

Note: This document is a direct translation of the *kessan tanshin* released in Japanese. All figures in millions of yen have 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.

November 10, 2022

TV Asahi Holdings Corporation
Consolidated Earnings Report for the Six Months ended September 30, 2022
(Japanese GAAP)

Stock listing: Tokyo Stock Exchange (Prime Market)

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

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Scheduled dates

Filing of statutory quarterly financial report (*shihanki hokokusho*): November 11, 2022

Dividend payout: December 5, 2022

Supplementary materials to quarterly financial results available: Yes

Quarterly earnings presentation held: Yes

(Amounts rounded down to the nearest ¥ million)

1. Consolidated Performance for the Six Months ended September 30, 2022 (April 1, 2022–September 30, 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	%
Six months ended September 30, 2022	144,775	0.8	7,340	(12.6)	12,438	9.4	9,306	21.3
Six months ended September 30, 2021	143,618	21.7	8,403	262.6	11,368	166.1	7,673	170.4

Note: Comprehensive income: Six months ended September 30, 2022 ¥ 3,854 million [(77.5%)]
Six months ended September 30, 2021 ¥ 17,143 million [52.5%]

	Earnings per share	Diluted earnings per share
	¥	¥
Six months ended September 30, 2022	91.60	-
Six months ended September 30, 2021	75.59	-

(2) Consolidated Financial Position

	Total assets	Net assets	Owners' equity ratio
	¥ million	¥ million	%
September 30, 2022	485,146	393,905	80.9
March 31, 2022	498,808	393,215	78.6

Note: *Owners' equity: September 30, 2022: ¥ 392,573 million; March 31, 2022: ¥ 391,917 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, 2022	—	20.00	—	30.00	50.00
FYE March 31, 2023	—	20.00			
Forecast for FYE March 31, 2023			—	20.00	40.00

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

Year-end dividend of 30 yen for FYE March 31, 2022 includes special dividend of 10 yen per share.

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, 2022	306,000	2.6	18,000	(16.0)	25,000	(5.5)	17,000	(19.0)	167.32

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)

	September 30, 2022	March 31, 2022
1) Number of shares issued (including treasury stock)	108,529,000	108,529,000
2) Number of shares held in treasury	6,926,396	6,930,668
	Six months ended September 30, 2022	Six months ended September 30, 2021
3) Average number of shares outstanding during the term	101,603,013	101,515,702

* **This document is outside the scope of quarterly review.**

*Appropriate use of earnings forecasts and other important information

- The above forecasts are based on information available as of this report's publication. Actual results may differ from forecasts due to changes in the business environment.
- TV Asahi Holdings Corporation intends to publish the supplementary material to quarterly financial results on its website on Thursday, November 10, 2022.
- TV Asahi Holdings Corporation has scheduled an earnings presentation for analysts on Monday, November 14, 2022, and intends to publish the presentation handout materials on its website immediately after the event.

* Changes in Reportable Segment

TV Asahi Holdings Corporation has resolved to change its reportable 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 FYE March 31, 2023, "Internet Business" and "Shopping Business" which are both important business areas and were formerly classified under "Other Businesses" have become new segments. Following this change, "production of TV shopping programs" which were included in "TV Broadcasting Business" has been classified under "Shopping Business," and "Music Publication Business" has been

classified under “Other Businesses.” The new reportable segments are “TV Broadcasting Business,” “Internet Business,” “Shopping Business” and “Other Businesses.”

Furthermore, for segment information for the six months ended September 30, 2021, the Company has recalculated the amount of net sales, profit/loss and other figures using the new reportable segments.

Consolidated Earnings Forecasts and Other Forward-looking Statements

Due to the growing uncertainty of the TV advertising market resulting from the state of Ukraine, the rise in raw material prices and the fluctuation in the financial markets, the TV advertising market is progressing at a level lower than that of the previous year. Given such operating environment, the Company foresees that time revenue and spot revenue in the TV Broadcasting Business will be lower than those from the previous forecast (released on August 5, 2022) and as such, net sales and operating income for the fiscal year ending March 31, 2023 will be lower than those from the previous forecast.

Revision of the full-year consolidated earnings forecast for the Fiscal Year Ending March 31, 2023 (April 1, 2022-March 31, 2023)

	Net Sales	Operating Income	Ordinary Income	Profit attributable to owners of the parent	Earnings per share
	¥ million	¥ million	¥ million	¥ million	¥
Previous Forecast (A)	312,000	20,000	25,000	17,000	167.33
New Forecast (B)	306,000	18,000	25,000	17,000	167.32
Difference (B-A)	(6,000)	(2,000)	-	-	
Difference (%)	(1.9) %	(10.0) %	-	-	
<Reference> Results for FYE March 31, 2022	298,276	21,431	26,443	20,999	206.80

Consolidated Financial Statements

(1) Consolidated Balance Sheets

	As of March 31, 2022 Amount	(millions of yen) As of September 30, 2022 Amount
Assets		
Current assets		
Cash and deposits	67,666	22,351
Trade notes and accounts receivable	79,105	71,579
Marketable securities	12,399	47,601
Inventories	9,471	12,112
Other current assets	9,959	10,569
Less allowance for doubtful accounts	(76)	(69)
Total current assets	178,525	164,144
Fixed assets		
Tangible assets		
Land	53,630	64,551
Other tangible assets, net	51,747	48,102
Total tangible assets	105,378	112,654
Intangible assets		
Other intangible assets	8,748	7,750
Total intangible assets	8,748	7,750
Investments and other assets		
Investment securities	184,566	179,300
Other investments and other assets	22,177	21,868
Less allowance for doubtful accounts	(587)	(572)
Total investments and other assets	206,156	200,597
Total fixed assets	320,283	321,001
Total assets	498,808	485,146

	As of March 31, 2022 Amount	(millions of yen) As of September 30, 2022 Amount
Liabilities		
Current liabilities		
Trade notes and accounts payable	7,254	6,908
Other current liabilities	62,251	51,615
Total current liabilities	69,505	58,523
Non-current liabilities		
Net defined benefit liabilities	16,807	16,688
Other non-current liabilities	19,280	16,028
Total non-current liabilities	36,087	32,717
Total liabilities	105,593	91,240
Net assets		
Stockholders' equity		
Common stock	36,677	36,687
Additional paid-in capital	70,472	70,482
Retained earnings	261,466	267,574
Treasury stock	(13,637)	(13,624)
Total stockholders' equity	354,978	361,120
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	40,072	33,429
Deferred gain (loss) on hedges	23	0
Foreign currency translation adjustments	340	1,273
Remeasurements of defined benefit plans	(3,496)	(3,251)
Total accumulated other comprehensive income	36,939	31,452
Non-controlling interests	1,298	1,332
Total net assets	393,215	393,905
Total liabilities and net assets	498,808	485,146

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

	(millions of yen)	
	Six Months ended September 30, 2021	Six Months ended September 30, 2022
	Amount	Amount
Net sales	143,618	144,775
Cost of sales	104,104	106,274
Gross profit	39,513	38,501
SGA expenses	31,110	31,160
Operating income	8,403	7,340
Non-operating revenue		
Dividend income	676	771
Share of profit of entities accounted for using equity method	1,998	4,025
Other non-operating revenue	329	364
Total non-operating revenue	3,004	5,162
Non-operating expenses		
Loss on disposal of non-current assets	12	20
Other non-operating expenses	26	44
Total non-operating expenses	39	65
Ordinary Income	11,368	12,438
Extraordinary losses		
Loss on COVID-19	184	-
Total extraordinary losses	184	-
Income before income taxes	11,183	12,438
Income taxes	3,468	3,097
Profit	7,714	9,341
Profit attributable to non-controlling interests	41	34
Profit attributable to owners of the parent	7,673	9,306

Consolidated Statements of Comprehensive Income

	Six Months ended September 30, 2021	Six Months ended September 30, 2022
	Amount	Amount
Profit	7,714	9,341
Other comprehensive income		
Valuation difference on available-for-sale securities	9,101	(6,551)
Deferred gain (loss) on hedges	(8)	(22)
Foreign currency translation adjustments	38	122
Remeasurements of defined benefit plans	242	248
Share of other comprehensive income of entities accounted for using equity method	55	716
Total other comprehensive income	9,428	(5,486)
Comprehensive income	17,143	3,854
Components:		
Comprehensive income attributable to owners of the parent	17,102	3,820
Comprehensive income attributable to non-controlling interests	41	34

Segment Information

Information about Sales and Segment Income by Reportable Segment

Six Months ended September 30, 2021 (April 1, 2021 to September 30, 2021)

(millions of yen)

	Reportable segment					Adjustments ¹	Amounts reported on consolidated financial statements ²
	TV Broadcasting Business	Internet Business	Shopping Business	Other Businesses	Total		
Sales							
Sales to outside customers	113,442	9,795	9,883	10,497	143,618	-	143,618
Inter-segment sales and transfers	1,014	928	19	3,785	5,748	(5,748)	-
Total	114,457	10,724	9,903	14,282	149,366	(5,748)	143,618
Segment income	5,859	856	1,010	640	8,367	35	8,403

- Notes: 1. Segment income adjustments totaling minus 35 million yen includes elimination of inter-segment transactions of minus 34 million yen, 1,051 million yen income accruing from inter-company transactions with our subsidiaries, and corporate expenses of minus 980 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.

Six Months ended September 30, 2022 (April 1, 2022 to September 30, 2022)

(millions of yen)

	Reportable segment					Adjustments ¹	Amounts reported on consolidated financial statements ²
	TV Broadcasting Business	Internet Business	Shopping Business	Other Businesses	Total		
Sales							
Sales to outside customers	109,468	10,882	9,046	15,378	144,775	-	144,775
Inter-segment sales and transfers	1,540	936	15	3,923	6,415	(6,415)	-
Total	111,008	11,818	9,061	19,302	151,191	(6,415)	144,775
Segment income	4,917	277	755	1,386	7,336	4	7,340

- Notes: 1. Segment income adjustments totaling 4 million yen includes elimination of inter-segment transactions of minus 33 million yen, 1,031 million yen income accruing from inter-company transactions with our subsidiaries, and corporate expenses of minus 993 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.