

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

# **Asahi Broadcasting Group Holdings Corporation**

## **Earnings Reference for the Second Quarter of Fiscal 2020**

**(For the fiscal year ending March 31, 2021)**

**November 6, 2020**

The ABC logo is displayed in white text on an orange rectangular background. The letters 'A', 'B', and 'C' are bold and sans-serif. A white diagonal line runs from the top right corner of the orange box, passing behind the letter 'C'.

**Securities Code: 9405**

# Consolidated Results

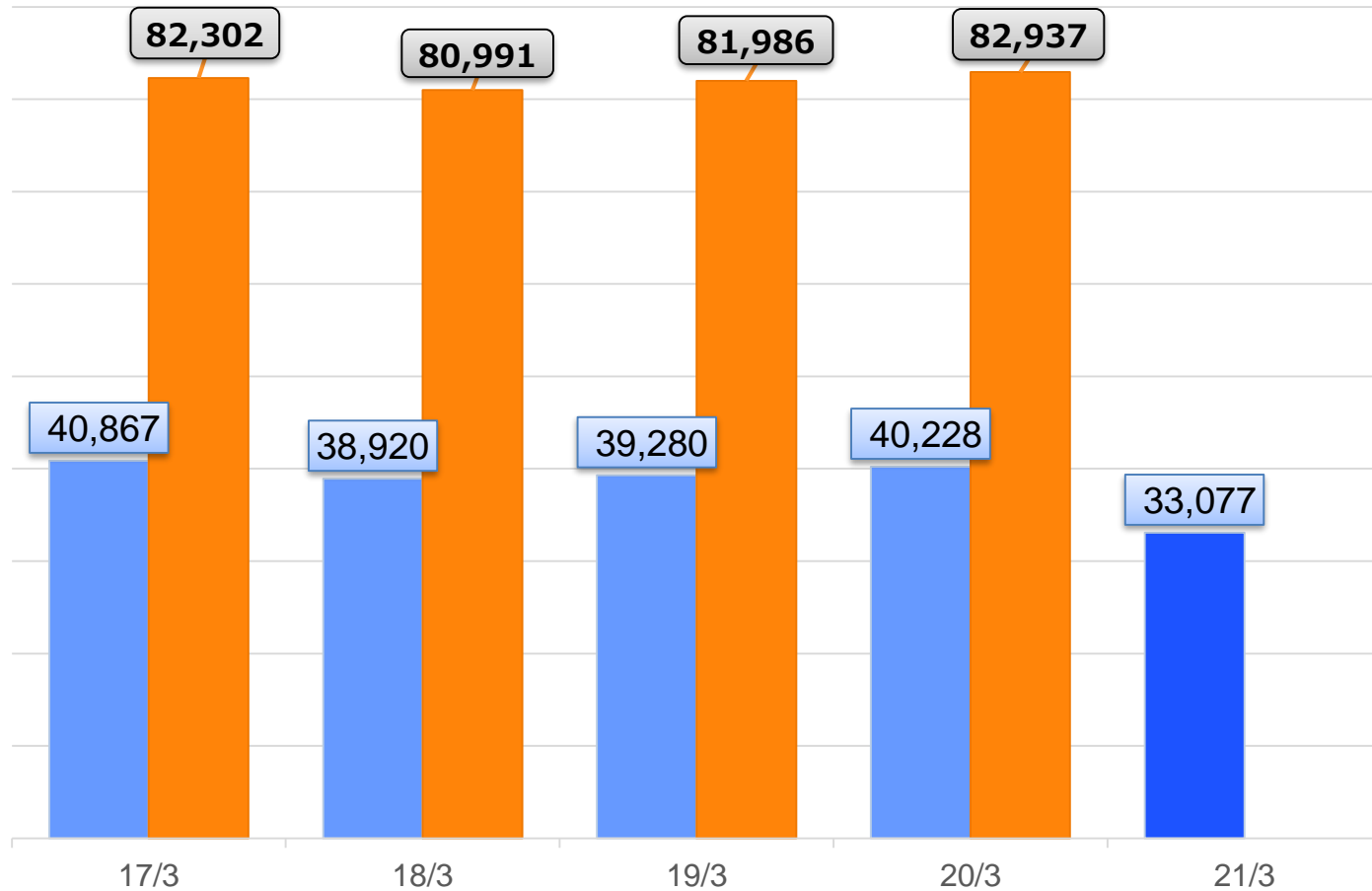
(Millions of yen)

|   |  | 20/3 1H | 21/3 1H | YoY    | % Change |
|---|--|---------|---------|--------|----------|
| Net Sales                               |  | 40,228  | 33,077  | -7,151 | -17.8%   |
| Operating Expenses                      |  | 38,862  | 34,195  | -4,666 | -12.0%   |
| Details                                 | Cost of Sales                                | 26,897  | 23,358  | -3,538 | -13.2%   |
|   | Selling, General and Administrative Expenses | 11,965  | 10,836  | -1,128 | -9.4%    |
| Operating Income                        |  | 1,365   | -1,118  | -2,484 | -        |
| Ordinary Income                         |  | 1,507   | -900    | -2,408 | -        |
| Profit Attributable to Owners of Parent |  | 866     | -604    | -1,470 | -        |

# Five-Year Net Sales (Consolidated)

(Millions of yen)

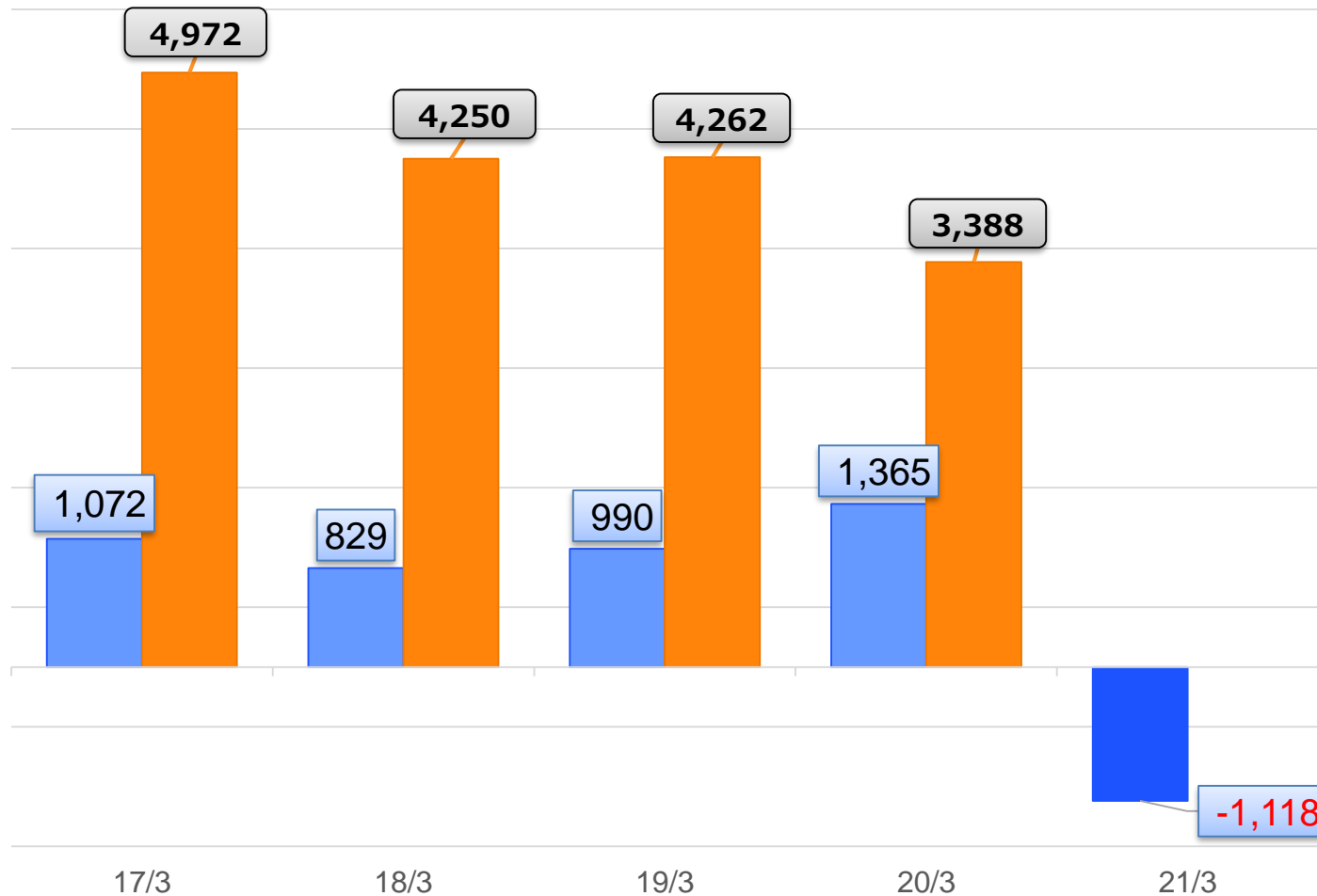
■ 1H ■ Full-year



# Five-Year Operating Income (Consolidated)

(Millions of yen)

■ 1H ■ Full-year

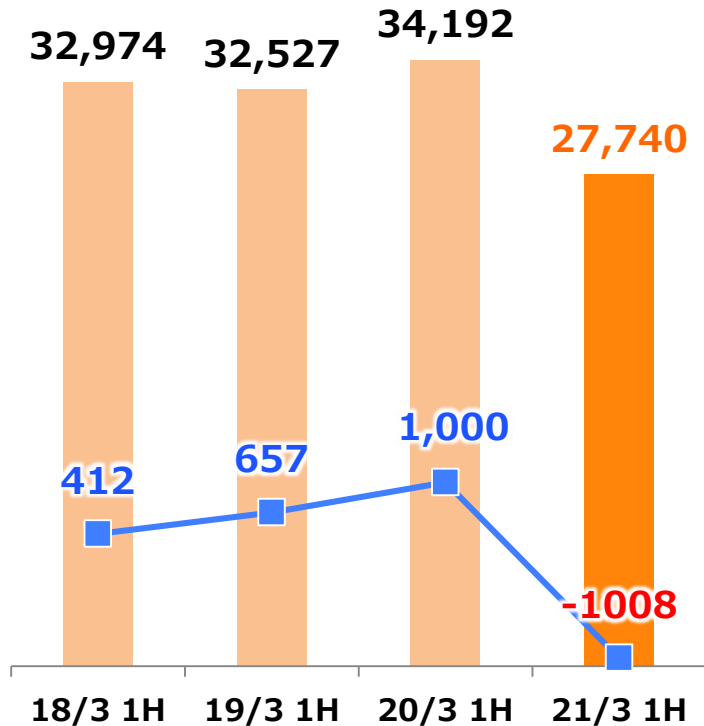


# Results by Segment

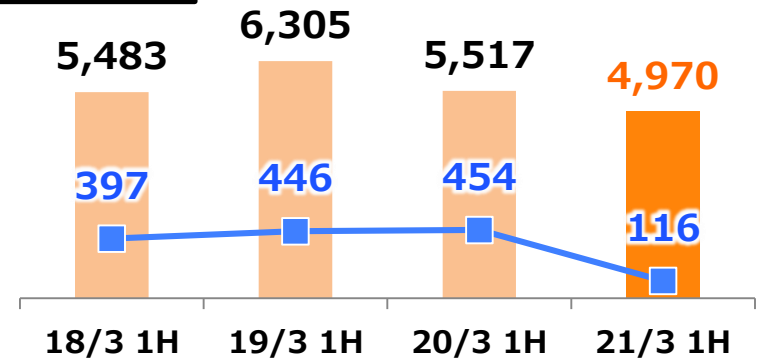
(Millions of yen)

## Broadcasting

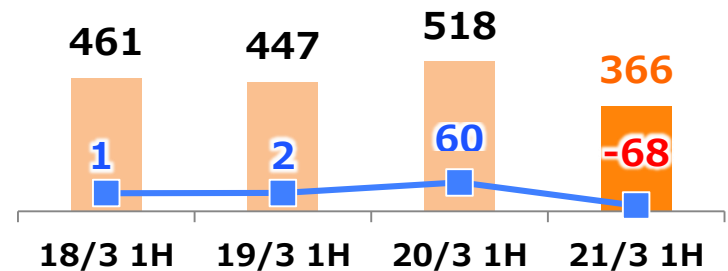
Net sales  
Operating income



## Housing



## Golf Club



| Adjustments      | 20/3 1H | 21/3 1H |
|------------------|---------|---------|
| Operating Income | -150    | -157    |

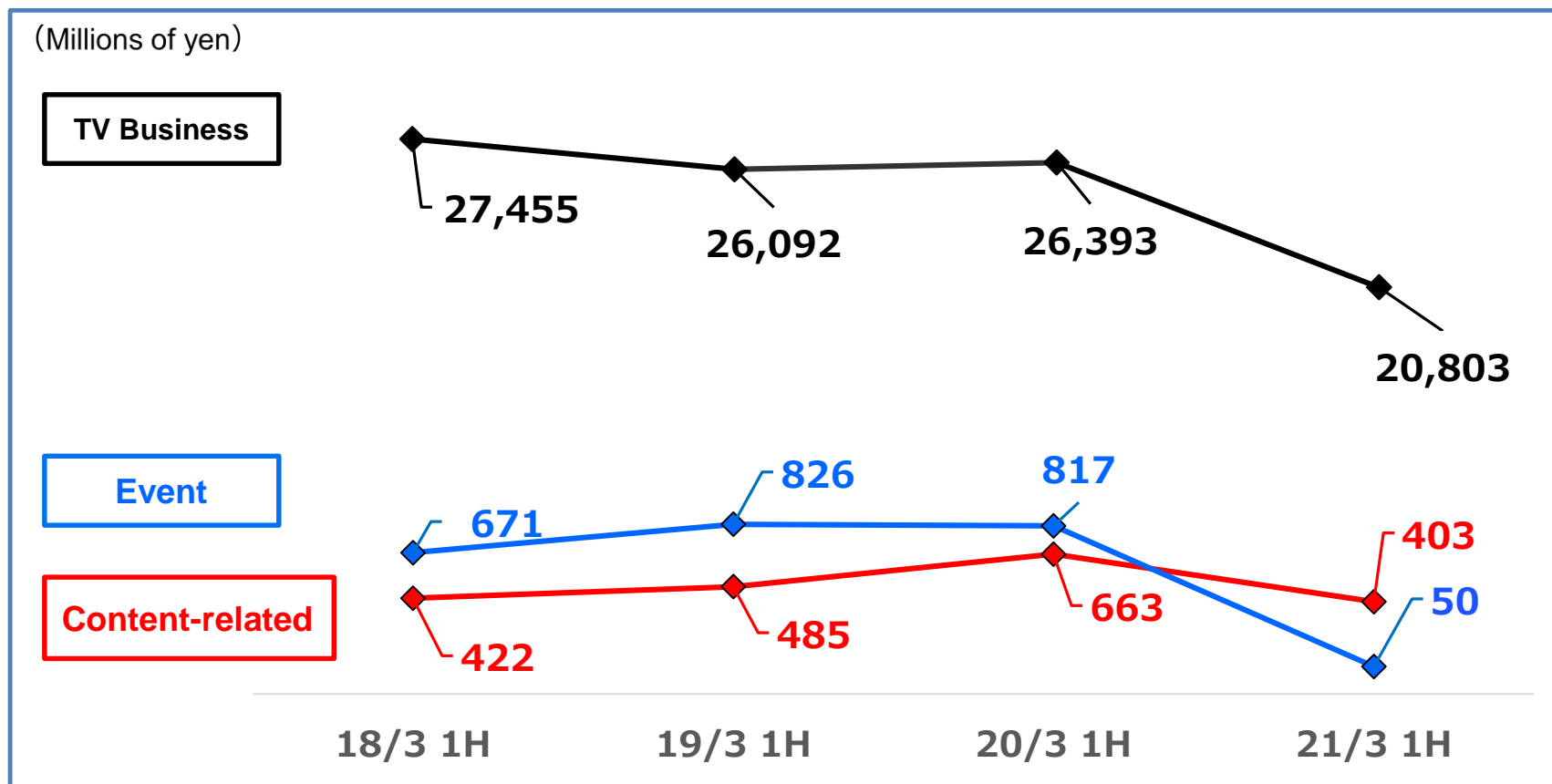
# ABC TV Results

(Millions of yen)

|                    |  | 20/3 1 H | 21/3 1 H | YoY    | % Change |
|--------------------|--|----------|----------|--------|----------|
| Net Sales          |  | 28,311   | 21,726   | -6,585 | -23.3%   |
| Operating Expenses |  | 28,185   | 23,354   | -4,830 | -17.1%   |
| Details            | Cost of Sales                                | 17,930   | 14,596   | -3,333 | -18.6%   |
|                    | Selling, General and Administrative Expenses | 10,255   | 8,757    | -1,497 | -14.6%   |
| Operating Income   |  | 125      | -1,628   | -1,753 | -        |
| Ordinary Income    |  | 158      | -1,590   | -1,748 | -        |
| Profit             |  | 14       | -1,070   | -1,085 | -        |
|                    |  | 20/3 1 H | 21/3 1 H | YoY    | % Change |
| Program Expenses   |  | 9,121    | 7,272    | -1,848 | -20.3%   |



# ABC TV Revenue

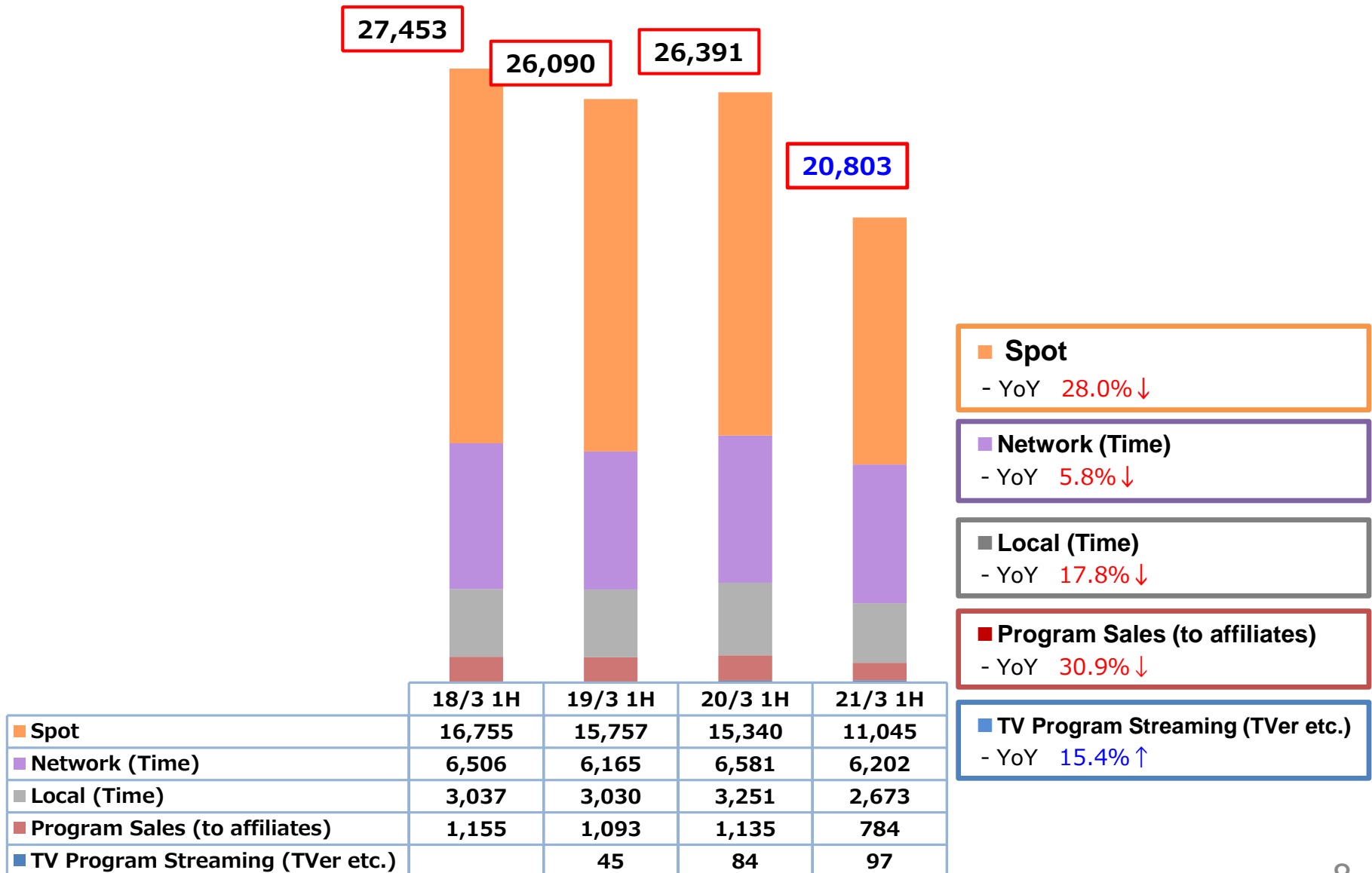


\*Event revenue in 18/3 includes radio-related events.

(Millions of yen)

|       | 18/3 1H | 19/3 1H | 20/3 1H | 21/3 1H |
|-------|---------|---------|---------|---------|
| Other | 251     | 482     | 436     | 469     |

# Details of TV Business Revenue





# Spot Revenue of TV Business

(Millions of yen)

|             | 1Q    | 2Q    | 3Q    | 4Q    | Full-year |
|-------------|-------|-------|-------|-------|-----------|
| <b>19/3</b> | 8,019 | 7,738 | 8,634 | 8,777 | 33,169    |
| <b>20/3</b> | 8,028 | 7,312 | 7,905 | 8,053 | 31,298    |
| <b>21/3</b> | 5,369 | 5,675 |       |       |           |

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

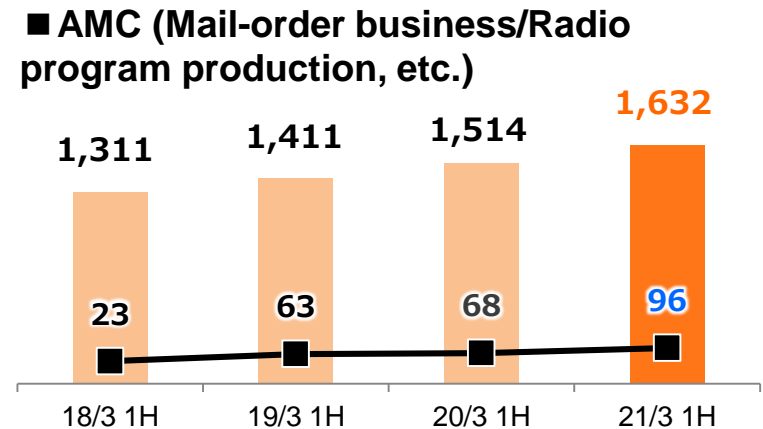
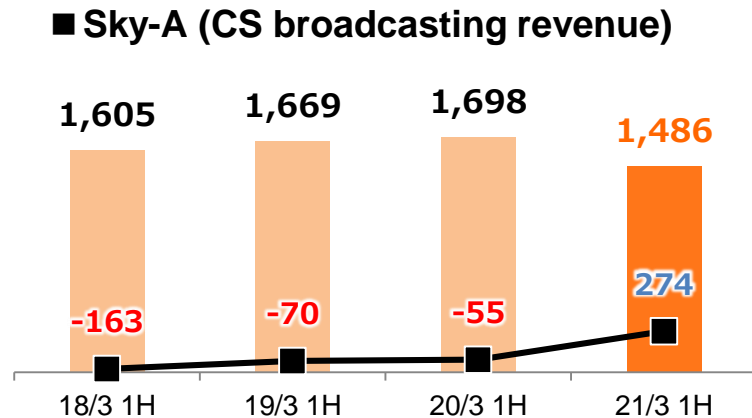
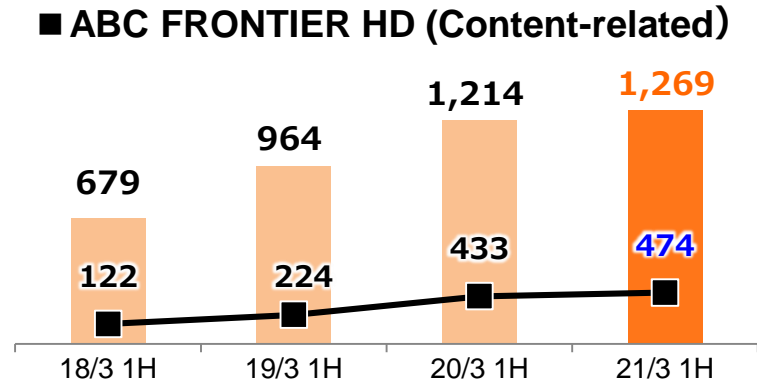
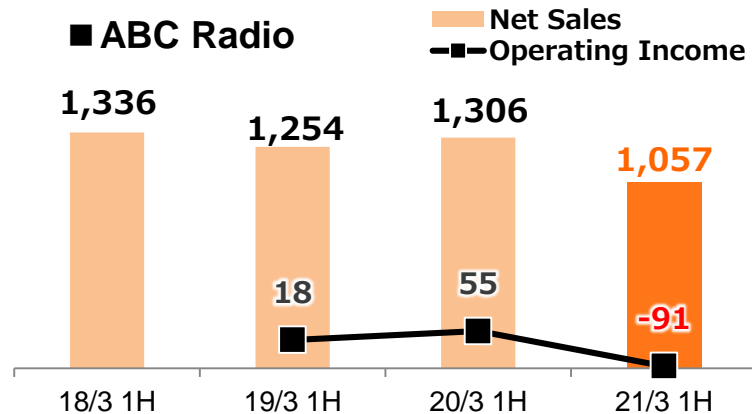
|  | 20/3 1 H |                  | 21/3 1 H |                  |
|--|----------|------------------|----------|------------------|
| Industry   | YoY*     | Composition rate | YoY*     | Composition rate |
| Foods  | 88.3%    | 10.6%            | 79.3%    | 11.7%            |
| Transportation/Leisure/Restaurants & Fast Foods/Services | 108.3%   | 12.2%            | 59.7%    | 10.1%            |
| Beverages/Liquors  | 93.8%    | 8.6%             | 75.6%    | 9.0%             |
| Pharmaceutical/Medical Products                          | 89.9%    | 6.9%             | 88.6%    | 8.5%             |
| Information/Telecommunication                            | 88.3%    | 7.3%             | 69.6%    | 7.0%             |
| Automobiles  | 95.3%    | 7.5%             | 62.9%    | 6.6%             |
| Cosmetics/Toiletries                                     | 81.8%    | 6.5%             | 66.2%    | 5.9%             |
| Finance  | 91.6%    | 6.3%             | 66.6%    | 5.8%             |
| Consumer Electronics/Computer                            | 125.9%   | 6.2%             | 66.7%    | 5.7%             |
| Hobby (Movie/Game/Music etc.)                            | 78.9%    | 5.0%             | 69.7%    | 4.9%             |
| Government/Political Organization                        | 152.5%   | 3.1%             | 101.8%   | 4.4%             |
| Mail Order Sales   | 121.7%   | 1.7%             | 185.1%   | 4.3%             |
| Housing/Real Estate/Construction                         | 87.2%    | 3.7%             | 53.5%    | 2.7%             |
| Publishing   | 113.8%   | 2.6%             | 67.2%    | 2.4%             |
| Energy/Machine/Material                                  | 160.6%   | 2.9%             | 58.6%    | 2.4%             |
| Fashion (Apparel/Jewelry etc.)                           | 112.8%   | 2.9%             | 56.5%    | 2.3%             |
| Housewares   | 94.9%    | 1.2%             | 126.4%   | 2.0%             |
| Distribution   | 93.2%    | 1.7%             | 63.4%    | 1.5%             |
| Logistics services/Businesses/Events                     | 109.0%   | 1.3%             | 67.7%    | 1.3%             |
| Various Organizations (Law Office etc.)                  | 96.4%    | 1.7%             | 46.9%    | 1.1%             |
| Other  | 691.7%   | 0.1%             | 120.1%   | 0.2%             |
| Total  |          | 100.0%           |          | 100.0%           |

\*Year-on-year comparisons

# Other Broadcasting Businesses (Non-ABC TV-Related (1))

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

(Non-consolidated, Millions of yen)



Note) Outsourcing music publisher business from AMC to ABC Frontier Holdings in April, 2020

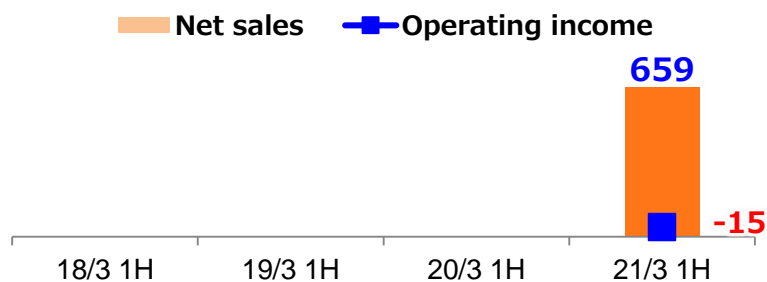
# Other Broadcasting Businesses (Non-ABC TV-Related (2))

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

(Non-consolidated, Millions of yen)

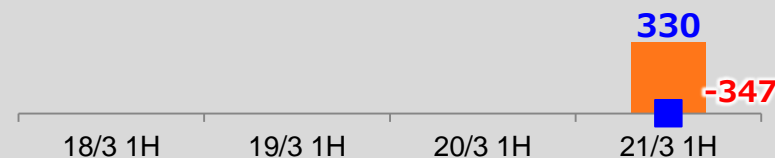
\* P&L of MASH/DLE (group) was consolidated from the 2nd quarter of the fiscal year ending March 31, 2020

## ■ MASH\*



## ■ DLE(Group)\*

Excerpts from the DLE financial results. Please refer to the DLE financial statement for detailed information.



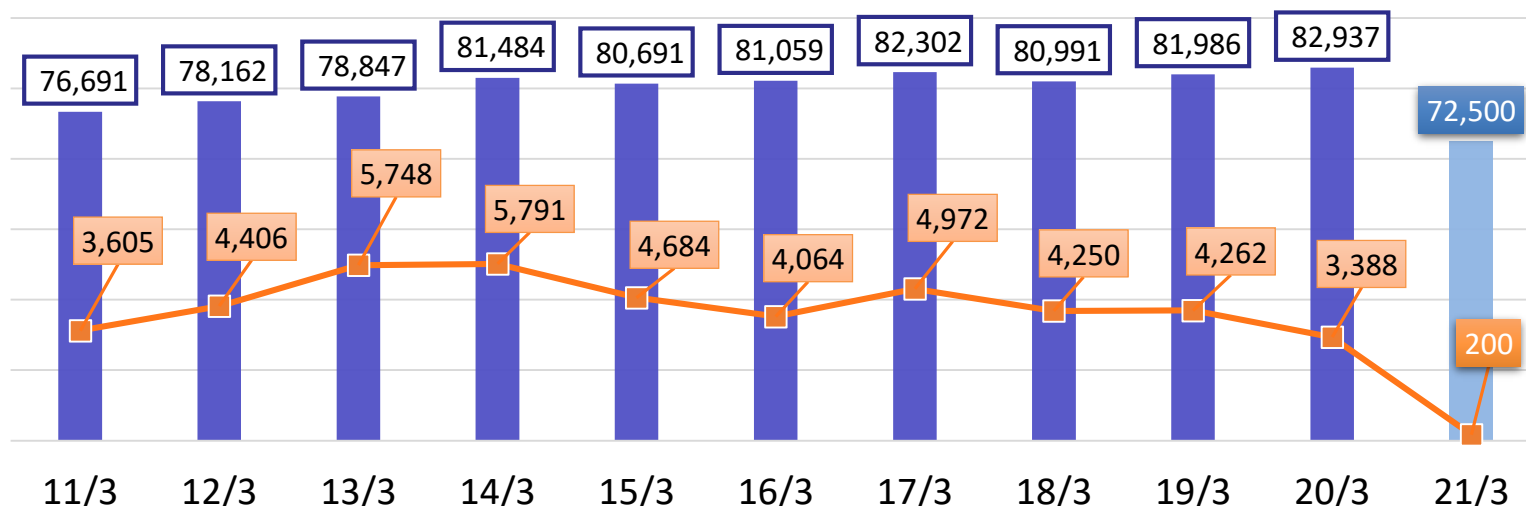
# Fiscal 2020 Consolidated Financial Results Forecasts

(Millions of yen)

|   | 20/3 (actual) | 21/3   | YoY     | % Change |
|---|---------------|--------|---------|----------|
| Net Sales                               | 82,937        | 72,500 | -10,437 | -12.6%   |
| Operating Income                        | 3,388         | 200    | -3,188  | -94.1%   |
| Ordinary Income                         | 3,633         | 500    | -3,133  | -86.2%   |
| Profit Attributable to Owners of Parent | 2,278         | 300    | -1,978  | -86.8%   |

(Millions of yen)

■ Net Sales ■ Operating Income



## Possibility of the loss related to Quibi's business suspension in the U.S.

- Our Company invested in Quibi Holdings, LLC (Quibi Holdings) via Pegasus Tech Ventures Company III, L.P. (Pegasus Fund), a specified subsidiary in March. However, Quibi Holdings announced on October 22 (Japan Time) that it would suspend its future business operations in the United States.
- Due to this event, the Company may record a valuation loss on investment securities held by the specified subsidiary (investment of US\$25 million in Quibi Holdings).
- The impact of this event on the Company's results is currently under examination and this is not reflected in the forecast for the full fiscal year at present. If any matter to be disclosed arises, such information shall be immediately disclosed.

### Regarding the Quibi Holdings which suspended its business

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

- 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
  - ▶ Coordination with Japanese production companies (movies and animation)

# Television Viewer Ratings in Kansai Region for Apr-Sep 2020 (household)

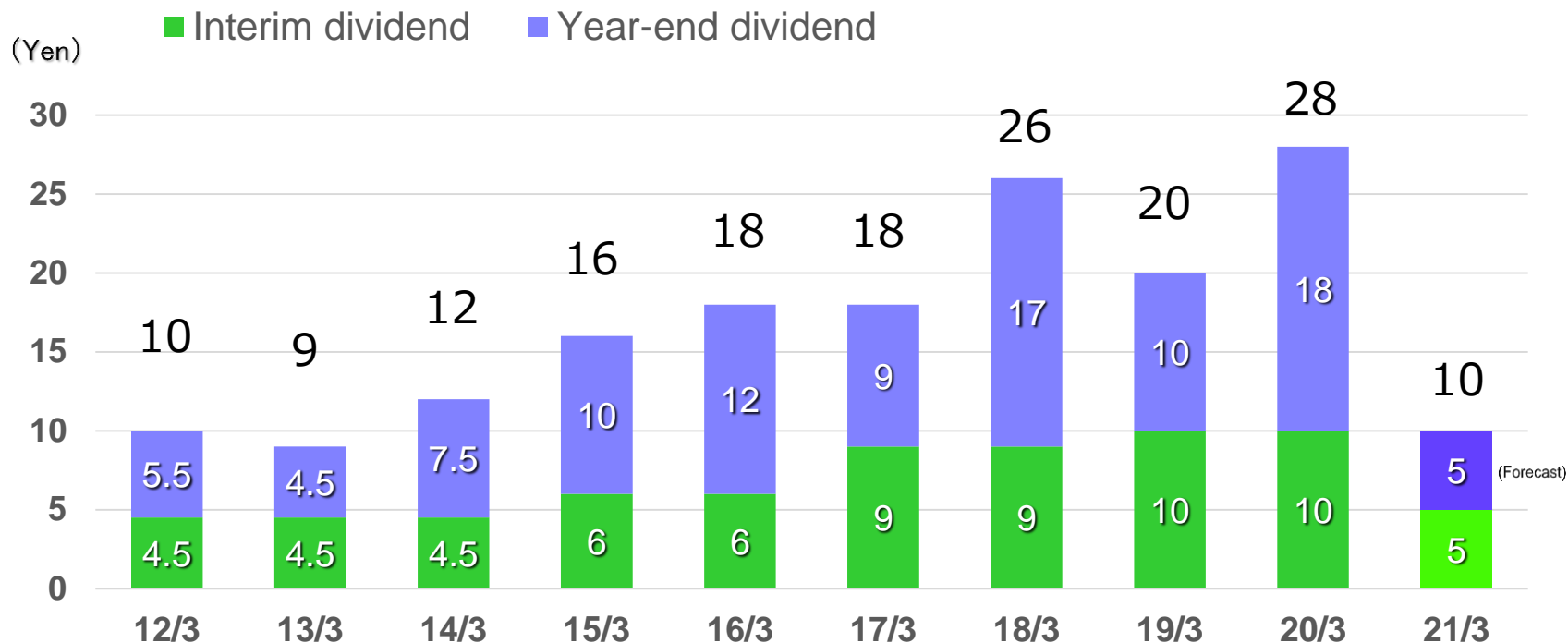
(Source: Video Research)

|          | All-day<br>(6:00-24:00)          | Golden time<br>(19:00-22:00)      | Prime<br>(19:00-23:00)            | Prime 2<br>(23:00-25:00)         |
|----------|----------------------------------|-----------------------------------|-----------------------------------|----------------------------------|
| <b>1</b> | YTV<br>8.4%                      | NHK<br>11.8%                      | <b>ABC</b><br><b>11.9% (+0.7)</b> | YTV<br>7.4%                      |
| <b>2</b> | KTV<br>8.0%                      | YTV<br>11.6%                      | YTV<br>11.2%                      | <b>ABC</b><br><b>6.1% (-0.4)</b> |
| <b>3</b> | <b>ABC</b><br><b>7.8% (+0.7)</b> | <b>ABC</b><br><b>11.0% (+0.5)</b> | NHK<br>10.1%                      | MBS<br>5.2%                      |
| <b>4</b> | MBS<br>7.1%                      | KTV<br>10.0%                      | KTV<br>10.0%                      | KTV<br>4.9%                      |
| <b>5</b> | NHK<br>6.1%                      | MBS<br>9.7%                       | MBS<br>9.8%                       | NHK<br>2.7%                      |

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



# Dividends



## <Dividends for FY2020>

The Company positions the return of profits to shareholders as one of its important measures for corporate management. Therefore, it is important to deliver stable shareholder returns over the medium- to long-term, taking into comprehensive consideration business performance and the level of equity required in the future. The Company may record a valuation loss on investment securities held by a specified subsidiary and it is still difficult to predict when the COVID-19 pandemic will be brought under control. However, the Company will pay an interim dividend of ¥5.00 and a year-end dividend of ¥5.00 for FY2020, resulting in an annual dividend of ¥10.00 per share.

# Disclaimer

The financial results in the period in this presentation are determined on the information available at the moment and are based on the assumption that the Japanese economy will gradually recover. As a result, the information in this presentation contains inherent risks and uncertainties.

The outlook may significantly change due to external factors such as domestic and overseas economic trends in the future, as well as when COVID-19 comes to an end and the range of its impact. Should any event arise that affects the financial results of the Group, the Company will promptly announce it.

## Corporate Information Website



<https://corp.asahi.co.jp/en/>

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