

# Financial Results

## FY2018 3<sup>rd</sup> Quarter

**Nippon Television Holdings, Inc.**  
**February 13, 2019**

**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.**

# **Key Points of Financial Results**

Viewer Ratings and Programming

Overview of Financial Results 2018 3Q

Highlights of Group Companies

Forecast for FY2018

# Key Points of Financial Results

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## Point 1

### Slight Decline in Net Sales, Increase in Net Income

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Despite an increase in subscriber fees from HJ Holdings, net sales declined slightly due to decreased revenues from Nippon TV's broadcasting business (i.e. movies) and VAP. Operating and recurring profits increased slightly. We booked an impairment loss of JPY 2 billion connected to the video streaming infrastructure of our video streaming business. Quarterly net income increased.

## Point 2

### Revisions to Fiscal Year Forecast and Dividends

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Fiscal year net sales forecast has been reduced by JPY 4 billion. Operating and recurring profits were each increased by JPY 1 billion. No changes to the net income forecast. Dividends were increased by JPY 1 per share (2Q = JPY 10, year-end = JPY 25).

Key Points of Financial Results

## **Viewer Ratings and Programming**

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# 2018 Annual Viewer Ratings

01/01/2018 -12/30/2018

	<b>Nippon TV</b>	<b>EX</b>	<b>TBS</b>	<b>TX</b>	<b>CX</b>	<b>HUT</b>
<b>All Day</b>	① <b>7.9</b>	7.7	6.3	2.8	5.7	<b>40.7</b>
6:00 to 24:00	<b>-0.3</b>	+0.3	±0.0	±0.0	±0.0	±0.0
<b>Prime Time</b>	① <b>11.6</b>	10.6	10.0	6.0	7.7	<b>57.9</b>
19:00 to 23:00	<b>-0.4</b>	+0.6	+0.2	-0.2	-0.1	<b>-0.1</b>
<b>Golden Time</b>	① <b>12.0</b>	10.5	10.2	6.5	7.8	<b>60.6</b>
19:00 to 22:00	<b>-0.4</b>	+0.7	+0.3	-0.1	-0.2	<b>+0.1</b>
<b>Non-Prime Time</b>	① <b>6.8</b>	① 6.8	5.3	1.8	5.1	<b>35.8</b>
All day- Prime Time	<b>-0.3</b>	+0.2	±0.0	±0.0	-0.1	±0.0
<b>Platinum Time</b>	① <b>6.4</b>	5.4	4.6	2.4	3.8	<b>28.3</b>
<b>23:00 to 25:00</b>	<b>-0.3</b>	-0.2	+0.2	-0.2	±0.0	<b>-0.4</b>

- 注:
1. In order of digital channel, from left
  2. Source for household viewership (Kanto region): Video Research
  3. Period of comparison: 01/02/2017 - 12/31/2017

# Viewer Ratings

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Point  
1

## **Nippon TV Captures 2018 Annual Triple Crown Title**

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Won the annual Triple Crown Title for 5 consecutive years.

**“Individual” viewer ratings for annual 2018 remained stellar across all times and regions**

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Point  
2

First place in Platinum timeslot (23:00-25:00)

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

Successfully captured viewership of demographic most-targeted by sponsors

Point  
3

## **Internal tracking switched from “household” to “individual”**

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As digital viewing accelerates, we began to feel the limitations of the traditional household viewer ratings. Individual viewer ratings allow us to better understand the tastes of each viewer, enabling us to create shows that have a higher chance of being watched, thereby convincing our sponsors that their target demographics are being reached. Individual ratings are a more accurate indication of TV’s true worth, especially in this digital age.

# April Cour Topics

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**A timetable that puts consumers' needs first, and maximizes the satisfaction of our clients.**

## **~A Fresher and Richer Timetable**

**※Fresher: Enticing new and returning viewers back to linear TV.**

**Richer: Developing a linear TV fan base with more seasoned tastes.**

- 
- Robust Golden and Prime Time**
  - Bolstering our Daily Weekday regulars**
  - Rebranding of the Platinum zone**



Key Points of Financial Results

Viewer Ratings and Programming

## **Overview of Financial Results 2018 3Q**

Highlights of Group Companies

Forecast for FY2018

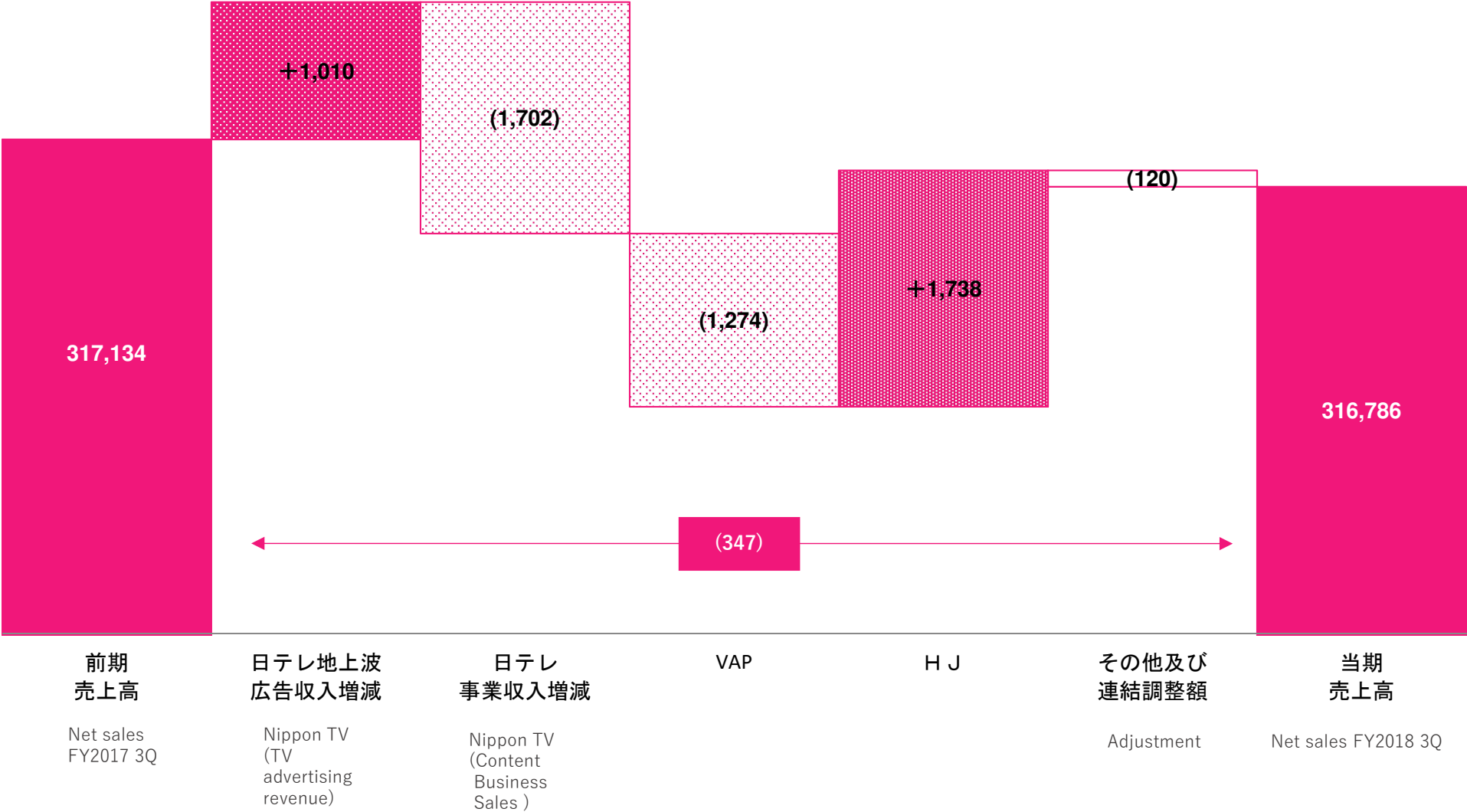
# FY2018 3Q Consolidated Financial Results

(Unit: Millions of Yen)

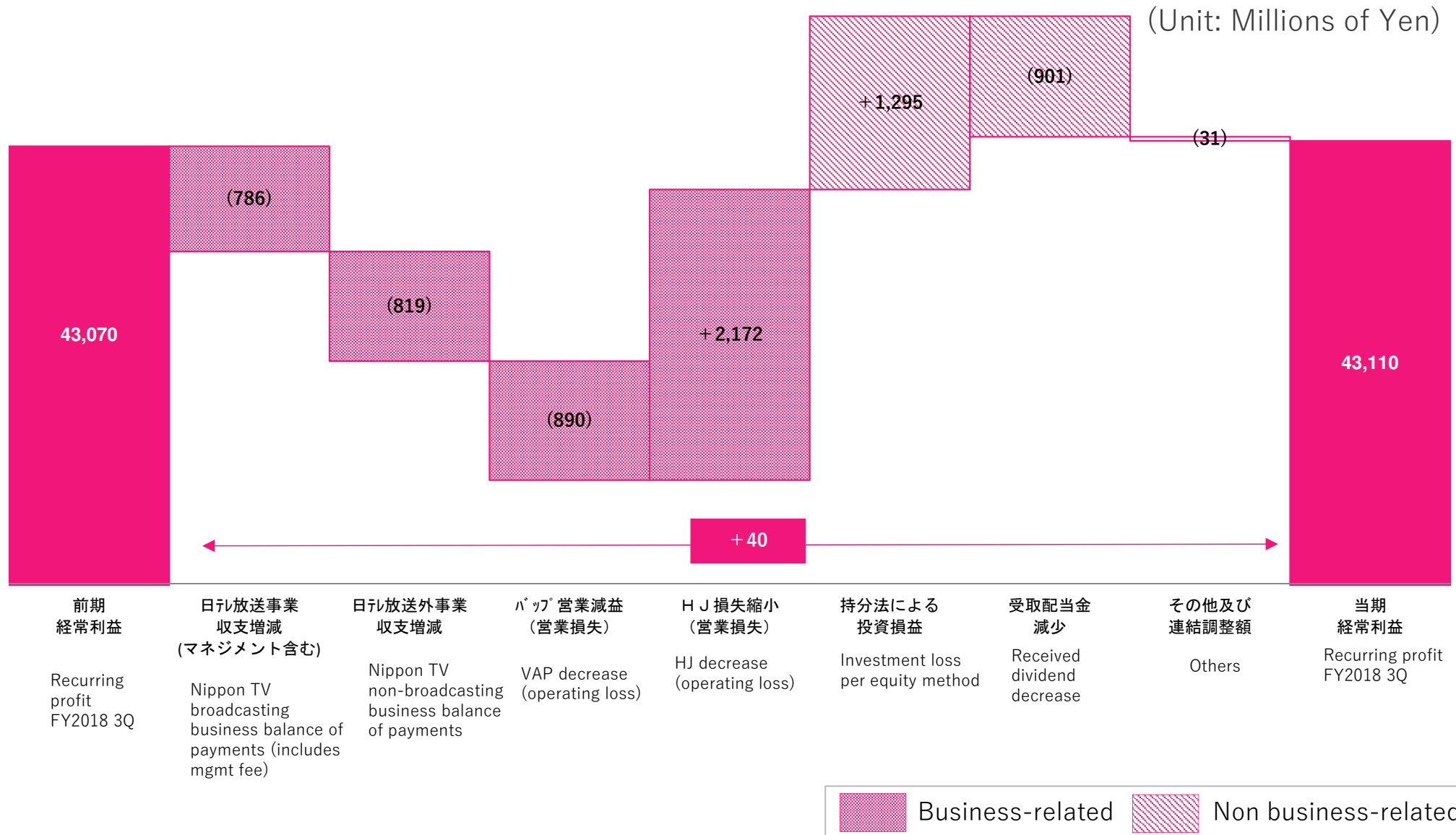
	FY2017 3Q	FY2018 3Q	change (%)
Net Sales	317,134	316,786	(0.1)
Operating Profit	37,346	37,349	0.0
Recurring Profit	43,070	43,110	0.1
Net Income attribute to owners of the parent	23,016	28,783	25.1

# Net Sales Year-Over-Year Change Components

(Unit: Millions of Yen)

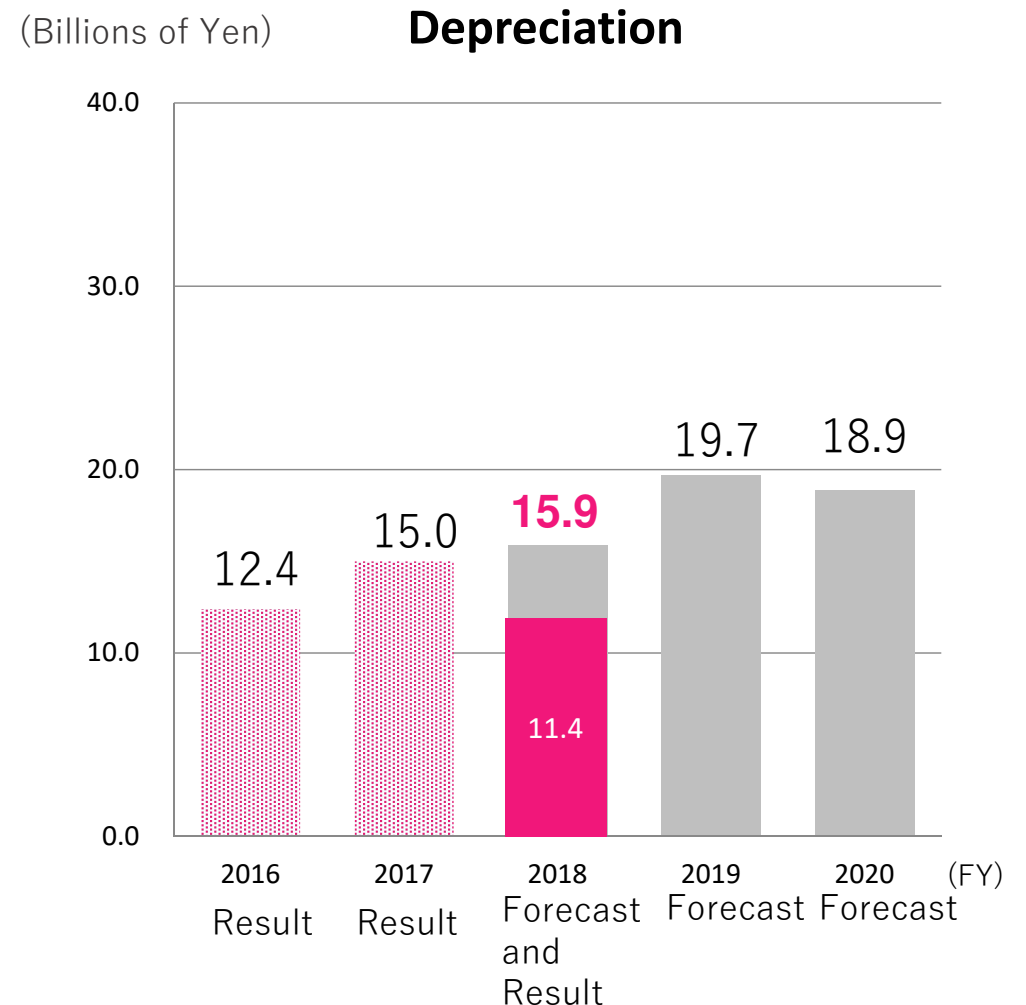
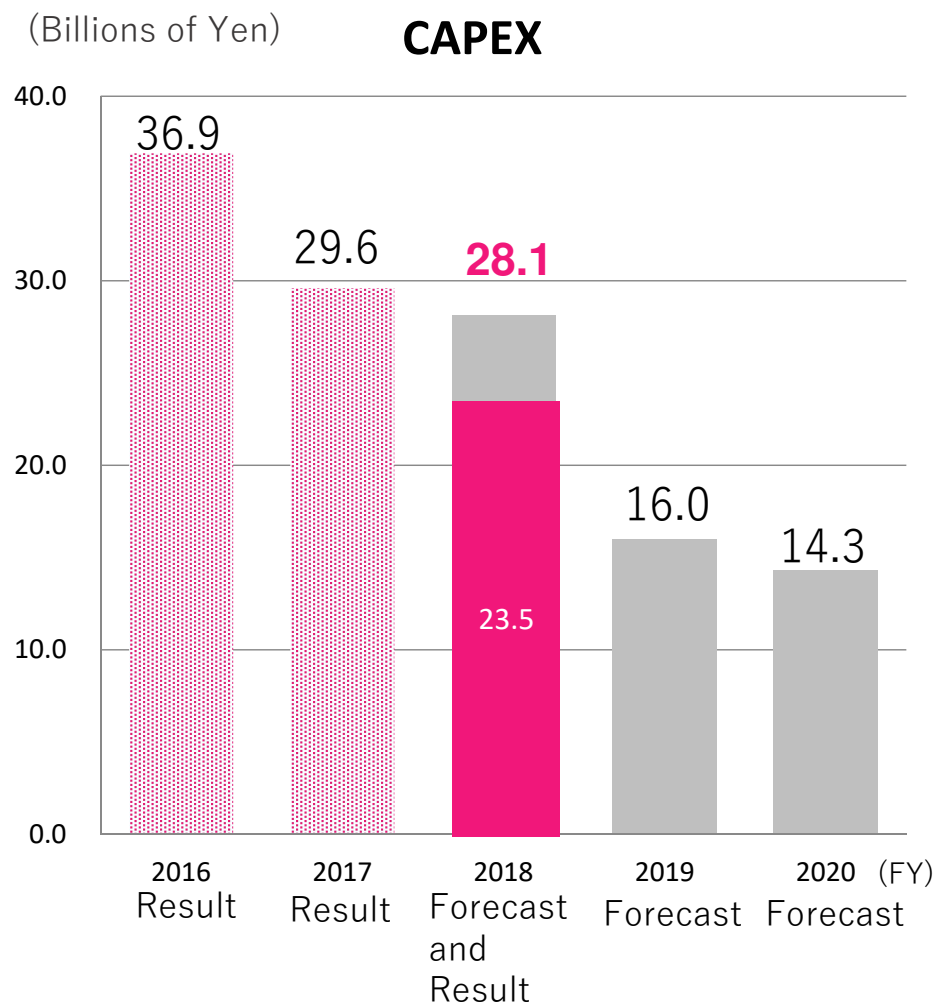


# Recurring Profit YoY Change Components



# CAPEX and Depreciation (consolidated)

FY2018 3Q (Unit: Billions of Yen)	CAPEX	Depreciation
	23.5	11.4



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# Nippon TV Financial Results

Net sales declined slightly due to weakness in the non-broadcasting business (i.e. movies), even though the broadcasting business increased as a result of stronger time ad sales that offset a decline in spot ad sales. Operating and recurring profits declined due to higher SG&A expenses. Quarterly net income increased as a result of lower corporate taxes YoY.

(Unit: Millions of Yen)

	FY2017 3Q	FY2018 3Q	change (%)
Net Sales	233,225	232,472	(0.3)
Operating Profit	31,048	29,524	(4.9)
Recurring Profit	35,216	34,500	(2.0)
Net Income	23,156	24,783	7.0

# TV Advertising Revenue (Nippon TV)

(Unit: Millions of Yen)

	FY2017 3Q	FY2018 3Q	change (%)
TV Advertising Revenue	189,319	190,329	0.5
Time	90,862	93,596	3.0
Spot	98,456	96,732	(1.8)



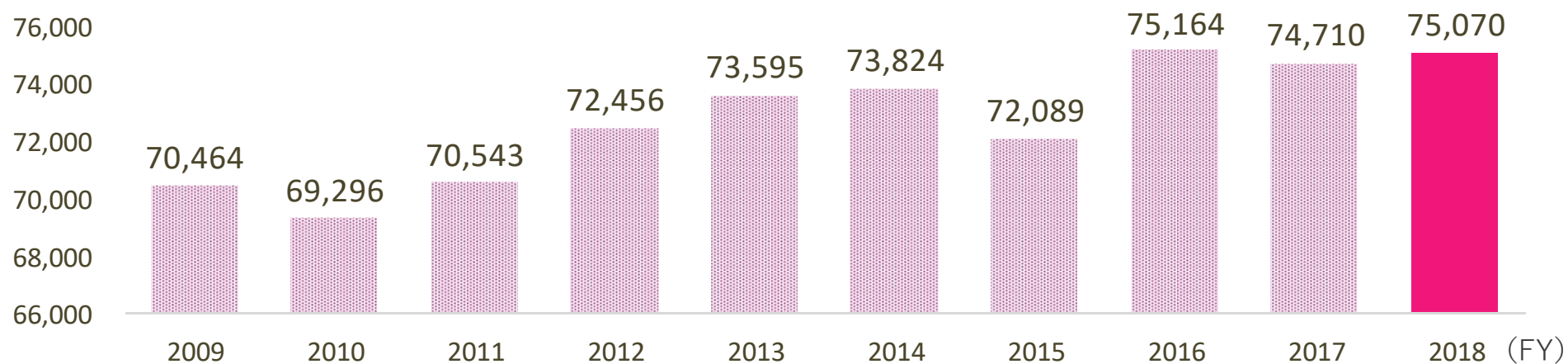
# Production Costs (Nippon TV)

(Unit: Millions of Yen)

FY2017 3Q	FY2018 3Q	change (%)
74,710	75,070	0.5

## Production Costs (3<sup>rd</sup> Quarter)

(Unit: Millions of Yen)

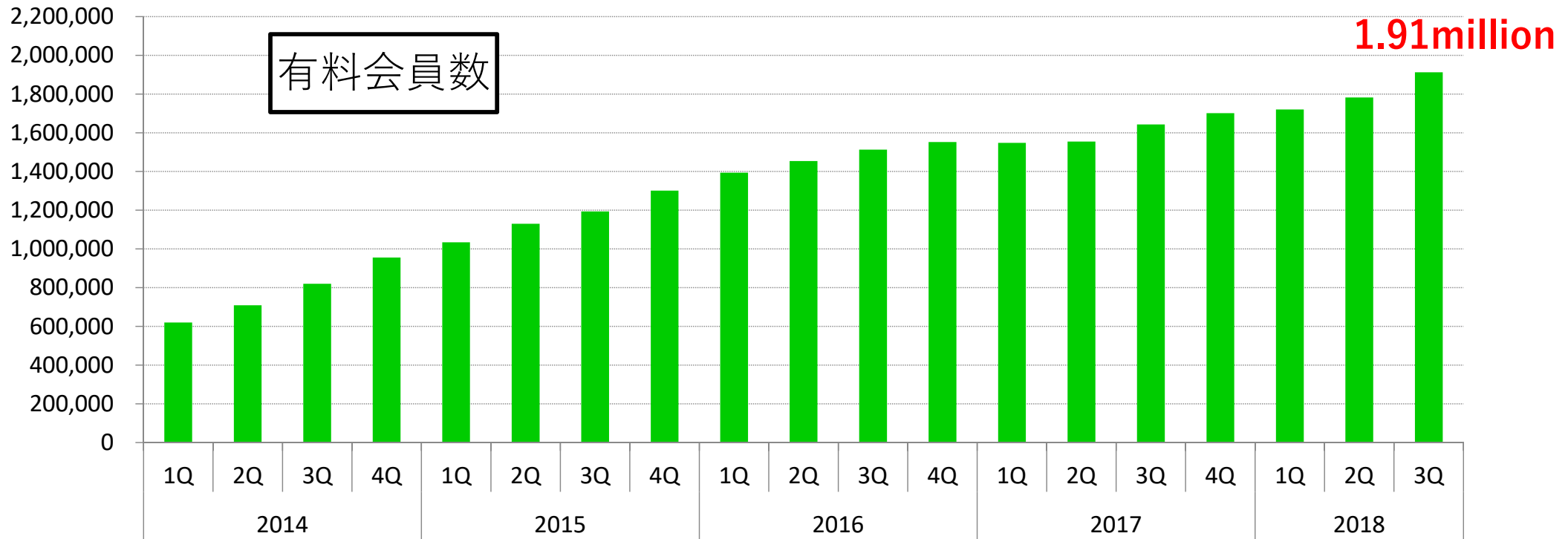


# Events/Content Business Sales and Costs

(Unit: Millions of Yen)

		FY2017 3Q	FY2018 3Q			FY2017 3Q	FY2018 3Q
BS, CS, CATV, Other	Sales	6,727	<b>6,979</b>	Events	Sales	5,234	<b>6,465</b>
	Costs	3,213	<b>3,738</b>		Costs	4,553	<b>5,370</b>
	Balance	3,513	<b>3,241</b>		Balance	681	<b>1,095</b>
Rights	Sales	1,555	<b>1,538</b>	International Business	Sales	1,520	<b>1,617</b>
	Costs	521	<b>939</b>		Costs	637	<b>915</b>
	Balance	1,034	<b>598</b>		Balance	883	<b>702</b>
Media Commerce	Sales	6,384	<b>6,772</b>	Other	Sales	4,868	<b>5,609</b>
	Costs	6,056	<b>6,365</b>		Costs	4,734	<b>5,194</b>
	Balance	328	<b>408</b>		Balance	134	<b>415</b>
Movies	Sales	7,365	<b>2,970</b>	Total	Sales	33,652	<b>31,949</b>
	Costs	6,446	<b>2,337</b>		Costs	26,160	<b>24,858</b>
	Balance	918	<b>633</b>		Balance	7,491	<b>7,091</b>

# HJ Holdings



- Added 130,000 subscribers in the quarter, reaching **over 1.91 million**
- Catch-up viewing for all 3 Nippon TV October cour dramas were outstanding
- “From Today, It’s My Turn!” in particular was a huge success with its director’s cut available only on HJ
- Already topped the FY2018 goal of 1.8 million subscribers, and still growing strongly
- Strategy of using unique initiatives around linear TV content to entice viewers to HJ is proving to be successful, with more promise for the future

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Viewer Ratings and Programming

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**Forecast for FY2018**

# Consolidated Financial Forecast

## Consolidated Forecast

(Unit: Million Yen)	FY2017 Result	FY2018 Previous Forecast (A)	FY2018 Revised Forecast (B)	change (B-A)
Net Sales	423,663	428,000	424,000	(4,000)
Operating Profit	50,964	48,000	49,000	1,000
Recurring Profit	61,239	55,000	56,000	1,000
Net Income attribute to owners of the parent	37,416	38,000	38,000	0

## Dividend Forecast

※Increased by JPY 1 (Year-End: JPY 24 to JPY 25; Annual: JPY 34 to JPY 35)

(Unit: Yen)	2Q	Year-End	Annual
FY2017	10	24	34
FY2018 Dividend Forecast	10 (actual)	25 (+1)	35 (+1)

# Reference Materials for Financial Results

# Nippon TV Holdings Consolidated Results

## - Segment Information

FY2018 3Q (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				
<b>Net Sales</b>	<b>284,121</b>	<b>28,586</b>	<b>7,569</b>	<b>320,277</b>	<b>4,629</b>	<b>324,906</b>	<b>(8,119)</b>	<b>316,786</b>
<b>Segment Profit</b>	<b>33,775</b>	<b>1,121</b>	<b>2,566</b>	<b>37,462</b>	<b>431</b>	<b>37,894</b>	<b>(544)</b>	<b>37,349</b>

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

# Net Sales - Nippon TV -

(Unit: Millions of yen)

	FY2017 3Q	FY2018 3Q	change (%)
TV advertising revenue	189,319	190,329	0.5
Program sales	8,731	8,600	(1.5)
Events/Content business sales	33,652	31,949	(5.1)
Real estate business	1,523	1,592	4.6
Total	233,225	232,472	(0.3)



# Operating Expenses - Nippon TV -

(Unit: Millions of Yen)

	FY2017 3Q	FY2018 3Q	change (%)
TV advertising revenue	74,710	75,070	0.5
Program sales	16,866	16,412	(2.7)
Events/Content business sales	6,690	6,873	2.7
Real estate business	26,160	24,858	(5.0)
Total	77,749	79,732	2.5
TV advertising revenue	202,177	202,947	0.4

# 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>
July	(0.9)	<b>5.3</b>	July	(6.5)	<b>0.0</b>
August	(8.9)	<b>1.4</b>	August	10.4	<b>0.3</b>
September	7.1	<b>0.6</b>	September	0.2	<b>(5.8)</b>
October	0.6	<b>(2.5)</b>	October	(5.1)	<b>0.5</b>
November	(1.5)	<b>(0.1)</b>	November	(1.8)	<b>0.4</b>
December	(1.4)	<b>3.1</b>	December	0.1	<b>(4.7)</b>
Oct. - Dec.	(0.8)	<b>0.3</b>	Oct. - Dec.	(2.2)	<b>(1.3)</b>
Apr.- Dec.	0.3	<b>3.0</b>	Apr.- Dec.	(1.3)	<b>(1.8)</b>

# Spot Sales Terrestrial Broadcasting (Nippon TV)

	FY2017 3Q	Share	% chg	FY2018 3Q	Share	% chg
1	<b>Cosmetics/ Toiletries</b>	14.6	(0.2)	<b>Cosmetics/ Toiletries</b>	13.5	(9.7)
2	<b>Telecom/ game</b>	12.8	(4.7)	<b>Telecom/ game</b>	11.7	(9.9)
3	<b>Service</b>	8.2	11.6	<b>Service</b>	11.1	32.3
4	<b>Pharmaceutical</b>	7.0	6.7	<b>Finance</b>	6.2	19.3
5	<b>Non-alcohol</b>	5.9	(4.1)	<b>Pharmaceutical</b>	6.2	(14.2)
6	<b>Transportation equipment</b>	5.8	15.0	<b>Non-alcohol</b>	5.4	(9.9)
7	<b>Box-office/ Entertainment</b>	5.3	(1.8)	<b>Transportation equipment</b>	5.2	(12.1)
8	<b>Finance</b>	5.1	(2.2)	<b>Box-office/ Entertainment</b>	5.0	(6.9)
9	<b>Electronic equipment</b>	4.3	(8.4)	<b>Foods (processed food, health)</b>	4.0	8.9
10	<b>Foods (dairy product)</b>	3.8	0.7	<b>Electronic equipment</b>	3.9	(10.5)

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

# Financial Highlights of Other Group Companies

①

(Unit: Millions of Yen)	BS Nippon Corp.	CS Nippon Corp.	NTV Technical Resources Inc.	NTV AX-ON	NTV EVENTS Inc.	Nippon Television Art Inc.
Net Sales	11,178 (-5.9%)	3,731 (1.8%)	7,823 (-2.1%)	16,339 (-5.1%)	2,557 (-2.8%)	5,887 (-0.9%)
Operating Profit	1,534 (4.0%)	572 (-5.2%)	174 (6.7%)	612 (-26.6%)	42 (-62.0%)	137 (-23.8%)
Recurring Profit	1,585 (4.1%)	582 (-4.8%)	191 (6.0%)	622 (-26.4%)	43 (-60.8%)	143 (-23.3%)
Net Income	1,087 (4.5%)	398 (-5.6%)	129 (8.5%)	411 (-27.5%)	24 (-66.6%)	97 (-14.7%)

(Unit: Millions of Yen)	Nippon Television Music Corp	VAP Inc.	TIPNESS Limited	NTV Service Inc.	Nippon Television Work 24 Corp.	Forecast Communications Inc
Net Sales	8,771 (-2.8%)	8,951 (-12.5%)	28,586 (0.0%)	2,422 (-11.5%)	3,259 (3.7%)	3,006 (8.2%)
Operating Profit	1,372 (11.8%)	-225 (-)	2,278 (-18.9%)	112 (27.3%)	126 (-1.1%)	92 (-)
Recurring Profit	1,428 (12.4%)	-118 (-)	2,072 (-20.1%)	119 (27.5%)	157 (72.7%)	180 (137.4%)
Net Income	1,000 (10.9%)	-119 (-)	1,761 (8.0%)	69 (21.2%)	168 (177.8%)	-1,390 (-)

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

※ Forecast Communications booked an impairment loss connected to video streaming infrastructure .

# Financial Highlights of Other Group Companies

②

(Unit: Millions of Yen)	NTV IT Produce Corporation	Eiho Produce Corporation	NitteleSeven	TATSUNOKO PRODUCTION Co., Ltd.	HJ Holdings LLC	ACM	SkillUp Video Technologies Corporation
Net Sales	2,019 (-)	1,505 (-24.5%)	2,601 (1.0%)	1,270 (-34.2%)	14,992 (13.1%)	2,825 (1.5%)	649 (-)
Operating Profit	206 (-)	255 (50.2%)	90 (46.2%)	97 (125.9%)	-17 (-)	329 (71.4%)	59 (-)
Recurring Profit	206 (-)	248 (57.8%)	92 (46.5%)	98 (145.1%)	10 (-)	350 (69.8%)	59 (-)
Net Income	142 (-)	244 (-)	61 (44.2%)	61 (-)	-591 (-)	235 (76.7%)	96 (-)

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

(※) SkillUp Video Technologies Corporation was established as a subsidiary on July 2, 2018.

(※) Effective July 2, 2018, NTV IT Produce Corporation's trade name was officially changed to Eiho Produce Corporation. Effective the same day, NTV IT Produce Corporation was established pursuant to a company split (to acquire the assets and liabilities unrelated to the Broadcast Total Management System business) and became a subsidiary.

# FY2018 Fiscal Viewer Ratings

04/02/2018 - 02/10/2019

(Unit: %)	NTV	EX	TBS	CX	TX	HUT
All Day	① 7.8	7.7	6.3	5.7	2.7	40.5
6:00 to 24:00	-0.3	+0.3	±0.0	±0.0	-0.1	-0.2
Prime Time	① 11.5	10.6	9.9	7.9	5.9	57.6
19:00 to 23:00	-0.5	+0.7	+0.2	+0.2	-0.2	-0.4
Golden Time	① 11.9	10.5	10.1	8.0	6.4	60.2
19:00 to 22:00	-0.5	+0.8	+0.2	+0.1	-0.2	-0.3
Non-Prime Time	② 6.8	①6.9	5.2	5.1	1.8	35.6
All Day- Prime Time	-0.2	+0.2	-0.1	-0.1	-0.1	-0.2
Platinum Time	① 6.4	5.5	4.5	3.8	2.5	28.3
23:00-25:00	-0.1	+0.2	±0.0	±0.0	-0.1	-0.2

1. In order of digital channel, from left
2. Source for household viewership (Kanto region): Video Research
3. Period of comparison: 04/03/2017 - 2/11/2018

# Movie Lineup for 2019

☆: Nippon TV is lead organizer    ★ = Nippon TV is co-organizer

Date	Title	Distributor
February 08, 2019	CITY HUNTER	ANIPLEX
March 01, 2019	☆ Until I Meet September's Love	WB
March 21, 2019	☆ PRINCE OF LEGEND	TOHO
May 17, 2019	★ Inemuri Iwane (working title)	SHOCHIKU

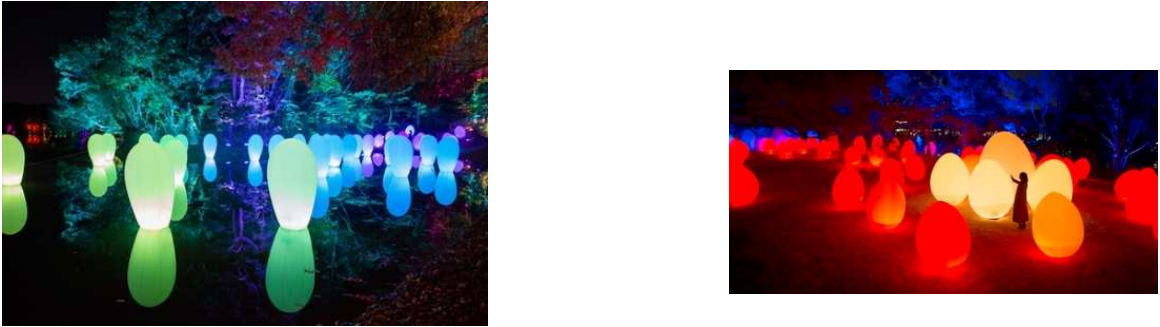
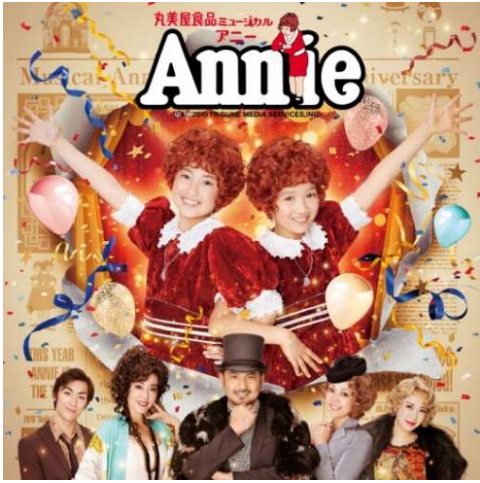
# Movie Lineup for 2019

☆: Nippon TV is lead organizer    ★ = Nippon TV is co-organizer


Date	Title	Distributor
June 07,2019	☆ <b>Almost a Miracle</b>	WB
June 21, 2019	★ <b>The Fable</b>	SHOCHIKU
July 05,2019	☆ <b>Diner</b>	WB






# Event Lineup for 2019

Date	Event
<p>December 01 2018- March 03 2019</p>	<p>teamLab:Digitized Lakeside and Forest</p> 
<p>April 27-May 13</p>	<p>Annie the Musical</p> 

# Event Lineup for 2019

Date	Event
<p>[Tokyo ] February 19-22</p> <p>[Kobe] March 08-09</p>	<p>THE STAGE “MANGA mitaini ikanai 2”</p>  <p>The poster for the stage production 'Manga mitaini ikanai 2' features six cast members in framed portraits. The text on the poster includes 'MANGA mitaini ikanai 2' and '舞台 漫画 いたいにかない。 第2巻'.</p>

# Event Lineup for 2019

Date	Event
<p>[Tokyo] April 06-07</p> <p>[Kawaguchi] April 20</p> <p>[Sagami-Ono] April 21</p>	<p><b>Soreike ANPANMAN Musical</b></p>  
<p>[Koriyama] April 27</p> <p>[Nanyo] April 29</p> <p>[Sendai] April 30</p>	<p><b>Sakura Tour 2019</b> <b>"JOE HISAISHI Spring Concert Vol.1"</b> ～ with Sendai Philharmonic Orchestra ～</p> 

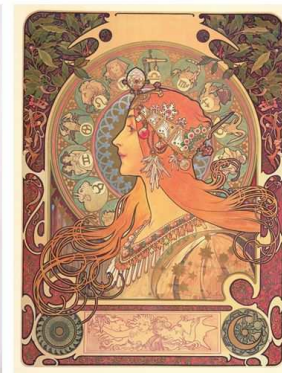
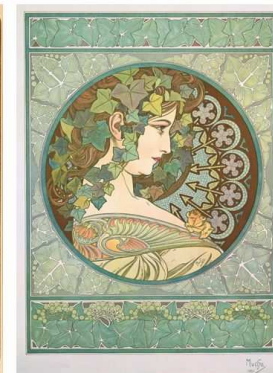
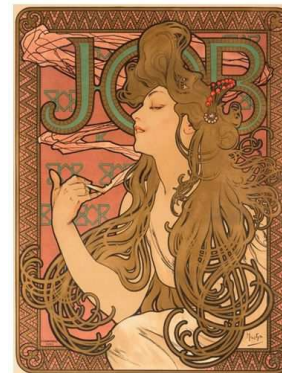
# Event Lineup for 2019

Date

Event

[Tokyo]  
July 13-September 29

Timeless MUCHA: *Mucha to Manga*  
– *Magic of Line*



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アルフォンス・ミュシャ《ジョブ》1896年カラーリトグラフ ミュシャ財団蔵 ©Mucha Trust 2018  
アルフォンス・ミュシャ《ツタ》1901年カラーリトグラフ ミュシャ財団蔵 ©Mucha Trust 2018  
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