

Financial Report for FYE March 31, 2017

May 17, 2017

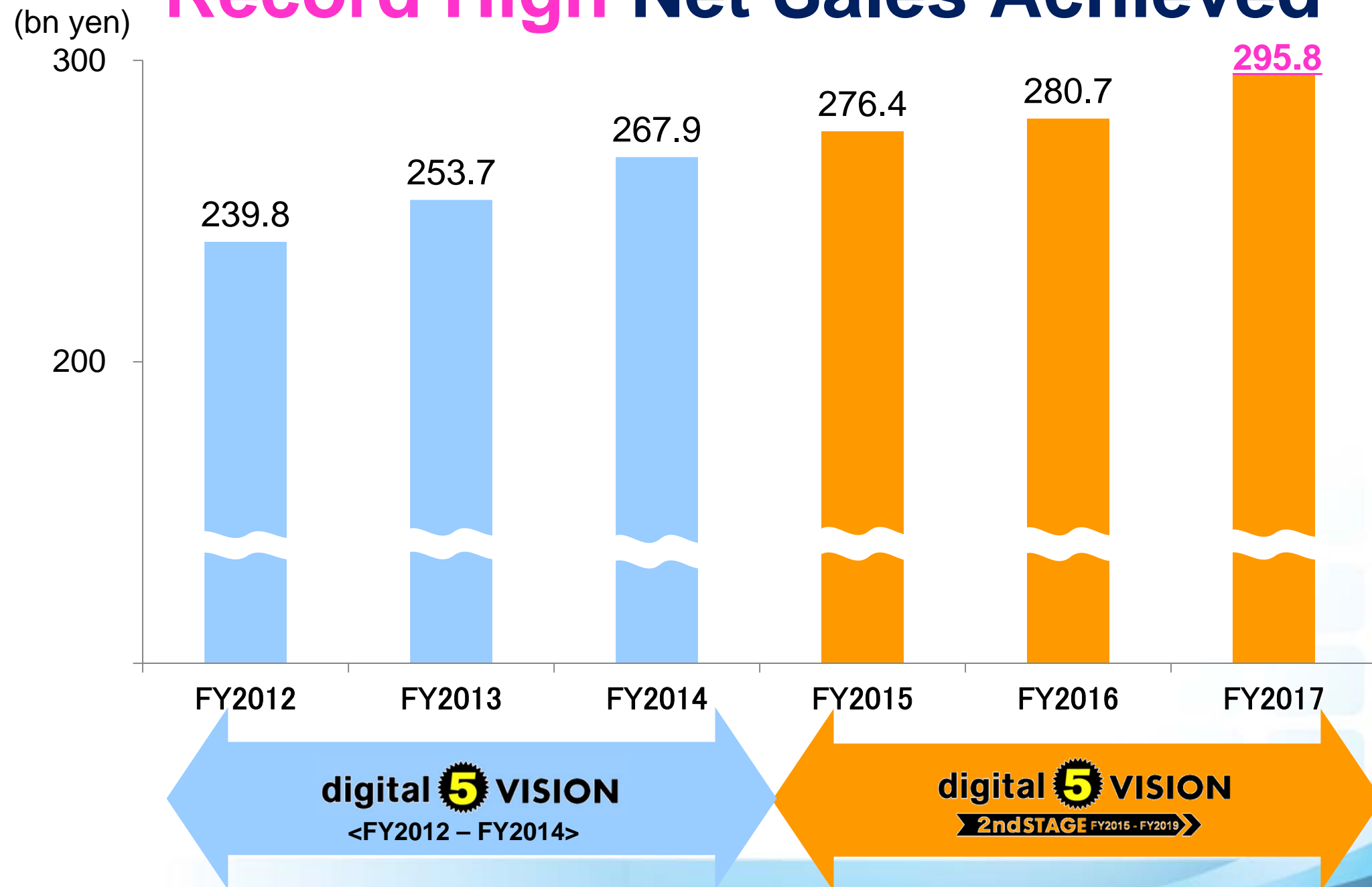
Hiroshi Hayakawa

Chairman and CEO

FY2017 Results and Digital 5 Vision 2nd Stage Summary

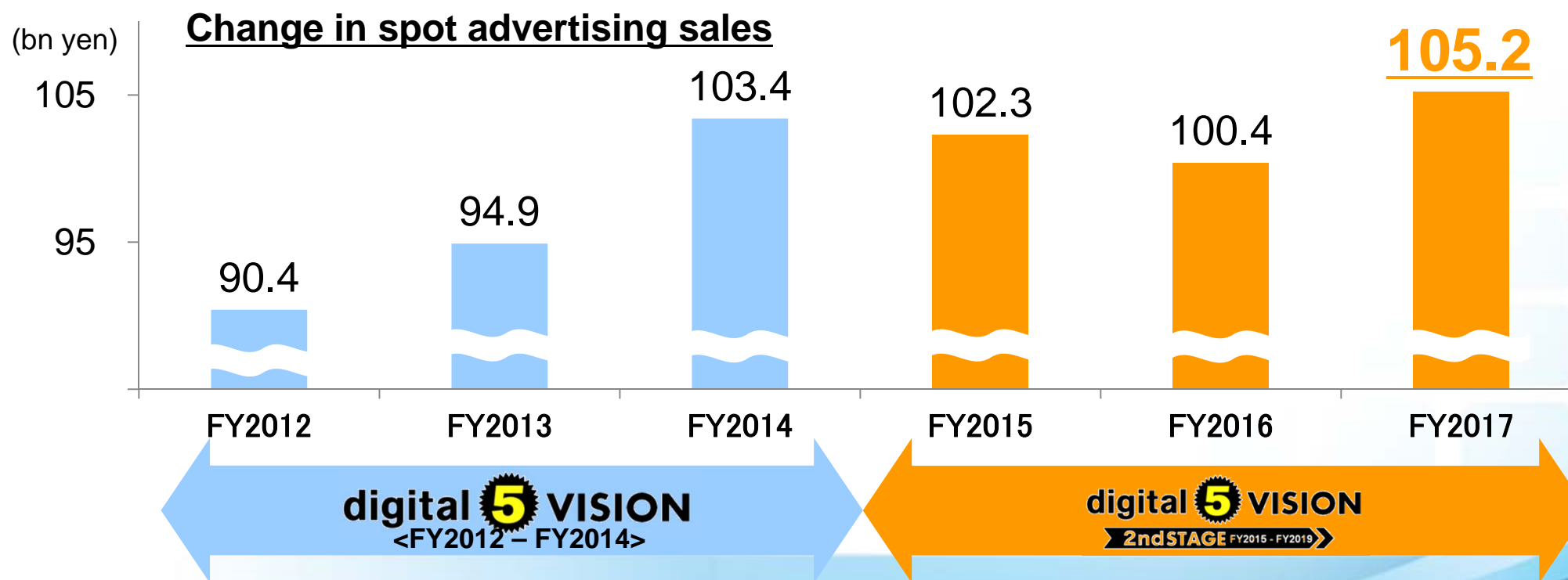
Note: “FY2017” refers to the fiscal year ended March 31, 2017
and all other fiscal years are referred to in the same manner.

Record High Net Sales Achieved



Terrestrial

- Increase in **all-day viewer ratings**
- Dynamically implemented integrated programming of the 3 broadcast waves
- **Record high spot advertising sales, 2nd highest among commercial broadcasters, achieved**



Terrestrial

Morning and Afternoon Belt Programs Drove All-Day Viewer Ratings

Program	Annual Viewer Rating	YoY
Good ! Morning between 6 and 7 a.m. 	6.7%	+1.4%
Good ! Morning between 7 and 8 a.m. 	8.2%	+1.7%
<u>Top rating among commercial broadcaster programs in the time slot!</u> Shinichi Hatori's MORNING SHOW	7.4%	+0.9%
Jun Sanpo 	5.5%	+0.8%
Wide ! Scramble Part1 	5.3%	+0.6%

BS

- Maintained position of top group in BS nationwide audience rating data measurement (mechanical)
- Net sales: **¥14.8 billion**
Record high achieved for two consecutive years

Popular Programs on Asahi Satellite Broadcasting



Tues. 7:00PM



Wed. 7:00PM



Sat. 6:54PM



Internet Related

AbemaTV – Toward New Mass Media

Progress with Services

- Opened April 2016
 - Applications:
More than **17 million downloads**
 - Record high **5.5million WAU*** achieved during Golden Week
-
- The passive viewing service style is **popular**.
 - The user interface, which emphasizes usability and design characteristics, is also **popular**.
 - Increase in the number of **young and female** users
 - **Sales** developing favorably

*WAU = Weekly active users

Content Distribution

1) AbemaNews



- Focus on **disaster news**. Aiming for services reliable in times of disaster
- Live distribution of high-profile press conferences.
Complements terrestrial broadcasting

2) TV Asahi-related content

- Variety and drama programs and sports content that leverage TV Asahi's brand and production capabilities are **popular**.

Tokumei Kakarichou Tadano Hitoshi AbemaTV
Original, Onegai! Ranking, etc.

Internet Related

Start of an alliance on KDDI's au Video Pass

- Start of a business alliance in August 2015
- Production of original content
- Unlimited viewing exclusive distribution of drama and variety programs
- Contribution to increases in the number of views and number of members for Video Pass

Original Content for Video Pass



Doctor Y
(Doctor X spinoff)



Hisho Kaibara to Rokunin
no Ayashii Kyaku
(Tamiou spinoff)



Keibuho Yabe Kenzo
(Trick spinoff)

Media City

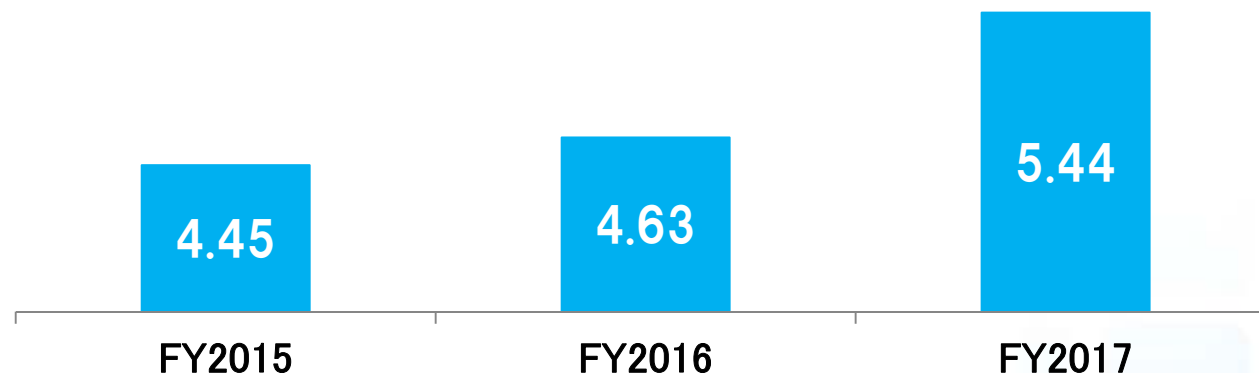
TV Asahi-Roppongi Hills Summer Festival

SUMMER STATION



- Held three times since FY2015
- More than **5 million** visitors
- Festival area and period expanded each year, **increase in the number of visitors and improvement in revenue and profits achieved**

Change in Number of Summer Festival Visitors (million persons)



Group Strategy

Enhancing the efficiency and competitiveness of Group companies

- Proceed with **conversion** of consolidated subsidiaries and equity method affiliates **into wholly owned subsidiaries**.
- Strengthen content production capabilities.

Conversion to Wholly Owned Subsidiaries to Strengthen Group Competitiveness

The logo for FLEX, consisting of a stylized 'F' made of yellow and black squares followed by the word "FLEX" in a bold, sans-serif font.

FLEX
Program production related

The logo for tv asahi mediaplex, featuring a red horizontal bar above the text "tv asahi mediaplex" in a red, sans-serif font.

tv asahi mediaplex
Internet related

The logo for tv asahi service, featuring a red diagonal bar above the text "tv asahi service" in a red, sans-serif font.

tv asahi service
Broadcasting related businesses

The logo for Bunkakobo, featuring a blue cube icon followed by the Japanese text "文化工房" in a blue, sans-serif font.

Bunkakobo
Program production related

The logo for TSP, featuring the letters "TSP" in a large, bold, blue, sans-serif font.

TSP
Program production related

Initiatives in FY2018

Year One of **TV Asahi 360°**

FY2012

FY2015

FY2018

FY2019

digital 5 VISION
<FY2012 – FY2014>

digital 5 VISION
2ndSTAGE FY2015 - FY2019

Formulation of a New Management Plan

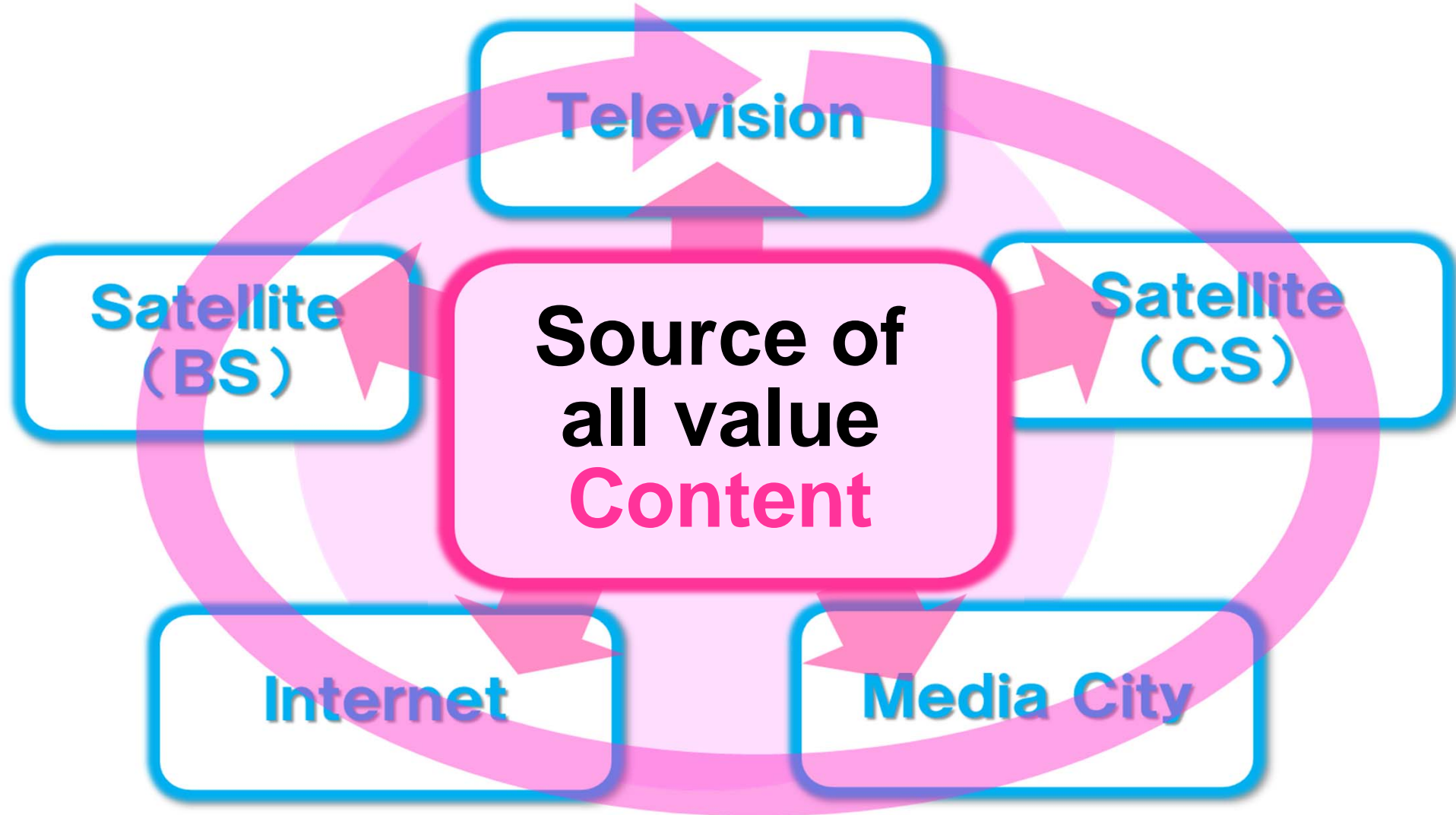
- Development of AbemaTV and other Internet businesses
- Preparation for 4K broadcasting and the Tokyo Olympics
- Measures to prepare for a low-growth period for television
- Response to changes in the business environment and various issues

FY2021

TV Asahi 360°

<FY2018 – FY2021>
(Announced Feb. 13, 2017)

TV Asahi 360°



Strategic
Investment

Strategic investment budget of **¥30.0 bn** for four years

Numeric
Targets

Consolidated net sales of **¥320.0 bn**
Ordinary income of **¥22.0 bn**

April Programming Change Key Points

□ Timetable reorganization

□ Serial Drama Theater

“Yasuragi no Sato”



(Yasuragi no Sato)

□ Creation of news slots on Saturday and Sunday

□ Strengthening of variety programs



(Saturday Station / Sunday Station)

April Programming Change Overview

	Mon.	Tues.	Wed.	Thurs.	Fri.	Sat.	Sun.
12:30	Yasuragi no Sato (Koji Ishizaka)						
19:00	Sekai Roots Tankentai						
20:00	Nakai Masahiro's Mi ni Naru Toshokan (Broadcast slot change)			Tokyo MPD (Takashi Naito)			
21:00			Keishicho Sosa Ikka 9 Gakari (Tsunehiko Watase)	Grill Room Investigation (Yuki Amami)		Saturday Station (MC: Aya Takashima)	Sunday Station (MC: Tomoko Nagano)
22:00						Aruaru Bansankai	Shikujiri Sensei Ore Mitai ni Naruna!! (Broadcast slot change)
23:00		Land sea and air Konna Jikanni Chikyuu Seifukusuru nante	Matsuko & Ariyoshi's Karisome Tengoku		Joshuu Seven (Ayame Gouriki)		



Variety programming change



Drama programming change



News and informational programming change

Viewer Rating Highlights

木曜ドラマ

緊急取調室

Emergency Interrogation Room

(Grill Room Investigation)

- Second drama series
- First episode viewer rating of 17.9%
(1st among commercial prime-time drama series in the April-June quarter)
- Average viewer rating of 14.4%
(Average for four episode)

木曜ミステリー

警視庁 捜査一課長

ヒラから成り上がった最強の刑事! season2

(Tokyo MPD)

- Second drama series
- First episode viewer rating of 14.5%
(2nd among commercial prime-time drama series in the April-June quarter)
- Average viewer rating of 12.3%
(Average for four episode)

やあらぎの郷

(Yasuragi no Sato)

- First episode viewer rating of 8.7%
- 6-week average: 6.3%
- After good start, the viewer rating is steady.



サタデーステーション

(Saturday Station)

- Start with viewer rating of 8.7%
- Average viewer rating of 7.9%
(Average for four episode)



サンデーステーション

(Sunday Station)

- Start with viewer rating of 8.0%
- Average viewer rating of 7.0%
(Average for four episode)

FY2018 Major Sports Programs

April: World Team Trophy in Figure Skating 2017

(4-day average viewer rating: 13.3%)

**2018 FIFA World Cup Russia
Final Asian Qualifiers**

Schedule of Japan's matches	Opponent
Jun. 13 (Tue.)	Iraq (Away)
Aug. 31 (Thu.)	Australia (Home)
Sept. 5 (Tue.)	Saudi Arabia (Away)

Three matches will air in FY2018.

July: World Swimming Championships



(Budapest)

October: World Gymnastics Championships



(Montreal)

February 2018: Winter Olympics



(PyeongChang,
Republic of Korea)

AbemaTV in Year Two

- Reinforcement of “user viewing habits”
Toward service expansion

Vertical replay function

Abema Video release

Strengthening of programs
and programming

AbemaTV Vertical Replay Function



© AbemaTV

● One-year anniversary campaign

- Distribution of special live performances from EX THEATER for one week beginning April 10
- Distribution of original versions of popular variety programs previously broadcast on TV Asahi during Golden Week

● Strengthening of news content

- Distribution of Hodo Station beginning in April



au Video Pass

- Continuing to drive increases in the number of views and number of members for Video Pass
- Production of a steady stream of original content
 - Kamen (Masked) Sentai Go-rider (all 3 episodes)
 - Produced as part of a Masked Rider 45th anniversary commemorative project
 - Keibuho Yabe Kenzo (all 5 episodes)
 - A Trick spinoff

*Both series captured the Video Pass overall top daily ranking for number of unique users!

Catch-up streaming

- The Catch-up streaming service complements and promotes viewing of terrestrial broadcasting.
- Promote TV Asahi's Catch-up distribution to steadily tap into the growth of the catch-up streaming market.



Media City

TV Asahi 360°

Basic Infrastructure Completed



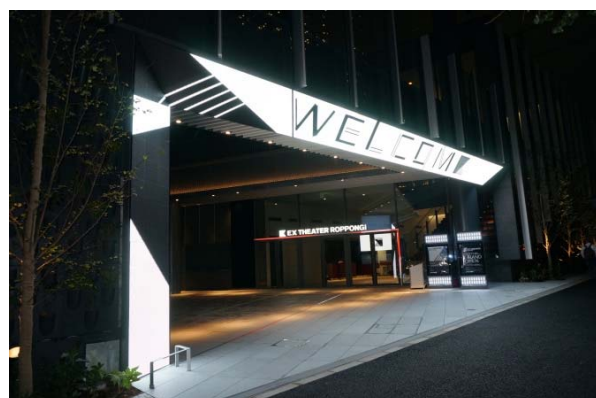
TV Asahi Headquarters Building



Ark Broadcasting Center



EX Tower



EX THEATER Roppongi



Keyakizaka Studio



Wakabadai Media Center
Opened April 2017

**Toward further strengthening of the
Content Output Hub**

TV Asahi-Roppongi Hills Summer Festival SUMMER STATION

- Decision to hold the festival again in FY2018
- Aim for further improvement in revenue and profits.

METROPOLITAN ROCK FESTIVAL 2017

- Osaka Performance (May 13, 14) a great success
- Tokyo Performance (May 20, 21) this weekend
completely sold out

Investment in motion pictures also performed strongly

- Doraemon the Movie 2017: Nobita's Great Adventure in the Antarctic Kachi Kochi, released in March, **set a new record** for box office revenue.
- Strong results from regular animation release.

Workstyle Transformation

To foster creation of appealing content

- **Promotion of TV Asahi 360° Workstyle Transformation**
(Variety in work! Taking the full allotment of holidays! Emotional leeway!)
 - Encouragement of taking of holidays (setting of monthly and annual targets)
 - Companywide care of young employees
 - Strict observance of health measures for employees who work long hours
 - Workstyle diversification (such as a work-at-home system) etc.
- **Personnel system improvement: hiring of mid-career employees who make an immediate contribution**

FY2018 Forecast

(Year one of TV Asahi 360°)

Consolidated

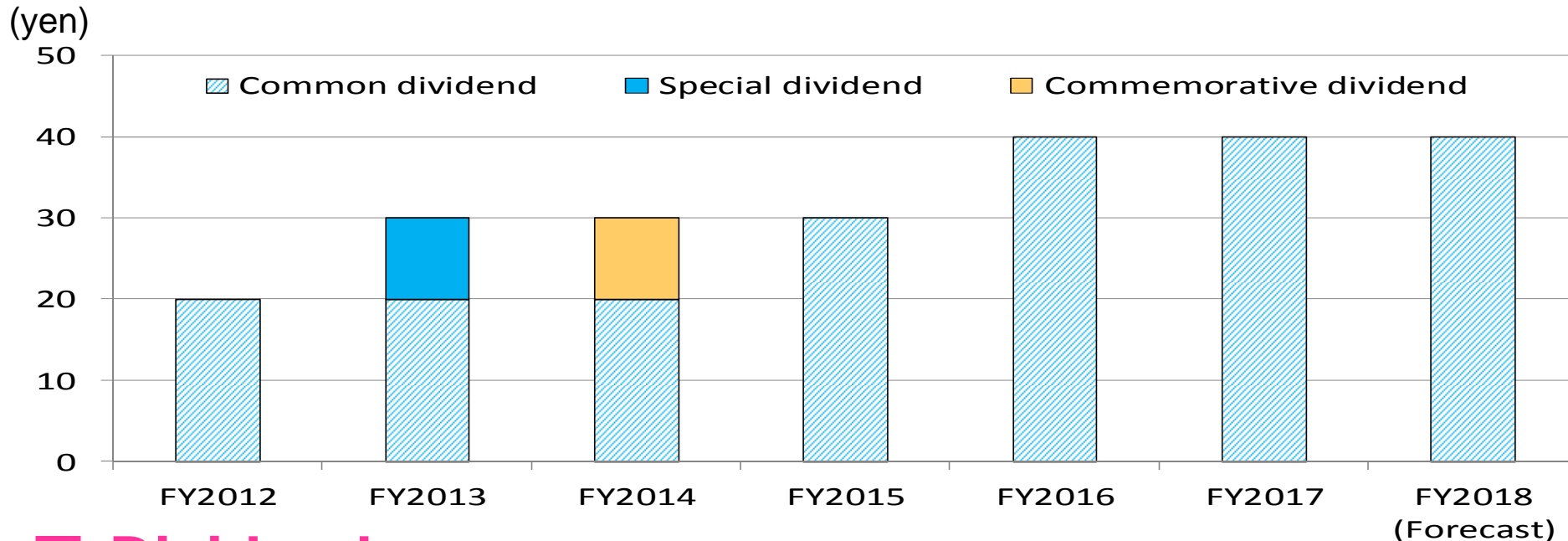
(mm of yen)

	1H				Annual			
	FY2017	FY2018	YoY	YoY(%)	FY2017	FY2018	YoY	YoY(%)
Net Sales	144,023	151,000	+6,976	+ 4.8%	295,879	304,000	+8,120	+ 2.7%
Operating Income	9,662	7,500	△2,162	△22.4%	17,278	17,500	+ 221	+ 1.3%
Ordinary Income	10,630	8,000	△2,630	△24.7%	21,947	18,000	△3,947	△18.0%
Profit attributable to owners of the parent	6,249	5,500	△ 749	△12.0%	15,949	12,000	△3,949	△24.8%

Ad Revenue(Terrestrial)	1H	2H	Annual
Time	+0.1%	△0.5%	△0.2%
Spot	+3.6%	+3.3%	+3.4%
Total	+2.0%	+1.6%	+1.8%

Production Costs(Terrestrial)
(mm of yen)

FY2017	FY2018	YoY	YoY(%)
90,831	91,538	+706	+0.8%



□ Dividend

- Dividend forecast (FY2018): **Annual dividend of ¥40 per share**
(dividend payout ratio of 35.7%)
- Strive to maintain a stable common dividend with sustained growth as they primary objective and to provide shareholder returns by means including commemorative and special dividends.

□ Purchase of own shares

Continuously consider own share purchases as one shareholder return option taking into account balance with investment for growth.

□ Capital efficiency

Endeavor to improve capital efficiency with an emphasis on raising the profit level of the core business.

Masaya Fujinoki

Executive Director

Consolidated Results

	FY2016	FY2017	YoY	YoY(%)
(mm of yen)				
Net Sales	280,779	295,879	+15,099	+ 5.4%
Operating Income	16,570	17,278	+ 708	+ 4.3%
Ordinary Income	18,509	21,947	+ 3,438	+18.6%
Profit attributable to owners of the parent	12,169	15,949	+ 3,779	+31.1%

TV Asahi Corporation Results

	FY2016	FY2017	YoY	YoY(%)
(mm of yen)				
Net Sales	228,224	240,557	+12,332	+ 5.4%
Operating Income	10,278	8,867	△ 1,411	△13.7%
Ordinary Income	11,631	10,189	△ 1,442	△12.4%
Net Income	8,056	7,304	△ 752	△ 9.3%

Subsidiaries Results

Asahi Satellite Broadcasting, Ltd.

(mm of yen)	FY2016	FY2017	YoY	YoY(%)
Net Sales	14,387	14,886	+ 498	+ 3.5%
Operating Income	1,794	2,066	+ 271	+15.1%
Ordinary Income	1,806	2,067	+ 260	+14.4%
Net Income	1,155	1,409	+ 253	+21.9%

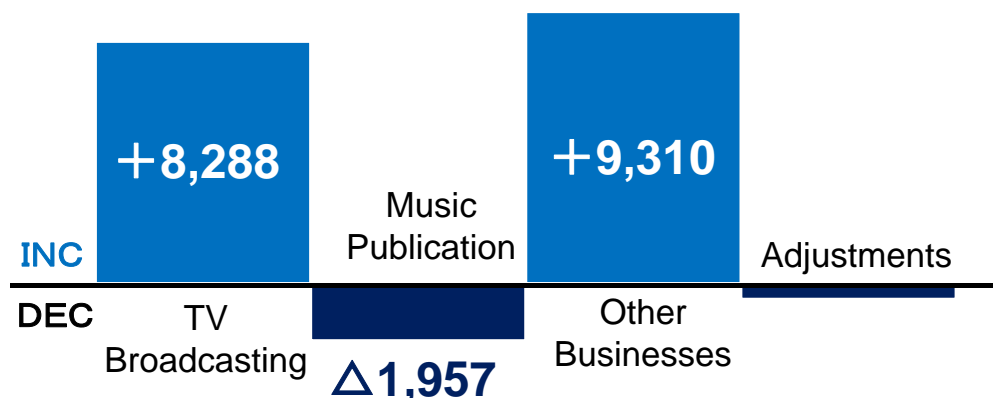
CS One Ten, Ltd.

(mm of yen)	FY2016	FY2017	YoY	YoY(%)
Net Sales	6,505	6,194	△311	△ 4.8%
Operating Income	221	234	+ 12	+ 5.9%
Ordinary Income	221	235	+ 13	+ 6.1%
Net Income	141	151	+ 10	+ 7.4%

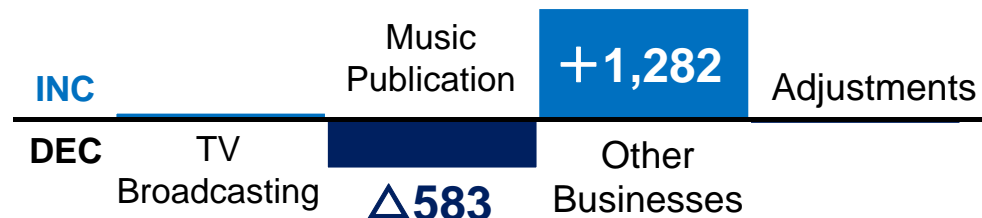
Sales and Income by Segment (Consolidated)

(mm of yen)

Net Sales YoY



Operating Income YoY



Segment	Net Sales			Operating Income		
	FY2017	YoY	YoY (%)	FY2017	YoY	YoY (%)
TV Broadcasting Business	252,545	+ 8,288	+ 3.4%	14,929	+ 75	+ 0.5%
Music Publication Business	9,985	Δ 1,957	Δ 16.4%	629	Δ 583	Δ 48.1%
Other Businesses	45,507	+ 9,310	+ 25.7%	1,784	+1,282	+ 255.2%
Adjustments	Δ12,159	Δ 541	+ 4.7%	Δ65	Δ 66	—
Total	295,879	+15,099	+ 5.4%	17,278	+ 708	+ 4.3%

TV Broadcasting Business

(mm of yen)	FY2016	FY2017	YoY	YoY(%)
Net Sales	244,256	252,545	+8,288	+ 3.4%
Time Sales	88,845	90,351	+1,506	+ 1.7%
Spot Sales	100,410	105,212	+4,801	+ 4.8%
Program Sales	12,691	13,227	+ 535	+ 4.2%
BS & CS	24,782	24,824	+ 42	+ 0.2%
Other	17,526	18,928	+1,402	+ 8.0%
Operating Income	14,853	14,929	+ 75	+ 0.5%

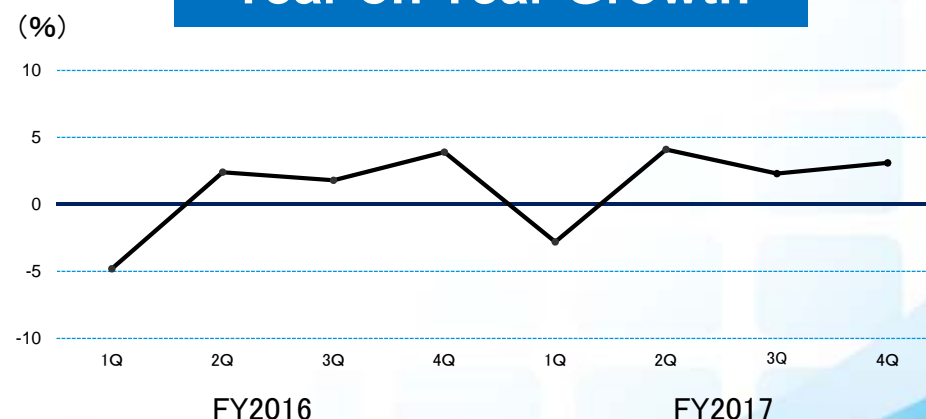
Time Sales Revenue (Terrestrial)

(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	23,533	+ 523	+ 2.3%
4Q	21,532	22,205	+ 672	+ 3.1%
2H	44,542	45,738	+1,196	+ 2.7%
Annual	88,845	90,351	+1,506	+ 1.7%

Major Difference in 4Q (Jan. – Mar.)

- ◆ Revenue increase due to the impact of major sports programs, such as 2018 FIFA World Cup Russia Final Asian Qualifier (two matches) and WBC

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	29,163	+2,220	+ 8.2%
4Q	26,343	26,041	△ 301	△ 1.1%
2H	53,287	55,205	+1,918	+ 3.6%
Annual	100,410	105,212	+4,801	+ 4.8%

Share in the Tokyo Spot Sales Market

Annual: 23.0% (YoY +0.7%)
 4Q(Jan-Mar): 22.7% (YoY ±0.0%)

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	22,968	+2,407	+11.7%
4Q	22,595	24,733	+2,138	+ 9.5%
2H	43,157	47,702	+4,545	+10.5%
Annual	84,123	90,831	+6,708	+ 8.0%

Major Difference in 4Q (Jan. – Mar.)

- ◆ Production cost increase resulting from the impact of major sports programs, such as 2018 FIFA World Cup Russia Final Asian Qualifier (two matches) and WBC

Music Publication Business

(mm of yen)	FY2016	FY2017	YoY	YoY(%)
Net Sales	11,943	9,985	△1,957	△16.4%
Operating Income	1,213	629	△ 583	△48.1%



<KETSUMEISHI>
15th Anniversary
ICHIGO NO YORU



<SHONAN NO KAZE>
UTAGE TOUR 2016

Other Businesses

	FY2016	FY2017	YoY	YoY(%)
(mm of yen)				
Net Sales	36,197	45,507	+9,310	+ 25.7%
Operating Income	502	1,784	+1,282	+255.2%

Sales of Major Other Businesses

(mm of yen)

	FY2016	FY2017	YoY	YoY(%)
Internet Related	6,345	13,706	+7,361	+116.0%
Shopping	7,767	8,178	+ 410	+ 5.3%
Special Events	6,412	6,585	+ 172	+ 2.7%
Equipment/Lease	4,381	5,204	+ 822	+ 18.8%
Motion Pictures	1,986	2,283	+ 296	+ 14.9%
DVD	1,670	1,584	△ 85	△ 5.1%

Major Other Businesses

Internet Related	<ul style="list-style-type: none"> Revenue and profit increased due to factors including sales of content to S-VOD services and the impact of contract production related to AbemaNews.
Shopping	<ul style="list-style-type: none"> Revenue and profit increased due to factors such as strong performance from TV shopping and a decrease in the product cost ratio.
Special Events	<ul style="list-style-type: none"> Revenue and profit increased, with the results driven mainly by the regular events TV Asahi-Roppongi Hills Summer Festival and METROPOLITAN ROCK FESTIVAL 2016 (Tokyo, Osaka).
Equipment Sales/Lease	<ul style="list-style-type: none"> Revenue and profit increased due the impact of cell-phone leasing .
Motion Pictures	<ul style="list-style-type: none"> Regular animation releases performed well, with Doraemon the Movie 2017: Nobita's Great Adventure in the Antarctic Kachi Kochi (released March 4, 2017) setting a new box office record. Revenue and profit increased thanks to strong performance from releases such as Partners THE MOVIE IV.
DVD	<ul style="list-style-type: none"> Revenue and profit decreased due to a slump in the DVD market overall and the absence of Shinigami-kun, released in the previous fiscal year.

Capex and Depreciation

Capex

(bn of yen)

	FY2016	FY2017	YoY	YoY(%)	Outlook for FY2018
Consolidated	12.39	15.23	+2.84	+22.9%	8.71
TV Asahi Corporation	11.67	14.59	+2.91	+25.0%	7.17

Depreciation

(bn of yen)

	FY2016	FY2017	YoY	YoY(%)	Outlook for FY2018
Consolidated	10.35	9.54	△0.81	△ 7.9%	10.10
TV Asahi Corporation	9.31	8.42	△0.89	△ 9.6%	8.75

Reference Materials

Spot Sales Industry Information (Terrestrial)

	FY2017 4Q (Jan-Mar, 2017)		FY2016 (Jan-Mar, 2016)	
	YoY	Share	YoY	Share
Source of Energy & Industrial Machines	131.0%	1.8%	299.3%	1.4%
Foods	121.9%	9.4%	115.0%	7.6%
Beverages & Liquors	94.3%	6.1%	80.5%	6.4%
Pharmaceuticals & Medical Supplies	89.0%	6.8%	109.9%	7.6%
Cosmetics & Toiletries	79.1%	3.9%	136.9%	4.8%
Clothing & Wear Accessories	135.0%	3.1%	128.0%	2.2%
Business Machines & Office Supplies	186.3%	1.1%	66.7%	0.6%
Consumer Electronics	152.3%	2.5%	78.4%	1.6%
Automobiles	98.2%	9.0%	100.8%	9.1%
Homeware	119.5%	1.3%	104.5%	1.1%
Game & Software & Sporting Goods	60.6%	3.6%	99.8%	5.9%
Housing & Housing Materials	112.7%	7.6%	118.9%	6.7%
Publishing	122.1%	2.2%	71.7%	1.8%
Communications Media & Internet Devices	93.6%	15.0%	124.7%	15.9%
Retail	60.2%	2.1%	118.4%	3.5%
Finance & Insurance	96.0%	9.3%	126.0%	9.6%
Transportation & Movies & Leisure	108.0%	6.9%	94.0%	6.3%
Food-service & Various Services	107.4%	4.9%	82.9%	4.5%
Government & Public Institution	120.7%	0.6%	69.0%	0.5%
Education & Medical-service & Religion	87.8%	2.7%	117.2%	3.0%
Other	519.0%	0.1%	166.7%	0.0%
Total	98.9%	100.0%	107.7%	100.0%

Terrestrial Viewer Ratings

Winter Programming Season

(Jan 2 – Apr. 2, 2017)

	TV Asahi			NTV			TBS			Fuji TV			TV Tokyo		
All Day	②	7.6	±0.0	①	8.6	-0.1	③	6.4	+0.4	④	5.8	-0.4	⑤	2.9	-0.1
Golden Time	②	10.5	-0.4	①	12.4	-0.4	③	10.2	+0.6	④	8.1	-0.5	⑤	6.7	-0.1
Prime Time	②	10.7	-0.4	①	12.1	-0.4	③	10.1	+0.6	④	8.0	-0.9	⑤	6.3	-0.3
Prime2	②	6.2	-1.3	①	7.0	-0.3	③	4.5	-0.2	④	3.9	-0.7	⑤	2.5	-0.4

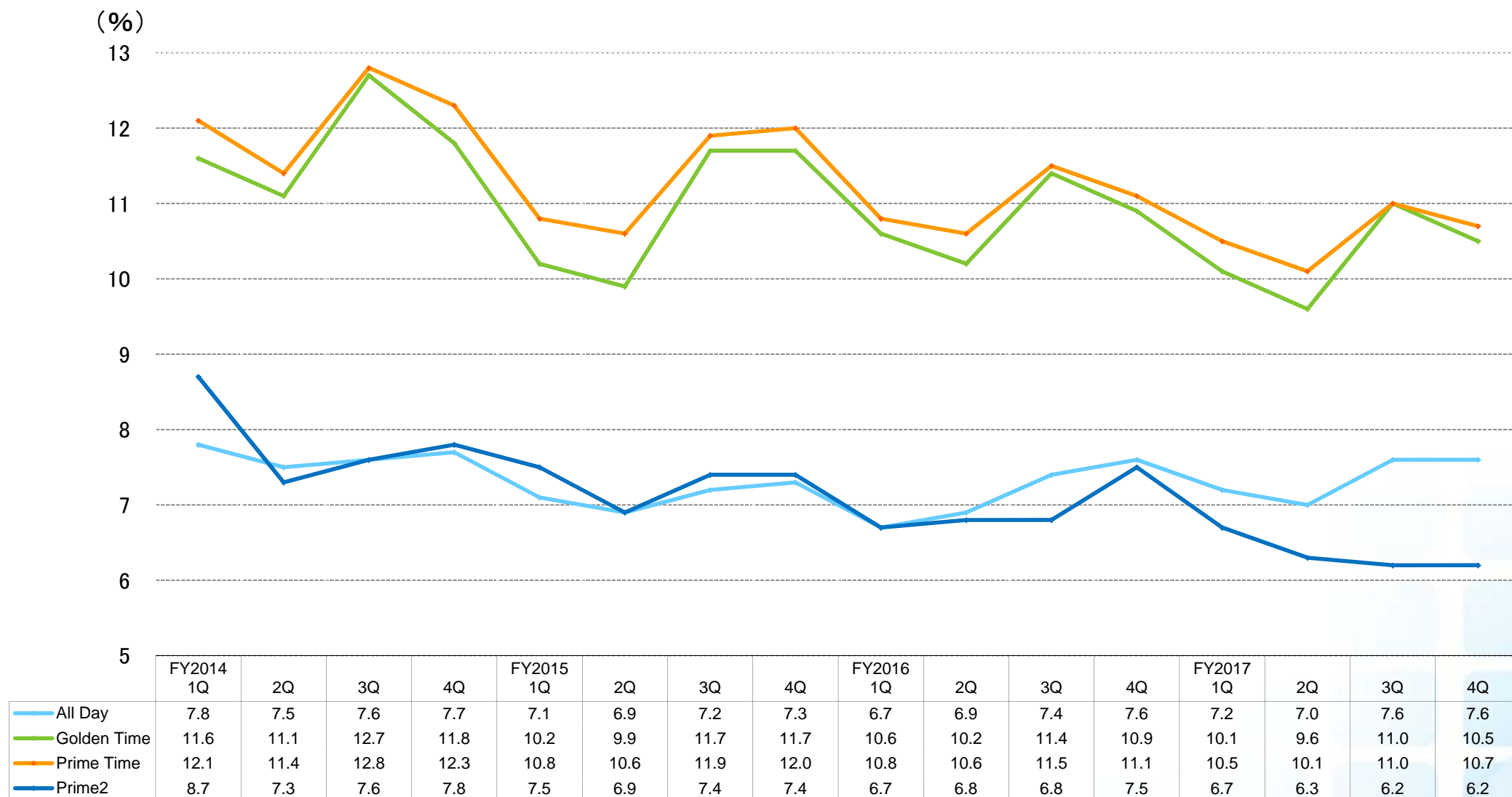
FY2017

(Apr. 4, 2016 – Apr.2, 2017)

	TV Asahi			NTV			TBS			Fuji TV			TV Tokyo		
All Day	②	7.3	+0.1	①	8.4	-0.1	③	6.1	+0.2	④	5.7	-0.5	⑤	2.8	-0.2
Golden Time	②	10.3	-0.5	①	12.2	-0.2	③	9.8	±0.0	④	8.0	-0.9	⑤	6.5	-0.2
Prime Time	②	10.6	-0.4	①	11.9	-0.3	③	9.7	-0.1	④	8.0	-1.0	⑤	6.2	-0.3
Prime2	②	6.4	-0.5	①	7.0	-0.4	③	4.5	-0.2	④	4.1	-0.6	⑤	2.7	-0.1

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

Terrestrial Viewer Ratings Trend



(Source: Video Research)

Future Topics for Other Businesses

Special Events	5/13・14	[Music] OSAKA METROPOLITAN ROCK FESTIVAL 2017
	5/20・21	[Music] TOKYO METROPOLITAN ROCK FESTIVAL 2017
	5/26～28	[Sports] P&G Presents Fantasy on Ice 2017 in MAKUHARI
DVD	5/17	Mr. Housekeeper, Mitazono
	5/24	Summers× Summers Vol.32 & Vol.33
	7/5	Winter, Grasping Love
	8/2	A Family Goes Job Hunting
Motion Pictures	5/27	What a Wonderful Family! II (Director: Yoji Yamada)
	6/17	Tap –THE LAST SHOW- (Director & Starring: Yutaka Mizutani)

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.

For further information regarding this document, please contact:

Investor Relations, Corporate Strategy Department

TV Asahi Holdings Corporation

Tel: +81-3-6406-1115

Homepage Address: <http://www.tv-asahi-hd.co.jp/e/contents/IR/index.html>

