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Consolidated Financial Results for the Six Months Ended September 30, 2022 [Japanese GAAP]



November 2, 2022

Company name: TV TOKYO Holdings Corporation

Stock exchange listing: Tokyo Stock Exchange

Code number: 9413

URL: <https://www.txhd.co.jp>

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Scheduled date of filing quarterly securities report: November 10, 2022

Scheduled date of commencing dividend payments: December 5, 2022

Availability of supplementary explanatory materials on quarterly financial results: Available

Schedule of quarterly financial results briefing session: Scheduled (for analysts and institutional investors and for the press)

(Amounts of less than one million yen are rounded down.)

1. Consolidated Financial Results for the Six Months Ended September 30, 2022 (April 1, 2022 - September 30, 2022)

(1) Consolidated Operating Results (% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Six months ended September 30, 2022	71,320	0.6	4,737	5.1	4,939	3.0	3,292	8.4
September 30, 2021	70,863	17.7	4,508	124.3	4,794	122.8	3,037	187.5

(Note) Comprehensive income: Six months ended September 30, 2022: ¥2,474 million [(23.7%)]
Six months ended September 30, 2021: ¥3,243 million [31.8%]

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Six months ended September 30, 2022	119.20	—
September 30, 2021	108.18	—

The Company has applied the “Accounting Standard for Revenue Recognition” and other standards from the beginning of the fiscal year ended March 31, 2022. The percent change for the six months ended September 30, 2021 is a comparison with the value restated on the assumption that the Standard was applied for the six months ended September 30, 2020. Net sales for the six months ended September 30, 2020 would have been ¥60,217 million (reference value) should the Standard be applied for the six months ended September 30, 2020.

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
As of September 30, 2022	130,468	90,411	69.3
As of March 31, 2022	134,076	89,836	66.8

(Reference) Equity: As of September 30, 2022: ¥90,411 million
As of March 31, 2022: ¥89,615 million

2. Dividends

	Annual dividends				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2022	–	15.00	–	45.00	60.00
Fiscal year ending March 31, 2023	–	15.00			
Fiscal year ending March 31, 2023 (Forecast)			–	45.00	60.00

(Note) Revision to the dividend forecast announced most recently: None

3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2023 (April 1, 2022 - March 31, 2023)

(% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Full year	150,000	1.3	8,300	(3.3)	8,200	(10.5)	5,380	(10.7)	195.04

(Note) Revision to the financial results forecast announced most recently: None

* The financial results forecast may change due to various factors including spread of the COVID-19 infection. In case the financial results forecast needs to be revised, the Company will disclose the revision promptly.

*** Notes:**

- (1) Changes in significant subsidiaries during the period under review: None
(Changes in specified subsidiaries resulting in changes in scope of consolidation)
Newly included: – (Company name:)
Excluded: – (Company name:)
- (2) Accounting methods adopted particularly for the preparation of quarterly consolidated financial statements: None
- (3) Changes in accounting policies, changes in accounting estimates and retrospective restatement
- 1) Changes in accounting policies due to the revision of accounting standards: Yes
 - 2) Changes in accounting policies other than 1) above: None
 - 3) Changes in accounting estimates: None
 - 4) Retrospective restatement: None
- (4) Total number of issued shares (common shares)
- 1) Total number of issued shares at the end of the period (including treasury shares):

September 30, 2022:	27,579,500 shares
March 31, 2022:	27,779,500 shares
 - 2) Total number of treasury shares at the end of the period:

September 30, 2022:	31,026 shares
March 31, 2022:	30,937 shares
 - 3) Average number of shares during the period:

Six months ended September 30, 2022:	27,616,809 shares
Six months ended September 30, 2021:	28,077,763 shares

* This quarterly financial results report is outside the scope of quarterly review by certified public accountants or an audit firm.

* Explanation of the proper use of financial results forecast and other notes

The forward-looking statements in the report, including financial results forecast, are based on the assumptions that the Company determines reasonable in light of information available. Actual performance, etc. may differ materially due to various factors.

Quarterly Consolidated Financial Statements

(1) Quarterly Consolidated Balance Sheets

(Million yen)

	As of March 31, 2022	As of September 30, 2022
Assets		
Current assets		
Cash and deposits	38,138	38,013
Notes and accounts receivable - trade	31,356	27,239
Money held in trust	434	393
Programs and films	9,059	9,229
Merchandise	234	256
Supplies	34	18
Income taxes refund receivable	6	1,740
Other	962	1,467
Allowance for doubtful accounts	(3)	(2)
Total current assets	80,224	78,355
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	10,982	10,615
Machinery, equipment and vehicles, net	10,389	9,637
Other, net	5,507	5,965
Total property, plant and equipment	26,879	26,218
Intangible assets		
Other	1,798	2,156
Total intangible assets	1,798	2,156
Investments and other assets		
Investment securities	17,577	16,259
Other	7,616	7,497
Allowance for doubtful accounts	(20)	(19)
Total investments and other assets	25,174	23,737
Total non-current assets	53,852	52,112
Total assets	134,076	130,468
Liabilities		
Current liabilities		
Notes and accounts payable - trade	4,855	4,360
Short-term borrowings	5,100	5,100
Accrued expenses	19,000	17,567
Provision for bonuses	2,392	1,963
Income taxes payable	1,524	1,239
Other	6,964	5,428
Total current liabilities	39,836	35,659
Non-current liabilities		
Provision for retirement benefits for directors (and other officers)	37	37
Retirement benefit liability	1,999	1,865
Other	2,367	2,494
Total non-current liabilities	4,403	4,397
Total liabilities	44,240	40,057

(Million yen)

	As of March 31, 2022	As of September 30, 2022
Net assets		
Shareholders' equity		
Share capital	10,000	10,000
Capital surplus	18,643	18,215
Retained earnings	57,530	59,573
Treasury shares	(58)	(60)
Total shareholders' equity	86,115	87,728
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	3,530	2,654
Foreign currency translation adjustment	7	61
Remeasurements of defined benefit plans	(37)	(32)
Total accumulated other comprehensive income	3,500	2,683
Non-controlling interests	221	—
Total net assets	89,836	90,411
Total liabilities and net assets	134,076	130,468

(2) Quarterly Consolidated Statements of Income and Comprehensive Income
Quarterly Consolidated Statements of Income
Six Months Ended September 30

(Million yen)

	For the six months ended September 30, 2021	For the six months ended September 30, 2022
Net sales	70,863	71,320
Cost of sales	48,417	48,357
Gross profit	22,445	22,962
Selling, general and administrative expenses		
Personnel expenses	4,269	4,336
Provision for bonuses	555	666
Retirement benefit expenses	299	241
Provision for retirement benefits for directors (and other officers)	8	10
Agent fees	8,584	8,289
Rent expenses	878	905
Depreciation	763	670
Other	2,577	3,103
Total selling, general and administrative expenses	17,937	18,225
Operating profit	4,508	4,737
Non-operating income		
Interest income	0	0
Dividend income	160	152
Foreign exchange gains	24	115
Share of profit of entities accounted for using equity method	31	–
Rental income	26	25
Other	62	87
Total non-operating income	305	380
Non-operating expenses		
Interest expenses	12	11
Share of loss of entities accounted for using equity method	–	118
Loss on investments in investment partnerships	5	3
Loss on investments in money held in trust	–	41
Other	1	3
Total non-operating expenses	18	178
Ordinary profit	4,794	4,939
Extraordinary income		
Gain on sale of investment securities	–	12
Gain on change in equity	22	–
Other	0	–
Total extraordinary income	22	12
Extraordinary losses		
Loss on retirement of non-current assets	3	4
Loss on valuation of investment securities	–	32
Loss on COVID	26	–
Total extraordinary losses	29	36
Profit before income taxes	4,787	4,915
Income taxes - current	1,450	1,444
Income taxes - deferred	200	178
Total income taxes	1,650	1,623
Profit	3,137	3,292
Profit attributable to non-controlling interests	99	–
Profit attributable to owners of parent	3,037	3,292

Quarterly Consolidated Statements of Comprehensive Income

Six Months Ended September 30

(Million yen)

	For the six months ended September 30, 2021	For the six months ended September 30, 2022
Profit	3,137	3,292
Other comprehensive income		
Valuation difference on available-for-sale securities	84	(876)
Foreign currency translation adjustment	17	54
Remeasurements of defined benefit plans, net of tax	5	5
Total other comprehensive income	106	(817)
Comprehensive income	3,243	2,474
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	3,144	2,474
Comprehensive income attributable to non-controlling interests	99	–

(3) Quarterly Consolidated Statements of Cash Flows

(Million yen)

	For the six months ended September 30, 2021	For the six months ended September 30, 2022
Cash flows from operating activities		
Profit before income taxes	4,787	4,915
Depreciation	2,113	2,026
Increase (decrease) in provision for bonuses	(258)	(429)
Increase (decrease) in provision for bonuses for directors (and other officers)	(75)	(156)
Increase (decrease) in provision for retirement benefits for directors (and other officers)	2	0
Increase (decrease) in retirement benefit liability	(27)	(128)
Increase (decrease) in long-term accounts payable - other	(262)	–
Increase (decrease) in allowance for doubtful accounts	(0)	(1)
Interest and dividend income	(160)	(152)
Interest expenses	12	11
Loss (gain) on sale of non-current assets	(0)	–
Loss on retirement of non-current assets	3	4
Loss (gain) on sale of investment securities	–	(12)
Loss (gain) on valuation of investment securities	–	32
Share of loss (profit) of entities accounted for using equity method	(31)	118
Decrease (increase) in trade receivables	123	4,116
Decrease (increase) in inventories	1,305	(174)
Increase (decrease) in trade payables	(107)	(494)
Increase (decrease) in accrued expenses	(659)	(1,432)
Increase (decrease) in contract liabilities	–	420
Increase (decrease) in advances received	372	(12)
Other, net	(803)	(3,354)
Subtotal	6,333	5,296
Interest and dividends received	160	152
Interest paid	(12)	(11)
Income taxes paid	(1,390)	(1,691)
Net cash provided by (used in) operating activities	5,090	3,745
Cash flows from investing activities		
Payments into time deposits	(6,057)	(8,071)
Proceeds from withdrawal of time deposits	2,554	4,060
Purchase of property, plant and equipment	(1,022)	(1,385)
Purchase of intangible assets	(227)	(641)
Purchase of investment securities	(60)	(115)
Proceeds from sale of investment securities	–	40
Proceeds from collection of loans receivable	0	1
Other, net	(2)	150
Net cash provided by (used in) investing activities	(4,816)	(5,962)
Cash flows from financing activities		
Repayments of lease liabilities	(61)	(72)
Purchase of treasury shares	–	(391)
Dividends paid	(701)	(1,250)
Dividends paid to non-controlling interests	(78)	(78)
Purchase of shares of subsidiaries not resulting in change in scope of consolidation	(2,785)	(181)
Net cash provided by (used in) financing activities	(3,627)	(1,974)
Effect of exchange rate change on cash and cash equivalents	17	54
Net increase (decrease) in cash and cash equivalents	(3,335)	(4,136)
Cash and cash equivalents at beginning of period	30,693	38,078
Cash and cash equivalents at end of period	27,358	33,941