

May 12, 2021

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Formulation of the Asahi Broadcasting Group 2021-2025 Medium-Term Management Strategy, *NEW HOPE*

Asahi Broadcasting Group Holdings Corporation (the “Company”) has announced the formulation of the Asahi Broadcasting Group 2021-2025 medium-term management strategy, called *NEW HOPE*. The strategy was approved at a meeting of the company’s board of directors held May 12, 2021.

2021-2025 Medium-Term Management Strategy, *NEW HOPE*

In light of the rapidly changing environment surrounding the group and increasing uncertainty in society, the Company has referred to this plan as a *medium-term management strategy*, focusing on group growth strategy, rather than a *medium-term management plan*, which focuses on financial planning. The Company provides three-year financial plan figures related to financial planning within its priority targets, and the Company will conduct an annual review of figures for the following three years. The following is an overview of the medium-term management strategy. Please refer to the attached reference material for detailed information.

▼ Priority Targets

Achieve consolidated sales of 100 billion yen by FY2025

Three-Year Financial Plan (Millions of Yen)

	FY2021		FY2022		FY2023	
	Net Sales	Operating Income	Net Sales	Operating Income	Net Sales	Operating Income
Consolidated Group	82,000	2,300	88,000	3,000	92,000	4,500

	FY2021		FY2022		FY2023	
	Net Sales	Operating Income	Net Sales	Operating Income	Net Sales	Operating Income
* By reportable segment						
Broadcasting and Content	67,800	1,700	72,000	1,800	75,000	3,200
Lifestyle	14,200	900	16,000	1,500	17,000	1,600

	FY2021	FY2022	FY2023
	Net Sales	Net Sales	Net Sales
* By business			
Broadcasting Business (*1)	55,200	56,000	56,000
Content Business	12,600	16,000	19,000
Lifestyle Business	14,200	16,000	17,000

(*1) Net sales in the Broadcasting Business include Other Business Net Sales in the Broadcasting and Content Businesses.

▼ Strategy by Business

To grow as a comprehensive content business group, the Company has divided its business domains into three categories: Broadcasting, Content, and Lifestyle.

- Broadcasting Business
 1. Increase broadcast advertising revenues
 2. Improve and leverage broadcast value
 3. Non-broadcasting media strategy
- Content Business
 1. Improve planning and production capabilities to respond to a variety of needs and devices
 2. Maximize the value of content and expand/strengthen sales channels
 3. Optimize the value chain
- Lifestyle Business
 1. Strengthen existing businesses
 2. Aspire to new businesses that solve social issues
 3. Expand opportunities through group collaboration

▼ Financial Policies

- Maintain a sound capital adequacy ratio while raising optimal funds and making appropriate investments for growth.
- Determine dividends to shareholders in a consistent, stable, and flexible manner. Aim for a target consolidated payout ratio of 30%, with a minimum annual dividend of 10 yen per share.

End

Asahi Broadcasting Group 2021–2025 Medium-Term Management Strategy *NEW HOPE*

May 12, 2021





Asahi Broadcasting Group Holdings Corporation

In light of the rapidly changing environment surrounding the group and increasing uncertainty in society, the Company has referred to this plan as a *medium-term management strategy*, focusing on group growth strategy, rather than a *medium-term management plan*, which focuses on financial planning.

The Company provides three-year financial plan figures related to financial planning, and the Company will conduct an annual review of figures for the following three years.

Asahi Broadcasting Group Holdings Corporation

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As a dynamic and creative corporate organization, the Group continues to evolve while adapting to changing social conditions and contributes to the development of society.

Why must we **change**? What will happen if we don't **change**? And what should we do to **change**? We will **change**, so that we can continue to **evolve**.

We will continue to create attractive content, in order **to continue delivering** in a variety of means, such as broadcasting.

This is the goal we strive for, to be a **comprehensive content business group**.

Vision of a *NEW HOPE*

Creating and Delivering *New Happiness*



The world underwent major changes in the year 2020.

New lifestyles, new communications, new values.

The products we create and how we deliver them continue to evolve.

As a comprehensive content business group, we strive for the greater development of society, creating and delivering a variety of content and services that reflect the times, that enrich society and lives, and that make people happy.

Our sincerest hope is to bring a *new happiness* to every person in every era.

New happiness, to every person, in every era.

Group Ideal for 2025

Six ideals for the Asahi Broadcasting Group, to realize our vision in the *NEW HOPE* medium-term management strategy

Group Ideal for 2025

A **vibrant** group full of **talented people** with diverse abilities, ideas, and values

A group that leverages the power of broadcasting to **raise the Asahi Broadcasting** brand to even higher heights

A group that generates **unconventional** ideas through organic **collaboration** transcending organizational boundaries

A group that encourages a variety of **work styles** and offers positive **work-life balance**

Our ideals for ourselves in order to realize the vision in the *NEW HOPE* strategy

A group in which the **younger generation** responsible for carrying our future forward can work in pursuit of their **dreams and hopes**

A group that is rooted in the **community**, is loved by the community, and shares the journey with the community, as we continue to **create** social value

Priority Targets

Four priority targets for the entire Group to achieve our ideals

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 by FY2025

1 **Strengthen and diversify human resources** throughout the group

Elevate and strengthen the capabilities of our human resources through training for the development of talent with group leadership potential, sharing knowledge through intra-group exchange, and training with companies outside the group

Realize true diversification and promote multifaceted growth of the group by acquiring human resources with a wide variety of characteristics, including in skills, careers, values, and ways of thinking, and giving them an opportunity to play an active role

Establish a system balancing career advancement with life events such as marriage, childbirth, childcare, and long-term care so that all employees have access to a variety of lifestyles with high satisfaction

2

Leverage **the power of broadcasting**, and strengthen and deepen **group collaboration**

More than ever before, strengthen and leverage the trust, reach, and promotion capabilities we have cultivated over 70 years of business in order to promote growth across the entire group

Strengthen the content production value chain within the group, continuing to create and deliver more attractive content than ever before as a creative corporate organization

Cultivate the soil from which new ideas can be grown by encouraging organic exchanges transcending barriers between group companies and sections.

3

Build a data utilization system and pursue the use of digital technologies

In addition to aggregating data held by individual group companies, create an environment for active acquisition and management of data, promote its utilization in group company businesses, and use it as an engine driving business growth

Actively utilize the latest leading-edge digital technologies, such as RPA and AI, and contribute to greater efficiency and diversity in operations in order to further push the work-style reforms that have suddenly advanced in the COVID-19 pandemic

Promote research on the latest technologies in the digital domain and utilize them for transformation of existing businesses and development of new businesses

4

Create businesses that contribute to **regional revitalization** and **solutions to social issues**

Utilizing knowledge from each group business, create new regional revitalization projects alongside local governments and companies, and contribute to revitalization in local communities

As a group centered on broadcasting stations, create businesses contributing to solving social issues by contributing to society and continuously and sustainably generating social value

Contribute to the development and stimulation of Kansai region culture through broadcasting and events

Achieve consolidated sales of 100 billion yen by FY2025

- ✓ Actively develop human resources and make upfront investments to transform and create businesses, aiming to increase profits by increasing sales and improve overall corporate value
- ✓ To evolve as a comprehensive content business group, the company has divided its companies' business domains into three categories: Broadcasting, Content, and Lifestyle
- ✓ Achieve consolidated sales of 100 billion yen by FY2025 by growing Content Business sales to about 50% of Broadcasting Business sales and expanding the Lifestyle Business domain

Achieve consolidated sales of 100 billion yen by FY2025

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(Millions of Yen)

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Strategy by Business

- Broadcasting Business
- Content Business
- Lifestyle Business

Strategy by Business

To grow as a comprehensive content business group, the company has divided its business domains into three new categories:

Broadcasting Business

Improve and leverage broadcast value

Gain primary earnings of advertising revenue by using broadcasting to deliver high-quality programs and trusted information to viewers and listeners

- Asahi Television Broadcasting
- Asahi Radio Broadcasting
- sky-A

Content Business

Strengthen capabilities in content creation and design

Monetize content by creating high-quality content and intellectual property (e.g. videos and events) and developing these with a multifaceted approach

- Asahi Broadcasting Group Holdings
- Asahi Television Broadcasting
- Asahi Radio Broadcasting
- sky-A
- ABC FRONTIER
- Digiasa
- MASH
- Procen Studio
- Bestie
- ABC Libra
- ABC ANIMATION
- i-NEX
- DLE
- SILVER LINK
- ABC ARC

Lifestyle Business

(Housing, golf, at-home shopping, etc.)

Plan experience opportunities and strengthen sales capability

Generate revenue by leveraging broadcasting and content capabilities, enriching people's lives and providing services contributing to communities and society

- ABC Development
- ABC GOLF CLUB
- ABC Media Communications
- ABC Glamp & Outdoors
- ONE DAY DESIGN

NEW
HOPE

1. Increase broadcast advertising revenues

- ✓ Produce highly-satisfying programs that take the user's viewpoint, clearly understanding consumer needs
- ✓ Enhance viewing data and establish analysis methods in order to reach core targets
- ✓ Build strong timetables and develop new products unbound by traditional advertising models

2. Improve and leverage broadcast value

- ✓ Programming and production mindful of our Content Business
- ✓ Effectively leverage broadcast promotion capabilities and increase power across the entire group
- ✓ Further improve trust and social value in our broadcasting cultivated over many years

3. Non-broadcasting media strategy

- ✓ Strengthen advertising sales in other media and platforms

1. Improve planning and production capabilities to respond to a variety of needs and devices

- ✓ Develop content usable in a variety of media, both in Japan and overseas
- ✓ Strengthen non-video content, e.g. event planning and management

2. Maximize the value of content and expand/strengthen sales channels

- ✓ Strengthen design capabilities in content development, enhance sales channels
- ✓ Maximize content value by utilizing broadcasting promotion capabilities

3. Optimize the value chain

- ✓ Build a more efficient value chain by strengthening group collaboration
- ✓ Promote M&A and entrepreneurship to strengthen content creation and production systems

1. Strengthen existing businesses

- ✓ Strengthen planning capabilities and improve customer satisfaction and experience value
- ✓ Reform business models by utilizing data and other parts of the digital domain

2. Aspire to new businesses that solve social issues

- ✓ Strengthen efforts for regional revitalization utilizing the social trust in broadcasting
- ✓ Aspire to businesses that solve social issues, e.g. aging, disaster prevention and mitigation

3. Expand opportunities through group collaboration

- ✓ Utilize the diverse media power and creative capability in the group's various businesses
- ✓ Expand new business domains, e.g. e-commerce and glamping

Growth Investment Strategy

- Investment Policy
- Structural Adjustments



Drive group growth by making investments in M&A and other channels as a means to acquire functions and resources in line with the strategy of each of the Broadcasting, Content, and Lifestyle Businesses

- ✓ Content investments to acquire strong intellectual properties
- ✓ Investments in the digital domain to strengthen the push to digital transformation in the group
- ✓ Investments in business domains targeted at solving social issues
- ✓ Investments to strengthen the value chain and promote more in-house production in the group



Build new structures for the investment process

- ✓ Establish structures for ample consideration and discussion of opportunities and risks, and invest more effectively and efficiently by strengthening management and backup systems

Financial Policies

- Financial Strategy
- Dividend Policy

Financial Strategy

- ✓ Procure funds optimally with consideration of capital costs and the market environment while maintaining a sound capital adequacy ratio.
- ✓ Actively make optimal investments for future sustainable growth and aim to increase overall corporate value.

Dividend Policy

- ✓ We seek to pay dividends to shareholders after comprehensive consideration of our business performance, payout ratio, and appropriate internal reserves while always considering the balance between strengthening and maintaining our financial position and investing toward improve corporate value and toward our growth strategies.
- ✓ We have decided to pay dividends in a consistent and stable manner, with a target consolidated payout ratio of 30% and, with the exception of times of significant stagnation in business performance due to sudden deterioration in the business environment, we have set a minimum annual dividend of 10 yen per share.
- ✓ In the event of significant fluctuations in profits due to special factors, decisions regarding dividend payout shall be made separately.

This document contains forward-looking statements based on projections and estimates. Please be aware that actual results may therefore differ from these statements due to various factors.

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