

Flash Report [Japanese GAAP] (Consolidated Basis)**Results for the fiscal year ended March 31, 2021****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 and Representative Director

Person to contact: Junji Okunogi, Senior Executive Managing Officer and General Manager of Treasury & Finance
Department

Telephone: +81-3-3570-8000 (key)

Scheduled date of the General Meeting of Shareholders: June 25, 2021

Scheduled date of commencing dividend payments: June 28, 2021

Scheduled date of filing securities report: June 25, 2021

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	%
2021	519,941	(17.7)	16,274	(38.2)	22,295	(36.0)	10,112	(75.5)
2020	631,482	(5.6)	26,341	(24.1)	34,854	(17.0)	41,307	74.8

(Note) Comprehensive income: Year ended March 31, 2021: ¥58,254 million, 236.9%,

Year ended March 31, 2020: ¥17,292 million, (48.8)%

	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	%	%	%
2021	44.31	—	1.3	1.7	3.1
2020	178.44	—	5.6	2.7	4.2

(Reference) Equity in earnings of affiliates: Year ended March 31, 2021: ¥2,347 million,

Year ended March 31, 2020: ¥5,182 million

(2) Financial Position

At March 31

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
2021	1,336,042	784,429	57.9	3,479.47
2020	1,254,613	745,574	58.6	3,179.13

(Reference) Total shareholders' equity: March 31, 2021: ¥774,011 million,

March 31, 2020: ¥735,431 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
2021	45,844	(26,613)	20,395	118,591
2020	16,854	(33,907)	8,388	79,970

2. Dividends

Years ended March 31, 2020 and 2021 / Year ending March 31, 2022

	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			
2020	—	22.00	—	22.00	44.00	10,304	24.7	1.4
2021	—	18.00	—	18.00	36.00	8,229	81.2	1.1
2022 (Forecast)	—	18.00	—	18.00	36.00		46.0	

3. Forecasts of Consolidated Financial Results for the Fiscal Year Ending March 31, 2022

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

	Net sales		Operating income		Recurring profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%
Fiscal year	509,700	(2.0)	21,600	32.7	25,200	13.0

	Net income attributable to owners of the parent		Basic earnings per share
	Millions of yen	%	Yen
Fiscal year	17,400	72.1	78.22

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	
	2021	2020
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)	11,743,558	2,863,495
3) Average number of issued shares during the fiscal year (shares)	228,223,747	231,488,297

(Reference) Flash Report (Non-Consolidated Basis)

Non-Consolidated Financial Results for the Fiscal Year ended March 31, 2021

(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	%
2021	27,182	49.2	20,561	78.3	23,338	57.6	29,128	74.1
2020	18,222	43.7	11,533	85.7	14,812	39.9	16,735	49.2

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
2021	126.03	—
2020	71.46	—

(2) Financial Position

At March 31

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
2021	825,203	570,955	69.2	2,533.59
2020	752,182	517,643	68.8	2,210.32

(Reference) Total shareholders' equity: March 31, 2021: ¥ 570,955 million, March 31, 2020: ¥517,643 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 9.

CONTENTS OF ATTACHMENT

1. OVERVIEW OF BUSINESS RESULTS, ETC.	5
(1) Overview of Business Results for the Fiscal Year under Review	5
(2) Overview of Financial Position for the Fiscal Year under Review	8
(3) Overview of Cash Flows for the Fiscal Year under Review	8
(4) Future Outlook	9
(5) Basic Policy Regarding Profit Allocation and Dividends in the Fiscal Year under Review and the Next Fiscal Year	10
2. BASIC STANCE ON SELECTION OF ACCOUNTING STANDARDS	10
3. CONSOLIDATED FINANCIAL STATEMENTS AND PRIMARY NOTES	11
(1) Consolidated Balance Sheets	11
(2) Consolidated Statements of Income and Consolidated Statements of Comprehensive Income	13
(3) Consolidated Statements of Changes in Net Assets	15
(4) Consolidated Statements of Cash Flows	19
(5) Notes to Consolidated Financial Statements	21
(Note on Assumptions for Going Concern)	21
(Changes in Presentation)	21
(Segment Information)	23
(Amounts per Share)	26
(Significant Events after the Reporting Period)	26

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, 2021 (April 1, 2020 to March 31, 2021) states, "Concerning short-term prospects, the economy is expected to pick up, supported by the effects of the policies and improvement in overseas economies, while the socio-economic activities will be resumed with taking measures to prevent the spread of infectious diseases. However, full attention should be given to the movement of the infections which would affect the domestic and foreign economies." It also states that firms' judgments on business conditions "show movements of picking up, although some severe aspects remain."

Fuji Media Holdings Group (the "Group") was also affected to no small extent by the impact of the novel coronavirus infection (COVID-19) during the fiscal year under review, including a decline in advertising revenue, a drop in travel and tourism demand, and the cancellation and postponement of events. However, there was also demand arising from an increase in opportunities to stay at home.

Amid this economic environment, the consolidated net sales of the Group decreased overall during the fiscal year under review, down 17.7% from the previous fiscal year to ¥519,941 million, as there were decreases in both the Media & Content segment and the Urban Development, Hotels & Resorts segment.

In terms of earnings, operating income decreased 38.2% year-on-year to ¥16,274 million, as there were revenue decreases in both the Media & Content segment and the Urban Development, Hotels & Resorts segment. Recurring profit decreased 36.0% year-on-year to ¥22,295 million, and net income attributable to owners of the parent decreased 75.5% year-on-year to ¥10,112 million, due to a reactionary decrease as a result of posting a gain on return of substitutional portion of employees' pension fund in the previous fiscal year and an increase in impairment loss recorded as an extraordinary loss, despite an increase in gain on sales of investment securities recorded under extraordinary gain.

Results by operating segment are as follows.

Years ended March 31

	Net sales			Operating income		
	2020	2021	Change	2020	2021	Change
	Millions of yen	Millions of yen	%	Millions of yen	Millions of yen	%
Media & Content	515,334	439,466	(14.7)	13,924	13,723	(1.4)
Urban Development, Hotels & Resorts	110,749	76,048	(31.3)	13,706	3,728	(72.8)
Other	19,335	17,510	(9.4)	595	444	(25.3)
Eliminations	(13,936)	(13,083)	—	(1,885)	(1,622)	—
Total	631,482	519,941	(17.7)	26,341	16,274	(38.2)

Media & Content

Broadcasting revenue of Fuji Television Network, Inc. ("Fuji TV"), the core subsidiary of the Group, decreased 12.4% year-on-year to ¥186,666 million as a result of the impact of COVID-19.

Among the mainstay broadcasting businesses, in network time advertising sales (time advertising for nationwide broadcast), contributions were made by the "Japan Figure Skating Championships 2020" and the "World Figure Skating Championships 2021," but the cancellation and postponement of a number of major one-off programs could not offset a decline in regular program revenues. As a result, network time advertising sales decreased 13.8% year-on-year to ¥67,955 million.

Local time advertising sales (time advertising for the Kanto region) decreased 6.0% year-on-year to ¥11,579 million, due in part to changes of sales categories.

Spot advertising sales declined due to the impact of weak advertising market conditions caused by the deteriorating business performance of companies, and despite showing a recovery trend in the second half of the fiscal year under review, the full-year results were down from the previous fiscal year. By industry category, only four of the 19 industries, including "Alcoholic Beverages" and "Telecommunication Services," saw year-on-year increases in revenue, while "Transportation/Leisure/Tourism," "Finance/Insurance" and "Publishing/Entertainment" among others saw year-on-year decreases in revenue. As a result, net sales of spot advertising sales decreased 14.9% year-on-year to ¥76,175 million.

With regard to other businesses, the digital business, where FOD (Fuji TV On Demand) performed well, and the video business posted year-on-year increases in revenue. In the movie business, despite the contribution of distribution revenue from "THE CONFIDENCE MAN JP - EPISODE OF THE PRINCESS -" and secondary use, revenue decreased as it did not reach the level of the previous fiscal year. In the events business, revenue decreased due to the impact of cancellations and postponements. As a result, net sales from other businesses decreased 27.3% year-on-year to ¥30,910 million.

As a result of the above, net sales of Fuji TV as a whole decreased 14.9% year-on-year to ¥217,577 million. Operating income decreased 29.2% year-on-year to ¥5,071 million.

Fuji Satellite Broadcasting, Inc. recorded a decrease in revenue, due to a drop in time advertising and the cancellation and postponement of events, despite strong spot advertising. However, earnings increased due to efforts to curb operating expenses such as cost of programs.

Nippon Broadcasting System, Inc., due to a decline in the mainstay broadcasting revenue despite a strong performance in the radio shopping business, recorded a decrease in revenue and an increase in earnings.

Pony Canyon Inc. saw solid sales of music streaming and old releases, but revenue from package sales as a whole declined due to lack of new releases and event revenue was also affected by COVID-19. As a result, net sales overall decreased. Meanwhile, earnings increased thanks to an improvement in the cost rate and a reduction in selling, general and administrative expenses.

Fujipacific Music Inc. recorded a decrease in revenue and an increase in earnings, as a result of a decline in artist management revenue due to a reactionary decrease in live concert tours held in the previous fiscal year, which offset an increase in revenues from royalties, mainly from streaming,

and from robust master disc usage fees.

Dinos Cecile Co., Ltd. sold the Cecile business in March 2021 and has changed its trade name to DINOS CORPORATION.

The Dinos business recorded an increase in revenue as particularly beauty and health products in television shopping continued to perform strongly and household products and furniture also performed steadily on the back of the stay-at-home demand. However, overall revenue of DINOS CORPORATION decreased due to the sale of the Cecile business during the period. Earnings increased significantly thanks to efforts to curb selling, general and administrative expenses.

Quaras Inc. posted decreases in both revenue and earnings, due to weak advertising revenue.

Fuji Games, Inc. posted an operating loss as smartphone games struggled, but the loss was diminished.

As a result of the above, in the Media & Content segment overall, net sales declined 14.7% from the previous fiscal year to ¥439,466 million, and segment operating income decreased 1.4% from the previous fiscal year to ¥13,723 million.

Urban Development, Hotels & Resorts

The Sankei Building Co., Ltd. recorded decreases in both revenue and earnings due to a decrease in sales of the condominiums in the housing business and a decrease in sales revenue of real estate in the asset development business, despite an increase in revenue in the building business.

GRANVISTA Hotels & Resorts Co., Ltd. posted an operating loss as a result of a decrease in revenue due to a decline in demand for travel and tourism, including that of inbound tourists, caused by the impact of COVID-19.

As a result of the above, the Urban Development, Hotels & Resorts segment recorded net sales of ¥76,048 million, down 31.3% from the previous fiscal year, with segment operating income down 72.8% from the previous fiscal year to ¥3,728 million.

Other

Net sales in the Other segment overall decreased 9.4% from the previous fiscal year to ¥17,510 million, and segment operating income decreased 25.3% from the previous fiscal year to ¥444 million.

Affiliates accounted for using the equity method such as ITOCHU Fuji Partners, Inc., the Fuji TV network affiliates, Nihon Eiga Broadcasting Corp., WOWOW Inc. and SANKEI SHIMBUN CO., LTD. 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, 2021) amounted to ¥1,336,042 million, an increase of ¥81,429 million (6.5%) from the end of the previous fiscal year (March 31, 2020).

Total current assets amounted to ¥412,709 million, a decrease of ¥11,323 million (2.7%) from the end of the previous fiscal year. This was due mainly to decreases of ¥19,195 million in notes and accounts receivable-trade, ¥11,322 million in inventories and ¥8,730 million in marketable securities; against an increase of ¥28,724 million in cash and deposits.

Total noncurrent assets amounted to ¥923,333 million, an increase of ¥92,986 million (11.2%) from the end of the previous fiscal year. This was due mainly to increases of ¥74,960 million in investment securities owing primarily to an increase in unrealized gains on listed stocks, and ¥14,947 million in buildings and structures, net.

Total liabilities amounted to ¥551,612 million, an increase of ¥42,574 million (8.4%) from the end of the previous fiscal year.

Total current liabilities amounted to ¥140,013 million, a decrease of ¥26,071 million (15.7%) from the end of the previous fiscal year. This was due mainly to a decrease of ¥23,891 million in short-term loans payable.

Total noncurrent liabilities amounted to ¥411,599 million, an increase of ¥68,646 million (20.0%) from the end of the previous fiscal year. This was due mainly to increases of ¥64,700 million in long-term loans payable and ¥18,068 million in deferred tax liabilities owing primarily to an increase in unrealized gains on listed stocks; against a decrease of ¥10,000 million in bonds payable owing to the transfer thereof to current liabilities.

Total net assets amounted to ¥784,429 million, an increase of ¥38,855 million (5.2%) from the end of the previous fiscal year. This was due mainly to an increase of ¥45,594 million in valuation difference on available-for-sale securities owing primarily to an increase in unrealized gains on listed stocks and the recording of ¥10,112 million in net income attributable to owners of the parent; against the payment of ¥9,999 million on the purchase of treasury stock and the payment of ¥9,325 million in dividends of surplus.

(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 ¥45,844 million, an increase of ¥28,990 million (172.0%) from cash provided during the previous fiscal year. This was due mainly to a decrease of ¥18,314 million in net defined benefit liability, an increase of ¥16,344 million in notes and accounts receivable-trade and an increase of ¥15,915 million in inventories; against a decrease of ¥35,564 million in income before income taxes.

Cash used in investing activities amounted to ¥26,613 million, a decrease of ¥7,293 million (21.5%) from cash used in the previous fiscal year. This was due mainly to a decrease of ¥34,374 million in payments on purchase of marketable securities; against a decrease of ¥10,214 million in proceeds from sales and redemption of investment securities, a decrease of ¥8,704 million in proceeds from sales and redemption of marketable securities and an increase of ¥5,612 million in payments on purchase of property, plant and equipment.

Cash provided by financing activities amounted to ¥20,395 million, an increase of ¥12,007 million from cash provided in the previous fiscal year. This was due mainly to an increase of ¥31,137 million in proceeds from long-term loans payable; against an increase of ¥12,642 million in repayments of long-term loans payable.

As a result, the balance of cash and cash equivalents at the end of the fiscal year under review amounted to ¥118,591 million, an increase of ¥38,621 million (48.3%) from the end of the previous fiscal year.

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

Years ended March 31

	2017	2018	2019	2020	2021
Equity ratio (%)	56.3	56.7	56.5	58.6	57.9
Equity ratio, based on market value (%)	29.9	33.7	27.4	19.9	22.6
Ratio of interest-bearing debt to cash flow (times)	4.2	4.6	2.1	14.7	6.3
Interest coverage ratio (times)	31.0	38.4	90.2	14.4	33.5

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.
- *5. The Company adopted the "Partial Amendments to Accounting Standard for Tax Effect Accounting" (ASBJ Statement No. 28, February 16, 2018) effective from the beginning of the fiscal year ended March 31, 2019. Accordingly, the standards have been retroactively applied to the indicators for the fiscal year ended March 31, 2018.

(4) Future Outlook

Although it will be necessary to pay attention to trends related to COVID-19 infections, the economy is expected to pick up due to the effects of various policies and the improvement of overseas economies.

Under these circumstances, due to factors including the sale of the Cecile business in March 2021, overall consolidated net sales are expected to fall below the results of the fiscal year under review. However, operating income, recurring profit and net income attributable to owners of the parent are expected to exceed the results of the fiscal year under review.

Accordingly, reflecting the above, Fuji Media Holdings, Inc. (the "Company") is forecasting

consolidated net sales of ¥509,700 million, with operating income of ¥21,600 million, recurring profit of ¥25,200 million and net income attributable to owners of the parent of ¥17,400 million for the fiscal year ending March 31, 2022.

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

The Company regards the redistribution of 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 distributions to its shareholders commensurate with performance, 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.

The Company's policy regarding the distribution of retained earnings is to determine the disbursement based on a target of a payout ratio of 40% on a consolidated basis, with consideration to the stability of dividends from the standpoint of emphasizing the redistribution of profits to its shareholders. Based on this policy, the year-end dividend for the fiscal year ended March 31, 2021 will be ¥18 per share.

This brings the total annual dividend to ¥36 per share, including the interim dividend of ¥18 per share. A proposal concerning this matter will be submitted to the 80th Ordinary General Meeting of Shareholders scheduled for June 25, 2021.

The same policy shall be applied to dividends for the fiscal year ending March 31, 2022. Based on this policy, the Company expects to pay ¥18 per share as the interim dividend and the year-end dividend for the next fiscal year, respectively, totaling an annual dividend of ¥36 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, 2020	March 31, 2021
ASSETS		
Current assets:		
Cash and deposits	76,126	104,851
Notes and accounts receivable-trade	110,390	91,194
Marketable securities	97,536	88,806
Inventories	101,163	89,841
Other	39,725	38,619
Allowance for doubtful accounts	(908)	(603)
Total current assets	424,033	412,709
Noncurrent assets:		
Property, plant and equipment		
Buildings and structures, net	135,228	150,175
Machinery, equipment and vehicles, net	12,420	13,385
Land	258,037	261,148
Construction in progress	17,572	8,970
Other, net	12,765	13,803
Total property, plant and equipment	436,024	447,484
Intangible assets		
Goodwill	811	707
Leasehold right	4,021	7,357
Software	7,346	8,103
Other	5,867	5,063
Total intangible assets	18,046	21,231
Investments and other assets		
Investment securities	333,806	408,767
Net defined benefit asset	89	943
Deferred tax assets	12,553	10,955
Other	31,599	35,580
Allowance for doubtful accounts	(1,773)	(1,629)
Total investments and other assets	376,276	454,616
Total noncurrent assets	830,346	923,333
Deferred assets	233	—
Total assets	1,254,613	1,336,042

	Millions of yen	
	March 31, 2020	March 31, 2021
LIABILITIES		
Current liabilities:		
Notes and accounts payable-trade	40,976	34,803
Electronically recorded obligations-operating	12,374	10,530
Short-term loans payable	40,559	16,668
Accrued income taxes	4,411	5,610
Provision for sales returns	673	414
Provision for directors' bonuses	436	423
Provision for point card certificates	457	9
Provision for environmental measures	47	—
Other	66,148	71,553
Total current liabilities	166,085	140,013
Noncurrent liabilities:		
Bonds payable	20,000	10,000
Long-term loans payable	182,829	247,529
Deferred tax liabilities	64,028	82,097
Deferred tax liabilities for land revaluation	11,935	11,795
Provision for directors' retirement benefits	2,443	2,474
Net defined benefit liability	37,835	32,403
Negative goodwill	2,907	2,333
Other	20,974	22,966
Total noncurrent liabilities	342,953	411,599
Total liabilities	509,038	551,612
NET ASSETS		
Shareholders' equity:		
Capital stock	146,200	146,200
Capital surplus	173,794	173,797
Retained earnings	346,693	347,506
Treasury stock	(3,997)	(14,037)
Total shareholders' equity	662,691	653,467
Accumulated other comprehensive income:		
Valuation difference on available-for-sale securities	76,475	122,069
Deferred gains or losses on hedges	(218)	(216)
Revaluation reserve for land	1,479	1,453
Foreign currency translation adjustment	(1,310)	(2,579)
Remeasurements of defined benefit plans	(3,686)	(182)
Total accumulated other comprehensive income	72,739	120,543
Non-controlling interests	10,143	10,418
Total net assets	745,574	784,429
Total liabilities and net assets	1,254,613	1,336,042

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

Consolidated Statements of Income

Years ended March 31

	Millions of yen	
	2020	2021
Net sales	631,482	519,941
Cost of sales	445,767	361,548
Gross profit	185,715	158,393
Selling, general and administrative expenses	159,374	142,118
Operating income	26,341	16,274
Non-operating income:		
Interest income	211	131
Dividends income	3,321	3,155
Equity in earnings of affiliates	5,182	2,347
Amortization of negative goodwill	573	573
Gain on investments in partnership	310	401
Other	795	1,941
Total	10,395	8,550
Non-operating expenses:		
Interests	1,178	1,438
Loss on investments in partnership	71	458
Other	632	633
Total	1,881	2,530
Recurring profit	34,854	22,295
Extraordinary gain:		
Gain on sales of investment securities	9,109	11,926
Gain on return of substitutional portion of employees' pension fund	18,832	—
Other	143	530
Total	28,085	12,457
Extraordinary loss:		
Impairment loss	3,709	7,384
Loss on sales of investment securities	2	1,813
Loss on COVID-19	—	1,955
Other	2,395	2,330
Total	6,106	13,484
Income before income taxes	56,833	21,268
Income taxes-current	10,134	11,807
Income taxes-deferred	5,087	(1,477)
Total	15,221	10,329
Net income	41,611	10,938
Net income attributable to non-controlling interests	304	825
Net income attributable to owners of the parent	41,307	10,112

Consolidated Statements of Comprehensive Income

Years ended March 31

	Millions of yen	
	2020	2021
Net income	41,611	10,938
Other comprehensive income:		
Valuation difference on available-for-sale securities	(29,523)	43,972
Deferred gains or losses on hedges	(25)	—
Revaluation reserve for land	874	(22)
Foreign currency translation adjustment	(265)	(1,147)
Remeasurements of defined benefit plans	6,321	3,470
Share of other comprehensive income of affiliates accounted for using equity method	(1,700)	1,044
Total other comprehensive income	(24,318)	47,316
Comprehensive income	17,292	58,254
Comprehensive income attributable to:		
Comprehensive income attributable to owners of the parent	16,721	57,929
Comprehensive income attributable to non-controlling interests	571	324

(3) Consolidated Statements of Changes in Net Assets

Year ended March 31, 2020

Millions of yen

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total
Balance at the beginning of fiscal year	146,200	173,680	315,956	(3,808)	632,029
Changes of items during the fiscal year:					
Dividends from surplus			(10,304)		(10,304)
Net income attributable to owners of the parent			41,307		41,307
Change in equity in affiliates accounted for by equity method – treasury stock				(188)	(188)
Reversal of revaluation reserve for land			(196)		(196)
Change of scope of consolidation			(68)		(68)
Changes in the parent company's holdings related to transactions involving shareholders with non-controlling interests		113			113
Net changes of items other than shareholders' equity					
Total	—	113	30,737	(188)	30,662
Balance at the current year-end	146,200	173,794	346,693	(3,997)	662,691

(Continued on page 16)

	Accumulated other comprehensive income						Non-controlling 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	Remeasurements of defined benefit plans	Total		
Balance at the beginning of fiscal year	107,804	(205)	616	(995)	(9,893)	97,325	13,993	743,348
Changes of items during the fiscal year:								
Dividends from surplus								(10,304)
Net income attributable to owners of the parent								41,307
Change in equity in affiliates accounted for by equity method – treasury stock								(188)
Reversal of revaluation reserve for land								(196)
Change of scope of consolidation								(68)
Changes in the parent company's holdings related to transactions involving shareholders with non-controlling interests								113
Net changes of items other than shareholders' equity	(31,328)	(12)	862	(314)	6,207	(24,585)	(3,850)	(28,436)
Total	(31,328)	(12)	862	(314)	6,207	(24,585)	(3,850)	2,226
Balance at the current year-end	76,475	(218)	1,479	(1,310)	(3,686)	72,739	10,143	745,574

Year ended March 31, 2021

Millions of yen

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total
Balance at the beginning of fiscal year	146,200	173,794	346,693	(3,997)	662,691
Changes of items during the fiscal year:					
Dividends from surplus			(9,325)		(9,325)
Net income attributable to owners of the parent			10,112		10,112
Purchase of treasury stock				(9,999)	(9,999)
Change in equity in affiliates accounted for by equity method – treasury stock				(39)	(39)
Reversal of revaluation reserve for land			26		26
Changes in the parent company's holdings related to transactions involving shareholders with non-controlling interests		2			2
Net changes of items other than shareholders' equity					
Total	—	2	813	(10,039)	(9,224)
Balance at the current year-end	146,200	173,797	347,506	(14,037)	653,467

(Continued on page 18)

	Accumulated other comprehensive income						Non-controlling 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	Remeasurements of defined benefit plans	Total		
Balance at the beginning of fiscal year	76,475	(218)	1,479	(1,310)	(3,686)	72,739	10,143	745,574
Changes of items during the fiscal year:								
Dividends from surplus								(9,325)
Net income attributable to owners of the parent								10,112
Purchase of treasury stock								(9,999)
Change in equity in affiliates accounted for by equity method – treasury stock								(39)
Reversal of revaluation reserve for land								26
Changes in the parent company's holdings related to transactions involving shareholders with non-controlling interests								2
Net changes of items other than shareholders' equity	45,594	1	(26)	(1,269)	3,504	47,804	275	48,079
Total	45,594	1	(26)	(1,269)	3,504	47,804	275	38,855
Balance at the current year-end	122,069	(216)	1,453	(2,579)	(182)	120,543	10,418	784,429

(4) Consolidated Statements of Cash Flows

Years ended March 31

	Millions of yen	
	2020	2021
Cash flows from operating activities:		
Income before income taxes	56,833	21,268
Depreciation and amortization	16,305	17,691
Impairment loss	3,709	7,384
Amortization of goodwill	(340)	(470)
Increase (decrease) in net defined benefit liability	(19,420)	(1,106)
Interest and dividends income	(3,532)	(3,287)
Interest expenses	1,178	1,438
Equity in (earnings) losses of affiliates	(5,182)	(2,347)
Loss (gain) on sales of investment securities	(9,107)	(10,113)
Decrease (increase) in notes and accounts receivable-trade	665	17,009
Decrease (increase) in inventories	(5,252)	10,663
Increase (decrease) in notes and accounts payable-trade	(9,656)	(4,553)
Other	3,571	(935)
Subtotal	29,769	52,643
Interest and dividends income received	4,768	4,465
Interest expenses paid	(1,168)	(1,368)
Income taxes paid	(17,891)	(12,721)
Income taxes refunded	1,376	2,826
Net cash provided by operating activities	16,854	45,844
Cash flows from investing activities:		
Payments on purchase of marketable securities	(212,947)	(178,573)
Proceeds from sales and redemption of marketable securities	210,000	201,295
Payments on purchase of property, plant and equipment	(35,427)	(41,040)
Payments on purchase of intangible assets	(4,223)	(6,025)
Payments on purchase of investment securities	(20,736)	(20,865)
Proceeds from sales and redemption of investment securities	31,090	20,875
Proceeds from sales of shares of subsidiaries resulting in change in scope of consolidation	—	2,181
Payments into time deposits	(321)	(3,000)
Other	(1,341)	(1,462)
Net cash used in investing activities	(33,907)	(26,613)

(Continued on page 20)

	Millions of yen	
	2020	2021
Cash flows from financing activities:		
Net increase (decrease) in short-term loans payable	(12,500)	(14,500)
Proceeds from long-term loans payable	45,747	76,885
Repayments of long-term loans payable	(9,049)	(21,691)
Purchase of treasury stock	—	(9,999)
Dividends paid	(10,290)	(9,316)
Repayments to non-controlling shareholders	(2,900)	—
Other	(2,619)	(982)
Net cash provided by financing activities	8,388	20,395
Effect of exchange rate changes on cash and cash equivalents	(172)	(1,004)
Net increase (decrease) in cash and cash equivalents	(8,838)	38,621
Cash and cash equivalents at the beginning of the year	89,900	79,970
Increase in cash and cash equivalents from the new consolidation of a subsidiary	23	—
Decrease in cash and cash equivalents resulting from exclusion of subsidiaries from consolidation	(1,114)	—
Cash and cash equivalents at the end of the year	79,970	118,591

(5) Notes to Consolidated Financial Statements

(Note on Assumptions for Going Concern)

Not applicable

(Changes in Presentation)

Consolidated Statements of Income

“Commission for syndicated loans” under “Non-operating expenses,” which was separately shown in the previous fiscal year, is included in “Other” from the fiscal year under review, as the amount of such commission fell below 10% of the total non-operating expenses.

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

As a result, the amount of ¥202 million which was presented as “Commission for syndicated loans” and the amount of ¥429 million which was presented as “Other” under “Non-operating expenses” in the consolidated statements of income for the previous fiscal year are reclassified as ¥632 million in “Other.”

“Loss on sales of investment securities,” which was included in “Other” under “Extraordinary loss” in the previous fiscal year, is shown separately from the fiscal year under review, as the amount of such loss exceeded 10% of the total extraordinary loss.

“Loss on valuation of investment securities” under “Extraordinary loss,” which was separately shown in the previous fiscal year, is included in “Other” from the fiscal year under review, as the amount of such loss fell below 10% of the total extraordinary loss.

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

As a result, the amount of ¥1,694 million which was presented as “Loss on valuation of investment securities” and the amount of ¥703 million which was presented as “Other” under “Extraordinary loss” in the consolidated statement of income for the previous fiscal year are reclassified as ¥2 million in “Loss on sale of investment securities” and as ¥2,395 million in “Other.”

Consolidated Statements of Cash Flows

“Loss (gain) on valuation of investment securities” under “Cash flows from operating activities,” which was separately shown in the previous fiscal year, is included in “Other” from the fiscal year under review, due to its decreased significance.

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

As a result, the amount of ¥1,694 million which was presented as “Loss (gain) on valuation of investment securities” and the amount of ¥1,876 million which was presented as “Other” under “Cash flows from operating activities” in the consolidated statements of cash flows for the previous fiscal year are reclassified as ¥3,571 million in “Other.”

“Payments into time deposits,” which was included in “Other” under “Cash flows from investing activities” in the previous fiscal year, is shown separately from the fiscal year under review, due to its increased significance.

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

As a result, the amount of negative ¥1,662 million which was presented as “Other” under “Cash flows from investing activities” in the consolidated statement of cash flows for the previous fiscal year is reclassified as negative ¥321 million in “Payments into time deposits” and negative ¥1,341 million in “Other.”

“Dividends paid to non-controlling shareholders” under “Cash flows from financing activities,” which was separately shown in the previous fiscal year, is included in “Other” from the fiscal year under review, due to its decreased significance.

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

As a result, the amount of negative ¥1,374 million which was presented as “Dividends paid to non-controlling shareholders” and the amount of negative ¥1,244 million which was presented as “Other” under “Cash flows from financing activities” in the consolidated statements of cash flows for the previous fiscal year are reclassified as negative ¥2,619 million in “Other.”

(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, games 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 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 and Other Items by Reported Segment

Year ended March 31, 2020

(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	514,472	110,265	624,738	6,744	631,482	—	631,482
Inter-segment net sales and transfers	861	483	1,345	12,591	13,936	(13,936)	—
Total net sales	515,334	110,749	626,083	19,335	645,419	(13,936)	631,482
Segment operating income	13,924	13,706	27,630	595	28,226	(1,885)	26,341
Segment assets	550,704	449,902	1,000,606	19,547	1,020,153	234,459	1,254,613
Other:							
Depreciation	11,321	4,682	16,003	577	16,581	(275)	16,305
Amortization of goodwill	66	166	233	0	233	—	233
Increase in property, plant and equipment and intangible assets	17,038	25,421	42,459	594	43,053	(157)	42,896

- 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 ¥1,885 million mainly comprises ¥2,850 million in eliminations of inter-segment business, together with minus ¥4,736 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 ¥234,459 million mainly comprises minus ¥451,689 million in inter-segment credit eliminations, together with ¥686,149 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.

	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	438,875	75,673	514,549	5,392	519,941	—	519,941
Inter-segment net sales and transfers	591	374	965	12,117	13,083	(13,083)	—
Total net sales	439,466	76,048	515,514	17,510	533,024	(13,083)	519,941
Segment operating income	13,723	3,728	17,451	444	17,896	(1,622)	16,274
Segment assets	524,367	499,447	1,023,814	20,559	1,044,373	291,668	1,336,042
Other:							
Depreciation	11,712	5,704	17,417	552	17,969	(278)	17,691
Amortization of goodwill	66	37	103	0	103	—	103
Increase in property, plant and equipment and intangible assets	8,836	39,290	48,126	678	48,805	(247)	48,557

- 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 ¥1,622 million mainly comprises ¥3,075 million in eliminations of inter-segment business, together with minus ¥4,697 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 ¥291,668 million mainly comprises minus ¥468,914 million in inter-segment credit eliminations, together with ¥760,583 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, 2020	March 31, 2021
(1) Net assets per share (Yen)	3,179.13	3,479.47
(Basis for calculating)		
Total net assets on the consolidated balance sheet (Millions of yen)	745,574	784,429
Total net assets related to shares of common stock (Millions of yen)	735,431	774,011
Major components of the difference (Millions of yen) Non-controlling interests	10,143	10,418
Number of shares of common stock issued (Shares)	234,194,500	234,194,500
Number of shares of treasury stock (Shares)	2,863,495	11,743,558
Number of shares of common stock used to determine net assets per share (Shares)	231,331,005	222,450,942

Years ended March 31

	2020	2021
(2) Basic earnings per share (Yen)	178.44	44.31
(Basis for calculating)		
Net income attributable to owners of the parent on the consolidated statement of income (Millions of yen)	41,307	10,112
Net income attributable to owners of the parent related to shares of common stock (Millions of yen)	41,307	10,112
Average number of issued shares of common stock during the fiscal year (Shares)	231,488,297	228,223,747

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

(Significant Events after the Reporting Period)

Not applicable

---End of Document---