

# **FYE March 31, 2017 Third Quarter Results & New Management Plan Briefing**

**February 13, 2017**

# **FYE March 31, 2017 Third Quarter Results**

# Consolidated Results

	<b>FY2016 3Q</b> (Apr-Dec, 2015)	<b>FY2017 3Q</b> (Apr-Dec, 2016)	<b>YoY</b>	<b>YoY(%)</b>
(mm of yen)				
<b>Net Sales</b>	<b>211,360</b>	<b>222,053</b>	<b>+ 10,692</b>	<b>+ 5.1%</b>
<b>Operating Income</b>	<b>15,248</b>	<b>16,794</b>	<b>+ 1,546</b>	<b>+ 10.1%</b>
<b>Ordinary Income</b>	<b>17,094</b>	<b>18,044</b>	<b>+ 949</b>	<b>+ 5.6%</b>
<b>Net Income</b>	<b>10,754</b>	<b>12,005</b>	<b>+ 1,251</b>	<b>+ 11.6%</b>

Note: "FY2017" refers to the fiscal year ending March 31, 2017 and all other fiscal years are referred to in the same manner.

# TV Asahi Corporation Results

	FY2016 3Q (mm of yen) (Apr-Dec, 2015)	FY2017 3Q (Apr-Dec, 2016)	YoY	YoY(%)
Net Sales	171,294	180,852	+ 9,558	+ 5.6%
Operating Income	9,662	9,980	+ 318	+ 3.3%
Ordinary Income	11,035	11,467	+ 431	+ 3.9%
Net Income	7,352	7,741	+ 388	+ 5.3%

# Subsidiaries Results

## Asahi Satellite Broadcasting, Ltd.

(mm of yen)	FY2016 3Q (Apr-Dec, 2015)	FY2017 3Q (Apr-Dec, 2016)	YoY	YoY(%)
Net Sales	10,928	11,231	+ 303	+ 2.8%
Operating Income	1,258	1,581	+ 322	+25.7%
Ordinary Income	1,267	1,581	+ 313	+24.7%
Net Income	835	1,068	+ 232	+27.8%

## CS One Ten, Ltd.

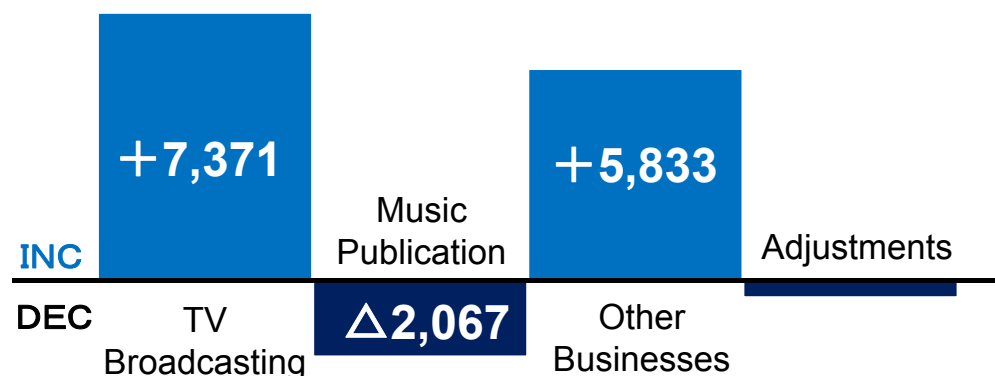
(mm of yen)	FY2016 3Q (Apr-Dec, 2015)	FY2017 3Q (Apr-Dec, 2016)	YoY	YoY(%)
Net Sales	4,904	4,629	△ 275	△ 5.6%
Operating Income	184	190	+ 6	+ 3.5%
Ordinary Income	184	191	+ 6	+ 3.6%
Net Income	118	124	+ 5	+ 4.6%



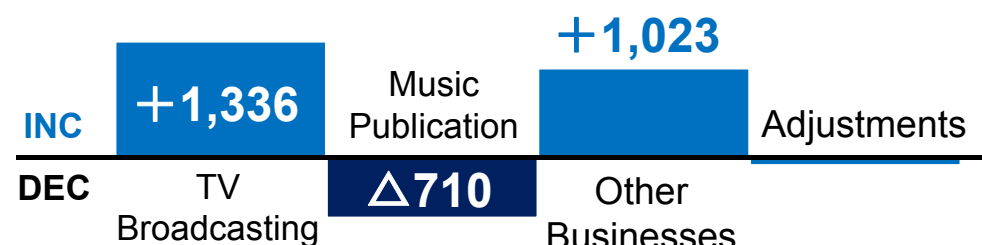
# Sales and Income by Segment (Consolidated)

(mm of yen)

## Net Sales YoY



## Operating Income YoY



Segment	Net Sales			Operating Income		
	FY2017 3Q (Apr-Dec, 2016)	YoY	YoY (%)	FY2017 3Q (Apr-Dec, 2016)	YoY	YoY (%)
TV Broadcasting Business	189,614	+ 7,371	+ 4.0%	14,733	+1,336	+ 10.0%
Music Publication Business	8,009	Δ 2,067	Δ20.5%	453	Δ 710	Δ 61.1%
Other Businesses	33,053	+ 5,833	+21.4%	1,682	+1,023	+155.5%
Adjustments	Δ8,623	Δ 444	+ 5.4%	Δ 74	Δ 103	—
Total	222,053	+10,692	+ 5.1%	16,794	+1,546	+ 10.1%

# TV Broadcasting Business

(mm of yen)	<b>FY2016 3Q</b> (Apr-Dec, 2015)	<b>FY2017 3Q</b> (Apr-Dec, 2016)	<b>YoY</b>	<b>YoY(%)</b>
<b>Net Sales</b>	<b>182,243</b>	<b>189,614</b>	<b>+7,371</b>	<b>+ 4.0%</b>
Time Sales	67,312	68,146	+ 833	+ 1.2%
Spot Sales	74,066	79,170	+5,103	+ 6.9%
Program Sales	9,437	9,760	+ 322	+ 3.4%
BS & CS	18,743	18,646	△ 96	△ 0.5%
Other	12,681	13,889	+1,207	+ 9.5%
<b>Operating Income</b>	<b>13,396</b>	<b>14,733</b>	<b>+1,336</b>	<b>+10.0%</b>

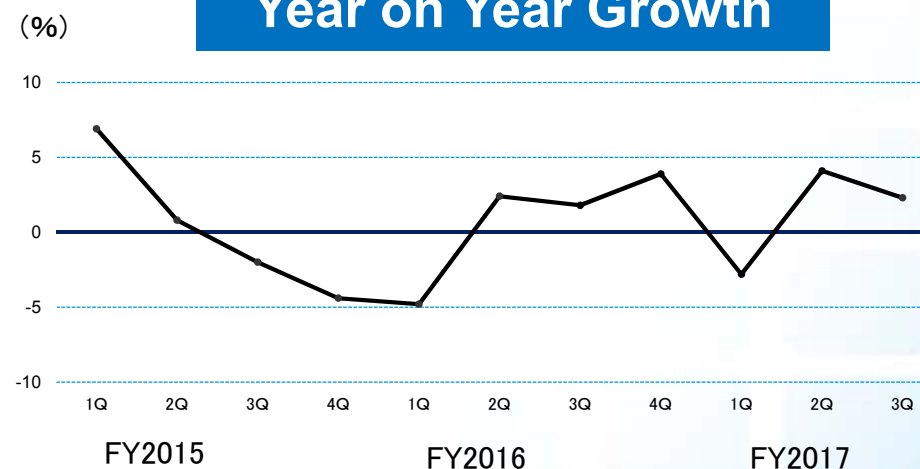
# Time Sales Revenue (Terrestrial)

(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 (Oct-Dec)	23,009	23,533	+523	+ 2.3%
3Q (Apr-Dec)	67,312	68,146	+833	+ 1.2%

## Major Difference in 3Q (Oct-Dec)

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

## Year on Year Growth





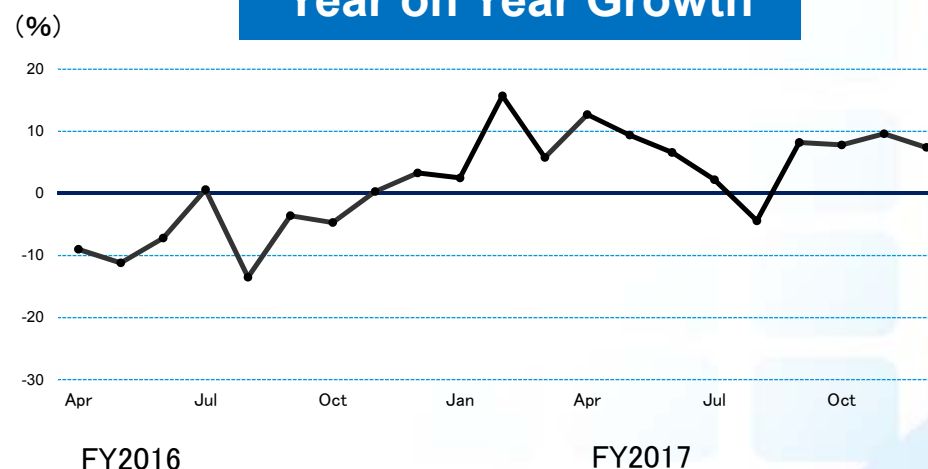
# Spot Sales Revenue (Terrestrial)

(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 (Oct-Dec)	26,943	29,163	+2,220	+ 8.2%
3Q (Apr-Dec)	74,066	79,170	+5,103	+ 6.9%

## Share in the Tokyo Spot Sales Market

3Q(Apr-Dec): **23.1%** (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 (Oct-Dec)	20,561	22,968	+2,407	+11.7%
3Q (Apr-Dec)	61,528	66,097	+4,569	+ 7.4%

## Major Difference in 3Q (Oct-Dec)

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

# Music Publication Business

	FY2016 3Q (mm of yen) (Apr-Dec, 2015)	FY2017 3Q (mm of yen) (Apr-Dec, 2016)	YoY	YoY(%)
Net Sales	10,077	8,009	Δ2,067	Δ20.5%
Operating Income	1,163	453	Δ 710	Δ61.1%



<KETSUMEISHI>  
KETSUNOPOLIS 10



<SHONAN NO KAZE>  
UTAGE TOUR 2016

# Other Businesses

(mm of yen)	<b>FY2016 3Q</b> (Apr-Dec, 2015)	<b>FY2017 3Q</b> (Apr-Dec, 2016)	<b>YoY</b>	<b>YoY(%)</b>
<b>Net Sales</b>	<b>27,220</b>	<b>33,053</b>	<b>+5,833</b>	<b>+ 21.4%</b>
<b>Operating Income</b>	<b>658</b>	<b>1,682</b>	<b>+1,023</b>	<b>+155.5%</b>

## Sales of Major Other Businesses

(mm of yen)

	<b>FY2016 3Q</b> (Apr-Dec, 2015)	<b>FY2017 3Q</b> (Apr-Dec, 2016)	<b>YoY</b>	<b>YoY(%)</b>
Internet Related	<b>4,339</b>	<b>9,550</b>	<b>+5,210</b>	<b>+120.1%</b>
Special Events	<b>6,030</b>	<b>6,115</b>	<b>+ 85</b>	<b>+ 1.4%</b>
Shopping	<b>5,916</b>	<b>5,984</b>	<b>+ 67</b>	<b>+ 1.1%</b>
Equipment/Lease	<b>2,912</b>	<b>3,726</b>	<b>+ 814</b>	<b>+ 28.0%</b>
DVD	<b>1,363</b>	<b>993</b>	<b>△ 369</b>	<b>△ 27.1%</b>
Motion Pictures	<b>1,022</b>	<b>940</b>	<b>△ 82</b>	<b>△ 8.0%</b>

# Major Other Businesses

Internet Related	<ul style="list-style-type: none"> <li>Revenue and profit increased sharply due to sales of content to S-VOD services and the impact of contract production related to AbemaNews.</li> </ul>
Special Events	<ul style="list-style-type: none"> <li>Revenue and profit rose driven by brisk revenue from the <i>TV Asahi-Roppongi Hills Summer Festival</i>, <i>TV Asahi Dream Festival</i> and other events.</li> </ul>
Shopping	<ul style="list-style-type: none"> <li>Revenue and profit increased thanks to continued steady TV shopping sales, a decreased product cost ratio, etc.</li> </ul>
Equipment Sales/Lease	<ul style="list-style-type: none"> <li>Revenue and profit grew owing to the favorable impact of cell-phone leasing, etc.</li> </ul>
DVD	<ul style="list-style-type: none"> <li>Revenue and profit declined due to the generally sluggish DVD market, the impact of which eclipsed the favorable impact of brisk sales of <i>Specialist</i> and other titles.</li> </ul>
Motion Pictures	<ul style="list-style-type: none"> <li>Strong performance from regular animated releases, such as setting of an all-time box-office revenue record by <i>Doraemon THE MOVIE: Nobita and the Birth of Japan</i> (March 5, 2016 release)</li> <li>On the other hand, revenue decreased and profit increased due to factors including live-action films and the impact of unsuccessful releases in 3Q of the previous year.</li> </ul>

# Capex and Depreciation

## Capex

(bn of yen)

	FY2016 3Q (Apr-Dec, 2015)	FY2017 3Q (Apr-Dec, 2016)	YoY	YoY(%)	Outlook for FY2017
Consolidated	6.17	8.07	+1.90	+30.8%	16.59
TV Asahi Corporation	5.55	7.68	+2.13	+38.4%	16.08

## Depreciation

(bn of yen)

	FY2016 3Q (Apr-Dec, 2015)	FY2017 3Q (Apr-Dec, 2016)	YoY	YoY(%)	Outlook for FY2017
Consolidated	7.70	7.02	△0.67	△ 8.8%	9.56
TV Asahi Corporation	6.94	6.19	△0.74	△10.8%	8.44



# FY2017 Forecast

## Consolidated

(mm of yen)

	Annual			
	Previous Outlook	New Outlook	Difference	Difference (%)
Net Sales	291,000	292,000	+1,000	+ 0.3%
Operating Income	15,500	16,000	+ 500	+ 3.2%
Ordinary Income	16,500	20,500	+4,000	+24.2%
Profit attributable to owners of the parent	10,000	15,000	+5,000	+50.0%

## Ad Revenue (Terrestrial)

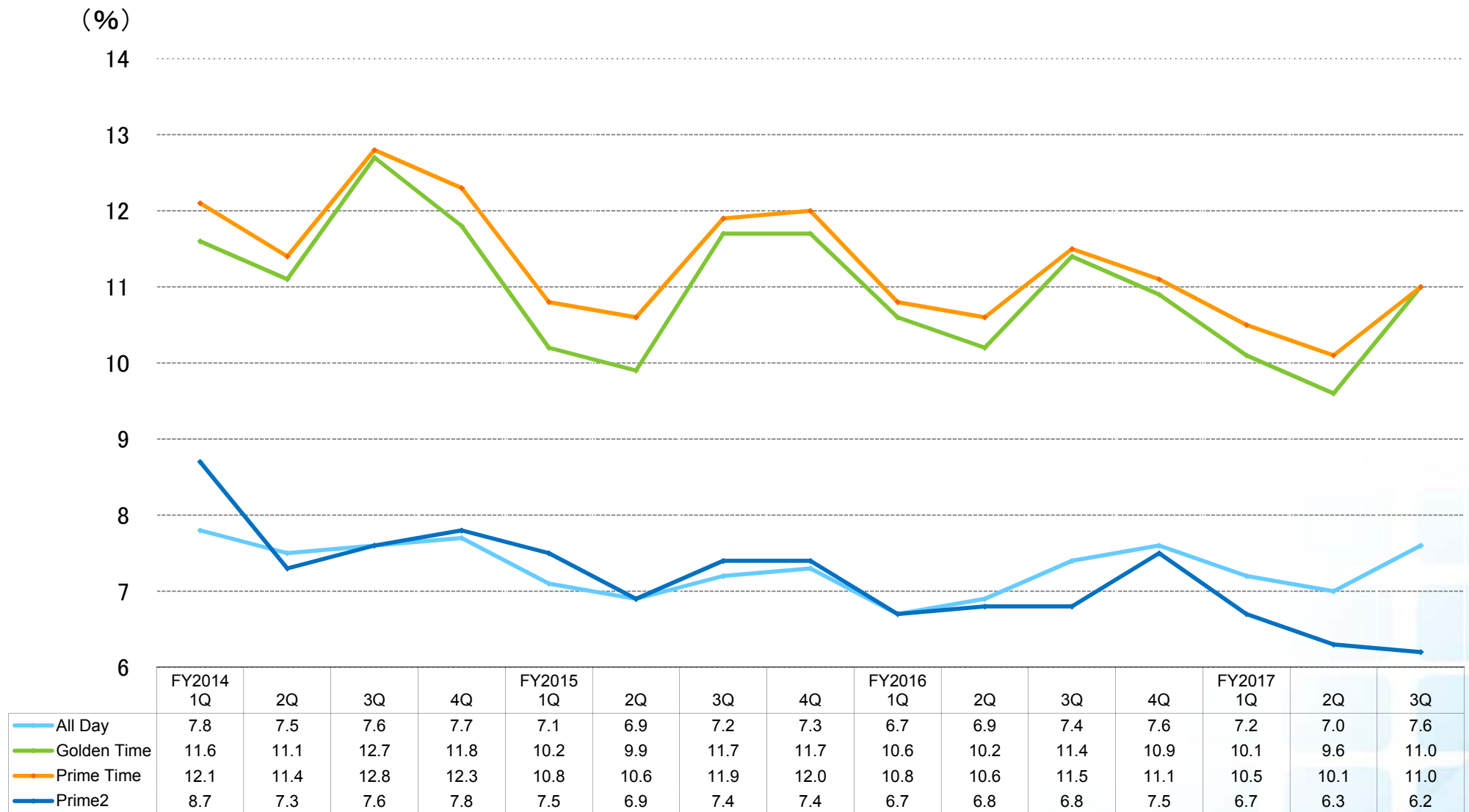
	1H (Results)	2H	Annual
Time Sales	+0.7%	+3.0% (no change)	+1.9% (no change)
Spot Sales	+6.1%	+2.3%→+3.2%	+4.1%→+4.6%
Total	+3.5%	+2.6%→+3.1%	+3.0%→+3.3%

# Reference Materials

# Spot Sales Industry Information (Terrestrial)

	FY2017 3Q (Oct-Dec, 2016)		FY2016 3Q (Oct-Dec, 2015)	
	YoY	Share	YoY	Share
Source of Energy & Industrial Machines	23.4%	0.2%	231.6%	0.9%
Foods	118.8%	11.8%	108.1%	10.8%
Beverages & Liquors	116.3%	6.9%	102.4%	6.4%
Pharmaceuticals & Medical Supplies	114.7%	11.4%	115.7%	10.7%
Cosmetics & Toiletries	109.3%	6.7%	108.0%	6.6%
Clothing & Wear Accessories	101.7%	2.4%	88.1%	2.6%
Business Machines & Office Supplies	88.1%	1.1%	77.3%	1.4%
Consumer Electronics	142.8%	4.5%	90.7%	3.4%
Automobiles	120.4%	6.5%	73.6%	5.9%
Homeware	108.4%	2.1%	96.4%	2.1%
Game & Software & Sporting Goods	99.8%	4.8%	88.0%	5.2%
Housing & Housing Materials	144.9%	3.2%	95.2%	2.4%
Publishing	103.7%	1.0%	89.6%	1.0%
Communications Media & Internet Devices	120.9%	16.5%	108.7%	14.7%
Retail	68.1%	3.2%	95.2%	5.0%
Finance & Insurance	79.5%	6.1%	98.5%	8.3%
Transportation & Movies & Leisure	92.3%	5.0%	105.5%	5.8%
Food-service & Various Services	115.2%	5.3%	88.1%	5.0%
Government & Public Institution	104.8%	0.6%	84.7%	0.6%
Education & Medical-service & Religion	74.3%	0.7%	118.0%	1.0%
Other	194.2%	0.1%	403.3%	0.0%
Total	108.2%	100.0%	99.7%	100.0%

# Terrestrial Viewer Ratings Trend



(Source: Video Research)

# Future Topics for Other Businesses

<b>Special Events</b>	<p>3/30-5/7 Dai Tsukemen Haku presents “Saikyo ramen Fes. 2017”</p> <p>4/8-30 Stage:PHĒDRE</p> <p>4/27・29・30 PAUL McCARTNEY ONE ON ONE JAPAN TOUR 2017</p> <p>5/13・14 OSAKA METROPOLITAN ROCK FESTIVAL 2017</p> <p>5/20・21 TOKYO METROPOLITAN ROCK FESTIVAL 2017</p>
<b>DVD</b>	<p>3/2 DEMPA NO KAMIGAMI BIRI EIGHT</p> <p>3/15 Doctor X - Gekai Daimon Michiko - Season4</p> <p>5/17 Kaseifu no Mitazono</p>
<b>Motion Pictures</b>	<p>3/4 DORAEMON THE MOVIE 2017: GREAT ADVENTURE IN THE ANTARCTIC KACHI KOCHI</p> <p>4/29 Blade of The Immortal</p> <p>5/27 Kazoku wa tsuraiyo</p> <p>6/17 Tap - THE LAST SHOW -</p>

**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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