

Flash Report [Japanese GAAP] (Consolidated Basis)**Results for the fiscal year ended March 31, 2023****Company name: Fuji Media Holdings, Inc.**Stock listing: Tokyo Stock Exchange Code number: 4676 URL: <https://www.fujimediahd.co.jp/en>

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Scheduled date of the General Meeting of Shareholders: June 28, 2023

Scheduled date of commencing dividend payments: June 29, 2023

Scheduled date of filing securities report: June 28, 2023

Availability of supplementary briefing material on financial results: Available

Schedule of financial results briefing session: Scheduled

(Figures less than ¥1 million have been omitted.)

1. Consolidated Financial Results**(1) Business Performance**

Years ended March 31

Percentages indicate year-on-year increases/(decreases).

| | Net sales | | Operating income | | Recurring profit | | Net income attributable to owners of the parent | |
|------|-----------------|-----|------------------|-------|------------------|--------|---|-------|
| | Millions of yen | % | Millions of yen | % | Millions of yen | % | Millions of yen | % |
| 2023 | 535,641 | 2.0 | 31,401 | (5.8) | 39,053 | (14.2) | 46,855 | 88.3 |
| 2022 | 525,087 | 1.0 | 33,338 | 104.9 | 45,534 | 104.2 | 24,879 | 146.0 |

(Note) Comprehensive income: Year ended March 31, 2023: ¥48,581 million, 44.5%,

Year ended March 31, 2022: ¥33,624 million, (42.3)%

| | Basic earnings per share | Diluted earnings per share | Rate of return on equity | Recurring profit-to-total-assets ratio | Operating income-to-net-sales ratio |
|------|--------------------------|----------------------------|--------------------------|--|-------------------------------------|
| | Yen | Yen | % | % | % |
| 2023 | 210.69 | — | 5.7 | 2.9 | 5.9 |
| 2022 | 111.86 | — | 3.2 | 3.4 | 6.3 |

(Reference) Equity in earnings of affiliates: Year ended March 31, 2023: ¥3,510 million,

Year ended March 31, 2022: ¥6,390 million

(2) Financial Position

At March 31

| | Total assets | Net assets | Equity ratio | Net assets per share |
|------|-----------------|-----------------|--------------|----------------------|
| | Millions of yen | Millions of yen | % | Yen |
| 2023 | 1,382,646 | 848,769 | 60.6 | 3,766.83 |
| 2022 | 1,335,991 | 808,788 | 59.7 | 3,588.35 |

(Reference) Total shareholders' equity: March 31, 2023: ¥837,680 million,

March 31, 2022: ¥798,068 million

(3) Cash Flows

Years ended March 31

| | Cash flows from operating activities | Cash flows from investing activities | Cash flows from financing activities | Cash and cash equivalents at end of year |
|------|--------------------------------------|--------------------------------------|--------------------------------------|--|
| | Millions of yen | Millions of yen | Millions of yen | Millions of yen |
| 2023 | 61,779 | (32,770) | (5,269) | 130,155 |
| 2022 | 53,859 | (46,790) | (24,892) | 102,598 |

2. Dividends

Years ended March 31, 2022 and 2023 / Year ending March 31, 2024

| | Dividends per share | | | | | Total amount of dividends (for the entire fiscal year) | Payout ratio | Dividends-to-net-assets ratio |
|-----------------|---------------------|-------|-----|----------|-------|--|--------------|-------------------------------|
| | 1Q | 2Q | 3Q | Year-end | Total | | | |
| | Yen | Yen | Yen | Yen | Yen | | | |
| 2022 | — | 18.00 | — | 20.00 | 38.00 | 8,563 | 34.0 | 1.1 |
| 2023 | — | 20.00 | — | 30.00 | 50.00 | 11,267 | 23.7 | 1.4 |
| 2024 (Forecast) | — | 24.00 | — | 24.00 | 48.00 | | 41.1 | |

(Note) Breakdown of dividends per share for the year ended March 31, 2023:

Year-end: Ordinary dividend: ¥20.00, Commemorative dividend: ¥10.00

3. Forecasts of Consolidated Financial Results for the Fiscal Year Ending March 31, 2024

Percentages indicate year-on-year increases/(decreases).

| | Net sales | | Operating income | | Recurring profit | |
|-------------|-----------------|-----|------------------|-----|------------------|-----|
| | Millions of yen | % | Millions of yen | % | Millions of yen | % |
| Fiscal year | 557,700 | 4.1 | 32,000 | 1.9 | 39,300 | 0.6 |

| | Net income attributable to owners of the parent | | Basic earnings per share |
|-------------|---|--------|--------------------------|
| | Millions of yen | % | Yen |
| Fiscal year | 26,000 | (44.5) | 116.92 |

Notes:

1. Significant changes in subsidiaries (changes in specific subsidiaries involving a change in the scope of consolidation) during the subject period: None

Additions: None

Deletions: None

2. Changes in accounting policies, changes in accounting estimates, and modifications and restatements:

1) Changes in accounting policies based on revision of accounting standards: Yes

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

3) Changes in accounting estimates: None

4) Modifications and restatements: None

(Note) For details, please refer to "3. CONSOLIDATED FINANCIAL STATEMENTS AND PRIMARY NOTES: (5) Notes to Consolidated Financial Statements (Changes in Accounting Policies)" on page 22.

3. Number of issued shares (Common stock)

| | Years ended March 31 | |
|--|----------------------|-------------|
| | 2023 | 2022 |
| 1) Number of issued shares (including treasury stock) at end of fiscal year (shares) | 234,194,500 | 234,194,500 |
| 2) Number of treasury stock at end of fiscal year (shares) | 11,810,987 | 11,788,673 |
| 3) Average number of issued shares during the fiscal year (shares) | 222,391,291 | 222,423,996 |

(Reference) Flash Report (Non-Consolidated Basis)

Non-Consolidated Financial Results for the Fiscal Year ended March 31, 2023

(1) Business Performance

Years ended March 31

Percentages indicate year-on-year increases/(decreases).

| | Net sales | | Operating income | | Recurring profit | | Net income | |
|------|-----------------|--------|------------------|--------|------------------|--------|-----------------|--------|
| | Millions of yen | % | Millions of yen | % | Millions of yen | % | Millions of yen | % |
| 2023 | 15,790 | 16.2 | 8,859 | 24.8 | 12,916 | 9.4 | 31,446 | 197.8 |
| 2022 | 13,584 | (50.0) | 7,096 | (65.5) | 11,810 | (49.4) | 10,557 | (63.8) |

| | Basic earnings per share | Diluted earnings per share |
|------|--------------------------|----------------------------|
| | Yen | Yen |
| 2023 | 139.54 | — |
| 2022 | 46.85 | — |

(2) Financial Position

At March 31

| | Total assets | Net assets | Equity ratio | Net assets per share |
|------|-----------------|-----------------|--------------|----------------------|
| | Millions of yen | Millions of yen | % | Yen |
| 2023 | 840,298 | 594,266 | 70.7 | 2,637.03 |
| 2022 | 820,418 | 576,092 | 70.2 | 2,556.38 |

(Reference) Total shareholders' equity: March 31, 2023: ¥594,266 million, March 31, 2022: ¥576,092 million

This flash report is outside the scope of audit by certified public accountants or an audit firm.

Explanation of appropriate use of forecasts of financial results; other important items

The forward-looking statements made in this document, including the aforementioned forecasts, are based on all information available to the management at the time of this document's release and certain assumptions considered rational. Actual results may differ materially from the forecasts due to various factors in the future. Regarding the assumptions forming the forecast of financial results, please refer to "1. OVERVIEW OF BUSINESS RESULTS, ETC.: (4) Future Outlook" on page 10.

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1. OVERVIEW OF BUSINESS RESULTS, ETC.

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

The Japanese government's Monthly Economic Report on the Japanese economy for the fiscal year ended March 31, 2023 (April 1, 2022 to March 31, 2023) states, "The economy is expected to show movements of picking up, supported by the effects of the policies, under the 'new normal'. However, slowing down of overseas economies is downside risk of the Japanese economy, amid ongoing global monetary tightening and other factors. Also, full attention should be given to price increases, supply-side constraints and fluctuations in the financial and capital markets." It also states that firms' judgments on business conditions "show movements of picking up."

Fuji Media Holdings Group (the "Group") benefited from the full-scale resumption of events in reaction to the lifting of restraints on activities. Moreover, the recovery of travel and tourism demand, under the national travel support and the relaxation of entry restrictions, contributed to the performance. On the other hand, the Group was also affected by price increases against the backdrop of rising raw material prices, the depreciation of the yen and other factors.

Amid this economic environment, consolidated net sales of the Group increased overall during the fiscal year under review, up 2.0% year-on-year to ¥535,641 million, thanks to increases in both the Media & Content segment and the Urban Development, Hotels & Resorts segment.

In terms of earnings, operating income decreased 5.8% year-on-year to ¥31,401 million, as the Media & Content segment recorded a decrease, while the Urban Development, Hotels & Resorts segment reported an increase. Recurring profit decreased 14.2% year-on-year to ¥39,053 million due to a decrease in equity in earnings of affiliates, and net income attributable to owners of the parent increased 88.3% year-on-year to ¥46,855 million due to the contribution of gain on sales of investment securities and gain on contribution of securities to retirement benefit trust under extraordinary gain.

Results by operating segment are as follows.

Years ended March 31

| | Net sales | | | Operating income | | |
|--|-----------------|-----------------|--------|------------------|-----------------|--------|
| | 2022 | 2023 | Change | 2022 | 2023 | Change |
| | Millions of yen | Millions of yen | % | Millions of yen | Millions of yen | % |
| Media & Content | 415,036 | 420,836 | 1.4 | 23,072 | 17,484 | (24.2) |
| Urban Development, Hotels & Resorts | 105,493 | 108,841 | 3.2 | 11,153 | 15,070 | 35.1 |
| Other | 17,681 | 20,394 | 15.3 | 654 | 931 | 42.3 |
| Eliminations | (13,124) | (14,430) | — | (1,541) | (2,086) | — |
| Total | 525,087 | 535,641 | 2.0 | 33,338 | 31,401 | (5.8) |

Media & Content

Broadcasting and media revenues of Fuji Television Network, Inc. (“Fuji TV”), the core subsidiary of the Group, decreased 4.5% year-on-year to ¥194,279 million.

Among the mainstay broadcasting business, network time advertising sales (broadcast nationwide) maintained the same level from the previous fiscal year, while special program revenues decreased. The decrease in special program revenues was due to the reactionary drop from higher sales of “Tokyo 2020 Olympics” and the “Beijing 2022 Olympics” in the previous fiscal year, partially offset by the “FIFA World Cup Qatar 2022™,” the “2022 EAFF E-1 Football Championship” and the “Tokyo Marathon 2023.” As a whole, network time advertising sales decreased 3.6% year-on-year to ¥69,253 million.

Local time advertising sales (broadcast over the Kanto region) decreased 4.1% year-on-year to ¥10,621 million.

Spot advertising sales decreased due to the effects of lower viewer ratings and price increases against the backdrop of soaring raw material prices, the depreciation of the yen and other factors. Sorting sales by industrial categories, only 5 out of 19 industries including “Travel/Leisure,” “Real Estate/Housing” and “Apparel/Accessories” posted a year-on-year growth. As a result, spot advertising sales decreased 9.4% year-on-year to ¥80,506 million.

Streaming advertising sales on video-on-demand services including TVer (an ad-supported service co-founded by commercial broadcasters) showed significant growth, driven by the number of views of serial dramas, especially of *silent* (a series broadcast from October to December 2022). As a result, streaming advertising sales increased 73.8% year-on-year to ¥4,866 million.

In the content business, revenues increased year-on-year in the event business, the movie business, the digital business and other businesses. The event business saw a recovery in the number of performances and their scales, headed by Cirque du Soleil’s “*Alegria - In A New Light*.” The movie business recorded a series of smash-hits, including “*ONE PIECE FILM – RED*,” “*Chinmoku no Parade (Silent Parade)*,” and “*Dr. Coto’s Clinic*.” Revenues of the digital business, which comprise of revenues from FOD Premium (a video-on-demand service) and FNN Prime

Online, saw an increase due to growth in the number of paid subscription for FOD Premium, driven by hits of serial dramas. As a result, net sales from the content business increased 24.2% year-on-year to ¥43,120 million.

As a result of the above, net sales of Fuji TV as a whole decreased 0.4% year-on-year to ¥237,400 million. Operating income decreased 31.9% year-on-year to ¥7,677 million.

Fuji Satellite Broadcasting, Inc. recorded increases in both revenues and earnings due to strong performances of the broadcasting business and other businesses.

Nippon Broadcasting System, Inc. recorded a decrease in net sales overall due to a decrease in broadcasting revenues. Meanwhile, earnings increased due to the lower cost ratio in the event business and an increase in revenues from streaming services and other digital businesses.

Pony Canyon Inc. recorded an increase in net sales, driven by an animation film “*Go-Tobun no Hanayome (The Quintessential Quintuplets)*,” an animation series “TOKYO REVENGERS,” songs by Official Hige Dandism and a recovery in events and concerts. Meanwhile, earnings decreased due to a decrease in physical sales in both music and video contents and a rise in the cost ratio.

Fujipacific Music Inc. recorded increases in both revenues and earnings due to continuous strong revenues from royalties, as well as the contribution of revenues from video production related to music programs and concerts.

DINOS CORPORATION saw a recovery trend in the fashion category, as well as strong sales of food, bedding, and other products. Meanwhile, sales of television shopping and sales of catalog shopping for the living category / the beauty and health category were not as satisfactory as in the previous fiscal year. Moreover, the company split of the *imini* business caused a decrease in revenue. As a result, the company as a whole recorded lower net sales year-on-year, and operating income also decreased due to increases in expenses primarily attributable to proactivesales promotions.

Quaras Inc. recorded increases in both revenues and earnings thanks to an increase in advertising revenues, mainly in television and web advertising. On the other hand, revenues from businesses related to events were also strong under the resumption of social activities.

grape Co., Ltd. contributed to the Group’s net sales and operating income through steady performances in page views of “grape” and other online media, as well as in the new online shopping affiliate business.

As a result of the above, in the Media & Content segment overall, net sales increased 1.4% year-on-year to ¥420,836 million, and segment operating income decreased 24.2% year-on-year to ¥17,484 million.

Urban Development, Hotels & Resorts

THE SANKEI BUILDING CO., LTD. recorded decreases in both revenues and earnings due to the lower scale in sales of properties. On the other hand, revenues from leasing of offices and houses remained steady, and the sales of a condominium and the other properties exceeded the outlook.

GRANVISTA Hotels & Resorts Co., Ltd. recorded an increase in revenues as occupancy rates improved significantly, thanks mainly to the national travel support and the recovery of inbound tourism demand as a result of the relaxation of entry restrictions. GRANVISTA recorded operating income for the first time in four fiscal years.

As a result of the above, the Urban Development, Hotels & Resorts segment overall recorded net sales of ¥108,841 million, up 3.2% year-on-year, with segment operating income up 35.1% year-on-year to ¥15,070 million.

Other

Net sales in the Other segment overall increased 15.3% year-on-year to ¥20,394 million, and segment operating income increased 42.3% year-on-year to ¥931 million.

Affiliates accounted for using the equity method, such as ITOCHU Fuji Partners, Inc., Fuji TV network affiliates, SANKEI SHIMBUN CO., LTD. and WOWOW Inc., contributed to equity in earnings of affiliates.

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

Total assets at the end of the fiscal year under review (March 31, 2023) amounted to ¥1,382,646 million, an increase of ¥46,655 million (3.5%) from the end of the previous fiscal year (March 31, 2022).

Total current assets amounted to ¥414,797 million, an increase of ¥21,777 million (5.5%) from the end of the previous fiscal year. This was due mainly to increases of ¥7,853 million in marketable securities, ¥6,628 million in inventories, and ¥5,708 million in cash and deposits.

Total noncurrent assets amounted to ¥967,849 million, an increase of ¥24,878 million (2.6%) from the end of the previous fiscal year. This was due mainly to increases of ¥14,818 million in land, ¥6,432 million in investment securities, and ¥4,527 million in buildings and structures.

Total liabilities amounted to ¥533,877 million, an increase of ¥6,674 million (1.3%) from the end of the previous fiscal year.

Total current liabilities amounted to ¥174,898 million, an increase of ¥35,576 million (25.5%) from the end of the previous fiscal year. This was due mainly to increases of ¥12,094 million in short-term loans payable and ¥10,000 million in current portion of bonds payable included in the "Other" line item.

Total noncurrent liabilities amounted to ¥358,978 million, a decrease of ¥28,902 million (7.5%) from the end of the previous fiscal year. This was due mainly to decreases of ¥11,964 million in net defined benefit liability and ¥10,000 million in bonds payable.

Total net assets amounted to ¥848,769 million, an increase of ¥39,981 million (4.9%) from the end of the previous fiscal year. This was due mainly to the recording of ¥46,855 million in net income attributable to owners of the parent; against the payment of ¥9,014 million in dividends of surplus.

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

Cash flows during the fiscal year under review were as follows.

Cash provided by operating activities amounted to ¥61,779 million, an increase of ¥7,919 million (14.7%) from cash provided during the previous fiscal year. This was due mainly to an increase of ¥30,110 million in income before income taxes; against a decrease of ¥16,326 million in inventories and an increase of ¥7,425 million in net defined benefit liability.

Cash used in investing activities amounted to ¥32,770 million, a decrease of ¥14,019 million

(30.0%) from cash used in the previous fiscal year. This was due mainly to an increase of ¥26,800 million in proceeds from sales and redemption of marketable securities; against an increase of ¥11,674 million in payments on purchase of property, plant and equipment.

Cash used in financing activities amounted to ¥5,269 million, a decrease of ¥19,623 million (78.8%) from cash used in the previous fiscal year. This was due mainly to a decrease of ¥10,000 million in redemption of bonds and an increase of ¥24,400 million in proceeds from long-term loans payable; against an increase of ¥16,885 million in repayments of long-term loans payable.

After taking into account the above and an increase of ¥918 million in cash and cash equivalents resulting from the consolidation of grape Co., Ltd. and imini immunity Co., Ltd., the balance of cash and cash equivalents at the end of the fiscal year under review amounted to ¥130,155 million, an increase of ¥27,557 million (26.9%) from the end of the previous fiscal year.

(Reference) Trends in cash flow indices are shown below:

Years ended March 31

| | 2019 | 2020 | 2021 | 2022 | 2023 |
|---|------|------|------|------|-------------|
| Equity ratio (%) | 56.5 | 58.6 | 57.9 | 59.7 | 60.6 |
| Equity ratio, based on market value (%) | 27.4 | 19.9 | 22.6 | 19.5 | 19.2 |
| Ratio of interest-bearing debt to cash flow (times) | 2.1 | 14.7 | 6.3 | 5.1 | 4.5 |
| Interest coverage ratio (times) | 90.2 | 14.4 | 33.5 | 35.8 | 43.8 |

Notes: Equity ratio: shareholders' equity/ total assets

Equity ratio, based on market value: total market capitalization/ total assets

Ratio of interest-bearing debt to cash flow: interest-bearing debt/ cash flows

Interest coverage ratio: cash flows/ interest expense

- *1. All indices are calculated on a consolidated basis.
- *2. The total market value of stocks is calculated by multiplying market value at the balance sheet date by the number of shares issued (with shares of treasury stock deducted) at the balance sheet date.
- *3. "Cash flows" refers to cash flows provided by (used in) operating activities as shown in the consolidated statements of cash flows.
- *4. "Interest-bearing debt" refers to all debts listed in the consolidated balance sheets on which the Company (as defined below) pays interest. "Interest payments" denotes interest payments as reflected in the consolidated statements of cash flows.

(4) Future Outlook

With regard to the outlook for the fiscal year ending March 31, 2024, economic activities in Japan are expected to normalize and inbound tourism demand to increase further, as the Japanese government reclassified COVID-19 as a Category V disease under the Infectious Diseases Act as of May 8, 2023. Whereas, there are concerns about a decrease in consumption and an economic downturn due to price increases resulting from soaring energy prices on a global scale, the historic depreciation of the yen and other factors.

Under these circumstances, the Group will improve its business results by continuing to review its profit structure and promoting expansion in growth areas. In anticipation of the reaction to the recording of gain on sale of investment securities and gain on contribution of securities to retirement benefit trust under extraordinary gain in the fiscal year under review, net income attributable to owners of the parent for the fiscal year ending March 31, 2024 is expected to fall short of the results of the fiscal year under review.

Accordingly, reflecting the above, Fuji Media Holdings, Inc. (the "Company") is forecasting consolidated net sales of ¥557,700 million, with operating income of ¥32,000 million, recurring profit of ¥39,300 million, and net income attributable to owners of the parent of ¥26,000 million for the fiscal year ending March 31, 2024.

(5) Basic Policy Regarding Profit Allocation and Dividends in the Fiscal Year under Review and the Next Fiscal Year

The Company regards the redistribution of profits to its shareholders as one of its most important management responsibilities. The Company's basic policy, under the certified broadcast holding company structure, is to provide distributions to its shareholders commensurate with performance, while making proactive investments for the growth of the Group's businesses, and entry into new business fields, in order to enhance its corporate value.

The Company's policy regarding the distribution of retained earnings is to determine the disbursement based on a target of a payout ratio of 40% on a consolidated basis, with consideration to the stability of dividends from the standpoint of emphasizing the redistribution of profits to its shareholders. Based on this policy, the Company has decided to pay a total of 30 yen per share at the end of the fiscal year under review (ended March 31, 2023), which comprises a year-end dividend of 20 yen per share and a commemorative dividend of 10 yen per share to mark the 15th anniversary of the transition to the certified broadcast holding company structure and the 65th anniversary of Fuji TV. This brings the total annual dividend to ¥50 per share, including the interim dividend of ¥20 per share. A proposal concerning this matter will be submitted to the 82nd Ordinary General Meeting of Shareholders scheduled for June 28, 2023.

The same policy shall be applied to dividends for the fiscal year ending March 31, 2024. Based on this policy, the Company expects to pay ¥24 per share as the interim dividend and the year-end dividend for the next fiscal year, respectively, totaling an annual dividend of ¥48 per share.

2. BASIC STANCE ON SELECTION OF ACCOUNTING STANDARDS

The Group's policy is to prepare its consolidated financial statements based on Japanese standards for the time being, considering the comparability of consolidated financial statements among periods and among companies. Regarding the application of the IFRS (International Financial Reporting Standards), its policy is to respond appropriately, considering the various conditions inside and outside Japan.

3. CONSOLIDATED FINANCIAL STATEMENTS AND PRIMARY NOTES

(1) Consolidated Balance Sheets

| | Millions of yen | |
|--|-----------------|------------------|
| | March 31, 2022 | March 31, 2023 |
| ASSETS | | |
| Current assets: | | |
| Cash and deposits | 103,960 | 109,669 |
| Notes and accounts receivable-trade, and contract assets | 93,491 | 95,844 |
| Marketable securities | 92,191 | 100,044 |
| Inventories | 65,807 | 72,436 |
| Other | 38,021 | 37,269 |
| Allowance for doubtful accounts | (451) | (467) |
| Total current assets | 393,020 | 414,797 |
| Noncurrent assets: | | |
| Property, plant and equipment | | |
| Buildings and structures, net | 162,589 | 167,117 |
| Machinery, equipment and vehicles, net | 14,337 | 13,679 |
| Land | 272,183 | 287,002 |
| Construction in progress | 5,097 | 8,350 |
| Other, net | 12,946 | 12,184 |
| Total property, plant and equipment | 467,154 | 488,334 |
| Intangible assets | | |
| Goodwill | 603 | 499 |
| Leasehold right | 6,187 | 4,847 |
| Software | 8,124 | 7,695 |
| Other | 4,969 | 4,759 |
| Total intangible assets | 19,885 | 17,800 |
| Investments and other assets | | |
| Investment securities | 411,723 | 418,155 |
| Net defined benefit asset | 1,920 | 2,792 |
| Deferred tax assets | 9,985 | 9,507 |
| Other | 33,859 | 32,736 |
| Allowance for doubtful accounts | (1,557) | (1,477) |
| Total investments and other assets | 455,930 | 461,714 |
| Total noncurrent assets | 942,971 | 967,849 |
| Total assets | 1,335,991 | 1,382,646 |

| | Millions of yen | |
|---|-----------------|------------------|
| | March 31, 2022 | March 31, 2023 |
| LIABILITIES | | |
| Current liabilities: | | |
| Notes and accounts payable-trade | 32,855 | 39,040 |
| Electronically recorded obligations-operating | 6,343 | 5,492 |
| Short-term loans payable | 30,608 | 42,702 |
| Accrued income taxes | 5,544 | 9,998 |
| Provision for directors' bonuses | 467 | 402 |
| Other | 63,504 | 77,262 |
| Total current liabilities | 139,322 | 174,898 |
| Noncurrent liabilities: | | |
| Bonds payable | 10,000 | — |
| Long-term loans payable | 227,796 | 220,424 |
| Deferred tax liabilities | 84,703 | 85,364 |
| Deferred tax liabilities for land revaluation | 11,745 | 11,745 |
| Provision for directors' retirement benefits | 2,450 | 2,438 |
| Net defined benefit liability | 27,838 | 15,874 |
| Negative goodwill | 1,759 | 1,185 |
| Other | 21,586 | 21,945 |
| Total noncurrent liabilities | 387,880 | 358,978 |
| Total liabilities | 527,202 | 533,877 |
| NET ASSETS | | |
| Shareholders' equity: | | |
| Capital stock | 146,200 | 146,200 |
| Capital surplus | 173,797 | 173,797 |
| Retained earnings | 363,223 | 401,585 |
| Treasury stock | (14,088) | (14,113) |
| Total shareholders' equity | 669,133 | 707,469 |
| Accumulated other comprehensive income: | | |
| Valuation difference on available-for-sale securities | 124,746 | 120,667 |
| Deferred gains or losses on hedges | (168) | (183) |
| Revaluation reserve for land | 1,532 | 1,533 |
| Foreign currency translation adjustment | (144) | 4,170 |
| Remeasurements of defined benefit plans | 2,969 | 4,023 |
| Total accumulated other comprehensive income | 128,935 | 130,210 |
| Non-controlling interests | 10,719 | 11,089 |
| Total net assets | 808,788 | 848,769 |
| Total liabilities and net assets | 1,335,991 | 1,382,646 |

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

Consolidated Statements of Income

Years ended March 31

| | Millions of yen | |
|--|-----------------|----------------|
| | 2022 | 2023 |
| Net sales | 525,087 | 535,641 |
| Cost of sales | 364,680 | 376,901 |
| Gross profit | 160,406 | 158,739 |
| Selling, general and administrative expenses | 127,067 | 127,338 |
| Operating income | 33,338 | 31,401 |
| Non-operating income: | | |
| Interest income | 137 | 206 |
| Dividends income | 3,093 | 3,745 |
| Equity in earnings of affiliates | 6,390 | 3,510 |
| Amortization of negative goodwill | 573 | 573 |
| Gain on investments in partnership | 1,703 | 460 |
| Other | 2,627 | 1,262 |
| Total | 14,526 | 9,760 |
| Non-operating expenses: | | |
| Interests | 1,477 | 1,478 |
| Loss on investments in partnership | 270 | 224 |
| Other | 582 | 405 |
| Total | 2,330 | 2,107 |
| Recurring profit | 45,534 | 39,053 |
| Extraordinary gain: | | |
| Gain on sales of investment securities | 265 | 16,337 |
| Gain on contribution of securities to retirement benefit trust | — | 10,079 |
| Other | 426 | 86 |
| Total | 691 | 26,503 |
| Extraordinary loss: | | |
| Impairment loss | 661 | 135 |
| Loss on retirement of non-current assets | 150 | 181 |
| Loss on sales of investment securities | 43 | 239 |
| Loss on valuation of investment securities | 835 | 221 |
| Other | 9,902 | 37 |
| Total | 11,594 | 815 |
| Income before income taxes | 34,631 | 64,742 |
| Income taxes-current | 7,952 | 15,264 |
| Income taxes-deferred | 1,370 | 2,242 |
| Total | 9,322 | 17,506 |
| Net income | 25,308 | 47,235 |
| Net income attributable to non-controlling interests | 428 | 380 |
| Net income attributable to owners of the parent | 24,879 | 46,855 |

Consolidated Statements of Comprehensive Income

Years ended March 31

| | Millions of yen | |
|---|-----------------|----------------|
| | 2022 | 2023 |
| Net income | 25,308 | 47,235 |
| Other comprehensive income: | | |
| Valuation difference on available-for-sale securities | 2,614 | (4,224) |
| Revaluation reserve for land | 41 | — |
| Foreign currency translation adjustment | 2,324 | 4,053 |
| Remeasurements of defined benefit plans | 3,221 | 1,214 |
| Share of other comprehensive income of affiliates accounted for using equity method | 113 | 303 |
| Total other comprehensive income | 8,315 | 1,345 |
| Comprehensive income | 33,624 | 48,581 |
| Comprehensive income attributable to: | | |
| Comprehensive income attributable to owners of the parent | 33,271 | 48,129 |
| Comprehensive income attributable to non-controlling interests | 352 | 451 |

(3) Consolidated Statements of Changes in Net Assets

Year ended March 31, 2022

Millions of yen

| | Shareholders' equity | | | | |
|--|----------------------|-----------------|-------------------|----------------|---------|
| | Capital stock | Capital surplus | Retained earnings | Treasury stock | Total |
| Balance at the beginning of fiscal year | 146,200 | 173,797 | 347,506 | (14,037) | 653,467 |
| Cumulative effects of changes in accounting policies | | | (1,007) | | (1,007) |
| Restated balance | 146,200 | 173,797 | 346,499 | (14,037) | 652,460 |
| Changes of items during the fiscal year: | | | | | |
| Dividends from surplus | | | (8,112) | | (8,112) |
| Net income attributable to owners of the parent | | | 24,879 | | 24,879 |
| Change in equity in affiliates accounted for by equity method – treasury stock | | | | (51) | (51) |
| Reversal of revaluation reserve for land | | | (25) | | (25) |
| Change in scope of consolidation | | | (17) | | (17) |
| Net changes of items other than shareholders' equity | | | | | |
| Total | — | — | 16,723 | (51) | 16,672 |
| Balance at the current year-end | 146,200 | 173,797 | 363,223 | (14,088) | 669,133 |

(Continued on page 17)

| | Accumulated other comprehensive income | | | | | | Non-controlling interests | Total net assets |
|--|---|------------------------------------|------------------------------|---|---|---------|---------------------------|------------------|
| | Valuation difference on available-for-sale securities | Deferred gains or losses on hedges | Revaluation reserve for land | Foreign currency translation adjustment | Remeasurements of defined benefit plans | Total | | |
| Balance at the beginning of fiscal year | 122,069 | (216) | 1,453 | (2,579) | (182) | 120,543 | 10,418 | 784,429 |
| Cumulative effects of changes in accounting policies | | | | | | | | (1,007) |
| Restated balance | 122,069 | (216) | 1,453 | (2,579) | (182) | 120,543 | 10,418 | 783,422 |
| Changes of items during the fiscal year: | | | | | | | | |
| Dividends from surplus | | | | | | | | (8,112) |
| Net income attributable to owners of the parent | | | | | | | | 24,879 |
| Change in equity in affiliates accounted for by equity method – treasury stock | | | | | | | | (51) |
| Reversal of revaluation reserve for land | | | | | | | | (25) |
| Change in scope of consolidation | | | | | | | | (17) |
| Net changes of items other than shareholders' equity | 2,676 | 48 | 79 | 2,435 | 3,152 | 8,391 | 301 | 8,693 |
| Total | 2,676 | 48 | 79 | 2,435 | 3,152 | 8,391 | 301 | 25,365 |
| Balance at the current year-end | 124,746 | (168) | 1,532 | (144) | 2,969 | 128,935 | 10,719 | 808,788 |

| | Shareholders' equity | | | | |
|--|----------------------|-----------------|-------------------|----------------|---------|
| | Capital stock | Capital surplus | Retained earnings | Treasury stock | Total |
| Balance at the beginning of fiscal year | 146,200 | 173,797 | 363,223 | (14,088) | 669,133 |
| Changes of items during the fiscal year: | | | | | |
| Dividends from surplus | | | (9,014) | | (9,014) |
| Net income attributable to owners of the parent | | | 46,855 | | 46,855 |
| Change in equity in affiliates accounted for by equity method – treasury stock | | | | (24) | (24) |
| Reversal of revaluation reserve for land | | | (0) | | (0) |
| Change in scope of consolidation | | | 521 | | 521 |
| Net changes of items other than shareholders' equity | | | | | |
| Total | — | — | 38,361 | (24) | 38,336 |
| Balance at the current year-end | 146,200 | 173,797 | 401,585 | (14,113) | 707,469 |

(Continued on page 19)

| | Accumulated other comprehensive income | | | | | | Non-controlling interests | Total net assets |
|--|---|------------------------------------|------------------------------|---|---|---------|---------------------------|------------------|
| | Valuation difference on available-for-sale securities | Deferred gains or losses on hedges | Revaluation reserve for land | Foreign currency translation adjustment | Remeasurements of defined benefit plans | Total | | |
| Balance at the beginning of fiscal year | 124,746 | (168) | 1,532 | (144) | 2,969 | 128,935 | 10,719 | 808,788 |
| Changes of items during the fiscal year: | | | | | | | | |
| Dividends from surplus | | | | | | | | (9,014) |
| Net income attributable to owners of the parent | | | | | | | | 46,855 |
| Change in equity in affiliates accounted for by equity method – treasury stock | | | | | | | | (24) |
| Reversal of revaluation reserve for land | | | | | | | | (0) |
| Change in scope of consolidation | | | | | | | | 521 |
| Net changes of items other than shareholders' equity | (4,079) | (15) | 0 | 4,314 | 1,053 | 1,274 | 369 | 1,644 |
| Total | (4,079) | (15) | 0 | 4,314 | 1,053 | 1,274 | 369 | 39,981 |
| Balance at the current year-end | 120,667 | (183) | 1,533 | 4,170 | 4,023 | 130,210 | 11,089 | 848,769 |

(4) Consolidated Statements of Cash Flows

Years ended March 31

| | Millions of yen | |
|---|-----------------|------------------|
| | 2022 | 2023 |
| Cash flows from operating activities: | | |
| Income before income taxes | 34,631 | 64,742 |
| Depreciation and amortization | 18,152 | 17,755 |
| Impairment loss | 661 | 135 |
| Amortization of goodwill | (470) | (469) |
| Increase (decrease) in net defined benefit liability | (5,433) | (12,859) |
| Interest and dividends income | (3,231) | (3,952) |
| Interest expenses | 1,477 | 1,478 |
| Equity in (earnings) losses of affiliates | (6,390) | (3,510) |
| Loss (gain) on sales of investment securities | (221) | (16,097) |
| Decrease (increase) in notes and accounts receivable-trade | (3,787) | (3,005) |
| Decrease (increase) in inventories | 24,189 | 7,862 |
| Increase (decrease) in notes and accounts payable-trade | (6,149) | 5,284 |
| Other | 6,451 | 9,253 |
| Subtotal | 59,881 | 66,617 |
| Interest and dividends income received | 4,422 | 4,988 |
| Interest expenses paid | (1,504) | (1,409) |
| Income taxes paid | (11,409) | (11,242) |
| Income taxes refunded | 2,468 | 2,824 |
| Net cash provided by operating activities | 53,859 | 61,779 |
| Cash flows from investing activities: | | |
| Payments on purchase of marketable securities | (223,709) | (218,790) |
| Proceeds from sales and redemption of marketable securities | 206,300 | 233,100 |
| Payments on purchase of property, plant and equipment | (37,943) | (49,618) |
| Payments on purchase of intangible assets | (2,403) | (2,352) |
| Payments on purchase of investment securities | (9,291) | (17,241) |
| Proceeds from sales and redemption of investment securities | 17,846 | 21,597 |
| Payments into time deposits | (1,980) | (1,930) |
| Proceeds from withdrawal of time deposits | 3,324 | 1,980 |
| Other | 1,067 | 484 |
| Net cash used in investing activities | (46,790) | (32,770) |

(Continued on page 21)

| | Millions of yen | |
|---|-----------------|-----------------|
| | 2022 | 2023 |
| Cash flows from financing activities: | | |
| Net increase (decrease) in short-term loans payable | (2,950) | — |
| Proceeds from long-term loans payable | 8,000 | 32,400 |
| Repayments of long-term loans payable | (10,793) | (27,678) |
| Redemption of bonds | (10,000) | — |
| Dividends paid | (8,111) | (9,022) |
| Other | (1,037) | (968) |
| Net cash used in financing activities | (24,892) | (5,269) |
| Effect of exchange rate changes on cash and cash equivalents | 1,887 | 2,899 |
| Net increase (decrease) in cash and cash equivalents | (15,935) | 26,639 |
| Cash and cash equivalents at the beginning of the year | 118,591 | 102,598 |
| Increase in cash and cash equivalents resulting from inclusion of subsidiaries in consolidation | — | 918 |
| Decrease in cash and cash equivalents resulting from exclusion of subsidiaries from consolidation | (58) | — |
| Cash and cash equivalents at the end of the year | 102,598 | 130,155 |

(5) Notes to Consolidated Financial Statements

(Note on Assumptions for Going Concern)

Not applicable

(Changes in Accounting Policies)

The Company has applied the "Implementation Guidance on Accounting Standard for Fair Value Measurement" (ASBJ Guidance No. 31, June 17, 2021; hereinafter the "Fair Value Measurement Guidance") effective from the beginning of the fiscal year under review and in accordance with the transitional treatment provided for in paragraph 27-2 of the Fair Value Measurement Guidance, the Company will apply the new accounting policy prescribed by the Fair Value Measurement Guidance into the future. This has no impact on the consolidated financial statements.

(Changes in Presentation)

Consolidated Statements of Income

"Gain on sales of noncurrent assets," which was separately presented under "Extraordinary gain" in the previous fiscal year, is included in "Other" in the fiscal year under review, as it accounts for 10% or less of the total amount of extraordinary gain.

"Loss on retirement of non-current assets," "Loss on sales of investment securities," and "Loss on valuation of investment securities," which were included in "Other" under "Extraordinary loss" in the previous fiscal year, are separately presented from the fiscal year under review as they exceeded 10% of the total amount of extraordinary loss, respectively.

In addition, "Extra retirement payments," which was separately presented under "Extraordinary loss" in the previous fiscal year, is included in "Other" in the fiscal year under review, as it accounted for 10% or less of the total amount of extraordinary loss.

The consolidated financial statements for the previous fiscal year have been reclassified in order to reflect such changes in presentation.

As a result, the amounts of ¥141 million and ¥284 million, which were presented as "Gain on sales of noncurrent assets" and "Other," respectively, in the consolidated statement of income for the previous fiscal year, are reclassified as ¥426 million in "Other."

In addition, the amounts of ¥9,425 million and ¥1,507 million, which were presented as "Extra retirement payments" and "Other" under "Extraordinary loss," respectively, are reclassified as ¥150 million in "Loss on retirement of non-current assets," ¥43 million in "Loss on sales of investment securities," ¥835 million in "Loss on valuation of investment securities," and ¥9,902 million in "Other."

(Segment Information)

1. Overview of Reported Segments

The Company's reported segments allow it to acquire financial data separated into the various components of the corporate group. The scope of the segments is reviewed on a regular basis in order to allow the Board of Directors to determine the allocation of management resources and evaluate earnings performance.

The Group comprises affiliated companies under the Company as a certified broadcast holding company. These affiliates conduct broadcast-related business activities centering on the mainstay business of broadcasting as prescribed by the Broadcast Act. The Group's two reported segments are "Media & Content" and "Urban Development, Hotels & Resorts."

The "Media & Content" segment includes mainly broadcasting as prescribed by the Broadcast Act; production of TV programming, movies, animations, and events; sale of videos and music software; music publication; advertisement and direct marketing; while the "Urban Development, Hotels & Resorts" segment includes mainly building leasing, real-estate transactions, hotels and resorts operations, etc.

2. Calculation Methods for Amounts of Net Sales, Profit or Loss, Assets, Liabilities and Other Items by Reported Segment

The accounting methods for reported business segments are basically the same as those for the significant items that form the basis for preparation of the consolidated financial statements. Profit figures for reported segments are on an operating income basis. Inter-segment net sales and transfers are based on prevailing market prices.

3. Information on Amounts of Net Sales, Profit or Loss, Assets, Liabilities and Other Items by Reported Segment

Year ended March 31, 2022

(Millions of yen)

| | Reported segment | | | Other (Note 1) | Total | Adjustment (Notes 2, 3) | Consolidated financial statements (Note 4) |
|---|--------------------|---|-----------|-------------------|-----------|----------------------------|---|
| | Media & Content | Urban Development, Hotels & Resorts | Total | | | | |
| Net sales: | | | | | | | |
| Net sales to third parties | 414,504 | 105,081 | 519,585 | 5,501 | 525,087 | — | 525,087 |
| Inter-segment net sales and transfers | 532 | 412 | 944 | 12,179 | 13,124 | (13,124) | — |
| Total net sales | 415,036 | 105,493 | 520,530 | 17,681 | 538,211 | (13,124) | 525,087 |
| Segment operating income | 23,072 | 11,153 | 34,225 | 654 | 34,880 | (1,541) | 33,338 |
| Segment assets | 517,131 | 492,514 | 1,009,646 | 21,824 | 1,031,471 | 304,520 | 1,335,991 |
| Other: | | | | | | | |
| Depreciation | 11,551 | 6,278 | 17,830 | 606 | 18,436 | (284) | 18,152 |
| Amortization of goodwill | 66 | 37 | 103 | 0 | 103 | — | 103 |
| Increase in property, plant and equipment and intangible assets | 7,972 | 32,136 | 40,108 | 498 | 40,606 | (392) | 40,213 |

- Notes: 1. The "Other" category is a business segment not included in reported segments. It includes such operations as temporary agency services, movables leasing and software development.
2. The segment operating income adjustment of minus ¥1,541 million mainly comprises ¥3,041 million in eliminations of inter-segment business, together with minus ¥4,582 million in Group-wide expenses not allocated to a particular reported segment. Group-wide expenses are the expenses of the parent company as a certified broadcast holding company.
3. The segment assets adjustment of ¥304,520 million mainly comprises minus ¥449,525 million in inter-segment credit eliminations, together with ¥754,045 million in Group-wide assets not allocated to a particular reported segment. Group-wide assets mainly included the Company's surplus funds (cash and deposits, marketable securities, etc.), funds for long-term investment (investment securities, etc.), and assets connected with management divisions.
4. Segment operating income is adjusted to the operating income figure on the Consolidated Statement of Income.

Year ended March 31, 2023

(Millions of yen)

| | Reported segment | | | Other (Note 1) | Total | Adjustment (Notes 2, 3) | Consolidated financial statements (Note 4) |
|---|--------------------|---|-----------|-------------------|-----------|----------------------------|---|
| | Media & Content | Urban Development, Hotels & Resorts | Total | | | | |
| Net sales: | | | | | | | |
| Net sales to third parties | 420,342 | 108,275 | 528,618 | 7,023 | 535,641 | — | 535,641 |
| Inter-segment net sales and transfers | 493 | 565 | 1,059 | 13,371 | 14,430 | (14,430) | — |
| Total net sales | 420,836 | 108,841 | 529,677 | 20,394 | 550,072 | (14,430) | 535,641 |
| Segment operating income | 17,484 | 15,070 | 32,555 | 931 | 33,487 | (2,086) | 31,401 |
| Segment assets | 520,587 | 519,904 | 1,040,491 | 22,876 | 1,063,367 | 319,278 | 1,382,646 |
| Other: | | | | | | | |
| Depreciation | 10,726 | 6,623 | 17,349 | 701 | 18,050 | (295) | 17,755 |
| Amortization of goodwill | 67 | 37 | 104 | 0 | 104 | — | 104 |
| Increase in property, plant and equipment and intangible assets | 7,995 | 45,112 | 53,108 | 732 | 53,841 | (477) | 53,363 |

- Notes: 1. The "Other" category is a business segment not included in reported segments. It includes such operations as temporary agency services, movables leasing and software development.
2. The segment operating income adjustment of minus ¥2,086 million mainly comprises ¥2,933 million in eliminations of inter-segment business, together with minus ¥5,020 million in Group-wide expenses not allocated to a particular reported segment. Group-wide expenses are the expenses of the parent company as a certified broadcast holding company.
3. The segment assets adjustment of ¥319,278 million mainly comprises minus ¥455,117 million in inter-segment credit eliminations, together with ¥774,396 million in Group-wide assets not allocated to a particular reported segment. Group-wide assets mainly included the Company's surplus funds (cash and deposits, marketable securities, etc.), funds for long-term investment (investment securities, etc.), and assets connected with management divisions.
4. Segment operating income is adjusted to the operating income figure on the Consolidated Statement of Income.

(Amounts per Share)

The amounts of net assets per share and basic earnings per share with their respective bases for calculating are as follows.

| | March 31, 2022 | March 31, 2023 |
|---|----------------|--------------------|
| (1) Net assets per share (Yen) | 3,588.35 | 3,766.83 |
| (Basis for calculating) | | |
| Total net assets on the consolidated balance sheet (Millions of yen) | 808,788 | 848,769 |
| Total net assets related to shares of common stock (Millions of yen) | 798,068 | 837,680 |
| Major components of the difference (Millions of yen) Non-controlling interests | 10,719 | 11,089 |
| Number of shares of common stock issued (Shares) | 234,194,500 | 234,194,500 |
| Number of shares of treasury stock (Shares) | 11,788,673 | 11,810,987 |
| Number of shares of common stock used to determine net assets per share (Shares) | 222,405,827 | 222,383,513 |

Years ended March 31

| | 2022 | 2023 |
|--|-------------|--------------------|
| (2) Basic earnings per share (Yen) | 111.86 | 210.69 |
| (Basis for calculating) | | |
| Net income attributable to owners of the parent on the consolidated statement of income (Millions of yen) | 24,879 | 46,855 |
| Net income attributable to owners of the parent related to shares of common stock (Millions of yen) | 24,879 | 46,855 |
| Average number of issued shares of common stock during the fiscal year (Shares) | 222,423,996 | 222,391,291 |

(Note) Information on diluted earnings per share is omitted since there is no potentially dilutive share.

(Significant Events after the Reporting Period)

Not applicable

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