

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

# Asahi Broadcasting Group Holdings Corporation Presentation for the Second Quarter of Fiscal 2019

(For the fiscal year ended March 31, 2020)

November 18, 2019

The ABC logo consists of the letters 'ABC' in a white, bold, 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

# Group Earnings

# Consolidated Results

(Millions of yen)

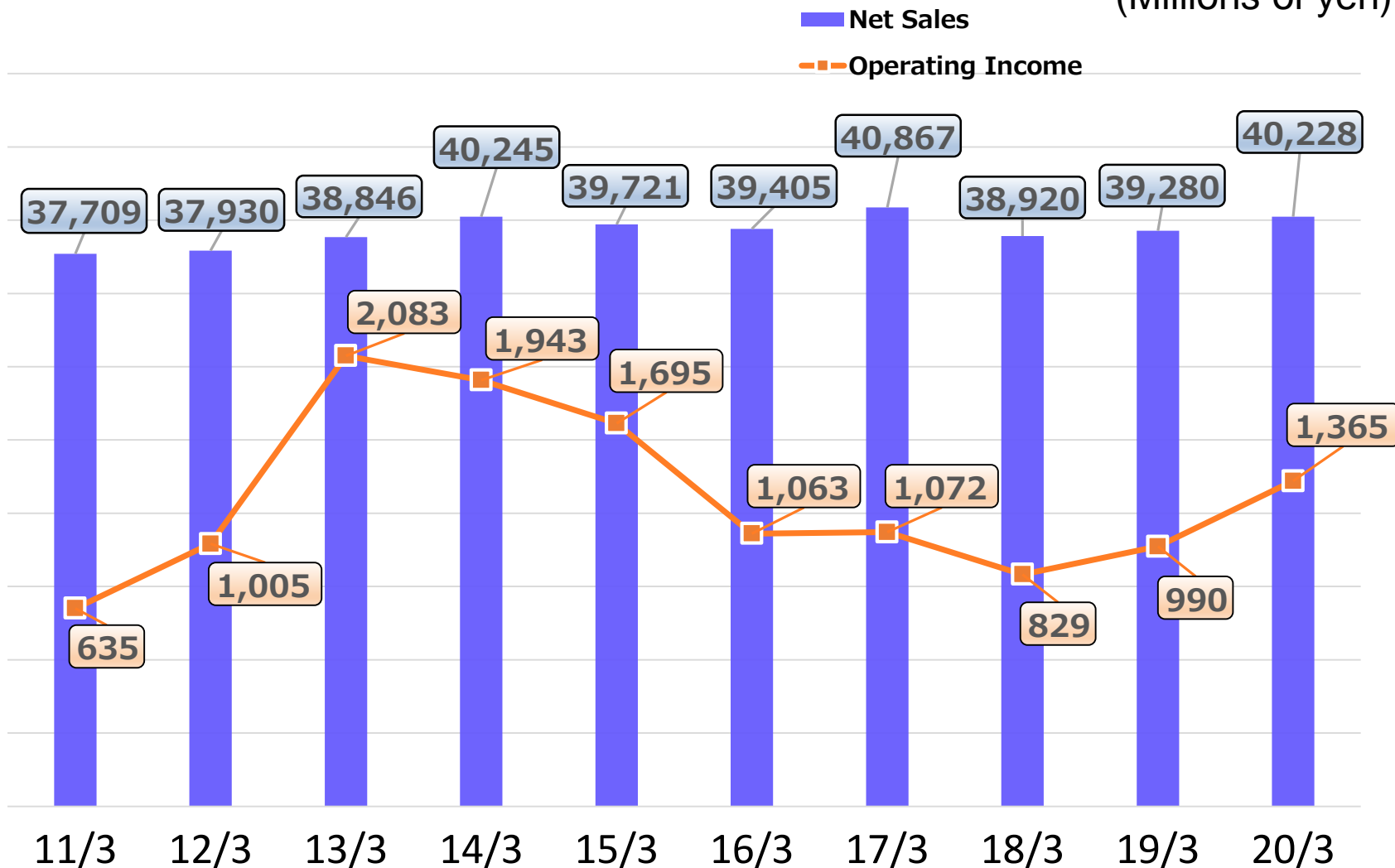
		19/3 1H	20/3 1H	YoY	% Change
Net Sales		39,280	40,228	947	2.4%
Operating Expenses		38,290	38,862	572	1.5%
Details	Cost of Sales	26,616	26,897	281	1.1%
	Selling, General and Administrative Expenses	11,673	11,965	291	2.5%
Operating Income		990	1,365	375	38.0%
Ordinary Income		1,194	1,507	312	26.2%
Profit Attributable to Owners of Parent		1,508	866	-641*	-42.5%*

\* Major decrease was due to tax effect accounting associated with change to holding company structure in FY2018 (19/3)

Despite weakness in spot revenue, strong time revenues and group company performance resulted in higher sales and profits

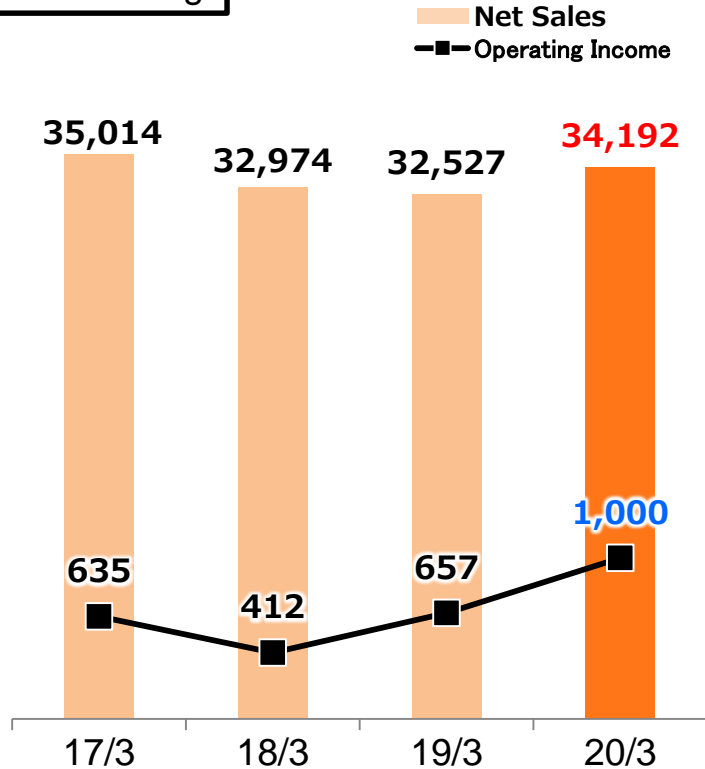
# Consolidated Net Sales and Operating Income in the Past 10 Years (1H)

(Millions of yen)



# Segment Information (1H)

## Broadcasting



### Point

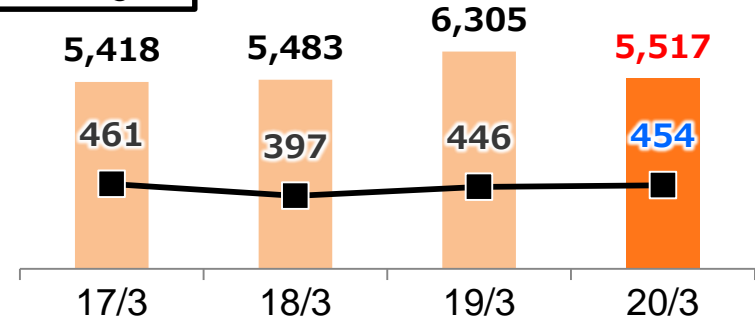
#### Net sales/Operating income : Higher revenue and profits

- Solid ABC TV performance, mainly in time revenue
- Strong performance in content-related revenue
- Newly consolidated entities also contributed to increased sales

(Note) Figures reflect consolidation adjustments

## Housing

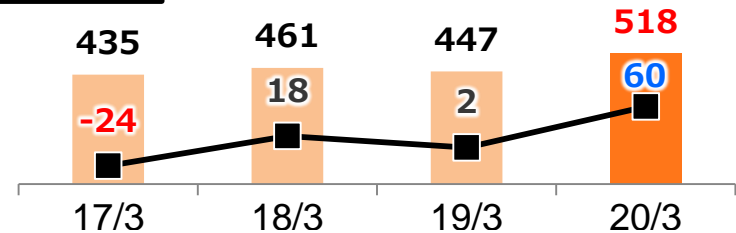
(Millions of yen)



#### Net sales/Operating income : Lower revenue, higher profits

Despite lower revenues stemming from a lack of real estate sales, profits were nearly level owing to the closing unprofitable housing exhibitions

## Golf Club

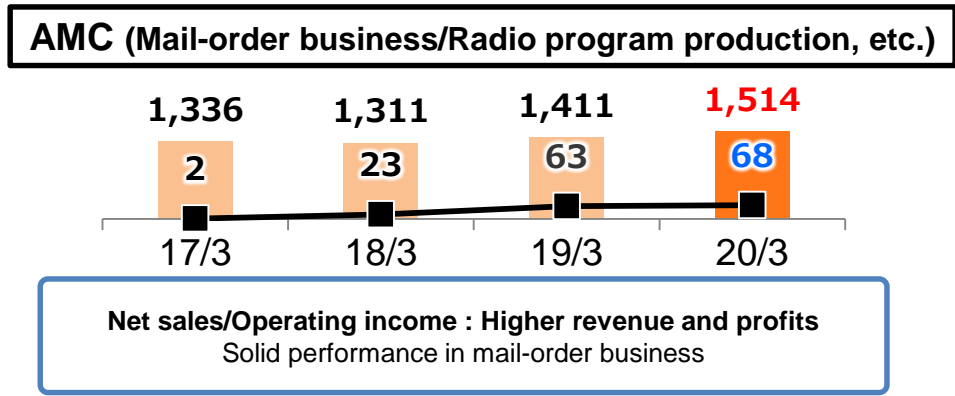
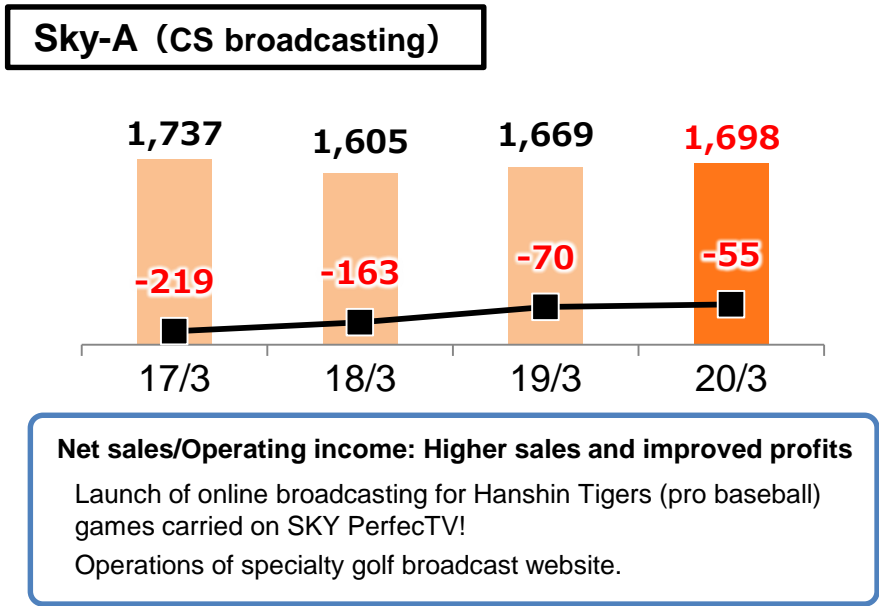
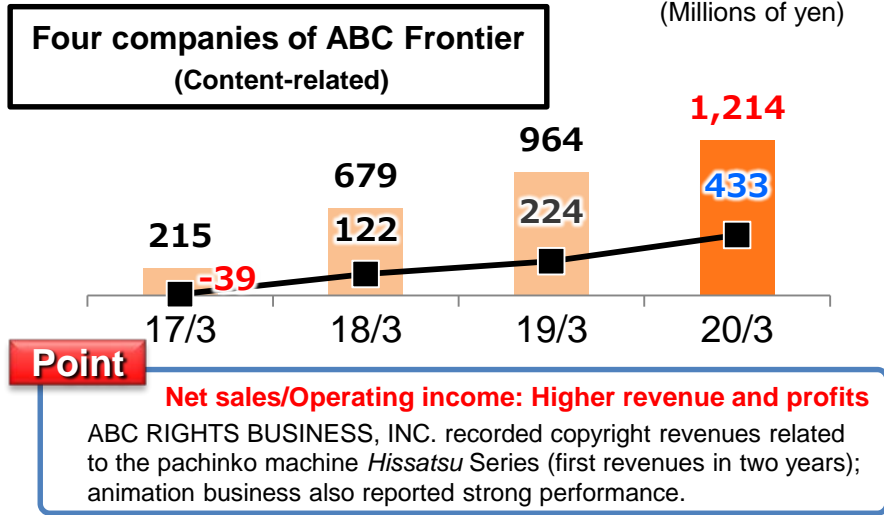
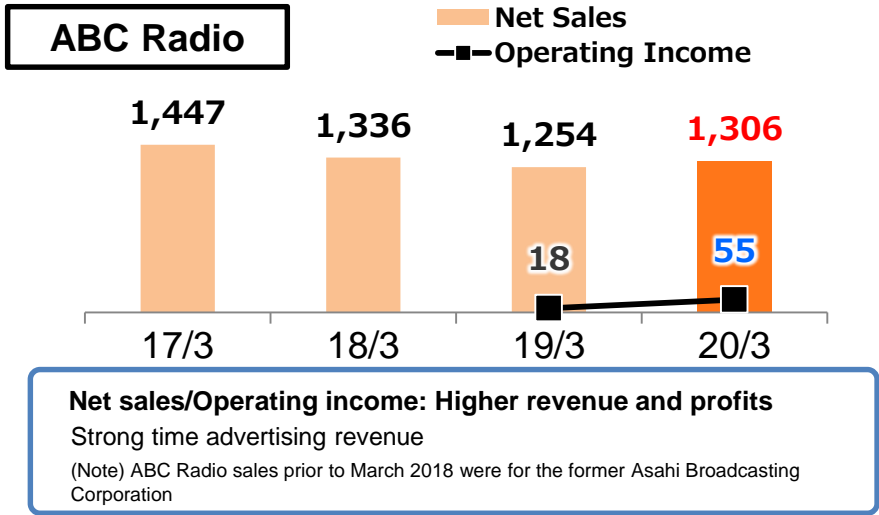


#### Net sales/Operating income : Higher revenue and profits

Increase in attendees; strong performance in new member registrations (launched in July)

Adjustments	19/3	20/3
Operating Income	-115	-150

# Major Broadcasting Segment: Non ABC TV-Related (Non-consolidated, 1H)

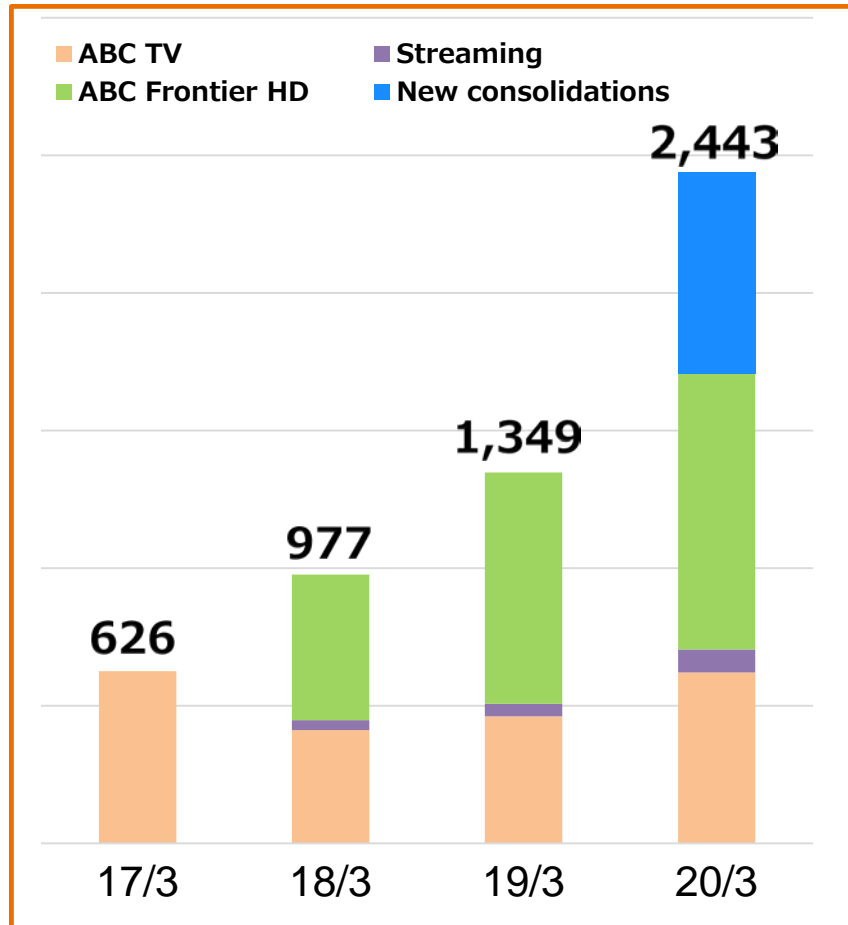


	17/3	18/3	19/3	20/3
Four companies (Non-consolidated) Total of Operating Income ※Reference	-	-	236	501

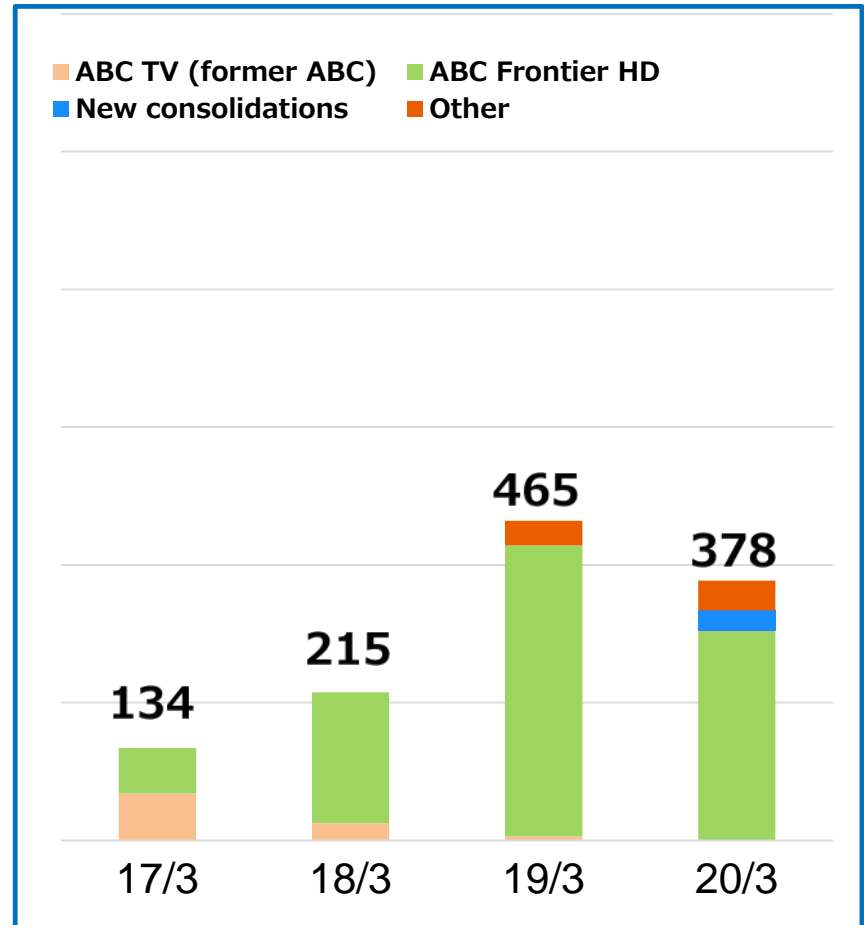
# Sales Growth of Content/Overseas Businesses (1H, Reference)

(Millions of yen)

## ▼ Sales Growth of Content-Related Businesses



## ▼ Sales Growth of Overseas Businesses



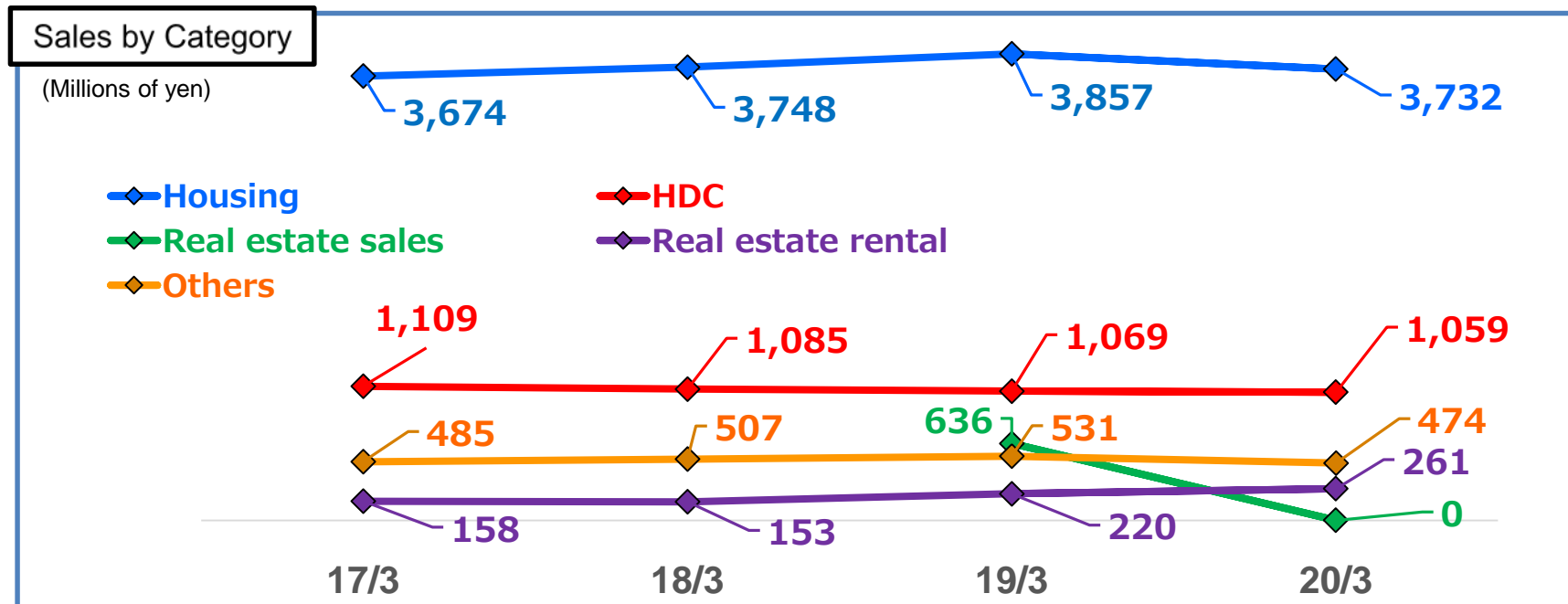
# Housing Business : ABC Development Corporation (1H)

## Lower Revenue, Higher Profits

(Millions of yen)

	2017/3	2018/3	2019/3	2020/3
Net Sales	5,418	5,483	6,305	5,517
Operating Income	461	397	446*	454*

\*Reflects subtracted amount due to change in segment profit calculation method beginning with the fiscal year ended March 2019 due to transition to a holding company structure.



Net sales: No real estate sales this period as compared to the prior period; closed certain housing exhibitions upon the conclusion of contracts

**Operating Income: Closing of housing exhibitions with declining profits resulted in higher profitability and increased profits**



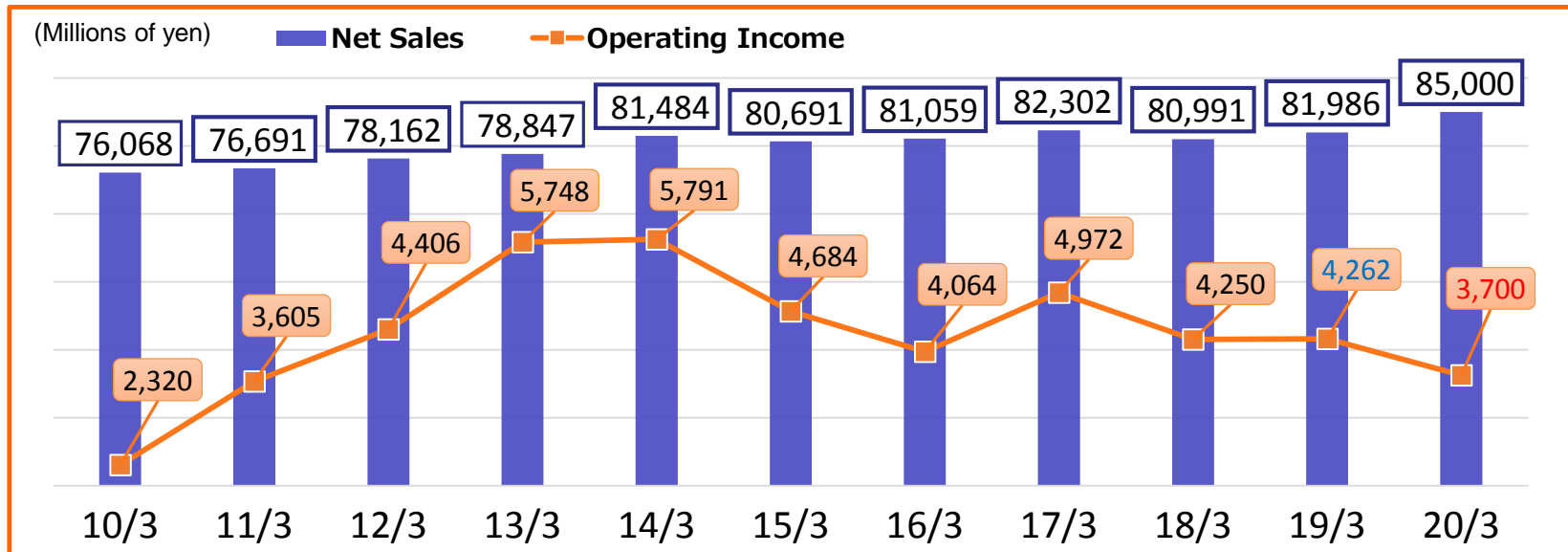
# FY2019 Consolidated Results Forecasts

## Higher Revenue and Lower Profits

(Millions of yen)

	19/3 (Actual)	20/3	YoY	% Change
Net Sales	81,986	85,000	3,013	3.7%
Operating Income	4,262	3,700	-562	-13.2%
Ordinary Income	4,591	4,000	-591	-12.9%
Profit Attributable to Owners of Parent	3,742	2,500	-1,242*	-33.2%*

\* Major decrease was due to tax effect accounting associated with change to holding company structure in 19/3



# FY2019 Forecasts for Results by Segment

(Millions of yen)

<b>Broadcasting</b>	<b>19/3 (Actual)</b>	<b>20/3</b>	<b>YoY</b>
Net Sales	68,550	71,720	3,169
Operating Income	3,475	2,930	-545
<b>Housing</b>	<b>19/3 (Actual)</b>	<b>20/3</b>	<b>YoY</b>
Net Sales	12,545	12,220	-325
Operating Income	1,060	1,010	-50
<b>Golf Club</b>	<b>19/3 (Actual)</b>	<b>20/3</b>	<b>YoY</b>
Net Sales	890	1,060	169
Operating Income	28	110	81
<b>Adjustments</b>	<b>19/3 (Actual)</b>	<b>20/3</b>	<b>YoY</b>
Operating Income	-301	-350	-48

## Broadcasting: Forecasting higher revenue and lower profits

- Reason for higher revenue** **Point**
  - Despite deceleration in the second half, we forecast increased sales for the period due to the impact of first-half growth and newly consolidated entities (DLE, MASH)
- Reasons for lower profits**
  - We expect the second-half spot market to be even more challenging.
  - We project a delay in the release of a movie in which ABC ANIMATION, INC. invested.

## Housing: Forecasting lower revenue and profits

- Reason for lower revenue**
  - We forecast lower year-on-year real estate sales.
  - The number of housing exhibitions will be lower than prior year.
- Reason for lower profits**
  - Closure of unprofitable housing exhibitions should result in higher profitability; however we expect lower profits for the year due to lower rent revenue in the HDC business.

## Golf Club: Higher revenue and profits

- Reason for higher revenue and profits**
  - We expect to see continued sales increases and growing memberships from the first half.

# ABC TV-related Businesses

# Results of ABC TV

(Millions of yen)

	19/3 1H	20/3 1H	YoY	% Change
Net Sales	27,887	28,311	423	1.5%
Operating Expenses	27,954	28,185	230	0.8%
Operating Income	-67	125	192	—
Ordinary Income	-45	158	204	—
Profit	668*	14	-653	-97.8%

\*Profit in FY 2018 (19/3) reflects additions from tax effect accounting due to transition to holding company format

## Point

**Secured higher sales and profits\*, even as spot advertising declined**

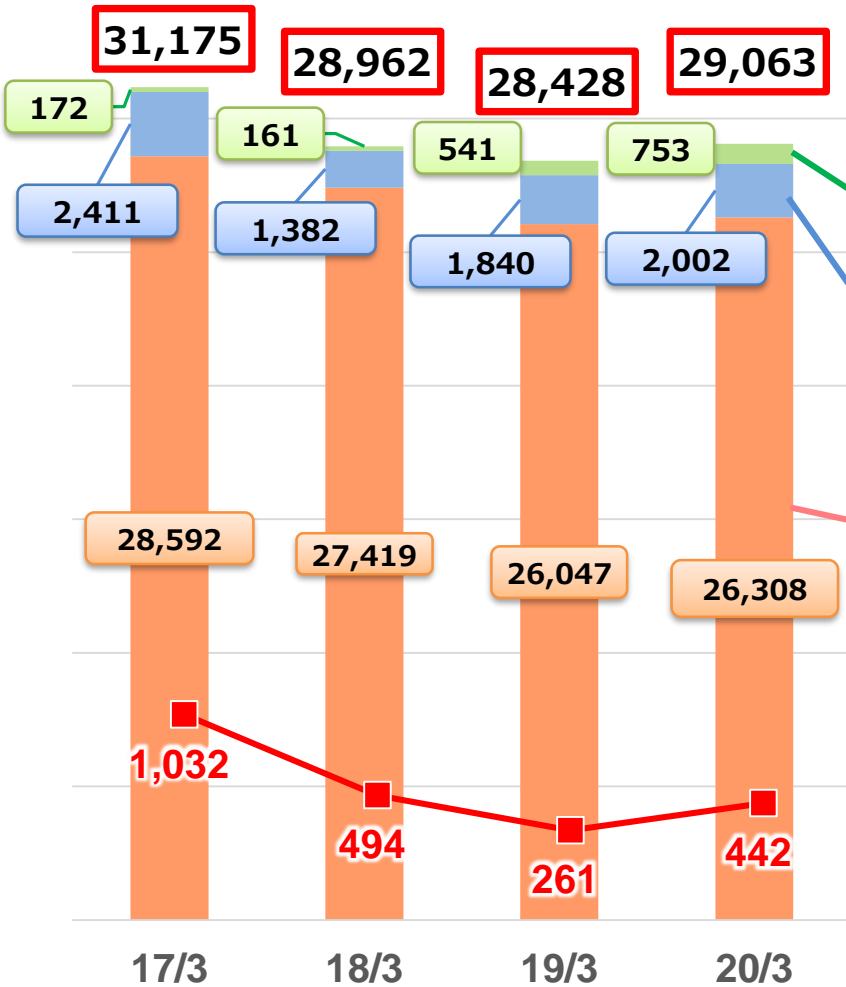
Time advertising revenue and content-related revenue were strong;  
cost controls contributed to profits

⇒ **Continuing to separate from a reliance on spot advertising**

# ABC TV-Related Business Growth\*1 (1H, Reference)

(Millions of yen)

■ Terrestrial ad revenue ■ Event/Streaming ■ Other



## Point

### Overall growth in sales

(improved technical skills and production skills resulting in greater group competitiveness)

Improved operating income as well

Other ↗ YoY +39.1%

(Sales to outside customers from four TV-related group companies etc.)

Revenue of Event/Streaming (Virtual High School Baseball/TVer, etc.) ↗

YoY +8.8%

(Figures prior to FY2017 includes radio events)

Terrestrial ad revenue ↗ YoY +1.0%

■ Operating income of five companies' TV-related business \*2

### \*1 About TV-related business

Total earnings of ABC TV and four TV-related group companies engaged in business through (mainly) revenue from ABC TV :

- (1) Asahi Broadcasting Group Holdings Corporation
- (2) ABC Libra (Program production)
- (3) i-NEX (Technical production)
- (4) Digiasa (Digital content production)

\*2 Figures prior to FY2017 show the total of ABC Libra, i-NEX and Digiasa. Asahi Broadcasting Group Holdings Corporation operating income does not include dividend income from affiliated companies.

# Ranking of Television Viewer Ratings in Kansai Region by Year

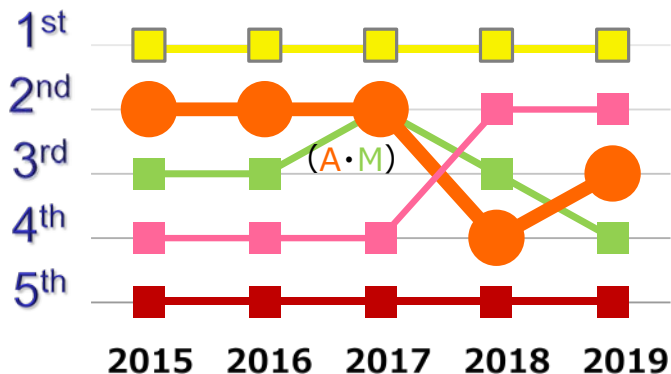
(Note: FY2019 = 1st half)



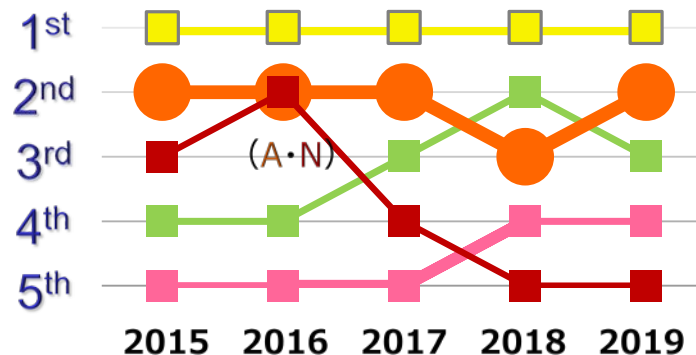
©ABC2019

(Source: Video Research)

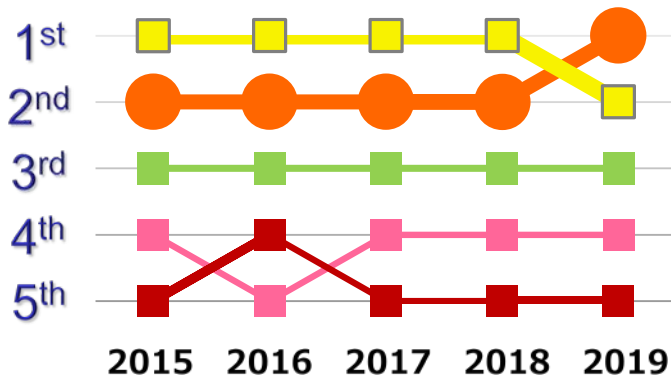
## All-day (6:00-24:00)



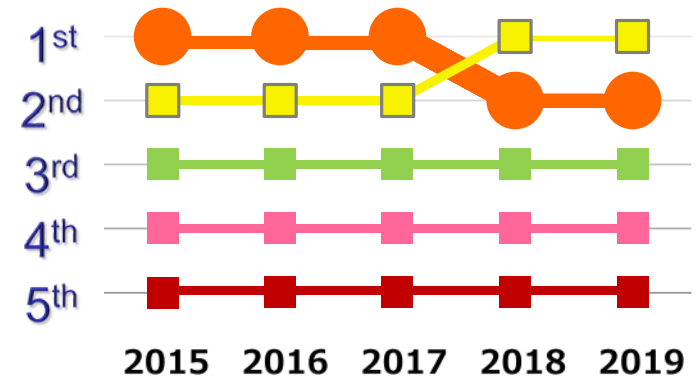
## Golden time (19:00-22:00)



## Prime (19:00-23:00)



## Prime 2 (23:00-25:00)



ABC (TV Asahi network)

MBS (TBS network)

KTV (Fuji TV network)

YTV (Nippon TV network)

NHK

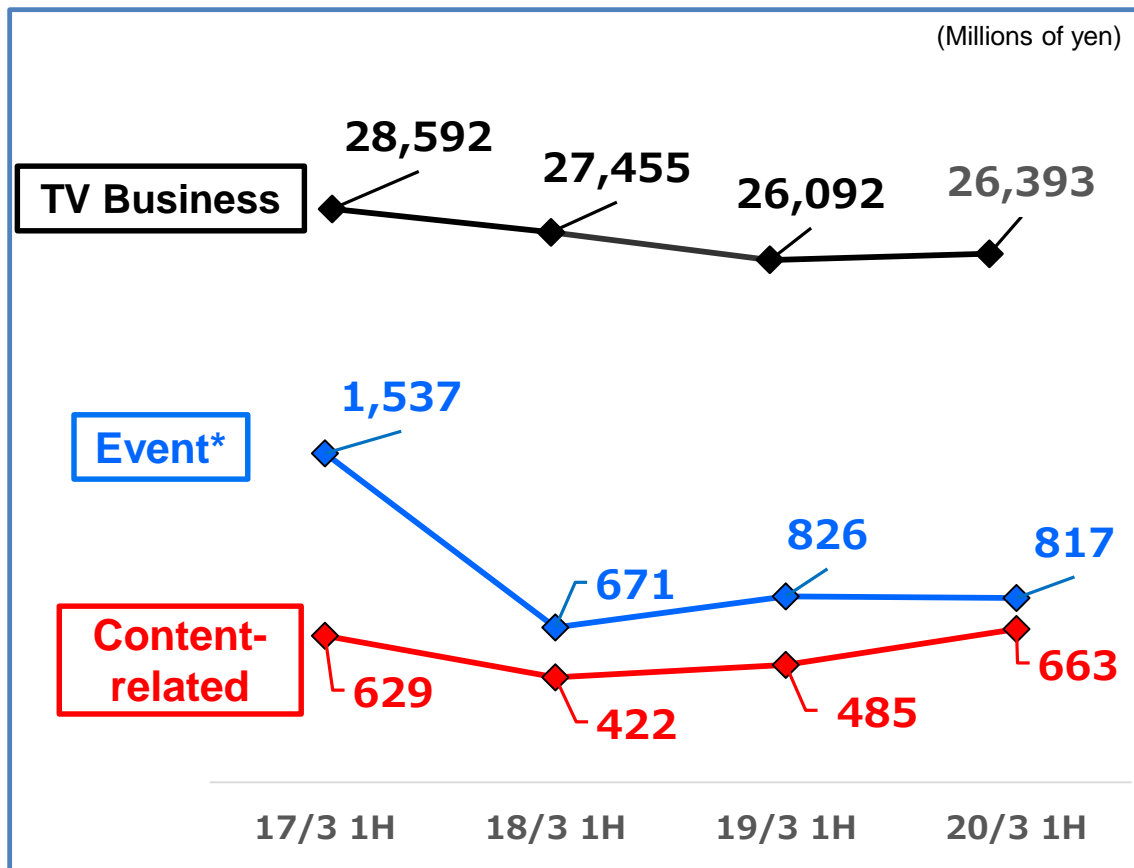
# Television Viewer Ratings in Kansai Region for Apr-Sep 2019

(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)
<b>1</b>	YTV 8.0%	YTV 11.2%	<b>ABC</b> <b>11.2%(+0.3)</b>	YTV 7.5%
<b>2</b>	KTV 7.4%	<b>ABC</b> <b>10.5%(+0.3)</b>	YTV 11.0%	<b>ABC</b> <b>6.5%(-0.6)</b>
<b>3</b>	<b>ABC</b> <b>7.1%(±0)</b>	MBS 9.9%	MBS 10.1%	MBS 5.4%
<b>4</b>	MBS 6.8%	KTV 9.6%	KTV 9.5%	KTV 5.0%
<b>5</b>	NHK 5.5%	NHK 9.3%	NHK 8.2%	NHK 2.4%

■ ABC (TV Asahi network) ■ MBS (TBS network) ■ KTV (Fuji TV network) ■ YTV (Nippon TV network) ■ NHK

# ABC TV (Former ABC) 1H Revenue Growth



## FY2019 1H Outline

- ◆ **TV Business** ↑ 1.1%
  - Time advertising revenue covered the decrease in spot revenue under terrestrial TV advertising
  - Sales of online video were also strong
- ◆ **Event** ↓ 1.0%
  - Real events linked to gourmet websites were firm
- ◆ **Content-related** ↑ 36.7%
  - Strong performance in the Virtual High School Baseball

\*Event revenue before FY2017 includes radio-related events.

	17/3	18/3	19/3	20/3
Other	244	251	482	436



# ABC TV Full-Year Forecast

(Millions of yen)

	19/3 (Actual)	20/3	YoY	% Change
<b>TV Business</b>	55,596	54,850	-746	-1.3%
<b>Event*</b>	1,623	1,500	-123	-7.6%
<b>Content-related</b>	958	1,000	41	4.4%
<b>Other</b>	769	750	-19	-2.5%

## Full-Year Forecast Outline

### ◆ TV Business **Point**

-The commercial spot market condition in Kansai Region has become extremely challenging in the second half of the fiscal year. We will not be able to compensate through firm time revenue (local and nationwide net). Accordingly, we anticipate a decline in revenue.

### ◆ Event

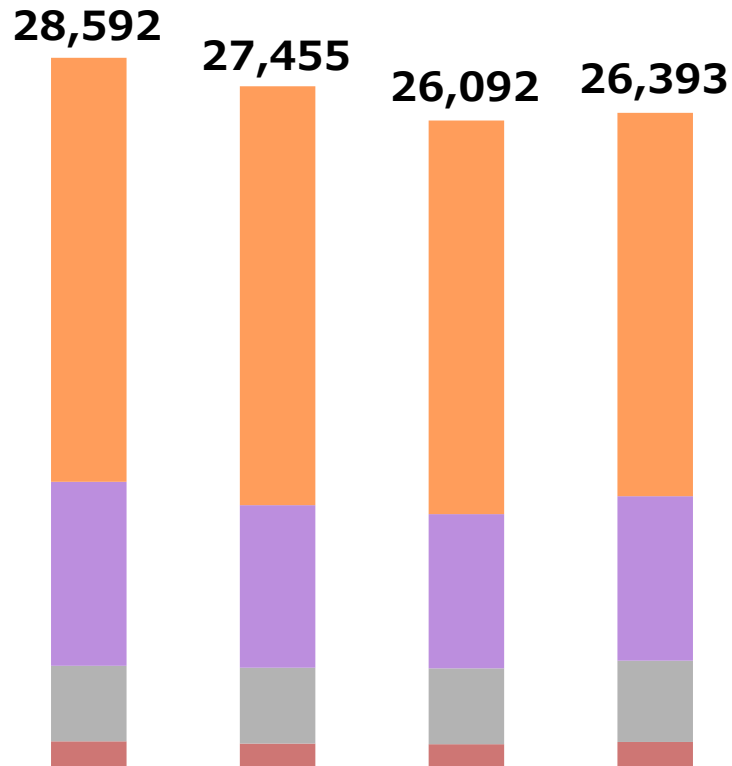
-We are carefully studying event frequency and scope to identify costs versus benefits, which will lead to expected declines in sales.

### ◆ Content-related

-The impact of sales growth during the first half outpaced the shift of the archive distribution business to ABC RIGHTS BUSINESS, resulting in our forecast of higher sales for the year.

\*Event revenue before FY2017 includes radio-related events.

# Details of TV Business Revenue (1H)



	17/3	18/3	19/3	20/3
Spot	16,959	16,755	15,757	15,340
Network (Time)	7,362	6,506	6,165	6,581
Local (Time)	3,019	3,037	3,030	3,251
Program Sales (to affiliates)	1,251	1,155	1,093	1,135
TV Program Streaming (TVer etc.)			45	84

## Spot

- YoY 2.6%↓
- Although share remains level, performance in the Kansai local market was lower than the year prior.
- In the Nagoya local market, we are putting up a good fight for the top share among TV stations in Osaka.

## Network (Time)

**Point**

- YoY 6.7% ↑
- Strong viewer ratings of *A House in the Middle of Nowhere*, *TORINIKU tte nano niku!?*, and other nationwide network programs has driven unit price up.
- Increase in regular program frames compared to the same period in the prior fiscal year.

## Local (Time)

**Point**

- YoY 7.3% ↑
- Strong sales performance for *Ohayo Asahi Desu* and other weekday morning programs
- Strong sales of mini-frame contributed to year-on-year increase in program frames

## Program Sales (to affiliates)

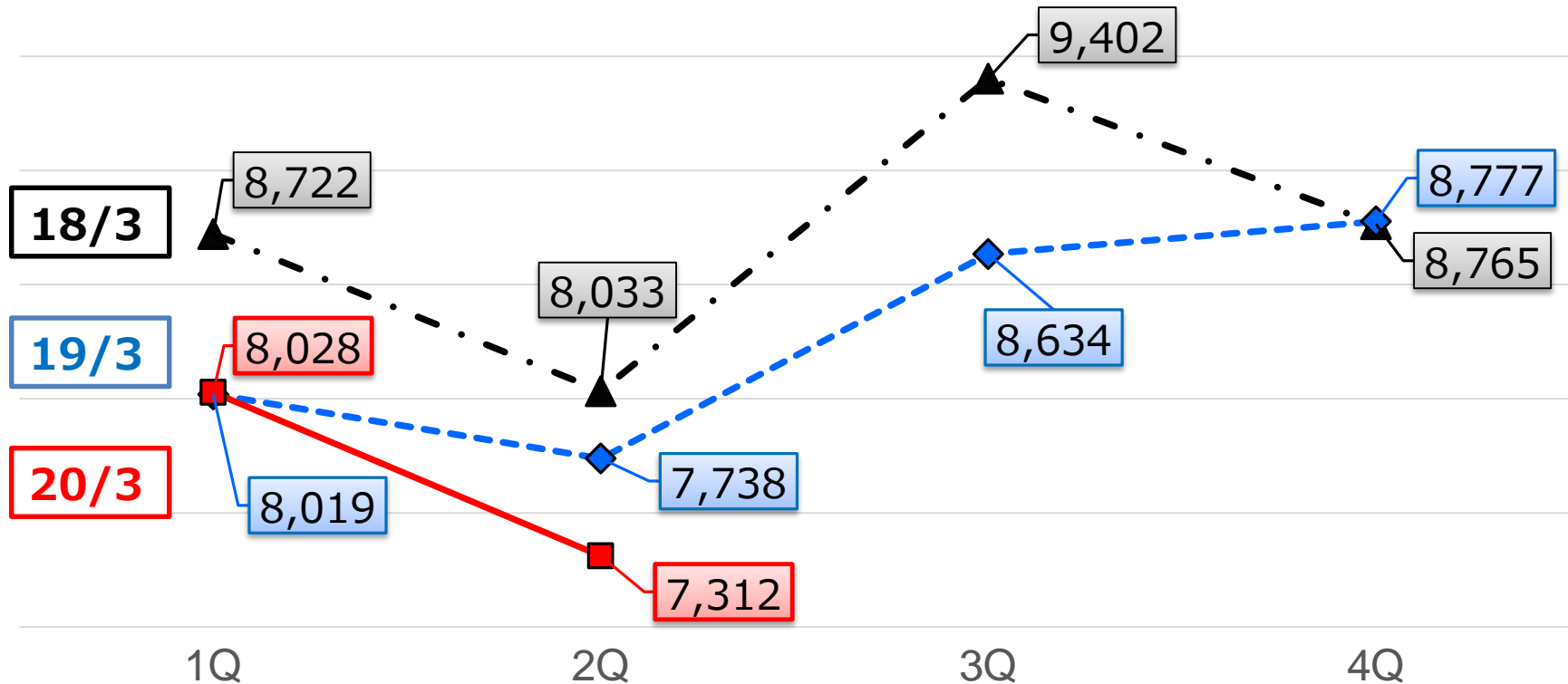
- YoY 3.8% ↑
- Increase in nationwide network programs resulted in higher revenues from affiliated stations

## TV Program Streaming (TVer etc.)

- YoY 86.4% ↑
- Secured promotional campaign advertising from major sponsors due to increased popularity and recognition of programs

# Spot Revenue of TV Business (Quarterly Growth)

(Millions of yen)



- In conjunction with a recovery in viewer ratings, we saw an upward trend from January through the first quarter; however, performance once again fell below prior year during the second quarter.
- Shares of commercial broadcasters in the Kansai region is essentially level with the prior year, and the Osaka local spot market showed the same trend in general.

# Spot Revenue of TV Business (Terrestrial, By Top 20 Industries)

Industry	19/3 1H		20/3 1H	
	YoY	Composition rate	YoY	Composition rate
Transportation/Leisure/Restaurants & Fast Foods/Services	106.4%	10.9%	108.3%	12.2%
Foods	99.3%	11.7%	88.3%	10.6%
Beverages/Liquors	110.0%	8.9%	93.8%	8.6%
Automobiles	90.1%	7.7%	95.3%	7.5%
Information/Telecommunication	73.6%	8.0%	88.3%	7.3%
Pharmaceutical/Medical Products	92.6%	7.5%	89.9%	6.9%
Cosmetics/Toiletries	97.6%	7.7%	81.8%	6.5%
Finance	107.8%	6.7%	91.6%	6.3%
Consumer Electronics/Computer	75.1%	4.8%	125.9%	6.2%
Hobby (Movie/Game/Music etc.)	107.9%	6.2%	78.9%	5.0%
Housing/Real Estate/Construction	90.4%	4.1%	87.2%	3.7%
Government/Political Organization	90.0%	2.0%	152.5%	3.1%
Energy/Machine/Material	80.2%	1.8%	160.6%	2.9%
Fashion (Apparel/Jewelry etc.)	86.2%	2.5%	112.8%	2.9%
Publishing	104.6%	2.2%	113.8%	2.6%
Distribution	119.5%	1.8%	93.2%	1.7%
Various Organizations (Law Office etc.)	93.6%	1.7%	96.4%	1.7%
Mail Order Sales	61.5%	1.4%	121.7%	1.7%
Logistics services/Businesses/Events	89.0%	1.2%	109.0%	1.3%
Housewares	79.3%	1.2%	94.9%	1.2%
Other	20.1%	0.0%	691.7%	0.1%
Total		100.0%		100.0%

Despite firm performance in advertisements from reliable Kansai local market advertisers in response to strong viewer ratings, the nationwide decline in spot advertising had a significant impact in driving local market performance down

⇒ We must develop programs that will be well-received by viewers and advertisers based on more detailed target analysis

\*Year-on-year comparisons

# Details of TV Business Revenue (Full-Year Forecast)

(Millions of yen)

		19/3 (Actual)	20/3	YoY	% Change
TV Business		55,596	54,850	-746	-1.3%
Break down	Spot	33,169	31,890	-1,279	-3.9%
	Network (Time)	14,060	14,500	439	3.1%
	Local (Time)	5,973	6,000	26	0.4%
	Program Sales	2,225	2,280	54	2.5%
	TV Program Streaming (TVer etc.)	168	180	11	6.8%

## ◆ Spot: Forecasting decreased revenue

-We forecast even greater challenges for the spot market in the second half of the year

## ◆ Network (Time): Forecasting increased revenue Point

-In addition to the impact of higher sales during the first half, we forecast viewer ratings driving firm performance in the second half as well

## ◆ Local (Time): Forecasting increased revenue

-While we do not expect the second half to outperform year on year, we forecast higher comparable fiscal year sales due to first-half sales growth

# Forecasts for Full-Year Results of ABC TV

## Lower Revenue and Profits

(Millions of yen)

	19/3 (Actual)	20/3	YoY	% Change
Net Sales	58,947	58,100	-847	-1.4%
Operating Income	57,173	56,700	-473	-0.8%
Ordinary Income	1,774	1,400	-374	-21.1%
Profit Attributable to Owners of Parent	1,807	1,450	-357	-19.8%

### ■ Major Reasons for Revenue, Profit Declines

In addition to the significant impact of TV business sales declines, we transferred operations to group companies in conjunction with the conversion to a holding company structure. The resulting increase in outsourcing expenses will lead to higher programming costs and an expected decline in profit.

# Program Expenses of TV Business \*

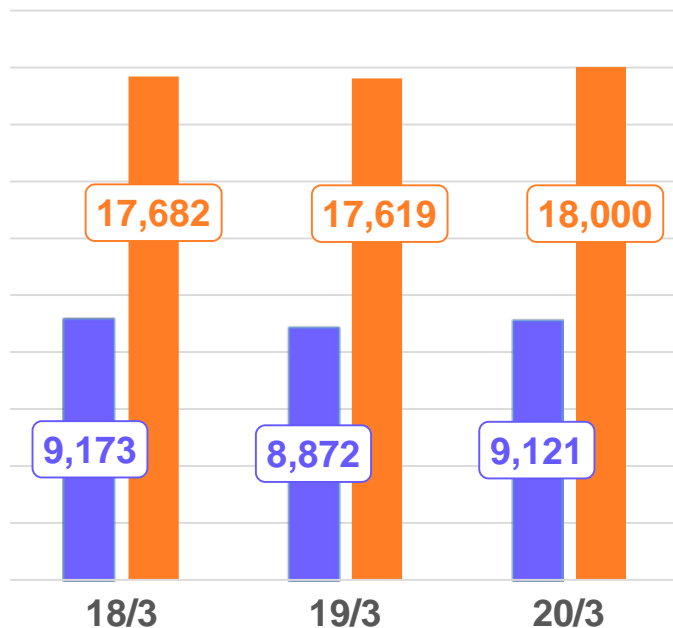
(Millions of yen)

	18/3	19/3	20/3 (forecast)
Program Expenses	17,682**	17,619 (YoY -62)	18,000 (YoY +380)

\*\* FY2017 program expenses include contract production expenses.

(Millions of yen)

■ 1H ■ Full-Year



## FY2019 Point

Despite the apparent increase in outsourcing expenses due to the transfer of operations to group companies, expense is actually essentially level with the prior year. We have been successful in controlling program unit prices by increasing programs, expanding times, and engaging in new program development, etc.

### 【Reasons for Increase】

- Higher outsourcing expenses due to the transfer of operations to group companies following the conversion to a holding company. (about 360 million yen)
- Full-year broadcasting of the network program, which started in the second half of the prior year. (Increased programs)
- Expansion of one-hour slot of the evening news program CAST

### 【Reasons for Decrease】

- Lower expense per program due to revisions on a program-by-program basis

\*Approach to program production expense: Examine expenses while keeping an eye on profitability of terrestrial broadcasting and secondary use (program streaming, events, etc.)

# FY2019 Notable First Half Results

Our aspiration to improve viewer ratings and introduce terrestrial wave-plus α  
 ⇒ **Both viewer ratings and plus-α revenues higher**

## (1) Higher TV commercial unit prices through improved viewer rates

【National network slot】

- **A House in the Middle of Nowhere** (Sunday night)  
Average viewer ratings 19.3% (Kansai), 18.8% (Kanto)
- **TORINIKU tte nanno niku!?**  
Average viewer ratings 10.7% (Kansai), 8.9% (Kanto)

⇒ **Positive impact on overall viewership and time revenues**

【Local slot】

- **Strong time-shift viewing** for **Aiseki Shokudo**, a late-night variety program in Prime 2 moved to the Tuesday frame this spring.
- In the weekday morning frame, **Oyaho Asahi Desu** continues to attract high viewer ratings, owing in part to its 40<sup>th</sup> anniversary campaign.



## (2) Drama frame initiatives to strengthen terrestrial wave Plus α

【Sunday late-night drama slot】

- Apr-Jun: **Drama L School Girls Rock!** Successful in program-linked events
- Jul-Sep: **Drama L RUNWAY 24** Implemented projects tied to online streaming





## Adopting P+C7\* from October

\*(Refer to Reference Materials)

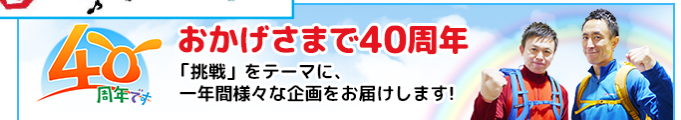
Analyze viewer data with U49, targeting people between 4-49 years old  
⇒ We will leverage accumulated data to create programs and content in demand by viewers and sponsors **to strengthen our reach and win more younger viewers**

### (1) Longstanding programs have entered a new era; numerous initiatives planned for classic programs

▼ Change in department chief for Prime 2 *Detective Knight Scoop* moves program into a new era. New breath of life for a legendary program that has aired since 1988. Third-generation chief of detectives is *Hitoshi Matsumoto* of the *Downtown* comedy duo!



▼ Weekday morning *Ohayo Asahi Desu* continues initiatives in its 40<sup>th</sup> anniversary campaign.



### (2) Terrestrial wave program plus α: New programs in both Challenge slot and drama slot

- ▼ Sunday late-night variety slot: *Yasutomo no Renaijima*
- ▼ Sunday late-night drama slot: **Drama L: *Re: Follower***  
(Live performance scheduled for June 2020)



# Growth Strategy

# Priority Theme of Medium-term Management Plan “SUNRISE” Investment in the Growing Areas

Allocation Model of Investment Ceiling 20 billion Yen (3 Years)

**M&A**

Investment and  
financing domestic and  
overseas content

Venture  
investment

Launched

Acquisition of business (corporations) to  
reinforce the Group

Investment in new business domains

Launched

ABC DREAM VENTURES, Inc.  
- First fund is almost fully deployed.  
- Second fund will be larger (lead  
investor role also planned).

We must strengthen our on-site business and content  
production capacity further for greater efficiencies.

## Outline

Establish in Tokyo Office of the Asahi Broadcasting Group Holdings Corporation.

Comprise more than 10 members, including those who also serve as members of the Group's content-related companies.

### Roles

- **Planning and development**
- **Pre-sales**
- **Business model creation**
- **Orders to production division**
- **Sales, collections**

### Aims

- **Grow business through joint productions, joint sales with group companies**
- Strengthen coordination among group companies, aiming for joint content planning and production with broadcast platforms in Japan and overseas**
- **Recruit and train more content producers**

## Launched 2<sup>nd</sup> Fund (January 2019-)

Total investment: ¥1.8 billion  
Management period: 10-year

Target: Venture companies with outstanding IP, content, or technologies



**ONE.MEDIA**

## 1<sup>st</sup> Fund (July 2015-)

Portfolio: video/ad technology, media, life style etc.

19 Funds, Total investment ¥880 million  
Net unrealized gains ¥250 million



## ABC Glamp & Outdoors



Establishment: October 2019 / Capital: ¥ 50 million

### Shareholders/Number of Shares Held

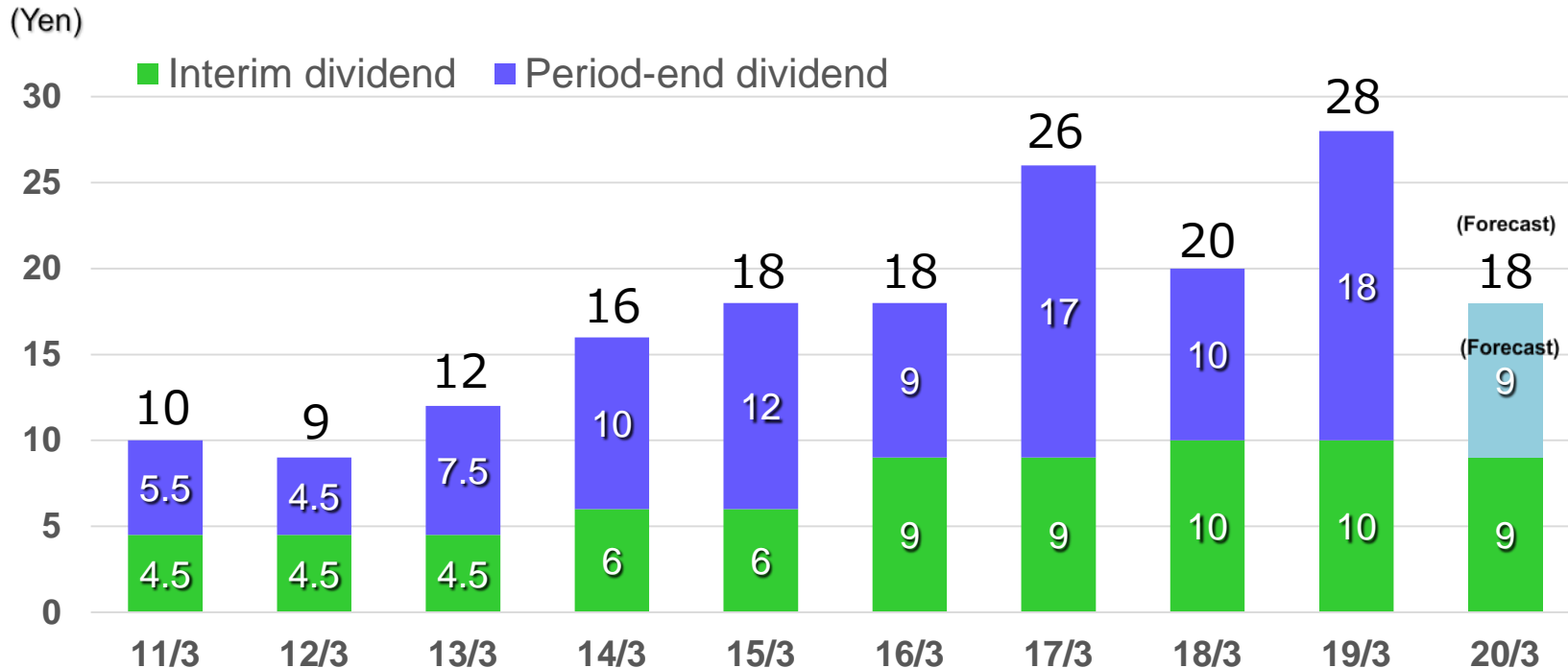
-Asahi Broadcasting Group Holdings Corporation	51%
-DENTSU	34%
-GLAMP	10%
-CAPSULA	5%

### [Main Business]

Outdoors, Glamping Related...

- Production business addressing everything from facilities planning and development to design, construction, operations, and management
- Business for facilities consulting and PR
- Media business for portal websites, programs, magazines, etc.
- Business to plan, develop, and sell related products
- Business to plan and manage events and promotions

# Dividends



## <Profit distribution policy>

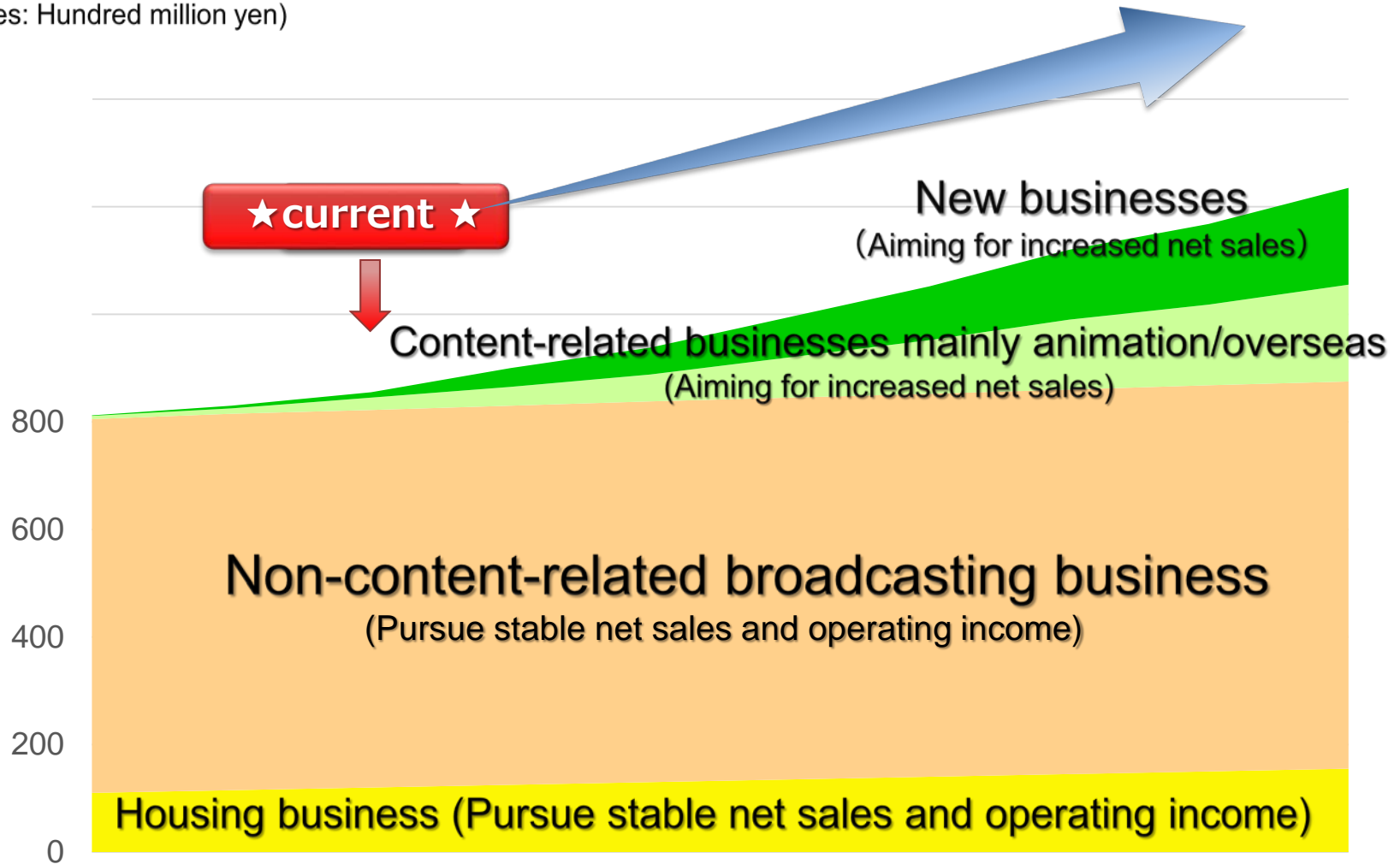
The Company places one of its highest management priorities on shareholder return. With respect to profit distribution, we strive to continuously provide steady dividends and maintain a dividend payout ratio (consolidated) that does not fall below 30% as well as strengthen and maintain our financial structure from the standpoint of a responsible certified broadcasting holding company. We will do so while making appropriate investments for our future growth.

# Reference Materials



# ABC Group Growth Outlook

(Net sales: Hundred million yen)



## Business Targets





















- Definitely achieve our target of “consolidated sales of 89 billion yen and ordinary income of 6 billion yen” in FY2020
- Invest in growth areas (investment ceiling of 20 billion yen) to achieve the Group’s Growth Vision
- Pursue a dividend payout ratio of 30% or higher
- Strive to improve ROE
- Target an overseas business sales ratio to consolidated sales of 3% or more

## Strategic Objectives

- Strengthen the Group’s collaboration
- Create content and optimize values
- Invest in growth areas and challenge new business areas
- Develop human resources who will adapt to changes
- Achieve business operational efficiency and realize a high value-added way of working

# List of the Group Companies

★ Consolidated subsidiary

★ 	<b>Asahi Television Broadcasting Corporation</b> TV broadcasting business	★  株式会社 アイネックス	<b>i-NEX corporation</b> General technical production agency
★ 	<b>Asahi Radio Broadcasting Corporation</b> Radio broadcasting business	★ 	<b>MASH CORPORATION</b> Event planning and management, promotion
★ 	<b>Sky-A, Inc.</b> CS broadcasting	★  DreamLink Entertainment	<b>DLE, Inc.</b> Fast Entertainment Model
★ 	<b>ABC Media Communications</b> Mail-order business, radio program production and music publisher	★ 	<b>Churapps Co., Ltd.</b> Game content planning / development / management
★ 	<b>ABC Libra Co., Ltd.</b> TV program planning and production, video archive	★  ABC Development Corporation	<b>ABC Development Corporation</b> Housing exhibition management, planning/management of Housing Design Center, insurance agency business, advertising agency business, and real estate business
★ 	<b>ABC FRONTIER HOLDINGS, INC.</b> Business management, rights management, and development of new business for ABC ANIMATION, INC. ABC INTERNATIONAL INC. ABC RIGHTS BUSINESS, INC.	★ 	<b>ABC GOLF CLUB INCORPORATED</b> Golf course management
★ 	<b>ABC ANIMATION, INC.</b> Planning/production, overseas sales, and product sales etc. regarding animated content		<b>ABC DREAM VENTURES, Inc.</b> Management of corporate venture capital
★ 	<b>ABC INTERNATIONAL INC.</b> Profit-generating business related to overseas markets, such as program and format sales	 ABC HORIZON	<b>ABC HORIZON PTE. LTD.</b> (Headquarters: Republic of Singapore) Development of new business and research/support of business abroad
★ 	<b>ABC RIGHTS BUSINESS, INC.</b> Videogram sales, product sales business, licensing business, and character business		<b>ABC Kosan Co., Ltd.</b> Safety and security services, and facility management operations
★  株式会社 デジアサ	<b>Digiasa Inc.</b> Digital content production, subtitles production		<b>ABC Glamp &amp; Outdoors Inc.</b> Regional development business through utilisation of outdoor facilities

## ANN's TV Network

\*ANN (All-Nippon News Network)



### Asahi Television Broadcasting Corporation

-Headquarters: Osaka -Area: Osaka and Kyoto metropolitan areas and four prefectures in the Kansai

**21.71 million people**  
**10.01 million households**

(Ministry of Internal Affairs and Communications: Figures based on the basic resident register)

**HTB**

Hokkaido Television Broadcasting Co., Ltd.

**UX**

The Niigata Television Network 21, Inc.

**ABA**

Asahi Broadcasting Aomori Co., Ltd.

**IAT**

Iwate Asahi Television Co., Ltd.

**AAB**

Akita Asahi Broadcasting Co., Ltd.

**YTS**

Yamagata Television System Inc.

**KHB**

Higashi Nippon Broadcasting Co., Ltd.

**KFB**

Fukushima Broadcasting Co., Ltd.

**abn**

Asahi Broadcasting Nagano Co., Ltd.

**HAB**

Hokuriku Asahi Broadcasting Co., Ltd.

**FBC**

Fukui Broadcasting Corporation

**HOME**

Hiroshima Home Television Co., Ltd

**yab**

Yamaguchi Asahi Broadcasting Co., Ltd.

**KBC**

Kyushu Asahi Broadcasting Co., Ltd

**KAB**

Kumamoto Asahi Broadcasting Co., Ltd

**NCC**

Nagasaki Culture Telecasting Corporation

**KKB**

Kagoshima Broadcasting Corporation

**KSB**

Setonaikai Broadcasting Co., Ltd.

**SATV**

Shizuoka Asahi Television Co., Ltd.

**NBN**

Nagoya Broadcasting Network Co., Ltd.

**UMK**

Miyazaki Telecasting Co., Ltd.

**OAB**

Oita Asahi Broadcasting Co., Ltd.

**eat**

Ehime Asahi Television Co., Ltd.

**QAB**

Ryukyu Asahi Broadcasting Corporation



### TV Asahi Corporation

-Headquarters: Tokyo  
-Area: Tokyo metropolitan area and six prefectures in Kanto area

**43.40 million people**  
**20.39 million households**

(Ministry of Internal Affairs and Communications: Figures based on the basic resident register)

# Major Programs Broadcasted by ABC TV



Produced by ABC TV  
Nationwide Net  
Programs

ABC TV Production Ratio : 33.8%



Produced by ABC TV  
Local programs



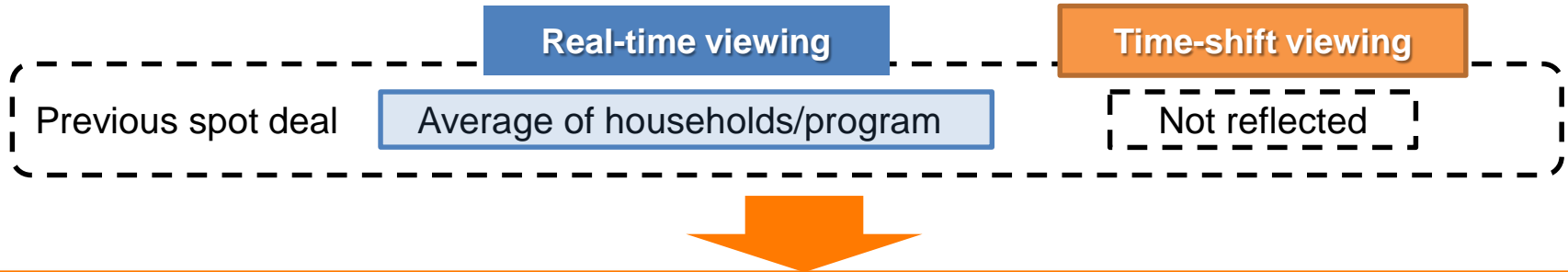
Programs produced by  
TV Asahi or other  
companies

# Capital Investments / Depreciation and Amortization

	19/3 Full-Year		20/3 1H	
	Consolidated	ABC TV	Consolidated	ABC TV
Capital Investments	¥2.7 billion	¥1.9 billion	¥1.0 billion	¥0.7 billion
Depreciation and Amortization	¥3.0 billion	¥1.4 billion	¥1.6 billion	¥0.7 billion

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

# New System P+C7



From Oct 2019 **P**(Overall individual, Four weeks average, Program average/when finishing)  
+ **C7**(Overall individual, Four weeks average, Commercial slot average/when finishing)

\*[P] (Program Rating) = Average program slot viewer ratings for real-time viewing

\*[C7] (Commercial Rating) = Average TV commercial slot viewer ratings for time-shift viewing  
within seven days (168 hours)

\*Continue to use Video Research Ltd. viewer rating data for both real-time and time-shift stats

# Types and Structure of TV commercial Revenue

	Time Sales are those to sponsors offering programs "This program was sponsored by so-and-so"	Spot
Term Time period	Fixed as a rule two seasons (6-month contract)	Can set up freely each product and campaign
Units	From 30 seconds	From 15 seconds
Broadcasting area	Nationwide or local network (areas of each station)	Local
Details	Advertisements used during commercial broadcast frames in individual programs provided by advertisers	Advertisements used outside time commercial broadcast frames between programs or within a program

**(Note 1) Regarding time sales revenue of the nationwide network**

Although the revenue per program on a national network is high, expenditures mount due to payments for airtime fees which we are required to pay to the affiliated broadcasting stations, along with program production costs.

**(Note 2) Regarding spot sales revenue**

It is often the case that we adjust airtime to the needs of our sponsors at any given time due to the high degree of freedom exercised concerning airtime.

The spot price is calculated by multiplying the number of viewers (HUT) x ratings and sharply varies according to viewer ratings. It makes a large contribution to profit.



# Broadcasting Businesses Results and Full-Year Forecast (Breakdown) \*Reference

©ABC2019

(Millions of yen)

[Net Sales of ABC TV-related Businesses]		17/3	18/3	19/3	20/3 (forecast)
ABC TV*	Terrestrial Ad Revenue**	58,245	56,946	55,428	54,670
	Event/Streaming (including TVer)	4,043	2,961	3,519	3,430
Four TV-related Group Companies (ABC Group Holdings, ABC Libra, i-NEX, Digiasa)	Non-Group revenues (Contract production etc.)	341	407	1,187	—
Total Sales of ABC TV-related Businesses		<b>62,629</b>	<b>60,315</b>	<b>60,135</b>	—
[Net Sales of Non-ABC TV-related Businesses]					
ABC Radio	Radio broadcasting revenue	2,842	2,637	2,520	2,500
ABC FRONTIER HD	Content-related revenue	914	1,488	2,209	2,000
Sky-A	CS broadcasting revenue	3,299	3,122	3,186	3,200
AMC	Mail-order business/radio program production	2,763	3,163	2,999	3,200

\*Figures before FY2017 are results of former Asahi Broadcasting Corporation that excluded the radio broadcasting revenue. However, its event revenue includes radio-related events.

\*\*It includes program sales revenue.

# New Businesses: Other Initiatives



- Onnela: Online video content for lifestyle information
- PLABORE: New product development tools
- eSports: Aim to grow profits by increasing the degree of participation and expanding range of services contracting



- "Omo" Channel: TV ad broadcasting to more than 15,000 guest rooms throughout Japan



- Operations of specialty golf broadcast website, Sky A Golf LIVE from March 2019



- # *Bukatsu* one: Joint venture between The Asahi Shimbun and ABC TV. Aiming to revitalize Japan's regional communities through video. More than 140,000 subscribers as of November 2019.
- Produced virtual singer EMMA HAZY MINAMI, original songs, covers and live performances



Asahi Broadcasting Group  
Holdings Corporation

- Investment in *Beautycon*: World's largest beauty festival held in Japan for the first time. Joint event with C CHANNEL, distributed online media producer with the No.1 female follower base in Asia.

# 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.

Corporate Information Website



<https://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.