

50 Years of Leadership

50



...And Another 50 More

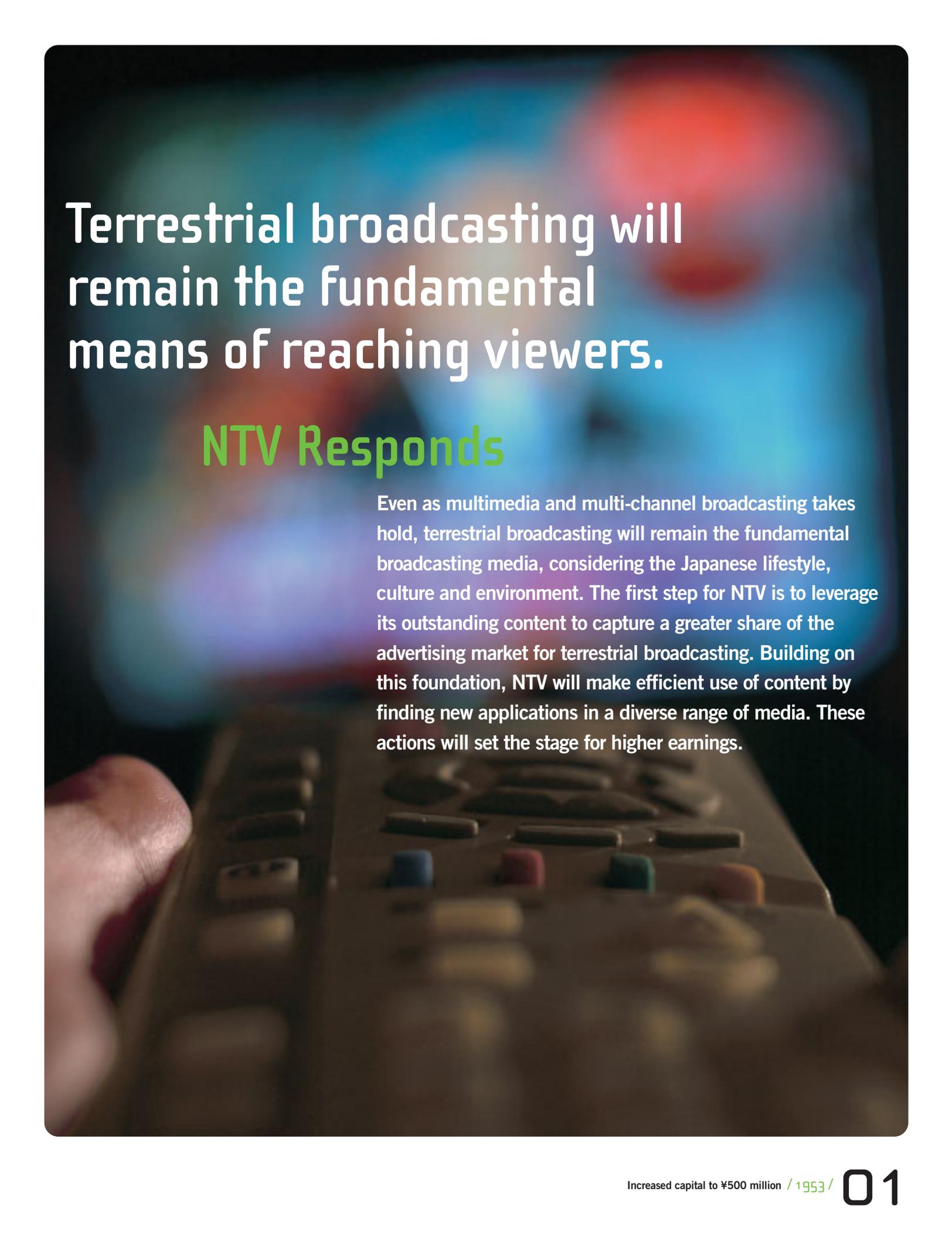
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At 11:20 am on August 28, 1953, NTV became the first commercial broadcaster in Japan to start television broadcasting services. 2003 marks the 50th anniversary of that historic moment. The broadcasting industry is now experiencing sweeping transformation. Seismic shifts in core broadcasting technologies are spawning high-definition television, digital television and other innovations. The start of satellite and digital terrestrial broadcasting services are also redefining the broadcasting landscape.

NTV sees the arrival of multimedia and multi-channel broadcasting as a prime opportunity to achieve another half-century of leadership.



Terrestrial broadcasting will remain the fundamental means of reaching viewers.

NTV Responds

Even as multimedia and multi-channel broadcasting takes hold, terrestrial broadcasting will remain the fundamental broadcasting media, considering the Japanese lifestyle, culture and environment. The first step for NTV is to leverage its outstanding content to capture a greater share of the advertising market for terrestrial broadcasting. Building on this foundation, NTV will make efficient use of content by finding new applications in a diverse range of media. These actions will set the stage for higher earnings.

A person wearing glasses is looking at a computer screen. The screen displays a bar chart with multiple bars in shades of blue and purple. The background is dark, and the lighting is focused on the person's face and the screen.

As television advertisers demand more, marketing skills will become vital.

NTV Responds

As the media business evolves, advertisers are requesting detailed viewer statistics and analyses from broadcasters to ensure that targeted audiences are reached with pinpoint accuracy. Even while winning the highest household ratings for nine consecutive years, NTV has conducted marketing activities based on detailed analyses of viewer statistics. Looking forward, NTV will propose multi-dimensional advertising and promotional strategies that are based on television advertisements yet also encompass different forms of media. This is just one way in which NTV seeks to better meet the needs of advertisers.



Success will depend on helping program creators reach their full potential.

NTV Responds

Talented program creators are essential to developing quality content. The most important requirement for today's program creators is the ability to satisfy a broad range of viewer needs. The ability to skillfully apply fast-changing technologies and the creativity needed to develop content that can find multiple applications will also become increasingly important. NTV has many outstanding program creators, and we intend to nurture many more who can anticipate the latest viewer needs in the years ahead.



The shift to digital
broadcasting will entail
state-of-the-art facilities.

NTV Responds

The start of digital terrestrial broadcasting services in December 2003 will require vast capital expenditures. These outlays are needed to upgrade studio facilities at each broadcasting station and at television transmission facilities. NTV's new head office, completed in spring 2003, is fully equipped with high-definition television systems and digital broadcasting facilities. By transferring head office functions to the new building and concurrently investing in digitalization, NTV has avoided costly overlapping investments and has increased the efficiency of program creation and distribution.

Harnessing a powerful broadcasting network will be a key priority.

NTV Responds

With strong ratings for nine straight years, NTV's network affiliates are financially healthier than counterparts affiliated with other networks. Nevertheless, the switch to digital broadcasting will stretch the budgets of NTV's network affiliates. These investments will be worthwhile, however, as NTV is confident that digital terrestrial broadcasting will become a key social infrastructure. Taking an approach that incorporates our standing as the industry leader in broadcasting, the most-watched television network in Japan and a private-sector enterprise, we will establish one of the industry's most robust television networks and follow policies that maximize corporate value.





Television companies will
aspire to be much more than
just broadcasters.

NTV Responds

The emergence of new forms of media and the convergence of traditional media channels are fast becoming the norm. That is why NTV is leveraging its outstanding content into many different forms of media. One example is creating television programs that can later be spun off into films. NTV will also concentrate Group companies specializing in video, audio production and Internet website management at its former head office in Kojimachi. This move will strengthen collaboration among affiliated companies, rapidly develop new businesses and make operations more efficient. The aim is to improve the profitability of the entire NTV Group.



Broadcasters will focus
on a triple bottom line.

NTV Responds

Television broadcasters will play an increasingly significant role in society with the start of digital terrestrial broadcasting services in Japan. They will be called upon all the more strongly to behave as responsible corporate citizens. This will require contributing to communities and environmental stewardship. NTV is no exception. We have been included in the Dow Jones Sustainability Index for the second consecutive year, testifying to our strong focus on a triple bottom line.

Consolidated Financial Highlights

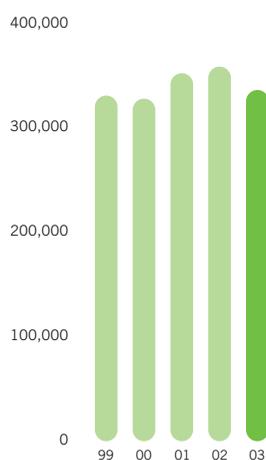
Years Ended March 31	Millions of Yen		Thousands of U.S. Dollars
	2003	2002	2003
FOR THE YEAR:			
Net sales	¥ 336,299	¥ 358,683	\$2,797,829
Cost of sales	215,180	218,889	1,790,183
Operating income	47,407	63,574	394,401
Net income	20,296	34,648	168,852
AT YEAR-END:			
Total assets	¥ 476,634	¥ 443,798	\$3,965,341
Total shareholders' equity	327,116	323,319	2,721,431
PER SHARE:			
(in yen and U.S. dollars):			
Net income	¥ 801.99	¥ 1,366.34	\$ 6.67
Cash dividends	120.00	120.00	1.00
RATIO (%):			
Operating income margin	14.1	17.7	—
Return on assets	4.4	8.1	—
Return on equity	6.2	11.3	—
Dividend payout ratio	15.4	9.4	—

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 ¥120.2 to \$1, the approximate rate of exchange at March 31, 2003. 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.

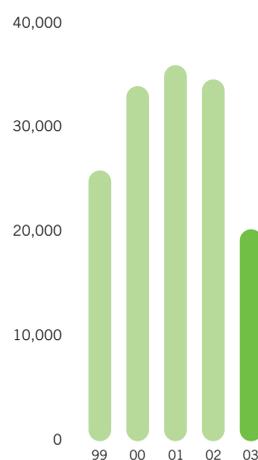
2. Net income per share is computed based on the weighted average number of shares outstanding during the respective years, retroactively adjusted for stock splits.

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.

NET SALES
(Millions of Yen)



NET INCOME
(Millions of Yen)



**RETURN ON ASSETS
RETURN ON EQUITY**
(%)

