

November 2, 2020

Nippon Television Holdings, Inc.  
(Ticker:9404, First Section, Tokyo Stock Exchange)

## **Notice Regarding Recognition of Extraordinary Losses**

Nippon Television Holdings, Inc. (the "Company") expects to post impairment losses on goodwill, etc. on its consolidated financial statements, as well as losses on the valuation of shares of a subsidiary and the provision of allowance for doubtful accounts on non-consolidated financial statements for the first half (April 1, 2020 - September 30, 2020) of the fiscal year ending March 2021.

### **1. Recognition of Extraordinary Losses**

#### **(1) Consolidated Financial Statements**

TIPNESS Limited ("TIPNESS"), a subsidiary of the Company and operator of full-service fitness clubs, closed its facilities as COVID-19 cases increased. Those facilities reopened under full COVID-19 measures and although membership growth shows mild improvements, results fall short of the original membership acquisition plan. At the time the Company purchased the shares of TIPNESS, goodwill and other intangible fixed assets were booked under the assumption that TIPNESS would achieve excess earning power. Upon careful review of the business plan, however, it was determined that the recovery of the investment amount would prove difficult. Accordingly, the Company will post a JPY 13.16 billion impairment loss for the remaining balance. Moreover, due to TIPNESS's decline in profitability, the Company expects the recovery of the amount invested on property and equipment to become even more difficult. As such, book value will be reduced to an amount deemed to be recoverable, resulting in a JPY 3.24 billion impairment loss.

#### **(2) Non-Consolidated Financial Statements**

Taking (1) into consideration, the Company reevaluated the TIPNESS shares it owns and found that the actual value had dropped significantly, leading to the recognition of a JPY 24.375 billion loss on the valuation of shares of a subsidiary. Furthermore, taking into account the deterioration of TIPNESS's fiscal situation, the Company recognized a JPY

2.619 billion provision of allowance for doubtful accounts on its loans to TIPNESS. Such entries on the valuation of shares of a subsidiary and provision of allowance for doubtful accounts were eliminated in the consolidation process and have no effect on the consolidated financial statements.

## **2. Outlook**

The Company is currently examining other factors and will promptly disclose consolidated financial performance forecasts for the fiscal year ending March 2021 once information becomes available.

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