

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.

August 6, 2021

TV Asahi Holdings Corporation
Consolidated Earnings Report for the Three Months ended June 30, 2021
(Japanese GAAP)

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

Filing of statutory quarterly financial report (*shihanki hokokusho*): August 13, 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 Three Months ended June 30, 2021 (April 1, 2021–June 30, 2021)

(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	%
Three months ended June 30, 2021	71,676	24.7	7,212	207.3	8,554	132.1	5,447	133.8
Three months ended June 30, 2020	57,495	(19.8)	2,347	(9.4)	3,685	(11.9)	2,330	(7.6)

Note: Comprehensive income: Three months ended June 30, 2021 ¥ 5,707 million (minus 35.1%)
 Three months ended June 30, 2020 ¥ 8,798 million (plus 59.5%)

	Earnings per share	Diluted earnings per share
	¥	¥
Three months ended June 30, 2021	53.66	-
Three months ended June 30, 2020	22.41	-

(2) Consolidated Financial Position

	Total assets	Net assets	Owners' equity ratio
	¥ million	¥ million	%
June 30, 2021	474,090	380,209	79.9
March 31, 2021	473,739	376,105	79.1

Note: Owners' equity*: June 30, 2021: ¥ 379,018 million; March 31, 2020: ¥ 374,964 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, 2021	—	20.00	—	20.00	40.00
FYE March 31, 2022	—				
Forecast for FYE March 31, 2022		20.00	—	20.00	40.00

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

3. Forecast for the Fiscal Year Ending March 31, 2022 (April 1, 2021 – March 31, 2022)

(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, 2022	295,000	11.5	13,000	(9.8)	16,000	(11.0)	14,000	11.1	137.92

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.: Yes
 - 2) Changes other than noted in 1) above: None
 - 3) Changes in accounting estimates: None
 - 4) Retrospective restatement: None
- (4) Shares outstanding (ordinary shares)

	June 30, 2021	March 31, 2021
1) Number of shares issued (including treasury stock)	108,529,000	108,529,000
2) Number of shares held in treasury	7,019,586	7,019,586

	Three months ended June 30, 2021	Three months ended June 30, 2020
3) Average number of shares outstanding during the term	101,509,414	103,971,177

* 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, August 6, 2021.

* Changes in Accounting Principles

Adoption of accounting standards for revenue recognition

TV Asahi Holdings Corporation has adopted the accounting standards for revenue recognition (Accounting Standards Board of Japan (ASBJ) Statement No. 29; March 31, 2020) and related guidelines from the first quarter of FYE March 31, 2022. In line with this adoption, revenue is recognized upon the transfer of controls for promised goods or services to customers in an amount that reflects the consideration to which they expect to be entitled in exchange for those goods or services. The main effects of the adoption are as follows.

(1) Principal or agent

For a number of transactions in the TV Broadcasting Business and Other Businesses, the gross amount was previously recognized as revenue. As a result of assessing the provider (principal or agent) of the goods or services, the net amount is now recognized as revenue.

(2) Grant of license

For a number of transactions regarding grant of license in the internet business of Other Businesses, revenue was previously recognized throughout the term of the license period. Revenue is now recognized at the time when the promised goods or services has been transferred to the customer and such duty has been fulfilled.

In adopting the accounting standard for revenue recognition, in accordance with the transitional treatment set forth in the proviso of Article 84 of the accounting standards for revenue recognition, the cumulative effect of retrospective application of the standards prior to the beginning of the first quarter of FYE March 31, 2022 was added to or subtracted from retained earnings at the beginning of the first quarter of FYE March 31, 2022.

As a result, net sales decreased by ¥714 million, cost of sales decreased by ¥887 million and operating income, ordinary income and income before income taxes have respectively increased by ¥172 million. In addition, retained earnings at the beginning of the first quarter of FYE March 31, 2022 increased by ¥487 million.

Consolidated Earnings Forecasts and Other Forward-looking Statements

Regarding the consolidated earnings forecast for the fiscal year ending March 31, 2022, the Company foresees that time revenue and spot revenue in the TV Broadcasting Business will exceed those previously announced (released on May 11, 2021) and thus, 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, 2022 (April 1, 2021~March 31, 2022)

	Net Sales	Operating Income	Ordinary Income	Profit attributable to owners of the parent	Earnings per share
	¥ million	¥ million	¥ million	¥ million	¥
Previous Forecast (A)	292,000	10,500	14,000	13,000	128.07
New Forecast (B)	295,000	13,000	16,000	14,000	137.92
Difference (B-A)	3,000	2,500	2,000	1,000	
Difference (%)	1.0%	23.8%	14.3%	7.7%	
<Reference> Results for FYE March 31, 2021	264,557	14,413	17,980	12,600	122.08

Consolidated Financial Statements

(1) Consolidated Balance Sheets

	As of March 31, 2021 Amount	(millions of yen) As of June 30, 2021 Amount
Assets		
Current assets		
Cash and deposits	36,400	23,242
Trade notes and accounts receivable	74,757	74,130
Marketable securities	19,099	32,315
Inventories	12,211	13,655
Other current assets	9,149	10,837
Less allowance for doubtful accounts	(77)	(76)
Total current assets	151,540	154,106
Fixed assets		
Tangible assets		
Land	51,266	51,266
Other tangible assets, net	56,316	54,543
Total tangible assets	107,582	105,809
Intangible assets		
Other intangible assets	9,117	8,936
Total intangible assets	9,117	8,936
Investments and other assets		
Investment securities	183,834	184,000
Other investments and other assets	22,523	21,848
Less allowance for doubtful accounts	(859)	(609)
Total investments and other assets	205,498	205,238
Total fixed assets	322,199	319,984
Total assets	473,739	474,090

	As of March 31, 2021	(millions of yen) As of June 30, 2021
	Amount	Amount
Liabilities		
Current liabilities		
Trade notes and accounts payable	6,105	5,688
Other current liabilities	54,257	50,816
Total current liabilities	60,362	56,504
Non-current liabilities		
Net defined benefit liabilities	17,278	17,279
Other non-current liabilities	19,992	20,096
Total non-current liabilities	37,271	37,376
Total liabilities	97,634	93,881
Net assets		
Stockholders' equity		
Common stock	36,665	36,665
Additional paid-in capital	70,438	70,438
Retained earnings	244,232	248,053
Treasury stock	(13,837)	(13,837)
Total stockholders' equity	337,499	341,320
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	41,213	41,245
Deferred gain (loss) on hedges	12	14
Foreign currency translation adjustments	(75)	5
Remeasurements of defined benefit plans	(3,686)	(3,566)
Total accumulated other comprehensive income	37,464	37,698
Non-controlling interests	1,141	1,190
Total net assets	376,105	380,209
Total liabilities and net assets	473,739	474,090

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

(millions of yen)

	Three Months ended June 30, 2020	Three Months ended June 30, 2021
	Amount	Amount
Net sales	57,495	71,676
Cost of sales	42,748	48,702
Gross profit	14,747	22,973
SGA expenses	12,399	15,760
Operating income	2,347	7,212
Non-operating revenue		
Dividend income	747	634
Share of profit of entities accounted for using equity method	491	464
Other non-operating revenue	156	261
Total non-operating revenue	1,395	1,360
Non-operating expenses		
Loss on disposal of non-current assets	25	9
Other non-operating expenses	32	10
Total non-operating expenses	57	19
Ordinary Income	3,685	8,554
Extraordinary losses		
Loss on COVID-19	239	172
Total extraordinary losses	239	172
Income before income taxes	3,445	8,381
Income taxes	1,117	2,907
Profit	2,328	5,474
Profit (loss) attributable to non-controlling interests	(1)	26
Profit attributable to owners of the parent	2,330	5,447

Consolidated Statements of Comprehensive Income

	(millions of yen)	
	Three Months ended June 30, 2020	Three Months ended June 30, 2021
	Amount	Amount
Profit	2,328	5,474
Other comprehensive income		
Valuation difference on available-for-sale securities	6,103	394
Deferred gain (loss) on hedges	(0)	1
Foreign currency translation adjustments	(3)	38
Remeasurements of defined benefit plans	131	121
Share of other comprehensive income of entities accounted for using equity method	239	(322)
Total other comprehensive income	6,469	233
Comprehensive income	8,798	5,707
Components:		
Comprehensive income attributable to owners of the parent	8,800	5,681
Comprehensive income attributable to non-controlling interests	(1)	26

Segment Information

Information about Sales and Segment Income by Reportable Segment

Three Months ended June 30, 2020 (April 1, 2020 to June 30, 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	47,076	1,426	8,991	57,495	-	57,495
Inter-segment sales and transfers	655	53	2,112	2,821	(2,821)	-
Total	47,731	1,480	11,104	60,316	(2,821)	57,495
Segment income	1,944	121	336	2,401	(54)	2,347

- Notes: 1. Segment income adjustments totaling minus 54 million yen includes elimination of inter-segment transactions of minus 16 million yen, 557 million yen of income accruing from inter-company transactions with our subsidiaries, and corporate expenses of minus 595 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.

Three Months ended June 30, 2021 (April 1, 2021 to June 30, 2021)

	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	57,151	1,771	12,752	71,676	-	71,676
Inter-segment sales and transfers	879	52	2,144	3,076	(3,076)	-
Total	58,031	1,824	14,896	74,752	(3,076)	71,676
Segment income	6,351	249	668	7,269	(57)	7,212

- Notes: 1. Segment income adjustments totaling minus 57 million yen includes elimination of inter-segment transactions of minus 19 million yen, 525 million yen of income accruing from inter-company transactions with our subsidiaries, and corporate expenses of minus 562 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.

* Note regarding changes in Sales and Segment Income by Reportable Segment

As noted in Changes in Accounting Principles, the accounting standards for revenue recognition has been adopted from the first quarter of FYE March 31, 2022. As the manner of revenue recognition has changed, the calculation method for segment income and loss has also changed.

As a result, compared to the previous accounting method, sales for TV Broadcasting Business for the first quarter of FYE March 31, 2022 decreased by 95 million yen and there were no changes to segment income. Sales for Other Businesses decreased by 619 million yen, and segment income increased by 172 million yen.