

Corporate Governance

Basic Corporate Governance Philosophy

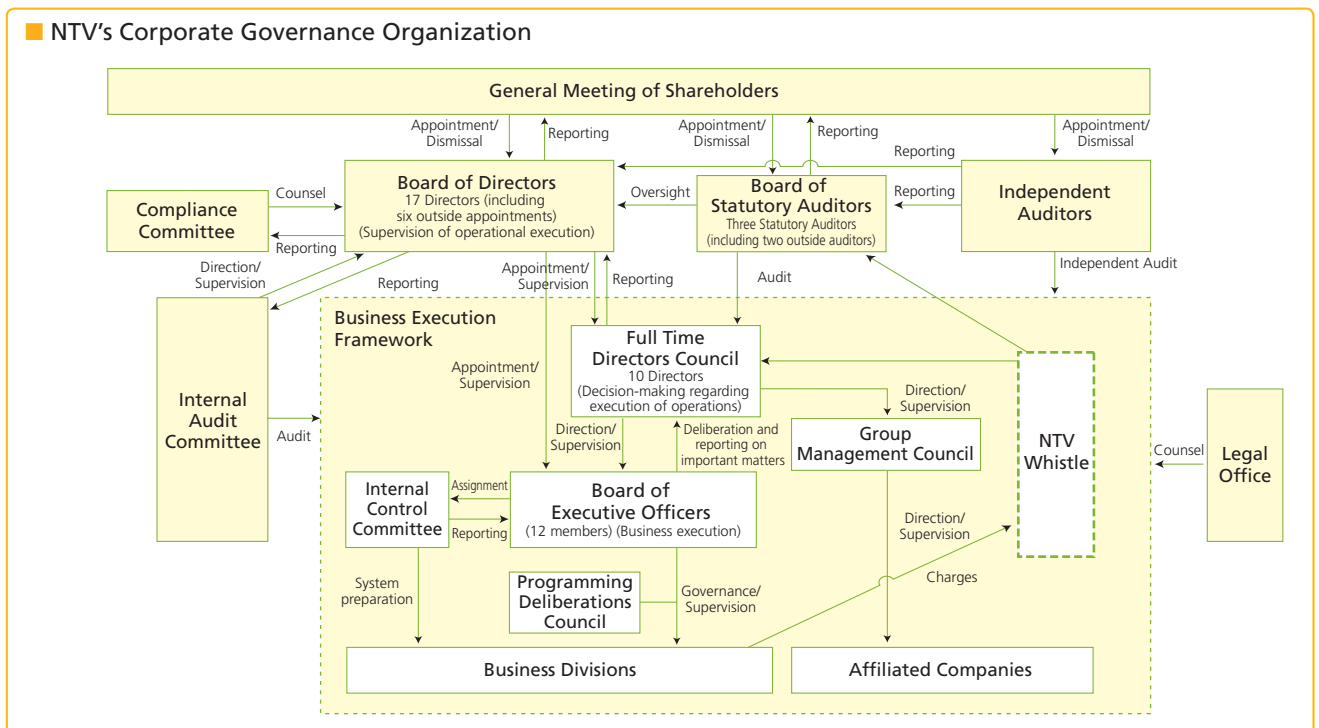
NTV recognizes that stable long-term growth of corporate value and greater contributions to society lead to increased shareholder value. The Company strives to further develop its corporate governance for swift decision making and operational execution in response to changes in the business environment 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 has also emphasized external monitoring of management, incorporating six outside appointments into the 17-member Board of Directors for greater management integrity and more transparent decision-making processes. The three-member Board of Statutory Auditors includes two outside auditors for greater independence from the Board of Directors and stronger auditing functions related to operational execution.

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

An 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, auditors and the Board of Statutory Auditors, all of which include outside officers.



Establishing Internal Control Systems

■ Compliance Framework

NTV promotes compliance with laws and regulations, as well as highly transparent corporate activities, by maintaining a Compliance Committee consisting of outside professionals, such as lawyers, to serve as directors and observers. The Company has formulated the NTV Compliance Charter to which all full-time officers and employees pledge, helping to confirm that corporate activities conform to laws, the Articles of Incorporation and corporate ethics. To disseminate this charter throughout the Company, employees are educated by the Human Resources Administration, Corporate Administration and Compliance and Standards divisions.

At the same time, the Company has set up the “NTV Whistle” hotline to enable employees and other concerned parties to directly report legally doubtful acts and behavior inside the Company and request investigations. Internal auditing conducted by the Internal Audit Committee further aids in preventing fraudulent acts.

■ Risk Management Systems

NTV maintains a Risk Management Committee, chaired by a representative director, to manage risks across the Company and respond quickly to newly emerging risks. 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.

■ Group Management Structure

The NTV Group Strategy Center within the Human Resources Division formulates and implements comprehensive strategies for Group management and business content to enforce groupwide compliance with laws and regulations, and 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, which reinforces the appropriateness of operations.

Implementing Takeover Defense Measures

NTV has implemented countermeasures to large-scale acquisitions of its shares (takeover defense measures), based on the approval of its shareholders obtained at the Ordinary General Meeting of Shareholders in June 2006. Renewal of the takeover defense measures was approved at the Ordinary General Meeting of Shareholders in June 2007, following additional consideration in anticipation of the expiration of the effective period of the measures and subsequent amendments to relevant legal statutes.

These defense measures aim to secure and enhance the Company's corporate value and the common interests of its shareholders. In accordance with these aims, the measures require entities intending to make an acquisition of 20% or more of NTV's shares to provide certain information in advance, as well as stipulating a gratis allotment of stock acquisition rights to existing shareholders to dilute the ratio of voting rights held by the acquirer in the event that the acquirer is deemed abusive by an independent committee. Please refer to the May 17, 2007, press release, *Introduction of Countermeasures to Large-Scale Acquisitions of Nippon Television Shares (Takeover Defense Measures)* on the NTV Web site: http://www.ntv.co.jp/ir/library/result/pdf/19_4q_2.pdf.



Sample emergency broadcast scene