

**The Nippon TV Group Medium-Term
Management Plan 2016-2018
Change65**

March 31, 2016

Nippon Television Holdings, Inc.

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Medium-Term Management Plan 2016-2018 Change65

- Reassessment of Next60
- Long and medium-term perspective of business environment
- Long-term management goals and medium-term management goals
- Focal points of Change65
- Financial goals of Change65
- Goals of each business
- Financial and dividend policy of Change65

The Results of Next60

All the financial targets have been accomplished. Nippon TV's competitiveness in the TV advertising business has been enhanced. Measures have been taken for the diversification of our business portfolio.

Unit: 100 million yen	FY 2011	FY2015 Target	FY 2015 Forecast	Increase
Consolidated Net Sales	3,054	4,000	4,100	1,046
TV Advertising Sales	2,133	2,550	2,613	480
Content Sales and Other	920	1,450	1,487	567
Consolidated Recurring Profit	380	500	565	185

The Results of Next60

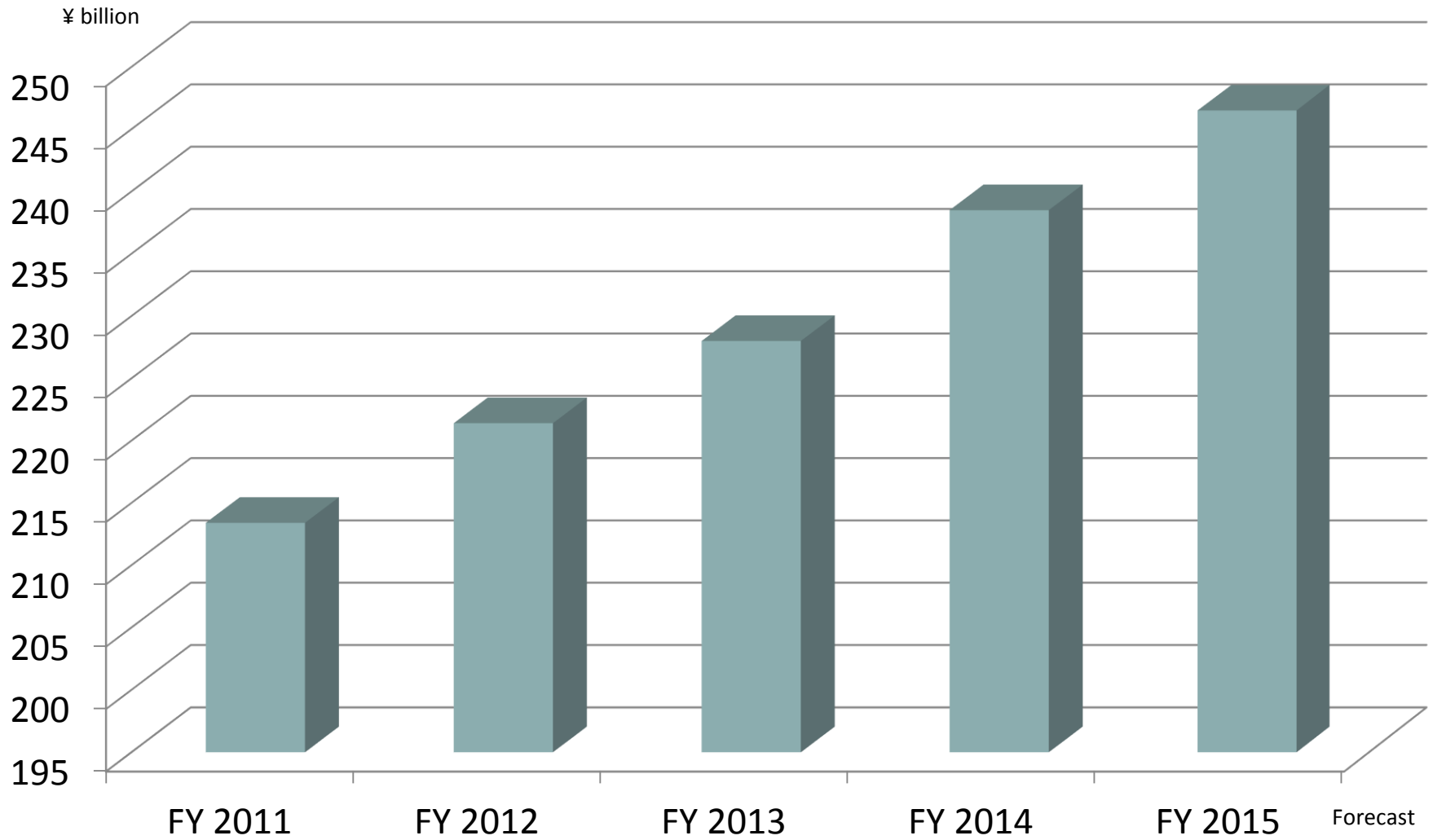
Business	Results
Terrestrial TV broadcasting	Top viewer ratings (“Triple Crown” for two consecutive years) Largest share of terrestrial TV advertising revenue among key stations
Internet	Purchased Hulu Japan in April 2014 The number of subscribers as of the end of December 2015: approx. 1.2 million Established HAROiD jointly with Bascule, Inc. to develop apps that connect TV and internet
Overseas expansion	Established pay TV channel GEM jointly with a SONY Group company. Launched GEM in Hong Kong, Thailand, Indonesia and Cambodia to broadcast Nippon TV programs.
Diversification of business portfolio	Purchased TIPNESS, an operator of fitness clubs → Established life and health related business segment. The share of TV advertisement revenue decreased from 70% to 64%.
Return for shareholders	Stable increase of dividend payments FY 2012 ¥29 FY 2015 ¥34 (forecast)

Enhanced Competitiveness of Terrestrial TV Advertising Business

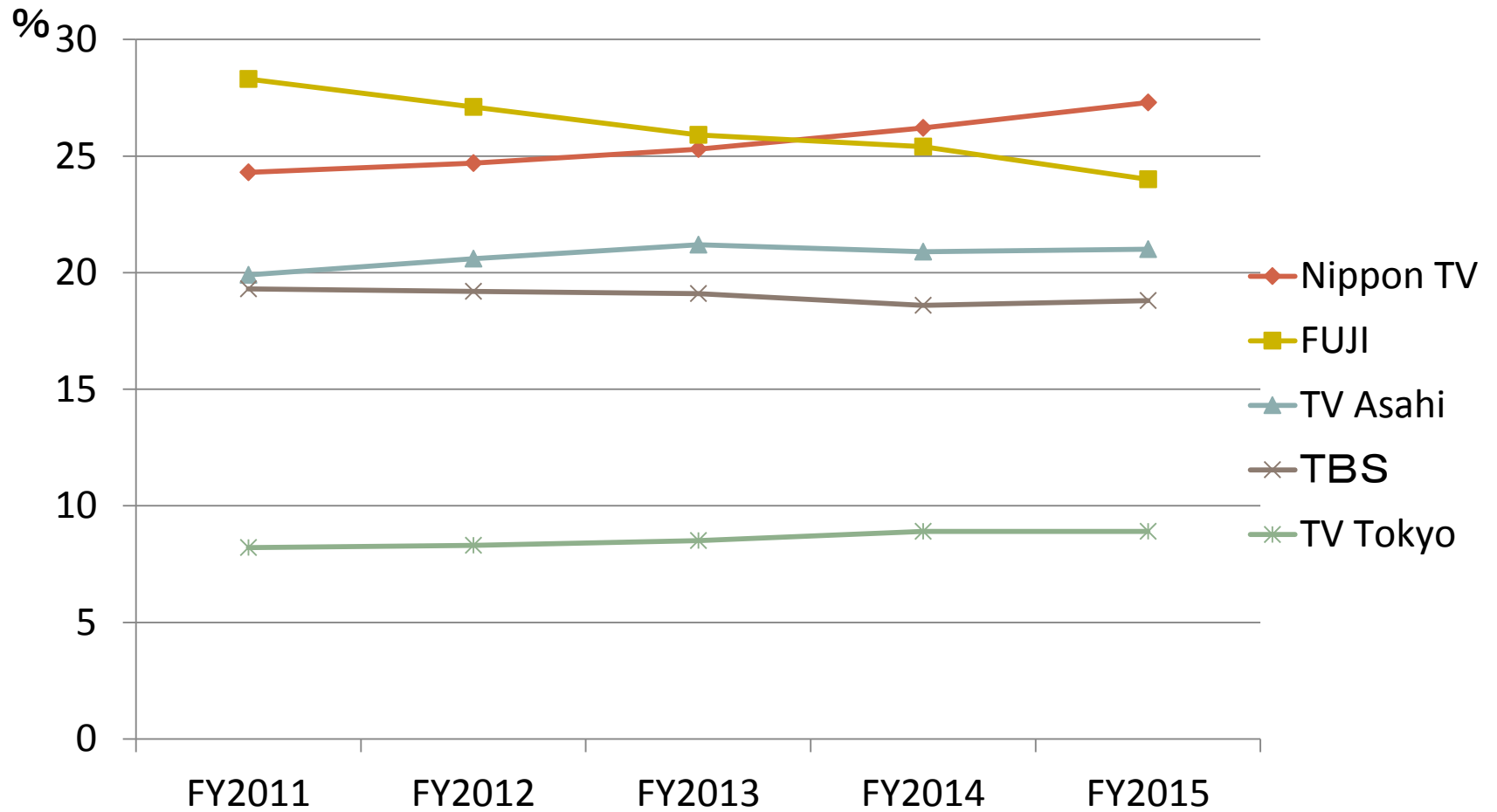
Household viewer ratings	First Half of FY 2012	First Half of FY 2015
All Day	① 7.7	① 8.5
Prime Time	② 11.7	① 12.3
Golden	① 11.9	① 12.4
Non-Prime Time	① 6.6	① 7.4
Platinum	③ 5.7	① 7.4

	FY 2011	FY 2015 (Forecast)
TV Advertising Sales	2,133	2,613
Terrestrial	2,133	2,465
BS・CS	—	148

Historical Trend of Nippon TV Terrestrial TV Advertising Revenue



Terrestrial TV Advertising Revenue Share



(3Q YTD for FY 2015 only)

Medium-Term Business Environment Perspectives

- The Japanese market is shrinking in line with Japan's population decrease.
- Expansion of the "Internet First" demographic that consists mostly of younger generations.
- TV sets become "Smart TVs".
- Internet video distribution services spreading.
- Internet video distribution market, internet advertisement market and life and health related market are growing.

Long and Medium-Term Management Goals

☆ Long –Term Management Goal, which Nippon TV Group will pursue to FY 2025

- Become a corporate group which provides “enriching experiences”
- Selected as “the First Choice Nippon TV”
- Diversify its business portfolio and expand overseas
- Develop an internet distribution business and overseas business into its main sources of profit

☆ Medium-Term Management Goal (qualitative goals)

- The strongest production group, which produces and delivers enriching content
- “Destruction and creation” of businesses to achieve continuous growth
- A solid position in overseas markets
- Social contributions emphasizing regions and individuals
- A working environment that nurtures the talents of all employees and motivates them to take on greater challenges

Focal Points of Change 65

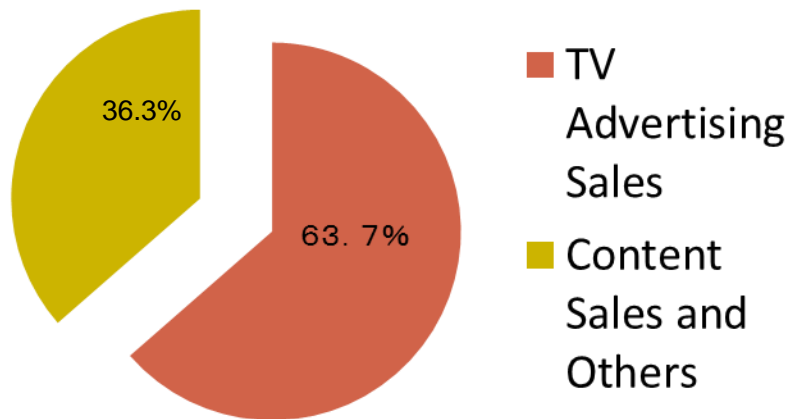
- Maintain top position in terrestrial TV advertising market
- Further develop the businesses which were initiated in Next60 (internet video distribution business, overseas business, life and health related business)
- Continue investing for future growth and diversification of business portfolio

Financial Goals of Change65

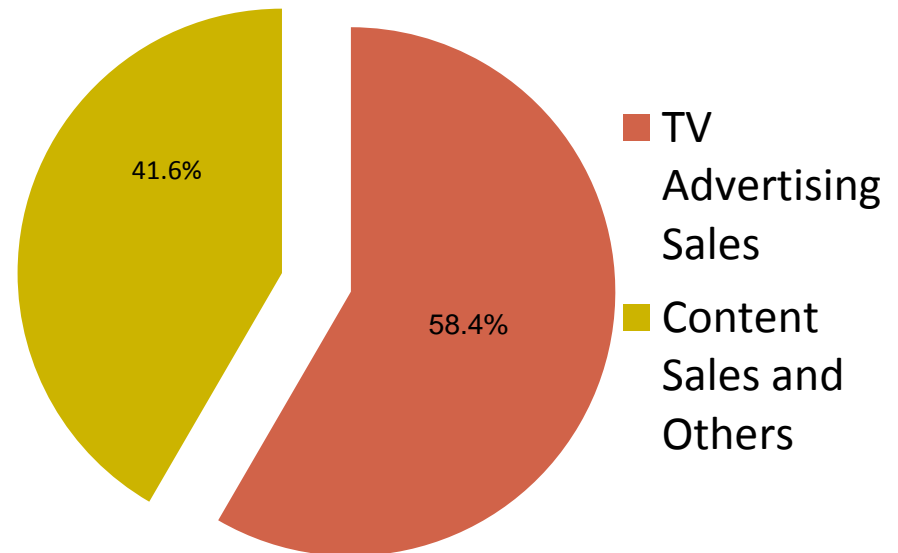
Unit: 100 million yen	FY 2015 (Forecast)	FY 2018 (Target)	Increase
Consolidated Net Sales	4,100	4,600	500
TV Advertising Sales	2,613	2,685	72
Terrestrial	2,465	2,525	60
BS, CS	148	160	12
Content Sales and Others	1,487	1,915	428
Consolidated Operating Profit	515(12.6%)	550(12.0%)	35
Consolidated Recurring Profit	565(13.8%)	600(13.0%)	35

Diversification of Business Portfolio

FY 2015 Consolidated Sales(Forecast)



FY 2018 Consolidated Sales (Target)



Objectives of Each Business

★ TV advertising business

- Assume that TV advertising market will remain flat
- Obtain “Quintuple Crown” in both household and core target zones of terrestrial viewer ratings
- Maintain top share in terrestrial television advertisement market
- Have BS Nippon gain the top position in both mechanical viewer ratings and advertisement revenues among BS subsidiaries of key terrestrial broadcasters

Objectives of Each Business

★ Internet video distribution business

- Increase the number of subscribers of Hulu
- Develop a sales model for a free internet video distribution business and stabilize its advertising revenue

★ Overseas business

- Promote the businesses which are rooted in regions, especially in Asia, which is expected to grow (expansion of GEM)
- Recognize the needs of each country and accelerate global expansion of Nippon TV content and production

Objectives of Each Business

☆ Life and health related business

- Ensure steady growth of TIPNESS
 - Increase membership of comprehensive-type gyms
 - Increase FASTGYM24 gym locations
- Develop new businesses in this segment

☆ New business development

- Set aside a total of ¥50 billion investment line for new businesses, including strategic investments
- Expand life and health related business segment
- Develop “the fourth source of profit” following content business, life and health related business and real estate business

Financial and Dividend Policy

Total investment line 2016-2018: ¥50 billion

Total CAPEX 2016-2018 ¥80 billion (budget)

- Cash in hand will be used
- ¥13 billion among ¥80 billion is paid for construction of a new studio building in Kojimachi

Key Management Indicators:

Operating Profit Margin and Recurring Profit Margin

Continuous and stable dividend payments