

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.

February 6, 2020

TV Asahi Holdings Corporation

Consolidated Earnings Report for the Nine Months ended December 31, 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 and CEO
Information contact: Naoji Kobayashi, Treasurer

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

Scheduled dates

Filing of statutory quarterly financial report (*shihanki hokokusho*): February 13, 2020

Dividend payout: -

Supplementary materials to quarterly financial results available: Yes

Quarterly earnings presentation held: No

(Amounts rounded down to the nearest ¥ million)

1. Consolidated Performance for the Nine Months ended December 31, 2019(April 1, 2019–December 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 | % |
| Nine months ended December 31, 2019 | 221,539 | (2.2) | 10,803 | (22.6) | 28,903 | 77.0 | 24,204 | 118.7 |
| Nine months ended December 31, 2018 | 226,604 | (0.8) | 13,963 | (13.4) | 16,332 | (11.7) | 11,067 | (15.4) |

Note: Comprehensive income: Nine months ended December 31, 2019 ¥ 22,118million (78.4%)
Nine months ended December 31, 2018 ¥ 12,397million (minus 41.8%)

| | Earnings per share | Diluted earnings per share |
|-------------------------------------|--------------------|----------------------------|
| | ¥ | ¥ |
| Nine months ended December 31, 2019 | 226.52 | - |
| Nine months ended December 31, 2018 | 103.27 | - |

(2) Consolidated Financial Position

| | Total assets | Net assets | Owners' equity ratio |
|-------------------|--------------|------------|----------------------|
| | ¥ million | ¥ million | % |
| December 31, 2019 | 458,589 | 364,116 | 79.1 |
| March 31, 2019 | 452,000 | 353,757 | 77.4 |

Note: *Owners' equity: December 31, 2019: ¥ 362,640million; 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) | 31,000 | 62.3 | 26,000 | 101.9 | 244.82 |

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)

| | December 31, 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 | 4,513,096 | 1,367,273 |
| | Nine months ended December 31, 2019 | Nine months ended December 31, 2018 |
| 3) Average number of shares outstanding during the term | 106,853,802 | 107,163,569 |

* 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 Thursday, February 6, 2020.

Consolidated Earnings Forecasts and Other Forward-looking Statements

Regarding the full-year consolidated earnings forecast, ordinary income and profit attributable to owners of the parent are expected to exceed the previous forecasts announced on November 8, 2019. This is due to factors including the recording of an amount equivalent to negative goodwill (based on tentative calculations) under “Share of profit of entities accounted for using equity method” accompanying the Company’s acquisition of additional shares of Toei Company, Ltd. to make it an equity method affiliate in the third quarter of the fiscal year ending March 31, 2020.

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) | 297,000 | 13,000 | 15,000 | 10,000 | 93.31 |
| New Forecast (B) | 297,000 | 13,000 | 31,000 | 26,000 | 244.82 |
| Difference (B-A) | - | - | 16,000 | 16,000 | |
| Difference (%) | - | - | 106.7% | 160.0% | |
| <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 December 31, 2019 Amount |
|--------------------------------------|-----------------------------------|---|
| Assets | | |
| Current assets | | |
| Cash and deposits | 29,908 | 19,525 |
| Trade notes and accounts receivable | 78,534 | 76,876 |
| Marketable securities | 44,400 | 37,908 |
| Inventories | 10,571 | 13,788 |
| Other current assets | 12,422 | 16,454 |
| Less allowance for doubtful accounts | (73) | (67) |
| Total current assets | 175,762 | 164,485 |
| Fixed assets | | |
| Tangible assets | | |
| Other tangible assets, net | 100,642 | 99,652 |
| Total tangible assets | 100,642 | 99,652 |
| Intangible assets | | |
| Other intangible assets | 6,373 | 5,983 |
| Total intangible assets | 6,373 | 5,983 |
| Investments and other assets | | |
| Investment securities | 148,176 | 167,357 |
| Other investments and other assets | 21,223 | 21,289 |
| Less allowance for doubtful accounts | (178) | (180) |
| Total investments and other assets | 169,220 | 188,466 |
| Total fixed assets | 276,237 | 294,103 |
| Total assets | 452,000 | 458,589 |

| | As of March 31, 2019 Amount | (millions of yen) As of December 31, 2019 Amount |
|---|-----------------------------------|---|
| Liabilities | | |
| Current liabilities | | |
| Trade notes and accounts payable | 9,149 | 9,322 |
| Other current liabilities | 53,188 | 50,437 |
| Total current liabilities | 62,337 | 59,760 |
| Non-current liabilities | | |
| Net defined benefit liabilities | 17,596 | 17,653 |
| Other non-current liabilities | 18,309 | 17,059 |
| Total non-current liabilities | 35,905 | 34,712 |
| Total liabilities | 98,243 | 94,472 |
| Net assets | | |
| Stockholders' equity | | |
| Common stock | 36,642 | 36,654 |
| Additional paid-in capital | 70,226 | 70,434 |
| Retained earnings | 212,447 | 233,768 |
| Treasury stock | (2,854) | (9,276) |
| Total stockholders' equity | 316,462 | 331,581 |
| Accumulated other comprehensive income | | |
| Valuation difference on available-for-sale securities | 37,484 | 35,101 |
| Deferred gain (loss) on hedges | 580 | 396 |
| Foreign currency translation adjustments | (57) | (156) |
| Remeasurements of defined benefit plans | (4,640) | (4,283) |
| Total accumulated other comprehensive income | 33,367 | 31,058 |
| Non-controlling interests | 3,926 | 1,476 |
| Total net assets | 353,757 | 364,116 |
| Total liabilities and net assets | 452,000 | 458,589 |

(2) Consolidated Statements of Income and Comprehensive Income

| Consolidated Statements of Income | | |
|---|--|--|
| | (millions of yen) | |
| | Nine Months ended December 31, 2018 | Nine Months ended December 31, 2019 |
| | Amount | Amount |
| Net sales | 226,604 | 221,539 |
| Cost of sales | 164,253 | 164,101 |
| Gross profit | 62,350 | 57,438 |
| SGA expenses | 48,386 | 46,634 |
| Operating income | 13,963 | 10,803 |
| Non-operating revenue | | |
| Dividend income | 1,095 | 1,397 |
| Share of profit of entities accounted for using equity method | 1,017 | 16,469 |
| Other non-operating revenue | 332 | 333 |
| Total non-operating revenue | 2,445 | 18,201 |
| Non-operating expenses | | |
| Loss on disposal of non-current assets | 56 | 69 |
| Other non-operating expenses | 20 | 32 |
| Total non-operating expenses | 76 | 101 |
| Ordinary Income | 16,332 | 28,903 |
| Extraordinary gains | | |
| Gain on sales of investment securities | 548 | 310 |
| Total extraordinary gains | 548 | 310 |
| Extraordinary losses | | |
| Loss on valuation of investment securities | - | 171 |
| Total extraordinary losses | - | 171 |
| Income before income taxes | 16,880 | 29,041 |
| Income taxes | 5,640 | 4,726 |
| Profit | 11,239 | 24,315 |
| Profit attributable to non-controlling interests | 172 | 110 |
| Profit attributable to owners of the parent | 11,067 | 24,204 |

Consolidated Statements of Comprehensive Income

| | (millions of yen) |
|--|--|
| | Nine Months ended December 31, 2018 |
| | Nine Months ended December 31, 2019 |
| | Amount |
| | Amount |
| Profit | 11,239 |
| Other comprehensive income | 24,315 |
| Valuation difference on available-for-sale securities | 775 |
| Deferred gain (loss) on hedges | (2,406) |
| Foreign currency translation adjustments | 84 |
| Remeasurements of defined benefit plans | (184) |
| Share of other comprehensive income of entities accounted for using equity method | (4) |
| | (13) |
| | 315 |
| | 356 |
| | (12) |
| | 51 |
| Total other comprehensive income | 1,157 |
| | (2,196) |
| Comprehensive income | 12,397 |
| | 22,118 |
| Components: | |
| Comprehensive income attributable to owners of the parent | 12,224 |
| Comprehensive income attributable to non-controlling interests | 22,008 |
| | 172 |
| | 110 |

Additional Information

(Change in Scope of Application of Equity Method)

The Company acquired additional shares of Toei Company, Ltd., making it an equity method affiliate in the third quarter of the fiscal year ending March 31, 2020. Accompanying this, 14,784 million yen, an amount equivalent to negative goodwill as calculated using provisional accounting methods based on reasonable information available at the time, was included in “Share of profit of entities accounted for using equity method” in the third quarter of the fiscal year ending March 31, 2020.

Segment Information

Information about Sales and Segment Income by Reportable Segment

Nine Months ended December 31, 2018 (April 1, 2018 to December 31, 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 | 185,032 | 7,540 | 34,031 | 226,604 | - | 226,604 |
| Inter-segment sales and transfers | 2,363 | 178 | 6,784 | 9,326 | (9,326) | - |
| Total | 187,395 | 7,719 | 40,815 | 235,930 | (9,326) | 226,604 |
| Segment income | 9,657 | 622 | 3,684 | 13,963 | (0) | 13,963 |

- Notes: 1. Segment income adjustments totaling minus 0 million yen includes elimination of inter-segment transactions of minus 60 million yen, 1,572 million yen income accruing from inter-company transactions with our subsidiaries, and corporate expenses of minus 1,512 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.

Nine Months ended December 31, 2019 (April 1, 2019 to December 31, 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 | 177,184 | 8,169 | 36,185 | 221,539 | - | 221,539 |
| Inter-segment sales and transfers | 2,473 | 169 | 7,224 | 9,867 | (9,867) | - |
| Total | 179,657 | 8,338 | 43,409 | 231,406 | (9,867) | 221,539 |
| Segment income | 6,203 | 949 | 3,711 | 10,864 | (60) | 10,803 |

- Notes: 1. Segment income adjustments totaling minus 60 million yen includes elimination of inter-segment transactions of minus 100 million yen, 1,617 million yen income accruing from inter-company transactions with our subsidiaries, and corporate expenses of minus 1,577 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.