

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 8, 2019

TV Asahi Holdings Corporation Consolidated Earnings Report for the Six Months ended September 30, 2019 (Japanese GAAP)

Stock listing: Tokyo Stock Exchange (First Section)
Headquarters: 6-9-1 Roppongi, Minato-ku, Tokyo 106-8001 JAPAN
Representative: Hiroshi Hayakawa, Chairman & CEO
Information contact: Naoji Kobayashi, Treasurer

Securities code: 9409
URL: <https://www.tv-asahi.co.jp/c/>
Tel: +81-3-6406-1115

Scheduled dates

Filing of statutory quarterly financial report (*shihanki hokokusho*): November 13, 2019

Dividend payout: December 5, 2019

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, 2019 (April 1, 2019–September 30, 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	%
Six months ended September 30, 2019	145,416	(1.7)	5,274	(7.1)	7,318	2.7	4,537	(7.7)
Six months ended September 30, 2018	147,882	(1.4)	5,678	(33.1)	7,125	(27.0)	4,913	(25.4)

Note: Comprehensive income: Six months ended September 30, 2019 ¥ 6,117million (minus 63.5%)
Six months ended September 30, 2018 ¥ 16,755million (19.6%)

	Earnings per share	Diluted earnings per share
	¥	¥
Six months ended September 30, 2019	42.34	-
Six months ended September 30, 2018	45.85	-

(2) Consolidated Financial Position

	Total assets	Net assets	Owners' equity ratio
	¥ million	¥ million	%
September 30, 2019	451,322	357,030	78.1
March 31, 2019	452,000	353,757	77.4

Note: *Owners' equity: September 30, 2019: ¥ 352,673million; March 31, 2019: ¥ 349,830million

*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, 2019	—	20.00	—	30.00	50.00
FYE March 31, 2020	—	20.00			
Forecast for FYE March 31, 2020			—	20.00	40.00

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

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	297,000	(1.6)	13,000	(19.6)	15,000	(21.5)	10,000	(22.4)	93.31

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: None
 - 4) Retrospective restatement: None
- (4) Shares outstanding (ordinary shares)

	September 30, 2019	March 31, 2019
1) Number of shares issued (including treasury stock)	108,529,000	108,529,000
2) Number of shares held in treasury	1,353,958	1,367,273
	Six months ended September 30, 2019	Six months ended September 30, 2018
3) Average number of shares outstanding during the term	107,167,433	107,163,571

* 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 Friday, November 8, 2019.
- TV Asahi Holdings Corporation has scheduled an earnings presentation aimed at analysts for Friday, November 15, 2019, and intends to publish the presentation handout materials on its website immediately after the event.

Consolidated Earnings Forecasts and Other Forward-looking Statements

Regarding the full-year consolidated earnings forecast, although net sales are expected to fall short of the previous forecast (announced on July 31, 2019) because of lower-than-expected spot advertising sales revenue and other factors, operating income, ordinary income, and profit attributable to owners of the parent remain unchanged from the previous forecasts due to initiatives to increase earnings and efforts to control costs.

Revision of the consolidated forecast for the Fiscal Year Ending March 31, 2020 (April 1, 2019~March 31, 2020)

	Net Sales	Operating Income	Ordinary Income	Profit attributable to owners of the parent	Earnings per share
	¥ million	¥ million	¥ million	¥ million	¥
Previous Forecast (A)	303,000	13,000	15,000	10,000	93.32
New Forecast (B)	297,000	13,000	15,000	10,000	93.31
Difference (B-A)	(6,000)	-	-	-	
Difference (%)	(2.0%)	-	-	-	
<Reference> Results for FYE March 31, 2019	301,744	16,164	19,097	12,879	120.18

Consolidated Financial Statements

(1) Consolidated Balance Sheets

	As of March 31, 2019 Amount	(millions of yen) As of September 30, 2019 Amount
Assets		
Current assets		
Cash and deposits	29,908	27,427
Trade notes and accounts receivable	78,534	72,918
Marketable securities	44,400	45,708
Inventories	10,571	11,451
Other current assets	12,422	15,734
Less allowance for doubtful accounts	(73)	(71)
Total current assets	175,762	173,169
Fixed assets		
Tangible assets		
Other tangible assets, net	100,642	100,210
Total tangible assets	100,642	100,210
Intangible assets		
Other intangible assets	6,373	6,293
Total intangible assets	6,373	6,293
Investments and other assets		
Investment securities	148,176	150,489
Other investments and other assets	21,223	21,340
Less allowance for doubtful accounts	(178)	(180)
Total investments and other assets	169,220	171,649
Total fixed assets	276,237	278,153
Total assets	452,000	451,322

	As of March 31, 2019 Amount	(millions of yen) As of September 30, 2019 Amount
Liabilities		
Current liabilities		
Trade notes and accounts payable	9,149	8,646
Other current liabilities	53,188	49,267
Total current liabilities	62,337	57,913
Non-current liabilities		
Net defined benefit liabilities	17,596	17,555
Other non-current liabilities	18,309	18,823
Total non-current liabilities	35,905	36,378
Total liabilities	98,243	94,292
Net assets		
Stockholders' equity		
Common stock	36,642	36,654
Additional paid-in capital	70,226	70,237
Retained earnings	212,447	213,733
Treasury stock	(2,854)	(2,826)
Total stockholders' equity	316,462	317,799
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	37,484	39,027
Deferred gain (loss) on hedges	580	321
Foreign currency translation adjustments	(57)	(71)
Remeasurements of defined benefit plans	(4,640)	(4,402)
Total accumulated other comprehensive income	33,367	34,874
Non-controlling interests	3,926	4,356
Total net assets	353,757	357,030
Total liabilities and net assets	452,000	451,322

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

	Six Months ended September 30, 2018	(millions of yen) Six Months ended September 30, 2019
	Amount	Amount
Net sales	147,882	145,416
Cost of sales	111,005	109,689
Gross profit	36,876	35,727
SGA expenses	31,197	30,452
Operating income	5,678	5,274
Non-operating revenue		
Dividend income	645	817
Share of profit of entities accounted for using equity method	644	1,031
Other non-operating revenue	225	245
Total non-operating revenue	1,515	2,094
Non-operating expenses		
Loss on exchange rate	-	13
Loss on disposal of non-current assets	47	29
Other non-operating expenses	20	6
Total non-operating expenses	68	50
Ordinary Income	7,125	7,318
Extraordinary gains		
Gain on sales of investment securities	548	-
Total extraordinary gains	548	-
Extraordinary losses		
Loss on valuation of investment securities	-	171
Total extraordinary losses	-	171
Income before income taxes	7,674	7,147
Income taxes	2,649	2,537
Profit	5,024	4,610
Profit attributable to non-controlling interests	111	72
Profit attributable to owners of the parent	4,913	4,537

Consolidated Statements of Comprehensive Income

	Six Months ended September 30, 2018	(millions of yen) Six Months ended September 30, 2019
	Amount	Amount
Profit	5,024	4,610
Other comprehensive income		
Valuation difference on available-for-sale securities	11,014	1,489
Deferred gain (loss) on hedges	416	(259)
Foreign currency translation adjustments	(16)	(14)
Remeasurements of defined benefit plans	210	237
Share of other comprehensive income of entities accounted for using equity method	106	52
Total other comprehensive income	11,730	1,506
Comprehensive income	16,755	6,117
Components:		
Comprehensive income attributable to owners of the parent	16,643	6,044
Comprehensive income attributable to non-controlling interests	111	72

Segment Information

Information about Sales and Segment Income by Reportable Segment

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.

Six Months ended September 30, 2019 (April 1, 2019 to September 30, 2019)

	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	114,237	6,267	24,912	145,416	-	145,416
Inter-segment sales and transfers	1,846	115	4,846	6,807	(6,807)	-
Total	116,083	6,382	29,758	152,224	(6,807)	145,416
Segment income	1,821	770	2,743	5,335	(60)	5,274

- Notes: 1. Segment income adjustments totaling minus 60 million yen includes elimination of inter-segment transactions of minus 64 million yen, 1,071 million yen income accruing from inter-company transactions with our subsidiaries, and corporate expenses of minus 1,067 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.