



**Summary of Consolidated Financial Results (Japanese Accounting Standards)
for Fiscal Year Ended December 31, 2018**

February 19, 2019

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 Stock Exchange: Tokyo Stock Exchange
 Code: 3975
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 Scheduled date of General Shareholders' Meeting: March 27, 2019
 Scheduled date of commencement of dividend payment: March 28, 2019
 Scheduled date of filing of securities report: March 27, 2019
 Supplementary documents for quarterly results: Yes
 Quarterly results briefing: Yes(for institutional investors and analysts)

(Rounded down to the nearest million yen)

1. Consolidated Financial Results for Fiscal Year Ended December 31, 2018 (January 1, 2018 to December 31, 2018)

(1) Consolidated operating results

(The percentages are year-on-year changes.)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
FY2018	64,792	-8.1	3,433	-25.7	3,325	-24.3	1,952	-29.8
FY2017	70,473	-	4,619	-	4,394	-	2,781	-

(Note) Comprehensive income FY2018: 1,699 million yen (-45.2%) FY2017: 3,103 million yen (-%)

	Net income per share	Diluted net income per share	Return on equity (ROE)	Ordinary income as percentage of total assets	Operating income on sales
	Yen	Yen	%	%	%
FY2018	82.48	81.53	7.8	5.8	5.3
FY2017	117.10	115.63	11.3	7.4	6.6

(Reference) Equity in earnings of affiliates FY2018: -70 million yen FY2017: -3 million yen

(Note) AOI TYO Holdings was established on January 4, 2017. Accordingly, we do not present comparative results for FY2016.

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
FY2018	55,634	25,679	45.1	1,066.28
FY2017	59,737	25,706	41.3	1,035.88

(Reference) Shareholders' equity FY2018: 25,114 million yen FY2017: 24,675 million yen

(3) Consolidated cash flow

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
	Million yen	Million yen	Million yen	Million yen
FY2018	5,379	-2,060	-5,862	9,790
FY2017	1,393	-2,632	5,445	12,372

2. Dividends

	Dividends per share					Total dividends	Payout ratio (consolidated)	Ratio of dividends to net assets (consolidated)
	End of Q1	End of Q2	End of Q3	Year end	Annual			
FY2017	Yen -	Yen 8.00	Yen -	Yen 22.00	Yen 30.00	Million yen 723	% 25.6	% 2.9
FY2018	-	8.00	-	22.00	30.00	718	36.4	2.9
FY2019 (forecast)	-	8.00	-	12.00	20.00		36.4	

(Note) Detail of FY2017 dividends: Ordinary dividend per share: 20.00 yen, commemorative dividend per share: 10.00 yen

3. Consolidated Financial Forecast for FY2019 (January 1, 2019 to December 31, 2019)

(The percentages are year-on-year changes.)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent		Net income per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
First half	32,000	3.7	1,100	-37.0	1,000	-40.5	500	-57.3	21.13
Full year	65,000	0.3	2,600	-24.3	2,500	-24.8	1,300	-33.4	54.93

* Notes

(1) Important changes in subsidiaries for FY2018 under review (Changes is specified subsidiaries resulting in change in scope of consolidation) No :

New: — companies Excluded: — companies

(2) Changes in accounting policies, and changes or restatements of accounting estimates

- (i) Changes in accounting policies due to revisions to accounting standards etc. : Not applicable
- (ii) Changes in accounting policies other than (i) : Not applicable
- (iii) Changes in accounting estimates: : Not applicable
- (iv) Restatements of accounting estimates: : Not applicable

(3) Number of issued shares (common stock)

(i) Number of issued shares (including treasury stock)

FY2018 24,566,447 shares FY2017 24,566,447 shares

(ii) Number of treasury stock at end of period

FY2018 1,013,157 shares FY2017 745,627 shares

(iii) Average number of issued shares

FY2018 23,666,970 shares FY2017 23,753,191 shares

(Note) Treasury stock includes shares that Trust & Custody Services Bank, Ltd. (trust account E) holds as trust property related to a Board Benefit Trust system (FY2018: 418,900 shares; FY2017: 274,500 shares).

* This summary of financial results is not subject to review by a certified public accountant or certified public accounting firm.

* Explanation on the proper use of results forecasts and other notes

The forward-looking statements, including results forecasts, in this document are based on information that AOI TYO Holdings has obtained at the time of publication and certain assumptions that it believes to be reasonable. Actual results may differ materially from the forecasts due to a variety of reasons. For more about assumptions underlying earnings forecasts and cautions regarding the use of earnings forecasts, see 1. *Qualitative Information on Results* (4) *Future Outlook* on P.4 of Attachments.

- AOI TYO Holdings will hold an earnings briefing for institutional investors and analysts on March 4, 2019. After the conclusion of this meeting, the group will publish the materials distributed on the AOI TYO Holdings corporate website as quickly as possible.

Attachments

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1. Qualitative Information on Results

(1) Discussion of operating results

Any forward-looking statements below are based on AOI TYO Group judgments as of the end of the current consolidated fiscal year.

The AOI TYO Group consists of AOI TYO Holdings Inc. and consolidated subsidiaries. Our mission is to bridge the gap between company and consumer through emotion, reaching across the barriers of media as we engage in our business activities. We are an emotion creation company that designs experiences which move people to emotion-based action through our mainstay business in advertising video production.

Our growth drivers consist of customer solutions (via business directly with advertisers and online video content marketing) and our overseas business, through which we aim for sustainable growth and corporate value improvement.

The Japanese economy continued to recover moderately throughout the fiscal year ended December 2018, driven by improved corporate earnings and employment. Recovering consumer spending was also a positive factor. At the same time, concerns remain about trade issues and the potential negative impact of such risks on the global economy.

Operating in this environment, our mainstay Advertising Video Production Business recorded lower results compared to the prior fiscal year, mainly due to stricter order acceptance (greater emphasis on profitability from early stages of order acceptance and work-style reform) and a decline in print sales (Note).

The group experienced an increase in expenses associated with the formation of a new company, offices relocation, the installation of new systems, and lower performance in high-margin print sales. However, we were able to hold profit declines to a lower ratio than revenue declines for the year due to several factors. These factors included our ongoing efforts to instill management control of external expenditures related to our Advertising Video Production Business and dividend income related to movies in which the group invested and produced.

Further, the group recorded extraordinary income related to the sale of real estate and strategic cross-held stocks. We also recorded extraordinary losses related to a transition from a defined-benefit pension plan to a defined-contribution pension plan and the winding down of an underperforming subsidiary.

As a result, the AOI TYO Group recorded net sales of ¥64,792 million for the consolidated fiscal year ended December 2018, representing an 8.1% decrease compared to the prior year. Operating profit amounted to ¥3,433 million (25.7% decrease), while ordinary profit and profit attributable to owners of parent amounted to ¥3,325 million and ¥1,952 million, representing decreases of 24.3% and 29.8%, respectively. Selling, general and administrative expenses included ¥331 million in amortization of goodwill associated with M&A activity.

(Note) Historically, television commercial content had been copied to media (“printed”) and delivered to each broadcast station. The AOI TYO Group recognizes the sales and profits of this activity in our accounting records. As of October 2017, this content can be delivered via online data transmission (“printless” format), leading to a decline in related sales and profits over time.

AOI TYO Group reportable segments consist of our Advertising Business and our Video-Related Business. However, the Video-Related Business accounts for only a small portion of overall results. As this segment does not represent a significant source of material information, we have omitted disclosure of reportable segments.

(2) Discussion of financial position

Total assets at the end of the consolidated fiscal year decreased by ¥4,102 million compared with the end of the prior fiscal year to ¥55,634 million. This decrease was mainly due to decreases in cash and deposits of ¥2,737 million, electronically recorded monetary claims of ¥1,934 million, and notes and accounts receivable - trade of ¥1,082 million.

Liabilities decreased by ¥4,076 million compared with the end of the prior fiscal year to ¥29,954 million. Although long-term loans payable increased ¥1,084 million, short-term loans payable and accounts payable - trade decreased ¥4,666 million and ¥661 million, respectively.

Net assets amounted to ¥25,679 million, a decrease of ¥26 million compared to the end of the prior consolidated fiscal year. Retained earnings rose ¥1,952 million due to profit attributable to owners of parent. At the same time, the AOI TYO Group paid ¥721 million in dividend payments and recorded an increase of ¥478 million in treasury stock.

(3) Discussion of cash flows

Cash and cash equivalents (“Cash”) amounted to ¥9,790 million as of the end of the consolidated fiscal year, representing a decrease of ¥2,581 million compared to the prior consolidated fiscal year.

The state of cash flow by segment for the fiscal year under review is as follows.

Cash Flows From Operating Activities

Cash flows from operating activities amounted to ¥5,379 million, compared to cash from operating activities of ¥1,393 million for the prior fiscal year. This result was mainly due to profit before income taxes of ¥3,483 million and a decrease in accounts receivable of ¥3,123 million. At the same time, major cash outlays included the payment of ¥1,677 million in income taxes and ¥759 million in accounts payable - other.

Cash Flows From Investing Activities

Cash used in investing activities amounted to ¥2,060 million, compared to ¥2,632 million for the prior fiscal year. This result was mainly due to ¥1,354 million in outlays for property, plant, and equipment, ¥676 million in outlays for intangible assets, and ¥681 million in outlays for investment securities. At the same time, we recorded ¥1,328 million in proceeds from the sale of property, plant, and equipment.

Cash Flows From Financing Activities

Cash used in financing activities amounted to ¥5,862 million compared to cash from financing activities of ¥5,445 million for the prior fiscal year. This result was mainly due to a ¥4,701 million decrease in short-term loans payable, ¥2,708 million in outlays for repayments of long-term loans payable, and ¥3,643 million in cash proceeds from long-term loans payable.

(4) Future outlook

The AOI TYO Group operates in the advertising and related industries. Advertising spending during FY2019 is expected to remain level with the prior year (Note 1). However, online digital and other media continue to diversify and experience innovation, while smartphones, tablets, and other devices advance in features and functions. In response, the video advertising market continues to develop in methods and formats, expected to grow at a steady pace in the future.

Operating in this environment, the AOI TYO Group aims to secure stable revenues over the medium and long term, maintaining a position as the No.1 video advertising production company working in the TV commercial production market. At the same time, we intend to grow our presence in the comparatively high production value branding video business within the online video market. We have identified businesses both directly with advertising sponsors and video content marketing as growth fields for our group. We intend to make investments in advance to strengthen our presence in these fields and in other peripheral solutions. We will also invest to bolster and grow our operations in Southeast Asia and other overseas markets. Last, we are committed to continuing our investment in training and hiring the people who support these operations.

Meanwhile, the TV commercial industry began a staged transition to the “printless” format in October 2017. Accordingly, we expect commercial print sales to decline further in the future.

In our mainstay Advertising Video Production Business, we have already started practicing stricter research and selection of orders we accept. This, combined with a management structure emphasizing profitability, have generated significant improvements in our effective profit margin(Note 2) between FY2017 and FY2018. We believe more room for improvement (including industry-wide initiatives) awaits in FY2019. Nevertheless, we do not plan to make major increases in sales for the year as we must continue to engage in strict order control polices for work-style reform among our employees.

As a result, we project group operating profit for FY2019 to underperform FY2018, partly due to the impact of outlays for up-front strategic expenses and the shift to the printless format related to TV commercials.

Based on the preceding, we forecast FY2019 earnings reflecting ¥65,000 million in net sales, ¥2,600 million in operating profit, ¥2,500 million in ordinary profit, and ¥1,300 million in profit attributable to owners of parent.

(Note 1) According to the Review of Advertising Spending Forecasts for Fiscal 2019 (Summary) by Nikkei Advertising Research Institute

(Note 2) Effective profit margin = (net sales-external expenditures)/net sales

2. Basic Policy Regarding Selection of Accounting Standards

AOI TYO Group prepares consolidated financial statements according to the Japanese accounting standards in consideration of comparability between fiscal years and between companies. We will consider the adoption of the International Financial Reporting Standards (IFRS) as appropriate, taking into account conditions in Japan and abroad.

3. Consolidated Financial Statements and Major Notes

(1) Consolidated balance sheets

	(Thousands of yen)	
	FY2017 (December 31, 2017)	FY2018 (December 31, 2018)
Assets		
Current assets		
Cash and deposits	12,573,956	9,836,071
Notes and accounts receivable - trade	17,813,558	16,731,160
Electronically recorded monetary claims - operating	6,208,110	4,273,694
Merchandise and finished goods	16,128	7,544
Work in process	3,629,657	4,256,243
Deferred tax assets	321,354	369,742
Other	975,911	876,667
Allowance for doubtful accounts	--35,271	--43,407
Total current assets	41,503,406	36,307,717
Non-current assets		
Property, plant and equipment		
Buildings and structures	5,075,750	5,021,587
Accumulated depreciation	--2,796,128	--2,591,876
Buildings and structures, net	2,279,622	2,429,710
Machinery, equipment and vehicles	1,148,880	1,150,904
Accumulated depreciation	--893,968	--894,040
Machinery, equipment and vehicles, net	254,912	256,863
Tools, furniture and fixtures	2,500,415	2,890,481
Accumulated depreciation	--1,840,406	--2,076,067
Tools, furniture and fixtures, net	660,008	814,413
Land	4,289,822	3,615,121
Leased assets	854,104	726,179
Accumulated depreciation	--658,623	--615,802
Leased assets, net	195,481	110,376
Construction in progress	-	8,585
Total property, plant and equipment	7,679,846	7,235,071
Intangible assets		
Goodwill	4,106,706	4,117,710
Software	171,168	1,590,986
Software in progress	975,504	48,319
Other	15,723	15,853
Total intangible assets	5,269,103	5,772,869
Investments and other assets		
Investment securities	2,787,996	3,147,176
Net defined benefit asset	143,388	-
Deferred tax assets	106,863	369,910
Lease and guarantee deposits	1,318,377	1,619,387
Other	1,005,320	1,289,247
Allowance for doubtful accounts	--76,430	--106,495
Total investments and other assets	5,285,515	6,319,226
Total non-current assets	18,234,466	19,327,167
Total assets	59,737,872	55,634,884

	(Thousands of yen)	
	FY2017 (December 31, 2017)	FY2018 (December 31, 2018)
Liabilities		
Current liabilities		
Accounts payable - trade	7,341,915	8,126,930
Short-term loans payable	10,443,335	5,777,154
Current portion of long-term loans payable	2,329,624	2,159,836
Accounts payable - other	1,290,271	628,973
Income taxes payable	1,175,623	1,055,553
Accrued consumption taxes	868,768	379,942
Advances received	758,125	1,136,482
Provision for bonuses	82,298	115,779
Other	985,299	733,470
Total current liabilities	25,275,262	20,114,123
Non-current liabilities		
Long-term loans payable	3,465,280	4,549,727
Long-term deposits received	3,501,199	3,501,199
Deferred tax liabilities	391,086	156,639
Provision for directors' retirement benefits	285,345	253,770
Provision for management board incentive plan trust	105,832	197,115
Net defined benefit liability	248,570	280,118
Asset retirement obligations	355,935	509,156
Other	403,306	393,106
Total non-current liabilities	8,756,557	9,840,835
Total liabilities	34,031,819	29,954,958
Net assets		
Shareholders' equity		
Capital stock	5,000,000	5,000,000
Capital surplus	12,074,353	12,106,819
Retained earnings	7,823,773	9,055,601
Treasury shares	-711,360	-1,190,097
Total shareholders' equity	24,186,766	24,972,324
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	444,466	167,873
Foreign currency translation adjustment	42,391	-23,287
Remeasurements of defined benefit plans	1,884	-2,393
Total accumulated other comprehensive income	488,742	142,193
Share acquisition rights	140,824	92,723
Non-controlling interests	889,719	472,685
Total net assets	25,706,052	25,679,925
Total liabilities and net assets	59,737,872	55,634,884

(2) Consolidated statements of income and statements of comprehensive income

Consolidated statements of income

(Thousands of yen)

	FY2017 (January 1, 2017- December 31, 2017)	FY2018 (January 1, 2018- December 31, 2018)
Net sales	70,473,898	64,792,263
Cost of sales	56,788,855	52,052,181
Gross profit	13,685,042	12,740,082
Selling, general and administrative expenses		
Directors' compensations	1,504,422	1,474,221
Salary and bonus	2,539,623	2,338,713
Retirement benefit expenses	38,734	45,917
Provision for management board incentive plan trust	46,624	91,282
Business consignment expenses	379,090	564,578
Commission fee	685,004	668,267
Provision of allowance for doubtful accounts	45,985	9,585
Depreciation	231,940	252,648
Amortization of goodwill	290,678	331,137
Other	3,303,248	3,530,649
Total selling, general and administrative expenses	9,065,352	9,307,001
Operating profit	4,619,689	3,433,080
Non-operating income		
Interest income	12,387	9,545
Dividend income	24,840	18,260
Insurance return	63,969	29,069
Gain on investments in partnership	29,482	168,567
Other	92,264	88,615
Total non-operating income	222,944	314,057
Non-operating expenses		
Interest expenses	89,810	81,358
Commission fee	231,126	159,072
Share of loss of entities accounted for using equity method	3,253	70,000
Provision of allowance for doubtful accounts	1,050	44,800
Other	123,307	66,357
Total non-operating expenses	448,548	421,588
Ordinary profit	4,394,085	3,325,549

	(Thousands of yen)	
	FY 2017 (January 1, 2017– December 31, 2017)	FY2018 (January 1, 2018– December 31, 2018)
Extraordinary income		
Gain on sales of non-current assets	20,200	398,163
Gain on sales of investment securities	27,287	109,927
Gain on step acquisitions	11,732	-
Other	5,794	1,368
Total extraordinary income	65,014	509,458
Extraordinary losses		
Impairment loss	23,587	217,909
Loss on valuation of investment securities	17,817	-
Loss on cancellation of rental contracts	19,091	-
Business structure improvement expenses	23,498	-
Loss on sales of shares of subsidiaries and associates	28,325	-
Loss on abolishment of retirement benefit plan	-	133,561
Other	28,737	-
Total extraordinary losses	141,058	351,471
Profit before income taxes	4,318,041	3,483,536
Income taxes - current	1,414,894	1,759,910
Income taxes - deferred	25,197	-332,849
Total income taxes	1,440,091	1,427,061
Profit	2,877,949	2,056,475
Profit attributable to non-controlling interests	96,371	104,315
Profit attributable to owners of parent	2,781,578	1,952,159

Consolidated statements of comprehensive income

	(Thousands of yen)	
	FY2017 (January 1, 2017- December 31, 2017)	FY2018 (January 1, 2018- December 31, 2018)
Profit	2,877,949	2,056,475
Other comprehensive income		
Valuation difference on available-for-sale securities	172,524	--276,592
Foreign currency translation adjustment	41,692	--57,594
Remeasurements of defined benefit plans, net of tax	272	--4,278
Share of other comprehensive income of entities accounted for using equity method	10,748	--18,061
Total other comprehensive income	225,238	--356,526
Comprehensive income	3,103,188	1,699,949
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	2,999,837	1,604,472
Comprehensive income attributable to non-controlling interests	103,351	95,476

(3) Consolidated statements of changes in shareholders' equity

FY 2017 (January 1, 2017–December 31, 2017)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholder s' equity
Balance at beginning of current period	3,323,900	3,972,436	5,497,681	--637,954	12,156,063
Changes of items during period					
Increase by share transfers	1,676,100	8,178,692		--144,710	9,710,081
Dividends of surplus			--470,863		--470,863
Profit attributable to owners of parent			2,781,578		2,781,578
Purchase of treasury shares				--319,154	--319,154
Disposal of treasury shares		-42,921		390,458	347,536
Change in ownership interest of parent due to transactions with non-controlling interests		-33,853			-33,853
Increase in retained earnings due to exclusion of subsidiaries from consolidation			15,377		15,377
Change of scope of consolidation					-
Net changes of items other than shareholders' equity					
Total changes of items during period	1,676,100	8,101,916	2,326,092	-73,405	12,030,703
Balance at end of current period	5,000,000	12,074,353	7,823,773	-711,360	24,186,766

Accumulated other comprehensive income				Share acquisition rights	Non-controlling interests	Total net assets
Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
271,941	-3,100	1,612	270,452	62,782	610,130	13,099,428
						9,710,081
						-470,863
						2,781,578
						-319,154
						347,536
						-33,853
						15,377
						-
172,524	45,491	272	218,289	78,042	279,589	575,920
172,524	45,491	272	218,289	78,042	279,589	12,606,624
444,466	42,391	1,884	488,742	140,824	889,719	25,706,052

FY2018 (January 1, 2018-December 31, 2018)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	5,000,000	12,074,353	7,823,773	-711,360	24,186,766
Changes of items during period					
Increase by share transfers					-
Dividends of surplus			-721,445		-721,445
Profit attributable to owners of parent			1,952,159		1,952,159
Purchase of treasury shares				-772,166	-772,166
Disposal of treasury shares		75,954		293,429	369,383
Change in ownership interest of parent due to transactions with non-controlling interests		-43,487			-43,487
Increase in retained earnings due to exclusion of subsidiaries from consolidation					-
Change of scope of consolidation			1,113		1,113
Net changes of items other than shareholders' equity					
Total changes of items during period	-	32,466	1,231,827	-478,736	785,557
Balance at end of current period	5,000,000	12,106,819	9,055,601	-1,190,097	24,972,324

Accumulated other comprehensive income				Share acquisition rights	Non-controlling interests	Total net assets
Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
444,466	42,391	1,884	488,742	140,824	889,719	25,706,052
						-
						-721,445
						1,952,159
						-772,166
						369,383
						-43,487
						-
						1,113
-276,592	-65,678	-4,278	-346,549	-48,101	-417,034	-811,684
-276,592	-65,678	-4,278	-346,549	-48,101	-417,034	-26,126
167,873	-23,287	-2,393	142,193	92,723	472,685	25,679,925

(4) Consolidated statements of cash flows

	(Unit: thousand yen)	
	FY 2017 (January 1, 2017– December 31, 2017)	FY 2018 (January 1, 2018– December 31, 2018)
Cash flows from operating activities		
Profit before income taxes	4,318,041	3,483,536
Depreciation	845,461	1,012,989
Impairment loss	23,587	217,909
Amortization of goodwill	290,678	331,137
Increase (decrease) in allowance for doubtful accounts	45,103	40,129
Increase (decrease) in provision for bonuses	19,076	33,477
Increase (decrease) in provision for directors' retirement benefits	-62,718	-31,575
Increase (decrease) in provision for management board incentive plan trust	46,624	91,282
Increase (decrease) in net defined benefit liability	-39,187	27,794
Interest and dividend income	-37,228	-27,806
Interest expenses	89,810	81,358
Share of loss (profit) of entities accounted for using equity method	3,253	70,000
Commission fee	231,126	159,072
Loss (gain) on sales of non-current assets	-15,373	-398,163
Loss (gain) on sales of investment securities	-23,905	-109,927
Loss on abolishment of retirement benefit plan	-	133,561
Decrease (increase) in notes and accounts receivable - trade	-6,552,905	3,271,185
Decrease (increase) in inventories	1,112,578	-652,238
Increase (decrease) in notes and accounts payable - trade	308,054	451,020
Increase (decrease) in accounts payable - other	163,754	-759,178
Increase (decrease) in accrued consumption taxes	706,258	-487,672
Increase (decrease) in advances received	-100,830	117,489
Decrease (increase) in other assets	255,439	236,814
Increase (decrease) in other liabilities	371,315	-126,248
Other, net	219,202	-74,452
Subtotal	2,217,215	7,091,497
Interest and dividend income received	37,228	27,806
Proceeds from insurance income	23,148	11,310
Interest expenses paid	-94,147	-74,325
Income taxes paid	-790,359	-1,677,000
Net cash provided by (used in) operating activities	1,393,085	5,379,288

	(Thousands of yen)	
	FY 2017 (January 1, 2017– December 31, 2017)	FY 2018 (January 1, 2018– December 31, 2018)
Cash flows from investing activities		
Purchase of property, plant and equipment	-802,021	-1,354,504
Proceeds from sales of property, plant and equipment	165,500	1,328,933
Purchase of intangible assets	-826,008	-676,389
Purchase of investment securities	-1,121,206	-681,113
Payments for lease and guarantee deposits	-325,973	-393,633
Proceeds from collection of lease and guarantee deposits	231,790	92,532
Proceeds from maturity of insurance funds	295,810	36,477
Payments for investments in capital	-138,715	-220,587
Purchase of shares of subsidiaries resulting in change in scope of consolidation	-	-382,018
Proceeds from purchase of shares of subsidiaries resulting in change in scope of consolidation	12,327	-
Payments for sales of shares of subsidiaries resulting in change in scope of consolidation	-216,007	-
Proceeds from sales of shares of subsidiaries resulting in change in scope of consolidation	11,802	15,420
Other, net	79,766	174,146
Net cash provided by (used in) investing activities	-2,632,934	-2,060,737
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	6,366,059	-4,701,764
Proceeds from long-term loans payable	3,720,000	3,643,425
Repayments of long-term loans payable	-3,532,149	-2,708,672
Purchase of treasury shares	-319,154	-540,253
Cash dividends paid	-467,259	-716,552
Proceeds from exercise of share options	180,280	90,695
Payments from changes in ownership interests in subsidiaries that do not result in change in scope of consolidation	-120,958	-634,537
Commission fee paid	-236,921	-159,072
Other, net	-144,804	-135,859
Net cash provided by (used in) financing activities	5,445,093	-5,862,590
Effect of exchange rate change on cash and cash equivalents	36,018	-75,142
Net increase (decrease) in cash and cash equivalents	4,241,262	-2,619,182
Cash and cash equivalents at beginning of period	3,155,905	12,372,307
Increase in cash and cash equivalents from newly consolidated subsidiary	-	37,474
Increase in cash and cash equivalents resulting from share transfer	4,975,139	-
Cash and cash equivalents at end of period	12,372,307	9,790,600

(5) Notes on the consolidated financial statements

(Notes regarding assumption of going concern)

Not applicable

(Segment information)

The reporting segments of AOI TYO Group are its Advertising Business and Video-related Business. However, the Video-related Business accounted for a very small percentage of the entire segment and was immaterial in terms of disclosure information.

Segment information has therefore been omitted.

(Per-share indicators)

FY 2017 (January 1, 2017–December 31, 2017)		FY 2018 (January 1, 2018–December 31, 2018)	
Net assets per share	1,035.88 yen	Net assets per share	1,066.28 yen
Net income per share	117.10yen	Net income per share	82.48 yen
Diluted net income per share	115.63yen	Diluted net income per share	81.53 yen

(Note) Basis for calculating net income per share and fully diluted net income per share is as shown below.

	FY 2017 (January 1, 2017– December 31, 2017)	FY 2018 (January 1, 2017– December 31, 2018)
Net income per share		
Profit attributable to owners of parent (thousand yen)	2,781,578	1,952,159
Amount not attributable to common shareholders (thousand yen)	-	-
Net income attributable to owners of parent pertaining to common shares (thousand yen)	2,781,578	1,952,159
Average number of common shares issued (thousand shares)	23,753	23,666
Diluted net income per share		
Net income adjustments attributable to owners of parent (thousand yen)	-	-
Number of common shares increased (thousand shares)	302	277
(Subscription rights to shares (thousand shares))	302	277
Summary of fully diluted shares not included in the calculation of fully diluted net income per share due to anti-dilutive effect	<ul style="list-style-type: none">• 4th subscription rights to shares (Common stock: 306,000 shares)• 7th subscription rights to shares (Common stock: 135,000 shares)• 8th subscription rights to shares (Common stock: 179,694 shares)	—

*To calculate net income per share, those AOI TYO Holdings shares remaining in trust that are posted as treasury shares are included in treasury shares deducted in the calculation of average number of shares during the term. To calculate net assets per share, these same shares are also included in the number of treasury shares deducted from the year-end number of shares issued. A total of 274,500 shares and 363,361 shares of treasury stock noted above were deducted for the purpose of calculating net income per share for the prior consolidated fiscal year and current consolidated fiscal year, respectively. At total of 274,500 shares and 418,900 shares of treasury stock noted above were deducted for the purpose of calculating net assets per share for the prior consolidated fiscal year and current consolidated fiscal year, respectively.

(Significant subsequent events)

Not applicable.