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2021–2025 Medium-Term Management Strategy

***NEW HOPE* 2nd STAGE**

〈Rolling Plan 2023〉

May 12, 2023

Asahi Broadcasting Group Holdings Corporation

NEW HOPE 2021-2025 2nd STAGE : Our Vision

Entering a period of further change
with post-COVID-19, global unrest, etc.

The start of a period of great
social and industrial change
in the wake of COVID-19

May 2021
Announced *NEW HOPE*,
our medium-term management strategy

2023 Launch
NEW HOPE 2nd STAGE

Toward 2025 and Beyond

Reflecting on the results and issues encountered over the two years of our medium-term management strategy **NEW HOPE**, we are approaching the latter three years under measures we define as a **2nd STAGE**. We intend to raise awareness throughout the Asahi Broadcasting Group, accelerating organizational growth as we respond to an era of further change.

Creating and Delivering *New Happiness*

To become a *comprehensive content business group* that *creates and delivers* content that enriches society and lives, helping everyone find their own sense of 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 by FY2025

***NEW HOPE* 2nd STAGE**

**Our Greatest Strengths are Our *Diverse Content* and *Content Creation Human Resources*.
Maximizing Our Strengths for Further Growth.**

NEW HOPE 2nd STAGE Our Business Environment

The Industry and Our Company

- Changing media/content environment
- Changing customer needs
- Target market globalization
- Shrinking market due to population decline

Technology

- Disruptive evolution in digital technologies (AI, XR, IoT, robotics, etc.)
- Advent of the data-driven society
- A future of digital twins

Society

- Prolonged global instability
- Increased awareness of the need to fulfill the SDGs
- Newly emerging lifestyles
- Accelerated low birth rate and aging society
- Decline in local economies and regional strength



Rising Needs for Diversification and Higher-Quality Content and an Increase in Our Social Role as a Media Group



Awareness of and Challenges in Business Transformation



Transcend Corporate Boundaries to Become a Corporate Group Supported by Diverse Human Resources, and Deliver Happiness* to Our Stakeholders Through Greater Diversity in Content

* Happiness for viewers, listeners, and consumers; Well-Being for local communities; and Good Living for the Group employees.

NEW HOPE 2nd STAGE Priority Measures

Strengthen and Diversify Human Resources

Colorful@ABC Statement

Recruit and Hire New Employees

Enhance Training Systems

Strengthen Group Collaboration

Town Meetings

Conduct Personnel Exchanges Between Companies

Create Opportunities for Intra-Group Collaboration and Planning

Measure 1: Human Resources Crossroads Initiative

DX-Certified Operator

Improve Digital Literacy

Build Customer Data Platform (CDP) and Utilize Data

Launch Digital Sales

Provide Group Business Support Through Data and Digital Technologies

Measure 2: Create Businesses Through Digital Transformation (DX)

Data Utilization System and Digital Technologies

ABC Green Declaration

Establish a Fund to Invest in SDGs-Related Ventures (Social Interaction Design Fund)

Launch collaborations and engage in dialogue with local governments and private companies

Measure 3: Naniwa-suji/Nakanoshima ART ARC Initiative

Regional Revitalization and Solutions to Social Issues

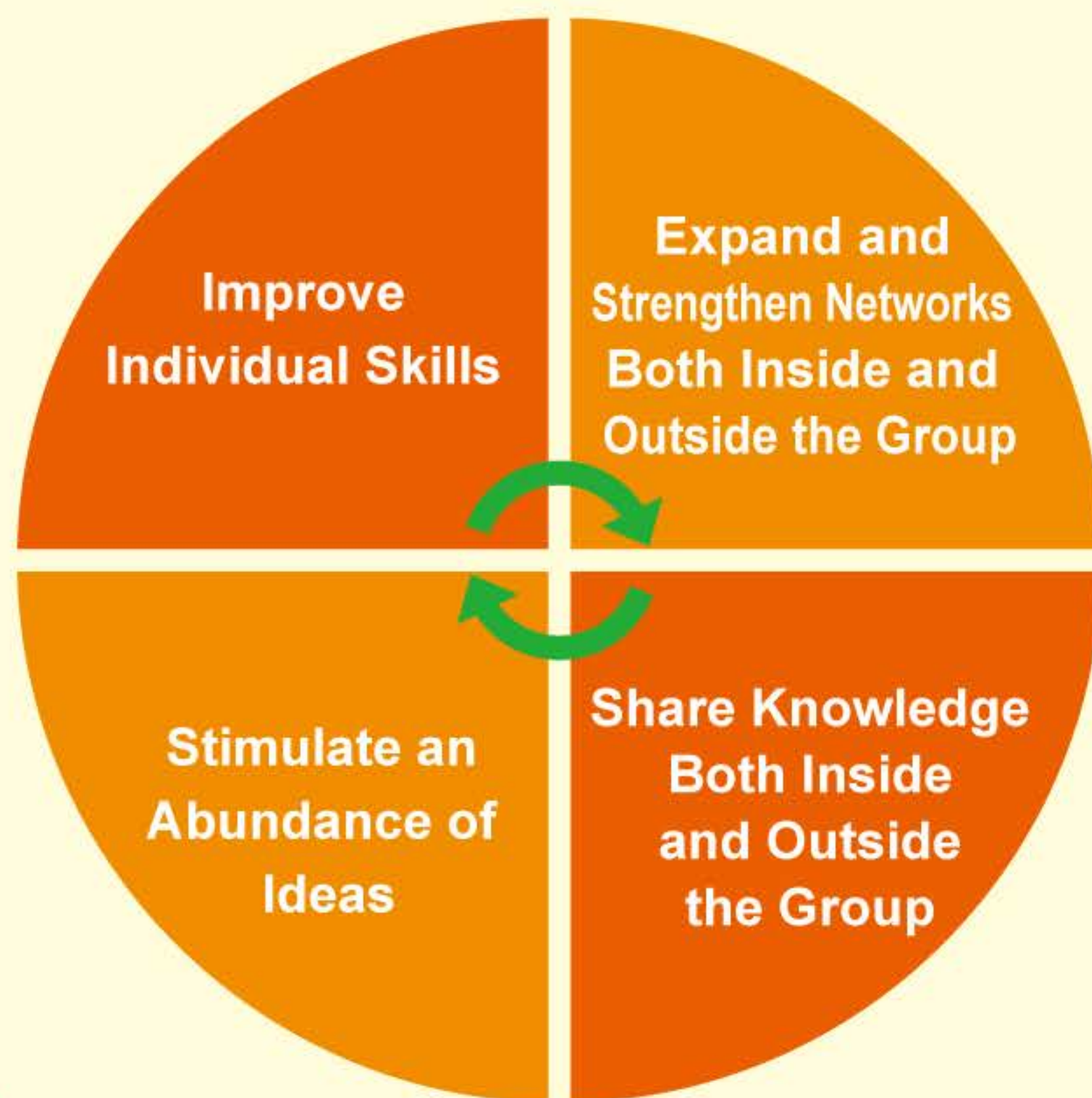
White Highlight = Measures implemented over two years; Orange Highlight = Priority measures during the 2nd STAGE

(1) People are the Source of Content Creation

Creating a Human Resources Crossroads That Attracts Talent

More Diverse, With More Freedom, Creating Content, Forming New Business Ideas, and Monetizing With Speed

Maximize the *Power of the Individual* and the *Power of the Group*. Become a Group of Talented Professionals in All Capacities.



ABC College

- Create a place where people learn from each other, talk with each other, and connect with each other by gathering and sharing knowledge inside and outside the Group. Foster human resources who abound with ideas.
- Strengthen internal and external business networks through the ABC Salon.
- Increase the number of group social gatherings.

Who's Who

- Build a database of human resources within the Group to maximize the power of human resources.

Pursue collaboration with companies that have in-house producers, creators, etc.

(2) From Pursuit to Practical Implementation: Creating Businesses Through Digital Transformation

Link Data and Digital Technologies to Business Design Through DX

DX Creation

Create Businesses Through Data Marketing

- Deepen Group data utilization supported by CDP, etc.
- Shift the business of each group company to a data-driven business model

Create Businesses Through Digital Sales

- Build new business channels for digital products
- Grow Group business through digital sales × business marketing

Create Businesses Through Digital Technologies

- Create new technology seeds and support businesses
- Support businesses through open innovation

Create Businesses Through Human Resources Development

- Develop advanced digital human resources within the Group
- Foster DX-literate human resources → Improve information literacy and reskilling

DX Implementation

Media Studies, Digital Marketing, Build a CDP

Technology Research and Development, Digital Literacy

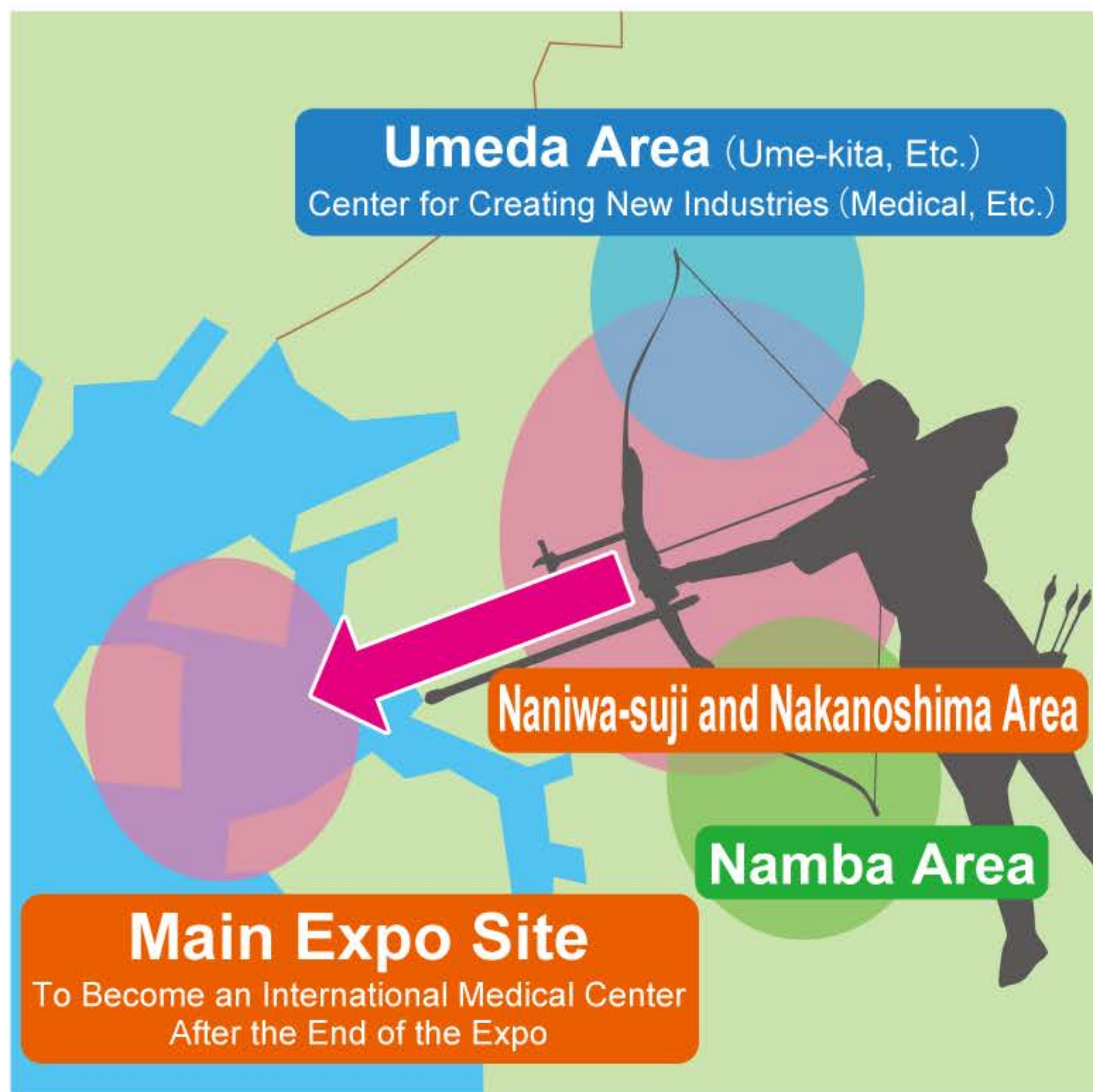
Improve Information Infrastructure, Security, Reduce Labor via RPA

**ABC Group
DX Infrastructure**

**NEW
HOPE**

(3) Naniwa-suji/Nakanoshima ART ARC Initiative and Creating Energetic Communities

Contribute to Regional Revitalization and Create New Businesses as a Group of Creators



[Naniwa-suji and Nakanoshima Area Features]

- Developing under the concepts of art, health, and energy
- Easy access to the main Expo site and the center of Osaka



[Group Ability to Create and Deliver]

- Leverage the power of media to support companies, organizations, and artists involved in the area
- Establish an interchange center at our head office





The Naniwa-suji and Nakanoshima Area Will Become a Central Arts and Entertainment District!

[Establish a Second Creation Factory Near Our Head Office]

We intend to establish a **second creation factory** as a base for content production, as well as a base for communications and cultural interchange toward regional revitalization. To this end, we are planning **redevelopment in the area around our head office building.**

NEW HOPE 2nd STAGE Growth Investment Strategy

-  Leverage M&A and corporate venture capital (ABC DREAM VENTURES) to secure functions and resources in line with our content and lifestyle business strategies.
-  Strengthen investment in the digital domain, aiming to create businesses through DX.
-  Maximize the knowledge and skills of each employee and strengthen human capital investment, aiming to become a group (Human Resources Crossroads) attracting talented professionals inside and outside our organization.
-  Invest in the creation of businesses that contribute to society.

-  Optimize our business portfolio by allocating management resources in light of the cost of capital for investment.
-  Increase corporate value as a comprehensive content business group through ongoing investment in growth to achieve our medium-term management strategy.
-  Aim to maximize optimal funding sources and efficiencies to maintain an appropriate balance between financial health and financial leverage.

Medium-Term Management Strategy

Rolling Update (Quantitative Targets)

Priority Targets (Quantitative)

Financial Plan by 2025 (Rolling Plan 2022)

(Millions of yen)

	FY2021 (actual)		FY2022		FY2023		FY2024		FY2025	
	Net Sales	Operating Income	Net Sales	Operating Income	Net Sales	Operating Income	Net Sales	Operating Income	Net Sales	Operating Income
Consolidated Group	85,100	4,203	91,000	4,000	94,000	4,500	97,000	5,000	100,000	5,700



Rolling Plan 2023

	FY2021 (actual)		FY2022 (actual)		FY2023		FY2024		FY2025	
	Net Sales	Operating Income	Net Sales	Operating Income	Net Sales	Operating Income	Net Sales	Operating Income	Net Sales	Operating Income
Consolidated Group	85,100	4,203	87,028	2,594	90,000	2,500	94,000	3,900	100,000	5,700

Priority Targets (Quantitative by Segment)

Financial Plan by 2025 (Rolling Plan 2022)

(Millions of yen)

▼ By reportable segment	FY2021 (actual)		FY2022		FY2023		FY2024		FY2025	
	Net Sales	Operating Income	Net Sales	Operating Income	Net Sales	Operating Income	Net Sales	Operating Income	Net Sales	Operating Income
Broadcasting and Content	71,348	3,654	75,200	3,300	77,000	3,200	79,300	3,600	81,000	3,800
Lifestyle	13,751	874	15,800	1,000	17,000	1,600	17,700	1,700	19,000	2,200



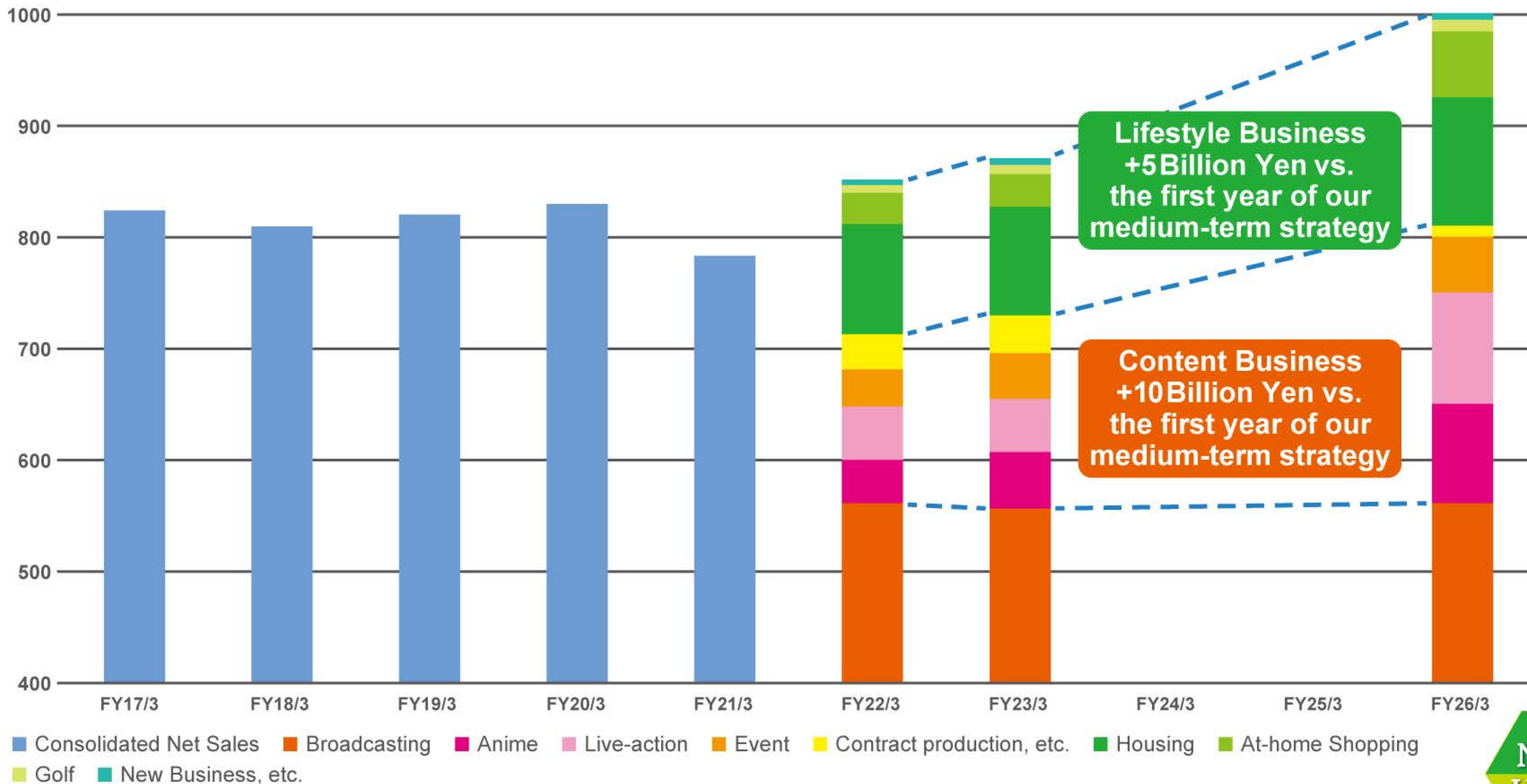
Rolling Plan 2023

▼ By reportable segment	FY2021 (actual)		FY2022 (actual)		FY2023		FY2024		FY2025	
	Net Sales	Operating Income	Net Sales	Operating Income	Net Sales	Operating Income	Net Sales	Operating Income	Net Sales	Operating Income
Broadcasting and Content	71,348	3,654	72,967	2,602	75,400	2,300	77,700	3,300	81,000	4,500
Lifestyle	13,751	874	14,061	433	14,600	600	16,300	1,050	19,000	1,650

Note: We anticipated operating income-related adjustments of -300 million yen in FY2022, -400 million yen in FY2023, and -450 million in the FY2024 to FY2025 time frame, recorded as Adjustments, Other for items not allocated to a specific segment (not shown in table).

FY2025 Target (Quantitative Targets)

(Billions of yen)



A *NEW HOPE* and the Vision Forward

We began executing on our *NEW HOPE* medium-term management strategy two years ago. With disruptive advances in technology, our lives and values are about to change dramatically. And in 2025 (the final year of our strategy) and beyond, we will see changes that defy our imagination.

Even in such times, we will continue to be a creative group that responds to change, serving as a content business group that delivers happiness, exactly as defined in our mission. TV and radio, the core of our group, will continue to offer inclusive and positive content for viewers, listeners and society. This aspiration is a guidepost for our company to develop sustainably in concert with society.

The key to achieving this vision is, first and foremost, **our people**. We aim to be a group that is rich in diversity, attracting people from within and without, and allowing professionals to come and go freely. We aspire to look, think, and take action from broad and varied perspectives, taking on the challenges of social issues that emerge without fear of failure.

People evolve from personnel to human resources that become a great strength to an organization, and finally to human capital that become a great treasure to society. Relying on our people as a source of growth, the Asahi Broadcasting Group will continue to transform freely, boldly, and beyond conventional expectations.

Susumu Okinaka
Representative Director and President

Disclaimer

This Medium-Term Management Strategy 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.

Corporate Information Website

The logo for ABC (Asahi Broadcasting Corporation) features the letters 'ABC' in white on an orange rectangular background.

<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)