

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.

July 31, 2017

TV Asahi Holdings Corporation Consolidated Earnings Report for the Three Months ended June 30, 2017 (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-asahihd.co.jp/e/index.html>
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Scheduled dates

Filing of statutory quarterly financial report (*shihanki hokokusho*): August 10, 2017

Dividend payout: -

Supplementary materials to quarterly financial results available: Yes

Quarterly earnings presentation held: None

(Amounts rounded down to the nearest ¥ million)

1. Consolidated Performance for the Three Months ended June 30, 2017 (April 1, 2017–June 30, 2017)

(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	%
Three months ended June 30, 2017	74,750	5.5	5,846	(29.0)	6,970	(23.4)	4,837	(11.9)
Three months ended June 30, 2016	70,878	0.7	8,239	43.6	9,095	34.1	5,489	31.4

Note: Comprehensive income: Three months ended June 30, 2017 ¥ 6,957million (88.4%)
Three months ended June 30, 2016 ¥ 3,693million (minus 31.3%)

	Earnings per share	Diluted earnings per share
	¥	¥
Three months ended June 30, 2017	45.11	-
Three months ended June 30, 2016	51.16	-

(2) Consolidated Financial Position

	Total assets	Net assets	Owners' equity ratio
	¥ million	¥ million	%
June 30, 2017	426,282	327,269	76.1
March 31, 2017	426,070	322,793	75.0

Note: *Owners' equity: June 30, 2017: ¥ 324,264million; March 31, 2017: ¥ 319,533million

*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, 2017	—	20.00	—	20.00	40.00
FYE March 31, 2018	—				
Forecast for FYE March 31, 2018		20.00	—	20.00	40.00

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

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	148,000	2.8	6,500	(32.7)	7,500	(29.5)	5,000	(20.0)	46.62
FYE March 31, 2018	297,000	0.4	17,500	1.3	18,000	(18.0)	12,000	(24.8)	111.90

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.: None
 - 2) Changes other than noted in 1) above: None
 - 3) Changes in accounting estimates: Yes
 - 4) Retrospective restatement: None
- (4) Shares outstanding (ordinary shares)

	June 30, 2017	March 31, 2017
1) Number of shares issued (including treasury stock)	108,529,000	108,529,000
2) Number of shares held in treasury	1,289,624	1,289,624
	Three months ended June 30, 2017	Three months ended June 30, 2016
3) Average number of shares outstanding during the term	107,239,376	107,293,260

* 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 Monday, July 31, 2017.

Consolidated Earnings Forecasts and Other Forward-looking Statements

Regarding the consolidated earnings forecast for the first six months of the fiscal year ending March 31, 2018, the Company now expects net sales, operating income, ordinary income and profit attributable to owners of the parent to fall short of the earlier forecasts (announced on May 9, 2017) largely due to its lower-than-expected spot advertising sales revenue estimate.

As for the Company's full-year consolidated earnings forecasts, operating income, ordinary income and profit attributable to owners of the parent remain unchanged from the previous forecasts. This is attributable to efforts to expand earnings and control costs that are likely to more than offset the negative impact of its lower net sales forecast.

Revision of the consolidated forecast for the Six Months Ending September 30, 2017 (April 1, 2017~September 30, 2017)

	Net Sales	Operating Income	Ordinary Income	Profit attributable to owners of the parent	Earnings per share
	¥ million	¥ million	¥ million	¥ million	¥
Previous Forecast (A)	151,000	7,500	8,000	5,500	51.29
New Forecast (B)	148,000	6,500	7,500	5,000	46.62
Difference (B-A)	(3,000)	(1,000)	(500)	(500)	
Difference (%)	(2.0%)	(13.3%)	(6.3%)	(9.1%)	
<Reference> Results for Six Months Ended September 30, 2016	144,023	9,662	10,630	6,249	58.25

Revision of the consolidated forecast for the Fiscal Year Ending March 31, 2018 (April 1, 2017~March 31, 2018)

	Net Sales	Operating Income	Ordinary Income	Profit attributable to owners of the parent	Earnings per share
	¥ million	¥ million	¥ million	¥ million	¥
Previous Forecast (A)	304,000	17,500	18,000	12,000	111.90
New Forecast (B)	297,000	17,500	18,000	12,000	111.90
Difference (B-A)	(7,000)	-	-	-	
Difference (%)	(2.3%)	-	-	-	
<Reference> Results for FYE March 31, 2017	295,879	17,278	21,947	15,949	148.66

Consolidated Financial Statements

(1) Consolidated Balance Sheets

	As of March 31, 2017 Amount	(millions of yen) As of June 30, 2017 Amount
Assets		
Current assets		
Cash and deposits	27,470	50,435
Trade notes and accounts receivable	81,280	78,937
Marketable securities	49,199	28,117
Inventories	7,771	10,245
Other current assets	16,874	14,714
Less allowance for doubtful accounts	(112)	(111)
Total current assets	182,483	182,338
Fixed assets		
Tangible assets		
Other tangible assets, net	97,302	97,376
Total tangible assets	97,302	97,376
Intangible assets		
Other intangible assets	7,758	7,466
Total intangible assets	7,758	7,466
Investments and other assets		
Investment securities	119,214	119,515
Other investments and other assets	19,467	19,742
Less allowance for doubtful accounts	(155)	(155)
Total investments and other assets	138,525	139,102
Total fixed assets	243,586	243,944
Total assets	426,070	426,282

	As of March 31, 2017 Amount	(millions of yen) As of June 30, 2017 Amount
Liabilities		
Current liabilities		
Trade notes and accounts payable	11,177	9,351
Accrued income taxes	4,324	2,345
Liabilities for director bonuses	83	30
Other current liabilities	53,653	52,701
Total current liabilities	69,237	64,429
Non-current liabilities		
Liabilities for retirement and severance benefits - directors and corporate auditors	298	297
Net defined benefit liabilities	17,788	18,038
Other non-current liabilities	15,953	16,248
Total non-current liabilities	34,039	34,584
Total liabilities	103,277	99,013
Net assets		
Stockholders' equity		
Common stock	36,642	36,642
Additional paid-in capital	70,220	70,226
Retained earnings	193,391	196,079
Treasury stock	(2,690)	(2,690)
Total stockholders' equity	297,563	300,257
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	25,794	27,747
Deferred gain (loss) on hedges	1,533	1,517
Foreign currency translation adjustments	(22)	(45)
Remeasurements of defined benefit plans	(5,334)	(5,212)
Total accumulated other comprehensive income	21,970	24,007
Non-controlling interests	3,259	3,005
Total net assets	322,793	327,269
Total liabilities and net assets	426,070	426,282

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

(millions of yen)

	Three Months ended June 30, 2016	Three Months ended June 30, 2017
	Amount	Amount
Net sales	70,878	74,750
Cost of sales	46,437	52,352
Gross profit	24,441	22,398
SGA expenses	16,202	16,551
Operating income	8,239	5,846
Non-operating revenue		
Interest income	35	29
Dividend income	650	863
Other non-operating revenue	241	246
Total non-operating revenue	927	1,140
Non-operating expenses		
Loss on disposal of non-current assets	10	9
Other non-operating expenses	61	7
Total non-operating expenses	72	16
Ordinary Income	9,095	6,970
Extraordinary gains		
Gain on bargain purchase	-	1,507
Total extraordinary gains	-	1,507
Extraordinary losses		
Loss on step acquisitions	-	569
Total extraordinary losses	-	569
Income before income taxes	9,095	7,907
Income taxes	3,474	2,988
Profit	5,620	4,919
Profit attributable to non-controlling interests	130	82
Profit attributable to owners of the parent	5,489	4,837

Consolidated Statements of Comprehensive Income

	Three Months ended June 30, 2016	(millions of yen) Three Months ended June 30, 2017
	Amount	Amount
Profit	5,620	4,919
Other comprehensive income		
Valuation difference on available-for-sale securities	(681)	1,922
Deferred gain (loss) on hedges	(1,278)	(15)
Foreign currency translation adjustments	(39)	(23)
Remeasurements of defined benefit plans	130	122
Share of other comprehensive income of entities accounted for using equity method	(56)	31
Total other comprehensive income	(1,926)	2,037
Comprehensive income	3,693	6,957
Components:		
Comprehensive income attributable to owners of the parent	3,562	6,874
Comprehensive income attributable to non-controlling interests	131	83

Segment Information

1. Information about Sales and Segment Income by Reportable Segment

Three Months ended June 30, 2016 (April 1, 2016 to June 30, 2016)

	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	61,580	2,010	7,287	70,878	-	70,878
Inter-segment sales and transfers	526	104	2,307	2,939	(2,939)	-
Total	62,107	2,115	9,595	73,818	(2,939)	70,878
Segment income	7,693	85	557	8,335	(96)	8,239

- Notes: 1. Segment income adjustments totaling minus 96 million yen includes elimination of inter-segment transactions of minus 52 million yen, 476 million yen income accruing from inter-company transactions with our subsidiaries, and corporate expenses of minus 519 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.

Three Months ended June 30, 2017 (April 1, 2017 to June 30, 2017)

	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	61,426	3,522	9,801	74,750	-	74,750
Inter-segment sales and transfers	621	65	2,235	2,922	(2,922)	-
Total	62,048	3,588	12,036	77,673	(2,922)	74,750
Segment income	5,219	344	372	5,936	(89)	5,846

- Notes: 1. Segment income adjustments totaling minus 89 million yen includes elimination of inter-segment transactions of minus 37 million yen, 526 million yen income accruing from inter-company transactions with our subsidiaries, and corporate expenses of minus 577 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.