

FY2020 3Q Financial Results

February 4, 2021
Nippon Television Holdings, Inc.

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Fiscal 2020 3Q Overview of Financial Results

Highlights of Group Companies

Forecast for Fiscal 2020 and Future Initiatives

Viewer Ratings and Programming Policy

Fiscal 2020 3Q Key Points of Financial Results

□ Lower sales and profits

Net sales are significantly lower, driven mainly by the decline in Nippon TV's spot ad sales. TIPNESS, which operates health and fitness clubs, also saw sales declines due to COVID-19 related temporary closures.

Although HJ Holdings sales increased due to new Hulu subscribers that resulted in membership fee growth, groupwide revenue declined.

Operating profit and recurring profit declined. Although a gain from the sale of investment securities was booked, impairments of goodwill and other items at TIPNESS Limited resulted in a decline in net income.

□ Financial dividend forecast

As a result of an improvement in spot ad sales in the second half of the fiscal year and ongoing cost-control measures, we are revising net sales, operating profit, recurring profit, and net income upwards.

Annual dividend forecast remains at 35 yen.

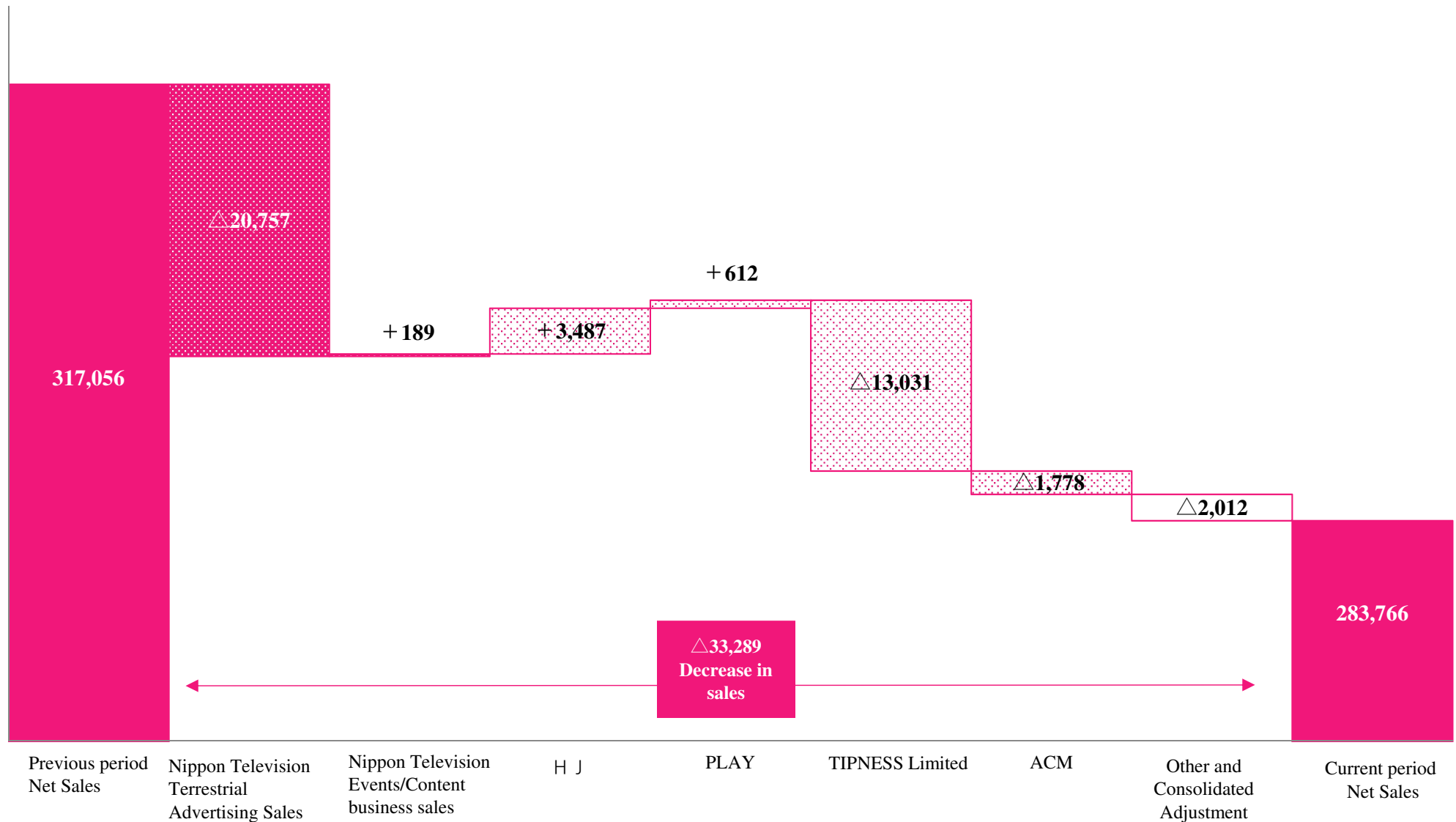
FY2020 3rd Quarter Consolidated Financial Results

(Millions of yen)

	FY2019 3rd quarter	FY2020 3rd quarter	Change (%)
Net Sales	317,056	283,766	△10.5
Operating Profit	30,899	24,237	△21.6
Recurring Profit	36,522	28,726	△21.3
Net Income attributable to owners of the parent	24,139	16,813	△30.3

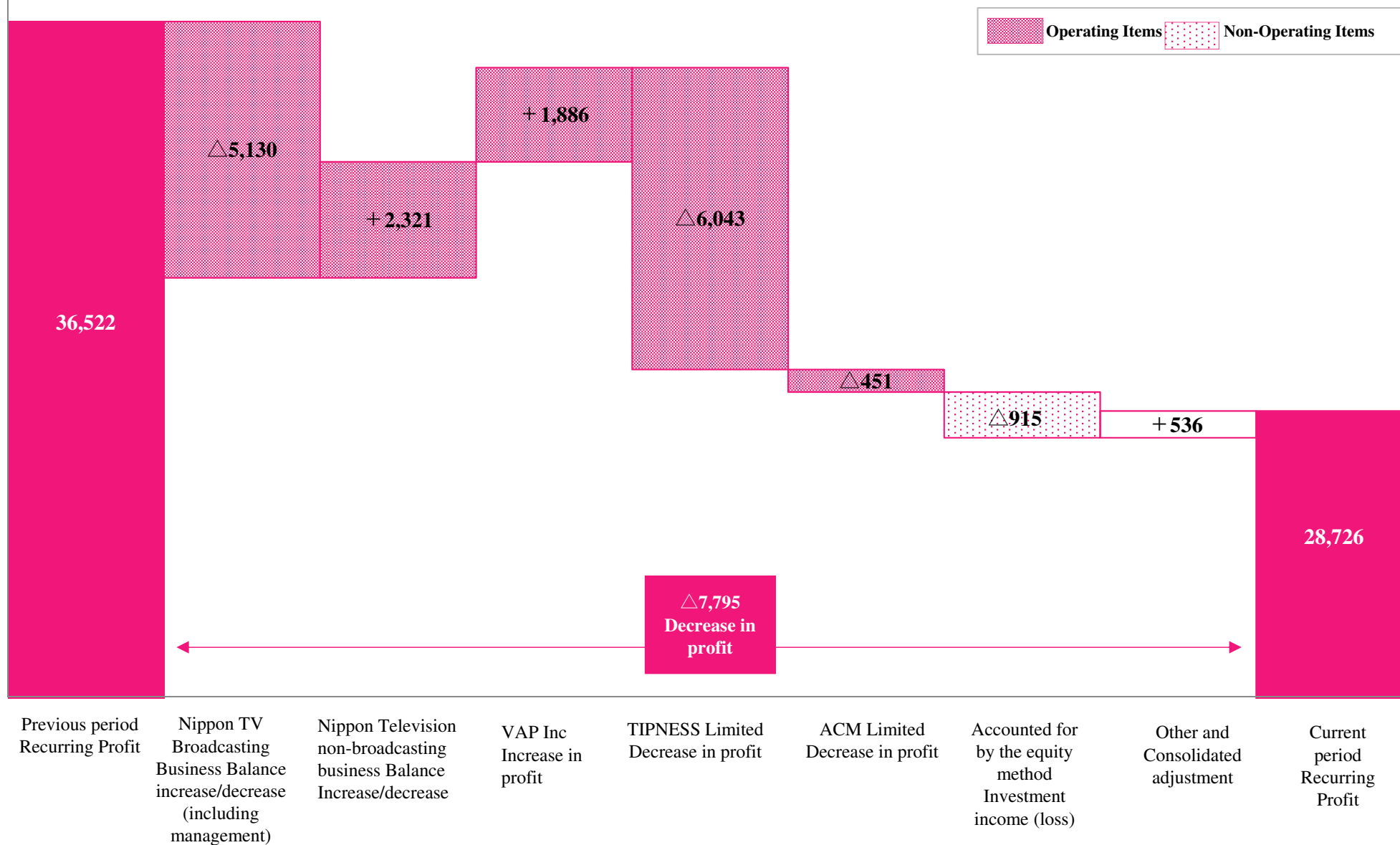
Net Sales YoY Change Components

(Millions of yen)



Recurring Profit YoY Change Components

(Millions of yen)

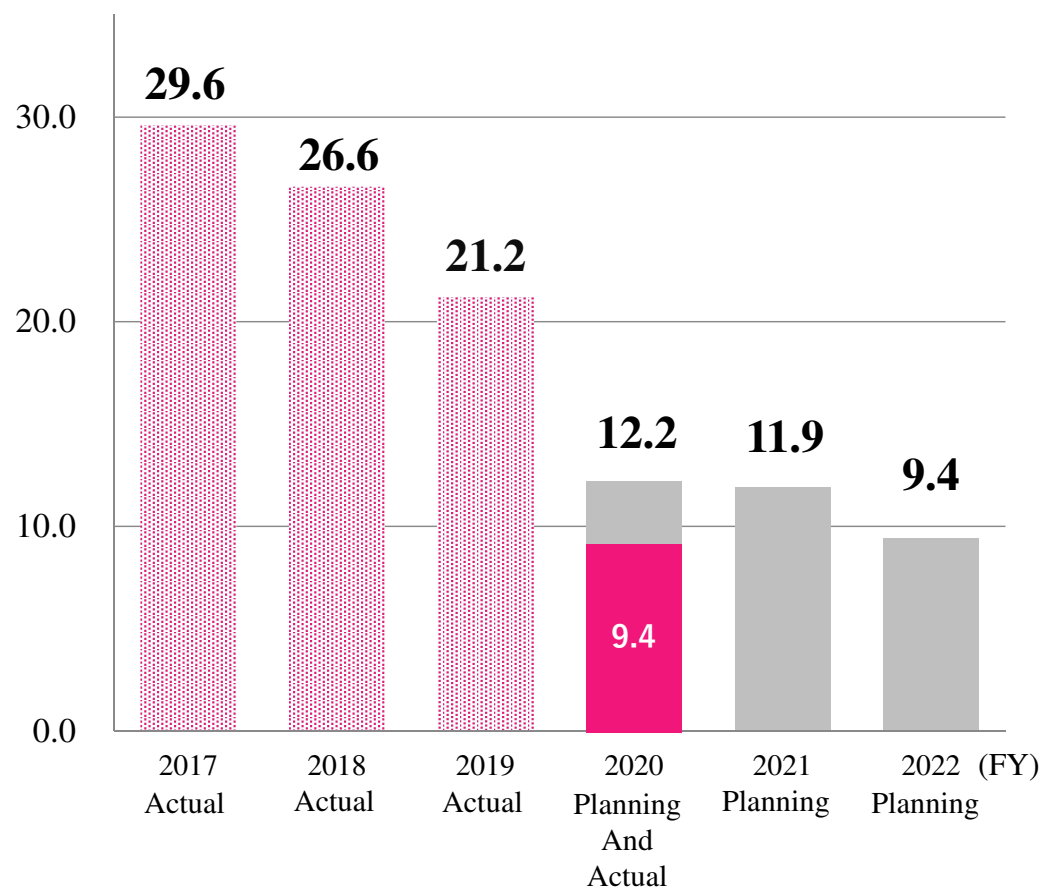


CAPEX and Depreciation (consolidated)

FY2020 3Q (Unit: Billion yen)	CAPEX amount	Depreciation and amortization
	9.4	13.1

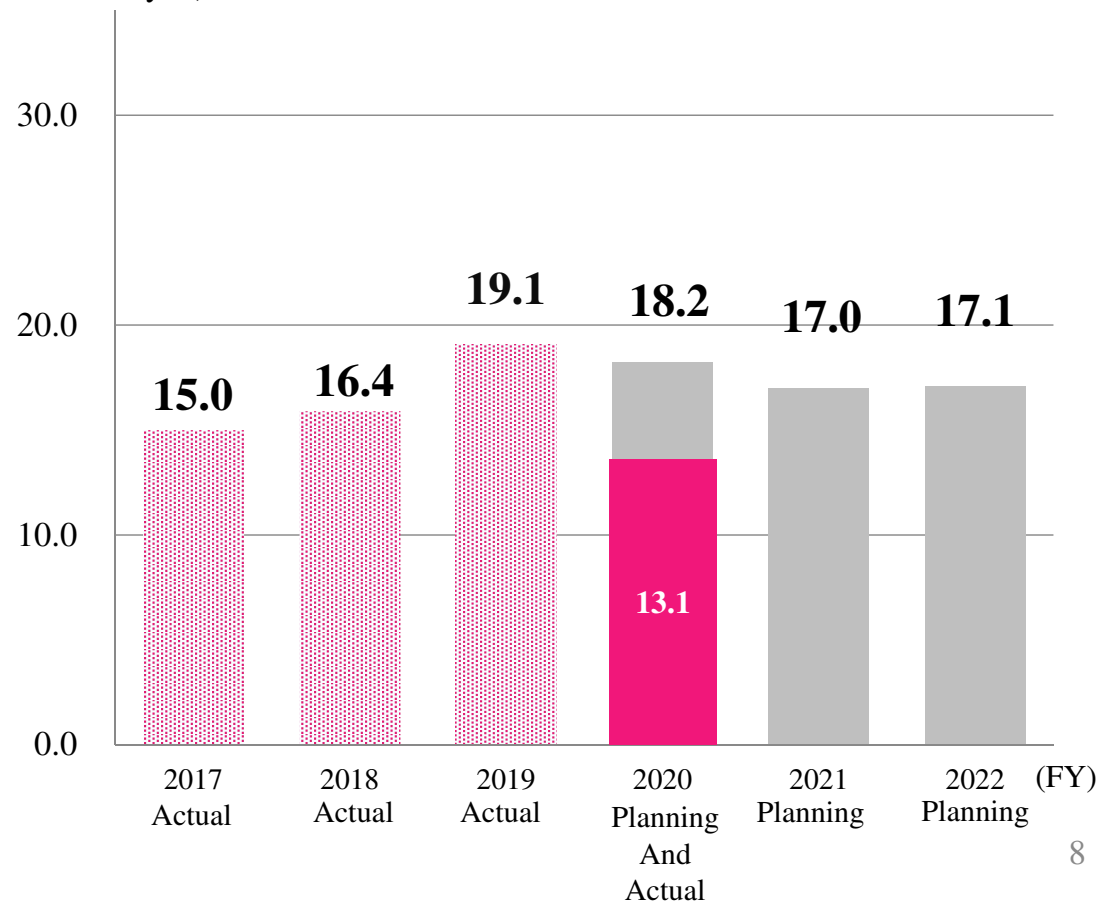
CAPEX amount

(Billions of yen)



Depreciation and amortization

(Billions of yen)



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Nippon TV Financial Results

(Millions of yen)

	FY2019 3rd quarter	FY2020 3rd quarter	Change (%)
Net Sales	227,190	206,854	△9.0
Operating Profit	24,732	21,960	△11.2
Recurring Profit	28,880	25,278	△12.5
Net Income	19,869	37,067	86.6

Net Sales-Nippon TV

(Millions of yen)

	FY2019 3rd quarter	FY2020 3rd quarter	Change (%)
TV advertising revenue	181,945	161,188	△11.4
Program Sales	8,533	8,579	0.5
Events/Content business sales	35,183	35,373	0.5
Real Estate Business	1,528	1,714	12.2
Total	227,190	206,854	△9.0

Nippon TV Advertising Revenue

(Millions of yen)

	FY2019 3rd quarter	FY2020 3rd quarter	Change (%)
TV advertising revenue	181,945	161,188	△11.4
Time	93,180	89,233	△4.2
Spot	88,765	71,954	△18.9

Nippon TV Cost of Sales

(Millions of yen)

	FY2019 3rd quarter	FY2020 3rd quarter	Change (%)
Production costs	72,945	63,663	△12.7
Personnel	16,489	16,259	△1.4
Depreciation and amortization	9,046	8,274	△8.5
Events/content business costs	26,585	25,650	△3.5
Others	77,391	71,046	△8.1
Total	202,458	184,894	△8.7

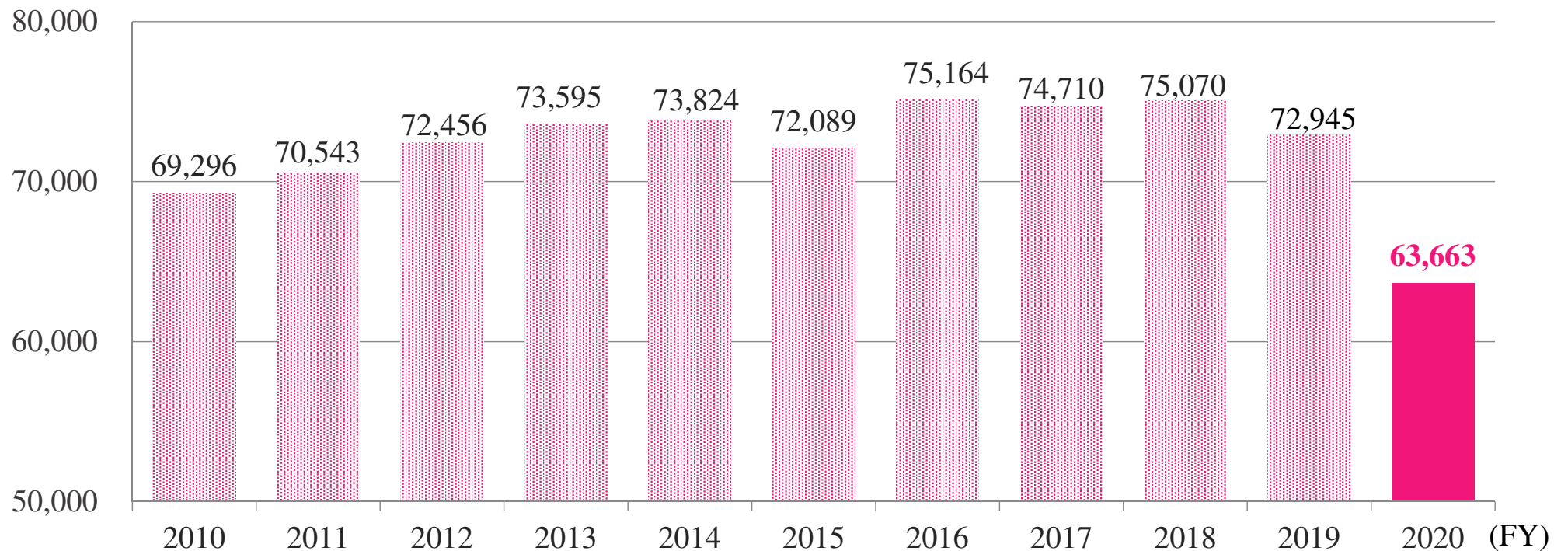
Nippon TV Production Costs

(Millions of yen)

FY2019 3rd quarter	FY2020 3rd quarter	Change (%)
72,945	63,663	△12.7

Production costs (3Q)

(Millions of yen)



Events/Content Business Sales and Costs

(Millions of yen)

		FY2019 3rd quarter	FY2020 3rd quarter			FY2019 3rd quarter	FY2020 3rd quarter
BS,CS,CATV, Other	Sales	7,406	6,423	Events	Sales	3,683	572
	Costs	3,902	3,445		Costs	3,289	768
	Balance	3,504	2,978		Balance	394	△195
Rights	Sales	1,502	1,585	International Business	Sales	1,627	1,790
	Costs	558	424		Costs	602	729
	Balance	944	1,161		Balance	1,025	1,061
Media Commerce	Sales	7,025	9,450	Others	Sales	9,482	7,518
	Costs	6,339	8,084		Costs	7,875	6,608
	Balance	686	1,366		Balance	1,607	910
Movies	Sales	4,458	8,034	Total	Sales	35,183	35,373
	Costs	4,020	5,593		Costs	26,585	25,650
	Balance	438	2,442		Balance	8,598	9,722

Financial Highlights of Other Group Companies ①

(Millions of yen)	BS Nippon Corp.	CS Nippon Corp.	NTV Technical Resources Inc.	NTVAX-ON	NTV Events Inc.	Nippon Television Art Inc.
Net Sales	11,252 (△1.8%)	3,407 (△5.2%)	6,890 (△15.9%)	15,205 (△6.5%)	862 (△66.7%)	4,668 (△23.3%)
Operating Profit (Loss) (△)	1,346 (137.9%)	521 (△14.6%)	△237 (-)	707 (84.8%)	△378 (-)	△164 (-)
Recurring Profit (Loss) (△)	1,386 (134.3%)	527 (△15.0%)	△208 (-)	719 (81.9%)	△376 (-)	△154 (-)
Net Income (Loss) (△)	959 (139.4%)	364 (△14.9%)	△209 (-)	457 (76.5%)	△376 (-)	△154 (-)

(Millions of yen)	Nippon Television Music Corp	VAP Inc.	TIPNESS Limited	NTV Service Inc.	Nippon Television Work 24 Corp	Forecast Communications Corp.
Net Sales	8,850 (△7.7%)	10,556 (7.4%)	14,812 (△46.8%)	2,207 (△21.6%)	3,203 (△2.5%)	2,278 (△3.9%)
Operating Profit (Loss) (△)	1,582 (△2.1%)	1,218 (-)	△4,617 (-)	81 (△16.5%)	162 (△18.7%)	△13 (-)
Recurring Profit (Loss) (△)	1,609 (△2.9%)	1,330 (-)	△4,763 (-)	88 (△16.6%)	137 (△27.7%)	105 (△37.6%)
Net Income (Loss) (△)	1,121 (△2.3%)	1,196 (-)	△12,609 (-)	49 (△16.7%)	145 (-)	103 (△24.5%)

N.B.: Figures in parentheses indicate year-on-year changes. In the case of loss in the previous fiscal year or in the current fiscal year, the percentage change is shown as "-."

Financial Highlights of Other Group Companies ②

(Millions of yen)	NTV IT Produce Corporation	Eiho Produce Corporation	Nittele Seven	TATSUNOKO PRODUCTION Co.Ltd	HJ Holdings LLC	ACM	PLAY
Net Sales	2,605 (△11.4%)	1,448 (△9.7%)	2,722 (15.0%)	1,209 (△6.4%)	21,659 (19.3%)	1,170 (△60.4%)	4,313 (-)
Operating Profit (Loss) (△)	206 (△35.0%)	85 (△17.4%)	170 (129.0%)	54 (-)	882 (△9.0%)	△597 (-)	1,167 (-)
Recurring Profit (Loss) (△)	207 (△34.9%)	75 (△19.9%)	173 (126.4%)	65 (-)	904 (△6.8%)	△574 (-)	1,166 (-)
Net Income (Loss) (△)	134 (△35.0%)	75 (△18.9%)	118 (132.6%)	45 (-)	897 (△8.7%)	△1,407 (-)	703 (-)

N.B.: Figures in parentheses indicate year-on-year changes. In the case of loss in the previous fiscal year or in the current fiscal year, the percentage change is shown as "-."

Percentages of change for PLAY Co., Ltd., which became a consolidated subsidiary in July 2019, are shown as "-."

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Viewer Ratings and Programming Policy

Consolidated Forecast and Dividend Forecast

Consolidated Forecast

(Millions of yen)	FY2019 Actual	FY2020 Forecast	Change (%)
Net Sales	426,599	387,000	△9.3
Operating Profit	43,111	29,500	△31.6
Recurring Profit	49,206	37,000	△24.8
Profit attributable to owners of parent Net income	30,555	20,000	△34.5

Dividend forecast

(Unit: yen)	End of second quarter	Term end	Total
FY2019 (Actual)	10	25	35
FY2020 (Forecast)	10	25	35

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Viewer Ratings and Programming Policy

October Cour Viewer Ratings Points for 2020

Point
1

October 2020 cour Triple Crown for individual ratings and core targets

- Individual ratings Triple Crown for 28 consecutive cours starting from January 2014
- Core targets Triple Crown for 30 consecutive cours from July 2013

Point
2

High viewer ratings for each time zone and target!

- No. 1 in Non-Primetime and Platinum time zones for individuals and core-target
- Overwhelming Triple Crown victory in C, T, F1, F2, M1, and M2 (excluding the elderly)
- Triple Crown victory for 23 Nippon TV regional network broadcasters out of 26

October Cour Viewer Ratings Points for 2020

Point

3

Nippon TV captured 2020 annual Triple Crown title for individual and core viewer ratings!

- **Triple Crown for individual viewer ratings captured for 10 consecutive years since 2011.**
- **4.6% individual rating for All Day is the highest in 17 years since 2003.**
- **Core target Triple Crown for 8 consecutive years since 2013.**

FY2020 Individual Viewer Ratings (interim results)

March 30, 2020- January 31, 2021

	NTV	EX	TBS	TX	CX	PUT
All Day	① 4.6	② 4.2	③ 3.4	⑤ 1.6	④ 3.1	23.5
6:00 to 24:00	+0.3	+0.2	+0.3	+0.2	±0.0	+1.2
Prime Time	① 6.7	② 6.3	③ 5.2	⑤ 3.4	④ 4.7	36.1
19:00 to 23:00	▲0.1	+0.1	±0.0	+0.3	±0.0	+1.3
Golden Time	① 7.1	② 6.1	③ 5.2	⑤ 3.9	④ 4.9	38.3
19:00 to 22:00	±0.0	▲0.1	▲0.1	+0.4	▲0.1	+1.5
Non-Prime Time	① 4.0	② 3.6	③ 2.9	⑤ 1.0	④ 2.6	19.8
All Day – Prime Time	+0.4	+0.2	+0.4	+0.1	±0.0	+1.1
Platinum Time	① 3.6	② 2.5	③ 2.1	⑤ 1.2	④ 1.9	14.3
23:00 to 25:00	+0.2	▲0.1	±0.0	±0.0	±0.0	▲0.1

In order of digital channel, from left. Source for Core Target viewership (Kanto region): Video Research. Period of comparison: April 01, 2019-February 02, 2020

 **Individual ratings Triple Crown for 28 consecutive cours since Jan 2014**

FY2020 core target audience rating (interim results)

March 30, 2020- January 31, 2021

	NTV	EX	TBS	TX	CX	PUT
All Day	① 4.1	④ 1.9	③ 2.0	⑤ 0.7	② 2.4	13.4
6:00 to 24:00	+0.3	+0.2	+0.4	±0.0	▲0.1	+0.8
Prime Time	① 6.5	④ 3.5	② 4.0	⑤ 1.8	② 4.0	23.5
19:00 to 23:00	±0.0	+0.3	+0.4	+0.1	▲0.1	+1.0
Golden Time	① 6.8	④ 3.3	③ 4.0	⑤ 2.0	② 4.1	24.2
19:00 to 22:00	+0.2	+0.2	+0.6	+0.2	▲0.1	+1.4
Non-Prime Time	① 3.5	③ 1.4	③ 1.4	⑤ 0.4	② 2.0	10.5
All Day – Prime Time	+0.5	+0.1	+0.3	±0.0	▲0.1	+0.7
Platinum Time	① 3.7	② 2.4	④ 1.7	⑤ 0.8	③ 2.0	11.9
23:00 to 25:00	±0.0	▲0.1	▲0.1	±0.0	±0.0	▲0.7

In order of digital channel, from left. Source for Core Target viewership (Kanto region): Video Research. Period of comparison: April 01, 2019 – February 02, 2020

- ☑ Core target: Nippon TV's original index of men and women aged 13-49, or the "strike zone" consisting of people in school and at work that our clients seek to reach
- ☑ Triple Crown for 30 consecutive cours since July 2013, leaving second placer way behind

Ranking Based On Number of Viewers (April 1st week to December 5th week)

		Title	Minutes	Broadcasters	Total Viewers (millions)	Average Viewers (millions)
1	Jan 03	Hakone Ekiden	388	30	52.661	19.883
2	Jan 02	Hakone Ekiden	375	30	49.889	18.076
3	Apr 05	Battle to Become "Nippon TV's No. 1" (2020 Spring)	234	30	48.340	12.931
4	Apr 04	Shimura Zoo	114	29	43.264	22.236
5	Sep 12	THE MUSIC DAY 2020 Part 3	234	29	43.264	13.293
6	Apr 29	Ask 100 Million People! Waratte Koraete!	174	29	41.693	14.623
7	Oct 04	Battle to Become "Nippon TV's No. 1" (2020 Autumn)	234	30	40.972	10.364
8	Dec 31	Gaki no Tsukai	150	28	40.611	17.714
9	Dec 26	Arashi ni Shiyagare	234	29	40.128	14.943
10	Aug 23	24-Hour Television 43 PART 5	259	31	40.001	10.393

March 30, 2020 – January 03, 2021/Individuals 4+ years old, /Only Nippon TV/highest viewership on date shown for regular programs and one-offs. /Source: Video research

- ✓ **Average number of viewers nationwide:** Estimated average number of viewers for the entire program
- Total views:** Estimated number of viewers who watched for a minute or more
- ✓ **Hakone Ekiden** acquired the highest viewership on both routes, with approximately 50 million people viewing for more than a minute. “
- ✓ Results prove terrestrial TV’s reach is superior to other media

APRIL 2020 Programming Strategy Themes

[Programming Strategy Themes]

★ **Address COVID-19-related lifestyle changes to the max with timetable that "delivers"**

- **consumer needs always come first**
- **create a Nippon TV timetable that guides people to life "after corona"**
- **promote streaming and other multiplatform strategies**

-
- ① **Strengthen Golden and Prime Time viewer ratings**
 - ② **Optimize programming strategy for BC/Platinum Time**
 - ③ **Renewal of weekday morning back-to-back programs (including MC change)**

Nippon TV Multi-Platform Deployment Successes

- Popular variety show

12/31 streaming on Hulu for catch-up viewing

⇒ Acquired new members and broke record on first day acquisitions for variety shows



- Wednesday evening drama beginning Jan: "Date My Daughter!"

⇒ First episode (Jan 13) catch-up viewing offered on TVer and Nittele TADA
Viewed approximately 2.4 million times to become No. 1 in the history of Nippon TV's Wednesday dramas



- 99th ALL JAPAN HIGH SCHOOL SOCCER TOURNAMENT

Area Tournament Final & National Tournament

(TVer and official websites) * LIVE & catch-up total

⇒ Total number of plays: 8,820,000 times; Total number of viewers: 2,340,000 (both record highs)

- Monetize through "program-linked online live performances" in COVID times

★ "Ariyoshi's Wall" KOUGU ISHIN LIVE Events (Hulu)

★ "DASADA" Hinatazaka 46: Dramas read on stage & fashion show & live performance, held online (Hulu, BARON, etc.)



Reference Materials for Financial Results

Segment Results

(Millions of yen)

FY2020 3rd quarter	Reportable segments				Others	Total	Adjustment	Consolidated Income Statement Amount recorded
	Media Content Business	Life and Health Related Business	Real estate Related business	Total				
Net Sales	264,579	14,812	7,717	287,109	4,922	292,031	△8,265	283,766
Segment profit (Loss) (△)	27,189	△5,345	2,836	24,681	293	24,974	△736	24,237

Business Segments	Main Business
Media Content Business	Sales of TV advertising space, Video On Demand, and BS,CS,CATV,Other businesses, Royalty Sales for video, music, etc., sales of packaged media, etc., TV-shopping, Planning and operation of Movies business, Events and art exhibition business, and theme parks, Contract production of content
Life and Health Related Business	Operation of fitness clubs
Real estate-related businesses	Real estate leasing, building management, and solar power generation businesses

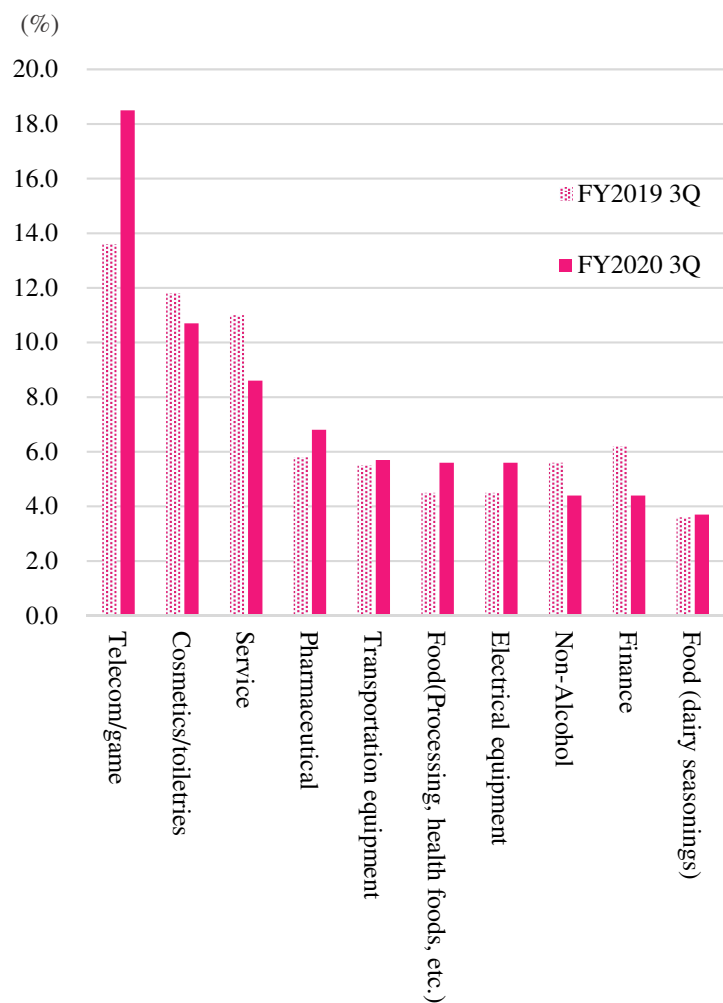
TV advertising Revenue YoY

(Millions of yen)

Time	FY2019 (%)	FY2020 (%)	Spot	FY2019 (%)	FY2020 (%)
April	△3.2	△2.4	April	△1.9	△24.7
May	△2.1	1.9	May	△11.2	△40.2
June	△10.9	△3.1	June	△5.9	△47.5
July	△5.8	△3.8	July	△4.5	△32.6
August	0.9	0.6	August	△7.7	△26.4
September	9.2	△11.6	September	△10.5	△18.5
October	8.7	△10.2	October	△15.7	3.4
November	0.2	0.1	November	△10.2	0.4
December	0.0	△8.0	December	△7.2	11.6

Spot Sales - Terrestrial Broadcasting(Nippon TV)

		FY2019 3rd quarter	Share (%)	Chg (%)	FY2020 3rd quarter	Share (%)	Chg (%)
	1	Telecom/game	13.6	6.4	Telecom/game	18.5	10.3
	2	Cosmetics/ Toiletries	11.8	△19.9	Cosmetics/toiletries	10.7	△ 26.4
	3	Service	11.0	△8.7	Service	8.6	△ 36.8
	4	Finance	6.2	△8.4	Pharmaceuticals	6.8	△ 5.1
	5	Pharmaceuticals	5.8	△13.4	Transportation equipment	5.7	△ 16.6
	6	Non-Alcohol	5.6	△4.9	Food <Processed, Health foods, etc.>	5.6	0.1
	7	Transportation equipment	5.5	△2.1	Electrical equipment	5.6	△ 0.4
	8	Box-office/ Entertainment	5.0	△8.4	Non-Alcohol	4.4	△ 35.9
	9	Electrical equipment	4.5	5.9	Finance	4.4	△ 42.5
	10	Food <processing · Health foods, etc. >	4.5	2.9	Food products <Dairy Products Seasonings>	3.7	△ 17.0



NOTE: Year-on-year percentage changes. Figures are internally managed figures.

Overview of HJ Holdings

① Net sales grew 19% year-on-year in the third quarter of fiscal 2020

- Due to Covid-19 related lifestyle changes, streaming business is healthy
- New subscribers also remained strong, continuing from 2Q

② Major expansion of variety program streaming and optimized usage of archives

- Started streaming hit variety shows such as "The Quest", "The Most Useful School in the World" and "Ariyoshi Seminar" in 3Q
- First-time streaming of the mega-hit drama "Gokusen"
- "Don't laugh" series 18 titles made available all at once

③ Hulu originals of hit terrestrial dramas and movies

- Original story of dramas "#RemoteLove" and "A Girl of 35" streamed
- Popular YouTuber Tokai On Air Corp. Featured on terrestrial and Hulu
- Director Yuichi Fukuda's movie was spun off into an original story "New Interpretation Sangokushi" and streamed
- Launched a library of "the best of 'The Quest'" clips for fans to enjoy
- Streamed the complete live performance of "MISIA Music Special"

④NiziU related content remained strong

- **New content "We NiziU!" contributing significantly to membership acquisition**
- **Streamed a complete version linked to terrestrial variety show "We NiziU TV!" in a first-time endeavor**

⑤Popular anime drove successful acquisition of new members

- **Movie “Kimetsu no Yaiba” became a social phenomenon and Hulu's streaming of its anime version contributed to new subscribers**
- **"Detective Conan", "Jujutsu Kaisen" and others increased subscribers who are anime fans**

⑥ **New initiatives through live sports**




- **Ricoh Cup was Hulu's first golf streaming; streamed from multiple holes simultaneously**
- **Japan Series baseball succeeded in acquiring new members**
- **Started streaming professional basketball "B League"**

⑦ **Major expansion of live performances at Hulu Store (TVOD)**

- **Various popular musicians, live**
- **Live streaming of musical "KOUGU ISHIN" which was born out of "Ariyoshi's Wall"**



2021 Major Lineups in Movies Business

☆ Lead organizer is Nippon TV ★=Co-organized with Nippon TV

Date	Title	Distributor	
March 19, 2021	☆ Caution, Hazardous Wife The Movie	TOHO	
April 16, 2021	DETECTIVE CONAN The Scarlet Bullet	TOHO	
June 25, 2021	Anpanman Fuafua Fuwarii to Kumonokuni (working title)	TOKYO THEATRE	

2021 Major Lineups in Movies Business

☆ Lead organizer is Nippon TV ★=Co-organized with Nippon TV

Date	Title	Distributor	
2021 SUMMER	★ Belle	TOHO	
TBA	★ THE FABLE 2 (working title)	SHOCHIKU	

Event Lineup for 2021

※Due to COVID-19, events may be postponed or canceled

Date

Event

[Tokyo]

From Saturday, November 21 to
Sunday, April 4, 2021

Ancient Egypt

The Creation of the World



[Tokyo]

From Saturday, April 24 to
Monday, May 10, 2021

Marumiya Musical

Annie



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Event Lineup for 2021

※Due to COVID-19, events may be postponed or canceled

Date	Event
<p>[Tokyo] From Tuesday, May 4 to Friday, May 28, 2021</p>	<p><u>Makaitensyo</u></p>  <p>魔界転生</p>
<p>[Tokyo] From Wednesday, June 9 to Monday, September 6, 2021</p>	<p><u>FASHION IN JAPAN 1945-2020</u></p>  <p>FASHION IN JAPAN 1945-2020 ファッション イン ジャパン 1945-2020—流行と社会</p>

Event Lineup for 2021

※Due to COVID-19, events may be postponed or canceled

Date

Event

[Tokyo]

From Saturday, August 21 to Sunday, December 5, 2021

“WHO IS BANKSY ?” EXHIBITION



YouTube channel super-features a Nippon TV events producer!!



Precisely because we can't meet a lot of clients due to the COVID-19 disaster, we want them to remember how much fun events are! This, and our desire to energize them, drove us to come out from behind the scenes! Events producers usually stay in the background, but now we will step out and offer various information, sometimes seriously but also in a laid-back manner.

