

Financial Results

FY2019 2nd Quarter

November 12, 2019
Nippon Television Holdings, Inc.

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Key Points of Financial Results and Initiatives in the Medium-Term Management Plan

Viewer Ratings and Programming

Overview of Financial Results FY2019 2Q

Forecast for FY2019

Key Points of Financial Results

Point

1

Increase in sales but decrease in profit

Net sales increased due to higher revenues from non-broadcasting businesses such as events, content sales, and membership fees at HJ Holdings, despite a decline in the TV advertising revenue of Nippon Television Network.

Meanwhile, operating profit, recurring profit and net income declined due to a decrease in the broadcasting business balance caused by a decrease in TV advertising revenue, an increase in expenses related to BS4K, and a write-down of VAP Inc.

Point

2

Financial forecast for the year

The full-year forecast for net sales and operating profit has been revised downward by ¥4 billion each.

Recurring profit has been revised downward by ¥4.5 billion and net income by ¥5 billion.

Our dividend forecast remains unchanged at ¥35 per share (interim ¥10, year-end ¥25).

New Medium-Term Management Plan for 2019–2021: Nippon TV eVOLUTION

Theme of Nippon TV eVOLUTION, our new medium-term management plan:

“More than just TV”

We intend to move outside the boundaries of television. As an **integrated content company***, our goal is to become the most indispensable part of your content-viewing life.

Through our current medium-term management plan “Nippon TV eVOLUTION,” we aim to take the Nippon TV Group to new heights, leveraging our **paramount strength in content production** as an **engine of growth**.

* “Integrated content company” refers to our goal of being a company that provides a broad range of content and services—from events to health and lifestyle and education—that enriches consumers’ lives.

Key Points of Financial Results and Initiatives in
the Medium-Term Management Plan

Viewer Ratings and Programming

Overview of Financial Results FY2019 2Q

Forecast for FY2019

Viewer Ratings

Point

1

Nippon TV wins July cour Triple Crown title!

Triple crown winner for 3 consecutive cours starting Jan 2019

First place in Golden & Prime categories for 23 consecutive cours starting Jan 2014

Point

2

Consistent chart-topper in all time slots and regions!

Top viewer ratings for Platinum and Non-Prime categories

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 October 22, 2019)

Viewer Ratings (1H)

April 01, 2019-September 29, 2019

(Unit: %)	NTV	EX	TBS	TX	CX	HUT
All Day	① 7.7	7.4	5.9	2.5	5.6	39.7
6:00 to 24:00	▲0.1	▲0.2	▲0.4	▲0.3	±0.0	▲1.1
Prime Time	① 11.1	10.5	9.1	5.4	7.8	56.1
19:00 to 23:00	▲0.3	+0.3	▲0.8	▲0.6	+0.2	▲1.5
Golden Time	① 11.3	10.3	9.1	5.9	8.0	58.6
19:00 to 22:00	▲0.5	+0.2	▲0.9	▲0.6	+0.3	▲1.6
Non-Prime Time	① 6.8	6.6	4.9	1.7	5.0	35.0
All Day - Prime Time	+0.1	▲0.2	▲0.4	▲0.1	▲0.1	▲1.0
Platinum Time	① 6.3	5.1	4.2	2.4	3.6	26.7
23:00-25:00	▲0.2	▲0.3	▲0.4	▲0.1	▲0.2	▲2.0

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

Programming Policy

- 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**

Key Points of October 2019 Programming Strategy

① Fully optimize Friday Golden & Prime to ensure “family viewing”

● 19:00~19:56 “Quiz! Are you smarter than a fifth-grader?”

- ◎ Aired in over 50 countries, this quiz show just got even better.
- ◎ Famous geniuses from various fields try to answer questions that fifth-graders can. Are they smarter than the kids??



● 19:56-20:54 “Trending Words 10”

(※ Moved from Friday 19:00)

- ◎ A research entertainment show emceed by comedic duo Bananaman.
 - ◎ Segments “Trendy Islands” and “Entertainers Who Got Hooked” are shown as a series to make this informative entertainment show a massive hit!
- Moved to Fridays at 20:00.



● “Friday Road SHOW!” enhancement

- ◎ 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; ③ highly-anticipated Japanese films first on our linear channel.
- ◎ Focus on “adding value” with shows exclusive to “Road SHOW!” and promote real-time viewership.

Key Points of October 2019 Programming Strategy

② Strengthen branding of weekday morning and evening regulars



● Further strengthen newly-improved “ZIP!”

- ◎ April improvements drastically increased viewership of females under 49!
- ◎ 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 latest trends and current events
 - ③ The go-to show for Tokyo 2020!

● Further strengthen “news zero”

- ◎ YoY increase in individual, core, and household viewership, especially teens and females under 34.
- ◎ Continue to win the support of the youth, who are the future of the new Reiwa Era, through news that is full of substance.



Rugby World Cup 2019 Japan Topics

1 Linear: high ratings not only for Team Japan games, but also overseas vs overseas!

- © Sep. 20 " Japan vs Russia " 18.3%
- © Oct. 05 "Japan vs Samoa" 32.8%
- © Oct. 13 " Japan vs Scotland " 39.2%
- © Oct. 19 " Quarter-finals New Zealand vs Ireland" 16.5%
- © Oct. 20 " Quarter-finals Wales vs France " 13.9%
- © Oct. 27 " Semi-finals Wales vs South Africa " 19.5%
- © Nov.02 "Finals England vs South Africa (including award ceremony)" 20.5%

2 BS Nippon: high-definition 4K broadcasting for 8 games including all Team Japan games!

3 Nittele TADA and TVer: games successfully streamed live and highlights of all games streamed!

4 Hulu: multi-angle streaming of 7 games that include Team Japan!

Video research announcement:

The 5 games of Team Japan were watched live by approximately 87.3 million people nationwide. (not double-counted)

Multiplatform Strategies Applied

1 Dramas: July cour highlights

© Catch-up viewing on TVer and Nippon TV's TADA/GYAO

Wednesday drama "Fake Affair" played over 1.5 million times

Sunday drama "Your Turn to Kill" episode 9 played over 2 million times

© Hulu original spinoffs of Sundays dramas led to a remarkable jump in subscribers

TVer, TADA, and GYAO:
Catch-up viewing, box
set for binge-watching

Hulu:
Original spinoffs for
all 20 episodes

YouTube:
Promo videos
viewed over
40 million times

Results of April and July
Sunday drama series
"Your Turn to Kill"



Twitter:
377,000 followers

Instagram:
755,000 followers

LINE:
273,000 registered
to mailing list

Multiplatform Strategies Applied

2 Sports:

© Giants' games

- Streamed on Hulu, GLS, DAZN in addition to linear, BS, and G+
- Streamed on TVer as well this year

3 Golden Time & Prime Time entertainment shows:

© Catch-up made available

- Hit entertainment shows such as “Stories to Match,” “Matsuko in the Room,” and “Celebrity Confessions to ARIYOSHI” made available on Hulu
- Other entertainment shows set to join Hulu lineup

© Hulu originals

- Hulu original spinoffs of major entertainment shows streamed
- Catch-up viewing offered periodically

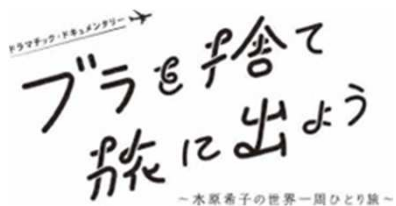
4 Late night drama, animation, entertainment show

© Hulu and movie tie-up of Hulu's late night high school drama

© Hulu drama about 3 brothers who stay up late offered on video streaming platforms

HJ Holdings

- Exclusively on Hulu starting January 2020, 6 episodes featuring international model and actress Kiko Mizuhara! Join her in this original drama-meets-travelogue as she goes solo around the world.
- Stellar success of major tie-ups across big screen, linear, and Hulu for high school drama! Shori Sato (Sexy Zone) takes on the lead role for the first time. Kaito Takahashi (King & Prince) stars in a movie for the first time. Hulu streamed all 4 episodes of the original story, while the mysteries behind the unreasonable school rules were spread across the movie, linear broadcast, and Hulu.
- Catch-up viewing for major Nippon TV entertainment shows offered one after another!



Key Points of Financial Results and Initiatives in
the Medium-Term Management Plan

Viewer Ratings and Program Structure

FY2019 2Q Overview of Financial Results

FY2019 Outlook

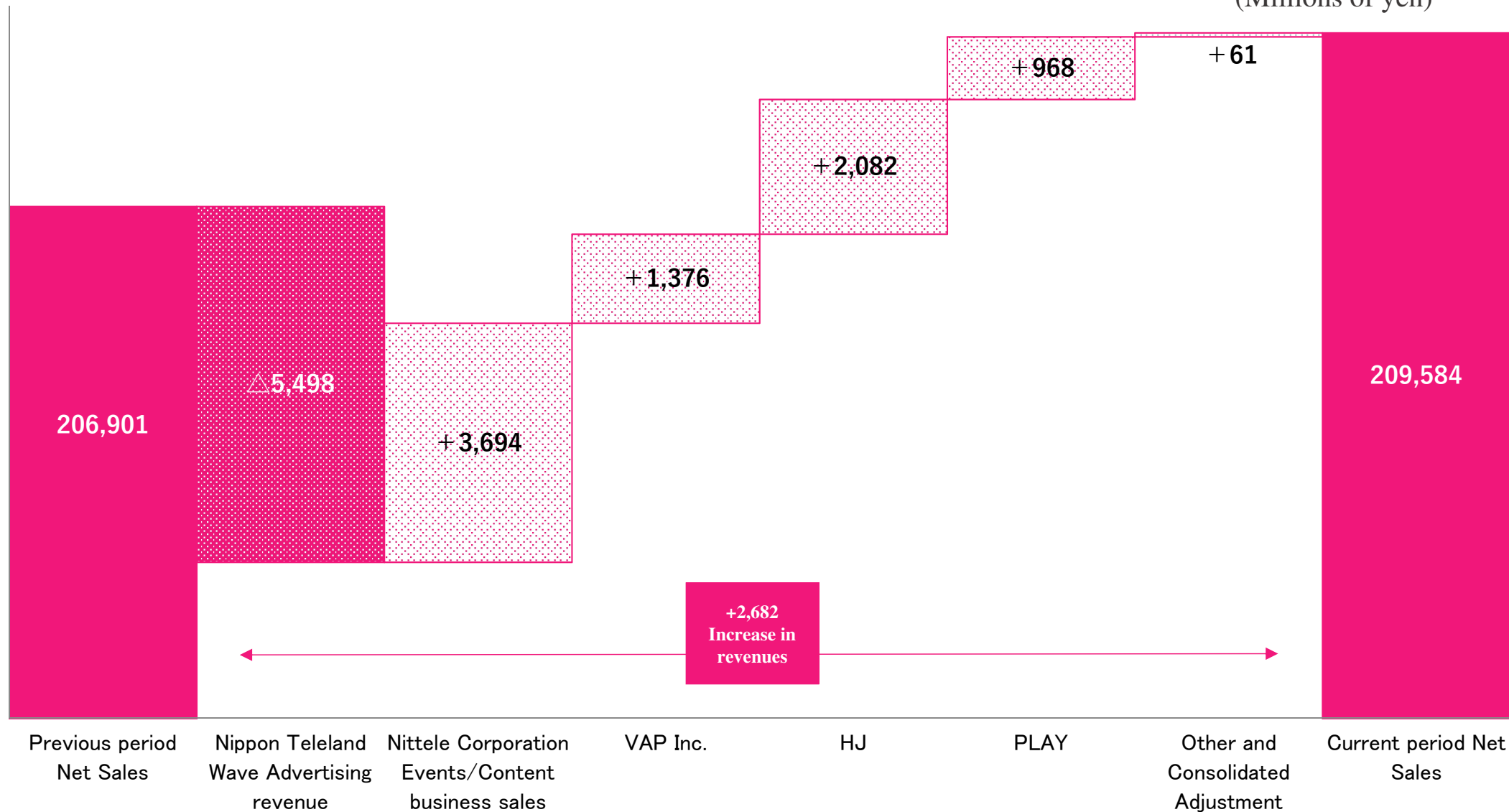
Summary of Consolidated Financial Results for the First Half of Fiscal 2019

(Millions of yen)

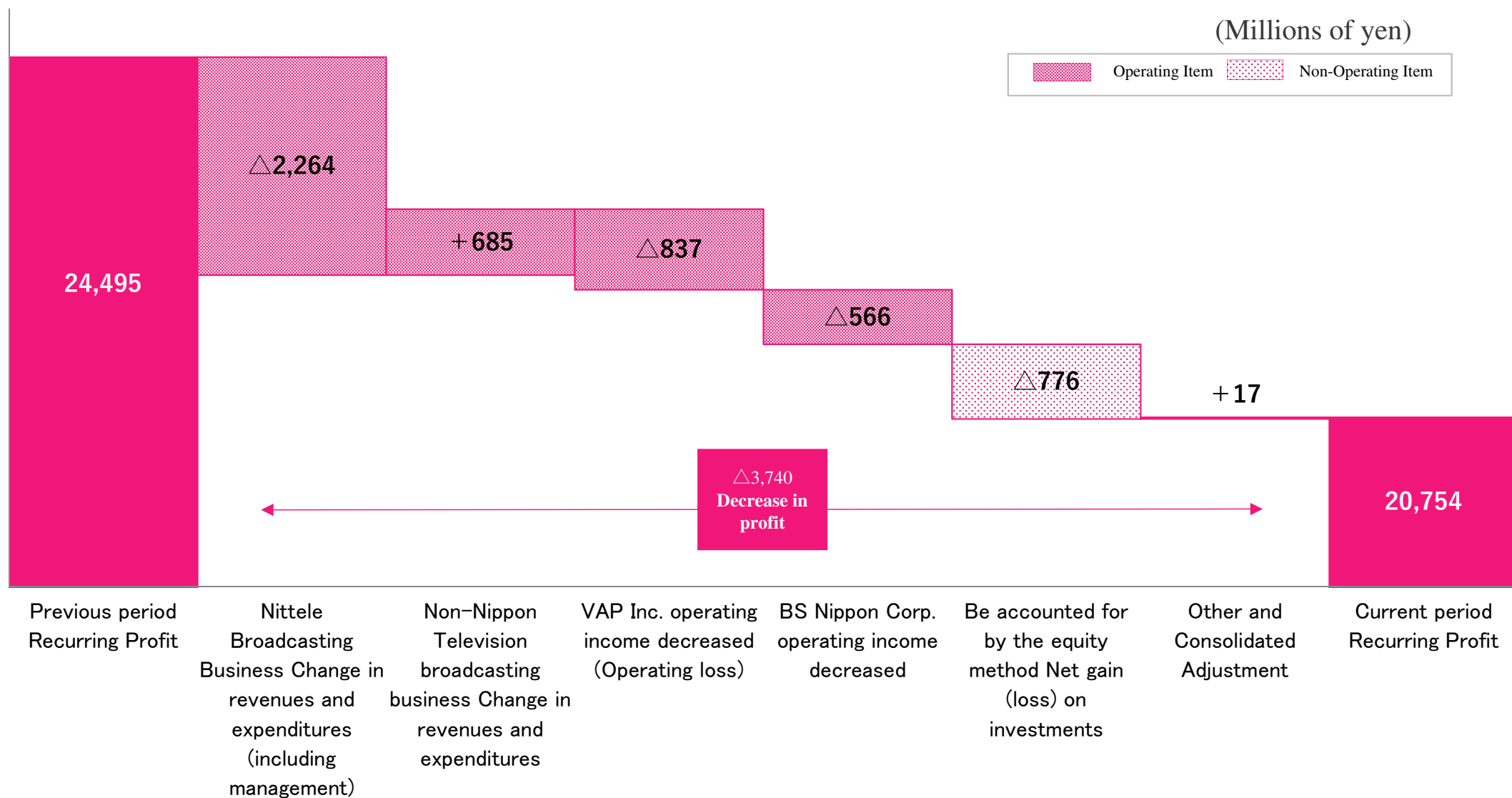
	FY2018 2nd quarter	FY2019 2nd quarter	Rate of change (%)
Net Sales	206,901	209,584	1.3
Operating Profit	20,544	17,125	△16.6
Recurring Profit	24,495	20,754	△15.3
To the shareholders of the parent company Profit attributable to owners of parent	17,166	13,639	△20.5

Year-on-year change in Net Sales

(Millions of yen)



Year-on-year change in Recurring Profit



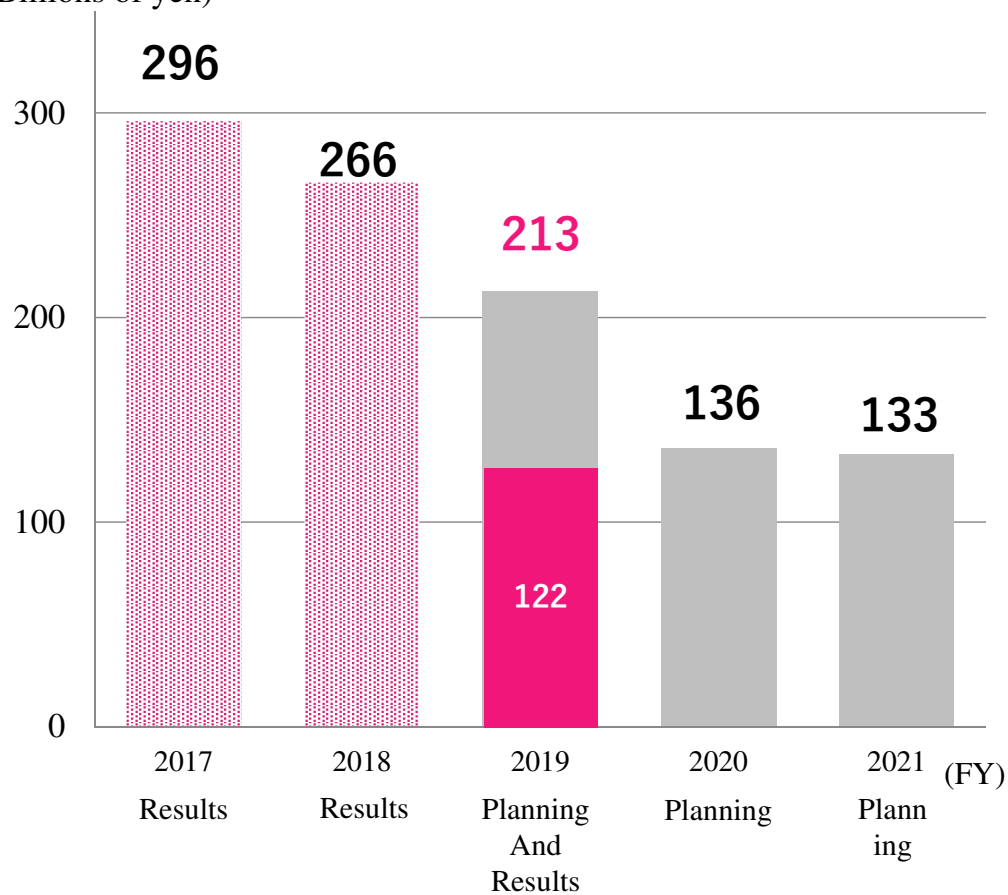
CAPEX and depreciation (consolidated)

FY2019 2Q (Unit: 100 million yen)	CAPEX amount	Depreciation and amortization
	122	91

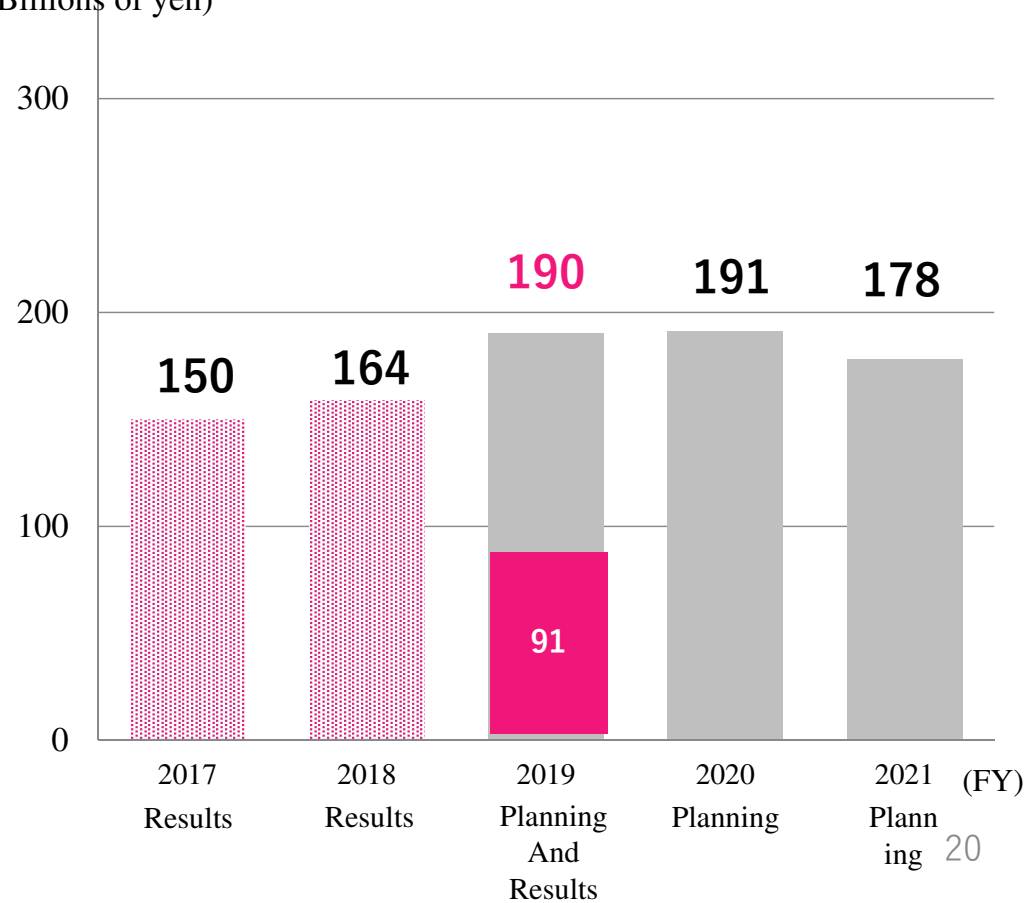
CAPEX amount

Depreciation and amortization

(Billions of yen)



(Billions of yen)



Nippon Television Network Financial Results

Overview

(Millions of yen)

	FY2018 2nd quarter	FY2019 2nd quarter	Rate of change (%)
Net Sales	153,109	151,239	△1.2
Operating Profit	15,878	14,501	△8.7
Recurring Profit	20,200	17,337	△14.2
Net profit	14,609	11,944	△18.2

NTV Network TV advertising revenue

(Millions of yen)

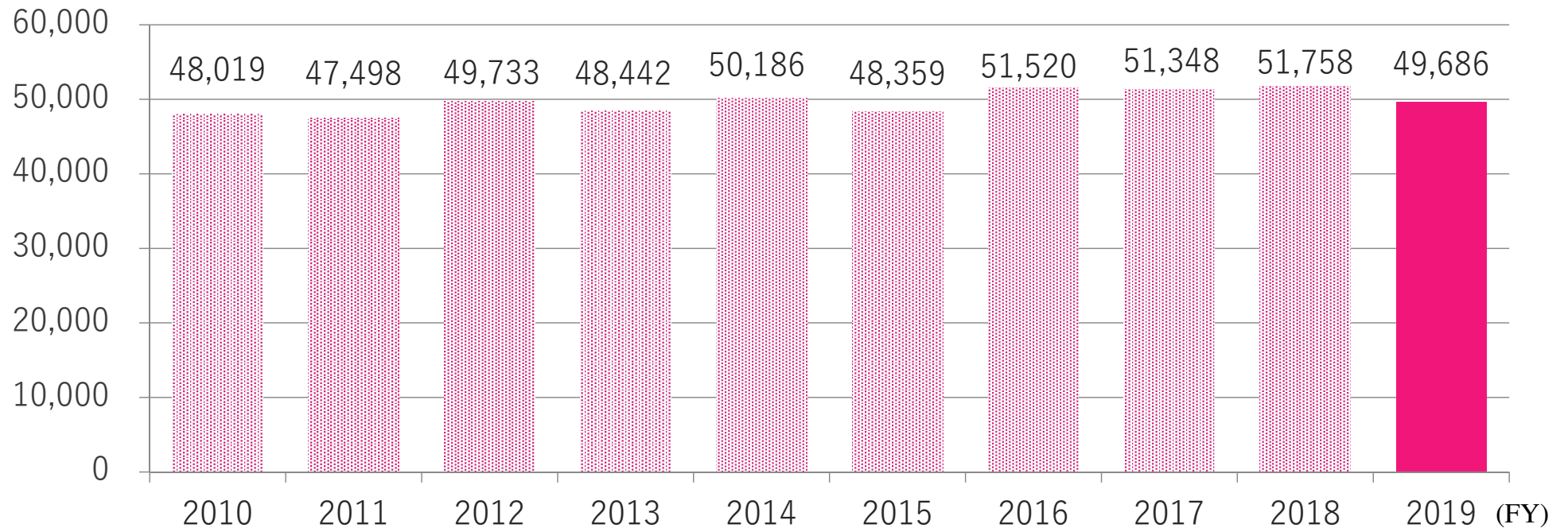
	FY2018 2nd quarter	FY2019 2nd quarter	Rate of change (%)
TV advertising revenue	124,560	119,061	△4.4
Time	62,296	61,007	△2.1
Spot	62,263	58,053	△6.8

NTV Network Production costs

(Millions of yen)

FY2018 2nd quarter	FY2019 2nd quarter	Rate of change (%)
51,758	49,686	△4.0

Production costs (2Q)



Events/Content Business Sales and Costs

(Millions of yen)		FY2018 2Q	FY2019 2Q	(Millions of yen)		FY2018 2Q	FY2019 2Q
BS,CS,CATV, Other	Sales	5,169	5,515	Events	Sales	4,598	2,850
	Costs	2,645	2,828		Costs	3,921	2,583
	Balance	2,523	2,688		Balance	678	267
Rights	Sales	950	942	International Business	Sales	896	1,205
	Costs	635	318		Costs	475	377
	Balance	314	625		Balance	421	828
Media Commerce	Sales	4,358	4,352	Others	Sales	3,683	7,391
	Costs	4,101	3,830		Costs	3,447	5,874
	Balance	257	522		Balance	235	1,516
Pictures	Sales	2,164	3,257	Total	Sales	21,817	25,512
	Costs	1,671	3,079		Costs	16,895	18,888
	Balance	493	178		Balance	4,922	6,624

Key Points of Financial Results and Initiatives in
the Medium-Term Management Plan

Viewer Ratings and Program Structure

FY2019 2Q Overview of Financial Results

FY2019 Outlook

Consolidated Forecast for and dividends forecast

(Millions of yen)	FY2018 Actual	FY2019 Previous Forecast(A)	FY2019 Revised Forecast(B)	Change (B-A)
Net Sales	424,945	429,000	425,000	△4,000
Operating Profit	49,749	43,000	39,000	△4,000
Recurring Profit	57,398	49,000	44,500	△4,500
Profit attributable to owners of parent	38,739	33,000	28,000	△5,000

Dividend Forecast * There are no changes to the dividend forecast.

(Unit: yen)	End of second quarter	Term end	Total
FY2018 (Actual)	10	25	35
FY2019 (Forecast)	10	25	35

FY2019 Terrestrial TV Advertising Revenue Forecast (YoY)

(Unit: %)	Full-year forecast	(Previous forecast)
TV advertising revenue	△4.5	△2.2
(Time)	△1.1	△1.3
(Spot)	△7.8	△3.2

Supplementary Materials

Segment Results

FY2019 2nd quarter (Millions of yen)	Reportable segments				Others	Total	Adjustment	Consolidated Income Statement Amount recorded
	Media Content Business	Lifestyle and Health Related Business	Real estate Leasing Business	Total				
Net Sales	187,517	18,650	5,068	211,236	4,074	215,311	△5,727	209,584
Segment profit	15,174	67	1,955	17,197	322	17,520	△395	17,125

Reportable segments	Main Business
Media & Content Business	Sales of TV advertising space, BS,CS,CATV,Other business, video distribution business, video distribution solutions business, Royalty income from video and music, sales of packaged media, mail order sales, and the movie business, Events and art exhibition business, contract production of contents, planning and operation of theme parks
Lifestyle and Health Related Business	Comprehensive Sports Club Business
Real Estate Business	Real estate leasing and building management

Nippon Television Network Operating Revenues

(Millions of yen)

	FY2018 2nd quarter	FY2019 2nd quarter	Rate of change (%)
TV advertising revenue	124,560	119,061	△4.4
Program Sales	5,659	5,649	△0.2
Events/Content business sales	21,817	25,512	16.9
Real Estate Business	1,072	1,016	△5.3
Total	153,109	151,239	△1.2

Operating expenses for Nippon Television Network

(Millions of yen)

	FY2018 2nd quarter	FY2019 2nd quarter	Rate of change (%)
Production costs	51,758	49,686	△4.0
Personnel	10,949	11,007	0.5
Depreciation and amortization	4,468	5,931	32.7
Operating expenses	16,895	18,888	11.8
Others	53,158	51,225	△3.6
Total	137,230	136,737	△0.4

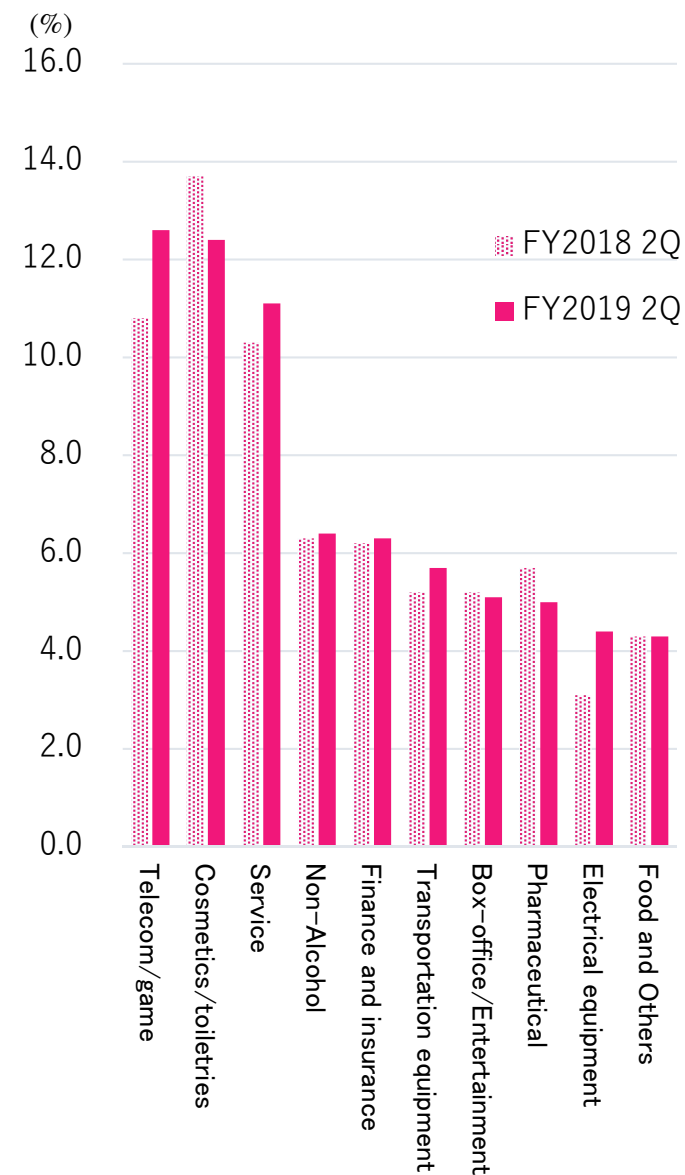
Nippon Television Network TV advertising revenue YoY

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
July	5.3	△5.8	July	0.0	△4.5
August	1.4	0.9	August	0.3	△7.7
September	0.6	9.2	September	△5.8	△10.5

Sales Share by Spot Industry

- Terrestrial Wave (Nippon Television Network)-

Spot Market Share Comparison by Industry



NOTE: Percentage change from the same period of the previous fiscal year. Figures are internal control figures.

		FY2018 2nd quarter	Share (%)	Rate of change (%)	FY2019 2nd quarter	Share (%)	Rate of change (%)
1	Cosmetics Toiletries		13.7	△4.5	Telecom/game	12.6	9.3
2	Telecom/ game		10.8	△14.8	Cosmetics Toiletries	12.4	△15.5
3	Service		10.3	19.9	Service	11.1	1.2
4	Non-Alcohol		6.3	△3.5	Non-Alcohol	6.4	△4.8
5	Finance and insurance		6.2	17.3	Finance and insurance	6.3	△5.5
6	Pharmaceutical		5.7	△10.1	Transportation equipment	5.7	2.7
7	Transportation equipment		5.2	△10.4	Box-office /Entertainment	5.1	△7.4
8	Box-office/ Entertainment		5.2	△12.3	Pharmaceutical	5.0	△18.5
9	Food Products (Others)		4.3	6.4	Electrical equipment	4.4	33.2
10	Food products <Dairy Products Seasonings>		3.9	△3.5	Food and Others	4.3	△5.1

2019 Annual <Household> Viewer Ratings

December 31, 2018 – November 03, 2019

(Unit: %)	NTV	EX	TBS	TX	CX	HUT
All Day	① 7.9	7.6	5.9	2.6	5.7	40.1
6:00 to 24:00	±0.0	▲0.1	▲0.5	▲0.2	+0.1	▲0.9
Prime Time	① 11.3	10.7	9.3	5.5	8.0	56.8
19:00 to 23:00	▲0.3	+0.2	▲0.7	▲0.6	+0.4	▲1.3
Golden Time	① 11.6	10.6	9.3	5.9	8.3	59.4
19:00 to 22:00	▲0.4	+0.1	▲0.9	▲0.6	+0.6	▲1.4
Non-Prime Time	① 6.9	6.7	5.0	1.7	5.0	35.3
All Day - Prime Time	±0.0	▲0.2	▲0.3	▲0.1	▲0.1	▲0.8
Platinum Time	① 6.4	5.3	4.3	2.4	3.7	27.3
23:00-25:00	±0.0	▲0.1	▲0.3	±0.0	▲0.1	▲1.2

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

Other Group Companies ①

(Millions of yen)	BS Nippon Corp.	CS Nippon Corp.	Nippon Tele Technical Resources, Inc.	Nittele Corporation Axon Corporation	Nittele Corporation Ivens	Nippon Television Art
Net Sales	7,701 (2.3%)	2,376 (△4.4%)	5,522 (5.8%)	10,603 (△3.6%)	1,913 (1.5%)	4,122 (5.2%)
Operating Profit	196 (△74.3%)	434 (△5.0%)	133 (101.8%)	196 (△50.8%)	33 (△37.2%)	85 (△26.0%)
Recurring Profit	219 (△72.8%)	437 (△5.9%)	150 (90.1%)	206 (△49.3%)	35 (△35.9%)	89 (△25.1%)
Net profit	147 (△73.2%)	302 (△5.9%)	102 (92.6%)	135 (△49.7%)	22 (△38.1%)	70 (△14.3%)
(Millions of yen)	Nippon Television Music	VAP Inc.	TIPNESS Limited	Nippon Television Service	Nippon Television Work 24	Forecast Communications Corp.
Net Sales	6,145 (8.0%)	6,236 (28.3%)	18,650 (△1.9%)	1,981 (17.6%)	2,208 (1.8%)	1,580 (△19.7%)
Operating Profit	913 (10.7%)	△761 (-)	843 (△33.9%)	85 (△22.3%)	155 (107.4%)	30 (△46.3%)
Recurring Profit	955 (8.5%)	△641 (-)	717 (△37.1%)	93 (△20.3%)	171 (125.4%)	117 (1.3%)
Net profit	662 (6.6%)	△642 (-)	455 (△53.2%)	54 (△19.5%)	△234 (-)	99 (24.1%)

Note: Figures in parentheses indicate year-on-year changes. In the case of recording a loss for the previous fiscal year or the current fiscal year, the rate of increase or decrease is indicated by "-."

Other Group Companies ②

(Millions of yen)	Nippon TeleIT Produce	Open business Produce	Nittele Seven	TATSUNOKO PRODUCTION Co.Ltd	HJ Hall Dings	ACM	PLAY
Net Sales	2,095 (105.0%)	1,066 (△7.5%)	1,274 (△26.1%)	837 (2.2%)	11,844 (21.3%)	1,630 (△7.7%)	1,601 (-)
Operating Profit	250 (168.9%)	69 (△65.5%)	1 (△98.2%)	△21 (-)	212 (-)	△174 (-)	301 (-)
Recurring Profit	251 (170.5%)	63 (△67.7%)	3 (△96.9%)	△14 (-)	206 (-)	△157 (-)	305 (-)
Net profit	163 (154.8%)	63 (△67.2%)	1 (△97.9%)	△9 (-)	218 (-)	△157 (-)	96 (-)

Note: Figures in parentheses indicate year-on-year changes. In the case of recording a loss for the previous fiscal year or the current fiscal year, the rate of increase or decrease is indicated by "-."

Percentage changes for PLAY CORPORATION, which became a consolidated subsidiary in July 2019, are shown as "-."



(*) On July 1, 2019, Skillup Video Technologies Corporation Corporation, a consolidated subsidiary, merged with Logic Inc., a non-consolidated subsidiary. The company name was changed to PLAY Co., Ltd., and the company was newly included in the scope of consolidation.

(*) (formerly NTV IT Produce Corporation Corporation) changed its trade name to Eiho Produce Corporation Corporation on July 2, 2018, On the same day, "NTV IT Produce Corporation Co., Ltd." (the assets and liabilities of companies other than the operating broadcasting system-related business) was newly established and spun off.


Event Lineup for 2019 - 2020

Date	Event
<p>[Fukuoka] November 12</p> <p>[Aichi] November 23 and 24</p> <p>[Tokyo] November 30 - December 8</p>	<p>satomi hakkenden</p> <p>空見八犬伝</p> 
<p>[Takasaki] November 16 10:30/13:00/16:00</p>	<p>Soreike Anpanman Musical</p> 

Event Lineup for 2019-2020

Date	Event
November 05 - 25	<p data-bbox="701 435 1263 531">EBIZO ICHIKAWA ABKAI2019 「SANEMORI」</p> 
December 03 2019 - March 22 2020	<p data-bbox="929 951 1843 995">Special Exhibition: A Railway Story in the Sky</p> 

Event Lineup for 2019-2020

Date	Event
<p>December 21,22</p>	<p>Annie Xmas Concert</p>  <p>The poster for the Annie Xmas Concert features four young women with red curly hair, dressed in red and white Christmas-themed outfits, smiling and waving. The background is green with red stars and musical notes. The word 'Annie' is written in a large, white, stylized font at the top. At the bottom, there is Japanese text: '丸美屋食品ミュージカル アニークリスマスコンサート'.</p>
<p>December 29 -31</p>	<p>Hyoen2019 -Like a Moonlight - inspired by The Tale of Genji Delay viewing</p>  <p>The poster for Hyoen2019 features a man in a dark, ornate traditional Japanese costume with a white mask. The background is light with a circular motif. The text includes 'HYOEN 2019' at the top, the title '氷艶' in large calligraphic characters, and the subtitle '—月光かりの如く—'. Below that, it says 'ダイレイ・ビューイング' and '2019年12月29日(日)~31日(火)'. On the left side, there are names: '宮本重門', '高橋大輔', and '松本孝弘'.</p>

Event Lineup for 2019-2020

Period	Events names
<p>January 20, 2020 – February 09, 2020</p>	<p style="text-align: center;">DEATH NOTE THE MUSICAL</p> <div style="display: flex; justify-content: space-around; align-items: center;">   </div>
<p>【Tokyo】 January 10-31 2020</p> <p>【Osaka】 February 20-26 2020</p>	<p style="text-align: center;">SHICHITENBATTOU ! TOTUKAJYUKU</p> <div style="display: flex; justify-content: center; align-items: center;">  </div>

Event Lineup for 2019-2020

Date	Event
<p>February 13 2020</p>	<p>JOE HISAISHI FUTURE OPCESTRA CLASSICS Vol.2</p> 
<p>April 16, 2020 – July 05, 2020</p>	<p>The Art of Power from the Museum of Fine Arts, Boston</p> 

Event Lineup for 2019-2020

Date	Event
<p>August 29, 2020 - December 06, 2020</p>	<p>BANKSY EXHIBITION (Provisional Title)</p>  A black and white illustration of a young girl in a dress, reaching out towards a red heart-shaped balloon. The girl is depicted in profile, facing right, with her right arm extended. The balloon is a vibrant red heart shape with a black string. The background is plain white.

Movie Lineup for 2019



☆: Nippon TV is lead organizer

★ = Nippon TV is co-organizer

Date	Title	Distributor	
November 01	☆ THE BLACK SCHOOL RULES	SHOCHIKU	
December 06	★ Lupin the Third THE FIRST	TOHO	
December 20	HEROES RISING My Hero Academia THE MOVIE HEROES:RISING	TOHO	

Movie Lineup for 2019

☆ Lead manager, Nittele ★=Joint Secretary-General of Nippon Telephone Corporation ■ = Hi-AX works

Date	Title	Distributor	
January 10, 2020	☆ KAIJI FINAL GAME	TOHO	
January 31, 2020	☆ The AI Crisis	WB	
March 13, 2020	■ PRINCE OF LEGEND (working title)	TOHO	