

Note: This document is a direct translation of the *kessan tanshin* released in Japanese. All figures in millions of yen have thus been rounded down to the nearest million yen. If there are any discrepancies between this document and the original Japanese version, the original Japanese version prevails.

May 11, 2016

TV Asahi Holdings Corporation

Consolidated Earnings Report for the Fiscal Year ended March 31, 2016 (Japanese GAAP)

Stock listing: Tokyo Stock Exchange (First Section) Securities code: 9409
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Scheduled dates

General Shareholders' Meeting June 29, 2016

Filing of statutory financial report (*yuka-shoken hokokusho*): June 29, 2016

Dividend payout: June 30, 2016

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, 2016 (April 1, 2015–March 31, 2016)

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

	Net sales		Operating income		Recurring profit		Profit attributable to owners of the parent	
	¥ million	%	¥ million	%	¥ million	%	¥ million	%
FYE March 31, 2016	280,779	1.6	16,570	9.5	18,509	10.8	12,169	10.7
FYE March 31, 2015	276,473	3.2	15,138	(14.7)	16,712	(15.4)	10,994	(5.9)

Note: Comprehensive income: FYE March 31, 2016 ¥ 5,747million (minus 80.1%)

FYE March 31, 2015 ¥ 28,946million (105.7%)

	Earnings per share	Diluted earnings per share	Profit attributable to owners of the parent / Owners' equity*	Recurring profit / Total assets	Operating income / Net sales
	¥	¥	%	%	%
FYE March 31, 2016	112.39	-	4.0	4.6	5.9
FYE March 31, 2015	101.47	-	3.9	4.5	5.5

*Owners' equity = Net assets – Share purchase warrants – Non-controlling interests

Note: Share of profit of entities accounted for using equity method: FYE March 31, 2016: ¥418 million;

FYE March 31, 2015: ¥363 million

(2) Consolidated Financial Position

	Total assets	Net assets	Owners' equity ratio	Net assets per share
	¥ million	¥ million	%	¥
March 31, 2016	402,251	308,917	75.5	2,832.02
March 31, 2015	397,062	309,231	76.7	2,809.57

Note: Owners' equity: March 31, 2016: ¥ 303,856million; March 31, 2015: ¥ 304,451million

(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, 2016	13,022	(12,329)	(6,719)	29,835
FYE March 31, 2015	21,296	(48,755)	(3,795)	35,862

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, 2015	—	15.00	—	15.00	30.00	3,255	29.6	1.1
FYE March 31, 2016	—	20.00	—	20.00	40.00	4,319	35.6	1.4
Forecast for FYE March 31, 2017	—	20.00	—	20.00	40.00		47.7	

3. Forecast for the Fiscal Year ending March 31, 2017 (April 1, 2016 – March 31, 2017)

(percentages indicate year-on-year changes)

	Net sales		Operating income		Recurring profit		Profit attributable to owners of the parent		Earnings per share
	¥ million	%	¥ million	%	¥ million	%	¥ million	%	¥
Six months ending Sept. 30, 2016	142,000	1.8	6,000	(26.0)	6,500	(31.1)	3,500	(41.0)	32.62
FYE March 31, 2017	289,000	2.9	14,000	(15.5)	14,500	(21.7)	9,000	(26.0)	83.88

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.: Yes
 - 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, 2016	March 31, 2015
1) Number of shares issued (including treasury stock)	108,529,000	108,529,000
2) Number of shares held in treasury	1,235,740	166,679
	March 31, 2016	March 31, 2015
3) Average number of shares outstanding during the term	108,280,077	108,356,589

* 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 Holdings Corporation intends to publish the supplementary material to financial results on its website on Wednesday, May 11, 2016.
- TV Asahi Holdings Corporation has scheduled an earnings presentation aimed at analysts for Monday, May 16, 2016, and intends to publish the presentation handout materials on its website immediately after the event.

1. Business Performance and Financial Condition

(1) Business Performance

During the fiscal year under review (ended March 31, 2016), the Japanese economy continued to show a gradual recovery trend, supported by factors such as improvement in corporate earnings and the employment situation.

Full-year business performance in the broadcast advertising industry exceeded the prior-year level as Tokyo area spot advertising volume shifted to a recovery trend in November and subsequently developed favorably.

In this economic environment, the TV Asahi Group (TV Asahi Holdings Corporation (“the Company”) and its consolidated subsidiaries) made a concerted effort to generate earnings in the TV Broadcasting Business, Music Publication Business, and Other Businesses. Net sales for the fiscal year ended March 31, 2016 reached ¥280.779 billion (up 1.6% year on year), cost of sales and selling, general and administrative (SG&A) expenses totaled ¥264.209 billion (up 1.1%). As a result, operating income was ¥16.570 billion (up 9.5%). Recurring profit was ¥18.509 billion (up 10.8%), and profit attributable to owners of the parent was ¥12.169 billion (up 10.7%).

Performance by segment

1. TV Broadcasting Business

Average viewer ratings by day part for the TV Broadcasting Business for the fiscal year ended March 31, 2016 were as follows: 7.2% on an all-day basis (6 a.m. – midnight), 10.8% for golden time (7 p.m. – 10 p.m.), 11.0% for prime time (7 p.m. – 11 p.m.), and 6.9% for prime 2 (11 p.m. – 1 a.m.). The Company captured the second highest average viewer ratings in all time slots, maintaining its position among the top broadcasting groups.

During the fiscal year ended March 31, 2016, the Company succeeded in strengthening all-day ratings by broadcasting special programming at the beginning and end of each programming season and during the New Year’s holiday period as well as special sports programs and by making changes to weekday news and informational programs and Sunday afternoon programs.

With regard to news and informational programs, programming changes and renewal of *Good! Morning*, *Shinichi Hatori’s Morning Show*, *Hodo Station SUNDAY*, and other programs greatly improved programming flow from early morning to afternoon, particularly in the second half. *Super J Channel* continued to deliver steady results, capturing an average annual viewer rating of 8.1%, the program’s fifth highest rating ever.

One-off variety programs such as *MUSIC STATION ULTRA FES*, broadcast to commemorate the program’s 30th year, and *Tetsuko no Heya Saikyo Yume Talk Special*, broadcast to commemorate the program’s 40th anniversary, were highly popular, and regular variety programs such as Ikegami Akira’s *News Sou Datta no ka!!* resulted in higher viewer ratings in their time slots.

In addition, many of our drama series regularly captured high ratings, including the detective drama *Aibou* (PARTNERS), which had a season average viewer rating of 15.3% and has captured an average viewer rating of over 15% for ten consecutive seasons, and *I’m Home*, which captured the top viewer rating among drama series

in the April-June quarter of 2015 with an average viewer rating of 14.8%.

In the results for sports programs, *ISU Grand Prix of Figure Skating Cup of China Women's Free Program* captured a high viewer rating of 23.2%. *2018 FIFA World Cup™ Russia Asian Qualifier Round Two Japan vs Columbia* attracted a great deal of attention, receiving a viewer rating of 22.0%.

Programs aired during the three-day New Year's holiday period captured high ratings, with *Partners New Year Special* topping the list of popular programs that included *Yume Taiketsu 2016 Tunnels no Sports Oh wa Oreda!* (Dream Match 2016 Tunnel's I'm the King of Sports!) and *Kasoken no Onna (Woman of the Crime Lab) New Year's Special*. Our programs captured the top average viewer ratings for the three -day period in the prime time slot for the eighth consecutive year and in the golden time slot for the second consecutive year.

In such a situation, the Company carried out aggressive marketing activities targeted at boosting sales and profits.

In the time advertising sales segment, a movement among advertisers to place importance on flexibility and efficiency in advertising activities resulted in a tendency to reduce fixed costs. We secured an increase in advertising sales for regular program time slots by successfully raising advertising unit prices, mainly for variety programs such as *Cream Quiz Miracle 9* and the *Thursday Night Drama* series, and launching the new programs *Ichii Kara Jyuu* and *TOKYO Ouen Sengen*. In addition, we sought revenue growth in the time slots for one-off broadcasting events, including major sports programs such as *World Baseball Premier 12*, *Rio de Janeiro Olympics Soccer Final Asian Qualifiers*, and *2015 World Swimming Championship in Kazan, Russia*, as well as *MUSIC STATION ULTRA FES*. As a result of the above, time advertising sales revenue for the fiscal year ended March 31, 2016 totaled ¥88.845 billion (up 0.7% year on year).

Spot advertising revenue fell in the first half due to weak market conditions continuing since February 2015. Although revenue increased in the second half accompanying recovery in market conditions, the full-year revenue decreased. Although revenues increased in 10 out of 21 client industry sectors, including foodstuffs, pharmaceutical and medical supplies, and information and communications, revenues from industries such as automobiles and related products, beverages and liquors, and home electric appliances and AV equipment were sluggish. Reflecting the above factors, spot advertising sales revenue in the fiscal year under review totaled ¥100.410 billion (down 1.9%).

In addition, BS/CS advertising revenue totaled ¥24.782 billion (up 2.4%), program sales revenue totaled ¥12.691 billion (up 1.5%), and other revenue was ¥17.526 billion (up 3.6%).

As a result of the above, the TV Broadcasting Business generated net sales of ¥244.256 billion (up 0.0%) while incurring operating expenses of ¥229.403 billion (down 0.7%), resulting in operating income of ¥14.853 billion (up 13.1%).

2. Music Publication Business

The Music Publication Business generated net sales of ¥11.943 billion (up 48.6% year on year). The increase reflects factors including revenues from nationwide concert tours by popular groups *Shonan no Kaze*, *Ketsumeishi*, and *Sonar Pocket*. Operating expenses were ¥10.730 billion (up 49.7%), resulting in operating income of ¥1.213 billion (up 39.2%).

3. Other Businesses

In internet-related businesses, we entered into strategic partnerships aligned with our business model and expanded its business functions, establishing a company to engage in the video distribution business through a joint investment with CyberAgent, Inc. and beginning advance distribution of a portion of the content of the Internet TV channel AbemaTV in March 2016; entering into a business alliance with KDDI Corporation and starting joint production of original content; launching TVer, the official portal of five Tokyo-based commercial broadcasters. Furthermore, the *au Headlines* news service, developed and provided in cooperation with KDDI Corporation and the Asahi Shimbun Company, added new content following reinforcement of the joint editing function of the three partner companies and substantially increased the number of visitors.

The special events business held a number of events during the year. The second *TV Asahi-Roppongi Hills Summer Festival SUMMER STATION*, a major event held during a period of 37 days beginning on July 18, drew a total of 4.63 million visitors, higher than the previous year's figure. Other well-received events included *PAUL McCARTNEY OUT THERE JAPAN TOUR 2015*, *TV Asahi Dream Festival 2015*, a major music event held for the fifth anniversary, and *Dai Sekigahara Ten*, a major exhibition that toured Tokyo, Kyoto, and Fukuoka. A high operation rate led to strong operating results from EX THEATER Roppongi, which acted as a venue for live broadcasts for the major fall program *MUSIC STATION ULTRA FES* and held various music and stage performances and other events.

In the shopping business, the TV shopping program was renewed and renamed *Jun Sanpo* in the second half, and high review ratings drove strong sales.

The Company's investment in motion pictures produced the regular releases *Crayon Shin-chan*, whose 23rd episode set a new series box-office record of ¥2.290 billion, and *Doraemon*, which earned the second-highest box-office revenue in the series' history. In addition, the well-received *Japan's Longest Day* and *Living with My Mother*, released to commemorate the milestone of the 70th anniversary of the end of the Second World War, were Japan Academy Prize winners.

A number of DVD titles were released, such as *I'm Home* and *Aibou* (PARTNERS), dramas with high viewer ratings, and the popular variety programs *Shikujiri Sensei Ore Mitai ni Naruna!!* and *Ame-Talk*. Merchandise development activities centering on the development and sale of merchandise related to TV Asahi terrestrial programs enjoyed a good reputation. Furthermore, sales of program-related publications increased on strong unit sales of products including *Tetsuko no Heya 40th Anniversary Commemorative Coloring Book*.

The equipment sales and leasing business developed favorably thanks to factors including leasing of portable terminals and rental of large LEDs.

As a result of the above activities, during the fiscal year under review, the Other Businesses segment recorded sales of ¥36.197 billion (up 1.8% year on year), while operating expenses rose to ¥35.695 billion (up 3.6%). As a result, operating income was ¥0.502 billion (down 55.2%).

Outlook for the fiscal year ending March 31, 2017

For the fiscal year ending March 31, 2017, the Company expects the television advertising market, which greatly affects consolidated revenue, to be stable and therefore anticipates an increase in time advertising sales revenue and spot advertising sales revenue. In addition, the Company will continuously focus on increasing sales in Other Businesses. At the same time, the Company expects revenue from the Music Publication Business to fall and operating expenses, particularly program production costs, to rise, and accordingly projects operating income, recurring profit, and profit attributable to owners of the parent to decline. As a result, the Company forecasts full-year consolidated net sales of ¥289.0 billion, operating income of ¥14.0 billion, recurring profit of ¥14.5 billion, and profit attributable to owners of the parent of ¥9.0 billion.

(2) Financial Condition

Assets, liabilities, and net assets

Current assets totaled ¥182.487 billion at the end of the fiscal year (March 31, 2016), an increase of ¥0.843 billion from the end of the previous fiscal year (March 31, 2015). The increase is mainly due to a ¥16.845 billion increase in cash and deposits and a ¥7.658 billion increase in trade notes and accounts receivable, which offset a ¥20.278 billion decrease in marketable securities.

Fixed assets totaled ¥219.763 billion at March 31, 2016, an increase of ¥4.344 billion from March 31, 2015. The increase is mainly attributable to a ¥3.819 billion increase in construction in progress.

As a result of the above, total assets increased by ¥5.188 billion from March 31, 2015 to ¥402.251 billion at March 31, 2016.

Current liabilities totaled ¥64.516 billion at March 31, 2016, an increase of ¥6.381 billion from March 31, 2015. The increase is mainly attributable to an increase of ¥4.087 billion in trade notes and accounts payable.

Non-current liabilities decreased by ¥0.879 billion from March 31, 2015 to ¥28.817 billion at March 31, 2016. The decrease is mainly attributable to a ¥1.475 billion decrease in net defined benefit liabilities.

As a result of the above, total liabilities increased by ¥5.502 billion from March 31, 2015 to ¥93.334 billion at March 31, 2016.

Net assets as of March 31, 2016 totaled ¥308.917 billion, a decrease of ¥0.313 billion from March 31, 2015. As a result, the owners' equity ratio was 75.5% at March 31, 2016.

Cash flows

Cash and cash equivalents decreased by ¥6.026 billion from March 31, 2015 to ¥29.835 billion at March 31, 2016.

Cash flows from operating activities

Operating activities provided net cash of ¥13.022 billion in the fiscal year ended March 31, 2016, ¥8.274 billion less than in the previous fiscal year. The decrease is attributable to factors including an increase of ¥4.328 billion in trade notes and accounts payables and an increase of ¥10.0 billion in contribution to retirement benefit trust, which offset an increase of ¥3.113 billion in income taxes refunded and a decrease of ¥9.755 billion in trade notes and accounts receivables.

Cash flows from investing activities

Investing activities used net cash of ¥12.329 billion in the fiscal year ended March 31, 2016, ¥36.426 billion less than in the previous fiscal year. The decrease reflects an increase of ¥49.100 billion in proceeds from redemption of marketable securities, which offset an increase of ¥11.239 billion in payment into deposits.

Cash flows from financing activities

Financing activities used net cash of ¥6.719 billion yen in the fiscal year ended March 31, 2016, ¥2.923 billion more than in the previous fiscal year. The increase is mainly attributable to an increase of ¥2.244 billion in purchase of treasury stock.

Cash flow indicators

Fiscal year ended March 31,	2014	2015	2016
Owners' equity ratio (%)	77.0	76.7	75.5
Market capitalization-based owners' equity ratio (%)	54.3	54.7	53.9

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 Distribution of Profits and Dividends for the Fiscal Year Ended March 31, 2016 and for the Fiscal Year Ending March 31, 2017

The Company regards the distribution of profits to shareholders as an important management policy. The Company's basic dividend policy is to maintain stable ordinary dividend payments with a focus on continuous growth while also securing the retained earnings needed to strengthen the foundations over the long term, which is essential to a certified broadcasting holding company with terrestrial, BS, and CS broadcasters as wholly owned subsidiaries. In addition to ordinary dividend distributions, the Company also plans to reward shareholders through the distribution of commemorative dividends to mark key events, and special dividends as warranted by financial performance in any particular fiscal period.

For the fiscal year ended March 31, 2016, the Company intends to pay a year-end dividend of ¥20 per share. Together with the previously distributed interim dividend of ¥20 per share, this will result in an annual dividend of ¥40 per share.

For the fiscal year ending March 31, 2017, the Company plans to pay an interim dividend of ¥20 per share and a year-end dividend of ¥20 per share. This will result in a planned ¥40 annual dividend per share focusing on the targeted a consolidated dividend payout ratio of 47.7%.

2. Management Policy

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

Disclosure has been omitted since there is no significant change from the information disclosed in the Summary of Financial Results for the Fiscal Year Ended March 31, 2014 (disclosed on April 30, 2014).

The Summary of Financial Results can be viewed at the following URLs.

TV Asahi Holdings website

http://www.tv-asahi-hd.co.jp/e/contents/earnings/data/2014/tanshin_Endlish20140616.pdf

Tokyo Stock Exchange website (listed company information search page)

<http://www.jpx.co.jp/english/listing/index.html>

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

The business environment facing the TV Asahi Group is changing rapidly. 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.

In this dynamic environment, the Company transitioned to a certified broadcasting holding company structure as part of infrastructure development with the aim of becoming “One of Japan’s top content-business enterprises,” putting in place a structure for the integrated operation of terrestrial, BS, and CS broadcasting.

To cope with changes in the business environment facing the TV Asahi Group and prevail in competition under the certified broadcasting holding company structure, since the fiscal year ended March 31, 2015, the Company has been implementing Digital 5 Vision 2nd Stage, a management plan formulated with the aim of becoming “One of Japan’s top content-business enterprises” by the fiscal year ending March 31, 2019, the Company’s 60th anniversary year.

Specifically, the Company has positioned the five-year period beginning the fiscal year ended March 31, 2015 as a growth period for achieving the goal of becoming “One of Japan’s top content-business enterprises” and has set forth five strategic objectives: “Further strengthening of terrestrial broadcasting, and maximization of content value through integrated programming of the 3 broadcast waves,” “Join the top ranks in ad revenues by creating new advertising value,” “Expansion of non-broadcast business by designating Internet and Media City as growth business,” “Establishment of a strong holdings structure by enhancing efficiency and competitiveness of subsidiaries and affiliates,” and “Strengthening of the group’s solidarity and establishment of corporate brand.” Numeric targets in the plan are consolidated net sales of ¥300.0 billion and consolidated operating income of ¥20.0 billion by the fiscal year ending March 31, 2019.

The Company will continue to endeavor to provide high-quality content in order to maintain publicness and fulfill its social responsibility as a certified broadcasting holding company which affiliates television broadcasters and is committed to meeting the expectations of stakeholders by continuing to pursue further growth and corporate value expansion.

3. Basic Policy on the Selection of Accounting Standards

The TV Asahi Group prepares its consolidated financial statements in accordance with Japanese accounting standards. The Group will continue to respond appropriately while watching the latest developments relating to the introduction of International Financial Reporting Standards (IFRS).

4. Consolidated Financial Statements

(1) Consolidated Balance Sheets

	As of March 31, 2015	(millions of yen) As of March 31, 2016
	Amount	Amount
Assets		
Current assets		
Cash and deposits	8,427	25,272
Trade notes and accounts receivable	71,927	79,586
Marketable securities	75,102	54,824
Inventories	8,953	9,442
Deferred tax assets	705	1,820
Other current assets	16,610	11,630
Less allowance for doubtful accounts	(83)	(88)
Total current assets	181,643	182,487
Fixed assets		
Tangible assets		
Buildings and structures, net	27,896	26,582
Machinery and vehicles, net	15,151	13,030
Land	38,539	39,703
Construction in progress	305	4,124
Other tangible assets, net	4,340	6,314
Total tangible assets	86,233	89,755
Intangible assets		
Software	7,560	6,238
Other intangible assets	2,977	2,597
Total intangible assets	10,538	8,836
Investments and other assets		
Investment securities	103,562	102,286
Deferred tax assets	7,067	10,789
Other investments and other assets	8,164	8,242
Less allowance for doubtful accounts	(146)	(146)
Total investments and other assets	118,647	121,172
Total fixed assets	215,419	219,763
Total assets	397,062	402,251

	As of March 31, 2015 Amount	(millions of yen) As of March 31, 2016 Amount
Liabilities		
Current liabilities		
Trade notes and accounts payable	6,301	10,389
Other payables	17,854	20,058
Accrued expenses	22,826	24,550
Accrued income taxes	4,596	4,723
Liabilities for director bonuses	61	54
Other current liabilities	6,494	4,739
Total current liabilities	58,134	64,516
Non-current liabilities		
Deferred tax liabilities	9,801	9,425
Liabilities for retirement and severance benefits - directors and corporate auditors	370	309
Net defined benefit liabilities	17,896	16,421
Other non-current liabilities	1,628	2,662
Total non-current liabilities	29,696	28,817
Total liabilities	87,831	93,334
Net assets		
Stockholders' equity		
Common stock	36,642	36,642
Additional paid-in capital	70,168	70,168
Retained earnings	173,323	181,694
Treasury stock	(332)	(2,577)
Total stockholders' equity	279,801	285,927
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	21,505	21,531
Deferred gain (loss) on hedges	3,762	1,855
Foreign currency translation adjustments	(1)	(1)
Remeasurements of defined benefit plans	(616)	(5,456)
Total accumulated other comprehensive income	24,649	17,928
Non-controlling interests	4,779	5,060
Total net assets	309,231	308,917
Total liabilities and net assets	397,062	402,251

(2) Consolidated Statements of Income and Comprehensive Income

Consolidated Statements of Income			(millions of yen)
	Year ended March 31, 2015	Year ended March 31, 2016	
	Amount	Amount	
Net sales	276,473	280,779	
Cost of sales	196,729	199,663	
Gross profit	79,743	81,116	
SGA expenses	64,605	64,546	
Operating income	15,138	16,570	
Non-operating revenue			
Interest income	165	166	
Dividend income	876	1,070	
Share of profit of entities accounted for using equity method	363	418	
Other non-operating revenue	1,067	560	
Total non-operating revenue	2,473	2,215	
Non-operating expenses			
Loss on disposal of noncurrent assets	852	187	
Loss on valuation of membership	-	51	
Other non-operating expenses	46	37	
Total non-operating expenses	899	276	
Recurring profit	16,712	18,509	
Extraordinary gains			
Gain on step acquisitions	1,085	-	
Gain on sales of investment securities	-	539	
Compensation income	-	537	
Total extraordinary gains	1,085	1,076	
Extraordinary losses			
Loss on sales of investment securities	115	-	
Loss on valuation of investment securities	169	235	
Total extraordinary losses	285	235	
Income before income taxes	17,512	19,350	
Income taxes			
Current	6,065	8,062	
Deferred	137	(1,179)	
Total income taxes	6,203	6,882	
Profit	11,308	12,468	
Profit attributable to non-controlling interests	314	298	
Profit attributable to owners of the parent	10,994	12,169	

Consolidated Statements of Comprehensive Income

	(millions of yen)	
	Year ended March 31, 2015	Year ended March 31, 2016
	Amount	Amount
Profit	11,308	12,468
Other comprehensive income		
Valuation difference on available-for-sale securities	14,329	61
Deferred gain (loss) on hedges	2,127	(1,906)
Foreign currency translation adjustments	64	(0)
Remeasurements of defined benefit plans	1,068	(4,839)
Share of other comprehensive income of entities accounted for using equity method	48	(35)
Total other comprehensive income	17,637	(6,720)
Comprehensive income	28,946	5,747
Components:		
Comprehensive income attributable to owners of the parent	28,632	5,448
Comprehensive income attributable to non-controlling interests	313	299

(3) Consolidated Statements of Changes in Net Assets

Year ended March 31, 2015 (April 1, 2014 to March 31, 2015)

(millions of yen)

	Stockholders' equity				
	Common stock	Additional paid-in capital	Retained earnings	Treasury stock	Total stockholders' equity
Balance at end of previous term	36,642	55,342	167,895	(326)	259,553
Cumulative effects of changes in accounting policies			(1,926)		(1,926)
Restated balance	36,642	55,342	165,968	(326)	257,626
Changes during term					
Cash dividends			(3,639)		(3,639)
Profit attributable to owners of the parent			10,994		10,994
Purchase of treasury stock				(0)	(0)
Disposal of treasury stock		(1)		46	44
Increase by share exchanges		14,827		(52)	14,775
Net changes other than stockholder's equity					
Total changes during term	-	14,825	7,354	(5)	22,174
Balance at end of term	36,642	70,168	173,323	(332)	279,801

	Accumulated other comprehensive income					Non-controlling interests	Total net assets
	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 end of previous term	7,127	1,635	(65)	(1,685)	7,011	4,752	271,318
Cumulative effects of changes in accounting policies							(1,926)
Restated balance	7,127	1,635	(65)	(1,685)	7,011	4,752	269,391
Changes during term							
Cash dividends							(3,639)
Profit attributable to owners of the parent							10,994
Purchase of treasury stock							(0)
Disposal of treasury stock							44
Increase by share exchanges							14,775
Net changes other than stockholder's equity	14,378	2,127	64	1,068	17,638	26	17,664
Total changes during term	14,378	2,127	64	1,068	17,638	26	39,839
Balance at end of term	21,505	3,762	(1)	(616)	24,649	4,779	309,231

Year ended March 31, 2016 (April 1, 2015 to March 31, 2016)

(millions of yen)

	Stockholders' equity				
	Common stock	Additional paid-in capital	Retained earnings	Treasury stock	Total stockholders' equity
Balance at end of previous term	36,642	70,168	173,323	(332)	279,801
Cumulative effects of changes in accounting policies					-
Restated balance	36,642	70,168	173,323	(332)	279,801
Changes during term					
Cash dividends			(3,798)		(3,798)
Profit attributable to owners of the parent			12,169		12,169
Purchase of treasury stock				(2,245)	(2,245)
Net changes other than stockholder's equity					
Total changes during term	-	-	8,370	(2,245)	6,125
Balance at end of term	36,642	70,168	181,694	(2,577)	285,927

	Accumulated other comprehensive income					Non-controlling interests	Total net assets
	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 end of previous term	21,505	3,762	(1)	(616)	24,649	4,779	309,231
Cumulative effects of changes in accounting policies							-
Restated balance	21,505	3,762	(1)	(616)	24,649	4,779	309,231
Changes during term							
Cash dividends							(3,798)
Profit attributable to owners of the parent							12,169
Purchase of treasury stock							(2,245)
Net changes other than stockholder's equity	25	(1,906)	(0)	(4,839)	(6,721)	281	(6,439)
Total changes during term	25	(1,906)	(0)	(4,839)	(6,721)	281	(313)
Balance at end of term	21,531	1,855	(1)	(5,456)	17,928	5,060	308,917

(4) Consolidated Statements of Cash flows

	(millions of yen)	
	Year ended March 31, 2015	Year ended March 31, 2016
	Amount	Amount
Cash flows from operating activities		
Income before income taxes	17,512	19,350
Depreciation and amortization	9,690	10,356
Amortization of goodwill	353	349
Loss on disposal of noncurrent assets	852	187
(Gain) loss on sales of investment securities	115	(539)
Loss on valuation of investment securities	169	235
Loss on valuation of membership	-	51
Increase (decrease) in allowance for doubtful accounts	(19)	4
Increase (decrease) in net defined benefit liabilities	1,706	1,135
Contribution to retirement benefit trust	-	(10,000)
Interest and dividend income	(1,042)	(1,236)
Share of profit (loss) of entities accounted for using equity method	(363)	(418)
Loss (gain) on step acquisitions	(1,085)	-
Compensation income	-	(537)
(Increase) decrease in trade notes and accounts receivables	2,096	(7,658)
(Increase) decrease in inventories	425	(488)
Increase (decrease) in trade notes and accounts payables	(240)	4,087
Other cash flows from operating activities	(79)	2,322
Subtotal	30,091	17,203
Interest and dividend received	1,225	1,356
Income taxes refunded	36	3,150
Income taxes paid	(10,057)	(8,688)
Net cash provided by operating activities	21,296	13,022
Cash flows from investing activities		
Payments into time deposits	(1,012)	(12,251)
Proceeds from withdrawal of time deposits	1,500	-
Purchase of marketable securities	(92,925)	(96,600)
Proceeds from redemption of marketable securities	61,600	110,700
Purchase of trust beneficiary right	(6,598)	(14,698)
Proceeds from redemption of trust beneficiary right	5,300	14,200
Purchase of tangible assets	(5,376)	(8,221)
Purchase of intangible assets	(3,663)	(1,969)
Purchase of investment securities	(9,353)	(4,950)
Proceeds from redemption of investment securities	2,000	200
Proceeds from sales of investment securities	2	1,045
Other cash flows from investing activities	(226)	216
Net cash used in investing activities	(48,755)	(12,329)
Cash flows from financing activities		
Purchase of treasury stock	(0)	(2,245)
Dividends paid to stockholders	(3,639)	(3,798)
Dividends paid to non-controlling interests	(18)	(18)
Other cash flows from financing activities	(137)	(657)
Net cash used in financing activities	(3,795)	(6,719)
Effect of exchange rate changes on cash and cash equivalents	64	(0)
Net increase (decrease) in cash and cash equivalents	(31,189)	(6,026)
Cash and cash equivalents at beginning of term	47,581	35,862
Increase in cash and cash equivalents resulting from share exchanges	19,470	-
Cash and cash equivalents at end of term	35,862	29,835

Segment Information

Year ended March 31, 2015 (April 1, 2014 to March 31, 2015)

	Reportable segment				(millions of yen)	
	TV Broadcasting Business	Music Publication Business	Other Businesses	Total	Adjustments*1	Amounts reported on consolidated financial statements*2
Sales						
Sales to outside customers	241,267	7,733	27,472	276,473	-	276,473
Inter-segment sales and transfers	2,900	304	8,097	11,302	(11,302)	-
Total	244,167	8,037	35,570	287,776	(11,302)	276,473
Segment income	13,136	871	1,122	15,130	7	15,138
Segment assets	259,965	12,954	37,038	309,959	87,103	397,062
Other items						
Depreciation/amortization	8,360	163	1,166	9,690	-	9,690
Investment in affiliates	1,194	-	4,738	5,932	-	5,932
Increase in tangible/intangible assets	8,670	52	543	9,266	-	9,266

Notes: 1. Details of adjustments are as follows:

- 1) Segment income adjustments totaling 7 million yen includes elimination of inter-segment transactions of minus 91 million yen, 1,928 million yen income accruing from inter-company transactions with our subsidiaries, and corporate expenses of minus 1,828 million yen. Corporate expenses are chiefly those expenses related to the Company's management of the Group's business.
- 2) Segment assets adjustment of 87,103 million yen consists of corporate assets of 152,565 million yen and elimination of inter-segment claims and liabilities of minus 65,461 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, 2016 (April 1, 2015 to March 31, 2016)

	Reportable segment				Adjustments*1	(millions of yen) Amounts reported on consolidated financial statements*2
	TV Broadcasting Business	Music Publication Business	Other Businesses	Total		
Sales						
Sales to outside customers	241,449	11,578	27,752	280,779	-	280,779
Inter-segment sales and transfers	2,807	365	8,445	11,618	(11,618)	-
Total	244,256	11,943	36,197	292,397	(11,618)	280,779
Segment income	14,853	1,213	502	16,568	1	16,570
Segment assets	257,673	16,513	41,027	315,214	87,037	402,251
Other items						
Depreciation/amortization	8,676	107	1,572	10,356	-	10,356
Investment in affiliates	1,237	-	5,171	6,408	-	6,408
Increase in tangible/intangible assets	10,972	46	1,373	12,392	-	12,392

Notes: 1. Details of adjustments are as follows:

- 1) Segment income adjustments totaling 1million yen includes elimination of inter-segment transactions of minus 94million yen, 1,837 million yen income accruing from inter-company transactions with our subsidiaries, and corporate expenses of minus 1,741 million yen. Corporate expenses are chiefly those expenses related to the Company's management of the Group's business.
 - 2) Segment assets adjustment of 87,037 million yen consists of corporate assets of 149,708 million yen and elimination of inter-segment claims and liabilities of minus 62,671 million yen.
2. Segment income is adjusted to align it with operating income reported on the consolidated statements of income for the corresponding period.