

# **Financial Results**

## **FY 2015 1<sup>st</sup> Quarter**

**July 30, 2015**

**Nippon Television Holdings, Inc.**

**This presentation may include forward-looking statements. Actual results, however, could differ significantly as a result of various factors and circumstances. Forward-looking statements contained herein are not guarantees or commitments. Reproduction of this presentation is prohibited.**

# Summary of Consolidated Financial Results

(Unit: Millions of yen)

	FY2014 1Q	FY2015 1Q	% change
Net sales	85,096	100,283	17.8
Operating profit	8,561	12,411	45.0
Recurring profit	10,703	14,347	34.0
Net income attributable to owners of the parent	6,492	8,144	25.4

# Nippon TV Non-Consolidated Results

(Unit: Millions of yen)

	FY2014 1Q	FY2015 1Q	% change
Net sales	70,741	<b>73,377</b>	<b>3.7</b>
Operating profit	7,826	<b>10,656</b>	<b>36.2</b>
Recurring profit	9,030	<b>17,709</b>	<b>96.1</b>
Net income	5,680	<b>12,609</b>	<b>122.0</b>

# TV Advertising Revenue - Terrestrial Broadcasting (Nippon TV)

(Unit: Millions of yen)

	FY2014 1Q	FY2015 1Q	Increase / (Decrease)	% change
TV advertising revenue	58,840	59,210	370	0.6
Time	28,023	27,436	(586)	(2.1)
Spot	30,816	31,773	957	3.1

(YOY %)

Time	FY2014 1Q	FY2015 1Q
April	2.4	0.7
May	0.3	6.7
June	10.0	(12.9)

Spot	FY2014 1Q	FY2015 1Q
April	(1.0)	7.3
May	15.1	1.9
June	5.0	0.2

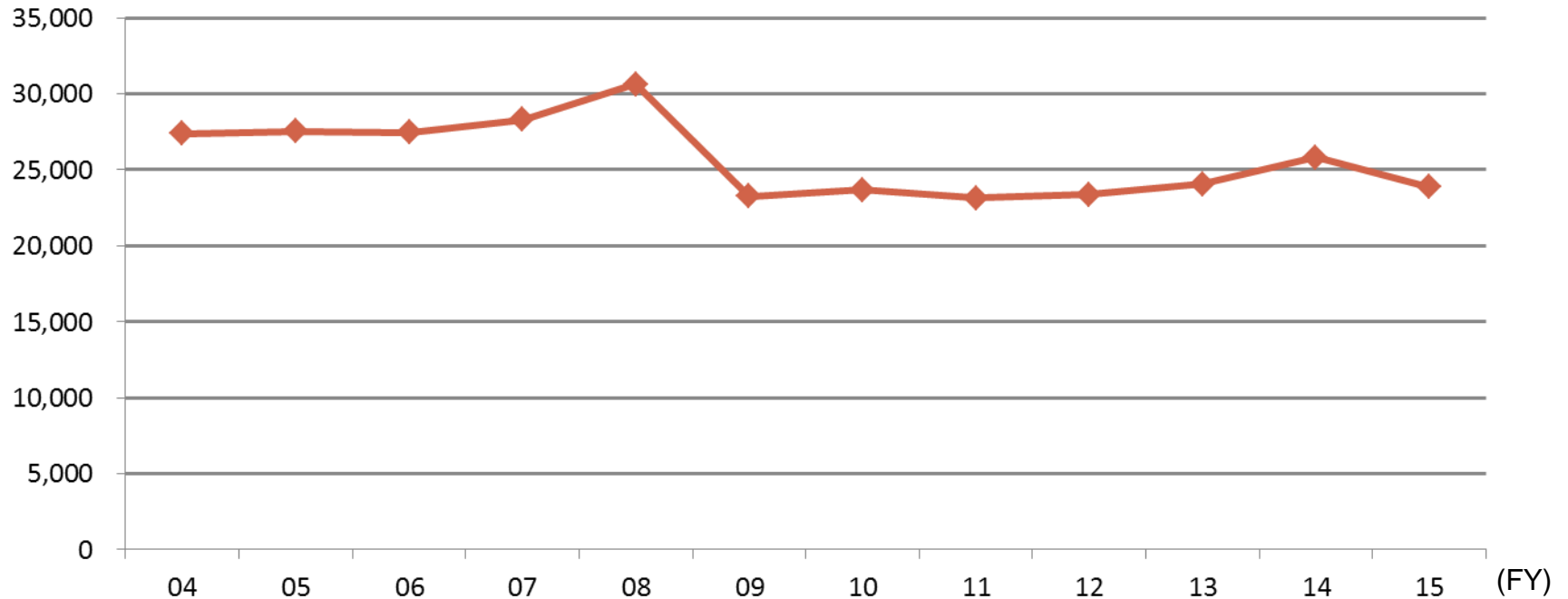
# Production Costs - Terrestrial Broadcasting (Nippon TV)

(Unit: Millions of yen)

FY2014 1Q	FY2015 1Q	Increase / (Decrease)	% change
25,825	23,865	(1,959)	(7.6)

## 1Q Program Production Cost Trend

(Unit: Millions of yen)



# Main Events/Content Business

(Unit: Millions of yen)

1Q		Sales	Costs	Balance
Movies	FY2014 1Q	1,591	1,575	16
	<b>FY2015 1Q</b>	<b>2,539</b>	<b>2,581</b>	<b>(43)</b>
Media Commerce (TV-Shopping)	FY2014 1Q	2,090	1,975	115
	<b>FY2015 1Q</b>	<b>2,213</b>	<b>2,047</b>	<b>166</b>
Events	FY2014 1Q	998	1,003	(5)
	<b>FY2015 1Q</b>	<b>1,460</b>	<b>1,249</b>	<b>211</b>

# Financial Highlights of Group Companies

FY2015 1Q In millions of yen, rounded down	Net sales		Operating profit		Recurring profit		Net income	
	Amount	%chg	Amount	%chg	Amount	%chg	Amount	%chg
BS Nippon Corp.	3,695	1.8	260	(49.2)	276	(48.0)	178	(44.5)
CS Nippon Corp.	1,217	(10.8)	184	72.1	189	66.9	136	220.1
NTV Technical Resources Inc.	2,718	10.3	17	(48.4)	25	(42.3)	15	(42.9)
NTV AX-ON	4,592	(10.6)	189	(44.9)	195	(44.3)	126	(42.7)
NTV EVENTS Inc.	502	(4.4)	0	(89.9)	2	(72.8)	1	(75.0)
Nippon Television Art Inc.	1,934	(0.8)	7	(92.3)	13	(87.4)	8	(87.5)
Nippon Television Music Corp.	2,926	11.2	429	20.1	621	55.8	474	78.6
VAP Inc.	6,646	90.8	(2)	-	40	-	(224)	-
NTV Service Inc.	922	(8.1)	15	(73.8)	26	(62.6)	17	(60.9)
Nippon Television Work 24 Corp.	912	(5.7)	23	4.5	24	5.5	15	22.9
Forecast Communications Inc.	697	(9.1)	31	130.0	62	230.4	37	413.9
NitteleSeven	1,653	18.9	132	29.4	134	26.9	64	(4.3)
TATSUNOKO PRODUCTION Co., Ltd.	350	1.4	15	3.6	17	10.8	1	(80.9)
HJ Holdings LLC	2,788	61.5	(808)	-	(841)	-	(842)	-
TIPNESS Limited	8,932	-	849	-	767	-	509	-

※ % chg will not be provided if prior or current year is a loss. YoY comparison not available for TIPNESS (acquired 4Q FY2014)



# FY2015 Forecast and Assumptions

## FY2015 Forecast

(Unit: Millions of yen)

		Net sales	Operating profit	Recurring profit	Net income
2Q	As of May 8	199,000	17,000	21,000	12,600
	Revised Forecast	200,000	19,000	22,000	13,500
FY	As of May 8	400,000	44,000	50,000	31,600
	Revised Forecast	401,000	45,000	50,000	31,600

## Growth assumptions used for non-consolidated TV advertising revenue.

	1H		2H		FY	
	As of May 8	Revised Forecast	As of May 8	Revised Forecast	As of May 8	Revised Forecast
TV advertising revenue	0.1%	1.6%	0.6%	1.2%	0.4%	1.4%
Time	(1.8%)	(0.1)	(0.4%)	0.7%	(1.1%)	0.3%
Spot	1.9%	3.2%	1.6%	1.6%	1.7%	2.3%

# Annual Viewer Ratings

29/12/2014～26/07/2015

\*In order of digital channel, from left

	Nippon TV	EX (TV Asahi)	TBS	TX (TV Tokyo)	CX (Fuji TV)	Difference between EX (YoY)
All day	① 8.8	6.9	5.9	3.0	6.5	+1.9
	(+0.5)	(-0.4)	(±0.0)	(-0.2)	(-0.4)	(+0.9)
Prime time	① 12.8	11.2	9.6	6.4	9.5	+1.6
	(+0.5)	(-0.2)	(+0.1)	(-0.6)	(-0.7)	(+0.7)
Golden time	① 13.0	11.0	9.6	6.7	9.3	+2.0
	(+0.6)	(+0.2)	(±0.0)	(-0.8)	(-0.7)	(+0.4)

\* Source: Video Research

# Viewer Ratings (Fiscal Year)

30/03/2015～26/07/2015/

\*In order of digital channel, from left

	Nippon TV	EX (TV Asahi)	TBS	TX (TV Tokyo)	CX (Fuji TV)	Difference between EX (YoY)
All day	① 8.4	6.7	5.7	2.9	6.2	+1.7
	(+0.2)	(-0.3)	(±0.0)	(-0.2)	(-0.4)	(+0.5)
Prime time	① 12.3	10.6	9.6	6.3	9.0	+1.7
	(+0.2)	(-0.1)	(+0.2)	(-0.5)	(-0.8)	(+0.3)
Golden time	① 12.3	10.4	9.6	6.5	8.9	+1.9
	(+0.2)	(-0.3)	(+0.1)	(-0.7)	(-0.8)	(-0.1)

\* Source: Video Research

# 2015 Annual Viewer Ratings Increase

29/12/2014～26/07/2015

	All day	Prime time	Golden time	Non-prime time	Platinum time
	6:00-24:00	19:00-23:00	19:00-22:00	6:00-19:00 23:00-24:00	23:00-25:00
<b>Nippon TV</b>	①8.8%	①12.8%	①13.0%	①7.7%	①7.4%
YoY	+0.5%	+0.5%	+0.6%	+0.5%	+0.6%

\* Source: Video Research

# FY 2015 October Programming Improvements

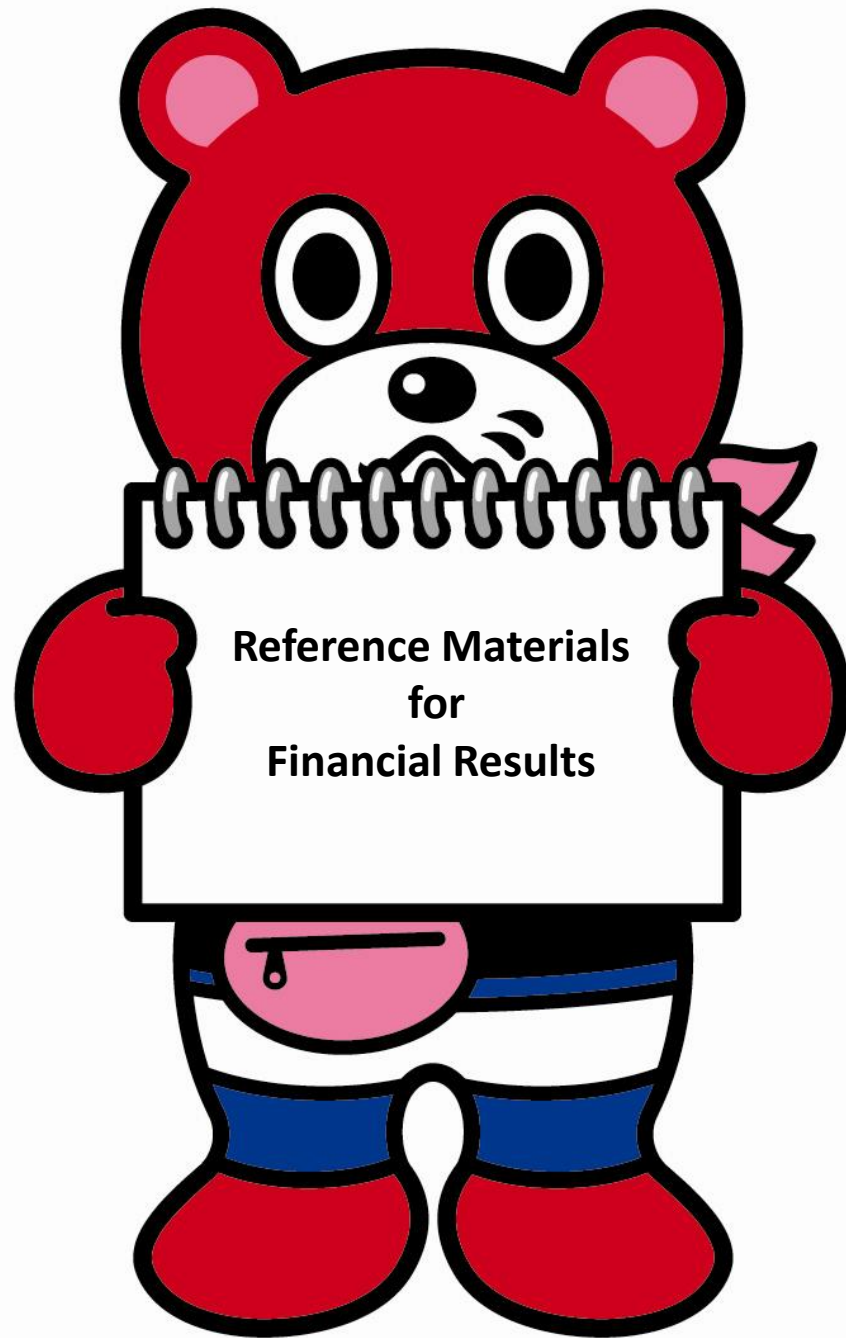
## ★ October Programming Philosophy

- Maintain top position in all time zones by strengthening fundamentals
- Implementation of “Comprehensive Content Strategy”

◎ Continue to prioritize regular programs

◎ Proactive development of “next killer content” and “next ace creators”

◎ Develop comprehensive content, primarily dramas, that are appropriate for terrestrial, BS, and CS broadcasting, internet distribution, and overseas rollout



**Reference Materials  
for  
Financial Results**

# Net Sales - Nippon TV -

(Unit: Millions of yen)

	FY2014 1Q	FY2015 1Q
TV advertising revenue	58,840	<b>59,210</b>
Time	28,023	<b>27,436</b>
Spot	30,816	<b>31,773</b>
Program sales	2,666	<b>2,841</b>
Events/Content business sales	8,560	<b>10,752</b>
Real estate business	674	<b>574</b>
Total	70,741	<b>73,377</b>

# Operating Expenses - Nippon TV -

(Unit: Millions of yen)

	FY2014 1Q	FY2015 1Q
Production costs	25,825	<b>23,865</b>
Program distribution costs to network affiliates	7,248	<b>7,278</b>
Agency commission	9,976	<b>10,067</b>
Personnel	5,364	<b>5,446</b>
Depreciation and amortization	1,602	<b>1,735</b>
Events/Content business costs	6,871	<b>8,596</b>
Other	6,026	<b>5,731</b>
<b>Total</b>	<b>62,915</b>	<b>62,721</b>



# Spot Sales - Terrestrial Broadcasting (Nippon TV)

FY2014 1Q		Share	% chg	FY2015 1Q		Share	% chg
<b>1</b>	Cosmetics/Toiletries	15.3	17.4	<b>Cosmetics/Toiletries</b>	18.2	23.4	
<b>2</b>	Transportation/ Telecommunications	10.9	48.8	<b>Transportation/ Telecommunications</b>	10.6	(0.2)	
<b>3</b>	Non-alcohol	7.7	(13.5)	<b>Non-alcohol</b>	6.8	(8.1)	
<b>4</b>	Service	7.4	70.0	<b>Service</b>	6.1	(15.7)	
<b>5</b>	Pharmaceutical	6.7	24.8	<b>Pharmaceutical</b>	5.7	(11.6)	
<b>6</b>	Automobile	5.7	(13.6)	<b>Automobile</b>	5.3	(3.5)	
<b>7</b>	Finance	5.6	1.9	<b>Finance</b>	4.9	(10.5)	
<b>8</b>	Electronic equipment	4.8	(29.3)	<b>Box-office/ Entertainment</b>	4.6	3.1	
<b>9</b>	Alcohol	4.8	5.3	<b>Wholesale/Department store</b>	4.1	26.6	
<b>10</b>	Box-office/ Entertainment	4.6	34.2	<b>Electronic equipment</b>	4.1	(13.0)	

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

# Events/Content Business Sales and Costs

FY2015 1Q

(Unit: Millions of yen)

	Sales	Costs
BS, CS, CATV, Other	2,339	969
Rights	468	263
Media Commerce	2,213	2,047
Movies	2,539	2,581
Events	1,460	1,249
Overseas Business	320	144
Other	1,413	1,343
<b>Total</b>	<b>10,752</b>	<b>8,596</b>

# CAPEX and Depreciation (Consolidated)

(Unit: Billions of yen)

<b>FY2015 1Q</b>	<b>CAPEX</b>	<b>Depreciation</b>
<b>Consolidated</b>	<b>2.5</b>	<b>2.8</b>

<b>Consolidated forecast</b>	<b>CAPEX</b>	<b>Depreciation</b>
<b>FY2015</b>	<b>31.9</b>	<b>11.1</b>
<b>FY2016</b>	<b>16.6</b>	<b>12.5</b>
<b>FY2017</b>	<b>30.4</b>	<b>14.9</b>

\* Forecast numbers are based on internal estimates.

# Nippon TV Holdings Consolidated Results – Segment Information

(Unit: Millions of yen)

FY 2015 1Q	Segmentation				Other	Total	Adjustment	Consolidated year to date total
	Content business	Lifestyle and health business	Real estate business	Total				
Net sales	90,261	8,932	2,383	101,577	936	102,514	(2,230)	100,283
Segment profit	11,120	472	925	12,519	29	12,548	(137)	12,411

Segmentation	Main businesses
Content business	Sales of TV advertising, pay TV business, Video On Demand, video and music royalty revenue, sales of package media, TV-shopping, movie business, events and art exhibitions, and content production business
Lifestyle and health business	Operation of fitness clubs
Real estate business	Rental offices, building management

# Movie Lineup for FY2015

Date	Title	Distributor
Jul 11 <sup>th</sup>	☆The Boy and The Beast	TOHO
Sep 19 <sup>th</sup>	☆Heroine Shikkaku	Warner
Oct 31 <sup>st</sup>	☆MY love STORY!!	TOHO
Dec 5 <sup>th</sup>	☆Chiune Sugihara	TOHO
Jan 9, 2016	☆Jinsei No Yakusoku	TOHO
Jan 2016 (TBD)	☆Saraba Abunai Deka	TOEI
Mar 2016 (TBD)	☆Chihayafuru Kami No Ku	TOHO

☆ Nippon TV is lead organizer

# Event Lineup for FY2015

Date	Event
Sep 19 <sup>th</sup> to Dec 13 <sup>th</sup>	<b>Monet Exhibition</b> Works from the Musée Marmottan Monet such as “Impression, Sunrise” and “Water Lilies”.
Jul 15 <sup>th</sup> to Aug 2 <sup>nd</sup>	<b>Sister Act –Love Song for an Angel–</b> Broadway musical of the hit movie that featured Whoopi Goldberg
Jul 18 <sup>th</sup> to 22 <sup>nd</sup> Aug 20 <sup>th</sup> to 24 <sup>th</sup>	<b>Amazing Anniversary</b> Disney on Ice 2015, 30 <sup>th</sup> Anniversary of Shows in Japan
Jul 24 <sup>th</sup> to Aug 30 <sup>th</sup>	<b>The Boy and The Beast Exhibit</b> Exhibit of Director Mamoru Hosoda’s works
Aug 19 <sup>th</sup> to 25 <sup>th</sup>	<b>Shichinin Gurai No Heishi</b> Theater play