



NTV

Medium-Term Management Plan 2022 to 2024

2022/05/12

Nippon Television Holdings

©TATSUNOKO PRODUCTION Co., Ltd.

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Medium-Term Management Plan 2019 to 2021



1. New management policy

At the **Forefront of Inspiration and Reliability**

To be the best for consumers and the best for creators.

The Nippon TV Group aims to create all forms of inspiration and be the most trusted company.

Increasing the reliability of news

The Group will strive to provide content and services that are trusted by all stakeholders, and to enhance prompt and accurate reporting as a news organization.

- ▶ As a news organization, we will maintain fairness and impartiality, disseminate information promptly and accurately, and enhance reliability.
- ▶ We will ensure freedom of speech and expression, and live up to society's trust by serving the development of a sound democracy.
- ▶ We will strive to disseminate reliable information through both broadcasting and the internet.

Reliability

Through accurate and prompt reporting, remain the first choice for consumers

Sustainability

Enact measures for a better future for people, work, and the planet

Growth

Reach more consumers through both broadcasting and the internet

Constantly strive toward sustainability

In accordance with our Sustainability Policy, we will creatively conceive of all our activities proactively and boldly to work toward a sustainable future.

We will transmit Good For the Planet* year-round, going beyond terrestrial broadcasting.

***Good For the Planet: A Nippon TV SDG campaign that began in 2020. By providing information, entertainment shows, sports, and news programs unite as “all-Nippon TV” to address “What we can do now for the earth, for the future, and for a better life.”**

We will establish a Health Management Promotion Committee to promote management that emphasizes employee health and achieve a work-life balance

In order to achieve a 100% renewable energy ratio by FY2030, we will gradually increase the ratio of renewable energy in our electric power supply over the next three years by reducing energy use (switching to LED lighting and upgrading to high-efficiency equipment).



Transforming through DX

Realizing a workplace that is comfortable for all

- We will build a work style and content production flow through post-production reforms, including the introduction of a cloud system for program production.
- We will achieve efficient and diverse work styles based on the “anytime, anywhere, with anyone” concept by using digital technology.

Leveraging technology in content development

- Content development that fits the market and technology trends (such as XR, blockchain/NFT, AI, and VFX)
- Next-generation content development through co-creation with various industries and with leading-edge technologies and creators

A leading company in creating all forms of inspiration with **creators and **technologies****

2. Medium-Term Management Plan 2022 to 2024

Slogan

**More than just TV:
Moving beyond **Borders****

**As a company at the forefront of inspiration and reliability,
we aim to create new inspirational experiences that transcend media,
national borders, fixed ideas, and all boundaries.**

2. Medium-Term Management Plan 2022 to 2024

Priority targets

Maximize the value of content

Accelerate new business creation

Build a wellness economic zone

Numerical targets

Net sales: ¥540.0 billion

Operating profit: ¥70.0 billion

Numerical Targets for Medium-Term Management Plan 2022 to 2024

By the final year of the plan, we aim to achieve **consolidated net of ¥540.0 billion**, our highest level to date (of which, new M&A will account for ¥40.0 billion), and **consolidated operating profit of ¥70.0 billion** (of which, M&A will account for ¥2.0 billion).

	FY2021 results	FY2024 targets
Consolidated net sales	¥406.3 billion	¥540.0 billion
Media Content Business	¥379.7 billion	¥464.0 billion
Advertising sales	¥265.5 billion	¥284.0 billion
Of which, terrestrial advertising	¥245.6 billion	¥243.0 billion
Of which, digital advertising	¥4.5 billion	¥25.0 billion
Content Business sales, other	¥114.1 billion	¥180.0 billion
Life and Health Related Business, other	¥26.6 billion	¥36.0 billion
New M&A	—	¥40.0 billion
Consolidated operating profit	¥58.6 billion	¥70.0 billion
(Consolidated operating profit margin)	(14.4%)	(13.0%)
Of which, new M&A	—	¥2.0 billion

Maximize the value of content

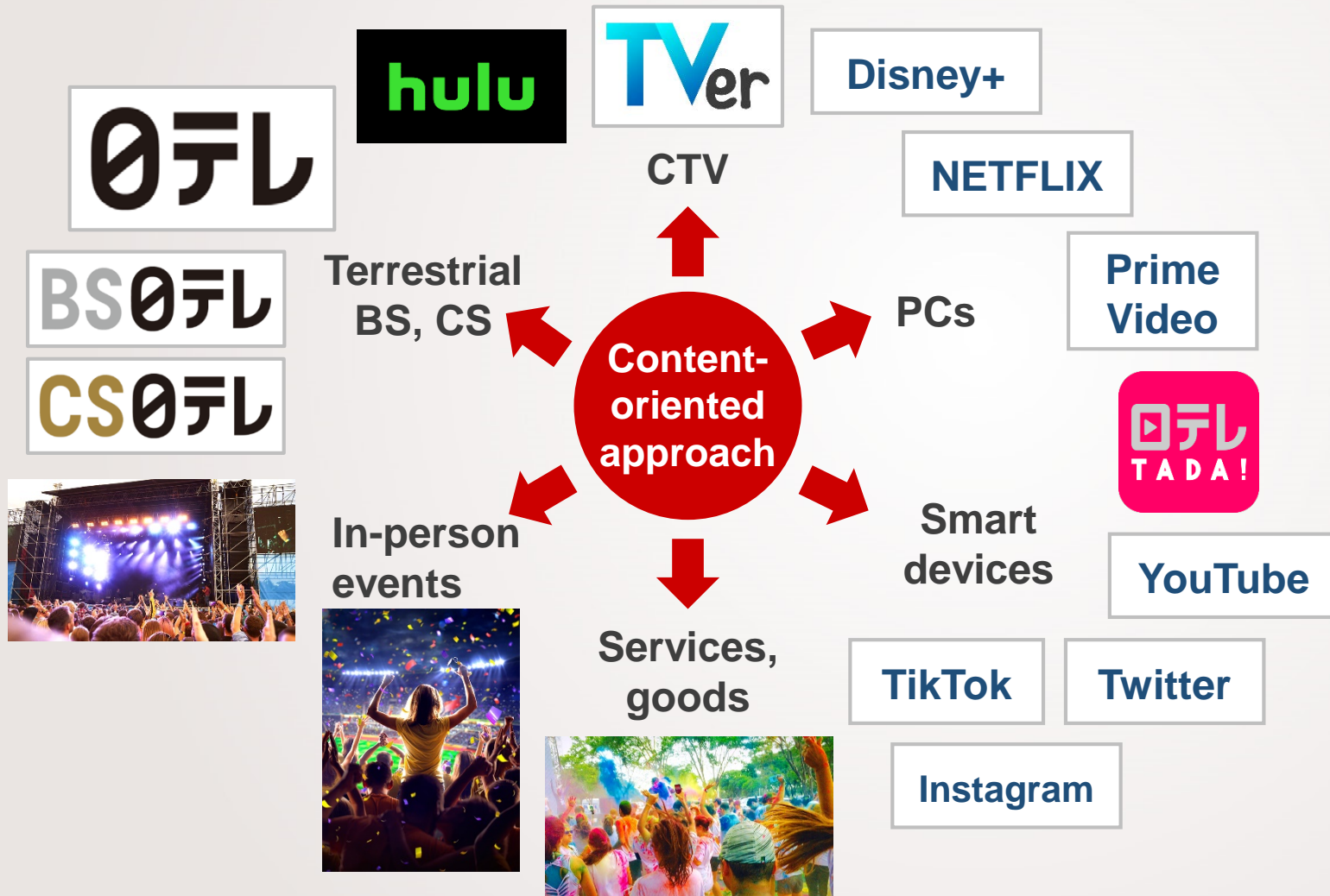
Content-oriented approach

- ▶ ① **Establish a Content Strategy Division**
- ② Develop intellectual property (IP) content
- ③ Build a new co-creation system



A “content-oriented approach” means...

...creating optimal content for a variety of platforms and devices



Content strategy

Maximize points
of contact with
consumers

Optimize content
platforms

Maximize the value of
content

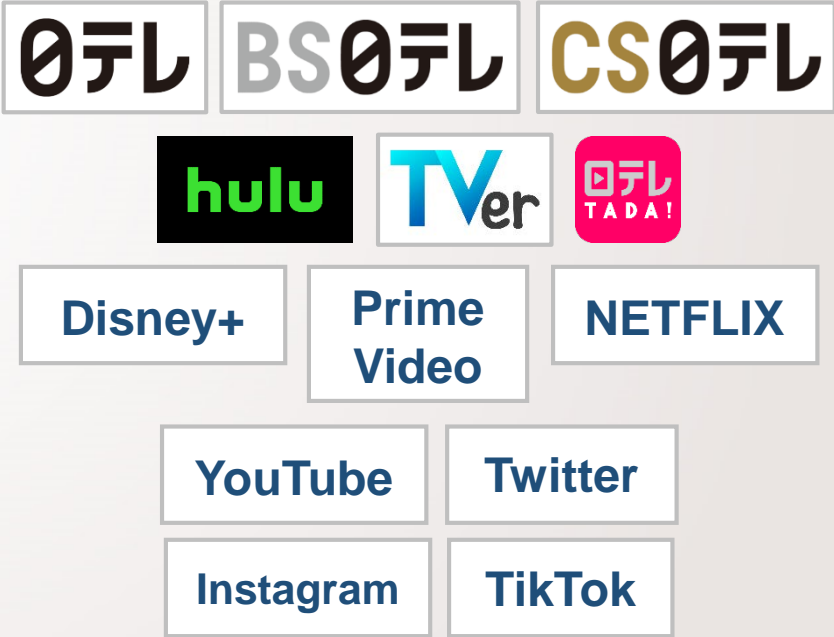
Maximize the value of content

① Establish a Content Strategy Division

Focusing on the value of the customer experience, we will create an organization to produce and direct content to deliver the content that consumers want to see across media more than ever before.

Content Strategy Division

Optimize content platforms
Control direction to produce content that maximizes points of contact with consumers



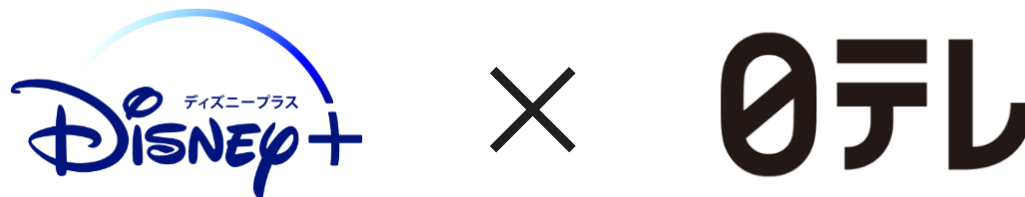
Become the leader in number of consumer contact points

Maximize the value of content

Content strategy

Strengthen content for the global market

We will strengthen global distribution through joint development of content with strategic partners such as Disney.



First global distribution of *The Files of Young Kindaichi*, a Sunday drama in April 2022

Through strategic collaboration with The Walt Disney Company (Japan) Ltd., we have begun our first global distribution of an NTV serial drama.



Going forward, we aim to **jointly develop** content for the **global market**.

Maximize the value of content

Content strategy

Strengthen our animation business with a
focus on overseas development

We will strengthen our animation business with, aiming to distribute our products at maximum profit.

Enhance simultaneous
worldwide distribution

Leverage efficient overseas
platforms

Expand programming strategy
and strengthen cooperation
with affiliated stations

Promote new measures

Strengthen relationships with
original sources

Secure superior original works

Utilize the Group

Expand animation produced by
Madhouse and Tatsunoko
Production

TSUKIMICHI - Moonlight Fantasy -



*That Time I Got Reincarnated
as a Slime*



Lupin the Third



Tomodachi Game



Written by: Monkey Punch ©TMS, NTV

Maximize the value of content

Content strategy

Deepen collaboration between Hulu
and terrestrial



We will further promote the development of original content in conjunction with terrestrial broadcasting.



Love You as the World Ends, Season 3

Season 1 broadcast by Nippon TV in January 2021

Season 2 distributed exclusively as a Hulu original from March 2021

Season 3 distributed exclusively as a Hulu original from February 2022



Pandora's Fruit, Season 2

New Saturday drama jointly developed by Nippon TV and Hulu in April 2022

Season 2 distributed exclusively as a Hulu original from June 2022



&AUDITION - The Howling -

Broadcast and distributed by Nippon TV and Hulu from July 2022

First global boys group audition by HYBE LABELS JAPAN

©HYBE LABES JAPAN

Maximize the value of content

Content strategy

Grow TVer, which will be central to AVOD



We will broaden users of Nippon TV content by expanding distribution services and enhancing content.

Expand real-time
distribution

0テレ系
ライフ配信

Prime time program

Expand

0テレ系
リアルタイム配信

Five commercial
broadcasters

Following on from Nippon TV Live Streaming, which began in October 2021,
began real-time streaming by all five commercial broadcasters in April 2022

Allow viewers to watch the programs they like, from wherever they like.

⇒ Increase TVer user by taking a user-first approach

Enhance content

In addition to linking with terrestrial programming, enact TVer originals and other
proactive new promotions to expand the market.

⇒ Attract users (establish firm market share)

Maximize the value of content

Content strategy

Work to deliver content across media

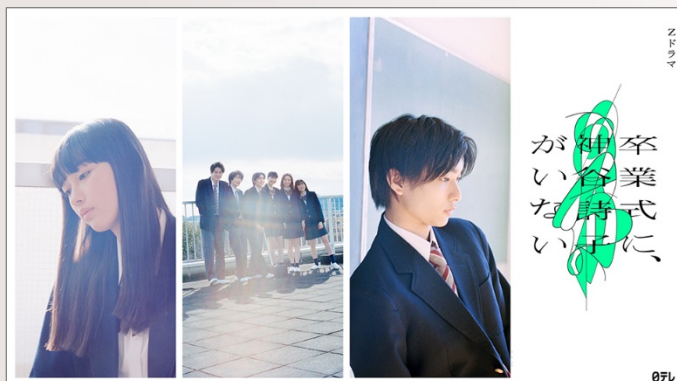
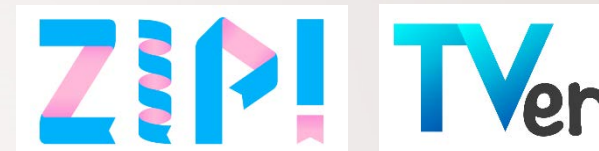
We will create diverse content that goes beyond the boundaries of terrestrial broadcasting to maximize value.



Morning Drama project

Fantastic 31 Days

- “New actor audition” to be a main cast member of **ZIP!**
Content to be distributed on social media even before the main broadcast, making it the center of conversation among the younger generation
- Tver-first streaming and terrestrial broadcast to create a buzz every morning (7:52 to 7:59 on ZIP!)



Z Drama project

Sotsugyoushiki ni Kamiya Utako ga Inai

- Calling out to the concept of “a shout-out to Generation Z,” this project depicts the world of drama in a variety of forms, including social media, music, live streaming, movies, and stage performances, without being restricted by media or methods.
- In addition to distribution on TVer and Hulu, short videos from the characters’ viewpoints are available on **Instagram, TikTok, YouTube**, and other platforms.



Maximize the value of content

Content-oriented approach

- ① Establish a Content Strategy Division
- ▶ ② **Develop intellectual property (IP) content**
- ③ Build a new co-creation system



Maximize the value of content

② Develop intellectual property (IP) content

Promote digital and overseas expansion utilizing developed IP

Promote IP development

- HI-AX LLP in partnership with *LDH*
- IP development led by dramas and movies
- IP development linked with terrestrial (such as *Ariyoshi no Kabe LIVE/kougu Ishin*)
- IP in collaboration with domestic performing arts firms / labels
- IP in collaboration with artists
- Alliances with performing arts firms overseas

Expand digital rollout

Live streaming, digital billing, fan clubs, NFT, games, metaverse, etc., utilizing IP in which the company is involved

Strengthen overseas promotion

Overseas development utilizing IP in which the company is involved

Examples of IP that achieved rapid growth through TV tieups

2020 **NiziU**



©Sony Music Labels Inc. / JYP Entertainment.

2021 **BE:FIRST**



SKY-HI

2022 **PRIKIL**



©FNC ENTERTAINMENT JAPAN

Nippon Television Holdings

Maximize the value of content

② Develop intellectual property (IP) content

We will collaborate with Beagle to create global hit content.



- Discover, cultivate, and support creators
- Mutual use of original works
- Develop a media mix
- Enhance mutual platform



THE TOKIWA scheduled for broadcast in 2022

An audition is held to find the next generation of star manga artists, together with popular original authors. The selection process will be broadcast on Nippon TV's *THE TOKIWA*. The winner is promised a serialization in *Manga Okoku*.

Maximize the value of content

Content-oriented approach

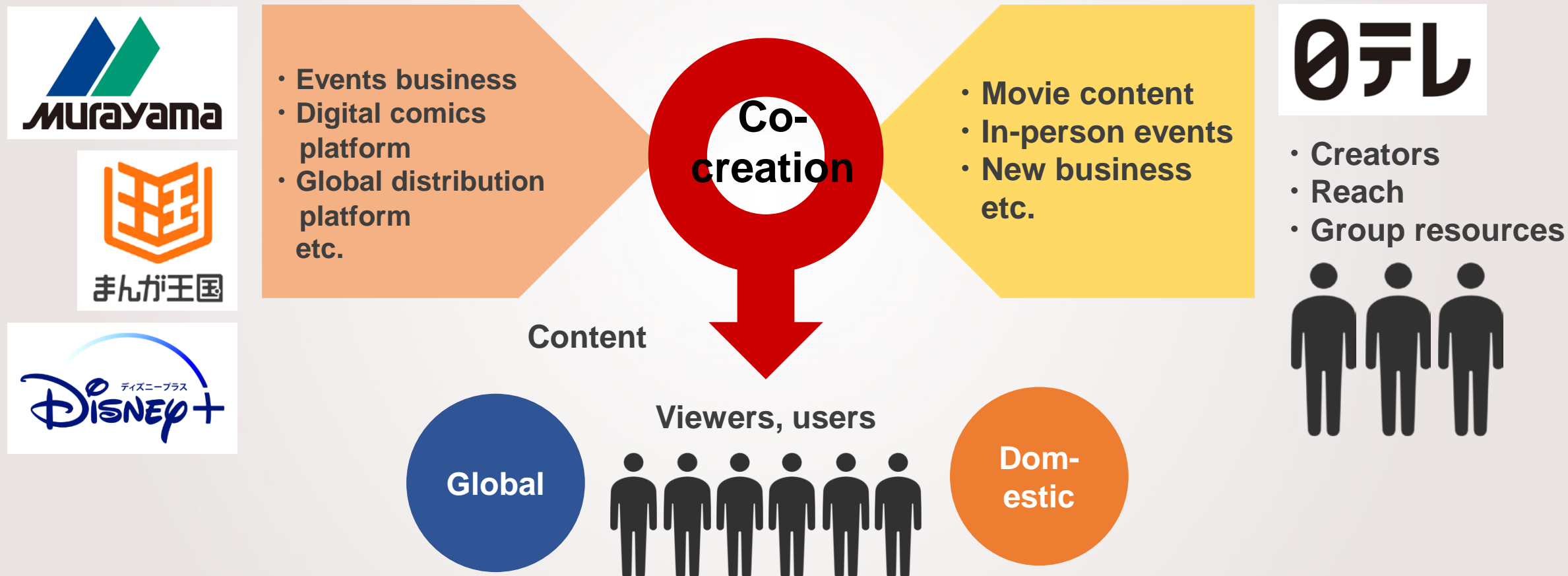
- ① Establish a Content Strategy Division
- ② Develop intellectual property (IP) content
- ▶ ③ **Build a new co-creation system**



Maximize the value of content

③ Build a new co-creation system

We will pursue **opportunities to build co-creation structures** following Murayama, Beagle, and Disney.



Maximize the value of content

③ Build a new co-creation system

We will strengthen our **physical event production system** through co-creation for the post-COVID era.



Japan looking to
the world,
OMOTENASHI +
quality

Space-related
capabilities

Planning, design,
technology,
management

Co-
creation

Events business

Real estate development

Planning and production
capabilities

Production and
management

Video planning

0テレ

0テレイベント

0テレアート



Create a new events business

- Live music events
- Sporting events
- Live Vtuber events



Accelerate new business creation

- ① Establish new businesses from in-house incubation
- ② Pursue investment opportunities in new business areas



Accelerate new business creation

① Establish new businesses from in-house incubation

We will evolve the **VTuber business** through a spin-off and by strengthening recruitment.



Entertainment company focused on
Vtuber, YouTuber, TikToker, and
other influencers

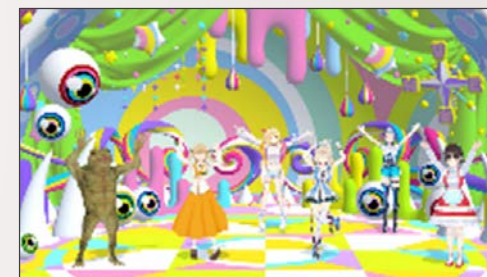
◆ Network business

We will further expand the world's largest VTuber network and build an influencer network that leverages its unique strengths to support the activities of VTubers, YouTubers, TikTokers and other influencers.



◆ Production business

We will create programs and events centered on virtual content in virtual spaces that feature VTubers.



Market value:
Approx.
¥ 5 tn.

Expected size of the global market for
influencer marketing in 2027

Average
annual
growth:
32%

CAGR of the global market for
influencer marketing between 2021
and 2027

Number of
Vtubers:
16,000+

Accelerate new business creation

① Establish new businesses from in-house incubation

0TELHR



Further expand Nippon TV HR (HR support services)

The market for corporate training services grew 8.9% year on year (FY2021), to ¥525.0 billion. The market is expanding beyond pre-pandemic levels.

We aim to further expand our business by leveraging our strengths and expanding training and our own original services.

0TEL
XR

XR and metaverse content and development support service

Began providing Nippon TV XR in April 2022

We expanded the scope of business by internalizing mixta.

We will evolve from the AR business to the XR business.

XR content production

XR prototype development

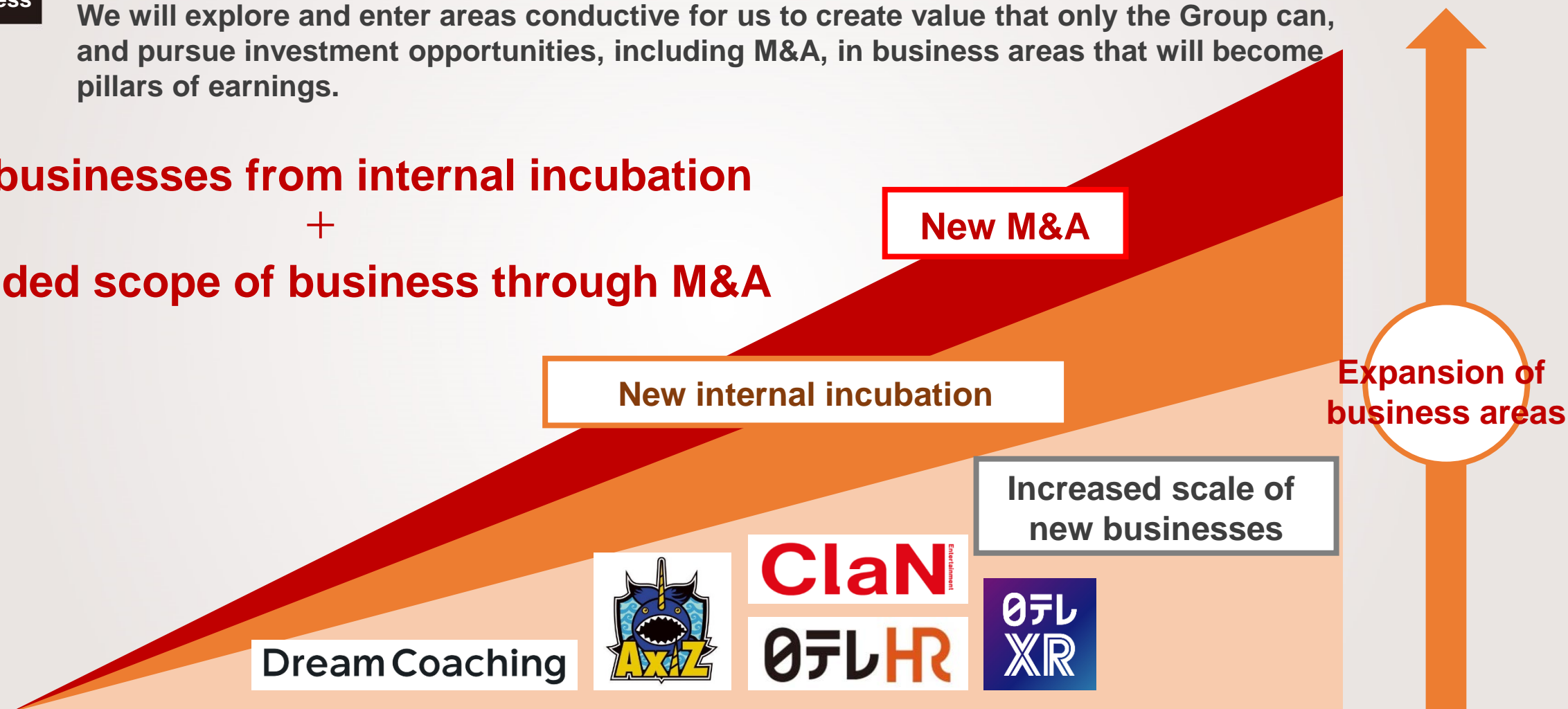
XR original products

Accelerate new business creation

② Pursue investment opportunities in new business areas

We will explore and enter areas conducive for us to create value that only the Group can, and pursue investment opportunities, including M&A, in business areas that will become pillars of earnings.

New businesses from internal incubation
+
Expanded scope of business through M&A



Build a wellness economic zone

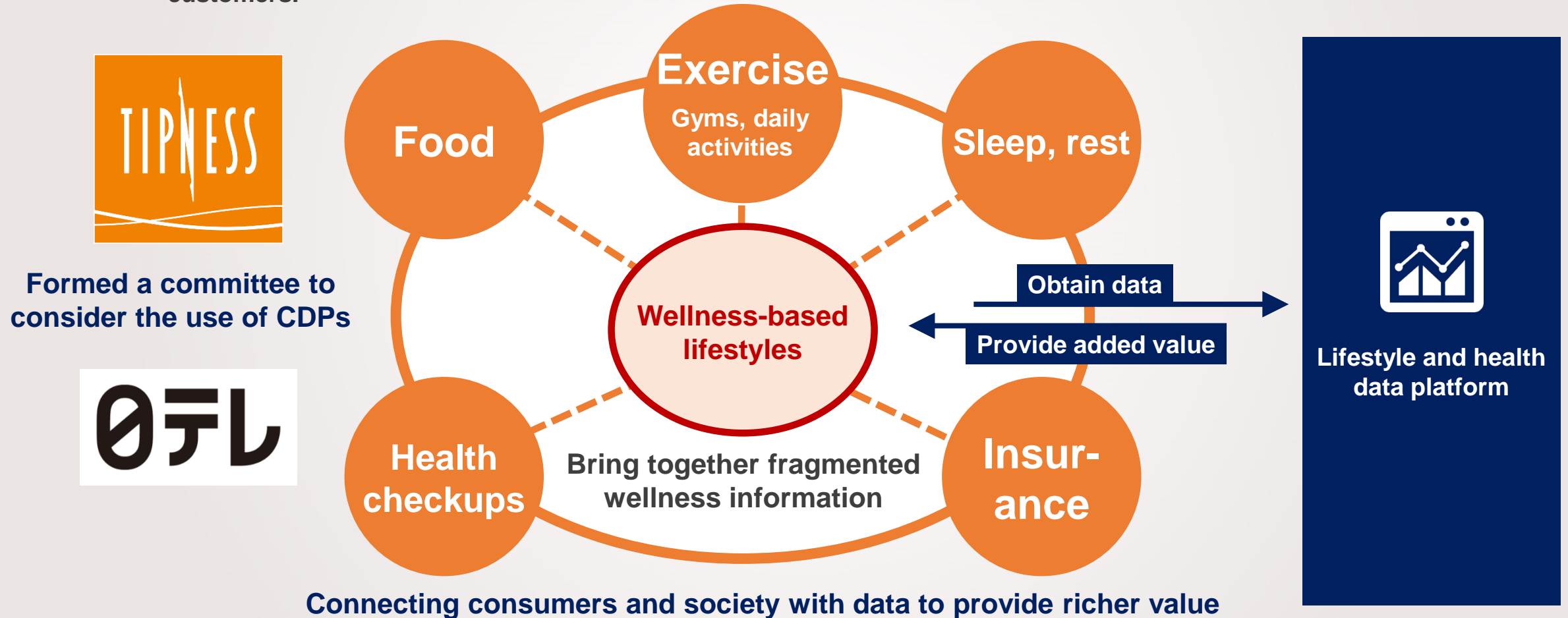
- ① Use CDP (customer information system) to create a wellness economic zone
- ② Return TIPNESS to growth
- ③ Establish a Health Division



Build a wellness economic zone

① Use CDP to create a wellness economic zone

To strengthen TIPNESS and other business related to lifestyle and health, we will collaborate with other companies to accumulate wellness data. We plan to use this data to offer tailored wellness-based lifestyles to individual customers.



Build a wellness economic zone

② Return TIPNESS to growth

We will help TIPNESS recover quickly following the pandemic and evolve into a content and service company that responds quickly and accurately to health needs through the utilization of CDP.



**Increase customer
satisfaction**

**Boost number of new
customers through
new services and
content**

**Achieve customer
successes**

③ Establish a Health Division

To further strengthen the Life and Health Related Business, the Group will establish a division to oversee this business.



- **Promote alliances (including investment) in the Life and Health Related Business**
- **Advance the Tipness and JSS businesses**



3. Strategic Investment Policy

We will maintain an investment budget of ¥100.0 billion, which we will use for investing in growth areas.

Media Content Business

- ▶ Develop intellectual property (IP)
- ▶ Strengthen the content production system

New business areas

- ▶ Invest in growth technologies, including XR and the metaverse
- ▶ Expand the HR business

Life and Health Related Business

- ▶ Collaborate with companies that possess data to construct CDPs
- ▶ Actualize the wellness zone concept

Sustainable investment

- ▶ Actively invest in businesses that contribute to society



In May 2022, we made a second-phase sustainable investment in EhonNavi.

4. Financial Policy

(1) Key management indicators

Our key indicators will be net sales, which measures the size and growth of a business, and operating profit, which is a measure of business profitability. We will also strive to improve return on equity (ROE) through the efficient use of business assets and aggressive investment in financial assets.

(2) Shareholder return policy

Our basic policy is to strive to expand and grow sustainable earnings, while balancing the need to respond to changes in the business environment, strengthen our earnings base, and invest in growth areas. We aim to provide continuous and stable shareholder returns while taking performance trends and various other factors into consideration.

Supplementary Materials

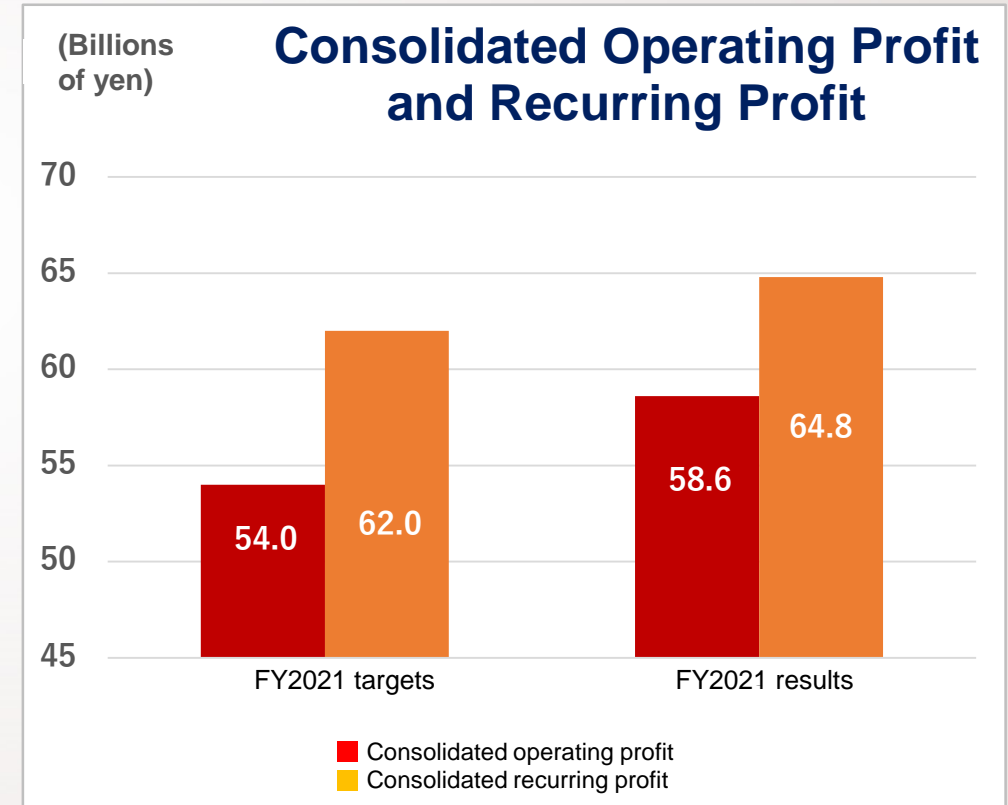
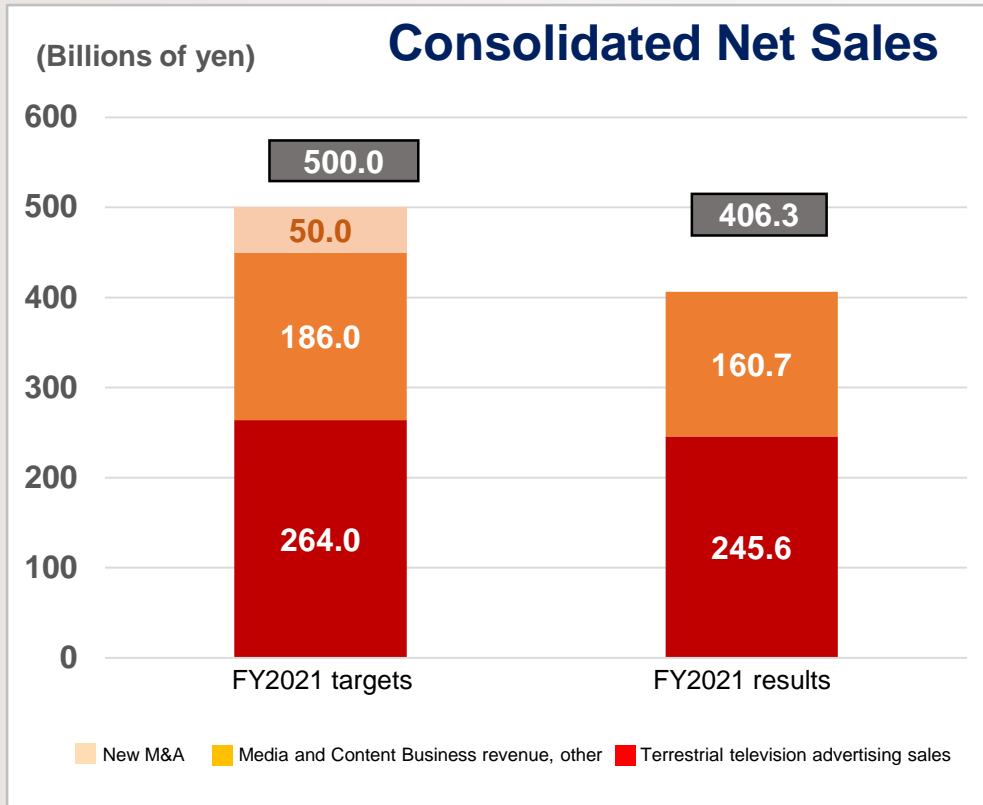
Looking back on Medium-Term Management Plan 2019 to 2021



5. Looking back on Medium-Term Management Plan 2019 to 2021

① Sales and profit targets

Consolidated net sales fell short of our initial targets due to the impact of COVID-19 on our businesses. In addition, although a major M&A deal was concluded, net sales from this deal will not be reflected until FY2022 or later. However, we reached our targets for consolidated operating income and ordinary income, owing to cost controls and other factors.

































Note: As stated in a July 31, 2020 release entitled "Withdrawal of Quantitative Targets for the Medium-Term Management Plan," these targets were withdrawn due to the worsening economic impact of the COVID-19 pandemic.

5. Looking back on Medium-Term Management Plan 2019 to 2021

② Viewer rating targets

Success across all individual and core target zones

		Individual viewer ratings			Core target viewer ratings*		
		2019	2020	2021	2019	2020	2021
All Day	(6:00 to 24:00)						
Prime Time	(19:00 to 23:00)						
Golden Time	(19:00 to 22:00)						
Non-Prime Time	(All Day – Prime Time)						
Platinum Time	(23:00 to 25:00)						

*Core target viewer ratings: Nippon TV's original index of men and women aged 13-49 or the "strike zone" consisting of people in school and work that clients seek to reach.

5. Looking back on Medium-Term Management Plan 2019 to 2021

③ “More than just TV” initiatives

We promoted broadcasting and related businesses in our aim to become the No. 1 company as a lifetime partner. We worked to diversify our portfolio by growing our internet business and boosting non-terrestrial-broadcasting revenue.



Dream Coaching

New business launches that emerged
from “More than just TV”



With Tver, first live streaming by a
commercial broadcaster
Large-scale SDGs campaign



Developed intellectual property (IP)
content through tie-up between Hulu
and terrestrial








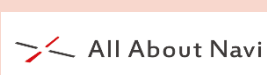






SoundFun

Capital alliances
Sustainable investments

5. Looking back on Medium-Term Management Plan 2019 to 2021

④ Investment Results

Note: Major companies added to the Group

	2012-2015 Next60	2016-2018 Change65	2019-2021 Nippon TVeVOLUTION
Media and Content Business	  	   	  
Life and Health Related Business, other			
Total investment, including Others	¥38.0 billion	¥22.0 billion	¥29.0 billion

Investments over the past three years: **¥3.1 billion** in the year ended March 31, 2020, **¥2.8 billion** in the year ended March 31, 2021, **¥23.1 billion** in the year ended March 31, 2022