

# **Financial Results**

## **FY2018 1<sup>st</sup> Quarter**

**Nippon Television Holdings, Inc.**  
**July 27, 2018**

**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.**

# **Viewer Ratings and Programming**

Overview of Financial Results 2018 1Q

Highlights of Group Companies

Consolidated Forecast for FY2018

# Viewer Ratings

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Point

1

## **Nippon TV wins April cour Triple Crown title**

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Triple Crown winner for 55 consecutive months from Dec 2013 to June 2018

→ Set a tie for the record streak by commercial broadcasters!

Point

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## **Consistent chart-topper in all time slots and regions**

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Top viewer rating for Platinum category

Triple Crown victory for 24 out of 26 Nippon TV regional network broadcasters

Successfully captured viewership of demographic most targeted by our sponsors

Point

3

## **On track for annual year 2018 Triple Crown title victory!**

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As of July 23

# Viewer Ratings (April Cour)

April 02, 2018 - July 01, 2018

(Unit:%)	Nippon TV	EX	TBS	TX	CX	HUT
<b>All day</b>	① 7.6	7.5	6.2	2.8	5.6	40.0
6:00 to 24:00	-0.3	+0.3	+0.2	±0.0	±0.0	+0.4
<b>Prime Time</b>	① 11.3	10.2	9.6	6.1	7.7	57.4
19:00 to 23:00	-0.4	+0.8	±0.0	-0.1	+0.2	-0.1
<b>Golden Time</b>	① 11.7	10.0	9.8	6.5	7.8	59.9
19:00 to 22:00	-0.4	+1.0	+0.2	-0.1	+0.2	+0.1
Non-Prime Time	② 6.6	6.7	5.2	1.8	5.0	35.1
All Day-Prime Time	-0.2	+0.2	+0.3	±0.0	-0.1	+0.6
<b>Platinum Time</b>	① 6.5	5.4	4.6	2.6	4.1	28.8
23:00 to 25:00	+0.2	-0.2	+0.4	-0.4	+0.3	+0.1

1. In order of digital channel, from left
2. Source for household viewership (Kanto region): Video Research
3. Period of comparison: April 03, 2017 – July 02, 2017

# Programming Policy

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Maintain Triple Crown and No. 1 in Platinum

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Maintain core target strategy

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Promote multi-platform strategy

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Fully leverage regular programs

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Value maximization of timetable

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# FY2018 October Programming Improvements

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## Theme: Improvements that Turn the Tide

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### 1 Bolster weekday regulars

#### A new look and feel to morning and noon regulars

Programming Division restructured as of June 2018 to strengthen cooperation between programs and improve the flow from show to show.

**“ZIP!”**

Insist on “live” segments with more news, live reports from the ground, and weather information. Sports segments are being bolstered ahead of Tokyo 2020.

**“SUKKIRI!!”**

Tackle the hottest topics so viewers get a-ha moments. The 3 emcees are sent on location to bring depth to the show.

**“Hirunandesu!”**

Improve the show by focusing on the most talked-about stories. Target viewer demographics sought by our clients.

#### **“ZERO” reborn**

12 years since debuting, a rebirth is in store, bringing in Ms. Yumiko Udo as the new main anchor and creating a cutting-edge news show that frankly analyzes topics ranging from daily life issues to international news.

### 2 A more robust Golden and Prime Time

- Keep viewers tuned in with improved flow from program to program by rebranding regulars
- Emphasis on strengthening the 3 weekly dramas
- “Friday Roadshow!” improvement measures

Re-examine and enhance movie lineup, make related special entertainment shows more enticing, create more opportunities for digital rollouts

Viewer Ratings and Programming

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# FY2018 Consolidated Financial Results

Net sales declined slightly due to lower revenues from events, movies, and VAP music and video sales despite increases in Nippon TV broadcasting revenue and HJ Holdings subscriber fees. Nippon TV expenses increased, driven by Russia World Cup production costs, but were offset by lower HJ Holdings content and advertising costs, resulting in higher operating profits.

(Unit: Million Yen)	FY2017 1Q	FY2018 1Q	change (%)
Net Sales	103,287	<b>103,068</b>	(0.2)
Operating Profit	12,160	<b>12,577</b>	3.4
Recurring Profit	15,155	<b>15,147</b>	(0.1)
Net Income attribute to owners of the parent	10,047	<b>10,018</b>	(0.3)

(Figures less than 1 million yen have been omitted.)

# Nippon TV Holdings Consolidated Results

## - Segment Information

FY2018 1Q (Unit: Million Yen)	Segmentation				Other	Total	Adjustment	Consolidated Year to Date Total
	Media- Content Business	Life and Health- Related Business	Real Estate Business	Total				
<b>Net Sales</b>	<b>92,357</b>	<b>9,443</b>	<b>2,468</b>	<b>104,269</b>	<b>1,457</b>	<b>105,727</b>	<b>(2,658)</b>	<b>103,068</b>
<b>Segment Profit</b>	<b>11,608</b>	<b>185</b>	<b>861</b>	<b>12,655</b>	<b>161</b>	<b>12,817</b>	<b>(239)</b>	<b>12,577</b>

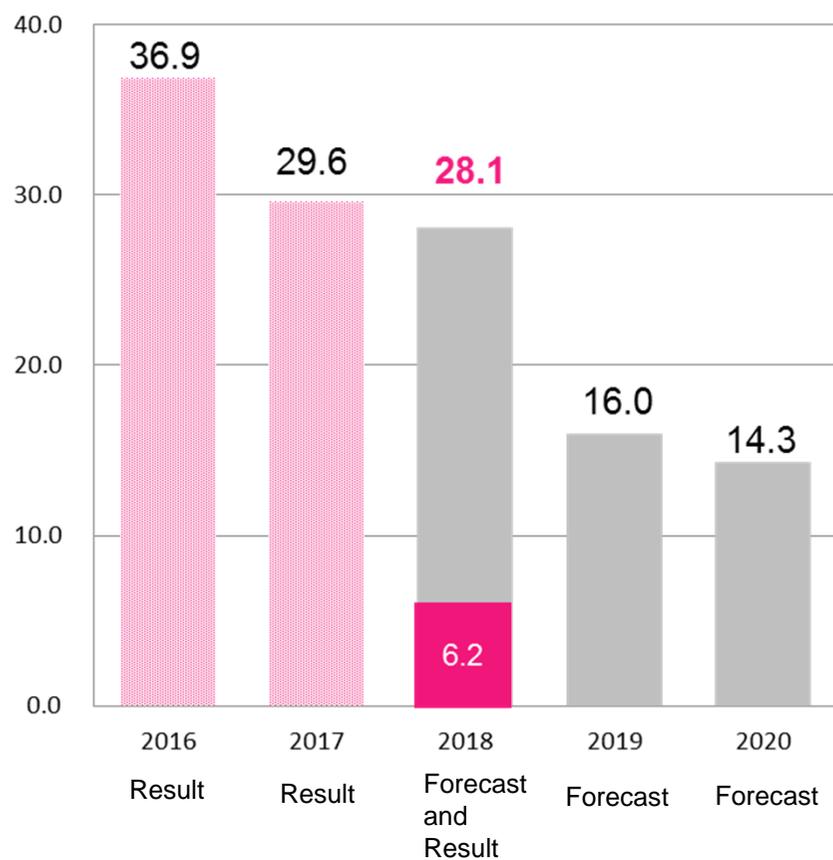
(Figures less than 1 million yen have been omitted.)

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

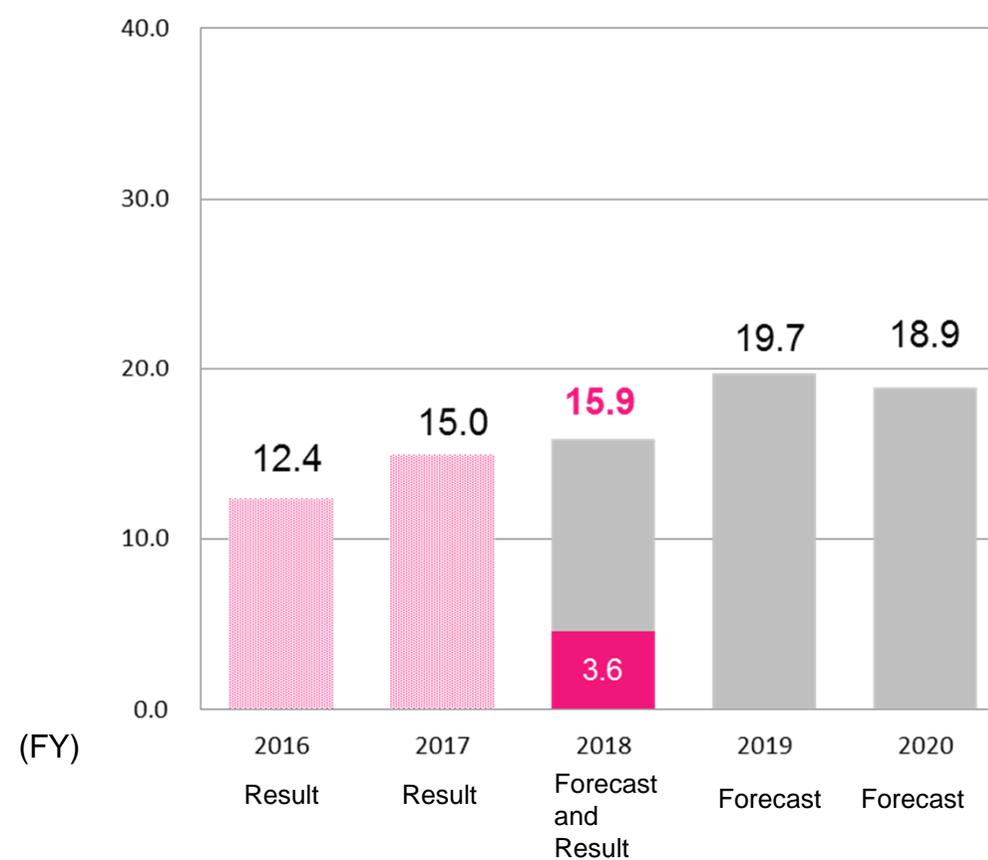
# CAPEX and Depreciation (consolidated)

FY2018 1Q (Unit: Billion Yen)	CAPEX	Depreciation
	6.2	3.6

### CAPEX



### Depreciation



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# Nippon TV Financial Results

Nippon TV net sales increased, driven by higher time ad revenues that offset the decline in spot ad revenues. While businesses remained profitable, operating profit decreased as a result of higher program production costs related to the Russia World Cup and equipment upgrades that drove depreciation expenses higher. Recurring profit and net income increased due to an uptick in dividend income for subsidiary companies.

(Unit: Million Yen)	FY2017 1Q	FY2018 1Q	change (%)
Net Sales	76,489	<b>77,058</b>	0.7
Operating Profit	11,433	<b>10,488</b>	(8.3)
Recurring Profit	14,309	<b>14,519</b>	1.5
Net Income	10,102	<b>10,339</b>	2.3

(Figures less than 1 million yen have been omitted.)

## TV Advertising Revenue (Nippon TV)

(Unit: Million Yen)	FY2017 1Q	FY2018 1Q	change (%)
TV Advertising Revenue	62,892	<b>64,111</b>	1.9
Time	29,198	<b>31,101</b>	6.5
Spot	33,694	<b>33,009</b>	(2.0)

(Figures less than 1 million yen have been omitted.)

## Time Sales and Spot Sales YoY Comparison

Time	FY2017 (%)	FY2018 (%)	Spot	FY2017 (%)	FY2018 (%)
April	6.5	<b>3.2</b>	April	1.7	<b>0.4</b>
May	(0.2)	<b>1.0</b>	May	0.0	<b>(6.6)</b>
June	4.2	<b>16.0</b>	June	(7.2)	<b>0.1</b>

# Production Costs - Nippon TV -

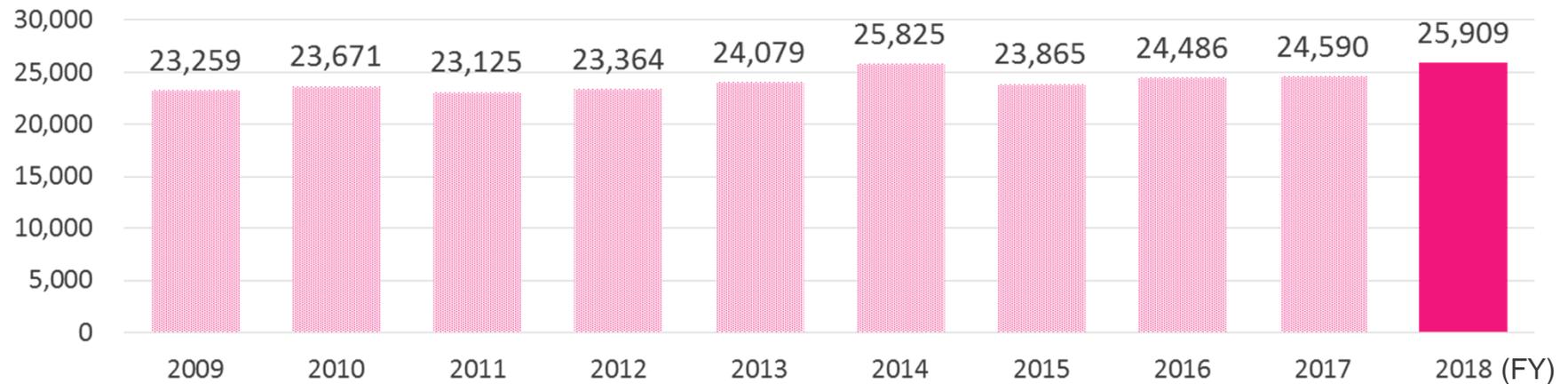
(Unit: Million Yen)

FY2017 1Q	FY2018 1Q	change (%)
24,590	25,909	5.4

(Figures less than 1 million yen have been omitted.)

## Production Costs

(Million Yen)



# Events/Content Business Sales and Costs

(Unit: Million Yen)		FY2017 1Q	FY2018 1Q	(Unit: Million Yen)		FY2017 1Q	FY2018 1Q
BS, CS, CATV, Other	Sales	2,444	<b>2,603</b>	Events	Sales	1,858	<b>990</b>
	Costs	1,096	<b>1,369</b>		Costs	1,742	<b>876</b>
	Balance	1,347	<b>1,234</b>		Balance	116	<b>114</b>
Rights	Sales	543	<b>492</b>	International Business	Sales	373	<b>531</b>
	Costs	132	<b>293</b>		Costs	192	<b>230</b>
	Balance	411	<b>199</b>		Balance	181	<b>301</b>
Media Commerce	Sales	1,687	<b>2,137</b>	Other	Sales	1,383	<b>1,517</b>
	Costs	1,621	<b>2,020</b>		Costs	1,420	<b>1,339</b>
	Balance	67	<b>117</b>		Balance	(37)	<b>178</b>
Movies	Sales	1,909	<b>1,332</b>	Total	Sales	10,197	<b>9,603</b>
	Costs	1,655	<b>971</b>		Costs	7,858	<b>7,097</b>
	Balance	254	<b>361</b>		Balance	2,339	<b>2,506</b>

(Figures less than 1 million yen have been omitted.)

# 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	3,706 (-4.1%)	1,243 (4.1%)	2,546 (-2.0%)	5,210 (-5.1%)	737 (20.2%)	1,905 (-0.8%)	2,670 (-5.3%)	2,467 (-29.9%)	9,443 (1.2%)
Operating Profit	385 (18.8%)	213 (-10.2%)	(8) (-)	100 (-54.7%)	0 (-)	53 (-19.9%)	353 (-3.0%)	86 (-41.6%)	565 (7.7%)
Recurring Profit	394 (18.5%)	216 (-9.7%)	0 (-)	104 (-54.0%)	0 (-)	55 (-20.5%)	402 (-0.7%)	113 (-36.1%)	498 (10.0%)
Net Income	269 (18.6%)	149 (-9.5%)	0 (-)	68 (-54.7%)	0 (-)	38 (-20.4%)	290 (0.2%)	75 (-45.0%)	403 (26.2%)

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

(Figures less than 1 million yen have been omitted.)

# Financial Highlights of Other Group Companies

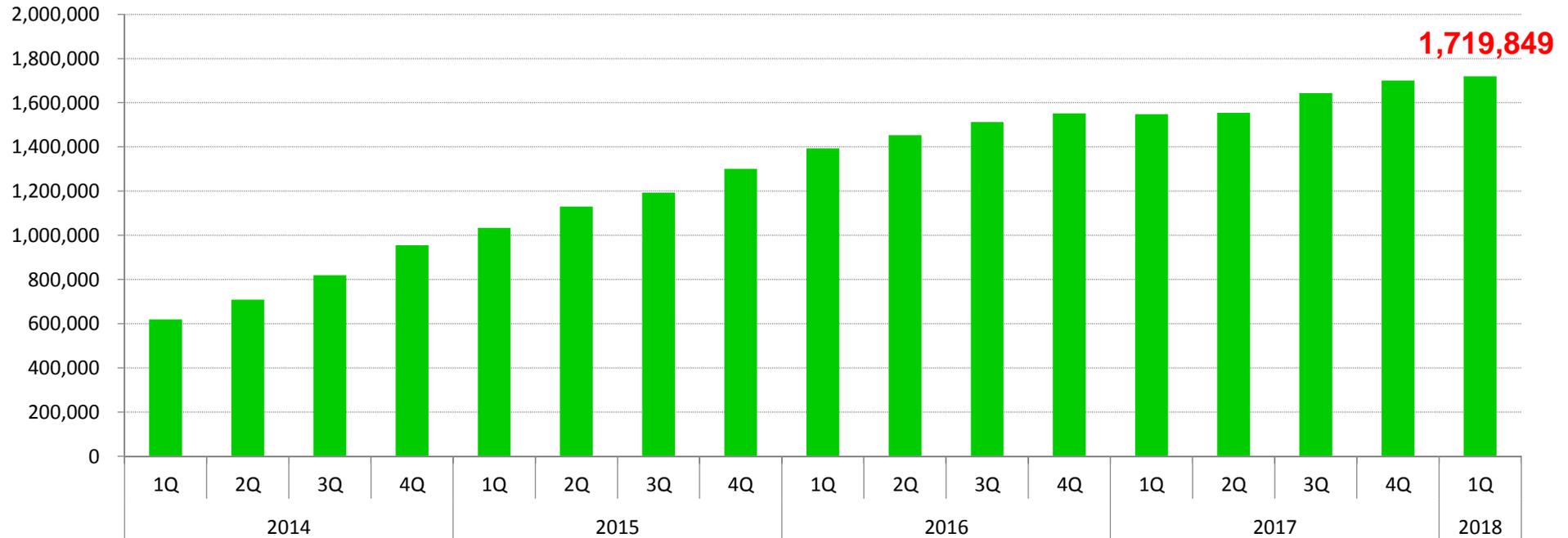
In millions of yen, rounded down	NTV Service Inc.	Nippon Television Work 24 Corp.	Forecast Communications Inc	NTV IT Produce Corporation	NitteleSeven	TATSUNO KO PRODUCTION Co., Ltd.	HJ Holdings LLC	ACM
Net Sales	769 (-14.6%)	1,034 (0.5%)	936 (2.9%)	690 (101.0%)	886 (8.3%)	494 (10.3%)	4,805 (10.3%)	839 (-1.7%)
Operating Profit	29 (66.3%)	41 (11.4%)	11 (-52.9%)	131 (-)	52 (21.1%)	35 (372.0%)	65 (-)	34 (1981.9%)
Recurring Profit	35 (59.3%)	41 (71.6%)	46 (-14.6%)	129 (-)	53 (22.0%)	34 (318.7%)	78 (-)	35 (634.2%)
Net Income	23 (61.6%)	26 (74.1%)	31 (-11.6%)	125 (-)	36 (22.8%)	22 (-)	54 (-)	23 (688.8%)

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

(Figures less than 1 million yen have been omitted.)

# HJ Holdings

## Quarterly subscription post-Nippon TV acquisition



- Added 18,730 subscribers from previous quarter, reaching almost 1.72 million  
→Hulu original “Miss Sherlock” continues to perform solidly
- Hulu original spinoffs of Nippon TV dramas “Hotel on the Brink!” and “ZERO –The Bravest Money Game – ” received high acclaim  
→Hulu will continue to aggressively produce original spinoffs of Nippon TV dramas
- On track to reach the goal of 1.8 million subscribers by the end of FY2018

Viewer Ratings and Programming

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**Consolidated Forecast for FY2018**

# Consolidated Financial Forecast

(Unit: Million Yen)	FY2017 Result	<b>FY2018 Forecast</b>	change (%)
Net Sales	423,663	<b>428,000</b>	1.0
Operating Profit	50,964	<b>48,000</b>	(5.8)
Recurring Profit	61,239	<b>55,000</b>	(10.2)
Net Income attribute to owners of the parent	37,416	<b>38,000</b>	1.6

(Figures less than 1 million yen have been omitted.)

**\* Unchanged from previous forecast**

# Reference Materials for Financial Results

## Net Sales - Nippon TV -

(Unit: Million Yen)	FY2017 1Q	<b>FY2018 1Q</b>	change (%)
TV advertising revenue	62,892	<b>64,111</b>	1.9
Program sales	2,885	<b>2,812</b>	(2.5)
Events/Content business sales	10,197	<b>9,603</b>	(5.8)
Real estate business	513	<b>530</b>	3.3
Total	76,489	<b>77,058</b>	0.7

(Figures less than 1 million yen have been omitted.)

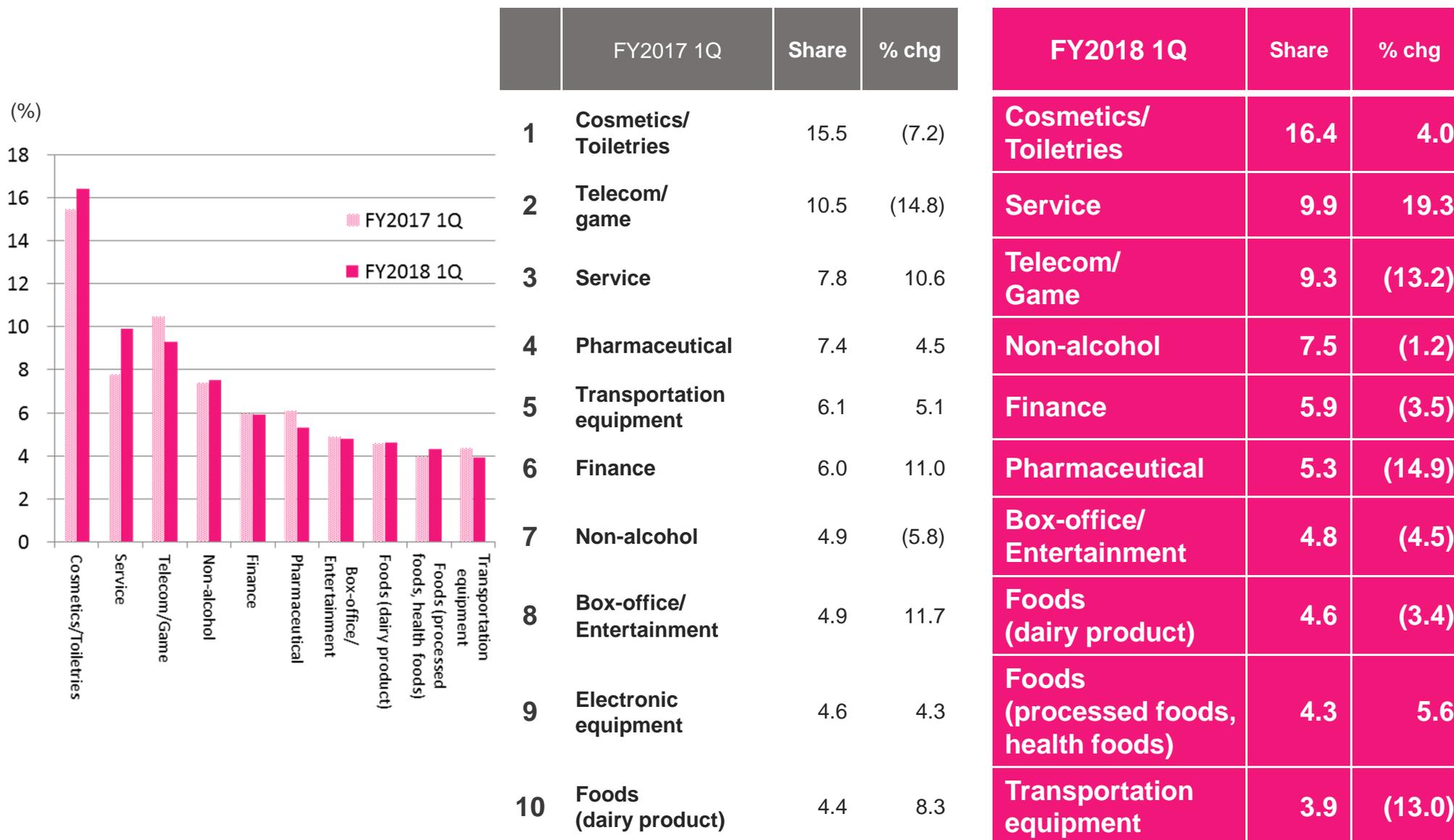
# Operating Expenses - Nippon TV -

(Unit: Million Yen)	FY2017 1Q	<b>FY2018 1Q</b>	change (%)
Production costs	24,590	<b>25,909</b>	5.4
Personnel	5,798	<b>5,599</b>	(3.4)
Depreciation and amortization	1,946	<b>2,163</b>	11.1
Events/Content business costs	7,858	<b>7,097</b>	(9.7)
Other	24,862	<b>25,800</b>	3.8
Total	65,056	<b>66,569</b>	2.3

(Figures less than 1 million yen have been omitted.)

# Spot Sales

## Terrestrial Broadcasting (Nippon TV)



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

# 2018 Annual Viewer Ratings

January 01, 2018 – July 22, 2018

(Unit:%)	<b>Nippon TV</b>	EX	TBS	TX	CX	HUT
<b>All Day</b>	① <b>8.0</b>	7.6	6.4	2.8	5.6	<b>41.0</b>
6:00 to 24:00	-0.2	+0.3	+0.2	±0.0	-0.1	+0.4
<b>Prime Time</b>	① <b>11.7</b>	10.5	9.9	6.2	7.5	<b>58.4</b>
19:00 to 23:00	-0.2	+0.5	+0.1	±0.0	-0.2	+0.3
<b>Golden Time</b>	① <b>12.1</b>	10.5	10.0	6.6	7.6	<b>61.0</b>
19:00 to 22:00	-0.1	+0.9	+0.1	±0.0	-0.2	+0.6
<b>Non-Prime Time</b>	① <b>6.9</b>	6.8	5.4	1.9	5.1	<b>36.1</b>
All Day - Prime Time	-0.3	+0.2	+0.2	+0.1	±0.0	+0.5
<b>Platinum Time</b>	① <b>6.5</b>	5.5	4.6	2.5	3.9	<b>28.9</b>
23:00 to 25:00	-0.1	-0.4	+0.2	-0.2	+0.1	<b>▲0.1</b>

1. In order of digital channel, from left
2. Source for household viewership (Kanto region): Video Research
3. Period of comparison: January 02, 2017 – July 23, 2017

# Movie Lineup for 2018

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☆: Nippon TV is lead organizer

Date	Title	Distributor
June 30, 2018	ANPANMAN	TOKYO THEATRES
July 20, 2018	☆MIRAI	TOHO
August 03, 2018	My Hero Academia the Movie: The Two Heroes	TOHO

# Movie Lineup for 2018

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☆: Nippon TV is lead organizer

Date	Title	Distributor
August 24, 2018	Ponoc Short Films Theatre Modest Heroes	TOHO
September 14, 2018	☆REAL GIRL	WB
September 28,2018	DTC from HiGH&LOW	SHOCHIKU
October 26, 2018	THE TRAVELLING CAT CHRONICLES	SHOCHIKU

# Movie Lineup for 2018

☆: Nippon TV is lead organizer

★ = Nippon TV is co-organizer

Date	Title	Distributor
November 30 2018	OUR DEPARTURES	SHOCHIKU
2018	★A Banana? At This Time of Night? (working title)	SHOCHIKU
2019	☆ Until I Meet September's Love (working title)	WB

# Event Lineup for 2018

Date	Event
May 30 – Sep. 03, 2018	The 65 <sup>th</sup> anniversary of Nippon Television Network Corporation <b>The Art of Portraiture in the Louvre Collections</b>
July 13- Aug 20, 2018	<b>Disney on Ice Mickey's Special Celebration !</b>
Jul 25 – Sep 17, 2018	A Mamoru Hosoda film "MIRAI" EXHIBITION~The World of Mamoru Hosoda beyond time "The Girl Who Leapt Through Time" "Summer Wars" "Wolf Children" "The Boy and the Beast"
July 26 – Sep 16 2018	"namie amuro Final Space"

# Event Lineup for 2018

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Date	Event
<b>Jul 04 – 29, 2018</b>	The 65 <sup>th</sup> anniversary of Nippon Television Network Corporation <b>Musical EVITA</b>
<b>Jul 21- Aug 19, 2018</b>	<b>THE MOST USEFUL SCHOOL IN THE WORLD “THE LIVE” (Dinosaurs Arena Show)</b>
<b>Nov 03- 27, 2018</b>	The 65 <sup>th</sup> anniversary of Nippon Television Network Corporation <b>MAKAI TENSHO (Theatrical Performance)</b>