

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, 2018

## TV Asahi Holdings Corporation Consolidated Earnings Report for the Three Months ended June 30, 2018 (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>  
Representative: Hiroshi Hayakawa, Chairman and CEO  
Information contact: Keizo Kayama, Member of the Board and Treasurer      Tel: +81-3-6406-1115

### Scheduled dates

Filing of statutory quarterly financial report (*shihanki hokokusho*): August 13, 2018

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, 2018 (April 1, 2018–June 30, 2018)

(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, 2018	71,948	(3.7)	2,585	(55.8)	3,903	(44.0)	2,486	(48.6)
Three months ended June 30, 2017	74,750	5.5	5,846	(29.0)	6,970	(23.4)	4,837	(11.9)

Note: Comprehensive income: Three months ended June 30, 2018 ¥ 6,674million (minus 4.1%)  
Three months ended June 30, 2017 ¥ 6,957million (88.4%)

	Earnings per share	Diluted earnings per share
	¥	¥
Three months ended June 30, 2018	23.20	-
Three months ended June 30, 2017	45.11	-

### (2) Consolidated Financial Position

	Total assets	Net assets	Owners' equity ratio
	¥ million	¥ million	%
June 30, 2018	437,762	343,596	77.8
March 31, 2018	435,488	340,161	77.4

Note: \*Owners' equity: June 30, 2018: ¥ 340,412million; March 31, 2018: ¥ 336,998million

\*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, 2018	—	20.00	—	30.00	50.00
FYE March 31, 2019	—				
Forecast for FYE March 31, 2019		20.00	—	30.00	50.00

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

Year-end dividend for the fiscal year ended March 31, 2018 is 30 yen per share. This includes a special dividend of 10 yen per share. Forecast of the year-end dividend for the fiscal year ending March 31, 2019 is 30 yen per share. This includes a commemorative dividend of 10 yen per share.

## 3. Forecast for the Fiscal Year ending March 31, 2019 (April 1, 2018 – March 31, 2019)

(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, 2018	146,000	(2.7)	4,500	(47.0)	5,500	(43.7)	3,500	(46.8)	32.66
FYE March 31, 2019	300,000	(0.8)	16,000	(14.1)	17,500	(20.6)	11,500	(27.4)	107.31

Note: Revisions from the latest release of earnings 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: None
  - 4) Retrospective restatement: None
- (4) Shares outstanding (ordinary shares)

	June 30, 2018	March 31, 2018
1) Number of shares issued (including treasury stock)	108,529,000	108,529,000
2) Number of shares held in treasury	1,365,435	1,365,390
	Three months ended June 30, 2018	Three months ended June 30, 2017
3) Average number of shares outstanding during the term	107,163,576	107,239,376

\* This document is outside the scope of quarterly review.

### \*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, July 31, 2018.

## 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, 2019, time advertising sales revenue and spot advertising sales revenue are expected to fall short of forecasts. Consequently, net sales, operating income, ordinary income, and profit attributable to owners of the parent are expected to fall short of the previous forecasts (announced on May 9, 2018).

As for the company's full-year consolidated earnings forecast, although net sales are expected to fall short of the previous forecast, operating income, ordinary income, and profit attributable to owners of the parent remain unchanged from the previous forecasts due to initiatives to expand earnings and efforts to control costs.

Revision of the consolidated forecast for the Six Months Ending September 30, 2018 (April 1, 2018~September 30, 2018)

	Net Sales	Operating Income	Ordinary Income	Profit attributable to owners of the parent	Earnings per share
	¥ million	¥ million	¥ million	¥ million	¥
Previous Forecast (A)	149,000	5,500	6,500	4,000	37.33
New Forecast (B)	146,000	4,500	5,500	3,500	32.66
Difference (B-A)	(3,000)	(1,000)	(1,000)	(500)	
Difference (%)	(2.0%)	(18.2%)	(15.4%)	(12.5%)	
<Reference> Results for Six Months Ended September 30, 2017	150,056	8,488	9,763	6,582	61.40

Revision of the consolidated forecast for the Fiscal Year Ending March 31, 2019 (April 1, 2018~March 31, 2019)

	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	16,000	17,500	11,500	107.31
New Forecast (B)	300,000	16,000	17,500	11,500	107.31
Difference (B-A)	(4,000)	-	-	-	
Difference (%)	(1.3%)	-	-	-	
<Reference> Results for FYE March 31, 2018	302,511	18,634	22,053	15,848	147.85

## Consolidated Financial Statements

### (1) Consolidated Balance Sheets

	As of March 31, 2018	(millions of yen) As of June 30, 2018
	Amount	Amount
<b>Assets</b>		
<b>Current assets</b>		
Cash and deposits	32,263	25,860
Trade notes and accounts receivable	78,692	76,539
Marketable securities	43,703	43,399
Inventories	10,128	10,480
Other current assets	9,896	14,012
Less allowance for doubtful accounts	(75)	(74)
Total current assets	174,608	170,216
<b>Fixed assets</b>		
Tangible assets		
Other tangible assets, net	95,845	96,027
Total tangible assets	95,845	96,027
Intangible assets		
Other intangible assets	6,888	6,513
Total intangible assets	6,888	6,513
Investments and other assets		
Investment securities	136,035	143,420
Other investments and other assets	22,288	21,765
Less allowance for doubtful accounts	(177)	(182)
Total investments and other assets	158,146	165,003
Total fixed assets	260,880	267,545
<b>Total assets</b>	<b>435,488</b>	<b>437,762</b>

	As of March 31, 2018 Amount	(millions of yen) As of June 30, 2018 Amount
<b>Liabilities</b>		
<b>Current liabilities</b>		
Trade notes and accounts payable	7,731	6,846
Other current liabilities	52,902	50,969
Total current liabilities	60,634	57,816
<b>Non-current liabilities</b>		
Net defined benefit liabilities	17,735	17,670
Other non-current liabilities	16,958	18,678
Total non-current liabilities	34,693	36,349
Total liabilities	95,327	94,166
<b>Net assets</b>		
<b>Stockholders' equity</b>		
Common stock	36,642	36,642
Additional paid-in capital	70,226	70,226
Retained earnings	204,941	204,203
Treasury stock	(2,850)	(2,850)
Total stockholders' equity	308,959	308,222
<b>Accumulated other comprehensive income</b>		
Valuation difference on available-for-sale securities	32,200	36,111
Deferred gain (loss) on hedges	695	870
Foreign currency translation adjustments	(40)	(79)
Remeasurements of defined benefit plans	(4,817)	(4,712)
Total accumulated other comprehensive income	28,038	32,190
<b>Non-controlling interests</b>	3,163	3,183
<b>Total net assets</b>	340,161	343,596
<b>Total liabilities and net assets</b>	435,488	437,762

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

(millions of yen)

	Three Months ended June 30, 2017	Three Months ended June 30, 2018
	Amount	Amount
<b>Net sales</b>	74,750	71,948
Cost of sales	52,352	53,432
<b>Gross profit</b>	22,398	18,516
<b>SGA expenses</b>	16,551	15,931
<b>Operating income</b>	5,846	2,585
<b>Non-operating revenue</b>		
Dividend income	863	608
Share of profit of entities accounted for using equity method	148	566
Other non-operating revenue	127	162
Total non-operating revenue	1,140	1,337
<b>Non-operating expenses</b>		
Other non-operating expenses	16	18
Total non-operating expenses	16	18
<b>Ordinary Income</b>	6,970	3,903
<b>Extraordinary gains</b>		
Gain on bargain purchase	1,507	-
Total extraordinary gains	1,507	-
<b>Extraordinary losses</b>		
Loss on step acquisitions	569	-
Total extraordinary losses	569	-
<b>Income before income taxes</b>	7,907	3,903
<b>Income taxes</b>	2,988	1,380
<b>Profit</b>	4,919	2,522
<b>Profit attributable to non-controlling interests</b>	82	36
<b>Profit attributable to owners of the parent</b>	4,837	2,486

### Consolidated Statements of Comprehensive Income

	(millions of yen)	
	Three Months ended June 30, 2017	Three Months ended June 30, 2018
	Amount	Amount
<b>Profit</b>	4,919	2,522
<b>Other comprehensive income</b>		
Valuation difference on available-for-sale securities	1,922	3,797
Deferred gain (loss) on hedges	(15)	173
Foreign currency translation adjustments	(23)	(38)
Remeasurements of defined benefit plans	122	105
Share of other comprehensive income of entities accounted for using equity method	31	113
Total other comprehensive income	2,037	4,151
<b>Comprehensive income</b>	6,957	6,674
Components:		
Comprehensive income attributable to owners of the parent	6,874	6,638
Comprehensive income attributable to non-controlling interests	83	36

## Segment Information

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

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

	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	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.

Three Months ended June 30, 2018 (April 1, 2018 to June 30, 2018)

	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	60,750	1,622	9,575	71,948	-	71,948
Inter-segment sales and transfers	650	59	2,097	2,808	(2,808)	-
Total	61,400	1,682	11,673	74,756	(2,808)	71,948
Segment income	1,820	74	760	2,655	(69)	2,585

- Notes: 1. Segment income adjustments totaling minus 69 million yen includes elimination of inter-segment transactions of minus 16 million yen, 538 million yen income accruing from inter-company transactions with our subsidiaries, and corporate expenses of minus 591 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.