

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.

February 7, 2017

## TV Asahi Holdings Corporation Consolidated Earnings Report for the Nine Months ended December 31, 2016 (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://www.tv-asahi.co.jp/e/index.html>

Representative: Hiroshi Hayakawa, Chairman and CEO

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Scheduled dates

Filing of statutory quarterly financial report (*shihanki hokokusho*): February 13, 2017

Dividend payout: -

Supplementary materials to quarterly financial results available: Yes

Quarterly earnings presentation held: Yes

(Amounts rounded down to the nearest ¥ million)

### 1. Consolidated Performance for the Nine Months ended December 31, 2016 (April 1, 2016–December 31, 2016)

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

	Net sales		Operating income		Ordinary Income		Profit attributable to owners of the parent	
	¥ million	%	¥ million	%	¥ million	%	¥ million	%
Nine months ended December 31, 2016	222,053	5.1	16,794	10.1	18,044	5.6	12,005	11.6
Nine months ended December 31, 2015	211,360	0.5	15,248	10.7	17,094	12.2	10,754	2.8

Note: Comprehensive income: Nine months ended December 31, 2016 ¥ 15,862million (8.4%)

Nine months ended December 31, 2015 ¥ 14,634million (minus 34.7%)

	Earnings per share	Diluted earnings per share
	¥	¥
Nine months ended December 31, 2016	111.89	-
Nine months ended December 31, 2015	99.24	-

(2) Consolidated Financial Position

	Total assets	Net assets	Owners' equity ratio
	¥ million	¥ million	%
December 31, 2016	415,905	320,237	75.8
March 31, 2016	402,251	308,917	75.5

Note: \*Owners' equity: December 31, 2016: ¥ 315,087million; March 31, 2016: ¥ 303,856million

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

## 2. Dividends

	Dividend per share				
	End-Q1	End-Q2	End-Q3	Year-end	Annual total
	¥	¥	¥	¥	¥
FYE March 31, 2016	—	20.00	—	20.00	40.00
FYE March 31, 2017	—	20.00	—		
Forecast for FYE March 31, 2017				20.00	40.00

Note: Revisions from the latest release of dividends forecasts: None

## 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		Ordinary Income		Profit attributable to owners of the parent		Earnings per share
	¥ million	%	¥ million	%	¥ million	%	¥ million	%	¥
FYE March 31, 2017	292,000	4.0	16,000	(3.4)	20,500	10.8	15,000	23.3	139.80

Note: Revisions from the latest release of dividends forecasts: Yes

## 4. Other Information

- (1) Changes in consolidation status of major subsidiaries during the term: None
- (2) Accounting methods specific to quarterly consolidated financial statements: Yes
- (3) 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
- (4) Shares outstanding (ordinary shares)

	December 31, 2016	March 31, 2016
1) Number of shares issued (including treasury stock)	108,529,000	108,529,000
2) Number of shares held in treasury	1,235,885	1,235,740
	Nine months ended December 31, 2016	Nine months ended December 31, 2015
3) Average number of shares outstanding during the term	107,293,218	108,362,319

### \* Quarterly Review Status

As of this report's publication, an audit of the consolidated quarterly 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 quarterly financial results on its website on Tuesday, February 7, 2017.
- TV Asahi Holdings Corporation has scheduled an earnings presentation aimed at analysts for Monday, February 13, 2017, and intends to publish the presentation handout materials on its website immediately after the event.

### Explanation of forward-looking statements, including the consolidated earnings forecast

Concerning the full-year consolidated earnings forecast, the Company now expects net sales to exceed the previous forecast (announced on November 4, 2016), due to the fact that spot advertising sales have been solid.

In addition, as noted in “Notice Regarding Acquisition of Shares to Convert Companies into Equity Method Affiliates” released today, the Company resolved at a meeting of the Board of Directors held today to make additional purchases of shares of Shizuoka Asahi Television Co., Ltd., HIGASHI NIPPON BROADCASTING Co., Ltd., and Fukushima Broadcasting Co., Ltd., and convert these companies into equity method affiliates during the current consolidated fiscal year. In conjunction with this action, the Company expects to post approximately ¥3.5 billion of negative goodwill as equity in earnings of affiliates.

As a result of the above, the Company now expects net sales, operating income, ordinary income, and profit attributable to owners of the parent to exceed the previous forecasts.

Revision of the full-year consolidated earnings forecast for the fiscal year ending March 31, 2017

Fiscal year ending March 31, 2017 (April 1, 2016 – March 31, 2017)

	Net Sales	Operating Income	Ordinary Income	Profit attributable to owners of the parent	Earnings per share
	¥ million	¥ million	¥ million	¥ million	¥
Previous Forecast (A)	291,000	15,500	16,500	10,000	93.20
New Forecast (B)	292,000	16,000	20,500	15,000	139.80
Difference (B-A)	1,000	500	4,000	5,000	
Difference (%)	0.3%	3.2%	24.2%	50.0%	
<Reference> Results for FYE March 31, 2016	280,779	16,570	18,509	12,169	112.39

## Consolidated Financial Statements

### (1) Consolidated Balance Sheets

	As of March 31, 2016 Amount	(millions of yen) As of December 31, 2016 Amount
<b>Assets</b>		
<b>Current assets</b>		
Cash and deposits	25,272	17,923
Trade notes and accounts receivable	79,586	79,683
Marketable securities	54,824	59,306
Inventories	9,442	8,708
Other current assets	13,450	18,719
Less allowance for doubtful accounts	(88)	(110)
Total current assets	182,487	184,230
<b>Fixed assets</b>		
Tangible assets		
Other tangible assets, net	89,755	92,780
Total tangible assets	89,755	92,780
Intangible assets		
Other intangible assets	8,836	7,779
Total intangible assets	8,836	7,779
Investments and other assets		
Investment securities	102,286	112,690
Other investments and other assets	19,032	18,584
Less allowance for doubtful accounts	(146)	(159)
Total investments and other assets	121,172	131,115
Total fixed assets	219,763	231,675
<b>Total assets</b>	402,251	415,905

	As of March 31, 2016 Amount	(millions of yen) As of December 31, 2016 Amount
<b>Liabilities</b>		
<b>Current liabilities</b>		
Trade notes and accounts payable	10,389	8,317
Accrued income taxes	4,723	3,146
Liabilities for director bonuses	54	34
Other current liabilities	49,348	52,034
Total current liabilities	64,516	63,533
<b>Non-current liabilities</b>		
Liabilities for retirement and severance benefits - directors and corporate auditors	309	287
Net defined benefit liabilities	16,421	17,176
Other non-current liabilities	12,087	14,671
Total non-current liabilities	28,817	32,134
Total liabilities	93,334	95,668
<b>Net assets</b>		
<b>Stockholders' equity</b>		
Common stock	36,642	36,642
Additional paid-in capital	70,168	70,257
Retained earnings	181,694	189,446
Treasury stock	(2,577)	(2,577)
Total stockholders' equity	285,927	293,769
<b>Accumulated other comprehensive income</b>		
Valuation difference on available-for-sale securities	21,531	24,385
Deferred gain (loss) on hedges	1,855	2,097
Foreign currency translation adjustments	(1)	(99)
Remeasurements of defined benefit plans	(5,456)	(5,065)
Total accumulated other comprehensive income	17,928	21,317
<b>Non-controlling interests</b>	5,060	5,149
<b>Total net assets</b>	308,917	320,237
<b>Total liabilities and net assets</b>	402,251	415,905

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

(millions of yen)

	Nine Months ended December 31, 2015	Nine Months ended December 31, 2016
	Amount	Amount
<b>Net sales</b>	211,360	222,053
Cost of sales	148,618	155,889
<b>Gross profit</b>	62,742	66,163
<b>SGA expenses</b>	47,493	49,368
<b>Operating income</b>	15,248	16,794
<b>Non-operating revenue</b>		
Interest income	117	102
Dividend income	1,026	1,038
Other non-operating revenue	854	297
Total non-operating revenue	1,998	1,438
<b>Non-operating expenses</b>		
Loss on abandonment of non-current assets	75	100
Other non-operating expenses	77	89
Total non-operating expenses	152	189
<b>Ordinary Income</b>	17,094	18,044
<b>Extraordinary Income</b>		
Gain on sales of investment securities	138	526
Gain on step acquisitions	-	47
Gain on bargain purchase	-	491
Total extraordinary income	138	1,065
<b>Income before income taxes</b>	17,233	19,109
<b>Income taxes</b>	6,217	6,636
<b>Profit</b>	11,015	12,472
<b>Profit attributable to non-controlling interests</b>	261	467
<b>Profit attributable to owners of the parent</b>	10,754	12,005

### Consolidated Statements of Comprehensive Income

	(millions of yen)	
	Nine Months ended December 31, 2015	Nine Months ended December 31, 2016
	Amount	Amount
<b>Profit</b>	11,015	12,472
<b>Other comprehensive income</b>		
Valuation difference on available-for-sale securities	3,790	2,799
Deferred gain (loss) on hedges	(346)	241
Foreign currency translation adjustments	(2)	(97)
Remeasurements of defined benefit plans	162	390
Share of other comprehensive income of entities accounted for using equity method	15	56
<b>Total other comprehensive income</b>	<b>3,618</b>	<b>3,390</b>
<b>Comprehensive income</b>	<b>14,634</b>	<b>15,862</b>
Components:		
Comprehensive income attributable to owners of the parent	14,372	15,394
Comprehensive income attributable to non-controlling interests	262	468

## Segment Information

### 1. Information about Sales and Segment Income by Reportable Segment

Nine Months ended December 31, 2015 (April 1, 2015 to December 31, 2015)

	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	180,212	9,857	21,291	211,360	-	211,360
Inter-segment sales and transfers	2,030	219	5,928	8,179	(8,179)	-
Total	182,243	10,077	27,220	219,540	(8,179)	211,360
Segment income	13,396	1,163	658	15,218	29	15,248

Notes: 1. Segment income adjustments totaling 29 million yen includes elimination of inter-segment transactions of minus 53 million yen, 1,536 million yen income accruing from inter-company transactions with our subsidiaries, and corporate expenses of minus 1,452 million yen. Corporate expenses are chiefly those expenses related to the Company's management of the Group's business.

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

Nine Months ended December 31, 2016 (April 1, 2016 to December 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	187,822	7,688	26,542	222,053	-	222,053
Inter-segment sales and transfers	1,791	320	6,511	8,623	(8,623)	-
Total	189,614	8,009	33,053	230,677	(8,623)	222,053
Segment income	14,733	453	1,682	16,868	(74)	16,794

Notes: 1. Segment income adjustments totaling minus 74 million yen includes elimination of inter-segment transactions of minus 94 million yen, 1,459 million yen income accruing from inter-company transactions with our subsidiaries, and corporate expenses of minus 1,439 million yen. Corporate expenses are chiefly those expenses related to the Company's management of the Group's business.

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