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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/>  
Representative: Susumu Okinaka, Representative Director and President  
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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<br>(Consolidated) | Ratio of Dividends to Net Assets<br>(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<br>(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 |
|--|----------------|----------------|
| <b>Assets</b>  |                |                |
| 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             |
| <b>Total assets</b>  | <b>122,305</b> | <b>123,225</b> |



(Millions of Yen)

|   | March 31, 2023 | March 31, 2024 |
|---|----------------|----------------|
| <b>Liabilities</b>                                    |                |                |
| 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         |
| <b>Net assets</b>                                     |                |                |
| 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<br>(April 1, 2022<br>to March 31, 2023) | Fiscal 2023<br>(April 1, 2023<br>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<br>(April 1, 2022<br>to March 31, 2023) | Fiscal 2023<br>(April 1, 2023<br>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<br>(April 1, 2022<br>to March 31, 2023) | Fiscal 2023<br>(April 1, 2023<br>to March 31, 2024) |
|--|---|---|
| <b>Cash flows from operating activities</b>                |   |   |
| 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<br>(April 1, 2022<br>to March 31, 2023) | Fiscal 2023<br>(April 1, 2023<br>to March 31, 2024) |
| <b>Cash flows from investing activities</b>   |   |   |
| 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)   |
| <b>Cash flows from financing activities</b>   |   |   |
| 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<br>(Note 1) | Amounts<br>Recorded on<br>Quarterly<br>Consolidated<br>Statement of<br>Income<br>(Note 2) |
|---|-----------------------------|-----------|---------|-------------------------|---|
|   | Broadcasting and<br>Content | Lifestyle | Total   |                         |   |
| Sales   |                             |           |         |                         |   |
| Revenues from external<br>customers                                   | 72,967                      | 14,061    | 87,028  | —                       | 87,028  |
| Transactions with other<br>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<br>amortization                                      | 2,967                       | 773       | 3,740   | —                       | 3,740   |
| Increase in property,<br>plant and equipment<br>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<br>(Note 1) | Amounts<br>Recorded on<br>Quarterly<br>Consolidated<br>Statement of<br>Income<br>(Note 2) |
|---|-----------------------------|-----------|---------|-------------------------|---|
|   | Broadcasting and<br>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<br>(April 1, 2022<br>to March 31, 2023) | Fiscal 2023<br>(April 1, 2023<br>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<br>(April 1, 2022<br>to March 31, 2023) | Fiscal 2023<br>(April 1, 2023<br>to March 31, 2024) |
|---|---|---|
| Basic earnings per share or basic loss per share  |   |   |
| Profit (loss) attributable to owners of parent<br>(Millions of Yen)                                     | 1,354   | (884)   |
| Amount not attributable to common shareholders<br>(Millions of Yen)                                     | —   | —   |
| Profit (loss) attributable to owners of parent related to<br>common stock (Millions of Yen)             | 1,354   | (884)   |
| Average number of common stock shares issued and<br>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<br>(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<br>the period (Millions of Yen)  | 69,259         | 73,022         |
| Number of shares of common stock issued and<br>outstanding as of the end of the period calculated under<br>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.)