

Fiscal 2020 Financial Results

May 18, 2021

Nippon Television Holdings, Inc.

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Fiscal 2020 Overview of Financial Results

Financial Results Details & Fiscal 2021 Outlook

Corporate Governance Reforms

Fiscal 2021 Management Policy

Content Business Strategy

Fiscal 2020 Key Points of Financial Results

Point
1

Fiscal 2020 consolidated net sales and net income declined due to COVID-19. Sales and profits at all stages improved better than 3Q outlook.

- Ad sales improved significantly in 2H to shrink the drop in net sales
- Meticulous COVID-19 cost controls were a success

Point
2

Advertising sales share hit a record; digital business is robust

- Advertising sales share reached an all-time high of 30%.
- Hulu sales up over 20% yoy; achieving steady subscriber growth
- “From Today, It’s My Turn!!” “The Untold Tale of the Three Kingdoms” hit 2nd and 3rd highest, respectively, in domestic box office sales

Point
3

COVID-19 effects

- TIPNESS Limited goodwill impairment and store impairment losses booked
- Gain from sale of investment securities booked
- Appraisal loss (production costs) related to Tokyo Olympics rights booked

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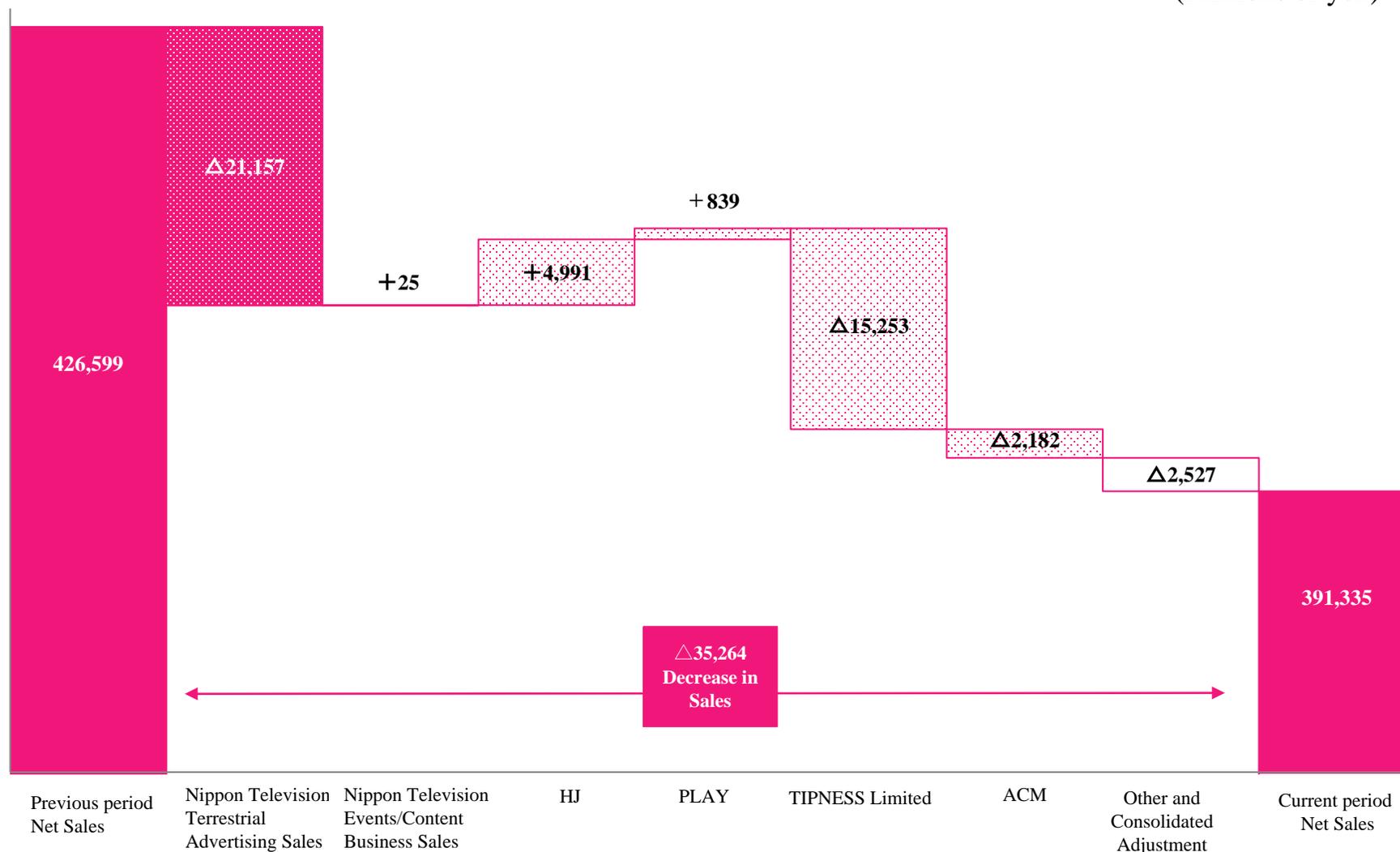
FY2020 Consolidated Financial Results

(Millions of yen)

	FY2019	FY2020	Change (%)
Net Sales	426,599	391,335	△8.3
Operating Profit	43,111	34,526	△19.9
Recurring Profit	49,206	42,944	△12.7
Net Income attributable to owners of the parent	30,555	24,042	△21.3

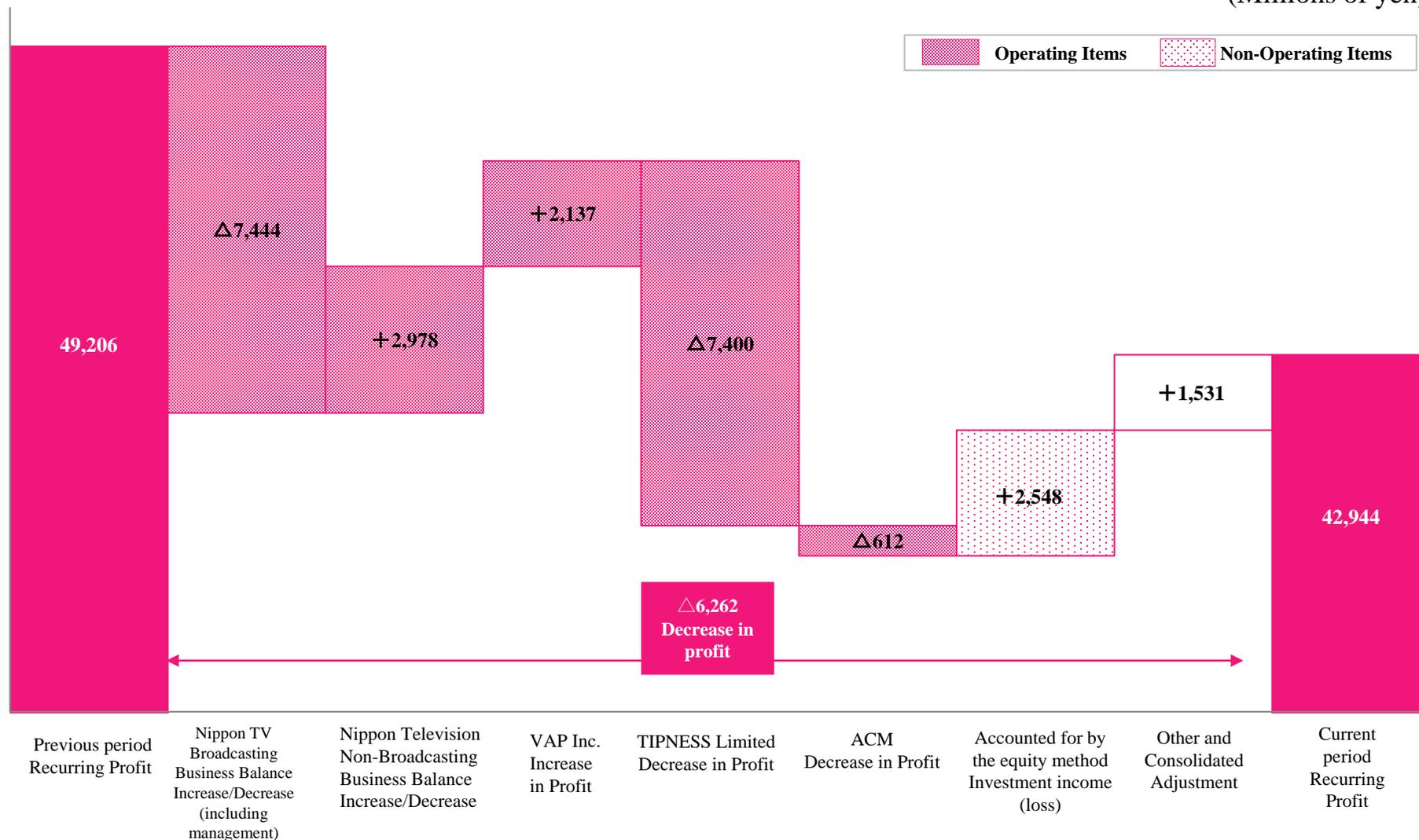
Net Sales YoY Change Components

(Millions of yen)



Recurring Profit YoY Change Components

(Millions of yen)

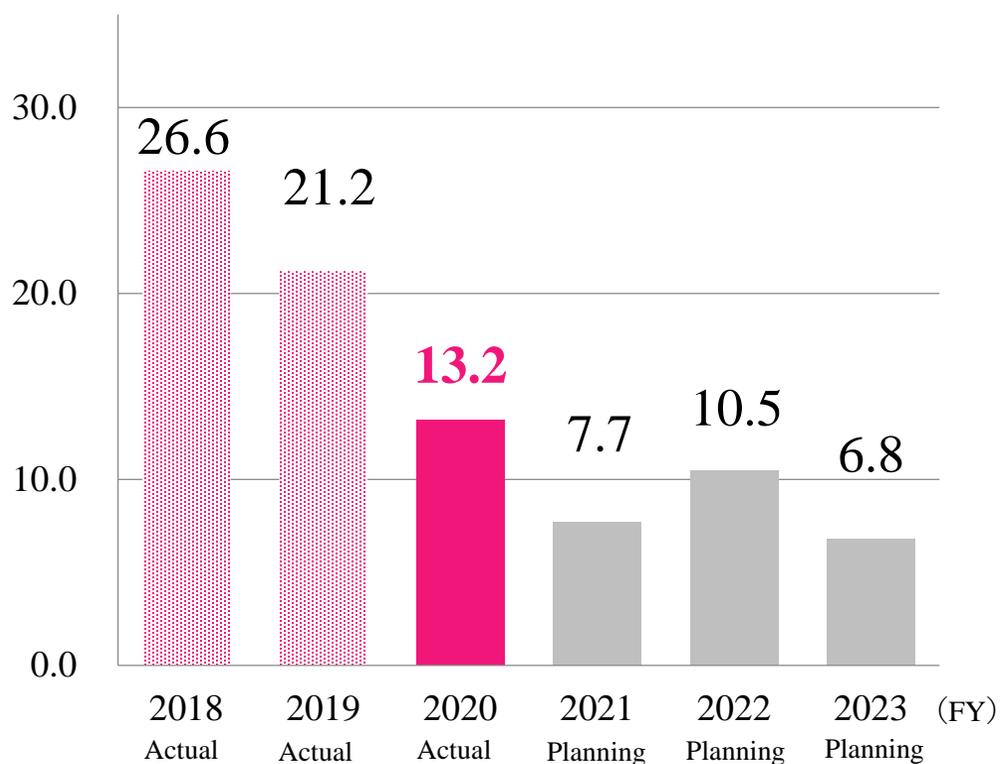


CAPEX and Depreciation (Consolidated)

FY2020 (Unit: Billions of yen)	CAPEX amount	Depreciation and amortization
		13.2

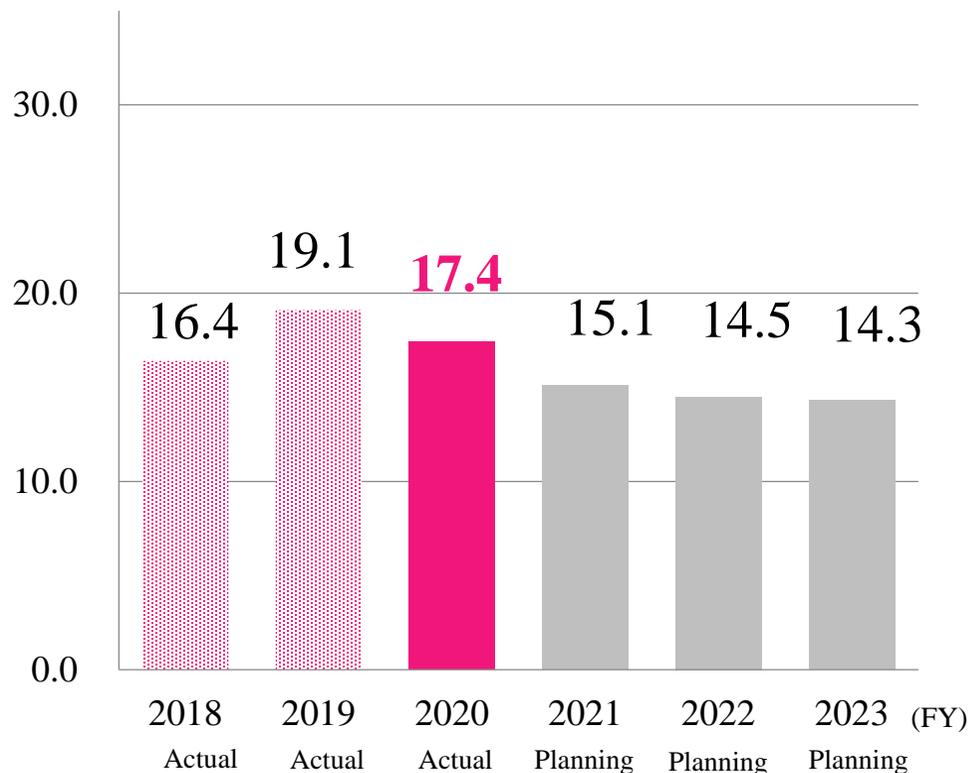
(Billions of yen)

CAPEX amount



(Billions of yen)

Depreciation and amortization



Nippon TV Financial Results

(Millions of yen)

	FY2019	FY2020	Change (%)
Net Sales	307,271	286,314	△6.8
Operating Profit	37,340	32,922	△11.8
Recurring Profit	41,853	36,429	△13.0
Net Income	28,214	43,718	55.0

Net Sales-Nippon TV

(Millions of yen)

	FY2019	FY2020	Change (%)
TV advertising revenue	247,959	226,802	△8.5
Program Sales	11,415	11,342	△0.6
Events/Content business sales	45,844	45,870	0.1
Real Estate Business	2,052	2,300	12.1
Total	307,271	286,314	△6.8

Nippon TV Advertising Revenue

(Millions of yen)

	FY2019	FY2020	Change (%)
TV advertising revenue	247,959	226,802	△8.5
Time	125,706	121,016	△3.7
Spot	122,252	105,786	△13.5

Nippon TV Cost of Sales

(Millions of yen)

	FY2019	FY2020	Change (%)
Production costs	95,245	88,421	△7.2
Personnel	21,848	21,616	△1.1
Depreciation and amortization	12,306	11,139	△9.5
Events/content business costs	35,169	33,169	△5.7
Others	105,360	99,044	△6.0
Total	269,931	253,391	△6.1

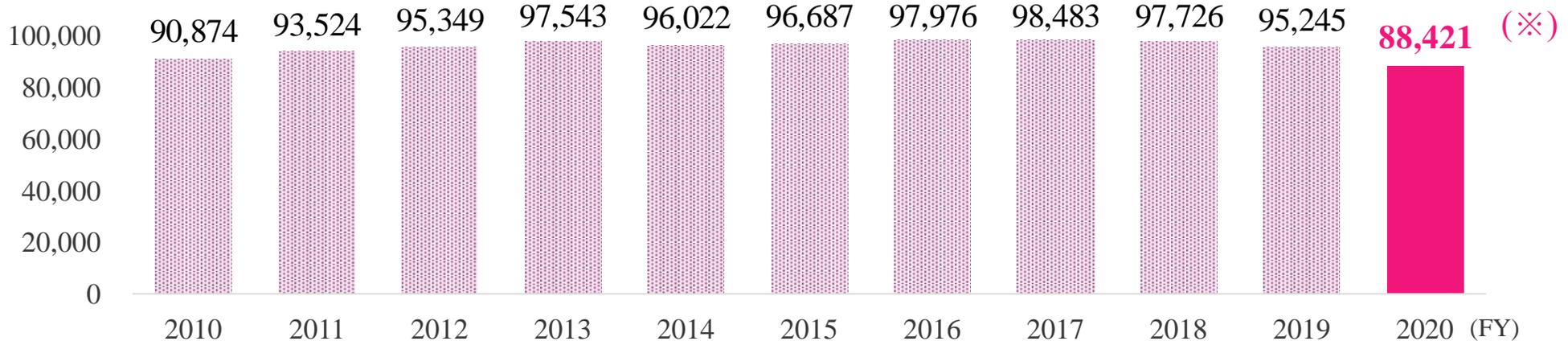
Nippon TV Production Costs

(Millions of yen)

FY2019	FY2020	Change (%)
95,245	88,421	△7.2

Production costs

(Millions of yen)



(※) Valuation loss of ¥3.1 billion from 2020 Tokyo Olympics and Paralympics included.

Events/Content Business Sales and Costs

(Millions of yen)

		FY2019	FY2020			FY2019	FY2020
BS,CS,CATV, Other	Sales	9,318	8,341	Events	Sales	4,322	739
	Costs	4,893	4,465		Costs	3,916	905
	Balance	4,425	3,876		Balance	406	△166
Rights	Sales	2,217	2,285	International Business	Sales	2,470	2,722
	Costs	953	650		Costs	1,128	1,202
	Balance	1,263	1,636		Balance	1,342	1,520
Media Commerce	Sales	9,106	11,341	Others	Sales	11,621	10,230
	Costs	8,234	9,876		Costs	9,881	8,879
	Balance	872	1,465		Balance	1,741	1,351
Movies	Sales	6,791	10,210	Total	Sales	45,844	45,870
	Costs	6,165	7,193		Costs	35,169	33,169
	Balance	626	3,017		Balance	10,674	12,700

Financial Highlights of Other Group Companies ①

(Millions of yen)	BS Nippon Corp.	CS Nippon Corp.	NTV Technical Resources Inc.	NTV AX-ON	NTV Events Inc.	Nippon Television Art Inc.
Net Sales	15,232 (△0.1%)	4,566 (△4.0%)	9,432 (△12.1%)	21,104 (△4.8%)	1,478 (△55.3%)	6,609 (△16.3%)
Operating Profit (Loss) (△)	1,845 (81.0%)	688 (△14.3%)	△130 (-)	930 (16.9%)	△410 (-)	△132 (-)
Recurring Profit (Loss) (△)	1,890 (80.1%)	695 (△14.7%)	△95 (-)	947 (16.5%)	△396 (-)	△120 (-)
Net Income (Loss) (△)	1,312 (84.9%)	481 (△14.6%)	△69 (-)	681 (23.4%)	△473 (-)	△86 (-)

(Millions of yen)	Nippon Television Music Corp	VAP Inc.	TIPNESS Limited	NTV Service Inc.	Nippon Television Work 24 Corp	Forecast Communications Corp.
Net Sales	11,953 (△5.0%)	13,373 (△0.1%)	20,628 (△42.5%)	2,990 (△14.5%)	4,272 (△5.8%)	3,144 (△5.4%)
Operating Profit (Loss) (△)	2,034 (1.8%)	646 (-)	△6,587 (-)	67 (293.6%)	151 (△26.6%)	△31 (-)
Recurring Profit (Loss) (△)	2,071 (1.3%)	884 (-)	△6,797 (-)	76 (162.8%)	114 (△42.6%)	156 (△50.9%)
Net Income (Loss) (△)	1,510 (13.5%)	531 (-)	△17,940 (-)	30 (137.9%)	161 (-)	296 (10.5%)

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	3,420 (△16.4%)	2,340 (3.7%)	3,371 (14.0%)	1,644 (1.3%)	29,420 (20.6%)	1,855 (△54.1%)	5,920 (-)
Operating Profit (Loss) (△)	238 (△40.4%)	112 (△23.6%)	146 (204.9%)	△65 (-)	560 (34.2%)	△688 (-)	1,502 (-)
Recurring Profit (Loss) (△)	240 (△40.1%)	98 (△26.5%)	151 (195.6%)	△52 (-)	584 (34.6%)	△651 (-)	1,499 (-)
Net Income (Loss) (△)	151 (△43.2%)	98 (△25.9%)	104 (200.2%)	△35 (-)	602 (△11.8%)	△1,403 (-)	863 (-)

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 "-."

Consolidated Forecast and Dividend Forecast

(Millions of yen)	FY2020 Actual	FY2021 Forecast	Change (%)
Net Sales	391,335	392,000	0.2
Operating Profit	34,526	35,000	1.4
Recurring Profit	42,944	41,000	△4.5
Profit attributable to owners of parent Net income	24,042	28,000	16.5

(Unit: yen)	End of second quarter	Term end	Total
FY2020 (Actual)	10	25	35
FY2021 (Forecast)	10	25	35

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Fiscal 2021 Corporate Governance Reforms

New Officers

At least 1/3 of the Board will be made up of independent outside directors

At least 1/3 of the Board of Directors will be made up of independent outside directors, as required by Corporate Governance Code 4-8, scheduled to be amended this year.

Independent outside directors:
3 out of 12



Independent outside directors:
4 out of 9

Fiscal 2021 Management Policy

FY2021 is a crucial year that serves as a stepping stone to make remarkable advancements in the 2020s, as stated in the New Growth Strategy announced in November 2020.

Initiatives for FY2021 will be based on the following four pillars, inspired by the current Medium-Term Management Plan's slogan "More than just TV."

- 1. Accelerate digital business initiatives**
- 2. Promote businesses that are resilient to COVID-19**
- 3. Enhance and raise the standard of group businesses**
- 4. Contribute to a sustainable future**

1. Accelerate Digital Business Initiatives

◆ Achieve consolidated revenue worth ¥100 billion from digital businesses in 2023

- Include "content strategy expense" in budget

- Bolster TVer live streaming

- Expand Hulu pay-per-view content

- Strengthen terrestrial data-driven sales and enhance ability to roll out advertisements that leverage both broadcast and communication

2. Promote Businesses Resilient to COVID-19

◆ Anticipate long-term effects of COVID-19

- **Speed-up digital transformation of media and content**
- **Digitize communication tools used in infotainment and news programs**
- **Advance the development of new production systems that operate completely online**

3. Enhance & Raise Standard of Group Businesses

◆ **Grow the revenue share of non-broadcasting businesses to over 50% by the middle of the 2020s**

■ **Pursue governance meticulously through policies that encourage supervision and dialog**

■ **TIPNESS new initiatives**

■ **PLAY's video solutions business**

4. Contribute to a Sustainable Future

◆ **Aware of our key mission as a news organization**

- **Enhance “Good for the Planet Week” with all programs delivering information that helps bring forth a sustainable society**
- **Initiatives that the group will pursue as a whole to bring forth sustainability**
- **Establish specific policies that address issues such as greenhouse gas reduction**

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FY2020 Individual Viewer Ratings

March 30, 2020 – March 28, 2021

	NTV	EX	TBS	TX	CX	PUT
All Day	① 4.6	② 4.1	③ 3.4	⑤ 1.6	④ 3.1	23.3
6:00 to 24:00	+0.2	±0.0	+0.2	+0.2	±0.0	+0.9
Prime Time	① 6.6	② 6.2	③ 5.1	⑤ 3.4	④ 4.7	35.9
19:00 to 23:00	▲0.2	▲0.1	▲0.2	+0.3	▲0.1	+0.9
Golden Time	① 7.0	② 6.1	③ 5.2	⑤ 3.9	④ 4.8	38.1
19:00 to 22:00	▲0.2	▲0.1	▲0.1	+0.5	▲0.2	+1.1
Non-Prime Time	① 4.0	② 3.5	③ 2.9	⑤ 1.0	④ 2.6	19.7
All Day – Prime Time	+0.3	+0.1	+0.3	+0.1	±0.0	+0.9
Platinum Time	① 3.5	② 2.5	③ 2.0	⑤ 1.2	④ 1.9	14.3
23:00 to 25:00	+0.1	▲0.2	▲0.2	±0.0	±0.0	▲0.2

In order of digital channel, from left. Source for Core Target viewership (Kanto region): Video Research. Period of comparison: April 01, 2019- March 29, 2020

 **Fiscal Triple Crown Champion for individual ratings for 8 consecutive years since 2013**

FY2020 core target audience rating

March 30, 2020 – March 28,2021

	NTV	EX	TBS	TX	CX	PUT
All Day	① 4.1	④ 1.9	③ 2.0	⑤ 0.7	② 2.4	13.2
6:00 to 24:00	+0.3	+0.1	+0.3	±0.0	▲0.1	+0.4
Prime Time	① 6.4	④ 3.5	② 4.0	⑤ 1.8	② 4.0	23.2
19:00 to 23:00	▲0.2	+0.2	+0.3	+0.1	▲0.1	+0.5
Golden Time	① 6.7	④ 3.3	③ 3.9	⑤ 2.0	② 4.1	23.9
19:00 to 22:00	±0.0	+0.2	+0.4	+0.2	▲0.2	+0.8
Non-Prime Time	① 3.4	③ 1.4	③ 1.4	⑤ 0.4	② 2.0	10.4
All Day – Prime Time	+0.3	+0.1	+0.3	±0.0	▲0.1	+0.4
Platinum Time	① 3.6	② 2.4	④ 1.7	⑤ 0.8	③ 2.0	11.8
23:00 to 25:00	▲0.2	▲0.1	▲0.1	±0.0	±0.0	▲0.9

In order of digital channel, from left. Source for Core Target viewership (Kanto region): Video Research. Period of comparison: April 01,2019 – March 29, 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
- ✓ Fiscal Core Target Triple Crown Champion for 9 consecutive years since 2012

Nippon TV Multi-Platform Deployment Successes

● Nippon TV-Hulu co-developed drama "Love You as the World Ends"

A co-production scheme to create an original zombie drama that captivates core fans.

Season 1 (10 eps) aired on linear platform .

↓ Post-linear, we aimed for total reach by rolling out on Hulu & TVer for catch-up viewing

Hulu: after the linear final episode, season 2 (6 eps) was streamed on Hulu

⇒ #1 views on Hulu for 6 consecutive weeks;

Broke record as the biggest-ever hit in the Hulu original domestic drama category

⇒ **Achieved drastic increase in new Hulu subscribers**

⇒ **A Hulu original season 3 has been announced**



FY2020 HJ Holdings Overview

◆ FY2020 net sales increased 20% yoy

Digital business continues to boom, driven partly by lifestyle changes due to COVID-19

◆ Paid subscribers increased dramatically

Organic increase in subscribers during the fiscal year marked a historic record

◆ Top 3 titles that contributed to new subscribers

#1: NiziProject #2: "Love You as the World Ends" #3: "From Today, It's My Turn!!"



Became a social phenomenon at an unprecedented scale due to tie-up with linear broadcast



Post-linear season 2 was streamed as a Hulu original



Became the talk of the town through tie-up with a smash hit movie

HJ Holdings in FY2021

◆ Hulu original content enhancement

- Original content lineup available only on Hulu, also in FY2021

◆ Stronger tie-ups with Nippon TV linear platform

- Large-scale expansion of catch-up viewing for linear platform shows
- Create derivatives of linear shows and offer as original content
- Drive viewers to Hulu by advertising content on linear platform

◆ Offer online live performances as a new viewing experience

- Launched Hulu store business (TVOD) in June 2020
- TVOD live streaming of performances are a pathway to encouraging the switch to SVOD subscription. We will also offer TVOD live shows that SVOD subscribers will find enticing.

◆ New communication methods like viewing parties

- Begin offering a chat service where users can communicate while watching
- Provide new ways of enjoying SVOD content

FY2021 Key Content Business Strategy



● Film Business

• "Belle" in theaters July 2021

A new work by animation director Mamoru Hosoda, the pride of Japan. Our entire group will join forces to promote this title and ensure box office success. Talks are underway with overseas distributors and secondary use such as streaming are in the works to make this a global hit.

• "Your Turn to Kill" in theaters December 2020

Continuing on the success of "From Today, It's My Turn!!" in summer 2020 (box office revenue of ¥5.37 billion), "Your Turn to Kill" will be another smash hit drama adapted into a movie. Our aim is to make it the #1 box office blockbuster during the New Year's holidays. With a company-wide promotional effort and tie-ups with the linear and streaming platforms, our goal is to make this a bigger hit than its original drama version.



• "KINGDOM" sequel in production

FY2021 Key Content Business Strategy



©Hiro Mashima/KODANSHA・NTV

● Anime

• "EDENS ZERO" out April 2021

It's been a while since we had a large-scale anime (2 cours, nationwide broadcast), and we've already obtained a big overseas deal even before it hits the airwaves.



English title "Mute it!"

● International Business Development

- In its special report, UK-based international media consultancy firm K7 revealed the Top Exporter of Asian Unscripted Formats 2020-2021, in which Nippon TV placed 3rd to become the only Japanese company to make the rankings.
- Strong format sales focus on Europe and the Americas, enjoying partnerships with major distributors. FY2020 saw many of the new enticing ideas we struck deals on get produced.

FY2021 Key Content Business Strategy

● Media Commerce Business

- **E-commerce business is on the upswing, with a growing lineup of merchandise tied to programs and other businesses.**

Aiming to achieve sales of over ¥10 billion for the 2nd straight year by discovering hit items and securing slots early.

● Develop Human IP

- **Create the next “NiziU” and expand into derivatives including programs, music, online entertainment such as live performances, merchandise, and more.**
- **Increase joint businesses with entertainment companies such as LDH and Sony Music Entertainment.**

※ Human IP (intellectual property), in a broad sense, sees the development of IP not only through content but also through artists and idols.

● Event Business

- **“Who is Banksy? Exhibition” hones in on the true persona of this artist who the world can't stop talking about.**
August 21-December 5 in Tokyo
- **Exploring new ways to hold events digitally.**



バンクシー《風船と少女》 Girl with Balloon (diptych)

Nippon TV's New Businesses ~8 in operation~

● Nittele HR — educating human resources

⇒ Breakthrough methods that utilize our live broadcast expertise to conduct online trainings, as well as educational videos.

⇒ Sales up 2.4x yoy; profitable throughout the year.

⇒ Using our specialized videos, we teach 4,700 students annually through HR educational programs of 51 corporate clients as of FY2020.



● VTuber Business

⇒ World's largest VTuber network V-Clan boasts over 100 of the hottest VTubers.

⇒ Hosted 6 events and took 14 tie-up requests.

Sales up over 17x yoy; profitable throughout the year.

⇒ VILLS event was trending at #1 on Twitter.



● eSports Business

(eSports show "eGG" pro eSports team AXIZ)

⇒ Grown into a large pro eSports team with about 30 pro players and coaches.

⇒ Sponsorships, prize money, appearance fees, streamings, etc. yielded profitability throughout the year.



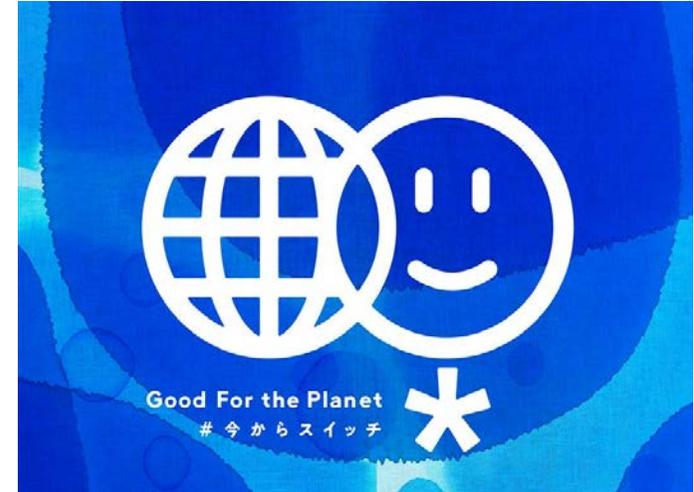
"Good for the Planet" Week

● Overview

With the 17 **SDGs** at its core, this week is all about thinking with our viewers what we can do for people, our lifestyles, society, and the future. Initiated in 2020, "Good for the Planet" will be enhanced into a full week this year with 41 shows spanning various genres distributing information on what's **good for the future and the Earth** through a wide range of topics. Social media initiatives allowing nationwide participation are also in store.

Entertainment shows like "The Tetsuwan Dash" and news and infotainment programs will continue this initiative **throughout the year**.

- This year's theme: **#switchnow**
- Timeframe: **May 31 (Mon) - June 6 (Sun)**
- Personalities: **TOKIO**
- Special sponsor: **Kanna Hashimoto**
- Special ambassador: **Ebizo Ichikawa**



Reference Materials for Financial Results

Segment Results

(Millions of yen)

FY2020	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	364,375	20,628	10,307	395,311	6,956	402,268	△10,933	391,335
Segment profit (Loss) (△)	38,624	△7,264	3,715	35,075	349	35,424	△898	34,526

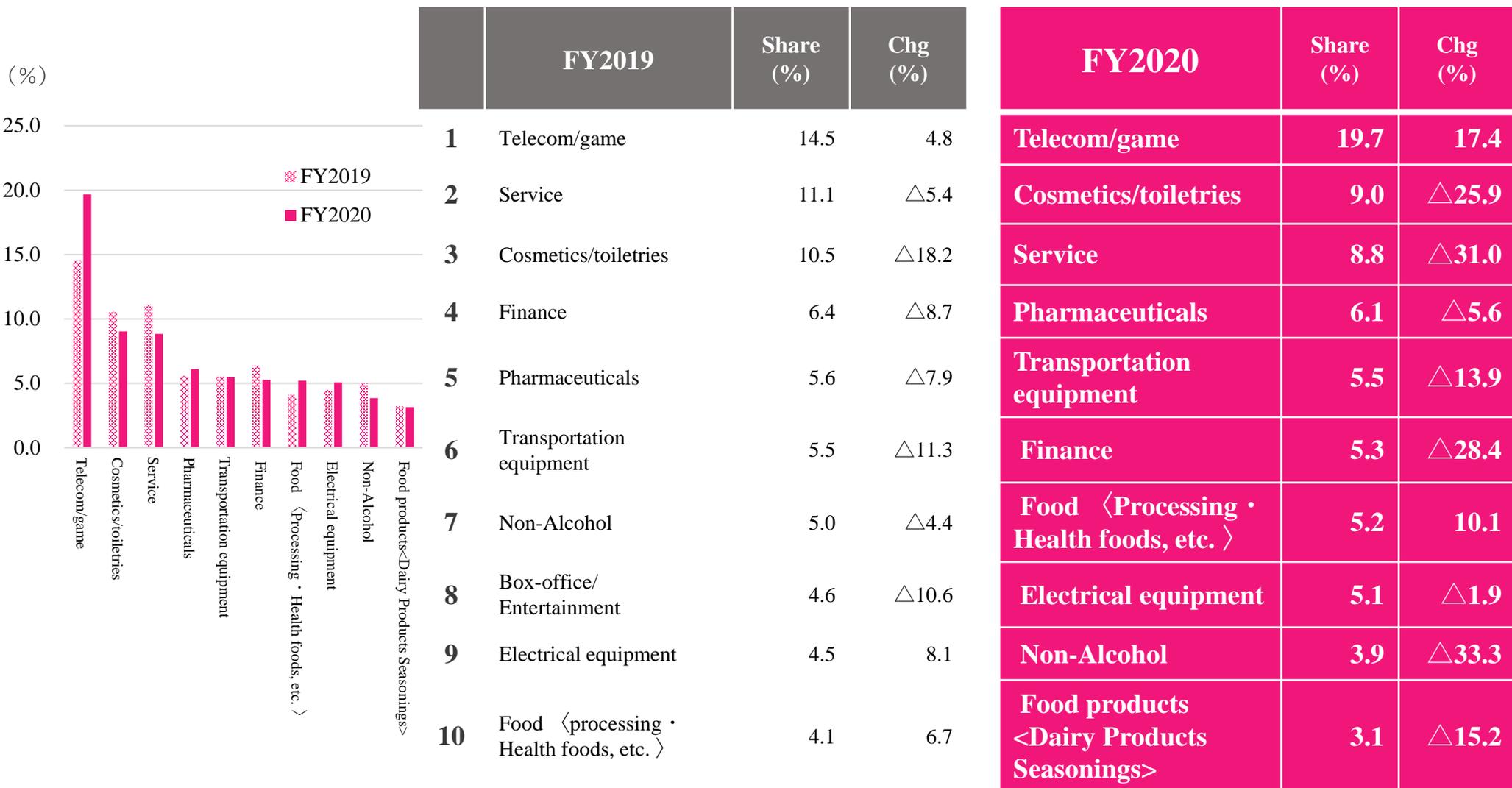
Business Segments	Main Business
Media Content Business	Sales of TV advertising space, Video On Demand, and BS,CS,CATV,Other businesses, Royalty Sales for video, music, etc., sales of packaged media, etc., TV-shopping, Planning and operation of Movies business, Events and art exhibition business, and 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

Time	FY2019 (%)	FY2020 (%)
April	△3.2	△2.4
May	△2.1	1.9
June	△10.9	△3.1
July	△5.8	△3.8
August	0.9	0.6
September	9.2	△11.6
October	8.7	△10.2
November	0.2	0.1
December	0.0	△8.0
January	2.9	△2.5
February	6.0	△3.3
March	△5.7	△1.0

Spot	FY2019 (%)	FY2020 (%)
April	△1.9	△24.7
May	△11.2	△40.2
June	△5.9	△47.5
July	△4.5	△32.6
August	△7.7	△26.4
September	△10.5	△18.5
October	△15.7	3.4
November	△10.2	0.4
December	△7.2	11.6
January	0.0	△5.6
February	△2.2	4.1
March	0.1	3.9

Spot Sales - Terrestrial Broadcasting(Nippon TV)



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

Movie Lineup for 2021

☆ Lead manager, Nittele

★=Joint Secretary-General of Nippon Telephone Corporation

Date	Title	Distributor	
June 18,2021	<p>★ THE FABLE 2: The Killer Who Doesn't Kill (working title)</p>	SHOCHIKU	
2021 July	<p>★ Belle</p>	TOHO	
2021 December	<p>☆ Your Turn to Kill :The Movie</p>	TOHO	

Event Lineup for 2021-2022

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

Date	Event	
<p>【Tokyo】 From Saturday, August 21 to Sunday, December 5, 2021</p>	<p><u>“WHO IS BANKSY?” EXHIBITION</u></p> 	
<p>【Sagamiho】 Saturday, July 3, 2021 11:15 / 14:00 / ★16:30</p> <p>【Fuchu】 Sunday, July 4, 2021 10:15 / 13:15 / ★16:00</p> <p>【Matsudo】 Saturday, July 24, 2021 10:45 / 13:45 / ★16:30</p>	<p>【Mito】 Saturday, August 14, 2021 10:45 / 13:45 / ★16:30</p> <p>【Kawasaki】 Saturday, September 25, 2021 10:45 / 13:45 / 16:30 ★</p>	<p><u>Soreike! ANPANMAN Musical</u></p> 
<p>【Osaka】 From Wednesday, June 2 to Thursday, June 10, 2021</p>	<p><u>Makaitensyo</u></p> 	