

FYE March 31, 2021 Second Quarter Results

November 18, 2020

Hiroshi Hayakawa

Chairman & CEO

Consolidated Results

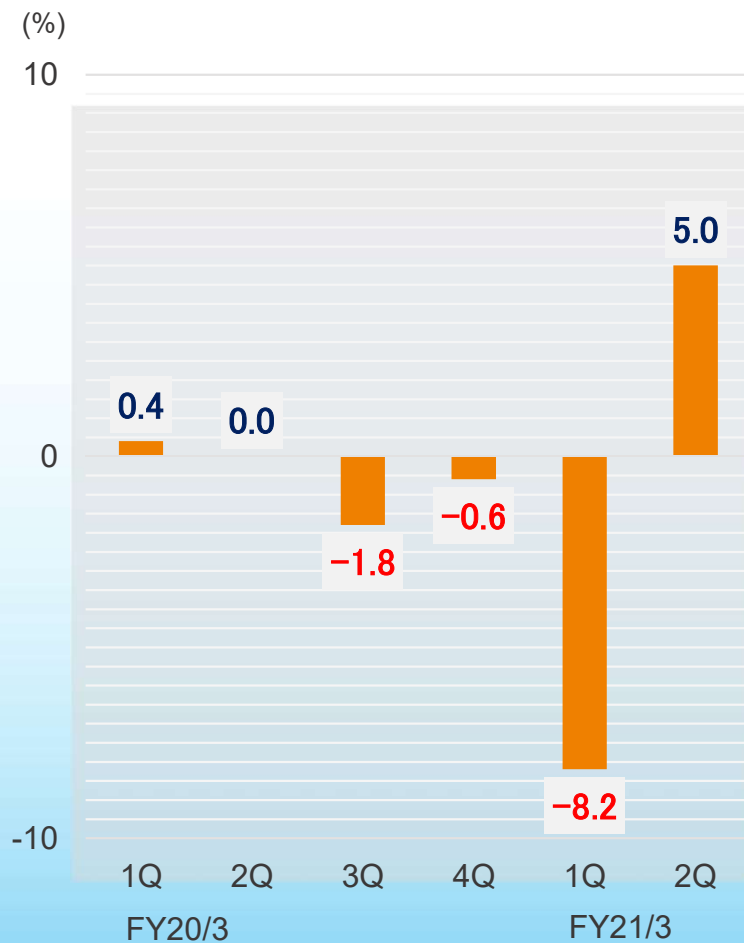
(mm of yen)	FY20/3 1H (April-Sept 2019)	FY21/3 1H (April-Sept 2020)	YoY	YoY(%)
Net Sales	145,416	118,026	△27,390	△ 18.8%
Operating Income	5,274	2,317	△ 2,956	△ 56.1%
Ordinary Income	7,318	4,272	△ 3,046	△ 41.6%
Profit attributable to owners of the parent	4,537	2,837	△ 1,700	△ 37.5%

**Large decrease in revenue and profits
due to the COVID-19 crisis**

Note: "FY21/3" refers to the fiscal year ending March 31, 2021 and all other fiscal years are referred to in the same manner.

Major Impacts of COVID-19

Quarterly GDP Growth Rate (Real)



Tokyo Area Spot Advertising Volume



Major Impacts of COVID-19

Affected Segment

Major Impacts

TV Broadcasting
Business
and
Other Businesses

Slump in advertising
demand

Delay of program
production

Postponement of Tokyo
Olympics

Postponement and
cancellation of sponsored
events

Cancellation of SUMMER
STATION

Postponement of motion
picture releases

Music Publication
Business

Postponement and
cancellation of artists' live
performances

Companywide

Advancing telework

First-Half Viewer Ratings (Terrestrial)



Hodo Station

Overall individual:
7.6%
(Household: 14.2%)



Saturday Station

Overall individual:
6.6%
(Household: 12.1%)



**Shinichi Hatori's
MORNING SHOW**

Overall individual:
5.5%
(Household: 10.8%)

**Solid viewer ratings for news and information
programs during COVID-19 crisis!**

First-Half Viewer Ratings (Terrestrial)

(March 30 – Sept 27, 2020)

【Individual(ALL)】	TV Asahi		NTV		TBS		CX		TX	
All Day (6:00 - 24:00)	②	4.3 (+0.4)	①	4.8 (+0.5)	③	3.5 (+0.4)	④	3.1 (+0.1)	⑤	1.6 (+0.2)
Golden Time (19:00 - 22:00)	②	6.1 (+0.2)	①	7.4 (+0.4)	③	5.4 (+0.1)	④	4.7 (-0.2)	⑤	3.9 (+0.4)
Prime Time (19:00 - 23:00)	②	6.4 (+0.4)	①	7.0 (+0.2)	③	5.4 (+0.1)	④	4.6 (±0.0)	⑤	3.5 (+0.4)
Prime2 (23:00 - 25:00)	②	2.6 (±0.0)	①	3.7 (+0.3)	③	2.1 (-0.1)	④	1.9 (±0.0)	⑤	1.2 (±0.0)

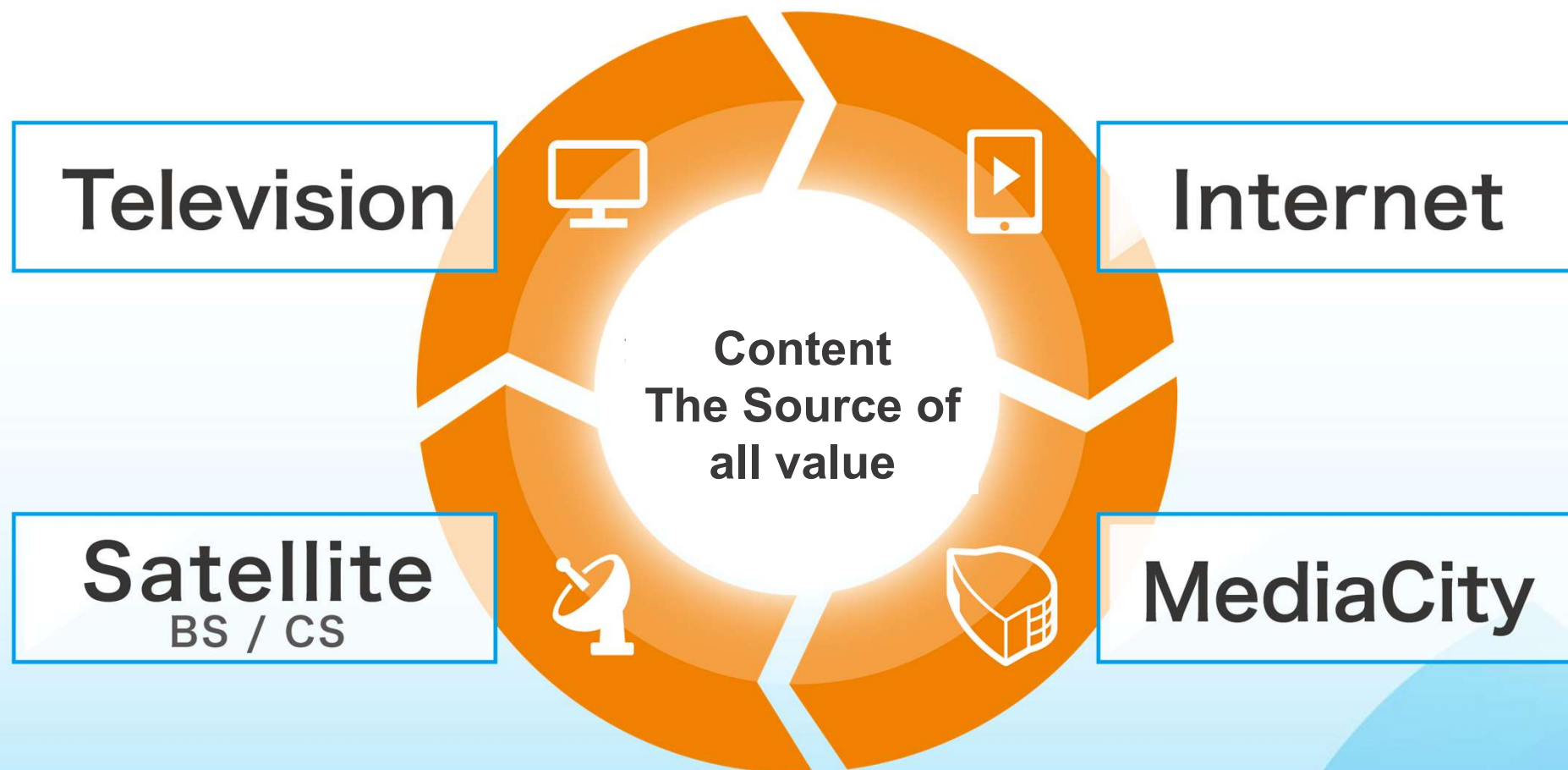
【Household】	TV Asahi		NTV		TBS		CX		TX	
All Day (6:00 - 24:00)	②	8.3 (+0.9)	①	8.8 (+1.1)	③	6.8 (+0.9)	④	5.9 (+0.3)	⑤	3.0 (+0.5)
Golden Time (19:00 - 22:00)	②	11.0 (+0.7)	①	12.1 (+0.8)	③	9.2 (+0.1)	④	8.0 (±0.0)	⑤	6.9 (+1.0)
Prime Time (19:00 - 23:00)	①	11.6 (+1.1)	①	11.6 (+0.5)	③	9.3 (+0.2)	④	8.0 (+0.2)	⑤	6.2 (+0.8)
Prime2 (23:00 - 25:00)	②	5.3 (+0.2)	①	7.3 (+1.0)	③	4.2 (±0.0)	④	3.7 (+0.1)	⑤	2.5 (+0.1)

Note: Numbers in circle refer to ranking among commercial stations. Numbers in parentheses indicate YoY. (Source: Video Research)

Start of New Management Plan



Basic Philosophy



Acceleration of the 360° Strategy!

Management Plan Overview

Content Production

- Strengthen and promote 360° content deployment
- Enhance coordination with business development
- Focus on “All Targets” Strategy

Internet

- Promote growth of TELASA (SVOD), catch-up services, and ABEMA

Data and Technology

- Utilize in content production
- Utilize in business development

Sales Structure

- Shift to solutions-based selling
- Resolve issues facing advertisers

Media City

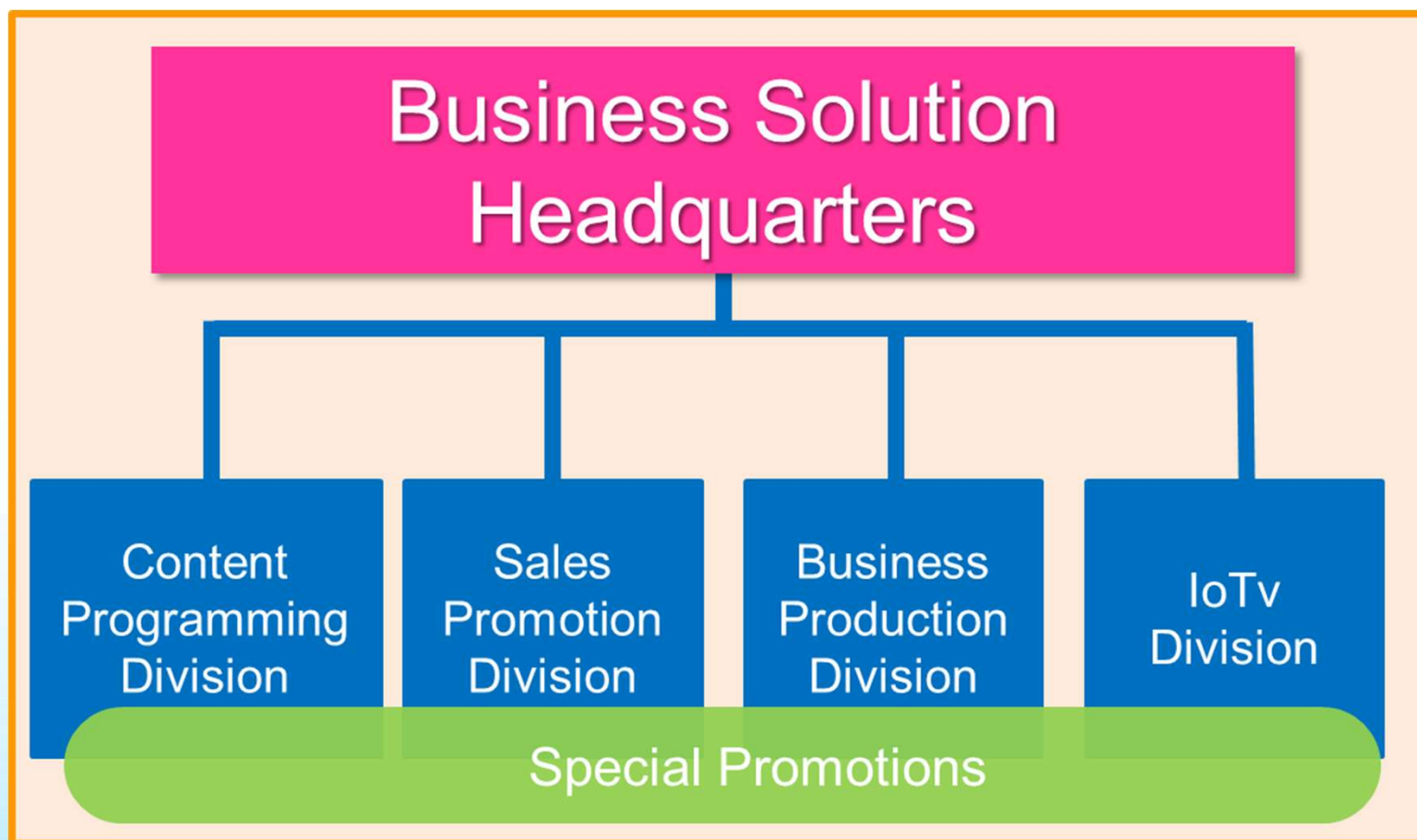
- Construction of Digital Square
- Foundation of conversion between entertainment and technology!

SDGs

- Further social contribution through content



Organizational Reform



Consolidate TV Asahi's position for a counter-offensive!

Companywide Initiative

未来をここから

プロジェクト

THE FUTURE STARTS HERE

Under the concept “In times of adversity like these, let us stand up and advance toward the future”, TV Asahi will transcend the boundaries of our programs and support small initiatives that look toward the future, precisely because we live in a world of growing anxiety.



Hodo Station

Special feature “Mirai wo Hito Kara” that focuses on people who are trailblazers (Broadcast five consecutive days from Oct. 26)



Special features on future technologies



Special features on “new standards” in the COVID-19 era



TOKYO Ouen Sengen

Supporting athletes through rallying program “Ichinichi Ichihome! Minna Homeru Sengen” on TV and social media

Key Points of October Programming Changes

1) 10pm on weekends: Four 30-minute variety programs



2) 9pm on Sundays: Slot change for Sunday Station



3) Weekday late-night programming: “Barabara Daisakusen” Fourteen 20-minute short variety programs

October Prime-Time Programming (Terrestrial)

	Mon.	Tues.	Wed.	Thur.	Fri.	Sat.	Sun.
18:00							Nani Kore Chin Hyakkei (Neighborhood Treasures)
19:00	Kaere Monday Mikketai!!	Ima Desho! Kouza	Aitsu Ima Nani Shiteru?	Hanataka! Yuetsukan	Zawatsuku! Friday	Hakasechan	
20:00	Jyumanen de Dekirukana	Korette Watashi Dake? (ABC)	Miracle 9	Kasoken no Onna (Woman of the Crime Lab)	Karisode Tengoku	News Sou Datta no ka!!	Potsunto Ikkenya (ABC)
21:00	Q-Sama!!	Torinikutte Nan no Niku!? (ABC)	Aibou (PARTNERS) Season 19	Shichinin no Hisho (7 Secretaries)	Music Station	Saturday Station	Sunday Station
22:00	Hodo Station					Azatokute naniga Waruino? (What's Wrong with Being Wily?)	Shimpaishou!!
						NOBUNAKANAN NAN	TV Chidori
23:00	Geki Rare-san wo Tsurete Kita (A Real Rare Person for Real)	London Hearts	Kaji Yarou!!!	Ame-Talk!	60th anniversary program: 24 JAPAN	Sensei wo Kesu Hoteishiki (How to Eliminate My Teacher)	Kanjam Kanzennen Show

Solid Start for October Programming Changes



**Aibou (PARTNERS)
Season 19**
20th anniversary of the
series

**Five-episode average
viewer ratings**
Overall individual: 8.8%
(Household: 16.1%)



**Kasoken no Onna
(Woman of the Crime Lab)**

**Two-episode average
viewer ratings**
Overall individual: 6.1%
(Household: 11.2%)



**Shichinin no Hisho
(7 Secretaries)**

**Two-episode average
viewer ratings**
Overall individual: 7.5%
(Household: 13.9%)

Solid ratings, particularly for popular dramas

Internet Initiatives

TELASA

- Service launched April 2020!
- Joint venture with KDDI
- Positioned as main service for SVOD (subscription video-on-demand)
 - Original content of dramas “Boys in the Midsummer” and “Yokai Housemate”!
 - Live streaming of “London Hearts”



ABEMA

- Ongoing content boost!
- WAU of over 10 million (strong performance from news, etc.)
- Strengthening coordination with terrestrial TV
 - Joint production of drama “M -beloved one-” and ABEMA exclusive distribution of a spinoff drama!



- 60th anniversary program: “24 Japan”
- Joint project of TV Asahi, ABEMA, and TELASA
- Catch-up service + online only original stories on ABEMA and TELASA

Internet Initiatives

UltraImpression

- Sale of TV Asahi Catch-up (free ad-supported TV streaming service) commercial slots
- Sale of commercial slots within ABEMA videos
- Distribution of advertising to the catch-up service offered by ABC TV



Catch-up Service



- Number of users trending up, particularly for TVer
- Aiming to strengthen the service structure and upgrade the service level!

Strategic Investments

Investment in ITTY, INC. to strengthen shopping business



Company Overview

- Online sales business
- Sells a wide variety of products developed in-house on its own e-commerce site, third party e-commerce sites and TV shopping channels
- Offers an extensive line of products for young people

Reasons for Investment

- Strengthening of the shopping business (“Others” business segment)
- Aiming to maximize earnings through increasing product lineup and expanding sales channel

FY21/3 Forecast

(mm of yen)

	FY20/3	FY21/3	YoY	YoY(%)
Net Sales	293,638	255,000	△ 38,638	△ 13.2%
TV Broadcasting	235,838	204,800	△ 31,038	△ 13.2%
Music Publication	9,641	5,700	△ 3,941	△ 40.9%
Other Businesses	48,159	44,500	△ 3,659	△ 7.6%
Operating Income	12,565	5,000	△ 7,565	△ 60.2%
TV Broadcasting	7,000	2,400	△ 4,600	△ 65.7%
Music Publication	1,018	400	△ 618	△ 60.7%
Other Businesses	4,598	2,200	△ 2,398	△ 52.2%
Adjustments	△ 51	—	+ 51	—
Ordinary Income	32,048	8,000	△ 24,048	△ 75.0%
Profit attributable to owners of the parent	26,398	6,000	△ 20,398	△ 77.3%

Ad Revenue (Terrestrial)

Time	Spot	Total
△13.2%	△19.3%	△16.4%

Shareholder Returns

Dividends

- ✓ 40 yen per share (planned)
- ✓ Dividend payout ratio: 69.3%
- ✓ Stable dividends with focus on continuous growth of common dividend

Acquisition of Own Shares

- ✓ Total number of shares authorized to be acquired: 1.8 million shares (maximum)
- ✓ Total value of shares to be acquired: 3.5 billion yen (maximum)
- ✓ Acquisition period: Nov. 13, 2020 through Mar. 31, 2021
- ✓ Acquisition method: Market purchase on the Tokyo Stock Exchange

Enhanced returns to shareholders!

Masaya Fujinoki

Senior Executive Director

Consolidated Results

(mm of yen)	FY20/3 1H (April-Sept 2019)	FY21/3 1H (April-Sept 2020)	YoY	YoY(%)
Net Sales	145,416	118,026	△ 27,390	△ 18.8%
TV Broadcasting	116,083	95,967	△ 20,115	△ 17.3%
Music Publication	6,382	3,098	△ 3,284	△ 51.5%
Other Businesses	29,758	25,203	△ 4,554	△ 15.3%
Adjustments	△ 6,807	△ 6,243	+ 563	—
Operating Income	5,274	2,317	△ 2,956	△ 56.1%
TV Broadcasting	1,821	1,305	△ 516	△ 28.3%
Music Publication	770	274	△ 495	△ 64.4%
Other Businesses	2,743	740	△ 2,002	△ 73.0%
Adjustments	△ 60	△ 2	+ 57	—
Ordinary Income	7,318	4,272	△ 3,046	△ 41.6%
Profit attributable to owners of the parent	4,537	2,837	△ 1,700	△ 37.5%

Major Impacts of COVID-19

Affected Segment

Major Impacts

TV Broadcasting
Business
and
Other Businesses

Slump in advertising
demand

Delay of program
production

Postponement of Tokyo
Olympics

Postponement and
cancellation of sponsored
events

Cancellation of SUMMER
STATION

Postponement of motion
picture releases

Music Publication
Business

Postponement and
cancellation of artists' live
performances

Companywide

Advancing telework

TV Broadcasting Business

(mm of yen)	FY20/3 1H (April-Sept 2019)	FY21/3 1H (April-Sept 2020)	YoY	YoY(%)
Net Sales	116,083	95,967	△20,115	△17.3%
Time Sales	41,557	37,272	△ 4,285	△10.3%
Spot Sales	43,422	30,496	△12,926	△29.8%
Program Sales	6,569	6,632	+ 63	+ 1.0%
BS & CS	13,079	12,089	△ 989	△ 7.6%
Other	11,454	9,476	△ 1,977	△17.3%
Operating Income	1,821	1,305	△ 516	△28.3%

Time Sales Revenue (Terrestrial)

(mm of yen)	FY20/3	FY21/3	YoY	YoY(%)
1Q	20,777	18,567	△ 2,210	△10.6%
2Q	20,779	18,705	△ 2,074	△10.0%
1H	41,557	37,272	△ 4,285	△10.3%

Major Differences in 1H

- Regular programs: Substantial impact from advertiser tendency to reduce fixed advertising costs
- One-off programs: Revenue down due to reactionary slump after major programs in the previous year (Shiroi Kyoto (The Great White Tower), etc.)

Spot Sales Revenue (Terrestrial)

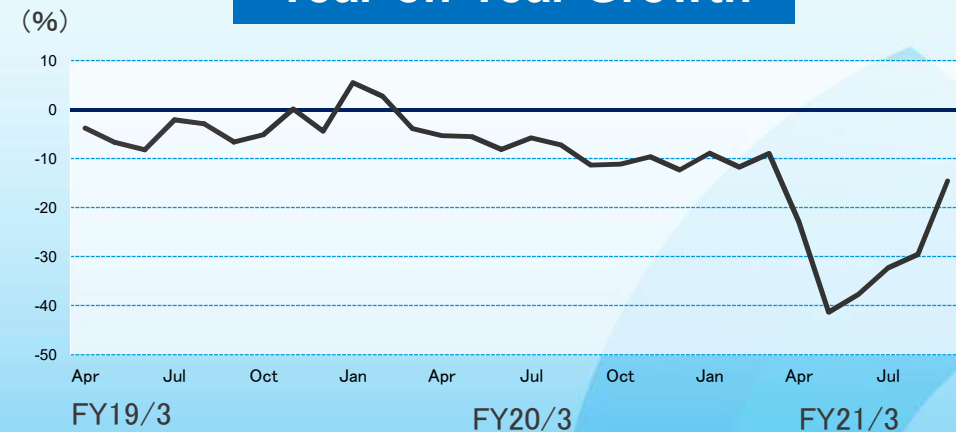
(mm of yen)	FY20/3	FY21/3	YoY	YoY(%)
1Q	22,869	15,206	△ 7,662	△ 33.5%
2Q	20,553	15,289	△ 5,263	△ 25.6%
1H	43,422	30,496	△ 12,926	△ 29.8%

Share in the Tokyo Spot Sales Market

1H : 22.2% (YoY +0.1%)

Note: Share figures are estimated figures.

Year-on-Year Growth



Production Costs (Terrestrial)

(mm of yen)	FY20/3	FY21/3	YoY	YoY(%)
1Q	21,046	14,978	△ 6,068	△28.8%
2Q	20,721	17,349	△ 3,372	△16.3%
1H	41,768	32,328	△ 9,440	△22.6%

Factors Affecting Expenses in 1H

- Regular programs: Temporary suspension of filming + substantial cost cutting due to impact of COVID-19
- One-off programs: Production costs down in reactionary slump after major programs in the previous year (Shiroi Kyoto (The Great White Tower), etc.)

Music Publication Business

	FY20/3 1H (April-Sept 2019)	FY21/3 1H (April-Sept 2020)	YoY	YoY(%)
(mm of yen)				
Net Sales	6,382	3,098	Δ3,284	Δ51.5%
Operating Income	770	274	Δ 495	Δ64.4%



<SHONAN NO KAZE>
SHIHOSENPU



<HAN-KUN>
(SHONAN NO KAZE)
YOROSIKU



<Sonar Pocket>
Taisetsu na Hito
(New Single)



<HIRAIDAI>
Sayonara



<COLOR CREATION>
SECOND
PALETTE

Other Businesses

(mm of yen)	FY20/3 1H (April-Sept 2019)	FY21/3 1H (April-Sept 2020)	YoY	YoY(%)
Net Sales	29,758	25,203	△ 4,554	△15.3%
Operating Income	2,743	740	△ 2,002	△73.0%

Sales of Major Other Businesses

(mm of yen)

	FY20/3 1H	FY21/3 1H	YoY	YoY(%)
Internet Related	9,446	9,381	△ 64	△ 0.7%
Shopping	4,985	6,219	+ 1,234	+ 24.8%
Equipment/Lease	2,952	2,069	△ 882	△ 29.9%
Motion Pictures	1,258	1,614	+ 355	+ 28.2%
Special Events	5,375	488	△ 4,886	△ 90.9%
DVD	406	434	+ 28	+ 6.9%

Major Other Businesses

Internet Related	<ul style="list-style-type: none"> ● <u>Revenue decreased slightly</u> due to lower ABEMA-related production. ● <u>Profit increased</u> due to strong content sales to SVOD platforms
Shopping	<ul style="list-style-type: none"> ● Solid performance from TV shopping program “Jun Sanpo” and special TV shopping programs ● Hit products also contributed to <u>increases in revenue and profit.</u>
Equipment Sales / Lease	<ul style="list-style-type: none"> ● <u>Revenue and profit decreased</u> due to lower equipment rentals related to postponement and cancellation of events and concerts due to COVID-19
Motion Pictures	<ul style="list-style-type: none"> ● <u>Revenue increased</u> due to the impact of postponement of motion picture box office openings ● <u>Profit decreased</u> due in part to increase in depreciation of invested capital from differences in the timing of box office openings compared to the prior-year first half
Special Events	<ul style="list-style-type: none"> ● Annual SUMMER STATION event cancelled due to the impact of COVID-19 ● <u>Revenue and profit decreased sharply</u> due to a slew of cancellations and postponements of events

Capex and Depreciation

Capex

(bn of yen)

	FY20/3 1H (April-Sept 2019)	FY21/3 1H (April-Sept 2020)	YoY	YoY(%)	Outlook for FY21/3
Consolidated	4.91	2.55	△2.36	△ 48.1%	14.20
TV Asahi Corporation	3.49	2.06	△1.42	△ 40.9%	13.40

Depreciation

(bn of yen)

	FY20/3 1H (April-Sept 2019)	FY21/3 1H (April-Sept 2020)	YoY	YoY(%)	Outlook for FY21/3
Consolidated	5.49	5.34	△0.15	△ 2.8%	10.60
TV Asahi Corporation	4.72	4.41	△0.30	△ 6.5%	8.90

Principal Uses of Funds in the Future

Key Measures

Strategic Investments

- Make strategic investments centered on areas peripheral to content
- Aim for business expansion and increase of corporate value



Investment in ITTY, INC.
Strengthening of shopping business

Shareholder Returns

- Pay special dividends and commemorative dividends, on top of stable dividends
- Consider acquisition of own shares as appropriate

FY21/3
Acquisition of own shares
(Max. of 3.5 billion yen/
1.8 million shares)

Capital Expenditures (Broadcasting facilities)

- Make continuous investments in broadcasting facilities
- Make planned investments for continuity of stable broadcasting and preparing for next-generation broadcasting

FY21/3 forecast
14.2 billion yen
(Consolidated)

Financial outlooks and other figures that are not historical facts are based on information available at the time of announcement. Please be informed that actual results may differ due to various factors in the business environment.

As such, actual results may differ from the forecasts given in this document and guarantees are not made to achieving the announced results.

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