NIPPON TV HOLDINGS
ANNUAL REPORT

For the Year Ended March 31, 2016

Next

Management Policy

As the top company in the media and content industry with the ability to utilize its unparalleled creativity and communication capacity, Nippon TV Group will strive to continue delivering news accurately and expediently. Further, Nippon TV Group will achieve the following "Four Creations" through its relentless pursuit of innovation and opportunities.

"Four Creations"

- Create high-quality content
- Create a new culture
- Create a prosperous society

and finally...

- Create a bright future

Caution with Respect to Forward-Looking Statements:
Statements made in this annual report with respect to Nippon TV's plans and benefits, as well as other statements that are not historical facts, are forward-looking statements, which involve risks and uncertainties. Potential risks and uncertainties include, without limitation, general economic conditions in Nippon TV's markets, exchange rates and Nippon TV's ability to continue to win customers' acceptance of its products, which are offered in highly competitive markets characterized by continual new product introductions and rapid developments in technology.

Nippon Television Holdings Group Companies (As of July 1, 2016)

Consolidated Subsidiaries

NIPPON TELEVISION NETWORK CORPORATION
BS Nippon Corporation
CS Nippon Corporation
NTV Technical Resources Inc.
AX-ON Inc.
NTV EVENTS Inc.
Nippon Television Art Inc.
Nippon Television Music Corporation
VAP Inc.
TIPNESS Limited
NTV Service Inc.
Nippon Television Work 24 Corporation
Forecast Communications Inc.
NTV IT Produce Corporation
NitteleSeven Co., Ltd.
TATSUNOKO PRODUCTION Co., Ltd.
HJ Holdings LLC
NTV America Company
NTV International Corporation

Affiliated Companies

NIKKATSU CORPORATION
CNplus Production, Inc.
ACM CO., Ltd.
LogicLogic, inc.
Nishi Nihon Eizo Corporation
KKT Innovate Corporation
Nagasaki Vision Corp.
Kagoshima Vision Corporation
Kanazawa Eizo Center Corporation
Promedia Co., Ltd.
Cosmo Space Co., Ltd.
Art Yomiuri Co., Ltd.
Shiodome Urban Energy Corporation
GEM Media Networks Asia Pte. Ltd.

Non-Consolidated Subsidiaries

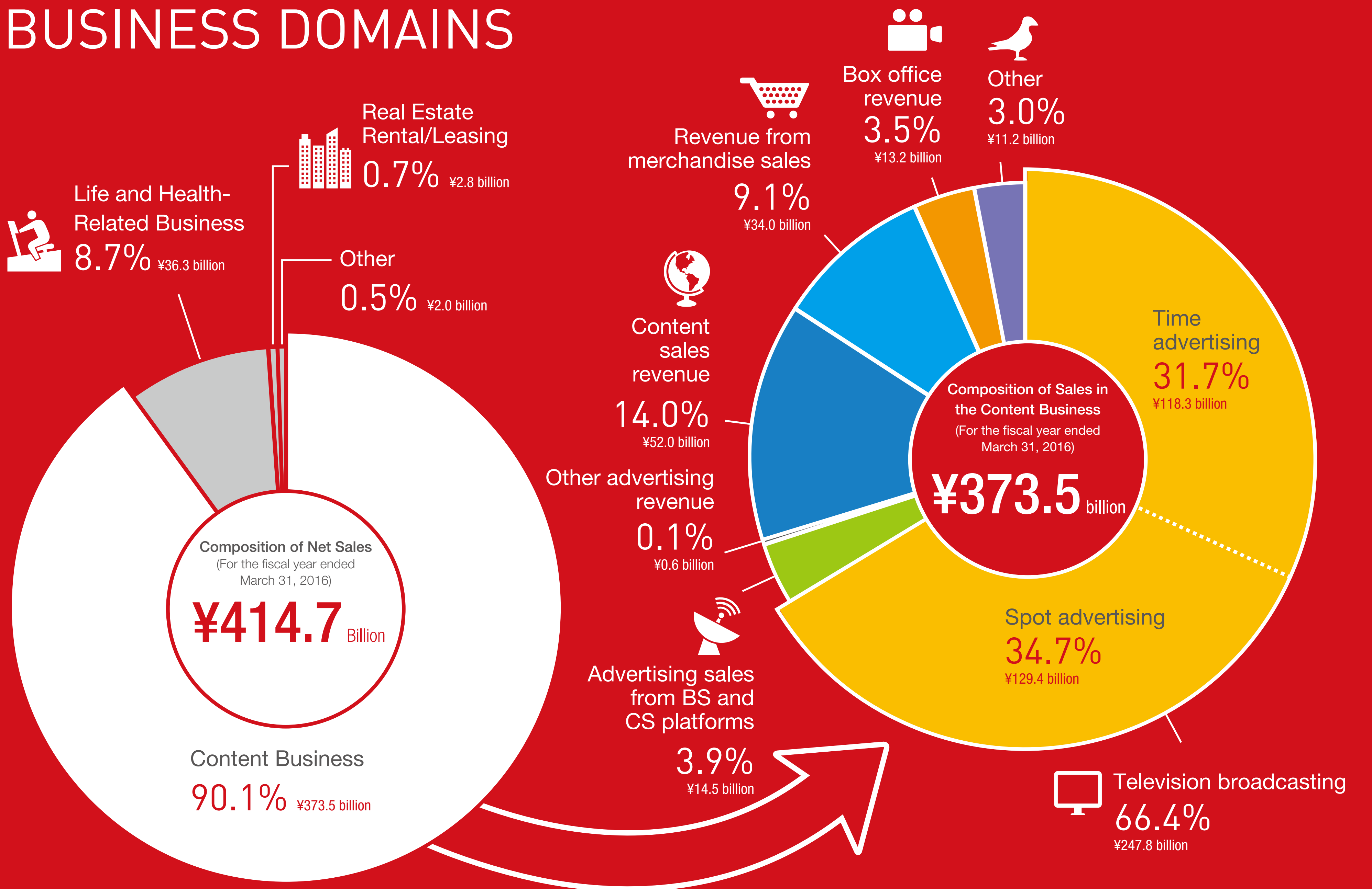
Nippon Television Network Europe B.V.
NTV Asia Pacific Pte. Ltd.
MADHOUSE Inc.
MADBOX Co., Ltd.
NTV Personnel Center Corp.
HAROiD Inc.
NTV Group Planning Inc.
Rights Inn Corporation
VAP Music Publishing Inc.
SOUND INN STUDIOS INC.
J.M.P CO., LTD
COMIGO Co. Ltd.
SANEIWORK CORPORATION
IKAROS CO., LTD.
RF Radio Nippon Co., Ltd.
Radio Nippon Create Inc.
RF Music Publisher Inc.
ForGroove, Inc.
TATSUNOKO MUSIC PUBLISHING Co., Ltd.

Public Interest Incorporated Foundations

Nippon Television Kobato Cultural Foundation
Yomiuri Nippon Symphony Orchestra
The Tokuma Memorial Cultural Foundation for Animation
24-Hour Television Charity Committee

CONTENTS

BUSINESS DOMAINS



Note 1: Figures indicate sales to outside customers. Intersegment sales and transfers are not included.
Note 2: The "Other" classification represents business segments not included in reporting segments and includes operations such as retail businesses.
Note 3: The "Content Business" reporting segment will be changed to the "Media and Content Business" as of the fiscal year ending March 31, 2017.

Eleven-Year Summary

Nippon Television Holdings, Inc. and Consolidated Subsidiaries*1

											(Millions of yen)	(Thousands of U.S. dollars*2)
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2016
Years ended March 31:												
Net sales	¥ 346,642	¥ 343,652	¥ 342,188	¥ 324,563	¥ 296,934	¥ 297,895	¥ 305,460	¥ 326,423	¥ 341,720	¥ 362,497	¥ 414,781	$ 3,681,053
Operating income	28,551	30,344	23,077	12,215	23,563	31,670	32,249	35,429	40,089	42,383	53,178	471,938
Net Income Attributable to Owners of the Parent*3	13,701	18,332	10,625	5,622	16,595	21,049	22,729	25,284	27,828	30,468	36,884	327,335
Comprehensive income*4	—	—	—	—	—	18,352	25,597	37,701	35,145	64,255	32,362	287,204
Depreciation and amortization	17,561	14,361	12,939	11,528	9,622	8,456	7,071	6,573	7,149	8,481	11,641	103,310
Capital expenditures	6,266	6,043	5,200	5,491	26,809	4,614	3,802	5,596	9,236	20,370	16,562	146,983
At March 31:												
Total assets	¥ 519,952	¥ 529,265	¥ 512,507	¥ 498,457	¥ 513,788	¥ 528,398	¥ 543,228	¥ 598,075	¥ 645,363	¥ 755,127	¥ 769,864	$ 6,832,304
Total equity*5	398,018	411,995	407,668	400,417	416,367	427,496	446,038	488,120	523,904	578,479	603,178	5,353,018
Cash flows:												
Cash flow from operating activities	¥ 32,683	¥ 31,458	¥ 26,791	¥ 23,948	¥ 40,131	¥ 23,433	¥ 25,274	¥ 29,099	¥ 35,157	¥ 33,237	¥ 40,762	$ 361,750
Cash flow from investing activities	(24,358)	(24,596)	(17,301)	(28,331)	(46,847)	(28,181)	(8,968)	(7,369)	(4,367)	(17,942)	(26,820)	(238,019)
Cash flow from financing activities	(15,921)	(4,714)	(4,124)	(4,803)	(5,697)	(7,132)	(6,420)	(7,073)	(7,175)	(6,243)	(11,276)	(100,071)
Cash and cash equivalents, end of year	59,369	61,524	66,863	57,630	45,219	33,312	43,190	63,806	87,453	96,539	99,205	880,414
Per share data (Yen, U.S. dollars):												
Net Income*6	¥ 545.40	¥ 741.60	¥ 430.27	¥ 22.77	¥ 67.64	¥ 85.97	¥ 92.85	¥ 101.39	¥ 109.58	¥ 120.08	¥ 145,38	$ 1.29
Equity*6	15,945.74	16,363.52	16,153.34	1,585.36	1,666.10	1,711.39	1,785.58	1,879.89	2,023.59	2,240.64	2,337.58	20.75
Cash dividends*7*8	165.00	170.00	180.00	180.00	290.00	290.00	290.00	110.00	34.00	30.00	34.00	0.30
Ratios (%):												
Return on assets (ROA)	2.7	3.5	2.0	1.1	3.2	3.9	4.2	4.2	4.5	4.0	4.8	
Return on equity (ROE)	3.6	4.6	2.6	1.4	4.2	5.1	5.3	5.5	5.6	5.6	6.4	
Operating margin	8.2	8.8	6.7	3.8	7.9	10.6	10.6	10.9	11.7	11.7	12.8	
Equity ratio	76.6	76.3	77.8	78.5	79.4	79.3	80.5	80.0	79.6	75.3	77.0	
Others												
Total shares issued*9	25,364,548	25,364,548	25,364,548	25,364,548	25,364,548	25,364,548	25,364,548	263,822,080	263,822,080	263,822,080	263,822,080	
Employees	2,869	2,886	3,126	3,291	3,339	3,262	3,218	3,259	3,471	4,115	4,170	

Notes *1. Owing to the Company's transition to a certified broadcasting holding company system, effective October 1, 2012, figures for Nippon Television Network Corporation are shown for the fiscal years ended March 31, 2006 through 2012.

*2. The translations of Japanese yen amounts into U.S. dollar amounts are included solely for the convenience of readers outside Japan and have been made at the rate of ¥112.68 to $1, the approximate rate of exchange at March 31, 2016. Such translations should not be construed as representations that the Japanese yen amounts could be converted into U.S. dollars at that or any other rate.

*3 The Company has applied the Accounting Standard for Business Combinations (ASBJ Statement No.21, September 13, 2013) and related accounting standards. Therefore "Net income" is presented as "Net income attributable to owners of the parent."

*4. From the fiscal year ended March 31, 2011, Nippon TV adopted the Accounting Standard for Presentation of Comprehensive Income (Accounting Standards Board of Japan Statement No. 25, June 30, 2010).

*5. From the fiscal year ended March 31, 2007, Nippon TV adopted the Accounting Standard for Presentation of Net Assets in the Balance Sheet (Accounting Standards Board of Japan Statement No. 5) and the Guidance on Accounting Standards for Presentation of Net Assets in the Balance Sheet (Accounting Standards Board of Japan Guidance No. 8).

*6. The Company's common stock underwent a 10-for-1 stock split, effective October 1, 2012. However, figures for net income per share and equity per share are calculated as if the stock split had occurred at the beginning of the fiscal year ended March 31, 2009.

*7. Dividends per share of ¥110 for the fiscal year ended March 31, 2013, correspond to ¥90 in dividends per share prior to the stock split plus ¥20 per share on shares after the stock split. Taking the stock split into account, annual dividends per share would have been ¥29 per post-split share (¥290 per share on pre-split shares).

*8. The ¥34 dividend per share amount for the fiscal year ended March 31, 2014, includes a ¥5 dividend to commemorate the Company's 60th year since the start of broadcasting.

*9. In addition to introducing a 10-for-1 stock split on common stock, effective October 1, 2012, a share exchange took place in which Nippon TV was the wholly owning parent company in a share exchange, and BS Nippon Corporation and CS Nippon Corporation were wholly owned subsidiaries in a share exchange. The total increases in the number of shares of issued stock were 228,280,932 shares as a result of the stock split and 10,176,600 shares in newly issued stock in accordance with the share exchange.

SNAPSHOT

Top Core Target Viewer Ratings

No.1

We took the top share for core target viewer ratings*—for which client demand is particularly high.

*Core target viewer ratings: an indicator that Nippon TV Group formulated to isolate the demographic of men and women between ages 13 and 49, and to track their ratings.

Top Annual Viewer Ratings

No.1

Household viewer ratings for the 2015 calendar year captured the Triple Crown title for the second year running, with ratings for All Day (8.6%), Golden Time (12.6%) and Prime Time (12.5%).

Top Fiscal Year Viewer Ratings

No.1

Household viewer ratings for the fiscal year ended March 31, 2016, captured the Triple Crown title for the second year running, with ratings for All Day (8.5%), Golden Time (12.4%) and Prime Time (12.2%).

Top Spot Share

No.1

In advertising revenue from terrestrial broadcasting, increased revenue from regular program slots and from single-episode programs resulted in time advertising revenue increasing 2.6%. Spot advertising revenue grew 5.5%, with a major increase in share among the key stations in Tokyo, taking the top spot share.

Hulu Membership

1.3 million

Subscribers to the Hulu subscription online video service exceeded 1.3 million as of March 31, 2016. Among its many efforts, the service focuses on delivery of original content, such as the highly rated *THE LAST COP*, and is working to expand further.

Top Exhibit Visitor Count

No.1

In rankings for exhibition visitors in 2015, exhibitions held by Nippon TV took the top three positions, with the *Impressionist Masterpieces from Marmottan Monet Museum* in first place, *Louvre Museum: Genre Painting—Scenes from Daily Life* in second, and the team Lab *Dance! Art Exhibition and Learn and Play! Team Lab Future Park* in third.

Source: *Shin Bijutsu Shimbun* and "The Window of Arts" survey: Exhibition Visitor Numbers Ranking

TIPNESS Members

270,000

A line of comprehensive fitness clubs with an increasing membership, TIPNESS has reached approximately 270,000 members. We are also accelerating development of the new FASTGYM24 branches, situated near stations and suited to casual visits, and open 24/7, 365 days a year—as of March 31, 2016, we had 37 branches in operation.

New Channel Launch

Six Countries and Regions

In October 2015, the GEM channel started broadcasting in Southeast Asia and at present broadcasts principally Nippon TV programming to six countries and regions—Cambodia, Hong Kong, Indonesia, the Philippines, Singapore and Thailand. Further expansion of coverage is planned throughout Asia.

Nippon TV Experience Classroom

5,000

Here, in the Nippon TV Experience Classroom, children can interact with actual broadcast equipment, and learn how programs are made. In 2015, the classroom was held in Iwaki in Fukushima Prefecture, as one effort towards disaster recovery. In the 10 years since this classroom started, it has hosted more than 5,000 students.

Film Releases

13

During the fiscal year ended March 31, 2016, we released 13 films. Nippon TV was the lead manager for 10, including major hits *The Boy and the Beast* (released in July 2015) with box office revenues of over ¥5.8 billion, and *No Longer Heroine* (released September 2015) with receipts of over ¥2.4 billion.

24-Hour Television Donations

¥35.6 Billion

24-Hour Television supports and collects donations for welfare, environmental preservation and disaster recovery causes. The total collected over the last 38 years has reached ¥35,667,320,000, which has been used for a variety of support activities.

Shoten

50-Year Anniversary

Shoten, Japan's longest-running comedy program that started broadcasts in 1966, celebrated its 50th anniversary in May 2016. The show remains highly popular nationwide as a program which can be enjoyed by the whole family.

Highlights in the Past Year

Special Exhibition of *The Winged Victory of Samothrace*, for Which We Provided Restoration Assistance

©Victoire de Samothrace, Musée du Louvre

After completion of this major restoration project, *The Winged Victory of Samothrace: Rediscovering a Masterpiece* exhibition was held at the Louvre Museum in France.

Start of Broadcasts to Asia by GEM Pay TV Channel

We established a joint venture company together with a Sony affiliate in Singapore. At present, the GEM pay TV channel is operating in Cambodia, Hong Kong, Indonesia, the Philippines, Singapore and Thailand, with a focus on Nippon TV programming.

Subscribers to the Hulu Subscription Online Video Service Surpass 1.3 million

Users of the Hulu online video service, operated by HJ Holdings LLC, exceeded 1.3 million. Starting the service in Japan in September 2011, the company was brought into the Nippon TV Group in April 2014.

First Overseas Official *Anpanman* Shop Opened in Taiwan

ANPANMAN © TAKASHI YANASE / FRÖEBELKAN, TMS, Nippon TV

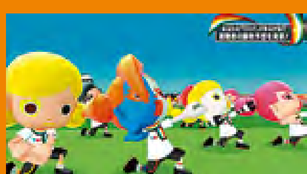
Original author Takashi Yanase dreamed of bringing *Anpanman*'s message of love and courage to all children around the world, and the opening of the ANPANMAN Official Shop Taipei in Taiwan is the first step to making this global rollout a reality.

"Week of the Body" held

With the concept of "making Japan stronger and healthier," we held a campaign for one week in November 2015. The campaign spanned 29 programs, including news, information, variety programming and specials, based on the body and health. For these efforts, we received a letter of appreciation from Daichi Suzuki, the commissioner of the Japan Sports Agency.

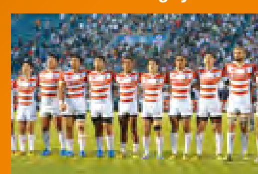
April–June 2015	July–September 2015	October–December 2015	January–March 2016

Joint Establishment of HAROiD Inc.



Aiming at promoting businesses centering on smart devices and smart TVs, we established HAROiD jointly with Bascule, Inc.

Broadcast of Rugby World Cup 2015



©NTV

We obtained exclusive rights for terrestrial broadcasting of the Rugby World Cup 2015, held from September 18 to October 31. The programming included the broadcast of Japan's historic victory over South Africa in the preliminary round.

Major Hit Film *The Boy and the Beast*, with an Audience of Over 4.5 million

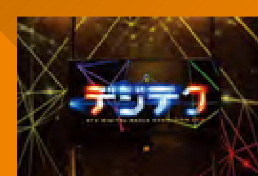
This animated production by director Mamoru Hosoda was produced by Nippon TV and released in July. The film was a major hit, attracting an audience of more than 4.5 million, and DVD sales have been robust.

©2015 *THE BOY AND THE BEAST* FILM PARTNERS

Free Internet Video Distribution Service "Nittele TADA by Nippon TV On-Demand" Surpasses 100 Million Views

Free delivery of Nippon TV content with advertising started in January 2014, so viewers are able to enjoy Nippon TV programming at any time and any location. Total views exceeded 100 million in December 2015.

Nippon TV Starts 8K Broadcasts



At the Nippon TV technology exhibition "NTV Digital Media Exhibition 2016," we screened *Shoten*, our first program produced in 8K definition. The next-generation 8K format has 16 times the resolution of current Hi-Vision broadcasting.

Message from Management

Concentrating on "Change and Challenge" to Enhance Corporate Value

Looking Back on Our Previous Medium-Term Management Plan, "2012–2015 Next60"

In our 2012–2015 Next60 medium-term management plan, given our quality and quantity in viewership as a media and content company, we solidified the foundation of terrestrial TV advertising revenue while also aiming to increase advertising sales from the BS and CS platforms, develop content linked to Internet and other media, diversify our business portfolio and strengthen our overseas operations.

Overview of Results

In the fiscal year ended March 31, 2016, while television media advertising expenditures in Japan saw a 1.4% year-on-year decrease, to ¥1,808.8 billion (calendar year, according to a survey by Dentsu Inc.), the Group recorded an increase in terrestrial TV advertising revenue, attributable to high ratings. We also enjoyed a rise in box office revenues from films and exhibitions we funded, and in content sales revenue through our distribution service. Thanks in part to the full-year contribution of facilities usage fee revenue from TIPNESS, consolidated net sales increased ¥52,283 million, or 14.4%, year on year, to ¥414,780 million.

Operating expenses expanded ¥41,487 million, or 13.0%, to ¥361,620 million, due to factors such as an increase in expenses accompanying revenue growth in the Content Business segment and our entry into the Life and Health-Related Business. However, operating income rose ¥10,795 million, or 25.5%, to ¥53,178 million; recurring profit grew ¥9,095 million, or 18.7%, to ¥57,791 million; and net income attributable to owners of the parent advanced ¥6,416 million, or 21.1%, to ¥36,884 million. While investing to strengthen existing businesses for future growth as well as in new businesses, we achieved increases in both revenue and income for the sixth financial year running, surpassing all numerical targets set in the previous medium-term management plan.

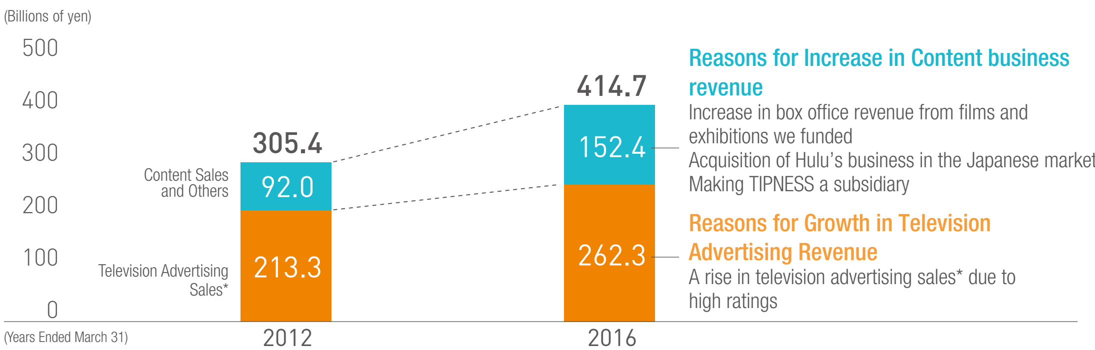
Results of Our Initiatives

In the Content business, we earned the "Triple Crown"*1 title for average household viewer ratings (in the Kanto region) for the calendar year (December 29, 2014, to January 3, 2016) and the fiscal year (March 30, 2015, to April 3, 2016) for the second consecutive year. Spurred by positive ratings for terrestrial broadcasting, we posted exceptionally favorable results, with television advertising revenue, which comprises approximately 70% of segment sales, up ¥49 billion compared with the fiscal year ended March 31, 2012, the year before the start of the previous medium-term management plan. We claimed a share of more than 27% of advertising revenue among the five key stations in Tokyo.

Yoshio Okubo

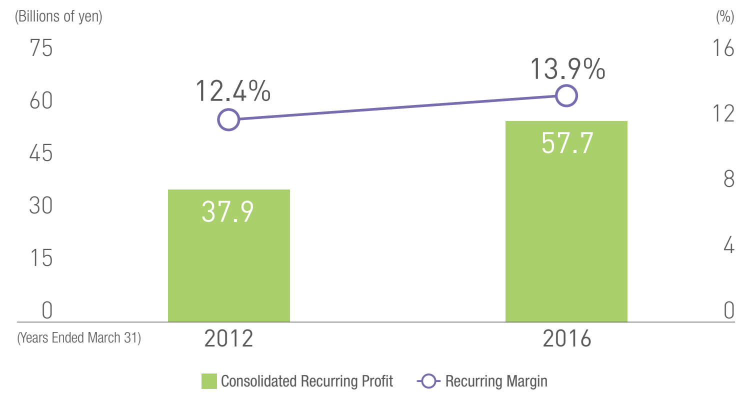
Representative Director, President

Consolidated Net Sales



*Terrestrial TV advertising revenue + Advertising sales from BS and CS platforms

Consolidated Recurring Profit and Recurring Margin



As one initiative in line with "¥50 billion for investing in and creating new business opportunities," in April 2014 we took over Hulu's business targeting the Japanese market, becoming the first commercial broadcaster to enter the subscription online video service business. The domestic content delivery market is currently in a growth phase, and rather than competing with other companies for market share, we promoted Hulu's appeal and convenience of "being able to seamlessly enjoy content at any time, in any place." At the same time, we are expanding the market by maximizing content value through synergies with terrestrial, BS and CS delivery channels, as well as the Internet. As a result, this business is expanding, as demonstrated by the number of Hulu subscribers exceeding 1.3 million as of March 31, 2016.

Amid a decrease in the number of television viewing households, to attract the "Internet first demographic"*2 to watching TV in real time, we have established HAROiD Inc. jointly with Bascule, Inc. to develop systems that connect TV and Internet content. We are also promoting businesses focusing on smart TVs and smart devices.

"To actively pursue business opportunities abroad, especially in Asia," as a content provider we are aggressively carrying out program and format sales in Asian and other overseas markets. In October 2015, paid broadcast channel GEM began broadcasts targeting Asia. GEM, a channel established jointly with Sony Pictures Television Networks began broadcasts. Nippon TV will supply more than 500 hours of programming annually for the channel in the drama and variety genres, with the aim of solidifying the Nippon TV Group brand overseas.

In December 2014, we acquired all shares in fitness club operator TIPNESS Ltd., making the company a wholly owned subsidiary. TIPNESS owns gyms, pools and studios, and operates comprehensive gyms with programs that quickly incorporate state-of-the-art training theories and methods under the TIPNESS brand nationwide. TIPNESS is also expanding its FASTGYM24 brand, particularly in the Tokyo area. These gyms are smaller, open 24 hours and specialize in exercise machines. This format is expected to attract new members and corresponding growth, helping to diversify our business portfolio.

*1 Top ranked in household viewer ratings for All Day (6 a.m. to midnight), Golden Time (7 p.m. to 10 p.m.) and Prime Time (7 p.m. to 11 p.m.).

*2 Mainly young people who that have an affinity with the Internet and little contact with TV media and TV content.

Tasks Ahead

To date, we have used the media strength of terrestrial television and the content creation capabilities that we have developed to expand our business, and thus achieve growth. However, looking to the future, Japan's population decrease means that we cannot expect an increase in the advertising market, and the environments for viewing television content and the methods of advertising have become more diversified. We recognize that it will be difficult for television to maintain its prominent position as an advertising medium as it has until now. Accordingly, ensuring medium- to long-term growth in television advertising revenue in the Group's core content business is an important challenge.

However, in addition to advertising revenue boosting non-advertising revenue is also an important challenge. To this end, we need to diversify our business portfolio, as well as promote overseas expansion.

New Medium-Term Management Plan—"The Nippon TV Group Medium-Term Management Plan 2016–2018 Change65"

In March 2016, we formulated our new medium-term management plan, "The Nippon TV Group Medium-Term Management Plan 2016–2018 Change65," covering the period through to the end of the fiscal year ending March 31, 2019. This management plan includes the Group's long-term management goals until the end of the fiscal year ending March 31, 2026, and our medium-term goals for the fiscal year ending March 31, 2019.

Looking 10 years into the future, the Nippon TV Group is committed to remaining a corporate group that provides enriching experiences by producing new media and content as well as influencing life and culture, while fulfilling its social responsibilities as a media organization. The Nippon TV Group will strive to be continuously selected as the "First Choice Nippon TV." Employees throughout the Group will work together in pursuit of growth and act preemptively in response to an ever-changing operating environment. The Group will diversify its business portfolio and promote overseas expansion, keeping its Media Content and Life and Health-Related Businesses at the core. We will produce and deliver content across all types of media, ensuring that each creation appropriately meets the needs of the media for which it was intended, in order to increase both non-advertising and advertising revenues. The Nippon TV Group will also strive to build a solid presence as an Internet company and a global company by developing the Internet video distribution and overseas businesses.

The fiscal year ending March 31, 2019, the last year of this new medium-term management plan, will mark the 65th anniversary of Nippon Television Network Corporation. With an eye on this milestone, we intend to increase corporate value and are targeting consolidated net sales of ¥460 billion, with consolidated operating income of ¥55 billion (for an operating margin of 12.0%) and consolidated recurring profit of over ¥60 billion (for a recurring margin of 13.0%). We will also work toward the following targets in the medium-term management plan with a sense of "Change and Challenge."

Medium-Term Management Goals

Become the strongest production group, producing and delivering enriching content

1. Become a more reliable media organization by delivering news through various media in a manner that is accurate, timely and easy to understand.
2. Obtain the "Quintuple Crown"*1 title in the household zone and the core target*2 zone of terrestrial viewer ratings, and secure the largest share in terrestrial television advertisement revenues among Tokyo-based key broadcasters.
3. Accelerate the growth of the Internet video distribution business by producing content the "Internet First" demographic will support.
4. Ensure that BS Nippon reaches the most viewers and achieves the highest revenues among the BS subsidiary companies of key terrestrial broadcasters.
5. Maximize profits by delivering content through various media.
6. Research state-of-the-art technologies, and maximize their usage in anticipation of the changes in the media environment.

*1 Quintuple Crown: to be ranked top in viewer ratings in all five time slots, including All Day, Golden Time and Prime Time, as well as the Nippon TV Group's two original indicators of Platinum Time (11 p.m. to 1 a.m.) and Non-Prime Time (6 a.m. to 7 p.m. and 11 p.m. to midnight).

*2 Core target ratings: an indicator that Nippon TV Group formulated to isolate the demographic of men and women between ages 13 and 49, and to track their ratings.

"Destroy and Create" Businesses to Achieve Continuous Growth

1. Reconfirm the business domains in which Nippon TV Group should be engaged, and change business models by making bold organizational reforms and mobilizing sufficient human resources.
2. Establish a ¥50 billion investment line for new businesses, including strategic investments, and proceed with the diversification of the Group's business portfolios.
3. Ensure that companies in the Life and Health-Related Business segment pursue synergistic benefits with other companies in the Nippon TV Group, and develop new services.

Gain a Solid Position in Overseas Markets

1. Promote businesses rooted in different regions, especially Asia, where the Group expects growth.
2. Address the needs of each country, and accelerate global expansion of content and production.

Make Social Contributions That Emphasize Regions and Individuals

Foster a Working Environment That Nurtures the Talents of All Employees in the Nippon TV Group, and Motivate Them to Take on Greater Challenges

1. Strengthen the Nippon TV Group's human resources by developing and improving the talents of all employees, making sure their productivity is maximized.
2. Recruit and develop a diversified group of employees, and foster a corporate culture and systems that encourage all employees to take on challenges.

Capital Expenditure

Capital expenditure for the three years covered by the medium-term management plan are budgeted at ¥80 billion, all to be funded through retained earnings. Principal expenditure will include updating broadcasting equipment in Nippon TV Tower, including ¥23.2 billion to be allocated to the new studio building in Kojimachi.

Returns to Shareholders

The Group recognizes the return of profits to shareholders as an important management priority. At the same time, we must maintain a certain degree of internal reserves so that we can act aggressively and expeditiously towards future expansion.

The Company maintains a basic policy of ensuring the consistent and stable return of profits to its shareholders. For the fiscal year ended March 31, 2016, we paid dividends of ¥34 per share.

We would like to thank our shareholders and investors for their continued understanding and cooperation, and we look forward to your future support.

Overview of "The Nippon TV Group Medium-Term Management Plan 2016–2018 Change65"

In the new "Change65" medium-term management plan, while aiming to maintain the results of the previous medium-term plan—namely keeping our top viewer ratings and further enhancing our new businesses—we will continue investing for future growth and diversifying our business portfolio. Working toward the achievement of our medium- and long-term management goals, we will continue our "Change and Challenge" initiatives.

Long-Term Management Goals

- Become a corporate group that provides "enriching experiences."
- Be selected as "the First Choice Nippon TV."
- Diversify the business portfolio and expand overseas.
- Develop Internet distribution and overseas businesses into key sources of profit.

New Medium-Term Management Plan, "Change65" (Fiscal Years Ending March 31, 2017 to 2019)

Medium-Term Management Goals (Financial Goals)

(Billions of yen)

(Years Ended/Ending March 31)	2016 Results	2019 Targets	Increase
Consolidated Net Sales	414.7	460.0	45.3
TV Advertising Sales	262.3	268.5	6.2
Terrestrial	247.8	252.5	4.7
BS & CS	14.5	16.0	1.5
Content Sales and Others	152.4	191.5	39.1
Consolidated Operating Income	53.1(12.8%)	55.0(12.0%)	1.9
Consolidated Recurring Profit	57.7(13.9%)	60.0(13.0%)	2.3

Medium-Term Management Goals (Qualitative Goals)

- Become the strongest production group, producing and delivering enriching content.
- "Destroy and create" businesses to achieve continuous growth.
- Gain a solid position in overseas markets.
- Make social contributions that emphasize regions and individuals.
- Foster a working environment that nurtures the talents of all the employees in the Nippon TV Group, and motivate them to take on greater challenges.

Medium-Term Market Environment

- Contraction of the Japanese market in line with Japan's population decrease
- Expansion of the "Internet First" demographic, consisting mostly of younger members
- TV sets become "Smart TVs"
- Spread of Internet video distribution services
- Growth of Internet video distribution market, Internet advertisement market and life- and health-related markets

Important Measures

- Maintain the top position in the terrestrial TV advertising market.
- Further develop the businesses initiated in the previous medium-term management plan. (Internet Business, Overseas Business, Life and Health-Related Business)
- Continue investing for future growth and diversifying business portfolios.

Previous Medium-Term Management Plan, "Next60" (Fiscal Years Ended March 31, 2013 to 2015)

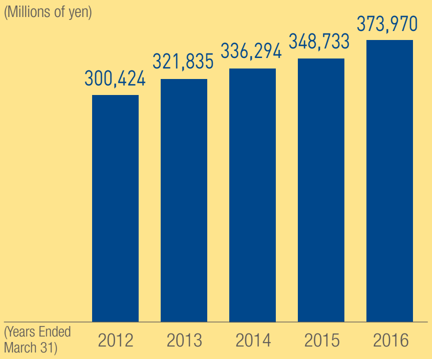
Overview of Business Segments

Content Business

In addition to a surge in terrestrial TV advertising revenue attributable to high ratings, the Group saw an increase in box office revenues from films and exhibitions we funded. Together with improved results for HJ Holdings LLC, which operates the Hulu subscription online video service, sales increased ¥25,237 million year on year, or 7.2%, to ¥373,970 million, including intersegment sales and transfers. Operating income expanded ¥9,907 million, or 25.5%, to ¥48,798 million.

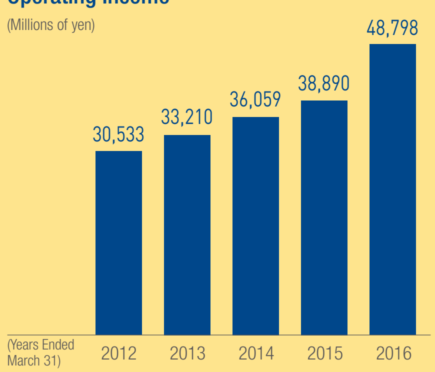
Sales

(Millions of yen)



Operating Income

(Millions of yen)



Composition of Sales in the Content Business

(Millions of yen)

Fiscal Years Ended March 31		2016	2015	Change
Television broadcasting	Time advertising	**118,353**	115,388	2,965
	Spot advertising	**129,477**	122,759	6,717
	Total	**247,830**	238,147	9,683
Advertising sales from BS and CS platforms		**14,540**	14,276	264
Other advertising revenue		**610**	385	225
Content sales revenue		**52,087**	46,680	5,407
Revenue from merchandise sales		**34,004**	28,668	5,336
Box office revenue		**13,238**	9,318	3,919
Other		**11,245**	10,998	246
Total		**373,554**	348,472	25,082

Note: Figures indicate sales to outside customers. Intersegment sales and transfers are not included.

Terrestrial TV Advertising Revenue, BS and CS Advertising Revenue

Operating Environment

> Terrestrial TV

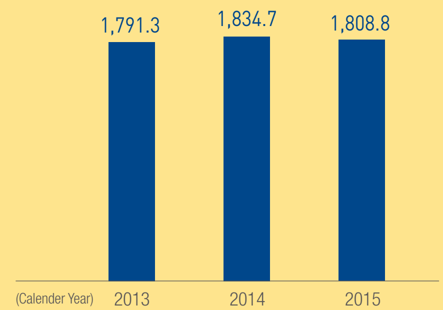
Due to a downturn in large-scale sports programming, a last-minute surge in demand before the consumption tax hike in 2015 and uncertainty about the economic climate leading to a reluctance to place advertising, advertising expenditures for terrestrial television were sluggish until October.

Program time advertising shrank 1.6% year on year, despite the effects from major sports events held between July and December and a last-minute surge in demand before the consumption tax hike in 2015, due to a drop in demand compared with the previous year, which featured programming covering the *Sochi 2014 Olympic Games* and the *2014 FIFA World Cup Brazil*.

Spot advertising decreased 1.3% year on year. In the first through third quarters (January to August), results were down on the previous period, but in the fourth quarter (October to December), performance recovered, rising for the quarter.

Trends in TV Media Advertising Expenditures

(Billions of yen)



Source: Dentsu Inc., *Advertising Expenditures in Japan*

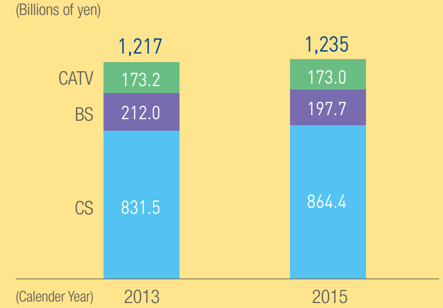
> Satellite Media

Performance was robust for the entire year for the segment overall. In BS, in addition to mail order business operators, the sector saw an increase in sales for health food and basic cosmetics companies, both for advertising nationally, as well as for game app companies. In the CS and CATV categories, health food-related sales decreased.

In BS, to date the market has grown as a result of single-sponsor programs and large spot purchases of advertising space by particular sponsors. However, an increasingly varied program composition in 2015, with sports, music, film and news programming, led to increased advertising from more varied companies, propelling growth.

Trends in Satellite Media Advertising Expenditures

(Billions of yen)



Source: Dentsu Inc., *Advertising Expenditures in Japan*

Overview of Results

The time advertising revenue portion of television broadcasting revenue increased ¥2,965 million, or 2.6%, from the previous fiscal year, to ¥118,353 million. The year saw a lack of major revenue sources such as the previous year's large-scale, single-episode program *2014 FIFA World Cup in Brazil*, but the resulting decline in revenue was more than offset by increases in revenue from regular program slots and single-episode programs, including *2015 FIFA Club World Cup in Japan* and *Rugby World Cup 2015*. In spot advertising revenue, Nippon TV's share increased significantly among the key Tokyo broadcasters on the back of strong ratings, despite spending for regionally targeted spot advertising being roughly the same as the previous year. This performance led to a ¥6,717 million, or 5.5%, increase in spot advertising revenue, to ¥129,477 million. As a result, television broadcasting revenue grew ¥9,683 million, or 4.1%, to ¥247,830 million.

Advertising sales from BS and CS platforms increased ¥264 million, or 1.9%, to ¥14,540 million, primarily due to an increase in BS advertising revenue from single-episode programs.

New Medium-Term Management Plan Objectives: TV Advertising

- Obtain the "Quintuple Crown" in both household and core target zones of terrestrial TV broadcast viewer ratings.
- Secure the largest share in terrestrial television advertising revenues among Tokyo-based key broadcasters.
- Ensure that BS Nippon reaches the most viewers and achieves the highest revenues among the BS subsidiary companies of the key terrestrial broadcasters.

During the year, we earned the "Triple Crown" title for household viewer ratings for the calendar year (December 29, 2014, to January 3, 2016) and the fiscal year (March 30, 2015, to April 3, 2016) for the second consecutive year, being ranked top in all three time slots: All Day (6 a.m. to midnight), Golden Time (7 p.m. to 10 p.m.) and Prime Time (7 p.m. to 11 p.m.). We also secured this position on a per-month basis for the 31 consecutive months between December 2013 and June 2016. Together with ranking top in Nippon TV Group's two original indicators of Platinum Time (11 p.m. to 1 a.m.) and Non-Prime Time (6 a.m. to 7 p.m. and 11 p.m. to midnight), we have won the "Quintuple Crown."

Furthermore, the Group has prioritized audiences who are prime targets of sponsors—men and women between ages 13 and 49 among all individuals as a core viewership. Reworking our timetables, with measures such as a program lineup with family content as well as an enhanced lineup of morning and afternoon weekday programs, has had a major impact on results, including achieving top ranking in all target viewers.

We will continue with a focus on regular programming. In addition, we will maximize the value of our timetables through content planning and creation with a view toward multifaceted deployment, including terrestrial broadcasting, BS and CS broadcasting, Internet content delivery and overseas expansion. Furthermore, we will continue aiming to attain and hold the "Quintuple Crown" for both household and core target ratings.

ZIP!

Ichiokunin no Daishitsumon!? Waratte Koraete!

LINE-UP LAW OFFICE

Shoten

NEWS ZERO

Resolved! Nainai Answer

Nippon TV's Ranking in Viewer Ratings

		All Day 6:00–24:00	Prime Time 19:00–23:00	Golden Time 19:00–22:00	Non-Prime Time 6:00–19:00, 23:00–24:00	Platinum Time 23:00–25:00
Fiscal 2015 (March 30, 2015–April 3, 2016)	Viewer ratings	1st 8.5%	1st 12.2%	1st 12.4%	1st 7.4%	1st 7.4%
	Year on year	−0.1%	−0.5%	−0.4%	−0.1%	+0.3%

Household viewer ratings in the Kanto region, provided by Video Research Ltd.

Content Sales Revenue

Overview of Results

Content sales revenue grew ¥5,407 million, or 11.6%, to ¥52,087 million, reflecting an increase in the number of subscribers to the Hulu subscription online video service.

New Medium-Term Management Plan Objectives: Internet Business

- Accelerate Hulu's growth.
- Develop a sales model for the free Internet video distribution business (Nittele TADA!) and stabilize its advertising revenue.
- Promote real-time viewing and gain viewer membership through collaboration between Internet and TV programs, as planned by HAROiD.

Through aggressive promotions and enhancing content aimed at increasing subscribers, Hulu had over 1.3 million subscribers as of March 31, 2016, up 300,000 from March 31, 2015. In line with this increase, sales jumped ¥4,425 million, or 53.1%, to ¥12,764 million. However, due to aggressive prior investments, the company incurred an operating loss of ¥2,145 million.

Hulu aims to be the top online video distribution service in Japan from multiple perspectives, including subscriber counts, sales, active membership, total viewing time, content and device coverage. To this end, the company has a policy to provide a comprehensive lineup that includes overseas dramas and original Hulu content, tie-ups with terrestrial television, and real-time content such as live baseball and music. The company is also working to develop its operations by leveraging the strengths of the Nippon TV Group.

New Medium-Term Management Plan Objectives: Overseas Business

- Accelerate the expansion of GEM.
- Promote merchandizing business overseas.
- Promote businesses rooted in different regions, especially in Asia, where the Group expects growth.
- Address the needs of each country and accelerate global expansion of its content and production.

Established jointly with Sony Pictures Television Networks, GEM started broadcasts in Cambodia, Hong Kong, Indonesia, the Philippines, Singapore and Thailand. GEM focuses on Japanese dramas and variety shows, and lets subscribers view these with minimal delay after their broadcast in Japan. GEM also holds local events throughout the region to promote the channel.

The company is currently planning to expand its operations to Malaysia and other Southeast Asian countries.

Additionally, the format for *Dragons' Den* has been sold to at least 27 countries, being screened as *Dragons' Den* in the United Kingdom and *Shark Tank* in the United States. China's Shenzhen TV has also commenced broadcasts under this format.

The Group will continue working to establish the Nippon TV brand and expand operations overseas.

Recording the Chinese version of *Dragon's Den*

Box Office Revenues

Overview of Results

Box office revenue increased ¥3,919 million, or 42.1%, to ¥13,238 million, mainly on the back of successful results from two Nippon TV-financed films, *The Boy and The Beast* and *No Longer Heroine*. Also contributing to performance were favorably received art exhibitions, *Exhibition Monet and Exhibition Louvre Museum*, in the event business.

Japan's First Super Large-Scale Entertainment Show
Dragon Quest Live Spectacle Tour

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Works from the Monet Exhibition, from "Impression, Sunrise" to "Water Lilies"
Held in Tokyo, Fukuoka, Kyoto and Niigata

Impression, Sunrise by Claude Monet
1872 Musée Marmottan Monet, Paris ©Christian Baraja

TOPICS Establishment of Nippon TV Research Lab

On June 1, 2016, Nippon Television Network Corporation established a media research lab.

This lab aims to carry out investigations and research, as well as human resources development from a long-term perspective covering a wide range of fields, including content creation, trends among increasingly diverse citizens, leading-edge initiatives overseas and trends in the latest technologies.

The main feature of the lab is an environment that enables employees to carry out their own research. In a sense, all employees are members of this laboratory.

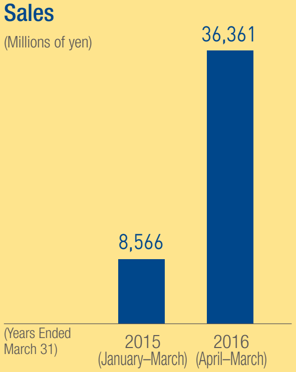
In this rapidly changing business environment, we hope that every one of our employees can grow and that we can continue to be a leading company.

Life and Health-Related Business

Sales at the Life and Health-Related Business, including intersegment sales and transfers, advanced ¥27,794 million, or 324.5%, from the previous year to ¥36,361 million due to the full-year booking of facilities usage revenue and merchandise sales of TIPNESS Limited, which had been consolidated as a subsidiary on December 25, 2014. Operating income amounted to ¥1,197 million (an operating loss of ¥131 million was posted in the previous year). Operating profit before goodwill amortization was ¥2,979 million.

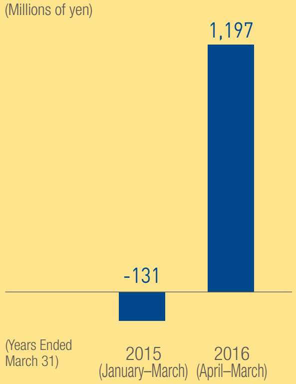
Sales

(Millions of yen)



Operating Income

(Millions of yen)



*The Life and Health-Related Business is a reporting segment newly established due to the consolidation of TIPNESS Limited as a subsidiary on December 25, 2014.

New Medium-Term Management Plan Objectives: Ensure Steady Growth of TIPNESS

- Increase membership of comprehensive-type gyms.
- Increase the number of FASTGYM24 branches
- Develop new business in the Life and Health-Related Business segment, responding to the aging of society and more health-oriented lifestyles.

As of March 31, 2016, TIPNESS operates 61 comprehensive-type gyms in the greater Tokyo area under the TIPNESS brand. TIPNESS uses "functional" as a keyword, and features state-of-the-art training methods and fitness and exercise expert partners employed to provide hospitality. These efforts have enabled the company to acquire a relatively young membership. Programs for children are proving popular and contributing to results. Riding upon this high customer satisfaction, the company is implementing more initiatives to increase membership.

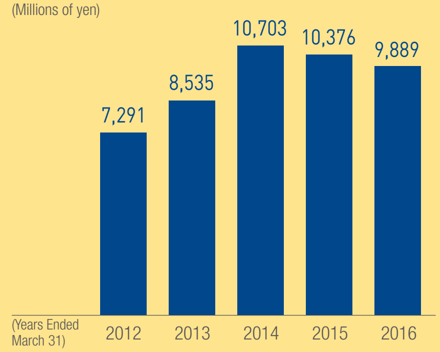
TIPNESS has also opened its FASTGYM24 format of 24-hour training gyms, particularly in the Tokyo area. This format is popular with members who want to train casually at locations that are easy to drop by. As about half of FASTGYM24's members are joining a fitness club for the first time, we expect the fitness-oriented population to expand, helping to broaden the range of people making use of the company's services. With 37 locations as of March 31, 2016, including 23 opened during the year under review, we will continue to open new branches.

Real Estate Business

Sales at the Real Estate Rental/Leasing Business, which includes rental and leasing income from tenants in the Shiodome and Kojimachi areas, decreased ¥487 million, or 4.7%, to ¥9,889 million, including intersegment sales and transfers. Operating income decreased ¥291 million, or 7.3%, to ¥3,723 million.

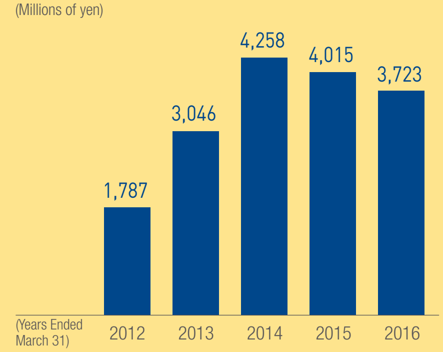
Sales

(Millions of yen)



Operating Income

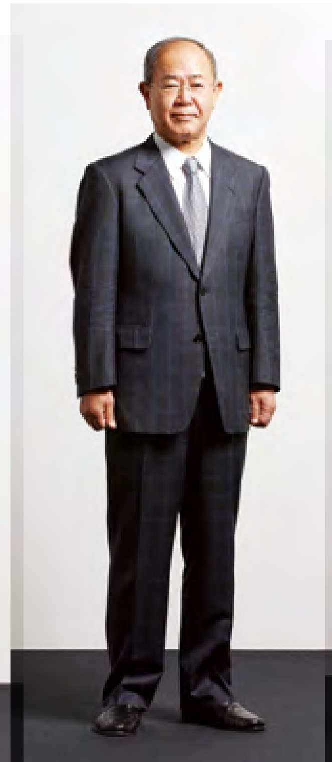
(Millions of yen)



Board of Directors and Auditors

Directors






Yoji Sugahara

Executive Board Director
Corporate Strategy Management

Following appointments as Director General, Sales, and Board Director of Nippon TV, appointed Executive Board Director in 2016.

Kimio Maruyama

Senior Executive Board Director
Corporate Administration & Human Resources, Labor Relations
Executive Manager of Information Security Management Office

Following appointments as Director General of Sports and Sales, appointed Board Director and Operating Officer in 2011 and Board Director and Managing Officer in 2012. Appointed Executive Board Director in October 2012 in line with the transition to a certified broadcasting holding company. Appointed Senior Executive Board Director in 2015.

Yoshio Okubo

Representative Director, President
Chairman of Business Audit Committee
Nippon TV Group Management Strategy Committee
Corporate Strategy Executive Management

Served as Director and Director General, Media Strategies, at The Yomiuri Shimbun. Appointed Board Director and Operating Officer in 2010, and Representative Director and President in 2011. Appointed Representative Director and President October 2012 in line with the transition to a certified broadcasting holding company.

Yoshinobu Kosugi

Senior Executive Board Director
Multi-Platform Convergence Strategy Management

Following appointments as Director General of Sales and Programming, and as Representative Director and President of AX-ON Inc., appointed Board Director and Operating Officer in 2011 and Board Director and Managing Officer in 2012. Appointed Managing Director in October 2012 in line with the transition to a certified broadcasting holding company. Appointed Senior Executive Board Director in 2013.

Akira Ishizawa

Executive Board Director
Vice Chairman of Business Audit Committee
Executive Auditor of Information Security Management Office

Following appointments as head of Executive Administration, Corporate Administration, Programming, President's Office and Management Strategy, appointed Board Director in 2013 and Executive Board Director in 2015.

Kenichi Hirose

Board Director
President, Financial Management

Following appointments as Director General, Sports, and Divisional President, Multi-Platform Convergence Strategy, appointed Board Director in 2016.

Note: Titles prior to September 2012 reflect the former Nippon Television Network Corporation, which switched to a holdings company structure in the following month.

Directors

Tsuneo Watanabe
Board Director*
Representative Director, Chairman and Chief Editor, The Yomiuri Shimbun Holdings

Hiroshi Maeda
Board Director*
Attorney at Law

Takashi Imai
Board Director*
Honorary Chairman, and Colleague of Nippon Steel & Sumitomo Metal Corporation (formerly Nippon Steel Corporation)

Ken Sato
Board Director
President, Institute for International Policy Studies

Tadao Kakizoe
Board Director*
President, Japan Cancer Society

Yasushi Manago
Board Director
Attorney at Law

* Outside directors pursuant to Article 2.15 of the Companies Act

Auditors

Yasuhiro Nose
Standing Audit & Supervisory Board Member

Kojiro Shiraishi
Audit & Supervisory Board Member**

Norio Mochizuki
Audit & Supervisory Board Member**

Toshinori Kanemoto
Audit & Supervisory Board Member**

** Outside auditors pursuant to Article 2.16 of the Companies Act

Corporate Governance

Basic Concepts

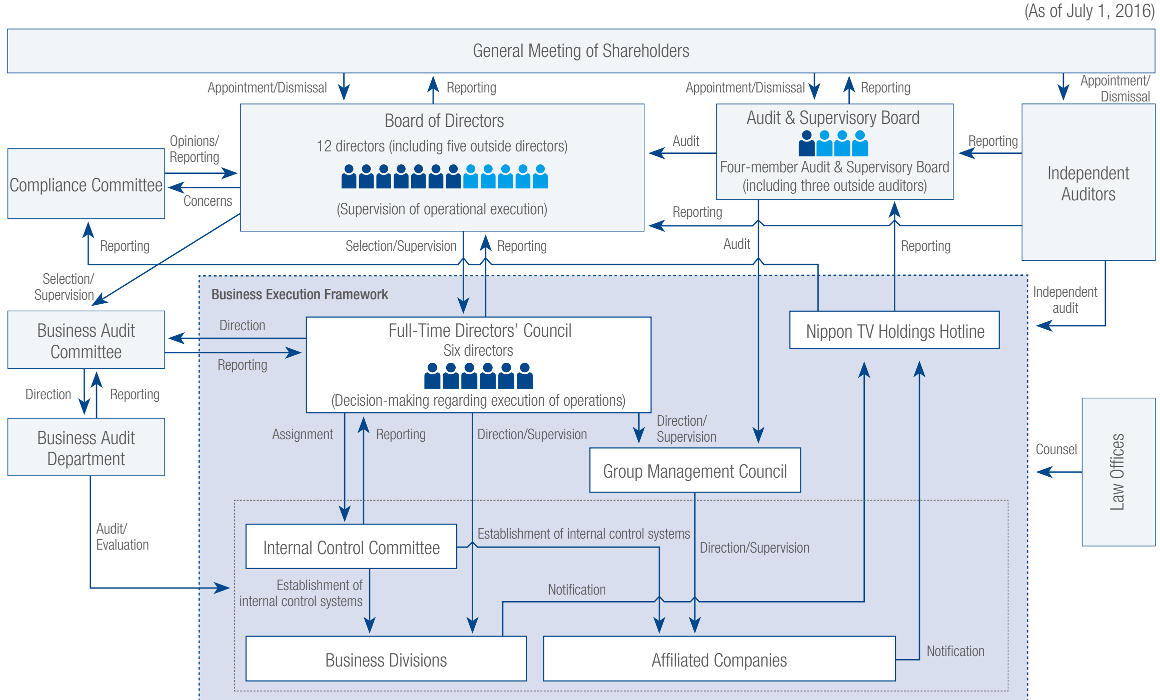
As a certified broadcasting holding company, Nippon Television Holdings and the Nippon TV Group are committed to remaining a corporate group that provides enriching experiences by producing new media and content as well as influencing life and culture, while fulfilling their social responsibilities as media organizations.

The Nippon TV Group will strive to be continuously selected as the “First Choice Nippon TV” by having the entire Group’s employees work together to pursue the Group’s growth and take preemptive actions in response to ever-changing environments.

We expect efforts to promote business based on our business plans to lead to stable growth over the long term and increase our contribution to society. We also believe that prioritizing our relationship with stakeholders enhances the corporate value of the company and of the Group.

The Company strives to further augment its corporate governance to ensure swift decision-making and operational execution in response to changes in the business environment, and to facilitate transparent and sound management.

(As of July 1, 2016)



Corporate Governance Framework

The Company has an Audit & Supervisory Board with a management structure under which the Board of Directors oversees the operational execution of the directors. Meanwhile, the Audit & Supervisory Board members and Audit & Supervisory Board audit the operational execution of the directors.

The Company appoints several highly independent outside directors and outside Audit & Supervisory Board members. The governance framework is designed to ensure effective supervision over the execution of duties by directors. Outside directors help to provide appropriate supervision, thereby enhancing the management oversight function.

The Company has also emphasized the external monitoring of management, incorporating five outside directors pursuant to Article 2, Paragraph 15, of the Companies Act into the 12-member Board of Directors for greater management integrity and more transparent decision-making processes. The four-member Audit & Supervisory Board includes three outside Audit & Supervisory Board members pursuant to Article 2, Paragraph 16, of the Companies Act for greater independence from the Board of Directors and stronger auditing functions related to the execution of duties. Standing Audit & Supervisory Board member Yasuhiro Nose has considerable experience in finance and accounting, having been in charge of these operations at the company for many years. Additionally, outside Audit & Supervisory Board member Kenji Kase is a certified public accountant and is endowed with a considerable degree of finance and accounting knowledge.

During the year under review, the Board of Directors met seven times to decide important duties and to supervise the execution of directors’ duties. Also, the Audit & Supervisory Board met eight times to audit the directors’ execution of duties. Each Audit & Supervisory Board member, in conformance with the auditing standards determined by the Audit & Supervisory Board, attends Board of Directors and other important meetings, inspects important end-of-period financial documents and carries out investigations into the state of business operations and finances.

Under the Board of Directors, Nippon TV Holdings has established an Internal Audit Committee to supervise overall business activities and monitor internal control systems. The Remuneration Committee, charged with fielding inquiries about compensation for directors, has also been formed under the Board of Directors. The Company has additionally set up a Compliance Committee to reinforce corporate governance and ensure thorough compliance and a high degree of transparency in Nippon TV Holdings’ activities, thus striving to reinforce society’s trust and earn its support.

The Company has also put in place an Internal Control Committee, which periodically checks and promotes operational controls.

Concerning third-party contributions to Nippon TV Holdings corporate governance framework, the Company has reinforced its legal risk management system by concluding advisory agreements pertaining to corporate management and daily business tasks with multiple law offices, and by seeking advice as necessary. We have also concluded audit agreements concerning audits relating to the Companies Act and the Securities and Exchange Act with audit corporations, which conduct audits from an independent standpoint.

Board of Directors

The main roles of the Board of Directors are to establish a corporate philosophy and to decide strategic directions, including the allocation of management resources, to promote continuous growth and enhance corporate value over the medium to long term. The Board of Directors also holds constructive discussions on the formulation and revision of corporate strategies and management plans, deciding important matters for operational execution.

Independent Outside Directors

Standards regarding the independence of independent outside directors are in accordance with those specified by the Tokyo Stock Exchange. In the selection of independent outside directors, we take into account that the business operations of Nippon TV Holdings and the Group center on the television broadcasting business, which provides many opportunities to come into contact with a wide range of fields. In Board of Directors' meetings, we appoint several directors who have the high levels of expertise and the extensive experience to provide open and constructive advice and supervision.

Reasons for Appointment of Outside Directors

Name	Independent Officer	Reasons of Appointment
Tsuneo Watanabe		To reflect in management his insightful opinions based on his extensive experience as a manager of a newspaper company and a journalist
Hiroshi Maeda	○	To reflect in management his insightful opinions based on his extensive experience in the legal community, and to guide the Company's compliance and related activities
Takashi Imai	○	To reflect in management his insightful opinions based on his extensive experience as a corporate executive and as a business leader
Tadao Kakizoe	○	Through his extensive contacts in a variety of fields in Japan and overseas through his commitment to medical science, to reflect his wide range of insights, which extend beyond the medical community
Yasushi Manago	○	To reflect in management his considerable experience at a government agency and extensive range of insightful opinions on fiscal and monetary affairs, the economy and legal affairs

Progress on Implementation of Initiatives to Enhance Corporate Governance in the Past Year

In keeping with the purport of Japan's Corporate Governance Code, on December 1, 2015, we formulated and publicized our Corporate Governance Guidelines. These guidelines contain chapters on "Basic Policy for Corporate Governance," "Ensuring the Rights and Equality of Shareholders," "Appropriate Cooperation with Stakeholders other than Shareholders," Responsibilities of the Company's Board of Directors, etc." and "Dialogue with Shareholders."

http://www.ntvhd.co.jp/ir/governance

In response to the Personal Information Protection Act and as part of its efforts to enhance information security measures, in June 2015 Nippon TV Holdings established the Information Protection Promotion Secretariat and the Cyber-Security Promotion Secretariat to protect information assets on both the tangible and intangible fronts. We also advance daily information management by designating a person responsible for the management of information assets in each department. In addition, concerning the Subcontract Act, we have made subcontracting more appropriate and legally compliant.

We have reorganized and renamed our internal reporting hotline, the Nippon TV Holdings Whistle, as the Nippon TV Holdings Hotline. Inaugurated in April 2016, this hotline enables Company and Group employees to report directly on legally doubtful acts and behaviors inside the Company and request investigations.

Among other compliance efforts, the Company and the Group conduct training programs on insider trading regulations, both as group training and as a Web-based program, for all officers, employees and other staff. These programs are intended to boost awareness with an aim toward preventing insider trading, ensure a thorough awareness of internal rules and confirm everyone's understanding of regulatory changes in the revised Financial Instruments and Exchange Act.

As a media and content company centered on broadcasting, which has a decidedly public nature, we have formulated the Nippon TV CSR Proclamation to spearhead our proactive efforts to play a useful role in society through our broadcasts and business. We are putting every effort into environmental conservation, disaster reconstruction and other contribution activities in ways unique to a media company.

Organization of Internal Audits and Mutual Cooperation with Independent Auditors

Audit & Supervisory Board members receive explanations from independent auditors on the outline of the audit plan before an independent audit is carried out. Audit & Supervisory Board members also exchange information with independent auditors on the progress of audit procedures and issues arising during the course of the audits performed by the independent auditors, and they receive explanations on the results of the independent audit following completion of the audit.

Audit & Supervisory Board members can order employees who belong to the Audit & Supervisory Board Management Office to investigate matters necessary for auditing duties. Employees working for the Audit & Supervisory Board Management Office concurrently work for the Business Audit Department and assist the Audit & Supervisory Board members with their duties. The Audit & Supervisory Board members maintain close contact with the members of the Business Audit Committee, which is an internal audit department.

Independent Auditing

Nippon TV Holdings has concluded an audit agreement with audit corporation Deloitte Touche Tohmatsu LLC to have independent audits carried out pursuant to the Companies Act and the Securities and Exchange Law.

The accounting audit structure for the fiscal year ended March 31, 2016, was as shown below.

Names of Certified Public Accountants Executing Operations, Number of Successive Years Involved, and Accounting Auditor to Which They Belong

Names of Certified Public Accountants		Accounting Auditor to Which They Belong
Designated and Executive Partners	Yoshiyuki Higuchi	Deloitte Touche Tohmatsu LLC
	Tomoya Noda	
	Kenji Akiyama	

Note: As all have been involved in these operations for seven or fewer years, details are omitted here.

Assistants assisting in audit activities
Certified public accountants: 5 Others: 13

Executive Remuneration

Executive remuneration for the Company's directors and Audit & Supervisory Board members in the fiscal year ended March 31, 2016, was as follows.

	Total Remuneration (Millions of Yen)	Total Remuneration, by Category			Number of Officers Remunerated
		Basic Compensation	Bonuses	Retirement Benefits	
Directors (Excluding Outside Directors)	381	381	—	—	7
Audit & Supervisory Board members (Excluding Outside Auditors)	26	26	—	—	1
Outside Directors and Outside Auditors	118	118	—	—	9

Notes:
1. The number of officers as of March 31, 2016, was 12 directors and four Audit & Supervisory Board members.
2. The remuneration amounts listed above do not include the employee portion of salary or bonuses for those officers who are also employees.
3. At the 75th Ordinary General Meeting of Shareholders on June 27, 2008, a resolution was passed that revised the yearly limit on the amount of remuneration to ¥950,000,000 for directors (of which, up to ¥110,000,000 may be paid to outside directors) and ¥72,000,000 for Audit & Supervisory Board members.

Regarding executive remuneration, according to a resolution of the General Meeting of Shareholders, limits are imposed on the total compensation for directors and Audit & Supervisory Board members.

Each director's remuneration is determined each year by the representative director, having been authorized by a decision of the Board of Directors attended by multiple external directors, in consideration of business conditions and the Company's performance. Remuneration for full-time directors comprises a fixed portion, an evaluated portion, a Company performance-linked portion and a stock value-linked portion. The fixed portion depends upon the individual's post, the evaluated portion is based upon the individual's performance, and the company performance-linked portion is linked to a set figure against the net income for that period. The stock value-linked portion is fixed cash remuneration with the aim of increasing stock holdings in the Company and the Company shares are purchased through an executive stock ownership association. Remuneration for non-full-time directors, including outside directors, is composed only of a fixed portion.

Remuneration for Audit & Supervisory Board members is determined through consultation with Audit & Supervisory Board members and is within the limits for remuneration resolved by the General Meeting of Shareholders.

Basic Philosophy on the Structure of Internal Control Systems

1. System to ensure that the execution of duties of directors and employees conforms to laws and the Articles of Incorporation

The Company has formulated the Nippon TV Holdings Compliance Charter, to which all full-time officers and employees of the Company and the Group pledge, to ensure that corporate activities conform to laws, the Articles of Incorporation and corporate ethics. Furthermore, with this objective in mind, the Company conducts employee education centered on the Corporate Strategy and Corporate Administration divisions.

Nippon TV Holdings promotes compliance with laws, the Articles of Incorporation and corporate ethics, as well as highly transparent corporate activities, by maintaining a Compliance Committee consisting of lawyers and other outside professionals to serve as directors and observers.

In addition to having typical reporting routes in place, the Nippon TV Holdings Hotline serves as an internal reporting mechanism to enable Company and Group employees to report directly on legally doubtful acts inside the Company and request an investigation.

To ensure the compliance of directors' execution of duties, the Company emphasizes the supervisory function of the outside directors and outside auditors and works to activate the Board of Directors to pursue higher corporate governance.

Nippon TV Holdings has established a Business Audit Committee to conduct internal audits of corporate activities and verify corporate governance.

Furthermore, we resolutely confront any antisocial elements and ensure that such elements play no part in our business relationships or transactions. There will be no offer of illegal profits: any unjust demands or wrongful intervention will be reported to the police and other authorities concerned as part of an organized response based on close liaison with such agencies.

2. System relating to retention and management of information concerning directors' execution of duties

Pursuant to the document handling regulations, information related to directors' execution of duties is recorded in writing or via electromagnetic media (hereinafter "documents, etc.") and retained for a specified period. Under the supervision of the Corporate Administration & Human Resources Division, such documents, etc., are retained at each division, at which a person in charge of information assets management and a person responsible for information asset operations are designated.

The directors and Audit & Supervisory Board members are able to view such documents at any time.

3. Regulations and other risk management systems for losses

The Company has established an Internal Control Committee to manage risk on a companywide basis and a Risk Management Committee to manage newly emerging risks in an expedient manner, with each committee being chaired by a representative director. Various committees throughout the Group address risks related to disasters, information management, program production, copyright contracts, broadcasting and fraudulent acts, thereby improving each system and updating regulations. Broadcasters such as the Nippon TV Holdings Group have a special obligation to conduct emergency broadcasts following earthquakes and other disasters. The Company therefore maintains equipment and systems to enable uninterrupted broadcasting after such emergencies and has created the Metropolitan Area Anti-Disaster Manual as the basis for training simulations.

4. System to ensure efficient execution of directors' duties

The Company maintains a system to ensure that directors execute their duties appropriately and efficiently by clarifying their administrative authority and establishing decision-making rules based on internal regulations on division of duties and rules for *ringi* (circulating agendas and seeking approval before or without holding a meeting). We also strive to enhance corporate governance by having outside directors, who have no interest-based relationships with the Company, supervise the execution of duties in a working system of checks and balances.

5. System to ensure the appropriateness of duties conducted by the corporate group consisting of the Company and its subsidiaries

The Corporate Strategy Division's Group Promotion Division handles overall activities related to compliance with laws and regulations and the Articles of Incorporation, the formulation and implementation of general management and operational business strategy, and to improving efficiency in operations and the execution of duties. In this manner, the department enforces groupwide compliance with laws and regulations and the Articles of Incorporation and maintains the risk management system.

The Company has established the Nippon Television Holdings Group Management Regulations and the Group Companies Management Regulations, which include basic provisions concerning risk management systems for losses in Nippon TV Group companies, and set up a system through which the Group companies will report to the Company on important matters.

The Company will regularly hold Group Management Council meetings—consisting of representatives of the Group companies—to share information, reinforcing the appropriateness of operations and efficiency in the execution of duties.

Compliance-related training will be given to officers and employees of the Group companies as necessary.

6. Matters concerning employees who are to assist Audit & Supervisory Board members upon Audit & Supervisory Board members' requests

Upon request by the Audit & Supervisory Board Members, employees to assist the Audit & Supervisory Board Members with their auditing duties shall be deployed at the Audit & Supervisory Board Management Office and perform their duties in accordance with the Audit & Supervisory Board Members; in such cases, directors may not give any instructions contrary to those of the Audit & Supervisory Board Members.

Statutory auditors can order employees who belong to the Audit & Supervisory Board Management Office to investigate matters necessary for auditing duties. Such employees shall assist the Audit & Supervisory Board members with their auditing duties and concurrently work for the Business Audit Department.

7. Matters concerning the independence from directors of the employees who assist Audit & Supervisory Board members

Employees who assist the Audit & Supervisory Board Members shall not concurrently handle any duties pertaining to the business operations of the Company or its Group, and the personnel performance evaluation of such employees shall be conducted by the Audit & Supervisory Board Members. The transfer of and disciplinary actions involving such employees shall be subject to the approval of the Audit & Supervisory Board Members.

8. A system that requires directors to report to the Audit & Supervisory Board, and a means for employees to report to Audit & Supervisory Board members

The Company's directors shall report to the Audit & Supervisory Board on matters that could have a substantial impact on the Company or its Group based on the status of internal auditing.

In the event that the Company's employees find matters that could have a substantial impact on the Company or its Group, or facts that violate laws or the Articles of Incorporation, they can, in addition to using normal reporting lines, directly report such instances to Audit & Supervisory Board members or the Corporate Administration & Human Resources Division through the Nippon TV Holdings Hotline, the internal reporting system. This shall also apply to the Nippon TV Group's directors, Audit & Supervisory Board members and employees, as well as people who have received such reports.

The Business Audit Committee shall regularly report to the Audit & Supervisory Board members the matters reported by the Company's employees or Nippon TV Holdings' directors, Audit & Supervisory Board members or employees, as well as the results of internal audits.

The Company's directors and employees, as well as Nippon TV Holdings' directors, Audit & Supervisory Board members and employees, who have made said reports, or people who have received such reports, shall not be subject to any disadvantageous treatment on the grounds of their having made such reports.

9. Other systems to ensure effective auditing by Audit & Supervisory Board members

Standing Audit & Supervisory Board members shall attend the Full-Time Directors' Council and exchange opinions with the full-time directors. Statutory auditors may attend the Group Management Council and receive advice regarding auditing duties from lawyers, certified public accountants and other professionals if necessary.

The Audit & Supervisory Board members may receive advice regarding auditing duties from lawyers, certified public accountants and other professionals, if necessary, and require the Company to pay in advance or reimburse expenses incurred by them with respect to their performance of duties, including expenses for receiving said advice. Upon such request, the Company shall, respecting their decision, pay in advance or reimburse said expenses.

CSR at Nippon TV Holdings

Nippon TV Holdings' CSR Proclamation

Nippon TV Holdings is a media and content company centered on broadcasting, which has a decidedly public nature. Therefore, we have formulated four promises that we aim to fulfill as we aggressively promote activities intended to be useful to society through our broadcasting and operations.

1
For a society filled with smiles

Through trustworthy broadcasts and heartwarming programs and businesses, we will strive to make life bountiful.

2
For heartwarming culture and well-being

By increasing the opportunities to come into contact with various types of culture and arts, we will strive to foster welfare that is considerate and offers peace of mind.

3
For a life-supporting environment

By protecting our irreplaceable world, we will strive to pass on a good living environment for future generations.

4
For a future where dreams come true

As a leader in the broadcasting industry, we consistently strive to develop technologies, provide new experiences and build a future where dreams come true.

Signatory to the UN Global Compact

Nippon TV signed the UN Global Compact (UNGC) in January 2011. Formally launched by UN Headquarters in July 2000, the UNGC was first announced by then Secretary-General Kofi Annan in a speech to The World Economic Forum in January 1999 at a conference in Davos, Switzerland, in which he expressed the importance of meeting the needs of people who are in weak positions and addressing issues that concern the world's future. Among the companies and organizations that are signatories to the UNGC, corporate top management pledges to uphold 10 principles related to the protection of human rights, the elimination of unjust labor practices, environmental responsiveness and the prevention of corruption and to conduct corporate activities to achieve these aims. As of July 2015, more than 13,000 organizations (including more than 8,300 companies) in 160 countries are included as signatories on the UN's official website.

THE GLOBAL COMPACT
Network Japan
WE SUPPORT

Since the creation of the Nippon TV Eco Committee, we have taken a companywide approach toward environmental protection activities. Since 2005, we have conducted an eco-campaign in conjunction with the United Nations World Environment Day on June 5. As part of this weeklong campaign of television programs and events, we air 24-Hour Television, a charity program, and conduct lessons through school visitations called "Nippon TV Forum External Class Terekoya," targeting elementary through high school students. In line with our signing of the UNGC, we will step up activities such as these as we work to raise the level of trust in Nippon TV as a global company, from people overseas as well as those in Japan.

External Evaluation

For 13 consecutive years, Nippon TV has been selected as a member of the FTSE4Good Index series of environmental sustainability indices, provided by FTSE International Limited of the United Kingdom.

FTSE4Good

Nippon TV Holdings' Original Social Contribution Activities

24-Hour Television: "Love Saves the Earth"

This year marked the 39th annual broadcast of this charity program since its inception in 1978. The main mission of this program is to maximize the media power of television to contribute to welfare activities in Japan and overseas and to communicate the importance of support to society at large.

The theme of this year's program, which was broadcast August 27–28, was "Love: The Road I Live." Donations collected from numerous viewers were used in their entirety—without any deductions to defray costs—to support works in the three areas of welfare support activities, activities to support environmental preservation and activities to support disaster recovery through the 24-Hour Television Charity Committee. The committee comprises 31 commercial television broadcasters throughout Japan. The cumulative total of contributions for the 38 years from 1978 through 2015 is ¥35,667,320,304.

Individual contributions (donations)

24-Hour Television* Charity Committee
The 31 commercial television broadcasters throughout Japan broadcasting *24-Hour Television*

Welfare Support Activities
Assistance for the elderly and people with special needs, including donations of special vehicles for public service activities

Activities to Support Environmental Preservation
Assistance in cleaning and environmental conservation activities nationwide

Activities to Support Disaster Recovery
Providing emergency assistance for natural disasters, supporting recovery in disaster-hit areas

* The *24-Hour Television* Charity Committee received public interest certification by the Japanese Cabinet Office on December 1, 2013, thereby becoming a public interest incorporated association. The association received certification for new social contribution activities in areas of support, including patients with intractable diseases, information security for people with disabilities (people with visual disabilities) and sports for people with disabilities.

Welfare Support Activities

Donating special vehicles for public service activities is an ongoing activity that started from the first *24-Hour Television* broadcast, and as of March 2016, we have donated a total of 10,422 vehicles, including vehicles that help people bathe, and rescue dog transport vehicles for use in searching disaster areas. Additionally, since 2014 we have provided assistance to people in adaptive sports. As support for patients with intractable diseases, we have donated a solar-powered eco-system that converts sunlight into electricity and supplies hot water for lodging facilities, and have donated Braille book transport trucks to the Japan Braille Library to help provide information accessibility for people with special needs.

Activities to Support Environmental Preservation

In 2004, we began supporting environmental preservation activities as a central part of our assistance activities, with the "Mt. Fuji Beautification Project." With the cooperation of volunteers and many others, we are carrying out cleanup activities around Japan's waterfront and mountain areas, as well as environmental conservation initiatives, and are continuing with environmental activities to support the region affected by the Great East Japan Earthquake. By members of the media like ourselves proactively working to raise awareness, we aim to foster wider environmental activities.

Activities to Support Disaster Recovery

In our activities to support disaster recovery, we provide emergency assistance in the form of donations of emergency assistance funding and support for the recovery of regions affected by natural disasters, such as the Great East Japan Earthquake. As emergency assistance for natural disasters, we made a donation of ¥5 million through the Japanese Red Cross Society to provide local assistance and relief supplies for the earthquake that occurred in February 2016 in the south of Taiwan. Additionally, the major earthquakes in Kumamoto in April 2016 resulted in many deaths and injuries, along with significant destruction of everyday infrastructure. In response, a total of ¥76,880,958 was donated for relief efforts, including from the emergency drive for donations that started the day after the earthquake.

7 days TV What is a Family?

7 days TV What is a Family? is a special campaign to coincide with the annual International Day of Families, on May 15. Many programs from Nippon TV were represented, and content centered on a family theme.

GO! Nittele WALK

GO! Nittele WALK, a program for touring our facilities designed for students, aims to encourage an affinity for television. The program provides participants with the opportunity to look behind the scenes of the television business as they tour live broadcast facilities and learn how television programs are produced. This program targets children from the fifth year of elementary school through to the third year of high school, and many students take part in these tours as free-themed school excursions and as a part of their independent studies.

Mother and Child Initiative (*mama mo como*)

The Mother and Child Initiative is a child-rearing assistance project started in 2010 and hopes to make Nippon TV loved by families with children nationwide. We came up with the name *mama mo como* for this project; in Japanese it encompasses the desire to have mothers and children be happy.

Nippon TV Experience Classroom

In this classroom, technical staff members who are at the forefront of program production interact with children who have expressed an interest in learning more about television, and Nippon TV employees let them experience for themselves how programs are made.

Yomihito Shirazu Workshops

Under the Yomihito Shirazu program, announcers and newscasters from Nippon TV and network stations visit schools, temporary housing and other meeting places in areas affected by the Great East Japan Earthquake, holding workshops and other activities focused on the Japanese language.

JoinTown Disaster Response and Elderly Assistance Project

The JoinTown disaster response and elderly assistance project uses television and aims to provide a new future for television, loved by all ages.

Nippon TV Forum External Class Terakoya

Producers, directors, news reporters and announcers who work at Nippon TV and who are intimately involved with production visit elementary, junior high and high schools, where they explore the fun and appeal of the television industry, and at times even tell the students a few inside stories.

SENSORS

Under the theme of combining technology and entertainment, the SENSORS media project introduces top leaders, products and services that will build the future in a range of fields. In addition to programs, the project uses Web media and events to contribute to the future of entertainment.

Stage at Eco-Products Exhibition

At the Eco-Products Exhibition, we set up an event stage titled “Come and Learn with NTV Eco-Classroom—Back to the Teacher!” Held and organized by weather forecaster and disaster prevention specialist Minoru Kihara, this introduces a performance about eco-friendly activities in the Edo period using the popular weather character Sora-Jiro.

Cultural Activities

In line with our CSR motto of “expanding opportunities to enjoy art and culture in various ways,” we supported the Louvre Museum’s repairs of the *Mona Lisa* room (completed in 2005), and restoration of classical Greek and Hellenistic art, including *Venus de Milo* (completed in 2008). Additionally, under the strong relationship we built with the Louvre Museum in assisting in the restoration of the *Mona Lisa* and *Venus de Milo*, we also cooperated in restoring the area surrounding the *Winged Victory of Samothrace* (completed in 2015). These masterpieces are considered the museum’s three “crown jewels.”



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Social Activities

Corporate Ethics

Having established a Compliance Committee in December 2003, Nippon TV strives to promote compliance and highly transparent corporate activities. In June 2004, we established a Compliance and Standards Office, strengthened our operational audit system and, on July 1 of that same year, formulated and put into effect The Nippon TV Compliance Charter. The Compliance Charter defines the basic internal standards that must be observed by all Nippon TV Group full-time executives and employees. The Nippon TV Group pledges to observe the Compliance Charter and strives to ensure that all full-time executives and employees read, understand and observe all the standards contained therein.

Human Resource Development

Nippon TV believes the further enrichment of content is indispensable for the continuation of a broadcast station supported by many people.

People are the driving force behind our content creation capabilities. Nippon TV strives to foster a working environment where employees can maximize their potential by hiring and employing a diverse array of talented new graduates and experienced mid-career personnel. We have also introduced an employee evaluation system to provide a fair assessment of job performance, as well as career design and job request systems to ensure appropriate employee training.

In August 2003, we revised our salary system from one based on age and job seniority to a performance-based structure focused on employee achievements.

Through a “cafeteria-style” welfare system, we enable personnel to select from a menu of measures that target self-development and are designed to help them achieve enjoyable lifestyles. In our view, this approach is a way to truly build corporate value.

Nippon Television Kobato Cultural Foundation

In 1974, we established the NTV “Dove of Love” Public Welfare Foundation to support people with seeing and hearing disabilities that rendered them unable to enjoy television. The Nippon Television Network Cultural Foundation was set up in 1976 for the promotion, interaction and advancement of culture in areas inaccessible via television. On April 2, 2012, we merged the two entities into the Nippon Television Kobato Cultural Foundation with the aim of promoting financial and operational efficiency and generating synergy between the two entities. The foundation is active in providing sign language interpretation of news broadcasts and distributing Braille calendars.

Management's Discussion and Analysis

Nippon Television Holdings, Inc. and Consolidated Subsidiaries
Years Ended March 31

Overview

During the fiscal year ended March 31, 2016, the Japanese economy was on a mild recovery path, with corporate earnings rising due to improvements in the employment and income environment and the effect of various governmental policies, despite some weakness amid fears of a downturn in overseas economies.

Given this economic environment, total advertising expenditures in Japan totaled ¥6,171.0 billion in 2015 (calendar-year basis, according to Dentsu Inc.), up 0.3% from the previous year, rising for the fourth consecutive year. Of this total, television media advertising expenditures amounted to ¥1,808.8 billion, down 1.4%.

Net Sales

The Nippon TV Group recorded a ¥52,283 million increase in consolidated net sales for the fiscal year ended March 31, 2016, or a 14.4% rise from the previous fiscal year, to ¥414,781 million. This rise was due mainly to higher revenue from terrestrial television advertising on the back of strong ratings and increases in content sales such as online video services, box office revenue through Nippon TV-financed films and art exhibitions, and merchandise sales, including package media sales in the main Content Business segment. Also contributing was the full-year booking of facilities usage fee revenue of TIPNESS Limited, which was consolidated as a subsidiary on December 25, 2014, in the Life and Health-Related Business segment.

Operating Income

Operating expenses—cost of sales combined with selling, general and administrative expenses—rose ¥41,487 million, or 13.0%, year on year, to ¥361,602 million. This growth was due to factors such as higher expenses that accompanied the increase in revenues of the Content Business segment and our entry into the Life and Health-Related Business.

As a result, the Group's operating income expanded ¥10,795 million, or 25.5%, to ¥53,178 million.

Income before Income Taxes

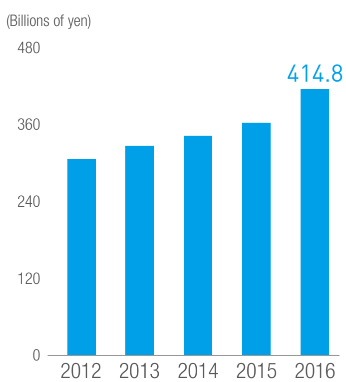
Income before income taxes grew ¥8,058 million, or 16.9%, to ¥55,799 million, owing to the increase in operating income and ¥923 million in compensation income, despite an impairment loss of ¥2,322 million.

Net Income Attributable to Owners of Parent

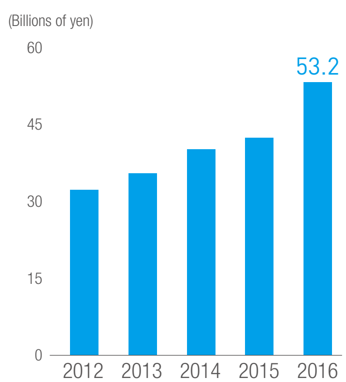
Income taxes rose 6.2%, to ¥18,742 million, and net income attributable to noncontrolling interests was ¥173 million.

Consequently, net income attributable to owners of the parent grew ¥6,416 million, or 21.1%, to ¥36,884 million.

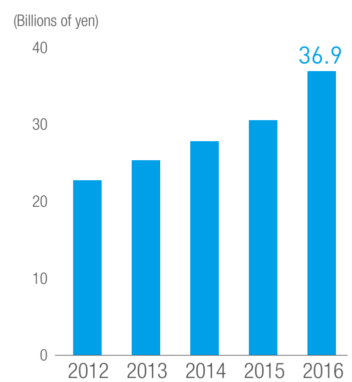
Net Sales



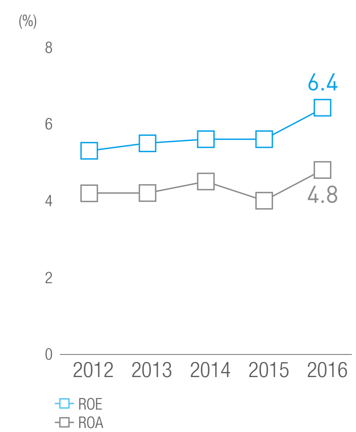
Operating Income



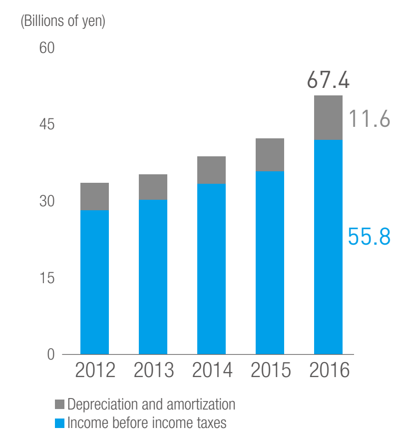
Net Income Attributable to Owners of the Parent



ROA and ROE



EBITDA



Note: As the Company transitioned to a certified broadcasting holding company structure on October 1, 2012, figures for the fiscal year ended March 31, 2012 are for Nippon Television Network Corporation. Also, BS Nippon Corporation and CS Nippon Corporation were converted to consolidated subsidiaries in the second half of the fiscal year ended March 31, 2013.

Segment Information

Content Business

Sales in the Content Business, including intersegment sales and transfers, grew ¥25,237 million, or 7.2%, to ¥373,970 million, thanks to higher revenue from terrestrial television advertising on the back of strong ratings, increases in content sales such as online video services, box office revenue through Nippon TV-financed films and art exhibitions, and revenue from merchandise sales, including package media sales. Operating expenses grew ¥15,329 million, or 4.9%, to ¥325,172 million, in line with the higher Content Business sales. As a result, operating income expanded ¥9,907 million, or 25.5%, to ¥48,798 million.

Life and Health-Related Business

The full-year booking of facilities usage fee revenue of TIPNESS Limited, which was consolidated as a subsidiary on December 25, 2014, boosted sales in the Life and Health-Related Business segment ¥27,794 million, or 324.5%, to ¥36,361 million, including intersegment sales and transfers. Operating income amounted to ¥1,197 million, compared with an operating loss of ¥131 million in the preceding fiscal year.

Real Estate Rental/Leasing Business

Sales at the Real Estate Rental/Leasing Business, which includes rental and leasing income from tenants in the Shiodome and Kojimachi areas, decreased ¥487 million, or 4.7%, to ¥9,889 million, including intersegment sales and transfers. Operating income fell ¥291 million, or 7.3%, to ¥3,723 million.

Financial Position

Assets

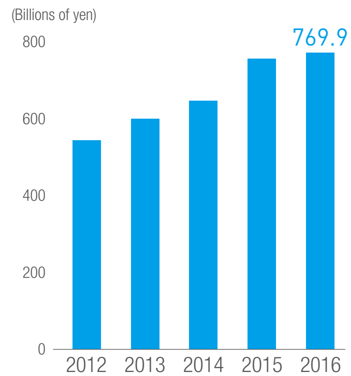
Current assets as of March 31, 2016, were ¥260,920 million, up ¥640 million from a year earlier. Significant factors included a decrease in marketable securities, due to the redemption of public and corporate bonds, and higher other current assets, owing to the recording of income taxes receivable.

Property, plant and equipment was up ¥3,943 million compared with the previous year-end, to ¥222,538 million, owing to a rise in construction in progress at the Kojimachi studio building.

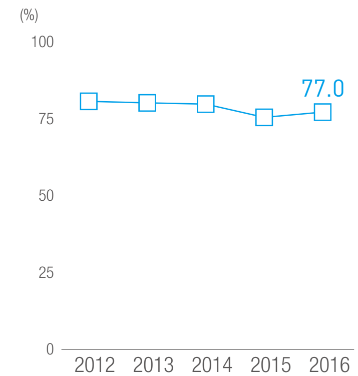
Investments and other assets amounted to ¥282,463 million, up ¥10,154 million from a year earlier. This rise was attributable to higher investment securities stemming from the purchase of public and corporate bonds.

Consequently, total assets stood at ¥769,864 million on March 31, 2016, up ¥14,737 million from the end of the preceding fiscal year.

Total Assets



Equity Ratio



Liabilities

Current liabilities came to ¥94,930 million as of March 31, 2016, down ¥4,831 million from a year earlier. This decrease was due to lower facility-related payables.

The Group's deferred tax liabilities decreased, due to a decrease in the market value of its holdings of investment securities. This and other factors caused long-term liabilities to fall ¥5,130 million, to ¥71,756 million.

Equity

During the year, falling market prices on holdings of investment securities caused the unrealized gain on available-for-sale securities to decrease, but net income attributable to owners of the parent exceeded payments for shareholder dividends. These factors caused total equity to rise ¥24,698 million, to ¥603,177 million as of March 31, 2016.

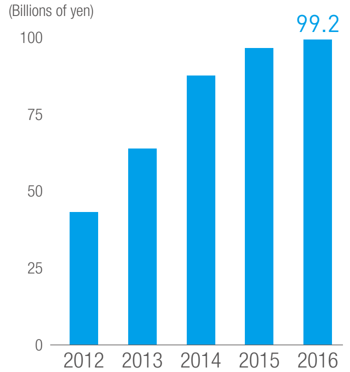
Cash Flows

During the fiscal year ended March 31, 2016, cash and cash equivalents increased ¥2,666 million, to ¥99,205 million.

Net Cash Provided by Operating Activities

Net cash provided by operating activities amounted to ¥40,762 million, compared with ¥33,237 million in the previous year. Principal sources of cash were income before income taxes of ¥55,799 million and depreciation and amortization of ¥11,641 million, versus ¥23,606 billion in income taxes paid.

Cash and Cash Equivalents, End of Year



Net Cash Used in Investing Activities

Net cash used in investing activities came to ¥26,820 million, compared with ¥17,942 million in the previous year. The main uses of cash were ¥44,770 million for purchases of investment securities and ¥20,270 million in purchases of property, plant and equipment. Proceeds from redemption of investment securities provided ¥40,960 million.

Net Cash Used in Financing Activities

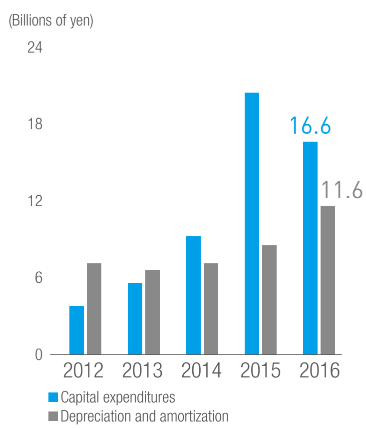
Net cash used in financing activities was ¥11,276 million, compared with ¥6,243 million in the preceding year. Dividends paid were the primary use of cash.

Financing and Capital Expenditure Policy

The Group has a seven-year capital investment plan that comprehensively takes into account anticipated earnings and cash flows. Group companies formulate their own capital plans, but Nippon TV Holdings makes adjustments to ensure there is no overlap among plans.

During the fiscal year ended March 31, 2016, the Group's capital expenditures (investments in property, plant and equipment and software) came to ¥16,562 million. This amount was due mainly to capital investments in the Content Business segment.

Capital Expenditures and Depreciation



Capital expenditure by segment during the year under review is outlined below.

Content Business

During the fiscal year ended March 31, 2016, we invested in the renewal of broadcast facilities to ensure greater stability of broadcasting at the Nippon TV Shiodome television tower. We completed upgrades of two studios used for the production of live broadcasts, radio transmission facilities and wireless microphone facilities in response to the frequency reallocation by the Ministry of Internal Affairs and Communications, a satellite transmission vehicle used for news broadcasting, and weather cameras for disaster preparedness. In addition, we are proceeding with renewal work in the news studio, which is scheduled to be replaced in the next consolidated fiscal year. We have also started construction of the new Kojimachi studio building, which is scheduled to start operation in 2018. Furthermore, we commenced the upgrading of power-supply and sanitary facilities at Ikuta Studio to ensure stable operation.

Life and Health-Related Business

During the year, we opened 23 new FASTGYM24 clubs, which are available 24 hours a day.

We also posted a ¥374 million loss on retirement of fixed assets, centered on buildings and structures as well as machinery, vehicles and equipment. This loss was mostly in relation to the Kojimachi New Studio Building Construction Project and facility upgrades.

In the fiscal year ending March 31, 2017, the Nippon TV Group is budgeting capital expenditures of ¥34,927 million, to be funded primarily through retained earnings.

Dividend Policy

Nippon TV Holdings recognizes the return of profits to shareholders as an important task of management. Our basic policy is to make continuous and stable returns to shareholders, build a corporate structure able to flexibly adapt to changes in the business environment and strengthen our revenue base while harmonizing these endeavors with the maintenance of internal reserves for aggressive future expansion. Our basic policy is to pay dividends twice each year, once at midterm and once at year-end. The General Meeting of Shareholders determines the year-end dividend, while interim dividends are resolved each year by the Company's Board of Directors, as provided for by the Company's Articles of Incorporation, with a record date of September 30.

In accordance with this policy, in the fiscal year ended March 31, 2016, the Group awarded an interim dividend of ¥10 per share and a year-end dividend of ¥24 per share.

Business Risks

The risks described below are some of the risks the Nippon TV Holdings Group faces. Many of these risks relate to the future; the information stated here is based on the Group's judgments as of March 31, 2016.

Recognizing that these risks exist, the Group aims to avoid such risks and to minimize their impact if they do materialize. Note that the following statements do not comprehensively identify all possible risks related to investing in the Company's stock.

Risks Related to the Television Broadcasting Business

Dependence on Television Advertising Revenues and Television Broadcasting Media Prices

The Content Business, which forms the core of the Group's operations, is dependent on television advertising revenue generated through the sales of television advertising time slots. Such revenues comprised approximately 63.3% of total net sales in the fiscal year ended March 31, 2016.

In general, advertising prices are linked with macroeconomic trends. Furthermore, advertising media are growing more diverse, owing to the proliferation of smartphones and tablet computers.

The Group recognizes the continued dominance of the media value of television broadcasting and remains committed to enhancing that value, as well as to cultivating new sources of revenue. However, future macroeconomic trends in Japan and shifts in the advertising market could impact the Group's business performance and financial position.

Competition with Other Forms of Media

Given that analog terrestrial broadcasting in Japan ended in March 2012, the transition to digital terrestrial broadcasting is now complete. However, during this period, the three-wavelength tuners that enable viewing of terrestrial, BS digital and CS digital broadcasts have steadily gained popularity. Furthermore, the establishment of a telecommunications environment featuring the Internet and mobile phones, as well as the widespread adoption of personal computers, smartphones, tablets and other devices, is driving an increase in the number of subscribers to video distribution services using these terminals. This popularization of digital media is drawing the interest of many people, rapidly raising the advertising value of such forms of media.

The Nippon TV Holdings Group has decided to counter the increasing diversification of digital media by stepping up its activities involving three-wavelength operations. To achieve this, in line with our October 1, 2012, transition to a certified broadcasting holding company we converted BS Nippon Corporation and CS Nippon Corporation, which broadcast "BS Nittele" and "Nittele Plus," respectively, to wholly owned subsidiaries. In Internet media, in addition to continued efforts involving NTV On Demand, in April 2014 we acquired the Japan business of Hulu, LLC, a U.S. video distribution company. In addition to entering the video subscription service, we have converted to a Nippon TV Holdings Group subsidiary HJ Holdings LLC, a joint company that operates this business.

However, this proliferation of digital media may cut into viewing time for terrestrial broadcasts, thereby lowering their advertising value. In such cases, the Group's business performance and financial position may be affected.

Copyrights and Other Intellectual Property Rights

The television programs produced by the Nippon TV Group closely combine copyrights and neighboring rights that represent the results of the creative, intellectual and cultural efforts of authors, screenwriters, musical lyricists and composers, record producers, performers and many others (hereinafter "authors, etc.").

Japan's Copyright Act states in its first Article that it is intended to spell out the rights of such authors, etc., who engage in creative activities, protect the rights of such authors, etc., and contribute to cultural development, while giving due regard to fair use.

Television programming the Group produces is used in multiple ways. It is distributed as content via terrestrial broadcasting, BS and CS satellite broadcasts, and via cable television and the Internet. It is packaged in the form of DVDs, Blu-ray Discs and other physical media, and it is also provided via merchandising and publishing related to program characters. When using content in these ways, we give due consideration to rights, including various copyrights, etc. However, as a general rule obtaining the copyrights, etc., to use television programs produced by the Group from the authors, etc., are premised on terrestrial and satellite broadcasting usage, leaving the Group with numerous television programs for which rights premised on other uses have not been adequately obtained. In deploying television programs for multiple uses on the Internet and in other new media, as well as for overseas development, it is therefore essential to re-acquire permission from the authors, etc., in advance of such use either in parallel with or subsequent to broadcasting.

Such rights handling could require large amounts of time and expenditures. At the same time, in the event that the Group fails to properly accommodate the authors, etc., it may face broadcast cancellation orders or claims for damages. In such cases, the Group's business performance and financial position may be affected.

Risk Related to Legal Restrictions

Legal Restrictions on Certified Broadcasting Holding Companies

A certified broadcasting holding company approved under the Broadcast Law is allowed to hold multiple terrestrial broadcasters, BS broadcasters and CS broadcasters as subsidiaries. Nippon TV Holdings, which is approved as a certified broadcasting holding company, has as its subsidiaries Nippon Television

Network Corporation, BS Nippon Corporation and CS Nippon Corporation. In the event that Nippon TV Holdings failed to satisfy the standards provided by the Broadcast Law, such as those related to a certified broadcasting holding company's assets, the Company's certification could be rescinded (Broadcast Law Article 166). If certification were to be rescinded, the Group's business performance and financial position could be seriously affected.

Legal Regulations for Television Broadcasters

The Nippon TV Holdings Group's core Content Business is regulated by Japan's Broadcast Law and Radio Law.

The objective of the Broadcast Law is to promote robust development of broadcasting by stipulating freedom of program editing, establishing broadcast program deliberative bodies and providing standards for certification in the satellite broadcasting business, including BS and CS broadcasting. With regard to terrestrial broadcast licenses, the Radio Law also aims to enhance public welfare by ensuring the fair and efficient usage of the airwaves. Article 4 of the Radio Law stipulates that parties seeking to open radio stations for the transmission of radio waves must receive a license from the Minister of Internal Affairs and Communications. Article 13 of the Radio Law specifies that the validation period of such a license shall be not more than five years and is determined by the Minister of Internal Affairs and Communications.

On July 31, 1952, the Company was the first in Japan to be authorized for television broadcasting. We have subsequently continued to receive renewed authorization as a licensed broadcasting company.

Nippon TV has renewed and currently holds a terrestrial broadcasting license in the place of Nippon Television Network Holdings Corporation, which transitioned to a certified broadcasting holding company on October 1, 2012. Subsidiaries BS Nippon Corporation and CS Nippon Corporation are licensed for their respective basic satellite broadcasting businesses.

Under the authority of the Minister of Internal Affairs and Communications in the event of prescribed circumstances, in relation to satellite broadcasting the Broadcast Law provides stipulations for the "discontinuance of operations" (Article 174) and the "cancellation of certification, etc." (Article 103 and Article 104). With regard to terrestrial basic broadcasting the Radio Law provides stipulations for "discontinuance of radio transmissions" (Article 72) and "revocation of status as a licensed broadcasting company" (Article 75 and Article 76). Continued television broadcasting business is the linchpin for the Nippon TV Holdings Group's future existence, so the Group is ever-conscious of and vigilant toward the emergence of such circumstances in the fulfillment of its social mission of broadcasting. However, if the Company's licenses and permissions to conduct broadcasting businesses were revoked under the Radio Law, the Group's business performance and financial position could be seriously affected.

Risk Related to Businesses Other Than Television Broadcasting

Film Business

The Nippon TV Group is actively engaged in the film business and contributes capital to approximately 10 films each year. Our capital participation in the film business is determined based on careful simulations of potential income and outlay during the planning stages of each film. However, there is no guarantee that actual box office receipts and secondary usage revenues after theatrical release will generate the projected earnings. Failure to secure the amount of revenue initially planned may impact the Group's business performance and financial position.

Media Commerce Business

To expand its earnings base, the Group is actively engaged in the media commerce business. We select products carefully, using a thoroughly comprehensive checking system. Sale by the Group of defective or faulty products could result in the obligation to accept returns of or replace such products. In such cases, the inability to secure the amount of revenue initially planned may impact the Group's business performance and financial position.

VOD Business

In October 2005, the Group launched Japan's first Internet-based video on demand (VOD) business operated by a television broadcaster. In December 2010, we launched Nittele On Demand as a fee-based Internet content distribution service that currently utilizes the transactional video on demand (TVOD) approach. The service is steadily increasing viewer numbers through its distribution of dramas, animated series, variety shows, sports and other program content. In April 2014, Nippon TV acquired the Japan business of Hulu, LLC, a U.S. video distribution company, embarking on the subscription video on demand (SVOD) business. The SVOD business is presently in an expansionary phase. Accordingly, with the aim of expanding the video distribution market and increasing the number of subscribers in this business we intend to run promotions to enhance recognition of the Hulu name and extend the range of content to appeal to a broad range of age groups and tastes. As the SVOD business utilizes a fixed rate system, revenues may not increase unless subscriber numbers increase in line with expectations. Internet-based businesses, and specifically VOD businesses, may be affected by major fluctuations in market demand, owing in particular to the increasing sophistication of network infrastructure and mobile terminals. These factors may result in the business being unable to recover its expenses, thereby affecting the business performance and financial position of the Group.

Risks Related to the Acquisition and Holding of the Company's Shares

Handling of Shares Purchased by Foreign Entities

Nippon TV's status as a licensed broadcasting company under the Radio Law will be revoked if the voting rights held by foreign entities [defined as (1) an individual without Japanese citizenship, (2) a foreign government or its representatives, (3) a foreign juridical person or organization or (4) a juridical person or organization, the ratio of voting rights of which to be held directly by the entity described in items (1) to (3)]. In the event that foreign entities described as (1) through (3) above directly hold 20% or more of the Company's voting rights, or if such rights are indirectly held by an entity described in (4), as prescribed by Ministry of Internal Affairs and Communications Ordinance, the Company could lose its certification as a certified broadcasting holding company.

In this event, when the foreign ownership ratio approaches 20%, the Company may, in accordance with Broadcasting Law Articles 116-1 and 116-2, deny requests from foreign entities for registration of shares in the shareholders' registry, while Broadcasting Law Article 116-3 restricts the use of voting rights.

Large-Scale Acquisitions of Nippon TV Holdings' Shares

Many large-scale acquisitions of shares benefit neither the corporate value of the target company nor the common interests of its shareholders. Such large-scale acquisitions include those with a purpose that would obviously harm the corporate value of the target company and the common interests of its shareholders; those with the potential to substantially coerce shareholders into selling their shares; those that do not provide sufficient time or information for the target company's Board of Directors and shareholders to consider the details of the large-scale acquisition, or for the target company's Board of Directors to make an alternative proposal; and those that require the target company to discuss or negotiate with the acquirer in order to procure more favorable terms for shareholders than those presented by the acquirer.

Nippon TV Holdings obtained approval for and carried out a renewal of its plan for countermeasures to large-scale acquisitions of shares in the Company with necessary amendments (takeover defense measures) at the meeting of the Board of Directors held on May 13, 2016 and its 83rd Ordinary General Meeting of Shareholders held on June 29, 2016, as a measure (Article 118, Item (iii)(b) of the Ordinance for Enforcement of the Companies Act) to prevent decisions on the Company's financial and business policies from being controlled by persons viewed as inappropriate under the basic policy regarding persons who control decisions on the Company's financial and business policies (defined in the main clause of Article 118, Item (iii) of the Ordinance for Enforcement of the Companies Act).

The Group strives to ensure and enhance its corporate value, whose source lies in particular in its superior content development capability. As a certified broadcasting holding company, the bedrock of our content development capability via our Group companies, including subsidiaries and affiliates, is founded mainly on the acquisition and development of high-caliber personnel, preservation of mutual trust relationships with external parties involved in content production, sustainment of relationships of cooperation and mutual trust with network companies, maintenance of a corporate culture with a medium- to long-term outlook that encourages the development of high-quality content, assurance of stable business results and financial structure, and fulfillment of the Company's public responsibilities as a certified broadcasting holding company with multiple subsidiaries that are broadcasters. Unless the acquirer of a proposed large-scale acquisition of shares in the Company understands the source of the corporate value of the Company and would ensure and enhance these elements over the medium to long term, the corporate value of the Company and, in turn, the common interests of its shareholders would be harmed, which could have a considerable impact on the Company's management.

Consolidated Balance Sheet

Nippon Television Holdings, Inc. and Consolidated Subsidiaries
March 31, 2016

	Millions of Yen		Thousands of U.S. Dollars (Note 1)
ASSETS	2016	2015	2016
Current Assets:			
Cash and cash equivalents (Note 14)	¥ 99,205	¥ 96,539	$ 880,414
Marketable securities (Notes 3 and 14)	26,000	39,293	230,742
Short-term investments (Notes 4 and 14)	808	962	7,171
Receivables (Note 14):			
Trade notes	84	78	745
Trade accounts	95,676	91,130	849,095
Other	4,426	4,982	39,280
Allowance for doubtful accounts	(98)	(109)	(870)
Inventories (Note 5)	11,044	10,765	98,012
Deferred tax assets (Note 12)	5,435	5,150	48,234
Prepaid expenses and other (Note 13)	18,340	11,490	162,762
Total current assets	260,920	260,280	2,315,585
Property, Plant and Equipment (Notes 7 and 8):			
Land (Note 6)	147,620	149,942	1,310,082
Buildings and structures	109,740	108,875	973,908
Machinery, vehicles and equipment	91,998	92,532	816,454
Lease assets (Note 13)	22,709	23,428	201,535
Construction in progress	14,453	6,552	128,266
Total property, plant and equipment	386,520	381,329	3,430,245
Accumulated depreciation	(160,039)	(158,791)	(1,420,296)
Net property, plant and equipment	226,481	222,538	2,009,949
Investments and Other Assets:			
Investment securities (Notes 3 and 14)	167,861	160,242	1,489,714
Investments in and advances to unconsolidated subsidiaries and associated companies	71,003	67,023	630,130
Goodwill	11,676	12,468	103,620
Deferred tax assets (Note 12)	889	887	7,890
Other assets (Note 13)	31,907	32,451	283,164
Allowance for doubtful accounts	(873)	(762)	(7,748)
Total investments and other assets	282,463	272,309	2,506,770
Total	¥ 769,864	¥ 755,127	$ 6,832,304

See notes to consolidated financial statements.

	Millions of Yen		Thousands of U.S. Dollars (Note 1)
LIABILITIES AND EQUITY	2016	2015	2016
Current Liabilities:			
Short-term borrowings (Note 9)	¥ 7,841	¥ 10,171	$ 69,586
Payables (Notes 14)			
Trade accounts	53,303	52,147	473,048
Other	7,598	12,568	67,429
Income taxes payable	11,853	10,736	105,192
Accrued expenses and other (Notes 9 and 13)	14,335	14,140	127,219
Total current liabilities	94,930	99,762	842,474
Long-Term Liabilities:			
Liabilities for retirement benefits (Note 10)	11,594	11,036	102,893
Guarantee deposits received (Notes 7 and 14)	20,058	20,385	178,009
Lease obligations	15,479	16,334	137,371
Deferred tax liabilities (Note 12)	23,612	28,221	209,549
Other (Notes 9 and 13)	1,013	910	8,990
Total long-term liabilities	71,756	76,886	636,812
Commitments and Contingent Liabilities (Notes 13, 15 and 16)			
Equity (Notes 11, 18 and 19):			
Common stock—authorized, 1,000,000,000 shares in 2016 and 2015; issued, 263,822,080 shares in 2016 and 2015	18,600	18,600	165,069
Capital surplus	29,587	29,587	262,575
Retained earnings	511,202	481,914	4,536,759
Treasury stock—at cost, 10,126,920 shares in 2016 and 10,108,887 shares in 2015	(13,371)	(13,331)	(118,663)
Accumulated other comprehensive income:			
Unrealized gain on available-for-sale securities	46,962	51,599	416,773
Foreign currency translation adjustments	46	93	408
Deferred gain on derivatives under hedge accounting	6	19	54
Total	593,032	568,481	5,262,975
Noncontrolling interests	10,146	9,998	90,043
Total equity	603,178	578,479	5,353,018
Total	¥769,864	¥755,127	$6,832,304

See notes to consolidated financial statements.

Consolidated Statement of Income

Nippon Television Holdings, Inc. and Consolidated Subsidiaries
Year Ended March 31, 2016

	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	2016	2015	2016
Net Sales	¥414,781	¥362,497	$3,681,053
Cost of Sales	269,914	235,340	2,395,403
Gross profit	144,867	127,157	1,285,650
Selling, General and Administrative Expenses	91,689	84,774	813,712
Operating income	53,178	42,383	471,938
Other Income (Expenses):			
Interest and dividend income	3,006	3,085	26,677
Interest expense	(609)	(173)	(5,405)
Gain on sales of investment securities	43	22	382
Loss on devaluation of investment securities		(254)	
Equity in earnings of unconsolidated subsidiaries and associated companies	1,982	3,339	17,590
Gain on investment in partnership	225	199	1,997
Compensation income (Note 2. m)	923		8,191
Extra retirement payments	(265)		(2,352)
Impairment loss	(2,322)		(20,607)
Other—net	(362)	(860)	(3,212)
Other income—net	2,621	5,358	23,261
Income Before Income Taxes	55,799	47,741	495,199
Income Taxes (Note 12):			
Current	20,003	18,114	177,520
Deferred	(1,261)	(474)	(11,191)
Total income taxes	18,742	17,640	166,329
Net Income	37,057	30,101	328,870
Net Income Attributable to Noncontrolling Interests	(173)	367	(1,535)
Net Income Attributable to Owners of the Parent	¥ 36,884	¥ 30,468	$ 327,335

	Yen		U.S. Dollars
	2016	2015	2016
Per Share of Common Stock (Note 2. q):			
Basic net income	¥145.38	¥120.08	$1.29
Cash dividends applicable to the year	34.00	30.00	0.30

See notes to consolidated financial statements.

Consolidated Statement of Comprehensive Income

Nippon Television Holdings, Inc. and Consolidated Subsidiaries
Year Ended March 31, 2016

	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	2016	2015	2016
Net Income	¥37,057	¥30,101	$328,870
Other Comprehensive Income (Loss) (Note 18):			
Unrealized gain (loss) on available-for-sale securities	(4,439)	33,587	(39,395)
Foreign currency translation adjustments	1	153	9
Share of other comprehensive income (loss) in unconsolidated subsidiaries and associated companies	(257)	414	(2,280)
Total other comprehensive income (loss)	(4,695)	34,154	(41,666)
Comprehensive Income	¥32,362	¥64,255	$287,204
Total Comprehensive Income (Loss) Attributable to:			
Owners of the parent	¥32,187	¥64,617	$285,651
Noncontrolling interests	175	(362)	1,553

See notes to consolidated financial statements.

Consolidated Statement of Changes in Equity

Nippon Television Holdings, Inc. and Consolidated Subsidiaries
Years Ended March 31, 2016

	Thousands		Millions of Yen									
							Accumulated Other Comprehensive Income					
	Number of Shares of Common Stock Issued	Number of Shares of Treasury Stock	Common Stock	Capital Surplus	Retained Earnings	Treasury Stock	Unrealized Gain on Available-for-Sale Securities	Foreign Currency Translation Adjustments	Deferred Gain on Derivatives under Hedge Accounting	Total	Noncontrolling Interests	Total Equity
Balance, April 1, 2014 (as previously reported)	263,822	10,087	¥18,600	¥29,587	¥461,001	¥(13,295)	¥17,592	¥(34)	¥ 5	¥513,456	¥10,448	¥523,904
Cumulative effect of accounting change (Note 2.k)					(662)					(662)		(662)
Balance, April 1, 2014 (as restated)	263,822	10,087	18,600	29,587	460,339	(13,295)	17,592	(34)	5	512,794	10,448	523,242
Net income attributable to owners of the parent					30,468					30,468		30,468
Cash dividends, ¥35 per share					(8,893)					(8,893)		(8,893)
Increase in treasury stock—net		17				(34)				(34)		(34)
Change in equity in associates accounted for by equity method—treasury stock		4				(2)				(2)		(2)
Net change in the year							34,007	127	14	34,148	(450)	33,698
Balance, March 31, 2015	263,822	10,108	18,600	29,587	481,914	(13,331)	51,599	93	19	568,481	9,998	578,479
Net income attributable to owners of the parent					36,884					36,884		36,884
Cash dividends, ¥30 per share					(7,596)					(7,596)		(7,596)
Increase in treasury stock—net		17				(40)				(40)		(40)
Change in equity in associates accounted for by equity method—treasury stock		1										
Net change in the year							(4,637)	(47)	(13)	(4,697)	148	(4,549)
Balance, March 31, 2016	263,822	10,126	¥18,600	¥29,587	¥511,202	¥(13,371)	¥46,962	¥ 46	¥ 6	¥593,032	¥10,146	¥603,178

	Thousands of U.S. Dollars (Note 1)									
					Accumulated Other Comprehensive Income					
	Common Stock	Capital Surplus	Retained Earnings	Treasury Stock	Unrealized Gain on Available-for-Sale Securities	Foreign Currency Translation Adjustments	Deferred Gain on Derivatives under Hedge Accounting	Total	Noncontrolling Interests	Total Equity
Balance, March 31, 2015	$165,069	$262,575	$4,276,837	$(118,308)	$457,925	$ 825	$ 169	$5,045,092	$88,729	$5,133,821
Net income attributable to owners of the parent			327,335					327,335		327,335
Cash dividends, $0.27 per share			(67,413)					(67,413)		(67,413)
Increase in treasury stock—net				(355)				(355)		(355)
Change in equity in associates accounted for by equity method—treasury stock										
Net change in the year					(41,152)	(417)	(115)	(41,684)	1,314	(40,370)
Balance, March 31, 2016	$165,069	$262,575	$4,536,759	$(118,663)	$416,773	$ 408	$ 54	$5,262,975	$90,043	$5,353,018

See notes to consolidated financial statements.

Consolidated Statement of Cash Flows

Nippon Television Holdings, Inc. and Consolidated Subsidiaries
Year Ended March 31, 2016

	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	2016	2015	2016
Operating Activities:			
Income before income taxes	¥ 55,799	¥ 47,741	$ 495,199
Adjustments for:			
Income taxes—paid	(23,606)	(19,053)	(209,496)
Depreciation and amortization	11,641	8,481	103,310
Impairment loss	2,322		20,607
Increase in liabilities for retirement benefits	558	526	4,952
Loss on devaluation of investment securities		254	
Equity in earnings of unconsolidated subsidiaries and associated companies	(1,982)	(3,339)	(17,590)
Changes in operating assets and liabilities:			
Increase in trade notes and accounts receivable	(4,552)	(3,657)	(40,398)
Decrease (increase) in inventories	(279)	1,081	(2,476)
Increase (decrease) in trade notes and accounts payable	1,156	(690)	10,259
Other—net	(295)	1,893	(2,617)
Total adjustments	(15,037)	(14,504)	(133,449)
Net cash provided by operating activities	40,762	33,237	361,750
Investing Activities:			
Increase in long-term deposits	(778)	(738)	(6,905)
Decrease in long-term deposits	933	708	8,280
Purchases of marketable securities		(1,000)	
Proceeds from redemption of marketable securities		6,000	
Purchases of property, plant and equipment	(20,270)	(14,886)	(179,890)
Proceeds from sales of property, plant and equipment	226	31	2,006
Purchases of intangible assets	(2,075)	(1,094)	(18,415)
Purchases of investment securities	(44,770)	(27,458)	(397,320)
Proceeds from sales of investment securities	61	24	541
Proceeds from redemption of investment securities	40,960	42,064	363,507
Purchase of shares of subsidiaries resulting in change in scope of consolidation		(24,116)	
Payments of loans receivable	(1,443)	(3,815)	(12,806)
Payments for investments in capital of subsidiaries and affiliates	(1,042)	(297)	(9,247)
Other—net	1,378	6,635	12,230
Net cash used in investing activities	(26,820)	(17,942)	(238,019)
Financing Activities:			
Increase (decrease) in short-term borrowings–net	(2,330)	2,976	(20,678)
Repayments of finance lease obligations	(1,317)	(257)	(11,687)
Dividends paid	(7,600)	(8,897)	(67,448)
Purchases of treasury stock	(2)	(1)	(18)
Other—net	(27)	(64)	(240)
Net cash used in financing activities	(11,276)	(6,243)	(100,071)
Foreign Currency Translation Adjustments on Cash and Cash Equivalents		38	
Net Increase in Cash and Cash Equivalents	2,666	9,090	23,660
Cash and Cash Equivalents, Beginning of Year	96,539	87,453	856,754
Decrease in Cash and Cash Equivalents Resulting from Exclusion of Subsidiary from Consolidation		(4)	
Cash and Cash Equivalents, End of Year	¥ 99,205	¥ 96,539	$ 880,414

See notes to consolidated financial statements.

Notes to Consolidated Financial Statements

Nippon Television Holdings, Inc. and Consolidated Subsidiaries
Year Ended March 31, 2016

1. Basis of Presentation of Consolidated Financial Statements

The accompanying consolidated financial statements have been prepared in accordance with the provisions set forth in the Japanese Financial Instruments and Exchange Act and its related accounting regulations and in accordance with accounting principles generally accepted in Japan ("Japanese GAAP"), which are different in certain respects as to the application and disclosure requirements of International Financial Reporting Standards.

In preparing these consolidated financial statements, certain reclassifications and rearrangements have been made to the consolidated financial statements issued domestically in order to present them in a form which is more familiar to readers outside Japan. In addition, certain reclassifications have been made in the 2015 consolidated financial statements to conform to the classifications used in 2016.

The consolidated financial statements are stated in Japanese yen, the currency of the country in which Nippon Television Holdings, Inc. (the "Company") is incorporated and operates. The translations of Japanese yen amounts into U.S. dollar amounts are included solely for the convenience of readers outside Japan and have been made at the rate of ¥112.68 to $1, the approximate rate of exchange at March 31, 2016. Such translations should not be construed as representations that the Japanese yen amounts could be converted into U.S. dollars at that or any other rate.

2. Summary of Significant Accounting Policies

a. **Consolidation—**The consolidated financial statements as of March 31, 2016, include the accounts of the Company and its 18 (18 in 2015) significant subsidiaries (together, the "Group").

Under the control and influence concepts, those companies in which the Company, directly or indirectly, is able to exercise control over operations are fully consolidated, and those companies over which the Group has the ability to exercise significant influence are accounted for by the equity method.

Investments in 27 (25 in 2015) unconsolidated subsidiaries and 27 (25 in 2015) associated companies are accounted for by the equity method.

Practical Issues Task Force ("PITF") No. 20, "Practical Solution on Application of Control Criteria and Influence Criteria to Investment Associations," which was issued by the Accounting Standards Board of Japan ("ASBJ"), clarifies how the control and influence concepts should be practically applied to the consolidation scope of collective investment vehicles, such as limited partnerships, *Tokumei-Kumiai*, and other entities with similar characteristics. The Company applied PITF No. 20 and consolidated 11 such collective investment vehicles in 2016 (9 in 2015).

The excess of the cost of acquisition over the fair value of an acquired subsidiary or affiliate at the date of acquisition is amortized within 20 years on a straight-line basis. However, if the amount is minor, it is fully amortized in the fiscal year in which it occurs.

All significant intercompany balances and transactions have been eliminated in consolidation. All material unrealized profit included in assets resulting from transactions within the Group is also eliminated.

b. **Unification of Accounting Policies Applied to Foreign Subsidiaries for the Consolidated Financial Statements—**In May 2006, the ASBJ issued ASBJ PITF No. 18, "Practical Solution on Unification of Accounting Policies Applied to Foreign Subsidiaries for the Consolidated Financial Statements" which was subsequently revised in February 2010 and March 2015 to reflect revisions of the relevant Japanese GAAP or accounting standards in other jurisdictions. PITF No. 18 prescribes that the accounting policies and procedures applied to a parent company and its subsidiaries for similar transactions and events under similar circumstances should in principle be unified for the preparation of the consolidated financial statements. However, financial statements prepared by foreign subsidiaries in accordance with either International Financial Reporting Standards or generally accepted accounting principles in the United States of America (Financial Accounting Standards Board Accounting Standards Codification) tentatively may be used for the consolidation process, except for the following items that should be adjusted in the consolidation process so that net income is accounted for in accordance with Japanese GAAP, unless they are not material: (a) amortization of goodwill; (b) scheduled amortization of actuarial gain or loss of pensions that has been recorded in equity through other comprehensive income; (c) expensing capitalized development costs of R&D; and (d) cancellation of the fair value model of accounting for property, plant and equipment and investment properties and incorporation of the cost model of accounting.

c. **Unification of Accounting Policies Applied to Foreign Associated Companies for the Equity Method—**In March 2008, the ASBJ issued ASBJ Statement No. 16, "Accounting Standard for Equity Method of Accounting for Investments" which was subsequently revised in line with the revisions to PITF No. 18 above. The standard requires adjustments to be made to conform the associate's accounting policies for similar transactions and events under similar circumstances to those of the parent company when the associate's financial statements are used in applying the equity method unless it is impracticable to determine such adjustments. In addition, financial statements prepared by foreign associated companies in accordance with either International Financial Reporting Standards or generally accepted accounting principles in the United States of America tentatively may be used in applying the equity method if the following items are adjusted so that net income is accounted for in accordance with Japanese GAAP, unless they are not material: (a) amortization of goodwill; (b) scheduled amortization of actuarial gain or loss of pensions that has been recorded in equity through other comprehensive income; (c) expensing capitalized development costs of R&D; and (d) cancellation of the fair value model of accounting for property, plant and equipment and investment properties and incorporation of the cost model of accounting.

d. **Business Combinations—**In December 2008, the ASBJ issued a revised accounting standard for business combinations, ASBJ Statement No. 21, "Accounting Standard for Business Combinations." Major accounting changes under the revised accounting standard are as follows: (1) The revised standard requires accounting for business combinations only by the purchase method. As a result, the pooling-of-interests method of accounting is no longer allowed. (2) The previous accounting standard required research and development costs to be charged to income as incurred. Under the revised standard, in-process research and development costs acquired in the business combination are capitalized as an intangible asset. (3) The previous accounting standard provided for a bargain purchase gain (negative goodwill) to be systematically amortized over a period not exceeding 20 years. Under the revised standard, the acquirer recognizes the bargain purchase gain in the consolidated statement of income immediately on the acquisition date after reassessing and confirming that all of the assets acquired and all of the liabilities assumed have been identified after a review of the procedures used in the purchase price allocation. The revised standard was applicable to business combinations undertaken on or after April 1, 2010.

In September 2013, the ASBJ issued revised ASBJ Statement No. 21, "Accounting Standard for Business Combinations," revised ASBJ Guidance No. 10, "Guidance on Accounting Standards for Business Combinations and Business Divestitures," and revised ASBJ Statement No. 22, "Accounting Standard for Consolidated Financial Statements." Major accounting changes are as follows:

(a) Transactions with noncontrolling interest—A parent's ownership interest in a subsidiary might change if the parent purchases or sells ownership interests in its subsidiary. The carrying amount of noncontrolling interest is adjusted to reflect the change in the parent's ownership interest in its subsidiary while the parent retains its controlling interest in its subsidiary. Under the previous accounting standard, any difference between the fair value of the consideration received or paid and the amount by which the noncontrolling interest is adjusted is accounted for as an adjustment of goodwill or as profit or loss in the consolidated statement of income. Under the revised accounting standard, such difference is accounted for as capital surplus as long as the parent retains control over its subsidiary.

(b) Presentation of the consolidated balance sheet—In the consolidated balance sheet, "minority interest" under the previous accounting standard is changed to "noncontrolling interest" under the revised accounting standard.

(c) Presentation of the consolidated statement of income—In the consolidated statement of income, "income before minority interest" under the previous accounting standard is changed to "net income" under the revised accounting standard, and "net income" under the previous accounting standard is changed to "net income attributable to owners of the parent" under the revised accounting standard.

(d) Provisional accounting treatments for a business combination—If the initial accounting for a business combination is incomplete by the end of the reporting period in which the business combination occurs, an acquirer shall report in its financial statements provisional amounts for the items for which the accounting is incomplete. Under the previous accounting standard guidance, the impact of adjustments to provisional amounts recorded in a business combination on profit or loss is recognized as profit or loss in the year in which the measurement is completed. Under the revised accounting standard guidance, during the measurement period, which shall not exceed one year from the acquisition, the acquirer shall retrospectively adjust the provisional amounts recognized at the acquisition date to reflect new information obtained about facts and circumstances that existed as of the acquisition date and that would have affected the measurement of the amounts recognized as of that date. Such adjustments shall be recognized as if the accounting for the business combination had been completed at the acquisition date.

(e) Acquisition-related costs—Acquisition-related costs are costs, such as advisory fees or professional fees, which an acquirer incurs to effect a business combination. Under the previous accounting standard, the acquirer accounts for acquisition-related costs by including them in the acquisition costs of the investment. Under the revised accounting standard, acquisition-related costs shall be accounted for as expenses in the periods in which the costs are incurred.

Either retrospective or prospective application of the revised accounting standards and guidance for (a) transactions with noncontrolling interest and (e) acquisition-related costs is permitted. In retrospective application of the revised standards and guidance, the accumulated effects of retrospective adjustments for all (a) transactions with noncontrolling interest and (e) acquisition-related costs which occurred in the past shall be reflected as adjustments to the beginning balance of capital surplus and retained earnings for the year of the first-time application. In prospective application, the new standards and guidance shall be applied prospectively from the beginning of the year of the first-time application.

The revised accounting standards and guidance for (b) presentation of the consolidated balance sheet and (c) presentation of the consolidated statement of income shall be applied to all periods presented in financial statements containing the first-time application of the revised standards and guidance.

The revised standards and guidance for (d) provisional accounting treatments for a business combination are effective for a business combination which occurs on or after the beginning of annual periods beginning on or after April 1, 2015. Earlier application is permitted for a business combination which occurs on or after the beginning of annual periods beginning on or after April 1, 2014.

The Company applied the revised accounting standards and guidance for (a) transactions with noncontrolling interest, (b) presentation of the consolidated balance sheet, (c) presentation of the consolidated statement of income, and (e) acquisition-related costs above, effective April 1, 2015, and (d) provisional accounting treatments for a business combination above for a business combination which occurred on or after April 1, 2015. The revised accounting standards and guidance for (a) transactions with noncontrolling interest and (e) acquisition-related costs were applied prospectively.

With respect to (b) presentation of the consolidated balance sheet and (c) presentation of the consolidated statement of income, the applicable line items in the 2015 consolidated financial statements have been accordingly reclassified and presented in line with those in 2016.

There was no impact on the consolidated financial statements by these accounting changes.

e. Cash Equivalents—Cash equivalents are short-term investments that are readily convertible into cash and that are exposed to insignificant risk of changes in value.

Cash equivalents include time deposits and mutual funds investing in bonds that represent short-term investments, all of which mature or become due within three months of the date of acquisition.

f. Inventories—Program rights (costs incurred in connection with the production of programming and the purchase of rights to programs that are capitalized and amortized as the respective programs are broadcast) and most of work in process are stated at the lower of cost, determined by the specific identification method or market. Finished merchandise, products, raw materials, and supplies are mainly stated at the lower of cost, determined by the first-in, first-out method, or market.

g. Marketable and Investment Securities—Marketable and investment securities are classified as trading securities, held-to-maturity debt securities, or available-for-sale securities depending on management's intent. The Group classifies securities as held-to-maturity debt securities and available-for-sale securities.

Held-to-maturity debt securities are reported at amortized cost.

Marketable available-for-sale securities are reported at fair value, with unrealized gains and losses, net of applicable taxes, reported in a separate component of equity. The cost of securities sold is determined based on the moving-average method.

Nonmarketable available-for-sale securities are stated at cost determined by the moving-average method. For other-than-temporary declines in fair value, nonmarketable available-for-sale securities are reduced to net realizable value by a charge to income.

h. Property, Plant and Equipment—Property, plant and equipment are stated at cost. Depreciation is computed by the declining-balance method based on the estimated useful lives of the assets, while the straight-line method is applied to buildings acquired after April 1, 2000, and to lease assets. The range of useful lives is from 3 to 50 years for buildings and structures and from 2 to 20 years for machinery, vehicles and equipment. The useful lives for lease assets are the terms of the respective leases.

i. Long-Lived Assets—The Group reviews its long-lived assets for impairment whenever events or changes in circumstance indicate the carrying amount of an asset or asset group may not be recoverable. An impairment loss would be recognized if the carrying amount of an asset or asset group exceeds the sum of the undiscounted future cash flows expected to result from the continued use and eventual disposition of the asset or asset group. The impairment loss would be measured as the amount by which the carrying amount of the asset exceeds its recoverable amount, which is the higher of the discounted cash flows from the continued use and eventual disposition of the asset or the net selling price at disposition.

j. Other Assets—Intangible assets are carried at cost less accumulated amortization, which is calculated by the straight-line method. Software for internal use is amortized over the estimated useful lives, over 5 years. Trademarks are amortized over 16 years. Customer-related assets are amortized over 8 to 16 years.

k. Retirement and Pension Plans—A consolidated subsidiary of the Company has a defined contribution pension plan, an unfunded lump-sum retirement benefits plan, and a prepaid retirement plan. The other subsidiaries have a defined contribution pension plan and an unfunded lump-sum retirement benefits plan.

Effective April 1, 2000, the Group adopted a new accounting standard for employees' retirement benefits and accounted for the liability for retirement benefits based on the projected benefit obligations and plan assets at the balance sheet date.

In May 2012, the ASBJ issued ASBJ Statement No. 26, "Accounting Standard for Retirement Benefits" and ASBJ Guidance No. 25, "Guidance on Accounting Standard for Retirement Benefits," which replaced the accounting standard for retirement benefits that had been issued by the Business Accounting Council in 1998 with an effective date of April 1, 2000, and the other related practical guidance, and were followed by partial amendments from time to time through 2009.

(a) Under the revised accounting standard, actuarial gains and losses and past service costs that are yet to be recognized in profit or loss are recognized within equity (accumulated other comprehensive income), after adjusting for tax effects, and any resulting deficit or surplus is recognized as a liability (liability for retirement benefits) or asset (asset for retirement benefits).

(b) The revised accounting standard does not change how to recognize actuarial gains and losses and past service costs in profit or loss. Those amounts are recognized in profit or loss over a certain period no longer than the expected average remaining service period of the employees. However, actuarial gains and losses and past service costs that arose in the current period and have not yet been recognized in profit or loss are included in other comprehensive income, and actuarial gains and losses and past service costs that were recognized in other comprehensive income in prior periods and then recognized in profit or loss in the current period are treated as reclassification adjustments (see Note 18).

(c) The revised accounting standard also made certain amendments relating to the method of attributing expected benefit to periods the discount rate and expected future salary increases.

This accounting standard and the guidance for (a) and (b) above are effective for the end of annual periods beginning on or after April 1, 2013, and for (c) above are effective for the beginning of annual periods beginning on or after April 1, 2014, or for the beginning of annual periods beginning on or after April 1, 2015, subject to certain disclosure in March 2015, all with earlier application being permitted from the beginning of annual periods beginning on or after April 1, 2013. However, no retrospective application of this accounting standard to consolidated financial statements in prior periods is required.

The Group applied the revised accounting standard and guidance for retirement benefits for (a) and (b) above, effective March 31, 2014, and for (c) above, effective April 1, 2014.

With respect to (c) above, the Group changed the method of attributing the expected benefit to periods from a straight-line basis to a benefit formula basis and the method of determining the discount rate from using the period which approximates the expected average remaining service period to using a single weighted-average discount rate reflecting the estimated timing and amount of benefit payment, and recorded the effect of (c) above as of April 1, 2014, in retained earnings. As a result, retained earnings as of April 1, 2014, decreased by ¥182 million in consolidation companies and ¥480 million in associated companies.

l. **Asset Retirement Obligations—**In March 2008, the ASBJ issued ASBJ Statement No. 18, "Accounting Standard for Asset Retirement Obligations" and ASBJ Guidance No. 21, "Guidance on Accounting Standard for Asset Retirement Obligations." Under this accounting standard, an asset retirement obligation is defined as a legal obligation imposed either by law or contract that results from the acquisition, construction, development, and normal operation of a tangible fixed asset and is associated with the retirement of such tangible fixed asset. The asset retirement obligation is recognized as the sum of the discounted cash flows required for the future asset retirement and is recorded in the period in which the obligation is incurred if a reasonable estimate can be made. If a reasonable estimate of the asset retirement obligation cannot be made in the period the asset retirement obligation is incurred, the liability should be recognized when a reasonable estimate of the asset retirement obligation can be made. Upon initial recognition of a liability for an asset retirement obligation, an asset retirement cost is capitalized by increasing the carrying amount of the related fixed asset by the amount of the liability. The asset retirement cost is subsequently allocated to expense through depreciation over the remaining useful life of the asset. Over time, the liability is accreted to its present value each period. Any subsequent revisions to the timing or the amount of the original estimate of undiscounted cash flows are reflected as an adjustment to the carrying amount of the liability and the capitalized amount of the related asset retirement cost.

m. **Compensation Income—**The consolidated subsidiaries have received the compensation for spectrum reallocation.

n. **Income Taxes—**The provision for income taxes is computed based on the pretax income included in the consolidated statement of income. The asset and liability approach is used to recognize deferred tax assets and liabilities for the expected future tax consequences of temporary differences between the carrying amounts and the tax bases of assets and liabilities. Deferred taxes are measured by applying currently enacted income tax rates to the temporary differences.

o. **Foreign Currency Translations—**All short-term and long-term monetary receivables and payables denominated in foreign currencies are translated into Japanese yen at the exchange rates at the balance sheet date. The foreign exchange gains and losses from translation are recognized in the consolidated statement of income.

p. **Foreign Currency Financial Statements—**With the exception of equity, which is translated at the historical rate, the balance sheet and revenue and expense accounts of the consolidated foreign subsidiaries are translated into Japanese yen at the current exchange rates as of the balance sheet date. Differences arising from such translation are shown as "Foreign currency translation adjustments" under accumulated other comprehensive income in a separate component of equity.

q. **Per Share Information—**Basic net income per share is computed by dividing net income attributable to common shareholders by the weighted-average number of common shares outstanding for the period, retroactively adjusted for stock splits.

Diluted net income per share is not disclosed because the Group has no issued dilutive securities for the years ended March 31, 2016 and 2015.

Cash dividends per share presented in the accompanying consolidated statement of income are dividends applicable to the respective years, including dividends to be paid after the end of the year, retroactively adjusted for stock splits.

r. **Accounting Changes and Error Corrections—**In December 2009, the ASBJ issued ASBJ Statement No. 24, "Accounting Standard for Accounting Changes and Error Corrections" and ASBJ Guidance No. 24, "Guidance on Accounting Standard for Accounting Changes and Error Corrections." Accounting treatments under this standard and guidance are as follows: (1) Changes in Accounting Policies—When a new accounting policy is applied following revision of an accounting standard, the new policy is applied retrospectively unless the revised accounting standard includes specific transitional provisions, in which case the entity shall comply with the specific transitional provisions. (2) Changes in Presentation—When the presentation of financial statements is changed, prior-period financial statements are reclassified in accordance with the new presentation. (3) Changes in Accounting Estimates—A change in an accounting estimate is accounted for in the period of the change if the change affects that period only, and is accounted for prospectively if the change affects both the period of the change and future periods. (4) Corrections of Prior-Period Errors—When an error in prior-period financial statements is discovered, those statements are restated.

s. **New Accounting Pronouncements**

Tax Effect Accounting—On December 28, 2015, the ASBJ issued ASBJ Guidance No. 26, "Guidance on Recoverability of Deferred Tax Assets," which included certain revisions of the previous accounting and auditing guidance issued by the Japanese Institute of Certified Public Accountants. While the new guidance continues to follow the basic framework of the previous guidance, it provides new guidance for the application of judgment in assessing the recoverability of deferred tax assets.

The previous guidance provided a basic framework which included certain specific restrictions on recognizing deferred tax assets depending on the Company's classification in respect of its profitability, taxable profit and temporary differences, etc.

The new guidance does not change such basic framework but, in limited cases, allows companies to recognize deferred tax assets even for a deductible temporary difference for which it was specifically prohibited to recognize a deferred tax asset under the previous guidance, if the Company can justify, with reasonable grounds, that it is probable that the deductible temporary difference will be utilized against future taxable profit in some future period.

The new guidance is effective for the beginning of annual periods beginning on or after April 1, 2016. Earlier application is permitted for annual periods ending on or after March 31, 2016. The new guidance shall not be applied retrospectively and any adjustments from the application of the new guidance at the beginning of the reporting period shall be reflected within retained earnings or accumulated other comprehensive income at the beginning of the reporting period.

The Group expects to apply the new guidance on recoverability of deferred tax assets effective April 1, 2016, and is in the process of measuring the effects of applying the new guidance in future applicable periods.

3. Marketable and Investment Securities

Marketable and investment securities as of March 31, 2016 and 2015, consisted of the following:

	Millions of Yen		Thousands of U.S. Dollars
	2016	2015	2016
Current—Government and corporate bonds	¥ 26,000	¥ 39,293	$ 230,742
Noncurrent:			
Equity securities	¥117,780	¥126,382	$1,045,261
Government and corporate bonds	47,953	32,424	425,568
Trust fund investments and others	2,128	1,436	18,885
Total	¥167,861	¥160,242	$1,489,714

The costs and aggregate fair values of marketable and investment securities as of March 31, 2016 and 2015, were as follows:

	Millions of Yen			
March 31, 2016	Cost	Unrealized Gains	Unrealized Losses	Fair Value
Securities classified as:				
Available for sale:				
Equity securities	¥41,194	¥65,835		¥107,029
Government and corporate bonds	6,000	83	¥ 130	5,953
Held to maturity	68,000	24	1,607	66,417
March 31, 2015				
Securities classified as:				
Available for sale:				
Equity securities	¥41,192	¥74,452		¥115,644
Government and corporate bonds	10,000	29	¥ 613	9,416
Held to maturity	62,300	157	1,061	61,396

	Thousands of U.S. Dollars			
March 31, 2016	Cost	Unrealized Gains	Unrealized Losses	Fair Value
Securities classified as:				
Available for sale:				
Equity securities	$365,584	$584,265		$949,849
Government and corporate bonds	53,248	737	$ 1,154	52,831
Held to maturity	603,479	213	14,262	589,430

The information for available-for-sale securities which were sold during the years ended March 31, 2016 and 2015, is as follows:

	Millions of Yen		
March 31, 2016	Proceeds	Realized Gains	Realized Losses
Available for sale—Equity securities	¥61	¥43	
Total	¥61	¥43	
March 31, 2015			
Available for sale—Equity securities	¥24	¥22	
Total	¥24	¥22	

	Thousands of U.S. Dollars		
March 31, 2016	Proceeds	Realized Gains	Realized Losses
Available for sale—Equity securities	$542	$382	
Total	$542	$382	

The impairment losses on available-for-sale equity securities for the years ended March 31, 2016 and 2015, were nil and ¥254 million, respectively.

4. Short-Term Investments

Short-term investments as of March 31, 2016 and 2015, consisted of the following:

	Millions of Yen		Thousands of U.S. Dollars
	2016	2015	2016
Time deposits	¥808	¥962	$7,171

5. Inventories

Inventories as of March 31, 2016 and 2015, consisted of the following:

	Millions of Yen		Thousands of U.S. Dollars
	2016	2015	2016
Program rights	¥ 7,444	¥ 6,643	$66,064
Finished products and merchandise	2,384	3,012	21,157
Work in process	149	123	1,322
Raw materials and supplies	1,067	987	9,469
Total	¥11,044	¥10,765	$98,012

6. Long-Lived Assets

The Group reviewed its long-lived assets for impairment as of March 31, 2016. As a result, the Group recognized an impairment loss of ¥2,322 million ($20,607 thousand) as other expense related to a certain investment property disposed of in Chiyoda-ku, Tokyo. The carrying amount was written down to the recoverable amount, which was measured at its net selling price at disposition. No impairment loss was recognized in 2015.

7. Collateralized Property

At March 31, 2016, land of ¥101,031 million ($896,619 thousand) was pledged as collateral for guarantee deposits received of ¥19,000 million ($168,619 thousand).

8. Investment Property

In November 2008, the ASBJ issued ASBJ Statement No. 20, "Accounting Standard for Investment Property and Related Disclosures" and ASBJ Guidance No. 23, "Guidance on Accounting Standard for Investment Property and Related Disclosures."

The Group owns certain rental properties such as office buildings and land in Tokyo. The net of rental income and operating expenses for those rental properties for the years ended March 31, 2016 and 2015, was ¥406 million ($3,603 thousand) and ¥514 million, respectively.

In addition, the carrying amounts, changes in such balances, and market prices of such properties are as follows:

Millions of Yen			
Carrying Amount			Fair Value
April 1, 2015	Increase/Decrease	March 31, 2016	March 31, 2016
¥87,133	¥2,604	¥84,529	¥87,911

Millions of Yen			
Carrying Amount			Fair Value
April 1, 2014	Increase/Decrease	March 31, 2015	March 31, 2015
¥84,411	¥2,722	¥87,133	¥92,510

Thousands of U.S. Dollars			
Carrying Amount			Fair Value
April 1, 2015	Increase/Decrease	March 31, 2016	March 31, 2016
$773,278	$23,109	$750,169	$780,183

Notes: 1. The carrying amount recognized in the consolidated balance sheet is net of accumulated depreciation, if any.
2. Decrease during the fiscal year ended March 31, 2016, primarily represents the recognition of impairment loss of ¥2,322 million ($20,607 thousand).
3. The fair value of major properties owned by the Group as of March 31, 2016, is measured by outside real estate appraisers in accordance with the Real Estate Appraisal Standard (including adjustments made by using indexes). The fair value of other properties is measured by the Group using indexes that are believed to approximate their market values appropriately.

9. Short-Term Borrowings

Short-term borrowings at March 31, 2016 and 2015, consisted of bank overdrafts and were collected from unconsolidated subsidiaries using a cash management system. The interest rate applicable to the short-term borrowings was 0.30% and 0.37% at March 31, 2016 and 2015, respectively.

10. Retirement and Pension Benefit Plans

The consolidated subsidiaries have severance payment plans for employees.

Retirement benefits for employees are determined on the basis of length of service, basic rate of pay at the time of termination, and certain other factors. If the termination is involuntary, the employee is usually entitled to a larger payment than in the case of voluntary termination.

(1) The changes in defined benefit obligation for the years ended March 31, 2016 and 2015, were as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2016	2015	2016
Balance at beginning of year (as previously reported)	¥7,589	¥6,212	$67,350
Cumulative effect of accounting change		282	
Balance at beginning of year (as restated)	7,589	6,494	67,350
Current service cost	596	551	5,289
Interest cost	59	53	524
Actuarial gains	30	(25)	266
Benefits paid	(185)	(181)	(1,642)
Other		697	
Balance at end of year	¥8,089	¥7,589	$71,787

(2) The changes in liabilities for retirement benefits of unfunded retirement benefit plans for the years ended March 31, 2016 and 2015, were as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2016	2015	2016
Balance at beginning of year	¥3,447	¥3,376	$30,591
Periodic benefit costs	279	269	2,476
Benefits paid	(279)	(140)	(2,476)
Others	58	(58)	515
Balance at end of year	¥3,505	¥3,447	$31,106

(3) Reconciliation between the liability recorded in the consolidated balance sheet and the balances of defined benefit obligation and plan assets

	Millions of Yen		Thousands of U.S. Dollars
	2016	2015	2016
Unfunded defined benefit obligation	¥11,594	¥11,036	$102,893
Net liability arising from defined benefit obligation	¥11,594	¥11,036	$102,893

	Millions of Yen		Thousands of U.S. Dollars
	2016	2015	2016
Liability for retirement benefits	¥11,594	¥11,036	$102,893
Net liability arising from defined benefit obligation	¥11,594	¥11,036	$102,893

(4) The components of net periodic benefit costs for the years ended March 31, 2016 and 2015, were as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2016	2015	2016
Service cost	¥596	¥551	$5,289
Interest cost	59	53	524
Recognized actuarial gains	29	(25)	257
Cost of the unfunded retirement benefit plans	279	268	2,476
Other*	265	95	2,352
Net periodic benefit costs	¥1,228	¥942	$10,898

* Other is the extra retirement payments.

(5) Assumptions used for the years ended March 31, 2016 and 2015, were set forth as follows:

	2016	2015
Discount rate	0.6%–0.8%	0.6%–0.8%

(6) Defined contribution plan

The amount of contribution required for the defined contribution plan that the subsidiaries of the Company paid for the years ended March 31, 2016 and 2015, was ¥952 million ($8,449 thousand) and ¥870 million, respectively.

11. Equity

Japanese companies are subject to the Companies Act. The significant provisions in the Companies Act that affect financial and accounting matters are summarized below:

a. Dividends

Under the Companies Act, companies can pay dividends at any time during the fiscal year in addition to the year-end dividend upon resolution at the shareholders' meeting. Additionally, for companies that meet certain criteria, such as having (1) the Board of Directors, (2) independent auditors, (3) an Audit & Supervisory Board, and (4) the term of service of the directors being prescribed as one year rather than the normal two-year term under its articles of incorporation, the Board of Directors may declare dividends (except for dividends in kind) at any time during the fiscal year if the company has prescribed so in its articles of incorporation. The Company meets all the above criteria.

The Companies Act permits companies to distribute dividends in kind (noncash assets) to shareholders subject to certain limitation and additional requirements.

Semiannual interim dividends may also be paid once a year upon resolution by the Board of Directors if the articles of incorporation of the Company so stipulate. The Companies Act provides certain limitations on the amounts available for dividends or the purchase of treasury stock. The limitation is defined as the amount available for distribution to the shareholders, but the amount of net assets after dividends must be maintained at no less than ¥3 million.

b. Increases/Decreases and Transfer of Common Stock, Reserve and Surplus

The Companies Act requires that an amount equal to 10% of dividends must be appropriated as a legal reserve (a component of retained earnings) or as additional paid-in capital (a component of capital surplus) depending on the equity account charged upon the payment of such dividends until the aggregate amount of legal reserve and additional paid-in capital equals 25% of the common stock.

Under the Companies Act, the total amount of additional paid-in capital and legal reserve may be reversed without limitation. The Companies Act also provides that common stock, legal reserve, additional paid-in capital, other capital surplus, and retained earnings can be transferred among the accounts within equity under certain conditions upon resolution of the shareholders.

c. Treasury Stock and Treasury Stock Acquisition Rights

The Companies Act also provides for companies to purchase treasury stock and dispose of such treasury stock by resolution of the Board of Directors. The amount of treasury stock purchased cannot exceed the amount available for distribution to the shareholders, which is determined by a specific formula. Under the Companies Act, stock acquisition rights are presented as a separate component of equity. The Companies Act also provides that companies can purchase both treasury stock acquisition rights and treasury stock. Such treasury stock acquisition rights are presented as a separate component of equity or deducted directly from stock acquisition rights.

12. Income Taxes

The Company and its domestic subsidiaries are subject to Japanese national and local income taxes which, in the aggregate, resulted in normal effective statutory tax rates of approximately 33.1% and 35.6% for the years ended March 31, 2016 and 2015, respectively.

The tax effects of significant temporary differences that resulted in deferred tax assets and liabilities as of March 31, 2016 and 2015, are as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2016	2015	2016
Current–Deferred tax assets:			
Tax loss carryforwards		¥ 93	
Devaluation of program rights	¥ 3,181	2,618	$ 28,230
Accrued enterprise taxes	984	939	8,733
Accrued bonuses	741	728	6,576
Other	698	1,008	6,195
Less valuation allowance	(169)	(236)	(1,500)
Total	¥ 5,435	5,150	$ 48,234
Non-current:			
Deferred tax assets:			
Tax loss carryforwards	¥ 1,928	¥ 1,399	$ 17,110
Retirement benefits	3,552	3,580	31,523
Devaluation of property, plant and equipment	1,632	1,531	14,483
Lease obligations	2,330	2,708	20,678
Devaluation of investment securities	1,272	2,027	11,289
Unrealized loss on available-for-sale securities	14	186	124
Other	1,093	355	9,701
Less valuation allowance	(5,150)	(4,742)	(45,705)
Total	6,671	7,044	59,203
Deferred tax liabilities:			
Lease assets	(1,801)	(2,119)	(15,983)
Tax benefit from deferred gain on sales of property, plant and equipment	(4,371)	(4,625)	(38,791)
Unrealized gain on available-for-sale securities	(19,737)	(23,546)	(175,160)
Intangible assets acquired in a business combination	(3,373)	(3,946)	(29,934)
Other	(112)	(142)	(994)
Total	(29,394)	(34,378)	(260,862)
Net deferred tax liabilities	¥(22,723)	¥(27,334)	$(201,659)

For the years ended March 31, 2016 and 2015, the difference between the statutory tax rate and effective tax rate is less than 5% of the statutory tax rate; therefore, a tax rate reconciliation is not disclosed.

New tax reform laws enacted in 2016 in Japan changed the normal effective statutory tax rate for the fiscal year beginning on or after April 1, 2016, from approximately 32.3% to 30.9%, and for the fiscal year beginning on or after April 1, 2018, from approximately 32.3% to 30.6%. The effect of these changes is negligible.

At March 31, 2016, certain subsidiaries have tax loss carryforwards aggregating approximately ¥6,296 million ($55,875 thousand), which are available to be offset against taxable income of such subsidiaries in future years. These tax loss carryforwards, if not utilized, will expire in 2024 and thereafter.

13. Leases

a. Operating Lease Transactions

The Group leases certain buildings and structures, machinery, vehicles, and equipment.

Total rental expenses including lease payments under finance leases for the years ended March 31, 2016 and 2015, were ¥580 million ($5,148 thousand) and ¥409 million, respectively.

Obligations under finance leases as of March 31, 2016 and 2015, were as follows:

	Millions of Yen		Thousands of U.S. Dollars
As Lessee	2016	2015	2016
Due within one year	¥ 1,354	¥ 1,297	$ 12,016
Due after one year	12,899	13,947	114,474
Total	¥14,253	¥15,244	$126,490

b. Operating Lease Transactions

The minimum rental commitments under noncancelable operating leases as of March 31, 2016 and 2015, were as follows:

	Millions of Yen		Thousands of U.S. Dollars
As Lessee	2016	2015	2016
Due within one year	¥ 2,430	¥ 2,348	$ 21,565
Due after one year	14,367	16,304	127,503
Total	¥16,797	¥18,652	$149,068
As Lessor			
Due within one year	¥ 256	¥ 256	$ 2,272
Due after one year	4,806	5,062	42,652
Total	¥5,062	¥5,318	$44,924

c. Sublease Transactions

The amounts recorded on the consolidated balance sheet related to sublease transactions, including the amount equivalent to interest, are as follows:

	Millions of Yen		Thousands of U.S. Dollars
Investment in Direct Finance Leases	2016	2015	2016
Current assets	¥ 272	¥ 170	$ 2,414
Investment and other assets	2,407	2,230	21,361
Lease Obligation			
Current liabilities	¥ 291	¥ 182	$ 2,583
Noncurrent liabilities	2,580	2,387	22,897

Annual maturities of long-term debt, excluding finance leases, at March 31, 2016, were as follows:

Year Ending March 31	Millions of Yen	Thousands of U.S. Dollars
2017	¥ 1,645	$ 14,599
2018	1,610	14,288
2019	1,490	13,223
2020	1,410	12,513
2021	1,392	12,354
2022 and thereafter	9,577	84,993
Total	¥17,124	$151,970

14. Financial Instruments and Related Disclosures

(1) Group Policy for Financial Instruments

The Group uses financial instruments, primarily its own funds, based on its capital financing plan. Cash surpluses are invested in financial assets, mainly marketable securities, for the purpose of appropriate and safe fund management.

(2) Nature and Extent of Risks Arising from Financial Instruments

Receivables such as trade notes and trade accounts are exposed to customer credit risk. Marketable and investment securities, mainly held-to-maturity securities and equity instruments of customers and suppliers of the Group, are exposed to the risk of market price fluctuations.

The payment terms of most payables, such as trade notes and trade accounts, are less than one year. Such payables, lease obligations, and guarantee deposits received are exposed to liquidity risk.

(3) Risk Management for Financial Instruments

Credit risk management

Credit risk is the risk of economic loss arising from a counterparty's failure to repay or service debt according to the contractual terms. The Group manages its credit risk from receivables on the basis of internal guidelines, which include the monitoring of the payment terms and balances of major customers by each business administration department to identify the default risk of customers at an early stage. With respect to held-to-maturity financial investments, the Group manages its exposure to credit risk by limiting investments to high-credit-rated bonds in accordance with its internal guidelines.

The maximum credit risk exposure of financial assets is limited to their carrying amounts as of March 31, 2016.

Market risk management (interest rate risk)

Market risk of marketable and investment securities is managed by monitoring market values and the financial position of issuers on a regular basis.

Liquidity risk management

Liquidity risk comprises the risk that the Group cannot meet its contractual obligations in full on their maturity dates. The Group manages its liquidity risk by holding adequate volumes of liquid assets, along with adequate financial planning by the corporate treasury department.

(4) Concentration of Credit Risk

As of March 31, 2016, 75.4% of total receivables are from two major advertising agencies of the Group.

(5) Fair Values of Financial Instruments

Fair values of financial instruments are based on quoted prices in active markets. If a quoted price is not available, another rational valuation technique is used instead.

(a) Fair value of financial instruments

	Millions of Yen		
March 31, 2016	Carrying Amount	Fair Value	Unrealized Gain/Loss
Cash and cash equivalents	¥ 99,205	¥ 99,205	
Marketable securities	26,000	25,502	¥ (498)
Short-term investments	808	808	
Receivables	100,186	100,186	
Investment securities	154,982	153,897	(1,085)
Long-term loan	9,754		
Allowance for doubtful accounts*	(860)		
	8,894	9,088	194
Total	¥390,075	¥388,686	¥(1,389)
Short-term borrowings	¥ 7,841	¥ 7,841	
Payables	60,901	60,901	
Guarantee deposits received	20,058	16,512	¥ 3,546
Lease obligations	17,124	18,614	(1,490)
Total	¥105,924	¥103,868	¥ 2,056
March 31, 2015			
Cash and cash equivalents	¥ 96,539	¥ 96,539	
Marketable securities	39,293	39,426	¥ 133
Short-term investments	962	962	
Receivables	96,190	96,190	
Investment securities	148,068	147,030	(1,038)
Long-term loan	9,767		
Allowance for doubtful accounts*	(640)		
	9,127	9,162	35
Total	¥390,179	¥389,309	¥ (870)
Short-term borrowings	¥10,171	¥10,171	
Payables	64,715	64,715	
Guarantee deposits received	20,385	14,497	¥ 5,888
Lease obligations	17,813	19,018	(1,205)
Total	¥113,084	¥108,401	¥ 4,683

	Thousands of U.S. Dollars		
March 31, 2016	Carrying Amount	Fair Value	Unrealized Gain/Loss
Cash and cash equivalents	$ 880,414	$ 880,414	
Marketable securities	230,742	226,322	$ (4,420)
Short-term investments	7,171	7,171	
Receivables	889,120	889,120	
Investment securities	1,375,417	1,365,788	(9,629)
Long-term loan	86,564		
Allowance for doubtful accounts*	(7,632)		
	78,932	80,654	1,722
Total	$3,461,796	$3,449,469	$(12,327)
Short-term borrowings	$ 69,586	$ 69,586	
Payables	540,477	540,477	
Guarantee deposits received	178,009	146,539	$ 31,470
Lease obligations	151,970	165,193	(13,223)
Total	$ 940,042	$ 921,795	$ 18,247

* Allowance for doubtful accounts associated with long-term loan receivable is deducted.

Cash and Cash Equivalents, Short-Term Investments, Receivables, Payables, and Short-Term Borrowings

The carrying values of these instruments approximate fair value because of their short maturities.

Marketable and Investment Securities

The fair values of marketable and investment securities are measured at the quoted market price on the stock exchange for the equity instruments, and at the quoted price obtained from the financial institution for certain debt instruments. Fair value information for marketable and investment securities by classification is included in Note 5.

Long-Term Loan

Long-term loans receivable with variable interest rates, which reflect short-term market interest rates, are presented at book value unless the borrower's creditworthiness changes significantly after the provision of the loan because the fair value of the loan is similar to its book value. Regarding long-term loans receivable with fixed interest rates, because fair value is calculated by discounting the sum of principal and interest using an interest rate that would be applied to a new loan made on similar terms, the amount of the loan on the balance sheet on the closing date less the current estimate for defaults is similar to its fair value, so this amount is deemed to be its fair value. Note that the amount of long-term loans receivable due within one year is included.

Lease Obligations and Guarantee Deposits Received

The fair values of guarantee deposits received are determined by discounting the cash flows related to the debt at the Group's assumed corporate borrowing rate. Note that the amount of lease obligation due within one year is included. The amount of lease obligations is also included in lease obligations for sublease, and the fair value is approximately equal to the carrying value because this recorded amount is equivalent to remaining lease payments before deducting the portion of payments equivalent to interest.

(b) Carrying amount of financial instruments whose fair value cannot be reliably determined

	Millions of Yen		Thousands of U.S. Dollars
	2016	2015	2016
Investments in unconsolidated subsidiaries and associated companies	¥51,571	¥49,263	$457,677
Other investments in equity instruments that do not have a quoted market price in an active market	12,879	12,174	114,297

(6) Maturity Analysis for Financial Assets and Securities with Contractual Maturities

	Millions of Yen			
March 31, 2016	Due in 1 Year or Less	Due after 1 Year through 5 Years	Due after 5 Years through 10 Years	Due after 10 Years
Cash and cash equivalents	¥ 99,205			
Marketable securities	26,000			
Short-term investments	808			
Receivables	100,186			
Investment securities:				
Held-to-maturity securities		¥42,000		
Available-for-sale securities with contractual maturities	39	219	¥1,579	¥6,000
Long-term loan	890	3,746	3,642	1,620
Total	¥227,128	¥45,965	¥5,221	¥7,620

	Thousands of U.S. Dollars			
March 31, 2016	Due in 1 Year or Less	Due after 1 Year through 5 Years	Due after 5 Years through 10 Years	Due after 10 Years
Cash and cash equivalents	$ 880,414			
Marketable securities	230,742			
Short-term investments	7,171			
Receivables	889,120			
Investment securities:				
Held-to-maturity securities		$372,737		
Available-for-sale securities with contractual maturities	344	1,943	$14,016	$53,248
Long-term loan	7,898	33,245	32,322	14,377
Total	$2,015,689	$407,925	$46,338	$67,625

Please see Note 13 for obligations under finance lease.

15. Derivatives

The Group does not use any derivative financial instruments.

One of the associated companies accounted for by the equity method enters into derivative financial instruments, including foreign currency forward contracts to hedge foreign exchange risk associated with certain assets and liabilities denominated in foreign currencies.

16. Contingent Liabilities

The Group's contingent liabilities as guarantor of indebtedness as of March 31, 2016, were as follows:

	Millions of Yen	Thousands of U.S. Dollars
Employees	¥135	$1,198
Total	¥135	$1,198

17. Commitment

The Company provides loan commitments to an unconsolidated subsidiary. The outstanding balance of the revolving lines of credit as of March 31, 2016 and 2015, was as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2016	2015	2016
Total revolving lines of credit available	¥8,300	¥8,300	$73,660
Amount utilized	4,565	3,138	40,513
Balance available	¥3,735	¥5,162	$33,147

18. Other Comprehensive Income (Loss)

The components of other comprehensive income (loss) for the years ended March 31, 2016 and 2015, were as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2016	2015	2016
Unrealized gain (loss) on available-for-sale securities:			
Gains arising during the year	¥(8,074)	¥ 48,334	$(71,654)
Reclassification adjustments to profit or loss			
Amount before income tax effect	(8,074)	48,334	(71,654)
Income tax effect	3,635	(14,747)	32,259
Total	¥(4,439)	¥ 33,587	$(39,395)
Foreign currency translation adjustments—Adjustments arising during the year	¥ 1	¥ 153	$ 9
Total	¥ 1	¥ 153	$ 9
Share of other comprehensive income (loss) in unconsolidated subsidiaries and associated companies:			
Gains arising during the year	¥ (157)	¥ 439	$ (1,393)
Reclassification adjustments to profit or loss	(100)	(25)	(887)
Total	¥ (257)	¥ 414	$ (2,280)
Total other comprehensive income (loss)	¥(4,695)	¥ 34,154	$(41,666)

19. Subsequent Event

Appropriation of Retained Earnings

The following appropriation of retained earnings as of March 31, 2016, was approved at the Company's shareholders' meeting held on June 29, 2016:

	Millions of Yen	Thousands of U.S. Dollars
Year-end cash dividends, ¥24 ($0.21) per share	¥6,146	$54,544

20. Segment Information

Under ASBJ Statement No. 17, "Accounting Standard for Segment Information Disclosures" and ASBJ Guidance No. 20, "Guidance on Accounting Standard for Segment Information Disclosures," an entity is required to report financial and descriptive information about its reportable segments. Reportable segments are operating segments or aggregations of operating segments that meet specified criteria. Operating segments are components of an entity about which separate financial information is available and such information is evaluated regularly by the chief operating decision maker in deciding how to allocate resources and in assessing performance. Generally, segment information is required to be reported on the same basis as is used internally for evaluating operating segment performance and deciding how to allocate resources to operating segments.

(1) Description of Reportable Segments

The Group's reportable segments are those for which separate financial information is available and regular evaluation by the Company's management is being performed in order to decide how resources are allocated among the Group.

As the result of transition to a certified broadcast holding company on October 1, 2012, the "Other" segment has been incorporated into the others, in consideration of its relative importance.

For the year ended March 31, 2015, we created the "Life and Health-Related Business" segment due to the acquisition of TIPNESS Limited.

Therefore, the Group's reportable segments consist of the contents business, real estate rental/leasing and life and health-related business.

The contents business segment consists of television broadcasting; program sales, which generate royalty income from the commercialization and sale of package media, and from exhibiting movies; and events and other performances.

The life and health-related business segment runs general fitness clubs.

The real estate rental/leasing segment leases owned real estate and manages buildings.

(2) Methods of Measuring Amounts of Sales, Profit (Loss), and Depreciation for Each Reportable Segment

The accounting policies of each reportable segment are consistent with those disclosed in Note 2, "Summary of Significant Accounting Policies."

Reportable segment profits represent operating income. Intersegment sales and transfers are based on prevailing market prices.

(3) Information about Sales, Profit (Loss), and Depreciation

	Millions of Yen							
	2016							
	Reportable Segment							
	Contents Business	Life and Health-Related Business	Real Estate Rental/Leasing	Total	Other	Total	Reconciliations	Consolidated
Sales:								
Sales to external customers	¥373,554	¥36,357	¥2,849	¥412,760	¥2,021	¥414,781		¥414,781
Intersegment sales or transfers	416	4	7,040	7,460	1,185	8,645	¥(8,645)	
Total	¥373,970	¥36,361	¥9,889	¥420,220	¥3,206	¥423,426	¥(8,645)	¥414,781
Segment profit (loss)	¥ 48,798	¥ 1,197	¥3,723	¥ 53,718	¥ (25)	¥ 53,693	¥ (515)	¥ 53,178
Other—Depreciation	7,822	2,974	814	11,610	31	11,641		11,641

	Millions of Yen							
	2015							
	Reportable Segment							
	Contents Business	Life and Health-Related Business	Real Estate Rental/Leasing	Total	Other	Total	Reconciliations	Consolidated
Sales:								
Sales to external customers	¥348,472	¥8,566	¥ 3,546	¥360,584	¥1,913	¥362,497		¥362,497
Intersegment sales or transfers	261		6,831	7,092	1,419	8,511	¥(8,511)	
Total	¥348,733	¥8,566	¥10,377	¥367,676	¥3,332	¥371,008	¥(8,511)	¥362,497
Segment profit	¥ 38,890	¥ (131)	¥ 4,015	¥ 42,774	¥ 113	¥ 42,887	¥ (504)	¥ 42,383
Other—Depreciation	6,856	722	868	8,446	35	8,481		8,481

	Thousands of U.S. Dollars							
	2016							
	Reportable Segment							
	Contents Business	Life and Health-Related Business	Real Estate Rental/Leasing	Total	Other	Total	Reconciliations	Consolidated
Sales:								
Sales to external customers	$3,315,176	$322,657	$25,284	$3,663,117	$17,936	$3,681,053		$3,681,053
Intersegment sales or transfers	3,692	36	62,477	66,205	10,517	76,722	$(76,722)	
Total	$3,318,868	$322,693	$87,761	$3,729,322	$28,453	$3,757,775	$(76,722)	$3,681,053
Segment profit (loss)	$ 433,067	$ 10,623	$33,041	$ 476,731	$ (222)	$ 476,509	$ (4,571)	$ 471,938
Other—Depreciation	69,418	26,393	7,224	103,035	275	103,310		103,310

Related Information

(1) Information about Products and Services

	Millions of Yen			
	2016			
Sales to External Customers	Contents Business	Life and Health-Related Business	Real Estate Rental/ Leasing	Total
Television broadcasting:				
Time advertising	¥118,353			¥118,353
Spot advertising	129,477			129,477
Total	247,830			247,830
Advertising sales from BS and CS platform	14,540			14,540
Other advertising revenue	610			610
Contents sales revenue	52,087			52,087
Revenue from merchandise sales	34,004	¥ 1,274		35,278
Box office revenue	13,238			13,238
Facilities usage fee revenue		30,445		30,445
Real estate leasing			¥1,741	1,741
Other	11,245	4,638	1,108	16,991
Total	¥373,554	¥36,357	¥2,849	¥412,760

	Millions of Yen			
	2015			
Sales to External Customers	Contents Business	Life and Health-Related Business	Real Estate Rental/ Leasing	Total
Television broadcasting:				
Time advertising	¥115,388			¥115,388
Spot advertising	122,759			122,759
Total	238,147			238,147
Advertising sales from BS and CS platform	14,276			14,276
Other advertising revenue	385			385
Contents sales revenue	46,680			46,680
Revenue from merchandise sales	28,668	¥ 258		28,926
Box office revenue	9,318			9,318
Facilities usage fee revenue		7,094		7,094
Real estate leasing			¥2,163	2,163
Other	10,998	1,214	1,383	13,595
Total	¥348,472	¥8,566	¥3,546	¥360,584

	Thousands of U.S. Dollars			
	2016			
Sales to External Customers	Contents Business	Life and Health-Related Business	Real Estate Rental/ Leasing	Total
Television broadcasting:				
Time advertising	$1,050,346			$1,050,346
Spot advertising	1,149,068			1,149,068
Total	2,199,414			2,199,414
Advertising sales from BS and CS platform	129,038			129,038
Other advertising revenue	5,414			5,414
Contents sales revenue	462,256			462,256
Revenue from merchandise sales	301,775	$ 11,306		313,081
Box office revenue	117,483			117,483
Facilities usage fee revenue		270,190		270,190
Real estate leasing			$15,451	15,451
Other	99,796	41,161	9,833	150,790
Total	$3,315,176	$322,657	$25,284	$3,663,117

(2) Information about Geographical Areas

a. Sales

Sales of the Company and its domestic subsidiaries for the years ended March 31, 2016 and 2015, represented more than 90% of the consolidated sales for the year. Accordingly, information about geographical areas is not disclosed.

b. Property, plant and equipment

Property, plant and equipment of the Company and its domestic subsidiaries for the years ended March 31, 2016 and 2015, represented more than 90% of the property, plant and equipment in the consolidated balance sheet for the year. Accordingly, information about geographical areas is not disclosed.

(3) Information about Major Customers

No customer represented more than 10% of the consolidated sales for the year. Accordingly, information about major customers is not disclosed.

(4) Impairment Losses

	Millions of Yen				
	2016				
	Contents Business	Life and Health-Related Business	Real Estate Rental/ Leasing	Reconcilia-tions	Total
Impairment losses of assets			¥2,322		¥2,322

	Thousands of U.S. Dollars				
	2016				
	Contents Business	Life and Health-Related Business	Real Estate Rental/ Leasing	Reconcilia-tions	Total
Impairment losses of assets			$20,607		$20,607

(5) Goodwill

	Millions of Yen				
	2016				
	Contents Business	Life and Health-Related Business	Real Estate Rental/ Leasing	Reconcilia-tions	Total
Amortization of goodwill	¥195	¥ 1,783			¥ 1,978
Goodwill at March 31, 2016		11,676			11,676

	Millions of Yen				
	2015				
	Contents Business	Life and Health-Related Business	Real Estate Rental/ Leasing	Reconcilia-tions	Total
Amortization of goodwill	¥176	¥ 198			¥ 374
Goodwill at March 31, 2015		12,468			12,468

	Thousands of U.S. Dollars				
	2016				
	Contents Business	Life and Health-Related Business	Real Estate Rental/ Leasing	Reconcilia-tions	Total
Amortization of goodwill	$1,730	$ 15,824			$ 17,554
Goodwill at March 31, 2016		103,620			103,620

Independent Auditor's Report

Deloitte.

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of Nippon Television Holdings, Inc.:

We have audited the accompanying consolidated balance sheet of Nippon Television Holdings, Inc. and its consolidated subsidiaries as of March 31, 2016, and the related consolidated statements of income, comprehensive income, changes in equity, and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information, all expressed in Japanese yen.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in Japan, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in Japan. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Nippon Television Holdings, Inc. and its consolidated subsidiaries as of March 31, 2016, and the consolidated results of their operations and their cash flows for the year then ended in accordance with accounting principles generally accepted in Japan.

Convenience Translation

Our audit also comprehended the translation of Japanese yen amounts into U.S. dollar amounts and, in our opinion, such translation has been made in accordance with the basis stated in Note 1 to the consolidated financial statements. Such U.S. dollar amounts are presented solely for the convenience of readers outside Japan.

Deloitte Touche Tohmatsu LLC

June 29, 2016

Investor Information (As of March 31, 2016)

Corporate Name

Nippon Television Holdings, Inc.

Office Location

1-6-1 Higashi Shimbashi, Minato-ku, Tokyo 105-7444, Japan
Tel: +81-3-6215-4111

Date of Establishment

October 28, 1952
Effective October 1, 2012, Nippon Television Network Corporation changed its trade name to Nippon Television Holdings, Inc. upon transitioning to a certified broadcasting holding company structure.

Capital

18.6 billion yen

Common Stock

Authorized 1,000,000,000 shares
Issued 263,822,080 shares

Number of Shareholders

28,710

Stock Exchange Listing

First Section of Tokyo Stock Exchange (Code 9404)

Fiscal Year-End

March 31, annually

Number of Employees

185

Transfer Agent and Registrar

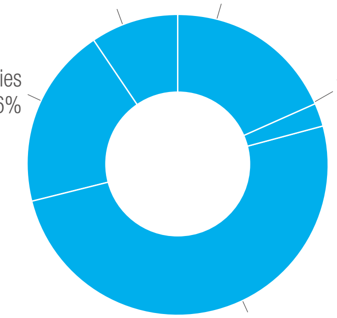
Sumitomo Mitsui Trust Bank, Limited
4-1, Marunouchi 1-chome, Chiyoda-ku, Tokyo 100-8233, Japan

Major Shareholders

Shareholders (Top 10)	Number of shares held	Percentage of total shares issued (%)
The Yomiuri Shimbun Holdings	37,649,480	14.60
YOMIURI TELECASTING CORPORATION	16,563,160	6.42
The Yomiuri Shimbun	15,591,200	6.04
Japan Trustee Services Bank, Ltd. (Trust Account)	9,896,000	3.83
Teikyo University	9,553,920	3.70
NTT DoCoMo, Inc.	7,779,000	3.01
The Master Trust Bank of Japan, Ltd. (Trust Account)	6,656,600	2.58
Recruit Holdings Co., Ltd.	6,454,600	2.50
CBNY-ORBIS SICAV	5,327,145	2.06
Yomiuri Land Co., Ltd.	5,236,000	2.03

Note: The “Percentage of a Total Shares” above is calculated deducting the Company’s treasury stock (5,990,540 shares).

Distribution of Shares



Network

- The Sapporo Television Broadcasting Co., Ltd. (STV)*
- RAB Aomori Broadcasting Corporation (RAB)
- TV IWATE CORPORATION (TVI)
- MIYAGI TELEVISION BROADCASTING CO., LTD. (MMT)
- Akita Broadcasting System (ABS)
- Yamagata Broadcasting Co., Ltd. (YBC)
- Fukushima Central Television CO., LTD. (FCT)
- TELEVISION NIIGATA NETWORK (TeNY)
- TV.Shinshu Broadcasting Co., LTD. (TSB)
- Yamanashi Broadcasting System (YBS)
- Shizuoka Daiichi Television Corporation (SDT)
- KITANIHON Broadcasting CO., LTD. (KNB)
- TELEVISION KANAZAWA Corporation (KTK)
- FUKUI BROADCASTING CORPORATION (FBC)
- CHUKYO TV BROADCASTING CO., LTD. (CTV)*
- YOMIURI TELECASTING CORPORATION (YTV)*
- NIHONKAI TELECASTING CO., LTD. (NKT)
- Hiroshima Telecasting Co., Ltd. (HTV)
- Yamaguchi Broadcasting Co., Ltd. (KRY)
- JRT Shikoku Broadcasting Co., Ltd. (JRT)
- NISHINIPPON BROADCASTING CO., LTD. (RNC)
- Nankai Broadcasting CO., LTD. (RNB)
- Kochi Broadcasting Co., Ltd. (RKC)
- Fukuoka Broadcasting Corporation (FBS)*
- NAGASAKI INTERNATIONAL TELEVISION BROADCASTING, INC. (NIB)
- KKT Corporation (KKT) *
- Television Oita System Co., Ltd. (TOS)
- Miyazaki Telecasting Co., ltd. (UMK)
- Kagoshima Yomiuri Television Corporation (KYT)

* Affiliates accounted for under the equity method

Overseas Consolidated Subsidiaries

- NTV International Corporation (New York)
- Nippon Television Network Europe B.V. (Amsterdam)
- NTV Asia Pacific Pte. Ltd. (Singapore)

NNN Overseas News Bureaus

- London
- Paris
- Moscow
- Cairo
- Beijing
- Shanghai
- Seoul
- Bangkok
- New York
- Washington, D.C.
- Los Angeles

Website

Please visit our website for details.

About Nippon Television Holdings

http://www.ntvhd.co.jp/english

IR Information

http://www.ntvhd.co.jp/english/ir

CSR

http://www.ntv.co.jp/ntvcsr
(Japanese only)

http://www.ntvhd.co.jp/english/