

* Notes

(1) Changes in the number of important subsidiaries during the period: None

(2) The application of special accounting treatment for the preparation of the quarterly consolidated financial statements: None

(3) Changes in accounting policies, accounting estimates, and restatements

1) Changes in accounting policies in accordance with changes in accounting standards, etc.: Yes

2) Changes in accounting policies other than 1): None

3) Changes in accounting estimates: None

4) Restatements: None

Note: Please refer to “2. Supplementary Information (Notes) (3) Changes in Accounting Policies, Accounting Estimates and Restatements” on page 3 of the attached supplementary materials for details.

(4) Number of shares issued and outstanding (common stock)

1) Number of shares issued and outstanding as of the period-end (including treasury stock)

September 30, 2014	41,833,000 shares	March 31, 2014	41,833,000 shares
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2) Number of treasury stock as of the period-end

September 30, 2014	996,087 shares	March 31, 2014	996,087 shares
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3) Average number of shares issued and outstanding for the period

September 30, 2014	40,836,913 shares	September 30, 2013	40,836,913 shares
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* Disclosure concerning the implementation status of quarterly review procedures

This financial report is exempt from the quarterly review procedure provisions stipulated under the Financial Instruments and Exchange Act of Japan. As of the date of disclosure, review procedures in connection with consolidated financial statements were in progress.

* Explanation concerning the appropriate use of forecasts and other special instructions

(Caution regarding forward-looking statements, etc.)

Results forecasts and other forward-looking statements contained in this report are based on the assumptions, beliefs, and uncertainties in light of information available to the Company's management as of the publication date and do not represent promises by the Company or its management that these performance figures will be attained. Actual results may differ materially from forecasts due to a variety of factors. Please refer to “1. Analysis of Quarterly Operating Results and Financial Position (3) Explanation of Forward-Looking Statements, including the Outlook for Consolidated Performance” on page 3 of the attached supplementary materials for information regarding the underlying assumptions for financial results forecasts, as well as explanatory and other notes regarding the use of financial results forecasts.

The Company plans to hold a results briefing for institutional investors and securities analysts on November 21, 2014 (Friday). A summary of the explanatory materials to be distributed at the briefing will be posted on the Company's website after the briefing.

(Reference) Non-Consolidated Financial Results Forecasts for Fiscal 2014 (April 1, 2014 to March 31, 2015)

(Percentage figures show the year-on-year increase (decrease).)

	Net Sales		Operating Income		Ordinary Income		Net Income		Basic Earnings per Share
	¥ million	%	¥ million	%	¥ million	%	¥ million	%	¥
Full Fiscal Year	66,600	0.1	4,400	1.5	4,700	0.6	2,900	0.7	71.01

Note: Revisions in performance forecasts during the period: Yes

* Explanation concerning the appropriate use of forecasts and other special instructions

Results forecasts and other forward-looking statements contained in this report are based on the assumptions, beliefs, and uncertainties in light of information available to the Company's management as of the publication date and do not represent promises by the Company or its management that these performance figures will be attained. Actual results may differ materially from forecasts due to a variety of factors.

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1. Analysis of Quarterly Operating Results and Financial Position

(1) Analysis of Operating Results

Through the first half of fiscal 2014 (the fiscal year ending March 31, 2015), which extended from April 1, 2014 to September 30, 2014, the Japanese economy showed signs of improvement in corporate profits and capital investment on the back of economic and financial measures of the Japanese government and maintained a moderate recovery. At the same time, the future outlook remained uncertain since the recovery in consumer spending showed signs of stalling due to factors such as the reaction to the rush demand prior to the consumption tax increase and the adverse effects of torrential rains which had frequently occurred this summer.

Under these circumstances, in the broad casting field where the Asahi Broadcasting Group (the Group) conducts its core business, decreases in spot TV commercial operating revenues and event revenues, as well as a decline in mail order sales at the Group's subsidiary, led to an overall decrease in revenue. In the housing business, strong sales at housing exhibitions resulted in an increase in revenue. In the golf business, a drop in sales of golf course memberships caused a decrease in revenue. As a consequence of these factors, the Group's net sales for the first half of fiscal 2014 decreased ¥523 million, or 1.3%, compared with the same period of the previous fiscal year and amounted to ¥39,721 million.

From the cost standpoint, cost of sales decreased ¥160 million, or 0.6%, compared with the same period of the previous fiscal year, to ¥26,455 million. Selling, general and administrative expenses decreased ¥114 million, or 1.0%, compared with the same period of the previous fiscal year, to ¥11,571 million. As a result of the above, operating income for the period decreased ¥248 million, or 12.8%, to ¥1,695 million, while ordinary income totaled ¥1,815 million, a decrease of ¥214 million, or 10.6%. Income before income taxes was ¥1,815 million, a decrease of ¥209 million, or 10.3%, and net income was ¥955 million, a decrease of ¥185 million, or 16.2%.

Performance by business segment was as follows.

Broadcasting Business

During the first half of fiscal 2014, net sales in the broadcasting business totaled ¥34,254 million, down ¥709 million, or 2.0%, compared with the same period of the previous fiscal year. The principal factors accounting for this decrease in revenue included the decreases in core spot TV commercial operating revenues and event revenues, and the decline in mail order sales at the Group's subsidiary. On the other hand, there were decreases in TV agency commissions associated with the decrease in spot TV commercial operating revenues, decrease in event costs, as well as purchasing costs associated with the decline in mail order sales at the Group's subsidiary, and thus operating expenses in total decreased 1.2% compared with the same period of the previous fiscal year. As a result, operating income amounted to ¥1,100 million, a decline of ¥298 million, or 21.3%, compared with the same period of the previous fiscal year.

Housing Business

Net sales in the housing business amounted to ¥5,012 million, an increase of ¥224 million, or 4.7%, compared with the same period of the previous fiscal year. In the core housing exhibition site operating activities, profit contributions of the Totsuka Housing Park, which opened in September of last year, and tenant construction for an exhibition of housing-related facilities (HDC (Housing Design Center) Kobe) accounted for an increase in revenue both in the Kansai and the Tokyo metropolitan areas. However, operating expenses rose 3.2%, and operating income amounted to ¥581 million, an increase of ¥89 million, or 18.2%, compared with the same period of the previous fiscal year.

Golf Business

Net sales in the golf business decreased ¥38 million, or 7.8%, compared with the same period of the previous fiscal year, to ¥455 million. The principal factor accounting for this decrease was the drop in sales of golf course memberships despite an increase in the number of visitors. On the other hand, operating expenses increased 1.5% and operating income amounted to ¥13 million, a decrease of ¥39 million, or 75.2%, compared with the same period of the previous fiscal year.

(2) Analysis of Financial Position

(Assets)

Consolidated current assets as of the end of the second quarter of the fiscal year under review were ¥36,008 million, ¥936 million higher than at the end of the previous fiscal year (March 31, 2014). Non-current assets amounted to ¥64,620 million, ¥1,859 million higher than at the end of the previous fiscal year. Total assets increased ¥2,795 million, to ¥100,629 million. The increase in non-current assets resulted mainly from increase in deferred tax assets due to the revision of the Accounting Standard for Retirement Benefits.

(Liabilities)

Consolidated current liabilities stood at ¥11,351 million, ¥1,184 million lower than at the end of the previous fiscal year, and non-current liabilities came to ¥32,936 million, ¥10,198 million above the level in the previous fiscal year-end. Total liabilities increased ¥9,013 million, to ¥44,288 million. The principle reason for the increase in liabilities was the increase in net defined benefit liability due to the revision of the Accounting Standard for Retirement Benefits.

(Net Assets)

Consolidated total net assets came to ¥56,341 million, ¥6,217 million lower than at the end of the previous fiscal year. Although net income reported for the period under review was ¥955 million, the Group paid a total of ¥408 million in dividends from surplus. In addition, retained earnings decreased by ¥7,072 million due to the revision of the Accounting Standard for Retirement Benefits.

(3) Explanation of Forward-Looking Statements, including the Outlook for Consolidated Performance

As for our core broadcasting business, both net sales and income in the first half of fiscal 2014 fell below the previous estimates as a result of decreases in spot TV commercial operating revenues, event revenues, and mail order sales. However, since spot TV commercial operating revenues are expected to hover at higher level than the previous year for the third quarter and subsequent periods and event revenues are also expected to increase, the forecast for net sales has been revised upward, with regard to both non-consolidated and consolidated forecast for the full fiscal year. The forecasts for operating income, ordinary income, and net income remain unchanged from those previously announced.

2. Supplementary Information (Notes)

(1) Changes in the Number of Important Subsidiaries during the Period

Not applicable

(2) The Application of Special Accounting Treatment for the Preparation of the Quarterly Consolidated Financial Statements

Not applicable

(3) Changes in Accounting Policies, Accounting Estimates, and Restatements

Changes in Accounting Policies

(Application of Accounting Standard for Retirement Benefits, etc.)

“Accounting Standard for Retirement Benefits” (Accounting Standards Board of Japan [ASBJ] Statement No. 26, issued on May 17, 2012, hereinafter, the “Standard”), and “Guidance on Accounting Standard for Retirement Benefits” (ASBJ Guidance No. 25, issued on May 17, 2012, hereinafter, the “Guidance”) have been applied from the first quarter of fiscal 2014 for the provisions specified in the main clause of Paragraph 35 of the Standard and the main clause of Paragraph 67 of the Guidance. Accordingly, the calculation method of retirement benefit obligations and service costs has been revised, and the method for attributing expected retirement benefits to periods has been changed from the straight-line basis to the benefit formula basis. In addition, the method for determining the discount rate, with respect to the period of bonds used for the basis of determining the discount rate, has been changed from the method based on a period of years approximate to the average remaining service period of employees to the method based on the single weighted average discount rate that reflects the projected payment period of retirement benefits and the amount projected for each payment period.

The application of the Standard, etc. is subject to the transitional treatment provided for in Paragraph 37 of the Standard. Consequently, the impact of the change in the calculation methods of retirement benefit obligations and service costs has been recognized as increases or decreases to retained earnings at the beginning of the second quarter of fiscal year under review.

As a result, at the beginning of the first half of fiscal year under review, net defined benefit liability increased ¥10,982 million and retained earnings decreased ¥7,072 million. In addition, during the first half of fiscal 2014, operating income, ordinary income, and income before income taxes increased ¥94 million, respectively.

3. Consolidated Quarterly Financial Statements

(1) Consolidated Quarterly Balance Sheets

(Millions of Yen)

	March 31, 2013	September 30, 2014
Assets		
Current assets		
Cash and deposits	10,701	11,868
Notes and accounts receivable - trade	12,755	12,256
Securities	8,599	9,291
Inventories	824	754
Other	2,202	1,848
Allowance for doubtful accounts	(9)	(10)
Total current assets	35,072	36,008
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	20,766	20,343
Land	10,567	10,570
Other, net	6,852	6,203
Total property, plant and equipment	38,186	37,117
Intangible assets		
Software	223	188
Other	178	162
Total intangible assets	402	351
Investments and other assets		
Investment securities	17,379	16,496
Other	7,035	10,893
Allowance for doubtful accounts	(242)	(238)
Total investments and other assets	24,172	27,151
Total non-current assets	62,761	64,620
Total assets	97,833	100,629

(Millions of Yen)

	March 31, 2013	September 30, 2014
Liabilities		
Current liabilities		
Short-term loans payable	30	100
Accounts payable - other	6,007	6,140
Income taxes payable	1,330	681
Provision	134	70
Other	5,034	4,359
Total current liabilities	12,536	11,351
Non-current liabilities		
Net defined benefit liability	11,968	22,731
Other	10,769	10,205
Total non-current liabilities	22,738	32,936
Total liabilities	35,275	44,288
Net assets		
Shareholders' equity		
Capital stock	5,299	5,299
Capital surplus	3,610	3,610
Retained earnings	49,518	42,992
Treasury shares	(500)	(500)
Total shareholders' equity	57,927	51,402
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,485	1,713
Remeasurements of defined benefit plans	(787)	(726)
Total accumulated other comprehensive income	698	986
Minority interests	3,933	3,952
Total net assets	62,558	56,341
Total liabilities and net assets	97,833	100,629

(2) Consolidated Quarterly Statements of Income and Consolidated Quarterly Statements of Comprehensive Income

Consolidated Quarterly Statements of Income

For the First Half of Fiscal 2013 and 2014

(Millions of yen)

	First Half of Fiscal 2013 (April 1, 2013 to September 30, 2013)	First Half of Fiscal 2014 (April 1, 2014 to September 30, 2014)
Net sales	40,245	39,721
Cost of sales	26,615	26,455
Gross profit	13,629	13,266
Selling, general and administrative expenses	11,685	11,571
Operating income	1,943	1,695
Non-operating income		
Interest income	17	29
Dividend income	126	138
Other	46	45
Total non-operating income	190	213
Non-operating expenses		
Interest expenses	49	36
Loss on disposal of non-current assets	46	36
Loss on redemption of investment securities	0	20
Other	6	0
Total non-operating expenses	104	93
Ordinary income	2,029	1,815
Extraordinary income		
Gain on sales of investment securities	4	—
Total extraordinary income	4	—
Extraordinary losses		
Loss on sales of investment securities	9	—
Total extraordinary losses	9	—
Income before income taxes	2,024	1,815
Income taxes	835	766
Income before minority interests	1,189	1,048
Minority interests in income	48	93
Net income	1,141	955

Consolidated Quarterly Statements of Comprehensive Income

For the First Half of Fiscal 2013 and 2014

(Millions of Yen)

	First Half of Fiscal 2013 (April 1, 2013 to September 30, 2013)	First Half of Fiscal 2014 (April 1, 2014 to September 30, 2014)
Income before minority interests	1,189	1,048
Other comprehensive income		
Valuation difference on available-for-sale securities	430	227
Remeasurements of defined benefit plans, net of tax	—	60
Total other comprehensive income	430	288
Comprehensive income	1,619	1,337
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,569	1,244
Comprehensive income attributable to minority interests	49	92

(3) Notes regarding Consolidated Quarterly Financial Statements

(Going Concern Assumptions)

Not applicable.

(Any Major Change in the Amount of Consolidated Shareholders' Equity)

Not applicable.

(Segment Information, etc.)

Explanation of Measurements of Sales, Profit and Loss for Each Reportable Segment

First Half of Fiscal 2013 (April 1, 2013 to September 30, 2013)

(Millions of Yen)

	Reportable Segment				Adjustments (Note 1)	Amounts Recorded on Consolidated Financial Statements (Note 2)
	Broadcasting	Housing	Golf Club	Total		
Sales						
Revenues from external customers	34,963	4,787	494	40,245	—	40,245
Transactions with other segments	165	10	9	185	(185)	—
Total	35,128	4,798	503	40,430	(185)	40,245
Segment profit	1,398	492	52	1,943	—	1,943

Notes:

1. The adjustment to transactions with other segments of negative ¥185 million represents the amount of intrasegment transaction elimination.
2. Segment profit refers to operating income recorded on the consolidated statement of income.

First Half of Fiscal 2014 (April 1, 2014 to September 30, 2014)

(Millions of Yen)

	Reportable Segment				Adjustments (Note 1)	Amounts Recorded on Consolidated Financial Statements (Note 2)
	Broadcasting	Housing	Golf Club	Total		
Sales						
Revenues from external customers	34,254	5,012	455	39,721	—	39,721
Transactions with other segments	188	12	15	216	(216)	—
Total	34,442	5,025	470	39,937	(216)	39,721
Segment profit	1,100	581	13	1,695	—	1,695

Notes:

1. The adjustment to transactions with other segments of negative ¥216 million represents the amount of intrasegment transaction elimination.
2. Segment profit refers to operating income recorded on the consolidated statement of income.

4. (Reference) Summary of Non-Consolidated Quarterly Financial Statements

First Half of Fiscal 2014 (April 1, 2014 to September 30, 2014)

(1) Non-Consolidated Statements of Income

(Percentage figures show the year-on-year increase (decrease) for each corresponding period.)

	Net Sales		Operating Income		Ordinary Income		Net Income	
	¥ million	%	¥ million	%	¥ million	%	¥ million	%
First Half of Fiscal 2014	32,419	(1.1)	1,459	(10.9)	1,680	(8.4)	1,080	(4.7)
First Half of Fiscal 2013	32,779	2.9	1,638	4.1	1,834	5.7	1,134	8.2

(2) Non-Consolidated Balance Sheets

	Total Assets	Total Net Assets
	¥ million	¥ million
September 30, 2014	80,491	48,913
March 31, 2014	77,739	55,085

(3) Breakdown of Non-Consolidated Net Sales

	First Half of Fiscal 2013 (April 1, 2013 to September 30, 2013)	First Half of Fiscal 2014 (April 1, 2014 to September 30, 2014)	Increase / (Decrease)	% Change
	¥ million	¥ million	¥ million	%
Television broadcasting business revenue				
Time	10,482	10,501	18	0.2
Spot	17,495	17,351	(143)	(0.8)
Program sales	1,163	1,170	6	0.6
Subtotal	29,141	29,023	(118)	(0.4)
Radio broadcasting business revenue	1,418	1,403	(15)	(1.1)
Other	2,219	1,993	(226)	(10.2)
Total	32,779	32,419	(360)	(1.1)

Note: Summary highlights of quarterly financial statements (non-consolidated) are not subject to review in legally mandated disclosure.