

FYE March 31, 2018 Second Quarter Results

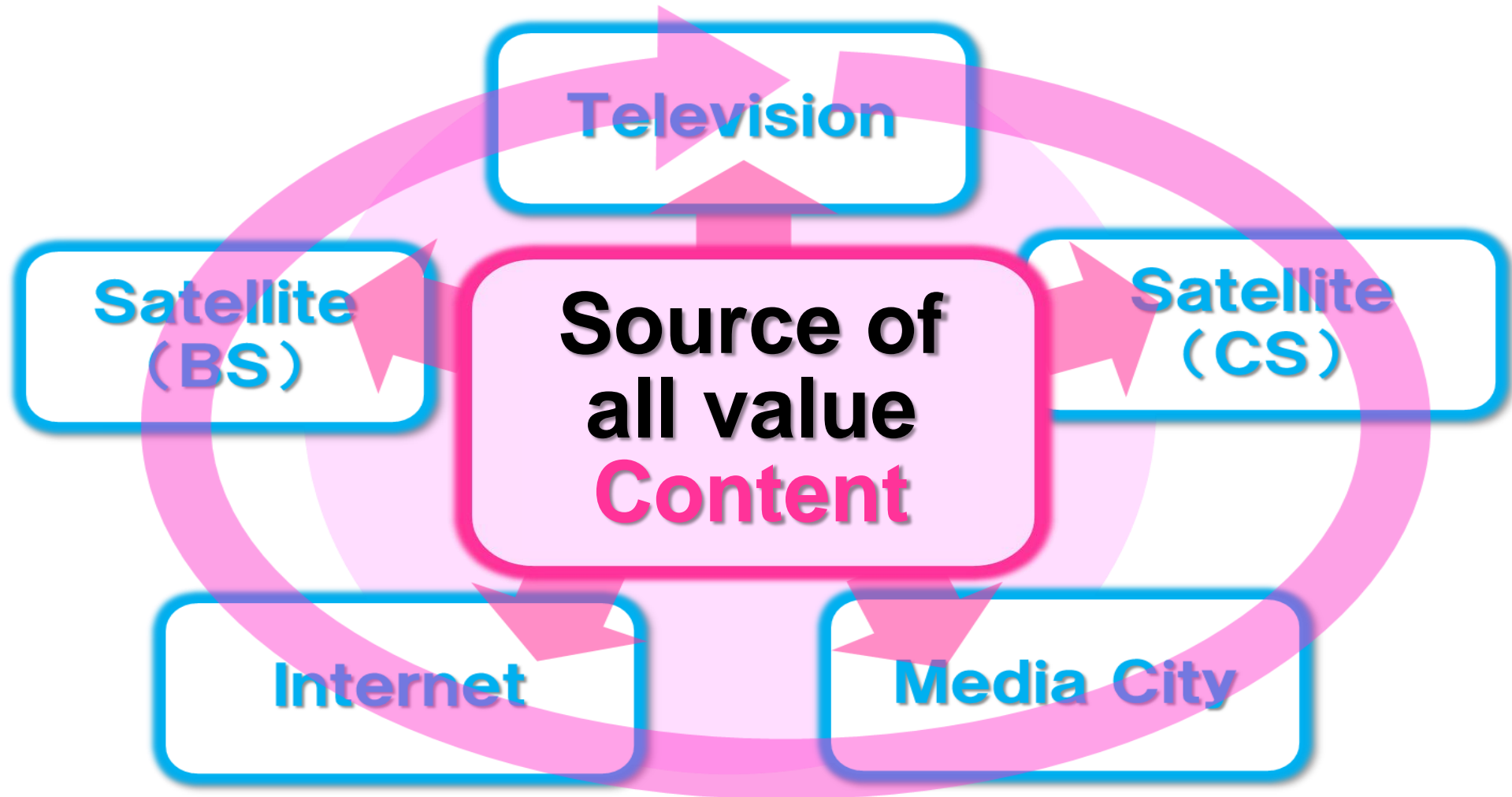
November 13, 2017



Hiroshi Hayakawa

Chairman and CEO

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**

Television (Terrestrial)

Start of timetable reorganization

Yasuragi no Sato

- Creation of Serial Drama Theater for seniors at 12:30 on weekdays
- A major contribution to improvement in average viewer ratings in the time slot
- Attracting a great deal of attention as a key feature of timetable reorganization







- Creation of news slots, a TV Asahi forte, at 21:00 on Saturday and Sunday
- In competition against strong programs on other stations, Saturday Station achieves double-digit viewer ratings on some days.



Television (Terrestrial)

Strong ratings for morning and afternoon belt programming

Program		First-Half Ratings	YoY
Good! Morning between 6 and 7 a.m.		7.3%	+0.8%
Good! Morning between 7 and 8 a.m.		9.0%	+1.3%
Shinichi Hatori's MORNING SHOW		7.7%	+0.9%
Jun Sanpo		5.7%	+0.7%
Tetsuko no Heya		5.8%	+1.3%

Television (Terrestrial)

Annual Viewer Ratings

(Jan. 2 – Nov. 12, 2017)

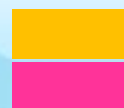
	TV Asahi	NTV	TBS	Fuji TV	TV Tokyo
All Day	② 7.3 ±0.0	① 8.2 -0.2	③ 6.3 +0.3	④ 5.7 -0.1	⑤ 2.8 ±0.0
Golden Time	③ 9.7 -0.6	① 12.3 +0.1	② 9.9 +0.2	④ 7.9 -0.2	⑤ 6.6 +0.1
Prime Time	② 10.0 -0.6	① 12.0 +0.1	③ 9.7 +0.1	④ 7.7 -0.4	⑤ 6.2 ±0.0
Prime2	② 5.6 -1.1	① 6.7 -0.4	③ 4.4 -0.2	④ 3.8 -0.5	⑤ 2.6 -0.2

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

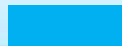
Television (Terrestrial)

October programming change overview

	Mon.	Tues.	Wed.	Thur.	Fri.	Sat.	Sun.
A.M.							05:50 start Sunday LIVE!! (MC: Noriyuki Higashiyama)
12:30	Totto-chan! (Nao Matsushita)						
19:00	Tensai Kids Zenin Shugo						
20:00				Kasoken no Onna (Woman of the Crime Lab) (Yasuko Sawaguchi)			Beat Takeshi no Sports Taisho
21:00			Aibou (PARTNERS) Season 16 (Yutaka Mizutani)	Doctor X (Ryoko Yonekura)			
22:00						Land sea and air Chikyuu Seifukusuru nante [Broadcast slot change]	Konya, Tanjo! Ongaku Champ
23:00	Geki Rare-san wo Tsurete Kita	Sonosaki			Jyuyo Sankounin Tantei (Yuta Tamamori)	Otona Koukou (Haruma Miura) [New drama slot]	



Variety programming change



Drama programming change



News and informational programming change

Television (Terrestrial)

October programming change off to a strong start

Doctor-X 外科医・大門未知子

(Doctor X)

Surgeon Daimon Michiko)

- No. 5 in the series
- First episode viewer rating: 20.9%
(1st among commercial broadcaster autumn season prime-time dramas)
- Average viewer rating: 19.9% (Five-episode average)

相棒16

(PARTNERS Season 16)

- Entering its 16th season
- First episode viewer rating: 15.9%
(2nd among commercial broadcaster autumn season prime-time dramas)
- Average viewer rating: 15.8% (Four-episode average)



(Woman of the Crime Lab)

- Entering its 17th season
- First episode viewer rating: 12.3%
(5th among commercial broadcaster autumn season prime-time dramas)
- Average viewer rating: 11.4% (Four-episode average)

トットちゃん!

Totto-chan!

- Average viewer rating: 5.8%
(Thirty-episode average)
- Higher viewer ratings than the prior-year same period

ISU Grand Prix of Figure Skating Series

- Off to a good start with the first event (Russia)
- Men's Short Program: 15.0%
- Women's Short Program, Men's Free Skating: 14.5%

SMBC JAPAN Series 2017 Game 6

(11/4)

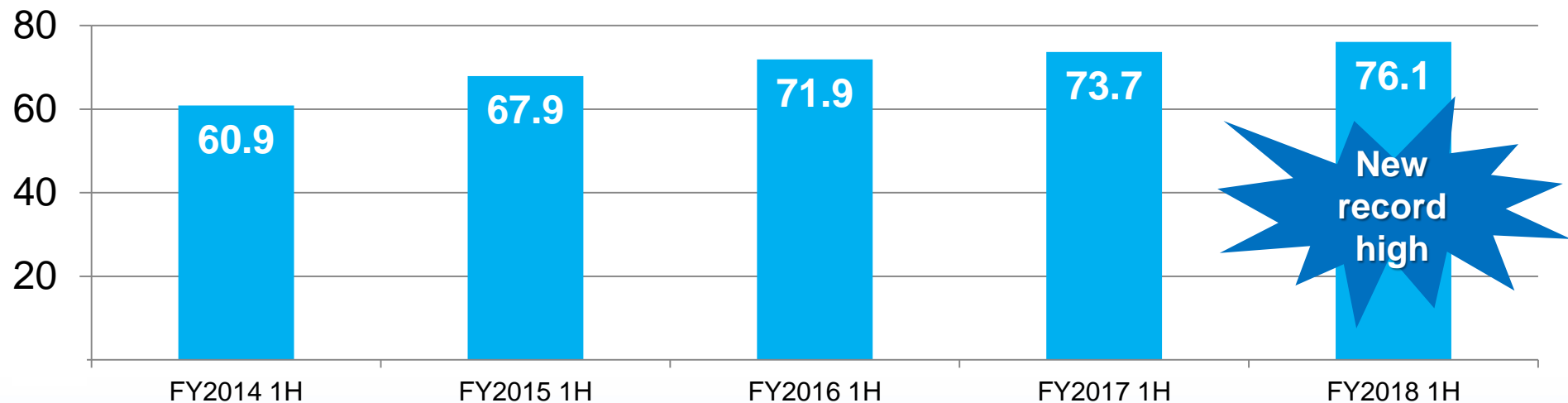
15.3%

Satellite (BS)

- Maintained position of top group in BS nationwide audience rating data measurement (mechanical) in all time periods
- First-half net sales reached a **record high**

(Hundred million yen)

Asahi Satellite Broadcasting First-Half Net Sales



Note: "FY2018" refers to the fiscal year ending March 31, 2018 and all other fiscal years are referred to in the same manner.

Internet

① AbemaTV



Progress with Services

- Application downloads:
More than **23 million**
- WAU: **Approx. 5 million**
(target: 10 million)
- Female user ratio of **approx. 40%**
- A record high of **more than 74 million views** for 72 Hours Honne TV
- Monopolization of hot topics on the Internet

TV Asahi-related Content

- A record high number of views for a live sports broadcast for Professional Baseball Japan Series Game 6
- Distribution of Ura Music station, a live-broadcast terrestrial-related program offering a backstage look at ULTRA FES 2017 performers
- Tokumei Kakaricho Original #2
Now in production

(C) AbemaTV



Internet

② Video Pass / ③ Catch-Up

Video Pass

- Promotion of increases in the numbers of KDDI Video Pass views and subscribers
- Distribution of the most recent episodes and past series of Doctor X ⇒ Captured 1st place in the daily rankings overall
- Active offering of original productions
(Doctor Y #2 etc.)

Catch-Up Service

- Complementation and promotion of real-time TV viewing
- Monetization of time-shifted viewing
- Number of users steadily increasing, mainly for TVer ⇒ Doctor X recorded a record high number of original series playbacks for one week.



(TV Asahi Catch-Up)



(TV er)

Internet Overseas Development

Doctor X

- Worldwide distribution of new productions, all four past series, and Doctor Y #2
- Distributed in **more than 200** countries and regions **worldwide**



NJPW World

- A SVOD service jointly operated with New Japan Pro-Wrestling Co., Ltd.
- Live distribution of the American show G1 SPECIAL in USA and website English language support **contribute to capturing overseas subscribers.**

MediaCity



TV Asahi - Roppongi Hills Summer Festival

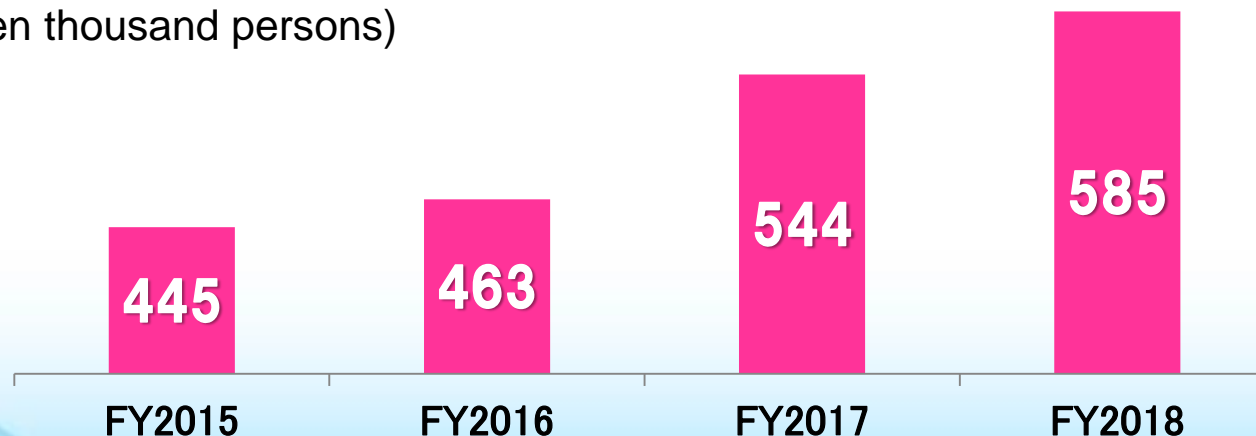
SUMMER STATION



- **5.85 million visitors, revenue and profits increasing**
- **Expansion to satellite sites** (Makuhari, Shibuya, Wakabadai)
- **Total of 20 million visitors at the past four festivals**

Change in Number of Summer Festival Visitors

(ten thousand persons)



TV Asahi 360°

360° content creation utilizing leading-edge technologies

- ❑ Development of multiple attractions at the Summer Festival using the latest virtual reality and augmented reality technologies.
- ❑ Start of regular broadcasts of Robot Tabi Nihon Isshu Takaramono Kudasai, a new program that utilizes humanoid robots



Conversion of affiliated broadcasting stations into equity method affiliates

- ❑ Three affiliated stations in Aomori, Nagano, and Yamagata made equity method affiliates (October 2017)

Consolidated Results for 1H

	FY2017 1H (April-Sept, 2016)	FY2018 1H (April-Sept, 2017)	YoY	YoY(%)
(mm of yen)				
Net Sales	144,023	150,056	+ 6,032	+ 4.2%
Operating Income	9,662	8,488	△ 1,173	△ 12.1%
Ordinary Income	10,630	9,763	△ 867	△ 8.2%
Profit attributable to owners of the parent	6,249	6,582	+ 332	+ 5.3%

FY2018 Forecast

(Year one of TV Asahi 360°)

Consolidated

(mm of yen)

	Annual			
	Previous Outlook (July 31)	New Outlook (Nov. 6)	Difference	Difference (%)
Net Sales	297,000	299,000	+2,000	+ 0.7%
Operating Income	17,500	17,500	—	—
Ordinary Income	18,000	19,500	+1,500	+ 8.3%
Profit attributable to owners of the parent	12,000	13,500	+1,500	+12.5%

Ad Revenue (Terrestrial)

	1H(Results)	2H	Annual
Time Sales	△0.9%	△3.1%⇒△4.9%	△2.2%⇒△2.9%
Spot Sales	△1.5%	±0.0%	△2.0%⇒△0.7%
Total	△1.2%	△1.4%⇒△2.2%	△2.1%⇒△1.7%

* Previous Outlook (July 31) ⇒ New Outlook (Nov. 6)

Dividend per Share

(yen)	End of 2Q	End of FY		Annual Total
	Common Dividend	Common Dividend	Special / Commemorative Dividend	
FY2014	10	10	10 (Commemorative)	30
FY2015	15	15	-	30
FY2016	20	20	-	40
FY2017	20	20	-	40
FY2018 (Outlook)	20	20	-	40

Masaya Fujinoki

Senior Executive Director

Consolidated Results

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Note: "FY2018" refers to the fiscal year ending March 31, 2018 and all other fiscal years are referred to in the same manner.

TV Asahi Corporation Results

	FY2017 1H (April-Sept, 2016)	FY2018 1H (April-Sept, 2017)	YoY	YoY(%)
(mm of yen)				
Net Sales	117,040	118,368	+1,328	+ 1.1%
Operating Income	5,107	3,569	△1,538	△30.1%
Ordinary Income	6,655	5,804	△ 851	△12.8%
Net Income	4,495	4,049	△ 446	△ 9.9%

BS&CS Results

Asahi Satellite Broadcasting, Ltd.

(mm of yen)	FY2017 1H (April-Sept, 2016)	FY2018 1H (April-Sept, 2017)	YoY	YoY(%)
Net Sales	7,373	7,610	+237	+ 3.2%
Operating Income	987	897	△ 90	△ 9.1%
Ordinary Income	987	898	△ 88	△ 9.0%
Net Income	666	606	△ 59	△ 9.0%

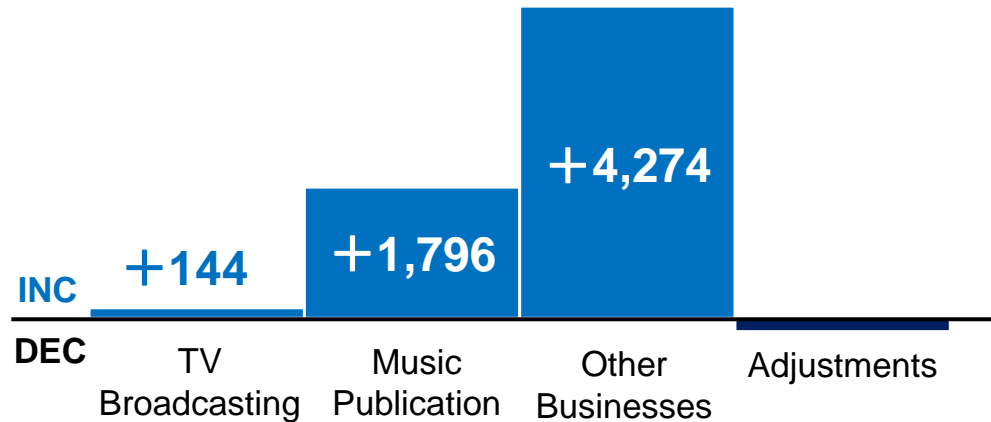
CS One Ten, Ltd.

(mm of yen)	FY2017 1H (April-Sept, 2016)	FY2018 1H (April-Sept, 2017)	YoY	YoY(%)
Net Sales	3,089	3,185	+95	+ 3.1%
Operating Income	127	131	+ 4	+ 3.3%
Ordinary Income	128	131	+ 3	+ 2.8%
Net Income	83	85	+ 2	+ 2.9%

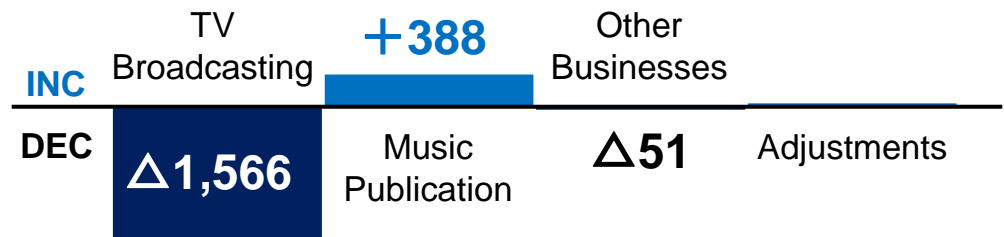
Sales and Income by Segment (Consolidated)

(mm of yen)

Net Sales YoY



Operating Income YoY



Segment	Net Sales			Operating Income		
	FY2018 1H (April-Sept, 2017)	YoY	YoY (%)	FY2018 1H (April-Sept, 2017)	YoY	YoY (%)
TV Broadcasting Business	122,758	+ 144	+ 0.1%	6,538	Δ1,566	Δ 19.3%
Music Publication Business	7,166	+ 1,796	+33.5%	665	+ 388	+140.7%
Other Businesses	26,340	+ 4,274	+19.4%	1,308	Δ 51	Δ 3.8%
Adjustments	Δ6,209	Δ 182	+ 3.0%	Δ24	+ 54	Δ 69.3%
Total	150,056	+ 6,032	+ 4.2%	8,488	Δ1,173	Δ 12.1%

TV Broadcasting Business

(mm of yen)	FY2017 1H (April-Sept, 2016)	FY2018 1H (April-Sept, 2017)	YoY	YoY(%)
Net Sales	122,614	122,758	+ 144	+ 0.1%
Time Sales	44,613	44,198	△ 415	△ 0.9%
Spot Sales	50,006	49,277	△ 729	△ 1.5%
Program Sales	6,239	6,552	+ 313	+ 5.0%
BS & CS	12,317	12,636	+ 318	+ 2.6%
Other	9,436	10,094	+ 657	+ 7.0%
Operating Income	8,105	6,538	△1,566	△19.3%

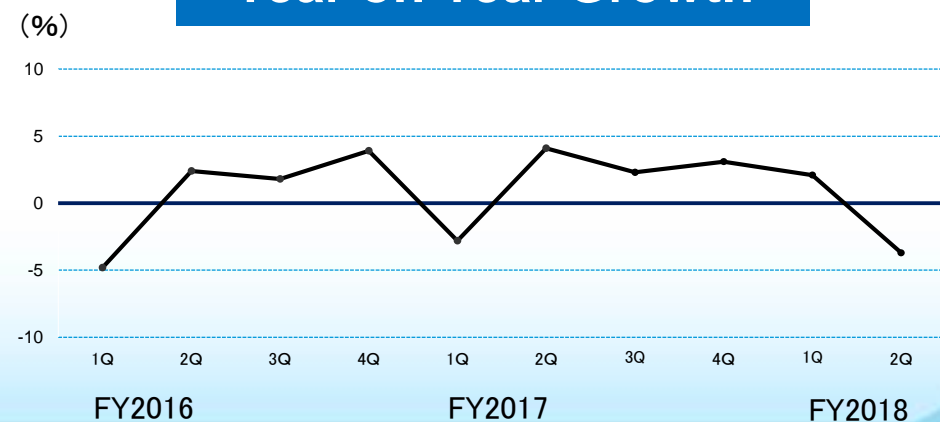
Time Sales Revenue (Terrestrial)

(mm of yen)	FY2017	FY2018	YoY	YoY(%)
1Q	21,293	21,746	+ 452	+ 2.1%
2Q	23,319	22,451	△ 868	△ 3.7%
1H	44,613	44,198	△ 415	△ 0.9%
3Q	23,533			
4Q	22,205			
2H	45,738			
Annual	90,351			

Major Differences in 2Q (Jul.-Sept.)

- Revenue decrease reflecting the absence of major sports programs aired in the previous fiscal year, such as the Rio Olympic Games

Year on Year Growth



Spot Sales Revenue (Terrestrial)

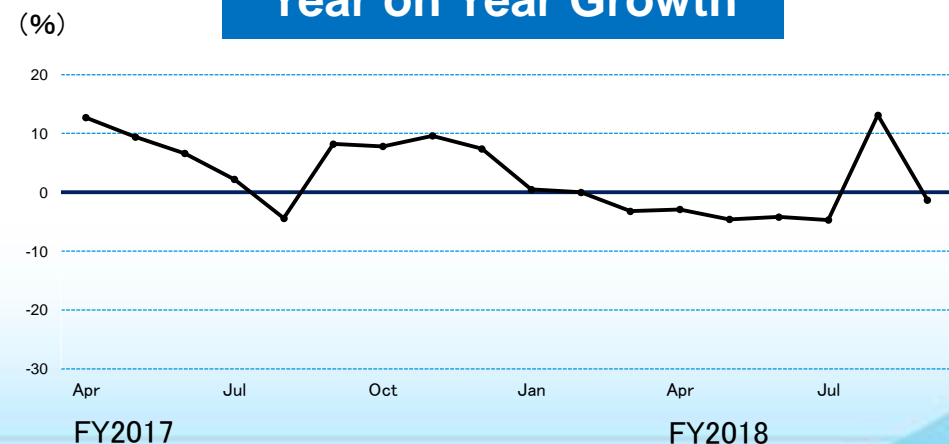
(mm of yen)	FY2017	FY2018	YoY	YoY(%)
1Q	27,047	26,005	△1,042	△ 3.9%
2Q	22,958	23,271	+ 313	+ 1.4%
1H	50,006	49,277	△ 729	△ 1.5%
3Q	29,163			
4Q	26,041			
2H	55,205			
Annual	105,212			

Share in the Tokyo Spot Sales Market

1H(Arp-Sept): 23.0% (YoY +0.1%)

Note: Share figures are estimated figures.

Year on Year Growth



Production Costs (Terrestrial)

(mm of yen)	FY2017	FY2018	YoY	YoY(%)
1Q	19,101	21,217	+2,116	+11.1%
2Q	24,027	22,865	△1,162	△ 4.8%
1H	43,128	44,082	+ 953	+ 2.2%
3Q	22,968			
4Q	24,733			
2H	47,702			
Annual	90,831			

Major Differences in 2Q (Jul.-Sept.)

- Production cost decrease reflecting the absence of major sports programs aired in the previous fiscal year, such as the Rio Olympic Games

Music Publication Business

	FY2017 1H (mm of yen) (April-Sept, 2016)	FY2018 1H (April-Sept, 2017)	YoY	YoY(%)
Net Sales	5,369	7,166	+ 1,796	+ 33.5%
Operating Income	276	665	+ 388	+ 140.7%



<KETSUMEISHI>
TOUR2017



<SHONAN NO KAZE>
SUMMER HOLIC 2017



<Sonar Pocket>
JAPAN TOUR 2017
~Reload~

Other Businesses

	FY2017 1H (April-Sept, 2016)	FY2018 1H (April-Sept, 2017)	YoY	YoY(%)
(mm of yen)				
Net Sales	22,066	26,340	+4,274	+ 19.4%
Operating Income	1,359	1,308	△ 51	△ 3.8%

Sales of Major Other Businesses

(mm of yen)

	FY2017 1H	FY2018 1H	YoY	YoY(%)
Internet Related	6,083	7,565	+1,482	+24.4%
Special Events	4,564	5,980	+1,415	+31.0%
Shopping	3,655	4,120	+ 464	+12.7%
Equipment/Lease	2,522	2,469	△ 53	△ 2.1%
Motion Pictures	792	742	△ 50	△ 6.3%
DVD	718	425	△ 293	△40.8%

Major Other Businesses

Internet Related	<ul style="list-style-type: none"> ● <u>Revenue and profit increased</u> on strong sales of content to S-VOD services.
Special Events	<ul style="list-style-type: none"> ● <u>Revenue and profit increased</u>, with regular events such as TV Asahi - Roppongi Hills Summer Festival and one-off events such as Paul McCartney Japan Tour driving performance.
Shopping	<ul style="list-style-type: none"> ● <u>Revenue increased and profit decreased slightly</u> due to the impact of an increase in the product cost ratio, despite strong performance from TV shopping.
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. ● However, <u>revenue and profit decreased</u> due to the impact of some unsuccessful releases.
DVD	<ul style="list-style-type: none"> ● <u>Revenue and profit decreased</u> due to a slump in the DVD market overall.

Capex and Depreciation

Capex

(bn of yen)

	FY2017 1H (April-Sept, 2016)	FY2018 1H (April-Sept, 2017)	YoY	YoY(%)	Outlook for FY2018
Consolidated	4.89	2.63	△2.25	△46.2%	7.86
TV Asahi Corporation	4.67	2.13	△2.53	△54.4%	6.47

Depreciation

(bn of yen)

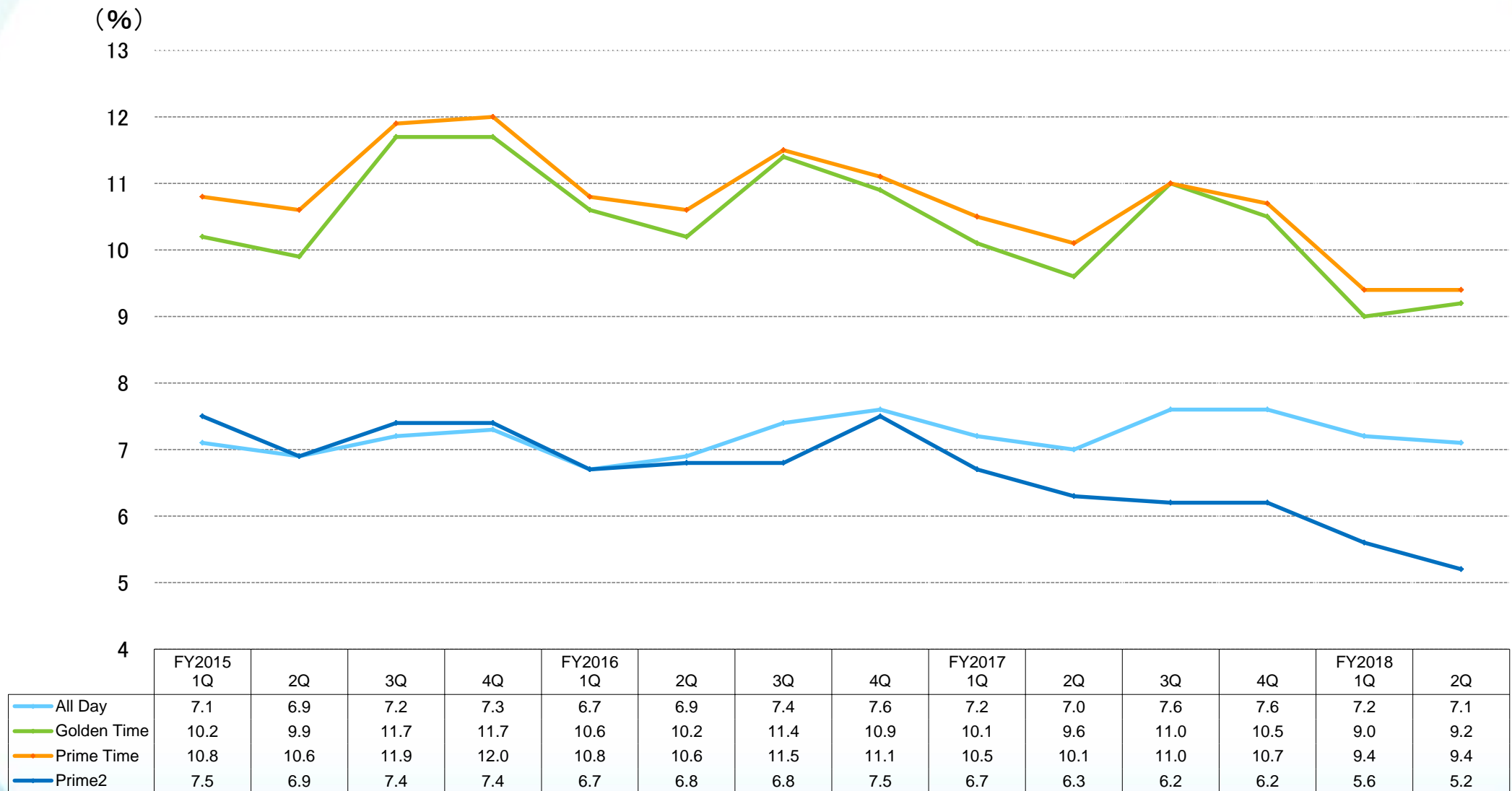
	FY2017 1H (April-Sept, 2016)	FY2018 1H (April-Sept, 2017)	YoY	YoY(%)	Outlook for FY2018
Consolidated	4.60	4.83	+0.23	+5.1%	10.02
TV Asahi Corporation	4.06	4.19	+0.12	+3.0%	8.61

Reference Materials

Spot Sales Industry Information (Terrestrial)

	FY2018 2Q (July-Sept, 2017)		FY2017 2Q (July-Sept, 2016)	
	YoY	Share	YoY	Share
Source of Energy & Industrial Machines	200.8%	1.6%	321.7%	0.8%
Foods	119.9%	9.8%	90.4%	8.3%
Beverages & Liquors	105.6%	9.2%	96.4%	8.8%
Pharmaceuticals & Medical Supplies	88.8%	7.8%	123.4%	8.9%
Cosmetics & Toiletries	111.2%	7.2%	102.9%	6.6%
Clothing & Wear Accessories	92.5%	1.6%	109.1%	1.8%
Business Machines & Office Supplies	182.1%	1.1%	46.1%	0.6%
Consumer Electronics	94.3%	2.3%	183.9%	2.5%
Automobiles	107.3%	9.3%	103.0%	8.8%
Homeware	90.9%	1.5%	84.8%	1.7%
Game & Software & Sporting Goods	80.9%	5.0%	103.2%	6.2%
Housing & Housing Materials	117.2%	6.2%	137.1%	5.4%
Publishing	104.1%	1.2%	106.6%	1.2%
Communications Media & Internet Devices	91.3%	12.9%	106.2%	14.3%
Retail	80.2%	2.9%	93.1%	3.7%
Finance & Insurance	89.5%	5.7%	80.2%	6.4%
Transportation & Movies & Leisure	95.1%	7.1%	110.1%	7.6%
Food-service & Various Services	115.2%	5.6%	97.8%	4.9%
Government & Public Institution	76.3%	0.3%	90.9%	0.4%
Education & Medical-service & Religion	139.4%	1.7%	66.9%	1.3%
Other	91.7%	0.0%	46.2%	0.0%
Total	101.4%	100.0%	102.3%	100.0%

Terrestrial Viewer Ratings Trend



(Source: Video Research)

Future Topics for Other Businesses

Special Events	<p>[Concert] Yuri!!! on CONCERT (11/19)</p> <p>[Stage] “Tetsuko no Heya” concert (Tokyo 11/30, Osaka 12/3)</p> <p>[Stage] KAMEN RIDER × SUPER SENTAI LIVE & SHOW (1/24)</p>
DVD	<ul style="list-style-type: none"> ■ Yasuraginosato I (12/22), II (1/12), III (2/2) ■ CSI -Crime Scence Talks- season4 (1/10) ■ Kurokawa no Techo (1/17) ■ BORDER - Shokuzai / Shodo (2/23) ■ Keiji 7nin (3/21)
Motion Pictures	<p>12/1 Tantei wa BAR ni iru 3</p> <p>3/10 Kitanosakuramori</p> <p>3/31 honey</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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