Financial Section

CONTENTS

Six-Year Summary

Years Ended March 31	Millions of Yen (except for per share figures)						Thousands of U.S. Dollars*1 (except for per share figures)
	2005	2004	2003	2002	2001	2000	**2005**
For the year:							
Net sales	**¥ 357,614**	¥ 328,375	¥ 336,299	¥ 358,683	¥ 352,409	¥ 328,014	**$3,329,739**
Cost of sales	**245,109**	217,844	215,180	218,889	207,744	203,863	**2,282,207**
Operating income	**34,325**	35,937	47,407	63,574	67,303	54,351	**319,599**
Net income	**16,846**	19,359	20,296	34,648	36,008	34,003	**156,853**
At year-end:							
Total assets	**¥ 493,558**	¥ 513,430	¥ 476,634	¥ 443,798	¥ 410,042	¥ 364,896	**$4,595,512**
Total shareholders' equity	**366,646**	354,046	327,116	323,319	291,501	253,912	**3,413,836**
Per share:							
Net income*2	**¥ 671.08**	¥ 771.74	¥ 801.99	¥ 1,366.34	¥ 1,419.96	¥ 1,341.04	**$ 6.25**
Cash dividends*3	**165.00**	120.00	120.00	120.00	120.00	80.00	**1.54**
Shareholders' equity	**14,688.07**	14,183.02	13,102.25	12,750.14	11,495.33	20,025.50	**136.76**
Ratio (%):							
Operating income margin	**9.6**	10.9	14.1	17.7	19.1	16.6	
Return on assets	**3.3**	3.9	4.4	8.1	9.3	10.0	
Return on equity	**4.7**	5.7	6.2	11.3	13.2	14.7	
Dividend payout ratio	**32.8**	18.6	15.4	9.4	8.9	6.3	

Notes:

1. The translations of Japanese yen amounts into U.S. dollar amounts are included solely for the convenience of readers outside Japan and have been made at the rate of ¥107.4 to $1, the approximate rate of exchange at March 31, 2005. Such translations should not be construed as representations that the Japanese yen amounts could be converted into U.S. dollars at that or any other rate.
2. Net income per share is computed based on the weighted average number of shares outstanding during the respective years, retroactively adjusted for stock splits.
3. Cash dividends per share are the amounts applicable to the respective years, including dividends to be paid after the end of year, retroactively adjusted for stock splits.
4. Facts and figures throughout this report relate to the respective years ended March 31 unless otherwise stated.

1. Overview

Taking a broad look at economic conditions in Japan, there were signs of a recovery in the first half of the year ended March 31, 2005, led by a moderate increase in consumer spending amid improvements in corporate earnings. At the start of the second half, this positive trend slowed, reflecting the deceleration in exports and higher crude oil prices.

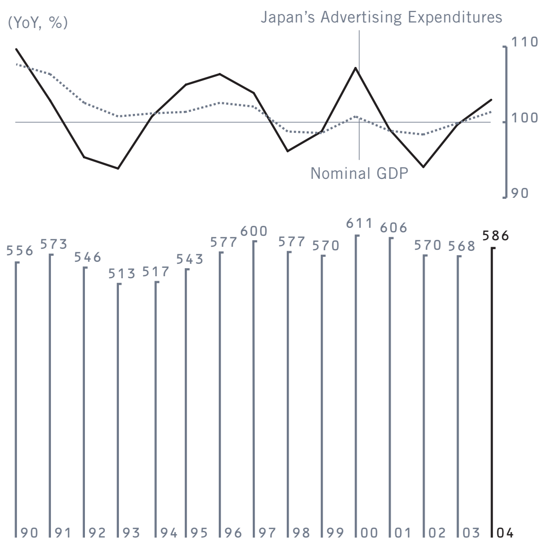
In the advertising market, the Athens Olympics and a stifling summer buoyed demand. As a result, advertising spending totaled ¥5,857.1 billion in 2004, up 3.0% for the first increase in four calendar years according to research by Dentsu Inc. Of this total, spending on television advertising increased in 15 of 21 categories, including financing and insurance, beverages and real estate and housing facilities. Of these 15 categories, six showed significant double-digit growth. As a consequence, total spending on television advertising rose 4.9% to ¥2,043.6 billion, rebounding to the ¥2 trillion level after a three-year lapse. Satellite media-related advertising grew 4.1% to ¥43.6 billion owing mainly to an increase in BS digital broadcasting.

Under these operating conditions, the NTV Group recorded significant growth of 8.9% in consolidated net sales to ¥357,614 million in the year ended March 31, 2005, marking the first increase in three years. This gain in sales was supported by a firm rise in revenues in the television broadcasting segment, owing to the robust advertising market and a considerable upward swing in revenues in the cultural activities segment.

Operating income and net income decreased on account of an increase in costs with the operation of NTV's new head office. However, the NTV Group recorded higher net sales and net income than original targets for the year ended March 31, 2005. Net sales were 7.5% higher than our original estimate and net income was 49.1% higher. This was the result of our efforts to thoroughly manage costs for program production combined with external factors, such as the favorable turn in the advertising market.

Japan's Advertising Expenditures and Gross Domestic Product (GDP)

(Ten Billions of Yen)



Source: 2004 Advertising Expenditures in Japan (Dentsu Inc.)

Industries Showing the Largest Increases (Decreases) in Advertising Expenditures (Four Major Media Only) in 2004

Increased Spending	Comparison Ratio	Contribution Ratio
Finance/Insurance	113.9	25.8
Beverages/Cigarettes	108.3	16.1
Cosmetics/Toiletries	106.0	15.7
Transportation/Leisure	106.0	11.7
Real Estate/Housing Facilities	105.2	5.6

Decreased Spending	Comparison Ratio	Contribution Ratio
Foodstuffs	94.7	39.0
Hobbies/Sporting Goods	94.4	19.4
Information/Communications	97.0	18.9
Government/Organizations	89.5	12.7
Pharmaceuticals/ Medical Supplies	97.6	10.0

Note: The contribution ratio represents the percentage of contribution to the total amount of the increase or decrease.
Source: 2004 Advertising Expenditures in Japan (Dentsu Inc.)

(1) Net Sales

In the year ended March 31, 2005, the NTV Group posted consolidated net sales of ¥357,614 million, an increase of 8.9%, or ¥29,239 million. The significant jump in sales in the cultural activities segment played a part in overall growth, especially record-setting box-office receipts for the movie *Hauru no Ugoku Shiro (Howl's Moving Castle)* and strong sales of DVD titles. In the television broadcasting segment, sales rose in tandem with major single-episode programs, such as the Athens Olympics, as well as a recovery in the spot advertising market. Solid performance in these two segments provided sturdy support for sales expansion in the NTV Group.

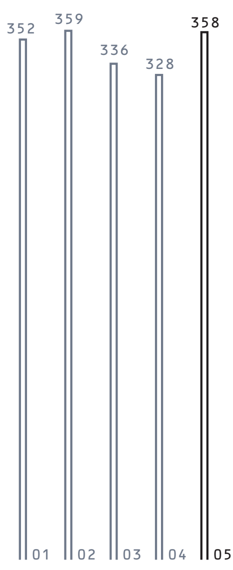
(2) Gross Profit

Gross profit edged up 1.8%, or ¥1,974 million, to ¥112,505 million. Cost of sales totaled ¥245,109 million, an increase of 12.5%, or ¥27,265 million, reflecting a peak in depreciation and amortization to ¥21,060 million in accordance with the full-scale operation of the Shiodome head office. The increase in net sales, however, covered for the higher cost of sales. Program production costs, one of the largest expenditures, decreased 0.5% on an unconsolidated basis to ¥109,570 million, contributing to higher gross profit.

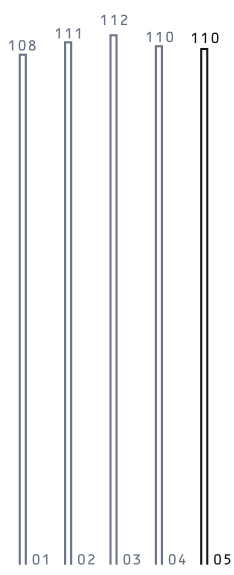
(3) Operating Income

Operating income fell 4.5%, or ¥1,612 million, to ¥34,325 million. This decrease reflects an upswing in selling, general and administrative (SG&A) expenses of 4.8%, or ¥3,586 million, to ¥78,180 million, owing mainly to an increase in running costs at the Shiodome head office.

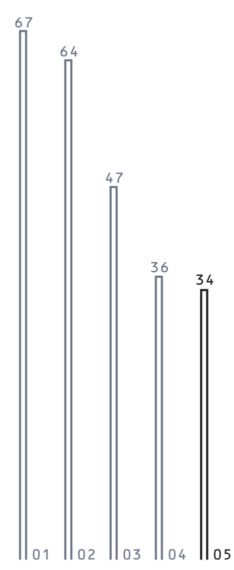
Net Sales
(Billions of Yen)



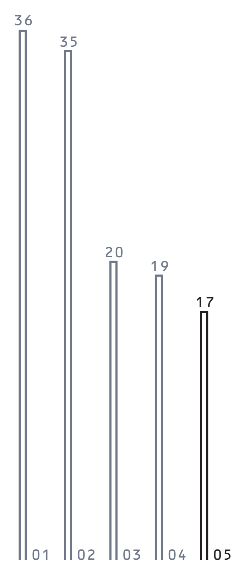
Program Production Costs
(Billions of Yen; parent company basis)



Operating Income
(Billions of Yen)



Net Income
(Billions of Yen)



(4) Income Before Income Taxes and Minority Interests

Despite an improvement in other expenses, the aforementioned increase in SG&A expenses resulted in a drop in income before income taxes and minority interests of 8.0%, or ¥2,766 million, to ¥31,787 million.

(5) Net Income

As a result of the above, net income amounted to ¥16,846 million, a decrease of 13.0%, or ¥2,513 million. Owing to a fall in the share prices of listed companies, NTV had planned to record a ¥3,550 million loss on devaluation of investment securities as an extraordinary loss. Share prices rebounded by March 31, 2005, however, and accounting readjustments revised this loss to ¥145 million.

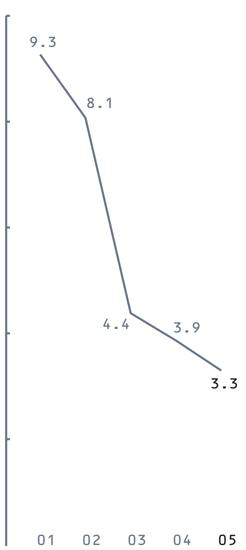
2. Performance by Segment

(1) Television Broadcasting

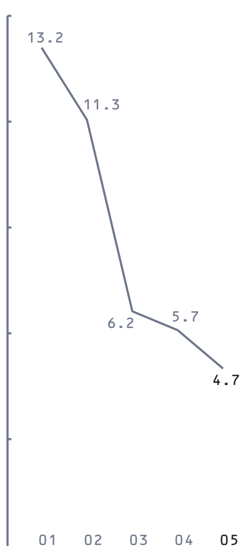
In the television broadcasting segment, revenues are derived from sales of broadcasting time to advertisers (broadcasting sales) and programs to network affiliates, through the production and broadcasting of television programs. Broadcasting sales are classified into two categories: broadcasting time during specific programs (time sales) and advertising spots between programs (spot sales). The production and broadcasting of television programs in this segment are handled by NTV Eizo Center Corporation and five other consolidated subsidiaries, as well as two unconsolidated subsidiaries and nine associated companies.

During the year ended March 31, 2005, total television broadcasting sales increased ¥4,794 million, or 1.7%, to ¥289,810 million (all segment sales include inter-segment transactions). The main components of broadcasting sales are as follows.

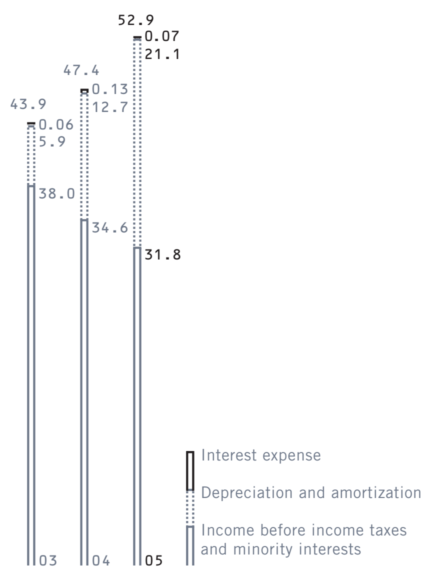
Return on Assets
(%)



Return on Equity
(%)



EBITDA
(Billions of Yen)



Time sales rose in the first half of the year ended March 31, 2005, owing mainly to large-scale single-episode programs, such as the Athens Olympics and international soccer friendly matches. Despite strong special program sales around the New Year, time sales declined in the second half due to the absence of the Major League Baseball season opener and the Tokyo International Marathon, which aired in the same period of the previous fiscal year. There was also a decline in time sales for regular programs throughout the fiscal year. As a result, time sales edged down to ¥148,699 million in the year ended March 31, 2005.

In spot sales, there was a recovery in the first half of the year ended March 31, 2005, reflecting the positive effect of demand for consumer electronics, most notably from July through September due to the Athens Olympics, and higher advertising placements for beverages during the intense summer. While the domestic economy showed some signs of slowing in the second half of the year ended March 31, 2005, NTV continued to aggressively promote efficient sales activities in the first half, resulting in a sales increase. Accordingly, spot sales for fiscal 2004 increased 2.6% to ¥120,137 million, offsetting the decline in time sales.

Operating income in the television broadcasting segment fell ¥5,801 million, or 18.6%, to ¥25,345 million, owing to a considerable increase in depreciation and amortization despite efforts to reduce costs by aiming to enhance the efficiency of program production spending for regular programs in particular.

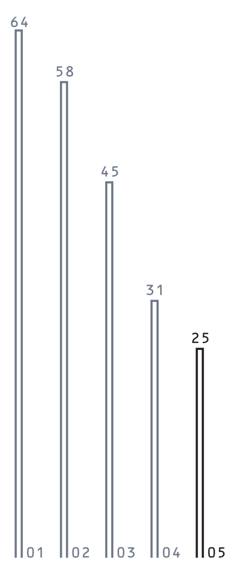
(2) Cultural Activities

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

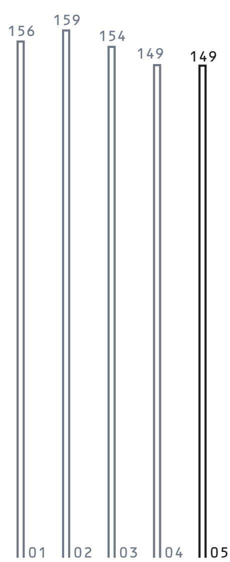
Television Broadcasting

Net Sales
(Billions of Yen)

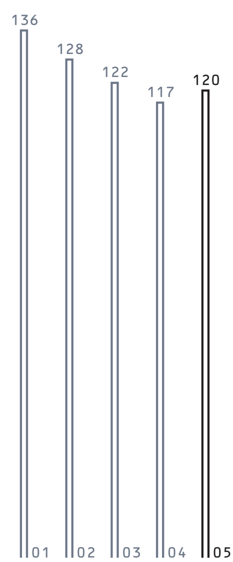
Operating Income
(Billions of Yen)



Time Sales
(Billions of Yen)



Spot Sales
(Billions of Yen)



Total cultural activities segment sales increased ¥23,244 million, or 59.8%, to ¥62,103 million. In movies, *Hauru no Ugoku Shiro (Howl's Moving Castle)*, which hit theaters in November 2004 and *Tokyo Tower*, an NTV Original Movie (NOMO) project released in January 2005, attracted broad popularity. In DVDs, the South Korean dramas *Winter Sonata* and *Beautiful Days* and the DVD version of the popular comedy television show *Downtown no Gaki no Tsukaiyaarahende!!* were runaway hits. CDs by popular music artists *Mr. Children*, *Bump of Chicken* and *YUZU* also provided a boost to sales. Sales were also strong for character goods including those for the *Anpanman* and *Lupin the 3rd* cartoons.

From January 2005, the *ALPHONSE MUCHA: Treasures from the Mucha Foundation* exhibition was held at the Tokyo Metropolitan Art Museum. During a two-month period, more than 238,000 visitors enjoyed the event, contributing strongly to revenues. In its 19th year, *Disney on Ice* was shown in Tokyo and Yokohama, providing a steady stream of box-office revenue.

As a result, operating income in the cultural activities segment climbed ¥4,303 million, or 110.0%, to ¥8,215 million.

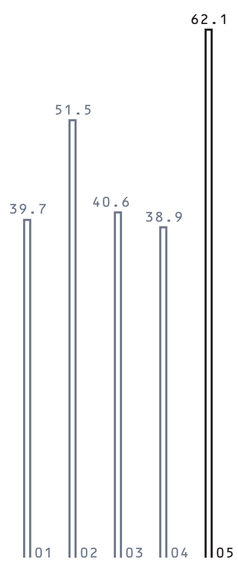
(3) Other

In the other segment, NTV Services Inc. engages in building management, insurance sales and sales of novelty goods at various events. Nippon Television Work 24 Corporation is involved in general facility management services, including property. Nippon Television Football Club Co., Ltd. manages a professional soccer team. Forecast Communications Inc. offers Internet-related services. Five other associated companies are also a part of this segment.

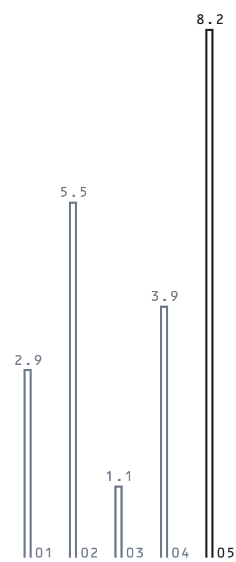
Total sales in this segment in the year ended March 31, 2005, were ¥13,717 million, up ¥1,806 million, or 15.2%. Operating income increased ¥264 million, or 29.0%, to ¥1,175 million. These gains reflect the addition of tenant leasing, merchandise sales and building management operations at the Shiodome head office, as well as the initial leasing of the former head office building in Kojimachi.

Cultural Activities

Net Sales
(Billions of Yen)

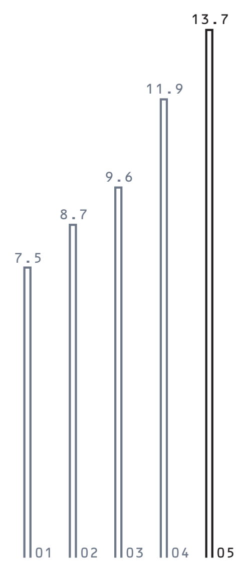


Operating Income
(Billions of Yen)

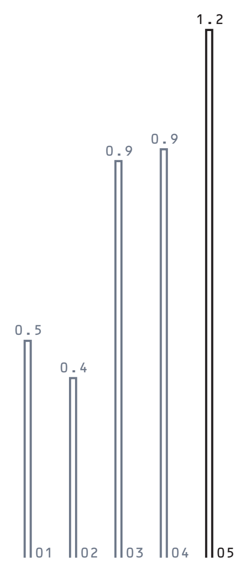


Other

Net Sales
(Billions of Yen)



Operating Income
(Billions of Yen)



Note: Segments were reclassified from fiscal 2003.

3. Liquidity and Financial Resources

(1) Liquidity Management and Capital Procurement Policy

The NTV Group uses retained earnings and procures funds through borrowings to meet ongoing requirements for operating capital and capital expenditures. Bank loans were taken out to build the new Shiodome head office and invest in digital broadcasting equipment. As of March 31, 2005, short-term bank loans were ¥11.5 billion. NTV plans to repay this amount in full during the year ending March 31, 2006.

The NTV Group plans to invest in corporate initiatives for sustainable growth and believes NTV has the ability to continue funding these investments with retained earnings.

(2) Financial Position

As of March 31, 2005, total assets were ¥493,558 million, a decrease of ¥19,872 million, or 3.9% from a year earlier.

Total current assets declined ¥13,620 million to ¥175,097 million, owing to a decrease in cash and cash equivalents in accordance with the repayment of short-term bank loans.

Net property and equipment fell ¥12,780 million, or 5.5%, to ¥218,590 million due to a considerable amount of depreciation. Investments and other assets increased ¥6,528 million, or 7.0% to ¥99,871 million, reflecting the purchase of investment securities and an increase in other assets.

As of March 31, 2005, total liabilities were ¥121,747 million, a decrease of ¥34,372 million, or 22.0%, from the end of the previous fiscal year.

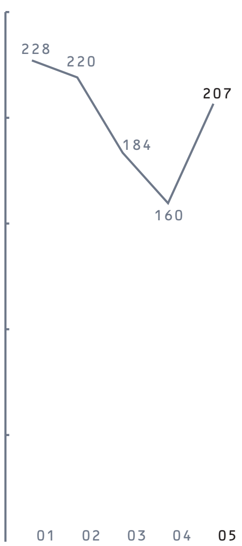
Total current liabilities were ¥84,700 million, down ¥33,320 million from the end of the previous fiscal year, primarily reflecting the repayment of short-term bank loans.

Total non-current liabilities declined ¥1,052 million to ¥37,047 million, owing to the partial reversal of liabilities for retirement benefits in accordance with the partial transition from the approved retirement annuity system (the Company's defined benefits pension plan) and lump-sum retirement benefits to a 401(k)-type plan.

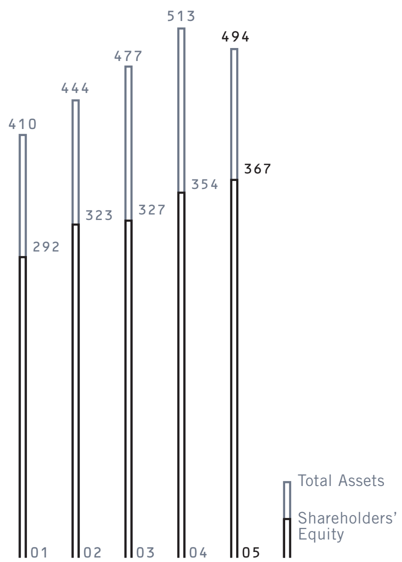
Minority interests amounted to ¥5,165 million, an increase of ¥1,900 million from the end of the previous fiscal year on account of an increase in minority interests at consolidated subsidiaries that had performed favorably in the year ended March 31, 2005.

Total shareholders' equity was ¥366,646 million, an increase of ¥12,600 million. Despite a decrease in unrealized gain on available-for-sale securities due to a fall in share prices on stocks held, retained earnings rose along with the recording of net income.

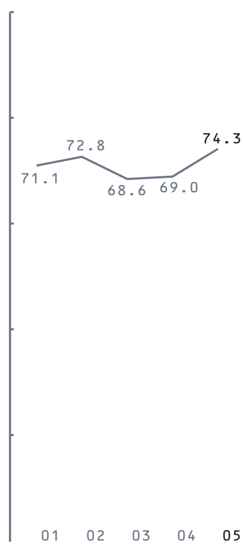
Liquidity Ratio
(%)



Total Assets / Shareholders' Equity
(Billions of Yen)



Shareholders' Equity Ratio
(%)



(3) Cash Flows

As of March 31, 2005, cash and cash equivalents were ¥66,878 million, down ¥11,052 million from a year earlier. This was mainly the result of the repayment of short-term bank loans, which outweighed an increase in net cash provided by operating activities.

Net cash provided by operating activities totaled ¥49,286 million, up from ¥30,520 million in the previous fiscal year. Decreases in cash included a decline in income before income taxes and minority interests, as well as a drop in trade notes and accounts payables, which was due to shortened payment cycles to comply with the Act Against Delay in Payment of Subcontract Proceeds. These factors were overcome, however, by sources of cash including an increase in depreciation, a non-cash item and a decrease in income taxes paid.

Net cash used in investing activities was ¥23,046 million. The main uses of cash were payments for the refurbishment of the former head office at Kojimachi, purchases of investment securities and payments for long-term loans.

Net cash used in financing activities was ¥37,275 million, compared with net cash provided by financing activities of ¥7,131 million in the previous fiscal year, reflecting the repayment of short-term bank loans.

4. Strategic Events and Outlook

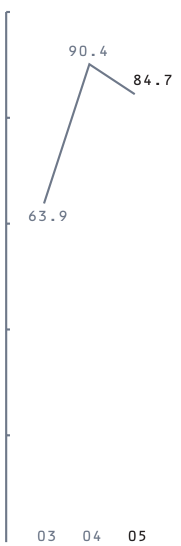
This section contains forward-looking statements about the NTV Group's future performance. Please refer to the "Cautionary Statements with Respect to Forward-Looking Statements" at the end of this annual report.

(1) Management Issues Faced in the Year Ended March 31, 2005, and Future Management Policy

The year ended March 31, 2005, saw signs of a recovery in the Japanese economy and an increase in consumer spending. There was also significant improvement in the advertising market, which deeply affects the earnings of the NTV Group.

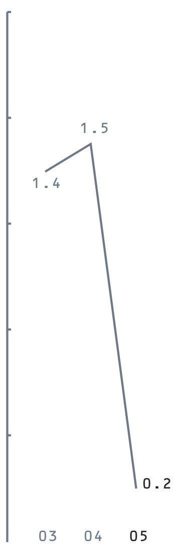
NTV was confronted with several issues in the year ended March 31, 2005. Even though NTV had attained the quadruple crown title of annual viewer ratings for ten consecutive years, we allowed this title to slip away to a competing broadcaster in the year ended March 31, 2005. One reason for this was low viewer ratings for professional baseball games during the regular season. NTV is collaborating with a wide variety of parties that both directly and indirectly shape the face and future of professional baseball in Japan for ways to boost its popularity, such as through reforms including interleague matches. As conditions do not warrant optimism for viewer ratings for our other regular programs, we are taking decisive action in the form of a large reorganization of program lineups and the appointment of young producers. NTV is

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



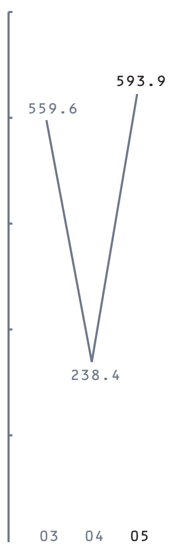
Shareholders' Equity Ratio (Market Capitalization Basis)
= Market Capitalization ÷ Total Assets

Debt Repayment Period
(Years)



Debt Repayment Period
= Interest-Bearing Liabilities
÷ Cash Flows from Operating Activities

Interest Coverage Ratio



Interest Coverage Ratio
= Cash Flows from Operating Activities
÷ Interest Expense

also concentrating more efforts on single-episode programs. From 2005, NTV plans to broadcast the FIFA Club World Championship Toyota Cup Japan, a tournament of the best soccer clubs from six continents, in December of each year. To regain top viewer ratings, we must continue to produce high-quality programs by effectively leveraging the cutting-edge facilities in NTV Tower, our Shiodome head office replete with the latest digital equipment to prepare and edit program content.

One of our most urgent management issues is responding to the multimedia and multichannel era amid a fusion of broadcasting and communications technologies. In this context, the NTV Group plans to launch from autumn 2005 a full-scale VoD service for distributing fee-based content over the Internet and “one-segment” broadcasting. NTV is building a virtual shopping zone for video content for various distribution channels, such as PCs and cellular phones. As a comprehensive distribution business, NTV’s VoD service will be a first in the broadcasting industry. In this business, we will offer a wide range of appealing content, and plan to incorporate advertising revenues in addition to content viewing fees. After launching the service, we aim to quickly build membership to one million users and grow the business into a non-broadcasting source of earnings by adding content and aggressively selling advertising. Business performance during the year ending March 31, 2006 is expected to see little impact.

The NTV Group has the following measures in place to address issues particular to the television broadcasting segment and the cultural activities segment.

Television Broadcasting

In the television broadcasting segment, the two most urgent issues we face are developing and providing the best content in the industry, as well as improving viewer ratings. NTV is focusing on single-episode programs, aiming to foster young upwardly mobile creators and improve the quality of the programming schedule.

Promptly responding to client needs is another crucial issue. In recent years, the needs of advertisers and the lifestyles of viewers have changed remarkably and we must strategically reposition network time, local time and spot advertising slots. As for marketing strategy, NTV is revising its program schedules in April and October based on an analysis of program content, client needs and viewer lifestyles, while flexibly allocating a balance of network and local commercials, as well as time and spot commercials. We will also continue to accurately pinpoint diverse advertiser needs and create content that surpasses the expectations of our advertisers.

Cultural Activities

In the cultural activities segment, the NTV Group is making every effort to improve earnings capabilities by leveraging its competitive advantages. We have hosted many successful art exhibitions thanks to strong ties with art museums, mainly in France, through a project to restore the murals of the Sistine Chapel in the Vatican. We will continue to sponsor popular art exhibitions with an appropriate commitment of management resources. In the year ending March 31, 2006, NTV plans to hold three standout events: the *Masterpieces from the Louvre Museum: 19th Century French Paintings from Neoclassicism to Romanticism* at the Yokohama Museum of Art; *Hauru no Ugoku Shiro Dai Sakasuten (Howl's Moving Castle in Festival)* at the Museum of Contemporary Art, Tokyo; and the *We Will Rock You* spectacular at Shinjuku Koma Stadium. Projecting strong attendance, NTV expects to enjoy significant profits in the cultural activities segment.

In the copyrights business field, NTV is concentrating on promoting merchandise for *Anpanman* and *Lupin the 3rd*, popular cartoons in Japan and investing in the production of works at Studio Ghibli. We aim to diversify revenue sources by maximizing the value of our content copyrights as a precious resource of the NTV Group.

2) Earnings Estimates for the Year Ending March 31, 2006

In the year ending March 31, 2006, NTV estimates net sales of ¥343 billion, ordinary income of ¥27 billion and net income of ¥11 billion. NTV expects sales to decline in the television broadcasting segment, owing to the absence of special demand from the Athens Olympics and oppressive summer in 2004. In the cultural activities segment, NTV estimates a decrease in sales due to the lack of blockbuster movies and DVDs that boosted sales in the year ended March 31, 2005. Accordingly, NTV estimates net sales to decline ¥15,114 million, or 4.2%. In terms of expenses, NTV expects production costs to increase due to large-scale single-episode programs including the World Grand Champions Cup 2005 (volleyball), FIFA Club World Championship Toyota Cup Japan 2005 (soccer) and Torino Winter Olympics. The Company estimates depreciation to decrease, having crossed its peak. However, NTV projects a shortfall that will not cover the projected decline in net sales. Further exacerbating this downturn, NTV anticipates it will incur losses on devaluation of investment securities of approximately ¥5.0 billion. In light of the aforementioned projections, net income is forecast to fall ¥5,947 million, or 35.3%.

Projected Capital Expenditures and Depreciation and Amortization

(Billions of Yen; parent company basis)

	2006	2007	2008	2009	2010
Capital expenditures	7.3	7.1	5.2	6.8	4.0
Depreciation and amortization	16.5	15.3	13.3	11.7	9.8

Consolidated Balance Sheets

Nippon Television Network Corporation and Consolidated Subsidiaries
March 31, 2005 and 2004

	Millions of Yen		Thousands of U.S. Dollars (Note 1)
ASSETS	**2005**	2004	**2005**
Current assets:			
Cash and cash equivalents	**¥ 66,878**	¥ 77,930	**$ 622,700**
Time deposits	**100**	100	**931**
Marketable securities (Note 3)	**2,076**	329	**19,330**
Receivables:			
Trade notes	**5,250**	6,339	**48,883**
Trade accounts	**78,484**	76,232	**730,764**
Other	**1,708**	5,582	**15,901**
Allowance for doubtful accounts	**(59)**	(96)	**(549)**
Program rights	**9,530**	11,525	**88,734**
Deferred tax assets (Note 8)	**5,231**	5,981	**48,706**
Prepaid expenses and other	**6,597**	5,445	**61,425**
Allowance for doubtful accounts	**(698)**	(650)	**(6,499)**
Total current assets	**175,097**	188,717	**1,630,326**
Property and equipment—At cost (Notes 4 and 9)**:**			
Land	**114,936**	115,120	**1,070,168**
Buildings and structures	**90,831**	90,468	**845,726**
Machinery, vehicles and equipment	**93,836**	99,778	**873,706**
Construction in progress	**485**	268	**4,515**
Total	**300,088**	305,634	**2,794,115**
Accumulated depreciation	**(81,498)**	(74,264)	**(758,826)**
Net property and equipment	**218,590**	231,370	**2,035,289**
Investments and other assets:			
Investment securities (Note 3)	**77,545**	75,212	**722,020**
Investment in unconsolidated subsidiaries and associated companies	**7,225**	7,132	**67,272**
Deferred tax assets (Note 8)	**552**	312	**5,140**
Other assets	**14,680**	10,856	**136,685**
Allowance for doubtful accounts	**(131)**	(169)	**(1,220)**
Total investments and other assets	**99,871**	93,343	**929,897**
TOTAL	**¥493,558**	¥513,430	**$4,595,512**

See notes to consolidated financial statements.

LIABILITIES AND SHAREHOLDERS' EQUITY	Millions of Yen 2005	Millions of Yen 2004	Thousands of U.S. Dollars (Note 1) 2005
Current liabilities:			
Short-term bank loans (Note 5)	¥ 11,500	¥ 45,903	$ 107,076
Payables:			
Trade notes	3,081	2,838	28,687
Trade accounts	49,424	53,720	460,186
Other	7,292	2,852	67,896
Income taxes payable	6,640	2,256	61,825
Accrued expenses and other	6,763	10,451	62,971
Total current liabilities	84,700	118,020	788,641
Non-current liabilities:			
Liabilities for retirement benefits (Note 6)	10,438	13,507	97,188
Guarantee deposits received (Note 4)	20,127	20,046	187,402
Deferred tax liabilities (Note 8)	4,964	4,546	46,220
Other	1,518		14,134
Total non-current liabilities	37,047	38,099	344,944
Minority interests	5,165	3,265	48,091
Commitments and contingent liabilities (Notes 9 and 10)			
Shareholders' equity (Notes 7 and 11):			
Common stock, no par value—authorized, 50,000,000 shares; issued, 25,364,548 shares in 2005 and 2004	18,576	18,576	172,961
Additional paid-in capital	17,928	17,928	166,927
Retained earnings	330,171	316,418	3,074,218
Unrealized gain on available-for-sale securities	9,666	10,835	90,000
Foreign currency translation adjustments	(159)	(179)	(1,480)
Total	376,182	363,578	3,502,626
Treasury stock—at cost, 409,210 shares in 2005 and 408,930 shares in 2004	(9,536)	(9,532)	(88,790)
Total shareholders' equity	366,646	354,046	3,413,836
TOTAL	¥493,558	¥513,430	$4,595,512

Consolidated Statements of Income

Nippon Television Network Corporation and Consolidated Subsidiaries
Years Ended March 31, 2005 and 2004

	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	2005	2004	**2005**
Net sales	**¥357,614**	¥328,375	**$3,329,739**
Cost of sales	**245,109**	217,844	**2,282,207**
Gross profit	**112,505**	110,531	**1,047,532**
Selling, general and administrative expenses (Note 9)	**78,180**	74,594	**727,933**
Operating income	**34,325**	35,937	**319,599**
Other income (expenses):			
Interest and dividend income	**784**	709	**7,300**
Interest expense	**(70)**	(134)	**(652)**
Gain on sales of property and equipment	**5**	935	**47**
Loss on devaluation of investment securities	**(145)**	(558)	**(1,350)**
Loss on revision of retirement benefit plan	**(2,269)**		**(21,127)**
Moving expense related to new head office building		(673)	
50th anniversary expense of broadcasting service		(771)	
Other—net	**(843)**	(892)	**(7,849)**
Other expenses—net	**(2,538)**	(1,384)	**(23,631)**
Income before income taxes and minority interests	**31,787**	34,553	**295,968**
Income taxes (Note 8)**:**			
Current	**11,416**	9,247	**106,294**
Deferred	**1,727**	4,941	**16,080**
Total income taxes	**13,143**	14,188	**122,374**
Income before minority interests	**18,644**	20,365	**173,594**
Minority interests in net income	**(1,798)**	(1,006)	**(16,741)**
Net income	**¥ 16,846**	¥ 19,359	**$ 156,853**

	Yen		U.S. Dollars
	2005	2004	**2005**
Per share of common stock (Note 2.m)**:**			
Net income	**¥671.08**	¥771.74	**$6.25**
Cash dividends applicable to the year	**165.00**	120.00	**1.54**

See notes to consolidated financial statements.

Consolidated Statements of Shareholders' Equity

Nippon Television Network Corporation and Consolidated Subsidiaries
Years Ended March 31, 2005 and 2004

	Thousands	Millions of Yen					
	Shares of Common Stock	Common Stock	Additional Paid-in Capital	Retained Earnings	Unrealized Gain on Available-for-sale Securities	Foreign Currency Translation Adjustments	Treasury Stock
Balance, April 1, 2003	25,365	¥18,576	¥17,928	¥299,477	¥ 775	¥(110)	¥(9,530)
Net income				19,359			
Cash dividends, ¥95 per share				(2,372)			
Bonuses to directors				(140)			
Interim cash dividends, ¥25 per share				(623)			
Adjustment of retained earnings from the exclusion of equity method of an associated company				717			
Net increase in unrealized gain on available-for-sale securities					10,060		
Foreign currency translation adjustments						(69)	
Increase in treasury stock—net							(2)
Balance, March 31, 2004	25,365	18,576	17,928	316,418	10,835	(179)	(9,532)
Net income				**16,846**			
Cash dividends, ¥95 per share				**(2,369)**			
Bonuses to directors				**(100)**			
Interim cash dividends, ¥25 per share				**(624)**			
Net decrease in unrealized gain on available-for-sale securities					**(1,169)**		
Foreign currency translation adjustments						**20**	
Increase in treasury stock—net							**(4)**
Balance, March 31, 2005	**25,365**	**¥18,576**	**¥17,928**	**¥330,171**	**¥ 9,666**	**¥(159)**	**¥(9,536)**

	Thousands of U.S. Dollars (Note 1)					
	Common Stock	Additional Paid-in Capital	Retained Earnings	Unrealized Gain on Available-for-sale Securities	Foreign Currency Translation Adjustments	Treasury Stock
Balance, March 31, 2004	$172,961	$166,927	$2,946,164	$100,885	$(1,667)	$(88,752)
Net income			**156,853**			
Cash dividends, $0.88 per share			**(22,059)**			
Bonuses to directors			**(931)**			
Interim cash dividends, $0.23 per share			**(5,809)**			
Net decrease in unrealized gain on available-for-sale securities				**(10,885)**		
Foreign currency translation adjustments					**187**	
Increase in treasury stock—net						**(38)**
Balance, March 31, 2005	**$172,961**	**$166,927**	**$3,074,218**	**$ 90,000**	**$(1,480)**	**$(88,790)**

See notes to consolidated financial statements.

Consolidated Statements of Cash Flows

Nippon Television Network Corporation and Consolidated Subsidiaries
Years Ended March 31, 2005 and 2004

	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	2005	2004	2005
Operating activities:			
Income before income taxes and minority interests	**¥ 31,787**	¥ 34,553	**$ 295,968**
Adjustments for:			
Income taxes—paid	**(7,032)**	(19,183)	**(65,475)**
Depreciation and amortization	**21,060**	12,676	**196,089**
Reversal of liabilities for retirement benefits	**(3,069)**	(1,686)	**(28,575)**
Gain on sales of property and equipment	**(5)**	(935)	**(47)**
Loss on devaluation of investment securities	**145**	558	**1,350**
Equity in losses of unconsolidated subsidiaries and associated companies	**89**	430	**829**
Changes in operating assets and liabilities:			
(Increase) decrease in trade notes and accounts receivables	**(1,163)**	1,334	**(10,829)**
Decrease (increase) in program rights	**1,995**	(3,915)	**18,575**
(Decrease) increase in trade notes and accounts payables	**(4,053)**	4,426	**(37,737)**
Other—net	**9,532**	2,262	**88,752**
Total adjustments	**17,499**	(4,033)	**162,932**
Net cash provided by operating activities	**49,286**	30,520	**458,900**
Investing activities:			
Increase in long-term deposits	**(100)**		**(931)**
Decrease in long-term deposits	**100**	963	**931**
Proceeds from sales of marketable securities	**290**	9,243	**2,700**
Purchases of property and equipment	**(11,612)**	(51,326)	**(108,119)**
Proceeds from sales of property and equipment	**147**	12,118	**1,369**
Purchases of intangible assets	**(902)**	(3,280)	**(8,399)**
Proceeds from sales of investment securities	**249**	82	**2,318**
Purchases of investment securities	**(6,452)**	(8,419)	**(60,074)**
Other—net	**(4,766)**	(977)	**(44,376)**
Net cash used in investing activities	**(23,046)**	(41,596)	**(214,581)**
Financing activities:			
Change in short-term bank loans—net	**(34,403)**	10,138	**(320,326)**
Dividends paid	**(2,846)**	(2,995)	**(26,499)**
Purchases of treasury stock	**(4)**	(2)	**(38)**
Other—net	**(22)**	(10)	**(204)**
Net cash (used in) provided by financing activities	**(37,275)**	7,131	**(347,067)**
Foreign currency translation adjustments on cash and cash equivalents	**(17)**	(69)	**(157)**
Net decrease in cash and cash equivalents	**(11,052)**	(4,014)	**(102,905)**
Cash and cash equivalents, beginning of year	**77,930**	81,944	**725,605**
Cash and cash equivalents, end of year	**¥ 66,878**	¥ 77,930	**$ 622,700**

See notes to consolidated financial statements.

1. Basis of Presenting Consolidated Financial Statements

The accompanying consolidated financial statements have been prepared in accordance with the provisions set forth in the Japanese Securities and Exchange Law and its related accounting regulations, and in conformity with accounting principles generally accepted in Japan, which are different in certain respects as to application and disclosure requirements of International Financial Reporting Standards.

In preparing these consolidated financial statements, certain reclassifications and rearrangements have been made to the consolidated financial statements issued domestically in order to present them in a form which is more familiar to readers outside Japan. In addition, certain reclassifications have been made in the 2004 financial statements to conform to the classifications used in 2005.

The consolidated financial statements are stated in Japanese yen, the currency of the country in which Nippon Television Network Corporation (the "Company") is incorporated and operates. The translation of Japanese yen amounts into U.S. dollar amounts is included solely for the convenience of readers outside Japan and has been made at the rate of ¥107.4 to $1, the approximate rate of exchange at March 31, 2005. 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, 2005 and 2004 include the accounts of the Company and its 12 significant subsidiaries (together, the "Group").

Under the control or influence concept, those companies in which the Company, directly or indirectly, is able to exercise control over operations are fully consolidated, and those companies over which the Company has the ability to exercise significant influence are accounted for by the equity method.

Investments in 4 (4 in 2004) unconsolidated subsidiaries and 15 (16 in 2004) associated companies are accounted for by the equity method.

Investments in the remaining unconsolidated subsidiaries and associated companies are stated at cost.

All significant intercompany balances and transactions have been eliminated in consolidation. All material unrealized profit included in assets resulting from transactions within the Group is eliminated.

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

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

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

d. Marketable and Investment Securities — Marketable and investment securities are classified as trading securities, held-to-maturity debt securities or available-for-sale securities depending on management's intent. The Group classifies securities as held-to-maturity debt securities and available-for-sale securities.

Held-to-maturity debt securities are stated at amortized cost.

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

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

e. Property and Equipment — Property and equipment are stated at cost. Depreciation is computed by the declining-balance method over the estimated useful lives of the assets, while the straight-line method is applied to buildings acquired after April 1, 2000. The range of useful lives is from 3 to 50 years for buildings and structures and from 2 to 20 years for machinery, vehicles and equipment.

f. Retirement and Pension Plan — The Company has an unfunded lump-sum retirement benefits plan, a defined contribution pension plan and a prepaid retirement plan. Subsidiaries have an unfunded lump-sum retirement benefits plan and a non-contributory funded pension plan.

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

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

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

According to the enactment of the Defined Contribution Pension Plan Law in October 2001, the Company shifted a portion of the existing defined benefit pension plan (qualified pension plan and severance lump-sum payment plan) to a defined contribution pension plan and a prepaid retirement plan in line with the implementation of the defined contribution pension law. The Company applied accounting treatments specified in the guidance issued by the Accounting Standards Board of Japan ("ASB"). The effect of this transfer was to increase income before income taxes by ¥2,269 million ($21,127 thousand) and was recorded as profit on transfer of pension plans in the consolidated statement of income for the year ended March 31, 2005.

The transition amount of this shift, ¥3,096 million ($28,827 thousand), is scheduled to be paid to the private pension account, for 4 years after plan shifts.

On March 31, 2005, the untransition amount accounted for payable (other) of ¥738 million ($6,872 thousand) and non-current liabilities (other) of ¥1,477 million ($13,752 thousand).

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

h. 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.

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

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

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

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

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

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

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 it is anti-dilutive.

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

n. New Accounting Pronouncements — In August 2002, the Business Accounting Council issued a Statement of Opinion, "Accounting for Impairment of Fixed Assets," and in October 2003 the ASB issued ASB Guidance No. 6, "Guidance for Accounting Standard for Impairment of Fixed Assets." These new pronouncements are effective for fiscal years beginning on or after April 1, 2005 with early adoption permitted for fiscal years ending on or after March 31, 2004.

The new accounting standard requires an entity to review its long-lived assets for impairment whenever events or changes in circumstances indicate that 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.

The Group expects to adopt these pronouncements as of April 1, 2005 and is currently in the process of assessing the effect of adoption of these pronouncements.

3. Marketable and Investment Securities

Marketable and investment securities as of March 31, 2005 and 2004 consisted of the following:

	Millions of Yen		Thousands of U.S. Dollars
	2005	2004	**2005**
Marketable securities:			
Government and corporate bonds	**¥ 1,076**	¥ 329	**$ 10,019**
Trust fund investments and others	**1,000**		**9,311**
Total	**¥ 2,076**	¥ 329	**$ 19,330**
Investment securities:			
Equity securities	**¥60,269**	¥59,673	**$561,164**
Government and corporate bonds	**8,853**	8,265	**82,430**
Trust fund investments and others	**8,423**	7,274	**78,426**
Total	**¥77,545**	¥75,212	**$722,020**

The carrying amounts and aggregate fair value of marketable securities and investment securities at March 31, 2005 and 2004 were as follows:

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

	Millions of Yen			
March 31, 2004	Cost	Unrealized Gains	Unrealized Losses	Fair Value
Securities classified as:				
Available-for-sale:				
Equity securities	¥27,452	¥19,449	¥2,260	¥44,641
Government and corporate bonds	3,588	90	121	3,557
Trust fund investments and others	2,288	997	4	3,281
Held-to-maturity	5,037	21		5,058

	Thousands of U.S. Dollars			
March 31, 2005	Cost	Unrealized Gains	Unrealized Losses	Fair Value
Securities classified as:				
Available-for-sale:				
Equity securities	**$314,534**	**$167,924**	**$29,227**	**$453,231**
Government and corporate bonds	**46,341**	**959**	**1,676**	**45,624**
Trust fund investments and others	**21,006**	**9,767**	**37**	**30,736**
Held-to-maturity	**46,825**	**530**		**47,355**

Available-for-sale securities whose fair value is not readily determinable as of March 31, 2005 and 2004 were as follows:

	Carrying Amount		
	Millions of Yen		Thousands of U.S. Dollars
	2005	2004	**2005**
Available-for-sale—Non-marketable securities	**¥17,714**	¥19,025	**$164,934**

Proceeds from sales of available-for-sale securities for the years ended March 31, 2005 and 2004 were ¥249 million ($2,318 thousand) and ¥82 million, respectively. Gross realized gains and losses on these sales, computed on the moving average cost basis, were ¥65 million ($605 thousand) and nil, respectively, for the year ended March 31, 2005 and ¥6 million and ¥4 million, respectively, for the year ended March 31, 2004.

The carrying values of debt securities by contractual maturities for securities classified as available-for-sale at March 31, 2005 are as follows:

Available for Sale	Millions of Yen	Thousands of U.S. Dollars
Due in one year or less	¥ 2,156	$ 20,074
Due after one year through five years	9,948	92,626
Due in ten years and after	4,049	37,700
Total	¥16,153	$150,400

4. Collateralized Property

At March 31, 2005, land of ¥101,031 million ($940,698 thousand) was pledged as collateral for guarantee deposits received of ¥19,000 million ($176,909 thousand).

5. Short-term Bank Loans

Short-term bank loans outstanding were generally represented by bank overdraft arrangements. The annual interest rates ranged from 0.24% to 0.30% and from 0.23% to 1.56% at March 31, 2005 and 2004, respectively.

6. Retirement and Pension Benefits Plan

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

Retirement benefits for employees are determined on the basis of length of service, basic rate of pay at the time of termination and certain other factors. If the termination is involuntary, the employee is usually entitled to greater payment than those in the case of voluntary termination.

The liability for employees' retirement benefits at March 31, 2005 and 2004 consisted of the following:

	Millions of Yen		Thousands of U.S. Dollars
	2005	2004	**2005**
Projected benefit obligation	**¥9,386**	¥24,804	**$87,393**
Fair value of plan assets	**(908)**	(14,164)	**(8,454)**
Unrecognized pension assets		195	
Unrecognized net transitional assets	**876**	1,665	**8,156**
Prepayment of pension cost	**2**	41	**19**
Net liability	**¥9,356**	¥12,541	**$87,114**

The components of net periodic benefit costs for the years ended March 31, 2005 and 2004 are follows:

	Millions of Yen		Thousands of U.S. Dollars
	2005	2004	**2005**
Service cost	**¥ 971**	¥1,191	**$ 9,041**
Interest cost	**352**	500	**3,277**
Expected return on plan assets	**(33)**	(60)	**(307)**
Recognized actuarial loss	**(141)**	(911)	**(1,313)**
Amortization of prior service cost	**(166)**	104	**(1,546)**
Amortization of net transitional assets	**(235)**	(278)	**(2,188)**
Defined contribution pension plan premium cost	**198**		**1,844**
Net periodic benefit costs	**946**	546	**8,808**
Loss on revision of retirement benefit plan	**2,269**		**21,127**
Total	**¥3,215**	¥ 546	**$29,935**

Assumptions used for the years ended March 31, 2005 and 2004 are set forth as follows:

	2005	2004
Discount rate	**2.3%**	2.3%
Expected rate of return on plan assets	**0.5%**	0.5%
Recognition period of actuarial gain/loss	**1 year**	1 year
Amortization period of prior service cost	**1 year**	1 year
Amortization period of net transitional asset	**10 years**	10 years

Retirement benefits for directors and corporate auditors are paid subject to approval of the shareholders in accordance with the Japanese Commercial Code (the “Code”). Retirement benefits as of March 31, 2005 and 2004 included those for directors and corporate auditors in the amount of ¥1,082 million ($10,074 thousand) and ¥966 million, respectively.

7. Shareholders’ Equity

Japanese companies are subject to the Code.

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

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

The Code allows Japanese companies to repurchase treasury stock and dispose of such treasury stock by resolution of the Board of Directors. The repurchased amount of treasury stock cannot exceed the amount available for future dividend plus the amount of common stock, additional paid-in capital or legal reserve to be reduced in the case where such reduction was resolved at the shareholders meeting.

In addition to the provision that requires an appropriation for a legal reserve in connection with the cash payment, the Code imposes certain limitations on the amount of retained earnings available for dividends. The amount of retained earnings available for dividends under the Code was ¥287,411 million ($2,676,086 thousand) as of March 31, 2005, based on the amount recorded in the parent company's general books of account.

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

8. Income Taxes

The Company and its domestic subsidiaries are subject to Japanese national and local income taxes which, in the aggregate, resulted in normal effective statutory tax rates of approximately 40.7% and 42.1% for the years ended March 31, 2005 and 2004, respectively.

The tax effects of significant temporary differences and tax loss carryforwards which resulted in deferred tax assets and liabilities as of March 31, 2005 and 2004 are as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2005	2004	**2005**
Current:			
Deferred tax assets:			
Devaluation of program rights	**¥ 3,244**	¥ 4,065	**$ 30,205**
Accrued enterprise taxes	**519**	358	**4,832**
Accrued bonuses	**905**	966	**8,426**
Unrealized gain on available-for-sale securities	**70**		**652**
Other	**497**	702	**4,629**
Less valuation allowance	**(2)**	(95)	**(19)**
Total	**5,233**	5,996	**48,725**
Deferred tax liabilities:			
Unrealized gain on available-for-sale securities		(15)	
Other	**(2)**		**(19)**
Net deferred tax assets	**¥ 5,231**	¥ 5,981	**$ 48,706**
Non-current:			
Deferred tax assets:			
Retirement benefits	**¥ 5,018**	¥ 5,251	**$ 46,723**
Devaluation of property and equipment	**123**	491	**1,145**
Devaluation of investment securities	**2,665**	3,035	**24,814**
Other	**861**	1,037	**8,017**
Less valuation allowance	**(402)**	(464)	**(3,743)**
Total	**8,265**	9,350	**76,956**
Offset with deferred tax liabilities	**(8,265)**	(9,350)	**(76,956)**
Net deferred tax assets			
Deferred tax liabilities:			
Tax benefit from deferred gain on sales of property and equipment	**¥ (5,982)**	¥ (5,974)	**$ (55,698)**
Unrealized gain on available-for-sale securities	**(6,686)**	(7,377)	**(62,253)**
Other	**(9)**	(233)	**(85)**
Total	**(12,677)**	(13,584)	**(118,036)**
Offset with deferred tax assets	**8,265**	9,350	**76,956**
Net deferred tax liabilities	**¥ (4,412)**	¥ (4,234)	**$ (41,080)**

For the years ended March 31, 2005 and 2004, the difference between the statutory tax rate and effective tax rate is less than 5% of the statutory tax rate; therefore, tax rate reconciliation is not disclosed.

9. Leases

a. Finance Lease Transactions

As lessee

The Group leases certain machinery, vehicles and equipment, office space and other assets.

Total rental expenses including lease payments under finance leases for the years ended March 31, 2005 and 2004 were ¥373 million ($3,473 thousand) and ¥298 million, respectively.

Pro forma information of leased property such as acquisition cost, accumulated depreciation, obligation under finance leases, depreciation expense, interest expense of finance leases that do not transfer ownership of the leased property to the lessee on an “as if capitalized” basis for the years ended March 31, 2005 and 2004 was as follows:

	Millions of Yen		Thousands of U.S. Dollars
Machinery, Vehicles and Equipment	**2005**	2004	**2005**
Acquisition cost	**¥1,875**	¥1,624	**$17,458**
Accumulated depreciation	**697**	520	**6,490**
Net book value	**¥1,178**	¥1,104	**$10,968**

	Millions of Yen		Thousands of U.S. Dollars
Obligations under Finance Leases	**2005**	2004	**2005**
Due within one year	**¥ 371**	¥ 400	**$ 3,454**
Due after one year	**846**	820	**7,877**
Total	**1,217**	1,220	**11,331**
Less—Sublease	**(39)**	(116)	**(363)**
Total	**¥1,178**	¥1,104	**$10,968**

Obligations under finance leases including obligations on sublease were ¥39 million ($363 thousand) and ¥116 million at March 31, 2005 and 2004, respectively.

Depreciation expense, which is not reflected in the accompanying consolidated statements of income, is computed by the straight-line method and was ¥373 million ($3,473 thousand) and ¥298 million for the years ended March 31, 2005 and 2004, respectively.

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

As lessor

Total lease receipts were ¥241 million ($2,244 thousand) and ¥173 million for the years ended March 31, 2005 and 2004, respectively.

Pro forma information on leased property such as acquisition cost, accumulated depreciation, receivables under finance lease, depreciation expense, interest income of finance leases that do not transfer ownership of the leased property to the lessee on an "as if capitalized" basis for the years ended March 31, 2005 and 2004 was as follows:

	Millions of Yen		Thousands of U.S. Dollars
Machinery and Equipment	**2005**	2004	**2005**
Acquisition cost	**¥1,860**	¥1,814	**$17,318**
Accumulated depreciation	**961**	549	**8,947**
Net book value	**¥ 899**	¥1,265	**$ 8,371**
Receivables under Finance Leases			
Due within one year	**¥ 286**	¥ 314	**$ 2,663**
Due after one year	**1,097**	1,342	**10,214**
Total	**¥1,383**	¥1,656	**$12,877**

Depreciation expense was ¥412 million ($3,836 thousand) and ¥257 million for the years ended March 31, 2005 and 2004, respectively. The amounts of receivables under finance leases include the imputed the interest income portion.

b. Operating Lease Transactions

The minimum rental commitments under noncancelable operating leases at March 31, 2005 and 2004 were as follows:

	Millions of Yen		Thousands of U.S. Dollars
As Lessee	**2005**	2004	**2005**
Due within one year	**¥ 45**	¥ 53	**$ 419**
Due after one year	**272**	20	**2,533**
Total	**¥ 317**	¥ 73	**$ 2,952**
As Lessor			
Due within one year	**¥ 130**	¥ 130	**$ 1,210**
Due after one year	**6,121**	6,250	**56,993**
Total	**¥6,251**	¥6,380	**$58,203**

10. Contingent Liabilities

The Group's contingent liabilities as of March 31, 2005 as guarantors of indebtedness were as follows:

	Millions of Yen	Thousands of U.S. Dollars
Employees	¥ 737	$ 6,862
Broadcasting Satellite System Corporation	1,792	16,685
Total	¥2,529	$23,547

11. Subsequent Event

The following appropriations of retained earnings at March 31, 2005 were approved at the Company's shareholders meeting held on June 29, 2005:

	Millions of Yen	Thousands of U.S. Dollars
Year-end cash dividends, ¥140 ($1.30) per share	¥3,494	$32,530
Bonuses to directors	100	931

12. Segment Information

Information about industry segments, geographic segments and sales to foreign customers for the years ended March 31, 2005 and 2004 was as follows:

(1) Industry Segments

2005

a. Sales and operating income

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

	Thousands of U.S. Dollars				
	Television Broadcasting	Cultural Activities	Other	Elimination/ Corporate	Consolidated
Sales to outside customers	$2,687,216	$571,965	$ 70,558		$3,329,739
Intersegment sales/transfers	11,201	6,276	57,160	$(74,637)	
Total sales	2,698,417	578,241	127,718	(74,637)	3,329,739
Operating expenses	2,462,430	501,751	116,778	(70,819)	3,010,140
Operating income	$ 235,987	$ 76,490	$ 10,940	$ (3,818)	$ 319,599

b. Assets, depreciation and capital expenditures

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

	Thousands of U.S. Dollars				
	Television Broadcasting	Cultural Activities	Other	Elimination/ Corporate	Consolidated
Assets	$2,914,907	$310,950	$502,700	$866,955	$4,595,512
Depreciation	174,432	2,291	17,346	2,020	196,089
Capital expenditures	65,885	8,073	10,763	1,070	85,791

2004

a. Sales and operating income

	Millions of Yen				
	Television Broadcasting	Cultural Activities	Other	Elimination/ Corporate	Consolidated
Sales to outside customers	¥284,520	¥37,863	¥ 5,992		¥328,375
Intersegment sales/transfers	496	996	5,919	¥(7,411)	
Total sales	285,016	38,859	11,911	(7,411)	328,375
Operating expenses	253,870	34,947	11,000	(7,379)	292,438
Operating income	¥ 31,146	¥ 3,912	¥ 911	¥ (32)	¥ 35,937

b. Assets, depreciation and capital expenditures

	Millions of Yen				
	Television Broadcasting	Cultural Activities	Other	Elimination/ Corporate	Consolidated
Assets	¥341,557	¥22,566	¥41,312	¥107,995	¥513,430
Depreciation	11,026	131	1,426	93	12,676
Capital expenditures	43,698	310	5,292	461	49,761

(2) Geographic Segments

Sales and total assets of the Company and its domestic subsidiaries for the years ended March 31, 2005 and 2004 represented more than 90% of the consolidated sales and total assets of the respective years. Accordingly, geographic segments were not disclosed.

(3) Sales to Foreign Customers

Sales to foreign customers for the years ended March 31, 2005 and 2004 represented less than 10% of the consolidated sales of the respective years. Accordingly, sales to foreign customers were not disclosed.

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INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying consolidated balance sheets of Nippon Television Network Corporation and consolidated subsidiaries as of March 31, 2005 and 2004, and the related consolidated statements of income, shareholders' equity, and cash flows for the years then ended, all expressed in Japanese yen. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in Japan. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Nippon Television Network Corporation and consolidated subsidiaries as of March 31, 2005 and 2004, 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

June 29, 2005

Member of
Deloitte Touche Tohmatsu