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Consolidated Financial Report for Fiscal 2022  
(The Fiscal Year Ended March 31, 2023 under Japanese GAAP)



May 12, 2023

Company Name: Asahi Broadcasting Group Holdings Corporation  
 Stock Exchange Listing: Tokyo Stock Exchange  
 Securities Code: 9405  
 URL <https://corp.asahi.co.jp/en/>  
 Representative: Susumu Okinaka, Representative Director and President  
 Inquiries: Yoko Kumada, General Manager, Corporate Management Division TEL: +81-6-6458-5321  
 Scheduled Date of Ordinary General Meeting of Shareholders: June 28, 2023  
 Scheduled Date of Dividend Payment Commencement: June 29, 2023  
 Scheduled Date of Securities Report Filing: June 29, 2023  
 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 2022 (April 1, 2022 to March 31, 2023)

(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 2022	87,028	2.3	2,594	(38.3)	2,661	(44.5)	1,354	(49.3)
Fiscal 2021	85,100	8.6	4,203	56.0	4,792	58.0	2,671	—

Note: Comprehensive Income Fiscal 2022: ¥3,107 million (216.5%)  
 Fiscal 2021: ¥981 million (-11.2%)

	Basic Earnings per Share	Diluted Earnings per Share	Rate of return on equity	Ordinary Income/Total Assets	Operating Income/Net Sales
	¥	¥	%	%	%
Fiscal 2022	32.42	—	2.0	2.2	3.0
Fiscal 2021	64.97	—	4.0	3.9	4.9

(Reference) Equity in Earnings of Affiliates Fiscal 2022: ¥(32) million  
 Fiscal 2021: ¥— million

(2) Consolidated Financial Position

	Total Assets	Net Assets	Equity-to-Asset Ratio	Net Assets per Share
	¥ million	¥ million	%	¥
March 31, 2023	122,305	72,445	56.6	1,659.63
March 31, 2022	123,788	70,497	54.1	1,604.91

(Reference) Shareholders' Equity March 31, 2023: ¥69,259 million  
 March 31, 2022: ¥66,975 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 2022	2,951	(5,046)	(1,610)	23,991
Fiscal 2021	4,689	(4,276)	543	27,695

## 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 2021	—	7.00	—	17.00	24.00	997	36.9	1.5
Fiscal 2022	—	10.00	—	6.00	16.00	668	49.4	1.0
Fiscal 2023 (Forecast)	—	6.00	—	8.00	14.00		34.4	

## 3. Consolidated Financial Results Forecasts for Fiscal 2023 (April 1, 2023 to March 31, 2024)

(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	90,000	3.4	2,500	(3.6)	2,700	1.4	1,700	25.6	40.74

### \* 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.: None

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

3) Changes in accounting estimates: None

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, 2023	41,833,000 shares	March 31, 2022	41,833,000 shares
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2) Number of treasury shares as of the period-end

March 31, 2023	101,209 shares	March 31, 2022	101,261 shares
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3) Average number of shares issued and outstanding for the period

March 31, 2023	41,768,602 shares	March 31, 2022	41,115,176 shares
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(Reference) Summary of Non-consolidated Financial Results

1. Non-consolidated Financial Results for Fiscal 2022 (April 1, 2022 to March 31, 2023)

(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 2022	6,584	11.3	193	(46.0)	(28)	—	296	—
Fiscal 2021	5,917	8.4	358	(25.0)	389	(38.5)	(6,299)	—

	Basic Earnings per Share	Diluted Earnings per Share
	¥	¥
Fiscal 2022	7.09	—
Fiscal 2021	(153.22)	—

(2) Non-consolidated Financial Position

	Total Assets	Net Assets	Equity-to-Asset Ratio	Net Assets per Share
	¥ million	¥ million	%	¥
March 31, 2023	56,164	42,211	75.2	1,011.49
March 31, 2022	56,910	43,003	75.6	1,030.49

(Reference) Shareholders' Equity March 31, 2023: ¥42,211 million  
March 31, 2022: ¥43,003 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 22, 2023. 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.

## Supplementary Materials: Table of Contents

1.	Overview of Business Results, etc.	2
	(1) Overview of Business Results for the Fiscal Year under Review	2
	(2) Overview of Financial Position for the Fiscal Year under Review	3
	(3) Overview of Cash Flows for the Fiscal Year under Review	3
	(4) Future Outlook	4
	(5) Significant Events regarding Going Concern Assumptions	4
2.	Rationale behind the Choice of Accounting Standards	4
3.	Consolidated Financial Statements and Primary Notes	5
	(1) Consolidated Balance Sheet	5
	(2) Consolidated Statement of Income and Consolidated Statement of Comprehensive Income	7
	(3) Consolidated Statement of Changes in Equity	9
	(4) Consolidated Statement of Cash Flows	11
	(5) Notes regarding Consolidated Financial Statements	13
	(Going Concern Assumptions)	13
	(Segment Information, etc.)	13
	(Per Share Information)	16
	(Significant Events after Reporting Period)	17
4.	Other Information	17
	(1) Changes to the Officers of the Company	17

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

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

In fiscal 2022, which extended from April 1, 2022 to March 31, 2023, while the Japanese economy saw an easing of COVID-19 movement restrictions and a return to regular economic activity, the economic outlook remains uncertain due to unstable global conditions, drastic fluctuations in the exchange rate market due to the rising U.S.-Japan interest rate differential and surging raw material and commodity prices, etc.

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 content-related sales. Net sales of the lifestyle business increased mainly due to TV shopping, among others. As a result of these factors, the Group's net sales for the fiscal year ended March 31, 2023 increased ¥1,928 million, or 2.3%, compared with the previous fiscal year and amounted to ¥ 87,028 million.

From the cost standpoint, cost of sales increased ¥2,485 million (4.5%) compared with the previous fiscal year, to ¥58,067 million. Selling, general and administrative expenses increased ¥1,051 million (4.2%) compared with the previous fiscal year, to ¥26,366 million. As a result of the above, operating income decreased ¥1,608 million, or 38.3%, to ¥2,594 million, while ordinary income totaled ¥2,661 million, a decrease of ¥2,131 million, or 44.5%. Additionally, while ¥210 million of extraordinary income due to sale of real estate for business was recorded, ¥933 million of extraordinary loss were recorded due in part to the recording of impairment loss on non-current assets and loss on valuation of investment securities.

As a result, profit before income taxes was ¥1,938 million, a decrease of ¥2,630 million, or 57.6%, and profit attributable to owners of parent was ¥1,354 million, a decrease of ¥1,317 million, or 49.3%.

Results by business segment are as follows:

#### *Broadcasting and Content Business*

Net sales in the broadcasting and content business totaled ¥72,967 million, up ¥1,618 million, or 2.3%, compared with the previous fiscal year. Despite a decrease in TV spot advertising sales, the mainstay of the business, content-related sales increased. Operating expenses increased by 4.0% due to cost of content development, among others. As a result, operating profit amounted to ¥2,602 million, a decrease of ¥1,052 million, or 28.8%, from the previous fiscal year.

#### *Lifestyle Business*

Net sales in the lifestyle business totaled ¥14,061 million, up ¥310 million, or 2.3%, compared with the previous fiscal year. The principal factor accounting for this increase in revenue was the launch of a new TV shopping program by a subsidiary company in the previous fiscal year. Operating expenses increased 4.7% due mainly to an increase of TV shopping-related costs, and an increase in the amortization of assets for which asset retirement obligations were recorded due to changes in the previous fiscal year's estimates for housing exhibition sites. As a result, operating profit amounted to ¥433 million, a decrease of ¥440 million, or 50.4%, 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 ¥122,305 million, ¥1,482 million lower than at the end of the previous fiscal year (March 31, 2022). While there was a decrease in current assets including short-term investment securities and cash and deposits, there was an increase in long-term prepaid expenses on non-current assets.

### *(Liabilities)*

Total liabilities were ¥49,859 million, ¥3,431 million lower than at the end of the previous fiscal year. There was an increase in accounts payable for equipment, which is included in other current liabilities. However, there was a decrease in net defined benefit liability under non-current liabilities.

### *(Net Assets)*

Consolidated total net assets came to ¥72,445 million, ¥1,948 million higher than at the end of the previous fiscal year. This was attributable mainly to the recording of profit attributable to owners of parent and an increase in remeasurements of defined benefit plans.

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

For the fiscal year under review, net cash provided by operating activities totaled ¥2,951 million. Net cash used in investing activities was ¥5,046 million, and net cash used in financing activities came to ¥1,610 million. Accounting for each of these activities, the ending balance of cash and cash equivalents stood at ¥23,991 million, a decrease of ¥3,704 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 ¥2,951 million (an inflow of ¥4,689 million during the previous fiscal year) due mainly to the recording of profit before income taxes and depreciation and amortization.

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

Net cash used in investing activities was ¥5,046 million (an outflow of ¥4,276 million during the previous fiscal year) due mainly to purchase of property, plant and equipment and investment securities.

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

Net cash used in financing activities was ¥1,610 million (an inflow of ¥543 million during the previous fiscal year) due mainly to dividends paid.

**(4) Future Outlook**

As for the outlook for the Japanese economy in fiscal 2023, with the reclassification of COVID-19 as a Class 5 disease under the Infectious Diseases Act in May 2023, although economic activities are continuing to normalize, the uncertain situation is expected to continue due to unstable global conditions, surging commodity prices, and other factors. 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 2023 on a consolidated basis, we forecast net sales of ¥90,000 million, operating income of ¥2,500 million, ordinary income of ¥2,700 million, and profit attributable to owners of parent of ¥1,700 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, 2022	March 31, 2023
<b>Assets</b>		
Current assets		
Cash and deposits	23,586	22,251
Notes and accounts receivable - trade, and contract assets	15,497	15,934
Short-term investment securities	4,715	2,208
Inventories	3,149	2,828
Income taxes receivable	279	600
Other	2,527	2,704
Allowance for doubtful accounts	(11)	(142)
Total current assets	49,744	46,385
Non-current assets		
Property, plant and equipment		
Buildings and structures	35,616	34,819
Accumulated depreciation	(16,762)	(17,596)
Buildings and structures, net	18,854	17,223
Machinery equipment and vehicles	23,536	23,220
Accumulated depreciation	(16,144)	(15,954)
Machinery equipment and vehicles, net	7,392	7,266
Tools, furniture and fixtures	1,587	1,831
Accumulated depreciation	(1,077)	(1,277)
Tools, furniture and fixtures, net	509	554
Land	14,252	15,512
Lease assets	143	129
Accumulated depreciation	(86)	(93)
Lease assets, net	57	35
Construction in progress	484	590
Total property, plant and equipment	41,550	41,181
Intangible assets		
Software	2,313	2,055
Software in progress	60	97
Goodwill	986	955
Other	111	120
Total intangible assets	3,472	3,229
Investments and other assets		
Investment securities	16,900	17,928
Long-term loans receivable	310	290
Long-term prepaid expenses	1,561	4,681
Deferred tax assets	7,426	5,582
Other	2,817	3,094
Allowance for doubtful accounts	(31)	(94)
Total investments and other assets	28,985	31,483
Total non-current assets	74,009	75,894
Deferred assets		
Bond issuance cost	34	25
Total deferred assets	34	25
Total assets	123,788	122,305



(Millions of Yen)

	March 31, 2022	March 31, 2023
<b>Liabilities</b>		
Current liabilities		
Short-term borrowings	50	202
Current portion of long-term loans borrowings	513	337
Current portion of bonds payable	26	13
Lease obligations	21	19
Accounts payable - other	8,131	8,364
Accrued expenses	2,264	2,088
Income taxes payable	1,277	180
Provision for directors' bonuses	102	52
Provision for loss on venue closing	—	127
Other	6,134	8,215
Total current liabilities	18,520	19,601
Non-current liabilities		
Long-term loans payable	1,852	1,593
Bonds payable	10,013	10,000
Lease obligations	42	21
Net defined benefit liability	13,203	9,339
Long-term guarantee deposited	6,597	6,499
Deferred tax liabilities	1,040	389
Other	2,020	2,414
Total non-current liabilities	34,770	30,257
<b>Total liabilities</b>	<b>53,290</b>	<b>49,859</b>
<b>Net assets</b>		
Shareholders' equity		
Capital stock	5,299	5,299
Capital surplus	5,984	5,999
Retained earnings	54,923	55,150
Treasury stock	(50)	(62)
Total shareholders' equity	66,157	66,386
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,826	1,900
Foreign currency translation adjustment	(126)	(121)
Remeasurements of defined benefit plans	(881)	1,093
Total accumulated other comprehensive income	818	2,872
Subscription rights to shares	8	8
Non-controlling interests	3,513	3,177
<b>Total net assets</b>	<b>70,497</b>	<b>72,445</b>
<b>Total liabilities and net assets</b>	<b>123,788</b>	<b>122,305</b>

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

## Consolidated Statement of Income

(Millions of Yen)

	Fiscal 2021 (April 1, 2021 to March 31, 2022)	Fiscal 2022 (April 1, 2022 to March 31, 2023)
Net sales	85,100	87,028
Cost of sales	55,581	58,067
Gross profit	29,518	28,961
Selling, general and administrative expenses	25,315	26,366
Operating income	4,203	2,594
Non-operating income		
Interest and dividends income	187	217
Subsidy income	497	342
Other	112	160
Total non-operating income	797	720
Non-operating expenses		
Interest expenses	30	32
Share of loss of entities accounted for using equity method	—	32
Loss on disposal of non-current assets	23	117
Provision of allowance for doubtful accounts	—	202
Loss on investments in partnership	67	220
Loss on investments in silent partnership	25	—
Commission expenses	26	—
Other	33	48
Total non-operating expenses	207	653
Ordinary income	4,792	2,661
Extraordinary income		
Gain on sales of non-current assets	—	210
Gain on sales of investment securities	267	—
Total extraordinary income	267	210
Extraordinary loss		
Loss on valuation of investment securities	121	249
Impairment loss	369	491
Loss on venue closing	—	127
Special retirement expenses	—	65
Total extraordinary loss	491	933
Profit before income taxes	4,568	1,938
Income taxes - current	1,809	787
Income taxes - deferred	274	138
Total income taxes	2,083	926
Profit	2,485	1,012
Profit (loss) attributable to non-controlling interests	(185)	(341)
Profit attributable to owners of parent	2,671	1,354

Consolidated Statement of Comprehensive Income

(Millions of Yen)

	Fiscal 2021 (April 1, 2021 to March 31, 2022)	Fiscal 2022 (April 1, 2022 to March 31, 2023)
Profit	2,485	1,012
Other comprehensive income		
Valuation difference on available-for-sale securities, net of tax	(1,449)	115
Foreign currency translation adjustment	2	5
Remeasurements of defined benefit plans, net of tax	(55)	1,975
Total other comprehensive income	(1,503)	2,095
Comprehensive income	981	3,107
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	1,123	3,408
Comprehensive income attributable to non-controlling interests	(141)	(300)

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

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 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

	Accumulated other comprehensive income				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 accumulated other comprehensive income			
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 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

Fiscal 2022 (April 1, 2022 to March 31, 2023)

(Millions of Yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at the beginning of period	5,299	5,984	54,923	(50)	66,157
Cumulative effects of changes in accounting policies					-
Restated balance	5,299	5,984	54,923	(50)	66,157
Changes of items during the period					
Dividends from surplus			(1,127)		(1,127)
Profit attributable to owners of parent			1,354		1,354
Purchase of treasury stock				(47)	(47)
Disposal of treasury stock		11		35	46
Change in treasury shares of parent arising from transactions with non-controlling shareholders		3			3
Net changes of items other than shareholders' equity					-
Total changes of items during the period	-	14	226	(11)	229
Balance at the end of period	5,299	5,999	55,150	(62)	66,386

	Accumulated other comprehensive income				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 accumulated other comprehensive income			
Balance at the beginning of period	1,826	(126)	(881)	818	8	3,513	70,497
Cumulative effects of changes in accounting policies				-			-
Restated balance	1,826	(126)	(881)	818	8	3,513	70,497
Changes of items during the period							
Dividends from surplus				-			(1,127)
Profit attributable to owners of parent				-			1,354
Purchase of treasury stock				-			(47)
Disposal of treasury stock				-			46
Change in treasury shares of parent arising from transactions with non-controlling shareholders				-			3
Net changes of items other than shareholders' equity	73	5	1,975	2,054	-	(335)	1,719
Total changes of items during the period	73	5	1,975	2,054	-	(335)	1,948
Balance at the end of period	1,900	(121)	1,093	2,872	8	3,177	72,445

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

(Millions of Yen)

	Fiscal 2021 (April 1, 2021 to March 31, 2022)	Fiscal 2022 (April 1, 2022 to March 31, 2023)
<b>Cash flows from operating activities</b>		
Profit before income taxes	4,568	1,938
Depreciation and amortization	3,246	3,740
Impairment loss	369	491
Amortization of goodwill	127	114
Increase (decrease) in allowance for doubtful accounts	(7)	194
Increase (decrease) in provision for loss on venue closing	—	127
Increase (decrease) in net defined benefit liability	(1,308)	(1,173)
Interest and dividend income	(187)	(217)
Interest expenses	30	32
Loss (gain) on disposal of non-current assets	23	117
Loss (gain) on sale of non-current assets	—	(210)
Loss (gain) on sales of investment securities	(267)	—
Loss (gain) on valuation of investment securities	121	249
Loss (gain) on investments in partnership	67	220
Loss (gain) on investments in silent partnership	25	—
Decrease (increase) in notes and accounts receivable - trade	(2,275)	(428)
Decrease (increase) in inventories	(160)	314
Increase (decrease) in notes and accounts payable - trade	1,320	299
Decrease (increase) in investment	(130)	(201)
Other, net	657	(686)
Subtotal	6,223	4,923
Interest and dividend income received	195	270
Interest expenses paid	(31)	(32)
Income taxes paid	(1,698)	(2,210)
Net cash provided by (used in) operating activities	4,689	2,951
<b>Cash flows from investing activities</b>		
Payments into time deposits	(297)	(290)
Proceeds from withdrawal of time deposits	330	427
Proceeds from redemption of securities	1,100	100
Decrease (increase) in short-term loans receivable	(126)	(102)
Purchase of property, plant and equipment	(3,726)	(3,978)
Proceeds from sale of property, plant and equipment	—	1,301
Purchase of intangible assets	(709)	(881)
Purchase of investment securities	(752)	(1,559)
Proceeds from sales of investment securities	299	—
Payments for investments in silent partnership	(100)	—
Purchase of investments in subsidiaries resulting in change in scope of consolidation	—	(38)
Other, net	(293)	(24)
Net cash provided by (used in) investing activities	(4,276)	(5,046)
<b>Cash flows from financing activities</b>		
Increase (decrease) in short-term borrowings	50	5
Proceeds from long-term loans payable	1,222	130
Repayments of long-term loans payable	(620)	(489)
Redemption of bonds	(26)	(26)
Proceeds from share issuance to non-controlling shareholders	4	30
Proceeds from sales of treasury shares	435	—
Purchase of treasury stock	—	(47)
Cash dividends paid	(492)	(1,127)

	(Millions of Yen)	
	Fiscal 2021 (April 1, 2021 to March 31, 2022)	Fiscal 2022 (April 1, 2022 to March 31, 2023)
Dividends paid to non-controlling interests	(11)	(13)
Repayments of lease obligations	(17)	(22)
Purchase of shares of subsidiaries not resulting in change in scope of consolidation	—	(49)
Net cash provided by (used in) financing activities	543	(1,610)
Effect of exchange rate change on cash and cash equivalents	(0)	1
Net increase (decrease) in cash and cash equivalents	956	(3,704)
Beginning balance of cash and cash equivalents	26,739	27,695
Ending balance of cash and cash equivalents	27,695	23,991

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

(Going Concern Assumptions)

Not applicable.

(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 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.

Fiscal 2022 (April 1, 2022 to March 31, 2023)

(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	72,967	14,061	87,028	—	87,028
Transactions with other segments	441	487	929	(929)	—
Total	73,408	14,549	87,958	(929)	87,028
Segment profit	2,602	433	3,036	(441)	2,594
Segment assets	71,669	29,720	101,389	20,915	122,305
Other items					
Depreciation and amortization	2,967	773	3,740	—	3,740
Increase in property, plant and equipment and intangible assets	2,488	5,503	7,991	—	7,991

Notes:

1. Adjustments are outlined as follows:
  - (1) The adjustment to transactions with other segments of negative ¥929 million represents the amount of intersegment transaction elimination.
  - (2) The adjustment to segment profit of negative ¥441 million represents the elimination of intersegment transactions of ¥14 million and the amount of expenses which do not belong to any reportable segment of negative ¥456 million, mainly regarding development of new business and market.
  - (3) The adjustment to segment assets of ¥20,915 million represents companywide assets which are not allocated to the reportable segments of ¥22,139 million and negative ¥1,224 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 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

Fiscal 2022 (April 1, 2022 to March 31, 2023)

(Millions of Yen)

	Broadcasting and Content	Lifestyle	Total	Corporate and Elimination	Total
Impairment loss	249	241	491	—	491

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

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

Fiscal 2022 (April 1, 2022 to March 31, 2023)

(Millions of Yen)

	Broadcasting and Content	Lifestyle	Total	Corporate and Elimination	Total
Amortization during the period	114	—	114	—	114
Balance at the end of the period	955	—	955	—	955

(Per Share Information)

(Yen)

	Fiscal 2021 (April 1, 2021 to March 31, 2022)	Fiscal 2022 (April 1, 2022 to March 31, 2023)
Net assets per share	1,604.91	1,659.63
Basic earnings per share	64.97	32.42

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 per share is presented as follows.

	Fiscal 2021 (April 1, 2021 to March 31, 2022)	Fiscal 2022 (April 1, 2022 to March 31, 2023)
Basic earnings per share		
Profit attributable to owners of parent (Millions of Yen)	2,671	1,354
Amount not attributable to common shareholders (Millions of Yen)	—	—
Profit attributable to owners of parent related to common stock (Millions of Yen)	2,671	1,354
Average number of common stock shares issued and outstanding during the period (Thousands of Shares)	41,115	41,768

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

	March 31, 2022	March 31, 2023
Total net assets (Millions of Yen)	70,497	72,445
Amount excluded from total net assets (Millions of Yen)	3,522	3,186
(Non-controlling interests)	(3,513)	(3,177)
Net assets attributable to common stock as of the end of the period (Millions of Yen)	66,975	69,259
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)	41,731	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 12, 2023. (Available in Japanese only.)