

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 14, 2020

TV Asahi Holdings Corporation Consolidated Earnings Report for the Fiscal Year ended March 31, 2020 (Japanese GAAP)

Stock listing: Tokyo Stock Exchange (First Section)

Securities code: 9409

Headquarters: 6-9-1 Roppongi, Minato-ku, Tokyo 106-8001 JAPAN

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Scheduled dates

General Shareholders' Meeting June 26, 2020

Filing of statutory financial report (*yuka-shoken hokokusho*): June 26, 2020

Dividend payout: June 29, 2020

Supplementary materials to financial results available: Yes

Fiscal year-end earnings presentation held: No

(Amounts rounded down to the nearest ¥ million)

1. Consolidated Performance for the Fiscal Year ended March 31, 2020 (April 1, 2019–March 31, 2020)

(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, 2020	293,638	(2.7)	12,565	(22.3)	32,048	67.8	26,398	105.0
FYE March 31, 2019	301,744	(0.3)	16,164	(13.3)	19,097	(13.4)	12,879	(18.7)

Note: Comprehensive income: FYE March 31, 2020 ¥11,067million (minus 40.0%);
FYE March 31, 2019 ¥18,445million (minus 16.8%)

	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, 2020	248.58	-	7.5	7.1	4.3
FYE March 31, 2019	120.18	-	3.8	4.3	5.4

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

Note: Share of profit of entities accounted for using equity method: FYE March 31, 2020: ¥17,748 million;
FYE March 31, 2019: ¥1,477 million

(2) Consolidated Financial Position

	Total assets	Net assets	Owners' equity ratio	Net assets per share
	¥ million	¥ million	%	¥
March 31, 2020	447,549	352,518	78.5	3,380.36
March 31, 2019	452,000	353,757	77.4	3,264.51

Note: Owners' equity: March 31, 2020: ¥351,463million; March 31, 2019: ¥349,830million

(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, 2020	24,513	(16,450)	(9,878)	39,709
FYE March 31, 2019	20,273	(21,260)	(7,430)	41,533

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, 2019	—	20.00	—	30.00	50.00	5,372	41.6	1.6
FYE March 31, 2020	—	20.00	—	20.00	40.00	4,298	16.1	1.2
Forecast for FYE March 31, 2021	—	20.00	—	20.00	40.00		—	

Note:

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, 2021 (April 1, 2020 – March 31, 2021)

The forecast of business results for the fiscal year ending March 31, 2021 have yet to be determined at this point, because we cannot assess the effect of the worldwide spread of the novel coronavirus reasonably. We will announce it promptly when we can disclose reasonable forecast.

* 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, 2020	March 31, 2019
1) Number of shares issued (including treasury stock)	108,529,000	108,529,000
2) Number of shares held in treasury	4,556,957	1,367,273
	March 31, 2020	March 31, 2019
3) Average number of shares outstanding during the term	106,195,528	107,163,427

*** This document is not subject to audit procedures.**

*Appropriate Use of Earnings Forecasts and Other Important Information

- The forecast of business results for the fiscal year ending March 31, 2021 have yet to be determined at this point, because we cannot assess the effect of the worldwide spread of the novel coronavirus reasonably.
- TV Asahi Holdings Corporation intends to publish the supplementary material to financial results on its website on Thursday, May 14, 2020.

1. Business Performance and Financial Condition

(1) Business Performance

During the fiscal year under review (ended March 31, 2020), although the Japanese economy had continued to show a gradual recovery trend, economic conditions turned adverse due to the impact of the novel coronavirus outbreak. 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, 2020 were ¥293.638 billion (down 2.7% year on year), and cost of sales and selling, general and administrative (SG&A) expenses totaled ¥281.073 billion (down 1.6%). As a result, operating income was ¥12.565 billion (down 22.3%). Ordinary income was ¥32.048 billion (up 67.8%), and profit attributable to owners of the parent was ¥26.398 billion (up 105.0%) due to factors including the recording of ¥15.338 billion in negative goodwill under share of profit of entities accounted for using equity method in connection with an additional acquisition of shares of Toei Company, Ltd. and its conversion into an equity-method affiliate.

Performance by segment

1. TV Broadcasting Business

Average viewer ratings for the fiscal year ended March 31, 2020 were as follows: 7.7% on an all-day basis (6 a.m. – midnight), 10.8% for golden time (7 p.m. – 10 p.m.), 11.0% for prime time (7 p.m. – 11 p.m.), and 5.2% 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.

Throughout the fiscal year ended March 31, 2020, the Company produced powerful content to commemorate TV Asahi's 60th anniversary. Programs such as the five-night serial drama special *Shiroyi Kyoto* (by Toyoko Yamasaki), *Doctor X – Surgeon Daimon Michiko*, and *Aibou (PARTNERS) Season 18* captured high viewer ratings, and major special programs and major live sports broadcasts such as *Music Station Ultra SUPER LIVE 2019*, *Unexplored Land Cut Off by Ice and Snow-Tribes of the Himalayan Heavens: 150 Death-Defying Days of Up-Close Coverage*, and *ISU Grand Prix of Figure Skating Final 2019* delivered strong results. In the results for regular programs, Hodo Station captured its highest ratings in five years, and the Company strengthened viewer ratings for variety programs on Sundays thanks to strong performance from *Nani Kore Chin Hyakkei*, on Mondays with the introduction of *Jyumanen de Dekirukana* in an April programming change, and on Fridays with the introduction of three golden-time programs in October. As a result, the Company captured the top rating in prime time for two consecutive programming seasons (the autumn and winter seasons) and its highest ratings in four years on both a golden-time and prime-time basis.

On an all-day basis, the Company created positive momentum beginning with morning belt programming and captured the top monthly all-day viewer rating five times, with *Shinichi Hatori's MORNING SHOW* capturing its highest viewer ratings ever and the top rating among the morning programs of all broadcasters for the first time.

Doctor X – Surgeon Daimon Michiko (average of 18.5%) and *Aibou (PARTNERS) Season 18* (average of 14.8%) ranked first and second, respectively, among drama series of commercial broadcasting companies. Four of our programs ranked among the top five, with *Grill Room Investigation* (average of 13.2%) ranking fourth and *Tokusou 9* (average of 13.0%) ranking fifth. In addition, *Kasoken no Onna (Woman of the Crime Lab)* (average of 11.6%) and *Serial Drama Theater Yasuragi no Toki ~ Michi* (average of 5.0%), which aired for one year each as 60th anniversary commemorative programs, both delivered strong results.

Among sports broadcasts, *World Baseball Premier 12 Final – Japan vs. Korea* (19.2%) captured a high viewer rating. In figure skating, *2019 ISU World Team Trophy in Figure Skating Women's Free Program* (14.6%), *ISU Grand Prix of Figure Skating Canada Men's and Women's Free Programs* (15.8%), and *ISU Grand Prix of Figure Skating Final Women's Short Program/Men's Free Program* (15.4%) delivered strong results.

In the results for programs aired during the three-day New Year's holiday period, *Partners New Year Special* captured a high viewer rating. TV Asahi programs maintained the top average viewer ratings for the three-day period in the prime time slot for the twelfth consecutive year and in the golden-time slot for the sixth consecutive year and had the highest average weekly prime-time and golden-time ratings for the first week of January 2020, including the three-day period.

In these circumstances, 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. Revenue from one-off broadcasting events also declined in the absence of *2018 FIFA World Cup™ Russia* and *AFC Asian Cup 2019*, events aired in the previous fiscal year, despite efforts to increase revenue with programs including *World Baseball Premier 12*, five-night serial drama special *Shiroi Kyoto* (by Toyoko Yamasaki), which was broadcast as a 60th anniversary commemorative program, *2019 World Aquatic Championships, Gwangju, South Korea*, and *World Team Trophy in Figure Skating 2019*. As a result of the above, time advertising sales revenue for the fiscal year ended March 31, 2020

totaled ¥84.066 billion (down 2.7% 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 were strong in client industry sectors such as government and organizations, and energy, materials, and machinery; revenues from cosmetics and toiletries, information and communications, hobby and sporting goods, and other categories declined. Reflecting the above factors, spot advertising sales revenue in the fiscal year under review totaled ¥92.494 billion (down 8.9%).

BS/CS revenue totaled ¥26.110 billion (down 2.7%), program sales revenue totaled ¥13.168 billion (up 1.5%), and other revenue was ¥23.443 billion (up 2.7%).

As a result of the above, the TV Broadcasting Business generated net sales of ¥239.283 billion (down 4.5%) while incurring operating expenses of ¥232.283 billion (down 2.7%), resulting in operating income of ¥7.0 billion (down 40.7%).

2. Music Publication Business

The Music Publication Business generated net sales of ¥9.867 billion (up marginally year on year). The result reflects factors including the holding of a Ketsumeishi nationwide concert tour. Operating expenses were ¥8.849 billion (down 2.1%), resulting in operating income of ¥1.018 billion (up 24.2%).

3. Other Businesses

Internet-related businesses delivered solid results. AbemaTV, a joint venture with CyberAgent, Inc., achieved a cumulative total of 50 million application downloads, and weekly active users (WAU) increased, surpassing the target of 10 million. We are strategically expanding our Internet-related businesses: for example, we have begun catch-up streaming of *Aibou (PARTNERS) Season 18* original stories immediately after the terrestrial broadcasts for the first time in series history on au Video Pass and TV Asahi Catch-up, a free-of-charge ad-supported TV streaming service. The number of users is increasing, and advertising revenue is steadily growing as well. Furthermore, the NJPW World video distribution business is expanding its fan base in the United States and other countries and continues to grow as a global content platform: for example, it was the first Japanese pro wrestling organization to live stream an event held at Madison Square Garden worldwide.

In the special events business, the sixth *TV Asahi-Roppongi Hills Summer Festival SUMMER STATION* was held over a period of 44 days beginning on July 13. Other well-received events included *TOKYO-OSAKA METROPOLITAN ROCK FESTIVAL 2019*, an event held in both metropolises, and four major events sponsored to commemorate TV Asahi's 60th anniversary that drew a total of 350,000 people: *BLUE MAN GROUP WORLD TOUR IN JAPAN, SUMMER SONIC 2019, TV Asahi Dream Festival 2019*, and *QUEEN+ADAM LAMBERT THE RHAPSODY TOUR*. A high operation rate led to strong operating results from EX THEATER Roppongi, which held various entertainment programs, such as *Papa Mama Ichiban Hadaka no Shounen Natsu Matsuri!*, a song and dance competition held during the summer festival by Johnny's Jr. featuring HiHi Jets and B Shounen.

Revenue increased in the shopping business, boosted by hit products against a backdrop of strong viewer ratings for the Jun Sanpo TV shopping program.

The Company's investment in motion pictures produced the blockbusters *Doraemon the Movie 2019: Nobita's Chronicle of the Moon Exploration*, which earned box office revenue of ¥5.02 billion, the second highest ever for the series, and *Ossan's Love the Movie ~Love or Dead~*, which earned box office revenue of ¥2.65 billion, as well as movie versions of the *Crayon Shin-chan*, *Masked Rider*, and *Super Sentai* series, which delivered stable box-office revenue.

In the results for DVD sales, the Company released a variety of titles, including *Ossan's Love -in the sky-* and the popular series *Aibou (PARTNERS)*, which can be expected to sell in large numbers.

As a result of the above activities, during the fiscal year under review, the Other Businesses segment recorded net sales of ¥58.388 billion (up 7.4% year on year), while operating expenses were ¥53.789 billion (up 5.9%). As a result, operating income was ¥4.598 billion (up 29.0%).

(2) Financial Condition

Current assets totaled ¥155.532 billion at the end of the fiscal year (March 31, 2020), a decrease of ¥20.229 billion from the end of the previous fiscal year (March 31, 2019). The decrease is mainly attributable to a decrease of ¥26.994 billion in marketable securities.

Fixed assets totaled ¥292.016 billion at March 31, 2020, an increase of ¥15.779 billion from March 31, 2019. The increase is mainly attributable to increases of ¥7.775 billion in investment securities and ¥2.738 billion in land.

As a result of the above, total assets decreased by ¥4.450 billion from March 31, 2019 to ¥447.549 billion at March 31, 2020.

Current liabilities totaled ¥63.627 billion at March 31, 2020, an increase of ¥1.290 billion from March 31, 2019. The increase is mainly attributable to an increase of ¥1.185 billion in other payables.

Non-current liabilities totaled ¥31.403 billion at March 31, 2020, a decrease of ¥4.502 billion from March 31, 2019. The decrease is mainly attributable to a decrease of ¥5.752 billion in deferred tax liabilities.

As a result of the above, total liabilities decreased by ¥3.212 billion from March 31, 2019 to ¥95.030 billion at March 31, 2020.

Net assets as of March 31, 2020 totaled ¥352.518 billion, a decrease of ¥1.238 billion from March 31, 2019. As a result, the owners' equity ratio was 78.5% at March 31, 2020.

(3) Cash flows

Cash and cash equivalents decreased by ¥1.823 billion from March 31, 2019 to ¥39.709 billion at March 31, 2020.

Cash flows from operating activities

Operating activities provided net cash of ¥24.513 billion in the fiscal year ended March 31, 2020, a ¥4.239 billion increase in cash provided compared to the previous fiscal year. The increase in cash provided is attributable to factors including an increase of ¥3.599 billion in trade notes and accounts receivable.

Cash flows from investing activities

Investing activities used net cash of ¥16.450 billion in the fiscal year ended March 31, 2020, a ¥4.809 billion decrease in cash used compared to the previous fiscal year. The decrease in cash used is attributable to factors including a decrease of ¥30.600 billion in purchase of marketable securities, which offset a decrease of ¥14.900 billion in proceeds from redemption of marketable securities and an increase of ¥9.030 billion in purchase of investment securities.

Cash flows from financing activities

Financing activities used net cash of ¥9.878 billion in the fiscal year ended March 31, 2020, a ¥2.448 billion increase in cash used compared to the previous fiscal year. The increase in cash used is attributable to factors including an increase of ¥3.199 billion in purchase of shares in subsidiaries not resulting in change in scope of consolidation.

(4) Future outlook

The spread of the novel coronavirus outbreak is having an enormous impact on the business environment facing the TV Asahi Group, such as television advertising market conditions, and at this time it would be difficult to reasonably calculate earnings forecast figures. Accordingly, the Company has not yet determined a consolidated earnings forecast for the fiscal year ending March 31, 2021. The Company will promptly disclose an earnings forecast once this becomes possible.

(5) Basic Policy on the Distribution of Profits and Dividends for the Fiscal Year Ended March 31, 2020 and for the Fiscal Year Ending March 31, 2021

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, 2020, the Company intends to pay a year-end dividend of ¥20 per share. Together with the previously distributed interim dividend of ¥20 per share, this will result in an annual dividend of ¥40 per share.

For the fiscal year ending March 31, 2021, 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.

2. Consolidated Financial Statements

(1) Consolidated Balance Sheets

	As of March 31, 2019 Amount	(millions of yen) As of March 31, 2020 Amount
Assets		
Current assets		
Cash and deposits	29,908	39,534
Trade notes and accounts receivable	78,534	74,417
Marketable securities	44,400	17,405
Inventories	10,571	11,791
Other current assets	12,422	12,455
Less allowance for doubtful accounts	(73)	(71)
Total current assets	175,762	155,532
Fixed assets		
Tangible assets		
Buildings and structures, net	28,957	29,825
Machinery and vehicles, net	16,897	18,394
Land	43,700	46,438
Leased assets, net	5,337	5,194
Other tangible assets, net	5,748	7,368
Total tangible assets	100,642	107,221
Intangible assets		
Other intangible assets	6,373	6,651
Total intangible assets	6,373	6,651
Investments and other assets		
Investment securities	148,176	155,951
Deferred tax assets	13,892	15,098
Other investments and other assets	7,330	7,349
Less allowance for doubtful accounts	(178)	(256)
Total investments and other assets	169,220	178,144
Total fixed assets	276,237	292,016
Total assets	452,000	447,549

	As of March 31, 2019 Amount	(millions of yen) As of March 31, 2020 Amount
Liabilities		
Current liabilities		
Trade notes and accounts payable	9,149	8,934
Other payables	21,268	19,358
Accrued expenses	25,409	26,594
Other current liabilities	6,510	8,740
Total current liabilities	62,337	63,627
Non-current liabilities		
Deferred tax liabilities	16,274	10,521
Net defined benefit liabilities	17,596	19,120
Other non-current liabilities	2,035	1,761
Total non-current liabilities	35,905	31,403
Total liabilities	98,243	95,030
Net assets		
Stockholders' equity		
Common stock	36,642	36,654
Additional paid-in capital	70,226	70,427
Retained earnings	212,447	235,961
Treasury stock	(2,854)	(9,343)
Total stockholders' equity	316,462	333,699
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	37,484	23,240
Deferred gain (loss) on hedges	580	(88)
Foreign currency translation adjustments	(57)	(124)
Remeasurements of defined benefit plans	(4,640)	(5,264)
Total accumulated other comprehensive income	33,367	17,763
Non-controlling interests	3,926	1,055
Total net assets	353,757	352,518
Total liabilities and net assets	452,000	447,549

(2) Consolidated Statements of Income and Comprehensive Income

Consolidated Statements of Income		
	Year ended March 31, 2019	(millions of yen) Year ended March 31, 2020
	Amount	Amount
Net sales	301,744	293,638
Cost of sales	220,469	218,779
Gross profit	81,275	74,859
SGA expenses	65,110	62,294
Operating income	16,164	12,565
Non-operating revenue		
Dividend income	1,134	1,436
Share of profit of entities accounted for using equity method	1,477	17,748
Other non-operating revenue	464	564
Total non-operating revenue	3,076	19,749
Non-operating expenses		
Foreign exchange losses	-	71
Loss on disposal of noncurrent assets	119	171
Other non-operating expenses	24	24
Total non-operating expenses	143	266
Ordinary Income	19,097	32,048
Extraordinary gains		
Gain on sales of investment securities	548	310
Total extraordinary gains	548	310
Extraordinary losses		
Loss on valuation of investment securities	92	599
Total extraordinary losses	92	599
Income before income taxes	19,552	31,758
Income taxes		
Current	5,952	5,715
Deferred	483	(515)
Total income taxes	6,436	5,199
Profit	13,116	26,559
Profit attributable to non-controlling interests	237	160
Profit attributable to owners of the parent	12,879	26,398

Consolidated Statements of Comprehensive Income

	Year ended March 31, 2019	(millions of yen) Year ended March 31, 2020
	Amount	Amount
Profit	13,116	26,559
Other comprehensive income		
Valuation difference on available-for-sale securities	5,239	(13,074)
Deferred gain (loss) on hedges	(116)	(669)
Foreign currency translation adjustments	(14)	(6)
Remeasurements of defined benefit plans	177	(593)
Share of other comprehensive income of entities accounted for using equity method	44	(1,148)
Total other comprehensive income	5,329	(15,491)
Comprehensive income	18,445	11,067
Components:		
Comprehensive income attributable to owners of the parent	18,208	10,906
Comprehensive income attributable to non-controlling interests	237	160

(3) Consolidated Statements of Changes in Net Assets

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

Year ended March 31, 2020 (April 1, 2019 to March 31, 2020)

(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	212,447	(2,854)	316,462
Changes during term					
Issuance of new shares	11	11			22
Cash dividends			(5,373)		(5,373)
Profit attributable to owners of the parent			26,398		26,398
Purchase of treasury stock				(67)	(67)
Cancellation of treasury stock			(27)	27	-
Change in ownership interest of parent due to transactions with non-controlling interests		189			189
Change in treasury stock arising from change in equity in entities accounted for using equity method				(0)	(0)
Change in scope of equity method			2,517	(6,449)	(3,932)
Net changes other than stockholder's equity					
Total changes during term	11	201	23,513	(6,489)	17,237
Balance at end of term	36,654	70,427	235,961	(9,343)	333,699

	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	37,484	580	(57)	(4,640)	33,367	3,926	353,757
Changes during term							
Issuance of new shares							22
Cash dividends							(5,373)
Profit attributable to owners of the parent							26,398
Purchase of treasury stock							(67)
Cancellation of treasury stock							-
Change in ownership interest of parent due to transactions with non-controlling interests							189
Change in treasury stock arising from change in equity in entities accounted for using equity method							(0)
Change in scope of equity method							(3,932)
Net changes other than stockholder's equity	(14,244)	(669)	(66)	(624)	(15,604)	(2,871)	(18,475)
Total changes during term	(14,244)	(669)	(66)	(624)	(15,604)	(2,871)	(1,238)
Balance at end of term	23,240	(88)	(124)	(5,264)	17,763	1,055	352,518

(4) Consolidated Statements of Cash flows

	(millions of yen)	
	Year ended March 31, 2019	Year ended March 31, 2020
	Amount	Amount
Cash flows from operating activities		
Income before income taxes	19,552	31,758
Depreciation and amortization	10,350	10,801
Amortization of goodwill	282	279
(Gain) loss on disposal of noncurrent assets	119	171
(Gain) loss on sales of investment securities	(548)	(310)
Loss on valuation of investment securities	92	599
Increase (decrease) in allowance for doubtful accounts	(3)	75
Increase (decrease) in net defined benefit liabilities	132	616
Dividend income	(1,134)	(1,436)
Share of (profit) loss of entities accounted for using equity method	(1,477)	(17,748)
(Increase) decrease in trade notes and accounts receivables	517	4,116
(Increase) decrease in inventories	(353)	(1,235)
Increase (decrease) in trade notes and accounts payables	1,007	(214)
Other cash flows from operating activities	(3,199)	(1,670)
Subtotal	25,337	25,803
Interest and dividend received	1,874	2,500
Income taxes refunded	1,414	1,368
Income taxes paid	(8,353)	(5,159)
Net cash provided by operating activities	20,273	24,513
Cash flows from investing activities		
Payments into time deposits	(3,097)	(12)
Proceeds from withdrawal of time deposits	998	2,061
Purchase of marketable securities	(145,200)	(114,600)
Proceeds from redemption of marketable securities	148,200	133,300
Purchase of trust beneficiary right	(26,799)	(47,200)
Proceeds from redemption of trust beneficiary right	24,500	47,200
Purchase of tangible assets	(8,288)	(14,323)
Purchase of intangible assets	(1,651)	(2,329)
Purchase of investment securities	(12,309)	(21,339)
Proceeds from redemption of investment securities	1,000	1,000
Proceeds from sales of investment securities	598	334
Proceeds from purchase of shares of subsidiaries resulting in change in scope of consolidation	889	-
Other cash flows from investing activities	(99)	(541)
Net cash used in investing activities	(21,260)	(16,450)
Cash flows from financing activities		
Dividends paid to stockholders	(5,372)	(5,373)
Dividends paid to non-controlling interests	(16)	(11)
Payments from changes in ownership interests in subsidiaries that do not result in change in scope of consolidation	-	(3,199)
Other cash flows from financing activities	(2,041)	(1,294)
Net cash used in financing activities	(7,430)	(9,878)
Effect of exchange rate changes on cash and cash equivalents	(11)	(7)
Net increase (decrease) in cash and cash equivalents	(8,428)	(1,823)
Cash and cash equivalents at beginning of term	49,961	41,533
Cash and cash equivalents at end of term	41,533	39,709

Segment Information

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.

Year ended March 31, 2020 (April 1, 2019 to March 31, 2020)

	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	235,838	9,641	48,159	293,638	-	293,638
Inter-segment sales and transfers	3,445	226	10,229	13,900	(13,900)	-
Total	239,283	9,867	58,388	307,539	(13,900)	293,638
Segment income	7,000	1,018	4,598	12,617	(51)	12,565
Segment assets	262,060	9,244	77,135	348,440	99,108	447,549
Other items						
Depreciation/amortization	8,632	69	2,099	10,801	-	10,801
Investment in affiliates	19,265	-	28,551	47,816	15,590	63,406
Increase in tangible/intangible assets	14,110	19	3,318	17,449	-	17,449

Notes: 1. Details of adjustments are as follows:

- 1) Segment income adjustments totaling minus 51 million yen includes elimination of inter-segment transactions of minus 166 million yen, 2,164 million yen income accruing from inter-company transactions with our subsidiaries, and corporate expenses of minus 2,048 million yen. Corporate expenses are chiefly those expenses related to the Company's management of the Group's business.
 - 2) Segment assets adjustment of 99,108 million yen consists of corporate assets of 128,157 million yen and elimination of inter-segment claims and liabilities of minus 29,048 million yen.
 - 3) Adjustment of investment in affiliates of 15,590 million yen is corporate assets.
2. Segment income is adjusted to align it with operating income reported on the consolidated statements of income for the corresponding period.

(Additional Information)

(Equity in earnings of affiliates)

In the fiscal year under review, the Company made an additional acquisition of shares of Toei Company, Ltd. and converted it into an equity-method affiliate. In connection with this, the Company recorded ¥15.338 billion in negative goodwill under share of profit of entities accounted for using equity method.

The Company applied provisional accounting treatment in the third quarter, and the treatment was finalized at the end of the fiscal year. As a result, negative goodwill increased by ¥554 million.