

Financial Results FY2018

Nippon Television Holdings, Inc.
May 23, 2019

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Key Points of Financial Results

Viewer Ratings and Programming

Overview of Financial Results

Forecast for FY2019

FY2018 Highlights

Point
1

FY2018 consolidated revenues increased, operating and recurring profits decreased, and net income increased

Point
2

Solid broadcasting revenues and increase in content sales

- Robust Time sales offset decline in Spot sales
- Hulu's paid subscribers at the end of the fiscal year topped 2 million
- Brand new state-of-the-art Bancho Studio at Kojimachi opened; international debut on first week as Australian show filmed there

Point
3

“Change65” final year results (2016-2018 mid-term management plan)

- Except for revenues and recurring profits, we regrettably did not fully achieve our goals
- New objectives laid out in “eVOLUTION” 2019-2021 mid-term management plan

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Viewer Ratings (FY2018)

04/02/2018 - 03/31/2019

(Unit : %)	NTV	EX	TBS	TX	CX	HUT
All Day	① 7.8	7.7	6.2	2.7	5.7	40.4
6:00 to 24:00	-0.3	+0.3	-0.1	-0.1	±0.0	-0.4
Prime Time	① 11.5	10.6	9.9	5.9	7.9	57.5
19:00 to 23:00	-0.5	+0.6	+0.1	-0.3	+0.2	-0.7
Golden Time	① 11.9	10.5	10.0	6.3	8.1	60.1
19:00 to 22:00	-0.5	+0.6	+0.1	-0.3	+0.3	-0.6
Non-Prime Time	② 6.8	① 6.9	5.2	1.8	5.1	35.5
All Day - Prime Time	-0.2	+0.2	-0.1	-0.1	-0.1	-0.4
Platinum Time	① 6.5	5.5	4.5	2.5	3.8	28.2
23:00-25:00	±0.0	+0.1	±0.0	-0.1	±0.0	-0.3

1. In order of digital channel, from left
2. Source for household viewership (Kanto region): Video Research
3. Period of comparison: 04/03/2017 - 04/01/2018

Viewer Ratings

Point

1

2018 fiscal Triple Crown title winner

Won the fiscal Triple Crown title for 5 consecutive years.

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

Point

2

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

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

“Individual” viewer ratings remained stellar, successfully capturing viewership of the demographics most-targeted by sponsors

Point

3

On track for annual 2019 Triple Crown title victory

As digital consumption of content accelerates, we are feeling the limitations of the traditional household viewer ratings. As such, as of January 2019, we shifted our focus to individual viewer ratings, which allow us to better understand the tastes of each viewer and create shows that have a better likelihood of being watched. In turn, we are more able to convince 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.

FY2019 Programming Strategy

Unyielding pursuit of a **fresher** and **richer** timetable that puts consumers' needs first while maximizing the satisfaction of our clients.

- Leverage linear, Hulu, and other digital platforms to turn “viewers” into “consumers” and become an indispensable part of their lives

① Win **Triple Crown** by focusing on each individual

② Relentless strategy that targets **core viewers**; capture viewers from **next generation**

③ Further strengthen and rebrand regular programs

◎ “Where are they now?” Thursdays 7 pm – 8 pm

Viewers want to know what happened to that once-famous person! Well, we tracked them down. This is an entertainment show created by the Sports Division in a timely effort to build a buzz before the Rugby World Cup and Tokyo 2020.



◎ “news zero” Oct 2018 renewal features main anchor Yumiko Udo in a “news through conversations” style.

⇒ Household ratings +0.5% (Jan cour YoY)

④ **Multi-Platform Strategy** with linear at the core

Ensure that sponsors stick to us because no matter the platform, be it linear, Hulu, or whatnot, we are able to enter our viewers' lifestyles and form a partnership with them.

Key Points of Financial Results

Viewer Ratings and Programming

Overview of Financial Results FY2018

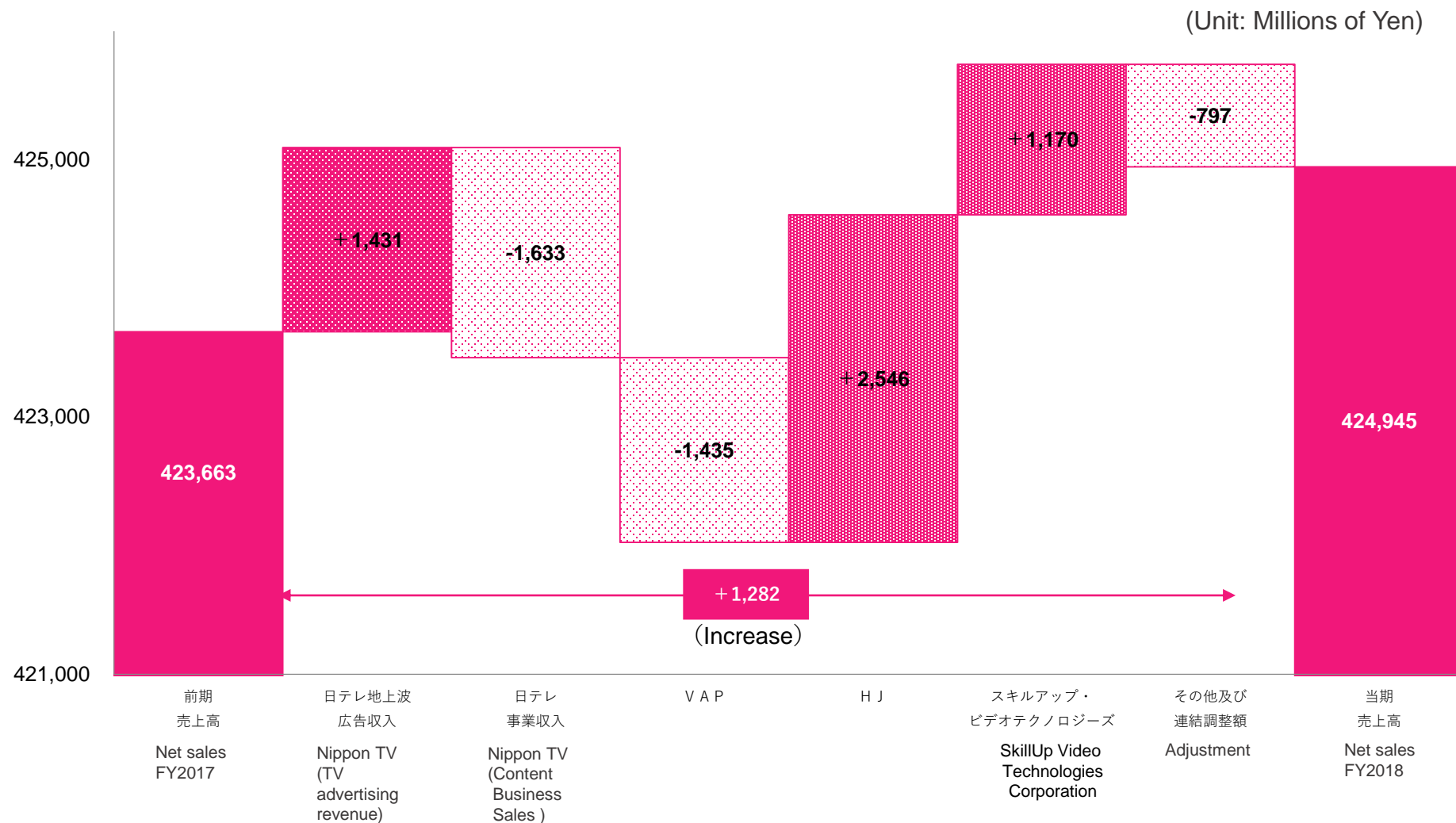
Forecast for FY2018

FY2018 Consolidated Financial Results

(Unit: Millions of Yen)

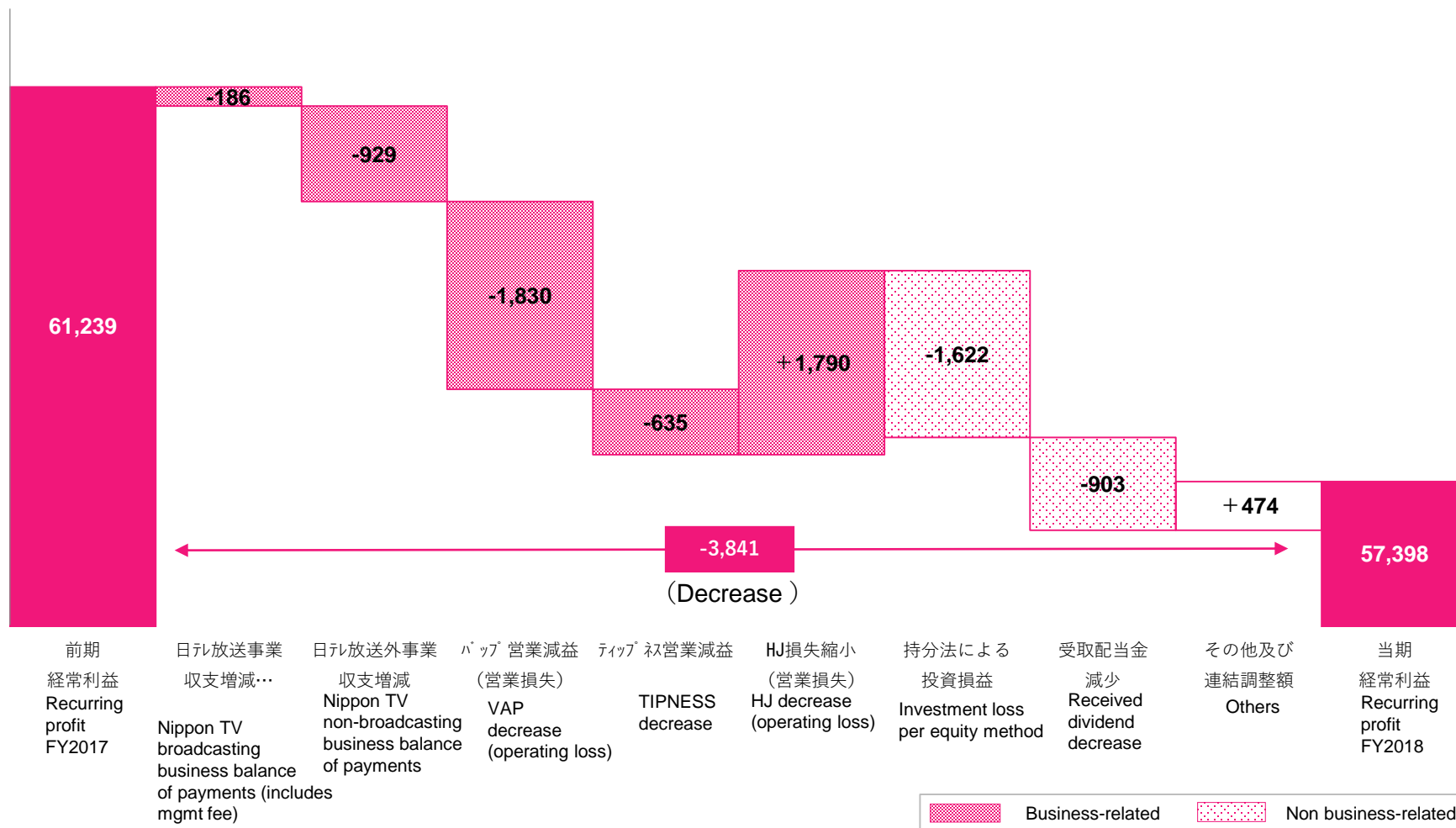
	FY2017	FY2018	change (%)
Net Sales	423,663	424,945	0.3
Operating Profit	50,964	49,749	(2.4)
Recurring Profit	61,239	57,398	(6.3)
Net Income attribute to owners of the parent	37,416	38,739	3.5

Net Sales Year-Over-Year Change Components



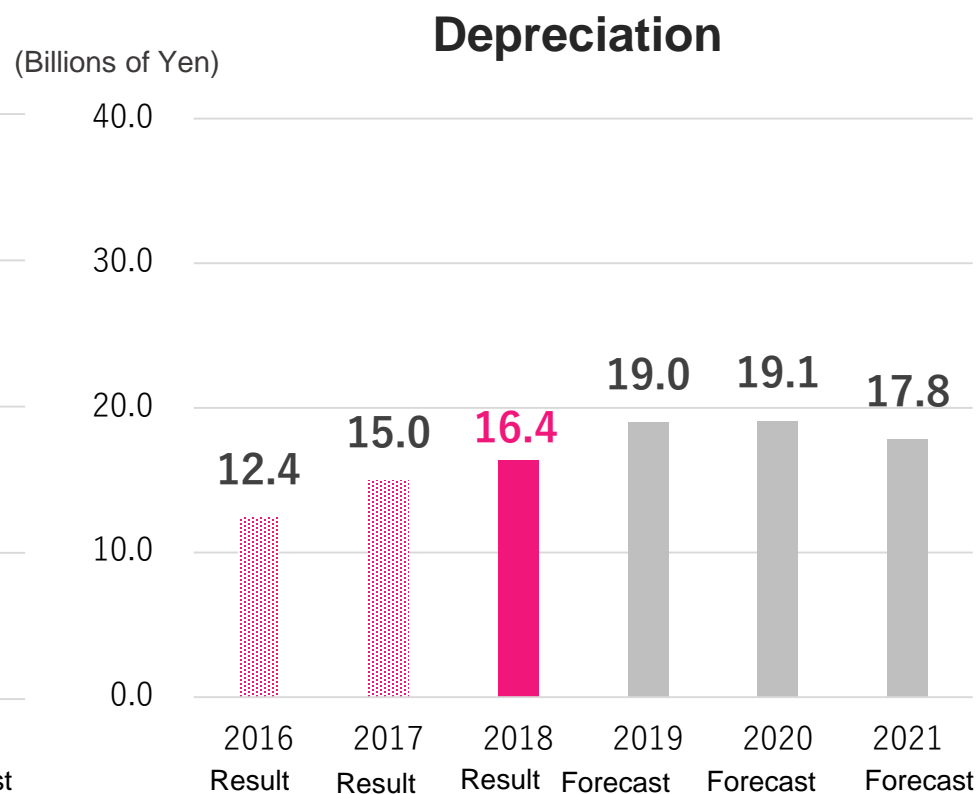
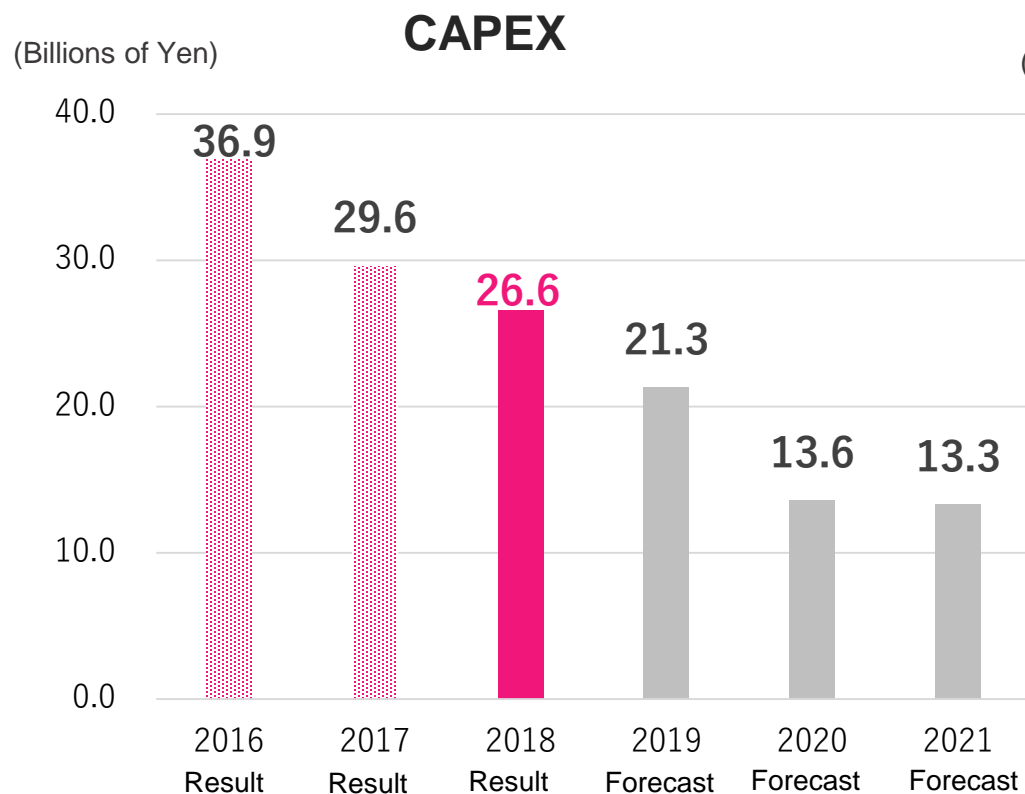
Recurring Profit YoY Change Components

(Unit: Millions of Yen)



CAPEX and Depreciation (consolidated)

FY2018 (Unit: Billions of Yen)	CAPEX	Depreciation
		26.6



Nippon TV Financial Results

(Unit: Millions of Yen)

	FY2017	FY2018	change (%)
Net Sales	311,211	311,051	(0.1)
Operating Profit	42,147	41,236	(2.2)
Recurring Profit	46,196	46,639	1.0
Net Income	26,960	32,679	21.2

TV Advertising Revenue (Nippon TV)

(Unit: Millions of Yen)

	FY2017	FY2018	change (%)
TV Advertising Revenue	254,838	256,270	0.6
Time	123,506	125,850	1.9
Spot	131,332	130,420	(0.7)

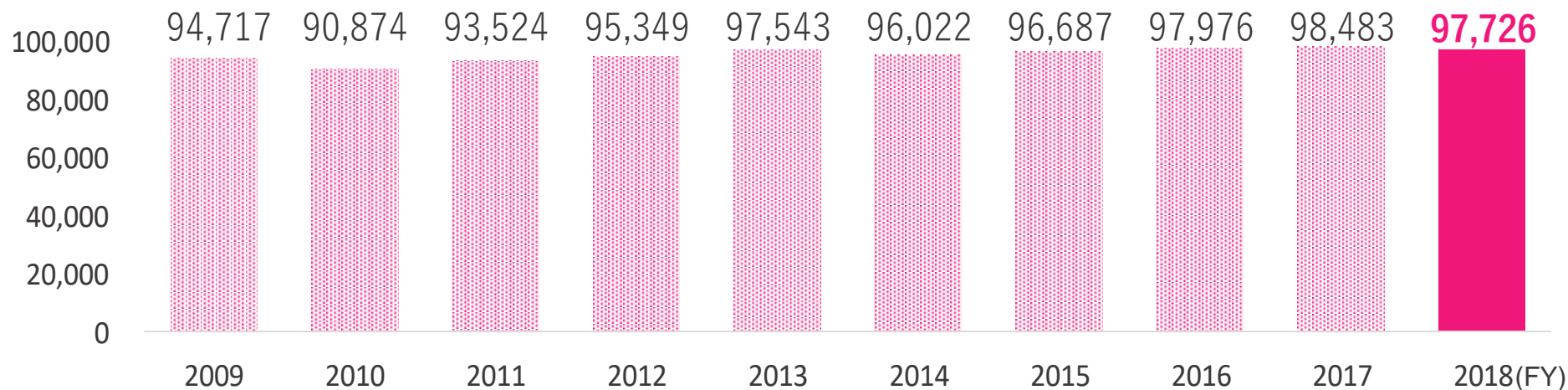
Production Costs (Nippon TV)

(Unit: Millions of Yen)

FY2017	FY2018	change (%)
98,483	97,726	(0.8)

Production Costs

(Unit: Millions of Yen)



Events/Content Business Sales and Costs

(Unit: Millions of Yen)

		FY2017	FY2018
BS, CS, CATV, Other	Sales	8,672	8,921
	Costs	4,316	4,779
	Balance	4,356	4,142
Rights	Sales	2,089	2,140
	Costs	671	1,246
	Balance	1,418	894
Media Commerce	Sales	8,123	8,523
	Costs	7,799	8,038
	Balance	324	485
Movies	Sales	9,479	4,588
	Costs	8,250	3,669
	Balance	1,229	919

		FY2017	FY2018
Events	Sales	6,062	7,285
	Costs	5,237	6,037
	Balance	825	1,248
International Business	Sales	2,072	2,214
	Costs	1,017	1,445
	Balance	1,055	769
Other	Sales	6,283	7,476
	Costs	6,006	6,833
	Balance	276	643
Total	Sales	42,779	41,146
	Costs	33,296	32,046
	Balance	9,483	9,100

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	15,015 (-3.6%)	4,932 (0.4%)	10,333 (-3.4%)	22,326 (-1.7%)	3,326 (1.1%)	7,757 (0.0%)
Operating Profit	2,314 (4.8%)	773 (0.8%)	244 (19.5%)	967 (-17.5%)	35 (-62.2%)	171 (-23.4%)
Recurring Profit	2,374 (4.8%)	787 (1.1%)	268 (18.5%)	981 (-17.5%)	38 (-60.6%)	178 (-22.8%)
Net Income	1,642 (5.2%)	543 (1.4%)	159 (10.3%)	653 (-16.4%)	24 (-59.5%)	113 (-17.0%)

(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	12,078 (0.7%)	12,469 (-10.3%)	37,784 (-0.3%)	3,193 (-9.4%)	4,539 (5.3%)	4,141 (11.6%)
Operating Profit	1,893 (12.2%)	-872 (-)	2,324 (-21.5%)	97 (-)	144 (3.1%)	176 (1218.1%)
Recurring Profit	1,951 (12.4%)	-688 (-)	2,062 (-23.0%)	108 (-)	24 (-85.3%)	300 (156.1%)
Net Income	1,290 (11.4%)	-748 (-)	1,297 (-3.2%)	74 (-)	-144 (-)	-1,249 (-)

※ % 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	3,421 (-)	2,013 (-28.1%)	3,118 (-10.9%)	1,995 (-29.7%)	20,563 (14.1%)	3,722 (1.9%)	1,170 (-)
Operating Profit	349 (-)	295 (-13.0%)	43 (-41.6%)	118 (81.0%)	-411 (-)	358 (61.7%)	90 (-)
Recurring Profit	349 (-)	284 (-6.7%)	46 (-39.5%)	118 (76.3%)	-372 (-)	393 (62.0%)	90 (-)
Net Income	232 (-)	280 (-)	31 (-37.3%)	84 (-)	-994 (-)	272 (72.0%)	55 (-)

※ % 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.

Key Points of Financial Results

Viewer Ratings and Programming

Overview of Financial Results FY2018

Forecast for FY2018

Consolidated Financial Forecast

(Unit: Millions of Yen)	FY2018 Result	FY2019 Forecast	change (%)
Net Sales	424,945	434,000	2.1
Operating Profit	49,749	47,000	(5.5)
Recurring Profit	57,398	53,000	(7.7)
Net Income attribute to owners of the parent	38,739	36,000	(7.1)

Dividend Forecast

(Unit: Yen)	2Q	Year-End	Annual
FY2018 Result	10	25	35
FY2019 Forecast	10	25	35

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

(Unit: %)	FY
TV advertising revenue	(0.4)
Time	(1.3)
Spot	0.4
Production costs	1.9

Reference Materials for Financial Results

Nippon TV Holdings Consolidated Results

- Segment Information

FY2018 (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	381,713	37,784	10,268	429,766	6,668	436,434	(11,489)	424,945
Segment Profit	46,073	779	3,042	49,894	547	50,442	(692)	49,749

Segmentation	Main businesses
Media Content business	Sales of TV advertising, pay TV business, Video On Demand, Video distribution solution business 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	FY2018	change (%)
TV advertising revenue	254,838	256,270	0.6
Program sales	11,565	11,534	(0.3)
Events/Content business sales	42,779	41,146	(3.8)
Real estate business	2,027	2,100	3.6
Total	311,211	311,051	(0.1)

Operating Expenses - Nippon TV -

(Unit : Millions of Yen)

	FY2017	FY2018	change (%)
TV advertising revenue	98,483	97,726	(0.8)
Program sales	22,368	21,785	(2.6)
Events/Content business sales	9,444	10,257	8.6
Real estate business	33,296	32,046	(3.8)
Total	105,471	107,999	2.4
TV advertising revenue	269,063	269,814	0.3

Time Sales and Spot Sales YoY Comparison

Time	FY2017 (%)	FY2018 (%)
April	6.5	3.2
May	(0.2)	1.0
June	4.2	16.0
July	(0.9)	5.3
August	(8.9)	1.4
September	7.1	0.6
October	0.6	(2.5)
November	(1.5)	(0.1)
December	(1.4)	3.1
January	3.6	(4.1)
February	4.7	(8.5)
March	3.2	9.9

Spot	FY2017 (%)	FY2018 (%)
April	1.7	0.4
May	0.0	(6.6)
June	(7.2)	0.1
July	(6.5)	0.0
August	10.4	0.3
September	0.2	(5.8)
October	(5.1)	0.5
November	(1.8)	0.4
December	0.1	(4.7)
January	2.2	5.8
February	(9.5)	6.3
March	(2.7)	(2.3)

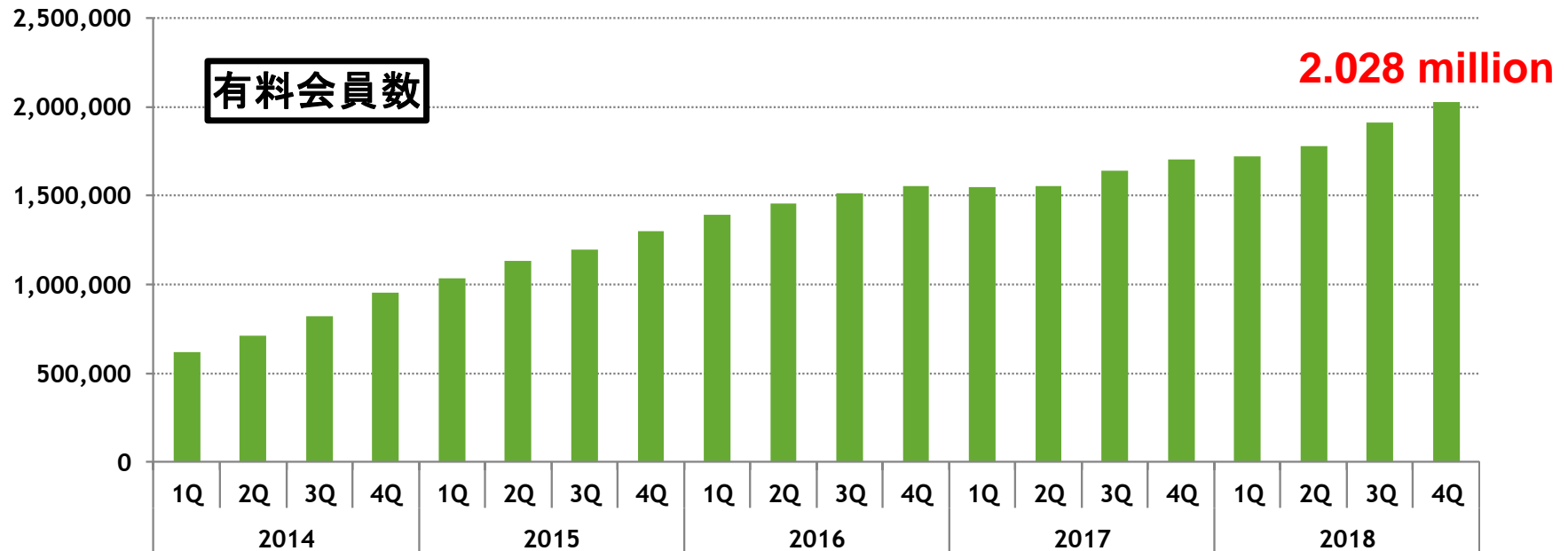
Spot Sales

Terrestrial Broadcasting (Nippon TV)

	FY2017	Share	% chg	FY2018	Share	% chg
1	Cosmetics/ Toiletries	13.4	(0.3)	Telecom/ game	13.0	(3.3)
2	Telecom/ game	13.3	(1.8)	Cosmetics/ Toiletries	12.1	(10.3)
3	Service	8.5	13.6	Service	11.0	27.9
4	Pharmaceutical	6.6	6.1	Finance	6.5	14.9
5	Transportation equipment	6.1	11.8	Transportation equipment	5.8	(5.8)
6	Finance	5.7	(0.7)	Pharmaceutical	5.7	(14.3)
7	Non-alcohol	5.3	(5.3)	Non-alcohol	4.9	(8.0)
8	Box-office/ Entertainment	5.0	(6.5)	Box-office/ Entertainment	4.8	(4.5)
9	Electronic equipment	3.9	(10.6)	Electronic equipment	3.9	(0.3)
10	Foods (dairy product)	3.3	(7.4)	Foods (processed food, health)	3.6	9.6

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

HJ Holdings



- 110,000 new subscribers in the quarter, reaching **over 2.028 million**
- 300,000 new subscribers during the year, greatly surpassing the FY2018 goal of 1.8 million
- Successful tie-ups with linear platform Sunday dramas such as “From Today, It’s My Turn!” and “Mr. Hiiragi’s Homeroom” led to new members
- Hit foreign dramas like “The Walking Dead” and “Wentworth” added members
- Captured viewers’ loyalty by offering diverse viewing methods across a wide array of devices

Movie Lineup for 2019

☆: Nippon TV is lead organizer

★ = Nippon TV is co-organizer

Date	Title	Distributor
April 12	Detective Conan: The Fist of Blue Sapphire	TOHO
April 19	★KINGDOM	TOHO

Movie Lineup for 2019

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★ = Nippon TV is co-organizer

Date	Title	Distributor
May 17	★IWANE: Sword of Serenity	SHOCHIKU
May 31	★Parallel World Love Story	SHOCHIKU
June 07	☆Almost a Miracle	WB

Movie Lineup for 2019

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★ = Nippon TV is co-organizer

Date	Title	Distributor
June 15	Handling Method for Grumpy Woman	KATSUDO
June 21	★The Fable	SHOCHIKU

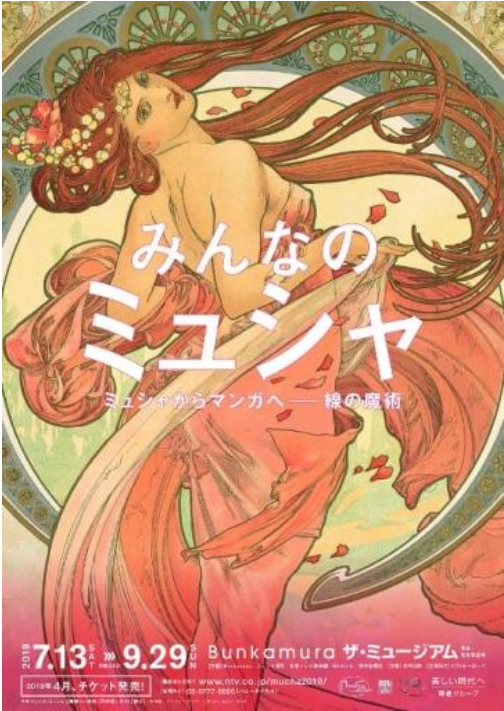
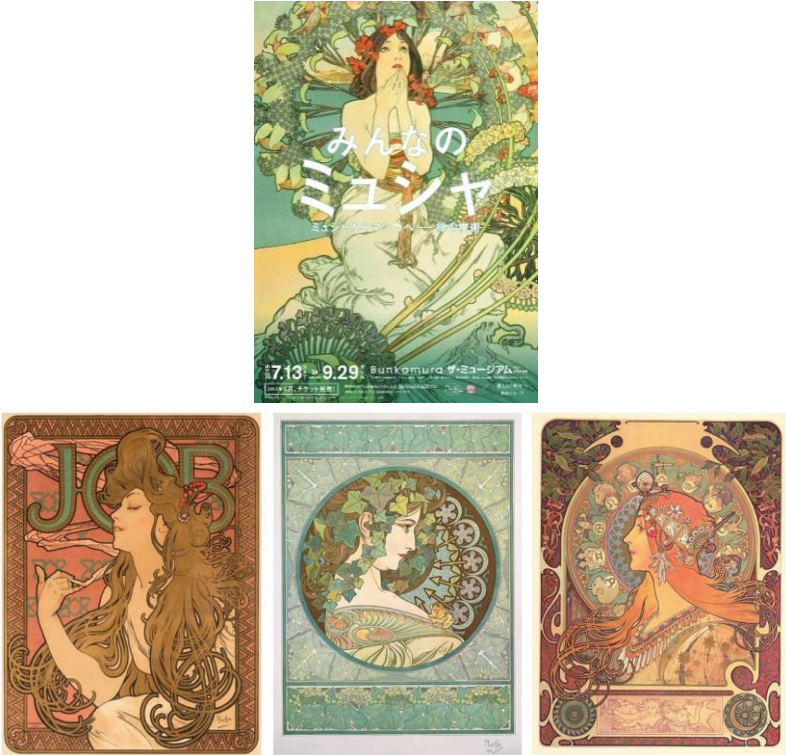
Movie Lineup for 2019

☆: Nippon TV is lead organizer

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Date	Title	Distributor
July 05	☆Diner	WB
July 28	THE GREAT WAR OF ARCHIMEDES	TOHO
August 02	★DRAGON QUEST YOUR STORY	TOHO
	★Lupin the 3 rd	

Event Lineup for 2019


Date	Event
<p>[Tokyo] July 13 -September 29</p> 	<p>Timeless MUCHA: <i>Mucha to Manga</i> – <i>Magic of Line</i></p> 

(作品左から)
 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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Event Lineup for 2019

Date	Event
July 01	<p>The Premium Concert of The Yomiuri Nippon Symphony Orchestra, in collaboration with "Timeless MUCHA: Mucha to Manga – Magic of Line"</p> 
July 08,09	<p>ROCK AX Vol.3 SUMMER SPECIAL</p> 



Event Lineup for 2019

Date	Event
<p>[Makuhari] July 12 -16</p> <p>[Yokohama] August 15-19</p>	<p>Disney on Ice</p> <p>LIVE YOUR DREAMS</p>  <p>The promotional poster for Disney on Ice Live Your Dreams features four ice skaters in elaborate costumes. At the top left is Moana in her traditional red and white outfit. At the top right is Rapunzel in a purple and yellow dress. At the bottom left is Cinderella in a blue and white dress. At the bottom right is Elsa in a blue and white ice skating dress. The background is a vibrant, colorful scene with a castle and a night sky. The text 'Produced by Feld Entertainment' is at the top, and 'Disney ON ICE LIVE YOUR DREAMS' is in the center. There is also Japanese text 'ディズニー ミュージカル' on the left side of the poster.</p>

Event Lineup for 2019

Date	Event
<p>[Saitama] August 03,04</p> <p>[Osaka] August 11,12</p>	<p>THE MOST USEFUL SCHOOL IN THE WORLD THE LIVE 2019</p>  <p>世界一受けたい授業 THE MOST USEFUL SCHOOL IN THE WORLD THE LIVE 2019 恐竜に会える夏!</p>
<p>July 26 - 28th</p>	<p>Hyoen2019 -Like a Moonlight- inspired by The Tale of Genji</p>  <p>フマーザンホ Presents HYOEN 2019 氷艶 -月光かりの如く-</p>

Event Lineup for 2019

Date	Event
<p>[Osaka] July 20 - September 17</p> <p>[Niigata] July 20 - September 8</p> <p>[Nagasaki] July 24 - September 1</p> <p>[Tokyo] August 15 - September 10</p>	<p>PHOTO EXHIBITION “WE LOVE SWEET CATS”</p> 
<p>July 27</p>	<p>EUROJAPAN CUP2019 YOKOHAMA F.MARINOS VS MANCHESTER CITY</p> 

Event Lineup for 2019

Date	Event
<p>July 18</p> <p>July 19</p>	<p>JOE HISAISHI FUTURE ORCHESTRA CLASSICS Vol.1</p> 
<p>[Shizuoka] August 01</p> <p>[Aichi] August 02</p> <p>[Hiroshima] August 05</p> <p>[Nagasaki] August 06</p> <p>[Tokyo] August 08</p> <p>[Tokyo] August 09</p> <p>[Kyoto] August 11</p> <p>[Hyogo] August 12</p>	<p>JOE HISAISHI & WORLD DREAM ORCHESTRA 2019</p> 
<p>October 25</p>	<p>JOE HISAISHI presents MUSIC FUTURE Vol.6</p> 

Event Lineup for 2019

Date	Event
[Shizuoka] June 19,20	<p>THE STAGE “MANGA mitaini ikanai 2”</p>  <p>舞台第2巻「追加公演」決定! 静岡プレミアムVer. 漫舞台 いたかないに 第2巻</p>
August 24,25	<p>@JAM EXPO 2019</p>  <p>@JAM EXPO 2019</p>

Event Lineup for 2019

Date	Event
<p>[Takamatsu] May 22 - June 02</p>	<p>ZOOM IN!! SATURDAY JAPAN FOOD FAIR</p>  <p>The poster features a group of seven people (three men and four women) smiling and posing. At the top left, there is a small green character and the text '毎週土曜日にズームイン!!'. At the bottom, there is a green arrow pointing right with the text 'ズームイン!!' and a pink arrow pointing left with the text 'サケデー'. Below these arrows, it says 'ZOOM IN!! SATURDAY' and '毎週土曜 5:30~8:00 放送!'.</p>