

[Amendments] NHK CORPORATE PLAN (FY2021-2023)

※Amended in January 2023

- In light of new challenges such as the pandemic and the situation in Ukraine, of the 5 initiatives that were set out, we will strengthen “1. Supporting safety and security” and “3. Delivering information far and wide.”
- We will eliminate one of our satellite channels at the end of fiscal 2023.
- To enable our viewers to benefit from the outcomes of our structural reforms and management efforts, we will reduce our receiving fees by 10 percent.
- Based on the reduction in receiving fees, we will revise our financial forecast for fiscal 2023. In line with the stipulations of the Broadcasting Act, this will be finalized following the approval of our income and expenditure budget and business plan by the Diet.

The 5 initiatives

1. Supporting safety and security

Disseminate more reliable information not only on disasters but also on national security, infectious diseases, issues involving local communities and other topics to support people’s livelihoods.

- We will monitor changes in the international situation and developments in local communities as we continue, as a bearer of reliable information, to help sustain an information space that benefits society.
 - We will adapt to this age in which fake news has become prevalent and enhance our reporting and production functions to distinguish between true and false information.
 - We will focus on nurturing journalists to continue to provide highly reliable news reports backed by news gathering.
 - We will work to enhance our engagement in fields expected of us by society, such as disasters, science and national security, by setting up special projects and in other ways.
- As a reliable media organization, we will make efforts to enhance our content and to improve the reliability of content that is circulating domestically.
 - We will focus our management resources on providing high-quality content, such as enriched educational content that responds to the diversification of learning styles.
 - We will cooperate with others in the industry toward improving the reliability of domestic content in this age of convergence of telecommunications and broadcasting.

3. Delivering information far and wide

Enhance investment in regional infrastructure and, in this age of convergence of telecommunications and broadcasting, deliver value in broadcasts to viewers no matter their generation or location.

- We will improve the sustainability of a dual system in which public and commercial broadcasters coexist and continue to deliver value in broadcasts to every community.
 - We will maintain an efficient and strong broadcast network by strengthening cooperation with commercial broadcasters and others.

- We will make investments that take into consideration resilience, risk management and sustainability while simultaneously making efforts to boost productivity. By doing so, we will continue to deliver all information no matter the situation.
 - We will perform appropriate risk calculations and prepare for contingencies. At the same time, we will make enhanced investments that focus on local communities. These investments will be made in line with this rapidly changing age of Sustainable Development Goals that have been set out by the United Nations (they will include the construction of complementary FM relay stations for disaster countermeasures).
 - We will focus our management resources on content and accelerate reforms in the production process that will lead to improved productivity.

Structural reforms aiming for a new NHK that is leaner and stronger

Streamlining broadcast services

- NHK will eliminate one of its 2K satellite TV channels at the end of March 2024. After that, there will be two satellite channels, tentatively called “New BS4K” and “New BS2K,” which will have flexible programming with content that takes advantage of the characteristics of 2K and 4K to create value that cannot be experienced on our terrestrial channels.
 - ✓ New BS4K (tentative name) will provide a wide array of world-class, high-definition content.
 - ✓ New BS2K (tentative name) will reflect the advantages of satellite broadcasting and deliver dynamic programming that focuses on immersiveness.

Internet-related operations

- We will review our existing broadcast network and utilize streaming in order to deliver information efficiently and thoroughly to Japanese nationals living abroad.

Measures to maximize the value of receiving fees

- We will reinforce activities to solicit contracts without needing to make in-person visits to households and secure a stable income.
- We will entrench the effective use of resources by managing programs across channels by genre. We will also make efforts to convert to a workflow suited to this age of convergence of telecommunications and broadcasting.

On giving back to our viewers

In addition to reducing spending through structural reforms, our management efforts have enabled us to carry forward surplus funds that will help ensure stable finances. As a result, we will be able to lower receiving fees and make advance expenditures that will reduce the burden on our viewers in the future, as described below.

■ On the reduction in receiving fees

- Based on the financial forecast for the medium to long term that includes fiscal 2023, which is covered by the current corporate plan, we will reduce receiving fees.
 - Methods of giving back (through fee reductions, etc.) ※Implementation will begin in October 2023.

- ✓ Fees for terrestrial contracts and satellite contracts will be reduced as described below.
(Following the diversification of payment methods, payments using payment slips and payments using bank account transfers/credit cards will become subject to the same fees.)

Type of contract	Payment method	Monthly fee (after fee reduction)	Monthly fee (before fee reduction)
Terrestrial Contract	Account transfer/Credit card	1,100 yen	1,225 yen
	Payment slip		1,275 yen
Satellite Contract	Account transfer/Credit card	1,950 yen	2,170 yen
	Payment slip		2,220 yen

- ✓ Exemptions for students will be expanded.
- The scope of giving back (through lower receiving fees, etc.)
 - ✓ Funds that will be used to cover the reduction in receiving fees: An estimated total of 150 billion yen

※The changes will be finalized and implemented based on the Japan Broadcasting Corporation Receiving Agreement and following required procedures such as approval by the Minister of Internal Affairs and Communications of Criteria for Exemptions for Japan Broadcasting Corporation Receiving Fees and approval by the Diet of the budget for each fiscal year.

■ On advance expenditures that will reduce the future burden on viewers

- Advance expenditures to decrease the future burden on viewers, including a reduction in network costs (related to “3. Delivering far and wide”) *
 - ✓ Expenditures for the efficient operation of the broadcast network created with commercial broadcasters, for research on making greater use of software solutions and for fulfilling the obligation to make best efforts to comply with the Broadcasting Act: Total 60 billion yen (fiscal 2023 will include research fees)
- Expenditures pertaining to the Japanese content industry in enhancing the creation and sharing of public content * (related to “1. Supporting safety and security”): Total 10 billion yen (fiscal 2023 will include research fees)
- Surplus funds carried forward for financial stabilization that will enable NHK to stay in operation after a large-scale disaster: At least around 50 billion yen necessary

* These expenditures are expected to be categorized as part of estimated spending in the next medium-term management plan based on the Broadcasting Act (Article 73-2 paragraph (5)). They may be amended by Order of the Ministry of Internal Affairs and Communications.

Projected income and expenditures for the period

Financial forecast

- Due to a reduction in receiving fees from October 2023, income from such fees is projected to fall by approximately 46 billion yen.
- Any deficit between operating income and operating expenditures will be covered by funds reserved for the fee reduction.
- In order to allow for the reduction in receiving fees to be maintained, we will utilize funds reserved for the fee reduction during the time we reduce in phases the scale of our spending.

Revisions made to

FY2023 only

(billion yen)

	FY2020 budget (a)	FY2021 (b)		FY2022 (c)		FY2023 (d)	
			(b-a)		(c-b)		(d-c)
Total Operating Income	720.4	690.0	△30.4	689.0	△1.0	644.0	△45.0
From Receiving Fees	697.4	671.4	△26.0	670.0	△1.4	624.0	△46.0
Total Operating Expenditures	735.4	713.0	△22.4	689.0	△24.0	672.0	△17.0
Surplus	△14.9	△23.0	△8.0	0	23.0	△28.0	△28.0

Use of funds reserved for 28.0 +28.0
fee reduction

Remainder of funds 122.0
reserved for fee
reduction
(for later fiscal years)