

Note: This English translation is a summary of the original text in Japanese.

February 7, 2018

Asahi Broadcasting Corporation

Notice Regarding Formulation of the Asahi Broadcasting Group's 2018-2020 Medium-term Management Plan "SUNRISE"

Asahi Broadcasting Corporation ("ABC" or the "Company") announces that the Company formulated the Asahi Broadcasting Group's (the "Group") three-year Medium-term Management Plan covering the period between fiscal 2018 and fiscal 2020 as it transitions to the "Asahi Broadcasting Group Holdings Corporation," a certified broadcasting holding company, effective April 1, 2018. The following is an outline of the plan.

<The Group's Business Philosophy>

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.

<The Group's Growth Vision>

Amid the drastic changes in the broadcasting industry's traditional business model, the Asahi Broadcasting Group will grow by dynamically evolving into a comprehensive content business group and targeting "consolidated sales of 100 billion yen and an ordinary income margin of 8.0%."

<Business Targets>

- Definitely achieve our target of "consolidated sales of 89 billion yen and ordinary income of 6 billion yen" in FY2020
- Invest in growth areas (investment ceiling of 20 billion yen) to achieve the Group's Growth Vision
- Pursue a dividend payout ratio of 30% or higher
- Strive to improve ROE

- Target an overseas business sales ratio to consolidated sales of 3% or more

<Strategic Objectives>

Regarding change as positive, the Asahi Broadcasting Group will devise and implement business strategies and initiatives in accordance to each company's role through the formulation of unprecedented bold objectives and challenges.

- Strengthen the Group's collaboration
- Create content and optimize values
- Invest in growth areas and challenge new business areas
- Develop human resources who will adapt to changes
- Achieve business operational efficiency and realize a high value-added way of working

<Consolidated Earnings Targets for FY2020>

- | | |
|--------------------------|--------------------|
| - Net sales | 89,000 million yen |
| - Operating income | 5,800 million yen |
| - Ordinary income | 6,000 million yen |
| - Ordinary income margin | 6.7% |

<Priorities for the Group's Growth>

- Strengthen broadcasting-related businesses
 - We will reform our timetable to mainly target viewers 49 years of age or under. We intend to expand our broadcasting revenue by recapturing our top position in viewer ratings and increasing our earning opportunities by creating content including non-broadcast-based content.
 - Expand related income by enhancing TV shopping and proactively investing in animation.
 - Promote initiatives to improve earnings through cost management.
- Reinforce housing-related business
 - Expand earnings by opening new facilities for both the housing exhibition and HDC businesses and secure steady earnings in the real estate leasing business.
- Proactively invest in growth areas
 - Reinforce and complement broadcasting business, generate synergies with Group companies and proactively invest in businesses that are likely to become new earnings pillars.

- Set an investment ceiling of 20 billion yen over a three-year-period. We will consider utilizing cash reserves and external procurement in addition to CF.