

What You Need, When You Need It

Your Life with Public Service Media

These are exciting times in the global media landscape. News and other content are available in an unprecedented array of formats – at unprecedented speed. Against this backdrop, NHK is expanding its use of the internet to deliver accurate, timely programming to an increasingly global audience. But in the broadcasting realm as well, NHK will continue to innovate, launching 4K and 8K “Super Hi-Vision” services in 2018.

Providing dependable information anytime, anywhere: whatever the medium, NHK will continue to fulfill its role as a core component of the social infrastructure.

NHK's Six Core Public Values

Provide Accurate, Fair, Impartial Information

Promote Safety & Security

Create High-quality Cultural Experiences

Contribute to Local Communities

Strengthen Japan's Global Connections

Contribute to Education & Public Welfare

These core values will guide NHK as we strive to achieve our mission as a public service media provider.

Five Major Objectives

(1) Continue to Evolve as a Public Service Media Provider

- A. Deliver clear, in-depth and dependable information on issues of public concern in a timely fashion.**
 - While television remains NHK's core operation, we will use simultaneous internet broadcasting as well to expand the information infrastructure and allow audience access to accurate and multifaceted information on politics, economics, current affairs, and the culture of Japan and the rest of the world anytime, anywhere.
- B. Contribute to safer, more secure communities through expanded reporting aimed at preventing disasters, reducing their impact, and providing support after they occur.**
 - NHK will make the best use of its broadcasting and internet resources to provide people with the information they require in a wide range of circumstances.
- C. Enrich viewer experience by offering unique, diverse content using cutting-edge technology.**
 - Focusing on programs with popular appeal, 4K will provide new levels of enjoyment for our TV audience.
 - Our 8K broadcasts will use immersive screens displaying “Super Hi-Vision,” which employs ultra-high definition images and a revolutionary sound system to create an unprecedented sense of engagement.
- D. Strengthen Japan's global connections.**
 - NHK will soon relaunch its international service as NHK WORLD-JAPAN, providing even more diverse and relevant programming.

(2) Contribute to Local Communities

Convey the unique cultural, historical, social and natural features of Japan's less-familiar places.

- NHK aims to take full advantage of its national network to address problems that people face throughout Japan, and help them find solutions.

(3) Look to the Future

- A. Bring the very highest standards of broadcasting and other services to Tokyo 2020.**
 - NHK will use cutting-edge technology to help people share in the excitement of the Tokyo 2020 Olympic and Paralympic Games.
 - We will expand our programming and services to create more inclusive communities and enable people with disabilities to engage more fully with society.
- B. Encourage involvement and collaboration.**
 - At NHK, we are working hand-in-hand with our viewers and listeners, as well as experts in a wide range of areas, to develop new content and services.

(4) Promote the Understanding of Our Viewers

Ensure that receiving fee payments are borne fairly.

- NHK aims to increase the payment rate of the receiving fees by one percentage point a year beginning in FY2018.
- New exemptions and discounts that help reduce the cost burden will go into effect.

(5) Strive to Promote Creativity, Efficiency, and Trust

A. Establish a work environment in which innovation can thrive.

- NHK will quickly implement work-style staffing reforms as spelled out in its declaration of December 2017 to create a fairer, more resilient organization.

B. Work to promote highly efficient, transparent management practices.

- NHK will clarify the roles of its subsidiaries to create organizational structures that will operate more efficiently and effectively.
- To achieve our six core public values, NHK will constantly review overall operations and focus managerial resources on prioritized operations.

C. Strengthen group-wide risk management to maintain public trust in NHK's media operations.

- NHK will build and strengthen cyber-security systems to defend against and respond to attacks.

Measures to Reduce the Burden of Receiving Fees

NHK's income and expenditure plan for FY 2018 - 2020 is based on our changing operating environment, financial resources, and other factors. We intend to secure financial resources by increasing receiving fee income and reducing overall operating expenses. These resources will allow us to revise the receiving fee system while enhancing broadcasting and other services including the shift to 4K and 8K as well as preparations for the Tokyo 2020 Olympic and Paralympic Games.

We will implement the following revisions based on recommendations from the NHK Receiving Fee System Review Committee, viewers and listeners, and others.

Receiving Fee Exemptions

1. For social welfare facilities (From April 2018)
2. For low-income students (From February 2019)

Discounts and Other Incentives

3. Discounts for multiple contracts (From April 2019)
4. One-month waiver for new television installation (From October 2019)

Total expected financial impact over 3 years: 17 billion yen

The amount of the receiving fee will remain unchanged for FY 2018 - 2020. We will continue to enhance our operating efficiency in order to make the very best use of the financial support we receive from viewers.

Income and Expenditure Plan for FY2018-2020

(General Accounts)

(Billion Yen)

Classification	FY2017(a)	FY2018(b)	FY2018(b)		FY2019(c)	FY2019(c)		FY2020(d)	FY2020(d)	
			b-a	c-b		c-b	d-c			
Total Operating Income	711.8	716.8	5.0		722.5	5.7		731.6	9.1	
From receiving fees	689.2	699.5	10.3		702.8	3.3		710.8	8.0	
Total Operating Expenditures	702.0	712.8	10.8		722.5	9.7		731.6	9.1	
Surplus	9.8	4.0	△ 5.7		0	△ 4.0		0	0	
Construction fund reserves	170.7	170.7	△ 0.05		169.4	△ 1.3		166.5	△ 2.9	
Surplus carried forward for financial stabilization (Cumulative)	92.4	76.7	△ 15.6		63.5	△ 13.2		60.6	△ 2.9	

This plan is subject to change in response to social, economic and other circumstances. The annual plan for revenues, expenditures and operations for each fiscal year is subject to the approval of the national Diet.