

# **Financial Results**

## **FY2014 2<sup>nd</sup> Quarter**

**November 11, 2014**

**Nippon Television Holdings, Inc.**

**Statements made in this presentation with regards to Nippon TV's current plans, strategies, and beliefs as well as other statements that are not historical facts are forward-looking statements.**

**Such forward-looking statements are based on management's assumptions and beliefs in light of the information currently available.**

**These forward-looking statements involve risks and uncertainties that could cause actual results to differ materially. As such, one should not place undue reliance on them. We do not intend to update these forward-looking statements, whether as a result of new information, future events or otherwise, except when required by applicable laws.**

# Highlights of Financial Results

- For first half of FY2014, revenue increased, operating profit and recurring profit decreased, and net income increased.
- Time ad sales increased due to World Cup and strong regular programs.  
Spot ad sales increased due to strong viewer ratings.  
⇒ Broadcasting revenue remains robust.
- Full year financial forecast remains unchanged.

# Summary of Consolidated Financial Results

(Unit: Millions of yen)

	FY2013 2Q	FY2014 2Q	% change
Net sales	163,418	170,356	4.2
Operating profit	16,930	16,276	(3.9)
Recurring profit	20,470	20,091	(1.8)
Net income	12,398	12,521	1.0

# Nippon TV Non-Consolidated Results

(Unit: Millions of yen)

	FY2013 2Q	FY2014 2Q	% change
Net sales	135,675	140,968	3.9
Operating profit	12,228	13,995	14.4
Recurring profit	13,735	15,136	10.2
Net income	8,138	9,507	16.8

# TV Advertising Revenue - Terrestrial Broadcasting (Nippon TV)

(Unit: Millions of yen)

	FY2013 2Q	FY2014 2Q	Increase	% change
TV advertising revenue	109,205	<b>114,880</b>	<b>5,674</b>	<b>5.2</b>
Time	54,548	<b>56,144</b>	<b>1,595</b>	<b>2.9</b>
Spot	54,657	<b>58,736</b>	<b>4,078</b>	<b>7.5</b>

Time	FY2013	FY2014
April	(2.7%)	<b>2.4%</b>
May	3.2%	<b>0.3%</b>
June	2.2%	<b>10.0%</b>
July	(6.7%)	<b>5.0%</b>
August	(7.6%)	<b>0.4%</b>
September	1.8%	<b>(0.2%)</b>

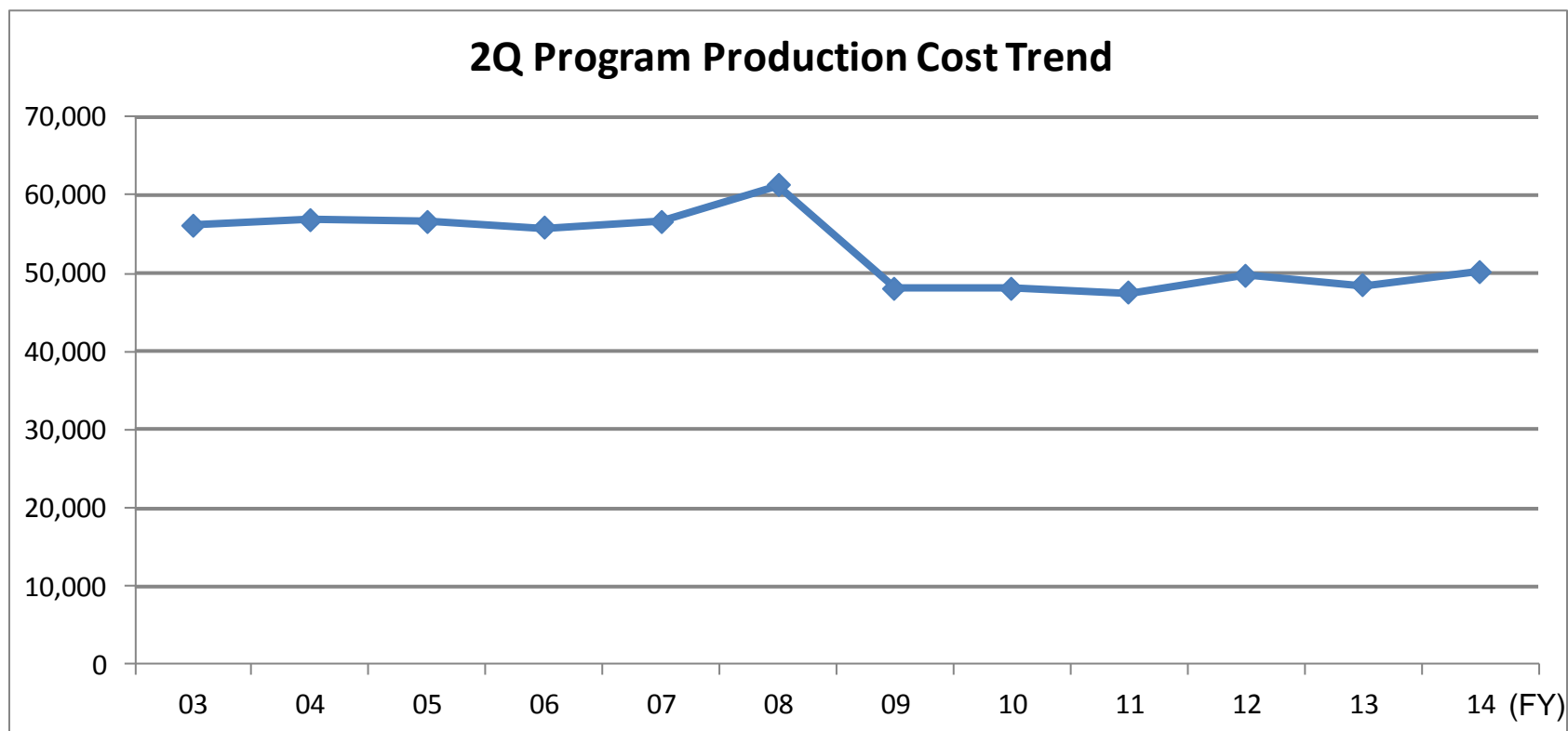
Spot	FY2013	FY2014
April	(4.8%)	<b>(1.0%)</b>
May	(2.5%)	<b>15.1%</b>
June	6.6%	<b>5.0%</b>
July	0.6%	<b>7.7%</b>
August	23.3%	<b>11.0%</b>
September	15.6%	<b>9.1%</b>

# Production Costs - Terrestrial Broadcasting (Nippon TV)

(Unit: Millions of yen)

FY2013 2Q	FY2014 2Q	Increase	% change
48,442	50,186	1,743	3.6

(Unit: Millions of yen)



# Main Events/Content Business -Nippon TV-

(Unit: Millions of yen)

2Q		Sales	Costs	Balance
Movies	FY2013 2Q	3,934	3,777	157
	<b>FY2014 2Q</b>	<b>3,446</b>	<b>3,443</b>	<b>3</b>
Media Commerce (TV-Shopping)	FY2013 2Q	4,513	4,313	200
	<b>FY2014 2Q</b>	<b>4,509</b>	<b>4,188</b>	<b>320</b>
Events	FY2013 2Q	2,561	2,216	345
	<b>FY2014 2Q</b>	<b>2,882</b>	<b>2,875</b>	<b>7</b>



# Financial Highlights of Group Companies

(Unit: Millions of yen, rounded down)

FY2014 2Q	Net sales		Operating profit		Recurring profit		Net income	
		%chg		%chg		%chg		%chg
BS Nippon Corp.	7,436	8.2	1,077	(7.7)	1,137	(7.9)	730	(33.2)
CS Nippon Corp.	2,737	8.4	298	71.5	310	69.1	168	50.4
NTV Technical Resources Inc.	5,083	2.3	167	8.8	187	8.8	125	24.2
NTV AX-ON	10,354	4.3	647	(0.9)	660	(0.5)	414	3.6
NTV EVENTS Inc.	1,495	9.7	100	2.2	104	2.1	66	6.3
Nippon Television Art Inc.	4,070	(1.7)	232	0.0	243	(0.1)	156	3.7
Nippon Television Music Corp.	5,360	14.2	774	14.6	829	10.7	541	16.1
VAP Inc.	6,777	(40.3)	(965)	—	(880)	—	(880)	—
NTV Service Inc.	2,060	(24.0)	158	(41.7)	174	(39.4)	109	(37.6)
Nippon Television Work 24 Corp.	2,080	6.2	61	19.9	63	15.2	36	18.0
Forecast Communications Inc.	1,483	(4.3)	33	(33.4)	61	36.6	33	24.3
NitteleSeven	2,567	19.5	165	99.4	169	101.1	107	112.0
TATSUNOKO PRODUCTION Co., Ltd.	1,012	—	130	—	131	—	84	—

※ TATSUNOKO was acquired in 4Q FY2013; hence, YoY comparison is not available

# FY2014 Forecast and Assumptions

## FY2014 Forecast

(Unit: Millions of yen)

	Net sales	Operating profit	Recurring profit	Net income
<b>FY</b>	<b>352,100</b>	<b>38,200</b>	<b>43,300</b>	<b>26,800</b>

\*Forecast remains unchanged.

## Growth assumptions used for terrestrial TV advertising revenue and production costs

(Nippon TV)	2H		FY	
	As of July 31	Revised Forecast	As of July 31	Revised Forecast
TV advertising revenue	(1.5%)	<b>(0.2%)</b>	1.2%	<b>2.4%</b>
Time	(4.0%)	<b>(1.8%)</b>	(0.9%)	<b>0.5%</b>
Spot	1.0%	<b>1.4%</b>	3.3%	<b>4.3%</b>
Production costs	(7.2%)	<b>(5.8%)</b>	(1.7%)	<b>(1.1%)</b>

# Excellent Viewer Ratings

## ★ On Track to Win 2014 Annual and Fiscal Triple Crown!

- Undefeated monthly triple crown winner for 11 months straight from Dec 2013 to Oct 2014.
- Consecutive triple crown winner for Jan, Apr, and Jul cool.
- Triple Crown Winner for 1H of FY2014!
- Consistent results for household and individual viewer ratings.
  - Captured the viewership of audiences who are prime target of sponsors

## ★ Enjoying the Results of our Programming Improvements

- Daily weekday shows and prime time regulars remained strong
- Increased viewer ratings for “Platinight” slot

\* Average Viewer Ratings for 1H FY2014 (Household viewer ratings source: Video Research)

**“Monday Lateshow” 9.1% (+1.9%), “Konkurabe” 6.0% (+0.5%)**

**“NAKAI NO MADO” 5.9% (+0.9%)**

- October Programming Improvements Yield Positive Results

**“Trick Hunter” 7.9% (Jul cool avg) → 9.5% (Oct cool avg for 4 episodes)**

**“I’m Taking the Day Off” 16.4% (Avg for 4 episodes) “Jigoku Sensei Nube” 10.4% (Avg for 5 episodes)**

# Annual Viewer Ratings

12/30/2013 - 11/09/2014

\*In order of digital channel, from left

	Nippon TV	EX (TV Asahi)	TBS	TX (TV Tokyo)	CX (Fuji TV)	Difference between EX (YoY)
All day	① 8.4	7.3	5.9	3.1	6.8	+1.1
	(+0.4)	(-0.5)	(-0.6)	(+0.2)	(-0.1)	(+0.2)
Prime time	① 12.4	11.4	9.4	6.9	10.2	+1.0
	(+0.5)	(-0.9)	(-0.6)	(+0.4)	(-0.5)	(-0.4)
Golden time	① 12.5	10.8	9.6	7.3	10.0	+1.7
	(+0.5)	(-1.2)	(-0.5)	(+0.4)	(-0.5)	(±0.0)

\* Source for household viewership (Kanto region): Video Research

# Viewer Ratings (Fiscal Year)

03/31/2014 - 11/09/2014

\*In order of digital channel, from left

	Nippon TV	EX (TV Asahi)	TBS	TX (TV Tokyo)	CX (Fuji TV)	Difference between EX (YoY)
All day	① 8.3	7.1	5.8	3.1	6.6	+1.2
	(+0.4)	(-0.6)	(-0.5)	(+0.3)	(-0.3)	(+0.2)
Prime time	① 12.4	11.0	9.4	6.7	9.9	+1.4
	(+0.6)	(-0.9)	(-0.4)	(+0.2)	(-0.9)	(-0.1)
Golden time	① 12.4	10.4	9.5	7.1	9.7	+2.0
	(+0.5)	(-1.2)	(-0.4)	(+0.2)	(-0.8)	(+0.3)

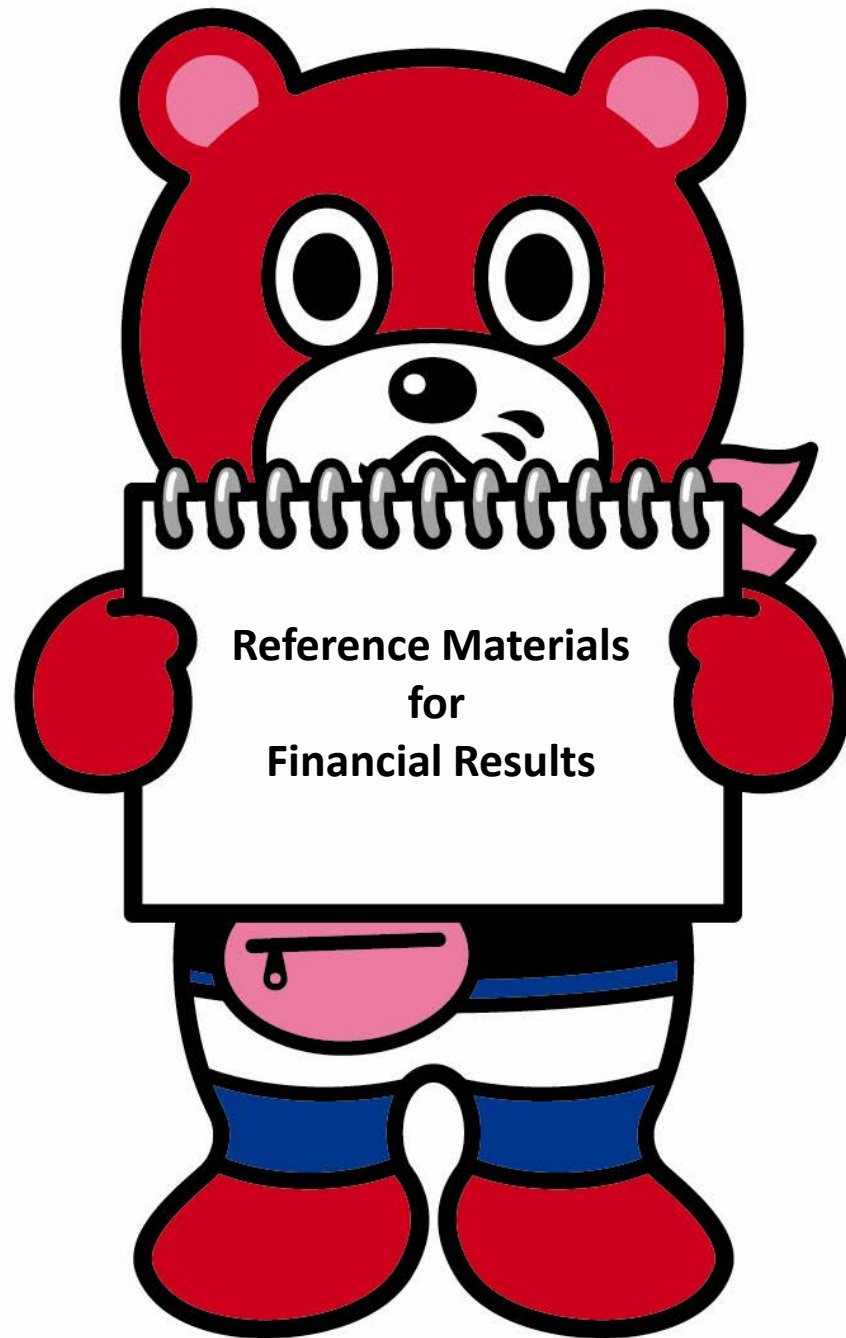
\* Source for household viewership (Kanto region): Video Research

# 2014 Annual Viewer Ratings Increase

12/30/2013 - 11/09/2014

	All day	Prime time	Golden time	Non-prime time	Platinum time
	6:00-24:00	19:00-23:00	19:00-22:00	6:00-19:00 23:00-24:00	23:00-25:00
<b>Nippon TV</b>	①8.4%	①12.4%	①12.5%	①7.3%	②6.9%
YoY	+0.4%	+0.5%	+0.5%	+0.4%	+0.7%

\* Source for household viewership (Kanto region): Video Research



**Reference Materials  
for  
Financial Results**

# Net Sales - Nippon TV -

(Unit: Millions of yen)

	FY2013 2Q	FY2014 2Q
TV advertising revenue	109,205	<b>114,880</b>
Time	54,548	<b>56,144</b>
Spot	54,657	<b>58,736</b>
Program sales	5,463	<b>5,361</b>
Events/Content business sales	19,630	<b>19,386</b>
Real estate business	1,376	<b>1,339</b>
Total	135,675	<b>140,968</b>



# Operating Expenses

-Nippon TV-

(Unit: Millions of yen)

	FY2013 2Q	FY2014 2Q
Production costs	48,442	<b>50,186</b>
Program distribution costs to network affiliates	14,334	<b>14,652</b>
Agency commission	19,391	<b>20,493</b>
Personnel	9,888	<b>10,423</b>
Depreciation and amortization	2,935	<b>3,249</b>
Events/Content business costs	16,567	<b>15,846</b>
Other	11,887	<b>12,120</b>
Total	123,447	<b>126,973</b>

# Spot Sales - Terrestrial Broadcasting (Nippon TV)

FY2013 2Q		Share	% chg	FY2014 2Q		Share	% chg
1	Cosmetics/Toiletries	12.5	6.4	Cosmetics/Toiletries	14.1	21.2	
2	Transportation/ Telecommunications	8.3	3.2	Transportation/ Telecommunications	10.9	41.2	
3	Automobile	8.2	3.4	Automobile	7.2	(5.0)	
4	Non-alcohol	7.9	30.5	Service	7.2	31.3	
5	Finance	6.3	49.6	Pharmaceutical	6.5	23.2	
6	Service	5.9	37.2	Non-alcohol	6.1	(16.2)	
7	Pharmaceutical	5.6	(10.7)	Finance	5.4	(7.6)	
8	Electronic equipment	5.3	(10.1)	Electronic equipment	5.1	2.0	
9	Box-office/ Entertainment	4.5	(25.0)	Box-office/ Entertainment	4.9	17.4	
10	Alcohol	4.3	0.9	Alcohol	4.4	10.8	

\* % changes are versus the same period last year and are tracked internally.

# Events/Content Business Sales and Costs -Nippon TV-

FY2014 2Q

(Unit: Millions of yen)

	Sales	Costs
BS, CS, CATV, Other	4,304	1,827
Rights	1,024	664
Media Commerce	4,509	4,188
Movies	3,446	3,443
Events	2,882	2,875
Overseas Business	549	210
Other	2,672	2,639
<b>Total</b>	<b>19,386</b>	<b>15,846</b>

# CAPEX and Depreciation (Consolidated)

(Unit: Billions of yen)

<b>FY2014 2Q</b>	<b>CAPEX</b>	<b>Depreciation</b>
<b>Consolidated</b>	<b>11.9</b>	<b>3.7</b>

<b>Consolidated forecast</b>	<b>CAPEX</b>	<b>Depreciation</b>
<b>FY2014</b>	<b>17.7</b>	<b>7.8</b>
<b>FY2015</b>	<b>19.7</b>	<b>7.5</b>
<b>FY2016</b>	<b>11.8</b>	<b>8.8</b>

\* Forecast numbers are based on managerial accounting. Forecast remains unchanged.

# Nippon TV Holdings Consolidated Results – Segment Information

(Unit: Millions of yen)

FY 2014 2Q	Segmentation			Other	Total	Adjustment	Consolidated year to date total
	Content business	Real estate business	Total				
Net sales	167,729	5,196	172,926	2,060	174,987	(4,631)	170,356
Segment profit	14,338	2,024	16,363	158	16,521	(245)	16,276

Segmentation	Main businesses
Content business	Sales of TV advertising, pay TV business, Video On Demand, video and music royalty revenue, sales of package media, TV-shopping, movie business, events, art exhibitions, and content production business
Real estate business	Rental offices, building management

# 2014 Nippon TV Household Viewer Ratings Detail

	All Day Monthly	Prime Time Monthly	Golden Time Monthly
January	①8.7	①12.6	①12.7
February	①8.8	①12.5	①12.7
March	①8.2	①12.6	①12.9
April	①8.1	①12.1	①12.1
May	①8.1	①12.1	①12.0
June	①8.2	①12.0	①12.0
July	①8.3	①12.2	①12.0
August	①8.6	①12.8	①12.9
September	①8.4	①12.8	①12.9
October	①8.5	①12.5	①12.5

	All Day	Prime Time	Golden Time
January Cool	①8.6	①12.6	①12.8
April Cool	①8.1	①12.1	①12.1
July Cool	①8.5	①12.6	①12.6
First Half	①8.3	①12.3	①12.3

\* Source for household viewership (Kanto region): Video Research

# Movie and Event Lineup for FY2014

Date	Title	Distributor
November 29	☆ PARASYTE	TOHO
January 10, 2015	☆ ST: The Movie	TOHO
January 31, 2015	☆ JOKER GAME	TOHO
February 2015	☆ The Case of Hana & Alice	T-Joy
2015 spring	☆ Lion Standing in the Wind (working title)	TOHO

☆ Nippon TV is lead organizer

Date	Title
February 21 - June 1 2015	Musée du Louvre. Peinture de genre. Scènes de la vie quotidienne.