

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.

November 6, 2018

TV Asahi Holdings Corporation

Consolidated Earnings Report for the Six Months ended September 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>
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Scheduled dates

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

Dividend payout: December 5, 2018

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 Six Months ended September 30, 2018 (April 1, 2018–September 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	%
Six months ended September 30, 2018	147,882	(1.4)	5,678	(33.1)	7,125	(27.0)	4,913	(25.4)
Six months ended September 30, 2017	150,056	4.2	8,488	(12.1)	9,763	(8.2)	6,582	5.3

Note: Comprehensive income: Six months ended September 30, 2018 ¥ 16,755million (19.6%)
 Six months ended September 30, 2017 ¥ 14,014million (259.9%)

	Earnings per share	Diluted earnings per share
	¥	¥
Six months ended September 30, 2018	45.85	-
Six months ended September 30, 2017	61.40	-

(2) Consolidated Financial Position

	Total assets	Net assets	Owners' equity ratio
	¥ million	¥ million	%
September 30, 2018	451,074	354,218	77.7
March 31, 2018	435,488	340,161	77.4

Note: *Owners' equity: September 30, 2018: ¥ 350,417million; 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	—	20.00			
Forecast for FYE March 31, 2019			—	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	%	¥
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 dividends forecasts: None

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)

	September 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
	Six months ended September 30, 2018	Six months ended September 30, 2017
3) Average number of shares outstanding during the term	107,163,571	107,217,687

* 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, November 6, 2018.
- TV Asahi Holdings Corporation has scheduled an earnings presentation aimed at analysts for Monday, November 12, 2018, and intends to publish the presentation handout materials on its website immediately after the event.

Consolidated Financial Statements

(1) Consolidated Balance Sheets

	As of March 31, 2018 Amount	(millions of yen) As of September 30, 2018 Amount
Assets		
Current assets		
Cash and deposits	32,263	27,195
Trade notes and accounts receivable	78,692	75,608
Marketable securities	43,703	49,201
Inventories	10,128	9,897
Other current assets	9,896	12,178
Less allowance for doubtful accounts	(75)	(74)
Total current assets	174,608	174,007
Fixed assets		
Tangible assets		
Other tangible assets, net	95,845	97,279
Total tangible assets	95,845	97,279
Intangible assets		
Other intangible assets	6,888	6,072
Total intangible assets	6,888	6,072
Investments and other assets		
Investment securities	136,035	152,229
Other investments and other assets	22,288	21,669
Less allowance for doubtful accounts	(177)	(183)
Total investments and other assets	158,146	173,715
Total fixed assets	260,880	277,067
Total assets	435,488	451,074

	As of March 31, 2018 Amount	(millions of yen) As of September 30, 2018 Amount
Liabilities		
Current liabilities		
Trade notes and accounts payable	7,731	7,174
Other current liabilities	52,902	50,403
Total current liabilities	60,634	57,577
Non-current liabilities		
Net defined benefit liabilities	17,735	17,662
Other non-current liabilities	16,958	21,616
Total non-current liabilities	34,693	39,278
Total liabilities	95,327	96,856
Net assets		
Stockholders' equity		
Common stock	36,642	36,642
Additional paid-in capital	70,226	70,226
Retained earnings	204,941	206,631
Treasury stock	(2,850)	(2,850)
Total stockholders' equity	308,959	310,649
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	32,200	43,319
Deferred gain (loss) on hedges	695	1,113
Foreign currency translation adjustments	(40)	(58)
Remeasurements of defined benefit plans	(4,817)	(4,607)
Total accumulated other comprehensive income	28,038	39,768
Non-controlling interests	3,163	3,800
Total net assets	340,161	354,218
Total liabilities and net assets	435,488	451,074

(2) Consolidated Statements of Income and Comprehensive Income

Consolidated Statements of Income		(millions of yen)
	Six Months ended September 30, 2017	Six Months ended September 30, 2018
	Amount	Amount
Net sales	150,056	147,882
Cost of sales	109,482	111,005
Gross profit	40,573	36,876
SGA expenses	32,085	31,197
Operating income	8,488	5,678
Non-operating revenue		
Dividend income	901	645
Share of profit of entities accounted for using equity	181	644
Other non-operating revenue	222	225
Total non-operating revenue	1,305	1,515
Non-operating expenses		
Loss on disposal of non-current assets	16	47
Other non-operating expenses	14	20
Total non-operating expenses	30	68
Ordinary Income	9,763	7,125
Extraordinary gains		
Gain on sales of investment securities	-	548
Gain on bargain purchase	1,507	-
Total extraordinary gains	1,507	548
Extraordinary losses		
Loss on valuation of investment securities	47	-
Loss on step acquisitions	569	-
Total extraordinary losses	617	-
Income before income taxes	10,653	7,674
Income taxes	3,921	2,649
Profit	6,731	5,024
Profit attributable to non-controlling interests	149	111
Profit attributable to owners of the parent	6,582	4,913

Consolidated Statements of Comprehensive Income

	Six Months ended September 30, 2017	Six Months ended September 30, 2018
	Amount	Amount
Profit	6,731	5,024
Other comprehensive income		
Valuation difference on available-for-sale securities	7,091	11,014
Deferred gain (loss) on hedges	(85)	416
Foreign currency translation adjustments	(24)	(16)
Remeasurements of defined benefit plans	244	210
Share of other comprehensive income of entities accounted for using equity method	56	106
Total other comprehensive income	7,283	11,730
Comprehensive income	14,014	16,755
Components:		
Comprehensive income attributable to owners of the parent	13,864	16,643
Comprehensive income attributable to non-controlling interests	150	111

Segment Information

1. Information about Sales and Segment Income by Reportable Segment

Six Months ended September 30, 2017 (April 1, 2017 to September 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	121,294	7,028	21,732	150,056	-	150,056
Inter-segment sales and transfers	1,464	137	4,607	6,209	(6,209)	-
Total	122,758	7,166	26,340	156,265	(6,209)	150,056
Segment income	6,538	665	1,308	8,512	(24)	8,488

- Notes: 1. Segment income adjustments totaling minus 24 million yen includes elimination of inter-segment transactions of minus 49 million yen, 1,052 million yen income accruing from inter-company transactions with our subsidiaries, and corporate expenses of minus 1,027 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.

Six Months ended September 30, 2018 (April 1, 2018 to September 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	120,216	4,373	23,292	147,882	-	147,882
Inter-segment sales and transfers	1,873	118	4,367	6,359	(6,359)	-
Total	122,089	4,492	27,659	154,241	(6,359)	147,882
Segment income	3,011	145	2,531	5,688	(9)	5,678

- Notes: 1. Segment income adjustments totaling minus 9 million yen includes elimination of inter-segment transactions of minus 37 million yen, 1,076 million yen income accruing from inter-company transactions with our subsidiaries, and corporate expenses of minus 1,048 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.