

NIPPON TV HOLDINGS

Corporate Report
2018

For the Year Ended March 31, 2018



Profile

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

Networks

We disseminate information effectively and efficiently by leveraging our domestic and overseas networks.

Establishing a Nationwide Network in Japan

We have developed a network comprising of 29 commercial terrestrial television broadcasters throughout Japan, with Nippon Television Network Corporation as the key station. Stations in this network enable nationwide broadcasts and facilitate cooperation on news, programs and other business.

Broadcasting Overseas

Through a channel established jointly with Sony Pictures Television Networks in October 2015, subscribers in six countries and regions can enjoy Japanese dramas and entertainment shows with minimal delay after their broadcast in Japan.

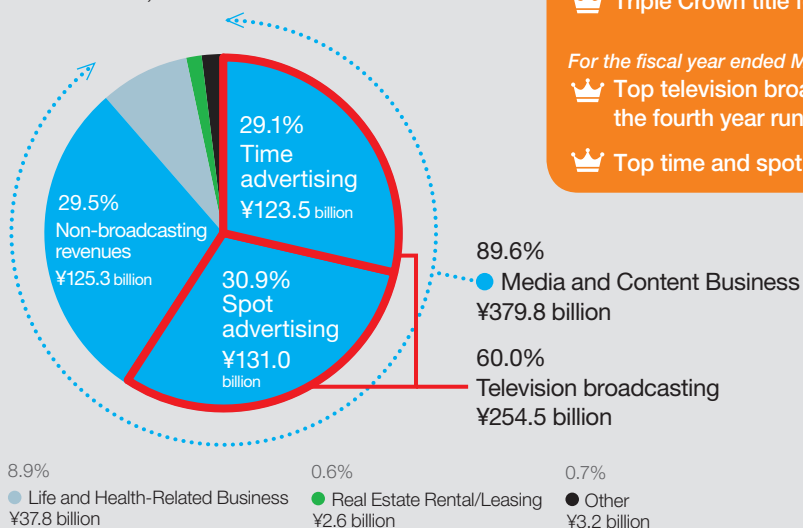


Business Domains

Pursuing diversification of the business portfolio, with the Media and Content Business and the Life and Health-Related Business at the core.

Composition of consolidated net sales by business segments

Net sales for the fiscal year ended March 31, 2018 **¥423.6 billion**



Snapshot

From April 2017 to March 2018

👑 Triple Crown title for fiscal year viewer ratings for the fourth year running

For the fiscal year ended March 31, 2018

👑 Top television broadcasting revenue among the key stations in Tokyo for the fourth year running

👑 Top time and spot advertising revenue for the third year running

Going for greater heights by joining forces with all companies in the Group

In the fiscal year ended March 31, 2018, Nippon Television Network Corporation (Nippon TV) enjoyed high viewer ratings for its regular programs and maintained the top ratings for all day, golden time and prime time, winning the Triple Crown title for the fourth year running. Nippon TV also ranked number one in platinum time (midnight) for the third year running, proving that we captured the viewership of the demographic most targeted by our clients.

Besides terrestrial broadcasting, we are implementing a multifaceted content strategy in the online field. SVOD service Hulu is continuing to grow strongly with the number of subscribers now exceeding 1.7 million.

Other businesses were also upbeat. Movies such as *Memories of a Murderer*, *Mary and the Witch's Flower*, and *DESTINY Kamakura Story* became major hits. The latest movie of the *Detective Conan* series released in April 2017 generated the highest ever box office revenue, setting a record for the series. Exhibitions such as *Old Masters of the State Hermitage Museum* and *The Art of Disney* were also successful and *The Art of Portraiture in the Louvre Collections*, which is currently being held, is the first event as part of the long-term project by Nippon TV and the Louvre Museum covering the next 20 years. Fitness club operator TIPNESS is vigorously expanding business by responding to customer needs, such as by increasing the number of 24/7 training gyms.

As a result of an increase in time advertising revenue driven by robust viewer ratings, Nippon TV secured the largest share of broadcasting revenues among Tokyo-based key broadcasters for the fourth



year running. Furthermore, content sales from video streaming services increased. Owing to these factors, consolidated net sales for the fiscal year ended March 31, 2018 increased ¥6,958 million from the previous year to ¥423,663 million, a record high figure.

The current fiscal year is the final year of the Nippon TV Group Medium-Term Management Plan "Change65" launched in April 2016 to mark the 65th anniversary of Nippon TV's establishment. Construction of the Nippon TV Bancho Studio is scheduled for completion, which will replace the former studio in Niban-cho, Chiyoda-ku, Tokyo. We will introduce state-of-the-art broadcast facilities and further strengthen content production capabilities in preparation for the new era fostered by the 2020 Tokyo Olympics and Paralympics.

In addition to the broadcasting business, we will aggressively implement a new ICT strategy that focuses on expanding businesses in the ICT field, such as video streaming, advertising, and data analysis in order to diversify the business portfolio through expansion and creation of non-broadcasting businesses.

We appreciate your continued support.

July 2018

Yoshio Okubo

Representative Director, President

LOUVRE

L'art du portrait dans les collections du Louvre



Commemorating Nippon TV's 65th anniversary

Nippon TV 20-year project with the Louvre Museum set in motion

Nippon TV and the Louvre Museum have agreed to develop a long-term collaborative partnership that will involve staging a large-scale art exhibition in Japan every four years for a total of five exhibitions, beginning in 2018. The first exhibition is "The Art of Portraiture in the Louvre Collections" commemorating Nippon TV's 65th anniversary. A total of 110 portraits will be curated for the event with the cooperation of all eight departments (Painting · Sculpture etc) at the Louvre.

Establishing ICT Strategy, a Comprehensive Command Center in the ICT Field

- Develop businesses in the ICT field under the “Create & Challenge” concept to establish new revenue streams
- Promote operational process reform throughout the Nippon TV Group by utilization of ICT to achieve work style reform

Viewing video anytime and anywhere on a TV, PC, smartphone or any other device has become part of modern culture. Competition is intensifying in the video streaming market with an increasing number of contenders. New businesses derived from cutting-edge technologies such as AI and 5G are challenges but also opportunities to take chances in new businesses. The Nippon TV Group has established a new division, ICT Strategy, which is an integration of services and businesses related to ICT, and will implement the following initiatives based on the new ICT strategy.

Initiatives to increase Hulu users



To achieve higher revenue from the advertising business, ICT Strategy will implement measures to expand sales of video advertising in cooperation with the Digital & Capital Region Sales Department, which was newly-established within the Sales Division in order to strengthen advertising for the digital platform.

As data analysis expertise are bolstered so that each business can swiftly respond to user needs, ICT Strategy will implement R&D functions that will also provide frameworks for creating new businesses while keeping abreast of the evolution of the ICT field and aggressively promoting open innovation and strategic investment.

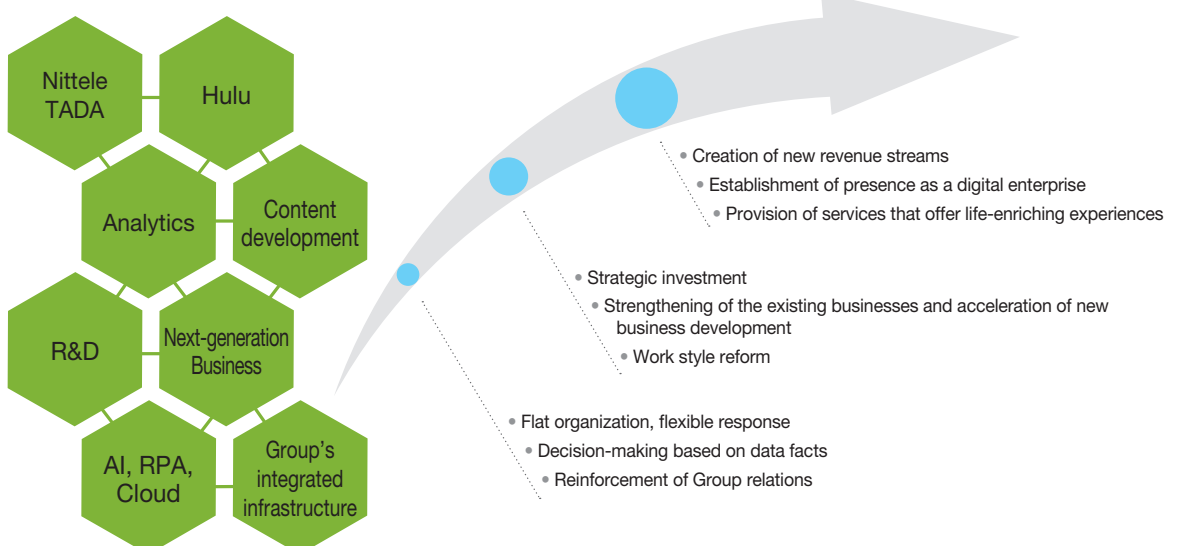
In addition, an information systems functionality was re-implemented with the aim of enhancing the efficiency of the Nippon TV Group’s internal business processes and achieving greater productivity by introducing new technologies such as AI and RPA* and cloud-based integrated infrastructures.

ICT Strategy will swiftly optimize its organizational structure to adapt to changes in the environment and diversification of user needs to embody the key concepts “Create & Challenge,” “user first and customer first,” “establish a presence as a digital enterprise,” and “offer enriching experiences through various services.”

ICT Strategy's roles and targets

Integrate services and technologies related to ICT strategies and implement growth strategies attuned to user needs and customer needs

Total planning by ICT Strategy

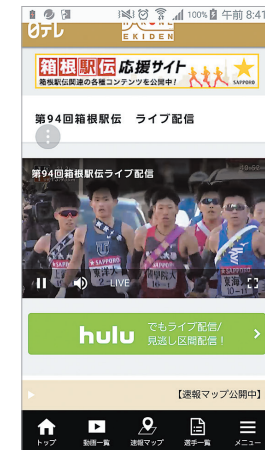


*RPA (Robotic Process Automation) is a program that automates routine operations based on set rules.

Hulu's initiatives

A stream of new services in response to user needs

Hulu has further strengthened linkage with Nippon TV's popular drama series. As for *Todome no Seppun (Kiss that Kills)*, a drama series broadcast from January to March 2018, Hulu offered a Hulu original drama, *Todome no Parallel (Kiss that Kills -Parallel-)*, immediately after the broadcast of the episode on Nippon TV every week. It became the talk of the town, especially among teenagers, setting new records in terms of the number of views and acquisition of new Hulu subscribers. In addition to the live streaming of *Hakone Ekiden*, the creation of original sports content, such as multi-angle streaming of *MotoGP*, has increased. Having also demonstrated its capability to meet the needs of a wider range of viewers through live streaming of music and news, Hulu is steadily expanding its business as it approaches two million subscribers.

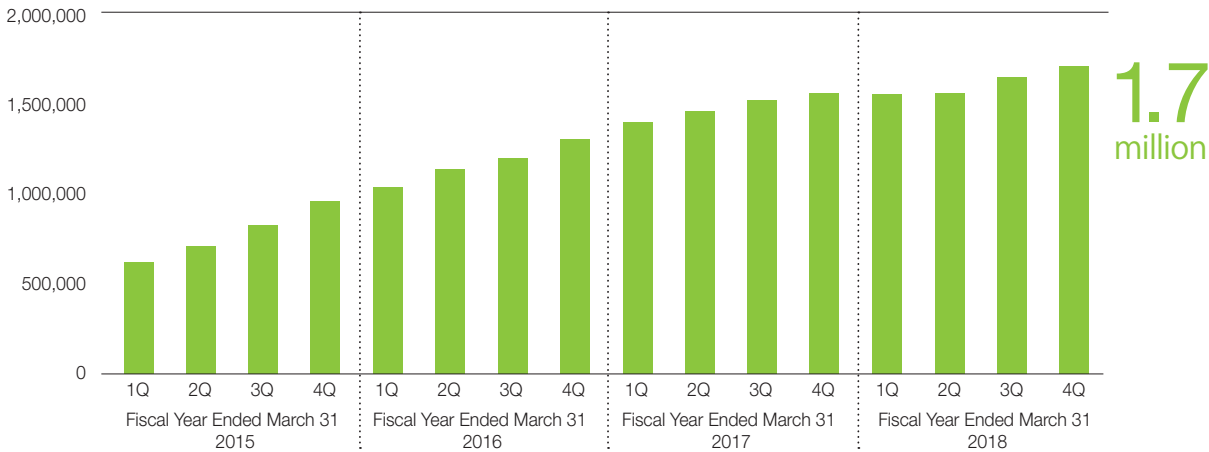


Hakone Ekiden

MotoGP

Number of Hulu memberships

unit: users



Initiatives of All About



In March 2017, Nippon TV signed a capital and business affiliation agreement with All About, Inc. to develop new content, provide information services, and expand e-commerce businesses.

Capital and business affiliation with All About Navi, Inc.

In June 2017, All About Navi, Inc., a subsidiary of All About, Inc., became an affiliate of Nippon TV. All About Navi, Inc. operates "Facebook navi" on Facebook, which has 4.4 million followers and is among the leaders in Japan, "chill-tv," a platform offering short video clips targeting millennials, and "citrus," a web media for SNS distribution. By capitalizing on these media, we intend to capture new customers and gain online advertising revenue through distribution of Nippon TV's content assets on social media.



Establishment of NTV Life Marketing, Inc.

In August 2017, NTV Life Marketing, Inc. was established through a joint venture with All About Group. The new company's first project was the launch of an e-commerce website for Zenkoku Umaimonohaku, an event featuring delicious food from around Japan held at department stores in Japan, in cooperation with television stations in the network. The website enables consumers to make online purchases of products sold at Zenkoku Umaimonohaku, which is held at 13 sites nationwide in Japan from Hokkaido in the north to Fukuoka in the south.





Programming

Fiscal Year Viewer Ratings	all day	6:00~24:00	8.1%
	golden time	19:00~22:00	12.4%
	prime time	19:00~23:00	12.0%
Triple Crown victory for 48 weeks, Established best record in commercial television (same as last year)			

Viewer ratings Triple Crown for fourth year running!

Following fiscal 2016, Nippon TV secured the top household viewer ratings for the fiscal 2017 in three time slots, all day (8.1%), golden time (12.4%) and prime time (12.0%), winning the Triple Crown title for the fourth year running. We won the Weekly Triple Crown for the 48th time, a tie with the record for Japanese commercial television broadcasters which we achieved in fiscal 2016. We also won the Monthly Triple Crown in every month—in

fact, we have retained this title for 52 months straight since December 2013. (Figures as of March 2018).

We achieved viewer ratings of 6.5% in platinum time (11 p.m. to 2 a.m.), a time slot we have been focusing on since 2015, and ranked top for the third year in a row.

For fiscal 2017, 24 stations in the whole Nippon TV Network, one more than in fiscal 2016, captured the Annual Triple Crown title.

Nippon TV dominated the top 10 rankings for prime-time variety shows by commercial television broadcasters in fiscal 2017. This achievement underlines our success in reinforcing regular programming.

Success in programming is built on understanding and identifying the needs of viewers that change over time, creating demand and meeting their expectations through all possible means. Keeping abreast of the evolution of viewers' lifestyles, we seek to identify the types of information and programs they require from TV. Our aim is to offer programming truly from the viewpoint of viewers.

*Source for household viewership (Kanto region): Video Research



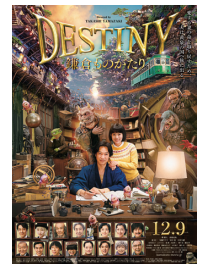
Movies/ Events

● **Movies** Released in April 2017, *Detective Conan: The Crimson Love Letter*, the 21st

installment of the *Detective Conan* series, generated box office revenue of ¥6.89 billion, setting a record for the series. This made it the year's biggest box office hit among Japanese movies released in fiscal 2017. Other movies released in fiscal 2017 also became major hits. *Memories of a Murderer* released in June recorded box office revenue of ¥2.41 billion, *Mary and the Witch's Flower*, an animation film released in the summer, achieved box office revenue of ¥3.29 billion, and *DESTINY Kamakura Story*, a movie for the New Year season, posted box office revenue of over ¥3.20 billion. Revenue from overseas distribution of movies rose more than 140% year on year, boosted by strong sales in China.



Mary and the Witch's Flower
Released: July 8, 2017
©2017 Mary and the Witch's Flower
Production Committee



DESTINY Kamakura Story
Released: December 9, 2017
©2017 DESTINY Kamakura Story
Production Committee

● Events

***The Art of Disney: The Magic of Animation* The exhibition attracted a record 470,000 visitors to become the most profitable event in fiscal 2017**

Around 500 original Disney studio drawings and artworks in 90 years from the earliest days of Mickey Mouse to the present were displayed in a unique exhibition that examined the role of technology in creating animation and its development in an accessible way.



***Satomi Hakkenden* Major hit! 50,000 tickets sold out in 12 cities**

Satomi Hakkenden is one of the best-known action-packed spectacular period plays starring Kento Yamazaki.



Annie2017©NTV

"Musical Annie, Presented by Marumiya" is a great success in first major makeover in 16 years

Annie, an immensely popular musical, celebrated its 32nd year with a major makeover of the production for the first time in 16 years, including the director, sets, costumes, and choreography.



TIPNESS **New services introduced to add more value to gym offering**

TIPNESS launched its original “1 WEEK CONDITIONING” method across its comprehensive fitness clubs. Designed to enable users to “visualize” their conditions, this method provide overall support through exercise, diet and recovery. TIPNESS KICHIJOJI, which was completely refurbished to fully introduce this method, received extensive coverage from various media as a “recovery and conditioning gym.”

TIPNESS opened 19 new outlets of its FASTGYM24 24-hour training facility and increased the total number of FASTGYM24 outlets to 83 (As of March 31, 2018). Moreover, to improve user convenience and add further value to the TIPNESS network, a combined membership plan was introduced to provide access to both comprehensive fitness clubs and FASTGYM24 outlets.

In response to market needs, TIPNESS launched a new brand of female-only hot yoga studios, Magma Spa Studio HOTLUX. The first studio opened within TIPNESS SHINYURIGAOKA. Plans are in order for the opening of Magma Spa Studio HOTLUX studios in several locations.



Magma Spa Studio
HOTLUX



Overseas **Format sales of dramas for remake in full swing in Turkey, South Korea, and other countries around the world**

Nippon TV continues its stellar track record with format sales of dramas for remake in other countries.

Mother, a remake of the Nippon TV drama, is a mega-hit in drama-great Turkey. It is also due to air in 26 countries worldwide including Mexico, Chile, Croatia, Serbia and Indonesia, while broadcast rights negotiations are underway for some 40 other countries. A South Korean remake has also begun airing and is posting high viewer ratings.

Woman is another drama poised for global success on a similar scale to Mother.

Mother continues to win the highest viewer ratings among all dramas aired in Turkey. The original drama produced in Japan consisted of 11 episodes. In view of the huge popularity in Turkey, additional production of up to about 100 episodes for the Turkish version is being considered.

Format sales of dramas are making an increasing contribution to Nippon TV’s overseas business



Popular actor Lee Bo-young stars in the Korean version of Mother

Media **Worldwide scoop on Kim Jong-un’s train journey to China!**

Our news operations swung into action when sources informed the China Bureau of Nippon News Network of the closely guarded secret that “a high-profile figure from North Korea would soon arrive at Beijing station by train.”

On March 26, one of our reporters heading to Beijing Station sent a text.

“Something is odd. You wouldn’t normally see a plainclothes security presence around here.”

If indeed Kim Jong-un were on the train, the unheralded visit could have geopolitical implications. We deployed all our journalistic resources along the anticipated route to find out more. At around 2:30 p.m. Japan time, one of our cameramen took footage of a special train from North Korea arriving at Beijing Station and being accorded an unusual welcome. The important visitor was not spotted in person. However, no news outlet in the world had reported the event. After suitable editorial discussions, we broadcasted the footage of the train arriving at the station as a news flash on our *news every*. evening news program.

The story was picked up by major news outlets worldwide. Kim Jong-un’s visit to China was later officially confirmed, corroborating our global scoop.



Overview of Operations

Progress and Results of Operations of the Corporate Group

During the fiscal year ended March 31, 2018, the Japanese economy was on a mild recovery path, with corporate earnings and personal consumption improving, although there was risk of impact due to uncertainties in economies outside of Japan and owing to fluctuations in financial and capital markets.

Given this economic environment, total advertising expenditures in Japan totaled ¥6,390.7 billion in 2017 (calendar-year basis, according to Dentsu Inc.), up 1.6% from the previous year, achieving a year-on-year increase for the sixth consecutive year. Of this total, terrestrial television-related advertising expenditures amounted to ¥1,817.8 billion, for a 1.1% decrease. In the average viewer ratings among the key Tokyo broadcasters for terrestrial broadcasting in calendar and fiscal 2017, the Nippon TV Group ranked highest in the following 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.), which meant winning the “Triple Crown in Viewer Ratings” on both a calendar-year and fiscal-year basis for the fourth consecutive year.

Given these trends, the Nippon TV Group recorded a ¥6,958 million increase in consolidated net sales for the fiscal year ended March 31, 2018, or a 1.7% increase from the previous year, to ¥423,663 million. In the core Media Content Business segment, spot advertising revenue decreased due to the impact of the sluggish spot advertising market. However, this was offset by an increase in revenue from content sales, reflecting an expansion in time revenue on the back of strong ratings and in online video services, as well as the effect of the consolidation of ACM Co., Ltd., as a subsidiary at the end of the previous fiscal year.

Operating expenses—cost of sales combined with selling, general and administrative expenses—increased ¥8,520 million, or 2.3%, year on year, to ¥372,698 million, due in part to an increase in expenses in tandem with revenue growth, a rise in depreciation, and the booking of loss on valuation of a large-scale sports program.

As a result, the Group's operating profit decreased ¥1,562 million, or 3.0%, year on year, to ¥50,964 million, and ordinary profit grew ¥3,108 million, or 5.3%, to ¥61,239 million, owing to an increase in equity in net gains of non-consolidated subsidiaries and associated companies. Profit attributable to owners of parent dropped ¥3,370 million, or 8.3%, to ¥37,416 million, reflecting in part impairment loss on the sales broadcast system, which was posted under extraordinary losses.

Operations by Business Segment of the Corporate Group

Media Content Business

The time revenue portion of terrestrial television advertising revenue for the fiscal year under review increased ¥1,470 million, or 1.2%, from the previous fiscal year to ¥123,504 million, attributable in part to revenue from regular program slots on the back of brisk ratings and from program-linked commercial projects, and to revenue from Olympic Winter Games PyeongChang 2018, although there was a reactionary decline after 2016 Rio De Janeiro Olympic Games of the previous year. Spot advertising revenue decreased ¥2,138 million, or 1.6%, to ¥131,013 million. This reflects a year-on-year drop in spending for regionally targeted spot advertising due to the weak spot advertising market, despite a growth in Nippon TV's viewer share among the key Tokyo broadcasters. As a result, terrestrial television advertising revenue declined ¥667 million, or 0.3%, to ¥254,518 million.

BS and CS advertising revenue was robust, increased ¥83 million, or 0.6%, year on year, to ¥14,582 million.

Other advertising revenue rose ¥206 million, or 17.4%, year on year to ¥1,394 million, reflecting an increase in digital video advertising revenue.

Content sales revenue grew ¥2,840 million, or 5.1%, year on year, to ¥58,477 million, owing in part to a rise in the number of subscribers to Hulu, a monthly flat rate online video service, and an increase in overseas content sales mainly in formatting and remaking rights.

Revenue from merchandise sales decreased ¥648 million, or 2.5%, to ¥24,868 million, due in part to a drop in sales of package media.

Box office revenue increased ¥2,809 million, or 25.2%, to ¥13,969 million. This in part reflects hits in films, such as *Mary and The Witch's Flower*, a Nippon TV-financed film, and the consolidation of ACM Co., Ltd., which oversees planning and operation of the Anpanman Children's Museum, as a subsidiary at the end of the previous fiscal year.

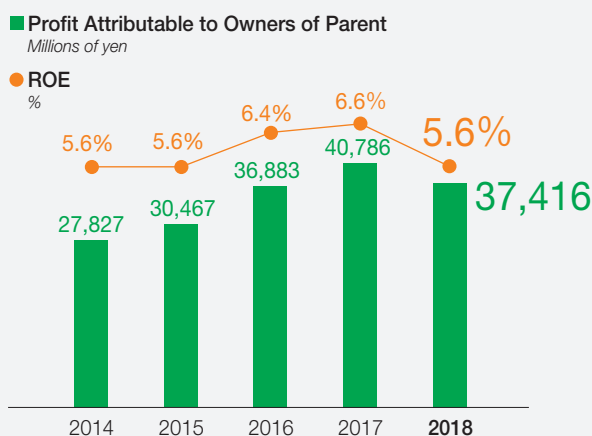
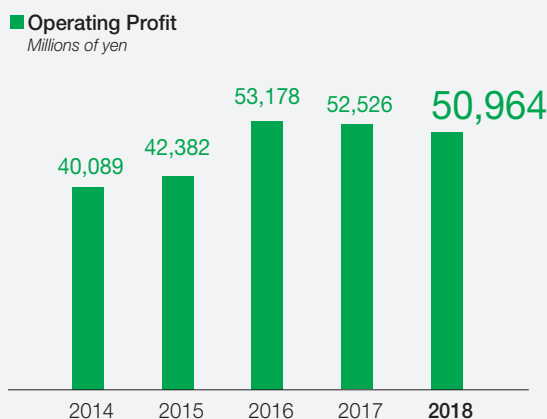
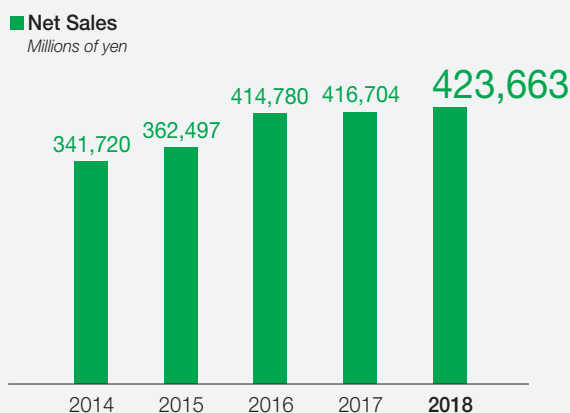
As a result, net sales of the Media Content Business, including intersegment sales and transfers, grew ¥5,829 million (1.6%), from the previous year, to ¥380,330 million. Operating profit decreased ¥1,364 million, or 2.8%, from the previous year to ¥46,898 million, reflecting a rise in expenses in tandem with revenue growth and an increase in depreciation, and the booking of loss on valuation of a large-scale sports program in operating expenses—cost of sales combined with selling, general and administrative expenses.

Life and Health-Related Business

Net sales at the Life and Health-Related Business, including intersegment sales and transfers, advanced ¥277 million, or 0.7%, from the previous year, to ¥37,881 million, owing in part to the general fitness club business, which saw a rise in fitness facilities usage revenue following an increase in the number of 24-hour training gyms. Operating profit decreased ¥100 million, or 7.7%, from the previous year, to ¥1,207 million, reflecting a rise in facility-opening expenses in tandem with the increase in the number of gyms.

Real Estate Rental/Leasing Business

Net sales at the Real Estate Rental/Leasing Business, which include rental and leasing income from tenants in the Shiodome and Kojimachi areas, increased ¥213 million, or 2.2% from the previous year, to ¥9,924 million, including intersegment sales and transfers due to an increase in revenue related to building maintenance. Operating profit decreased ¥227 million, or 6.5%, to ¥3,297 million, due to expenses for the redevelopment of Kojimachi.



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 decisionmaking and operational execution in response to changes in the business environment, and to facilitate transparent and sound management.

Corporate Governance Framework

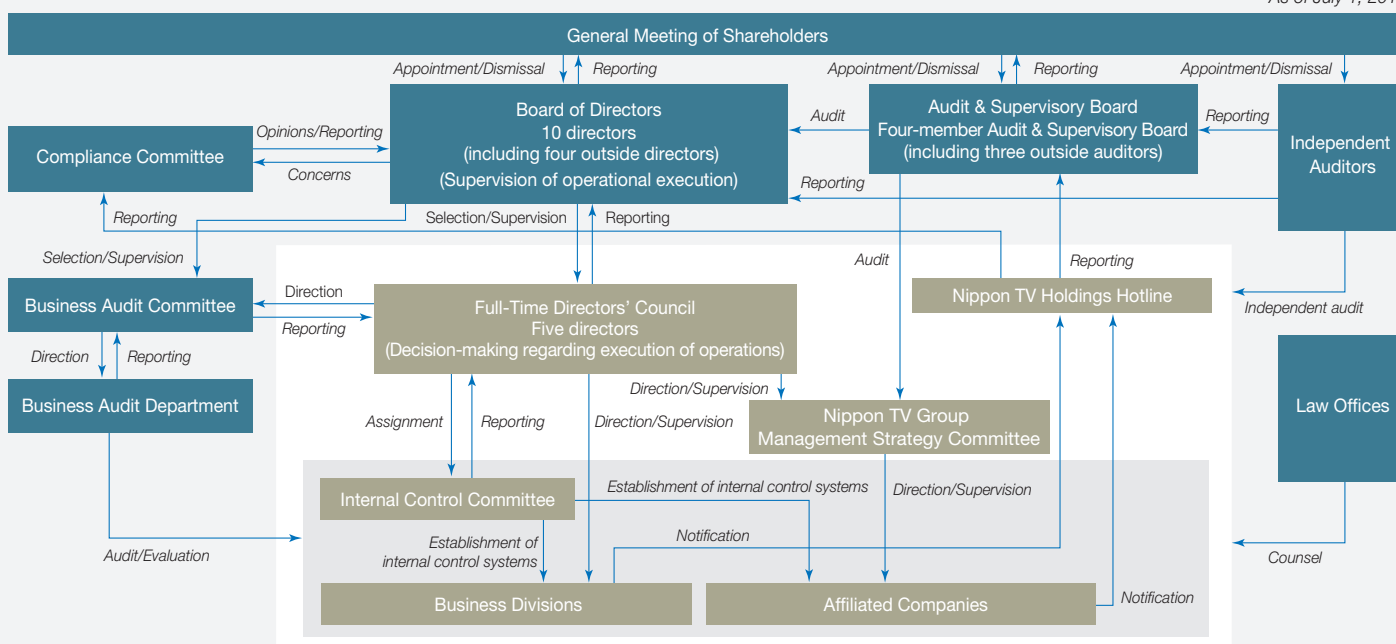
The Company has an Audit & Supervisory Board with a management structure under which the Board of Directors oversees the operational execution of the directors. Meanwhile, the Audit & Supervisory Board members and Audit & Supervisory Board audit the operational execution of the directors.

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 four outside directors pursuant to Article 2, Paragraph 15, of the Companies Act into the 10-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. Mr. Makoto Yoshida, Standing Audit & Supervisory Board Member, possesses advanced professional knowledge in media and related businesses overall, a track record in management of the Group companies as well as a considerable amount of expertise related to finance and accounting, and audit capability.

Corporate Governance Framework

As of July 1, 2018



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.

Nippon TV Holdings has in place a Business Audit Committee to conduct internal audits of corporate activities and evaluate the internal control system. 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 advanced professional knowledge in media and related businesses overall in addition to considerable experience as manager of the newspaper company
Takashi Imai	○	To reflect in management his advanced professional knowledge and insightful opinions as well as considerable experience as a corporate executive and a business leader
Tadao Kakizoe	○	To reflect in management his insightful opinions and advanced professional knowledge, which is not limited to the medical community
Yasushi Manago	○	To reflect in management his insightful opinions and advanced professional knowledge on financial and monetary affairs, the economy and legal affairs overall based on his considerable experience

Policy and procedures for the Board of Directors to appoint senior management and nominate candidates for directors and Audit & Supervisory Board members

1. Policy

The Company considers it necessary that the Board of Directors has a certain number of persons who are well versed in businesses and issues facing the businesses of the Company and the NTV Group as its members in

setting the strategic direction of the Company, in order for the Board of Directors to fulfill its roles and responsibilities effectively. In addition, the Company believes that it is important to secure a diversity of knowledge, experience, and abilities of members of the Board of Directors to ensure the independence and objectivity of the Board of Directors.

From this viewpoint, the Company takes the basic stance of appointing a certain number of persons who are well versed in businesses and issues facing businesses of the Company and the NTV Group as candidates for senior management and other executive directors, as well as nominating candidates who have extensive knowledge and backgrounds as candidates for outside directors and outside Audit & Supervisory Board members.

In addition, the Company has set forth in its Articles of Incorporation that the number of directors and Audit & Supervisory Board members be 18 or less and five or less, respectively, from the viewpoint of ensuring substantive opportunities for discussions and deliberations at the Board of Directors meetings.

2. Procedures

With regard to the appointment of candidates as directors and Audit & Supervisory Board members, the Board of Directors nominates candidates, in principle, upon receiving recommendations from the Representative Director and after deliberations by the Board of Directors as to whether those recommended are outstanding persons who have appropriate good judgment for directors or Audit & Supervisory Board members, a high level of expertise and a broad range of knowledge, experience, and abilities.

The Board of Directors appropriately appoints or dismisses senior management based on an evaluation of the Company's business performance, etc.

Executive Remuneration

Executive remuneration for the Company's directors and Audit & Supervisory Board members in the fiscal year ended March 31, 2018, 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)	324	324	—	—	7
Audit & Supervisory Board members (Excluding Outside Auditors)	26	26	—	—	1
Outside Directors and Outside Auditors	108	108	—	—	8

Notes: 1. The number of officers as of March 31, 2018, was 10 directors and 4 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.

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>

Board of Directors and Auditors

As of July 1, 2018

Directors

Yoshio Okubo

Representative Director President

Chairman of Business Audit Committee

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

Board Director, Executive Vice President

Corporate Strategy Executive Management, Corporate Administration & Human Resources

Programming Strategy, Labor Relations

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. Appointed Executive Vice President in 2018

Kimio Maruyama

Senior Executive Board Director

Nippon TV Group Management Strategy Committee

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.

Akira Ishizawa

Senior Executive Board Director

Financial Management

Executive Manager 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. Appointed Senior Executive Board Director in 2018.

Hajime Ichimoto

Executive Board Director

President, Business Audit Department

Vice Chairman of Business Audit Committee

Executive Auditor of Information Security Management Office

Appointed as Board Director and Operating Officer, Divisional President, Engineering & Technology, NTV Network Corporation in 2014. Served as Chairman of NTV IT Produce Corporation in 2016. Appointed Executive Board Director in 2018.

Tsuneo Watanabe

*Board Director**

Representative Director, Chairman and Chief Editor, The Yomiuri Shimbun Holdings

Takashi Imai

*Board Director**

Honorary Chairman, and Colleague of Nippon Steel & Sumitomo Metal Corporation (formerly Nippon Steel Corporation)

Ken Sato

Board Director

President, Nakasone Yasuhiro Peace Institute

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

Makoto Yoshida

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

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

Social Responsibility as a Media Organization

As a media and content company centered on broadcasting with a high public profile, we are engaged in CSR initiatives to actively promote activities that benefit society through our broadcasting and other businesses.

We are committed to remaining an enterprise that provides enriching life experiences by producing new media and content, as well lifestyle and cultural experiences, while fulfilling our social responsibility as a news outlet.



24-Hour Television broadcast for 40th time!

The program *24-Hour Television: "Love Saves the Earth"* was first broadcast in 1978 to commemorate Nippon TV's 25th anniversary. It marked its 40-year milestone in 2017. The theme for 2017 was "Confession: Getting up the Courage to Speak Out." The celebrity hosts for this glittering charity event included Sho Sakurai, Kazuya Kamenashi, and Keiichiro Koyama.

For the first time in the history of this program, the runner for the 24-hour charity marathon was announced on the day of the broadcast. The runner, comedian Blouson Chiemi, completed the 90km run. Viewer ratings rose as high as 40.5% as she crossed the finishing line. The average ratings for the entire program were 18.6%, equaling the second-highest figure in the history of the program.



Donation of electronic prosthetic arms for children

As part of the welfare support activities in fiscal 2017 of *24-Hour Television*, four sets of electronic prosthetic arms were donated to the Rehabilitation Center of The Hyogo Institute of Assistive Technology (HYOGO ASSISTECH), which operates an electronic prosthetic arm bank for pediatric patients.

This initiative was one of the special projects selected for the *24-Hour Television* 40 broadcast in 2017.

The donation ceremony was held on April 23, 2018. Takato Tanaka, a first-year junior high school student living in Shiga Prefecture who was born without a left arm, represented the children registered with the electronic prosthetic arm bank. He began practicing the use of his new prosthetic the same day. (Although not a new patient, Takato needed a new arm as he had grown too big for the old prosthetic.)

In the interview, Takato smiled and said, "I love jump roping. I want to practice more and get better at it."

Going forward, the *24-Hour Television* Charity Committee will continue a range of welfare support activities, centering on the donation of welfare vehicles for public service activities.

¥37.2 billion raised for charity over 40 years!

The cumulative total of donations for the 40 years reached ¥37,253,955,817.

These funds have allowed us to donate a total of 10,829 welfare vehicles, including buses fitted with lifts and bathing support vehicles, to welfare facilities. Ahead of the 2020 Paralympic Games in Tokyo, we are actively supporting para-athletes with donations of wheelchairs and prosthetics for use in competitive sports.



Lift-equipped minibus donated to Social Welfare Corporation Sumire Welfare Group in 2017





Support for Para-Sports

Tokyo will host the Olympic Games and Paralympics in 2020. As part of its coverage of these events and related activities, Nippon TV Holdings plans to broadcast programs and hold events that promote public understanding of the Paralympic Games and the competing para-athletes in an effort to advocate for greater social harmony.

Tokyo hosted the second Paralympic Games in 1964. The event raised greater awareness of physically challenged athletes and sparked a transformation in the attitudes of athletes themselves. In 2020, Tokyo will become the only city to have ever hosted two Paralympic Games. It is important to foster greater understanding and awareness of para-sports to ensure the success of this event. Since 2016, BS Nittele has aired a weekly documentary series *Strong Point* about extraordinary para-athletes from around the world. In parallel with these programs, we have organized para-sports events and extracurricular classes with para-athletes for elementary schools in Tokyo. In addition, we are working to stimulate interest in the Paralympic Games by broadcasting major global para-sports competitions such as wheelchair tennis, wheelchair basketball and blind soccer.

Contributions collected through *24-Hour Television* are also used for donating equipment for para-athletes such as prosthetics and wheelchairs for use in competitions. Since many handicapped people in Japan cannot take up sports due to the high cost of the equipment, these initiatives are helping them participate in sports. Some para-athletes representing Japan are beneficiaries of our initiative. Nippon TV Holdings will continue working to create a supportive environment for para-athletes to help ensure the success of the 2020 Tokyo Paralympics and a brighter future for society.

With many companies in Japan viewing the Tokyo Olympics and Paralympics as an opportunity to contribute to fostering greater social harmony, the vigorous involvement of Nippon TV Holdings in this area is eliciting a positive response in society and helping secure program sponsors.



Navigating the ocean of information

In 2017, Nippon TV began a new CSR activity to provide students with classes on “navigating the ocean of information.” The program involves news announcers and staff with media reporting experience visiting schools to talk to students about the issue of how to identify accurate information in the digital era. As of April 2018, eight classes had been held. Our social contribution activities as a media company also include the Nippon TV Experience Classroom, a program running for over a decade in which technical staff involved in frontline TV program production help children experience how programs are planned, edited and broadcast.



Our social contribution activities as a media company also include the Nippon TV Experience Classroom, a program running for over a decade in which technical staff involved in frontline TV program production help children experience how programs are planned, edited and broadcast.

In January 2018 at a junior high school in Kanagawa Prefecture, announcer Junko Toyoda gave a presentation to students on accurate communication, demonstrating her professional skills and perspective.



In June 2017 at a junior high school in Tokyo, 200 students actively discussed the theme of “How do we ascertain the facts?”

Eleven-Year Summary

Nippon Television Holdings, Inc. and Consolidated Subsidiaries*1

	2008	2009	2010	2011	2012
Years ended March 31:					
Net sales	¥ 342,188	¥ 324,563	¥ 296,933	¥ 297,894	¥ 305,460
Operating profit	23,076	12,214	23,562	31,670	32,249
Profit attributable to owners of parent	10,625	5,622	16,595	21,048	22,729
Comprehensive income*2	—	—	—	18,351	25,597
Depreciation and amortization	12,938	11,527	9,622	8,455	7,071
Capital expenditures	5,200	5,491	26,808	4,614	3,802
At March 31					
Total assets	¥ 512,507	¥ 498,457	¥ 513,788	¥ 528,398	¥ 543,228
Net assets	407,668	400,417	416,366	427,496	446,038
Cash flows:					
Cash flows from operating activities	¥ 26,790	¥ 23,948	¥ 40,130	¥ 23,433	¥ 25,273
Cash flows from investing activities	(17,300)	(28,330)	(46,846)	(28,181)	(8,967)
Cash flows from financing activities	(4,124)	(4,803)	(5,697)	(7,131)	(6,419)
Cash and cash equivalents, end of year	66,863	57,629	45,218	33,312	43,190
Per share data (Yen):					
Profit attributable to owners of parent*3	¥ 430.27	¥ 22.77	¥ 67.64	¥ 85.97	¥ 92.85
Equity*3	16,153.34	1,585.36	1,666.10	1,711.39	1,785.58
Cash dividends*4*5	180.00	180.00	290.00	290.00	290.00
Ratios (%):					
Return on assets (ROA)	2.0	1.1	3.2	3.9	4.2
Return on equity (ROE)	2.6	1.4	4.2	5.1	5.3
Operating margin	7.8	4.9	9.2	13.0	12.4
Equity ratio	77.8	78.5	79.4	79.3	80.5
Others					
Total shares issued (share)*6	25,364,548	25,364,548	25,364,548	25,364,548	25,364,548
Employees	3,126	3,291	3,339	3,262	3,218

Millions of yen

2013*2	2014	2015	2016	2017	2018
¥ 326,422	¥ 341,720	¥ 362,497	¥ 414,780	¥ 416,704	¥ 423,663
35,429	40,089	42,382	53,178	52,526	50,964
25,283	27,827	30,467	36,883	40,786	37,416
37,701	35,144	64,254	32,361	58,822	55,229
6,573	7,149	8,480	11,641	12,483	15,088
5,596	9,236	20,370	16,562	36,949	29,615
¥ 598,075	¥ 645,362	¥ 755,126	¥ 769,863	¥ 848,629	¥ 888,846
488,120	523,904	578,478	603,177	655,772	704,919
¥ 29,099	¥ 35,156	¥ 33,236	¥ 40,761	¥ 60,134	¥ 50,435
(7,369)	(4,366)	(17,941)	(26,820)	(111,347)	(29,895)
(7,073)	(7,175)	(6,242)	(11,275)	(10,966)	(9,325)
63,806	87,452	96,538	99,204	37,028	48,292
¥ 101.39	¥ 109.58	¥ 120.08	¥ 145.38	¥ 160.78	¥ 147.53
1,879.89	2,023.59	2,240.64	2,337.58	2,533.88	2,727.94
110.00	34.00	30.00	34.00	34.00	34.00
4.2	4.3	4.0	4.8	4.8	4.2
5.5	5.6	5.6	6.4	6.6	5.6
12.9	14.0	13.4	13.9	14.0	14.5
80.0	79.6	75.3	77.0	75.7	77.7
263,822,080	263,822,080	263,822,080	263,822,080	263,822,080	263,822,080
3,259	3,471	4,115	4,170	4,368	4,425

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, 2008 through 2012.

*2 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).

*3 The Company's common stock underwent a 10-for-1 stock split, effective October 1, 2012. However, figures for profit attributable to owners of parent 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.

*4 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).

*5 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.

*6 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.

Financial Section

● Consolidated Balance Sheets

	Millions of yen	
	As of March 31, 2017	As of March 31, 2018
Assets		
Current assets		
Cash and deposits	¥ 47,335	¥ 44,787
Notes and accounts receivable - trade	98,574	98,302
Securities	126,057	87,468
Inventories	3,808	3,364
Program rights	6,589	7,293
Deferred tax assets	5,171	4,710
Other	17,836	16,925
Allowance for doubtful accounts	(93)	(105)
Total current assets	305,280	262,746
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	41,874	43,039
Machinery, equipment and vehicles, net	14,200	15,182
Tools, furniture and fixtures, net	2,853	2,666
Land	153,687	166,906
Leased assets, net	10,047	9,293
Construction in progress	26,399	27,374
Total property, plant and equipment	249,063	264,463
Intangible assets		
Goodwill	10,884	10,093
Other	23,715	21,196
Total intangible assets	34,599	31,290
Investments and other assets		
Investment securities	226,602	295,807
Long-term loans receivable	4,368	5,326
Deferred tax assets	986	1,090
Other	28,586	28,990
Allowance for doubtful accounts	(856)	(868)
Total investments and other assets	259,686	330,345
Total non-current assets	543,349	626,099
Total assets	¥848,629	¥888,846

Liabilities

Current liabilities

Notes and accounts payable - trade
Short-term loans payable
Accounts payable - other
Accrued expenses
Income taxes payable
Provision for sales returns
Other
Total current liabilities

Non-current liabilities

Lease obligations
Deferred tax liabilities
Net defined benefit liability
Long-term guarantee deposited
Other
Total non-current liabilities

Total liabilities

Net assets

Shareholders' equity

Capital stock
Capital surplus
Retained earnings
Treasury shares
Total shareholders' equity

Accumulated other comprehensive income

Valuation difference on available-for-sale securities
Deferred gains or losses on hedges
Foreign currency translation adjustment
Total accumulated other comprehensive income

Non-controlling interests

Total net assets

Total liabilities and net assets

● Consolidated Statements of Income

Millions of yen	
As of March 31, 2017	As of March 31, 2018
¥ 8,510	¥ 8,410
7,171	4,894
18,622	6,302
55,421	53,174
11,584	10,782
29	36
10,160	11,020
111,500	94,621
15,088	12,943
30,674	37,906
12,304	12,902
20,225	20,226
3,063	5,326
81,356	89,305
192,857	183,926
18,600	18,600
29,621	31,569
543,310	572,240
(13,419)	(13,945)
578,112	608,464

	Millions of yen	
	Fiscal year ended March 31, 2017	Fiscal year ended March 31, 2018
Net sales	¥416,704	¥423,663
Cost of sales	270,430	278,632
Gross profit	146,274	145,030
Selling, general and administrative expenses	93,747	94,066
Operating profit	52,526	50,964
Non-operating income		
Interest income	1,007	1,022
Dividend income	2,002	3,438
Share of profit of entities accounted for using equity method	2,495	5,888
Foreign exchange gains	143	—
Gain on investments in partnership	591	365
Other	180	277
Total non-operating income	6,420	10,992
Non-operating expenses		
Interest expenses	612	554
Foreign exchange losses	—	22
Loss on investments in partnership	126	97
Provision of allowance for doubtful accounts	41	—
Other	35	43
Total non-operating expenses	816	717
Ordinary profit	58,130	61,239
Extraordinary income		
Gain on sales of non-current assets	1	3
Gain on sales of investment securities	206	39
Gain on bargain purchase	366	—
Compensation income	1,615	—
Total extraordinary income	2,189	43
Extraordinary losses		
Loss on sales of non-current assets	7	6
Loss on retirement of non-current assets	377	451
Loss on redemption of investment securities	—	113
Loss on valuation of investment securities	368	76
Loss on step acquisitions	253	—
Impairment loss	152	5,260
Total extraordinary losses	1,159	5,908
Profit before income taxes	59,161	55,374
Income taxes - current	18,377	18,060
Income taxes - deferred	(441)	(391)
Total income taxes	17,936	17,668
Profit	41,225	37,705
Profit attributable to non-controlling interests	438	289
Profit attributable to owners of parent	¥ 40,786	¥ 37,416

● Consolidated Statements of Comprehensive Income

Millions of yen	
As of March 31, 2017	As of March 31, 2018
64,664	82,137
8	2
(65)	(12)
64,607	82,127
13,051	14,326
655,772	704,919
¥848,629	¥888,846

	Millions of yen	
	Fiscal year ended March 31, 2017	Fiscal year ended March 31, 2018
Profit	¥41,225	¥37,705
Other comprehensive income		
Valuation difference on available-for-sale securities	17,710	17,506
Foreign currency translation adjustment	(43)	(38)
Share of other comprehensive income of entities accounted for using equity method	(69)	55
Total other comprehensive income	17,597	17,523
Comprehensive income	¥58,822	¥55,229
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	¥58,379	¥54,936
Comprehensive income attributable to non-controlling interests	442	292

● Consolidated Statement of Changes in Equity

For the fiscal year ended
March 31, 2017

	Millions of yen		
	Shareholders' equity		
	Capital stock	Capital surplus	Retained earnings
Balance at beginning of current period	¥18,600	¥29,586	¥511,202
Changes of items during period			
Dividends of surplus			(8,678)
Profit attributable to owners of parent			40,786
Purchase of treasury shares			
Change in treasury shares arising from change in equity in entities accounted for using equity method			
Change in ownership interest of parent due to transactions with non-controlling interests		35	
Net changes of items other than shareholders' equity			
Total changes of items during period	—	35	32,108
Balance at end of current period	¥18,600	¥29,621	¥543,310

	Millions of yen			
	Accumulated other comprehensive income			
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Total accumulated other comprehensive income
Balance at beginning of current period	¥46,962	¥5	¥ 46	¥47,014
Changes of items during period				
Dividends of surplus				
Profit attributable to owners of parent				
Purchase of treasury shares				
Change in treasury shares arising from change in equity in entities accounted for using equity method				
Change in ownership interest of parent due to transactions with non-controlling interests				
Net changes of items other than shareholders' equity	17,702	2	(112)	17,592
Total changes of items during period	17,702	2	(112)	17,592
Balance at end of current period	¥64,664	¥8	¥ (65)	¥64,607

For the fiscal year ended
March 31, 2018

	Millions of yen		
	Shareholders' equity		
	Capital stock	Capital surplus	Retained earnings
Balance at beginning of current period	¥18,600	¥29,621	¥543,310
Changes of items during period			
Dividends of surplus			(8,486)
Profit attributable to owners of parent			37,416
Purchase of treasury shares			
Change in treasury shares arising from change in equity in entities accounted for using equity method			
Capital increase of consolidated subsidiaries		1,947	
Net changes of items other than shareholders' equity			
Total changes of items during period	—	1,947	28,930
Balance at end of current period	¥18,600	¥31,569	¥572,240

	Millions of yen			
	Accumulated other comprehensive income			
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Total accumulated other comprehensive income
Balance at beginning of current period	¥64,664	¥ 8	¥(65)	¥64,607
Changes of items during period				
Dividends of surplus				
Profit attributable to owners of parent				
Purchase of treasury shares				
Change in treasury shares arising from change in equity in entities accounted for using equity method				
Capital increase of consolidated subsidiaries				
Net changes of items other than shareholders' equity	17,472	(5)	53	17,520
Total changes of items during period	17,472	(5)	53	17,520
Balance at end of current period	¥82,137	¥ 2	¥(12)	¥82,127

● Consolidated Statements of Cash Flows

		Millions of yen	
		Fiscal year ended March 31, 2017	Fiscal year ended March 31, 2018
Treasury shares	Total shareholders' equity		
¥(13,371)	¥546,017		
	(8,678)		
	40,786		
(36)	(36)		
(11)	(11)		
	35		
(48)	32,095		
¥(13,419)	¥578,112		
Non-controlling interests	Total net assets		
¥10,145	¥603,177		
	(8,678)		
	40,786		
	(36)		
	(11)		
	35		
2,906	20,499		
2,906	52,594		
¥13,051	¥655,772		
Treasury shares	Total shareholders' equity		
¥(13,419)	¥578,112		
	(8,486)		
	37,416		
(36)	(36)		
(489)	(489)		
	1,947		
(525)	30,352		
¥(13,945)	¥608,464		
Non-controlling interests	Total net assets		
¥13,051	¥655,772		
	(8,486)		
	37,416		
	(36)		
	(489)		
	1,947		
1,274	18,795		
1,274	49,147		
¥14,326	¥704,919		
		Cash flows from operating activities	
		¥ 59,161	¥ 55,374
		12,483	15,088
		152	5,260
		(19)	23
		646	598
		(3,010)	(4,460)
		612	554
		(2,495)	(5,888)
		6	3
		377	451
		(366)	—
		(1,615)	—
		253	—
		(206)	(39)
		368	76
		(743)	267
		854	(703)
		3,951	(2,307)
		350	669
		70,763	64,967
		3,280	4,782
		(612)	(554)
		1,973	—
		(15,269)	(18,759)
		¥ 60,134	¥ 50,435
		Cash flows from investing activities	
		¥ (13,833)	¥ (3,861)
		751	17,638
		(79,999)	(66,400)
		15,999	74,000
		(17,474)	(38,511)
		10	672
		(6,939)	(4,736)
		(44,567)	(55,788)
		5,494	1,075
		26,516	47,008
		1,953	—
		(862)	(1,701)
		1,602	707
		(111,347)	(29,895)
		Cash flows from financing activities	
		72	(2,277)
		(1,378)	(1,484)
		(1)	(2)
		(8,677)	(8,487)
		(68)	(73)
		(912)	—
		—	3,000
		(10,966)	(9,325)
		(10)	(6)
		(62,190)	11,207
		99,204	37,028
		3	—
		11	56
		¥ 37,028	¥ 48,292

Investor Information

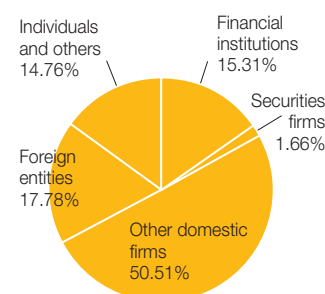
As of March 31, 2018

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	26,132	
Stock Exchange Listing	First Section of Tokyo Stock Exchange (Code 9404)	
Fiscal Year-End	March 31, annually	
Number of Employees	204	
Transfer Agent and Registrar	Sumitomo Mitsui Trust Bank, Limited 4-1, Marunouchi 1-chome, Chiyoda-ku, Tokyo 100-8233, Japan	

	Shareholder's Name	Number of Shares Held	Percentage of Total Shares (%)
Major Shareholders	The Yomiuri Shimbun Holdings	37,649,480	14.60
	YOMIURI TELECASTING CORPORATION	16,563,160	6.42
	The Yomiuri Shimbun	15,939,700	6.18
	Teikyo University	9,553,920	3.70
	Japan Trustee Services Bank, Ltd. (Trust account)	9,055,100	3.51
	NTT DoCoMo, Inc.	7,779,000	3.01
	Recruit Holdings Co., Ltd.	6,454,600	2.50
	The Master Trust Bank of Japan Ltd. (Trust account)	6,011,400	2.33
	Orbis SICAV	5,369,986	2.08
	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 (5,992,454 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) | NNN Overseas News Bureaus | • London | • Beijing | • New York |
| | • Nippon Television Network Europe B.V. (Amsterdam) | | • Paris | • Shanghai | • Washington, D.C. |
| | • NTV Asia Pacific Pte. Ltd. (Singapore) | | • Moscow | • Seoul | • Los Angeles |
| | | | • Cairo | • Bangkok | |

Nippon Television Holdings Group Companies

As of March 31, 2018

Consolidated Subsidiaries	<ul style="list-style-type: none"> • NIPPON TELEVISION NETWORK CORPORATION • BS Nippon Corporation • CS Nippon Corporation • NTV Technical Resources Inc. • AX-ON Inc. • NTV EVENTS Inc. 	<ul style="list-style-type: none"> • Nippon Television Art Inc. • Nippon Television Music Corporation • VAP Inc. • TIPNESS Limited • NTV Service Inc. • Nippon Television Work 24 Corporation • Forecast Communications Inc. 	<ul style="list-style-type: none"> • NTV IT Produce Corporation • NitteleSeven Co., Ltd. • TATSUNOKO PRODUCTION Co., Ltd. • HJ Holdings, Inc. • ACM CO., Ltd. • NTV America Company • NTV International Corporation
Non-Consolidated Subsidiaries	<ul style="list-style-type: none"> • Nippon Television Network Europe B.V. • NTV Asia Pacific Pte. Ltd. • MADHOUSE Inc. • MADBOX Co., Ltd. • NTV Personnel Center Corp. • LogicLogic, inc. 	<ul style="list-style-type: none"> • HAROiD Inc. • NTV Life Marketing, Inc. • NTV Group Planning Inc. • Rights Inn Corporation • VAP Music Publishing Inc. • SOUND INN STUDIOS INC. • J.M.P CO., LTD 	<ul style="list-style-type: none"> • F-IN Inc. • SANEIWORK CORPORATION • IKAROS CO., LTD. • RF Radio Nippon Co., Ltd. • RF Music Publisher Inc. • ForGroove, Inc. • MEGASOLAR GENERATION NI LLC.
Affiliated Companies	<ul style="list-style-type: none"> • NIKKATSU CORPORATION • All About, Inc. • All About Navi, Inc. • CNplus Production, Inc. • SUN ARROWS INVESTMENT CO., LTD. 	<ul style="list-style-type: none"> • GEM Media Networks Asia Pte. Ltd. • Shiodome Urban Energy Corporation • My Theater D.D., Inc. • Nishi Nihon Eizo Corporation • KKT Innovate Corporation • Nagasaki Vision Corp. 	<ul style="list-style-type: none"> • Kagoshima Vision Corporation • Kanazawa Eizo Center Corporation • Promedia Co., Ltd. • Cosmo Space Co., Ltd.
Public Interest Incorporated Foundations	<ul style="list-style-type: none"> • Yomiuri Nippon Symphony Orchestra • Nippon Television Kobato Cultural Foundation • 24-Hour Television Charity Committee • The Tokuma Memorial Cultural Foundation for Animation 		

Website

About Nippon Television Holdings



Japanese

<http://www.ntvhd.co.jp>



English

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



IR Information



Japanese

<http://www.ntvhd.co.jp/ir>



English

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



CSR



Japanese

<http://www.ntv.co.jp/ntvcsr>



Caution with Respect to Forward-Looking Statements:

Statements made in this 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.

