

Note: The following document is an English translation of the Japanese-language original.

# Asahi Broadcasting Corporation

Earnings Reference for the Second Quarter  
(Cumulative) of FISCAL 2016  
(The Fiscal Year Ending March 31, 2017)

November 18, 2016

The ABC logo consists of the letters 'ABC' in a bold, white, sans-serif font, set against a solid orange rectangular background. The 'A' and 'B' are connected at the top, and the 'C' is slightly separated to the right.

Securities Code: 9405

# Outline of the Performance

# Outline of the Performance of 1<sup>st</sup> half of FY 2016

## Outline of consolidated financial results

Spot **increase** due to favorable advertising market (Osaka)

⇒ **Increase in revenue** through increase in broadcasting  
business revenue

## Overview of the television viewer ratings

**Ranked 2<sup>nd</sup>** in Prime time (19:00-23:00) , Prime 2 (23:00-25:00)

**Ranked 3<sup>rd</sup>** in All-day (6:00-24:00), **Ranked 4<sup>th</sup>** in Golden time  
(19:00-22:00)



# Forecasts & Target of FY 2016

## Consolidated performance

**Sales and profit increase**  
for the entire group

- **Spot sales revenue continued** favorably due to favorable advertising market
- Housing business: While **revenue increase** continues due to “HDC Nagoya” effect, a decline in profits has been forecast due to increase in PR expenses

## TV Viewer Rating

**A recovery trend** is seen September onwards

- Prime 2: **Top position maintained** for full year
- Golden time: Aim for **increase in viewership** by collaborating with TV Asahi

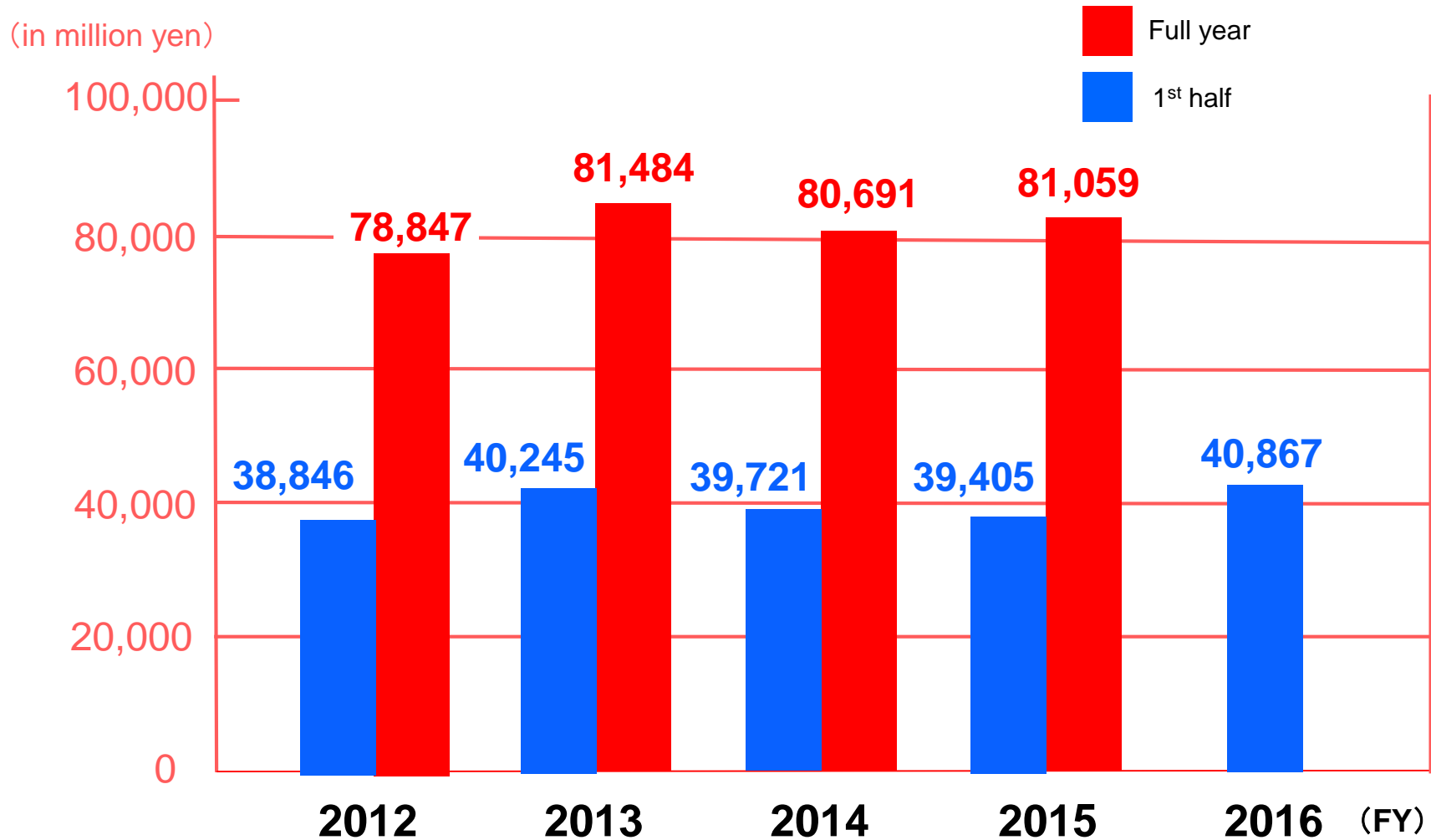
# Details of the Performance

# Consolidated Earnings of 1<sup>st</sup> half of FY 2016

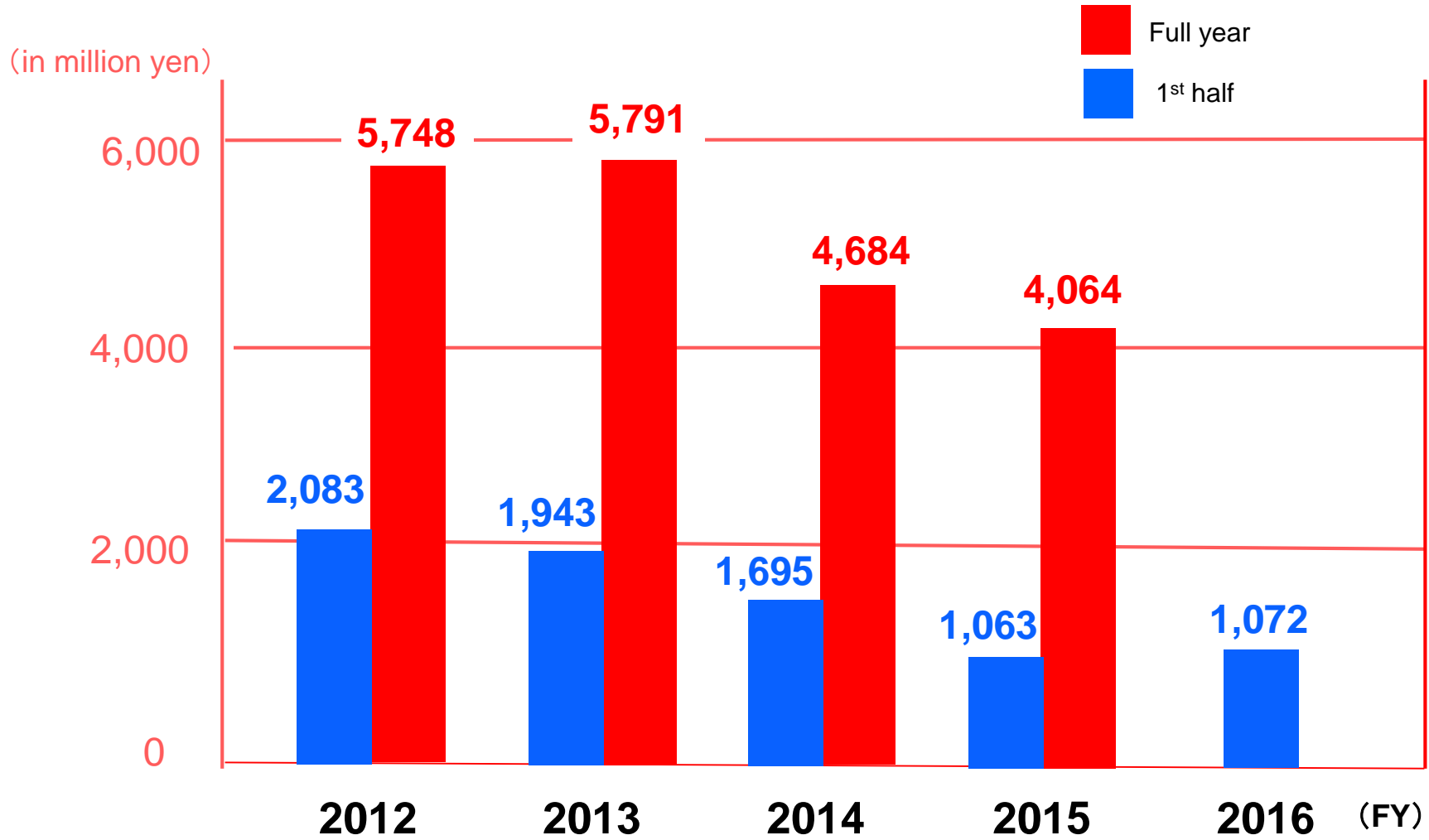
(in million yen)

	FY 2016 (1 <sup>st</sup> half)	FY 2015 (1 <sup>st</sup> half)	Growth	% change
Net sales	40,867	39,405	1,462	3.7%
Operating income	1,072	1,063	9	0.9%
Ordinary income	1,260	1,300	△39	△3.0%
Profit attributable to owners of parent	883	786	97	12.4%

# Consolidated Net Sales in the Past 5 Years



# Consolidated Operating Income in the Past 5 Years





# Earnings by Segment 1<sup>st</sup> half of FY 2016

(in million yen)

Broadcasting	FY 2016 (1 <sup>st</sup> half)	FY 2015 (1 <sup>st</sup> half)	Growth	% change
Net sales	35,014	33,908	1,106	3.3%
Operating income	635	507	128	25.4%
Housing	FY 2016 (1 <sup>st</sup> half)	FY 2015 (1 <sup>st</sup> half)	Growth	% change
Net sales	5,418	5,067	350	6.9%
Operating income	461	568	△106	△18.8%
Golf Club	FY 2016 (1 <sup>st</sup> half)	FY 2015 (1 <sup>st</sup> half)	Growth	% change
Net sales	435	429	5	1.3%
Operating income	△24	△11	△12	-

# ABC's Earnings (Non-consolidated) 1<sup>st</sup> half of FY 2016

(in million yen)

	FY 2016 (1 <sup>st</sup> half)	FY 2015 (1 <sup>st</sup> half)	Growth	% change
Net sales	32,450	31,583	867	2.7%
Operating income	893	699	193	27.7%
Ordinary income	1,202	1,003	198	19.8%
Profit	974	762	212	27.9%

# Television Broadcasting Business Revenue

(Terrestrial broadcast) 1<sup>st</sup> half of FY 2016

<Revenue>

(in million yen)

	FY 2016 (1 <sup>st</sup> half)	FY 2015 (1 <sup>st</sup> half)	Growth	% change
Television broadcasting business revenue	28,592	27,989	603	2.2%

## Breakdowns

Time sales	Network time advertising revenue	7,362	7,199	162	2.3%
	Local time advertising revenue	3,019	3,007	12	0.4%
Spot sales revenue		16,959	16,649	309	1.9%
Program sales revenue		1,251	1,133	118	10.4%

# Background of the Results of TV Broadcasting Business

## Time sales revenue

### Network time

Revenue increase

- Broadcasting time increased for the regular programs
- Special program “Hissatsu shigotonin” programmed in the first half of year
- Professional baseball game Hanshin Tigers VS Yomiuri Giants relayed on national network during Golden time

### Local time

More or less flat

- Regular programs sponsored by a single company have all ended
- Broadcasting time decreased due to Rio Olympics
- Late night time for anime programs has been increased from April
- Osaka’s advertising market has started booming

# TV spot sales revenue (Terrestrial broadcast)

(in million yen)

	FY 2016	FY 2015	Growth	% change
1 <sup>st</sup> quarter	8,692	8,511	181	2.1%
2 <sup>nd</sup> quarter	8,267	8,138	128	1.6%
<b>1<sup>st</sup> half</b>	<b>16,959</b>	<b>16,649</b>	<b>309</b>	<b>1.9%</b>
3 <sup>rd</sup> quarter		8,980		
4 <sup>th</sup> quarter		9,088		
<b>2<sup>nd</sup> half</b>		<b>18,069</b>		
<b>Full Fiscal Year</b>		<b>34,719</b>		

# TV spot sales revenue (Terrestrial broadcast: By industry sector / Top 20 shown)

Industry sector	1 <sup>st</sup> half of FY 2016		1 <sup>st</sup> half of FY 2015	
	% change	Shares	% change	Shares
<b>Communication</b>	141.5%	11.0%	86.5%	7.8%
<b>Alcoholic and other beverages</b>	88.5%	8.5%	90.3%	9.8%
<b>Cosmetics and toiletries</b>	95.9%	7.9%	93.9%	8.3%
<b>Automobile</b>	93.4%	7.3%	85.9%	7.9%
<b>Drugs</b>	115.7%	7.3%	100.2%	6.4%
<b>Foods</b>	104.7%	7.0%	87.1%	6.8%
<b>Leisure</b>	103.0%	3.4%	95.6%	3.4%
<b>Confectionaries and daily products</b>	89.2%	3.3%	101.1%	3.8%
<b>Electric appliance</b>	147.1%	3.2%	80.9%	2.2%
<b>Housing/Real Estate/Construction</b>	105.7%	3.0%	87.2%	2.9%
<b>Banks and finance</b>	100.6%	2.9%	74.2%	3.0%
<b>Insurance</b>	112.2%	2.9%	73.5%	2.6%
<b>Movie/Theater</b>	110.2%	2.8%	89.3%	2.6%
<b>Restaurant</b>	107.5%	2.7%	102.4%	2.5%
<b>Public works</b>	1025.4%	2.6%	49.2%	0.3%
<b>Transport</b>	88.2%	2.4%	107.4%	2.8%
<b>Game/Toy</b>	102.5%	2.2%	127.5%	2.3%
<b>Clothing</b>	97.3%	2.0%	151.7%	2.1%
<b>Computer</b>	61.5%	1.9%	90.1%	3.1%
<b>Other organizations</b>	84.1%	1.8%	138.8%	2.2%

※Percentage of figures represent the year-on-year increase or decrease.



# Broadcasting Business Revenue (Non-Terrestrial)

(in million yen)

		FY 2016 (1 <sup>st</sup> half)	FY 2015 (1 <sup>st</sup> half)	Growth	% change
ABC (Non-consolidated)	Radio broadcasting revenue	1,447	1,418	28	2.0%
	Events revenue	1,537	1,220	316	25.9%
	Content related revenue	629	730	△101	△13.9%

【Group company (Note: Including internal transactions in the consolidated group)】

ABC FRONTIER HOLDINGS, INC. Group	Content related revenue	215	-	-	-
Sky-A	CS broadcasting revenue	1,737	1,622	115	7.1%
AMC	TV shopping business revenue	570	575	△4	△0.8%

# Consolidated/Non-consolidated Expense

1<sup>st</sup> half of FY 2016

(in million yen)

<b>Consolidated</b>	<b>FY 2016 (1<sup>st</sup> half)</b>	<b>FY 2015 (1<sup>st</sup> half)</b>	<b>Growth</b>	<b>% change</b>
Cost of Sales	28,235	27,006	1,229	4.6%
Selling, General and Administrative Expenses	11,559	11,335	223	2.0%
Total Operating Expenses	39,795	38,342	1,452	3.8%

<b>Non-consolidated</b>	<b>FY 2016 (1<sup>st</sup> half)</b>	<b>FY 2015 (1<sup>st</sup> half)</b>	<b>Growth</b>	<b>% change</b>
Cost of Sales	21,141	20,595	545	2.6%
Selling, General and Administrative Expenses	10,416	10,288	128	1.2%
Total Operating Expenses	31,557	30,883	674	2.2%
TV Program Expenses	9,456	9,345	111	1.2%

# Consolidated Earnings Outlook of FY 2016

(in million yen)

	FY 2016	FY 2015 (actual)	Growth	% change
Net Sales	82,400	81,059	1,340	1.7%
Operating income	4,100	4,064	35	0.9%
Ordinary income	4,400	4,407	△7	△0.2%
Profit attributable to owners of parent	2,700	2,372	327	13.8%

# Earnings Outlook by Segment

(in million yen)

Broadcasting	FY 2016	FY 2015 (actual)	Growth	% change
Net sales	70,700	69,794	905	1.3%
Operating income	2,970	2,781	188	6.8%
Housing	FY 2016	FY 2015 (actual)	Growth	% change
Net sales	10,800	10,424	375	3.6%
Operating income	1,100	1,279	△179	△14.0%
Golf Club	FY 2016	FY 2015 (actual)	Growth	% change
Net sales	900	840	59	7.1%
Operating income	30	3	26	714.2%

# ABC's Earnings Outlook (Non-consolidated)

(in million yen)

	FY 2016	FY 2015 (actual)	Growth	% change
Net sales	64,900	65,127	△227	△0.3%
Operating income	2,700	2,619	80	3.1%
Ordinary income	3,100	3,034	65	2.2%
Profit	2,100	1,855	244	13.1%

# Television Broadcasting Business (Terrestrial) Revenue Outlook

## <Revenue>

(in million yen)

	FY 2016	FY 2015 (actual)	Growth	% change
<b>Television Broadcasting Business revenue</b>	58,300	58,178	121	0.2%

### Major breakdowns

Time sales	Network time advertising revenue	14,900	15,253	△353	△2.3%
	Local time advertising revenue	5,600	5,943	△343	△5.8%
Spot sales revenue		35,400	34,719	680	2.0%



# Broadcasting Business Revenue Outlook

(Non-Terrestrial, except Non-consolidated)

<Revenue>

(in million yen)

		FY 2016	FY 2015	Growth	% change
<b>ABC FRONTIER HOLDINGS, INC. Group</b>	<b>Content related revenue</b> (From July 2016 to March 2017)	730	— — —	— — —	— — —
<b>Sky-A</b>	<b>CS broadcasting revenue</b>	3,300	3,159	140	4.5%
<b>AMC</b>	<b>TV shopping business revenue</b>	1,250	1,187	62	5.3%

(Note: Including internal transactions in the consolidated group)

# Consolidated / Non-consolidated Expense Outlook

(in million yen)

	FY 2016	FY 2015 (actual)	Growth	% change
Consolidated: Operating Expenses	78,300	76,994	1,305	1.7%
Non-consolidated: Operating Expenses	62,200	62,507	△307	△0.5%
Non-consolidated: TV Program Expenses	18,100	18,498	△398	△2.2%

# Capital Investments / Depreciation and amortization

	FY 2016 (1 <sup>st</sup> half)		FY 2015	
	Consolidated	Non-consolidated	Consolidated	Non-consolidated
Capital Investments	1.8 billion	1.0 billion	4.5 billion	2.2 billion
Depreciation and amortization	1.5 billion	1.1 billion	3.3 billion	2.7 billion

(Amounts less than 0.1 billion yen are rounded to the nearest whole unit.)

# Programs, Television Viewer Ratings

# Television Viewer Ratings

From April to September, 2016 (Kansai region)

(Source: Video Research ) (%)

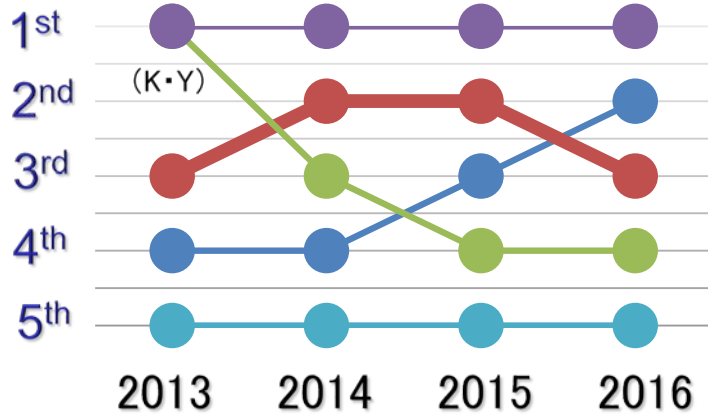
	All-day (6:00-24:00)	Golden time (19:00-22:00)	Prime (19:00-23:00)	Prime 2 (23:00-25:00)
1	YTV 8.2	YTV 11.5	YTV 11.7	YTV 8.1
2	MBS 7.4	NHK 11.2	<b>ABC</b> <b>11.1</b>	<b>ABC</b> <b>7.9</b>
3	<b>ABC</b> <b>7.3</b>	MBS 10.5	MBS 10.5	MBS 5.8
4	KTV 6.8	<b>ABC</b> <b>10.4</b>	NHK 9.9	KTV 5.4
5	NHK 6.3	KTV 9.3	KTV 9.4	NHK 3.5

# Television Viewer Ratings

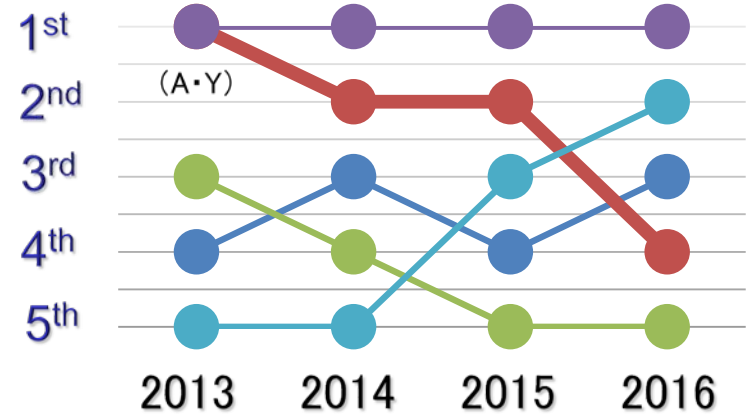
(Fiscal Year : Kansai region) FY2016 = 1<sup>st</sup> half

All-day (6:00-24:00)

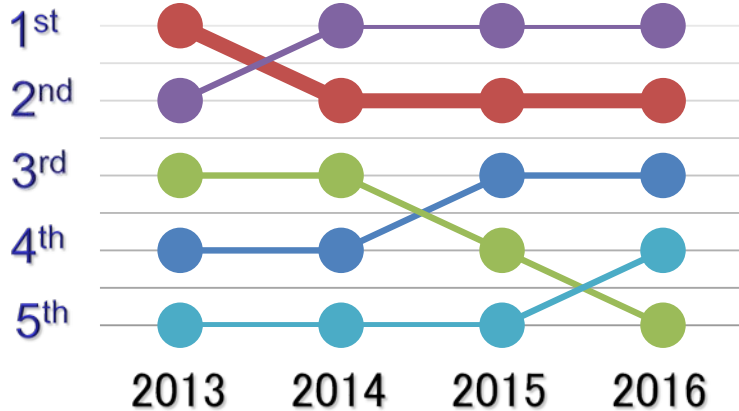
(Source: Video Research)



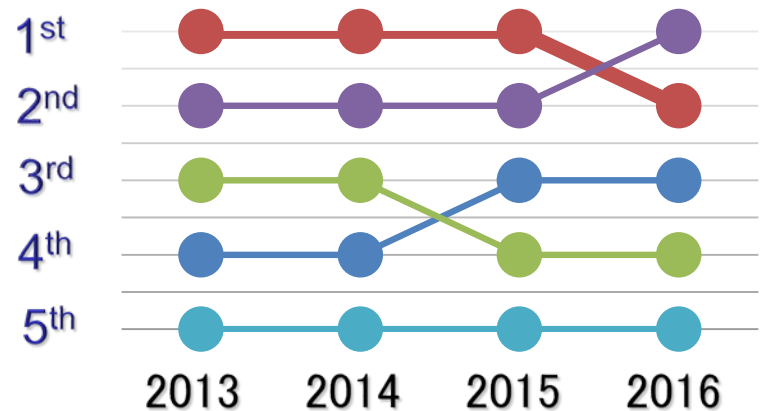
Golden time (19:00-22:00)



Prime (19:00-23:00)



Prime 2 (23:00-25:00)





# High Viewer Ratings Programs of 1<sup>st</sup> half

## “Ohayo Asahi Desu”



“Morning face of Kansai”

Average monthly television viewer ratings exceeded 12% (June)

From 6:45 a.m. (Mon to Fri)

## Cast



2<sup>nd</sup> place among television viewer rating, for competitive broadcast time zone for the early evening news

From 4:58 p.m. (Mon to Fri)

## Saturday morning



From 6:25 a.m.

Average television viewer ratings exceeded by 9%

Morning information program



From 8:00 a.m.

Popular long-running for which broadcasting started in 1993



From 9:30 a.m.

Expansion of broadcasting area over Chubu and Hokuriku region

# Reinforcement of Golden, Prime 2 (October onwards)

	MON	TUE	WED	THU	FRI	SAT	SUN
19:00				Hanataka! Yuuetsukan (Reorganized: New)			Ametalk! (Reorganized)
20:00		Minna no Katei no Igaku		Kasouken no Onna (Reorganized)			Daikaizou!! Gekiteki Before After (19:58~)
21:00		Konnatokoro ni Nihonjin	Aibou15 (Reorganized)	Doctor X (Reorganized)			
22:00	Hodo Station						
23:00	Narumi/Okam ura no sugiru TV (23:17~)	Ameagari no A san no hanashi (23:17~)	Ima-chan no Jitsuwa... (23:17~)	BE-BOP! HIGH HEEL (23:17~)	Tantei! Knight Scoop (23:17~)		
24:00					Kaseifu no Mitazono (Reorganized: New)		

- Light blue: TV Asahi production
- Blue: Re-formed programs by TV Asahi
- Orange: Asahi Broadcasting Corporation production as well as program names

Year-end and New Year holidays – popular programs one after another



"M-1 Grand Prix 2016"

Previous rating **21.4%**  
(Kansai region)

Broadcasting decision on 4<sup>th</sup>  
December (Sunday)



"Geinojin Kakuzuke check 2016"

Previous rating **21.3%**  
(Kansai region)

High viewer rating for New Year's  
Day annual customary program

# New Business

In July, business started with new contents company



ABC  
FRONTIER

(Interim Holding Company)



Animation production  
business, etc.



Overseas business, etc.



Licensing/Product sales  
business, etc.





In July, business started with new contents company



## Currently broadcast programs



©Project OC9Chiyo st.inc.



(c) MAGES./Team B-PRO



©ABC•Toei Animation



©Ooima Yoshitoki • Kodansha/Koe no Katachi production committee

## Sponsored movie “Koe no Katachi” was a hit

- Audience: Above 1.63 million
  - Box-office revenue: Above 2.1 billion yen (as of 13<sup>th</sup> November)
- (Overseas sales are also under ABC animation’s control)

# In July, business started with new contents company

**ABC**  
International

## New business for foreigners visiting Japan



Distribution of “TV shopping programs” for hotel customer’s TV



Starting from beginning of next year for 3,000 rooms from APA group ⇒ Target: To expand country-wide to 180,000 rooms by year 2020

## Jointly develop programs with Vietnamese production company

### Người Kết Nối (Long Distance Message)

Surprise video letter to Vietnamese people working or studying hard in Japan from their family.

Started by a major Vietnamese broadcaster from November, 2016 (Total 15 episodes)



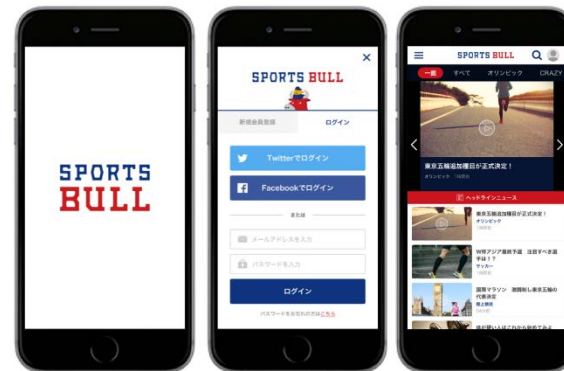
In July, business started with new contents company



Signed undertaking with “The Asahi Shimbun Company”, “KDDI” for third party share allocation and invested into online sports media “Sports Bull”

**SPORTS  
BULL**

From major to minor; content distribution for a wide range of sports genre with above 400 in a day





# Acceleration in venture investment

Business synergy

**Retty**

Real-type gourmet  
(restaurant search) service  
(HQ: Tokyo)

**CINEMA CRAFT**

Automatic generation of thumbnail images  
(HQ: USA)



Providing optimum TV advertising methods  
(HQ: USA)



**ABC  
DREAM  
VENTURES**

Total investment:  
1.2 billion yen

Contribution to the local Kansai region



Car park's sharing economy  
(HQ: Osaka)



Sports online lessons service  
(HQ: Osaka)

Financial return

**Oh My Glasses**

TOKYO

Exclusive EC site for spectacles  
(HQ: Tokyo)

# Growth Strategies

## Internet distribution business: Towards future growth

- **Chance to transmit** programs produced by own company **to whole country and overseas**
- In-house production rate of Asahi Broadcasting Corporation's terrestrial broadcasting: **33.4%**  
《Kansai local broadcasting: **42 hours per week**》
- Reinforcement of program production, production of programs with local flavor

# Country-wide distribution of local contents through the Internet

Started distribution of 4 programs to



**Video re-play frequency: Approx. 660 thousand views**

In October (3<sup>rd</sup> to 31<sup>st</sup>)

(Total of TVer, Gyao)



Approx. 310,000 views



Approx. 130,000 views



Approx. 126,000 views



Approx. 90,000 views

**《Advertisement re-play frequency: Approx. 3.76 million views》**

In October (3<sup>rd</sup> to 31<sup>st</sup>)

# Rapid growth of “Comprehensive portal sites” for hard-core fans

## Virtual High School Baseball

### 【Live screen】

8月17日 火曜第1日  
聖光学院(基山) 2  
東邦(東山) 5  
第88回 全国高校野球選手権大会  
聖光学院 5  
東邦 2  
7回裏  
聖光学院(基山)  
東邦(東山)

高校名	1	2	3	4	5	6	7	8	9	10	11	12	計
聖光学院	1	0	0	1	2	1	0						5
東邦	0	1	0	0	0	0	1						2

ヒット  
四死球  
盗塁  
パンク  
失策  
暴投

チームデータ  
投手情報  
打者情報

デキスト選線中 こちらから

### 【Pitcher information】

聖光学院  
8 鈴木駿輔(3年)  
投げ方: 右投げ  
本日の最高球速: 142 km/h  
ストレート平均速度: 139 km/h

インニング	7 2/3
投球数	120
被安打	6
四死球	4
奪三振	4

- ストレート
- スライダー
- カーブ
- フォーク
- その他

先発

### 【Batter information】

東邦  
13 中西 巧樹(3年)  
打ち方: 右打ち  
打率: .667

スライダー 118km/h ボール  
スライダー 119km/h ボール  
ストレート 137km/h 見逃し

第1打席

By combining the website of Asahi Shimbun, this website has become a site with an overwhelming number of information on high school baseball.

- Site access count: Approx. 355 million page views
- Video CM re-play frequency: 60 million views or above
- Live re-play frequency: 14 million views or above

• Live relay of “Meiji Jingu Baseball Tournament” in Autumn  
⇒ Relay of other sports too



# Improving towards “4K Production capability”

## Proactive management of latest next-gen technology

### High speed camera with 4K 8 speed



### 4K public viewing

- 4K live coverage of 3 games, semi-finals and finals, of “High School summer baseball” in continuation with last year
- Carried out “4K-HDR” recording simultaneously with the live coverage of “4K-SDR”
- Public viewing with 4K image

### Vocal On Symphony 2016



- Simultaneous production and recording of “4K-HDR” and “HD” carried out for “Vocal On Symphony” concert in November

# Improving towards “4K Production capability”

## Proactive management of latest next-gen technology

### High speed camera with 4K 8 speed



### 4K public viewing

- 4K live coverage of 3 games, semi-finals and finals, of “High School summer baseball” in continuation with last year
- Carried out “4K-HDR” recording simultaneously with the live coverage of “4K-SDR”
- Public viewing with 4K image



### Vocal On Symphony 2016

- Simultaneous production and recording of “4K-HDR” and “HD” carried out for “Vocal On Symphony” concert in November

# Towards “consolidated net sales 100 billion yen” for 2021

Strengthening of broadcasting business



ABC SKY

Restructuring of broadcasting related business  
Towards country-wide, global



ABC FRONTIER ABC animation ABC International ABC RIGHTS

Expansion of Housing Business



ABC HOUSING HDC

New business development



ABC DREAM VENTURES





# Dividends

(in yen)

	FY 2016	FY 2015	FY 2014
Interim dividend	9.0	9.0	6.0
Period-end dividend	9.0 (Forecast)	9.0	12.0 (Special 4.0, Commemorative 2.0)
Total	18.0 (Forecast)	18.0	18.0 (Special 4.0, Commemorative 2.0)

# Contact/Disclaimer

This presentation is intended to provide information on our business etc., not to recommend the investment in our company. And, this presentation contains forecasts and the other forward-looking statements relating to the plans, outlook, targets, and forecasts of Asahi Broadcasting Corporation and its affiliated companies. These forecasts and other forward-looking statements are based on assumptions and beliefs that draw on information that is available as of the date of this presentation. As a result, the information in this presentation contains inherent risks and uncertainties. Accordingly, readers are advised that actual results may differ materially from forecasts due to a variety of factors.

## Contact



Asahi Broadcasting Corporation  
General Affairs Division

TEL: +81-6-6458-5321 (main number) FAX: +81-6-6454-1111

URL: <http://corp.asahi.co.jp/en/>

For all shareholders, more detailed information such as consolidated financial reports and annual securities reports can be found on the website.