

Overview of the Nippon TV Group's Management Policy and Medium-Term Management Plan 2022 to 2024

We aim to become a company at the forefront of inspiration and reliability with an expansion strategy centered on the strongest content and taking on challenges in new business areas.

The Group has formulated a new management policy, as well as a medium-term management plan covering fiscal 2022 to 2024. The slogan of our previous Medium-Term Management Plan 2019 to 2021 was "More than just TV." Leveraging a strong management base stemming from our leading position in terrestrial viewer ratings, we sought to go beyond just TV to provide content and services that enrich people's lives. These efforts included using TVer to become the first commercial broadcaster to offer simultaneous online streaming, the launch of the new VTuber business, and entry into the AR business.

Medium-Term Management Plan 2022 to 2024 strengthens and enhances initiatives under the previous medium-term management plan to advance as an integrated content company. We aim to be at the forefront of creating all forms of inspiration and being a company trusted by consumers.

New Management Policy

At the **Forefront of Inspiration and Reliability**

To be the best for consumers and the best for creators.

The Nippon TV Group aims to create all forms of inspiration and be the most trusted company.

Basic Stance

Constantly strive to improve media reliability and sustainability

The Group will strive to provide content and services that are trusted by all stakeholders, and to enhance prompt and accurate reporting as a news organization. We will also fulfill our social responsibility by supporting the success and coexistence of diverse human resources in accordance with our Sustainability Policy.

- Increasing the reliability of news
 - ▶ As a news organization, we will maintain fairness and impartiality, disseminate information promptly and accurately, and enhance reliability.
 - ▶ We will ensure freedom of speech and expression, and live up to society's trust by serving the development of a sound democracy.
 - ▶ We will strive to disseminate reliable information through both broadcasting and the internet.

- Constantly strive toward sustainability
- ▶ In accordance with our Sustainability Policy, we will creatively conceive of all our activities and work proactively and boldly toward a sustainable future.
 - Transmit Good For the Planet^(*) year-round, going beyond terrestrial broadcasting
 - Promote management that emphasizes employee health and achieve work-life balance through DX and others

Medium-Term Management Plan 2022 to 2024

Slogan

More than just TV: Moving beyond **borders**

As a company at the forefront of inspiration and reliability, we aim to create new inspirational experiences that transcend media, national borders, fixed ideas, and all boundaries.

Priority Targets

- Maximize the value of content**
- Accelerate new business creation**
- Build a wellness economic zone**

Net sales of ¥540.0 billion, operating profit of ¥70.0 billion

1. Numerical Targets for Medium-Term Management Plan 2022 to 2024

By the final year of the plan, we aim to achieve consolidated net sales of ¥540.0 billion, our highest level to date (of which, new M&A will account for ¥40.0 billion), and consolidated operating profit of ¥70.0 billion (of which, M&A will account for ¥2.0 billion).

(Billions of yen)

	FY 2021 results	FY 2024 targets
Consolidated net sales	406.3	540.0
Media Content Business	379.7	464.0
Advertising sales	265.5	284.0
Of which, terrestrial advertising	245.6	243.0
Of which, digital advertising	4.5	25.0
Content Business sales, other	114.1	180.0
Life and Health Related Business, other	26.6	36.0
New M&A	—	40.0
Consolidated operating profit	58.6	70.0
(Consolidated operating profit margin)	(14.4%)	(13.0%)
Of which, new M&A	—	2.0

2. Initiatives under Medium-Term Management Plan 2022 to 2024

In the Media Content Business domain, we will reiterate our content-oriented approach and create optimal content for consumers across all platforms and devices. We will also promote collaboration and co-creation with external partners and disseminate this information in Japan and overseas.

Furthermore, we will strengthen and expand our internal incubation business, including the VTuber business. In addition, we will pursue investment opportunities in new areas and accelerate the creation of new businesses. We will also build a wellness economic zone, starting with TIPNESS, to contribute to the extension of healthy life expectancies.

The Group is committed to providing new value to consumers and further enhancing corporate value as a "company at the forefront of inspiration and reliability" that transcends all borders.

(1) Maximize the value of content

- ① Establish a Content Strategy Division
 - ▶ Focusing on the value of the customer experience, we will create an organization to produce and direct content to deliver the content that consumers want to see across media more than ever before.
 - ▶ We will strengthen global distribution through joint development of content with strategic partners such as The Walt Disney Company (Japan) Ltd.
 - ▶ We will strengthen our anime business with a focus on overseas development, aiming to distribute our products at maximum profit.
- ② Develop intellectual property (IP) content
 - ▶ We will promote large-scale IP developments following on from the *Nizi Project* and *THE FIRST*.
 - ▶ We will co-create with Beaglee, discover and cultivate original creators through media mix development, and develop new IP to produce worldwide hits.
- ③ Build a new co-creation system
 - ▶ We will pursue opportunities to build co-creation structures following Murayama, Beaglee, and Disney.
 - ▶ We will strengthen our physical event production system through co-creation for the post-COVID era.

(2) Accelerate new business creation

- ① Establish new businesses from in-house incubation
 - ▶ We will evolve the VTuber business into an entertainment company specializing in influencers by spinning it off into ClaN Entertainment and strengthening recruitment.
 - ▶ We will structure the HR^{(*)2} and XR^{(*)3} businesses as standalone businesses.
 - ▶ In addition to those mentioned above, we will launch other new businesses through internal incubation.
- ② Pursue investment opportunities in new business areas
 - ▶ We will explore and enter areas conducive for us to create value that only the Group can, and pursue investment opportunities, including M&A, in business areas that will become pillars of earnings.

(3) Build a wellness economic zone

- ① Use CDP (customer information system) to create a wellness economic zone
 - ▶ By utilizing TIPNESS customer information in conjunction with the Group's other customer information, we will help improve lifestyle satisfaction among individual consumers.
 - ▶ We have formed a committee to consider the use of CDPs. We will work with wellness provider CDPs to add further value to the service.
- ② Return TIPNESS to growth
 - ▶ We will help TIPNESS recover quickly following the pandemic and evolve into a content and service company that responds quickly and accurately to health needs through the utilization of CDP.
- ③ Establish a Health Division
 - ▶ To further strengthen the Life and Health Related Business, the Group will establish a division to oversee this business.

3. Strategic Investment Policy

We will maintain an investment budget of ¥100.0 billion to strengthen and expand the Media Content Business and the Life and Health Related Business, as well as to take on the challenge of entering new areas, with the aim of achieving sustained growth in corporate value.

- ① Media Content Business
 - Develop intellectual property (IP)
 - Strengthen the content production system
- ② New business areas
 - Invest in growth technologies, including XR and the metaverse
 - Expand the HR business
- ③ Life and Health Related Business
 - Collaborate with companies that possess data to construct CDPs
 - Actualize the wellness economic zone concept
- ④ Sustainable investment
 - Actively invest in businesses that contribute to society

4. Financial Policy

(1) Key management indicators

Our key indicators will be net sales, which measures the size and growth of a business, and operating profit, which is a measure of business profitability. We will also strive to improve return on equity (ROE) through the efficient use of business assets and aggressive investment in financial assets.

(2) Shareholder return policy

Our basic policy is to strive to expand and grow sustainable earnings, while balancing the need to respond to changes in the business environment, strengthen our earnings base, and invest in growth areas. We aim to provide continuous and stable shareholder returns while taking performance trends and various other factors into consideration.

(*1) Good For the Planet: A Nippon TV SDG campaign that began in 2020. By providing information, entertainment shows, sports, and news programs unite as “all-Nippon TV” to address “What we can do now for the earth, for the future, and for a better life.”

(*2) Human Resources Business (HR Business): Human resource support services, including training and development

(*3) Extended Reality Business (XR Business): A business that optimizes cutting-edge technologies such as virtual reality (VR), augmented reality (AR) and mixed reality (MR)

Please see our website for details of Medium-Term Management Plan 2022 to 2024.

[Medium-Term Management Plan | Nippon Television Holdings, Inc. \(ntvhd.co.jp\)](https://www.ntvhd.co.jp/medium-term-management-plan)