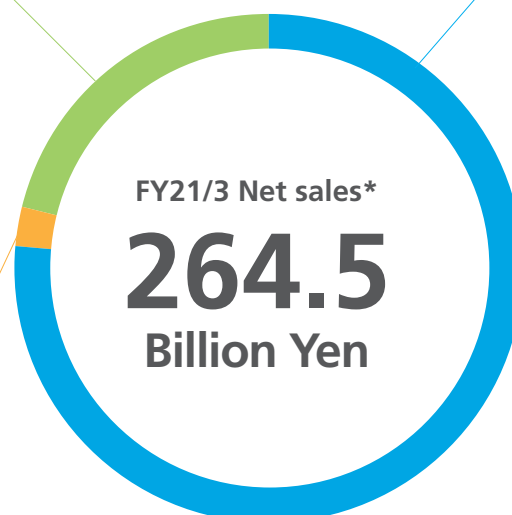
TV Broadcasting

Net Sales **213.2** billion yen

Operating Income **11.0** billion yen

■ Significant decrease due to COVID-19

■ Advertising revenue decreased 12.4% year on year



* Net sales of 264.5 billion yen includes adjustments

Consolidated Financial Highlights

Please refer to tv asahi GROUP's Data Booklet
<https://www.tv-asahi.co.jp/e/data/>



Five-Year Summary

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

Millions of yen

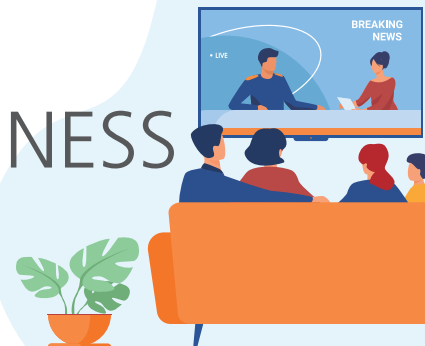
	2017	2018	2019	2020	2021
Operating Results:					
Net sales	¥ 295,879	¥ 302,511	¥ 301,744	¥ 293,638	¥ 264,557
Operating income	17,278	18,634	16,164	12,565	14,413
Ordinary income	21,947	22,053	19,097	32,048	17,980
Profit attributable to owners of the parent	15,949	15,848	12,879	26,398	12,600
Comprehensive income	20,369	22,157	18,445	11,067	32,386
Capital expenditures	15,233	6,813	14,615	17,449	10,229
Depreciation and amortization	9,541	9,752	10,350	10,801	10,661
Financial Position:					
Total assets	¥ 426,070	¥ 435,488	¥ 452,000	¥ 447,549	¥ 473,739
Total net assets	322,793	340,161	353,757	352,518	376,105
Cash Flows:					
Cash flow from operating activities	¥ 23,464	¥ 18,149	¥ 20,273	¥ 24,513	¥ 20,596
Cash flow from investing activities	(11,635)	4,134	(21,260)	(16,450)	(7,959)
Cash flow from financing activities	(7,441)	(6,506)	(7,430)	(9,878)	(8,251)
Cash and cash equivalents at end of period	34,202	49,961	41,533	39,709	44,062
Per Share Data (yen):					
Earnings per share	¥ 148.66	¥ 147.85	¥ 120.18	¥ 248.58	¥ 122.08
Net assets per share	2,979.63	3,144.71	3,264.51	3,380.36	3,693.89
Cash dividends	40	50 ^{*1}	50 ^{*2}	40	40
Dividend payout ratio (%)	26.9	33.8	41.6	16.1	32.8
Key Ratios (%):					
Operating margin	5.8	6.2	5.4	4.3	5.4
Return on equity (ROE)	5.1	4.8	3.8	7.5	3.5
Return on assets (ROA)	3.7	3.6	2.8	5.9	2.7
Equity Ratio	75.0	77.4	77.4	78.5	79.1
Other Data:					
Number of shares issued (Thousands)	108,529	108,529	108,529	108,529	108,529
Number of employees	4,616	4,938	5,085	5,229	5,332

*1 The dividend of 50 yen per share for fiscal year ended March 31, 2018 includes a special dividend of 10 yen per share.

*2 The dividend of 50 yen per share for fiscal year ended March 31, 2019 includes a commemorative dividend of 10 yen per share.

TV BROADCASTING BUSINESS

A leader in content production and output:
Captured high viewer ratings and
maintained the No. 2 position!



Net Sales

213.2

Billion Yen

(down 10.9% year on year)

Operating Income

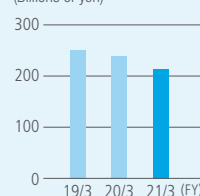
11.0

Billion Yen

(up 58.0% year on year)

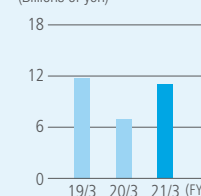
Net Sales

(Billions of yen)



Operating Income

(Billions of yen)



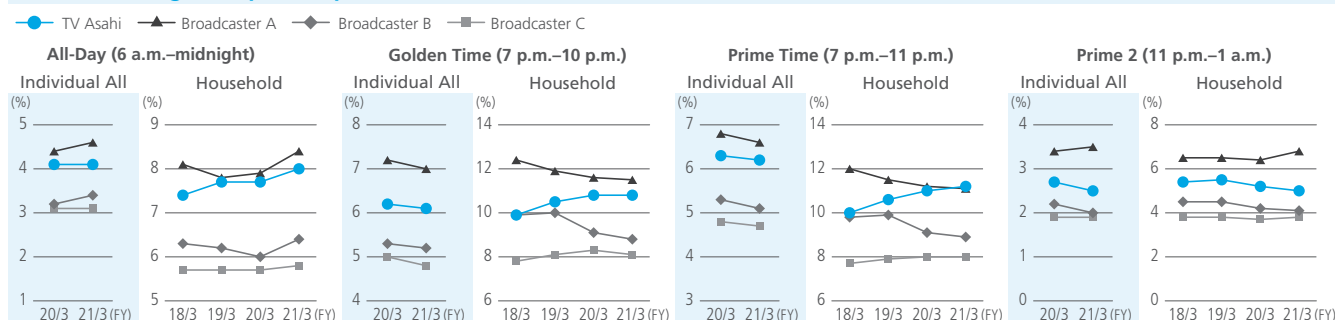
For the fiscal year ended March 31, 2021, although viewer ratings continued to be strong, the Japanese economy faced adverse conditions owing to the COVID-19 pandemic and conditions in the television advertising market also faced an adverse condition. In this economic environment, the TV Broadcasting Business generated net sales of ¥213.205 billion (down 10.9%) while incurring operating expenses of ¥202.146 billion (down 13.0%), due primarily to a reduction in program production costs and other expenses, resulting in operating income of ¥11.059 billion (up 58.0%).

Average viewer ratings were as follows: 4.1% for individual all and 8.0% for household in the all-day viewer ratings segment (6 a.m.–midnight) with both ranking second in this segment; 6.1% for individual all and 10.8% for household in golden time (7 p.m.–10 p.m.), both ranking second among commercial broadcasters in this segment; 6.2% for individual all and 11.2% for household in prime time (7 p.m.–11 p.m.), ranking second and first respectively in this segment; and 2.5% for individual all and 5.0% for household for prime 2 (11 p.m.–1 a.m.), both ranking second in this time segment. The Company maintains its

position among the top broadcasters in average viewer ratings in all time segments.

Throughout the fiscal year under review, *Hodo Station* captured the top rating among the golden and prime time programs of all broadcasters during the entire 51 weeks in which it was broadcast and matched its own all-time highest annual average individual all viewer rating of 7.1% set in fiscal 2005. Furthermore, the prime time regular news programs delivered strong results as *Sunday Station's* time slot moved to 9 p.m., in line with *Saturday Station's* time slot, from the fall programming season onward. Six of the Company's drama series ranked in the top 10 in individual all average viewer ratings among those of commercial broadcasters for the fiscal year under review despite irregular airing dates caused by factors such as the suspension of filming in response to the declaration of a state of emergency in Tokyo in April 2020. The Company's programs delivered strong results during all the programming seasons, including *BG* (average: individual all 8.6%, household 15.6%), *Aiyou: Tokyo Detective Duo Season 19* (average: individual all 8.4%, household 15.0%), *7 Secretaries* (average: individual all 7.9%, household 14.5%) and *Tokuso 9* (average: individual all 7.6%, household

Viewer Rating for Japan's Top Four Commercial Broadcasters



Note: Viewer ratings has changed to Individual All from April 2020. Household ratings are provided for reference.

Source: Video Research Ltd.



14.0%). In addition to the consistently strong ratings of variety programs on Sundays and Mondays, the Company strengthened viewer ratings of variety programs on Fridays with *Zawatsuku! Friday*, which ratings rose sharply from those of the previous year.

In the all-day segment, the Company created a positive momentum starting with regular morning news show *Shinichi Hatori's MORNING SHOW* which recorded its highest individual all viewer ratings and captured for the first time the highest ratings among the morning programs of all broadcasters, and *Jun Sanpo* and *Oshita Yoko Wide! Scramble Ichibu* also recording their highest-ever viewer ratings. For evening programming on weekends, *Jinsei no Rakuen* and *Aiba's Joy of Learning* continued to deliver high viewer ratings and increased their average ratings from the previous fiscal year.

During the three-day New Year's holiday period, programs such as *Aibou: Tokyo Detective Duo New Year Special* and *Beat the Champions* captured high viewer ratings. TV Asahi maintained the top average viewer ratings for the three-day period in prime time for the 13th consecutive year and in golden time, the seventh consecutive year.



Hodo Station



Shinichi Hatori's Morning Show

Time Sales

75.2 Billion Yen (down 10.5% year on year)

Advertisers were inclined to place importance on retaining flexibility in their advertising activities which resulted in a decrease in regular program sales. Revenue from one-off special programs declined in the absence of *World Baseball Premier 12*, TV Asahi 60th anniversary commemorative programs such as five-night drama special *Shiroi Kyoto* (by Toyoko Yamasaki) and *2019 World Aquatic Championships, Gwangju, South Korea*, and other events aired in the previous fiscal year, despite efforts to increase revenue with programs including the two-night drama *The Fugitive* (Japan adaptation) and special drama *Air Girl*. As a result, time advertising sales revenue for the fiscal year ended totaled ¥75.206 billion.

Spot Sales

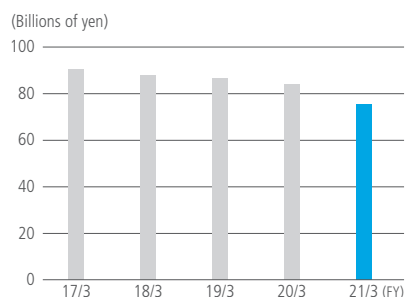
79.4 Billion Yen (down 14.1% year on year)

Spot advertising sales revenue decreased significantly due to a year-on-year decrease in Tokyo area spot advertising volume from the impact of the COVID-19 pandemic. Although revenues were strong in industry sectors such as "government and public institutions," revenues declined from many other categories such as "transportation and leisure," "pharmaceutical and medical supplies," "housing and housing materials," and "finance and insurance." As a result, spot advertising sales revenue in the fiscal year under review were ¥79.423 billion.

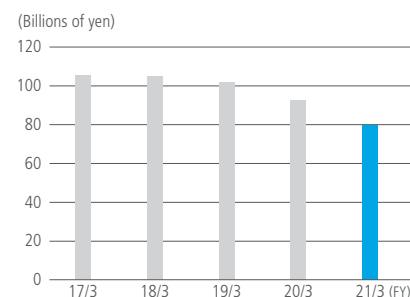
Sales of TV Broadcasting Business

	Billions of yen		
	FY20/3	FY21/3	YoY
Time Sales	84.066	75.206	– 10.5%
Spot Sales	92.494	79.423	– 14.1%
Program Sales	13.168	12.825	– 2.6%
BS/CS	26.110	24.903	– 4.6%
Other	23.443	20.846	– 11.1%
Total	239.283	213.205	– 10.9%

Time Sales Revenue



Spot Sales Revenue





MUSIC PUBLICATION BUSINESS

The copyrights management segment delivered steady results, but the cancellation of tours and concerts greatly affected sales.

Net Sales

6.3

Billion Yen

(down 35.2% year on year)

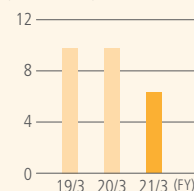
Operating Income

0.7

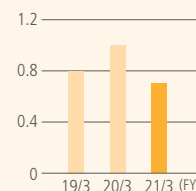
Billion Yen

(down 29.1% year on year)

Net Sale (Billions of yen)



Operating Income (Billions of yen)



The Music Publication Business consists of one company, TV ASAHI MUSIC, CO., LTD., which celebrated in April 2020 its 50th anniversary of its establishment. The company aims to create, manage and control quality music as a music publisher as well as to thrive in the content-based IP business for artists under management as a Total Entertainment Company.

The absence of *Ketsumeishi* concert tour held in the previous fiscal year as well as the postponement of *Sonar Pocket* and *Shonan no Kaze* concert tours resulted in the Music Publication Business generating net sales of ¥6.391 billion (down 35.2%). Operating expenses were ¥5.670 billion (down 35.9%), resulting in operating income of ¥0.721 billion (down 29.1%).



SHONAN NO KAZE
SHIHOSENPU



KETSUMEISHI
Ketsunoparadise

Return to Shareholders

Giving back to shareholders continues to be an important management policy. Dividend payouts and share repurchases are determined in line with improving capital efficiency and implementing flexible capital policies that are responsive to changes in the business environment.

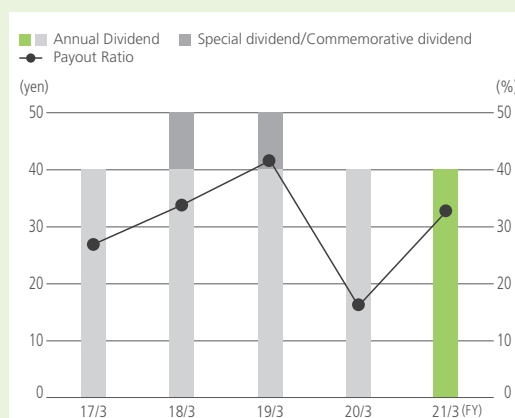
Dividends

The Company has a basic policy to continually pay out regular dividends with focus on increased payment. In years where there are celebratory events or business performances are outstanding, commemorative or special dividends are paid out.

Acquisition of Own Shares

The Company has repurchased its own shares in fiscal year ended March 2021. The total number of shares repurchased were 1,766,400 shares through the market and via off-auction own share repurchase transaction (ToSTNeT-3) from November 13, 2020 to March 31, 2021.

The previous stock repurchase was conducted in March 2016 where a total of 1,069,000 shares were repurchased via ToSTNeT-3.



OTHER BUSINESSES

Strong performance of Internet related businesses and TV shopping business!

Net Sales

58.6

Billion Yen

(up 0.4% year on year)

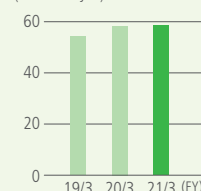
Operating Income

2.6

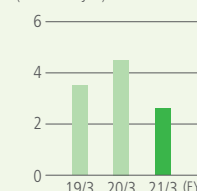
Billion Yen

(down 42.8% year on year)

Net Sale
(Billions of yen)



Operating Income
(Billions of yen)



The Other Businesses segment recorded net sales of ¥58.605 billion (up 0.4%), operating expenses of ¥55.974 billion (up 4.1%) and operating income of ¥2.630 billion (down 42.8%).

In internet related businesses, the Company established TELASA CORPORATION, a joint venture with KDDI Corporation, and launched TELASA as TV Asahi's main subscription-video-on-demand service in April 2020. TELASA subscription numbers are growing steadily due to a rich slew of TV Asahi tie-up original content. ABEMA, a joint venture with CyberAgent, Inc., is steadily growing, consistently achieving its initial target of 10 million weekly active users. ABEMA NEWS delivers breaking stories such as COVID-19 and disaster-related news. Regarding free-of-charge ad-supported TV streaming services, Tokyo's five key commercial broadcasters have increased their investment in the operating company of TVer, gaining control of the business. In addition, UltrImpression, Inc., a consolidated subsidiary that develops and operates a video advertising platform, is seeing growth from TV catch-up streaming services. New Japan Pro-Wrestling's *NJPW WORLD* and *Toei Tokusatsu Fan Club* video distribution businesses also continue to achieve steady growth.

In special events, the Company organized *Banksy: Genius or Vandal?* which was a huge success. In addition, the Company sold popular cuisine online from the annual *Gekikara Gourmet Festival*. Revenue from this segment declined, however, due to the cancellation of major events owing to COVID-19.

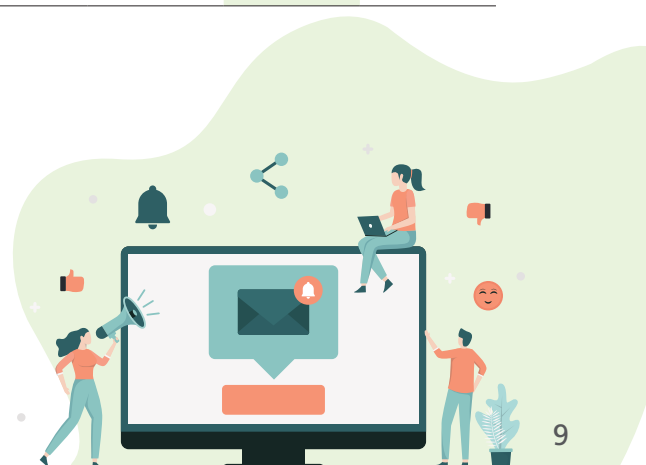
Revenue rose sharply in the shopping business and reached a record high due to strong viewer ratings for TV shopping program *Jun Sanpo* and heightened stay-at-home demand sparked by COVID-19 and popularity of special programs, *Koji Imada ★ Hit World* and *Sakagami-kun ga Tameshite Mita!!*. The Company converted ITTY, Inc., an online sales operator, into a consolidated subsidiary in November 2020 with the aim to strengthen the Group's shopping business by leveraging the extensive product range that ITTY has developed for young people and its endeavors on its own e-commerce site.

In the investment in motion pictures, despite postponement of releases due to COVID-19, both *Doraemon the Movie 2020: Nobita's New Dinosaur* and *Doraemon 50th anniversary commemorative movie STAND BY ME Doraemon 2* were hits earning box office revenues of ¥3.35 billion, and ¥2.75 billion, respectively.

In DVD sales, the Company released a variety of titles, including Johnny's Jr. program, *Hadaka no Shounen*; *Boys in the Mid Summer 1945/2020*, the first drama series casting the idol group Bishonen; and the popular series *Aibou: Tokyo Detective Duo*.

Sales of Major Other Businesses

	Billions of yen		
	FY20/3	FY21/3	YoY
Internet Related	20.124	21.372	+ 6.2%
Shopping	10.732	15.721	+ 46.5%
Equipment Sales/Lease	6.082	4.544	- 25.3%
Motion Pictures	1.996	3.482	+ 74.4%
Special Events	7.237	1.370	- 81.1%
DVD	1.212	1.173	- 3.2%



TV Asahi's Group Initiatives for ESG

As a public broadcaster, the TV Asahi Group believes its duty is to serve the public. Guided by this belief and in accordance with TV Asahi Group's Corporate Mission, the Group promotes ESG initiatives not only through the distribution of information and content but also as a responsible corporate citizen.



SUSTAINABLE DEVELOPMENT GOALS



TV Asahi Now a Signatory to the SDG Media Compact

TV Asahi became a signatory to the SDG Media Compact on July 6, 2020. TV Asahi will leverage the power of its mass media content to inspire and empower viewers to individually and collectively contribute towards the achievement of the SDGs.

Asahi Satellite Broadcasting Limited, a TV Asahi group company, is also a signatory to the SDG Media Compact. For further information regarding initiatives, please visit: <https://www.tv-asahi.co.jp/e/sdgs/>

Environment

Renewable energy and CO₂ emission reductions

Introducing the "Stop the Global Warming Project" in November 2007, TV Asahi has been engaged in eco-friendly practices that are sustainable and conserve the environment for the benefit of the community and future generations.

The Company continues to reduce CO₂ emissions through concerted group-wide efforts including converting to LED lighting at its facilities, incorporating energy-saving features in newly constructed buildings, and encouraging employees to dress fittingly in extreme weathers. Two buildings, the TV Asahi Headquarters and Gochan Square, have been greened, reducing the heat island effect and creating a better landscape in the highly urban neighborhoods. Group company SHIN-EI ANIMATION has set solar panels on its roof and makes use of renewable energy at its facilities.

Through these initiatives, from fiscal year ended March 31, 2016 to March 31, 2020, an average of 15% annual reduction in CO₂ emissions was achieved at the Headquarters and Ark

Broadcasting Center compared with the standards set by the Tokyo Metropolitan Government's environmental protection ordinance.

In addition, the Headquarters and Ark Broadcasting Center has adopted the Renewable Energy Certificate System of Japan Natural Energy Company Limited where a portion of energy used at the aforementioned facilities will be traded into renewable energy. As such, 3.2 million kWh of electricity used since April 2020 will be deemed as green electricity which is equivalent to a reduction of 1,500 tons of CO₂ emission.



Circularity and efficient use of resources

TV Asahi has engaged in recycling used videotapes to reduce waste material since 1998. Every month, discarded videotapes are collected at in-house recycling sites and disassembled. Approximately 50 different disassembled components are then recycled to make construction materials, etc.



Social

Workstyle Transformation

Under the management plan TV Asahi 360°, the Group has been carrying out the TV Asahi 360° Workstyle Transformation since 2017 where building a physically and mentally healthy working environment for employees and staff and embracing diversity is a top priority.

Initiatives that have been taken include:

- ▶ Systematically manage working hours
- ▶ Implement measures to encourage taking leave, such as establishing “Lucky! Fridays”
- ▶ Increase performance by utilizing technology such as Robotic Process Automation (RPA), AI, and other tools.
- ▶ Implement flexible work styles such as teleworking, free-address offices, satellite offices, re-employment after retirement, etc.
- ▶ Extend internal compliance systems such as setting up compliance hotlines, assigning compliance leaders in each division, holding training session and regular internal audits.

Through these initiatives, total working hours have been steadily decreasing and productivity increasing. The Company will continue to steadily implement such initiatives and strive to reduce total working hours to better facilitate the creation of appealing content.

Participation of Women in the Workplace

The Company continues to cultivate working environments that support and facilitate flexible work styles that meet the needs of women at different life stages. The Company is committed to further developing these reforms to create working environments that are conducive to achieving high job satisfaction.

TV Asahi is the only commercial broadcaster that is a member of 30% Club Japan, which aims to increase the ratio of women in companies' key decision-making bodies. TV Asahi promotes women's workplace participation and advancement and also has been focusing on nurturing women candidates for executive positions.



Integrated Learning Support Activities

As a TV broadcasting station, TV Asahi conducts various information and integrated learning support activities including Guided Tours at TV Asahi Headquarters that



Guided Tour at TV Asahi

provide students the chance to learn about broadcasting operations; TV Academy that give a more intimate look into the different functions of a broadcaster and content production; and TV Asahi Cater Classes where the class is led by TV Asahi personnel and which are offered in real (mainly for elementary and junior high school students) and online (mainly for university students). The number of students who have participated in the Cater Classes increased 15% in the past year with many schools employing the Classes in their ethics courses. The Company will continue to offer media literacy activities where viewers and broadcasters can both learn from each other in a friendly setting.

TV Asahi also sponsors the French IT engineer training institution 42 Tokyo. Its philosophy is to offer high-quality education to all who want to challenge themselves, and it nurtures IT engineers who are able to contribute to society. TV Asahi will continue to support the development of future IT talent.

For further information on integrated learning support activities, visit:

<https://www.tv-asahi.co.jp/teleasa/>

**Only available in Japanese*

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 maternal-parent families living in support facilities.



*Appreciating the Five Senses Music Concert 2019
~LIVE TOGETHER CONCERT ~*

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

**Only available in Japanese*

Furthermore, TV Asahi founded the Doraemon Charity Fund to aid disaster victims both in Japan and abroad. The first collection was undertaken in 1999 to aid the victims of the Izmit earthquake in Turkey and the Jiji earthquake in Taiwan. Together with the TV Asahi Welfare Foundation, the Fund selects the recipients of the donations and donates funds via the foundation.

In recent years, funds were collected to assist victims of the torrential rainfall in western Japan in 2018 (85.5 million yen), Typhoon Hagibis in 2019 (46 million yen) and the Kyushu floods in 2020 (135 million yen).

For further details and track record of donations, visit:

<https://www.tv-asahi.co.jp/doraemonbokin/>

**Only available in Japanese*



Governance

Compliance and Corporate Governance

Basic Policy on Corporate Governance

The Company, as a certified broadcasting holding company with commercial broadcasters as subsidiaries, pursues profit through just and appropriate means and contributes to the progress of democracy while remaining impartial. The Company appreciates the public nature and interest of broadcasting, abides by the Broadcasting Act, Radio Act and Civil Protection Act and its subsidiaries contribute to cultural development by providing information necessary to daily life and sound entertainment.

To conduct business while fulfilling its public mission as a broadcaster, the Company enhances its corporate value through the production and delivery of content that meet the needs of society, which builds upon nurturing and hiring workforce that share the same philosophy, gaining the trust of stakeholders, and assuming responsibility as a broadcasting and news media.

The Company believes the basis of its corporate governance lays in establishing and executing a system that facilitates sustained growth and medium to long-term development of corporate value while maintaining proper relationships with stakeholders.

Corporate Governance System

The Company employs the “company with an audit and supervisory committee” system that executes operations and provides management supervision through the appointment of Audit and Supervisory Committee (A&SC) members who, as members of the Board of Directors, are responsible for auditing and supervising the execution of business by Directors.

Major bodies and organizations and their functions are as follows.

• General Meeting of Shareholders

The Company believes securing shareholder's equal exercise of voting and other rights leads to substantive exercise of rights. As such, the Company decides on the schedule for General Meeting of Shareholders and discloses information in accordance with the Companies Act, Broadcasting Act, etc.

• Board of Directors and Audit and Supervisory Committee

For members of the Board of Directors, in addition to the Standing Directors who execute business operations, the Company elects persons from diverse roles and backgrounds such as those from capital and/or strategic partner companies, those who have certain relationships with and ample experience and knowledge of broadcasting business, and those independent from the Company's management who are capable of overseeing just and appropriate relationship with stakeholders.

▶ Board of Directors:

Pursuant to the Articles of Incorporation, the Company has established a structure that delegates a number of important execution decisions to the Directors for prompt resolutions.

▶ Audit and Supervisory Committee:

The majority are independent Outside Directors who have met the Company's standards of independence.

▶ Nomination and Compensation Committee (N&CC):

The N&CC is chaired by an independent Outside Director and is comprised by a majority of independent Outside Directors who are also A&SC members. The N&CC 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 A&SC members).

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

System to Protect Stakeholder Interests

As a listed company, the Company assures the equality of shareholders by providing vital and appropriate information via its website and various means so that shareholders may appropriately exercise rights. In addition, as a certified broadcasting holding company and to maintain the public nature and public interest of and impartial position as a broadcaster, the Company ensures that, based on the Broadcasting Act and other regulations, there are no doubts regarding the exercise of legal individual and common shareholders' rights.

With regard to major cross shareholdings, the Investment Review Committee (IRC) examines and determines whether to continue such investments based on assessments of the Committee once a year.

Shareholdings

The Company in principle does not hold cross shareholdings unless they are deemed to be shares of companies with which it has important business or collaborative relationships, or with which maintaining and developing business relationships are important, thereby contributing to corporate value.

Based on this policy, the Company has created internal rules and has established the IRC as a body under the Council of Executive Directors.

The IRC deliberates the investment according to the purpose, scale, type, necessity, risk, profitability, and other factors. New and continued investments are then reviewed by the Council of Executive Directors as well as the Board of Directors in line with internal rules and results of the IRC. The Board of Directors has opportunities to receive reports on shareholdings concerned through this process.

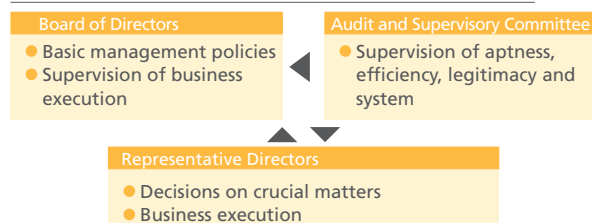
Where it is determined through the abovementioned process that continuation of investment is unnecessary, the Company disposes of cross-held shares.

Information Disclosure

To ensure information disclosure in compliance with laws and regulations, an appointed Standing Director holds ultimate responsibility of the subject and information disclosed. Regarding non-financial information, the finance, administration and IR functions hold regular meetings to examine and discuss the information and preliminary disclosure procedures in order to provide accurate and reliable information.

The Company compiles and discloses its basic policy on corporate governance in “TV Asahi's Corporate Governance Guidelines.”

Company with an Audit and Supervisory Committee



■ Additional Information and Risks

Critical Accounting Estimates and Assumptions

The consolidated financial statements of TV Asahi Group are prepared in accordance with accounting standards generally accepted in Japan as fair and appropriate. When preparing these consolidated financial statements, the Company uses estimates and assumptions that may affect the reported amounts of assets, liabilities, revenues, and expenses. Figures based on these estimates and assumptions may differ from actual results.

Operating Environment for the Broadcasting Industry

During the fiscal year under review (ended March 31, 2021), the Japanese economy faced adverse conditions owing to continual restrictions on movement and consumer activity due to the COVID-19 pandemic.

The television advertising market also faced an adverse condition from such disruptions, with, for example, the Tokyo area spot advertising volume falling greatly below the prior-year level.

Risk Information

Forward-looking statements contained herein represent what the Company believes are reasonable assumptions as of March 31, 2021. These statements are not an exhaustive list of risks, and risks that are unforeseen or are currently viewed as materially insignificant may affect the Company in the future. The TV Asahi Group endeavors to share information that is necessary for determining management and business risks and works to minimize risks.

* Risks Associated with Changes in the TV Broadcasting Business Environment

A large portion of TV Asahi Group's revenue is from the TV broadcasting business, which is contingent upon corporate advertising expenditures that is in turn affected greatly by the state of the Japanese economy. Furthermore, the business environment facing the Group is changing rapidly with the penetration of smartphones and tablet PCs changing the manners of television viewing. In addition, content distribution channels are diversifying and competition with other media is intensifying. In the future, the position of terrestrial broadcasting on TV sets may become relativized.

Moreover, in the TV broadcasting business, viewer ratings play an important role in determining sales price of advertising time, and weak consumer economics significantly impact the Group's business.

A decrease in the Group's revenue or inability to absorb costs required for multifaceted distribution of content due to the progression of these complex factors may have an adverse effect on the Group's financial position and business performance.

As such, in accordance with the Company's basic principle that content is the source of all corporate value, the Company engages in 360° distribution of content on the media channels possessed by the Group in order to gain maximum revenue. To execute this policy, the Company has reformed the organizational structure of its core subsidiary TV Asahi, introducing the Business Solution Headquarters to manage integrated operations of the Content Programming Division, Sales Promotion Division, Business Development Division, and IoTv Division, and proceeded with content production and

distribution, utilization of data and technology, and boosting information distribution that meets stakeholder demands.

The Company will also make strategic investments to implement these measures.

* Risks Related to the Impacts of the COVID-19 Pandemic

COVID-19 has had a number of impacts on the real economy and it has also led to decrease in revenue in all of the business segments of the Group due to a decline in the volume of ad placements by advertisers and the suspension and cancellation of concert tours, events and motion pictures. There have also been disruptions to the steady acquisition of content as filming of drama shows has been suspended to prevent the risk of infection.

As it is not possible to predict when COVID-19 will come to an end, the Group companies are each taking several measures to deal with the situation, such as TV Asahi setting up the COVID-19 Emergency Countermeasures Committee and Emergency Countermeasures Implementation Team in order to secure the continuation of broadcasting as well as preventing the spread of the infection.

Specific examples of incurred measures, without saying, thorough infection prevention, include: disinfecting workspaces, strict accreditation process prior to entering building premises, off-peak commuting and teleworking and enhancing employee health management, etc. Rotating work shifts have also been implemented to prepare for the instance of employee infection and to ensure the continuation of broadcasting and businesses.

At content production sites, the 3Cs (closed spaces, crowded places, and close contact) is avoided during meetings and filming. Moreover, each division and production team has implemented measures that include but are not limited to separate workspaces, thorough efforts to prevent infection during interviews and news-reporting, filming with no studio audiences, and temporary suspension of filming. Temperature screenings, thorough disinfection, no shared use of microphones, masks worn by staff have also been put into practice.

The purpose of the aforementioned Business Solutions Headquarters is to respond to all changes in the business environment surrounding the Group, taking on the role of content production and distribution, utilization of data and technology, and boosting information distribution that meet stakeholder demands. The Headquarters is trusted to also fulfill its purpose in relation to addressing the impacts on business of COVID-19.

* Risks Associated with Capital Expenditures and Investments

The TV Asahi Group continues to appropriately incur capital expenditures and make investments to maintain technical standards. In addition, it makes strategic investments to build competitive advantages alongside endeavoring to strengthen its content production capacity, acquire appealing content, and enhance its media strategy.

Although the Group has developed an internal system to assess risks in accordance with the scale, nature, and type of investment to ensure that capital expenditures and investments contribute steadily to profit growth, there is no guarantee that

such investments will produce the expected returns. If returns fall short of expectations, the Group's financial position and business performance may be adversely affected.

*** Risks Associated with Handling of Personal Information**

The TV Asahi Group holds personal information of individuals appearing in its programs, of studio audience, viewers, as well as that of subscribers of its mobile and internet-related businesses and customers of its shopping business. In addition, the Group challenges the boundaries of conventional broadcasting and as such has adopted Internet technology to utilize big data to meet the needs of viewers, consumers, and advertisers.

While such personal information is subject to stringent management in accordance with internal rules and is handled with adequate care, any leakage of information due to unauthorized access, mishandling or other abuses may lead to a decline in the reliability of the Company's information and data management system and may adversely affect business operations that use such information or hurt the Group's credibility and thus, may affect the revenue and business performance of the Company.

*** Risks Associated with Natural Disasters**

In the TV broadcasting business, which is the principal business of the TV Asahi Group, major disasters may render broadcasting difficult or result in the airing of disaster information programs without advertisements. There is also the possibility that broadcasting hours will be reduced to address power shortages. Furthermore, if damage occurs to vital facilities required for business operations or if employees are affected due to the occurrence of earthquakes, heavy rains, flooding or other natural disasters or epidemics, the continuation of normal business operations may be disrupted. Although the Company has taken measures such as preparing a disaster response manual, conducting business continuity simulations, developing an employee safety confirmation system, and carrying out regular disaster drills, these measures cannot completely eliminate the effects or damage of natural disasters and such, and the Group's business performance may be affected.

*** Risks Associated with Compliance**

The TV broadcasting business, which is the TV Asahi Group's principal business, is subject to legal restrictions of the Broadcasting Act and related laws and ordinances. By qualifying as a certified broadcasting holding company under the Broadcasting Act, the Company is permitted to own multiple terrestrial, BS and CS broadcasting companies as subsidiaries. There is a possibility that the qualification will be rescinded in the future, should the Company cease to satisfy the criteria and requirements relating to the assets of certified broadcasting holding company or the criteria stipulated in the Broadcasting Act. Should the qualification be rescinded, the business performance and the financial position of the TV Asahi Group may be greatly impacted.

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 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. Furthermore, the Group is also subject to various legal regulations in pursuing business activities. The Group may become subject to legal penalties, litigation, or social sanctions in the event of a violation of these laws, ordinances, or social imperatives, and this may result in loss of the Group's credibility which foundation is in delivering news and information as a reliable broadcaster, and thus, affect the business performance of the Group.

For this reason, in keeping with the belief that "multifaceted cooperation for compliance with laws, ordinances, and other rules from top management to employees" is the basis for internal control, the Group has developed an internal control framework which clearly appoints authority and responsibilities in its organizational structure and regulations. It has also developed an internal system of review conducted by the Legal Affairs Department and Compliance Audit Department, and of reporting activities to the Council of Executive Directors and other management committees.

The Company appoints a top executive as the officer responsible for compliance issues and under the direction of this officer, holds training and awareness sessions necessary for internal control.

Through the above measures, the Company strives to reduce the risk of violations of laws, ordinances or societal norms by the Group and its employees.

*** Risks Associated with 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, (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 entities"), if the total of the ratio of voting rights directly held by those set out in (i) through (iii) and ratio of voting rights indirectly held by those set out in (i) through (iii) by those set out in (iv) as stipulated by the Ministry of Internal Affairs and Communications is 20 % or more, the certification for certified broadcasting holding company shall be revoked.

For this reason, 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 can refuse to enter or record the name and address of foreign entities 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 foreign entities shall be restricted.

Consolidated Balance Sheets

As of March 31, 2020 and 2021

	Millions of yen	
	2020	2021
Assets		
Current assets		
Cash and deposits	¥ 39,534	¥ 36,400
Trade notes and accounts receivable	74,417	74,757
Marketable securities	17,405	19,099
Inventories	11,791	12,211
Other current assets	12,455	9,149
Less allowance for doubtful accounts	(71)	(77)
Total current assets	155,532	151,540
Fixed assets		
Tangible assets		
Buildings and structures, net	29,825	29,133
Machinery and vehicles, net	18,394	16,378
Land	46,438	51,266
Leased assets, net	5,194	4,800
Other tangible assets, net	7,368	6,003
Total tangible assets	107,221	107,582
Intangible assets		
Other intangible assets	6,651	9,117
Total intangible assets	6,651	9,117
Investments and other assets		
Investment securities	155,951	183,834
Deferred tax assets	15,098	15,207
Other investments and other assets	7,349	7,316
Less allowance for doubtful accounts	(256)	(859)
Total investments and other assets	178,144	205,498
Total fixed assets	292,016	322,199
Total assets	¥447,549	¥473,739
Liabilities		
Current liabilities		
Trade notes and accounts payable	¥ 8,934	¥ 6,105
Other payables	19,358	16,191
Accrued expenses	26,594	27,246
Other current liabilities	8,740	10,819
Total current liabilities	63,627	60,362
Non-current liabilities		
Deferred tax liabilities	10,521	17,704
Net defined benefit liabilities	19,120	17,278
Other non-current liabilities	1,761	2,287
Total non-current liabilities	31,403	37,271
Total liabilities	95,030	97,634
Net assets		
Stockholders' equity		
Common stock	36,654	36,665
Additional paid-in capital	70,427	70,438
Retained earnings	235,961	244,232
Treasury stock	(9,343)	(13,837)
Total stockholders' equity	333,699	337,499
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	23,240	41,213
Deferred gain (loss) on hedges	(88)	12
Foreign currency translation adjustments	(124)	(75)
Remeasurements of defined benefit plans	(5,264)	(3,686)
Total accumulated other comprehensive income	17,763	37,464
Non-controlling interests	1,055	1,141
Total net assets	352,518	376,105
Total liabilities and net assets	¥447,549	¥473,739

Consolidated Statements of Income

Years ended March 31, 2020 and 2021

	Millions of yen	
	2020	2021
Net sales	¥293,638	¥264,557
Cost of sales	218,779	193,270
Gross profit	74,859	71,287
SGA expenses	62,294	56,873
Operating income	12,565	14,413
Non-operating revenue		
Dividend income	1,436	1,298
Share of profit of entities accounted for using equity method	17,748	2,118
Other non-operating revenue	564	377
Total non-operating revenue	19,749	3,794
Non-operating expenses		
Loss on investments in investment partnerships	—	48
Loss on disposal of noncurrent assets	171	147
Other non-operating expenses	95	30
Total non-operating expenses	266	226
Ordinary Income	32,048	17,980
Extraordinary gains		
Gain on sales of investment securities	310	2,223
Total extraordinary gains	310	2,223
Extraordinary losses		
Impairment loss	—	198
Loss on valuation of investment securities	599	98
Provision of allowance for doubtful accounts	—	603
Loss on COVID-19	—	470
Total extraordinary losses	599	1,370
Income before income taxes	31,758	18,833
Income taxes		
Current	5,715	7,078
Deferred	(515)	(930)
Total income taxes	5,199	6,147
Profit	26,559	12,685
Profit attributable to non-controlling interests	160	85
Profit attributable to owners of the parent	¥ 26,398	¥ 12,600

Consolidated Statements of Comprehensive Income

Years ended March 31, 2020 and 2021

	Millions of yen	
	2020	2021
Profit	¥ 26,559	¥12,685
Other comprehensive income		
Valuation difference on available-for-sale securities	(13,074)	16,336
Deferred gain (loss) on hedges	(669)	99
Foreign currency translation adjustments	(6)	(29)
Remeasurements of defined benefit plans	(593)	1,485
Share of other comprehensive income of entities accounted for using equity method	(1,148)	1,808
Total other comprehensive income	(15,491)	19,701
Comprehensive income	¥ 11,067	¥32,386
Components:		
Comprehensive income attributable to owners of the parent	¥ 10,906	¥32,301
Comprehensive income attributable to non-controlling interests	160	85

Consolidated Statements of Changes in Net Assets

Years ended March 31, 2020 and 2021

	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, 2019	¥36,642	¥70,226	¥212,447	¥ (2,854)	¥316,462	¥ 37,484	¥ 580	¥ (57)	¥(4,640)	¥ 33,367	¥ 3,926	¥353,757
Changes during term												
Issuance of new shares	11	11			22							22
Cash dividends			(5,373)		(5,373)							(5,373)
Profit attributable to owners of the parent			26,398		26,398							26,398
Purchase of treasury stock				(67)	(67)							(67)
Cancellation of treasury stock			(27)	27	—							—
Change in ownership interest of parent due to transactions with non-controlling interests		189			189							189
Change in treasury stock arising from change in equity in entities accounted for using equity method				(0)	(0)							(0)
Change in scope of equity method			2,517	(6,449)	(3,932)							(3,932)
Net changes other than stockholder's equity						(14,244)	(669)	(66)	(624)	(15,604)	(2,871)	(18,475)
Total changes during term	11	201	23,513	(6,489)	17,237	(14,244)	(669)	(66)	(624)	(15,604)	(2,871)	(1,238)
Balance at March 31, 2020	¥36,654	¥70,427	¥235,961	¥ (9,343)	¥333,699	¥ 23,240	¥ (88)	¥(124)	¥(5,264)	¥ 17,763	¥ 1,055	¥352,518
Changes during term												
Issuance of new shares	11	11			22							22
Cash dividends			(4,299)		(4,299)							(4,299)
Profit attributable to owners of the parent			12,600		12,600							12,600
Purchase of treasury stock				(3,941)	(3,941)							(3,941)
Cancellation of treasury stock			(29)	29	—							—
Change in treasury stock arising from change in equity in entities accounted for using equity method				(582)	(582)							(582)
Net changes other than stockholder's equity						17,973	100	48	1,578	19,701	85	19,786
Total changes during term	11	11	8,271	(4,493)	3,799	17,973	100	48	1,578	19,701	85	23,586
Balance at March 31, 2021	¥36,665	¥70,438	¥244,232	¥(13,837)	¥337,499	¥ 41,213	¥ 12	¥ (75)	¥(3,686)	¥ 37,464	¥ 1,141	¥376,105

Consolidated Statements of Cash Flows

Years ended March 31, 2020 and 2021

	Millions of yen	
	2020	2021
Cash flows from operating activities		
Income before income taxes	¥ 31,758	¥ 18,833
Depreciation and amortization	10,801	10,661
Impairment loss	—	198
Amortization of goodwill	279	362
(Gain) loss on disposal of noncurrent assets	171	147
(Gain) loss on sales of investment securities	(310)	(2,223)
Loss on valuation of investment securities	599	98
Increase (decrease) in allowance for doubtful accounts	75	5
Increase (decrease) in net defined benefit liabilities	616	429
Loss on investments in investment partnerships	—	48
Dividend income	(1,436)	(1,298)
Share of (profit) loss of entities accounted for using equity method	(17,748)	(2,118)
Provision for allowance for doubtful accounts	—	603
(Increase) decrease in trade notes and accounts receivables	4,116	(150)
(Increase) decrease in inventories	(1,235)	287
Increase (decrease) in trade notes and accounts payables	(214)	(2,899)
Other cash flows from operating activities	(1,670)	1,354
Subtotal	25,803	24,341
Interest and dividend received	2,500	2,340
Income taxes refunded	1,368	1,016
Income taxes paid	(5,159)	(7,102)
Net cash provided by operating activities	24,513	20,596
Cash flows from investing activities		
Proceeds from withdrawal of time deposits	2,061	—
Purchase of marketable securities	(114,600)	(76,400)
Proceeds from redemption of marketable securities	133,300	84,800
Purchase of trust beneficiary right	(47,200)	(36,600)
Proceeds from redemption of trust beneficiary right	47,200	40,100
Purchase of tangible assets	(14,323)	(11,258)
Purchase of intangible assets	(2,329)	(1,859)
Purchase of investment securities	(21,339)	(6,498)
Proceeds from sales of investment securities	334	3,515
Proceeds from purchase of shares of subsidiaries resulting in change in scope of consolidation	—	(3,242)
Other cash flows from investing activities	446	(516)
Net cash used in investing activities	(16,450)	(7,959)
Cash flows from financing activities		
Purchase of treasury stock	(0)	(3,117)
Dividends paid to stockholders	(5,373)	(4,299)
Payments from changes in ownership interests in subsidiaries that do not result in change in scope of consolidation	(3,199)	—
Other cash flows from financing activities	(1,305)	(834)
Net cash used in financing activities	(9,878)	(8,251)
Effect of exchange rate changes on cash and cash equivalents	(7)	(32)
Net increase (decrease) in cash and cash equivalents	(1,823)	4,353
Cash and cash equivalents at beginning of term	41,533	39,709
Cash and cash equivalents at end of term	¥ 39,709	¥ 44,062

Segment Information

Business segment of the Company and its consolidated subsidiaries for the fiscal years ended March 31, 2020 and 2021 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					
	2020					
	Reportable segment				Adjustments*1	Amounts reported on consolidated financial statements*2
TV Broadcasting Business	Music Publication Business	Other Businesses	Total			
Sales						
Sales to outside customers	¥235,838	¥9,641	¥48,159	¥293,638	¥ —	¥293,638
Inter-segment sales and transfers	3,445	226	10,229	13,900	(13,900)	—
Total	239,283	9,867	58,388	307,539	(13,900)	293,638
Segment income	7,000	1,018	4,598	12,617	(51)	12,565
Segment assets	262,060	9,244	77,135	348,440	99,108	447,549
Other items						
Depreciation and amortization	8,632	69	2,099	10,801	—	10,801
Investment in affiliates	19,265	—	28,551	47,816	15,590	63,406
Increase in tangible/intangible assets	14,110	19	3,318	17,449	—	17,449

*1 Details of adjustments are as follows:

- 1) Segment income adjustments totaling minus 51 million yen includes elimination of inter-segment transactions of minus 166 million yen, 2,164 million yen income accruing from inter-company transactions with our subsidiaries, and corporate expenses of minus 2,048 million yen. Corporate expenses are chiefly those expenses related to the Company's management of the Group's business.
- 2) Segment assets adjustment of 99,108 million yen consists of corporate assets of 128,157 million yen and elimination of inter-segment claims and liabilities of minus 29,048 million yen.
- 3) Adjustment of investment in affiliates of 15,590 million yen is corporate assets.

*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					
	2021					
	Reportable segment				Adjustments*1	Amounts reported on consolidated financial statements*2
TV Broadcasting Business	Music Publication Business	Other Businesses	Total			
Sales						
Sales to outside customers	¥209,485	¥6,168	¥48,903	¥264,557	¥ —	¥264,557
Inter-segment sales and transfers	3,720	223	9,701	13,645	(13,645)	—
Total	213,205	6,391	58,605	278,202	(13,645)	264,557
Segment income	11,059	721	2,630	14,411	2	14,413
Segment assets	261,686	9,104	87,518	358,310	115,429	473,739
Other items						
Depreciation and amortization	8,174	43	2,443	10,661	—	10,661
Investment in affiliates	21,380	—	31,560	52,940	17,279	70,219
Increase in tangible/intangible assets	8,408	24	1,796	10,229	—	10,229

*1 Details of adjustments are as follows:

- 1) Segment income adjustments totaling 2 million yen includes elimination of inter-segment transactions of minus 109 million yen, 2,170 million yen income accruing from inter-company transactions with our subsidiaries, and corporate expenses of minus 2,059 million yen. Corporate expenses are chiefly those expenses related to the Company's management of the Group's business.
- 2) Segment assets adjustment of 115,429 million yen consists of corporate assets of 144,422 million yen and elimination of inter-segment claims and liabilities of minus 28,992 million yen.
- 3) Adjustment of investment in affiliates of 17,279 million yen is corporate assets.

*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

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

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.
ITTY, Inc.	TV Asahi BEST Co., Ltd.
Japan Cable Television, Ltd.	TV Asahi Create Corporation
Media Mix Japan Co., Ltd.	TV Asahi mediaplex corporation
Plus ZERO Co., Ltd.	TV ASAHI MUSIC CO., LTD.
ROPPING LIFE Co., Ltd.	TV Asahi Productions Co., Ltd.
SHIN-EI ANIMATION Co., Ltd.	TV Asahi Service Co., Ltd.
TAKESYSTEMS Co., Ltd.	UltrImpression Inc.

Equity-Method Affiliates of TV Asahi Corporation

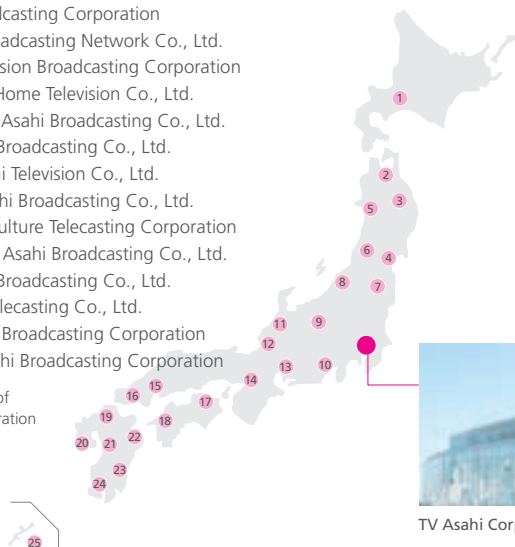
AbemaNews, inc.	Ray Corporation
AbemaTV, inc.	TELASA Corporation
Kaeru AbemaTV, Inc.	TOEI ANIMATION CO., LTD.
New Japan Pro-Wrestling Co., Ltd.	

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*
Washington, D.C.*
Los Angeles*
- **Europe/Africa**
London
Moscow
Cairo
Paris (ABC**)
- **Asia/Oceania**
Bangkok (News Bureau)
Bangkok (Business Bureau)
Beijing
Seoul
Shanghai (ABC**)

*TV ASAHI AMERICA, Inc.

**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 26, 2021

Chairman and CEO

Hiroshi Hayakawa*

President and COO

Shinichi Yoshida*

Vice President

Gengo Sunami

Members of the Board

Keiji Kameyama

Toru Takeda

Masaya Fujinoki

Hiroshi Shinozuka

Mieko Kenjo

Osamu Tezuka

Shiro Nakamura

Katsumi Sasaki

Katsuhiko Ikeda

Akira Genma

Sadayoshi Fujishige

Keiko Miyata

*Representative Directors

(Notes)

1. Mieko Kenjo, Osamu Tezuka, Shiro Nakamura, Katsuhiko Ikeda, Akira Genma, Sadayoshi Fujishige and Keiko Miyata are Outside Members of the Board.
2. Katsumi Sasaki, Katsuhiko Ikeda, Akira Genma, Sadayoshi Fujishige and Keiko Miyata 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	18,188
Foreign Shareholding Ratio (%)	11.77%
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 http://www.tv-asahi-hd.co.jp/e/
Date of Establishment	November 1, 1957
Paid-in Capital	¥36,665,400,000

Major Stockholders

Name	Shares	Shareholding Ratio (%)
The Asahi Shimbun Company	26,151,840	24.73
TOEI COMPANY, LTD.	18,522,900	17.52
KOSETSU Museum of Art	5,030,000	4.75
The Master Trust Bank of Japan, Ltd. (Trust Account)	4,102,300	3.88
Mizuho Trust & Banking Co., Ltd. Retirement Benefit Trust Dai Nippon Printing Account Retruster Trust & Custody Services Bank, Ltd	4,030,000	3.81
Kyushu Asahi Broadcasting Co., Ltd.	3,333,500	3.15
The Asahi Shimbun Foundation	2,297,100	2.17
Custody Bank of Japan, Ltd. (Trust Account)	2,017,600	1.90
Recruit Holdings Co., Ltd.	1,600,000	1.51
Asahi Broadcasting Group Holdings Corporation	1,572,000	1.48

Note: The Shareholding Ratio is calculated by deducting the Company's treasury stock (2,808,359 shares).

