

FY2021 3Q Financial Results

February 03, 2022
Nippon Television Holdings, Inc.

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- **Fiscal 2021 3Q Overview of Financial Results**
- Highlights of Group Companies
- Fiscal 2021 Outlook
- Content Business Strategy
- Digital Strategy
- Strategic Investments

Key Points of 3Q Financial Results for FY2021

Point
1

Sales and profits increased due to remarkable improvement in ad market

- TV ad sales recovered close to pre-COVID levels seen 2 years ago, with spot making up 30% of ad sales due to #1 individual and core viewer ratings. Time ad sales also increased due to Tokyo 2020 and the like.
- Successful cost controls with program production expenses.
- Strong revenues from anime overseas sales; revenues from ads for digital streaming doubled.
- Hulu subscribers grew; TIPNESS and ACM net losses decreased.

Point
2

Upward revision of FY2021 consolidated performance forecast

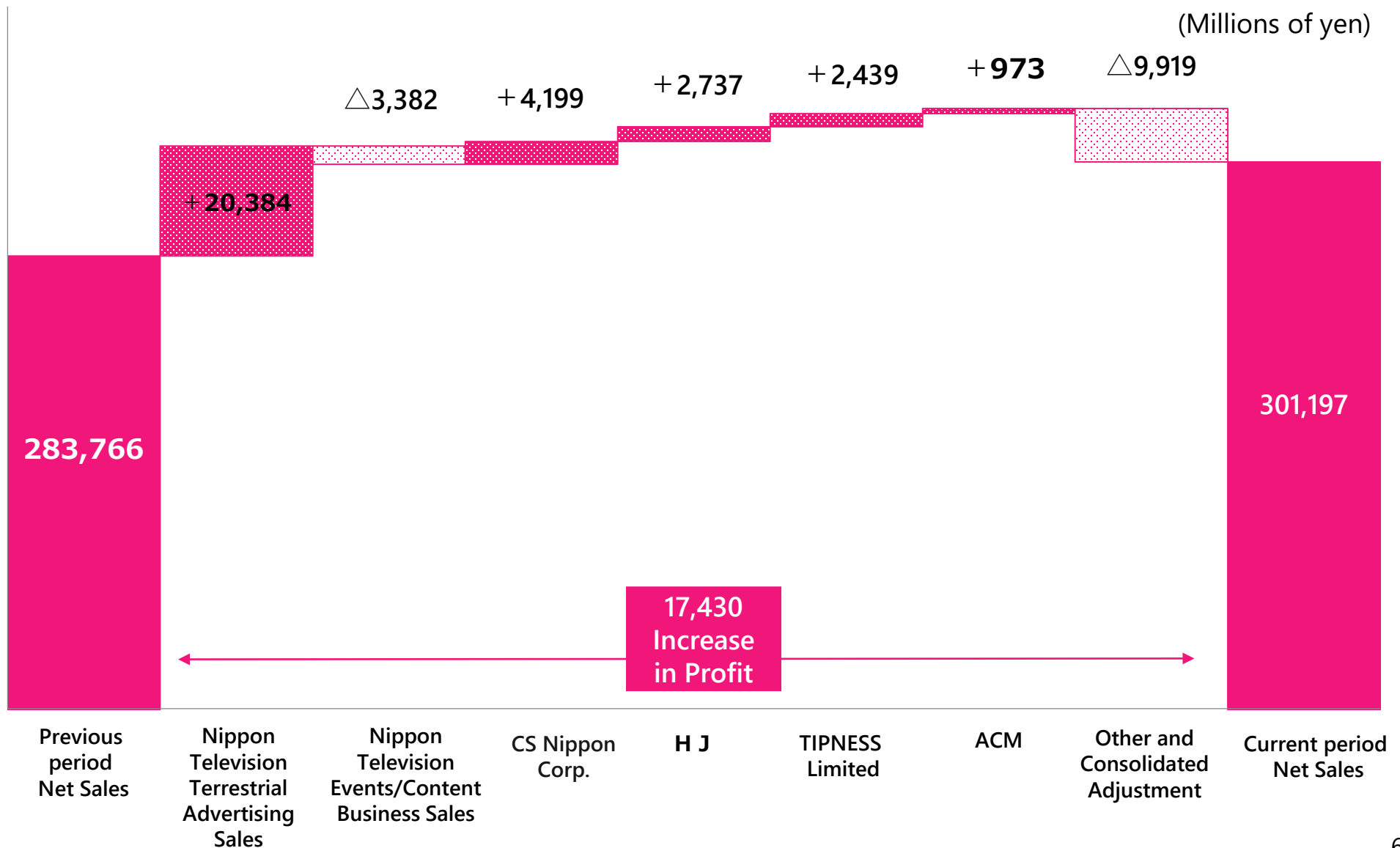
- Spot ad sales expected to exceed previous forecast.
- Successful cost controls
- Record gains from sale of investment securities.

FY2021 3rd Quarter Consolidated Financial Results

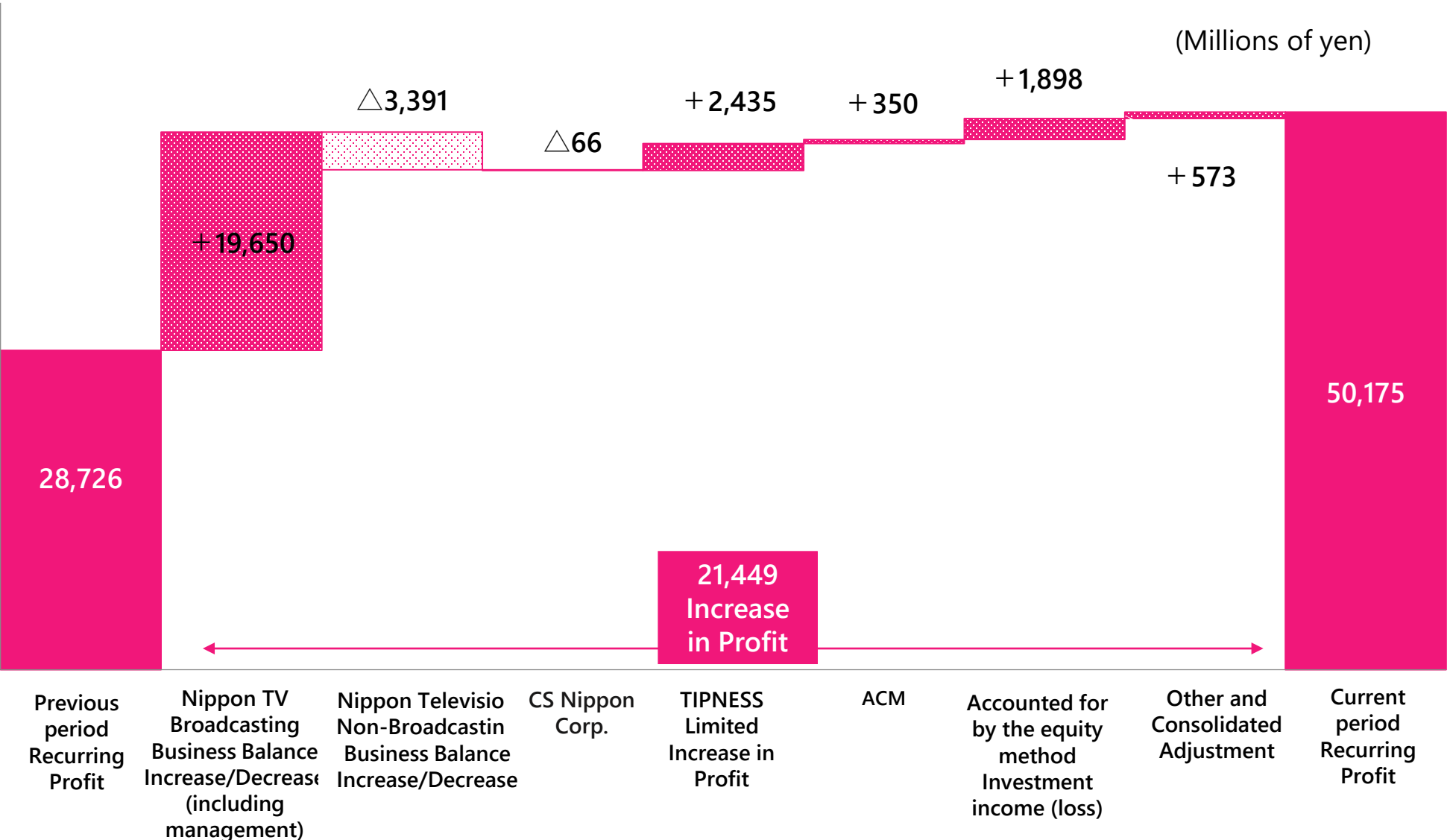
(Millions of yen)

	FY2020 3Q	FY2021 3Q	Change (%)
Net Sales	283,766	301,197	6.1
Operating Profit	24,237	44,835	85.0
Recurring Profit	28,726	50,175	74.7
Net Income attributable to owners of the parent	16,813	38,872	131.2

Net Sales YoY Change Components

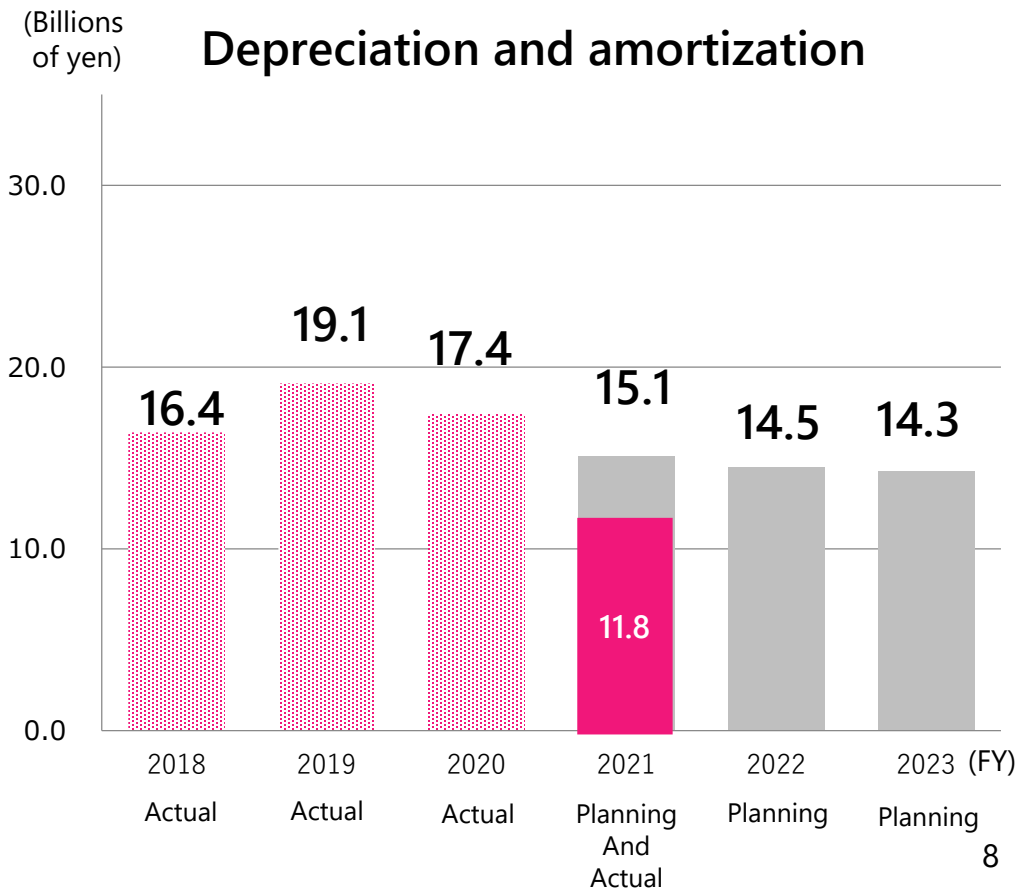
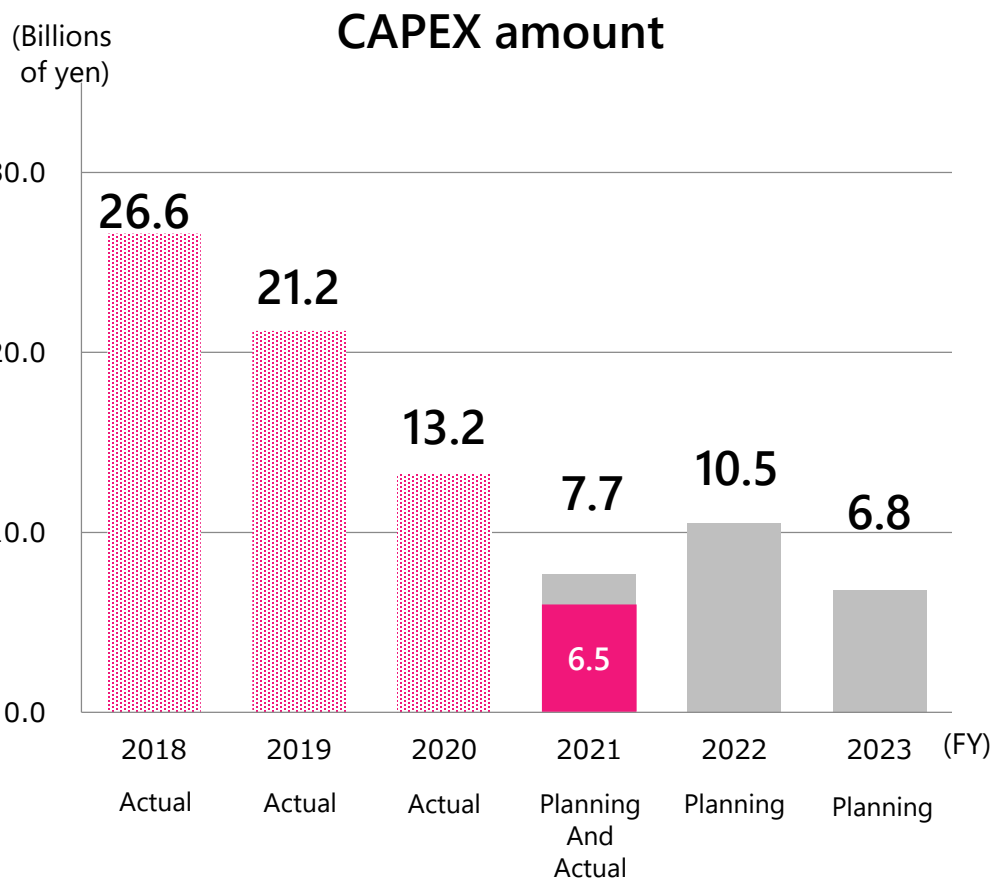


Recurring Profit YoY Change Components



CAPEX and Depreciation (Consolidated)

FY2021 3Q (Unit: Billions of yen)	CAPEX amount	Depreciation and amortization
		6.5



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Nippon TV Financial Results

(Millions of yen)

	FY2020 3Q	FY2021 3Q	Change (%)
Net Sales	206,854	223,469	8.0
Operating Profit	21,960	38,279	74.3
Recurring Profit	25,278	41,156	62.8
Net Income	37,067	33,982	△8.3

Net Sales-Nippon TV

(Millions of yen)

	FY2020 3Q	FY2021 3Q	Change (%)
TV advertising revenue	161,188	181,572	12.6
Program Sales	8,579	8,142	△5.1
Events/Content business sales	35,373	31,990	△9.6
Real Estate Business	1,714	1,763	2.9
Total	206,854	223,469	8.0

Nippon TV Advertising Revenue

(Millions of yen)

	FY2020 3Q	FY2021 3Q	Change (%)
TV advertising revenue	161,188	181,572	12.6
Time	89,233	89,680	0.5
Spot	71,954	91,892	27.7

Nippon TV Cost of Sales

(Millions of yen)

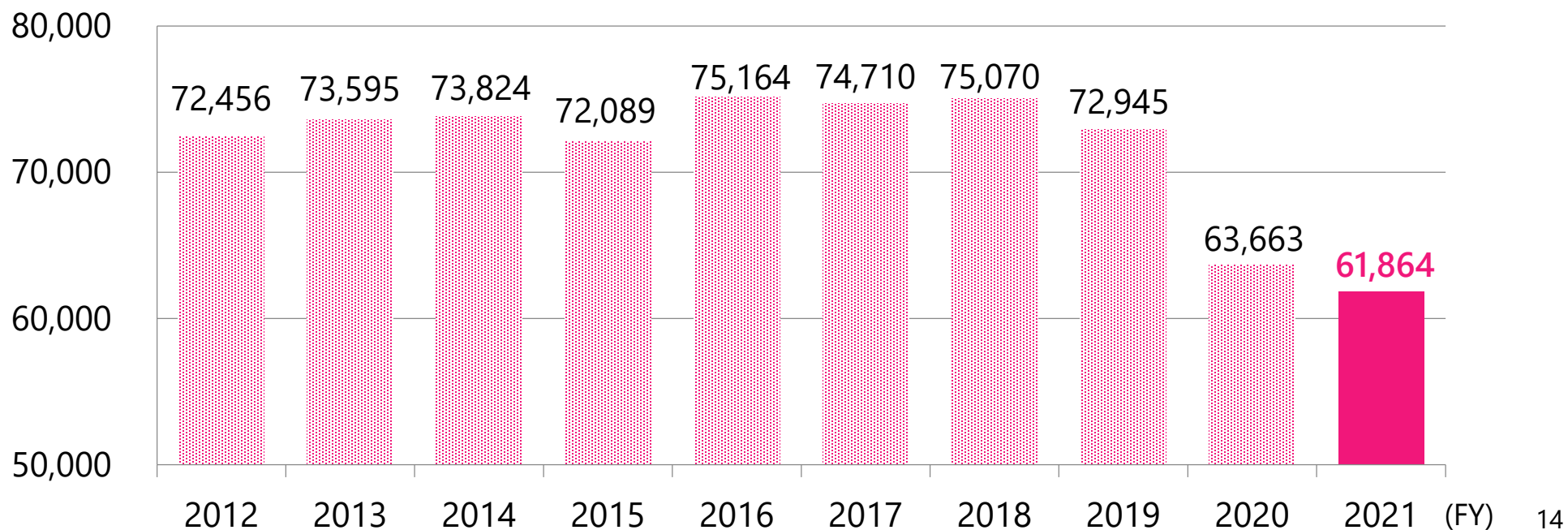
	FY2020 3Q	FY2021 3Q	Change (%)
Production costs	63,663	61,864	△2.8
Personnel	16,259	16,353	0.6
Depreciation and amortization	8,274	7,925	△4.2
Events/content business costs	25,650	24,896	△2.9
Others	71,046	74,151	4.4
Total	184,894	185,189	0.2

Nippon TV Production Costs

(Millions of yen)

FY2020 3Q	FY2021 3Q	Change (%)
63,663	61,864	△2.8

Production costs (3rd Quarter)



Events/Content Business Sales and Costs

((Millions of yen)		FY2020 3Q	FY2021 3Q	(Millions of yen)		FY2020 3Q	FY2021 3Q
Movies	Sales	8,034	3,161	IP Business	Sales	1,585	1,155
	Costs	5,593	1,479		Costs	424	851
	Balance	2,442	1,682		Balance	1,161	305
Events	Sales	572	1,922	Content Business※	Sales	6,423	1,014
	Costs	768	1,865		Costs	3,445	495
	Balance	△195	57		Balance	2,978	518
Media Commerce	Sales	9,450	7,162	Others	Sales	7,518	13,495
	Costs	8,084	6,643		Costs	6,608	11,727
	Balance	1,366	520		Balance	909	1,766
Anime	Sales	—	2,969	Total	Sales	35,373	31,990
	Costs	—	1,622		Costs	25,650	24,896
	Balance	—	1,346		Balance	9,722	7,093
International Business	Sales	1,790	1,112				
	Costs	729	214				
	Balance	1,061	899				

※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	12,183 (8.3%)	7,318 (114.7%)	5,447 (△38.5%)	5,356 (△49.3%)	17,240 (16.4%)
Operating Profit (Loss) (△)	1,722 (27.9%)	456 (△12.6%)	1,399 (△11.6%)	1,004 (△17.6%)	△2,112 (-)
Recurring Profit (Loss) (△)	1,753 (26.5%)	460 (△12.6%)	1,414 (△12.2%)	1,106 (△16.8%)	△2,328 (-)
Net Income (Loss) (△)	1,213 (26.4%)	318 (△12.6%)	926 (△17.4%)	957 (△20.0%)	△2,878 (-)

(Millions of yen)	Nittele Seven	TATSUNOKO PRODUCTION Co.Ltd	HJ Holdings LLC	ACM	PLAY
Net Sales	2,249 (△17.4%)	1,092 (△9.7%)	24,468 (13.0%)	2,150 (83.7%)	4,973 (15.3%)
Operating Profit (Loss) (△)	43 (△74.3%)	2 (△95.3%)	1,113 (26.1%)	△261 (-)	1,052 (△9.8%)
Recurring Profit (Loss) (△)	46 (△73.3%)	4 (△93.1%)	1,110 (22.7%)	△224 (-)	1,052 (△9.7%)
Net Income (Loss) (△)	31 (△73.3%)	0.6 (△98.5%)	1,066 (18.8%)	△233 (-)	639 (△9.1%)

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 (A)	FY2021 Revised Forecast (B)	change (B-A)
Net Sales	391,335	400,000	405,000	5,000
Operating Profit	34,526	46,000	55,000	9,000
Recurring Profit	42,944	52,000	61,000	9,000
Profit attributable to owners of parent Net income	24,042	41,000	46,000	5,000

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)

(Unit: %)	Previous Forecast	FY
TV advertising revenue	+6.1	+8.3
Time	-0.1	+0.2
Spot	+13.2	+17.2

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2021 Annual Individual Viewer Ratings

January 04, 2021 – January 02, 2022

	NTV	EX	TBS	TX	CX	PUT
All Day	① 4.0	② 3.9	③ 3.1	⑤ 1.5	④ 2.9	22.1
6:00 to 24:00	▲0.6	▲0.3	▲0.3	±0.0	▲0.2	▲1.3
Prime Time	① 5.9	① 5.9	③ 4.7	⑤ 3.2	④ 4.5	34.0
19:00 to 23:00	▲0.9	▲0.4	▲0.5	▲0.2	▲0.3	▲2.0
Golden Time	① 6.2	② 5.8	③ 4.7	⑤ 3.6	④ 4.6	36.2
19:00 to 22:00	▲0.9	▲0.4	▲0.6	▲0.2	▲0.3	▲2.0
Non-Prime Time	① 3.5	② 3.3	③ 2.6	⑤ 1.0	④ 2.5	18.6
All Day – Prime Time	▲0.5	▲0.3	▲0.3	±0.0	▲0.1	▲1.1
Platinum Time	① 3.1	② 2.2	③ 2.0	⑤ 1.0	④ 1.9	13.3
23:00 to 25:00	▲0.5	▲0.4	▲0.1	▲0.2	▲0.1	▲1.2

In order of digital channel, from left. Source for Individual viewership (Kanto region): Video Research. Period of comparison : December 30, 2019 – January 03, 2021

✓ Triple Crown Champion for individual ratings for 11 consecutive years (tied with EX for prime time). Including non-prime and platinum, Quintuple Crown Champion for 7 consecutive years.

2021 Annual Core Target Viewer Ratings

January 04, 2021 – January 02, 2022

	NTV	EX	TBS	TX	CX	PUT
All Day	① 3.4	④ 1.7	③ 1.8	⑤ 0.7	② 2.3	12.0
6:00 to 24:00	▲0.7	▲0.2	▲0.2	±0.0	▲0.2	▲1.4
Prime Time	① 5.4	④ 3.2	③ 3.6	⑤ 1.7	② 3.9	21.2
19:00 to 23:00	▲1.2	▲0.3	▲0.4	▲0.1	▲0.2	▲2.4
Golden Time	① 5.6	④ 3.1	③ 3.6	⑤ 1.8	② 4.0	22.0
19:00 to 22:00	▲1.3	▲0.2	▲0.4	▲0.2	▲0.2	▲2.2
Non-Prime Time	① 2.8	③ 1.3	③ 1.3	⑤ 0.4	② 1.8	9.4
All Day – Prime Time	▲0.6	▲0.1	▲0.1	±0.0	▲0.2	▲1.2
Platinum Time	① 2.9	② 2.0	④ 1.5	⑤ 0.7	③ 1.8	10.4
23:00 to 25:00	▲0.8	▲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: December 30,2019 – January 03,2021

- ✓ Core target: 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.
- ✓ Core Target Triple Crown Champion for 9 consecutive years and Core Target Quintuple Crown Champion for 8 consecutive years.

Ranking Based On Number of Viewers

		Title	Minutes	Broad-casters	Total Viewers (millions)	Average Viewers (millions)
1	08/03/21	Tokyo Olympics (Men's Soccer Semi-final)	185	28	51.456	21.209
2	01/02/22	Hakone Ekiden	375	30	45.254	16.042
3	07/31/21	Tokyo Olympics (Athletics)	210	29	44.105	8.074
4	04/04/21	Nippon TV Hit Shows Spring Collab Special!	234	30	38.923	9.520
5	08/01/21	Tokyo Olympics (Basketball, Swimming, Golf, Fencing etc.)	270	30	38.321	3.736
6	01/05/21	The! Sekai Gyoten News	234	28	37.959	10.243
6	08/05/21	Tokyo Olympics (Women's Wrestling)	235	30	37.959	4.338
8	08/21/21	24-Hour Television 44	165	30	37.718	11.448
9	07/03/21	The Music Day 2021 Part 3	234	29	37.598	11.448
10	03/24/21	Premium Music 2021	234	29	37.477	10.243

January 04,2021 – January 02, 2022/Individuals 4+ years old, /Only Nippon TV/highest viewership on date shown for regular programs and one-offs. /Source: Video research

- ✓ **Total viewers:** Estimated number of viewers who watched for a minute or more
- Average number of viewers nationwide:** Estimated average number of viewers for the entire program
- ✓ **Semifinal of men's soccer at Tokyo Olympics became highest-viewed among commercial broadcasters, with over 51 million tuning in for one minute or more.** Special programs such as music shows also proved the power of terrestrial TV's reach

April 2022 Programming Strategy Themes

【Programming Strategy Themes】

★ Overcome critical challenges to TV and create timetable that **wins support and choice of consumers**

★ From being switched **OFF** to **ON**, then becoming a **FAN**, then creating a **BUZZ**
~Through content, we will give consumers reasons to create buzzes~

① Revamp golden and prime times

② Bolster non-prime time for weekends

FY2022 Nippon TV “Human IP” Strategy

2020 **NiziU**



2021 **BE:FIRST**



SKY-HI

2022 **PRIKIL**



● IP Business

“More than just TV” Through content that links linear and digital streaming on Hulu, we will show you artists being borne up to the moment they rise to stardom!

2020 saw the global girls’ group audition project **Nizi Project** give birth to **NiziU** (JYP Entertainment/Sony Music Labels). It paved the way for SKY-HI to produce the boys’ group audition **THE FIRST**, giving rise to **BE:FIRST** (BMSG) in 2021. **PRIKIL** (FNC ENTERTAINMENT JAPAN) by **Who is Princess?**, a survival audition where high-level trainees compete fiercely, also emerged. Nippon TV’s “Human IP” strategy conceived new artists, captivating fans nationwide.

In addition to content-linked IP, **artist-linked IP, or Human IP**, gives rise to new stars through their break on TV. We will comprehensively support artists in their TV and digital platform appearances, music and live show performances, and endeavors with games, merchandise, and more.

2022 will be a year of fresh and exciting audition projects and debuts!

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TVer FY2021 3Q Summary

- ◆ Massive year end campaign kicked off on December 27 to stream content at an unprecedented scale
- ◆ Total app downloads at around 44 mil (end-Dec)
- ◆ Maximum number of monthly visitors as MUB (excl. double counting) reached 16.5mil in Dec ※provided by Video research



- ◆ Streamed all games of 100th All-Japan High School Soccer Tournament



- ◆ “Nippon TV Network’s Live Streaming” started October 2 (Sat)!

0テレ系ライブ配信

- Streamed mainly Golden and Prime Time shows
- Hit entertainment shows and numerous special programs and live performances streamed during New Year’s, garnering huge support from users

hulu HJ Holdings FY2021 3Q Summary

- ◆ 3Q-end number of paid subscribers increased 4% yoy and net sales grew 13% yoy
- ◆ Debuting on 11/3, BE:FIRST saw its content meeting stellar demand

- Live show streamed as TVOD on 11/5 broke historical high for ticket sales
- New series BE:FIRST Gifted.DAYS launched 11/26 and is going strong



- ◆ Wed, Sat, and Sun dramas plus “Your Turn to Kill” captured new subscribers

- Dramas like “Love’s In Sight” and “Guilty Flag” contributed greatly to new subscribers.
- “Your Turn to Kill” the movie and the drama series exploded in popularity, capturing new members in December alone as if it were a new drama series.



- ◆ Massively successful “Chat Party” project that only Hulu can throw

- “Live TV Chat” enables subscribers to chat and rave about what they’re watching. Only Hulu provides this among SVOD services, earning high acclaim for offering a new way to enjoy streamed content.
- 3Q is full of projects such as “BE:FIRST,” “Matrix,” and “Your Turn to Kill.”

Strategic Investments

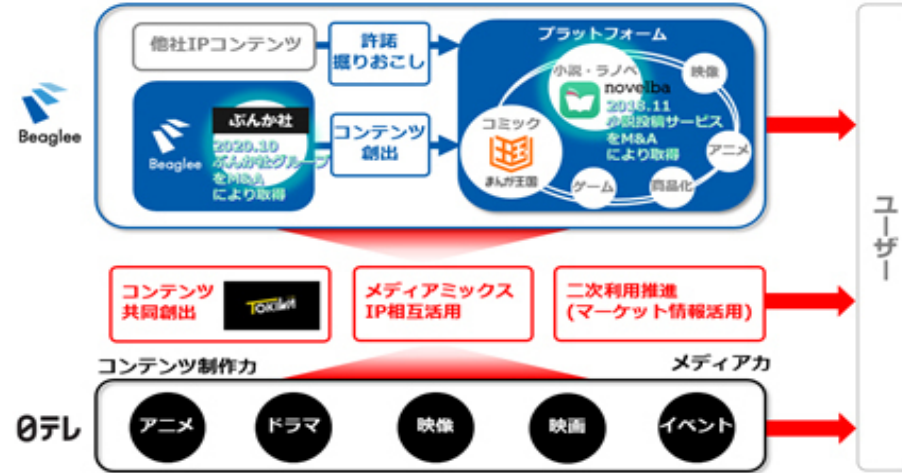
● Bolster content creation expertise

⇒ **Beagle Inc.**, whose core business is to create content primarily for its comics streaming service Manga Okoku (manga kingdom), became a **Nippon TV Group affiliate** after we purchased 25% of its shares through a tender offer and entered a capital and business partnership agreement.

⇒ Both parties will share and utilize their resources to **develop joint-IP and optimize the use of existing IP** to achieve continued growth.

⇒ The first project since entering the agreement is a collaboration with Manga Okoku to produce a comic for Nippon TV's YouTube channel Boku Tachi no Asobiba (our playground).

⇒ **We will continue to advance the co-development of content.**



Reference Materials for Financial Results

Segment Results

((Millions of yen))

FY2021 3Q	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	279,519	17,003	7,670	304,192	5,331	309,524	△8,327	301,197
Segment profit (Loss) (△)	44,379	△2,195	2,907	45,091	425	45,517	△682	44,835

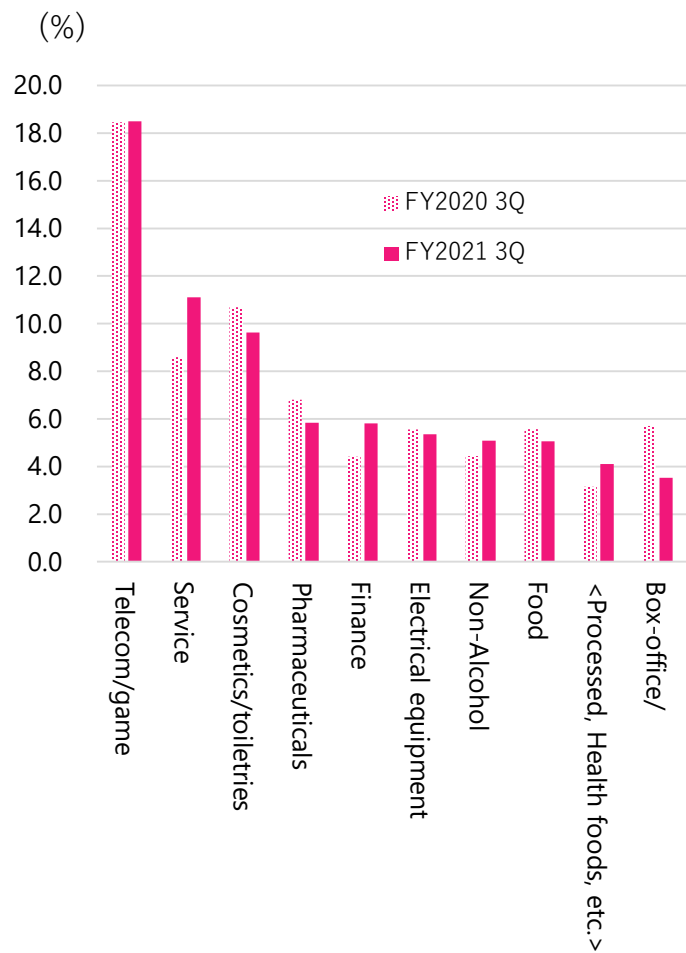
Business Segments	Main Business
Media Content Business	Sales of TV advertising space, Video On Demand, and BS,CS,CATV,Other businesses, Royalty Sales for video, music, etc., sales of packaged media, etc., TV-shopping, Planning and operation of Movies business, Events and art exhibition business, and 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
October	△10.2	1.0
November	0.1	△5.2
December	△8.0	△0.6

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
October	3.4	11.3
November	0.4	9.8
December	11.6	3.0

Spot Sales - Terrestrial Broadcasting (Nippon TV)





	FY2020 3Q	Share (%)	Chg (%)
1	Telecom/game	18.5	10.3
2	Cosmetics/toiletries	10.7	△ 26.4
3	Service	8.6	△ 36.8
4	Pharmaceuticals	6.8	△ 5.1
5	Transportation equipment	5.7	△ 16.6
6	Food <Processed, Health foods, etc.>	5.6	0.1
7	Electrical equipment	5.6	△ 0.4
8	Non-Alcohol	4.4	△ 35.9
9	Finance	4.4	△ 42.5
10	Food products <Dairy Products Seasonings>	3.7	△ 17.0

FY2021 3Q	Share (%)	Chg (%)
Telecom/game	18.5	28.2
Service	11.1	64.8
Cosmetics/toiletries	9.6	14.9
Pharmaceuticals	5.8	9.6
Finance	5.8	68.5
Electrical equipment	5.4	23.1
Non-Alcohol	5.1	46.5
Food <Processed, Health foods, etc.>	5.1	16.1
Box-office/ Entertainment	4.1	66.9
Transportation equipment	3.5	△ 21.0

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

Movie Lineup for 2021-2022

☆ Lead manager, Nippon TV ★ Co-organized with Nippon TV

Date	Title	Distributor	
January 28	☆Noise	Warner Bros.	
February 03	★The Deer King	TOHO	




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☆ Lead manager, Nippon TV ★ Co-organized with Nippon TV

Date	Title	Distributor	
April 15	DETECTIVE CONAN The Bride of Halloween	TOHO	
June 24	ANPANMAN : 33rd MOVIE	TOKYO THEATRE	<p style="text-align: center;">NOW PRINTING</p>
Early summer	★WAY OF THE HOUSEHUSBAND: The Movie	SONY	

Movie Lineup for 2021-2022

☆ Lead manager, Nippon TV ★ Co-organized with Nippon TV

Date	Title	Distributor	
Early summer	☆ BL Metamorphosis (working title)	NIKKATSU	
Summer	★ KINGDOM 2 (working title)	TOHO/SONY	
Summer	★ The Imaginary	TOHO	

Event Lineup for 2022

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

Date	Event
<p>【Tokyo】 From Friday, April 29 to Sunday, July 3, 2022</p>	<p>BOTERO – MAGIC IN FULL FORM</p> 
<p>【Tokyo】 From Saturday, April 30 to Sunday, June 12, 2022</p>	<p>DETECTIVE CONAN THE MOVIE EXHIBITION</p> 
<p>From Saturday, July 23 to Sunday, October 2, 2022</p>	<p>Art & Power: From Pharaohs to Daimyōs. Masterworks from the Museum of Fine</p> 