

Consolidated Financial Report For Fiscal 2018
(The Fiscal Year Ended March 31, 2019 under Japanese GAAP)



May 10, 2019

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: Kengo Otsuka, General Manager, Financial Affairs Division TEL: +81-6-6458-5321
Scheduled Date of Ordinary General Meeting of Shareholders: June 20, 2019
Scheduled Date of Dividend Payment Commencement: June 21, 2019
Scheduled Date of Securities Report Filing: June 21, 2019
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 2018 (April 1, 2018 to March 31, 2019)

(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 2018	81,986	1.2	4,262	0.3	4,591	1.2	3,742	39.0
Fiscal 2017	80,991	(1.6)	4,250	(14.5)	4,539	(13.7)	2,691	(21.2)

Note: Comprehensive Income Fiscal 2018: ¥3,858 million (-9.3%)
Fiscal 2017: ¥4,252 million (-4.9%)

	Basic Earnings per Share	Diluted Earnings per Share	Rate of return on equity	Ordinary Income/Total Assets	Operating Income/Net Sales
	¥	¥	%	%	%
Fiscal 2018	91.55	—	5.9	4.4	5.2
Fiscal 2017	65.92	—	4.5	4.4	5.2

(Reference) Equity in Earnings of Affiliates Fiscal 2018: ¥— million
Fiscal 2017: ¥— million

(2) Consolidated Financial Position

	Total Assets	Net Assets	Equity-to-Asset Ratio	Net Assets per Share
	¥ million	¥ million	%	¥
March 31, 2019	107,788	67,049	60.5	1,594.83
March 31, 2018	102,680	63,363	60.0	1,509.06

(Reference) Shareholders' Equity March 31, 2019: ¥65,223 million
March 31, 2018: ¥61,625 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 2018	3,286	(2,394)	(53)	16,239
Fiscal 2017	4,803	(5,113)	(2,260)	15,076

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 2017	—	10.00	—	10.00	20.00	816	30.3	1.4
Fiscal 2018	—	10.00	—	18.00	28.00	1,145	30.6	1.8
Fiscal 2019 (Forecast)	—	9.00	—	9.00	18.00		29.4	

3. Consolidated Financial Results Forecasts for Fiscal 2019 (April 1, 2019 to March 31, 2020)

(Percentage figures show the year-on-year increase (decrease) for each corresponding period.)

	Net Sales		Operating Income		Ordinary Income		Profit attributable to owners of parent		Basic Earnings per Share
	¥ million	%	¥ million	%	¥ million	%	¥ million	%	¥
Full Fiscal Year	83,500	1.8	3,700	(13.2)	4,000	(12.9)	2,500	(33.2)	61.13

* Notes

(1) Changes in the number of important subsidiaries during the period: None
(changes in specified subsidiaries resulting in a change in the scope of consolidation)

(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, 2019	41,833,000 shares	March 31, 2018	41,833,000 shares
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2) Number of treasury shares as of the period-end

March 31, 2019	936,032 shares	March 31, 2018	996,088 shares
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3) Average number of shares issued and outstanding for the period

March 31, 2019	40,878,494 shares	March 31, 2018	40,836,913 shares
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* 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, scheduled for Monday, May 20, 2019. A summary of the presentation materials to be distributed at this briefing shall be published on the Company's website after the event.

(Transition to a certified broadcasting holding company structure)

The Company transitioned to a certified broadcasting holding company on April 1, 2018. On the same date, the Company caused Asahi Television Broadcasting Split Preparatory Company which is wholly owned subsidiary of the Company to succeed a part of the rights and obligations that the Company holds with respect to all businesses excluding the radio broadcasting business, the group administrative management business, the real estate management business and the solar power generation business as well as the Company caused Asahi Radio Broadcasting Split Preparatory Company which is wholly owned subsidiary of the Company to succeed a part of the rights and obligations that the Company holds with respect to the radio broadcasting business through an absorption-type company split in accordance with the Agreement concluded on May 10, 2017 and approved at ordinary general shareholders meeting on June 22, 2017. Further, the Company changed the trade name to Asahi Broadcasting Group Holdings Corporation, Asahi Television Broadcasting Split Preparatory Company changed the trade name to Asahi Television Broadcasting Corporation, and Asahi Radio Broadcasting Split Preparatory Company changed the trade name to Asahi Radio Broadcasting Corporation on the same date respectively.

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1. Overview of Business Results, etc.

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

In fiscal 2018, which extended from April 1, 2018 to March 31, 2019, the Japanese economy continued a moderate recovery trend, with corporate earnings holding steady and an improvement in income conditions, while uncertainty increased in regard to trade friction and trends in overseas economies.

Under these circumstances, in the broadcasting field where the Asahi Broadcasting Group (the Group) conducts its core business, decreases in TV spot advertising sales and other factors caused net sales to decrease. Net Sales of the housing business were up due to an increase in revenue from sales of real estate and the opening of a new housing exhibition facility. Net sales of the golf business were up due to an increase in the number of registration transfers, despite lower numbers of visitors. As a result of these factors, the Group's net sales for the fiscal year ended March 31, 2019 increased ¥995 million, or 1.2%, compared to the previous fiscal year and amounted to ¥81,986 million.

From the cost standpoint, cost of sales increased ¥457 million (0.9%) compared with the previous fiscal year, to ¥53,463 million. Selling, general and administrative expenses increased ¥524 million (2.2%) compared with the previous fiscal year, to ¥24,260 million. As a result of the above, operating income for the period increased ¥12 million, or 0.3%, to ¥4,262 million, while ordinary income totaled ¥4,591 million, an increase of ¥52 million, or 1.2%. In addition, as extraordinary income, ¥76 million in gain on sales of non-current assets was recorded. Furthermore, as extraordinary loss, ¥176 million in special retirement expenses was recorded. As a result, income before income taxes were ¥4,491 million, a decrease of ¥25 million, or 0.6%, and profit attributable to owners of parent was ¥3,742 million, an increase of ¥1,050 million, or 39.0%.

Results by business segment are as follows:

Broadcasting Business

In the fiscal year under review, net sales in the broadcasting business totaled ¥68,550 million, down ¥94 million, or 0.1%, compared to the previous fiscal year. The principal factor accounting for this decrease in revenue is a decrease in TV spot advertising sales, despite increases in TV advertising time sales and revenue associated with the secondary use of the content. On the other hand, operating expenses decreased 0.5% from the previous fiscal year, owing to factors including decreases in agency fee and labor expenses. Furthermore, profit increased by ¥199 million due to a change in the calculation method of segment profit in line with the transition to a certified broadcasting holding company, and operating income amounted to ¥3,475 million, an increase of ¥358 million, or 11.5%, from the previous fiscal year.

Housing Business

In the housing business, net sales amounted to ¥12,545 million, an increase of ¥1,070 million, or 9.3%, compared with the previous fiscal year. Principal factors were increases in revenue from sales and leasing of real estate, and an increase in revenue from the advertising business in addition to an increase in revenue associated with the opening of a new housing exhibition facility. Meanwhile, operating expenses rose 10.5% due to cost price appropriation consequent upon the sales of real estate, increased costs from leasing of real estate, and other factors. Furthermore, profit decreased by ¥198 million due to a change in the calculation method of segment profit in line with the transition to a certified broadcasting holding company, and operating income amounted to ¥1,060 million, a decrease of ¥23 million, or 2.2%, from the previous fiscal year.

Golf Business

Net sales in the golf business amounted to ¥890 million, an increase of ¥18 million, or 2.2%, compared with the previous fiscal year. This was due to increases in the price per visitor and the number of registration transfers despite a lower number of visitors due to poor weather over the summer. On the other hand, operating expenses rose 3.9% due to increased labor expenses and other factors. As a result, operating income amounted to ¥28 million, a decrease of ¥20 million, or 42.1%, 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 ¥107,788 million, ¥5,108 million higher than at the end of the previous fiscal year (March 31, 2018). This was primarily attributable to an increase of ¥4,473 million in current assets in line with the acquisition of real estate for sale.

(Liabilities)

Total liabilities were ¥40,738 million, ¥1,421 million higher than at the end of the previous fiscal year. The principal reason for the increase in liabilities was an increase in the amount recorded for accounts payable - other.

(Net Assets)

Consolidated total net assets came to ¥67,049 million, ¥3,686 million higher than at the end of the previous fiscal year. Although profit attributable to owners of parent reported for the period under review was ¥3,742 million, the Group paid a total of ¥817 million in dividends from surplus. In addition, retained earnings increased ¥535 million due to a change in the scope of consolidation.

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

For the fiscal year under review, net cash provided by operating activities totaled ¥3,286 million. Net cash used in investing activities was ¥2,394 million, and net cash used in financing activities came to ¥53 million. In addition, cash and cash equivalents increased ¥323 million due to a change in the scope of consolidation.

Accounting for each of these activities, the ending balance of cash and cash equivalents stood at ¥16,239 million, an increase of ¥1,162 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 ¥3,286 million (an inflow of ¥4,803 million during the previous fiscal year) due to the recording of income before income taxes and depreciation and amortization despite payment in line with the acquisition of real estate for sale.

(Cash Flows from Investing Activities)

Net cash used in investing activities was ¥2,394 million (an outflow of ¥5,113 million during the previous fiscal year) due to purchase of broadcasting equipment and other property, plant and equipment.

(Cash Flows from Financing Activities)

Net cash used in financing activities was ¥53 million (an outflow of ¥2,260 million during the previous fiscal year) due to proceeds from long term loans payable despite cash dividends paid.

(4) Future Outlook

In the fiscal year ending March 31, 2020, the Japanese economy is expected to maintain a moderate recovery trend, backed by corporate earnings holding steady and a projected improvement in income conditions, but conditions are likely to remain unclear due to concern over factors such as economic slowdown in Europe and China. Under these circumstances, the Group will aim to improve viewer ratings in the mainstay broadcasting business, while carrying out aggressive investments aimed at expansion in rapidly growing content-related businesses.

In the fiscal year ending March 31, 2020, net sales, operating income, ordinary income, and profit attributable to owners of parent are projected to total ¥83.5 billion, ¥3.7 billion, ¥4.0 billion, and ¥2.5 billion, respectively.

(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, 2018	March 31, 2019
Assets		
Current assets		
Cash and deposits	14,412	16,337
Notes and accounts receivable - trade	13,009	13,550
Short-term investment securities	2,101	200
Inventories	2,169	5,114
Income taxes receivable	—	312
Other	1,692	2,345
Allowance for doubtful accounts	(6)	(9)
Total current assets	33,379	37,852
Non-current assets		
Property, plant and equipment		
Buildings and structures	34,645	34,706
Accumulated depreciation	(14,249)	(14,985)
Buildings and structures, net	20,396	19,721
Machinery equipment and vehicles	18,859	20,289
Accumulated depreciation	(13,830)	(14,609)
Machinery equipment and vehicles, net	5,028	5,679
Tools furniture and fixtures	1,701	1,791
Accumulated depreciation	(1,299)	(1,243)
Tools furniture and fixtures, net	402	548
Land	11,049	10,769
Lease assets	616	38
Accumulated depreciation	(293)	(25)
Lease assets, net	322	13
Construction in progress	1,729	1,104
Total property, plant and equipment	38,928	37,837
Intangible assets		
Software	216	1,167
Software in progress	848	105
Other	119	109
Total intangible assets	1,184	1,381
Investments and other assets		
Investment securities	18,376	18,406
Long-term loans receivable	9	73
Long-term prepaid expenses	1,635	1,479
Deferred tax assets	6,823	8,571
Other	2,579	2,196
Allowance for doubtful accounts	(237)	(10)
Total investments and other assets	29,186	30,716
Total non-current assets	69,300	69,935
Total assets	102,680	107,788

(Millions of Yen)

	March 31, 2018	March 31, 2019
Liabilities		
Current liabilities		
Current portion of long term loans payable	40	240
Lease obligations	324	1
Accounts payable - other	5,837	6,475
Accrued expenses	1,679	1,866
Income taxes payable	614	934
Provision for directors' bonuses	77	113
Other	3,922	3,497
Total current liabilities	12,496	13,129
Non-current liabilities		
Long term loans payable	130	740
Lease obligations	1	—
Net defined benefit liability	18,019	17,092
Long-term guarantee deposited	7,624	7,487
Deferred tax liabilities	—	1,049
Other	1,044	1,239
Total non-current liabilities	26,820	27,609
Total liabilities	39,316	40,738
Net assets		
Shareholders' equity		
Capital stock	5,299	5,299
Capital surplus	5,754	5,775
Retained earnings	49,780	53,241
Treasury stock	(500)	(470)
Total shareholders' equity	60,334	63,846
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	3,308	3,018
Remeasurements of defined benefit plans	(2,018)	(1,641)
Total valuation and translation adjustments	1,290	1,377
Non-controlling interests	1,738	1,826
Total net assets	63,363	67,049
Total liabilities and net assets	102,680	107,788

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

Consolidated Statement of Income

(Millions of Yen)

	Fiscal 2017 (April 1, 2017 to March 31, 2018)	Fiscal 2018 (April 1, 2018 to March 31, 2019)
Net sales	80,991	81,986
Cost of sales	53,005	53,463
Gross profit	27,985	28,522
Selling, general and administrative expenses	23,735	24,260
Operating income	4,250	4,262
Non-operating income		
Interest and dividends income	292	269
Other	96	113
Total non-operating income	389	383
Non-operating expenses		
Interest expenses	8	8
Loss on disposal of non-current assets	25	19
Business commencement expenses	50	14
Other	15	12
Total non-operating expenses	99	54
Ordinary income	4,539	4,591
Extraordinary income		
Gain on sales of non-current assets	—	52
Gain on sales of investment securities	80	23
Subsidy	20	—
Total extraordinary income	101	76
Extraordinary loss		
Impairment loss	53	—
Loss on valuation of stocks of subsidiaries and affiliates	—	70
Special retirement expenses	70	106
Total extraordinary loss	123	176
Income before income taxes	4,517	4,491
Income taxes - current	1,431	1,369
Income taxes - deferred	48	(651)
Total income taxes	1,479	718
Profit	3,037	3,773
Profit attributable to non-controlling interests	345	31
Profit attributable to owners of parent	2,691	3,742

Consolidated Statement of Comprehensive Income

(Millions of Yen)

	Fiscal 2017 (April 1, 2017 to March 31, 2018)	Fiscal 2018 (April 1, 2018 to March 31, 2019)
Profit	3,037	3,773
Other comprehensive income		
Valuation difference on available-for-sale securities, net of tax	311	(291)
Remeasurements of defined benefit plans, net of tax	903	376
Total other comprehensive income	1,214	84
Comprehensive income	4,252	3,858
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	3,917	3,827
Comprehensive income attributable to non-controlling interests	334	31

(3) Consolidated Statement of Changes in Equity

Fiscal 2017 (April 1, 2017 to March 31, 2018)

(Millions of Yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at the beginning of period	5,299	3,695	48,191	(500)	56,686
Changes of items during the period					
Dividends from surplus			(1,102)		(1,102)
Profit attributable to owners of parent			2,691		2,691
Purchase of treasury stock				(0)	(0)
Disposal of treasury stock					—
Change of scope of consolidation					—
Change in treasury shares of parent arising from transactions with non-controlling shareholders		2,059			2,059
Net changes of items other than shareholders' equity					—
Total changes of items during the period	—	2,059	1,589	(0)	3,648
Balance at the end of period	5,299	5,754	49,780	(500)	60,334

	Valuation and translation adjustments			Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Remeasurements of defined benefit plans	Total valuation and translation adjustments		
Balance at the beginning of period	2,985	(2,921)	64	4,523	61,274
Changes of items during the period					
Dividends from surplus					(1,102)
Profit attributable to owners of parent					2,691
Purchase of treasury stock					(0)
Disposal of treasury stock					—
Change of scope of consolidation					—
Change in treasury shares of parent arising from transactions with non-controlling shareholders					2,059
Net changes of items other than shareholders' equity	323	903	1,226	(2,785)	(1,559)
Total changes of items during the period	323	903	1,226	(2,785)	2,089
Balance at the end of period	3,308	(2,018)	1,290	1,738	63,363

Fiscal 2018 (April 1, 2018 to March 31, 2019)

(Millions of Yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at the beginning of period	5,299	5,754	49,780	(500)	60,334
Changes of items during the period					
Dividends from surplus			(817)		(817)
Profit attributable to owners of parent			3,742		3,742
Purchase of treasury stock				(0)	(0)
Disposal of treasury stock		20		30	50
Change of scope of consolidation			535		535
Change in treasury shares of parent arising from transactions with non-controlling shareholders					—
Net changes of items other than shareholders' equity					—
Total changes of items during the period	—	20	3,461	30	3,512
Balance at the end of period	5,299	5,775	53,241	(470)	63,846

	Valuation and translation adjustments			Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Remeasurements of defined benefit plans	Total valuation and translation adjustments		
Balance at the beginning of period	3,308	(2,018)	1,290	1,738	63,363
Changes of items during the period					
Dividends from surplus					(817)
Profit attributable to owners of parent					3,742
Purchase of treasury stock					(0)
Disposal of treasury stock					50
Change of scope of consolidation					535
Change in treasury shares of parent arising from transactions with non-controlling shareholders					—
Net changes of items other than shareholders' equity	(290)	376	86	88	174
Total changes of items during the period	(290)	376	86	88	3,686
Balance at the end of period	3,018	(1,641)	1,377	1,826	67,049

(4) Consolidated Statement of Cash Flows

(Millions of Yen)

	Fiscal 2017 (April 1, 2017 to March 31, 2018)	Fiscal 2018 (April 1, 2018 to March 31, 2019)
Cash flows from operating activities		
Income before income taxes	4,517	4,491
Depreciation and amortization	2,971	3,031
Impairment loss	53	—
Increase (decrease) in allowance for doubtful accounts	(3)	(0)
Increase (decrease) in net defined benefit liability	(1,174)	(1,120)
Interest and dividend income	(292)	(269)
Interest expenses	8	8
Loss (gain) on sales of property, plant and equipment	—	(52)
Loss (gain) on disposal of non-current assets	25	19
Loss (gain) on sales of investment securities	(80)	(23)
Loss (gain) on valuation of investment securities	—	70
Loss (gain) on investments in partnership	50	14
Decrease (increase) in notes and accounts receivable - trade	(479)	(431)
Decrease (increase) in inventories	(20)	(2,993)
Increase (decrease) in notes and accounts payable - trade	444	509
Other, net	519	928
Subtotal	6,539	4,181
Interest and dividend income received	302	344
Interest expenses paid	(8)	(8)
Income taxes paid	(2,030)	(1,230)
Net cash provided by (used in) operating activities	4,803	3,286
Cash flows from investing activities		
Payments into time deposits	—	(273)
Proceeds from withdrawal of time deposits	—	273
Purchase of short-term investment securities	(100)	—
Proceeds from sales of short-term investment securities	1,049	1,400
Purchase of property, plant and equipment	(4,424)	(3,185)
Proceeds from sales of property, plant and equipment	7	563
Purchase of intangible assets	(117)	(530)
Payments for asset retirement obligations	—	(78)
Purchase of investment securities	(1,636)	(879)
Proceeds from sales of investment securities	231	227
Payments of loans receivable	(11)	(75)
Collection of loans receivable	24	10
Other, net	(135)	152
Net cash provided by (used in) investing activities	(5,113)	(2,394)

(Millions of Yen)

	Fiscal 2017 (April 1, 2017 to March 31, 2018)	Fiscal 2018 (April 1, 2018 to March 31, 2019)
Cash flows from financing activities		
Increase (decrease) in short-term loans payable	(100)	—
Proceeds from long-term loans payable	200	1,000
Repayments of long-term loans payable	(30)	(190)
Purchase of treasury stock	(0)	(0)
Cash dividends paid	(1,102)	(817)
Dividends paid to non-controlling interests	(67)	(13)
Repayments of lease obligations	(167)	(32)
Payments from changes in ownership interests in subsidiaries that do not result in change in scope of consolidation	(993)	—
Net cash provided by (used in) financing activities	(2,260)	(53)
Net increase (decrease) in cash and cash equivalents	(2,569)	839
Beginning balance of cash and cash equivalents	17,646	15,076
Increase in cash and cash equivalents from newly consolidated subsidiary	—	323
Ending balance of cash and cash equivalents	15,076	16,239

(5) Notes regarding Consolidated Financial Statements

(Going Concern Assumptions)

Not applicable.

(Change in Presentation Methods)

(Change accompanying adoption of “Partial Amendments to Accounting Standard for Tax Effect Accounting”)

“Partial Amendments to Accounting Standard for Tax Effect Accounting” (ASBJ Statement No. 28, February 16, 2018) has been adopted from the beginning of the fiscal year under review, whereby deferred tax assets are presented under investments and other assets, while deferred tax liabilities are presented under non-current liabilities.

As a result, ¥610 million in “deferred tax assets” under “current assets” is included and presented within the ¥6,823 million in “deferred tax assets” under “investments and other assets” on the Consolidated Balance Sheet for the previous fiscal year.

(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 three reportable segments with business activities undertaken primarily in the broadcasting, housing, and golf club business fields.

The broadcasting business comprises television, radio, and related broadcasting activities. The housing business is made up of housing exhibition site operating and related activities. The golf club business includes golf club operating activities.

2. Calculation Method of Measurements of Sales, Profit, Loss, 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, intrasegment revenues or transfers are based on prevailing market prices.

3. Explanation of Measurements of Sales, Profit, Loss, Asset, Liability and Other Items for Each Reportable Segment
Fiscal 2017 (April 1, 2017 to March 31, 2018)

(Millions of Yen)

	Reportable Segment				Adjustments (Note 1)	Amounts Recorded on Consolidated Financial Statements (Note 2)
	Broadcasting	Housing	Golf Club	Total		
Sales						
Revenues from external customers	68,645	11,474	871	80,991	—	80,991
Transactions with other segments	527	22	62	612	(612)	—
Total	69,172	11,497	934	81,604	(612)	80,991
Segment profit	3,116	1,083	49	4,250	—	4,250
Segment assets	79,014	12,992	10,904	102,911	(231)	102,680
Other items						
Depreciation and amortization	2,331	558	82	2,971	—	2,971
Increase in property, plant and equipment and intangible assets	3,014	2,428	34	5,477	—	5,477

Notes:

- Adjustments are outlined as follows:
 - The adjustment to transactions with other segments of negative ¥612 million represents the amount of intrasegment transaction elimination.
 - The adjustment to segment assets of negative ¥231 million represents the amount of intrasegment receivables and payables elimination.
- Segment profit refers to operating income recorded on the consolidated statement of income.
- 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 2018 (April 1, 2018 to March 31, 2019)

(Millions of Yen)

	Reportable Segment				Adjustments (Note 1)	Amounts Recorded on Consolidated Financial Statements (Note 2)
	Broadcasting	Housing	Golf Club	Total		
Sales						
Revenues from external customers	68,550	12,545	890	81,986	—	81,986
Transactions with other segments	622	19	57	699	(699)	—
Total	69,172	12,565	947	82,686	(699)	81,986
Segment profit	3,475	1,060	28	4,564	(301)	4,262
Segment assets	62,851	14,595	10,760	88,207	19,581	107,788
Other items						
Depreciation and amortization	2,321	628	81	3,031	—	3,031
Increase in property, plant and equipment and intangible assets	2,379	243	66	2,689	—	2,689

Notes:

- Adjustments are outlined as follows:
 - The adjustment to transactions with other segments of negative ¥699 million represents the amount of intrasegment transaction elimination.
 - The adjustment to segment profit of negative ¥301 million represents the amount of expenses which do not belong to any reportable segment, mainly regarding development of new business and market.
 - The adjustment to segment assets of ¥19,581 million represents companywide assets which are not allocated to the reportable segments of ¥19,823 million and negative ¥242 million as the amount of intrasegment receivables and payables elimination.
Companywide assets are primarily cash and deposits and investment securities which do not belong to any reportable segment.
- Segment profit refers to operating income recorded on the consolidated statement of income.
- 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.

4. Notes relating to changes in reportable segments, etc.

(Change in calculation method of segment profit and segment assets in line with transition to a certified broadcasting holding company)

In line with the transition to a certified broadcasting holding company on April 1, 2018, the Company is now responsible for the group administrative management business and the real estate management business. As a result, the Company has adopted the method where the expenses and retained assets associated with the group administrative management business and the real estate management business are allocated to each reportable segment. In addition, companywide assets retained by the Company are processed as adjustments.

Owing to this change, in the fiscal year under review, segment profit of broadcasting business increased by ¥199 million whereas segment assets decreased by ¥19,870 million, segment profit of housing business decreased by ¥198 million whereas segment assets increased by ¥46 million, segment profit of golf business decreased by ¥1 million, and the adjustment to segment assets increased by ¥19,823 million compared with figures calculated using the former method.

(Per Share Information)

(Yen)

	Fiscal 2017 (April 1, 2017 to March 31, 2018)	Fiscal 2018 (April 1, 2018 to March 31, 2019)
Net assets per share	1,509.06	1,594.83
Basic earnings per share	65.92	91.55

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 2017 (April 1, 2017 to March 31, 2018)	Fiscal 2018 (April 1, 2018 to March 31, 2019)
Basic earnings per share		
Profit attributable to owners of parent (Millions of Yen)	2,691	3,742
Amount not attributable to common shareholders (Millions of Yen)	—	—
Profit attributable to owners of parent related to common stock (Millions of Yen)	2,691	3,742
Average number of common stock shares issued and outstanding during the period (Thousands of Shares)	40,836	40,878

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

	March 31, 2018	March 31, 2019
Total net assets (Millions of Yen)	63,363	67,049
Amount excluded from total net assets (Millions of Yen)	1,738	1,826
(Non-controlling interests)	(1,738)	(1,826)
Net assets attributable to common stock as of the end of the period (Millions of Yen)	61,625	65,223
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)	40,836	40,896

(Significant Events after Reporting Period)

(Business Combination through Acquisition)

The Company resolved at a meeting of the Board of Directors held on May 10, 2019 to acquire a certain number of shares of DLE, Inc. and make it a subsidiary.

Please refer to the “Notice on Acquisition of Subsidiary DLE, Inc. through Third-Party Allocation of Shares and Execution of Business Alliance Agreement” released on May 10, 2019 for more information. (Available in Japanese only.)

4. Other Information

(1) Changes to the Officers of the Company

Please refer to the “Notice of Changes in Personnel” announced on May 10, 2019. (Available in Japanese only.)