



## 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, 2016	—	20.00	—	20.00	40.00	4,319	35.6	1.4
FYE March 31, 2017	—	20.00	—	20.00	40.00	4,298	26.9	1.4
Forecast for FYE March 31, 2018	—	20.00	—	20.00	40.00		35.7	

## 3. Forecast for the Fiscal Year ending March 31, 2018 (April 1, 2017 – March 31, 2018)

(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	%	¥
Six months ending Sept. 30, 2017	151,000	4.8	7,500	(22.4)	8,000	(24.7)	5,500	(12.0)	51.29
FYE March 31, 2018	304,000	2.7	17,500	1.3	18,000	(18.0)	12,000	(24.8)	111.90

## 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, 2017	March 31, 2016
1) Number of shares issued (including treasury stock)	108,529,000	108,529,000
2) Number of shares held in treasury	1,289,624	1,235,740
	March 31, 2017	March 31, 2016
3) Average number of shares outstanding during the term	107,289,060	108,280,077

\* This document is not subject to audit procedures.

### \*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 Tuesday, May 9, 2017.
- TV Asahi Holdings Corporation has scheduled an earnings presentation aimed at analysts for Wednesday, May 17, 2017, 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, 2017), the Japanese economy continued to show a gradual recovery trend amid continuing improvement in the employment and personal income environment, despite delayed improvement in some sectors.

Full-year business performance in the broadcast advertising industry exceeded the prior-year level as Tokyo area spot advertising volume generally 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, 2017 reached ¥295.879 billion (up 5.4% year on year), and cost of sales and selling, general and administrative (SG&A) expenses totaled ¥278.6 billion (up 5.4%). As a result, operating income was ¥17.278 billion (up 4.3%). Ordinary income was ¥21.947 billion (up 18.6%), and profit attributable to owners of the parent was ¥15.949 billion (up 31.1%).

### 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, 2017 were as follows: 7.3% on an all-day basis (6 a.m. – midnight), 10.3% for golden time (7 p.m. – 10 p.m.), 10.6% for prime time (7 p.m. – 11 p.m.), and 6.4% 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, 2017, the Company succeeded in further strengthening all-day viewer ratings by broadcasting special programming at the beginning and end of the fiscal year and during the New Year’s holiday period as well as special sports programs and by maintaining the strong results of the previous fiscal year for weekday news and informational programs and making changes to Saturday and Sunday afternoon programs.

With regard to news and informational programs, average annual viewer ratings further improved in weekday morning slots, with *Good! Morning* achieving its highest-ever average annual viewer in all time slots and *Shinichi Hatori’s Morning Show* greatly improving its ratings from the previous fiscal year and for the first time becoming the top-rated program in its time slot among programs of commercial broadcasting companies. In addition, *Hodo Station*, which was renewed in April, maintained viewer ratings at the same level as the previous fiscal year.

In the results for variety programs, special programs such as *Tunnels no Sports Oh wa Oreda!* (*Tunnel's I'm the King of Sports!*), in its 18th year, and the 25th edition of Music Station Super Live were highly popular, and regular programs such as *Ikegami Akira's News Sou Datta no ka!!* and *Quiz Presentation Variety Q-Sama!!* also delivered steady results.

Many of our drama series regularly captured high ratings, including the Thursday drama *Doctor X – Surgeon Daimon Michiko*, which had an average viewer rating of 21.5% and accomplished the remarkable achievement of capturing the top annual viewer rating for a second consecutive season, and *Aibou (PARTNERS)*, which had a season average viewer rating of 15.2% and has captured an average viewer rating of over 15% for eleven consecutive seasons. The drama special *And Then There Were None*, which aired on two consecutive nights, was highly popular (two-night average viewer rating of 14.4%).

In the results for sports programs, *2017 World Baseball Classic* (average prime time viewer rating for three games of 23.7%) and *2018 FIFA World Cup™ Russia Final Asian Qualifiers* (average prime time viewer rating for six matches of 19.1%) attracted a great deal of attention, and *ISU Grand Prix of Figure Skating Cup Finals Men/Ladies Free Skating* (17.6%) and *Professional Baseball Japan Series* (average viewer rating for two games of 17.4%) captured high viewer ratings.

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 2017 Tunnels no Sports Oh wa Oreda!* (*Dream Match 2017 Tunnel's I'm the King of Sports!*) and *Beat Takeshi's Shiranai News 2017 New Year Special*. Our programs maintained the top average viewer ratings for the three-day period in the prime time slot for the ninth consecutive year and in the golden time slot for the third consecutive year.

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

In regard to the time advertising sales revenue, a movement among advertisers to place importance on flexibility and efficiency in advertising activities resulted in a tendency to reduce fixed costs. Despite those circumstances, in advertising sales for regular program time slots, we successfully raised advertising unit prices, mainly for variety programs such as *Nichiyou mo Ame-Talk!* and *Shikujiri Sensei Ore Mitai ni Naruna!!* as well as dramas airing Wednesday evenings between 9 and 10 p.m. and the *Thursday Night Drama* series. In addition, we sought revenue growth in the time slots for one-off broadcasting events, including major sports programs such as *2018 FIFA World Cup™ Russia Final Asian Qualifiers*, *Rio 2016 Olympic Games*, *2017 World Baseball Classic*, and *UEFA Euro 2016*. As a result of the above, time advertising sales revenue for the fiscal year ended March 31, 2017 totaled ¥90.351 billion (up 1.7% year on year).

In the results of spot advertising sales revenue, at a time of strong Tokyo area spot advertising volume we sought revenue growth by striving to raise advertising unit prices against a backdrop of an increase in all-day viewer ratings, mainly ratings of morning programs. Revenues increased in 14 out of 21 client industry sectors, including information and communications, home electric appliances and AV equipment, real estate and housing facilities, and pharmaceutical and medical supplies. Reflecting the above factors, spot advertising sales revenue in the fiscal year under review totaled ¥105.212 billion (up 4.8%).

Program sales revenue totaled ¥13.227 billion (up 4.2%) on strong overseas broadcast sales and strong sales of content for video distribution.

In addition, BS/CS revenue totaled ¥24.824 billion (up 0.2%), and other revenue was ¥18.928 billion (up 8.0%).

As a result of the above, the TV Broadcasting Business generated net sales of ¥252.545 billion (up 3.4%) while incurring operating expenses of ¥237.616 billion (up 3.6%), resulting in operating income of ¥14.929 billion (up 0.5%).

## 2. Music Publication Business

The Music Publication Business generated net sales of ¥9.985 billion (down 16.4% year on year). The decrease reflects factors including the absence of revenues from concert tours by *Ketsumeishi* and *Shonan no Kaze* held in the previous fiscal year. Operating expenses were ¥9.355 billion (down 12.8%), resulting in operating income of ¥0.629 billion (down 48.1%).

## 3. Other Businesses

We strategically expanded our internet-related businesses: AbemaTV, a joint venture with CyberAgent, Inc., developed favorably, achieving 15 million application downloads, and we jointly produced original content with KDDI Corporation, such as *Doctor Y – Gekai Kaji Hideki*, a spinoff of the drama *Doctor X – Surgeon Daimon Michiko*, for exclusive distribution on au Video pass. In addition, the number of users of the *TV Asahi Catch-up*, free-of-charge ad-supported TV streaming service, increased together with an increase in the number of distributed programs, and advertising revenue is steadily increasing as well. Furthermore, the *NJPW World* video distribution business is steadily increasing the number of subscribers, and the number of accesses from overseas is rapidly increasing as well.

The special events business held a number of events during the year. The third *TV Asahi-Roppongi Hills Summer Festival SUMMER STATION*, held during a period of 44 days beginning on July 16, drew a total of 5.44 million visitors, higher than the previous year's figure. Other well-received events included the regular music events *TV Asahi Dream Festival 2016* and *METROPOLITAN ROCK FESTIVAL (TOKYO, OSAKA)*. A high operation rate led to strong operating results from EX THEATER Roppongi, which held various music

and stage performances such as *Summer Station Johnny's KING*, a song and dance competition by Johnny's Jr. featuring Mr. KING, and *Roppongi Kabuki*, starring Ebizo Ichikawa.

In the shopping business, the *Jun Sanpo* TV shopping program achieved a revenue increase against a backdrop of high viewer ratings.

The Company's investment in motion pictures produced the regular releases *Doraemon*, whose 36th episode set a new series box-office record of ¥4.120 billion, and *Crayon Shin-chan*, which earned the third-highest box-office revenue in the series' history. Other well-received releases include *Partners THE MOVIE IV*, a major hit that got off to the best start of any episode in the series.

A number of DVD titles were released, such as *Doctor X – Surgeon Daimon Michiko*, *PARTNERS*, and other dramas with high viewer ratings, *Ame-Talk*, and *Momoclo Chan*. Merchandise development activities centering on the development and sale of merchandise related to TV Asahi terrestrial programs enjoyed a good reputation. Furthermore, in the results of program-related publications, *Okazu no Cooking*, a magazine published every other month, generated stable sales.

The equipment sales and leasing business developed favorably thanks to factors including cell-phone leasing 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 ¥45.507 billion (up 25.7% year on year), while operating expenses rose to ¥43.722 billion (up 22.5%). As a result, operating income was ¥1.784 billion (up 255.2%).

## (2) Financial Condition

### Assets, liabilities, and net assets

Current assets totaled ¥182.483 billion at the end of the fiscal year (March 31, 2017), a decrease of ¥0.003 billion from the end of the previous fiscal year (March 31, 2016).

Fixed assets totaled ¥243.586 billion at March 31, 2017, an increase of ¥23.822 billion from March 31, 2016. The increase is mainly attributable to a ¥16.927 billion increase in investment securities and a ¥4.610 billion increase in buildings and structures, net.

As a result of the above, total assets increased by ¥23.819 billion from March 31, 2016 to ¥426.070 billion at March 31, 2017.

Current liabilities totaled ¥69.237 billion at March 31, 2017, an increase of ¥4.721 billion from March 31, 2016. The increase is mainly attributable to an increase of ¥3.6 billion in accrued expenses.

Non-current liabilities totaled ¥34.039 billion at March 31, 2017, an increase of ¥5.221 billion from March 31, 2016. The increase is mainly attributable to a ¥1.995 billion increase in lease obligations.

As a result of the above, total liabilities increased by ¥9.943 billion from March 31, 2016 to ¥103.277 billion at March 31, 2017.

Net assets as of March 31, 2017 totaled ¥322.793 billion, an increase of ¥13.875 billion from March 31, 2016. As a result, the owners' equity ratio was 75.0% at March 31, 2017.

### (3) Cash flows

Cash and cash equivalents increased by ¥4.367 billion from March 31, 2016 to ¥34.202 billion at March 31, 2017.

#### Cash flows from operating activities

Operating activities provided net cash of ¥23.464 billion in the fiscal year ended March 31, 2017, ¥10.442 billion more than in the previous fiscal year. The increase is attributable to factors including the non-recurrence of a ¥10.000 billion contribution to retirement benefit trust in the previous fiscal year.

#### Cash flows from investing activities

Investing activities used net cash of ¥11.635 billion in the fiscal year ended March 31, 2017, ¥0.693 billion less than in the previous fiscal year.

#### Cash flows from financing activities

Financing activities used net cash of ¥7.441 billion in the fiscal year ended March 31, 2017, ¥0.721 billion more than in the previous fiscal year. The increase is mainly attributable to an increase of ¥0.499 billion in dividends paid.

### (4) Future outlook

For the fiscal year ending March 31, 2018, the Company expects the television advertising market, which greatly affects consolidated revenue, to be stable, and Bunkakobo, inc. has been converted into a consolidated subsidiary. Therefore, the Company anticipates increases in net sales and operating income. On the other hand, due to the non-recurrence of negative goodwill recorded in equity in earnings of affiliates in connection with the conversion of three affiliated broadcasting stations into equity method affiliates in the fiscal year ended March 31, 2017, the Company anticipates decreases in ordinary income and profit attributable to owners of the parent.

As a result, the Company forecasts full-year consolidated net sales of ¥304.0 billion, operating income of ¥17.5 billion, ordinary income of ¥18.0 billion, and profit attributable to owners of the parent of ¥12.0 billion.

(3) Basic Policy on the Distribution of Profits and Dividends for the Fiscal Year Ended March 31, 2017 and for the Fiscal Year Ending March 31, 2018

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, 2017, 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, 2018, 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 and consolidated dividend payout ratio of 35.7%.

## 2. 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).

### 3. Consolidated Financial Statements

#### (1) Consolidated Balance Sheets

	As of March 31, 2016 Amount	(millions of yen) As of March 31, 2017 Amount
<b>Assets</b>		
<b>Current assets</b>		
Cash and deposits	25,272	27,470
Trade notes and accounts receivable	79,586	81,280
Marketable securities	54,824	49,199
Inventories	9,442	7,771
Deferred tax assets	1,820	2,202
Other current assets	11,630	14,671
Less allowance for doubtful accounts	(88)	(112)
<b>Total current assets</b>	<b>182,487</b>	<b>182,483</b>
<b>Fixed assets</b>		
Tangible assets		
Buildings and structures, net	26,582	31,193
Machinery and vehicles, net	13,030	14,254
Land	39,703	41,641
Leased assets, net	3,281	6,576
Other tangible assets, net	7,157	3,636
<b>Total tangible assets</b>	<b>89,755</b>	<b>97,302</b>
Intangible assets		
Software	6,238	5,466
Other intangible assets	2,597	2,292
<b>Total intangible assets</b>	<b>8,836</b>	<b>7,758</b>
Investments and other assets		
Investment securities	102,286	119,214
Deferred tax assets	10,789	11,529
Other investments and other assets	8,242	7,937
Less allowance for doubtful accounts	(146)	(155)
<b>Total investments and other assets</b>	<b>121,172</b>	<b>138,525</b>
<b>Total fixed assets</b>	<b>219,763</b>	<b>243,586</b>
<b>Total assets</b>	<b>402,251</b>	<b>426,070</b>

	As of March 31, 2016 Amount	(millions of yen) As of March 31, 2017 Amount
<b>Liabilities</b>		
<b>Current liabilities</b>		
Trade notes and accounts payable	10,389	11,177
Other payables	20,058	20,821
Accrued expenses	24,550	28,151
Accrued income taxes	4,723	4,324
Liabilities for director bonuses	54	83
Other current liabilities	4,739	4,680
<b>Total current liabilities</b>	<b>64,516</b>	<b>69,237</b>
<b>Non-current liabilities</b>		
Lease obligations	2,285	4,281
Deferred tax liabilities	9,425	11,230
Liabilities for retirement and severance benefits - directors and corporate auditors	309	298
Net defined benefit liabilities	16,421	17,788
Other non-current liabilities	376	441
<b>Total non-current liabilities</b>	<b>28,817</b>	<b>34,039</b>
<b>Total liabilities</b>	<b>93,334</b>	<b>103,277</b>
<b>Net assets</b>		
<b>Stockholders' equity</b>		
Common stock	36,642	36,642
Additional paid-in capital	70,168	70,220
Retained earnings	181,694	193,391
Treasury stock	(2,577)	(2,690)
<b>Total stockholders' equity</b>	<b>285,927</b>	<b>297,563</b>
<b>Accumulated other comprehensive income</b>		
Valuation difference on available-for-sale securities	21,531	25,794
Deferred gain (loss) on hedges	1,855	1,533
Foreign currency translation adjustments	(1)	(22)
Remeasurements of defined benefit plans	(5,456)	(5,334)
<b>Total accumulated other comprehensive income</b>	<b>17,928</b>	<b>21,970</b>
<b>Non-controlling interests</b>	<b>5,060</b>	<b>3,259</b>
<b>Total net assets</b>	<b>308,917</b>	<b>322,793</b>
<b>Total liabilities and net assets</b>	<b>402,251</b>	<b>426,070</b>

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

### Consolidated Statements of Income

	(millions of yen)	
	Year ended March 31, 2016	Year ended March 31, 2017
	Amount	Amount
<b>Net sales</b>	280,779	295,879
Cost of sales	199,663	211,996
<b>Gross profit</b>	81,116	83,882
<b>SGA expenses</b>	64,546	66,604
<b>Operating income</b>	16,570	17,278
<b>Non-operating revenue</b>		
Interest income	166	140
Dividend income	1,070	1,079
Share of profit of entities accounted for using equity method	418	3,521
Other non-operating revenue	560	299
Total non-operating revenue	2,215	5,041
<b>Non-operating expenses</b>		
Loss on disposal of noncurrent assets	187	276
Other non-operating expenses	89	95
Total non-operating expenses	276	371
<b>Ordinary Income</b>	18,509	21,947
<b>Extraordinary gains</b>		
Gain on sales of investment securities	539	585
Gain on step acquisitions	-	47
Gain on bargain purchase	-	491
Compensation income	537	532
Total extraordinary gains	1,076	1,656
<b>Extraordinary losses</b>		
Loss on valuation of investment securities	235	157
Total extraordinary losses	235	157
<b>Income before income taxes</b>	19,350	23,446
<b>Income taxes</b>		
Current	8,062	7,933
Deferred	(1,179)	(813)
Total income taxes	6,882	7,120
<b>Profit</b>	12,468	16,326
<b>Profit attributable to non-controlling interests</b>	298	377
<b>Profit attributable to owners of the parent</b>	12,169	15,949

### Consolidated Statements of Comprehensive Income

	Year ended March 31, 2016	(millions of yen) Year ended March 31, 2017
	Amount	Amount
<b>Profit</b>	12,468	16,326
<b>Other comprehensive income</b>		
Valuation difference on available-for-sale securities	61	4,198
Deferred gain (loss) on hedges	(1,906)	(321)
Foreign currency translation adjustments	(0)	(20)
Remeasurements of defined benefit plans	(4,839)	121
Share of other comprehensive income of entities accounted for using equity method	(35)	64
Total other comprehensive income	(6,720)	4,043
<b>Comprehensive income</b>	<b>5,747</b>	<b>20,369</b>
Components:		
Comprehensive income attributable to owners of the parent	5,448	19,991
Comprehensive income attributable to non-controlling interests	299	378

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

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

Year ended March 31, 2017 (April 1, 2016 to March 31, 2017)

(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	181,694	(2,577)	285,927
Cumulative effects of changes in accounting policies			45		45
Restated balance	36,642	70,168	181,739	(2,577)	285,973
Changes during term					
Cash dividends			(4,298)		(4,298)
Profit attributable to owners of the parent			15,949		15,949
Purchase of treasury stock				(0)	(0)
Change in ownership interest of parent due to transactions with non-controlling interests		51			51
Increase due to a change in the scope of applying equity method-treasury stock				(113)	(113)
Net changes other than stockholder's equity					
Total changes during term	-	51	11,651	(113)	11,589
Balance at end of term	36,642	70,220	193,391	(2,690)	297,563

	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	21,531	1,855	(1)	(5,456)	17,928	5,060	308,917
Cumulative effects of changes in accounting policies							45
Restated balance	21,531	1,855	(1)	(5,456)	17,928	5,060	308,963
Changes during term							
Cash dividends							(4,298)
Profit attributable to owners of the parent							15,949
Purchase of treasury stock							(0)
Change in ownership interest of parent due to transactions with non-controlling interests							51
Increase due to a change in the scope of applying equity method-treasury stock							(113)
Net changes other than stockholder's equity	4,263	(322)	(20)	121	4,041	(1,801)	2,240
Total changes during term	4,263	(322)	(20)	121	4,041	(1,801)	13,829
Balance at end of term	25,794	1,533	(22)	(5,334)	21,970	3,259	322,793

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

	Year ended March 31, 2016	(millions of yen) Year ended March 31, 2017
	Amount	Amount
<b>Cash flows from operating activities</b>		
Income before income taxes	19,350	23,446
Depreciation and amortization	10,356	9,541
Amortization of goodwill	349	349
Loss on disposal of noncurrent assets	187	276
(Gain) loss on sales of investment securities	(539)	(585)
Loss on valuation of investment securities	235	157
Increase (decrease) in allowance for doubtful accounts	4	10
Increase (decrease) in net defined benefit liabilities	1,135	1,163
Contribution to retirement benefit trust	(10,000)	-
Interest and dividend income	(1,236)	(1,219)
Share of (profit) loss of entities accounted for using equity method	(418)	(3,521)
(Gain) Loss on step acquisitions	-	(47)
(Gain) Loss on bargain purchase	-	(491)
Compensation income	(537)	(532)
(Increase) decrease in trade notes and accounts receivables	(7,658)	(1,327)
(Increase) decrease in inventories	(488)	1,733
Increase (decrease) in trade notes and accounts payables	4,087	685
Other cash flows from operating activities	2,373	707
Subtotal	17,203	30,346
Interest and dividend received	1,356	1,432
Income taxes refunded	3,150	790
Income taxes paid	(8,688)	(9,105)
Net cash provided by operating activities	13,022	23,464
<b>Cash flows from investing activities</b>		
Payments into time deposits	(12,251)	(14,763)
Proceeds from withdrawal of time deposits	-	13,735
Purchase of marketable securities	(96,600)	(115,806)
Proceeds from redemption of marketable securities	110,700	126,800
Purchase of trust beneficiary right	(14,698)	(24,353)
Proceeds from redemption of trust beneficiary right	14,200	22,046
Purchase of tangible assets	(8,221)	(9,972)
Purchase of intangible assets	(1,969)	(1,380)
Purchase of investment securities	(4,950)	(9,970)
Proceeds from redemption of investment securities	200	380
Proceeds from sales of investment securities	1,045	1,032
Other cash flows from investing activities	216	616
Net cash used in investing activities	(12,329)	(11,635)
<b>Cash flows from financing activities</b>		
Dividends paid to stockholders	(3,798)	(4,298)
Dividends paid to non-controlling interests	(18)	(18)
Other cash flows from financing activities	(2,902)	(3,124)
Net cash used in financing activities	(6,719)	(7,441)
Effect of exchange rate changes on cash and cash equivalents	(0)	(19)
Net increase (decrease) in cash and cash equivalents	(6,026)	4,367
Cash and cash equivalents at beginning of term	35,862	29,835
Cash and cash equivalents at end of term	29,835	34,202

## Segment Information

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

	Reportable segment				Total	Adjustments*1	(millions of yen) Amounts reported on consolidated financial statements*2
	TV Broadcasting Business	Music Publication Business	Other Businesses				
<b>Sales</b>							
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)	-	
<b>Total</b>	<b>244,256</b>	<b>11,943</b>	<b>36,197</b>	<b>292,397</b>	<b>(11,618)</b>	<b>280,779</b>	
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	
<b>Other items</b>							
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 1 million yen includes elimination of inter-segment transactions of minus 94 million 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.

Year ended March 31, 2017 (April 1, 2016 to March 31, 2017)

	Reportable segment				Total	Adjustments*1	(millions of yen) Amounts reported on consolidated financial statements*2
	TV Broadcasting Business	Music Publication Business	Other Businesses				
<b>Sales</b>							
Sales to outside customers	250,111	9,600	36,167	295,879	-	295,879	
Inter-segment sales and transfers	2,434	385	9,340	12,159	(12,159)	-	
<b>Total</b>	<b>252,545</b>	<b>9,985</b>	<b>45,507</b>	<b>308,039</b>	<b>(12,159)</b>	<b>295,879</b>	
Segment income	14,929	629	1,784	17,343	(65)	17,278	
Segment assets	270,823	13,243	51,251	335,318	90,752	426,070	
<b>Other items</b>							
Depreciation/amortization	7,717	96	1,727	9,541	-	9,541	
Investment in affiliates	7,794	-	6,048	13,843	-	138,463	
Increase in tangible/intangible assets	12,407	43	2,782	15,233	-	15,233	

Notes: 1. Details of adjustments are as follows:

1) Segment income adjustments totaling minus 65million yen includes elimination of inter-segment transactions of minus 152million yen, 1,995 million yen income accruing from inter-company transactions with our subsidiaries, and corporate expenses of minus 1,907 million yen. Corporate expenses are chiefly those expenses related to the Company's management of the Group's business.

2) Segment assets adjustment of 90,752 million yen consists of corporate assets of 150,435 million yen and elimination of inter-segment claims and liabilities of minus 59,682 million yen.

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