

CONSOLIDATED FINANCIAL REPORT
FOR THE SECOND QUARTER OF FISCAL 2016
(The Fiscal Year Ending March 31, 2017 under Japanese GAAP)



November 8, 2016

Company Name: Asahi Broadcasting Corporation* Stock Exchange Listing: Tokyo Stock Exchange
Securities Code: 9405 URL <http://corp.asahi.co.jp/en/>
Representative: Satoshi Wakisaka, President and Chief Executive Officer
Inquiries: Masato Kadota, Director, Financial Affairs Division TEL: +81-6-6458-5321
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Preparation of Quarterly Supplementary Explanatory Materials: Yes
Quarterly Results Briefing Held: Yes (for institutional investors and analysts)
* Asahi Broadcasting Corporation: ABC

(Figures are rounded down to the nearest million yen unless otherwise stated.)

1. Consolidated Financial Results for the First Half of Fiscal 2016 (April 1, 2016 to September 30, 2016)

(1) Consolidated Operating Results (Cumulative)

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

| | Net Sales | | Operating Income | | Ordinary Income | | Profit Attributable to Owners of Parent | |
|---------------------------|-----------|-------|------------------|--------|-----------------|--------|---|--------|
| | ¥ million | % | ¥ million | % | ¥ million | % | ¥ million | % |
| First Half of Fiscal 2016 | 40,867 | 3.7 | 1,072 | 0.9 | 1,260 | (3.0) | 883 | 12.4 |
| First Half of Fiscal 2015 | 39,405 | (0.8) | 1,063 | (37.3) | 1,300 | (28.4) | 786 | (17.8) |

Note: Comprehensive Income First half of fiscal 2016 ¥800 million (5.8%)
First half of fiscal 2015 ¥756 million (-43.4%)

| | Basic Earnings per Share | Diluted Earnings per Share |
|---------------------------|--------------------------|----------------------------|
| | ¥ | ¥ |
| First Half of Fiscal 2016 | 21.63 | — |
| First Half of Fiscal 2015 | 19.25 | — |

(2) Consolidated Financial Position

| | Total Assets | Net Assets | Equity-to-Asset Ratio |
|--------------------|--------------|------------|-----------------------|
| | ¥ million | ¥ million | % |
| September 30, 2016 | 98,383 | 58,076 | 54.5 |
| March 31, 2016 | 99,596 | 57,713 | 53.5 |

(Reference) Shareholders' Equity September 30, 2016: ¥53,608 million
March 31, 2016: ¥53,279 million

2. Dividends

| | Annual Dividend per Share | | | | |
|------------------------|---------------------------|--------|--------|------------|-------|
| | 1Q-End | 2Q-End | 3Q-End | Period-End | Total |
| | ¥ | ¥ | ¥ | ¥ | ¥ |
| Fiscal 2015 | — | 9.00 | — | 9.00 | 18.00 |
| Fiscal 2016 | — | 9.00 | — | 9.00 | 18.00 |
| Fiscal 2016 (Forecast) | — | 9.00 | — | 9.00 | 18.00 |

Notes: Revisions from recently announced dividend forecast: None

3. Consolidated Financial Results Forecasts for Fiscal 2016 (April 1, 2016 to March 31, 2017)

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

| | Net Sales | | Operating Income | | Ordinary Income | | Profit Attributable to Owners of Parent | | Basic Earnings per Share |
|------------------|-----------|-----|------------------|-----|-----------------|-------|---|------|--------------------------|
| | ¥ million | % | ¥ million | % | ¥ million | % | ¥ million | % | ¥ |
| Full Fiscal Year | 82,400 | 1.7 | 4,100 | 0.9 | 4,400 | (0.2) | 2,700 | 13.8 | 66.12 |

Note: Revisions from recently announced performance forecast: None

* 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.: None

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

3) Changes in accounting estimates: None

4) Restatements: None

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

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

| | | | |
|--------------------|-------------------|----------------|-------------------|
| September 30, 2016 | 41,833,000 shares | March 31, 2016 | 41,833,000 shares |
|--------------------|-------------------|----------------|-------------------|

2) Number of treasury shares as of the period-end

| | | | |
|--------------------|----------------|----------------|----------------|
| September 30, 2016 | 996,087 shares | March 31, 2016 | 996,087 shares |
|--------------------|----------------|----------------|----------------|

3) Average number of shares issued and outstanding for the period

| | | | |
|--------------------|-------------------|--------------------|-------------------|
| September 30, 2016 | 40,836,913 shares | September 30, 2015 | 40,836,913 shares |
|--------------------|-------------------|--------------------|-------------------|

* 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 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 will hold a briefing for institutional investors and analysts, scheduled for Friday, November 18, 2016. A summary of the presentation materials to be distributed at this briefing shall be published on the Company's website after the event.

Supplementary Materials: Table of Contents

| | | |
|----|--|----|
| 1. | Analysis of Operating Results and Financial Position | 2 |
| | (1) Analysis of Operating Results | 2 |
| | (2) Analysis of Financial Position | 3 |
| | (3) Explanation of Forward-Looking Statements, including the Outlook for Consolidated Performance | 3 |
| 2. | Supplementary Information (Notes) | 4 |
| | (1) Changes in the Number of Important Subsidiaries during the Period | 4 |
| | (2) Application of Special Accounting Treatment for the Preparation of the Quarterly Consolidated Financial Statements | 4 |
| | (3) Changes in Accounting Policies, Accounting Estimates and Restatements | 4 |
| | (4) Additional Information | 4 |
| 3. | Quarterly Consolidated Financial Statements | 5 |
| | (1) Quarterly Consolidated Balance Sheet | 5 |
| | (2) Quarterly Consolidated Statement of Income and Quarterly Consolidated Statement of Comprehensive Income | 7 |
| | Quarterly Consolidated Statement of Income | 7 |
| | Quarterly Consolidated Statement of Comprehensive Income | 8 |
| | (3) Notes regarding Quarterly Consolidated Financial Statements | 9 |
| | (Going Concern Assumptions) | 9 |
| | (Any Major Change in the Amount of Consolidated Shareholders' Equity) | 9 |
| | (Segment Information, etc.) | 9 |
| 4. | (Reference) Summary of Quarterly Non-Consolidated Financial Statements | 10 |
| | (1) Non-Consolidated Operating Results | 10 |
| | (2) Non-Consolidated Financial Position | 10 |
| | (3) Breakdown of Non-Consolidated Net Sales | 10 |

1. Analysis of Operating Results and Financial Position

(1) Analysis of Operating Results

Through the first half of fiscal 2016, which extended from April 1, 2016 to September 30, 2016, the Japanese economy was on a moderate recovery trend due to signs of a bottoming out of personal consumption due to an improvement in the employment situation and income conditions. However, in addition to the progress of yen appreciation, due to unstable factors in overseas economies such as an economic slowdown in emerging markets and the withdrawal of the United Kingdom from the EU, the future outlook of the economy remained uncertain.

Under these circumstances, in the broadcasting field where the Asahi Broadcasting Group (the Group) conducts its core business, increases in TV network time advertising revenue and TV spot sales revenue caused net sales to increase. In the housing business, net sales were up due to factors such as an increase in sales at an exhibition of housing-related facilities (HDC (Housing Design Center)). In the golf business, revenue increased due to factors such as an increase in the number of golf course visitors. As a result of these factors, the Group's net sales for the first half of fiscal 2016 increased ¥1,462 million, or 3.7%, compared to the same period of the previous fiscal year and amounted to ¥40,867 million.

From the cost standpoint, cost of sales increased ¥1,229 million (4.6%) compared with the same period of the previous fiscal year, to ¥28,235 million. Selling, general and administrative expenses increased ¥223 million (2.0%) compared with the same period of the previous fiscal year, to ¥11,559 million. As a result of the above, operating income for the period increased ¥9 million, or 0.9%, to ¥1,072 million, while ordinary income totaled ¥1,260 million, a decrease of ¥39 million, or 3.0% due to a decrease in non-operating income of subsidiaries. Additionally, as extraordinary income, ¥116 million in subsidy income related to development of FM relay stations to complement AM radio broadcasting and ¥66 million in gain on sales of non-current assets of subsidiaries were recorded. As a result, profit before income taxes were ¥1,443 million, an increase of ¥5 million, or 0.4%, and profit attributable to owners of parent was ¥883 million, an increase of ¥97 million, or 12.4%.

Results by business segment are as follows:

Broadcasting Business

During the first half of fiscal 2016, net sales in the broadcasting business totaled ¥35,014 million, up ¥1,106 million, or 3.3%, compared to the same period of the previous fiscal year. The principal factors accounting for this increase in revenue included increases in mainstay TV spot advertising sales and event income, in addition to higher revenue for contracted broadcasting of CS broadcasts and broadcasting revenue from commercial sales. On the other hand, operating expenses increased 3.0% overall from the same period of the previous fiscal year, owing to factors including increases in network expenses and event costs. As a result, operating income amounted to ¥635 million, an increase of ¥128 million, or 25.4%, from the same period of the previous fiscal year.

Housing Business

In the housing business, net sales amounted to ¥5,418 million, an increase of ¥350 million, or 6.9%, compared with the same period of the previous fiscal year. Although sales of the housing business concerning housing exhibitions decreased, overall sales increased due to factors such as higher sales at an exhibition for housing-related facilities (HDC Nagoya) opened this March, and the advertising business. Meanwhile, operating expenses rose 10.0% due to factors such as higher HDC business expenses and advertising business expenses, in addition to higher housing business expenses. As a result, operating income amounted to ¥461 million, a decrease of ¥106 million, or 18.8%, from the same period of the previous fiscal year.

Golf Business

Net sales in the golf business amounted to ¥435 million, an increase of ¥5 million, or 1.3%, compared with the same

period of the previous fiscal year. On the other hand, operating expenses rose 3.7% due to factors such as higher depreciation expenses and personnel expenses resulting from renovations to clubhouses. As a result, operating loss amounted to ¥24 million, representing a loss ¥12 million wider than 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 fiscal 2016 were ¥31,329 million, ¥778 million lower than at the end of the previous fiscal year (March 31, 2016). Non-current assets amounted to ¥67,053 million, ¥434 million lower than at the end of the previous fiscal year. Total assets decreased ¥1,213 million, to ¥98,383 million. The decrease in total assets resulted mainly from the redemption of securities, decline in the market value of investment securities, and depreciation of property, plant and equipment, despite the increase in cash and deposits.

(Liabilities)

Consolidated current liabilities stood at ¥11,163 million, ¥1,468 million lower than at the end of the previous fiscal year, and non-current liabilities came to ¥29,143 million, ¥106 million below the level at the previous fiscal year-end. Total liabilities decreased ¥1,575 million, to ¥40,307 million. The principle reasons for the decrease in liabilities were the decrease in lease obligations following lease contract expirations and the decrease in notes payable - facilities, etc.

(Net Assets)

Consolidated total net assets came to ¥58,076 million, ¥362 million higher than at the end of the previous fiscal year. Although profit attributable to owners of parent reported for the period under review was ¥883 million, the Group paid a total of ¥367 million in dividends from surplus. In addition, due to a decline in the market value of investment securities held by the Company, valuation difference on available-for-sale securities decreased ¥462 million, and remeasurements of defined benefit plans increased ¥275 million.

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

As consolidated financial results during the first half of fiscal 2016 are trending within expected ranges, regarding financial results forecasts of the full fiscal year, net sales, operating income, ordinary income, and profit attributable to owners of parent remain unchanged from the previous announcement.

2. Supplementary Information (Notes)

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

Not applicable.

(2) 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

Not applicable.

(4) Additional Information

(Application of Implementation Guidance on Recoverability of Deferred Tax Assets)

The “Implementation Guidance on Recoverability of Deferred Tax Assets” (Accounting Standards Board of Japan Guidance No. 26, March 28, 2016) has been applied from the first quarter of fiscal 2016.

3. Quarterly Consolidated Financial Statements

(1) Quarterly Consolidated Balance Sheet

(Millions of Yen)

| | March 31, 2016 | September 30, 2016 |
|--|----------------|--------------------|
| Assets | | |
| Current assets | | |
| Cash and deposits | 11,857 | 13,651 |
| Notes and accounts receivable - trade | 12,904 | 12,594 |
| Securities | 4,397 | 2,301 |
| Inventories | 850 | 616 |
| Other | 2,108 | 2,173 |
| Allowance for doubtful accounts | (9) | (8) |
| Total current assets | 32,108 | 31,329 |
| Non-current assets | | |
| Property, plant and equipment | | |
| Buildings and structures | 21,077 | 20,511 |
| Land | 11,239 | 11,412 |
| Other, net | 6,084 | 6,082 |
| Total property, plant and equipment | 38,401 | 38,006 |
| Intangible assets | | |
| Software | 145 | 125 |
| Software in progress | — | 255 |
| Other | 137 | 128 |
| Total intangible assets | 282 | 509 |
| Investments and other assets | | |
| Investment securities | 18,101 | 17,589 |
| Other | 10,946 | 11,193 |
| Allowance for doubtful accounts | (244) | (245) |
| Total investments and other assets | 28,803 | 28,537 |
| Total non-current assets | 67,487 | 67,053 |
| Total assets | 99,596 | 98,383 |

(Millions of Yen)

| | March 31, 2016 | September 30, 2016 |
|---|----------------|--------------------|
| Liabilities | | |
| Current liabilities | | |
| Short-term loans payable | 100 | 100 |
| Accounts payable - other | 5,981 | 6,377 |
| Income taxes payable | 693 | 602 |
| Provision | 113 | 49 |
| Other | 5,743 | 4,034 |
| Total current liabilities | 12,632 | 11,163 |
| Non-current liabilities | | |
| Net defined benefit liability | 20,486 | 20,092 |
| Other | 8,763 | 9,051 |
| Total non-current liabilities | 29,250 | 29,143 |
| Total liabilities | 41,882 | 40,307 |
| Net assets | | |
| Shareholders' equity | | |
| Capital stock | 5,299 | 5,299 |
| Capital surplus | 3,610 | 3,610 |
| Retained earnings | 45,510 | 46,026 |
| Treasury shares | (500) | (500) |
| Total shareholders' equity | 53,919 | 54,435 |
| Accumulated other comprehensive income | | |
| Valuation difference on available-for-sale securities | 2,722 | 2,259 |
| Remeasurements of defined benefit plans | (3,362) | (3,086) |
| Total accumulated other comprehensive income | (639) | (827) |
| Non-controlling interests | 4,433 | 4,467 |
| Total net assets | 57,713 | 58,076 |
| Total liabilities and net assets | 99,596 | 98,383 |

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

Quarterly Consolidated Statement of Income
For the First Half of Fiscal 2015 and 2016

(Millions of Yen)

| | First Half of Fiscal 2015 (April 1, 2015 to September 30, 2015) | First Half of Fiscal 2016 (April 1, 2016 to September 30, 2016) |
|--|---|---|
| Net sales | 39,405 | 40,867 |
| Cost of sales | 27,006 | 28,235 |
| Gross profit | 12,398 | 12,632 |
| Selling, general and administrative expenses | 11,335 | 11,559 |
| Operating income | 1,063 | 1,072 |
| Non-operating income | | |
| Interest income | 35 | 15 |
| Dividend income | 184 | 165 |
| Other | 91 | 52 |
| Total non-operating income | 311 | 233 |
| Non-operating expenses | | |
| Interest expenses | 23 | 7 |
| Loss on disposal of non-current assets | 30 | 15 |
| Business commencement expenses | — | 20 |
| Other | 20 | 1 |
| Total non-operating expenses | 74 | 44 |
| Ordinary income | 1,300 | 1,260 |
| Extraordinary income | | |
| Gain on sales of non-current assets | — | 66 |
| Subsidy income | 137 | 116 |
| Total extraordinary income | 137 | 182 |
| Profit before income taxes | 1,437 | 1,443 |
| Income taxes | 539 | 455 |
| Profit | 898 | 988 |
| Profit attributable to non-controlling interests | 112 | 104 |
| Profit attributable to owners of parent | 786 | 883 |

Quarterly Consolidated Statement of Comprehensive Income
For the First Half of Fiscal 2015 and 2016

(Millions of Yen)

| | First Half of Fiscal 2015 (April 1, 2015 to September 30, 2015) | First Half of Fiscal 2016 (April 1, 2016 to September 30, 2016) |
|--|---|---|
| Profit | 898 | 988 |
| Other comprehensive income | | |
| Valuation difference on available-for-sale securities | (194) | (462) |
| Remeasurements of defined benefit plans, net of tax | 52 | 275 |
| Total other comprehensive income | (141) | (187) |
| Comprehensive income | 756 | 800 |
| Comprehensive income attributable to | | |
| Comprehensive income attributable to owners of parent | 645 | 695 |
| Comprehensive income attributable to non-controlling interests | 111 | 105 |

(3) Notes regarding Quarterly Consolidated 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 2015 (April 1, 2015 to September 30, 2015)

(Millions of Yen)

| | Reportable Segment | | | | Adjustments (Note 1) | Amounts Recorded on Quarterly Consolidated Statement of Income (Note 2) |
|----------------------------------|--------------------|---------|-----------|--------|-------------------------|---|
| | Broadcasting | Housing | Golf Club | Total | | |
| Sales | | | | | | |
| Revenues from external customers | 33,908 | 5,067 | 429 | 39,405 | — | 39,405 |
| Transactions with other segments | 204 | 12 | 15 | 233 | (233) | — |
| Total | 34,113 | 5,080 | 444 | 39,638 | (233) | 39,405 |
| Segment profit (loss) | 507 | 568 | (11) | 1,063 | — | 1,063 |

Notes:

1. The adjustment of negative ¥233 million represents the amount of intersegment transaction elimination.
2. Segment profit (loss) refers to operating income recorded on the quarterly consolidated statement of income.

First Half of Fiscal 2016 (April 1, 2016 to September 30, 2016)

(Millions of Yen)

| | Reportable Segment | | | | Adjustments (Note 1) | Amounts Recorded on Quarterly Consolidated Statement of Income (Note 2) |
|----------------------------------|--------------------|---------|-----------|--------|-------------------------|---|
| | Broadcasting | Housing | Golf Club | Total | | |
| Sales | | | | | | |
| Revenues from external customers | 35,014 | 5,418 | 435 | 40,867 | — | 40,867 |
| Transactions with other segments | 220 | 9 | 14 | 243 | (243) | — |
| Total | 35,234 | 5,427 | 449 | 41,111 | (243) | 40,867 |
| Segment profit (loss) | 635 | 461 | (24) | 1,072 | — | 1,072 |

Notes:

1. The adjustment of negative ¥243 million represents the amount of intersegment transaction elimination.
2. Segment profit (loss) refers to operating income recorded on the quarterly consolidated statement of income.

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

First Half of Fiscal 2016 (April 1, 2016 to September 30, 2016)

(1) Non-Consolidated Operating Results

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

| | Net Sales | | Operating Income | | Ordinary Income | | Profit | |
|---------------------------|-----------|-------|------------------|--------|-----------------|--------|-----------|--------|
| | ¥ million | % | ¥ million | % | ¥ million | % | ¥ million | % |
| First Half of Fiscal 2016 | 32,450 | 2.7 | 893 | 27.7 | 1,202 | 19.8 | 974 | 27.9 |
| First Half of Fiscal 2015 | 31,583 | (2.6) | 699 | (52.1) | 1,003 | (40.3) | 762 | (29.4) |

(2) Non-Consolidated Financial Position

| | Total Assets | Net Assets |
|--------------------|--------------|------------|
| | ¥ million | ¥ million |
| September 30, 2016 | 75,558 | 51,280 |
| March 31, 2016 | 76,924 | 51,570 |

(3) Breakdown of Non-Consolidated Net Sales

| | First Half of Fiscal 2015 (April 1, 2015 to September 30, 2015) | First Half of Fiscal 2016 (April 1, 2016 to September 30, 2016) | Increase / (Decrease) | % Change |
|---|---|---|--------------------------|-------------|
| | ¥ million | ¥ million | ¥ million | % |
| Television broadcasting business revenue | | | | |
| Time | 10,206 | 10,381 | 175 | 1.7 |
| Spot | 16,649 | 16,959 | 309 | 1.9 |
| Program sales | 1,133 | 1,251 | 118 | 10.4 |
| Subtotal | 27,989 | 28,592 | 603 | 2.2 |
| Radio broadcasting business revenue | 1,418 | 1,447 | 28 | 2.0 |
| Other | 2,175 | 2,411 | 236 | 10.9 |
| Total | 31,583 | 32,450 | 867 | 2.7 |

Note: Figures in the summary of quarterly non-consolidated financial statements are not subject to review in legally mandated disclosure.