

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 9, 2021

TV Asahi Holdings Corporation

Consolidated Earnings Report for the Nine Months ended December 31, 2020 (Japanese GAAP)

Stock listing: Tokyo Stock Exchange (First Section)
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Scheduled dates

Filing of statutory quarterly financial report (*shihanki hokokusho*): February 12, 2021

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, 2020 (April 1, 2020–December 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	%
Nine months ended December 31, 2020	190,627	(14.0)	9,056	(16.2)	12,410	(57.9)	7,768	(68.6)
Nine months ended December 31, 2019	221,539	(2.2)	10,803	(22.6)	29,457	80.4	24,759	123.7

Note: Comprehensive income: Nine months ended December 31, 2020 ¥ 19,193 million (minus 15.3%)
Nine months ended December 31, 2019 ¥ 22,672 million (82.9%)

	Earnings per share	Diluted earnings per share
	¥	¥
Nine months ended December 31, 2020	74.96	-
Nine months ended December 31, 2019	231.71	-

(2) Consolidated Financial Position

	Total assets	Net assets	Owners' equity ratio
	¥ million	¥ million	%
December 31, 2020	452,670	364,080	80.2
March 31, 2020	447,549	352,518	78.5

Note: *Owners' equity: December 31, 2020: ¥ 362,995 million; March 31, 2020: ¥ 351,463 million

*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, 2020	—	20.00	—	20.00	40.00
FYE March 31, 2021	—	20.00	—		
Forecast for FYE March 31, 2021				20.00	40.00

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

3. Forecast for the Fiscal Year ending March 31, 2021 (April 1, 2020 – March 31, 2021)

(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, 2021	262,000	(10.8)	12,000	(4.5)	15,000	(53.2)	11,000	(58.3)	106.56

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, 2020	March 31, 2020
1) Number of shares issued (including treasury stock)	108,529,000	108,529,000
2) Number of shares held in treasury	6,476,080	4,556,957
	Nine months ended December 31, 2020	Nine months ended December 31, 2019
3) Average number of shares outstanding during the term	103,637,800	106,853,802

* 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. For assumptions regarding the earnings forecast, please refer to the next page.
- TV Asahi Holdings Corporation intends to publish the supplementary material to quarterly financial results on its website on Tuesday, February 9, 2021.

Consolidated Earnings Forecasts and Other Forward-looking Statements

Although the spread of COVID-19 continues to make a great impact on the Company's business environment, the TV advertising market is showing a gradual recovery. The Company foresees that time and spot revenues will exceed those previously announced (released on November 12, 2020), and given the continued cost control measures being taken, the Company foresees that net sales, operating income, ordinary income and profit attributable to owners of the parent will exceed the previous forecast.

Revision of the consolidated forecast for the Fiscal Year Ending March 31, 2021 (April 1, 2020~March 31, 2021)

	Net Sales	Operating Income	Ordinary Income	Profit attributable to owners of the parent	Earnings per share
	¥ million	¥ million	¥ million	¥ million	¥
Previous Forecast (A)	255,000	5,000	8,000	6,000	57.70
New Forecast (B)	262,000	12,000	15,000	11,000	106.56
Difference (B-A)	7,000	7,000	7,000	5,000	
Difference (%)	2.7	140.0	87.5	83.3	
<Reference> Results for FYE March 31, 2019	293,638	12,565	32,048	26,398	248.58

Consolidated Financial Statements

(1) Consolidated Balance Sheets

	As of March 31, 2020 Amount	(millions of yen) As of December 31, 2020 Amount
Assets		
Current assets		
Cash and deposits	39,534	21,483
Trade notes and accounts receivable	74,417	69,022
Marketable securities	17,405	22,999
Inventories	11,791	14,518
Other current assets	12,455	14,079
Less allowance for doubtful accounts	(71)	(670)
Total current assets	155,532	141,432
Fixed assets		
Tangible assets		
Land	46,438	46,438
Other tangible assets, net	60,782	57,675
Total tangible assets	107,221	104,114
Intangible assets		
Other intangible assets	6,651	9,122
Total intangible assets	6,651	9,122
Investments and other assets		
Investment securities	155,951	175,745
Other investments and other assets	22,448	22,511
Less allowance for doubtful accounts	(256)	(256)
Total investments and other assets	178,144	198,001
Total fixed assets	292,016	311,237
Total assets	447,549	452,670

	As of March 31, 2020 Amount	(millions of yen) As of December 31, 2020 Amount
Liabilities		
Current liabilities		
Trade notes and accounts payable	8,934	6,998
Other current liabilities	54,693	45,554
Total current liabilities	63,627	52,552
Non-current liabilities		
Net defined benefit liabilities	19,120	18,909
Other non-current liabilities	12,282	17,127
Total non-current liabilities	31,403	36,036
Total liabilities	95,030	88,589
Net assets		
Stockholders' equity		
Common stock	36,654	36,665
Additional paid-in capital	70,427	70,438
Retained earnings	235,961	239,401
Treasury stock	(9,343)	(12,667)
Total stockholders' equity	333,699	333,837
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	23,240	34,325
Deferred loss on hedges	(88)	(62)
Foreign currency translation adjustments	(124)	(240)
Remeasurements of defined benefit plans	(5,264)	(4,865)
Total accumulated other comprehensive income	17,763	29,157
Non-controlling interests	1,055	1,085
Total net assets	352,518	364,080
Total liabilities and net assets	447,549	452,670

(2) Consolidated Statements of Income and Comprehensive Income

Consolidated Statements of Income

(millions of yen)

	Nine Months ended December 31, 2019	Nine Months ended December 31, 2020
	Amount	Amount
Net sales	221,539	190,627
Cost of sales	164,101	141,308
Gross profit	57,438	49,318
SGA expenses	46,634	40,262
Operating income	10,803	9,056
Non-operating revenue		
Dividend income	1,397	1,278
Share of profit of entities accounted for using equity method	17,023	1,996
Other non-operating revenue	333	276
Total non-operating revenue	18,755	3,551
Non-operating expenses		
Foreign exchange losses	15	74
Loss on disposal of non-current assets	69	77
Other non-operating expenses	16	45
Total non-operating expenses	101	197
Ordinary Income	29,457	12,410
Extraordinary gains		
Gain on sales of investment securities	310	-
Total extraordinary gains	310	-
Extraordinary losses		
Loss on valuation of investment securities	171	-
Provision of allowance for doubtful accounts	-	603
Loss on COVID-19	-	344
Total extraordinary losses	171	948
Income before income taxes	29,596	11,462
Income taxes	4,726	3,663
Profit	24,869	7,798
Profit attributable to non-controlling interests	110	29
Profit attributable to owners of the parent	24,759	7,768

Consolidated Statements of Comprehensive Income

	(millions of yen)	
	Nine Months ended December 31, 2019	Nine Months ended December 31, 2020
	Amount	Amount
Profit	24,869	7,798
Other comprehensive income		
Valuation difference on available-for-sale securities	(2,406)	9,454
Deferred gain (loss) on hedges	(184)	26
Foreign currency translation adjustments	(13)	(18)
Remeasurements of defined benefit plans	356	393
Share of other comprehensive income of entities accounted for using equity method	51	1,537
Total other comprehensive income	(2,196)	11,394
Comprehensive income	22,672	19,193
Components:		
Comprehensive income attributable to owners of the parent	22,562	19,163
Comprehensive income attributable to non-controlling interests	110	29

Additional Information

(Share of profit of entities accounted for using equity method)

The negative goodwill that occurred from using the equity method accounting for the additional acquisition of shares of Toei Company, Ltd. was entered using provisional accounting for the nine months ended December 31, 2019, but the amount was determined at the end of the fiscal year ended March 31, 2020.

Following the determination of the above provisional accounting entry, the amount stated for the previous year in the consolidated financial statements for the nine months ended December 31, 2020 is the determined amount of the provisional entry. As such, the negative goodwill has increased by 554 million yen.

Segment Information

Information about Sales and Segment Income by Reportable Segment

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.

Nine Months ended December 31, 2020 (April 1, 2020 to December 31, 2020)

	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	151,990	4,498	34,138	190,627	-	190,627
Inter-segment sales and transfers	2,618	163	6,795	9,577	(9,577)	-
Total	154,609	4,661	40,933	200,204	(9,577)	190,627
Segment income	6,638	463	1,954	9,056	0	9,056

- Notes: 1. Segment income adjustments totaling 0 million yen includes elimination of inter-segment transactions of minus 67 million yen, 1,632 million yen income accruing from inter-company transactions with our subsidiaries, and corporate expenses of minus 1,564 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.