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April 30, 2013

## TV Asahi Corporation Consolidated Earnings Report for the Fiscal Year ended March 31, 2013 (Japanese GAAP)

Stock listing: Tokyo Stock Exchange (First Section)

Securities code: 9409

Headquarters: 6-9-1 Roppongi, Minato-ku, Tokyo 106-8001 JAPAN

URL: <http://company.tv-asahi.co.jp/e/index.html>

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### Scheduled dates

General Shareholders' Meeting: June 27, 2013

Filing of statutory financial report (*yuka-shoken hokokusho*): June 27, 2013

Dividend payout: June 28, 2013

Supplementary materials to financial results available: Yes

Fiscal year-end earnings presentation held: Yes

(Amounts rounded down to the nearest ¥ million)

### 1. Consolidated Performance for the Fiscal Year ended March 31, 2013 (April 1, 2012 – March 31, 2013)

(1) Consolidated Operating Results (percentages indicate year-on-year changes)

	Net sales		Operating income		Recurring profit		Net income	
	¥ million	%	¥ million	%	¥ million	%	¥ million	%
FYE March 31, 2013	253,774	5.8	13,415	28.2	15,708	19.7	9,030	20.5
FYE March 31, 2012	239,845	1.9	10,462	6.2	13,124	6.1	7,496	6.9

Note: Comprehensive income: FYE March 31, 2013: ¥16,002 million (83.7%); FYE March 31, 2012: ¥8,711 million (55.0%)

	Net income per share	Diluted net income per share	Net income / Owners' equity*	Recurring profit / Total assets	Operating income / Net sales
	¥	¥	%	%	%
FYE March 31, 2013	89.91	—	3.6	4.8	5.3
FYE March 31, 2012	74.63	—	3.1	4.2	4.4

\*Owners' equity = Net assets – Share purchase warrants – Minority interests

Note: Equity-method investment gains (losses): FYE March 31, 2013: ¥1,241 million; FYE March 31, 2012: ¥1,719 million

Note: Effective October 1, 2012, TV Asahi Corporation conducted a 1:100 share split. Net income per share is calculated on the assumption that the share split was conducted on April 1, 2011.

### (2) Consolidated Financial Position

	Total assets	Net assets	Owners' equity ratio	Net assets per share
	¥ million	¥ million	%	¥
March 31, 2013	333,150	261,969	77.3	2,563.66
March 31, 2012	318,519	248,531	76.5	2,427.48

Note: Owners' equity: March 31, 2013: ¥257,491 million; March 31, 2012: ¥243,820 million

Note: Effective October 1, 2012, TV Asahi Corporation conducted a 1:100 share split. Net assets per share is calculated on the assumption that the share split was conducted on April 1, 2011.

(3) Consolidated Cash Flows

	Cash flow from operating activities	Cash flow from investing activities	Cash flow from financing activities	Cash and cash equivalents at end of period
	¥ million	¥ million	¥ million	¥ million
FYE March 31, 2013	19,539	(11,314)	(2,211)	54,532
FYE March 31, 2012	11,148	(15,657)	(3,197)	48,482

## 2. Dividends

	Dividend per share					Total dividend payout	Payout ratio (consolidated)	Dividend payout / Net assets (consolidated)
	End-Q1	End-Q2	End-Q3	Year-end	Annual total			
	¥	¥	¥	¥	¥	¥ million	%	%
FYE March 31, 2012	—	1,000.00	—	1,000.00	2,000.00	2,012	26.8	0.8
FYE March 31, 2013	—	1,000.00	—	20.00	—	3,018	33.4	1.2
Forecast for FYE March 31, 2014	—	10.00	—	20.00	30.0		31.7	

Note:

Year-end dividend for the fiscal year ending March 31, 2013 is 20 yen per share. This includes a special dividend of 10 yen per share. Forecast of the year-end dividend for the fiscal year ending March 31, 2014 is 20 yen per share. This includes a commemorative dividend of 10 yen per share.

Effective October 1, 2012, TV Asahi Corporation conducted a 1:100 share split. Year-end per share dividend for the fiscal year ending March 31, 2013, is calculated taking the share split into consideration. Without the share split, the total annual per-share dividend would be ¥3,000.00 (End-Q2: ¥1,000.00, Year-end: ¥2,000.00).

## 3. Forecast for the Fiscal Year ending March 31, 2014 (April 1, 2013 – March 31, 2014)

	Net sales		Operating income		Recurring profit		Net income		Net income per share
	¥ million	%	¥ million	%	¥ million	%	¥ million	%	¥
Six months ending Sept. 30, 2013	128,500	3.5	6,500	30.0	7,500	22.7	4,300	34.0	42.81
FYE March 31, 2014	260,000	2.5	14,000	4.4	15,500	(1.3)	9,500	5.2	94.58

## 4. Other Information

- (1) Changes in consolidation status of major subsidiaries during the term: none
- (2) Changes in accounting principles, changes in accounting estimates, and retrospective restatement
  - 1) Changes in accordance with amendments to accounting standards, etc.: none
  - 2) Changes other than noted in 1) above: none
  - 3) Changes in accounting estimates: none
  - 4) Retrospective restatement: none
- (3) Shares outstanding (ordinary shares)

	March 31, 2013	March 31, 2012
1) Number of shares issued (including treasury stock)	100,600,000	100,600,000
2) Number of shares held in treasury	161,070	158,235
	FYE March 31, 2013	FYE March 31, 2012
3) Average number of shares outstanding during the term	100,440,892	100,441,765

Note: Effective October 1, 2012, TV Asahi Corporation conducted a 1:100 share split. Number of shares issued (including treasury stock), number of shares held in treasury, and average number of shares outstanding during the term, is calculated on the assumption that the share split was conducted on April 1, 2011.

## For Reference: Non-Consolidated Financial Summary

### 1. Non-Consolidated Performance for the Fiscal Year ended March 31, 2013 (April 1, 2012 – March 31, 2013)

(1) Non-Consolidated Operating Results (percentages indicate year-on-year changes)

	Net sales		Operating income		Recurring profit		Net income	
	¥ million	%	¥ million	%	¥ million	%	¥ million	%
FYE March 31, 2013	217,662	6.1	8,619	41.3	10,624	48.0	6,330	47.9
FYE March 31, 2012	205,235	(2.6)	6,101	(8.5)	7,180	(18.7)	4,279	(22.9)

	Net income per share	Diluted net income per share
	¥	¥
FYE March 31, 2013	62.93	—
FYE March 31, 2012	42.54	—

Note: Effective October 1, 2012, TV Asahi Corporation conducted a 1:100 share split. Net income per share is calculated on the assumption that the share split was conducted on April 1, 2011.

(2) Non-Consolidated Financial Position

	Total assets	Net assets	Owners' equity ratio	Net assets per share
	¥ million	¥ million	%	¥
March 31, 2013	317,239	233,018	73.5	2,316.29
March 31, 2012	301,661	222,164	73.6	2,208.39

Note: Owners' equity: March 31, 2013: ¥ 233,018million; March 31, 2012: ¥222,164 million

Note: Effective October 1, 2012, TV Asahi Corporation conducted a 1:100 share split. Net assets per share is calculated on the assumption that the share split was conducted on April 1, 2011.

### 2. Non-Consolidated Forecast for the Fiscal Year ending March 31, 2014 (April 1, 2013 – March 31, 2014)

	Net sales		Operating income		Recurring profit		Net income		Net income per share
	¥ million	%	¥ million	%	¥ million	%	¥ million	%	¥
Six months ending Sept. 30, 2013	107,800	1.0	3,600	37.9	5,700	32.8	3,800	43.1	37.77
FYE March 31, 2014	222,000	2.0	8,800	2.1	11,000	3.5	7,300	15.3	72.56

#### \*Audit status

As of this report's publication, an audit of the consolidated financial statements in accordance with Japan's Financial Instruments and Exchange Act was in progress.

#### \*Appropriate Use of Earnings Forecasts and Other Important Information

- The above forecasts are based on information available as of this report's publication. Actual results may differ from forecasts due to changes in the business environment.
- TV Asahi Corporation has scheduled an earnings presentation aimed at analysts for Friday, May 10, 2013, and intends to publish the presentation handout materials on its website immediately after the event.

## Business Performance and Financial Condition

### (1) Business Performance

During the fiscal year under review (ended March 31, 2013), the Japanese economy weakened from the summer onward as export and production volumes declined amid slowdowns in overseas economies, and corporate earnings were lackluster, especially in the manufacturing sector. However, production activity and employment began to improve from the end of 2012.

In the broadcast advertising industry, Tokyo area spot advertising volume rebounded from low levels in the previous fiscal year owing to the restraint-induced lull following the Great East Japan Earthquake in March 2011.

Amid this economic environment, the Company (TV Asahi Corporation and its consolidated subsidiaries) made a concerted effort to generate earnings in TV Broadcasting, Music Publication, and Other Businesses. As a result, net sales for the fiscal year ended March 31, 2013, reached ¥253.774 billion (up 5.8% year on year). Cost of sales and selling, general and administrative (SG&A) expenses totaled ¥240.358 billion (up 4.8% year on year), resulting in operating income of ¥13.415 billion (up 28.2%). Recurring profit amounted to ¥15.708 billion (up 19.7% year on year). Despite posting an extraordinary loss on measures associated with the relocation of transmitting station, net income reached ¥9.030 billion (up 20.5%).

### Performance by segment

#### 1. TV Broadcasting Business

The TV Broadcasting Business' average viewer ratings, by daypart, for the fiscal year ended March 31, 2013, were as follows: 7.8% on an all-day basis (6 a.m. – midnight), 12.4% for golden time (7 p.m. – 10 p.m.), 12.7% for prime time (7 p.m. – 11 p.m.), and 8.5% for prime 2 (11 p.m. – 1 a.m.). The Company rose to the top of both the golden time and prime time ratings for the first time since it started broadcasting in 1959, and climbed to the No.2 spot in the all-day time band for the first time since 1970, narrowly missing the top position by a mere 0.1 percentage point. Moreover, the Company's prime 2 ratings were the industry's highest for the eighth consecutive year.

The strong ratings reflect the success of special programming at the start and end of each programming season and during the New Year's holiday period, as well as special sports programs. The ratings also reflect the continued popularity of such variety programs as *Moshimo no Simulation Variety Otameshika!* (What If Simulation Variety Otameshika), *Quiz Presentation Variety Q-Sama!!*, and *London Hearts*. The company's periodic programming revisions in bolstering its regular programming basis – comprising shows such as *Onegai! Ranking (Please Rank Me!!!)* *GOLD* and *Kanjani Shiwake* ∞, contributed, too.

Other regular variety programs, such as *Nani Kore Chin Hyakkei* (Neighborhood Treasures), *Ikinari! Ogon Densetsu*, were also well received and, along with strong programming in the neo-variety timeslot from 11 p.m. Monday – Thursday, helped the Company maintain a solid following among younger viewers.

Among dramas, the detective drama *Aibou* (PARTNERS) remains immensely popular in its 11<sup>th</sup> season, with an average viewer rating of 17.3%. Our Thursday night drama *Doctor X – Surgeon Daimon Michiko* achieved an average viewer rating of 19.1%, the highest rating for a commercial broadcaster's serial drama in 2012 and the second highest rating ever for a Thursday night drama series. *Doyou Wide Gekijo*, Thursday drama *Iryu Sosa* (CSI: Crime Scene Talks) and Thursday Mystery *Kasoken no Onna* (Crime Lab Woman), maintained stable viewer support. Two drama specials aired over consecutive weeks to kick off TV Asahi's 55<sup>th</sup> anniversary and commemorate the 20<sup>th</sup> anniversary of the death of legendary Japanese crime fiction writer Seicho Matsumoto drew strong viewer ratings, with *Jumanbun no Ichi no Guzen* scoring an 18.2% rating and *Atsui Kuki* posting an 18.6% viewer rating.

Our sports programs continued to record strong viewer ratings. The six matches of *2014 FIFA World Cup Brazil™ Final Asian Qualifiers* scored an average viewer rating of 30.3% while three *2013 WORLD BASEBALL CLASSIC™* games recorded an average rating of 25.7%. Figure skating remains hugely popular in Japan and TV Asahi's broadcast of *ISU Grand Prix of Figure Skating Final: Men's/Ladies' Free Skating* captured 23.2% of TV viewers.

Among news and informational programs, *Super J Channel* boosted its average annual viewership to 8.5%, overtaking NHK to become top of the viewer ratings for news programs in the same time slot for the first time since it began broadcasting. The long-running *Hodo Station* continues to enjoy a stable following, while *Morning Bird!* became the second most-watched morning information program in its time slot for the first time ever during the second half of the fiscal year, indicating viewers' strong trust in our daily news and information programs.

Programming in the three-day New Year's holiday period (January 1–3) again achieved strong ratings, led by the *Aibou* (PARTNERS) *New Year Special* and other programs, such as *Tunnels no Sports Oh wa Oreda! (Tunnel's I'm the King of Sports!)*. Overall, TV Asahi posted the highest three-day average golden time and prime time ratings for the holiday period among all television networks for a fifth straight year.

Against this backdrop, the Company carried out aggressive marketing activities targeted at boosting sales and profits.

In the time advertising sales segment, advertisers sought to secure stable commercial slots as market conditions began to recover. We were therefore able to raise advertising unit prices for time slots during such popular regular programs as *Shirushirumishiru Sunday*, *Kanjani Shiwake* ∞, and *London Hearts*. As a result, advertising sales for regular program time slots were higher than in the previous fiscal year. We also achieved higher sales for time ad slots for one-off broadcasting events, due to contribution from *London 2012 Olympic Games*, *2014 FIFA World Cup Brazil™ Final Asian Qualifiers*, and *2013 WORLD BASEBALL CLASSIC™*. As a result of the above, time advertising sales revenues for the fiscal year ended March 31, 2013, rose to ¥89.047 billion (up 6.3% year on year).

Spot advertising sales overcame a temporary market lull and posted favorable results, reflecting a rebound from the negative impact of the earthquake and tsunami disaster in the previous fiscal year as well as strong demand for smartphones and tablet PCs. Spot sales growth was supported in particular by increased sales to nine of 16 client industry sectors, including the service and entertainment, finance and insurance, automobiles, publishing, and homeware. On the other hand,

we saw a decline in demand from foods and beverages, pharmaceuticals, consumer electronics, and cosmetics and detergents. Reflecting the above factors, spot advertising revenues in the fiscal year under review totaled ¥94.911 billion (up 5.0% year on year).

Program sales revenues totaled ¥12.843 billion (up 4.6%), and other revenues rose sharply to ¥26.043 billion (up 24.8%).

As a result of the above, the TV Broadcasting Business generated net sales of ¥222.846 billion (up 7.5%) while incurring operating expenses of ¥212.341 billion (up 6.0%), thus yielding operating income of ¥10.505 billion (up 47.7%).

## 2. Music Publication Business

The Music Publication Business generated net sales of ¥7.708 billion (down 19.2% year on year). The decline reflects the absence of revenues generated in the previous year by nationwide concert tours by popular groups *Ketsumeishi* and *Shonan no Kaze*. Business operating expenses of ¥6.373 billion (down 19.1%) meant that operating income amounted to ¥1.335 billion (down 19.6%).

## 3. Other Businesses

The Company's investment in motion pictures produced stable box office successes with the usual spring, summer, and New Year's releases of movie versions of popular TV programs, including *Kamen (Masked) Rider*, the *Sentai* series, *Doraemon*, and *Crayon Shin-chan*. Other significant releases during the fiscal year included *Anata e, Kita no Canaria-tachi*, TV program based *Rinjo the Movie* and *Aibou (PARTNERS) SERIES X Day*.

The special events business held a number of events during the fiscal year, including the dinosaur exhibition "Dino Kingdom 2012," the "Leonardo da Vinci e L'idea della Bellezza" exhibition, *Aibou-ten Premium 2 (The PARTNERS Exhibit – Premium 2)*, *Momoclo Chan Presents Momoiro Clover's Daiboken – Harukanaru Kōhaku Shinden*, *Dai-Tsukemen Haku* (a dipping noodle fair), *Tetsuko no Heya Concert*, and the Broadway musical "Come Fly Away." In particular, the three-day *tv asahi★DREAM FESTIVAL 2012* held in September was bigger and better than in 2011 and again proved to be a huge success.

The shopping business produced a number of hit products with the help of *YuYu Sanpo*, a program that screens venues to shop.

Television program DVD releases saw the cumulative sales of the *Ame Talk* series surpass 2.0 million disks, while new releases included such terrestrial broadcast series as *Aibou (PARTNERS) Season 10*, *Doctor X – Surgeon Daimon Michiko*, and *Summers x Summers* as well as releases of DVD versions of original programming from our *tv asahi douga* (online VOD service), such as the *Momoclo Chan*. Merchandise development activities centering on the development and sale of merchandise related to TV Asahi programs, such as *Aibou (PARTNERS)* and *Onegai! Ranking (Please Rank Me!!!)* generated solid sales. Meanwhile, sales of program-related publications expanded steadily on strong sales of new volumes of the encyclopedic "Moero! New Japan Pro-Wrestling."

In the internet-related service for PC and mobile phone users, the *tv asahi douga* enjoyed a sharp increase in streaming of its offerings of drama and variety programs as well its original content, including the *Momoclo Chan* featuring female idol group Momoiro Clover Z, and the *London*

*Hearts Net Movie*. Visitors to the *au Headlines*, a comprehensive information service developed in cooperation with KDDI Corporation, continued to increase.

The CS (communications satellite) broadcast business moved to a two-channel operating structure during the fiscal year under review. The two channels, TV Asahi Channel and ASAHI NEWSTAR, have a combined subscriber base of over 10 million households. From April 25, 2013, the brand image of the channels will be integrated and evolved into TV Asahi Channel 1 Dramas, Variety & Animation and TV Asahi Channel 2 News & Sports, respectively.

As a result of the above activities during the fiscal year under review, the Other Businesses segment recorded sales of ¥35.416 billion (up 7.3% year on year), while operating expenses rose to ¥33.741 billion (up 8.1%), limiting operating income to ¥1.674 billion (down 7.0%).

For the fiscal year ending March 31, 2014, the Company expects the television advertising market, which greatly affects consolidated revenue, to remain on a recovery track. The Company will therefore redouble its efforts to expand TV advertising revenues while also continuing efforts to expand sales in the Music Publication Business and Other Business segments. Overall, the Company expects to increase sales in the year ending March 31, 2014.

Meanwhile, the Company expects its efforts to control costs to result in year-on-year growth in both operating and net income.

Consolidated earnings forecast for the fiscal year ending March 31, 2014

	Six months ending September 30, 2013		Fiscal Year ending March 31, 2014	
	Amount	Year-on-year	Amount	Year-on-year
	(¥ millions)	change (%)	(¥ millions)	change (%)
Net sales	128,500	3.5	260,000	2.5
Operating income	6,500	30.5	14,000	4.4
Recurring profit	7,500	22.7	15,500	(1.3)
Net income	4,300	34.0	9,500	5.2

Non-consolidated earnings forecast for the fiscal year ending March 31, 2014

	Six months ending September 30, 2013		Fiscal Year ending March 31, 2014	
	Amount	Year-on-year	Amount	Year-on-year
	(¥ millions)	change (%)	(¥ millions)	change (%)
Net sales	107,800	1.0	222,000	2.0
Operating income	3,600	37.9	8,800	2.1
Recurring profit	5,700	32.8	11,000	3.5
Net income	3,800	43.1	7,300	15.3

(2) Financial Condition

Assets, liabilities, and net assets

Current assets totaled ¥144.533 billion at the end of the fiscal year (March 31, 2013), an increase of ¥6.209 billion from the end of the previous fiscal year (March 31, 2012). The increase was mainly due to a ¥3.001 billion gain in marketable securities and a ¥1.775 billion rise in trade notes and accounts receivable.

Fixed assets totaled ¥188.616 billion at March 31, 2013, an increase of ¥8.420 billion from March 31, 2012. Deferred tax assets decreased by ¥2.824 billion, but investment in securities increased by ¥10.153 billion, mainly due to rising market prices of investment securities held by the Company.

As a result of the above, total assets increased by ¥14.630 billion from March 31, 2012, to ¥333.150 billion at March 31, 2013.

Current liabilities totaled ¥55.572 billion at March 31, 2013, an increase of ¥598 million from March 31, 2012. Other payables decreased by ¥1.472 billion, but accrued income taxes were up ¥1.261 billion and the Company also posted ¥1.080 billion as a provision for measures associated with the relocation of transmitting station.

Non-current liabilities increased by ¥594 million during the fiscal year to total ¥15.608 billion as of March 31, 2013.



As a result of the above, total liabilities increased by ¥1.192 billion during the year to reach ¥71.180 billion as of March 31, 2013.

Net assets as of March 31, 2013, totaled ¥261.969 billion, an increase of ¥13.438 billion from March 31, 2012. As a result, the owners' equity ratio increased to 77.3% at March 31, 2013

#### Cash flows

Cash and cash equivalents increased by ¥6.050 billion during the fiscal year ended March 31, 2013 to ¥54.532 billion at March 31, 2013.

#### Cash flows from operating activities

Operating activities provided net cash of ¥19.539 billion in the fiscal year ended March 31, 2013, ¥8.391 billion more than in the previous fiscal year. The increase was mainly due to a ¥2.757 billion reversal in cash flows related to the change in inventories, which decreased year on year, and a ¥2.458 billion smaller year-on-year increase in trade notes and accounts receivable.

#### Cash flows from investing activities

Investing activities used net cash of ¥11.314 billion in the fiscal year ended March 31, 2013, ¥4.342 billion less than used in the previous fiscal year. The decrease reflects a ¥6.510 billion decrease in cash used to purchase tangible assets.

#### Cash flows from financing activities

Financing activities used net cash of ¥2.211 billion yen in the fiscal year ended March 31, 2013, ¥986 million less than was used in the previous fiscal year.

#### Cash Flow Indicators

Fiscal year ended March 31,	2011	2012	2013
Owners' equity* ratio (%)	76.9	76.5	77.3
Market capitalization-based owners' equity ratio (%)	42.1	42.5	54.9

\*Owners' equity = Net assets – Share purchase warrants – Minority interests

Owners' equity ratio: Owners' equity / Total assets

Market capitalization-based owners' equity ratio: Market capitalization / Total assets

#### Notes:

1. All indicators are calculated using consolidated financial figures.
2. Market capitalization is based on the number of shares issued and outstanding (i.e., excluding treasury stock) at the end of the fiscal year.

(3) Basic Policy on the Allocation of Profits and Dividends for the Fiscal Year Ended March 31, 2013 and for the Fiscal Year Ending March 31, 2014

The Company regards the passing-on of profits to shareholders as an important management policy. The Company's basic policy is to sustain a stable dividend which focuses on continually increasing common dividend payout while maintaining balanced retained earnings that secures a stable foundation for the long-term broadcasting operations of the Company. In addition, the Company will endorse commemorative dividends in times of celebratory events and consider special dividends in relation to the operation results of the Company.

For the fiscal year ended March 31, 2013, the Company intends to pay a year-end dividend of ¥20 per share (including a special dividend of ¥10). An interim dividend of ¥1,000 per share was distributed prior to a 1 for 100 share split with an effective date of October 1, 2012. On a pre-split basis, the total annual per-share dividend for the fiscal year ended March 31, 2013, is ¥3,000.

For the fiscal year ending March 31, 2014, the Company plans to pay a total annual dividend of ¥30, comprising an interim dividend of ¥10 and a year-end dividend of ¥20 (including a commemorative dividend of ¥10 in celebration of the Company's 55<sup>th</sup> anniversary). The planned ¥30 annual dividend will yield a consolidated dividend payout ratio of 31.7%, based on the Company's profit target.

## 2. Management Policy

(1) Basic Management Policies and (2) Management Indicators

The Company's Basic Management Policies and Management Indicators are unchanged from those disclosed in the Company's Consolidated Earnings Report for the Fiscal Year ended March 31, 2012 (released on April 27, 2012). Interested parties are referred to last year's document available at the following URLs:

On the company website at <http://company.tv-asahi.co.jp/e/contents/earnings/data/2012/05.pdf>

On the Tokyo Stock Exchange website's page for information on listed companies  
<http://www.tse.or.jp/english/>

(3) Medium- to Long-Term Management Strategies and Prospective Challenges

The business environment facing television broadcasters is changing rapidly. During the previous fiscal year (the year ended March 31, 2012), the switchover from terrestrial analog broadcasts to digital broadcasting was completed, and the Company entered a new era as TV Asahi: Digital Channel 5. Further, electronic devices such as smartphones, tablet PCs, and smart TVs are rapidly becoming more sophisticated, and content distribution channels are diversifying with the spread of broadband communications.

To promote the continued evolution required to meet the challenges of this dynamic environment, TV Asahi began implementing a three-year plan entitled "Digital 5 Vision (Management Plan 2012–2014)" that maps out the course being followed by the Company until the end of the fiscal year ending March 31, 2014. By leveraging the company's existing competitive strength amassed over its history of more than 50 years and by forging a position that differentiates it from its

competitors, the Company intends to maximize business opportunities derived from its contents. By doing so, the Company aims to become one of Japan's top content-business enterprises in the future.

The Company intends to use the three years of the plan to complete the infrastructure needed to become one of Japan's top content-business enterprises, and towards that end, the Company is pursuing five strategic goals:

- Achieve No. 1 ratings in prime time and prime 2 and become one of the top contenders in the all-day ratings tables during the fiscal year ending March 31, 2014
- Expand advertising revenue and develop new advertising service models
- Expand non-advertising revenue/profit through diversification of content distribution and cultivation of new businesses
- Enhance efficiency and competitiveness of subsidiaries and affiliates
- Reform personnel system and corporate culture to create a more vibrant TV Asahi Group

The Company will continue working to provide high-quality content with the aim of fulfilling its public duty and social responsibility as a television broadcaster while using the three years of the current management plan as a stepping stone to further growth as it strives to meet the expectations of its stakeholders.

### 3. Consolidated Financial Statements

#### (1) Consolidated Balance Sheets

	As of March 31, 2012 Amount	(millions of yen) As of March 31, 2013 Amount
<b>Assets</b>		
<b>Current assets</b>		
Cash and deposits	9,675	10,766
Trade notes and accounts receivable	65,366	67,141
Marketable securities	46,995	49,996
Inventories	9,497	7,550
Deferred tax assets	2,285	2,474
Other current assets	4,605	6,697
Less allowance for doubtful accounts	(101)	(104)
Total current assets	138,323	144,533
<b>Fixed assets</b>		
Tangible assets		
Buildings and structures, net	22,119	21,219
Machinery and vehicles, net	8,509	8,197
Land	39,700	39,916
Construction in progress	6,160	11,119
Other tangible assets, net	7,059	4,607
Total tangible assets	83,549	85,061
Intangible assets		
Software	6,169	5,273
Other intangible assets	283	553
Total intangible assets	6,452	5,826
Investments and other assets		
Investment in securities	74,235	84,388
Deferred tax assets	4,506	1,682
Other investments and other assets	11,754	11,895
Less allowance for doubtful accounts	(302)	(238)
Total investments and other assets	90,193	97,728
Total fixed assets	180,195	188,616
<b>Total assets</b>	<b>318,519</b>	<b>333,150</b>

	As of March 31, 2012 Amount	(millions of yen) As of March 31, 2013 Amount
<b>Liabilities</b>		
<b>Current liabilities</b>		
Trade notes and accounts payable	11,193	10,659
Other payables	17,321	15,848
Accrued expenses	21,319	21,612
Accrued income taxes	2,382	3,643
Liabilities for director bonuses	113	60
Provision for measures associated with the relocation of transmitting station	-	1,080
Other current liabilities	2,642	2,667
Total current liabilities	54,973	55,572
<b>Non-current liabilities</b>		
Liabilities for retirement and severance benefits - employees	13,592	14,425
Liabilities for retirement and severance benefits - directors and corporate auditors	479	327
Other non-current liabilities	942	854
Total non-current liabilities	15,014	15,608
Total liabilities	69,987	71,180
<b>Net assets</b>		
<b>Stockholders' equity</b>		
Common stock	36,642	36,642
Additional paid-in capital	55,342	55,342
Retained earnings	152,215	159,234
Treasury stock	(321)	(326)
Total stockholders' equity	243,879	250,893
<b>Accumulated other comprehensive income</b>		
Net unrealized gain on available-for-sale securities	102	5,718
Deferred gain (loss) on hedges	24	1,027
Foreign currency translation adjustments	(186)	(147)
Total accumulated other comprehensive income	(59)	6,598
<b>Minority interests</b>	4,710	4,478
<b>Total net assets</b>	248,531	261,969
<b>Total liabilities and net assets</b>	318,519	333,150

## (2) Consolidated Statements of Income and Comprehensive Income

Consolidated Statements of Income			(millions of yen)
	Year ended March 31, 2012	Year ended March 31, 2013	
	Amount	Amount	
<b>Net sales</b>	239,845	253,774	
Cost of sales	172,812	182,200	
<b>Gross profit</b>	67,033	71,574	
<b>SGA expenses</b>	56,571	58,158	
<b>Operating income</b>	10,462	13,415	
<b>Non-operating revenue</b>			
Interest income	95	77	
Dividend income	651	667	
Equity in earnings of affiliates	1,719	1,241	
Other non-operating revenue	624	451	
Total non-operating revenue	3,091	2,437	
<b>Non-operating expenses</b>			
Loss on disposal of fixed assets	320	84	
Other non-operating expenses	107	60	
Total non-operating expenses	428	145	
<b>Recurring profit</b>	13,124	15,708	
<b>Extraordinary gains</b>			
Gain on sale of investment in securities	182	-	
Total extraordinary gains	182	-	
<b>Extraordinary losses</b>			
Loss on sale of investment in securities	47	-	
Loss on devaluation of investment in securities	41	263	
Loss on measures associated with the relocation of transmitting station	-	1,380	
Total extraordinary losses	88	1,643	
<b>Income before income taxes and minority interests</b>	13,219	14,065	
<b>Income and enterprise taxes</b>			
Current	4,350	5,721	
Deferred	1,242	(1,001)	
Total income and enterprise taxes	5,592	4,720	
<b>Income before minority interests</b>	7,626	9,345	
<b>Minority interests</b>	130	314	
<b>Net income</b>	7,496	9,030	

### Consolidated Statements of Comprehensive Income

	Year ended March 31, 2012	(millions of yen) Year ended March 31, 2013
	Amount	Amount
<b>Income before minority interests</b>	7,626	9,345
<b>Other comprehensive income</b>		
Net unrealized gain on available-for-sale securities	1,056	5,529
Deferred gain (loss) on hedges	2	1,002
Foreign currency translation adjustments	(15)	38
Share of other comprehensive income of associates accounted for using equity method	42	86
Total other comprehensive income	1,085	6,657
<b>Comprehensive income</b>	8,711	16,002
Components:		
Comprehensive income attributable to owners of the parent	8,580	15,688
Comprehensive income attributable to minority interests	130	314

### (3) Consolidated Statements of Changes in Net Assets

	(millions of yen)	
	Year ended March 31, 2012	Year ended March 31, 2013
	Amount	Amount
<b>Stockholders' equity</b>		
Common stock		
Balance at end of previous term	36,642	36,642
Balance at end of term	36,642	36,642
Additional paid-in capital		
Balance at end of previous term	55,342	55,342
Balance at end of term	55,342	55,342
Retained earnings		
Balance at end of previous term	147,737	152,215
Changes during term		
Cash dividends	(3,018)	(2,012)
Net income	7,496	9,030
Total changes during term	4,478	7,018
Balance at end of term	152,215	159,234
Treasury stock		
Balance at end of previous term	(321)	(321)
Changes of treasury stock arising from change in equity of affiliates	-	(5)
Total changes during term	-	(5)
Balance at end of term	(321)	(326)
Total stockholders' equity		
Balance at end of previous term	239,401	243,879
Changes during term		
Cash dividends	(3,018)	(2,012)
Net income	7,496	9,030
Changes of treasury stock arising from change in equity of affiliates	-	(5)
Total changes during term	4,478	7,013
Balance at end of term	243,879	250,893
<b>Accumulated other comprehensive income</b>		
Net unrealized gain on available-for-sale securities		
Balance at end of previous term	(995)	102
Changes during term		
Net changes other than stockholder's equity	1,097	5,616
Total changes during term	1,097	5,616
Balance at end of term	102	5,718
Deferred gain (loss) on hedges		
Balance at end of previous term	22	24
Changes during term		
Net changes other than stockholder's equity	2	1,002
Total changes during term	2	1,002
Balance at end of term	24	1,027



Foreign currency translation adjustments		
Balance at end of previous term	(170)	(186)
Changes during term		
Net changes other than stockholder's equity	(15)	38
Total changes during term	(15)	38
Balance at end of term	(186)	(147)
 Total accumulated other comprehensive income		
Balance at end of previous term	(1,144)	(59)
Changes during term		
Net changes other than stockholder's equity	1,084	6,657
Total changes during term	1,084	6,657
Balance at end of term	(59)	6,598
 <b>Minority interests</b>		
Balance at end of previous term	4,605	4,710
Changes during term		
Net changes other than stockholder's equity	104	(232)
Total changes during term	104	(232)
Balance at end of term	4,710	4,478
 <b>Total net assets</b>		
Balance at end of previous term	242,863	248,531
Changes during term		
Cash dividends	(3,018)	(2,012)
Net income	7,496	9,030
Changes of treasury stock arising from change in equity of affiliates	-	(5)
Net changes other than stockholder's equity	1,189	6,425
Total changes during term	5,667	13,438
Balance at end of term	248,531	261,969

#### (4) Consolidated Statements of Cash flows

	(millions of yen)	
	Year ended March 31, 2012	Year ended March 31, 2013
	Amount	Amount
<b>Cash flows from operating activities</b>		
Income before income taxes and minority interests	13,219	14,065
Depreciation and amortization	9,116	9,090
Loss on disposal of fixed assets	320	84
(Gain) loss on sale of investment in securities	(135)	-
(Gain) loss on revaluation of investment in securities	41	263
Increase (decrease) in allowance for doubtful accounts	(4)	(64)
Increase (decrease) in provision for measures associated with the relocation of transmitting station	-	1,080
Increase (decrease) in liabilities for retirement and severance benefits - employees	181	833
Interest and dividend income	(747)	(744)
Equity in (earnings) losses of affiliates	(1,719)	(1,241)
(Increase) decrease in trade notes and accounts receivables	(4,002)	(1,543)
(Increase) decrease in inventories	(810)	1,946
Increase (decrease) in trade notes and accounts payables	(1,467)	(857)
Other cash flows from operating activities	1,453	138
Subtotal	15,444	23,050
Interest and dividend received	867	875
Income taxes refunded	81	30
Income taxes paid	(5,245)	(4,416)
Net cash provided by operating activities	11,148	19,539
<b>Cash flows from investing activities</b>		
(Increase) decrease in cash deposits	68	(52)
Purchase of marketable securities	(18,000)	(19,000)
Proceeds from maturity of marketable securities	20,043	21,000
Purchase of tangible assets	(16,746)	(10,235)
Purchase of intangible assets	(1,629)	(1,383)
Purchase of investment in securities	(456)	(1,084)
Proceeds from maturity of investment in securities	1,000	-
Proceeds from sale of investment in securities	370	52
Cash paid in conjunction with purchase of consolidated subsidiaries	-	(855)
Purchase of securities in affiliate companies resulting in change in scope of consolidation	-	740
Other cash flows from investing activities	(307)	(496)
Net cash used in investing activities	(15,657)	(11,314)
<b>Cash flows from financing activities</b>		
Dividends paid to stockholders	(3,018)	(2,012)
Dividends paid to minority stockholders of subsidiaries	(26)	(11)
Other cash flows from financing activities	(153)	(187)
Net cash used in financing activities	(3,197)	(2,211)
Effect of exchange rate changes on cash and cash equivalents	(13)	36
Net increase (decrease) in cash and cash equivalents	(7,720)	6,050
Cash and cash equivalents at beginning of term	56,202	48,482
Cash and cash equivalents at end of term	48,482	54,532

## Segment Information

Year ended March 31, 2012 (April 1, 2011 to March 31, 2012)

	Reportable segment				(millions of yen)	
	TV Broadcasting Business	Music Publication Business	Other Businesses	Total	Adjustments*1	Amounts reported on consolidated financial statements*2
<b>Sales</b>						
Sales to outside customers	204,058	9,320	26,466	239,845	-	239,845
Inter-segment sales and transfers	3,310	213	6,551	10,075	(10,075)	-
<b>Total</b>	<b>207,368</b>	<b>9,534</b>	<b>33,017</b>	<b>249,921</b>	<b>(10,075)</b>	<b>239,845</b>
Segment income	7,111	1,660	1,801	10,574	(112)	10,462
Segment assets	185,135	12,001	33,641	230,778	87,740	318,519
<b>Other items</b>						
Depreciation/amortization	8,216	76	822	9,116	-	9,116
Investment in affiliates	7,420	0	3,869	11,289	-	11,289
Increase in tangible/intangible assets	18,451	54	2,295	20,800	-	20,800

Notes: 1. Details of adjustments are as follows:

- 1) Segment income adjustment of minus 112 million yen is elimination of inter-segment transaction.
- 2) Segment assets adjustment of 87,740 million yen consists of corporate assets of 99,381 million yen and elimination of inter-segment claims and liabilities of minus 11,641 million yen.

2. Segment income is adjusted to align it with operating income reported on the consolidated statements of income for the corresponding period.

Year ended March 31, 2013 (April 1, 2012 to March 31, 2013)

	Reportable segment				(millions of yen)	
	TV Broadcasting Business	Music Publication Business	Other Businesses	Total	Adjustments*1	Amounts reported on consolidated financial statements*2
<b>Sales</b>						
Sales to outside customers	219,008	7,322	27,443	253,774	-	253,774
Inter-segment sales and transfers	3,837	385	7,973	12,196	(12,196)	-
<b>Total</b>	<b>222,846</b>	<b>7,708</b>	<b>35,416</b>	<b>265,971</b>	<b>(12,196)</b>	<b>253,774</b>
Segment income	10,505	1,335	1,674	13,515	(99)	13,415
Segment assets	192,828	12,002	36,000	240,831	92,318	333,150
<b>Other items</b>						
Depreciation/amortization	8,024	96	968	9,090	-	9,090
Investment in affiliates	8,240	0	4,256	12,497	-	12,497
Increase in tangible/intangible assets	8,606	100	1,381	10,088	-	10,088

Notes: 1. Details of adjustments are as follows:

- 1) Segment income adjustment of minus 99 million yen is elimination of inter-segment transaction.
- 2) Segment assets adjustment of 92,318 million yen consists of corporate assets of 105,171 million yen and elimination of inter-segment claims and liabilities of minus 12,852 million yen.

2. Segment income is adjusted to align it with operating income reported on the consolidated statements of income for the corresponding period.

## 6. Non-Consolidated Statements of Income

	(millions of yen, except percentages)			
	Fiscal year ended March 31,			
	2012	2013	Year-on-year change	
Net sales	205,235	217,662	12,426	6.1%
Breakdown:				
Time sales revenue	83,787	89,047	5,260	6.3%
Spot sales revenue	90,429	94,911	4,482	5.0%
Program sales revenue	12,276	12,845	569	4.6%
Other revenue	2,455	2,464	9	0.4%
Other business revenue	16,287	18,393	2,106	12.9%
Operating expenses	199,134	209,042	9,908	5.0%
Operating income	6,101	8,619	2,518	41.3%
Operating income / Net sales	3.0%	4.0%	1.0%	
Non-operating revenue	1,396	2,192	795	56.9%
Non-operating expenses	317	187	(130)	(41.1)%
Recurring profit	7,180	10,624	3,444	48.0%
Recurring profit / Net sales	3.5%	4.9%	1.4%	
Extraordinary gains	787	-	(787)	-
Breakdown:				
Gain on sale of investment in securities	182	-	(182)	-
Gain on liquidation of affiliates	604	-	(604)	-
Extraordinary losses	587	1,612	1,024	174.3%
Breakdown:				
Loss on sale of investment in securities	47	-	(47)	-
Loss on devaluation of investment in securities	41	232	191	465.7%
Loss on devaluation of affiliates	498	-	(498)	-
Loss on measures associated with the relocation of transmitting station	-	1,380	1,380	-
Income before income taxes	7,380	9,012	1,632	22.1%
Income and enterprise taxes				
Current	2,190	3,720	1,530	69.9%
Deferred	910	(1,037)	(1,948)	-
Total income and enterprise taxes	3,100	2,682	(418)	(13.5)%
Net income	4,279	6,330	2,050	47.9%

# Non-Consolidated Balance Sheets

(millions of yen, except percentages)

	As of March 31, 2012	As of March 31, 2013	(millions of yen, except Year-on-year change	
<b>Assets</b>				
Current assets	129,098	135,729	6,631	5.1%
Fixed assets	172,562	181,509	8,947	5.2%
Tangible assets	78,423	80,240	1,816	2.3%
Intangible assets	6,088	5,432	(656)	(10.8)%
Investments and other assets	88,050	95,836	7,786	8.8%
Total assets	301,661	317,239	15,578	5.2%
<b>Liabilities</b>				
Current liabilities	68,966	73,260	4,293	6.2%
Non-current liabilities	10,530	10,961	430	4.1%
Total liabilities	79,496	84,221	4,724	5.9%
<b>Net assets</b>				
Stockholders' equity	222,018	226,337	4,318	1.9%
Valuation and translation adjustments	145	6,681	6,535	-
Total net assets	222,164	233,018	10,854	4.9%
Total liabilities and net assets	301,661	317,239	15,578	5.2%