NTV

Nippon Television Network Corporation

Annual Report for the Year Ended March 31, 2006

Changing Television

as

Television Changes


テレ
2006 社長

To Our Shareholders and Stakeholders

We at NTV understand that our people are the key to this organization. Since my appointment as NTV president in 2005, I have been urging that we harness our collective strengths to achieve "total success" as a comprehensive media company. In spite of today's rapidly changing business environment, I am increasingly convinced that television will remain the first-choice medium for the next decade and beyond. I am therefore calling upon all of us to work in unity and purpose to come through this time of transition victoriously.

We are now seeing the dawn of a multichannel, multimedia era powered by digital technology. Developments such as the launch of digital terrestrial broadcasting in December 2003, the introduction of "1-SEG" services in April 2006 and the rush by an array of companies into the Video-on-Demand (VoD) business are continuing to promote the shift from a "television-only age" to an epoch where television is merely another media option. Recognizing this trend, we at NTV have undertaken aggressive new business initiatives for delivering content over a number of transmission platforms to complement terrestrial broadcasting operations. To further develop such endeavors and shore up the growth potential of NTV's future earnings foundation, we recently devised our Medium-Term Management Plan through FY2008, the year of NTV's 55th anniversary.

In sharing my thoughts toward achieving "total success," I believe my role is to illuminate a path so that we can accelerate to maximum speed.

Opportunities that Drive Us Forward

The convergence of communication and broadcasting to form a multichannel universe is a developing theme in discussions of transmission platforms. The precise nature of this transformation, however, is the expanding range of viewing devices that function as connection points to media images—incomparable to options available during the analog age. NTV is aiming to step out in front of its rivals and capitalize on these tremendous opportunities by pressing ahead with a "multi-point" strategy to make NTV content accessible anytime and anywhere. The main components of this battle plan are “1-SEG” services for mobile phones and the transmission of content over the Internet via NTV2.

As apparent with the Winter Olympics in Torino, the Olympic Games have historically had a tremendous impact on television sales and viewing. Over 100 million stationary television sets can already be found in Japanese homes, but with the 2008 Olympics set to take place in nearby Beijing, which has only a one-hour time difference, people have begun to replace these older models with high-resolution sets featuring high-quality sound and digital terrestrial reception. The upcoming Beijing games promise to become a watershed event for television-related industries. Moreover, considering that upwards of 90 million mobile phone contracts have been concluded in Japan, even by conservative estimates 10 million users are expected to trade in their phones for new models equipped with television functions in time for the 2008 Olympics. In other words, both the number of viewers and viewing settings will significantly increase.

How to capitalize on such an enormous business opportunity is the issue at stake. Marking NTV’s 55th anniversary as Japan’s first commercial broadcaster, 2008 is poised to become a crucial year for our monumental leap into the future.

Paradigm Shift to Create New Value

In addition to the transforming external environment, NTV faces internal issues that must be solved. The uniquely innovative and inventive programs that upheld our dominance over the quadruple crown title of annual viewer ratings have declined in number, and programs that once boasted top viewer ratings have slipped in popularity. Regrettably, this underlies the decrease in NTV’s broadcasting sales. Above all else, we will make every effort to strengthen our content creation capabilities.

Although we can say that we have repeatedly persevered under intense competition in the past, it is also true that the operating environment was incredibly favorable compared to now. In the analog era, when televisions were set in living rooms like furniture, the battle was to determine who would be number one amongst a limited number of contestants from the same industry. Today the tournament is open to a large number of competitors appearing on the scene, forcing us to find an answer to the question, “How do we clearly gain predominance?” Though somewhat belatedly, we in the broadcast industry have entered this arena of intense competition.

I am taking every possible opportunity to promote a renewal of the mindset among NTV employees and calling for a fundamental paradigm shift. Because we are building a foundation for competition of the sort we have never before experienced, speed has become paramount. To chalk up steady results, however, we are forging ahead guided by the motto, “Make haste at our own pace, act swiftly without panic.”

NTV’s major strengths include its talent as a content creator, on par with that of major production companies in Hollywood, and the ability to coordinate how, when and through what transmission platforms content will be delivered in order to maximize its value. I am proud to say that NTV is a leader among Japanese broadcasters in these areas.

Our Present Calling as a Television Company

Although technically “commercial broadcasters,” we in the television industry also bear a responsibility to the public. The unique nature of television is its power to convey the same information to a vast multitude of people at the same time, exemplified by its unrivalled capacity to instantaneously communicate news during major disasters. Although the Internet, telecommunications and a variety of businesses can perform similar functions as broadcasting, the public responsibility that stems from the power to transmit identical content all at once lies firmly in television’s domain. Indeed, our capacity to feed a coherent message simultaneously to 40 million-plus households through 100 million “image receivers” is a competitive strength—made even more prominent by the current conditions of unbounded competition.

As a result of our public nature, we have amassed a reserve of information and wisdom regarding content screening and viewer responses, which in turn have helped us build relations of trust with viewers and advertisers alike. I would like us to renew our awareness and appreciation of the significance of continuously delivering programs over the most stable frequency band in mass media. It is important that we see in a fresh light the essence of broadcasting— the convergence of hardware and software, human talent and management resources to accomplish a truly amazing feat. Rediscovering this perspective, we will make every effort to raise our performance.

Drawing upon our unsurpassed content-creation abilities, the NTV Group will work to combine broadcast-centered mass media with interactive media driven by digital technology, and evolve into a comprehensive media company.

“Total success,” or preeminence over all transmission platforms of the video-image culture, is the mission that NTV unceasingly endeavors to fulfill.

We thank our shareholders and all of our stakeholders for their recognition of our true potential, and ask for your continued trust and support.

Shintaro Kubo
Representative Director and President
Nippon Television Network Corporation

Medium-Term Management Plan for FY2008

Envisioning the mission to fulfill our role as a comprehensive media company, we drew up our Medium-Term Management Plan that sets forth business targets for the next three years and specific strategies for attaining these goals.

LONG-TERM MANAGEMENT CONCEPT

NTV's formidable competitive strength derives from its unrivalled ability to create winning media content regardless of changes in distribution channels and profit structures over time. Enjoying the overwhelming support of the viewing public as a provider of objective and informative news as well as top-quality entertainment, NTV's unwavering vision is to attain preeminence over all transmission paths in our video-image culture.

NTV'S FORWARD-LOOKING MISSION = LONG-TERM MANAGEMENT TARGETS

1	**Stand prominently as No. 1 in the advertising market over all distribution channels while maintaining broadcasting as our focal point**
2	**Secure place as the No. 1 provider of content for all transmission platforms**
3	**Establish a revenue-generating pillar in non-broadcasting business**
4	**Gain recognition as No. 1 across all media industry assessments**

MEDIUM-TERM TARGETS

"TOTAL SUCCESS" IN FY2008 = THE FOUR NO. 1s

1	**No. 1 in broadcasting sales**
2	**No. 1 in content delivery**
3	**No. 1 growth in non-broadcasting revenue sources**
4	**No. 1 in delivering customer satisfaction**

MEDIUM-TERM STRATEGIES TO ACHIEVE GOALS

1 **Bolster content production capabilities in order to expand revenues**

A. Introduce new standards for adopting distinctive content plans
B. Utilize viewer satisfaction surveys on a wider scale
C. Refine news and sports programming
D. Conduct a sweeping review of program production costs and sharpen investment decisions
E. Nurture human resources
F. Overhaul approach to live professional baseball broadcasts: Bring ingenuity to production, strengthen PR, maximize value of content by diversifying channels including BS, CS, the Internet and others

2 **Multiply uses of content and leverage know-how in terrestrial broadcasting to expand non-broadcasting revenue**

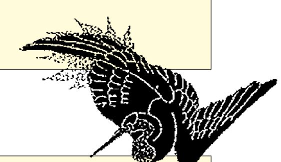
A. Media Commerce business: Reinforce ties with terrestrial broadcasting business, expand multi-use through mobile applications
B. Copyright business: Strengthen links with animation and other terrestrial television areas
C. Movie business: Develop connections with television drama projects; branch out into overseas markets
D. IT-related business: Enhance original content for NTV2 and widen IT business domains centered on Forecast Communications Inc.

3 **Shore up the real estate business**

Position efficient use of the Kojimachi property, currently under consideration as a Companywide project, as a strategic issue of utmost importance

4 **Aggressively pursue M&A options**

Accelerate an attack-focused approach



FINANCIAL AND DIVIDEND POLICIES

1 **Emphasize the recurring profit (RP) margin as an important management indicator**

2 **Maintain a dividend payout ratio of 33% (minimum ¥150 per share)**

FISCAL TARGETS OF THE MEDIUM-TERM MANAGEMENT PLAN

Figures in billions of yen except for percentages

	Fiscal 2005 (actual)	**Fiscal 2008 (target)**	Compared with fiscal 2005	Annual growth rate, fiscal 2005→2008
Net sales	346.6	**428.0**	+81.4	+7.3%
Television broadcasting segment revenue	277.2	**310.0**	+32.8	+3.8%
Broadcasting revenue	255.4	**288.0**	+32.6	+4.1%
Non-broadcasting revenue	69.4	**118.0**	+48.6	+19.4%
Recurring profit	30.0	**43.0**	+13.0	+12.7%
RP margin	8.7%	**10.0%**	+1.3%	
Television broadcasting segment revenue ratio	80.0%	**72.4%**	-7.6%	—

Television Transforms

NTV: A Bold Pioneer Magnifying

Japanese Lifestyles

the Potential of Television

Special Features:

Television is one of the most awe-inspiring inventions of the twentieth century, allowing anyone with a receiver to view programming free of charge.

Since NTV's beginnings in 1953 as Japan's first commercial broadcaster, Japan's television era has truly opened up. Dense crowds of onlookers on the street gathered around the "curbside set" were a regular sight as the world came to understand the power of television media.

In no time at all, television leapt into a prominent role in Japan's living rooms as one of the "three sacred treasures" coveted by all. In those days television was synonymous with entertainment. It was a window for viewing a spectrum of news, sports and all manner of visual entertainment in the convenience of the home—a brilliant addition in any living room.

Since the dawn of color broadcasting in the 1960s, television has continually enjoyed a golden age.

NTV has fearlessly pushed the boundaries of television's potential, rapidly carving out the Company's position as a leader in our video-image culture.

Changing Television

NTV has a history of groundbreaking innovations: We delivered Japan's first commercial color broadcasts in 1960, introduced multilingual broadcasts in 1981 and unveiled Wide Clear Vision broadcasting in 1995.

While making repeated technological breakthroughs and creating outstanding content lauded by a multitude of viewers, for a decade from 1994, NTV held the quadruple crown for top average viewer ratings across the four viewing-time periods of all day, prime time, golden time and non-prime time.

The television industry, however, is facing a steadily changing environment. The most significant development is the appearance of a diverse number of content-viewing windows. Through the proliferation of computers, mobile devices and other interactive media, competition for viewers' eyes continues to heat up. Forces accelerating these trends include the beginning of digital terrestrial broadcasting and "1-SEG" services. Opportunities to watch television, previously possible only in the living room, have proliferated all at once. For television broadcasters who possess the strongest content around, this means the ultimate occasion to maximize earnings as television becomes available anytime and anywhere.

as Television Changes

From a “Television-Only Age” to a “Television Plus Other Media Era”

Inherent constraints in the broadcasting industry include time, with just 24 hours in a day for programming transmission, and geography, with licensing-related issues leading to regional restrictions. Five key broadcasters have long dominated the Tokyo region and there have been no new entrants for nearly 50 years. On top of these factors, NTV sat atop viewer ratings for an extended time, cultivating a management strategy centered on expanding high-margin broadcasting revenues. As such, there is more than ample room for future growth of non-broadcasting revenues, particularly reuse of content, program sales to overseas markets and format licensing. We are also aggressively forging ahead with the development of high-growth businesses such as movies and media commerce, particularly television-based shopping.

The transition from an analog environment to one providing digital multichannel options has been a major factor driving the television industry into a period of intense competition. Although multichannel analog did take the form of cable television and satellite broadcasting, it never became more than an extension of the conventional model of receiving information over a stationary set. The shift to a multichannel digital environment during the past several years has spurred the emergence of a variety of broadcast-like businesses, triggering the beginning of all-out competition for survival.

A number of surveys reveal that average television-viewing time over the past decade has hovered at three and one-half to four hours per day in nations where the industry is advanced. Viewing time has fragmented, however, with the spread of multichannel options, raising concerns that television is losing some of its relative value.

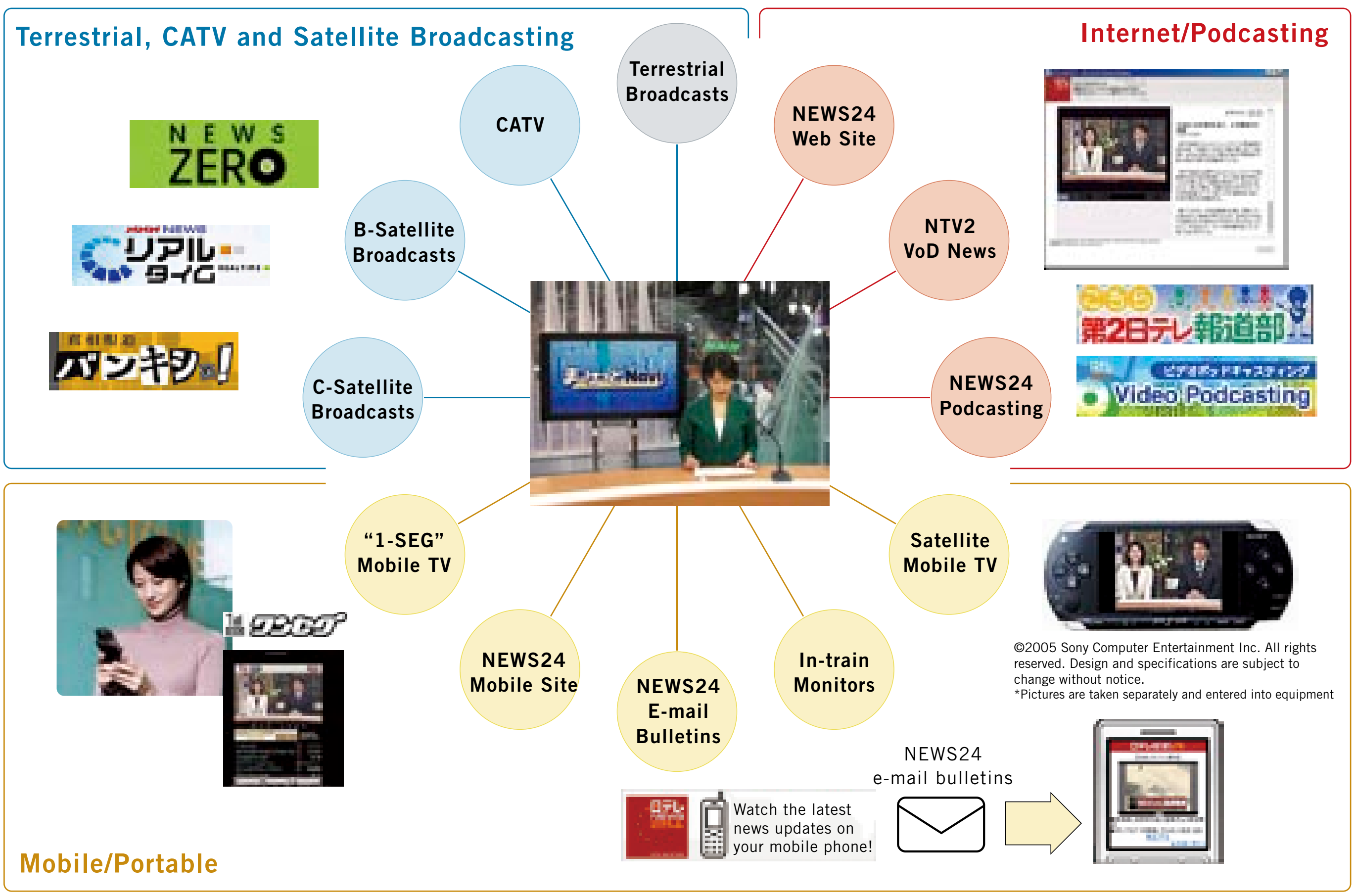
Tensai Shimura Dobutsuen

The God of Entertainment

LINE-UP LAW OFFICE

Working from the Strengths of Television,

Expanding to Multiple Contact Points



When viewed from an angle of emphasizing content creation capacity, however, this shift can also be seen as opening up new business opportunities. Marked increases in occasions for viewing visual media through the proliferation of television-capable mobile phones, server-fed broadcasting and VoD services, coupled with an insufficient amount of appealing content, presents television-industry players with a favorable environment based upon their leadership as content producers for Japan's visual media universe.

During this shift to digital convergence, NTV's prowess as a content developer serves as its ultimate weapon. As transmission platforms and media windows diversify, our growth from this time forward hinges on just how well we exert our abilities to produce groundbreaking programming. Stated another way, we can grow to the extent we are able to expand the number of opportunities for viewers to come into contact with NTV content.

Moving beyond its Limitations

Approximately 48 million television-viewing Japanese households are currently equipped with upwards of 100 million stationary sets. The allure of television as a communicative tool lies with its expansive reach and ability to convey the same information to an enormous audience simultaneously, all for a relatively low cost. It is an exemplar of mass media that feeds the content it has decided upon to the public. This is in direct contrast to on-demand mobile Internet services available through mobile phones and other devices, which can be fee-based and customized according to user preferences and location. In terms of volume of information, television is in effect limited, whereas mobile Internet can provide a virtually infinite amount. Mobile Internet is a personal media service that allows users to independently select their desired content. Thus, the merits and limitations of television and mobile Internet are complete opposites, yet combining the two makes for an optimal complementary relationship. New "1-SEG" services via mobile phone represent the fusion of the strong suits of both media.

One of the main reasons for the extensive proliferation of television is certainly its nature as the ultimate passive entertainment media. On the flip side, "1-SEG" services that were made possible through the launch of digital terrestrial broadcasting overcome the constraints of time and place intrinsic to conventional television watching. Now is truly the advent of an "anytime, anywhere" viewing environment. The technology to connect the massive reach of terrestrial broadcasting with the Internet via interactive datacasting is undoubtedly of tremendous significance.

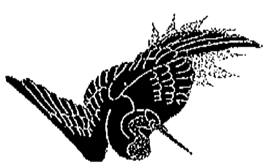
Characteristics of Television and Mobile Phones

	Television = Mass Media-Fed Content	**Mobile Phone = Personalized Selection of Content**
Strong Point	• Simultaneous broadcasting • No operations needed from users	• Selection of attributes • On-demand services • Fees can be charged for each service • Unlimited volume of information
Weak Point	• Selection of attributes • No on-demand services • Fees cannot be charged for each service • Limited volume of information	• Broadcasting is not simultaneous • Users must make a number of operations

Television's strengths are mobile's weaknesses, and television's weaknesses are mobile's strengths

“1-SEG” Services: The Will to Break the Mold

NTV has been endeavoring to create innovative services that, while preserving the positive aspects of television and removing the constraints of time and place, enable the pursuit of a realm of new possibilities. Upon the unveiling of “1-SEG” services, we explored ways to leverage the merits of Internet-based digital broadcasting. We devised a datacasting system where, during brief moments of free time, a user can watch television and casually click on links included on the screen. In addition to watching clear video images, the simple push of a button enables users to enjoy mobile Internet content in the palm of their hands. Moreover, we are currently developing a business model for on-the-go applications, including the fusion of free,



Nippon Professional Baseball 2006

Showing live games and scores

News

Streaming news flashes in liaison with NEWS24 for mobile devices

NTV Gourmet

Gourmet information introduced in association with Recruit Co., Ltd., featuring Hot Pepper Pockets coupons

Examples of “1-SEG” services:

“1-SEG” services make full use of digital terrestrial broadcasting features, namely simultaneous transmission of image, voice and datacasting, enabling the display of links to mobile Internet in complement to the programs being viewed. In addition to mobile phones, potential receivers include car navigation systems, PCs, portable televisions and a diverse range of other devices. Based upon their stable reception, these devices can fulfill an important function as information terminals following the occurrence of natural disasters and emergencies.

and Venture into New Businesses

advertising-supported broadcasting with fee-based mobile content, the operation of media commerce sites and advertising services targeting portable devices. NTV is also stepping up initiatives in cross-industry collaboration. For example, we included on the NTV site a gourmet information page from Recruit Co., Ltd. and established a limited liability partnership with NTT DoCoMo, Inc. for investment in and creation of prime content.

These endeavors have been highly acclaimed outside of the Company. NTV was presented with an Excellence Award in the mobile content category at the Mobile Project Awards 2006, hosted by the Mobile Content Forum in July 2006. NTV was chosen based upon its innovative advances in the area of mobile content, as well as outstanding accomplishments in enhancing user convenience and contributions to the development of the field through its cross-industry partnerships. NTV became the first television broadcaster to win this award since the Mobile Content Forum began presenting them in 2002.

"1-SEG" services must present simultaneous broadcasts of the same programming being shown on household television sets by the time providers renew their licenses for the launch of digital terrestrial broadcasts in 2008. NTV is working aggressively to establish the foundation of its "1-SEG" services as a new business in time for the renewal of its license.

Basic Screen Layout of "1-SEG" Service

NTV2: Promoting VoD for Personal Computers

NTV2, launched as a VoD service in October 2005, is another business we are developing that pushes the envelope beyond conventional television. Utilizing the Internet as a broadcasting medium, NTV is leveraging its capabilities in producing outstanding content in a drive to rapidly obtain one million subscribers and expand this undertaking as a non-broadcasting source of revenue. NTV2 has a dual source of revenues including fee-based content and free content with advertising revenues from sponsors.

Initially, NTV mainly provided downloads of archived programming, but we are now pouring efforts into distributing breaking news and other current broadcast material, as well as original content for NTV2. We are confident that our expertise as a top producer of content will serve to distinguish our VoD services from those of competitors seeking to gain a foothold in the market. Furthermore, through a variety of trial offerings, we are striving to develop a menu of programs suited to the viewing habits of Internet users. Following the revamping of the NTV2 site in April 2006, the number of hits to played-back video material increased by three to fifteen times depending on the content. We will further improve the usability of the site to make it No. 1 in Japan in terms of the volume of video files watched.

NTV2 Content

News

©NTV

Original Content

News programming is an example of frequently accessed content. In addition to streaming broadcasts of *NNN News Real Time* evening news, the NTV2 news section has an "extra edition" page for viewing breaking news. Our lineup of popular content also includes the *Denpa Shonen* and *Raiha Shonen* series; *Itoh-ke Land*, which introduces useful housekeeping, cooking and other tips; and *Zassa*, a program of original content created by popular comedian Hitoshi Matsumoto. *Zassa* in particular has drawn wide interest as the first original content released by Matsumoto in five years, with over 25,000 viewers purchasing this fee-based content in the first three months since the initial release. Expectations for repeat purchasing of *Zassa* are running high. Among NTV-sponsored movie projects, we offer a portion of the film *Tachiguishi Retsuden*, directed by Mamoru Oshii, on NTV2 in conjunction with sales of the DVD on NTV's media commerce site. We will continue to distribute a broad range of new content, including free streaming of autumn Tokyo Big6 Baseball League college games from September 2006.

Developing Content to Win in the Multichannel Era

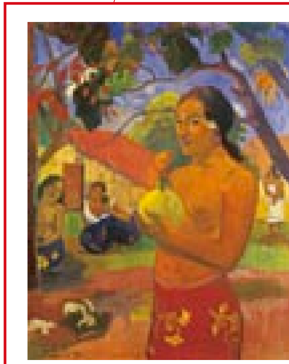
The source of NTV's competitive strength lies with its ability to produce outstanding, pace-setting programs and original content. To retake the top position in viewer ratings, NTV has been working since April 2005 to drastically overhaul its regular programs. In January 2006, NTV also reorganized its former Programming Division into the Programming, Production and Sports & Infotainment Divisions. This allowed us to streamline our extensive programming divisional structure while preserving our collective power, and gave each division a more flexible framework to freely develop and create unique content and major sports programs. As part of our efforts to reorganize the Group company structure, we placed younger executives into top positions at production-related Group companies in July 2006. Another primary objective of our new Medium-Term Management Plan, in addition to recovering broadcasting sales, is to expand non-broadcasting revenue sources in order to reduce our reliance on revenues from the television broadcasting segment. As a step in this direction, we set up the new Multi-Use Program Strategy Department.

Among NTV's current non-broadcasting revenue sources, the movie business generates the highest amount of sales owing to its longstanding aggressive posture toward pursuing new opportunities. NTV has taken great strides in independent planning and production of original movies. Our recent features include *ALWAYS—Sunset on Third Street*, a box-office success in November 2005; the two-part movie *DEATH NOTE*, the first part of which was shown in June 2006 and the second half is scheduled for release in November; and *Boy Meets Ghost*, released in August 2006. Through our long-time partnership with Studio Ghibli, we have also contributed to funding an extensive lineup of blockbuster animated movies such as the film *TALES from EARTHSEA*, directed by Goro Miyazaki, which opened in July 2006 to great popularity. Movies in which NTV took the leading production role are being converted to DVD and sold through consolidated subsidiary VAP Inc., and are being well received in the market. In addition to movies, VAP Inc. also creates and sells

Events

Art

Summer 2006 event "Go! Shiodome Jamboree—Be Taro" was held at NTV's head office. Artist Taro Okamoto's masterpiece mural "Myth of Tomorrow" was on display, drawing 2.02 million visitors.



Our Landscape: 400 Years of European Paintings of the State Hermitage Museum
©The State Hermitage Museum, St. Petersburg, 2006

Anpanman
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DVDs of NTV programs including dramas, animated features, popular comedy shows and South Korean dramas that have recently created a major sensation in Japan. Sales of these are contributing greatly to the Group's consolidated performance.

NTV is engaged in a number of event businesses that not only provide non-broadcasting revenue sources, but also serve as a portion of the Company's social contribution activities. Drawing on its preeminent expertise as a sponsoring company, each year NTV coordinates several highly popular exhibits of works from the collections of world-renowned international museums. "*Masterpieces from the Louvre Museum: 19th Century French Paintings—from Neoclassicism to Romanticism*" was a resounding success, drawing over one million visitors when it was held in Yokohama from April to July and in Kyoto from July to October 2005. NTV will also host "*Our Landscape: 400 Years of European Paintings of the State Hermitage Museum*" at the Tokyo Metropolitan Art Museum in October 2006.

The media commerce business is currently enjoying significant revenue increases. Though NTV was overdue in entering this field, we are seeing sharp growth in recent years by marketing goods and products related to television programs, and the high proportion of sales accounted for by such items is now a distinguishing feature of this business. The Multi-Use Program Strategy Department aims to capture business opportunities more effectively and on a wider scale by systematically mediating between the Programming Division and the Content Business Division, which have previously operated independently on their own fronts. In the area of program sales overseas, NTV will focus efforts on the high-demand field of animation, and work to expand sales of program-formatting rights.

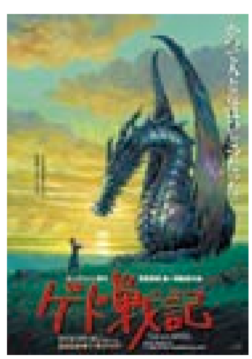
As the multichannel environment becomes more widespread, NTV will continuously offer competitive programming by promoting secondary uses of content and, with an understanding of its public nature, utilize its time-honored screening standards to ensure that program quality is maintained.

Animation

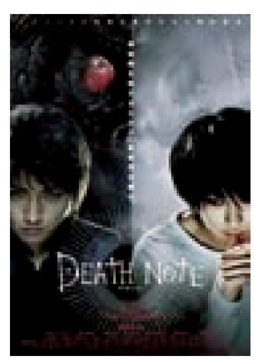
Movies

NANA
©Yazawa Manga Seisakusho / Shueisha
©NTV / VAP / Shueisha / Madhouse

Boy Meets Ghost
©2006 NTV / KOWA / VAP / YTV / YOMIURI SHIMBUN / HOCHI SHIMBUN / YOMIURI AGENCY / SHOCHIKU



TALES from EARTHSEA
©2006 Nibariki •GNDHDDT



DEATH NOTE
©2006 "DEATH NOTE" FILM PARTNERS
©Ohba Tsugumi •Obata Takeshi/ SHUEISHA

Digital Technologies Spur

NTV: Poised to Capitalize

Changes in TV-Viewing Styles

on New Possibilities

Corporate Governance and CSR

MANAGEMENT STRUCTURE

NTV's Board of Directors consists of 16 members, six of whom are outside appointments. NTV utilizes a Board of Statutory Auditors, which has four members, including three outside auditors.

Under the Board of Directors, NTV has also set up an Internal Control Committee to supervise overall operational execution. The Remuneration Committee was formed under the Board of Directors to field inquiries about compensation for directors. In addition, the Company formed a Compliance Committee to ensure thorough compliance and a high degree of transparency in its activities.

NTV also utilizes an executive officer system as a means of delegating authority, accelerating decision-making and clarifying responsibilities for execution of operations. In addition, the Board of Directors, auditors and the Board of Statutory Auditors carry out oversight and auditing functions.

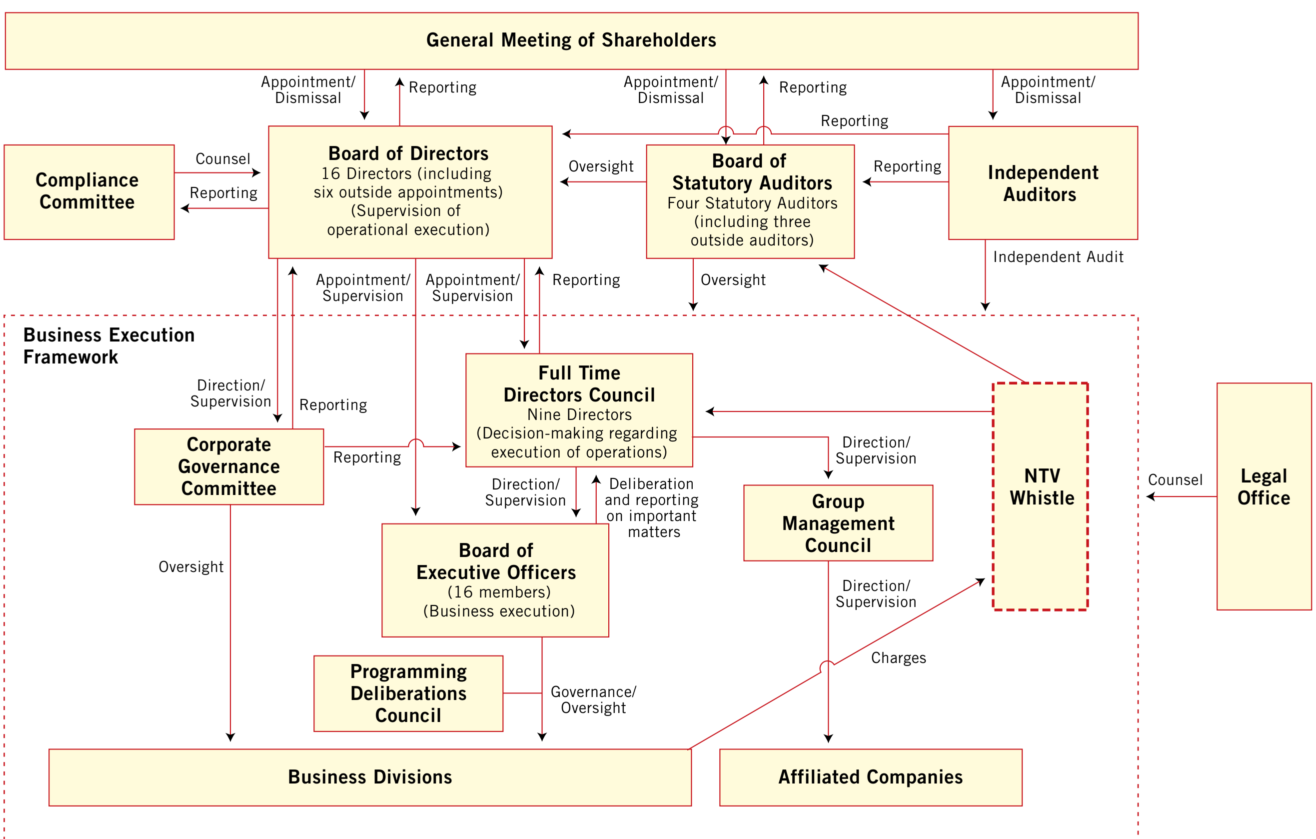
RECENT INITIATIVES

At the General Meeting of Shareholders held in June 2006, NTV appointed one additional outside director, raising the total number of directors to 16 and the number of outside directors to six. The term of office for directors was shortened from two years to one year for the purpose of enhancing management transparency.

Though the Personal Information Protection Law was implemented in April 2005, NTV had already established relevant rules. Since enactment of the new law, NTV has continued working to ensure appropriate handling of personal information, including training of internal and contract employees, as well as steady implementation of auditing plans in each division.

"NTV Sustainability" is our corporate management program encompassing activities aimed at contributing to sustainable development of the environment, global society and business.

Corporate Governance Framework



With a firm awareness of its social responsibilities as a leader among media companies, NTV is aggressively pursuing its "NTV Eco" activities to prevent environmental degradation. In November 2005, the NTV Tower in Minato-ku, Tokyo was awarded ISO 14001 certification, the international standard for environmental management systems (EMS). This achievement marked the first time that a key commercial broadcaster in Tokyo was recognized with certification on a companywide basis.

In April 2006, the IT Planning & Development Division obtained ISO 27001:2005 certification, the international standard in information security management systems (ISMS).

Also in April 2006, as part of efforts to reinforce compliance standards, NTV implemented a review of its regulations and added provisions that prohibit insider trading. Included was a system mandating notice prior to trading of NTV stock, as well as in principle restrictions on short-term trading of stocks in companies where NTV has come into contact with sensitive insider information through the collection of material for its news and other programs. We are also holding educational sessions for all executives and employees to heighten awareness of compliance issues.

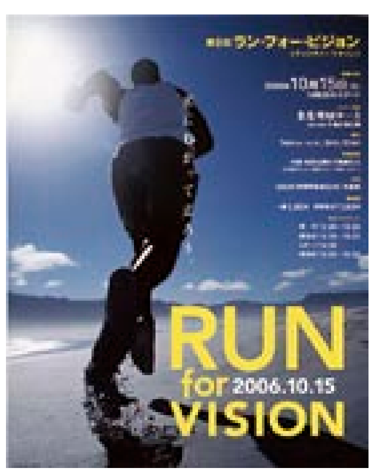
NTV INCLUDED IN FTSE4GOOD INDEX SERIES FOR THIRD STRAIGHT YEAR

In March 2006, NTV was selected for inclusion in the FTSE4Good Index Series, a measure of corporate social responsibility developed by FTSE, an independent U.K. based company that provides equity and bond indices to investors. This marks the third consecutive year NTV has been included in the index, indicating international recognition of the Company's environmental and CSR activities. Starting with the eco-friendly NTV office tower, our wide-ranging activities receiving international acclaim included "Eco Weekend" broadcasts and activities, our *24-Hour Television* program to benefit charity and environmental causes, initiatives to preserve and protect international cultural treasures, and social contribution endeavors such as the Nippon Television Network "Dove of Love" Welfare Foundation.

STANCE ON CSR

As a fundamental responsibility to all stakeholders, NTV's basic policy on sustainability stipulates realizing social contribution initiatives and sustainable increases in corporate value.

24-Hour Television



RUN for VISION is a charity marathon held to raise awareness and support regarding corneal transplants and the activities of the Japan Eye Bank Association. NTV's "Dove of Love" Welfare Foundation was a sponsor of the event.

FTSE4Good

Selected by the FTSE4Good Index Series for the third consecutive year

The NTV Eco-Committee and the NTV Environmental Management Office take central roles in the Company's environmental protection and CSR activities. NTV is an active participant in Team Minus 6%, a program being promoted by the Ministry of the Environment to prevent global warming.

The action guidelines of the NTV Compliance Charter mandate swift, public disclosure of pertinent information, and the Company conducts its corporate activities with fairness and transparency.

SPECIFIC CSR ENDEAVORS

As part of its original social contribution activities, NTV broadcast its *24-Hour Television* program on August 26 - 27, 2006. This marked the 29th annual broadcast of the program, made possible through the generous donations from viewers, the companies who supported the program's theme and the nationwide cooperation of each and every NTV-affiliated station constituting Japan's largest network. Guided by the principle "Love Saves the Earth," donations raised are being put to use in charitable, environmental and disaster-relief causes through the 24-Hour Television Charity Committee. In addition to 7,673 special vehicles contributed for public service activities, funds have also been given to recovery efforts following disasters in Japan and around the world. Following earthquakes, relief aid has been sent to Sumatra in January 2005, northern Pakistan in October 2005 and Java in June 2006.

Highlighted below is a selection of other environmental activities supported through *24-Hour Television* that are undertaken throughout the year in cooperation with local communities.

Lake Biwa Cleanup Efforts

On July 9, 2006, NTV launched its Lake Biwa Project to clean up the shore around the lake. A total of 650 volunteers participated, helping to clear 16 truckloads of driftwood and four tons of garbage.

Cleanup of Illegally Disposed Garbage Around Mount Fuji

The 24-Hour Television Charity Committee led this effort on July 30, 2006 to clean up garbage illegally disposed of around the base of Mount Fuji. This was the third time the event was held, with approximately 1,000 volunteers removing a total of 26 tons of garbage. By broadcasting images of garbage being collected from around Mount Fuji, we aim to instill a determination within the people of Japan to not litter, and to raise awareness of the importance of environmental issues.

NTV places high priority on its eco activities in order to leave behind a beautiful world for future generations in which all can thrive. NTV hosts "Eco Weekend" in conjunction with World Environment Day on June 5 of every year. In 2006, special programs and events were held to promote ecology around the theme of sharing Lifestyles of Health and Sustainability (LOHAS).

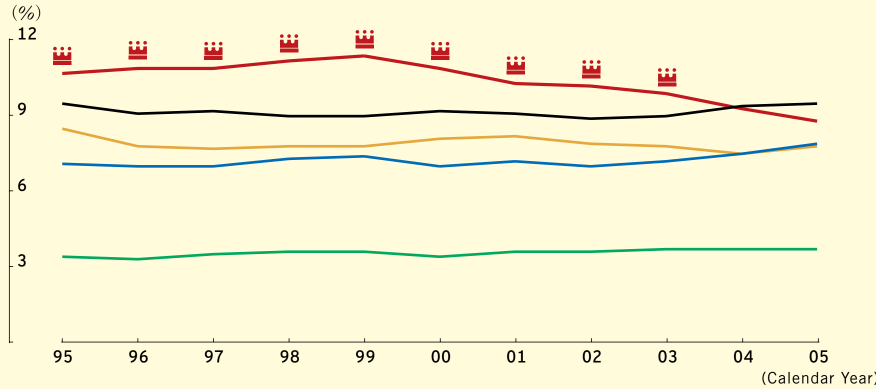
Fund-raising activities for *24-Hour Television*

Lake Biwa Project

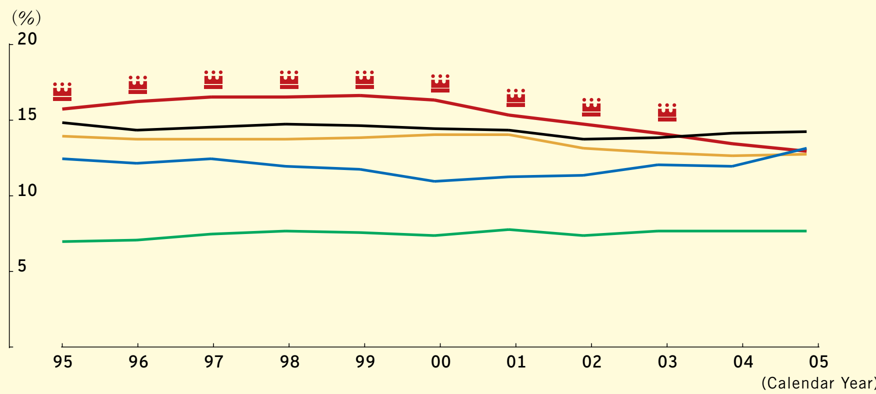
Cleanup activity for illegal dumping at Mount Fuji

Ten-Year Average Viewer Ratings by Viewing-Time Period

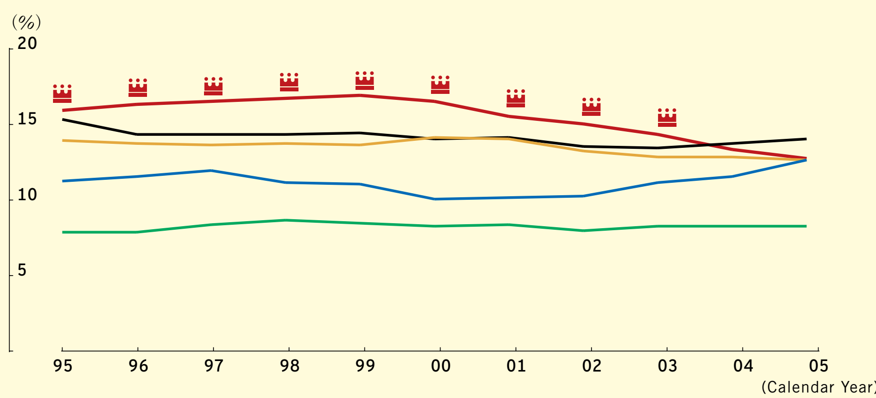
All Day
(6:00-24:00)



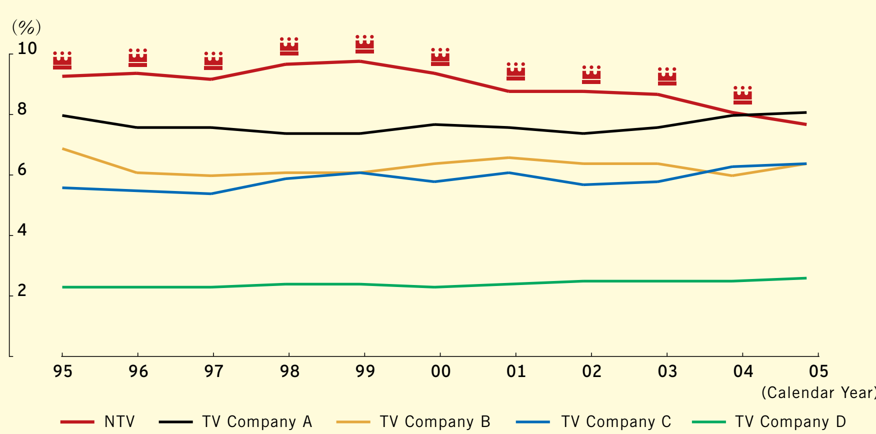
Prime Time
(19:00-23:00)



Golden Time
(19:00-22:00)



Non-Prime Time
(6:00-19:00
23:00-24:00)



Basic Knowledge about Television in Japan

Q1: What kind of laws regulate Japan's television industry?

Television stations in Japan conduct their businesses based upon the stipulations of the Broadcast Law and the Radio Law. Not only is a license needed from the Ministry of Internal Affairs and Communications, the government body that regulates public airwaves and broadcasting, but new entry into the business is also heavily restricted.

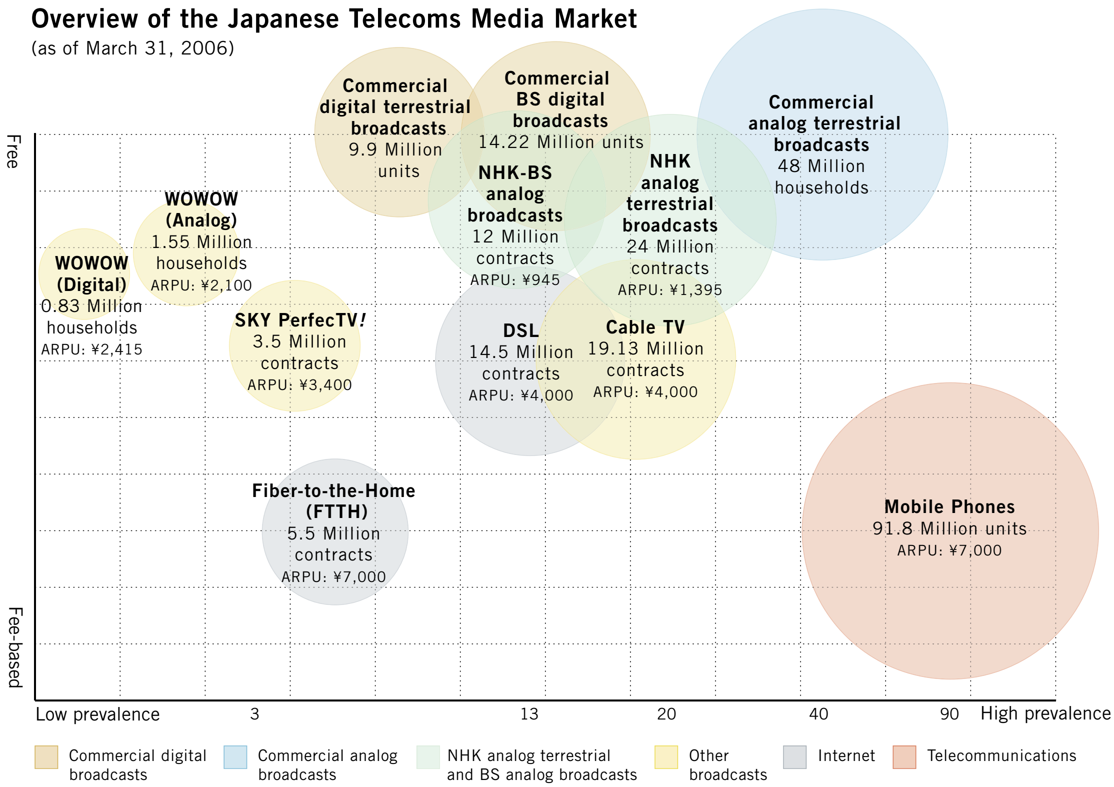
Q2: What is the structure of Japan's terrestrial broadcasting networks?

Japan's main television networks include the public broadcaster, NHK, and a group of commercial broadcasters. Commercial broadcasters can be broken down into several levels, with five major stations centered in Tokyo and operating above a series of regional and local stations. Major stations and local stations work together through affiliation agreements to deliver news and programming, and to cooperate in business activities. To promote decentralization of the mass media, however, each station is a financially independent licensed broadcasting company.

- News Networks: Nippon News Network (NNN), Japan News Network (JNN), Fuji News Network (FNN), All-Nippon News Network (ANN), TXN Network (TXN)
- Major Stations: Nippon Television Network Corporation, Tokyo Broadcasting System, Inc., Fuji Television Network, Inc., TV Asahi Corporation, TV TOKYO Corporation

Overview of the Japanese Telecoms Media Market

(as of March 31, 2006)



ARPU: Average revenue per user (monthly)

Sources: Information & Communications Statistics Database, Ministry of Internal Affairs and Communications
InfoCom Research, Inc.
NTV Media Business Strategy Planning Division survey

Q3: How many television-viewing households are there in Japan?

There are approximately 48 million television households in Japan, nearly equivalent to the nation's total number of households.

Q4: In simple terms, what are “1-SEG” services?

Seen from a global perspective, they are unique Japanese services that combine television and communication services by enabling mobile phone handsets and other mobile equipment to receive crystal-clear television images even when on the move. Using one of the key elements of digital terrestrial broadcasting, programs and commercials are now being broadcast through “1-SEG” services in the same format as they are to televisions.

Q5: What are the main differences between the cable television business in Japan compared with the United States and Europe?

The most significant difference is the much higher number of cable-television subscribers in the United States and Europe. This is due to differences in systems, as well as multilingual broadcasting and other issues.

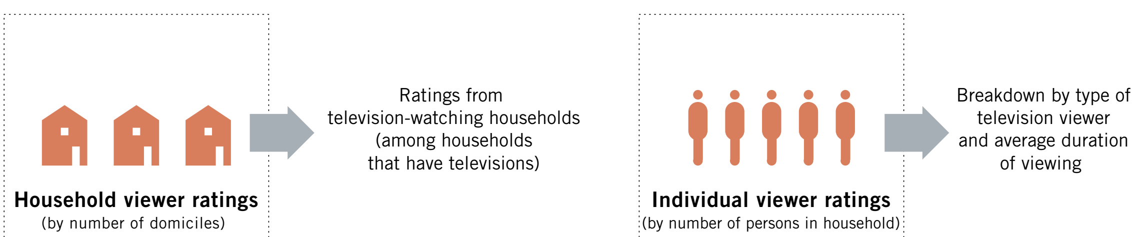
In the United States, there was a long period when television networks were restricted from creating and owning programs. During that period, Hollywood became proficient in producing programs, and the syndication market developed. As a result, a number of specialized channels that centered on old television shows and movies were established. This sort of syndication business was not cultivated in Japan, and the proliferation of multichannel services like cable television has been slower.

In addition, compared with the United States and Europe, Japan has a greater number of relay stations built for broadcasting over public airwaves. Anyone who sets up an antenna can see quality commercial television programs for free, and the custom of paying for television programming has not taken root. In the United States and Europe where paying for television has been well established, however, everyone knows that you cannot watch popular sports, movies and other programs without subscribing to cable television.

In multi-ethnic, multilingual societies like the United States and Europe, multichannel services are needed to cover the diverse number of languages spoken. This is generally not the case in Japan. These are some of the major causes for the difference in the pervasiveness of such services.

Q6: How are viewer ratings measured?

Video Research Ltd. conducts and releases viewer surveys with the cooperation of 6,600 households in 27 regions throughout Japan. These household survey numbers include 600 households in NTV’s Kanto region where a people-meter system is used and individual viewers are surveyed at the same time. The households targeted by the viewer survey are selected based on statistical theory.
(From the Web site of Video Research Ltd.)



Q7: What is the difference between time sales and spot sales?

Time sales are charged in accordance with certain factors concerning commercial messages (CMs) aired during specific programs. Six-month contracts are normally signed with continuation confirmed and fee revisions negotiated in April and October. In this way, time sales are analogous to apartment rental contracts: Clients obtain sponsorship for their favorite programs. However, they are not able to get in if there are no vacancies. Besides regular programs, there are single-episode programs that provide special sales to clients akin to an overnight stay at a hotel.

In spot sales, clients bid for their desired timeslots through their advertising agency, and when a bid is accepted, the CM broadcast schedule information is drawn up with the sale.

CMs are normally broadcast in 15-second participating commercials (PTs) during station breaks between programs. A parallel can be drawn between a tailor’s work and PT sales. High viewer ratings are like more material in the hands of a tailor, who can then make a number of suits. Recently, though, buyers have placed demands on the quality of the material (individual viewer ratings).

Financial Section

CONTENTS

Six-Year Summary

Years Ended March 31	Millions of Yen (Except for per share figures) 2006	2005	2004	2003	2002	2001	Thousands of U.S. Dollars*1 (Except for per share figures) 2006
For the year:							
Net sales	**¥ 346,642**	¥ 357,614	¥ 328,375	¥ 336,299	¥ 358,683	¥ 352,409	**$2,950,898**
Cost of sales	**242,643**	245,109	217,844	215,180	218,889	207,744	**2,065,574**
Operating income	**28,551**	34,325	35,937	47,407	63,574	67,303	**243,049**
Net income	**13,701**	16,846	19,359	20,296	34,648	36,008	**116,634**
At year-end:							
Total assets	**¥ 519,952**	¥ 493,558	¥ 513,430	¥ 476,634	¥ 443,798	¥ 410,042	**$4,426,253**
Total shareholders' equity	**398,018**	366,646	354,046	327,116	323,319	291,501	**3,388,253**
Per share:							
Net income*2	**¥ 545.40**	¥ 671.08	¥ 771.74	¥ 801.99	¥ 1,366.34	¥ 1,419.96	**$ 4.64**
Cash dividends*3	**165.00**	165.00	120.00	120.00	120.00	120.00	**1.40**
Shareholders' equity	**15,945.74**	14,688.07	14,183.02	13,102.25	12,750.14	11,495.33	**135.74**
Ratio (%):							
Operating income margin	**8.2**	9.6	10.9	14.1	17.7	19.1	
Return on assets	**2.7**	3.3	3.9	4.4	8.1	9.3	
Return on equity	**3.6**	4.7	5.7	6.2	11.3	13.2	
Dividend payout ratio	**52.0**	32.8	18.6	15.4	9.4	8.9	

Notes:
1. 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 ¥117.47 to $1, the approximate rate of exchange at March 31, 2006. 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. Net income per share is computed based on the weighted average number of shares outstanding during the respective years.
3. Cash dividends per share are the amounts applicable to the respective years, including dividends to be paid after the end of year.
4. Facts and figures throughout this report relate to the respective years ended March 31 unless otherwise stated.

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.

Management's Discussion and Analysis

1. OVERVIEW

The Japanese economy continued along its recovery path throughout the year ended March 31, 2006, characterized by increases in capital expenditure and consumer spending on the back of improved corporate earnings.

Under these conditions, overall domestic advertising spending totaled ¥5,962.5 billion in 2005, a year-on-year improvement of 1.8%, and the second consecutive calendar year increase according to research by Dentsu Inc. Of this total, spending on television advertising edged down 0.1% year on year to ¥2,041.1 billion. This result is relatively strong when considering that 2004 was buoyed by the Athens Olympics and other major events.

Against this backdrop, the NTV Group's overall performance was mixed. Despite strong DVD sales in the cultural activities segment of movies, dramas and popular comedy television shows, overall revenues and earnings were down due to the drop in sales in the mainstay television broadcasting segment.

(1) Net Sales

In the year ended March 31, 2006, the NTV Group posted consolidated net sales of ¥346,642 million, a decrease of 3.1%, or ¥10,972 million. Steady CD and DVD sales at VAP Inc. were offset by a year-on-year decline in the Group's core television broadcasting segment. In the year under review, time sales fell 4.6%, or ¥6,871 million, and spot sales dropped 5.4%, or ¥6,517 million.

(2) Gross Profit

From a cost perspective, depreciation and amortization expenses, attributed to the Group's Shiodome head office and digital terrestrial broadcasting investments, declined from their peak in the year ended March 31, 2006. As a result, the cost of sales edged down 1.0%, or ¥2,466 million, to ¥242,643 million. Despite this improvement, gross profit contracted 7.6%, or ¥8,506 million, to ¥103,999 million, impacted by the drop in net sales.

Note: Years in the graphs and tables indicate the fiscal year from April 1 to March 31 of the following year. For example, 06 is the period from April 1, 2005 to March 31, 2006.

Industries Showing the Largest Increases (Decreases) in Advertising Expenditures

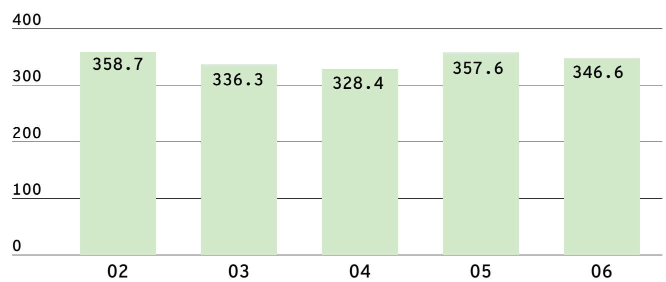
(Four Major Media Only) in 2005

Increased Spending	Comparison Ratio (%)	Contribution Ratio (%)
Finance/Insurance	105.8	39.8
Home Appliances & AV Devices	107.1	13.8
Pharmaceuticals/Medical Supplies	102.8	11.9
Government/Organizations	109.7	10.8
Real Estate/Housing Facilities	102.7	10.0

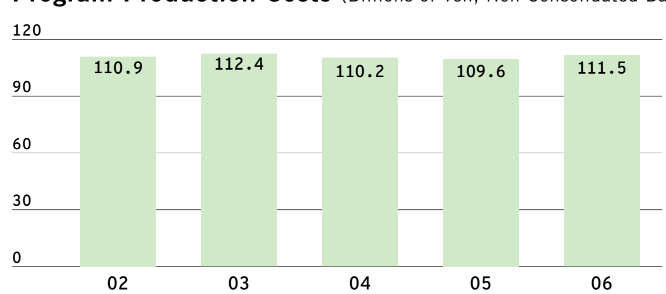
Decreased Spending	Comparison Ratio (%)	Contribution Ratio (%)
Cosmetics/Toiletries	95.6	24.9
Automobiles & Related Products	95.1	18.4
Beverages/Cigarettes	96.5	15.2
Precision Equipment/Office Supplies	81.6	13.0
Logistics/Retail	97.4	9.8

Note: The contribution ratio represents the percentage of contribution to the total amount of the increase or decrease.
Source: 2005 Advertising Expenditures in Japan (Dentsu Inc.)

Net Sales (Billions of Yen)



Program Production Costs (Billions of Yen; Non-Consolidated Basis)



(3) Operating Income

Operating income decreased 16.8%, or ¥5,774 million, to ¥28,551 million, reflecting the drop in net sales. Despite a decline in agency commissions and efforts to reduce overheads through increased efficiency, the improvement in selling, general and administrative expenses was held to 3.5%, or ¥2,732 million, for a total of ¥75,448 million.

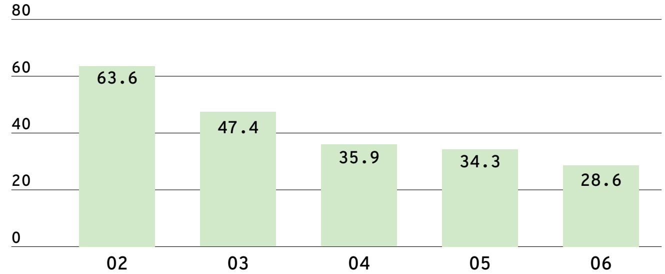
(4) Income Before Income Taxes and Minority Interests

In the year ended March 31, 2006, the NTV Group incurred other net expenses of ¥2,225 million, down from ¥2,538 million in the previous fiscal year. Major components were interest and dividend income of ¥1,049 million and a gain on termination of a partial retirement benefit plan of ¥686 million. This was more than offset by a loss on devaluation of investment securities totaling ¥3,799 million, reflecting the drop in share prices of listed companies. As a result, income before income taxes and minority interests fell 17.2%, or ¥5,461 million, to ¥26,326 million.

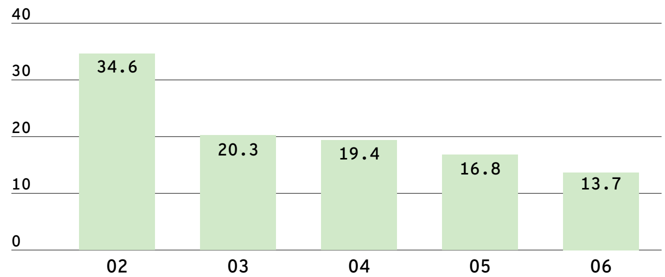
(5) Net Income

Accounting for the aforementioned factors, and total income taxes of ¥10,815 million, net income amounted to ¥13,701 million, a decrease of 18.7%, or ¥3,145 million.

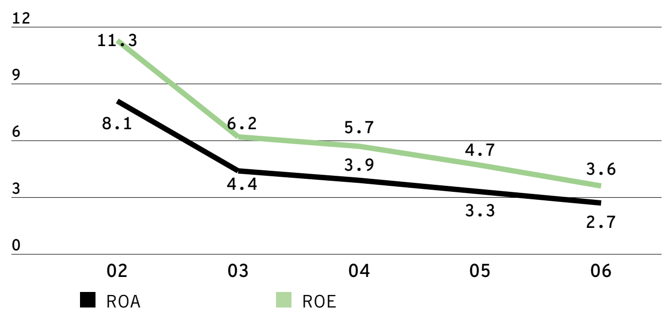
Operating Income (Billions of Yen)



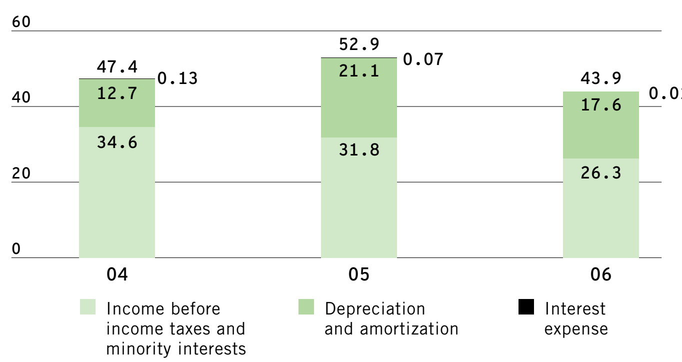
Net Income (Billions of Yen)



Return on Assets / Return on Equity (%)



EBITDA (Billions of Yen)



2. PERFORMANCE BY SEGMENT

(1) Television Broadcasting

In the television broadcasting segment, revenues are derived from sales of broadcasting time to advertisers (broadcasting sales) and programs, through the production and broadcasting of television programs across NTV's nationwide network. The principal subsidiaries in this segment that handle the production and broadcasting of television programs are NTV Eizo Center Corporation and five other companies, as well as three unconsolidated subsidiaries and 11 associated companies.

During the year ended March 31, 2006, total television broadcasting sales decreased 4.1% to ¥277,977 million. The main components of broadcasting sales are as follows.

In time sales, NTV worked diligently to promote large-scale single-episode programs such as the World Grand Champions Cup 2005 (volleyball), the FIFA Club World Championship TOYOTA Cup Japan 2005 (soccer), the Torino Winter Olympics and the World Baseball Classic. Although these were major events, the level of excitement surrounding the Athens Olympics in the previous year remained unmatched. This, along with a decline in professional baseball broadcasts and regular programs, resulted in a decrease in time sales of 4.6% to ¥141,828 million.

In contrast with solid spot sales from October 2004 through December 2004, spot sales during the same period of 2005 were down due to weak market conditions and lower viewer ratings. In the year ended March 31, 2006, spot sales contracted 5.4% to ¥113,619 million.

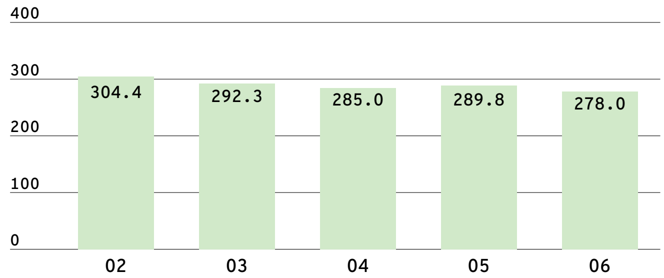
Operating income in the television broadcasting segment was ¥36,008 million. Despite a slight rise in program production costs relating to large-scale single-episode programs, this improvement is attributed to a reduction in depreciation and amortization expenses and agency commissions as well as to a change in expense allocation among segments. (Please refer to page 54 for information regarding the allocation of operating expenses.)

(2) Cultural Activities

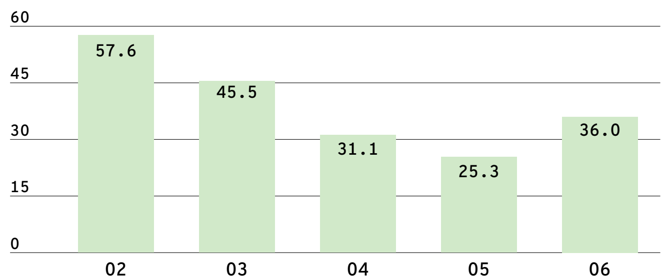
In the cultural activities segment, NTV promotes concerts and art exhibitions, film investments and production, sports events, book publishing and mail order businesses including televised home shopping. Nippon Television Music Corporation plans and produces recorded music, represents music copyrights and manages merchandising rights. VAP Inc. plans, produces, records and sells CDs, videotapes and DVDs. This segment also includes two unconsolidated subsidiaries and one associated company.

TELEVISION BROADCASTING

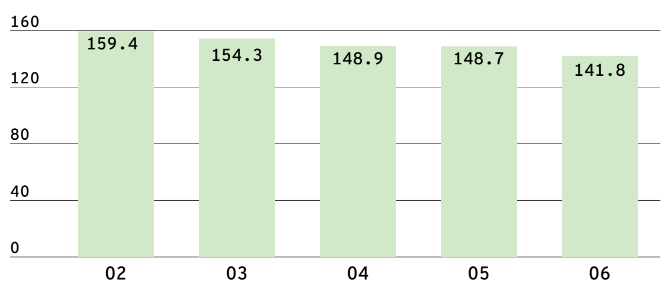
Net Sales (Billions of Yen)



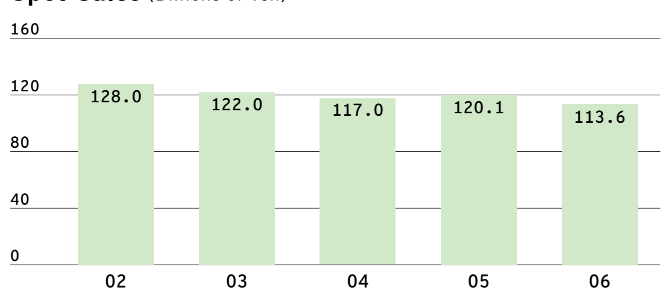
Operating Income (Billions of Yen)



Time Sales (Billions of Yen)



Spot Sales (Billions of Yen)



Total sales in the cultural activities segment edged up 0.6% to ¥62,475 million year on year. In the year under review, NTV sponsored "*Masterpieces from the Louvre Museum: 19th Century French Paintings—from Neoclassicism to Romanticism*" in Yokohama and Kyoto, attracting wide acclaim from more than one million visitors. In movies, contributing to revenue growth were the November 2005 release of *ALWAYS—Sunset on Third Street*, a box-office winner that won the 29th Japan Academy Award for Best Picture, and the reuse of content of the highly successful *Howl's Moving Castle* and *Tokyo Tower*, which screened in 2005.

In DVDs, sales of the popular drama *GOKUSEN*, which aired from January 2005, the hit comedy television show *Downtown no Gaki no Tsukaiyaarahende!!*, the South Korean dramas *Dae Jang Geum aka: Jewel in the Palace* and *Lover in Paris* were all strong. CDs by renowned recording artists KETSUMEISHI, Mr. Children and YUZU also provided a boost to sales. Despite the absence of DVD sales of the unprecedented smash hit South Korean drama *Winter Sonata*, these DVD and CD sales collectively contributed to an overall sales increase in the cultural activities segment.

On the earnings front, anticipatory investment rose year on year in line with efforts to launch the VoD service NTV2. As a result, operating income in cultural activities declined 36.9% to ¥5,185 million.

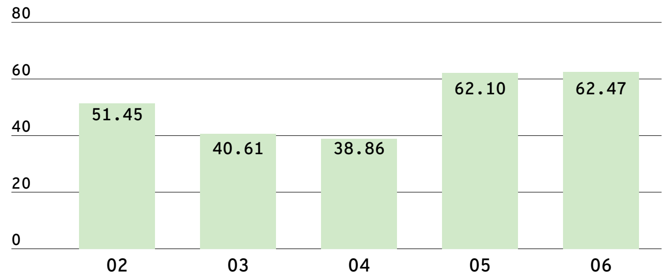
(3) Other

In the other segment, NTV engages in commercial tenant and office building leasing. Specifically, NTV Service Inc. is active in insurance sales and sales of novelty goods at various events. Nippon Television Work 24 Corporation is involved in general facility management services, including property. Nippon Television Football Club Co., Ltd. manages a professional soccer team. Forecast Communications Inc. offers Internet-related services. In addition, this segment includes one unconsolidated subsidiary and six associated companies that engage in broadband activities, the manufacture and sale of art exhibit-related merchandise, recording studio management, the provision of district heating and cooling systems, market research of overseas television and radio broadcasting.

In the year ended March 31, 2006, segment sales rose 10.0% to ¥15,082 million, supported by almost an entire year of rental income from the former head office building in Kojimachi. Operating income jumped 100.4% to ¥2,356 million.

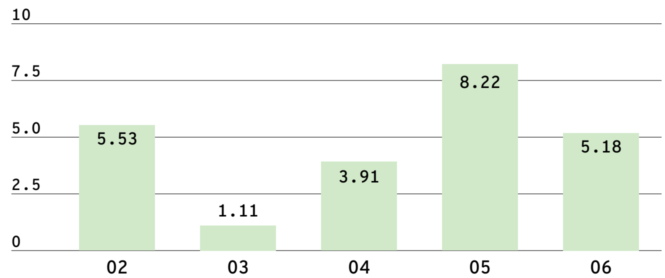
CULTURAL ACTIVITIES

Net Sales (Billions of Yen)



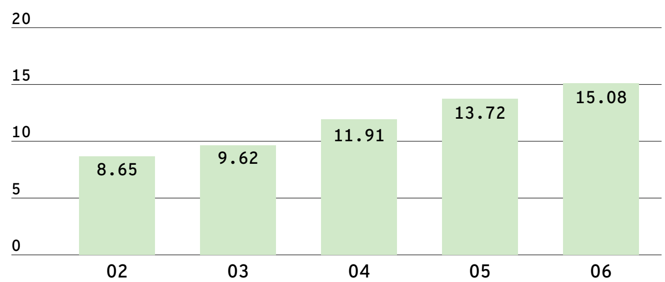
Note: From fiscal 2003, results from the BS- & CS-digital broadcasting business, which had previously been included in the Cultural Activities segment, were included in the results of the Television Broadcasting segment, while results from the tenant leasing business were reclassified into the Other segment.

Operating Income (Billions of Yen)

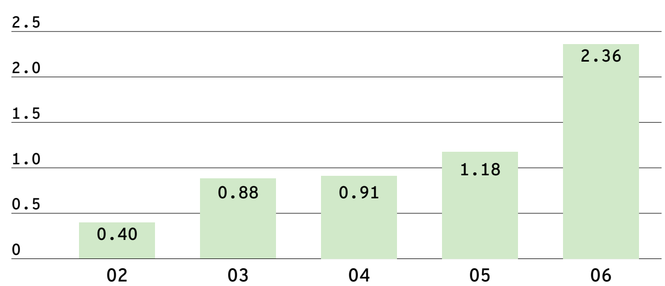


OTHER

Net Sales (Billions of Yen)



Operating Income (Billions of Yen)



3. LIQUIDITY AND FINANCIAL RESOURCES

(1) Liquidity Management and Capital Procurement Policy

In the context of its ongoing content investment, the NTV Group utilizes retained earnings and determines the optimal method of funds procurement based on a variety of factors including future operating conditions, financial market trends and the impact on the Group's corporate value.

In specific terms, estimates for capital expenditures are determined in line with forecast profits and cash flows over a seven-year period. In the year ending March 31, 2007, the NTV Group is budgeting capital expenditures of ¥7,621 million funded primarily through retained earnings.

(2) Financial Position

As of March 31, 2006, total assets were ¥519,952 million, an increase of ¥26,394 million from a year earlier.

Total current assets declined ¥4,791 million to ¥170,306 million, owing to a decrease in cash and cash equivalents in accordance with the repayment of short-term bank loans.

Total fixed assets climbed ¥31,185 million to ¥349,646 million. The major movements were an increase in investment securities reflecting the upswing in share prices, a rise in investment in unconsolidated subsidiaries and associated companies, and growth in long-term deposits.

As of March 31, 2006, total liabilities were ¥114,962 million, a decrease of ¥6,785 million year on year.

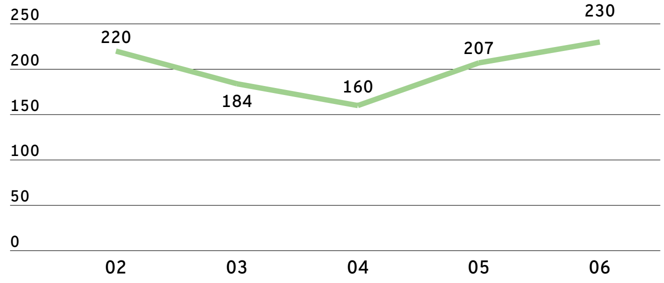
Total current liabilities stood at ¥74,060 million, a drop of ¥10,640 million, primarily due to the repayment of short-term bank loans.

Total non-current liabilities climbed ¥3,855 million to ¥40,902 million, owing to an increase in deferred tax liabilities reflecting the increase in share prices of investment securities.

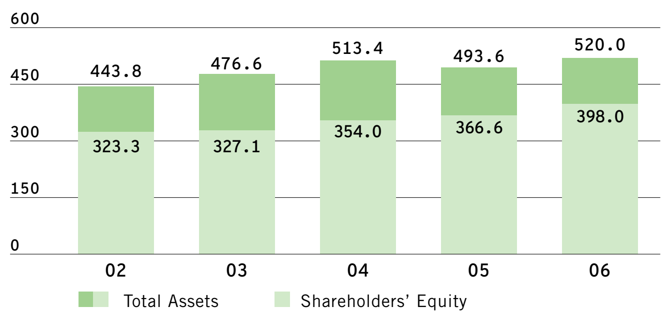
Minority interests amounted to ¥6,972 million, an upward movement of ¥1,807 million, on account of an increase in minority interests at consolidated subsidiaries that had performed favorably in the year ended March 31, 2006.

Total shareholders' equity totaled ¥398,018 million, up ¥31,372 million as of March 31, 2005. In addition to a rise in unrealized gain on available-for-sale securities due to the increase in share prices of investment securities, the NTV Group enjoyed retained earnings growth, reflecting net income for the period and an increase in earnings of equity-method affiliates.

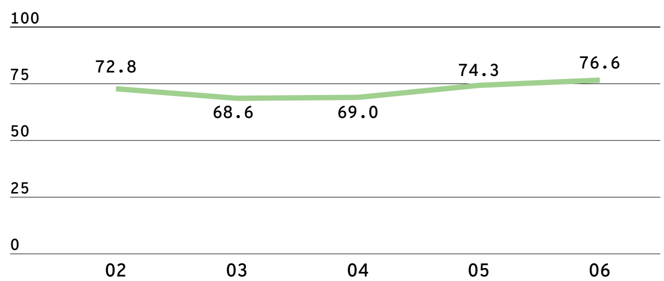
Liquidity Ratio (%)



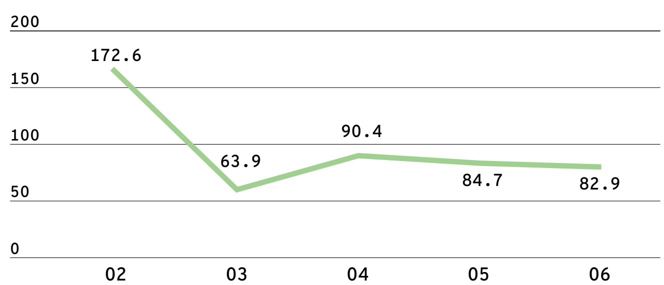
Total Assets / Shareholders' Equity (Billions of Yen)



Shareholders' Equity Ratio (%)



Shareholders' Equity Ratio (Market Capitalization Basis) (%)



Shareholders' Equity Ratio (Market Capitalization Basis) =
Market Capitalization ÷ Total Assets

(3) Cash Flows

As of March 31, 2006, cash and cash equivalents were ¥59,369 million, down ¥7,509 million year on year.

Net cash provided by operating activities totaled ¥32,683 million, compared with ¥49,286 million from a year earlier. This was attributed to the decline in income before income taxes and minority interests together with depreciation and amortization of non-cash items. Cash outflows were also due to an increase in consumption and income taxes paid, and a reversal of liabilities for retirement benefits.

Net cash used in investing activities totaled ¥24,358 million, up from ¥23,046 million in the previous fiscal year. The main uses of cash were an increase in long-term deposits, purchases of investment securities and purchases of property and equipment to upgrade the Ikuta Studio to a high-definition (HD) facility.

Net cash used in financing activities was ¥15,921 million, compared with ¥37,275 million from a year earlier. The major components were a net change in short-term bank loans, as well as dividends paid.

Cash Flows (Billions of Yen)

Years Ended March 31	02	03	04	05	06
Net cash provided by operating activities	38.89	25.98	30.52	49.29	32.68
Net cash used in investing activities	(48.77)	(37.39)	(41.60)	(23.05)	(24.36)
Net cash (used in) provided by financing activities	(3.16)	22.46	7.13	(37.28)	(15.92)
Net (decrease) increase in cash and cash equivalents	(13.11)	10.99	(4.01)	(11.05)	(7.51)
Cash and cash equivalents, end of year	70.95	81.94	77.93	66.88	59.37

4. STRATEGIC EVENTS AND OUTLOOK

(1) Management Issues and Future Management Policy

NTV launched Japan's first commercial television broadcasts in 1953, and proceeded to lead in the development of this new media industry. Now the industry faces an unprecedented, dynamic transitional phase as a result of rapid advances in digital technologies. Analog terrestrial broadcasting will be entirely phased out in 2011, when Japan is scheduled to shift completely to digital broadcasting. Accordingly, construction of digital relay stations and preparations for HD broadcasting are proceeding steadily. "1-SEG" service television broadcasts to mobile terminals, which are seen as one of the greatest merits of digital terrestrial broadcasting, were introduced in April 2006. The possibility of people watching television at times and in places where viewing on stationary sets is impossible, while commuting to work or school for example, presents us with a tremendous business opportunity. We are working aggressively to develop content for these new viewing formats.

In response to the continuing spread of the Internet around the globe, NTV established NTV2 in October 2005, becoming the first television station in Japan to offer VoD service via Internet featuring news and original content. NTV2 programming was officially made available in April 2006 following a half-year trial service. Approximately 450,000 people had subscribed as of September 30, 2006. NTV intends to cultivate the service as a future pillar of non-broadcasting income by securing revenues from advertising and fee-based broadcasting.

NTV will also push vigorously forward with initiatives to continue developing its strategic movie business. Moreover, in light of its growth potential, we plan to focus on development of the media commerce business for terrestrial broadcasting and across all transmission platforms.

Advertising revenues from terrestrial broadcasting will remain the Company's primary source of earnings. NTV has been working to regain the top position in viewer ratings, implementing major overhauls to regular programming from April 2005. We are seeing results of these efforts, having won the quadruple crown title of average monthly viewer ratings for all time periods in March 2006. NTV is advancing with the production of original content programs that have obtained the support of a vast number of television fans. NTV also recorded average viewer ratings of 43.4% for the final game of the World Baseball Classic held in March 2006. With the digitization of professional baseball and other sports programming, new demand is opening up for outside television viewing by "1-SEG" services through mobile phones and other mobile reception media such as in taxis, buses and trains. Our all-encompassing strategy also recognizes the importance of continuing to make full use of BS, CS and other conventional broadcasting channels.

NTV will also press forward with Group restructuring in order to improve profit ratios. We intend to expand earnings through the collective efforts of Group companies, including VAP Inc. with its robust DVD sales, Nippon Television Music Corporation with its copyright business, as well as Forecast Communications Inc. with the important role it plays in NTV2.

(2) Outlook

The year ending March 31, 2009 is the final period of NTV's Medium-Term Management Plan (see pages 6-7 for details). With the following performance targets, we intend to achieve "total success" by being No. 1 in broadcasting sales, No. 1 in growth of non-broadcasting revenues, No. 1 in content delivery and No. 1 in customer satisfaction.

Performance Targets for the Year Ending March 31, 2009 (Fiscal 2008)

Net Sales	¥428.0 billion	(+¥81.4 billion*)
Recurring Profit	¥43.0 billion	(+¥13.0 billion*)
Recurring Profit Margin	10 %	
Television Broadcasting Segment Revenue Ratio	72.4 %	

* In comparison with the year ended March 31, 2006 (Fiscal 2005)

NTV will utilize its cash on hand to invest aggressively in executing this management plan, particularly in the areas of content creation abilities and non-broadcasting revenue expansion. We are also actively exploring M&A opportunities.

All divisions have formulated action plans designed to propel NTV toward attaining the targets of the Medium-Term Management Plan. We also intend to post information on our Web site regarding the status of progress toward these objectives. (http://www.ntv.co.jp/english)

Studios and offices in NTV's buildings at Kojimachi are operating at full capacity. A project team is currently advancing with studies on active future utilization of the Kojimachi properties.

NTV's forecast for capital expenditures and depreciation and amortization on a non-consolidated basis through the year ending March 31, 2011 is as follows.

Projected Capital Expenditures and Depreciation and Amortization (Billions of Yen; Non-Consolidated Basis)

Years Ending March 31	07	08	09	10	11
Capital Expenditures	7.1	9.5	7.7	5.9	8.0
Depreciation and Amortization	14.3	13.5	12.5	10.9	10.2

Consolidated Balance Sheets

Nippon Television Network Corporation and Consolidated Subsidiaries
March 31, 2006 and 2005

	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	2006	2005	**2006**
ASSETS			
Current assets:			
Cash and cash equivalents	**¥ 59,369**	¥ 66,878	**$ 505,397**
Time deposits	**—**	100	**—**
Marketable securities (Note 3)	**2,018**	2,076	**17,179**
Receivables:			
Trade notes	**4,753**	5,250	**40,461**
Trade accounts	**75,039**	78,484	**638,793**
Other	**2,424**	1,708	**20,636**
Allowance for doubtful accounts	**(76)**	(59)	**(647)**
Program rights	**16,157**	9,530	**137,541**
Deferred tax assets (Note 8)	**4,547**	5,231	**38,708**
Prepaid expenses and other	**6,773**	6,597	**57,657**
Allowance for doubtful accounts	**(698)**	(698)	**(5,942)**
Total current assets	**170,306**	175,097	**1,449,783**
Property and equipment—At cost (Notes 4 and 9)**:**			
Land	**114,858**	114,936	**977,765**
Buildings and structures	**89,428**	90,831	**761,284**
Machinery, vehicles and equipment	**95,272**	93,836	**811,032**
Construction in progress	**424**	485	**3,609**
Total	**299,982**	300,088	**2,553,690**
Accumulated depreciation	**(93,847)**	(81,498)	**(798,902)**
Net property and equipment	**206,135**	218,590	**1,754,788**
Investments and other assets:			
Investment securities (Note 3)	**102,033**	77,545	**868,588**
Investment in unconsolidated subsidiaries and associated companies	**19,944**	7,225	**169,780**
Long-term deposits	**7,100**	—	**60,441**
Deferred tax assets (Note 8)	**747**	552	**6,359**
Other assets	**13,803**	14,680	**117,501**
Allowance for doubtful accounts	**(116)**	(131)	**(987)**
Total investments and other assets	**143,511**	99,871	**1,221,682**
TOTAL	**¥519,952**	¥493,558	**$4,426,253**

See notes to consolidated financial statements.

	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	2006	2005	**2006**
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current liabilities:			
Short-term bank loans (Note 5)	**¥ —**	¥ 11,500	**$ —**
Payables:			
Trade notes	**2,221**	3,081	**18,907**
Trade accounts	**54,249**	49,424	**461,812**
Other	**5,980**	7,292	**50,906**
Income taxes payable	**5,119**	6,640	**43,577**
Accrued expenses and other	**6,491**	6,763	**55,257**
Total current liabilities	**74,060**	84,700	**630,459**
Non-current liabilities:			
Liabilities for retirement benefits (Note 6)	**5,542**	10,438	**47,178**
Guarantee deposits received (Note 4)	**20,143**	20,127	**171,474**
Deferred tax liabilities (Note 8)	**12,756**	4,964	**108,589**
Other	**2,461**	1,518	**20,950**
Total non-current liabilities	**40,902**	37,047	**348,191**
Minority interests	**6,972**	5,165	**59,350**
Commitments and contingent liabilities (Notes 9 and 10)			
Shareholders' equity (Notes 7 and 11)**:**			
Common stock, no par value—authorized, 50,000,000 shares; issued, 25,364,548 shares in 2006 and 2005	**18,576**	18,576	**158,134**
Additional paid-in capital	**17,928**	17,928	**152,618**
Retained earnings	**350,025**	330,171	**2,979,697**
Unrealized gain on available-for-sale securities	**21,085**	9,666	**179,493**
Foreign currency translation adjustments	**(56)**	(159)	**(477)**
Total	**407,558**	376,182	**3,469,465**
Treasury stock—at cost, 409,450 shares in 2006 and 409,210 shares in 2005	**(9,540)**	(9,536)	**(81,212)**
Total shareholders' equity	**398,018**	366,646	**3,388,253**
TOTAL	**¥519,952**	¥493,558	**$4,426,253**

Consolidated Statements of Income

Nippon Television Network Corporation and Consolidated Subsidiaries
Years Ended March 31, 2006 and 2005

	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	2006	2005	**2006**
Net sales	**¥346,642**	¥357,614	**$2,950,898**
Cost of sales	**242,643**	245,109	**2,065,574**
Gross profit	**103,999**	112,505	**885,324**
Selling, general and administrative expenses (Note 9)	**75,448**	78,180	**642,275**
Operating income	**28,551**	34,325	**243,049**
Other income (expenses):			
Interest and dividend income	**1,049**	784	**8,930**
Interest expense	**(11)**	(70)	**(94)**
Gain on sales of property and equipment	**1**	5	**9**
Gain on termination of partial retirement benefit plan	**686**	—	**5,839**
Loss on devaluation of investment securities	**(3,799)**	(145)	**(32,340)**
Loss on revision of retirement benefit plan	**—**	(2,269)	**—**
Other—net	**(151)**	(843)	**(1,285)**
Other expenses—net	**(2,225)**	(2,538)	**(18,941)**
Income before income taxes and minority interests	**26,326**	31,787	**224,108**
Income taxes (Note 8)**:**			
Current	**10,430**	11,416	**88,789**
Deferred	**385**	1,727	**3,277**
Total income taxes	**10,815**	13,143	**92,066**
Income before minority interests	**15,511**	18,644	**132,042**
Minority interests in net income	**(1,810)**	(1,798)	**(15,408)**
Net income	**¥ 13,701**	¥ 16,846	**$ 116,634**

	Yen		U.S. Dollars
	2006	2005	**2006**
Per share of common stock (Note 2.n)**:**			
Net income	**¥545.40**	¥671.08	**$4.64**
Cash dividends applicable to the year	**165.00**	165.00	**1.40**

See notes to consolidated financial statements.

Consolidated Statements of Shareholders’ Equity

Nippon Television Network Corporation and Consolidated Subsidiaries
Years Ended March 31, 2006 and 2005

	Thousands	Millions of Yen					
	Shares of Common Stock	Common Stock	Additional Paid-in Capital	Retained Earnings	Unrealized Gain on Available-for-sale Securities	Foreign Currency Translation Adjustments	Treasury Stock
Balance, April 1, 2004	25,365	¥18,576	¥17,928	¥316,418	¥10,835	¥(179)	¥(9,532)
Net income				16,846			
Cash dividends, ¥95 per share				(2,369)			
Bonuses to directors				(100)			
Interim cash dividends, ¥25 per share				(624)			
Net decrease in unrealized gain on available-for-sale securities					(1,169)		
Foreign currency translation adjustments						20	
Increase in treasury stock—net							(4)
Balance, March 31, 2005	25,365	18,576	17,928	330,171	9,666	(159)	(9,536)
Net income				**13,701**			
Cash dividends, ¥140 per share				**(3,494)**			
Bonuses to directors				**(100)**			
Interim cash dividends, ¥50 per share				**(1,248)**			
Adjustment of retained earnings from the inclusion of associated companies accounted for using the equity method				**10,995**			
Net increase in unrealized gain on available-for-sale securities					**11,419**		
Foreign currency translation adjustments						**103**	
Increase in treasury stock—net							**(4)**
Balance, March 31, 2006	**25,365**	**¥18,576**	**¥17,928**	**¥350,025**	**¥21,085**	**¥ (56)**	**¥(9,540)**

	Thousands of U.S. Dollars (Note 1)					
	Common Stock	Additional Paid-in Capital	Retained Earnings	Unrealized Gain on Available-for-sale Securities	Foreign Currency Translation Adjustments	Treasury Stock
Balance, March 31, 2005	$158,134	$152,618	$2,810,684	$ 82,285	$(1,354)	$(81,178)
Net income			**116,634**			
Cash dividends, $1.19 per share			**(29,746)**			
Bonuses to directors			**(851)**			
Interim cash dividends, $0.43 per share			**(10,622)**			
Adjustment of retained earnings from the inclusion of associated companies accounted for using the equity method			**93,598**			
Net increase in unrealized gain on available-for-sale securities				**97,208**		
Foreign currency translation adjustments					**877**	
Increase in treasury stock—net						**(34)**
Balance, March 31, 2006	**$158,134**	**$152,618**	**$2,979,697**	**$179,493**	**$ (477)**	**$(81,212)**

See notes to consolidated financial statements.

Consolidated Statements of Cash Flows

Nippon Television Network Corporation and Consolidated Subsidiaries
Years Ended March 31, 2006 and 2005

	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	2006	2005	**2006**
Operating activities:			
Income before income taxes and minority interests	**¥ 26,326**	¥ 31,787	**$ 224,108**
Adjustments for:			
Income taxes—paid	**(11,951)**	(7,032)	**(101,737)**
Depreciation and amortization	**17,561**	21,060	**149,493**
Reversal of liabilities for retirement benefits	**(4,896)**	(3,069)	**(41,679)**
Gain on sales of property and equipment	**(1)**	(5)	**(9)**
Loss on devaluation of investment securities	**3,799**	145	**32,340**
Equity in losses of unconsolidated subsidiaries and associated companies	**183**	89	**1,558**
Changes in operating assets and liabilities:			
Decrease (increase) in trade notes and accounts receivables	**3,942**	(1,163)	**33,558**
(Increase) decrease in program rights	**(6,627)**	1,995	**(56,414)**
Increase (decrease) in trade notes and accounts payables	**3,965**	(4,053)	**33,753**
Other—net	**382**	9,532	**3,253**
Total adjustments	**6,357**	17,499	**54,116**
Net cash provided by operating activities	**32,683**	49,286	**278,224**
Investing activities:			
Increase in long-term deposits	**(7,000)**	—	**(59,590)**
Proceeds from sales of marketable securities	**2,061**	290	**17,545**
Purchases of property and equipment	**(6,314)**	(11,612)	**(53,750)**
Proceeds from sales of property and equipment	**260**	147	**2,213**
Purchases of intangible assets	**(995)**	(902)	**(8,470)**
Proceeds from sales of investment securities	**99**	249	**843**
Purchases of investment securities	**(13,890)**	(6,452)	**(118,243)**
Other—net	**1,421**	(4,766)	**12,097**
Net cash used in investing activities	**(24,358)**	(23,046)	**(207,355)**
Financing activities:			
Change in short-term bank loans—net	**(11,500)**	(34,403)	**(97,897)**
Dividends paid	**(4,395)**	(2,846)	**(37,414)**
Purchases of treasury stock	**(4)**	(4)	**(34)**
Other—net	**(22)**	(22)	**(187)**
Net cash used in financing activities	**(15,921)**	(37,275)	**(135,532)**
Foreign currency translation adjustments on cash and cash equivalents	**87**	(17)	**740**
Net decrease in cash and cash equivalents	**(7,509)**	(11,052)	**(63,923)**
Cash and cash equivalents, beginning of year	**66,878**	77,930	**569,320**
Cash and cash equivalents, end of year	**¥ 59,369**	¥ 66,878	**$ 505,397**

See notes to consolidated financial statements.

1. Basis of Presenting Consolidated Financial Statements

The accompanying consolidated financial statements have been prepared in accordance with the provisions set forth in the Japanese Securities and Exchange Law and its related accounting regulations, and in conformity with accounting principles generally accepted in Japan, which are different in certain respects as to 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 2005 financial statements to conform to the classifications used in 2006.

The consolidated financial statements are stated in Japanese yen, the currency of the country in which Nippon Television Network Corporation (the "Company") is incorporated and operates. The translation of Japanese yen amounts into U.S. dollar amounts is included solely for the convenience of readers outside Japan and has been made at the rate of ¥117.47 to $1, the approximate rate of exchange at March 31, 2006. 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, 2006 and 2005 include the accounts of the Company and its 12 significant 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 6 (4 in 2005) unconsolidated subsidiaries and 18 (15 in 2005) associated companies are accounted for by the equity method.

Goodwill is amortized over 20 years on a straight-line basis.

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 eliminated.

b. Cash Equivalents

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

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

c. Program Rights

Costs incurred in connection with the production of programming and the purchase of rights to programs are capitalized and amortized as the respective programs are broadcasted. Program rights are carried at cost, determined by the specific identification method.

d. 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 stated at amortized cost.

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

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

e. Property and Equipment

Property and equipment are stated at cost. Depreciation is computed by the declining-balance method over the estimated useful lives of the assets, while the straight-line method is applied to buildings acquired after April 1, 2000. 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.

f. Long-lived Assets

In August 2002, the Business Accounting Council ("BAC") issued a Statement of Opinion, "Accounting for Impairment of Fixed Assets," and in October 2003 the Accounting Standards Board of Japan ("ASBJ") issued ASBJ Guidance No. 6, "Guidance for Accounting Standard for Impairment of Fixed Assets." These new pronouncements were effective for fiscal years beginning on or after April 1, 2005 with early adoption permitted for fiscal years ending on or after March 31, 2004.

The Group adopted the new accounting standard for impairment of fixed assets as of April 1, 2005.

The effect of adoption of the new accounting standard for impairment of fixed assets was nil.

g. Retirement and Pension Plan

The Company has an unfunded lump-sum retirement benefits plan, a defined contribution pension plan and a prepaid retirement plan. Subsidiaries have an unfunded lump-sum retirement benefits plan and a noncontributory funded pension 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 projected benefit obligations and plan assets at the balance sheet date.

The Company's transitional assets, determined at the beginning of the year, are being amortized over 10 years.

The annual provision for retirement benefits for directors and corporate auditors is calculated to state the liability at the amount that would be required if all directors and corporate auditors retired at each balance sheet date.

The Company shifted a portion of the existing defined benefit pension plan (qualified pension plan) to a defined contribution pension plan and a prepaid retirement plan in line with the implementation of the defined contribution pension law. The Company applied accounting treatments specified in the guidance issued by the ASBJ. The effect of this transfer was to increase income before income taxes by ¥686 million ($5,839 thousand) and was recorded as profit on transfer of pension plans in the consolidated statement of income for the year ended March 31, 2006.

The transition amount of ¥3,662 million ($31,177 thousand) is scheduled to be paid to the private pension account over 4 years after the plan shift.

On March 31, 2006, the untransition amount accounted for payable (other) of ¥873 million ($7,431 thousand) and non-current liabilities (other) of ¥1,746 million ($14,862 thousand).

h. Leases

All leases are accounted for as operating leases. Under Japanese accounting standards for leases, finance leases that deem to transfer ownership of the leased property to the lessee are to be capitalized, while other finance leases are permitted to be accounted for as operating lease transactions if certain "as if capitalized" information is disclosed in the notes to the consolidated financial statements.

i. Income Taxes

The provision for income taxes is computed based on the pretax income included in the consolidated statements 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 tax laws to the temporary differences.

j. Appropriations of Retained Earnings

Appropriations of retained earnings at each year end are reflected in the financial statements for the following year upon shareholders' approval.

k. Foreign Currency Translations

Receivables and payables denominated in foreign currencies are translated into Japanese yen at the exchange rates at the balance sheet date.

Foreign exchange gains and losses are recognized during the fiscal year in which they occur.

l. Foreign Currency Financial Statements
The balance sheet and revenue and expense accounts of the consolidated overseas subsidiaries are translated into yen at the current exchange rates as of the balance sheet date except for shareholders' equity, which is translated at the historical exchange rate.

Differences arising from such translation were shown as "Foreign currency translation adjustments" in a separate component of shareholders' equity.

m. Cash Dividends
Cash dividends charged to retained earnings are those actually paid during the year which represents year-end dividends for the preceding year and interim dividends for the current year.

n. 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.

Diluted net income per share is not disclosed because it is anti-dilutive.

Cash dividends per share presented in the accompanying consolidated statements of income are dividends applicable to the respective years including dividends to be paid after the end of the year.

o. New Accounting Pronouncements
Business combination and business separation
In October 2003, the BAC issued a Statement of Opinion, "Accounting for Business Combinations," and on December 27, 2005 the ASBJ issued "Accounting Standard for Business Separations" and ASBJ Guidance No. 10, "Guidance for Accounting Standard for Business Combinations and Business Separations." These new accounting pronouncements are effective for fiscal years beginning on or after April 1, 2006.

The accounting standard for business combinations allows 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. These specific criteria are as follows:
(a) the consideration for the business combination consists solely of common shares with voting rights,
(b) the ratio of voting rights of each predecessor shareholder group after the business combination is nearly equal, and
(c) there are no other factors that would indicate any control exerted by any shareholder group other than voting rights.

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. Goodwill, including negative goodwill, is to be systematically amortized over 20 years or less, but is also subject to an impairment test.

Under the accounting standard for business separations, in a business separation where the interests of the investor no longer continue and the investment is settled, the difference between the fair value of the consideration received for the transferred business and the book value of net assets transferred to the separated business is recognized as a gain or loss on business separation in the statement of income. In a business separation where the interests of the investor continue and the investment is not settled, no such gain or loss on business separation is recognized.

Stock options
On December 27, 2005, the ASBJ issued "Accounting Standard for Stock Options" and related guidance. The new standard and guidance are applicable to stock options newly granted on and after May 1, 2006.

This standard requires companies to recognize compensation expense for employee stock options based on the fair value at the date of grant and over the vesting period as consideration for receiving goods or services. The standard also requires companies to account for stock options granted to non-employees based on the fair value of either the stock option or the goods or services received. In the balance sheet, the stock option is presented as a stock acquisition right as a separate component of shareholders' equity until exercised. The standard covers equity-settled, share-based payment transactions, but does not cover cash-settled, share-based payment transactions. In addition, the standard allows unlisted companies to measure options at their intrinsic value if they cannot reliably estimate fair value.

Bonuses to directors and corporate auditors
Prior to the fiscal year ended March 31, 2005, bonuses to directors and corporate auditors were accounted for as a reduction of retained earnings in the fiscal year following approval at the general shareholders meeting. The ASBJ issued ASBJ Practical Issues Task Force (PITF) No. 13, "Accounting Treatment for Bonuses to Directors and Corporate Auditors," which encouraged companies to record bonuses to directors and corporate auditors on the accrual basis with a related charge to income, but still permitted the direct reduction of such bonuses from retained earnings after approval of the appropriation of retained earnings.

The ASBJ replaced the above accounting pronouncement by issuing a new accounting standard for bonuses to directors and corporate auditors on November 29, 2005. Under the new accounting standard, bonuses to directors and corporate auditors must be expensed and are no longer allowed to be directly charged to retained earnings. This accounting standard is effective for fiscal years ending on or after May 1, 2006. The companies must accrue bonuses to directors and corporate auditors at the year end to which such bonuses are attributable.

3. Marketable and Investment Securities

Marketable and investment securities as of March 31, 2006 and 2005 consisted of the following:

	Millions of Yen		Thousands of U.S. Dollars
	2006	2005	**2006**
Marketable securities:			
Government and corporate bonds	**¥ 2,018**	¥ 1,076	**$ 17,179**
Trust fund investments and others	**—**	1,000	**—**
Total	**¥ 2,018**	¥ 2,076	**$ 17,179**
Investment securities:			
Equity securities	**¥ 77,835**	¥60,269	**$662,595**
Government and corporate bonds	**13,548**	8,853	**115,332**
Trust fund investments and others	**10,650**	8,423	**90,661**
Total	**¥102,033**	¥77,545	**$868,588**

The carrying amounts and aggregate fair value of marketable securities and investment securities at March 31, 2006 and 2005 were as follows:

	Millions of Yen			
March 31, 2006	Cost	Unrealized Gains	Unrealized Losses	Fair Value
Securities classified as:				
Available-for-sale:				
Equity securities	**¥35,615**	**¥32,013**	**¥ 7**	**¥67,621**
Government and corporate bonds	**10,100**	**23**	**326**	**9,797**
Trust fund investments and others	**2,256**	**2,718**	**3**	**4,971**
Held-to-maturity	**5,769**	**—**	**26**	**5,743**

March 31, 2005	Millions of Yen Cost	Unrealized Gains	Unrealized Losses	Fair Value
Securities classified as:				
Available-for-sale:				
Equity securities	¥33,781	¥18,035	¥3,139	¥48,677
Government and corporate bonds	4,977	103	180	4,900
Trust fund investments and others	2,256	1,049	4	3,301
Held-to-maturity	5,029	57	—	5,086

March 31, 2006	Thousands of U.S. Dollars Cost	Unrealized Gains	Unrealized Losses	Fair Value
Securities classified as:				
Available-for-sale:				
Equity securities	**$303,184**	**$272,521**	**$ 60**	**$575,645**
Government and corporate bonds	**85,979**	**196**	**2,775**	**83,400**
Trust fund investments and others	**19,205**	**23,138**	**26**	**42,317**
Held-to-maturity	**49,110**	**—**	**221**	**48,889**

Available-for-sale securities whose fair value is not readily determinable as of March 31, 2006 and 2005 were as follows:

	Carrying Amount		
	Millions of Yen		Thousands of U.S. Dollars
	2006	2005	**2006**
Available-for-sale—Non-marketable securities	**¥15,893**	¥17,714	**$135,295**

Proceeds from sales of available-for-sale securities for the years ended March 31, 2006 and 2005 were ¥99 million ($843 thousand) and ¥249 million, respectively. Gross realized gains and losses on these sales, computed on the moving average cost basis, were ¥34 million ($289 thousand) and ¥3 million ($26 thousand), respectively, for the year ended March 31, 2006 and ¥65 million and nil, respectively, for the year ended March 31, 2005.

The carrying values of debt securities by contractual maturities for securities classified as available-for-sale at March 31, 2006 are as follows:

Available for Sale	Millions of Yen	Thousands of U.S. Dollars
Due in one year or less	**¥ 2,018**	**$ 17,179**
Due after one year through five years	**9,195**	**78,275**
Due after five years through ten years	**6,369**	**54,218**
Due in ten years and after	**3,767**	**32,068**
Total	**¥21,349**	**$181,740**

4. Collateralized Property

At March 31, 2006, land of ¥101,031 million ($860,058 thousand) was pledged as collateral for guarantee deposits received of ¥19,000 million ($161,743 thousand).

5. Short-Term Bank Loans

Short-term bank loans outstanding were generally represented by bank overdraft arrangements. The annual interest rate ranged from 0.24% to 0.30% during the year.

6. Retirement and Pension Benefits Plan

The Company and certain subsidiaries have severance payment plans for employees, directors and corporate auditors.

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 greater payment than those in the case of voluntary termination.

The liability for employees' retirement benefits at March 31, 2006 and 2005 consisted of the following:

	Millions of Yen		Thousands of U.S. Dollars
	2006	2005	**2006**
Projected benefit obligation	**¥5,219**	¥9,386	**$44,428**
Fair value of plan assets	**(992)**	(908)	**(8,445)**
Unrecognized net transitional assets	**257**	876	**2,188**
Prepayment of pension cost	**39**	2	**332**
Net liability	**¥4,523**	¥9,356	**$38,503**

The components of net periodic benefit costs for the years ended March 31, 2006 and 2005 are as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2006	2005	**2006**
Service cost	**¥ 545**	¥ 971	**$ 4,639**
Interest cost	**79**	352	**673**
Expected return on plan assets	**—**	(33)	**—**
Recognized actuarial loss	**(218)**	(141)	**(1,856)**
Amortization of prior service cost	**—**	(166)	**—**
Amortization of net transitional assets	**(101)**	(235)	**(860)**
Defined contribution pension plan premium cost	**565**	198	**4,810**
Net periodic benefit costs	**870**	946	**7,406**
Gain on termination of partial retirement benefit plan	**(686)**	—	**(5,839)**
Loss on revision of retirement benefit plan	**—**	2,269	**—**
Total	**¥ 184**	¥3,215	**$ 1,567**

Assumptions used for the years ended March 31, 2006 and 2005 are set forth as follows:

	2006	2005
Discount rate	**2.3%**	2.3%
Expected rate of return on plan assets	—	0.5%
Recognition period of actuarial gain/loss	**1 year**	1 year
Amortization period of prior service cost	—	1 year
Amortization period of net transitional asset	**10 years**	10 years

Retirement benefits for directors and corporate auditors are paid subject to approval of the shareholders in accordance with the Japanese Commercial Code (the "Code"). Retirement benefits as of March 31, 2006 and 2005 included those for directors and corporate auditors in the amount of ¥1,019 million ($8,675 thousand) and ¥1,082 million, respectively.

7. Shareholders' Equity

Through May 1, 2006, Japanese companies are subject to the Code.

The Code requires that all shares of common stock be issued with no par value and at least 50% of the issue price of new shares is required to be recorded as common stock and the remaining net proceeds are required to be presented as additional paid-in capital, which is included in capital surplus. The Code permits Japanese companies, upon approval of the Board of Directors, to issue shares to existing shareholders without consideration by way of a stock split. Such issuance of shares generally does not give rise to changes within the shareholders' accounts.

The Code also provides that an amount of 10% or more of the aggregate amount of cash dividends and certain other appropriations of retained earnings associated with cash outlays applicable to each period (such as bonuses to directors) shall be appropriated as a legal reserve (a component of retained earnings) until the total of such reserve and additional paid-in capital equals 25% of common stock. The amount of total legal reserve and additional paid-in capital that exceeds 25% of the common stock may be available for dividends by resolution of the shareholders after transferring such excess in accordance with the Code. In addition, the Code permits the transfer of a portion of additional paid-in capital and legal reserve to the common stock by resolution of the Board of Directors.

The Code allows Japanese companies to purchase treasury stock and dispose of such treasury stock upon resolution of the Board of Directors. The aggregate purchased amount of treasury stock cannot exceed the amount available for future dividends plus the amount of common stock, additional paid-in capital or legal reserve that could be transferred to retained earnings or other capital surplus other than additional paid-in capital upon approval of such transfer at the annual general meeting of shareholders.

In addition to the provision that requires an appropriation for a legal reserve in connection with the cash outlays, the Code also imposes certain limitations on the amount of capital surplus and retained earnings available for dividends. The amount of capital surplus and retained earnings available for dividends under the Code was ¥20,937 million ($178,240 thousand) as of March 31, 2006, based on the amount recorded in the parent company's general books of account.

Dividends are approved by the shareholders at a meeting held subsequent to the end of the fiscal year to which the dividends are applicable. Semiannual interim dividends may also be paid upon resolution of the Board of Directors, subject to certain limitations imposed by the Code.

On May 1, 2006, a new corporate law (the "Corporate Law") became effective, which reformed and replaced the Code with various revisions that would, for the most part, be applicable to events or transactions which occur on or after May 1, 2006 and for the fiscal years ending on or after May 1, 2006. The significant changes in the Corporate Law that affect financial and accounting matters are summarized below:

a. Dividends

Under the Corporate Law, 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: (1) having the Board of Directors, (2) having independent auditors, (3) having the Board of Corporate Auditors, and (4) the term of service of the directors is prescribed as one year rather than two years of normal term by its articles of incorporation, the Board of Directors may declare dividends (except for dividends in kind) if the company has prescribed so in its articles of incorporation.

The Corporate Law permits companies to distribute dividends-in-kind (non-cash assets) to shareholders subject to a 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. Under the Code, certain limitations were imposed on the amount of capital surplus and retained earnings available for dividends. The Corporate Law also 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 Corporate Law 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 total of aggregate amount of legal reserve and additional paid-in capital equals 25% of the common stock. Under the Code, the aggregate amount of additional paid-in capital and legal reserve that exceeds 25% of the common stock may be made available for dividends by resolution of the shareholders. Under the Corporate Law, the total amount of additional paid-in capital and legal reserve may be reversed without limitation of such threshold. The Corporate Law 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 Corporate Law 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 specific formula.

Under the Corporate Law, stock acquisition rights, which were previously presented as a liability, are now presented as a separate component of shareholders' equity.

The Corporate Law 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 shareholders' equity or deducted directly from stock acquisition rights.

On December 9, 2005, the ASBJ published a new accounting standard for presentation of shareholders' equity. Under this accounting standard, certain items which were previously presented as liabilities are now presented as components of shareholders' equity. Such items include stock acquisition rights, minority interest, and any deferred gain or loss on derivatives accounted for under hedge accounting. This standard is effective for fiscal years ending on or after May 1, 2006.

8. Income Taxes

The Company and its domestic subsidiaries are subject to Japanese national and local income taxes which, in the aggregate, resulted in a normal effective statutory tax rate of approximately 40.7% for the years ended March 31, 2006 and 2005.

The tax effects of significant temporary differences which resulted in deferred tax assets and liabilities as of March 31, 2006 and 2005 are as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2006	2005	**2006**
Current:			
Deferred tax assets:			
Devaluation of program rights	**¥ 2,751**	¥ 3,244	**$ 23,419**
Accrued enterprise taxes	**381**	519	**3,243**
Accrued bonuses	**864**	905	**7,355**
Unrealized loss on available-for-sale securities	**5**	70	**43**
Other	**548**	497	**4,666**
Less valuation allowance	**(1)**	(2)	**(9)**
Total	**4,548**	5,233	**38,717**
Deferred tax liabilities—other	**(1)**	(2)	**(9)**
Net deferred tax assets	**¥ 4,547**	¥ 5,231	**$ 38,708**
Non-current:			
Deferred tax assets:			
Retirement benefits	**¥ 3,813**	¥ 5,018	**$ 32,459**
Devaluation of property and equipment	**95**	123	**809**
Devaluation of investment securities	**3,915**	2,665	**33,328**
Other	**753**	861	**6,410**
Less valuation allowance	**(96)**	(402)	**(817)**
Total	**8,480**	8,265	**72,189**
Offset with deferred tax liabilities	**(8,480)**	(8,265)	**(72,189)**
Net deferred tax assets	**¥ —**	¥ —	**$ —**
Deferred tax liabilities:			
Tax benefit from deferred gain on sales of property and equipment	**¥ (5,940)**	¥ (5,982)	**$ (50,566)**
Unrealized gain on available-for-sale securities	**(14,518)**	(6,686)	**(123,589)**
Other	**(31)**	(9)	**(264)**
Total	**(20,489)**	(12,677)	**(174,419)**
Offset with deferred tax assets	**8,480**	8,265	**72,189**
Net deferred tax liabilities	**¥(12,009)**	¥ (4,412)	**$(102,230)**

For the years ended March 31, 2006 and 2005, 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.

9. Leases

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, 2006 and 2005 were ¥394 million ($3,354 thousand) and ¥373 million, respectively.

Pro forma information of leased property such as acquisition cost, accumulated depreciation, obligations under finance leases, depreciation expense and interest expense of finance leases that do not transfer ownership of the leased property to the lessee on an "as if capitalized" basis for the years ended March 31, 2006 and 2005 was as follows:

	Millions of Yen		Thousands of U.S. Dollars
Machinery, Vehicles and Equipment	**2006**	2005	**2006**
Acquisition cost	**¥1,734**	¥1,875	**$14,761**
Accumulated depreciation	**771**	697	**6,563**
Net book value	**¥ 963**	¥1,178	**$ 8,198**
Obligations under Finance Leases			
Due within one year	**¥ 338**	¥ 371	**$ 2,877**
Due after one year	**625**	846	**5,321**
Total	**963**	1,217	**8,198**
Less—Sublease	**—**	(39)	**—**
Total	**¥ 963**	¥1,178	**$ 8,198**

Obligations under finance leases including obligations on sublease were ¥39 million at March 31, 2005.

Depreciation expense, which is not reflected in the accompanying consolidated statements of income, is computed by the straight-line method and was ¥394 million ($3,354 thousand) and ¥373 million for the years ended March 31, 2006 and 2005, respectively.

The amounts of obligations, acquisition cost and depreciation under finance leases include the imputed interest expense portion.

As lessor

Total lease receipts were ¥248 million ($2,111 thousand) and ¥241 million for the years ended March 31, 2006 and 2005, respectively.

Pro forma information on leased property such as acquisition cost, accumulated depreciation, receivables under finance lease, depreciation expense and interest income of finance leases that do not transfer ownership of the leased property to the lessee on an "as if capitalized" basis for the years ended March 31, 2006 and 2005 was as follows:

	Millions of Yen		Thousands of U.S. Dollars
Machinery and Equipment	**2006**	2005	**2006**
Acquisition cost	**¥1,863**	¥1,860	**$15,859**
Accumulated depreciation	**1,278**	961	**10,879**
Net book value	**¥ 585**	¥ 899	**$ 4,980**
Receivables under Finance Leases			
Due within one year	**¥ 248**	¥ 286	**$ 2,111**
Due after one year	**849**	1,097	**7,228**
Total	**¥1,097**	¥1,383	**$ 9,339**

Depreciation expenses were ¥316 million ($2,690 thousand) and ¥412 million for the years ended March 31, 2006 and 2005, respectively. The amounts of receivables under finance leases include the imputed interest income portion.

b. Operating Lease Transactions

The minimum rental commitments under noncancelable operating leases at March 31, 2006 and 2005 were as follows:

	Millions of Yen		Thousands of U.S. Dollars
As Lessee	**2006**	2005	**2006**
Due within one year	**¥ 45**	¥ 45	**$ 383**
Due after one year	**261**	272	**2,222**
Total	**¥ 306**	¥ 317	**$ 2,605**
As Lessor			
Due within one year	**¥ 130**	¥ 130	**$ 1,107**
Due after one year	**5,991**	6,121	**51,000**
Total	**¥6,121**	¥6,251	**$52,107**

10. Contingent Liabilities

The Group's contingent liabilities as of March 31, 2006 as guarantors of indebtedness were as follows:

	Millions of Yen	Thousands of U.S. Dollars
Employees	**¥ 639**	**$ 5,440**
Broadcasting Satellite System Corporation	**1,487**	**12,658**
Total	**¥2,126**	**$18,098**

11. Subsequent Event

The following appropriations of retained earnings at March 31, 2006 were approved at the Company's shareholders meeting held on June 29, 2006:

	Millions of Yen	Thousands of U.S. Dollars
Year-end cash dividends, ¥115 ($0.98) per share	**¥2,869**	**$24,430**
Bonuses to directors	**90**	**766**

12. Segment Information

Information about industry segments, geographic segments and sales to foreign customers for the years ended March 31, 2006 and 2005 was as follows:

(1) Industry Segments

2006

a. Sales and operating income

	Millions of Yen				
	Television Broadcasting	Cultural Activities	Other	Elimination/ Corporate	Consolidated
Sales to outside customers	**¥277,211**	**¥61,349**	**¥ 8,082**	**¥ —**	**¥346,642**
Intersegment sales/transfers	**766**	**1,126**	**7,000**	**(8,892)**	**—**
Total sales	**277,977**	**62,475**	**15,082**	**(8,892)**	**346,642**
Operating expenses	**241,969**	**57,290**	**12,726**	**6,106**	**318,091**
Operating income	**¥ 36,008**	**¥ 5,185**	**¥ 2,356**	**¥(14,998)**	**¥ 28,551**

	Thousands of U.S. Dollars				
	Television Broadcasting	Cultural Activities	Other	Elimination/ Corporate	Consolidated
Sales to outside customers	**$2,359,845**	**$522,252**	**$ 68,801**	**$ —**	**$2,950,898**
Intersegment sales/transfers	**6,521**	**9,585**	**59,590**	**(75,696)**	**—**
Total sales	**2,366,366**	**531,837**	**128,391**	**(75,696)**	**2,950,898**
Operating expenses	**2,059,837**	**487,699**	**108,334**	**51,979**	**2,707,849**
Operating income	**$ 306,529**	**$ 44,138**	**$ 20,057**	**$(127,675)**	**$ 243,049**

b. Assets, depreciation and capital expenditures

	Millions of Yen				
	Television Broadcasting	Cultural Activities	Other	Elimination/ Corporate	Consolidated
Assets	**¥284,219**	**¥47,499**	**¥63,220**	**¥125,014**	**¥519,952**
Depreciation	**14,407**	**342**	**1,663**	**1,149**	**17,561**
Capital expenditures	**5,105**	**152**	**748**	**261**	**6,266**

	Thousands of U.S. Dollars				
	Television Broadcasting	Cultural Activities	Other	Elimination/ Corporate	Consolidated
Assets	**$2,419,503**	**$404,350**	**$538,179**	**$1,064,221**	**$4,426,253**
Depreciation	**122,644**	**2,911**	**14,157**	**9,781**	**149,493**
Capital expenditures	**43,458**	**1,294**	**6,367**	**2,222**	**53,341**

2005

a. Sales and operating income

	Millions of Yen				
	Television Broadcasting	Cultural Activities	Other	Elimination/ Corporate	Consolidated
Sales to outside customers	¥288,607	¥61,429	¥ 7,578	¥ —	¥357,614
Intersegment sales/transfers	1,203	674	6,139	(8,016)	—
Total sales	289,810	62,103	13,717	(8,016)	357,614
Operating expenses	264,465	53,888	12,542	(7,606)	323,289
Operating income	¥ 25,345	¥ 8,215	¥ 1,175	¥ (410)	¥ 34,325

b. Assets, depreciation and capital expenditures

	Millions of Yen				
	Television Broadcasting	Cultural Activities	Other	Elimination/ Corporate	Consolidated
Assets	¥313,061	¥33,396	¥53,990	¥93,111	¥493,558
Depreciation	18,734	246	1,863	217	21,060
Capital expenditures	7,076	867	1,156	115	9,214

Notes: 1. Change in Method of Allocating Operating Expense
From this current fiscal year, the cost for departments of management and the advertising cost related to corporate image allocated in each segment are included in "Elimination/corporate."
The result of this change is to display the profit and loss of each segment more appropriately by changing the unit of the total of the operating expense along with the review of the management accounting system to clarify further of the profit and loss responsibility of our business section in this current fiscal year.
2. Change in Method of Distributing Assets
Concurrent with the change in the method of allocating operating expenses, fixed assets were reclassified to each segment corresponding to the operating expenses. Moreover, the investment in securities classified into "Corporate" was distributed to the assets of the segment by reviewing the relation on the business with each segment so far.

In addition, if the segment information for the year ended March 31, 2006 was prepared using the segmentation before this change, such information would be as follows:

2006

a. Sales and operating income

	Millions of Yen				
	Television Broadcasting	Cultural Activities	Other	Elimination/ Corporate	Consolidated
Sales to outside customers	**¥277,211**	**¥61,349**	**¥ 8,082**	**¥ —**	**¥346,642**
Intersegment sales/transfers	**766**	**1,126**	**7,000**	**(8,892)**	**—**
Total sales	**277,977**	**62,475**	**15,082**	**(8,892)**	**346,642**
Operating expenses	**257,188**	**56,533**	**12,726**	**(8,356)**	**318,091**
Operating income	**¥ 20,789**	**¥ 5,942**	**¥ 2,356**	**¥ (536)**	**¥ 28,551**

b. Assets, depreciation and capital expenditures

	Millions of Yen				
	Television Broadcasting	Cultural Activities	Other	Elimination/ Corporate	Consolidated
Assets	**¥314,266**	**¥36,375**	**¥54,378**	**¥114,933**	**¥519,952**
Depreciation	**14,407**	**342**	**1,663**	**1,149**	**17,561**
Capital expenditures	**5,168**	**169**	**865**	**64**	**6,266**

(2) Geographic Segments

Sales and total assets of the Company and its domestic subsidiaries for the years ended March 31, 2006 and 2005 represented more than 90% of the consolidated sales and total assets of the respective years. Accordingly, geographic segments are not disclosed.

(3) Sales to Foreign Customers

Sales to foreign customers for the years ended March 31, 2006 and 2005 represented less than 10% of the consolidated sales of the respective years. Accordingly, sales to foreign customers are not disclosed.

Deloitte.

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors and Shareholders of
Nippon Television Network Corporation:

We have audited the accompanying consolidated balance sheets of Nippon Television Network Corporation and consolidated subsidiaries as of March 31, 2006 and 2005, and the related consolidated statements of income, shareholders' equity, and cash flows for the years then ended, all expressed in Japanese yen. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audits 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 financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Nippon Television Network Corporation and consolidated subsidiaries as of March 31, 2006 and 2005, and the consolidated results of their operations and their cash flows for the years then ended in conformity with accounting principles generally accepted in Japan.

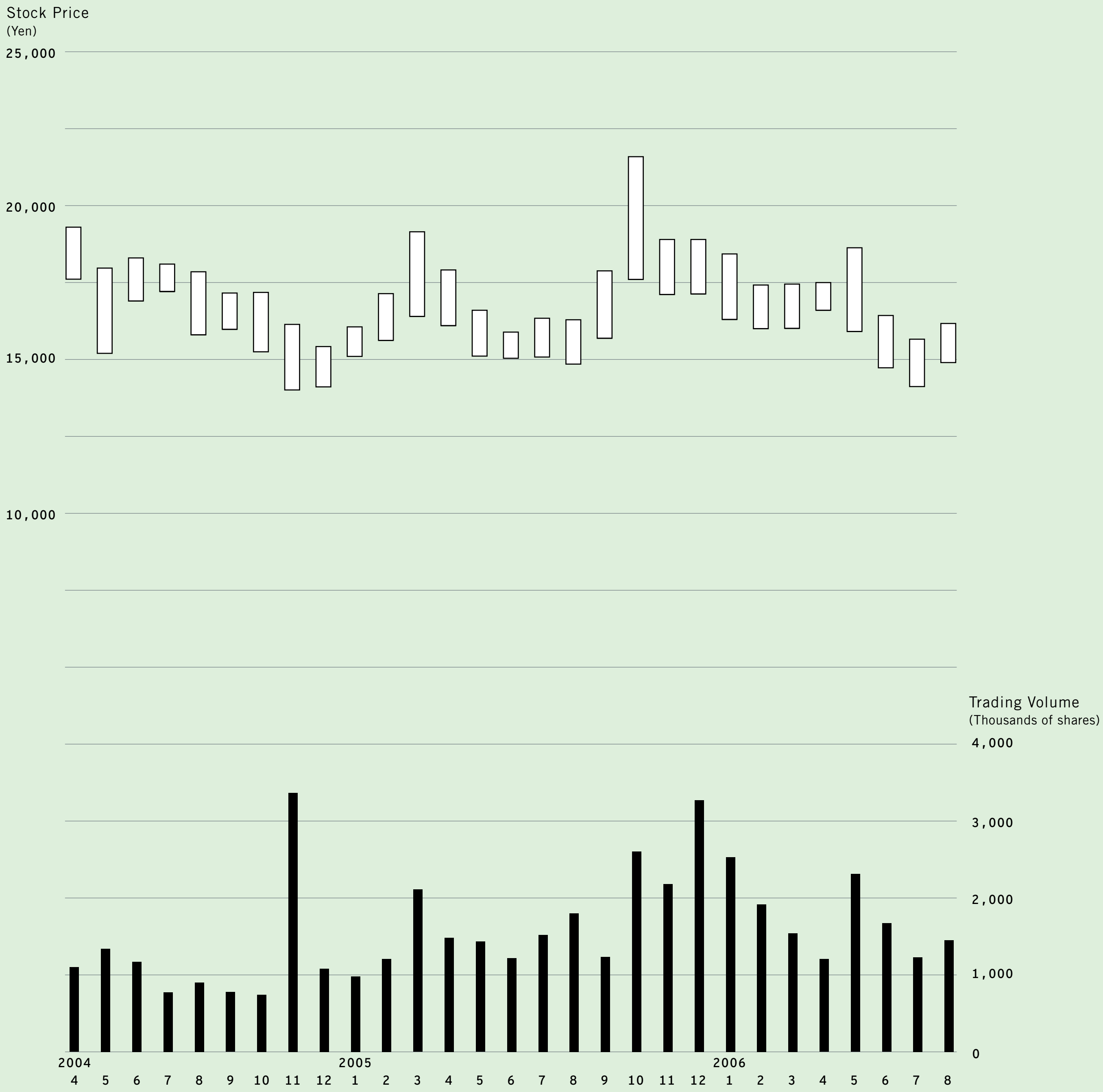
As described in Note 12 to the consolidated financial statements, the Company changed the allocation method of operating expenses and the distribution method of the assets in industry segments for segment information.

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

Deloitte Touche Tohmatsu

June 29, 2006

Stock Price



Stock Price
(Yen)
25,000
20,000
15,000
10,000
Trading Volume
(Thousands of shares)
4,000
3,000
2,000
1,000
0
2004
2005
2006
4 5 6 7 8 9 10 11 12 1 2 3 4 5 6 7 8 9 10 11 12 1 2 3 4 5 6 7 8

NTV Group

Television Broadcasting

Program Planning and Production
NTV Eizo Center Corporation*
NTV Video Corporation*
NTV Enterprises Co., LTD.*
Nippon Television Art Corp.*
NTV America Company*
NTV International Corporation*
Nippon Television Network Europe B.V.
NTV Personnel Center Corp.
J.M.P Co., Ltd.
Nishinihon Eizo Corporation
Nagasaki Vision Corp.
Kagoshima Vision Corporation
Kanazawa Eizo Center Corporation
Nagano Visual Center Corporation
Cosmo Space Co., Ltd.
Promedia Co., Ltd.

Broadcasting Service
BS Nippon Corporation
CS Nippon Corporation
Yomiuri Telecasting Corporation
Fukuoka Broadcasting Corporation

Culture-Related Business

Copyright Management
Nippon Television Music Corporation*
Rights Inn Corporation

Audio and Visual Content Planning, Production and Sales
VAP Inc.*
VAP Music Publishing Inc.

Art Exhibition Planning
Mamma Aiuto Inc.

Other Business

Novelty Product Sales
NTV Service Inc.*

Facility Management
Nippon Television Work 24 Corporation*

Professional Football Team Management
Nippon Television Football Club Co., Ltd.*
(TOKYO VERDY 1969)

Internet and Broadband
Forecast Communications Inc.*
NTV IT Produce Corporation
B-BAT Inc.
CYBIRD Mobilecasting Inc.

Art Exhibition Goods Sales
Art Yomiuri Co., Ltd.

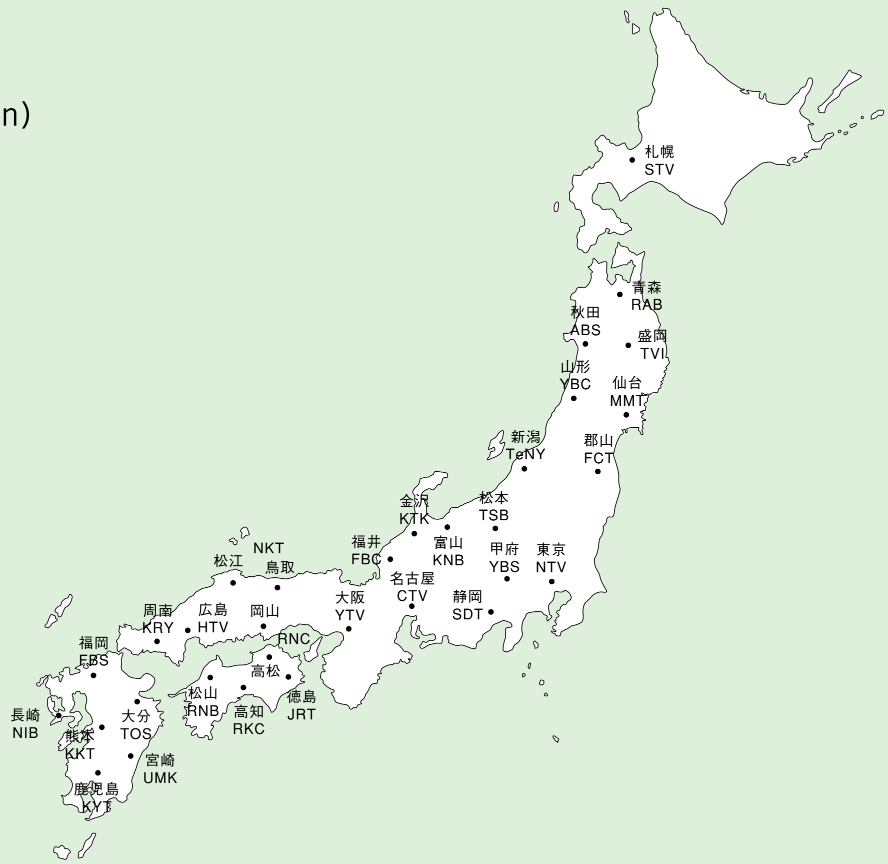
Other
SOUND INN STUDIOS INC.
Shiodome Urban Energy Corporation
AsiaOne Corporation
RF Radio Nippon Co., Ltd.

*Consolidated subsidiary

Complete Transition to Digital Broadcasting by 2011

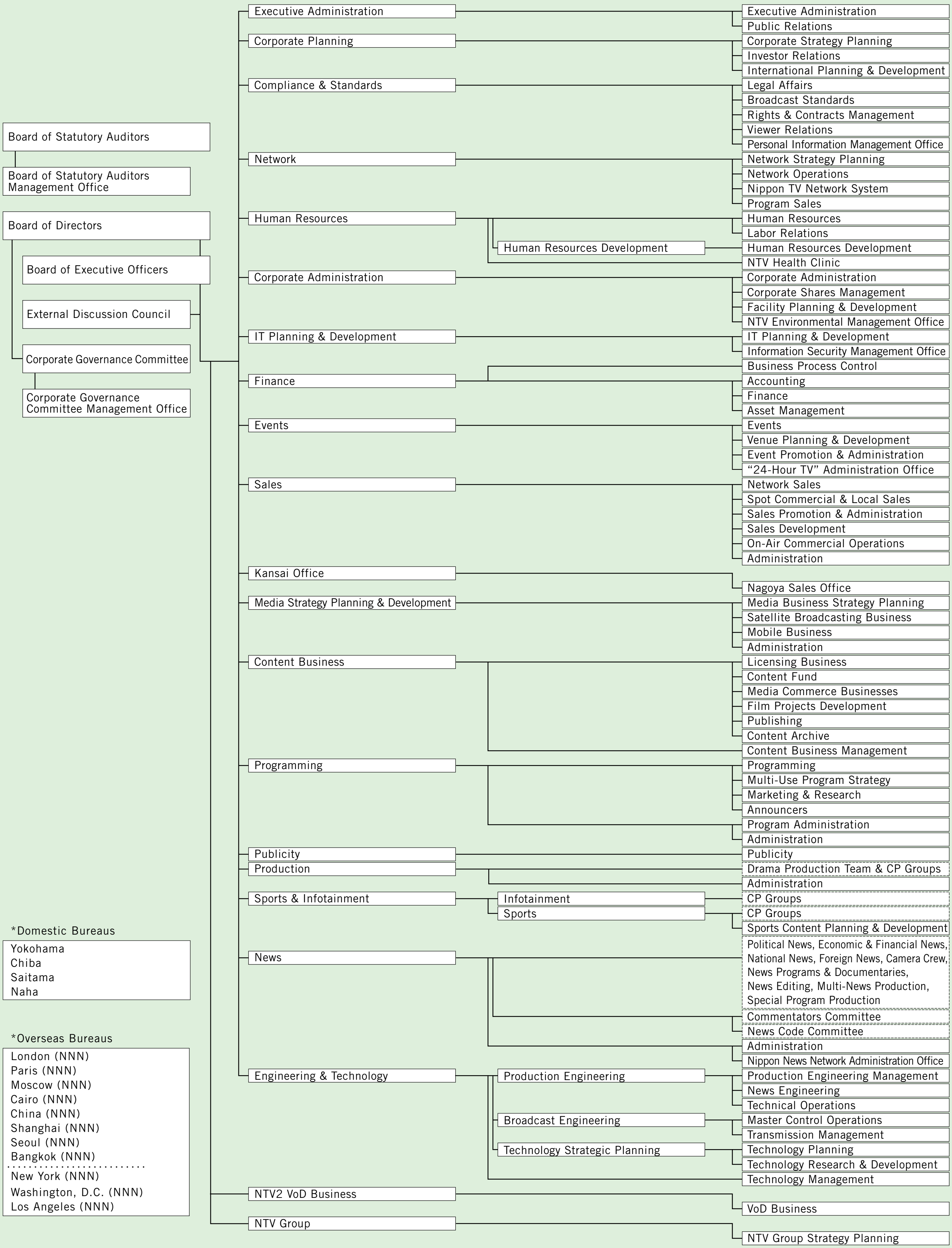
NTV Global Network

NTV Affiliates (Japan)



NTV/NNN Overseas News Bureaus

NTV Corporation Organization Chart (As of November 1, 2006)



Corporate Data (As of July 1, 2006)

Head Office:
Nippon Television Network Corporation
1-6-1 Higashi Shimbashi, Minato-ku,
Tokyo 105-7444, Japan
Tel: 81-3-6215-1111

Date of Establishment:
October 28, 1952

Start of Operations:
August 28, 1953

Number of Employees: (As of March 31, 2006)
1,116 (Non-consolidated)

Common Stock:
Authorized 100,000,000 Shares
Issued 25,364,548 Shares

Paid-in Capital:
¥18,576 Million

Stock Exchange Listing:
Tokyo

Transfer Agent and Registrar:
The Chuo Mitsui Trust and Banking Company, Limited
3-33-1 Shiba, Minato-ku, Tokyo 105-0014, Japan

NTV IR Site
http://www.ntv.co.jp/english/

Directors (As of July 1, 2006)

BOARD OF DIRECTORS AND STATUTORY AUDITORS

Representative Director, Chairman
Seiichiro Ujiie

Representative Director, Adviser
Kohei Manabe

Representative Director
Shintaro Kubo

Board Directors
Noritada Hosokawa
Katsuhiro Masukata
Yoshihiro Yamane
Yoichi Shimada
Tadao Kurosaki
Takeshi Sakai
Toru Shoriki
Tsuneo Watanabe*
Gaishi Hiraiwa*
Nobuo Yamaguchi*
Hiroshi Maeda*
Yoshifumi Akao*
Seiji Tsutsumi*

Standing Statutory Auditor
Kinya Yokoegawa

Statutory Auditors
Ryuzo Sejima**
Tomonari Doi**
Kenya Mizukami**

* Outside directors pursuant to Article 2.15 of the Corporation Law
** Outside auditors pursuant to Article 2.16 of the Corporation Law

OPERATING OFFICERS

President
Shintaro Kubo*

Executive Vice President
Noritada Hosokawa*

Managing Officer
Katsuhiro Masukata*

Operating Officers
Yoshihiro Yamane*
Yoichi Shimada*
Tadao Kurosaki*
Takeshi Sakai*

Senior Operating Officers
Kunisuke Hirabayashi
Masaki Matsumoto
Fumihiro Hirai
Hime Miura
Hiroshi Akimoto

Operating Officers
Yasuhiro Nose
Haruhisa Murokawa
Shinichi Tamura
Tsutomu Tabata

* Concurrent Director

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

This annual report uses soy ink and computer to plate (CTP) printing, as well as a waterless printing process.
It is printed on Forest Stewardship Council (FSC) approved paper containing materials from appropriately managed forests.

Printed in Japan