

Notes to Consolidated Financial Statements

Nippon Television Network Corporation and Consolidated Subsidiaries
Years Ended March 31, 2003 and 2002

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 and practices generally accepted in Japan, which are different in certain respects as to application and disclosure requirements of International Financial Reporting Standards. The consolidated financial statements are not intended to present the financial position, results of operations and cash flows in accordance with accounting principles and practices generally accepted in countries and jurisdictions other than Japan.

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.

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 ¥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. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Consolidation — The consolidated financial statements as of March 31, 2003 and 2002 include the accounts of the Company and its 12 significant subsidiaries (together, the "Group").

Investments in 4 (4 in 2002) unconsolidated subsidiaries and 17 (17 in 2002) associated companies are accounted for by the equity method.

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 broadcast. 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 all securities as available-for-sale securities.

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 and 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 of ¥2,776 million (\$23,095 thousand), determined at the beginning of the year, is 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.

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 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, retroactively adjusted for stock splits.

Diluted net income per share reflects the potential dilution that could occur if securities were exercised or converted into common stock. Diluted net income per share of common stock assumes full conversion of the outstanding convertible notes and bonds at the beginning of the year (or at the time of issuance) with an applicable adjustment for related interest expense, net of tax, and full exercise of outstanding warrants.

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, retroactively adjusted for stock splits.

3. MARKETABLE AND INVESTMENT SECURITIES

Marketable and investment securities as of March 31, 2003 and 2002 consisted of the following:

	Millions of Yen		Thousands of U.S. Dollars
	2003	2002	2003
Marketable securities—Government and corporate bonds	¥ 9,254	¥ 12,830	\$ 76,988
Total	¥ 9,254	¥ 12,830	\$ 76,988
Investment securities:			
Equity securities	¥ 39,383	¥ 38,717	\$ 327,646
Government and corporate bonds	4,511	3,381	37,529
Trust fund investments and others	3,257	12,900	27,096
Total	¥ 47,151	¥ 54,998	\$ 392,271

The carrying amounts and aggregate fair value of marketable securities and investment securities at March 31, 2003 and 2002 were as follows:

	Millions of Yen			
	Cost	Unrealized Gains	Unrealized Losses	Fair Value
March 31, 2003				
Securities classified as available-for-sale:				
Equity securities	¥ 24,753	¥ 4,384	¥ 3,061	¥ 26,076
Government and corporate bonds	13,786	206	226	13,766
Trust fund investments and others	2,288		31	2,257
Total	¥ 40,827	¥ 4,590	¥ 3,318	¥ 42,099

March 31, 2002				
Securities classified as available-for-sale:				
Equity securities	¥ 18,639	¥ 8,894	¥ 314	¥ 27,219
Government and corporate bonds	16,059	367	215	16,211
Trust fund investments and others	13,488	56	644	12,900
Total	¥ 48,186	¥ 9,317	¥ 1,173	¥ 56,330

	Thousands of U.S. Dollars			
	Cost	Unrealized Gains	Unrealized Losses	Fair Value
March 31, 2003				
Securities classified as available-for-sale:				
Equity securities	\$ 205,932	\$ 36,472	\$ 25,466	\$ 216,938
Government and corporate bonds	114,692	1,714	1,880	114,526
Trust fund investments and others	19,035		258	18,777
Total	\$ 339,659	\$ 38,186	\$ 27,604	\$ 350,241

Available-for-sale securities whose fair value is not readily determinable as of March 31, 2003 and 2002 were as follows:

	Carrying Amount		
	Millions of Yen		Thousands of U.S. Dollars
	2003	2002	2003
Available-for-sale—Non-marketable securities	¥ 14,306	¥ 11,498	\$ 119,018

Proceeds from sales of available-for-sale securities for the years ended March 31, 2003 and 2002 were ¥639 million (\$5,316 thousand) and ¥3,354 million, respectively. Gross realized gains and losses on these sales, computed on the moving average cost basis, were ¥2 million (\$17 thousand) and ¥8 million (\$66 thousand), respectively, for the year ended March 31, 2003 and ¥185 million and ¥615 million, respectively, for the year ended March 31, 2002.

The carrying values of debt securities by contractual maturities for securities classified as available-for-sale at March 31, 2003 are as follows:

Available for Sale	Millions of Yen	Thousands of U.S. Dollars
Due in one year or less	¥ 10,148	\$ 84,426
Due after one year through five years	3,344	27,820
Due after five years through ten years	1,001	8,328
Due after ten years	140	1,165
Total	¥ 14,633	\$ 121,739

4. COLLATERALIZED PROPERTY

At March 31, 2003, land of ¥101,000 million (\$840,266 thousand) was pledged as collateral for guarantee deposits received of ¥19,000 million (\$158,070 thousand).

5. SHORT-TERM BANK LOANS

Short-term bank loans outstanding were generally represented by bank overdraft arrangements. The annual interest rates ranged from 0.23% to 2.10% and from 0.75% to 0.79% at March 31, 2003 and 2002, 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, 2003 and 2002 consisted of the following:

	Millions of Yen		Thousands of U.S. Dollars
	2003	2002	2003
Projected benefit obligation	¥ 25,147	¥ 25,090	\$ 209,209
Fair value of plan assets	(12,837)	(13,734)	(106,797)
Unrecognized net transitional assets	1,943	2,221	16,165
Net liability	¥ 14,253	¥ 13,577	\$ 118,577

The components of net periodic benefit costs for years ended March 31, 2003 and 2002 are as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2003	2002	2003
Service cost	¥ 1,147	¥ 1,191	\$ 9,542
Interest cost	471	485	3,918
Expected return on plan assets	(131)	(540)	(1,090)
Recognized actuarial loss	1,285	704	10,691
Amortization of net transitional assets	(278)	(278)	(2,312)
Net periodic benefit costs	¥ 2,494	¥ 1,562	\$ 20,749

Assumptions used for the years ended March 31, 2003 and 2002 are set forth as follows:

	2003	2002
Discount rate	2.3%	2.3%
Expected rate of return on plan assets	1.0%	4.0%
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 the Japanese Commercial Code (the "Code"). Retirement benefits as of March 31, 2003 and 2002 included those for directors and corporate auditors in the amount of ¥940 million (\$7,820 thousand) and ¥845 million, respectively.

7. SHAREHOLDERS' EQUITY

Japanese companies are subject to the Code to which certain amendments became effective from October 1, 2001.

Prior to October 1, 2001, the Code required at least 50% of the issue price of new shares, with a minimum of the par value thereof, to be designated as stated capital as determined by resolution of the Board of Directors. Proceeds in excess of amounts designated as stated capital were credited to additional paid-in capital. Effective October 1, 2001, the Code was revised and common stock par values were eliminated resulting in all shares being recorded with no par value.

Prior to October 1, 2001, the Code also provided that an amount at least equal to 10% of the aggregate amount of cash dividends and certain other cash payments which are made as an appropriation of retained earnings applicable to each fiscal period shall be appropriated and set aside as a legal reserve until such reserve equals 25% of stated capital. Effective October 1, 2001, the revised Code allows for such appropriations to be set aside as a legal reserve until the total additional paid-in capital and legal reserve equals 25% of stated capital. The amount of total additional paid-in capital and legal reserve which exceeds 25% of stated capital can be transferred to retained earnings by resolution of the shareholders, which may be available for dividends. The Company's legal reserve amount, which is included in retained earnings, totals ¥3,526 million (\$29,334 thousand) as of March 31, 2003 and 2002. Under the Code, companies may issue new common shares to existing shareholders without consideration as a stock split pursuant to a resolution of the Board of Directors. Prior to October 1, 2001, the amount calculated by dividing the

total amount of shareholders' equity by the number of outstanding shares after the stock split could not be less than ¥500. The revised Code eliminated this restriction.

Prior to October 1, 2001, the Code imposed certain restrictions on the repurchase and use of treasury stock. Effective October 1, 2001, the Code eliminated these restrictions allowing companies to repurchase treasury stock by a resolution of the shareholders at the general shareholders meeting and dispose of such treasury stock by resolution of the Board of Directors after March 31, 2002. The repurchased amount of treasury stock cannot exceed the amount available for future dividend plus amount of stated capital, additional paid-in capital or legal reserve to be reduced in the case where such reduction was resolved at the general shareholders meeting.

The Code permits companies to transfer a portion of additional paid-in capital and legal reserve to stated capital by resolution of the Board of Directors. The Code also permits companies to transfer a portion of unappropriated retained earnings, available for dividends, to stated capital by resolution of the shareholders.

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.

Under the Code, the amount available for dividends is based on retained earnings as recorded on the Company's books. At March 31, 2003, retained earnings recorded on the Company's books were ¥265,006 million (\$2,204,708 thousand) which is available for future dividends subject to the approval of the shareholders and legal reserve requirements.

8. 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 42.1% for the years ended March 31, 2003 and 2002.

The tax effects of significant temporary differences and tax loss carryforwards which resulted in deferred tax assets and liabilities as of March 31, 2003 and 2002 are as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2003	2002	2003
Current:			
Deferred tax assets:			
Devaluation of program rights	¥ 4,424	¥ 5,079	\$ 36,805
Accrued enterprise taxes	1,489	1,232	12,388
Accrued bonuses	1,015	677	8,444
Other	535	476	4,451
Less valuation allowance	(158)	(165)	(1,314)
Total	7,305	7,299	60,774
Deferred tax liabilities—unrealized gain on available-for-sale securities	(5)	(22)	(42)
Net deferred tax assets	¥ 7,300	¥ 7,277	\$ 60,732

	Millions of Yen		Thousands of U.S. Dollars
	2003	2002	2003
Non-current:			
Deferred tax assets:			
Retirement benefits	¥ 6,000	¥ 5,868	\$ 49,917
Devaluation of property and equipment	837	787	6,963
Devaluation of investment securities	4,565	1,839	37,978
Other	834	921	6,939
Less valuation allowance	(129)	(121)	(1,073)
Total	12,107	9,294	100,724
Offset with deferred tax liabilities	(5,815)	(8,441)	(48,378)
Net deferred tax assets	¥ 6,292	¥ 853	\$ 52,346
Deferred tax liabilities:			
Tax benefit from deferred gain on sales of property and equipment	¥ (5,303)	¥ (6,070)	\$ (44,118)
Unrealized gain on available-for-sale securities	(512)	(3,402)	(4,260)
Total	(5,815)	(9,472)	(48,378)
Offset with deferred tax assets	5,815	8,441	48,378
Net deferred tax liabilities		¥ (1,031)	

A reconciliation between the normal effective statutory tax rates and the actual effective tax rates reflected in the accompanying consolidated statements of income for the years ended March 31, 2003 and 2002 is as follows:

	2003	2002
Normal effective statutory tax rate	42.1%	42.1%
Expenses not deductible for income tax purposes	1.4	0.9
Income not taxable for income tax purposes	(0.3)	(0.2)
Effect of tax rate reduction	1.1	
Other—net	0.8	0.8
Actual effective tax rate	45.1%	43.6%

On March 31, 2003, a tax reform law concerning enterprise tax was enacted in Japan which changed the normal effective statutory tax rate from 42.1% to 40.5%, effective for years beginning on or after April 1, 2004. The effect of this change is nominal.

9. LEASES

a. Finance Lease Transactions

As lessee

Total rental expenses under finance leases were ¥258 million (\$2,146 thousand) and ¥404 million for the years ended March 31, 2003 and 2002, respectively.

Pro forma information of leased property such as acquisition cost, accumulated depreciation, obligation under finance lease, 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, 2003 and 2002 was as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2003	2002	2003
Machinery, Vehicles and Equipment			
Acquisition cost	¥ 814	¥ 1,294	\$ 6,772
Accumulated depreciation	499	776	4,151
Net book value	¥ 315	¥ 518	\$ 2,621
Obligations under Finance Leases			
Due within one year	¥ 246	¥ 324	\$ 2,047
Due after one year	263	466	2,188
Total	509	790	4,235
Less—Sublease	(194)	(272)	(1,614)
Total	¥ 315	¥ 518	\$ 2,621

Obligations under finance leases including obligations on sublease were ¥194 million (\$1,614 thousand) and ¥272 million at March 31, 2003 and 2002, respectively.

Depreciation expense which is not reflected in the accompanying consolidated statements of income, computed by the straight-line method was ¥258 million (\$2,146 thousand) and ¥404 million for the years ended March 31, 2003 and 2002, respectively.

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

As lessor

Total lease receipts were ¥145 million (\$1,206 thousand) and ¥12 million for the years ended March 31, 2003 and 2002, respectively.

Pro forma information of 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, 2003 and 2002 was as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2003	2002	2003
Machinery and Equipment			
Acquisition cost	¥ 1,041	¥ 979	\$ 8,661
Accumulated depreciation	291	22	2,421
Net book value	¥ 750	¥ 957	\$ 6,240
Receivables under Finance Leases			
Due within one year	¥ 153	¥ 141	\$ 1,273
Due after one year	718	813	5,973
Total	¥ 871	¥ 954	\$ 7,246

Depreciation expense was ¥269 million (\$2,238 thousand) and ¥22 million for the years ended March 31, 2003 and 2002, 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, 2003 and 2002 were as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2003	2002	2003
As Lessee			
Due within one year	¥ 78	¥ 68	\$ 649
Due after one year	77	97	641
Total	¥ 155	¥ 165	\$ 1,290
As Lessor			
Due within one year	¥ 119		\$ 990
Due after one year	6,381	¥ 6,500	53,087
Total	¥ 6,500	¥ 6,500	\$ 54,077

10. CONTINGENT LIABILITIES

The Group's contingent liabilities as of March 31, 2003 as guarantors of indebtedness were as follows:

	Millions of Yen	Thousands of U.S. Dollars
Employees	¥ 934	\$ 7,770
Broadcasting Satellite System Corporation	2,344	19,501
Total	¥ 3,278	\$ 27,271

11. SUBSEQUENT EVENTS

The following appropriations of retained earnings and purchase of treasury stock at March 31, 2003 were approved at the Company's shareholders meeting held on June 27, 2003:

a. Appropriations of Retained Earnings

	Millions of Yen	Thousands of U.S. Dollars
Year-end cash dividends, ¥95 (\$0.79) per share	¥ 2,370	\$ 19,717
Bonuses to directors	140	1,165

b. Purchase of Treasury Stock

The Company is authorized to repurchase up to 350 thousand shares of the Company's common stock with the aggregate amount up to ¥7,000 million.

12. SEGMENT INFORMATION

Information about industry segments, geographic segments and sales to foreign customers for the years ended March 31, 2003 and 2002 was as follows:

(1) Industry Segments

2003

a. Sales and operating income

	Millions of Yen				
	Television Broadcasting	Cultural Activities	Other	Elimination/ Corporate	Consolidated
Sales to outside customers	¥ 291,976	¥ 39,759	¥ 4,564		¥ 336,299
Intersegment sales/transfers	319	849	5,059	¥ (6,227)	
Total sales	292,295	40,608	9,623	(6,227)	336,299
Operating expenses	246,800	39,501	8,740	(6,149)	288,892
Operating income	¥ 45,495	¥ 1,107	¥ 883	¥ (78)	¥ 47,407

	Thousands of U.S. Dollars				
	Television Broadcasting	Cultural Activities	Other	Elimination/ Corporate	Consolidated
Sales to outside customers	\$ 2,429,085	\$ 330,774	\$ 37,970		\$ 2,797,829
Intersegment sales/transfers	2,654	7,063	42,088	\$ (51,805)	
Total sales	2,431,739	337,837	80,058	(51,805)	2,797,829
Operating expenses	2,053,245	328,627	72,712	(51,156)	2,403,428
Operating income	\$ 378,494	\$ 9,120	\$ 7,346	\$ (649)	\$ 394,401

b. Assets, depreciation and capital expenditures

	Millions of Yen				
	Television Broadcasting	Cultural Activities	Other	Elimination/ Corporate	Consolidated
Assets	¥ 174,853	¥ 18,377	¥ 8,264	¥ 275,141	¥ 476,635
Depreciation	5,698	97	42	17	5,854
Capital expenditures	17,575	12	38	12,419	30,044

	Thousands of U.S. Dollars				
	Television Broadcasting	Cultural Activities	Other	Elimination/ Corporate	Consolidated
Assets	\$ 1,454,684	\$ 152,887	\$ 68,751	\$ 2,289,027	\$ 3,965,349
Depreciation	47,404	807	350	141	48,702
Capital expenditures	146,215	100	316	103,319	249,950

2002

a. Sales and operating income

	Millions of Yen				
	Television Broadcasting	Cultural Activities	Other	Elimination/ Corporate	Consolidated
Sales to outside customers	¥ 304,120	¥ 50,388	¥ 4,175		¥ 358,683
Intersegment sales/transfers	272	1,064	4,470	¥ (5,806)	
Total sales	304,392	51,452	8,645	(5,806)	358,683
Operating expenses	246,765	45,923	8,242	(5,821)	295,109
Operating income	¥ 57,627	¥ 5,529	¥ 403	¥ 15	¥ 63,574

b. Assets, depreciation and capital expenditures

	Millions of Yen				
	Television Broadcasting	Cultural Activities	Other	Elimination/ Corporate	Consolidated
Assets	¥ 168,813	¥ 16,575	¥ 7,673	¥ 250,737	¥ 443,798
Depreciation	5,868	114	42	21	6,045
Capital expenditures	17,416	30	139	16,779	34,364

Notes: 1. The Group is engaged in three segments, television broadcasting, cultural activities and other. The three segments consist of the following activities:

Television broadcasting: Sales of advertising time and programs

Cultural activities: Sponsoring movies, music concerts, art exhibitions and sports events, and sales of publications

Other: Land leasing for model homes, sales of novelty items and professional soccer activities

2. Corporate assets mainly consist of cash and cash equivalents, marketable securities, investment securities, long-term deposits, land and construction in progress relating to construction of the headquarters building and administrative assets amounted to ¥269,579 million (\$2,242,754 thousand) and ¥255,314 million as of March 31, 2003 and 2002, respectively.

(2) Geographic Segments

Sales and total assets of the Company and its domestic subsidiaries for the years ended March 31, 2003 and 2002 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, 2003 and 2002 represented less than 10% of consolidated sales of the respective years. Accordingly, sales to foreign customers were not disclosed.

Independent Auditors' Report

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**Deloitte
Touche
Tohmatsu**

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, 2003 and 2002, 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, procedures and practices generally accepted and applied 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, 2003 and 2002, and the consolidated results of their operations and their cash flows for the years then ended in conformity with accounting principles and practices 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 27, 2003

Six-Year Summary

Years Ended March 31	Millions of Yen					
	2003	2002	2001	2000	1999	1998
FOR THE YEAR:						
Net sales	¥ 336,299	¥ 358,683	¥ 352,409	¥ 328,014	¥ 330,976	¥ 323,956
Cost of sales	215,180	218,889	207,744	203,863	210,925	198,668
Operating income	47,470	63,574	67,303	54,351	48,981	48,284
Net income	20,296	34,648	36,008	34,003	25,921	24,230
AT YEAR-END:						
Total assets	¥ 476,634	¥ 443,798	¥ 410,042	¥ 364,896	¥ 316,758	¥ 338,797
Total shareholders' equity	327,116	323,319	291,501	253,912	209,239	185,502
PER SHARE (in yen):						
Net income	¥ 801.99	¥ 1,366.34	¥ 1,419.96	¥ 1,341.04	¥ 1,022.28	¥ 955.58
Cash dividends	120.00	120.00	120.00	80.00	70.00	67.50
RATIO (%):						
Operating income margin	14.1	17.7	19.1	16.6	14.8	14.9
Return on assets	4.4	8.1	9.3	10.0	7.9	7.2
Return on equity	6.2	11.3	13.2	14.7	13.1	13.9
Dividend payout ratio	15.4	9.4	8.9	6.3	7.2	7.4

Notes: 1. Net income per share is computed based on the weighted average number of shares outstanding during the respective years, retroactively adjusted for stock splits.

2. 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.



TELEVISION BROADCASTING

PLANNING AND PRODUCTION OF PROGRAMS

- NTV Eizo Center Corporation*
- NTV Video Corporation*
- NTV Enterprises Co., Ltd.*
- Nippon Television Art Corp.*
- NTV America Company*
- NTV International Corporation (NTVIC)*
- Nippon Television Network Europe B.V.
- Force Corp.
- Nishi Nippon Eizo Co.
- Nagasaki Vision Co.
- Kanazawa Eizo Center Co.
- Nagano Visual Center Corp.
- Cosmo Space Co., Ltd.
- Kagoshima Vision Co.
- Pro Media Niigata Co.

SATELLITE BROADCASTING

- BS Nippon Corporation
- CS Nippon Corporation
- PLAT-ONE Corporation

CULTURE-RELATED BUSINESS

MUSIC PRODUCTION AND RIGHTS MANAGEMENT

- Nippon Television Music Corporation*
- Rights Inn Corporation

AUDIO AND VISUAL CONTENT PLANNING, PRODUCTION AND SALES

- VAP Inc.*
- Variws Tokyo Inc.
- Towani Corporation

ART MUSEUM EXHIBITION PLANNING

- Mamma Aiuto Inc.

OTHER BUSINESS

PROPERTY MANAGEMENT AND EVENTS ORGANIZATION

- NTV Services Inc.*
- Nippon Television Work 24 Corporation*

PRO FOOTBALL TEAM MANAGEMENT

- Nippon Television Football Club Co., Ltd.* (TOKYO VERDY 1969)

MUSEUM GOODS PLANNING AND SALES

- Art Yomiuri Co., Ltd.

INTERNET AND BROADBAND

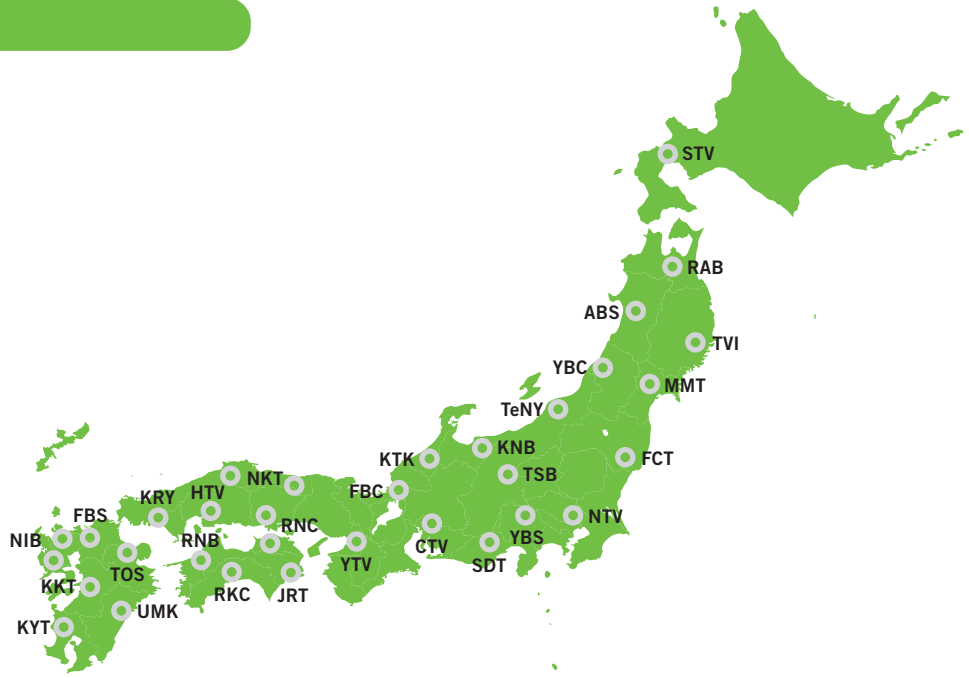
- Forecast Communications Inc.*
- B-BAT Inc.

OTHER (ENERGY SUPPLY, ASIAN BUSINESS, RADIO BROADCASTING)

- Shiodome Urban Energy
- AsiaOne Corporation
- RF Radio Nippon Co., Ltd.

*Consolidated

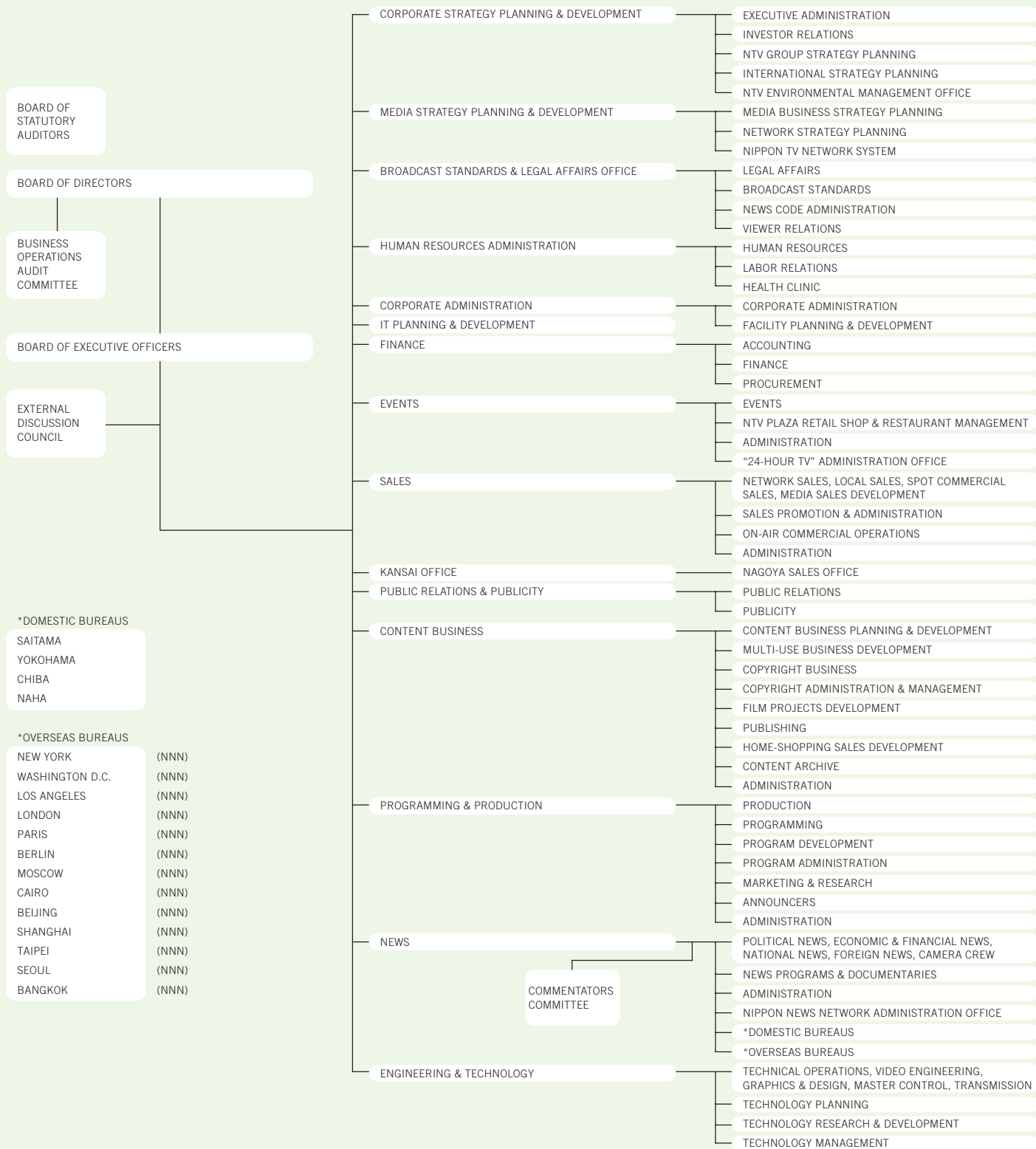
NTV AFFILIATES (JAPAN)



NTV/NNN OVERSEAS NEWS BUREAUS



NTV Corporation Organization Chart (As of July 1, 2003)



Corporate Data (As of July 1, 2003)

HEAD OFFICE <small>(As of Aug. 28, 2003):</small>	Nippon Television Network Corporation 1-6-1 Higashi Shimbashi, Minato-ku, Tokyo 105-7444, Japan Tel: 81-3-6215-1111
DATE OF ESTABLISHMENT:	October 28, 1952
START OF OPERATIONS:	August 28, 1953
NUMBER OF EMPLOYEES:	1,339 (Non-consolidated)
COMMON STOCK:	
Authorized	50,000,000 shares
Issued	25,364,548 shares ¥18,576 million
STOCK EXCHANGE LISTING:	Tokyo
TRANSFER AGENT AND REGISTRAR:	UFJ Trust Bank Limited 1-4-3 Marunouchi, Chiyoda-ku, Tokyo 100-0005, Japan Tel: 81-3-3287-2211

Board of Directors and Corporate Auditors (As of July 1, 2003)

**REPRESENTATIVE DIRECTOR, CHAIRMAN and
GROUP CHIEF EXECUTIVE OFFICER (CEO)**
Seiichiro Ujiié

**REPRESENTATIVE DIRECTOR, VICE CHAIRMAN and
GROUP EXECUTIVE OFFICER (EO)**
Kohei Manabe

**REPRESENTATIVE DIRECTOR, PRESIDENT and
CHIEF OPERATING OFFICER (COO)**
Toshio Hagiwara

Board Directors
Akira Hara
Noritada Hosokawa
Shintaro Kubo
Katsuhiro Masukata
Toru Shoriki
Tsuneo Watanabe
Gaishi Hiraiwa
Nobuo Yamaguchi

Corporate Auditors
Tokio Yamamoto
Ryuzo Sejima
Tomonari Doi
Kenya Mizukami

CAUTIONARY STATEMENTS WITH RESPECT TO FORWARD-LOOKING STATEMENTS:

Statements made in this annual report with respect to NTV's plans and benefits as well as other statements that are not historical facts are forward-looking statements, which involve risks and uncertainties. Potential risks and uncertainties include, without limitation, general economic conditions in NTV's markets, exchange rates, and NTV's ability to continue to win customers' acceptance of its products, which are offered in highly competitive markets characterized by continual new product introductions and rapid developments in technology.



<http://www.ntv.co.jp>