

Financial Results
FY2017 2nd Quarter

Nippon Television Holdings, Inc.
November 9, 2017

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Key Points of Financial Results

Viewer Ratings and Programming

Overview of Financial Results 2017 2Q

Highlights of Group Companies

Forecast for FY2017

Key Points of Financial Results

Point

1

Sales Increase, Profit Decrease

For FY2017 2Q, sales increased due to growth in Nippon Television Network Corporation's non-broadcasting businesses. Operating profit, recurring profit, and net income for the quarter declined. JPY 5 billion extraordinary loss was posted for subsidiary NTV IT Produce Corporation in relation to integration of sales broadcast system for all Nippon TV network stations nationwide.

Point

2

FY2017 Forecast Unchanged (except 2Q net income)

FY2017 full-year sales, operating profit, and recurring profit forecasts remain unchanged. 2Q net income down JPY 5 billion.

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Stellar Viewing Ratings

Point

1

Nippon TV Captures 1H Triple Crown Title

- ① Triple Crown Title winner for 47 consecutive months from Dec 2013 to October 2017
 - Triple Crown weekly winner for 204 consecutive weeks from Dec 9, 2013 week (setting a record for commercial broadcasters)
- ② Network broadcasters also enjoyed high viewership
 - Triple Crown victory for 24 out of 26 Nippon TV network regions
- ③ Solid results for both household and individual viewer ratings
 - Successfully captured viewership of demographic most-targeted by our sponsors

Point

2

Captured High Rating in All Timeslots

- ① First place also in “Platinum” and “Non-Prime”—making us #1 for entire day in 1H
- ② Our “Prime” and “Golden Time” cour average is over 2% higher than 2nd place station

Point

3

On Track for Annual 2017 Triple Crown Title Victory

(as of November 05,2017)

FY2017 1H Viewer Ratings

April 3, 2017 – October 1, 2017

(Unit: %)	Nippon TV	EX	TBS	TX	CX	Difference between EX (YoY)	HUT
All Day	① 8.0	7.1	6.1	2.8	5.7	+0.9	40.3
6:00 to 24:00	(-0.2)	(±0.0)	(+0.1)	(±0.0)	(±0.0)	(-0.2)	(-0.7)
Prime Time	① 11.8	9.4	9.5	6.2	7.6	+2.3	57.4
19:00 to 23:00	(+0.3)	(-0.9)	(-0.1)	(±0.0)	(-0.2)	(+1.1)	(-1.3)
Golden Time	① 12.2	9.1	9.6	6.6	7.7	+2.6	59.9
19:00 to 22:00	(+0.6)	(-0.7)	(-0.2)	(+0.2)	(-0.1)	(+0.8)	(-1.0)
Non-Prime Time	① 6.9	6.5	5.1	1.8	5.1	+0.4	35.4
All Day- Prime Time	(-0.3)	(+0.3)	(+0.2)	(±0.0)	(±0.0)	(-0.6)	(-0.5)
Platinum Time	① 6.5	5.4	4.4	2.8	3.8	+1.1	28.6
23:00-25:00	(-0.5)	(-1.1)	(-0.2)	(±0.0)	(-0.4)	(+0.6)	(-2.4)

1. In order of digital channel, from left
2. Source for household viewership (Kanto region): Video Research
3. Numbers in parentheses are YoY differences (comparison against April 4, 2016 – October 2, 2016)

Results of April 2017 Programming Improvements

1 “World’s Shocking News” moved to Tuesday 9 pm “Konkurabe” moved to Wednesday 9 pm (into Golden Time)

© Household ratings

Moving “World’s Shocking News” to Tuesday 9 pm slot resulted in 1H average rating of 11.7%, +0.8% vs FY2016 1H

Moving “Konkurabe” to Wednesday 9 pm slot resulted in 1H average rating of 10.7%, -0.7% vs FY2016 1H

© Rebranding “World’s Shocking News” led to big gains; “Konkurabe” lower but solidly in double digits

2 Switch Saturday 9 pm and 10 pm

© Household ratings

Saturday 9 pm “Arashi Ni Shiyagare” +2.1% vs FY2016 1H

Saturday 10 pm drama +1.6% vs FY2016 1H

© “Arashi Ni Shiyagare” and Saturday drama both up strongly

Flow from hit entertainment show to drama makes for a robust Saturday lineup

Key Points of October Programming Improvements

Strengthen iconic regulars “SUKKIRI!!” and “Hirunandesu!”

1 “SUKKIRI!!”

© Nippon TV announcer Asami Miura took over as the new MC in October

Part 1: News segment featuring lead MC Koji Kato’s sharp questioning abilities and Asami Miura’s cheerful and easily understandable presentation skills

Part 2: Haruna Kondo heads the showcasing of entertainment and other exciting topics

2 “Hirunandesu!”

© Famous for bringing laughter and information, “Hirunandesu!” is at a whole new level after being revamped into a show that presents new ideas on Japanese lifestyle.

Brought in 2nd year announcers Natsuki Taki and Ren Umezawa as new assistants to freshen the cast lineup.

Always standing in the shoes of our viewers, we are relentless in our pursuit of creating programs that address the public’s expectations from television.

October Programming Topics

KARADA WEEK (Week of the Body)

November 13th – 19th



© Now on its 3rd year, this is a week that showcases healthy things we can do for our bodies. It is the core project of Nippon TV Holdings' Life and Health-Related Business segment. This year's theme is "Coming to Love Our Body" and over 40 programs are joining in. Moreover, our BS channel is also joining for the first time. There are also lots of collaborations with TIPNESS.

FIFA Club World Cup UAE 2017

December 6th – 16th

© Nippon TV's terrestrial network and BS platform will exclusively broadcast all the games of the FIFA Club World Cup UAE 2017, which determines the #1 team in the world!



"Star Wars" Series on Friday Road Show!

© In time for the December 15th theater debut of the all-new "Star Wars: The Last Jedi," we are broadcasting the "Star Wars" series for 3 weeks in a row! On December 15th, "Star Wars: The Force Awakens" will mark its first-ever Japanese TV broadcast on Nippon TV's terrestrial channel!

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FY2017 2Q Consolidated Financial Results

Net sales rose due to increase in Nippon TV non-broadcasting and Hulu subscriber revenues, as well as establishment of ACM as a subsidiary at the end of last period. Operating profit declined due to higher depreciation for new equipment, Hulu content book value increase, and expenses for new TIPNESS gyms. Net income declined as extraordinary loss was posted in relation to integration of sales broadcast system for all Nippon TV network stations nationwide.

(Unit: Millions of Yen)

	FY2016 2Q	FY2017 2Q	change (%)
Net Sales	203,558	207,261	1.8
Operating Profit	22,331	20,221	(9.4)
Recurring Profit	25,256	24,195	(4.2)
Net Income attribute to owners of the parent	18,111	10,487	(42.1)

Nippon TV Holdings Consolidated Results - Segment Information

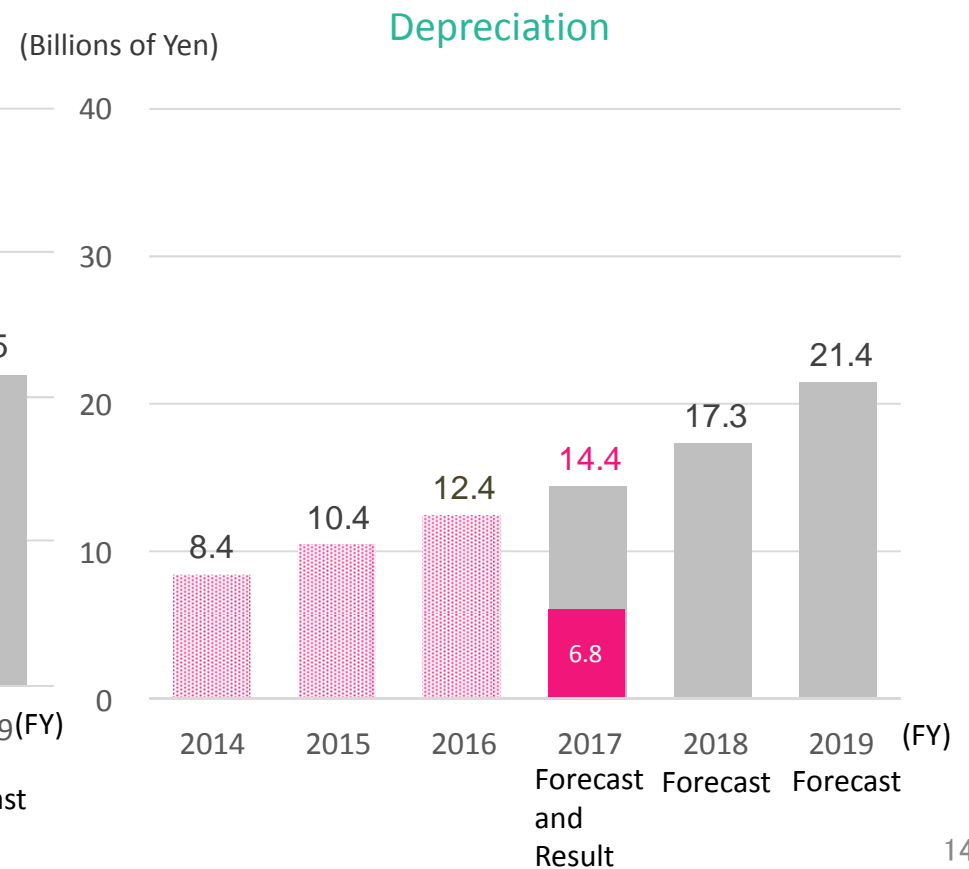
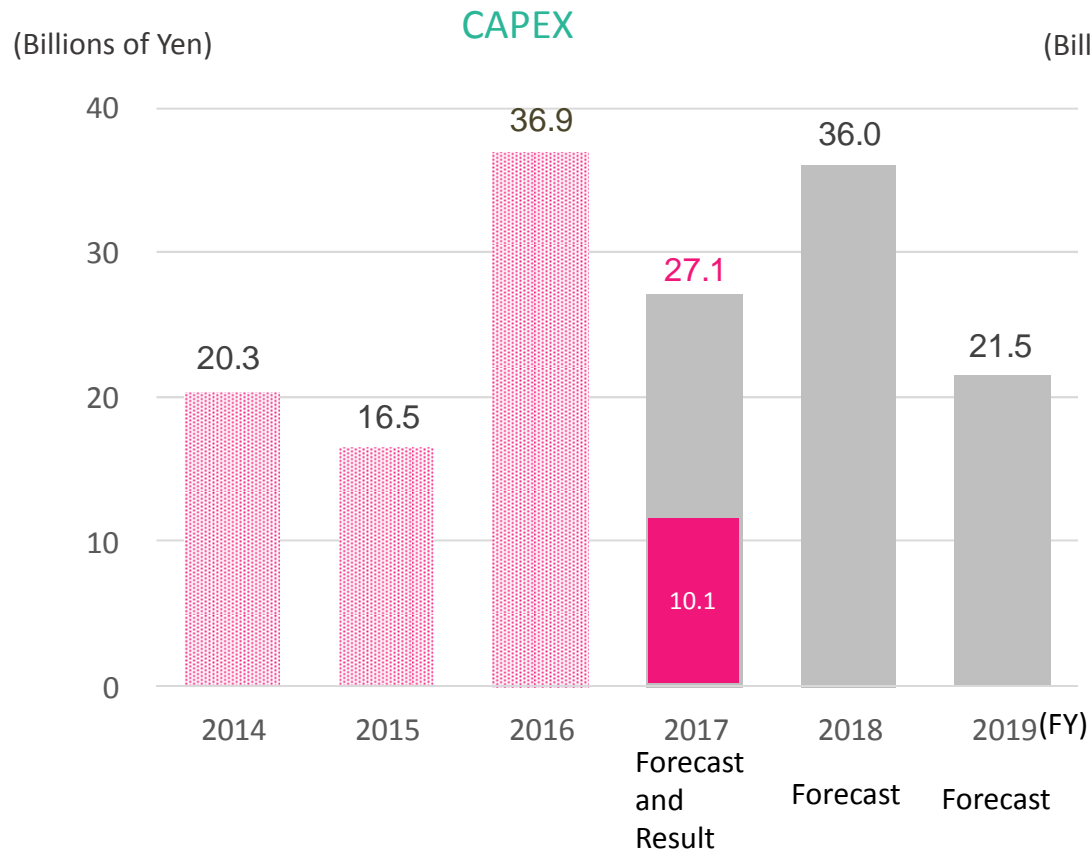
FY2017 2Q (Unit : Millions of Yen)	Segmentation				Other	Total	Adjustment	Consolidated Year to Date Total
	Media・Content Business	Life and Health-Related Business	Real Estate Business	Total				
Net Sales	185,470	18,998	4,866	209,334	3,092	212,427	(5,165)	207,261
Segment Profit	18,081	807	1,644	20,533	73	20,606	(385)	20,221

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

※Media Content Business includes ACM, a company that operates ANPANMAN Children's Museums (5 nationwide), which became a subsidiary at the end of last period.

CAPEX and Depreciation (consolidated)

FY2017 2Q (Unit: Billions of Yen)	CAPEX	Depreciation
	10.1	6.8



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Nippon TV Financial Results

In light of the tough spot sales environment, Nippon TV grew its time sales and posted broadcasting revenues in-line with the previous year. Non-broadcasting revenue growth led to overall net sales increase. Operating profit declined due to higher depreciation from equipment upgrades and miscellaneous expenses. Dividend income grew leading to recurring profit increase. Net income, however, decreased due to the decrease in value of the compensation received and booked in the previous period.

(Unit: Millions of Yen)

	FY2016 2Q	FY2017 2Q	change (%)
Net Sales	151,635	153,310	1.1
Operating Profit	17,405	17,122	(1.6)
Recurring Profit	19,203	20,248	5.4
Net Income	14,447	13,369	(7.5)

TV Advertising Revenue (Nippon TV)

(Unit: Millions of Yen)

	FY2016 2Q	FY2017 2Q	change (%)
TV Advertising Revenue	123,153	123,185	0.0
Time	59,146	59,661	0.9
Spot	64,006	63,523	(0.8)

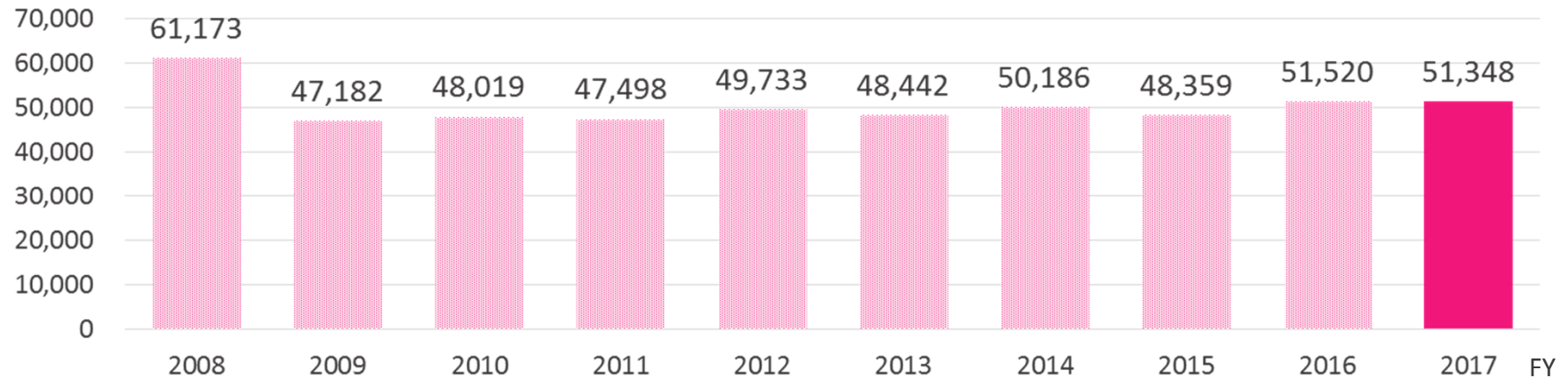
Production Costs (Nippon TV)

(Unit: Millions of Yen)

FY2016 2Q	FY2017 2Q	change (%)
51,520	51,348	(0.3)

Production Costs (2nd Quarter)

(Millions of Yen)



Events/Content Business Sales and Costs

(Unit: Millions of Yen)		FY2016 2Q	FY2017 2Q	(Unit: Millions of Yen)		FY2016 2Q	FY2017 2Q
BS, CS, CATV, Other	Sales	4,815	4,926	Events	Sales	4,144	3,951
	Costs	2,069	2,154		Costs	4,047	3,604
	Balance	2,746	2,772		Balance	97	346
Rights	Sales	980	1,017	International Business	Sales	900	1,014
	Costs	486	314		Costs	407	441
	Balance	495	703		Balance	493	573
Media Commerce	Sales	3,900	3,866	Other	Sales	3,317	3,416
	Costs	3,628	3,656		Costs	3,108	3,393
	Balance	273	210		Balance	206	24
Movies	Sales	3,776	5,131	Total	Sales	21,832	23,321
	Costs	3,558	4,390		Costs	17,303	17,952
	Balance	218	741		Balance	4,528	5,369

Financial Highlights of Other 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.	TIPNESS Limited
Net Sales	7,904 (-0.1%)	2,410 (-0.9%)	5,326 (-0.9%)	11,502 (2.4%)	1,897 (14.6%)	4,059 (2.3%)	5,770 (3.7%)	6,430 (-7.5%)	18,998 (0.2%)
Operating Profit	619 (11.2%)	461 (-3.8%)	95 (17.5%)	601 (-3.5%)	89 (209.9%)	162 (0.1%)	731 (-5.0%)	385 (-36.0%)	1,569 (-19.9%)
Recurring Profit	659 (9.7%)	466 (-3.8%)	108 (16.9%)	610 (-3.0%)	90 (199.1%)	167 (0.9%)	775 (-4.2%)	476 (-31.6%)	1,425 (-21.3%)
Net Income	450 (10.1%)	320 (-3.8%)	73 (-6.3%)	407 (-6.0%)	60 (240.2%)	102 (-10.4%)	559 (-1.0%)	343 (-43.8%)	973 (-22.4%)

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

Financial Highlights of Other Group Companies

In millions of yen, rounded down	NTV Service Inc.	Nippon Television Work 24 Corp.	Forecast Communications Inc	NTV IT Produce Corporation	NitteleSeven	TATSUNOKO PRODUCTION Co., Ltd.	HJ Holdings LLC	ACM
Net Sales	1,848 (20.6%)	2,055 (1.2%)	1,844 (36.5%)	1,250 (46.4%)	1,610 (-16.8%)	1,162 (53.3%)	8,671 (10.9%)	1,736 (6.7%)
Operating Profit	46 (-4.6%)	66 (31.5%)	12 (-69.1%)	26 (-47.1%)	29 (-70.3%)	15 (145.6%)	-1,787 (-)	16 (-85.5%)
Recurring Profit	51 (-4.3%)	41 (-22.5%)	62 (-24.1%)	17 (-60.0%)	30 (-69.8%)	16 (256.5%)	-1,770 (-)	26 (-78.1%)
Net Income	31 (21.8%)	26 (-17.9%)	41 (-17.3%)	※ -4,948 (-)	20 (-47.7%)	-89 (-)	-1,894 (-)	17 (-75.5%)

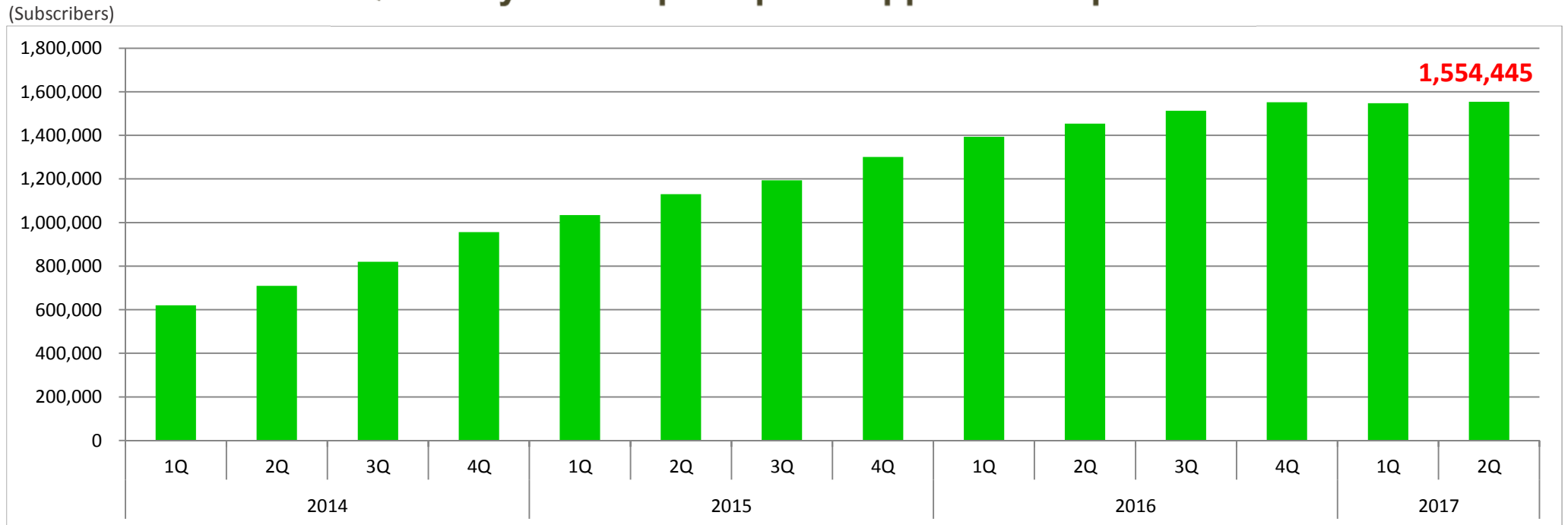
※ % chg will not be provided if prior or current year is a loss.

※NTV IT Produce Corporation is a subsidiary that provides system development and support for the Nippon TV Group's IT infrastructure.

Losses related to the implementation of a Nippon TV network station nationwide sales broadcast system were incurred in 2Q

HJ Holdings

Quarterly subscription post-Nippon TV acquisition



- **1,554,445 subscribers** at end of Sep 2017 ✖ **+6,633** since end of Jun (Aug and Sep both increased)
- +12,000 new users in one single day after the Oct 1st debut of Hulu original documentary on Namie Amuro, who announced her retirement
- First day of Wednesday drama “Caution, Hazardous Wife” saw unique users that rival Jan cour megahit “Tokyo Tarareba Girls”

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Forecast for FY2017

Consolidated Financial Forecast

(Unit: Millions of Yen)	2016 Result	FY2017 Previous Forecast (A)	FY2017 Revised Forecast (B)	Decrease (B-A)
Net Sales	416,704	425,000	425,000	0
Operating Profit	52,526	48,000	48,000	0
Recurring Profit	58,130	53,000	53,000	0
Net Income	40,786	36,000	31,000	(5,000)

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: %)	FY2017 Year-End Forecast	Previous Forecast
TV advertising revenue	(0.9)	(0.2)
Time	0.1	(1.1)
Spot	(1.9)	0.5
Production costs	2.8	3.1

Reference Materials for Financial Results

Net Sales - Nippon TV -

(Unit: Millions of yen)	FY2016 2Q	FY2017 2Q	% change
TV advertising revenue	123,153	123,185	0.0
Program sales	5,587	5,784	3.5
Events/Content business sales	21,832	23,321	6.8
Real estate business	1,062	1,018	(4.1)
Total	151,635	153,310	1.1

Operating Expenses - Nippon TV -

(Unit: Millions of yen)	FY2016 2Q	FY2017 2Q	% change
Production costs	51,520	51,348	(0.3)
Program distribution costs to network affiliates	15,925	16,105	1.1
Agency commission	22,165	22,075	(0.4)
Personnel	11,211	11,273	0.6
Depreciation and amortization	3,647	4,141	13.5
Events/Content business costs	17,303	17,952	3.7
Other	12,455	13,291	6.7
Total	134,230	136,187	1.5

Time Sales and Spot Sales YoY Comparison

Time	FY2016 (%)	FY2017 (%)
April	4.5	6.5
May	1.2	(0.2)
June	3.5	4.2
July	11.1	(0.9)
August	10.9	(8.9)
September	0.6	7.1

Spot	FY2016 (%)	FY2017 (%)
April	8.6	1.7
May	7.2	0.0
June	7.9	(7.2)
July	0.0	(6.5)
August	(7.7)	10.4
September	1.1	0.2

Spot Sales

Terrestrial Broadcasting (Nippon TV)

	FY2016 2Q	Share	% chg	FY2017 2Q	Share	% chg
1	Cosmetics/ Toiletries	15.1	0.8	Cosmetics/ Toiletries	14.0	(7.6)
2	Telecom/ game	12.4	7.7	Telecom	12.4	(1.1)
3	Service	7.3	16.8	Service	8.4	14.2
4	Non-alcohol	6.6	20.5	Non-alcohol	6.4	(3.7)
5	Box-office/ Entertainment	5.7	23.9	Pharmaceutical	6.2	8.6
6	Pharmaceutical	5.7	4.9	Box-office/ Entertainment	5.8	0.1
7	Transportation equipment	5.1	(11.5)	Transportation equipment	5.7	11.9
8	Finance	5.0	2.1	Finance	5.2	3.2
9	Foods (processed food, health)	3.9	8.3	Foods (dairy product)	4.0	6.6
10	Electronic equipment	3.9	1.1	Foods (processed food, health)	3.9	(1.2)

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

2017 Annual Viewer Ratings

January 2, 2017 – November 5, 2017

	Nippon TV	EX	TBS	TX	CX	Difference vs 2 nd place	HUT
All Day	① 8.2	7.3	6.3	2.8	5.7	+0.9	40.7
6:00 to 24:00	(-0.2)	(±0.0)	(+0.3)	(±0.0)	(-0.2)	(-0.2)	(-0.3)
Prime Time	① 12.0	9.9	9.8	6.2	7.7	+2.1	58.0
19:00 to 23:00	(+0.1)	(-0.7)	(+0.2)	(±0.0)	(-0.4)	(+0.8)	(-1.0)
Golden Time	① 12.3	9.7	9.9	6.6	7.9	+2.4	60.4
19:00 to 22:00	(+0.2)	(-0.6)	(+0.2)	(+0.1)	(-0.2)	(+0.6)	(-0.6)
Non-Prime Time	① 7.1	6.6	5.3	1.8	5.1	+0.5	35.8
All day- Prime Time	(-0.2)	(+0.2)	(+0.3)	(-0.1)	(-0.1)	(-0.4)	(-0.1)
Platinum Time	① 6.6	5.6	4.4	2.6	3.8	+1.0	28.8
23:00 to 25:00	(-0.5)	(-1.1)	(-0.2)	(-0.2)	(-0.5)	(+0.6)	(-2.4)

1. In order of digital channel, from left
2. Source for household viewership (Kanto region): Video Research
3. Period of comparison: January 4, 2016 – November 6, 2016

FY2017 2H Viewer Ratings

October 2, 2017 – November 5, 2017

	Nippon TV	EX	TBS	TX	CX	Difference vs 2 nd place	HUT
All Day	① 8.3	7.8	6.7	2.8	5.8	+0.5	41.1
6:00 to 24:00	(-0.3)	(+0.3)	(+0.6)	(+0.1)	(+0.2)	(-0.6)	(+1.1)
Prime Time	① 12.3	10.3	10.4	6.1	7.8	+1.9	58.7
19:00 to 23:00	(-0.4)	(-0.7)	(+0.5)	(+0.3)	(-0.1)	(+0.2)	(+0.6)
Golden Time	① 12.7	10.3	10.6	6.6	7.9	+2.1	61.4
19:00 to 22:00	(-0.4)	(-0.6)	(+0.6)	(+0.4)	(-0.1)	(-0.1)	(+1.0)
Non-Prime Time	① 7.1	7.0	5.6	1.8	5.2	+0.1	36.1
All day- Prime Time	(-0.3)	(+0.5)	(+0.6)	(±0.0)	(+0.2)	(-0.8)	(+1.2)
Platinum Time	① 6.5	5.1	4.7	2.4	3.8	+1.4	28.2
23:00 to 25:00	(-0.2)	(-1.1)	(+0.4)	(-0.2)	(±0.0)	(+0.9)	(-0.7)

1. In order of digital channel, from left
2. Source for household viewership (Kanto region): Video Research
3. Period of comparison: October 3, 2016 – November 6, 2016

Movie Lineup for 2017

☆: Nippon TV is lead organizer

Date	Title	Distributor
Nov 3, 2017	☆ We Love Television?	NIKKATSU
Dec 9, 2017	☆ DESTINY Kamakura Story	TOHO
Feb 2018	☆ Infini-T Force	SHOCHIKU
Mar 17, 2018	☆ Chihayafuru—Musubi	TOHO
Apr 2018	Detective Conan 2018	TOHO

Event Lineup for 2017

Date	Event
Oct 6, 2017 – May 2018	Zoom In!! Saturday Nationwide Goodies Fair
Nov 9 – 28, 2017	The Cherry Orchard of 24th Street
Jan 23 – Apr 1, 2018	Bruegel: 150 Years of an Artistic Dynasty
Feb 22 – Mar 4, 2018	The Baby That Lived Until 99 Years Old
Feb 24 – May 27, 2018	Velázquez and the Celebration of Painting: the Golden Age in the Museo Del Prado