

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 11, 2022

TV Asahi Holdings Corporation
Consolidated Earnings Report for the Fiscal Year ended March 31, 2022
(Japanese GAAP)

Stock listing: Tokyo Stock Exchange

Securities code: 9409

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

URL: <https://www.tv-asahihd.co.jp/e/>

Representative: Hiroshi Hayakawa, Chairman and CEO

Information contact: Naoji Kobayashi, Treasurer

Tel: +81-3-6406-1115

Scheduled dates

General Shareholders' Meeting June 29, 2022

Filing of statutory financial report (*yuka-shoken hokokusho*): June 29, 2022

Dividend payout: June 30, 2022

Supplementary materials to financial results available: Yes

Fiscal year-end earnings presentation held: Yes

(Amounts rounded down to the nearest ¥ million)

1. Consolidated Performance for the Fiscal Year ended March 31, 2022 (April 1, 2021–March 31, 2022)

(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, 2022	298,276	12.7	21,431	48.7	26,443	47.1	20,999	66.7
FYE March 31, 2021	264,557	(9.9)	14,413	14.7	17,980	(43.9)	12,600	(52.3)

Note: Comprehensive income: FYE March 31, 2022 ¥ 20,608 million (minus 36.4%);

FYE March 31, 2021 ¥ 32,386 million (192.6%)

	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, 2022	206.80	-	5.5	5.4	7.2
FYE March 31, 2021	122.08	-	3.5	3.9	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, 2022: ¥3,389 million;

FYE March 31, 2021: ¥2,118 million

(2) Consolidated Financial Position

	Total assets	Net assets	Owners' equity ratio	Net assets per share
	¥ million	¥ million	%	¥
March 31, 2022	498,808	393,215	78.6	3,857.52
March 31, 2021	473,739	376,105	79.1	3,693.89

Note: Owners' equity: March 31, 2022: ¥ 391,917 million; March 31, 2021: ¥ 374,964 million

(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, 2022	30,126	7,625	(4,563)	77,317
FYE March 31, 2021	20,596	(7,959)	(8,251)	44,062

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, 2021	—	20.00	—	20.00	40.00	4,264	32.8	1.1
FYE March 31, 2022	—	20.00	—	30.00	50.00	5,286	24.2	1.3
Forecast for FYE March 31, 2023	—	20.00	—	20.00	40.00		23.9	

* **Note:** Year-end dividend of 30 yen for FYE March 31, 2002 includes special dividend of 10 yen.

3. Forecast for the Fiscal Year ending March 31, 2023 (April 1, 2022 – March 31, 2023)

(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, 2023	312,000	4.6	20,000	(6.7)	25,000	(5.5)	17,000	(19.0)	167.33

* 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.: Yes
 - 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, 2022	March 31, 2021
1) Number of shares issued (including treasury stock)	108,529,000	108,529,000
2) Number of shares held in treasury	6,930,668	7,019,586
	March 31, 2022	March 31, 2021
3) Average number of shares outstanding during the term	101,547,285	103,208,340

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

*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 financial results on its website on Wednesday, May 11, 2022.
- TV Asahi Holdings Corporation is scheduled to hold an earnings presentation for analysts on Tuesday, May 17, 2022, and intends to publish the presentation materials on its website immediately after the event.

* 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 beginning 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 FYE March 31, 2022 was added to or subtracted from retained earnings at the beginning of FYE March 31, 2022.

As a result, net sales decreased by ¥4,182 million, cost of sales decreased by ¥4,227 million and operating income, ordinary income and income before income taxes have respectively increased by ¥45 million for FYE March 31, 2022. In addition, retained earnings at the beginning of FYE March 31, 2022 increased by ¥487 million.

*** Events after the Reporting Period**

Changes to segment category

TV Asahi Holdings Corporation has resolved to change the segment categories at the Board Meeting held on May 11, 2022.

For FYE March 31, 2022, the Company has used the segment categories of “TV Broadcasting Business,” “Music Publication Business” and “Other Businesses.” From the following fiscal year, “Internet Business” and “Shopping Business” which were classified under “Other Businesses” which are important business areas shall newly become segments. Following this change, “production of TV shopping programs” which were included in “TV Broadcasting Business” will be classified under “Shopping Business,” and “Music Publication Business” will be classified under “Other Businesses.” The new reportable segments will be “TV Broadcasting Business,” “Internet Business,” “Shopping Business” and “Other Businesses.”

Furthermore, the Company is currently recalculating the amount of net sales, profit/loss and other figures of fiscal year ended March 31, 2022 if it were to use the new segments for fiscal year ending March 31, 2023.

1. Business Performance and Financial Condition

(1) Business Performance

During the fiscal year under review (ended March 31, 2022), despite the lingering effects of the COVID-19 pandemic, the Japanese economy showed signs of recovery as the severity of the situation gradually eased. Conditions in the television advertising market also showed signs of recuperation, with a strong showing from Tokyo area spot advertising volume, which far exceeded the previous fiscal year's weak performance that was a consequence of the COVID-19 pandemic.

In this economic environment, net sales for the fiscal year ended March 31, 2022 (hereinafter, "the fiscal year under review") were ¥298.276 billion (up 12.7% year on year), due to significant increases in time and spot advertising sales revenue. Cost of sales and selling, general and administrative (SG&A) expenses totaled ¥276.844 billion (up 10.7%). As a result, operating income was ¥21.431 billion (up 48.7%). In addition, ordinary income was ¥26.443 billion (up 47.1%), while profit attributable to owners of the parent was ¥20.999 billion (up 66.7%). TV Asahi Holdings Corporation has applied the "Accounting Standard for Revenue Recognition" (Accounting Standards Board of Japan (ASBJ) Statement No. 29; March 31, 2020) etc. from the first quarter of the fiscal year under review. For details, please refer to P.2 Changes in Accounting Principles.

Performance by segment

1) TV Broadcasting Business

Average viewer ratings for the fiscal year under review by time slot were as follows: All Day (06:00-24:00): 3.8% for Individual All and 7.2% for Household, ranking second and first, respectively. Golden Time (19:00-22:00): 5.8% for Individual All and 10.1% for Household, ranking second and first as a commercial broadcaster, respectively. Prime Time (19:00-23:00): 5.8% for Individual All and 10.3% for Household, both ranking first. Prime 2 (23:00-01:00): 2.1% for Individual All and 4.1% for Household, both ranking second. For Individual All, TV Asahi ranked first in prime time for the first time in nine years, and for Household, achieved the commercial broadcaster triple crown for the first time in its history.

For the Golden Time and Prime Time in the fiscal year under review, the Prime Time daily news shows, including *Hodo Station*, which was renewed in October, as well as *Saturday Station* and *Sunday Station* delivered strong results. With regards to serial dramas, four of our drama series entered the Top 10, including *Doctor X – Surgeon Daimon Michiko*, which scored the highest average ratings for the Individual All category among commercial station drama series broadcast in the fiscal year under review (average: Individual All 9.7% and Household 16.5%), followed by *Aibou: Tokyo Detective Duo Season 20* (average: Individual All 7.6% and Household 13.5%), *Tokuso 9* (average: Individual All 7.2% and Household 13.2%), and *Emergency Interrogation Room*

(average: Individual All 6.7% and Household 12.2%). For variety programs, the weekend programs delivered high viewer ratings, notably *Zawatsuku! Friday* and *Matsuko & Ariyoshi's Karisome Tengoku* on Fridays and *Sandwich Man & Ashida Mana's Hakase-chan* on Saturdays.

In sports, TV Asahi captured the top average ratings among commercial broadcasters for the *Tokyo Summer Olympics*, with the *Softball Final: Japan vs. America* scoring particularly high ratings (14.5% for Individual All and 23.0% for Household). The *Beijing Winter Olympics* programming also drew high ratings, such as the *Figure Skating - Women's Free Skating* event (11.4% for Individual All and 19.0% for Household). In soccer, we also scored high ratings with the broadcasts of the five home matches of the *FIFA World Cup Qatar 2022 AFC Asian Qualifiers* (five-match averages: 9.7% for Individual All and 15.9% for Household).

In the All Day segment, the daily morning shows created positive momentum, with *Shinichi Hatori's MORNING SHOW* topping its time slot for two consecutive years and capturing its highest Individual All viewer ratings, while *Jun Sanpo* and *Oshita Yoko Wide! Scramble* also delivered strong performances, contributing to winning the top spot in All Day ratings for the autumn programming season.

Zawatsuku! Omisoka Kazushige Yoshizumi Chisako no Kai drew high ratings during the New Year's holiday period, earning the first-ever triple crown among commercial broadcasters for Individual All ratings on New Year's Eve. Other programs such as *Aibou: Tokyo Detective Duo New Year Special* also earned high ratings, resulting in TV Asahi programs maintaining the top average viewer ratings for the three-day New Year's holidays in the Prime Time segment for the 14th consecutive year and in the Golden Time segment for the 8th consecutive year.

In these circumstances, aggressive marketing activities were carried out aimed at boosting sales and profits.

In the time advertising sales segment, revenue reached ¥85.596 billion (up 13.8% year on year) due to increased revenue from one-off broadcasting events such as the *Tokyo Olympics*, *Beijing Olympics*, *Artistic Gymnastics and Rhythmic Gymnastics World Championships* in Kitakyushu, the *FIFA World Cup Qatar 2022 AFC Asian Qualifiers*, and the *World Team Trophy in Figure Skating 2021*.

Spot advertising sales revenue increased significantly due to a rebound in the Tokyo area's spot advertising volume from the slowdown in the previous fiscal year. With regards to the by-industry performance, despite a decline in "automobiles" sector, revenues in many other sectors including "food-services and various services," "telecommunications, media & internet," "beverages and liquors" and "finance and insurance" increased. Reflecting the above, spot advertising sales revenue totaled ¥93.545 billion (up 17.8%).

BS/CS revenue totaled ¥25.951 billion (up 4.2%), program sales revenue totaled ¥13.456 billion (up 4.9%), and other revenue was ¥22.771 billion (up 9.2%).

As a result of the above, the TV Broadcasting Business segment recorded net sales of ¥241.321 billion (up 13.2%), while operating expenses were ¥222.479 billion (up 10.1%), yielding an operating income of ¥18.842 billion (up 70.4%) in the fiscal year under review.

2) Music Publication Business

Although numerous music events including the concert tours of artists under management were cancelled due to the impact of the COVID-19 pandemic, events made a comeback during the fiscal year under review, with *Hirai Dai*, *Shonan no Kaze*, and *Sonar Pocket* all embarking on nationwide concert tours. Due to these and other factors, net sales in the Music Publication Business reached ¥7.345 billion (up 14.9% year on year) while operating expenses were ¥6.418 billion (up 13.2%), resulting in operating income of ¥0.926 billion (up 28.4%).

3) Other Businesses

With regard to Internet-related businesses, the subscription-video-on-demand (SVOD) service TELASA, launched in April 2020 as a joint venture with KDDI Corporation, steadily increased its subscribership and expanded the business by aggressively developing original content tied up with TV Asahi programs. Going forward, the content pipeline will be expanded in an effort to reach the target of two million subscribers. ABEMA, a joint venture with CyberAgent, Inc., remained strong in both free and paid memberships, consistently achieving its initial target of 10 million weekly active users (WAUs) with increased Premium paid members. ABEMA NEWS broadcasts high-profile real-time content such as news and press conferences regarding COVID-19 and disaster-related information. It broadcasts timely news specials and other programs and is becoming increasingly well-established as a form of “lifestyle infrastructure” during emergencies. The free-of-charge TV streaming service (VOD rerun service) TVer achieved total application downloads exceeding 40 million in August 2021, and the number of monthly unique browsers is also growing steadily. From April 2022, the real-time streaming of mainly Prime Time segment of terrestrial broadcasts began and is expected to become a new business area. In addition, UltraImpression, Inc., a consolidated subsidiary that develops and operates a video advertising platform, enjoys a strong reputation for its ability to conduct diverse targeting based on highly precise data. It is seeing significant growth in its business performance, mainly from advertising on its VOD rerun service. In terms of services for core fans, we have launched new initiatives such as *Ame-Talk CLUB* and *Doraemon Channel App*, a joint project with Fujiko F. Fujio Production and Shogakukan, in addition to the existing *New Japan Pro-Wrestling's NJPW WORLD* and *Toei Tokusatsu Fan Club*.

In the Special Events business, despite the continuing stringent restrictions related to the

COVID-19 pandemic, several large-scale live music events were held, such as the *Fuji Rock Festival* and *Summer Sonic* both of which TV Asahi invests in, and the *TV Asahi Dream Festival* which it organizes. Also, in response to the Thai drama boom in recent years, numerous new events, such as the GMMTV Exhibition, a collaboration with GMMTV of Thailand, and live online events where fans could meet popular actors, were carried out which contributed to increased revenues.

The shopping business recorded a significant revenue increase due to strong sales growth from the special TV shopping programs *Sakagami-kun ga Tameshite Mita!!* and *Koji Imada ★Hit World*, which were periodically aired throughout the year, together with steady sales from *Jun Sanpo*, which is a regular program. In addition, the TV Asahi Group is continuing to enhance its shopping business, such as launching late-night TV shopping program *Tokyo Tokimeki Hyakkaten*.

Regarding our investment in motion pictures, the movie *Doraemon: Nobita's Little Star Wars 2021* was originally scheduled to be released in the spring of 2021. After a year-long postponement due to the COVID-19 pandemic, it was released on March 4, 2022 to favorable reviews. The movie *Crayon Shin-chan: School Mystery! The Flowers of Tenkasu Academy* performed well at the box office, grossing ¥1.77 billion, while *Kasoken no Onna (Woman of the Crime Lab) - the Movie* was released as the culmination of 20 years of the series. However, overall revenue was down, due in part to last year's release of the Doraemon 50th anniversary film *STAND BY ME Doraemon 2*.

Several DVD titles were released, including *Johnny's Jr. × Music Station, The High School Heroes* from the Oshidora Saturday programming slot, and the popular series *Aibou : Tokyo Detective Duo*.

As a result of the above activities, during the fiscal year under review, the Other Businesses segment recorded net sales of ¥63.441 billion (up 8.3% year on year), while operating expenses were ¥61.718 billion (up 10.3%). As a result, operating income was ¥1.723 billion (down 34.5%).

(2) Financial Condition

Current assets totaled ¥178.525 billion as of March 31, 2022, an increase of ¥26.984 billion from March 31, 2021. The increase is mainly attributable to an increase of ¥31.266 billion in cash and deposits.

Fixed assets totaled ¥320.283 billion as of March 31, 2022, a decrease of ¥9.143 billion from March 31, 2021. The decline is mainly attributable to a decrease of ¥1.770 billion in machinery and vehicles.

As a result of the above, total assets increased by ¥25.068 billion from March 31, 2021 to ¥498.808 billion on March 31, 2022.

Current liabilities totaled ¥69.505 billion on March 31, 2022, an increase of ¥9.143 billion from

March 31, 2021. The increase is mainly attributable to increases of ¥3.090 billion in accrued expenses, ¥2.042 billion in accrued income taxes, and ¥1.538 billion in trade notes and accounts payable.

Non-current liabilities totaled ¥36.087 on March 31, 2022, a decrease of ¥1.184 billion from March 31, 2021. The decrease is mainly attributable to a decrease of ¥0.711 billion in deferred tax liabilities.

As a result of the above, total liabilities increased by ¥7.959 billion from March 31, 2021 to ¥105.593 billion on March 31, 2022.

Net assets as of March 31, 2022 totaled ¥393.215 billion, an increase of ¥17.109 billion from March 31, 2021. As a result, the owners' equity ratio was 78.6% as of March 31, 2022.

(3) Cash Flows

Cash and cash equivalents increased by ¥33.254 billion from March 31, 2021 to ¥77.317 billion as of March 31, 2022.

Cash flows from operating activities

Operating activities provided net cash of ¥30.126 billion in the fiscal year ended March 31, 2022, a ¥9.530 billion increase in cash provided compared to the previous fiscal year. The increase is mainly attributable to an increase of ¥11.634 billion in income before income taxes.

Cash flows from investing activities

Investment activities provided net cash of ¥7.625 billion in the fiscal year ended March 31, 2022, a ¥15.585 billion increase in cash provided compared to the previous fiscal year. This is mainly attributable to the ¥6.226 billion decrease from the purchase of investment securities and the ¥5.608 billion decrease in the purchase of tangible assets.

Cash flows from financing activities

Financing activities used net cash of ¥4.563 billion in the fiscal year ended March 31, 2022, a ¥3.687 billion decrease in cash used compared to the previous fiscal year. This is mainly due to the decrease in the purchase of own shares of ¥3.117 billion yen.

(4) Future outlook

As the severe effects of the COVID-19 pandemic diminishes, although there are signs of the economy recovering, there remains uncertain external situations such as the state of Ukraine, the rise in raw material prices and the fluctuation in the financial markets, which all have the risk of affecting the TV advertising market. In such situation, the Company forecasts an increase in net sales due to rebounds in the Special Events and Music Publishing Businesses. However, in terms of

operating expenses, the Company expects an increase in program production costs from the strengthening of regular programming as well as increases in various other costs from the normalization of economic and social activities and the impact of the Ukraine crisis, and thus forecasts decreases in operating income, ordinary income, and profit attributable to owners of the parent.

As a result, for the fiscal year ending March 31, 2023, the Company forecasts full-year consolidated net sales of ¥312.0 billion, operating income of ¥20.0 billion, ordinary income of ¥25.0 billion, and profit attributable to owners of the parent of ¥17.0 billion.

(5) Basic Policy on the Distribution of Profits and Dividends for the Fiscal Year Ended March 31, 2022

and for the Fiscal Year Ending March 31, 2023

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 an emphasis on continuous growth and rewarding shareholders through the distribution of commemorative dividends to mark key events and special dividends as warranted by financial performance of the fiscal period, while considering the balance between the payout of dividends and retained earnings needed to strengthen the long-term business foundation essential to a certified broadcasting holding company that has terrestrial, BS, and CS broadcasters as wholly owned subsidiaries.

For the fiscal year ended March 31, 2022, the Company intends to pay a year-end dividend of ¥30 per share, of which ¥10 is a special dividend. Together with the previously distributed interim dividend of ¥20 per share, this will result in an annual dividend of ¥50 per share.

For the fiscal year ending March 31, 2023, 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, 2021 Amount	(millions of yen) As of March 31, 2022 Amount
Assets		
Current assets		
Cash and deposits	36,400	67,666
Trade notes and accounts receivable	74,757	79,105
Marketable securities	19,099	12,399
Inventories	12,211	9,471
Other current assets	9,149	9,959
Less allowance for doubtful accounts	(77)	(76)
Total current assets	151,540	178,525
Fixed assets		
Tangible assets		
Buildings and structures, net	29,133	28,490
Machinery and vehicles, net	16,378	14,608
Land	51,266	53,630
Other tangible assets, net	10,804	8,648
Total tangible assets	107,582	105,378
Intangible assets		
Other intangible assets	9,117	8,748
Total intangible assets	9,117	8,748
Investments and other assets		
Investment securities	183,834	184,566
Deferred tax assets	15,207	15,335
Other investments and other assets	7,316	6,842
Less allowance for doubtful accounts	(859)	(587)
Total investments and other assets	205,498	206,156
Total fixed assets	322,199	320,283
Total assets	473,739	498,808

	As of March 31, 2021 Amount	(millions of yen) As of March 31, 2022 Amount
Liabilities		
Current liabilities		
Trade notes and accounts payable	6,105	7,254
Other payables	16,191	17,730
Accrued expenses	27,246	30,336
Accrued taxes	3,644	5,686
Other current liabilities	7,175	8,498
Total current liabilities	60,362	69,505
Non-current liabilities		
Deferred tax liabilities	17,704	16,993
Net defined benefit liabilities	17,278	16,807
Other non-current liabilities	2,287	2,286
Total non-current liabilities	37,271	36,087
Total liabilities	97,634	105,593
Net assets		
Stockholders' equity		
Common stock	36,665	36,677
Additional paid-in capital	70,438	70,472
Retained earnings	244,232	261,466
Treasury stock	(13,837)	(13,637)
Total stockholders' equity	337,499	354,978
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	41,213	40,072
Deferred gain (loss) on hedges	12	23
Foreign currency translation adjustments	(75)	340
Remeasurements of defined benefit plans	(3,686)	(3,496)
Total accumulated other comprehensive income	37,464	36,939
Non-controlling interests	1,141	1,298
Total net assets	376,105	393,215
Total liabilities and net assets	473,739	498,808

(2) Consolidated Statements of Income and Comprehensive Income

Consolidated Statements of Income

	Year ended March 31, 2021	(millions of yen) Year ended March 31, 2022
	Amount	Amount
Net sales	264,557	298,276
Cost of sales	193,270	211,293
Gross profit	71,287	86,982
SGA expenses	56,873	65,550
Operating income	14,413	21,431
Non-operating revenue		
Dividend income	1,298	1,239
Share of profit of entities accounted for using equity method	2,118	3,389
Other non-operating revenue	377	590
Total non-operating revenue	3,794	5,220
Non-operating expenses		
Loss on disposal of noncurrent assets	147	149
Other non-operating expenses	79	59
Total non-operating expenses	226	208
Ordinary Income	17,980	26,443
Extraordinary gains		
Gain on sales of investment securities	2,223	4,655
Total extraordinary gains	2,223	4,655
Extraordinary losses		
Impairment loss	198	-
Loss on valuation of investment securities	98	371
Provision of allowance for doubtful accounts	603	-
Loss on COVID-19	470	260
Total extraordinary losses	1,370	631
Income before income taxes	18,833	30,467
Income taxes		
Current	7,078	9,864
Deferred	(930)	(531)
Total income taxes	6,147	9,333
Profit	12,685	21,134
Profit attributable to non-controlling interests	85	134
Profit attributable to owners of the parent	12,600	20,999

Consolidated Statements of Comprehensive Income

	Year ended March 31, 2021	(millions of yen) Year ended March 31, 2022
	Amount	Amount
Profit	12,685	21,134
Other comprehensive income		
Valuation difference on available-for-sale securities	16,336	(1,534)
Deferred gain (loss) on hedges	99	11
Foreign currency translation adjustments	(29)	61
Remeasurements of defined benefit plans	1,485	185
Share of other comprehensive income of entities accounted for using equity method	1,808	751
Total other comprehensive income	19,701	(525)
Comprehensive income	32,386	20,608
Components:		
Comprehensive income attributable to owners of the parent	32,301	20,474
Comprehensive income attributable to non-controlling interests	85	134

(3) Consolidated Statements of Changes in Net Assets

Year ended March 31, 2021 (April 1, 2020 to March 31, 2021)

(millions of yen)

	Stockholders' equity				
	Common stock	Additional paid-in capital	Retained earnings	Treasury stock	Total stockholders' equity
Balance at beginning of term	36,654	70,427	235,961	(9,343)	333,699
Changes during term					
Issuance of new shares	11	11			22
Cash dividends			(4,299)		(4,299)
Profit attributable to owners of the parent			12,600		12,600
Purchase of treasury stock				(3,941)	(3,941)
Cancellation of treasury stock			(29)	29	-
Change in treasury stock arising from change in equity in entities accounted for using equity method				(582)	(582)
Net changes other than stockholder's equity					
Total changes during term	11	11	8,271	(4,493)	3,799
Balance at end of term	36,665	70,438	244,232	(13,837)	337,499

	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 beginning of term	23,240	(88)	(124)	(5,264)	17,763	1,055	352,518
Changes during term							
Issuance of new shares							22
Cash dividends							(4,299)
Profit attributable to owners of the parent							12,600
Purchase of treasury stock							(3,941)
Cancellation of treasury stock							-
Change in treasury stock arising from change in equity in entities accounted for using equity method							(582)
Net changes other than stockholder's equity	17,973	100	48	1,578	19,701	85	19,786
Total changes during term	17,973	100	48	1,578	19,701	85	23,586
Balance at end of term	41,213	12	(75)	(3,686)	37,464	1,141	367,105

Year ended March 31, 2022 (April 1, 2021 to March 31, 2022)

(millions of yen)

	Stockholders' equity				
	Common stock	Additional paid-in capital	Retained earnings	Treasury stock	Total stockholders' equity
Balance at beginning of term	36,665	70,438	244,232	(13,837)	337,499
Amount reflected due to changes in accounting method			487		487
Balance at beginning of term reflecting the changes in accounting method	36,665	70,438	244,720	(13,837)	337,987
Changes during term					
Issuance of new shares	11	11			23
Cash dividends			(4,229)		(4,229)
Profit attributable to owners of the parent			20,999		20,999
Disposal of treasury stock		21		174	196
Cancellation of treasury stock			(25)	25	-
Change in treasury stock arising from change in equity in entities accounted for using equity method					
Net changes other than stockholder's equity					
Total changes during term	11	33	16,745	199	16,990
Balance at end of term	36,677	70,472	261,466	(13,637)	354,978

	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 beginning of term	41,213	12	(75)	(3,686)	37,464	1,141	376,105
Amount reflected due to changes in accounting method						22	510
Balance at beginning of term reflecting the changes in accounting method	41,213	12	(75)	(3,686)	37,464	1,163	376,616
Changes during term							
Issuance of new shares							23
Cash dividends							(4,229)
Profit attributable to owners of the parent							20,999
Disposal of treasury stock							196
Cancellation of treasury stock							-
Net changes other than stockholder's equity	(1,141)	11	415	189	(525)	134	(391)
Total changes during term	(1,141)	11	415	189	(525)	134	16,599
Balance at end of term	40,072	23	340	(3,496)	36,939	1,298	393,215

(4) Consolidated Statements of Cash flows

	Year ended March 31, 2021	(millions of yen) Year ended March 31, 2022
	Amount	Amount
Cash flows from operating activities		
Income before income taxes	18,833	30,467
Depreciation and amortization	10,661	10,296
Impairment loss	198	-
Amortization of goodwill	362	610
(Gain) loss on disposal of noncurrent assets	147	149
(Gain) loss on sales of investment securities	(2,223)	(4,655)
Loss on valuation of investment securities	98	371
Increase (decrease) in allowance for doubtful accounts	5	(22)
Increase (decrease) in net defined benefit liabilities	429	602
Dividend income	(1,298)	(1,239)
Share of (profit) loss of entities accounted for using equity method	(2,118)	(3,389)
Provision for allowance for doubtful accounts	603	-
(Increase) decrease in trade notes and accounts receivables	(150)	(4,348)
(Increase) decrease in inventories	287	2,740
Increase (decrease) in trade notes and accounts payables	(2,899)	1,146
Other cash flows from operating activities	1,403	3,022
Subtotal	24,341	35,750
Interest and dividend received	2,340	2,187
Income taxes refunded	1,016	498
Income taxes paid	(7,102)	(8,309)
Net cash provided by operating activities	20,596	30,126
Cash flows from investing activities		
Purchase of marketable securities	(76,400)	(82,819)
Proceeds from redemption of marketable securities	84,800	92,000
Purchase of trust beneficiary right	(36,600)	-
Proceeds from redemption of trust beneficiary right	40,100	1,200
Purchase of tangible assets	(11,258)	(5,649)
Purchase of intangible assets	(1,859)	(1,719)
Purchase of investment securities	(6,498)	(272)
Proceeds from sales of investment securities	3,515	4,972
Proceeds from purchase of shares of subsidiaries resulting in change in scope of consolidation	(3,242)	-
Other cash flows from investing activities	(516)	(85)
Net cash used in investing activities	(7,959)	7,625
Cash flows from financing activities		
Purchase of treasury stock	(3,117)	-
Dividends paid to stockholders	(4,299)	(4,229)
Other cash flows from financing activities	(834)	(334)
Net cash used in financing activities	(8,251)	(4,563)
Effect of exchange rate changes on cash and cash equivalents	(32)	65
Net increase (decrease) in cash and cash equivalents	4,353	33,254
Cash and cash equivalents at beginning of term	39,709	44,062
Cash and cash equivalents at end of term	44,062	77,317

Segment Information

Year ended March 31, 2021 (April 1, 2020 to March 31, 2021)

	Reportable segment				Total	Adjustments* ¹	(millions of yen) Amounts reported on consolidated financial statements* ²
	TV Broadcasting Business	Music Publication Business	Other Businesses				
Sales							
Sales to outside customers	209,485	6,168	48,903	264,557	-	264,557	
Inter-segment sales and transfers	3,720	223	9,701	13,645	(13,645)	-	
Total	213,205	6,391	58,605	278,202	(13,645)	264,557	
Segment income	11,059	721	2,630	14,411	2	14,413	
Segment assets	261,686	9,104	87,518	358,310	115,429	473,739	
Other items							
Depreciation/amortization	8,174	43	2,443	10,661	-	10,661	
Investment in affiliates	21,380	-	31,560	52,940	17,279	70,219	
Increase in tangible/intangible assets	8,408	24	1,796	10,229	-	10,229	

Notes: 1. Details of adjustments are as follows:

- 1) Segment income adjustments totaling 2 million yen includes elimination of inter-segment transactions of minus 109 million yen, 2,170 million yen income accruing from inter-company transactions with our subsidiaries, and corporate expenses of minus 2,059 million yen. Corporate expenses are chiefly those expenses related to the Company's management of the Group's business.
 - 2) Segment assets adjustment of 115,429 million yen consists of corporate assets of 144,422 million yen and elimination of inter-segment claims and liabilities of minus 28,992 million yen.
 - 3) Adjustment of investment in affiliates of 17,279 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.

Year ended March 31, 2022 (April 1, 2021 to March 31, 2022)

	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	237,473	7,136	53,666	298,276	-	298,276
Inter-segment sales and transfers	3,848	208	9,775	13,832	(13,832)	-
Total	241,321	7,345	63,441	312,108	(13,832)	298,276
Segment income	18,842	926	1,723	21,492	(60)	21,431
Segment assets	275,607	9,430	95,085	380,123	118,685	498,808
Other items						
Depreciation/amortization	7,692	36	2,567	10,296	-	10,296
Investment in affiliates	22,638	-	34,236	56,875	17,239	74,115
Increase in tangible/intangible assets	6,462	10	1,555	8,027	-	8,027

Notes: 1. Details of adjustments are as follows:

- 1) Segment income adjustments totaling minus 60 million yen includes elimination of inter-segment transactions of minus 96 million yen, 1,941 million yen income accruing from inter-company transactions with our subsidiaries, and corporate expenses of minus 1,905 million yen. Corporate expenses are chiefly those expenses related to the Company's management of the Group's business.
- 2) Segment assets adjustment of 118,685 million yen consists of corporate assets of 137,408 million yen and elimination of inter-segment claims and liabilities of minus 18,722 million yen.
- 3) Adjustment of investment in affiliates of 17,239 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.

*** 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 beginning 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 fiscal year ended March 31, 2022 decreased by 766 million yen and there were no changes to segment income. Sales for Other Businesses decreased by 3,415 million yen, and segment income increased by 45 million yen.