

Nippon Television Holdings, Inc.  
(Ticker: 9404, First Section, Tokyo Stock Exchange)

## **Overview of the Nippon TV Group's Medium-Term Management Plan for 2019–2021, “Nippon TV eVOLUTION,”**

Nippon Television Holdings, Inc. (the “Nippon TV Group” is please to announce its medium-term management plan covering fiscal years 2019 to 2021.

### **1. Medium-term management goals for 2019–2021**

Our goals for FY2021 are as follows.

- (1) Fulfill the Nippon TV Group's social responsibility and further enhance trust in the Group
  - 1) Provide content and services that are trusted by all stakeholders
  - 2) Be fair and equitable, disseminate information swiftly and accurately
  - 3) Use the Company's business activities and resources to provide enriching experiences that contribute to society and culture
- (2) As an integrated content company, substantially enhance profitability and productivity through progress on broadcasting and related services
  - 1) Remain the strongest content production group
  - 2) Make progress in the broadcasting business and formulate new strategy  
Set new indices, transform sales, develop low-cost content
  - 3) Boost profitability and productivity by leveraging new technologies [artificial intelligence (AI) and fifth-generation mobile communications system (5G)] and conducting data-based marketing
  - 4) Dramatically overhaul existing business schemes, such as the anime and movie businesses, and proactively promote the intellectual property business
  - 5) Strengthen companywide initiatives aimed at boosting sales in overseas markets
- (3) Grow a business pillar in the internet field
  - 1) Enable distribution of all broadcast programs and create a content production system for the internet
  - 2) Complete the groupwide DMP (customer information system), and create a service and business foundation that provides direct links to consumers
  - 3) Substantially increase sales from Hulu and the free ad-linked distribution business
  - 4) Develop and commercialize new services and content for the fifth-generation mobile communications system (5G)
  - 5) Develop new internet services for young people
  - 6) Expand internet compatibility of content and services in preparation for an IoT society, when everything will be connected over the internet
- (4) Promote startups, M&A and alliances in the aim of boosting non-terrestrial-broadcasting revenue

above 50% of net sales

- 1) Aggressively promote startups by soliciting new business plans from across the Group and establish a companywide support structure
  - 2) Double the investment budget to ¥100.0 billion, and work to expand business segments throughout the Group through M&A and other measures
  - 3) Promote far-reaching worldwide alliances that cross lines of business
  - 4) Expand business in the Life and Health-Related business, and augment the real estate and education businesses
  - 5) Bolster the percentage of revenue from outside the Group
- (5) Transform our awareness, the organization, and the status quo
- 1) Nurture and acquire human resources, our engine of growth
  - 2) Expand beyond broadcasting, establishing structures and rules to facilitate the production of content for a host of media services
  - 3) Review all business processes across the Company in the aim of reducing human and physical resource requirements by around 20%, and reallocate these resources toward growth
  - 4) Review existing organizations and systems from the ground up, and transform them into future-oriented organizations and systems in anticipation of changes in the operating environment
  - 5) By breaking away from precedent and introducing artificial intelligence (AI) and other new technologies, make operations more nimble and swifter, and promote work-style reforms

## 2. Medium-term numerical targets for 2019–2021

Our consolidated targets for the final year of the plan (FY2021) are net sales of ¥450.0 billion, operating profit of ¥52.0 billion (operating profit margin of 11.6%) and ordinary profit of ¥59.0 billion (an ordinary profit margin of 13.1%).

Furthermore, we have set aside an investment budget of ¥100.0 billion to promote new businesses and M&A. Adding in the expected results of these activities, we target consolidated net sales of ¥500.0 billion, operating profit of ¥54.0 billion (an operating profit margin of 10.8%) and ordinary profit of ¥62.0 billion (an ordinary profit margin of 12.4%).

(Billions of yen)			
	FY2018 results	FY2021 targets	FY2021 targets (including M&A)
<b>Consolidated net sales</b>	<b>424.9</b>	<b>450.0</b>	<b>500.0</b>
TV advertising revenue	255.9	264.0	264.0
Content Business sales, other	164.2	186.0	186.0
New M&A	4.8	—	50.0
<b>Consolidated operating profit</b>	<b>49.7</b>	<b>52.0</b>	<b>54.0</b>
Consolidated operating profit margin	11.7%	11.6%	10.8%
<b>Consolidated ordinary profit</b>	<b>57.3</b>	<b>59.0</b>	<b>62.0</b>
Consolidated ordinary profit margin	13.5%	13.1%	12.4%

### **3. Financial and dividend policies**

(1) Key management indicators

Operating profit margin and ordinary profit margin

(2) Dividends

The Nippon TV Group recognizes returning profits to shareholders as an important management priority. Our fundamental policy is to provide stable, ongoing returns to investors, balanced with the need to maintain internal reserves sufficient to respond flexibly to changes in the business environment, strengthen our earnings base and engage in proactive business development.