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Consolidated Financial Report for Fiscal 2021  
(The Fiscal Year Ended March 31, 2022 under Japanese GAAP)



May 16, 2022

Company Name: Asahi Broadcasting Group Holdings Corporation  
 Stock Exchange Listing: Tokyo Stock Exchange  
 Securities Code: 9405  
 URL <https://corp.asahi.co.jp/en/>  
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 Scheduled Date of Ordinary General Meeting of Shareholders: June 23, 2022  
 Scheduled Date of Dividend Payment Commencement: June 24, 2022  
 Scheduled Date of Securities Report Filing: June 24, 2022  
 Preparation of Annual Supplementary Explanatory Materials: Yes  
 Annual Results Briefing Held: Yes (for institutional investors and analysts)

(Figures are rounded down to the nearest million yen unless otherwise stated.)

1. Consolidated Financial Results for Fiscal 2021 (April 1, 2021 to March 31, 2022)

(1) Consolidated Operating Results

(Percentage figures show the year-on-year increase (decrease).)

	Net Sales		Operating Income		Ordinary Income		Profit attributable to owners of parent	
	¥ million	%	¥ million	%	¥ million	%	¥ million	%
Fiscal 2021	85,100	8.6	4,203	56.0	4,792	58.0	2,671	—
Fiscal 2020	78,344	(5.5)	2,694	(20.5)	3,033	(16.5)	(930)	—

Note: Comprehensive Income Fiscal 2021: ¥981 million (-11.2%)  
 Fiscal 2020: ¥1,105 million (35.3%)

	Basic Earnings per Share	Diluted Earnings per Share	Rate of return on equity	Ordinary Income/Total Assets	Operating Income/Net Sales
	¥	¥	%	%	%
Fiscal 2021	64.97	—	4.0	3.9	4.9
Fiscal 2020	(22.69)	—	(1.4)	2.6	3.4

(Reference) Equity in Earnings of Affiliates Fiscal 2021: ¥— million  
 Fiscal 2020: ¥— million

(2) Consolidated Financial Position

	Total Assets	Net Assets	Equity-to-Asset Ratio	Net Assets per Share
	¥ million	¥ million	%	¥
March 31, 2022	123,788	70,497	54.1	1,604.91
March 31, 2021	119,079	69,700	55.5	1,609.44

(Reference) Shareholders' Equity March 31, 2022: ¥66,975 million  
 March 31, 2021: ¥66,035 million

(3) Consolidated Cash Flows

	Net Cash Provided By (Used In) Operating Activities	Net Cash Provided By (Used In) Investing Activities	Net Cash Provided By (Used In) Financing Activities	Ending Balance of Cash and Cash Equivalents
	¥ million	¥ million	¥ million	¥ million
Fiscal 2021	4,689	(4,276)	543	27,695
Fiscal 2020	5,952	(10,311)	4,583	26,739

## 2. Dividends

	Annual Dividend per Share					Total Dividends	Payout Ratio (Consolidated)	Ratio of Dividends to Net Assets (Consolidated)
	1Q-End	2Q-End	3Q-End	Period-End	Total			
	¥	¥	¥	¥	¥	¥ million	%	%
Fiscal 2020	—	5.00	—	5.00	10.00	410	—	0.6
Fiscal 2021	—	7.00	—	17.00	24.00	997	36.9	1.5
Fiscal 2022 (Forecast)	—	10.00	—	10.00	20.00		28.8	

## 3. Consolidated Financial Results Forecasts for Fiscal 2022 (April 1, 2022 to March 31, 2023)

(Percentage figures show the year-on-year increase (decrease).)

	Net Sales		Operating Income		Ordinary Income		Profit attributable to owners of parent		Basic Earnings per Share
	¥ million	%	¥ million	%	¥ million	%	¥ million	%	¥
Full Fiscal Year	91,000	6.9	4,000	(4.8)	4,500	(6.1)	2,900	8.6	69.49

### \* Notes

(1) Changes in the number of important subsidiaries during the period: None

(2) Changes in accounting policies, accounting estimates and restatements

1) Changes in accounting policies in accordance with changes in accounting standards, etc.: Yes

2) Changes in accounting policies other than 1): None

3) Changes in accounting estimates: Yes

4) Restatements: None

(3) Number of shares issued and outstanding (common shares)

1) Number of shares issued and outstanding as of the period-end (including treasury shares)

March 31, 2022	41,833,000 shares	March 31, 2021	41,833,000 shares
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2) Number of treasury shares as of the period-end

March 31, 2022	101,261 shares	March 31, 2021	802,674 shares
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3) Average number of shares issued and outstanding for the period

March 31, 2022	41,115,176 shares	March 31, 2021	41,015,725 shares
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(Reference) Summary of Non-consolidated Financial Results

1. Non-consolidated Financial Results for Fiscal 2021 (April 1, 2021 to March 31, 2022)

(1) Non-consolidated Operating Results

(Percentage figures show the year-on-year increase (decrease).)

	Net Sales		Operating Income		Ordinary Income		Profit	
	¥ million	%	¥ million	%	¥ million	%	¥ million	%
Fiscal 2021	5,917	8.4	358	(25.0)	389	(38.5)	(6,299)	—
Fiscal 2020	5,457	(4.5)	478	(52.6)	633	(44.4)	(2,253)	—

	Basic Earnings per Share	Diluted Earnings per Share
	¥	¥
Fiscal 2021	(153.22)	—
Fiscal 2020	(54.94)	—

(2) Non-consolidated Financial Position

	Total Assets	Net Assets	Equity-to-Asset Ratio	Net Assets per Share
	¥ million	¥ million	%	¥
March 31, 2022	56,910	43,003	75.6	1,030.49
March 31, 2021	62,546	50,851	81.3	1,239.36

(Reference) Shareholders' Equity March 31, 2022: ¥43,003 million

March 31, 2021: ¥50,851 million

\* These consolidated financial results are outside the scope of audit by certified public accountants and audit corporations

\* Explanation concerning the appropriate use of forecasts and other special instructions

(Caution regarding forward-looking statements, etc.)

Results forecasts and other forward-looking statements contained in this report are based on the assumptions, beliefs, and uncertainties in light of information available to the Company's management as of the publication date and do not represent promises by the Company or its management that these performance figures will be attained. Actual results may differ materially from forecasts due to a variety of factors. Please refer to "1. Overview of Business Results, etc. (4) Future Outlook" on page 4 of the attached supplementary materials for information regarding the underlying assumptions for financial results forecasts, as well as explanatory and other notes regarding the use of financial results forecasts.

The Company will hold a briefing for institutional investors and analysts (online), scheduled for Monday, May 23, 2022. The document to be used at this briefing shall be published on the Company's website at 10:00 a.m. on the day of the event.

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## **1. Overview of Business Results, etc.**

### **(1) Overview of Business Results for the Fiscal Year under Review**

In fiscal 2021, which extended from April 1, 2021 to March 31, 2022, the Japanese economy saw a gradual resumption of economic activity with the progress in vaccination, as well as signs of a recovery, despite the remaining influence of COVID-19. On the other hand, the economic outlook is uncertain, with the number of infected people remaining high due to the spread of a new COVID-19 variant, coupled with Russia's invasion of Ukraine.

Under these circumstances, net sales of the broadcasting and content business, where the Asahi Broadcasting Group (the Group) conducts its core business, increased mainly due to an increase in TV spot advertising sales, the mainstay of the business. Net sales of the lifestyle business were down due to a rebound from the large real estate sales in the previous fiscal year. As a result of these factors, the Group's net sales for the fiscal year ended March 31, 2022 increased ¥6,755 million, or 8.6%, compared to the previous fiscal year and amounted to ¥85,100 million. From the cost standpoint, cost of sales increased ¥3,188 million (6.1%) compared with the previous fiscal year, to ¥55,581 million. Selling, general and administrative expenses increased ¥2,058 million (8.9%) compared with the previous fiscal year, to ¥25,315 million. As a result of the above, operating income increased ¥1,508 million, or 56.0%, to ¥4,203 million, while ordinary income totaled ¥4,792 million, an increase of ¥1,759 million, or 58.0%. Additionally, ¥267 million of extraordinary income due to gain on sales of shares was recorded, while ¥491 million of extraordinary loss due to impairment loss was recorded.

As a result, income before income taxes was ¥4,568 million, an increase of ¥4,312 million, and profit attributable to owners of parent was ¥2,671 million, an increase of ¥3,601 million.

The Company resolved at a meeting of its Board of Directors held on May 12, 2021 to change the classification of its reportable segments.

From the fiscal 2021, the classification has been changed from the previous segments of the broadcasting business, the housing business and the golf business in the previous fiscal year, to the broadcasting and content business and the lifestyle business.

Additionally, the Accounting Standard for Revenue Recognition (ASBJ Statement No. 29, March 31, 2020; hereinafter, "Revenue Recognition Accounting Standard"), etc. have been applied from the beginning of the fiscal 2021. For details, please refer to "3. Consolidated Financial Statements and Primary Notes (5) Notes regarding Consolidated Financial Statements (Changes in Accounting Policies) and (Segment Information, etc.)."

Results by business segment are as follows:

#### *Broadcasting and Content Business*

Net sales in the broadcasting and content business totaled ¥71,348 million, up ¥9,498 million, or 15.4%, compared to the previous fiscal year. The principal factor accounting for this increase in revenue was an increase in TV spot advertising sales, the mainstay of the business, which were largely affected by the spread of COVID-19 in the previous fiscal year. Additionally, in operating expenses, program expenses and event costs increased on account of the resumption of sport live broadcasting and events, which were cancelled or postponed in the previous fiscal year, and the relaxation of constraints on program production. As a result, operating income amounted to ¥3,654 million, an increase of ¥1,634 million, or 80.9%, from the previous fiscal year.

#### *Lifestyle Business*

In the lifestyle business, revenue decreased as there were large real estate sales in the previous fiscal year. As a result, net sales amounted to ¥13,751 million, a decrease of ¥2,743 million, or 16.6%, compared with the previous fiscal year. Operating income amounted to ¥874 million, a decrease of ¥113 million, or 11.5%, from the previous fiscal year.

## **(2) Overview of Financial Position for the Fiscal Year under Review**

### *(Assets)*

Total assets as of the end of the fiscal year under review were ¥123,788 million, ¥4,708 million higher than at the end of the previous fiscal year (March 31, 2021). In addition to an increase in notes and accounts receivable - trade, and contract assets, there was an increase in property, plant and equipment, such as machinery equipment and vehicles and land.

### *(Liabilities)*

Total liabilities were ¥53,290 million, ¥3,911 million higher than at the end of the previous fiscal year. This was primarily attributable to an increase in accounts payable - other and an increase in accounts payable for equipment, which is included in other current liabilities.

### *(Net Assets)*

Consolidated total net assets came to ¥70,497 million, ¥796 million higher than at the end of the previous fiscal year. This was attributable mainly to dividends from surplus and a decrease in valuation difference on available-for-sale securities, while profit attributable to owners of parent was recorded.

## **(3) Overview of Cash Flows for the Fiscal Year under Review**

For the fiscal year under review, net cash provided by operating activities totaled ¥4,689 million. Net cash used in investing activities was ¥4,276 million, and net cash provided by financing activities came to ¥543 million. Accounting for each of these activities, the ending balance of cash and cash equivalents stood at ¥27,695 million, an increase of ¥956 million compared with the end of the previous fiscal year. In specific terms, cash flow activities are presented as follows.

### *(Cash Flows from Operating Activities)*

Net cash provided by operating activities was ¥4,689 million (an inflow of ¥5,952 million during the previous fiscal year) due mainly to the recording of depreciation and amortization and an increase in notes and accounts payable - trade.

### *(Cash Flows from Investing Activities)*

Net cash used in investing activities was ¥4,276 million (an outflow of ¥10,311 million during the previous fiscal year) due mainly to purchase of property, plant and equipment.

### *(Cash Flows from Financing Activities)*

Net cash provided by financing activities was ¥543 million (an inflow of ¥4,583 million during the previous fiscal year) due mainly to long term loans payable.

#### **(4) Future Outlook**

At present, it is extremely difficult to forecast when the spread of COVID-19 will recede, the status of recovery of economic activity after the virus recedes, etc.

As for the outlook for the Japanese economy in fiscal 2022, we must say that the situation is extremely uncertain. Amid these circumstances, the Group will strive to improve viewer ratings in the broadcasting business, where we conduct our core business, while investing in further expansion of content-related business and in digital transformation, as well as proactively addressing regional revitalization and the Sustainable Development Goals (SDGs).

For fiscal 2022 on a consolidated basis, we forecast net sales of ¥91,000 million, operating income of ¥4,000 million, ordinary income of ¥4,500 million, and profit attributable to owners of parent of ¥2,900 million.

#### **(5) Significant Events regarding Going Concern Assumptions**

Not applicable.

#### **2. Rationale behind the Choice of Accounting Standards**

To sustain comparability of consolidated financial statements between periods as well as between companies, the Group shall, for the time being, prepare consolidated financial statements under Japanese GAAP.

### 3. Consolidated Financial Statements and Primary Notes

#### (1) Consolidated Balance Sheet

(Millions of Yen)

	March 31, 2021	March 31, 2022
<b>Assets</b>		
Current assets		
Cash and deposits	22,362	23,586
Notes and accounts receivable - trade, and contract assets	13,219	15,497
Short-term investment securities	5,621	4,715
Inventories	3,011	3,149
Income taxes receivable	173	279
Other	2,292	2,527
Allowance for doubtful accounts	(15)	(11)
Total current assets	46,664	49,744
Non-current assets		
Property, plant and equipment		
Buildings and structures	35,490	35,616
Accumulated depreciation	(16,035)	(16,762)
Buildings and structures, net	19,454	18,854
Machinery equipment and vehicles	21,517	23,536
Accumulated depreciation	(16,503)	(16,144)
Machinery equipment and vehicles, net	5,013	7,392
Tools furniture and fixtures	1,902	1,587
Accumulated depreciation	(1,396)	(1,077)
Tools furniture and fixtures, net	506	509
Land	12,543	14,252
Lease assets	143	143
Accumulated depreciation	(65)	(86)
Lease assets, net	78	57
Construction in progress	2,164	484
Total property, plant and equipment	39,760	41,550
Intangible assets		
Software	1,145	2,313
Software in progress	503	60
Goodwill	1,203	986
Other	142	111
Total intangible assets	2,995	3,472
Investments and other assets		
Investment securities	18,606	16,900
Long-term loans receivable	104	310
Long-term prepaid expenses	970	1,561
Deferred tax assets	7,391	7,426
Other	2,575	2,817
Allowance for doubtful accounts	(33)	(31)
Total investments and other assets	29,614	28,985
Total non-current assets	72,370	74,009
Deferred assets		
Bond issuance cost	44	34
Total deferred assets	44	34
Total assets	119,079	123,788



(Millions of Yen)

	March 31, 2021	March 31, 2022
<b>Liabilities</b>		
Current liabilities		
Short-term borrowings	—	50
Current portion of long term loans payable	564	513
Current portion of bonds	26	26
Lease obligations	20	21
Accounts payable - other	6,615	8,131
Accrued expenses	1,782	2,264
Income taxes payable	1,060	1,277
Provision for directors' bonuses	68	102
Other	4,974	6,134
Total current liabilities	15,112	18,520
Non-current liabilities		
Long term loans payable	1,200	1,852
Bonds payable	10,039	10,013
Lease obligations	60	42
Net defined benefit liability	14,111	13,203
Long-term guarantee deposited	6,799	6,597
Deferred tax liabilities	1,131	1,040
Other	923	2,020
Total non-current liabilities	34,266	34,770
Total liabilities	49,378	53,290
<b>Net assets</b>		
Shareholders' equity		
Capital stock	5,299	5,299
Capital surplus	5,862	5,984
Retained earnings	52,910	54,923
Treasury stock	(402)	(50)
Total shareholders' equity	63,670	66,157
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	3,320	1,826
Foreign currency translation adjustment	(129)	(126)
Remeasurements of defined benefit plans	(825)	(881)
Total valuation and translation adjustments	2,365	818
Subscription rights to shares	—	8
Non-controlling interests	3,664	3,513
Total net assets	69,700	70,497
Total liabilities and net assets	119,079	123,788

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

## Consolidated Statement of Income

(Millions of Yen)

	Fiscal 2020 (April 1, 2020 to March 31, 2021)	Fiscal 2021 (April 1, 2021 to March 31, 2022)
Net sales	78,344	85,100
Cost of sales	52,393	55,581
Gross profit	25,951	29,518
Selling, general and administrative expenses	23,256	25,315
Operating income	2,694	4,203
Non-operating income		
Interest and dividends income	205	187
Subsidy income	154	497
Other	132	112
Total non-operating income	492	797
Non-operating expenses		
Interest expenses	29	30
Loss on disposal of non-current assets	34	23
Loss on investments in partnership	60	67
Loss on investments in silent partnership	4	25
Commission expenses	—	26
Other	23	33
Total non-operating expenses	153	207
Ordinary income	3,033	4,792
Extraordinary income		
Gain on sales of investment securities	607	267
Gain on reversal of provision for loss on venue closing	61	—
Total extraordinary income	668	267
Extraordinary loss		
Loss on valuation of investment securities	3,202	121
Loss on valuation of stocks of subsidiaries and affiliates	110	—
Loss on valuation of investments in capital	49	—
Impairment loss	24	369
Special retirement expenses	57	—
Total extraordinary loss	3,445	491
Income before income taxes	256	4,568
Income taxes - current	1,244	1,809
Income taxes - deferred	185	274
Total income taxes	1,429	2,083
Profit (loss)	(1,173)	2,485
Profit (loss) attributable to non-controlling interests	(242)	(185)
Profit (loss) attributable to owners of parent	(930)	2,671

Consolidated Statement of Comprehensive Income

(Millions of Yen)

	Fiscal 2020 (April 1, 2020 to March 31, 2021)	Fiscal 2021 (April 1, 2021 to March 31, 2022)
Profit (loss)	(1,173)	2,485
Other comprehensive income		
Valuation difference on available-for-sale securities, net of tax	1,388	(1,449)
Foreign currency translation adjustment	(130)	2
Remeasurements of defined benefit plans, net of tax	1,021	(55)
Total other comprehensive income	2,279	(1,503)
Comprehensive income	1,105	981
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	1,340	1,123
Comprehensive income attributable to non-controlling interests	(234)	(141)

**(3) Consolidated Statement of Changes in Equity**

Fiscal 2020 (April 1, 2020 to March 31, 2021)

(Millions of Yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at the beginning of period	5,299	5,847	54,415	(426)	65,135
Cumulative effects of changes in accounting policies					—
Restated balance	5,299	5,847	54,415	(426)	65,135
Changes of items during the period					
Dividends from surplus			(573)		(573)
Profit (loss) attributable to owners of parent			(930)		(930)
Purchase of treasury stock				(0)	(0)
Disposal of treasury stock		15		23	38
Change in treasury shares of parent arising from transactions with non-controlling shareholders		0			0
Net changes of items other than shareholders' equity					—
Total changes of items during the period	—	15	(1,504)	23	(1,465)
Balance at the end of period	5,299	5,862	52,910	(402)	63,670

	Valuation and translation adjustments				Subscription rights to shares	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total valuation and translation adjustments			
Balance at the beginning of period	1,941	—	(1,846)	94	0	3,860	69,091
Cumulative effects of changes in accounting policies				—			—
Restated balance	1,941	—	(1,846)	94	0	3,860	69,091
Changes of items during the period							
Dividends from surplus				—			(573)
Profit (loss) attributable to owners of parent				—			(930)
Purchase of treasury stock				—			(0)
Disposal of treasury stock				—			38
Change in treasury shares of parent arising from transactions with non-controlling shareholders				—			0
Net changes of items other than shareholders' equity	1,379	(129)	1,021	2,271	(0)	(196)	2,074
Total changes of items during the period	1,379	(129)	1,021	2,271	(0)	(196)	609
Balance at the end of period	3,320	(129)	(825)	2,365	—	3,664	69,700

Fiscal 2021(April 1, 2021 to March 31, 2022)

(Millions of Yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at the beginning of period	5,299	5,862	52,910	(402)	63,670
Cumulative effects of changes in accounting policies			(165)		(165)
Restated balance	5,299	5,862	52,745	(402)	63,504
Changes of items during the period					
Dividends from surplus			(492)		(492)
Profit (loss) attributable to owners of parent			2,671		2,671
Purchase of treasury stock					-
Disposal of treasury stock		120		352	472
Change in treasury shares of parent arising from transactions with non-controlling shareholders		1			1
Net changes of items other than shareholders' equity					-
Total changes of items during the period	-	121	2,178	352	2,652
Balance at the end of period	5,299	5,984	54,923	(50)	66,157

	Valuation and translation adjustments				Subscription rights to shares	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total valuation and translation adjustments			
Balance at the beginning of period	3,320	(129)	(825)	2,365	-	3,664	69,700
Cumulative effects of changes in accounting policies						(1)	(166)
Restated balance	3,320	(129)	(825)	2,365	-	3,663	69,533
Changes of items during the period							
Dividends from surplus				-			(492)
Profit (loss) attributable to owners of parent				-			2,671
Purchase of treasury stock				-			-
Disposal of treasury stock				-			472
Change in treasury shares of parent arising from transactions with non-controlling shareholders				-			1
Net changes of items other than shareholders' equity	(1,493)	2	(55)	(1,547)	8	(150)	(1,688)
Total changes of items during the period	(1,493)	2	(55)	(1,547)	8	(150)	963
Balance at the end of period	1,826	(126)	(881)	818	8	3,513	70,497

**(4) Consolidated Statement of Cash Flows**

(Millions of Yen)

	Fiscal 2020 (April 1, 2020 to March 31, 2021)	Fiscal 2021 (April 1, 2021 to March 31, 2022)
<b>Cash flows from operating activities</b>		
Income before income taxes	256	4,568
Depreciation and amortization	3,088	3,246
Impairment loss	24	369
Amortization of goodwill	52	127
Increase (decrease) in allowance for doubtful accounts	(1)	(7)
Increase (decrease) in provision for loss on venue closing	(272)	—
Increase (decrease) in net defined benefit liability	(1,306)	(1,308)
Interest and dividend income	(205)	(187)
Interest expenses	29	30
Loss on retirement of property, plant and equipment	34	23
Loss (gain) on sales of investment securities	(607)	(267)
Loss (gain) on valuation of investment securities	3,202	121
Loss on valuation of stocks of subsidiaries and affiliates	110	—
Loss on valuation of investments in capital	49	—
Loss (gain) on investments in partnership	60	67
Loss (gain) on investments in silent partnership	4	25
Decrease (increase) in notes and accounts receivable - trade	(384)	(2,275)
Decrease (increase) in inventories	1,807	(160)
Increase (decrease) in notes and accounts payable - trade	456	1320
Decrease (increase) in investment	(279)	(130)
Other, net	167	657
Subtotal	6,287	6,223
Interest and dividend income received	305	195
Interest expenses paid	(28)	(31)
Income taxes paid	(612)	(1,698)
Net cash provided by (used in) operating activities	5,952	4,689
<b>Cash flows from investing activities</b>		
Payments into time deposits	(295)	(297)
Proceeds from withdrawal of time deposits	277	330
Purchase of investment securities	(19)	—
Proceeds from sales of short-term investment securities	5	—
Proceeds from redemption of securities	—	1,100
Purchase of property, plant and equipment	(6,116)	(3,726)
Purchase of intangible assets	(373)	(709)
Payments for asset retirement obligations	—	(9)
Purchase of investment securities	(3,748)	(752)
Proceeds from sales of investment securities	640	299
Payments for investments in silent partnership	(100)	(100)
Proceeds from withdrawal of investments in silent partnership	95	—
Purchase of investments in subsidiaries resulting in change in scope of consolidation	(276)	—
Payments for transfer of business	(277)	—
Payments of loans receivable	(168)	(520)
Collection of loans receivable	46	186
Other, net	(0)	(76)
Net cash provided by (used in) investing activities	(10,311)	(4,276)
<b>Cash flows from financing activities</b>		
Proceeds from short-term borrowings	—	50

(Millions of Yen)

	Fiscal 2020 (April 1, 2020 to March 31, 2021)	Fiscal 2021 (April 1, 2021 to March 31, 2022)
Proceeds from long-term loans payable	1,000	1,222
Repayments of long-term loans payable	(813)	(620)
Proceeds from issuance of bonds	4,971	—
Redemption of bonds	(26)	(26)
Proceeds from share issuance to non-controlling shareholders	50	4
Proceeds from sales of treasury shares	—	435
Purchase of treasury stock	(0)	—
Cash dividends paid	(573)	(492)
Dividends paid to non-controlling interests	(11)	(11)
Repayments of lease obligations	(13)	(17)
Net cash provided by (used in) financing activities	4,583	543
Effect of exchange rate change on cash and cash equivalents	(128)	(0)
Net increase (decrease) in cash and cash equivalents	95	956
Beginning balance of cash and cash equivalents	26,643	26,739
Ending balance of cash and cash equivalents	26,739	27,695

## **(5) Notes regarding Consolidated Financial Statements**

(Going Concern Assumptions)

Not applicable.

(Changes in Accounting Policies)

The Company has applied the Accounting Standard for Revenue Recognition (ASBJ Statement No. 29, March 31, 2020; hereinafter “Revenue Recognition Accounting Standard”), etc. from the beginning of the fiscal 2021.

Accordingly, revenue is recognized when the control of promised goods or services is transferred to a customer at an amount that the Company expects to receive in exchange for transferring the goods or services to the customer.

Major changes due to the application of the Revenue Recognition Accounting Standard, etc. are as follows:

(1) Revenue recognition for agent transactions

The Company previously recognized revenue in the gross amount of consideration to be received from customers. From the fiscal 2021, for transactions in which the Group acts as an agent in the provision of goods or services to customers, revenue is recognized in the net amount of consideration to be received from customers, after deducting the costs payable to third parties.

(2) Revenue recognition for transactions that do not require refunds

The Company previously recognized revenue in a lump sum at the time of receiving payments. From the fiscal 2021, if the Group’s performance obligation is considered to be for the transfer of goods or services in the future, revenue is recognized at the time of the provision of the goods or services in the future.

(3) Revenue recognition for transactions in which the Company grants licenses

For some transactions in which the Company grants licenses, the Company previously recognized revenue at the time of receiving payments or at the time of delivery, etc. From fiscal 2021, revenue is recognized (i) when a customer becomes able to obtain benefit from the license through the use of the license, in cases where a performance obligation is satisfied at a point in time based on each contract; (ii) over a period of time, such as the contract period, by following the method to measure the progress towards complete satisfaction of a performance obligation as determined by each contract, in cases where the performance obligation is satisfied over time; or (iii) at a time when a customer recognizes sales revenue, etc. or when a performance obligation is satisfied, whichever is later, in cases where the consideration to be received for the grant of licenses is related to sales-based or usage-based royalties.

The application of the Revenue Recognition Accounting Standard, etc. follows the provisional treatment stipulated in the proviso of Paragraph 84 of the Revenue Recognition Accounting Standard. The cumulative effect of retrospectively applying the new accounting policy to the periods prior to the beginning of the fiscal 2021 is added to or subtracted from retained earnings at the beginning of the fiscal 2021, and the new accounting policy is applied from the said beginning balance. However, applying the method stipulated in Paragraph 86 of the Revenue Recognition Accounting Standard, the new accounting policy has not been retrospectively applied to the contracts in which almost all revenue was recognized under the previous accounting treatment prior to the beginning of the fiscal 2021. Additionally, applying the method stipulated in item (1) of Paragraph 86 of the Revenue Recognition Accounting Standard, modifications to the contracts that had been made prior to the beginning of the fiscal 2021 were accounted for based on terms and conditions that reflect all the modifications, and the resulting cumulative effect is added to or subtracted from retained earnings at the beginning of the fiscal 2021.

As a result, net sales for the fiscal 2021 decreased ¥1,330 million, cost of sales decreased ¥1,065 million, and selling, general and administrative expenses decreased ¥581 million, while operating income, ordinary income and



income before income taxes each increased ¥316 million. Additionally, the beginning balance of retained earnings decreased ¥165 million.

The impact on per share information is stated in “3. Consolidated Financial Statements and Primary Notes, (5) Notes regarding Consolidated Financial Statements (Per Share Information).”

(Changes in Accounting Estimates)

During the fiscal year under review, the estimated amount for asset retirement obligations of ABC Development Corporation, a consolidated subsidiary, recorded as restoration obligations under leasing contracts, etc., was modified following the acquisition of the actual results of recent restoration costs and other new information.

Asset retirement obligations of ¥756 million arising from the change in the estimate were added to the balance of asset retirement obligations prior to the change, and an impairment loss of ¥181 million was recorded under extraordinary loss with respect to a part of property, plant and equipment recorded at the same time.

As a result of this change in the estimate, income before income taxes for the fiscal year under review decreased ¥181 million.

(Segment Information, etc.)

(Segment Information)

#### 1. Description of Reportable Segments

The reportable segments of the Group are its constituent units for which separate financial information is available and which are subject to periodic examination in order for the Board of Directors to determine the allocation of management resources and evaluate financial results.

The Group maintains two reportable segments with business activities undertaken primarily in the broadcasting and content as well as lifestyle business fields.

The broadcasting and content business comprises television and radio broadcasting activities as well as activities related to various content, etc. The lifestyle business is made up of housing exhibition site operating activities, mail-order activities, golf club operating activities, etc.

#### 2. Calculation Method of Measurements of Sales, Profit, Asset, Liability and Other Items for Each Reportable Segment

The accounting treatment methods for reported business segments are generally the same as those for statements in “Significant Matters for the Preparation of Consolidated Financial Statements.”

Profit in the reportable segments is based on operating income. In addition, intersegment revenues or transfers are based on prevailing market prices.

3. Explanation of Measurements of Sales, Profit, Asset, Liability and Other Items for Each Reportable Segment  
Fiscal 2020 (April 1, 2020 to March 31, 2021)

(Millions of Yen)

	Reportable Segment			Adjustments (Note 1)	Amounts Recorded on Quarterly Consolidated Statement of Income (Note 2)
	Broadcasting and Content	Lifestyle	Total		
Sales					
Revenues from external customers	61,850	16,494	78,344	—	78,344
Transactions with other segments	897	473	1,371	(1,371)	—
Total	62,747	16,968	79,716	(1,371)	78,344
Segment profit	2,020	988	3,008	(314)	2,694
Segment assets	67,308	26,207	93,515	25,563	119,079
Other items					
Depreciation and amortization	2,467	620	3,088	—	3,088
Increase in property, plant and equipment and intangible assets	1,128	3,987	5,116	—	5,116

Notes:

1. Adjustments are outlined as follows:
  - (1) The adjustment to transactions with other segments of negative ¥1,371 million represents the amount of intersegment transaction elimination.
  - (2) The adjustment to segment profit of negative ¥314 million represents the amount of expenses which do not belong to any reportable segment, mainly regarding development of new business and market.
  - (3) The adjustment to segment assets of ¥25,563 million represents companywide assets which are not allocated to the reportable segments of ¥26,475 million and negative ¥911 million as the amount of intersegment receivables and payables elimination.  
Companywide assets are primarily cash and deposits and investment securities which do not belong to any reportable segment.
2. Segment profit refers to operating income recorded on the consolidated statement of income.
3. Amortization and increases of long-term prepaid expenses are included in depreciation and amortization as well as increase in property, plant and equipment and intangible assets.

Fiscal 2021 (April 1, 2021 to March 31, 2022)

(Millions of Yen)

	Reportable Segment			Adjustments (Note 1)	Amounts Recorded on Quarterly Consolidated Statement of Income (Note 2)
	Broadcasting and Content	Lifestyle	Total		
Sales					
Revenues from external customers	71,348	13,751	85,100	—	85,100
Transactions with other segments	416	599	1,016	(1,016)	—
Total	71,765	14,350	86,116	(1,016)	85,100
Segment profit	3,654	874	4,528	(325)	4,203
Segment assets	73,690	27,542	101,233	22,554	123,788
Other items					
Depreciation and amortization	2,636	609	3,246	—	3,246
Increase in property, plant and equipment and intangible assets	7,142	1,325	8,468	—	8,468

Notes:

1. Adjustments are outlined as follows:

- (1) The adjustment to transactions with other segments of negative ¥1,016 million represents the amount of intersegment transaction elimination.
- (2) The adjustment to segment profit of negative ¥325 million represents the elimination of intersegment transactions of ¥8 million and the amount of expenses which do not belong to any reportable segment of negative ¥334 million, mainly regarding development of new business and market.
- (3) The adjustment to segment assets of ¥22,554 million represents companywide assets which are not allocated to the reportable segments of ¥23,768 million and negative ¥1,214 million as the amount of intersegment receivables and payables elimination.  
Companywide assets are primarily cash and deposits and investment securities which do not belong to any reportable segment.

2. Segment profit refers to operating income recorded on the consolidated statement of income.

3. Amortization and increases of long-term prepaid expenses are included in depreciation and amortization as well as increase in property, plant and equipment and intangible assets.

[Explanation of Impairment Loss on Non-Current Assets for Each Reportable Segment]

Fiscal 2020 (April 1, 2020 to March 31, 2021)

(Millions of Yen)

	Broadcasting and Content	Lifestyle	Total	Corporate and Elimination	Total
Impairment loss	—	24	24	—	24

Fiscal 2021 (April 1, 2021 to March 31, 2022)

(Millions of Yen)

	Broadcasting and Content	Lifestyle	Total	Corporate and Elimination	Total
Impairment loss	88	280	369	—	369

[Explanation of Amortization of Goodwill and Unamortized Balance for Each Reportable Segment]

Fiscal 2020 (April 1, 2020 to March 31, 2021)

(Millions of Yen)

	Broadcasting and Content	Lifestyle	Total	Corporate and Elimination	Total
Amortization during the period	52	—	52	—	52
Balance at the end of the period	1,203	—	1,203	—	1,203

Fiscal 2021 (April 1, 2021 to March 31, 2022)

(Millions of Yen)

	Broadcasting and Content	Lifestyle	Total	Corporate and Elimination	Total
Amortization during the period	127	—	127	—	127
Balance at the end of the period	986	—	986	—	986

#### 4. Matters regarding Changes in Reportable Segments, Etc.

The Company resolved at a meeting of its Board of Directors held on May 12, 2021 to change the classification of its reportable segments.

As announced in the 2021–2025 Medium-Term Management Strategy NEW HOPE, for the Group to grow as a comprehensive content business group that continues to evolve while adapting to changing social conditions and contributes to the development of society as a dynamic and creative corporate organization, the Group decided to change the classification of its reportable segments.

From the fiscal 2021, the classification has been changed from the previous segments of the broadcasting business, the housing business and the golf business in the previous fiscal year, to the broadcasting and content business and the lifestyle business.

Additionally, as described in “Changes in accounting policies,” the Revenue Recognition Accounting Standard, etc. have been applied from the beginning of the fiscal 2021, and the accounting treatment for revenue recognition has been changed. Accordingly, the calculation method of profit or loss for the business segments has been changed in the same manner.

As a result of this change, for the fiscal 2021, net sales for the broadcasting and content business decreased ¥343 million and segment profit increased ¥344 million, while net sales for the lifestyle business decreased ¥987 million and segment profit decreased ¥27 million, when compared to the previous method.

(Per Share Information)

(Yen)

	Fiscal 2020 (April 1, 2020 to March 31, 2021)	Fiscal 2021 (April 1, 2021 to March 31, 2022)
Net assets per share	1,609.44	1,604.91
Basic earnings (loss) per share	(22.69)	64.97

Notes:

1. Diluted earnings per share information has been omitted as there were no potential shares with a dilutive effect.
2. The basis for calculating basic earnings (loss) per share is presented as follows.
3. As stated in “3. Consolidated Financial Statements and Primary Notes, (5) Notes regarding Consolidated Financial Statements (Changes in Accounting Policies),” the Company has applied the Accounting Standard for Revenue Recognition, etc. and follows the provisional treatment stipulated in the proviso of Paragraph 84 of the Accounting Standard for Revenue Recognition. As a result, net assets per share and basic earnings per share increased ¥1.00 and ¥5.03, respectively, in the fiscal year under review.

	Fiscal 2020 (April 1, 2020 to March 31, 2021)	Fiscal 2021 (April 1, 2021 to March 31, 2022)
Basic earnings (loss) per share		
Profit (loss) attributable to owners of parent (Millions of Yen)	(930)	2,671
Amount not attributable to common shareholders (Millions of Yen)	—	—
Profit (loss) attributable to owners of parent related to common stock (Millions of Yen)	(930)	2,671
Average number of common stock shares issued and outstanding during the period (Thousands of Shares)	41,015	41,115

4. The basis for calculating net assets per share is presented as follows:

	March 31, 2021	March 31, 2022
Total net assets (Millions of Yen)	69,700	70,497
Amount excluded from total net assets (Millions of Yen)	3,664	3,522
(Non-controlling interests)	(3,664)	(3,513)
Net assets attributable to common stock as of the end of the period (Millions of Yen)	66,035	66,975
Number of shares of common stock issued and outstanding as of the end of the period calculated under net assets per share (Thousands of Shares)	41,030	41,731

(Significant Events after Reporting Period)

Not applicable.

#### **4. Other Information**

##### **(1) Changes to the Officers of the Company**

Please refer to the “Notice of Changes in Personnel” announced on May 16, 2022. (Available in Japanese only.)