Integrity & Sustainability

July 30, 2026

Sector: **Information and Communication**

Asahi Broadcasting Group Holdings (9405)

FY3/2026
Full-Year Results

GIR View

ABC Asahi Broadcasting Group Holdings Corporation

1

Company Profile
Business Overview

A Leading Certified Broadcasting Holding Company in the Kansai Region

Asahi Broadcasting Group Holdings ("the company") is a leading certified broadcasting holding company in the Kansai region and the only publicly listed company in the region. Asahi Television Broadcasting Corporation belongs to the same TV network affiliated stations as TV Asahi Corporation.

"*The ABC Group continues to evolve as a dynamic and creative corporate organization, adapting to social change and contributing to the development of society.*" With such a business philosophy, the company has defined its future vision as "More Local More Global Be Original" in its newly announced medium-term management plan. It aims for sustainable growth by maximizing its content creation strength and promoting the creation and acquisition of distinctive original IP, as well as the distribution and development of IP, in both the Content Segment (live action) and the Animation Segment.

The company is listed on the Tokyo Stock Exchange Prime Market.

2

Launch of the
Medium-Term
Management Plan
(2026–2028)

Announcement of the Medium-Term Management Plan (2026–2028)

The medium-term management strategy 2021–2025, *NEW HOPE*, which concluded in March 2026, fell slightly short of its targets for both net sales and operating profit. While progress was made in strengthening the foundation of the content business—a key focus area—challenges remained regarding its profitability.

In light of these developments, the company has announced its new medium-term management plan (2026–2028). This plan can be viewed as a progressive evolution of *NEW HOPE*. The company has designated this three-year period as a phase for strengthening its growth foundation and plans to focus its investments more intensively on the Content Segment (live action) and the Animation Segment, which have been key areas of focus to date.

GIR View (cont.)

According to the capital allocation plan, over the three-year period, the company will raise funds through cash on hand, operating cash flow, the sale of cross-shareholdings, and interest-bearing debt. After securing more than ¥20 billion in working capital—which is essential for the company as a broadcaster to address business continuity planning (BCP) and other needs—the company plans to allocate funds as follows: ¥20 billion for growth investments, of which ¥8 billion will be for the Content Segment (live action), ¥8 billion for the Animation Segment, and ¥2 billion for human capital investment and other related investments. Additionally, ¥12 billion will be allocated for capital expenditures, while ¥5 billion is slated to be allocated to shareholder returns (with a target dividend payout ratio of 40%).

The numerical targets for consolidated net sales and consolidated operating profit are ¥96 billion and ¥4.5 billion, respectively, for the fiscal year ending March 31, 2029, and ¥100 billion and ¥6 billion for the fiscal year ending March 31, 2032. Although no specific ROE target has been disclosed, the company is shifting its strategy towards improving capital efficiency by strengthening shareholder returns—including raising the dividend payout ratio target (from 30% to 40%) and the purchase of treasury stock—with a focus on the total return ratio.

2

Launch of the Medium-Term Management Plan (2026–2028)

3

Strengthening the Content Segment

Further Strengthening IP for Highly Competitive Live-Action Content

The Content Segment (live action) is a segment with a long history and proven track record, as evidenced by its portfolio of major IPs comprising approximately 5,100 episodes and 4,700 hours of content. The content spans a wide range of genres, including variety shows, dramas, and sports. Therefore, the company's top priority is to maximize the potential of its program and content creation strength by investing ¥8 billion over the next three years to strengthen and expand its IP portfolio and maximize its revenue.

GIR View (cont.)

Continued Growth Investment in the Animation Segment

The Animation Segment is an area on which the company has focused under the *NEW HOPE* initiative, and over the past 10 years, net sales have expanded approximately tenfold to ¥7 billion. The company's broadcasting track record over the past nine and a half years includes approximately 100 titles, about 1,200 episodes, and a total broadcast time of 36,000 minutes.

The company continues to position the Animation Segment as a top priority and the driving force behind the Asahi Broadcasting Group, and plans to invest ¥8 billion over the next three years—an amount equal to that allocated to the Content Segment (live action).

The company has already established the foundation of its animation IP value chain. Leveraging this foundation, the company plans to focus on creating and acquiring high-quality IP—securing a cumulative total of at least 15 titles under executive production by the fiscal year ending March 31, 2029—developing major IP with a global perspective—such as through co-productions with Hollywood—and promoting the distribution and expansion of IP through local initiatives in North America, China, and other regions. This is expected to drive future earnings growth.

4

Strengthening the Animation Segment

5

Solid FY3/2026 Results

FY3/2027 Net Sales & Profit Declines Forecasted, But High Levels Expected

Financial Results Forecasts for FY3/2027 Show Temporary Net Sales and Profit Declines, but Remain at High Levels

Financial results for the fiscal year ended March 31, 2026 showed a sharp improvement. Net sales were ¥96 billion (up 4.4% year-on-year), operating profit was ¥4.76 billion (up 83.8% year-on-year), ordinary profit was ¥4.42 billion (up 76.2% year-on-year), and profit attributable to owners of parent was ¥4.46 billion (up 78.1% year-on-year). ROE came in at 5.6% (up 2.3 percentage points year-on-year). This strong performance was driven by Asahi Television Broadcasting Corporation's solid results, which were attributed to the highest viewer ratings in the Kansai region; a tailwind from advertising related to the Expo 2025 Osaka, Kansai, Japan; increased spot advertising revenue due to market share expansion; strong performance in internet streaming services such as TVer; and effective control of content production costs. Additionally, the consolidated subsidiary engaged in event planning and management also performed well due to Expo-related business.

GIR View (cont.)

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Solid FY3/2026 Results

FY3/2027 Net Sales & Profit Declines Forecasted, But High Levels Expected

On the other hand, the company's full-year forecast for the fiscal year ending March 31, 2027 is as follows: net sales of ¥92.3 billion (down 3.9% year-on-year), operating profit of ¥4 billion (down 16.0% year-on-year), ordinary profit of ¥4.1 billion (down 7.2% year-on-year), and profit attributable to owners of parent of ¥2.7 billion (down 39.4% year-on-year). These projections appear reasonable, reflecting the waning impact of the Expo 2025 Osaka, Kansai, Japan, and a decline in spot advertising revenue following the strong performance of the previous year.

Regarding shareholder returns, the company forecasts a dividend of ¥20 per share (a decrease of ¥13 year-on-year) and a dividend payout ratio of 30.9% (unchanged from the previous year).

Although these forecasts are negative for the share price, there are two points to keep in mind. First, compared to the fiscal year ended March 31, 2025, the current financial results forecast shows net sales at the same level, but operating profit and ordinary profit are at higher levels.

Second, the company has announced and is implementing the purchase of treasury stock to offset the dividend cut.

6

Share Price Trends

Share Price Recovers, but Stalls Following FY3/2027 Forecasts

The share price has been recovering since the second half of 2025. This is primarily due to rising expectations for a recovery in earnings for the fiscal year ended March 31, 2026. Immediately after the announcement of the medium-term management plan (2026–2028) in March 2026, the price rose to ¥952. However, following that, driven by a sense that the positive news had been fully priced in and the release of lackluster financial results forecasts for the fiscal year ending March 31, 2027, the stock has trended gradually lower and has recently been hovering in the ¥800-¥900 range.

Furthermore, the PBR remains significantly below 1x, at around 0.4 to 0.5x. It appears the stock market still lacks sufficient confidence that the company's ROE will improve sustainably and move towards the 8% range.

GIR View (cont.)

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Key Focus Areas: Assessing the Expansion and Effectiveness of Growth Investments in the Content Segment and Animation Segment

How Future Strategic Investments Will Provide Clues for Sustained Improvement in ROE

The fact that the share price has plateaued after a period of gains is not merely a reflection of the current stagnation in earnings; it is also likely because investors are waiting for concrete indications of improvements in capital efficiency over the medium to long term.

In particular, this medium-term management plan should be highly commended for outlining capital allocation and expressing a strong commitment to growth. However, while it is understandable that the company is currently in a phase of upfront investment, we would like to see a more detailed explanation regarding the target ROE and the concrete implementation of capital-cost-based management.

Therefore, moving forward, we would like to focus on specific examples to verify the following points:

- Content Segment (live action): The accumulation of successful cases that demonstrate the maximization of IP value for existing top content, as well as the development of next-generation top content and concrete examples of strategies to maximize IP value.
- Animation Segment: Steady improvement in the profit and loss performance of major subsidiaries, accumulation of titles under executive production, and concrete examples of strategies to maximize IP value.
- In relation to both points above: Progress in capital allocation, particularly the proactive generation of cash inflows, as well as the progress of investments and the expected ROI for each investment.

As IP value is maximized and the company's portfolio continues to grow, its earnings should enter a trajectory of sustainable growth while becoming less susceptible to the cyclical fluctuations of the television advertising market. At that point, the company is expected to enter a phase of continuously rising ROE, and market valuations—including share price and PBR—are likely to undergo a significant shift. As the company approaches this next inflection point, we will continue to closely monitor the progress of the company's medium-term management plan.

Consolidated Results										Share Price ¥840 (07/28/2026)
Fiscal Year	Net Sales (￥mn)	YoY (%)	Operating Profit (￥mn)	YoY (%)	Ordinary Profit (￥mn)	YoY (%)	Profit (￥mn)	YoY (%)	EPS (￥)	PER (X)
FY3/2021	78,344	(5.5)	2,694	(20.5)	3,033	(16.5)	(930)	Loss	(22.7)	n.a.
FY3/2022	85,100	8.6	4,203	56.0	4,792	58.0	2,671	Profit	65.0	12.9
FY3/2023	87,028	2.3	2,594	(38.3)	2,661	(44.5)	1,354	(49.3)	32.4	25.9
FY3/2024	90,452	3.9	832	(67.9)	723	(72.8)	(884)	Loss	(21.2)	n.a.
FY3/2025	91,923	1.6	2,591	211.3	2,506	246.6	2,502	Profit	60.0	14.0
FY3/2026	95,998	4.4	4,763	83.8	4,415	76.2	4,456	78.1	106.7	7.9
FY3/2027 (CE)	92300	(3.9)	4000	(16)	4100	(7.2)	2700	(39.4)	64.64	13.0

Source: Prepared by Global IR, Inc. based on the company's securities reports.
Note: Figures are rounded to the nearest million yen, or to the first decimal place. *Calculated by Global IR, Inc.* CE = Company Estimate.

FAQs from Meetings with Investors

Asahi Broadcasting Group Holdings (9405) regularly holds meetings with Japanese domestic and overseas institutional investors. The following is a summary of the common concerns of investors that emerged from these meetings and their responses. The responses are based on the company's answers, with analyst commentary and additional information. The order of the responses is based on the questions that seemed to be of particular interest.

Q1: Specific Uses of Growth Investments (¥8 Billion Each for Content and Animation)

Please provide more specific information about the growth investments outlined in the medium-term management plan.

Our basic policy is to accelerate the generation of returns from past investment projects and concentrate resources on our core areas.

The breakdown and strategic allocation of the ¥20 billion in growth investments planned for the next three years are as follows:

- Content Segment (live action) (¥8 billion): We will focus on building a new development pipeline aimed at creating the next generation of national hit IPs.
- Animation Segment (¥8 billion): In addition to investing in the creation and acquisition of IPs that will be loved over the long term, we aim to expand into overseas markets, primarily in North America and China, and strengthen our co-production partnerships with major local players. In particular, we aim to maximize IP value through the strategic utilization of our overseas bases and the in-house development of the value chain via M&A.
- Strengthening the Foundation for Growth (¥4 billion): This funding will be allocated to improving productivity through the introduction of technologies such as generative AI, as well as securing and developing highly specialized talent.

Q2: Competitive Landscape of the Animation Business

You mentioned that you will continue to focus on the animation business, but are there no risks of market saturation or oversupply?

The animation market has the potential for global expansion, features an aspect of long-tail revenue, and is characterized by its ability to generate long-term value. We do not currently believe the animation market is saturated or experiencing an oversupply.

However, as production volumes increase and quality requirements rise, production companies are facing capacity constraints. Therefore, rather than making excessive investments in every project, we are allocating resources in a balanced manner with a focus on quality and efficiency.

We are committed to creating works in collaboration with various companies and studios—such as Tokyo-based TOEI ANIMATION, as well as Kyoto Animation, which, like us, are based in the Kansai region—with a focus on “creating IPs that will be loved for a long time.” At the same time, within our own production structure, we aim to create IPs that ensure quality and stability by streamlining production processes through the use of digital technology and increasing the rate of in-house production.

Q3:
IP Investment Profitability Management

What strategies can be used to avoid overpaying in bidding wars for high-profile IP?

Our strength lies in our unique originality, which is rooted in our many years of experience. Furthermore, rather than acting alone, we plan to pursue co-creation with other major IP holders and South Korean production companies, leveraging the long-standing partnerships we have cultivated with various partner companies to acquire IP.

Q4:
Expanding Both Content Overseas and Streaming Platforms

What is the current progress of expansion, both for content overseas and for streaming platforms?

We are beginning to build a track record of global platform expansion and international distribution.

We have already sold approximately 10 titles to Netflix and a couple of titles to Amazon Prime, and we continue to renew these contracts. Additionally, we are collaborating with KOJIMA PRODUCTIONS on the production of the film *DEATH STRANDING MOSQUITO* with plans to launch it globally, including in Hollywood.

Q5:
Initiatives to Achieve a PBR of Over 1

What are your initiatives to achieve a PBR of over 1?

We are promoting the strengthening of profitability (improving ROE) through medium- to long-term growth investments. At the same time, as part of our efforts to enhance shareholder returns, we have raised our medium-term target dividend payout ratio to 40%.

Furthermore, we will be implementing the purchase of treasury stocks flexibly, taking into comprehensive consideration share price trends, our financial position, and capital efficiency.

In this way, by pursuing a dual approach focused on both growth and shareholder returns, we will strive to create corporate value that meets market expectations.

Q6:
Necessity of Holding Cash for BCP Purposes

Is it reasonable to maintain the stated ¥20 billion cash and deposit balance for business continuity planning (BCP)?

We believe that ¥20 billion is the necessary level, taking into account the risk of a financial freeze as well as upfront investment in content production (equivalent to two months of monthly sales).

However, while considering an optimal capital structure, we will also explore funding options—including loans—if temporary funds are needed for growth investments.

Q7:
Policy on the Sale of Non-Operating Assets

What is the policy regarding the sale of non-operating assets?

We will sell real estate and cross-shareholdings (such as TV Asahi) in a flexible and phased manner, while evaluating the merits and necessity of holding them, and allocate the proceeds to growth investments and other purposes.

Q8:
Rationale Behind Abolishing the Minimum Dividend Requirement

Why was the minimum dividend abolished? The removal raises concerns over risks of dividend cuts.

As we have outlined our capital allocation strategy, we ask that you understand this as a shift towards “proactive financial discipline”—a strategy designed to avoid excessive capital immobilization in these uncertain times and to enable truly agile and bold growth investments. We aim to increase returns to our shareholders by enhancing long-term corporate value through growth investments, and we are committed to fulfilling this management responsibility.

Q9:
Risk of a Decline in Advertising Revenue from Broadcasting Business

How should we assess the risk of declining advertising revenue in the broadcasting business and the feasibility of transforming the revenue structure?

We have factored in a 1% annual decline in broadcasting advertising revenue. To offset this, we plan to increase revenue through the streaming and overseas sales of animation and live-action content. The biggest concern is the risk of stagnant Japanese domestic advertising demand due to prolonged trends in high crude oil prices and other factors.

Q10:
TV Commercials Amid the Ongoing Digital Shift

What value and strengths do TV commercials offer amid the ongoing digital shift?

Compared to skippable digital ads, TV commercials offer a more reliable reach while also continuing to hold high value in terms of credibility.

Given these characteristics, advertisers are increasingly tailoring their strategies—for example, by using more TV commercials aimed at parents to enhance the corporate brand image in recruitment campaigns. TV advertising is not shrinking as much as some might expect.

Q11:
Investment in Generative AI

What are the specific purposes and effects of the ¥1 billion investment in generative AI?

The company has set a benchmark of 10,000 hours of annual operational efficiency gains. In addition to shifting the time saved through back-office efficiency improvements towards high-value-added planning and creation, the company will also explore ways to improve efficiency in creative areas, such as the automatic generation of animation frames.

Q12:
Progress on Environmental (CO2 Reduction) and Human Rights Initiatives

What is the progress on environmental (CO2 reduction) and human rights initiatives?

Regarding environmental initiatives, in March 2026, we completed our transition to 100% CO2-free electricity at Asahi Broadcasting Group's major business sites, such as offices and broadcasting studios. In addition, we have completed the switch to LED lighting at these sites and are promoting energy conservation. Going forward, we will proceed in stages with the aggregation and visualization of greenhouse gas emissions data from our business activities and across the entire supply chain.

Regarding human rights, we established the Asahi Broadcasting Group Human Rights Policy in April 2024 and are building a framework for its implementation, led by the Legal and Compliance Division under the supervision of the Board of Directors. Starting in fiscal year 2025, we began full-scale human rights due diligence and are identifying and prioritizing significant human rights risks, taking into account risks specific to the broadcasting and media industries. Going forward, we will implement and strengthen concrete measures to prevent and mitigate the identified significant risks, while striving to operate effective relief processes through consultation desks established on our internal and external websites.

Q13:
Risk Factors

Please outline the risk factors.

Since the market size for broadcast advertising revenue is influenced by advertisers' business sentiment, we must anticipate a certain degree of fluctuation.

In both the Content Segment (live action) and the Animation Segment, upfront investments are required to expand our IP portfolio, and some failures are inevitable. While it goes without saying that we will invest in accordance with our investment discipline and implement appropriate risk management, we ask for your understanding that it will take time for our IP library to reach a certain scale.

In the lifestyle business, customer spending may slow due to factors such as a declining birthrate and aging population, rising prices, and higher interest rates.

Furthermore, compliance issues—such as human rights concerns involving employees—have recently been drawing attention in the broadcasting industry. Asahi Broadcasting Group identifies respect for human rights as one of its eight materiality topics and is working to enhance its compliance promotion policies and internal reporting system for whistleblowing. However, it is important that the company continues to further tighten its compliance-related systems and initiatives.

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About the Company

Leading Certified Broadcast Holding Company in Kansai

Asahi Broadcasting Group Holdings (“the company”) is a leading certified broadcast holding company and is the only certified broadcast holding company listed on the stock exchange in the Kansai region.

The company's television broadcasting business ranks first in the Kansai region and in all day (06:00-24:00) slot in both household viewer ratings and individual (all) viewer ratings, at 6.3% and 3.5%, respectively (according to the company's fiscal year ended March 31, 2026 results materials, based upon Video Research data). The company is strong in the prime time slot (19:00-23:00) and has a reputation for its content production capabilities, as it produces programs that are well known nationwide.

The company's consolidated business scale for the fiscal year ended March 31, 2026 is ¥96 billion in net sales, ¥4.76 billion in operating profit, and ¥4.46 billion in profit attributable to owners of parent, with a market capitalization of approximately ¥34.3 billion. Its common stock is listed on the Prime Market of the Tokyo Stock Exchange.

History

Belongs to the Same Network Affiliate as TV Asahi Corporation

Founded in 1951, the company developed radio and television broadcasting and was listed on the Second Section of the Osaka Securities Exchange in 1961. Later, following the merger of the Osaka and Tokyo Stock Exchanges, the company was listed on the Second Section of the Tokyo Stock Exchange and then the First Section of the Tokyo Stock Exchange, and has been listed on the Prime Market since April 2022.

Asahi Television Broadcasting Corporation, a subsidiary of the company has been a member of the same TV network affiliated stations as its TV Asahi Corporation, a subsidiary of TV Asahi Holdings Corporation (9409). In terms of TV program production and broadcast content, the company airs programs produced by TV Asahi and others in the Kansai region, provides programs produced by the company to TV Asahi's TV network, and airs programs produced by the company in the Kansai region. Based on the April 2025 television program listing, the company's in-house production ratio (hours of programming produced by each company in Asahi Broadcasting Group divided by total broadcast hours) was 39.9% and has gradually increased over time.

The company's largest shareholder is The Asahi Shimbun Company (14.90% as of March 31, 2026, excluding consolidated holdings), followed by TV Asahi Holdings (9.28%). Meanwhile, as of the end of March 2025, the company owns 1,572,000 shares of TV Asahi Holdings, representing approximately 1.6% of TV Asahi Holdings’s outstanding shares, excluding treasury stock (this ownership ratio is a Global IR, Inc. estimate based on current figures as of the end of March 2026).

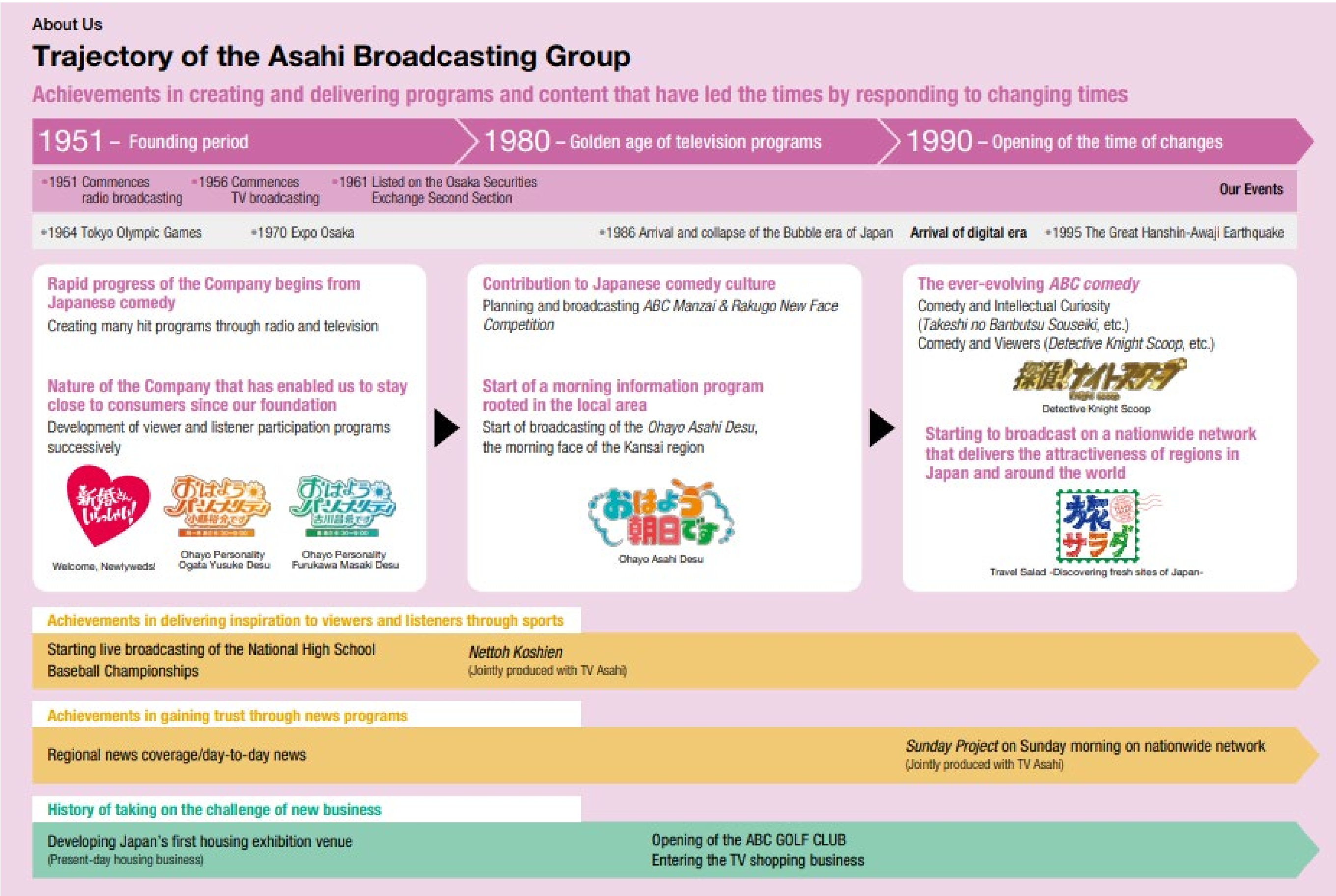
In 2018, the company transitioned to a certified broadcast holding company, transferring its TV and radio broadcasting licenses to its subsidiaries Asahi Television Broadcasting Corporation and Asahi Radio Broadcasting Corporation respectively. As a certified broadcast holding company, the company must be an entity with the broadcasting business as its core business. On the other hand, the company is subject to foreign capital controls (e.g., foreign shareholders are not allowed to hold more than 20% of voting rights), which means that the management team has relatively large discretion in its decision-making.

Core Competency

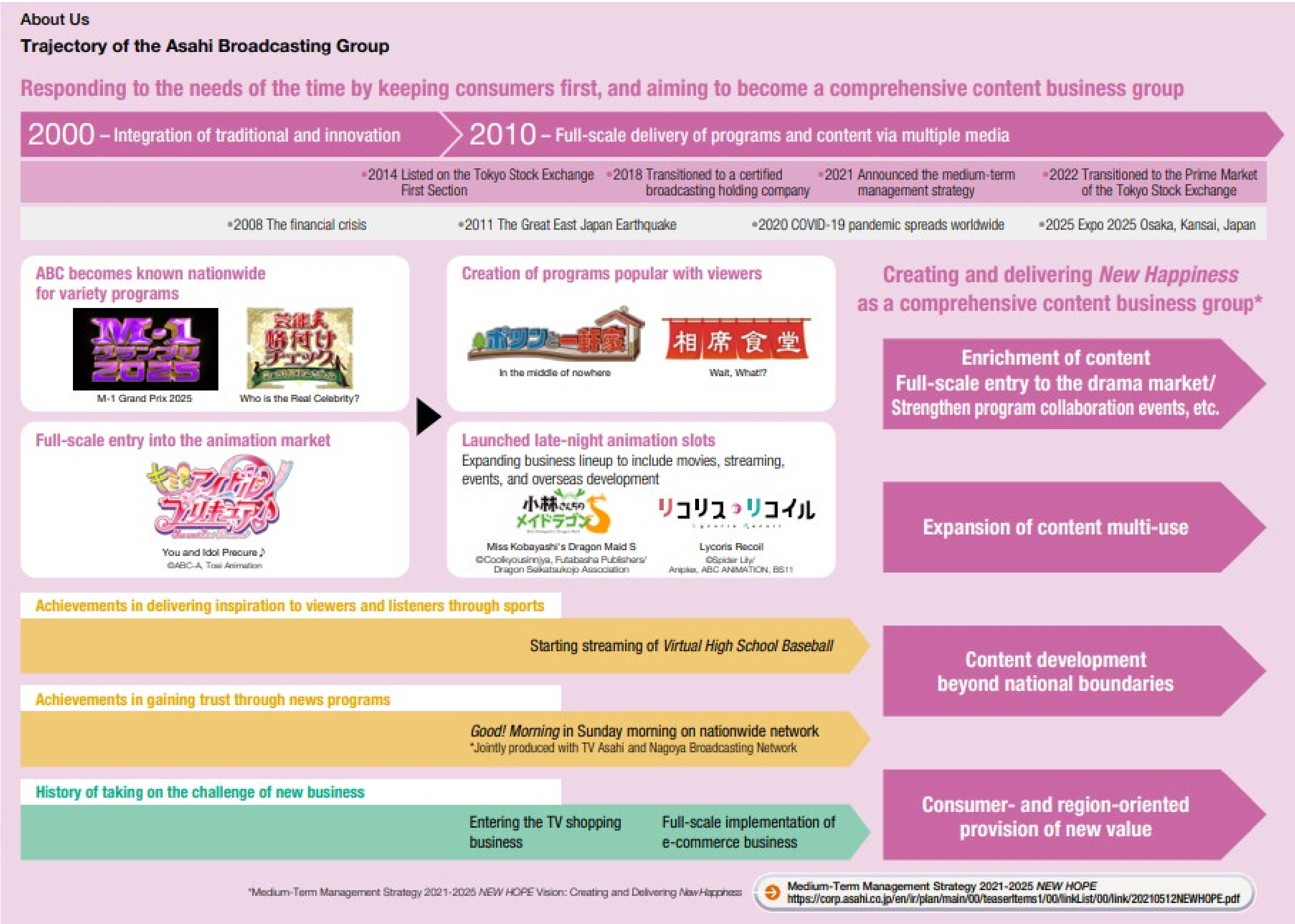
Core Competency: Content Creation Strength

The core competence of the company, rooted in its long history, lies in its consistent production of quality content that meets the evolving needs of the times. The historical transition of the company is shown below.

Figure 1: ABC Trajectory



Source: Company's Integrated Report 2025



Source: Company's Integrated Report 2025

Another strength of the company is its ability to produce not only content with high commercial value but also high-quality content with strong social significance. For example, the program "In the Name of Reconstruction: A Record of the Voices of Affected Shop Owners and the City of Buildings in Kobe's Nagata District," produced by Asahi Television Broadcasting Corporation, was selected by the non-profit organization ASSOCIATION OF BROADCAST CRITICS as the winner of the Galaxy Grand Prix for the best program in the News Reporting category of the 2025 Galaxy Awards.

Business Philosophy and Materiality

A Strong Creative Group That Continues to Evolve While Responding to Change

The company's business philosophy is
"*The ABC Group continues to evolve as a dynamic and creative corporate organization, adapting to social change and contributing to the development of society,*"
and it can be evaluated that the company is accurately orienting itself to the business environment and management issues it faces.

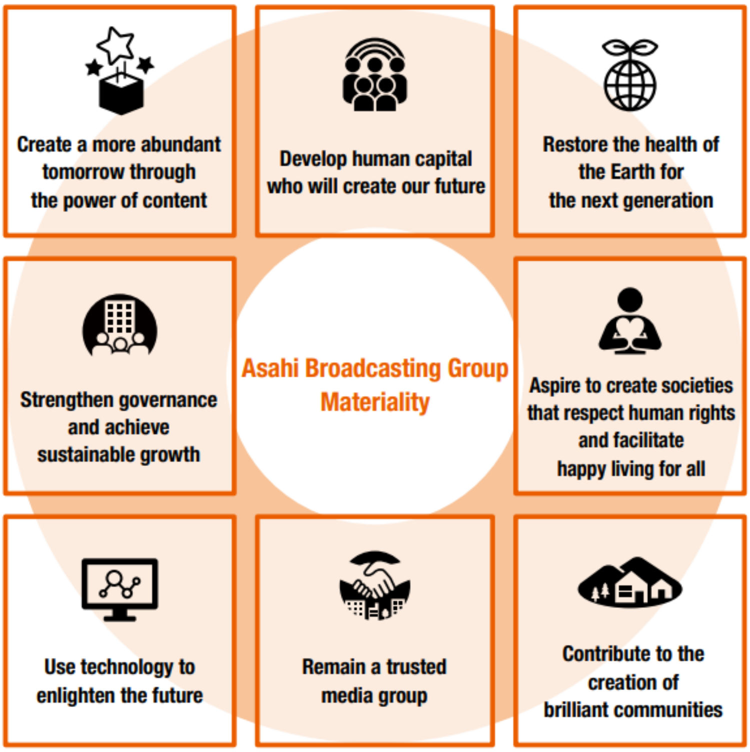
Aiming for Sustainable Growth Centered on Content

As we will see later, although the company boasts a solid business foundation in its broadcasting business in the Kansai region, the environment surrounding television broadcasting is becoming increasingly challenging. Consequently, the company is in a position where it must leverage its strength in production to steadily enhance its profitability in areas such as the content business. At the same time, it must improve capital efficiency while evolving into a corporate entity that delivers distinctive original IP and the power of co-creation to the world. The company's policy of being an evolving creative group can be seen as a response to these demands.

Against this backdrop, the company has defined its vision for the future:
More Local More Global Be Original: Bringing Distinctive Original IP and the Power of Co-Creation to the World.

The company has identified the following Materiality.

Figure 2: Asahi Broadcasting Group Materiality

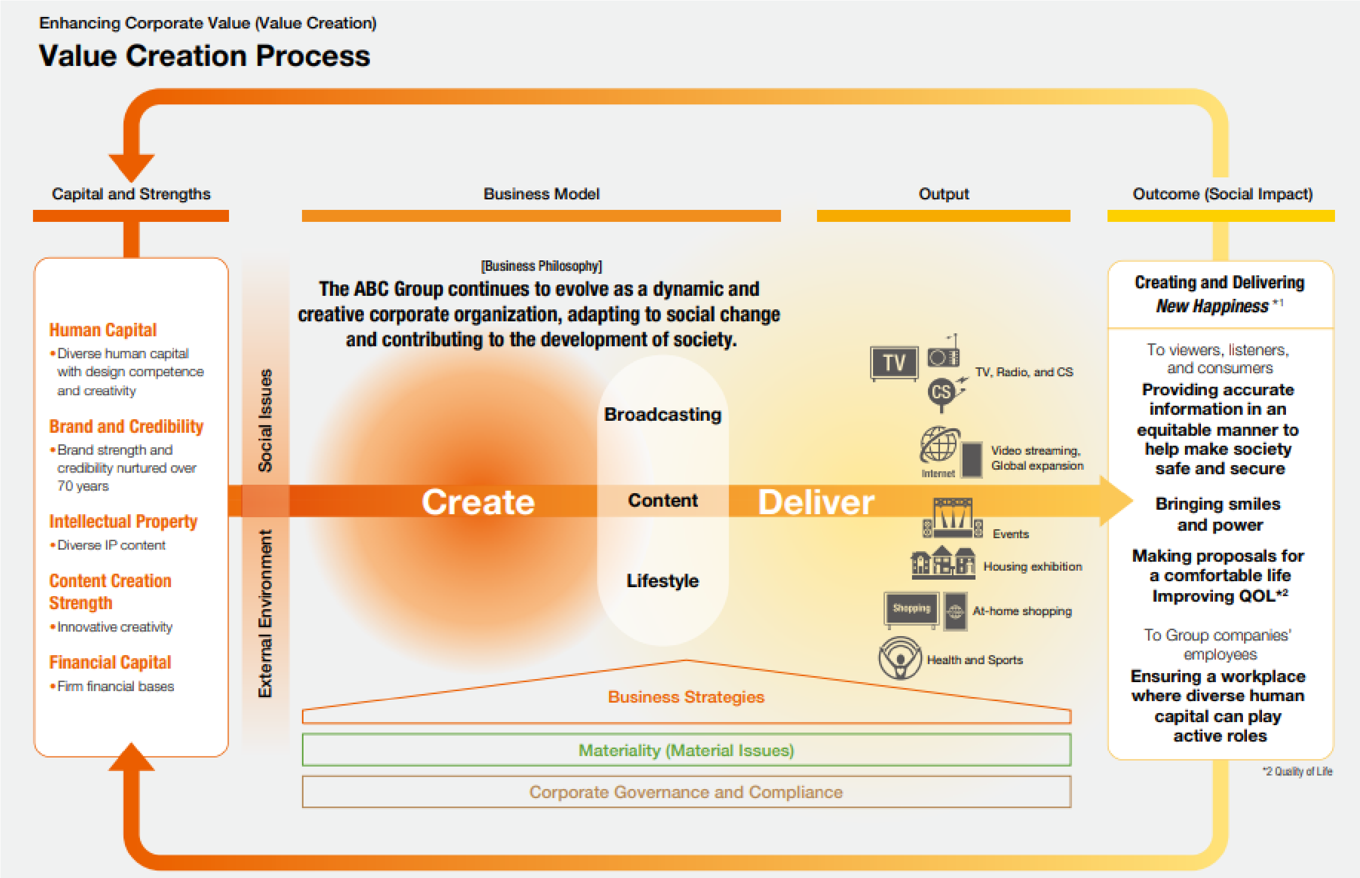


Source: Company's Integrated Report 2025

Value Creation Process and Business Segments

The company's business is divided into two segments: (1) broadcasting and content business, and (2) lifestyle business. First, the company's overall value creation process is shown below.

Figure 3: ABC Value Creation Process



Source: Company's Integrated Report 2025

Broadcasting and Content Business

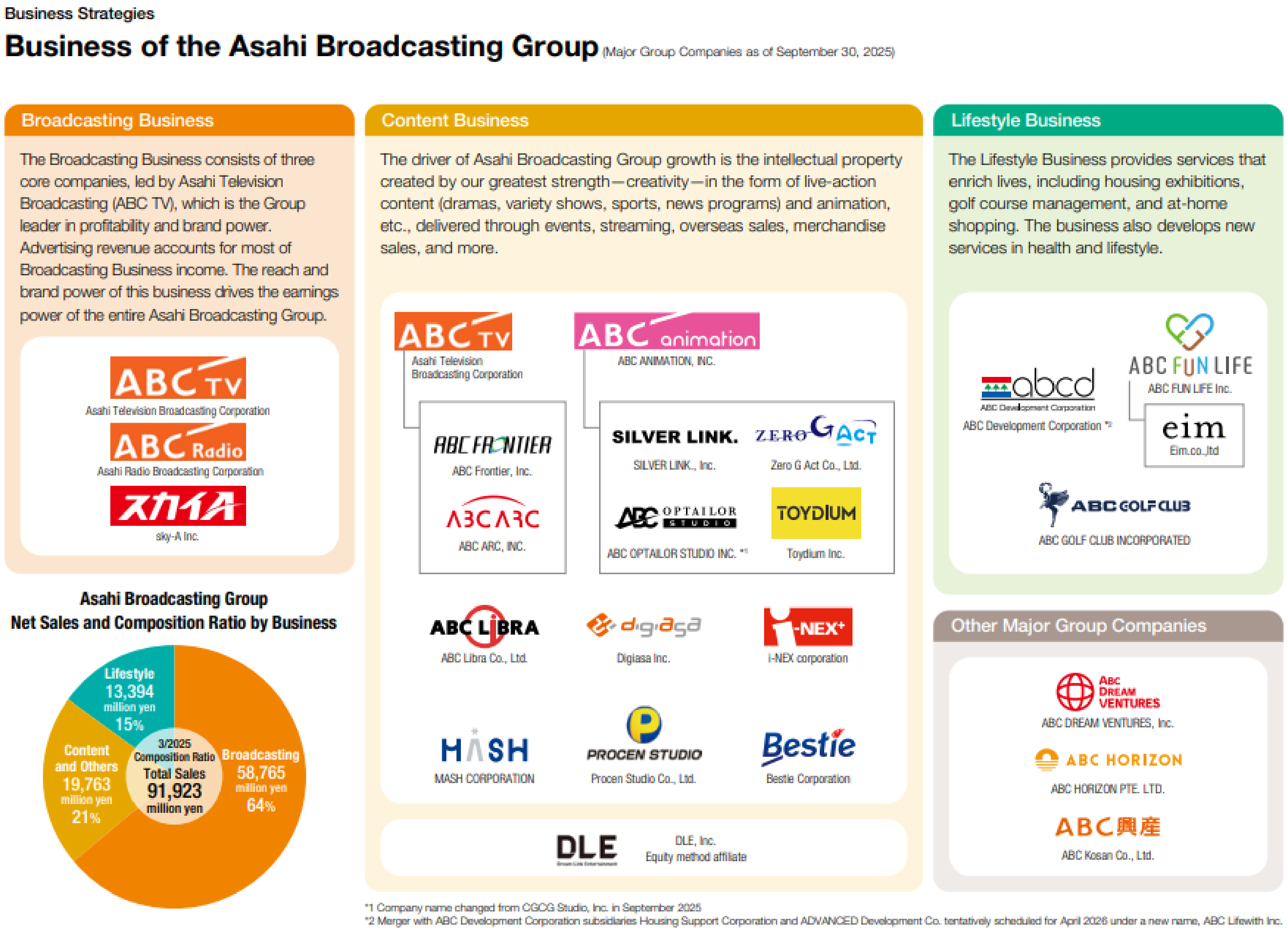
The broadcasting and content business is the company's core business, and in addition to TV broadcasting, radio broadcasting, CS broadcasting, program and other content production, and sports content planning and production, the company is expanding into animation content planning, creation, and production, copyright management, and theater and event planning and provision. The company's expansion into these content areas is relatively new, having only begun in earnest in 2016. Since then, the company acquired a number of companies and made them subsidiaries, resulting in sales to external customers of ¥82.2 billion, segment profit of ¥4.6 billion (before adjustments), and segment assets of ¥68.5 billion in the fiscal year ended March 31, 2026, accounting for 86%, 96%, and 51% of consolidated figures, respectively.

The breakdown of sales between broadcasting and content (including other items) was ¥57.2 billion for the former and ¥24.9 billion for the latter.

Lifestyle Business

The lifestyle business is developing in an area adjacent to the broadcasting and content business with the objective of planning and providing experiential value. Specifically, the company plans, operates, and manages housing exhibitions, operates a golf course, and operates an at-home shopping business, with fiscal year ended March 31, 2026 results of ¥13.8 billion in sales to external customers, ¥200 million in segment profit (before adjustments), and ¥29.5 billion in segment assets.

Figure 4: Business of the Asahi Broadcasting Group



Source: Company's Integrated Report 2025

Business Environment

Business Environment Surrounding the Broadcasting Business

Mass Media Advertising Expenditures

Gradual Decline in TV Media Advertising Spending

The company's core business is terrestrial television broadcasting. We will summarize two aspects of the business environment related to this business.

First is the trend of advertising expenditures, the main source of revenue.

As is widely known, advertising expenditures for television media are beginning to fall below those for Internet media, and the absolute amount is on a slight downward trend. This is a common trend in Japan, including the Kansai region, and should be taken into account when analyzing the company's broadcasting revenue base.

However, it is believed that TV media still plays a certain important role for sponsors, and there is a strong possibility that TV media will recover in monetary terms through the expansion of sponsors' earnings as the economy expands and an exit from deflation takes hold. Rather than being a short-term risk factor for the company, it should be recognized as one that will force the company to diversify its sources of revenue over the medium to long term.

Internet Content

Establishment of Internet Content

Second, Internet content has taken root.

It is needless to point out once again that viewing of paid and free video streaming services through smartphones, PCs, and tablet devices has taken root among individuals, and it can be inferred that the structure of competing for viewers' time share is strengthening.

Netflix, YouTube, and Amazon Prime Video offer a wide range of content, much of which is available on demand. They have a large global user base and can maximize the lifetime value of each piece of content by recurring use as stock content. This makes it possible to spend a great deal of money on content production. Furthermore, productivity improvement through the use of generative AI is also expected in the future.

In this way, the establishment of Internet content is an existence that the company cannot ignore as it competes for viewers' time.

However, TV and radio broadcasting maintain a certain advantage over Internet-streamed content in terms of breaking news, accuracy, and objectivity. In addition, broadcasters with production capabilities, such as the company, can position themselves as beneficiaries of such a global video platform by providing content that can be stocked and globally streamed. This is a point to keep in mind in predicting the company's future.

Long-Term Performance Trends

Long-Term Performance Trends

What the Long-Term Performance Table Reveals

Highlights of the consolidated financial data for the 11-year period are as follows. In addition to the table below, the financial results for the fiscal year ended March 31, 2026 are as follows: net sales of ¥96 billion, operating profit of ¥4.8 billion, ordinary profit of ¥4.4 billion, profit attributable to owners of parent of ¥4.5 billion, total assets of ¥134.5 billion, an equity ratio of 61.4%, an operating profit to net sales ratio of 5.0%, and a ROE of 5.6%.

Figure 5: 11-Year Financial Data Highlights (Consolidated)

About Us

11-Year Financial and Non-Financial Data (Consolidated)

(Unit: million yen)

(Fiscal Year)	3/2015	3/2016	3/2017	3/2018	3/2019	3/2020	3/2021	3/2022	3/2023	3/2024	3/2025
Profit and loss											
Net sales	80,691	81,059	82,302	80,991	81,986	82,937	78,344	85,100	87,028	90,452	**91,923**
Gross profit	27,823	27,104	28,514	27,985	28,522	27,977	25,951	29,518	28,961	27,546	**30,164**
Selling, general and administrative expenses	23,138	23,039	23,541	23,735	24,260	24,588	23,256	25,315	26,366	26,714	**27,572**
Operating profit	4,684	4,064	4,972	4,250	4,262	3,388	2,694	4,203	2,594	832	**2,591**
Ordinary profit	4,830	4,407	5,261	4,539	4,591	3,633	3,033	4,792	2,661	723	**2,506**
Profit (loss) attributable to owners of parent	2,203	2,372	3,416	2,691	3,742	2,278	(930)	2,671	1,354	(884)	**2,502**
Cash flows											
Cash flows from operating activities	5,947	(126)	6,806	4,803	3,286	4,546	5,952	4,689	2,951	5,658	**5,299**
Cash flows from investing activities	(6,562)	209	(579)	(5,113)	(2,394)	2,655	(10,311)	(4,276)	(5,046)	(5,659)	**(3,809)**
Free cash flow	(615)	83	6,226	(309)	892	7,201	(4,359)	412	(2,095)	(1)	**1,489**
Cash flows from financing activities	(1,757)	(1,860)	(1,202)	(2,260)	(53)	3,203	4,583	543	(1,610)	1,145	**275**
Financial position (as of the end of fiscal year)											
Total assets	103,116	99,596	101,979	102,680	107,788	114,786	119,079	123,788	122,305	123,225	**128,538**
Interest-bearing liabilities	1,946	1,014	592	495	981	6,674	11,910	12,518	12,187	14,125	**15,251**
Shareholders' equity	54,554	53,279	56,750	61,625	65,223	65,230	66,035	66,975	69,259	73,022	**76,564**
Per-share data											
Profit (loss) attributable to owners of parent (EPS) (JPY)	53.95	58.11	83.66	65.92	91.55	55.63	(22.69)	64.97	32.42	(21.19)	**59.95**
Net assets per share (BPS) (JPY)	1,335.91	1,304.70	1,389.70	1,509.06	1,594.83	1,591.64	1,609.44	1,604.91	1,659.63	1,748.02	**1,834.61**
Dividend (JPY)	18	18	26	20	28	18	10	24	16	12	**13**
Dividend payout ratio	33.4%	31.0%	31.1%	30.3%	30.6%	32.4%	—	36.9%	49.4%	—	**21.7%**
Financial indicators											
Operating profit margin ratio	5.8%	5.0%	6.0%	5.2%	5.2%	4.1%	3.4%	4.9%	3.0%	0.9%	**2.8%**
Ordinary profit margin ratio	6.0%	5.4%	6.4%	5.6%	5.6%	4.4%	3.9%	5.6%	3.1%	0.8%	**2.7%**
Return on equity (ROE)	4.2%	4.4%	6.2%	4.5%	5.9%	3.5%	(1.4)%	4.0%	2.0%	(1.2)%	**3.3%**
Equity-to-asset ratio	52.9%	53.5%	55.6%	60.0%	60.5%	56.8%	55.5%	54.1%	56.6%	59.3%	**59.6%**
Capital investment	2,641	4,474	3,900	5,477	2,689	2,585	5,116	8,468	7,991	4,094	**5,770**
Depreciation and amortization	3,347	3,299	2,841	2,971	3,031	3,223	3,088	3,246	3,740	3,613	**3,542**
Non-financial data											
Number of Group employees (consolidated)	869	883	907	918	1,167	1,356	1,456	1,509	1,561	1,722	**1,692**
Television viewer ratings [Household] According to Video Research surveys (Kansai)											
All Day (6:00-24:00) [Ranking]	7.5% [2nd]	7.4% [2nd]	7.6% [2nd]	7.4% [2nd]	7.3% [4th]	7.3% [3rd]	7.5% [3rd]	7.0% [2nd]	6.4% [2nd]	6.2% [1st]	**6.3% [1st]**
Golden Time (19:00-22:00) [Ranking]	11.3% [2nd]	11.1% [2nd]	11.1% [2nd]	10.8% [2nd]	10.8% [3rd]	10.9% [2nd]	10.8% [3rd]	10.1% [3rd]	9.7% [1st]	8.8% [1st]	**8.8% [1st]**
Prime Time (19:00-23:00) [Ranking]	12.1% [2nd]	11.7% [2nd]	11.7% [2nd]	11.3% [2nd]	11.3% [2nd]	11.5% [1st]	11.4% [1st]	10.6% [1st]	10.0% [1st]	9.3% [1st]	**9.2% [1st]**
Prime 2 (23:00-1:00 on the next day) [Ranking]	8.8% [1st]	8.4% [1st]	8.2% [1st]	7.6% [1st]	7.1% [2nd]	6.5% [2nd]	6.0% [2nd]	5.5% [2nd]	5.2% [2nd]	4.8% [2nd]	**4.6% [1st]**
Television viewer ratings [Individual All] *According to Video Research surveys (Kansai)											
All Day (6:00-24:00) [Ranking]	—	—	—	3.9% [2nd]	3.9% [3rd]	3.9% [3rd]	4.0% [3rd]	3.8% [2nd]	3.6% [2nd]	3.5% [1st]	**3.4% [1st]**
Prime Time (19:00-23:00) [Ranking]	—	—	—	6.3% [2nd]	6.5% [2nd]	6.6% [2nd]	6.6% [2nd]	6.1% [2nd]	5.9% [2nd]	5.5% [1st]	**5.3% [1st]**
In-house production ratio *1	34.1%	35.0%	34.9%	34.0%	33.8%	36.9%	38.0%	37.6%	38.8%	39.7%	**39.92%**
Total waste volume *2 *3	206.2t	210.9t	229.6t	210.7t	196.8t	213.3t	174.0t	171.1t	188.2t	169.9t	**145.1t**
Recycle rate *3	68.4%	68.0%	69.5%	68.6%	72.1%	73.0%	72.2%	71.1%	71.7%	71.0%	**67.2%**

*1: In-house production ratio is calculated by the number of program hours produced by the Group companies divided by the total number of broadcasting hours (based on TV listings as of April)
*2: Total waste generated at the head office in Osaka (headquarters of the Company, ABC TV, and ABC Radio) and annex building
*3: Addition of the ABC Development headquarters building to the total in 2015

Source: Company's Integrated Report 2025

Steady Expansions of Scale While Maintaining Financial Soundness

On a positive note, it can be pointed out that total assets have generally increased steadily and sales have been building up, while the equity ratio has been maintained at a high level in the 60% range. The company's cash outlay for capital expenditures and investment activities is also commendable.

Furthermore, while profits were sluggish for three years starting with the fiscal year ended March 31, 2023, they rebounded in the fiscal year ended March 31, 2026. Both the operating profit to net sales ratio and ROE have recovered, indicating that the company's underlying earnings power is sound.

Challenges in Profitability

On the other hand, one area of concern is the level of ROE. The 5.6% recorded for the fiscal year ended March 31, 2026 remains below the 6.2% recorded for the fiscal year ended March 31, 2017, and the company is still some distance from the 8% benchmark typically expected of listed companies. Since this can be seen as the cause of the low PBR, tangible improvements are eagerly awaited.

Medium-Term Management Plan (2026–2028)

Medium-Term Management Plan

On March 9, 2026, the company announced its medium-term management plan (2026–2028). In light of this, we would like to summarize the company's previous medium-term management strategy and outline the key points of the new medium-term management plan.

Summary of Medium-Term Management Strategy 2021–2025, *NEW HOPE*

Implementation and Summary of Medium-Term Management Strategy 2021–2025, *NEW HOPE*

In its medium-term management strategy for 2021–2025, *NEW HOPE*, announced in May 2021, the company had set targets of ¥100 billion in net sales and ¥5.7 billion in operating profit for the fiscal year ended March 31, 2026. However, actual results for the final fiscal year came in at ¥96 billion and ¥4.8 billion, respectively. Overall, while net sales increased steadily and operating profit rebounded after bottoming out in the fiscal year ended March 31, 2024, the company fell just short of its targets. A key factor was the time required to monetize the content business.

Overview of results:

- Focusing on the content and lifestyle businesses, the company expanded its business foundation through M&A, leading to net sales growth driven primarily by the content business. For example, for the fiscal year ended March 31, 2026, net sales increased by ¥10.9 billion and operating profit rose by ¥560 million compared to the fiscal year ended March 31, 2022, with the ¥9.7 billion increase in net sales from the content business playing a major role.
- For both live-action and animated content, the company has established an end-to-end value chain spanning from upstream IP production to downstream monetization, including overseas markets.
- The revenue base was expanded through the strengthening of event operations.
- Revenue opportunities expanded following the spin-off of the sports content production function.
- At a stage when the gap between plans and actual progress was becoming apparent, the company swiftly replaced its top leadership and proceeded to identify challenges for the next medium-term management plan.

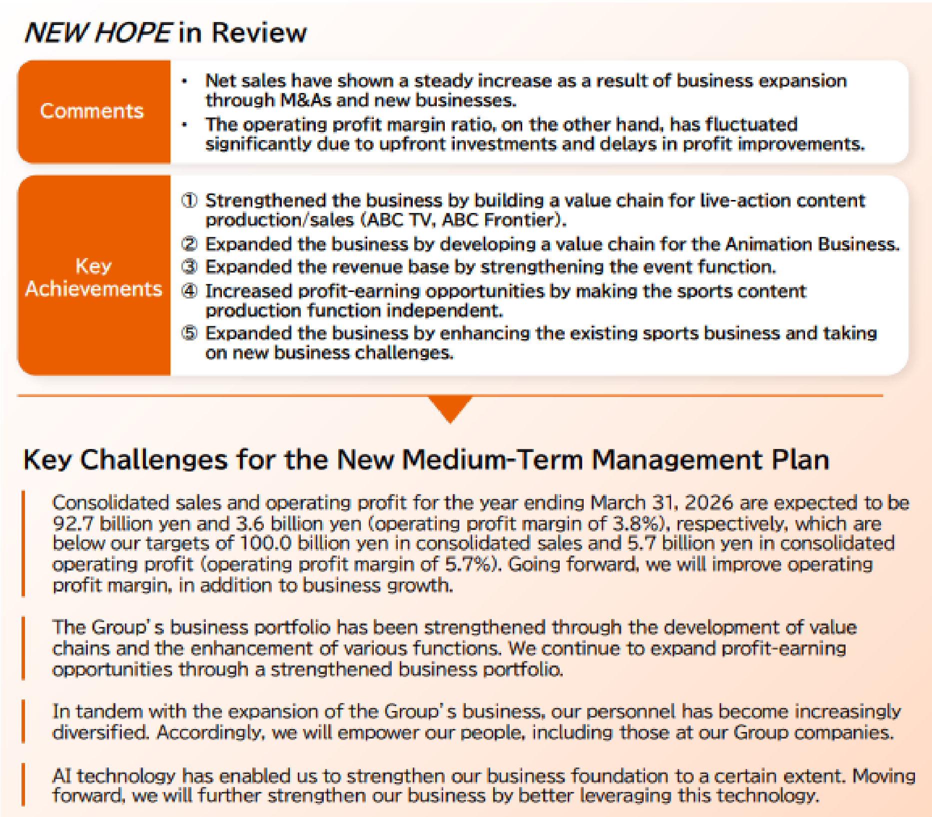
Major issues to highlight:

- Upfront investments in growth areas were substantial. For example, while operating profit for the fiscal year ended March 31, 2026 increased by ¥560 million compared to the fiscal year ended March 31, 2022, this was largely driven by a ¥1.7 billion increase in operating profit at Asahi Television Broadcasting Corporation.
- Weak post-M&A integration processes, deficiencies in the PDCA cycle, and delays in deciding to exit certain businesses dampened earnings.
- Earnings volatility remained high. Operating profit during this period fluctuated between ¥4.2 billion, ¥2.6 billion, ¥800 million, ¥2.6 billion, and ¥4.8 billion. This fluctuation was closely linked to the volatility in Asahi Television Broadcasting Corporation's operating profit, highlighting the need to diversify revenue sources and reduce the risk of earnings volatility at Asahi Television Broadcasting Corporation.

Key financial points during this period:

- Regarding the dividend policy, the statement was revised from "*We have decided to pay dividends in a consistent and stable manner, with a target consolidated dividend payout ratio of 30%...*" to "*...the Company plans to flexibly make decisions for continuous and stable dividend payment, targeting a dividend payout ratio of 30% for profit after deducting the amount equivalent to the effective statutory tax rate from consolidated operating profit, which indicates profit from the core business of the Group (deemed net profit). Moreover, the Company has set an annual dividend of 12.00 yen per share as the lower limit except in times of a significant decline in business performance due to a rapidly deteriorating business environment.*" By setting a dividend payout ratio based on recurring earnings, the company has clearly demonstrated its commitment to providing more stable dividends.
- The company began selling investment securities. However, due in part to rising share prices of the shares it held, it did not achieve a significant reduction in its holdings.
- The sale of certain real estate properties also proceeded.
- The purchase of treasury stock did not proceed.

Figure 6: Summary of Medium-Term Management Strategy 2021–2025, *NEW HOPE*



Source: Company's Medium-Term Management Plan 2026-2028

ESG- and SDG-related results are as detailed in Figure 7 below.

Figure 7: Sustainability

Sustainability

Materiality Progress

●Social and Environmental Impact, KPIs/Targets

Materiality		KPIs/Targets and FY2024 Results/Progress
Develop human capital who will create our future	Revitalize our organization through diversity and inclusion (D&I) Foster a corporate culture of resilience and willingness to take on challenges Improve work environments and systems for human and organizational growth	• **Improve employee engagement scores** (Holdings, ABC TV) →Employee satisfaction survey score down 2.7 points from FY2023, but improved 3.1 points from the survey's inaugural year (FY2024 score -51.1%)
Create a more abundant tomorrow through the power of content	Provide content and experiences that inspire the world Contribute to inclusive, hopeful societies Support the healthy development of children	• **Number of programs offered in overseas content markets** →135 works entered • **Regular implementation of *Asu Mirai** Projects** (*ABC Group initiatives to solve social issues) →*Asu Mirai* broadcast campaign on topics regarding children, disaster prevention, and Expo 2025 Osaka, Kansai, Japan
Restore the health of the Earth for the next generation	Communicate information that protects the global environment and biodiversity Strengthen reporting related to disaster prevention and mitigation to protect lives and livelihoods Engage in environmentally friendly business activities, including achieving carbon neutrality	• **ABC Group CO_2-free electricity usage: 100% by 2025** (Main office locations, transmitters, etc.) →CO_2-free electricity usage: 68% • **ABC Group greenhouse gas emissions: Carbon neutrality by 2050** (Main office locations, transmitters, etc.) →Greenhouse gas emissions: 1,005t-CO_2 (FY2023: 849t-CO_2) Disaster prevention initiatives: Broadcast special programs on the 30th anniversary of the Great Hanshin-Awaji Earthquake; hands-on disaster prevention events
Remain a trusted media group	Hold firm to fairness and impartiality as a media company Communicate information in response to changes in technology and lifestyles Foster a healthy information society and eliminate information disparity	**Expand information accessibility in broadcasting** • **Provide subtitles for all applicable broadcast program** →100% (Provide for all applicable programs; 100% in FY2023) • **Provide audio descriptions for at least 15% of applicable broadcast programs by FY2027** →21.4% (FY2023: 19.7%) • **Provide a minimum average of 15 minutes per week with sign language by FY2027** →12 min (FY2023: 12 min)
Aspire to create societies that respect human rights and facilitate happy living for all	Improve the understanding of human rights and prevent human rights violations Consider the health and safety of people involved in our supply chain Protect privacy through rigorous information management	• **Create a human rights due diligence framework and begin conducting ABC Group human rights risks assessments by FY2025** →Establish a human rights policy, human rights consultation desk; conduct questionnaires (Holdings, ABC TV, ABC Radio)
Strengthen governance and achieve sustainable growth	Continue to advance corporate governance Strengthen compliance and information security Foster more effective stakeholder dialogue and information disclosure	• **Evaluate the effectiveness of the Board of Directors (annually)** →Implemented in March 2025 • **Hold financial results briefings (biannually) for analysts and institutional investors, attended by senior management** →Implement in May and November • **ABC Group information security training participation: 100%** →95.6% (FY2023: 74.7%) • **ABC Group compliance training participation: 100%** →100% (FY2023: 93%)
Use technology to enlighten the future	Create business opportunities through the use of digital technology Incorporate digital transformation in business activities Improve literacy in digital transformation	• **Number of operational efficiency improvements and content production workflow improvements achieved through digital technology** (Holdings, ABC TV) →Operational efficiency improvements (9), content production workflow improvements (8)
Contribute to the creation of brilliant communities	Communicate information highlighting local attractions and issues Contribute to local cultures and economic revitalization	**Examples of FY2024 Initiatives** • **Sports promotion: Co-sponsorship of the *45th Tambasasayama ABC Marathon*** • **Communicating appeal: Created *Travel Salad PLUS*, a travel information website based on the nationwide network program** • **Tourism promotion: Sightseeing content (historical fact riddle-solving games) (Osaka Castle, Okazaki City, etc.)** • **Community excitement: Hosted *Expo 2025 Osaka, Kansai, Japan Commemorative ACN EXPO EKIDEN 2025*** • **Economic revitalization: Corporate Version *Furusato Nouzei* Hometown Tax Donation System Support Business**

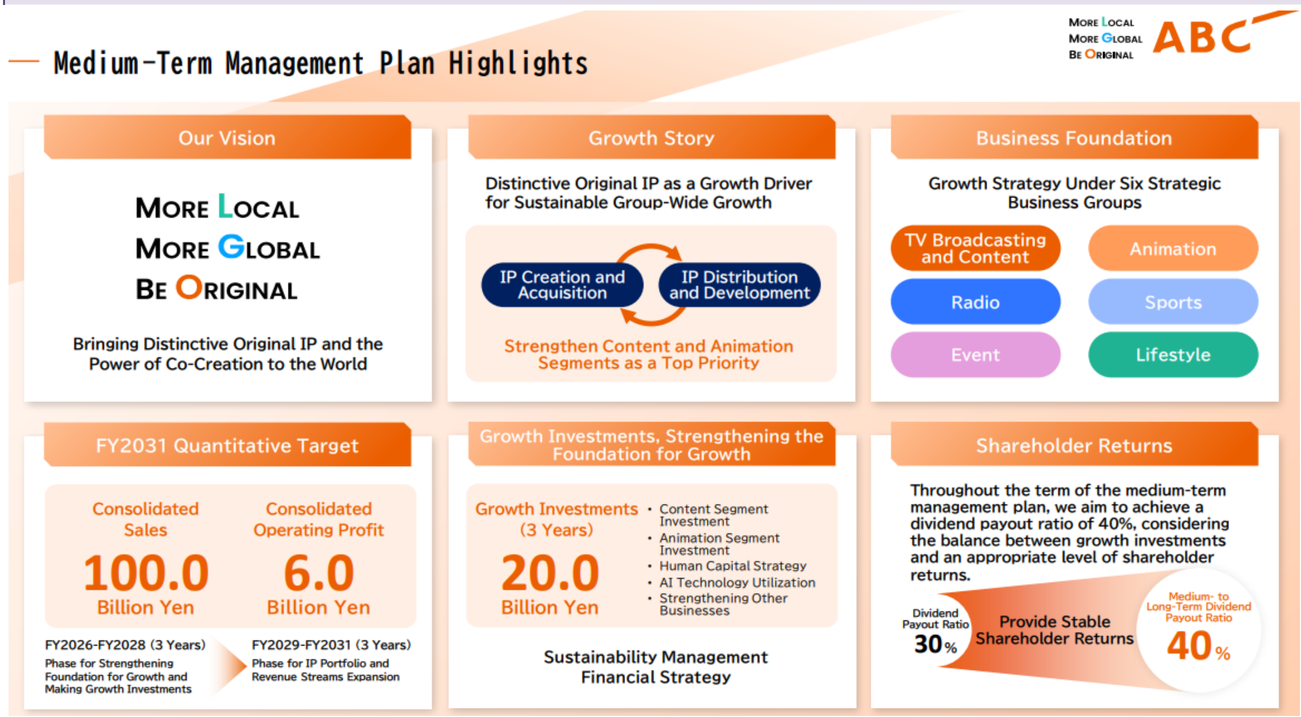
Source: Company's Integrated Report 2025

Medium-Term Management Plan (2026–2028)

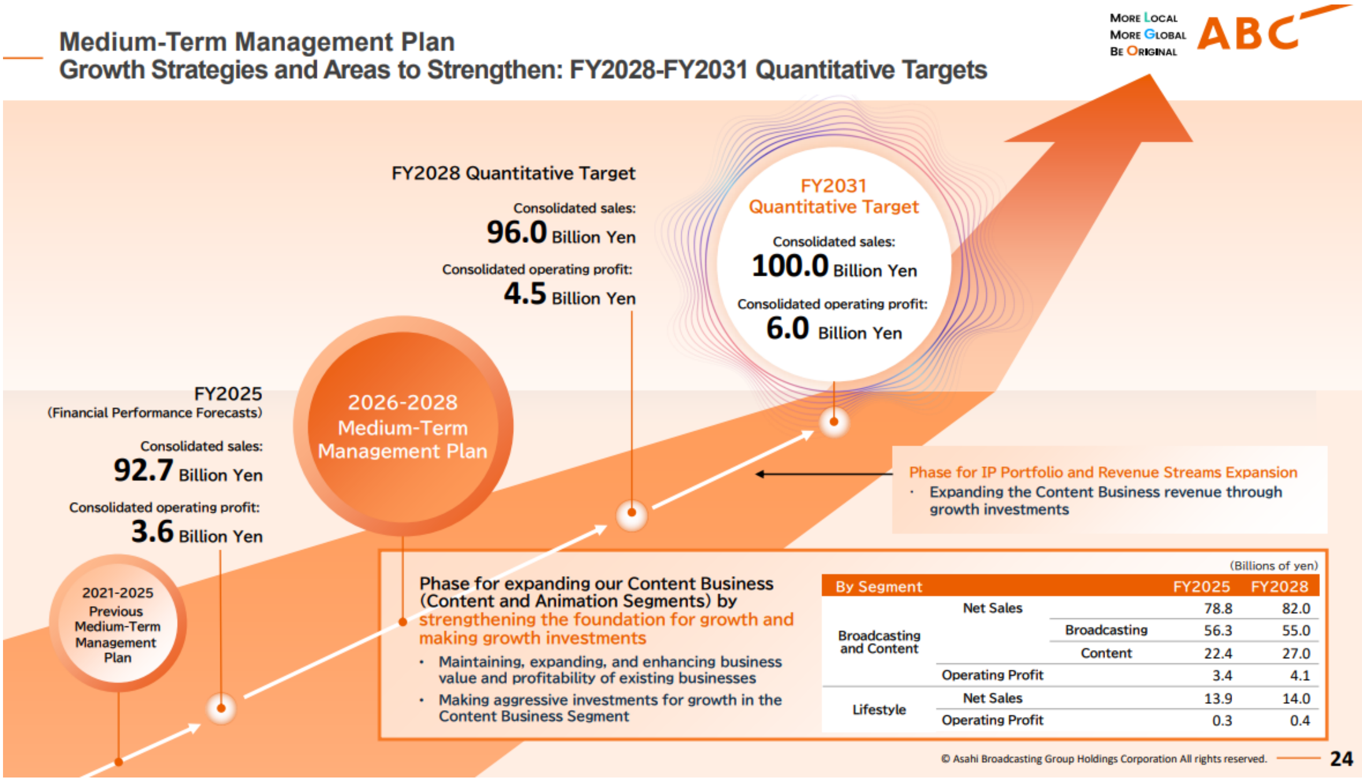
On March 9, 2026, the company announced its new medium-term management plan (2026–2028), and set the plan to begin in April 2026. The company has established “More Local More Global Be Original” as its vision for 2031, the year marking Asahi Broadcasting Group’s 80th anniversary, and has designated the three-year period starting in fiscal year 2026 as a phase for strengthening its foundation for growth. The key points are as follows.

1. “More Local More Global Be Original” embodies the philosophy of “Bringing Distinctive Original IP and the Power of Co-Creation to the World.”
2. Building on the company’s traditional approach while also implementing appropriate updates.
3. The numerical targets for consolidated net sales and consolidated operating profit are ¥96 billion and ¥4.5 billion, respectively, for the fiscal year ending March 31, 2029, and ¥100 billion and ¥6 billion for the fiscal year ending March 31, 2032.
4. The plan puts forth a three-year cumulative outlook for capital allocation:
    - Cash Inflows: Funds will be raised from cash on hand, operating cash flow, cross-shareholdings, interest-bearing debt, and other sources.
    - Cash Outflows: While securing at least ¥20 billion in working capital—essential for business continuity planning (BCP) and other operations as a broadcaster—funds will be allocated to ¥20 billion in growth investments (including ¥8 billion for the Content Segment (live action), ¥8 billion for the Animation Segment, and ¥2 billion for human capital investment, among others), ¥12 billion in capital expenditures, and ¥5 billion in shareholder returns (with a target dividend payout ratio of 40%).

Figure 8: Medium-Term Management Plan (2026–2028)

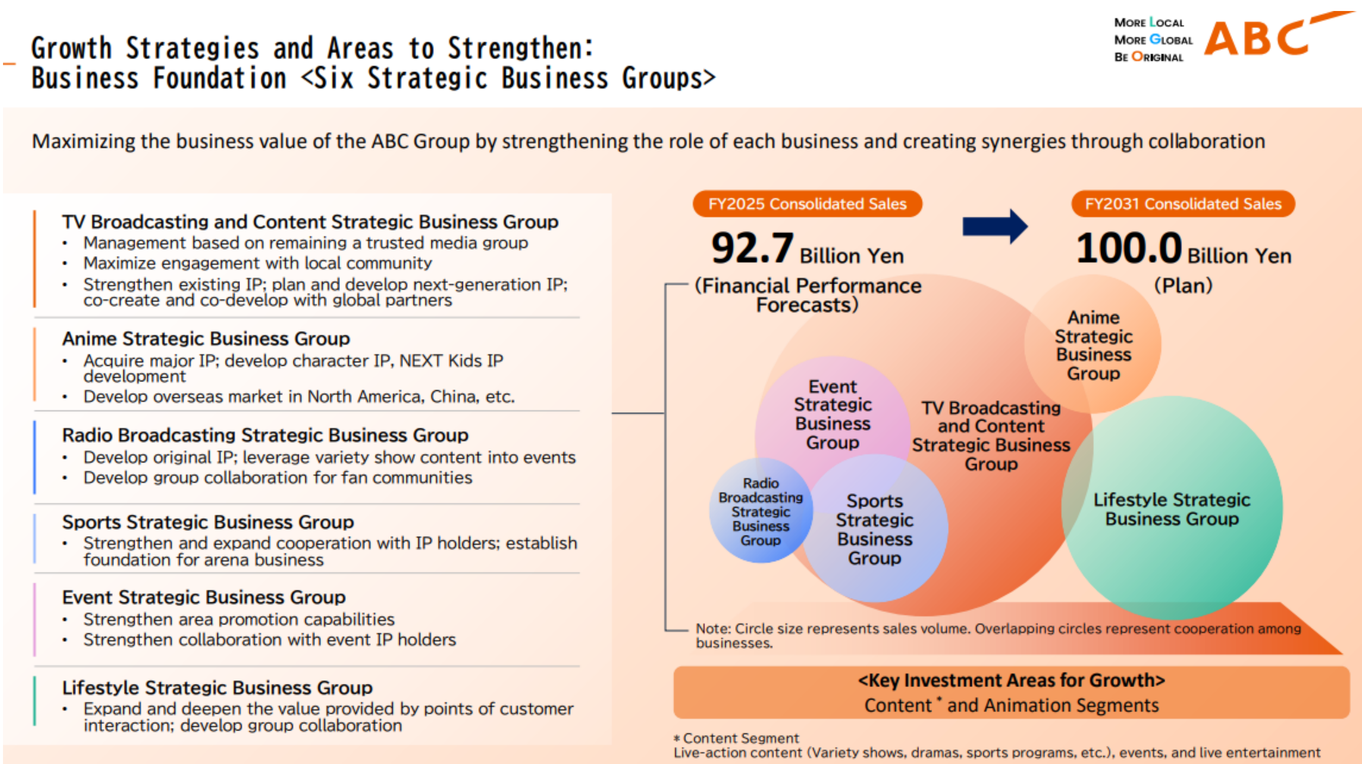


Source: Company’s Medium-Term Management Plan 2026-2028



By Segment			FY2025	FY2028
Broadcasting and Content	Net Sales		78.8	82.0
		Broadcasting	56.3	55.0
		Content	22.4	27.0
	Operating Profit		3.4	4.1
Lifestyle	Net Sales		13.9	14.0
	Operating Profit		0.3	0.4

Source: Company's FY3/2026 Financial Results Presentation Materials

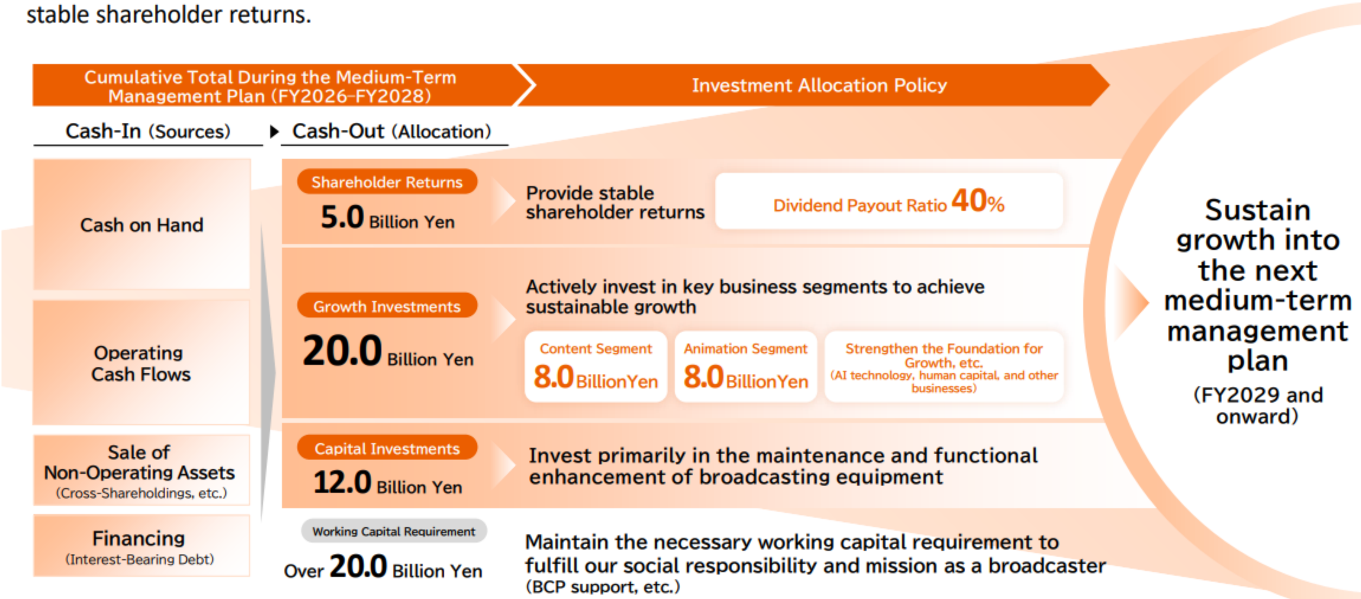


Source: Company's Medium-Term Management Plan 2026-2028

MORE LOCAL MORE GLOBAL BE ORIGINAL ABC

Medium-Term Management Plan
Strengthening the Foundation for Growth: Financial Strategy <Capital Allocation>

Improve return on capital, make growth investments in the Content and Animation (key business segments), and provide stable shareholder returns.



Source: Company's FY3/2026 Financial Results Presentation Materials

MORE LOCAL MORE GLOBAL BE ORIGINAL ABC

Medium-Term Management Plan
Growth Strategies and Areas to Strengthen: Growth Investments

Source: Company's FY3/2026 Financial Results Presentation Materials

Strengthening the Foundation for Growth: Sustainability Management

More Local More Global Be Original ABC

We pursue responsible business activities and strengthen our relationships of trust with stakeholders, understanding that the trust of society is the foundation supporting improved corporate value.

Respect for Human Rights

Managing Risk Throughout the Supply Chain

- Engaging in human rights due diligence
- Engaging in responsible content production and procurement; strict adherence to broadcast ethics
- Creating healthy work environments

Environmental Friendliness

Contributing to Carbon Neutrality and the Circular Economy

- Pursuing energy conservation; active use of renewable energy
- Waste reduction through DX
- Sustainable use of resources throughout the life cycle

Co-Creation With Local Communities

Nurturing Deep Roots in Local Communities, Creating Value Together

- Strengthening collaborations for disaster prevention and mitigation
- Handing culture down to the next generation; highlighting the appeal of culture
- Dialogue with local stakeholders

We continue to build on the important areas of respect for human rights, environmental friendliness, and co-creation with local communities.

Source: Company's Medium-Term Management Plan 2026-2028

Strengthening the Foundation for Growth: Financial Strategy <Shareholder Returns>

More Local More Global Be Original ABC

Throughout the term of the medium-term management plan, we aim to achieve a dividend payout ratio of 40%, considering the balance between growth investments and an appropriate level of shareholder returns.

Shareholder Return Policy

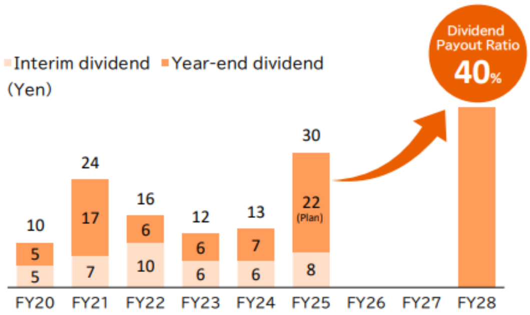
Given the Company's responsibility as a certified broadcasting holding company, it will take into comprehensive account factors such as operating results, the dividend payout ratio, and an appropriate level of internal reserves, while also constantly being aware of the balance between strengthening and maintaining the Company's financial position and investments for enhancing corporate value and its growth strategy.

	Previous (Through FY2025)	Medium-Term Management Plan (FY2026-FY2028)
Dividend Payout Ratio	30%	40%
Minimum Dividend	Annual dividend of 12 yen per share	(Abolished)
Purchase of Treasury Stock	Repurchase treasury stock as appropriate, taking into account our capital structure, stock market conditions, and other factors	

Shareholder Returns

Approx. **5.0** billion yen (cumulative total over the medium-term management plan period)

Subsequently, shareholder returns will be determined in line with our financial plans



Source: Company's Medium-Term Management Plan 2026-2028

Strategies for Areas to Strengthen

Continue Strengthening the Content Segment and the Animation Segment

Remapping Areas to Strengthen

In its previous medium-term management strategy, *NEW HOPE*, the company identified the content business as a key area to strengthen and outlined a strategy to expand its animation business as well as live-action dramas and variety shows within the segment.

Now, the new medium-term management plan identifies two areas for growth investment to strengthen: the Content Segment (where “content” specifically refers to live-action content) and the Animation Segment. Keeping in mind that the company’s interpretation is factored into the meaning of the term “content,” we would like to examine these areas to strengthen.

Content Segment

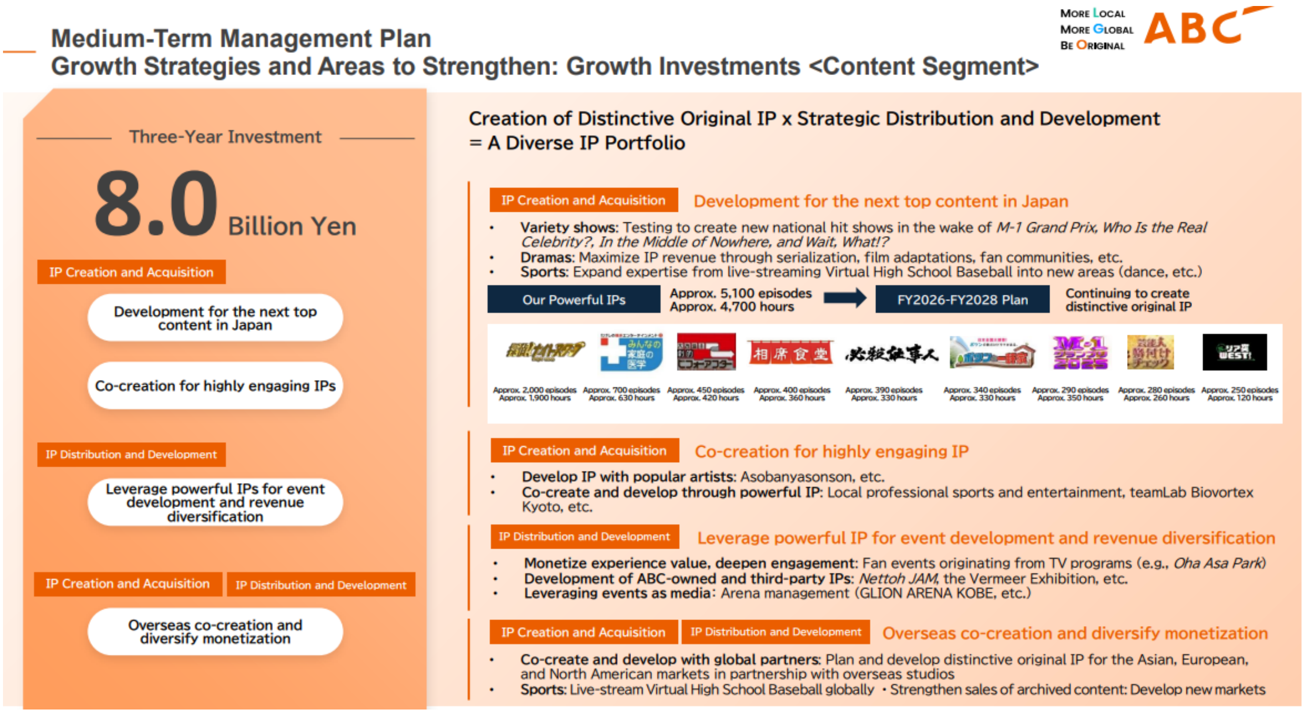
Maximizing the Potential of TV Program Production Capabilities

The Content Segment (live action) is an area where the company holds a strong competitive position, as evidenced by its high viewer ratings, and it is one of the company’s top priority areas, with ¥8 billion in investment planned over the next three years.

Over the past five years, the company has diversified its distribution of numerous hit programs both domestically in Japan and internationally, and related net sales (the combined total of Asahi Television Broadcasting Corporation’s content business and ABC Frontier, Inc.) have grown from approximately ¥7 billion to ¥13 billion.

The company’s current major IPs span a wide range of genres, including variety shows, dramas, and sports, and include many nationally recognized titles. The total volume stands at approximately 5,100 episodes and 4,700 hours, and the company plans to expand this portfolio further in the future.
Given that this segment already boasts a strong track record and high brand recognition, expectations are high for a positive return on investment.

Figure 9: Content Segment



Source: Company's FY3/2026 Financial Results Presentation Materials

Source: Company's FY3/2026 Financial Results Presentation Materials

Animation Segment

Animation Segment Continues to Strengthen

The Animation Segment is an area on which the company has focused under the *NEW HOPE* initiative, and over the past 10 years, net sales have expanded approximately tenfold to ¥7 billion. The company's broadcasting track record over the past nine and a half years includes approximately 100 titles, about 1,200 episodes, and a total broadcast time of 36,000 minutes.

The company continues to position the Animation Segment as a top priority and the driving force behind the Asahi Broadcasting Group, and plans to invest ¥8 billion over the next three years—an amount equal to that allocated to the Content Segment (live action). The global animation market is expected to continue growing at a high single-digit annual rate, driven by a variety of factors, including the growing adoption of streaming services, sales of merchandise, and adaptations into games.

Creating and Acquiring IPs That Will Be Loved for Years to Come

The company has already established an integrated system for the production, CG, merchandising, and game development of animation IP. Moving forward, the company plans to focus on creating and acquiring high-quality IP—securing a cumulative total of at least 15 titles under executive production by the fiscal year ending March 31, 2029—developing major IP with a global perspective—such as through co-productions with Hollywood—and promoting the distribution and expansion of IP through local initiatives in North America, China, and other regions. As part of this effort, the company is also considering strategic broadcast slots in Japan—centered on titles under executive production—to maximize IP value. This is expected to drive future earnings growth.

Furthermore, at the financial results briefing for the fiscal year ended March 31, 2026, management stated that the earnings trends for SILVER LINK. and ABC ANIMATION are showing signs of improvement.

Figure 10: Animation Segment

Source: Company's FY3/2026 Financial Results Presentation Materials

Current Performance Trends

Performance Trends for FY3/2026

Financial Results for FY3/2026 Show Sharp Growth

For the fiscal year ended March 31, 2026, the company posted strong financial results, with net sales of ¥96 billion (up 4.4% year-on-year), operating profit of ¥4.76 billion (up 83.8% year-on-year), ordinary profit of ¥4.42 billion (up 76.2% year-on-year), and profit attributable to owners of parent of ¥4.46 billion (up 78.1% year-on-year).

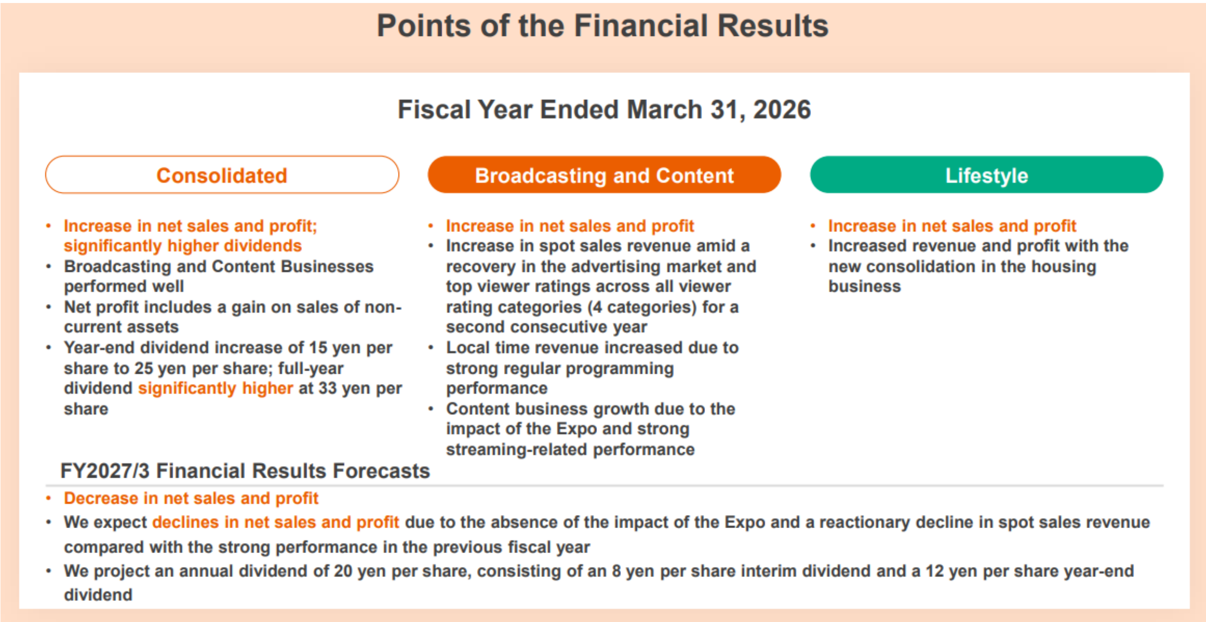
The broadcasting and content business drove the company's performance, posting net sales of ¥82.15 billion (up 4.6% year-on-year) and operating profit of ¥4.56 billion (up 61.5% year-on-year). The lifestyle business also reported increases in both net sales and profit.

Asahi Television Broadcasting Corporation was the main driver of the company's performance. This was owing to a combination of factors, including favorable conditions such as the Expo 2025 Osaka, Kansai, Japan; increased spot advertising revenue driven by the company's No. 1 viewer ratings in the Kansai region and expanding market share; strong performance in internet streaming services such as TVer; and effective control of content production costs.

Furthermore, the company made progress in asset restructuring, recording gains on the sale of land and gains on the transfer of businesses as extraordinary income, and expenses related to the relocation of subsidiaries as extraordinary losses.

There were no significant changes to the balance sheet. ROE improved to 5.6% (up 2.3 percentage points year-on-year). The dividend per share was ¥33 (an increase of ¥20 year-on-year), and the dividend payout ratio stood at 30.9% (up 9.2 percentage points year-on-year).

Figure 11: Points of the Financial Results



Source: Company's FY3/2026 Financial Results Presentation Materials

Figure 12: Segment Trends

ABC

Results by Consolidated Segment

The Broadcasting and Content Businesses performed well, posting higher net sales and profit; the content business, particular, grew significantly. The Lifestyle Business also saw an increase in net sales and profits due to the impact of a newly consolidated subsidiary.

Broadcasting and Content (Millions of yen)

	FY3/2025	FY3/2026	YoY	% Change
Net Sales	78,529	82,150	3,620	4.6%
Broadcasting*	56,997	57,198	201	0.4%
Content*	21,475	24,826	3,350	15.6%
Other	56	125	68	122.5%
Operating Profit	2,824	4,560	1,736	61.5%

Lifestyle (Millions of yen)

	FY3/2025	FY3/2026	YoY	% Change
Net Sales	13,394	13,848	454	3.4%
Housing	8,804	9,488	684	7.8%
At-home shopping	3,277	3,070	(207)	(6.3)%
Golf	1,017	1,022	5	0.5%
Other	295	267	(27)	(9.4)%
Operating Profit	238	245	7	3.0%

*Beginning with FY3/2026, revenue from TV program streaming, etc., of ABC TV has been moved from broadcasting business revenue to content business revenue. Therefore, the broadcasting and content business figures for FY3/2025 are for reference, calculated using the same method.
(Note) Operating profit related to items not allocated to a specific segment includes Adjustments (-471 million yen for FY3/2025; -42 million yen for FY3/2026).

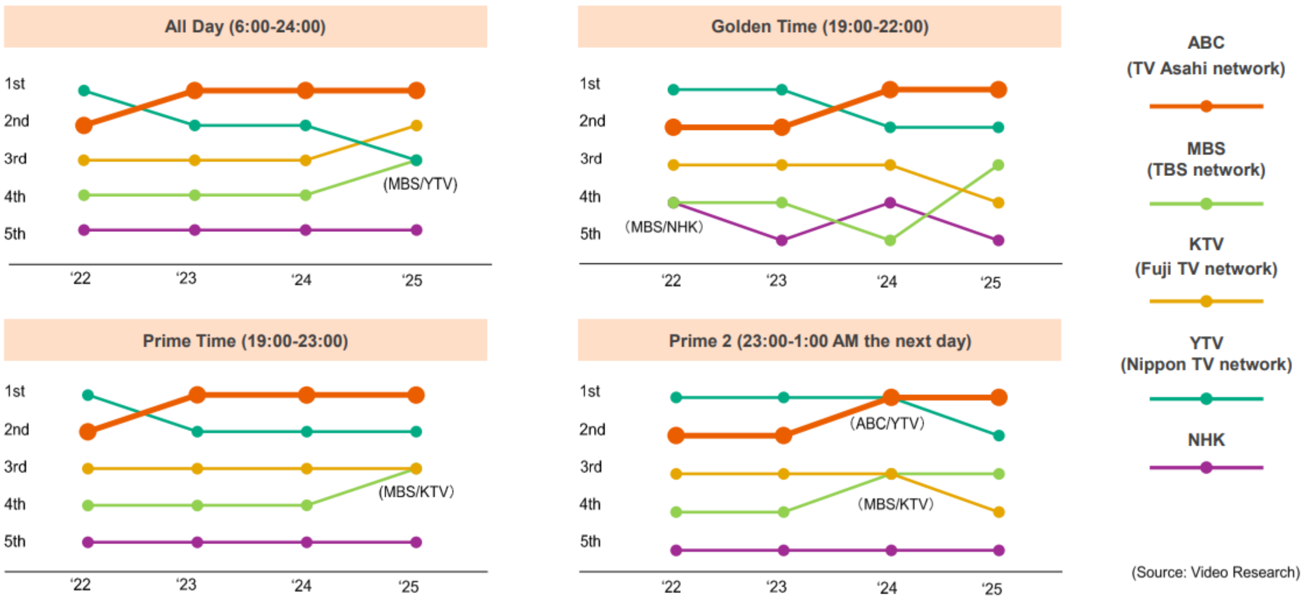
Source: Company's FY3/2026 Financial Results Presentation Materials

Figure 13: Viewer Rating Trends

ABC

Trends of Viewer Ratings Ranking in Kansai Region (Individual All) Over 4 Years

We won four broadcast categories in two consecutive years for the first time since our inception; first time in 13 years that we won all four broadcast categories on our own.



Source: Company's FY3/2026 Financial Results Presentation Materials

Performance Trends for FY3/2027

Declines in Net Sales and Profits Expected, but Profit Levels Set to Remain High

The company's full-year forecast for the fiscal year ending March 31, 2027 is as follows: net sales of ¥92.3 billion (down 3.9% year-on-year), operating profit of ¥4 billion (down 16.0% year-on-year), ordinary profit of ¥4.1 billion (down 7.2% year-on-year), and profit attributable to owners of parent of ¥2.7 billion (down 39.4% year-on-year).

These projections appear reasonable as of the start of the fiscal year, reflecting the waning impact of the Expo 2025 Osaka, Kansai, Japan, and a decline in spot advertising revenue following strong performance of the previous year.

Furthermore, compared to the fiscal year ended March 31, 2025, while the net sales forecast remains at the same level, the forecasts for operating profit and ordinary profit are set high. This suggests that the company is making progress in improving its profitability, which is a point worthy of recognition.

Figure 14: Financial Results Forecast by Segment for FY3/2027

FY3/2027 Financial Results Forecasts by Segment

ABC

(Millions of yen)

			FY3/2026 (Actual)	FY3/2027	YoY	% Change
Net Sales	Broadcasting and Content (Total)		82,150	**78,900**	(3,250)	(4.0)%
	Details	Broadcasting	57,198	**56,100**	(1,098)	(1.9)%
		Content	24,826	**22,700**	(2,126)	(8.6)%
		Other	125	**100**	(25)	(20.1)%
	Lifestyle (Total)		13,848	**13,400**	(448)	(3.2)%
	Details	Housing	9,488	**9,000**	(488)	(5.1)%
		At-home shopping	3,070	**3,200**	129	4.2%
		Golf	1,022	**1,100**	77	7.6%
		Other	267	**100**	(167)	(62.6)%

		FY3/2026 (Actual)	FY3/2027	YoY	% Change
Operating Profit	Broadcasting and Content (Total)	4,560	**3,900**	(660)	(14.5)%
	Lifestyle (Total)	245	**150**	(95)	(38.9)%
	Adjustments	(42)	**(50)**	(7)	—

Source: Company's FY3/2026 Financial Results Presentation Materials

Changes in Shareholder Returns

The dividend per share is expected to be ¥20 (a decrease of ¥13 from the previous year), with a dividend payout ratio of 30.9% (unchanged from the previous year).
Note that the dividend policy was revised on March 9, 2026.

Previously, prior to the revision:

- *Flexibly make decisions for continuous and stable dividend payment, targeting a dividend payout ratio of 30% for profit after deducting the amount equivalent to the effective statutory tax rate from consolidated operating profit, which indicates profit from the core business of the Group (deemed net profit).*
- *Annual dividend of 12.00 yen per share as the lower limit except in times of a significant decline in business performance due to a rapidly deteriorating business environment.*

Currently, following the revision:

- *Use a dividend payout ratio of 30% as a guideline based on profit attributable to owners of parent, while aiming to achieve a stable dividend payout ratio of 40% over the medium to long term.*
- The minimum dividend has been abolished.

Since this change has both positive and negative aspects, it will be necessary to monitor its implementation going forward. It is regrettable that raising the dividend payout ratio remains merely a future goal, that the minimum dividend has been abolished, and that the dividend per share for the fiscal year ending March 31, 2027 is projected to decrease. Furthermore, since the dividend basis has shifted to profit attributable to owners of parent, there is a possibility that dividend volatility will increase.

However, if the company generates profits from the sale of non-operating or non-core assets, those proceeds will also serve as a source of dividends, so its approach to this initiative warrants attention.

Meanwhile, in its new medium-term management plan, the company outlined a policy to respond flexibly with the purchase of treasury stock, taking into account its capital structure and stock market conditions. At the Board of Directors meeting held on May 21, 2026, a resolution was passed to purchase up to 1.25 million shares (equivalent to 2.99% of the number of issued shares, excluding treasury stock) for a maximum treasury stock purchase price of ¥1 billion during the period from May 22, 2026, to March 31, 2027, and this plan has been put into action. This scale exceeds the reduction in total dividend payments resulting from the dividend cut for the fiscal year ending March 31, 2027. From a total shareholder return perspective, this should be viewed as a step towards a more proactive approach to shareholder returns.

Share Price Trends

Share Price Trends

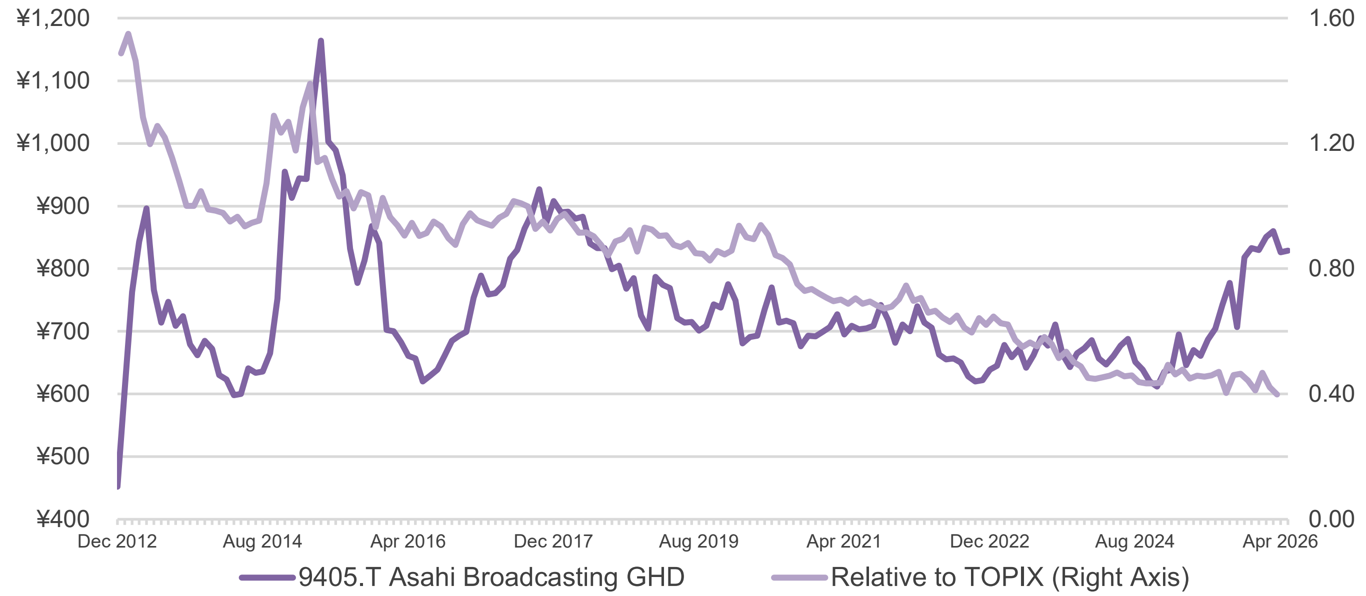
Long-Term Share Price Trends

Share Price Rises With Earnings Recovery, Albeit Lagging Behind TOPIX Climb

The chart below shows the long-term trends in the company's share price and its relative performance against the TOPIX (through the end of May 2026).
Although the share price had been trading sideways since 2019, it entered an upward trend on the back of a positive market reaction to the company's fiscal year ended March 31, 2025 results—which showed increases in both net sales and profit—and its financial results forecast for the fiscal year ended March 31, 2026, which also projected increases in both net sales and profit.
Furthermore, the upward revision of the full-year financial results forecast during the announcement of the second-quarter (interim) results in November 2025 gave momentum to the share price's rise, and it climbed to ¥952 immediately after the announcement of the medium-term management plan (2026–2028) in March 2026. However, a growing sense that the market had priced in all positive news set in, and following the financial results announcement of the fiscal year ended March 31, 2026—which included lackluster financial results forecasts for the fiscal year ending March 31, 2027—the share price began a gradual decline. It is currently trading in the ¥800-¥900 range.

In addition, the company's relative share price compared to the TOPIX has remained in a long-term downtrend without any uptrend breakthrough. While the Japanese stock market as a whole has been rising amid growing expectations for earnings growth, management reforms, and improved capital efficiency, the company's share price has failed to keep pace with these trends.

Figure 15: Long-Term Share Price Trends



Note: Prepared by Global IR, Inc. based on month-end closing prices.

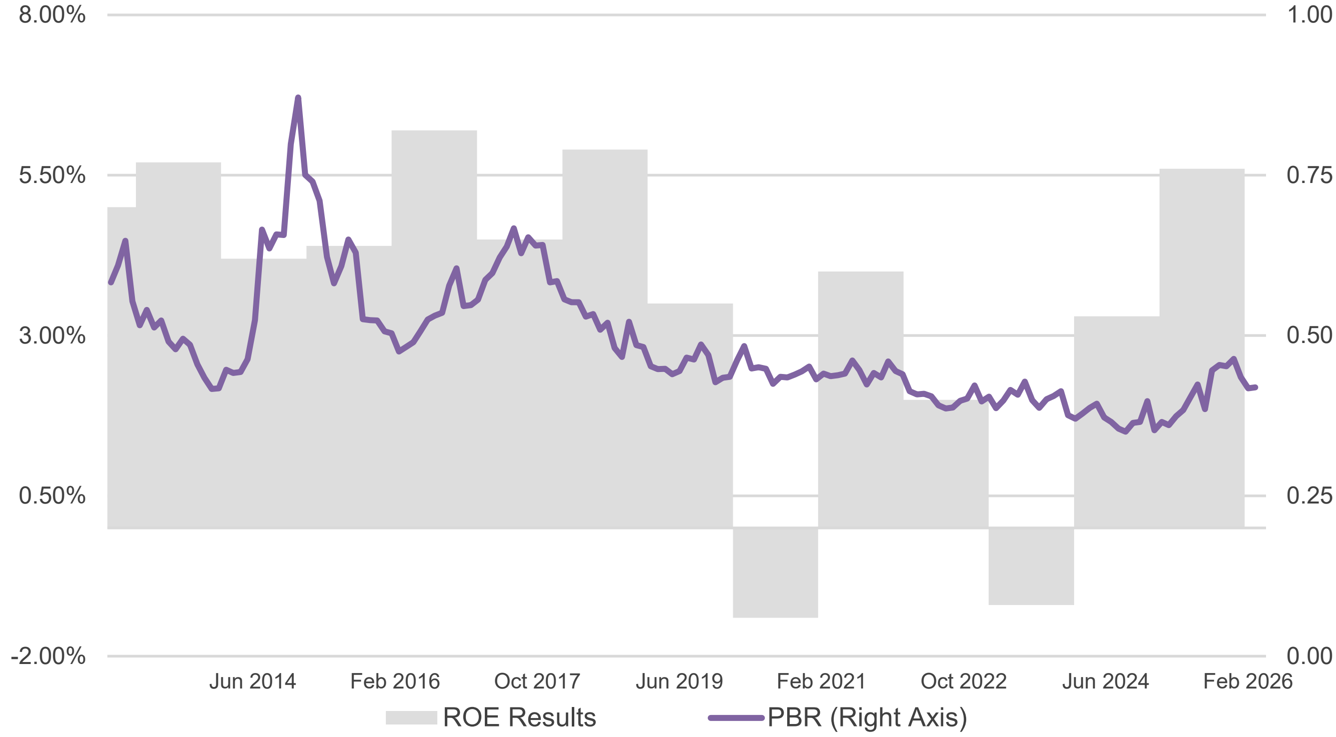
Long-Term ROE and PBR Trends

Declining ROE,
PBR Remains Low

Next, let's examine the trends in the company's actual ROE and actual PBR (the graph below covers the period through the end of May 2026).

In recent years, ROE has fluctuated in the low single digits, but it improved to 5.6% for the fiscal year ended March 31, 2026. In contrast, while the PBR has risen in tandem with ROE, it has only recovered to the 0.5x range.

Figure 16: Long-Term ROE and PBR Trends



Note: Prepared by Global IR, Inc. based on month-end closing prices.

Future Highlights

Catalyst for Future Share Price Movements

Anticipation Rises With Concrete Progress on the New Medium-Term Management Plan

A Continued Evolution of Existing Strategies in the New Medium-Term Management Plan

In this report, we have laid out the recent developments of Asahi Broadcasting Group Holdings.
The company's newly announced medium-term management plan (2026–2028) can be described as a natural evolution of its previous medium-term management strategy for 2021–2025, *NEW HOPE*.

The company will continue to position its content business—comprising the Content Segment (live action) and the Animation Segment—as a growth driver, and will persist with its strategy of creating and acquiring leading IPs, expanding internationally, and diversifying revenue streams. This represents a continuation of the previous strategic direction, and should be interpreted as a sign that management has growing confidence in the path it has taken thus far.

Furthermore, the company should be commended for defining priority areas, outlining a concrete vision for its growth strategy, and presenting a company-wide approach to capital allocation—all of which represent significant progress.

Additionally, although the outlook for the fiscal year ending March 31, 2027 indicates a decline in both net sales and profit, and the dividend per share has been reduced, the company's decision to purchase treasury stock demonstrates its commitment to supporting the share price, which is another positive development.

Awaiting Details in the New Medium-Term Management Plan to be Fleshed Out

However, following the announcement of the financial results forecast for the fiscal year ending March 31, 2027, the plan to purchase treasury stock, and the medium-term management plan, the share price has begun to correct. Considering that the PBR is below 0.5x, the share price does not appear to be overvalued. This situation should be interpreted as indicating that the stock market does not yet have sufficient confidence that the company's ROE will improve sustainably and move towards the 8% range. In other words, it appears the stock market is awaiting new information regarding aspects that were not sufficiently clarified in the new medium-term management plan.

If we were to seek a more in-depth explanation regarding the medium-term management plan, it would likely cover the following points:

- The level of the cost of capital as recognized by the company and measures to reduce it
- The company's target levels for capital efficiency metrics such as ROE and ROIC, along with a roadmap for achieving them
- Specific details regarding the implementation and management of the cost of capital

- Methods and specific measures for optimizing the overall business portfolio
- Application and management of the new investment guidelines for strategic investments
- Increased transparency in shareholder return policies that incorporate the total return ratio

To put it more simply, what the stock market is seeking are concrete examples. Through key examples, investors likely want to gain a deeper understanding of the company's thinking and assess its medium- to long-term potential.

As IP value is maximized and the company's portfolio continues to grow, its earnings should enter a trajectory of sustainable growth while becoming less susceptible to the cyclical fluctuations of the television advertising market. At that point, the company is expected to enter a phase of continuously rising ROE, and market valuations—including share price and PBR—are likely to undergo a significant shift.

Therefore, we intend to closely monitor developments while paying particular attention to the following points:

- Content Segment (live action): The accumulation of successful cases that demonstrate the maximization of IP value for existing top content, as well as the development of next-generation top content and concrete examples of strategies to maximize IP value.
- Animation Segment: Steady improvement in the profit and loss performance of major subsidiaries, accumulation of titles under executive production, and concrete examples of strategies to maximize IP value.
- In relation to both points above: Progress in capital allocation, particularly the proactive generation of cash inflows, as well as the progress of investments and the expected ROI for each investment.

Key Management Metrics

Consolidated Statement of Income (Millions of Yen)

Accounting Period	FY3/2020	FY3/2021	FY3/2022	FY3/2023	FY3/2024	FY3/2025	FY3/2026	FY3/2027 CE
Net Sales	82,937	78,344	85,100	87,028	90,452	91,923	95,998	92,300
YoY	1.2%	(5.5%)	8.6%	2.3%	3.9%	1.6%	4.4%	(3.9%)
Gross Profit	27,977	25,951	29,518	28,961	27,546	30,164	32,513	
YoY	(1.9%)	(7.2%)	13.7%	(1.9%)	(4.9%)	9.5%	7.8%	
Gross Profit Margin	33.7%	33.1%	34.7%	33.3%	30.5%	32.8%	33.9%	
SG&A	24,588	23,256	25,315	26,366	26,714	27,572	27,750	
YoY	1.4%	(5.4%)	8.9%	4.2%	1.3%	3.2%	0.6%	
Operating Profit	3,388	2,694	4,203	2,594	832	2,591	4,763	4,000
YoY	(20.5%)	(20.5%)	56.0%	(38.3%)	(67.9%)	211.4%	83.8%	(16.0%)
Operating Profit Margin	4.1%	3.4%	4.9%	3.0%	0.9%	2.8%	5.0%	4.3%
Ordinary Profit	3,633	3,033	4,792	2,661	723	2,506	4,415	4,100
YoY	(20.9%)	(16.5%)	58.0%	(44.5%)	(72.8%)	246.6%	76.2%	(7.2%)
Profit Attributable to Owners of Parent	2,278	(930)	2,671	1,354	(884)	2,502	4,456	2,700
YoY	(39.1%)	Loss	Profit	(49.3%)	Loss	Profit	78.1%	(39.4%)
Net Profit Margin	2.7%	(1.2%)	3.1%	1.6%	(1.0%)	2.7%	4.6%	2.9%

Per Share Data (¥)

Accounting Period	FY3/2020	FY3/2021	FY3/2022	FY3/2023	FY3/2024	FY3/2025	FY3/2026
Total Shares Outstanding (Thousands)	40,983	41,030	41,732	41,732	41,774	41,734	41,790
EPS	55.6	(22.7)	65.0	32.4	(21.2)	60.0	106.7
EPS Adjusted							
BPS	1,591.6	1,609.4	1,604.9	1,659.6	1,748.0	1,834.6	1,976.7
DPS	18.0	10.0	24.0	16.0	12.0	13.0	33.0

Consolidated Balance Sheets (Millions of Yen)

Accounting Period	FY3/2020	FY3/2021	FY3/2022	FY3/2023	FY3/2024	FY3/2025	FY3/2026
Current Assets	47,307	46,664	49,744	46,385	45,393	49,526	56,689
Cash & Deposits, Securities	27,252	27,983	28,301	24,459	25,553	27,078	35,180
Property, Plant and Equipment	36,944	39,760	41,550	41,181	41,759	43,403	40,896
Intangible Assets	1,485	2,995	3,472	3,229	2,292	2,091	1,482
Investments & Other Assets	29,024	29,614	28,985	31,483	33,763	33,483	35,426
Investment Securities	17,299	18,606	16,900	17,928	19,293	17,354	18,107
Deferred Assets	24	44	34	25	16	33	24
Total Assets	114,786	119,079	123,788	122,305	123,225	128,538	134,518
Total Current Liabilities	13,647	15,112	18,520	19,601	22,665	20,498	23,370
Total Non-Current Liabilities	32,047	34,266	34,770	30,257	24,406	29,813	26,880
Total Liabilities	45,694	49,378	53,290	49,859	47,072	50,312	50,251
Shareholders' Equity	65,230	66,035	66,975	69,259	73,022	76,564	82,604
Total Net Assets	69,091	69,700	70,497	72,445	76,153	78,226	84,266
Interest-Bearing Debt	6,674	11,910	12,518	12,187	14,122	15,250	13,827

Cash Flows (Millions of Yen)

Accounting Period	FY3/2020	FY3/2021	FY3/2022	FY3/2023	FY3/2024	FY3/2025	FY3/2026
Capital Expenditures	2,585	5,116	8,468	7,991	4,094	5,800	3,900
Depreciation & Goodwill Amortization	3,263	3,140	3,373	3,854	3,743	3,655	3,659
Cash Flows from Operating Activities	4,546	5,952	4,689	2,951	5,658	5,299	7,779
Cash Flows from Investing Activities	2,655	(10,311)	(4,276)	(5,046)	(5,659)	(3,809)	(2,379)
Cash Flows from Financing Activities	3,203	4,583	543	(1,610)	1,145	275	(2,010)

Financial Data (%)

Accounting Period	FY3/2020	FY3/2021	FY3/2022	FY3/2023	FY3/2024	FY3/2025	FY3/2026
Return on Assets (ROA)	3.3%	2.6%	3.9%	2.2%	0.6%	2.0%	3.4%
Return on Equity (ROE)	3.5%	(1.4%)	4.0%	2.0%	(1.2%)	3.3%	5.6%
Equity-to-Asset Ratio	56.8%	55.5%	54.1%	56.6%	59.3%	59.6%	61.4%

Source: Prepared by Global IR, Inc. based on the company's securities reports and consolidated financial reports.

Note: Figures are rounded to the nearest million yen, or to the first decimal place. *Calculated by Global IR, Inc.* CE = Company Estimate.

Shareholder Information

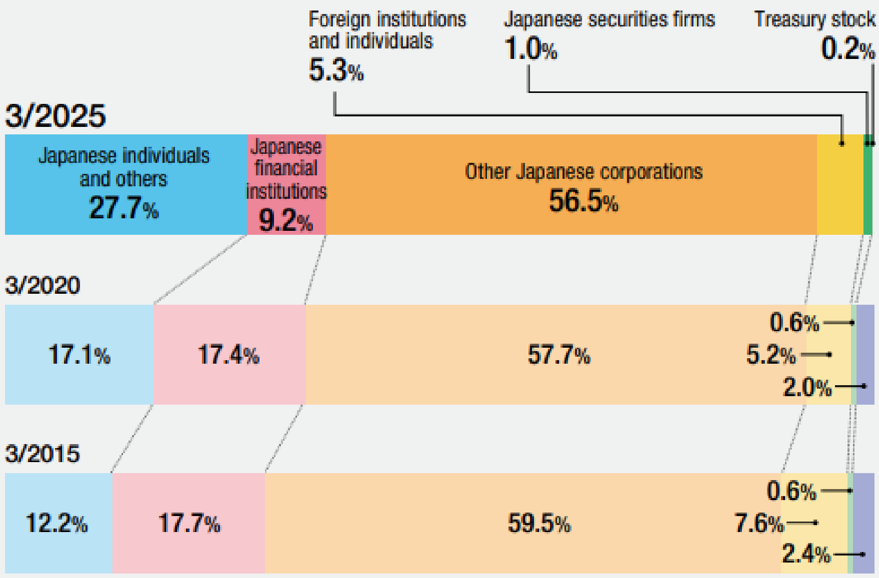
Figure 17: Shareholder Information

Major Shareholders (Top 10 Shareholders)

Name of Shareholders	Number of Shares Held	Shareholding Ratio (%)
The Asahi Shimbun Company	6,224,900	14.92
TV Asahi Holdings Corporation	3,877,600	9.29
Kosetsu Museum of Art Public-interest Incorporated Foundation	2,930,000	7.02
The Master Trust Bank of Japan, Ltd. (Trust Account)	1,767,311	4.23
Teikyo University	1,571,000	3.76
Asahishimbun Credit Cooperative	1,500,000	3.59
Osaka Gas Co., Ltd.	1,065,000	2.55
Shimamura Yoshihiro Eiga Kikaku Co., Ltd.	804,000	1.93
Kintetsu Bus Co., Ltd.	800,000	1.92
Takenaka Corporation	776,600	1.86

Note: The Company owns 99,391 shares of treasury stock. Further, calculations of shareholding ratios do not take treasury stock into account.

Distribution by Shareholder Type



Source: Company's Integrated Report 2025

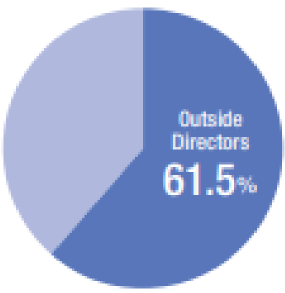
Governance

Figure 18: Strengthening Governance Over Time

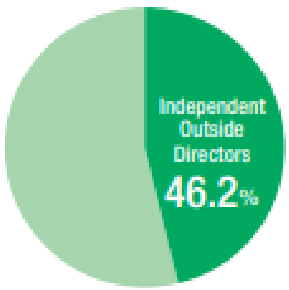
Strengthening Governance Over Time

		FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024	FY2025
Board of Directors	Total	15	14	13	12	12	13	13	13
	Outside Directors	6	6	6	6	7	8	8	8
	Independent Outside Directors	4	4	4	4	5	6	6	6
Audit and Supervisory Committee	Total	5	5	5	5	4	4	4	4
	Outside Directors	3	3	3	3	3	3	3	3
Nomination and Compensation Committee	Total		4	4	5	5	5	5	5
	Independent Outside Directors		2	2	3	3	3	3	3
Initiatives for Governance Enhancement		Transition to a Company With the Audit and Supervisory Committee							
		Implementation of the Restricted Stock (RS) Compensation Plan							
			Implementation of the Executive Officer System						
			Establishment of the Nomination and Compensation Committee						
						Establishment of the Sustainability Promotion Committee			
Stock Listing Market		Tokyo Stock Exchange First Section				Tokyo Stock Exchange Prime Market			

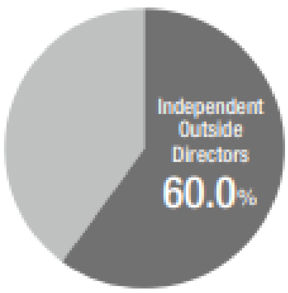
Ratio of the Outside Directors on the Board of Directors



Ratio of the Independent Outside Directors on the Board of Directors



Ratio of the Independent Outside Directors on the Nomination and Compensation Committee



Source: Company's Integrated Report 2025

Figure 19: Skills Matrix

Skills Matrix for the Board of Directors:
Expertise and experience of Directors (excluding Directors who are Audit and Supervisory Committee Members) and Directors who are Audit and Supervisory Committee Members

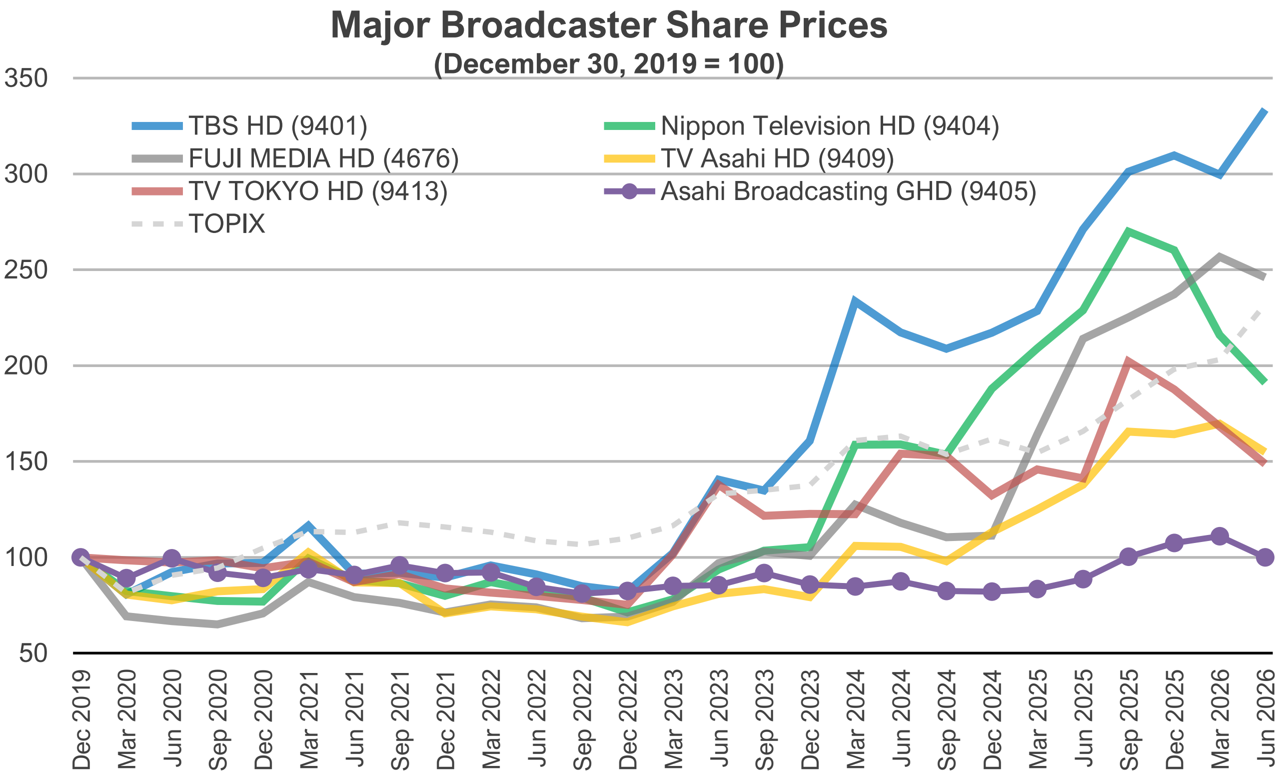
The skills possessed by the Directors (excluding Directors who are Audit and Supervisory Committee Members) and Directors who are Audit and Supervisory Committee Members are as shown below.

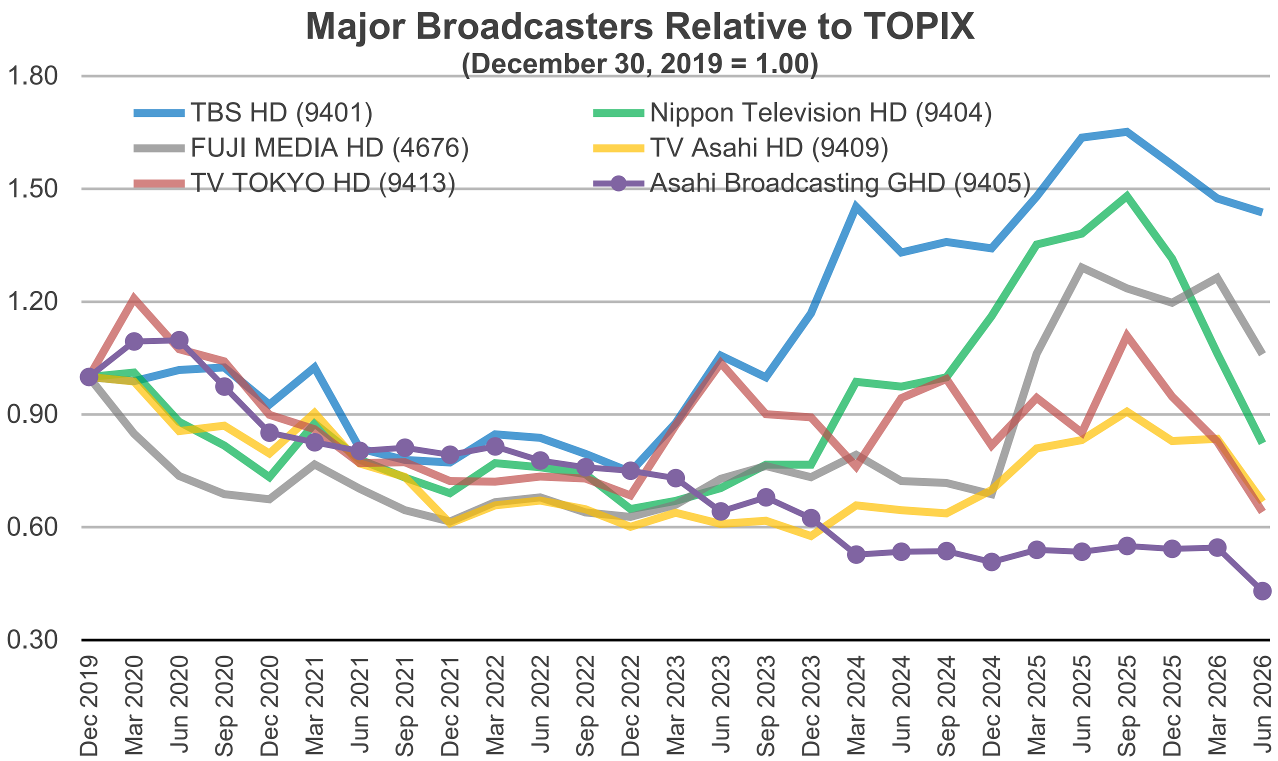
Name	Status at the Company after election		Corporate management	Media industry insights	Finance and accounting	DX/ Technology	Organizational structures and human resources development	Diversity	Governance	Sustainability and ESG
Masayuki Nishide	President & CEO		○	○		○			○	
Toshiaki Imamura	Representative Director and Vice President		○	○		○			○	
Shinya Yamamoto	Director		○	○			○		○	
Hiroshi Komagano	Director, Executive Officer					○	○		○	○
Takehiro Honjo	Director	Outside Independent	○		○				○	○
Akihiro Kuroda	Director	Outside Independent	○					○	○	○
Senko Ikenobo	Director	Outside Independent					○	○	○	○
Shiro Nakamura	Director	Outside	○	○			○	○		
Arata Nishi	Director	Outside	○	○		○			○	
Masahito Yoshimura	Director (Standing Audit and Supervisory Committee Member)			○	○				○	○
Haruhiko Kato	Director (Audit and Supervisory Committee Member)	Outside Independent	○		○			○	○	
Chika Saka	Director (Audit and Supervisory Committee Member)	Outside Independent	○		○			○		○
Sayaka Amemiya	Director (Audit and Supervisory Committee Member)	Outside Independent		○			○	○	○	

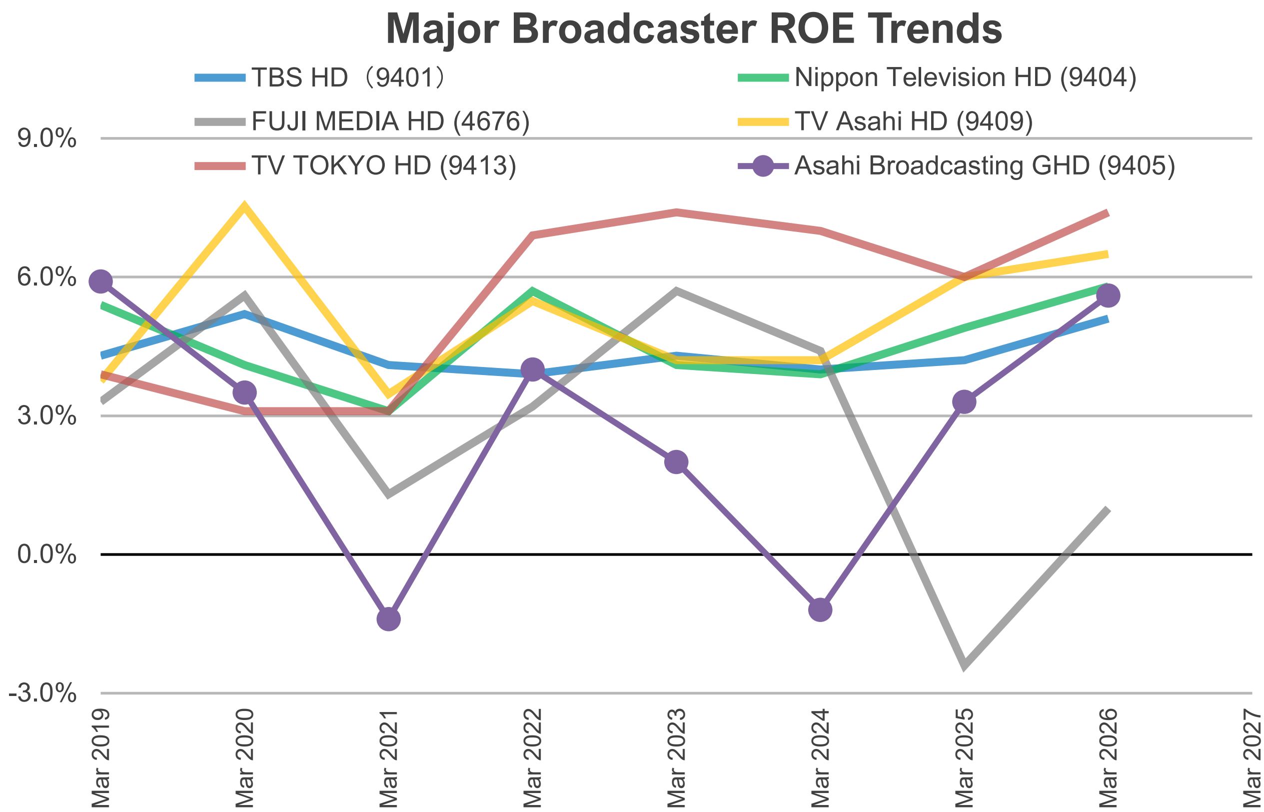
(Note) The table above shows top four of particularly expected skills based on their experiences, etc., and it does not represent all the knowledge of Directors.

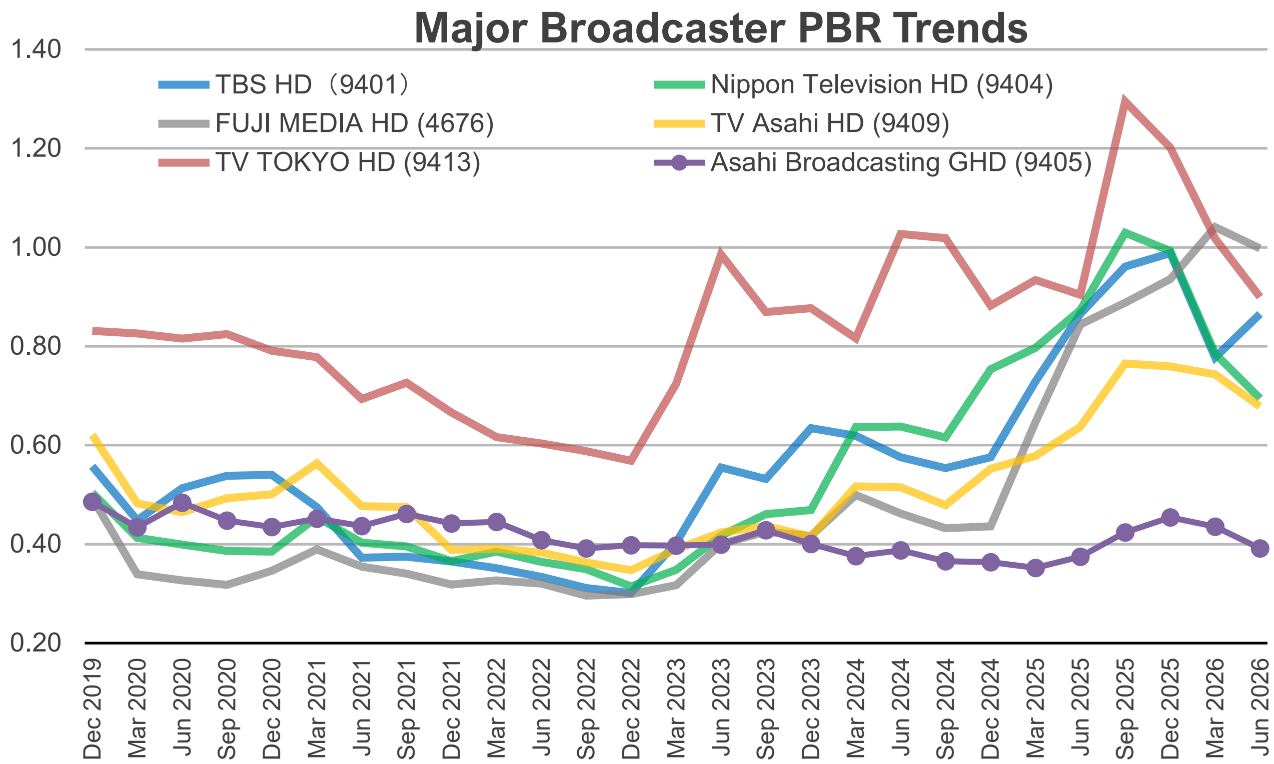
Source: Corporate Governance Report (June 30, 2026)

Figure 20: Comparative Data of Major Broadcasters









Note: Prepared by Global IR, Inc. based on full-year results BPS and quarter-end closing prices.

Integrity & Sustainability

July 30, 2026

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