

Financial Results

FY 2016 3rd Quarter

February 7, 2017

Nippon Television Holdings, Inc.

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Highlights of Financial Results

□ For 3Q of FY2016

Sales increased, operating profit and recurring profit decreased, and net income increased.

□ Nippon Television Network Corporation (Nippon TV) sales continued to improve as a result of stellar viewer ratings. Profits decreased due to program production costs and movie business expenditures.

□ VAP successful cost control measures and rise in the number of subscribers to Hulu Japan also contributed to profit increase.

□ Full year financial forecast revised upward. Operating and recurring profits each increased by 1.5 billion yen and net income by 1 billion yen, respectively.

Summary of Consolidated Financial Results

(Unit: Millions of Yen)

	FY2015 3Q	FY2016 3Q	% change
Net Sales	308,221	312,379	1.3
Operating Profit	40,199	39,376	(2.0)
Recurring Profit	44,670	44,079	(1.3)
Net Income attributable to owners of the parent	29,545	31,035	5.0

Nippon TV Non-Consolidated Results

(Unit: Millions of Yen)

	FY2015 3Q	FY2016 3Q	% change
Net Sales	229,285	232,983	1.6
Operating Profit	33,565	31,953	(4.8)
Recurring Profit	41,249	34,389	(16.6)
Net Income	29,428	24,725	(16.0)

TV Advertising Revenue - Terrestrial Broadcasting (Nippon TV)

(Unit: Millions of Yen)

	FY2015 3Q	FY2016 3Q	Increase	% change
TV Advertising Revenue	183,314	190,320	7,006	3.8
Time	86,937	90,591	3,653	4.2
Spot	96,376	99,729	3,352	3.5

Time Sales and Spot Sales YoY Comparison

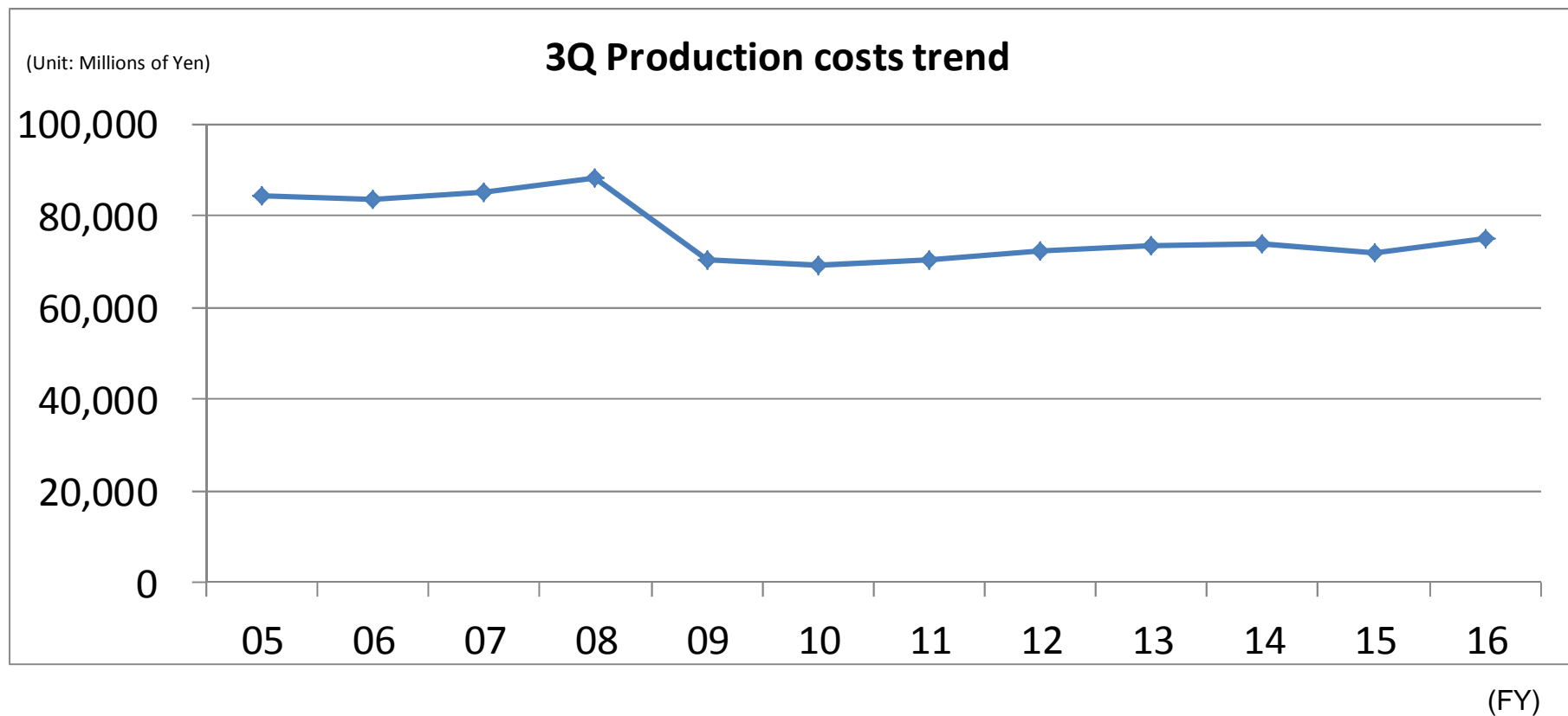
Time	FY2015	FY2016
April	0.7%	4.5%
May	6.7%	1.2%
June	(12.9%)	3.5%
July	(0.1%)	11.1%
August	4.2%	10.9%
September	2.1%	0.6%
October	4.1%	3.6%
November	3.3%	0.0%
December	7.0%	2.7%
Oct.-Dec.	4.9%	2.1%
Apr.-Dec.	1.7%	4.2%

Spot	FY2015	FY2016
April	7.3%	8.6%
May	1.9%	7.2%
June	0.2%	7.9%
July	9.6%	0.0%
August	9.8%	(7.7%)
September	6.0%	1.1%
October	1.5%	6.1%
November	8.8%	0.5%
December	4.2%	5.8%
Oct.-Dec.	4.9%	4.1%
Apr.-Dec.	5.4%	3.5%

Production Costs - Terrestrial Broadcasting (Nippon TV)

(Unit: Millions of Yen)

FY2015 3Q	FY2016 3Q	Increase	% change
72,089	75,164	3,075	4.3



Main Events/Content Business

(Unit: Millions of Yen)

3Q		Sales	Costs	Balance
Movies	FY2015 3Q	9,437	8,520	917
	FY2016 3Q	6,615	6,427	188
Media Commerce (TV-Shopping)	FY2015 3Q	7,188	6,599	589
	FY2016 3Q	6,530	6,061	468
Events	FY2015 3Q	5,376	4,356	1,020
	FY2016 3Q	5,461	5,322	139
International Business	FY2015 3Q	948	476	472
	FY2016 3Q	1,224	570	654

Financial Highlights of Group Companies

FY2016 3Q	Net Sales		Operating Profit		Recurring Profit		Net Income	
	In millions of yen, rounded down	Amount	%chg	Amount	%chg	Amount	%chg	Amount
BS Nippon Corp.	11,882	4.5	1,135	3.9	1,187	2.3	807	6.8
CS Nippon Corp.	3,626	(2.0)	595	(10.8)	599	(11.8)	415	(10.4)
NTV Technical Resources Inc.	8,181	1.6	194	202.2	215	159.1	161	268.9
NTV AX-ON	16,696	7.9	928	16.4	935	15.0	637	29.6
NTV EVENTS Inc.	2,490	11.0	95	(36.7)	97	(36.8)	58	(42.3)
Nippon Television Art Inc.	6,052	(0.3)	212	125.0	217	108.4	148	253.5
Nippon Television Music Corp.	8,494	3.0	1,294	1.0	1,335	(9.8)	927	(11.4)
VAP Inc.	11,293	(26.0)	940	1,730.4	1,045	478.1	915	—
TIPNESS Limited	28,376	3.7	3,029	(2.3)	2,806	(2.1)	1,945	1.0
NTV Service Inc.	2,183	(17.2)	39	(48.1)	44	(48.9)	9	(79.8)
Nippon Television Work 24 Corp.	3,032	0.9	67	(44.5)	71	(42.8)	33	(58.1)
Forecast Communications Inc	2,003	(3.6)	62	(16.1)	128	(12.6)	80	(3.5)
NTV IT Produce Corporation	1,230	1.8	69	(19.8)	61	(24.1)	38	(52.8)
NitteleSeven	2,888	(30.3)	86	(65.7)	87	(65.6)	34	(75.5)
TATSUNOKO PRODUCTION Co., Ltd.	1,218	(8.3)	6	(85.7)	8	(82.1)	(47)	—
HJ Holdings LLC	12,053	30.9	(1,042)	—	(979)	—	(986)	—

VAP, TIPNESS, HJ Holdings

☆ VAP

(Unit: Millions of Yen)

FY2016 3Q	Net Sales	Operating Profit	Recurring Profit	Net Income
	11,293	940	1,045	915

Net sales were impacted by a decline in Mr. Children album sales.
 Profits increased as a result of successful cost control such as cost of sales, selling general and administrative expenses.

☆ TIPNESS

FY2016 3Q	Net Sales	Operating Profit	Recurring Profit	Net Income
	28,376	3,029	2,806	1,945

FASTGYM24 had 58 branches as of the end of December 2016.
 Child members increased in large branches.

☆ HJ Holdings

FY2016 3Q	Net Sales	Operating Profit	Recurring Profit	Net Income
	12,053	(1,042)	(979)	(986)

1.512 million Hulu Japan subscribers as of the end of December 2016.

CAPEX and Depreciation (Consolidated)

(Unit: Billions of Yen)

FY2016 3Q	CAPEX	Depreciation
Consolidated	22.3	8.1

Consolidated Forecast	CAPEX	Depreciation
FY2016	40.0	11.0
FY2017	21.1	13.9
FY2018	34.0	15.9

•Forecast numbers are based on internal estimates.

FY2016 Forecast and Assumptions

FY2016 Forecast of Consolidated Financial Results

	Net Sales	Operating Profit	Recurring Profit	Net Income attributable to owners of the parent	Net income
	Unit: Millions of Yen	Unit: Millions of Yen	Unit: Millions of Yen	Unit: Millions of Yen	Yen
Previous Forecast(A)	416,000	48,500	52,500	36,500	143.87
Revised Forecast(B)	416,000	50,000	54,000	37,500	147.82
Increase (B—A)	—	1,500	1,500	1,000	—
% change	—	3.1	2.9	2.7	—
Previous Results	414,780	53,178	57,791	36,883	145.38

Unit: Yen	2Q	Year-end	Annual
Dividend Forecast*	10	24	34

Stellar Viewer Ratings

☆ Nippon TV Captures Annual Triple Crown Title for Third Consecutive Year!

- Triple Crown winner for 38 consecutive months from Dec 2013 to Jan 2017
- Captured weekly Triple Crown 49 times in 2016 to set a record for commercial broadcasters
- Network broadcasters also enjoy high viewership
 - Triple Crown victory for 24 out of 26 Nippon TV network regions
- Solid results for both household and individual viewer ratings
 - Successfully captured viewership of demographic most-targeted by our sponsors

☆ Top viewer ratings even for Platinum category for 2 years in a row

- Maintained high viewer ratings from morning to late night

☆ On track for Fiscal Year 2016 Triple Crown Title victory!

Annual Viewer Ratings

01/04/2016 - 01/01/2017

*In order of digital channel, from left

	Nippon TV	EX	TBS	TX	CX	Difference between EX (YoY)	HUT
All day	① 8.4	7.4	6.0	2.9	5.8	+1.0	41.0
	(-0.2)	(+0.3)	(+0.1)	(-0.2)	(-0.6)	(+1.5)	(+0.1)
Prime time	① 12.0	10.7	9.6	6.2	8.2	+1.3	59.0
	(-0.5)	(-0.5)	(-0.2)	(-0.3)	(-1.1)	(+1.3)	(-1.3)
Golden time	① 12.3	10.4	9.7	6.5	8.1	+1.9	61.0
	(-0.3)	(-0.6)	(-0.1)	(-0.3)	(-1.1)	(+1.6)	(-1.0)

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

Viewer Ratings (October Cour)

10/03/2016 - 01/01/2017

	All Day	Prime Time	Golden Time	Non-Prime Time	Platinum Time
	6:00 to 24:00	19:00 to 23:00	19:00 to 22:00	All day- Prime Time	23:00-25:00
Nippon TV	①8.6%	①12.6%	①13.0%	①7.5%	①7.0%
YoY	+0.2%	+0.6%	+1.0%	+0.2%	-0.3%

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

Viewer Ratings (Fiscal Year)

04/04/2016 - 02/05/2017

*In order of digital channel, from left

	Nippon TV	EX	TBS	TX	CX	Difference between EX (YoY)	HUT
All day	① 8.4	7.3	6.0	2.8	5.7	+1.1	41.0
	(±0.0)	(+0.2)	(+0.1)	(-0.2)	(-0.5)	(+1.3)	(+0.4)
Prime time	① 11.9	10.5	9.7	6.1	8.0	+1.4	58.7
	(-0.4)	(-0.5)	(-0.1)	(-0.3)	(-1.0)	(+1.3)	(-1.0)
Golden time	① 12.2	10.2	9.8	6.5	8.0	+2.0	60.9
	(-0.2)	(-0.5)	(-0.1)	(-0.2)	(-0.9)	(+1.7)	(-0.6)

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

April 2017 Programming Improvements

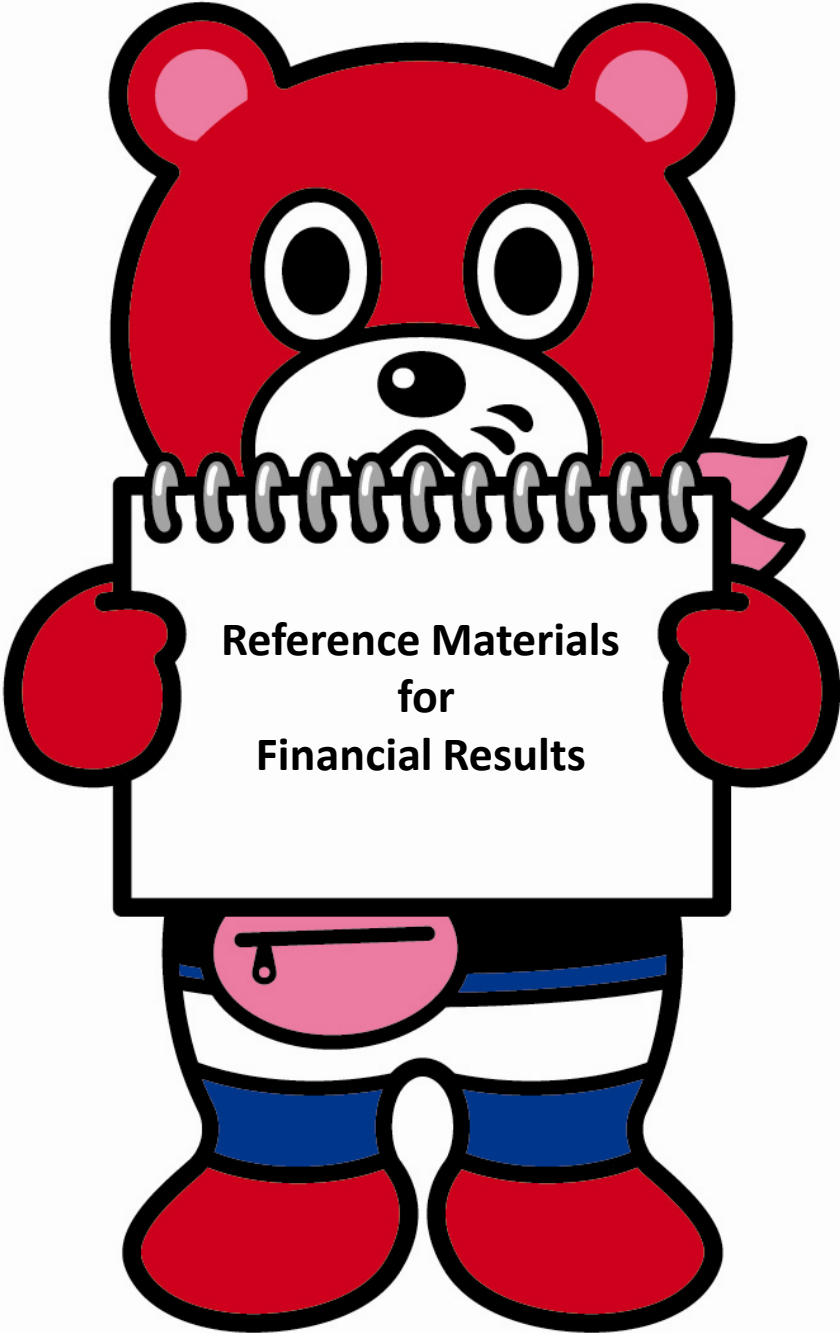
☆ Programming Policy

- Maintain Triple Crown and No.1 position in Platinum as well as core target
Full leverage of regular programs / value maximization of time table
- Continue to fully leverage regular programs → revitalize select programs
- Maximize value of content and time table by combining “comprehensive content strategy” and “comprehensive channel strategy,” including internet streaming

☆ Programming Strategy Beginning April 2016

- Bolster content for crucial 9 pm slot
 - Tuesdays, 9 pm: “Nainai Answer” to be canceled
“World’s Shocking News” move to new time slot
 - Wednesdays, 9 pm: “Konkurabe” move to new time slot
- Following an unbeatable Sunday, create momentum into Mondays
- Saturdays, 9 pm “Saturday Drama” and 10 pm “Arashi Ni Shiyagare” switch
- Strengthen Wed, Sat, Sun dramas with new concepts





**Reference Materials
for
Financial Results**

Net Sales - Nippon TV -

(Unit: Millions of Yen)

	FY2015 3Q	FY2016 3Q
TV advertising revenue	183,314	190,320
Time	86,937	90,591
Spot	96,376	99,729
Program sales	8,597	8,496
Events/Content business sales	35,691	32,595
Real estate business	1,681	1,570
Total	229,285	232,983

Operating Expenses - Nippon TV -

(Unit: Millions of Yen)

	FY2015 3Q	FY2016 3Q
Production costs	72,089	75,164
Program distribution costs to network affiliates	23,097	24,339
Agency commission	32,354	33,558
Personnel	16,140	16,858
Depreciation and amortization	5,557	5,704
Events/Content business costs	28,521	26,570
Other	17,960	18,833
Total	195,720	201,029

Events/Content Business Sales and Costs

FY2016 3Q

(Unit: Millions of Yen)

	Sales	Costs
BS, CS, CATV, Other	6,621	3,179
Rights	1,554	682
Media Commerce	6,530	6,061
Movies	6,615	6,427
Events	5,461	5,322
International Business	1,224	570
Other	4,590	4,329
Total	32,595	26,570

Nippon TV Holdings Consolidated Results – Segment Information

(Unit: Millions of Yen)

FY2016 3Q	Segmentation				Other	Total	Adjustment	Consolidated Year to Date Total
	Content Business	Life and Health-Related Business	Real Estate Business	Total				
Net Sales	280,583	28,376	7,290	316,250	3,403	319,654	(7,275)	312,379
Segment Profit	35,284	1,879	2,667	39,831	94	39,926	(550)	39,376

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
Lifestyle and health business	Operation of fitness clubs
Real estate business	Rental offices, building management

Spot Sales - Terrestrial Broadcasting (Nippon TV)

FY2015 3Q (Oct-Dec)		Share	% chg	FY2016 3Q (Oct-Dec)		Share	% chg
1	Cosmetics/Toiletries	14.3	13.9	Cosmetics/Toiletries	13.4	(2.9)	
2	Transportation/ Telecommunications	12.8	15.8	Transportation/ Telecommunications	12.3	(0.1)	
3	Pharmaceutical	9.0	10.7	Pharmaceutical	8.0	(7.2)	
4	Electronic equipment	6.4	(0.7)	Service	6.9	24.6	
5	Service	5.8	13.0	Electronic equipment	6.0	(2.8)	
6	Wholesale/Department store	5.7	27.5	Finance	5.5	21	
7	Finance	4.7	0.6	Non-alcohol	5.2	39.3	
8	Automobile	4.6	(30.3)	Automobile	4.9	10.7	
9	Box-office/ Entertainment	4.4	13.4	Wholesale/Department store	4.8	(12.7)	
10	Food/Dairy Products	3.9	7.2	Box-office/ Entertainment	4.7	11.2	

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

Movie Lineup for 2017

☆ : Nippon TV is lead organizer

Date	Title	Distributor
Feb 18 th	One Week Friends	SHOCHIKU
Mar 18 th	☆Ancien and the Magic Tablet	Warner
Mar 25 th	Police and Joshi Kosei (High school girl)	SHOCHIKU
Apr 15 th	Detective CONAN	TOHO
May 3 rd	☆LAST COP THE MOVIE	SHOCHIKU
July	☆Mary and the Witch's Flower	TOHO

Event Lineup for 2017

Date	Event
Now until Feb 26 th	Chateau de Versailles Marie-Antoinette
Jan 8 th to Apr 9 th	DAVID BOWIE is
Mar 18 th to Jun 18 th	Old Masters from the State Hermitage Museum
Apr 15 th to May 27 th	Theater Satomi Hakkenden
Apr 22 nd to May 8 th	Musical Annie
May 20 th to May 22 nd	HYOEN2017 -Basara-

2016 Nippon TV Household Viewer Ratings Detail

	All Day	Prime Time	Golden Time
January	①8.7	①13.2	①13.3
February	①8.7	①12.0	①12.4
March	①8.5	①12.2	①12.7
April	①8.4	①11.9	①12.0
May	①8.1	①11.4	①11.7
June	①8.2	①11.2	①11.3
July	①7.8	①11.0	①11.2
August	①8.4	①11.8	①12.0
September	①8.2	①11.5	①11.8
October	①8.6	①12.6	①13.0
November	①8.5	①12.5	①13.0
December	①8.7	①12.7	①13.0

	All Day	Prime Time	Golden Time
January Cour	①8.7	①12.5	①12.8
April Cour	①8.2	①11.5	①11.7
July Cour	①8.1	①11.4	①11.6
October Cour	①8.6	①12.6	①13.0
Annual	①8.4	①12.0	①12.3

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