NTV
NIPPON TELEVISION HOLDINGS

ANNUAL REPORT 2013

For the Year Ended March 31, 2013

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Contents

Cautionary Statements with Respect to Forward-Looking Statements:

Statements made in this annual report with respect to NTV'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 NTV's markets, exchange rates and NTV'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.

Eleven-Year Summary

Nippon Television Holdings, Inc. and Consolidated Subsidiaries*1

											(Millions of yen)	(Thousands of U.S. dollars*2)
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013*3	2013
Years ended March 31:												
Net sales	¥ 336,299	¥ 328,375	¥ 357,614	¥ 346,642	¥ 343,652	¥ 342,188	¥ 324,563	¥ 296,934	¥ 297,895	¥ 305,460	¥ 326,423	$ 3,470,739
Operating income	47,407	35,937	34,325	28,551	30,344	23,077	12,215	23,563	31,670	32,249	35,429	376,704
Net income	20,296	19,359	16,846	13,701	18,332	10,625	5,622	16,595	21,049	22,729	25,284	268,836
Comprehensive income*4	—	—	—	—	—	—	—	—	18,352	25,597	37,701	400,861
Depreciation	5,854	12,676	21,060	17,561	14,361	12,939	11,528	9,622	8,456	7,071	6,573	69,888
Capital expenditures	30,044	49,761	9,214	6,266	6,043	5,200	5,491	26,809	4,614	3,802	5,596	59,500
At March 31:												
Total assets	¥ 476,634	¥ 513,430	¥ 493,558	¥ 519,952	¥ 529,265	¥ 512,507	¥ 498,457	¥ 513,788	¥ 528,398	¥ 543,228	¥ 598,075	$ 6,359,117
Total equity*5	327,116	354,046	366,646	398,018	411,995	407,668	400,417	416,367	427,496	446,038	488,120	5,190,005
Cash flows:												
Cash flow from operating activities	¥ 25,981	¥ 30,520	¥ 49,286	¥ 32,683	¥ 31,458	¥ 26,791	¥ 23,948	¥ 40,131	¥ 23,433	¥ 25,274	¥ 29,099	$ 309,399
Cash flow from investing activities	(37,393)	(41,596)	(23,046)	(24,358)	(24,596)	(17,301)	(28,331)	(46,847)	(28,181)	(8,968)	(7,369)	(78,352)
Cash flow from financing activities	22,464	7,131	(37,275)	(15,921)	(4,714)	(4,124)	(4,803)	(5,697)	(7,132)	(6,420)	(7,073)	(75,205)
Cash and cash equivalents, end of year	81,944	77,930	66,878	59,369	61,524	66,863	57,630	45,219	33,312	43,190	63,806	678,426
Per share data (Yen, U.S. dollars):												
Net income*6	¥ 801.99	¥ 771.74	¥ 671.08	¥ 545.40	¥ 741.60	¥ 430.27	¥ 22.77	¥ 67.64	¥ 85.97	¥ 92.85	¥ 101.39	$ 1.08
Equity*6	13,102.25	14,183.02	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	19.99
Cash dividends*7	120.00	120.00	165.00	165.00	170.00	180.00	180.00	290.00	290.00	290.00	110.00	1.17
Ratios (%):												
Return on assets (ROA)	4.4	3.9	3.3	2.7	3.5	2.0	1.1	3.2	3.9	4.2	4.2	
Return on equity (ROE)	6.2	5.7	4.7	3.6	4.6	2.6	1.4	4.2	5.1	5.3	5.5	
Operating margin	14.1	10.9	9.6	8.2	8.8	6.7	3.8	7.9	10.6	10.6	10.9	
Equity ratio	68.6	69.0	74.3	76.6	76.3	77.8	78.5	79.4	79.3	80.5	80.0	
Others												
Total shares issued*8	25,364,548	25,364,548	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	
Employees	2,714	2,829	2,797	2,869	2,886	3,126	3,291	3,339	3,262	3,218	3,259	

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, 2003 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 ¥94.05 to $1, the approximate rate of exchange at March 31, 2013. 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, NTV 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, NTV 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. In addition to introducing a 10-for-1 stock split on common stock effective October 1, 2012, a share exchange took place in which NTV 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. 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.





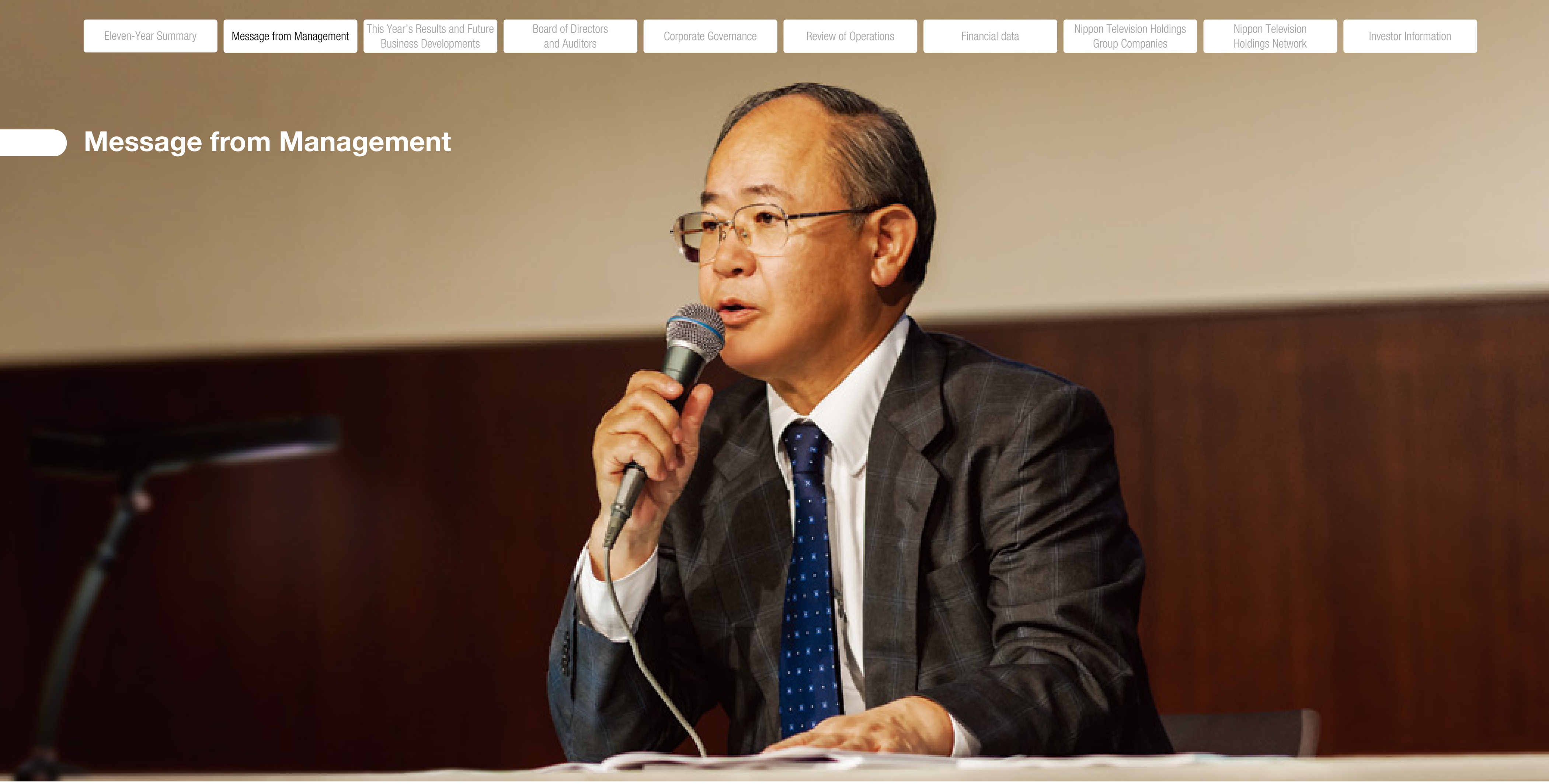

Growing as a Leader in the Media and Content Industries



AKBINGO!



Message from Management



On August 28, 2013, the Company celebrated its 60th year since the start of broadcasting. Positioning this date as our "second founding," during the year we transitioned to a certified broadcasting holding company structure and announced "2012–2015 Next60" as the new medium-term management plan for the NTV Holdings Group, steadily putting in place the foundations for our next stage of growth. Endeavoring to meet our stakeholders' expectations by becoming the leading company in the media and content industries, we will build stronger connections among the broadcasting companies that operate our three platforms—terrestrial, BS and CS broadcasting. In addition, we will forge links with other digital media, promote overseas development and invest aggressively. I ask for your ongoing support in these endeavors.

Yoshio Okubo

Representative Director, President

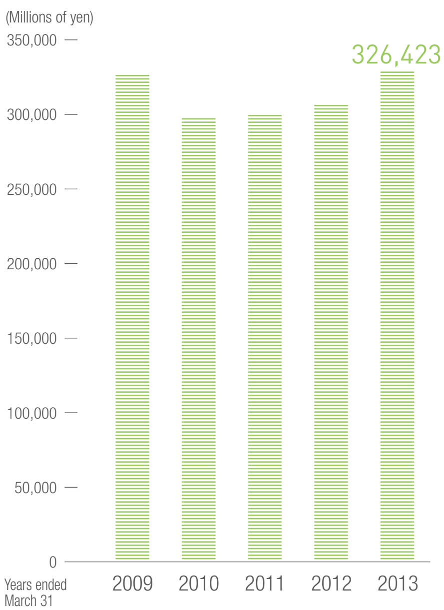
Overview of Performance in the Fiscal Year Ended March 31, 2013

During the fiscal year ended March 31, 2013, within terrestrial television advertising revenue, time sales rose thanks to the London 2012 Olympic Games, as well as due to increases from regular programs. Spot sales benefited from a year-on-year rise in regionally targeted advertising expenditures, and our share among the key commercial broadcasters in Tokyo increased.

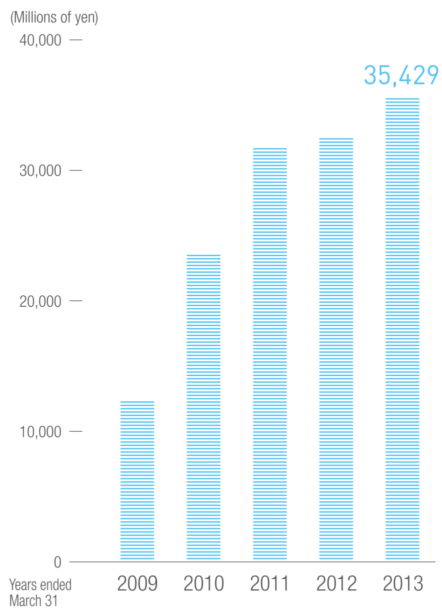
Other factors contributing to the Group's increased revenues and profits compared with the previous fiscal year included the film *Wolf Children*, which proved to be a major hit, robust sales of music CDs and the conversion of our BS and CS operations to wholly owned subsidiaries in the second half as part of our transition to a certified holding company system.

Consolidated net sales rose ¥20,963 million, or 6.9%, to ¥326,423 million. Operating income expanded ¥3,180 million, or 9.9%, to ¥35,429 million, and net income grew ¥2,555 million, or 11.2%, to ¥25,284 million.

Net Sales



Operating Income



Note: As the Company transitioned to a certified broadcasting holding company structure on October 1, 2012, the figures for the fiscal years ended March 31, 2009 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.

Viewer Rating Trends


The Important One-Minute Talk That Will Change Your Life

The Group strives to target viewers' needs by creating compelling content. For our terrestrial television broadcasts, in the year from April 2, 2012, to March 31, 2013, we ranked top in average household viewer ratings in the All Day category (6:00–24:00), and second in the Golden Time (19:00–22:00) and Prime Time (19:00–23:00) categories. For core target ratings*—an important metric for advertising sponsors—we held the Triple Crown Title. Refusing to be satisfied with our current level of success, we are working to recapture the Triple Crown Title for household viewer ratings for the calendar and fiscal years.

* Core target ratings: An indicator that the NTV Group has formulated to isolate the demographic of men and women between the ages of 13 and 49 and to track their viewer ratings.

Management Policy

As a Group that uses Japan's radio waves—a shared national asset—for our broadcasts, we recognize our obligation to make effective use of this spectrum by providing news that is fair-minded and timely and by consistently producing programs that our viewers support. Furthermore, we have maximized the capabilities we cultivated through the production of terrestrial television broadcasts to augment our business portfolio.

However, given Japan's falling birthrate and aging population, we recognize that this market is unlikely to expand significantly over the medium to long term. In addition, due to the ongoing march of technology and increasingly diverse methods of advertising, whether terrestrial television will maintain its dominant position as an advertising medium remains an open question.

The Group is addressing these challenges by further enhancing its broadcasting business, including the BS and CS platforms; collaborating with other digital media; redoubling efforts to expand content offerings overseas; and cultivating and strengthening non-broadcasting businesses, including those in new areas. In these ways, we are striving to stabilize our management foundations and enhance our broadcasting business further.

In November 2012, we announced a new medium-term management plan that sets targets to be achieved by the fiscal year ending March 31, 2016: consolidated net sales of ¥400.0 billion and consolidated recurring income of ¥50.0 billion (a recurring income margin of 12.5%). Achieving these goals will require us to pull together as a Group, focusing on "change and challenge."

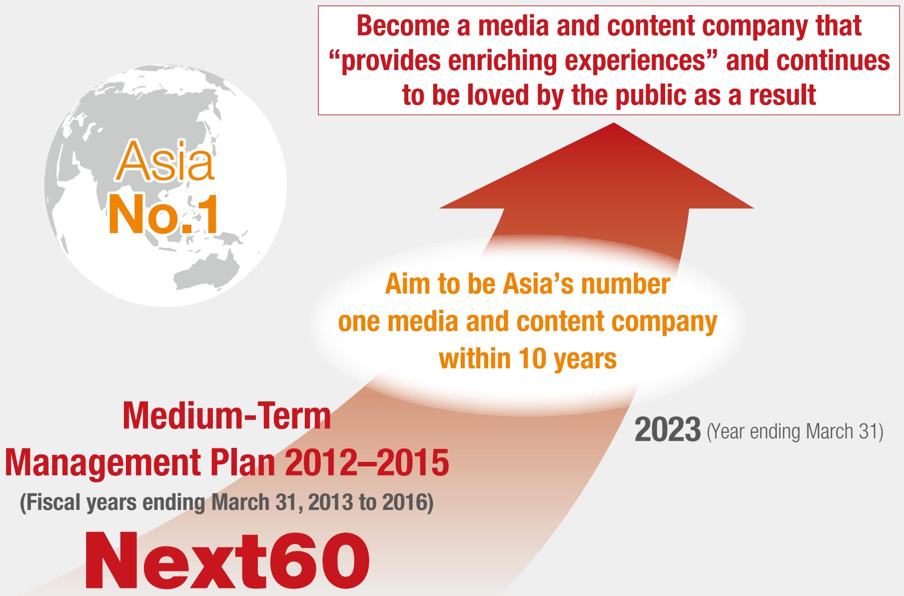
Group Medium-Term Management Plan: 「2012-2015 Next60」

To develop and grow further as a top company in the media and content industries, we are positioning the 60th anniversary of our commencement of broadcasting as our second launch. We will work together as a Group to promote the initiatives that will define our next 60 years.

Positioning of 2012–2015 Next60, the Group Medium-Term Management Plan

While fulfilling its social responsibilities as a media organization, the Group is committed to becoming a media and content company that "provides enriching experiences" and continues to be loved by the public as a result. First, the Group will strive to become Asia's number one media and content company by the fiscal year ending March 31, 2023. At the same time, we will diversify our business portfolio. Furthermore, we will work to establish ourselves as "First Choice NTV"—an indispensable company that is always in public demand, regardless of how society may evolve, and an entity that continues to be appreciated by all its stakeholders.

To achieve these long-term objectives and set the foundations for the next 60 years of development, on October 1, 2012, the Group transitioned to a certified broadcasting holding company structure. Under this new structure, we launched a new medium-term management plan, 2012–2015 Next60 (fiscal years ending March 31, 2013 to 2016).



Medium-Term Management Goals

To help achieve the following goals by the fiscal year ending March 31, 2016, Group companies will heighten business collaboration to create value-adding synergies and maximize profits, maintaining a spirit of "change and challenge."

1. Maintain and enhance our reliability as a news medium
2. Produce content that enriches people's lives
3. Respond to changes in order to achieve sustainable growth
4. Gain a solid presence in overseas markets
5. Step up our responsibility for contributing to society as a media company
6. Foster a working environment that enables all Group employees to thrive and exercise their talent

Medium-Term Management Goals

(Billions of yen)

Years Ended or Ending March 31	Actual 2012	Target 2016	Change
Consolidated net sales	305.4	400.0	94.6
Television advertising revenue	213.3	255.0	41.7
Content business and other revenues	92.0	145.0	53.0
Consolidated recurring income	38.0	50.0	12.0
(Recurring income margin)	12.4%	12.5%	0.1%

Notes:
1. Figures were announced in November 2012.
2. Television advertising revenue for the fiscal year ending March 31, 2016, includes advertising revenues from the terrestrial, BS and CS platforms.

Key Initiatives for Achieving Medium-Term Management Plan Objectives

1 Integrate management of the three broadcasting platforms, leading to the development of new content

We will leverage the organic links among the terrestrial, BS and CS platforms. We are already reaping these benefits for broadcasts of Yomiuri Giants baseball games, and we will develop new and dynamic content that takes advantage of this arrangement. Another example of integrated management is our acquisition of terrestrial and satellite broadcasting rights for the AFC Champions League (ACL). Asian club football champions go to on to represent their region in *FIFA Club World Cup Presented by TOYOTA* matches. We will meet viewers' needs with terrestrial, BS and CS broadcasts.

2 Continue to develop next-generation content using the 60th anniversary as a fresh starting point

We will develop next-generation content that pivots on the 60th anniversary of our broadcasting start. Special programming in the fiscal year ending March 31, 2014, includes the *7 Days Challenge TV* in June, themed on bringing smiles to children's faces. In July 2013, we also broadcast *THE MUSIC DAY: Power of Music*, featuring more than 100 songs that have given Japanese people strength.

7 Days Challenge TV

3 Make aggressive use of new media and devices

We are taking a proactive stance toward the use of new media and devices. The development of JoinTV and *wiz tv* are already contributing significantly to real-time viewing promotions, and we will continue developing new businesses in this genre. (For details, see the "Media Design Center Strategies" on page 11.)

THE MUSIC DAY: Power of Music video game *LIVE ARASHI FEAT. YOU*

4 Strengthen management and program lineup to secure the top share of terrestrial advertising revenues

We will boost advertising revenues through joint efforts on the programming and sales fronts. In terrestrial broadcasting, being top in household viewer ratings—particularly the core target ratings that are of paramount importance to sponsors—is key to an increased share of advertising revenue. We are also developing new sales formats and products.

5 Promote media content design strategies

When producing content, we will take multifaceted deployment into account, considering Internet extension and merchandising as well as television broadcasting. This approach maximizes the value of content.

6 Actively pursue overseas business opportunities, centering on Asia

We consider the expansion of business in other parts of Asia a matter of some urgency. For this reason, we keep overseas deployment in the back of our mind even from the planning stages. We are also building cooperative ties with overseas companies as we strive to become Asia's leading media and content company.

The Files of Young Kindaichi

7 Leverage ¥50.0 billion allocation to invest and develop new businesses

We will promote strategic investments to expand our fields of business and diversity our business portfolio. To this end, we have earmarked a total of ¥50.0 billion for initiatives we have dubbed "Next60 investments" by the fiscal year ending March 31, 2016.

60 Years Since the Start of Broadcasting

August 28, 2013, marked the 60th year since our commencement of broadcasting. At the beginning of the year, we declared our goal of "taking an entirely fresh look at television." We recognized that we need to respond with flexibility and toughness to the rapid and tumultuous changes that are underway. With a strong sense of pride, dignity and high aspirations, we will act adroitly and swiftly as we embark on the next 60 years of "change and challenge."

Kojimachi Redevelopment

Redeveloping owned real estate in Tokyo's Kojimachi district is a point of focus for the Group. As the first stage of this redevelopment, we plan to build a studio and a commercial building in the Nibancho area, the site of our former headquarters. We have already purchased adjoining land for this purpose, and we will begin making use of the property by building a studio wing. Assuming that all goes according to plan, construction will be complete in 2017. Once the studio wing is finished, we will tear down the current building and erect a new structure designed to generate profits. Current plans are for an office building, which is slated for completion around 2020.

Developing the Yonbancho area will be the second phase. We are currently negotiating with landowners in the area, but our end goal is to link the development with the Nibancho construction, contributing to the attractiveness of the Kojimachi neighborhood.

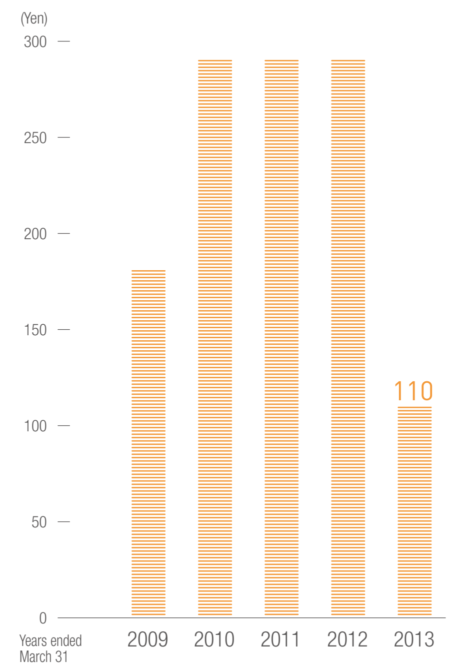
Shareholder Returns

The Group recognizes the return of profits to shareholders as an important management priority. At the same time, the Kojimachi redevelopment and the new investments outlined in our medium-term management plan also require funds that we will invest toward future growth. 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 ending March 31, 2014, we expect to maintain dividends at the previous year's level, at ¥29 per share.

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

Cash Dividends per Share



Note: The Company's common shares underwent a 10-for-1 stock split, effective October 1, 2012. Dividends per share of ¥110 correspond to ¥90 per share prior to the stock split plus ¥20 per share after the stock split. Taking the stock split into account, annual dividends per share would have been ¥29 per post-split share (¥290 on pre-split shares).

This Year's Results and Future Business Developments

Overseas Business Development

To leverage the expertise that NTV had accumulated in software and technology and introduce it into the larger world, in December 2012 we established the Overseas Business Development Office as a new section combining our overseas program sales and overseas strategy and business departments. This section introduces some of the new office's key activities.

Business Development in Southeast Asia

In February 2013, we joined eight other companies in establishing *Hello! Japan*, a new international TV channel with popular Japanese content launched in Singapore by J Food & Culture TV Pte. Ltd. Through the new channel, we aim to collaborate with companies in five rapidly growing Southeast Asian countries.

In addition, in April 2013 we signed a memorandum of understanding with Malaysian media conglomerate Media Prima Berhad on an agreement to collaborate in several fields. We have begun personnel exchanges and joint program production to this end.

Mr. Datuk Kamal Khalid of Media Prima Berhad with Managing Officer Kimiyo Maruyama

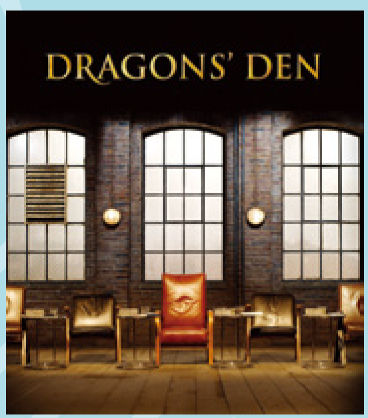
Overseas Program Sales

Our popular animated programs, such as *HUNTER×HUNTER* and *DEATH NOTE*, have a strong global following, and the *Dragon's Den* format is being sold in more than 20 countries, including the United States, the United Kingdom and Canada. We have also begun overseas sales of variety programs such as *Shimura Zoo* and *Sekai no Hate Made Itte-Q!*, which are steadily boosting revenues.

As a result, during the fiscal year ended March 31, 2013, revenue from sales of programs amounted to more than ¥670 million, up 15% over the previous fiscal year.

As one new initiative, we have introduced a strategy to take advantage of the rapid growth in distribution services. In October 2012, we began distributing the Saturday drama *Akumu-chan* overseas at the same time as it shows in Japan, becoming the first company in Japan to take this approach.

As part of the national government's "Cool Japan strategy," we used a portion of the supplementary budget for fiscal 2012 to embark on the joint development with overseas broadcasters of formats targeted for global distribution. We have begun working with an Israeli production and distribution company on the joint planning and production of *AHA! Experience, a section of The Most Useful School in the World*. We are also collaborating with a U.K. production and distribution company on the development of formats designed to appeal to overseas markets from the program planning stage.



Dragon's Den

Pursuit of Local Production

The licensing business, which involves creating and broadcasting remakes of such prime NTV assets as original dramas and variety plans, has proven hugely popular overseas. This trend has even been highlighted by information programs in Japan.

In 2012, a remake of *Heaven's Coin* was broadcast in Taiwan, followed in 2013 by the production and broadcast in South Korea of remakes of *Haken's Dignity*, *The Queen's Classroom* and *I'm Mita, Your Housekeeper*. The Korean-language version of *Haken's Dignity*, a drama remake based on Japanese content, has earned high viewer ratings and attracted attention both in Japan and overseas.

In the quiz/variety genre, broadcasts of an English-language version of *Dero!* entitled *Exit* began in June 2013 on a cable channel operated by NBC, one of the four leading U.S. networks. Also, a Vietnamese version of the popular 1970s program *By Weight* and a Chinese-language version of the long-time favorite *Old Enough!* are boosting the presence of the NTV brand throughout the world.

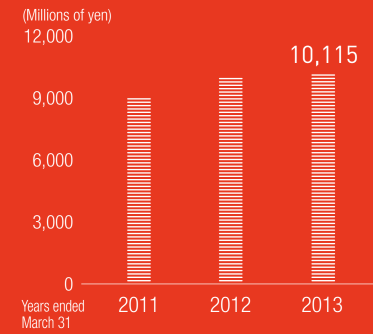
Office Queen
(Korean version of *Haken's Dignity*)

Initiatives in the Film Business

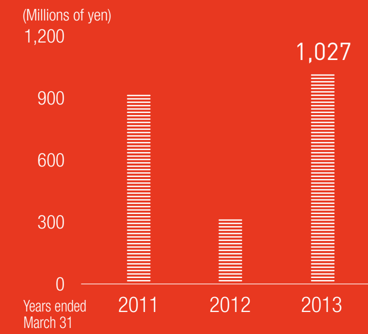
During the year, the Company was lead manager of such hit films as *Wolf Children* (box office receipts of ¥4.22 billion), *Tsunagu* (¥1.66 billion), and the theatrical version of *HUNTER×HUNTER—The Last Mission* (¥1.21 billion). As a result, the film business generated revenues of ¥10,115 million, up ¥126 million, or 1.3%, exceeding ¥10 billion for the first time since the fiscal year ended March 31, 2010. At the same time, expenses decreased ¥586 million, or 6.1%, to ¥9,088 million, causing operating income in the film business to surge ¥711 million, or 225%, to ¥1,027 million.

In the fiscal year ending March 31, 2014, we plan to (1) strengthen alliances with creators of animation programs, (2) produce distinctive live-action films, (3) employ time-tested teams in creating new films and (4) concentrate on 3D CG animation planning and development with an eye toward overseas extensions. Through these efforts, we aim to maintain the momentum we have built up while continuing to develop the business.

Sales



Operating Income in the Film Business



Principal Films in the Fiscal Year Ending March 31, 2014

The Wind Rises

Release date: July 20, 2013
Director: Hayao Miyazaki
© 2013 Nibariki/GNDHDDTK
The protagonist, Jiro, goes beyond space and time to meet an Italian engineer in his dreams, whom he helds in high esteem who becomes his comrade. The film maps out a fantasy story about the birth of the Zero fighter plane, and Jiro's star-crossed meeting with and separation from the young girl Naoko. The film is based on a fictionalized biography of Jiro Horikoshi.

The Apology King

Release date: September 28, 2013
Script: Kankuro Kudo
Director: Nobuo Mizuta (NTV)
© 2013 *The Apology King* Production Committee
This new work by the team that produced *Maiko Haaaan!!!* and *Nakumon Ka* is a comedy starring a "professional apologist," who demonstrates that an apology can resolve all manner of problems.

Beyond the Memories

Release date: October 26, 2013
Director: Takehiko Shinjo
© 2013 *Beyond the Memories* Production Committee
© Ryo Ikuemi/Shueisha
A new work by the team that produced *Boku no Hatsukoi wo Kimi ni Sasagu*, this superb romance film carries the universal theme of the possibility of loving after losing someone important in life.

The Tale of Princess Kaguya

Release date: November 23, 2013
Director: Isao Takahata
© 2013 Hata Office/GNDHDDTK
The first work to be directed by Isao Takahata in 14 years, this animated film is based on the folktale *The Tale of the Bamboo Cutter*. The film explores questions such as "Why did Princess Kaguya come into the world?" and "What is the crime the princess committed, and what is her punishment?"

Media Design Center Strategies

The television environment is undergoing tumultuous change. On one hand, the emergence of social networking sites (SNSs) is prompting a media shift. At the same time, the proliferation of smartphones and tablet computers is causing a shift in devices, giving way to a "second screen" that people hold in their hands as they watch television. To make the most of these changes, the Media Design Center, located within the Programming Division, is devising ways to create new value for television in the next generation.

JoinTV Used in Experimental Program to Mitigate against Disasters and Protect the Elderly in Tokushima Prefecture

JoinTV was selected in open tender (2012 supplementary budget) by the Ministry of Internal Affairs and Communications to undergo a demonstration experiment. One unique aspect about this demonstration experiment was that way that it positions a household television connected to the Internet as one of the most ubiquitous digital devices—an idea that accords new value to televisions. Using televisions for leading-edge information communication technology (ICT), this experiment was aimed at mitigating against disasters and protecting the elderly in the event of an earthquake in the Nankai Trough, which runs along the coast of Tokushima Prefecture. In the fiscal year ending March 31, 2014, we plan to begin extending the development of this model nationwide.

New Developments Involving *wiz tv*

wiz tv is a second-screen app that grabs in real time topics of conversation on television. We have begun monetizing *wiz tv* by augmenting its functionality and linking it with commercials. In February 2013, *wiz tv* and automatic content recognition technology were used in the *TVXQ SCRATCH TIME* campaign (Avex). In this campaign, viewing a commercial for the musician's new album and using *wiz tv* to identify the sound causes a scratch card to appear on the smartphone. This approach allowed the campaign to offer overseas trips and not-for-sale merchandise on the spot.

We tested a plan named *Hangover Matsuri! Free Free Night!!!* on a movie program (Warner) in July 2013. During the program, shaking a smartphone running *wiz tv* to activate the phone's internal accelerometer caused the phone to display a secret site. The site led to a campaign offering luxury prizes and original standby screens. We continue to develop new plans such as these.

Promotion of Real-Time Viewing

The August 2013 airing of *Castle in the Sky* sparked a social phenomenon involving the use of Twitter to invoke the incantation "balse." As a result, Twitter reached a new record number of Tweets: 143,000 per second.

At *THE MUSIC DAY: The Power of Music*, a special program in June 2013 to commemorate the 60 anniversary of the Company's commencement of broadcasting, data broadcasts and smartphones were used to create a "music video game" that involved pressing buttons in time with the musical notes. As a result, the program attracted a record 1.37 million participants.

During the program *ZIP!*, data broadcasts were used to enable a time-limited "whack-a-mole" game named *ZIP!de Pon!*, attracting participation by approximately 1 million people in a single day. In October 2013, this plan became a regular feature of the program.

In these ways, SNSs and data broadcasts are being used in interactive plans that employ second screens. We believe that activities such as these promote real-time viewing.

Our initiatives in this area have attracted a great deal of attention in Japan and overseas. Our JoinTV & *wiz tv* development team won the 29th ATP Award Grand Prix, and *TV60 NTV x NHK Best of 60 Competition*, a program produced in collaboration with NHK, won the Social TV Award 2013 Grand Prize. Furthermore, our use of a sports broadcast and event-linked social interactive application employing JoinTV with the *FIFA Club World Cup Japan 2012 Presented by TOYOTA* earned NTV recognition in the Best Branded category of the 2013 Sports Social TV Awards in the United States. We were the only one of the three finalists hailing from outside the United States.

We look forward to taking on new television challenges going forward.

Board of Directors and Auditors

(As of July 1, 2013)

Directors

A Yoshio Okubo

Representative Director, President
Chairman of Internal Audit Committee,
Chairman of Remuneration 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
In charge of Group Management Strategy Council
Corporate Strategy (in charge of Group strategy)
Advisor to Corporate Administration (in charge of Legal Affairs and Broadcast Standards)
Executive Manager of Personal Information Management Office

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 Executive Managing Director in 2013.

C Yoshinobu Kosugi

Senior Executive Board Director

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 Executive Managing Director in 2013.

D Kimio Maruyama

Executive Board Director, Financial Management,
Corporate Strategy (Media Strategy Planning & Development),
Executive Auditor of Personal Information Management Office

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 Managing Director in October 2012 in line with the transition to a certified broadcasting holding company.

E Kazuyuki Sakurada

Board Director
In charge of Corporate Administration
Corporate Strategy (Human Resources, Labor Relations)

Served as President and Representative Director of NTV Video Co., Ltd., and AX-ON Inc., Director General, Variety; and Director General, Production. Appointed Board Director and Operating Officer in 2012. Appointed Board Director in October 2012 in line with the transition to a certified broadcasting holding company.

F Koichi Akaza

Board Director

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.

G Akira Ishizawa

Board Director
Corporate Strategy (Information Security Management)
Vice Chairman of Internal Audit Committee

Following appointments as head of Executive Administration, Corporate Administration, Programming, President's Office and Management Strategy, appointed Board Director in June 2013.

Tsuneo Watanabe

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

Hiroshi Maeda

Board Director*
Attorney at Law

Seiji Tsutsumi

Board Director*
Chairman, The Saison Foundation

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

Katsuhiro Masukata

Board Director

* Outside directors pursuant to Article 2.15 of the Companies Act

Auditors

Yasuhiro Nose

Standing Statutory Auditor

Kenji Kase

Statutory Auditor**

Kojiro Shiraishi

Statutory Auditor**

Norio Mochizuki

Statutory Auditor**

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

Corporate Governance

The NTV 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

NTV Holdings has a Board of Statutory Auditors with a management structure under which the Board of Directors oversees the operational execution of the directors. Meanwhile, the statutory auditors and Board of Statutory Auditors 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 external monitoring of management, incorporating five outside directors pursuant to Article 2, Paragraph 15, of the Companies Act into the 14-member Board of Directors for greater management integrity and more transparent decision-making processes. The four-member Board of Statutory Auditors 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. Additionally, outside auditor Kenji Kase is a certified public accountant and is endowed with a considerable degree of finance and accounting knowledge.

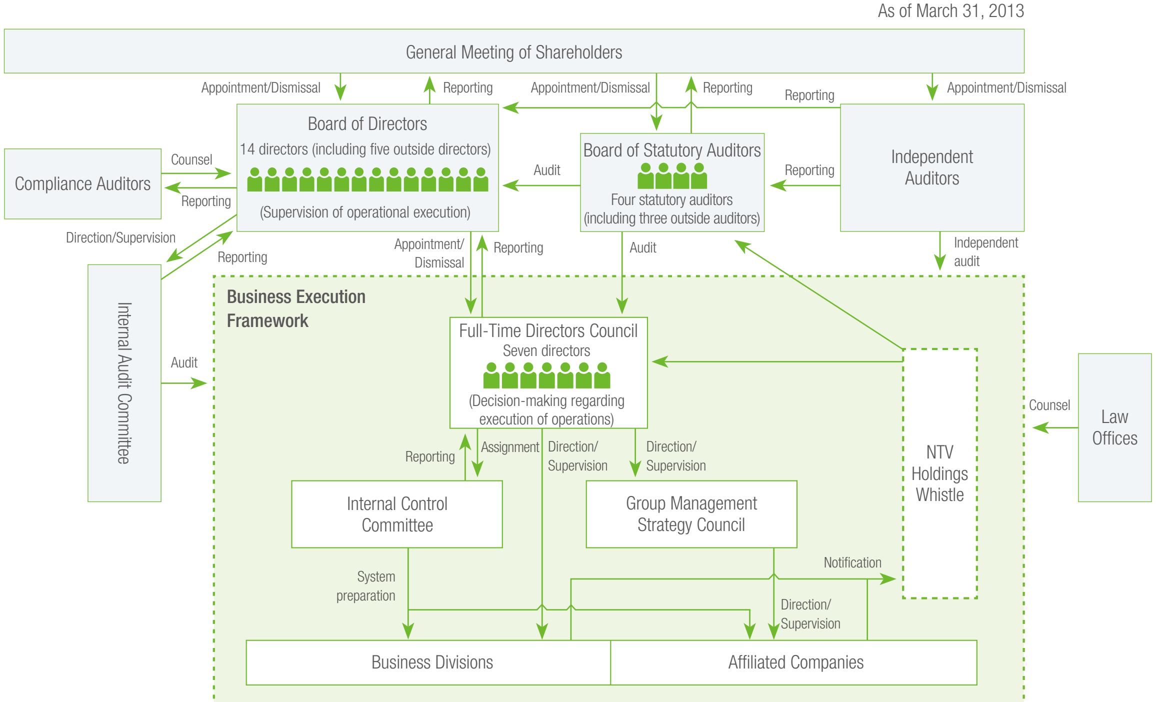
During the year under review, the Board of Directors met eight times to decide important duties and to supervise the execution of directors' duties. Also, the Board of Statutory Auditors met nine times to audit the directors' execution of duties. Each auditor, in conformance with the auditing standards determined by the Board of Statutory Auditors, 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.

Under the Board of Directors, NTV Holdings has established an Internal Audit Committee to supervise overall business activities and monitor internal control systems. The Remuneration Committee, charged with fielding inquiries about compensation for directors, has also been formed under the Board of Directors. The Company has additionally set up a Compliance Committee to reinforce corporate governance and ensure thorough compliance and a high degree of transparency in NTV 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.

Concerning third-party contribution to NTV 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.

As of March 31, 2013



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

In response to the Personal Information Protection Act, NTV Holdings advances daily information management by designating a person responsible for control of personal information in each department. In addition, concerning the Subcontract Act, we have made subcontracting more appropriate and legally compliant.

NTV Holdings Sustainability is our corporate management program encompassing activities aimed at contributing to the sustainable development of the environment, global society and business. As part of the program, we have actively advanced our NTV Holdings Eco environmental preservation initiative, with a keen awareness of the Company's responsibility as a corporate media leader in the prevention of destruction of the global environment.

Among other compliance efforts, NTV Holdings conducts a Web-based training program on insider trading regulations for all officers, employees and cooperating staff and holds group training sessions.

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 Board of Statutory Auditors Management Office to investigate matters necessary for auditing duties. Employees working for the Board of Statutory Auditors Management Office concurrently work as a secretariat for the Internal Audit Committee and assist the statutory auditors with their duties. The statutory auditors maintain close contact with the Internal Audit Committee.

Independent Auditing

NTV 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, 2013, is 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 Partner Executive Partner	Yoshiyuki Higuchi	Deloitte Touche Tohmatsu LLC
	Tsutomu Hirose	
	Tomoya Noda	

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 Compensation

Executive compensation for the Company's directors and statutory auditors in the fiscal year ended March 31, 2013, 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)	411	411	—	—	15
Statutory Auditors (Excluding Outside Auditors)	26	26	—	—	2
External Directors and Statutory Auditors	117	117	—	—	9

Notes:
1. The number of officers as of March 31, 2013, was 17 directors and four statutory auditors.
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 statutory auditors.

Regarding executive remuneration, according to a resolution of the General Meeting of Shareholders, limits are imposed on the total compensation for directors and for statutory auditors. Each director's remuneration is determined by the Board of Directors upon consideration of business conditions and the Company's performance, and, for statutory auditors 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

NTV Holdings promotes compliance with laws and regulations, 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.

The Company has formulated the NTV 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 Management Strategy and General Administration divisions.

In addition, the NTV Holdings Whistle is in place as an internal reporting hotline to enable 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.

NTV Holdings has established an Internal Audit Committee to prevent fraudulent acts through internal audits. 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 General Administration Division, such documents, etc., are retained at each division, at which a person in charge of and a person responsible for retaining them are designated. The directors and statutory auditors 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 NTV 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 Company and the corporate group consisting of the parent company and its subsidiaries

The Group Strategy Department formulates and implements comprehensive strategies for Group management and business content, and handles general operations-related tasks, to enforce groupwide compliance with laws and regulations and to maintain the risk management system. Compliance-related training is given to officers and employees of the Group as necessary. The Company also maintains a Group Management Strategy Council—consisting of representatives of the Group companies—to share information, thereby reinforcing the appropriateness of operations.

6. Matters concerning employees who are to assist statutory auditors upon statutory auditors' request

Statutory auditors can order employees who belong to the Board of Statutory Auditors Management Office to investigate matters necessary for auditing duties. Such employees shall assist the statutory auditors with their auditing duties and concurrently work as a secretariat for the Internal Audit Committee.

7. Matters concerning the independence of the employees who assist statutory auditors from directors

Directors are not allowed to give orders different from those of the statutory auditors to the employees who assist the statutory auditors. Directors must obtain the approval of the statutory auditors for transfer of and disciplinary actions against employees who assist the statutory auditors.

8. A system that requires directors to report to the Board of Statutory Auditors, and a means for employees to report to statutory auditors

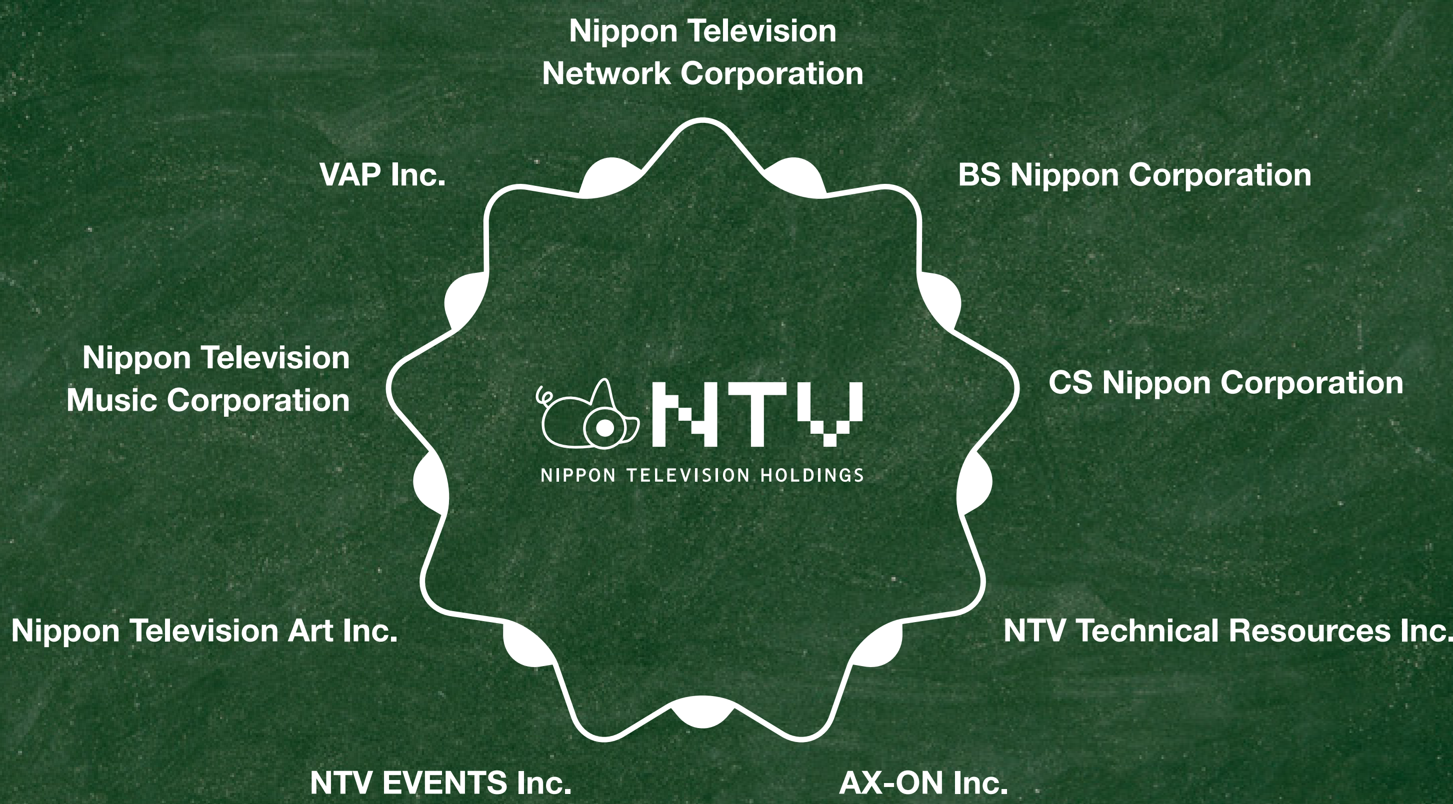
Directors must report to the Board of Statutory Auditors on matters stipulated by law that could have a substantial impact on the Company or the Group, as well as on the status of internal auditing. In case employees find matters stipulated by law that could have a substantial impact on the Company or the Group, or facts that violate laws or the Articles of Incorporation, they can directly report such instances to the statutory auditors through the NTV Holdings Whistle, which is an internal reporting system.

9. Other systems to ensure effective auditing by statutory auditors

Standing statutory auditors shall attend the Full-Time Directors Council and exchange opinions with the full-time directors. Statutory auditors may attend the Group Management Strategy Council, which consists of representatives from the Group companies.

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

Review of Operations



Nippon Television Network Corporation

The Most Useful School in the World

CORPORATE INFORMATION

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	1,193 (As of April 1, 2013)

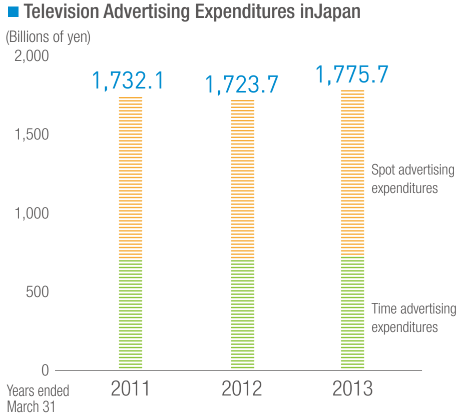
Business

With activities centered on the basic and general broadcasting businesses, as defined by Japan's Broadcasting Law, NTV produces 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 spending in 2012 is estimated at ¥1,775.7 billion, an increase of 3.0% from the previous year. This was the first rise in two years. Of this amount, spot advertising totaled ¥1,056.2 billion, up 3.0% and rising for the third consecutive year. During the first half, spending was up in comparison with the first half of the preceding year, which had fallen sharply as a result of the earthquake, as well as to a major rise in advertising related to eco-car subsidies. In the second half, however, advertising spending slowed as corporate performance forecasts worsened and personal consumption grew sluggish. Program advertising expenditures (time advertising expenditures) rose 3.1% year on year, to ¥719.5 billion. This rise—the first in six years—was attributable in part to favorable first-half performance due to the impact of the London 2012 Olympic Games.
Source: Dentsu Inc., *Advertising Expenditures in Japan*

■ Television Advertising Expenditures inJapan



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

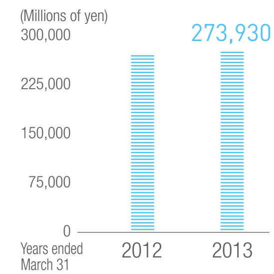
Performance during the Year

Amid these conditions, net sales for the fiscal year ended March 31, 2013, were up ¥9,110 million, or 3.4%, to ¥273,930 million. Time advertising revenues came to ¥112,455 million, up ¥3,596 million, or 3.3%, and spot advertising revenues climbed ¥4,428 million, or 4.2%, to ¥108,958 million. Television advertising revenue was up ¥8,024 million year on year, or 3.8%. Business revenues also rose, benefiting from the major film hit *Wolf Children* and events such as *Our Landscape: 400 Years of European Paintings of the State Hermitage Museum.*

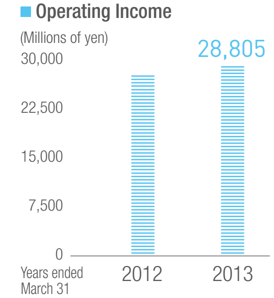
Operating income grew ¥1,776 million, or 6.6%, to ¥28,805 million. Our program production costs increased temporarily in tandem with the London 2012 Olympic Games, but by continuing to control costs we succeeded in raising income for the fourth consecutive fiscal year.

Note: Due to our October 1, 2012, transition to a certified broadcasting holding company, operating performance figures for the year under review are for the former Nippon Television Network Corporation through September 2012. Figures from October 2012 through March 2013 are simple totals for NTV Group Holdings Inc. and the current Nippon Television Network Corporation, excluding transactions between the two entities. Comparisons with the preceding fiscal year are with the non-consolidated results for the fiscal year ended March 31, 2012, of the former Nippon Television Network Corporation.

■ Net Sales



■ Operating Income




Guru Guru Ninety Nine


NEWS ZERO


LINE-UP LAW OFFICE

Viewer Rating Trends

NTV's viewer ratings have been favorable since it recaptured the Triple Crown Title in 2011 for the calendar and fiscal years. As of the end of the first half of the fiscal year ending March 31, 2014 (April 1, 2013, to September 29, 2013), we held the top viewer ratings for the All Day (6:00–24:00) and Golden Time (19:00–22:00) segments.

Attesting to the success of previous initiatives to restructure our timetable and make program content more attractive, in addition to household viewer ratings we augmented viewer ratings in our core target viewer ratings (men and women aged 13–49). The increasingly steady viewer ratings for our continuous weekday programs—news and infotainment programs running in individual slots from morning to evening on weekdays—are contributing to sales. In addition, we are generating popular new variety programs as part of our reorganization efforts to strengthen our Prime Time (19:00–23:00) results.

Going forward, we will continue in our relentless drive to maintain the top position in viewer ratings.

NTV's Ranking in Viewer Ratings

Fiscal Year	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
All Day 6:00–24:00	♛	♛	♛	♛	2	2	2	2	2	2	2	♛	♛	♛
Prime Time 19:00–23:00	♛	♛	♛	2	2	3	3	3	2	2	2	♛	2	2
Golden Time 19:00–22:00	♛	♛	♛	♛	2	3	3	2	2	2	2	♛	2	♛

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

Note: As of the end of the first half of the fiscal year ending March 31, 2014 (April 1, 2013, through September 29, 2013)

BS Nippon Corporation

CORPORATE INFORMATION

Headquarters	NTV Kojimachi South Building, 3F, 2-14 Chiyoda-ku, Tokyo 102-0084, Japan
Established	December 2, 1998
Capital	¥14.0 billion
Representative	Koichi Akaza, Representative Director and President
Employees	37

Business

BS Nippon was established in 1998 amid the trends toward multichannel and multimedia broadcasts, as well as an increasing social focus on information, as a basic broadcasting business operator—a general-format, free-to-air BS digital broadcaster. Our power as an advertising medium has grown as the number of people able to view BS digital broadcasts has expanded. By taking advantage of the expertise that NTV has cultivated in terrestrial broadcasting, BS Nippon plays a key role in complementing the company's terrestrial offerings with BS channels.

Market Environment

Spending on satellite media-related advertising in 2012 is estimated at ¥101.3 billion, an increase of 13.7% from the previous year. Owing to this continued double-digit expansion, spending exceeded the ¥100 billion mark.

BS digital broadcasting grew 22.0% compared with the previous year. With live broadcasts from the London 2012 Olympic Games, watching BS digital broadcasts has become common among middle-aged and older viewers. Programs aimed at the M2 and F2 demographics (men and women 35–49 years old) that differ from digital terrestrial broadcasts have become well established, including live broadcasts of professional baseball games, as well as travel programs and historical dramas. As a result, there were increases from 2011 in new ad placements and in ad value from large-scale advertisers (high-priced consumer goods, durable goods and services) targeting this demographic. Direct marketing ads also remained popular, pushing up revenues for all broadcasters.
Source: Dentsu Inc., *Advertising Expenditures in Japan*

Performance during the Year

During the year, BS Nippon maintained stable viewer ratings. Among its superior content, the broadcaster aired 56 professional baseball games with the Yomiuri Giants—the same number as during the previous year's pennant run—as well as five linked broadcasts that commenced on NTV and continued on BS Nippon. To increase viewer ratings outside the baseball season, the company launched highly popular travel and other programs. This move was successful in boosting operating performance.

Time advertising revenues were affected by a decline in the amount of broadcasting time for media commerce, but the number of programs provided by one company increased, causing revenues to rise. Spot advertising revenues also grew, owing to higher unit prices and in comparison with the previous year, when performance was affected by the Great East Japan Earthquake. As a result, advertising revenues for the year were up 7.9%.

Professional Baseball Dramatic Game 1844


Shinso News

Accordingly, net sales for the fiscal year ended March 31, 2013, were up ¥508 million, or 4.6%, to ¥11,498 million. Operating income, however, declined ¥942 million, or 36.6%, to ¥1,631 million, owing in part to additional spending on program production aimed at raising viewer ratings. This move should enable the company to take better advantage of the sharply rising power of BS broadcasting as an advertising medium.

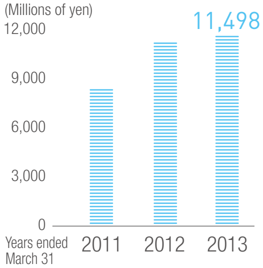
Future Initiatives

According to the *BS Household Diffusion Rate Survey**, 73.3% of households are able to view BS digital broadcasts (the average between figures reported for surveys conducted in December 2012 and March 2013). This figure represents a 0.8-percentage-point increase from the preceding survey. The number of households capable of viewing BS digital broadcasts was approximately 39.71 million—the highest figure to date.

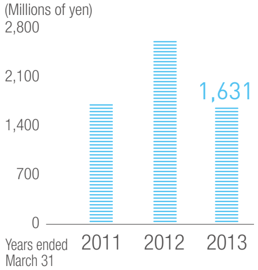
With the market continuing to grow steadily, we are working to take the top slots among commercial BS broadcasters for viewer ratings and sales by deploying a three-wavelength format that takes advantage of our transition to a certified broadcasting holding company. In addition to such strengths as professional baseball broadcasting and travel programs, music and variety programs are developing into robust new axes of growth. In October 2013, BS Nippon collaborated with NTV and Yomiuri Shimbun to create *Shinso News*, a dedicated news program on contiguous weekday slots, achieving a feat a BS broadcaster is uniquely positioned to achieve. Furthermore, to expand non-broadcasting revenue we are strategically developing a variety of content businesses that should lead to future growth in operating performance.

* A survey by Japan's six commercial BS broadcasters (BS Nippon, BS Asahi, BS-TBS, BS Japan, BS Fuji and Nippon BS Broadcasting)

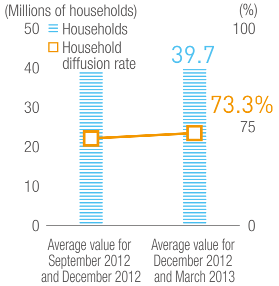
■ Net Sales



■ Operating income



■ BS Household Diffusion Rate and Number of Households



CS Nippon Corporation

CORPORATE INFORMATION

Headquarters	NTV Kojimachi South Building, 2F, 2-14 Chiyoda-ku, Tokyo 102-0084, Japan
Established	March 27, 2001
Capital	¥3.0 billion
Representative	Akihiko Mutai, Representative Director and President
Employees	14

Raku Raku Go Go! Taihei Yusuzume no Futarikai

Mint Jazz © AKIHIKO YOKOI

Business

Based on the NTV Group's media strategy of entering the business of digital broadcasting via communications satellite at 110 degrees east longitude, CS Nippon commenced operations in 2002, serving the role of a satellite basic broadcaster. Making use of the broadcasting and production expertise that NTV has cultivated, CS Nippon has developed five broadcast channels and created the only fee-based business in the Group. As a result, CS Nippon promotes CS broadcasting business for NTV, as well as for other program providers.

Channel Lineup

NTV 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, the channel contains a full lineup of NTV 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.

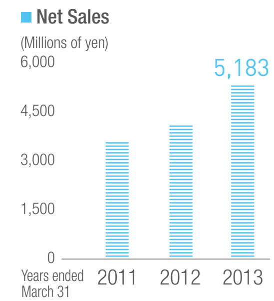
Market Environment

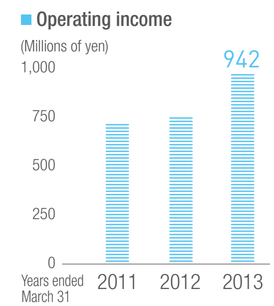
During 2012, CS broadcasting grew 2.0% from the previous year. In terms of targeted advertising strategies by pay channel providers, collaboration and event strategies implemented with magazines, local broadcasters and other media outlets were positive during the first half of the year, but there was little significant growth during the second half as advertisers curbed expenditures and shifted their focus to BS digital broadcasting with the opening of the London 2012 Olympic Games. Among advertisers, placements by direct marketing companies (especially for health food product promotions) remained consistent, but the response rate diverged by product, and growth was somewhat sluggish. There was an overall increase in placements from general advertisers with products aimed at wealthy consumers, a different demographic to those who view digital terrestrial television channels.
Source: Dentsu Inc., *Advertising Expenditures in Japan*

Performance during the Year

During the year, Nittele Plus acquired exclusive broadcast rights to major professional baseball games hosted by the Fukuoka Softbank Hawks. Making full use of this station via leading CATV provider J:COM, CS Nippon secured the lead in subscriber numbers and net subscriber increases. Performance was also robust from external channels, including FOX Movie Premium, 100% HITS! Space Shower TV Plus and Tabi Channel.

As a result, net sales for the fiscal year ended March 31, 2013, rose ¥1,224 million, or 30.9%, to ¥5,183 million. Operating income expanded ¥213 million, or 29.4%, to ¥942 million.





Future Initiatives

Nittele Plus subscribers 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.

One example of this initiative in the fiscal year ended March 31, 2013, was our live broadcasting of Fukuoka Softbank Hawks baseball games, which boosted subscriber numbers substantially. We expect broadcasts of Tohoku Rakuten Golden Eagles to be a major pillar of revenues in the fiscal year ending March 31, 2014. At the same time, on NTV programs, during the year the Group worked out a comprehensive rights arrangement on *I'm Mita, Your Housekeeper* that includes CS broadcasts. This groundbreaking agreement enables us to run CS broadcasts of content one month after it has aired on terrestrial broadcasting. Going forward, we expect to boost growth further through enhanced tie-ups such as these that take into account timetables of the Group's three broadcast wavelengths.

NTV Technical Resources Inc.

CORPORATE INFORMATION

Headquarters	NTV Kojimachi South Building, 4F, 2-14 Chiyoda-ku, Tokyo 102-0084, Japan
Established	February 1, 2007
Capital	¥80 million
Representative	Jun Hiroe, Representative Director and President
Employees	564

Business

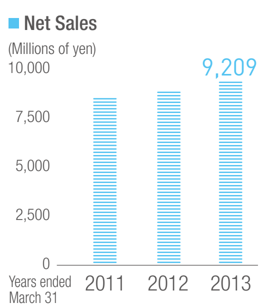
In 2007, the NTV Group restructured its program production companies, and NTV Technical Resources was created as a technology-oriented production company through the combination of the technology divisions of NTV Video Center Co., Ltd., and NTV Video Co., Ltd., as well as an NTV production technology division that oversaw operations management.

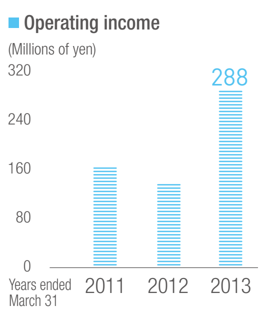
Handling activities ranging from production to broadcasting of NTV news, drama, variety and sports programs, NTV Technical Resources takes care of all technology-oriented activities. These include broadcast operations, transmission operations, studio, relays, English-language interviews, editing, mechanical animation, computer graphics and photography.

Going forward, NTV Technical Resources will endeavor to provide content production and technology support across a range of media for NTV, BS Nippon and CS Nippon.

Performance during the Year

During the fiscal year ended March 31, 2013, NTV Technical Resources generated net sales of ¥9,209 million, a year-on-year increase of ¥436 million, or 5.0%. In addition to such regular programs as *Hirunandesu!* and *ZIP!*, the company benefited from live programming of large-scale events such as the London 2012 Olympic Games, *FIFA Club World Cup Presented by TOYOTA* and *Hakone Ekiden*. NTV Technical Resources also received program relay orders from NHK, WOWOW and other companies outside the Group. Although the higher revenues led to higher production and outsourcing costs, operating income soared ¥154 million, or 114.6%, to ¥288 million.





AX-ON Inc.

CORPORATE INFORMATION

Headquarters	NTV Kojimachi South Building, 6F, 2-14 Chiyoda-ku, Tokyo 102-0084, Japan
Established	February 10, 1970
Capital	¥80 million
Representative	Masa Hoshida, Representative Director and President
Employees	746

Business

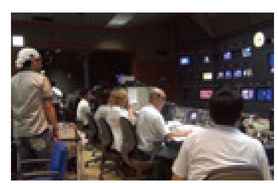
The NTV Group's restructuring of its program production companies in 2007 resulted in AX-ON, which emerged through the combination of the production divisions of NTV Video Co., Ltd., NTV Video Center Co., Ltd., NTV Enterprise Co., Ltd., and NTV Art Co., Ltd.

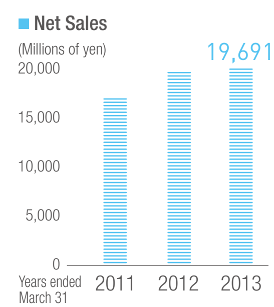
An important member of the Group that supports NTV's program production, AX-ON is an integrated video producer that handles myriad content. In addition to television programs, AX-ON produces content ranging from films to commercials, video promotions and subtitles.

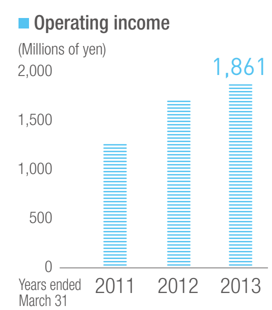
The company's motto is "turning customers' needs into reality." In line with this motto, AX-ON aims to contribute to society by bringing customers' video needs to life through video.

Performance during the Year

During the fiscal year ended March 31, 2013, AX-ON generated net sales of ¥19,691 million, representing a year-on-year increase of ¥92 million, or 0.5%. Sales centered on information programs at regular times on weekdays, dramas, variety shows and sports programs showing on NTV, as well as on the production of theatrical film releases and commercials. Due to an increase in business from outside customers, NTV accounted for 78.9% of net sales, down 6.2 percentage points from the previous year's 85.1%. Accordingly, AX-ON made an increasing contribution to the Group's performance. Operating income expanded ¥156 million, or 9.2%, to ¥1,861 million.







NTV EVENTS Inc.

CORPORATE INFORMATION

Headquarters	NTV Kojimachi South Building, 9F, 2-14 Chiyoda-ku, Tokyo 102-0084, Japan
Established	December 20, 1975
Capital	¥80 million
Representative	Ryuichiro Hayashi, Representative Director and President
Employees	60

Business

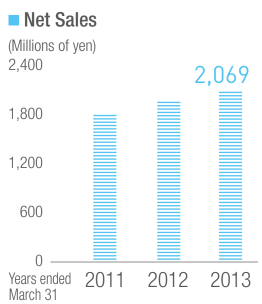
The predecessor of NTV EVENTS, NTV Enterprise Co., Ltd., was formed as a result of the NTV Group's restructuring of its program production companies in 2007. The company made a new start as NTV EVENTS, taking on the operations of the event business division, NTV School operations and the Nichien Production business.

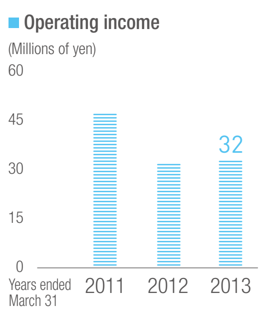
By leveraging the planning, staging and production expertise gained through television programs, the company takes part in events in a variety of fields, including sporting events, eco-events, exhibitions and various types of functions. NTV EVENTS is also involved in a wide range of casting activities through its operation of the NTV School 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, 2013, were ¥2,069 million, up ¥157 million, or 8.2%, from the preceding fiscal year. In addition to securing ongoing orders for *Shiohaku 2012* and other large-scale events, the company mounted a robust marketing effort to expand revenues from outside the Group, targeting regional government bodies and companies. The higher revenues stemmed from new project wins and an increase in event orders, as well as higher sales from NTV School and Nichien Production. Operating income increased ¥1 million, or 5.4%, to ¥32 million.

Shiohaku, an event during the summer holidays





Nippon Television Art Inc.

CORPORATE INFORMATION

Headquarters	NTV Kojimachi South Building, 7F, 2-14 Chiyoda-ku, Tokyo 102-0084, Japan
Established	July 27, 1967
Capital	¥80 million
Representative	Akihisa Katsumi, Representative Director and President
Employees	222

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.

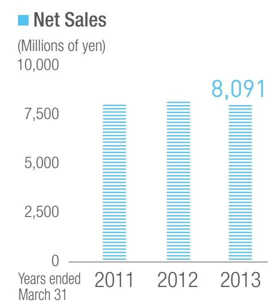
In addition to handling all program orders for NTV, Nippon Television Art undertakes program production and event artwork. The company also takes on programs, films and commercials for other broadcasters, working proactively to generate business outside the Group. Throughout its activities, the company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

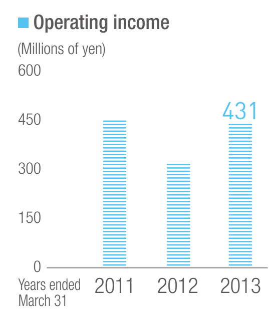
Performance during the Year

During the fiscal year ended March 31, 2013, Nippon Television Art generated net sales of ¥8,091 million, down ¥88 million, or 1.1%, year on year.

Although the company continued to receive orders for artwork and lighting for films and commercials, as well as for regular programs from other broadcasters, the decline stemmed from lower program revenues at NTV. Due to successful efforts to step up cost controls and reduce fixed costs, operating income surged ¥128 million, or 42.4%, to ¥431 million.

Artistic set for *24-Hour Television*





Nippon Television Music Corporation

CORPORATE INFORMATION

Headquarters	NTV Kojimachi South Building, 8F, 2-14 Chiyoda-ku, Tokyo 102-0084, Japan
Established	October 1, 1969
Capital	¥80 million
Representative	Hiroshi Miyazaki, Representative Director and President
Employees	41

Business

NTV Music was established to manage and develop copyrights and master licenses on songs and merchandise licensing resulting from NTV 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 NTV programs. The company continues working to maximize revenues from such popular characters as *Anpanman* and *Lupin the 3rd*.

Performance during the Year

NTV Music's net sales for the fiscal year ended March 31, 2013, were ¥9,217 million, up ¥55 million, or 0.6%, year on year. Operating income increased ¥51 million, or 4.0%, to ¥1,346 million. Enhanced ties with NTV contributed substantially to merchandise licensing revenues, including merchandise licensing royalties from use in conjunction with *Lupin the 3rd* on an increasing number of pachinko machines and the use of *HUNTER×HUNTER* and *Gyakkyou Burai Kaiji* in conjunction with SNS game distribution. In the music division, videograms (video, pachinko, games, etc.) pushed up copyright revenues substantially. However, interactive revenues declined significantly as a result of the lackluster music distribution market. As a result, copyright revenues declined overall.

In the Anpanman business, the Kobe Anpanman Children's Museum, which opened in April 2013, is expected to contribute to higher royalties during the fiscal year ending March 31, 2014, through revenues on related products and proceeds from entry fees.

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© MONKEY PUNCH / TMS · NTV

Highlight

Kobe Anpanman Museum Opens

The Kobe Anpanman Museum opened on April 19, 2013, making it the fourth, following museums in Yokoyama, Nagoya and Sendai, and the first in the Kansai region. These museums, which extend the Anpanman worlds, contain equipment that children can play on and dioramas, as well as limited-edition merchandise and foods at shopping malls. The museums are designed to be enjoyed by children and their parents alike. In its first year, the company had anticipated the museum would attract 600,000 visitors. Results are substantially higher than expected, with the museum's favorable response generating numerous repeat visits.

Anpanman
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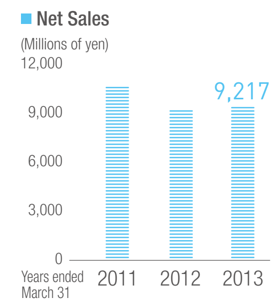
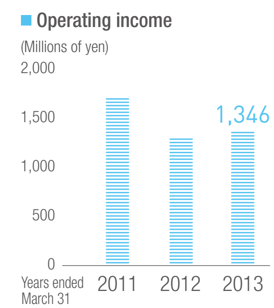




VAP Inc.

CORPORATE INFORMATION

Headquarters	Yonbancho Bldg. No. 1, 5-6, Yonbancho, Chiyoda-ku, Tokyo 102-0081, Japan
Established	January 24, 1981
Capital	¥500 million
Representative	Noboru Kashiwagi, Representative Director and President
Employees	169

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 NTV content and developing original software.

Performance during the Year

Net sales for the fiscal year ended March 31, 2013, were ¥28,751 million, up ¥4,496 million, or 18.5%, from the preceding fiscal year. The main reason for this increase was favorable performance in the company's music division. Whereas the division offered few major products in the previous year, sales of CDs by mainstream artists boosted revenues in the current term. Commissioned sales of CDs from record label Toy's Factory Inc. contributed significantly to revenues and pushed up sales in the music division 146.1% year on year, or ¥6,839 million, to ¥11,520 million. Furthermore, DVDs and Blu-ray Discs of such films as *Wolf Children* and the NTV popular drama *I'm Mita, Your Housekeeper* boosted sales in the video division, as did the Toy's Factory consignment sales division's launch of concert videos of popular artists. As a result, the video division enjoyed a 7.3%, or ¥1,001 million, increase in sales, to ¥14,732 million.

Operating income, however, declined ¥67 million, or 5.7% year on year, to ¥1,105 million.

Highlights

DVDs/Blu-ray Discs of Popular NTV Dramas and Hit Films

Produced and broadcast by NTV with the themes of family ties and revitalizing the family, the final episode of *I'm Mita, Your Housekeeper*, garnered a viewer rating of 40.0%. DVDs and Blu-ray Discs of this drama went on sale on April 18, 2012, making a favorable contribution to sales in this category.

DVDs and Blu-ray Discs of *ALWAYS Sunset on Third Street '64*, a film lead-managed by NTV that grossed ¥3.4 billion in the box office, went on sale on July 20, 2012. Also, sales of DVDs and Blu-ray Discs of *Wolf Children*, a film directed by Mamoru Hosoda with box office billings of ¥4.2 billion, commenced on February 20, 2013, both contributing to sales during the period.

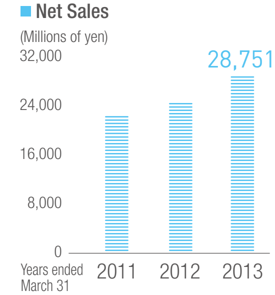
In addition to forging stronger ties with the Group, VAP aims to maximize content-based revenue opportunities by enhancing revenues from sources outside the Group.

Launched July 31, 2013
Yoshu Fukushu/Maximum the Hormone

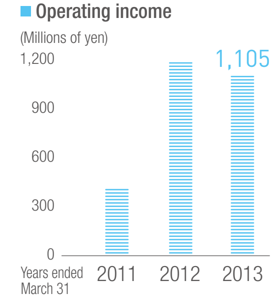
Launched July 24, 2013
HUNTER×HUNTER Theatrical Edition
The Last Mission (Phantom Rouge)
© POT (Yoshihiro Togashi) 1998–2012
© Hunter Association 2013

Wolf Children
© 2012 *Wolf Children* Production Committee

■ Net Sales



■ Operating income



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, 2013, the Japanese economy began showing signs of a gradual recovery, aided by reconstruction demand. Nevertheless, in some areas the operating environment remained weak and difficult to judge, affected by such factors as uncertainty surrounding the European sovereign debt crisis.

On October 1, 2012, the Group completed its transition to a certified broadcasting holding company structure, with subsidiaries handling BS and CS broadcasting, as well as terrestrial broadcasting. This structure promotes the integration and reinforcement of the Group's core competencies in the areas of broadcasting and other media and content production. At the same time, we put in place the foundations to take on "change and challenges" into the future with the aim of expanding and growing as a leading company in the media and content industries.

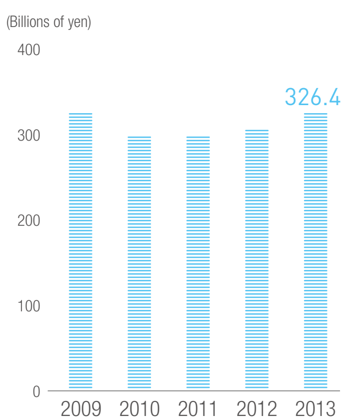
Net Sales

During the year, the NTV Holdings Group posted consolidated net sales of ¥326,423 million, a year-on-year increase of ¥20,963 million, or 6.9%. This growth resulted from a solid boost to television broadcasting stemming from the London 2012 Olympic Games and others. In addition, robust sales of music CDs contributed to revenue from merchandise sales, and the Group began recording advertising revenue from BS and CS platforms as a result of the October 1, 2012, conversion of BS Nippon Corporation and CS Nippon Corporation to wholly owned subsidiaries.

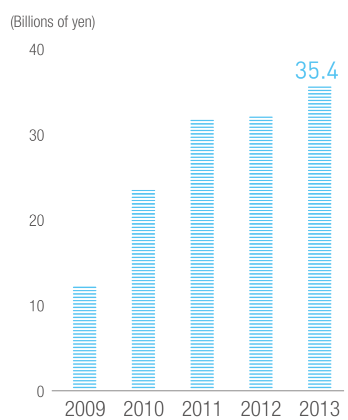
Operating Income

Although we mounted thorough efforts to control costs in all expense categories, operating expenses—the cost of sales combined with selling, general and administrative expenses—increased ¥17,782 million, or 6.5%, to ¥290,993 million, in line with the rise in content business revenue. As a result, operating income grew ¥3,180 million, or 9.9%, to ¥35,429 million.

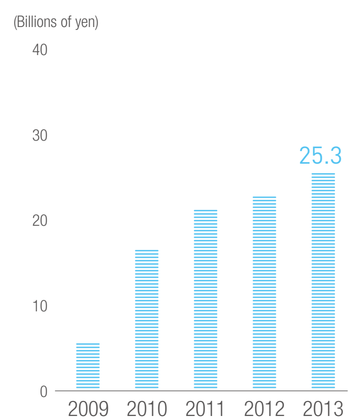
Net Sales



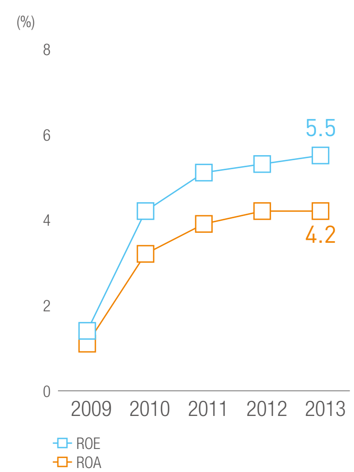
Operating Income



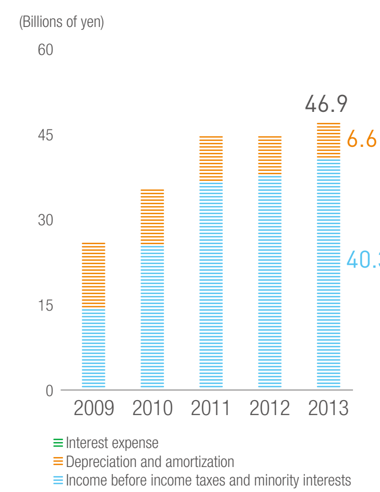
Net Income



ROA and ROE



EBITDA



Note: As the Company transitioned to a certified broadcasting holding company structure on October 1, 2012, figures for the fiscal years ended March 31, 2009 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.

Income before Income Taxes and Minority Interests

Income before income taxes and minority interests expanded ¥2,789 million, or 7.4%, to ¥40,326 million. This figure reflects the posting of ¥499 million in revenue from negative goodwill resulting from a share exchange with BS Nippon Corporation, a loss of ¥1,376 million related to measures to counter damage to reception by relocating facilities to the Tokyo Sky Tree broadcasting tower, as well as a ¥656 million loss on stepped acquisition in relation to the share exchange with BS Nippon Corporation.

Net Income

Income taxes increased 1.5%, to ¥14,593 million, and minority interests grew 3.8%, to ¥449 million. As a result, net income for the fiscal year amounted to ¥25,284 million, up ¥2,555 million, or 11.2%, from the preceding fiscal year.

Segment Information

During the year, the Group revised its reporting segments, in line with the October 1, 2012, transition to a certified broadcasting holding company structure. Consequently, effective from the year ended March 31, 2013, reporting segments changed from “content business,” “real estate rental/leasing business” and “other business,” to “content business” and “real estate rental/leasing business.”

Content Business

(Millions of yen)

Fiscal Years Ended March 31		2012	2013	Change
Television broadcasting	Time advertising	108,859	112,448	3,589
	Spot advertising	104,531	108,814	4,283
	Subtotal	213,390	221,262	7,872
Advertising sales from BS and CS platforms		—	5,430	5,430
Other advertising revenue		549	458	(91)
Content sales revenue		36,661	33,917	(2,744)
Revenue from merchandise sales		33,550	42,382	8,832
Box-office revenue		9,929	10,442	513
Other		5,714	7,718	2,004
Total		299,793	321,609	21,816

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, benefited from major single-episode programs, such as the London 2012 Olympic Games and the Professional Baseball Dramatic Game 1844 Konami Japan Series 2012, as well as higher revenue from regular program slots. Time advertising revenue accordingly rose ¥3,589 million, or 3.3%, to ¥112,448 million.

Spot advertising revenue expanded ¥4,283 million, or 4.1%, to ¥108,814 million, owing to a year-on-year increase in expenditures for regionally targeted spot advertising and our heightened share against other key Tokyo-based broadcasters. Consequently, television broadcasting revenue came to ¥221,262 million, up ¥7,872 million, or 3.7%.

NTV's Share of Spot Sales, by Industry Sector

Fiscal Years Ended March 31 (%)

2012 Sector	Share	Growth		2013 Sector	Share	Growth
Cosmetics/Toiletries	12.3	6.1	1	Cosmetics/Toiletries	10.8	(8.4)
Transportation/Telecommunications	8.7	(1.0)	2	Transportation/Telecommunications	9.6	14.3
Transportation equipment	7.4	(4.0)	3	Transportation equipment	8.3	17.5
Pharmaceuticals	7.2	6.0	4	Pharmaceuticals	7.1	2.8
Electronic equipment	6.8	(10.8)	5	Electronic equipment	6.7	2.4
Non-alcoholic beverages	5.2	5.3	6	Box-office/Entertainment	5.4	9.5
Box-office/Entertainment	5.1	21.1	7	Non-alcoholic beverages	5.4	8.3
Wholesale/Department stores	4.9	26.2	8	Wholesale/Department stores	4.8	4.1
Alcoholic beverages	4.8	(16.7)	9	Finance	4.6	8.9
Services	4.5	(2.8)	10	Services	4.3	0.1

Advertising sales from BS and CS platforms totaled ¥5,430 million, due to the conversion of BS Nippon Corporation and CS Nippon Corporation to wholly owned subsidiaries on October 1, 2012.

The conversion of CS Nippon Corporation to a wholly owned subsidiary had a positive effect on content sales revenue, but royalty income declined. As a result, during the fiscal year royalty income dropped ¥2,744 million, or 7.5%, to ¥33,917 million.

Revenue from merchandise sales surged ¥8,832 million, or 26.3%, to ¥42,382 million, stemming from higher revenues on music CDs and robust sales of DVDs and Blu-ray Discs.

Data Related to the Media Commerce Business

Trends in Direct Marketing Sales

(Billions of yen)

Fiscal Years Ended March 31	2009	2010	2011	2012	2013
Direct marketing sales	4,140.0	4,310.0	4,670.0	5,090.0	5,410.0

Source: *Direct Marketing Business Survey Report*, Vol. 31, Japan Direct Marketing Association

Box-office revenue increased ¥513 million, or 5.2%, to ¥10,442 million. Leading to these strong results, in the film business the lead-managed film *Wolf Children* was a major hit. Also, Our *Landscape: 400 Years of European Paintings of the State Hermitage Museum* performed favorably in the event business.

Data on the Film Business

National Overview

(Calender Years)

	2008	2009	2010	2011	2012
Attendance (thousands)	160,491	169,297	174,358	144,726	155,159
Box office sales (millions of yen)	194,836	206,035	220,737	181,197	195,190
Japanese films	115,859	117,309	118,217	99,531	128,181
Theatrical releases	806	762	716	799	983
Japanese films	418	448	408	441	554
Theaters (total screens)	3,359	3,396	3,412	3,339	3290

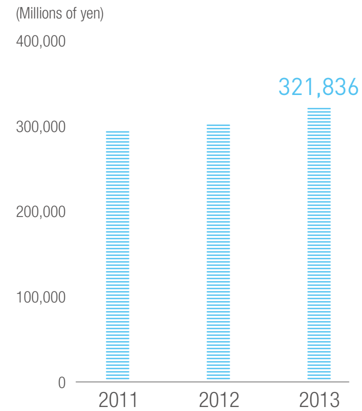
Source: Motion Picture Producers Association of Japan, 2012

Box Office Sales Ranking: Top 10 Titles for 2012

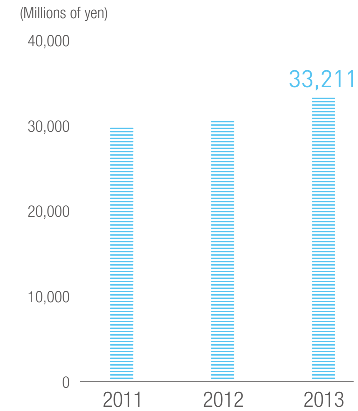
Rank	Release Date	Title	Box Office Sales (Billions of yen)
1	July 2012	*BRAVE HEARTS Umizaru*	7.33
2	April 2012	*THERMA ROMAE*	5.98
3	September 2012	*Odoru Daisosasen THE FINAL Arata naru Kibo*	5.97
4	November 2012	*Evangelion: 3.0 You Can (Not) Redo*	5.30
5	July 2012	*Wolf Children*	4.22
6	March 2012	*Doraemon, Nobita to Kiseki no Shima—Animal Adventure—*	3.62
7	July 2012	*Pokemon Best Wish Kyurem vs. Seikenshi Kerudio*	3.61
8	January 2012	*ALWAYS—Sunset on Third Street—3*	3.44
9	April 2012	*Detective Conan The Eleventh Striker*	3.29
10	November 2011	*Kaibutsu-kun: The Movie*	3.13

As a result, during the year sales in the content business, including intersegment sales and transfers, totaled ¥321,836 million, up ¥21,412 million, or 7.1%. In terms of expenses, program production costs increased to produce large-scale single-episode programs such as the London 2012 Olympic Games. Taking this rise into account, operating income in the content business was up ¥2,678 million year on year, or 8.8%, to ¥33,211 million.

Content Business Sales



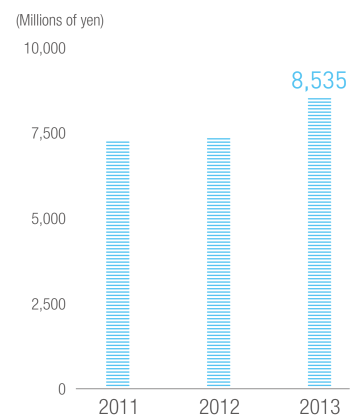
Content Business Operating Income



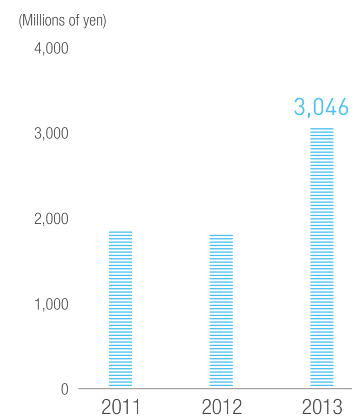
Real Estate Rental/Leasing Business

Sales in the real estate rental/leasing business, including revenue from tenants in the Shiodome and Kojimachi areas of Tokyo, totaled ¥8,535 million, up ¥1,243 million, or 17.1%, and operating income surged 70.4%, to ¥3,046 million. These figures, which include intersegment sales and transfers, were attributable to an increase in intersegment transactions stemming from the transition to a certified broadcasting holding company structure.

Real Estate Rental/ Leasing Business Sales



Real Estate Rental/ Leasing Business Operating Income



Financial Position

Assets

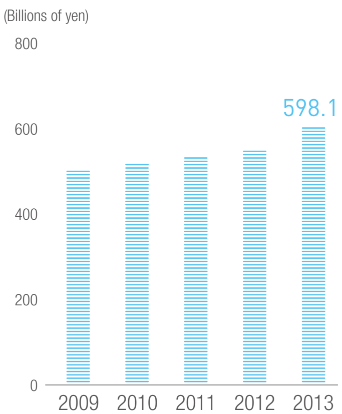
Current assets as of March 31, 2013, were ¥219,980 million, up ¥46,412 million from a year earlier. This growth stemmed from a rise in cash and cash equivalents due to the increase in newly consolidated subsidiaries, as well as to higher marketable securities.

Property, plant and equipment was down ¥1,525 million compared with the previous year-end, to ¥191,799 million, owing to such factors as depreciation.

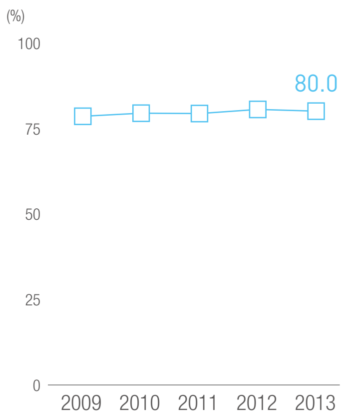
Investments and other assets amounted to ¥186,296 million, up ¥9,960 million from a year earlier. Although long-term deposits were redeemed, rising market prices caused investment securities to increase.

Consequently, total assets stood at ¥598,075 million on March 31, 2013, up ¥54,846 million from the end of the preceding fiscal year.

Total Assets



Equity Ratio



Liabilities

Current liabilities came to ¥72,513 million as of March 31, 2013, up ¥6,724 million from a year earlier. This increase was attributable to higher other payables and income taxes payable, as well as the posting of a provision for the cost of relocating the transmitting station.

Long-term liabilities were up ¥6,041 million, to ¥37,422 million, as deferred tax liabilities increased because the market price of investment securities rose over time.

Equity

During the year, in addition to increases in common stock and retained earnings resulting from share exchanges, the Group reported net income that exceeded payments for shareholder earnings. Also, higher market prices on investments in securities caused the unrealized loss on available-for-sale securities in the preceding fiscal year to become an unrealized gain in the year under review. Consequently, total equity was up ¥42,082 million, to ¥488,120 million, as of March 31, 2013.

Cash Flows

During the fiscal year ended March 31, 2013, cash and cash equivalents increased ¥20,616 million, to ¥63,806 million as of March 31, 2013.

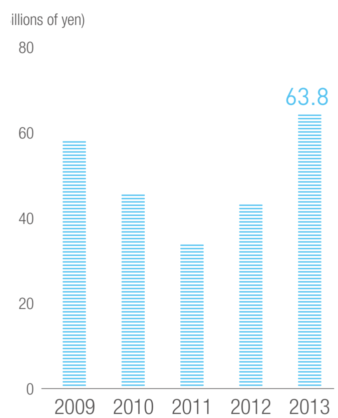
Net Cash Provided by Operating Activities

Net cash provided by operating activities amounted to ¥29,099 million, compared with ¥25,274 million in the previous year. Principal sources of cash were ¥40,326 million in income before income taxes and minority interests and depreciation and amortization of ¥6,573 million, versus ¥15,302 million in income taxes paid.

Net Cash Used in Investing Activities

Net cash used in investing activities came to ¥7,369 million, compared with ¥8,968 million in the previous year. The main use of cash was ¥32,368 million in purchases of marketable securities; the main source of cash was ¥25,500 million in proceeds from redemption of marketable securities.

ash and Cash Equivalents, End of Year



Net Cash Used in Financing Activities

Net cash used in financing activities was ¥7,073 million, compared with ¥6,420 million in the preceding year. Dividends paid were the primary use of cash.

Separately, an increase in cash and cash equivalents resulting from share exchanges with BS Nippon Corporation and CS Nippon Corporation in line with the conversion of these companies to wholly owned subsidiaries provided ¥5,941 million.

Financing and Capital Expenditure Policy

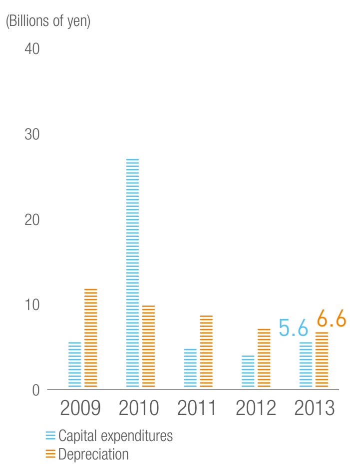
The Group's policy is to make optimal financing decisions by comprehensively taking into account the business environment surrounding the television broadcasting industry and the Group, economic trends and other relevant factors.

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 NTV Holdings makes adjustments to ensure there is no overlap among plans. In the fiscal year ended March 31, 2013, the Group's total capital expenditures were ¥5,596 million, primarily in the content business. Capital expenditures in the content business during the fiscal year ended March 31, 2013, are outlined below. There were no items of particular note in the real estate rental/leasing or other businesses.

(Content Business)

During the year, the Company concentrated on disaster preparedness measures. To ensure business continuity in the advent of an earthquake or other calamity, we set up backup master facilities in the Kojimachi area. We also invested in infrastructure for a meteorological information system aimed at providing information to viewers in an easier-to-understand manner, and put in place an emergency earthquake alert system.

Capital Expenditures and Depreciation



In addition, to improve the efficiency of broadcast operations, including for BS Nippon Corporation, we are upgrading equipment in order to situate BS master facilities nearby the terrestrial master facilities on the roof of the Company building in Shiodome.

For the fiscal year ending March 31, 2014, the Group is budgeting capital expenditures of ¥12,030 million, to be funded primarily through retained earnings.

Important Management Agreements

Management Integration through Transition to a Certified Broadcasting Holding Company Structure

To transition to a certified broadcasting holding company structure, a resolution was passed at a Board of Directors' meeting on May 10, 2012, and an agreement was reached to conduct an absorption-type company split with Nippon Television Bunkatsu Junbi Kabushiki Kaisha, a wholly owned subsidiary of NTV, and to exchange shares with BS Nippon Corporation and CS Nippon Corporation. This absorption-type company split was approved at the Ordinary General Meeting of Shareholders on June 28, 2012. Consequently, the Group transitioned to a certified broadcasting holding company structure on October 1, 2012.

Capital Reduction and Appropriation of Surplus at BS Nippon Corporation

To liquidate its accumulated loss and facilitate flexible capital management going forward, the Company's consolidated subsidiary, BS Nippon Corporation, reduced its amount of capital to ¥14,000 million from ¥25,000 million on March 20, 2013 (effective date). As a result, other capital surplus increased by ¥11,000 million, and of this amount, ¥10,370 million was appropriated to liquidate losses carried forward from prior fiscal years.

Earnings Outlook for the Year Ahead

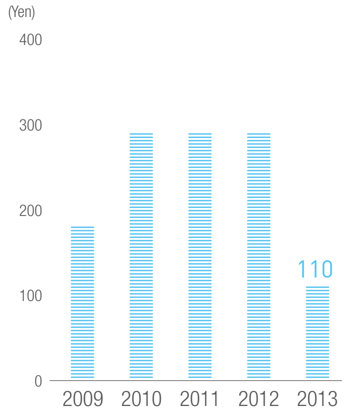
For the fiscal year ending March 31, 2014, we forecast net sales of ¥338.1 billion, operating income of ¥38.4 billion and net income of ¥27.2 billion.

This sales figure would account for a year-on-year increase of ¥11,677 million, or 3.6%. This increase reflects expectations that the Group's mainstay content business will continue growing, and take into account the contribution to consolidated results a full year of operating performance from BS Nippon Corporation and CS Nippon Corporation as wholly owned subsidiaries. At the same time, we expect the operating environment to remain challenging, so we will continue to control costs. As a result, we anticipate a rise in operating income of ¥2,971 million, or 8.4%, and we expect net income to rise ¥1,916 million, or 7.6%.

Dividend Policy

NTV Holdings recognizes 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.

Cash Dividends per Share



Note: The Company's common shares underwent a 10-for-1 stock split, effective October 1, 2012. Dividends per share of ¥110 correspond to ¥90 per share prior to the stock split plus ¥20 per share after the stock split. Taking the stock split into account, annual dividends per share would have been ¥29 per post-split share (¥290 on pre-split shares).

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, 2013, the Group awarded an interim dividend of ¥90 per share and a year-end dividend of ¥20 per share. As the Company's common stock underwent a 10-for-1 stock split, effective October 1, 2012, the year-end dividend would have amounted to ¥200 per pre-split share. This amount, combined with the interim dividend, would have amounted to a total dividend of ¥290 per share for the fiscal year ended March 31, 2013.

Business Risks

The NTV Holdings Group states risk factors deemed to have the potential to significantly affect its business activities. The risks described below are external factors that the Group cannot control and include business risks that are not particularly likely to materialize. However, they are provided from the standpoint of active disclosure to investors. Many of the risk factors described below concern the future, but they are provided based on judgments as of the date of publication of this Annual Report.

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 Factors as a Broadcaster

• 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. NTV 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 NTV 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 NTV 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 satellite basic 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 NTV 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.

• Dependence on Television Advertising Revenue 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 69.4% of total net sales in the fiscal year ended March 31, 2013.

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.

Risk Factors Regarding Competition with Other Companies

• Competition with Other Forms of Media

Given that analog terrestrial broadcasting in Japan ended in March 2012, the transition to digital terrestrial broadcasting that commenced in December 2003 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 NTV 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"—a BS digital broadcast—and CS Nippon Corporation, which handles the CS digital broadcast "Nittele Plus" to wholly owned subsidiaries. We are also boosting our presence in Internet media, including NTV On Demand and NTV Apps.

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.

Risk Factors Regarding Content

• Copyrights and Other Intellectual Property Rights

The television programs produced by the NTV Group closely combine copyrights and neighboring rights (hereinafter "copyrights, etc.") 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, the rights for use of television programs produced by the Group from the authors, etc., are premised on terrestrial broadcasting usage as a general rule, leaving the Group with numerous television programs for which rights premised on uses other than terrestrial broadcasting have not been adequately obtained.

In deploying content for multiple uses on the Internet and in other new media, 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 Factors Regarding Investment in New Businesses

• Film Business

The NTV Group is actively engaged in the film business in the pursuit of revenue outside of television advertising revenue, 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 secure revenue from sources other than television advertising, 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 and Nittele On Demand

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 content distribution service, which is steadily increasing viewer numbers through its distribution of dramas, animated series, variety shows, sports and other program content.

However, 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. Furthermore, advertising revenues may not grow if the business is unable to provide content that will attract VoD viewers. These factors may result in the business being unable to recover its expenses, thereby affecting the business performance and financial position of the Group.

Other Risk Factors

• 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 NTV 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.

NTV 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 a meeting of the Board of Directors held on May 9, 2013 and its 80th Ordinary General Meeting of Shareholders held on June 29, 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 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 Sheets

Nippon Television Holdings, Inc. (Formerly, Nippon Television Network Corporation) and Consolidated Subsidiaries
March 31, 2013 and 2012

	Millions of Yen		Thousands of U.S. Dollars (Note 1)
ASSETS	2013	2012	2013
Current Assets:			
Cash and cash equivalents (Note 14)	¥63,806	¥43,190	$678,426
Marketable securities (Notes 4 and 14)	42,498	25,527	451,866
Short-term investments (Notes 5 and 14)	2,599	2,440	27,634
Receivables (Note 14):			
Trade notes	85	192	904
Trade accounts	81,730	78,267	869,006
Other	4,321	3,826	45,944
Allowance for doubtful accounts	(86)	(75)	(914)
Inventories (Note 6)	10,471	10,080	111,334
Deferred tax assets (Note 12)	5,110	4,106	54,333
Prepaid expenses and other	9,446	6,015	100,436
Total current assets	219,980	173,568	2,338,969
Property, Plant and Equipment (Notes 7 and 8):			
Land	138,524	138,536	1,472,876
Buildings and structures	89,364	89,141	950,175
Machinery, vehicles and equipment	92,215	91,581	980,489
Lease assets (Note 13)	13	24	138
Construction in progress	1,959	1,242	20,830
Total	322,075	320,524	3,424,508
Accumulated depreciation	(130,276)	(127,200)	(1,385,178)
Net property, plant and equipment	191,799	193,324	2,039,330
Investments and Other Assets:			
Investment securities (Notes 4 and 14)	133,824	116,300	1,422,903
Investments in and advances to unconsolidated subsidiaries and associated companies	38,313	44,039	407,368
Long-term deposits (Note 14)	3,000	6,000	31,898
Deferred tax assets (Note 12)	1,247	1,227	13,259
Other assets	10,682	9,542	113,577
Allowance for doubtful accounts	(770)	(772)	(8,187)
Total investments and other assets	186,296	176,336	1,980,818
Total	¥598,075	¥543,228	$6,359,117

See notes to consolidated financial statements.

	Millions of Yen		Thousands of U.S. Dollars (Note 1)
LIABILITIES AND EQUITY	2013	2012	2013
Current Liabilities:			
Short-term borrowings (Note 9)	¥1,410	¥1,433	$14,992
Payables (Notes 14)			
Trade accounts	44,854	44,439	476,917
Other	6,627	4,791	70,463
Income taxes payable	10,936	9,395	116,279
Provision for the cost of relocating the transmitting station (Note 2.j)	1,080		11,483
Accrued expenses and other	7,606	5,731	80,871
Total current liabilities	72,513	65,789	771,005
Long-Term Liabilities:			
Liabilities for retirement benefits (Note 10)	8,994	7,691	95,630
Guarantee deposits received (Note 7 and 14)	20,042	20,198	213,099
Deferred tax liabilities (Note 12)	8,078	3,061	85,890
Other	328	451	3,488
Total long-term liabilities	37,442	31,401	398,107
Commitments and Contingent Liabilities (Notes 13 and 15)			
Equity (Notes 11, 16 and 17):			
Common stock—authorized, 1,000,000,000 shares in 2013 and 100,000,000 shares in 2012; issued, 263,822,080 shares in 2013 and 25,364,548 shares in 2012	18,600	18,576	197,767
Capital surplus	29,587	17,928	314,588
Retained earnings	432,340	414,088	4,596,917
Treasury stock—at cost, 9,168,444 shares in 2013 and 886,466 shares in 2012	(12,363)	(12,111)	(131,452)
Accumulated other comprehensive income:			
Unrealized gain (loss) on available-for-sale securities	10,956	(803)	116,491
Foreign currency translation adjustments	(400)	(604)	(4,253)
Total	478,720	437,074	5,090,058
Minority interests	9,400	8,964	99,947
Total equity	488,120	446,038	5,190,005
Total	¥598,075	¥543,228	$6,359,117

See notes to consolidated financial statements.

Consolidated Statement of Income

Nippon Television Holdings, Inc. (Formerly, Nippon Television Network Corporation) and Consolidated Subsidiaries
Years Ended March 31, 2013 and 2012

	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	2013	2012	2013
Net Sales	¥326,423	¥305,460	$3,470,739
Cost of Sales	217,058	205,259	2,307,900
Gross profit	109,365	100,201	1,162,839
Selling, General and Administrative Expense	73,936	67,952	786,135
Operating income	35,429	32,249	376,704
Other Insome (Expenses):			
Interest and dividend income	3,245	2,549	34,503
Interest expense	(8)	(6)	(85)
Gain on sales of investment securities	5	111	53
Loss on devaluation of investment securities	(111)	(97)	(1,180)
Equity in earnings of unconsolidated subsidiaries and associated companies	2,720	2,651	28,921
Gain on investment in partnership	242	248	2,573
Gain on bargain purchase	499		5,306
Gain on step acquisitions	15		159
Cost of relocating the transmitting station (Note 2.j)	(1,376)		(14,631)
Loss on step acquisitions	(656)		(6,975)
Other—net	322	(168)	3,424
Other income—net	4,897	5,288	52,068
Income Before Income Taxes and Minority Iinterests	40,326	37,537	428,772
Income Taxes (Note 12):			
Current	16,008	13,569	170,207
Deferred	(1,415)	806	(15,045)
Total income taxes	14,593	14,375	155,162
Net Income before Minority Iinterests	25,733	23,162	273,610
Minority Iinterests in Net Income	(449)	(433)	(4,774)
Net Income	¥ 25,284	¥ 22,729	$ 268,836

	Yen		U.S. Dollars
	2013	2012	2013
PER SHARE OF COMMON STOCK (Note 2.o):			
Basic net income	¥101.39	¥92.85	$1.08
Cash dividends applicable to the year	29.00	29.00	0.31

See notes to consolidated financial statements.

Consolidated Statement of Comprehensive Income

Nippon Television Holdings, Inc. (Formerly, Nippon Television Network Corporation) and Consolidated Subsidiaries
Years Ended March 31, 2013 and 2012

	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	2013	2012	2013
Net Income Before Minority Interests	¥25,733	¥23,162	$273,610
Other Comprehensive Income (Note 16):			
Unrealized gain on available-for-sale securities	11,374	2,152	120,936
Foreign currency translation adjustments	83	(35)	883
Share of other comprehensive income in unconsolidated subsidiaries and associated companies	511	318	5,432
Total other comprehensive income	11,968	2,435	127,251
Comprehensive Income	¥37,701	¥25,597	$400,861
Total Comprehensive Income Attributable to:			
Owners of the parent	¥37,247	¥25,164	$396,034
Minority interests	454	433	4,827

See notes to consolidated financial statements.

Consolidated Statement of Changes in Equity

Nippon Television Holdings, Inc. (Formerly, Nippon Television Network Corporation) and Consolidated Subsidiaries
Years Ended March 31, 2013 and 2012

	Thousands	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 (Loss) on Available-for-Sale Securities	Foreign Currency Translation Adjustments	Total	Minority Interests	Total Equity
Balance, April 1, 2011	25,365	884	¥18,576	¥17,928	¥398,373	¥(12,090)	¥(3,364)	¥(477)	¥418,946	¥8,550	¥427,496
Net income					22,729				22,729		22,729
Cash dividends, ¥29 per share					(7,014)				(7,014)		(7,014)
Increase in treasury stock—net		2				(21)			(21)		(21)
Net change in the year							2,561	(127)	2,434	414	2,848
Balance, March 31, 2012	25,365	886	18,576	17,928	414,088	(12,111)	(803)	(604)	437,074	8,964	446,038
Increase by stock split (Note 11)	228,281	7,978									
Net income					25,284				25,284		25,284
Increase by share exchanges	10,176	224	24	11,659		(205)			11,478		11,478
Cash dividends, ¥29 per share					(7,032)				(7,032)		(7,032)
Increase in treasury stock—net		13				(18)			(18)		(18)
Change in equity in associates accounted for by equity method—treasury stock		67				(29)			(29)		(29)
Net change in the year							11,759	204	11,963	436	12,399
Balance, March 31, 2013	263,822	9,168	¥18,600	¥29,587	¥432,340	¥(12,363)	¥10,956	¥(400)	¥478,720	¥9,400	¥488,120

	Thousands of U.S. Dollars (Note 1)								
					Accumulated Other Comprehensive Income				
	Common Stock	Capital Surplus	Retained Earnings	Treasury Stock	Unrealized Gain (Loss) on Available-for-Sale Securities	Foreign Currency Translation Adjustments	Total	Minority Interests	Total Equity
Balance, March 31, 2012	$197,512	$190,622	$4,402,850	$(128,772)	$(8,538)	$(6,422)	$4,647,252	$95,311	$4,742,563
Net income			268,836				268,836		268,836
Increase by share exchanges	255	123,966		(2,180)			122,041		122,041
Cash dividends, $0.31 per share			(74,769)				(74,769)		(74,769)
Increase in treasury stock—net				(191)			(191)		(191)
Change in equity in associates accounted for by equity method—treasury stock				(309)			(309)		(309)
Net change in the year					125,029	2,169	127,198	4,636	131,834
Balance, March 31, 2013	$197,767	$314,588	$4,596,917	$(131,452)	$116,491	$(4,253)	$5,090,058	$99,947	$5,190,005

Consolidated Statement of Cash Flows

Nippon Television Holdings, Inc. (Formerly, Nippon Television Network Corporation) and Consolidated Subsidiaries
Years Ended March 31, 2013 and 2012

	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	2013	2012	2013
Operating Activities:			
Income before income taxes and minority interests	¥40,326	¥37,537	$428,772
Adjustments for:			
Income taxes—paid	(15,302)	(14,985)	(162,701)
Depreciation and amortization	6,573	7,071	69,888
Increase in liabilities for retirement benefits	1,303	1,085	13,854
Increase in provision for the cost of relocating the transmitting station	1,080		11,483
Loss on devaluation of investment securities	111	97	1,180
Equity in earnings of unconsolidated subsidiaries and associated companies	(2,720)	(2,651)	(28,921)
Changes in operating assets and liabilities:	(3,356)	(4,468)	(35,683)
Increase in trade notes and accounts receivable	(391)	1,677	(4,157)
(Increase) decrease in inventories	415	(450)	4,413
Increase (decrease) in trade notes and accounts payable	1,060	361	11,271
Other—net	(11,227)	(12,263)	(119,373)
Total adjustments	29,099	25,274	309,399
Net cash provided by operating activities			
Investing Activities:			
Increase in long-term deposits	(4,799)	(452)	(51,026)
Decrease in long-term deposits	17,790	402	189,155
Purchases of marketable securities	(12,000)		(127,592)
Proceeds from redemption of marketable securities	25,500	22,428	271,132
Purchases of property, plant and equipment	(3,631)	(2,798)	(38,607)
Proceeds from sales of property, plant and equipment	22	206	234
Purchases of intangible assets	(580)	(862)	(6,167)
Purchases of investment securities	(32,368)	(30,767)	(344,157)
Proceeds from sales of investment securities	1,240	1,399	13,184
Proceeds from redemption of investment securities	1,030	3,412	10,952
Payments of loans receivable	(253)	(202)	(2,690)
Payments for investments in capital of subsidiaries and affiliates	(181)	(2,111)	(1,925)
Other—net	861	377	9,155
Net cash used in investing activities	(7,369)	(8,968)	(78,352)
Financing Activities:			
Increase (decrease) in short-term borrowings—net	(23)	692	(245)
Dividends paid	(7,031)	(7,092)	(74,758)
Purchases of treasury stock	(1)		(11)
Other—net	(18)	(20)	(191)
Net cash used in financing activities	(7,073)	(6,420)	(75,205)
Foreign Currency Translation Adjustments on Cash and Cash Equivalents	18	(8)	191
Net Increase in Cash and Cash Equivalents	14,675	9,878	156,033
Cash and Cash Equivalents of Newly Consolidated Subsidiaries by Share Exchange	5,941		63,169
Cash and Cash Equivalents, Beginning of Year	43,190	33,312	459,224
Cash and Cash Equivalents, End of Year	¥63,806	¥43,190	$678,426
Noncash Investing and Financing Activities:			
Assets acquired and liabilities assumed in share exchange (Note 3):			
BS Nippon Corporation:			
Assets acquired	¥16,498		$175,417
Liabilities assumed	973		10,346
CS Nippon Corporation:			
Assets acquired	4,646		49,399
Liabilities assumed	696		7,400
The equity increased by the share exchange was as follows:			
Common stock	24		255
Capital surplus	11,659		123,966
Treasury stock	205		2,180

See notes to consolidated financial statements.

Notes to Consolidated Financial Statements

Nippon Television Holdings, Inc. (Formerly, Nippon Television Network Corporation) and Consolidated Subsidiaries
March 31, 2013 and 2012

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 2012 consolidated financial statements to conform to the classifications used in 2013.

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 ¥94.05 to $1, the approximate rate of exchange at March 31, 2013. 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, 2013, include the accounts of the Company and its 16 significant (13 in 2012) subsidiaries (together, the "Group").

Under the control or 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 22 (20 in 2012) unconsolidated subsidiaries and 20 (21 in 2012) associated companies are accounted for by the equity method.

Practical Issues Task Force 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 (the "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 guidance and consolidated eight such collective investment vehicles in 2013 (six in 2012).

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. Business Combinations—In October 2003, the Business Accounting Council issued a Statement of Opinion, "Accounting for Business Combinations," and in December 2005, the ASBJ issued ASBJ Statement No. 7, "Accounting Standard for Business Divestitures" and ASBJ Guidance No. 10, "Guidance for Accounting Standard for Business Combinations and Business Divestitures." The accounting standard for business combinations allowed companies to apply the pooling of interests method of accounting only when certain specific criteria are met such that the business combination is essentially regarded as a uniting of interests. For business combinations that do not meet the uniting of interests criteria, the business combination is considered to be an acquisition and the purchase method of accounting is required. This standard also prescribes the accounting for combinations of entities under common control and for joint ventures.

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.

c. **Cash Equivalent—**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.

d. **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.

e. **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.

f. **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.

g. **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.

h. **Retirement and Pension Plans—**The Company has a defined contribution pension plan, an unfunded lump sum retirement benefits plan, and a prepaid retirement plan. 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.

The annual provision for retirement benefits for directors and Audit & Supervisory Board members of subsidiaries is calculated as a liability at the amount that would be required if all directors and Audit & Supervisory Board members of subsidiaries retired at each balance sheet date.

i. **Asset Retirement Obligations—**In March 2008, the ASBJ published 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.

j. **Cost of Relocating a Transmitting Station—**A subsidiary of the Company accounts for the cost of relocating a transmitting station as a provision of ¥1,080 million, and actual cost of ¥296 million.

k. **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 which 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.

The Company applied the revised accounting standard effective April 1, 2008. In addition, the Company continues to account for leases that existed at the transition date and does not transfer ownership of the leased property to the lessee as operating lease transactions.

All other leases are accounted for as operating leases.

l. **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.

m. **Foreign Currency Translations—**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.

n. **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.

o. 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 not issued dilutive securities for the years ended March 31, 2013 and 2012.

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.

p. 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.

q. New Accounting Pronouncements

Accounting Standard for Retirement Benefits—On May 17, 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 followed by partial amendments from time to time through 2009.

Major changes are as follows:

(a) Treatment in the balance sheet

Under the current requirements, actuarial gains and losses and past service costs that are yet to be recognized in profit or loss are not recognized in the balance sheet, and the difference between retirement benefit obligations and plan assets (hereinafter, "deficit or surplus"), adjusted by such unrecognized amounts, is recognized as a liability or asset.

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

(b) Treatment in the statement of income and the statement of comprehensive income

The revised accounting standard does not change how to recognize actuarial gains and losses and past service costs in profit or loss. Those amounts would be recognized in profit or loss over a certain period no longer than the expected average remaining working lives 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 shall be 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 shall be treated as reclassification adjustments.

(c) Amendments relating to the method of attributing expected benefit to periods and relating to the discount rate and expected future salary increases

The revised accounting standard also made certain amendments relating to the method of attributing expected benefit to periods and relating to 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, both 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 Company expects to apply the revised accounting standard for (a) and (b) above from the end of the annual period beginning on April 1, 2013, and for (c) above from the beginning of the annual period beginning on April 1, 2014, and is in the process of measuring the effects of applying the revised accounting standard in future applicable periods.

3. Business Combination

On October 1, 2012, the Company conducted an absorption type company split (the "Company Split") with Nippon Television Network Preparatory Corporation and share exchanges (the "Share Exchanges") BS Nippon Corporation ("BSN") and CS Nippon Corporation ("CSN"). As a result, the Company completed the transfer of a certified broadcasting holding company (the "Transition") on the same date. The Company changed its trade name to Nippon Television Holdings, Inc., and Nippon Television Network Preparatory Corporation changed its trade name to Nippon Television Network Corporation.

a. Purpose of the Transition

The Company, BSN, and CSN have collaborated in such activities as broadcasting, program production, and program supply, and have, to date, each brought such efforts to fruition through their respective independent management. However, although significant growth cannot be expected in the television advertising market in the future, it is anticipated that competition among broadcasting organizations, whether commercial or fee-based, will only grow more intense, due to factors such as the arrival of the broadcasting satellite (BS) multichannel era and the shakeup of communications satellite (CS) broadcast channels. In order to survive these difficulties, the Company, BSN, and CSN carefully examined measures to develop a comprehensive media strategy that would make the most of the strengths of each company, and as a result of such examination decided that "building a closer capital relationship" is necessary for the maximization of corporate value of the companies and, to this end, reached the conclusion that the best strategy for structuring a new group system is to transition to a certified broadcasting holding company structure.

b. General Outline of the Company Split

(1) *Name of the companies involved in the Company Split*

	The Splitting Company	The Successor Company
Company name	Nippon Television Holdings, Inc. (formerly, Nippon Television Network Corporation)	Nippon Television Network Corporation (formerly, Nippon Television Network Preparatory Corporation)

(2) *Business details of units to be split*

All businesses of the Company other than certain group operations management business (the "Businesses").

(3) *Business results of units to be split*

(Unit: Millions of Yen)

	Business Units (a)	Business Results for FY 2012 (b)	Ratio (a/b)
Sales	¥264,342	¥264,820	99.8%
Operating profit	¥ 29,158	¥ 27,029	107.9%
Recurring profit	¥ 30,775	¥ 29,700	103.6%

(4) *Assets and liabilities to be split and amounts thereof*

(Unit: Millions of Yen (Thousands of U.S. Dollars))

Asset		Liability	
Item	Book Value	Item	Book Value
Current assets	¥96,589 ($1,026,996)	Current liabilities	¥45,807 ($487,049)
Fixed assets	¥176,064 ($1,872,026)	Fixed liabilities	¥ 7,168 ($76,215)
Total	¥272,653 ($2,899,022)	Total	¥52,975 ($563,264)

(5) *The cost of additional acquisition of shares in subsidiary and its breakdown*

The Company acquired stocks of Nippon Television Network Corporation for ¥212,818 million ($2,262,818 thousand) for equivalent value of the "Businesses." This acquisition cost has been calculated on the basis of an equivalent amount of the capital stock related to the Business.

(6) *Effective date for the Company Split*

October 1, 2012

(7) *Legal framework of the Company Split*

The method is an absorption type company split in which the Company is the splitting company and the Successor Preparatory Company, a wholly owned subsidiary of the Company, is the successor company.

(8) *Overview of accounting treatment of transaction*

Because the Company Split constitutes a transaction between a wholly owned parent company and a wholly owned subsidiary, the Company Split constitutes a "transaction under common control" under the "Accounting Standards for Business Combinations" (Accounting Standard No. 21).

c. General Outline of the Share Exchanges

(1) *Overview of acquirees to the Share Exchanges*

(Unit: Millions of Yen)

Company Name	BS Nippon Corporation	CS Nippon Corporation
Businesses	(1) Basic broadcasting business based on the Broadcasting Act (2) Planning, production, sales, advertising, and promotion businesses for various software such as broadcast programs (3) Planning, production, sales, and ticketing for various performance events such as music, art, theater, and sports	(1) 110 degrees east longitude CS satellite basic broadcasting business based on the Broadcasting Act (2) Planning, production, and sales of broadcast programs (3) Any other businesses related to broadcasting
Stated capital	¥25,000	¥3,000
Net assets	¥14,627	¥3,845
Total assets	¥15,817	¥5,033
Net sales	¥10,989	¥3,958
Operating profit	¥ 2,574	¥ 728
Recurring profit	¥ 2,629	¥ 729
Net income	¥ 2,625	¥ 429

(2) *Effective date for the Share Exchanges*

October 1, 2012

(3) *Legal framework of the Share Exchanges*

The Share Exchanges were completed through share exchanges in which the Company became the wholly owning parent company in share exchange and BSN became the Company's wholly owned subsidiary in share exchange and through a share exchange in which the Company became the wholly owning parent company in share exchange and CSN became the Company's wholly owned subsidiary in share exchange. Approval for the Share Exchanges, which are short form share exchanges provided for in Article 796 Paragraph 3 of the Companies Act for the Company, was not obtained for the Company at its shareholders' meeting.

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

The results as equity-method associates are included in the consolidated financial statements during the period from April 1, 2012 to September 30, 2012, and the results as a consolidated subsidiary are included in the consolidated financial statements during the period from October 1, 2012 to March 31, 2013.

(5) *The acquisition cost and its breakdown*

(Unit: Millions of Yen (Thousands of U.S. Dollars))

	BS Nippon Corporation	CS Nippon Corporation
Equivalent value of the acquisition	¥14,924 ($156,682)	¥3,995 ($42,478)
Expenditure directly required for acquisition	¥ 101 ($1,073)	¥ 27 ($288)
Acquisition cost	¥15,025 ($159,755)	¥4,022 ($42,766)

(6) *Difference between the purchase price of acquired company and the sum of all transactions in acquisition process*

(i) BSN Loss on step acquisition: ¥656 million ($6,975 thousand)

(ii) CSN Gain on step acquisition: ¥ 15 million ($159 thousand)

(7) *Details of allotment of shares for the Share Exchanges*

Company Name	Nippon Television Holdings, Inc.	BS Nippon Corporation	CS Nippon Corporation
Details of allotment of shares for the Share Exchanges	26	26	58

Notes: 1. Share allotment ratio for the Share Exchanges: 26 shares of common stock of the Company have been allotted and delivered per share of common stock of BSN, and 58 shares of common stock of the Company have been allotted and delivered per share of common stock of CSN. Shares have not been allotted to the shares of common stock of BSN and CSN held by the Company.

2. In order to ensure fairness in the calculation of the share exchange ratios to be used in the Share Exchanges, NTV engaged Nomura Securities Co., Ltd., BSN engaged es Networks Co., Ltd., and CSN engaged Sumitomo Mitsui Banking Corporation Co., Ltd. to calculate share exchange ratios to be used in the Share Exchanges, and with reference to the results of the calculations of those third parties and, further, as a result of comprehensively taking into account the financial circumstances, the state of assets, the future prospects, and other such factors of each of the companies and, furthermore, after thorough deliberate discussions of the share exchange ratios, the companies came to the conclusion and agreed that ultimately the above share exchange ratios are reasonable.

3. The stock split and change in share unit number as announced in “Notice regarding stock split, trading unit change, and partial amendment to the articles of incorporation” as of March 29, 2012, and in accordance with the purpose of the “Action Plan for Consolidating Trading Units” announced by the Japanese stock exchanges, the Company set September 30, 2012, as the record date, and split each of the shares of common stock of the Company into 10 shares effective October 1, 2012, which is the effective date of the Company Split, as well as changed the share unit number of common stock from 10 to 100 effective October 1, 2012. The above ratios and shares of common stock delivered by the Company are figures that are conditional upon the stock split taking effect.

4. The number of new shares to be delivered through the Share Exchanges by the Company is 10,176,600 shares of common stock (the shares held by the Company as treasury stock will not be delivered in the Share Exchanges.)

The above figure is based on the total number of shares of issued stock, as of March 31, 2012, of BSN (500,000 shares), and of CSN (60,000 shares).

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

(i) BSN

(a) Amount of negative goodwill

¥499 million ($5,306 thousand)

(b) Reason for recognition

Negative goodwill was recorded due to the fair value of the net assets at the time of acquisition exceeding the acquisition costs. The difference between the two amounts is regarded as gain on negative goodwill

(ii) CSN

(a) Amount of goodwill

¥72 million ($766 thousand)

(b) Reason for recognition

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

(c) Method and period of amortization

One time amortization in the consolidated year

(9) *The estimated impact on the consolidated statement of income for the year ended March 31, 2013, if the Share Exchange had been completed on April 1, 2012*

	Millions of Yen	Thousands of U.S. Dollars
Net sales	¥6,544	$69,580
Operating income	1,202	12,780
Net income	664	7,060

(Method of Calculating Condensed Pro forma and Important Assumptions)

The condensed pro forma of the Share Exchanges is calculated assuming the integration was completed on April 1, 2012, the first day of fiscal year ended March 31, 2013. It is the difference between the net sales and income reported between April 1, 2012 and March 31, 2013, 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, 2012, to the actual date of the corporate integration has been recognized in this amount.

These notes have not been audited.

(10) *Overview of accounting treatment of transaction*

The condensed pro forma of the Share Exchanges is calculated assuming the integration was completed on April 1, 2012, the first day of fiscal year ended March 31, 2013. It is the difference between the net sales and income reported between April 1, 2012 and March 31, 2013, 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, 2012, to the actual date of the corporate integration has been recognized in this amount.

4. Marketable and Investment Securities

Marketable and investment securities as of March 31, 2013 and 2012, consisted of the following:

	Millions of Yen		Thousands of U.S. Dollars
	2013	2012	2013
Current—Government and corporate bonds	¥ 42,498	¥ 25,527	$ 451,866
Non-current:			
Equity securities	¥ 70,300	¥ 53,596	$ 747,475
Government and corporate bonds	59,383	58,764	631,398
Trust fund investments and others	4,141	3,940	44,030
Total	¥133,824	¥116,300	$1,422,903

The costs and aggregate fair values of marketable and investment securities as of March 31, 2013 and 2012, were as follows:

	Millions of Yen			
March 31, 2013	Cost	Unrealized Gains	Unrealized Losses	Fair Value
Securities classified as:				
Available for sale:				
Equity securities	¥30,221	¥17,330	¥ 75	¥47,476
Government and corporate bonds	25,000	418	1,082	24,336
Held to maturity	77,545	938	65	78,418
March 31, 2012				
Securities classified as:				
Available for sale:				
Equity securities	¥28,446	¥5,554	¥2,314	¥31,686
Government and corporate bonds	31,000	54	3,277	27,777
Held to maturity	56,513	125	798	55,840

	Thousands of U.S. Dollars			
March 31, 2013	Cost	Unrealized Gains	Unrealized Losses	Fair Value
Securities classified as:				
Available for sale:				
Equity securities	$321,329	$184,264	$798	$504,795
Government and corporate bonds	265,816	4,445	11,505	258,756
Held to maturity	824,509	9,973	691	833,791

The information for available for sale securities, which were sold during the years ended March 31, 2013 and 2012, is as follows:

	Millions of Yen		
March 31, 2013	Proceeds	Realized Gains	Realized Losses
Available for sale:			
Equity securities	¥ 33	¥50	
Debt securities	1,000		
Total	¥1,033	¥50	
March 31, 2012			
Available for sale:			
Equity securities	¥ 182	¥102	
Debt securities	1,000		
Trust fund investments and others	56	9	
Total	¥1,238	¥111	

	Thousands of U.S. Dollars		
March 31, 2013	Proceeds	Realized Gains	Realized Losses
Available for sale:			
Equity securities	$ 362	$53	
Debt securities	10,633		
Total	$10,995	$53	

The impairment losses on available for sale equity securities for the years ended March 31, 2013 and 2012, were ¥110 million ($1,170 thousand) and ¥62 million, respectively.

5. Short Term Investments

Short term investments as of March 31, 2013 and 2012, consisted of the following:

	Millions of Yen		Thousands of U.S. Dollars
	2013	2012	2013
Time deposits	¥2,599	¥2,440	$27,634

6. Inventories

Inventories as of March 31, 2013 and 2012, consisted of the following:

	Millions of Yen		Thousands of U.S. Dollars
	2013	2012	2013
Program rights	¥ 6,958	¥ 7,218	$ 73,981
Finished products and merchandise	2,799	2,231	29,761
Work in process	69	86	734
Raw materials and supplies	645	545	6,858
Total	¥10,471	¥10,080	$111,334

7. Collateralized Property

At March 31, 2013, land of ¥101,031 million ($1,074,227 thousand) was pledged as collateral for guarantee deposits received of ¥19,000 million ($202,020 thousand).

8. Investment Property

In November 2008, the ASBJ issued ASBJ Statement No. 20, “Accounting Standard for Investment Property and Related Disclosures” and issued 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, 2013 and

2012, were ¥531 million ($5,646 thousand) and ¥641 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, 2012	Increase/Decrease	March 31, 2013	March 31, 2013
¥79,698	¥(102)	¥79,596	¥79,678

Millions of Yen			
Carrying Amount			Fair Value
April 1, 2011	Increase/Decrease	March 31, 2012	March 31, 2012
¥77,978	¥1,720	¥79,698	¥90,906

Thousands of U.S. Dollars			
Carrying Amount			Fair Value
April 1, 2012	Increase/Decrease	March 31, 2013	March 31, 2013
$847,400	$(1,085)	$846,315	$966,571

Notes: 1. Carrying amount recognized in the consolidated balance sheet is net of accumulated depreciation, if any.
2. Decrease during the fiscal year ended March 31, 2013, primarily represents the depreciation of ¥355 million ($3,775 thousand).
3. The fair value of major properties owned by the Group as of March 31, 2013, is measured by outside real estate appraisers in accordance with the Real Estate Appraisal Standard. The fair value of other properties is measured by the Group using indexes that are believed to approximate their market values appropriately.

9. Short Term Borrowings

Short term borrowings at March 31, 2013 and 2012, were collected from unconsolidated subsidiaries using a cash management system. The interest rate applicable to the short term borrowings was 0.460% and 0.660% at March 31, 2013 and 2012, respectively.

10. Retirement and Pension Benefits Plan

The Company and certain consolidated subsidiaries have severance payment plans for employees, directors, and Audit & Supervisory Board members.

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.

The liability for employees' retirement benefits as of March 31, 2013 and 2012, consisted of the following:

	Millions of Yen		Thousands of U.S. Dollars
	2013	2012	2013
Projected benefit obligation	¥8,876	¥7,568	$94,375
Net liability	¥8,876	¥7,568	$94,375

The components of net periodic benefit costs for the years ended March 31, 2013 and 2012, are as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2013	2012	2013
Service cost	¥ 778	¥ 806	$ 8,272
Interest cost	102	91	1,085
Amortization of service cost		7	
Recognized actuarial gain	701	83	7,453
Defined contribution pension plan premium cost	748	738	7,953
Net periodic benefit costs	2,329	1,725	24,763
Total	¥2,329	¥1,725	$24,763

Assumptions used for the years ended March 31, 2013 and 2012, are set forth as follows:

	2013	2012
Discount rate	1.1%	2.3%
Amortization period of prior service cost	Charge-off all at once	
Recognition period of actuarial gain and loss	Charge-off all at once	

Retirement benefits for directors and Audit & Supervisory Board members are paid subject to approval of the shareholders in accordance with the Companies Act. Retirement benefits as of March 31, 2013 and 2012, included benefits for directors and Audit & Supervisory Board members in the amount of ¥118 million ($1,255 thousand) and ¥123 million, respectively.

11. 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) the Board of Directors, (2) independent auditors, (3) an Audit & Supervisory Board, and (4) a normal term of the director 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 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.

Stock Split

On October 1, 2012, the Company executed a ten for one stock split by way of a free share distribution.

12. 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 38.0% for the year ended March 31, 2013, and 40.7% for the year ended March 31, 2012.

The tax effects of significant temporary differences that resulted in deferred tax assets and liabilities as of March 31, 2013 and 2012, are as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2013	2012	2013
Current:			
Deferred tax assets:			
Tax loss carryforwards	¥ 534		$5,678
Devaluation of program rights	2,659	¥ 2,477	28,272
Accrued enterprise taxes	1,010	655	10,739
Accrued bonuses	628	585	6,677
Other	853	407	9,070
Less valuation allowance	(574)	(7)	(6,103)
Total	5,110	4,117	54,333
Deferred tax liabilities:			
Unrealized gain on available-for-sale securities		(11)	(11)
Other	(1)		
Total	(1)	(11)	(11)
Net deferred tax assets	¥ 5,109	¥ 4,106	$54,322
Non-current:			
Deferred tax assets:			
Retirement benefits	¥ 3,204	¥ 2,741	$34,067
Devaluation of property, plant and equipment	472	508	5,019
Devaluation of investment securities	1,865	1,913	19,830
Unrealized loss on available-for-sale securities	248	91	2,637
Other	597	458	6,347
Less valuation allowance	(2,465)	(2,352)	(26,209)
Total	3,921	3,359	41,691
Deferred tax liabilities:			
Tax benefit from deferred gain on sales of property, plant and equipment	(5,115)	(5,126)	(54,386)
Unrealized gain on available-for-sale securities	(5,589)	(8)	(59,426)
Other	(48)	(59	(510)
Total	(10,752)	(5,193)	(114,322)
Net deferred tax liabilities	¥ (6,831)	¥(1,834)	$(72,631)

A reconciliation between the normal effective statutory tax rate and the actual effective tax rate reflected in the accompanying consolidated statement of income for the year ended March 31, 2012, is as follows:

	2012
Normal effective statutory tax rate	40.7%
Income not included for income tax purposes	(0.8)
Expenses not deductible for income tax purposes	1.0
Equity in earnings of unconsolidated subsidiaries and associated companies	(2.9)
Other—net	0.3
Income not included for income tax purposes	38.3%

For the year ended March 31, 2013, 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 December 2, 2011, new tax reform laws were enacted in Japan, which changed the normal effective statutory tax rate from approximately 40.7% to 38.0% effective for the fiscal years beginning on or after April 1, 2012 through March 31, 2015, and to 35.6% afterwards.

13. Leases

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 38.0% for the year ended March 31, 2013, and 40.7% for the year ended March 31, 2012.

a. Finance Lease Transactions

As lessee

The Group leases certain machinery, vehicles and equipment, office space, and other assets.

Total rental expenses including lease payments under finance leases for the years ended March 31, 2013 and 2012, were ¥1 million ($11 thousand) and ¥14 million, respectively.

b. Operating Lease Transactions

The minimum rental commitments under noncancelable operating leases as of March 31, 2013 and 2012, were as follows:

	Millions of Yen		Thousands of U.S. Dollars
As Lessee	2013	2012	2013
Due within one year	¥ 236	¥ 134	$ 2,509
Due after one year	3,035	3,271	32,270
Total	¥3,271	¥3,405	$34,779
As Lessor			
Due within one year	¥ 130	¥130	$ 1,382
Due after one year	5,081	5,121	54,025
Total	¥5,211	¥5,251	$55,407

14. 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 of payables, such as trade notes and trade accounts, are less than one year. Also, 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, 2013.

Market risk management (interest rate risk)

Market risk of marketable and investment securities are managed by monitoring market values and 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) 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, 2013	Carrying Amount	Fair Value	Unrealized Gain/Loss
Cash and cash equivalents	¥ 63,806	¥ 63,806	
Marketable securities	42,498	42,727	¥229
Short-term investments	2,599	2,599	
Receivables	86,136	86,136	
Investment securities	106,858	107,497	639
Long-term deposits	3,000	2,872	(128)
Total	¥304,897	¥305,637	¥740
Payables	¥ 51,481	¥ 51,481	
Guarantee deposits received	20,042	14,856	¥5,186
Total	¥ 71,523	¥ 66,337	¥5,186
March 31, 2012			
Cash and cash equivalents	¥ 43,190	¥ 43,190	
Marketable securities	25,527	25,370	¥ (157)
Short-term investments	2,440	2,487	47
Receivables	82,285	82,285	
Investment securities	90,449	89,932	(517)
Long-term deposits	6,000	5,677	(323)
Total	¥249,891	¥248,941	¥ (950)
Payables	¥ 49,230	¥ 49,230	
Guarantee deposits received	20,198	13,233	¥6,965
Total	¥ 69,428	¥ 62,463	¥6,965

	Thousands of U.S. Dollars		
March 31, 2013	Carrying Amount	Fair Value	Unrealized Gain/Loss
Cash and cash equivalents	$ 678,426	$ 678,426	
Marketable securities	451,866	454,301	$ 2,435
Short-term investments	27,634	27,634	
Receivables	915,854	915,854	
Investment securities	1,136,183	1,142,977	6,794
Long-term deposits	31,898	30,537	(1,361)
Total	$3,241,861	$3,249,729	$ 7,868
Payables	$ 547,380	$547,380	
Guarantee deposits received	213,099	157,959	$55,140
Total	$ 760,479	$ 705,339	$55,140

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

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

The fair value of time deposits is measured at the price presented by financial institutions.

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 4.

Long Term Deposits

The fair value of long term deposits is measured at the price presented by financial institutions.

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.

(a) Fair value of financial instruments

As Lessee	Millions of Yen 2013	Millions of Yen 2012	Thousands of U.S. Dollars 2013
Investments in unconsolidated subsidiaries and associated companies	¥30,812	¥35,099	$327,613
Other investments in equity instruments that do not have a quoted market price in an active market	26,966	25,851	286,720

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

	Millions of Yen			
March 31, 2013	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	¥ 63,806			
Marketable securities	42,500			
Short-term investments	2,599			
Receivables	86,136			
Investment securities:				
Held-to-maturity securities		¥34,850	¥ 200	
Available-for-sale securities with contractual maturities		4,715	1,000	¥23,323
Long-term deposits				3,000
Total	¥195,041	¥39,565	¥1,200	¥26,323

	Thousands of U.S. Dollars			
March 31, 2013	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	$ 678,426			
Marketable securities	451,887			
Short-term investments	27,634			
Receivables	915,854			
Investment securities:				
Held-to-maturity securities		$370,548	$ 2,127	
Available-for-sale securities with contractual maturities		50,133	10,633	$247,985
Long-term deposits				31,898
Total	$2,073,801	$420,681	$12,760	$279,883

15. Contingent Liabilities

The Group's contingent liabilities as guarantor of indebtedness as of March 31, 2013, were as follows:

	Millions of Yen 2013	Thousands of U.S. Dollars 2013
Employees	¥254	$2,701
MADHOUSE Inc.	400	4,253
Total	¥654	$6,954

At March 31, 2013, a consolidated subsidiary of the Company stood under a claim of ¥1,031 million ($10,962 thousand) in damages based on the warranty against defects in land previously sold.

The consolidated subsidiary is currently scrutinizing the details of the claim, and it is expected that the loss brought by the claim will be cleared through future negotiation.

16. Comprehensive Income

The components of other comprehensive income for the years ended March 31, 2013 and 2012, were as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2013	2012	2013
Unrealized gain on available-for-sale securities:			
Gains arising during the year	¥16,695	¥ 3,421	$177,512
Reclassification adjustments to profit or loss	107	(37)	1,138
Amount before income tax effect	16,802	3,384	178,650
Income tax effect	(5,428)	(1,232)	(57,714)
Total	¥11,374	¥ 2,152	$120,936
Foreign currency translation adjustments—Adjustments arising during the year	¥83	¥ (35)	$883
Total	¥83	¥ (35)	$883
Share of other comprehensive income in unconsolidated subsidiaries and associated companies:			
Gains arising during the year	¥ 515	¥ 327	$ 5,476
Reclassification adjustments to profit or loss	(4)	(9)	(44)
Total	¥ 511	¥ 318	$ 5,432
Total other comprehensive income	¥11,968	¥ 2,435	$127,251

17. Subsequent Event

The following appropriation of retained earnings as of March 31, 2013, was approved at the Company's shareholders' meeting held on June 27, 2013:

	Millions of Yen	Thousands of U.S. Dollars
Year-end cash dividends, ¥20 ($0.21) per share	¥5,037	$53,557

18. 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 in the others, in consideration of the relative importance of that.

The segment information for the year ended March 31, 2012, has also reported such segments. Therefore, the Group's reportable segments consist of the contents business and real estate rental/leasing.

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

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

(2) Methods of Measuring Amounts of Sales, Profit, 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."

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

Prior to October 1, 2012, the administrative expenses of the Company were measured in the contents business segment.

As a result of the transition to a certified broadcast holding company on October 1, 2012, the administrative expenses of the Company have been measured in reconciliations as company wide expenses for the strategic group management.

As a result of this measuring method change, the segment profit of the contents business segment increased by ¥1,525 million ($16,215 thousand), and the segment profit in reconciliations decreased by the same amount.

Effective April 1, 2012, as a result of the revision of Japanese corporate tax law, the Company and its domestic consolidated subsidiaries changed their depreciation method for fixed assets acquired on or after April 1, 2012, to the method stipulated under the revised corporate tax law.

The effect of this change was immaterial.

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

	Millions of Yen						
	2013						
	Reportable Segment						
	Contents Business	Real Estate Rental/Leasing	Total	Other	Total	Reconciliations	Consolidated
Sales:							
Sales to external customers	¥321,609	¥3,360	¥324,969	¥1,454	¥326,423		¥326,423
Intersegment sales or transfers	227	5,175	5,402	1,665	7,067	¥(7,067)	
Total	¥321,836	¥8,535	¥330,371	¥3,119	¥333,490	¥(7,067)	¥326,423
Segment profit (loss)	¥ 33,211	¥3,046	¥ 36,257	¥ (181)	¥ 36,076	¥(647)	¥35,429
Other—Depreciation	5,919	630	6,549	24	6,573		6,573

	Millions of Yen						
	2012						
	Reportable Segment						
	Contents Business	Real Estate Rental/Leasing	Total	Other	Total	Reconciliations	Consolidated
Sales:							
Sales to external customers	¥299,793	¥3,899	¥303,692	¥1,768	¥305,460		¥305,460
Intersegment sales or transfers	631	3,393	4,024	850	4,874	¥(4,874)	
Total	¥300,424	¥7,292	¥307,716	¥2,618	¥310,334	¥(4,874)	¥305,460
Segment profit (loss)	¥30,533	¥1,788	¥32,321	¥(72)	¥32,249		¥32,249
Other—Depreciation	6,315	725	7,040	31	7,071		7,071

	Millions of Yen						
	2013						
	Reportable Segment						
	Contents Business	Real Estate Rental/Leasing	Total	Other	Total	Reconciliations	Consolidated
Sales:							
Sales to external customers	$3,419,553	$35,726	$3,455,279	$15,460	$3,470,739		$3,470,739
Intersegment sales or transfers	2,414	55,024	57,438	17,703	75,141	$(75,141)	
Total	$3,421,967	$90,750	$3,512,717	$33,163	$3,545,880	$(75,141)	$3,470,739
Segment profit (loss)	$ 353,121	$32,387	$ 385,508	$ (1,925)	$ 383,583	$ (6,879)	$ 376,704
Other—Depreciation	62,935	6,698	69,633	255	69,888		69,888

Related Information

(1) Information about Products and Services

	Millions of Yen		
	2013		
Sales to External Customers	Contents Business	Real Estate Rental/ Leasing	Total
Television broadcasting:			
Time advertising	¥112,448		¥112,448
Spot advertising	108,814		108,814
Total	221,262		221,262
Advertising sales from BS and CS platform	5,430		5,430
Other advertising revenue	458		458
Contents sales revenue	33,917		33,917
Revenue from merchandise sales	42,382		42,382
Box office revenue	10,442		10,442
Real estate leasing		¥2,436	2,436
Other	7,718	924	8,642
Total	¥321,609	¥3,360	¥324,969

	Millions of Yen		
	2012		
Sales to External Customers	Contents Business	Real Estate Rental/ Leasing	Total
Television broadcasting:			
Time advertising	¥108,859		¥108,859
Spot advertising	104,531		104,531
Total	213,390		213,390
Other advertising revenue	549		549
Contents sales revenue	36,661		36,661
Revenue from merchandise sales	33,550		33,550
Box office revenue	9,929		9,929
Real estate leasing		¥2,705	2,705
Other	5,714	1,194	6,908
Total	¥299,793	¥3,899	¥303,692

	Thousands of U.S. Dollars		
	2013		
Sales to External Customers	Contents Business	Real Estate Rental/ Leasing	Total
Television broadcasting:			
Time advertising	$1,195,619		$1,195,619
Spot advertising	1,156,981		1,156,981
Total	2,352,600		2,352,600
Advertising sales from BS and CS platform	57,735		57,735
Other advertising revenue	4,870		4,870
Contents sales revenue	360,627		360,627
Revenue from merchandise sales	450,633		450,633
Box office revenue	111,026		111,026
Real estate leasing		$25,901	25,901
Other	82,062	9,825	91,887
Total	$3,419,553	$35,726	$3,455,279

(2) Information about Geographical Areas

a. Sales

Sales of the Company and its domestic subsidiaries for the years ended March 31, 2013 and 2012, 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, 2013 and 2012, represented more than 90% of the property, plant and equipment in the consolidated balance sheet for the year. Accordingly, information about geographic areas is not disclosed.

(3) Information about Major Customers

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

(4) Negative Goodwill

Negative goodwill caused by the Share Exchange with BS Nippon Corporation was ¥499 million ($5,306 thousand) in the contents business segment.

Independent Auditor's Report

Deloitte.

Deloitte Touche Tohmatsu LLC
MS Shibaura Building
4-13-23, Shibaura
Minato-ku, Tokyo 108-8530
Japan
Tel:+81 (3) 3457 7321
Fax:+81 (3) 3457 1694
www.deloitte.com/jp

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. (formerly, Nippon Television Network Corporation) and its consolidated subsidiaries as of March 31, 2013, 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. (formerly, Nippon Television Network Corporation) and its consolidated subsidiaries as of March 31, 2013, 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

June 27, 2013

Nippon Television Holdings Group Companies

(As of August 31, 2013)

Group Segment: 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.
NTV Group Planning Inc.
NTV America Company
NTV International Corporation

Real Estate Rental/Leasing Business

NIPPON TELEVISION NETWORK CORPORATION
Nippon Television Work 24 Corporation

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.
NTV Service Inc.
Nippon Television Work 24 Corporation
Forecast Communications Inc.
NitteleSeven Co., Ltd.
NTV Group Planning Inc.
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.
Rights Inn Corporation
VAP Music Publishing Inc.
SOUND INN STUDIOS INC.
J.M.P Co., Ltd.
COMIGO Sports Marketing Co., Ltd.
LIFE VIDEO Inc.
SANEIWORK CORPORATION
RF Radio Nippon Co., Ltd.
Radio Nippon Create Inc.
RF Music Publisher Inc.
For Groove Inc.
NitteleOplus Co., Ltd.

Affiliated Companies

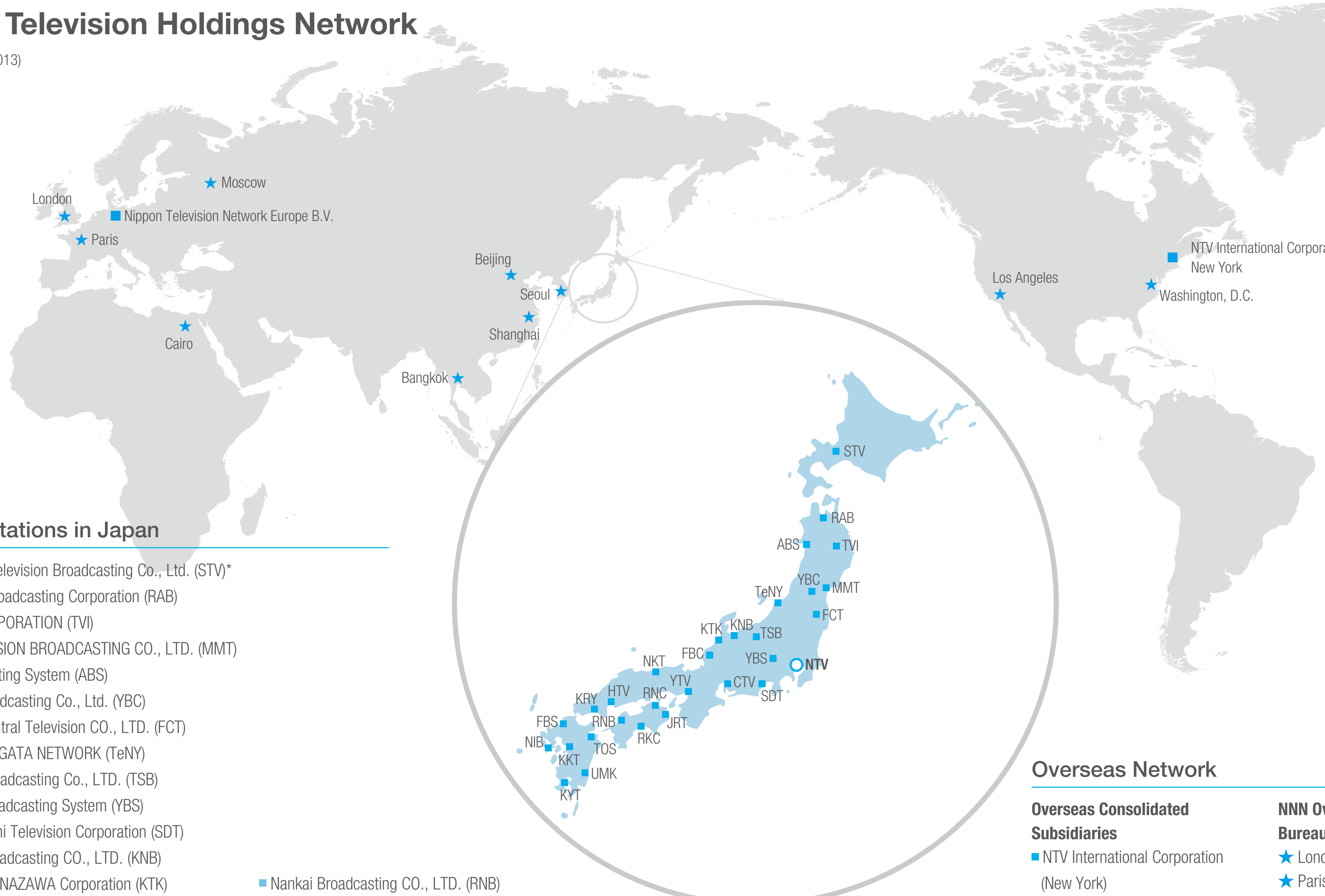
NIKKATSU Corporation
CNplus Production, Inc.
Nishinihon Eizo Corporation
Nagasaki Vision Corp.
Kagoshima Vision Corporation
Kanazawa Eizo Center Corporation
Promedia Co., Ltd.
Cosmo Space Co., Ltd.
Art Yomiuri Co., Ltd.
Shiodome Urban Energy Corporation

Public Interest Incorporated Foundations

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

Nippon Television Holdings Network

(As of August 31, 2013)



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, 2013)

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 15, 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

36,687

Stock Exchange Listing

First Section of Tokyo Stock Exchange (Code 9404)

Fiscal Year End

March 31, annually

Number of Employees

130

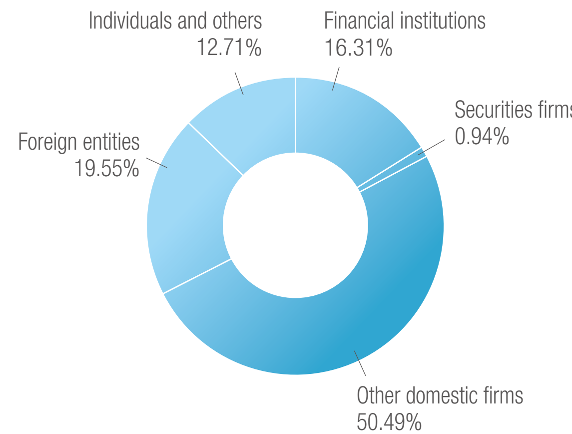
Transfer Agent and Registrar

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

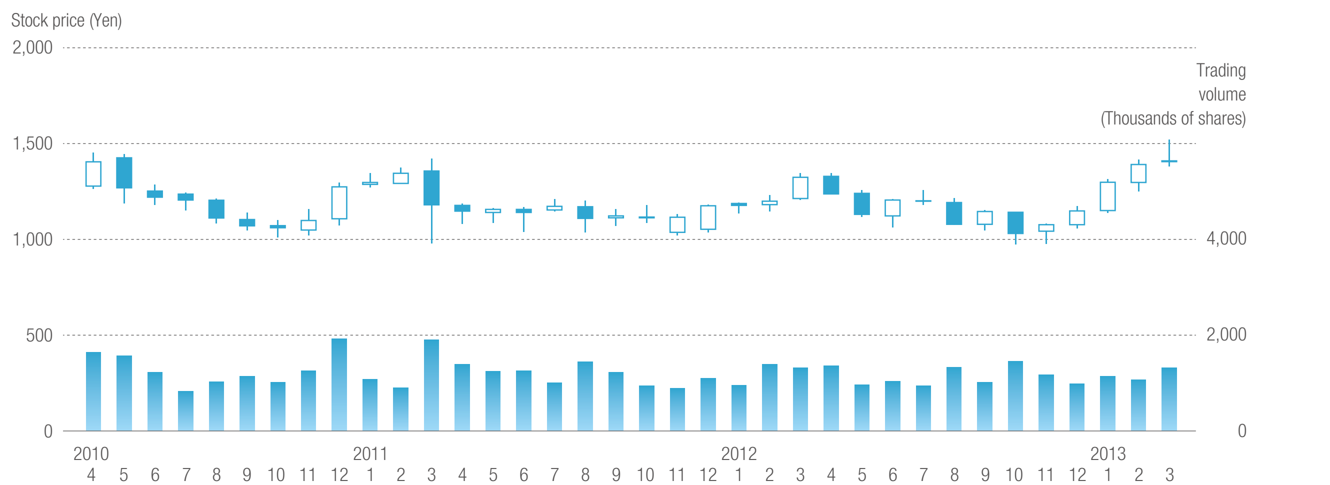
Major Shareholders

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
CBNY-ORBIS FUNDS	9,974,849	3.78
Japan Trustee Services Bank, Ltd. (Trust Account)	9,820,520	3.72
Teikyo University	9,553,920	3.62
CBNY-ORBIS SICAV	9,063,910	3.43
State Street Bank and Trust Company	7,936,640	3.00
NTT DOCOMO, INC.	7,779,000	2.94
The Master Trust Bank of Japan, Ltd. (Trust Account)	7,057,000	2.67

Distribution of Shares



Stock Price Range and Trading Volume (Tokyo Stock Exchange)



Note: NTV'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

Model on the front cover: Mami Sugino (NTV announcer)