

FY2021 1Q Financial Results

July 30, 2021

Nippon Television Holdings, Inc.

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- **Fiscal 2021 1Q Overview of Financial Results**
- Highlights of Group Companies
- Fiscal 2021 Outlook
- Content Business Strategy

Key Points of 1Q Financial Results for Fiscal 2021

Point

1

Increases in both sales and profits

- **Significant recovery in advertising revenue supported by top ranking in individual and core viewer ratings**
- **Effective control of program production costs**
- **Shrinkage of Tipness net loss**
- **Improved performance of equity-method affiliates, mainly network stations**

Point

2

Digital sales are also on the track

- **Hulu paid subscribers at a historical high, pushing sales up 20%**
- **Significant increase in sales in AVOD business, including TVer**

Point

3

Full-year earnings forecast revised upward

- **Reflecting the recovery in the advertising market and incorporating cutbacks in production costs**

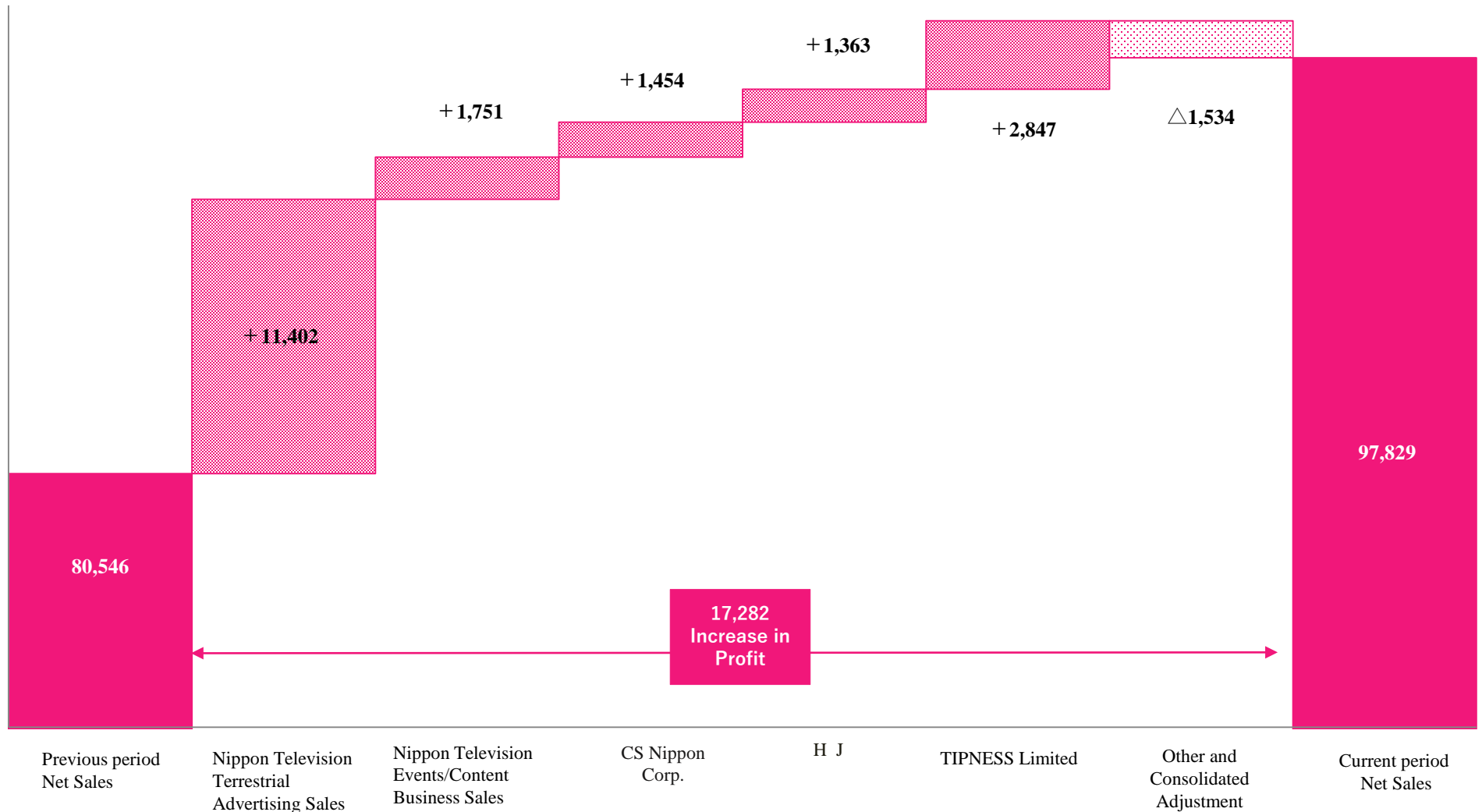
FY2021 1st Quarter Consolidated Financial Results

(Millions of yen)

	FY2020 1Q	FY2021 1Q	Change (%)
Net Sales	80,546	97,829	21.5
Operating Profit	5,395	13,408	148.5
Recurring Profit	7,023	15,997	127.8
Net Income attributable to owners of the parent	1,547	9,914	540.8

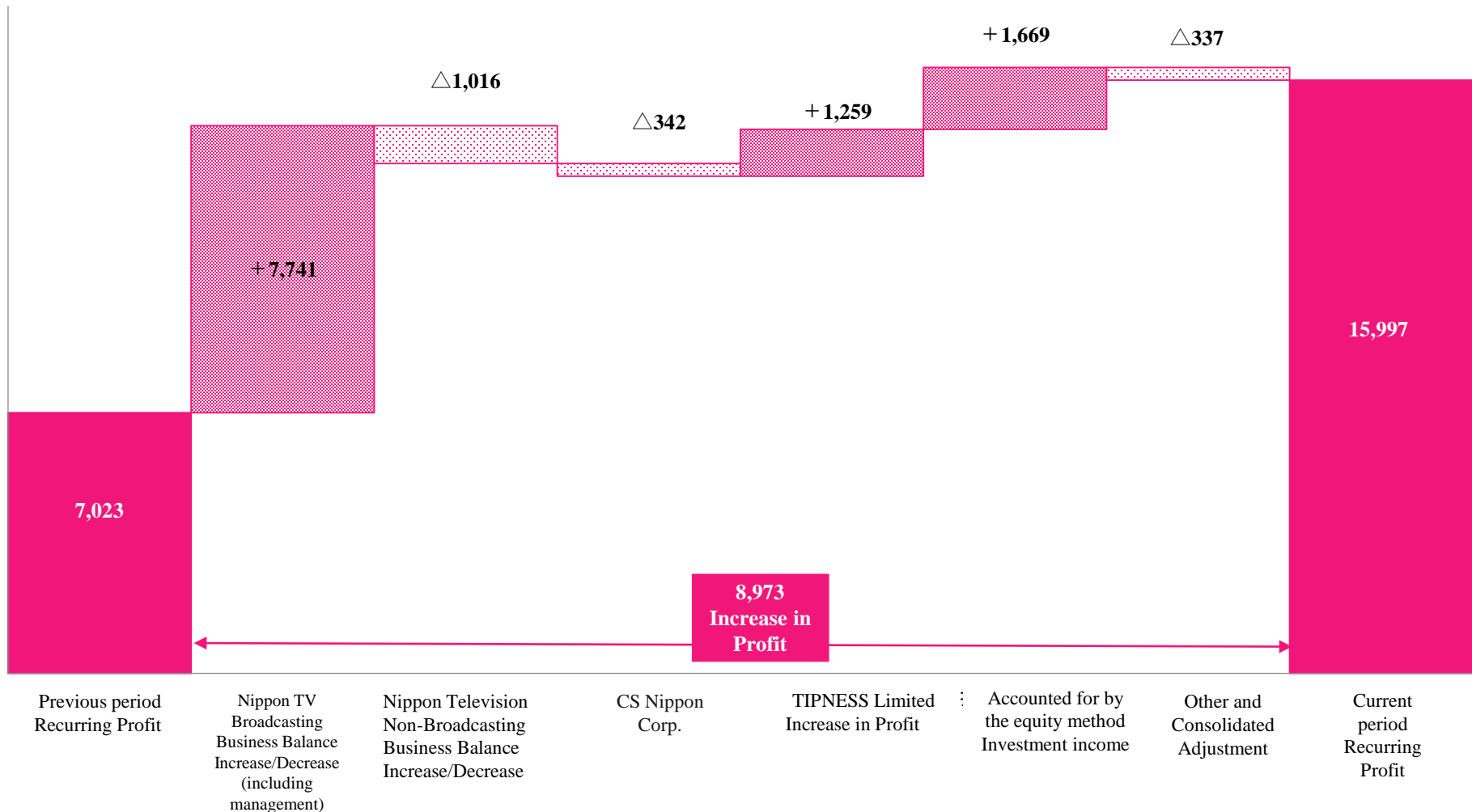
Net Sales YoY Change Components

(Millions of yen)



Recurring Profit YoY Change Components

(Millions of yen)

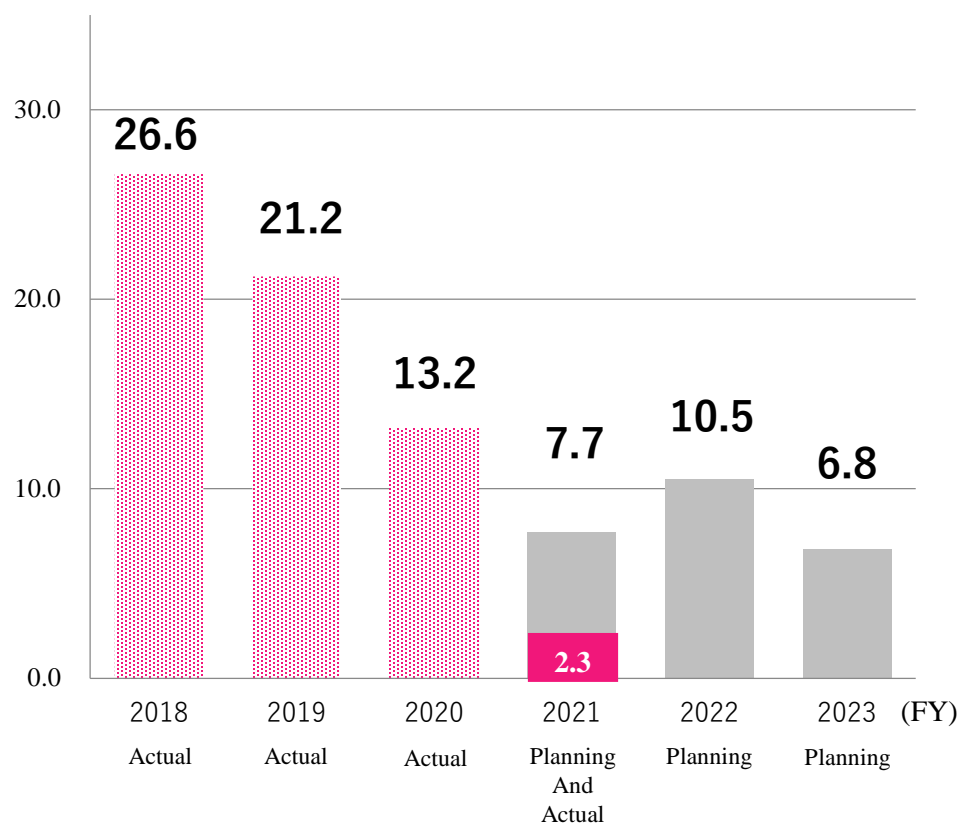


CAPEX and Depreciation (Consolidated)

FY2021 1Q (Unit: Billions of yen)	CAPEX amount	Depreciation and amortization
		2.3

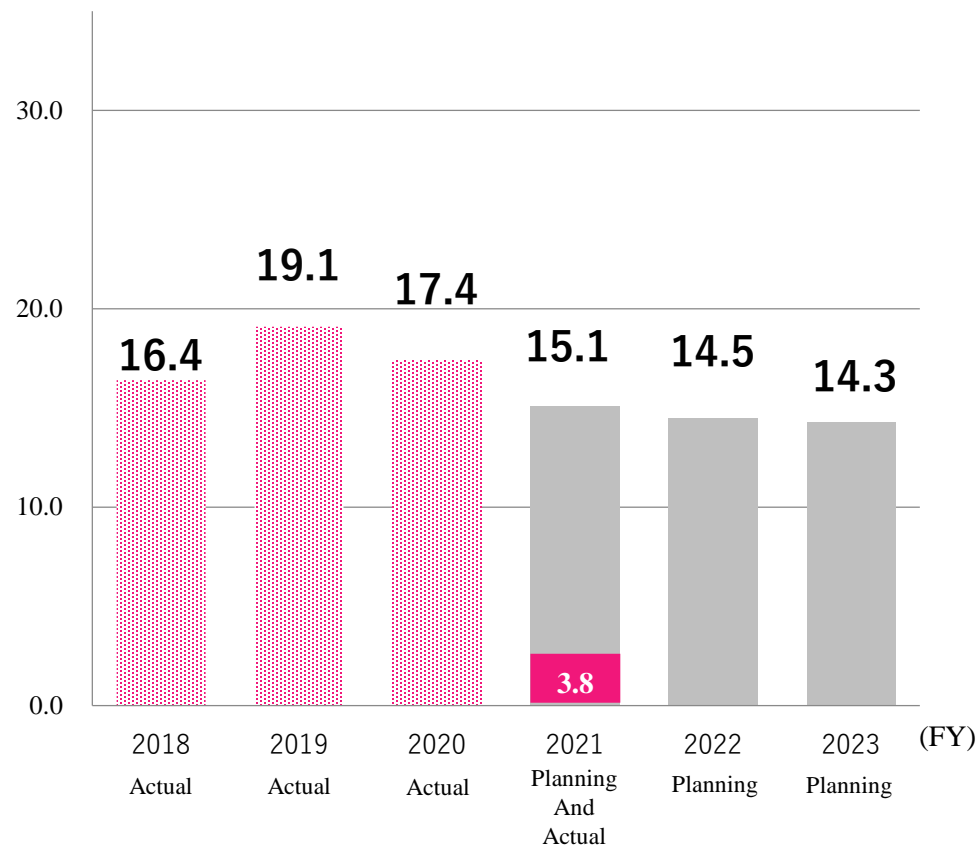
CAPEX amount

(Billions of yen)



Depreciation and amortization

(Billions of yen)



- Fiscal 2021 1Q Overview of Financial Results
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Nippon TV Financial Results

(Millions of yen)

	FY2020 1Q	FY2021 1Q	Change (%)
Net Sales	60,886	73,969	21.5
Operating Profit	6,154	12,961	110.6
Recurring Profit	8,338	14,904	78.7
Net Income	5,714	10,682	86.9

Net Sales-Nippon TV

(Millions of yen)

	FY2020 1Q	FY2021 1Q	Change (%)
TV advertising revenue	48,717	60,120	23.4
Program Sales	2,863	2,734	△4.5
Events/Content business sales	8,765	10,516	20.0
Real Estate Business	539	597	10.7
Total	60,886	73,969	21.5

Nippon TV Advertising Revenue

(Millions of yen)

	FY2020 1Q	FY2021 1Q	Change (%)
TV Advertising Revenue	48,717	60,120	23.4
Time	29,070	28,529	△1.9
Spot	19,647	31,590	60.8

TV Advertising Revenue YoY

Time	FY2020 (%)	FY2021 (%)
April	△2.4	△4.8
May	1.9	△1.2
June	△3.1	0.4

Spot	FY2020 (%)	FY2021 (%)
April	△24.7	25.9
May	△40.2	79.8
June	△47.5	100.3

Nippon TV Cost of Sales

(Millions of yen)

	FY2020 1Q	FY2021 1Q	Change (%)
Production costs	18,568	20,604	11.0
Personnel	5,519	5,578	1.1
Depreciation and amortization	2,701	2,566	△5.0
Events/content business costs	6,243	8,718	39.6
Others	21,698	23,541	8.5
Total	54,731	61,007	11.5

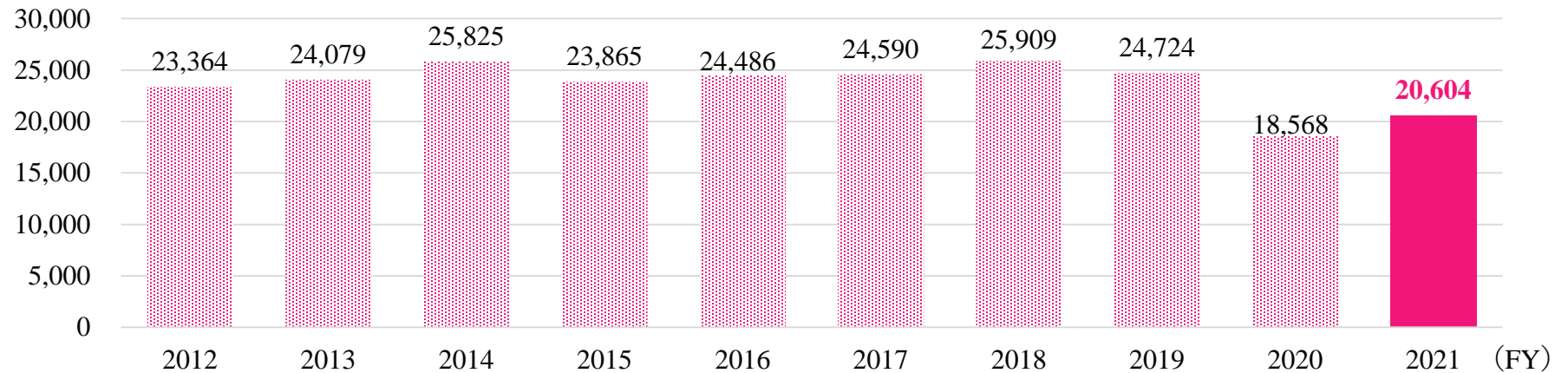
Nippon TV Production Costs

(Millions of yen)

FY2020 1Q	FY2021 1Q	Change (%)
18,568	20,604	11.0

Production costs (1st Quarter)

(Millions of yen)



Events/Content Business Sales and Costs

(Millions of yen)

		FY2020 1Q	FY2021 1Q			FY2020 1Q	FY2021 1Q
Content Business ※	Sales	1,697	319	Events	Sales	64	649
	Costs	834	142		Costs	117	937
	Balance	862	178		Balance	△53	△287
IP Business	Sales	439	398	International Business	Sales	502	480
	Costs	108	354		Costs	168	74
	Balance	331	44		Balance	334	406
Anime	Sales	—	845	Others	Sales	1,890	4,453
	Costs	—	442		Costs	1,775	4,018
	Balance	—	403		Balance	116	434
Media Commerce	Sales	3,218	2,507	Total	Sales	8,765	10,516
	Costs	2,714	2,288		Costs	6,243	8,718
	Balance	504	219		Balance	2,521	1,799
Movies	Sales	955	865				
	Costs	527	463				
	Balance	428	402				

※Name changed in 1Q after G+ and N24 operations were transferred to CS Nippon.

Financial Highlights of Other Group Companies

(Millions of yen)	BS Nippon Corp.	CS Nippon Corp.	Nippon Television Music Corp	VAP Inc.	TIPNESS Limited
Net Sales	3,985 (18.6%)	2,469 (116.6%)	1,742 (△36.3%)	1,800 (△23.8%)	4,899 (138.2%)
Operating Profit (Loss) (△)	342 (△45.0%)	△121 (-)	368 (△27.4%)	446 (78.6%)	△914 (-)
Recurring Profit (Loss) (△)	347 (△44.6%)	△120 (-)	384 (△28.1%)	459 (71.2%)	△979 (-)
Net Income (Loss) (△)	240 (△43.7%)	△120 (-)	253 (△32.6%)	426 (59.1%)	△1,886 (-)

(Millions of yen)	Nittele Seven	TATSUNOKO PRODUCTION Co.Ltd	HJ Holdings LLC	ACM	PLAY
Net Sales	678 (△8.1%)	354 (8.0%)	8,004 (20.7%)	499 (△6.0%)	1,408 (14.4%)
Operating Profit (Loss) (△)	30 (17.8%)	10 (-)	297 (-)	△276 (-)	332 (△8.8%)
Recurring Profit (Loss) (△)	31 (16.2%)	10 (-)	304 (17,749.7%)	△268 (-)	334 (△9.6%)
Net Income (Loss) (△)	21 (16.2%)	6 (-)	296 (39,298.5%)	△290 (-)	206 (△1.7%)

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 "-."

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- Content Business Strategy

Consolidated Forecast and Dividend Forecast

(Millions of yen)	FY2020 Result	FY2021 Previous Forecast (A)	FY2021 Revised Forecast (B)	Change (B-A)
Net Sales	391,335	392,000	395,000	3,000
Operating Profit	34,526	35,000	39,000	4,000
Recurring Profit	42,944	41,000	45,000	4,000
Profit attributable to owners of parent Net income	24,042	28,000	30,000	2,000

Dividend Forecast

* Unchanged from previous forecast

(Unit: Yen)	2Q	Year-End	Annual
FY2020 Result	10	25	35
FY2021 Forecast	10	25	35

Growth assumptions for terrestrial TV advertising revenue and production costs (vs last FY)

FY	(Unit:%)
TV advertising revenue	+ 1.9
Time	- 1.6
Spot	+ 6.0

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- **Content Business Strategy**

April 2021 Cour Individual Viewer Ratings

March 29, 2021 – June 27, 2021

	NTV	EX	TBS	TX	CX	PUT
All Day	① 4.0	② 3.8	③ 2.9	⑤ 1.4	④ 2.8	21.6
6:00 to 24:00	▲1.1	▲0.8	▲0.8	▲0.2	▲0.4	▲3.3
Prime Time	① 6.0	② 5.8	③ 4.5	⑤ 3.1	④ 4.2	33.5
19:00 to 23:00	▲1.5	▲1.0	▲1.0	▲0.5	▲0.6	▲4.9
Golden Time	① 6.3	② 5.8	③ 4.5	⑤ 3.5	③ 4.4	35.7
19:00 to 22:00	▲1.7	▲0.7	▲1.1	▲0.6	▲0.6	▲5.0
Non-Prime Time	① 3.4	② 3.3	③ 2.5	⑤ 0.9	④ 2.4	18.3
All Day – Prime Time	▲1.0	▲0.6	▲0.7	▲0.2	▲0.4	▲2.7
Platinum Time	① 3.1	② 2.2	③ 2.0	⑤ 0.9	④ 1.8	13.0
23:00 to 25:00	▲0.8	▲0.6	▲0.1	▲0.4	▲0.2	▲2.2

In order of digital channel, from left. Source for Core Target viewership (Kanto region): Video Research. Period of comparison: March 29, 2021 - June 27, 2021

 **Individual ratings Triple Crown for 30 consecutive cours from Jan 2014**

April 2021 Cour Core Target Audience Rating

March 29, 2021 – June 27, 2021

	NTV	EX	TBS	TX	CX	PUT
All Day	① 3.4	④ 1.6	③ 1.7	⑤ 0.6	② 2.2	11.5
6:00 to 24:00	▲1.3	▲0.5	▲0.5	▲0.2	▲0.4	▲3.3
Prime Time	① 5.4	④ 2.9	③ 3.5	⑤ 1.5	② 3.8	20.3
19:00 to 23:00	▲2.3	▲0.9	▲0.9	▲0.6	▲0.4	▲5.7
Golden Time	① 5.7	④ 2.8	③ 3.4	⑤ 1.7	② 3.9	20.9
19:00 to 22:00	▲2.3	▲0.6	▲1.0	▲0.6	▲0.4	▲6.0
Non-Prime Time	① 2.8	③ 1.2	③ 1.2	⑤ 0.4	② 1.8	9.0
All Day – Prime Time	▲1.1	▲0.4	▲0.4	±0.0	▲0.3	▲2.6
Platinum Time	① 3.0	② 2.0	④ 1.5	⑤ 0.6	③ 1.7	10.1
23:00 to 25:00	▲1.1	▲0.7	▲0.2	▲0.3	▲0.3	▲2.8

In order of digital channel, from left. Source for Core Target viewership (Kanto region): Video Research. Period of comparison: March 30, 2020 – June 28, 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**
- ☑ **Core Target Triple Crown for 32 consecutive cours since July 2013 (leaving 2nd place far behind)**

FY2021 Programming Policy

- ① **Continue Triple Crown ratings on Individual and Core Targets**
- ② **Maximum acceleration of "Multiplatform Strategy Promotion"**
- ③ **Strengthen real-time viewing strategy through enhancing and rebranding regular programs**
- ④ **Nurture and strengthen training & development of content creators and their project development skills**
- ⑤ **Accelerate planning and development based on the "Stock Content Strategy"**
- ⑥ **Creating commercial value for terrestrial timetable under COVID-19 environment**

October 2021 Programming Strategy

Programming strategy themes:

★ **A timetable that wins the full support of viewers, whose tastes have diversified under COVID-19**

→ **Top priority is to always be "consumer first"**

→ **Give viewers a "From OFF to ON, From ON to FUN" experience when they switch on their remote controls;
A timetable that C, T, and F2 will watch proactively**

→ **Key word: "maximum delivery"
Propel multi-platform strategy forward**

① Strengthen proactive viewing of GP timezones

② Restructure Platinum timezone

Nippon TV Multi Platform Deployment Successes

● "The (without) gentle and The (without) sociability"

This Ryota Yamasato and Masayasu Wakabayashi show has been broadcasting on variety shows intermittently since 2012.

Real-life events are now being portrayed on stage.

In 2020, we aired the digest version on the terrestrial channel , then streamed the full version on Hulu 3 times



In May 2021, a no audience live show at a Shimokitazawa theater was streamed for a fee on Hulu, etc.

(TVOD)

⇒ more than 25,000 viewers joined the live streaming

⇒ an additional two weeks of archive streaming led to a total of 55,000 ticket sales



TVer FY2021 1Q Summary



- ◆ Approximately 350 regular programs are being streamed
- ◆ Total app downloads at 38.53 million (as of the end of June)
- ◆ Maximum number of monthly visitors as MUB (excluding double counting) reached 16.64 million in June
- ◆ Nippon Television offers 34 programs regularly
- ◆ Established a special section in TVer for SDGs, in relation with the Good For the Planet (GFP) project conducted from May 31 to June 6
 - 17 network stations joined forces to offer 49 programs and 104 content titles on SDGs themes
 - GFP package sales (advertising and branded content) were also implemented

The screenshot shows the TVer website interface. At the top, there is a navigation bar with links for Home, Ranking, and various content categories. Below the navigation, a banner for 'Good For the Planet #今からスイッチ' is displayed. The main content area features a grid of program thumbnails with titles and broadcast information:

- てれびタ every.** 「未来へのカタチ」"食品残さを利用... KKTくまもと県民テレビ
- 日本海テレビ・みんなのスイッチ** 山陰のキッズたちの「#今からスイッチ」 日本海テレビ 6月5日(土)放送分
- スッキリ** 樹太ーアナ 生プレゼン！海の豊かさ... 日テレ 6月4日(金)放送分
- news zero** 欠損バー...障害がプラスになる場所 日テレ 6月1日(火)放送分
- てれびタ every.** 「未来へのカタチ」"フードバンク熊本" KKTくまもと県民テレビ 6月9日(...
- 徳井と後藤と麗しのSHELLY...** 清純派女優・酒井美紀の(秘)私生活vs... 日テレ 6月2日(水)放送分

HJ Holdings FY 2021 1Q Summary

◆ Paid subscribers reached a record high, and 1Q sales increased +20.7% YoY

◆ Hulu's original "SEASON 2 Love You as the World Ends" contributed to one of the largest membership acquisition

▪ In addition, there are many Hulu originals such as "Mile Novich," "Tomorrow Sea Atelier," "Breathe Away," and "THE LIMIT."



◆ Free streaming of 115 Nippon TV dramas to support GW stay home initiative under the state of emergency

◆ Full streaming of TVOD live shows in the music, comedy, and sports genres

▪ Unprecedented number of tickets sold for comedy live show "The (without) gentle and The (without) sociability"

▪ The World Ladies Championship was golf's first 8 multi-channel simultaneous live streaming



Focus of Content Business Strategy for FY 2021



● Film Business

- In theaters on Friday, July 16, 2021, "Belle"

Officially selected from the "Cannes-Plumier Division" at the 74th Cannes International Film Festival

Animation director, Mamoru Hosoda, the pride of Japan, presents his latest work. As the world pays attention and the title gets selected officially by the Cannes Film Festival, Japan gets caught up in a "Belle" boom this summer!

Cumulative box office revenue from the first day exceeded 2.4 billion yen in 10 days!

Overwhelmingly popular and a smash hit!



● Anime

- Debuted in July 2021, " TSUKIMICHI -Moonlit Fantasy-"

Total of over 2 million copies of the series sold

Successful overseas sales at that broke the record in Nippon Television history!

Large-scale animation titles including high-priced sales expected from overseas buyers and domestic streaming.(yet to be disclosed) are coming soon!

FY2021 Key Content Business Strategy

~Total of 8 Businesses~

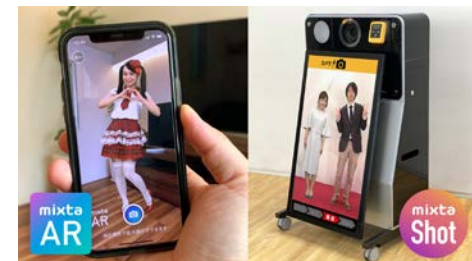
● VTuber business

- ⇒ Launched a terrestrial program of VTubers on July 29, "Project V"
- ⇒ Largest U.S. VTuber agency VShojo joined VTuber network V-Clan Network
- ⇒ **Our VTubers now have 8 million channel subscribers!**



● AR/MR business mixta

- ⇒ mixta allows videos and images with celebrities to be taken and downloaded to smartphones
- ⇒ Content that enables pictures to be taken with Giants players at the Tokyo Dome, as well as celebs appearing on "24-hour Television"



● Sports version of Dream Coaching home tutor

- ⇒ Matching service that pairs former professional athletes, Olympic athletes, active athletes and other top athletes with pupils
- ⇒ Launched in April and enjoying a high degree of satisfaction!
- ⇒ **97.6% of users gave it the highest rating of 5 stars!**



Reference Materials for Financial Results

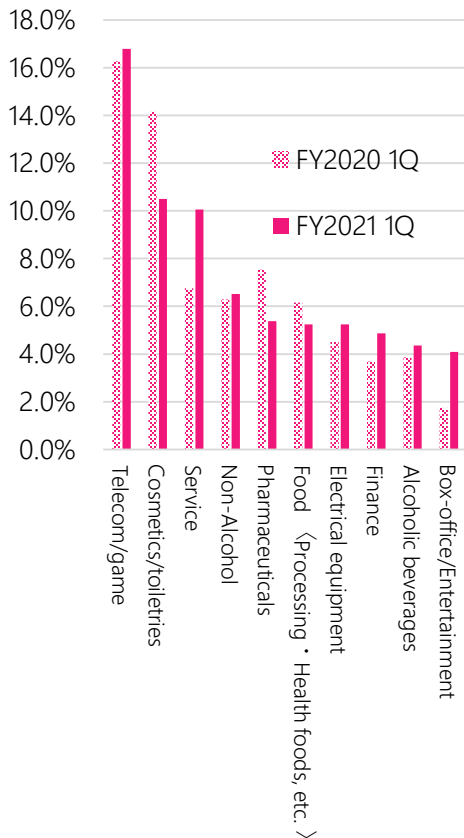
Segment Results

(Millions of yen)

FY2021 1Q	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	91,612	4,662	2,609	98,883	1,683	100,567	△2,738	97,829
Segment profit (Loss) (△)	13,662	△1,064	985	13,583	104	13,688	△280	13,408

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

Spot Sales - Terrestrial Broadcasting (Nippon TV)



	FY2020 1Q	Share (%)	Change (%)
1	Telecom/game	16.3	△3.9
2	Cosmetics/toiletries	14.1	△39.6
3	Pharmaceuticals	7.5	1.3
4	Service	6.8	△59.7
5	Non-Alcohol	6.3	△41.6
6	Food (Processing · Health foods, etc.)	6.2	△15.4
7	Food products <Dairy Products Seasonings>	5.0	△30.4
8	Electrical equipment	4.5	△41.5
9	Transportation equipment	3.9	△47.0
10	Alcoholic beverages	3.9	△23.9

FY2021 1Q	Share (%)	Change (%)
Telecom/game	16.8	65.8
Cosmetics/toiletries	10.5	19.3
Service	10.1	139.5
Non-Alcohol	6.5	66.7
Pharmaceuticals	5.4	14.5
Food (Processing · Health foods, etc.)	5.2	36.8
Electrical equipment	5.2	87.1
Finance	4.9	112.6
Alcoholic beverages	4.4	81.3
Box-office /Entertainment	4.1	277.5

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

Ranking Based On Number of Viewers (April 1st Week-June 4th Week)

			Title	Minutes	Broad casters	Total Viewers (millions)	Average Viewers (millions)
1	NTV	2021/04/04	Spring collaboration special of hit Nippon TV shows!	234	30	38.923	9.52
2	NTV	2021/04/06	The! Sekai Gyoten News	234	28	36.152	10.364
3	TBS	2021/04/11	100 news items that shook TV history	258	28	33.019	6.628
3	NTV	2021/04/25	LINE-UP LAW OFFICE	174	30	33.019	10.605
5	NTV	2021/04/13	Dancing Sanma Palace	178	28	32.416	10.123
6	NTV	2021/04/05	Sekai Maru Mie! TV Special Investigative Unit	174	29	31.452	10.243
7	NTV	2021/05/05	3-hour collaboration special of Nippon TV hit shows!	174	29	31.211	9.038
8	EX	2021/03/30	Spring 3-hour special: celebs are ranked	174	24	31.091	11.810
9	CX	2021/05/09	Comedians' Omniquest GP	174	26	29.283	7.953
10	NTV	2021/04/11	The Quest	114	30	28.921	12.533
10	NTV	2021/05/01	Zoo × Classroom × SHOW 3 Saturday shows combine for a special	174	29	28.921	7.471

March 29, 2021 – June 27, 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 viewers:** Estimated number of viewers who watched for a minute or more

✓ Around 30 million people watched for more than 1 minute, mainly during Golden Week during the April restructuring period, proving terrestrial TV's reach is superior to other media

✓ 8 out of top 11 programs are Nippon TV, proving viewers are extremely aware of us




Movie Lineup for 2021

☆ Lead manager is Nippon TV ★=Jointly organized by Nippon TV

Date	Title	Distributor	
September 10, 2021	★The Deer King	TOHO	
October 29, 2021	★AND SO THE BATON IS PASSED	WB	
December 10, 2021	☆Your Turn to Kill: The Movie	TOHO	

Event Lineup for 2021-2022

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

Date	Event
<p>【Tokyo】 From August 21 to December 5, 2021</p>	<p><u>“WHO IS BANKSY ?” EXHIBITION</u></p>  <p>「これはバンクシーの、映画のセリフのような、美意識」</p> <p>WHO IS BANKSY? バンクシーって誰?展 2021 8.21(土) ▶▶ 12.5(日) [東京・天王洲] 寺田倉庫 G1</p>
<p>【Tokyo】 From August 11 to August 30, 2021</p>	<p><u>RILAKKUMA & SUMIKKOGURASHI FESTIVAL</u></p>  <p>RILAKKUMA & SUMIKKOGURASHI FESTIVAL</p>
<p>【Tokyo】 From October 1 to December 19, 2021</p>	<p><u>HIDEAKI ANNO EXHIBITION</u></p>  <p>庵野秀明 HIDEAKI ANNO EXHIBITION 展</p>