

# **Financial Results**

## **FY2019 1<sup>st</sup> Quarter**

**Nippon Television Holdings, Inc.**  
**July 26, 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.**

# **Viewer Ratings and Programming**

Overview of Financial Results 2019 1Q

Highlights of Group Companies

Consolidated Forecast for FY2019

# Viewer Ratings

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Point

1

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

Triple crown winner for 2 consecutive cours starting Jan 2019

First place in Golden & Prime categories for 22 consecutive cours starting Jan 2014

Point

2

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

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 2019 Triple Crown title victory!**

(As of July 22)

# Viewer Ratings (April Cour)

April 01, 2019 – June 30, 2019

(Unit:%)	NTV	EX	TBS	TX	CX	HUT
<b>All day</b>	① 7.5	① 7.5	5.9	2.5	5.6	<b>39.2</b>
6:00 to 24:00	-0.1	±0.0	-0.3	-0.3	±0.0	-0.8
<b>Prime Time</b>	① 10.8	10.6	9.4	5.5	7.7	<b>56.3</b>
19:00 to 23:00	-0.5	+0.4	-0.2	-0.6	±0.0	-1.1
<b>Golden Time</b>	① 11.1	10.5	9.4	6.0	8.0	<b>58.8</b>
19:00 to 22:00	-0.6	+0.5	-0.4	-0.5	+0.2	-1.1
Non-Prime Time	② 6.5	① 6.6	4.9	1.7	4.9	<b>34.4</b>
All Day-Prime Time	-0.1	-0.1	-0.3	-0.1	-0.1	-0.7
<b>Platinum Time</b>	① 6.0	5.3	4.2	2.6	3.5	<b>26.7</b>
23:00 to 25:00	-0.5	-0.1	-0.4	±0.0	-0.6	-2.1

1. In order of digital channel, from left
2. Source for household viewership (Kanto region): Video Research
3. Period of comparison: April 02, 2018 – July 01, 2018

# Viewer Ratings (July Cour first 3 weeks)

July 01, 2019 – July 21, 2019

	NTV	EX	TBS	TX	CX	HUT
<b>All Day</b>	① 7.7	7.4	6.0	2.5	5.6	<b>40.0</b>
6:00 to 24:00	▲0.2	▲0.3	▲0.4	▲0.3	±0.0	▲1.6
<b>Prime Time</b>	① 11.2	10.5	9.3	5.1	7.7	<b>56.5</b>
19:00 to 23:00	▲0.4	+0.2	▲0.8	▲0.9	+0.1	▲1.4
<b>Golden Time</b>	① 11.4	10.5	9.2	5.5	7.9	<b>58.9</b>
19:00 to 22:00	▲0.6	+0.4	▲1.0	▲0.9	+0.2	▲1.5
<b>Non-Prime Time</b>	① 6.7	6.5	5.0	1.7	4.9	<b>35.3</b>
All Day- Prime Time	▲0.2	▲0.4	▲0.4	▲0.1	▲0.2	▲1.7
<b>Platinum Time</b>	① 6.4	5.1	4.3	2.3	3.6	<b>27.4</b>
23:00-25:00	±0.0	▲0.4	▲0.4	▲0.1	±0.0	▲1.2

1. In order of digital channel, from left
2. Source for household viewership (Kanto region): Video Research
3. Period of comparison: July 02, 2018 – September 30, 2018

# Programming Policy

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- 1 **Win Triple Crown** by focusing on individual viewer ratings
- 2 Relentless strategy that targets **core viewers**
- 3 **“Entice next generation of viewers”** by focusing on teens – mid 30s
- 4 **Fully leverage regular programs; value maximization of timetable**
- 5 **Promote multi-platform strategy**

# FY2019 Programming Strategy

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## 1. 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.

## 2. Innovations that make people reach out for the remote control to watch us



# October Programming Strategy and Topics

## ● Taking “ZIP!” to greater heights

- ◎ April improvements drastically increased under-34 female viewership!
- ◎ October improvements—3 themes to reach the next level:
  - ① Be more relatable to viewers—a show that’s close to their hearts
  - ② Feel the “pulse” of every corner of Japan—deliver the latest trends and current events
  - ③ The go-to show for Tokyo 2020!



## ● Making “news zero” even stronger

- ◎ YoY increase in individual, core, and household viewership, especially teens and females under 49
- ◎ Win the support of the youth, the future of the new Reiwa Era, through news that is full of substance
- ◎ Continued pursuit of news delivery that is easy to understand, while giving in-depth coverage of diverse topics the youth can’t do without



## ● “Friday Road SHOW!” overhaul

- ◎ Bolster lineup with a string of content that are available first on our linear channel, such as
  - ① tie-ups with latest installments of mega hit series
  - ② Disney hit anime first on our linear channel
- ◎ Focus on “adding value” with shows exclusive to “Road SHOW!” and promote real-time viewership
  - ① Special TV versions with unreleased scenes
  - ② Glittering cast lineup for a breath of fresh Reiwa air

## ● Timetable improvements for Golden & Prime that lead to “family viewing”

Viewer Ratings and Programming

**Overview of Financial Results 2019 1Q**

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# FY2019 1Q Consolidated Financial Results

Despite revenue growth from increase in Hulu subscribers and addition of new subsidiary SkillUp Video, net sales decreased YoY due to lower broadcasting business turnover (tough comparison vs FIFA World Cup in FY18 1Q; slower spot ad sales). Expenses increased, driven by higher depreciation related to the opening of the new Bancho studio, resulting in operating profit, recurring profit, and net income decreases.

(Unit: Million Yen)	FY2018 1Q	FY2019 1Q	change (%)
Net Sales	103,068	101,909	(1.1)
Operating Profit	12,577	9,919	(21.1)
Recurring Profit	15,147	12,550	(17.1)
Net Income attribute to owners of the parent	10,018	8,439	(15.8)

# Nippon TV Holdings Consolidated Results

## - Segment Information

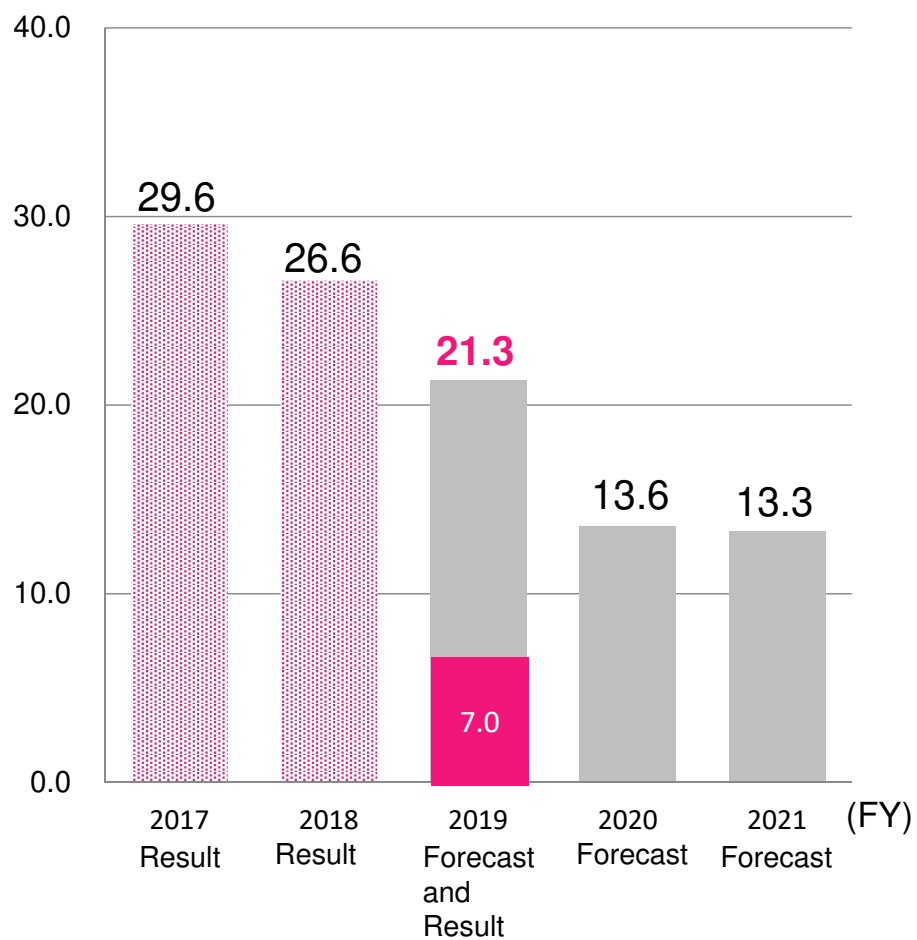
FY2019 1Q (Unit: Million Yen)	Segmentation				Other	Total	Adjustment	Consolidated Year to Date Total
	Media · Content Business	Life and Health- Related Business	Real Estate Business	Total				
<b>Net Sales</b>	<b>91,081</b>	<b>9,240</b>	<b>2,480</b>	<b>102,801</b>	<b>1,994</b>	<b>104,796</b>	<b>(2,887)</b>	<b>101,909</b>
<b>Segment Profit</b>	<b>8,929</b>	<b>147</b>	<b>939</b>	<b>10,015</b>	<b>139</b>	<b>10,155</b>	<b>(235)</b>	<b>9,919</b>

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

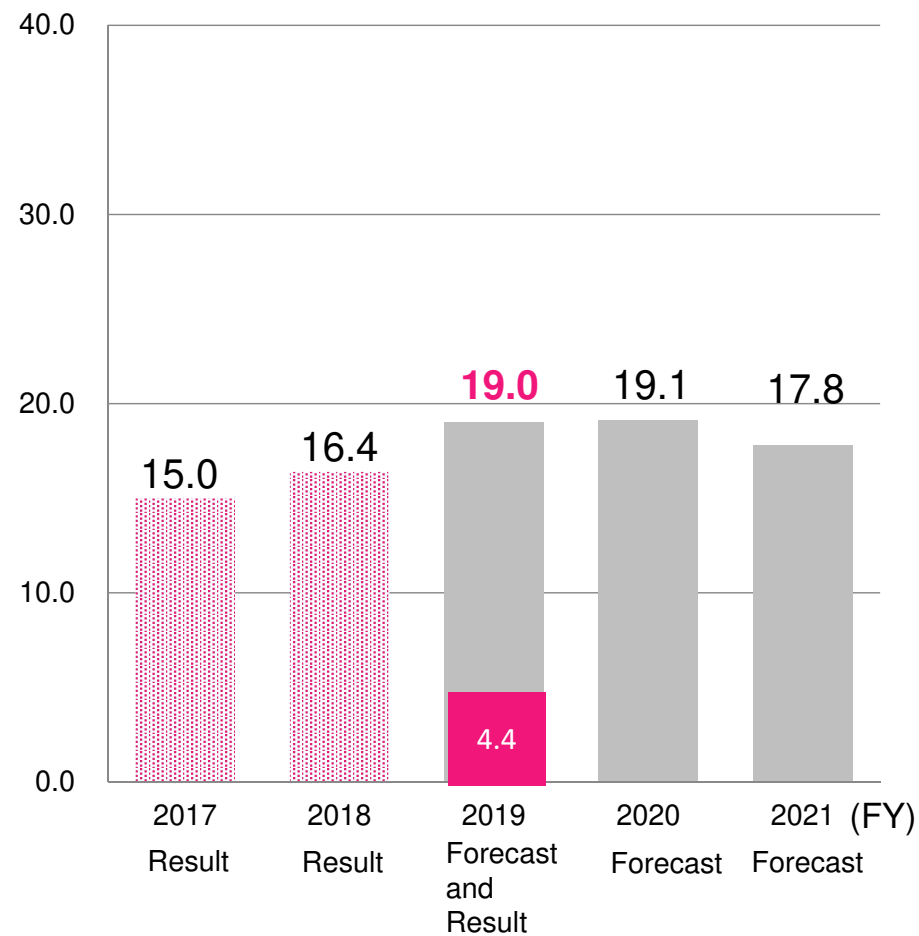
# CAPEX and Depreciation (consolidated)

FY2019 1Q (Unit: Billion Yen)	CAPEX	Depreciation
	7.0	4.4

**CAPEX**



**Depreciation**



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# Nippon TV Financial Results

Revenue from business operations increased but were negatively offset by a decline in spot ad sales and a drop in time ad sales due to the tough comparison to the 2018 FIFA World Cup, resulting in a YoY net sales decrease. Production expenses decreased but were offset by higher depreciation, leading to a YoY decline in operating profit. Recurring profit and net income declined due to non-business losses, specifically lower dividends from subsidiaries.

(Unit: Millions of Yen)	FY2018 1Q	FY2019 1Q	change (%)
Net Sales	77,058	73,825	(4.2)
Operating Profit	10,488	8,620	(17.8)
Recurring Profit	14,519	10,628	(26.8)
Net Income	10,339	7,273	(29.7)

# TV Advertising Revenue (Nippon TV)

(Unit: Millions of Yen)	FY2018 1Q	FY2019 1Q	change (%)
TV Advertising Revenue	64,111	60,379	(5.8)
Time	31,101	29,394	(5.5)
Spot	33,009	30,985	(6.1)

## Time Sales and Spot Sales YoY Comparison

Time	FY2018 (%)	FY2019 (%)	Spot	FY2018 (%)	FY2019 (%)
April	3.2	(3.2)	April	0.4	(1.9)
May	1.0	(2.1)	May	(6.6)	(11.2)
June	16.0	(10.9)	June	0.1	(5.9)



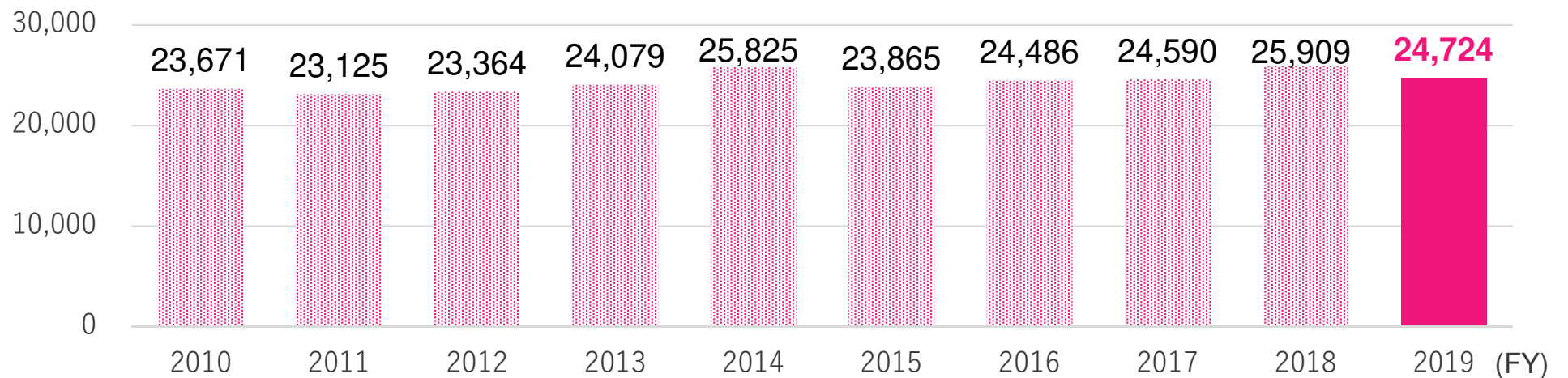
# Production Costs (Nippon TV)

(Unit: Millions of Yen)

FY2018 1Q	FY2019 1Q	change (%)
25,909	24,724	(4.6)

## Production Costs

(Unit: Millions of Yen)



# Events/Content Business Sales and Costs

(Unit: Millions of Yen)		FY2018 1Q	FY2019 1Q	(Unit: Millions of Yen)		FY2018 1Q	FY2019 1Q
BS, CS, CATV, Other	Sales	2,603	<b>2,609</b>	Events	Sales	990	<b>674</b>
	Costs	1,369	<b>1,371</b>		Costs	876	<b>580</b>
	Balance	1,234	<b>1,238</b>		Balance	114	<b>93</b>
Rights	Sales	492	<b>523</b>	International Business	Sales	531	<b>334</b>
	Costs	293	<b>133</b>		Costs	230	<b>184</b>
	Balance	199	<b>390</b>		Balance	301	<b>150</b>
Media Commerce	Sales	2,137	<b>1,675</b>	Other	Sales	1,517	<b>2,916</b>
	Costs	2,020	<b>1,552</b>		Costs	1,339	<b>2,118</b>
	Balance	117	<b>123</b>		Balance	178	<b>797</b>
Movies	Sales	1,332	<b>1,357</b>	Total	Sales	9,603	<b>10,087</b>
	Costs	971	<b>1,356</b>		Costs	7,097	<b>7,294</b>
	Balance	361	<b>1</b>		Balance	2,506	<b>2,793</b>

# 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	3,691 (-0.4%)	1,183 (-4.8%)	2,664 (4.6%)	5,006 (-3.9%)	826 (12.1%)	1,910 (0.3%)
Operating Profit	162 (-57.8%)	217 (1.9%)	-13 (-)	5 (-94.9%)	-11 (-)	29 (-44.7%)
Recurring Profit	166 (-57.7%)	218 (1.0%)	-6 (-)	9 (-91.0%)	-10 (-)	31 (-43.0%)
Net Income	112 (-58.3%)	151 (1.0%)	-6 (-)	6 (-91.0%)	-7 (-)	21 (-43.3%)
(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	2,901 (8.7%)	3,013 (22.1%)	9,240 (-2.1%)	876 (13.9%)	1,052 (1.8%)	748 (-20.1%)
Operating Profit	372 (5.4%)	65 (-23.6%)	534 (-5.6%)	22 (-24.0%)	45 (9.0%)	-28 (-)
Recurring Profit	414 (2.9%)	84 (-25.6%)	470 (-5.6%)	29 (-17.7%)	40 (-2.9%)	9 (-80.2%)
Net Income	294 (1.3%)	59 (-21.6%)	308 (-23.6%)	15 (-34.4%)	-46 (-)	7 (-76.0%)

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

# 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	1,144 (-)	503 (-27.1%)	589 (-33.5%)	499 (0.9%)	5,745 (19.6%)	818 (-2.5%)	379 (-)
Operating Profit	146 (-)	21 (-84.0%)	-27 (-)	-24 (-)	84 (28.3%)	-41 (-)	1 (-)
Recurring Profit	147 (-)	18 (-86.1%)	-26 (-)	-18 (-)	69 (-12.4%)	-34 (-)	1 (-)
Net Income	95 (-)	17 (-85.7%)	-26 (-)	-12 (-)	82 (52.0%)	-34 (-)	-76 (-)

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

(※) 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.

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

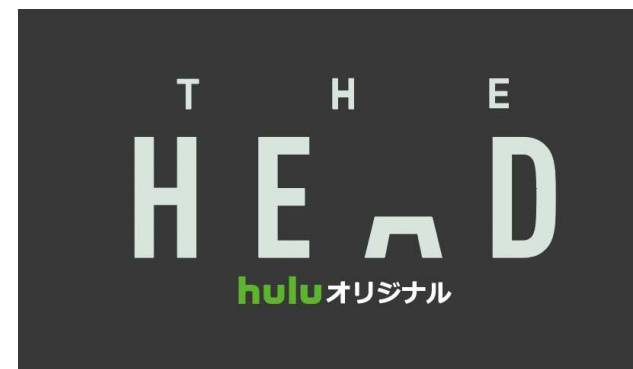
# HJ Holdings

April and July cour Sunday drama “Your Turn To Kill” features a Hulu original story almost every weekend. Viewers were delighted by the second half of season 1 and throughout season 2, leading to strong viewership on Hulu.



Hulu originals in the pipeline:

- “The Head” is an international drama co-produced by Japan and Europe (spring 2020)
- Drama series “Criminologist Himura and Mystery Writer Arisugawa” returns after 3 years (fall 2019)



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**Consolidated Forecast for FY2019**

# Consolidated Financial Forecast

(Unit: Millions of Yen)	FY2018 Result	FY2019 Previous Forecast (A)	FY2019 Revised Forecast (B)	change (B-A)
Net Sales	424,945	434,000	<b>429,000</b>	<b>(5,000)</b>
Operating Profit	49,749	47,000	<b>43,000</b>	<b>(4,000)</b>
Recurring Profit	57,398	53,000	<b>49,000</b>	<b>(4,000)</b>
Net Income attribute to owners of the parent	38,739	36,000	<b>33,000</b>	<b>(3,000)</b>

## Dividend Forecast

\* Unchanged from previous 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	Previous Forecast
TV advertising revenue	(2.2)	(0.4)
Time	(1.3)	(1.3)
Spot	(3.2)	0.4

# Reference Materials for Financial Results



# Net Sales - Nippon TV -

(Unit: Million Yen)	FY2018 1Q	FY2019 1Q	change (%)
TV advertising revenue	64,111	60,379	(5.8)
Program sales	2,812	2,850	1.3
Events/Content business sales	9,603	10,087	5.0
Real estate business	530	507	(4.5)
Total	77,058	73,825	(4.2)

# Operating Expenses - Nippon TV -

(Unit: Million Yen)	FY2018 1Q	FY2019 1Q	change (%)
Production costs	25,909	24,724	(4.6)
Personnel	5,599	5,679	1.4
Depreciation and amortization	2,163	2,885	33.4
Events/Content business costs	7,097	7,294	2.8
Other	25,800	24,620	(4.6)
Total	66,569	65,204	(2.0)

# Spot Sales

## Terrestrial Broadcasting (Nippon TV)

	FY2018 1Q	Share	% chg	FY2019 1Q	Share	% chg
1	Cosmetics/ Toiletries	16.4	4.0	Cosmetics/ Toiletries	14.9	(14.8)
2	Service	9.9	19.3	Telecom/ Game	10.7	8.0
3	Telecom/ Game	9.3	(13.2)	Service	10.6	1.0
4	Non-alcohol	7.5	(1.2)	Non-alcohol	6.8	(14.9)
5	Finance	5.9	(3.5)	Finance	5.9	(7.4)
6	Pharmaceutical	5.3	(14.9)	Box-office/ Entertainment	5.0	(2.5)
7	Box-office/ Entertainment	4.8	(4.5)	Electronic equipment	4.9	22.1
8	Foods (dairy product)	4.6	(3.4)	Pharmaceutical	4.7	(16.4)
9	Foods (processed foods, health foods)	4.3	5.6	Transportation equipment	4.6	11.2
10	Transportation equipment	3.9	(13.0)	Foods (processed foods, health foods)	4.6	1.1

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

# Movie Lineup for 2019

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☆: Nippon TV is lead organizer

★ = Nippon TV is co-organizer

Date	Title	Distributor
July 05	☆ <b>Diner</b>	WB
July28	<b>THE GREAT WAR OF ARCHIMEDES</b>	TOHO
August 02	★ <b>DRAGON QUEST YOUR STORY</b>	TOHO

# Movie Lineup for 2019

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

Date	Title	Distributor
October 04	<b>HIGH &amp; LOW THE WORST</b>	SHOCHIKU
October 25	<b>Kiminidakeni Motetainda(working title)</b>	TOHO

# Movie Lineup for 2019

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

Date	Title	Distributor
November 01	★ THE BLACK SCHOOL RULES (working title)	SHOCHIKU
December 06	★ Lupin the Third(working title)	TOHO

# Movie Lineup for 2019

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

Date	Title	Distributor
2019 Winter	My Hero Academia THE MOVIE HEROES:RISING	TOHO
January 10 2020	☆ KAIJI FINAL GAME(working title)	TOHO
January 31 2020	☆ The AI Crisis (working title)	WB

# Event Lineup for 2019

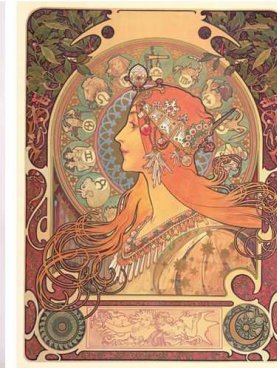
Date

[Tokyo]  
July 13 - September 29



Event

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



(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



アルフォンス・ミュシャ《黄道十二宮》1896年 カラーリトグラフ ミュシャ財団蔵 ©Mucha Trust 2018





# Event Lineup for 2019

Date	Event
July 26-28	<p data-bbox="750 311 1187 391"><b>Hyoen2019</b></p> <p data-bbox="750 406 1892 454">-Like a Moonlight- inspired by The Tale of Genji</p> 
August 15-19	<p data-bbox="750 917 1836 997"><b>Disney on Ice</b> LIVE YOUR DREAMS</p> 




# Event Lineup for 2019

Date	Event
July 31- August 11	<h2 data-bbox="869 316 1928 384">Zambi The Room -Final Choice-</h2>  <p data-bbox="1021 429 1809 842">A promotional poster for the event 'Zambi The Room -Final Choice-'. It features a young woman with long black hair and bangs, wearing a white shirt with a dark tie, looking directly at the camera. The background is dark with some light effects. Text on the poster includes 'ZAMBI THE ROOM 最後の選択' and the dates '7.31(水) ~ 8.11(日)' at the location '東京・渋谷ヒカリエ'.</p>
<p data-bbox="271 911 562 970">[Osaka] July 20 - September 17</p> <p data-bbox="271 1007 539 1066">[Sendai] July 20-September 01</p> <p data-bbox="271 1102 551 1161">[Niigata] July 20 - September 8</p> <p data-bbox="271 1198 551 1257">[Nagasaki] July 24 - September 1</p> <p data-bbox="271 1294 613 1353">[Tokyo] August 15 - September 10</p> <p data-bbox="271 1390 763 1417">[Yokohama] September 14-October 14</p> <p data-bbox="271 1437 741 1465">[Shizuoka] October 19- November 10</p>	<h2 data-bbox="813 906 1989 959">PHOTO EXHIBITION “WE LOVE SWEET CATS”</h2>  <p data-bbox="969 995 1861 1465">A poster for a photo exhibition titled 'WE LOVE SWEET CATS'. It features a close-up of two kittens resting their heads together. The text 'ねこが かわいいだけ 展' is written in a stylized, pinkish-red font. There are also some smaller vertical text elements on the right side.</p>

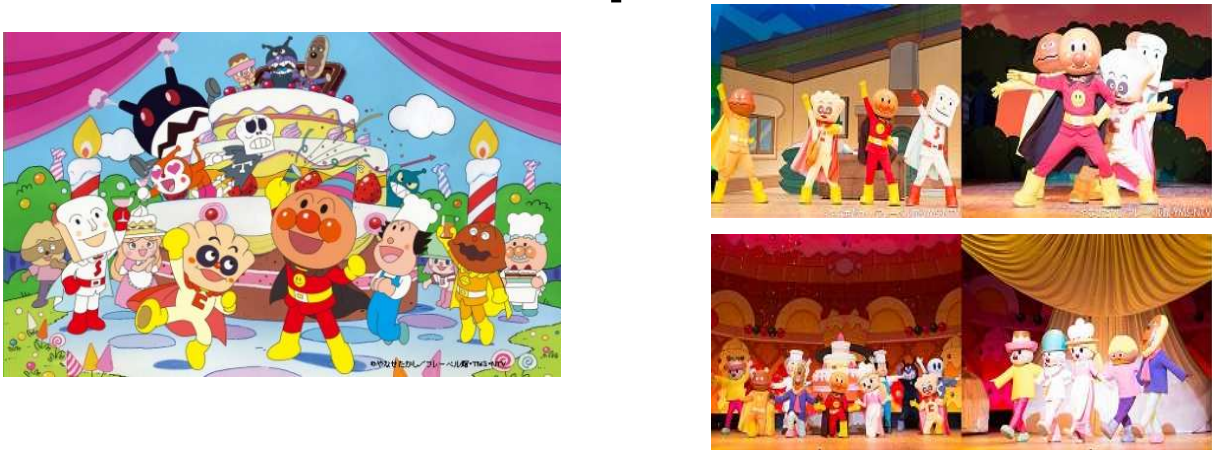

# Event Lineup for 2019

Date	Event
<p><b>【Saitama】</b> <b>August 03,04</b></p> <p><b>【Osaka】</b> <b>August 11,12</b></p>	<p><b>THE MOST USEFUL SCHOOL IN THE WORLD THE LIVE 2019</b></p> 
<p><b>August 24,25</b></p>	<p><b>@JAM EXPO 2019</b></p> 

# Event Lineup for 2019

Date	Event
September 17,18	<p>HiGH&amp;LOW THE WORST VS THE RAMPAGE FROM EXILE TRIBE MOVIE PREVIEW SCREENING &amp; PREMIUM LIVE SHOW</p> 
[Tateyama] October 14 [Tokyo] October 17-21 [Osaka] November 2,3 [Fukuoka] November 12 [Aichi] November 23,24 [Tokyo] November 30- December 08	<p>satomi hakkenden</p>  

# Event Lineup for 2019

Date	Event
<p>[Ibaraki] October 13</p> <p>[Fuchu] October 27</p> <p>[Chiba] November 10</p> <p>[Takasaki] November 16</p>	<h2 data-bbox="902 284 1966 363">Soreike Anpanman Musical</h2>  <p>The image contains four promotional photos for the Soreike Anpanman Musical. The top-left photo shows Anpanman and other characters on a stage with a large cake. The top-right photo shows Anpanman and friends in a scene from the musical. The bottom-left photo shows a group of characters on stage. The bottom-right photo shows Anpanman and friends in a scene from the musical.</p>
<p><b>October 25,26</b></p>	<p>~The Official Project: 40th anniversary of the movie “Lupin The Third The Castle of Caglios” and 55th anniversary of Yuji Ono for his music career~</p> <h2 data-bbox="725 975 2011 1150">“Lupin The Third The Castle of Caglios” in Concert And ”Lupin The Third” hit songs in Live Concert</h2>  <p>The poster for the Lupin The Third concert features the title 'カリオストロの城' (The Castle of Cagliostro) in large red characters. It includes the text 'あの名作が巨大スクリーンで《全編》上映 &amp; 《大野雄二》率いる本家本元《You &amp; Explosion Band》の生演奏で蘇る!' and '2019年10月25日[金] &amp; 26日[土] パシフィコ横浜 国立大ホール'. The background shows a castle and characters from the movie.</p>

# Event Lineup for 2019

Date

Event

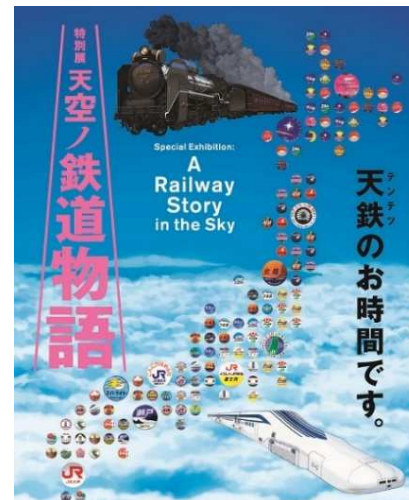
October 28

Masashi SADA & Yomiuri Nippon Symphony Orchestra Special Collaboration: "SADA × YOMI Concert"



December 03 2019-  
March 22 2020

Special Exhibition: A Railway Story in the Sky



# Event Lineup for 2019

Date	Event
January 2020	<h2 style="text-align: center;">DEATH NOTE THE MUSICAL</h2> <div style="display: flex; justify-content: space-around; align-items: center;">   </div>
April 16 – July 05 2020	<h2 style="text-align: center;">The Art of Power from the Museum of Fine Arts, Boston (tentative)</h2> <div style="display: flex; justify-content: center; align-items: center;">   </div>