

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

# Asahi Broadcasting Corporation

## Earnings Reference for FISCAL 2015

(Fiscal Year Ending March 31, 2016)

May 20, 2016

The ABC logo consists of the letters 'ABC' in a bold, white, sans-serif font, set against a solid orange rectangular background. The 'A' and 'B' are connected, and the 'C' is slightly separated. A white diagonal line cuts across the top right corner of the orange box.

Securities Code: 9405

# Outline of the Performance

# Outline of the Performance of FY 2015

## Outline of consolidated financial results

- ◆ Sales and net profit **up**
- ◆ Operating/Ordinary income **down**

## Overview of the television viewer ratings

- Ranked 2<sup>nd</sup> in All-day (6:00-24:00), Golden time (19:00-22:00) and Prime time (19:00-23:00)
- Ranked 1<sup>st</sup> in Prime 2 (23:00-25:00) (14<sup>th</sup> consecutive year)

# Forecasts of FY 2016

## Consolidated performance

- ◆ **Growth in spot sales revenue and expansion of share**
- ◆ **Focus on housing and overseas business areas**

## TV Viewer Rating

- ◆ **Create strong timetable and aim for increase in viewer ratings**

# Details of the Performance

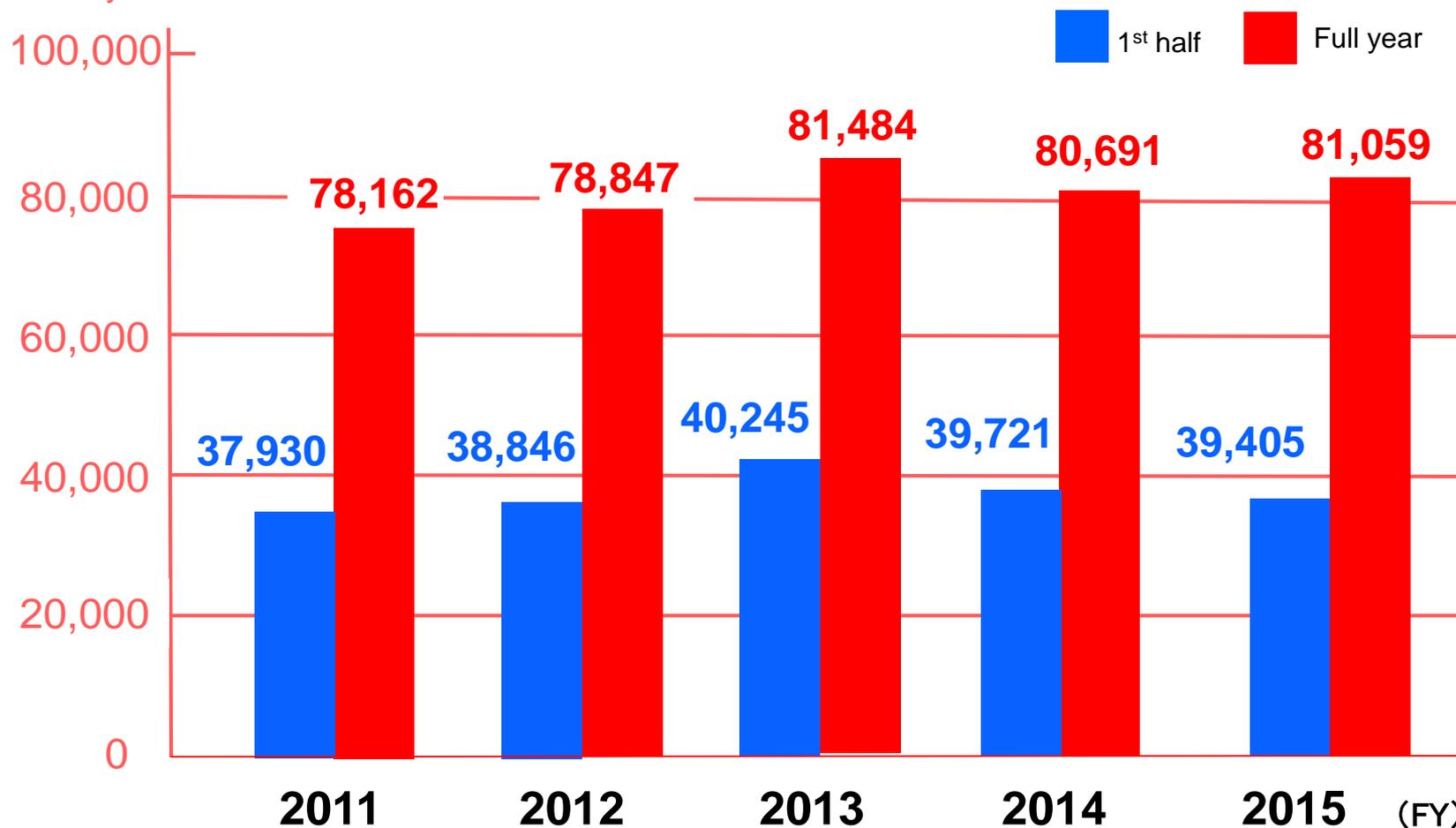
# Consolidated Earnings

(in million yen)

	FY 2015	FY 2014	Growth	% change
Net Sales	81,059	80,691	368	0.5%
Operating income	4,064	4,684	△620	△13.2%
Ordinary income	4,407	4,830	△422	△8.8%
Profit attributable to owners of parent	2,372	2,203	169	7.7%

# Consolidated Net Sales in the Past 5 Years

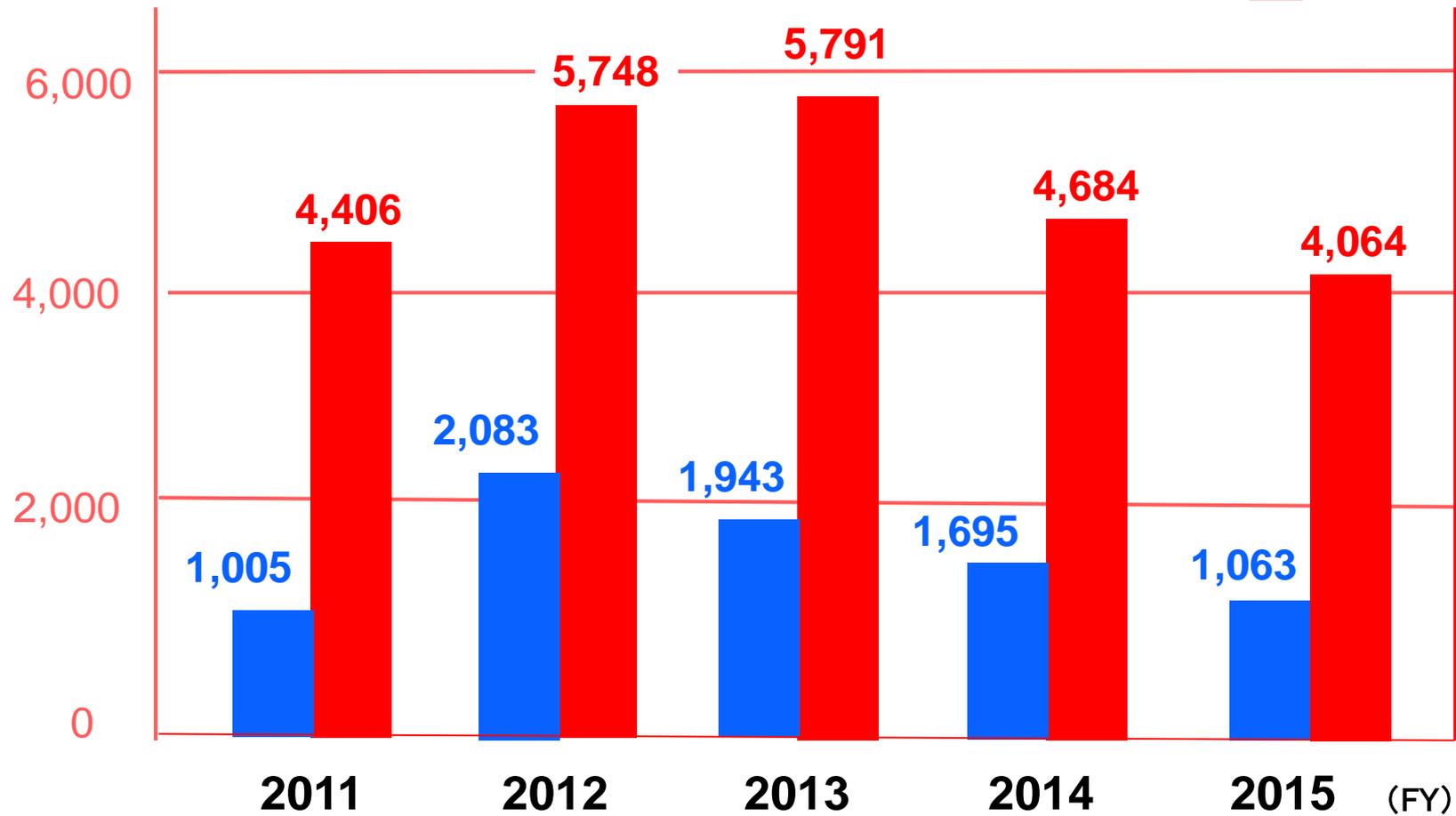
(in million yen)



# Consolidated Operating Income in the Past 5 Years

(in million yen)

1st half Full year



# Earnings by Segment

(in million yen)

Broadcasting	FY 2015	FY 2014	Total Growth	% change
Net sales	69,794	69,688	106	0.2%
Operating income	2,781	3,278	△497	△15.2%
Housing	FY 2015	FY 2014	Total Growth	% change
Net sales	10,424	10,155	269	2.7%
Operating income	1,279	1,362	△82	△6.1%
Golf Club	FY 2015	FY 2014	Total Growth	% change
Net sales	840	847	△7	△0.9%
Operating income	3	43	△40	△91.6%

# ABC's Earnings (Non-consolidated)

(in million yen)

	FY 2015	FY 2014	Total Growth	% change
Net sales	65,127	65,898	△771	△1.2%
Operating income	2,619	3,427	△807	△23.6%
Ordinary income	3,034	3,680	△646	△17.6%
Profit	1,855	1,975	△119	△6.1%

# Television Broadcasting Business Revenue (Terrestrial broadcast)

<Revenue>

(in million yen)

	FY 2015	FY 2014	Total Growth	% change
<b>Television broadcasting business revenue</b>	58,178	59,113	△935	△1.6%

## Breakdowns

Network time advertising revenue	15,253	15,578	△325	△2.1%
Local time advertising revenue	5,943	5,722	221	3.9%
Spot sales revenue	34,719	35,481	△762	△2.1%
Program sales revenue	2,262	2,330	△68	△3.0%

# Background of the Results of TV Broadcasting Business

## Time sales revenue

### **Network time advertising sales**

Revenue increased in second half of FY2015, but sales of the total number of the programs broadcasted on the national network fell

### **Local time advertising sales**

Favorable results seen with establishment of mainly weekday morning programs and infomercial planning, leading to increased revenue

# TV spot sales revenue (Terrestrial broadcast)

(in million yen)

	FY 2015	FY 2014	Growth	% change
1 <sup>st</sup> quarter	8,511	8,948	△437	△4.9%
2 <sup>nd</sup> quarter	8,138	8,402	△263	△3.1%
<b>1<sup>st</sup> half</b>	<b>16,649</b>	<b>17,351</b>	<b>△701</b>	<b>△4.0%</b>
3 <sup>rd</sup> quarter	8,980	9,294	△313	△3.4%
4 <sup>th</sup> quarter	9,088	8,836	252	2.9%
<b>2<sup>nd</sup> half</b>	<b>18,069</b>	<b>18,130</b>	<b>△61</b>	<b>△0.3%</b>
<b>Full Fiscal Year</b>	<b>34,719</b>	<b>35,481</b>	<b>△762</b>	<b>△2.1%</b>

# TV spot sales revenue (Terrestrial broadcast: By industry sector / Top 20 shown)

Industry sector	FY 2015		FY 2014	
	% change	Shares	% change	Shares
<b>Communication</b>	97.5%	8.8%	110.4%	9.3%
<b>Alcoholic and other beverages</b>	87.2%	7.9%	91.6%	8.9%
<b>Cosmetics and toiletries</b>	105.8%	7.7%	102.7%	7.1%
<b>Drugs</b>	106.3%	7.4%	107.2%	6.8%
<b>Automobile</b>	81.0%	7.2%	93.9%	8.8%
<b>Foods</b>	97.1%	6.6%	101.3%	6.6%
<b>Housing/Real Estate/Construction</b>	101.5%	3.6%	113.1%	3.5%
<b>Leisure</b>	89.4%	3.3%	114.7%	3.6%
<b>Banks and finance</b>	82.3%	3.2%	111.0%	3.8%
<b>Computer</b>	102.7%	3.2%	104.9%	3.1%
<b>Insurance</b>	87.3%	3.1%	101.3%	3.4%
<b>Confectionaries and daily products</b>	101.2%	3.0%	88.8%	2.9%
<b>Transport</b>	109.7%	2.9%	90.4%	2.6%
<b>Restaurant</b>	106.3%	2.5%	98.2%	2.3%
<b>Electric appliance</b>	78.5%	2.3%	86.1%	2.9%
<b>Publishing</b>	100.4%	2.3%	85.5%	2.3%
<b>Game/Toy</b>	97.9%	2.3%	90.6%	2.3%
<b>Movie/Theater</b>	89.8%	2.3%	85.1%	2.5%
<b>Clothing</b>	118.8%	2.2%	94.4%	1.8%
<b>Other organizations</b>	127.2%	2.2%	108.1%	1.7%

※Percentage of figures represent the year-on-year increase or decrease.

# Broadcasting Business Revenue (Non-Terrestrial)

(in million yen)

		FY 2015	FY 2014	Growth	% change
ABC (Non-consolidated)	<b>Radio broadcasting revenue</b>	2,812	2,829	△16	△0.6%
	<b>Events revenue</b>	2,198	2,116	82	3.9%
	<b>Content related revenue</b>	1,516	1,410	106	7.5%
Sky-A	<b>CS broadcasting revenue</b>	3,159	2,953	205	6.9%
AMC	<b>TV shopping business revenue</b>	1,187	995	192	19.3%

# Consolidated/Non-consolidated Expense

(in million yen)

Consolidated	FY 2015	FY 2014	Growth	% change
Cost of Sales	53,954	52,867	1,087	2.1%
Selling, General and Administrative Expenses	23,039	23,138	△98	△0.4%
Total Operating Expenses	76,994	76,006	988	1.3%

Non-consolidated	FY 2015	FY 2014	Growth	% change
Cost of Sales	41,567	41,257	310	0.8%
Selling, General and Administrative Expenses	20,940	21,214	△274	△1.3%
Total Operating Expenses	62,507	62,471	35	0.1%
TV Program Expenses	18,498	18,447	50	0.3%

# Consolidated Earnings Outlook

(in million yen)

	FY 2016	FY 2015 (actual)	Growth	% change
Net Sales	82,400	81,059	1,340	1.7%
Operating income	4,100	4,064	35	0.9%
Ordinary income	4,400	4,407	△7	△0.2%
Profit attributable to owners of parent	2,700	2,372	327	13.8%

# Earnings Outlook by Segment

(in million yen)

Broadcasting	FY 2016	FY 2015 (actual)	Growth	% change
Net sales	70,200	69,794	405	0.6%
Operating income	2,920	2,781	138	5.0%
Housing	FY 2016	FY 2015 (actual)	Growth	% change
Net sales	11,300	10,424	875	8.4%
Operating income	1,150	1,279	△129	△10.1%
Golf Club	FY 2016	FY 2015 (actual)	Growth	% change
Net sales	900	840	59	7.1%
Operating income	30	3	26	714.2%

# ABC's Earnings Outlook (Non-consolidated)

(in million yen)

	FY 2016	FY 2015 (actual)	Growth	% change
Net sales	64,900	65,127	△227	△0.3%
Operating income	2,700	2,619	80	3.1%
Ordinary income	3,100	3,034	65	2.2%
Profit	2,100	1,855	244	13.1%

# Television Broadcasting Business (Terrestrial) Revenue Outlook

<Revenue>

(in million yen)

	FY 2016	FY 2015 (actual)	Growth	% change
<b>Television Broadcasting Business revenue</b>	58,300	58,178	121	0.2%

## Major breakdowns

Network time advertising revenue	15,400	15,253	146	1.0%
Local time advertising revenue	5,500	5,943	△443	△7.5%
Spot sales revenue	35,000	34,719	280	0.8%

## Broadcasting Business (Non-Terrestrial) Revenue Outlook

<Revenue>

(in million yen)

		FY 2016	FY 2015 (actual)	Growth	% change
<b>4 subsidiaries related to content business (consolidated)</b>	<b>Content related revenue (From July 2016 to March 2017)</b>	840	— — —	— — —	— — —
<b>Sky-A</b>	<b>CS broadcasting revenue</b>	3,220	3,159	60	1.9%
<b>AMC</b>	<b>TV shopping business revenue</b>	1,250	1,187	62	5.3%

# Consolidated / Non-consolidated Expense Outlook

(in million yen)

	FY 2016	FY 2015 (actual)	Growth	% change
Consolidated: Operating Expenses	78,300	76,994	1,305	1.7%
Non- consolidated: Operating Expenses	62,200	62,507	△307	△0.5%
TV Program Expenses	18,180	18,498	△318	△1.7%

# Capital Investments / Depreciation and amortization

	FY 2015		FY 2016 (forecast)	
	Consolidated	Non-consolidated	Consolidated	Non-consolidated
Capital Investments	4.5 billion	2.2 billion	4 billion	3.3 billion
Depreciation and amortization	3.3 billion	2.7 billion	3.1 billion	2.4 billion

※Amounts less than 0.1 billion yen are rounded to the nearest whole unit.

# Programs, Television Viewer Ratings

# Television Viewer Ratings of FY 2015 (Kansai region)

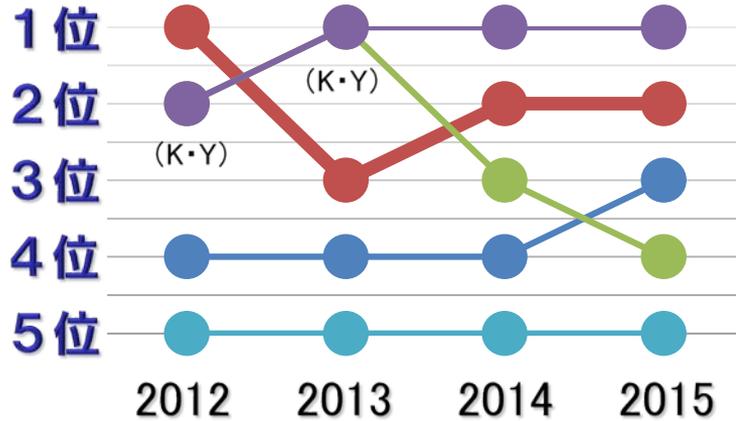
(%)

	All-day (6:00-24:00)	Golden time (19:00-22:00)	Prime (19:00-23:00)	Prime 2 (23:00-25:00)
1	YTV 8.4	YTV 12.3	YTV 12.4	<b>ABC</b> <b>8.4</b>
2	<b>ABC</b> <b>7.4</b>	<b>ABC</b> <b>11.1</b>	<b>ABC</b> <b>11.7</b>	YTV 7.9
3	MBS 7.3	NHK 10.7	MBS 10.6	MBS 6.0
4	KTV 6.8	MBS 10.6	KTV 10.1	KTV 5.6
5	NHK 6.2	KTV 10.0	NHK 9.7	NHK 3.3

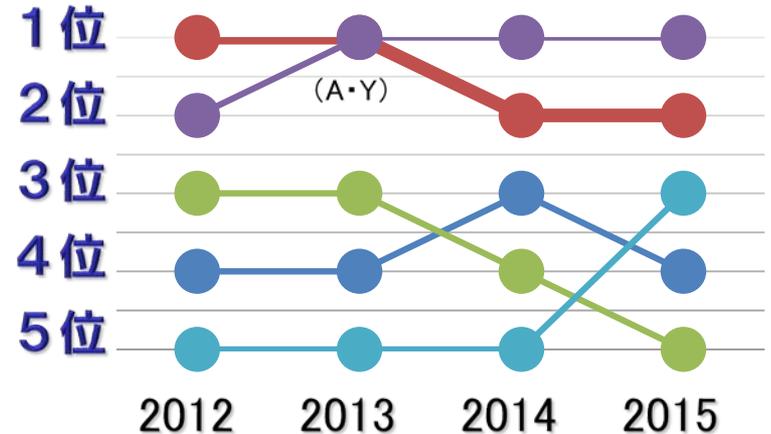
# Television Viewer Ratings (Fiscal Year : Kansai region)

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

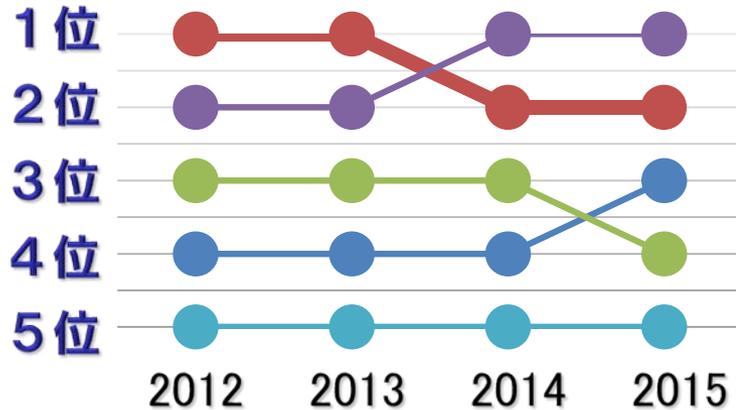
(Source: Video Research )



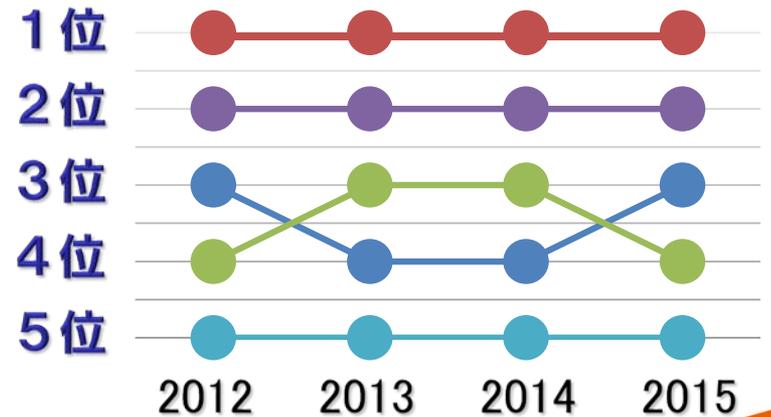
## Golden time (19:00-22:00)



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



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



— ABC — MBS — KTV — YTV — NHK

# Reorganized Network Programs April 2016

Aiming for boost in viewer ratings through timetable changes



“Minna no katei no igaku”

Every Tuesday 8pm



“Sekai no mura de hakken! Konna tokoro ni nihonjin”

April 2016~

Every Tuesday 9pm

~~Every Friday 9pm~~

# Reorganized local programs April 2016

## Reinforcement of Prime 2 Program Lineup

Tue



“Ameagari no A san no hanashi”  
Ameagari kesshitai

Wed



“Ima-chan no Jitsuwa...”  
Imada Koji

Mon



“Narumi/Okamura no sugiru TV”  
Narumi/Okamura Takashi

Transferred this popular program  
from Sunday to Monday

Thu



High Heel

Fri



“Tantei! Knight Scoop”  
Nishida Toshiyuki etc.

## New program of midnight Sunday



“Hakkiri 5”



**Yamasato Ryota**    **Koyabu Kazutoyo**  
(Nankai Candies)    (Yoshimoto shinkigeki)

**Every Sunday 11:15pm**

# Utilizing Internet and Video Content Distribution

① : Utilizing Internet for programs

TV-web collaborated program broadcasted on

**GYAO!**



"M-1 Grand Prix 2015"

## Wildcard Round

Comedy duo that gained top place in no. of video views  
⇒ Advanced to semifinal

## Consolation Round

Contestants placed into consolation round through viewer vote

**Comedy duo "Trendy Angel" came through consolation match to take top prize in the "M-1 Grand Prix"!**

# Utilizing Internet and Video Content Delivery

## ② : Catch-up Video Services

Distribution Video content via

TVer

GYAO!

etc.



"Chia doru"

10 episodes available



～ 夢のカタチ ～

"Yume no katachi"

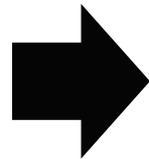
9 episodes available



"Hakkiri 5"

4 episodes available

(as of May 9)



Ranked No.1 of numbers of viewing in average on variety program category

# Utilizing Internet and Video Content Delivery

③ : Policies for distribution programs

## Fundamental Rule

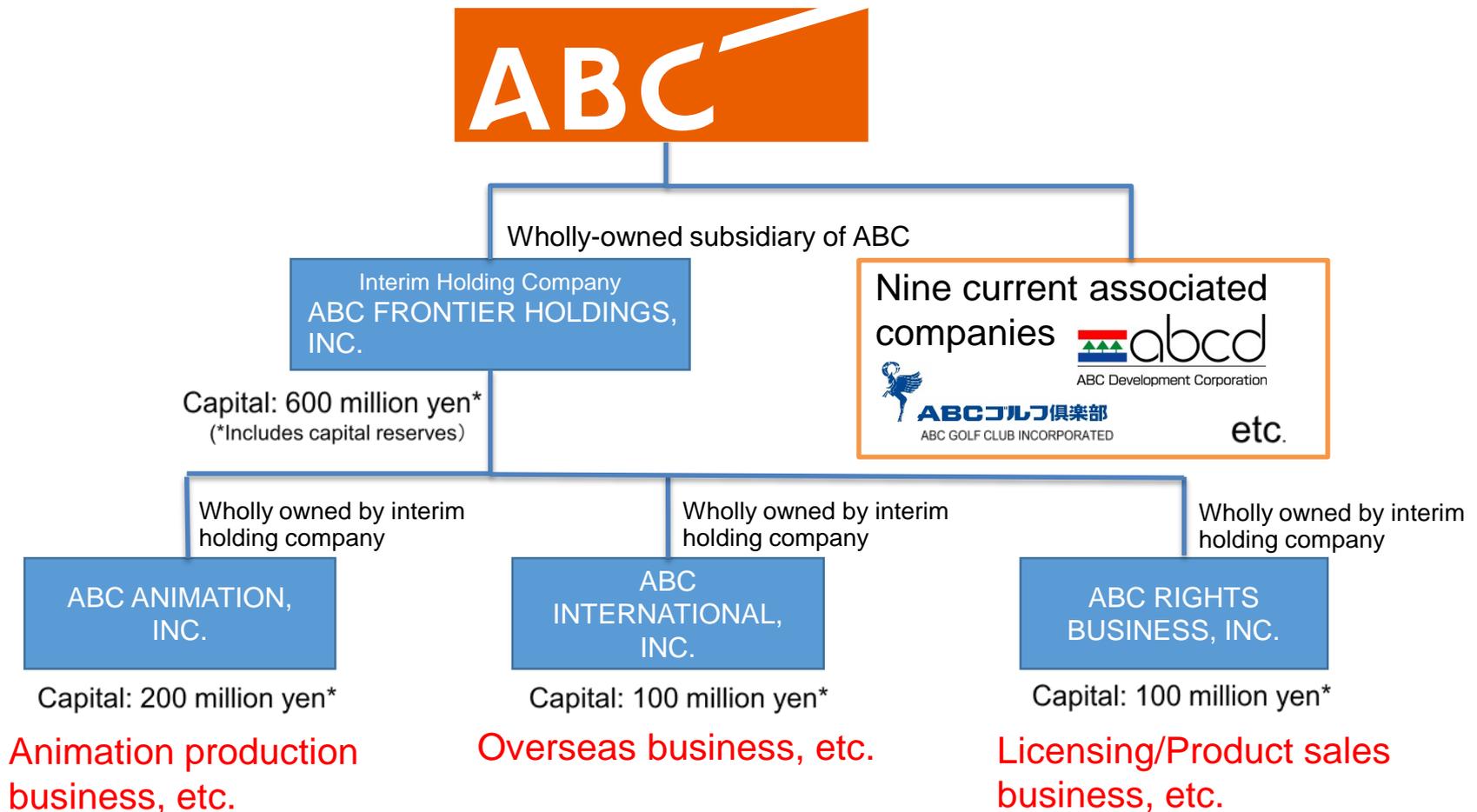
In principle, all programs produced will be made available on terrestrial, BS, CS, and Internet-based platforms



“Licensing & Copyright Support Group” to be established on June 1 for multi-use program contents

# New Business

# ① Restructuring of Broadcast-related Business



- Address for all four subsidiaries : 5-3-2 Tsukiji, Chuo-ku, Tokyo
- Established : April 5, 2016
- Business commencement date : July 1, 2016

# Purpose of Establishing New Companies

## Optimization of People, Contents, and Money

- People: Appoint younger generation for management team and hire talented younger personnel
- Contents: Respond to the needs of the times, create new rights contents
- Money: Enable speedy investment decisions through a flexible structure

## Direction, production, and investment of animation



©ABC/Toei animation



©TRIGGER・Okada Mari/kiznaiver production committee



©2015 Miyazaki Yu・KADOKAWA CORPORATION / Asterisk production committee

- Further expand overseas program sales, product sales, events, etc., through multifaceted approach
- Creation of OVA (Original Video Animation) and distribution via leading video distribution platforms delivery

# 【 ABC INTERNATIONAL, INC. 】

## ABC program/format sales results



- Sales of 20 programs into 16 countries and regions
- Linking up with representative office in Singapore to expand business



Jointly develop programs with production companies in Thailand and Vietnam

# 【 ABC RIGHTS BUSINESS, INC. 】

## Publishing/sale of DVDs and books related to programs



### “Pachinko Hissatsu Shigotonin” series

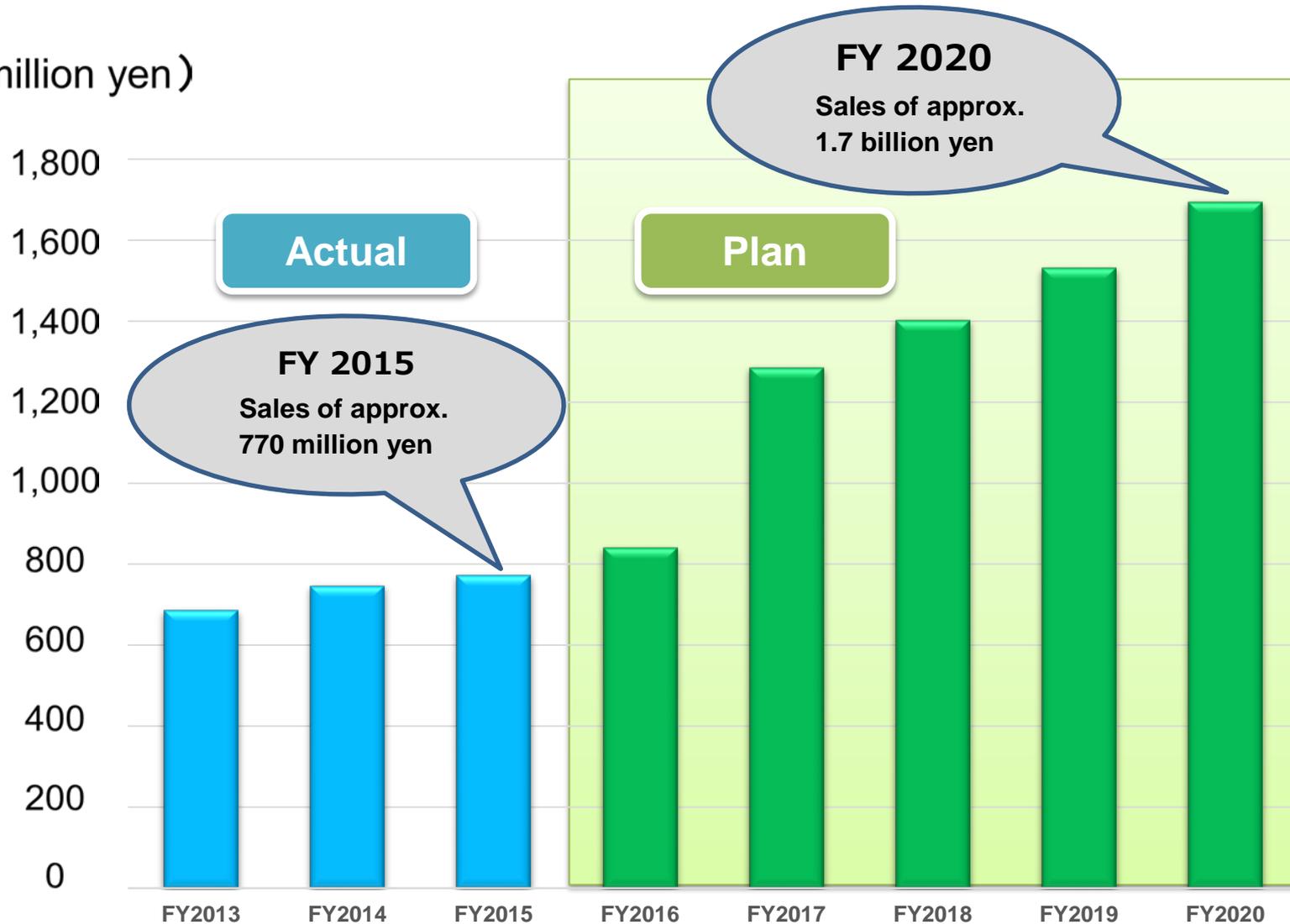
A popular series since 2001

⇒ Stable revenue of licensing & copyright

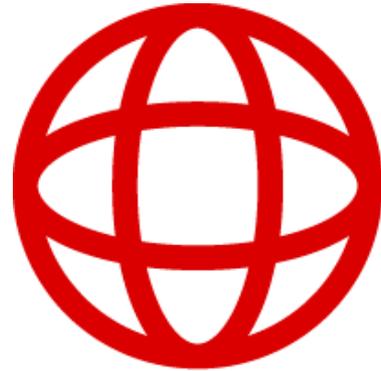
(C) Shochiku • ABC (C)KYORAKU (C) Shochiku • ABC (C)KYORAKU

# Growth targets for new subsidiaries (sales)

(in million yen)



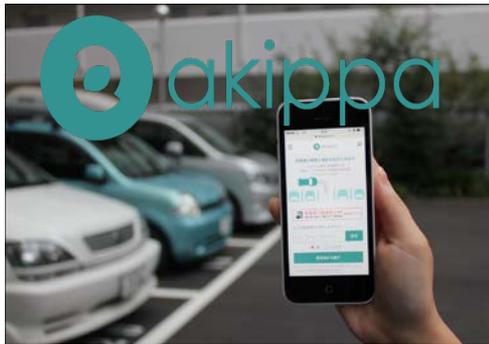
## ② Full-scale venture investment



**ABC  
DREAM  
VENTURES**

Total investment of approx. 250 million yen in FY 2015  
(includes investment in other funds)

①



Sharing Economy  
(HQ: Osaka)

②



Providing optimum  
TV advertising methods  
(HQ: USA)

③

**CINEMA CRAFT**

Automatic generation of  
thumbnail images  
(HQ: USA)

# ABC's Growth Strategies

## Medium-term Business Plan: Modification of numerical targets

(in million yen)

After modification (Consolidated)	FY 2015 (actual)	FY 2016	FY 2017
Net sales	81,059	82,400	83,100
Operating income	4,064	4,100	4,400
Ordinary income	4,407	4,400	4,700
Profit attributable to owners of parent	2,372	2,700	2,900
Operating profit margin	5.0%	5.0%	5.3%

# Broadcasting business strategy

## Commemorating the 65th anniversary of ABC



- Special drama ⇒ To be aired before the end of the year
- Giving extra impetus to  this winter

The top 3 scripts among all will be made into dramas and the best script will be made into a stage show

### Viewer ratings

Rearrange TV programming on weekends

⇒ Aim for top ratings on 4 categories

### Distribution Video content

Expand local contents nationwide

⇒ Improve profit performance

# Expansion of Housing Business

住まいの情報館  
**HDC** | 神戸  
ハウジング・デザイン・センター  
Housing Design Center Kobe



Opened 1994



くらしにデザインを  
**HDC** | 大阪  
ハウジング・デザイン・センター  
Housing Design Center Osaka



北館5F HDC大阪

Opened 2013



住まいの情報スペース  
**HDC** | 名古屋  
ハウジング・デザイン・センター  
Housing Design Center Nagoya



Opened March this year.  
All floors leased to tenants.



**HDC** | ハウジング・デザイン・センター  
**Housing Design Center**

**ABC HOUSING**

Look towards nationwide expansion together with housing exhibition

# Expansion of overseas business



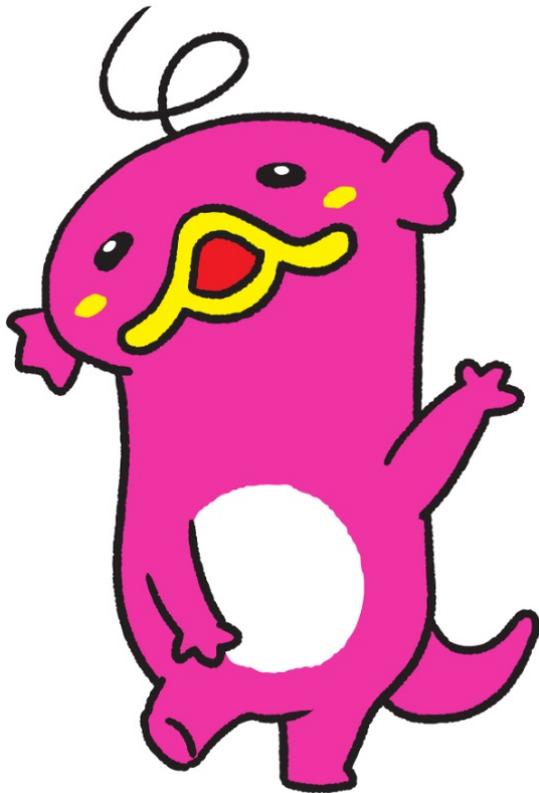
Established representative office at Raffles Place in the heart of Singapore's business district in April this year

Explore possibilities in:

- Establishing new content production base
- Venture investment
- Joint ventures and development of new business



# ABC Group “Growth Vision”



FY 2021

ABC's 70<sup>th</sup> anniversary

Consolidated sales **100 billion yen**

Operating profit margin **8%**

# Dividends

(in yen)

	FY 2016 (forecast)	FY 2015	FY 2014
Interim dividend	9.0	9.0	6.0
Period-end dividend	9.0	9.0	12.0 (Special 4.0, Commemorative 2.0)
Total	18.0	18.0	18.0 (Special 4.0, Commemorative 2.0)

# Contact/Disclaimer

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## Contact



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