

FY2021 2Q Financial Results

November 10, 2021
Nippon Television Holdings, Inc.



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- **Fiscal 2021 2Q Overview of Financial Results**
- Highlights of Group Companies
- Fiscal 2021 Outlook
- Content Business Strategy
- Digital Strategy/New Business
- Sustainability Policy

Key Points of 2Q Financial Results for FY2021

Point

1

Sales and profits increased due to significant improvement in ad market

- TV ad sales recovered close to pre-COVID levels seen 2 years ago. Substantial increase driven primarily by spot ad sales, with time ads also growing due to Tokyo 2020 and the like.
- Successful cost controls with program production expenses.
- Robust revenues from anime and video streaming services.
- Hulu subscribers at an all-time high; TIPNESS net loss decreased.

Point

2

Upward revision of FY2021 consolidated performance forecast

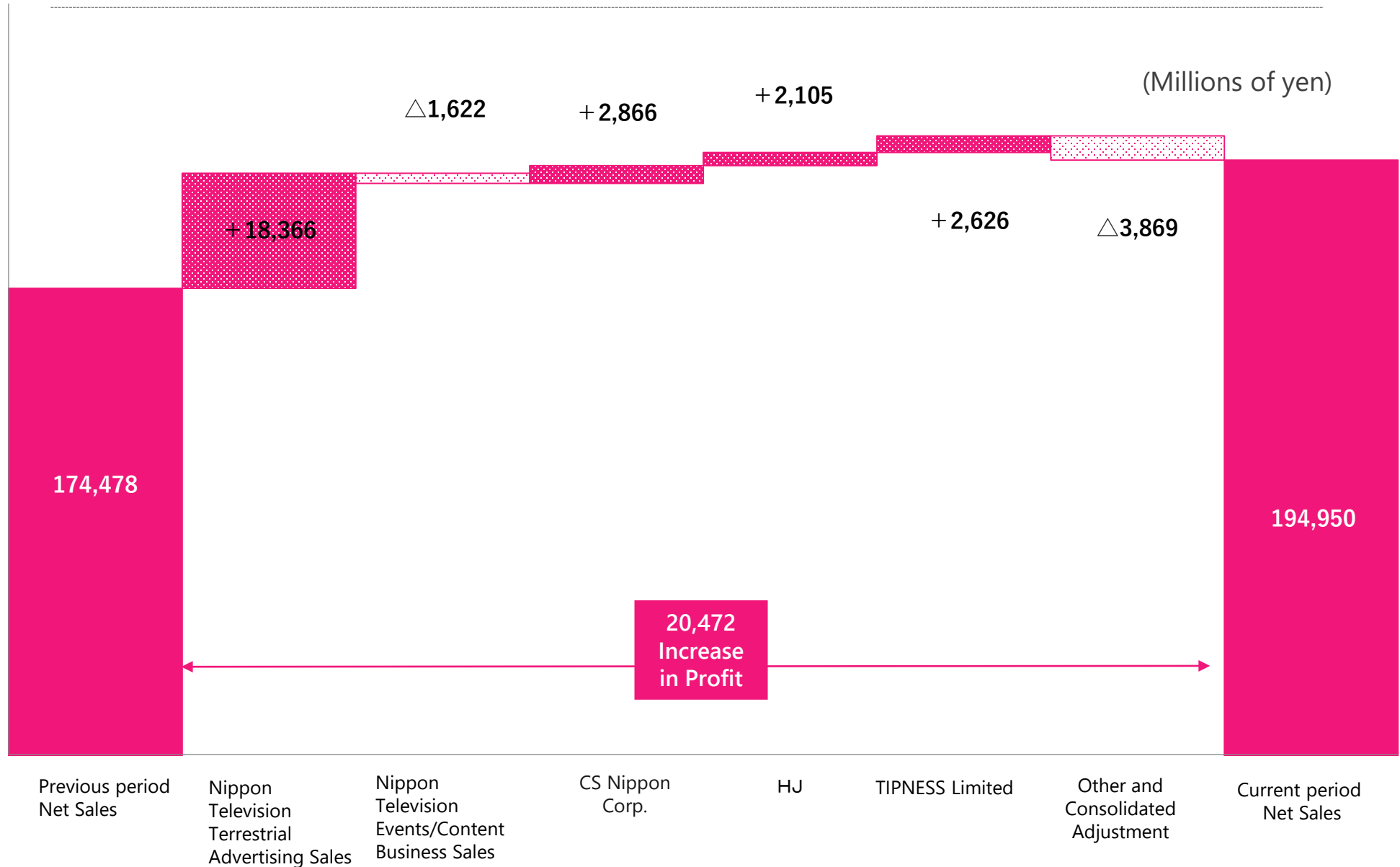
- Spot ad sales are expected to surpass previous forecast.
- Planning to record gains from sale of investment securities.

FY2021 2nd Quarter Consolidated Financial Results

(Millions of yen)

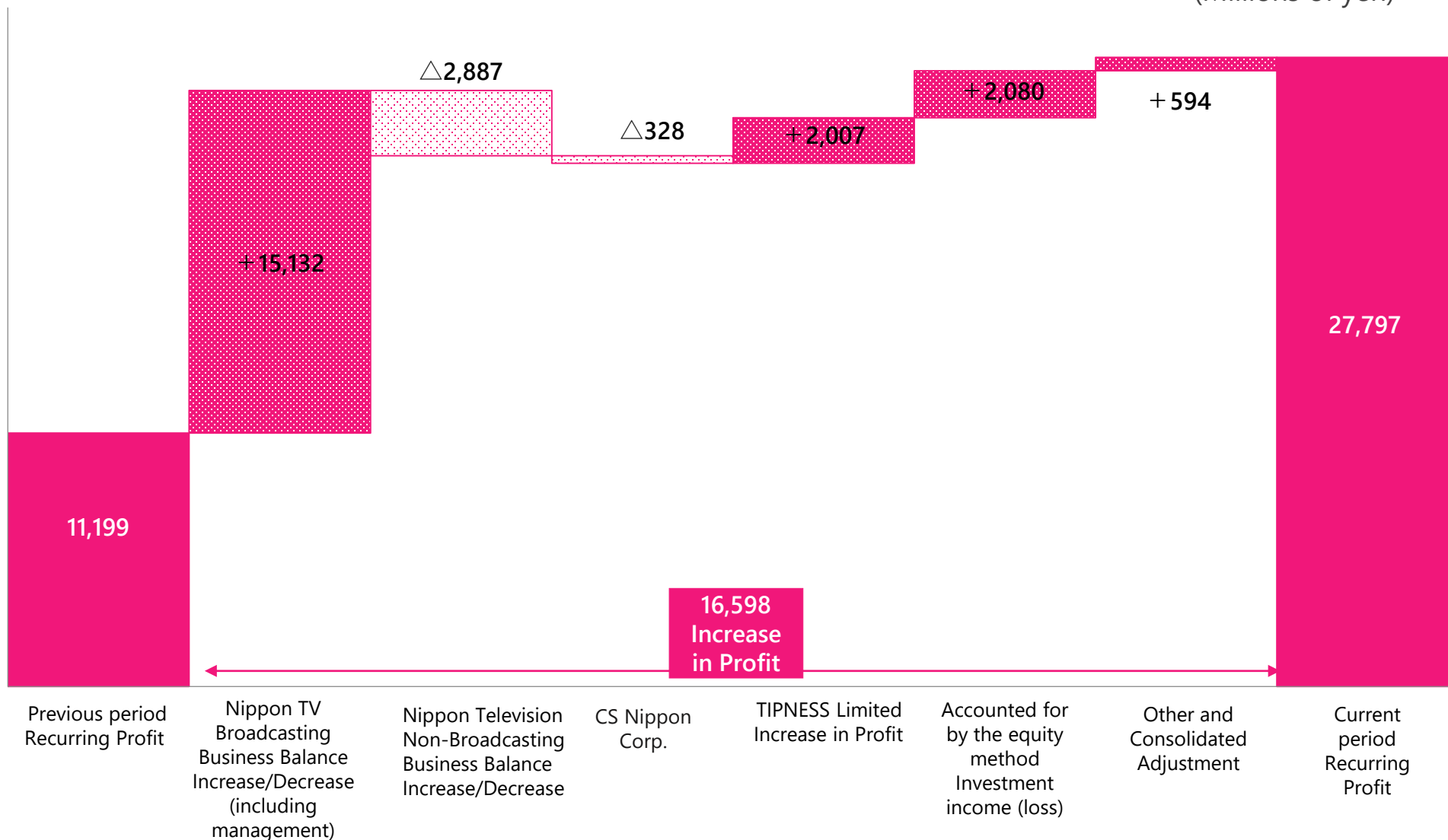
	FY2020 2Q	FY2021 2Q	Change(%)
Net Sales	174,478	194,950	11.7
Operating Profit	9,119	24,341	166.9
Recurring Profit	11,199	27,797	148.2
Net Income attributable to owners of the parent	△5,656	18,440	—

Net Sales YoY Change Components



Recurring Profit YoY Change Components

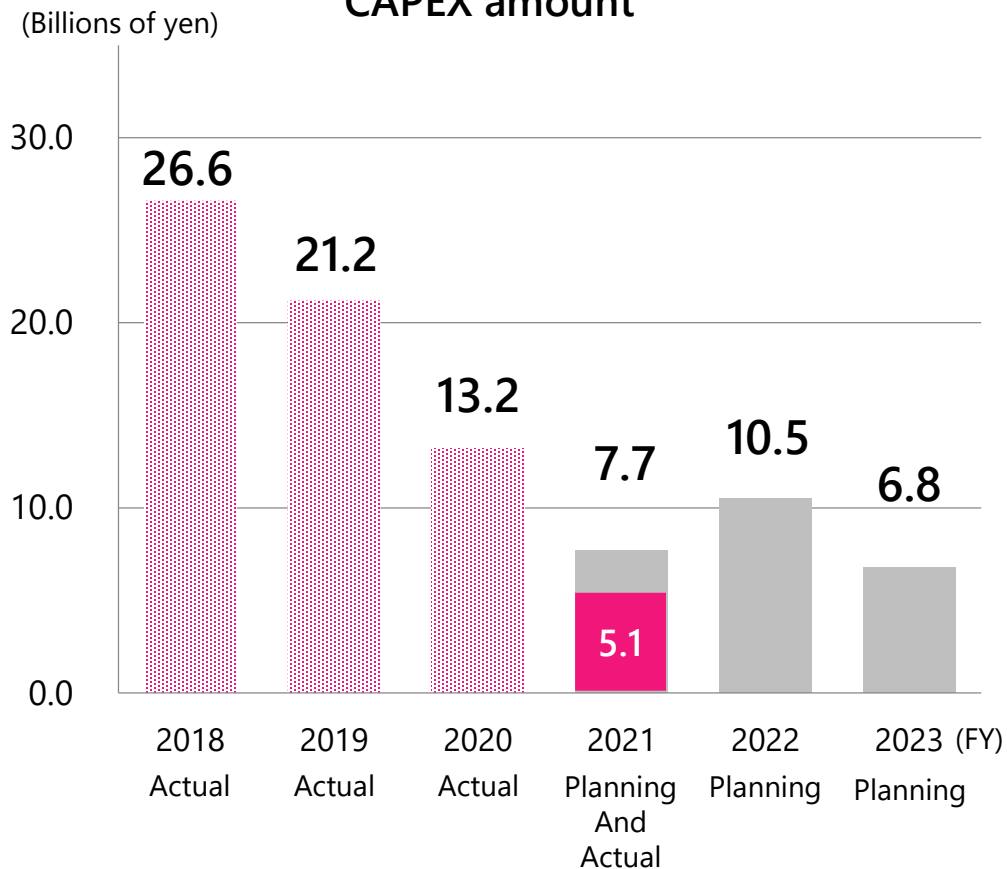
(Millions of yen)



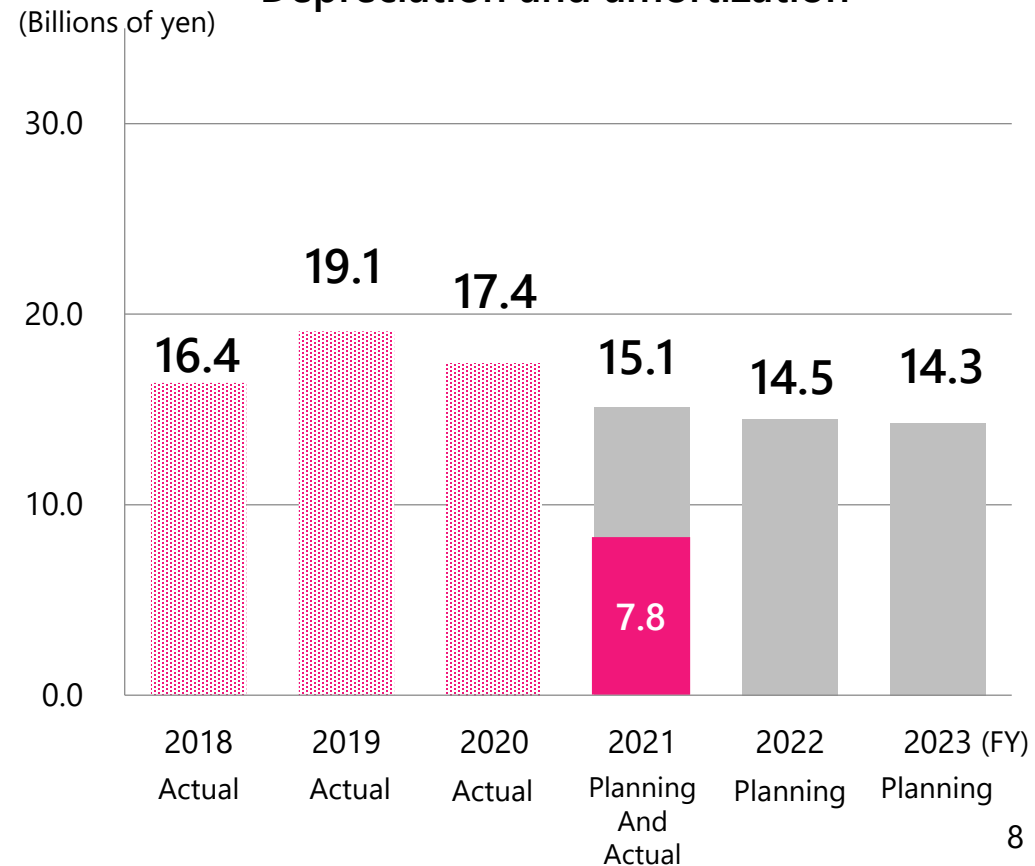
CAPEX and Depreciation (Consolidated)

FY2021 2Q (Unit: Billions of yen)	CAPEX amount	Depreciation and amortization
	5.1	7.8

CAPEX amount



Depreciation and amortization



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Nippon TV Financial Results

(Millions of yen)

	FY2020 2Q	FY2021 2Q	Change (%)
Net Sales	128,338	144,799	12.8
Operating Profit	9,154	21,481	134.7
Recurring Profit	11,446	23,574	106.0
Net Income	14,488	16,984	17.2

Net Sales-Nippon TV

(Millions of yen)

	FY2020 2Q	FY2021 2Q	Change (%)
TV advertising revenue	98,691	117,057	18.6
Program Sales	5,662	5,319	△6.0
Events/Content business sales	22,859	21,237	△7.1
Real Estate Business	1,125	1,184	5.2
Total	128,338	144,799	12.8

Nippon TV Advertising Revenue

(Millions of yen)

	FY2020 2Q	FY2021 2Q	Change (%)
TV advertising revenue	98,691	117,057	18.6
Time	59,066	59,983	1.6
Spot	39,625	57,074	44.0

Nippon TV Cost of Sales

(Millions of yen)

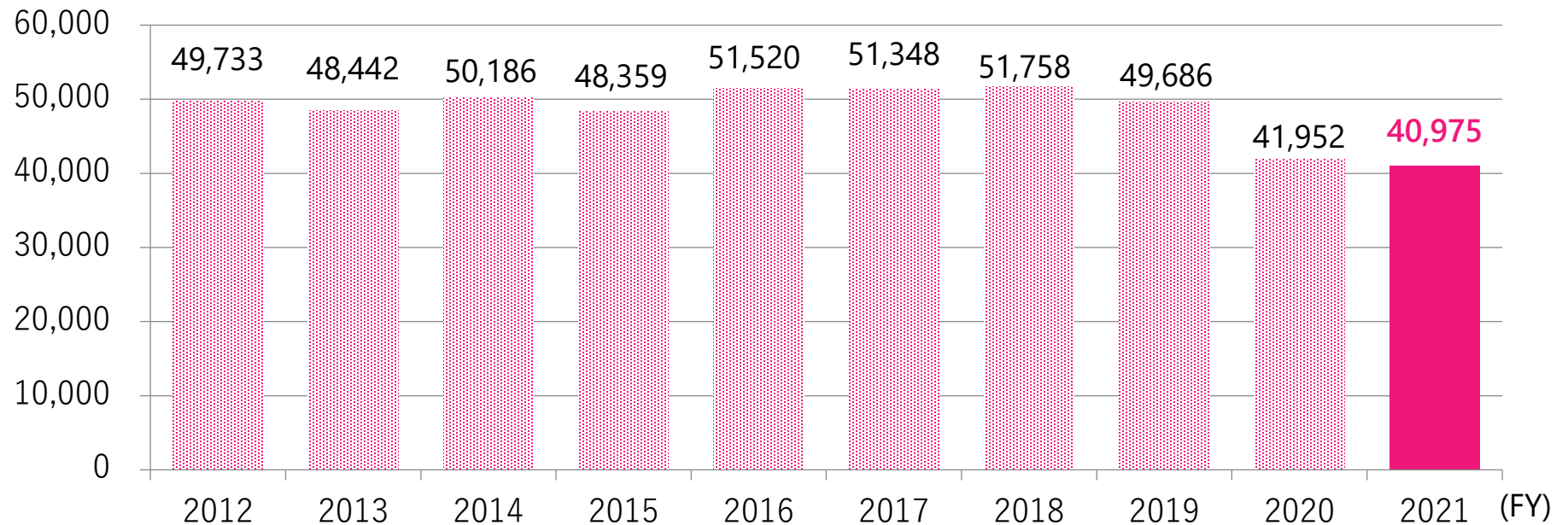
	FY2020 2Q	FY2021 2Q	Change (%)
Production costs	41,952	40,975	△2.3
Personnel	10,785	10,900	1.1
Depreciation and amortization	5,465	5,227	△4.4
Events/content business costs	16,034	17,068	6.5
Others	44,945	49,145	9.3
Total	119,184	123,317	3.5

Nippon TV Production Costs

(Millions of yen)

FY2020 2Q	FY2021 2Q	Change (%)
41,952	40,975	△2.3

Production costs (2nd Quarter)



Events/Content Business Sales and Costs

(Millions of yen)

		FY2020 2Q	FY2021 2Q			FY2020 2Q	FY2021 2Q
Movies	Sales	5,001	2,028	IP Business	Sales	870	645
	Costs	3,356	1,062		Costs	218	516
	Balance	1,644	967		Balance	652	129
Events	Sales	228	1,082	Content Business※	Sales	4,397	618
	Costs	282	1,324		Costs	2,220	300
	Balance	△54	△241		Balance	2,177	317
Media Commerce	Sales	6,401	4,619	Others	Sales	4,872	9,285
	Costs	5,338	4,268		Costs	4,176	8,272
	Balance	1,063	351		Balance	696	1,013
Anime	Sales	—	2,216	Total	Sales	22,859	21,237
	Costs	—	1,203		Costs	16,034	17,068
	Balance	—	1,013		Balance	6,825	4,169
International Business	Sales	1,091	743				
	Costs	444	122				
	Balance	647	620				

※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	8,057 (11.2%)	4,913 (116.2%)	3,436 (△40.8%)	3,788 (△29.2%)	10,962 (31.4%)
Operating Profit (Loss) (△)	889 (18.1%)	95 (△77.5%)	771 (△27.5%)	813 (62.4%)	△1,661 (-)
Recurring Profit (Loss) (△)	915 (16.0%)	98 (△77.0%)	789 (△27.8%)	912 (50.4%)	△1,802 (-)
Net Income (Loss) (△)	633 (15.9%)	67 (△77.1%)	518 (△32.2%)	813 (42.2%)	△2,361 (-)

(Millions of yen)	Nittele Seven	TATSUNOKO PRODUCTION Co.Ltd	HJ Holdings LLC	ACM	PLAY
Net Sales	1,471 (△8.4%)	768 (△10.4%)	16,111 (15.4%)	1,163 (89.1%)	3,202 (17.7%)
Operating Profit (Loss) (△)	70 (△32.2%)	28 (185.2%)	685 (20.4%)	△438 (-)	681 (△5.3%)
Recurring Profit (Loss) (△)	72 (△31.9%)	29 (52.0%)	688 (18.0%)	△414 (-)	682 (△6.0%)
Net Income (Loss) (△)	49 (△31.5%)	18 (41.4%)	651 (12.1%)	△426 (-)	420 (△2.3%)

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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Consolidated Forecast and Dividend Forecast

Consolidated Forecast

(Millions of yen)	FY2020 Result	FY2021 Previous Forecast	Change (%)
Net Sales	391,335	400,000	2.2
Operating Profit	34,526	46,000	33.2
Recurring Profit	42,944	52,000	21.1
Profit attributable to owners of parent Net income	24,042	41,000	70.5

Dividend 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	+6.1
Time	-0.1
Spot	+13.2

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2021 Annual Individual Viewer Ratings (Jan.-Oct)

January 04, 2021 – October 31, 2021

	NTV	EX	TBS	TX	CX	PUT
All Day	① 4.1	② 3.9	③ 3.1	⑤ 1.5	④ 3.0	22.3
6:00 to 24:00	▲0.6	▲0.3	▲0.3	±0.0	▲0.1	▲1.2
Prime Time	① 6.0	② 5.9	③ 4.7	⑤ 3.3	④ 4.5	34.4
19:00 to 23:00	▲0.9	▲0.5	▲0.6	▲0.1	▲0.2	▲1.9
Golden Time	① 6.3	② 5.8	③ 4.7	⑤ 3.7	③ 4.6	36.6
19:00 to 22:00	▲0.9	▲0.4	▲0.7	▲0.1	▲0.2	▲1.8
Non-Prime Time	① 3.5	② 3.3	③ 2.7	⑤ 0.9	④ 2.5	18.8
All Day – Prime Time	▲0.6	▲0.3	▲0.2	▲0.1	▲0.2	▲1.1
Platinum Time	① 3.1	② 2.2	③ 2.0	⑤ 1.0	④ 1.9	13.4
23:00 to 25:00	▲0.5	▲0.4	▲0.1	▲0.2	±0.0	▲1.2

In order of digital channel, from left. Source for Individual viewership (Kanto region): Video Research. Period of comparison: Dec.30,2019 – Nov.01,2020

✓ Although the ratings has decreased from the comparison of last years stay home due to the Covid virus we are on the track for Fiscal Triple Crown Champion for individual ratings for 11 consecutive years

2021 Annual Core Target Viewer Ratings (Jan.-Oct)

January 04, 2021 – October 31, 2021

	NTV	EX	TBS	TX	CX	PUT
All Day	① 3.5	④ 1.7	③ 1.8	⑤ 0.7	② 2.3	12.2
6:00 to 24:00	▲0.7	▲0.2	▲0.2	±0.0	▲0.2	▲1.4
Prime Time	① 5.5	④ 3.2	③ 3.6	⑤ 1.7	② 4.0	21.6
19:00 to 23:00	▲1.2	▲0.3	▲0.5	▲0.1	±0.0	▲2.2
Golden Time	① 5.7	④ 3.1	③ 3.6	⑤ 1.8	② 4.1	22.3
19:00 to 22:00	▲1.3	▲0.1	▲0.4	▲0.2	±0.0	▲2.1
Non-Prime Time	① 2.9	③ 1.3	③ 1.3	⑤ 0.4	② 1.8	9.5
All Day – Prime Time	▲0.6	▲0.2	▲0.1	±0.0	▲0.2	▲1.1
Platinum Time	① 2.9	② 2.0	④ 1.5	⑤ 0.7	③ 1.8	10.5
23:00 to 25:00	▲0.9	▲0.5	▲0.2	▲0.1	▲0.2	▲1.8

In order of digital channel, from left. Source for Core Target viewership (Kanto region): Video Research. Period of comparison: : Dec.30,2019 – Nov.01,2020

- ✓ 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
- ✓ On the track for Fiscal Core Target Triple Crown Champion for 9 consecutive years

October Cour Strategy for Morning Shows

● "ZIP!"

★ Focus on core target → aim to boost individual viewer ratings

★ From the 1st week of Oct, it's irresistible lineups nonstop!

→ Wednesday personality: comedian Hamaie

→ New Thursday personality: DAIGO's social studies field trips

→ Oct ratings vs Sep: +0.4points individual; +0.5points core



● "SUKKIRI"

★ Emphasize strengthening of opening segment and 9 am special segments

★ Following the footsteps of "Nizi Project," "THE FIRST" became the talk of the town.

More of these are in store as we inspire the non-watching "off demographic" become "real-time viewers"

★ People making news headlines, international artists, athletes, and other big shots as live guests



Nippon TV Multi Platform Deployment Successes

● Wednesday Drama "Police in a Pod"

Successfully created synergy from buzz on linear platform and online content such as YouTube videos.

Hulu and AVOD enjoyed success as many records were broken and new #1s created.

Total plays: 27.46 mil Average plays: 2.67 mil

New records for Nippon TV drama in total plays and average plays.

TVer my list saves: over 1.03 mil, a record high for Nippon TV.

Each week significantly added to the increase of plays and unique users (UU).

#1 on Hulu's UU Views Ranking for 5 consecutive weeks.

Videos on official YouTube channel:

The "Regular Inspection" video was viewed 6.46 mil times, and total views surpassed 40 mil—a record for Wed dramas.

Buzz on YouTube led to even more hype on linear platform.



Focus of Content Business Strategy for FY2021



● Film Business

"Your Turn to Kill" the movie

In theaters December 10, 2021

#1 on Twitter's global trending list for 5 times!

Final episode marked a whopping 25% for overall viewer ratings!

A title that inspired the Japanese to be a detective in their own way and made history!

What if the "swap murder game" was never played that day? Now, a movie adaptation with a different ending!

"And, the Baton was Passed" in theaters October 29, 2021

Winner of the Japan Booksellers' Award! A movie adaptation of the best-seller of the Reiwa era! 92.8% were brought to tears (according to Warner). Find out the lie and secret at the end and be moved to tears by the surprising family bond.



"Noize" in theaters January 28, 2022

15 years after the film "Death Note," Tetsuya Fujiwara and Kenichi Matsuyama return for a tag team! A murder collaborator this time?! Find the corpse, and everything will come crashing in this suspense that feels like no other!

Focus of Content Business Strategy for FY2021



● Anime and International Business

• **Nippon TV's anime business on track to make record profits**
For FY2021, the anime business is on track to make record profits both for 1H and the full year. Spurred by the global stay home phenomenon, demand for anime increased. Results are driven by **"EDENSZERO" which enjoys robust sales in Japan and abroad, and "Tsukimichi: Moonlit Fantasy" whose international sales marked a record high**, in part due to the otherworldly fantasy boom overseas. "Tsukimichi: Moonlit Fantasy" also became a daily #1 on Docomo Anime Store, #2 on Netflix for Japan, and is **slated for a 2nd season**.



• Watch out for 2H! "Lupin the Third Part 6"

2H's must-see title is **"Lupin the Third Part 6"** with the franchise celebrating its **50th anniversary of becoming an anime** this year. Guest writers Mamoru Oshii and Kanae Minato form a glittering lineup of creators—a buzz in its own right.

• Increase in cours for funded anime

Nippon TV-funded anime numbers as follows: 1 cour in FY2020, 6 cours in FY2021, and 8 cours in FY2022 (counting only titles confirmed).

Large-scale titles not yet ready for disclosure continue to fill our pipeline.

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- ◆ Approximately 400 regular programs streamed
- ◆ Total app downloads at around 41 mil (end-Sep)
- ◆ Maximum number of monthly visitors as MUV (excl. double counting) reached 17.6 mil in Aug
- ◆ Tie-up with official Olympics website gorin.jp created by the commercial broadcasters led to successful MUV increase in Jul and Aug
 - Broke historical record



- ◆ "Nippon TV Network's Live Streaming" started October 2 (Sat)!
 - 25 Golden and Prime Time regular shows streamed live on TVer
 - Our aim is to put consumers first and enable a broader demographic to enjoy television content even on digital devices.

◆ Number of paid subscribers broke the historical record again and 2Q net sales was up 115.4% yoy

◆ Audition show "THE FIRST" drove subscriber increase

• Following "Nizi Project", its tie-up with infotainment show "SUKKIRI" led to substantial subscriber growth



◆ Strong performance of original dramas only available on Hulu, such as "Shinigami-san" and "Momoume"
"Love You as the World Ends" season 3 to be streamed Feb 2022!



◆ New service "audio content" started in July

• Launched to coincide with the growing domestic digital audio media market, this new service offers language learning, music, audio dramas, and more

Nippon TV New Businesses ~8 Businesses Operated~

● Nippon TV HR: offers human resource development/HR support

⇒ Collaborate with network companies to create special curriculum on SDGs to provide to educational institutions

⇒ Won the "HR Award 2020" in Professional Category

⇒ 2Q net sales was up 124% yoy



Class being held at high school



Online training for a company

● VTuber business

⇒ VTuber show "Project V" now on air!

⇒ VTuber-specialized website "Up-Station" launched!

⇒ Japan's largest online exhibition event planned for Nov!

⇒ VTuber network V-Clan Network boasts 400 members!

The largest in the world, with over 8 mil channel subscribers!



● Dream Coaching sports personal instruction

⇒ A matching service that pairs top athletes like former professional athletes, Olympians, and current athletes with sports students.

⇒ With over 1,500 cases under our belt, 97% of users gave us the highest rating of 5 stars in reviews!

⇒ Collaborations with pro teams and sports organizations, such as Nippon TV Tokyo Verdy Beleza and former Yomiuri Giants players!



Strategic Investments

● First sustainable investment

⇒ Invested in **SoundFun, Inc.**, creators of Mirai Speaker® which uses patented technology "Kyokumen Sound"—developed for the first time and a game-changer for the 100-year history of speakers. Audio from TV are converted into sounds that are easy to hear.

⇒ Globally, hearing problems create significant social challenges. By investing in SoundFun, which aims to solve hearing problems and make the accessibility of sound a reality, we contribute to a sustainable future.

⇒ **2nd-largest shareholder (largest corporate shareholder)**



● Strengthen digital businesses

⇒ Invested in **EASY PRODUCTION K.K.**, which developed technology to increase the efficiency of live sports broadcasts and streamings. It boasts over 1,800 broadcasts annually across a diverse range of sports.

⇒ As the live streaming market blossoms with sports broadcasts playing a key role in that growth, we aspire to develop a stable yet agile production capability and strengthen our digital businesses, with the expansion of our video streaming business at the core.

⇒ **Became a Nippon TV Group affiliate**



Reference Materials for Financial Results

Segment Results

(Millions of yen)

FY2021 2Q	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	181,038	10,725	5,158	196,922	3,572	200,494	△5,544	194,950
Segment profit (Loss) (△)	24,393	△ 1,769	1,954	24,578	253	24,831	△490	24,341

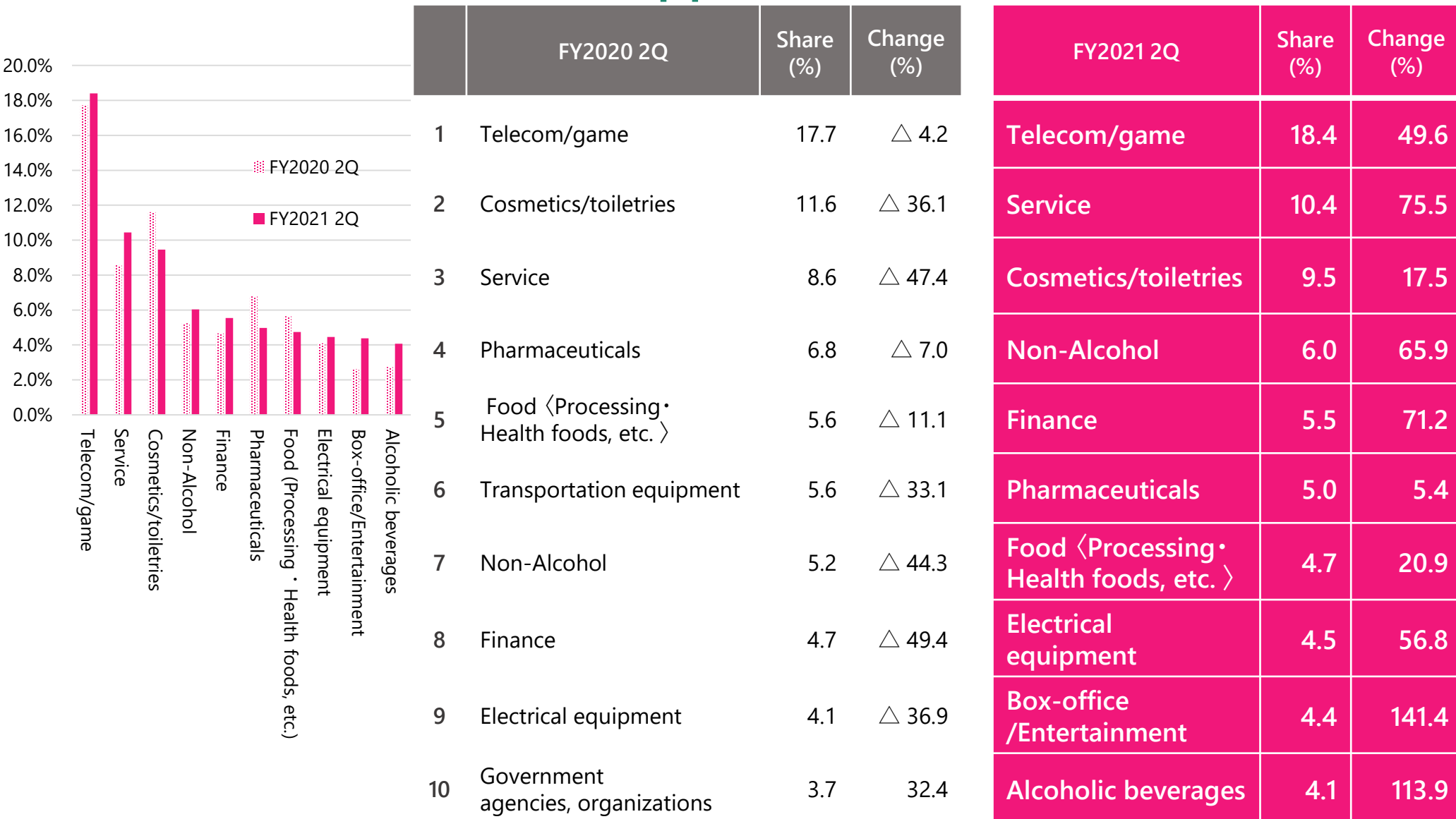
Business Segments	Main Business
Media Content Business	Sales of TV advertising space, Video On Demand, and BS,CS,CATV,Other businesses, Royalty Sales for video, music, etc., sales of packaged media, etc., TV-shopping, Planning and operation of Movies business, Events and art exhibition business, and 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	FY2020 (%)	FY2021 (%)
April	△2.4	△4.8
May	1.9	△1.2
June	△3.1	0.4
July	△3.8	8.2
August	0.6	14.5
September	△11.6	△8.8

Spot	FY2020 (%)	FY2021 (%)
April	△24.7	25.9
May	△40.2	79.8
June	△47.5	100.3
July	△32.6	29.3
August	△26.4	18.2
September	△18.5	33.9

Spot Sales - Terrestrial Broadcasting (Nippon TV)



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

Movie Lineup for 2021-2022

☆ Lead manager, Nittele ★=Joint Secretary-General of Nippon Telephone Corporation

Date	Title	Distributor	
December 10	☆Your Turn to Kill: The Movie	TOHO	
January 28, 2022	☆noise	WB	
Coming Soon	★The Deer King	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>【Tokyo】 From Friday, October 1 to Sunday, December 19, 2021</p>	<p><u>HIDEAKI ANNO EXHIBITION</u></p> 
<p>Friday, January 28, 2022</p>	<p>Japan Musical Festival2022</p> 