Financial Section

Contents

Six-Year Summary

Nippon Television Network Corporation and Consolidated Subsidiaries
Years Ended March 31

	Millions of Yen						Thousands of U.S. Dollars*1
	2007	2006	2005	2004	2003	2002	2007
Years ended March 31							
Net sales	¥343,652	¥346,642	¥357,614	¥328,375	¥336,299	¥358,683	$2,911,071
Cost of sales	238,914	242,643	245,109	217,844	215,180	218,889	2,023,837
Operating income	30,344	28,551	34,325	35,937	47,407	63,574	257,043
Net income	18,332	13,701	16,846	19,359	20,296	34,648	155,290
Capital expenditures	6,043	6,266	9,214	49,761	30,044	34,364	51,190
Depreciation	14,361	17,561	21,060	12,676	5,855	6,045	121,652
EBITDA	46,775	43,896	52,916	47,361	43,877	62,368	396,230
At March 31							
Total assets	¥529,265	¥519,952	¥493,558	¥513,430	¥476,634	¥443,798	$4,483,397
Total equity*2	411,995	398,018	366,646	354,046	327,116	323,319	3,490,004
Per share data (Yen)							
Net income*3	¥ 741.60	¥ 545.40	¥ 671.08	¥ 771.74	¥ 801.99	¥ 1,366.34	$ 6.28
Cash dividends*4	170.00	165.00	165.00	120.00	120.00	120.00	1.44
Equity	16,363.52	15,945.74	14,688.07	14,183.02	13,102.25	12,750.14	138.62
Ratios (%)							
Operating income margin	8.8	8.2	9.6	10.9	14.1	17.7	
Net income margin	5.3	4.0	4.7	5.9	6.0	9.6	
Return on assets (ROA)	3.5	2.7	3.3	3.9	4.4	8.1	
Return on equity (ROE)	4.6	3.6	4.7	5.7	6.2	11.3	
Dividend payout ratio	33.3	52.0	32.8	18.6	15.4	9.4	
Equity ratio	76.3	76.6	74.3	69.0	68.6	72.8	

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 ¥118.05 to $1, the approximate rate of exchange at March 31, 2007. 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. 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).

*3. Net income per share is computed based on the weighted average number of shares outstanding during the respective years.

*4. Cash dividends per share are the amounts applicable to the respective years, including dividends to be paid after the end of year.

Management's Discussion and Analysis

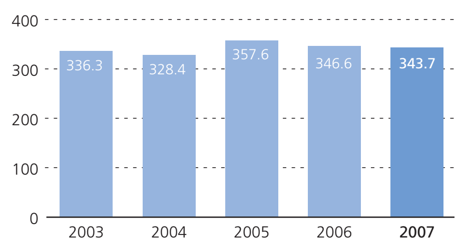
Nippon Television Network Corporation and Consolidated Subsidiaries
Years Ended March 31

Overview

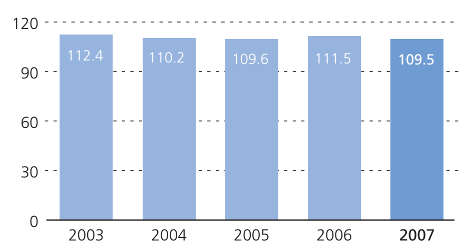
Operating Environment

The Japanese economy continued along its recovery path throughout the year ended March 31, 2007, with overall domestic advertising spending according to research by Dentsu Inc. totaling ¥5,995.4 billion, up 0.6% from the previous year. However, television advertising, which accounts for more than one-third of total advertising spending, declined for the second consecutive year, easing 1.2%, to ¥2,016.1 billion.

Net Sales (Billions of Yen)



Program Production Costs (Billions of Yen, Non-Consolidated Basis)



Net Sales

In the year ended March 31, 2007, the NTV Group posted consolidated net sales of ¥343,652 million, a decrease of 0.9%, or ¥2,990 million. Robust growth in television-based shopping, films, events and other non-broadcasting revenue sources were offset by declines in the Group's core television broadcasting segment, with time sales falling 2.5%, or ¥3,608 million, and spot sales dropping 4.7%, or ¥5,314 million.

Gross Profit

Gross profit increased 0.7%, or ¥739 million, during the year, to ¥104,738 million. This resulted from a falloff in depreciation of digital terrestrial broadcasting facilities, along with reduction in cost of sales of 1.5%, or ¥3,729 million, to ¥238,914 million arising from efforts to curtail overall expenses led by program production costs.

Operating Income

Operating income grew 6.3%, or ¥1,793 million, to ¥30,344 million. This rise was principally attributable to a decline in agency commissions reflecting the drop in net sales, which triggered a reduction in selling, general and administrative expenses of 1.4%, or ¥1,054 million, to ¥74,394 million.

Income Before Income Taxes and Minority Interests

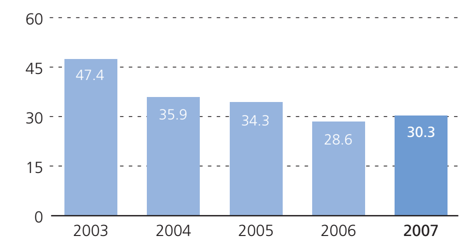
During the year, income before income taxes and minority interests climbed 23.1%, or ¥6,088 million, to ¥32,413 million. Major contributors were proceeds from insurance cancellations by certain subsidiaries and the reduction of loss on devaluation of investment securities compared with the previous year.

Net Income

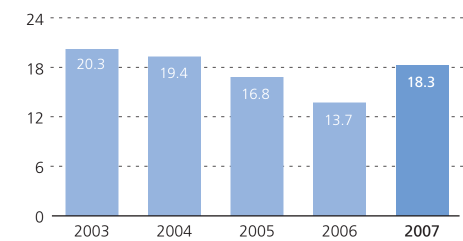
Reflecting the growth in income before income taxes and minority interests, tax expenses swelled 17.2%, or ¥1,858 million, to ¥12,673 million. Furthermore, profit transferred to minority interests was ¥1,408 million, down 22.2%, or ¥402 million, from the previous year.

As a result of the above, net income amounted to ¥18,332 million, a jump of 33.8%, or ¥4,631 million.

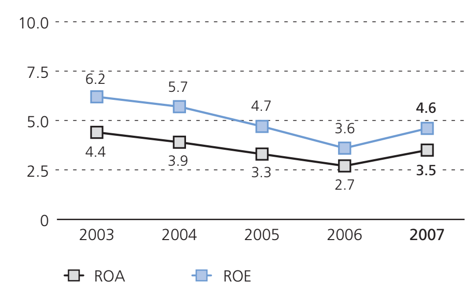
Operating Income (Billions of Yen)



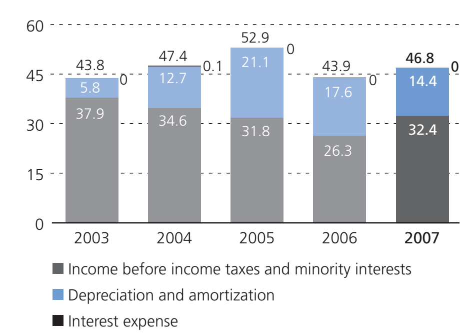
Net Income (Billions of Yen)



ROA/ROE (%)



EBITDA (Billions of Yen)



Segment Information

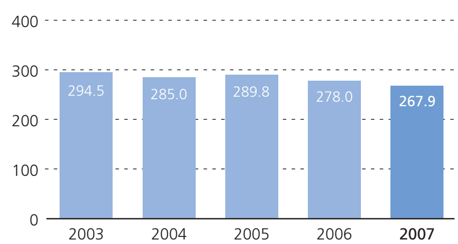
■ Net Sales (Billions of Yen)

	2003	2004	2005	2006	2007
Television Broadcasting	¥294.5	¥285.0	¥289.8	¥278.0	¥267.9
Cultural Activities	37.6	38.9	62.1	62.5	69.4
Other	9.9	11.9	13.7	15.1	14.5
Elimination/Corporate	(5.8)	(7.4)	(8.0)	(8.9)	(8.2)
Total	¥336.3	¥328.4	¥357.6	¥346.6	¥343.7

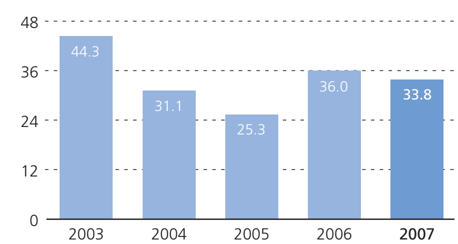
■ Operating Income (Billions of Yen)

	2003	2004	2005	2006	2007
Television Broadcasting	¥44.3	¥31.1	¥25.3	¥36.0	¥33.8
Cultural Activities	2.0	3.9	8.2	5.2	8.2
Other	1.1	0.9	1.2	2.4	1.3
Elimination/Corporate	(0.1)	(0.0)	(0.4)	(15.0)	(13.0)
Total	¥47.4	¥35.9	¥34.3	¥28.6	¥30.3

■Sales (Billions of Yen)



■Operating Income (Billions of Yen)



Television Broadcasting

In the television broadcasting segment, revenues are derived from sales of broadcasting time to advertisers (broadcasting sales) and programs, through the production and broadcasting of television programs across NTV's nationwide network. The principal subsidiaries in this segment that handle the production and broadcasting of television programs are NTV Eizo Center Corporation and six other companies, as well as three unconsolidated subsidiaries and 11 associated companies.

To bolster time sales, NTV aggressively promoted such large-scale single-episode sports programs as the 2006 FIFA World Cup™, the FIFA Club World Cup Japan 2006 soccer events and the *83rd Hakone Ekiden*, in addition to *24-Hour Television 29: Love Saves the Earth* and *All Japan HIGH SCHOOL QUIZ Championship*. However, the drop from the previous year's coverage of the Torino Winter Olympics, and a decline in professional baseball and regular programming broadcasts resulted in a decrease in time sales of 2.5%, to ¥138,219 million.

Spot sales were negatively impacted by lower viewer ratings and reduced spot advertising expenditures in the Kanto region. These factors led to a 4.7% contraction in spot sales during the year, to ¥108,305 million.

Program circulation and other income fell 5.1%, to ¥21,378 million.

As a result of the above factors, sales in the television broadcasting segment were down 3.6%, to ¥267,904 million. Despite reductions in variable expenses, such as a falloff in the depreciation of digital terrestrial broadcasting facilities and a decline in agency commissions, as well as cutbacks in operating expenses arising from efforts to curtail overall expenses led by program production costs, operating income fell 6.0%, to ¥33,843 million.

Cultural Activities

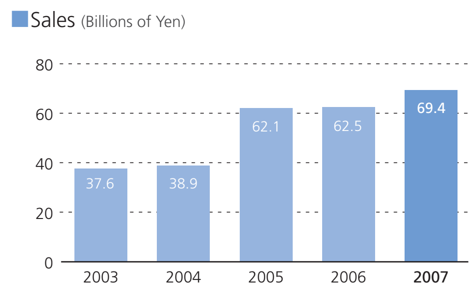
In the cultural activities segment, NTV promotes concerts and art exhibitions, film investments and production, sports events, book publishing and mail order businesses including television-based shopping. Nippon Television Music Corporation plans and produces recorded music, represents music copyrights and manages merchandising rights. VAP Inc. plans, produces, records and sells CDs and DVDs. This segment also includes three unconsolidated subsidiaries and three associated companies.

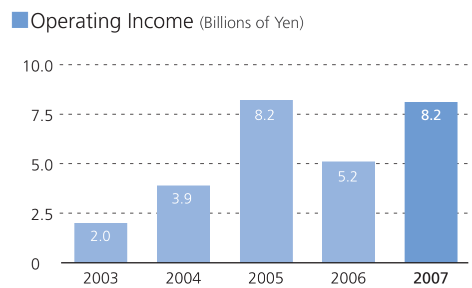
During the year, NTV's sponsorship of such art gallery events as the "Our Landscape: 400 Years of European Paintings of the State Hermitage Museum" contributed to revenue growth.

Films recorded significant revenue advances, spurred by such major hits as the June 2006 release of *DEATH NOTE* and the November 2006 follow-up *DEATH NOTE the Last name*. In addition, secondary revenue from *ALWAYS—Sunset on Third Street* contributed to a surge in revenue.

Media commerce business, which we aggressively expanded, increased sales dramatically and contributed substantially to the revenue in the entire cultural activities segment.

As a result, net sales in the cultural activities segment climbed 11.1%, to ¥69,411 million, while operating income soared 58.0%, to ¥8,193 million.

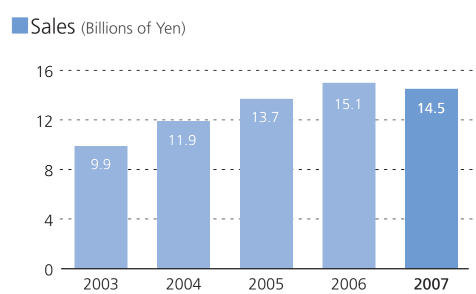


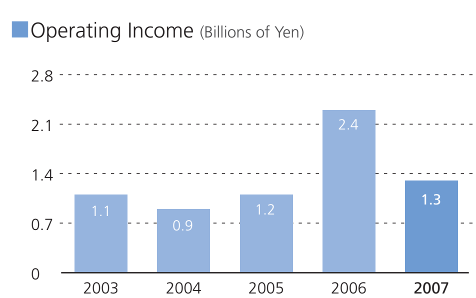


Other

In the other segment, NTV engages in commercial tenant and office building leasing. Specifically, NTV Service Inc. engages in sales of novelty goods and insurance sales. Nippon Television Work 24 Corporation provides building management services. Nippon Television Football Club Co., Ltd., manages a professional soccer team. Forecast Communications Inc. offers Internet-related services. In addition, this segment includes five unconsolidated subsidiaries and five associated companies that engage in broadband activities, the manufacture and sale of art exhibit-related merchandise, recording studio management, the provision of district heating and cooling systems, overseas broadcasting market research, radio broadcasting and information systems configuration support.

During the year, steady orders gained for "1-SEG" broadcasting content creation and Web production by Forecast Communications Inc. were offset by waning match admissions revenue and advertising revenues from Nippon Television Football Club. Accordingly, sales by the other segment eased 3.6%, to ¥14,536 million, and operating income fell 43.9%, to ¥1,323 million.





Liquidity and Financial Resources

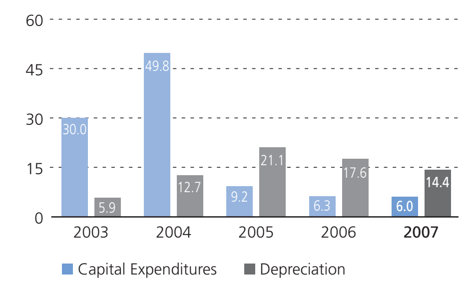
Financing and Capital Expenditure Policy

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 Group's corporate value.

In specific terms, 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 expenditure plans, but NTV makes adjustments to ensure there is no overlap between plans.

In the year ending March 31, 2008, the NTV Group is budgeting capital expenditures of ¥6,449 million, funded primarily through retained earnings.

■Capital Expenditures/Depreciation (Billions of Yen)



Financial Position

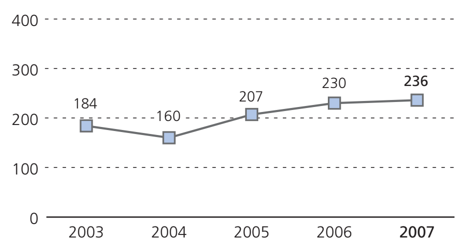
☐Assets

As of March 31, 2007, total current assets were ¥193,544 million, an increase of ¥23,238 million from a year earlier. This rise was due primarily to an increase in trade notes and accounts receivable accompanying the expansion of film and media commerce businesses during the second half.

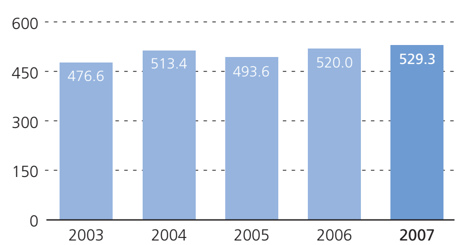
Total investments and other assets dropped ¥5,091 million, to ¥138,420 million, as a result of reduction in investment securities reflecting a decrease in market value and advancing depreciation.

Accordingly, total assets at year-end were ¥529,265 million, an increase of ¥9,313 million from a year earlier.

■Liquidity Ratio (%)



■Total Assets (Billions of Yen)



☐Liabilities

As of March 31, 2007, total current liabilities stood at ¥82,070 million, a rise of ¥8,010 million, due primarily to an increase in income taxes payable, reflecting growth in profits.

Total non-current liabilities eased ¥5,702 million, to ¥35,200 million, owing to a decrease in deferred tax liabilities reflecting the drop off in market prices of investment securities.

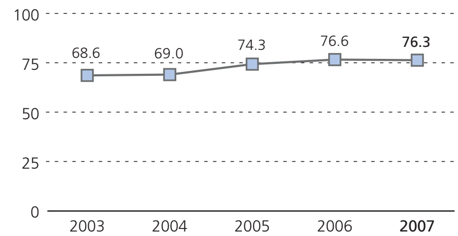
☐Equity

From the current year we have applied the "Accounting Standard for Presentation of Net Assets in the Balance Sheet (Accounting Standards

Board Statement No. 5)" and "Implementation Guidance for Accounting Standard for Presentation of Net Assets in the Balance Sheet (Financial Accounting Standards Implementation Guidance No. 8)."

A reduction in unrealized gain on available-for-sale securities reflecting the downtrend in market value of investment securities was offset by an increase in retained earnings accompanying capitalization of net income. Accordingly, total equity for the year were ¥411,995 million, which was ¥7,005 million higher than the total of shareholders' equity and minority interests at the end of the previous year.

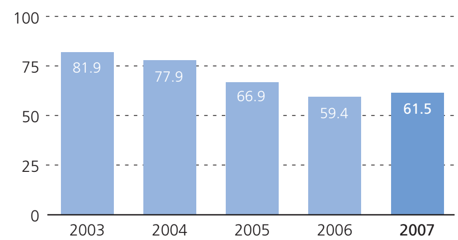
■Equity Ratio (%)



Cash Flows

As of March 31, 2007, cash and cash equivalents were ¥61,524 million, up ¥2,155 million year on year.

■Cash and Cash Equivalents (Billions of Yen)



□Net Cash Provided by Operating Activities

Net cash provided by operating activities totaled ¥31,458 million, compared with ¥32,683 million from a year earlier. This was primarily attributable to negative impact by an increase in notes and accounts receivable, despite an increase in income before income taxes and minority interests and a rise in cash arising from reduction of program rights.

□Net Cash Used in Investing Activities

Net cash used in investing activities totaled ¥24,596 million, down from ¥24,358 million in the previous fiscal year. The main uses of cash were purchases of marketable and investment securities and expenditures relating to investments in equity of subsidiaries and affiliates.

□Net Cash Used in Financing Activities

Net cash used in financing activities was ¥4,714 million, compared with ¥15,921 million from a year earlier. Dividends paid was the primary contributor to this reduction.

■ Cash Flows (Billions of Yen)

	2003	2004	2005	2006	2007
Net cash provided by operating activities	¥ 26.0	¥ 30.5	¥ 49.3	¥ 32.7	¥ 31.5
Net cash used in investing activities	(37.4)	(41.6)	(23.1)	(24.4)	(24.6)
Net cash (used in) provided by financing activities	22.5	7.1	(37.3)	(15.9)	(4.7)
Net increase (decrease) in cash and cash equivalents	11.0	(4.0)	(11.1)	(7.5)	2.2
Cash and cash equivalents, end of year	¥ 81.9	¥ 77.9	¥ 66.9	¥ 59.4	¥ 61.5

Future Management Policy

In July 1952, NTV became the first company in Japan to be authorized for television broadcasting, and NTV went on air in August 1953. Since then, we have implemented many technological innovations, such as the first commercial color and sound multichannel broadcasting, thereby growing a huge media sector. The world of broadcasting has now entered an unprecedented period of change through the rapid development of digital technology, featuring the fusion of broadcasting and telecommunications, as well as multimedia and multichannel content. As part of these changes, the "1-SEG" service launched in April 2006. We plan to convert to full digital broadcasting in advance of termination of terrestrial analog broadcasting in Japan in 2011. We are facing a radical transition from a television-only age to an epoch where television is merely another media option.

Although improvements in broadcasting revenue had previously been linked to economic conditions, that is no longer the case. Recovery in the Japanese economy does not necessarily contribute to the commercial television industry, which is surrounded by an independently changing environment.

To address such changes, the Company announced the Medium-Term Management Plan for FY2006–2008 in May 2006 to enhance corporate value. In May 2007, pursuing further growth, we formulated the NTV Group New Medium-Term Management Plan for FY2007–2009 to aggressively address technological development, the speed of which is being further accelerated by digitalization, and various changes in the environment surrounding broadcasters.

In the multimedia and multichannel generation brought about by digitalization, the number of opportunities and methods for viewers to access video media is incomparably large compared to the analog generation. NTV's strongest corporate value—content creation capability—has become its competitive edge. Swiftly capitalizing on this business opportunity, NTV is developing a multicontact-point strategy that enables the viewing of television programs anytime and anywhere. The pillar of this strategy is the "1-SEG" service and the NTV2 VoD business to distribute content via the Internet.

However, revenue from the mainstay broadcasting business for terrestrial broadcasting should remain the main pillar of our revenue base. Following the October 2006 startup of *NEWS ZERO*, a news information program, we rescheduled more than 33% of our prime-time lineup from April 2007. To recapture the highest overall viewer rating position, we will enhance our broadcasting timetable. We will also endeavor to bolster the development of original NTV programs. The Company regards its mainstay live coverage of baseball games by the Yomiuri Giants (a professional baseball team) as a preferred program for its multimedia strategy, having begun its airing and delivery via terrestrial waves, BS, CS and the Internet. We will also promote dynamic business development including the "1-SEG" service to enable reception in taxis, buses and trains.

As a Group strategy, we reorganized content creation subsidiaries in April 2007, thereby aiming to reinforce and effectively exploit our content creation capability. Our groupwide efforts to increase earnings include the business extension of Group companies such as VAP Inc., which enjoys favorable sales of DVDs, and Forecast Communications Inc., which has an important role in growing the NTV2 VoD business.

The NTV Group intends to continue optimizing the distribution of management resources focusing mainly on content creation capacity, its greatest strength, and aggressive investments as it deems necessary, thereby aiming at the Total Success of the Four No. 1s: No. 1 in broadcasting sales, No. 1 in growth in non-broadcasting revenue sources, No. 1 in content delivery and No. 1 in delivering customer satisfaction.

Risk Information

Legal Regulations for Television Broadcasters

The television broadcasting segment, which forms the core of the NTV Group's operations, is regulated by Japan's Broadcast Law and Radio Law.

The objective of the latter is to promote robust development of broadcasting by stipulating freedom of program editing and establishment of broadcast program deliberative bodies.

Furthermore, 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(2) of the Radio Law and Article 7(6) of the Order of the Enforcement of the Radio Law specify that the validation period of such a license is five years.

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 to 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 were revoked under the Radio Law, the NTV Group's business performance and financial position could be seriously affected. Further, current debates concerning broadcasting and communications may cause legal revisions and other changes that coulud ultimately impact the operating performance of the NTV Group.

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)) is higher than the ratio specified by the Ministry of Internal Affairs and Communications Ordinance) are 20% or more of the Company's shares with voting rights.

In this situation, the Company may refuse to describe or record such foreign entities on the shareholders' register (including a substantial shareholder) 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. Accordingly, in the case that foreign entities purchase Company shares, the possibility exists that the party that purchased the shares may not be able to carry out transfer of shares or may be restricted in the exercise of voting rights.

Consolidated Balance Sheets

Nippon Television Network Corporation and Consolidated Subsidiaries
March 31, 2007 and 2006

	Millions of Yen		Thousands of U.S. Dollars (Note 1)
ASSETS	2007	2006	2007
Current Assets:			
Cash and cash equivalents	¥ 61,524	¥ 59,369	$ 521,169
Marketable securities (Note 3)	4,526	2,018	38,340
Short-term investments (Note 4)	9,300		78,780
Receivables:			
Trade notes	4,969	4,753	42,092
Trade accounts	83,647	75,039	708,573
Other	3,002	2,424	25,430
Allowance for doubtful accounts	(80)	(76)	(678)
Program rights	13,210	16,157	111,902
Deferred tax assets (Note 9)	4,799	4,547	40,653
Prepaid expenses and other	9,345	6,773	79,161
Allowance for doubtful accounts	(698)	(698)	(5,913)
Total current assets	193,544	170,306	1,639,509
Property and Equipment—At cost (Notes 5 and 10):			
Land	114,850	114,858	972,893
Buildings and structures	89,325	89,428	756,671
Machinery, vehicles and equipment	95,189	95,272	806,344
Construction in progress	335	424	2,838
Total	299,699	299,982	2,538,746
Accumulated depreciation	(102,398)	(93,847)	(867,412)
Net property and equipment	197,301	206,135	1,671,334
Investments and Other Assets:			
Investment securities (Note 3)	90,750	102,033	768,742
Investments in unconsolidated subsidiaries and associated companies	21,143	19,944	179,102
Long-term deposits	8,100	7,100	68,615
Deferred tax assets (Note 9)	1,039	747	8,801
Other assets	17,502	13,803	148,259
Allowance for doubtful accounts	(114)	(116)	(965)
Total investments and other assets	138,420	143,511	1,172,554
Total	¥529,265	¥519,952	$4,483,397

See notes to consolidated financial statements.

LIABILITIES AND EQUITY	Millions of Yen 2007	2006	Thousands of U.S. Dollars (Note 1) 2007
Current Liabilities:			
Short-term bank loans (Note 6)	¥ 104		$ 881
Payables:			
Trade notes	1,991	¥ 2,221	16,866
Trade accounts	56,702	54,249	480,322
Other	6,667	5,980	56,476
Income taxes payable	8,520	5,119	72,173
Accrued expenses and other	8,086	6,491	68,496
Total current liabilities	82,070	74,060	695,214
Non-Current Liabilities:			
Liabilities for retirement benefits (Note 7)	6,430	5,542	54,469
Guarantee deposits received (Note 5)	20,156	20,143	170,741
Deferred tax liabilities (Note 9)	7,760	12,756	65,735
Other	854	2,461	7,234
Total non-current liabilities	35,200	40,902	298,179
Minority Interests		6,972	
Commitments and Contingent Liabilities (Notes 10 and 11)			
Equity (Notes 8 and 12):			
Common stock, no par value—authorized,			
100,000,000 shares in 2007 and 50,000,000 shares in 2006; issued, 25,364,548 shares in 2007 and 2006	18,576	18,576	157,357
Capital surplus	17,928	17,928	151,868
Retained earnings	363,526	350,025	3,079,424
Unrealized gain on available-for-sale securities	14,028	21,085	118,831
Foreign currency translation adjustments	12	(56)	102
Treasury stock—at cost, 664,852 shares in 2007 and 409,450 shares in 2006	(9,896)	(9,540)	(83,829)
Total	404,174	398,018	3,423,753
Minority interests	7,821		66,251
Total equity	411,995	398,018	3,490,004
Total	¥529,265	¥519,952	$4,483,397

Consolidated Statements of Income

Nippon Television Network Corporation and Consolidated Subsidiaries
Years Ended March 31, 2007 and 2006

	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	2007	2006	2007
Net Sales	¥343,652	¥346,642	$2,911,071
Cost of Sales	238,914	242,643	2,023,837
Gross profit	104,738	103,999	887,234
Selling, General and Administrative Expenses (Note 10)	74,394	75,448	630,191
Operating income	30,344	28,551	257,043
Other Income (Expenses):			
Interest and dividend income	1,328	1,049	11,249
Interest expense	(1)	(11)	(8)
Gain on sales of property and equipment	58	1	491
Gain on termination of partial retirement benefit plan		686	
Loss on devaluation of investment securities	(1,417)	(3,799)	(12,003)
Other—net	2,101	(151)	17,798
Other income (expenses)—net	2,069	(2,225)	17,527
Income before Income Taxes and Minority Interests	32,413	26,326	274,570
Income Taxes (Note 9):			
Current	13,184	10,430	111,681
Deferred	(511)	385	(4,328)
Total income taxes	12,673	10,815	107,353
Minority Interests in Net Income	(1,408)	(1,810)	(11,927)
Net Income	¥ 18,332	¥ 13,701	$ 155,290

	Yen		U.S. Dollars
Per Share of Common Stock (Note 2.o):			
Net income	¥741.60	¥545.40	$6.28
Cash dividends applicable to the year	170.00	165.00	1.44

See notes to consolidated financial statements.

Consolidated Statements of Changes in Equity

Nippon Television Network Corporation and Consolidated Subsidiaries
Years Ended March 31, 2007 and 2006

	Thousands	Millions of Yen								
	Issued Number of Shares of Common Stock	Common Stock	Capital Surplus	Retained Earnings	Unrealized Gain on Available-for-sale Securities	Foreign Currency Translation Adjustments	Treasury Stock	Total	Minority Interests	Total Equity
Balance, April 1, 2005	25,365	¥18,576	¥17,928	¥330,171	¥ 9,666	¥(159)	¥(9,536)	¥366,646		¥366,646
Net income				13,701				13,701		13,701
Cash dividends, ¥140 per share				(3,494)				(3,494)		(3,494)
Bonuses to directors				(100)				(100)		(100)
Interim cash dividends, ¥50 per share				(1,248)				(1,248)		(1,248)
Adjustment of retained earnings from the inclusion of associated companies accounted for using the equity method				10,995				10,995		10,995
Net increase in unrealized gain on available-for-sale securities					11,419			11,419		11,419
Foreign currency translation adjustments						103		103		103
Increase in treasury stock—net							(4)	(4)		(4)
Balance, March 31, 2006	25,365	18,576	17,928	350,025	21,085	(56)	(9,540)	398,018		398,018
Reclassified balance as of March 31, 2006 (Note 2.h)									¥6,972	6,972
Net income				18,332				18,332		18,332
Cash dividends, ¥115 per share				(2,869)				(2,869)		(2,869)
Bonuses to directors				(90)				(90)		(90)
Interim cash dividends, ¥75 per share				(1,872)				(1,872)		(1,872)
Increase in treasury stock—net							(356)	(356)		(356)
Net change in the year					(7,057)	68		(6,989)	849	(6,140)
Balance, March 31, 2007	25,365	¥18,576	¥17,928	¥363,526	¥14,028	¥ 12	¥(9,896)	¥404,174	¥7,821	¥411,995

	Thousands of U.S. Dollars (Note 1)								
	Common Stock	Capital Surplus	Retained Earnings	Unrealized Gain on Available-for-sale Securities	Foreign Currency Translation Adjustments	Treasury Stock	Total	Minority Interests	Total Equity
Balance, March 31, 2006	$157,357	$151,868	$2,965,057	$178,611	$(474)	$(80,813)	$3,371,606		$3,371,606
Reclassified balance as of March 31, 2006 (Note 2.h)								$59,060	59,060
Net income			155,290				155,290		155,290
Cash dividends, $0.97 per share			(24,307)				(24,307)		(24,307)
Bonuses to directors			(762)				(762)		(762)
Interim cash dividends, $0.64 per share			(15,854)				(15,854)		(15,854)
Increase in treasury stock—net						(3,016)	(3,016)		(3,016)
Net change in the year				(59,780)	576		(59,204)	7,191	(52,013)
Balance, March 31, 2007	$157,357	$151,868	$3,079,424	$118,831	$ 102	$(83,829)	$3,423,753	$66,251	$3,490,004

See notes to consolidated financial statements.

Consolidated Statements of Cash Flows

Nippon Television Network Corporation and Consolidated Subsidiaries
Years Ended March 31, 2007 and 2006

	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	2007	2006	2007
Operating Activities:			
Income before income taxes and minority interests	¥32,413	¥26,326	$274,570
Adjustments for:			
Income taxes—paid	(9,783)	(11,951)	(82,871)
Depreciation and amortization	14,361	17,561	121,652
Increase (decrease) of liabilities for retirement benefits	888	(4,896)	7,522
Gain on sales of property and equipment	(58)	(1)	(491)
Loss on devaluation of investment securities	1,417	3,799	12,003
Equity in (gains) losses of unconsolidated subsidiaries and associated companies	(715)	183	(6,057)
Changes in operating assets and liabilities:			
(Increase) decrease in trade notes and accounts receivables	(8,824)	3,942	(74,748)
Decrease (increase) in program rights	2,947	(6,627)	24,964
Increase in trade notes and accounts payables	2,223	3,965	18,831
Other—net	(3,411)	382	(28,895)
Total adjustments	(955)	6,357	(8,090)
Net cash provided by operating activities	31,458	32,683	266,480
Investing Activities:			
Increase in long-term deposits	(2,700)	(7,000)	(22,872)
Purchases of marketable securities	(10,595)		(89,750)
Proceeds from sales of marketable securities	2,030	2,061	17,196
Purchases of property and equipment	(4,894)	(6,314)	(41,457)
Proceeds from sales of property and equipment	138	260	1,169
Purchases of intangible assets	(1,050)	(995)	(8,895)
Purchases of investment securities	(5,605)	(13,890)	(47,480)
Proceeds from sales of investment securities	273	99	2,313
Other—net	(2,193)	1,421	(18,576)
Net cash used in investing activities	(24,596)	(24,358)	(208,352)
Financing Activities:			
Change in short-term bank loans—net	104	(11,500)	881
Dividends paid	(4,493)	(4,395)	(38,060)
Purchases of treasury stock	(6)	(4)	(51)
Other—net	(319)	(22)	(2,702)
Net cash used in financing activities	(4,714)	(15,921)	(39,932)
Foreign Currency Translation Adjustments on Cash and Cash Equivalents	7	87	59
Net Increase (Decrease) in Cash and Cash Equivalents	2,155	(7,509)	18,255
Cash and Cash Equivalents, Beginning of Year	59,369	66,878	502,914
Cash and Cash Equivalents, End of Year	¥61,524	¥59,369	$521,169

See notes to consolidated financial statements.

Notes to Consolidated Financial Statements

Nippon Television Network Corporation and Consolidated Subsidiaries
Years Ended March 31, 2007 and 2006

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 ("Japanese GAAP"), which are different in certain respects as to application and disclosure requirements of International Financial Reporting Standards.

On December 27, 2005, the Accounting Standards Board of Japan (the "ASBJ") published a new accounting standard for the statement of changes in equity, which is effective for fiscal years ending on or after May 1, 2006. The consolidated statement of shareholders' equity, which was previously voluntarily prepared in line with the international accounting practices, is now required under Japanese GAAP and has been renamed "the consolidated statement of changes in equity" in the current fiscal year.

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 2006 financial statements to conform to the classifications used in 2007.

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 ¥118.05 to $1, the approximate rate of exchange at March 31, 2007. 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, 2007 include the accounts of the Company and its 13 (12 in 2006) 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 Group has the ability to exercise significant influence are accounted for by the equity method.

Investments in 11 (6 in 2006) unconsolidated subsidiaries and 19 (18 in 2006) associated companies are accounted for by the equity method.

Goodwill is amortized over 20 years on a straight-line basis.

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. Long-lived Assets—In August 2002, the Business Accounting Council issued a Statement of Opinion, "Accounting for Impairment of Fixed Assets," and in October 2003 the ASBJ issued ASBJ 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 Group adopted the new accounting standard for impairment of fixed assets as of April 1, 2005.

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 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.

h. Presentation of Equity—On December 9, 2005, the ASBJ published a new accounting standard for presentation of equity. Under this accounting standard, certain items which were previously presented as liabilities are now presented as components of equity. Such items include stock acquisition rights, minority interests, and any deferred gain or loss on derivatives accounted for under hedge accounting. This standard is effective for fiscal years ending on or after May 1, 2006. The consolidated balance sheet as of March 31, 2007 is presented in line with this new accounting standard.

i. 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.

j. Bonuses to Directors and Corporate Auditors—Prior to the fiscal year ended March 31, 2005, bonuses to directors and corporate auditors were accounted for as a reduction of retained earnings in the fiscal year following approval at the general shareholders meeting. The ASBJ issued ASBJ Practical Issues Task Force ("PITF") No. 13, "Accounting Treatment for Bonuses to Directors and Corporate Auditors," which encouraged companies to record bonuses to directors and corporate auditors on the accrual basis with a related charge to income, but still permitted the direct reduction of such bonuses from retained earnings after approval of the appropriation of retained earnings.

The ASBJ replaced the above accounting pronouncement by issuing a new accounting standard for bonuses to directors and corporate auditors on November 29, 2005. Under the new accounting standard, bonuses to directors and corporate auditors must be expensed and are no longer allowed to be directly charged to retained earnings. This accounting standard is effective for fiscal years ending on or after May 1, 2006. The companies must accrue bonuses to directors and corporate auditors at the year end to which such bonuses are attributable.

The Company adopted the new accounting standard for bonuses to directors and corporate auditors from the year ended March 31, 2007. The effect of adoption of this accounting standard was to decrease income before income taxes and minority interests for the year ended March 31, 2007 by ¥50 million ($424 thousand).

k. 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.

l. 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.

m. 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.

n. 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 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 equity.

o. 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.

p. New Accounting Pronouncements

Measurement of Inventories—Under Japanese GAAP, inventories are currently measured either by the cost method, or at the lower of cost or market. On July 5, 2006, the ASBJ issued ASBJ Statement No. 9, "Accounting Standard for Measurement of Inventories," which is effective for fiscal years beginning on or after April 1, 2008 with early adoption permitted. This standard requires that inventories held for sale in the ordinary course of business be measured at the lower of cost or net selling value, which is defined as the selling price less additional estimated manufacturing costs and estimated direct selling expenses. The replacement cost may be used in place of the net selling value, if appropriate. The standard also requires that inventories held for trading purposes be measured at the market price.

Lease Accounting—On March 30, 2007, the ASBJ issued ASBJ Statement No. 13, "Accounting Standard for Lease Transactions," which revised the existing accounting standard for lease transactions issued on June 17, 1993.

Under the existing accounting standard, finance leases that deem to transfer ownership of the leased property to the lessee are to be capitalized, however, other finance leases are permitted to be accounted for as operating lease transactions if certain "as if capitalized" information is disclosed in the note to the lessee's financial statements.

The revised accounting standard requires that all finance lease transactions should be capitalized. The revised accounting standard for lease transactions is effective for fiscal years beginning on or after April 1, 2008 with early adoption permitted for fiscal years beginning on or after April 1, 2007.

Unification of Accounting Policies Applied to Foreign Subsidiaries for the Consolidated Financial Statements—Under Japanese GAAP, a company currently can use the financial statements of foreign subsidiaries which are prepared in accordance with generally accepted accounting principles in their respective jurisdictions for its consolidation process unless they are clearly unreasonable. On May 17, 2006, the ASBJ issued ASBJ PITF No. 18, "Practical Solution on Unification of Accounting Policies Applied to Foreign Subsidiaries for the Consolidated Financial Statements." The new task force prescribes: (1) the accounting policies and procedures applied to a parent company and its subsidiaries for similar transactions and events under similar circumstances should in principle be unified for the preparation of the consolidated financial statements, (2) financial statements prepared by foreign subsidiaries in accordance with either International Financial Reporting Standards or the generally accepted accounting principles in the United States tentatively may be used for the consolidation process, (3) however, the following items should be adjusted in the consolidation process so that net income is accounted for in accordance with Japanese GAAP unless they are not material;

(1) Amortization of goodwill
(2) Actuarial gains and losses of defined benefit plans recognized outside profit or loss
(3) Capitalization of intangible assets arising from development phases
(4) Fair value measurement of investment properties, and the revaluation model for property, plant and equipment, and intangible assets
(5) Retrospective application when accounting policies are changed
(6) Accounting for net income attributable to a minority interest

The new task force is effective for fiscal years beginning on or after April 1, 2008 with early adoption permitted.

3. Marketable and Investment Securities

Marketable and investment securities as of March 31, 2007 and 2006 consisted of the following:

	Millions of Yen		Thousands of U.S. Dollars
	2007	2006	2007
Marketable securities—Government and corporate bonds	¥ 4,526	¥ 2,018	$ 38,340
Investment securities:			
Equity securities	¥67,992	¥ 77,835	$575,960
Government and corporate bonds	14,063	13,548	119,127
Trust fund investments and others	8,695	10,650	73,655
Total	¥90,750	¥102,033	$768,742

The carrying amounts and aggregate fair value of marketable securities and investment securities at March 31, 2007 and 2006 were as follows:

	Millions of Yen			
March 31, 2007	Cost	Unrealized Gains	Unrealized Losses	Fair Value
Securities classified as:				
Available-for-sale:				
Equity securities	**¥36,621**	**¥23,518**	**¥2,543**	**¥57,596**
Government and corporate bonds	**13,065**	**14**	**251**	**12,828**
Trust fund investments and others	**2,203**	**2,477**		**4,680**
Held-to-maturity	**5,761**		**8**	**5,753**

	Millions of Yen			
March 31, 2006	Cost	Unrealized Gains	Unrealized Losses	Fair Value
Securities classified as:				
Available-for-sale:				
Equity securities	¥35,615	¥32,013	¥ 7	¥67,621
Government and corporate bonds	10,100	23	326	9,797
Trust fund investments and others	2,256	2,718	3	4,971
Held-to-maturity	5,769		26	5,743

	Thousands of U.S. Dollars			
March 31, 2007	Cost	Unrealized Gains	Unrealized Losses	Fair Value
Securities classified as:				
Available-for-sale:				
Equity securities	**$310,216**	**$199,221**	**$21,542**	**$487,895**
Government and corporate bonds	**110,673**	**119**	**2,126**	**108,666**
Trust fund investments and others	**18,661**	**20,983**		**39,644**
Held-to-maturity	**48,801**		**68**	**48,733**

Available-for-sale securities whose fair value is not readily determinable as of March 31, 2007 and 2006 were as follows:

	Carrying Amount		
	Millions of Yen		Thousands of U.S. Dollars
	2007	2006	**2007**
Available-for-sale—Non-marketable securities	**¥14,511**	¥15,893	**$122,922**

Proceeds from sales of available-for-sale securities for the years ended March 31, 2007 and 2006 were ¥273 million ($2,313 thousand) and ¥99 million, respectively. Gross realized gains and losses on these sales, computed on the moving average cost basis, were ¥76 million ($644 thousand) and nil, respectively, for the year ended March 31, 2007 and ¥34 million and ¥3 million, respectively, for the year ended March 31, 2006.

The carrying values of debt securities by contractual maturities for securities classified as available-for-sale at March 31, 2007 are as follows:

Available for Sale	Millions of Yen	Thousands of U.S. Dollars
Due in one year or less	**¥ 4,615**	**$ 39,094**
Due after one year through five years	**6,411**	**54,307**
Due after five years through ten years	**7,643**	**64,744**
Due in ten years and after	**5,371**	**45,498**
Total	**¥24,040**	**$203,643**

4. Short-Term Investments

Short-term investments as of March 31, 2007 and 2006 consisted of the following:

	Millions of Yen		Thousands of U.S. Dollars
	2007	2006	2007
Time deposit	¥1,700		$14,401
Certificate of deposit	7,600		64,379
Total	¥9,300		$78,780

5. Collateralized Property

At March 31, 2007, land of ¥101,031 million ($855,832 thousand) was pledged as collateral for guarantee deposits received of ¥19,000 million ($160,949 thousand).

6. Short-Term Bank Loans

Short-term bank loans outstanding were generally represented by bank overdraft arrangements. The annual interest rate ranged 1.88% on average during the year.

7. 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, 2007 and 2006 consisted of the following:

	Millions of Yen		Thousands of U.S. Dollars
	2007	2006	2007
Projected benefit obligation	¥5,383	¥5,219	$45,600
Fair value of plan assets	(297)	(992)	(2,516)
Unrecognized net transitional assets	193	257	1,635
Prepayment of pension cost	1	39	8
Net liability	¥5,280	¥4,523	$44,727

The components of net periodic benefit costs for the years ended March 31, 2007 and 2006 are as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2007	2006	2007
Service cost	¥1,012	¥545	$ 8,573
Interest cost	53	79	449
Recognized actuarial loss	20	(218)	169
Amortization of net transitional assets	(64)	(101)	(542)
Defined contribution pension plan premium cost	620	565	5,252
Net periodic benefit costs	1,641	870	13,901
Gain on termination of partial retirement benefit plan		(686)	
Loss on revision of retirement benefit plan	374		3,168
Total	¥2,015	¥184	$17,069

Assumptions used for the years ended March 31, 2007 and 2006 are set forth as follows:

	2007	2006
Discount rate	2.3%	2.3%
Recognition period of actuarial gain/loss	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 a new corporate law of Japan (the "Corporate Law"). Retirement benefits as of March 31, 2007 and 2006 included those for directors and corporate auditors in the amount of ¥1,150 million ($9,742 thousand) and ¥1,019 million, respectively.

8. Equity

On and after May 1, 2006, Japanese companies are subject to the Corporate Law, which reformed and replaced the Commercial Code of Japan with various revisions that are, for the most part, applicable to events or transactions which occur on or after May 1, 2006 and for the fiscal years ending on or after May 1, 2006. The significant changes in the Corporate Law that affect financial and accounting matters are summarized below:

a. Dividends

Under the Corporate Law, companies can pay dividends at any time during the fiscal year in addition to the year-end dividend upon resolution at the shareholders meeting. For companies that meet certain criteria such as; (1) having the Board of Directors, (2) having independent auditors, (3) having the Board of Corporate Auditors, and (4) the term of service of the directors is prescribed as one year rather than two years of normal term by 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 Corporate Law permits companies to distribute dividends-in-kind (non-cash assets) to shareholders subject to a 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 Corporate Law 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 Corporate Law 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 Corporate Law, the total amount of additional paid-in capital and legal reserve may be reversed without limitation. The Corporate Law 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 Corporate Law 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 Corporate Law, stock acquisition rights, which were previously presented as a liability, are now presented as a separate component of equity. The

Corporate Law 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.

9. 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, 2007 and 2006.

The tax effects of significant temporary differences which resulted in deferred tax assets and liabilities as of March 31, 2007 and 2006 are as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2007	2006	2007
Current:			
Deferred tax assets:			
Devaluation of program rights	¥ 2,727	¥ 2,751	$ 23,100
Accrued enterprise taxes	630	381	5,337
Accrued bonuses	852	864	7,217
Unrealized loss on available-for-sale securities		5	
Other	596	548	5,049
Less valuation allowance	(1)	(1)	(8)
Total	4,804	4,548	40,695
Deferred tax liabilities—other	(5)	(1)	(42)
Net deferred tax assets	¥ 4,799	¥ 4,547	$ 40,653
Non-current:			
Deferred tax assets:			
Retirement benefits	¥ 3,467	¥ 3,813	$ 29,369
Devaluation of property and equipment	320	95	2,711
Devaluation of investment securities	4,469	3,915	37,857
Other	554	753	4,693
Less valuation allowance	(98)	(96)	(830)
Total	8,712	8,480	73,800
Offset with deferred tax liabilities	(8,712)	(8,480)	(73,800)
Net deferred tax assets			
Deferred tax liabilities:			
Tax benefit from deferred gain on sales of property and equipment	¥ (5,923)	¥ (5,940)	$ (50,174)
Unrealized gain on available-for-sale securities	(9,478)	(14,518)	(80,289)
Other	(32)	(31)	(271)
Total	(15,433)	(20,489)	(130,734)
Offset with deferred tax assets	8,712	8,480	73,800
Net deferred tax liabilities	¥ (6,721)	¥(12,009)	$ (56,934)

For the years ended March 31, 2007 and 2006, 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.

10. 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, 2007 and 2006 were ¥330 million ($2,795 thousand) and ¥394 million, respectively.

Pro forma information of leased property such as acquisition cost, accumulated depreciation, obligations under finance leases, depreciation expense and 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, 2007 and 2006 was as follows:

	Millions of Yen		Thousands of U.S. Dollars
Machinery, Vehicles and Equipment	2007	2006	2007
Acquisition cost	¥1,601	¥1,734	$13,562
Accumulated depreciation	996	771	8,437
Net book value	¥ 605	¥ 963	$ 5,125
Obligations under Finance Leases			
Due within one year	¥ 300	¥ 338	$ 2,541
Due after one year	305	625	2,584
Total	¥ 605	¥ 963	$ 5,125

Depreciation expense, which is not reflected in the accompanying consolidated statements of income, is computed by the straight-line method and was ¥330 million ($2,795 thousand) and ¥394 million for the years ended March 31, 2007 and 2006, respectively.

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

As lessor

Total lease receipts were ¥164 million ($1,389 thousand) and ¥248 million for the years ended March 31, 2007 and 2006, respectively.

Pro forma information on leased property such as acquisition cost, accumulated depreciation, receivables under finance lease, depreciation expense and 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, 2007 and 2006 was as follows:

	Millions of Yen		Thousands of U.S. Dollars
Machinery and Equipment	2007	2006	2007
Acquisition cost	¥1,093	¥1,863	$9,259
Accumulated depreciation	973	1,278	8,242
Net book value	¥ 120	¥ 585	$1,017
Receivables under Finance Leases			
Due within one year	¥ 161	¥ 248	$1,364
Due after one year	122	849	1,033
Total	¥ 283	¥1,097	$2,397

Depreciation expenses were ¥129 million ($1,093 thousand) and ¥316 million for the years ended March 31, 2007 and 2006, respectively. The amounts of receivables under finance leases include the imputed interest income portion.

b. Operating Lease Transactions

The minimum rental commitments under noncancelable operating leases at March 31, 2007 and 2006 were as follows:

	Millions of Yen		Thousands of U.S. Dollars
As Lessee	2007	2006	2007
Due within one year	¥ 47	¥ 45	$ 398
Due after one year	313	261	2,651
Total	¥ 360	¥ 306	$ 3,049
As Lessor			
Due within one year	¥ 130	¥ 130	$ 1,101
Due after one year	5,861	5,991	49,648
Total	¥5,991	¥6,121	$50,749

11. Contingent Liabilities

The Group's contingent liabilities as of March 31, 2007 as guarantors of indebtedness were as follows:

	Millions of Yen	Thousands of U.S. Dollars
Employees	¥ 568	$ 4,812
Broadcasting Satellite System Corporation	1,280	10,842
Total	¥1,848	$15,654

12. Subsequent Event

The following appropriation of retained earnings at March 31, 2007 was approved at the Company's shareholders meeting held on June 28, 2007:

	Millions of Yen	Thousands of U.S. Dollars
Year-end cash dividends, ¥95 ($0.80) per share	¥2,370	$20,082

13. Segment Information

Information about industry segments, geographic segments and sales to foreign customers for the years ended March 31, 2007 and 2006 was as follows:

(1) Industry Segments

2007

a. Sales and operating income

	Millions of Yen				
	Television Broadcasting	Cultural Activities	Other	Elimination/ Corporate	Consolidated
Sales to outside customers	¥267,459	¥68,042	¥ 8,151		¥343,652
Intersegment sales/transfers	445	1,369	6,385	¥ (8,199)	
Total sales	267,904	69,411	14,536	(8,199)	343,652
Operating expenses	234,061	61,218	13,213	4,816	313,308
Operating income	¥ 33,843	¥ 8,193	¥ 1,323	¥(13,015)	¥ 30,344

	Thousands of U.S. Dollars				
	Television Broadcasting	Cultural Activities	Other	Elimination/ Corporate	Consolidated
Sales to outside customers	$2,265,642	$576,382	$ 69,047		$2,911,071
Intersegment sales/transfers	3,770	11,597	54,087	$ (69,454)	
Total sales	2,269,412	587,979	123,134	(69,454)	2,911,071
Operating expenses	1,982,728	518,577	111,927	40,796	2,654,028
Operating income	$ 286,684	$ 69,402	$ 11,207	$(110,250)	$ 257,043

b. Assets, depreciation and capital expenditures

	Millions of Yen				
	Television Broadcasting	Cultural Activities	Other	Elimination/ Corporate	Consolidated
Assets	¥267,303	¥64,259	¥63,943	¥133,760	¥529,265
Depreciation	11,600	242	1,516	1,003	14,361
Capital expenditures	5,158	113	549	223	6,043

	Thousands of U.S. Dollars				
	Television Broadcasting	Cultural Activities	Other	Elimination/ Corporate	Consolidated
Assets	$2,264,321	$544,337	$541,660	$1,133,079	$4,483,397
Depreciation	98,264	2,050	12,842	8,496	121,652
Capital expenditures	43,693	957	4,651	1,889	51,190

2006

a. Sales and operating income

	Millions of Yen				
	Television Broadcasting	Cultural Activities	Other	Elimination/ Corporate	Consolidated
Sales to outside customers	¥277,211	¥61,349	¥ 8,082		¥346,642
Intersegment sales/transfers	766	1,126	7,000	¥ (8,892)	
Total sales	277,977	62,475	15,082	(8,892)	346,642
Operating expenses	241,969	57,290	12,726	6,106	318,091
Operating income	¥ 36,008	¥ 5,185	¥ 2,356	¥(14,998)	¥ 28,551

b. Assets, depreciation and capital expenditures

	Millions of Yen				
	Television Broadcasting	Cultural Activities	Other	Elimination/ Corporate	Consolidated
Assets	¥284,219	¥47,499	¥63,220	¥125,014	¥519,952
Depreciation	14,407	342	1,663	1,149	17,561
Capital expenditures	5,105	152	748	261	6,266

(2) Geographic Segments

Sales and total assets of the Company and its domestic subsidiaries for the years ended March 31, 2007 and 2006 represented more than 90% of the consolidated sales and total assets of the respective years. Accordingly, geographic segments are not disclosed.

(3) Sales to Foreign Customers

Sales to foreign customers for the years ended March 31, 2007 and 2006 represented less than 10% of the consolidated sales of the respective years. Accordingly, sales to foreign customers are not disclosed.

Independent Auditors' Report

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 and consolidated subsidiaries as of March 31, 2007 and 2006, and the related consolidated statements of income, 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, 2007 and 2006, 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 28, 2007

Member of
Deloitte Touche Tohmatsu