

# **Financial Results**

## **Fiscal Year 2015**

**May 17, 2016**

**Nippon Television Holdings, Inc.**

**This presentation may include forward-looking statements. Actual results, however, could differ significantly as a result of various factors and circumstances. Forward-looking statements contained herein are not guarantees or commitments. Reproduction of this presentation is prohibited.**

# Highlights of Financial Results

- ☐ For FY2015, revenue, operating profit, recurring profit and net income increased.**
- ☐ The financial results of Nippon Television Network Corporation (Nippon TV) increased significantly. Broadcasting revenues increased due to excellent viewer ratings. Movies and events also strong. VAP turned profitable. Hulu improved. TIPNESS contributed to the business.**
- ☐ Medium-term management plan Next60's financial goals were accomplished.**

# Summary of Consolidated Financial Results

(Unit: Millions of Yen)

	<b>FY2014</b>	<b>FY2015</b>	<b>% Change</b>
<b>Net Sales</b>	362,497	414,780	14.4
<b>Operating Profit</b>	42,382	53,178	25.5
<b>Recurring Profit</b>	48,696	57,791	18.7
<b>Net Income</b>	30,467	36,883	21.1

# Nippon TV Non-Consolidated Results

(Unit: Millions of Yen)

	FY2014	FY2015	% Change
Net Sales	290,460	307,077	5.7
Operating Profit	38,049	45,833	20.5
Recurring Profit	39,658	53,513	34.9
Net Income	24,622	30,116	22.3

# TV Advertising Revenue - Terrestrial Broadcasting (Nippon TV)

(Unit: Millions of Yen)

	FY2014	FY2015	Increase	% Change
TV Advertising Revenue	238,511	<b>248,450</b>	<b>9,938</b>	<b>4.2</b>
Time	115,402	<b>118,368</b>	<b>2,965</b>	<b>2.6</b>
Spot	123,109	<b>130,082</b>	<b>6,972</b>	<b>5.7</b>

Time	FY2014	FY2015
Apr-Sep	<b>2.9%</b>	<b>±0.0%</b>
Oct-Dec	<b>1.3%</b>	<b>4.9%</b>
January	<b>4.1%</b>	<b>4.1%</b>
February	<b>(9.9%)</b>	<b>9.6%</b>
March	<b>2.6%</b>	<b>2.4%</b>
Jan-Mar	<b>(0.6%)</b>	<b>5.1%</b>

Spot	FY2014	FY2015
Apr-Sep	<b>7.5%</b>	<b>5.6%</b>
Oct-Dec	<b>8.0%</b>	<b>4.9%</b>
January	<b>10.2%</b>	<b>7.6%</b>
February	<b>4.9%</b>	<b>5.3%</b>
March	<b>7.7%</b>	<b>6.7%</b>
Jan-Mar	<b>7.5%</b>	<b>6.6%</b>

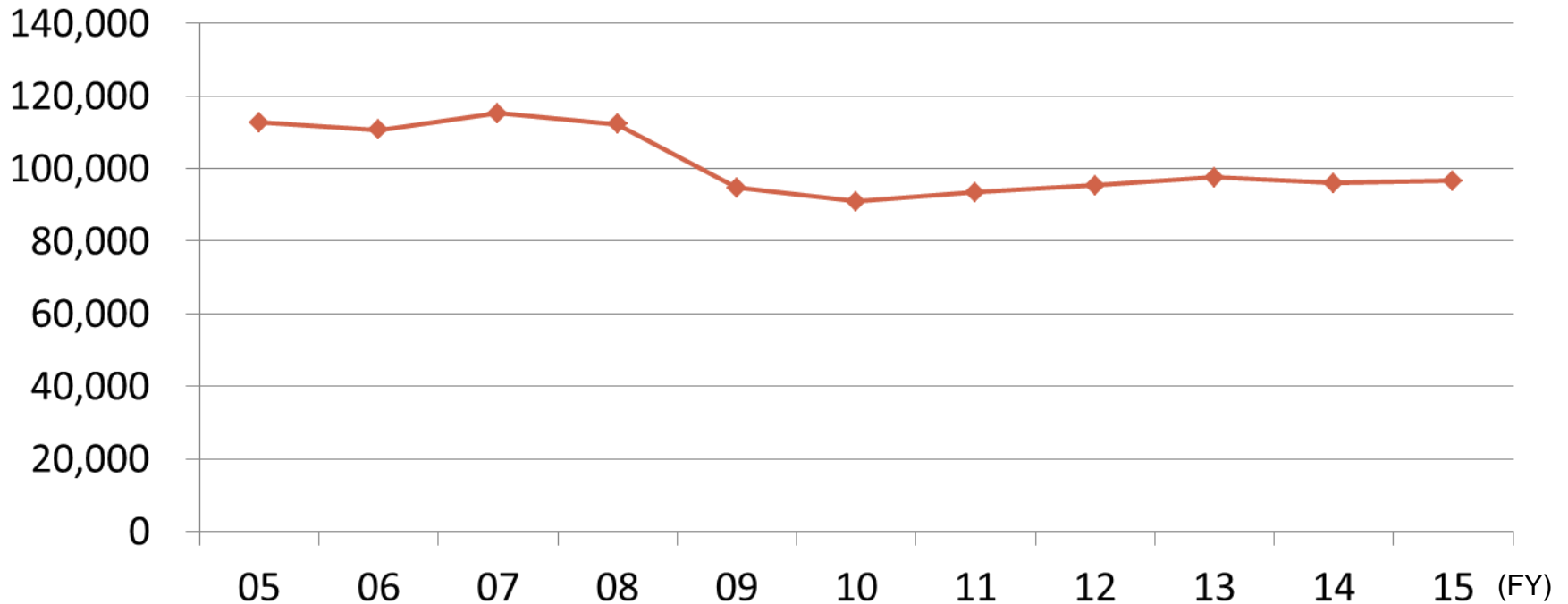
# Production Costs - Terrestrial Broadcasting (Nippon TV)

(Unit: Millions of Yen)

FY2014	FY2015	Increase	% Change
96,022	96,687	664	0.7

(Unit: Millions of Yen)

### FY Program Production Cost Trend



# Main Events/Content Business -Nippon TV-

(Unit: Millions of Yen)

FY 2015		Sales	Costs	Balance
Movies	FY2014	8,382	8,197	185
	<b>FY2015</b>	<b>11,562</b>	<b>10,399</b>	<b>1,163</b>
Media Commerce (TV-Shopping)	FY2014	9,082	8,645	437
	<b>FY2015</b>	<b>8,842</b>	<b>8,179</b>	<b>663</b>
Events	FY2014	4,819	4,427	391
	<b>FY2015</b>	<b>6,379</b>	<b>5,203</b>	<b>1,176</b>



# Financial Highlights of Group Companies

FY2015	Net Sales		Operating Profit		Recurring Profit		Net Income	
	In millions of yen, rounded down	Amount	%chg	Amount	%chg	Amount	%chg	Amount
BS Nippon Corp.	15,352	1.6	1,402	(40.9)	1,482	(39.8)	1,057	(35.2)
CS Nippon Corp.	4,952	(7.1)	927	3.8	943	2.9	638	16.8
NTV Technical Resources Inc.	10,623	5.4	22	(91.8)	46	(85.2)	23	(86.0)
NTV AX-ON	21,065	(2.3)	1,142	(16.3)	1,164	(16.1)	703	(16.5)
NTV EVENTS Inc.	2,709	3.3	117	4.5	121	0.8	76	2.7
Nippon Television Art Inc.	8,108	4.4	165	(39.1)	176	(39.7)	79	(53.5)
Nippon Television Music Corp.	10,785	6.4	1,586	8.3	1,786	14.5	1,212	31.0
VAP Inc.	21,445	25.9	360	—	535	—	229	—
NTV Service Inc.	3,192	(4.6)	(28)	—	(16)	—	(37)	—
Nippon Television Work 24 Corp.	4,565	9.4	141	8.5	146	10.6	87	16.0
Forecast Communications Inc.	2,828	(5.6)	123	18.3	211	6.0	131	13.9
NitteleSeven	5,071	9.1	208	(1.4)	212	(0.9)	114	(3.4)
TATSUNOKO PRODUCTION Co., Ltd.	2,043	(4.9)	90	(43.0)	89	(44.7)	40	(45.9)
HJ Holdings LLC	12,764	53.1	(2,145)	—	(2,100)	—	(2,138)	—
TIPNESS Limited	36,360	4.6	2,859	4.2	2,549	4.0	1,564	0.9

# FY2016 Forecast and Assumptions

## FY2016 Forecast

(Unit: Millions of Yen)

	Net Sales	Operating Profit	Recurring Profit	Net Income
2Q	203,000	17,600	20,200	14,000
FY	416,000	46,000	50,000	35,000

## Growth assumptions for terrestrial TV advertising revenue and production costs (vs last FY)

	1H	2H	FY
TV Advertising Revenue	2.4%	(1.2%)	0.5%
Time	3.0%	(2.8%)	(0.1%)
Spot	1.9%	0.2%	1.0%
Production Costs	9.2%	(2.8%)	3.2%

# Dividend Forecast

(Unit: Yen)

	2Q	Year-end	Annual
<b>FY2014</b>	<b>10</b>	<b>20</b>	<b>30</b>
<b>FY2015</b>	<b>10</b>	<b>24</b>	<b>34</b>
<b>FY 2016 Dividend Forecast</b>	<b>10</b>	<b>24</b>	<b>34</b>

# Viewer Ratings

## ★ Triple Crown Winner also for 2015 Fiscal Viewer Ratings!

- Monthly Triple Crown winner for 29 months straight from Dec 2013 to Apr 2016
- Excellent results not only for Nippon TV but also for TV stations under NNN network
  - 24 stations out of 26 obtained fiscal year Triple Crown
- Consistent results for household and individual viewer ratings
  - Captured the viewership of audiences who are prime target of sponsors

## ★ No.1 Viewer Rating in Platinum Category

- Nippon TV obtained No.1 in Platinum Category with 0.3% improvement from the last fiscal year
- More than 1 % point lead over the second-place broadcaster in All Day, Prime, and Non Prime categories
  - Maintained high ratings across the board from morning to late night

## ★ On Track to Win 2016 Annual Triple Crown Title!

# 2015 Fiscal Year Viewer Ratings

03/30/2015 – 04/03/2016

\* In order of digital channel, from left

	Nippon TV	EX (TV Asahi)	TBS	TX (TV Tokyo)	CX (Fuji TV)	Difference from EX (YoY)
All Day	① 8.5	7.2	5.9	3.0	6.2	+1.3
6 – 24	(-0.1)	(+0.1)	(+0.0)	(-0.1)	(-0.5)	(-0.2)
Prime Time	① 12.2	11.0	9.8	6.5	9.0	+1.2
19 – 23	(-0.5)	(-0.3)	(-0.5)	(-0.2)	(-1.0)	(-0.2)
Golden Time	① 12.4	10.8	9.8	6.7	8.9	+1.6
19 – 22	(-0.4)	(-0.1)	(+0.3)	(-0.3)	(-0.9)	(-0.3)
Non Prime	① 7.4	6.1	4.8	2.0	5.4	+1.3
All Day excluding Prime	(-0.1)	(+0.2)	(-0.1)	(-0.1)	(-0.4)	(-0.3)
Platinum	① 7.4	6.9	4.7	2.8	4.7	+0.5
23 – 25	(+0.3)	(-0.4)	(-0.1)	(+0.1)	(-0.3)	(+0.7)

\* Household viewership (Kanto region): Video Research

# 2016 Annual Viewer Ratings

01/01/2016 – 05/15/2016

\* In order of digital channel, from left

	Nippon TV	EX (TV Asahi)	TBS	TX (TV Tokyo)	CX (Fuji TV)	Difference from EX (YoY)
All Day	① 8.6	7.5	6.0	2.9	6.1	+1.1
6 – 24	(-0.5)	(+0.4)	(±0.0)	(-0.2)	(-0.6)	(-0.9)
Prime Time	① 12.2	10.9	9.6	6.4	8.6	+1.3
19 – 23	(-1.0)	(-0.7)	(±0.0)	(-0.1)	(-1.2)	(-0.3)
Golden Time	① 12.5	10.6	9.7	6.7	8.4	+1.9
19 – 22	(-0.9)	(-0.8)	(±0.0)	(-0.1)	(-1.2)	(-0.1)
Non Prime	① 7.5	6.5	4.9	1.9	5.4	+1.0
All Day excluding Prime	(-0.4)	(+0.7)	(-0.1)	(-0.2)	(-0.5)	(-1.0)
Platinum	① 7.2	7.2	4.7	2.9	4.5	±0.0
23 – 25	(-0.2)	(±0.0)	(-0.3)	(+0.3)	(-0.4)	(-0.2)

\* Household viewership (Kanto region): Video Research

# TV Advertising Revenue - Terrestrial Broadcasting (Nippon TV)

Time	FY2014	FY2015
April	2.4%	0.7%
May	0.3%	6.7%
June	10.0%	(12.9%)
July	5.0%	(0.1%)
August	0.4%	4.2%
September	(0.2%)	2.1%
October	0.0%	4.1%
November	7.6%	3.3%
December	(2.9%)	7.0%
January	1.3%	4.1%
February	(9.9%)	9.6%
March	2.6%	2.4%

Spot	FY2014	FY2015
April	(1.0%)	7.3%
May	15.1%	1.9%
June	5.0%	0.2%
July	7.7%	9.6%
August	11.0%	9.8%
September	9.1%	6.0%
October	9.8%	1.5%
November	1.0%	8.8%
December	14.1%	4.2%
January	10.2%	7.6%
February	4.9%	5.3%
March	7.7%	6.7%

# VAP, TIPNESS

## ☆VAP

(Unit: Millions of Yen)

FY 2015	Sales	Operating Profit	Recurring Profit	Net Profit
	21,445	360	535	229

Strong sales of CDs (e.g. Mr. Children) & DVDs (e.g. “The Boy and the Beast”) and improvements in management have brought about a sharp turnaround from last fiscal year’s 948 million operating loss.

## ☆TIPNESS

(Unit: Millions of Yen)

FY 2015	Sales	Operating Profit	Recurring Profit	Net Profit
	36,360	2,859	2,549	1,564

## FASTGYM24

As of March 2016, 37 locations (23 new locations added during FY2015)

More locations will be opened going forward



# HJ Holdings LLC

## ☆HJ Holdings LLC

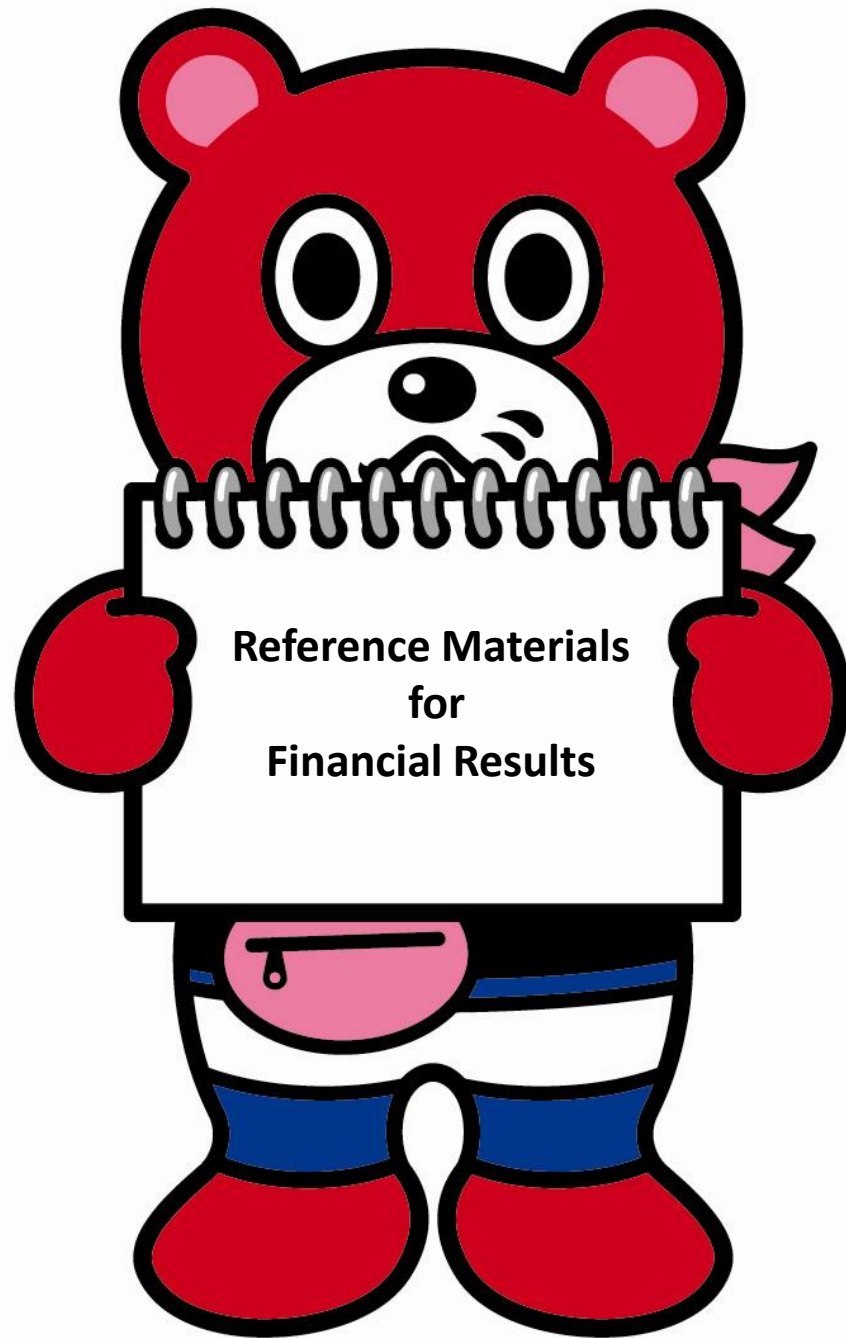
(Unit: Millions of Yen)

FY 2015	Sales	Operating Profit	Recurring Profit	Net Profit
	12,764	(2,145)	(2,100)	(2,138)

- Subscribers as of March 2016: about 1.3 million; increase of more than 0.3 million subscribers during FY2015
- Sales: about 12.7 billion yen; a 4.4 billion increase from FY2014
- Operating loss: about 2.1 billion yen; a 1.5 billion improvement from FY2014
- Hulu continues to invest in promotions and acquisitions of compelling works to obtain more subscribers
  - Hulu continues to produce its original content proactively

- Target subscribers by March 2017: 1.66 million
- Forecast for FY2016: sales of 16,784 million yen
  - operating loss of 1,790 million yen





**Reference Materials  
for  
Financial Results**

# Net Sales - Nippon TV -

(Unit: Millions of Yen)

	FY2014	FY2015
TV Advertising Revenue	<b>238,511</b>	<b>248,450</b>
Time	<b>115,402</b>	<b>118,368</b>
Spot	<b>123,109</b>	<b>130,082</b>
Program Sales	<b>10,899</b>	<b>11,442</b>
Events/Content Business Sales	<b>38,427</b>	<b>44,946</b>
Real Estate Business	<b>2,622</b>	<b>2,237</b>
Total	<b>290,460</b>	<b>307,077</b>

# Operating Expenses -Nippon TV-

(Unit: Millions of Yen)

	FY2014	FY2015
Production Costs	96,022	96,687
Program Distribution Costs to Network Affiliates	29,938	31,088
Agency Commission	42,701	44,807
Personnel	20,729	21,507
Depreciation and Amortization	6,817	7,550
Events/Content Business Costs	31,670	35,539
Other	24,530	24,063
<b>Total</b>	<b>252,411</b>	<b>261,244</b>

# Spot Sales Share - Terrestrial Broadcasting (Nippon TV)

FY2014		Share	% chg	FY2015		Share	% chg
1	Cosmetics/Toiletries	12.9	16.8	Cosmetics/Toiletries	13.7	12.9	
2	Transportation/ Telecommunications	12.1	41.3	Transportation/ Telecommunications	12.4	8.5	
3	Automobile	7.4	(3.7)	Pharmaceutical	6.7	4.9	
4	Pharmaceutical	6.7	10.6	Service	6.5	8.6	
5	Service	6.4	27.1	Automobile	5.7	(18.8)	
6	Finance	5.5	(6.7)	Finance	5.2	0.6	
7	Non-alcohol	4.9	(10.4)	Box-office/ Entertainment	4.7	12.3	
8	Electronic equipment	4.9	(3.7)	Non-alcohol	4.5	(2.9)	
9	Box-office/ Entertainment	4.4	11.9	Electric equipment	4.4	(6.3)	
10	Publishing	3.6	17.1	Wholesale	4.4	30.4	

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

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

FY2015

(Unit: Millions of Yen)

	Sales	Costs
BS, CS, CATV, Other	8,513	4,150
Rights	2,061	964
Media Commerce	8,842	8,179
Movies	11,562	10,399
Events	6,379	5,203
Overseas Business	1,697	788
Other	5,893	5,856
<b>Total</b>	<b>44,946</b>	<b>35,539</b>

# CAPEX and Depreciation

(Unit: Billions of Yen)

<b>FY2015</b>	<b>CAPEX</b>	<b>Depreciation</b>
<b>Consolidated</b>	<b>16.5</b>	<b>10.4</b>

<b>Consolidated Forecast</b>	<b>CAPEX</b>	<b>Depreciation</b>
<b>FY2016</b>	<b>34.9</b>	<b>12.4</b>
<b>FY2017</b>	<b>18.5</b>	<b>14.4</b>
<b>FY2018</b>	<b>29.9</b>	<b>14.7</b>

\* Forecast numbers are based on internal managerial accounting.

# Nippon TV Holdings Consolidated Results – Segment Information

(Unit: Millions of Yen)

FY 2015	Segmentation				Other	Total	Adjustment	Consolidated Year to Date Total
	Content Business	Life and Health-Related Business	Real Estate Business	Total				
Net Sales	373,970	36,360	9,888	420,220	3,205	423,425	(8,645)	414,780
Segment Profit	48,797	1,196	3,723	53,718	(25)	53,692	(514)	53,178
Reference:								
Segment Profit Before Goodwill Amortization	48,992	2,979	3,723	55,695	(25)	55,670		

## 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 and art exhibitions, and content production business

### Life and Health-Related Business

Operation of fitness clubs

### Real Estate Business

Rental offices, building management



# 2015 Fiscal Year Nippon TV Household Viewer Ratings Detail

	All Day	Prime Time	Golden Time
April	①8.6	①12.5	①12.6
May	①8.3	①12.4	①12.5
June	①8.2	①12.0	①12.2
July	①8.5	①12.2	①12.2
August	①8.7	①12.4	①12.5
September	①8.4	①12.2	①12.4
October	①8.2	①11.9	①12.0
November	①8.1	①12.1	①12.1
December	①8.7	①12.0	①12.0
January	①8.7	①13.2	①13.3
February	①8.7	①12.0	①12.4
March	①8.5	①12.2	①12.7

Cour	All Day	Prime Time	Golden Time
Apr-Jun	①8.4	①12.3	①12.4
Jul-Sep	①8.5	①12.3	①12.4
Oct-Dec	①8.4	①12.0	①12.0
Jan-Mar	①8.7	①12.5	①12.8
Annual	①8.5	①12.2	①12.4

\* Household viewership (Kanto region): Video Research

# Movie Lineup for 2016

☆Lead-managed by Nippon TV

Date	Title	Distributor
Apr 16 <sup>th</sup>	Detective Conan Jyunkoku No Akumu (Nightmare)	TOHO
Apr 29 <sup>th</sup>	☆Chihayafuru Shimo No Ku	TOHO
Jul 16 <sup>th</sup>	HiGH&LOW The Movie (working title)	SHOCHIKU
Aug 6 <sup>th</sup>	☆Rudolf and Ippai Attena	TOHO
Sep 22 <sup>nd</sup>	☆Sanada Ju Yushi	SHOCHIKU & NIKKATSU
Oct 29 <sup>th</sup>	☆Death Note – Light Up the New World	Warner
Dec 10 <sup>th</sup>	☆Kaizoku To Yobareta Otoko	TOHO

# Event Lineup for 2016

Date	Event
Mar 19 <sup>th</sup> to Jun 5 <sup>th</sup>	Museum of Fine Arts, Boston <b>KUNIYOSHI &amp; KUNISADA</b>
Jul 16 <sup>th</sup> to Jul 20 <sup>th</sup> Aug 18 <sup>th</sup> to Aug 22 <sup>nd</sup>	Disney on Ice 2016 <b>Frozen</b>
Jul 22 <sup>nd</sup> to Aug 31 <sup>st</sup>	<b>Dragon Quest Live Spectacle Tour</b>
Sep 10 <sup>th</sup> to Oct 23 <sup>rd</sup> (TBC)	Theater <b>Sanada Ju Yushi</b>
Oct 25 <sup>th</sup> to Feb 26, 2017	Chateau de Versailles <b>Marie-Antoinette</b>
Sept 14 <sup>th</sup> to Dec 12 <sup>th</sup>	<b>Dali Exhibition (working title)</b>
Jan 2017 (TBC)	<b>David Bowie is</b>