



TV TOKYO Holdings Corporation

Q2 Financial Results Briefing for the Fiscal Year Ending March 2023

November 10, 2022

Event Summary

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[Venue Size]	
[Participants]	
[Number of Speakers]	4
	Ichiro Ishikawa CEO, President
	Hiroko Kitsunozaki Senior Managing Director
	Hiroshi Yoshitsugu Managing Director
	Takeshi Kozawa Managing Executive Officer

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Presentation

Kozawa: Thank you for joining us today at TV TOKYO Holdings Corporation, Q2 financial results briefing for the fiscal year ending March 2023.

First, I would like to introduce today's speakers. Ichiro Ishikawa, CEO, President of TV TOKYO Holdings.

Ishikawa: Hello, everyone.

Kozawa: Hiroko Kitsunezaki, Senior Managing Director. Hiroshi Yoshitsugu, Managing Director. My name is Takeshi Kozawa, Managing Director and the facilitator today. Thank you.

Now, Managing Director, Mr. Yoshitsugu will begin with an overview of the financial results for Q2 of the fiscal year ending March 31, 2023.

決算サマリー “売上高、利益とも過去最高を更新”

2023年3月期 第2四半期累計期間 連結業績

(百万円)

	累計期間 (4~9月)				
	22年3月期 第2四半期	23年3月期 第2四半期	前年同期比		
			増減額	増減率	
連結売上高	70,863	71,320	456	0.6%	売上高は2年連続の増加 過去最高
連結営業利益	4,508	4,737	229	5.1%	営業利益・経常利益 純利益とも3年連続で増加 過去最高
連結経常利益	4,794	4,939	144	3.0%	
親会社株主に帰属 する四半期純利益	3,037	3,292	254	8.4%	

Yoshitsugu: My name is Yoshitsugu, Managing Director. I will now provide a summary of the results for Q2 of the fiscal year ending March 31, 2023. Please see a table and listen to me.

The overview of H1 shows that although there was a reactionary decline from the Tokyo Olympic and Paralympic Games held in the same period of the previous year in the mainstay broadcasting division, animation businesses and streaming businesses sales in the division derived from secondary use of content, which TV TOKYO calls the rights businesses, grew significantly.

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As a result, consolidated net sales increased 0.6% YoY to JPY71,320 million. This is the second consecutive year of net sales growth. Even taking into account the impact of the change in revenue recognition standard in the fiscal year ended March 31, 2022, net sales in H1 were virtually a record high for H1.

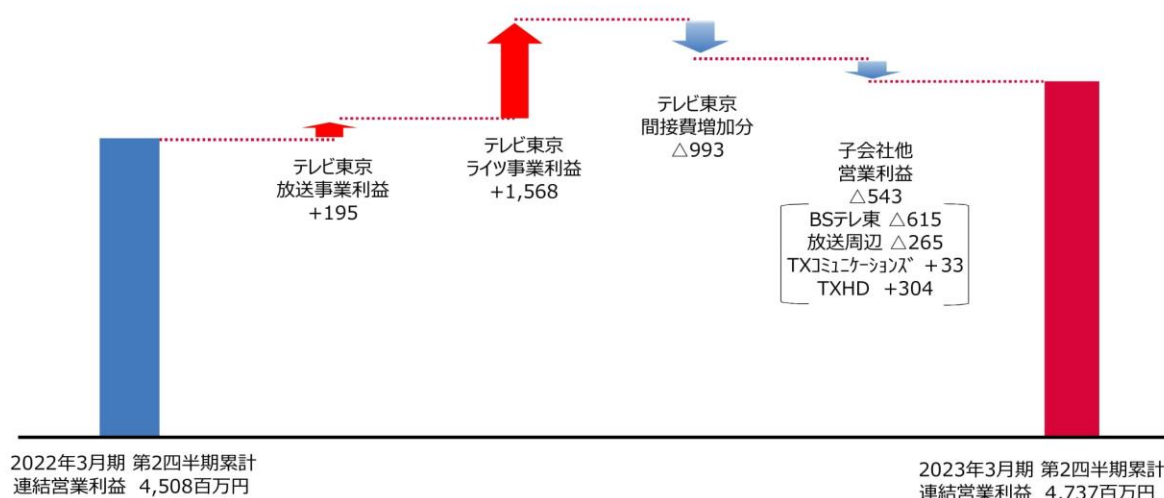
Consolidated operating income increased 5.1% YoY to JPY4,737 million. Ordinary income increased 3% to JPY4,939 million, and profit attributable to owners of parent increased 8.4% to JPY3,292 million. Two incomes and one profit all increased for the third consecutive year, and H1 marked a record high.

Although there have been some headwinds for the broadcasting industry, such as declining viewer ratings since April of this fiscal year, we believe that our record-high net sales and profits are the result of steady progress in our efforts to shift to a profit structure that does not rely solely on the broadcasting businesses.

連結営業利益の変動要因



◆ テレビ東京のライツ事業が利益貢献 放送事業も底堅く推移



Please, see the next page, we will break down the factors behind the increase in operating income by division.

Please see a chart. The leftmost blue bar graph shows consolidated operating income of JPY4,508 million for the same period of the previous fiscal year. The consolidated operating income obtained by adding the upward factors and subtracting the downward factors from it is the consolidated operating income for the current fiscal year, and the operating income for H1 is JPY4,737 million on the far right.

Here is a specific explanation by division.

First of all, in the core division, TV TOKYO on a non-consolidated basis, the broadcasting businesses have been facing somewhat stronger headwinds since the beginning of the current fiscal year. Broadcasting net sales declined in reaction to the Tokyo Olympic and Paralympic Games held in the same period of the previous year.

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However, program production expenses also decreased due to no Olympic Games, as so both net sales and expenses decreased. As for income of net sales minus expenses, income of the broadcasting businesses in H1 was JPY195 million-plus.

On the right side to that, the large upward pointing arrow is the rights division of TV TOKYO, which is positioned as a growth engine. As a feature, the animation business saw a large increase in overseas sales, and at the same time the streaming business, AVOD, and SVOD also performed well, contributing JPY1,568 million-plus to income.

On the other hand, compared to the period of COVID-19, various activities throughout the Company have normalized and become more active. Since we have set a management goal of All CONTENT and ALL STREAMING, personnel and SG&A expenses related to this have increased, resulting in an increase of less than JPY1 billion in indirect expenses, which is a factor that pushed down income.

One of the factors that contributed to this increase in indirect expenses was an increase in employee bonuses in response to the good performance of the previous year.

On the other hand, each of the Group's businesses showed positive or negative results. Although TV TOKYO Communications Corporation, which has been performing well with its video advertising, posted positive results, operating income from broadcasting peripheral businesses, such as BS TV TOKYO and TV shopping, which is experiencing a rebound in demand from stay-at-home consumption, was lower than the same period of the previous year.

When these figures are added or subtracted, consolidated operating income increased JPY229 million over the same period last year to JPY4,737 million, as explained earlier.

地上波放送



2023年3月期 第2四半期 累計期間 売上高・営業利益・事業利益
(百万円)

		累計期間 (4~9月)		前年同期比	
		22年3月期 第2四半期	23年3月期 第2四半期	増減額	増減率
テレビ東京	売上高	52,718	53,468	750	1.4%
	営業利益	2,736	3,507	770	28.2%
放送事業 概況					
放送事業 売上(主な もの)	タイム (T)	23,973	21,473	△ 2,500	△ 10.4%
	スポット (S)	13,370	13,578	208	1.6%
	T+S計	37,344	35,052	△ 2,291	△ 6.1%
	放送事業 売上計	40,450	38,350	△ 2,100	△ 5.2%
	放送事業 利益	7,317	7,512	195	2.7%
ライツ事業 概況					
ライツ事業 売上	アニメ	8,035	10,069	2,034	25.3%
	配信ビジネス	3,913	4,618	705	18.0%
	イベント	319	430	111	34.8%
	ライツ事業 売上計	12,267	15,117	2,850	23.2%
	ライツ事業 利益	4,809	6,377	1,568	32.6%

放送事業

タイムは東京オリ・パラの
反動減の他は堅調に推移
スポットは市況悪化の中
増収を達成

ライツ事業

アニメは海外が成長持続
米国は商品化好調で大幅増
配信ビジネスも
マネタイズの多様化で増収

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Next, I will then provide an overview of each segment.

First, the terrestrial broadcasting business. Although we refer to this as the terrestrial broadcasting business, it is synonymous with the financial results of TV TOKYO on non-consolidated basis, not just terrestrial broadcasting.

Broadcasting business net sales decreased 5.2% from the same period of the previous year to JPY38.35 billion.

Time income from programs was down 10.4% from the previous year due to a significant decrease from the previous year's Tokyo Olympic and Paralympic Games in the special program category, although we were able to obtain sponsors for regular programs as a result of successful program reorganization since April. However, excluding net sales from the Tokyo Olympic Games, we recognize that a rough comparison of Time net sales shows a YoY increase.

Regarding Spot, Spot net sales were up 1.6% compared to the previous year. Although we did not reach our budget, we saw an increase compared to the previous year.

In addition to the decline in viewer ratings, the weak yen and shortages of raw materials affected the overall advertising market in the Tokyo region as a whole, resulting in 2.3%-minus for the region as a whole.

TV TOKYO has continued its sales efforts for emerging companies, etc. As a result, as I mentioned earlier, Spot net sales increased 1.6% and market share was 7.12%, up 0.19 points from the previous year.

On the other hand, on the cost side, expenses decreased mainly in program production costs. As I mentioned earlier, this is mainly due to a reactionary decline from the Tokyo Olympic Games. As a result, profit in the broadcasting businesses increased 2.7% to JPY7,512 million.

Meanwhile, net sales from the rights businesses increased 23.2% to JPY15,117 million.

The rights businesses are a business that utilizes TV TOKYO's content, both broadcast and non-broadcast, to generate net sales in addition to advertising sales from broadcasting. The animation division performed well, with the streaming business in China and the merchandising business in North America performing well, resulting in a 25.3% increase in business net sales to JPY10,069 million.

In addition, net sales in the streaming division, called as SVOD (Billing-based video streaming), increased 18% to JPY4,618 million, thanks to an increase in drama and variety streaming content.

As a result, overall profit in the rights businesses rose 32.6% to JPY6,377 million. The rights businesses accounted for 46% of TV TOKYO's overall business income, up about 6% from 40% of the previous full year.

As a result, TV TOKYO's non-consolidated net sales increased 1.4% from the previous year to PY53,468 million, and non-consolidated operating income rose 28.2% to JPY3,507 million.

In addition, the aggregation and presentation methods have been slightly changed this fiscal year to more accurately present incomes by business segment. This has been started from Q1 of the current fiscal year. Previously, a portion of the expenses related to the businesses were aggregated in common indirect expenses, as they were a kind of research and study expenses. That applied to the streaming businesses and rights businesses. However, in light of the recent expansion of these businesses, the Company has decided that it would be more appropriate to recognize this as a business expense in order to properly present the incomes of the business divisions.

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As a result, the business income was smaller than the gross profit previously recorded until last year, but the final operating income was unchanged.

BS放送/コミュニケーション/放送周辺



2023年3月期 第2四半期 累計期間 売上高・営業利益

		(百万円)			
		累計期間 (4~9月)			
		22年3月期	23年3月期	前年同期比	
		第2四半期	第2四半期	増減額	増減率
BS放送事業 ㈱BSテレビ東京	売上高	8,589	8,369	△ 219	△ 2.6%
	営業利益	1,648	1,033	△ 615	△ 37.3%
コミュニケーション事業 ㈱テレビ東京コミュニケーションズ	売上高	2,201	2,420	219	10.0%
	営業利益	171	205	33	19.7%
放送周辺事業 グループ子会社	売上高	18,141	18,756	615	3.4%
	営業利益	1,894	1,629	△ 265	△ 14.0%

BS放送事業

高単価のスポンサー減少響き
高水準だった前年には届かず

コミュニケーション事業

動画広告事業を中心に
順調に成長

放送周辺事業

海外印税収入が好調に推移
通信販売とCSアニメが減速

I will now explain the segments other than TV TOKYO alone on the next page.

First is BS TV TOKYO Corporation, BS broadcasting business. While net sales of television mail order were strong in T net sales, the number of sponsors with a high unit price decreased in Spot net sales. As a result, net sales fell short of the previous year's top performance among BS key stations, down 2.6% YoY to JPY8,369 million.

Operating income fell 37.3% to JPY1,033 million due to an increase in production costs from reorganization of programs and an increase in expenses in the rights businesses.

TV TOKYO Communications has seen a 10% increase in net sales and a 19.7% increase in operating income, as net sales from the video advertising business have increased along with the growth of TV TOKYO's streaming business, and the character EC (electronic commerce) business has also performed well.

Net sales in the broadcasting related business increased 3.4% to JPY18,756 million, but operating income declined 14% to JPY1,629 million.

Looking at the operating incomes of the 11 companies involved in broadcasting related areas, eight companies saw an increase in income and three saw a decrease. TV TOKYO Music, Inc. is in the strong category due to the growth of music royalty net sales, but TV TOKYO Direct, Inc., a television mail-order business, and AT-X, Inc., a CS broadcasting company of animation, are struggling.

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2023年3月期 連結業績予想



【2022/5/12公表値から変更はありません】

(百万円)

	22年3月期 実績	前年同期比 増減率	23年3月期 予想 (22/5/12)	前年同期比	
				増減額	増減率
売上高					
地上波放送	110,969	16.6%	111,197	227	0.2%
放送周辺	36,647	2.9%	38,684	2,037	5.6%
BS放送	17,176	10.4%	17,314	138	0.8%
コミュニケーション	5,020	9.0%	5,190	169	3.4%
連結売上計	148,070	13.7%	150,000	1,929	1.3%
費用					
地上波放送	104,248	15.1%	104,639	391	0.4%
放送周辺	33,468	2.8%	35,400	1,931	5.8%
BS放送	14,946	5.3%	14,994	48	0.3%
コミュニケーション	4,627	7.8%	4,790	162	3.5%
連結営業費用計	139,486	11.6%	141,700	2,213	1.6%
営業利益					
地上波放送	6,720	47.5%	6,557	△ 163	△ 2.4%
放送周辺	3,178	4.3%	3,283	105	3.3%
BS放送	2,230	63.9%	2,320	89	4.0%
コミュニケーション	393	25.6%	400	6	1.8%
連結営業利益計	8,584	64.2%	8,300	△ 284	△ 3.3%
経常利益	9,159	71.5%	8,200	△ 959	△ 10.5%
親会社株主に帰属する当期純利益	6,024	133.9%	5,380	△ 644	△ 10.7%

※業績予想の適切な利用に関する説明、その他特記事項
本資料に記載されている業績予想等の将来に関する記述は、当社が現在入手している情報及び合理的であると判断する一定の前提に基づいております。実際の業績等は、新型コロナウイルス感染症の感染再拡大や経済活動の動向等により、大きく異なる可能性があります。

Next, full-year performance forecast for the fiscal year ending March 31, 2023.

As of H1, the broadcasting businesses remained steady, while growth areas such as animation businesses and streaming businesses were better than expected. As I mentioned earlier, we achieved a record income on a H1 basis, but the current situation is still worrisome due to the recent re-spread of the novel coronavirus, the more complicated situation in Ukraine, the weak yen and raw material shortages, and the global economic slowdown caused by monetary tightening in Europe and the US.

In light of this uncertain outlook, we have not changed our previous forecast for the full year, with net sales of JPY150 billion, up 1.3% from the previous year, and consolidated operating income of JPY8.3 billion, down 3.3%. Ordinary income and net income attributable to owners of the parent will remain unchanged from the previous forecasts.

If various factors require a revision of the performance forecast, we will promptly announce it. Anyway, our management strategy remains the same, which is to increase net sales by leveraging synergies in the three pillars of our core broadcasting business, as well as the growth fields of animation business and streaming business.

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連結 2023年3月期 通期業績予想



【連結 2023年3月期 通期業績予想は前回公表（2022/5/12）から変更ありません】

(百万円)

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単体 テレビ東京 2023年3月期 通期業績予想



【テレビ東京 2023年3月期 通期業績予想は前回公表（2022/5/12）から変更ありません】

(百万円)

	22年3月期 実績	前年同期比 増減率	23年3月期 予想 (22/5/12)	前年同期比	
				増減額	増減率
売上高	110,969	16.6%	111,197	227	0.2%
営業費用	104,248	15.1%	104,639	391	0.4%
営業利益	6,720	47.5%	6,557	△ 163	△ 2.4%
経常利益	8,463	43.1%	9,961	1,498	17.7%
税引前当期純利益	8,433	58.6%	9,961	1,528	18.1%
放送事業 概況					
放送事業 売上(主なもの)					
タイム (T)	47,319	8.6%	43,770	△ 3,549	△ 7.5%
スポット (S)	29,595	28.9%	30,670	1,075	3.6%
T+S 計	76,914	15.6%	74,440	△ 2,474	△ 3.2%
番組販売	4,287	△ 1.9%	4,311	24	0.6%
放送事業 売上計	83,253	14.6%	80,768	△ 2,485	△ 3.0%
放送事業 費用	67,215	12.9%	64,014	△ 3,200	△ 4.8%
うち番組制作費	37,172	17.2%	32,970	△ 4,202	△ 11.3%
(前年度公表値・放送事業 原価)	(59,273)	(16.2%)	-	-	-
放送事業 利益	16,037	22.4%	16,753	715	4.5%
(前年度公表値・放送 粗利益)	(23,979)	(10.7%)	-	-	-
ライツ事業 概況					
ライツ事業 売上					
アニメ	18,038	13.5%	18,688	650	3.6%
配信ビジネス	8,535	44.6%	8,880	345	4.0%
イベント	1,141	67.4%	2,859	1,718	150.6%
ライツ事業 売上計	27,716	23.3%	30,428	2,712	9.8%
ライツ事業 費用	17,014	22.1%	18,180	1,165	6.8%
(前年度公表値・ライツ事業 原価)	(13,792)	(13.4%)	-	-	-
ライツ事業 利益	10,701	25.2%	12,248	1,547	14.5%
(前年度公表値・ライツ 粗利益)	(13,923)	(34.9%)	-	-	-

※前掲まで「放送・番組費」に含まれていた費用の一部を、当年度より定額に合わせた事業別の費用に振り分け計上しており、前年同期についても組み替えております。
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 実際の業績等は、新型コロナウイルス感染症の感染再拡大や経済活動の動向等により、大きく異なる可能性があります。

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Please refer to pages 14 and 15 of Supplementary Material of Financial Results for details.

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配当実績及び方針



配当方針：安定配当(下限20円)に加えて業績に連動した配当(配当性向30%)を目標とする。

(配当性向：配当総額／連結純利益)

	第2四半期末	期末	年間	配当性向
2018年度	15円	25円	40円	35.0%
2019年度	15円	25円	40円	43.7%
2020年度	15円	25円	40円	43.9%
2021年度	15円	45円	60円	27.9%
2022年度	15円	45円(予想)	60円(予想)	30.8%

Next, we will then explain the dividend results and our dividend policy for the fiscal year ending March 31, 2023.

Our basic policy is to return incomes to shareholders in proportion to business performance, while giving importance to stable dividends by taking into consideration the balance with internal reserves for the enhancement of the long-term management base. In addition to the stable dividend of JPY20 per share as a minimum, we target an average dividend payout ratio of 30% on a consolidated basis as a dividend linked to business performance.

For the fiscal year ending March 31, 2023, we will pay an interim dividend of JPY15 and a year-end dividend of JPY45, resulting in an annual dividend of JPY60, as initially projected. Based on the performance forecast I mentioned earlier, the dividend payout ratio is expected to be 30.8%.

That's all for my explanation.

Kozawa: Next, President Ishikawa will explain the progress of the growth investment strategy and the medium-term management plan announced on November 2. Please go ahead.

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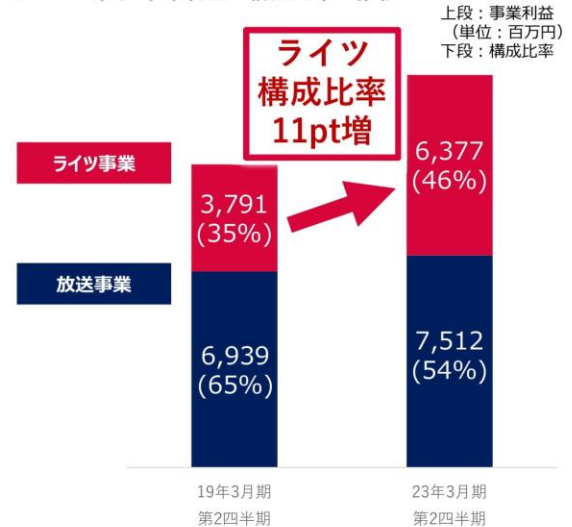
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収益構造改革が進展 “放送事業だけに頼らない体質へ”

- 5年前から取り組んできた収益構造改革が着実に進展
- 成長エンジンと位置付ける「配信とアニメ」がけん引してライツ事業の構成比率が上昇
- 放送事業とライツ事業の利益の構成比率は19年3月期 第2四半期の65：35から23年3月期 第2四半期には54：46に

○テレビ東京 事業利益と構成比率の推移



Ishikawa: I am Ishikawa. Thank you. I would be grateful if you would listen to me despite your busy schedule.

First, I would like to briefly explain our growth strategy. As you can see here, we have been promoting reform of our earnings structure for the past five years, and we recognize that the results of this fiscal year clearly show that we have made steady progress in this area.

What is an earnings structure reform The TV TOKYO Group is doing is that by increasing net sales in streaming businesses and animation businesses as growth engines we will create a structure that does not rely solely on the broadcasting businesses.

In H1 results, as mentioned earlier in the financial results overview, the ratio of business income between TV TOKYO's broadcasting businesses and the rights businesses, which include streaming businesses, animation businesses, and events, was 54 to 46. This was 65 to 35 in H1 of the fiscal year ended March 31, 2019, so this represents a significant increase in the share of rights business in revenues.

In the broadcasting businesses, we have secured an increase in income despite the rather difficult TV advertising market, and now we believe that we have achieved an ideal balance among our businesses.

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- 連結営業利益は3期連続で増加、2期連続で最高益を更新

○連結営業利益の推移（第2四半期）



As a result, consolidated operating income for H1 of the fiscal year ended March 31, 2023 increased for the third consecutive year and reached a record high for the second consecutive year.

Through the earnings structure reform, we are now in the process of establishing a profit structure that does not rely solely on the broadcasting businesses, and we have decided to create a new budget for growth investment in order to aggressively allocate the income earned to investments for growth in the future.

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世界に向けたアニメの成長戦略 “欧米、アジアが大幅増”



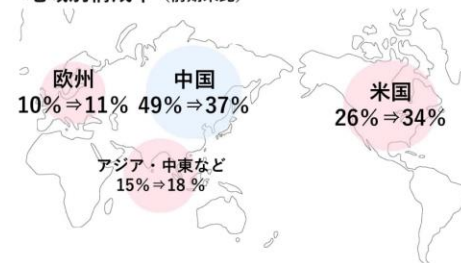
- アニメは海外展開と商品化を加速。欧米市場を強化して中国市場を超えるアニメ収益の柱に
- ベトナムのPOPS Worldwideと資本業務提携し、東南アジアの市場開拓を加速
- 国内では魅力的なアニメ放送枠を揃えて「アニメのテレ東」のブランド力を維持

○アニメ売上高 推移【海外】 (23年3月期 第2四半期)

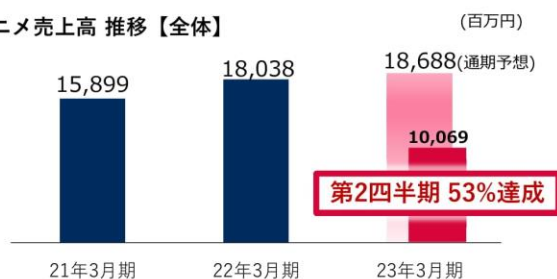
・地域別増減率 (前年同期比)

米国	欧州	中国	アジア・中東など
+79%	+46%	+5%	+65%

・地域別構成率 (前期末比)



○アニメ売上高 推移【全体】



I would like to explain the details of animation business.

As for animation business, net sales for H1 increased 25.3% from the same period of the previous year to JPY10 billion. We were now at 53% against the full-year forecast for the fiscal year ending March 31, 2023, and we think that it has progressed well. In particular, the overseas business has been a major driver of growth, with net sales by region growing particularly in the US by 79% and in Europe by 46%.

In terms of market share by region, China had the largest share at 37%, while the US increased almost to the same level as China at 34%. We will continue to strengthen our efforts in the US and European markets.

Earlier we talked about the earnings structure of the broadcasting and rights businesses, and in the case of animation business, China has also accounted for a significant portion. We have been working to increase net sales in other regions while sales to China are strong, and we achieved this goal to some extent in H1.

In the US this time, in addition to strengthening sale of streaming of animated works, the merchandising business was very strong. Not only anime products such as character figures, but also products that are partnered with fashion brands have been widely accepted and have led to net sales.

In the European market, the *Yu-Gi-Oh!* and *NARUTO* application games and merchandising business have been growing.

In addition, as announced recently, we have formed a capital and business alliance with POPS Worldwide, a company based in Vietnam, in order to promote the development of the Southeast Asian market. Southeast Asia is a market that is expected to grow considerably as the young population has grown extremely. We

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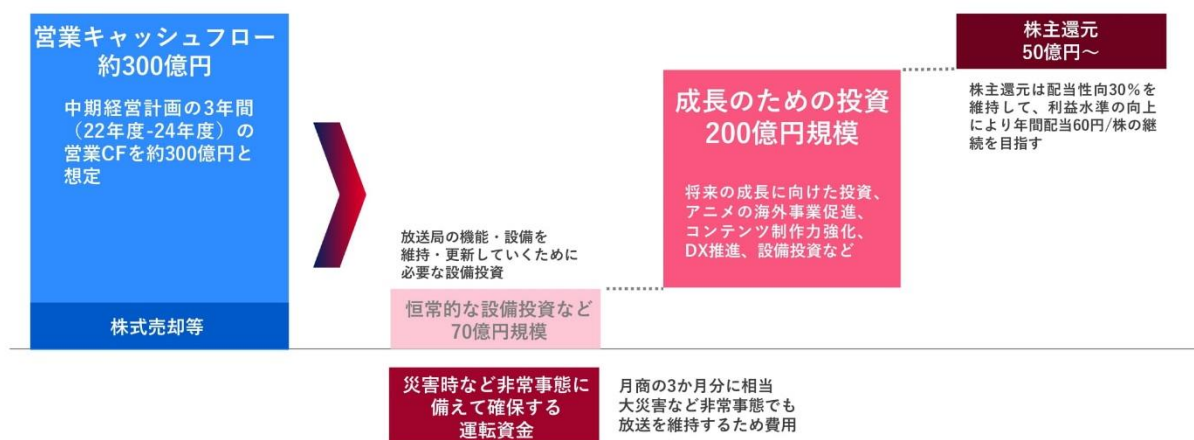


would like to expand our business in these areas by responding to the circumstances of each country in a detailed manner and localizing various animation products.

成長投資枠200億円を設定 “攻めのステージへ”



非常事態でも放送を継続する資金を確保。今後の利益は「成長」に重点投資



Next, I would like to explain the JPY20 billion growth investment budget.

As you can see in the figure, we announced our three-year medium-term management plan for 2022 to 2024 in the spring of this year, and we would like to add an JPY20 billion for growth investment budget to the plan.

Cash and deposits now total JPY38 billion, or three months of monthly net sales. As the media, we need to be prepared for emergencies such as reporting on disasters and wars, and in such cases, we need to respond to various crises, assuming that in the worst-case scenario, our earnings may be cut off. We believe that the JPY38 billion has been secured as working capital that will allow us to maintain broadcasting for the foreseeable future even in such an emergency situation. Now that this has been secured, we have established a policy of actively using the incomes earned as a source of funds for future growth.

The main source of funds for the growth investment budget will be operating cash flow of JPY30 billion over the three years of the medium-term management plan. Since we are in the broadcasting business, which is a licensed industry, there are always constant investments that are required at a minimum, such as master renewal and relay stations, so we will invest about JPY7 billion in these areas. This is for three years.

For the area we will invest JPY20 billion in as featured investment, we are planning to invest JPY20 billion for growth in areas such as animation, streaming, business using the latest technology, TV shopping, and EC, which will expand the management base of the TV TOKYO Group. The JPY20 billion includes capital investments to strengthen competitiveness, such as DX and streaming system improvements.

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We are considering to allocate JPY5 billion or more as shareholder return.

成長投資枠200億円の重点分野



- アニメ、配信の国内外の事業拡大

ベトナムのPOPS Worldwide に出資。東南アジアでファミリー層向けコンテンツを配信

- WEB3・NFT・VR・メタバースなど新しい技術の研究開発・活用

シンガポールのDigital Entertainment Asset に出資。WEB3 など新分野に展開

- コンテンツ制作力の強化

- 電子商取引（EC）事業の拡大

ゴルフ用品ECサイトのリアルマックスを子会社化。ゴルフ事業を拡大

On the next page, we would like to expand business, using the growth investment budget of JPY20 billion, assuming the four priority areas shown here.

First, we will invest in streaming business and animation business as growth engines, and after that EC and television mail-order businesses. First and foremost, expanding top priorities, streaming and animation in Japan and overseas. As I mentioned earlier, we invested in POPS Worldwide in Vietnam. POPS is a leading video streaming company in Southeast Asia with more than 690 million registered users. By partnering with POPS, we would like to create a local version in the Southeast Asian market, which has many young people, as I mentioned earlier, and promote market development.

The second item, WEB3, NFT, VR, and Metaverse, as well as research and development of these technologies. We will attach importance to these things. As announced recently, we have invested USD2.2 million, or approximately JPY300 million, in Digital Entertainment Asset Pte. Ltd. (DEA), a Singapore-based company, and we intend to work actively with this company to promote WEB3 and NFT.

There are many unknowns in the field of WEB3, but this company is engaged in advanced fields of games and the like, so we would like to second our employees to this company to gather various knowledge and at the same time, accumulate knowledge of WEB3 and NFT within the TV TOKYO Group to prepare for future business development.

The third item, strengthening content production capabilities. This is something we have been doing for a long time, and it is how we can strengthen our content, which is the root of our growth. In terms of content production capabilities, there are human factor and equipment factor. We would like to actively engage in

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such activities, including new technologies, and would like to use our growth investment budget as a source of funds for this purpose.

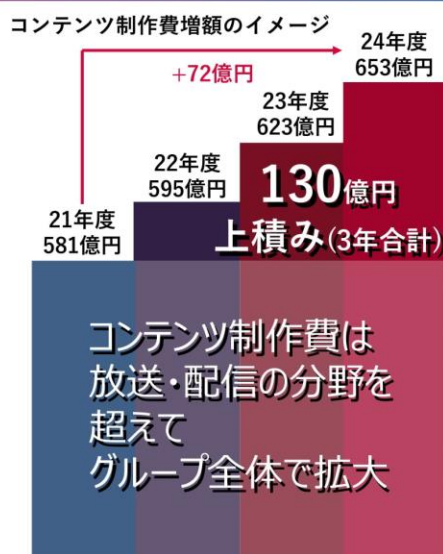
The fourth item, the expansion of the EC business. In this regard, as announced earlier, we have made Real Max Co., Ltd. a subsidiary, a company that provides our golf EC site Atomic Golf. This is being handled by our group company, TV TOKYO Direct, Inc., and we hope to expand our EC business, especially golf products.

Although not covered here, we would like to actively invest in venture capital as well, if we have an opportunity. However, rather than aiming to make some kind of profit, we would like to consider them various investment destinations after gathering information on various companies that will contribute to our growth.

コンテンツ制作費130億円を増額



- 放送、配信をあわせたコンテンツ制作費を中期経営計画期間（22年度-24年度）に、グループ全体で段階的に合計130億円を上積み
- 優れたコンテンツが競争力の源泉。IP戦略も視野に、配信・イベント・商品開発のカテゴリーを超えてコンテンツを強化



※コンテンツ制作費は、BSテレビ東京も含めた放送・配信をあわせたコンテンツ制作の合計額

The next page is JPY13 billion for content production, which was also announced at the medium-term management plan presentation in May of this year.

This is not just program production expenses for broadcasting, but also content production expense including streaming, and we hope to add approximately JPY13 billion over the three years of the medium-term management plan. We would like to enhance our presence by improving the content capability not only in drama, but also in news programs, variety shows, sports programs, and other content areas, and so creating something that only the TV TOKYO Group can produce. We would like to add this JPY13 billion as a source of funds for this purpose.

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人的投資 “3年で30億円を追加投入”



- 業績向上分を社員に還元（業績連動賞与）
- エンゲージメント（働きがい）の向上へ調査と研修
 - オリジナリティを尊重する“テレビ東京らしさ”を生み出すモチベーションを育む
- キャリア採用の強化で成長戦略に必要な人材を拡充
 - 専門知識、能力を持つ人材を拡充して成長を加速
- リスキリング（学び直し）、人材開発強化で成長
 - IT基礎、Webマーケティングなどデジタルを利用したビジネス、WEB3・NFT・VR・メタバースなどの新技術、マネジメント関連の研修を実施
- 働き方改革推進、在宅勤務制度を拡充、週休3日も検討
 - あらゆる人材が活躍できる土台を整えるため「新リモート50」を推進中。Withコロナの働き方の柱として出社率の目安50%を目指す

Next, another important factor, human investment.

In this regard, we are now talking about human investment, a term that seems to appear somewhere every day in various industries. For us, the greatest capital of the TV TOKYO Group is its people. We believe that how to develop and reward human resources that will be the source of such growth potential is an extremely important management issue.

By adding about JPY3 billion over the three years, with the catchphrase for this, "Young employees can be unconstrained and experienced employees can be energetic," we will create an environment in which young people can take on new challenges. Furthermore, we would like to develop human resources by reskilling experienced employee so that they can absorb various know-how again.

This is also mentioned here, but in addition to performance-linked bonuses, we would like to do research and studies that can enhance engagement, and mid-career employment and training to examine what kind of employee we need.

In terms of work styles, we have already utilized a telecommuting system in the COVID-19 pandemic, and we will continue to effectively implement this system. We also started a three-day off per week on a trial basis. Thereby, we would like to create an environment in which employees can work energetically. For that, we intend to use human investment for this purpose.

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DX投資 “新時代のコンテンツ制作へ”



放送設備DX

- 社内新組織の「テックラボ」が新時代のコンテンツ制作をけん引。次世代スタジオ、AI、メタバース、XR（クロスリアリティ）、NFTを研究・開発
- マスター設備更新に向け、次世代放送システムのIP化、クラウド化を検討
- コンテンツ管理システムの強化
- 配信対応・省力化を推進



最新のXR技術を放送番組で検証 次世代スタジオ導入につなげる

社内情報基盤DX

- 基幹システムの刷新により「業務系」は24年から、「営業・放送系」は25年から新システムへ移行
- “全コンテンツ・全配信”に柔軟に対応し、業務改革や人員の再配置による増収効果を見込む

The new era's DX is a very important management issue, and we intend to be proactive in addressing it. Investment that allows us to respond flexibly to the latest Internet technologies is also included in this growth investment budget of JPY20 billion.

In April of this year, we established an internal cross-sectional organization called Tech-Lab, where young and mid-career employees gather on a voluntary basis to study and gather information on AI, Metaverse, XR, NFT, and other such topics.

Furthermore, we would like to develop next-generation studios in the future, and we will work on new technologies mainly in this Tech-Lab. The relationship with DEA, in which we recently invested, was also born out of this. Therefore, we want work on such new technologies more aggressively

In addition, from FY2022, we began to renew our internal information infrastructure for the first time in 30 years. The total cost of the new system would be about JYP3.55 billion, and we plan to move to the new system in August 2024 for business operations, and in September 2025 for sales and broadcasting.

By moving to these new systems, we hope to accurately grasp management information and at the same time increase net sales by redirecting personnel previously tied up in that area to other departments.

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サステナビリティの取り組みを加速



- 6月に石川社長を委員長とする「サステナビリティ委員会」を設置し推進体制を拡充
- 22年度にCO2排出量88%削減（20年度比）
▶ 24年度末までに実質ゼロの実現めざす
- 来年2月に「SDGs ウィークエンド」を実施へ



テレ東HD ESG指数の構成銘柄に

- ・ 英FTSE Blossom Japan Sector Relative Indexに選定
- ・ ESG対応が評価を受ける



Last topic, sustainability initiatives.

As we have already explained, a Sustainability Committee chaired by me was established in June of this year, and we have addressed issues related to CO2 reduction and sustainability.

In terms of CO2 reduction, we introduced renewable energy in Tennozu Studio last November and in Roppongi Head Office in May of this year. By the end of FY2022, the Company plans to substantially reduce CO2 emissions by 88% compared to FY2020. We have set a goal to reduce CO2 emissions to virtually zero by the end of FY2024, and have begun working toward that goal.

We will continue to work on various initiatives, and in February of next year, we would like to introduce TV TOKYO's efforts through a campaign that we will broadcast special programs on the theme of the SDGs.

Our efforts were evaluated and adopted as FTSE Blossom Japan Sector Relative Index. Sustainability is an important management issue that we intend to address.

That is all from me.

Kozawa: That concludes our explanation of the financial results and management strategy.

[END]

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