

FYE March 31, 2017 Second Quarter Results

November 10, 2016

Hiroshi Hayakawa

Chairman and CEO

Strong viewer ratings on an all-day basis

FY2017 1H Terrestrial Viewer Ratings

(Apr. 4- Oct. 2, 2016)

	TV Asahi	NTV	TBS	Fuji TV	TV Tokyo
All Day	② 7.1 +0.3	① 8.2 -0.3	③ 6.0 +0.2	④ 5.7 -0.5	⑤ 2.8 -0.1
Golden Time	② 9.8 -0.6	① 11.6 -0.8	② 9.8 +0.2	④ 7.8 -1.2	⑤ 6.4 -0.2
Prime Time	② 10.3 -0.4	① 11.5 -0.8	③ 9.6 ±0.0	④ 7.8 -1.2	⑤ 6.2 -0.2
Prime2	② 6.5 -0.2	① 7.0 -0.4	③ 4.6 ±0.0	④ 4.2 -0.5	⑤ 2.8 +0.2

Note: Numbers in circle refer to ranking among commercial stations. (Source: Video Research)

Continued strong performance from morning and afternoon belt programming

	Program	July-Sept. Quarter Viewer Rating	Year-to-Year Comparison
07:00	Good! Morning between 7 and 8 a.m.	7.6%	+1.2
08:00	Shinichi Hatori's Morning Show	6.9%	+1.2
09:00			
10:00	Jun Sanpo	4.9%	+1.4
11:00	Wide! Scramble Part 1	5.3%	+0.7
12:00	Tetsuko no Heya	4.5%	+0.2
13:00	Wide! Scramble Part 2	5.0%	+0.4

Strong all-day viewer ratings drove spot advertising sales

	FY2016 1H (April-Sept, 2015)	FY2017 1H (April-Sept, 2016)	YoY	YoY(%)
(mm of yen)				
Time Sales	44,302	44,613	+ 310	+ 0.7%
Spot Sales	47,123	50,006	+2,883	+ 6.1%
Advertising Sales	91,425	94,619	+3,193	+ 3.5%

Oct.-Dec. quarter programming change overview

	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday	Sunday
19:00				Cream Stew no Hanataka! Yuetsukan			Nichiyou mo Ame-Talk!
20:00				Kasoken no Onna (Woman of the Crime Lab) (Appearing: Yasuko Sawaguchi and others)			
21:00			Aibou (PARTNERS) Season 15 (Appearing: Yutaka Mizutani and others)	Doctor X (Appearing: Ryoko Yonekura and others)			
22:00							
23:00					Kaseifu no Mitazono (Appearing: Masahiro Matsuoka and others)		

Variety programming change

Drama programming change

Popular drama series off to a strong start



**Aibou (PARTNERS)
Season 15**
(Wed. 9:00 PM)

- Embarking on its 15th season
- First episode viewer rating of 15.5%
(2nd among commercial station prime-time drama series in the Oct.-Dec. quarter)
- Average viewer rating of 15.2%
(Average for four episodes)



**Kasoken no Onna
(Woman of the Crime Lab)**
(Thur. 8:00 PM)

- 16th season
- First episode viewer rating of 11.6%
(5th among commercial station prime-time drama series in the Oct.-Dec. quarter)
- Two quarters of programming:
Oct.-Dec. and Jan.-Mar.



Doctor X
(Thur. 9:00 PM)

- Fourth drama series
- First episode viewer rating of 20.4%
(1st among commercial station prime-time drama series in the Oct.-Dec. quarter)
- Average viewer rating of 21.3%
(Average for four episodes)

Full lineup of major sports programs

2018 FIFA World Cup Russia Final Asian Qualifiers

Japan match schedule		Opponent	Viewer rating
2016	9/1 (Thurs.)	UAE	17.2%
	9/6 (Tues.)	Thailand	20.3%
	10/6 (Thurs.)	Iraq	19.1%
	10/11 (Tues.)	Australia	16.7%
	11/15 (Tues.)	Saudi Arabia	—
2017	3/23 (Thurs.)	UAE	—
	3/28 (Tues.)	Thailand	—

7 matches broadcast during the fiscal year
ending March 31, 2017

SMBC Japan Series 2016 Hiroshima vs Nippon Ham

- Game 3 10/25 Tues. 17.5%
- Game 5 10/27 Thurs. 17.4%

ISU Grand Prix of Figure Skating



Event and broadcast schedule		
1st event	U.S.A.	10/22-23
2nd event	Canada	10/29-30
3rd event	Russia	11/5-6
4th event	France	11/12-13
5th event	China	11/18-20
Grand Prix final	Grand Prix of Figure Skating Marseille	12/8-11



Maintained favorable results in all segments in BS nationwide audience rating data measurement (mechanical)
Continued active terrestrial, BS, and CS integrated programming

Popular Programs on Asahi Satellite Broadcasting



Tues. 7:00 PM



Wed. 7:00 PM



Sat. 6:54 PM



Remained in the top group as part of SKY PerfecTV! Select 5 pack
No. of subscriptions as Aug. 31: 5.16 mil.



Active programming, with a focus on terrestrial, BS, and CS integrated sports programming
No. of subscriptions as Aug. 31: 5.71 mil.

Progress at AbemaTV (1)



No. of application downloads

- Achievement of 10 million application downloads during approx. seven months since the station launched
- Subsequent steady increase in the number of downloads

User attributes

- Appeal to young people: People age 18 to 34 account for 60% of service users.
- Increase in the ratio of female users: Amid a steady increase in the number of female users, the ratio of female users was 35% in September. The aim is to achieve nearly equal ratios of male and female users.

Contribution of content linked to terrestrial broadcasting

- Content linked to TV Asahi-Roppongi Hills Summer Festival!
Live broadcasts of all 57 programs from Roppongi Hills, including live stage performances, captured many views.
- Exclusive live broadcasts of the first day of TV Asahi Dream Festival (10/22-24)
- Live broadcasts of Japan Series Games 3 and 5

Progress at AbemaTV (2)



AbemaNews



- Response to a spate of disasters and incidents, including independent reporting
- Exploration of concepts for services that are “reliable in times of disaster”
- Flexible and daring programming on the high-profile Kisha Kaiken (press conference) leveraging the strength of 24-hour news. Aim to construct services that complement terrestrial broadcasting.

Sales Situation

- Start of sales in July
- The advertising viewing completion rate is a high 80%, and the evaluation from advertisers is favorable as well.
- National clients have a high level of needs due in part to the high quality of content and a feeling of confidence in an Internet medium in which a television station is involved.

Active provision of content on Video pass as well



Drama series Keishichou Nasi Goreng Ka

- A terrestrial broadcast drama series starring Haruka Shimazaki that ranked No. 1 on AKB Horror Night Adrenaline no Yoru, the first joint production with KDDI
- Late night every Monday 0:15 to 0:45 (Oct. 17 start)
- Unlimited viewing exclusive distribution on Video pass — Captured the No. 1 Video pass all genre replay ranking
- Video pass limited distribution of a spinoff drama

Distribution of a Doctor X spinoff drama

- Unlimited viewing exclusive distribution of Doctor Y – Gekai Kaji Hideki, the first spinoff drama of the Doctor X series — Captured the No. 1 Video pass all genre replay ranking
- Distribution of the first episode of the spinoff along with broadcasting of the latest Doctor X series
This drama also captured the No. 1 Video pass all genre replay ranking



TV Asahi-Roppongi Hills Summer Festival **SUMMER STATION** From July 16 to August 28

- Held for the third time this year
- Number of visitors: 5.44 million
- Extended by seven days this year
- Expanded festival area and increase in the number of visitors



Reference: Number of Summer Festival Visitors

FY2017	5.44 million
FY2016	4.63 million
FY2015	4.45 million

5.44 million visitors recorded, further improvement in **profitability** achieved

Active engagement with a focus on popular regular events

Regular events: Three major autumn gourmet fairs

- Held for approximately two months in Okubo Park, Shinjuku
- Gekikara Gourmet Festival (8/25-9/19), Garlic Paradise 2016 (9/21-10/2), and Dai-Tsukemen Haku (10/6-31) drew large crowds and were enthusiastically received.

First-day sellout: TV Asahi Dream Festival 2016

- A regular event in its sixth year
- Held at Yoyogi National Stadium First Gymnasium over three days (10/22-24)
- Appearances by an impressive array of artists, and tickets sold out on the first day again this year



The latest release: Aibou (Partners) THE MOVIE IV

- The long-awaited fourth movie in the Aibou (Partners) THE MOVIE series
- Roadshow beginning February 17, 2017

Results for 1H of FY2017

Consolidated (mm of yen)	FY2016 1H (April-Sept, 2015)	FY2017 1H (April-Sept, 2016)	YoY	YoY(%)
Net Sales	139,464	144,023	+4,559	+ 3.3%
Operating Income	8,106	9,662	+1,556	+19.2%
Ordinary Income	9,438	10,630	+1,192	+12.6%
Profit attributable to owners of the parent	5,929	6,249	+ 320	+ 5.4%

TV Asahi Corporation (mm of yen)	FY2016 1H (April-Sept, 2015)	FY2017 1H (April-Sept, 2016)	YoY	YoY(%)
Net Sales	112,326	117,040	+4,714	+ 4.2%
Operating Income	4,396	5,107	+ 711	+16.2%
Ordinary Income	5,630	6,655	+1,025	+18.2%
Net Income	3,754	4,495	+ 741	+19.8%

FY2017 Forecast

Consolidated

(mm of yen)

	Annual			
	Previous Outlook	New Outlook	Difference	Difference (%)
Net Sales	289,000	291,000	+2,000	+ 0.7%
Operating Income	14,000	15,500	+1,500	+10.7%
Ordinary Income	14,500	16,500	+2,000	+13.8%
Profit attributable to owners of the parent	9,000	10,000	+1,000	+11.1%

Ad Revenue (Terrestrial)

	1H (Results)	2H	Annual
Time Sales	+0.7%	+3.0%	+1.9%
Spot Sales	+6.1%	+2.3%	+4.1%
Total	+3.5%	+2.6%	+3.0%

Dividend per Share

(yen)	End of 2Q	End of FY	
	Common Dividend	Common Dividend	Special / Commemorative Dividend
FY2014	10	10	10 (Commemorative)
FY2015	15	15	-
FY2016	20	20	-
FY2017 (Outlook)	20	20	-

Masaya Fujinoki

Senior Executive Director

Consolidated Results

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Subsidiaries Results

Asahi Satellite Broadcasting, Ltd.

(mm of yen)	FY2016 1H (April-Sept, 2015)	FY2017 1H (April-Sept, 2016)	YoY	YoY(%)
Net Sales	7,190	7,373	+ 183	+ 2.6%
Operating Income	654	987	+ 332	+50.8%
Ordinary Income	661	987	+ 325	+49.3%
Net Income	436	666	+ 230	+52.8%

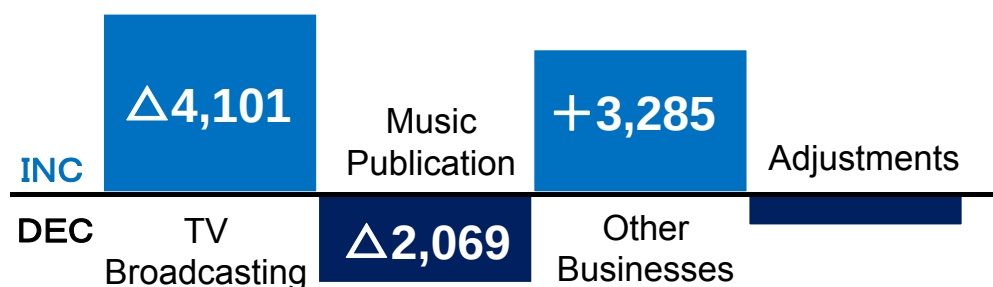
CS One Ten, Ltd.

(mm of yen)	FY2016 1H (April-Sept, 2015)	FY2017 1H (April-Sept, 2016)	YoY	YoY(%)
Net Sales	3,279	3,089	△ 189	△ 5.8%
Operating Income	116	127	+ 10	+ 9.2%
Ordinary Income	117	128	+ 11	+ 9.6%
Net Income	75	83	+ 7	+10.6%

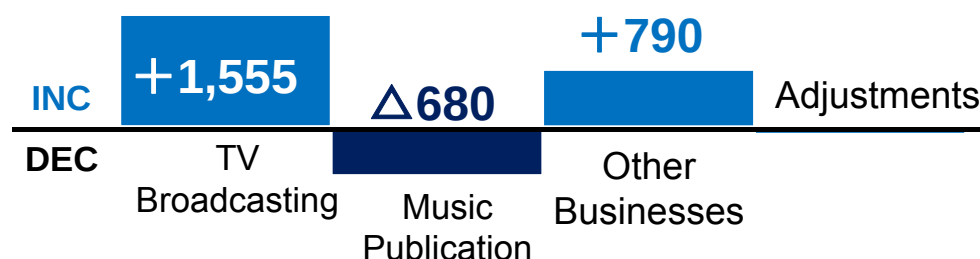
Sales and Income by Segment (Consolidated)

(mm of yen)

Net Sales YoY



Operating Income YoY



Segment	Net Sales			Operating Income		
	FY2017 1H (April-Sept, 2016)	YoY	YoY (%)	FY2017 1H (April-Sept, 2016)	YoY	YoY (%)
TV Broadcasting Business	122,614	+4,101	+ 3.5%	8,105	+1,555	+ 23.7%
Music Publication Business	5,369	△2,069	△27.8%	276	△ 680	△ 71.1%
Other Businesses	22,066	+3,285	+17.5%	1,359	+ 790	+139.0%
Adjustments	△6,026	△ 758	+14.4%	△ 78	△ 108	—
Total	144,023	+4,559	+ 3.3%	9,662	+1,556	+ 19.2%

TV Broadcasting Business

(mm of yen)	FY2016 1H (April-Sept, 2015)	FY2017 1H (April-Sept, 2016)	YoY	YoY(%)
Net Sales	118,512	122,614	+4,101	+ 3.5%
Time Sales	44,302	44,613	+ 310	+ 0.7%
Spot Sales	47,123	50,006	+2,883	+ 6.1%
Program Sales	6,308	6,239	△ 69	△ 1.1%
BS & CS	12,398	12,317	△ 81	△ 0.7%
Other	8,378	9,436	+1,058	+12.6%
Operating Income	6,550	8,105	+1,555	+23.7%

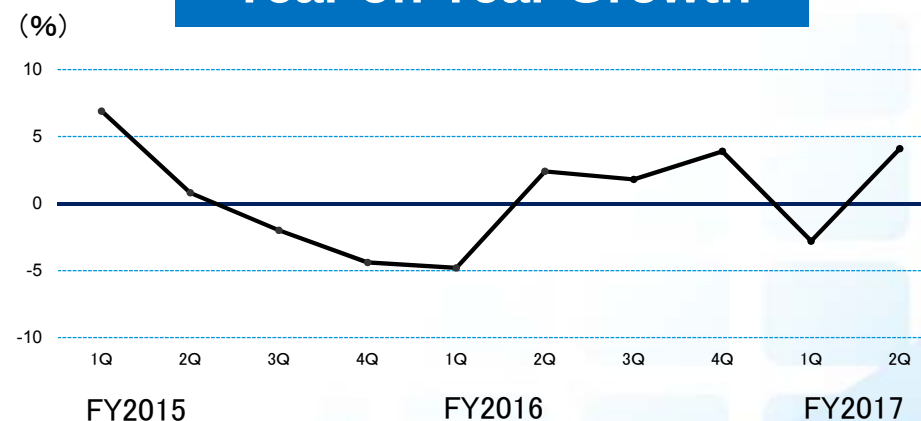
Time Sales Revenue (Terrestrial)

(mm of yen)	FY2016	FY2017	YoY	YoY(%)
1Q	21,903	21,293	△609	△ 2.8%
2Q	22,399	23,319	+919	+ 4.1%
1H	44,302	44,613	+310	+ 0.7%
3Q	23,009			
4Q	21,532			
2H	44,542			
Annual	88,845			

Major Difference in 2Q (Jul-Sept)

- ◆ Revenue increase due to the impact of major sports programs such as Rio Olympics and 2018 FIFA World Cup Russia Final Asian Qualifiers

Year on Year Growth



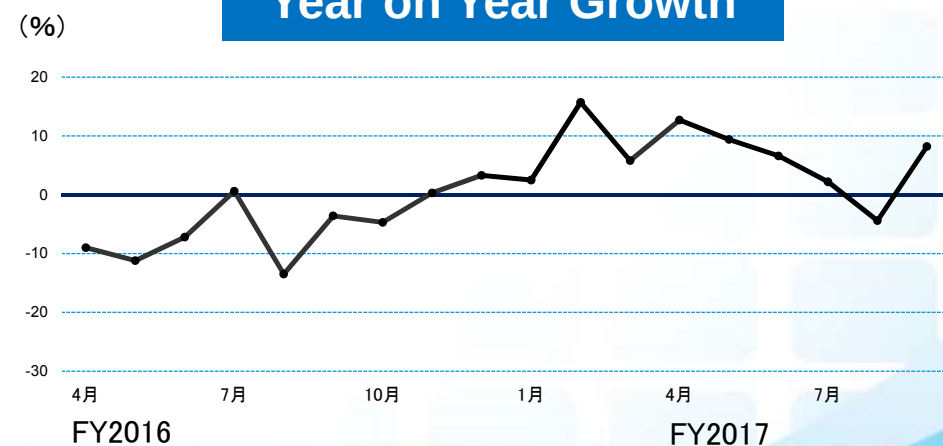
Spot Sales Revenue (Terrestrial)

(mm of yen)	FY2016	FY2017	YoY	YoY(%)
1Q	24,686	27,047	+2,361	+ 9.6%
2Q	22,436	22,958	+ 522	+ 2.3%
1H	47,123	50,006	+2,883	+ 6.1%
3Q	26,943			
4Q	26,343			
2H	53,287			
Annual	100,410			

Share in the Tokyo Spot Sales Market

1H(April-Sept): **22.9%** (YoY +0.9%)

Year on Year Growth



Production Costs (Terrestrial)

(mm of yen)	FY2016	FY2017	YoY	YoY(%)
1Q	19,731	19,101	△ 629	△ 3.2%
2Q	21,234	24,027	+2,792	+13.2%
1H	40,966	43,128	+2,162	+ 5.3%
3Q	20,561			
4Q	22,595			
2H	43,157			
Annual	84,123			

Major Difference in 2Q (Jul-Sept)

- ◆ Production cost increase due to the impact of major sports programs such as Rio Olympics and 2018 FIFA World Cup Russia Final Asian Qualifiers

Music Publication Business

	FY2016 1H (April-Sept, 2015)	FY2017 1H (April-Sept, 2016)	YoY	YoY(%)
(mm of yen)				
Net Sales	7,438	5,369	Δ2,069	Δ27.8%
Operating Income	957	276	Δ 680	Δ71.1%



<KETSUMEISHI>
15th Anniversary
ICHIGO NO YORU



<SHONAN NO KAZE>
UTAGE TOUR 2016

Other Businesses

(mm of yen)	FY2016 1H (April-Sept, 2015)	FY2017 1H (April-Sept, 2016)	YoY	YoY(%)
Net Sales	18,781	22,066	+3,285	+ 17.5%
Operating Income	568	1,359	+ 790	+139.0%

Sales of Major Other Businesses

(mm of yen)

	FY2016 1H	FY2017 1H	YoY	YoY(%)
Internet Related	2,896	6,083	+3,186	+110.0%
Special Events	4,777	4,564	△ 213	△ 4.5%
Shopping	3,790	3,655	△ 134	△ 3.6%
Equipment/Lease	1,845	2,522	+ 677	+ 36.7%
Motion Pictures	853	792	△ 60	△ 7.1%
DVD	881	718	△ 163	△ 18.5%

Major Other Businesses

Internet Related	Revenue and profit increased sharply due to sales of content to S-VOD services and the impact of contract production related to AbemaNews.
Special Events	Revenue decreased and profit increased, driven by TV Asahi – Roppongi Hills Summer Festival and other events, despite the absence of revenue from Paul McCartney Out There Japan Tour 2015 recorded in the previous year.
Shopping	Although revenue decreased due to poor sales of certain new products, profit increased slightly as a result of factors including a decrease in the product cost ratio.
Equipment Sales/Lease	Revenue and profit increased due to factors including strong cell-phone leasing results.
Motion Pictures	- Strong performance from regular animated releases, such as setting of an all-time box-office revenue record by Doraemon THE MOVIE: Nobita and the Birth of Japan (March 5, 2016 release) - On the other hand, revenue decreased and profit increased due to factors including live-action films and the impact of unsuccessful releases in 1H of the previous year.
DVD	Although sales of Specialist and other titles were strong, revenue and profit decreased due to factors including the absence of Momoiro Clover Channel #4 and other titles released in 1H of the previous year.

Capex and Depreciation

Capex

(bn of yen)

	FY2016 1H (April-Sept, 2015)	FY2017 1H (April-Sept, 2016)	YoY	YoY(%)	Outlook for FY2017
Consolidated	4.60	4.89	+0.29	+ 6.3%	14.14
TV Asahi Corporation	4.07	4.67	+0.59	+14.6%	13.79

Depreciation

(bn of yen)

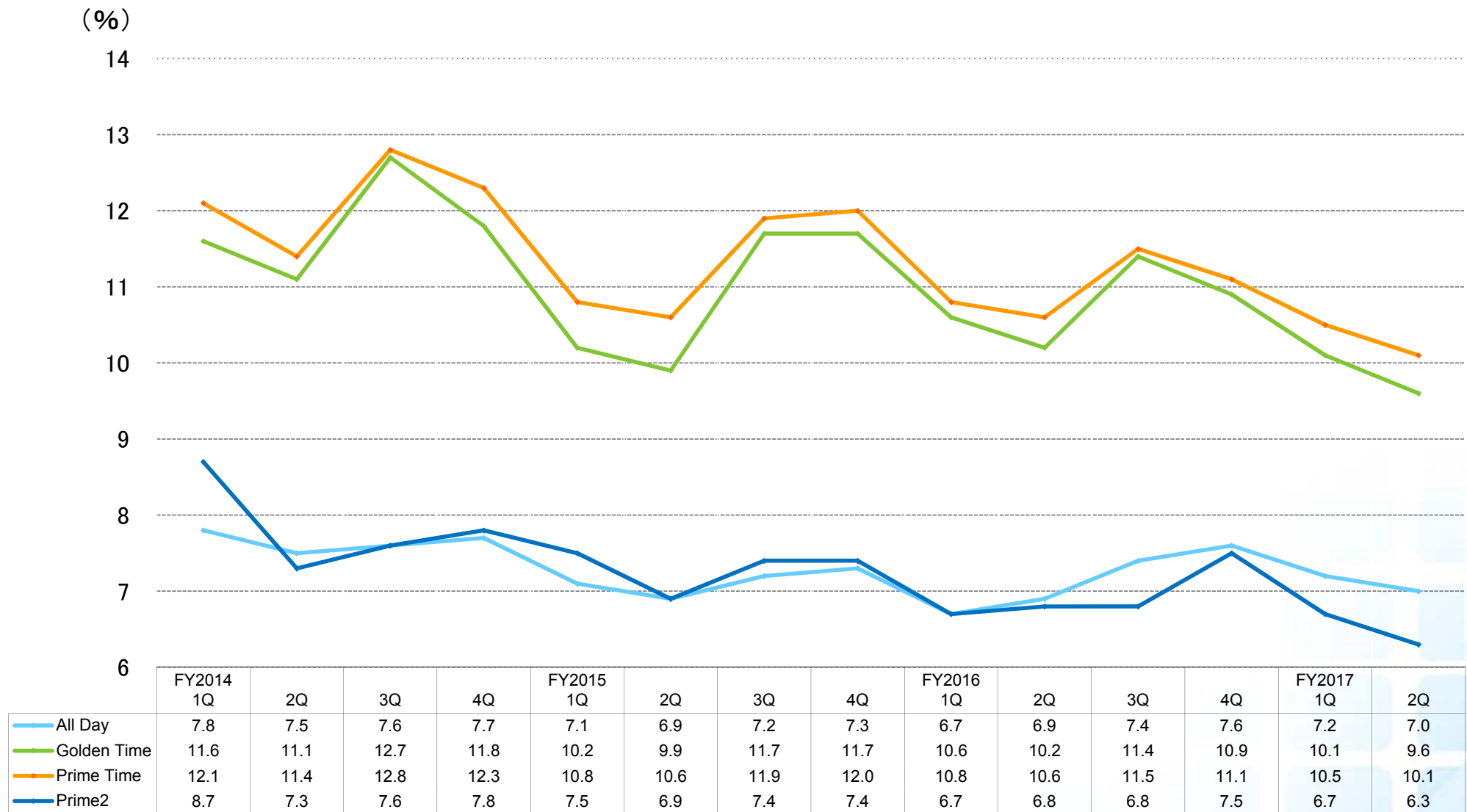
	FY2016 1H (April-Sept, 2015)	FY2017 1H (April-Sept, 2016)	YoY	YoY(%)	Outlook for FY2017
Consolidated	5.08	4.60	△0.48	△ 9.6%	9.61
TV Asahi Corporation	4.59	4.06	△0.52	△11.4%	8.53

Reference Materials

Spot Sales Industry Information (Terrestrial)

	FY2017 2Q (July-Sept, 2016)		FY2016 2Q (July-Sept, 2015)	
	YoY	Share	YoY	Share
Source of Energy & Industrial Machines	321.7%	0.8%	33.9%	0.3%
Foods	90.4%	8.3%	111.9%	9.4%
Beverages & Liquors	96.4%	8.8%	98.9%	9.4%
Pharmaceuticals & Medical Supplies	123.4%	8.9%	103.2%	7.3%
Cosmetics & Toiletries	102.9%	6.6%	91.6%	6.5%
Clothing & Wear Accessories	109.1%	1.8%	116.9%	1.6%
Business Machines & Office Supplies	46.1%	0.6%	171.1%	1.4%
Consumer Electronics	183.9%	2.5%	61.6%	1.4%
Automobiles	103.0%	8.8%	86.5%	8.7%
Homeware	84.8%	1.7%	103.1%	2.0%
Game & Software & Sporting Goods	103.2%	6.2%	83.9%	6.2%
Housing & Housing Materials	137.1%	5.4%	69.1%	4.0%
Publishing	106.6%	1.2%	79.1%	1.1%
Communications Media & Internet Devices	106.2%	14.3%	101.6%	13.7%
Retail	93.1%	3.7%	99.5%	4.1%
Finance & Insurance	80.2%	6.4%	101.2%	8.2%
Transportation & Movies & Leisure	110.1%	7.6%	88.6%	7.0%
Food-service & Various Services	97.8%	4.9%	90.2%	5.2%
Government & Public Institution	90.9%	0.4%	81.4%	0.4%
Education & Medical-service & Religion	66.9%	1.3%	118.0%	1.9%
Other	46.2%	0.0%	130.0%	0.1%
Total	102.3%	100.0%	94.7%	100.0%

Terrestrial Viewer Ratings Trend



(Source: Video Research)

Future Topics for Other Businesses

Special Events	11/4-6 TOKYO METROPOLITAN ROCK FESTIVAL presents “METROCK ZERO 2016” 11/11-13 A NEW MUSICAL CROSS HEART (Live Version) 12/1-2017/1/9 SWEETS by NAKED 12/5•8 The 40th Anniversary “Tetsuko no Heya” concert 12/9-28 A NEW MUSICAL CROSS HEART
DVD	12/21 Keiji 7nin 12/21 Gu Ra Me! 2017/1/18 Hajimemashite, Aishiteimasu 2017/1/18 AKB Love Night Factory
Motion Pictures	11/18 Koufuku no Alibai -Picture- 2017 /2/11 Aibou(PARTNERS) The Movie IV

Financial outlooks and other figures that are not historical facts are based on information available at the time of announcement. Please be informed that actual results may differ due to various factors in the business environment. As such, actual results may differ from the forecasts given in this document and guarantees are not made to achieving the announced results.

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