

Asahi Broadcasting Group Holdings Corporation Presentation for the Second Quarter of Fiscal 2023

(For the fiscal year ended March 31, 2024)
November 20, 2023

ABC

ABC Hall
River Deck →



Securities Code : 9405

Matters to be reported

- Overview of Financial Report for the Second Quarter of Fiscal 2023 and Consolidated Financial Results Forecasts for Fiscal 2023
 - Consolidated Results and Segment Information...P.4
 - Asahi Television Broadcasting Results ...P.11
- Growth Investment/Financial Strategy ...P.20

Greetings

Susumu Okinaka

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

Consolidated Results

Hironobu Nakamura

**Director (Accounting)
Asahi Broadcasting Group Holdings Corporation**

Consolidated Results

(Millions of yen)

		FY23/3 1H (Apr. to Sep. 2022)	FY24/3 1H (Apr. to Sep. 2023)	YoY	% Change
Net Sales		41,100	41,776	675	1.6%
Operating Expenses		40,806	42,768	1,962	4.8%
Details	Cost of Sales	28,121	29,977	1,856	6.6%
	Selling, General and Administrative Expenses	12,684	12,790	105	0.8%
Operating Income		293	-992	-1,286	-
Ordinary Income		479	-832	-1,311	-
Profit Attributable to Owners of Parent		403	-673	-1,077	-

<Higher Revenue and Lower Profits>

- **Increase in revenue from ABC TV content and content-related affiliates** contributed to an increase in consolidated net sales
- **Decrease in profit due to a decrease in high-profit TV spot sales revenue, sluggish at-home shopping business sales, and higher content-related expenses**

Trend of Consolidated Results

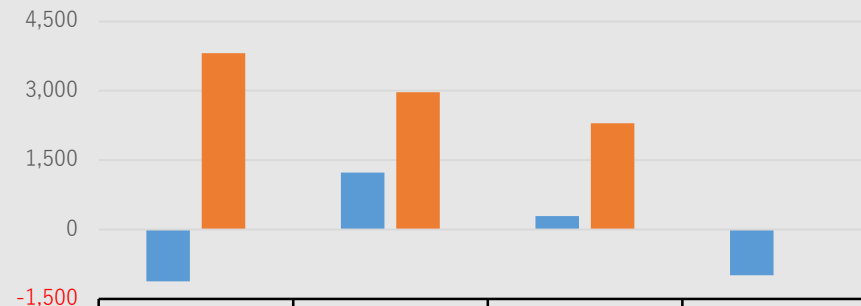
(Millions of yen)

Net Sales

40,000

	FY21/3	FY22/3	FY23/3	FY24/3
■ 1H	33,077	40,889	41,100	41,776
■ 2H	45,267	44,210	45,928	

Operating Income



	FY21/3	FY22/3	FY23/3	FY24/3
■ 1H	-1,118	1,234	293	-992
■ 2H	3,813	2,968	2,300	

Results by Segment

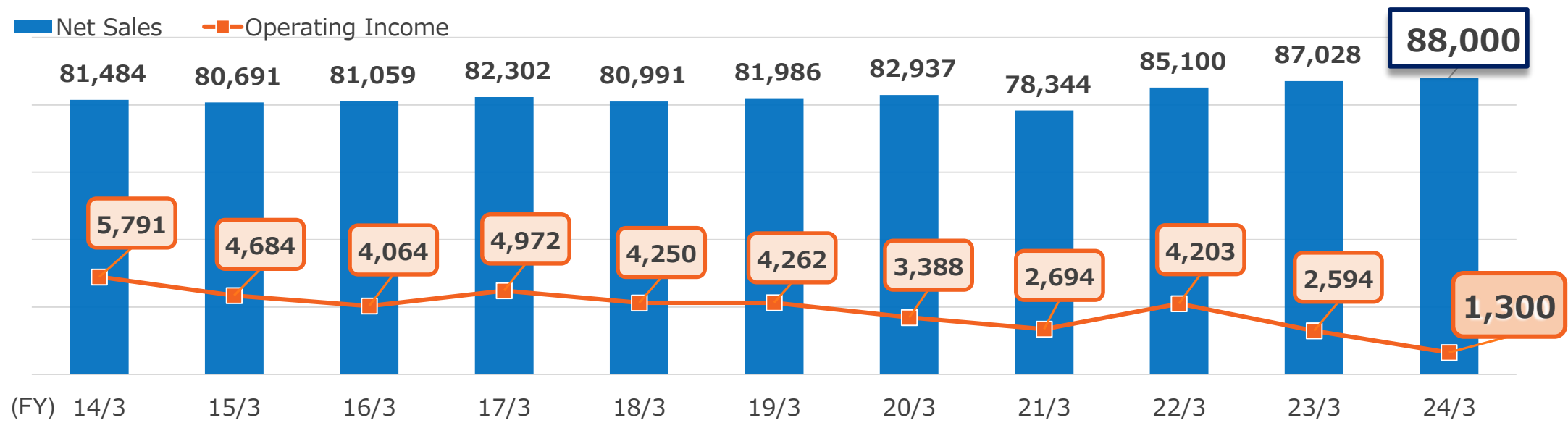
(Millions of yen)

Net Sales		FY23/3 1H (Apr. to Sep. 2022)	FY24/3 1H (Apr. to Sep. 2023)	YoY	% Change
Broadcasting and Content		34,482	35,541	1,058	3.1%
By business	Broadcasting	26,468	25,550	-917	-3.5%
	Content	7,987	9,948	1,961	24.6%
	Other	26	42	15	56.3%
Lifestyle		6,617	6,234	-383	-5.8%
By business	Housing	4,476	4,376	-100	-2.2%
	At-home shopping	1,471	1,196	-275	-18.7%
	Golf	484	488	4	0.9%
	Other	184	173	-11	-6.3%
Operating Income		FY23/3 1H (Apr. to Sep. 2022)	FY24/3 1H (Apr. to Sep. 2023)	YoY	% Change
Broadcasting and Content		407	-733	-1,141	-
Lifestyle		118	-60	-178	-
Adjustments		-232	-198	33	-

FY24/3 Consolidated Financial Results Forecasts

(Millions of yen)

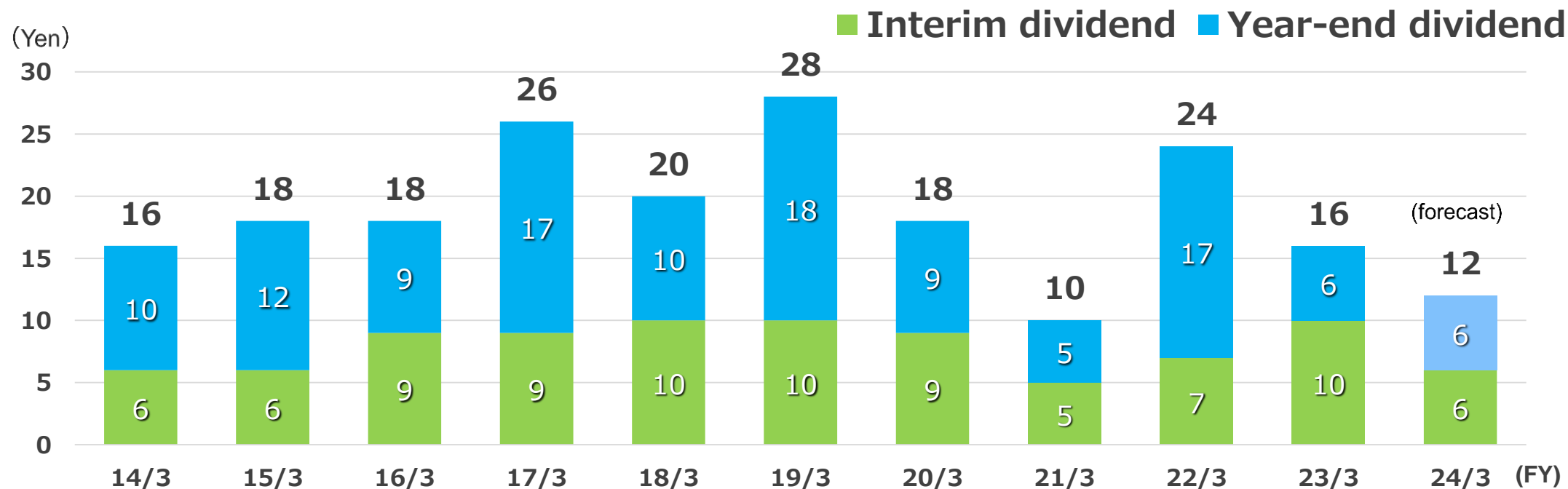
	FY23/3 (actual)	FY24/3 (as of May)	FY24/3 (revised in Nov.)	YoY	% Change
Net Sales	87,028	90,000	88,000	972	1.1%
Operating Income	2,594	2,500	1,300	-1,294	-49.9%
Ordinary Income	2,661	2,700	1,500	-1,161	-43.6%
Profit Attributable to Owners of Parent	1,354	1,700	1,000	-354	-26.1%



Financial Results Forecasts by Segment

(Millions of yen)

Net Sales		FY23/3 Actual	FY24/3 Forecast (revised in Nov.)	YoY	% Change
Broadcasting and Content		72,967	73,800	832	1.1%
By business	Broadcasting	55,516	55,100	-416	-0.7%
	Content	17,387	18,600	1,212	7.0%
	Other	63	100	36	57.0%
Lifestyle		14,061	14,200	138	1.0%
By business	Housing	9,770	9,700	-70	-0.7%
	At-home shopping	2,954	3,200	245	8.3%
	Golf	939	950	10	1.1%
	Other	397	350	-47	-12.0%
Operating Income		FY23/3 Actual	FY24/3 Forecast (revised in Nov.)	YoY	% Change
Broadcasting and Content		2,602	1,400	-1,202	-46.2%
Lifestyle		433	300	-133	-30.9%
Adjustments		-441	-400	41	-



In light of the revision to the financial results forecasts, and in line with our dividend policy, the Company revised the year-end dividend down by ¥2.00 from the previous forecast to ¥6.00 per share. As a result, the annual dividend is forecasted to be ¥12.00.

[Dividend Policy]

Returning appropriate levels of profits to all shareholders is one of the most important management issues for the Company. With respect to the distribution of profits, given the Company's responsibility as a certified broadcasting holding company, it will take into comprehensive account factors such as operating results, the dividend payout ratio, and an appropriate level of internal reserves, while also constantly being aware of the balance between strengthening and maintaining the Company's financial position and making investments for supporting increases in corporate value and growth strategies. In accordance with this policy, the Company plans to flexibly make decisions for continuous and stable dividend payment, targeting a dividend payout ratio of 30% for profit after deducting the amount equivalent to the effective statutory tax rate from consolidated operating income, which indicates profit from the core business of the Group (deemed net profit). Moreover, the Company has set an annual dividend of 12.00 yen per share as the lower limit except in times of a significant decline in business performance due to a rapidly deteriorating business environment.

ABC TV Results

Shinya Yamamoto

**Representative Director and Vice-President
Asahi Broadcasting Group Holdings Corporation
Representative Director and President
Asahi Television Broadcasting Corporation**

ABC TV Results



(Millions of yen)

		FY23/3 1H (Apr. to Sep. 2022)	FY24/3 1H (Apr. to Sep. 2023)	YoY	% Change
Net Sales		26,859	27,275	415	1.5%
Operating Expenses		26,484	27,691	1,207	4.6%
Details	Cost of Sales	16,588	18,110	1,521	9.2%
	Selling, General and Administrative Expenses	9,895	9,581	-314	-3.2%
Operating Income		375	-416	-791	—
Ordinary Income		604	-356	-960	—
Profit		339	-265	-605	—
		FY23/3 1H (Apr. to Sep. 2022)	FY24/3 1H (Apr. to Sep. 2023)	YoY	% Change
Program Expenses		7,862	8,278	416	5.3%

<Higher Revenue and Lower Profits>

- **Content business performance was strong**, resulting in an increase in revenues
- In terms of expenses, profit decreased due to **an increase in program expenses for the start of a new nationwide network drama** and **higher costs in connection with increased content sales**

Details of ABC TV Revenue

(Millions of yen)

	FY22/3 1H (Apr. to Sep. 2021)	FY23/3 1H (Apr. to Sep. 2022)	FY24/3 1H (Apr. to Sep. 2023)	YoY	% Change
Broadcasting Revenue	23,463	23,317	22,551	-766	-3.3%
Content Revenue	2,570	3,400	4,579	1,178	34.7%
Other Revenue	163	140	143	3	2.1%

■ Broadcasting Revenue

※ Recorded in the broadcasting business in the consolidated financial results

Mainly advertising revenue obtained through broadcasting (including revenue from TVer, a service streaming past broadcasts)

■ Content Revenue

※ Recorded in the content business in the consolidated financial results

Revenue obtained from multifaceted production and development of content and intellectual property (IP), including videos and events (including program sales to affiliates, content development derived from TV programs such as Virtual High School Baseball)

(Note) See the following pages for more details of broadcasting revenue.

Trends of ABC TV Major Broadcasting Revenues



(Millions of yen)

	FY21/3 1H (Apr. to Sep. 2020)	FY22/3 1H (Apr. to Sep. 2021)	FY23/3 1H (Apr. to Sep. 2022)	FY24/3 1H (Apr. to Sep. 2023)
Spot	11,045	14,178	14,208	13,619
Network (Time)	6,202	5,858	5,581	5,435
Local (Time)	2,673	2,859	2,985	2,745
TV Program Streaming (TVer, etc.)	97	249	254	310

■ Spot

• Down -4.1% YoY

*See the following pages for more details.

■ Network (Time)

• Down -2.6% YoY

• Despite a new slot for a nationwide network drama series, special one-off programs from the previous year have been scheduled for the second half this year

■ Local (Time)

• Down -8.0% YoY

• Fewer mini-slot programs
• Program-linked events from the previous year have been scheduled for the second half this year

■ TV Program Streaming (TVer, etc.)

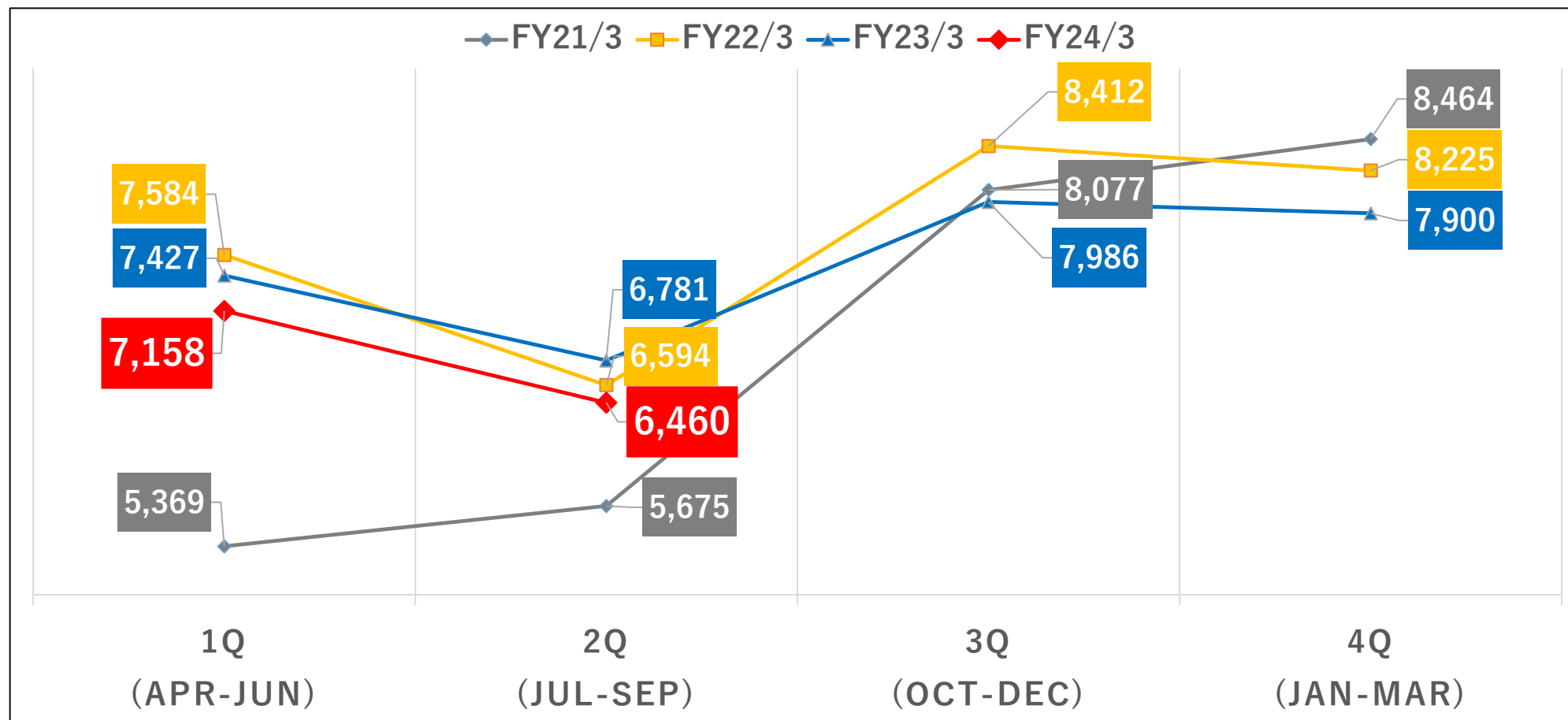
• Up 22.1% YoY

• Increase in the number of live streams
• Nationwide network drama series performed well

* Network (Time) revenues for FY22/3 and thereafter are affected by applying to the Revenue Recognition Accounting Standard.

ABC TV Spot Revenue (Quarterly Performance)

(Millions of yen)



1Q was 96.4% of previous year, while 2Q was 95.3%.

First half was 95.9% of previous year overall.

(First-half spot sales in the local market was 92.6% of previous year)

ABC TV Spot Revenue (By Top 20 Industries)



Industry	FY23/3 1H (Apr. to Sep. 2022)		FY24/3 1H (Apr. to Sep. 2023)	
	YoY	Composition rate	YoY	Composition rate
Transportation/Leisure/Food Services/Services	115.8%	14.0%	105.3%	15.4%
Beverages/Liquors	93.3%	9.1%	110.8%	10.5%
Foods	93.9%	9.4%	93.8%	9.2%
Pharmaceuticals/Medical Supplies	109.9%	8.3%	85.7%	7.4%
Information/Communications	84.5%	7.1%	92.7%	6.9%
Home Electric Appliances/Computer	96.9%	7.2%	90.0%	6.8%
Finance	119.5%	5.4%	110.6%	6.2%
Hobbies (Movie/Game/Music etc.)	85.3%	5.4%	102.4%	5.8%
Cosmetics/Toiletries	75.7%	4.6%	100.9%	4.8%
Automobiles	82.7%	4.6%	83.8%	4.0%
Housing/Real Estate/Construction	128.8%	3.6%	94.6%	3.5%
Government/Political Organization	103.8%	3.7%	89.3%	3.4%
Mail Order Sales	130.9%	3.6%	82.6%	3.1%
Fashion (Apparel/Jewelry etc.)	91.7%	2.0%	125.2%	2.6%
Publications	123.5%	4.2%	56.4%	2.5%
Household Products	90.5%	2.0%	105.7%	2.2%
Distribution	98.8%	1.5%	125.1%	2.0%
Energy/Machines/Materials	148.6%	1.9%	72.9%	1.5%
Various Organizations (Law Office etc.)	86.0%	1.0%	133.5%	1.3%
Logistics Services/Businesses/Events	103.7%	1.2%	55.4%	0.7%
Others	218.8%	0.3%	69.2%	0.2%
Total		100.0%		100.0%

*Year-on-year comparisons

Television Viewer Ratings in Kansai Region for Apr-Sep 2023* [Individual (ALL)]



(*April 3 to October 1, 2023)

(Source: Video Research)

	All Day (6:00-24:00)	Golden Time (19:00-22:00)	Prime Time (19:00-23:00)	Prime 2 (23:00-25:00)
1	ABC 3.4%	YTV 5.5%	ABC 5.3%	YTV 3.0%
2	YTV 3.3%	ABC 5.0%	YTV 5.2%	ABC 2.6%
3	KTV 3.0%	KTV 4.7%	KTV 4.7%	KTV 2.2%
4	MBS 2.8%	MBS 4.5%	MBS 4.4%	MBS 2.0%
5	NHK 2.5%	NHK 4.4%	NHK 3.9%	NHK 0.9%

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

FY2023 1H (Apr-Sep 2023) Notable Results

In April, ABC Established its First in-House Nationwide Network Drama Series Slot in 28 Years



▶ In addition to broadcasts, we are creating and delivering high-quality dramas with a focus on **content produced in-house** by well-established scriptwriters, with a view to domestic and international distribution, etc.

Airs on Sunday night 10:00 - 10:54
April programming drama:
At Least On Sunday Night
July programming drama:
The Birthday Mystery

Broadcasts and Streams of all Games Contributed to Expanded Viewer Demographics for High School Baseball



▶ Online service to view high school baseball anytime, anywhere. (in collaboration with The Asahi Shimbun Company)

- **All summer championship games** made available for streaming beginning this year!
- This year, ABEMA broadcast games in addition to SPORTS BULL and Sportsnavi. **Heated competition** delivered **through three platforms.**

Increased Number of Events Due to New Categorization of COVID-19 as a Class 5 Disease Contributing to the Development of Local Entertainment

SAKURA CIRCUS OSAKA CASTLE SUMMER SIEGE

▶ 7/1 (Sat) to 9/3 (Sun)
Performances and interactive content by Wakayama-based SAKURA CIRCUS at Osaka Castle Park. 77,000 visitors.



Recognition of our Creativity Japan Commercial Broadcasters Association Award

Semi-Grand Prix ※Numerous other national and international awards
CHILDREN'S HOSPICES- A "HOME AWAY FROM HOME" PULSING WITH LIFE



In-depth look at the first-ever private children's hospice in Japan as a "HOME AWAY FROM HOME" for children with serious illnesses and their families; received high-acclaim for long-term coverage of the issue.

- **Outstanding Award, TV Cultural Program, Program Div.**
Q-1~U18 Changing the Future★ Research Results Presentation Show~
- **Outstanding Award, TV Drama, Program Div.**
At Least On Sunday Night
※Won the Galaxy Honors for programs recommended in the first half of the year and the Galaxy Monthly Award for July.

Encouraging Real-Life Engagement With Program Fans



▶ *Travel Salad -Discovering fresh sites of Japan-* event held

11/3 (Fri, holiday) to 11/5 (Sun), for 3 days
A total of 33 local governments, overseas tourist bureaus, companies, and organizations showcased their unique value through booth exhibits and stage performances.

▶ Popular Information program *Oha Asahi*

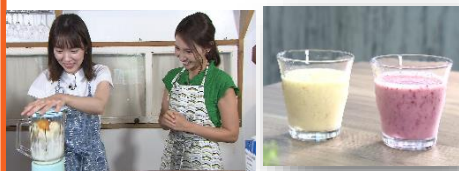
Desu: Live event, "Oha Asa Park" held

11/18 (Sat) and 11/19 (Sun), for 2 days
at the Expo'70 Commemorative Park at Senri in Osaka



Oha Asa x Solutions for Local Issues The Ultimate Mixed Fruit Juice Project

▶ *Oha Asa* developed a mixed juice from locally sourced ingredients in collaboration with ANA Akindo. ANA Akindo strives for regional development to solve local social challenges, including food loss, branding for local products, and sustainable agriculture using mixed juice, a famous local drink originating in Kansai. Special sales event held at Oha Asa Park.



Creating Community Excitement Through Food

▶ Abundant Japanese ingredients × chef creativity and imagination
CHEF-1 Grand Prix, a competition to determine the No.1 chef and discover a new generation of star talent



A third season of the competition was broadcast on October 22. Three-star restaurant chef NEMOTO FUMIYA declared the winner; GACKT appeared as a national representative judge. Recorded the highest viewer ratings ever in the individual (ALL) and Kanto/Kansai regions.

On December 24 of the year-end, *M-1 Grand Prix 2023*, On January 1 of the New Year, *Who is a real celebrity?*

▶ Various developments in progress for the two most popular programs for the year-end and New Year holidays this winter



M-1 Grand Prix to air on December 24, with finals and loser's revival matches. This year will feature a pre-show event on December 23 in Shinjuku.

Growth Investment / Financial Strategy

Susumu Okinaka
Representative Director and President
Asahi Broadcasting Group Holdings Corporation

Improving Capital Efficiency Through Business Portfolio Optimization and Asset Review

1. Business Portfolio Optimization

We are optimizing our business portfolio to achieve significant growth, **shifting management resources and capital to strategic areas through selection and concentration.**

2. Investment Areas

We invest with an awareness of medium- to long-term growth, focusing on scaling up functions in our **Content Business and Lifestyle Business, increasing investments in DX-related fields, and investing in human capital.**

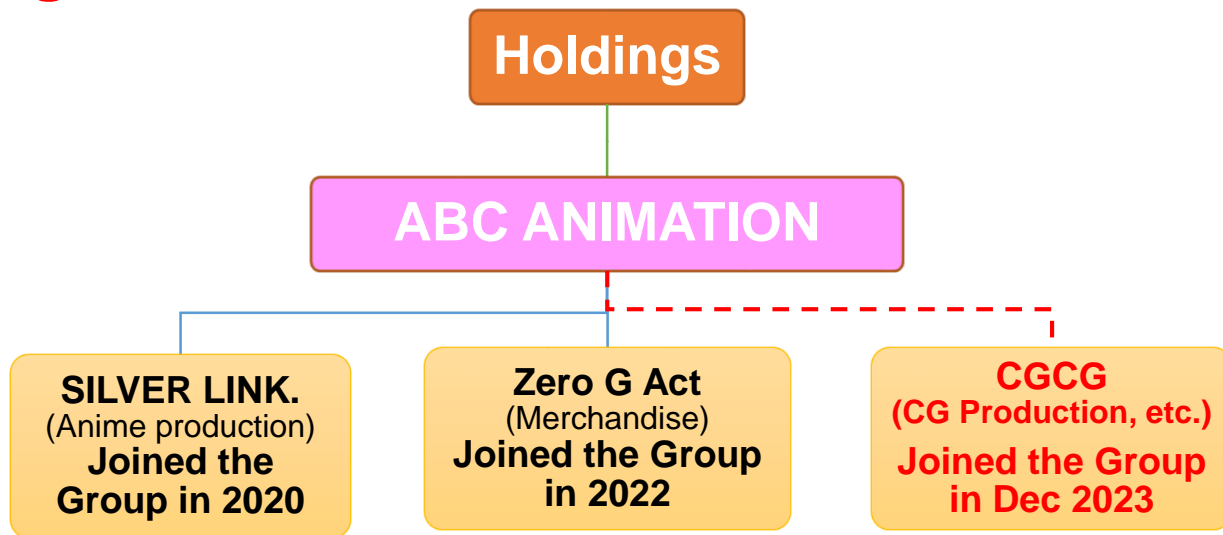
3. Effective Asset Utilization

We review assets in light of resources for activities supporting our growth strategy. As one measure, we engage in **the effective use of assets, including the sale of strategic shareholdings.** We also use external financing to maintain an appropriate balance between financial soundness and financial leverage.

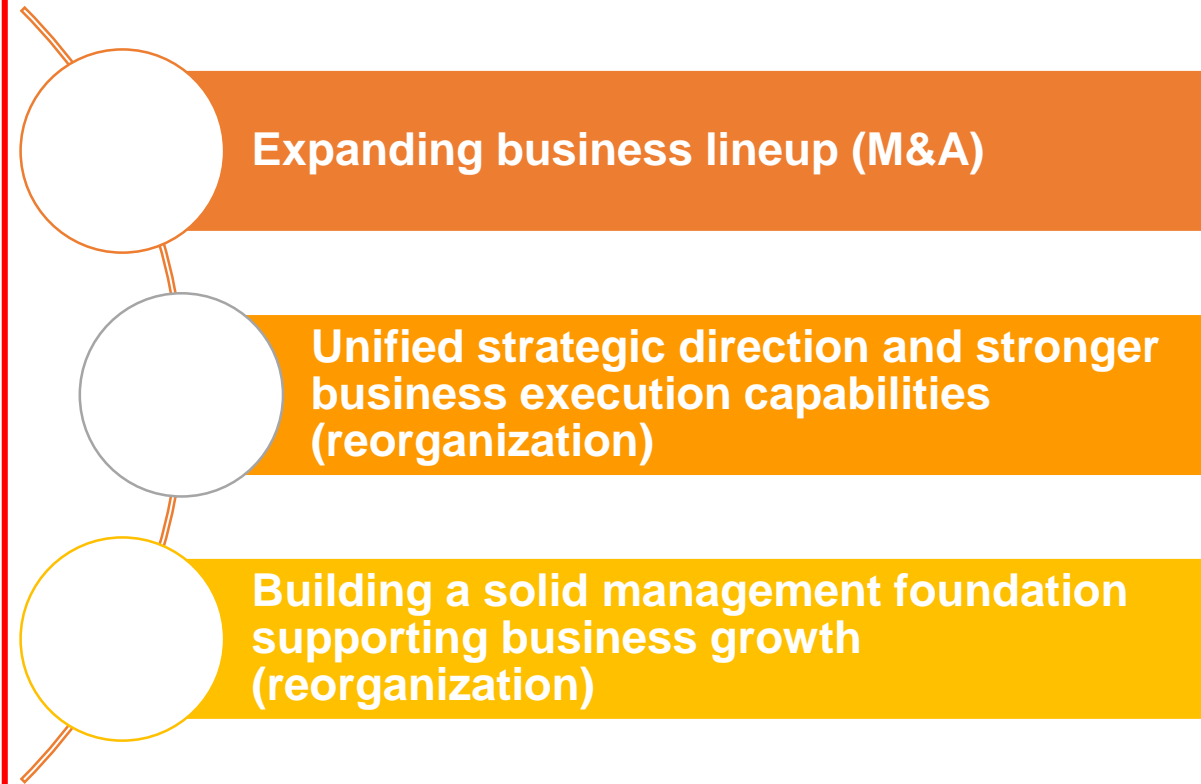
4. Targets

Our immediate medium-term target is to achieve **an ROE of 5% or greater** heading into the fiscal year ending March 31, 2026. We will do so by achieving the goals of our medium-term management strategy.

Strengthen the growing animation business further through M&A and organizational restructuring to achieve our medium-term management strategy goals*



With the Animation Business reorganization on October 1, 2023, all animation-related affiliates became subsidiaries of ABC ANIMATION



***Medium-Term Management Strategy**

Quantitative Targets

Consolidated sales of 100 billion yen, operating income of 5.7 billion yen by FY2025

Reference Materials

NEW HOPE 2021-2025 Vision and Priority Targets

Creating and Delivering *New Happiness*

<Priority Targets>

1. Strengthen and diversify human resources throughout the group
2. Leverage the power of broadcasting, and strengthen and deepen group collaboration
3. Build a data utilization system and pursue the use of digital technologies
4. Create businesses that contribute to regional revitalization and solutions to social issues



Achieve consolidated sales of 100 billion yen, operating income of 5.7 billion yen, and ordinary income of 6.0 billion yen by FY2025

Capital Investments/Depreciation and Amortization

	FY23/3 1H (Apr. to Sep. 2022)		FY24/3 1H (Apr. to Sep. 2023)	
	Consolidated	ABC TV	Consolidated	ABC TV
Capital Investments	¥2.5 billion	¥0.2 billion	¥2.0 billion	¥1.2 billion
Depreciation and Amortization	¥1.9 billion	¥0.9 billion	¥1.8 billion	¥0.9 billion

(Amounts are rounded to the nearest hundred million yen.)

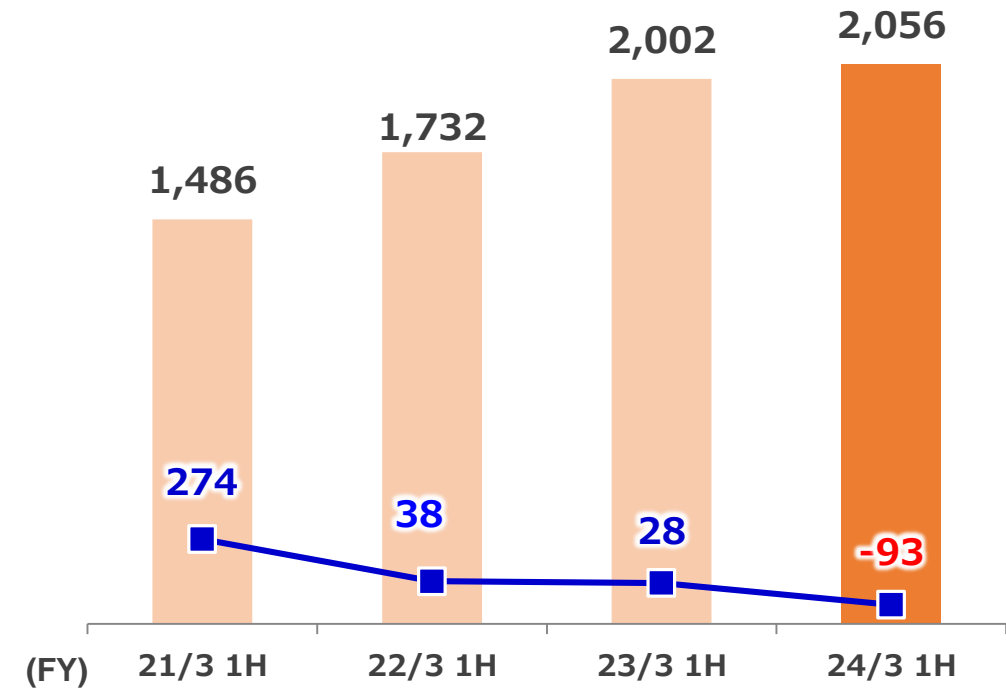
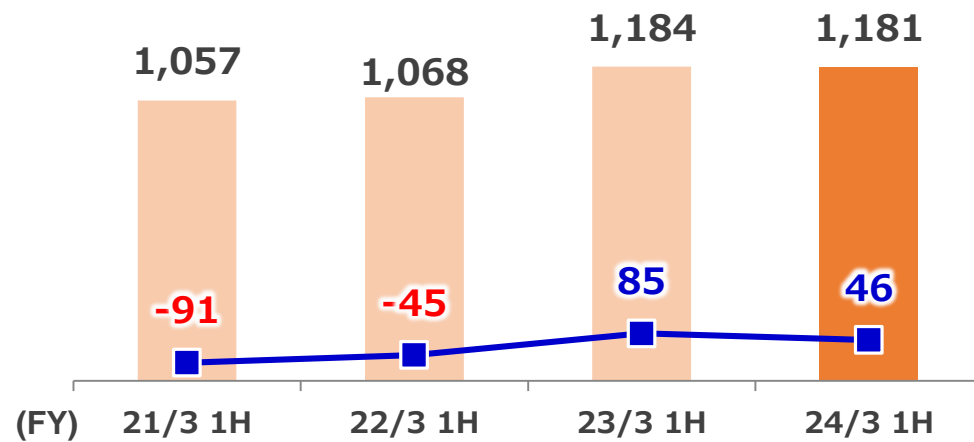
Major Group Companies① <Broadcasting Business>

(Millions of yen)

ABC Radio

sky-A (CS broadcasting)

Net Sales Operating Income

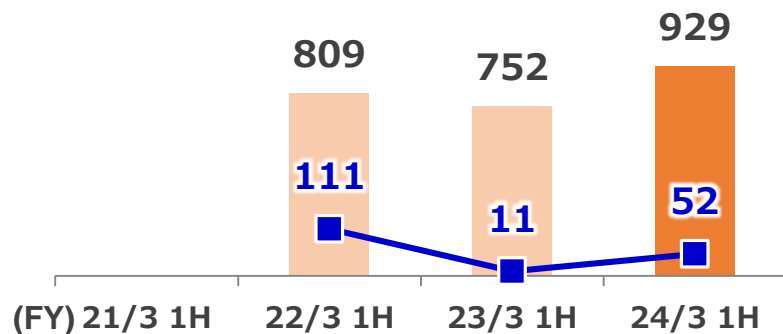


Major Group Companies② <Content Business>

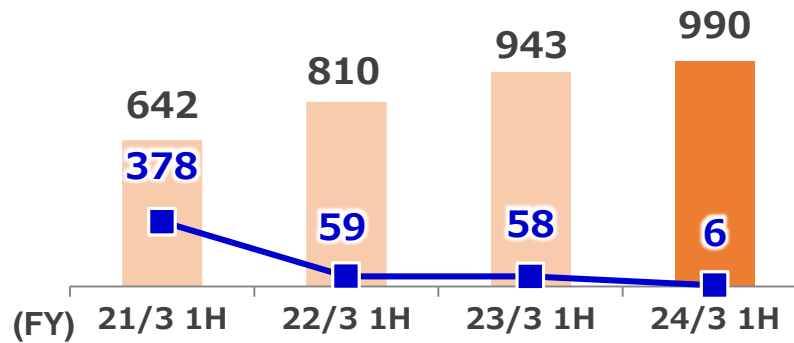
(Millions of yen)

ABC Frontier *

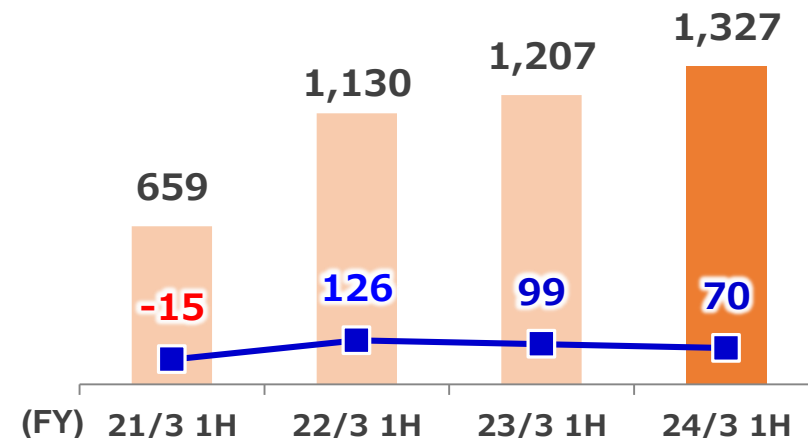
Net Sales Operating Income



ABC ANIMATION



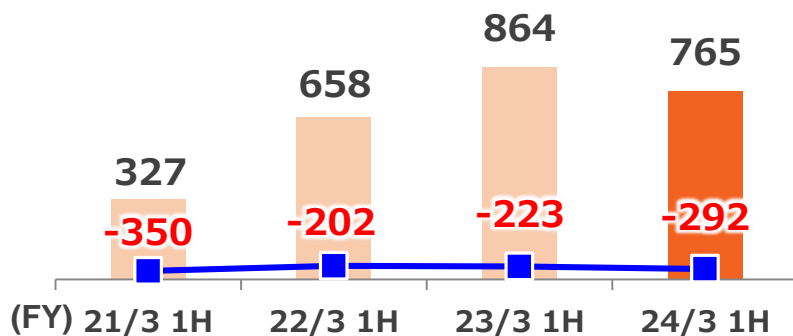
MASH



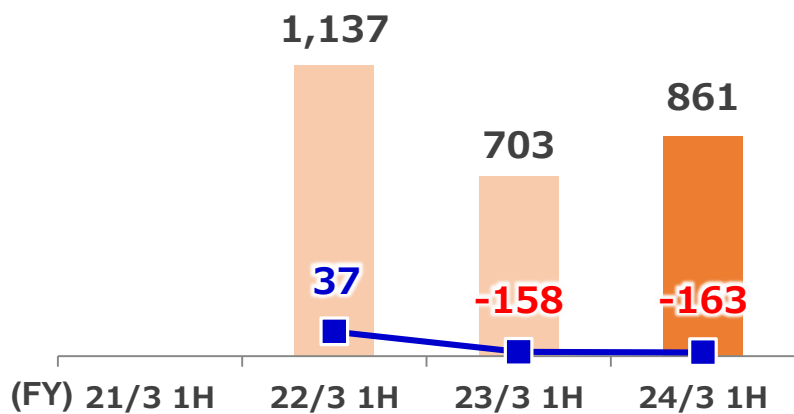
DLE Group

(Consolidation including DLE, Churapps, AMIDUS., etc.)

(Note) Excerpts from the DLE financial results. This is the consolidated performance of DLE, including the non-consolidated subsidiaries of the ABC Group (such as AMIDUS.).



SILVER LINK. **



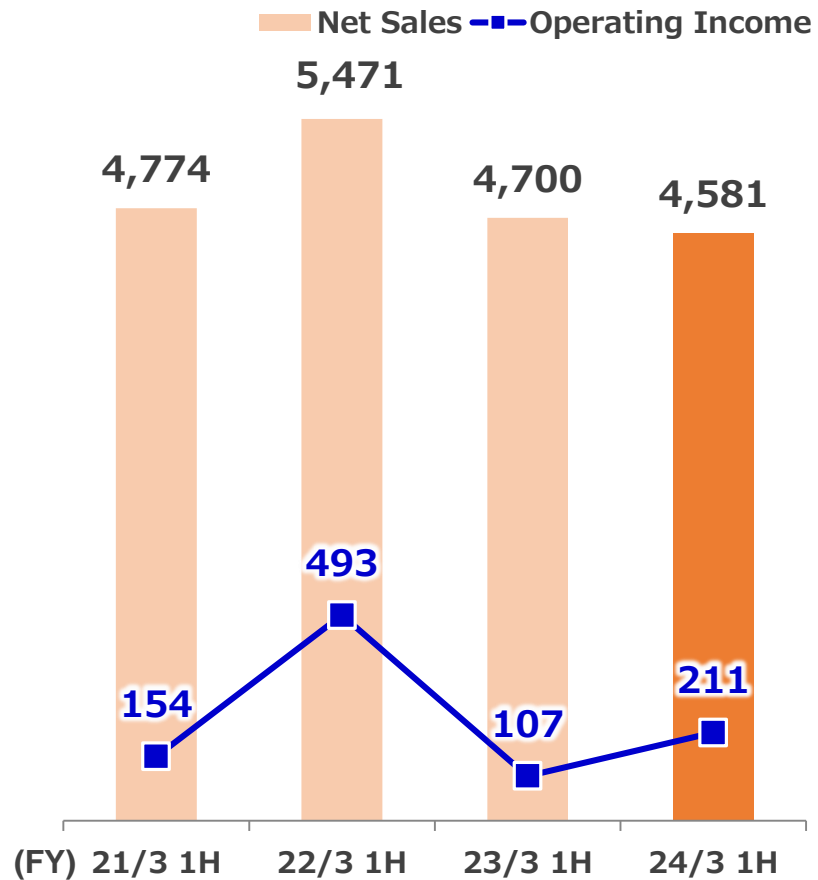
(Notes)

- ABC Frontier* split off subsidiary ABC ANIMATION in FY22/3.
- We added SILVER LINK.** as a consolidated subsidiary beginning in the second half of FY21/3.

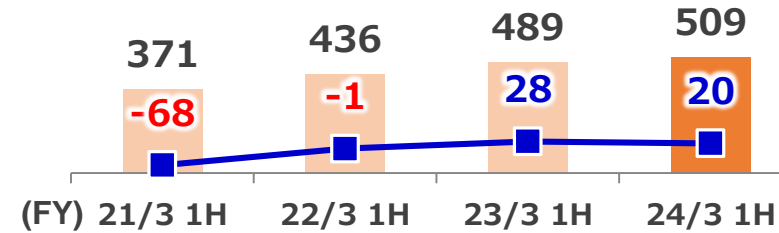
Major Group Companies③ <Lifestyle Business>

(Millions of yen)

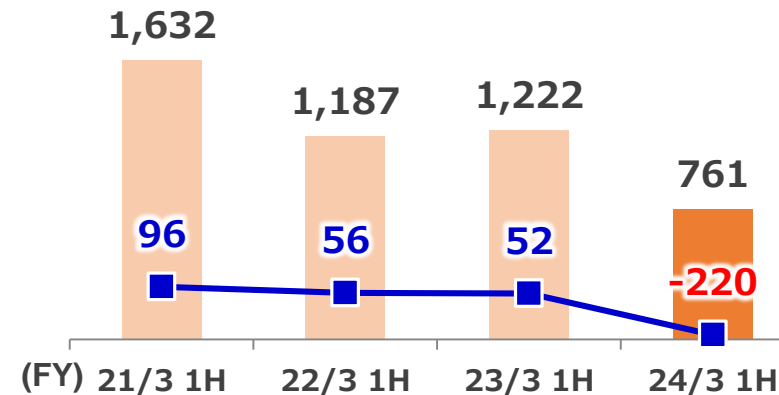
ABC Development



ABC GOLF CLUB



ABC FUN LIFE



Television Viewer Ratings in Kansai Region for Apr-Sep 2023* [Household]



(*April 3 to October 1, 2023)

(Source: Video Research)

	All Day (6:00-24:00)	Golden Time (19:00-22:00)	Prime Time (19:00-23:00)	Prime 2 (23:00-25:00)
1	ABC 6.1%	YTV 8.7%	ABC 9.1%	YTV 5.5%
2	YTV 5.9%	ABC 8.5%	YTV 8.4%	ABC 4.8%
3	KTV 5.4%	NHK 7.9%	KTV 7.4%	KTV 4.0%
4	MBS 5.0%	KTV 7.3%	MBS 7.1%	MBS 3.7%
5	NHK 4.7%	MBS 7.1%	NHK 7.0%	NHK 1.9%

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

ANN's TV Network

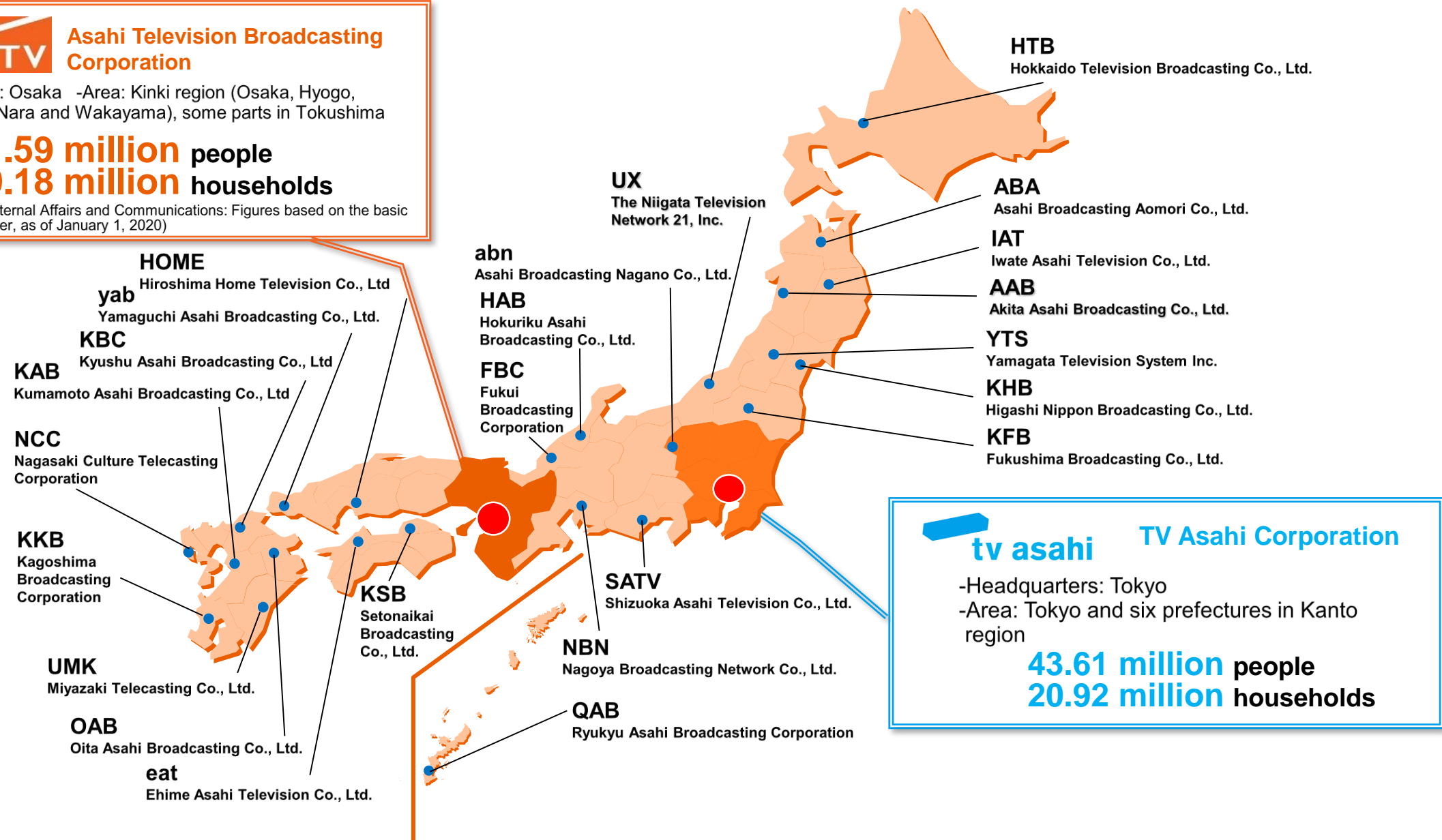


ABC TV **Asahi Television Broadcasting Corporation**

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

21.59 million people
10.18 million households

(Ministry of Internal Affairs and Communications: Figures based on the basic resident register, as of January 1, 2020)



tv asahi **TV Asahi Corporation**

-Headquarters: Tokyo
-Area: Tokyo and six prefectures in Kanto region

43.61 million people
20.92 million households

The financial results forecasts in the period in this presentation are determined on the information available at the moment. As a result, the information contains inherent risks and uncertainties. The outlook may significantly change due to external factors such as domestic and overseas economic trends in the future. 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*, integrated reports (corporate reports), and a sustainability report* can be found on the website.

(*available only in Japanese)