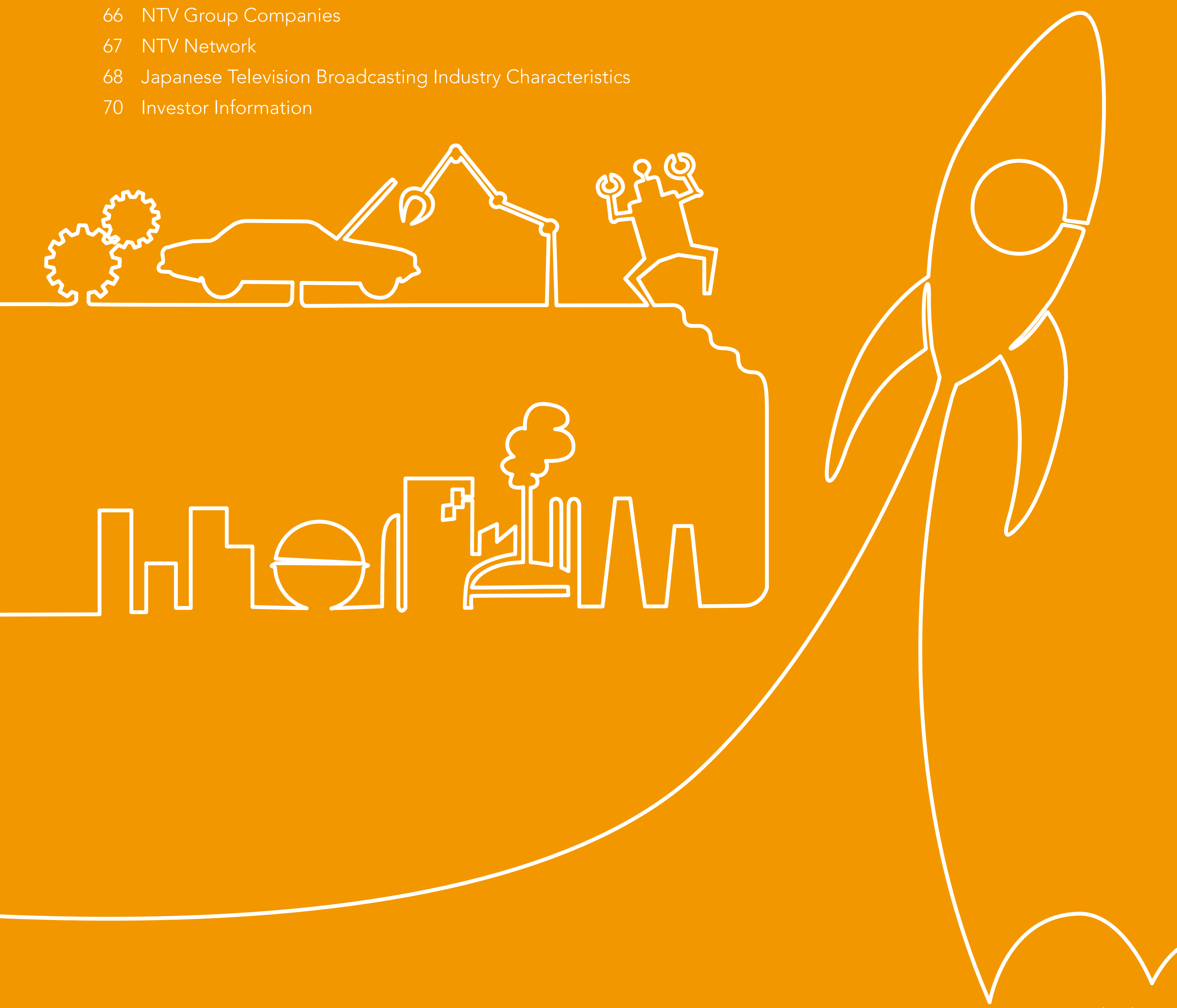
N T V ANNUAL REPORT 2011

ANNUAL REPORT 2011 FOR THE
YEAR ENDED MARCH 31, 2011

Contents

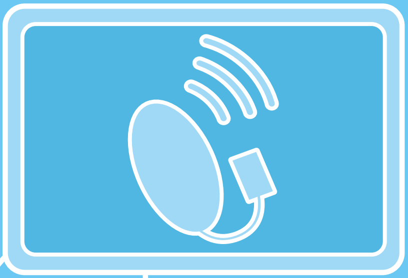
Cautionary Statements with Respect to Forward-Looking Statements:
Statements made in this annual report with respect to NTV's plans and benefits, as well as other statements that are not historical facts, are forward-looking statements, which involve risks and uncertainties. Potential risks and uncertainties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



NTV's Business Activities

Superior Content Development Capability

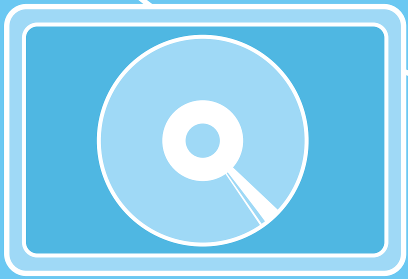
Through the creation of marketable "product capabilities," we develop multiple contacts centered on terrestrial broadcasting and pursue increasingly diverse revenue opportunities.



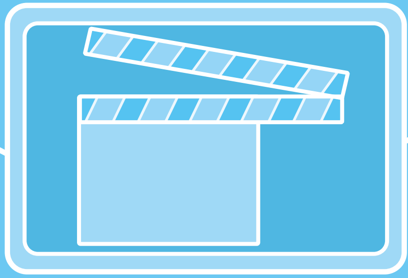
BS, CS, CATV

Terrestrial broadcasting

Merchandise sales, publishing



Videos, DVDs



Films, rights management

In-House Content Production Ratio Reaches 89.1%

By producing nearly all of the programming content in our timetable in-house, we achieved an in-house content production ratio of 89.1% (according to the National Association of Commercial Broadcasters in Japan). NTV epitomizes the role of a content provider in Japan.

Video on demand (VoD)

Television shopping, e-commerce

Events

Program format sales in Japan and overseas

Highlights of the Year

Consolidated Net Sales

¥297.9 billion

During the year, we posted a 0.3% rise in net sales, to ¥297.9 billion, helped by major contributions by Group companies Nippon Television Music and AX-ON.

Operating Margin

10.6%

Our operating margin rose to 10.6% during the year. This was a 2.7-percentage-point improvement from the previous year, and the first time in seven years that the ratio has returned above the 10% mark.

Viewer Ratings in the Fourth Run

Quadruple Crown Title

Across all time slots for the entire fiscal year, we were second in viewer ratings, but we achieved the leading position in all time slots in the fourth run (from January 3 to April 3, 2011).

Spot Share

25%

By revamping our timetable, we boosted our viewer ratings.
Client recognition of this improvement resulted in a substantial rise in spot advertising revenue, causing our spot share to reach 25% in the second half.

Media Commerce Sales

¥10.8 billion

By expanding our sales routes, such as by rolling out special programs at network companies, we posted a record high of ¥10.8 billion in media commerce business sales, ranking us top even among the key stations.

Program Production Costs

Down 19%

By continuing to control costs, we held program production costs during the year to ¥90.8 billion. This figure amounts to a 19% decrease compared with the fiscal year ended March 31, 2009.

Market Data

(Calendar years, billions of yen)

	2001	2002	2003	2004	2005
Nominal GDP	¥ 497,719.7	¥ 491,312.2	¥ 490,294.0	¥ 498,328.4	¥ 501,734.4
Total advertising expenditures[*1]	6,058.0	5,703.2	5,684.1	5,857.1	6,823.5
Television advertising expenditures	2,068.1	1,935.1	1,948.0	2,043.6	2,041.1
Advertising expenditures as a percentage of nominal GDP (%)	34.1	33.9	34.3	34.9	29.9

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

Eleven-Year Summary

Nippon Television Network Corporation and Consolidated Subsidiaries

	2001	2002	2003	2004	2005
Years ended March 31:					
Net sales	¥ 352,409	¥ 358,683	¥ 336,299	¥ 328,375	¥ 357,614
Operating income	67,303	63,574	47,407	35,937	34,325
Net income	36,008	34,648	20,296	19,359	16,846
Comprehensive income	—	—	—	—	—
Depreciation	6,521	6,045	5,854	12,676	21,060
Capital expenditures	11,157	34,364	30,044	49,761	9,214
At March 31:					
Total assets	¥ 410,041	¥ 443,798	¥ 476,634	¥ 513,430	¥ 493,558
Total equity[*3]	291,501	323,319	327,116	354,046	366,646
Cash flows:					
Cash flow from operating activities	¥ 45,549	¥ 38,891	¥ 25,981	¥ 30,520	¥ 49,286
Cash flow from investing activities	(21,701)	(48,773)	(37,393)	(41,596)	(23,046)
Cash flow from financing activities	(2,432)	(3,165)	22,464	7,131	(37,275)
Cash and cash equivalents, end of year	84,065	70,951	81,944	77,930	66,878
Per share data (Yen, U.S. dollars):					
Net income	¥ 1,419.96	¥ 1,366.34	¥ 801.99	¥ 771.74	¥ 671.08
Equity	11,495.33	12,750.14	13,102.25	14,183.02	14,688.07
Cash dividends[*4]	120.00	120.00	120.00	120.00	165.00
Ratios (%):					
Return on assets (ROA)	9.3	8.1	4.4	3.9	3.3
Return on equity (ROE)	13.2	11.3	6.2	5.7	4.7
Operating margin	19.1	17.7	14.1	10.9	9.6
Equity ratio	71.1	72.8	68.6	69.0	74.3
Others:					
Total shares issued	25,364,548	25,364,548	25,364,548	25,364,548	25,364,548
Employees	2,465	2,635	2,714	2,829	2,797

Notes: *1. The scope of estimates was revised in 2007, with figures revised retroactively to 2005.

*2. The translations of Japanese yen amounts into U.S. dollar amounts are included solely for the convenience of readers outside Japan and have been made at the rate of ¥83.15 to $1, the approximate rate of exchange at March 31, 2011. Such translations should not be construed as representations that the Japanese yen amounts could be converted into U.S. dollars at that or any other rate.

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

2006	2007	2008	2009	2010
¥ 507,364.8	¥ 515,520.4	¥ 504,377.6	¥ 470,936.7	¥ 479,223.1
6,939.9	7,019.1	6,692.6	5,922.2	5,842.7
2,016.1	1,998.1	1,909.2	1,713.9	1,732.1
29.0	28.5	28.5	28.9	29.6

					(Millions of yen)	(Thousands of U.S. dollars*2)
2006	2007	2008	2009	2010	2011	2011
¥ 346,642	¥ 343,652	¥ 342,188	¥ 324,563	¥ 296,934	¥ 297,895	$ 3,582,622
28,551	30,344	23,077	12,215	23,563	31,670	380,878
13,701	18,332	10,625	5,622	16,595	21,049	253,145
—	—	—	—	—	18,352	220,710
17,561	14,361	12,939	11,528	9,622	8,456	101,696
6,266	6,043	5,200	5,491	26,809	4,614	
¥ 519,952	¥ 529,265	¥ 512,507	¥ 498,457	¥ 513,788	¥ 528,398	$ 6,354,756
398,018	411,995	407,668	400,417	416,367	427,496	5,141,262
¥ 32,683	¥ 31,458	¥ 26,791	¥ 23,948	¥ 40,131	¥ 23,433	$ 281,186
(24,358)	(24,596)	(17,301)	(28,331)	(46,847)	(28,181)	(338,918)
(15,921)	(4,714)	(4,124)	(4,803)	(5,697)	(7,132)	(85,773)
59,369	61,524	66,863	57,630	45,219	33,312	400,625
¥ 545.40	¥ 741.60	¥ 430.27	¥ 227.70	¥ 676.43	¥ 859.68	$ 10.33
15,945.74	16,363.52	16,153.34	15,853.59	16,661.03	17,113.94	205.82
165.00	170.00	180.00	180.00	290.00	290.00	3.48
2.7	3.5	2.1	1.1	3.2	3.9	
3.6	4.6	2.6	1.4	4.2	5.1	
8.2	8.8	6.7	3.8	7.9	10.6	
76.6	76.3	77.8	78.5	79.4	79.3	
25,364,548	25,364,548	25,364,548	25,364,548	25,364,548	25,364,548	
2,869	2,886	3,126	3,291	3,339	3,262	

*4. Dividend figures include an extraordinary dividends of ¥70 per share in the fiscal years ended March 31, 2001 and 2002; a ¥70 per share dividend in the year ended March 31, 2003, to commemorate NTV's 50th anniversary of establishment; a ¥70 per share dividend in the year ended March 31, 2004, to commemorate the relocation of NTV's head office; a ¥60 per share dividend in the year ended March 31, 2006, to celebrate the launch of NTV2; and a ¥30 per share dividend in the year ended March 31, 2008, to commemorate NTV's 55th anniversary of establishment.

Message from the Chairman and the President

We would like to express our deepest sympathies and heartfelt condolences to all of the people who suffered from the Great East Japan Earthquake in March 2011. We extend our sincerest hopes and wishes for the earliest possible recovery.

As Japan's first commercial television station to go on the air in August 1953, NTV marked its 58th year of broadcasting in July 2011—the month when Japanese analog terrestrial broadcasting ceased, transitioning to a fully digital broadcasting system (except in Iwate, Miyagi and Fukushima prefectures, which were most severely affected by the Great East Japan Earthquake). Viewers nationwide responded to this shift by switching to digital televisions, encouraging the broad proliferation of television with internal tuners equipped to receive BS and CS as well as digital terrestrial broadcasts. This trend, coupled with such technical evolution as the full-fledged Internet distribution of video content, is greatly expanding the range of viewer choices.

In television, terrestrial broadcasts retain their position as the most effective advertising medium, but their era as the one and only advertising medium has ended. Television now partners with, and sometimes competes with, new media.

Responding to these changes in its operating environment, in June 2011, NTV introduced a major shakeup in its management system to breathe some fresh air into the Company by highlighting a resurgent youthfulness. We will leverage individual employee strengths to create compelling content that should earn us the top slot in viewer ratings, and redouble our efforts to expand sources of revenue other than television advertising.

The Great East Japan Earthquake wrought havoc on the nation. As a medium that significantly impacts society, we believe that our mission is to offer support to the people who were affected by this calamity and contribute to reconstruction efforts.

Though NTV reaches its 60th anniversary in 2013, we retain the vigor of our founding spirit. We will move forward in four ways. First, we will step up our promotion of culture and welfare, never forgetting our debt of service to the general public. Second, we will provide accurate and timely reporting, and create programming that touches the hearts of our viewers. Third, we will contribute to economic growth through commercial broadcasting. And fourth, as an industry forerunner, we will always look toward the future. As we move forward, we will continue to respect the spirit of creativity, recognize the importance of our stakeholders and put forward our best effort toward being a reliable media company.

We ask for your ongoing support in these endeavors.

August 2011

Noritada Hosokawa
Representative Director, Chairman

Yoshio Okubo
Representative Director, President

Message from Management

Market Environment and Overview of Results for the Fiscal Year Ended March 31, 2011

Overview of Results

Although the Great East Japan Earthquake, which struck in March 2011, had a major impact on operations for the fiscal year ended March 31, 2011, spot revenue—a component of television advertising revenue—was up substantially. Consolidated subsidiaries, including Nippon Television Music Corporation, VAP Inc. and AX-ON Inc., also boosted revenues. As a result, net sales rose 0.3% during the year, to ¥297.9 billion. Furthermore, our thoroughgoing efforts to control costs in all categories bore fruit, and we posted operating income of ¥31,670 million, up 34.4%. Net income likewise rose 26.8%, to ¥21,049 million. This was the first time in 10 years for the Company to record sales and income increases across the board.

Market Environment

Japan's total advertising expenditures in 2010 totaled ¥5,842.7 billion (on a calendar basis, according to Dentsu Inc.), for a 1.3% decline from the previous year and the third consecutive year of decline—failing to achieve a full-fledged recovery despite a gradual economic recovery, improved corporate performance and such large-scale events as the 2010 FIFA World Cup South Africa.

Television advertising expenditures turned around, however, increasing for the first time in six years and rising 1.1%, to ¥1,732.1 billion, on a recovery in the spot advertising market. Spot advertising revenues gradually increased from the beginning of the year, and by the July–September quarter they had recovered, outpacing the previous year's level. For the full year, these revenues were up 6.8%, to ¥1,018.9 billion.

Meanwhile, the unprecedented level of devastation wrought by the Great East Japan Earthquake in March 2011 led advertisers to voluntarily hold back on commercial advertising, which had a substantial impact on performance. As power shortages and other effects of the earthquake are likely in the fiscal year ending March 31, 2012, we will pay special attention to conditions in the market environment.

Achievements in the Fiscal Year Ended March 31, 2011

During the year, NTV formulated the 2010 Management Policy containing its annual objectives, one of which was to enhance earnings strength and regain the top share of viewer ratings. We aggressively developed our operations to this end.

To improve viewer ratings, we restructured our timetable and worked steadily to enhance the content of individual programs. As a result, we came close to being the top station in terms of household viewer ratings and boosted our core target viewer ratings (for viewers between 13 and 49 years of age). This age group tends to have high purchasing power and be the most sought-after by advertisers. During the year, we ranked second across all four categories of viewer ratings: all day (6:00–24:00), prime time (19:00–23:00), golden time (19:00–22:00) and non-prime time (6:00–19:00 and 23:00–24:00). Although these efforts fell short of our goal to achieve the top level of viewer ratings, we believe that we made substantial progress in content. The disparity between us and the broadcaster with the top viewer ratings in the all-day category was only 0.1 percentage point. The difference was similarly small in other categories: 0.2 percentage point for prime time, 0.3 percentage point for golden time, and 0.1 percentage point for non-prime time. Compared with the previous year, we are clearly closing the gap. Furthermore, we were top in viewer ratings during the fourth run (from January 3 to April 3, 2011), as well as on a monthly basis in March 2011. We plan to leverage this positive momentum to achieve the top slot in viewer ratings in the fiscal year ending March 31, 2012.

With this combination of improved ratings and a recovery in the spot advertising market, our television advertising revenue grew 1.9% during the year, to ¥209,264 million. Our growth in spot revenue was particularly robust, rising 11.6%, to ¥103,338 million. This is the highest rate of growth among all key stations. Also noteworthy was that in the second half, our spot share exceeded 25% of the total. Meanwhile, our year-on-year decrease in time advertising revenue grew smaller. This revenue fell 6.1% as advertisers curtailed fixed expenses, to ¥105,926 million.

Noritada Hosokawa
Representative Director, Chairman

In terms of non-broadcasting revenue, we are working toward steady growth by focusing on one of our core businesses, media commerce. We expanded our sales routes by developing special shopping programs for various local stations and BS Nittele, and as a result, revenue from merchandise sales reached a record high. Although we were unable to post year-on-year increases on box office revenues, we scored a major hit with the film *GANTZ* (prequel), which opened on January 29, 2011, generating box office revenue in excess of ¥3.4 billion.

As a result of these activities, during the year we posted consolidated recurring profit of ¥38,720 million. The consolidated recurring profit ratio—a key management indicator—accordingly amounted to 13.0%, well above the previous year's 9.2%, and we recorded increases in both revenue and income for the first time in 10 years.

Business Strategies for the Fiscal Year Ending March 31, 2012

Key Elements of the 2011 Management Policy

1 Raise core target viewer ratings, and achieve the top ranking in household viewer ratings

- Remain the broadcaster of choice for coverage of earthquakes and other disasters
- Hold top viewer ratings across all time slots
- Develop robust content that will lead to higher core target and household viewer ratings
- Cultivate producers

2 Develop new sources of revenue to expand sales and profits

Television advertising revenue

- Raise our share of spot revenue to the highest level
- Develop a number of ideas for augmenting time advertising revenue (such as program planning and commercial methods)

Non-broadcasting revenue

- Further expand revenue from existing non-broadcasting businesses
- Develop and maintain new businesses that are in tune with the needs of an era of fully digital broadcasting and that showcase NTV Group strengths
- Accelerate global developments

3 Continue all aspects of cost control

4 Increase profits of the NTV Group as a whole by leveraging the individual characteristics of each Group company

As the advertising market has stagnated for the past several years, we have introduced extensive companywide cost controls to boost our income levels, shifting to an income structure that is capable of generating steady profits. Moreover, television advertising market conditions recovered from last year. We therefore believed that the fiscal year ending March 31, 2012, would be the time to launch a business strategy focused on boosting our top-line performance, and we were preparing to introduce a new medium-term management plan along these lines. However, the Great East Japan Earthquake struck in March 2011, clouding the outlook for the market environment. As this remains the case to date, we have elected to scrap our medium-term management plan in favor of formulating annual objectives. These are outlined in our 2011 Management Policy, which prioritizes such initiatives as fully leveraging the characteristics of digital terrestrial broadcasting in our content production as we work to reinforce our profit structure.

The core concepts of our 2011 Management Policy are to plan and produce content that is even more compelling, as we recognize that this is essential to satisfying more viewers and advertisers. We aim to achieve the top level of household viewer ratings in all time slots, and in the process to raise our core target viewer ratings, thereby boosting advertiser

Yoshio Okubo
Representative Director, President

support. To achieve this goal, while continuing to control costs we must invest aggressively in strategic content. We believe that this approach will be fundamental to NTV's management over the short term, as well as the medium to long term. In the past, ongoing timetable restructuring has led to steady improvement in our household and core target viewer ratings. We will continue in this vein, which will boost television advertising revenue.

July 2011 marked the full-fledged shift in Japan to digital terrestrial broadcasting. This switchover occasioned no major problems and produced no negative impact on viewer ratings. At the same time, the ongoing march of technology has made the Internet and other communication media easily accessible. Accordingly, television will gradually lose its position as the exclusive domain for video content. Although we recognize this phenomenon, we will persevere in our efforts to attain the top ranking.

As competition with other media intensifies, achieving double-digit growth in spot revenue will be no easy feat. Under these circumstances, in addition to increasing our television advertising revenue share we must also tailor our revenue portfolio to be less dependent on television advertising.

The Great East Japan Earthquake caused the advertising market to plunge, but the market recovered from this temporary setback more swiftly than we had expected. Time advertising for regular programs was quickly sold out through September, and in the second half sales remained favorable, particularly for the golden- and prime-time slots. Spot revenue fell in the first quarter owing to the effects of the earthquake, but our spot share was 25.3%—remaining above 25% for the third consecutive quarter. For July 2011, the market recovered and even surpassed the July 2010 level. Ultimately, the earthquake had only a limited impact on revenues, and we believe that the market environment is now in a recovery phase.

To diversify our revenue portfolio, we continue in our steady efforts to expand non-broadcasting revenue, such as films, media commerce and events. We also recognize the need to develop other pillars of revenue. We are therefore planning to heighten our involvement in VoD services, social games and other digital services, and we will continue to evaluate and research other new businesses and M&A opportunities. We plan to maintain our television advertising revenue level over the medium term while also bolstering revenue from other sources. Our goal is a 60:40 split between television advertising and non-broadcasting revenue—a ratio we hope to achieve at the earliest possible juncture.

New Business Development

The NTV Group is aggressively developing additional sources of revenue that are suited to the era of fully digital broadcasting. For instance, in December 2010 we launched a fee-based content distribution service, NTV On Demand, and began distributing dramas, animations, variety shows, sports and other program content. We have also reached an agreement among Japan's five key commercial broadcasters and Dentsu Inc. involving Internet television, which is expected to proliferate. Under this accord, we commercial broadcasters will promote a fee-based VoD service. Through the service, we expect to expand the television program fan base and promote real-time viewing of terrestrial broadcasts, thereby maximizing the value of television.

We also solicited new business proposals as part of a project designed to encourage an entrepreneurial spirit among Group employees, and adopted several "business trial proposals" based on the feasibility of their early service implementation. Consequently, we launched NTV Social Games to develop the SNS gaming business, and NTV Apps, concentrating on software for smartphones. Some of these proposals are already showing signs of success; we will reinforce these businesses and seek to drive them further.

To develop our overseas business—a recent area of major focus—in May 2011 we established CNplus Production, Inc., in Taiwan through a joint venture with major Taiwan cable television broadcaster CTI Television Incorporated, a member of Taiwan's WANT WANT GROUP. Under this business development agreement, CNplus will produce dramas, variety shows and other television programs using NTV's television program formats. By taking advantage of networks operated

Signing ceremony with CTI Television

by CTI and the WANT WANT GROUP, we aim to expand our business first in Taiwan and ultimately into mainland China.

We aim to work out the specifics of our real estate development in Kojimachi, Tokyo, as quickly as possible. The plan is to make more effective use of the real estate that we own in this area, and we are pushing forward through discussions with other entities that hold rights to this land.

Corporate Social Responsibility

Key commercial broadcasters such as NTV have a profound impact on society, and we must meet social responsibilities that are commensurately large. The recent Great East Japan Earthquake heightened our awareness of how we as a company can contribute to society in the midst of such a calamity. Using our *24-Hour Television* platform, we commenced fund-raising activities ahead of other commercial broadcasters. We consider such activities extremely important, as they allow us to earn the trust of our viewers by showing how we are always ready to give back to society. We see such trust as a cornerstone of our business development.

In January 2011, we became a member of the UN Global Compact. This move was designed to step up our involvement in environmental issues and other social contributions, and we plan to develop our corporate culture accordingly.

Shareholder Returns

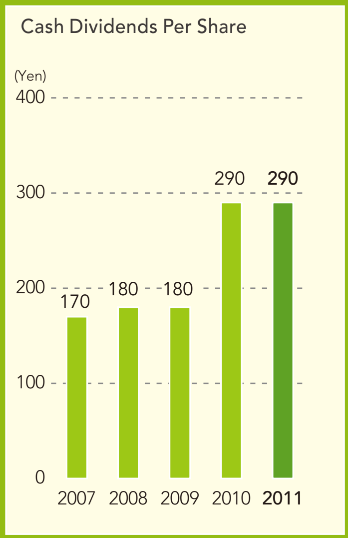
NTV recognizes return of profits to shareholders as an important task of management. Our basic policy is to ensure consistently stable returns to shareholders, while strengthening our earnings base so as to remain responsive to transformation in the business environment and sustaining sufficient internal reserves to aggressively develop our business. We have set ¥180 per share as our minimum annual dividend. Based on this dividend policy, for the fiscal year ended March 31, 2011, we awarded ¥290 per share in annual dividends, the same level as for the preceding fiscal year.

For the fiscal year ending March 31, 2012, we expect to award dividends at the minimum level of ¥180 per share. This does not correspond to a dividend reduction, as it is in line with the minimum level to which we committed at the beginning of the fiscal year. As stable shareholder returns are our objective, we see no reason to reduce our dividend payout level in the absence of an extreme demand for funds or a major downturn in profit levels.

As described above, television broadcasters face a number of serious changes in their operating environment, owing to growing competition from the Internet and other media. At the same time, however, digital broadcasting is spawning a host of business opportunities in the areas of content production and future business development. Against this backdrop, we consider it essential for the NTV Group to maintain sufficient cash independence to invest toward future growth and act expeditiously in response to future M&A opportunities. During the year, we subscribed to a capital increase via third-party allocation by the animation production company MADHOUSE Inc., making MADHOUSE a subsidiary of NTV. We also embarked on a joint venture in Taiwan, establishing a company to promote content in Asia. These business startups are examples of our aggressive investment in business development.

We also consider the acquisition of our own shares as one aspect of shareholder return. However, we must maintain a careful eye to the percentage of shares held by foreign entities, as a foreign ownership ratio of 20% or more would trigger a revocation of NTV's status as a broadcasting company under Japan's Radio Law. Nevertheless, we will continue pursuing the acquisition of treasury stock to the extent possible within these constraints.

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



Note: Dividend figures include a ¥30 per share dividend in the year ended March 31, 2008, to commemorate NTV's 55th anniversary of establishment.

Special Feature:
Developing the Content Business

In the fiscal year ended March 31, 2011, the NTV Group combined its content-related businesses into a single operating segment. Centered on television advertising revenue, the segment also derives royalty income from program sales and merchandising; sales of CDs, Blu-ray Discs and publications; and films and events. We aim to maximize revenue opportunities by creating compelling content. This special feature introduces Group initiatives for redoubling our strength in content production and leveraging attractive content in diverse ways.

Sekai no Hate Made Itte-Q!

Arashi ni Shiyagare

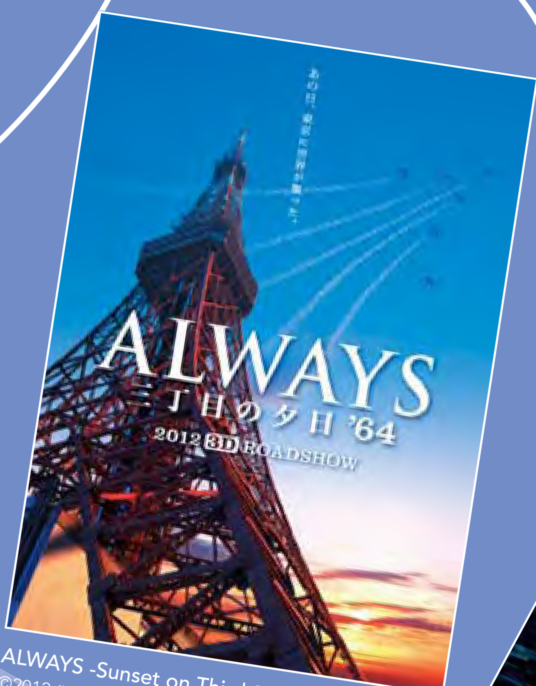
DOG x POLICE: The K-9 Force
©2011"DOG x POLICE"FILM PARTNERS

Shabekuri 007

Shimura Zoo

FIFA Club World Cup UAE 2010 Presented by TOYOTA

Impressionist and Post-Impressionist Masterpieces from the National Gallery of Art, Washington



ALWAYS -Sunset on Third Street- 3

©2012 "Always3" Film Partners

Kaibutsu-kun

Rembrandt: The Quest for Chiaroscuro

© The Rembrandt House Museum, Amsterdam

Humanoid Monster Bem

Television Broadcasting Business

Viewer Rating Trends

Nandemo World Ranking Nep & Imoto no Sekai Banzuke

During the year, we continued with our timetable restructuring initiatives, through which we succeeded in improving our household and core target viewer ratings. Our average household viewer ratings during the year were second in all four time slots: 8.1% in the all-day slot; 12.4% in prime time; 12.3% in golden time and 6.9% in non-prime time. Although this fell short of our goal of attaining top viewer ratings, we did succeed in narrowing the gap with the top-ranked station compared with the previous fiscal year. Looking at average viewer ratings during the 52 weeks of the year, NTV achieved the weekly "Quadruple Crown" title—one of the indicators of station power—nine times, surpassing the previous year's seven. We also achieved the top level of prime-time viewer ratings 20 times, up sharply from the previous year's 10. Furthermore, during the fourth run (from January 3 to April 3, 2011) we earned the Quadruple Crown title, indicating the top rating for all time slots.

During the 26 weeks from April through October 2, 2011, we ranked second across all time slots, but we delivered a strong showing by earning the Quadruple Crown title in monthly average viewer ratings.

Sekai Maru Mie! TV Special Investigative Unit

Programming Policy

NTV's programming policy focuses on being the broadcaster of choice among viewers and clients. To achieve this objective, naturally we must raise household viewer ratings but we also need to be at the top in core target viewer ratings (ratings among viewers aged 13 to 49), as our clients consider this segment particularly important. Our ongoing timetable restructuring efforts have proven particularly successful in boosting our core target viewer ratings in the C (4–12), T (13–19) and F2 (35–49) segments. We believe these results stem from our skill in providing content for family viewing. We are making steady progress in household viewer ratings as well, evinced by an increasing number of weeks in which we held the top rank for the golden- and prime-time slots.

ZIP!

Although we initially experienced some difficulty with household viewer ratings for so-called "belt programs"—morning and afternoon programs spanning contiguous weekdays—that we introduced in April 2011, these have begun making steady contributions to our core target viewer ratings, thanks to their novelty and topicality. We received a strong response to aggressive developments such as our morning belt program *ZIP!*, which is linked to mobile devices, and our rollout of datacasting, which leverages the possibilities of digital terrestrial broadcasting.

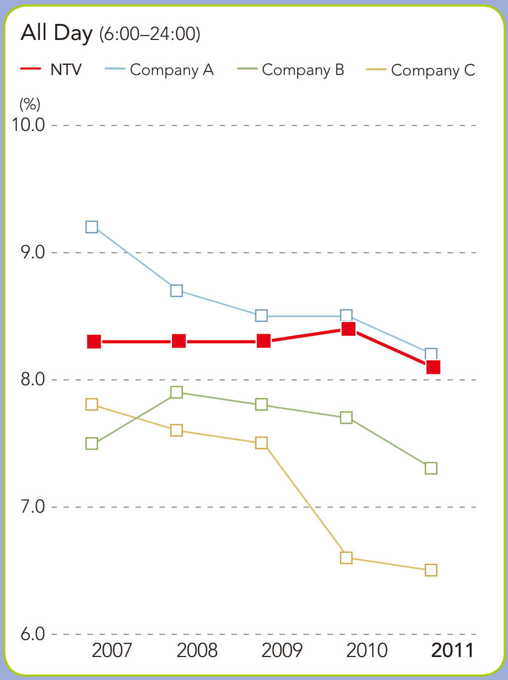
Book from popular segment of *ZIP!*

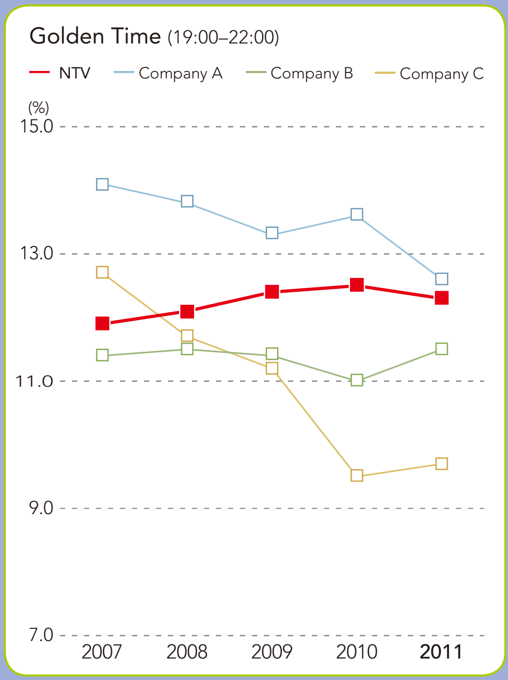
Since the Great East Japan Earthquake, we have continued to carry disaster-related bulletins via regular news and single-episode programs. In this manner, we are fulfilling our corporate social responsibility as a news-reporting institution.

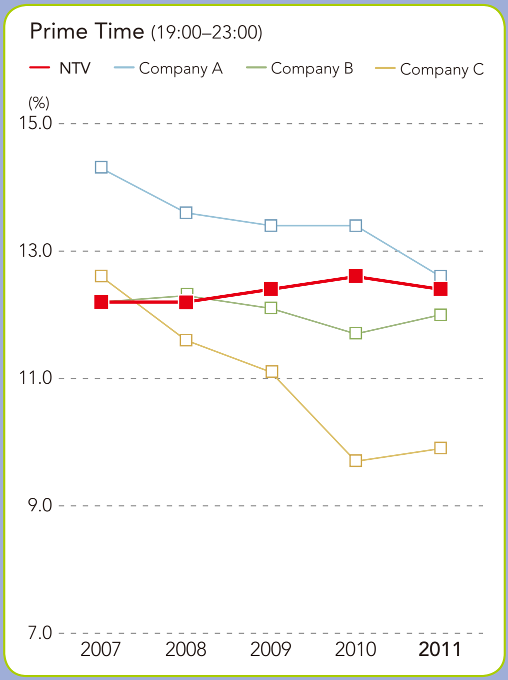
We have defined two main goals: putting television at the core and recapturing the top position. The first expresses our overarching aim of ensuring that viewers continue to consider television as the true center of entertainment, even as new media becomes increasingly prevalent. Viewer ratings will measure our success in this endeavor, and accordingly we aim to recapture the lead in the fiscal year ending March 31, 2012.

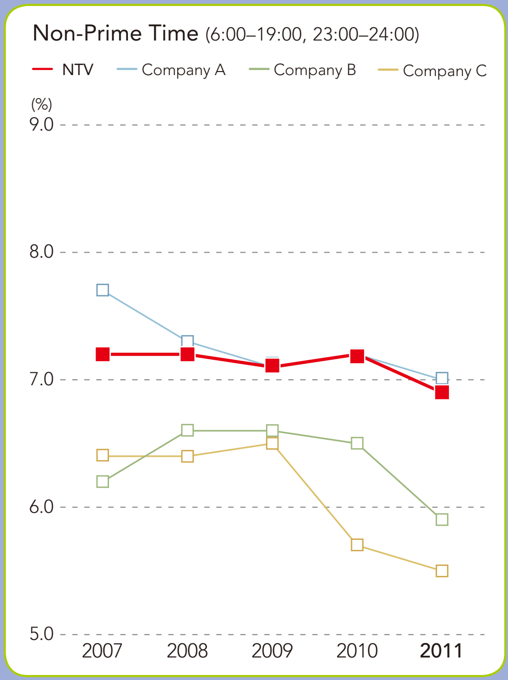
Viewer Ratings by Time Period

Years Ended March 31









Non-Broadcasting Businesses

GANTZ
PERFECT ANSWER
©Hiroya Oku/Shueisha
©2011 "GANTZ" FILM PARTNER

From Poppy Hill
©2011 Chizuru Takahashi - Tetsuro Sayama - GNDHDDT

Film Business

The NTV Group is mounting an aggressive initiative to make its film business a key source of non-broadcasting revenue and is investing in the production of around 12 films per year.

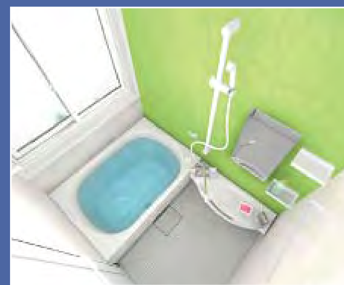
As we cut back on large-scale investments during the fiscal year ended March 31, 2011, film revenues and expenses were both down compared with the previous year. In the fiscal year ending March 31, 2012, however, we plan to scale up this expenditure to the same levels as during the fiscal year ended March 31, 2010.

On April 23, 2011, we released *GANTZ PERFECT ANSWER*, the sequel to *GANTZ*, which screened in January. We scored a major hit with *GANTZ* (prequel), which was released in Japan and the United States, with box office revenue in excess of ¥3.4 billion. We generated more than ¥2.8 billion for *GANTZ PERFECT ANSWER* by cultivating viewer interest during our Friday Movie Special program the day before the film's release. We linked the film to terrestrial broadcasts by showing the movie version of *ANOTHER GANTZ*, also by director Shinsuke Sato, but with a completely original story. Showing the movie version of *GANTZ PERFECT ANSWER* the day before release on the Friday Movie Special helped push the number of prequel and sequel viewers to five million and resulted in a major box office hit with revenues surpassing ¥6.0 billion.

The latest Studio Ghibli film, *From Poppy Hill*, opened in theaters July 16, 2011. Set in 1963 Yokohama, the film's planning and screenplay was by Hayao Miyazaki and it was directed by Goro Miyazaki. Following the previous year's release of *Karigurashi no Arrietty*, Studio Ghibli productions continued to deliver positive results with *From Poppy Hill*. Other hits during the year included *KAIJI 2*. Opening in theaters in November 2011, this was the sequel to *KAIJI*, which screened in 2009 and generated box office revenue of more than ¥2.2 billion. The 3D rendering of *Kaibutsu-kun: The Movie*, attracted viewers of *Kaibutsu-kun*, a popular terrestrial broadcast drama. In January 2012, we also plan to screen the 3D film *ALWAYS—Sunset on Third Street—3*, the third in the major hit series *ALWAYS—Sunset on Third Street*.

In the aftermath of the Great East Japan Earthquake, many film theaters suspended operations, and in Japan a general tendency to eschew entertainment prevailed. These trends affected our performance in the film business during the year, but we expect to boost film business revenues during the fiscal year ending March 31, 2012, with an increased lineup of major titles.

PON! PON! POSHLET



Bathroom refurbishment

Media Commerce

Media commerce is another major component of non-broadcasting revenue. During the fiscal year ended March 31, 2011, we generated record revenues in this category, amounting to ¥10,769 million, owing to our expansion of program slots at network stations and BS Nittele, and due to the popularity of our special programs. This revenue figure was the top among key commercial broadcasters. By continuing to broadcast special programs in the fiscal year ending March 31, 2012, we have already earned a historic high of ¥2.2 billion in *Gyoretsu no Dekiru Tsuhan No. 6*. Going forward, in addition to further increasing the number of program slots at local stations and expanding special programs, we expect to augment our offerings of high-end items, such as the installation of solar power panels and refurbishing roofs, thereby generating even higher revenues.

New Business

In December 2010, NTV launched Nittele On Demand as a fee-based content distribution service, which is steadily increasing viewer numbers through its distribution of dramas, animated series, variety shows, sports and other archived program content. We also expect to generate an early return on our investment in the launch of NTV Social Games, which we established to develop the SNS gaming business, by linking program content in the first phase of *EXIT!*, in which user registrations topped 1.2 million people. We expect to continue chalking up steady advances on NTV Apps, which concentrates on software for smartphones, registering 55,000 downloads for its popular *Gaki no Tsukai ya Arahende!* program application. Downloads of *Itsunoma ni Terebi*, our application for the Nintendo 3DS, also numbered more than 180,000. This software allows three items of NTV-produced 3D content to be viewed free of charge each day.

Interview with Masatoshi Yoshioka, President of Nippon Television Music Corporation

Anpanman
©TAKASHI YANASE / FRÖEBELKAN · TMS · NTV

HUNTER×HUNTER
©POT (Yoshihiro Togashi) 1998-2011
©VAP · NTV · Madhouse / Shueisha

Masatoshi Yoshioka
Representative Director, President
Nippon Television Music Corporation

Company Profile

Name:	Nippon Television Music Corporation
Location:	NTV Kojimachi South Building, 8F, 2-14 Chiyoda-ku, Tokyo 102-0084, Japan
Established:	October 1, 1969
Capital:	¥40 million

Business Overview

Established in 1969, Nippon Television Music is a music publisher that concentrates on the rights business, with music copyrights and licensed merchandise as its two pillars of operation.

The company's music copyright business involves the managing rights to the theme songs of NTV programs, discovering and cultivating artists to create new music, and creating master recordings.

In the area of licensed merchandise sales, the company holds and manages merchandising rights to characters that have appeared in NTV programs. Normally, a publisher or production company retains the character merchandising rights to animated and other content; it is unusual for a music publisher to hold such merchandising rights. Nevertheless, Nippon Television Music holds rights on the merchandising of popular characters such as *Anpanman* and *Lupin the 3rd*.

Nippon Television Music in Brief

There is no point in simply holding on to music copyrights and merchandising rights; using them effectively is the key. As we are a broadcaster-affiliated music publisher, our biggest strength lies in our ability to leverage the abundant media strength of television. We are able to take advantage of the new rights that spring from NTV's programs, and maximize the value of these rights as we convert them into revenues.

Ichiban Song SHOW


Sukkiri!!

To elicit the strength of the rights we hold, we must maintain their quality and enhance their image. Taking characters from the NTV-broadcast *Anpanman* series as an example, our personnel in charge of toymaker licensees hold weekly "*Anpanman* conferences" to go over merchandising plans and check product quality. Already they have met more than 1,000 times. Meeting attendees are very thorough in their checks of product colors and quality, so much so that they have been called the most stringent character controllers in the industry. But as these are popular characters, with several hundred new *Anpanman* character products going onto the market each year, such strict quality control is needed to maintain character images and product quality.

Future Business Strategies

Our future business strategies involve making the most of the rights we hold and monetizing them as effectively as possible. As the NTV Group's overall non-broadcasting revenue is expanding, we plan to forge even stronger links with NTV programs than we have in the past.

As we believe that music programs are an important element of our involvement in the music copyright business, we assume part of the production costs for *Happy Music* and *Music Dragon Gate*. We plan to expand the field through music programs such as these, which enable us to promote songs and cultivate artists.

One of the major themes of our licensed merchandise sales business is to popularize as many as possible of the characters from the animated programs broadcast by NTV, such as *Anpanman* and *Lupin the 3rd*. In October 2011, broadcasts began of a new animated program, *HUNTER x HUNTER*, which originated as an extremely popular comic that was serialized by *SHONEN JUMP* in 1998. We aim to popularize the characters in this major hit, by efficiently managing character merchandising rights.

We also take a proactive approach to the cultivation of new merchandising rights other than animated characters that are linked with television programs. We currently are in charge of the *Sukkiri!!* Product Development Department segment of *Sukkiri!!*, an information program broadcast on weekday mornings from 8:00 to 10:25. In this segment, participants plan a variety of products in a framework that allows us to retain their merchandising rights. In the past, we have earned revenues for the use of the program's name as well as concept fees from a travel agency that was involved in tour planning. This represents a different sort of payment from the royalties that arise from the use of animation characters in products, as they come from planning and licensing the use of formats. We aim to expand our business in this field, which we believe will constitute a major pillar of future revenue.

Interview with Hisao Adachi, President of AX-ON Inc.

KAIJI 2
©Nobuyuki Fukumoto, KODANSHA / 2011 *KAIJI 2* FILM PARTNERS

Kaibutsu-kun: The Movie
©Fujiko Studio, Shogakukan / 2011 *Kaibutsu-kun: The Movie* FILM PARTNERS

Hisao Adachi
Representative Director, President
AX-ON Inc.

Company Profile

Name:	AX-ON Inc.
Location:	NTV Kojimachi South Building, 6F, 2-14 Chiyoda-ku, Tokyo 102-0084, Japan
Established:	February 10, 1970
Capital:	¥50 million

Business Overview

In April 2007, the NTV Group restructured its four production subsidiaries in a bid to maximize revenues by leveraging its strength in content production. AX-ON Inc. emerged from this reorganization as the Group's sole program production company.

We produce programs for NTV in various genres, and we are involved in around 70% of the programs appearing in its timetable. AX-ON is also in charge of production involving NTV's investment in film content, such as *KAIJI* (which earned ¥2.2 billion at the box office in 2009), and its sequel, *KAIJI 2*, which will appear in theaters in November 2011. Furthermore, we are planning to bring the popular television drama program *Kaibutsu-kun* to the big screen.

Meanwhile, we provide video content to companies other than NTV, as well. In addition to broadcast and communications satellite broadcasters, we are expanding the scope of our business to include NTV-affiliated network broadcasters and NHK, as well as other commercial broadcasters.

AX-ON Inc. in Brief

Our management mission is to "depict visually all things visual and render visible all things that are not already visual." This is meant to express our dedication to delivering all the video content we create—whether television, films, commercials or other content—by all means possible, including the Internet, mobile devices and digital signage.

Our vision transcends the scope of mere content production. Convinced that all our employees are members

Naruhodo! High School


Naruhodo! High School

of our creative staff, we have designed a system whereby all employees—even people in human resources, general administration and accounting—submit programming and content plans. As part of this "all employees are producers" approach, we conduct training throughout the year that is tailored to personnel skill levels, from new employees to top producers. This led to the submission of some 2,500 plans during the fiscal year ended March 31, 2011. This year, one of the plans we submitted was used for the documentary program *Reconstruction Following the Great East Japan Earthquake*, which was broadcast worldwide on the Discovery Channel. The satellite broadcaster WOWOW also made use of our plans for live program broadcasts and drama programs. Generating myriad plans in this way helps us to produce content for a variety of media in addition to NTV and has led to annual revenue and profit increases over three consecutive years.

Future Business Strategies

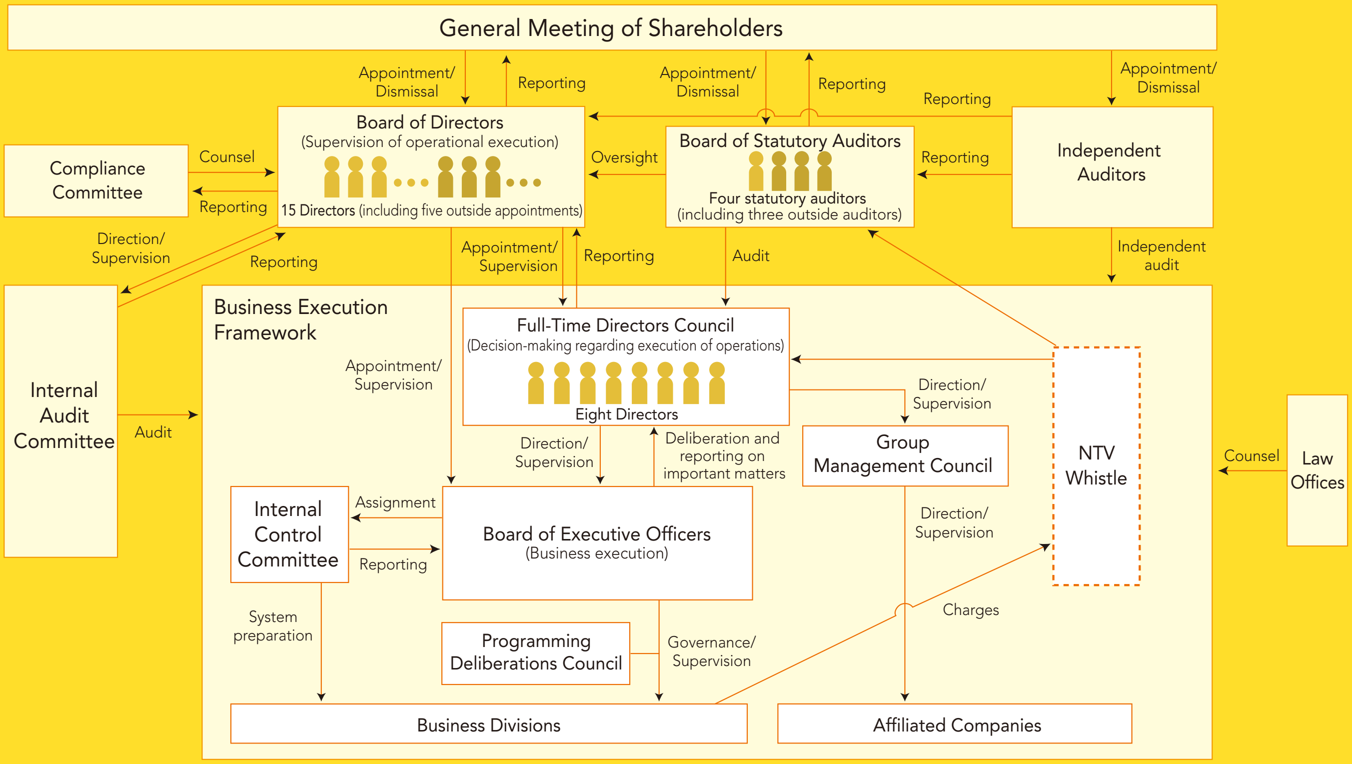
People are a content production company's foremost assets. Recognizing this fact, our management vision calls for tireless efforts to cultivate human resources, including an ongoing focus on enhancing the skills of our producers. We lead the rankings of television production companies that university students want to join upon graduation. I believe this is because we treat our people with respect and it speaks to the success of our systematic cultivation of top producers. As superior talent attracts superior talent, the virtuous circle we have created enables us to expand our cadre of excellent producers having excellent planning skills and the ability to generate ideas. It also leads to more robust sales performance.

Although we do not currently handle planning to production of any of the regular programs that NTV broadcasts during golden time and prime time, our single-episode programs will air in October 2011, and all the programs under our direction are scheduled for broadcast during golden time. We aim to capitalize on this experience by earning slots for our regular programs. Furthermore, we are in charge of overseas sales of program planning and formats for NTV's programs, films and other content. One recent development in this arena was NTV's establishment of a joint venture with CTI Television Incorporated, a leading cable television broadcaster in Taiwan. We will work with the new joint venture company, CNplus Production, Inc., on program production and format sales for programming eventually targeting China. Also, in 2011 South Korean daily newspaper *The Dong-a Ilbo* (East Asia Daily) began airing Channel A, a general-format television channel. We have signed a memorandum of understanding with the broadcaster to provide planning and content.

Our expansion of revenue from sources other than NTV is in line with the Group's objective of increasing its non-broadcasting revenue, and these developments should contribute substantially toward that goal. At the moment, our sales from outside the NTV Group are around 15%. We aim to quickly raise this ratio to around 30%, an achievement that should lead to our company's continued growth. Going forward, we will sustain our business development efforts through program production for NTV and content production for entities outside the Group.

Corporate Governance

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



Corporate Governance Framework

NTV has a Board of Statutory Auditors with a management structure under which the Board of Directors oversees the operational execution of the representative directors. Meanwhile, the statutory auditors and Board of Statutory Auditors audit the operational execution of the directors.

The Company appoints several highly independent outside directors and outside auditors. The governance framework is designed to ensure effective supervision over the execution of duties by directors. Outside directors help to provide appropriate supervision, thereby enhancing the management oversight function.

The Company has also emphasized external monitoring of management, incorporating five outside directors pursuant to Article 2, Paragraph 15, of the Companies Act into the 15-member Board of Directors for greater management integrity and more transparent decision-making processes. The four-member Board of Statutory Auditors includes three outside auditors pursuant to Article 2, Paragraph 16, of the Companies Act for greater independence from the Board of Directors and stronger auditing functions related to the execution of duties. Outside auditor Kenji Kase is a certified public accountant and is endowed with a considerable degree of finance and accounting knowledge.

During the year under review, the Board of Directors met eight times to decide important duties and to supervise the execution of directors' duties. Also, the Board of Statutory Auditors met nine times to audit the directors' execution of duties. Each auditor, in conformance with the auditing standards determined by the Board of Statutory Auditors, attends Board of Directors and other important meetings, inspects important end-of-period financial documents and carries out investigations into the state of business operations and finances.

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

The Executive Officer System is a means of delegating authority, accelerating decision-making and clarifying responsibilities for the execution of operations. In addition, oversight and auditing functions are conducted by the Board of Directors, statutory auditors and the Board of Statutory Auditors, all of which include outside officers, as explained above. The Company has also put in place an Internal Control Committee, chaired by a representative director, which periodically checks and promotes operational controls.

Concerning third-party contribution to NTV's corporate governance framework, the Company has reinforced its legal risk management system by concluding advisory agreements pertaining to corporate management and daily business tasks with multiple law offices, and by seeking advice as necessary. We have also concluded audit agreements concerning audits relating to the Companies Act and the Securities and Exchange Act with audit corporations, which conduct audits from an independent standpoint.

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

In response to the Personal Information Protection Act, NTV advances daily information management by designating a person responsible for control of personal information in each department. To ensure appropriate handling of personal information, the Company also provides detailed training to managers, general employees, new employees and cooperating staff, and steadily implements audits for each department based on the audit plan. In addition, concerning the Subcontract Act, owing to periodic internal training sessions and the implementation of an order management system, we have made subcontracting more appropriate and legally compliant.

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

In April 2011, we augmented membership of the permanently installed crisis management team created in August 2009 within the News division and began holding regular meetings of the new Crisis Management Liaison Council. Furthermore, throughout the Company we hold frequent training sessions on coverage and broadcasting ethics.

Among other compliance efforts, from January through May 2010 NTV has promoted the revised regulations prohibiting insider trading and related Group company rules to further enhance internal information management systems. Furthermore, in April and May 2011, we supplemented these efforts by conducting a Web-based training program on insider trading regulations for all officers, employees and cooperating staff and held group training sessions.

Organization of Internal Audits and Mutual Cooperation with Independent Auditors

Statutory auditors receive explanations from independent auditors on the outline of the audit plan before the independent audit is carried out. Statutory auditors also exchange information with independent auditors on the progress of audit procedures and issues arising during the course of the audits performed by the independent auditors, and receive explanations on the results of the independent audit following completion of the audit. Statutory auditors can order employees who belong to the Board of Statutory Auditors Management Office to investigate matters necessary for auditing duties. Employees working for the Board of Statutory Auditors Management Office concurrently work as a secretariat for the Internal Audit Committee and assist the statutory auditors with their duties. The statutory auditors maintain close contact with the Internal Audit Committee.

Independent Auditing

NTV has concluded an audit agreement with audit corporation Deloitte Touche Tohmatsu LLC to have independent audits carried out pursuant to the Companies Act and the Securities and Exchange Law. For the fiscal year ended March 31, 2011, audit duties were performed by certified public accountants Akihide Fukuda and

Tsutomu Hirose, who executed independent audit duties, and 14 assistants—four certified public accountants and 10 others.

Compensation to the audit corporations employed by NTV and its consolidated subsidiaries in the fiscal year ended March 31, 2011, is as follows.

(Millions of yen)

	Compensation based on Audit Certification Activities	Compensation based on Non-Audit Activities
NTV	¥ 58	¥ 0
Consolidated Subsidiaries	8	—
Total	¥ 66	¥ 0

Executive Compensation

Executive compensation for the Company's directors and statutory auditors in the fiscal year ended March 31, 2011, was as follows.

(Millions of yen, persons)

	Total Remuneration	Total Remuneration, by Category			Number of Officers Applied to
		Basic Compen-sation	Bonuses	Retire-ment Benefits	
Directors (Excluding Outside Directors)	¥ 405	¥ 405	—	—	12
Statutory Auditors (Excluding Outside Auditors)	26	26	—	—	1
External Officers	¥ 111	¥ 111	—	—	9

Notes:
1. The number of officers as of March 31, 2011, was 14 directors and four statutory auditors.
2. The remuneration amounts listed above do not include the employee portion of salary or bonuses for those officers who are also employees.
3. At the 75th Ordinary General Meeting of Shareholders, a resolution was passed that revised the yearly limit on the amount of remuneration to ¥950,000,000 for directors (of which, up to ¥110,000,000 may be paid to outside directors) and ¥72,000,000 for statutory auditors.

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

Basic Philosophy and Development Progress on Internal Control Systems

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

NTV promotes compliance with laws and regulations, as well as highly transparent corporate activities, by maintaining a Compliance Committee consisting of lawyers and other outside professionals to serve as directors and observers.

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

In addition, the NTV Whistle is in place as an internal reporting hotline to enable employees to report directly on legally doubtful acts inside the Company and request an investigation.

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

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

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

Pursuant to the document handling regulations, information related to directors' execution of duties is recorded in writing or via electromagnetic media (hereinafter "documents, etc.") and retained for a specified period. Under the supervision of the Corporate Administration Division, such documents, etc., are retained at each division, at which a person in charge of and a person responsible for retaining them are designated. The directors and statutory auditors are able to view such documents at any time.

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

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

5. System to ensure the appropriateness of duties conducted by the Company and the corporate group consisting of the parent company and its subsidiaries
The NTV Group Strategy center formulates and implements comprehensive strategies for Group management and business content, and handles general operations-related tasks, to enforce groupwide compliance with laws and regulations and to maintain the risk management system. Compliance-related training is given to officers and employees of the Group as necessary. The Company also maintains a Group Management Council—consisting of representatives of the Group companies—to share information, thereby reinforcing the appropriateness of operations.

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

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

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

9. Other systems to ensure effective auditing by statutory auditors
Standing statutory auditors shall attend the Full-Time Directors Council and exchange opinions with the full-time directors. Statutory auditors may attend the Group Management Council, which consists of representatives from the Group companies.
Statutory auditors may receive advice regarding auditing duties from lawyers, Certified Public Accountants and other professionals if necessary.

Board of Directors, Auditors and Corporate Officers (As of July 1, 2011)

Directors

Noritada Hosokawa

Representative Director, Chairman

Chairman of Internal Audit Committee,
Chairman of Remuneration Committee

1963 Joined NTV
2009 Appointed President and Representative Director
Served as Director General, Network Strategy Planning, and Director General, Finance. Appointed Board Director in 2000 and President and Representative Director in 2009. Appointed Representative Director and Chairman in 2011.

Yoshio Okubo

Representative Director, President

Vice Chairman of Internal Audit Committee,
in charge of the President's Office

2010 Board Director, Operating Officer
2011 Representative Director, President
Served as Director and Director General, Media Strategies, at The Yomiuri Shimbun. Appointed Board Director and Operating Officer in 2010, and Representative Director and President in 2011.

Hiroshi Watanabe

Board Director, Operating Officer

Director General, Human Resources, Labor Relations

1976 Joined NTV
2009 Appointed Board Director and Operating Officer
Served as Director General, Programming, Director General, Production, and Director General, News. Appointed Operating Officer and Board Director in 2009.

Hirotaka Kobayashi

Board Director, Operating Officer

Director General, News, Chief Commentator, Commentators Committee and Chairman of News Code Committee, Compliance and Standards, Executive Manager of Personal Information

1977 Joined NTV
2009 Appointed Board Director and Operating Officer
Served as Director General, Human Resources.
Appointed Operating Officer and Board Director in 2009.

Directors

Tsuneo Watanabe

Board Director*

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

1991 Appointed Board Director of NTV

Hiroshi Maeda

Board Director*

Attorney at Law

2005 Appointed Board Director of NTV

Seiji Tsutsumi

Board Director*

Chairman, The Saison Foundation

2006 Appointed Board Director of NTV

Takashi Imai

Board Director*

Honorary Chairman, and Colleague of
Nippon Steel Corporation

2007 Appointed Board Director of NTV

Ken Sato

Board Director*

President, Institute for International Policy Studies

2011 Appointed Board Director of NTV

Tadao Kakizoe

Board Director*

President, Japan Cancer Society

2011 Appointed Board Director of NTV

Takeo Mutai

Board Director*

Representative Director and President,
MIYAGI TELEVISION BROADCASTING

2011 Appointed Board Director of NTV

* Outside directors pursuant to Article 2.15 of the Companies Act

Shinichi Tamura

Board Director, Senior Managing Officer

Engineering & Technology

1969 Joined NTV
2010 Appointed Board Director and Senior Managing Officer
Served as Director General, Engineering & Technology. Appointed Board Director in 2007 and Board Director and Senior Managing Officer in 2010.

Yasuhiro Nose

Board Director, Managing Officer

Director General, Corporate Administration, Finance, Content Business and Executive Auditor of Personal Information

1968 Joined NTV
2011 Appointed Board Director and Managing Officer
Served as Director General, Accounting. Appointed Operating Officer and Board Director in 2010. Appointed Board Director and Managing Officer in 2011.

Yoshinobu Kosugi

Board Director, Operating Officer

Director General, Programming Production, Infotainment and Sports

1976 Joined NTV
2011 Board Director, Operating Officer
Following appointments as Director General of Sales and Programming, and as Representative Director and President of AX-ON Inc., appointed Board Director and Operating Officer in 2011.

Kimio Maruyama

Board Director, Operating Officer

Director General, Sales Media Strategy Planning & Development

1979 Joined NTV
2011 Board Director, Operating Officer
Following appointments as Director General of Sports and Sales, appointed Board Director and Operating Officer in 2011.

Auditors

Seiji Urushido
Standing Statutory Auditor

Tomonari Doi
Statutory Auditor**

Kenji Kase
Statutory Auditor**

Kojiro Shiraishi
Statutory Auditor**

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

Operating Officers

Kazuo Gomi
Senior Operating Officer
Executive Director, Programming

Eiji Yamaguchi
Operating Officer
Secretary General, Internal Audit Committee Management Office

Hiroshi Miyazaki
Operating Officer
Director General, Content Business

Kazuyuki Sakurada
Operating Officer
Director General, Production

Jun Hiroe
Operating Officer
Director General, Compliance & Standards and Vice Chairman, News Code Committee

Mitsuyoshi Azuma
Operating Officer
Director General, Engineering & Technology

Tomoko Jo
Operating Officer
Director General, Infotainment

Kazuaki Ito
Operating Officer
Director General, Corporate Administration

Yoshifusa Kominato
Operating Officer
Director General, Sports

Nobuo Komatsu
Operating Officer
Director General, Finance

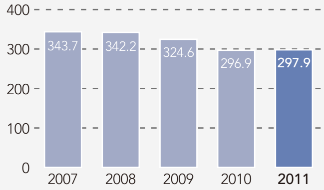
Akira Ishizawa
Operating Officer
Director General, President's Office

Akihiko Mutai
Operating Officer
Director General, Media Strategy Planning & Development

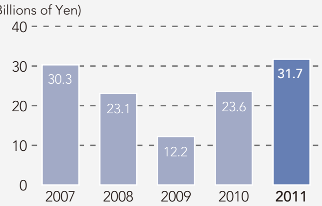
Management's Discussion and Analysis

Nippon Television Network Corporation and Consolidated Subsidiaries
Years Ended March 31

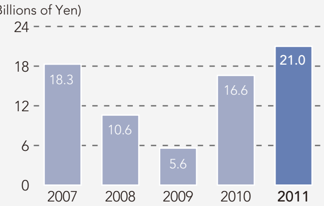
Net Sales
(Billions of Yen)



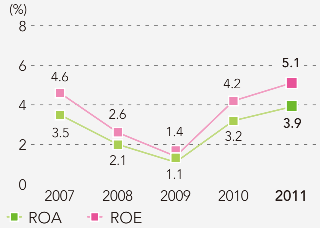
Operating Income
(Billions of Yen)



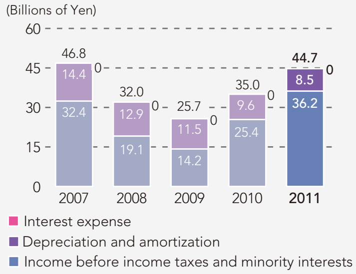
Net Income
(Billions of Yen)



ROA and ROE
(%)



EBITDA
(Billions of Yen)



Overview

Operating Environment

During the fiscal year ended March 31, 2011, the Japanese economy showed signs of improved corporate earnings and a recovery in corporate capital investment and retail consumption, from the effects of the government's emergency economic measures combined with gradual growth in exports in line with an improvement in overseas economies. At the same time, however, the domestic economy saw gradual price deflation, a weak environment for hiring, and high unemployment rates as difficult conditions persisted. In addition, the Great East Japan Earthquake that struck on March 11, 2011, led to damage at nuclear power reactors, restricting electric power supplies.

Net Sales

During the year, the NTV Group posted consolidated net sales of ¥297,895 million, a year-on-year increase of ¥961 million, or 0.3%. This rise resulted from substantial growth in spot television advertising revenues and increased sales at Nippon Television Music and other consolidated subsidiaries.

Operating Income

Operating expenses—the cost of sales combined with selling, general and administrative expenses—declined ¥7,146 million, or 2.6%, to ¥266,224 million, on thorough cost controls in all expense items and despite an increase in agency commissions associated with the recovery in spot advertising revenue. As a result, operating income rose ¥8,107 million, or 34.4%, to ¥31,670 million.

Income Before Income Taxes and Minority Interests

Income before income taxes and minority interests expanded ¥10,869 million, or 42.8%, to ¥36,237 million. The substantial rise in operating income was the primary factor behind this increase.

Net Income

Income taxes rose ¥5,927 million from the preceding year, or 65.0%, to ¥15,044 million, owing mainly to the increase in income before income taxes and minority interests. The Group posted income before minority interests of ¥144 million, compared with a loss before minority interests of ¥344 million in the preceding fiscal year. We also posted minority interests from VAP Inc. and other companies.

As a result, net income for the fiscal year amounted to ¥21,049 million, up ¥4,453 million, or 26.8%, from the preceding fiscal year.

Segment Information

Following changes to the Company's reorganization of its business segments, from the fiscal year ended March 31, 2011, operations are divided into three business segments: the content business, the real estate rental/leasing business and other businesses.

● Content Business

In the content business, the Group generates revenue from the planning and production of television programs and the sales of television advertising time slots (television advertising revenue); from the sale of programming and other content (content sales revenue); from media commerce sales, the publication and sales of media, and the planning, production and sales of CDs, DVDs and Blu-ray Discs and other media (revenue from merchandise sales); and from revenues for the production and screening of films and from art exhibitions and other events (box office revenue).

● Real Estate Rental/Leasing Business

The real estate rental/leasing business generates revenues from renting to office and commercial tenants and from the leasing of land.

● Other Businesses

In other businesses, the Group generates revenue centered on the operation of program character goods and other shops, as well as from the dispatch of personnel and the supply of heat for district heating and cooling.

Content Business

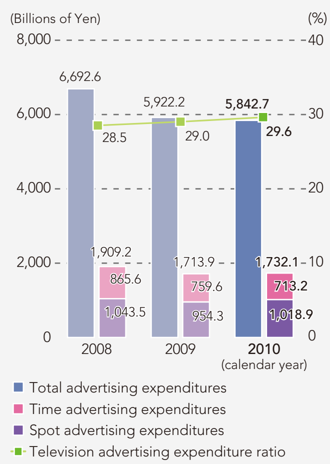
■ Business Environment

Positive factors included a slowly improving economy and higher corporate earnings, with major international events such as the Vancouver 2010 Winter Olympic Games, the 2010 FIFA World Cup South Africa™ tournament, and Expo 2010 Shanghai China, as well as economic stimulus measures such as subsidies for eco-friendly cars and the eco-point system. Nevertheless, advertising demand failed to recover fully, and total advertising expenditures in Japan in 2010 amounted to ¥5,842.7 billion, down 1.3% year on year and falling for the third consecutive year. However, expenditures trended upward in the second half of the year, centered on television advertising expenditures, reducing the rate of decrease substantially compared with the previous year.

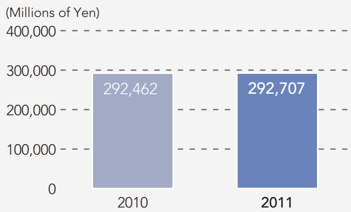
Television advertising expenditures were up 1.1% year on year, to ¥1,732.1 billion. Spending had posted a double-digit decline in 2009 as a result of the Lehman Brothers collapse, but in 2010 spot advertising gradually started to pick up. Growth was driven by the Information/Telecommunications category, where placements by Internet-related companies were notable, and the Automobiles/Related Products category, which was boosted by government subsidies for eco-friendly cars. Spending during the July–September quarter was up sharply from the same period of 2009, and even exceeded that of 2008.

In time advertising, program sponsorships recovered gradually, with an increasing number of sponsors leaning toward more flexible spending of advertising budgets. Prospects for a full-scale recovery were seen in the new October programming schedule, with an upturn in spot advertising and an increase in the number of sponsors

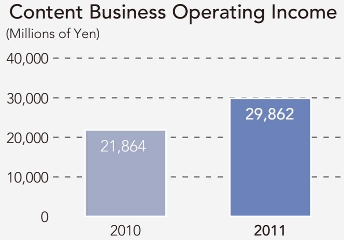
Trends in Advertising Expenditures in Japan



Content Business Sales



Content Business Operating Income



looking to secure more stable, premium slots. Spending for the October–December quarter recovered to a level on a par with the same period in the previous year.

As a result, spot advertising expenditures grew 6.8%, to ¥1,018.9 billion, while time advertising expenditures fell 6.1%, to ¥713.2 billion.

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

■ Overview of Results

Within television advertising revenue, major one-off events such as the 2010 FIFA World Cup South Africa™ tournament provided a boost to time advertising revenue. We also worked aggressively to sell time on our banner annual programs such as *24-Hour Television 33: "Love Saves the Earth"* and the *87th Tokyo–Hakone Round-Trip College Ekiden Race*. However, revenue from regular advertising slots fell as a result of advertisers' efforts to reduce fixed costs, causing time advertising revenue to fall ¥6,914 million, or 6.1%, to ¥105,926 million. Our proactive program scheduling and content enhancement yielded significant improvements in both core target viewer ratings and household viewer ratings, and product strength supported an uptick in spot sales. The spot advertising market recovered on increased expenditures for regionally targeted spot advertising, and combined with a large increase in NTV's share among Tokyo's five key commercial broadcasters, spot advertising revenue came to ¥103,338 million, a year-on-year increase of ¥10,751 million, or 11.6%. As a result, television advertising revenue totaled ¥209,264 million.

• NTV's Share of Spot Advertising Revenue by Industry Category (%)

	2011			2010		
	Category	Share (%)	Change	Category	Share (%)	Change
1	Cosmetics/Toiletries	11.7	45.7	Cosmetics/Toiletries	9.0	8.9
2	Transportation/ Telecommunications	8.9	36.0	Alcoholic beverages	7.5	1.4
3	Transportation equipment	7.7	24.6	Pharmaceuticals	7.3	2.2
4	Electronic equipment	7.7	20.6	Electronic equipment	7.1	(22.2)
5	Pharmaceuticals	6.8	4.1	Transportation equipment	7.0	(6.9)
6	Alcoholic beverages	5.8	(13.6)	Transportation/ Telecommunications	6.9	(15.8)
7	Non-alcoholic beverages	5.0	21.0	Box-office/Entertainment	6.3	26.7
8	Services	4.4	(13.6)	Services	6.1	19.8
9	Finance/Insurance	4.4	9.6	Non-alcoholic beverages	4.6	(19.7)
10	Box-office/Entertainment	4.3	(24.2)	Finance/Insurance	4.5	(0.5)
	Others	33.3	9.7	Others	33.9	2.3
	Total	100.0	11.6	Total	100.0	(0.9)

Content sales revenue came to ¥33,449 million, on solid sales of programs to local stations, BS and CS satellite stations, and cable television stations.

Revenue from merchandise sales totaled ¥34,738 million, from increased sales via special media commerce programs at local stations and solid results from sales of CDs by Mr. Children and other groups at consolidated subsidiary VAP Inc., which is primarily engaged in the production and sales of DVDs and Blu-ray Discs of films and dramas and music CDs.

• Data Related to the Media Commerce Business

Trends in Direct Marketing Sales

(Fiscal Years Ended March 31) (Billions of yen)

	2007	2008	2009	2010	2011
Direct marketing sales	3,680.0	3,880.0	4,140.0	4,310.0	**4,670.0**

(Source: *Direct Marketing Business Survey Report*, Vol. 29, Japan Direct Marketing Association)

• Music and Video Software Business Data

Scale of Market for Video Software (DVDs, Blu-ray Discs)

(Calendar years) (Billions of yen)

	2006	2007	2008	2009	2010
Video software sales	669.5	664.2	630.1	574.1	530.7

(Source: *Video Software Market Scale and User Trend Survey 2010*, Japan Video Software Association)

Box office revenue was ¥8,641 million, reflecting fewer events and major films financed by NTV than in the previous fiscal year, despite scoring a major hit with *GANTZ* (directed by Shinsuke Sato), which was released on January 29, 2011.

• Film Business Data

(Source: Motion Picture Producers Association of Japan, 2010)

2010 National Overview (Calendar years)

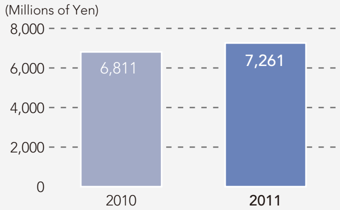
	2006	2007	2008	2009	2010
Attendance (thousands)	164,585	163,193	160,491	169,297	**174,358**
Box office sales (millions of yen)	202,934	198,443	194,836	206,035	**220,737**
Japanese films	107,944	94,645	115,859	117,309	**118,217**
Theatrical releases	821	810	806	762	**716**
Japanese films	417	407	418	448	**408**
Theaters (total screens)	3,062	3,221	3,359	3,396	**3,412**

Box Office Sales Ranking: Top 10 Titles for 2010

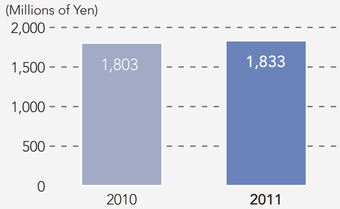
Rank	Release Date	Title	Box-Office Sales (Billions of yen)
1	July 2010	*Karigurashi no Arrietty*	9.3
2	September 2010	*Umizaru 3: THE LAST MESSAGE*	8.0
3	July 2010	*Bayside Shakedown 3*	7.3
4	December 2009	*ONE PIECE –FILM– STRONG WORLD*	4.8
5	July 2010	*Pokémon: Zoroark: Master of Illusions*	4.1
6	December 2009	*Nodame Cantabile The Movie*	4.1
7	June 2010	*Confessions*	3.9
8	August 2010	*Nodame Cantabile The Movie II*	3.7
9	October 2010	*SP THE MOTION PICTURE*	3.6
10	April 2010	*Detective Conan: The Lost Ship in the Sky*	3.2

As a result, during the year net sales in the content business, including intersegment sales and transfers, totaled ¥292,707 million. In terms of expenses, cost controls continued in all areas, including program production expenses, resulting in operating income for the content business of ¥29,862 million.

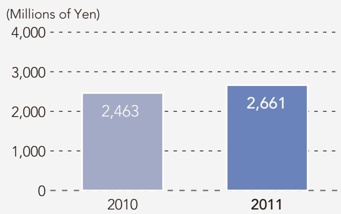
Real Estate Rental/Leasing Business Sales



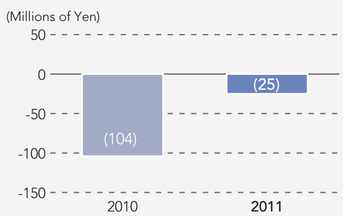
Real Estate Rental/Leasing Business Operating Income



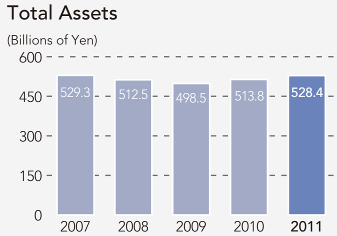
Sales from Other Businesses



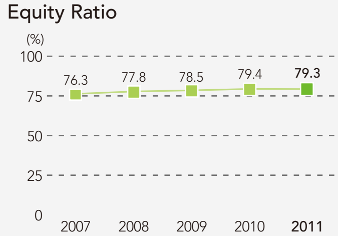
Operating Income (Loss) from Other Businesses



Total Assets



Equity Ratio



Real Estate Rental/Leasing Business

We recorded solid real estate rental and leasing revenue from tenants, including those in the Shiodome and Kojimachi areas of Tokyo. This resulted in net sales from the real estate rental/leasing business of ¥7,261 million, with operating income of ¥1,833 million.

Other Businesses

Revenue from merchandise sales at store operations, including the Nittele-ya program-related merchandise shop, experienced a major decline in March 2011 in the wake of the Great East Japan Earthquake. As a result, net sales from other businesses totaled ¥2,661 million, with a ¥25 million operating loss.

Financial Position

Assets

Current assets as of March 31, 2011, were ¥156,899 million, up ¥16,129 million from a year earlier. Among current assets, cash and cash equivalents declined as a result of the deployment of a system to manage cash more efficiently on an integrated, groupwide basis. At the same time, trade notes and accounts receivable increased, as did marketable securities.

Property, plant and equipment was down ¥3,945 million compared with the previous year-end, to ¥197,081 million as of March 31, 2011, owing to such factors as depreciation and amortization.

Investments and other assets amounted to ¥174,418 million, up ¥2,426 million from a year earlier, due to a rise in investment securities.

Consequently, total assets stood at ¥528,398 million on March 31, 2011, up ¥14,610 million from the end of the preceding fiscal year.

Liabilities

Current liabilities came to ¥70,488 million as of March 31, 2011, up ¥5,014 million from a year earlier. This increase was attributable mainly to higher accounts payable and income taxes payable.

Non-current liabilities were down ¥1,533 million, to ¥30,414 million, as deferred tax assets increased because the market price of the Group's holdings of investment securities rose over time.

Owing to the above factors, total liabilities came to ¥100,902 million as of March 31, 2011, up ¥3,480 million from a year earlier.

Equity

During the year, the Group reported net income that exceeded the sum of the decrease in the valuation difference on available-for-sale securities—stemming from a decline in the market prices of available investment securities, payments for shareholder dividends and the acquisition of treasury stock to return value to shareholders. Consequently, total equity was up ¥11,129 million, to ¥427,496 million as of March 31, 2011.

Cash Flows

During the fiscal year ended March 31, 2011, cash and cash equivalents decreased ¥11,907 million, to ¥33,312 million as of March 31, 2011.

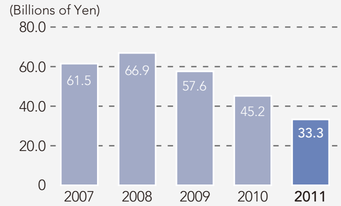
(Billions of Yen)

	2007	2008	2009	2010	2011
Net cash provided by operating activities	31.5	26.8	23.9	40.1	23.4
Net cash used in investing activities	(24.6)	(17.3)	(28.3)	(46.8)	(28.2)
Net cash used in financing activities	(4.7)	(4.1)	(4.8)	(5.7)	(7.1)
Net (decrease) increase in cash and cash equivalents	2.2	5.3	(9.2)	(12.4)	(11.9)
Cash and cash equivalents, end of year	61.5	66.9	57.6	45.2	33.3

Net Cash Provided by Operating Activities

Net cash provided by operating activities amounted to ¥23,433 million, compared with ¥40,131 million in the previous year. Principal sources of cash were ¥36,237 million in income before income taxes and minority interests and depreciation and amortization of ¥8,456 million, versus ¥11,596 in income taxes paid.

Cash and Cash Equivalents, End of Year



Net Cash Used in Investing Activities

Net cash used in investing activities came to ¥28,181 million, compared with ¥46,847 million in the previous year. The main uses of cash were purchases of fixed assets and marketable and investment securities.

Net Cash Used in Financing Activities

Net cash used in financing activities was ¥7,132 million, compared with ¥5,697 million in the preceding year. Dividends paid were the primary use of cash.

Financing and Capital Expenditure Policy

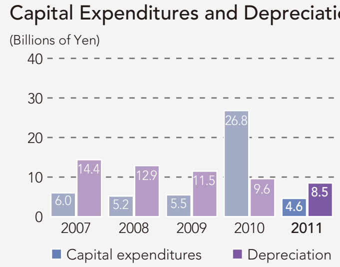
In the context of its ongoing content investment, the NTV Group utilizes retained earnings and determines the optimal method of funds procurement based on a variety of factors, including future operating conditions, financial market trends and the impact on the Company's corporate value.

In specific terms, the Group's estimates for capital expenditures over the next seven-year period are determined in line with forecast profits and cash flows. Group companies formulate their own capital plans, but NTV makes adjustments to ensure there is no overlap among plans. In the fiscal year ended March 31, 2011, the Group's total capital expenditures were ¥4,614 million, primarily in the content business.

For the fiscal year ending March 31, 2012, the Group is budgeting capital expenditures of ¥8,587 million, to be funded primarily through retained earnings.

Capital expenditures in the content business during the year ended March 31, 2011, are outlined overleaf. There were no items of particular note in the real estate rental/leasing business or other businesses.

Capital Expenditures and Depreciation



Content Business

Major facility construction during the year included an upgrade of equipment at the Kojimachi G Studio in order to continue producing quality programs. We have also begun introducing leading-edge broadcasting equipment to ensure rapid response on emergency earthquake alerts and to enable 3D broadcasts for baseball and other programming. In addition, NTV has begun constructing facilities to convert important intellectual property that is now on tape to digital data.

To ensure the smooth switchover from analog to digital broadcasts on July 24, 2011, we built digital terrestrial relay stations and continued to construct Tokyo Sky Tree transmission facilities. As analog broadcasting has now ceased, we began disposing of analog transmission equipment at Tokyo Tower and backup transmission equipment at the Shinjuku Center Building.

In addition, during the year the Group posted a ¥177 million loss on the retirement of fixed assets to upgrade facilities, centered on mechanical facilities.

Important Operational Contracts

Animation Production Company MADHOUSE Inc. Becomes Subsidiary

In February 2011, the Company subscribed to a capital increase via third-party allocation by MADHOUSE Inc., making MADHOUSE a subsidiary of the NTV Group (with an 85.3% ownership stake). MADHOUSE is an animation production company with a long history, and in recent years has produced the blockbuster animated feature film *SUMMER WARS*. An NTV employee has been dispatched to serve as the representative director of MADHOUSE, and by combining MADHOUSE's animation production capabilities with NTV's capabilities in content planning and marketing, and content management expertise, we will create appealing works of animation.

Establishment of Joint Venture in Taiwan

In May 2011, NTV and major Taiwan cable television broadcaster CTI Television Incorporated, a member of Taiwan's WANT WANT GROUP, reached an agreement to establish a joint venture, CNplus Production, Inc., to produce content for television, targeting audiences in Taiwan and China. The joint venture is to be capitalized at NT$300 million, with NTV and CTI each taking a 50% stake.

NTV intends to produce dramas, variety shows and other programs using its television program format in Taiwan, and to utilize CTI's and the WANT WANT GROUP's networks to sell programs in Taiwan and China.

Earnings Outlook for the Year Ahead

Taking into account the serious impact of the Great East Japan Earthquake, which struck on March 11, 2011, on personal consumption and economic conditions, at the beginning of the fiscal year ending March 31, 2012, we had forecast net sales for the year of ¥293.0 billion, operating income of ¥25.2 billion and net income of ¥15.8 billion. However, as time revenues benefited from an early-stage sellout on regular programming and as spot revenues from July onward more than exceeded the previous year's levels, we now expect the impact on operating performance from the Great East Japan Earthquake to be less severe than previously believed. Accordingly, on November 4, 2011, when announcing our interim results for the fiscal year we revised our earnings outlook for the full year to net sales of ¥300.5 billion, operating income of ¥29.3 billion and net income of ¥19.3 billion.

Dividend Policy

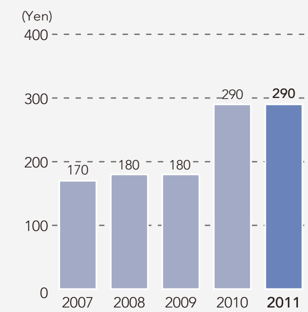
NTV recognizes return of profits to shareholders as an important task of management. Our basic policy is to make continuous and stable returns to shareholders, while building a corporate structure able to flexibly adapt to changes in the business environment and strengthen our revenue base. At the same time, we are focusing on the period after the shift to fully digital terrestrial broadcasting, and harmonizing these endeavors with the maintenance of internal reserves for aggressive future expansion.

NTV's basic policy is to pay dividends twice each year, once at midterm and once at year-end. The General Meeting of Shareholders determines the year-end dividend, while mid-term dividends are resolved by the Company's Board of Directors.

In terms of returns to shareholders, we set a lower limit of ¥180 per share for full-year cash dividends. Going forward, we will work to raise returns via such measures as the acquisition of treasury stock.

For the fiscal year ending March 31, 2012, we plan to pay out a mid-term dividend of ¥90 per share and a year-end dividend of ¥180, totaling ¥270 per share for the year, as announced on April 4, 2011.

Cash Dividends per Share



Note: Dividend figures include a ¥30 per share dividend in the year ended March 31, 2008, to commemorate NTV's 55th anniversary of establishment.

Business Risks

Risk factors deemed to have the potential to significantly affect the NTV Group's business activities are given below. The many items regarding the future described in the following have all been evaluated as of the time of publication of this Annual Report, and are provided from the standpoint of active disclosure to investors.

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

Risk Factors as a Broadcaster

■ Dependence on Television Advertising Revenue and Television Broadcasting Media Prices

The content business, which forms the core of the NTV Group's operations, is dependent on television advertising revenue generated through the sales of television advertising time slots. Such revenues comprised 70.0% of total net sales in the fiscal year ended March 31, 2011.

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

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

■ Legal Regulations for Television Broadcasters

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

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

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

Under the authority of the Minister of Internal Affairs and Communications in the event of prescribed circumstances, the Radio Law provides stipulations for discontinuance of radio transmissions (Article 72) and revocation of status as a licensed broadcasting company (Article 75 and Article 76). Continued television broadcasting is the linchpin for the NTV Group's future existence, so the Group is ever-conscious of and vigilant toward the emergence of such circumstances in the fulfillment of its social mission of broadcasting. However, if the Company's status as a licensed broadcasting company was revoked under the Radio Law, the Group's business performance and financial position could be seriously affected.

Risk Factors Regarding Competition with Other Companies

■ Competition with Other Forms of Media

Since the rollout of digital terrestrial broadcasting in December 2003, single receivers that enable viewing of any of terrestrial, BS and CS digital broadcasts have steadily gained popularity. Accelerating this proliferation were plans to discontinue analog terrestrial broadcasting in Japan in July 2011, which were completed except in Iwate, Miyagi and Fukushima prefectures. In addition, new BS digital broadcasts began in autumn of 2011, and multimedia broadcasts targeting mobile devices are scheduled to commence in spring of 2012. Broadband environments are growing more pervasive, and households are increasingly acquiring high-performance personal computers and other devices to access them. This popularization of digital media is drawing the interest of many people, rapidly raising the advertising value of such forms of media.

The NTV Group is responding to the increasing diversity of digital media in a variety of ways. We deliver digital BS broadcasts via BS Nippon Corporation, offer the NTV G+, Nittele NEWS24 and Nittele Plus digital CS broadcasts, and provide Internet content via NTV2 and Nittele On Demand.

However, it is possible that the growing diversity of digital multimedia offerings will reduce the amount of time that viewers spend watching digital terrestrial broadcasting, which could reduce the advertising value of our media. This situation could affect the Group's business performance and financial position.

Risk Factors Regarding Content

■ Surging License Fees

With the content business at the core of its operations, the NTV Group has carried out its mission as a television broadcaster by covering the Olympics, World Cup soccer, professional baseball, and other sporting events closely watched by Japan's citizens. At the same time, it is difficult to secure advertising revenues sufficient to offset the recent increases in the television licensing fees charged for these sporting events, which is eroding profits for television broadcasters.

The Group remains committed to airing sporting events, to execute its mission as a television broadcaster of continuing to provide citizens with entertainment. However, price hikes on licensing fees have the potential to negatively influence the Group's business performance and financial position.

■ Copyrights and Other Intellectual Property Rights

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

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

In recent years, demand has arisen for multiple uses of content to supplement conventional terrestrial broadcasting, including content distribution via BS and CS satellite broadcasts, cable television and the Internet; packaging in the form of DVDs, Blu-ray Discs and other physical media; and merchandising and publishing related to program characters. While carefully considering the rights of the various authors, etc., the Group will continue aggressively pursuing multiple uses for the television programs and other content it produces.

However, the rights for use of television programs produced by the Group from the authors, etc. are premised on terrestrial broadcasting usage as a general rule, leaving the Group with numerous television programs for which rights premised on uses other than terrestrial broadcasting have not been adequately obtained.

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

Risk Factors Regarding Investment in New Businesses

■ Film Business

The NTV Group is actively engaged in the film business in the pursuit of revenue outside of television advertising revenue, and contributes capital to approximately 12 films each year. Our capital participation in the film business is determined based on careful simulations of potential income and outlay during the planning stages of each film. However, there is no guarantee that actual box office receipts and secondary usage revenues after theatrical release will generate the projected earnings. Failure to secure the amount of revenue initially planned may impact the Group's business performance and financial position.

■ Media Commerce Business

To secure revenue from sources other than television advertising, the Group is actively engaged in the media commerce business, which is growing in scale each year. We select products carefully, using a thoroughly comprehensive checking system. Sale by the Group of defective or faulty products could result in the obligation to accept returns of or replace such products. In such cases, failure to secure the amount of revenue initially planned may impact the Group's business performance and financial position.

■ VoD Business, NTV2 and Nittele On Demand

In October 2005, the Group launched NTV2, Japan's first Internet-based video on demand (VoD) business operated by a television broadcaster. Furthermore, in December 2010 we launched Nittele On Demand as a fee-based content distribution service, which is steadily increasing viewer numbers through its distribution of dramas, animated series, variety shows, sports and other program content.

However, Internet-based businesses, and specifically VoD businesses, may be affected by major fluctuations in market demand, owing in particular to the increasing sophistication of network infrastructure and mobile terminals. Furthermore, advertising revenues may not grow if the business is unable to provide content that fulfills sponsors' needs and deliver content that will attract VoD viewers. These factors may result in the business being unable to recover its expenses, thereby affecting the business performance and financial position of the Group.

Other Risk Factors

■ Handling of Shares Purchased by Foreign Entities

NTV's status as a licensed broadcasting company under the Radio Law will be revoked if the voting rights held by foreign entities (defined as (1) an individual without Japanese citizenship, (2) a foreign government or its representatives, (3) a foreign juridical person or organization or (4) a juridical person or organization the ratio of voting rights of which to be held directly by the entity described in items (1) to (3)) reach a ratio of 20% or more of the Company's shares with voting rights, such ratio being defined by the Ministry of Internal Affairs and Communications Ordinance as the sum of the ratios of the rights held directly by entities described in (1) through (3) and held indirectly through the entities described in (4).

In this situation, the Company may refuse to describe or record the name or address of such foreign entities on the shareholders' register in accordance with the provisions of the Broadcast Law Article 52(8)(i) and 52(8)(ii). Furthermore, based on Article 52(8)(iii) of the Broadcast Law, the Company may also restrict exercise of voting rights.

Large-Scale Acquisitions of NTV's Shares

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

NTV obtained shareholder approval for and carried out a renewal of its plan for countermeasures to large-scale acquisitions of shares in the Company with necessary amendments (takeover defense measures) at a meeting of the Board of Directors held on May 12, 2011 and its 78th Ordinary General Meeting of Shareholders held on June 29, 2011, as a measure (Article 118, Item (iii)(b) of the Ordinance for Enforcement of the Companies Act) to prevent decisions on the Company's financial and business policies from being controlled by persons viewed as inappropriate under the basic policy regarding persons who control decisions on the Company's financial and business policies (defined in the main clause of Article 118, Item (iii) of the Ordinance for Enforcement of the Companies Act).

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

Consolidated Balance Sheets

Nippon Television Network Corporation and Consolidated Subsidiaries
March 31, 2011 and 2010

	Millions of Yen		Thousands of U.S. Dollars (Note 1)
ASSETS	2011	2010	2011
Current Assets:			
Cash and cash equivalents (Note 13)	¥ 33,312	¥ 45,219	$ 400,625
Marketable securities (Notes 3 and 13)	22,441	1,853	269,886
Short-term investments (Notes 4 and 13)	410	500	4,931
Receivables (Note 13):			
Trade notes	136	163	1,636
Trade accounts	73,855	68,825	888,214
Other	3,801	3,596	45,713
Allowance for doubtful accounts	(76)	(63)	(914)
Inventories (Note 5)	11,757	10,294	141,395
Deferred tax assets (Note 11)	4,836	4,679	58,160
Prepaid expenses and other	7,125	6,402	85,689
Allowance for doubtful accounts	(698)	(698)	(8,394)
Total current assets	156,899	140,770	1,886,941
Property, Plant and Equipment (Notes 6 and 7):			
Land	138,633	138,631	1,667,264
Buildings and structures	89,074	89,126	1,071,245
Machinery, vehicles and equipment	95,233	94,719	1,145,315
Lease assets (Note 12)	62	51	746
Construction in progress	449	48	5,400
Total	323,451	322,575	3,889,970
Accumulated depreciation	(126,370)	(121,549)	(1,519,785)
Net property, plant and equipment	197,081	201,026	2,370,185
Investments and Other Assets:			
Investment securities (Notes 3 and 13)	116,975	116,396	1,406,795
Investments in and advances to unconsolidated subsidiaries and associated companies	38,026	35,374	457,318
Long-term deposits (Note 13)	8,000	8,000	96,212
Deferred tax assets (Note 11)	1,898	1,874	22,826
Other assets	9,591	10,455	115,345
Allowance for doubtful accounts	(72)	(107)	(866)
Total investments and other assets	174,418	171,992	2,097,630
Total	¥528,398	¥513,788	$6,354,756

See notes to consolidated financial statements.

LIABILITIES AND EQUITY	Millions of Yen 2011	Millions of Yen 2010	Thousands of U.S. Dollars (Note 1) 2011
Current Liabilities:			
Short-term borrowings (Note 8)	¥ 741	¥ 697	$ 8,912
Payables (Note 13):			
Trade notes		1,293	
Trade accounts	44,889	45,057	539,856
Other	8,985	5,915	108,057
Income taxes payable	10,810	6,774	130,006
Accrued expenses and other	5,063	5,737	60,890
Total current liabilities	70,488	65,473	847,721
Long-Term Liabilities:			
Liabilities for retirement benefits (Note 9)	6,606	6,037	79,447
Guarantee deposits received (Note 6 and 13)	20,218	20,226	243,151
Deferred tax liabilities (Note 11)	2,426	4,213	29,176
Other	1,164	1,472	13,999
Total long-term liabilities	30,414	31,948	365,773
Commitments and Contingent Liabilities (Notes 12 and 14)			
Equity (Notes 10, 15 and 16):			
Common stock—authorized, 100,000,000 shares; issued, 25,364,548 shares in 2011 and 2010	18,576	18,576	223,403
Capital surplus	17,928	17,928	215,610
Retained earnings	398,373	384,489	4,791,017
Treasury stock—at cost, 884,738 shares in 2011 and 879,760 shares in 2010	(12,090)	(12,053)	(145,400)
Accumulated other comprehensive income:			
Unrealized loss on available-for-sale securities	(3,364)	(651)	(40,456)
Foreign currency translation adjustments	(477)	(347)	(5,737)
Total	418,946	407,942	5,038,437
Minority interests	8,550	8,425	102,825
Total equity	427,496	416,367	5,141,262
Total	¥528,398	¥513,788	$6,354,756

Consolidated Statements of Income

Nippon Television Network Corporation and Consolidated Subsidiaries
Years Ended March 31, 2011 and 2010

	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	2011	2010	2011
Net Sales	¥297,895	¥296,934	$3,582,622
Cost of Sales	199,167	207,598	2,395,274
Gross profit	98,728	89,336	1,187,348
Selling, General and Administrative Expenses	67,058	65,773	806,470
Operating income	31,670	23,563	380,878
Other Income (Expenses):			
Interest and dividend income	2,290	2,672	27,541
Interest expense	(6)	(11)	(72)
Gain on sales of investment securities	10	4	120
Loss on sales of subsidiaries' stocks		(1,115)	
Loss on devaluation of investment securities	(1,990)	(229)	(23,933)
Gain on investment in partnership	3,079	636	37,030
Other—net	1,184	(152)	14,239
Other income—net	4,567	1,805	54,925
Income before Income Taxes and Minority Interests	36,237	25,368	435,803
Income Taxes (Note 11):			
Current	15,596	7,299	187,565
Deferred	(552)	1,818	(6,639)
Total income taxes	15,044	9,117	180,926
Net Income before Minority Interests	21,193	16,251	254,877
Minority Interests in Net (Income) Loss	(144)	344	(1,732)
Net Income	¥ 21,049	¥ 16,595	$ 253,145
	Yen		U.S. Dollars
Per Share of Common Stock (Note 2. m):			
Basic net income	¥859.68	¥676.43	$10.33
Cash dividends applicable to the year	290.00	290.00	3.48

See notes to consolidated financial statements.

Consolidated Statement of Comprehensive Income

Nippon Television Network Corporation and Consolidated Subsidiaries
Year Ended March 31, 2011

	Millions of Yen	Thousands of U.S. Dollars (Note 1)
	2011	2011
Net Income before Minority Interests	¥21,193	$254,877
Other Comprehensive Income (Note 15):		
Unrealized loss on available-for-sale securities	(2,505)	(30,126)
Foreign currency translation adjustments	(93)	(1,119)
Share of other comprehensive income in associates	(243)	(2,922)
Total other comprehensive income	(2,841)	(34,167)
Comprehensive Income (Note 15)	¥18,352	$220,710
Total Comprehensive Income Attributable to (Note 15):		
Owners of the parent	¥18,206	$218,954
Minority interests	146	1,756

See notes to consolidated financial statements.

Consolidated Statements of Changes in Equity

Nippon Television Network Corporation and Consolidated Subsidiaries
Years Ended March 31, 2011 and 2010

	Thousands	Thousands	Millions of Yen								
							Accumulated Other Comprehensive Income				
	Number of Shares of Common Stock Issued	Number of Shares of Treasury Stock	Common Stock	Capital Surplus	Retained Earnings	Treasury Stock	Unrealized Loss on Available-for-Sale Securities	Foreign Currency Translation Adjustments	Total	Minority Interests	Total Equity
Balance, April 1, 2009	25,365	675	¥18,576	¥17,928	¥370,666	¥ (9,970)	¥(5,457)	¥(332)	¥391,411	¥9,006	¥400,417
Net income					16,595				16,595		16,595
Cash dividends, ¥180 per share					(4,475)				(4,475)		(4,475)
Increase in treasury stock—net		192				(2,044)			(2,044)		(2,044)
Change of scope of equity method					1,703				1,703		1,703
Change in equity in affiliates accounted for by equity method—treasury stock		13				(39)			(39)		(39)
Net change in the year							4,806	(15)	4,791	(581)	4,210
Balance, March 31, 2010	25,365	880	18,576	17,928	384,489	(12,053)	(651)	(347)	407,942	8,425	416,367
Net income					21,049				21,049		21,049
Cash dividends, ¥290 per share					(7,165)				(7,165)		(7,165)
Increase in treasury stock—net		4				(37)			(37)		(37)
Net change in the year							(2,713)	(130)	(2,843)	125	(2,718)
Balance, March 31, 2011	**25,365**	**884**	**¥18,576**	**¥17,928**	**¥398,373**	**¥(12,090)**	**¥(3,364)**	**¥(477)**	**¥418,946**	**¥8,550**	**¥427,496**

	Thousands of U.S. Dollars (Note 1)								
					Accumulated Other Comprehensive Income				
	Common Stock	Capital Surplus	Retained Earnings	Treasury Stock	Unrealized Loss on Available-for-Sale Securities	Foreign Currency Translation Adjustments	Total	Minority Interests	Total Equity
Balance, March 31, 2010	$223,403	$215,610	$4,624,041	$(144,955)	$ (7,829)	$(4,173)	$4,906,097	$101,323	$5,007,420
Net income			253,145				253,145		253,145
Cash dividends, $3.48 per share			(86,169)				(86,169)		(86,169)
Increase in treasury stock—net				(445)			(445)		(445)
Net change in the year					(32,627)	(1,564)	(34,191)	1,502	(32,689)
Balance, March 31, 2011	**$223,403**	**$215,610**	**$4,791,017**	**$(145,400)**	**$(40,456)**	**$(5,737)**	**$5,038,437**	**$102,825**	**$5,141,262**

See notes to consolidated financial statements.

Consolidated Statements of Cash Flows

Nippon Television Network Corporation and Consolidated Subsidiaries
Years Ended March 31, 2011 and 2010

	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	2011	2010	2011
Operating Activities:			
Income before income taxes and minority interests	¥36,237	¥25,368	$435,803
Adjustments for:			
Income taxes—paid	(11,596)	(1,937)	(139,459)
Depreciation and amortization	8,456	9,622	101,696
Increase (decrease) in liabilities for retirement benefits	570	(1,569)	6,855
Gain on sales of investment securities	(10)	(4)	(120)
Loss on sales of subsidiaries' stocks		1,115	
Loss on devaluation of investment securities	1,990	229	23,933
Equity in earnings of unconsolidated subsidiaries and associated companies	(1,328)	(273)	(15,971)
Changes in operating assets and liabilities:			
(Increase) decrease in trade notes and accounts receivable	(5,005)	5,968	(60,192)
(Increase) decrease in inventories	(1,463)	1,914	(17,595)
Decrease in trade notes and accounts payable	(1,459)	(3,589)	(17,547)
Other—net	(2,959)	3,287	(35,587)
Total adjustments	(12,804)	14,763	(153,987)
Net cash provided by operating activities	23,433	40,131	281,816
Investing Activities:			
Increase in long-term deposits	(410)	(449)	(4,931)
Decrease in long-term deposits	448	3,519	5,388
Purchases of marketable securities		(10,790)	
Proceeds from redemption of marketable securities	2,021	21,200	24,305
Purchases of property, plant and equipment	(4,049)	(26,521)	(48,695)
Proceeds from sales of property, plant and equipment	36	8	433
Purchases of intangible assets	(762)	(993)	(9,164)
Purchases of investment securities	(35,556)	(36,056)	(427,613)
Proceeds from sales of investment securities	12	197	144
Proceeds from redemption of investment securities	10,462	4,020	125,821
Payments of loans receivable	(1,701)	(1,565)	(20,457)
Payments for sale of investments in subsidiaries resulting in change of scope of consolidation		(5)	
Other—net	1,318	588	15,851
Net cash used in investing activities	(28,181)	(46,847)	(338,918)
Financing Activities:			
Increase in short-term borrowings—net	44	697	529
Dividends paid	(7,155)	(4,380)	(86,049)
Purchases of treasury stock	(1)	(2,002)	(12)
Other—net	(20)	(12)	(241)
Net cash used in financing activities	(7,132)	(5,697)	(85,773)
Foreign Currency Translation Adjustments on Cash and Cash Equivalents	(27)	2	(325)
Net decrease in Cash and Cash Equivalents	(11,907)	(12,411)	(143,200)
Cash and Cash Equivalents, Beginning of Year	45,219	57,630	543,825
Cash and Cash Equivalents, End of Year	¥33,312	¥45,219	$400,625

See notes to consolidated financial statements.

Notes to Consolidated Financial Statements

Nippon Television Network Corporation and Consolidated Subsidiaries
Years Ended March 31, 2011 and 2010

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 Financial Instruments and Exchange Act 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.

Under Japanese GAAP, a consolidated statement of income and comprehensive income is required from the fiscal year ended March 31, 2011 and has been presented herein. Accordingly, accumulated other comprehensive income is presented in the consolidated balance sheet and the consolidated statement of changes in equity. Information with respect to other comprehensive income for the year ended March 31, 2010 is disclosed in Note 15. In addition, "net income before minority interests" is disclosed in the consolidated statement of income from the year ended March 31, 2011.

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 that is more familiar to readers outside Japan. In addition, certain reclassifications have been made in the 2010 financial statements to conform to the classifications used in 2011.

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 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 ¥83.15 to $1, the approximate rate of exchange at March 31, 2011. 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, 2011 include the accounts of the Company and its 13 significant (13 in 2010) 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 17 (12 in 2010) unconsolidated subsidiaries and 19 (17 in 2010) associated companies are accounted for by the equity method.

In September 2006, the Accounting Standards Board of Japan (the "ASBJ") issued Practical Issues Task Force No. 20, "Practical Solution on Application of Control Criteria and Influence Criteria to Investment Associations." The practical solution clarifies how the control and influence concept should be practically applied to the consolidation scope of collective investment vehicles, such as limited partnerships, Tokumei Kumiai and other entities with similar characteristics. The Company applied this task force guidance and consolidated four such collective investment vehicles in 2011 (three in 2010).

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

All significant intercompany balances and transactions have been eliminated in consolidation. All material unrealized profit included in assets resulting from transactions within the Group is 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. Inventories—Program rights (costs incurred in connection with the production of programming and the purchase of rights to programs that are capitalized and amortized as the respective programs are broadcast) and most of work in process were stated at the lower of cost, determined by the specific identification method, or market. Finished merchandise, products, raw materials and supplies were mainly stated at the lower of cost, determined by the first-in, first-out method, or market.

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 reported at amortized cost.

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

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

e. Property, Plant and Equipment—Property, plant 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 and to lease assets. The range of useful lives is from 3 to 50 years for buildings and structures and from 2 to 20 years for machinery, vehicles and equipment. The useful lives for lease assets are the terms of the respective leases.

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

g. Retirement and Pension Plans—The Company has a defined contribution pension plan, an unfunded lump sum retirement benefits plan, and a prepaid retirement plan. Subsidiaries have a defined contribution pension plan and an unfunded lump-sum retirement benefits plan.

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

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

h. Asset Retirement Obligations—In March 2008, the ASBJ published the accounting standard for asset retirement obligations, ASBJ Statement No. 18, "Accounting Standard for Asset Retirement Obligations" and ASBJ Guidance No. 21, "Guidance on Accounting Standard for Asset Retirement Obligations." Under this accounting standard, an asset retirement obligation is defined as a legal obligation imposed either by law or contract that results from the acquisition, construction, development and the normal operation of a tangible fixed asset and is associated with the retirement of such tangible fixed asset. The asset retirement obligation is recognized as the sum of the discounted cash flows required for the future asset retirement and is recorded in the period in which the obligation is incurred if a reasonable estimate can be made. If a reasonable estimate of the asset retirement obligation cannot be made in the period the asset retirement obligation is incurred, the liability should be recognized when a reasonable estimate of asset retirement obligation can be made. Upon initial recognition of a liability for an asset retirement obligation, an asset retirement cost is capitalized by increasing the carrying amount of the related fixed asset by the amount of the liability. The asset retirement cost is subsequently allocated to expense through depreciation over the remaining useful life of the asset. Over time, the liability is accreted to its present value each period. Any subsequent revisions to the timing or the amount of the original estimate of undiscounted cash flows are reflected as an increase or a decrease in the carrying amount of the liability and the capitalized amount of the related asset retirement cost. This standard was effective for fiscal years beginning on or after April 1, 2010

The Company applied this accounting standard effective April 1, 2010. The effect of this change was to decrease income before income taxes and minority interests by ¥280 million ($3,367 thousand).

i. Leases—In March 2007, the ASBJ issued ASBJ Statement No. 13, "Accounting Standard for Lease Transactions," which revised the previous accounting standard for lease transactions issued in June 1993. The revised accounting standard for lease transactions was effective for fiscal years beginning on or after April 1, 2008.

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

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

All other leases are accounted for as operating leases.

j. 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.

k. Foreign Currency Translations—All short-term and long term monetary receivables and payables denominated in foreign currencies are translated into Japanese yen at the exchange rates at the balance sheet date.

The foreign exchange gains and losses are recognized in the consolidated statements of income.

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

m. 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 the Group has not issued dilutive securities for the years ended March 31, 2011 and 2010.

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.

n. New Accounting Pronouncements

Accounting Changes and Error Corrections—In December 2009, the ASBJ issued ASBJ Statement No. 24, "Accounting Standard for Accounting Changes and Error Corrections" and ASBJ Guidance No. 24, "Guidance on Accounting Standard for Accounting Changes and Error Corrections." Accounting treatments under this standard and guidance are as follows: (1) Changes in Accounting Policies—When a new accounting policy is applied with revision of accounting standards, the new policy is applied retrospectively unless the revised accounting standards include specific transitional provisions. When the revised accounting standards include specific transitional provisions, an entity shall comply with the specific transitional provisions. (2) Changes in Presentations—When the presentation of financial statements is changed, prior period financial statements are reclassified in accordance with the new presentation. (3) Changes in Accounting Estimates—A change in an accounting estimate is accounted for in the period of the change if the change affects that period only, and is accounted for prospectively if the change affects both the period of the change and future periods. (4) Corrections of Prior Period Errors—When an error in prior period financial statements is discovered, those statements are restated. This accounting standard and the guidance are applicable to accounting changes and corrections of prior period errors which are made from the beginning of the fiscal year that begins on or after April 1, 2011.

3. Marketable and Investment Securities

Marketable and investment securities as of March 31, 2011 and 2010 consisted of the following:

	Millions of Yen		Thousands of U.S. Dollars
	2011	2010	2011
Current—Government and corporate bonds	¥ 22,441	¥ 1,853	$ 269,886
Non-current:			
Equity securities	¥ 47,799	¥ 54,302	$ 574,853
Government and corporate bonds	65,315	58,440	785,508
Trust fund investments and others	3,861	3,654	46,434
Total	¥116,975	¥116,396	$1,406,795

The costs and aggregate fair values of marketable and investment securities at March 31, 2011 and 2010 were as follows:

	Millions of Yen			
March 31, 2011	Cost	Unrealized Gains	Unrealized Losses	Fair Value
Securities classified as:				
Available-for-sale:				
Equity securities	¥28,688	¥4,203	¥4,415	¥28,476
Government and corporate bonds	36,499	111	3,269	33,341
Trust fund investments and others	56	10		66
Held-to-maturity	56,115	150	203	56,062

	Millions of Yen			
March 31, 2010	Cost	Unrealized Gains	Unrealized Losses	Fair Value
Securities classified as:				
Available-for-sale:				
Equity securities	¥30,168	¥6,178	¥1,837	¥34,509
Government and corporate bonds	40,547	118	4,011	36,654
Trust fund investments and others	56	17		73
Held-to-maturity	23,638	25	130	23,533

March 31, 2011	Thousands of U.S. Dollars Cost	Unrealized Gains	Unrealized Losses	Fair Value
Securities classified as:				
Available-for-sale:				
Equity securities	$345,015	$50,547	$53,097	$342,465
Government and corporate bonds	438,954	1,334	39,314	400,974
Trust fund investments and others	673	121		794
Held-to-maturity	674,865	1,803	2,441	674,227

The information for available-for-sale securities which were sold during the years ended March 31, 2011 and 2010 was as follows:

March 31, 2011	Millions of Yen Proceeds	Realized Gains	Realized Losses
Available-for-sale—Equity securities	¥12	¥10	

March 31, 2010	Millions of Yen Proceeds	Realized Gains	Realized Losses
Available-for-sale—Equity securities	¥197	¥4	

March 31, 2011	Thousands of U.S. Dollars Proceeds	Realized Gains	Realized Losses
Available-for-sale—Equity securities	$144	$120	

The impairment losses on available-for-sale equity securities for the years ended March 31, 2011 and 2010 were ¥1,479 million ($17,787 thousand) and ¥192 million, respectively.

4. Short-Term Investments

Short-term investments as of March 31, 2011 and 2010 consisted of the following:

	Millions of Yen		Thousands of U.S. Dollars
	2011	2010	2011
Time deposit	¥410	¥500	$4,931

5. Inventories

Inventories at March 31, 2011 and 2010 consisted of the following:

	Millions of Yen		Thousands of U.S. Dollars
	2011	2010	2011
Program rights	¥ 7,580	¥ 6,736	$ 91,161
Finished products and merchandise	2,534	2,532	30,475
Work in process	1,109	470	13,337
Raw materials and supplies	534	556	6,422
Total	¥11,757	¥10,294	$141,395

6. Collateralized Property

At March 31, 2011, land of ¥101,031 million ($1,215,045 thousand) was pledged as collateral for guarantee deposits received of ¥19,000 million ($228,503 thousand).

7. Investment Property

In November 2008, the ASBJ issued ASBJ Statement No. 20, "Accounting Standard for Investment Property and Related Disclosures" and ASBJ Guidance No. 23, "Guidance on Accounting Standard for Investment Property and Related Disclosures." This accounting standard and the guidance were applicable to investment property and related disclosures at the end of the fiscal years ending on or after March 31, 2010. The Group applied the accounting standard and guidance effective March 31, 2010.

The Group owns certain rental properties such as office buildings and land in Tokyo. The net of rental income and operating expenses for those rental properties was ¥661 million ($7,949 thousand) for the fiscal year ended March 31, 2011.

The carrying amounts, changes in balances and market prices of properties are as follows:

Millions of Yen			
Carrying Amount			Fair Value
April 1, 2010	Increase/Decrease	March 31, 2011	March 31, 2011
¥78,395	¥(417)	¥77,978	¥90,444

Millions of Yen			
Carrying Amount			Fair Value
April 1, 2009	Increase/Decrease	March 31, 2010	March 31, 2010
¥55,445	¥22,950	¥78,395	¥96,481

Thousands of U.S. Dollars			
Carrying Amount			Fair Value
April 1, 2010	Increase/Decrease	March 31, 2011	March 31, 2011
$942,814	$(5,015)	$937,799	$1,087,721

Notes: 1. Carrying amount recognized in the balance sheet is net of accumulated depreciation, if any.
2. Decrease during the fiscal year ended March 31, 2011 primarily represents the depreciation of ¥451 million ($5,424 thousand).
3. The fair value of major properties owned by the Group as of March 31, 2011 is measured by outside real estate appraisers in accordance with the Real Estate Appraisal Standard (including adjustments made by using indexes). The fair values of other properties are measured by the Group using indexes that are believed to approximate their market values appropriately.

8. Short-term borrowings

Short-term borrowings at March 31, 2011 and 2010 were collected from unconsolidated subsidiaries using a cash management system. The interest rate applicable to the short term borrowings was 0.670% and 0.784% at March 31, 2011 and 2010, respectively.

9. Retirement and Pension Benefits Plan

The Company and certain consolidated 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 then the employee is usually entitled to a larger payment than in the case of voluntary termination.

The liability for employees' retirement benefits at March 31, 2011 and 2010 consisted of the following:

	Millions of Yen		Thousands of U.S. Dollars
	2011	2010	2011
Projected benefit obligation	¥6,481	¥5,975	$77,943
Fair value of plan assets		(49)	
Net liability	¥6,481	¥5,926	$77,943

The components of net periodic benefit costs for the years ended March 31, 2011 and 2010 are as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2011	2010	2011
Service cost	¥ 768	¥ 800	$ 9,236
Interest cost	80	77	962
Amortization of service cost	253		3,043
Recognized actuarial gain	(9)	(281)	(108)
Amortization of net transitional assets		(64)	
Defined contribution pension plan premium cost	732	722	8,803
Net periodic benefit costs	1,824	1,254	21,936
Loss on revision of retirement benefit plan		91	
Total	¥1,824	¥1,345	$21,936

Assumptions used for the years ended March 31, 2011 and 2010 are set forth as follows:

	2011	2010
Discount rate	2.3%	2.3%
Amortization period of prior service cost	1 year	
Recognition period of actuarial gain	1 year	1 year
Amortization period of net transitional asset		10 years

Retirement benefits for directors and corporate auditors are paid subject to approval of the shareholders in accordance with the Companies Act of Japan (the "Companies Act"). Retirement benefits as of March 31, 2011 and 2010 included benefits for directors and corporate auditors in the amounts of ¥125 million ($1,504 thousand) and ¥111 million, respectively.

10. Equity

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

a. Dividends

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

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

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

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

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

11. 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, 2011 and 2010.

The tax effects of significant temporary differences and tax loss carryforwards which resulted in deferred tax assets and liabilities as of March 31, 2011 and 2010 are as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2011	2010	2011
Current:			
Deferred tax assets:			
Devaluation of program rights	¥ 3,098	¥ 3,217	$ 37,258
Accrued enterprise taxes	847	543	10,186
Accrued bonuses	535	487	6,434
Other	367	447	4,414
Less valuation allowance	(3)	(4)	(36)
Total	4,844	4,690	58,256
Deferred tax liabilities:			
Unrealized gain on available-for-sale securities	(5)	(1)	(60)
Other	(3)	(10)	(36)
Total	(8)	(11)	(96)
Net deferred tax assets	¥ 4,836	¥ 4,679	$ 58,160
Non-current:			
Deferred tax assets:			
Retirement benefits	¥ 2,874	¥ 2,441	$ 34,564
Devaluation of property, plant and equipment	599	454	7,204
Devaluation of investment securities	2,201	1,085	26,470
Unrealized loss on available-for-sale securities	1,312	4	15,779
Other	1,141	1,554	13,722
Less valuation allowance	(2,747)	(1,864)	(33,037)
Total	5,380	3,674	64,702
Offset with deferred tax liabilities	(5,380)	(3,674)	(64,702)
Net deferred tax assets			
Deferred tax liabilities:			
Tax benefit from deferred gain on sales of property, plant and equipment	¥(5,865)	¥(5,878)	$(70,535)
Unrealized gain on available-for-sale securities	(7)	(114)	(84)
Other	(36)	(21)	(433)
Total	(5,908)	(6,013)	(71,052)
Offset with deferred tax assets	5,380	3,674	64,702
Net deferred tax liabilities	¥ (528)	¥(2,339)	$ (6,350)

A reconciliation between the normal effective statutory tax rate and the actual effective tax rate reflected in the accompanying consolidated statements of income for the year ended March 31, 2010 is as follows:

	2010
Normal effective statutory tax rate	40.7%
Decrease in valuation allowance	(1.5)
Income not included for income tax purposes	(1.0)
Expenses not deductible for income tax purposes	1.4
Equity in earnings of affiliates	(0.4)
Other—net	(3.3)
Actual effective tax rate	35.9%

For the year ended March 31, 2011, 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.

12. 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, 2011 and 2010 were ¥40 million ($481 thousand) and ¥107 million, respectively.

Obligations under finance leases were as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2011	2010	2011
Due within one year	¥10	¥16	$120
Due after one year	8	10	96
Total	¥18	¥26	$216

Pro forma information on leased property whose lease inception was before March 31, 2008

ASBJ Statement No. 13, "Accounting Standard for Lease Transactions" requires that all finance lease transactions be capitalized to recognize lease assets and lease obligations in the balance sheet. However, the ASBJ Statement No. 13 permits leases without ownership transfer of the leased property to the lessee and whose lease inception was before March 31, 2008 to continue to be accounted for as operating lease transactions if certain "as if capitalized" information is disclosed in the note to the financial statements. The Company applied ASBJ Statement No. 13 effective April 1, 2008 and accounted for such leases as operating lease transactions. Pro forma information on leased property whose lease inception was before March 31, 2008 was as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2011	2010	2011
	Machinery, Vehicles and Equipment	Machinery, Vehicles and Equipment	Machinery, Vehicles and Equipment
Acquisition cost	¥42	¥254	$505
Accumulated depreciation	27	210	326
Net leased property	¥15	¥ 44	$180

Obligations under finance leases:

	Millions of Yen		Thousands of U.S. Dollars
	2011	2010	2011
Due within one year	¥7	¥30	$ 84
Due after one year	8	14	96
Total	¥15	¥44	$180

Depreciation expense and other information under finance leases:

	Millions of Yen		Thousands of U.S. Dollars
	2011	2010	2011
Depreciation expense	¥30	¥91	$361
Lease payments	30	91	361

Depreciation expense, which is not reflected in the accompanying consolidated statements of income, is computed by the straight-line method.

b. Operating Lease Transactions

The minimum rental commitments under noncancelable operating leases at March 31, 2011 and 2010 were as follows:

	Millions of Yen		Thousands of U.S. Dollars
As Lessee	2011	2010	2011
Due within one year	¥ 2	¥ 5	$ 24
Due after one year	3		36
Total	¥ 5	¥ 5	$ 60
As Lessor			
Due within one year	¥ 130	¥ 130	$ 1,564
Due after one year	5,341	5,471	64,233
Total	¥5,471	¥5,601	$65,797

13. Financial Instruments and Related Disclosures

In March 2008, the ASBJ revised ASBJ Statement No. 10, "Accounting Standard for Financial Instruments" and issued ASBJ Guidance No. 19, "Guidance on Accounting Standard for Financial Instruments and Related Disclosures." This accounting standard and the guidance were applicable to financial instruments and related disclosures at the end of the fiscal years ending on or after March 31, 2010. The Group applied the revised accounting standard and the guidance effective March 31, 2010.

(1) Group Policy for Financial Instruments

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

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

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

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

(3) Risk Management for Financial Instruments

Credit risk management

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

The maximum credit risk exposure of financial assets is limited to their carrying amounts as of March 31, 2011.

Market risk management (interest rate risk)

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

Liquidity risk management

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

(4) Fair Values of Financial Instruments

Fair values of financial instruments are based on quoted prices in active markets. If quoted prices are not available, other rational valuation techniques are used instead.

(a) Fair value of financial instruments

	Millions of Yen		
March 31, 2011	Carrying Amount	Fair Value	Unrealized Gain/Loss
Cash and cash equivalents	¥ 33,312	¥ 33,312	
Marketable securities	22,441	22,422	¥ (19)
Short-term investments	410	410	
Receivables	77,792	77,787	(5)
Investment securities	93,857	93,823	(34)
Long-term deposits	8,000	7,464	(536)
Total	¥235,812	¥235,218	¥ (594)
Payables	¥ 53,874	¥ 53,874	
Guarantee deposits received	20,218	12,036	¥8,182
Total	¥ 74,092	¥ 65,910	¥8,182

	Millions of Yen		
March 31, 2010	Carrying Amount	Fair Value	Unrealized Gain/Loss
Cash and cash equivalents	¥ 45,219	¥ 45,219	
Marketable securities	1,853	1,852	¥ (1)
Short-term investments	500	500	
Receivables	72,584	72,584	
Investment securities	93,021	92,917	(104)
Long-term deposits	8,000	7,433	(567)
Total	¥221,177	¥220,505	¥ (672)
Payables	¥ 52,265	¥ 52,265	
Guarantee deposits received	20,226	10,476	¥9,750
Total	¥ 72,491	¥ 62,741	¥9,750

	Thousands of U.S. Dollars		
March 31, 2011	Carrying Amount	Fair Value	Unrealized Gain/Loss
Cash and cash equivalents	$ 400,625	$ 400,625	
Marketable securities	269,886	269,657	$ (229)
Short-term investments	4,931	4,931	
Receivables	935,563	935,502	(61)
Investment securities	1,128,767	1,128,358	(409)
Long-term deposits	96,212	89,765	(6,447)
Total	$2,835,984	$2,828,838	$ (7,146)
Payables	$ 647,913	$ 647,913	
Guarantee deposits received	243,151	144,750	$98,401
Total	$ 891,064	$ 792,663	$98,401

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

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

Marketable and Investment Securities

The fair values of marketable and investment securities are measured at the quoted market price of the stock exchange for the equity instruments, and at the quoted price obtained from the financial institution for certain debt instruments. The fair value information for marketable and investment securities by classification is included in Note 3.

Long-Term Deposits

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

Guarantee Deposits Received

The fair values of guarantee deposits received are determined by discounting the cash flows related to the debt at the Group's assumed corporate borrowing rate.

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

	Millions of Yen		Thousands of U.S. Dollars
	2011	2010	2011
Investments in unconsolidated subsidiaries and associated companies	¥31,673	¥29,178	$380,914
Other investments in equity instruments that do not have a quoted market price in an active market	23,118	23,375	278,028

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

	Millions of Yen			
March 31, 2011	Due in 1 Year or Less	Due after 1 Year through 5 Years	Due after 5 Years through 10 Years	Due after 10 Years
Cash and cash equivalents	¥ 33,312			
Marketable securities	22,428			
Short-term investments	410			
Receivables	77,792			
Investment securities:				
Held-to-maturity securities		¥33,500	¥ 50	
Available-for-sale securities with contractual maturities	817	8,000	53	¥30,051
Long-term deposits		2,000	2,000	4,000
Total	¥134,759	¥43,500	¥2,103	¥34,051

	Thousands of U.S. Dollars			
March 31, 2011	Due in 1 Year or Less	Due after 1 Year through 5 Years	Due after 5 Years through 10 Years	Due after 10 Years
Cash and cash equivalents	$ 400,628			
Marketable securities	269,724			
Short-term investments	4,931			
Receivables	935,562			
Investment securities:				
Held-to-maturity securities		$402,886	$ 601	
Available-for-sale securities with contractual maturities	9,826	96,212	637	$361,407
Long-term deposits		24,053	24,053	48,106
Total	$1,620,671	$523,151	$25,291	$409,513

14. Contingent Liabilities

The Group's contingent liabilities as guarantor of indebtedness as of March 31, 2011 were as follows:

	Millions of Yen	Thousands of U.S. Dollars
Employees	¥ 364	$ 4,378
MADHOUSE Inc.	700	8,418
Total	¥1,064	$12,796

15. Comprehensive Income

For the Year Ended March 31, 2010

Total comprehensive income for the year ended March 31, 2010 was the following:

	Millions of Yen
	2010
Total comprehensive income attributable to:	
Owners of the parent	¥21,358
Minority interests	(341)
Total comprehensive income	¥21,017

Other comprehensive income for the year ended March 31, 2010 consisted of the following:

	Millions of Yen
	2010
Other comprehensive income:	
Unrealized gain on available-for-sale securities	¥4,120
Foreign currency translation adjustments	9
Share of other comprehensive income in associates	637
Total other comprehensive income	¥4,766

16. Subsequent Event

The following appropriation of retained earnings at March 31, 2011 was approved at the Company's shareholders meeting held on June 29, 2011:

	Millions of Yen	Thousands of U.S. Dollars
Year-end cash dividends, ¥200 ($2.41) per share	¥4,848	$58,304

17. Segment Information

For the Years Ended March 31, 2011 and 2010

In March 2008, the ASBJ revised ASBJ Statement No. 17, "Accounting Standard for Segment Information Disclosures" and issued ASBJ Guidance No. 20, "Guidance on Accounting Standard for Segment Information Disclosures." Under the standard and guidance, an entity is required to report financial and descriptive information about its reportable segments. Reportable segments are operating segments or aggregations of operating segments that meet specified criteria. Operating segments are components of an entity about which separate financial information is available and such information is evaluated regularly by the chief operating decision maker in deciding how to allocate resources and in assessing performance. Generally, segment information is required to be reported on the same basis as is used internally for evaluating operating segment performance and deciding how to allocate resources to operating segments.

This accounting standard and the guidance are applicable to segment information disclosure for the fiscal years beginning on or after April 1, 2010.

The segment information for the year ended March 31, 2010 under the revised accounting standard is also disclosed hereunder as required.

(1) Description of reportable segments

The Group's reportable segments are those for which separate financial information is available and that are regularly evaluated by the Company's management to determine the allocation of resources among the Group. Therefore, the Group comprises the Content Business, Real Estate Rental/Leasing, and Other segments.

The Content Business segment consists of television broadcasting, program sales, royalty income from commercialization, sale of CDs, DVDs, Blue-ray Discs and publications, as well as movies, events, and other performances.

The Real Estate Rental/Leasing segment conducts leasing of owned real estate, and building management.

The Other segment mainly involves the management of stores.

(2) Methods of measuring amounts of sales, profit and depreciation for each reportable segment

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

(3) Information about sales, profit (loss) and depreciation is as follows:

	Millions of Yen					
	2011					
	Reportable Segment					
	Content Business	Real Estate Rental/ Leasing	Other	Total	Reconciliations	Consolidated
Sales:						
Sales to external customers	¥291,980	¥3,953	¥1,962	¥297,895		¥297,895
Intersegment sales or transfers	727	3,308	699	4,734	¥(4,734)	
Total	¥292,707	¥7,261	¥2,661	¥302,629	¥(4,734)	¥297,895
Segment profit (loss)	¥ 29,862	¥1,833	¥ (25)	¥ 31,670		¥ 31,670
Other—Depreciation	7,646	779	31	8,456		8,456

	Millions of Yen					
	2010					
	Reportable Segment					
	Content Business	Real Estate Rental/ Leasing	Other	Total	Reconciliations	Consolidated
Sales:						
Sales to external customers	¥291,543	¥3,442	¥1,949	¥296,934		¥296,934
Intersegment sales or transfers	919	3,369	514	4,802	¥(4,802)	
Total	¥292,462	¥6,811	¥2,463	¥301,736	¥(4,802)	¥296,934
Segment profit (loss)	¥ 21,864	¥1,803	¥ (104)	¥ 23,563		¥ 23,563
Other—Depreciation	8,600	995	27	9,622		9,622

	Thousands of U.S. Dollars					
	2011					
	Reportable Segment					
	Content Business	Real Estate Rental/ Leasing	Other	Total	Reconciliations	Consolidated
Sales:						
Sales to external customers	$3,511,485	$47,541	$23,596	$3,582,622		$3,582,622
Intersegment sales or transfers	8,744	39,783	8,406	56,933	$(56,933)	
Total	$3,520,229	$87,324	$32,002	$3,639,555	$(56,933)	$3,582,622
Segment profit (loss)	$ 359,134	$22,044	$ (300)	$380,878		$ 380,878
Other—Depreciation	91,954	9,369	373	101,696		101,696

Related Information

(1) Information about products and services

Sales to External Customers	Content Business	Real Estate Rental/Leasing	Other	Total
	Millions of Yen			
	2011			
Television advertising revenue:				
Time advertising	¥105,926			¥105,926
Spot advertising	103,338			103,338
Total	209,264			209,264
Other advertising revenue	702			702
Content sales revenue	33,449			33,449
Revenue from merchandise sales	34,738		¥1,775	36,513
Box office revenue	8,641			8,641
Real estate rental/leasing		¥2,597		2,597
Other	5,186	1,356	187	6,729
Total	¥291,980	¥3,953	¥1,962	¥297,895

Sales to External Customers	Content Business	Real Estate Rental/Leasing	Other	Total
	Thousands of U.S. Dollars			
	2011			
Television advertising revenue:				
Time advertising	$1,273,915			$1,273,915
Spot advertising	1,242,790			1,242,790
Total	2,516,705			2,516,705
Other advertising revenue	8,443			8,443
Content sales revenue	402,273			402,273
Revenue from merchandise sales	417,775		$21,347	439,122
Box office revenue	103,921			103,921
Real estate rental/leasing		$31,233		31,233
Other	62,368	16,308	2,249	80,925
Total	$3,511,485	$47,541	$23,596	$3,582,622

(2)Information about geographical areas

a. Sales

Sales of the Company and its domestic subsidiaries for the year ended March 31, 2011 represented more than 90% of the consolidated sales of the year. Accordingly, information about geographic areas is not disclosed.

b. Property, plant and equipment

Property, plant and equipment of the Company and its domestic subsidiaries for the year ended March 31, 2011 represented more than 90% of the property, plant and equipment in the consolidated balance sheets of the year. Accordingly, information about geographic areas is not disclosed.

(3)Information about major customers

Sales to no customers including advertisers, represented more than 10% of the consolidated net sales during the year ended March 31, 2011. Accordingly, information about major customers is not disclosed.

For the Year Ended March 31, 2010

Information about industry segments, geographic segments and sales to foreign customers for the year ended March 31, 2010 is as follows:

(1) Industry Segments

2010

a. Sales and operating income

	Millions of Yen				
	Television Broadcasting	Cultural Activities	Other	Elimination/ Corporate	Consolidated
Sales to outside customers	¥225,152	¥63,913	¥ 7,869		¥296,934
Intersegment sales/transfers	790	2,381	5,125	¥ (8,296)	
Total sales	225,942	66,294	12,994	(8,296)	296,934
Operating expenses	196,428	62,068	11,690	3,185	273,371
Operating income	¥ 29,514	¥ 4,226	¥ 1,304	¥(11,481)	¥ 23,563

b. Assets, depreciation and capital expenditures

	Millions of Yen				
	Television Broadcasting	Cultural Activities	Other	Elimination/ Corporate	Consolidated
Assets	¥243,128	¥63,119	¥60,996	¥146,545	¥513,788
Depreciation	7,415	225	1,139	843	9,622
Capital expenditures	2,535	101	492	23,681	26,809

(2) Geographic Segments

Sales and total assets of the Company and its domestic subsidiaries for the year ended March 31, 2010 represented more than 90% of the consolidated sales and total assets of the year. Accordingly, geographic segments is not disclosed.

(3) Sales to Foreign Customers

Sales to foreign customers for the year ended March 31, 2010 represented less than 10% of the consolidated sales of the year. Accordingly, information about sales to foreign customers is not disclosed.

Deloitte.

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
Nippon Television Network Corporation:

We have audited the accompanying consolidated balance sheets of Nippon Television Network Corporation (the "Company") and consolidated subsidiaries (together, the "Groups") as of March 31, 2011 and 2010, and the related consolidated statements of income for the years then ended, the consolidated statement of comprehensive income for the year ended March 31, 2011, and the related consolidated statements of changes in 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, 2011 and 2010, 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.

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 LLC

June 29, 2011

Member of
Deloitte Touche Tohmatsu Limited

NTV Group Companies (As of June 30, 2011)

Consolidated Subsidiaries

NTV Group Holdings Inc.
NTV Technical Resources Inc.
AX-ON Inc.
NTV EVENTS Inc.
Nippon Television Art Inc.
Nippon Television Music Corporation
VAP Inc.
NTV Service Inc.
Nippon Television Work 24 Corporation
Forecast Communications Inc.
NitteleSeven Co., Ltd.
NTV America Company
NTV International Corporation

Non-Consolidated Companies

Nippon Television Network Europe B.V.
MADHOUSE Inc.
NTV IT Produce Corporation
NTV Personnel Center Corp.
Rights Inn Corporation
VAP Music Publishing Inc.
J.M.P Co., Ltd.
SOUND INN STUDIOS INC.
COMIGO Sports Marketing Co., Ltd.
RF Radio Nippon Co., Ltd.
Radio Nippon Create Inc.
RF Music Publisher Inc.

Affiliated Companies

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

Public Interest Incorporated Foundations

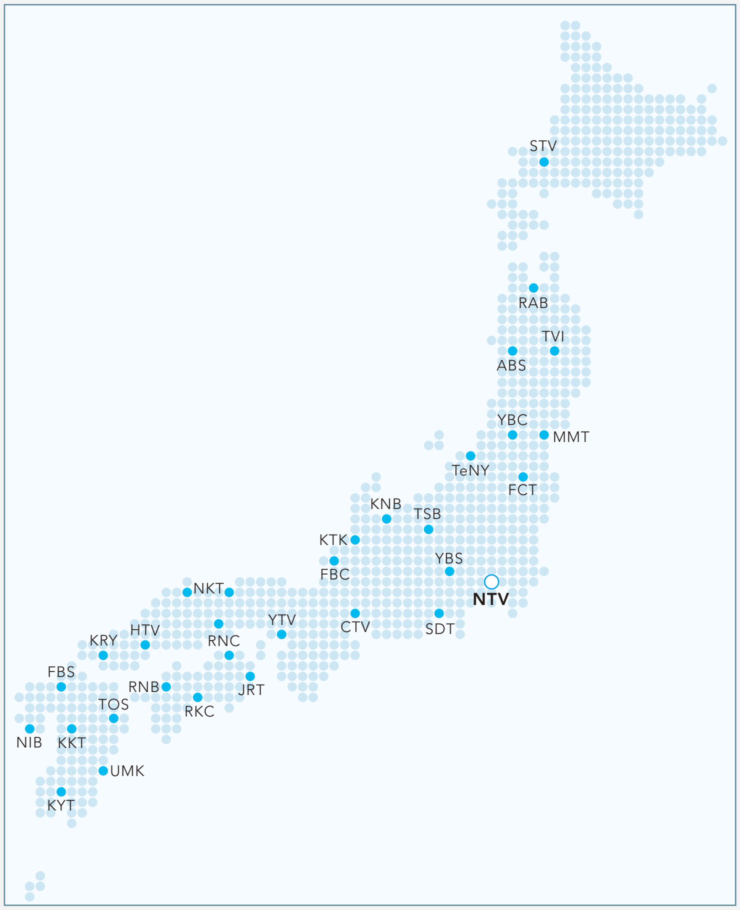
Yomiuri Nippon Symphony Orchestra, Tokyo
NTV "Dove of Love" Public Welfare Foundation
Nippon Television Network Cultural Foundation
The Tokuma Memorial Cultural Foundation for Animation

NTV Group Segments

Content Business	Real Estate Rental/Leasing Business	Other Business
NIPPON TELEVISION NETWORK CORPORATION NTV Group Holdings Inc. NTV Technical Resources Inc. AX-ON Inc. Nippon Television Art Inc. NTV America Company NTV International Corporation Nippon Television Music Corporation VAP Inc. NTV EVENTS Inc. NitteleSeven Co., Ltd. Forecast Communications Inc.	NIPPON TELEVISION NETWORK CORPORATION Nippon Television Work 24 Corporation	NTV Service Inc.

NTV Network (As of March 31, 2011)

NTV Network Stations (Japan)



- The Sapporo Television Broadcasting Co., Ltd. (STV)*
- RAB Aomori Broadcasting Corporation (RAB)
- TV IWATE CORPORATION (TVI)
- MIYAGI TELEVISION BROADCASTING CO., LTD. (MMT)
- Akita Broadcasting System (ABS)
- Yamagata Broadcasting Co., Ltd. (YBC)
- Fukushima Central Television CO., LTD. (FCT)
- TELEVISION NIIGATA NETWORK (TeNY)
- TV.Shinshu Broadcasting Co., LTD. (TSB)
- Yamanashi Broadcasting System (YBS)
- Shizuoka Daiichi Television Corporation (SDT)
- KITANIHON Broadcasting CO., LTD. (KNB)
- TELEVISION KANAZAWA Corporation (KTK)
- FUKUI BROADCASTING CORPORATION (FBC)
- CHUKYO TV BROADCASTING CO., LTD. (CTV)
- YOMIURI TELECASTING CORPORATION (YTV)*
- NIHONKAI TELECASTING CO., LTD. (NKT)
- Hiroshima Telecasting Co., Ltd. (HTV)
- Yamaguchi Broadcasting Co., Ltd. (KRY)
- JRT Shikoku Broadcasting Co., Ltd. (JRT)
- NISHINIPPON BROADCASTING CO., LTD. (RNC)
- Nankai Broadcasting CO., LTD. (RNB)
- Kochi Broadcasting Co., Ltd. (RKC)
- Fukuoka Broadcasting Corporation (FBS)*
- NAGASAKI INTERNATIONAL TELEVISION BROADCASTING, INC. (NIB)
- KKT Corporation (KKT)
- Television Oita System Co., Ltd. (TOS)
- Miyazaki Telecasting Co., ltd. (UMK)
- Kagoshima Yomiuri Television Corporation (KYT)

* Affiliates accounted for under the equity method

NTV/NNN Overseas News Bureaus

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

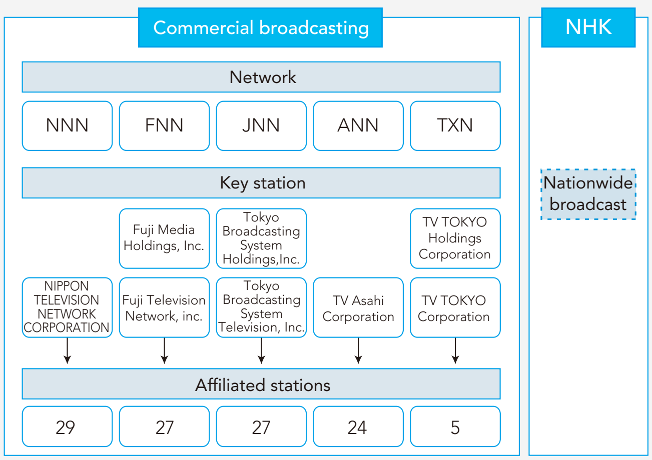
- London
- Paris
- Moscow
- Cairo
- Beijing
- Shanghai
- Seoul
- Bangkok
- New York
- Washington, D.C.
- Los Angeles

Japanese Television Broadcasting Industry Characteristics

Networks

Commercial terrestrial television broadcasters in Japan have broadcasting regions that are specified by prefectural and regional authorizations. This situation has led to the development of broadcasting networks of regional and local broadcasters throughout Japan, with five key stations in Tokyo as their hubs. These networks enable nationwide broadcasts and facilitate cooperation on news, programs and other business. (Some broadcasters do not belong to any specific network.)

NHK, Japan's public-sector broadcaster, also broadcasts throughout the country.



Launch of Digital Terrestrial Broadcasting

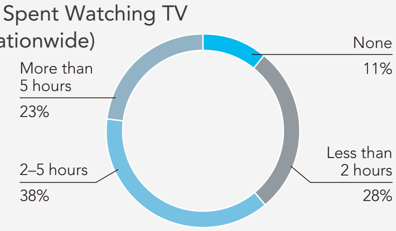
Digital terrestrial broadcasting enables datacasting, more channels with higher image and sound quality, and enables television broadcasts ("1-SEG" services) to mobile phones and other portable devices. Since its launch in 2003, the coverage area for digital terrestrial broadcasting has expanded steadily from Japan's three major metropolitan centers in the Kanto, Chukyo and Kinki regions, to encompass the entire country. Owing to capital expenditure by broadcasters to upgrade broadcasting facilities and relay stations and viewers' rising percentage ownership of televisions capable of receiving digital broadcasts, analog broadcasting was discontinued according to plan in July 2011, making the full-scale shift to digital broadcasting. This transition was delayed, however, in the three prefectures in the Tohoku region (Iwate, Miyagi and Fukushima prefectures), taking into account the impact of the Great East Japan Earthquake.

The cessation of analog broadcasting has opened up broadcasting frequencies, which will be used for multimedia broadcasts to smartphones and other mobile devices that are scheduled to begin in April 2014. These multimedia broadcasts will give mobile viewers access to real-time programming at a higher quality than present 1-SEG broadcasts afford. They will also enable viewers to time-shift their viewing to receive, save and play film, drama programs and other content as convenient.

Superiority of Terrestrial Broadcasting

Network stations all across the country, along with the equipment required for airwave broadcasts, provide most people with free viewing of television programming anywhere in Japan, simply by installing an antenna. As a result, the number of television receivers almost matches the nation's population, at around 120 million. The number of people in Japan who watch television every day is 89%, and across all households the average number of viewing hours per day is 3 hours and 28 minutes on weekdays; on Saturdays, 3 hours and 44 minutes; and on Sundays, 4 hours and 9 minutes. These figures are an indicator of the high affinity that Japanese viewers have for television as "everyday media."

☐ Number of Hours Spent Watching TV on a Weekday (Nationwide)



Source: *The Japanese and Television 2010* survey, NHK Broadcasting Culture Research Institute

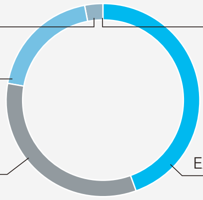
Terrestrial television broadcasts are a medium that reaches nearly all households, delivering the same information to them simultaneously. Consequently, television advertising has an overwhelming advantage over advertising in other media, making it the most effective and efficient for sponsor companies.

Television is also an important element of the social infrastructure, providing viewers swiftly with accurate information in times of crisis, such as in the event of large-scale disasters. When the Great East Japan Earthquake struck in March 2011, television was by far the medium of choice for people seeking information during the hour following the disaster, accounting for 71% of the total. Television proved highly effective in this situation, with 77% of viewers making positive comments about the information relayed on television, such as that it was "extremely helpful" or "very helpful."

☐ Contact with Earthquake-Related Information within One Hour of Earthquake (%)

Media	Overall	Home	Outdoors
Television	71	85	61
Radio	18	15	28
Internet	38	34	21
Other media, or no information contact	12	6	16

☐ Value of Television Viewed within One Hour of Earthquake (%)



Source: *Survey of the Great East Japan Earthquake and Media Utility*, March 30, 2011, National Association of Commercial Broadcasters in Japan

Major Sources of Television Advertising Revenue

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

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

With time ads, in principle, programs have only one sponsor in a given industry. This is usually, but not always, the case. Care is taken to avoid having two companies from the same industry, or similar product advertisements sponsoring the same program or appearing in the same sponsor zone. The system is set up so that, even if a sponsor wants to support a particular program, they cannot become involved if there are no slots available. Programs sponsored by a single company from day one of production meet sponsor needs in terms of conveying corporate and product images, reaching target consumers and executing desired projects.

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

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

Commercial terrestrial broadcasters also derive earnings from program sales. Program sales revenue arise when a broadcaster that holds the rights to a program sells it to a local station, satellite broadcaster or CATV station.

Generating Multiple Streams of Revenue as Content Providers

Japanese television stations—and key commercial broadcasters in Tokyo in particular—are considered the largest content providers in Japan. Whereas in the United States it is common for television production, programming and distribution to each be handled by different entities, Japanese television stations' operations are integrated, as they engage in program planning, production, scheduling and broadcast.

Through their ownership and use of in-house content (rights), Japanese broadcasters work aggressively to use content in multiple ways, such as by converting popular television dramas and animation programs to the big screen, offering DVDs, merchandising related products, holding events, distributing content over the Internet and selling program formats overseas. Evincing this tendency, of the top 10 films at the Japanese box office in 2010, eight were film adaptations of television dramas and animation programs.

Legal Limitations in the Television Broadcast Industry

Japanese television broadcasters' operations are subject to the Broadcast Law and the Radio Law. The objective of the Broadcast Law is to promote robust development of broadcasting by stipulating freedom of program editing and establishing broadcast program deliberative bodies. The Radio Law also aims to enhance public welfare by ensuring the fair and efficient usage of the airwaves. To participate in the television broadcasting business, a company must be licensed by the Minister for Internal Affairs and Communications, who oversees the radio and broadcasting businesses.

The ownership of television broadcasters by foreign entities must be below 20%. NTV provides details of its foreign ownership ratio on its website.
http://www.ntv.co.jp/ir/holder/foreign.html (Japanese)
http://www.ntv.co.jp/english/ir/si_01ii.html (English)

Investor Information (As of March 31, 2011)

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

Capital
¥18,575,997,144

Fiscal Year End
March 31 of each year

Number of Employees
3,262 (Consolidated)
1,153 (Non-consolidated)

Stock Exchange Listing
First Section of Tokyo Stock Exchange

Stock Code
9404

Common Stock
Authorized 100,000,000 shares
Issued 25,364,548 shares

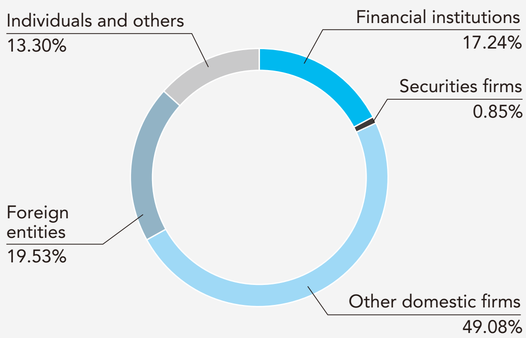
Number of Shareholders
40,206

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

Major Shareholders

	Number of shares held	Percentage of total shares issued (%)
The Yomiuri Shimbun Holdings	3,764,948	14.84
YOMIURI TELECASTING CORPORATION	1,574,836	6.20
The Yomiuri Shimbun	1,363,920	5.37
CBNY-ORBIS SICAV	1,241,199	4.89
Japan Trustee Services Bank, Ltd. (Trust Account)	1,058,140	4.17
CBNY-ORBIS FUNDS	1,041,541	4.10
The Master Trust Bank of Japan, Ltd. (Trust Account)	1,024,250	4.03
Teikyo University	897,270	3.53
NTT DOCOMO, INC.	760,500	2.99
Recruit Co., Ltd.	645,460	2.54

Distribution of Shares



Stock Price Range and Trading Volume (Tokyo Stock Exchange)