

An overview of Japan's publishing & advertising market / Where Nikkei BP stands

Scale of the Magazine Industry

● Number of magazines in Japan (as of the end of 2011)

- 3,376 (magazines sold at bookstores and part of major direct-sales magazines / Source: The Research Institute for Publications)
- 119 (new launches)

● ABC Membership (as of the end of 2011)

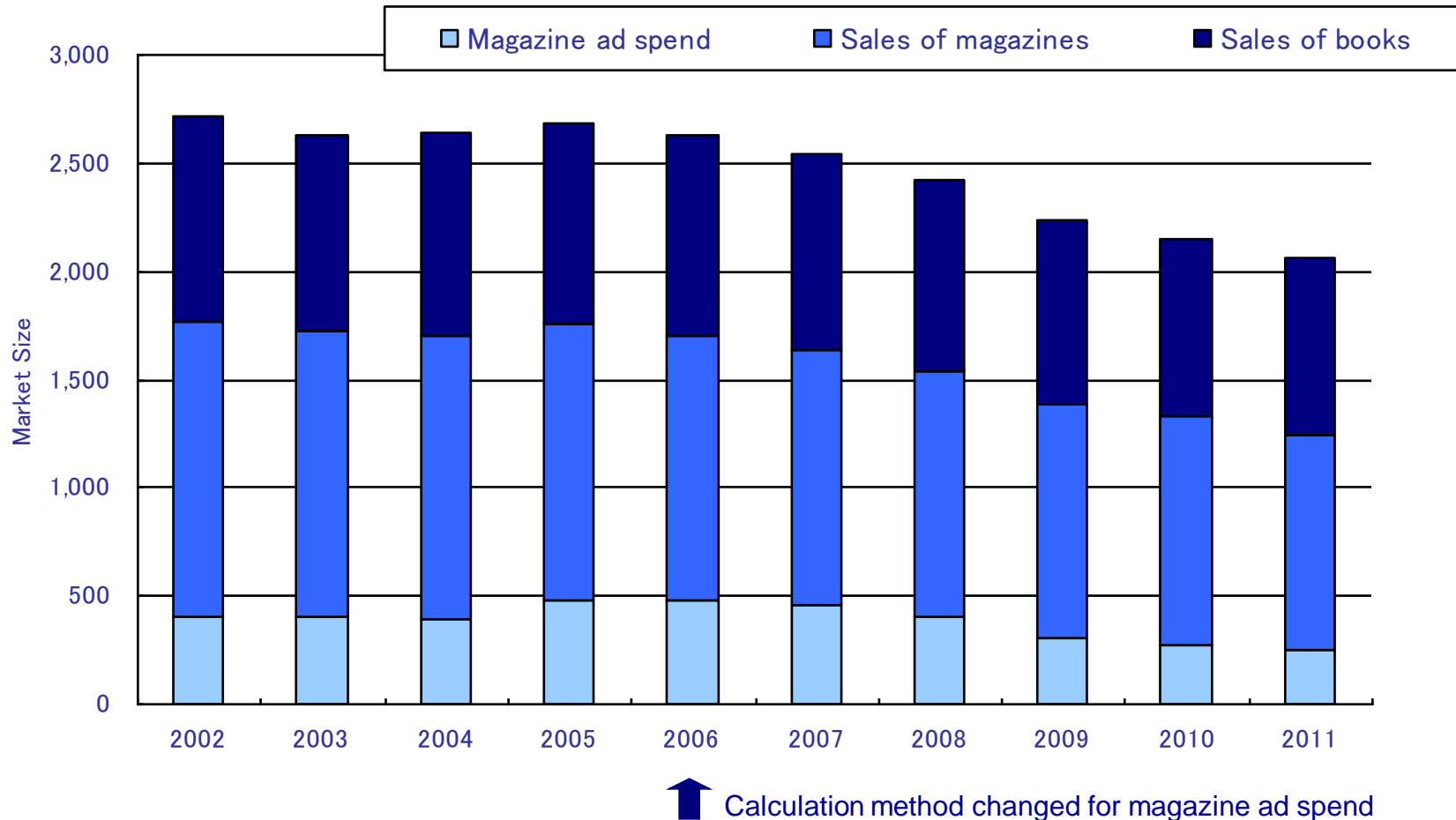
| | |
|-----------------|-----|
| Magazines | 165 |
| Trade Magazines | 12 |
| Free Magazines | 207 |

● Japan Magazine Publishers Association

Of JMPA member magazines, those that publicly release JMAA-certified average publication figures - 369 (as of December 2011)

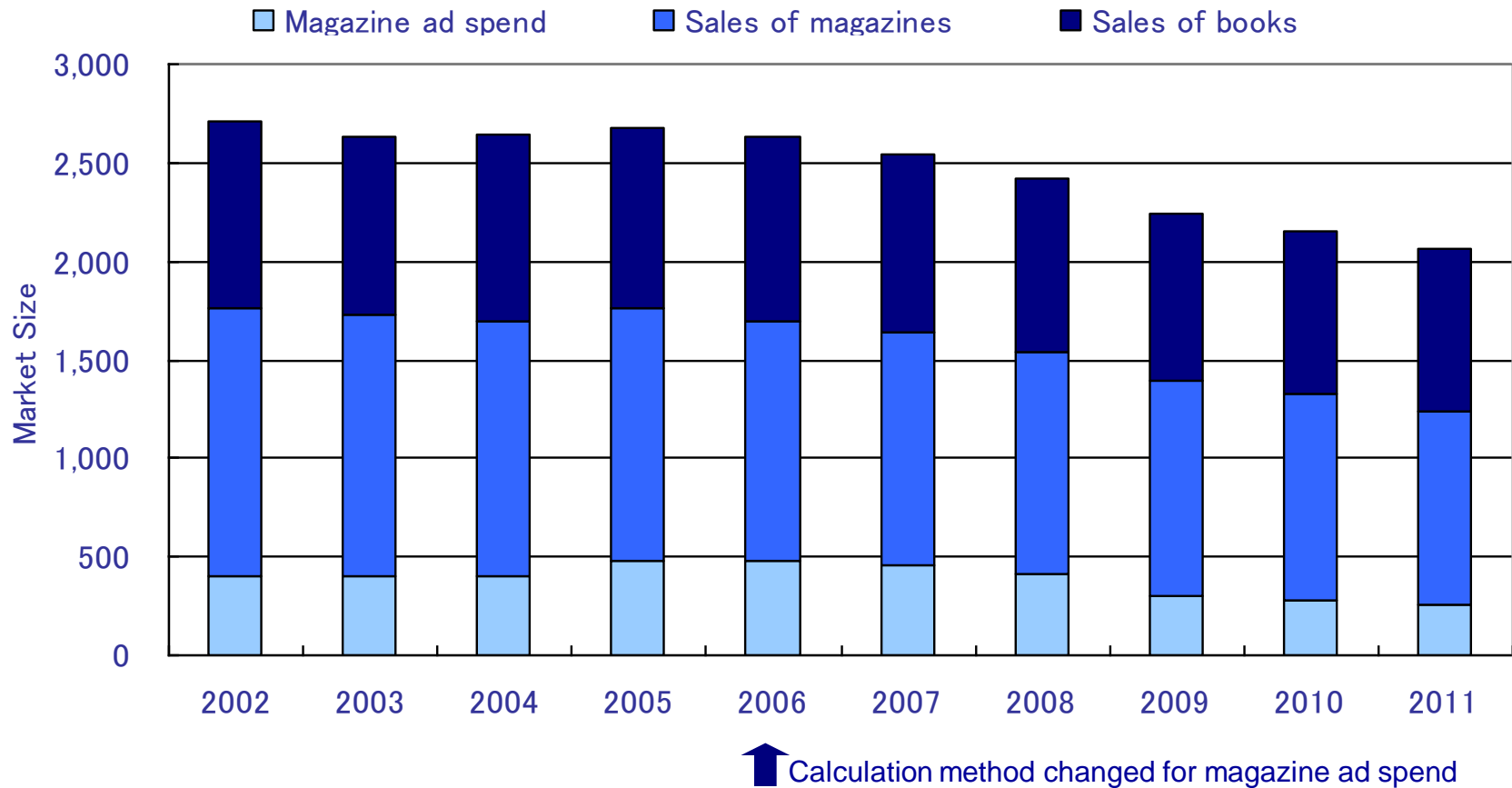
*JMAA: Japan Magazine Advertising Association

Size of the Publishing Market



Source: Magazine ad spend figures from Dentsu's "2011 Advertising Expenditures in Japan" and magazine/book sales figures from The Research Institute of Publications

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Sales Ranking of Major Publishers - 2011

| Rank in Sales | | Company | Sales (hundred million yen) | | |
|---------------|------|------------------|-----------------------------|----------|----------|
| 2010 | 2011 | | 2009 | 2010 | 2011 |
| 1 | 1 | Shueisha | 1,332.98 | 1,304.70 | 1,318.65 |
| 2 | 2 | Kodansha | 1,245.22 | 1,223.40 | 1,219.29 |
| 3 | 4 | Shogakukan | 1,177.21 | 1,111.13 | 1,079.91 |
| 4 | 3 | Kadokawa | 649.01 | 695.03 | 700.01 |
| 5 | 5 | Nikkei BP | 428.05 | 404.80 | 387.00 |
| 6 | 6 | Takarajima | 207.41 | 327.00 | 333.00 |
| 8 | 7 | Bungei Shunju | 274.91 | 254.73 | 256.73 |
| 7 | 8 | Shinchosha | 278.00 | 297.00 | 245.00 |
| 10 | 9 | Media Fact | 206.58 | 182.96 | 234.04 |
| 9 | 10 | Kobunsha | 245.00 | 220.31 | 233.21 |

Source: Teikoku Databank

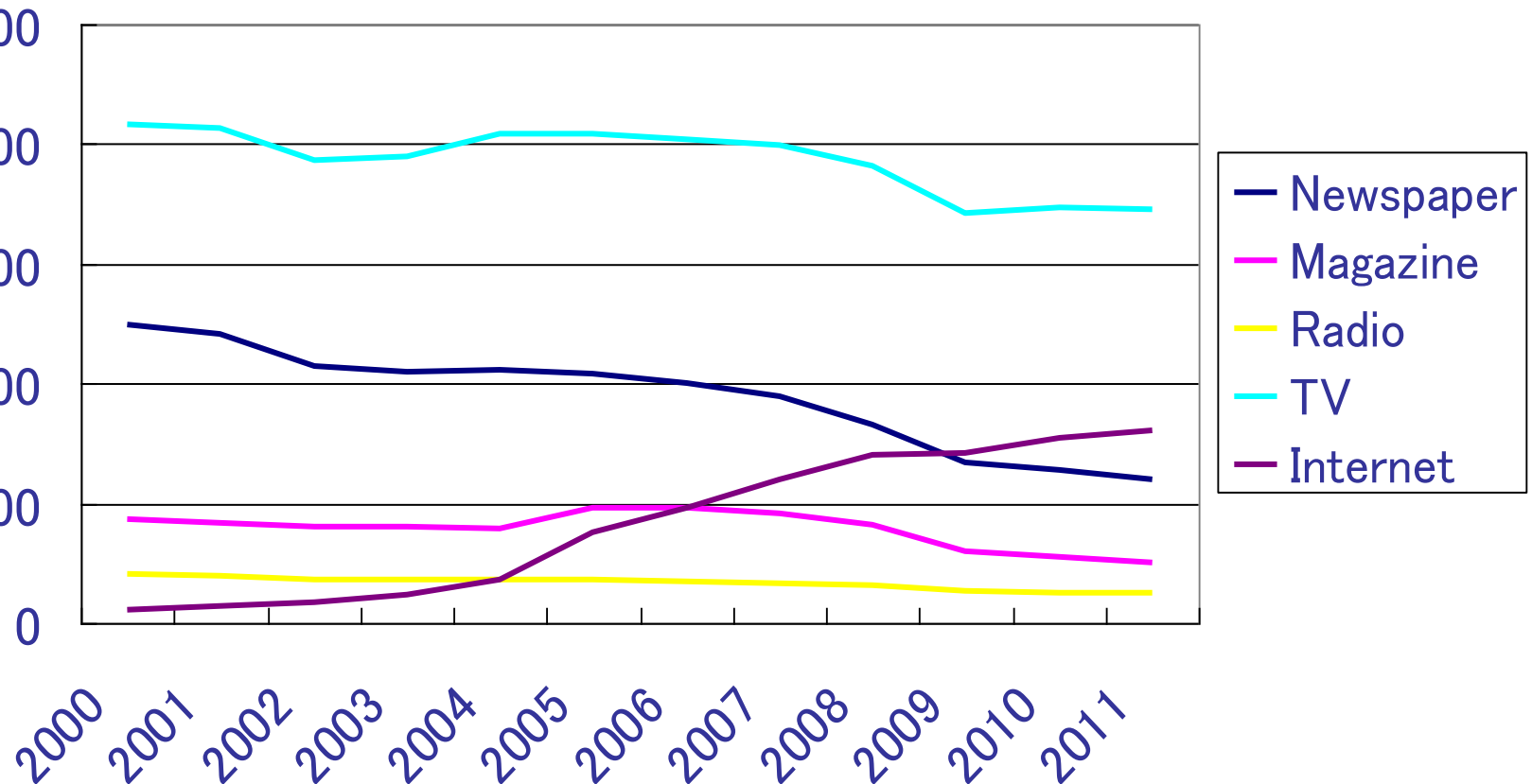
Top 20 Magazines by ABC Circulation

(Jan.-Dec. 2011)

| Rank | Title | 2010 | 2011 | Comparison | Genre |
|------|------------------------|---------|---------|------------|------------------|
| 1 | Ie no Hikari | 586,572 | 582,983 | 99% | Home Magazine |
| 2 | The Television Monthly | 650,911 | 533,573 | 82% | TV Magazine |
| 3 | Weekly Bunshun | 483,980 | 485,116 | 100% | Weekly Magazine |
| 4 | sweet | 550,703 | 414,746 | 75% | Women's Magazine |
| 5 | Weekly Gendai | 383,860 | 407,949 | 106% | Weekly Magazine |
| 6 | Weekly Shincho | 395,341 | 387,161 | 98% | Weekly Magazine |
| 7 | ESSE | 394,795 | 366,595 | 93% | Women Housekeep |
| 8 | MORE | 334,038 | 336,693 | 101% | Women's Magazine |
| 9 | Weekly Post | 292,046 | 317,546 | 109% | Men Weekly |
| 10 | InRed | 374,767 | 286,458 | 76% | Women Middle |
| 11 | Seventeen | 285,097 | 281,739 | 99% | Women Teen |
| 12 | Thank you! | 306,590 | 270,574 | 88% | Women Housekeep |
| 13 | The Television | 334,955 | 266,767 | 80% | TV Magazine |
| 14 | With | 301,010 | 265,198 | 88% | Women's Magazine |
| 15 | Josei Seven | 273,849 | 255,974 | 93% | Women's Weekly |
| 16 | Josei Jishin | 255,089 | 243,568 | 95% | Women's Weekly |
| 17 | Josei Jishin | 314,407 | 242,233 | 77% | Women Young |
| 18 | Vivi | 286,039 | 234,370 | 82% | Women Teen |
| 19 | Nikkei Business | 245,548 | 231,203 | 94% | General Business |
| 20 | steady | 277,707 | 229,364 | 83% | Women's Magazine |

Ad Spend Trends by Media: 2000-2011

(JPY 100 mil.)



Source: "Advertising Expenditures in Japan 2011" by Dentsu

Ad Spend by Media: 2009-2011

| | Ad Expenditure (One hundred million yen) | | | Year on Year (%) | | Composition ratio (%) | | |
|--|---|--------|--------|---------------------|-------|--------------------------|------|-------|
| | 2009 | 2010 | 2011 | 2010 | 2011 | 2009 | 2010 | 2011 |
| Total advertising spending | 59,222 | 58,427 | 57,096 | 98.7 | 97.7 | 100.0 | 100 | 100.0 |
| Traditional media total | 28,282 | 27,749 | 27,016 | 98.1 | 97.4 | 47.8 | 47.5 | 47.3 |
| Newspaper | 6,739 | 6,396 | 5,990 | 94.9 | 93.7 | 11.4 | 10.9 | 10.5 |
| Magazine* | 3,034 | 2,733 | 2,542 | 90.1 | 93.0 | 5.1 | 4.7 | 4.5 |
| Radio | 1,370 | 1,299 | 1,247 | 94.8 | 96.0 | 2.3 | 2.2 | 2.2 |
| Television | 17,139 | 17,321 | 17,237 | 101.1 | 99.5 | 29.0 | 29.6 | 30.2 |
| Satellite media-related ad spending | 709 | 784 | 891 | 110.6 | 113.6 | 1.2 | 1.3 | 1.6 |
| Internet ad spending | 7,069 | 7,747 | 8,062 | 109.6 | 104.1 | 11.9 | 13.3 | 14.1 |
| Media cost | 5,448 | 6,077 | 6,189 | 111.5 | 101.8 | 9.2 | 10.4 | 10.8 |
| Ad production cost* | 1,621 | 1,670 | 1,873 | 103.0 | 112.2 | 2.7 | 2.9 | 3.3 |
| Promotional media-related ad spending | 23,162 | 22,147 | 21,127 | 95.6 | 95.4 | 39.1 | 37.9 | 37.0 |
| Outdoor* | 3,218 | 3,095 | 2,885 | 96.2 | 93.2 | 5.4 | 5.3 | 5.1 |
| Transit* | 2,045 | 1,922 | 1,900 | 94.0 | 98.9 | 3.4 | 3.3 | 3.3 |
| Flyers* | 5,444 | 5,279 | 5,061 | 97.0 | 95.9 | 9.2 | 9.0 | 8.9 |
| DM* | 4,198 | 4,074 | 3,910 | 97.0 | 96.0 | 7.1 | 7.0 | 6.8 |
| Free newspapers/magazines* | 2,881 | 2,640 | 2,550 | 91.6 | 96.6 | 4.9 | 4.5 | 4.5 |
| POP | 1,837 | 1,840 | 1,832 | 100.2 | 99.6 | 3.1 | 3.1 | 3.2 |
| Phone directory | 764 | 662 | 583 | 86.6 | 88.1 | 1.3 | 1.1 | 1.0 |
| Exhibition, video, etc. | 2,775 | 2,634 | 2,406 | 94.9 | 91.3 | 4.7 | 4.5 | 4.2 |

Source: "Advertising Expenditures in Japan 2011" by Dentsu

Top 10 Magazine Advertisers in 2011

| Rank | Advertiser | Industry | Spending (mil. Yen) |
|-------|----------------------|---------------------------------|------------------------|
| 1(1) | Panasonic | Household electronic appliances | 3,557 |
| 2(3) | Chanel | Fashion | 3,223 |
| 3(5) | Shiseido | Toiletry/Cosmetics | 3,006 |
| 4(2) | Kao | Toiletry/Cosmetics | 2,426 |
| 5(4) | Sanyo Shokai | Fashion | 1,838 |
| 6(6) | U-CAN | Education | 1,723 |
| 7(10) | San-ei International | Fashion | 1,604 |
| 8(11) | Mark Styler | Fashion | 1,396 |
| 9(13) | Luis Vuitton | Fashion | 1,298 |
| 10(8) | Philip Morris | Cigarette | 1,218 |

Source: MRS Ad Research, Inc.

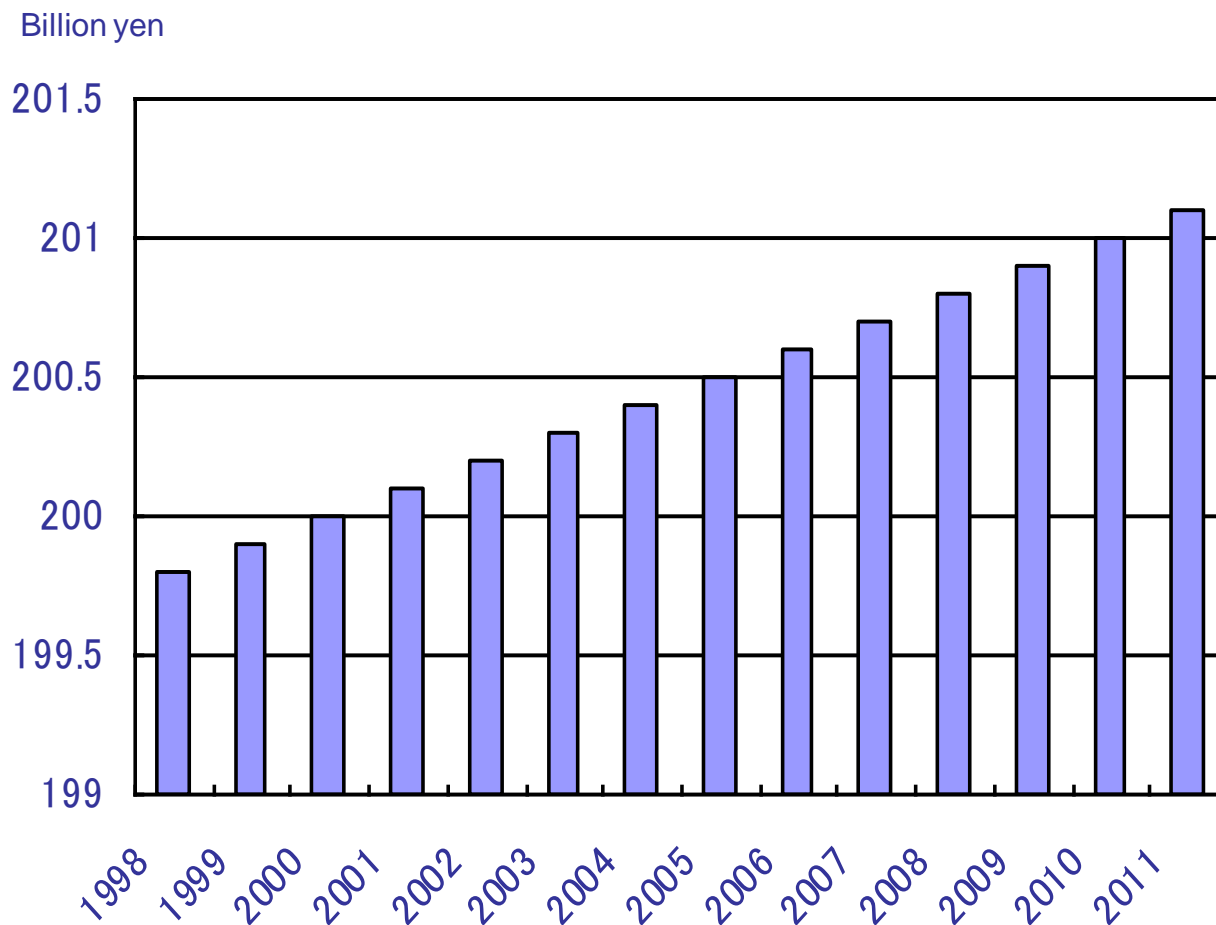
Top 20 magazines in ad revenue - 2009

| Rank | Magazine | Publisher | Ad revenue (mil. Yen) | Genre |
|------|-----------------|--------------------|-----------------------|------------------|
| 1 | Nikkei Business | Nikkei BP | 5,000 | General business |
| 2 | ViVi | Kodansha | 2,000 | Women |
| 3 | MORE | Shueisha | 1,960 | Women |
| 3 | Oggi | Shogakukan | 1,960 | Women |
| 5 | 25ans | Hachette Fujingaho | 1,900 | Women |
| 5 | Weekly Bunshun | Bungeishunju | 1,900 | Weekly |
| 7 | Orange Page | Orange Page | 1,850 | Women |
| 8 | CanCam | Shogakukan | 1,840 | Women |
| 9 | with | Kodansha | 1,800 | Women |
| 10 | an・an | Magazine House | 1,710 | Women |
| 11 | ELLE Japon | Hachette Fujingaho | 1,700 | Women |
| 11 | STORY | Kobunsha | 1,700 | Women |
| 13 | AneCan | Shogakukan | 1,620 | Women |
| 14 | SPUR | Shueisha | 1,500 | Women |
| 14 | VOCE | Kodansha | 1,500 | Women |
| 14 | CROISSANT | Magazine House | 1,500 | Women |
| 14 | ESSE | Fusosha | 1,500 | Women |
| 14 | VERY | Kobunsha | 1,500 | Women |
| 19 | Nikkei Computer | Nikkei BP | 1,450 | Computing |
| 19 | Lettuce Club | Kadokawa SS | 1,450 | Women |

Source: Yano Research Institute Ltd.

Online ad spend in Japan

| Year | Billion yen | (%) |
|-------------|--------------|---------------|
| 1998 | 11.4 | -- |
| 1999 | 24.1 | 211.4% |
| 2000 | 59 | 244.8% |
| 2001 | 73.5 | 124.6% |
| 2002 | 84.5 | 115.0% |
| 2003 | 118.3 | 140.0% |
| 2004 | 181.4 | 153.3% |
| 2005 | 377.7 | 208.2% |
| 2006 | 482.6 | 127.8% |
| 2007 | 600.3 | 124.4% |
| 2008 | 698.3 | 116.3% |
| 2009 | 706.9 | 101.2% |
| 2010 | 774.7 | 109.6% |
| 2011 | 806.2 | 104.1% |



Source: Dentsu



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