



NIPPON
TELEVISION
HOLDINGS
CORPORATION
REPORT
2019

NIPPON TV HOLDINGS

Corporate Report

Fiscal 2018

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.

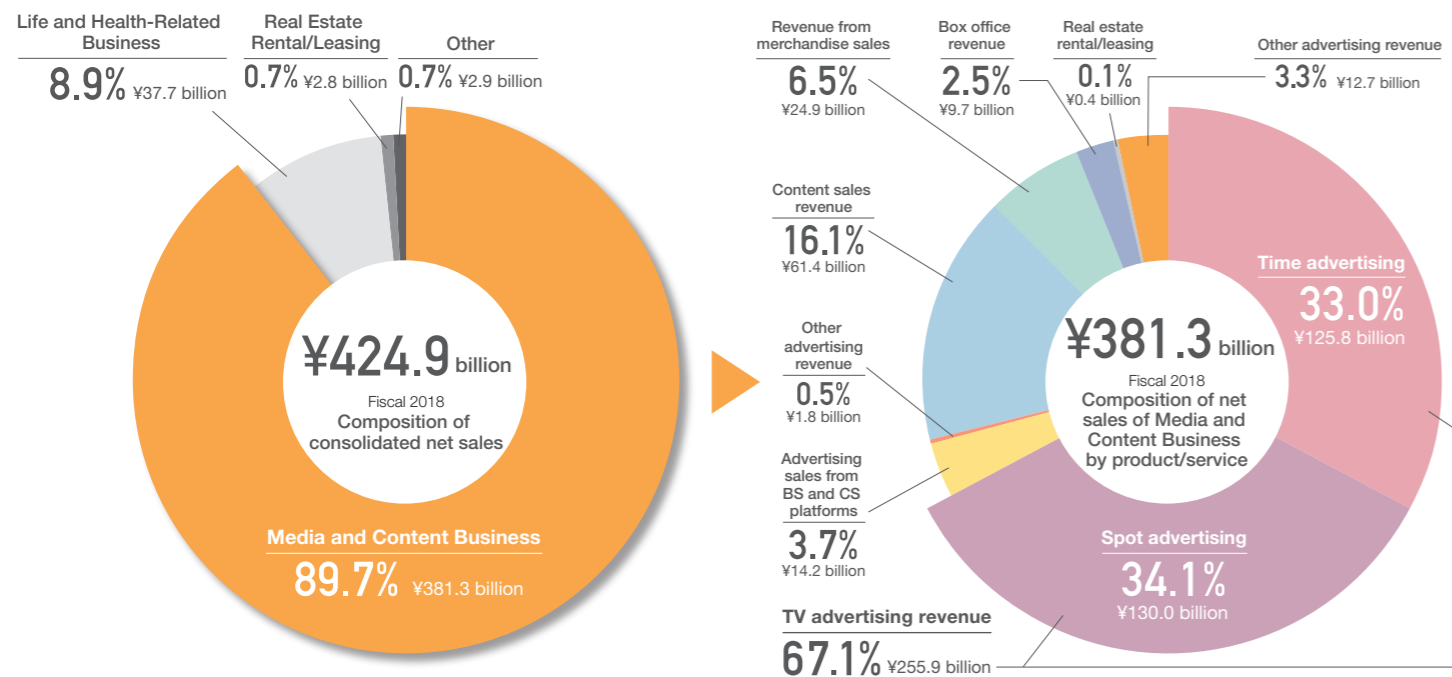
Further, Nippon TV Group will achieve the following “Four Creations” through its relentless pursuit of innovation and opportunities.

“Four Creations”

- Create high-quality content
- Create a new culture
- Create a prosperous society and finally...
- Create a bright future

Business Domains

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



SNAPSHOT

From April 2018 to March 2019

- ◆ Triple Crown title for fiscal year viewer ratings for the fifth year running
- ◆ Top television broadcasting revenue among the key stations in Tokyo for the fifth year running
- ◆ Top time and spot advertising revenue share for the fifth year running

Promoting “The Nippon TV Group Medium-term Management Plan 2019-2021 Nittele eVOLUTION” under a new management structure

Thank you very much for your continued patronage of Nippon Television Holdings, Inc.

Nippon Television Holdings, Inc. has launched a new management structure under which Yoshio Okubo assumed office as Representative Director, Chairman and Yoshinobu Kosugi as Representative Director, President. Having entered the Reiwa new Japanese era, we will take on challenges with fresh minds.

Nippon Television Network Corporation (Nippon TV), a member of the Nippon TV Group, enjoyed high viewer ratings for the fiscal year ended March 31, 2019 (fiscal 2018) and maintained the top ratings for all day, golden time and prime time, winning the Triple Crown in Viewer Ratings for the fifth year running. The live broadcasting of the 95th Hakone Ekiden two-day long-distance road relay competition won average viewing ratings of 31.4% for the first day and the second day, the highest ever. From Today, It's My Turn!! and Mr. Hiiragi's Homeroom aired as Sunday drama series also created a buzz on the Internet and gained great popularity among the younger generation of viewers.

Hulu, the mainstream service of our VOD business, continued to benefit from strong growth in the number of subscribers, with the number of paid subscribers exceeding 2 million in the spring of 2019. We also intend to strengthen ad-linked live video distribution, such as sport broadcasting. We will continue media development that goes beyond broadcasting.

Regarding events, The Art of Portraiture in the Louvre Collections commemorating Nippon TV's 65th anniversary attracted 670,000 visitors in Tokyo and Osaka. Makai Tensho, a play, recorded a total audience of 100,000 people.

Against the backdrop of these brisk viewer ratings and performance of events, the Group's net sales for fiscal 2018 hit a record high of ¥424.9 billion. Nippon TV secured the largest share of broadcasting revenues among Tokyo-based key broadcasters for the fifth year running.

In order to achieve further growth and development of the Nippon TV Group, Nippon Television Holdings announced “The Nippon TV Group Medium-term Management Plan 2019-2021 Nittele eVOLUTION,” in May 2019. Leveraging our content production capabilities cultivated in terrestrial broadcasting as a growth engine, we intend to go beyond the boundaries of television and aim to take Nippon TV Group to new heights as a “comprehensive content company” that provides a broad range of content and services—from events to health and lifestyle and education—that “enrich the lives of the people.” As well as striving to grow a business pillar in the Internet field, we will double the budget for investment in new businesses and other initiatives to ¥100.0 billion to further promote media and business development in various ways.

We appreciate your continued support.

July 2019



Nippon Television Holdings, Inc.

Representative Director, Chairman Yoshio Okubo

Representative Director, President Yoshinobu Kosugi

“Bancho Studio” starts operation

In January 2019, the Nippon TV Bancho Studio, located at the birthplace of Nippon TV in Niban-cho, Chiyoda-ku, Tokyo, started operation. Inheriting the knowhow of the Kojimachi Studio where numerous iconic Nippon TV programs were produced, the Bancho Studio—a fusion of cutting-edge broadcasting technology and sophisticated building technology—plays the central role in Nippon TV's content production. The facility is equipped with systems enabling a new production method in which both cutting-edge 4K production and high-definition (HD) production can be employed. Furthermore, a business continuity plan (BCP) to ensure broadcasting is maintained in the event of a disaster is in place and energy-saving measures are applied. The Bancho Studio is destined to be a leading source of captivating content of outstanding quality.



Medium-term Management Plan

“Medium-term Management Plan 2019-2021 Nittele eVOLUTION”

“More than just TV”

The Group's core competence is its strength in content production. By further enhancing this core competence, we aim to maintain the top share in the TV advertising market. However, in view of the prospects for the TV advertising market, no significant growth can be expected.

Therefore, we have set “More than just TV” as the theme of our new medium-term management plan. Leveraging the content production capabilities cultivated in terrestrial broadcasting as a growth engine, we intend to go beyond the “boundaries of television” and aim to take Nippon TV Group to new heights as a “comprehensive content company” that provides a wide array of content and services ranging from live events, online shopping, and education, to health and lifestyle. The objective is to become no.1 in occupying people's private hours, thereby enhancing our financial performance.

New goals

In this context, the Group announced a new medium-term management plan of the Nippon TV Group covering the fiscal years from 2019 to 2021 entitled “Nittele eVOLUTION” in May 2019. Its outline is as follows.

Medium-term management goals for 2019–2021

- 1 Fulfill the Nippon TV Group's social responsibility and further enhance trust in the Group
- 2 As an integrated content company, substantially enhance profitability and productivity through progress on broadcasting and related services
- 3 Grow a business pillar in the internet field
- 4 Promote startups, M&A and alliances in the aim of boosting non-terrestrial-broadcasting revenue above 50% of net sales
- 5 Transform our awareness, the organization, and the status quo

Medium-term numerical targets for 2019–2021

(Billions of yen)	Results	Targets	Targets (including M&A)
	Fiscal 2018	Fiscal 2021	Fiscal 2021
Consolidated net sales	424.9	450.0	500.0
TV advertising revenue	255.9	264.0	264.0
Media and content business sales, other	164.2	186.0	186.0
New M&A	4.8	—	50.0
Consolidated operating profit	49.7	52.0	54.0
Consolidated operating profit margin	11.7%	11.6%	10.8%
Consolidated ordinary profit	57.3	59.0	62.0
Consolidated ordinary profit margin	13.5%	13.1%	12.4%

Financial policy

- Double the three-year budget for new business and M&A investment from ¥50.0 billion to ¥100.0 billion
- Capital expenditure of ¥48.2 billion over three years (budget-based)
- Key performance indicators Operating profit margin and ordinary profit margin
- Pay stable, ongoing dividends

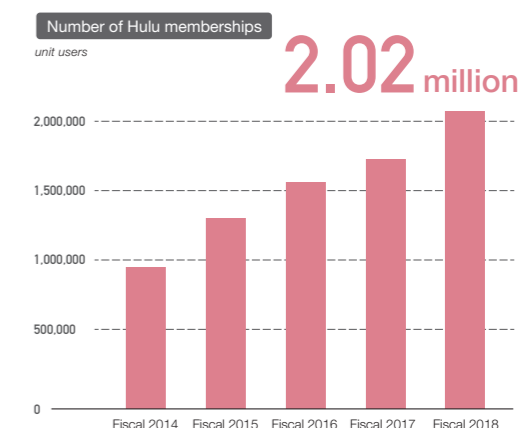
Initiatives in the Internet field

Hulu SVOD service subscribers exceed 2 million!

The number of Hulu subscribers reached 2 million, greatly exceeding the annual target of 1.8 million. Among the most popular content were a documentary about Japanese pop diva Namie Amuro, created by closely following her; the complete edition of From Today, It's My Turn!!, a drama series aired from October to December 2018, including the videos that were not broadcast; and the original episode of *Mr. Hiiragi's Homeroom*, a drama series aired from January to March 2019. Regarding sports, Hulu offered live streaming of the MLB opening series of the Mariners against the Athletics, which was the last game Ichiro played before his retirement. Having installed cameras dedicated to Ichiro and other popular players, the first multi-angle streaming of a baseball game was offered.



Mr. Hiiragi's Homeroom



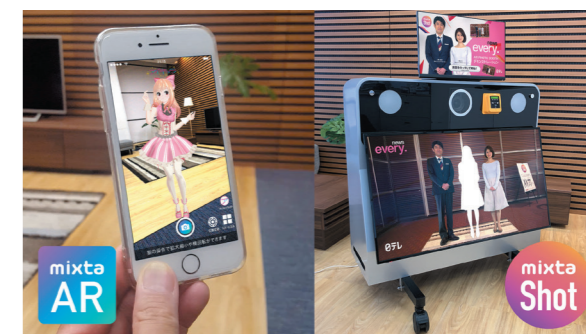
Free, ad-linked distribution

TVer is a portal site that offers viewing of programs already aired by key commercial TV networks. Downloads of the TVer app exceeded 18 million and the number of TVer users is increasing steadily. TVer offered ad-linked live streaming of *Hakone Ekiden* again, as in the previous fiscal year, and of certain high-school soccer games in the fiscal year under review. We also launched the Televiva service for production and distribution of short video content for smartphones. Popular content included short movies derived from the drama series *Mr. Hiiragi's Homeroom*.

Vigorous promotion of new businesses

Launch of mixta services!

Capitalizing on Nippon TV's state-of-the-art augmented reality (AR) technology, mixta mixed reality (MR) services were launched comprising mixta AR and mixta Shot. mixta AR is an app platform: Using a smartphone, users can see celebrities and products merged with the real-world environment. mixta Shot is an AR photographing unit with which users can take photos and shoot video clips with celebrities and sports stars, using the AR technology. Users can download these to their smartphone and share them on social media. We intend to expand revenue from next-generation advertising and B2C services based on mixta.



Start of full-scale operation of FACTly, Nippon TV's proprietary data analysis/utilization system!

FACTly has two principal objectives. One is to utilize data to increase revenue from the Nittele TADA advertising-based free content streaming service and TVer and the other is to create opportunities for Nippon TV Group organizations to make data-driven decisions.

In line with the diversification of the ways in which viewers engage with content, such as video on demand and social media in addition to terrestrial broadcasting, we are working to utilize big data to maximize the value of content, expand sales, make various business decisions, and enhance operational efficiency. Going forward, we intend to utilize the collected big data for forecasting and also for AI.

Programming

Viewer ratings Triple Crown for fifth year running!

Nippon TV secured the top household viewer ratings for fiscal 2018 in three time slots, all day (7.8%), golden time (11.9%) and prime time (11.5%), winning the Triple Crown title for the fifth year running. We achieved the top viewer ratings for all day for the eighth consecutive year. We also recorded 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 fourth year in a row. In the whole Nippon TV Network, 24 stations captured the Annual Triple Crown title, the same as for the previous fiscal year.

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

Nippon TV's annual viewer ratings	
All day 6:00~24:00	7.8%
Golden time 19:00~22:00	11.9%
Prime time 19:00~23:00	11.5%

Top viewer ratings for all day for the eighth consecutive year!



The Quest

Regarding individual programs, *The Quest* won the highest viewer ratings for fiscal 2018 among regular variety programs aired by commercial broadcasters in prime time. Moreover, Nippon TV produced 15 of the top 20 programs. Among them, *The! Sekai GYOTEN News* aired on Tuesday at 9 p.m. and *Must Be ARASHII!* aired on Saturday at 9 p.m. recorded annual average viewer ratings of 12.8% and 12.6%, respectively, the highest since the change in the time slots. Moreover, *Futto Word 10* enjoyed annual average viewer ratings of 11.4% for fiscal 2018, breaking the record it set for fiscal 2017.

Hakone Ekiden is a two-day long-distance road relay competition held every year at New Year. The 95th *Hakone Ekiden*, which became the 33rd race to be live broadcast, recorded the highest viewing ratings for the first day, the second day, and the average for the first day and the second day (average viewer ratings of 31.4% for the first day and the second day), highlighting the great potential of television at the start of 2019 when Japan is particularly excited about sports in the runup to the Rugby World Cup in autumn 2019 and the Tokyo 2020 Olympic and Paralympic Games. The Sunday drama slot launched in April 2015 has been successful. The two dramas, *From Today, It's My Turn!!* aired from October to December 2018 and *Mr. Hiiragi's Homeroom* aired from January to March 2019, both achieved great popularity among the younger generation of users, creating a buzz on social media and becoming a social phenomenon. The viewer ratings of the final episode of *Mr. Hiiragi's Homeroom* were 15.4%, the highest ever for the final episode of a Sunday drama.



From Today, It's My Turn!!

Media

news every. celebrated the 10th anniversary in spring 2019

For fiscal 2018, the household viewer ratings of news every., a news program launched in March 2010, were 10.1%, the second highest in the history of the program (just 0.1 percentage points short of the record) and its share was 20.2%, also the second highest in its history. The program's individual viewer ratings were 5.4%, a tie with the previous highest level in the program's history, and its share was 20.9%, the highest in its history. The program is extremely popular, as these high rankings attest.

With the policy of "communicating what is happening now in real time," we offer live reporting and coverage of breaking news and obtain video clips from viewers. Newscaster Takahiko Fujii's capabilities as a commentator and the ease of understanding, which is facilitated through the effective use of video and explanation in the studio, meet viewers' needs. As a result, news every. became viewers' first choice by a wide margin over other broadcasters for the reporting of Typhoon Jebi (No. 21) and the Hokkaido earthquake in 2018.

On March 11, 2019, eight years after the Great East Japan Earthquake, news every. had a two-hour live broadcast from Okuma Town, Fukushima Prefecture, with Newscasters Fujii and Kimiko Jinnai. The two-hour live broadcast was longer than that of any other broadcaster. news every. also reports on the Kumamoto Earthquake of 2016 and the torrential rains of July 2018 in western Japan from time to time, giving a close-up view of how those in the disaster-stricken areas have been affected.



news every.

Overseas business

Reaching out to the world with format sales of dramas for remake based on the success in Turkey

Nippon TV continues its stellar track record with format sales of dramas for remake in other countries. Following *Mother*, a remake of the Nippon TV drama *Woman* was a mega-hit in drama-loving Turkey. Whereas the original drama produced in Japan consisted of 11 episodes, the Turkish version consisted of some 62 episodes. It is also due to air in 25 countries and regions worldwide including Mexico, Croatia, and countries in North Africa and the Middle East. Season 3 is expected to be produced in Turkey in autumn 2019. Based on the success in Turkey, the interest in Nippon TV dramas has increased around the world. In addition to *Mother* and *Woman*, many other dramas will be remade, including *OASIS—a love story—*; *Abandoned*; *Caution, Hazardous Wife*; and *Your Home is My Business!*, and preparation for production of local language versions is underway in Ukraine, France, Thailand, South Korea, China, and other countries.



Thai version of Abandoned

Movies/Events

High evaluation gained internationally

Mirai directed by Mamoru Hosoda became a major hit with box office revenue of ¥2.88 billion. It was highly evaluated in Japan and around the world. This movie won the Animation of the Year Award of the Japan Academy Film Prize and the Annie Award for Best Animated Independent Feature. It was also nominated for the Golden Globe Award for the Best Motion Picture - Animated and for the Oscars' Best Animated Feature Film. Moreover, *Detective Conan: Zero The Enforcer*, the latest movie in the Detective Conan series, set a new record for box office revenue for the series for the seventh consecutive year. *50 First Kisses* directed by Yuichi Fukuda, *A Banana? At This Time of Night?* directed by Tetsu Maeda, and *12 Suicidal Teens* directed by Yukihiro Tsutsumi were smash hits.



Mirai

12 Suicidal Teens

The Art of Portraiture in the Louvre Collections, Nippon TV's 65th anniversary commemorative project attracted 670,000 visitors in Tokyo and Osaka

This was the fifth exhibition featuring the Louvre Collections held by Nippon TV. Under the theme of "portraiture," a selection of outstanding paintings and sculptures was showcased. For this exhibition, the first event in the 20-year project of Nippon TV and the Louvre Museum, the number of visitors exceeded 670,000 in Tokyo and Osaka and the exhibition closed amid immense popularity.



The Art of Portraiture in the Louvre Collections

Makai Tensho, the 65th anniversary play achieved higher revenue than any previous Nippon TV play

This spectacular, action-packed, period drama starring Takaya Kamikawa creates a special atmosphere. A total of 77 performances at Hakataza Theater, Meijiza Theater, and at Umeda Arts Theater recorded a total audience of 100,000 people, achieving record-high revenue for a play produced by Nippon TV. It was a focus of attention in Japan's theatrical world in the final autumn of the Heisei era.



Makai Tensho

namie amuro Final Space recorded the highest revenue among events held by Nippon TV in fiscal 2018

An exhibition tracing the history of Namuro Amie who retired on September 16, 2018, held simultaneously in Tokyo, Osaka, Fukuoka, and Okinawa had 570,000 visitors. Showcasing her stage costumes and the stage set for her final tour, this exhibition created a "final space" that will remain in the hearts of her fans. It recorded the highest revenue among events held by Nippon TV in fiscal 2018.



namie amuro Final Space

The Most Useful School in the World THE LIVE: Meet Dinosaurs This Summer!, the first arena show

This was an arena show of *The Most Useful School in the World*, a popular variety show aired by the Nippon TV network. Starring Mana Ashida and featuring realistic life-size dinosaurs, this fun and educational show was popular. Held in Saitama, Yokohama, Nagoya, Osaka, and Fukuoka, the show recorded a total audience of 180,000 people.



The Most Useful School in the World THE LIVE: Meet Dinosaurs This Summer!

Technology

AI enriches live broadcasting of Hakone Ekiden

For live broadcasting of the 95th *Hakone Ekiden*, we developed our proprietary image recognition AI for highly accurate recognizing of runners and also a system that automatically generates lap times in an ekiden race in which the ranking of runners frequently changes. As a result, it became possible to automatically superimpose university names and the runners' names on the images for live streaming over the Internet.

These technologies also helped production staff grasp the evolving situation of the race and greatly contributed to enhancement of operational efficiency in the field. These sophisticated production technologies were highly regarded in the industry and won four external awards, including the Best Technology Award in the Technical Achievements Category of the Japan Commercial Broadcasters Association Awards.



New presentation using computer graphics through automatic estimation of distances between runners by applying image recognition AI technology

Operations of the Corporate Group

Overview of Operations

Progress and Results of Operations of the Corporate Group

During the fiscal year ended March 31, 2019, the Japanese economy was on a mild recovery path, with corporate earnings and employment and income environment improving, although there was risk of impact due to uncertainties in economies outside of Japan and fluctuations in financial and capital markets.

Given this economic environment, total advertising expenditures in Japan totaled ¥6,530 billion in 2018 (calendar-year basis, according to Dentsu Inc.), up 2.2% from the previous year, achieving a year-on-year increase for the seventh consecutive year. Of this total, terrestrial television-related advertising expenditures amounted to ¥1,784.8 billion, for a 1.8% decrease. In the average viewer ratings among the key Tokyo broadcasters for terrestrial broadcasting in calendar and fiscal 2018, 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 fifth consecutive year.

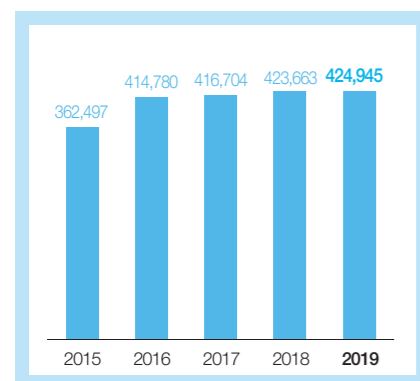
Given these trends, the Nippon TV Group recorded a ¥1,282 million increase in consolidated net sales for the fiscal year ended March 31, 2019, or a 0.3% increase from the pre-

vious year, to ¥424,945 million due to the following reasons. Time revenue on the back of strong ratings compensated for the drop in spot advertising revenue due to a sluggish market, resulting in an increase in the overall terrestrial television advertising revenue in the core Media Content Business segment. Revenue from content sales rose, reflecting an expansion in online video services, despite a drop in box office revenue for films. Additionally, a positive effect was noted from SkillUp Video Technologies Corporation, which became a consolidated subsidiary during the fiscal year under review.

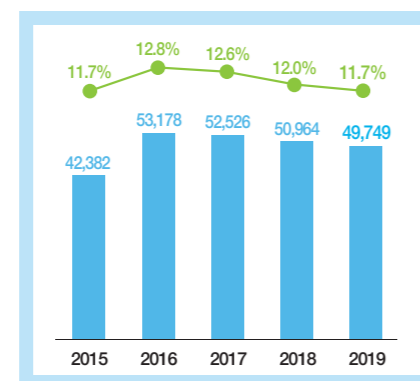
Operating expenses—cost of sales combined with selling, general and administrative expenses—increased ¥2,496 million, or 0.7%, year on year, to ¥375,195 million, due in part to increased depreciation.

As a result, the Group’s operating income decreased ¥1,214 million, or 2.4%, year on year, to ¥49,749 million, and recurring profit decreased ¥3,841 million, or 6.3%, to ¥57,398 million, owing to an increase in equity in net gains of non-consolidated subsidiaries and associated companies. Profit attributable to owners of parent increased ¥1,322 million, or 3.5%, to ¥38,739 million, due in part to gain on sales of investment securities, which was posted under extraordinary gains.

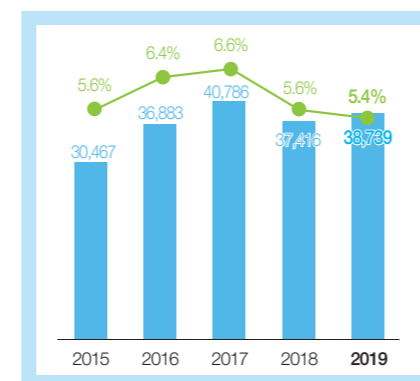
■ Net Sales (Millions of yen)



■ Operating Profit (Millions of yen)
● Operating Margin (%)



■ Profit Attributable to Owners of Parent (Millions of yen)
● ROE (%)



Operations by Business Segment of the Corporate Group

Media Content Business

The time revenue of the terrestrial television advertising revenue for the fiscal year under review increased ¥2,345 million, or 1.9%, from the previous year, to ¥125,850 million, attributable in part to revenue from regular program slots on the back of brisk ratings and revenue from *2018 FIFA World Cup Russia*, although there was a reactionary decline after *Olympic Winter Games PyeongChang 2018* of the previous year. Spot advertising revenue decreased ¥926 million, or 0.7%, to ¥130,086 million. This reflects a year-on-year drop in spending for regionally targeted spot advertising due to the weak spot advertising market, despite growth in Nippon TV’s viewer share among the key Tokyo broadcasters. As a result, terrestrial television advertising revenue increased ¥1,418 million, or 0.6%, to ¥255,937 million.

BS and CS advertising revenue decreased ¥291 million, or 2.0%, year on year, to ¥14,290 million, due in part to a drop in BS advertising revenue.

Other advertising revenue rose ¥478 million, or 34.3%, year on year, to ¥1,872 million, due in part to an increase in digital video advertising revenue from such as TVer, the official TV portal for commercial broadcasters, and Nitte! TADA!

Content sale revenue grew ¥2,968 million, or 5.1%, year on year, to ¥61,446 million, due in part to a rise in the number of subscribers to Hulu, a monthly flat rate online video service, to more than 2 million.

Revenue from merchandise sales increased ¥82 million, or 0.3%, year on year, to ¥24,951 million, due in part to an increase in merchandise sales at events, despite a drop in revenue related to packaged media.

Box office revenue decreased ¥4,263 million, or 30.5%, year on year, to ¥9,705 million. This reflects a reactionary decline after *Mary and The Witch’s Flower* and *DESTINY Kamakura Monogatari*, Nippon TV-financed films in the previous fiscal year, despite a hit with *12-nin no Shinitai Kodomotachi (12 Suicidal Children)*, also a Nippon TV-financed film.

Other revenue increased ¥1,205 million, or 10.5%, year on year, to ¥12,712 million, due in part to the effect of making

SkillUp Video Technologies Corporation, which carries out online video service solution business, a consolidated subsidiary.

As a result, net sales of the Media Content Business, including intersegment sales and transfers, grew ¥1,383 million (0.4%), from the previous year, to ¥381,713 million. Operating income decreased ¥825 million, or 1.8%, from the previous year to ¥46,073 million, reflecting an increase in depreciation in operating expenses—cost of sales combined with selling, general and administrative expenses.

Life and Health-Related Business

Net sales from the Life and Health-Related Business (including intersegment sales and transfers), whose main source of revenue is fitness facilities usage revenue from the general fitness club business, dropped ¥96 million, or 0.3%, from the previous year, to ¥37,784 million. This reflects sluggish growth in the number of members of comprehensive fitness clubs equipped with a training gym and studio, despite a rise in the number of members due to an increase in the number of 24-hour training gyms. Operating income decreased ¥427 million, or 35.4%, from the previous year, to ¥779 million, owing in part to a rise in operating cost following the recording of costs for newly opened comprehensive fitness clubs and an increase in repair costs in operating expenses—cost of sales combined with selling, general and administrative expenses.

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 ¥343 million, or 3.5% from the previous year, to ¥10,268 million, including intersegment sales and transfers due to an increase in revenue related to building maintenance. Operating income decreased ¥254 million, or 7.7%, from the previous year, to ¥3,042 million, due in part to an increase in property tax.

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 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 six outside directors pursuant to Article 2, Paragraph 15, of the Companies Act into the 13-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.

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 nine 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 the following committees and organizations in place in order to ensure corporate governance.

The Business Audit Committee is responsible for oversight and conducts internal audits and evaluates internal control systems. Independent from the Board of Directors, the Business Audit Committee consists of the Representative Director, President as the chairman and an Executive Board Director as the vice chairman. The Business Audit Department is in place as an organization responsible for practical matters.

The Compliance Committee is in place to ensure compliance with laws and regulations, the Articles of Incorporation, and

corporate ethics and a high degree of transparency in Nippon TV Holdings’ activities. The Compliance Committee consists of the Representative Director, President as the chairman, an Executive Board Director as the vice chairman, all full-time directors and all director generals as committee members, and observers including an external attorney at law.

The Internal Control Committee is in place in order to oversee internal control of the entire Nippon TV Group based on the Financial Instruments and Exchange Act. The Internal Control Committee consists of the Representative Director, Chairman as the chairman, an Senior Executive Board Director as the vice chairman, all full-time directors, all director generals, and representative directors of all consolidated subsidiaries excluding overseas subsidiaries as committee members. The Corporate Governance Planning & Development Office is in place as an organization responsible for overall matters concerning establishment and operation of internal control.

The Nippon TV Group Management Strategy Committee is in place in order to establish and operate systems of the entire Group for ensuring compliance with laws and regulations, for risk management, and for efficient business execution. The Nippon TV Group Management Strategy Committee consists of an Executive Board Director as the chairman and an Executive Board Director and representative directors of principal Group companies as members.

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
Toshikazu Yamaguchi		To reflect in management his advanced professional knowledge and broad insight in media and related businesses overall in addition to considerable experience as manager of the newspaper company.
Yoshikuni Sugiyama		To reflect in management his advanced professional knowledge and broad insight in media and related businesses overall in addition to considerable experience as manager of the newspaper company.

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

1. Policy

The Board of Directors appropriately appoints or dismisses senior management and nominates candidates to become directors and Audit & Supervisory Board members.

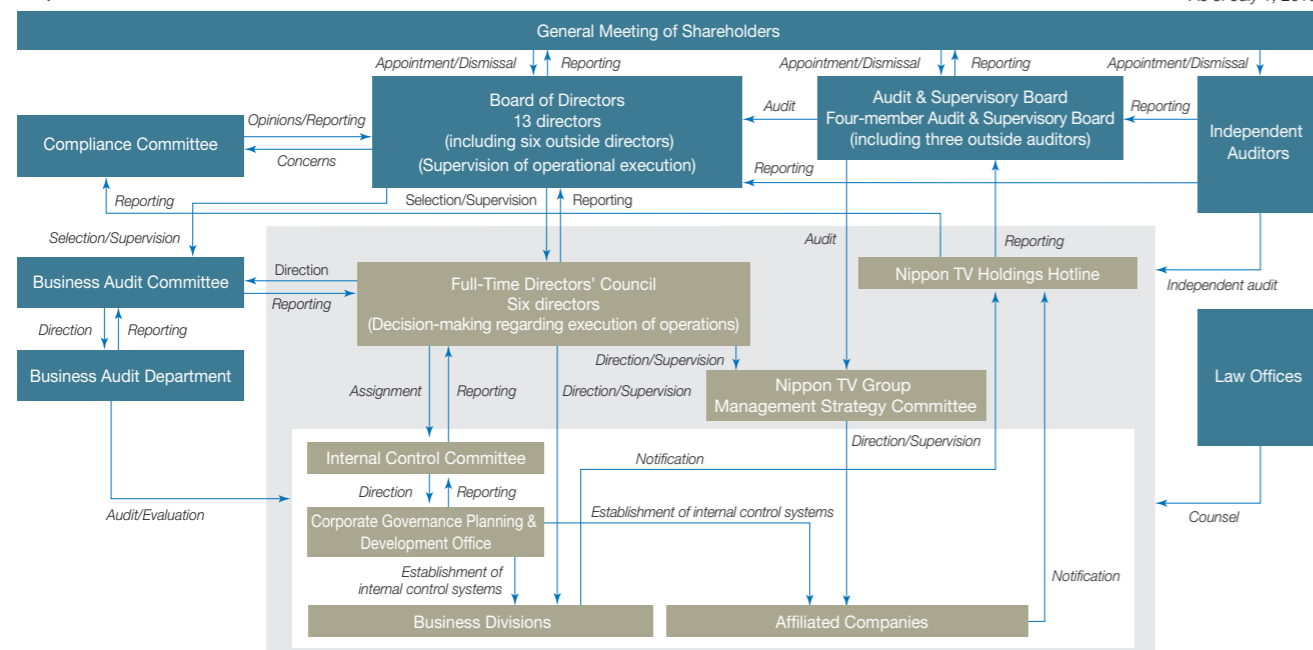
The Company considers it necessary that the Board of Directors has a certain number of persons who are well versed in businesses and issues facing the businesses of the Company and the NTV Group as its members in setting the strategic direction of the Company, in order for the Board of Directors to fulfill 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.

Corporate Governance Framework

As of July 1, 2019



Board of Directors and Auditors As of July 1, 2019

Directors

Yoshio Okubo

Representative Director, Chairman

Served as Director, Director General, Media Strategies of The Yomiuri Shimbun Tokyo Head Office. Appointed Board Director, Operating Officer in 2010 and Representative Director, President, Operating Officer in 2011. Appointed Representative Director, President in October 2012 in line with the transition to a certified broadcasting holding company. Appointed Representative Director, Chairman in 2019.

Yoshinobu Kosugi

Representative Director, President
Chairman of Business Audit Committee, Programming Strategy

Served as Director General of Sales, Director General of Programming, and as Representative Director, President of AX-ON Inc. Appointed Board Director, Operating Officer in 2011 and Board Director, 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 2013, Board Director, Executive Vice President in 2018, and Representative Director, President in 2019.

Akira Ishizawa

Senior Executive Board Director
Corporate Administration & Human Resources
(Human Resources & Labor Relations), Financial Management

Served as General Manager of Executive Administration, Director General of Corporate Administration, Director General of Programming, General Manager of President's Office, and Director General of Corporate Strategy. Appointed Board Director in 2013, Executive Board Director in 2015, and Senior Executive Board Director in 2018.

Hajime Ichimoto

Executive Board Director
Nippon TV Group Management Strategy Committee,
Business Audit Department
Vice Chairman of Business Audit Committee
Executive Auditor of Information Security Management Office

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

Tadayuki Tamai

Executive Board Director
Corporate Strategy (Media Strategy),
Corporate Administration & Human Resources,
Financial Management (Compliance & Standards)
Executive Manager of Information Security Management Office

Served as Director, Director General, Media Bureau of The Yomiuri Shimbun Tokyo Head Office and Board Director, Operating Officer of NTV Network Corporation. Appointed Executive Board Director in 2019.

Kazuya Sakamaki

Board Director
Corporate Strategy Executive Management

Served as Operating Officer, General Manager, President's Office and Board Director, Operating Officer of NTV Network Corporation. Appointed Board Director in 2019.

Tsuneo Watanabe

Board Director*
Representative Director, Editor-in-Chief,
The Yomiuri Shimbun Holdings

Takashi Imai

Board Director*
Honorary Chairman, Colleague, Nippon Steel Corporation

Ken Sato

Board Director
Advisor, Nakasone Yasuhiro Peace Institute

Tadao Kakizoe

Board Director*
President, Japan Cancer Society

Yasushi Manago

Board Director*
Attorney at Law

Toshikazu Yamaguchi

Board Director*
Representative Director, President, in charge of Circulation,
The Yomiuri Shimbun Holdings

Yoshikuni Sugiyama

Board Director*
Representative Director, President, Yomiuri Land Co., Ltd

* Outside directors pursuant to Article 2.15 of the Companies Act

Auditors

Makoto Yoshida

Standing Audit & Supervisory Board Member

Toshinori Kanemoto

Audit & Supervisory Board Member**

Akitoshi Muraoka

Audit & Supervisory Board Member**

Yoshimitsu Ohashi

Audit & Supervisory Board Member**

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

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.

Regarding dismissal, the Board of Directors conducts deliberation on dismissal, if it is found that a director or Audit & Supervisory Board member is not fulfilling his/her function, if he/she damages the corporate value due to the neglect of his/her duties, if he/she does not qualify, if it is difficult to continue his/her duties for health reasons, or if he/she engages in any activity that goes against the public orders and morals, etc.

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 attended by six outside directors among the thirteen directors and three outside auditors among the four auditors 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.

With regard to the dismissal, the Board of Directors attended by the above-mentioned nine outside officers deliberates on such matters.

Executive Remuneration

Executive remuneration for the Company's directors and Audit & Supervisory Board members in the fiscal year ended March 31, 2019, was as follows.

Officer category	Total amount of remuneration (Millions of yen)	Total amount of remuneration by type (Millions of yen)		Number of officers remunerated (persons)
		Fixed compensation	Performance-linked remuneration	
Directors (excluding outside directors)	341	309	31	7
Audit & Supervisory Board members (excluding outside Audit & Supervisory Board members)	19	19	—	2
Outside directors and outside Audit & Supervisory Board members	105	105	—	7

Notes: 1. The number of officers as of March 31, 2019, 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.

Nippon TV Holdings has established Regulations on Remuneration for Directors and Regulations on Remuneration for Audit & Supervisory Board Members and the amount of remuneration for each director and for each Audit & Supervisory Board member is determined each year within the limit on remuneration resolved by the General Meeting of Shareholders. Remuneration for each director is determined by the representative director, having been authorized by a decision of the Board of Directors attended by six outside directors out of the thirteen directors and by three out of the four Audit & Supervisory Board members, in consideration of business conditions and the Company's performance. Remuneration for each Audit & Supervisory Board member is determined through consultation with Audit & Supervisory Board members within the limit on remuneration resolved by the General Meeting of Shareholders.

Determination of remuneration for individual directors for the fiscal year ended March 31, 2019 was entrusted to the representative director in accordance with the above by the Board of Directors, which met following the General Meeting of Shareholders.

Regarding the amounts of executive remuneration, in accordance with the resolution passed at the 75th Ordinary General Meeting of Shareholders held on June 27, 2008, the yearly limit on the amount of remuneration to ¥950 million for directors (of which, up to ¥110 million may be paid to outside directors; the maximum number of directors specified by the Articles of Incorporation is eighteen) and ¥72 million for Audit & Supervisory Board members (the maximum number of Audit & Supervisory Board members specified by the Articles of Incorporation is five).

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 profit. The stock value-linked portion is fixed cash remuneration determined according to the individual's post and intended for purchasing the Company's shares, and the Company's shares are purchased through an executive stock ownership association. No policy on determination of the composition of each portion of remuneration has been established. Remuneration for non-full-time directors, including outside directors, is composed only of a fixed portion.

The Company uses profit as the indicator for the Company performance-linked portion because profit is calculated by deducting all expenses from all the revenues recorded for a fiscal year and is significant as the final result of Nippon TV Holdings' activities. The Company does not set any target for profit because profit is calculated by adding extraordinary income and subtracting extraordinary losses and deducting income taxes.

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

In keeping with the purport of Japan's Corporate Governance Code, 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>

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 as lifestyle and cultural experiences, while fulfilling our social responsibility as a news outlet.

24-Hour Television broadcast for 41st time! —

The program *24-Hour Television*: "Love Saves the Earth," first broadcast in 1978 to commemorate Nippon TV's 25th anniversary, marked its 41st year. Under the theme of "The person who changed your life," this charity event hosted by Sexy Zone and other celebrities focused on fateful encounters of people.

Miyazon of Anzenmanzai took up and completed the challenge of the 24-hour triathlon, the toughest challenge in the history of *24-Hour Television*, swimming 1.55 kilometers, cycling 60.4 kilometers, and running 100 kilometers. Viewer ratings rose as high as 34.7% as he crossed the finishing line. The average ratings for the entire program were also high at 15.2%.



¥38.1 billion raised for charity over 41 years!

The cumulative total of donations for the 41 years reached ¥38,147,723,179. These funds have allowed us to donate a total of 11,049 welfare vehicles, including buses fitted with lifts and bathing support vehicles, to welfare facilities. We are also engaged in environmental protection across Japan and are continuing cleanups of waterfront and mountain areas, and other environmental protection initiatives. In addition, when large-scale natural disasters, such as earthquakes and floods, occurred in Japan or overseas, we have donated money and goods for emergency aid.



Supporting reconstruction of areas affected by natural disasters

24-Hour Television has been promoting community-based support for the reconstruction of areas greatly affected by natural disasters, including the Great East Japan Earthquake of 2011, the torrential rains of July 2018 and the Hokkaido Eastern Iburi Earthquake of September 2018.

In fiscal 2018, *24-Hour Television* donated a vehicle to food bank Iwate, an NPO in Morioka City, Iwate Prefecture. Established to address poverty of single-parent families etc., which has become a social issue, food bank IWATE is the sole organization in Iwate Prefecture procuring and distributing food to people in need on a large scale. In cooperation with over 40 institutions, including social welfare facilities and foster homes, food bank IWATE provides food when requested to do so. It still receives many requests for support from people affected by the Great East Japan Earthquake of 2011 who have been unable to reestablish their lives. The donated vehicle helps food bank IWATE increase its mobility in the wide area it covers, which includes inland and coastal areas throughout Iwate Prefecture.

In Miyagi Prefecture, *24-Hour Television* donated nursing equipment to all municipal nursery facilities of Matsushima Town, including cots with good ventilation for napping, air conditioners to prevent heat stroke, walking carts, and baby beds, which have helped reduce the burden of nursery teachers and parents while improving the nursery environment, as well as responding to the sharp increase in the number of children at the nursery facilities.

24-Hour Television donated 1,267 books to Yoshida Junior High School in Uwajima City, Ehime Prefecture, whose school building was flooded by the torrential rain that hit western Japan in the summer of 2018, ruining all the books in the library.

The *24-Hour Television* Charity Committee will continue to engage in support activities based on careful consideration of the needs of communities.



Support for para-sports

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.

In the sixth year of the project involving donation of prosthetics for use in competitive sports, we donated prosthetics to para-athletes active in Tokyo, Mie, and Aichi.

In the basketball wheelchair donation project launched in 2015, we accept applications from players of wheelchair basketball and wheelchair twin basketball and from organizations of these sports throughout Japan and donate wheelchairs that suit individual players based on measurement of each player.

In the second year of the badminton wheelchair donation project, we donated two wheelchairs to the Japan Para-Badminton Federation again, following the donation of four wheelchairs in the previous year. These wheelchairs will be used at events for promoting para-badminton.



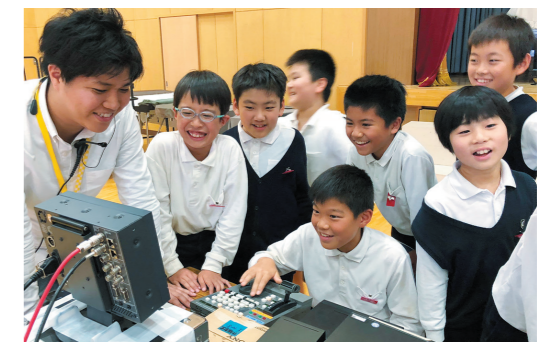
Reading aloud events featuring announcers —

Nippon TV actively holds events at which picture books are read aloud, mainly by announcers. Capitalizing on the experience at Sora Fes CSR events held three times a year and an event involving reading on a golf course for parents and children at a golf tournament sponsored by Nippon TV, we held a large-scale event at which announcers read aloud at Go! Go! Shiodome Paradise! Summer 2018. Announcer Sachie Sugiue who gained the qualification as a picture book specialist in 2018, which is a qualification governed by the Ministry of Education, Culture, Sports, Science and Technology, for which the pass rate is only 10% or so, and 22 other announcers participated in the event as volunteers. Supported by Mamamocomo, an internal CSR group, the announcers read aloud books three times a day for about three weeks at the Anpanman Booth in the lobby of the second floor of the Nippon TV Tower, a cool space where parents and children visiting Go! Go! Shiodome Paradise! were able to relax. The volunteering announcers made good use of their skills. Announcer Ryutaro Hiro who was in his first year at Nippon TV played violin to accompany the reading by announcer Sugiue. Reading of a picture book for train fans, by announcer Daisuke Fujita who hosts a program on railways was immensely popular. Some announcers selected picture books with which audiences practiced pronunciation and articulation. One announcer interviewed visitors to Go! Go! Shiodome Paradise! These announcers exercised their ingenuity to liven up the summer of Shiodome. Against the backdrop of the picture book boom, various news programs covered this event. Nippon TV is planning book-reading events that will take advantage of the personalities and skills of over 60 Nippon TV announcers, including playing of musical instruments, dancing, magic, and foreign languages. The Announcers Department, the President's Office, and Mamamocomo will collaborate so that reading aloud of picture books will become even more popular and the source of great joy.



Raising awareness about information literacy and support of areas affected by disasters —

Nippon TV held 15 on-site classes on media literacy titled "navigating the ocean of information," extending the activity area to include the Kansai region. The content of these classes is modified according to the needs, such as collaboration with The Yomiuri Shimbun. In this program, lecturers discuss with the participants how to identify accurate information in the digital era. Our social contribution activities as a media company also include support activities for areas affected by disasters, such as 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, as well as the *Yomihito Shirazu* workshops on the Japanese language held by announcers and newscasters of Nippon TV and its network stations.



Nankai Broadcasting x Nippon TV Experience Classroom held in Ozu City, Ehime Prefecture, in November 2018

Eleven-Year Summary

Nippon Television Holdings, Inc. and Consolidated Subsidiaries*1

Millions of yen

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Years ended March 31:											
Net sales	¥ 324,563	¥ 296,933	¥ 297,894	¥ 305,460	¥ 326,422	¥ 341,720	¥ 362,497	¥ 414,780	¥ 416,704	¥ 423,663	¥ 424,945
Operating profit	12,214	23,562	31,670	32,249	35,429	40,089	42,382	53,178	52,526	50,964	49,749
Ordinary profit	16,225	27,184	38,702	37,902	42,184	47,845	48,696	57,791	58,130	61,239	57,398
Profit attributable to owners of parent	5,622	16,595	21,048	22,729	25,283	27,827	30,467	36,883	40,786	37,416	38,739
Comprehensive income*2	—	—	18,351	25,597	37,701	35,144	64,254	32,361	58,822	55,229	50,011
Depreciation and amortization	11,527	9,622	8,455	7,071	6,573	7,149	8,480	11,641	12,483	15,088	16,444
Capital expenditures	5,491	26,808	4,614	3,802	5,596	9,236	20,370	16,562	36,949	29,615	26,625
At March 31:											
Total assets	¥ 498,457	¥ 513,788	¥ 528,398	¥ 543,228	¥ 598,075	¥ 645,362	¥ 755,126	¥ 769,863	¥ 848,629	¥ 885,098	¥ 941,494
Net assets	400,417	416,366	427,496	446,038	488,120	523,904	578,478	603,177	655,772	704,919	746,989
Cash flows:											
Cash flows from operating activities	¥ 23,948	¥ 40,130	¥ 23,433	¥ 25,273	¥ 29,099	¥ 35,156	¥ 33,236	¥ 40,761	¥ 60,134	¥ 50,435	¥ 50,480
Cash flows from investing activities	(28,330)	(46,846)	(28,181)	(8,967)	(7,369)	(4,366)	(17,941)	(26,820)	(111,347)	(29,895)	(40,976)
Cash flows from financial activities	(4,803)	(5,697)	(7,131)	(6,419)	(7,073)	(7,175)	(6,242)	(11,275)	(10,966)	(9,325)	(12,027)
Cash and cash equivalents, end of year	57,629	45,218	33,312	43,190	63,806	87,452	96,538	99,204	37,028	48,292	45,764
Per share data (Yen):											
Profit attributable to owners of parent*3	¥ 22.77	¥ 67.64	¥ 85.97	¥ 92.85	¥ 101.39	¥ 109.58	¥ 120.08	¥ 145.38	¥ 160.78	¥ 147.53	¥ 152.07
Equity*3	1,585.36	1,666.10	1,711.39	1,785.58	1,879.89	2,023.59	2,240.64	2,337.58	2,533.88	2,727.94	2,902.57
Cash dividends*4*5	180.00	290.00	290.00	290.00	110.00	34.00	30.00	34.00	34.00	34.00	35.00
Ratios (%):											
Return on asset (ROA)	1.1	3.2	3.9	4.2	4.2	4.3	4.0	4.8	4.8	4.2	4.1
Return on equity (ROE)	1.4	4.2	5.1	5.3	5.5	5.6	5.6	6.4	6.6	5.6	5.4
Operating margin	3.8	7.9	10.6	10.6	10.9	11.7	11.7	12.8	12.6	12.0	11.7
Equity ratio	78.5	79.4	79.3	80.5	80.0	79.6	75.3	77.0	75.7	78.0	78.7
Others											
Total shares issued (share)*6	25,364,548	25,364,548	25,364,548	25,364,548	263,822,080	263,822,080	263,822,080	263,822,080	263,822,080	263,822,080	263,822,080
Employees	3,291	3,339	3,262	3,218	3,259	3,471	4,115	4,170	4,368	4,425	4,544

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, 2009 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, 2018	As of March 31, 2019
Assets		
Current assets		
Cash and deposits	¥ 44,787	¥ 47,420
Notes and accounts receivable-trade	98,302	100,971
Securities	87,468	52,000
Inventories	3,364	4,164
Program rights	7,293	7,608
Other	16,925	23,819
Allowance for doubtful accounts	(105)	(237)
Total current assets	258,036	235,747
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	43,039	65,632
Machinery, equipment and vehicles, net	15,182	21,205
Tools, furniture and fixtures, net	2,666	3,716
Land	166,906	167,605
Leased assets, net	9,293	8,244
Construction in progress	27,374	7,989
Total property, plant and equipment	264,463	274,393
Intangible assets		
Goodwill	10,093	10,168
Other	21,196	19,788
Total intangible assets	31,290	29,957
Investments and other assets		
Investment securities	295,807	363,683
Long-term loans receivable	5,326	4,290
Deferred tax assets	2,053	2,578
Other	28,990	31,992
Allowance for doubtful accounts	(868)	(1,149)
Total investments and other assets	331,308	401,396
Total non-current assets	627,062	705,747
Total assets	¥885,098	¥941,494

	Millions of yen	
	As of March 31, 2018	As of March 31, 2019
Liabilities		
Current liabilities		
Notes and accounts payable-trade	¥ 8,410	¥ 8,915
Short-term loans payable	4,894	2,605
Accounts payable-other	6,302	12,062
Accrued expenses	53,174	54,431
Income taxes payable	10,782	11,177
Provision for sales returns	36	18
Other	11,020	11,536
Total current liabilities	94,621	100,747
Non-current liabilities		
Lease obligations	12,943	16,904
Deferred tax liabilities	34,159	38,033
Retirement benefit liability	12,902	13,144
Long-term guarantee deposited	20,226	20,356
Other	5,326	5,318
Total non-current liabilities	85,557	93,756
Total liabilities	180,179	194,504
Net assets		
Shareholders' equity		
Capital stock	18,600	18,600
Capital surplus	31,569	35,489
Retained earnings	572,240	602,522
Treasury shares	(13,945)	(8,935)
Total shareholders' equity	608,464	647,676
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	82,137	93,552
Deferred gains or losses on hedges	2	4
Foreign currency translation adjustment	(12)	(74)
Total accumulated other comprehensive income	82,127	93,481
Non-controlling interests	14,326	5,831
Total net assets	704,919	746,989
Total liabilities and net assets	¥885,098	¥941,494

● Consolidated Statements of Income

	Millions of yen	
	Fiscal year ended March 31, 2018	Fiscal year ended March 31, 2019
Net sales	¥423,663	¥424,945
Cost of sales	278,632	277,740
Gross profit	145,030	147,204
Selling, general and administrative expenses	94,066	97,454
Operating profit	50,964	49,749
Non-operating income		
Interest income	1,022	983
Dividend income	3,438	2,534
Share of profit of entities accounted for using equity method	5,888	4,266
Foreign exchange gains	—	36
Gain on investments in partnership	365	442
Other	277	335
Total non-operating income	10,992	8,599
Non-operating expenses		
Interest expenses	554	587
Foreign exchange losses	22	—
Loss on investments in partnership	97	289
Other	43	73
Total non-operating expenses	717	950
Ordinary profit	61,239	57,398
Extraordinary income		
Gain on sales of non-current assets	3	120
Gain on sales of investment securities	39	1,263
Total extraordinary income	43	1,384
Extraordinary losses		
Loss on sales of non-current assets	6	14
Loss on retirement of non-current assets	451	304
Loss on sales of investment securities	—	200
Loss on redemption of investment securities	113	—
Loss on valuation of investment securities	76	—
Impairment loss	5,260	2,577
Total extraordinary losses	5,908	3,096
Profit before income taxes	55,374	55,685
Income taxes-current	18,060	18,228
Income taxes-deferred	(391)	(1,191)
Total income taxes	17,668	17,036
Profit	37,705	38,649
Profit (loss) attributable to noncontrolling interests	289	(89)
Profit attributable to owners of parent	¥ 37,416	¥ 38,739

● Consolidated Statements of Comprehensive Income

	Millions of yen	
	Fiscal year ended March 31, 2018	Fiscal year ended March 31, 2019
Profit	¥37,705	¥38,649
Other comprehensive income		
Valuation difference on available-for-sale securities	17,506	11,656
Foreign currency translation adjustment	(38)	(22)
Share of other comprehensive income of entities accounted for using equity method	55	(272)
Total other comprehensive income	17,523	11,361
Comprehensive income	¥55,229	¥50,011
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	¥54,936	¥50,092
Comprehensive income attributable to noncontrolling interests	292	(81)

● Consolidated Statement of Changes in Equity

Fiscal year ended March 31, 2018	Millions of yen				
	Total shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	¥18,600	¥29,621	¥543,310	¥(13,419)	¥578,112
Changes of items during period					
Dividends of surplus			(8,486)		(8,486)
Profit attributable to owners of parent			37,416		37,416
Purchase of treasury shares				(36)	(36)
Change in treasury shares arising from change in equity in entities accounted for using equity method				(489)	(489)
Capital increase of consolidated subsidiaries		1,947			1,947
Net changes of items other than shareholders' equity					
Total changes of items during period	—	1,947	28,930	(525)	30,352
Balance at end of current period	¥18,600	¥31,569	¥572,240	¥(13,945)	¥608,464

	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	Non-controlling interests	Total net assets
Balance at beginning of current period	¥64,664	¥8	¥(65)	¥64,607	¥13,051	¥655,772
Changes of items during period						
Dividends of surplus						(8,486)
Profit attributable to owners of parent						37,416
Purchase of treasury shares						(36)
Change in treasury shares arising from change in equity in entities accounted for using equity method						(489)
Capital increase of consolidated subsidiaries						1,947
Net changes of items other than shareholders' equity	17,472	(5)	53	17,520	1,274	18,795
Total changes of items during period	17,472	(5)	53	17,520	1,274	49,147
Balance at end of current period	¥82,137	¥2	¥(12)	¥82,127	¥14,326	¥704,919

Fiscal year ended March 31, 2019

	Millions of yen				
	Total shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	¥18,600	¥31,569	¥572,240	¥(13,945)	¥608,464
Changes of items during period					
Dividends of surplus			(8,242)		(8,242)
Profit attributable to owners of parent			38,739		38,739
Purchase of treasury shares				(63)	(63)
Disposal of treasury shares		3,927	(214)	5,170	8,884
Change in treasury shares arising from change in equity in entities accounted for using equity method				(89)	(89)
Change of scope of equity method				(7)	(7)
Capital increase of consolidated subsidiaries		(8)			(8)
Net changes of items other than shareholders' equity					
Total changes of items during period	—	3,919	30,281	5,009	39,211
Balance at end of current period	¥18,600	¥35,489	¥602,522	¥(8,935)	¥647,676

	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	Non-controlling interests	Total net assets
Balance at beginning of current period	¥82,137	¥2	¥(12)	¥82,127	¥14,326	¥704,919
Changes of items during period						
Dividends of surplus						(8,242)
Profit attributable to owners of parent						38,739
Purchase of treasury shares						(63)
Disposal of treasury shares						8,884
Change in treasury shares arising from change in equity in entities accounted for using equity method						(89)
Change of scope of equity method						(7)
Capital increase of consolidated subsidiaries						(8)
Net changes of items other than shareholders' equity	11,414	1	(62)	11,353	(8,494)	2,859
Total changes of items during period	11,414	1	(62)	11,353	(8,494)	42,070
Balance at end of current period	¥93,552	¥4	¥(74)	¥93,481	¥5,831	¥746,989

● Consolidated Statements of Cash Flows

	Millions of yen	
	Fiscal year ended March 31, 2018	Fiscal year ended March 31, 2019
Cash flows from operating activities		
Profit before income taxes	¥ 55,374	¥ 55,685
Depreciation	15,088	16,444
Impairment loss	5,260	2,577
Increase (decrease) in allowance for doubtful accounts	23	411
Increase (decrease) in retirement benefit liability	598	242
Interest and dividend income	(4,460)	(3,518)
Interest expenses	554	587
Share of loss (profit) of entities accounted for using equity method	(5,888)	(4,266)
Loss (gain) on sales of non-current assets	3	(106)
Loss on retirement of non-current assets	451	304
Loss (gain) on sales of investment securities	(39)	(1,062)
Loss (gain) on valuation of investment securities	76	—
Decrease (increase) in notes and accounts receivable-trade	267	(2,670)
Decrease (increase) in program rights	(703)	(315)
Increase (decrease) in notes and accounts payable-trade	(2,307)	1,811
Other, net	669	(3,401)
Subtotal	64,967	62,724
Interest and dividend income received	4,782	6,154
Interest expenses paid	(554)	(587)
Income taxes paid	(18,759)	(17,810)
Net cash provided by (used in) operating activities	50,435	50,480
Cash flows from investing activities		
Payments into time deposits	(3,861)	(101)
Proceeds from withdrawal of time deposits	17,638	—
Purchase of securities	(66,400)	(5,000)
Proceeds from redemption of securities	74,000	1,400
Purchase of property, plant and equipment	(38,511)	(18,276)
Proceeds from sales of property, plant and equipment	672	805
Purchase of intangible assets	(4,736)	(4,221)
Purchase of investment securities	(55,788)	(103,351)
Proceeds from sales of investment securities	1,075	7,745
Proceeds from redemption of investment securities	47,008	81,127
Payments of long-term loans receivable	(1,701)	(3)
Payments for acquisition of businesses	—	(2,164)
Other, net	707	1,063
Net cash provided by (used in) investing activities	(29,895)	(40,976)
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	(2,277)	(2,288)
Repayments of lease obligations	(1,484)	(1,570)
Purchase of treasury shares	(2)	(1)
Cash dividends paid	(8,487)	(8,243)
Dividends paid to non-controlling interests	(73)	(73)
Proceeds from share issuance to noncontrolling shareholders	3,000	150
Net cash provided by (used in) financing activities	(9,325)	(12,027)
Effect of exchange rate change on cash and cash equivalents	(6)	(4)
Net increase (decrease) in cash and cash equivalents	11,207	(2,527)
Cash and cash equivalents at beginning of period	37,028	48,292
Increase in cash and cash equivalents resulting from merger with unconsolidated subsidiaries	56	—
Cash and cash equivalents at end of period	¥ 48,292	¥ 45,764

Investor Information

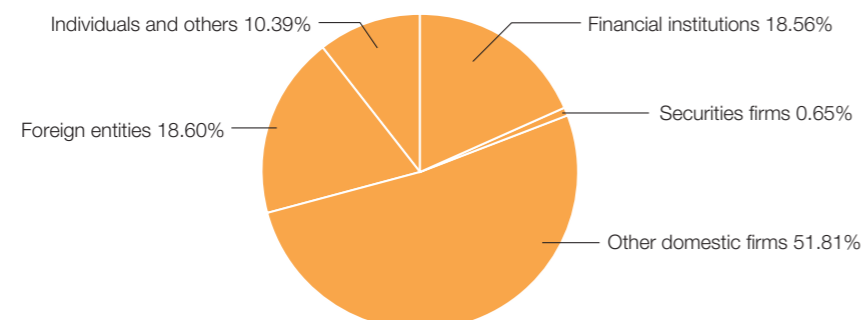
As of March 31, 2019

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
Common Stock Issued	263,822,080 shares
Number of Shareholders	26,727
Stock Exchange Listing	First Section of Tokyo Stock Exchange (Code 9404)
Fiscal Year-End	March 31, annually
Number of Employees	208
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 (Thousands)	Percentage of Total Shares (%)
Major Shareholders	The Yomiuri Shimbun Holdings	37,649	14.4
	YOMIURI TELECASTING CORPORATION	17,133	6.5
	The Yomiuri Shimbun	15,939	6.1
	Japan Trustee Services Bank, Ltd. (Trust account)	11,105	4.2
	The Master Trust Bank of Japan Ltd. (Trust account)	10,384	3.9
	Teikyo University	9,553	3.6
	NTT DoCoMo, Inc.	7,779	2.9
	Recruit Holdings Co., Ltd.	6,454	2.4
	Yomiuri Land Co., Ltd.	5,236	2.0
	CHUKYO TV. BROADCASTING CO., LTD.	5,229	2.0

Notes: 1. The number of shares acquired by foreign nationals, adjusted common stock held by foreign investors, for which requests to list name, address or other information in the shareholder registry was refused in accordance with provisions in Article 161 of the Japanese Broadcast Act is 8,512,800 shares.
2. The "Percentage of Total Shares" above is calculated deducting the Company's treasury stock and truncated to one decimal place.

Distribution of Shares



Network

As of March 31, 2019

Network	<ul style="list-style-type: none"> ● 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)* 	<ul style="list-style-type: none"> ● 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)* ● Kagoshima Yomiuri Television Corporation (KYT) ● Television Oita System Co., Ltd. (TOS) ● Miyazaki Telecasting Co., Ltd. (UMK)
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*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

Group Companies

As of March 31, 2019

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. ● Nippon Television Art Inc. ● Nippon Television Music Corporation ● VAP Inc. ● TIPNESS Limited ● NTV Service Inc. 	<ul style="list-style-type: none"> ● Nippon Television Work 24 Corporation ● Forecast Communications Inc. ● Eiho Produce Corporation ● NTV IT Produce Corporation ● NitteSeven Co., Ltd. ● TATSUNOKO PRODUCTION Co., Ltd. ● HJ Holdings, Inc. ● ACM CO., Ltd. ● SkillUp Video Technologies Corporation ● NTV America Company ● NTV International Corporation
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30 Non-Consolidated Subsidiaries

30 Affiliated Companies

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.

NIPPON TV HOLDINGS