

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.

May 9, 2019

TV Asahi Holdings Corporation

Consolidated Earnings Report for the Fiscal Year ended March 31, 2019 (Japanese GAAP)

Stock listing: Tokyo Stock Exchange (First Section) Securities code: 9409
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Scheduled dates

General Shareholders' Meeting June 27, 2019
 Filing of statutory financial report (*yuka-shoken hokokusho*): June 27, 2019
 Dividend payout: June 28, 2019

Supplementary materials to financial results available: Yes
 Fiscal year-end earnings presentation held: Yes

(Amounts rounded down to the nearest ¥ million)

1. Consolidated Performance for the Fiscal Year ended March 31, 2019 (April 1, 2018–March 31, 2019)

(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	%
FYE March 31, 2019	301,744	(0.3)	16,164	(13.3)	19,097	(13.4)	12,879	(18.7)
FYE March 31, 2018	302,511	2.2	18,634	7.8	22,053	0.5	15,848	(0.6)

Note: Comprehensive income: FYE March 31, 2019 ¥ 18,445million (minus 16.8%)
 FYE March 31, 2018 ¥ 22,157million (8.8%)

	Earnings per share	Diluted earnings per share	Profit attributable to owners of the parent / Owners' equity*	Ordinary Income / Total assets	Operating income / Net sales
	¥	¥	%	%	%
FYE March 31, 2019	120.18	-	3.8	4.3	5.4
FYE March 31, 2018	147.85	-	4.8	5.1	6.2

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

Note: Share of profit of entities accounted for using equity method: FYE March 31, 2019: ¥1,477 million;
 FYE March 31, 2018: ¥1,844 million

(2) Consolidated Financial Position

	Total assets	Net assets	Owners' equity ratio	Net assets per share
	¥ million	¥ million	%	¥
March 31, 2019	452,000	353,757	77.4	3,264.51
March 31, 2018	435,488	340,161	77.4	3,144.71

Note: Owners' equity: March 31, 2019: ¥ 349,830million; March 31, 2018: ¥ 336,998million

(3) Consolidated Cash Flows

	Cash flow from operating activities	Cash flow from investing activities	Cash flow from financing activities	Cash and cash equivalents at end of period
	¥ million	¥ million	¥ million	¥ million
FYE March 31, 2019	20,273	(21,260)	(7,430)	41,533
FYE March 31, 2018	18,149	4,134	(6,506)	49,961

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, 2018	—	20.00	—	30.00	50.00	5,372	33.8	1.6
FYE March 31, 2019	—	20.00	—	30.00	50.00	5,372	41.6	1.6
Forecast for FYE March 31, 2020	—	20.00	—	20.00	40.00		42.9	

Note:

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.

Year-end dividend for the fiscal year ended 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, 2020 (April 1, 2019 – March 31, 2020)

(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, 2020	303,000	0.4	13,000	(19.6)	15,000	(21.5)	10,000	(22.4)	93.32

* Notes

(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.: None

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, 2019	March 31, 2018
1) Number of shares issued (including treasury stock)	108,529,000	108,529,000
2) Number of shares held in treasury	1,367,273	1,365,390
	March 31, 2019	March 31, 2018
3) Average number of shares outstanding during the term	107,163,427	107,197,165

*** 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 Thursday, May 9, 2019.
- TV Asahi Holdings Corporation has scheduled an earnings presentation aimed at analysts for Tuesday, May 14, 2019, 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, 2019), the Japanese economy continued to show a gradual recovery trend amid continuing improvement in the employment and income environment.

Conditions in the television advertising market remained difficult, with, for example, Tokyo area spot advertising volume falling below the prior-year level.

In this economic environment, net sales for the fiscal year ended March 31, 2019 were ¥301.744 billion (down 0.3% year on year), and cost of sales and selling, general and administrative (SG&A) expenses totaled ¥285.579 billion (up 0.6%). As a result, operating income was ¥16.164 billion (down 13.3%). Ordinary income was ¥19.097 billion (down 13.4%), and profit attributable to owners of the parent was ¥12.879 billion (down 18.7%).

Performance by segment

1. TV Broadcasting Business

Average viewer ratings in all day parts for the TV Broadcasting Business for the fiscal year ended March 31, 2019 exceeded those of the previous fiscal year. These were as follows: 7.7% on an all-day basis (6 a.m. – midnight), 10.5% for golden time (7 p.m. – 10 p.m.), 10.6% for prime time (7 p.m. – 11 p.m.), and 5.5% 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, 2019, the Company succeeded in further strengthening all-day viewer ratings, with the annual average ratings for regular morning programs *Good! Morning* and *Shinichi Hatori's MORNING SHOW* and the weekend evening programs *Jinsei no Rakuen*, *Rosen Bus de Yorimichi no Tabi*, and *Aiba's Joy of Learning* reaching new highs. The Company captured the top weekly average rating in 22 out of 52 weeks, the most since TV Asahi was established, and captured the top weekly average ranking for non-prime time (the all-day day parts other than prime time) for the first time.

The Company succeeded in further strengthening golden time and prime time viewer ratings on Sundays and Mondays, with *Sunday Prime* and *Kaere Monday Mikketai!!*, which began airing with the April programming change, and *Nani Kore Chin Hyakkei*, which began airing with the October programming change, delivering strong results.

Many of our drama series ranked among the top programs of commercial broadcasting companies, including the popular series *Aibou (PARTNERS)* (season average viewer rating of 15.3%; average viewer rating of over 15% for thirteen consecutive seasons), *Keishicho Sosa Ikkacho* (average viewer rating of 12.8%), and *Kasoken no Onna (Woman of the Crime Lab)* (average of 12.5%) as well as the new drama series *Legal V – Ex-lawyer Takanashi Shoko* (average of 15.8%), which captured the top annual viewer rating in 2018 average viewer ratings, *Tokuso 9* (average of 14.0%), and *Mikaiketsu no Onna* (average of 13.0%). Furthermore, the Saturday night drama *Ossan's Love* became a hot topic, winning the Tokyo Drama Awards Grand Prix in the Series Drama Category and a nomination for a Buzzwords Award.

Major live sports broadcasts delivered strong performances. In soccer, *2018 FIFA World Cup™ Russia* captured high viewer ratings, notably *Brazil vs Costa Rica* (18.3%) with the highest all-day/prime time viewer ratings among commercial broadcasting companies, and *AFC Asian Cup 2019*, with a high average viewer rating of 15.6% for seven matches, topped by *Final Match – Japan vs Qatar* (21.4%). In figure skating, *ISU Grand Prix of Figure Skating Finland Men/Ladies Free Skating* (16.2%) and the *ISU Grand Prix of Figure Skating Final Ladies Free Skating* (17.4%) captured high viewer ratings.

In the results for programs aired during the three-day New Year's holiday period, *Partners New Year Special* captured a high viewer rating, and TV Asahi programs maintained the top average viewer ratings for the three-day period in the prime time slot for the eleventh consecutive year and in the golden time slot for the fifth consecutive year.

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

In regard to time advertising sales revenue, a movement among advertisers to place importance on flexibility and efficiency in advertising activities has resulted in continuation of a tendency to reduce fixed costs, and advertising sales for regular programs decreased. On the other hand revenue from one-off broadcasting events such as *2018 FIFA World Cup™ Russia*, *AFC Asian Cup 2019*, and *AFC Women's Asia Cup 2018 FIFA Women's World Cup Final Asia Qualifiers* increased. As a result of the

above, time advertising sales revenue for the fiscal year ended March 31, 2019 totaled ¥86.401 billion (down 1.8% year on year).

Spot advertising sales decreased due to weak market conditions, such as a year-on-year decrease in Tokyo area spot advertising volume. Although revenues increased year on year in 7 out of 21 client industry sectors, including food services and other services; distribution and retail; and education, medical services, and religion; revenues from categories including real estate and housing; automobiles and related products; and finance and insurance failed to grow. Reflecting the above factors, spot advertising sales revenue in the fiscal year under review totaled ¥101.538 billion (down 3.1%).

BS/CS revenue totaled ¥26.844 billion (up 3.2%), program sales revenue totaled ¥12.975 billion (down 1.4%), and other revenue was ¥22.821 billion (up 9.6%).

As a result of the above, the TV Broadcasting Business generated net sales of ¥250.581 billion (down 0.9%) while incurring operating expenses of ¥238.768 billion (up 0.7%), resulting in operating income of ¥11.812 billion (down 24.0%).

2. Music Publication Business

The Music Publication Business generated net sales of ¥9.863 billion (down 10.7% year on year). The decrease reflects factors including the absence of the *Ketsumeishi* nationwide concert tour held in the previous fiscal year. Operating expenses were ¥9.043 billion (down 11.6%), resulting in operating income of ¥0.819 billion (up 1.0%).

3. Other Businesses

We strategically expanded our internet-related businesses. AbemaTV, a joint venture with CyberAgent, Inc., delivered strong performance, achieving a cumulative total of 39 million application downloads. We distributed content on au Video pass such as *Ossan's Love*, the terrestrial broadcast Saturday night drama program, which proved unusually popular with all episodes simultaneously ranking in the top ten, as well as original content such as the third season of *Doctor Y – Gekai Kaji Hideki*, a spinoff of *Doctor X – Surgeon Daimon Michiko*. In addition, the number of users of *TV Asahi Catch-up*, a 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 experiencing a rapid increase in the number of fans in the United States and other countries, thanks in part to distribution of an event in San Francisco, the third to be held in the United States, and it continues to grow as a global content platform.

In the special events business, the fifth *TV Asahi-Roppongi Hills Summer Festival SUMMER STATION* was held over a period of 44 days beginning on July 14. Other well-received events included the *Continues ~with Wings~* ice show of figure skater Yuzuru Hanyu; *TV Asahi Dream Festival 2018*, a regular music event; *TOKYO-OSAKA METROPOLITAN ROCK FESTIVAL 2018*, an event held in both metropolises; and *Munch: A Retrospective*, an exhibition that drew 670,000 visitors. A high operation rate led to strong operating results from EX THEATER Roppongi, which held various entertainment programs such as *Natsu Matsuri! Hadaka no Shounen*, a song and dance competition held during the summer festival by Johnny's Jr. featuring HiHi Jets and Tokyo B Shounen.

Revenue increased in the shopping business. The Company undertook product development and sales channel expansion, the *Jun Sanpo* TV shopping program achieved strong performance, and *Ossan's Love*-related merchandise was well received.

The Company's investment in motion pictures produced regular releases linked to television series that delivered stable box-office revenue, such as *Crayon Shin-chan* as well as *Doraemon*, whose 38th episode drew the highest audience ever and set a new box-office record of ¥5.370 billion for the series.

In the results for DVD sales, the Company released a variety of titles, including *Ossan's Love*, which achieved the highest-ever first press shipment volume for a TV Asahi drama, and the popular series *Aibou (PARTNERS)*.

As a result of the above activities, during the fiscal year under review, the Other Businesses segment recorded net sales of ¥54.344 billion (up 6.7% year on year), while operating expenses rose to ¥50.780 billion (up 4.3%). As a result, operating income was ¥3.564 billion (up 57.0%).

(2) Financial Condition

Current assets totaled ¥175.762 billion at the end of the fiscal year (March 31, 2019), an increase of ¥1.154 billion from the end of the previous fiscal year (March 31, 2018).

Fixed assets totaled ¥276.237 billion at March 31, 2019, an increase of ¥15.356 billion from March 31, 2018. The increase is mainly attributable to a ¥12.140 billion increase in investment securities.

As a result of the above, total assets increased by ¥16.511 billion from March 31, 2018 to ¥452.000 billion at March 31, 2019.

Current liabilities totaled ¥62.337 billion at March 31, 2019, an increase of ¥1.703 billion from March 31, 2018. The increase is mainly attributable to an increase of ¥3.346 billion in other payables.

Non-current liabilities totaled ¥35.905 billion at March 31, 2019, an increase of ¥1.212 billion from March 31, 2018.

As a result of the above, total liabilities increased by ¥2.915 billion from March 31, 2018 to ¥98.243 billion at March 31, 2019.

Net assets as of March 31, 2019 totaled ¥353.757 billion, an increase of ¥13.595 billion from March 31, 2018. As a result, the owners' equity ratio was 77.4% at March 31, 2019.

(3) Cash flows

Cash and cash equivalents decreased by ¥8.428 billion from March 31, 2018 to ¥41.533 billion at March 31, 2019.

Cash flows from operating activities

Operating activities provided net cash of ¥20.273 billion in the fiscal year ended March 31, 2019, a ¥2.124 billion increase in cash provided compared to the previous fiscal year. The increase in cash provided is attributable to factors including an increase of ¥4.898 billion in trade notes and accounts payable.

Cash flows from investing activities

Investing activities used net cash of ¥21.260 billion in the fiscal year ended March 31, 2019, a ¥25.394 billion increase in cash used compared to the previous fiscal year. The increase in cash used is attributable to factors including a decrease of ¥22.435 billion in proceeds from withdrawal of time deposits.

Cash flows from financing activities

Financing activities used net cash of ¥7.430 billion in the fiscal year ended March 31, 2019, a ¥0.924 billion increase in cash used compared to the previous fiscal year. The increase in cash used is attributable to an increase of ¥1.074 billion in dividends paid to stockholders.

(4) Future outlook

For the fiscal year ending March 31, 2020, the Company anticipates an increase in net sales due to strong other business revenue from Internet-related businesses, the Company's investment in motion pictures, and other sources, despite expectation that the television advertising market will remain difficult. On the other hand, the Company anticipates decreases in operating income, ordinary income, and profit attributable to owners of the parent due to factors including increases in program production costs, depreciation and amortization accompanying capital expenditures, and sundry expenses under operating expenses.

As a result, the Company forecasts full-year consolidated net sales of ¥303.0 billion, operating income of ¥13.0 billion, ordinary income of ¥15.0 billion, and profit attributable to owners of the parent of ¥10.0 billion.

(5) Basic Policy on the Distribution of Profits and Dividends for the Fiscal Year Ended March 31, 2019 and for the Fiscal Year Ending March 31, 2020

The Company regards the distribution of profits to shareholders as an important management policy. The Company has a basic policy of striving to pay stable ordinary dividends with a focus on continuous growth while also considering the balance of dividends and the retained earnings needed to strengthen the long-term business foundations essential to a certified broadcasting holding company with terrestrial, BS, and CS broadcasters as wholly owned subsidiaries and of striving 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, 2019, the Company intends to pay a year-end dividend of ¥30 per share (including a commemorative dividend of ¥10 per share). Together with the previously distributed interim dividend of ¥20 per share, this will result in an annual dividend of ¥50 per share.

For the fiscal year ending March 31, 2020, 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 42.9%.

2. Consolidated Financial Statements

(1) Consolidated Balance Sheets

	As of March 31, 2018 Amount	(millions of yen) As of March 31, 2019 Amount
Assets		
Current assets		
Cash and deposits	32,263	29,908
Trade notes and accounts receivable	78,692	78,534
Marketable securities	43,703	44,400
Inventories	10,128	10,571
Other current assets	9,896	12,422
Less allowance for doubtful accounts	(75)	(73)
Total current assets	174,608	175,762
Fixed assets		
Tangible assets		
Buildings and structures, net	29,978	28,957
Machinery and vehicles, net	13,628	16,897
Land	42,281	43,700
Leased assets, net	5,756	5,337
Other tangible assets, net	4,199	5,748
Total tangible assets	95,845	100,642
Intangible assets		
Other intangible assets	6,888	6,373
Total intangible assets	6,888	6,373
Investments and other assets		
Investment securities	136,035	148,176
Deferred tax assets	14,408	13,892
Other investments and other assets	7,879	7,330
Less allowance for doubtful accounts	(177)	(178)
Total investments and other assets	158,146	169,220
Total fixed assets	260,880	276,237
Total assets	435,488	452,000

	As of March 31, 2018 Amount	(millions of yen) As of March 31, 2019 Amount
Liabilities		
Current liabilities		
Trade notes and accounts payable	7,731	9,149
Other payables	17,922	21,268
Accrued expenses	26,527	25,409
Other current liabilities	8,452	6,510
Total current liabilities	60,634	62,337
Non-current liabilities		
Deferred tax liabilities	13,971	16,274
Net defined benefit liabilities	17,735	17,596
Other non-current liabilities	2,986	2,035
Total non-current liabilities	34,693	35,905
Total liabilities	95,327	98,243
Net assets		
Stockholders' equity		
Common stock	36,642	36,642
Additional paid-in capital	70,226	70,226
Retained earnings	204,941	212,447
Treasury stock	(2,850)	(2,854)
Total stockholders' equity	308,959	316,462
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	32,200	37,484
Deferred gain (loss) on hedges	695	580
Foreign currency translation adjustments	(40)	(57)
Remeasurements of defined benefit plans	(4,817)	(4,640)
Total accumulated other comprehensive income	28,038	33,367
Non-controlling interests	3,163	3,926
Total net assets	340,161	353,757
Total liabilities and net assets	435,488	452,000

(2) Consolidated Statements of Income and Comprehensive Income

Consolidated Statements of Income			(millions of yen)
	Year ended March 31, 2018	Year ended March 31, 2019	
	Amount	Amount	
Net sales	302,511	301,744	
Cost of sales	217,789	220,469	
Gross profit	84,722	81,275	
SGA expenses	66,088	65,110	
Operating income	18,634	16,164	
Non-operating revenue			
Dividend income	1,349	1,134	
Share of profit of entities accounted for using equity method	1,844	1,477	
Other non-operating revenue	507	464	
Total non-operating revenue	3,701	3,076	
Non-operating expenses			
Loss on disposal of noncurrent assets	207	119	
Other non-operating expenses	75	24	
Total non-operating expenses	282	143	
Ordinary Income	22,053	19,097	
Extraordinary gains			
Gain on sales of investment securities	337	548	
Gain on bargain purchase	1,507	-	
Total extraordinary gains	1,845	548	
Extraordinary losses			
Loss on valuation of investment securities	47	92	
Loss on step acquisitions	569	-	
Total extraordinary losses	617	92	
Income before income taxes	23,281	19,552	
Income taxes			
Current	7,542	5,952	
Deferred	(350)	483	
Total income taxes	7,192	6,436	
Profit	16,089	13,116	
Profit attributable to non-controlling interests	240	237	
Profit attributable to owners of the parent	15,848	12,879	

Consolidated Statements of Comprehensive Income

	(millions of yen)	
	Year ended March 31, 2018	Year ended March 31, 2019
	Amount	Amount
Profit	16,089	13,116
Other comprehensive income		
Valuation difference on available-for-sale securities	6,349	5,239
Deferred gain (loss) on hedges	(835)	(116)
Foreign currency translation adjustments	(19)	(14)
Remeasurements of defined benefit plans	517	177
Share of other comprehensive income of entities accounted for using equity method	57	44
Total other comprehensive income	6,068	5,329
Comprehensive income	22,157	18,445
Components:		
Comprehensive income attributable to owners of the parent	21,916	18,208
Comprehensive income attributable to non-controlling interests	241	237

(3) Consolidated Statements of Changes in Net Assets

Year ended March 31, 2018 (April 1, 2017 to March 31, 2018)

(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	70,220	193,391	(2,690)	297,563
Changes during term					
Cash dividends			(4,298)		(4,298)
Profit attributable to owners of the parent			15,848		15,848
Change in ownership interest of parent due to transactions with non-controlling interests		6			6
Change in treasury stock arising from change in equity in entities accounted for using equity method				(102)	(102)
Increase due to a change in the scope of applying equity method-treasury stock				(57)	(57)
Net changes other than stockholder's equity					
Total changes during term	-	6	11,550	(159)	11,396
Balance at end of term	36,642	70,226	204,941	(2,850)	308,959

	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	25,794	1,533	(22)	(5,334)	21,970	3,259	322,793
Changes during term							
Cash dividends							(4,298)
Profit attributable to owners of the parent							15,848
Change in ownership interest of parent due to transactions with non-controlling interests							6
Change in treasury stock arising from change in equity in entities accounted for using equity method							(102)
Increase due to a change in the scope of applying equity method-treasury stock							(57)
Net changes other than stockholder's equity	6,406	(837)	(18)	517	6,067	(96)	5,971
Total changes during term	6,406	(837)	(18)	517	6,067	(96)	17,368
Balance at end of term	32,200	695	(40)	(4,817)	28,038	3,163	340,161

Year ended March 31, 2019 (April 1, 2018 to March 31, 2019)

(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	70,226	204,941	(2,850)	308,959
Changes during term					
Cash dividends			(5,372)		(5,372)
Profit attributable to owners of the parent			12,879		12,879
Purchase of treasury stock				(0)	(0)
Increase due to a change in the scope of applying equity method-treasury stock				(3)	(3)
Net changes other than stockholder's equity					
Total changes during term	-	-	7,506	(3)	7,502
Balance at end of term	36,642	70,226	212,447	(2,854)	316,462

	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	32,200	695	(40)	(4,817)	28,038	3,163	340,161
Changes during term							
Cash dividends							(5,372)
Profit attributable to owners of the parent							12,879
Purchase of treasury stock							(0)
Increase due to a change in the scope of applying equity method-treasury stock							(3)
Net changes other than stockholder's equity	5,284	(115)	(16)	177	5,329	763	6,092
Total changes during term	5,284	(115)	(16)	177	5,329	763	13,595
Balance at end of term	37,484	580	(57)	(4,640)	33,367	3,926	353,757

(4) Consolidated Statements of Cash flows

	(millions of yen)	
	Year ended March 31, 2018	Year ended March 31, 2019
	Amount	Amount
Cash flows from operating activities		
Income before income taxes	23,281	19,552
Depreciation and amortization	9,752	10,350
Amortization of goodwill	282	282
(Gain) loss on disposal of noncurrent assets	207	119
(Gain) loss on sales of investment securities	(337)	(548)
Loss on valuation of investment securities	47	92
Increase (decrease) in allowance for doubtful accounts	(18)	(3)
Increase (decrease) in net defined benefit liabilities	506	132
Dividend income	(1,349)	(1,134)
Share of (profit) loss of entities accounted for using equity method	(1,844)	(1,477)
(Gain) loss on step acquisitions	569	-
Gain on bargain purchase	(1,507)	-
(Increase) decrease in trade notes and accounts receivables	3,274	517
(Increase) decrease in inventories	(2,324)	(353)
Increase (decrease) in trade notes and accounts payables	(3,891)	1,007
Other cash flows from operating activities	(72)	(3,199)
Subtotal	26,575	25,337
Interest and dividend received	2,069	1,874
Income taxes refunded	763	1,414
Income taxes paid	(11,259)	(8,353)
Net cash provided by operating activities	18,149	20,273
Cash flows from investing activities		
Payments into time deposits	(11,068)	(3,097)
Proceeds from withdrawal of time deposits	23,433	998
Purchase of marketable securities	(138,200)	(145,200)
Proceeds from redemption of marketable securities	143,700	148,200
Purchase of trust beneficiary right	(4,398)	(26,799)
Proceeds from redemption of trust beneficiary right	6,082	24,500
Purchase of tangible assets	(7,586)	(8,288)
Purchase of intangible assets	(1,242)	(1,651)
Purchase of investment securities	(8,104)	(12,309)
Proceeds from redemption of investment securities	120	1000
Proceeds from sales of investment securities	485	598
Proceeds from purchase of shares of subsidiaries resulting in change in scope of consolidation	1,530	889
Other cash flows from investing activities	(616)	(99)
Net cash used in investing activities	4,134	(21,260)
Cash flows from financing activities		
Dividends paid to stockholders	(4,298)	(5,372)
Dividends paid to non-controlling interests	(13)	(16)
Other cash flows from financing activities	(2,194)	(2,041)
Net cash used in financing activities	(6,506)	(7,430)
Effect of exchange rate changes on cash and cash equivalents	(18)	(11)
Net increase (decrease) in cash and cash equivalents	15,759	(8,428)
Cash and cash equivalents at beginning of term	34,202	49,961
Cash and cash equivalents at end of term	49,961	41,533

Segment Information

Year ended March 31, 2018 (April 1, 2017 to March 31, 2018)

	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	250,206	10,775	41,530	302,511	-	302,511
Inter-segment sales and transfers	2,559	266	9,415	12,242	(12,242)	-
Total	252,765	11,042	50,945	314,753	(12,242)	302,511
Segment income	15,550	811	2,269	18,632	2	18,634
Segment assets	266,143	9,607	57,681	333,431	102,057	435,488
Other items						
Depreciation/amortization	7,980	97	1,674	9,752	-	9,752
Investment in affiliates	10,828	-	13,129	23,958	-	23,958
Increase in tangible/intangible assets	5,685	27	1,100	6,813	-	6,813

Notes: 1. Details of adjustments are as follows:

- 1) Segment income adjustments totaling 2 million yen includes elimination of inter-segment transactions of minus 99 million yen, 2,049 million yen income accruing from inter-company transactions with our subsidiaries, and corporate expenses of minus 1,948 million yen. Corporate expenses are chiefly those expenses related to the Company's management of the Group's business.
 - 2) Segment assets adjustment of 102,057 million yen consists of corporate assets of 140,252 million yen and elimination of inter-segment claims and liabilities of minus 38,195 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, 2019 (April 1, 2018 to March 31, 2019)

	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	247,689	9,616	44,438	301,744	-	301,744
Inter-segment sales and transfers	2,892	246	9,906	13,045	(13,045)	-
Total	250,581	9,863	54,344	314,789	(13,045)	301,744
Segment income	11,812	819	3,564	16,197	(32)	16,164
Segment assets	268,233	9,898	56,496	334,628	117,371	452,000
Other items						
Depreciation/amortization	8,490	98	1,761	10,350	-	10,350
Investment in affiliates	11,548	-	14,338	25,886	-	25,886
Increase in tangible/intangible assets	12,599	29	1,986	14,615	-	14,615

Notes: 1. Details of adjustments are as follows:

- 1) Segment income adjustments totaling minus 32 million yen includes elimination of inter-segment transactions of minus 132 million yen, 2,058 million yen income accruing from inter-company transactions with our subsidiaries, and corporate expenses of minus 1,957 million yen. Corporate expenses are chiefly those expenses related to the Company's management of the Group's business.
 - 2) Segment assets adjustment of 117,371 million yen consists of corporate assets of 164,648 million yen and elimination of inter-segment claims and liabilities of minus 47,276 million yen.
2. Segment income is adjusted to align it with operating income reported on the consolidated statements of income for the corresponding period.