

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

# Asahi Broadcasting Group Holdings Corporation

## Presentation for Fiscal 2019

(For the fiscal year ended March 31, 2020)

May 29, 2020

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

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# Consolidated Results

Susumu Okinaka  
Representative Director and President  
Asahi Broadcasting Group Holdings Corporation

# Consolidated Results

(Millions of yen)

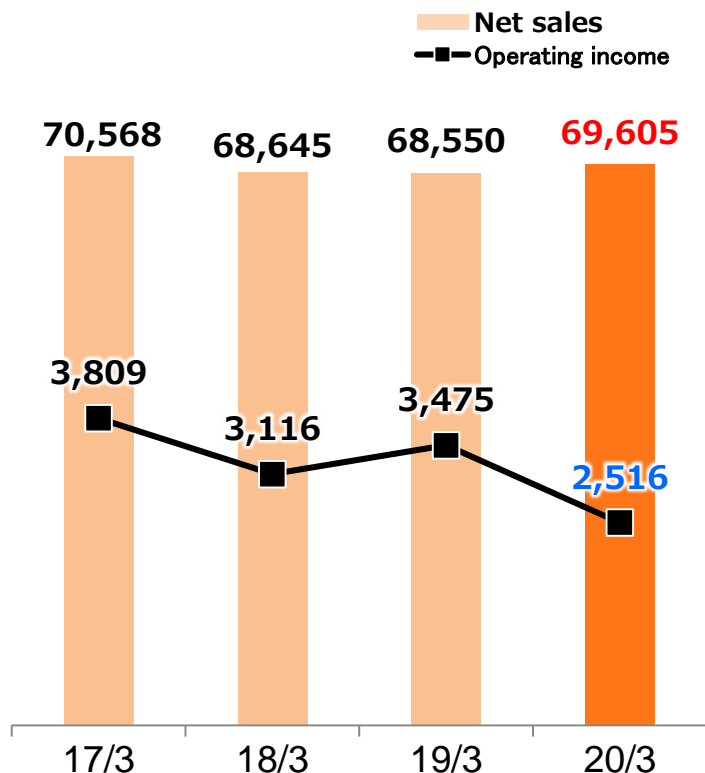
	19/3	20/3	YoY	% Change	
<b>Net Sales</b>	81,986	82,937	950	1.2%	
Operating Expenses	77,723	79,548	1,825	2.3%	
Break down	Cost of Sales	53,463	54,959	1,496	2.8%
	Selling, General and Administrative Expenses	24,260	24,588	328	1.4%
<b>Operating Income</b>	4,262	3,388	-874	-20.5%	
Ordinary Income	4,591	3,633	-958	-20.9%	
Profit Attributable to Owners of Parent	3,742	2,278	-1,464*	-39.1%*	

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

Despite increased revenues due to the impact of newly consolidated businesses and firm time revenue and content-related revenue, weakness in highly profitable spot revenue and net losses among newly consolidated businesses resulted in lower profits

# Segment Information

## Broadcasting Business



### Point

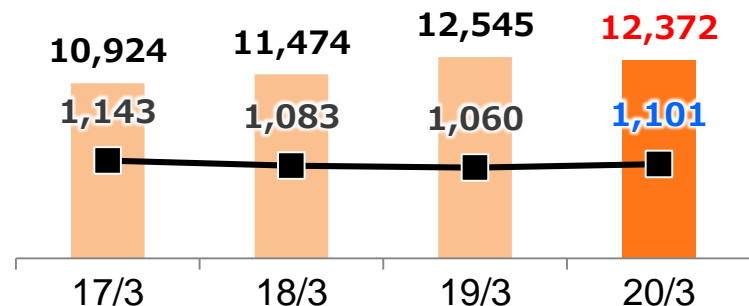
#### Net sales / Operating income : Higher revenue and lower profits

Strong performance in time revenue resulted in firm content-related revenue. Newly consolidated companies also contributed to revenue increase. Weakness in spot revenue and net losses among newly consolidated companies resulted in lower profits.

(Note) Figures reflect consolidation adjustments

## Housing Business

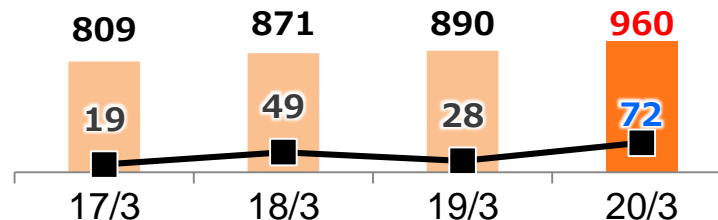
(Millions of yen)



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

Closures of certain housing exhibitions due to the conclusion of lease contracts drove revenues down; however, profits were essentially level, as the closed housing exhibitions were experiencing declining profits

## Golf Business



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

New member recruitment beginning in July had a positive impact. Although visitor numbers were strong through February, the impact of the spread of COVID-19 in March had a negative impact driving performance slightly lower for the fiscal year.

Adjustments	FY2018	FY2019
Operating Income	-301	-301

# Broadcasting Business

**Shinya Yamamoto**  
**Representative Director and President**  
**Asahi Television Broadcasting Corporation**

# Results of ABC TV

(Millions of yen)

	19/3	20/3	YoY	% Change
Net Sales	58,947	57,605	-1,342	-2.3%
Operating Expenses	57,173	56,203	-969	-1.7%
Operating Income	1,774	1,401	-372	-21.0%
Ordinary Income	1,807	1,452	-354	-19.6%
Profit	1,933	834	-1,099*	-56.9%*

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

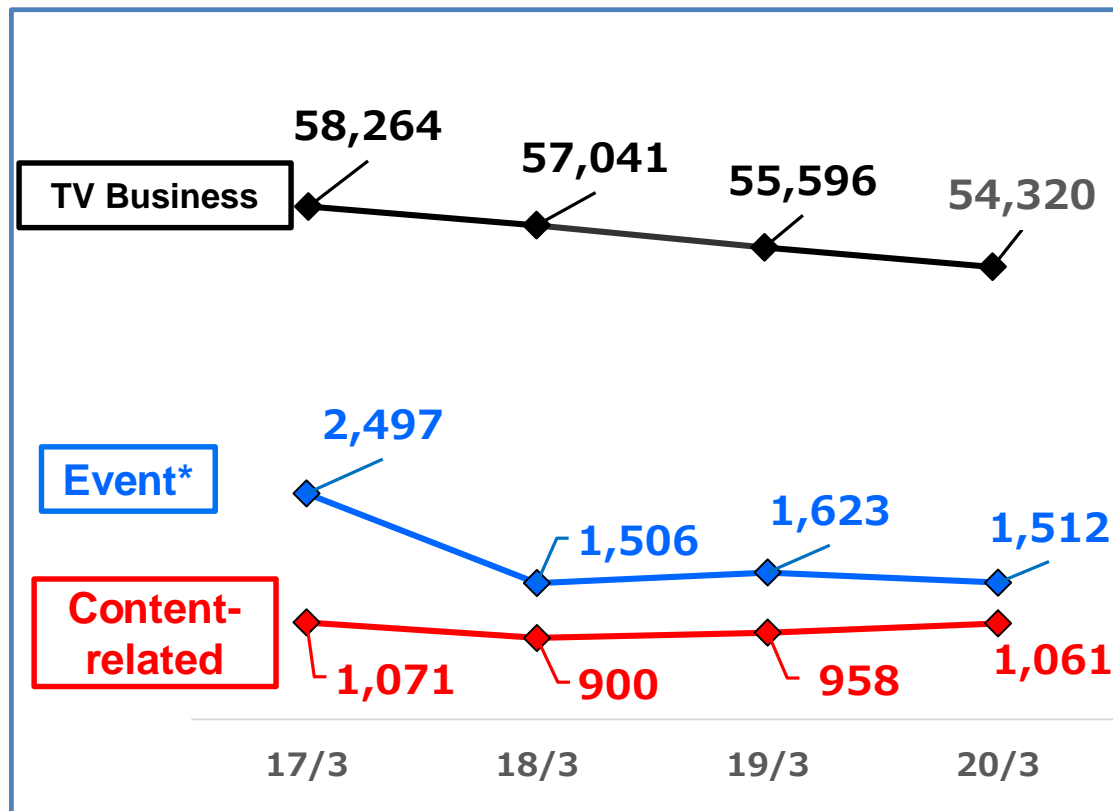
## Point

**The scope of the decrease in spot revenue was considerable, resulting in lower revenue and profit**

**Despite strong performance in time revenue, the spot advertising market in the Kansai Region was sharply lower, and spot revenue decreases resulted in lower revenue and profit.**

# ABC TV (Former ABC) Revenue Growth

(Millions of yen)



## Point

◆ **TV Business ↓ 2.3%**  
\*See P.8 for more

◆ **Event ↓ 6.8%**  
-We postponed or cancelled events scheduled for March

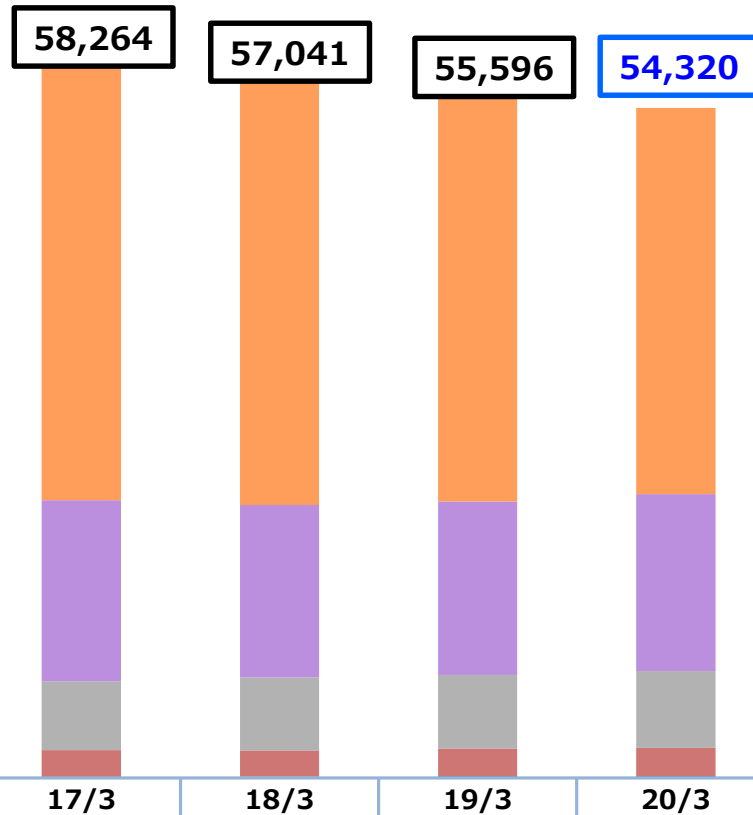
◆ **Content-related ↑ 10.8%**  
-Making *M-1 Grand Prix* and *Who is a real celebrity?* available online had a very positive reception  
-Strong performance in the Virtual High School Baseball

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

	17/3	18/3	19/3	20/3
Other	454	458	769	711



# Details of TV Business Revenue



### Spot

-YoY 5.6% ↓  
 -Advertising market in the Kansai region was sharply lower (YoY 93.5%)  
 \*See P.9-10 for more

### Network (Time)

**Point**

-YoY 2.0% ↑  
 -Strong viewer ratings of *A House in the Middle of Nowhere* has driven unit price up.  
 -Increase in regular program frames compared to the same period in the prior fiscal year.

### Local (Time)

**Point**

-YoY 4.2% ↑  
 -*Ohayo Asahi Desu* infomercial program was well received  
 -Mini-frame sales were also strong, resulting in a higher program frame performance year on year

### Program Sales (to affiliates)

-YoY 2.3% ↑  
 -Increase in nationwide network programs resulted in higher revenues from affiliated stations

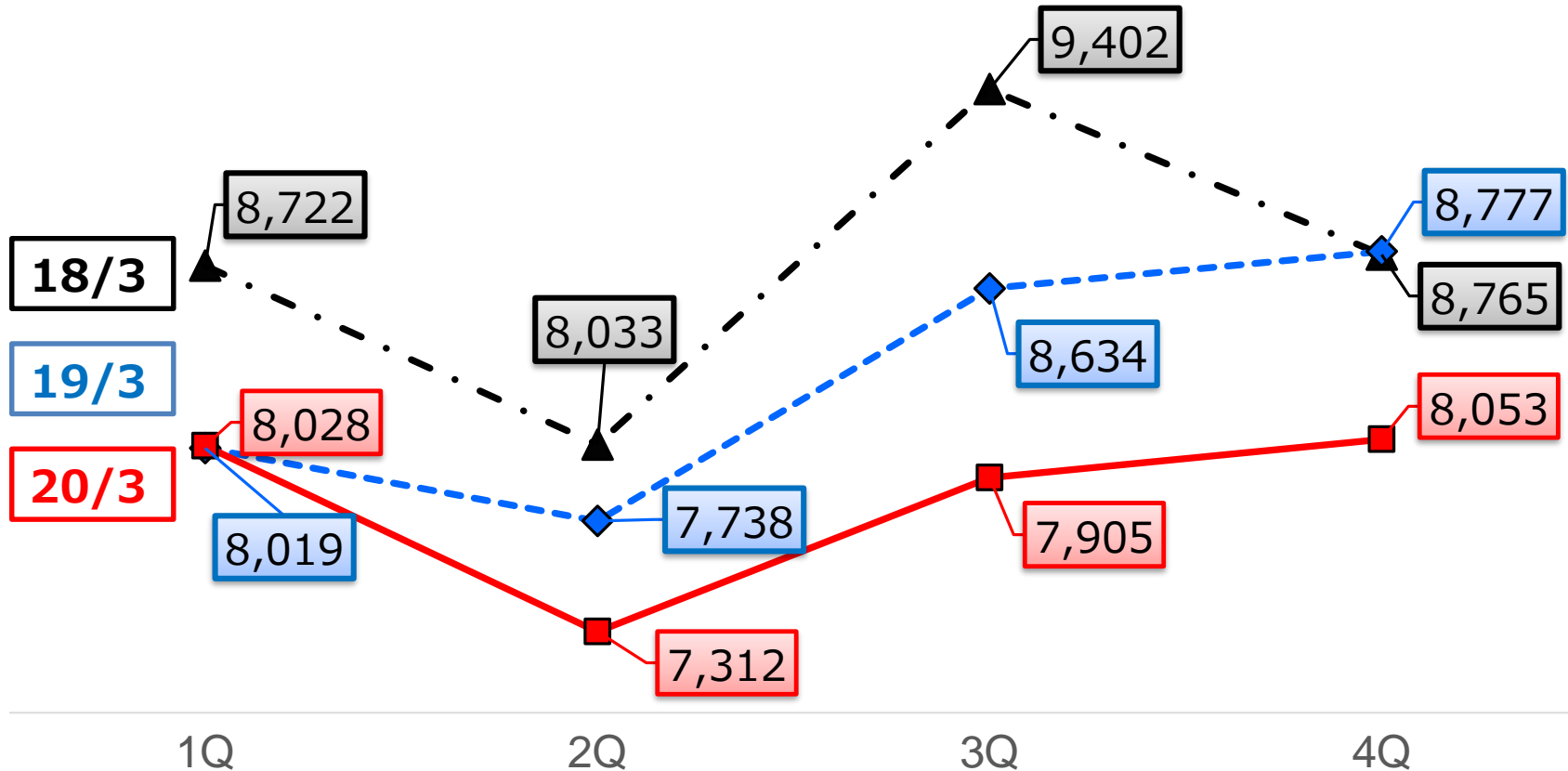
### TV Program Streaming (TVer etc.)

-YoY 2.1% ↑  
 -Secured promotional campaign advertising from sponsors due to increased popularity and recognition of programs

	17/3	18/3	19/3	20/3
Spot	35,752	34,923	33,169	31,298
Network (Time)	14,684	13,964	14,060	14,347
Local (Time)	5,572	5,909	5,973	6,225
Program Sales (to affiliates)	2,235	2,149	2,225	2,276
TV Program Streaming (TVer etc.)	19	95	168	172

# Spot Revenue of TV Business (Quarterly Growth)

(Millions of yen)



-In conjunction with recovering viewer ratings, we saw a recovery trend from Q4 of last year through Q1 of this year; however, in Q2 and later, we again underperformed year on year

-The company's spot revenues concentrate toward the second half of the fiscal year; therefore, the decrease in sport advertising after the increase in consumption tax had a significant negative impact

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

Industry	19/3		20/3	
	YoY	Composition rate	YoY	Composition rate
Transportation/Leisure/Restaurants & Fast Foods/Services	111.9%	11.2%	102.9%	12.2%
Foods	96.4%	10.0%	94.3%	10.0%
Information/Telecommunications	82.3%	9.4%	81.3%	8.1%
Pharmaceutical/Medical Products	96.1%	7.9%	95.4%	7.9%
Automobiles	92.6%	7.9%	86.9%	7.3%
Beverages/Liquors	98.7%	7.1%	95.0%	7.1%
Finance	109.1%	7.2%	86.3%	6.6%
Consumer Electronics/Computer	87.9%	5.1%	110.9%	6.0%
Cosmetics/Toiletries	85.3%	6.5%	78.8%	5.4%
Hobby (Movie/Game/Music etc.)	104.7%	6.0%	79.9%	5.1%
Housing/Real Estate/Construction	86.9%	4.1%	89.9%	3.9%
Government/Political Organization	98.1%	2.5%	122.8%	3.3%
Publishing	106.6%	2.6%	108.9%	3.0%
Fashion (Apparel/Jewelry etc.)	92.6%	2.8%	98.4%	3.0%
Energy/Machine/Material	83.1%	2.3%	101.3%	2.5%
Various Organizations (Law Office etc.)	87.6%	1.5%	126.1%	2.0%
Logistics services/Businesses/Events	85.7%	1.3%	128.7%	1.8%
Distribution	80.3%	1.4%	89.1%	1.7%
Mail Order Sales	80.3%	1.4%	108.3%	1.6%
Housewares	81.7%	1.4%	97.3%	1.4%
Other	73.0%	0.1%	300.6%	0.2%
Total		100.0%		100.0%

Although viewer ratings were strong and advertisements from advertisers in the Kansai Region local market were solid, the impact of the national decrease in spot advertising and commercial spot market decrease was significant.

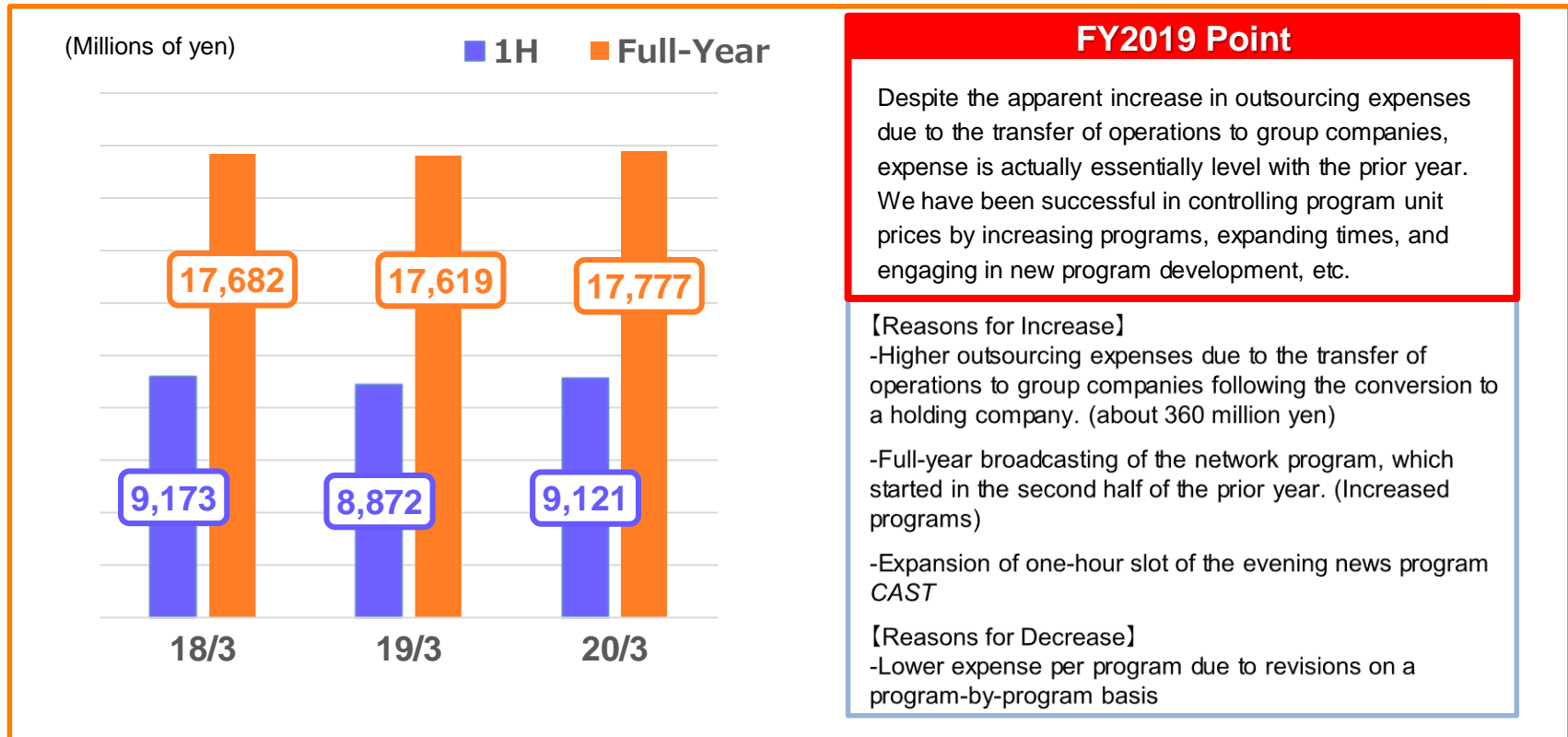
As a trend in recent years, a decrease in the information and telecommunications, cosmetics and toiletries, and automobile industries has been prominent. → Given the web marketing trends, we are strengthening development plans incorporating targeted buying.

# Program Expenses of TV Business\*

(Millions of yen)

	18/3	19/3	20/3
Program Expenses	17,682**	17,619 (YoY -62)	17,777 (YoY +157)

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



**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.

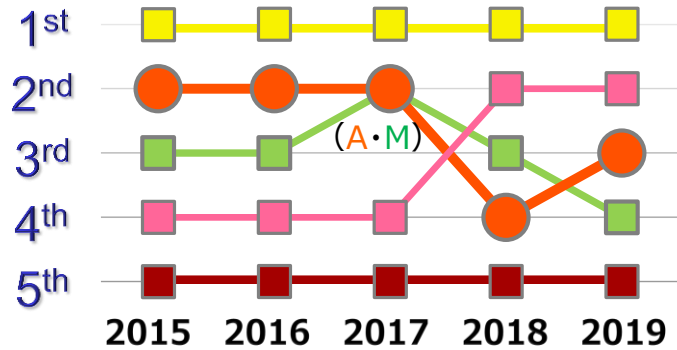
- 【Reasons for Increase】**
- Higher outsourcing expenses due to the transfer of operations to group companies following the conversion to a holding company. (about 360 million yen)
  - Full-year broadcasting of the network program, which started in the second half of the prior year. (Increased programs)
  - 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.)

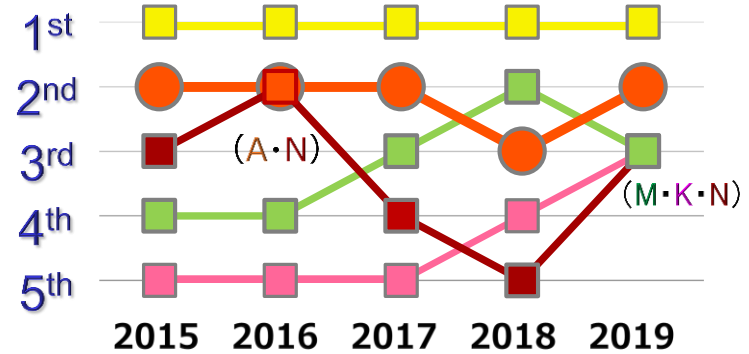
# Ranking of Television Viewer Ratings in Kansai Region by Year

(Source: Video Research)

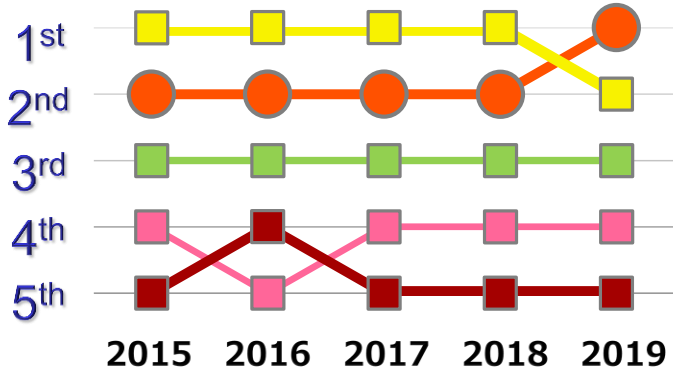
## All-day (6:00-24:00)



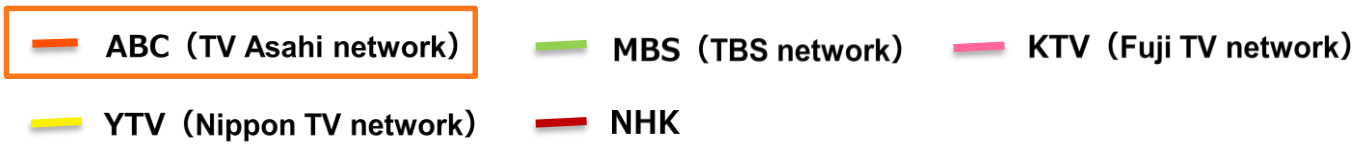
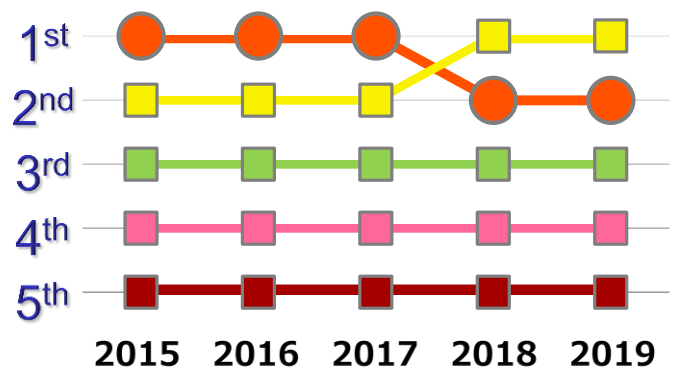
## Golden time (19:00-22:00)



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



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



# Television Viewer Ratings in Kansai Region for April 2019- March 2020

(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 11.7%	<b>ABC</b> <b>11.5%</b> <b>(+0.2)</b>	YTV 7.6%
<b>2</b>	KTV 7.6%	<b>ABC</b> <b>10.9%</b> <b>(+0.1)</b>	YTV 11.4%	<b>ABC</b> <b>6.5%</b> <b>(-0.6)</b>
<b>3</b>	<b>ABC</b> <b>7.3%</b> <b>(±0)</b>	MBS・KTV・NHK 10.0%	MBS 10.1%	MBS 5.5%
<b>4</b>	MBS 6.9%	* * * * * *	KTV 9.8%	KTV 5.1%
<b>5</b>	NHK 5.8%	* * * * * *	NHK 8.7%	NHK 2.4%

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

# ABC TV FY2019 Notable Second Half Results

The national network time frame performed strongly for both regular and year-end/New Year programs, and **Prime won the top position for the first time in six years!** We also rose to the No.2 spot in Golden. We have battled, maintaining the No.2 position in Prime 2.

【Regular national network slot】

- ***A House in the Middle of Nowhere*** (Sunday night)  
Average viewer ratings 19.2% (Kansai), 18.6% (Kanto)
- ***TORINIKU tte nanno niku!?***  
Average viewer ratings 11.4% (Kansai), 8.9% (Kanto)

⇒ Prime and Golden contributed to increased viewer ratings. Higher unit prices for *A House in the Middle of Nowhere* also contributed to increased time revenue.

【National network special programs】

- ***M-1 Grand Prix 2019***: Peak viewer rating was 33.2% in Kansai and 21.9% in Kanto.  
Average viewer ratings 26.7% (Kansai), 17.2% (Kanto)
- ***Who is a Real Celebrity? 2020***: New record highs in viewer ratings for both Kansai and Kanto! Average viewer ratings 25.6% (Kansai), 21.2% (Kanto)

⇒ Contributed to increase in time revenue. Online availability was also well received, contributing to content-related revenue.

【Local slot】

- The change in department chief for ***Detective Knight Scoop*** in Prime 2 led to strong performance. Average viewer ratings 12.8% (Highest 15.4%)
- Heading into its 40th anniversary, the ***Ohayo Asahi Desu*** anniversary campaign has performed well, and both viewer ratings and revenues were strong.

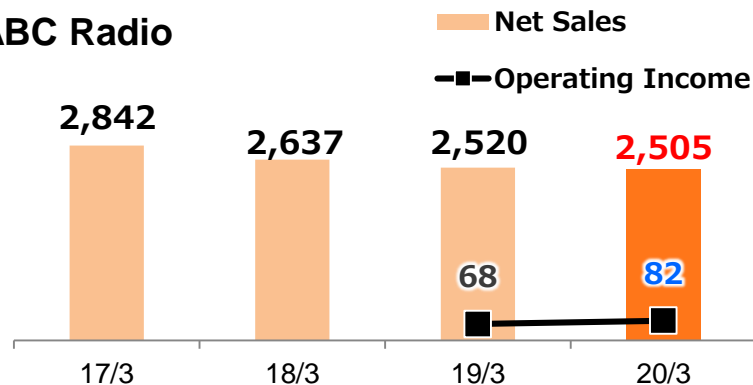


# Major Broadcasting Segment: Non ABC TV-Related (Non-consolidated)

\*Companies for which the bulk of revenues are from non-group sources

(Millions of yen)

## ■ ABC Radio

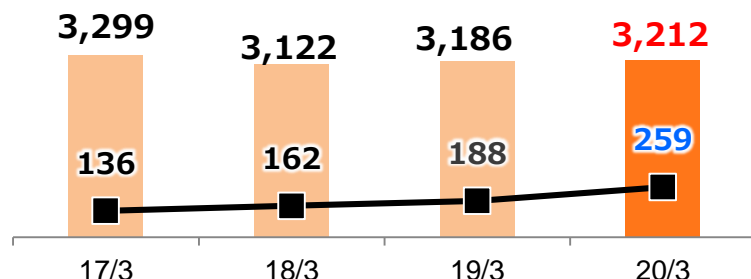


**Net sales / Operating income : Lower revenue, higher profits**

Time revenue were strong, despite a decrease in spot revenue. Secured profits by limiting expenses.

(Note) ABC Radio sales prior to March 2018 were for the former Asahi Broadcasting Corporation

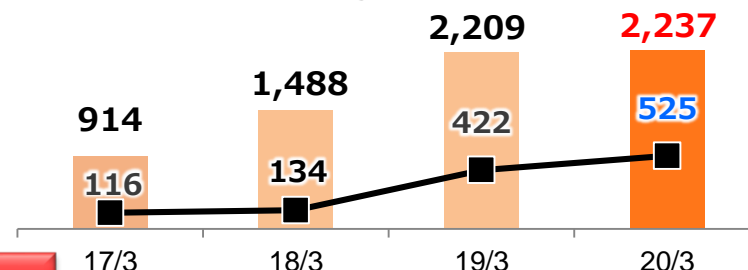
## ■ Sky-A (CS broadcasting, etc.)



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

The SKY PerfectTV basic plan sold well, driving increased revenue. Postponements and cancellations of sporting events in March resulted in lower programming costs.

## ■ ABC Frontier Holdings Group (Content-related)

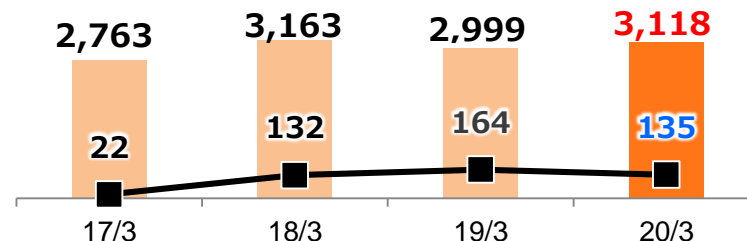


**Point**

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

Despite lower performance year on year due to the impact of the postponement of the ABC ANIMATION movie release and implementation of censorship in China, copyright revenues of the *Hissatsu* Series and online video in the ABC RIGHTS BUSINESS performed well.

## ■ AMC (Mail-order business/Radio program production, etc.)



**Net sales / Operating income: Higher revenue, lower profits**

The TV shopping business saw weak sales year on year of seasonal products due to the warm winter; however, sales agent revenue and other revenue was strong, leading to higher revenues

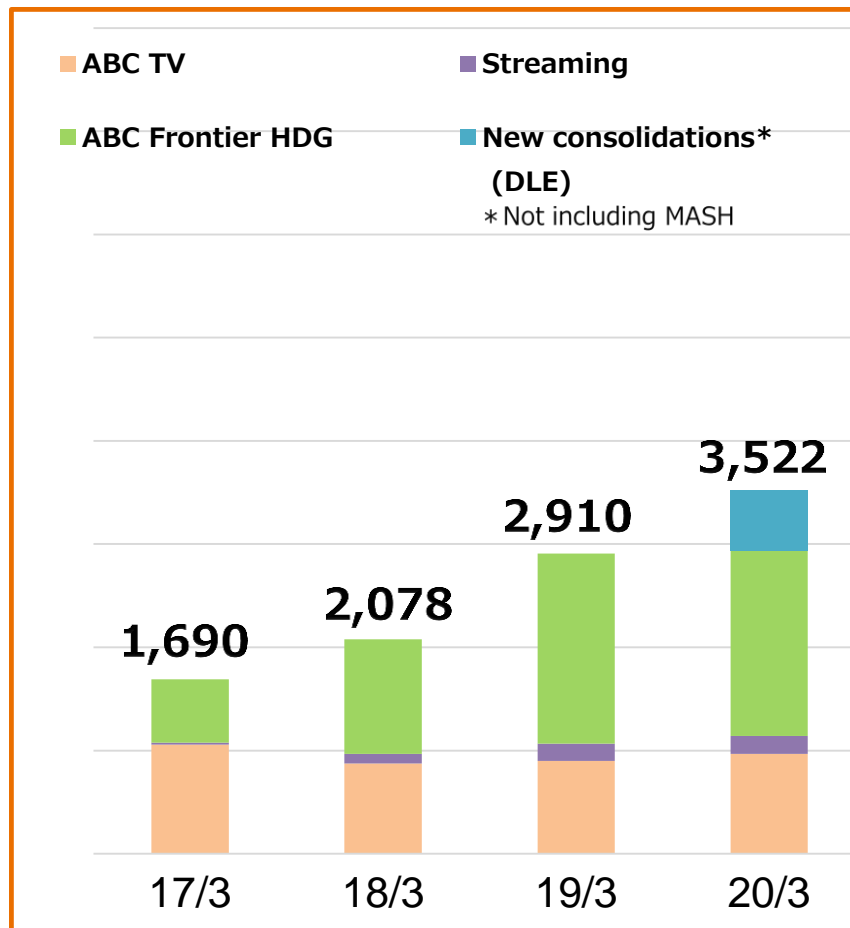
	17/3	18/3	19/3	20/3
Four companies (Non-consolidated) Total of Operating Income *Reference	274	428	844	1,002



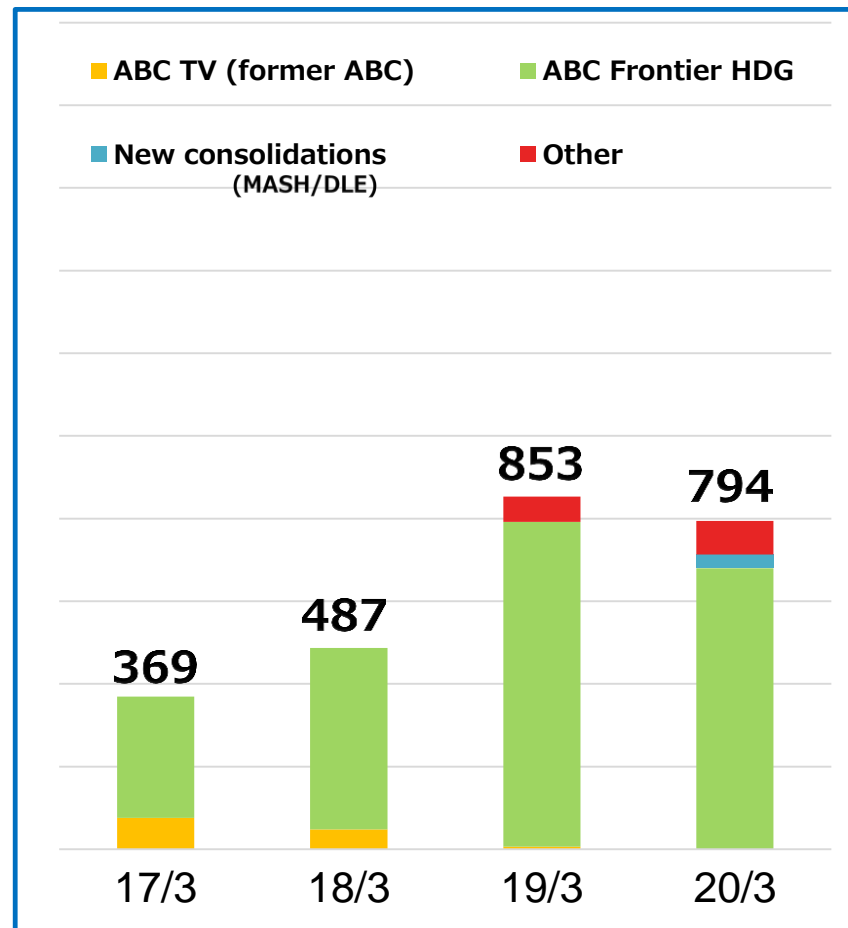
# Sales Growth of Content/Overseas Businesses (Reference)

(Millions of yen)

## ▼ Sales Growth of Content-Related Businesses



## ▼ Sales Growth of Overseas Businesses



# **Medium-Term Management Plan Progress and FY2020 Initiatives and Policies**

**Susumu Okinaka  
Representative Director and President  
Asahi Broadcasting Group Holdings Corporation**

## Business Targets

- Definitely achieve our target of “consolidated sales of 89 billion yen and ordinary income of 6 billion yen” in FY2020

⇒ **There is a large gap between the target and actual results, but we aim to achieve our goals by combining growth investments such as M&A.**

- Invest in growth areas (investment ceiling of 20 billion yen) to achieve the Group Growth Vision

⇒ **So far, we invest about 7 billion yen in total in M&A contracts and acquisitions.**

- Pursue a dividend payout ratio of 30% or higher

⇒ **30.6% in FY2018, 32.4% in FY2019**

- Strive to improve ROE

⇒ **5.9% in FY2018 (YoY +1.4%), 3.5% in FY2019 (YoY -2.4%)**

- Target an overseas business sales ratio to consolidated sales of 3% or more

⇒ **The total amount was about 850 million yen in FY2018, about 800 million yen in FY2019**

- While the current fiscal year (FY2020) is the final year of our medium-term management plan, the impact of the spread of COVID-19 at the beginning of 2020 has resulted in a continued severe condition as of May 2020, mainly in the advertising business and live event business.
- See P.19-P.21 for more about new investments and dividends.



## NTT Sportict

Company name: NTT Sportict

\*Joint venture established with NTT West

Establishment: April 1, 2020

Business lines: AI camera device sales, installation, and maintenance; platform for sports facility, sports group broadcasting; video content broadcasting, etc.

### 【Purpose of Investment】

- ▶ Creation of new businesses based on ABC Group film production technologies, technologies offered by other ABC Group investees, and NTT West ICT technologies
- ▶ Contribute to activation of regional sports tournaments and greater promotion of amateur sports



**PROCEN STUDIO**

Company name: Procen Studio

Establishment: 1979

Business lines: Audio dubbing production for animation and foreign movies, TV program post-production. Currently providing dubbing production for major Hollywood movies, online video content (Amazon, Netflix, etc.), as well as editing, multi-audio, and other fields related to animation and other key commercial station TV programs.

### 【Purpose of Investment】

- ▶ Use as one base for Group content production in Tokyo, aiming to strengthen filming and sound production/editing businesses in Japan.

Investment in US online video broadcaster Quibi Holdings via Pegasus Tech Ventures Company III, L.P. (Pegasus Fund), established jointly with Pegasus Tech Ventures Management III, LLC (US-based investment company).

Pegasus Investment: USD30 million (initial investment)  
ABC Group Holdings 99% ownership



### Quibi

-Service launched in April 2020 in the U.S.

-Platform for Hollywood-quality short film viewing on smartphones

### 【Purpose of Investment】

- ▶ Financial returns
- ▶ Content production contracts from Quibi
- ▶ Royalties from providing Group content
- ▶ Coordinate with Japanese production companies (movies and animation)

## 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**



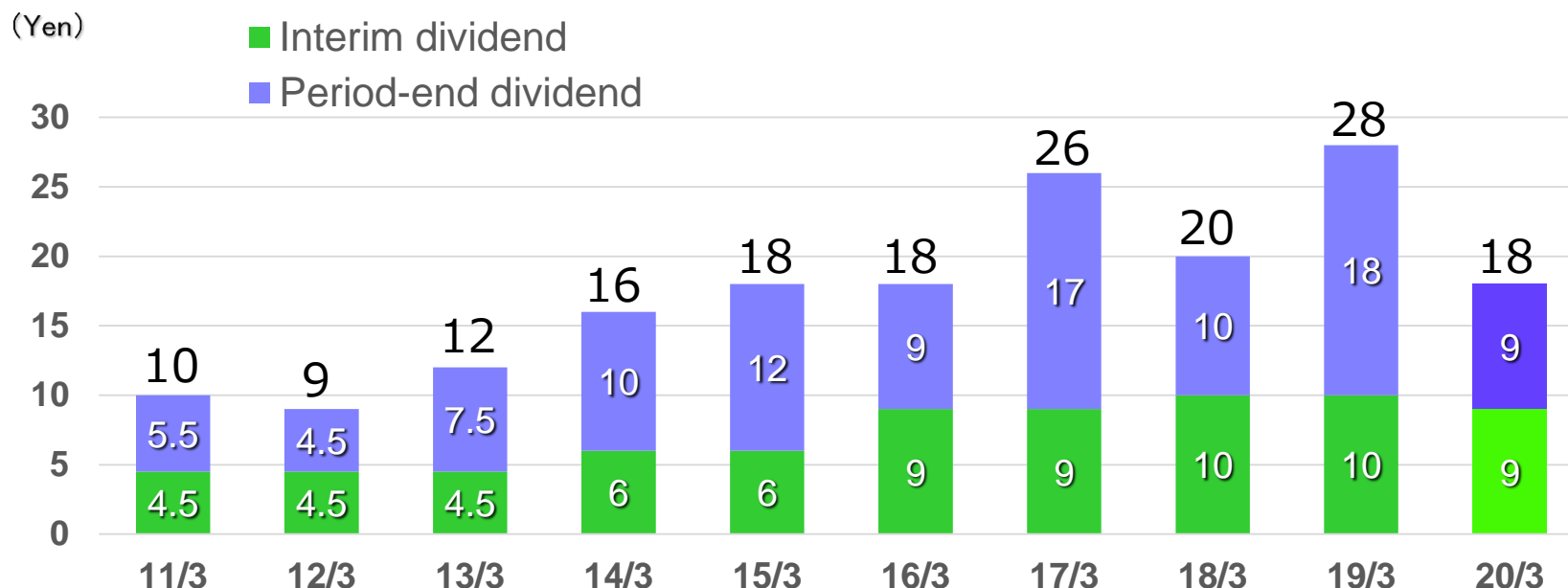
## 1<sup>st</sup> Fund (July 2015-)

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

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



# 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.

### <2018-2020 Medium-Term Management Plan>

**Pursue a dividend payout ratio of 30% or higher**

	19/3	20/3
Dividend per share	¥28	¥18
Dividend payout ratio	30.60%	32.35%

# FY2020 Results Forecasts and Current Operations

■ At present, it is extremely difficult to predict the timing of the end of COVID-19 and the state of economic activity recovery in the post-COVID-19 era. Therefore, due to the difficulty in performing calculations at this time, we have decided to leave FY2020 consolidated results forecasts as undecided for the time being. We will make an announcement as quickly as we are able to make appropriate and rational calculations.

▼ The following table provides our current status, including the impact of COVID-19.

Segment	Company	Status as of April 2020
Broadcasting	ABC TV	Spot revenue experienced a significant decline year on year at almost 30%, due in part to advertising cuts by sponsors. Although we strengthened our reporting system for news related COVID-19, etc., re-edited/re-run our entertainment programs, and implemented other measures, we experienced shortages in new content due to suspended recordings, postponed sports broadcasts, etc. We canceled events of all types beginning in early March.
	ABC Radio	
	Sky-A (CS broadcasting)	The business experienced an increase in contract cancelations due to a shortage of content, including postponed professional baseball broadcasts.
	AMC (Mail-order business/Radio program production)	TV shopping performance rose year on year due to increased demand.
	ABC Libra (Program production)	Although we suspended program production, we received orders to re-run a library of programs.
	ABC FRONTIER HOLDINGS (Anime/International/Rights business)	Due to the decline in inbound tourism, we experienced a decrease in hotel and in-flight screenings. Overseas sales were stagnant as well.
	Digiasa (Digital content production)	The impact on operations has been limited, as we had been transitioning to remote work arrangements prior to the outbreak of COVID-19.
	i-NEX (General technical production)	Orders decreased significantly due to cancellations of program production and sports broadcasts.
	MASH (Event planning and management)	We began canceling events in early March. We were able to secure profits through facility operations contracting based on regular repeat contracts.
	DLE	Sales and consulting have been difficult due to voluntary restraints on non-essential travel outside the home. Accordingly, we experienced sluggish performance for new orders.
Procen Studio (Post-production)	Post-production and MA orders fell after the state of emergency declaration.	
Housing	ABC Development Corporation	Our housing exhibition business closed all facilities on a temporary basis after the state of emergency declaration. We plan to open facilities in Nabari (Mie Prefecture) and other areas that are no longer subject to temporary closure orders beginning in May. HDC has also closed all facilities temporarily. We plan to reopen gradually based on the decision of each facility, etc.
Golf Club	ABC GOLF CLUB	Although we continue to operate (under restrictions), cancellations have risen and visitors are down 45% year on year.

## Preventive Measures Related to COVID-19

### ■ Employee-related measures

The ABC Group is utilizing telework, online conferencing, and other measures, actively leveraging business methods using the internet to avoid the Three C's (closed spaces, crowded places, close-contact settings). During the declaration of emergency, as a rule, we limited employees to only those required for ongoing broadcasts, securing the safety of our employees.

### ■ Responsibilities as a news media organization

As the spread of COVID-19 has an increasingly serious impact on society and the economy, we will assess changes in society as we respond flexibly through stronger backup systems and use of the internet, ensuring the safety of performers and staff, while contributing to society by broadcasting accurate information related to COVID-19 for the health and sustained development of society.

## Current Conditions Related to COVID-19

- Given our responsibilities as a news media organization, the ABC Group has been prepared to respond to crises and disasters. Therefore, we do not believe the current crisis will impede the continuity of our core broadcasting business.
- The slowdown of the Japanese and global economies due to the spread of COVID-19 has had a significant impact on the ABC Group businesses.
- Due to the increased uncertainties about the future, we understand that developing new business methods and reforming our business structure are pressing needs for all group businesses.



# FY2020 Initiatives and Policies

## ■ Results after two years as a holding company and initiatives going into our third year

We transitioned to a holdings company structure in April 2018.

In our first year, we focused on creating an organization to support growth strategies centered on investments and new businesses.

In our second year, we implemented M&A and other investments, strengthening the structure of our content business.

➔ **In two years, we made progress in awareness reform internally, evolving steadily into a comprehensive content business group.**

For FY2020, we will launch new business development, while at the same time developing management talent for growth and strengthening marketing to make new appeals for media value.

## ■ Two new projects launched in April

### (1) DXP (Digital Transformation Project)

Advancing through three pillars of Business Use of Data; Technology Investigation, Research, and Development; and Greater Efficiency

### (2) MoonShot Lab.

Concept: Develop new businesses that solve social issues

Base of activities: Outside co-working spaces






















## ■ Policies in the With-COVID-19/Post-COVID-19 era

We will pursue the goals of changing ourselves and creating new things, creating new content and making investments.

# Reference Materials

# List of Group Companies

★ Consolidated subsidiary

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

# ANN's TV Network

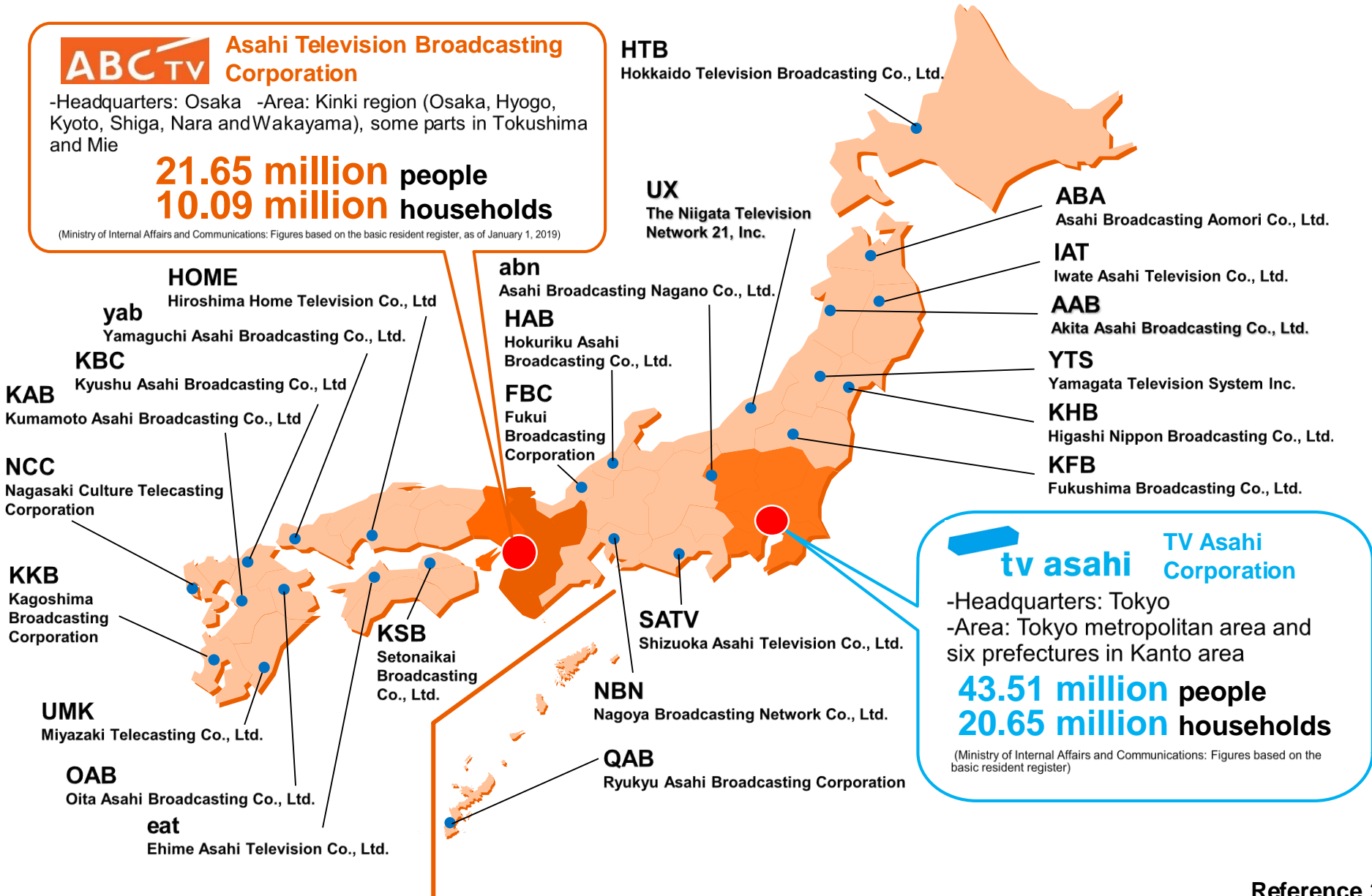


## Asahi Television Broadcasting Corporation

-Headquarters: Osaka -Area: Kinki region (Osaka, Hyogo, Kyoto, Shiga, Nara and Wakayama), some parts in Tokushima and Mie

**21.65 million people**  
**10.09 million households**

(Ministry of Internal Affairs and Communications: Figures based on the basic resident register, as of January 1, 2019)



**TV Asahi Corporation**

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

**43.51 million people**  
**20.65 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 Network  
Programs



Produced by ABC TV  
Local programs

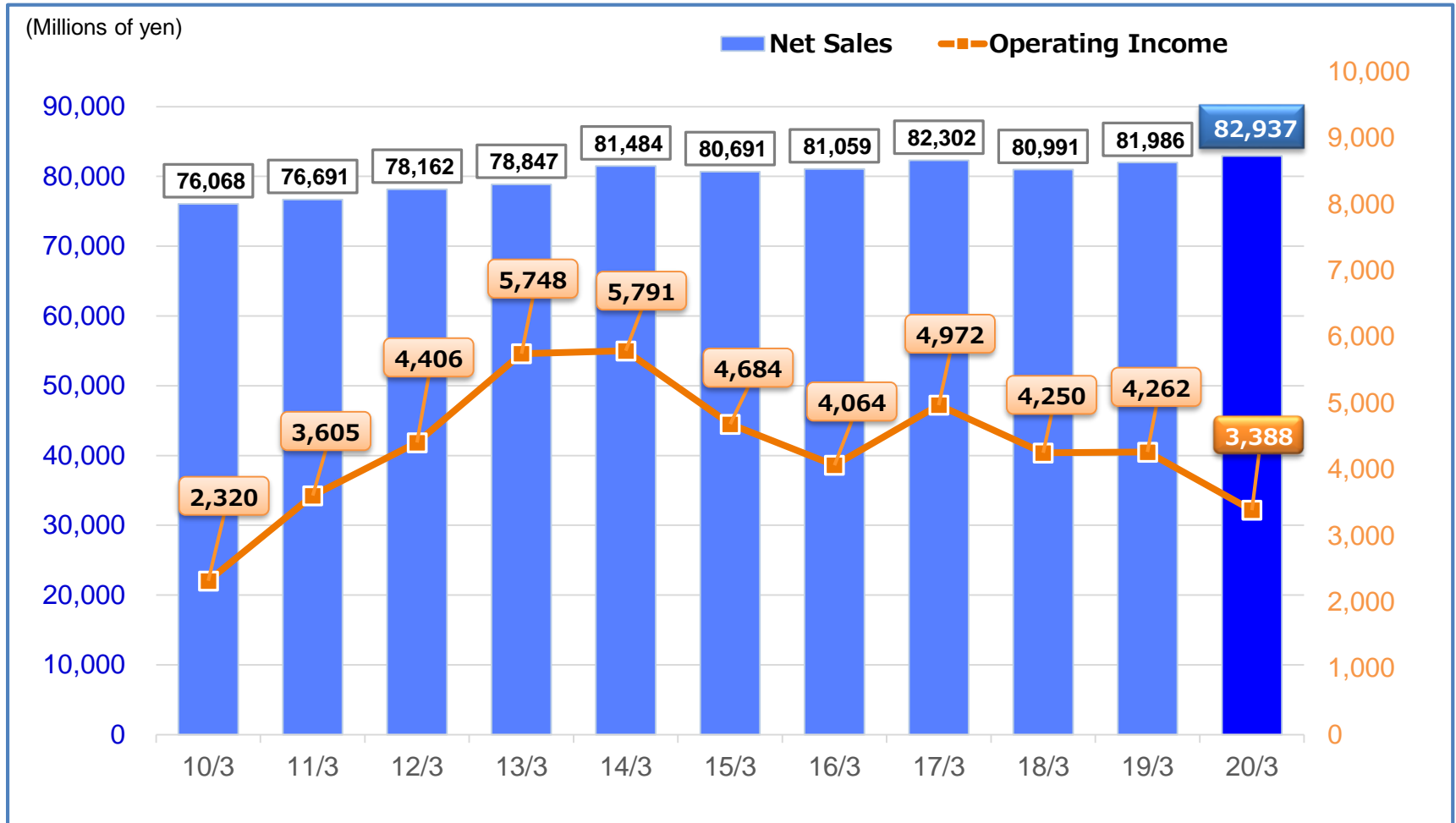


Programs produced by  
TV Asahi or other  
companies

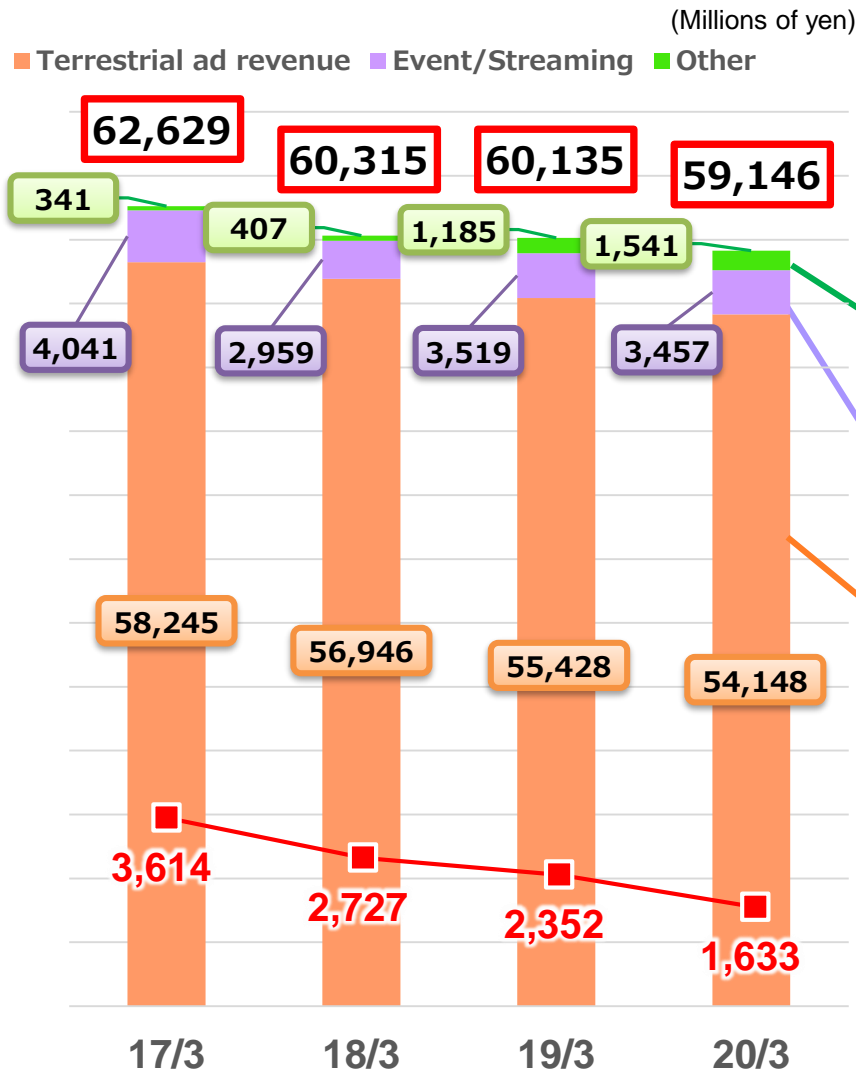
ABC TV Production Ratio : 38.0%

(Based on TV listings as of April 2020)

## Consolidated Net Sales and Operating Income in the Past 11 Years



# ABC TV-Related Business Growth\*<sup>1</sup> (Reference)



## Point

Large impact of deteriorating spot market conditions on declining terrestrial TV ad revenue. Increase in other revenue due to increase in contract orders for T. League broadcasts, etc.

**Other**  **YoY +30.0%**

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

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

**YoY -1.7%**

(Figures prior to FY2017 includes radio events)

**Terrestrial ad revenue**  **YoY -2.3%**

--- Operating income of five companies' TV-related business

## \*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.

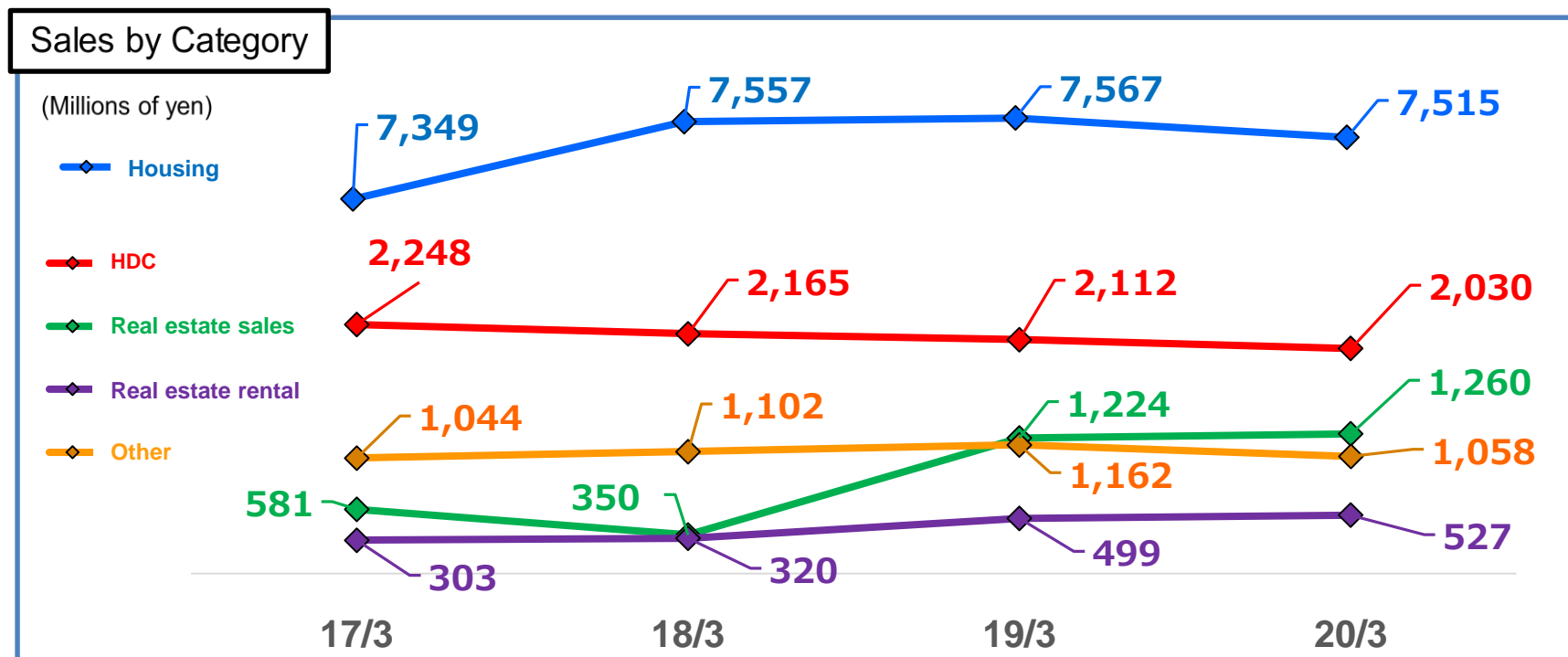
# Housing Business : ABC Development Corporation

## Lower Revenue, Higher Profits

(Millions of yen)

	2017/3	2018/3	2019/3	2020/3
Net Sales	10,924	11,474	12,545	12,372
Operating Income	1,143	1,083	1,060*	1,101*

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



**Net sales:** Lower revenue due to closures of certain housing exhibitions upon conclusion of contracts.

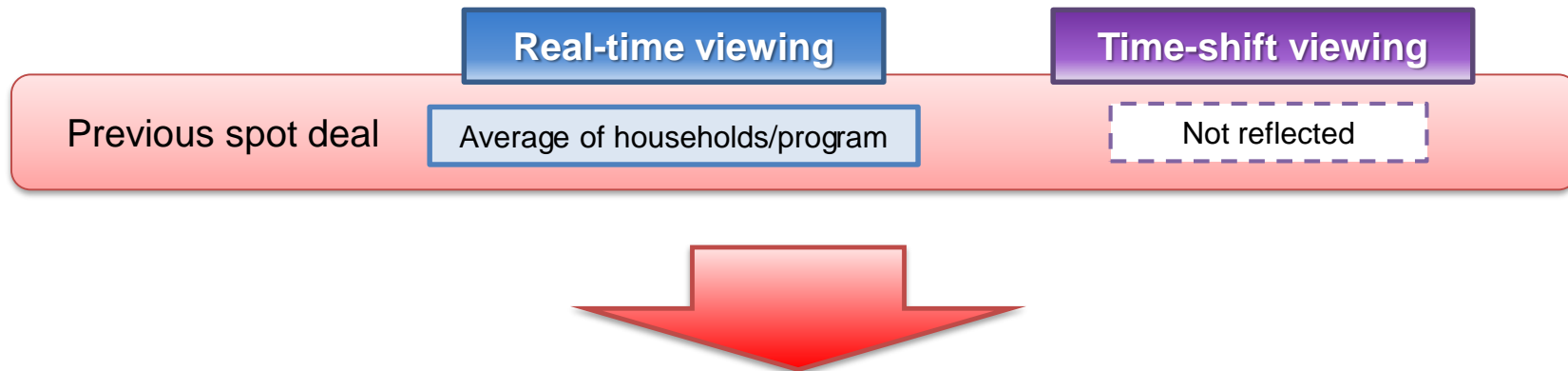
**Operating Income:** Closing of housing exhibitions with declining profits resulted in higher profitability and increased profits. **Point**



# Capital Investments / Depreciation and Amortization

	19/3		20/3	
	Consolidated	ABC TV	Consolidated	ABC TV
Capital Investments	¥2.6 billion	¥1.8 billion	¥2.5 billion	¥2.0 billion
Depreciation and Amortization	¥3.0 billion	¥1.3 billion	¥3.2 billion	¥1.5 billion

# 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.

# 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.