CONSOLIDATED FINANCIAL REPORT
FOR FISCAL 2016
(The Fiscal Year Ended March 31, 2017 under Japanese GAAP)

May 10, 2017

Company Name: Asahi Broadcasting Corporation* Stock Exchange Listing: Tokyo Stock Exchange
Securities Code: 9405 URL http://corp.asahi.co.jp/en/
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Scheduled Date of Ordinary General Meeting of Shareholders: June 22, 2017
Scheduled Date of Dividend Payment Commencement: June 23, 2017
Scheduled Date of Securities Report Filing: June 23, 2017
Preparation of Annual Supplementary Explanatory Materials: Yes
Annual Results Briefing Held: Yes (for institutional investors and analysts)
* Asahi Broadcasting Corporation: ABC

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

1. Consolidated Financial Results for Fiscal 2016 (April 1, 2016 to March 31, 2017)

(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 2016	82,302	1.5	4,972	22.3	5,261	19.4	3,416	44.0
Fiscal 2015	81,059	0.5	4,064	(13.2)	4,407	(8.8)	2,372	7.7

Note: Comprehensive Income Fiscal 2016 ¥4,469 million (—%) Fiscal 2015 ¥(66) million (—%)

	Basic Earnings per Share	Diluted Earnings per Share	Rate of return on equity	Ordinary Income/Total Assets	Operating Income/Net Sales
	¥	¥	%	%	%
Fiscal 2016	83.66	—	6.2	5.2	6.0
Fiscal 2015	58.11	—	4.4	4.3	5.0

(Reference) Equity in Earnings of Affiliates Fiscal 2016 ¥— million Fiscal 2015 ¥— million

(2) Consolidated Financial Position

	Total Assets	Net Assets	Equity-to-Asset Ratio	Net Assets per Share
	¥ million	¥ million	%	¥
March 31, 2017	101,979	61,274	55.6	1,389.70
March 31, 2016	99,596	57,713	53.5	1,304.70

(Reference) Shareholders' Equity March 31, 2017: ¥56,750 million March 31, 2016: ¥53,279 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 2016	6,806	(579)	(1,202)	17,646
Fiscal 2015	(126)	209	(1,860)	12,621

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 2015	—	9.00	—	9.00	18.00	735	31.0	1.4
Fiscal 2016	—	9.00	—	17.00	26.00	1,061	31.1	1.9
Fiscal 2017 (Forecast)	—	10.00	—	10.00	20.00		31.4	

3. Consolidated Financial Results Forecasts for Fiscal 2017 (April 1, 2017 to March 31, 2018)

(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	%	¥
Interim Period	39,100	(4.3)	1,000	(6.8)	1,100	(12.8)	700	(20.8)	17.14
Full Fiscal Year	80,500	(2.2)	4,100	(17.5)	4,300	(18.3)	2,600	(23.9)	63.67

* 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, 2017	41,833,000 shares	March 31, 2016	41,833,000 shares
2) Number of treasury shares as of the period-end	March 31, 2017	996,087 shares	March 31, 2016	996,087 shares
3) Average number of shares issued and outstanding for the period	March 31, 2017	40,836,913 shares	March 31, 2016	40,836,913 shares

(Reference) Non-Consolidated Financial Results

1. Non-Consolidated Financial Results for Fiscal 2016 (April 1, 2016 to March 31, 2017)

(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 2016	65,130	0.0	3,485	33.1	3,891	28.2	2,867	54.5
Fiscal 2015	65,127	(1.2)	2,619	(23.6)	3,034	(17.6)	1,855	(6.1)

	Basic Earnings per Share	Diluted Earnings per Share
	¥	¥
Fiscal 2016	70.21	—
Fiscal 2015	45.45	—

(2) Non-Consolidated Financial Position

	Total Assets	Net Assets	Equity-to-Asset Ratio	Net Assets per Share
	¥ million	¥ million	%	¥
March 31, 2017	78,326	53,526	68.3	1,310.73
March 31, 2016	76,924	51,570	67.0	1,262.84

(Reference) Shareholders' Equity March 31, 2017: ¥53,526 million March 31, 2016: ¥51,570 million

* These consolidated financial results are outside the scope of audit

* 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 Friday, May 19, 2017. A summary of the presentation materials to be distributed at this briefing shall be published on the Company's website after the event.

Supplementary Materials: Table of Contents

1. Overview of Business Results, etc.

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

In fiscal 2016, which extended from April 1, 2016 to March 31, 2017, the Japanese economy was on a moderate recovery trend due to an improvement in the employment situation and income conditions. However, due to unstable factors in overseas economies such as the withdrawal of the United Kingdom from the EU and policy trends from the new United States president, the future outlook of the economy remains uncertain.

Under these circumstances, in the broadcasting field where the Asahi Broadcasting Group (the Group) conducts its core business, increases in TV spot advertising sales and other factors caused net sales to increase. In the housing business, net sales were up due to factors such as an increase in sales at an exhibition of housing-related facilities (HDC (Housing Design Center)). In the golf business, revenue decreased due to factors such as a decrease in the number of golf course visitors. As a result of these factors, the Group's net sales for the fiscal year ended March 31, 2017 increased ¥1,242 million, or 1.5%, compared to the previous fiscal year and amounted to ¥82,302 million.

From the cost standpoint, cost of sales decreased ¥166 million (0.3%) compared with the previous fiscal year, to ¥53,788 million. Selling, general and administrative expenses increased ¥501 million (2.2%) compared with the previous fiscal year, to ¥23,541 million. As a result of the above, operating income for the fiscal year increased ¥907 million, or 22.3%, to ¥4,972 million, while ordinary income totaled ¥5,261 million, an increase of ¥854 million, or 19.4%. Additionally, as extraordinary income, ¥66 million in gain on sales of non-current assets of subsidiaries and ¥196 million in total in subsidy income related to development of relay stations to complement FM radio broadcasting and frequency transition for broadcasting equipment were recorded. Furthermore, as extraordinary loss, ¥51 million was recorded, primarily for impairment loss associated with exhibitions for housing at a subsidiary. As a result, income before income taxes was ¥5,471 million, an increase of ¥754 million, or 16.0%, and profit attributable to owners of parent was ¥3,416 million, an increase of ¥1,043 million, or 44.0%.

Results by business segment are as follows:

Broadcasting Business

In the fiscal year under review, net sales in the broadcasting business totaled ¥70,568 million, up ¥773 million, or 1.1%, compared to the previous fiscal year. The principal factors accounting for this increase in revenue included increases in mainstay TV spot advertising sales and event income, in addition to higher revenue for broadcasting revenue from commercial sales in CS broadcasts at subsidiaries. On the other hand, operating expenses decreased 0.3% overall from the previous fiscal year, owing to factors including a decrease in television programming expenses. As a result, operating income amounted to ¥3,809 million, an increase of ¥1,027 million, or 37.0%, from the previous fiscal year.

Housing Business

In the housing business, net sales amounted to ¥10,924 million, an increase of ¥499 million, or 4.8%, compared with the previous fiscal year. Although sales of the housing business concerning housing exhibitions decreased, overall sales increased due to factors such as sales contributions from an exhibition for housing-related facilities (HDC Nagoya) opened in March 2016. Meanwhile, operating expenses rose 6.9% due to factors such as higher housing business expenses and HDC business expenses. As a result, operating income amounted to ¥1,143 million, a decrease of ¥135 million, or 10.6%, from the previous fiscal year.

Golf Business

Net sales in the golf business amounted to ¥809 million, a decrease of ¥30 million, or 3.7%, compared with the previous fiscal year. A decline in the number of visitors caused play revenue to decrease. On the other hand, operating expenses declined 2.2% due to lower selling expenses and depreciation expenses resulting since there was no anniversary business as there was during the previous fiscal year, etc.. As a result, operating income amounted to ¥19 million, an increase of ¥15 million, or 418.5%, from the previous fiscal year.

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

(Assets)

Consolidated current assets as of the end of the fiscal year under review were ¥35,608 million, ¥3.5 billion higher than at the end of the previous fiscal year (March 31, 2016). Non-current assets amounted to ¥66,371 million, ¥1,116 million lower than at the end of the previous fiscal year. Total assets increased ¥2,383 million, to ¥101,979 million. The increase in total assets resulted mainly from an increase in cash and deposits.

(Liabilities)

Consolidated current liabilities stood at ¥11,918 million, ¥713 million lower than at the end of the previous fiscal year, and non-current liabilities came to ¥28,786 million, ¥463 million below the level at the previous fiscal year-end. Total liabilities decreased ¥1,176 million, to ¥40,705 million. The principal reasons for the decrease in liabilities were a decrease in accounts payable – other, a decrease in net defined benefit liability, and a decrease in lease obligations following lease contract expirations.

(Net Assets)

Consolidated total net assets came to ¥61,274 million, ¥3,560 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 ¥3,416 million, the Group paid a total of ¥735 million in dividends from surplus. In addition, due to an increase in the market value of investment securities held by the Company, valuation difference on available-for-sale securities increased ¥263 million, and remeasurements of defined benefit plans increased ¥441 million.

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

For the fiscal year under review, net cash provided by operating activities totaled ¥686 million. Net cash used in investing activities was ¥579 million, and net cash used in financing activities came to ¥1,202 million.
Accounting for each of these activities, the ending balance of cash and cash equivalents stood at ¥17,646 million, an increase of ¥5,024 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 ¥6,806 million, a ¥6,932 million increase from an outflow of ¥126 million during the previous fiscal year. This result was largely attributable to a lower decrease in net defined benefit liability.

(Cash Flows from Investing Activities)

Net cash used in investing activities was ¥579 million, a ¥788 million decrease from an inflow of ¥209 million during the previous fiscal year. This result was largely attributable to a decrease in proceeds from sales of short-term investment securities.

(Cash Flows from Financing Activities)

Net cash used in financing activities decreased ¥658 million (35.4%) year on year, amounting to ¥1,202 million. The principal components were a decrease in outflows due to repayments of lease obligations.

(Reference) Trends in Cash Flow-Related Indicators

	Fiscal 2015	Fiscal 2016
Equity-to-asset ratio (%)	53.5	55.6
Market capitalization ratio (%)	28.0	30.4
Interest-bearing liabilities to cash flow ratio (years)	—	0.1
Interest coverage ratio (times)	—	526.5

Equity-to-asset ratio: Shareholders' equity / total assets

Market capitalization ratio: Market capitalization / total assets

Interest-bearing liabilities to cash flow ratio: Interest-bearing liabilities / cash flows

Interest coverage ratio: Cash flows / interest payments

Notes:

1. Each index is calculated based on consolidated financial data.
2. Market capitalization is calculated by multiplying the period-end closing share price with the number of shares issued and outstanding as of the period-end (after deducting treasury shares).
3. Cash flows from operating activities are used for cash flows.
4. Interest-bearing liabilities include all interest-bearing liabilities under the liabilities section recorded on consolidated balance sheet.
5. As cash flows from operating activities were negative for fiscal 2015, the interest-bearing liabilities to cash flow ratio and the interest coverage ratio are not shown.

(4) Future Outlook

In the fiscal year ending March 31, 2018, the Japanese economy is expected to maintain a moderate recovery trend due to projected improvement in the employment environment and an increase in exports as overseas economies recover, but the effects of economic policies by the United States administration and political trends in Europe are also expected, with conditions likely to remain unclear. Under these circumstances, the Group will aim to increase not only TV business revenue in the mainstay broadcasting business via improving viewer ratings, but also through expanding profits in the overall segment. Furthermore, the Group will carry out aggressive investments aimed at future growth.

Net sales, operating income, ordinary income, and profit attributable to owners of parent for the interim period of fiscal 2017 are projected to total ¥39.1 billion, ¥1.0 billion, ¥1.1 billion, and ¥0.7 billion, respectively. For the full fiscal year, net sales, operating income, ordinary income, and profit attributable to owners of parent are forecast to reach ¥80.5 billion, ¥4.1 billion, ¥4.3 billion, and ¥2.6 billion, respectively.

(5) Basic Policy and the Appropriation of Profits as well as Dividends for Fiscal 2016 and Fiscal 2017

Asahi Broadcasting has positioned the appropriate return of profits to shareholders as one of its most-important management priorities. In connection with the allocation of profits, the Company shall endeavor to provide fair distribution of profits commensurate with business results, under the basic policy for stable and continuous dividend payments with a consolidated dividend payout ratio not to fall below 30% in parallel with an effort to enhance and maintain its financial position as a responsible broadcasting business operator, and to keep up adequate investment aiming at growth in the future.

For the fiscal year ended March 31, 2017, the Company plans to pay a period-end dividend of ¥17.00 per share in consideration of the aforementioned policy and the business performance. Accounting for the interim dividend of ¥9.00 per share paid, the annual dividend for fiscal 2016 comes in at ¥26.00 per share.

Turning to the fiscal year ending March 31, 2018, Asahi Broadcasting is forecasting an interim dividend of ¥10.00 per share and a period-end dividend of ¥10.00 per share for an annual dividend of ¥20.00 per share.

2. Management Policy

(1) Policies Fundamental to the Company's Management

The Group maintains a corporate philosophy that emphasizes the importance of responding accurately to change while evolving on an ongoing basis. As a dynamic and creative corporate group, our overarching mission is to contribute to the growth and development of society. Guided by this corporate philosophy, we strive to hone our comprehensive strengths as a group. In its mainstay broadcasting business, the Group is working diligently to fulfill its role and responsibilities as backbone media. In this context, we are making every effort to enrich local communities and cultural pursuits based on an unwavering commitment to peace and freedom.

Even amid a rapidly changing media environment, we continue to observe the highest ethical standards while garnering the trust of our viewing and listening audience as well as advertisers and sponsors. Coming together as one, we will take steps to hone our content production capabilities and strengthen to expand to enhance our corporate value.

(2) Management Targets

The Group strives to lift television viewer ratings and radio listener ratings in its broadcasting business activities. Complementing these endeavors, the Group engages in operations that prioritize the concentrated allocation of management resources and expenditure efficiency. Through these means, we are working to increase the profit ratio. In addition, we continue to do our utmost to meet the expectations of shareholders. As a part of these efforts, we are working to improve return on equity.

The fiscal year under review marks the final fiscal year of the "Group Medium-Term Management Plan 2015-2017," which seeks to advance foundation maintenance. In these three years, the Company is in the process of implementing reforms to its revenue structure, aiming to expand broadcasting-related businesses and overseas businesses while advancing preparations for transition to a certified broadcasting holding company. As a result, the Company is not at a stage where it can provide target figures, etc., for capital efficiency. The Company will continue to actively consider providing capital measures that include specific figures from its next medium-term management plan onward.

(3) Medium- and Long-Term Management Strategies as well as Issues to Address

◇ Environment surrounding the Group

Positioning the broadcasting business through terrestrial television, radio, and CS broadcasting as its mainstay business, together with the golf business and housing business, the Group strives to enhance its corporate value as a dynamic and creative corporate group. However, the media environment is changing rapidly due to factors such as advances in technology and diversification of devices, and a future decline in the importance of terrestrial television is possible. Structural reforms that can swiftly respond to such change has become a necessity.

◇ The Group's current medium-term management plan

In the "Group Medium-Term Management Plan 2015-2017," these three years are positioned as a period in which emphasis will be placed on active investment in developing new contents and new businesses.

In 2015, the corporate venture capital firm, ABC DREAM VENTURES, Inc. was established, and it has begun to make investments in venture firms.

In 2016, the Anime Business, Overseas Business, and Licensing and Product Sales Business of broadcasting-related businesses were spun off, and the businesses were continued by ABC ANIMATION, INC., ABC INTERNATIONAL INC., and ABC RIGHTS BUSINESS, INC., which are collectively supervised by newly established ABC FRONTIER HOLDINGS, INC.

In spring of 2017, ABC HORIZON PTE. LTD., a local subsidiary in Singapore, began operations.

Such initiatives to maintain and manage the foundation were promoted to enable the Group to expand its business scope, while creating structures that can rapidly respond to changes in the times.

◇ Toward a certified broadcasting holding company structure

Additionally, at a Board of Directors meeting in February 2017, the Group resolved a policy to transition to a certified broadcasting holding company structure in April 2018. Historically, the Group had devoted all of its energy to improving corporate value primarily via broadcasting. In the future, the Broadcasting Business will remain important and be the largest revenue generating business for the Group. However, moving forward, the times dictate that growth cannot be achieved only with broadcasting, and it is necessary to make further efforts in diverse areas outside of broadcasting. The Group determined that it would be preferable to make active and flexible management decisions looking at each group company from a wide perspective and propose strategies that are optimal for the entire group, and thus decided to transition to a certified broadcasting holding company structure.

◇ The shape of a certified broadcasting holding company structure

A certified broadcasting holding company structure is a structure allowed under the Broadcast Act to allow for group management via a holding company for the flagship Broadcasting Business. To this point, eight companies, including broadcasters located in Tokyo, have transitioned, and the Company will be the ninth. By utilizing the company split scheme under the Companies Act, a new company will be established to conduct broadcasting businesses for television and radio, and for the Broadcasting Business currently conducted by Asahi Broadcasting, television will be succeeded by the Asahi Television Broadcasting Corporation(tentative), and radio will be succeeded by the Asahi Radio Broadcasting Corporation(tentative). The present Asahi Broadcasting Corporation will not hold its own broadcasting license, instead transitioning to a certified broadcasting holding company that conducts group management, etc., and it will also maintain its listing on the First Section of the Tokyo Stock Exchange. Under this holding company, all companies that conduct business under the Asahi Broadcasting Group will be sister companies, including Asahi Television Broadcasting Corporation(tentative), Asahi Radio Broadcasting Corporation(tentative), Sky-A, Inc., and ABC Development Corporation.

Additionally, the Group chose “Asahi Broadcasting Group Holdings Corporation” as the name of the holding company to signify that it is a group in which each group company cooperates to achieve growth.

◇ What the Group strives to become

The Asahi Broadcasting Group Holdings Corporation will formulate group management strategies and media expansion strategies, support business execution through sharing strategies with group companies, and heighten management functions across the group. Group companies that conduct business will utilize their respective unique strengths while increasing competitiveness with close cooperation across the group, and aim to contribute to improving groupwide corporate value, including through expansion into new business areas.

For television and radio to expand in both media and business through utilizing the characteristics of their respective media, it will be necessary to quickly establish and execute strategies from unique perspectives. The joint management structure of television and radio, which the Group has held for many years, had the benefit of symbiotic sharing and supporting of production structures and expenses, but also the disadvantage of difficulty in ascertaining and analyzing respective business conditions in areas such as income and expenses, making it difficult to gain a “clear understanding of management.” As a result, it was decided to establish the two companies of Asahi Television Broadcasting Corporation(tentative) and Asahi Radio Broadcasting Corporation(tentative), splitting and succeeding the businesses. Through having two independent companies, management duties and responsibilities will be clarified, while also increasing independence. This is not to turn away from the strengths of joint management of television and radio, but to achieve growth across the group through strong cooperation between every member of the group.

(Additionally, for details regarding the transition to a certified broadcasting holding company structure, please see

“Conclusion of Absorption-type Demerger Agreement Accompanying Transition to Certified Broadcasting Holding Company Structure and Partial Amendments to the Articles of Incorporation (Amendments to Trade Name and Business Objectives)” announced on May 10, 2017. (Available in Japanese only.)

3. 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.

4. Consolidated Financial Statements

(1) Consolidated Balance Sheet

(Millions of Yen)

	March 31, 2016	March 31, 2017
Assets		
Current assets		
Cash and deposits	11,857	17,082
Notes and accounts receivable - trade	12,904	12,530
Short-term investment securities	4,397	1,650
Inventories	850	2,148
Deferred tax assets	559	621
Other	1,548	1,582
Allowance for doubtful accounts	(9)	(7)
Total current assets	32,108	35,608
Non-current assets		
Property, plant and equipment		
Buildings and structures	33,571	32,961
Accumulated depreciation	(12,494)	(13,297)
Buildings and structures, net	21,077	19,663
Machinery equipment and vehicles	17,319	18,101
Accumulated depreciation	(12,817)	(13,504)
Machinery equipment and vehicles, net	4,501	4,596
Tools furniture and fixtures	1,626	1,729
Accumulated depreciation	(1,164)	(1,219)
Tools furniture and fixtures, net	462	509
Land	11,239	10,531
Lease assets	7,529	639
Accumulated depreciation	(6,640)	(164)
Lease assets, net	889	474
Construction in progress	231	1,000
Total property, plant and equipment	38,401	36,776
Intangible assets		
Software	145	132
Software in progress	—	744
Other	137	118
Total intangible assets	282	995
Investments and other assets		
Investment securities	18,101	17,805
Long-term loans receivable	23	20
Long-term prepaid expenses	1,766	1,779
Deferred tax assets	6,999	6,790
Other	2,157	2,443
Allowance for doubtful accounts	(244)	(241)
Total investments and other assets	28,803	28,598
Total non-current assets	67,487	66,371
Total assets	99,596	101,979

(Millions of Yen)

	March 31, 2016	March 31, 2017
Liabilities		
Current liabilities		
Short-term loans payable	100	100
Lease obligations	904	166
Accounts payable - other	5,981	5,538
Accrued expenses	1,647	1,733
Income taxes payable	693	1,266
Provision for directors' bonuses	113	104
Other	3,191	3,008
Total current liabilities	12,632	11,918
Non-current liabilities		
Lease obligations	9	325
Net defined benefit liability	20,486	19,677
Long-term guarantee deposited	7,850	7,706
Other	903	1,076
Total non-current liabilities	29,250	28,786
Total liabilities	41,882	40,705
Net assets		
Shareholders' equity		
Capital stock	5,299	5,299
Capital surplus	3,610	3,695
Retained earnings	45,510	48,191
Treasury stock	(500)	(500)
Total shareholders' equity	53,919	56,686
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	2,722	2,985
Remeasurements of defined benefit plans	(3,362)	(2,921)
Total valuation and translation adjustments	(639)	64
Non-controlling interests	4,433	4,523
Total net assets	57,713	61,274
Total liabilities and net assets	99,596	101,979

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

Consolidated Statement of Income

(Millions of Yen)

	Fiscal 2015 (April 1, 2015 to March 31, 2016)	Fiscal 2016 (April 1, 2016 to March 31, 2017)
Net sales	81,059	82,302
Cost of sales	53,954	53,788
Gross profit	27,104	28,514
Selling, general and administrative expenses	23,039	23,541
Operating income	4,064	4,972
Non-operating income		
Interest and dividends income	329	275
Other	146	111
Total non-operating income	476	387
Non-operating expenses		
Interest expenses	40	12
Loss on disposal of non-current assets	51	20
Loss on redemption of investment securities	—	3
Loss on investments in partnership	15	37
Business commencement expenses	—	20
Other	26	3
Total non-operating expenses	133	98
Ordinary income	4,407	5,261
Extraordinary income		
Gain on sales of non-current assets	—	66
Gain on sales of investment securities	172	—
Subsidy	137	196
Total extraordinary income	309	262
Extraordinary loss		
Impairment loss	—	51
Loss on valuation of investment securities	—	1
Total extraordinary loss	—	52
Income before income taxes	4,717	5,471
Income taxes - current	1,457	1,831
Income taxes - deferred	536	(123)
Total income taxes	1,993	1,708
Profit	2,723	3,763
Profit attributable to non-controlling interests	350	346
Profit attributable to owners of parent	2,372	3,416

Consolidated Statement of Comprehensive Income

(Millions of Yen)

	Fiscal 2015 (April 1, 2015 to March 31, 2016)	Fiscal 2016 (April 1, 2016 to March 31, 2017)
Profit	2,723	3,763
Other comprehensive income		
Valuation difference on available-for-sale securities, net of tax	144	265
Remeasurements of defined benefit plans, net of tax	(2,935)	441
Total other comprehensive income	(2,790)	706
Comprehensive income	(66)	4,469
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	(417)	4,120
Comprehensive income attributable to non-controlling interests	350	349

(3) Consolidated Statement of Changes in Equity

Fiscal 2015 (April 1, 2015 to March 31, 2016)

(Millions of Yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at the beginning of period	5,299	3,610	43,995	(500)	52,404
Changes of items during the period					
Dividends from surplus			(857)		(857)
Profit attributable to owners of parent			2,372		2,372
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	—	—	1,515	—	1,515
Balance at the end of period	5,299	3,610	45,510	(500)	53,919

	Valuation and translation adjustments			Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Remeasure-ments of defined benefit plans	Total valuation and translation adjustments		
Balance at the beginning of period	2,577	(427)	2,150	4,154	58,709
Changes of items during the period					
Dividends from surplus					(857)
Profit attributable to owners of parent					2,372
Change in treasury shares of parent arising from transactions with non-controlling shareholders					
Net changes of items other than shareholders' equity	145	(2,935)	(2,789)	279	(2,510)
Total changes of items during the period	145	(2,935)	(2,789)	279	(995)
Balance at the end of period	2,722	(3,362)	(639)	4,433	57,713

Fiscal 2016 (April 1, 2016 to March 31, 2017)

(Millions of Yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at the beginning of period	5,299	3,610	45,510	(500)	53,919
Changes of items during the period					
Dividends from surplus			(735)		(735)
Profit attributable to owners of parent			3,416		3,416
Change in treasury shares of parent arising from transactions with non-controlling shareholders		85			85
Net changes of items other than shareholders' equity					
Total changes of items during the period	—	85	2,681	—	2,766
Balance at the end of period	5,299	3,695	48,191	(500)	56,686

	Valuation and translation adjustments			Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Remeasure-ments of defined benefit plans	Total valuation and translation adjustments		
Balance at the beginning of period	2,722	(3,362)	(639)	4,433	57,713
Changes of items during the period					
Dividends from surplus					(735)
Profit attributable to owners of parent					3,416
Change in treasury shares of parent arising from transactions with non-controlling shareholders					85
Net changes of items other than shareholders' equity	263	441	704	89	793
Total changes of items during the period	263	441	704	89	3,560
Balance at the end of period	2,985	(2,921)	64	4,523	61,274

(4) Consolidated Statement of Cash Flows

(Millions of Yen)

	Fiscal 2015 (April 1, 2015 to March 31, 2016)	Fiscal 2016 (April 1, 2016 to March 31, 2017)
Cash flows from operating activities		
Income before income taxes	4,717	5,471
Depreciation and amortization	3,299	2,841
Impairment loss	—	51
Increase (decrease) in allowance for doubtful accounts	13	(5)
Increase (decrease) in net defined benefit liability	(5,769)	(968)
Interest and dividend income	(329)	(275)
Interest expenses	40	12
Loss (gain) on sales of property, plant and equipment	—	(66)
Loss (gain) on disposal of non-current assets	51	20
Loss (gain) on sales of investment securities	(172)	—
Loss (gain) on valuation of investment securities	—	1
Loss (gain) on redemption of investment securities	—	3
Loss (gain) on investments in partnership	15	37
Decrease (increase) in notes and accounts receivable - trade	164	374
Decrease (increase) in inventories	(31)	59
Increase (decrease) in notes and accounts payable - trade	58	(378)
Other, net	(945)	703
Subtotal	1,111	7,883
Interest and dividend income received	342	297
Interest expenses paid	(40)	(12)
Income taxes paid	(1,540)	(1,362)
Net cash provided by (used in) operating activities	(126)	6,806
Cash flows from investing activities		
Payments into time deposits	—	(760)
Proceeds from withdrawal of time deposits	500	760
Purchase of short-term investment securities	(1,000)	(854)
Proceeds from sales of short-term investment securities	5,600	3,900
Purchase of property, plant and equipment	(3,508)	(3,312)
Proceeds from sales of property, plant and equipment	—	565
Purchase of intangible assets	(42)	(670)
Purchase of investment securities	(1,843)	(721)
Proceeds from sales of investment securities	625	799
Payments of loans receivable	(13)	(15)
Collection of loans receivable	19	16
Other, net	(128)	(285)
Net cash provided by (used in) investing activities	209	(579)

(Millions of Yen)

	Fiscal 2015 (April 1, 2015 to March 31, 2016)	Fiscal 2016 (April 1, 2016 to March 31, 2017)
Cash flows from financing activities		
Increase (decrease) in short-term loans payable	70	—
Cash dividends paid	(857)	(735)
Dividends paid to non-controlling interests	(71)	(76)
Repayments of lease obligations	(1,001)	(292)
Payments from changes in ownership interests in subsidiaries that do not result in change in scope of consolidation	—	(97)
Net cash provided by (used in) financing activities	(1,860)	(1,202)
Net increase (decrease) in cash and cash equivalents	(1,777)	5,024
Beginning balance of cash and cash equivalents	14,398	12,621
Ending balance of cash and cash equivalents	12,621	17,646

(5) Notes regarding Consolidated Financial Statements

(Going Concern Assumptions)
Not applicable.

(Additional Information)
(Application of Implementation Guidance on Recoverability of Deferred Tax Assets)
The “Implementation Guidance on Recoverability of Deferred Tax Assets” (Accounting Standards Board of Japan Guidance No. 26, March 28, 2016) has been applied from the fiscal year under review.

(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. Explanation of Measurements of Sales, Profit, Loss, Asset, Liability and Other Items for Each Reportable Segment

Fiscal 2015 (April 1, 2015 to March 31, 2016)

(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	69,794	10,424	840	81,059	—	81,059
Transactions with other segments	432	26	52	510	(510)	—
Total	70,227	10,450	892	81,570	(510)	81,059
Segment profit	2,781	1,279	3	4,064	—	4,064
Segment assets	76,890	11,776	11,181	99,847	(251)	99,596
Other items						
Depreciation and amortization	2,739	461	98	3,299	—	3,299
Increase in property, plant and equipment and intangible assets	2,267	1,880	327	4,474	—	4,474

Notes:

1. Adjustments are outlined as follows:
   (1) The adjustment to transactions with other segments of negative ¥510 million represents the amount of intrasegment transaction elimination.
   (2) The adjustment to segment assets of negative ¥251 million represents the amount of intrasegment receivables and payables elimination.
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 2016 (April 1, 2016 to March 31, 2017)

(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	70,568	10,924	809	82,302	—	82,302
Transactions with other segments	488	20	78	588	(588)	—
Total	71,057	10,945	888	82,891	(588)	82,302
Segment profit	3,809	1,143	19	4,972	—	4,972
Segment assets	78,958	12,333	10,958	102,250	(270)	101,979
Other items						
Depreciation and amortization	2,219	528	93	2,841	—	2,841
Increase in property, plant and equipment and intangible assets	2,647	990	262	3,900	—	3,900

Notes:

1. Adjustments are outlined as follows:
   (1) The adjustment to transactions with other segments of negative ¥588 million represents the amount of intrasegment transaction elimination.
   (2) The adjustment to segment assets of negative ¥270 million represents the amount of intrasegment receivables and payables elimination.
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.

(Per Share Information)

(Yen)

	Fiscal 2015 (April 1, 2015 to March 31, 2016)	Fiscal 2016 (April 1, 2016 to March 31, 2017)
Net assets per share	1,304.70	1,389.70
Basic earnings per share	58.11	83.66

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 2015 (April 1, 2015 to March 31, 2016)	Fiscal 2016 (April 1, 2016 to March 31, 2017)
Basic earnings per share		
Profit attributable to owners of parent (Millions of Yen)	2,372	3,416
Amount not attributable to common shareholders (Millions of Yen)	—	—
Profit attributable to owners of parent related to common stock (Millions of Yen)	2,372	3,416
Average number of common stock shares issued and outstanding during the period (Thousands of Shares)	40,836	40,836

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

	March 31, 2016	March 31, 2017
Total net assets (Millions of Yen)	57,713	61,274
Amount excluded from total net assets (Millions of Yen)	4,433	4,523
(Non-controlling interests)	(4,433)	(4,523)
Net assets attributable to common stock as of the end of the period (Millions of Yen)	53,279	56,750
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	40,836

(Significant Events after Reporting Period)
Not applicable.

5. Non-Consolidated Financial Statements

(1) Balance Sheet

(Millions of Yen)

	March 31, 2016	March 31, 2017
Assets		
Current assets		
Cash and deposits	7,994	11,353
Notes receivable - trade	214	225
Accounts receivable - trade	12,207	11,778
Short-term investment securities	3,197	700
Program right	752	620
Supplies	28	25
Accounts receivable - other	545	592
Deferred tax assets	487	554
Other	308	274
Total current assets	25,736	26,125
Non-current assets		
Property, plant and equipment		
Buildings	12,879	12,364
Structures	828	726
Machinery and equipment	4,397	4,493
Vehicles	21	30
Tools, furniture and fixtures	355	378
Land	4,457	4,457
Leased assets	877	467
Construction in progress	231	701
Total property, plant and equipment	24,049	23,619
Intangible assets		
Software	70	71
Software in progress	—	725
Other	122	105
Total intangible assets	192	902
Investments and other assets		
Investment securities	17,096	16,630
Stocks of subsidiaries and affiliates	3,758	4,556
Investments in other securities of subsidiaries and affiliates	279	535
Long-term loans receivable from employees	23	20
Long-term loans receivable from subsidiaries and affiliates	100	—
Deferred tax assets	5,275	5,230
Other	652	946
Allowance for doubtful accounts	(241)	(241)
Total investments and other assets	26,945	27,678
Total non-current assets	51,187	52,200
Total assets	76,924	78,326

(Millions of Yen)

	March 31, 2016	March 31, 2017
Liabilities		
Current liabilities		
Lease obligations	898	161
Accounts payable - other	5,221	4,604
Accrued expenses	1,510	1,586
Income taxes payable	382	1,008
Accrued consumption taxes	151	357
Advances received	88	100
Deposits received	393	210
Provision for directors' bonuses	52	59
Other	1,452	1,239
Total current liabilities	10,151	9,328
Non-current liabilities		
Lease obligations	—	321
Provision for retirement benefits	15,150	14,984
Asset retirement obligations	—	117
Other	51	48
Total non-current liabilities	15,202	15,471
Total liabilities	25,353	24,799
Net assets		
Shareholders' equity		
Capital stock	5,299	5,299
Capital surplus		
Legal capital surplus	3,515	3,515
Other capital surplus	95	95
Total capital surplus	3,610	3,610
Retained earnings		
Legal retained earnings	450	450
Other retained earnings		
Reserve for special depreciation	442	353
Reserve for advanced depreciation of non-current assets	122	122
General reserve	37,400	37,400
Retained earnings brought forward	2,033	3,818
Total retained earnings	40,448	42,145
Treasury stock	(500)	(500)
Total shareholders' equity	48,858	50,554
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	2,712	2,971
Total valuation and translation adjustments	2,712	2,971
Total net assets	51,570	53,526
Total liabilities and net assets	76,924	78,326

(2) Statement of Income

(Millions of Yen)

	Fiscal 2015 (April 1, 2015 to March 31, 2016)	Fiscal 2016 (April 1, 2016 to March 31, 2017)
Net sales	65,127	65,130
Cost of sales	41,567	40,395
Gross profit	23,559	24,734
Selling, general and administrative expenses	20,940	21,248
Operating income	2,619	3,485
Non-operating income		
Interest income	56	25
Dividends income	362	366
Other	114	84
Total non-operating income	533	477
Non-operating expenses		
Interest expenses	39	12
Loss on disposal of non-current assets	41	20
Loss on investments in partnership	15	37
Other	21	2
Total non-operating expenses	118	71
Ordinary income	3,034	3,891
Extraordinary income		
Gain on sales of investment securities	172	—
Subsidy	137	196
Total extraordinary income	309	196
Income before income taxes	3,344	4,087
Income taxes - current	919	1,344
Income taxes - deferred	569	(123)
Total income taxes	1,488	1,220
Profit	1,855	2,867

(3) Statement of Changes in Equity

Fiscal 2015 (April 1, 2015 to March 31, 2016)

(Millions of Yen)

	Shareholders' equity			
		Capital surplus		
	Capital stock	Legal capital surplus	Other capital surplus	Total capital surplus
Balance at the beginning of period	5,299	3,515	95	3,610
Changes of items during the period				
Reversal of reserve for special depreciation				—
Adjustment to reserve due to change in tax rates				—
Dividends from surplus				—
Profit				—
Decrease by company split				—
Net changes of items other than shareholders' equity				
Total changes of items during the period	—	—	—	—
Balance at the end of period	5,299	3,515	95	3,610

	Shareholders' equity					
	Retained earnings					
		Other retained earnings				
	Legal retained earnings	Reserve for special depreciation	Reserve for advanced depreciation of non-current assets	General reserve	Retained earnings brought forward	Total retained earnings
Balance at the beginning of period	450	517	119	37,400	962	39,450
Changes of items during the period						
Reversal of reserve for special depreciation		(86)			86	—
Adjustment to reserve due to change in tax rates		10	3		(13)	—
Dividends from surplus					(857)	(857)
Profit					1,855	1,855
Decrease by company split						—
Net changes of items other than shareholders' equity						
Total changes of items during the period	—	(75)	3	—	1,070	998
Balance at the end of period	450	442	122	37,400	2,033	40,448

(Millions of Yen)

	Shareholders' equity		Valuation and translation adjustments		Total net assets
	Treasury stock	Total shareholders' equity	Valuation difference on available-for-sale securities	Total valuation and translation adjustments	
Balance at the beginning of period	(500)	47,859	2,568	2,568	50,428
Changes of items during the period					
Reversal of reserve for special depreciation		—			—
Adjustment to reserve due to change in tax rates		—			—
Dividends from surplus		(857)			(857)
Profit		1,855			1,855
Decrease by company split		—			—
Net changes of items other than shareholders' equity			144	144	144
Total changes of items during the period	—	998	144	144	1,142
Balance at the end of period	(500)	48,858	2,712	2,712	51,570

Fiscal 2016 (April 1, 2016 to March 31, 2017)

(Millions of Yen)

	Shareholders' equity			
	Capital stock	Capital surplus		
		Legal capital surplus	Other capital surplus	Total capital surplus
Balance at the beginning of period	5,299	3,515	95	3,610
Changes of items during the period				
Reversal of reserve for special depreciation				—
Adjustment to reserve due to change in tax rates				—
Dividends from surplus				—
Profit				—
Decrease by company split				—
Net changes of items other than shareholders' equity				
Total changes of items during the period	—	—	—	—
Balance at the end of period	5,299	3,515	95	3,610

	Shareholders' equity					
	Retained earnings					
	Legal retained earnings	Other retained earnings				Total retained earnings
		Reserve for special depreciation	Reserve for advanced depreciation of non-current assets	General reserve	Retained earnings brought forward	
Balance at the beginning of period	450	442	122	37,400	2,033	40,448
Changes of items during the period						
Reversal of reserve for special depreciation		(88)			88	—
Adjustment to reserve due to change in tax rates						—
Dividends from surplus					(735)	(735)
Profit					2,867	2,867
Decrease by company split					(435)	(435)
Net changes of items other than shareholders' equity						
Total changes of items during the period	—	(88)	—	—	1,784	1,696
Balance at the end of period	450	353	122	37,400	3,818	42,145

(Millions of Yen)

	Shareholders' equity		Valuation and translation adjustments		Total net assets
	Treasury stock	Total shareholders' equity	Valuation difference on available-for-sale securities	Total valuation and translation adjustments	
Balance at the beginning of period	(500)	48,858	2,712	2,712	51,570
Changes of items during the period					
Reversal of reserve for special depreciation		—			—
Adjustment to reserve due to change in tax rates		—			—
Dividends from surplus		(735)			(735)
Profit		2,867			2,867
Decrease by company split		(435)			(435)
Net changes of items other than shareholders' equity			259	259	259
Total changes of items during the period	—	1,696	259	259	1,955
Balance at the end of period	(500)	50,554	2,971	2,971	53,526

6. Other Information

(1) Breakdown of Non-Consolidated Net Sales

	Fiscal 2015 (April 1, 2015 to March 31, 2016)	Fiscal 2016 (April 1, 2016 to March 31, 2017)	Increase / (Decrease)	% Change
	Millions of Yen	Millions of Yen	Millions of Yen	%
Television broadcasting business revenue				
Time	21,197	20,276	(920)	(4.3)
Spot	34,719	35,752	1,033	3.0
Program sales	2,262	2,235	(26)	(1.2)
Subtotal	58,178	58,264	86	0.1
Radio broadcasting business revenue	2,812	2,842	29	1.0
Other	4,135	4,023	(112)	(2.7)
Total	65,127	65,130	3	0.0

(2) Changes to the Officers of the Company

Please refer to the "Notice of Changes in Personnel," announced on May 10, 2017. (Available in Japanese only.)