

Corporate Governance

Management Structure

NTV's Board of Directors has a total of 15 members, five of whom are outside appointments. The Board of Statutory Auditors, which has four members, includes three outside auditors.

NTV has also created an internal control system that incorporates various function-specific committees. The Business Operations Audit Committee has been established as a part of the Board of Directors to supervise all aspects of business execution. The Remuneration Committee was formed under the Board of Directors to field inquiries about compensation for directors and other employees. Key to NTV's corporate governance activities is the Compliance Committee. This committee was formed to ensure effective corporate governance and highly transparent activities. Through strict compliance with laws and regulations, NTV is taking significant strides to garner the trust and support of the public.

The framework of the internal control system is specifically implemented as described below. First, all of our directors and employees have pledged to uphold the NTV Compliance Charter. Second, the Business Operations Audit Committee is dedicated to preventing and uncovering illicit behavior through internal audits. Third, the Compliance & Standards Division conducts checks on every facet of daily business activities from a legal perspective. Fourth, the Operations Improvement Committee, an organization under the direction of the Compliance Committee, concentrates efforts on the improvement of compliance-related systems. Fifth, NTV Whistle was put in place as an internal notification system so employees are able to report inappropriate conduct.

Primary Initiatives in Fiscal 2004

The Compliance Committee, established in December 2003, is responsible for overall corporate governance. As part of its activities, the Committee formulated the NTV Compliance Charter, which can be viewed on the Company's website. Underpinned by this Charter, the Committee also checks on a daily basis cost management issues and improves systems related to program production and deliberates on measures to enhance ethical awareness of employees. Reinforcing business oversight systems through internal auditing regulations, the Committee is also responsible for staff adjustments as well as periodic training and compliance education.

The Compliance & Standards Division was established in June 2004 to handle various legal issues as well as review programs and commercials. The Division also provides guidance on the objectivity of news and documentary programs while fostering an internal culture that emphasizes ethical behavior. In fiscal 2004, the Division took the initiative to update Company rules on document management and worked toward complete compliance with the Personal Information Protection Law. With the enactment of the Whistleblower Protection Act, NTV also strengthened related systems, such as expanding contacts through the NTV Whistle internal notification system.