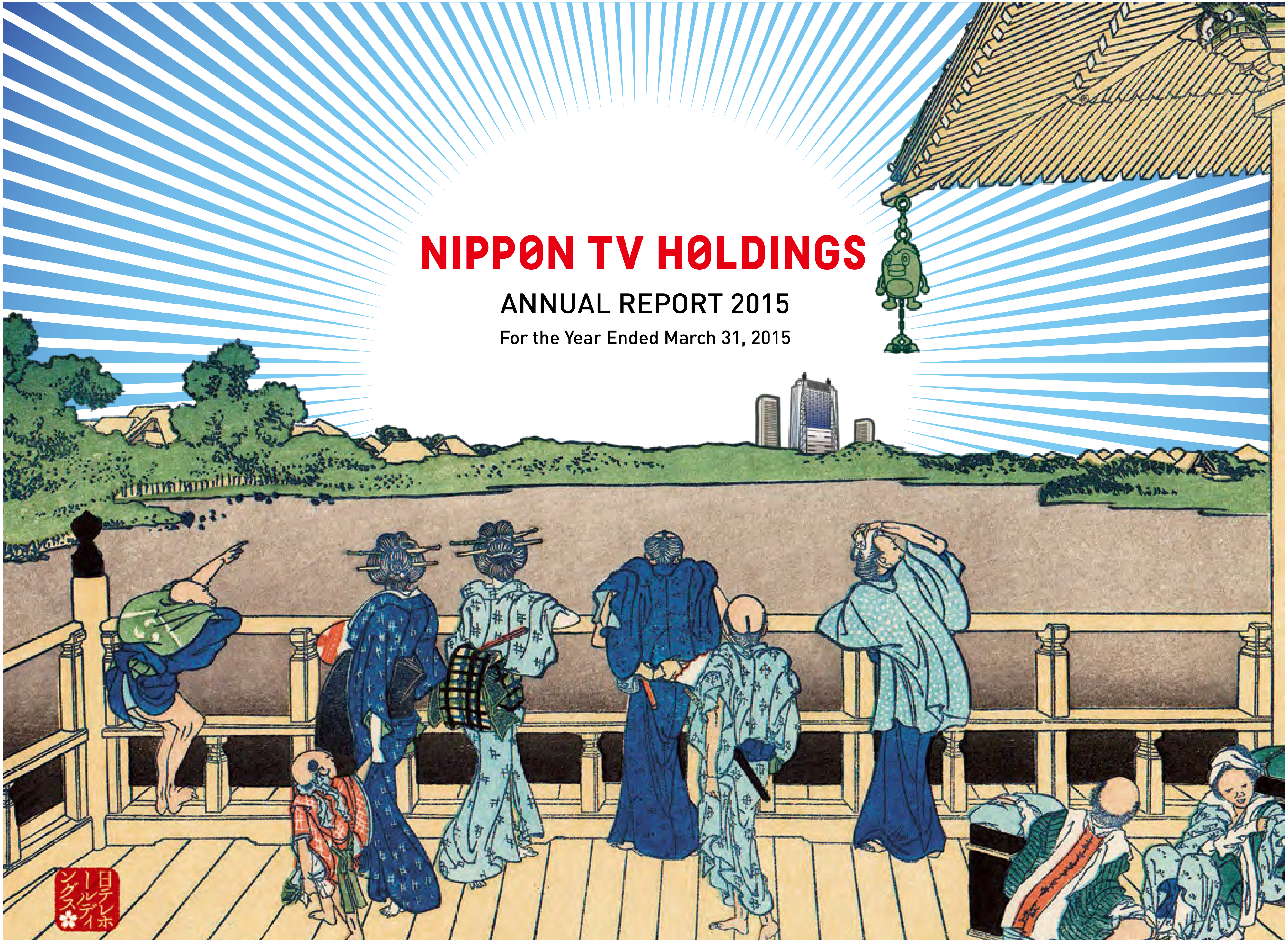
NIPPON TV HOLDINGS

ANNUAL REPORT 2015

For the Year Ended March 31, 2015



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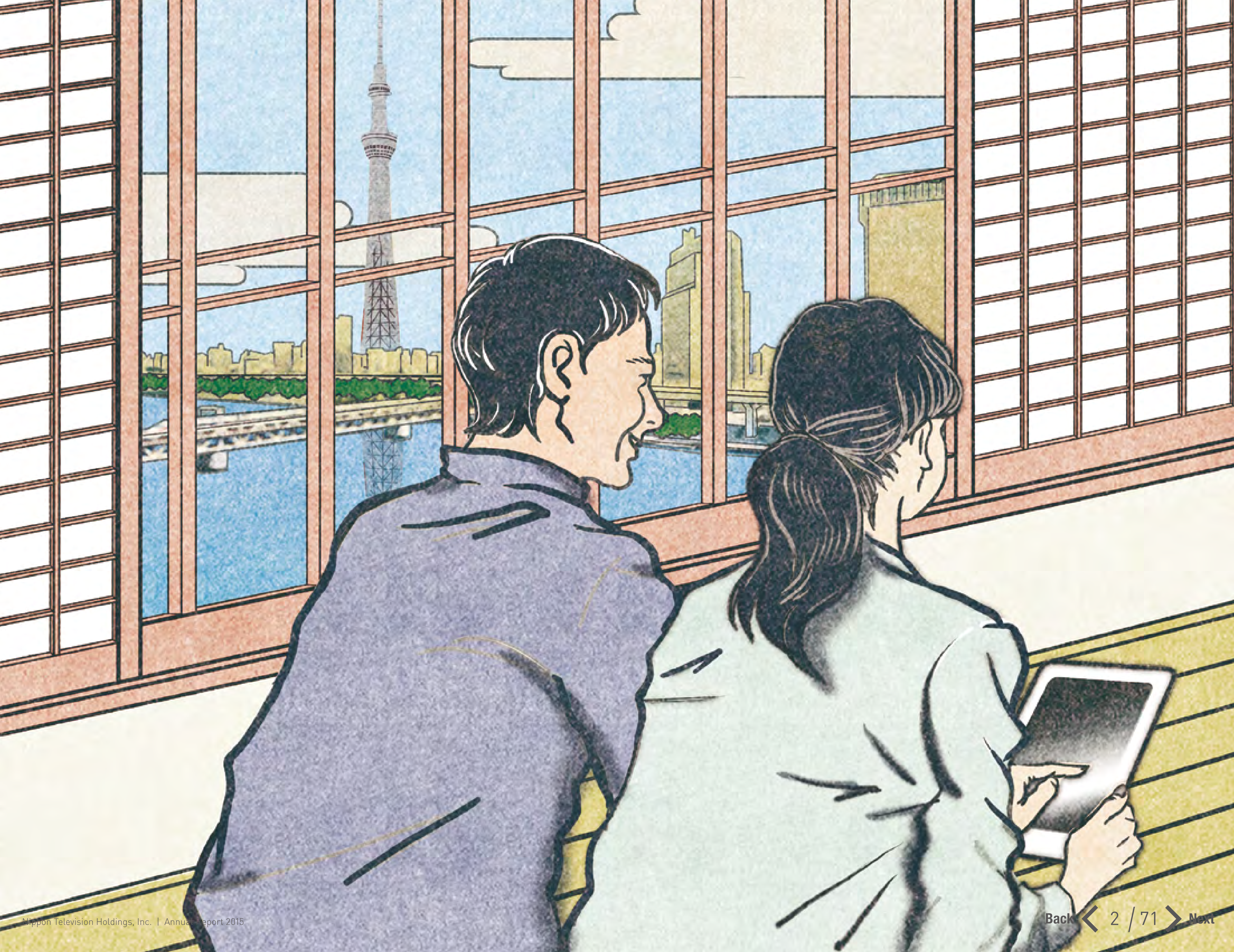
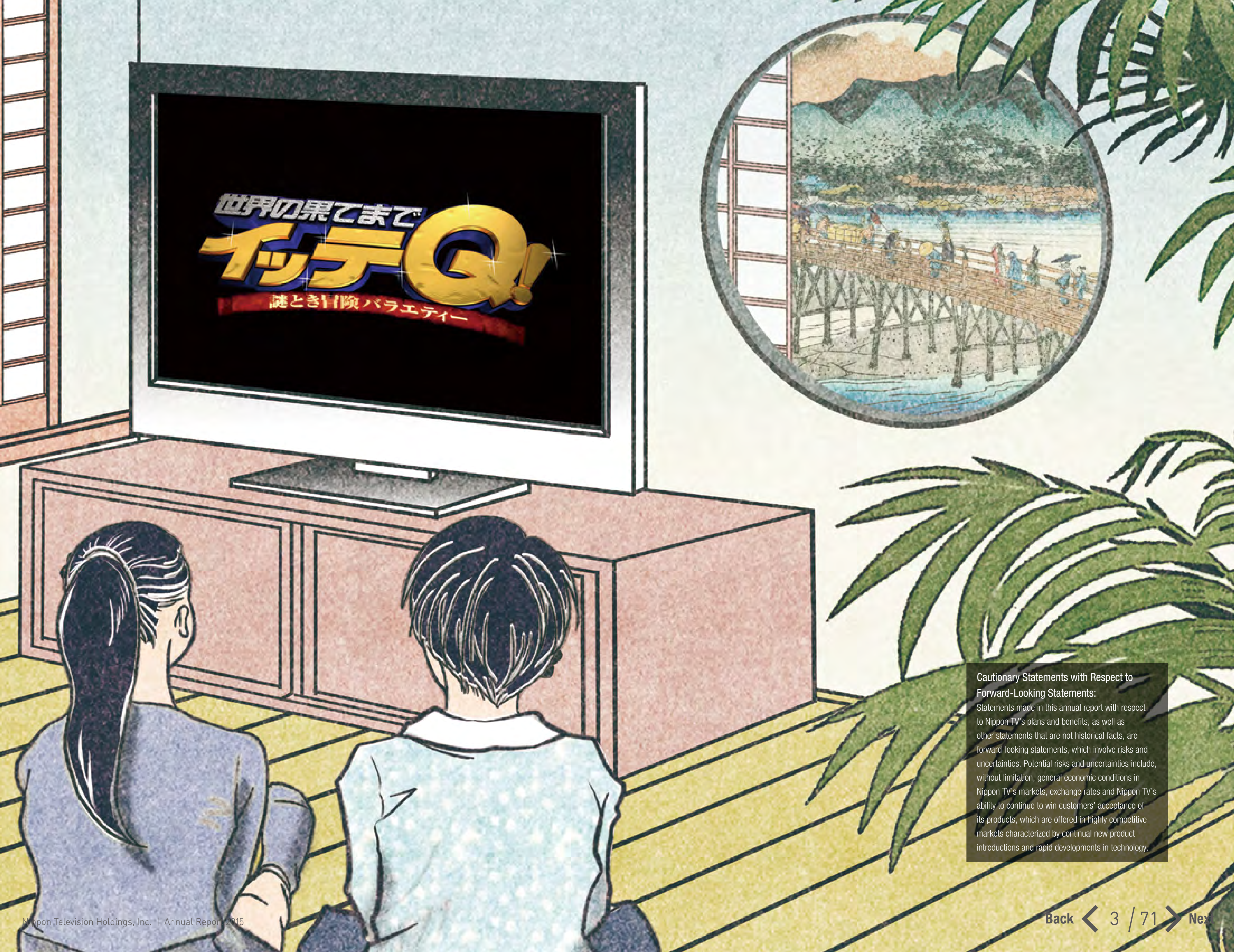




Cautionary Statements with Respect to Forward-Looking Statements:

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

CONTENTS

Eleven-Year Summary

Nippon Television Holdings, Inc. and Consolidated Subsidiaries*1

	2005	2006	2007	2008	2009	2010	2011	2012	2013*3	2014	2015 (Millions of yen)	2015 (Thousands of U.S. dollars*2)
Years ended March 31:												
Net sales	¥ 357,614	¥ 346,642	¥ 343,652	¥ 342,188	¥ 324,563	¥ 296,934	¥ 297,895	¥ 305,460	¥ 326,423	¥ 341,720	¥ 362,497	$ 3,016,535
Operating income	34,325	28,551	30,344	23,077	12,215	23,563	31,670	32,249	35,429	40,089	42,383	352,692
Net income	16,846	13,701	18,332	10,625	5,622	16,595	21,049	22,729	25,284	27,828	30,468	253,540
Comprehensive income*4	—	—	—	—	—	—	18,352	25,597	37,701	35,145	64,255	534,700
Depreciation	21,060	17,561	14,361	12,939	11,528	9,622	8,456	7,071	6,573	7,149	8,481	70,575
Capital expenditures	9,214	6,266	6,043	5,200	5,491	26,809	4,614	3,802	5,596	9,236	20,370	169,510
At March 31:												
Total assets	¥ 493,558	¥ 519,952	¥ 529,265	¥ 512,507	¥ 498,457	¥ 513,788	¥ 528,398	¥ 543,228	¥ 598,075	¥ 645,363	¥ 755,127	$ 6,283,823
Total equity*5	366,646	398,018	411,995	407,668	400,417	416,367	427,496	446,038	488,120	523,904	578,479	4,813,838
Cash flows:												
Cash flow from operating activities	¥ 49,286	¥ 32,683	¥ 31,458	¥ 26,791	¥ 23,948	¥ 40,131	¥ 23,433	¥ 25,274	¥ 29,099	¥ 35,157	¥ 33,237	$ 276,583
Cash flow from investing activities	(23,046)	(24,358)	(24,596)	(17,301)	(28,331)	(46,847)	(28,181)	(8,968)	(7,369)	(4,367)	(17,942)	(149,305)
Cash flow from financing activities	(37,275)	(15,921)	(4,714)	(4,124)	(4,803)	(5,697)	(7,132)	(6,420)	(7,073)	(7,175)	(6,243)	(51,952)
Cash and cash equivalents, end of year	66,878	59,369	61,524	66,863	57,630	45,219	33,312	43,190	63,806	87,453	96,539	803,354
Per share data (Yen, U.S. dollars):												
Net income*6	¥ 671.08	¥ 545.40	¥ 741.60	¥ 430.27	¥ 22.77	¥ 67.64	¥ 85.97	¥ 92.85	¥ 101.39	¥ 109.58	¥ 120.08	$ 1.00
Equity*6	14,688.07	15,945.74	16,363.52	16,153.34	1,585.36	1,666.10	1,711.39	1,785.58	1,879.89	2,023.59	2,240.64	18.65
Cash dividends*7*8	165.00	165.00	170.00	180.00	180.00	290.00	290.00	290.00	110.00	34.00	30.00	0.25
Ratios (%):												
Return on assets (ROA)	3.3	2.7	3.5	2.0	1.1	3.2	3.9	4.2	4.2	4.5	4.0	
Return on equity (ROE)	4.7	3.6	4.6	2.6	1.4	4.2	5.1	5.3	5.5	5.6	5.6	
Operating margin	9.6	8.2	8.8	6.7	3.8	7.9	10.6	10.6	10.9	11.7	11.7	
Equity ratio	74.3	76.6	76.3	77.8	78.5	79.4	79.3	80.5	80.0	79.6	75.3	
Others												
Total shares issued*9	25,364,548	25,364,548	25,364,548	25,364,548	25,364,548	25,364,548	25,364,548	25,364,548	263,822,080	263,822,080	263,822,080	
Employees	2,797	2,869	2,886	3,126	3,291	3,339	3,262	3,218	3,259	3,471	4,115	

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, 2005 through 2012.

*2. The translations of Japanese yen amounts into U.S. dollar amounts are included solely for the convenience of readers outside Japan and have been made at the rate of ¥120.17 to $1, the approximate rate of exchange at March 31, 2015. Such translations should not be construed as representations that the Japanese yen amounts could be converted into U.S. dollars at that or any other rate.

*3. Owing to the Company's transition to a certified broadcasting holding company system, effective October 1, 2012, BS Nippon Corporation and CS Nippon Corporation were converted to consolidated subsidiaries in the second half of the fiscal year ended March 31, 2013.

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

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

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

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

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

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

Message from Management

In 1953, Nippon Television Network Corporation, the core company of the Nippon TV Holdings Group, commenced Japan's first commercial television broadcasts. Its business model of generating revenues though corporate advertisements and providing high-quality television programs free of charge to viewers was extremely well suited to the growing Japanese economy. As a result, television became central to the media industry, with television advertising in Japan generating revenues of approximately ¥1,830 billion in 2014 (according to a survey by Dentsu Inc.). But now Japan's television advertising market is maturing as falling birth rates cause the population to decrease, people use their leisure time in more diverse ways and growth in the domestic economy levels off. Recognizing these environmental factors, in November 2012 the Nippon TV Holdings Group formulated 2012–2015 Next60 as its medium-term management plan and has since worked steadily on measures to achieve medium- to long-term growth under this plan. Going forward, we will continue to leverage our content creation capabilities—a Nippon TV strength—as we relentlessly pursue innovation and take on new challenges rather than merely satisfying ourselves with present circumstances. I ask for your ongoing support of our endeavors.

Yoshio Okubo

Yoshio Okubo

Representative Director, President

We aim to maximize our content creation capabilities and expand our business portfolio.

Overview of Performance in the Fiscal Year Ended March 31, 2015

During the fiscal year ended March 31, 2015, in terrestrial broadcasting we achieved the top level for both the calendar year (December 30, 2013, to December 28, 2014) and the fiscal year (March 31, 2014, to March 29, 2015) in household viewer ratings in the All Day (6:00–24:00), Golden Time (19:00–22:00) and Prime Time (19:00–23:00) slots, earning us the "Triple Crown" title. We also led in all individual viewer rating categories with the exception of the F3 and M3 categories (viewers aged 50 and older).

Bolstered by our positive viewer ratings, time advertising revenues and spot advertising revenues both grew favorably, and sales benefited from the inclusion in the scope of consolidation of HJ Holdings LLC (Internet distribution business), TIPNESS Limited (fitness club operations) and TATSUNOKO PRODUCTION Co., Ltd. (animation production business). As a result, consolidated net sales increased ¥20,776 million year on year, or 6.1%, to ¥362,497 million, growing for the fifth consecutive fiscal year. Operating income expanded ¥2,293 million, or 5.7%, to ¥42,383 million; recurring profit rose ¥851 million, or 1.8%, to ¥48,696 million; and net income increased ¥2,640 million, or 9.5%, to ¥30,468 million.

ZIP!

Hirunandesu!

Medium-Term Management Plan

The fiscal year ending March 31, 2016, marks the final year of 2012–2015 Next60, the medium-term management plan we announced in November 2012. This plan calls for us to enhance and expand our offerings as a media and content company, pursue overseas development and diversify our business portfolio. As management indicators, the plan targets consolidated net sales of ¥400 billion and consolidated recurring profit of ¥50 billion.

Driven by favorable viewer ratings, in the fiscal year ended March 31, 2015, we were the top key station in terms of broadcasting revenue. Furthermore, in April 2014 we entered the subscription online video service business by taking over Hulu's operations and targeting the Japanese market, making a full-fledged start into content distribution via the Internet transmission channel. The number of paid members rose steadily. In December 2014, we acquired TIPNESS, a fitness club operator, thereby entering the Life and Health-Related Business. We also made steady strides in overseas development. In May 2015, we established a joint venture in Singapore with a Sony Group company and began a fee-based broadcasting business in Asia in October 2015.

Shareholder Returns

The Group recognizes the return of profits to shareholders as an important management priority. At the same time, in an operating environment undergoing rapid change we need to maintain the cash on hand to act quickly and invest expeditiously as business opportunities arise. We believe this freedom is important.

Our basic policy is to maintain a balance between internal reserves and ensuring the consistent and stable return of profits to shareholders. In line with this approach, for the fiscal year ended March 31, 2015, we awarded dividends totaling ¥30 per share.

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

Feature 1
Developing the TIPNESS Business

By leveraging Nippon TV's production capabilities and ability to transmit information, we will harness TIPNESS's leading-edge fitness expertise to expand Group revenues.

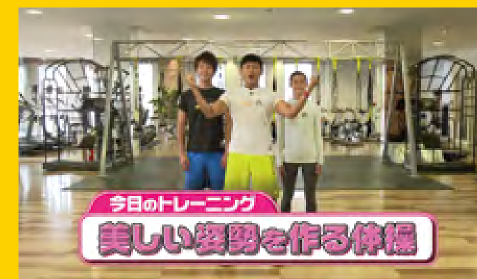
TIPNESS Limited

Headquarters	4-10, Mita 3-chome, Minato-ku, Tokyo 108-0073, Japan
Established	October 1986
Capital	¥140 million
Representative	Koji Takenobu, Representative Director and President
Employees	3,308 (As of July 1, 2015)
Centers	87 (61 integrated sports clubs, 26 24-hour gyms) Outsourced operation of 12 facilities (including as designated manager)

The Japanese fitness club market grew ¥7.6 billion, or 1.8%, in 2014, to a value of ¥431.6 billion, with the number of centers up by 212, or 5.1%, to 4,375 (source: *Japanese Fitness Club Industry Trends*, 2014 edition, published by Club Business Japan Inc.). The market is also highly oligopolistic, with the top four fitness clubs accounting for around 50% of the industry's revenues.

In this market, TIPNESS uses "functional" as a keyword to provide programs that quickly incorporate state-of-the-art training theories and methods. The company also employs fitness and exercise partners to provide hospitality as it works to boost satisfaction among its members. The company is constantly striving to enhance its business by employing cutting-edge training methodologies and theories from leading countries in the fitness sector, notably the United States and Germany. Thanks to these initiatives, TIPNESS is popular with younger people, and the average age of its members is lower than at its competitors.

TIPNESS became a Nippon TV Holdings Group company in December 2014. TIPNESS, which has developed its operations primarily by launching clubs in the Tokyo metropolitan area, and Nippon TV, whose broadcast area is in the Kanto region, share a common market. Accordingly, we believe we can effectively generate synergies through the content our two companies offer. Making use of terrestrial broadcasting as one of the most robust media for transmitting information, simply showing the club's advanced programs, facility atmosphere and trainers as they offer instruction as TIPNESS content within Nippon TV's programming has proven extremely popular with our viewers. On August 31, 2015, Nippon TV began featuring content under the concept of "Vigorous Japan! Be Healthy!" within *Oha!4* NEWS LIVE, which is broadcast from Monday through Friday. Nippon TV arrived on the idea of having its employees act as instructors to perform a one-minute "exercise of the day," broadcast as the *Oha! TIP 1-minute exercise*. Nippon TV also established a week in November 2015 as the "Week of the Body," running broadcasts encouraging viewers toward the goal of lifelong health. This plan emphasized that it is not too late to think about one's body and what is healthy for it. TIPNESS's instructors and dieticians also took part in planning and staging special content within the programs. Raising awareness and encouraging viewers to think about their health is helping to raise expectations for TIPNESS. We expect to continue contributing to the Nippon TV Holdings Group by offering health-oriented proposals tailored to customers' different life stages.



Oha! TIP 1-minute exercise

TIPNESS plans to further enhance the quality of its integrated sports clubs, while simultaneously making an aggressive push to develop its "FASTGYM24" format of 24-hour gyms, particularly in the Tokyo area. FASTGYM24 is especially popular with younger members who want to train efficiently at locations that are easy to drop by, and this format is instrumental in attracting new members. As more than half of FASTGYM24's members are joining a fitness club for the first time, we expect the fitness-oriented population to expand, helping to broaden the range of people making use of the company's services. Fitness is a new business domain for the Nippon TV Holdings Group, and we expect the expansion of the TIPNESS business to make a major contribution to Group revenues. We look forward to achieving further growth by eliciting synergies between terrestrial broadcasting and fitness.

Feature 2

Hulu Initiatives

hulu

We have garnered support from numerous users by gathering content across diverse genres, with a special emphasis on the transmission of original content.

Nippon TV took over Hulu's business targeting the Japanese market in April 2014, becoming the first commercial broadcaster to enter the subscription online video service business. Hulu's strength lies in its ability to make full use of Nippon TV's content creation capabilities and power in terrestrial broadcasting. By also offering a lineup featuring not only overseas content but also content from Japan's five key terrestrial stations, Hulu's offerings meet myriad viewer needs. Since its start of operations, Hulu has concentrated on developing an enjoyable user environment by enhancing content and increasing device compatibility. As a result, Hulu reaches the most viewer devices in Japan, totaling more than 100 million (excluding PCs), and its number of users surpassed 1 million in March 2015. Furthermore, among its viewers Hulu has successfully maintained a high percentage of active users.

In the fiscal year ended March 31, 2015, we have continued working to expand Hulu's content. This has been an important year in terms of enhancing user satisfaction by adding major hit content, as well as gathering together diverse content spanning a host of genres.

For instance, *Tokui to Goto to Uruwashi SHELLY ga Konya Kurabete Mimashita*, a Nippon TV entertainment program that Hulu began distributing, proved popular with users whose viewing had so far focused mainly on foreign dramas and animation. The program's huge popularity launched it into the top ranks of content played. As this example demonstrates, users who are fond of a particular genre when they join can be encouraged to also enjoy others, which contributes greatly to increasing the number of active users. We plan to continue enhancing user satisfaction by providing as broad a range of genres as possible and distributing a large variety of content.

Hulu has also begun creating original content. Making the most of Nippon TV's production and information transmission capabilities, Nippon TV and Hulu jointly produced *THE LAST COP*, a drama borne of a collaborative plan with terrestrial broadcasting. In this attempt, the first episode aired on terrestrial television, with Hulu distributing all further episodes. The initiative succeeded in attracting new users and increasing the number of active users, making it a major success for Hulu. Even viewers who in the past had only watched dramas as free-to-air terrestrial broadcasts joined Hulu specifically to watch *THE LAST COP*. As a result, they learned to enjoy Hulu's offerings, expanding the company's range of viewers. As future developments, Hulu is considering and moving forward with other links, such as distributing spin-off products and films on Hulu after serial dramas have aired on terrestrial television.

THE LAST COP

By augmenting content through measures such as these, Hulu's distributable content currently numbers around 20,000 items. This variety has increased the importance of functionality that enables the recommendation of content to match user preferences, helping viewers to locate content they want to watch. As a result, we aim to further enhance Hulu's leading advantage—a high percentage of active users.

The market for subscription-based online video is expected to continue expanding, and we are endeavoring to deploy the Nippon TV Holdings Group's strengths to expand this business. The business is also important in attracting younger viewers whose preferences are trending away from television and toward content provided over smartphones, tablets and other devices. We believe subscription-based online video can be instrumental in attracting these customers to terrestrial television, developing our business by leveraging Group synergies.

Review of Operations

Nippon Television Network Corporation

Headquarters	1-6-1 Higashi-Shimbashi, Minato-ku, Tokyo 105-7444 Japan
Broadcast start	August 28, 1953 (broadcast start; start of digital broadcasts: December 1, 2003)
Capital	¥6.0 billion
Representative	Yoshio Okubo, Representative Director and President
Employees	1,164

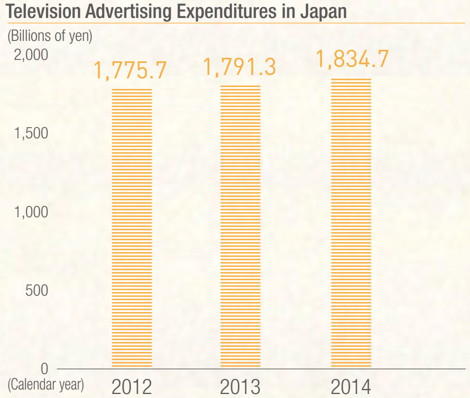
Business

With activities centered on the basic and general broadcasting businesses, as defined by Japan's Broadcasting Law, Nippon TV plans, produces and distributes program and video content, takes part in the rights business, and engages in film, events, media commerce, publishing and other businesses that leverage the expertise the company has cultivated through program production.

Market Environment

Television advertising expenditures in 2014 are estimated at ¥1,834.7 billion, an increase of 2.4% from the previous year and up for the third consecutive year. Of this amount, time advertising expenditures increased 1.2%, rising due to favorable sports programming such as the *Sochi 2014 Olympic Games* and the *2014 FIFA World Cup Brazil*, as well as the robust performance of regular advertising. Meanwhile, spot advertising revenues grew 3.2% year on year. From January through March, these revenues expanded significantly due to a rush in demand ahead of the April 2014 consumption tax hike. After experiencing a year-on-year downturn in April, spot advertising revenues returned to vigor in May and remained favorable through the end of the fiscal year.
Source: Dentsu Inc., *Advertising Expenditures in Japan*

Television Advertising Expenditures in Japan



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

The Most Useful School in the World

Arashi ni Shiyagare

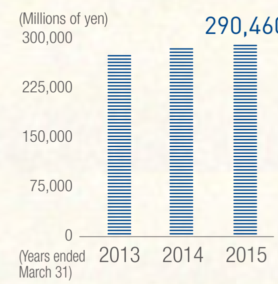
Performance during the Year

Net sales for the fiscal year ended March 31, 2015, were up ¥7,487 million, or 2.6%, to ¥290,460 million, and operating income surged ¥8,959 million, or 30.8%, to ¥38,049 million.

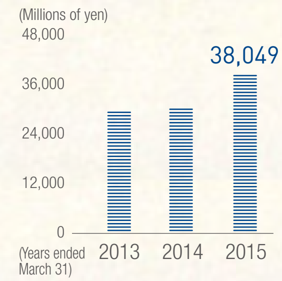
Television Advertising Revenues

Time advertising revenues came to ¥115,402 million, up ¥1,770 million, or 1.6%, from the preceding fiscal year. This increase was attributable partly to large-scale, single-episode programming for the *2014 FIFA World Cup Brazil*, as well as to favorable viewer ratings on regular programs, which pushed up selling prices. Spot advertising revenues expanded ¥8,727 million, or 7.6%, to ¥123,109 million. Amid year-on-year increases in spot advertising expenditures on regional targeted advertising, household viewer ratings increased. Furthermore, we steadily increased core target viewer ratings—for which client demand is particularly high—leading to an increase in our share of viewers among the key Tokyo broadcasters. As a result, television advertising revenues expanded ¥10,497 million, or 4.6%, to ¥238,511 million. Program production costs amounted to ¥96,022 million, down ¥1,520 million, or 1.6%, from the preceding fiscal year. Despite such upward cost factors as broadcasts of the *2014 FIFA World Cup Brazil* and increased programming time slots to broadcast *news every.*, these costs were down partly due to comparison with the previous year's broadcasts of the *Sochi 2014 Olympic Games*, and partly because of thorough efforts to control costs on regular programs.

Net Sales



Operating Income



Note: Due to our October 1, 2012, transition to a certified broadcasting holding company, operating performance figures are for the former Nippon Television Network Corporation through September 2012. Figures from October 2012 through March 2013 are simple totals for Nippon TV Group Holdings Inc. and the current Nippon Television Network Corporation, excluding transactions between the two entities.

Shoten

news every.

THE MUSIC DAY Music is the Sun

THE TETSUWAN DASH

Viewer Rating Trends

We came in top for average household viewer ratings for calendar 2014 (December 30, 2013–December 28, 2014) and fiscal 2014 (March 31, 2014–March 29, 2015) in three categories—All Day, Golden Time and Prime Time—thereby earning the “Triple Crown” title for viewer ratings for the first time in three years. We also continued to see steady improvement in the core target (male/female, 13–49) segment, an area of particular client focus, within the M1 (men, 20–34) and F1 (women, 20–34) categories, earning our first Triple Crown title in this area as well. These solid results reflected our efforts to reinforce programming through the reorganizations conducted to date, stronger viewer ratings in all time slots, as well as higher all-family viewer ratings for programming targeting all ages.

Looking at average household viewer ratings for 2015, as of September 30, 2015, we held the Triple Crown title up to that point in both the full year (December 29, 2014–September 27, 2015) and fiscal year (March 30, 2015–September 27, 2015) categories. At that point, we had also maintained the Triple Crown title for monthly viewer ratings for 22 consecutive months, from December 2013 through September 2015, a particularly favorable showing.

We intend to accelerate these efforts to ensure that we retain our top position in viewer ratings.

Nippon TV’s Ranking in Viewer Ratings

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

Fiscal Year		All Day 6:00–24:00	Prime Time 19:00–23:00	Golden Time 19:00–22:00	Non-Prime Time 6:00–19:00, 23:00–24:00	Platinum Time 23:00–25:00
Fiscal 2014 March 31, 2014–March 29, 2015	Viewer ratings	8.6%	12.7%	12.8%	7.5%	Second 7.1%
	Year on year	+0.5%	+0.7%	+0.7%	+0.6%	+0.7%
First half, fiscal 2015 March 30, 2015–September 27, 2015	Viewer ratings	8.5%	12.3%	12.4%	7.4%	7.4%
	Year on year	+0.2%	+0.0%	+0.1%	+0.3%	+0.4%

Note: The crown mark indicates slots in which we have earned the top ranking.

The Boy and the Beast (film)
©2015 THE BOY AND THE BEAST FILM PARTNERS

No Longer Heroine (film)
©2015 "No Longer Heroine" Film Partners
©Momoko Kouda / SHUEISHA

Monet Exhibition (event)
Impression, Sunrise
Musée Marmottan Monet, Paris ©Christian Baraja

Louvre Museum Art Exhibition (event)
The Astronomer, Johannes Vermeer, 1668
Photo ©RMN-Grand Palais (musée du Louvre)/ René-Gabriel Ojéda/distributed by AMF – DNPartcom

Business Revenues

The film business saw such hits as *Hot Road* and *Parasyte*, but because of a decrease in the number of major films financed by Nippon TV, box office revenue was down ¥1,530 million, or 15.4% during the year, to ¥8,382 million. During the year, in a link with terrestrial content, we screened the film version of *ST MPD Scientific Investigation Squad*, a drama that aired in the three-month period beginning July 2014. Opening in January 2015, the film version was a major success. During the planning stages, we worked closely with the people in charge of producing the drama for terrestrial television, as we had considered making a film version of this drama from the outset. As the number of new drama broadcast slots on terrestrial television is increasing, going forward we plan to increase the number of tie-ups such as this. We will also continue investing in ultralarge animation launches during the summer holiday season. Furthermore, we are moving forward with plans to introduce new technologies. For example, in summer 2016 we expect to screen 3D full-CG animation content.

In the media commerce business, revenues declined ¥1,086 million, or 10.6%, to ¥9,082 million, despite expanding our product lineup. Profits improved, however, due to assiduous efforts to control costs.

Revenues from our event business were down ¥1,036 million year on year, or 17.6%, to ¥4,819 million. The decline reflected a reduced number of large-scale events, despite the favorable reception of an art exhibition, *Louvre Museum Art Exhibition*, and an event titled *TeamLab Dance! Art Exhibition and Learn and Play! TeamLab Future Park*.

Overseas Business Initiatives

To accelerate our overseas business development and target rapidly growing markets in other parts of Asia, we have been working on proactive action plans that include tie-ups with local companies.

During the fiscal year under review, jointly with Malaysian media company Media Prima we produced a broadcast program titled *Welcome To The Railworld Japan*, which was adopted by Japan's Ministry of Internal Affairs and Communications as a "Model Project to Strengthen and Promote Overseas Expansion of Broadcast Content." This program, which introduced Japan's charms at notable sites from Hokkaido to Okinawa to viewers in Malaysia, was broadcast in January 2015 and highly acclaimed in Malaysia. We achieved record sales for two successive years in the overseas program sales business by capturing the demand from video-on-demand distribution enterprises in China and increasing sales of programs such as the animation titled *Parasyte-the maxim-*and the drama *Hanasaki Mai Speaks Out*.

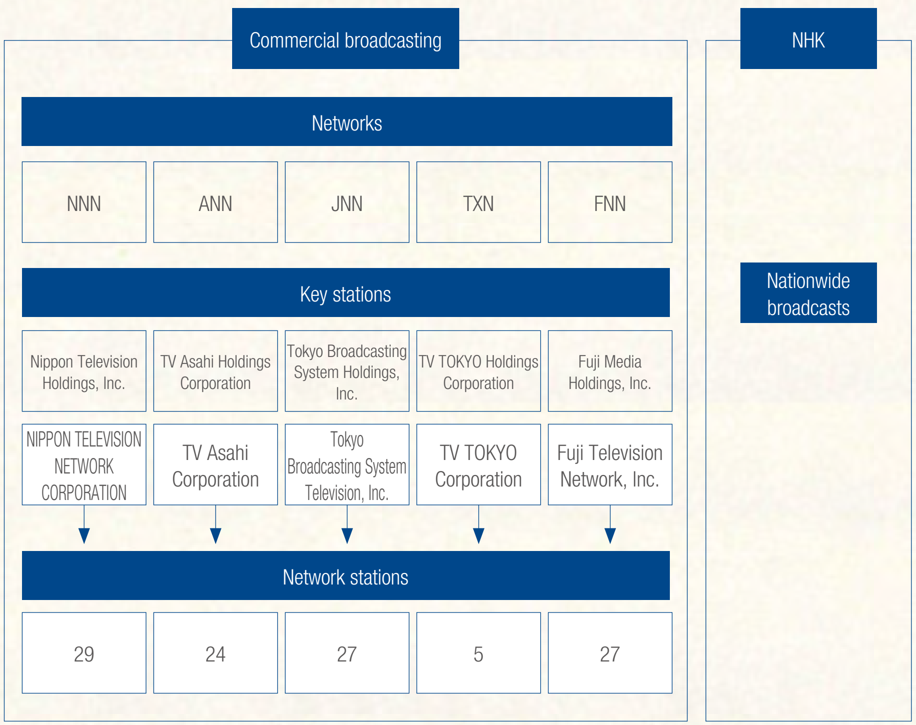
In October 2015, we launched GEM Asia, a paid broadcast channel aired by a joint venture we established in Singapore with Sony Pictures Television Networks of the United States. Nippon TV will supply more than 500 hours of programming annually for the channel in the drama and variety genres. Through the channel, we aim to solidify the Nippon TV Group brand in Southeast Asia, where the paid broadcasting market is experiencing major growth.

JAPANESE TELEVISION BROADCASTING INDUSTRY CHARACTERISTICS

Networks

Commercial terrestrial television broadcasters in Japan have broadcasting regions that are specified by prefectural and regional authorizations, as defined under the Broadcast Law licensing system. This situation has led to the development of commercial terrestrial television broadcasting networks of regional and local broadcasters throughout Japan, with five key stations in Tokyo as their hubs. Networks beneath each of these stations enable nationwide broadcasts and facilitate cooperation on news, programs and other business. However, some broadcasters do not belong to any specific network. NHK, Japan's public-sector broadcaster, also broadcasts throughout the country.

Within the networks, each local station operates with independent capital, pursuant to the Mass Media Decentralization Rules, which are designed to limit the ability of specific entities to control multiple stations. However, the enactment of the revised Broadcast Law in April 2008 allowed for stations to become certified broadcasting holding companies under certain conditions designed to ensure diverse broadcasts closely tied with local communities.



Superiority of Terrestrial Broadcasting

Network stations all across the country, along with the equipment required for airwave broadcasts, provide most people with free viewing of television programming throughout Japan, simply by installing an antenna. According to a March 2015 Japanese Cabinet Office survey on consumer trends, the penetration rate for (flat-screen) color television receivers was 97.5% as of March 2015.

These results show that Japanese viewers have a high affinity for television, which they view as their "everyday medium." Television is consequently rated highly as an attractive advertising medium.

Major Sources of Television Advertising Revenue

Commercial terrestrial television broadcasters derive the majority of their earnings from television advertising revenue. These are broken down into time and spot advertising revenues.

Time advertising is divided into either nationwide network time sales, in which a consistent commercial message slot is sold throughout a broadcasting network, or local time sales, in which commercial message slots are sold only in the area in which specific broadcasters are licensed to operate. Both types are sold to advertisers in units comprising 30 seconds of broadcast time. Commercial space is sold within programs, and the sponsor's name is displayed during the program and its commercials shown during the broadcast. Advertisers typically enter into six-month contracts, and each April and October broadcasters confirm whether contracts will be continued and negotiate for rate revisions. Even if an advertiser requests space in a specific program, the availability of empty slots determines whether they can advertise.

With time ads, in principle, programs have only one sponsor in a given industry. (This is usually, but not always, the case.) Care is taken to avoid having two companies from the same industry, or similar product advertisements sponsoring the same program or appearing in the same sponsor zone. The system is set up so that, even if a sponsor wants to support a particular program, they cannot become involved if there are no slots available. Another style is to sell advertising space within a program to a single sponsor rather than offering ad space within a program to multiple advertisers.

Spot advertising is sold only for broadcast by individual stations in areas in which they are licensed to broadcast. Spot ads are sold to sponsors in units of 15 seconds of broadcast time and are shown mainly in the time slot between programs. Generally, no adjustment is made to prevent similar commercials competing for the same audience.

For spot advertising, advertisers generally may determine their television ad's broadcast interval, broadcast time period, area and volume (often indicated as overall viewer rating). After negotiating their fees, individual broadcasters create commercial broadcast schedule proposals that meet sponsors' needs as quickly as possible and propose them to advertising agencies.

BS日テレ BS Nippon Corporation

Headquarters	Nippon TV Tower, 23F, 1-6-1 Higashi-Shimbashi, Minato-ku, Tokyo 105-8644, Japan
Established	December 2, 1998
Capital	¥14.0 billion
Representative	Koichi Akaza, Representative Director and President
Employees	55

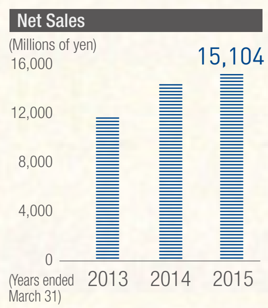
Business

BS Nippon was established in 1998 as a basic broadcasting business operator providing free-to-air BS digital broadcasts. In March 2014, the company moved its headquarters to the Nippon TV Tower in Shiodome, Tokyo, strengthening its collaborative relationship with Nippon TV's terrestrial operations. At the same time, BS Nippon focuses on developing original programming, providing a comprehensive array of general-format content across a host of fields, including news, variety, information, music and sports.

Market Environment

During 2014, within satellite media-related advertising expenditures, advertising spending on BS broadcasting was favorable, growing 12.8% year on year, to ¥83.1 billion. This expansion reflected an increase in first-time advertisers and rising media awareness, which prompted growth among advertisers outside the Tokyo metropolitan area. This trend appears likely to continue; according to a January 2015 forecast from the Japan Commercial Broadcasters Association, business revenues of the six commercial BS television broadcasters were expected to grow 4.7% during the fiscal year ending March 31, 2016.

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



Performance during the Year

During the year under review, BS Nippon worked to build up its operating performance and boost its viewer ratings within the BS broadcasting industry. The company earned stable viewer ratings during the year, with scheduling that included live broadcasts of 61 professional baseball games with the Yomiuri Giants, including six linked broadcasts that commenced on Nippon TV and continued on BS Nippon. The company steadily attracted viewers through the start of such original programming as *Chikyu Gekijo*, *Kume Bookshop* and *Wannyan Club*, as well as *Shinso News*, a news program that launched in the preceding fiscal year. Also, during the year BS Nippon began offering multichannel broadcasting, airing professional baseball alongside regular programs when play is extended, thereby meeting the needs of both sets of viewers. The company also began using Channel 4K to produce *Nakagawa Shoko no Mania Ma ni Aru*, one of its regular programs, becoming the first BS broadcaster to offer Channel 4K programming.

Non-broadcast operations generated a sharp increase in revenues from the sale of *Foresta Series* and other DVDs.

As a result, net sales for the fiscal year ended March 31, 2015, were up ¥866 million, or 6.1%, to ¥15,104 million. However, higher production costs for professional baseball and single-episode programs, as well as an increase in new master leasing fees, caused operating income to fall ¥427 million, or 15.3%, to ¥2,371 million.

Live Broadcasts of Professional Baseball.
Heating up in the Next Instant. THE BASEBALL 2015

Shinso News

Future Initiatives

Mechanical viewer rating surveys, which were introduced in April 2015, are expected to step up the level of competition to obtain viewer ratings and potentially affect sales. We will carefully analyze this new indicator, taking advantage of its findings to produce even better programming and timetables. We also intend to continue using new master-based multichannel broadcasting functions to enhance viewer services and augment sales efforts.

CS Nippon Corporation

Headquarters	Nippon TV Tower, 22F, 1-6-1 Higashi-Shimbashi, Minato-ku, Tokyo 105-7422, Japan
Established	March 27, 2001
Capital	¥3.0 billion
Representative	Tadashi Totsune, Representative Director and President
Employees	14

Business

In 2002, CS Nippon began broadcasting via a communications satellite at 110 degrees east longitude in accordance with the Nippon TV Group's media strategy. Since that time, CS Nippon has operated as a satellite basic broadcaster, developing the fee-based broadcasting business with programs provided by Nippon TV and other entities. Currently broadcasting on five channels, CS Nippon continues to promote fee-based CS broadcasting operations that leverage the broadcasting and production expertise that Nippon TV has cultivated.

Channel Lineup

Nittele G+
In addition to Yomiuri Giants professional baseball games, this channel's lineup includes motor sports, pro wrestling, boxing and NFL football.

Nittele Plus
From time-honored classics to new releases, this channel contains a full lineup of Nippon TV drama, animation, variety and music programs.

FOX Movie Premium
This channel features 20th Century Fox films.

100% HITS! Space Shower TV Plus
This music channel shows 100% hits around the clock.

Tabi Channel
Japan's only dedicated travel channel, Tabi Channel brings the wonders of world travel into viewers' homes.

Market Environment

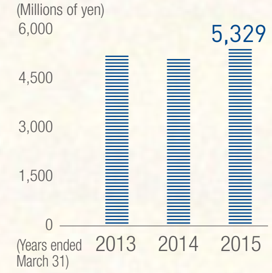
Of the fee-based broadcasting services that SKY Perfect JSAT provides, subscribers to its SKY PerfecTV*!* CS digital broadcasts via the communications satellite at 110 degrees east longitude numbered 1 million in the fiscal year ended March 31, 2010. In the year ended March 31, 2014, this figure exceeded 2 million subscribers, and has remained at around 2.1 million subscribers since the fiscal year ended March 31, 2015. Individual subscribers—the total of its Premium Service and Premium Service Hikari—peaked at 3.83 million in the fiscal year ended March 31, 2013. Meanwhile, as of March 31, 2015, subscribers to WOWOW's fee-based BS broadcasts numbered 2.76 million, while leading cable television provider Jupiter Telecommunications Co., Ltd. (J:COM) had 4.03 million viewer households. Including these key operators, households subscribing to fee-based multichannel broadcasting currently number around 13.5 million.

Performance during the Year

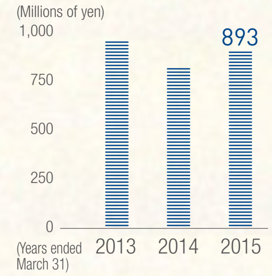
During the year, CS Nippon took a multifaceted approach to expanding revenues, including fee-based satellite broadcasts of SKY PerfecTV*!* and Premium Service, provided by SKY Perfect JSAT, conducting proactive advertising sales as a channel with high media value by simultaneously rebroadcasting them to cable television stations and Hikari IPTV. On Nittele Plus, the company ran an active lineup that combined old and new drama, animations and films, as well as event-linked programming. CS Nippon steadily increased its subscriber numbers by acquiring broadcasting rights to Tohoku Rakuten Golden Eagles professional baseball games and Asian Champions League soccer. Performance was also robust from external channels, including FOX Movie Premium, 100% HITS! Space Shower TV Plus and Tabi Channel.

During the year, net sales expanded ¥291 million, or 5.8%, to ¥5,329 million, and operating income grew ¥96 million, or 12.1%, to ¥893 million.

Net Sales



Operating Income



Future Initiatives

Subscribers to Nittele Plus, which broadcasts dramas, animations and sports, currently number more than 5 million households. As a channel in the general entertainment category, Nittele Plus carries programs across diverse genres. To attract additional subscribers, we are working to build the Nittele Plus brand by augmenting content only viewable there.

During the year, the company began broadcasting a TV series of the *Detective Conan* animation. At the same time, on Nippon TV programs, during the year we aired the drama *Hotaru no Hikari*, animations *HUNTER×HUNTER* and *Chihayafuru*, as well as *ZIP! Spinoff MOCO'S Kitchen CS Version* and *ZIP! Spring Festival* as content linked with terrestrial broadcasts, and *Announcer Tetsuni-Chan Daisuke Fujita Goes on a Train Discovery Tour!* as original programming.

We are also introducing various initiatives for cultivating new subscribers, such as running *LIVE MONSTER Plus* as an expanded edition of the version aired on terrestrial broadcasting and running TVQX jointly via terrestrial broadcasting and Hulu. Going forward, CS Nippon aims to achieve further growth by fostering stronger ties with Nippon TV.

Announcer Tetsuni-Chan Daisuke Fujita Goes on a Train Discovery Tour!

NTV Technical Resources Inc.

Headquarters	Nippon TV Kojimachi South Building, 4F, 2-14 Chiyoda-ku, Tokyo 102-0084, Japan
Established	February 1, 2007
Capital	¥80 million
Representative	Kenji Noshi, Representative Director and President
Employees	588

Business

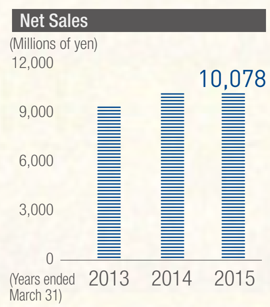
NTV Technical Resources handles program production for Nippon TV and various other media across a full range of genres, including news, dramas and variety programs, and takes care of highly technical operations, such as studio, relays, electronic news gathering, editing, multi-audio and computer graphics.

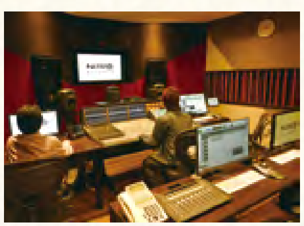
The company also takes charge of transmitting masters, a broadcaster's lifeblood, provides still photography for program publicity and maintains a wide variety of technical skills related to broadcasting and content production, serving as an integrated technology hub for production to meet diverse client needs.

In 2015, NTV Technical Resources set up a new post-production facility in Tokyo's Shibuya ward to accommodate full 4K programming. The company also upgraded its relay vehicles and proactively incorporated new technologies.

Performance during the Year

During the fiscal year ended March 31, 2015, the company was not involved in major sporting events such as the Olympics or the Tokyo Marathon, but strove to obtain new orders for outsourced operations. As a result, net sales dipped ¥28 million, or 0.3%, to ¥10,078 million, while operating income fell ¥47 million, or 14.9%, to ¥269 million.





AX-ON Inc.

Headquarters	Nippon TV Kojimachi South Building, 6F, 2-14 Chiyoda-ku, Tokyo 102-0084, Japan
Established	February 10, 1970
Capital	¥80 million
Representative	Makoto Yoshida, Representative Director and President
Employees	701

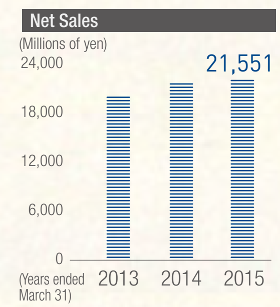
Business

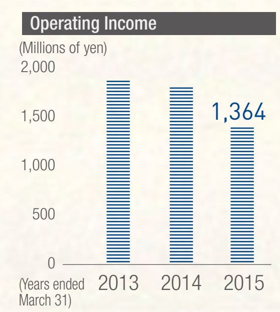
AX-ON became a Nippon TV Group company on April 1, 2007. In addition to supporting program production for Nippon TV as an integrated video producer for the Nippon TV Holdings Group, AX-ON strives to be Japan's leading video production company. To this end, the company is reinforcing its content production capabilities across the board. As well as its traditional strengths in program production for BS, CS and various other media, AX-ON is expanding its reach to include film and commercial production, subtitle and commentary distribution, Channel 4K, new content and content for distribution overseas.

The company's motto is "turning customers' needs into reality." In line with this motto, AX-ON aims to contribute to society by bringing customers' video needs to life through video.

Performance during the Year

During the fiscal year ended March 31, 2015, AX-ON generated net sales of ¥21,551 million, a year-on-year increase of ¥285 million, or 1.3%. Sales centered on programs showing on Nippon TV and BS Nippon, including dramas, sports, news, variety programs and information programs at regular times on weekdays, as well as the production of theatrical film releases and commercials and ongoing orders for program production from companies outside the Nippon TV Group. Owing to increased expenditures to reinforce production capabilities, operating income declined ¥419 million, or 23.5%, to ¥1,364 million.





日テレイベンツ NTV EVENTS Inc.

Headquarters	Nippon TV Kojimachi South Building, 9F, 2-14 Chiyoda-ku, Tokyo 102-0084, Japan
Established	December 20, 1975
Capital	¥80 million
Representative	Yoshiki Tanaka, Representative Director and President
Employees	70

Business

NTV EVENTS conducts its principal business activities via the event business division, Nittele Gakuin operations and the Nichien Production business.

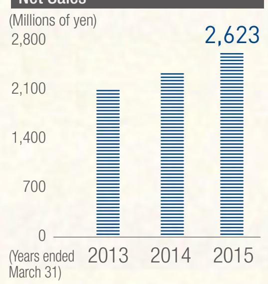
By leveraging strengths in planning, staging and production gained through years of experience, the company takes part in events in a variety of fields, including sporting events, eco-events, exhibitions and various types of functions.

NTV EVENTS is also involved in a wide range of casting activities through its operation of the Nittele Gakuin for training announcers and acting talent and the operation of Nichien Production, which handles talent management.

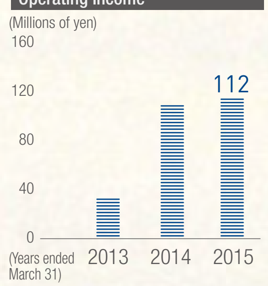
Performance during the Year

NTV EVENTS' net sales for the fiscal year ended March 31, 2015, were ¥2,623 million, up ¥294 million, or 12.6%, from the preceding fiscal year, representing a historic high for the company. In addition to securing ongoing orders for *Shiohaku 2014* and other large-scale events, new event orders from outside the Group contributed substantially to revenues. The rise in sales, thoroughgoing efforts to control costs companywide and a shift to profitability by Nittele Gakuin, which cut its costs, caused operating income to rise to the highest level to date: ¥112 million, a year-on-year increase of ¥2 million, or 2.2%.

Net Sales



Operating Income



Shiohaku

日テレアート Nippon Television Art Inc.

Headquarters	Nippon TV Kojimachi South Building, 7F, 2-14 Chiyoda-ku, Tokyo 102-0084, Japan
Established	July 27, 1967
Capital	¥80 million
Representative	Takayuki Fukuoji, Representative Director and President
Employees	213

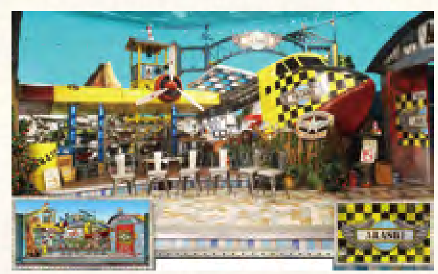
Business

Nippon Television Art is an integrated design and production company—one of the few in the television business having multiple design divisions. In the areas of television and film production, the company handles artwork, lighting, music effects, graphic design and telops. The company's broad range of activities also extends from the planning and design of event artwork and lighting to the design, execution and operation of various types of events.

In addition to handling all program orders for Nippon TV, Nippon Television Art undertakes program production and event artwork. The company also takes on programs, films and commercials for other broadcasters, working proactively to generate business outside the Group. Throughout its activities, the company seeks to meet customers' needs by being a content producer that contributes to the creation of a bountiful and expressive society.

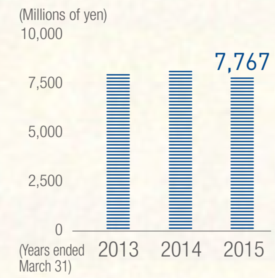
Performance during the Year

Nippon Television Art's net sales totaled ¥7,767 million during the year, falling ¥350 million, or 4.3%, year on year. Affecting performance were lower Nippon TV program sales in the arts division, as well as a transfer of the company's computer graphics division to NTV Technical Resources. Nippon Television Art worked to control costs in line with the decline in sales, reducing operating costs ¥247 million, or 3.2%, to ¥7,495 million. However, as the percentage decrease in sales exceeded that of costs, operating income dropped ¥13 million, or 27.5% year on year, to ¥271 million.

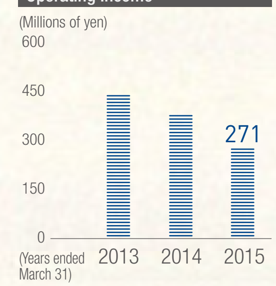


Arashi ni Shiyagare fine arts set

Net Sales



Operating Income



Nippon Television Music Corporation

Headquarters	Nippon TV Kojimachi South Building, 8F, 2-14 Chiyoda-ku, Tokyo 102-0084, Japan
Established	October 1, 1969
Capital	¥80 million
Representative	Ryuichiro Hayashi, Representative Director and President
Employees	44

Business

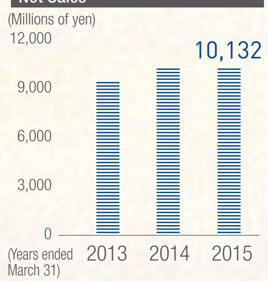
NTV Music was established to manage and develop copyrights and master licenses on songs and merchandise licensing resulting from Nippon TV programs.

The music business division is involved in a broad range of activities, spanning the production of new songs and copyright management to master license production, and the division already manages more than 30,000 songs. In its character business division, NTV Music handles sales and serves as the general representative for characters resulting from Nippon TV programs. The company continues working to maximize revenues from such popular characters as *Anpanman* and *Lupin the 3rd*.

Performance during the Year

Nippon Television Music's net sales amounted to ¥10,132 million during the year ended March 31, 2015, up ¥41 million, or 0.4%, year on year. In the merchandise licensing business, the pachinko release of *CR Lupin the 3rd* proved to be a record-breaking hit, and smartphone native app distribution of *HUNTER×HUNTER* was favorable, leading to higher merchandise licensing royalties. Substantial expansion of the music business also contributed to the increase in net sales. Notably, music copyright and master license revenues from *CR Lupin the 3rd* and other content for pachinko machines increased, and music copyright revenues grew for interactive distribution on video distribution sites. However, master license revenues for music CDs by affiliated artists and revenue from sales of tour-related merchandise, which boosted sales considerably during the fiscal year ended March 31, 2014, fell off during the year under review. This factor, plus comparison with record performance in the Anpanman business in the preceding fiscal year, caused operating income to drop ¥116 million, or 7.4%, to ¥1,465 million.

Net Sales



Operating Income

©POT (Yoshihiro Togashi) 1998–2011
©VAP, Nippon TV, MADHOUSE

©MONKEY PUNCH / TMS, NTV

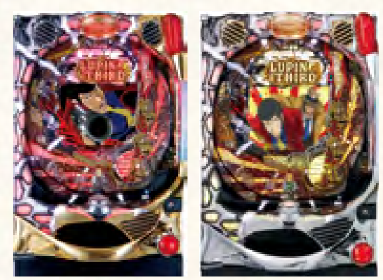
Future Initiatives

In the fiscal year ended March 31, 2015, the merchandise licensing business benefited from Lupin the 3rd licensing revenues for pachinko machines, and successful *HUNTER×HUNTER* game-related business boosted royalty revenues.

In these businesses, end-user preferences change quickly, as does the business model itself, so we need to constantly gather and analyze information to monitor market trends in individual industries with the aim of maintaining or increasing royalty revenues by proposing plans to individual manufacturers and developing our business in line with the needs of the times.

Furthermore, the merchandise licensing market itself is shrinking in line with falling consumer purchasing propensity. Nevertheless, we view the changing structure of the merchandise licensing business as an opportunity to harness our expertise and networks and take advantage of the distinctiveness we enjoy as a member of the Nippon TV Group to cultivate new businesses and maximize our earnings.

©POT (Yoshihiro Togashi) 1998–2011
©VAP, Nippon TV, MADHOUSE



©MONKEY PUNCH / TMS, NTV

VAP Inc.

Headquarters	Yonbancho Bldg. No. 1, 5-6, Yonbancho, Chiyoda-ku, Tokyo 102-0081, Japan
Established	January 24, 1981
Capital	¥500 million
Representative	Shuji Hanafusa, Representative Director and President
Employees	146

Business

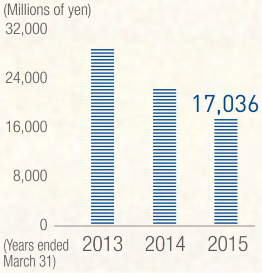
VAP was established in 1981 as a music and video software production and sales company. Working always to create entertainment media in tune with the times, VAP strives to boost revenue from outside the Group by promoting the secondary usage of Nippon TV content and developing original software.

Performance during the Year

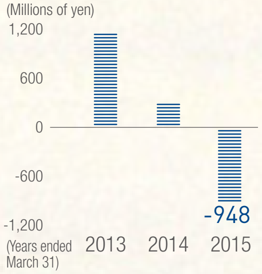
Net sales for the fiscal year ended March 31, 2015 were ¥17,036 million, down ¥5,164 million, or 23.3%, from the preceding fiscal year. We recorded an operating loss of ¥948 million, compared with operating income of ¥268 million in the preceding fiscal year.

In the music division, we faced a dearth of hit products, as sales of albums by popular artists in the internal division were postponed to the following fiscal year. The consignment sales division had some major hits, but releases by mainstay artists were down from the preceding fiscal year. As a result, overall sales for the music division fell ¥2,196 million, or 33.0%, to ¥4,465 million. In the video division, we operated in a market that has shrunk for 10 consecutive years. Although the consignment sales division increased its sales compared with the preceding fiscal year, the internal division significantly pared back its product offerings. Also, increased investment in animation programming to acquire business in the packaged product licensing business exceeded sales, driving down profits. As a result, sales in the video division declined ¥2,644 million, or 19.9%, to ¥10,635 million.

Net Sales



Operating Income



HOT ROAD
Launched and sold by VAP
©2014 *HOT ROAD* Production Committee
©Taku Tsumugi/Shueisha

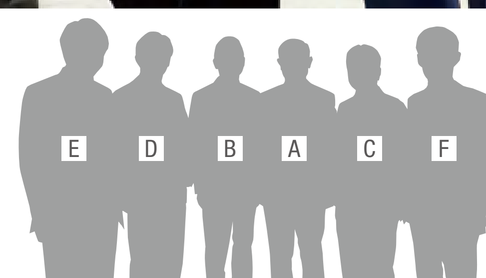
Lupin the 3rd vs. Detective Conan: The Movie
Launched by Shogakukan/Sold by VAP
©2013 MONKEY PUNCH Gosho Aoyama/*Lupin the 3rd vs. Detective Conan* Production Committee
Note: Blu-ray jacket shown

Future Initiatives

During the fiscal year ended March 31, 2015, package sales of the theatrical animation *Lupin the 3rd vs. Detective Conan: The Movie* proved a major hit, and the Blu-ray edition of the film *Hot Road* made a major contribution to sales by earning the No. 1 Oricon ranking at its release. Also, we launched a Blu-ray boxed edition of the hit animation *Mashin Hero Wataru*. Despite these efforts, we were unable to counter the downward trend in the market for packaged products. Going forward, we plan to introduce sweeping reforms to our company, restructuring ourselves into an organization that will be relatively unaffected by the downturn in the packaged products market. We will introduce structural reforms on the operational, organizational and personnel fronts, building a business devoted to the expansion of earnings. In the music division, we expect to launch *Maximum the Hormone* video products, while in the video division we have high hopes for package sales of a theatrical animation that was a major hit, *The Boy and the Beast*. In addition, we will continue to diversify our content development as we seek to expand various revenue opportunities.

Mashin Hero Wataru Blu-ray BOX
Launched and sold by VAP
©Sunrise/R

Board of Directors and Auditors



Directors

A Yoshio Okubo

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

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.

B Hiroshi Watanabe

Senior Executive Board Director
Nippon TV Group Management Strategy Committee,
Nippon TV Group Strategy Planning

Served as Director General, Programming; Director General, Production; and Director General, News. Appointed Operating Officer and Board Director in 2009 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.

C Yoshinobu Kosugi

Senior Executive Board Director
Multi-Platform Convergence Strategy

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.

D Kimio Maruyama

Senior Executive Board Director
Corporate Strategy (Human Resources, Labor Relations)
Corporate Administration
Vice Chairman of Business Audit Committee
Executive Manager of Information Asset Protection

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.

E Koichi Akaza

Executive Board Director
Multi-Platform Convergence Strategy

Following an appointment as Director and Director General, Media Strategies at The Yomiuri Shimbun Holdings, appointed Representative Director and President of BS Nippon Corporation. Appointed Board Director in October 2012 in line with the transition to a certified broadcasting holding company. Appointed Executive Board Director in 2015.

F Akira Ishizawa

Executive Board Director
Financial Management
Executive Auditor of Information Asset Protection

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.

Tsuneo Watanabe

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

Hiroshi Maeda

Board Director*
Attorney at Law

Takashi Imai

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

Ken Sato

Board Director
President, Institute for International Policy Studies

Tadao Kakizoe

Board Director*
President, Japan Cancer Society

Yasushi Manago

Board Director
Attorney at Low

* Outside directors pursuant to Article 2.15 of the Companies Act

Auditors

Yasuhiro Nose

Standing Audit & Supervisory Board Member

Kojiro Shiraishi

Audit & Supervisory Board Member**

Norio Mochizuki

Audit & Supervisory Board Member**

Toshinori Kanemoto

Audit & Supervisory Board Member**

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

Corporate Governance

The Nippon TV Holdings Group recognizes that stable growth in corporate value over the long term and greater contributions to society lead to increased shareholder value. The Company strives to further develop its corporate governance for swift decision making and operational execution in response to changes in the business environment and to facilitate transparent and sound management.

Corporate Governance Framework

Nippon TV Holdings 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 auditors. The governance framework is designed to ensure effective supervision over the execution of duties by directors. Outside directors help to provide appropriate supervision, thereby enhancing the management oversight function.

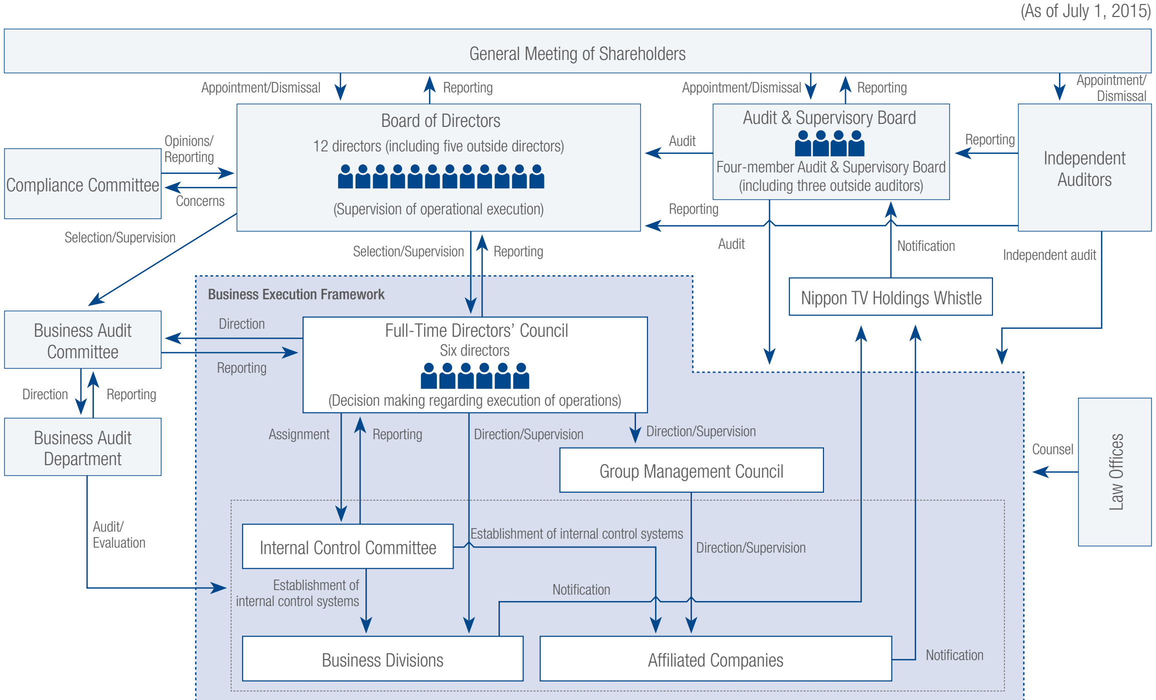
The Company has also emphasized the external monitoring of management, incorporating five outside directors pursuant to Article 2, Paragraph 15, of the Companies Act into the 12-member Board of Directors for greater management integrity and more transparent decision-making processes. The four-member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

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. In conformance with the auditing standards determined by the Audit & Supervisory Board, each auditor 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 evaluate the internal audit and internal control systems. 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.

(As of July 1, 2015)



Concerning third-party contribution 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.

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

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

As a media and content company centered on broadcasting, which has a decidedly public nature, Nippon TV Holdings recognizes the importance of its responsibility to society. In June 2013, we formulated a CSR Proclamation to spearhead our proactive efforts to serve a useful role in society through our broadcasts and businesses. We are putting every effort into environmental conservation, disaster reconstruction and other contribution activities in ways unique to a media company. Among other compliance efforts, the Nippon TV Holdings Group conducts training programs on insider trading regulations, both as group training and as a Web-based program, for all officers, employees and other staff. These programs are intended to boost awareness with an aim toward preventing insider trading, ensure a thorough awareness of internal rules and confirm everyone's understanding of regulatory changes on the revised Financial Instruments and Exchange Act.

Organization of Internal Audits and Mutual Cooperation with Independent Auditors

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

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

Independent Auditing

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

The accounting audit structure for the fiscal year ended March 31, 2015, was as shown below.

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

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

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

Assistants assisting in audit activities

Certified public accountants: 5 Others: 9

Executive Remuneration

Executive remuneration for the Company's directors and Audit & Supervisory Board members in the fiscal year ended March 31, 2015, was as follows.

	Total Remuneration (Millions of Yen)	Total Remuneration, by Category			Number of Officers Applied to
		Basic Compensation	Bonuses	Retirement Benefits	
Directors (Excluding Outside Directors)	370	370	—	—	9
Audit & Supervisory Board members (Excluding Outside Auditors)	26	26	—	—	1
Outside Directors and Outside Auditors	115	115	—	—	8

Notes:
1. The number of officers as of March 31, 2015, was 12 directors and four Audit & Supervisory Board members.
2. The remuneration amounts listed above do not include the employee portion of salary or bonuses for those officers who are also employees.
3. At the 75th Ordinary General Meeting of Shareholders, 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 remuneration for directors and for Audit & Supervisory Board members. Each director's remuneration is determined by the Board of Directors upon consideration of business conditions and the Company's performance, and for Audit & Supervisory Board members is determined according to consultation with Statutory Auditors.

Basic Philosophy and Development Progress on Internal Control Systems

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

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

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

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

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

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

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

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

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

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

3. Regulations and other risk management systems for losses

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

4. System to ensure efficient execution of directors' duties

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Standing Audit & Supervisory Board members shall attend the Full-Time Directors' Council and exchange opinions with the full-time directors. Statutory auditors may attend the Group Management Council.

Statutory auditors may receive advice regarding auditing duties from lawyers, certified public accountants and other professionals if necessary.

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

CSR at Nippon TV Holdings

Nippon TV Holdings' CSR Proclamation

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

The Four Promises

1. For a society filled with smiles

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

2. For heartwarming culture and well-being

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

3. For a life-supporting environment

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

4. For a future where dreams come true

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

Signatory to the UN Global Compact

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

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

FTSE4Good

For 12 consecutive years, Nippon TV has been selected as a member of the FTSE4Good Index series of environmental sustainability indices, provided by FTSE International Limited of the United Kingdom.

THE GLOBAL COMPACT
Network Japan
WE SUPPORT

NTV Holdings' Original Social Contribution Activities

24-Hour Television: "Love Saves the Earth"

24-Hour Television: "Love Saves the Earth"

This year marked the 38th annual broadcast of this charity program since its inception in 1978. The main mission of this program is to maximize the media power of television to contribute to welfare activities in Japan and overseas and to communicate the importance of support to society at large.

The theme of this year's program, which was broadcast August 22–23, was "Connections: Smiles beyond Time." Donations collected from numerous viewers were used in their entirety—without any deductions to defray costs—to support works in the three areas of welfare support activities, activities to support environmental preservation and activities to support disaster recovery through the *24-Hour Television* Charity Committee. The committee comprises 31 commercial television broadcasters throughout Japan. The cumulative total of contributions for the 38 years from 1978 through 2015 is ¥35,667,320,304.

Individual contributions (donations)

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

Welfare support activities	Activities to support environmental preservation	Activities to support disaster recovery
Support for the elderly and people with disabilities	Support for environmental preservation	Disaster-relief support

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

Welfare Support Activities

Donating Special Vehicles for Public Service Activities

Donating special vehicles for public service activities is an ongoing activity that started from the first *24-Hour Television* broadcast. As of March 31, 2015, we had contributed to welfare and other institutions a total of 10,203 vehicles, ranging in purpose from vehicles that help people bathe to lift-equipped buses and electrical wheelchairs. We run a public service vehicle study council, in which vehicle manufacturers gather to discuss the advantages of vehicles specially equipped for *24-Hour Television*, and we conduct campaign status surveys to confirm whether the special vehicles we donated are being used effectively. Once welfare vehicles reach the end of their useful life, an application must be filed to indicate their disuse. After the vehicles are scrapped and disassembled, their parts are reused as components for other special vehicles or recycled into their constituent aluminum and steel materials.

Welfare vehicles

Donating Special Vehicles for Public Service Activities

More than 200,000 children throughout Japan suffer from intractable and severe diseases. For these children, traveling is complicated by the fact that many lodging facilities are unable to cater to their special needs. To address this situation, Nanbyonet, an NPO with a nationwide network for supporting children with intractable diseases, has built special lodge villages, named Aozora Kyowakoku ("Commonwealth of the Blue Skies"), where children with intractable diseases and their families can stay without worry. The *24-Hour Television* Charity Committee donated the solar-powered eco-system that converts sunlight into electricity and supplies hot water for the lodges.

Aozora Kyowakoku lodging for children with intractable diseases
Hakushu-cho, Hokuto-shi, Yamanashi Prefecture

Helping People with Disabilities Participate in Sports

As prosthetic legs for use in sporting activities are designated as leisure items, the Japanese government does not provide financial assistance toward their purchase; the individual must bear the entire payment burden for such prosthetics. As a result, people with disabilities cannot easily take part in sports. To address this situation, the *24-Hour Television* Charity Committee is helping to provide prosthetic legs for sports and basketball wheelchairs with the aim of giving more people with disabilities the opportunity to take part in sports.

Donated prosthetic legs for sports

Basketball wheelchairs

Encouraging the Popularization of Assistance Dogs for People with Disabilities

Via the *24-Hour Television* Charity Committee, since 2003 we have published and distributed widely a guidebook, DVD and posters for people who are seeking accurate knowledge and understanding of assistance dogs, including seeing-eye dogs, service dogs and hearing-assistance dogs.

Assistance dog DVD and guidebook

Activities to Support Environmental Preservation

Donating Special Vehicles for Public Service Activities

Despite being only one of the myriad living organisms inhabiting the earth, humans are placing a major burden on the environment in pursuit of their own convenience and have themselves become the source of environmental problems. To address the question of what people can do now to address the problems humankind faces, the *24-Hour Television* Charity Committee conducts activities to support environmental preservation, aiming to live in closer harmony with nature.

Through this program, we support cleanup activities around Japan's waterfront and mountain areas, as well as environmental conservation and educational initiatives. To date, 95,873 people have volunteered for cleanup activities that resulted in the recovery of some 727 tons of garbage. In this manner, we aim to raise environmental awareness and leverage our media strength to foster wider environmental activities.

Activities to Support Disaster Recovery

Supporting Recovery in the Regions Affected by the Great East Japan Earthquake

The *24-Hour Television* Charity Committee is involved in a host of recovery efforts that closely address the needs of communities in Iwate, Miyagi and Fukushima prefectures—areas that sustained major damage from the Great East Japan Earthquake.

We donated items in 46 categories, including a school bus and educational support materials, to Futaba Future School, which opened in Fukushima Prefecture in April 2015. Aimed at cultivating people capable of assisting the region's reconstruction, Futaba Future School is an amalgam of high schools in the area that were forced to close due to tsunami damage and locations in restricted zones and represents a symbol of renewal. To commemorate our support, a plaque declaring the school a "*24-Hour Television* Support Facility" is on display at the main entrance.

Donated a school bus

Providing Emergency Assistance for Natural Disasters

Nippon TV provides emergency assistance funding and supplies to areas in Japan and other parts of the world affected by large-scale natural disasters, such as typhoons and floods.

7 days TV What is a Family?

Coinciding with the United Nations International Day of Families on May 15, 2015, the Nippon TV Group launched a special campaign titled 7 days TV What is a Family?

In 1993, the UN General Assembly designated May 15 as the annual International Day of Families to celebrate the bonds that connect families.

The campaign comprised information programs running as so-called "belt programs"—morning and afternoon programs spanning contiguous weekdays—and on weekends for 15 days beginning May 9, 2015. We also ran special family-themed programs for a week during Golden Time.

We plan to continue with campaign activities of this nature, contributing to society by communicating information in a manner for which we are uniquely equipped, given our status as a television broadcaster.

Nippon TV Forum External Class Terekoya

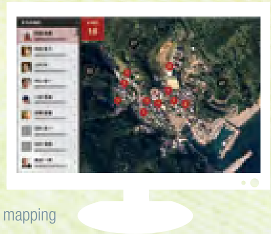
Once a year, we conduct the Nippon TV Forum, where viewers can communicate directly with program producers and learn more about the world of television. In 2010, we extended this idea further with the introduction of External Class Terekoya, an outreach class designed to enhance media literacy.

"Media literacy" is the ability to take in and communicate television and other media. Under this program, producers, directors, announcers and photographers who are intimately involved with production visit schools to provide television-related lectures that include demonstrations and other learning aids. Schools position these courses as social studies, language and career education opportunities.

As a new initiative in the fiscal year ended March 31, 2015, we had some 130 fifth-year municipal elementary school students in the city of Chiba create and demonstrate a program based on their studies of the community where they live.

JoinTown Disaster Response and Senior Support Project

JoinTown is a program to mitigate against disasters and protect the elderly by utilizing JoinTV, a social audience service that Nippon TV operates, developed as a collaborative project with JRT Shikoku Broadcasting Co., Ltd. Leveraging the characteristics of JoinTV, which uses smartphones and televisions, JoinTown combines leading-edge information and communication technologies (ICT) to address issues communities face.


Evacuation status mapping

In the event of a disaster, the program automatically switches on a household's television and tunes to a data broadcast providing the name of the household and evacuation instructions. Acting also as a service for protecting the elderly, the program detects when a television has not been watched or has been left on for an extended period of time. This information is communicated to a call center, which phones to check that all is well. In these ways, JoinTown offers new ways to use the mass media aspect of televisions to deliver personal information to individuals in a community.

Beginning in 2013, for two consecutive years JoinTown has been selected by Japan's Ministry of International Affairs and Communications as part of its Project to Promote ICT Town Development. In 2015, we plan to also run a JoinTown demonstration experiment in Toshima-ku, Tokyo.

Nippon TV Experience Classroom

In 2007, we began using broadcasting equipment and relay vehicles in our Nippon TV Experience Classroom, which is designed to provide opportunities to enhance media literacy. The classes we have held to date have been attended by a total of 4,700 elementary and junior high school students.

In this classroom, technical staff members who are at the forefront of program production interact with children who have expressed an interest in learning more about television. Nippon TV employees teach them how programs are produced, explain relay broadcasting and share the magic behind how television programs reach viewers in the blink of an eye.

Children watch technical staff demonstrate camera techniques and voice-mixing technologies. Participants then have the chance to operate cameras themselves and experience program production as they ride on relay vehicles and come into contact with real voice mixers and editing machines. Following on from our "experience classrooms" in Miyagi and Iwate prefectures in 2014, in 2015 we conducted the program in the earthquake-affected area of Fukushima Prefecture.

Yomihito Shirazu Workshops

Under the Yomihito Shirazu program, announcers and newscasters from Nippon TV and network stations visit schools, temporary housing and other meeting places in areas affected by the Great East Japan Earthquake, holding workshop and other activities focused on the Japanese language. Since the summer of 2011, we have planned workshops and conducted activities depending on regional and participants' needs, sometimes including tongue-twisters, reading aloud and picture-story shows, with the content of our activities evolving as time since the earthquake lengthens.

Since the fiscal year ended March 31, 2013, we have provided tablet computers to elementary school children in the village of Iitate, Fukushima Prefecture. The children use the tablets to record their school year in a "graduation album movie." The tablets are also used to conduct external classes that encourage the children to think about such topics as their hometown, radioactivity and the future. We plan to continue with Yomihito Shirazu social contribution activities such as these that are uniquely suited to us as a television broadcaster.

Expanding Opportunities to Enjoy Art and Culture

In line with our CSR motto of "expanding opportunities to enjoy art and culture in various ways," we have supported a number of art restoration efforts. In addition to the restoration of Michelangelo murals in the Sistine Chapel in Vatican City, we supported the Louvre Museum's repairs of the *Mona Lisa* room (completed in 2005) and classical Greek and Hellenistic art, including *Venus de Milo* (completed in 2008). Leveraging the strong relationship we have built with the Louvre Museum, we have also begun to cooperate in restoring the area surrounding the *Winged Victory of Samothrace* (scheduled for completion in 2015).

Mother and Child Initiative (*mama mo como*)

Aiming to provide information that helps to maintain family harmony, employee volunteers from Nippon TV and other Group companies gathered together to start the Mother and Child Initiative in January 2010. Activities include preparing event spaces where children and their families can play and learn at the same time, rooms for mothers to nurse their infants and places to enjoy an announcer reading from children's picture books.

mama mo como Television

Aimed at bringing joy to families raising children, *mama mo como* Television mainly targets the mothers and fathers who are raising children, aiming to make their child-rearing days more enjoyable and meaningful. The program is designed to provide useful information that will help parents extend their children's limitless horizons.

In addition to these activities, we have introduced GO! Nittele WALK, a program for touring our facilities that targets children from the fifth year of elementary school through to the third year of high school, aiming to encourage an affinity for television. We provide students the opportunity to look behind the scenes of the television business as they tour live broadcast facilities and learn how television programs are produced. Many students take part in these tours as free-themed school excursions and independent studies. We are also taking on new entertainment challenges, such as through SENSORS, a new media project combining the Web and television programming.

Environmental Activities

As a corporate media leader, we have a strong awareness of our responsibility to society. Accordingly, we are aggressively developing Nittele Eco, our environmental preservation initiative. This involves making a broad appeal for environmental conservation through our programs and events as well as reducing the environmental impact from our business activities. We will continue to promote these and other efforts to protect our beautiful planet.

Nippon TV Environmental Policy

Serve as a Source of Information

Through its programming and various events, Nippon TV will spread the importance of environmental protection to the general public, which will fulfill our social responsibility as a media company and serve as our contribution toward preserving the environment.

Establish and Continuously Improve the Environmental Management System

Nippon TV established an appropriate environmental management system as part of its corporate activities, promoting the reuse of natural resources and energy as well as reducing waste and encouraging recycling. We will do our utmost to maintain our ongoing efforts and to prevent pollution.

Comply with and Implement Social Responsibility

We will uphold environmental laws/regulations and any other requirements while fulfilling our social responsibility.

Achieve Our Environmental Policy Objectives

- Establish our environmental purposes and goal, and work towards achieving our environmental policy.
- Ensure that all employees thoroughly familiarize themselves with the environmental policy and unite as a company toward implementation.
- Make this environmental policy publicly and widely known as well as attempt to conserve the environment while communicating with the local community.

Social Activities

Corporate Ethics

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

Human Resource Development

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

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

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

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

Nippon Television Kobato Cultural Foundation

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

Financial Data

Management's Discussion and Analysis

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

Overview

Operating Environment

During the fiscal year ended March 31, 2015, the Japanese economy remained on a path of moderate recovery. Although personal consumption was weak due to such factors as the prolonged impact of the consumption tax rate hike, corporate earnings showed signs of improving in some areas due to various government stimulus policies and falling crude oil prices.

In this economic climate, according to a 2015 survey by Dentsu Inc., advertising expenditures in Japan rose in 2014 for the third consecutive year, growing 2.9% year on year, to ¥6,152.2 billion. Of this figure, television advertising expenditures came to ¥1,834.7 billion, a 2.4% increase.

Net Sales

During the year, the Nippon TV Holdings Group posted consolidated net sales of ¥362,497 million, a year-on-year rise of ¥20,776 million, or 6.1%. In the Group's mainstay content business, in addition to higher terrestrial television advertising revenues, the Group benefited from increased content sales revenue stemming from consolidated subsidiaries HJ Holdings LLC and TATSUNOKO PRODUCTION Co., Ltd. We also booked facilities usage fee revenues stemming from the conversion of TIPNESS Limited to a consolidated subsidiary on December 25, 2014.

Operating Income

Operating expenses—the cost of sales combined with selling, general and administrative expenses—increased ¥18,483 million, or 6.1%, to ¥320,114 million. This rise was due to aggressive up-front investments in the content business segment, as well as investments to enter the life and health-related business, which we aim to build into a second pillar of revenues. As a result, operating income grew ¥2,293 million, or 5.7%, to ¥42,383 million.

Income before Income Taxes and Minority Interests

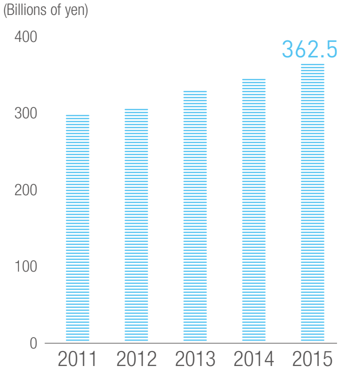
Income before income taxes and minority interests expanded ¥3,342 million, or 7.5%, to ¥47,741 million. This figure includes the posting of a ¥44 million gain on sales of fixed assets and a ¥746 million loss on retirement of fixed assets.

Net Income

Income taxes increased 7.7%, to ¥17,640 million, while minority interests in loss amounted to ¥367 million. As a result, net income for the fiscal year came to ¥30,468 million, up ¥2,640 million, or 9.5%, from the preceding fiscal year.

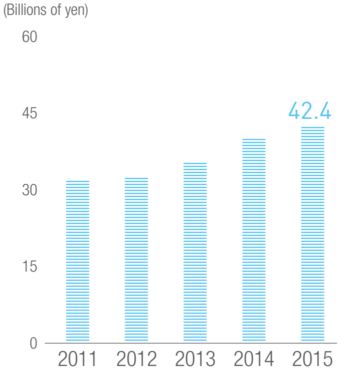
Net Sales

(Billions of yen)



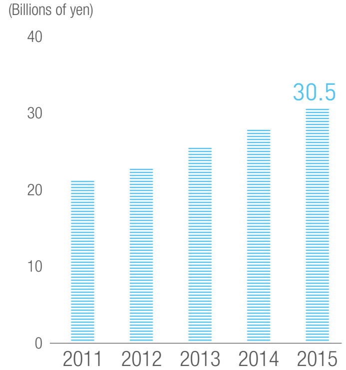
Operating Income

(Billions of yen)



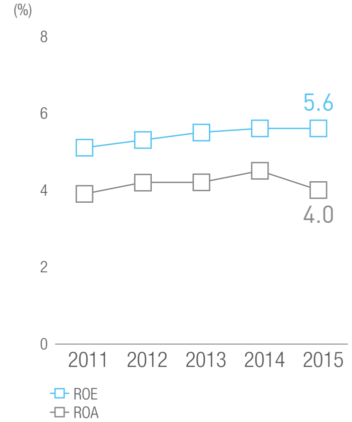
Net Income

(Billions of yen)



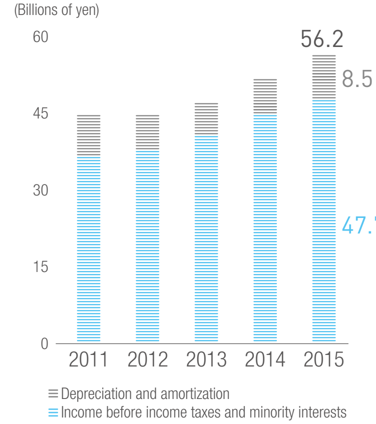
ROA and ROE

(%)



EBITDA

(Billions of yen)



Note: As the Company transitioned to a certified broadcasting holding company structure on October 1, 2012, figures for the fiscal years ended March 31, 2011 through 2012 are for Nippon Television Network Corporation. Also, BS Nippon Corporation and CS Nippon Corporation were converted to consolidated subsidiaries in the second half of the fiscal year ended March 31, 2013.

Segment Information

During the year, the Group established a new reporting segment, the "life and health-related business," in line with the inclusion of TIPNESS Limited as a consolidated subsidiary on December 25, 2014.

Content Business

Composition of Sales in the Content Business

(Millions of yen)

Fiscal Years Ended March 31		2014	2015	Change
Television broadcasting	Time advertising	113,618	115,388	1,770
	Spot advertising	114,172	122,759	8,587
	Total	227,790	238,147	10,357
Advertising sales from BS and CS platforms		13,495	14,276	781
Other advertising revenue		398	385	(13)
Content sales revenue		37,181	46,680	9,499
Revenue from merchandise sales		35,321	28,668	(6,653)
Box office revenue		11,303	9,318	(1,985)
Other		10,344	10,998	654
Total		335,832	348,472	12,640

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

Overview of Results

Time advertising revenue, a component of television broadcasting revenue, was affected by a backlash in comparison with revenues from major single-episode programs such as the *Sochi 2014 Olympic Games* in the preceding fiscal year. However, due to the *2014 FIFA World Cup Brazil* and higher revenue from regular program slots, time advertising revenue rose ¥1,770 million, or 1.6%, to ¥115,388 million.

Spot advertising revenue expanded ¥8,587 million, or 7.5%, to ¥122,759 million, owing to a year-on-year increase in expenditures for regionally targeted spot advertising and our heightened share of terrestrial viewer ratings against other key Tokyo-based broadcasters. As a result, television broadcasting revenues came to ¥238,147 million, up ¥10,357 million, or 4.5%.

NTV's Share of Spot Sales, by Industry Sector

Fiscal Years Ended March 31 (%)

	2014			2015		
	Sector	Share	Growth	Sector	Share	Growth
1	Cosmetics/Toiletries	11.8	15.3	Cosmetics/Toiletries	12.9	16.8
2	Transportations/Telecommunications	9.2	1.0	Transportations/Telecommunications	12.1	41.3
3	Transportations equipment	8.2	4.1	Transportations equipment	7.4	(3.7)
4	Pharmaceuticals	6.6	(2.3)	Pharmaceuticals	6.7	10.6
5	Finance	6.3	43.3	Services	6.4	27.1
6	Non-alcoholic beverages	6.0	16.6	Finance	5.5	(6.7)
7	Electronic equipment	5.5	(13.2)	Non-alcoholic beverages	4.9	(10.4)
8	Services	5.4	30.9	Electronic equipment	4.9	(3.7)
9	Box-office/Entertainment	4.2	(17.1)	Box-office/Entertainment	4.4	11.9
10	Wholesale/Department stores	3.9	(16.5)	Publishing	3.6	17.1

Advertising sales from BS and CS platforms totaled ¥14,276 million, up ¥781 million, or 5.8%, helped by increased advertising revenues from *Shinso NEWS*, a program of BS Nippon Corporation.

Content sales revenue grew ¥9,499 million, or 25.5%, to ¥46,680 million, reflecting the effect of the consolidation of HJ Holdings LLC, which operates a subscription-based video distribution service business, and TATSUNOKO PRODUCTION Co., Ltd., which operates the planning, production and licensing of animation films, as subsidiaries of the Nippon TV Group.

Revenue from merchandise sales declined ¥6,653 million, or 18.8%, to ¥28,668 million, mainly due to poor sales of package media.

Box-office revenue declined ¥1,985 million, or 17.6%, to ¥9,318 million, mainly due to a decrease in the number of large-scale Nippon TV-financed films and events, despite the favorably received event business, which featured an art exhibition titled the *Louvre Museum Art Exhibition* and an event titled *TeamLab Dance! Art Exhibition and Learn and Play! TeamLab Future Park*, as well as the successful results of the Nippon TV-financed films *Hot Road* and *Parasyte*.

Data on the Film Business

National Overview

(Calender Years)

	2010	2011	2012	2013	2014
Attendance (thousands)	174,358	144,726	155,159	155,888	161,116
Box office sales (millions of yen)	220,737	181,197	195,190	194,237	207,034
Japanese films	118,217	99,531	128,181	117,685	120,715
Theatrical releases	716	799	983	1,117	1,184
Japanese films	408	441	554	591	615
Theaters (total screens)	3,412	3,339	3290	3,318	3,364

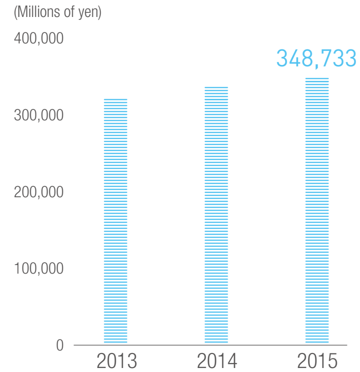
Source: Motion Picture Producers Association of Japan, 2014

Box Office Sales Ranking: Top 10 Titles for Fiscal 2014

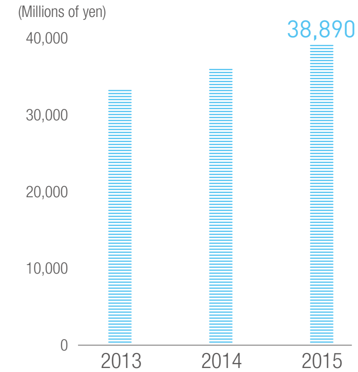
Rank	Release Date	Title	Box Office Sales (Billions of yen)
1	December 2013	*The Eternal Zero*	8.76
2	August 2014	*Stand by Me Doraemon*	8.38
3	August 2014	*Rurouni Kenshin: Kyoto Inferno*	5.22
4	April 2014	*Thermae Romae II*	4.42
5	September 2014	*Rurouni Kenshin: the Legend Ends*	4.35
6	December 2013	*Lupin the 3rd vs. Detective Conan: The Movie*	4.26
7	April 2014	*Detective Conan: the Sniper from Another Dimension*	4.11
8	March 2014	*Doraemon: New Nobita's Great Demon—Peko and the Exploration Party of Five*	3.58
9	July 2014	*When Marnie Was There*	3.53
10	July 2014	*Pokémon the Movie: Diancie and the Cocoon of Destruction*	2.91

As a result, during the year sales in the content business, including intersegment sales and transfers, totaled ¥348,733 million, up ¥12,438 million, or 3.7%. Operating income in the content business was up ¥2,830 million year on year, or 7.8%, to ¥38,890 million.

Content Business Sales



Content Business Operating Income



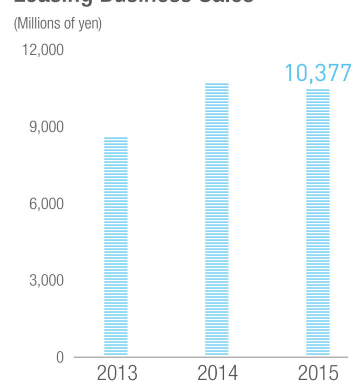
Life and Health-Related Business

Sales revenue in the life and health-related business amounted to ¥8,566 million, mainly owing to facilities usage fee revenues. Operating expenses came to ¥8,697 million, due to the seasonal factor of higher expenses after TIPNESS Limited was consolidated by the Nippon TV Group as a subsidiary and the depreciation of goodwill recognized after the business combination. As a result, the segment posted an operating loss of ¥131 million.

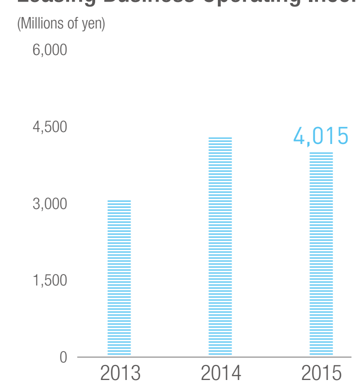
Real Estate Rental/Leasing Business

Sales in the real estate rental/leasing business, which includes revenue from tenants in the Shiodome and Kojimachi areas of Tokyo, decreased ¥326 million, or 3.1%, to ¥10,377 million, including intersegment sales and transfers. Operating income declined ¥243 million, or 5.7%, to ¥4,015 million.

Real Estate Rental/ Leasing Business Sales



Real Estate Rental/ Leasing Business Operating Income



Financial Position

Assets

Current assets as of March 31, 2015, were ¥260,280 million, up ¥13,169 million from a year earlier, due to higher cash and cash equivalents.

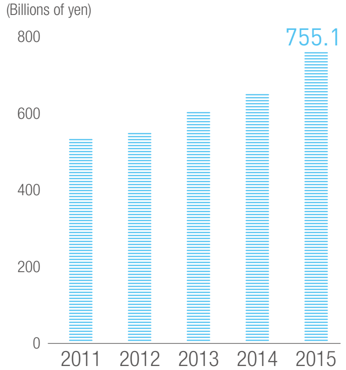
Property, plant and equipment was up ¥28,747 million compared with the previous year-end, to ¥222,538 million, owing to a rise in lease assets accompanying the consolidation of TIPNESS Limited as a subsidiary.

Investments and other assets amounted to ¥272,309 million, up ¥67,874 million from a year earlier. This rise was attributable to higher amounts of goodwill and other assets related to the consolidation of TIPNESS Limited, as well as to increases in investment securities due to higher market prices.

Consequently, total assets stood at ¥755,127 million on March 31, 2015, up ¥109,763 million from the end of the preceding fiscal year.

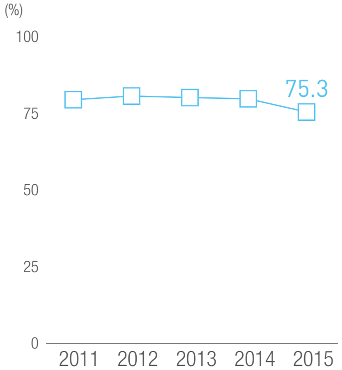
Total Assets

(Billions of yen)



Equity Ratio

(%)



Liabilities

Current liabilities came to ¥99,762 million as of March 31, 2015, up ¥20,438 million from a year earlier. This increase was attributable to higher short-term borrowings accompanying the consolidation of TIPNESS Limited.

The consolidation also prompted an increase in lease obligations. This factor, plus higher deferred tax liabilities resulting from a rise in the market price of investment securities, caused long-term liabilities to grow ¥34,750 million, to ¥76,886 million.

Equity

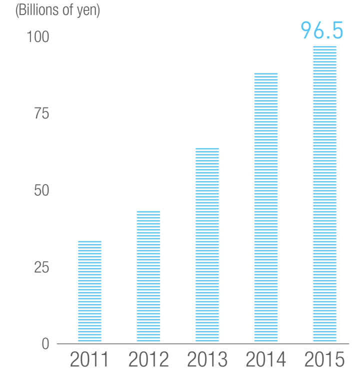
During the year, net income exceeded payments for shareholder dividends. Also, higher market prices on investments in securities caused the unrealized gain on available-for-sale securities to increase. These factors caused total equity to rise ¥54,574 million, to ¥578,479 million, as of March 31, 2015.

Cash Flows

During the fiscal year ended March 31, 2015, cash and cash equivalents increased ¥9,085 million, to ¥96,539 million.

Cash and Cash Equivalents, End of Year

(Billions of yen)



Net Cash Provided by Operating Activities

Net cash provided by operating activities amounted to ¥33,237 million, compared with ¥35,157 million in the previous year. Principal sources of cash were ¥47,741 million in income before income taxes and minority interests and depreciation and amortization of ¥8,481 million, versus ¥19,053 million in income taxes paid.

Net Cash Used in Investing Activities

Net cash used in investing activities came to ¥17,942 million, compared with ¥4,367 million in the previous year. The main uses of cash were ¥27,458 million for purchases of investment securities, ¥24,116 million in purchase of shares in subsidiaries resulting in change in scope of consolidation and ¥14,886 million in purchases of property, plant and equipment. Proceeds from redemption of marketable securities provided ¥42,064 million.

Net Cash Used in Financing Activities

Net cash used in financing activities was ¥6,243 million, compared with ¥7,175 million in the preceding year. Dividends paid were the primary use of cash.

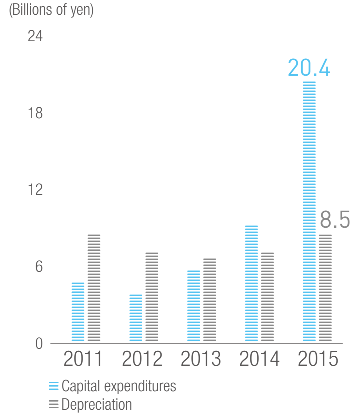
Financing and Capital Expenditure Policy

The Group's policy is to make optimal financing decisions by comprehensively taking into account the business environment surrounding the television broadcasting industry and the Group, economic trends and other relevant factors.

In specific terms, the Group's estimates for capital expenditures over the next seven-year period are determined in line with forecast profits and cash flows. Group companies formulate their own capital plans, but Nippon TV Holdings makes adjustments to ensure there is no overlap among plans.

During the fiscal year ended March 31, 2015, the Group's capital expenditures (investments in property, plant and equipment and software) came to ¥20,370 million. This amount was due mainly to capital investments in the content business segment.

Capital Expenditures and Depreciation



Content Business

During the fiscal year ended March 31, 2015, we started Phase 1 renewal work at the media center, updating the master center, CM banks, program servers and data broadcast facilities, all of which were installed 11 years ago and scheduled to be replaced in 2016 to ensure more stability of broadcasting at the NTV Shiodome television tower. In addition, we planned the renewal of studio equipment, which was also installed 11 years ago, and started updates on two broadcast facilities at the S3 and S4 studios used for the production of live broadcasts. We also started to implement a initial investment in some broadcast facilities at the new Kojimachi studio building, which is under construction and scheduled to start operation in 2018.

Real Estate Rental/Leasing Business

As part of our Kojimachi reconstruction project, we acquired land in Chiyoda-ku, Tokyo. In addition, we posted a ¥746 million loss on retirement of fixed assets, primarily for the Kojimachi reconstruction project. This loss centered on buildings and structures.

For the fiscal year ending March 31, 2016, the Group is budgeting capital expenditures of ¥31,885 million, to be funded primarily through retained earnings.

Important Management Agreements

Conclusion of a Lease Contract for a Photovoltaic Facility

Nippon Television Work 24 Corporation, a consolidated subsidiary of the Company, concluded a lease contract for a photovoltaic facility at a total lease fee of ¥6,797 million with Mitsubishi UFJ Lease & Finance Company Limited on September 1, 2014. The lease period is 15 years from the date of completion of the acceptance inspection (scheduled in March 2016). The lease contract contains special provisions by which the photovoltaic facility is subleased from Nippon Television Work 24 Corporation to SANEIWORK CORPORATION a non-consolidated subsidiary.

Construction of a New Studio Building

Nippon Television Network Corporation, a consolidated subsidiary of the Company, has decided to construct a new studio building in Nibancho, Chiyoda-ku, as part of the redevelopment of the Kojimachi area. As the Kojimachi New Studio Building Construction Project (provisional name), we recently concluded a construction contract with Taisei Corporation in the amount of ¥23,976 million (tax included) on December 22, 2014. The expected date of completion for construction is April 24, 2018.

Acquisition of Shares to Convert TIPNESS Limited to a Subsidiary

The Company made TIPNESS Limited a subsidiary on December 25, 2014, by acquiring all of the outstanding shares in TIPNESS Limited pursuant to a share transfer agreement entered into with Suntory Holdings Limited and Marubeni Corporation as of November 21, 2014.

Dividend Policy

Nippon TV Holdings recognizes the return of profits to shareholders as an important task of management. Our basic policy is to make continuous and stable returns to shareholders, while building a corporate structure able to flexibly adapt to changes in the business environment and strengthen our revenue base and harmonizing these endeavors with the maintenance of internal reserves for aggressive future expansion.

Our basic policy is to pay dividends twice each year, once at midterm and once at year-end. The General Meeting of Shareholders determines the year-end dividend, while midterm dividends are resolved each year by the Company's Board of Directors, as provided for by the Company's Articles of Incorporation, with a record date of September 30.

In accordance with this policy, in the fiscal year ended March 31, 2015, the Group awarded an interim dividend of ¥10 per share and a year-end dividend of ¥20 per share.

Business Risks

The risks described below are some of the risks the Nippon TV Holdings Group faces. Many of these risks relate to the future; the information stated here is based on the Group's judgments as of March 31, 2015.

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

Risk Related to Legal Restrictions

Legal Restrictions on Certified Broadcasting Holding Companies

A certified broadcasting holding company approved under the Broadcast Law is allowed to hold multiple terrestrial broadcasters, BS broadcasters and CS broadcasters as subsidiaries. Nippon TV Holdings, which is approved as a certified broadcasting holding company, has as its subsidiaries Nippon Television Network Corporation, BS Nippon Corporation and CS Nippon Corporation. In the event that Nippon TV Holdings failed to satisfy the standards provided by the Broadcast Law, such as those related to a certified broadcasting holding company's assets, the Company's certification could be rescinded (Broadcast Law Article 166). If certification were to be rescinded, the Group's business performance and financial position could be seriously affected.

Legal Regulations for Television Broadcasters

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

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

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

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

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

Risks Related to the Television Broadcasting Business

Dependence on Television Broadcasting Revenues and Television Broadcasting Media Prices

The content business, which forms the core of the NTV Group's operations, is dependent on television advertising revenue generated through the sales of television advertising time slots. Such revenues comprised approximately 69.6% of total net sales in the fiscal year ended March 31, 2015.

In general, advertising prices are linked with macroeconomic trends. Furthermore, advertising media are growing increasingly diverse, owing to the advent of the Internet and other media.

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

Competition with Other Forms of Media

Given that analog terrestrial broadcasting in Japan ended in March 2012, the transition to digital terrestrial broadcasting is now complete. However, during this period, the three-wavelength tuners that enable viewing of terrestrial, BS digital and CS digital broadcasts have steadily gained popularity. In addition, new BS digital broadcasts started in October 2011, and multimedia broadcasting targeting mobile devices commenced in April 2012. At the same time, Internet access has improved and personal computers, smartphones and tablet computers have broadly penetrated the general household market. This popularization of digital media is drawing the interest of many people, rapidly raising the advertising value of such forms of media.

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

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

Copyrights and Other Intellectual Property Rights

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

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

In recent years, demand has arisen for multiple uses of content to supplement conventional terrestrial broadcasting, including content distribution via BS and CS satellite broadcasts, cable television and the Internet; packaging in the form of DVDs, Blu-ray Discs and other physical media; and merchandising and publishing related to program characters. While carefully considering the rights of the various authors, etc., the Group will continue aggressively pursuing multiple uses for the television programs and other content it produces. However, as a general rule obtaining the rights to use television programs produced by the Group from the authors, etc., are premised on terrestrial and satellite broadcasting usage, leaving the Group with numerous television programs for which rights premised on other uses have not been adequately obtained.

In deploying television programs for multiple uses on the Internet and in other new media, as well as for overseas development, it is therefore essential to re-acquire permission from the authors, etc., in advance of such use either in parallel with or subsequent to terrestrial broadcasting. Such rights handling could require large amounts of time and expenditures. At the same time, in the event that the Group fails to properly accommodate the authors, etc., it may face broadcast cancellation orders or claims for damages. In such cases, the Group's business performance and financial position may be affected.

Risk Related to Businesses Other Than Television Broadcasting

Film Business

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

Media Commerce Business

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

VOD Business

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

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

Handling of Shares Purchased by Foreign Entities

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

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

Large-Scale Acquisitions of Nippon TV Holdings' Shares

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

Nippon TV Holdings obtained approval for and carried out a renewal of its plan for countermeasures to large-scale acquisitions of shares in the Company with necessary amendments (takeover defense measures) at the meeting of the Board of Directors held on May 9, 2013 and its 80th Ordinary General Meeting of Shareholders held on June 27, 2013, as a measure (Article 118, Item (iii)(b) of the Ordinance for Enforcement of the Companies Act) to prevent decisions on the Company's financial and business policies from being controlled by persons viewed as inappropriate under the basic policy regarding persons who control decisions on the Company's financial and business policies (defined in the main clause of Article 118, Item (iii) of the Ordinance for Enforcement of the Companies Act).

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

Consolidated Balance Sheet

Nippon Television Holdings, Inc. and Consolidated Subsidiaries
March 31, 2015

	Millions of Yen		Thousands of U.S. Dollars (Note 1)
ASSETS	2015	2014	2015
Current Assets:			
Cash and cash equivalents (Note 15)	¥ 96,539	¥ 87,453	$ 803,354
Marketable securities (Notes 5 and 15)	39,293	38,207	326,978
Short-term investments (Notes 6 and 15)	962	844	8,005
Receivables (Note 15):			
Trade notes	78	109	649
Trade accounts	91,130	86,370	758,342
Other	4,982	8,797	41,458
Allowance for doubtful accounts	(109)	(144)	(907)
Inventories (Note 7)	10,765	11,321	89,581
Deferred tax assets (Note 13)	5,150	5,222	42,856
Prepaid expenses and other (Note 14)	11,490	8,931	95,615
Total current assets	260,280	247,110	2,165,931
Property, Plant and Equipment (Notes 8 and 9):			
Land	149,942	140,590	1,247,749
Buildings and structures	108,875	89,244	906,008
Machinery, vehicles and equipment	92,532	92,841	770,009
Lease assets (Note 14)	23,428		194,957
Construction in progress	6,552	1,857	54,523
Total	381,329	324,532	3,173,246
Accumulated depreciation	(158,791)	(130,741)	(1,321,386)
Net property, plant and equipment	222,538	193,791	1,851,860
Investments and Other Assets:			
Investment securities (Notes 5 and 15)	160,242	134,388	1,333,461
Investments in and advances to unconsolidated subsidiaries and associated companies	67,023	53,932	557,735
Long-term deposits (Note 15)		1,000	
Goodwill	12,468		103,753
Deferred tax assets (Note 13)	887	1,186	7,381
Other assets (Note 14)	32,451	14,720	270,043
Allowance for doubtful accounts	(762)	(764)	(6,341)
Total investments and other assets	272,309	204,462	2,266,032
Total	¥ 755,127	¥ 645,363	$ 6,283,823

See notes to consolidated financial statements.

	Millions of Yen		Thousands of U.S. Dollars (Note 1)
LIABILITIES AND EQUITY	2015	2014	2015
Current Liabilities:			
Short-term borrowings (Note 10)	¥ 10,171	¥ 1,696	$ 84,638
Payables (Notes 15)			
Trade accounts	52,147	48,660	433,944
Other	12,568	9,002	104,585
Income taxes payable	10,736	11,037	89,340
Provision for the cost of relocating the transmitting station (Note 2.j)			
Accrued expenses and other (Notes 10 and 14)	14,140	8,928	117,667
Total current liabilities	99,762	79,323	830,174
Long-Term Liabilities:			
Liabilities for retirement benefits (Note 11)	11,036	9,588	91,837
Guarantee deposits received (Notes 8 and 15)	20,385	19,886	169,635
Deferred tax liabilities (Note 13)	28,221	11,736	234,842
Lease obligations	16,334	784	135,924
Other (Notes 10 and 14)	910	142	7,573
Total long-term liabilities	76,886	42,136	639,811
Commitments and Contingent Liabilities (Notes 14, 16 and 17)			
Equity (Notes 12, 19 and 20):			
Common stock—authorized, 1,000,000,000 shares in 2015 and 2014; issued, 263,822,080 shares in 2015 and 2014	18,600	18,600	154,781
Capital surplus	29,587	29,587	246,210
Retained earnings	481,914	461,001	4,010,269
Treasury stock—at cost, 10,108,887 shares in 2015 and 10,086,779 shares in 2014	(13,331)	(13,295)	(110,935)
Accumulated other comprehensive income:			
Unrealized gain on available-for-sale securities	51,599	17,592	429,383
Foreign currency translation adjustments	93	(34)	774
Deferred gain on derivatives under hedge accounting	19	5	158
Total	568,481	513,456	4,730,640
Minority interests	9,998	10,448	83,198
Total equity	578,479	523,904	4,813,838
Total	¥755,127	¥645,363	$6,283,823

See notes to consolidated financial statements.

Consolidated Statement of Income

Nippon Television Holdings, Inc. and Consolidated Subsidiaries
Year Ended March 31, 2015

	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	2015	2014	2015
Net Sales	¥362,497	¥341,720	$3,016,535
Cost of Sales	235,340	225,588	1,958,392
Gross profit	127,157	116,132	1,058,143
Selling, General and Administrative Expenses	84,774	76,043	705,451
Operating income	42,383	40,089	352,692
Other Income (Expenses):			
Interest and dividend income	3,085	3,352	25,672
Interest expense	(173)	(7)	(1,440)
Gain (loss) on sales of investment securities	22	(7)	183
Loss on devaluation of investment securities	(254)	(1,984)	(2,114)
Equity in earnings of unconsolidated subsidiaries and associated companies	3,339	2,692	27,786
Gain on investment in partnership	199	1,369	1,656
Cost of relocating the transmitting station (Note 2. m)		(907)	
Loss on settlement package (Note 2. n)		(346)	
Other—net	(860)	147	(7,157)
Other income—net	5,358	4,309	44,586
Income Before Income Taxes and Minority Interests	47,741	44,398	397,278
Income Taxes (Note 13):			
Current	18,114	16,691	150,736
Deferred	(4,749)	(318)	(3,944)
Total income taxes	17,640	16,373	146,792
Net Income before Minority Interests	30,101	28,025	250,486
Minority Interests in Net Income (Loss)	367	(197)	3,054
Net Income	¥ 30,468	¥ 27,828	$ 253,540

	Yen		U.S. Dollars
	2015	2014	2015
Per Share of Common Stock (Note 2. s):			
Basic net income	¥120.08	¥109.58	$1.00
Cash dividends applicable to the year	30.00	34.00	0.25

See notes to consolidated financial statements.

Consolidated Statement of Comprehensive Income

Nippon Television Holdings, Inc. and Consolidated Subsidiaries
Year Ended March 31, 2015

	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	2015	2014	2015
Net Income Before Minority Interests	¥30,101	¥28,025	$250,486
Other Comprehensive Income (Note 19):			
Unrealized gain on available-for-sale securities	33,587	5,869	279,496
Foreign currency translation adjustments	153	183	1,273
Share of other comprehensive income in unconsolidated subsidiaries and associated companies	414	1,068	3,445
Total other comprehensive income	34,154	7,120	284,214
Comprehensive Income	¥64,255	¥35,145	$534,700
Total Comprehensive Income Attributable to:			
Owners of the parent	¥64,617	¥34,940	$537,713
Minority interests	(362)	205	(3,013)

See notes to consolidated financial statements.

Consolidated Statement of Changes in Equity

Nippon Television Holdings, Inc. and Consolidated Subsidiaries
Years Ended March 31, 2015

	Thousands		Millions of Yen									
							Accumulated Other Comprehensive Income					
	Number of Shares of Common Stock Issued	Number of Shares of Treasury Stock	Common Stock	Capital Surplus	Retained Earnings	Treasury Stock	Unrealized Gain on Available-for-Sale Securities	Foreign Currency Translation Adjustments	Deferred Gain on Derivatives under Hedge Accounting	Total	Minority Interests	Total Equity
Balance, April 1, 2013	263,822	9,168	¥18,600	¥29,587	¥432,340	¥(12,363)	¥10,956	¥(400)		¥478,720	¥ 9,400	¥488,120
Net income					27,828					27,828		27,828
Cash dividends, ¥34 per share					(7,325)					(7,325)		(7,325)
Increase in treasury stock—net		1				(3)				(3)		(3)
Change in equity in associates accounted for by equity method—treasury stock		14				(6)				(6)		(6)
Change of scope of equity method		904			8,158	(923)				7,235		7,235
Net change in the year							6,636	366	¥ 5	7,007	1,048	8,055
Balance, March 31, 2014 (April 1, 2014, as previously reported)	263,822	10,087	18,600	29,587	461,001	(13,295)	17,592	(34)	5	513,456	10,448	523,904
Cumulative effect of accounting change					(662)					(662)		(662)
Balance, April 1, 2014 (as restated)	263,822	10,087	18,600	29,587	460,339	(13,295)	17,592	(34)	5	512,794	10,448	523,242
Net income					30,468					30,468		30,468
Cash dividends, ¥30 per share					(8,893)					(8,893)		(8,893)
Increase in treasury stock—net		17				(34)				(34)		(34)
Change in equity in associates accounted for by equity method—treasury stock		4				(2)				(2)		(2)
Net change in the year							34,007	127	¥14	34,148	(450)	33,698
Balance, March 31, 2015	263,822	10,108	¥18,600	¥29,587	¥481,914	¥(13,331)	¥51,599	¥ 93	¥19	¥568,481	¥ 9,998	¥578,479

	Thousands of U.S. Dollars (Note 1)										
					Accumulated Other Comprehensive Income						
	Common Stock	Capital Surplus	Retained Earnings	Treasury Stock	Unrealized Gain on Available-for-Sale Securities	Foreign Currency Translation Adjustments	Deferred Gain on Derivatives under Hedge Accounting	Total	Minority Interests	Total Equity
Balance, March 31, 2014 (April 1, 2014, as previously reported)	$154,781	$246,210	$3,836,240	$(110,635)	$146,393	$ (283)	$ 42	$4,272,748	$86,942	$4,359,690
Cumulative effect of accounting change			(5,509)					(5,509)		(5,509)
Balance, April 1, 2014 (as restated)	154,781	246,210	3,830,731	(110,635)	146,393	(283)	42	4,267,239	86,942	4,354,181
Net income			253,540					253,540		253,540
Cash dividends, $0.25 per share			(74,002)					(74,002)		(74,002)
Increase in treasury stock—net				(283)				(283)		(283)
Change in equity in associates accounted for by equity method—treasury stock				(17)				(17)		(17)
Net change in the year					282,990	1,057	116	284,163	(3,744)	280,419
Balance, March 31, 2015	$154,781	$246,210	$4,010,269	$(110,935)	$429,383	$ 774	$158	$4,730,640	$83,198	$4,813,838

See notes to consolidated financial statements.

Consolidated Statement of Cash Flows

Nippon Television Holdings, Inc. and Consolidated Subsidiaries
Year Ended March 31, 2015

	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	2015	2014	2015
Operating Activities:			
Income before income taxes and minority interests	¥ 47,741	¥ 44,398	$ 397,278
Adjustments for:			
Income taxes—paid	(19,053)	(16,631)	(158,550)
Depreciation and amortization	8,481	7,149	70,575
Increase in liabilities for retirement benefits	526	576	4,377
Decrease in provision for the cost of relocating the transmitting station		(1,080)	
Loss on devaluation of investment securities	254	1,984	2,114
Equity in earnings of unconsolidated subsidiaries and associated companies	(3,339)	(2,692)	(27,786)
Changes in operating assets and liabilities:			
Increase in trade notes and accounts receivable	(3,657)	(3,972)	(30,432)
Decrease (increase) in inventories	1,081	(562)	8,996
Increase (decrease) in trade notes and accounts payable	(690)	5,214	(5,742)
Other—net	1,893	773	15,753
Total adjustments	(14,504)	(9,241)	(120,695)
Net cash provided by operating activities	33,237	35,157	276,583
Investing Activities:			
Increase in long-term deposits	(738)	(455)	(6,141)
Decrease in long-term deposits	708	2,546	5,892
Purchases of marketable securities	(1,000)	(5,000)	(8,322)
Proceeds from redemption of marketable securities	6,000	42,500	49,929
Purchases of property, plant and equipment	(14,886)	(8,389)	(123,875)
Proceeds from sales of property, plant and equipment	31	51	258
Purchases of intangible assets	(1,094)	(850)	(9,104)
Purchases of investment securities	(27,458)	(35,184)	(228,493)
Proceeds from sales of investment securities	24	1,393	200
Proceeds from redemption of investment securities	42,064	7,992	350,037
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(24,116)	(849)	(200,682)
Payments of loans receivable	(3,815)	(8,351)	(31,747)
Payments for investments in capital of subsidiaries and affiliates	(297)	(3,450)	(2,471)
Other—net	6,635	3,679	55,214
Net cash used in investing activities	(17,942)	(4,367)	(149,305)
Financing Activities:			
Increase in short-term borrowings—net	2,976	286	24,765
Repayments of finance lease obligations	(257)		(2,139)
Dividends paid	(8,897)	(7,323)	(74,037)
Purchases of treasury stock	(1)	(3)	(8)
Other—net	(64)	(135)	(533)
Net cash used in financing activities	(6,243)	(7,175)	(51,952)
Foreign Currency Translation Adjustments on Cash and Cash Equivalents	38	32	316
Net Increase in Cash and Cash Equivalents	9,090	23,647	75,642
Cash and Cash Equivalents, Beginning of Year	87,453	63,806	727,744
Decrease in Cash and Cash Equivalents Resulting from Exclusion of Subsidiary from Consolidation	(4)		(32)
Cash and Cash Equivalents, End of Year	¥ 96,539	¥ 87,453	$ 803,354
Noncash Investing and Financing Activities:			
Assets acquired and liabilities assumed in purchase of share (Note 4):			
TIPNESS Limited:			
Assets acquired	¥ 41,014		$ 341,300
Liabilities assumed	29,305		243,863
Cash paid for the capital	24,375		202,838
Goodwill	12,665		105,392

See notes to consolidated financial statements.

Notes to Consolidated Financial Statements

Nippon Television Holdings, Inc. and Consolidated Subsidiaries
Year Ended March 31, 2015

1. Basis of Presentation of Consolidated Financial Statements

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

In preparing these consolidated financial statements, certain reclassifications and rearrangements have been made to the consolidated financial statements issued domestically in order to present them in a form which is more familiar to readers outside Japan. In addition, certain reclassifications have been made in the 2014 consolidated financial statements to conform to the classifications used in 2015.

The consolidated financial statements are stated in Japanese yen, the currency of the country in which Nippon Television Holdings, Inc. (the "Company") is incorporated and operates. The translations of Japanese yen amounts into U.S. dollar amounts are included solely for the convenience of readers outside Japan and have been made at the rate of ¥120.17 to $1, the approximate rate of exchange at March 31, 2015. Such translations should not be construed as representations that the Japanese yen amounts could be converted into U.S. dollars at that or any other rate.

2. Summary of Significant Accounting Policies

a. **Consolidation—**The consolidated financial statements as of March 31, 2015, include the accounts of the Company and its 18 (17 in 2014) significant subsidiaries (together, the "Group").

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

Investments in 25 (25 in 2014) unconsolidated subsidiaries and 25 (22 in 2014) associated companies are accounted for by the equity method.

Practical Issues Task Force (PITF) No. 20, "Practical Solution on Application of Control Criteria and Influence Criteria to Investment Associations," which was issued by the Accounting Standards Board of Japan ("ASBJ"), clarifies how the control and influence concept should be practically applied to the consolidation scope of collective investment vehicles, such as limited partnerships, Tokumei Kumiai, and other entities with similar characteristics. The Company applied this task force and consolidated nine such collective investment vehicles in 2015 (eight in 2014).

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

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

b. **Unification of Accounting Policies Applied to Foreign Subsidiaries for the Consolidated Financial Statements—**In May 2006, the ASBJ issued ASBJ PITF No. 18, "Practical Solution on Unification of Accounting Policies Applied to Foreign Subsidiaries for the Consolidated Financial Statements." PITF No. 18 prescribes that the accounting policies and procedures applied to a parent company and its subsidiaries for similar transactions and events under similar circumstances should in principle be unified for the preparation of the consolidated financial statements. However, financial statements prepared by foreign subsidiaries in accordance with either International Financial Reporting Standards or generally accepted accounting principles in the United States of America tentatively may be used for the consolidation process, except for the following items that should be adjusted in the consolidation process so that net income is accounted for in accordance with Japanese GAAP, unless they are not material: (a) amortization of goodwill; (b) scheduled amortization of actuarial gain or loss of pensions that has been recorded in equity through other comprehensive income; (c) expensing capitalized development costs of R&D; (d) cancellation of the fair value model of accounting for property, plant and equipment and investment properties and incorporation of the cost model of accounting; and (e) exclusion of minority interests from net income, if contained in net income (see Note 2.t).

c. **Unification of Accounting Policies Applied to Foreign Associated Companies for the Equity Method—**In March 2008, the ASBJ issued ASBJ Statement No. 16, "Accounting Standard for Equity Method of Accounting for Investments." The new standard requires adjustments to be made to conform the associate's accounting policies for similar transactions and events under similar circumstances to those of the parent company when the associate's financial statements are used in applying the equity method unless it is impracticable to determine such adjustments. In addition, financial statements prepared by foreign associated companies in accordance with either International Financial Reporting Standards or generally accepted accounting principles in the United States of America tentatively may be used in applying the equity method if the following items are adjusted so that net income is accounted for in accordance with Japanese GAAP, unless they are not material: (a) amortization of goodwill; (b) scheduled amortization of actuarial gain or loss of pensions that has been recorded in equity through other comprehensive income; (c) expensing capitalized development costs of R&D; (d) cancellation of the fair value model of accounting for property, plant and equipment and investment properties and incorporation of the cost model of accounting; and (e) exclusion of minority interests from net income, if contained in net income (see Note 2.t).

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

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

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

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

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

Held to maturity debt securities are reported at amortized cost.

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

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

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

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

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

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

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

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

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

(b) The revised accounting standard does not change how to recognize actuarial gains and losses and past service costs in profit or loss. Those amounts are recognized in profit or loss over a certain period no longer than the expected average remaining service period of the employees. However, actuarial gains and losses and past service costs that arose in the current period and have not yet been recognized in profit or loss are included in other comprehensive income, and actuarial gains and losses and past service costs that were recognized in other comprehensive income in prior periods and then recognized in profit or loss in the current period, are treated as reclassification adjustments (see Note 19).

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

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

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

With respect to (c) above, the Company changed the method of attributing the expected benefit to periods from a straight line basis to a benefit formula basis and the method of determining the discount rate from using the period which approximates the expected average remaining service period to using a single weighted average discount rate reflecting the estimated timing and amount of benefit payment, and recorded the effect of (c) above as of April 1, 2014, in retained earnings. As a result, liability for retirement benefits as of April 1, 2014, increased by ¥282 million ($2,355 thousand), and retained earnings as of April 1, 2014, decreased by ¥182 million ($1,515 thousand) in consolidation companies, and ¥480 million ($12,605 thousand) in associated companies. The effect this change has on operating income and income before income taxes, and basic net income per share for the year ended March 31, 2015, is negligible.

l. **Asset Retirement Obligations—**In March 2008, the ASBJ issued ASBJ Statement No. 18, "Accounting Standard for Asset Retirement Obligations" and ASBJ Guidance No. 21, "Guidance on

Accounting Standard for Asset Retirement Obligations." Under this accounting standard, an asset retirement obligation is defined as a legal obligation imposed either by law or contract that results from the acquisition, construction, development, and normal operation of a tangible fixed asset and is associated with the retirement of such tangible fixed asset. The asset retirement obligation is recognized as the sum of the discounted cash flows required for the future asset retirement and is recorded in the period in which the obligation is incurred if a reasonable estimate can be made. If a reasonable estimate of the asset retirement obligation cannot be made in the period the asset retirement obligation is incurred, the liability should be recognized when a reasonable estimate of the asset retirement obligation can be made. Upon initial recognition of a liability for an asset retirement obligation, an asset retirement cost is capitalized by increasing the carrying amount of the related fixed asset by the amount of the liability. The asset retirement cost is subsequently allocated to expense through depreciation over the remaining useful life of the asset. Over time, the liability is accreted to its present value each period. Any subsequent revisions to the timing or the amount of the original estimate of undiscounted cash flows are reflected as an adjustment to the carrying amount of the liability and the capitalized amount of the related asset retirement cost.

m. **Cost of Relocating a Transmitting Station—**A subsidiary of the Company accounts for the actual cost of relocating a transmitting station of ¥907 million for the year ended March 31, 2014.

n. **Loss on Settlement Package—**A subsidiary of the Company accounts for the settlement package and related costs of ¥346 million for claims on damages based on the warranty against defects in land previously sold, for the year ended March 31, 2014.

o. **Leases—**In March 2007, the ASBJ issued ASBJ Statement No. 13, "Accounting Standard for Lease Transactions," which revised the previous accounting standard for lease transactions. The revised accounting standard for lease transactions was effective for fiscal years beginning on or after April 1, 2008.

Under the previous accounting standard, finance leases that were deemed to transfer ownership of the leased property to the lessee were capitalized. However, other finance leases were permitted to be accounted for as operating lease transactions if certain "as if capitalized" information was disclosed in the note to the lessee's financial statements. The revised accounting standard requires that all finance lease transactions be capitalized by recognizing lease assets and lease obligations in the balance sheet. In addition, the accounting standard permits leases that existed at the transition date and do not transfer ownership of the leased property to the lessee to continue to be accounted for as operating lease transactions.

All other leases are accounted for as operating leases.

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

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

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

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

Diluted net income per share is not disclosed because the Group has no issued dilutive securities for the years ended March 31, 2015 and 2014.

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

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

u. New Accounting Pronouncements

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

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

(b) *Presentation of the consolidated balance sheet*—In the consolidated balance sheet, "minority interest" under the current accounting standard will be changed to "noncontrolling interest" under the revised accounting standard.

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

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

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

The above accounting standards and guidance for (a) transactions with noncontrolling interest, (b) presentation of the consolidated balance sheet, (c) presentation of the consolidated statement of income, and (e) acquisition related costs are effective for the beginning of annual periods beginning on or after April 1, 2015. Earlier application is permitted from the beginning of annual periods beginning on or after April 1, 2014, except for (b) presentation of the consolidated balance sheet and (c) presentation of the consolidated statement of income. In the case of earlier application, all accounting standards and guidance above, except for (b) presentation of the consolidated balance sheet and (c) presentation of the consolidated statement of income, should be applied simultaneously.

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

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

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

The Company expects to apply the revised accounting standards and guidance for (a), (b), (c) and (e) above from April 1, 2015, and for (d) above for a business combination which will occur on or after April 1, 2015, and is in the process of measuring the effects of applying the revised accounting standards and guidance in future applicable periods.

3. Changes in the Presentation

Balance Sheet

Prior to April 1, 2014, the lease obligations were included in the other long term liabilities among the long term liabilities section of the consolidated balance sheet. Since during this fiscal year ended March 31, 2015, the amount increased significantly due to the reason that TIPNESS Limited ("TIPNESS") becoming a consolidated subsidiary of the Company, such amount is disclosed separately in the long term liabilities section of the balance sheet as of March 31, 2015. The amount included in the other assets as of March 31, 2014, was ¥785 million.

Cash Flows

Prior to April 1, 2014, the purchase of shares of subsidiaries resulted in a change in the scope of consolidation in the other investing activities among the investing activities section of the statement of cash flows. Since during this fiscal year ended March 31, 2015, the amount increased significantly due to the Company purchasing TIPNESS, such amount is disclosed separately in the investing activities section of the consolidated statement of cash flows as of March 31, 2015. The amount included in the other investing activities as of March 31, 2014, was ¥849 million.

4. Business Combination

a. Acquisition of HJ Holdings, LLC

(1) *Overview of the business combination*

(a) Overview of the Company to Be Acquired

Company name: HJ Holdings, LLC

Business: The SVOD (Subscription Video On Demand) business

(b) Purpose of the Business Combination

The Group is the leading television network in Japan, ranking No. 1 in average household viewer ratings in the past three years. The Group has also been the leader in initiatives to adapt to the digital environment. The Group currently operates a TVOD (Transactional Video On Demand) service, called "Nippon Television On Demand," and with the acquisition of the Hulu service in Japan, the Group has entered the SVOD service for the first time. The decision to enter this business is in line with "The NTV Group Medium term Management Plan 2012–2015 Next60." In addition to terrestrial broadcasting and BS/CS broadcasting, the Group will maximize content value by acquiring a means to deliver content through the Internet, in response to users' preferences.

(c) Effective Date for the Business Combination

April 1, 2014

(d) Legal Framework of the Business Combination

The acquisition of equity interests in exchange for cash payment

(e) Name of the Company after the Business Combination

HJ Holdings, LLC

(f) The Acquired Equity Ratio

100%

(g) Main Reason for Determining the Acquiring Company

The Company's consolidated subsidiary Nippon Television Network Corporation acquired the entire equity interests of the acquired company in exchange for cash payment.

(2) *Period of results of the acquired company to be included in the consolidated financial statements*

From April 1, 2014 to March 31, 2015

(3) *The acquisition cost and its breakdown*

	Millions of Yen	Thousands of U.S. Dollars
Equivalent value of the acquisition (cash)	¥3,585	$29,833
Expenditure directly required for acquisition (advisory fee, etc.)	91	757
Acquisition cost	¥3,676	$30,590

Acquisition cost includes the amount of investment made immediately after the reception of the equity.

(4) *The amount, reason for recognition, amortization method, and period of the goodwill*

(a) Amount of Goodwill

¥176 million ($1,465 thousand)

(b) Reason for Recognition

Since acquisition cost exceeded the net amount of assets acquired and liabilities assumed, the excess amount is regarded as goodwill.

(c) Method and Period of Amortization

One time amortization in the consolidated year

(5) *Assets acquired and liabilities assumed as of the acquisition date*

	Millions of Yen	Thousands of U.S. Dollars
Current assets	¥5,743	$47,791
Noncurrent assets	160	1,331
Total assets	¥5,903	$49,122
Current liabilities	¥2,403	$19,997
Total liabilities	2,403	19,997

The amount of current assets includes the amount of investment made immediately after the reception of the equity.

b. Acquisition of TIPNESS

(1) *Overview of the business combination*

(a) Overview of the Company to Be Acquired

Company name: TIPNESS Limited

Business: General fitness club business

(b) Purpose of the Business Combination

The Group has advanced the diversification of its business portfolio as its growth strategy in line with "The NTV Group Medium Management Plan 2012–2015 Next60." TIPNESS operates general fitness club under the corporate philosophy of "Providing a healthy and comfortable lifestyle" and delivers high quality service to its members.

The Group has purchased all shares of TIPNESS, has welcomed TIPNESS into its group and has used this milestone as an opportunity to establish a new lifestyle and health business segment as it endeavors to contribute to the growing awareness of the public towards their own health and leading a healthy lifestyle.

This acquisition is part of the Group's initiative to grow its business areas and stabilize its business foundation by adding a "Second Pillar of Earnings" that will come from the new lifestyle and health business and its synergies with the core content business.

(c) Effective Date for the Business Combination

December 25, 2014

(d) Legal Framework of the Business Combination

The acquisition of equity interests in exchange for cash payment

(e) Name of the Company after the Business Combination

TIPNESS Limited

(f) The Acquired Equity Ratio

100%

(g) Main Reason for Determining the Acquiring Company

That is the reason why the Group acquired the entire outstanding shares of the acquired company in exchange for cash payment.

(2) *Period of results of the acquired company to be included in the consolidated financial statements*

From January 1, 2015 to March 31, 2015

(3) *The acquisition cost and its breakdown*

	Millions of Yen	Thousands of U.S. Dollars
Equivalent value of the acquisition (cash)	¥24,100	$200,550
Expenditure directly required for acquisition (advisory fee, etc.)	275	2,288
Acquisition cost	¥24,375	$202,838

(4) *The amount, reason for recognition, amortization method, and period of the goodwill*

(a) Amount of Goodwill

¥12,665 million ($105,392 thousand)

(b) Reason for Recognition

Since acquisition cost exceeded the net amount of assets acquired and liabilities assumed, the excess amount is regarded as goodwill.

(c) Method and Period of Amortization

Amortization over 16 years

(5) *Assets acquired and liabilities assumed as of the acquisition date*

	Millions of Yen	Thousands of U.S. Dollars
Current assets	¥ 2,711	$ 22,560
Noncurrent assets	38,303	318,740
Total assets	¥41,014	$341,300
Current liabilities	¥ 9,290	$77,307
Noncurrent liabilities	20,015	166,556
Total liabilities	¥29,305	$243,863

(6) *Amounts allocated to intangible fixed assets other than goodwill, a breakdown of the main types thereof, and the amortization period for each main type*

Type	Millions of Yen	Thousands of U.S. Dollars	Amortization Period
Trademarks	¥ 5,242	$43,622	16 years
Customer-related assets (member related etc.)	5,113	42,547	8 years
Customer-related assets (consignment contracts)	391	3,254	16 years
Total	¥10,746	$89,423	

(7) *The estimated impact on the consolidated statement of income for the year ended March 31, 2015, if the business combination had been completed on April 1, 2014*

	Millions of Yen	Thousands of U.S. Dollars
Net sales	¥26,198	$218,008
Operating income	1,378	11,467
Net income	262	2,180

(Method of Calculating Condensed Pro forma Information and Important Assumptions)

The condensed pro forma information of the business combination is calculated assuming the integration was completed on April 1, 2014, the first day of fiscal year ended March 31, 2015. It is the difference between the net sales and income reported between April 1, 2014 and March 31, 2015, and the net sales and income for the Company on its consolidated statement of income. Moreover, amortization of goodwill corresponding to the period from April 1, 2014, to the actual date of the corporate integration has been recognized in this amount.

The above pro forma information has not been audited.

5. Marketable and Investment Securities

Marketable and investment securities as of March 31, 2015 and 2014, consisted of the following:

	Millions of Yen		Thousands of U.S. Dollars
	2015	2014	2015
Current—Government and corporate bonds	¥ 39,293	¥ 38,207	$ 326,978
Noncurrent:			
Equity securities	¥126,382	¥ 77,727	$1,051,693
Government and corporate bonds	32,424	54,332	269,818
Trust fund investments and others	1,436	2,329	11,950
Total	¥160,242	¥134,388	$1,333,461

The costs and aggregate fair values of marketable and investment securities as of March 31, 2015 and 2014, were as follows:

	Millions of Yen			
March 31, 2015	Cost	Unrealized Gains	Unrealized Losses	Fair Value
Securities classified as:				
Available for sale:				
Equity securities	¥41,192	¥74,452		¥115,644
Government and corporate bonds	10,000	29	¥ 613	9,416
Held to maturity	62,300	157	1,061	61,396
March 31, 2014				
Securities classified as:				
Available for sale:				
Equity securities	¥31,192	¥26,682	¥ 44	¥57,830
Government and corporate bonds	19,000	179	1,142	18,037
Held to maturity	74,501	411	142	74,770

	Thousands of U.S. Dollars			
March 31, 2015	Cost	Unrealized Gains	Unrealized Losses	Fair Value
Securities classified as:				
Available for sale:				
Equity securities	$342,781	$619,556		$962,337
Government and corporate bonds	83,215	242	$5,101	78,356
Held to maturity	518,432	1,307	8,829	510,910

The information for available for sale securities which were sold during the years ended March 31, 2015 and 2014, is as follows:

	Millions of Yen		
March 31, 2015	Proceeds	Realized Gains	Realized Losses
Available for sale—Equity securities	¥24	¥22	
Total	¥24	¥22	
March 31, 2014			
Available for sale—Equity securities	¥4		¥7
Total	¥4		¥7

	Thousands of U.S. Dollars		
March 31, 2015	Proceeds	Realized Gains	Realized Losses
Available for sale—Equity securities	$200	$183	
Total	$200	$183	

The impairment losses on available for sale equity securities for the years ended March 31, 2015 and 2014, were ¥254 million ($2,114 thousand) and ¥1,984 million, respectively.

6. Short Term Investments

Short term investments as of March 31, 2015 and 2014, consisted of the following:

	Millions of Yen		Thousands of U.S. Dollars
	2015	2014	2015
Time deposits	¥962	¥844	$8,005

7. Inventories

Inventories as of March 31, 2015 and 2014, consisted of the following:

	Millions of Yen		Thousands of U.S. Dollars
	2015	2014	2015
Program rights	¥ 6,643	¥ 7,619	$55,280
Finished products and merchandise	3,012	2,693	25,064
Work in process	123	206	1,024
Raw materials and supplies	987	803	8,213
Total	¥10,765	¥11,321	$89,581

8. Collateralized Property

At March 31, 2015, land of ¥101,031 million ($840,734 thousand) was pledged as collateral for guarantee deposits received of ¥19,000 million ($158,109 thousand).

9. Investment Property

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

The Group owns certain rental properties such as office buildings and land in Tokyo. The net of rental income and operating expenses for those rental properties for the years ended March 31, 2015 and 2014, was ¥514 million ($4,277 thousand) and ¥608 million, respectively.

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

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

Millions of Yen			
Carrying Amount			Fair Value
April 1, 2013	Increase/Decrease	March 31, 2014	March 31, 2014
¥79,596	¥4,815	¥84,411	¥86,650

Thousands of U.S. Dollars			
Carrying Amount			Fair Value
April 1, 2014	Increase/Decrease	March 31, 2015	March 31, 2015
$702,430	$22,651	$725,081	$769,826

Notes: 1. Carrying amount recognized in the consolidated balance sheet is net of accumulated depreciation, if any.
2. Increase during the fiscal year ended March 31, 2015, primarily represents the acquisition of certain properties of ¥3,644 million ($30,324 thousand).
3. The fair value of major properties owned by the Group as of March 31, 2015, is measured by outside real estate appraisers in accordance with the Real Estate Appraisal Standard (including adjustments made by using indexes). The fair value of other properties is measured by the Group using indexes that are believed to approximate their market values appropriately.

10. Short Term Borrowings

Short term borrowings at March 31, 2015 and 2014, consisted of bank overdrafts and were collected from unconsolidated subsidiaries using a cash management system. The interest rate applicable to the short term borrowings was 0.37% and 0.43% at March 31, 2015 and 2014, respectively.

11. Retirement and Pension Benefit Plans

The consolidated subsidiaries have severance payment plans for employees.

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

Year Ended March 31, 2015

(1) The changes in defined benefit obligation for the years ended March 31, 2015 and 2014, were as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2015	2014	2015
Balance at beginning of year (as previously reported)	¥6,212	¥5,662	$51,693
Cumulative effect of accounting change	282		2,347
Balance at beginning of year (as restated)	6,494	5,662	54,040
Current service cost	551	612	4,586
Interest cost	53	62	441
Actuarial gains	(25)	(11)	(208)
Benefits paid	(181)	(113)	(1,506)
Other	697		5,800
Balance at end of year	¥7,589	¥6,212	$63,153

Other is due to changes in the scope of consolidation.

(2) The changes in liabilities for retirement benefits of unfunded retirement benefit plans for the years ended March 31, 2015 and 2014, were as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2015	2014	2015
Balance at beginning of year	¥3,376	¥3,214	$28,094
Periodic benefit costs	269	277	2,238
Benefits paid	(140)	(134)	(1,165)
Others	(58)	19	(483)
Balance at end of year	¥3,447	¥3,376	$28,684

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

	Millions of Yen		Thousands of U.S. Dollars
	2015	2014	2015
Unfunded defined benefit obligation	¥11,036	¥9,588	$91,837
Net liability arising from defined benefit obligation	¥11,036	¥9,588	$91,837

	Millions of Yen		Thousands of U.S. Dollars
	2015	2014	2015
Liability for retirement benefits	¥11,036	¥9,588	$91,837
Net liability arising from defined benefit obligation	¥11,036	¥9,588	$91,837

(4) The components of net periodic benefit costs for the years ended March 31, 2015 and 2014, were as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2015	2014	2015
Service cost	¥551	¥ 612	$4,585
Interest cost	53	62	441
Recognized actuarial gains	(25)	(11)	(208)
Cost of the unfunded retirement benefit plans	268	278	2,230
Other	95		791
Net periodic benefit costs	¥942	¥941	$7,839

(5) Assumptions used for the years ended March 31, 2015 and 2014, were set forth as follows:

	2015	2014
Discount rate	0.6%–0.8%	1.1%

(6) Defined contribution plan

The amount of contribution required for the defined contribution plan that the subsidiaries of the Company paid for the years ended March 31, 2015 and 2014, was ¥870 million ($7,239 thousand) and ¥813 million, respectively.

12. Equity

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

a. Dividends

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

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

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

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

The Companies Act requires that an amount equal to 10% of dividends must be appropriated as a legal reserve (a component of retained earnings) or as additional paid in capital (a component of capital surplus) depending on the equity account charged upon the payment of such dividends until the aggregate amount of legal reserve and additional paid in capital equals 25% of the common stock. Under the Companies Act, the total amount of additional paid in capital and legal reserve may be reversed without limitation. The Companies Act also provides that common stock, legal reserve, additional paid in capital, other capital surplus, and retained earnings can be transferred among the accounts within equity under certain conditions upon resolution of the shareholders.

c. Treasury Stock and Treasury Stock Acquisition Rights

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

13. Income Taxes

The Company and its domestic subsidiaries are subject to Japanese national and local income taxes which, in the aggregate, resulted in normal effective statutory tax rates of approximately 35.6% and 38.0% for the years ended March 31, 2015 and 2014, respectively.

The tax effects of significant temporary differences that resulted in deferred tax assets and liabilities as of March 31, 2015 and 2014, are as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2015	2014	2015
Current:			
Deferred tax assets:			
Tax loss carryforwards	¥ 93		$ 774
Devaluation of program rights	2,618	¥ 2,979	21,786
Accrued enterprise taxes	939	893	7,814
Accrued bonuses	728	642	6,058
Other	1,008	870	8,388
Less valuation allowance	(236)	(159)	(1,964)
Total	5,150	5,225	42,856
Deferred tax liabilities:			
Unrealized gain on available-for-sale securities		(3)	
Other			
Total		(3)	
Net deferred tax assets	¥ 5,150	¥ 5,222	$ 42,856
Non-current:			
Deferred tax assets:			
Tax loss carryforwards	¥ 1,399		$ 11,642
Retirement benefits	3,580	¥ 3,434	29,791
Devaluation of property, plant and equipment	1,531	531	12,740
Lease obligations	2,708		22,535
Devaluation of investment securities	2,027	2,189	16,868
Unrealized loss on available-for-sale securities	186	346	1,548
Other	355	349	2,954
Less valuation allowance	(4,742)	(2,664)	(39,461)
Total	7,044	4,185	58,617
Deferred tax liabilities:			
Lease assets	(2,119)		(17,633)
Tax benefit from deferred gain on sales of property, plant and equipment	(4,625)	(5,111)	(38,487)
Unrealized gain on available-for-sale securities	(23,546)	(8,953)	(195,939)
Intangible assets acquired in a business combination	(3,946)		(32,837)
Other	(142)	(671)	(1,182)
Total	(34,378)	(14,735)	(286,078)
Net deferred tax liabilities	¥(27,334)	¥(10,550)	$(227,461)

For the years ended March 31, 2015 and 2014, the difference between the statutory tax rate and effective tax rate is less than 5% of the statutory tax rate; therefore, a tax rate reconciliation is not disclosed.

On March 31, 2015, new tax reform laws enacted in 2015 in Japan changed the normal effective statutory tax rate for the fiscal year beginning on or after April 1, 2015, from approximately 35.6% to 33.1%, and for the fiscal year beginning on or after April 1, 2016, from approximately 35.6% to 32.3%. The effect of these changes is negligible.

14. Leases

a. Operating Lease Transactions

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

Total rental expenses including lease payments under finance leases for the years ended March 31, 2015 and 2014, were ¥409 million ($3,404 thousand) and nil, respectively.

Obligations under finance leases as of March 31, 2015 and 2014, were as follows:

	Millions of Yen		Thousands of U.S. Dollars
As Lessee	2015	2014	2015
Due within one year	¥ 1,297		$ 10,793
Due after one year	13,947		116,060
Total	¥15,244		$126,853

b. Operating Lease Transactions

The minimum rental commitments under noncancelable operating leases as of March 31, 2015 and 2014, were as follows:

	Millions of Yen		Thousands of U.S. Dollars
As Lessee	2015	2014	2015
Due within one year	¥ 2,348	¥ 235	$ 19,547
Due after one year	16,304	2,800	135,675
Total	¥18,652	¥3,035	$155,222
As Lessor			
Due within one year	¥ 256	¥ 130	$ 2,130
Due after one year	5,062	4,951	42,124
Total	¥5,318	¥5,081	$44,254

c. Sublease Transactions

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

	Millions of Yen		Thousands of U.S. Dollars
Investment in Direct Finance Leases	2015	2014	2015
Current assets	¥ 170	¥ 53	$ 1,415
Investment and other assets	2,230	747	18,557
Lease Obligation			
Current liabilities	¥ 182	¥ 56	$ 1,515
Noncurrent liabilities	2,387	784	19,864

Annual maturities of long term debt, excluding finance leases (see Note 13), at March 31, 2015, were as follows:

Year Ending March 31	Millions of Yen	Thousands of U.S. Dollars
2016	¥ 1,479	$ 12,308
2017	1,419	11,808
2018	1,383	11,509
2019	1,310	10,901
2020	1,304	10,851
2021 and thereafter	10,918	90,855
Total	¥17,813	$142,232

15. Financial Instruments and Related Disclosures

(1) Group Policy for Financial Instruments

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

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

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

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

(3) Risk Management for Financial Instruments

Credit risk management

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

The maximum credit risk exposure of financial assets is limited to their carrying amounts as of March 31, 2015.

Market risk management (interest rate risk)

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

Liquidity risk management

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

(4) Concentration of Credit Risk

As of March 31, 2015, 72.1% of total receivables are from two major customers of the Group.

(5) Fair Values of Financial Instruments

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

(a) Fair value of financial instruments

	Millions of Yen		
March 31, 2015	Carrying Amount	Fair Value	Unrealized Gain/Loss
Cash and cash equivalents	¥ 96,539	¥ 96,539	
Marketable securities	39,293	39,426	¥ 133
Short-term investments	962	962	
Receivables	96,190	96,190	
Investment securities	148,068	147,030	(1,038)
Long-term loan	9,767		
Allowance for doubtful accounts*	(640)		
	9,127	9,162	35
Total	¥390,179	¥389,309	¥ (870)
Short-term borrowings	¥10,171	¥10,171	
Payables	64,715	64,715	
Guarantee deposits received	20,385	14,497	¥ 5,888
Lease obligations	17,813	19,018	(1,205)
Total	¥113,084	¥108,401	¥ 4,683
March 31, 2014			
Cash and cash equivalents	¥ 87,453	¥ 87,453	
Marketable securities	38,207	38,391	¥ 184
Short-term investments	844	844	
Receivables	95,276	95,276	
Investment securities	112,161	112,246	85
Long-term deposits	1,000	970	(30)
Long-term loan	11,496		
Allowance for doubtful accounts*	(650)		
	10,846	10,889	43
Total	¥345,787	¥346,069	¥ 282
Short-term borrowings	¥1,696	¥1,696	
Payables	57,662	57,662	
Guarantee deposits received	19,886	14,026	¥ 5,860
Lease obligations	841	841	
Total	¥ 80,085	¥ 74,225	¥ 5,860

	Thousands of U.S. Dollars		
March 31, 2015	Carrying Amount	Fair Value	Unrealized Gain/Loss
Cash and cash equivalents	$ 803,354	$ 803,354	
Marketable securities	326,978	328,085	$ 1,107
Short-term investments	8,005	8,005	
Receivables	800,449	800,449	
Investment securities	1,232,155	1,223,517	(8,638)
Long-term loan	81,277		
Allowance for doubtful accounts*	(5,326)		
	75,951	76,242	291
Total	$3,246,892	$3,239,652	$0(7,240)
Short-term borrowings	$84,638	$ 84,638	
Payables	538,529	538,529	
Guarantee deposits received	169,635	120,637	$ 48,998
Lease obligations	148,232	158,259	(10,027)
Total	$ 941,034	$ 902,063	$ 38,971

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

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

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

Marketable and Investment Securities

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

Long Term Loan

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

Lease Obligations and Guarantee Deposits Received

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

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

	Millions of Yen		Thousands of U.S. Dollars
	2015	2014	2015
Investments in unconsolidated subsidiaries and associated companies	¥49,263	¥43,218	$409,944
Other investments in equity instruments that do not have a quoted market price in an active market	12,174	22,227	101,306

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

	Millions of Yen			
March 31, 2015	Due in 1 Year or Less	Due after 1 Year through 5 Years	Due after 5 Years through 10 Years	Due after 10 Years
Cash and cash equivalents	¥ 96,539			
Marketable securities	39,300			
Short-term investments	962			
Receivables	96,190			
Investment securities:				
Held-to-maturity securities		¥26,000		
Available-for-sale securities with contractual maturities		494	¥1,656	¥6,000
Long-term loan	1,120	3,728	2,829	2,090
Total	¥234,111	¥30,222	¥4,485	¥8,090

	Thousands of U.S. Dollars			
March 31, 2015	Due in 1 Year or Less	Due after 1 Year through 5 Years	Due after 5 Years through 10 Years	Due after 10 Years
Cash and cash equivalents	$ 803,354			
Marketable securities	327,037			
Short-term investments	8,005			
Receivables	800,449			
Investment securities:				
Held-to-maturity securities		$216,360		
Available-for-sale securities with contractual maturities		4,111	$13,780	$49,929
Long-term loan	9,320	31,023	23,542	17,392
Total	$1,948,165	$251,494	$37,322	$67,321

Please see Note 14 for obligations under finance lease.

16. Derivatives

The Group does not use any derivative financial instruments.

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

17. Contingent Liabilities

The Group's contingent liabilities as guarantor of indebtedness as of March 31, 2015, were as follows:

	Millions of Yen	Thousands of U.S. Dollars
Employees	¥175	$1,456
MADHOUSE Inc.	120	999
Total	¥295	$2,455

18. Commitment

The Company provides loan commitments to an unconsolidated subsidiary. The outstanding balance of the revolving lines of credit as of March 31, 2015 and 2014, was as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2015	2014	2015
Total revolving lines of credit available	¥8,300	¥8,000	$69,069
Amount utilized	3,138		26,113
Balance available	¥5,162	¥8,000	$42,956

19. Comprehensive Income

The components of other comprehensive income for the years ended March 31, 2015 and 2014, were as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2015	2014	2015
Unrealized gain on available-for-sale securities:			
Gains arising during the year	¥ 48,334	¥ 9,111	$ 402,214
Reclassification adjustments to profit or loss		7	
Amount before income tax effect	48,334	9,118	402,214
Income tax effect	(14,747)	(3,249)	(122,718)
Total	¥ 33,587	¥ 5,869	$ 279,496
Foreign currency translation adjustments— Adjustments arising during the year	¥153	¥ 183	$1,273
Total	¥153	¥ 183	$1,273
Share of other comprehensive income in unconsolidated subsidiaries and associated companies:			
Gains arising during the year	¥ 439	¥ 1,087	$ 3,653
Reclassification adjustments to profit or loss	(25)	(19)	(208)
Total	¥ 414	¥ 1,068	$ 3,445
Total other comprehensive income	¥ 34,154	¥ 7,120	$ 284,214

20. Subsequent Event

Appropriation of Retained Earnings

The following appropriation of retained earnings as of March 31, 2015, was approved at the Company's shareholders' meeting held on June 26, 2015:

	Millions of Yen	Thousands of U.S. Dollars
Year-end cash dividends, ¥20 ($0.17) per share	¥5,075	$42,232

21. Segment Information

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

(1) Description of Reportable Segments

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

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

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

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

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

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

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

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

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

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

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

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

	Millions of Yen							
	2014							
	Reportable Segment							
	Contents Business	Life and Health-Related Business	Real Estate Rental/Leasing	Total	Other	Total	Reconciliations	Consolidated
Sales:								
Sales to external customers	¥335,832		¥3,744	¥339,576	¥2,144	¥341,720		¥341,720
Intersegment sales or transfers	462		6,960	7,422	2,046	9,468	¥(9,468)	
Total	¥336,294		¥10,704	¥346,998	¥4,190	¥351,188	¥(9,468)	¥341,720
Segment profit	¥ 36,060		¥ 4,258	¥ 40,318	¥ 227	¥ 40,545	¥ (456)	¥ 40,089
Other—Depreciation	6,429		693	7,122	27	7,149		7,149

	Thousands of U.S. Dollars							
	2015							
	Reportable Segment							
	Contents Business	Life and Health-Related Business	Real Estate Rental/Leasing	Total	Other	Total	Reconciliations	Consolidated
Sales:								
Sales to external customers	$2,899,825	$71,282	$29,509	$3,000,616	$15,919	$3,016,535		$3,016,535
Intersegment sales or transfers	2,172		56,844	59,016	11,809	70,825	$(70,825)	
Total	$2,901,997	$71,282	$86,353	$3,059,632	$27,728	$3,087,360	$(70,825)	$3,016,535
Segment profit (loss)	$ 323,625	$ (1,090)	$33,411	$ 355,946	$ 940	$ 356,886	$ (4,194)	$ 352,692
Other—Depreciation	57,053	6,008	7,223	70,284	291	70,575		70,575

Related Information

(1) Information about Products and Services

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

	Millions of Yen			
	2014			
Sales to External Customers	Contents Business	Life and Health-Related Business	Real Estate Rental/ Leasing	Total
Television broadcasting:				
Time advertising	¥113,618			¥113,618
Spot advertising	114,172			114,172
Total	227,790			227,790
Advertising sales from BS and CS platform	13,495			13,495
Other advertising revenue	398			398
Contents sales revenue	37,181			37,181
Revenue from merchandise sales	35,321			35,321
Box office revenue	11,303			11,303
Facilities usage fee revenue				
Real estate leasing			¥2,215	2,215
Other	10,344		1,529	11,873
Total	¥335,832		¥3,744	¥339,576

	Thousands of U.S. Dollars			
	2015			
Sales to External Customers	Contents Business	Life and Health-Related Business	Real Estate Rental/ Leasing	Total
Television broadcasting:				
Time advertising	$ 960,206			$ 960,206
Spot advertising	1,021,545			1,021,545
Total	1,981,751			1,981,751
Advertising sales from BS and CS platform	118,798			118,798
Other advertising revenue	3,204			3,204
Contents sales revenue	388,450			388,450
Revenue from merchandise sales	238,562	$ 2,147		240,709
Box office revenue	77,540			77,540
Facilities usage fee revenue		59,033		59,033
Real estate leasing			$18,000	18,000
Other	91,520	10,102	11,509	113,131
Total	$2,899,825	$71,282	$29,509	$3,000,616

(2) Information about Geographical Areas

a. Sales

Sales of the Company and its domestic subsidiaries for the years ended March 31, 2015 and 2014, represented more than 90% of the consolidated sales for the year. Accordingly, information about geographical areas is not disclosed.

b. Property, plant and equipment

Property, plant and equipment of the Company and its domestic subsidiaries for the years ended March 31, 2015 and 2014, represented more than 90% of the property, plant and equipment in the consolidated balance sheet for the year. Accordingly, information about geographical areas is not disclosed.

(3) Information about Major Customers

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

(4) Goodwill

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

	Millions of Yen				
	2014				
	Contents Business	Life and Health-Related Business	Real Estate Rental/ Leasing	Reconcilia-tions	Total
Amortization of goodwill	¥71				¥71
Goodwill at March 31, 2014					

	Thousands of U.S. Dollars				
	2015				
	Contents Business	Life and Health-Related Business	Real Estate Rental/ Leasing	Reconcilia-tions	Total
Amortization of goodwill	$1,464	$ 1,648			$ 3,112
Goodwill at March 31, 2015		103,753			103,753

Independent Auditor's Report

Deloitte.

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INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying consolidated balance sheet of Nippon Television Holdings, Inc. and its consolidated subsidiaries as of March 31, 2015, and the related consolidated statements of income, comprehensive income, changes in equity, and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information, all expressed in Japanese yen.

Management's Responsibility for the Consolidated Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Nippon Television Holdings, Inc. and its consolidated subsidiaries as of March 31, 2015, and the consolidated results of their operations and their cash flows for the year then ended in accordance with accounting principles generally accepted in Japan.

Convenience Translation

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

Deloitte Touche Tohmatsu LLC

Nippon Television Holdings Group Companies

Group Segments: Consolidated Subsidiaries

Content Business

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.
Forecast Communications Inc.
NitteleSeven Co., Ltd.
TATSUNOKO PRODUCTION Co., Ltd.
HJ Holdings LLC
NTV America Company
NTV International Corporation

Life and Health-Related Business

TIPNESS Limited

Real Estate Rental/Leasing Business

NIPPON TELEVISION NETWORK CORPORATION
Nippon Television Work 24 Corporation

Other

NTV Service Inc.

Group Companies

Consolidated Subsidiaries

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

Non-Consolidated Companies

Nippon Television Network Europe B.V.
MADHOUSE Inc.
MADBOX Co., Ltd.
NTV IT Produce Corporation
NTV Personnel Center Corp.
HAROiD Inc.
NTV Group Planning Inc.
Rights Inn Corporation
VAP Music Publishing Inc.
SOUND INN STUDIOS INC.
J.M.P Co., Ltd.
COMIGO Co., Ltd.
LIFE VIDEO Inc.
SANEIWORK CORPORATION
Ikaros Co., Ltd.
RF Radio Nippon Co., Ltd.
Radio Nippon Create Inc.
RF Music Publisher Inc.
For Groove Inc.
Tatsunoko Music Publishing Co., Ltd.

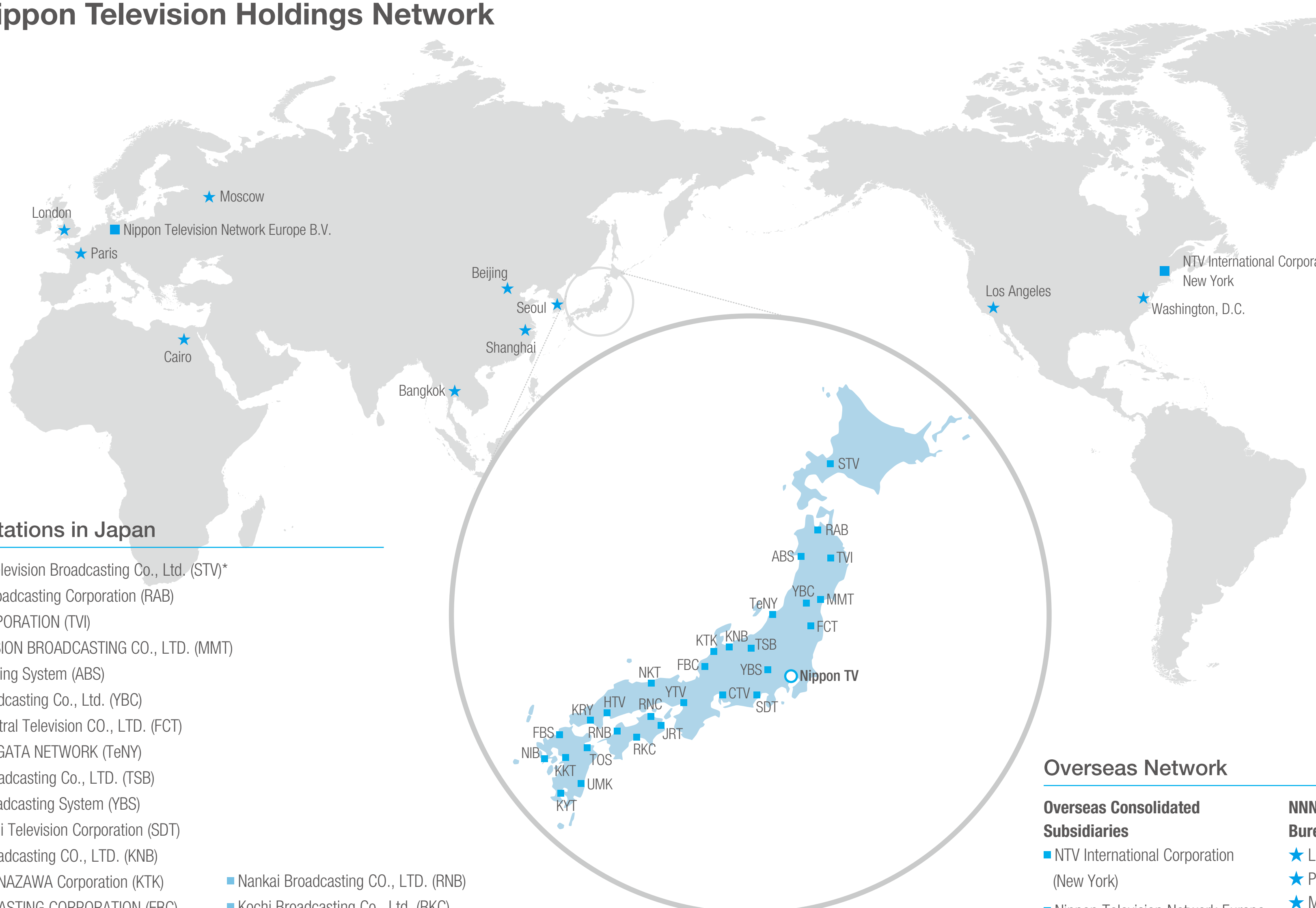
Affiliated Companies

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

Public Interest Incorporated Foundations

Nippon Television Kobato Cultural Foundation
Yomiuri Nippon Symphony Orchestra, Tokyo
The Tokuma Memorial Cultural Foundation for Animation

Nippon Television Holdings Network



Network Stations in Japan

- 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 Network

Overseas Consolidated Subsidiaries

- NTV International Corporation (New York)
- Nippon Television Network Europe B.V. (Amsterdam)

NNN Overseas News Bureaus

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

Investor Information (As of March 31, 2015)

Corporate Name

Nippon Television Holdings, Inc.

Office Location

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

Date of Establishment

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

Capital

18.6 billion yen

Common Stock

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

Number of Shareholders

28,874

Stock Exchange Listing

First Section of Tokyo Stock Exchange (Code 9404)

Fiscal Year End

March 31, annually

Number of Employees

155

Transfer Agent and Registrar

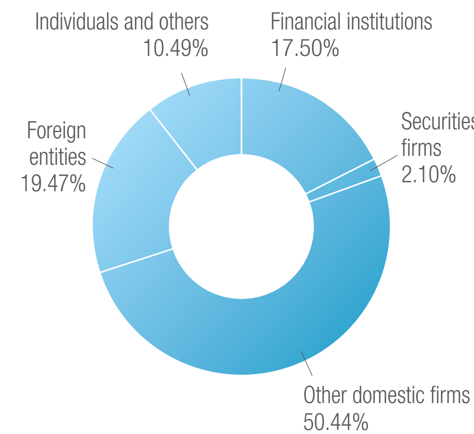
Sumitomo Mitsui Trust Bank, Limited
4-1, Marunouchi 1-chome, Chiyoda-ku, Tokyo 100-8233, Japan

Major Shareholders

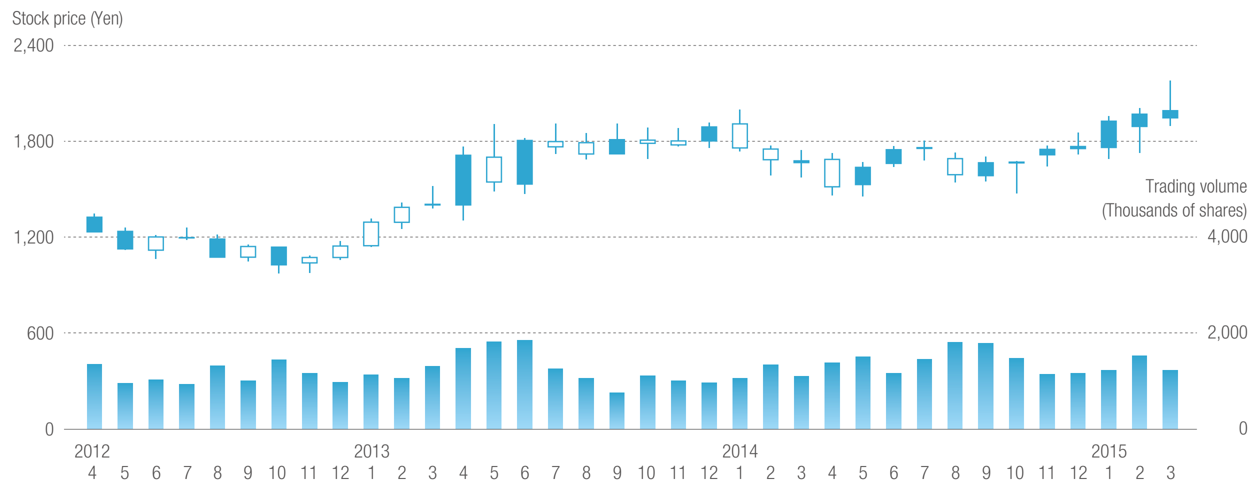
Shareholders (Top 10)	Number of shares held	Percentage of total shares issued (%)
The Yomiuri Shimbun Holdings	37,649,480	14.27
YOMIURI TELECASTING CORPORATION	16,563,160	6.27
The Yomiuri Shimbun	15,591,200	5.90
Japan Trustee Services Bank, Ltd. (Trust Account)	10,914,800	4.13
Teikyo University	9,553,920	3.62
NTT DoCoMo, Inc.	7,779,000	2.94
The Master Trust Bank of Japan, Ltd. (Trust Account)	7,115,100	2.69
Recruit Holdings Co., Ltd.	6,454,600	2.44
CBNY-ORBIS SICAV	5,882,433	2.22
State Street Bank and Trust Company 505223	5,428,800	2.05

Note: The "Percentage of a Total Shares" above is calculated deducting the Company's treasury stock (5,989,460 shares).

Distribution of Shares



Stock Price Range and Trading Volume (Tokyo Stock Exchange)



Note: Nippon TV's common stock underwent a 10-for-1 stock split, effective October 1, 2012. In this chart, stock prices and trading prior to the stock split have been retroactively adjusted to post-split levels.

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