

Financial Report for FYE March 31, 2021

May 19, 2021

Hiroshi Hayakawa

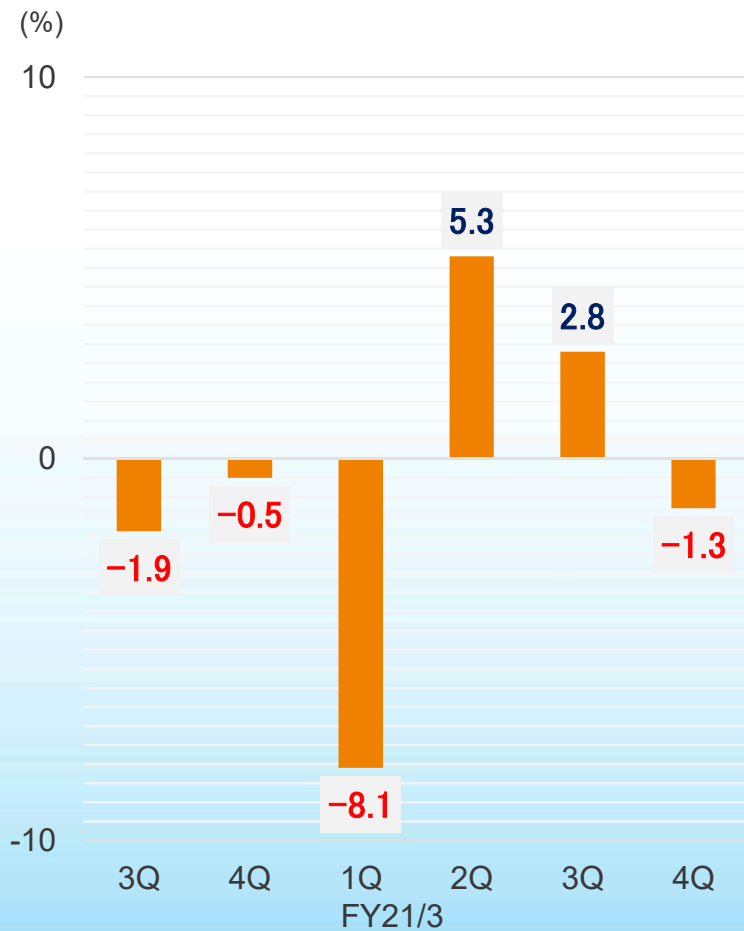
Chairman & CEO

Initiatives in FY21/3

~A Year Impacted by COVID-19~

Severe Impact of COVID-19

Quarterly GDP Growth Rate (Real)

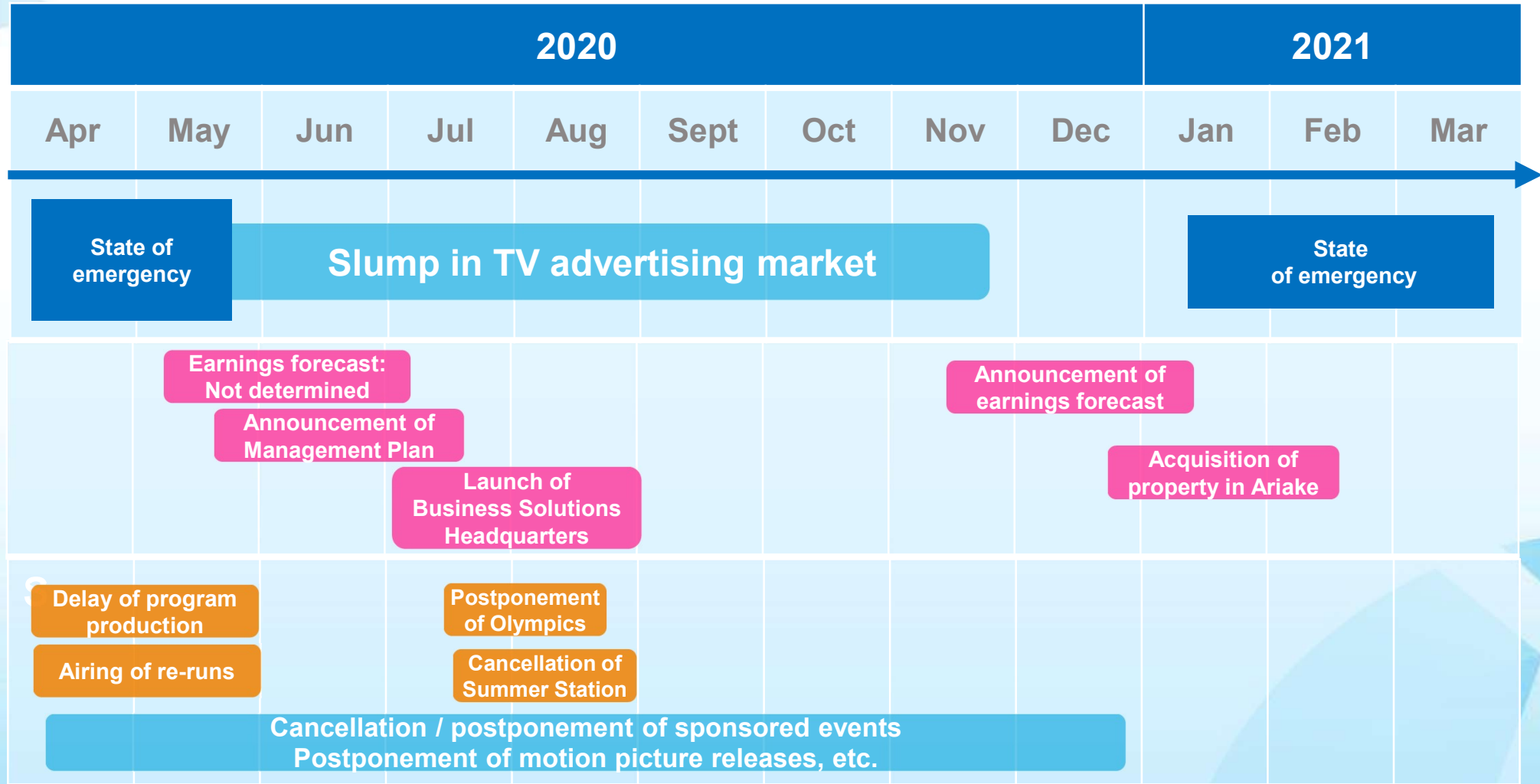


Tokyo Area Spot Advertising Volume



**Severity of impact exceeds that
of 2008 financial crisis**

Impact of COVID-19 on TV Asahi



Serious impact on all businesses

Strong viewer ratings



Shinichi Hatori's
MORNING SHOW

Individual All 5.5%
(Household 10.7%)

New record high
Top in time slot



Hodo Station

Individual All 7.1%
(Household 13.3%)

Top in time slot



Prime time regular dramas

**Six programs ranked in
top 10 viewer ratings!**

Annual Viewer Ratings

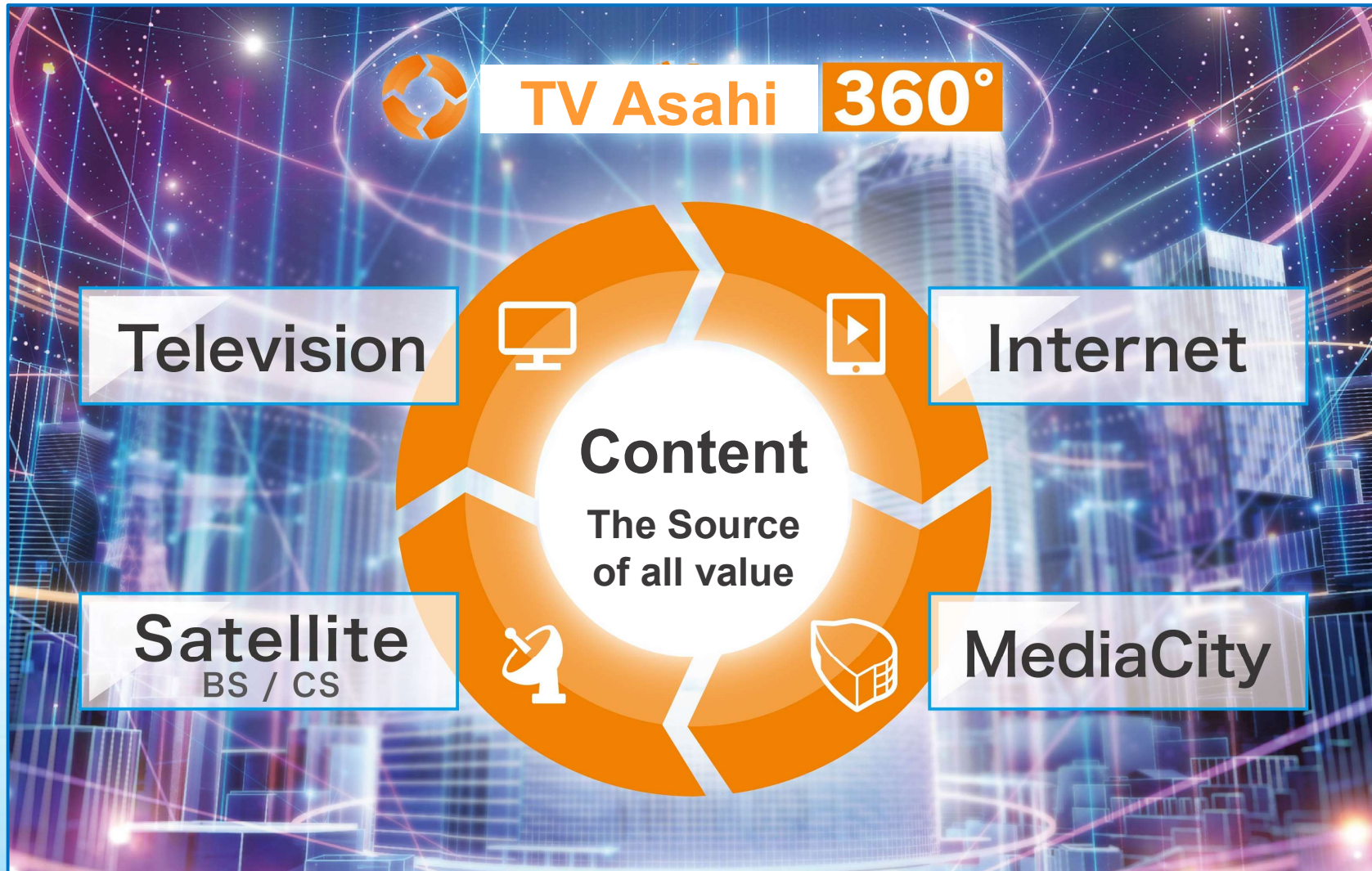
(March 30, 2020 – March 28, 2021)

【Individual All】	TV Asahi	NTV	TBS	CX	TX
All Day (6:00 - 24:00)	② 4.1 (±0.0)	① 4.6 (+0.2)	③ 3.4 (+0.2)	④ 3.1 (±0.0)	⑤ 1.6 (+0.2)
Golden Time (19:00 - 22:00)	② 6.1 (-0.1)	① 7.0 (-0.2)	③ 5.2 (-0.1)	④ 4.8 (-0.2)	⑤ 3.9 (+0.5)
Prime Time (19:00 - 23:00)	② 6.2 (-0.1)	① 6.6 (-0.2)	③ 5.1 (-0.2)	④ 4.7 (-0.1)	⑤ 3.4 (+0.3)
Prime2 (23:00 - 25:00)	② 2.5 (-0.2)	① 3.5 (+0.1)	③ 2.0 (-0.2)	④ 1.9 (±0.0)	⑤ 1.2 (±0.0)

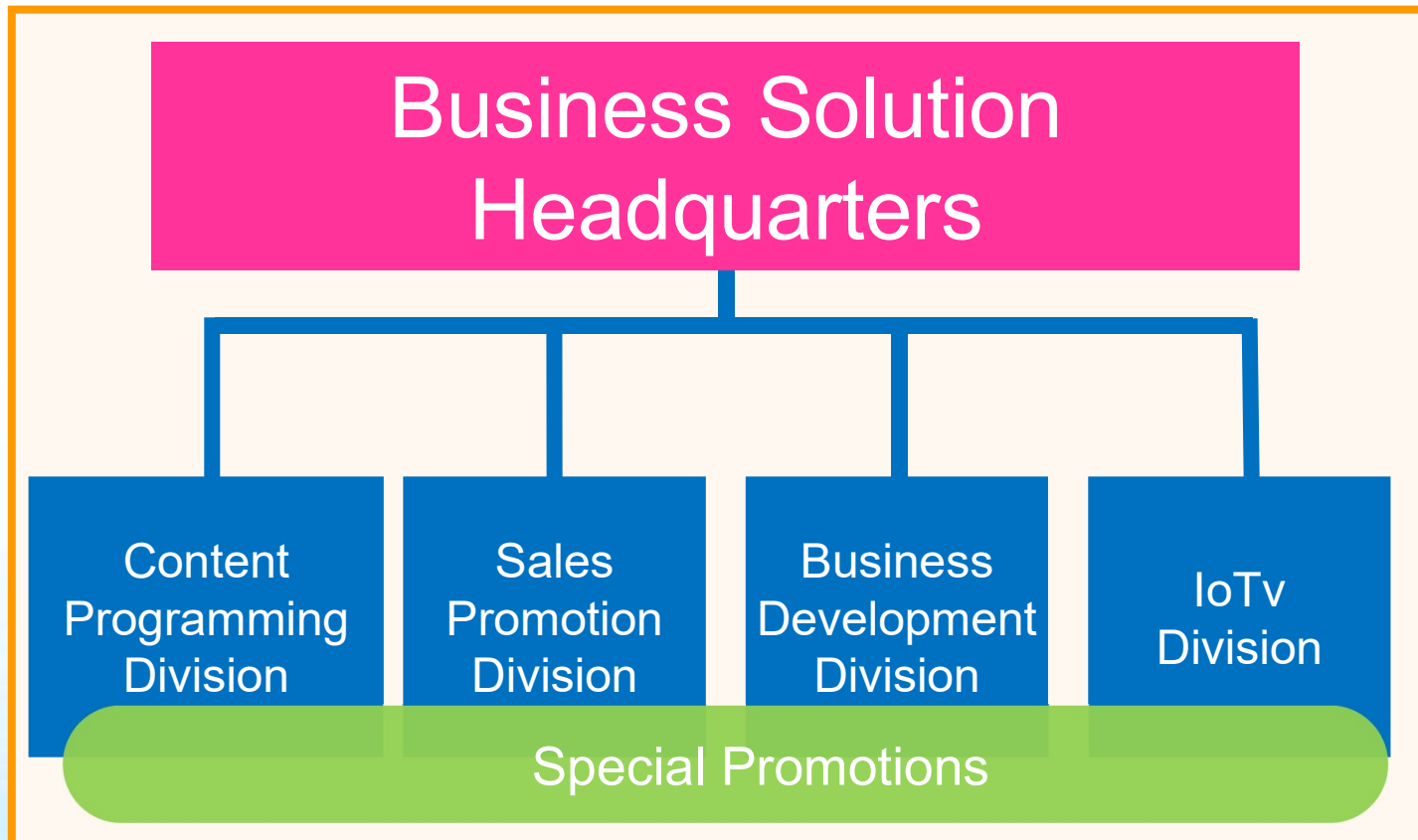
【Household】	TV Asahi	NTV	TBS	CX	TX
All Day (6:00 - 24:00)	② 8.0 (+0.3)	① 8.4 (+0.5)	③ 6.4 (+0.4)	④ 5.8 (+0.1)	⑤ 3.0 (+0.4)
Golden Time (19:00 - 22:00)	② 10.8 (±0.0)	① 11.5 (-0.1)	③ 8.8 (-0.3)	④ 8.1 (-0.2)	⑤ 6.8 (+0.8)
Prime Time (19:00 - 23:00)	① 11.2 (+0.2)	② 11.1 (-0.1)	③ 8.9 (-0.2)	④ 8.0 (±0.0)	⑤ 6.2 (+0.7)
Prime2 (23:00 - 25:00)	② 5.0 (-0.2)	① 6.8 (+0.4)	③ 4.1 (-0.1)	④ 3.8 (+0.1)	⑤ 2.4 (±0.0)

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

New Management Plan



Organizational Reform



- Close coordination among TV Asahi's four key divisions
- Prompt discussion and execution of diverse measures to increase revenue and profit!

Company-wide Initiatives

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.

Communicated the basic concept through tie-up projects and social media

報道
STATION

Broadcast special feature “Mirai wo Hito Kara” that focuses on trailblazers

‘THE FUTURE START HERE’ WEEK

- Rolled out a tie-up project during Jan 11-17
- Broadcast tie-up segments on daily news and information shows as well as on entertainment shows
- Broadcast special program “Hasshin! Mirai Creator” on Jan 16

Shopping Business is Thriving

New TV Shopping Special Programs

- **Strategically** lined up several new TV shopping special programs as part of plan to boost revenue and profit
- **Significant increase in revenue** as many people refrained from going out and shifted to shopping at home



Ropping Life

- Strong earnings due to strategic TV shopping initiatives and effect of COVID-19 pandemic
- **Posted record high sales** (15.0 billion yen)

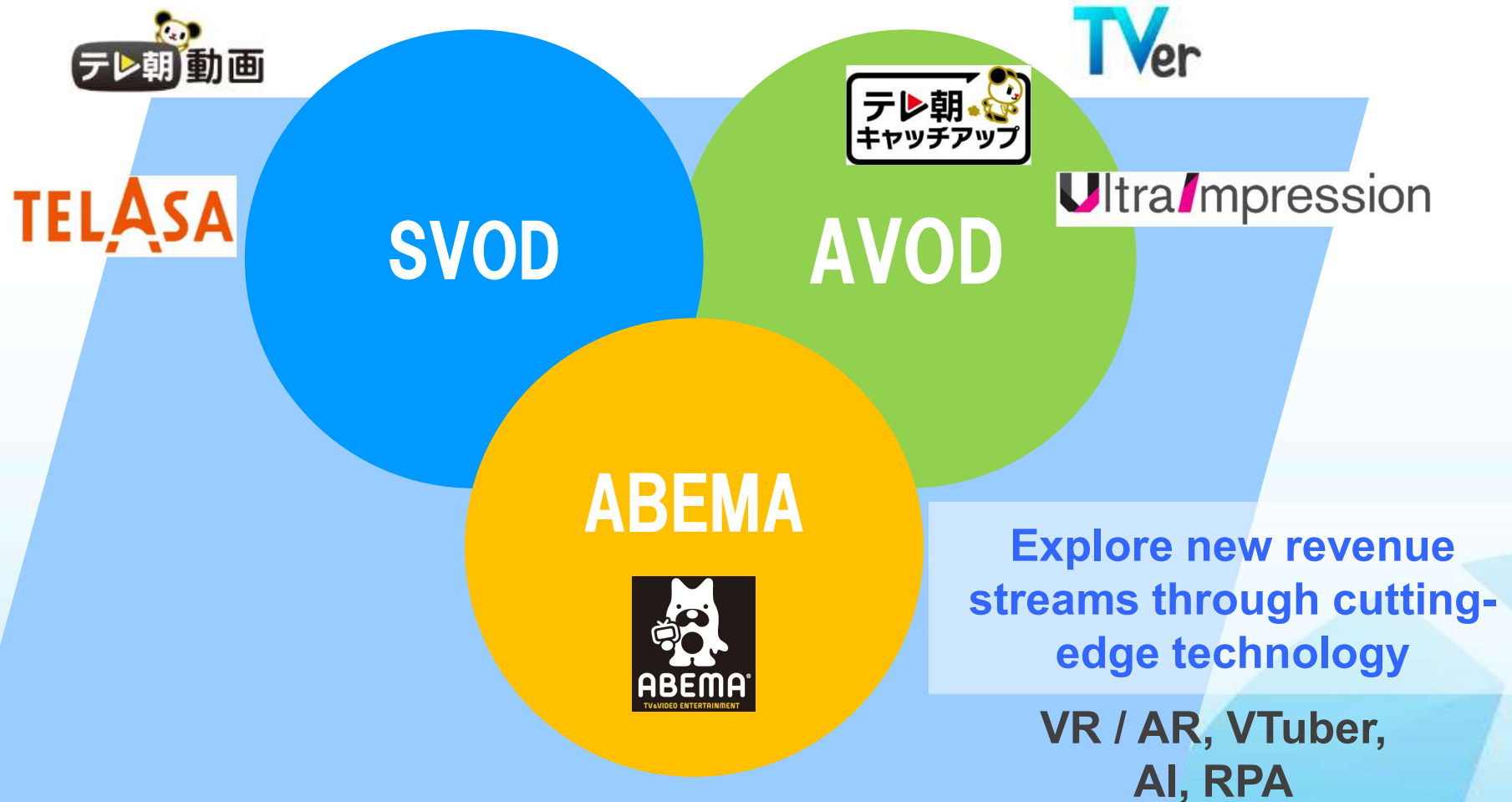


Addition of ITTY to subsidiary

- Sells a wide variety of in-house developed products
- Boasts strength in products for young people
- **Converted into wholly-owned subsidiary** to strengthen shopping business



Internet



‘TV Asahi 360° 2020-2025’ Internet Strategy for the 5G Era

Internet



- 1st anniversary of service launch
- Steady rise in membership numbers!
- Positioned as main service for SVOD (subscription video-on-demand)
 - Streaming of original drama series “Shufu Maison”
 - Streaming of original spin-off content of terrestrial drama series “Kakenai!” and “NIZI Village Clinic”



ABEMA

- Abema 5th anniversary!
- WAU consistently exceeds 10 million
- Rise in ABEMA premium membership
 - Provides disaster-related news and COVID-19-related information
- ABEMA NEWS drives WAU
 - Reality relationship shows are also popular



Joint project of TV Asahi, ABEMA and TELASA



- TV Asahi, ABEMA and TELASA jointly produced drama series “24 JAPAN” and “The Fugitive (Japan adaptation)”
- Catch-up service + streaming of original stories on ABEMA and TELASA

Internet



- Video ad streaming platform
- **Achieved profitability for fiscal year** in second year since launch of service
- Sale of the commercial slots:
 - TV Asahi Catch-up (free-of-charge ad-supported TV streaming service)
 - ABEMA (TV, Video)
 - Catch-up service offered by ABC TV



Catch-up



- Number of users increasing particularly on TVer
- Advertising revenue showing **steady growth**
- Aiming to strengthen operational structure and upgrade quality of service

Major initiatives and results

Strategic investments

Converted ITTY Inc. to wholly-owned subsidiary
(strengthen shopping business)



Strategic investments

Acquired additional shares of Toei Company, Ltd.
(strengthen cooperation)



Strategic investments

Acquired land in Ariake district in Tokyo Bay
(approx. 13,000 sqm)

Aim to converge entertainment and technology

Shareholder returns

- Acquisition of own shares
- Acquisition period: Nov through March
- Amount acquired: 1.76 million shares, 3.1 billion yen

SDGs

Signatory of SDG Media Compact
(TV Asahi, BS Asahi)



Purchase of green electricity
(TV Asahi, BS Asahi)

Related contents



TV Asahi (Sundays 9:55am)



BS Asahi (Saturdays 6pm)

Consolidated Results

	FY20/3	FY21/3	YoY	YoY(%)
(mm of yen)				
Net Sales	293,638	264,557	△29,081	△ 9.9%
Operating Income	12,565	14,413	+ 1,848	+ 14.7%
Ordinary Income	32,048	17,980	△14,067	△ 43.9%
Net Income	26,398	12,600	△13,798	△ 52.3%

Achieved increase in operating income in an adverse business environment

Latest Initiatives

**-Pursuing Further Progress with
Management Plan-**

Spring Prime Time Programming Line-up (Terrestrial)

	Mon	Tue	Wed	Thu	Fri	Sat	Sun
18:00							Aiba Manabu (expanded version)
19:00	Kaere Monday Mikketai!!	Kaji Yarou!!! (Timeslot change)	Aitsu Ima Nani Shiteru?	Hanataka! Yuetsukan	Zawatsuku! Friday	Hakasechan	Nani Kore Chin Hyakkei (Neighborhood Treasures)
20:00	Jyumanen de Dekirukana	Ima Desho! Kouza (Timeslot change)	Miracle 9	Keishichou Sousa Ikkachou Season 5 (Tokyo MPD – From ZERO to HERO)	Karisome Tengoku	News Sou Datta no ka!!	Potsunto Ikkenya (ABC)
21:00	Q-Sama!!	Geinoukai Joushiki Check (ABC)	Tokusou 9 Season 4	Sakura no Tou	Music Station	Saturday Station	Sunday Station
22:00	Hodo Station					Azatokute naniga Waruino? (What's Wrong with being wily?)	Shimpaishou!!
						Nobunaka Nannan?	TV Chidori
23:00	Geki Rare-san wo Tsurete Kita (A Real Rare Person for Real)	London Hearts	Owarai Jitsuryokuha	Ame-Talk!	Ano Toki Kiss Shite Okeba	Nakuna Kenshuui	Kanjam Kanzennen Show
						Kotaro wa Hitorigurashi	

Solid Start for April Programming Changes



Tokusou 9
Season 4

**Average viewer ratings
up to 5th episode
Individual All 7.2%
(Household 13.2%)**

警視庁 捜査一課長

ヒラから成り上がった最義の刑事！

Keishichou Sousa
Ikkachou Season 5
(Tokyo MPD – From ZERO
to HERO)

**Average viewer ratings
up to 4th episode
Individual All 6.6%
(Household 11.9%)**

桜の塔

Sakura no Tou

**Average viewer ratings
up to 5th episode
Individual All 5.8%
(Household 10.6%)**



**Continued strong
performance of news
and information shows!**

Media City Strategy

Enhancing media delivery functions with strong content

Summer
Station

Cutting-edge
technology
events

Construction
of Digital
Square

Convergence of entertainment and technology



Wakabadai
Media Center



TV Asahi Headquarters
Building



EX Tower &
Theater

Media City Strategy

Organize real events that use cutting-edge technologies

Keyakizaka-
shita

teamLab

**teamLab Reconnect:
Art and Sauna Roppongi**

- **Event period: Mar 22 - Aug 31**
(temporarily closed from April 25-
May13)
- **Enjoy both art and a sauna at
the same time**
- **A new type of art event**



Summer Station
(Head Office)

NAKED

- **Converge real and online experiences**
Evolve into a new Summer Station!
- **Discussing new type of collaboration
and attractions for Summer Station
this year**

Wakabadai

Panoramatiks

Discussing a one-of-its-kind new event

panoramatiks

Media Strategy

Construction of new media hub in Ariake, Tokyo Bay



- Acquired land in Ariake Minami, Tokyo Bay (approx. 13,000 sqm)
- Concept: Create content and media hub where entertainment and technology converge
 - Event and entertainment space
 - Multi-purpose hall, commercial facilities
 - Studio/event venue
- Scheduled to be fully financed with Company funds
- Scheduled groundbreaking in spring 2022, completion of construction in 2024

FY22/3 Forecast

(mm of yen)

	FY21/3 Results	FY22/3 Forecast	Difference	Difference(%)
Net Sales	264,557	292,000	+ 27,443	+ 10.4%
TV Broadcasting	209,485	232,600	+ 23,115	+ 11.0%
Music Publication	6,168	6,200	+ 31	+ 0.5%
Other Businesses	48,903	53,200	+ 4,296	+ 8.8%
Operating Income	14,413	10,500	△ 3,913	△ 27.2%
TV Broadcasting	11,059	7,700	△ 3,359	△ 30.4%
Music Publication	721	500	△ 221	△ 30.7%
Other Businesses	2,630	2,300	△ 330	△ 12.6%
Adjustments	2	—	△ 2	—
Ordinary Income	17,980	14,000	△ 3,980	△ 22.1%
Profit attributable to owners of the parent	12,600	13,000	+ 399	+ 3.2%

Ad Revenue (Terrestrial)

Time	Spot	Total
+9.7%	+12.7%	+11.2%

Production Cost (Terrestrial) (mm of yen)

FY22/3	YoY
78,000	+16.5%

Dividend per Share

	Annual Dividend (yen)	Acquisition of own shares (bn of yen)	Payout Ratio (%)
FY16/3	40 yen	2.24 bn yen	53.9%
FY17/3	40 yen	—	26.9%
FY18/3	50 yen (includes special dividend of 10 yen)	—	33.8%
FY19/3	50 yen (includes commemorative dividend of 10 yen)	—	41.6%
FY20/3	40 yen	—	16.1%
FY21/3	40 yen	3.11 bn yen	32.8%
FY22/3 (Outlook)	40 yen	—	31.2%

Masaya Fujinoki

Senior Executive Director

Consolidated Results

(mm of yen)	FY20/3	FY21/3	YoY	YoY(%)
Net Sales	293,638	264,557	△ 29,081	△ 9.9%
TV Broadcasting	239,283	213,205	△ 26,078	△ 10.9%
Music Publication	9,867	6,391	△ 3,475	△ 35.2%
Other Businesses	58,388	58,605	+ 216	+ 0.4%
Adjustments	△ 13,900	△ 13,645	+ 255	—
Operating Income	12,565	14,413	+ 1,848	+ 14.7%
TV Broadcasting	7,000	11,059	+ 4,059	+ 58.0%
Music Publication	1,018	721	△ 296	△ 29.1%
Other Businesses	4,598	2,630	△ 1,968	△ 42.8%
Adjustments	△ 51	2	+ 53	—
Ordinary Income	32,048	17,980	△ 14,067	△ 43.9%
Profit attributable to owners of the parent	26,398	12,600	△ 13,798	△ 52.3%

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	FY21/3	YoY	YoY(%)
Net Sales	239,283	213,205	△26,078	△10.9%
Time Sales	84,066	75,206	△ 8,860	△10.5%
Spot Sales	92,494	79,423	△13,070	△14.1%
Program Sales	13,168	12,825	△ 343	△ 2.6%
BS & CS	26,110	24,903	△ 1,206	△ 4.6%
Other	23,443	20,846	△ 2,596	△11.1%
Operating Income	7,000	11,059	+ 4,059	+58.0%

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%
3Q	22,759	19,116	△ 3,643	△16.0%
4Q	19,749	18,817	△ 931	△ 4.7%
2H	42,508	37,934	△ 4,574	△10.8%
Annual	84,066	75,206	△ 8,860	△10.5%

Year-on-Year Difference

- Regular programs: Substantial impact from advertiser tendency to reduce fixed advertising costs
- One-off programs: Revenue down due to reactionary decrease of major programs in the previous year (World Baseball Premier 12, 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%
3Q	24,899	24,525	△ 373	△ 1.5%
4Q	24,172	24,401	+ 228	+ 0.9%
2H	49,071	48,926	△ 144	△ 0.3%
Annual	92,494	79,423	△13,070	△ 14.1%

Share in the Tokyo Spot Sales Market

FY21/3 : 22.4% (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%
3Q	21,209	17,622	△ 3,587	△16.9%
4Q	21,844	17,019	△ 4,825	△22.1%
2H	43,054	34,642	△ 8,412	△19.5%
Annual	84,823	66,970	△ 17,853	△21.0%

Factors Affecting Production Costs

- Regular programs: Temporary suspension of filming + substantial cost cutting due to impact of COVID-19
- One-off programs: Production costs down due to reactionary decrease of major programs in the previous year (World Baseball Premier 12, Shiroi Kyoto (The Great White Tower), etc.)

Music Publication Business

(mm of yen)	FY20/3	FY21/3	YoY	YoY(%)
Net Sales	9,867	6,391	△3,475	△35.2%
Operating Income	1,018	721	△ 296	△29.1%



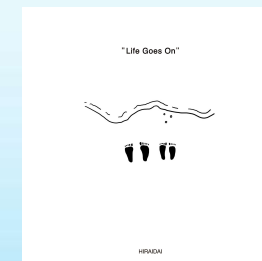
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SHIHOSENPU



<COLOR CREATION>
SECOND
PALETTE



<Sonar Pocket>
Hachijuoku bun
no ichi ~to you~



<HIRAIDAI>
Life Goes On



<KETSUMEISHI>
Ketsunoparadise

Other Businesses

(mm of yen)	FY20/3	FY21/3	YoY	YoY(%)
Net Sales	58,388	58,605	+ 216	+ 0.4%
Operating Income	4,598	2,630	△ 1,968	△42.8%

Sales of Major Other Businesses

(mm of yen)

	FY20/3	FY21/3	YoY	YoY(%)
Internet Related	20,124	21,372	+ 1,247	+ 6.2%
Shopping	10,732	15,721	+ 4,989	+ 46.5%
Equipment/Lease	6,082	4,544	△ 1,537	△ 25.3%
Motion Pictures	1,996	3,482	+ 1,486	+ 74.4%
Special Events	7,237	1,370	△ 5,866	△ 81.1%
DVD	1,212	1,173	△ 38	△ 3.2%

Major Other Businesses

Internet Related	<ul style="list-style-type: none"> Steady performance of content sales to SVOD platforms <u>Revenue and profit increased</u> due to subsidiary UltraImpression, a video ad streaming platform, delivering results
Shopping	<ul style="list-style-type: none"> <u>Increase in revenue and profit</u> from solid performance of TV shopping program “Jun Sanpo” and strategically slotted special TV shopping programs Shopping business posted <u>record high sales!</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 release of ‘Stand By Me Doraemon 2’
Special Events	<ul style="list-style-type: none"> Annual SUMMER STATION event cancelled due to COVID-19 pandemic <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	FY21/3	YoY	YoY(%)	Outlook for FY22/3
Consolidated	17.44	10.22	△7.21	△ 41.4%	7.60
TV Asahi Corporation	15.36	9.52	△5.84	△ 38.0%	6.90

Depreciation

(bn of yen)

	FY20/3	FY21/3	YoY	YoY(%)	Outlook for FY22/3
Consolidated	10.80	10.66	△0.13	△ 1.3%	10.50
TV Asahi Corporation	9.13	8.77	△0.35	△ 3.9%	8.70

Principal Uses of Funds in the Future

[Key endeavors]

Strategic investments

- Make strategic investments centered on areas peripheral to content (capital alliances, acquisition of real estate, etc.)
- Acquisition of land in Ariake Minami, Tokyo Bay



(Investment in ITTY, INC.)

**Acquisition of land
in Ariake**

Capital expenditures (Broadcasting facilities)

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

**FY22/3 Forecast
7.6 billion yen
(consolidated)**

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
(3.1 billion yen,
1.76 million shares)**

**FY22/3 dividend of
40 yen/share**

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.

For further information regarding this document, please contact:

Investor Relations, Corporate Strategy Department

TV Asahi Holdings Corporation

Tel: +81-3-6406-1115

<https://www.tv-asahi.co.jp/e/IR/>

