

Financial Report 2008

Year ended March 31, 2008

Fuji Television Network, Incorporated

Fuji Television Network, Incorporated and Consolidated Subsidiaries

Consolidated Balance Sheets

	At March 31,		
	2008	2007	2008
	<i>(Millions of yen)</i>		<i>(Thousands of U.S. dollars)</i> <i>(Note 4)</i>
Assets			
Current assets:			
Cash and cash equivalents	¥ 80,171	¥ 104,324	\$ 800,196
Short-term investments <i>(Note 5)</i>	7,152	10,505	71,393
Notes and accounts receivable:			
Trade	117,972	119,387	1,177,483
Unconsolidated subsidiaries and affiliates	188	375	1,878
Allowance for doubtful receivables	(344)	(372)	(3,434)
	<u>117,816</u>	<u>119,390</u>	<u>1,175,928</u>
Inventories <i>(Note 6)</i>	21,743	23,152	217,024
Deferred tax assets <i>(Note 9)</i>	5,333	7,173	53,233
Prepaid expenses and other current assets	21,359	18,482	213,190
Total current assets	<u>253,577</u>	<u>283,029</u>	<u>2,530,966</u>
Property and equipment <i>(Notes 7 and 13)</i> :			
Land	27,079	27,080	270,286
Buildings and structures	178,691	143,754	1,783,529
Machinery, equipment and vehicles	72,983	60,296	728,448
Construction in progress	5,167	41,090	51,574
Other	25,211	22,786	251,640
	<u>309,155</u>	<u>295,008</u>	<u>3,085,687</u>
Accumulated depreciation	(127,987)	(115,114)	(1,277,450)
Property and equipment, net	<u>181,146</u>	<u>179,893</u>	<u>1,808,028</u>
Investments and other assets:			
Investment securities <i>(Note 5)</i>	134,868	154,332	1,346,123
Investments in unconsolidated subsidiaries and affiliates	38,284	37,694	382,115
Leasehold rights	15,356	15,356	153,277
Software	18,873	17,333	188,373
Deferred tax assets <i>(Note 9)</i>	7,527	3,584	75,131
Other, net	27,367	40,270	273,151
Total investments and other assets	<u>242,276</u>	<u>268,573</u>	<u>2,418,171</u>
Total assets	<u>¥ 677,000</u>	<u>¥ 731,496</u>	<u>¥ 6,757,166</u>

	At March 31,		
	2008	2007	2008
	<i>(Millions of yen)</i>		<i>(Thousands of U.S. dollars)</i> <i>(Note 4)</i>
Liabilities and net assets			
Current liabilities:			
Short-term borrowings <i>(Note 8)</i>	¥ 4,065	¥ 4,635	\$ 40,573
Current portion of long-term borrowings <i>(Note 8)</i>	1,238	855	12,364
Notes and accounts payable:			
Trade	52,982	58,319	528,818
Unconsolidated subsidiaries and affiliates	1,233	585	12,315
	<u>54,216</u>	<u>58,905</u>	<u>541,134</u>
Accrued income taxes <i>(Note 9)</i>	2,179	16,535	21,753
Accrued expenses	17,087	16,474	170,550
Other current liabilities	36,638	53,140	365,688
Total current liabilities	<u>115,425</u>	<u>150,545</u>	<u>1,152,064</u>
Long-term liabilities:			
Long-term debt <i>(Note 8)</i>	54,441	52,445	543,382
Accrued retirement benefits <i>(Note 10)</i> :			
Employees	32,239	31,683	321,778
Directors and statutory auditors	3,172	3,441	31,663
Deferred tax liabilities <i>(Note 9)</i>	4,464	12,283	44,556
Other	11,180	11,510	111,591
Total long-term liabilities	<u>105,497</u>	<u>111,364</u>	<u>1,052,972</u>
Total liabilities	<u>220,922</u>	<u>261,909</u>	<u>2,205,037</u>
Net assets <i>(Notes 11 and 18)</i> :			
Shareholders' equity:			
Common stock without par value:			
Authorized – 9,000,000 shares			
Issued – 2,364,298 shares	146,200	146,200	1,459,230
Capital surplus	173,664	173,664	1,733,355
Retained earnings	146,322	141,364	1,460,449
Common stock in treasury, at cost; 61,202.00 shares	(15,505)	(15,505)	(154,759)
Total shareholders' equity	<u>450,682</u>	<u>445,723</u>	<u>4,498,276</u>
Valuation, translation adjustments and others:			
Unrealized holding gain on securities	1,416	17,448	14,133
Land revaluation account	(463)	(454)	(4,626)
Translation adjustments	(302)	223	(3,022)
Total valuation, translation adjustments and others	<u>649</u>	<u>17,217</u>	<u>6,483</u>
Minority interests	4,745	6,645	47,368
Total net assets	<u>456,077</u>	<u>469,586</u>	<u>4,552,129</u>
Contingent liabilities <i>(Note 12)</i>			
Total liabilities and net assets	<u>¥677,000</u>	<u>¥731,496</u>	<u>\$6,757,166</u>

See accompanying notes to consolidated financial statements.

Fuji Television Network, Incorporated and Consolidated Subsidiaries

Consolidated Statements of Income

	Year ended March 31,			
	2008	2007	2006	2008
	<i>(Millions of yen)</i>			<i>(Thousands of U.S. dollars)</i> <i>(Note 4)</i>
Net sales	¥575,484	¥582,660	¥593,493	\$5,743,931
Cost of sales	390,778	379,444	383,592	3,900,374
Gross profit	184,706	203,215	209,901	1,843,557
Selling, general and administrative expenses	160,333	160,889	159,176	1,600,291
Operating income	24,372	42,325	50,724	243,266
Other income (expenses):				
Interest expense	(925)	(921)	(404)	(9,234)
Interest and dividend income	2,645	2,288	1,367	26,408
Gain (loss) on sales of investment securities	2,653	71	(23,238)	26,482
Gain on sales of investment in capital	5,665	–	–	56,552
Unrealized loss on investment securities	(5,160)	(342)	(206)	(51,502)
Loss on sales or disposal of property and equipment	(437)	(174)	(481)	(4,361)
Rental income, net of expenses	(62)	287	297	(624)
Equity in earnings of unconsolidated subsidiaries and affiliates	1,722	2,536	1,312	17,195
Unrealized loss on other investments	(28)	(19)	(66)	(287)
Stock issuance expenses	–	–	(532)	–
Other, net	(921)	(629)	(2,656)	(9,193)
	5,153	3,096	(24,609)	51,434
Income before income taxes and minority interests	29,526	45,422	26,115	294,700
Income taxes (Note 9):				
Current	11,591	20,858	9,607	115,695
Deferred	1,860	(1,036)	3,769	18,566
	13,451	19,821	13,377	134,261
Income before minority interests	16,074	25,600	12,737	160,438
Minority interests	(303)	(753)	(1,392)	(3,030)
Net income (Note 14)	¥ 15,770	¥ 24,846	¥ 11,345	\$ 157,407

See accompanying notes to consolidated financial statements.

Fuji Television Network, Incorporated and Consolidated Subsidiaries

Consolidated Statements of Changes in Net Assets

	Shareholders' equity					Valuation, translation adjustments and others						
	Number of shares issued	Common stock	Capital surplus	Retained earnings	Common stock in treasury	Total shareholders' equity	Unrealized holding gain on securities	Land revaluation account	Translation adjustments	Total valuation, translation adjustments and others	Minority interests	Total net assets
Balance as of March 31, 2005	2,620,306.51	¥114,750	¥142,214	¥ 272,090	¥ (69,380)	¥459,675	(Millions of yen) ¥ 18,545	¥ 2,103	¥(1,236)	¥ 19,412	¥10,084	¥489,173
Conversion of convertible bonds (Notes 15)	317,696.33	31,450	31,450			62,900						62,900
Cash dividends paid				(13,194)		(13,194)						(13,194)
Bonuses to directors and statutory auditors				(393)		(393)						(393)
Net income				11,345		11,345						11,345
Purchase of common stock in treasury					(18,148)	(18,148)						(18,148)
Sales of common stock in treasury			1,610		19,101	20,711						20,711
Net effect of change in scope of consolidation					(92,426)	(92,426)						(92,426)
Other				7		7						7
Net change in items other than shareholders' equity							14,076	(2,539)	1,474	13,011	(1,163)	11,847
Total movements during the year		31,450	33,060	(2,235)	(91,471)	(29,195)	14,076	(2,539)	1,474	13,011	(1,163)	(17,348)
Balance as of March 31, 2006	2,938,002.84	146,200	175,275	269,855	(160,851)	430,479	32,621	(435)	237	32,423	8,921	471,825
Cash dividends paid				(9,212)		(9,212)						(9,212)
Bonuses to directors and statutory auditors				(382)		(382)						(382)
Net income				24,846		24,846						24,846
Cancellation of common stock in treasury	(573,704.84)		(1,610)	(143,735)	145,346	-						-
Net effect of change in scope of consolidation				(26)		(26)						(26)
Other				18		18						18
Net change in items other than shareholders' equity							(15,173)	(18)	(14)	(15,206)	(2,276)	(17,482)
Total movements during the year		-	(1,610)	(128,491)	145,346	15,244	(15,173)	(18)	(14)	(15,206)	(2,276)	(2,238)
Balance as of March 31, 2007	2,364,298.00	146,200	173,664	141,364	(15,505)	445,723	17,448	(454)	223	17,217	6,645	469,586
Cash dividends paid				(11,054)		(11,054)						(11,054)
Net income				15,770		15,770						15,770
Increase as a result of business acquisition				366		366						366
Decrease due to exclusion of affiliates accounted for by the equity method				(132)		(132)						(132)
Other				8		8						8
Net change in items other than shareholders' equity							(16,032)	(8)	(526)	(16,568)	(1,899)	(18,467)
Total movements during the year		-	-	4,958	-	4,958	(16,032)	(8)	(526)	(16,568)	(1,899)	(13,508)
Balance as of March 31, 2008	2,364,298.00	¥146,200	¥173,664	¥ 146,322	¥ (15,505)	¥450,682	¥ 1,416	¥ (463)	¥ (302)	¥ 649	¥ 4,745	¥456,077

	Shareholders' equity					Valuation, translation adjustments and others					
	Common stock	Capital surplus	Retained earnings	Common stock in treasury	Total shareholders' equity	Unrealized holding gain on securities	Land revaluation account	Translation adjustments	Total valuation, translation adjustments and others	Minority interests	Total net assets
	(Thousands of U.S. dollars) (Note 4)										
Balance as of March 31, 2007	\$1,459,230	\$1,733,355	\$1,410,959	\$(154,759)	\$4,448,786	\$ 174,156	\$(4,538)	\$ 2,232	\$ 171,850	\$ 66,325	\$4,686,962
Cash dividends paid			(110,338)		(110,338)						(110,338)
Net income			157,407		157,407						157,407
Increase as a result of business acquisition			3,656		3,656						3,656
Decrease due to exclusion of affiliates accounted for by the equity method			(1,321)		(1,321)						(1,321)
Other			87		87						87
Net change in items other than shareholders' equity						(160,023)	(87)	(5,255)	(165,366)	(18,957)	(184,323)
Total movements during the year		-	49,490	-	49,490	(160,023)	(87)	(5,255)	(165,366)	(18,957)	(134,833)
Balance as of March 31, 2008	\$1,459,230	\$1,733,355	\$1,460,449	\$(154,759)	\$4,498,276	\$ 14,133	\$(4,626)	\$(3,022)	\$ 6,483	\$ 47,368	\$4,552,129

See accompanying notes to consolidated financial statements.

Fuji Television Network, Incorporated and Consolidated Subsidiaries

Consolidated Statements of Cash Flows

	Year ended March 31,			
	2008	2007	2006	2008
	<i>(Millions of yen)</i>			<i>(Thousands of U.S. dollars)</i> <i>(Note 4)</i>
Cash flows from operating activities				
Income before income taxes and minority interests	¥ 29,526	¥ 45,422	¥ 26,115	\$ 294,700
Depreciation and amortization	25,080	19,380	18,615	250,326
(Gain) loss on sales of investment securities	(2,653)	(71)	23,238	(26,482)
Gain on sales of investment in capital	(5,665)	-	-	(56,552)
Interest and dividend income	(2,645)	(2,288)	(1,367)	(26,408)
Interest expense	925	921	404	9,234
Loss on sales or disposal of property and equipment	437	174	481	4,361
Unrealized loss on investment securities	5,160	342	206	51,502
Equity in earnings of unconsolidated subsidiaries and affiliates	(1,722)	(2,536)	(1,312)	(17,195)
Unrealized loss on other investments	12	19	66	121
Notes and accounts receivable, net	3,604	(8,143)	4,801	35,976
Inventories	1,331	(637)	1,775	13,294
Notes and accounts payable	(7,195)	7,612	(5,682)	(71,821)
Other	4,848	3,430	2,123	48,391
Subtotal	51,041	63,625	69,467	509,450
Interest and dividends received	3,083	2,801	1,690	30,776
Interest paid	(923)	(1,066)	(262)	(9,218)
Income taxes paid	(27,817)	(8,243)	(25,109)	(277,652)
Income taxes refunded	-	3,600	-	-
Net cash provided by operating activities	25,383	60,718	45,786	253,356
Cash flows from investing activities				
Decrease (increase) in short-term investments	4,752	(3,074)	59,172	47,438
Purchases of property and equipment	(41,708)	(21,336)	(21,282)	(416,294)
Purchases of intangible fixed assets	(7,284)	(6,372)	(6,373)	(72,708)
Proceeds from sales of property and equipment	1,800	126	243	17,968
Purchases of investment securities	(14,448)	(5,267)	(88,376)	(144,207)
Acquisition of subsidiary's stock	(2,123)	(5,681)	(23,601)	(21,195)
Acquisition of subsidiary's stock resulting in change in the scope of consolidation	-	-	(40,339)	-
Proceeds from sales of subsidiary's stock resulting in change in the scope of consolidation	6,891	-	-	68,779
Proceeds from sales of investment in capital	8,807	-	-	87,904
Proceeds from sales and redemption of investment securities	1,838	10,095	37,163	18,347
Other	(12)	13,304	13,644	(126)
Net cash used in investing activities	(41,488)	(18,206)	(69,748)	(414,094)
Cash flows from financing activities				
(Decrease) increase in short-term borrowings	(760)	276	(3,926)	(7,593)
Proceeds from issuance of bonds	-	-	49,951	-
Proceeds from issuance of long-term borrowings	3,845	1,148	800	38,377
Repayment of long-term borrowings	(1,452)	(1,736)	(64,925)	(14,500)
Proceeds from sales of treasury stock, net of purchases	-	-	2,564	-
Cash dividends paid	(10,296)	(8,406)	(12,832)	(102,768)
Other	(702)	(294)	(274)	(7,012)
Net cash used in financing activities	(9,367)	(9,013)	(28,642)	(93,497)
Effect of exchange rate changes on cash and cash equivalents	(116)	18	370	(1,166)
(Decrease) increase in cash and cash equivalents	(25,588)	33,517	(52,233)	(255,401)
Cash and cash equivalents at beginning of year	104,324	71,163	113,408	1,041,267
Increase in cash and cash equivalents resulting from merger	1,435	-	-	14,330
(Decrease) increase in cash and cash equivalents resulting from change in scope of consolidation	-	(356)	9,988	-
Cash and cash equivalents at end of year	¥ 80,171	¥ 104,324	¥ 71,163	\$ 800,196

See accompanying notes to consolidated financial statements.

Fuji Television Network, Incorporated and Consolidated Subsidiaries

Notes to Consolidated Financial Statements

March 31, 2008

1. Basis of Preparation

Fuji Television Network, Incorporated (the “Company”) and its domestic subsidiaries maintain their accounting records and prepare their financial statements in accordance with accounting principles generally accepted in Japan, and its foreign subsidiaries maintain their books of account in conformity with those of their countries of domicile. The accompanying consolidated financial statements have been prepared on the basis of accounting principles generally accepted in Japan, which are different in certain respects as to the application and disclosure requirements of International Financial Reporting Standards, and are compiled from the consolidated financial statements prepared by the Company as required by the Financial Instruments and Exchange Law of Japan.

In addition, the notes to the consolidated financial statements include information which is not required under accounting principles generally accepted in Japan but is presented herein as additional information.

As permitted by the Financial Instruments and Exchange Law, amounts of less than one million yen have been omitted. Consequently, the totals shown in the accompanying consolidated financial statements (both in yen and U.S. dollars) do not necessarily agree with the sums of the individual amounts.

Certain amounts in the prior years’ financial statements have been reclassified to conform to the current year’s presentation.

2. Summary of Significant Accounting Policies

a. Basis of Consolidation

The accompanying consolidated financial statements include the accounts of the Company and any significant companies controlled directly or indirectly by the Company. Companies over which the Company exercises significant influence in terms of their operating and financial policies have been included in the consolidated financial statements on an equity basis. All significant intercompany balances and transactions have been eliminated in consolidation.

Investments in subsidiaries and affiliates which are not consolidated or accounted for by the equity method are carried at cost or less. Where there has been a permanent decline in the value of such investments, the Company has written down the investments.

The difference between the cost and the underlying equity in the net assets at fair value is being amortized over periods not exceeding 20 years.

2. Summary of Significant Accounting Policies (continued)

a. Basis of Consolidation (continued)

Certain foreign subsidiaries are consolidated on the basis of fiscal periods ending December 31, and certain domestic subsidiaries are consolidated on the basis of fiscal periods ending March 10 and March 20 which differ from that of the Company. The necessary adjustments are made to the financial statements of such subsidiaries to reflect any significant transactions from their fiscal year end to March 31, 2008.

b. Foreign Currency Translation

Revenue and expense accounts of the foreign consolidated subsidiaries are translated using the average exchange rate during the year and, except for the components of net assets excluding minority interests, the balance sheet accounts are translated into yen at the exchange rates in effect at the balance sheet date. The components of net assets excluding minority interests are translated at their historical exchange rates. Differences arising from the translation are presented as translation adjustments and minority interests in the accompanying consolidated financial statements.

c. Cash Equivalents

All highly liquid investments with a maturity of three months or less when purchased are considered cash equivalents.

d. Inventories

Inventories are principally stated at cost determined by the specific identification method.

e. Short-Term Investments and Investment Securities

Securities other than equity securities issued by subsidiaries and affiliates are classified into three categories; trading, held-to-maturity or other securities. Trading securities are carried at fair value and held-to-maturity securities are carried at amortized cost. Marketable securities classified as other securities are carried at fair value with changes in unrealized holding gain or loss, net of the applicable income taxes, directly included in net assets. Non-marketable securities classified as other securities are stated at cost. Cost of securities sold is determined by the moving average method. Investments in partnerships are accounted for by the equity method and are included in investment securities.

f. Property and Equipment and Depreciation

Property and equipment are generally stated at cost. Certain capital gains primarily arising from expropriation of the Company's property, deferral of which is permitted for tax purposes, have been offset against the acquisition cost of new property purchased. Cumulative capital gains offset against the acquisition cost of replacement property and equipment amounted to ¥175 million (\$1,746 thousand) at both March 31, 2008 and 2007.

2. Summary of Significant Accounting Policies (continued)

f. Property and Equipment and Depreciation (continued)

Depreciation of property and equipment are computed principally by the declining-balance method, except for buildings at the Company's headquarters and certain other buildings (excluding building improvements) acquired after April 1, 1998 on which depreciation is computed by the straight-line method, at rates based on the estimated useful lives of the respective assets.

Maintenance and minor repairs are charged to income as incurred; major renewals and improvements are capitalized.

Effective April 1, 2007, the Company and most domestic consolidated subsidiaries have changed their method of depreciation based on an amendment to the Corporation Tax Law of Japan for tangible fixed assets acquired on or prior to March 31, 2007. Such tangible fixed assets are to be depreciated based on the difference between the equivalent of 5% of acquisition cost and residual value over a period of 5 years once they have been fully depreciated to the limits of their respective depreciable amounts effective April 1, 2007. The effect of this change was to decrease operating income and income before income taxes by ¥214 million (\$2,142 thousand) for the year ended March 31, 2008.

g. Leases

Noncancelable leases of the Company and its domestic consolidated subsidiaries are accounted for as operating leases (whether such leases are classified as operating or finance leases) except that leases which stipulate the transfer of ownership of the leased assets to the lessee are accounted for as finance leases. However, leases of the foreign consolidated subsidiaries are generally classified and accounted for as either finance or operating leases.

h. Retirement Benefits

Accrued retirement benefits for employees are provided mainly at an amount calculated based on the retirement benefit obligation and the fair value of the pension plan assets as of the balance sheet date, as adjusted for unrecognized actuarial gain or loss and unrecognized prior service cost. The retirement benefit obligation is attributed to each period by the straight-line method over the estimated years of service of the eligible employees.

Actuarial gain or loss is being amortized in the year following the year in which the gain or loss is recognized by the straight-line method over periods (principally 15 years), which is shorter than the average remaining years of service of the eligible employees.

Prior service cost is being amortized as incurred by the straight-line method over periods (principally 15 years), which is shorter than the average remaining years of service of the eligible employees.

2. Summary of Significant Accounting Policies (continued)

h. Retirement Benefits (continued)

In addition, subject to the shareholders' approval, directors and statutory auditors of the Company and certain domestic consolidated subsidiaries are customarily entitled to lump-sum payments under their respective unfunded retirement benefit plans. The provision for retirement benefits for those directors and statutory auditors has been made at an estimated amount.

i. Income Taxes

Deferred tax assets and liabilities were recognized in the consolidated financial statements with respect to the differences between financial reporting and the tax bases of the assets and liabilities, and were measured using the enacted tax rates and laws which will be in effect when the differences are expected to reverse.

j. Derivatives

Derivative financial instruments are carried at fair value and any changes in fair value are charged or credited to income as incurred unless such derivatives qualify as hedges and the special accounting treatment, under which derivatives are not recognized on the balance sheet, is applied.

Certain consolidated subsidiaries have entered into interest rate swap agreements to reduce the risk exposure related to their borrowings. Such interest rate swaps qualify as hedging instruments and the special accounting treatment is applied to them. Any differences paid or received on the interest rate swaps are recognized as adjustments to interest expense over the life of each swap, thereby adjusting the effective interest rate on the hedged items, which are the underlying borrowings.

k. Research and Development Costs

Research and development costs are charged to income as incurred.

3. Accounting Change

- a) Effective the year ended March 31, 2007, the Company and its consolidated subsidiaries adopted a new accounting standard for the presentation of net assets in the balance sheet and the related implementation guidance. In addition, effective the year ended March 31, 2007, the Company is required to prepare consolidated statements of changes in net assets instead of consolidated statements of shareholders' equity. In this connection, the previously reported consolidated balance sheet as of March 31, 2006 and the consolidated statements of shareholders' equity for the years ended March 31, 2006 and 2005 have been restated to conform to the presentation and disclosure of the consolidated financial statements for the year ended March 31, 2007.

3. Accounting Change (continued)

- b) Effective April 1, 2006, the Company and its domestic consolidated subsidiaries adopted new accounting standards for business combinations and for business divestitures. The effect of this change was to decrease operating income by ¥672 million for the year ended March 31, 2007.
- c) Effective April 1, 2006, the Company and its domestic consolidated subsidiaries adopted a new accounting standard for bonus for directors and statutory auditors. The effect of this change was to decrease operating income and income before income taxes and minority interests by ¥401 million for the year ended March 31, 2007. Reserve for bonuses to directors and statutory auditors included in other current liabilities as of March 31, 2007 amounted to ¥401 million.
- d) Effective April 1, 2007, the Company and most domestic consolidated subsidiaries have changed their method of depreciation based on an amendment to the Corporation Tax Law of Japan for tangible fixed assets acquired on or after April 1, 2007. The effect of this change was to decrease operating income and income before income taxes by ¥1,135 million (\$11,330 thousand) for the year ended March 31, 2008.

4. U.S. Dollar Amounts

The translation of yen amounts into U.S. dollar amounts is included solely for the convenience of readers outside Japan and has been made, as a matter of arithmetic computation only, at the rate of ¥100.19 = U.S.\$1.00, the approximate rate of exchange in effect on March 31, 2008. The translation should not be construed as a representation that yen have been, could have been, or could in the future be, converted into U.S. dollars at the above or any other rate.

5. Securities

Information regarding marketable securities classified as other securities as of March 31, 2008 and 2007 is as follows:

	March 31, 2008					
	Acquisition cost	Carrying value	Unrealized gain (loss)	Acquisition cost	Carrying value	Unrealized gain (loss)
	<i>(Millions of yen)</i>			<i>(Thousands of U.S. dollars)</i>		
Securities whose carrying value exceeds their acquisition cost:						
Stocks	¥32,353	¥49,575	¥ 17,222	\$322,916	\$494,819	\$ 171,902
Debt securities	-	-	-	-	-	-
Other	3,472	3,513	41	34,659	35,071	412
Subtotal	<u>¥35,825</u>	<u>¥53,089</u>	<u>¥ 17,264</u>	<u>\$357,576</u>	<u>\$529,890</u>	<u>\$ 172,314</u>
Securities whose acquisition cost exceeds their carrying value:						
Stocks	¥49,670	¥34,158	¥(15,511)	\$495,766	\$340,941	\$(154,825)
Debt securities	506	430	(75)	5,050	4,297	(752)
Other	222	194	(27)	2,216	1,941	(275)
Subtotal	<u>¥50,398</u>	<u>¥34,784</u>	<u>¥(15,614)</u>	<u>\$503,034</u>	<u>\$347,180</u>	<u>\$(155,853)</u>
Total	<u>¥86,224</u>	<u>¥87,873</u>	<u>¥ 1,649</u>	<u>\$860,610</u>	<u>\$877,071</u>	<u>\$ 16,461</u>

	March 31, 2007		
	Acquisition cost	Carrying value	Unrealized gain (loss)
	<i>(Millions of yen)</i>		
Securities whose carrying value exceeds their acquisition cost:			
Stocks	¥52,049	¥ 81,542	¥29,492
Debt securities	-	-	-
Other	6,555	6,717	161
Subtotal	<u>¥58,605</u>	<u>¥ 88,259</u>	<u>¥29,653</u>
Securities whose acquisition cost exceeds their carrying value:			
Stocks	¥28,033	¥ 25,871	¥ (2,162)
Debt securities	539	498	(41)
Other	489	478	(11)
Subtotal	<u>¥29,063</u>	<u>¥ 26,848</u>	<u>¥ (2,215)</u>
Total	<u>¥87,668</u>	<u>¥115,107</u>	<u>¥27,438</u>

The redemption schedule for securities with maturities classified as other securities as of March 31, 2008 is as follows:

	Due in one year or less	Due after one year through five years	Due after five years through ten years	Due after ten years	Due in one year or less	Due after one year through five years	Due after five years through ten years	Due after ten years		
		<i>(Millions of yen)</i>				<i>(Thousands of U.S. dollars)</i>				
Corporate bonds	¥ 185	¥-	¥0	¥400	\$ 1,854	\$-	\$0	\$3,992		
Other debt securities	4,110	-	-	-	41,022	-	-	-		
Others	11,000	-	-	130	109,791	-	-	1,297		
Total	<u>¥15,295</u>	<u>¥-</u>	<u>¥0</u>	<u>¥530</u>	<u>\$152,667</u>	<u>\$-</u>	<u>\$0</u>	<u>\$5,289</u>		

6. Inventories

Inventories at March 31, 2008 and 2007 consisted of the following:

	March 31,		
	2008	2007	2008
	<i>(Millions of yen)</i>		<i>(Thousands of U.S. dollars)</i>
Program and film costs	¥15,037	¥16,136	\$150,088
Other	6,706	7,016	66,936
	<u>¥21,743</u>	<u>¥23,152</u>	<u>\$217,024</u>

7. Depreciation

Depreciation of property and equipment amounted to ¥18,098 million (\$180,641 thousand), ¥13,594 million and ¥13,413 million for the years ended March 31, 2008, 2007 and 2006, respectively.

8. Short-Term Borrowings, Long-Term Debt, Convertible Bonds and Bonds

Short-term borrowings consisted mainly of unsecured loans from financial institutions at average interest rates of 1.73% and 1.32% as of March 31, 2008 and 2007, respectively.

Long-term debt at March 31, 2008 and 2007 consisted of the following:

	2008	2007	2008
	<i>(Millions of yen)</i>		<i>(Thousands of U.S. dollars)</i>
The Company:			
1.24% unsecured bonds in yen due 2011	¥20,000	¥20,000	\$199,620
1.57% unsecured bonds in yen due 2013	29,987	29,984	299,304
Subsidiaries:			
Unsecured loans from financial institutions at 1.92% (short-term portion) and 2.05% (long-term portion)	5,692	2,946	56,821
3.0% unsecured convertible bonds in U.S. dollars due 2010	–	369	–
	<u>55,680</u>	<u>53,300</u>	<u>555,746</u>
Less current portion	(1,238)	(855)	(12,364)
	<u>¥54,441</u>	<u>¥52,445</u>	<u>\$543,382</u>

During the year ended March 31, 2004, a consolidated subsidiary issued 3.0% unsecured convertible bonds in U.S. dollars due 2010. The holder of the bonds has the option, exercisable at any time prior to the maturity date, to convert all, but not less than all, of the outstanding principal amount of bonds into 3,150 shares of common stock of the consolidated subsidiary, or if greater, number of shares of common stock of the consolidated subsidiary equal to 6.25% of the outstanding shares.

This convertible bonds were fully redeemed on May 31, 2007.

8. Short-Term Borrowings, Long-Term Debt, Convertible Bonds and Bonds (continued)

During the years ended March 31, 2008 and 2007, the Company entered into loan commitment agreements with three banks under which the Company may borrow up to ¥30,000 million (\$299,431 thousand). No loans payable were outstanding under such facilities as of March 31, 2008 and 2007.

The aggregate annual maturities of long-term debt subsequent to March 31, 2008 are summarized as follows:

Year ending March 31,	<i>(Millions of yen)</i>	<i>(Thousands of U.S. dollars)</i>
2009	¥1,238	\$12,364
2010	1,708	17,054
2011	812	8,108
2012	635	6,344
2013	523	5,222
2014 and thereafter	774	7,727
	¥5,692	\$56,821

9. Income Taxes

The Company and its domestic consolidated subsidiaries are subject to corporation tax, inhabitants' taxes and enterprise tax, which, in the aggregate, resulted in statutory tax rate of approximately 41% for 2008, 2007 and 2006. The income taxes of the foreign consolidated subsidiaries are based generally on the tax rates applicable in their countries of incorporation.

The effective tax rates reflected in the consolidated statements of income for the years ended March 31, 2008, 2007 and 2006 differ from the statutory tax rate for the following reasons:

	Year ended March 31,		
	2008	2007	2006
Statutory tax rate	40.69%	40.69%	40.69%
Effect of:			
Expenses not deductible for income tax purposes	4.41	2.68	4.19
Dividends deductible for income tax purposes	(1.97)	(2.27)	(3.70)
Inhabitants' per capita taxes	0.21	0.14	0.23
Equity in earnings of unconsolidated subsidiaries and affiliates	(2.37)	(2.27)	(2.04)
Change in valuation allowance	3.40	2.82	6.89
Other	1.19	1.85	4.97
Effective tax rates	45.56%	43.64%	51.23%

9. Income Taxes (continued)

The significant components of deferred tax assets and liabilities at March 31, 2008 and 2007 were as follows:

	March 31,		
	2008	2007	2008
	<i>(Millions of yen)</i>		<i>(Thousands of U.S. dollars)</i>
Deferred tax assets:			
Loss on devaluation of inventories	¥ 2,102	¥ 1,866	\$ 20,988
Accrued expenses	2,828	3,032	28,232
Accrued retirement benefits	14,393	14,379	143,657
Unrealized loss on land	2,553	2,552	25,487
Devaluation of investment securities	5,985	2,914	59,736
Other	16,219	12,056	161,888
Gross deferred tax assets	44,082	36,799	439,990
Valuation allowance	(18,069)	(12,797)	(180,348)
Total deferred tax assets	26,013	24,001	259,642
Deferred tax liabilities:			
Unrealized holding gain on securities	(7,430)	(12,731)	(74,166)
Other	(10,192)	(12,801)	(101,729)
Total deferred tax liabilities	(17,623)	(25,532)	(175,896)
Net deferred tax assets (liabilities)	¥ 8,390	¥ (1,530)	\$ 83,746

10. Retirement Benefit Plans

The Company and its domestic consolidated subsidiaries have defined benefit plans, i.e., welfare pension fund plans, tax-qualified pension plans, lump-sum payment plans and company pension plans, covering substantially all employees who are entitled to lump-sum or annuity payments, the amounts of which are determined by reference to their basic rates of pay, length of service, and the conditions under which termination occurs.

The following table sets forth the funded and accrued status of the plans, and the amounts recognized in the consolidated balance sheets as of March 31, 2008 and 2007 for the Company's and the consolidated subsidiaries' defined benefit plans:

	March 31,		
	2008	2007	2008
	<i>(Millions of yen)</i>		<i>(Thousands of U.S. dollars)</i>
Retirement benefit obligation	¥(91,229)	¥(89,247)	\$(910,568)
Plan assets at fair value	47,725	52,396	476,354
Unfunded retirement benefit obligation	(43,503)	(36,851)	(434,213)
Unrecognized actuarial loss	13,374	7,971	133,491
Unrecognized prior service cost	(1,000)	(1,155)	(9,984)
Prepaid pension cost	1,109	1,648	11,072
Accrued retirement benefits	¥(32,239)	¥(31,683)	\$(321,778)

10. Retirement Benefit Plans (continued)

The components of retirement benefit expenses for the years ended March 31, 2008, 2007 and 2006 are outlined as follows:

	Year ended March 31,			
	2008	2007	2006	2008
	<i>(Millions of yen)</i>			<i>(Thousands of U.S. dollars)</i>
Service cost	¥4,009	¥2,661	¥3,087	\$40,023
Interest cost	1,604	1,586	1,526	16,017
Expected return on plan assets	(991)	(948)	(747)	(9,897)
Amortization of actuarial loss	1,138	1,083	1,581	11,363
Amortization of prior service cost	(155)	(160)	(156)	(1,548)
Other	6	11	11	61
Total retirement benefit expenses	¥5,612	¥4,233	¥5,302	\$56,019

The assumptions used in accounting for the above plans were as follows:

	2008	2007
Discount rates	Mainly 2.1%	Mainly 1.9%
Expected rate of return on assets	Mainly 1.9%	Mainly 1.9%

11. Net Assets

The new Company Law of Japan (the "Law"), which superseded most of the provisions of the Commercial Code of Japan, went into effect on May 1, 2006. The Law provides that an amount equal to 10% of the amount to be distributed as distributions of capital surplus (other than the capital reserve) and retained earnings (other than the legal reserve) be transferred to the capital reserve and the legal reserve, respectively, until the sum of the capital reserve and the legal reserve equals 25% of the common stock account. Such distributions can be made at any time by resolution of the shareholders, or by the Board of Directors if certain conditions are met, but neither the capital reserve nor the legal reserve is available for distributions.

Pursuant to the "Law Concerning the Revaluation of Land," land used for the business operations of certain affiliates accounted for by the equity method was revalued during the year ended March 31, 2002. The difference between the book value and the revalued amount, net of the applicable income taxes, multiplied by the Company's ownership percentage has been presented under net assets as "Land revaluation account" in the accompanying consolidated balance sheets as of March 31, 2008 and 2007.

- a) The changes in the number of shares of common stock in treasury during the year ended March 31, 2008 were as follows:

	Year ended March 31, 2008			
	At March 31, 2007	Increase	Decrease	At March 31, 2008
	<i>(Shares)</i>			
Number of shares of Common stock in treasury:				
Common stock	61,202.00	-	-	61,202.00

11. Net Assets (continued)

The changes in the number of shares of common stock in treasury during the year ended March 31, 2007 were as follows:

	Year ended March 31, 2007			At March 31, 2007
	At March 31, 2006	Increase	Decrease	
	<i>(Shares)</i>			
Number of shares of Common stock in treasury:				
Common stock	634,906.84	–	573,704.84	61,202.00

The decrease in common stock in treasury resulted from cancellation of common stock in treasury.

b) Stock option

The Company has a stock option plan under which the Company grants stock subscription rights to directors and certain key employees of the Company. The holders of the stock subscription rights are entitled to purchase the Company's shares of common stock at defined prices.

The following table summarizes the Company's stock option plan:

		Options to purchase the Company's shares of common stock granted on July 27, 2000 as a stock option plan
Individuals covered by the Plan	Directors of the Company	26
	Employees of the Company	402
	Total	428
Type and number of shares to be issued upon the exercise of the stock subscription rights	Common stock	Directors of the Company: 350 Employees of the Company: 2,620
Vesting period		From July 27, 2000 to June 30, 2002
Exercise period		From July 1, 2002 to June 25, 2007

11. Net Assets (continued)

b) Stock option (continued)

The following table summarizes the changes in stock subscriptions rights during the year ended March 31, 2008:

	Options to purchase the Company's shares of common stock granted on July 27, 2000 as a stock option plan
	<u>(Shares)</u>
Stock subscription rights which have been vested	
Outstanding as of March 31, 2007	2,945
Vested	—
Exercised	—
Forfeited	2,945
Outstanding as of March 31, 2008	<u>—</u>
Exercise price (<i>Yen</i>)	¥806,563
Weighted average exercise price (<i>Yen</i>)	—
Weighted average fair value per stock at the granted date (<i>Yen</i>)	—
Exercise price (<i>U.S. dollars</i>)	\$8,049.73
Weighted average exercise price (<i>U.S. dollars</i>)	—
Weighted average fair value per stock at the granted date (<i>U.S. dollars</i>)	—

The following table summarizes the changes in stock subscriptions rights during the year ended March 31, 2007:

	Options to purchase the Company's shares of common stock granted on July 27, 2000 as a stock option plan
	<u>(Shares)</u>
Stock subscription rights which have been vested	
Outstanding as of March 31, 2006	2,945
Vested	—
Exercised	—
Forfeited	—
Outstanding as of March 31, 2007	<u>2,945</u>
Exercise price (<i>Yen</i>)	¥806,563
Weighted average exercise price (<i>Yen</i>)	—
Weighted average fair value per stock at the granted date (<i>Yen</i>)	—

12. Contingent Liabilities

As of March 31, 2008 and 2007, the Company was contingently liable as guarantors of bank loans of an affiliate, employees of the Company and others in the aggregate amount of ¥2,593 million (\$25,889 thousand) and ¥3,364 million, respectively. FUJI SATELLITE BROADCASTING, INC. was jointly liable with the Company as a guarantor with respect to a bank loan of a third party in the amount of ¥875 million (\$8,740 thousand) and ¥1,266 million as of March 31, 2008 and 2007, respectively.

13. Leases

a) Lessees' Accounting

The following pro forma amounts represent the acquisition costs, accumulated depreciation and net book value of the leased assets as of March 31, 2008 and 2007, which would have been reflected in the consolidated balance sheets if finance lease accounting had been applied to the finance leases currently accounted for as operating leases:

	March 31,		
	<u>2008</u>	<u>2007</u>	<u>2008</u>
	<i>(Millions of yen)</i>		<i>(Thousands of U.S. dollars)</i>
Acquisition costs:			
Buildings and structures	¥ 5,538	¥ 5,868	\$ 55,279
Machinery, equipment and vehicles	3,814	2,341	38,071
Tools, furniture and fixtures	6,620	7,482	66,079
Total	<u>¥15,973</u>	<u>¥15,691</u>	<u>\$159,431</u>
Accumulated depreciation:			
Buildings and structures	¥ 419	¥ 146	\$ 4,184
Machinery, equipment and vehicles	1,001	859	9,993
Tools, furniture and fixtures	2,986	4,084	29,806
Total	<u>¥ 4,406</u>	<u>¥ 5,090</u>	<u>\$ 43,985</u>
Net book value:			
Buildings and structures	¥ 5,119	¥ 5,721	\$ 51,094
Machinery, equipment and vehicles	2,813	1,481	28,078
Tools, furniture and fixtures	3,634	3,398	36,273
Total	<u>¥11,566</u>	<u>¥10,601</u>	<u>\$115,446</u>

Lease payments relating to finance leases accounted for as operating leases in the accompanying consolidated financial statements amounted to ¥2,596 million (\$25,920 thousand), ¥2,554 million and ¥2,223 million for the years ended March 31, 2008, 2007 and 2006, respectively.

13. Leases (continued)

a) Lessees' Accounting (continued)

Depreciation of leased assets calculated by the straight-line method over the respective lease terms and the interest portion included in these lease payments are summarized as follows:

	Year ended March 31,			
	2008	2007	2006	2008
	<i>(Millions of yen)</i>			<i>(Thousands of U.S. dollars)</i>
Depreciation	¥2,575	¥2,385	¥2,076	\$25,707
Interest expense	277	172	105	2,771

Future minimum lease payments subsequent to March 31, 2008 relating to finance leases accounted for as operating leases are summarized as follows:

<u>Year ending March 31,</u>	<i>(Millions of yen)</i>	<i>(Thousands of U.S. dollars)</i>
2009	¥ 2,326	\$ 23,224
2010 and thereafter	9,518	95,004
	<u>¥11,845</u>	<u>\$118,228</u>

Future minimum lease payments subsequent to March 31, 2008 relating to noncancelable operating leases are summarized as follows:

<u>Year ending March 31,</u>	<i>(Millions of yen)</i>	<i>(Thousands of U.S. dollars)</i>
2009	¥ 265	\$ 2,645
2010 and thereafter	4,552	45,433
	<u>¥4,817</u>	<u>\$48,079</u>

13. Leases (continued)

b) Lessors' Accounting

The following amounts represent the acquisition costs, accumulated depreciation and net book value of the leased assets relating to finance leases accounted for as operating leases as of March 31, 2008 and 2007:

	March 31,		
	2008	2007	2008
	<i>(Millions of yen)</i>		<i>(Thousands of U.S. dollars)</i>
Acquisition costs:			
Buildings and structures	¥ 22	¥ 22	\$ 228
Machinery, equipment and vehicles	6,943	8,441	69,302
Tools, furniture and fixtures	897	1,001	8,954
Total	¥7,863	¥9,465	\$78,484
Accumulated depreciation:			
Buildings and structures	¥ 12	¥ 8	\$ 124
Machinery, equipment and vehicles	2,985	4,802	29,800
Tools, furniture and fixtures	481	497	4,805
Total	¥3,479	¥5,308	\$34,729
Net book value:			
Buildings and structures	¥ 10	¥ 14	\$ 103
Machinery, equipment and vehicles	3,957	3,638	39,502
Tools, furniture and fixtures	415	504	4,149
Total	¥4,383	¥4,156	\$43,754

Lease income relating to finance leases accounted for as operating leases in the accompanying consolidated financial statements amounted to ¥1,251 million (\$12,490 thousand), ¥1,270 million and ¥1,278 million for the years ended March 31, 2008, 2007 and 2006, respectively.

Depreciation of the assets leased under finance leases accounted for as operating leases and the interest portion included in lease income are summarized as follows:

	Year ended March 31,			
	2008	2007	2006	2008
	<i>(Millions of yen)</i>			<i>(Thousands of U.S. dollars)</i>
Depreciation	¥1,025	¥1,037	¥1,067	\$10,236
Interest income	180	204	189	1,802

13. Leases (continued)

b) Lessors' Accounting (continued)

Future minimum lease income subsequent to March 31, 2008 relating to finance leases accounted for as operating leases are summarized as follows:

Year ending March 31,	<i>(Millions of yen)</i>	<i>(Thousands of U.S. dollars)</i>
2009	¥ 854	\$ 8,530
2010 and thereafter	3,777	37,701
	¥4,631	\$46,232

14. Amounts Per Share

	Year ended March 31,			2008
	2008	2007	2006	
		<i>(Yen)</i>		
Basic net income	¥6,847.60	¥10,811.13	¥5,019.42	\$68.34
Diluted net income	–	–	–	–
Cash dividends	3,600	5,000	4,000	35.93

	March 31,			2008
	2008	2007	2008	
		<i>(Yen)</i>		
Net assets	¥195,967.51	¥201,008.38		\$1,955.95

Basic net income per share was computed based on the net income available for distribution to shareholders of common stock and the weighted average number of shares of common stock outstanding during the year, and diluted net income per share was computed based on the net income available for distribution to the shareholders and the weighted average number of shares of common stock outstanding during each year after giving effect the dilutive potential of shares of common stock to be issued upon the conversion of convertible bonds.

Diluted net income per share has been omitted because no potentially dilutive instruments were outstanding for the years ended March 31, 2008 and 2007.

Cash dividends per share represent the cash dividends declared as applicable to the respective years together with the interim cash dividends paid.

Amount per share of net assets was computed based on net assets excluding minority interests and the number of shares of common stock outstanding at the year end.

15. Supplemental Cash Flow Information

- a) During the year ended March 31, 2008, the Company sold the shares of common stock of T/Q MUSIC, INC. and this company has been excluded from consolidated subsidiaries. The assets and liabilities transferred, the sales price of the shares of common stock and net expenditure for acquisition are summarized as follows:

	<i>(Millions of yen)</i>	<i>(Thousands of U.S. dollars)</i>
Current assets	¥ 238	\$ 2,384
Non-current assets	6,760	67,475
Current liabilities	(198)	(1,983)
Long-term liabilities	(2,181)	(21,775)
Minority interests	(1,168)	(11,660)
Gain on sales of investments in securities	2,409	24,051
Subtotal	5,860	58,493
Current assets	(212)	(2,116)
Current liabilities	1,457	14,549
Sales price of shares	7,106	70,926
Cash and cash equivalents of the Company excluded from the consolidation scope	(215)	(2,147)
Proceeds from sales of shares of subsidiaries excluded from the consolidation scope	¥ 6,891	\$ 68,779

- b) During the year ended March 31, 2008, a consolidated subsidiary (Quaras Inc.) merged Fuji Ad. Systems Corp. and T*Com Corporation. The assets and liabilities taken over acquired by Quaras Inc. through the merger are summarized as follows:

	<i>(Millions of yen)</i>	<i>(Thousands of U.S. dollars)</i>
Current assets	¥4,115	\$41,076
Non-current assets	858	8,571
Total assets	¥4,974	\$49,648
Current liabilities	¥3,059	\$30,532
Long-term liabilities	170	1,699
Total liabilities	¥3,229	\$32,232

16. Derivatives

Certain consolidated subsidiaries utilize derivative financial instruments for the purpose of hedging their exposures to adverse fluctuations in interest rates but do not enter into such transactions for speculative or trading purposes.

Such consolidated subsidiaries are exposed to credit risk in the event of nonperformance by the counterparties to the derivative transactions, but any such loss would not be material because those consolidated subsidiaries enter into transactions only with financial institutions with high credit ratings.

And one of subsidiaries has the hybrid financial instrument with embedded derivative (bond) at March 31, 2008, which redemption price is substantially affected by the foreign exchange rate fluctuation.

The fair value information of embedded derivative of the hybrid financial instrument (bond) is included in Note 5.

17. Segment Information

The Company and consolidated subsidiaries are primarily engaged in the business areas of broadcasting (“BC”), program production and related businesses (“PP”), direct marketing (“DM”) and motion pictures and music (“PM”), primarily in Japan.

As net sales and total assets of overseas operations constituted less than 10% of the consolidated totals for the years ended March 31, 2008, 2007 and 2006, the disclosures of geographical segment information has been omitted.

As overseas sales constituted less than 10% of the consolidated net sales for the years ended March 31, 2008, 2007 and 2006, the disclosures of overseas sales information has been omitted.

The business segment information of the Company and consolidated subsidiaries for the years ended March 31, 2008, 2007 and 2006 is outlined as follows:

	Year ended March 31, 2008					Total	Eliminations	Consolidated
	BC	PP	DM	PM	Other			
	<i>(Millions of yen)</i>							
I. Net sales and operating income:								
Net sales to third parties	¥383,134	¥20,406	¥62,783	¥67,111	¥42,049	¥575,484	–	¥575,484
Intra-group net sales and transfers	22,990	33,936	471	1,788	17,080	76,267	¥(76,267)	–
Total net sales	406,125	54,342	63,254	68,899	59,129	651,752	(76,267)	575,484
Operating expenses	383,360	51,683	65,710	67,523	59,167	627,444	(76,333)	551,111
Operating income (loss)	¥ 22,765	¥ 2,659	¥ (2,455)	¥ 1,375	¥ (37)	¥ 24,307	¥ 65	¥ 24,372
II. Assets, depreciation and capital expenditures:								
Total assets	¥538,148	¥29,148	¥18,428	¥68,327	¥33,395	¥687,448	¥(10,447)	¥677,000
Depreciation and amortization	19,788	1,318	601	733	2,019	24,461	(523)	23,937
Capital expenditures	23,747	1,598	835	368	5,057	31,606	(478)	31,128

17. Segment Information (continued)

		Year ended March 31, 2008							
		BC	PP	DM	PM	Other	Total	Eliminations	Consolidated
		<i>(Thousands of U.S. dollars)</i>							
I.	Net sales and operating income:								
	Net sales to third parties	\$3,824,080	\$203,674	\$626,643	\$669,838	\$419,694	\$5,743,931	–	\$5,743,931
	Intra-group net sales and transfers	229,473	338,722	4,706	17,850	170,478	761,231	\$(761,231)	–
	Total net sales	4,053,553	542,396	631,350	687,688	590,173	6,505,162	(761,231)	5,743,931
	Operating expenses	3,826,333	515,851	655,857	673,956	590,552	6,262,550	(761,885)	5,500,665
	Operating income (loss)	\$ 227,220	\$ 26,545	\$ (24,506)	\$ 13,732	\$ (379)	\$ 242,612	\$ 654	\$ 243,266
II.	Assets, depreciation and capital expenditures:								
	Total assets	\$5,371,277	\$290,927	\$183,939	\$681,977	\$333,325	\$6,861,446	\$(104,279)	\$6,757,166
	Depreciation and amortization	197,509	13,162	6,001	7,322	20,152	244,149	(5,224)	238,925
	Capital expenditures	237,019	15,959	8,335	3,676	50,478	315,469	(4,779)	310,690
		Year ended March 31, 2007							
		BC	PP	DM	PM	Other	Total	Eliminations	Consolidated
		<i>(Millions of yen)</i>							
I.	Net sales and operating income:								
	Net sales to third parties	¥379,277	¥21,173	¥67,039	¥72,996	¥42,173	¥582,660	–	¥582,660
	Intra-group net sales and transfers	23,512	31,321	282	1,333	16,942	73,392	¥(73,392)	–
	Total net sales	402,789	52,494	67,321	74,330	59,116	656,052	(73,392)	582,660
	Operating expenses	366,584	48,791	68,986	70,768	58,386	613,518	(73,183)	540,334
	Operating income (loss)	¥ 36,205	¥ 3,702	¥ (1,664)	¥ 3,561	¥ 729	¥ 42,533	¥ (208)	¥ 42,325
II.	Assets, depreciation and capital expenditures:								
	Total assets	¥591,244	¥32,458	¥23,541	¥63,982	¥31,184	¥742,411	¥(10,914)	¥731,496
	Depreciation and amortization	15,130	579	539	914	1,956	19,121	(494)	18,626
	Capital expenditures	43,150	580	1,045	470	1,864	47,110	(566)	46,544
		Year ended March 31, 2006							
		BC	PP	DM	PM	Other	Total	Eliminations	Consolidated
		<i>(Millions of yen)</i>							
I.	Net sales and operating income:								
	Net sales to third parties	¥388,179	¥21,649	¥69,484	¥72,474	¥41,706	¥593,493	–	¥593,493
	Intra-group net sales and transfers	21,823	31,558	255	1,092	18,390	73,120	¥(73,120)	–
	Total net sales	410,003	53,207	69,739	73,566	60,096	666,614	(73,120)	593,493
	Operating expenses	369,066	49,977	68,459	69,610	57,967	615,082	(72,313)	542,769
	Operating income	¥ 40,936	¥ 3,230	¥ 1,279	¥ 3,956	¥ 2,128	¥ 51,532	¥ (807)	¥ 50,724
II.	Assets, depreciation and capital expenditures:								
	Total assets	¥563,333	¥30,205	¥23,360	¥52,514	¥30,435	¥699,849	¥ (7,491)	¥692,357
	Depreciation and amortization	14,523	660	480	949	1,970	18,584	(376)	18,208
	Capital expenditures	23,893	588	619	475	2,097	27,674	(529)	27,144

18. Subsequent Events

- 1) The Company, in the meeting of its board of directors held on May 15, 2008, decided to conduct an incorporation-type company split in order to transition to a certified broadcast holding company structure, effective October 1, 2008, and this matter was approved at a shareholders' meeting held on June 27, 2008. The company split will separate the broadcasting and related business operated by the Company, to establish a new company on October 1, 2008. The Company plans to transfer to a certified broadcast holding company structure upon completing legal procedures necessary for certification by the relevant state minister. The Company name, as a condition of the company split taking effect, will be changed to Fuji Media Holdings, Inc., and will remain a listed company. The name of the new company to be established by the company split will be Fuji Television Network, Inc.

This company split will be regarded as a common control transaction. The effect of this accounting treatment will be nil, as all intercompany transactions have been eliminated in consolidation.

- 2) The following appropriations of retained earnings, which have not been reflected in the accompanying consolidated financial statements, were approved at a shareholders' meeting held on June 27, 2008:

	<i>(Millions of yen)</i>	<i>(Thousands of U.S. dollars)</i>
Year-end cash dividends (¥1,800 = \$17.96 per share)	¥4,145	\$41,377

Report of Independent Auditors

The Board of Directors
Fuji Television Network, Incorporated

We have audited the accompanying consolidated balance sheets of Fuji Television Network, Incorporated and consolidated subsidiaries as of March 31, 2008 and 2007, and the related consolidated statements of income, changes in net assets, and cash flows for each of the three years in the period ended March 31, 2008, all expressed in yen. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

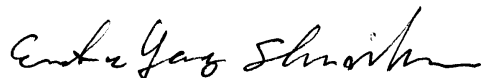
We conducted our audits in accordance with auditing standards generally accepted in Japan. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, 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 financial statements referred to above present fairly, in all material respects, the consolidated financial position of Fuji Television Network, Incorporated and consolidated subsidiaries at March 31, 2008 and 2007, and the consolidated results of their operations and their cash flows for each of the three years in the period ended March 31, 2008 in conformity with accounting principles generally accepted in Japan.

Supplemental Information

1. As described in Note 3, effective April 1, 2006, the Company and its domestic consolidated subsidiaries adopted new accounting standards for business combinations and for business divestitures.
2. As described in Note 18, the Company, in the meeting of its board of directors held on May 15, 2008, decided to conduct an incorporation-type company split in order to transition to a certified broadcast holding company structure, effective October 1, 2008, and this matter was approved at a shareholders' meeting held on June 27, 2008.

The U.S. dollar amounts in the accompanying consolidated financial statements with respect to the year ended March 31, 2008 are presented solely for convenience. Our audit also included the translation of yen amounts into U.S. dollar amounts and, in our opinion, such translation has been made on the basis described in Note 4.



June 27, 2008

Investors Information

Fuji Television Network, Incorporated

Head Office:

2-4-8, Daiba, Minato-ku, Tokyo 137-8088, Japan

Incorporated:

November 1957

Investor Relations Office:

Head Office:

Phone: +81-3-5500-8258

Fax: +81-3-5500-8249

URL: <http://www.fujitv.co.jp/>

Transfer Agent and Registrar:

Mizuho Trust & Banking Co., Ltd.

1-2-1, Yaesu, Chuo-ku, Tokyo 103-8670, Japan

Stock Listing:

First Section of the Tokyo Stock Exchange

(Listed on August 8, 1997)

Number of Shareholders:

75,735 (As of March 31, 2008)

Number of Shares:

Issued: 9,000,000

Outstanding: 2,364,298

(As of March 31, 2008)

Independent Auditors:

Ernst & Young ShinNihon

Certified Public Accountants