

Platform for a New Era

BRAND T

NTV'S

The year 2011 will mark the dawn of a new era in media as analog broadcasting is completely phased out. From this year onward, our content will be ubiquitously accessible through new forms, including mobile devices and the Internet, in addition to digital terrestrial broadcasting.

From the beginning, NTV has always understood the unlimited potential of the public airwaves and has drawn on its pioneering spirit to take the initiative in creating high-value-added content.

SUCCESS

As a first-rate company, we will continue to push the boundaries of the media sector in the generations to come,

unleashing the possibilities of digital broadcasting in a new media universe.

Applying our formula for success, we aim to captivate our viewers' attention.

In order to prosper amid a dynamically changing operating environment,

we will develop closer ties with our viewing audience, better grasp their preferences and accurately cater to lifestyles and habits.

FORMULA



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NTV's future depends on the production of high-quality content in the multimedia age. Despite an increasing variety of broadcasting technologies and communications devices, we will stay focused on the creation of true value — content that is cherished by viewers — as the essence of television. Broadcasting is simply a means of distribution and content is the end product consumed by viewers. NTV aims to expand the content business in line with new technologies by leveraging advantages found in its inherent strengths that form three foundations for winning.

Our first foundation is the copyright business. Merchandise based on the popular television

cartoon characters *Anpanman* and *Lupin the 3rd* is doing particularly well. Entering its 18th year of television showings in October 2005, *Anpanman* has grown into a substantial ¥86 billion merchandise market. Our investment in the production of works at Studio Ghibli coupled with DVD sales of other popular programs and spin-off merchandise serve to double this strength in the growing copyright business.

A second foundation for winning is our aggressive approach to the movie business. We are making concerted efforts to produce our own movies

A Recipe for Success: Programs that Only

01 / 4 Four Key Factors For "Total Success" Three Foundations for Winning



contents



under the NTV Original Movie (NOMO) project. *Tokyo Tower* became a hit movie after opening in January 2005 and plans for more high-profile films are in the works.

The third foundation is our bold posture in taking on new business opportunities. In October 2005, we are planning the full-fledged launch of a Video-on-Demand (VoD) service. For this purpose, we established the VoD Business Department in September 2005, which reports to the newly created NTV2 VoD Business Division. The Company

is committed to across-the-board efforts to nurture this business as a pillar of non-broadcasting source of earnings. NTV has achieved considerable success in clearing copyright issues related to an archive of more than 180,000 programs, a resource of strong earnings potential for VoD services. Additionally, we will work to create fresh, original content that keeps users coming back for more.

NTV Can Create

Media Market Scale in 2003

(Billions of Yen)



▣ Primary Distribution Market ▣ Multi-Use Market

Source: Research Concerning the Current State of Production and Distribution of Media Contents (Institute for Information and Communications Policy, MIC)

02

4 *Four Key Factors For "Total Success"*

Creating Content for the Mobile Viewer

**Television Viewing on Ultra-Compact Devices
NTV is Bringing Digital Broadcasts to a Wider**

mobile

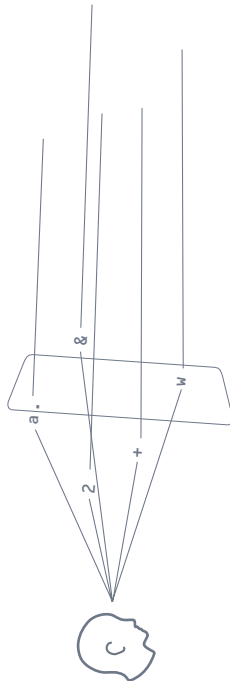
Scheduled to start in spring 2006, “one-segment” services (a unique digital broadcasting service in Japan) will enable the transmission of content to cellular phones and other mobile devices by using one of 13 segments on the digital terrestrial broadcasting spectrum. Acutely aware of the opportunities presented by this new service, NTV is taking an aggressive approach to creating content for this innovative broadcasting medium.

The launch of “one-segment” services will allow people to watch television on ultra-compact devices that fit in a shirt pocket, at times and places unreachable until now. With greater access and opportunity, we anticipate viewing time to significantly increase and datacasting to play a

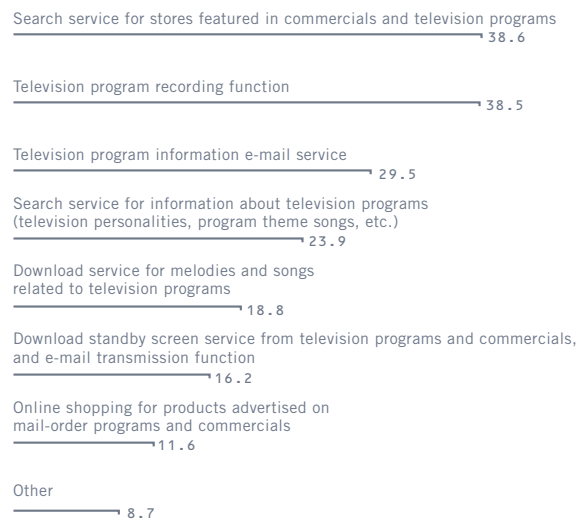
more important role in each individual’s daily life. According to various surveys in Japan, more than 80% of the respondents indicated interest in watching television on their cellular phones. By utilizing these communication devices as a broadcasting medium, we are confident datacasting will enable users to easily access more detailed information about television programs and order related products.

Although we do not expect this change to happen overnight, we believe young people, the chief users of cellular phones, will quickly adopt the new technology.

that Can Fit in a Shirt Pocket Audience



Mobile Phone Users’ Interest in Television-Related Services (%)



Note: Multiple answers

Source: Survey of Digital Broadcasting Market Penetration, Third Edition (Dentsu Communication Institute Inc.)

interactive

03

4

Four Key Factors For "Total Success"

Spreading the Boundaries of Digitization

Changing the Face of Television — Exploring

Since digital terrestrial broadcasting in Japan started from December 2003, area coverage has steadily widened and compatible hardware has advanced. Further expansion is expected in fiscal 2005 with full-fledged digital broadcasting. Spurred by the launch of “one-segment” digital broadcasting and enriched datacasting, coverage is estimated to extend to 27 million households, or 57%, by the end of 2005.

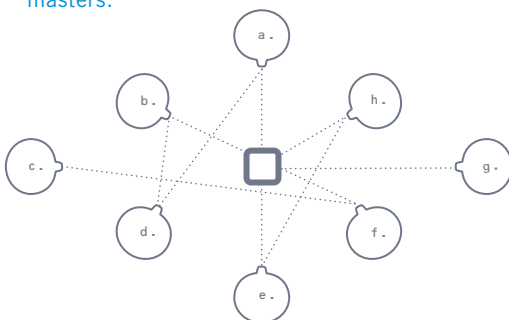
NTV is making every effort to complete the transition to high-definition (HD) production and transmission equipment, taking full advantage of the cutting-edge facilities at the NTV Tower in Shiodome. NTV can already boast the highest ratio of HD programs among the key commercial broadcasters in Tokyo, reaching 66% of households in Japan as of April 2005, but we aim to extend our reach to more than 80% of households in 2007.

NTV is conducting new experiments with digitization and datacasting. Specifically, we are developing services in cooperation with local governments that will enable people to electronically submit various applications such as residency certificates through their televisions. Among other initiatives, we are participating in reception

Diverse Applications

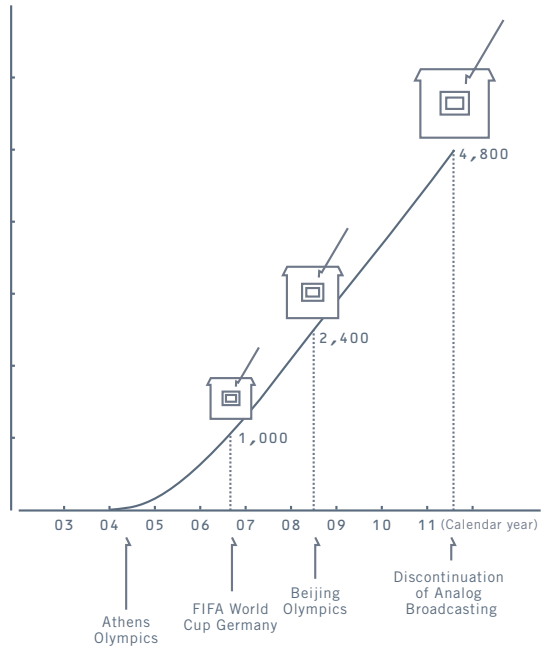
tests of “one-segment” broadcasting in subways and underground walkways. These efforts are significantly contributing to increased awareness of NTV’s technical expertise.

With regard to networking, Kitanihon Broadcasting Co., Ltd., an NTV affiliate, kicked off the first digital broadcasting service to areas outside Tokyo, Osaka and Nagoya in October 2004. We anticipate affiliated networks will take steps toward digitization in the next few years. Digitization requires a significant up-front investment for these stations, so their most pressing issue is how to build cost-efficient digital networks. NTV is implementing specific measures to substantially reduce these costs and cooperating in the joint ordering of equipment and use of common specifications for FPU (field pickup unit) masters.



Digital Terrestrial Broadcasting Hardware Growth Targets

(Units of Ten Thousand Households)



Source: Fifth Action Plan for the Promotion of Digital Broadcasting (National Meeting of the Association for Promotion of Digital Broadcasting)



social

NTV is highly conscious of its responsibility as a media company and takes into account various environmental and social issues in the implementation of management measures. Recognizing this responsibility, NTV emphasizes strict adherence to corporate ethics, encourages personal development and promotes social contribution.

In fostering personnel, NTV also promotes initiatives to encourage the development of talented employees and improve corporate value. These measures include a personnel evaluation system, career planning services, a job request program and a performance-based compensation system.

NTV takes great pride in its contributions to society. The Company has an established policy to deliver information and services to the broadest possible audience. In order to lower barriers to information access, for example, NTV uses subtitles during broadcasts. In the year ended March

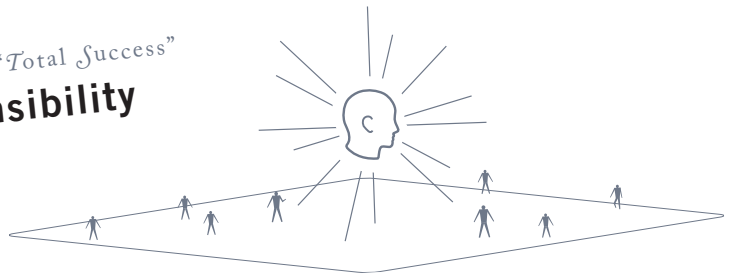
31, 2005, the Ministry of Internal Affairs and Communications singled out NTV for having the highest ratio (25%) of subtitle broadcasting time to total broadcasting time among private-sector broadcasters. Highlighting our activities to preserve the world's cultural heritage, NTV has lent its full cooperation in the renovation of a special viewing room for the world-renowned painting of the Mona Lisa by Leonardo da Vinci at the Louvre Museum in Paris. In our charity program, *24-Hour Television: Love Saves the Earth*, donations from viewers, corporate clients and NTV's network affiliates have raised a total of more than ¥23 billion as of 2004, the 27th year of this annual event, for assistance to public welfare and environmental activities.

In 2003, we established the NTV Environmental Management Office to guide corporate efforts to protect the environment. Our new head office is a



Committed to Realizing Sustainable Links

04 / 4 Four Key Factors For "Total Success"
Social Responsibility



contribution

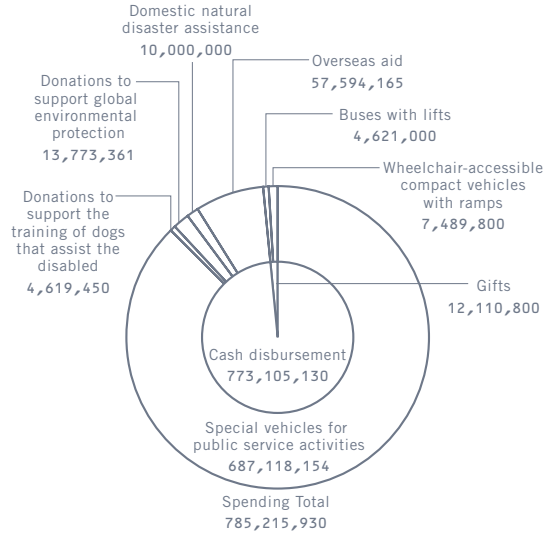
shining example. Designed with energy conservation and environmental harmony in mind, NTV Tower is contributing to reductions in energy consumption by 8% and CO₂ emissions by 7%.

In addition, NTV was one of the first media companies to participate in Team Minus 6%, a government initiative promoted by the Ministry of the Environment to prevent global warming and meet CO₂ reduction targets in accordance with the Kyoto Protocol, which took effect in February 2005.

In July 2005, NTV created the Environmental ISO Promotion Committee, with the president appointed as chief environmental officer, launching companywide efforts toward the acquisition of ISO 14001 certification in 2005.



24-Hour Television—Use of Charity Donations in 2004 (Yen)



Donations raised in 2004 (27th annual charity event) totaled ¥719,045,124. Donations raised over 27 years of charity events have totaled ¥23,208,275,214.

Source: 24-Hour Television Charity Committee (October 1, 2003 to September 30, 2004)

between Society and the Corporate Sector



NTV was selected by the FTSE4Good Index Series in September 2004. In line with the Dow Jones Sustainability World Index, the FTSE4Good Index Series is a key indicator for measuring the performance of companies that meet globally recognized corporate responsibility standards, and it facilitates investment in those companies. The FTSE4Good Index Series also includes a number of major Japanese companies including Sony Corporation, Teijin Limited and Toyota Motor Corporation.