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Consolidated Financial Report for Fiscal 2023
(The Fiscal Year Ended March 31, 2024 under Japanese GAAP)



May 13, 2024

Company Name: Asahi Broadcasting Group Holdings Corporation
Stock Exchange Listing: Tokyo Stock Exchange
Securities Code: 9405
URL <https://corp.asahi.co.jp/en/>
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Scheduled Date of Ordinary General Meeting of Shareholders: June 26, 2024
Scheduled Date of Dividend Payment Commencement: June 27, 2024
Scheduled Date of Securities Report Filing: June 27, 2024
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 2023 (April 1, 2023 to March 31, 2024)

(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 2023	90,452	3.9	832	(67.9)	723	(72.8)	(884)	—
Fiscal 2022	87,028	2.3	2,594	(38.3)	2,661	(44.5)	1,354	(49.3)

Note: Comprehensive Income Fiscal 2023: ¥4,192 million (34.9%)
Fiscal 2022: ¥3,107 million (216.5%)

	Basic Earnings per Share	Diluted Earnings per Share	Rate of return on equity	Ordinary Income/Total Assets	Operating Income/Net Sales
	¥	¥	%	%	%
Fiscal 2023	(21.19)	—	(1.2)	0.6	0.9
Fiscal 2022	32.42	—	2.0	2.2	3.0

(Reference) Equity in Earnings of Affiliates Fiscal 2023: ¥(249) million
Fiscal 2022: ¥(32) million

(2) Consolidated Financial Position

	Total Assets	Net Assets	Equity-to-Asset Ratio	Net Assets per Share
	¥ million	¥ million	%	¥
March 31, 2024	123,225	76,153	59.3	1,748.02
March 31, 2023	122,305	72,445	56.6	1,659.63

(Reference) Shareholders' Equity March 31, 2024: ¥73,022 million
March 31, 2023: ¥69,259 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 2023	5,658	(5,659)	1,145	25,136
Fiscal 2022	2,951	(5,046)	(1,610)	23,991

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 2022	—	10.00	—	6.00	16.00	668	49.4	1.0
Fiscal 2023	—	6.00	—	6.00	12.00	501	—	0.7
Fiscal 2024 (Forecast)	—	6.00	—	6.00	12.00		33.4	

3. Consolidated Financial Results Forecasts for Fiscal 2024 (April 1, 2024 to March 31, 2025)

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

	Net Sales		Operating Income		Ordinary Income		Profit attributable to owners of parent		Basic Earnings per Share
	¥ million	%	¥ million	%	¥ million	%	¥ million	%	¥
Full Fiscal Year	91,000	0.6	2,200	164.2	2,300	218.1	1,500	—	35.91

* Notes

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

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

1) Changes in accounting policies in accordance with changes in accounting standards, etc.: None

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

3) Changes in accounting estimates: None

4) Restatements: None

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

1) Number of shares issued and outstanding as of the period-end (including treasury shares)	March 31, 2024	41,833,000 shares	March 31, 2023	41,833,000 shares
2) Number of treasury shares as of the period-end	March 31, 2024	58,521 shares	March 31, 2023	101,209 shares
3) Average number of shares issued and outstanding for the period	March 31, 2024	41,761,373 shares	March 31, 2023	41,768,602 shares

(Reference) Summary of Non-consolidated Financial Results

1. Non-consolidated Financial Results for Fiscal 2023 (April 1, 2023 to March 31, 2024)

(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 2023	6,636	0.8	133	(31.0)	183	—	542	83.3
Fiscal 2022	6,584	11.3	193	(46.0)	(28)	—	296	—

	Basic Earnings per Share	Diluted Earnings per Share
	¥	¥
Fiscal 2023	13.00	—
Fiscal 2022	7.09	—

(2) Non-consolidated Financial Position

	Total Assets	Net Assets	Equity-to-Asset Ratio	Net Assets per Share
	¥ million	¥ million	%	¥
March 31, 2024	57,608	43,777	76.0	1,047.95
March 31, 2023	56,164	42,211	75.2	1,011.49

(Reference) Shareholders' Equity March 31, 2024: ¥43,777 million

March 31, 2023: ¥42,211 million

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

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

(Caution regarding forward-looking statements, etc.)

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

The Company will hold a briefing for institutional investors and analysts (online), scheduled for Monday, May 20, 2024. The document to be used at this briefing shall be published on the Company's website at 10:00 a.m. on the day of the event.

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1. Overview of Business Results, etc.

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

In fiscal 2023, which extended from April 1, 2023 to March 31, 2024, the Japanese economy saw a return to regular economic activity and made a slow recovery, as COVID-19 was reclassified as a Class 5 infectious disease under the Infectious Diseases Act. However, the economic outlook has remained uncertain due to soaring prices, drastic fluctuations in the exchange rate market, unstable global conditions, particularly in the Middle East, the risk of a downturn in overseas economies, and other factors.

Under these circumstances, net sales of the broadcasting and content business, where the Asahi Broadcasting Group (the Group) conducts its core business, increased due mainly to an increase in network time sales and content-related sales, despite decreases in TV spot advertising sales, the mainstay of the business, and some other sales. Net sales of the lifestyle business were down. As a result of these factors, the Group's net sales for the fiscal year ended March 31, 2024 increased ¥3,423 million, or 3.9%, compared with the previous fiscal year and amount to ¥90,452 million. From the cost standpoint, cost of sales increased ¥4,838 million, or 8.3%, compared with the previous fiscal year, to ¥62,906 million. Selling, general and administrative expenses increased ¥347 million, or 1.3%, compared with the previous fiscal year, to ¥26,714 million. As a result of the above, operating income decreased ¥1,761 million (67.9%), to ¥832 million, while ordinary income totaled ¥723 million, a decrease of ¥1,938 million (72.8%). Additionally, while ¥128 million of extraordinary income due to gain on sale of non-current assets and gain on sale of investment securities was recorded, ¥1,251 million of extraordinary loss were recorded due to the recording of impairment loss, loss on investment business, and loss on valuation of investment securities.

As a result, loss before income taxes was ¥400 million, a decrease of ¥2,338 million, and loss attributable to owners of parent was ¥884 million, a decrease of ¥2,238 million.

Results by business segment are as follows:

Broadcasting and Content Business

Net sales in the broadcasting and content business totaled ¥76,701 million, up ¥3,734 million, or 5.1%, compared with the previous fiscal year. Despite decreases in TV spot advertising sales, the mainstay of the business, and some other sales, there were increases in sales of network time due to the establishment of new time slots for drama on nationwide networks, sales from streaming, and sales for events and other content-related business accompanying the recovery from the COVID-19 pandemic. Operating expenses increased by 7.8%, due to an increase in the costs of production for TV programs and content. As a result, operating income amounted to ¥917 million, a decrease of ¥1,684 million (64.7%) from the previous fiscal year.

Lifestyle Business

Net sales in the lifestyle business totaled ¥13,751 million, down ¥310 million (2.2%), compared with the previous fiscal year. Operating expenses decreased by 3.8% in accordance with this decrease in revenue. As a result, operating income amounted to ¥373 million, a decrease of ¥60 million (13.8%), from the previous fiscal year.

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

(Assets)

Total assets as of the end of the fiscal year under review were ¥123,225 million, ¥919 million higher than at the end of the previous fiscal year (March 31, 2023). The principal reasons for the increase in assets were an increase in retirement benefit asset and an increase in investment securities.

(Liabilities)

Total liabilities were ¥47,072 million, ¥2,787 million lower than at the end of the previous fiscal year. The principal reasons for the decrease in liabilities were a decrease in accounts payable for equipment, which is included in other current liabilities and a decrease in retirement benefit liability.

(Net Assets)

Consolidated total net assets came to ¥76,153 million, ¥3,707 million higher than at the end of the previous fiscal year. The principal reason for the increase was an increase in valuation difference on available-for-sale securities, despite a decrease in retained earnings resulting from the payment of dividends and the recording of loss attributable to owners of parent.

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

For the fiscal year under review, net cash provided by operating activities totaled ¥5,658 million. Net cash used in investing activities was ¥5,659 million, and net cash provided by financing activities came to ¥1,145 million. Accounting for each of these activities, the ending balance of cash and cash equivalents stood at ¥25,136 million, an increase of ¥1,144 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 ¥5,658 million (an inflow of ¥2,951 million during the previous fiscal year). This was arrived at after adjusting for non-cash expenses such as depreciation and amortization and impairment losses and despite the recording of loss before income taxes.

(Cash Flows from Investing Activities)

Net cash used in investing activities was ¥5,659 million (an outflow of ¥5,046 million during the previous fiscal year) due mainly to purchase of property, plant and equipment and the acquisition of long-term prepaid expenses.

(Cash Flows from Financing Activities)

Net cash provided by financing activities was ¥1,145 million (an outflow of ¥1,610 million during the previous fiscal year) due mainly to proceeds from long-term loans payable.

(4) Future Outlook

While the Japanese economy in fiscal 2024 is expected to see a recovery in terms of economic activity and consumer spending following the reclassification of COVID-19 as a Class 5 disease under the Infectious Diseases Act, globally, uncertainty is expected to continue due to geopolitical risks such as the prolonged situation in Ukraine and the conflict in the Middle East, and the monetary tightening measures caused by the progression of inflation around the world.

Amid these circumstances, the Group will strive to improve viewer ratings in the broadcasting business, where we conduct our core business, while investing in further expansion of content-related business and improving operating efficiency and productivity in digital transformation. We will also proactively engage in such initiatives as sustainability management practices, something which has become a key theme in recent years.

For fiscal 2024 on a consolidated basis, we forecast net sales of ¥91,000 million, operating income of ¥2,200 million, ordinary income of ¥2,300 million, and profit attributable to owners of parent of ¥1,500 million.

(5) Significant Events regarding Going Concern Assumptions

Not applicable.

2. Rationale behind the Choice of Accounting Standards

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

3. Consolidated Financial Statements and Primary Notes

(1) Consolidated Balance Sheet

(Millions of Yen)

	March 31, 2023	March 31, 2024
Assets		
Current assets		
Cash and deposits	22,251	24,353
Notes and accounts receivable - trade, and contract assets	15,934	14,088
Short-term investment securities	2,208	1,200
Inventories	2,828	1,988
Income taxes receivable	600	277
Other	2,704	3,676
Allowance for doubtful accounts	(142)	(191)
Total current assets	46,385	45,393
Non-current assets		
Property, plant and equipment		
Buildings and structures	34,819	35,295
Accumulated depreciation	(17,596)	(18,180)
Buildings and structures, net	17,223	17,115
Machinery equipment and vehicles	23,220	24,136
Accumulated depreciation	(15,954)	(16,804)
Machinery equipment and vehicles, net	7,266	7,331
Tools, furniture and fixtures	1,831	2,050
Accumulated depreciation	(1,277)	(1,486)
Tools, furniture and fixtures, net	554	563
Land	15,512	15,941
Lease assets	129	167
Accumulated depreciation	(93)	(121)
Lease assets, net	35	45
Construction in progress	590	761
Total property, plant and equipment	41,181	41,759
Intangible assets		
Software	2,055	1,631
Software in progress	97	3
Goodwill	955	532
Other	120	124
Total intangible assets	3,229	2,292
Investments and other assets		
Investment securities	17,928	19,293
Long-term loans receivable	290	257
Long-term prepaid expenses	4,681	4,601
Retirement benefit asset	—	2,651
Deferred tax assets	5,582	3,644
Other	3,094	3,430
Allowance for doubtful accounts	(94)	(115)
Total investments and other assets	31,483	33,763
Total non-current assets	75,894	77,815
Deferred assets		
Bond issuance cost	25	16
Total deferred assets	25	16
Total assets	122,305	123,225

(Millions of Yen)

	March 31, 2023	March 31, 2024
Liabilities		
Current liabilities		
Short-term borrowings	202	172
Current portion of long-term loans borrowings	337	484
Current portion of bonds payable	13	5,000
Lease obligations	19	20
Accounts payable - other	8,364	8,631
Accrued expenses	2,088	1,942
Income taxes payable	180	356
Provision for directors' bonuses	52	50
Provisions	127	—
Other	8,215	6,007
Total current liabilities	19,601	22,665
Non-current liabilities		
Long-term loans payable	1,593	3,415
Bonds payable	10,000	5,000
Lease obligations	21	31
Net defined benefit liability	9,339	6,789
Asset retirement obligations	1,509	1,473
Long-term guarantee deposited	6,499	6,406
Deferred tax liabilities	389	290
Other	904	998
Total non-current liabilities	30,257	24,406
Total liabilities	49,859	47,072
Net assets		
Shareholders' equity		
Capital stock	5,299	5,299
Capital surplus	5,999	6,000
Retained earnings	55,150	53,764
Treasury stock	(62)	(36)
Total shareholders' equity	66,386	65,028
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,900	3,623
Foreign currency translation adjustment	(121)	(83)
Remeasurements of defined benefit plans	1,093	4,453
Total accumulated other comprehensive income	2,872	7,994
Subscription rights to shares	8	8
Non-controlling interests	3,177	3,121
Total net assets	72,445	76,153
Total liabilities and net assets	122,305	123,225

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

Consolidated Statement of Income

(Millions of Yen)

	Fiscal 2022 (April 1, 2022 to March 31, 2023)	Fiscal 2023 (April 1, 2023 to March 31, 2024)
Net sales	87,028	90,452
Cost of sales	58,067	62,906
Gross profit	28,961	27,546
Selling, general and administrative expenses	26,366	26,714
Operating income	2,594	832
Non-operating income		
Interest and dividends income	217	235
Subsidy income	342	58
Other	160	163
Total non-operating income	720	457
Non-operating expenses		
Interest expenses	32	40
Share of loss of entities accounted for using equity method	32	249
Loss on disposal of non-current assets	117	43
Provision of allowance for doubtful accounts	202	70
Loss on investments in partnership	220	106
Other	48	56
Total non-operating expenses	653	566
Ordinary income	2,661	723
Extraordinary income		
Gain on sales of non-current assets	210	73
Gain on sales of investment securities	—	54
Total extraordinary income	210	128
Extraordinary loss		
Loss on valuation of investment securities	249	84
Impairment loss	491	801
Loss on venue closing	127	—
Special retirement expenses	65	—
Loss on investment business	—	365
Total extraordinary loss	933	1,251
Profit (loss) before income taxes	1,938	(400)
Income taxes - current	787	627
Income taxes - deferred	138	73
Total income taxes	926	700
Profit (loss)	1,012	(1,101)
Profit (loss) attributable to non-controlling interests	(341)	(216)
Profit (loss) attributable to owners of parent	1,354	(884)

Consolidated Statement of Comprehensive Income

(Millions of Yen)

	Fiscal 2022 (April 1, 2022 to March 31, 2023)	Fiscal 2023 (April 1, 2023 to March 31, 2024)
Profit (loss)	1,012	(1,101)
Other comprehensive income		
Valuation difference on available-for-sale securities	115	1,895
Foreign currency translation adjustment	5	38
Remeasurements of defined benefit plans, net of tax	1,975	3,359
Total other comprehensive income	2,095	5,293
Comprehensive income	3,107	4,192
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	3,408	4,236
Comprehensive income attributable to non-controlling interests	(300)	(44)

(3) Consolidated Statement of Changes in Equity

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

(Millions of Yen)

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

	Accumulated other comprehensive income				Subscription rights to shares	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance at the beginning of period	1,826	(126)	(881)	818	8	3,513	70,497
Changes of items during the period							
Dividends from surplus				-			(1,127)
Profit attributable to owners of parent				-			1,354
Purchase of treasury stock				-			(47)
Disposal of treasury stock				-			46
Change in treasury shares of parent arising from transactions with non-controlling shareholders				-			3
Net changes of items other than shareholders' equity	73	5	1,975	2,054	-	(335)	1,719
Total changes of items during the period	73	5	1,975	2,054	-	(335)	1,948
Balance at the end of period	1,900	(121)	1,093	2,872	8	3,177	72,445

Fiscal 2023 (April 1, 2023 to March 31, 2024)

(Millions of Yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at the beginning of period	5,299	5,999	55,150	(62)	66,386
Changes of items during the period					
Dividends from surplus			(501)		(501)
Loss attributable to owners of parent			(884)		(884)
Purchase of treasury stock				(0)	(0)
Disposal of treasury stock		1		26	27
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	(1,385)	26	(1,357)
Balance at the end of period	5,299	6,000	53,764	(36)	65,028

	Accumulated other comprehensive income				Subscription rights to shares	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance at the beginning of period	1,900	(121)	1,093	2,872	8	3,177	72,445
Changes of items during the period							
Dividends from surplus				-			(501)
Loss attributable to owners of parent				-			(884)
Purchase of treasury stock				-			(0)
Disposal of treasury stock				-			27
Change in treasury shares of parent arising from transactions with non-controlling shareholders				-			-
Net changes of items other than shareholders' equity	1,723	38	3,359	5,121	-	(56)	5,065
Total changes of items during the period	1,723	38	3,359	5,121	-	(56)	3,707
Balance at the end of period	3,623	(83)	4,453	7,994	8	3,121	76,153

(4) Consolidated Statement of Cash Flows

(Millions of Yen)

	Fiscal 2022 (April 1, 2022 to March 31, 2023)	Fiscal 2023 (April 1, 2023 to March 31, 2024)
Cash flows from operating activities		
Profit (loss) before income taxes	1,938	(400)
Depreciation and amortization	3,740	3,613
Impairment loss	491	801
Amortization of goodwill	114	130
Increase (decrease) in allowance for doubtful accounts	194	68
Increase (decrease) in provision for loss on venue closing	127	—
Increase (decrease) in net defined benefit liability	(1,173)	(387)
Interest and dividend income	(217)	(235)
Interest expenses	32	40
Loss (gain) on disposal of non-current assets	117	43
Loss (gain) on sale of non-current assets	(210)	(73)
Loss (gain) on sales of investment securities	—	(54)
Loss (gain) on valuation of investment securities	249	84
Loss on investment business	—	365
Loss (gain) on investments in partnership	220	106
Decrease (increase) in trade receivables	(428)	1,898
Decrease (increase) in inventories	314	826
Increase (decrease) in trade payables	299	394
Decrease (increase) in investment	(201)	(277)
Other, net	(686)	(1,561)
Subtotal	4,923	5,385
Interest and dividend income received	270	272
Interest expenses paid	(32)	(36)
Income taxes refund (paid)	(2,210)	36
Net cash provided by (used in) operating activities	2,951	5,658

	(Millions of Yen)	
	Fiscal 2022 (April 1, 2022 to March 31, 2023)	Fiscal 2023 (April 1, 2023 to March 31, 2024)
Cash flows from investing activities		
Payments into time deposits	(290)	(285)
Proceeds from withdrawal of time deposits	427	328
Proceeds from redemption of securities	100	—
Decrease (increase) in short-term loans receivable	(102)	46
Purchase of property, plant and equipment	(3,978)	(3,465)
Proceeds from sale of property, plant and equipment	1,301	444
Purchase of intangible assets	(881)	(331)
Purchase of long-term prepaid expenses	(8)	(1,887)
Purchase of investment securities	(1,559)	(161)
Proceeds from sales of investment securities	—	300
Purchase of investments in subsidiaries resulting in change in scope of consolidation	(38)	(202)
Other, net	(16)	(445)
Net cash provided by (used in) investing activities	(5,046)	(5,659)
Cash flows from financing activities		
Increase (decrease) in short-term borrowings	5	(30)
Proceeds from long-term loans payable	130	2,310
Repayments of long-term loans payable	(489)	(587)
Redemption of bonds	(26)	(13)
Proceeds from share issuance to non-controlling shareholders	30	—
Purchase of treasury stock	(47)	(0)
Cash dividends paid	(1,127)	(501)
Dividends paid to non-controlling interests	(13)	(11)
Repayments of lease obligations	(22)	(21)
Purchase of shares of subsidiaries not resulting in change in scope of consolidation	(49)	—
Net cash provided by (used in) financing activities	(1,610)	1,145
Effect of exchange rate change on cash and cash equivalents	1	1
Net increase (decrease) in cash and cash equivalents	(3,704)	1,144
Beginning balance of cash and cash equivalents	27,695	23,991
Ending balance of cash and cash equivalents	23,991	25,136

(5) Notes regarding Consolidated Financial Statements

(Going Concern Assumptions)

Not applicable.

(Segment Information, etc.)

(Segment Information)

1. Description of Reportable Segments

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

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

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

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

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

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

3. Explanation of Measurements of Sales, Profit, Asset, Liability and Other Items for Each Reportable Segment
Fiscal 2022 (April 1, 2022 to March 31, 2023)

(Millions of Yen)

	Reportable Segment			Adjustments (Note 1)	Amounts Recorded on Quarterly Consolidated Statement of Income (Note 2)
	Broadcasting and Content	Lifestyle	Total		
Sales					
Revenues from external customers	72,967	14,061	87,028	—	87,028
Transactions with other segments	441	487	929	(929)	—
Total	73,408	14,549	87,958	(929)	87,028
Segment profit	2,602	433	3,036	(441)	2,594
Segment assets	71,669	29,720	101,389	20,915	122,305
Other items					
Depreciation and amortization	2,967	773	3,740	—	3,740
Increase in property, plant and equipment and intangible assets	2,488	5,503	7,991	—	7,991

Notes:

1. Adjustments are outlined as follows:

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

Companywide assets are primarily cash and deposits and investment securities which do not belong to any reportable segment.

2. Segment profit refers to operating income recorded on the consolidated statement of income.
3. Amortization and increases of long-term prepaid expenses are included in depreciation and amortization as well as increase in property, plant and equipment and intangible assets.

Fiscal 2023 (April 1, 2023 to March 31, 2024)

(Millions of Yen)

	Reportable Segment			Adjustments (Note 1)	Amounts Recorded on Quarterly Consolidated Statement of Income (Note 2)
	Broadcasting and Content	Lifestyle	Total		
Sales					
Revenues from external customers	76,701	13,751	90,452	—	90,452
Transactions with other segments	516	204	721	(721)	—
Total	77,217	13,956	91,174	(721)	90,452
Segment profit	917	373	1,291	(458)	832
Segment assets	72,100	29,818	101,918	21,306	123,225
Other items					
Depreciation and amortization	2,871	742	3,613	—	3,613
Increase in property, plant and equipment and intangible assets	2,808	1,285	4,094	—	4,094

Notes:

1. Adjustments are outlined as follows:

- (1) The adjustment to transactions with other segments of negative ¥721 million represents the amount of intersegment transaction elimination.
- (2) The adjustment to segment profit of negative ¥458 million represents the elimination of intersegment transactions of negative ¥5 million and the amount of expenses which do not belong to any reportable segment of negative ¥453 million, mainly regarding development of new business and market.
- (3) The adjustment to segment assets of ¥21,306 million represents companywide assets which are not allocated to the reportable segments of ¥23,042 million and negative ¥1,735 million as the amount of intersegment receivables and payables elimination.

Companywide assets are primarily cash and deposits and investment securities which do not belong to any reportable segment.

2. Segment profit refers to operating income recorded on the consolidated statement of income.
3. Amortization and increases of long-term prepaid expenses are included in depreciation and amortization as well as increase in property, plant and equipment and intangible assets.

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

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

(Millions of Yen)

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

Fiscal 2023 (April 1, 2023 to March 31, 2024)

(Millions of Yen)

	Broadcasting and Content	Lifestyle	Total	Corporate and Elimination	Total
Impairment loss	766	35	801	—	801

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

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

(Millions of Yen)

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

Fiscal 2023 (April 1, 2023 to March 31, 2024)

(Millions of Yen)

	Broadcasting and Content	Lifestyle	Total	Corporate and Elimination	Total
Amortization during the period	130	—	130	—	130
Balance at the end of the period	532	—	532	—	532

(Per Share Information)

(Yen)

	Fiscal 2022 (April 1, 2022 to March 31, 2023)	Fiscal 2023 (April 1, 2023 to March 31, 2024)
Net assets per share	1,659.63	1,748.02
Basic earnings per share or basic loss per share	32.42	(21.19)

Notes:

1. Diluted earnings per share information for the previous fiscal year has been omitted as there were no potential shares with a dilutive effect.
2. Diluted earnings per share for the fiscal year under review is basic loss per share. Further, diluted earnings per share information has been omitted as there were no potential shares with a dilutive effect.

3. The basis for calculating basic earnings per share or basic loss per share is presented as follows.

	Fiscal 2022 (April 1, 2022 to March 31, 2023)	Fiscal 2023 (April 1, 2023 to March 31, 2024)
Basic earnings per share or basic loss per share		
Profit (loss) attributable to owners of parent (Millions of Yen)	1,354	(884)
Amount not attributable to common shareholders (Millions of Yen)	—	—
Profit (loss) attributable to owners of parent related to common stock (Millions of Yen)	1,354	(884)
Average number of common stock shares issued and outstanding during the period (Thousands of Shares)	41,768	41,761

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

	March 31, 2023	March 31, 2024
Total net assets (Millions of Yen)	72,445	76,153
Amount excluded from total net assets (Millions of Yen)	3,186	3,130
(Non-controlling interests)	(3,177)	(3,121)
Net assets attributable to common stock as of the end of the period (Millions of Yen)	69,259	73,022
Number of shares of common stock issued and outstanding as of the end of the period calculated under net assets per share (Thousands of Shares)	41,731	41,774

(Significant Events after Reporting Period)

Not applicable.

4. Other Information

(1) Changes to the Officers of the Company

Please refer to the “Notice of Changes in Personnel” announced on May 13, 2024. (Available in Japanese only.)