

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 12, 2023

TV Asahi Holdings Corporation
Consolidated Earnings Report for the Fiscal Year ended March 31, 2023
(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-asahi.co.jp/e/>

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Scheduled dates

General Shareholders' Meeting June 29, 2023

Filing of statutory financial report (*yuka-shoken hokokusho*): June 29, 2023

Dividend payout: June 30, 2023

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, 2023 (April 1, 2022–March 31, 2023)

(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, 2023	304,566	2.1	14,503	(32.3)	23,157	(12.4)	16,603	(20.9)
FYE March 31, 2022	298,276	12.7	21,431	48.7	26,443	47.1	20,999	66.7

Note: Comprehensive income: FYE March 31, 2023 ¥ 6,828 million [(66.9)%];

FYE March 31, 2022 ¥ 20,608 million [(36.4)%]

	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, 2023	163.42	-	4.2	4.7	4.8
FYE March 31, 2022	206.80	-	5.5	5.4	7.2

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

Note: Share of profit of entities accounted for using equity method: FYE March 31, 2023: ¥7,013 million;

FYE March 31, 2022: ¥3,389 million

(2) Consolidated Financial Position

	Total assets	Net assets	Owners' equity ratio	Net assets per share
	¥ million	¥ million	%	¥
March 31, 2023	495,123	394,763	79.4	3,870.26
March 31, 2022	498,808	393,215	78.6	3,857.52

Note: Owners' equity: March 31, 2023: ¥ 393,228 million; March 31, 2022: ¥ 391,917 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, 2023	15,300	(25,009)	(6,600)	61,114
FYE March 31, 2022	30,126	7,625	(4,563)	77,317

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, 2022	—	20.00	—	30.00	50.00	5,286	24.2	1.3
FYE March 31, 2023	—	20.00	—	30.00	50.00	5,287	30.6	1.3
Forecast for FYE March 31, 2024	—	20.00	—	30.00	50.00		33.9	

* **Note:** Year-end dividend of 30 yen for FYE March 31, 2022 includes special dividend of 10 yen.
Year-end dividend of 30 yen for FYE March 31, 2023 includes special dividend of 10 yen.
Year-end dividend of 30 yen for FYE March 31, 2024 includes commemorative dividend of 10 yen (forecast).

3. Forecast for the Fiscal Year ending March 31, 2024 (April 1, 2023 – March 31, 2024)

(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, 2024	313,000	2.8	15,000	3.4	20,000	(13.6)	15,000	(9.7)	147.63

* 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, 2023	March 31, 2022
1) Number of shares issued (including treasury stock)	108,529,000	108,529,000
2) Number of shares held in treasury	6,929,396	6,930,668
	March 31, 2023	March 31, 2022
3) Average number of shares outstanding during the term	101,602,824	101,547,285

* **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 Friday, May 12, 2023.
- TV Asahi Holdings Corporation is scheduled to hold an earnings presentation for analysts on Tuesday, May 16, 2023, and intends to publish the presentation materials on its website immediately after the event.

* Segment Information

<Outline of reportable segments>

The reportable segments of the TV Asahi group are "TV Broadcasting Business," "Internet Business," "Shopping Business" and "Other Businesses" which are subject to regular discussion of the Board of Directors, as separate financial information is available for units composing the segments which allows the Board of Directors to determine the allocation of management resources and evaluate business results.

The content of business of each of the reportable segments are as follows.

Reportable segment	Content of business
TV Broadcasting Business	Business regarding the production and broadcasting of TV programs
Internet Business	Business regarding advertising video on demand using the Internet and the production and rights management of video content
Shopping Business	Business regarding shopping services on TV shopping programs and ecommerce sites
Other Businesses	Music publication business, special events business, sale and lease of equipment, investment in motion pictures, etc.

<Information regarding 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, 2023, the Japanese economy showed signs of gradual recovery amid COVID-19. On the other hand, conditions in the television advertising market continued to be severe, with the spot advertising volume in the Tokyo area shrinking from the previous fiscal year.

In this economic environment, net sales for the fiscal year ended March 31, 2023 (hereinafter, “the fiscal year under review”) were ¥304.566 billion (+2.1% year on year). Cost of sales and selling and SGA expenses totaled ¥290.063 billion (+4.8%). As a result, operating income was ¥14.503 billion (-32.3%).

Ordinary income was ¥23.157 billion (-12.4%) due to an increase in share of profits of entities accounted for using the equity method. In addition, profit attributable to owners of the parent was ¥16.603 billion (-20.9%) as a result of accounting for gain on sales of investment securities in extraordinary gains and impairment loss of fixed assets which includes goodwill in extraordinary losses.

At the Board of Directors meeting held on May 11, 2022, the Company resolved to change its segment classification. The classification of TV Broadcasting Business, Music Publication Business and Other Businesses in the previous fiscal year were changed to TV Broadcasting Business, Internet Business, Shopping Business and Other Businesses in the fiscal year under review. Performance by segment figures for the previous fiscal year are based on the classification after the change.

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): 3.6% for Individual All and 6.6% for Household, both ranking first. Golden Time (19:00–22:00): 5.6% for Individual All, ranking second, and 9.5% for Household, ranking first. Prime Time (19:00–23:00): 5.6% for Individual All and 9.6% for Household, both ranking first. Prime 2 (23:00–01:00): 2.0% for Individual All and 3.7% for Household, both ranking second. For Individual All, TV Asahi achieved the double crown for All Day and Prime Time for the first time, and for Household, the triple crown for the first time.

For Golden Time and Prime Time in the fiscal year under review, the Prime Time daily news shows, including Hodo Station, as well as Saturday Station and Sunday Station, took the top in their time slots, respectively. With regards to serial dramas, six drama series ranked in the Top 10, including Aibou: Tokyo Detective Duo Season 21 (average: Individual All 7.7% and Household 13.5%), THE TRAVELNURSE (average: Individual All 6.7% and Household 12.1%), and 10 count to the Future (average: Individual All 6.3% and Household 11.0%). In addition, Hoshi Furu Yoru Ni recorded 3.01 million catch-up views during the first week for the first episode broadcast, the highest number among TV Asahi’s programs. For variety programs, the weekend programs

delivered high viewer ratings, notably Zawatsuku! Friday on Fridays, and Ikegami Akira's News Sou Datta no ka!! and Sandwich Man & Ashida Mana's Hakase-chan on Saturdays.

In sports, TV Asahi exclusively broadcast 10 matches of the FIFA World Cup Qatar 2022 live on terrestrial broadcast, and the Japan vs. Costa Rica broadcast (Individual All 30.6% and Household 42.9%) recorded the highest rating among all programs on all networks in 2022. In addition, for 2023 World Baseball Classic, viewer ratings exceeded Individual All 20% and Household 40% in all four games which TV Asahi broadcast, and in particular, the Quarter-Final Japan vs. Italy (Individual All 31.2% and Household 48.0%) was the second-highest rating in TV Asahi's history.

In the All Day segment, the daily morning shows created positive momentum, with Shinichi Hatori's MORNING SHOW topping its time slot for three consecutive years, while Oshita Yoko Wide! Scramble captured the top spot in its time slot for nine consecutive years in the program's first section and the first time in the second section, contributing to winning the top spot in All Day ratings.

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

In the time advertising sales segment, sales revenue declined for regular program time slot sales due to a growing trend toward fixed cost reductions in advertisers' promotional activities amid uncertainty caused by the COVID-19 pandemic, the situation in Ukraine, and other factors. In addition, in one-off broadcasting events, despite the FIFA World Cup Qatar 2022, the 2023 World Baseball Classic and other programs, sales decreased due to a reactionary drop from of the Tokyo Olympics and the Rhythmic Gymnastics World Championships in Kitakyushu in the previous fiscal year. As a result, time advertising sales revenue for the fiscal year ended March 31, 2023 was ¥81.558 billion (-4.7% year on year).

Spot advertising sales revenue decreased mainly due to lower advertising volume in the Tokyo area than in the previous fiscal year. With regards to by-industry performance, "transportation, movies & leisure," "food-services & various services," "telecommunications, media & internet," "beverages," and other industries performed well, while "telecommunications, media & internet," "cosmetics & toiletries," and "beverages & liquors," and other industries experienced declines in sales. Reflecting the above, spot advertising sales revenue totaled ¥90.414 billion (-3.3%).

BS/CS revenue totaled ¥26.070 billion (+2.8%), program sales revenue totaled ¥13.039 billion (-3.1%), and other revenue was ¥21.585 billion (+3.8%).

As a result of the above, the TV Broadcasting Business segment recorded net sales of ¥232.669 billion (-2.5%), while operating expenses were ¥223.082 billion (+0.4%), yielding an operating income of ¥9.586 billion (-42.4%) in the fiscal year under review.

2) Internet Business

ABEMA, a joint venture with CyberAgent, Inc., remained strong in both free and paid memberships with approximately 16 million weekly active users (WAUs) after delivering live

coverage of all 64 matches of the FIFA World Cup Qatar 2022, and with increased Premium paid memberships. ABEMA NEWS continues to provide high-profile news and press conferences as well as real-time disaster-related information. It programs timely news specials and is becoming increasingly well-established as a “lifestyle infrastructure” during emergencies. TELASA, which provides the subscription-video-on-demand (SVOD) service as a joint venture with KDDI Corporation, is steadily increasing its subscribership and expanding the business by aggressively developing tie-up content with TV Asahi programs, TELASA’s original Thai-style content, and other content. The Company will continue to expand the content pipeline in an effort to reach the target of two million subscribers by the end of fiscal year ending March 2024. The free-of-charge TV catch-up service, TVer, achieved total application downloads exceeding 50 million in July 2022, and the number of monthly unique browsers is also growing steadily. Furthermore, the real-time streaming of mainly Prime Time programs began in April 2022, sales of all ad slots started in April 2023 and the Company aims to focus on growing the new business. 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 and is seeing significant growth in its business performance, mainly from advertising on the VOD catch-up service. Moreover, UltraImpression is also expanding its business of providing ad servers to other companies’ platforms, including ad servers to J SPORTS On Demand starting in March 2023. In terms of other content, the news VOD distribution business grew significantly, including surpassing 3 million subscribers on both its official YouTube channel and TikTok followers. In conjunction with the 50-year anniversary of the founding of the organization, New Japan Pro-Wrestling’s NJPW WORLD worked to increase its program-linked PR and distribution channels, resulting in a record number of paying members. The Company also actively pursued pay-per-view for popular programming events and sporting competitions and have achieved results.

As a result of the above activities, during the fiscal year under review, the Internet Business recorded net sales of ¥25.455 billion (+10.6% year on year), while operating expenses were ¥24.052 billion (+11.2%). As a result, operating income was ¥1.403 billion (+0.7%).

3) Shopping Business

In the second half of the fiscal year, a new weekly program on Fridays, Gogo mo Jun Sanpo, was launched and overall sales were strong. On the other hand, sales decreased in the fiscal year under review as stay-at-home demand due to the COVID-19 pandemic began to diminish. In addition, operating expenses increased, including inventory write-downs and advertising expenses.

As a result of the above activities, during the fiscal year under review, the Shopping Business recorded net sales of ¥19.490 billion (-0.1% year on year), while operating expenses were ¥18.623 billion (+5.6%). As a result, operating income was ¥0.867 billion (-53.5%).

4) Other Businesses

In the Special Events Business, as measures against the COVID-19 pandemic gradually eased, the annual music festivals, TV Asahi Dream Festival and TOKYO+OSAKA METROPOLITAN ROCK FESTIVAL were held back to their previous capacity, which was a major factor in revenue growth. In addition, as a new endeavor, Yuzuru Hanyu's first ice show Prologue was held in Yokohama and Hachinohe since he became a professional figure skater. Events of the popular late-night variety shows Kyocorohee and HamAsuka Broadcasting Club as well as a stage adaptation of the popular drama series Mr. Housekeeper, Mitazono were also well received. In addition, THE DORAEMON EXHIBITION, which started at Roppongi Hills in 2017 and toured to nine cities in Japan, traveled overseas for the first time. The exhibition was held at the National Museum of Singapore for three months. Moreover, the TV Asahi Roppongi Hills SUMMER STATION which was held for the first time in three years, offered various attractions, gourmet events and live music performances that were collaborations with terrestrial programs for a total of 37 days. It was an event where families and the young generation returned to the summer in Roppongi.

In the Music Publication Business, revenue increased mainly due to concert tours conducted by the artists under management, KETSUMEISHI and Hirai Dai.

Regarding investment in motion pictures, the movie Crayon Shin-chan: Mononoke Ninja Chinpuden, released in April 2022, has grossed ¥2.04 billion, and the movie Doraemon: Nobita's Sky Utopia, released in March 2023, has also grossed over ¥3.06 billion as of March 31, 2023. In addition, we released drama series, including 7 Secretaries THE MOVIE and SHYLOCK'S CHILDREN. On the other hand, major investments continued in the second half of the fiscal year, including THE LEGEND & BUTTERFLY and Shin Kamen Rider.

Several DVD titles were released, including the popular series Aibou, the popular Roppongi Class, Hadaka no Shounen 2021, and My Love Mix-Up! from the Oshidora Saturday programming slot.

As a result of the above activities, during the fiscal year under review, the Other Businesses segment recorded net sales of ¥40.442 billion (+37.4% year on year), while operating expenses were ¥37.834 billion (+35.8%). As a result, operating income was ¥2.607 billion (+ 64.9%).

Operating results by reportable segment are as follows:

(millions of yen; percentages indicate year-on-year changes)

	Net sales		
	Previous fiscal year	Fiscal year under review	
TV Broadcasting Business	238,745	232,669	(2.5)%
Internet Business	23,016	25,455	10.6%
Shopping Business	19,501	19,490	(0.1)%
Other Businesses	29,443	40,442	37.4%
Adjustments	(12,430)	(13,490)	-

Total	298,276	304,566	2.1%
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(millions of yen; percentages indicate year-on-year changes)

	Segment income		
	Previous fiscal year	Fiscal year under review	
TV Broadcasting Business	16,653	9,586	(42.4)%
Internet Business	1,392	1,403	0.7%
Shopping Business	1,865	867	(53.5)%
Other Businesses	1,580	2,607	64.9%
Adjustments	(60)	38	-
Total	21,431	14,503	(32.3)%

(2) Financial Condition

Current assets totaled ¥181.797 billion as of March 31, 2023, an increase of ¥3.272 billion from March 31, 2022. The increase is mainly attributable to an increase of ¥3.609 billion in marketable securities.

Fixed assets totaled ¥313.326 billion as of March 31, 2023, a decrease of ¥6.956 billion from March 31, 2022. The decline is mainly attributable to a decrease of ¥8.474 billion in investment securities.

As a result of the above, total assets decreased by ¥3.684 billion from March 31, 2022 to ¥495.123 billion on March 31, 2023.

Current liabilities totaled ¥68.982 billion as of March 31, 2023, a decrease of ¥0.522 billion from March 31, 2022. The decrease is mainly attributable to a decrease of ¥4.875 billion in “Other” due to a decrease in accrued income taxes, etc., despite an increase of ¥4.495 billion in trade notes and accounts payable.

Non-current liabilities totaled ¥31.377 billion on March 31, 2023, a decrease of ¥4.710 billion from March 31, 2022. The decrease is mainly attributable to a decrease of ¥4.372 billion in deferred tax liabilities.

As a result of the above, total liabilities decreased by ¥5.233 billion from March 31, 2022 to ¥100.359 billion on March 31, 2023.

Net assets as of March 31, 2023 totaled ¥394.763 billion, an increase of ¥1.548 billion from March 31, 2022. As a result, the owners’ equity ratio was 79.4% as of March 31, 2023.

(3) Cash Flows

Cash and cash equivalents decreased by ¥16.202 billion from March 31, 2022 to ¥61.114 billion as of March 31, 2023.

<Cash flows from operating activities>

Net cash provided by operating activities totaled ¥15.300 billion in the fiscal year ended March 31, 2023, a ¥14.826 billion decrease in cash provided compared to the previous fiscal year. The decrease is mainly attributable to a decrease of ¥6.848 billion in income before income taxes and ¥4.415 billion in inventories.

<Cash flows from investing activities>

Net cash used in investing activities totaled ¥25.009 billion in the fiscal year ended March 31, 2023, a ¥32.635 billion increase in cash used compared to the previous fiscal year. This was mainly attributable to a ¥46.6 billion decrease in proceeds from redemption of marketable securities.

<Cash flows from financing activities>

Net cash used in financing activities totaled ¥6.6 billion in the fiscal year ended March 31, 2023, a ¥2.036 billion increase in cash used compared to the previous fiscal year. This was mainly attributable to a ¥1.057 billion increase in dividends paid to stockholders.

(4) Future outlook

Although the economic environment remains uncertain mainly due to the situation in Ukraine, rising prices and fluctuations in the financial and capital markets, the Company expects an increase in spot advertising sales in the TV Broadcasting Business due to strong ratings. In addition, net sales and operating income is expected to grow from actively expanding business in the Internet Business and Shopping Business, etc. On the other hand, ordinary income and profit attributable to owners of the parent are expected to decline mainly due to a downward rebound in share of profit of entities accounted for using the equity method.

As a result, for the fiscal year ending March 31, 2024, the company forecasts full-year consolidated net sales of ¥313.0 billion, operating income of ¥15.0 billion, ordinary income of ¥20.0 billion, and profit attributable to owners of the parent of ¥15.0 billion.

(5) Basic Policy on the Distribution of Profits and Dividends for the Fiscal Year Ended March 31, 2023 and Fiscal Year Ending March 31, 2024

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 common 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, 2023, 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 Dividend per share of fiscal year ending March 31, 2024, the Company plans to pay an interim dividend of ¥20 per share and a year-end dividend of ¥30 per share (of which, ¥10 is a commemorative dividend for the Company's 65th Anniversary). This will result in a planned annual dividend of ¥50 per share.

2. Basic Policy on Selection of Accounting Standards

The Company prepares its consolidated financial statements in accordance with Japanese GAAP. The Company will closely monitor developments related to the future adoption of the International Financial Reporting Standards (IFRS) and take appropriate actions.

3. Consolidated Financial Statements

(1) Consolidated Balance Sheets

(millions of yen)

	As of March 31, 2022 Amount	As of March 31, 2023 Amount
Assets		
Current assets		
Cash and deposits	67,666	60,475
Trade notes and accounts receivable	79,105	81,796
Marketable securities	12,399	16,008
Inventories	9,471	11,146
Other current assets	9,959	12,444
Less allowance for doubtful accounts	(76)	(74)
Total current assets	178,525	181,797
Fixed assets		
Tangible assets		
Buildings and structures, net	28,490	27,891
Machinery and vehicles, net	14,608	12,186
Land	53,630	64,670
Other tangible assets, net	8,648	6,960
Total tangible assets	105,378	111,708
Intangible assets		
Other intangible assets	8,748	4,892
Total intangible assets	8,748	4,892
Investments and other assets		
Investment securities	184,566	176,092
Deferred tax assets	15,335	14,618
Other investments and other assets	6,842	6,579
Less allowance for doubtful accounts	(587)	(564)
Total investments and other assets	206,156	196,725
Total fixed assets	320,283	313,326
Total assets	498,808	495,123

	(millions of yen)	
	As of March 31, 2022 Amount	As of March 31, 2023 Amount
Liabilities		
Current liabilities		
Trade notes and accounts payable	7,254	11,749
Other payables	17,730	16,691
Accrued expenses	30,336	31,232
Other current liabilities	14,184	9,308
Total current liabilities	69,505	68,982
Non-current liabilities		
Deferred tax liabilities	16,993	12,621
Net defined benefit liabilities	16,807	16,965
Other non-current liabilities	2,286	1,790
Total non-current liabilities	36,087	31,377
Total liabilities	105,593	100,359
Net assets		
Stockholders' equity		
Common stock	36,677	36,687
Additional paid-in capital	70,472	70,482
Retained earnings	261,466	272,756
Treasury stock	(13,637)	(13,624)
Total stockholders' equity	354,978	366,302
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	40,072	29,810
Deferred gain (loss) on hedges	23	(0)
Foreign currency translation adjustments	340	930
Remeasurements of defined benefit plans	(3,496)	(3,814)
Total accumulated other comprehensive income	36,939	26,925
Non-controlling interests	1,298	1,535
Total net assets	393,215	394,763
Total liabilities and net assets	498,808	495,123

(2) Consolidated Statements of Income and Comprehensive Income

Consolidated Statements of Income

(millions of yen)

	Year ended March 31, 2022	Year ended March 31, 2023
	Amount	Amount
Net sales	298,276	304,566
Cost of sales	211,293	225,000
Gross profit	86,982	79,566
SGA expenses	65,550	65,062
Operating income	21,431	14,503
Non-operating revenue		
Dividend income	1,239	1,389
Share of profit of entities accounted for using equity method	3,389	7,013
Other non-operating revenue	590	582
Total non-operating revenue	5,220	8,986
Non-operating expenses		
Loss on disposal of noncurrent assets	149	243
Other non-operating expenses	59	89
Total non-operating expenses	208	332
Ordinary Income	26,443	23,157
Extraordinary gains		
Gain on sales of investment securities	4,655	3,201
Gain on sales of share of subsidiaries and affiliates	-	135
Total extraordinary gains	4,655	3,336
Extraordinary losses		
Impairment loss	-	2,574
Loss on valuation of investment securities	371	300
Loss on COVID-19	260	-
Total extraordinary losses	631	2,874
Income before income taxes	30,467	23,619
Income taxes		
Current	9,864	5,813
Deferred	(531)	964
Total income taxes	9,333	6,777
Profit	21,134	16,841
Profit attributable to non-controlling interests	134	237
Profit attributable to owners of the parent	20,999	16,603

Consolidated Statements of Comprehensive Income

(millions of yen)

	Year ended March 31, 2022	Year ended March 31, 2023
	Amount	Amount
Profit	21,134	16,841
Other comprehensive income		
Valuation difference on available-for-sale securities	(1,534)	(10,012)
Deferred gain (loss) on hedges	11	(22)
Foreign currency translation adjustments	61	100
Remeasurements of defined benefit plans	185	(360)
Share of other comprehensive income of entities accounted for using equity method	751	282
Total other comprehensive income	(525)	(10,013)
Comprehensive income	20,608	6,828
Components:		
Comprehensive income attributable to owners of the parent	20,474	6,590
Comprehensive income attributable to non-controlling interests	134	237

(3) Consolidated Statements of Changes in Net Assets

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

Year ended March 31, 2023 (April 1, 2022 to March 31, 2023)

(millions of yen)

	Stockholders' equity				
	Common stock	Additional paid-in capital	Retained earnings	Treasury stock	Total stockholders' equity
Balance at beginning of term	36,667	70,472	261,466	(13,637)	354,978
Changes during term					
Issuance of new shares	10	10			21
Cash dividends			(5,286)		(5,286)
Profit attributable to owners of the parent			16,603		16,603
Cancellation of treasury stock			(26)	26	-
Change in treasury stock arising from change in equity in entities accounted for using equity method				(13)	(13)
Net changes other than stockholder's equity					
Total changes during term	10	10	11,290	12	11,324
Balance at end of term	36,687	70,482	272,756	(13,624)	366,302

	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	40,072	23	340	(3,496)	36,939	1,298	393,215
Changes during term							
Issuance of new shares							21
Cash dividends							(5,286)
Profit attributable to owners of the parent							16,603
Cancellation of treasury stock							-
Change in treasury stock arising from change in equity in entities accounted for using equity method							(13)
Net changes other than stockholder's equity	(10,262)	(23)	590	(317)	(10,013)	237	(9,775)
Total changes during term	(10,262)	(23)	590	(317)	(10,013)	237	1,548
Balance at end of term	29,810	(0)	930	(3,814)	26,925	1,535	394,763

(4) Consolidated Statements of Cash flows

(millions of yen)

	Year ended March 31, 2022	Year ended March 31, 2023
	Amount	Amount
Cash flows from operating activities		
Income before income taxes	30,467	23,619
Depreciation and amortization	10,296	10,148
Impairment loss	-	2,574
Amortization of goodwill	610	610
(Gain) loss on disposal of noncurrent assets	149	243
(Gain) loss on sales of investment securities	(4,655)	(3,201)
(Gain) loss on valuation of investment securities	371	300
(Gain) loss on sales of share of subsidiaries and affiliates	-	(135)
Increase (decrease) in allowance for doubtful accounts	(22)	(25)
Increase (decrease) in net defined benefit liabilities	602	(393)
Dividend income	(1,239)	(1,389)
Share of (profit) loss of entities accounted for using equity method	(3,389)	(7,013)
(Increase) decrease in trade notes and accounts receivables	(4,348)	(2,689)
(Increase) decrease in inventories	2,740	(1,675)
Increase (decrease) in trade notes and accounts payables	1,146	4,491
Other cash flows from operating activities	3,022	(2,205)
Subtotal	35,750	23,257
Interest and dividend received	2,187	2,585
Income taxes refunded	498	38
Income taxes paid	(8,309)	(10,580)
Net cash provided by operating activities	30,126	15,300
Cash flows from investing activities		
Purchase of marketable securities	(82,819)	(56,902)
Proceeds from redemption of marketable securities	92,000	45,400
Purchase of trust beneficiary right	-	(2,000)
Proceeds from redemption of trust beneficiary right	1,200	2,000
Purchase of tangible assets	(5,649)	(14,365)
Purchase of intangible assets	(1,719)	(1,281)
Purchase of investment securities	(272)	(1,154)
Proceeds from sales of investment securities	4,972	3,505
Other cash flows from investing activities	(85)	(210)
Net cash used in investing activities	7,625	(25,009)
Cash flows from financing activities		
Purchase of treasury stock	-	-
Dividends paid to stockholders	(4,229)	(5,286)
Other cash flows from financing activities	(334)	(1,313)
Net cash used in financing activities	(4,563)	(6,600)
Effect of exchange rate changes on cash and cash equivalents	65	106
Net increase (decrease) in cash and cash equivalents	33,254	(16,202)
Cash and cash equivalents at beginning of term	44,062	77,317
Cash and cash equivalents at end of term	77,317	61,114

Segment Information

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

	Reportable segment					Total	Adjustments* ¹	(millions of yen) Amounts reported on consolidated financial statements* ²
	TV Broadcasting Business	Internet Business	Shopping Business	Other Businesses				
Sales								
Sales to outside customers	236,664	20,960	19,463	21,187	298,276	-	298,276	
Inter-segment sales and transfers	2,080	2,056	37	8,256	12,430	(12,430)		
Total	238,745	23,016	19,501	29,443	310,706	(12,430)	298,276	
Segment income	16,653	1,392	1,865	1,580	21,492	(60)	21,431	
Other items								
Depreciation/amortization	7,689	547	166	1,893	10,296	-	10,296	

- Notes: 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 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 income is adjusted to align it with operating income reported on the consolidated statements of income for the corresponding period.
3. Segment assets are not noted as they are not divided into business segments.

Year ended March 31, 2023 (April 1, 2022 to March 31, 2023)

(millions of yen)

	Reportable segment					Total	Adjustments* ¹	Amounts reported on consolidated financial statements* ²
	TV Broadcasting Business	Internet Business	Shopping Business	Other Businesses				
Sales								
Sales to outside customers	229,937	23,165	19,450	32,013	304,566	-	304,566	
Inter-segment sales and transfers	2,732	2,289	40	8,428	13,490	(13,490)	-	
Total	232,669	25,455	19,490	40,442	318,057	(13,490)	304,566	
Segment income	9,586	1,403	867	2,607	14,464	38	14,503	
Other items								
Depreciation/amortization	7,407	714	148	1,877	10,148	-	10,148	

Notes: 1. Segment income adjustments totaling 38 million yen includes elimination of inter-segment transactions of minus 132 million yen, 2,109 million yen income accruing from inter-company transactions with subsidiaries, and corporate expenses of minus 1,938 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 consolidated statements of income for the corresponding period.

3. Segment assets are not noted as they are not divided into business segments.