

Asahi Broadcasting Group Holdings (9405)

FY03/2025
Interim Financial Report

GIR View



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Interim Overview for FY
Ending March 2025 (Q2)

■ Challenging Results, but Optimism in TV Spot Advertising

Asahi Broadcasting Group Holdings (hereafter referred to as 'the company') announced its consolidated financial results for the six months ended September 30, 2024, on November 11, 2024. Building on the first quarter, profitability remained challenging. Cumulatively, the company reported revenue of 41.6 billion yen (a year-on-year decrease of 0.3%), an operating loss of 1.16 billion yen (an increase of 160 million yen), an ordinary loss of 1.04 billion yen (a year-on-year rise of 210 million yen), and a loss attributable to owners of parent of 850 million yen (a year-on-year increase of 170 million yen). This marks the second consecutive year of operating losses for the interim period.

While the company has not disclosed its forecasts for the interim period, it appears that the results, although challenging, were within the range of internal expectations according to the company.

By segment, the Broadcasting and Content Business recorded revenue of 35.1 billion yen (down 1% year-on-year) and an operating loss of 850 million yen (an increase of 120 million yen in losses year-on-year). In contrast, the Lifestyle Business achieved revenue of 6.4 billion yen (up 3% year-on-year) and turned profitable with an operating profit of 70 million yen. Overall, the results were mixed across segments.

Asahi Broadcasting Television saw a slight revenue decline but improved operating profit by 350 million yen through successful cost management. In the Kansai region, viewer ratings ranked first in all categories-All Day, Golden Time, Prime Time, and Prime 2-achieving a 'quadruple crown' for the first time in 11.5 years during a single half-year period. TV spot advertising revenue has also started rising, a positive development.

Meanwhile, the Content Business saw a 9% decline in revenue, driven by the animation segment being in a transitional phase and the reclassification of DLE Inc. and Churapps Co., Ltd. from consolidated subsidiaries to equity-method affiliates. The profitability of consolidated subsidiaries also worsened. As the Content Business is core to the company's growth strategy, its future developments are likely to draw significant attention.

Continuation of GIR View

■ Full-Year Consolidated Earnings Forecast Unchanged, with Expectations for a Turnaround

The full-year consolidated earnings forecast remains unchanged, with projections of 91 billion yen in revenue (up 0.6% year-on-year), operating profit of 2.2 billion yen (up 164% year-on-year), ordinary profit of 2.3 billion yen (up 218% year-on-year), and profit attributable to owners of parent of 1.5 billion yen (recovering from a net loss of 880 million yen in the prior year).

To achieve the full-year forecast, an increase of approximately 1.4 billion yen in operating profit will be required in the second half. By segment, most of this increase is expected to come from the Broadcasting and Content Business. The company is cautious and not overly optimistic about achieving this figure. However, as previously mentioned, the strong performance of TV spot advertising is likely to continue, several popular special programs are scheduled for nationwide broadcast during the year-end and New Year period, and company-wide efforts to strengthen profitability are underway. These factors provide a number of reasons for cautious optimism.

The dividend forecast remains at 6 yen per share for both the interim and fiscal year-end, totaling 12 yen annually. Under the current dividend policy, this amount is expected to be the minimum unless extraordinary circumstances occur.

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FY2025 Company
Forecast

Continuation of GIR View

Change in President

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■ Mr. Nishide Appointed as President to Enhance Responsiveness to Change

In October 2024, Mr. Nishide, who has led the Content Business with a focus on the animation segment, was appointed as President, Executive Officer. He will collaborate with Managing Executive Officer Mr. Imamura, who oversees the Broadcasting Business, to steer the company group forward.

At the earnings briefing, President Nishide emphasized accelerating the PDCA cycle to enhance the ability to respond to change. His goals include strengthening profitability, boosting corporate value, and fostering the next generation of talent, including management-level personnel.

Currently, the primary focus is on optimizing the business portfolio. The company has already completed restructuring in the animation and certain live-action segments and has implemented profitability improvement measures across group companies. Efforts are now underway to develop a future vision that will serve as the cornerstone of the next medium-term management strategy.

Moving forward, the company plans to make disciplined and focused investments in key growth areas to enhance corporate value.

Continuation of GIR View

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Points of Focus Moving Forward

■ Expectations for Corporate Value Enhancement Following Leadership Change

The immediate priority is achieving the FY2025 full-year earnings forecast, driven by strong TV spot advertising, the release of animation content and related businesses, and strict cost controls. Progress in selling cross-shareholdings is also a key focus.

A greater focus is on how President Nishide's leadership will reshape the medium-term management strategy—previously targeting consolidated revenue of 100 billion yen, operating profit of 5.7 billion yen, and ROE above 5% by FY2025 (with 81 billion yen in revenue and 4.5 billion yen in operating profit from the Broadcasting and Content Business)—and how the renewed strategy will enhance corporate value.

To achieve this, it is essential to sustain growth investments in the Content and Lifestyle segments and realize their outcomes—particularly in the creation of IP and its value maximization within the Content segment. Additionally, effective asset utilization, including the sale of cross-shareholdings, and proactive efforts to adjust and reinforce the business portfolio will be critical. The ultimate focus will be on whether these efforts can sustainably improve capital efficiency and elevate the company's price-to-book ratio (PBR).

With high expectations for the expertise and capabilities of the revamped management team, all eyes are on the future vision to be unveiled under the new leadership from next spring onward, followed by the subsequent medium-term management strategy.

Finally, the Osaka-Kansai Expo, scheduled to begin in April 2025, is expected to serve as another catalyst for growth and opportunity.



Consolidated Results										Share Price ¥624 (12/10/2024)
Fiscal Year	Net Sales (¥mn)	YoY (%)	Operating Profit (¥mn)	YoY (%)	Ordinary Profit (¥mn)	YoY (%)	Profit (¥mn)	YoY (%)	EPS (¥)	PER (X)
FY03/2020	82,937	1.2	3,388	(20.5)	3,633	(20.9)	2,278	(39.1)	55.6	11.2
FY03/2021	78,344	(5.5)	2,694	(20.5)	3,033	(16.5)	(930)	Loss	(22.7)	n.a.
FY03/2022	85,100	8.6	4,203	56.0	4,792	58.0	2,671	Profit	65.0	9.6
FY03/2023	87,028	2.3	2,594	(38.3)	2,661	(44.5)	1,354	(49.3)	32.4	19.3
FY03/2024	90,452	3.9	832	(67.9)	723	(72.8)	(884)	Loss	(21.1)	n.a.
FY03/2025 (Est.)	91,000	0.6	2,200	164.2	2,300	218.1	1,500	Profit	35.9	17.4

Source: Compiled by Global IR, Inc. based on the company's securities reports.

Figures rounded to the nearest million yen; percentages rounded to the second decimal place. Calculations by Global IR, Inc.

First Half and Full-Year Results and Company Forecasts										Unit: Millions of yen, %
First half and full year results and forecasts	FY03/2024			FY03/2025			Year-on-Year Comparison			
	1H	2H	Full Year	1H	2H	Full Year	1H	2H	Full Year	
	Actual	Actual	Actual	Actual	(Forecast)	(Forecast)				
Net Sales	41,776	48,676	90,452	41,657	49,343	91,000	(119)	667	547	
Broadcasting and Content Business	35,541	41,160	76,701	35,198	41,802	77,000	(343)	642	298	
Lifestyle Business	6,234	7,517	13,751	6,459	7,541	14,000	225	24	248	
Operating Profit	(992)	1,824	832	(1,160)	3,360	2,200	(168)	1,536	1,367	
Broadcasting and Content Business	(733)	1,650	917	(858)	3,058	2,200	(125)	1,408	1,282	
Lifestyle Business	(60)	433	373	7	593	600	67	160	226	
Adjustment Amount	(198)	(260)	(458)	(308)	(292)	(600)	(110)	(32)	(141)	
Operating Profit Ratio	(2.4%)	3.7%	0.9%	(2.8%)	6.8%	2.4%				
Ordinary Profit	(832)	1,555	723	(1,047)	3,347	2,300	(215)	1,792	1,577	
Ordinary Profit Ratio	(2.0%)	3.2%	0.8%	(2.5%)	6.8%	2.5%				
Profit (loss)	(673)	(211)	(884)	(852)	2,352	1,500	(179)	2,563	2,384	
Net Profit Margin	(1.6%)	(0.4%)	(1.0%)	(2.0%)	4.8%	1.6%				

Source: Prepared by Global IR, Inc. based on the company's securities report.

Note: Figures rounded to the nearest million yen; percentages rounded to the second decimal place.



Key Management Metrics

Consolidated Statement of Income (Millions of Yen)

Accounting period	FY03/2018	FY03/2019	FY03/2020	FY03/2021	FY03/2022	FY03/2023	FY03/2024	FY03/2025 (Forecast)
Net Sales	80,991	81,986	82,937	78,344	85,100	87,028	90,452	91,000
YoY	(1.6%)	1.2%	1.2%	(5.5%)	8.6%	2.3%	3.9%	0.6%
Gross Profit	27,985	28,522	27,977	25,951	29,518	28,961	27,546	
YoY	(1.9%)	1.9%	(1.9%)	(7.2%)	13.7%	(1.9%)	(4.9%)	
Gross Profit Margin	34.6%	34.8%	33.7%	33.1%	34.7%	33.3%	30.5%	
SG&A	23,735	24,260	24,588	23,256	25,315	26,366	26,714	
YoY	0.8%	2.2%	1.4%	(5.4%)	8.9%	4.2%	1.3%	
Operating Profit	4,250	4,262	3,388	2,694	4,203	2,594	832	2,200
YoY	(14.5%)	0.3%	(20.5%)	(20.5%)	56.0%	(38.3%)	(67.9%)	164.2%
Operating Profit Margin	5.2%	5.2%	4.1%	3.4%	4.9%	3.0%	0.9%	2.4%
Ordinary Profit	4,539	4,591	3,633	3,033	4,792	2,661	723	2,300
YoY	(13.7%)	1.2%	(20.9%)	(16.5%)	58.0%	(44.5%)	(72.8%)	218.1%
Profit Attributable to Owners of Parent	2,691	3,742	2,278	(930)	2,671	1,354	(884)	1,500
YoY	(21.2%)	39.0%	(39.1%)	Loss	Profit	(49.3%)		
Net Profit Margin	3.3%	4.6%	2.7%	(1.2%)	3.1%	1.6%	(1.0%)	1.6%

Per Share Data (¥)

Accounting period	FY03/2018	FY03/2019	FY03/2020	FY03/2021	FY03/2022	FY03/2023	FY03/2024
Total Shares Outstanding (thousands)	40,837	40,897	40,983	41,030	41,732	41,732	41,774
EPS	65.9	91.6	55.6	(22.7)	65.0	32.4	(21.2)
EPS Adjusted							
BPS	1,509.1	1,594.8	1,591.6	1,609.4	1,604.9	1,659.6	1,748.0
DPS	20.0	28.0	18.0	10.0	24.0	16.0	12.0



Consolidated Balance Sheet (Millions of Yen)

Accounting period	FY03/2018	FY03/2019	FY03/2020	FY03/2021	FY03/2022	FY03/2023	FY03/2024
Current Assets	33,379	37,852	47,307	46,664	49,744	46,385	45,393
Cash and Deposits,							
Marketable Securities	16,513	16,537	27,252	27,983	28,301	24,459	25,553
Tangible Fixed Assets	38,928	37,837	36,944	39,760	41,550	41,181	41,759
Intangible Fixed Assets	1,184	1,381	1,485	2,995	3,472	3,229	2,292
Investments and Other Assets	29,186	30,716	29,024	29,614	28,985	31,483	33,763
Investment Securities	18,376	18,406	17,299	18,606	16,900	17,928	19,293
Deferred Assets			24	44	34	25	16
Total Assets	102,680	107,788	114,786	119,079	123,788	122,305	123,225
Total Current Liabilities	12,496	13,129	13,647	15,112	18,520	19,601	22,665
Total Long-Term Liabilities	26,820	27,609	32,047	34,266	34,770	30,257	24,406
Total Liabilities	39,316	40,738	45,694	49,378	53,290	49,859	47,072
Shareholders' Equity	61,625	65,223	65,230	66,035	66,975	69,259	73,022
Total Net Assets	63,363	67,049	69,091	69,700	70,497	72,445	76,153
Interest-bearing Debt	495	981	6,674	11,910	12,518	12,187	14,122

Cash Flow (Millions of Yen)

Accounting period	FY03/2018	FY03/2019	FY03/2020	FY03/2021	FY03/2022	FY03/2023	FY03/2024
Capital Expenditures	5,477	2,689	2,585	5,116	8,468	7,991	4,094
Depreciation and Amortization	2,971	3,031	3,263	3,140	3,373	3,854	3,743
Cash Flow from Operating Activities	4,803	3,286	4,546	5,952	4,689	2,951	5,658
Cash Flow from Investing Activities	(5,113)	(2,394)	2,655	(10,311)	(4,276)	(5,046)	(5,659)
Cash Flow from Financing Activities	(2,260)	(53)	3,203	4,583	543	(1,610)	1,145

Financial Data (%)

Accounting period	FY03/2018	FY03/2019	FY03/2020	FY03/2021	FY03/2022	FY03/2023	FY03/2024
Return on Assets (ROA)	4.4%	4.4%	3.3%	2.6%	3.9%	2.2%	0.6%
Return on Equity (ROE)	4.5%	5.9%	3.5%	(1.4%)	4.0%	2.0%	(1.2%)
Equity-to-Asset Ratio	60.0%	60.5%	56.8%	55.5%	54.1%	56.6%	59.3%

Source: Prepared by Global IR, Inc. based on the company's securities reports and financial summaries Note: Figures rounded to the nearest million yen and to two decimal places. Calculations by Global IR, Inc.



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