

Financial Results Fiscal Year 2016

Nippon Television Holdings, Inc.
May 16, 2017

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2016 Highlights • Overview of Management Policy 2017

Overview of Viewer Ratings

2016 Financial Results

Financial Highlights of Group Companies

FY2017 Forecast

2016 Highlights

Point

1

Strong Broadcasting Business

Spurred by Triple Crown Title victories for both fiscal and annual 2016, TV advertising revenues from both Time and Spot increased year over year

Point

2

Internet Business and Non-Broadcasting

Established JOCDN, a video distribution platform
Entered a capital and business alliance with ALL ABOUT Consolidated ACM (ANPANMAN-related business)

Management Policy 2017

Point

1

Content enhancement

Produce high-quality programs

Maintain Triple Crown title for annual and fiscal year 2017

Increase the share of terrestrial television advertisement revenue

Capital investment in updating broadcasting equipment

Point

2

Anticipated initiatives outside broadcasting business

Drive SVOD business, led by Hulu

Further develop businesses in internet, overseas, movies, events, etc.

Business investment in various new fields

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Viewer Ratings

Point 1

Nippon TV wins fiscal Triple Crown Title 3 consecutive years!

- ① Captured weekly Triple Crown 48 times in 2016 to set a record for commercial broadcasters
 - Triple Crown winner for 41 consecutive months from Dec 2013 to April 2017
 - Ranked top in All Day timeslot for 177 consecutive weeks from Dec 9, 2013 to April 24, 2017
- ② Network affiliate broadcasters also enjoy high viewer ship
 - Triple Crown victory for 23 out of 26 Nippon TV regional network broadcasters
- ③ Solid results for both household and individual viewer ratings
 - successfully captured viewership of demographic most targeted by our sponsors

Point 2

Maintain high viewer ratings in every zone

- ① Top viewer rating for Platinum category for 2 consecutive years
- ② A lead of over 1% above the second-place station for all timeslots

Point 3

On track for annual year 2017 Triple Crown Title victory!

As of April 30, 2017

2016 Fiscal Year Viewer Ratings

April 4, 2016 – April 2, 2017

(unit: %)	Nippon TV	EX	TBS	TX	CX	Difference from EX (YoY)	HUT
All Day (6:00 - 24:00)	① 8.4	7.3	6.1	2.8	5.7	+1.1	41.0
	(-0.1)	(+0.1)	(+0.2)	(-0.2)	(-0.5)	(-0.2)	(+0.3)
Prime Time (19:00 - 23:00)	① 11.9	10.6	9.7	6.2	8.0	+1.3	58.7
	(-0.3)	(-0.4)	(-0.1)	(-0.3)	(-1.0)	(+0.1)	(-1.0)
Golden Time (19:00 - 22:00)	① 12.2	10.3	9.8	6.5	8.0	+1.9	60.9
	(-0.2)	(-0.5)	(±0.0)	(-0.2)	(-0.9)	(+0.3)	(-0.6)

1. In order of digital channel, from left
2. Source for household viewership (Kanto region): Video Research
3. Period of comparison: March 30, 2015 – April 3, 2016

Programming Policy

1

Maintain Triple Crown and No. 1 position in Platinum, as well as core target strategy

2

**Fully leverage regular programs
Value maximization of time table**

© April programming Improvements

moved to a new timeslot: “World’s Shocking News” “Konkurabe”
“Arashi Ni Shiyagare”

© In Feb 2017, “The Quest” celebrated its 10th anniversary, with the program continuing to evolve each year
→marked the highest monthly viewership record with 21.7% in Feb 2017

Programming Policy

“Comprehensive content strategy” and “comprehensive channel strategy”

Maximize value of content and time table by a combination of content and channel strategy that includes internet streaming

3

Examples of maximizing content value using Nippon TV Holdings channel and platform

© “FIFA CLUB WORLD CUP 2016”

→BS Nippon Corp: programming 4 games right from start – received high acclaim from audience

Terrestrial: programming from semifinal – set a record high of 26.8% in the final match

Hulu Live Stream: all 8 games – differentiate by using international pics

– high simultaneous connections and unique users

© Feb – Mar 2017: Nippon TV×WOWOW×Hulu collaboration launched – “Zenigata Keibu” drama project

© Nippon TV NEWS 24: launched 24-hour news live streaming

→free live streaming through website, Yahoo! News, and Hulu starting May 19th

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Summary of Consolidated Financial Results

Increases in Nippon TV revenues and Hulu subscription revenues drive net sales up slightly. Operating profit decreased slightly due to decline in non-broadcasting revenue and increase in operating expenses due to Olympic games production costs.

(Unit: Millions of Yen)	FY2015	FY2016	% Change
Net Sales	414,780	416,704	0.5
Operating Profit	53,178	52,526	(1.2)
Recurring Profit	57,791	58,130	0.6
Net Income	36,883	40,786	10.6

Nippon TV Holdings Consolidated Results - Segment Information

FY2016 (Unit: Millions of Yen)	Segmentation				Other	Total	Adjustment	Consolidated Year to Date Total
	Media Content Business	Life and Health- Related Business	Real Estate Business	Total				
Net Sales	374,500	37,603	9,711	421,815	4,582	426,398	(9,693)	416,704
Segment Profit	48,263	1,308	3,524	53,096	117	53,213	(686)	52,526

Segmentation	Main businesses
Media 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, content production business and theme park business
Life and health-related business	Operation of fitness clubs
Real estate business	Rental offices, building management

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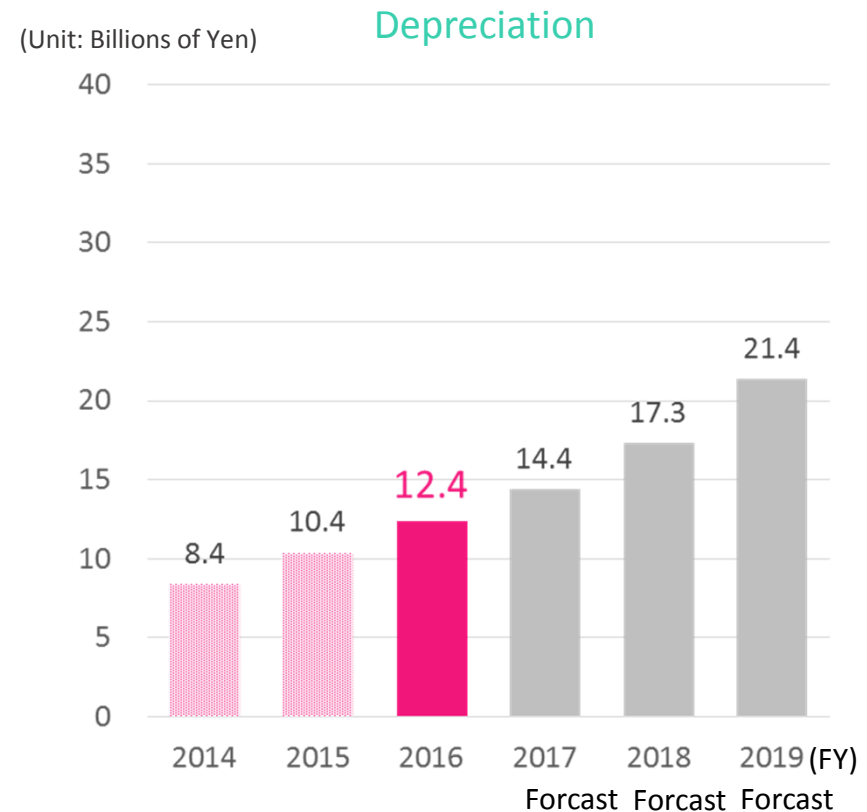
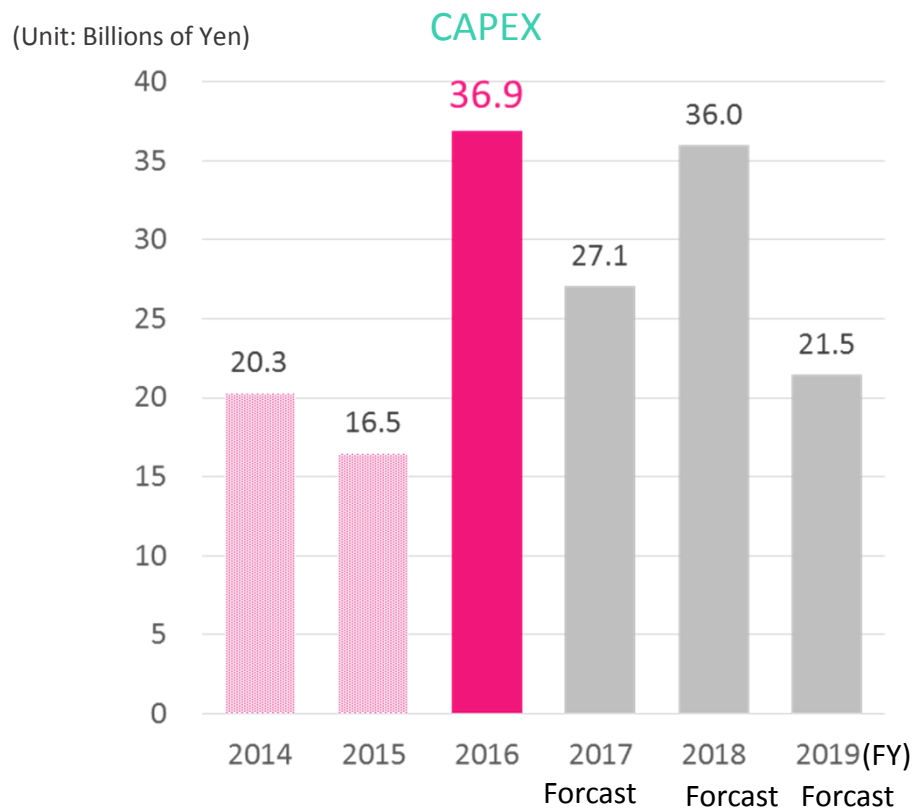
2016 Financial Results

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FY2017 Forecast

CAPEX and Depreciation (consolidated)

Shiodome headquarters building maintenance and construction fee for new studio in Kojimachi drove FY2016 CAPEX increase.



Nippon TV Non-Consolidated Results

Terrestrial TV advertising revenue increased as a result of stellar ratings and Olympics-related endeavors. However, movie and events revenues and profits declined after the previous year's robust results.

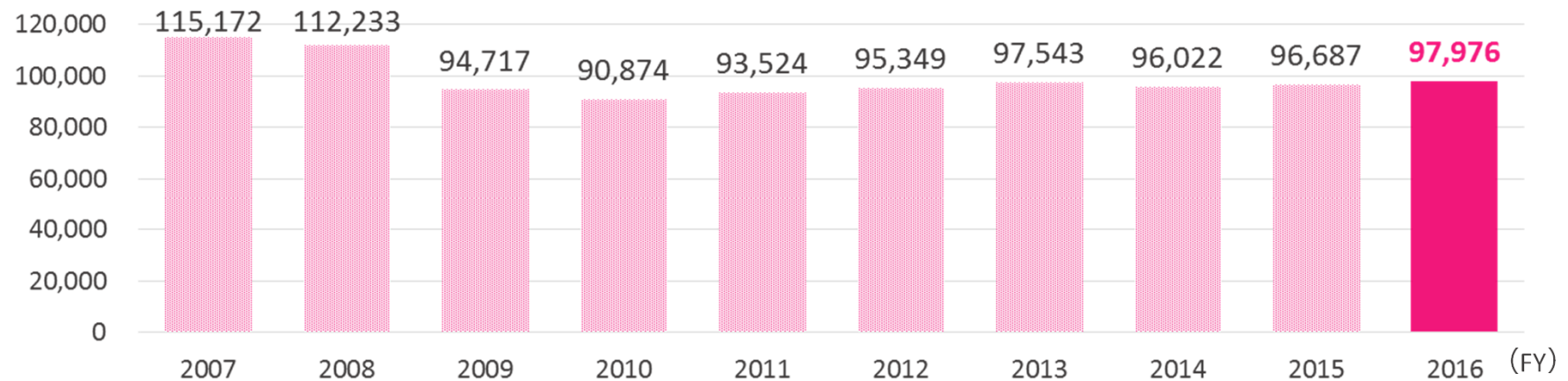
(Unit: Millions of Yen)	FY2015	FY2016	% Change
Net Sales	307,077	310,969	1.3
Operating Profit	45,833	44,282	(3.4)
Recurring Profit	53,513	47,066	(12.0)
Net Income	30,116	33,159	10.1

Nippon TV – Net Sales and Production Costs

(Unit: Millions of Yen)	FY2015	FY2016	% Change
TV advertising revenue	248,450	255,756	2.9
Time	118,368	122,037	3.1
Spot	130,082	133,719	2.8

Production cost

(Unit: Millions of Yen)



Nippon TV Events/Content Business Sales and Costs

(Unit: Millions of Yen)		FY2015	FY2016
Media Commerce (TV Shopping)	Sales	8,842	8,441
	Costs	8,179	7,933
	Balance	663	508
Movies	Sales	11,562	8,205
	Costs	10,399	7,872
	Balance	1,163	333
Events	Sales	6,379	6,933
	Costs	5,203	6,769
	Balance	1,176	164
International business	Sales	1,697	1,708
	Costs	788	826
	Balance	909	882

Financial Highlights of Group Companies

In millions of yen, rounded down

	BS Nippon Corp.	CS Nippon Corp.	NTV Technical Resources Inc.	NTV AX-ON	NTV Events Inc.	Nippon Television Art Inc.	Nippon Television Music Corp.	VAP Inc.
Net Sales	15,670 (2.1%)	4,813 (-2.8%)	10,771 (1.4%)	22,711 (7.8%)	3,012 (11.1%)	8,116 (0.09%)	11,200 (3.8%)	14,189 (-33.8)
Operating Profit	1,645 (17.3%)	753 (-18.7%)	209 (826.8%)	1,335 (16.9%)	34 (-70.3%)	320 (93.9%)	1,649 (4.0%)	897 (149.2%)
Recurring Profit	1,704 (15.0%)	760 (-19.4%)	234 (401.7%)	1,346 (15.6%)	37 (-68.8%)	326 (85.2%)	1,690 (-5.3%)	1,046 (95.3%)
Net Income	1,176 (11.2%)	524 (-17.8%)	161 (590.9%)	900 (28.0%)	18 (-75.8%)	208 (163.2)	1,106 (-8.7%)	906 (295.4%)

	NTV Service Inc.	Nippon Television Work 24 Corp	Forecast Communication s Inc	Nittele Seven	NTV IT Produce corporation	TATSUNOKO PRODUCTION Co., Ltd.	HJ Holdings LLC	TIPNESS Limited
Net Sales	2,865 (-10.2%)	4,043 (-11.4%)	3,096 (9.5%)	3,878 (-23.5%)	1,730 (7.0%)	1,749 (-14.3%)	16,377 (28.3%)	37,603 (3.4%)
Operating Profit	25 (-)	71 (-49.8%)	127 (3.8%)	123 (-50.0%)	105 (-5.0%)	38 (-57.7%)	-1,894 (-)	2,848 (-0.4%)
Recurring Profit	35 (-)	17 (-87.7%)	202 (-4.0%)	125 (-50.3%)	94 (-9.0%)	41 (-53.9%)	-1,751 (-)	2,550 (0.1%)
Net Income	10 (-)	-184 (-)	133 (1.3%)	59 (-57.6%)	62 (-6.0%)	-35 (-)	-1,789 (-)	1,619 (3.5%)

※ % chg will not be provided if prior or current year is a loss.

TIPNESS

Results for FY2016

□ Gym count trend

Comprehensive gyms: 61 (flat yoy)

FASTGYM24: 64 (+27 yoy)

Contractual facilities: 13^{*}(+1 yoy) ^{*}includes private-public partnership facility

Began contractual operation of Rengeji Smile Hall Kids Park in Fujieda, Shizuoka

□ Membership trend

Comprehensive gym membership: 297,000^{*}(+3.1% yoy) ^{*}as of Mar 2017

Kids membership is increasing

FASTGYM24 gym count rapidly expanding

□ Responding to customer needs

Expand sales of hydrogen water

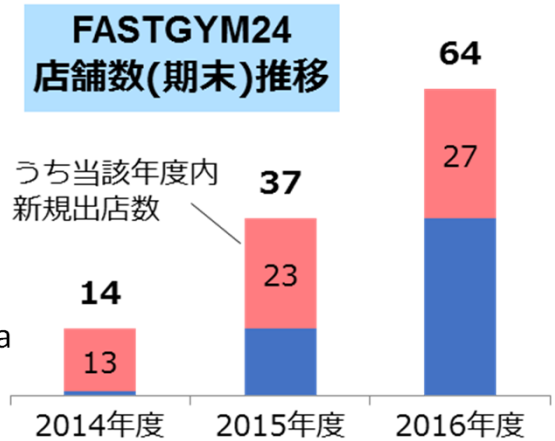
Initiatives for FY2017

□ Continue rapid expansion of FASTGYM24

□ Use “conditioning” as the concept in boosting value for customers and brand recognition

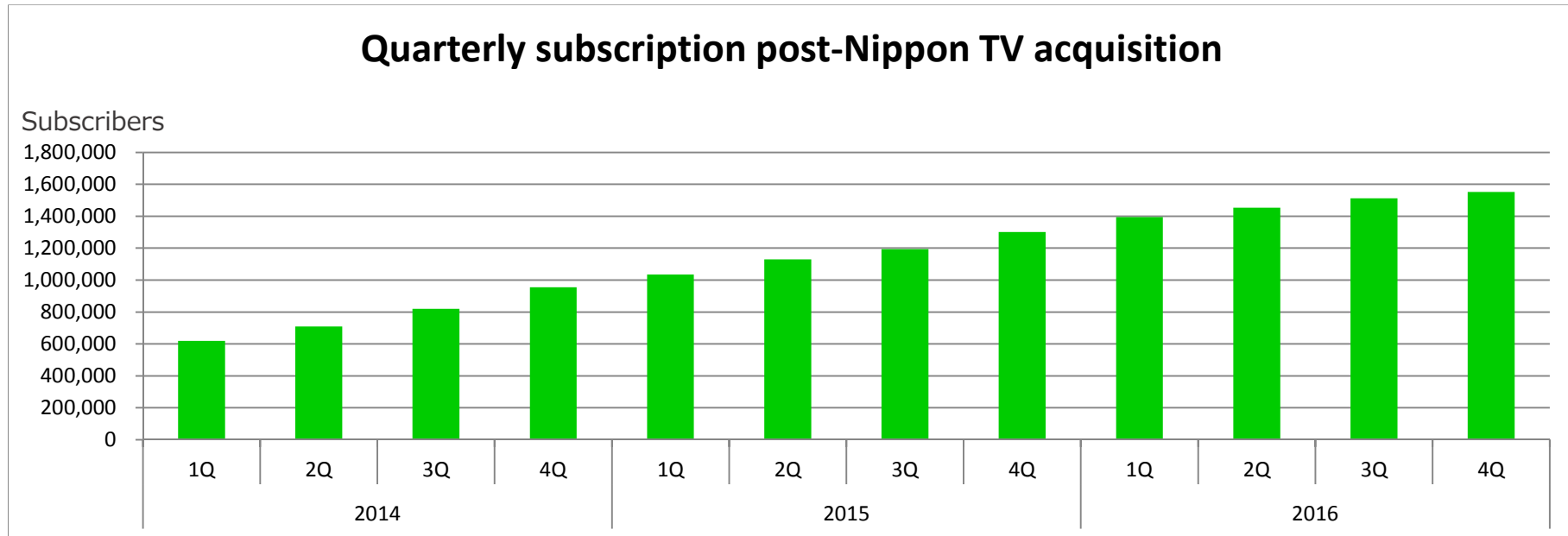
Introduce an app named “1 Week Conditioning”

Introduce next-generation full-spec model store (Kichijoji gym)



Kichijoji gym

HJ Holdings



■ As of March 31, 2017, **1,551,595** paid subscribers

(increase of 960,000 in 3 years since Nippon TV bought Hulu)

■ As of May 2017, Hulu implemented a system renewal

- increase opportunities to find relevant content → strengthen search engine
- strengthen linear and live streaming → start smart phone and tablet live streaming, increase live channels
- strengthen family viewing → implement multi-profile capability and enhance kids lineup
- boost smart phone and tablet viewing → improve app functionality, allow picture quality selection

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Forecast and Assumptions

(Unit: Millions of Yen)	FY2016	FY2016	% Change
Net Sales	416,704	425,000	2.0
Operating Profit	52,526	48,000	(8.6)
Recurring Profit	58,130	53,000	(8.8)
Recurring Profit	40,786	36,000	(11.7)

Dividend Forecast

(Unit: Yen)	2Q	Year- end	Annual
FY2016	10	24	34
FY2017 Dividend Forecast	10	24	34

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

(Unit: %)	FY
TV advertising revenue	(0.2)
Time	(1.1)
Spot	0.5
Production costs	3.1

Reference Materials for Financial Results

Net Sales –Nippon TV–

(Unit: Millions of Yen)	FY2015	FY2016	% Change
TV advertising revenue	248,450	255,756	2.9
Program sales	11,442	11,337	(0.9)
Events/Content business sales	44,946	41,792	(7.0)
Real estate business	2,237	2,083	(6.9)
Total	307,077	310,969	1.3

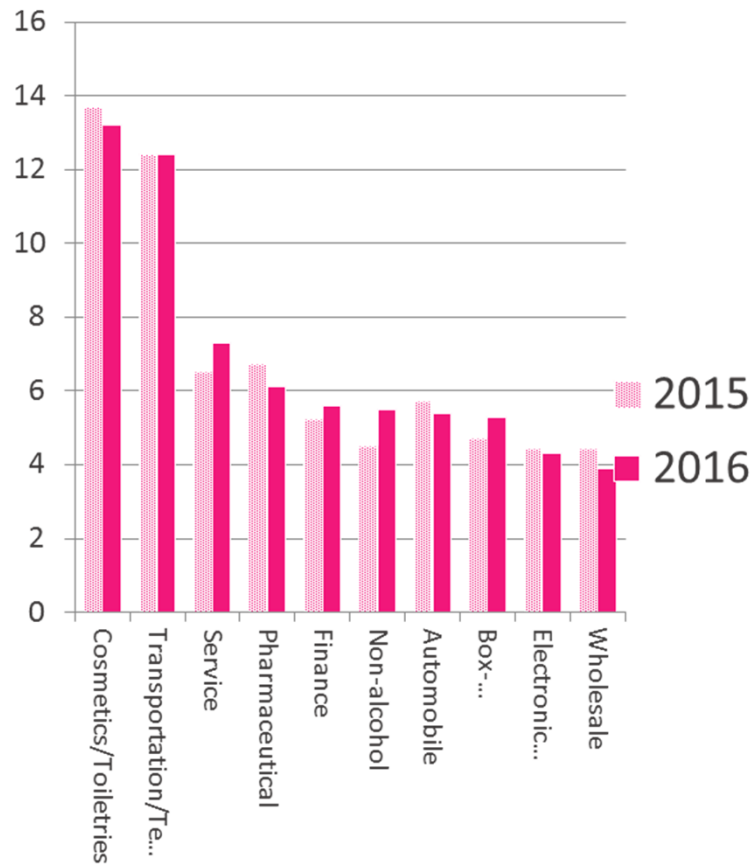
Operating Expenses –Nippon TV –

(Unit: Millions of Yen)	FY2015	FY2016	% Change
Production costs	96,687	97,976	1.3
Program distribution costs to network affiliates	31,088	32,445	4.4
Agency commission	44,807	46,130	3.0
Personnel	21,507	22,447	4.4
Depreciation and amortization	7,550	7,942	5.2
Events/Content business costs	35,539	34,155	(3.9)
Other	24,063	25,587	6.3
Total	261,244	266,686	2.1

TV Advertising Revenue –Terrestrial Broadcasting (Nippon TV)

Time	FY2015	FY2016	Spot	FY2015	FY2016
Apr	0.7%	4.5%	Apr	7.3%	8.6%
May	6.7%	1.2%	May	1.9%	7.2%
Jun	(12.9%)	3.5%	Jun	0.2%	7.9%
Jul	(0.1%)	11.1%	Jul	9.6%	0.0%
Aug	4.2%	10.9%	Aug	9.8%	(7.7%)
Sep	2.1%	0.6%	Sep	6.0%	1.1%
Oct	4.1%	3.6%	Oct	1.5%	6.1%
Nov	3.3%	0.0%	Nov	8.8%	0.5%
Dec	7.0%	2.7%	Dec	4.2%	5.8%
Jan	4.1%	1.1%	Jan	7.6%	0.8%
Feb	9.6%	0.6%	Feb	5.3%	0.1%
Mar	2.4%	(1.8%)	Mar	6.7%	1.4%

Spot Sales Share –Terrestrial Broadcasting (Nippon TV)



FY2015		share	% change	FY2016		share	% change
1	Cosmetics/Toiletries	13.7	12.9	Cosmetics/Toiletries	13.2	(1.3)	
2	Transportation/Telecommunications	12.4	8.5	Transportation/Telecommunications	12.4	3.1	
3	Pharmaceutical	6.7	4.9	Service	7.3	14.0	
4	Service	6.5	8.6	Pharmaceutical	6.1	(6.4)	
5	Automobile	5.7	(18.8)	Finance	5.6	10.6	
6	Finance	5.2	0.6	Non-alcohol	5.5	24.2	
7	Box-office/Entertainment	4.7	12.3	Automobile	5.4	(1.8)	
8	Non-alcohol	4.5	(2.9)	Box-office/Entertainment	5.3	16.3	
9	Electronic equipment	4.4	(6.3)	Electronic equipment	4.3	(0.7)	
10	Wholesale	4.4	30.4	Wholesale	3.9	(7.8)	

* Changes are versus the same period last year and are tracked internally

2016 Fisical Year Nippon TV Household Viewer Ratings Detail

	All Day	Prime Time	Golden Time		All Day	Prime Time	Golden Time
April	①8.4	①11.9	①12.0	Apr-Jun	①8.2	①11.5	①11.7
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	Jul-Sep	①8.1	①11.4	①11.6
September	①8.2	①11.5	①11.8				
October	①8.6	①12.6	①13.0				
November	①8.5	①12.5	①13.0	Oct-Dec	①8.6	①12.6	①13.0
December	①8.7	①12.7	①13.0				
January	①9.2	①12.6	①12.7	Jan-Mar	①8.6	①12.1	①12.4
February	①8.5	①11.9	①12.3				
March	①8.3	①11.9	①12.1				
				Annual	①8.4	①11.9	①12.2

* Household viewership (Kanto region): Video Research

2017 Annual Viewer Ratings

January 2, 2017 - April 30, 2017

(Unit: %)	Nippon TV	EX	TBS	TX	CX	Difference from EX (YoY)	HUT
All Day (6:00 - 24:00)	① 8.5	7.5	6.3	2.8	5.8	+1.0	41.1
	(-0.1)	(-0.1)	(+0.3)	(-0.2)	(-0.3)	(±0.0)	(-0.4)
Prime Time (19:00 - 23:00)	① 12.1	10.6	10.0	6.2	7.9	+1.5	58.7
	(-0.2)	(-0.4)	(+0.4)	(-0.3)	(-0.7)	(+0.2)	(-1.0)
Golden Time (19:00 - 22:00)	① 12.4	10.3	10.2	6.7	8.0	+2.1	61.1
	(-0.2)	(-0.4)	(+0.5)	(±0.0)	(-0.4)	(+0.2)	(-0.6)

1. In order of digital channel, from left
2. Source for household viewership (Kanto region): Video Research
3. Period of comparison: January 4, 2016 – May 1, 2016

Movie Lineup for 2017

☆ : Nippon TV is lead organizer

Date	Title	Distributor
June 10 th	☆ Memories of a Murderer	Warner
June 17 th	Innocent Curse	SHOCHIKU
June 30 th	☆ My Brother Loves Me Too Much	SHOCHIKU
July 1 st	ANPANMAN: BURUBURU'S TREASURE HUNTING	TOKYO THEATRES
July 8 th	☆ Mary and the Witch's Flower	TOHO
Dec 9 th	☆ DESTINY Kamakura Story	TOHO

Event Lineup for 2017

Date	Event
Mar 18 th - Jun18 th	Old Masters from the State Hermitage Museum
Apr 8 th - Sep24 th	“The Art of Disney” The Magic of Animation
May 20 th - May 22 nd	“HYOEN2017 -Basara-”
Jan 23 rd - Apr 1 st	“BRUEGHEL The fascinating world of Flemish art”