May 9, 2024

Flash Report [Japanese GAAP] (Consolidated Basis)

Results for the fiscal year ended March 31, 2024

Company name: Fuji Media Holdings, Inc.

Stock listing: Tokyo Stock Exchange Code number: 4676 URL: https://www.fujimediahd.co.jp/en
Representative: Osamu Kanemitsu, President
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Telephone: +81-3-3570-8000 (key)
Scheduled date of the General Meeting of Shareholders: June 26, 2024
Scheduled date of commencing dividend payments: June 27, 2024
Scheduled date of filing securities report: June 26, 2024
Availability of supplementary briefing material on financial results: Available
Schedule of financial results briefing session: Scheduled

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

1. Consolidated Financial Results

(1) Business Performance

Years ended March 31 Percentages indicate year-on-year increases/(decreases).

	Net sales		Operating income		Recurring profit		Net income attributable to owners of the parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
2024	566,443	5.8	33,519	6.7	39,173	0.3	37,082	(20.9)
2023	535,641	2.0	31,401	(5.8)	39,053	(14.2)	46,855	88.3

(Note) Comprehensive income: Year ended March 31, 2024: ¥42,739 million, (12.0)%,
Year ended March 31, 2023: ¥48,581 million, 44.5%

	Basic earnings per share	Diluted earnings per share	Rate of return on equity	Recurring profit-to-total-assets ratio	Operating income-to-net-sales ratio
	Yen	Yen	%	%	%
2024	169.27	—	4.4	2.8	5.9
2023	210.69	—	5.7	2.9	5.9

(Reference) Equity in earnings of affiliates: Year ended March 31, 2024: ¥1,378 million,
Year ended March 31, 2023: ¥3,510 million

(2) Financial Position

At March 31

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
2024	1,448,833	869,628	59.2	3,972.81
2023	1,382,646	848,769	60.6	3,766.83

(Reference) Total shareholders' equity: March 31, 2024: ¥857,920 million,
March 31, 2023: ¥837,680 million

(3) Cash Flows

Years ended March 31

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of year
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
2024	47,801	(106,535)	25,240	98,982
2023	61,779	(32,770)	(5,269)	130,155

2. Dividends

Years ended March 31, 2023 and 2024 / Year ending March 31, 2025

	Dividends per share					Total amount of dividends (for the entire fiscal year)	Payout ratio	Dividends-to-net-assets ratio
	1Q	2Q	3Q	Year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
2023	—	20.00	—	30.00	50.00	11,267	23.7	1.4
2024	—	24.00	—	24.00	48.00	10,582	28.4	1.2
2025 (Forecast)	—	25.00	—	25.00	50.00		37.2	

(Note) Breakdown of year-end dividends per share for the year ended March 31, 2023:
Ordinary dividend: ¥20.00, Commemorative dividend: ¥10.00

3. Forecasts of Consolidated Financial Results for the Fiscal Year Ending March 31, 2025

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

	Net sales		Operating income		Recurring profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%
Fiscal year	598,300	5.6	35,300	5.3	40,400	3.1

	Net income attributable to owners of the parent		Basic earnings per share
	Millions of yen	%	Yen
Fiscal year	29,000	(21.8)	134.29

Notes:

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

2. Changes in accounting policies, changes in accounting estimates, and modifications and restatements:
   1) Changes in accounting policies based on revision of accounting standards: None
   2) Changes in accounting policies other than 1) above: None
   3) Changes in accounting estimates: None
   4) Modifications and restatements: None

3. Number of issued shares (Common stock)

	Years ended March 31	
	2024	2023
1) Number of issued shares (including treasury stock) at end of fiscal year (shares)	234,194,500	234,194,500
2) Number of treasury stock at end of fiscal year (shares)	18,246,615	11,810,987
3) Average number of issued shares during the fiscal year (shares)	219,072,676	222,391,291

(Reference) Flash Report (Non-Consolidated Basis)

Non-Consolidated Financial Results for the Fiscal Year ended March 31, 2024

(1) Business Performance

Years ended March 31 Percentages indicate year-on-year increases/(decreases).

	Net sales		Operating income		Recurring profit		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
2024	17,762	12.5	10,602	19.7	15,294	18.4	26,273	(16.4)
2023	15,790	16.2	8,859	24.8	12,916	9.4	31,446	197.8

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
2024	118.32	—
2023	139.54	—

(2) Financial Position

At March 31

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
2024	843,546	591,572	70.1	2,702.24
2023	840,298	594,266	70.7	2,637.03

(Reference) Total shareholders' equity: March 31, 2024: ¥591,572 million, March 31, 2023: ¥594,266 million

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

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

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

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1. OVERVIEW OF BUSINESS RESULTS, ETC.

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

The Japanese government's Monthly Economic Report on the Japanese economy for the fiscal year ended March 31, 2024 (April 1, 2023 to March 31, 2024) states, "The economy is expected to continue recovering at a moderate pace with the improving employment and income situation, supported by the effects of the policies. However, the slowing down of overseas economies is a downside risk to the Japanese economy, due in part to the effect of global monetary tightening and concerns about the economic outlook in China. Also, full attention should be given to price increases, the situation in the Middle East, and fluctuations in the financial and capital markets. In addition, full attention should be given to the economic impact of the 2024 Noto Peninsula Earthquake." It also states that firms' judgments on business conditions "are improving."

Fuji Media Holdings Group (the "Group") succeeded in improving its earnings, benefiting from the normalization of socio-economic activities driven by the downgrading of the status of COVID-19 to Class 5 under the Infectious Diseases Control Act in May 2023, which led to the resumption of events and the significant recovery of demand for travel and tourism, in spite of the impact of price increases against the backdrop of rising raw material prices, as well as the shift from stay-at-home demand to offline consumption. The earnings improvement was also attributable to such factors as the strong performance of the leased properties including hotels and office buildings.

Amid this economic environment, consolidated net sales of the Group increased overall during the fiscal year under review, up 5.8% year-on-year to ¥566,443 million, thanks to increases in both the Media & Content segment and the Urban Development, Hotels & Resorts segment.

In terms of earnings, operating income increased 6.7% year-on-year to ¥33,519 million, as the Urban Development, Hotels & Resorts segment reported an increase, while the Media & Content segment recorded a decrease. Recurring profit increased 0.3% year-on-year to ¥39,173 million despite a decrease in equity in earnings of affiliates, and net income attributable to owners of the parent decreased 20.9% year-on-year to ¥37,082 million mainly due to a reactionary decrease in gain on contribution of securities to retirement benefit trust recorded in the previous fiscal year and an increase in loss on retirement of noncurrent assets recorded under extraordinary loss; against an increase in gain on sale of investment securities recorded under extraordinary gain.

Results by operating segment are as follows.

Years ended March 31

	Net sales			Operating income		
	2023	**2024**	Change	2023	**2024**	Change
	Millions of yen	**Millions of yen**	%	Millions of yen	**Millions of yen**	%
Media & Content	420,836	**433,663**	3.0	17,484	**15,706**	(10.2)
Urban Development, Hotels & Resorts	108,841	**128,316**	17.9	15,070	**19,537**	29.6
Other	20,394	**19,818**	(2.8)	931	**944**	1.3
Eliminations	(14,430)	**(15,355)**	—	(2,086)	**(2,667)**	—
Total	535,641	**566,443**	5.8	31,401	**33,519**	6.7

Media & Content

Fuji Television Network, Inc. (“Fuji TV”), the core subsidiary of the Group, recorded an increase in net sales due to growth in streaming advertising revenue and contributions from the content business, including the event and digital businesses. However, a decrease in TV advertising revenue due to lower viewer ratings and other factors resulted in a decrease in operating income while revenue increased overall.

Of the overall net sales, broadcasting and media revenues decreased 5.6% year-on-year to ¥183,490 million.

Network time advertising revenue (broadcast nationwide) fell below the previous fiscal year's level for regular programs, and recorded a decrease in revenue for special programs. The decrease in special program revenues was due to the reactionary decline from higher sales of “FIFA World Cup Qatar 2022™” and the “2022 EAFF E-1 Football Championship” in the previous fiscal year, partially offset by the “FIVB World Cup Volleyball / Paris Olympic Qualification Tournament 2023” and the “FNS 27 hours TV.”, resulting in the decrease of 8.2% year-on-year to ¥63,551 million in network time advertising sales overall.

Local time advertising revenue (broadcast over the Kanto region) decreased 4.6% year-on-year to ¥10,135 million.

Spot advertising revenue were affected by lower viewer ratings and price increases against the backdrop of soaring raw material prices, the depreciation of the yen and other factors. By industry category, only 3 out of 19 industries including “Travel/Leisure,” “Beverage (Alcoholic)” and “Real Estate/Housing” posted a year-on-year growth. As a result, spot advertising sales decreased 8.5% year-on-year to ¥73,662 million.

Meanwhile, streaming advertising sales on video-on-demand services including TVer (an ad-supported service co-founded by commercial broadcasters) showed significant growth, driven by the number of views of serial dramas, such as “*My Beloved Flower”* (a series broadcast on Thursday from October to December 2023) and “*My Lawyer is Not So Easy*” (a newly established slot as part of the October scheduling renewal and broadcast on Friday at 9 p.m.). As a result, streaming advertising sales increased 61.6% year-on-year to ¥7,866 million.

In the content business, revenues increased year-on-year in the event business, the digital business and other businesses. The increase of event business revenues was due to the contribution of various events, including Cirque du Soleil's "*Alegria – In A New Light*" and "*Odaiba Adventure King 2023,*" which was held for the first time in four years, attracting more than 2.3 million visitors. Revenues of the digital business, which is mainly comprised of revenues from FOD Premium (a video-on-demand service), saw an increase due to a significant growth in the number of paid subscribers driven by various campaigns, including distribution of new and old dramas. Revenues of the movie business decreased year-on-year due to higher revenue of "*ONE PIECE FILM RED*" in the previous fiscal year, although it had string of theatrical hit releases including "*Tokyo Revengers 2: Bloody Halloween*," "*Misuteri to Iu Nakare*" and "*Fly Me To The Saitama II*,". Revenues from licensing of past works and PR cooperation revenue related to "*The Super Mario Bros. Movie*" also contributed to earnings. As a result, net sales from the content business increased 26.9% year-on-year to ¥54,728 million.

As a result of the above, net sales of Fuji TV as a whole increased 0.3% year-on-year to ¥238,219 million, and operating income decreased 29.2% year-on-year to ¥5,433 million.

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

Nippon Broadcasting System, Inc. recorded increases in both revenue and earnings due to an increase in broadcasting revenue, which benefited from increased spot advertising revenue, and strong performance in the event business and goods sales business.

Pony Canyon Inc. recorded increases in both revenue and earnings due to contributions from streaming, overseas sales of anime programs, revenue from events, sales of goods, etc.

Fujipacific Music Inc. recorded increases in both revenue and earnings due to strong revenues from royalties, master disc usage fees, etc.

DINOS CORPORATION saw a decrease in overall revenue despite strong performance in sales for the fashion category and food category, as sales for the living category and the TV-led beauty and health category showed little growth. It recorded an operating loss as cost reductions measures, such as controlling sales promotion expenses, could not offset the impact of the decrease in revenue .

Quaras Inc. recorded increases in both revenue and earnings as it enjoyed increases in net sales of core advertising media such as TV, and event-related revenue continued to show strong performance.

As a result of the above, for the Media & Content segment overall, net sales increased 3.0% year-on-year to ¥433,663 million and segment operating income decreased 10.2% year-on-year to ¥15,706 million.

Urban Development, Hotels & Resorts

THE SANKEI BUILDING CO., LTD. recorded increases in both revenue and earnings due to the strong performance in revenue from leasing of offices, hotels, and housings, and the sales of owned properties.

For GRANVISTA Hotels & Resorts Co., Ltd. ("GRANVISTA"), the hotels under its operation including Sapporo Grand Hotel and Sapporo Park Hotel saw strong occupancy rates, following the full-fledged recovery in travel demand. With the continuation of Kamogawa Sea World's strong

performance, GRANVISTA recorded increases in both revenue and earnings.

As a result of the above, the Urban Development, Hotels & Resorts segment overall recorded net sales of ¥128,316 million, up 17.9% year-on-year, with segment operating income up 29.6% year-on-year to ¥19,537 million.

Other

Net sales in the Other segment overall decreased 2.8% year-on-year to ¥19,818 million, but segment operating income increased 1.3% year-on-year to ¥944 million.

Affiliates accounted for using the equity method, such as ITOCHU Fuji Partners, Inc., Nihon Eiga Broadcasting Corp., and WOWOW Inc. contributed to equity in earnings of affiliates.

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

Total assets at the end of the fiscal year under review (March 31, 2024) amounted to ¥1,448,833 million, an increase of ¥66,186 million (4.8%) from the end of the previous fiscal year (March 31, 2023).

Total current assets amounted to ¥404,938 million, a decrease of ¥9,859 million (2.4%) from the end of the previous fiscal year. This was due mainly to a decrease of ¥33,592 million in cash and deposits against increases of ¥21,416 million in marketable securities and ¥1,116 million in inventories.

Total noncurrent assets amounted to ¥1,043,894 million, an increase of ¥76,045 million (7.9%) from the end of the previous fiscal year. This was due mainly to increases of ¥49,378 million in land property, ¥9,397 million in net defined benefit asset, ¥8,543 million in construction in progress, and ¥7,501 million in buildings and structures.

Total liabilities amounted to ¥579,204 million, an increase of ¥45,327 million (8.5%) from the end of the previous fiscal year.

Total current liabilities amounted to ¥152,437 million, a decrease of ¥22,460 million (12.8%) from the end of the previous fiscal year. This was due mainly to decreases of ¥15,024 million in short-term loans payable and ¥10,000 million in current portion of bonds payable included in the “Other” line item.

Total noncurrent liabilities amounted to ¥426,766 million, an increase of ¥67,787 million (18.9%) from the end of the previous fiscal year. This was due mainly to increases of ¥53,252 million in long-term loans payable and ¥20,000 million in bonds payable.

Total net assets amounted to ¥869,628 million, an increase of ¥20,858 million (2.5%) from the end of the previous fiscal year. This was due mainly to the recording of net income attributable to owners of the parent of ¥37,082 million; against a decrease of ¥12,089 million in retained earnings owing to the payment of dividends of surplus, and an increase of ¥9,999 million in treasury stock mainly due to the purchase of treasury stock.

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

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

Cash provided by operating activities amounted to ¥47,801 million, a decrease of ¥13,977 million (22.6%) from cash provided during the previous fiscal year. This was due mainly to a decrease of ¥10,340 million in income before income taxes, an increase of ¥7,040 million in income taxes paid,

and a decrease of ¥4,253 million in notes and accounts payable-trade; against a decrease of ¥11,817 million in net defined benefit liability.

Cash used in investing activities amounted to ¥106,535 million, an increase of ¥73,765 million (225.1%) from cash used in the previous fiscal year. This was due mainly to a decrease of ¥37,183 million in proceeds from sales and redemption of marketable securities and an increase of ¥48,093 million in payments on purchase of property, plant and equipment.

Cash provided by financing activities during the fiscal year under review amounted to ¥25,240 million, an increase of ¥30,509 million from ¥5,269 million of cash used in the previous fiscal year. This was due mainly to increases of ¥48,600 million in proceeds from long-term loans payable and ¥19,911 million in proceeds from issuance of bonds; against increases of ¥12,094 million in repayments of long-term loans payable, ¥10,000 million in purchase of treasury stock, and ¥10,000 million in redemption of bonds.

After taking into account the above and an increase of ¥931 million in cash and cash equivalents resulting from merger, the balance of cash and cash equivalents at the end of the fiscal year under review amounted to ¥98,982 million, a decrease of ¥31,173 million (24.0%) from the end of the previous fiscal year.

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

Years ended March 31

	2020	2021	2022	2023	**2024**
Equity ratio (%)	58.6	57.9	59.7	60.6	**59.2**
Equity ratio, based on market value (%)	19.9	22.6	19.5	19.2	**29.6**
Ratio of interest-bearing debt to cash flow (times)	14.7	6.3	5.1	4.5	**6.8**
Interest coverage ratio (times)	14.4	33.5	35.8	43.8	**27.3**

Notes: Equity ratio: shareholders' equity/ total assets

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

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

Interest coverage ratio: cash flows/ interest expense

*1. All indices are calculated on a consolidated basis.

*2. The total market value of stocks is calculated by multiplying market value at the balance sheet date by the number of shares issued (with shares of treasury stock deducted) at the balance sheet date.

*3. "Cash flows" refers to cash flows provided by (used in) operating activities as shown in the consolidated statements of cash flows.

*4. "Interest-bearing debt" refers to all debts listed in the consolidated balance sheets on which the Company (as defined below) pays interest. "Interest payments" denotes interest payments as reflected in the consolidated statements of cash flows.

(4) Future Outlook

Regarding the economy, there are concerns about a decrease in consumption and an increase in costs of goods due to rising prices against a backdrop of soaring global energy prices and the historic depreciation of the yen, etc., as well as concerns about an economic downturn due to overseas factors, such as a global monetary tightening and concerns about China's economic outlook. However, the economy is expected to recover at a moderate pace in Japan with the improving employment and income situation, increased inbound tourism and other factors.

Under these circumstances, the Group will seek to procure TV advertising revenue and increase streaming advertising revenue by strengthening program content and improving viewer ratings at its core subsidiary Fuji TV. The Group will also strive to improve its business results by expanding its growth areas and reviewing its profit structure throughout the Group in line with the strategies set forth in the "'Grow and Evolve' Fuji Media Holdings Medium-Term Group Vision 2023" announced in May 2023. Furthermore, Kobe Suma Sea World and Kobe Suma Sea World Hotel, scheduled for a grand opening in June 2024, are expected to make a significant contribution to consolidated business results of the fiscal year ending March 31, 2025. Accordingly, overall consolidated net sales and operating income are expected to exceed the results of the fiscal year under review. In anticipation of the reactionary decrease as a result of the recording of gain on sale of investment securities under extraordinary gain in the fiscal year under review, net income attributable to owners of the parent for the fiscal year ending March 31, 2025 is expected to fall short of the results of the fiscal year under review.

Accordingly, reflecting the above, Fuji Media Holdings, Inc. (the "Company") is forecasting consolidated net sales of ¥598,300 million, with operating income of ¥35,300 million, recurring profit of ¥40,400 million, and net income attributable to owners of the parent of ¥29,000 million for the fiscal year ending March 31, 2025.

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

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

Regarding returning profits from retained earnings, the Company sets out its basic policy to provide stable returns to shareholders with the target payout ratio of 40% on a consolidated as its basis. Based on this policy, the Company has decided to pay ¥24 per share at the end of the fiscal year under review (ended March 31, 2024). This brings the total annual dividend to ¥48 per share, including the interim dividend of ¥24 per share. A proposal concerning this matter will be submitted to the 83rd Ordinary General Meeting of Shareholders scheduled for June 26, 2024.

The same policy shall be applied to dividends for the fiscal year ending March 31, 2025. Based on this policy, the Company expects to pay ¥25 per share as the interim dividend and the year-end dividend for the next fiscal year, respectively, totaling an annual dividend of ¥50 per share.

2. BASIC STANCE ON SELECTION OF ACCOUNTING STANDARDS

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

3. CONSOLIDATED FINANCIAL STATEMENTS AND PRIMARY NOTES

(1) Consolidated Balance Sheets

	Millions of yen	
	March 31, 2023	**March 31, 2024**
ASSETS		
Current assets:		
Cash and deposits	109,669	**76,077**
Notes and accounts receivable-trade, and contract assets	95,844	**95,858**
Marketable securities	100,044	**121,461**
Inventories	72,436	**73,553**
Other	37,269	**38,691**
Allowance for doubtful accounts	(467)	**(703)**
Total current assets	414,797	**404,938**
Noncurrent assets:		
Property, plant and equipment		
Buildings and structures, net	167,117	**174,618**
Machinery, equipment and vehicles, net	13,679	**14,399**
Land	287,002	**336,381**
Construction in progress	8,350	**16,894**
Other, net	12,184	**12,157**
Total property, plant and equipment	488,334	**554,451**
Intangible assets		
Goodwill	499	**395**
Leasehold right	4,847	**5,107**
Software	7,695	**7,979**
Other	4,759	**12,682**
Total intangible assets	17,800	**26,165**
Investments and other assets		
Investment securities	418,155	**414,647**
Net defined benefit asset	2,792	**12,189**
Deferred tax assets	9,507	**6,178**
Other	32,736	**31,710**
Allowance for doubtful accounts	(1,477)	**(1,449)**
Total investments and other assets	461,714	**463,277**
Total noncurrent assets	967,849	**1,043,894**
Total assets	1,382,646	**1,448,833**

	Millions of yen	
	March 31, 2023	**March 31, 2024**
LIABILITIES		
Current liabilities:		
Notes and accounts payable-trade	39,040	**39,292**
Electronically recorded obligations-operating	5,492	**6,275**
Short-term loans payable	42,702	**27,677**
Accrued income taxes	9,998	**9,643**
Provision for directors' bonuses	402	**517**
Other	77,262	**69,030**
Total current liabilities	174,898	**152,437**
Noncurrent liabilities:		
Bonds payable	—	**20,000**
Long-term loans payable	220,424	**273,676**
Deferred tax liabilities	85,364	**81,063**
Deferred tax liabilities for land revaluation	11,745	**11,745**
Provision for directors' retirement benefits	2,438	**2,360**
Net defined benefit liability	15,874	**15,078**
Negative goodwill	1,185	**611**
Other	21,945	**22,230**
Total noncurrent liabilities	358,978	**426,766**
Total liabilities	533,877	**579,204**
NET ASSETS		
Shareholders' equity:		
Capital stock	146,200	**146,200**
Capital surplus	173,797	**173,797**
Retained earnings	401,585	**426,880**
Treasury stock	(14,113)	**(24,113)**
Total shareholders' equity	707,469	**722,765**
Accumulated other comprehensive income:		
Valuation difference on available-for-sale securities	120,667	**117,061**
Deferred gains or losses on hedges	(183)	**(115)**
Revaluation reserve for land	1,533	**1,530**
Foreign currency translation adjustment	4,170	**6,281**
Remeasurements of defined benefit plans	4,023	**10,396**
Total accumulated other comprehensive income	130,210	**135,154**
Non-controlling interests	11,089	**11,708**
Total net assets	848,769	**869,628**
Total liabilities and net assets	1,382,646	**1,448,833**

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

Consolidated Statements of Income

Years ended March 31

	Millions of yen	
	2023	**2024**
Net sales	535,641	**566,443**
Cost of sales	376,901	**406,706**
Gross profit	158,739	**159,736**
Selling, general and administrative expenses	127,338	**126,216**
Operating income	31,401	**33,519**
Non-operating income:		
Interest income	206	**884**
Dividends income	3,745	**3,895**
Equity in earnings of affiliates	3,510	**1,378**
Amortization of negative goodwill	573	**573**
Gain on investments in partnership	460	**533**
Other	1,262	**1,256**
Total	9,760	**8,521**
Non-operating expenses:		
Interests	1,478	**1,875**
Loss on investments in partnership	224	**97**
Other	405	**894**
Total	2,107	**2,868**
Recurring profit	39,053	**39,173**
Extraordinary gain:		
Gain on sales of investment securities	16,337	**17,256**
Gain on contribution of securities to retirement benefit trust	10,079	—
Other	86	**17**
Total	26,503	**17,273**
Extraordinary loss:		
Impairment loss	135	**514**
Loss on retirement of noncurrent assets	181	**660**
Loss on valuation of investment securities	221	**482**
Other	276	**387**
Total	815	**2,045**
Income before income taxes	64,742	**54,401**
Income taxes-current	15,264	**18,002**
Income taxes-deferred	2,242	**(1,142)**
Total	17,506	**16,860**
Net income	47,235	**37,541**
Net income attributable to non-controlling interests	380	**458**
Net income attributable to owners of the parent	46,855	**37,082**

Consolidated Statements of Comprehensive Income

Years ended March 31

	Millions of yen	
	2023	**2024**
Net income	47,235	**37,541**
Other comprehensive income:		
Valuation difference on available-for-sale securities	(4,224)	**(5,188)**
Foreign currency translation adjustment	4,053	**2,094**
Remeasurements of defined benefit plans	1,214	**6,239**
Share of other comprehensive income of affiliates accounted for using equity method	303	**2,052**
Total other comprehensive income	1,345	**5,198**
Comprehensive income	48,581	**42,739**
Comprehensive income attributable to:		
Comprehensive income attributable to owners of the parent	48,129	**42,026**
Comprehensive income attributable to non-controlling interests	451	**712**

(3) Consolidated Statements of Changes in Net Assets

Year ended March 31, 2023 Millions of yen

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

(Continued on page 17)

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

Year ended March 31, 2024 Millions of yen

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total
Balance at the beginning of fiscal year	146,200	173,797	401,585	(14,113)	707,469
Changes of items during the fiscal year:					
Dividends from surplus			(12,089)		(12,089)
Net income attributable to owners of the parent			37,082		37,082
Purchase of treasury stock				(10,000)	(10,000)
Change in equity in affiliates accounted for by equity method – treasury stock				0	0
Reversal of revaluation reserve for land			2		2
Increase by merger			299		299
Net changes of items other than shareholders' equity					
Total	—	—	25,295	(9,999)	15,295
Balance at the current year-end	146,200	173,797	426,880	(24,113)	722,765

(Continued on page 19)

	Accumulated other comprehensive income						Non-con-trolling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Revaluation reserve for land	Foreign currency translation adjustment	Remeasure-ments of defined benefit plans	Total		
Balance at the beginning of fiscal year	120,667	(183)	1,533	4,170	4,023	130,210	11,089	848,769
Changes of items during the fiscal year:								
Dividends from surplus								(12,089)
Net income attributable to owners of the parent								37,082
Purchase of treasury stock								(10,000)
Change in equity in affiliates accounted for by equity method – treasury stock								0
Reversal of revaluation reserve for land								2
Increase by merger								299
Net changes of items other than shareholders' equity	(3,605)	68	(2)	2,110	6,373	4,944	619	5,563
Total	(3,605)	68	(2)	2,110	6,373	4,944	619	20,858
Balance at the current year-end	117,061	(115)	1,530	6,281	10,396	135,154	11,708	869,628

(4) Consolidated Statements of Cash Flows

Years ended March 31

	Millions of yen	
	2023	**2024**
Cash flows from operating activities:		
Income before income taxes	64,742	**54,401**
Depreciation and amortization	17,755	**18,437**
Impairment loss	135	**514**
Amortization of goodwill	(469)	**(469)**
Increase (decrease) in net defined benefit liability	(12,859)	**(1,042)**
Interest and dividends income	(3,952)	**(4,779)**
Interest expenses	1,478	**1,875**
Equity in (earnings) losses of affiliates	(3,510)	**(1,378)**
Loss (gain) on sales of investment securities	(16,097)	**(17,136)**
Decrease (increase) in notes and accounts receivable-trade	(3,005)	**461**
Decrease (increase) in inventories	7,862	**11,362**
Increase (decrease) in notes and accounts payable-trade	5,284	**1,031**
Other	9,253	**(1,272)**
Subtotal	66,617	**62,005**
Interest and dividends income received	4,988	**5,714**
Interest expenses paid	(1,409)	**(1,749)**
Income taxes paid	(11,242)	**(18,282)**
Income taxes refunded	2,824	**113**
Net cash provided by operating activities	61,779	**47,801**
Cash flows from investing activities:		
Payments on purchase of marketable securities	(218,790)	**(186,849)**
Proceeds from sales and redemption of marketable securities	233,100	**195,916**
Payments on purchase of property, plant and equipment	(49,618)	**(97,711)**
Payments on purchase of intangible assets	(2,352)	**(11,606)**
Payments on purchase of investment securities	(17,241)	**(21,989)**
Proceeds from sales and redemption of investment securities	21,597	**22,575**
Payments into time deposits	(1,930)	**(7,603)**
Proceeds from withdrawal of time deposits	1,980	**1,930**
Other	484	**(1,197)**
Net cash used in investing activities	(32,770)	**(106,535)**

(Continued on page 21)

	Millions of yen	
	2023	**2024**
Cash flows from financing activities:		
Net increase (decrease) in short-term loans payable	—	**(3,000)**
Proceeds from long-term loans payable	32,400	**81,000**
Repayments of long-term loans payable	(27,678)	**(39,772)**
Proceeds from issuance of bonds	—	**19,911**
Redemption of bonds	—	**(10,000)**
Purchase of treasury stock	—	**(10,000)**
Dividends paid	(9,022)	**(12,088)**
Other	(968)	**(810)**
Net cash provided by (used in) financing activities	(5,269)	**25,240**
Effect of exchange rate changes on cash and cash equivalents	2,899	**1,388**
Net increase (decrease) in cash and cash equivalents	26,639	**(32,104)**
Cash and cash equivalents at the beginning of the year	102,598	**130,155**
Increase in cash and cash equivalents resulting from inclusion of subsidiaries in consolidation	918	**—**
Increase in cash and cash equivalents resulting from merger	—	**931**
Cash and cash equivalents at the end of the year	130,155	**98,982**

(5) Notes to Consolidated Financial Statements

(Note on Assumptions for Going Concern)

Not applicable

(Changes in Presentation)

Consolidated Statements of Income

“Loss on sales of investment securities,” which was separately presented under “Extraordinary loss” in the previous fiscal year, is included in “Other” in the fiscal year under review, as it accounts for 10% or less of the total amount of extraordinary loss.

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

As a result, the amounts of ¥239 million and ¥37 million, which were presented as “Loss on sales of investment securities” and “Other,” respectively, under “Extraordinary loss” in the consolidated statement of income for the previous fiscal year, are reclassified as ¥276 million in “Other.”

(Segment Information)

Segment Information

1. Overview of Reported Segments

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

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

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

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

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

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

Year ended March 31, 2023 (Millions of yen)

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

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

Year ended March 31, 2024 (Millions of yen)

	Reported segment			Other (Note 1)	Total	Adjustment (Notes 2, 3)	Consolidated financial statements (Note 4)
	Media & Content	Urban Development, Hotels & Resorts	Total				
Net sales:							
Net sales to third parties	433,095	127,125	560,221	6,222	566,443	—	566,443
Inter-segment net sales and transfers	568	1,191	1,759	13,596	15,355	(15,355)	—
Total net sales	433,663	128,316	561,980	19,818	581,799	(15,355)	566,443
Segment operating income	15,706	19,537	35,243	944	36,187	(2,667)	33,519
Segment assets	528,273	572,395	1,100,668	22,930	1,123,599	325,233	1,448,833
Other:							
Depreciation	10,923	6,838	17,762	1,003	18,765	(327)	18,437
Amortization of goodwill	66	37	103	0	103	—	103
Increase in property, plant and equipment and intangible assets	17,616	92,090	109,706	1,039	110,746	(358)	110,387

Notes:
1. The “Other” category is a business segment not included in reported segments. It includes such operations as temporary agency services, movables leasing and software development.
2. The segment operating income adjustment of minus ¥2,667 million mainly comprises ¥2,549 million in eliminations of inter-segment business, together with minus ¥5,216 million in Group-wide expenses not allocated to a particular reported segment. Group-wide expenses are the expenses of the parent company as a certified broadcast holding company.
3. The segment assets adjustment of ¥325,233 million mainly comprises minus ¥452,954 million in inter-segment credit eliminations, together with ¥778,179 million in Group-wide assets not allocated to a particular reported segment. Group-wide assets mainly included the Company’s surplus funds (cash and deposits, marketable securities, etc.), funds for long-term investment (investment securities, etc.), and assets connected with management divisions.
4. Segment operating income is adjusted to the operating income figure on the Consolidated Statement of Income.

(Amounts per Share)

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

	March 31, 2023	**March 31, 2024**
(1) Net assets per share (Yen)	3,766.83	**3,972.81**
(Basis for calculating)		
Total net assets on the consolidated balance sheet (Millions of yen)	848,769	**869,628**
Total net assets related to shares of common stock (Millions of yen)	837,680	**857,920**
Major components of the difference (Millions of yen) Non-controlling interests	11,089	**11,708**
Number of shares of common stock issued (Shares)	234,194,500	**234,194,500**
Number of shares of treasury stock (Shares)	11,810,987	**18,246,615**
Number of shares of common stock used to determine net assets per share (Shares)	222,383,513	**215,947,885**

Years ended March 31

	2023	**2024**
(2) Basic earnings per share (Yen)	210.69	**169.27**
(Basis for calculating)		
Net income attributable to owners of the parent on the consolidated statement of income (Millions of yen)	46,855	**37,082**
Net income attributable to owners of the parent related to shares of common stock (Millions of yen)	46,855	**37,082**
Average number of issued shares of common stock during the fiscal year (Shares)	222,391,291	**219,072,676**

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

(Significant Events after the Reporting Period)

Not applicable

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