

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

Asahi Broadcasting Group Medium-term Business Plan, 2015-2017

1. Operating Environment

The business environment in which we operate has been undergoing an enormous transformation in recent years. In our core business of broadcasting, we are facing an unprecedented amount of change, such as a transformation in the television viewing environment (including terrestrial and satellite broadcasting), the evolution of smartphones and tablet devices as viewing platforms, and the development of technological innovations such as 4K and 8K in the lead up to the 2020 Tokyo Olympic Games.

As we pursue further growth for the Group, we are fully aware of the need to not only strengthen our broadcasting business, but also actively make inroads into new business with good quality, powerful content at its core.

2. Asahi Broadcasting Group Growth Vision

At the time of development of the new Medium-term Business Plan, we also set out the forward-looking 'Group Growth Vision' that sets the broad direction we are aiming for.

Asahi Broadcasting Group Growth Vision

FY2021 – Asahi Broadcasting Corporation's 70th Anniversary

Consolidated net sales: ¥100 billion Operating profit margin: 8%

In order to achieve our aim of being a '100-year-company', the target of consolidated net sales of ¥100 billion in our 70th anniversary year of FY2021 will be the vision we will share group-wide.

3. 'Medium-term Business Plan, 2015-2017' Strategic Objectives

The next medium-term business plan has been set out for the three-year period centered on our 65th anniversary in FY2016. During these three years, we will lay the operational foundations for substantial growth, and consider the period as one where we will focus on proactive investment.

The strategic objectives of the plan are as follows:

1) Consolidate our position as number one in viewer ratings, number one in listener ratings, and number one in sales for the entire Group

In addition to our aim to be number one in the Kansai region in terms of TV viewership and radio listenership, we will firmly establish our position as number one among Osaka-based broadcasters, including in terms of Group consolidated net sales, and further strengthen our ability to make the necessary investments to achieve this.

2) Keep pace with the changing media environment and enhance content production

In a rapidly-changing media environment, we will remain keenly aware of the evolution in devices and shifting user needs, and aim to invest in development as well as traditional program-related expenses as we seek to produce content that keeps pace with change.

3) Further expand the number of ABC Group fans

We aim to not only increase the number of TV viewers, radio listeners, and people taking part in events, but to also create Asahi Broadcasting Group fans, starting with on-air personalities and extending to all that are directly or indirectly involved with the Group.

4) Optimally assign work and personnel Group-wide

Through redefining the mission of each company within the Asahi Broadcasting Group and strategic placement of work and personnel overall, we will raise operational efficiency and enhance our competitiveness.

5) Boldly challenge new business areas and strengthen our international competitiveness

While continuing to position content production at the core, we will explore new business areas that adapt to changes in devices and strengthen our overseas strategies focused primarily on content, such as overseas program and format sales

4. Target of Consolidate Performance

(Unit: millions yen)

	FY2014 Actual	FY2015 Plan	FY2016 Plan	FY2017 Plan
Net sales	80,691	82,100	83,800	84,500
Operating income	4,684	4,400	4,800	5,000
Ordinary income	4,830	4,600	5,000	5,200
Net income	2,203	2,800	3,000	3,200
Operating profit margin	5.8%	5.4%	5.7%	5.9%