THE NEXT STAGE OF GROWTH

ANNUAL REPORT 2005

Year ended March 31, 2005

FUJI TELEVISION NETWORK, INC.

PROFILE

In the 46 years since it started broadcasting in 1959, Fuji Television Network, Inc. has developed its operations as one of the leading media companies in Japan. Within this long history, 2005 will, without a doubt, be remembered as an important milestone for Fuji Television. In January 2005, we launched a tender offer bid to make Nippon Broadcasting System Inc. a wholly owned subsidiary of Fuji Television in order to rectify the somewhat distorted capital relationship that had been an issue for the companies in the past. Notwithstanding some twists and turns along the way, Nippon Broadcasting became a 100% subsidiary as planned in September 2005.

Our objective with this change was to create a capital structure with Fuji Television positioned as an operating holding company, while respecting the self-initiative and autonomy of group companies and encouraging them to express their creativity to the fullest. As a result, we have created a media group that is second to none in Japan in terms of the scope of its operations, which encompass the four major media of television, radio, newspapers, and magazines, as well as visual software, music, and direct marketing, and other businesses.

A highlight of fiscal 2005, ended March 31, 2005, was Fuji Television's capturing of the "quadruple crown" in viewer ratings for the first time in 10 years, which attests to the strong reputation Fuji Television's content has among viewers in Japan. We are confident that having integrated all aspects of our business—from content production through distribution and sales—under one group we will be able to sustain a powerful competitive advantage amid the rapid digitalization of content both now and on into the future. Augmenting the realignment of the Fuji Television Group, we expect our leading-edge studios, set to begin operations in 2007, to further enhance our competitiveness.

The Fuji Television Group has thus made important steps forward toward its next stage of growth.

CONTENTS

FUJI TELEVISION HEADQUARTERS

FORWARD-LOOKING STATEMENTS

The figures contained in this annual report with respect to Fuji Television's plans and strategies and other statements that are not historical facts are forward-looking statements about the future performance of Fuji Television. Such statements are based on management's assumptions and beliefs in light of the information currently available to it and involve risks and uncertainties. Actual results may differ from those in the forward-looking statements as a result of various factors. Potential risks and uncertainties include, without limitation, general economic conditions in Fuji Television's market and changes in the size of the overall advertising market.

VIEWER RATINGS: OUR MOST IMPORTANT EARNINGS DRIVER

Fuji Television earned a “quadruple crown” in viewer ratings in fiscal 2005. Our traditional strength has been with younger viewers in the F1 (women aged 20–34) and M1 (men aged 20–34) demographics and it has also been popular with the Teens segment. We are also gratified to note that our programming is also enjoying broad and stable support from the F2 (women aged 35–49) and M2 (men aged 35–49) segments. Going forward, we are aware that the aging of society will mean that gaining a substantial share of the F3 (women aged over 50) and M3 (men aged over 50) segments will become an issue that needs to be addressed. For the time being, however, we have no plans to change our target demographics.

SHARE OF ALL-DAY VIEWER RATINGS BY DEMOGRAPHIC SEGMENT DURING FISCAL 2005

Note: This graph indicates the broadcaster’s share of viewer ratings for each segment.

Source: Video Research Ltd.

NEW FUJI TELEVISION GROUP BY SEGMENT

Fuji Television established the Video and Music segment and now has five segments from the fiscal year ending March 31, 2006, following changes in the scope of consolidation associated with strategic initiatives to make Nippon Broadcasting a wholly owned subsidiary. Broadcasting, the core segment of the Fuji Television Group, comprises Fuji Television and Nippon Broadcasting and pursues synergies between television and radio. The Video and Music segment, which includes Pony Canyon, links the Fuji Television Group directly to the consumer and is expected to help further expand the Group earnings.

Fuji Television is thus realigning its operations to pave the way for the next stage of growth for the Group.

Note: Sales in each segment are calculated assuming that Nippon Broadcasting was already a subsidiary in the fiscal year ended March 31, 2005.

BROADCASTING

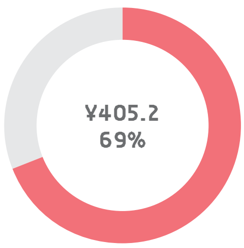
Comprising television and radio broadcasting, this is the core segment of the Fuji Television Group and accounts for 70% of total sales. Fuji Television and Nippon Broadcasting are striving to boost synergies between radio and television by jointly operating new studios and strengthening their content production capabilities.

MAJOR COMPANIES

- FUJI TELEVISION NETWORK, INC.
- NIPPON BROADCASTING SYSTEM, INC.

TOTAL TWO COMPANIES

SALES
(Billions of Yen)



PROGRAM PRODUCTION AND RELATED BUSINESS

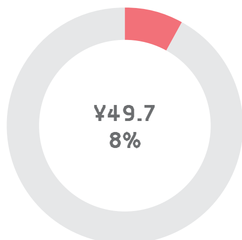
This segment is composed of specialists in the production of programming and in the provision of programming related engineering. Companies in this segment are working to boost earnings by proactively securing orders for programming production from outside the Fuji Television Group to augment revenues from programming produced for the Group.

MAJOR COMPANIES

- KYODO TELEVISION, LIMITED
- FUJI CREATIVE CORPORATION
- FUJI ART, INC.
- FUJISANKEI COMMUNICATIONS INTERNATIONAL, INC.
- HAPPO TELEVISION, INC.
- SIX OTHER COMPANIES

TOTAL 11 COMPANIES

SALES
(Billions of Yen)



DIRECT MARKETING

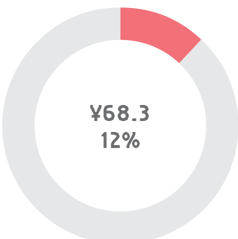
Dinos is a leader in direct marketing in Japan through catalogs and television and is also strengthening its capabilities in direct sales via the Internet. The company is helping the Fuji Television Group to strengthen a business structure that is sheltered from the impact of trends in advertising revenues.

MAJOR COMPANIES

- DINOS INC.
- FUJI-TV FLOWER CENTER CO., LTD.

TOTAL TWO COMPANIES

SALES
(Billions of Yen)



VIDEO AND MUSIC

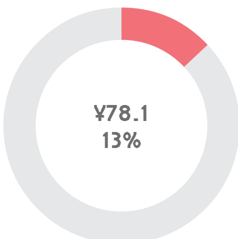
This is a new segment established in fiscal 2006 following Pony Canyon's becoming a consolidated subsidiary of Fuji Television. Pony Canyon's strengths in selling directly to consumers will support the development of Fuji Television's downstream operations.

MAJOR COMPANIES

- PONY CANYON INC.
- FUJIPACIFIC MUSIC INC.
- PONYCANYON ENTERPRISE, INC.
- "FUJI MUSIC PARTNERS"
- FIVE OTHER COMPANIES

TOTAL NINE COMPANIES

SALES
(Billions of Yen)



OTHER

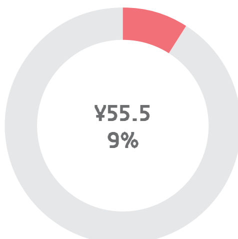
This segment combines companies engaged in a wide range of businesses, such as software development, publishing, advertising and leasing, that will underpin the growth of the Fuji Television Group.

MAJOR COMPANIES

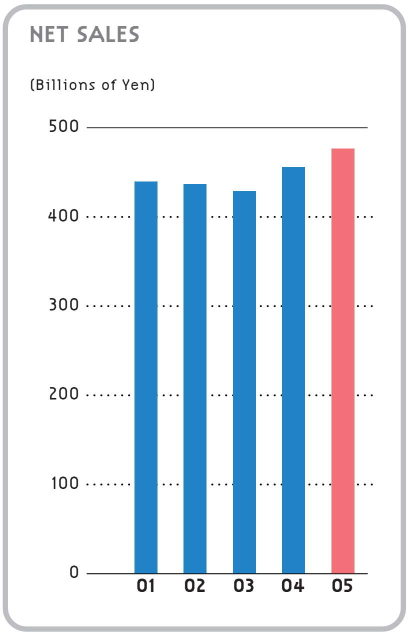
- FUJIMIC, INC.
- FUSOSHA PUBLISHING INC.
- BIGSHOT INC.
- FUJISANKEI ADVERTISING WORK INC.
- FOUR OTHER COMPANIES

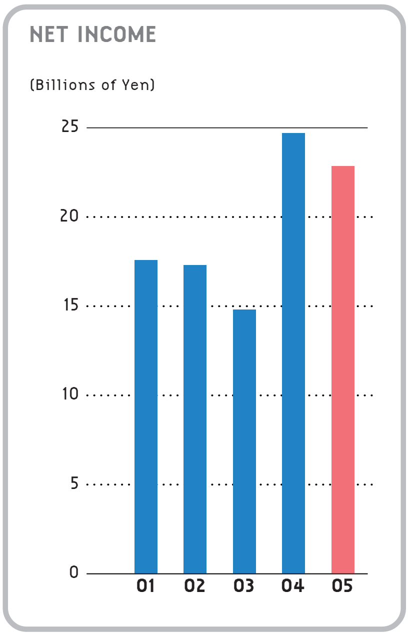
TOTAL EIGHT COMPANIES

SALES
(Billions of Yen)



A MESSAGE FROM THE MANAGEMENT





LOOKING BACK ON THE FISCAL YEAR

The Fuji Television Group, comprising Fuji Television and its constellation of consolidated subsidiaries, continued to work aggressively to expand its operations during fiscal 2005. We endeavored to create and deliver programming that appeals to our viewers and thus take advantage of the second consecutive year of expansion in the television advertising market. We are pleased to report that we earned a "quadruple crown" in viewer ratings for the first time in 10 years by capturing the top spots among broadcasters in the "golden time" (19:00–22:00), prime time (19:00–23:00), all day (06:00–24:00), and non-prime (06:00–19:00 and 23:00–24:00) time slots.

We also proactively developed our businesses in areas other than television broadcasting, such as movies, events, visual software (home videos and DVDs), and direct marketing, which resulted in a 4.6% rise in consolidated net sales, to ¥476,733 million. By business segment, sales in Television Broadcasting rose 5.1% year on year to ¥370,463 million, advanced 7.4% in Broadcasting-related Businesses to ¥19,881 million, increased 2.0% in Direct Marketing to ¥67,966 million, and edged up 1.1% in Other Businesses to ¥18,422 million. In addition, non-advertising revenues comprised 38% of our total revenues, the highest among television broadcasters in Japan.

Operating income for fiscal 2005 declined 1.1% to ¥43,581 million, representing operating income in Television Broadcasting of ¥38,785 million (up 2.4% year on year), in Broadcasting-related Businesses of ¥3,137 million (up 36.6%), in Direct Marketing of ¥2,248 million (down 35.3%), and an operating loss in Other Businesses of ¥732 million, versus operating income of ¥419 million in fiscal 2004.

Increasing our programming production budget in the second half of the fiscal year to capture a "quadruple crown" was the main reason for the decline in profit margins in the Television Broadcasting Business. Yet we

FINANCIAL HIGHLIGHTS

Fuji Television Network, Incorporated and Consolidated Subsidiaries
Years ended March 31

	Millions of yen		Thousands of U.S. dollars
	2004	2005	2005
For the year:			
Net sales	¥455,945	**¥476,733**	**$4,439,268**
Operating income	44,065	**43,581**	**405,820**
Income before income taxes and minority interests	42,387	**39,730**	**369,960**
Net income	24,714	**22,845**	**212,729**
Depreciation and amortization	11,312	**12,673**	**118,009**
Per share data (Yen/U.S. dollars):			
Net income	22,765	**9,056**	**84.33**
Net income (after dilution)	–	**8,951**	**83.35**
Cash dividends	2,000	**5,000**	**46.56**
At year-end:			
Total assets	625,786	**681,190**	**6,343,142**
Total shareholders' equity	501,870	**479,088**	**4,461,198**

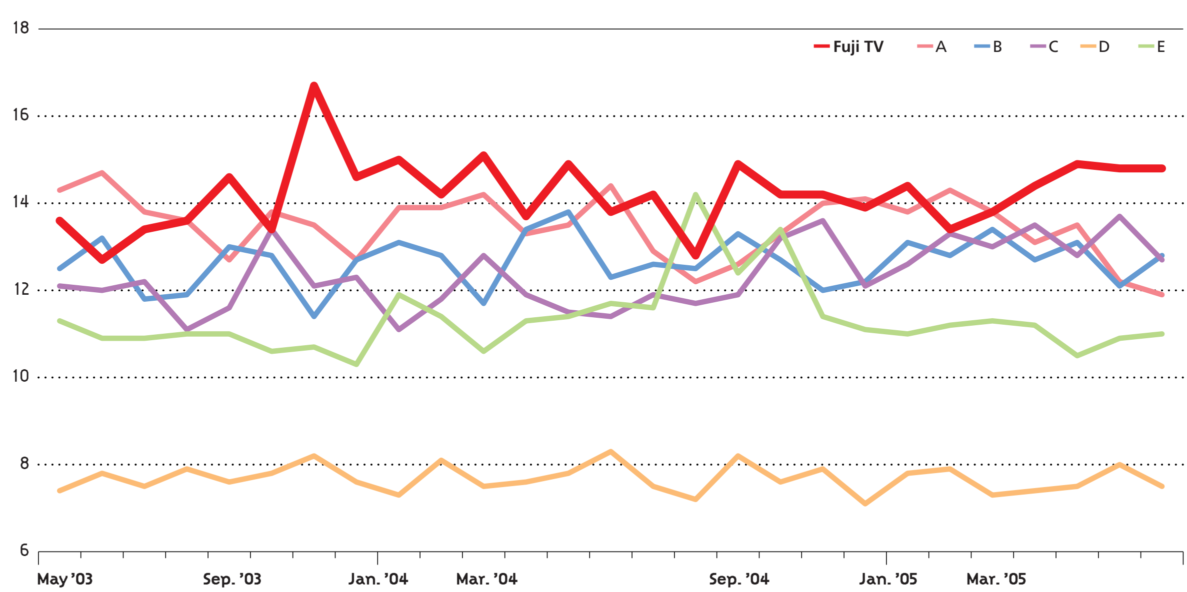
Note: The translation of yen amounts into U.S. dollar amounts is included solely for convenience and has been made, as a matter of arithmetic computation only, at the rate of ¥107.39=U.S.$1.00, the approximate rate of exchange in effect on March 31, 2005.

HISASHI HIEDA,
Chairman and
Chief Executive Officer

KOICHI MURAKAMI,
President and
Chief Operating Officer

view this as a strategic investment toward sales expansion in fiscal 2006 onward. Profits declined in the Direct Marketing segment owing to expanded investments in direct marketing via our CS satellite channels and the Internet, which offset brisk catalog sales. Net income for the fiscal year declined 7.6% to ¥22,845 million. The decrease at the net level was larger than at the operating line because we booked extraordinary losses of ¥3.1 billion, including reserves for doubtful accounts and losses on cancellation of contracts in the publishing business.

VIEWER RATINGS
(Household/Prime Time: 19:00–23:00)



Source: Video Research Ltd.

“ GUIDED BY THE KEYWORDS “CONTENT COMPLEX”, THE FUJI TELEVISION GROUP AIMS TO BE THE LEADER IN THE INFORMATION MEDIA INDUSTRY.”

The Fuji Television Group faced a major turning point in fiscal 2005. Specifically, we undertook a thorough review of the capital structure under which Nippon Broadcasting was Fuji Television’s largest shareholder and decided to renovate the management structure and reorganize the Group.

We announced this vision in January 2005 and implemented a tender offer to acquire all outstanding shares of Nippon Broadcasting. In the midst of the offering period, however, a third party in the form of the Internet company livedoor Co., Ltd. acquired a major stake in Nippon Broadcasting, which delayed our plans. There were several twists and turns from that point onward, but ultimately, in September 2005, we were able to achieve our original vision of making Nippon Broadcasting a wholly owned subsidiary of Fuji Television.

REALIGNMENT OF THE FUJI TELEVISION GROUP

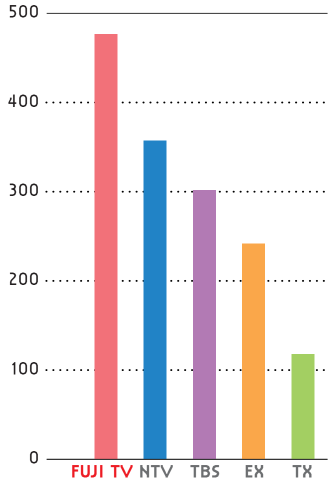
Making Nippon Broadcasting a wholly owned subsidiary is a major step toward the realignment of the Fuji Television Group. Our new structure following realignment in terms of segment classifications is as follows. Television Broadcasting, Broadcasting-related Businesses, Direct Marketing, and Other Businesses have been regrouped into segments called Broadcasting, Program Production and Related Business, Direct Marketing, Video and Music, and Other. The key points to the reclassification are the integration of television broadcasting undertaken by Fuji Television and radio broadcasting undertaken by Nippon Broadcasting under the Broadcasting segment and the addition of the Video and Music segment, in which Pony Canyon Inc., a subsidiary of Nippon Broadcasting, will play a pivotal role.

We would next like to share our views on our business from the concepts of our media mix and the multi-dimensional use of content. The media mix involves increasing the number of points of contact we have with our customers. Our customers are television viewers, radio listeners, and book and magazine readers. Put simply, they are consumers. The Group is peerless in Japan in its ability to reach its customers through television, radio, newspapers and publications (via Sankei Shimbun Co., Ltd. and Fusosha Publishing Inc. and other media companies), movies and music (Fuji Television, Pony Canyon, and other Group companies), events, the Internet, mobile Internet, distribution (Dinos Inc. and other media companies).

Since the Group has integrated capabilities spanning content production through distribution and sales, it is able to use the same content in multi-dimensional ways and thus boost its profitability. For example, television programs produced by Fuji Television are broadcast not only over its own station, but are also delivered through the FNS network and via Broadcasting Satellite (BS) digital broadcasts, Communication Satellite (CS) broadcasts, and the Internet. In addition, we produce and market television programs, movies, and other visual software and are also working to localize content by selling television programming formats as exemplified by *Iron Chef* to overseas markets.

NET SALES OF COMMERCIAL TV BROADCASTERS

Year ended March 31, 2005
(Billions of Yen)



Note: Fuji TV: Fuji Television Network, Inc.
NTV: Nippon Television Network Corporation
TBS: Tokyo Broadcasting System, Inc.
EX: TV Asahi Corporation
TX: TV TOKYO Corporation
Source: Fiscal 2005 flash earnings reports from each company.

JAPANESE RANKING MOVIE (BY BOX OFFICE REVENUE)

			Box Office Revenue (Billions of Yen)
1	BAYSIDE SHAKEDOWN 2	2003	17.3
2	ANTARCTICA	1983	11.8
3	THE ADVENTURES OF MILO AND OTIS	1986	10.8
4	BAYSIDE SHAKEDOWN	1998	10.6
5	HEAVEN AND EARTH	1990	10.1
6	TUNHUNG	1988	9.0
7	THE BURMESE HARP	1985	5.9
8	TIME TRAVELLER	1983	5.6
9	KAGEMUSHA	1980	5.4
10	TASMANIAN STORY	1990	5.0

Note: Excludes animation. Highlighted titles are made by Fuji TV
Source: Motion Pictures Producers Associates 2002, Toho, Fuji TV

The realignment mentioned previously has created a capital structure in which Fuji Television has management control over the entire Group. However, gaining control was not the goal of the realignment—our policy is to respect the self-initiative and autonomy of group companies and maintain an environment that allows them to express their creativity to the fullest. We think this is the kind of fertile ground necessary to foster high-quality content. At the same time, we will aggressively pursue synergies within the Group and enhance the sense of group unity and teamwork, which underpins the spirit of our media mix and multi-dimensional use of content.

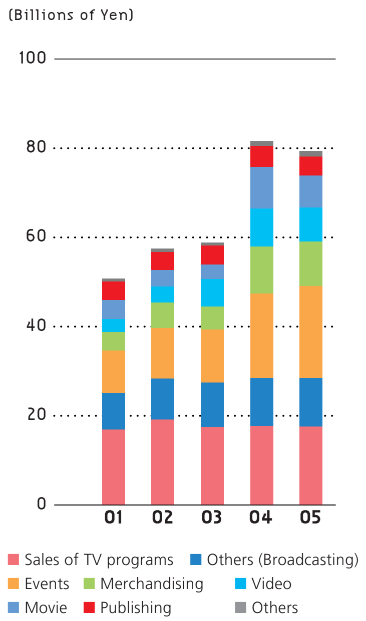
FUNDAMENTAL STRATEGIES REFLECTING EACH OF OUR MEDIA

For the media mix and multi-dimensional use of content concepts to work, we need to formulate fundamental strategies based on an understanding of the features of each type of media. In our television business, we will continue working to create appealing programs for delivery to the Group. However, we will not hesitate to supply programming to visual software companies who are at the same time our competitors. We are currently constructing new studios near the Fuji Television headquarters to sustain our ability to create programming that wins loyal support from our viewers. The studios, scheduled to become operational in 2007, will dramatically enhance the Group's content production capabilities.

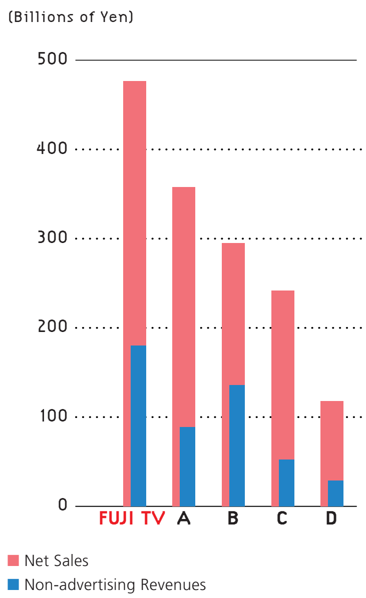
A key feature of Fuji Television is the strong support it receives from younger audiences, something it has in common with Nippon Broadcasting. We are confident that the strengths of both companies will generate further synergies. Radio has the advantage of being able to provide audiences with information when they are outdoors or on the move. We think there are various opportunities on offer by leveraging the strengths of both television and radio in the pursuit of Group synergies.

Fuji Television believes that its businesses in movies and music should be fully integrated both in upstream content creation and downstream, at the point of contact with customers. Fuji Television has an extremely impressive track record in movies; the Group has made six of Japan's top-10 ranking live-action movies in box office revenues. In recent years, the television spin-off *Bayside Shakedown 2*, which premiered in 2003, set an all-time high for box office revenues for a live-action movie, and *Umizaru and Swing Girls* were also strong commercial successes. Aggressive promotion over television and radio at the debut of these movies paid off and sales of visual software was also a major contributor to earnings. In our music business, we are building a structure to integrate both our upstream and downstream businesses, from the discovery and fostering of artists to the production and sale of CDs. The Fuji Television Group views broadcasting and telecommunications to be complementary, rather than conflicting, businesses. We are channeling personal and funds toward the development of new services delivered via the Internet, both PC-based and mobile, and believe that this area will yield our next generation of revenue drivers. To cite a few specific examples, in July 2005, we launched Fuji TV On Demand, a fee-based service to deliver

NON-ADVERTISING REVENUE (NON-CONSOLIDATED)



NET SALES AND NON-ADVERTISING REVENUES OF COMMERCIAL TV BROADCASTERS



broadband visual content via IP broadcasting. We intend to foster this business gradually, starting with the broadcast of sports relays and other popular television broadcasts and original content delivered through CS satellite.

We envision "one segment broadcasts" delivered to such mobile terminals as mobile phones and car navigation systems via terrestrial digital television that will start from spring 2006. This will thus broaden the times and locations for viewing opportunities. We have high expectations that the combination of mobile phones—a practically indispensable item for young people—and the strong popularity of the Group among younger audiences will be a driving force in creating promising new markets.

Furthermore, we are also aiming for deeper synergies with television, radio, and the Internet in our newspaper, publishing, and distribution business led by catalog sales. These operations target demographics whose needs are not met fully by media delivered over the airwaves.

BECOMING A "CONTENT COMPLEX"

Taking a fresh look at the Group's strengths now that its realignment is under way, we conclude that content is the lifeblood of our business. In particular, content in the digital era must make a clear departure from preconceived notions about programming and movies. There must be a trinity of planning, technology, and rights. Video assets need to be archived and networked, and it is critical to have a platform to enable a single work of content to sustain a range of revenue streams. The Group has aggregated both upstream and downstream functions, from content production through to distribution and sales, and is capable of combining its functions in an optimal fashion. We have dubbed the words "Content Complex" as symbols of our Group strategy.

The success of *Bayside Shakedown* is a good example of our Content Complex strategy in action. *Bayside Shakedown* was originally a serialized drama that aired from January to March 1997. It marked strong viewer ratings from the outset and three special programs were aired after the initial series ended. It goes without saying that the series led to high advertising revenues. The show's popularity led to plans for a movie spin-off, which resulted in the 1998 debut of *Bayside Shakedown–The Movie*. The 2003 sequel *Bayside Shakedown 2* set new records for box office revenues in Japan. Naturally, both movies were also released as videos and DVDs and generated substantial earnings for the Group. In addition, Daiba, the setting for the movie, is where our headquarters is located, and various events inspired by our content were held there and sales of related merchandise also contributed to our profits.

The point we would like to emphasize is that Fuji Television owns the rights to *Bayside Shakedown*. We thus achieved the trinity of planning, technology, and rights mentioned above. *Umizaru*, a movie that debuted in 2004, was remade into a serialized drama in 2005 marking high viewer ratings. A sequel to the movie is under consideration. We are also broadening our capabilities in *anime*, a form of entertainment in which Japan leads the world, most notably through capital participation in Gonzo Digimation Corporation, a leader in digital *anime* and investment in and joint production of movies to be made by that company.

"IT IS TIME TO MAKE OUR NEXT MOVES AS THE NUMBER ONE GROUP IN THE INDUSTRY"

OUR NEXT MOVES

At the start of 2005, Fuji Television management delivered a message to all employees saying that it is time to make our next moves as the number one group in the industry, particularly now that we are currently ahead of the competition. One of our next moves is the start of operations in March 2007 at our new studios provisionally called the Rinkai Fukutoshin Studios. The new facility will double the number of stages, from 10 to 20, concentrate studios heretofore dispersed in one location, and fortify post-production and other functions. We expect the new studios will help use create appealing content even more efficiently and control overall costs. Further, the studios will be both a new media and a landmark itself and make a major contribution to the holding of various events.

In another move, we think the establishment of the SBI BB Media Fund with Softbank Investment Corp., a company with a strong record in venture capital investments, will be particularly significant going forward. We expect the combination of Softbank Investment's expertise in fund management and the Fuji Television Group's discerning eye for media talent will uncover promising venture companies in the areas of video, music, publishing, and broadband. We have high expectations for the fund, both in terms of investment performance and also for the potential for synergies created via collaborations between the companies discovered by the fund and the Fuji Television Group.

LINKING DIVIDENDS TO EARNINGS

We reviewed our dividend policy in fiscal 2005 and have now linked our dividend payments to our earnings performance. We paid an annual dividend of ¥5,000 per share in fiscal 2005, a substantial increase versus ¥2,000 per share paid in the previous fiscal year. We are targeting a dividend payout ratio of 50% and plan in fiscal 2006 to proactively implement measures to return profits to shareholders while considering a balance between both earnings during the fiscal year and the need for internal reserves to support our ongoing growth.

The Fuji Television Group will work to give full expression to its Group strengths following its reorganization and continue to expand its operations. We thank our shareholders for their ongoing support and understanding.

September 2005

Hisashi Hieda,
Chairman and
Chief Executive Officer

Koichi Murakami,
President and
Chief Operating Officer

CORPORATE GOVERNANCE

FUNDAMENTAL THINKING

By organically combining a transmission network (i.e., infrastructure) with programming (i.e., content), Japan's terrestrial broadcasting has attained among the world's highest levels of both diffusion and quality. It is fulfilling the public's right to receive information and become indispensable to people's lifestyles and safety as a vehicle through which culture is communicated. Fuji Television is working to strengthen its corporate governance systems. These efforts are guided not only by the aim of maximizing shareholder value, but also as a key media and mass communications company to honor its social mission to maintain its lifeline functions, such as emergency and disaster announcements, and to responsibly deliver content.

STATUS OF IMPLEMENTATION OF CORPORATE GOVERNANCE MEASURES

Fuji Television's Board of Directors comprises 17 directors. The Board of Directors selects members for the Board of Senior Executive Managing Directors, an organization that seeks to unify opinions over business execution, and also supervises the progress of business execution. The Board of Senior Executive Managing Directors directs the business execution of each of Fuji Television's operating and administrative divisions.

Monitoring the performance of management, the Board of Corporate Auditors comprises five corporate auditors, of which two are external corporate auditors, and is responsible for continually monitoring the business execution of the Board of Directors. Fuji Television has contracted with Ernst & Young ShinNihon to provide accounting audit services, which are provided by seven Certified Public Accountants and eight junior accountants. Working to maintain transparency in its corporate governance system, Fuji Television discloses the total remuneration paid to its directors, corporate auditors, and accounting auditors.

BOARD OF DIRECTORS AND CORPORATE AUDITORS

BOARD OF DIRECTORS

Chairman and Chief Executive Officer
HISASHI HIEDA

President and Chief Operating Officer
KOICHI MURAKAMI

Executive Vice Presidents
RYOSUKE YOKOI
YUJI ITOYAMA

Senior Executive Managing Directors
MASAKI MIYAUCHI
KOH TOYODA
YOSHIAKI YAMADA

Executive Managing Directors
SHUJI KANOH
HIDEAKI OHTA
MASAMI OBITSU
MASUMI UCHIBORI
TOYOCHIKA AKIHO
ISAO MATSUOKA
SHIGEKI SATO
MICHIO IZUMA
TAKAFUMI BEPPU
TAKEHIKO KIYOHARA

CORPORATE AUDITORS

SHUNICHIRO KONDO
HACHIRO ITO
KIYOSHI ONOE
ROKURO ISHIKAWA
YUZABURO MOGI

(As of August 1, 2005)

FINANCIAL SECTION

6-YEAR SUMMARY

FINANCIAL SUMMARY

Fuji Television Network, Inc. and Consolidated Subsidiaries
Years ended March 31

	Millions of yen (except where noted)						Thousands of U.S. dollars (Note)
	2000	2001	2002	2003	2004	**2005**	**2005**
For the year:							
Net sales	¥412,237	¥439,838	¥436,902	¥429,004	¥455,945	**¥ 476,733**	**$ 4,439,268**
Broadcasting	308,616	334,330	334,427	328,683	352,558	**370,463**	**3,449,697**
Program production and related businesses	17,615	20,483	20,911	18,968	18,507	**19,881**	**185,129**
Direct marketing	65,371	61,999	59,810	61,084	66,654	**67,966**	**632,889**
Other	20,634	23,024	21,752	20,267	18,225	**18,422**	**171,543**
Cost of sales	259,671	262,880	269,356	271,605	289,371	**301,561**	**2,808,092**
Selling, general and administrative expenses	115,586	122,991	121,610	120,130	122,509	**131,591**	**1,225,356**
Operating income	36,979	53,966	45,935	37,268	44,065	**43,581**	**405,820**
Other income (expenses)	2,296	(19,959)	(12,171)	(6,605)	(1,678)	**(3,851)**	**(35,860)**
Income before income taxes and minority interests	39,275	34,006	33,763	30,663	42,387	**39,730**	**369,960**
Net income	21,380	17,601	17,303	14,816	24,714	**22,845**	**212,729**
Depreciation and amortization	9,803	9,796	10,157	10,329	11,312	**12,673**	**118,009**
Cash flows from operating activities	31,354	40,455	30,876	33,458	45,256	**44,673**	**415,988**
Cash flows from investing activities	(7,880)	(13,879)	(25,001)	(32,245)	(68,067)	**(135,516)**	**(1,261,905)**
Cash flows from financing activities	(16,295)	(18,805)	(2,707)	(11,566)	92,956	**76,731**	**714,508**
Per share data (Yen and U.S. dollars):							
Net income	¥ 19,925	¥ 16,444	¥ 16,179	¥ 13,617	¥ 22,765	**¥ 9,056**	**$ 84.33**
Net income (after dilution)	–	–	–	–	–	**8,951**	**83.35**
Cash dividends	1,450	1,750	1,750	1,750	2,000	**5,000**	**46.56**
At year-end:							
Total assets	¥443,658	¥483,928	¥485,594	¥480,913	¥625,786	**¥ 681,190**	**$ 6,343,142**
Total shareholders' equity	326,218	359,466	373,973	367,796	501,870	**479,088**	**4,461,198**
Ratios:							
Return on assets (%)	5.0	3.8	3.6	3.1	4.5	**3.5**	
Return on equity (%)	6.8	5.1	4.7	4.0	5.7	**4.7**	
Return on sales (%)	5.2	4.0	4.0	3.5	5.4	**4.8**	
Equity ratio (%)	73.5	74.3	77.0	76.5	80.2	**70.3**	
Interest coverage (Times)	49.5	146.9	242.1	257.8	354.5	**363.1**	

Note: The translation of yen amounts into U.S. dollar amounts is included solely for convenience and has been made, as a matter of arithmetic computation only, at the rate of ¥107.39=U.S.$1.00, the approximate rate of exchange in effect on March 31, 2005.

NET SALES BY OPERATION (NON-CONSOLIDATED)

Fuji Television Network, Inc.
Years ended March 31

	Millions of yen (except where noted)						Thousands of U.S. dollars (Note)
	2000	2001	2002	2003	2004	**2005**	**2005**
Broadcasting:							
Network time	¥121,534	¥131,183	¥132,489	¥131,204	¥130,623	**¥133,905**	**$1,246,904**
Local time	26,699	25,741	24,345	22,547	21,639	**22,041**	**205,243**
Spot	117,169	132,067	125,646	121,204	124,116	**140,641**	**1,309,628**
Other	21,274	25,108	28,312	27,385	28,450	**28,431**	**264,745**
Other operations	26,828	25,544	29,171	31,386	53,226	**51,018**	**475,072**
Total	¥313,505	¥339,644	¥339,965	¥333,726	¥358,056	**¥376,039**	**$3,501,620**

Note: The translation of yen amounts into U.S. dollar amounts is included solely for convenience and has been made, as a matter of arithmetic computation only, at the rate of ¥107.39=U.S.$1.00, the approximate rate of exchange in effect on March 31, 2005.

MANAGEMENT'S DISCUSSION AND ANALYSIS

CHANGES TO CLASSIFICATIONS OF OPERATING SEGMENTS

As shown in the table below, from the start of the fiscal year ending March 31, 2006, we revised our operating segment classifications in line with the changes to the scope of consolidation resulting from Nippon Broadcasting System Inc. becoming a wholly owned subsidiary of Fuji Television. Fuji Television's television broadcasting business and Nippon Broadcasting's radio broadcasting business have been combined under the Broadcasting segment. In addition, we have made Video and Music an independent segment, separating it from its previous inclusion in the Other segment to reflect its increased importance now that Pony Canyon Inc. is a consolidated subsidiary, among other factors.

Further, major companies that were previously categorized under Other Businesses but have now been reclassified under Video and Music include Fujipacific Music Inc. and Fujipacific Music (USA), Inc.

Segment classifications of newly consolidated subsidiaries are Nippon Broadcasting under Broadcasting; Pony Canyon and PonyCanyon Enterprise under Video and Music; and Nippon Broadcasting Project, Big Shot, Fujisankei Advertising Work, and LF Holdings under Other.

Business Segment	Net Sales (Billions of Yen)	Operating Income (Billions of Yen)
	2005	2005
Broadcasting	405.2	36.6
Program Production and Related Businesses	49.7	3.0
Direct Marketing	68.3	2.2
Video and Music	78.1	5.3
Other	55.5	0.9
Eliminations	(68.6)	0
Total	588.2	48.0

Note: Figures for the fiscal year ended March 31, 2005 assume that Nippon Broadcasting was already a subsidiary in that fiscal year.

FINANCIAL POSITION (AS OF JUNE 30, 2005)

As shown below, major line items in the consolidated balance sheets have changed in the first quarter of fiscal 2006 from the end of fiscal 2005 in line with the changes to the scope of consolidation resulting from Nippon Broadcasting System becoming a consolidated subsidiary of Fuji Television.

Total assets increased by ¥37,148 million, from ¥681,190 million to ¥718,348 million, reflecting an increase in the number of subsidiaries resulting from changes in the scope of consolidation. Total current assets fell by ¥65,022 million from the end of fiscal 2005 to ¥253,788 million, reflecting investments in Nippon Broadcasting and livedoor Co., Ltd., among other factors. Total fixed assets increased by ¥102,180 million from the previous fiscal year-end to ¥464,560 million, which is also attributable to changes in the scope of consolidation.

On the other side of the balance sheet, total current liabilities increased by ¥29,876 million to ¥128,028 million owing to a rise in short-term borrowings and other factors.

Total long-term liabilities rose by ¥72,088 million to ¥165,952 million, owing primarily to the booking of Nippon Broadcasting's holdings of Fuji Television stock as deferred tax liabilities.

Total shareholders' equity fell by ¥58,462 million to ¥420,626 million, owing primarily to a ¥71,289 million increase in treasury stock versus the end of the previous fiscal year.

The shareholders' equity ratio fell to 58.6% versus 70.3% at the end of fiscal 2005.

DIVIDEND POLICIES

Our fundamental policy regarding the distribution of profits is to determine the optimal measures for shareholder returns based on a comprehensive review of the Company's earnings during a given fiscal period, the outlook for the following fiscal period onward, the need to retain internal reserves to support future growth, and trends in the Company's stock price.

During fiscal 2005, we strove to aggressively implement our capital and financial strategies and bolster returns for our shareholders. As one facet of such efforts and from the perspective of linking our earnings with our dividend payout, we decided for fiscal 2005 to aim for a dividend payout ratio of 50% and thus paid a year-end dividend of ¥4,400 per share. This, combined with our interim dividend, brought the annual dividend to ¥5,000 per share. From fiscal 2006 onward, we will continue endeavoring to enhance our shareholder returns.

BUSINESS PERFORMANCE OF FISCAL 2005, ENDED MARCH 31, 2005

We worked aggressively to expand our core Television Broadcasting business as well as our Broadcasting-related Businesses, Direct Marketing, and Other Businesses. Consolidated net sales for the Fuji Television Group rose 4.6% year on year to ¥476,733 million but operating income dipped 1.1% to ¥43,581 million owing to the profit decline in Direct Marketing and the losses in Other Businesses. Recurring profit fell 2.4% to ¥44,478 million as an improvement in investments in equity-method affiliates was offset by a decline in rental income. Net income for fiscal 2005 declined 7.6% to ¥22,845 million, owing to the impact of extraordinary losses, such as additions to provisions for loan loss reserves for Fusosha Publishing.

TELEVISION BROADCASTING

The Television Broadcasting segment reflects the earnings of the parent company. Continuing the success of the interim period, we earned a "quadruple crown" in viewer ratings for the first time in ten years by capturing the top spots in the "golden time" (19:00–22:00), prime time (19:00–23:00), all day (06:00–24:00), and non-prime (06:00–19:00 and 23:00–24:00) time slots, thanks again to the support of our viewership. As a result, revenues in our mainstay broadcasting operations rose 7.3% year on year to ¥296,588 million, reaching an all-time high.

In network time advertising sales, advertising sales of regular programming was up year on year owing to comparatively steady sales following a realignment of our programming in April and October 2004. Network time sales rose 2.5% year on year and reached an all-time high.

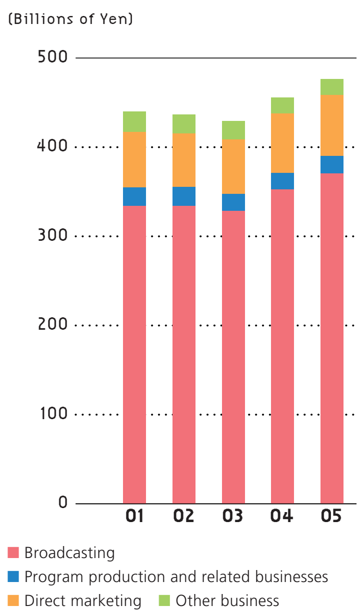
In local time advertising sales, sales of regular programming and one-off sales of programming, including year-end/New Year's programming, helped sales rise 1.9% over the previous year's performance.

Spot advertising sales climbed 13.3% year on year and reached a record high. Efficient slot management was rewarded with an expansion in market share.

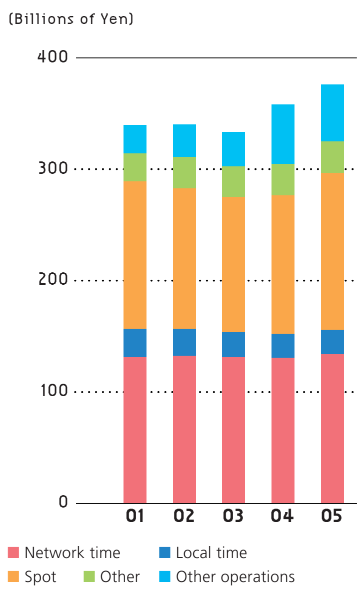
Among non-advertising revenues, we scored major hits with movies. In addition, Cirque du Soleil's *Alegria 2* Japan Tour—which is scheduled to run through the end of November 2005—has been very well received and sales in our rights business have been strong thanks to DVD sales as well as games for mobile phones. That said, revenues were down 4.1% and fell short of the record revenues of fiscal 2004. Notwithstanding sales in the Television Broadcasting segment as a whole rose 5.0% year on year to ¥376,039 million, setting a new record for the second consecutive year.

On the cost side, we faced an increase in programming production costs, a decline in profit margins in

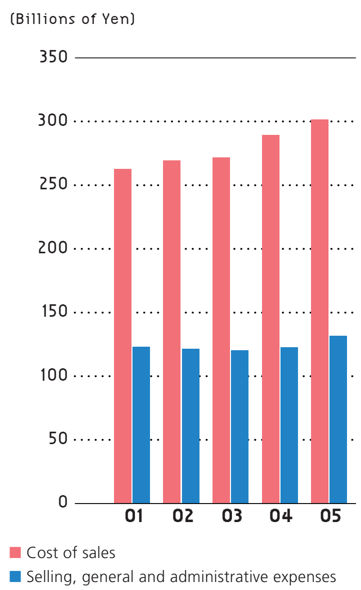
NET SALES BY SEGMENT



NET SALES BY OPERATIONS (NON-CONSOLIDATED)



COST OF SALES AND SG&A EXPENSES



non-advertising businesses, and an upturn in agency commissions. Yet the rise in sales led to a 2.4% increase in segment operating income to ¥38,785 million.

PROGRAM PRODUCTION AND RELATED BUSINESSES

This segment consists of subsidiaries involved in program production, set design, engineering, and other activities. Subsidiaries were successful in expanding programming-related sales, increasing sales from areas other than programming, and winning customers from outside the group and at the same time working to cut costs as a percentage of sales. Consequently, Program Production and Related Businesses sales amounted to ¥49,683 million (up 5.9% year on year) and operating income jumped 36.6% to ¥3,137 million.

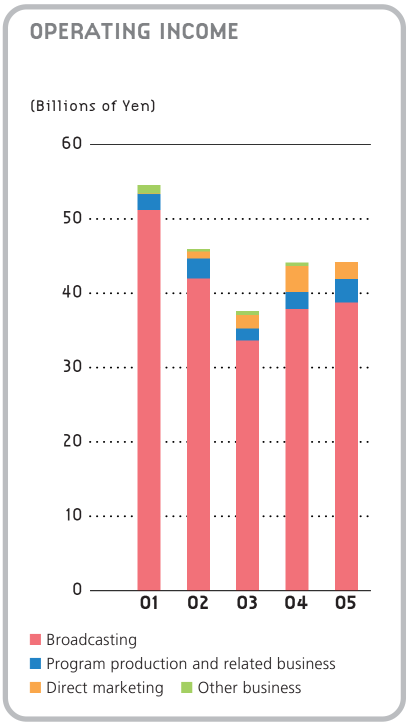
Kyodo Television Ltd. and other programming production companies are focusing on the secondary use of programming as a source of revenues from copyrights. They are conducting sales activities with an aim to improve their earnings. Additionally, each company is currently making preparations to build an even more efficient programming production system at the Rinkai Fukutoshin Studios (provisional name), which are scheduled to open in April 2007.

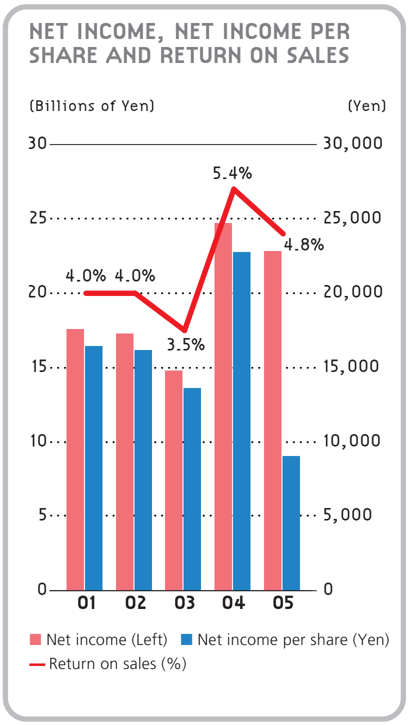
DIRECT MARKETING

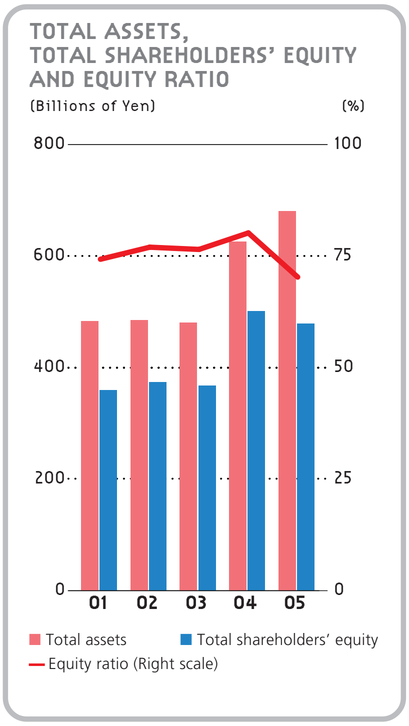
Our Direct Marketing business posted a 1.9% rise in sales to ¥68,366 million thanks to catalog sales primarily of health and beauty products. Yet, expanded investment in the Fuji TV Dinos business and our customer strategy inflated costs and resulted in a 35.3% decline in segment operating income to ¥2,248 million.

OTHER

Results in this segment were mixed. Software developer Fujimic saw major orders from Fuji Television run their course, but was able to increase sales from external sources and posted earnings near the record posted in fiscal 2004. Fujisankei Jinzai Inc. merged with Japan Executive Center, Inc. on April 1, 2004 (the start of fiscal 2005) and thus has both temporary staffing and placement functions. The benefits of the merger surfaced in the form of higher revenues and profits. On the other hand, Fusosha Publishing Inc. posted a sizeable loss for the fiscal year, a slump in sales of magazines and books was compounded by an extraordinary loss owing to the collapse of one of its business partners. Although sales rose 1.4% to ¥30,431 million, the segment posted an operating loss of ¥732 million.







CASH FLOWS

Net cash provided by operating activities during fiscal 2005 decreased ¥583 million from the same period of the previous year to ¥44,673 million, reflecting primarily a downturn in earnings in the Direct Marketing business despite a rise in sales and an operating loss in the Other segment, which offset the rise in sales and earnings in the core Television Broadcasting and the Program Production and Related Businesses segments.

Net cash used in investing activities increased ¥67,449 million to ¥135,516 million owing mainly to funds used in the acquisition of land for the construction of new studios and an increase in the acquisition of investment securities related to the tender offer for Nippon Broadcasting's shares.

Net cash provided by financing activities declined ¥16,225 million to ¥76,731 million. Although the Company issued ¥80.0 billion in unsecured convertible bonds with stock acquisition rights during fiscal 2005, in the previous fiscal year the Company raised ¥92.9 billion through a capital increase.

As a result, cash and cash equivalents at the end of the fiscal year totaled ¥113,408 million, an ¥11,824 million decline year on year.

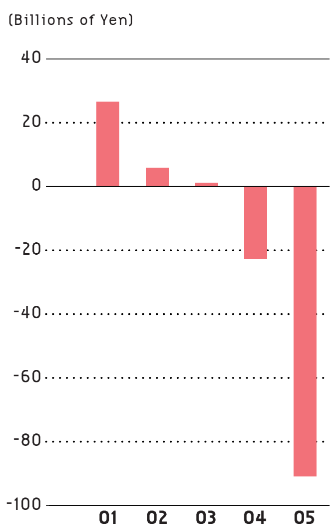
BUSINESS PERFORMANCE OF THE THREE MONTHS ENDED JUNE 30, 2005

The Fuji Television Group posted a 25.9% year-on-year rise in consolidated net sales for the first quarter (April–June) of fiscal 2006 to ¥148,321 million, reflecting in part the addition of seven companies to the scope of consolidation. Despite the lift in profits from newly consolidated subsidiaries, however, operating income fell 6.3% to ¥17,031 million owing to declining Broadcasting segment earnings and an increase in expenses in the Direct Marketing segment. Net income for the quarter fell 18.9% to ¥8,949 million, reflecting an increase in taxes including enterprise taxes and other adjustments and an increase in minority interests.

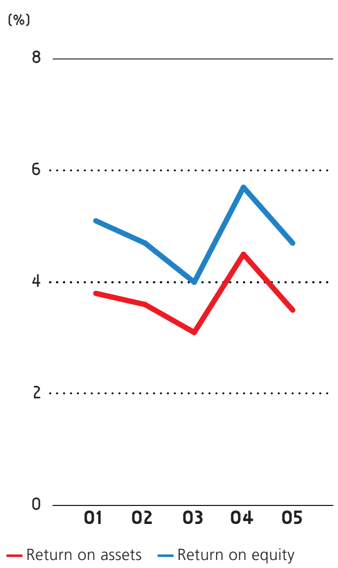
BROADCASTING

The Broadcasting segment represents the earnings of the parent company and those of Nippon Broadcasting. Amid healthy conditions in the advertising market, strong viewer ratings helped the Television Broadcasting business boost broadcasting revenues above the good results of the previous year. Other operations revenues were up sharply, driven by events (including *Alegria 2*), merchandising (including mobile phone sites and *Alegria* merchandise), and video (including *Dragonball GT*). With the addition of the newly consolidated Radio Broadcasting business, first-quarter sales rose 11.5% year on year to ¥105,320 million, but operating income fell 11.0% to ¥15,284 million, reflecting a year-on-year decline in profit margins in other operations. Television Broadcasting business sales were ¥98,487 million (up 4.3% year on year) and Radio Broadcasting business sales were ¥6,836 million (for reference, this is a year-on-year decline of 5.1%).

FREE CASH FLOWS



RETURN ON ASSETS AND RETURN ON EQUITY



PROGRAM PRODUCTION AND RELATED BUSINESSES

This segment consists of subsidiaries involved in program production, set design, engineering, and other activities. Subsidiaries in this segment worked to cut costs and increase revenues from external sources. Thanks to these efforts, first quarter sales in the Program Production and Related Businesses rose 10.5% year on year, to ¥11,696 million, and operating income rose 66.6% to ¥477 million.

DIRECT MARKETING

Sales remained firm in the Direct Marketing segment on the back of beauty and health products offered through our catalog media. While sales rose year on year, operating income declined due to increases in expenses related to logistics and production of direct marketing materials. Orders taken via the Internet, however, were significantly higher than a year ago.

First quarter sales in the Direct Marketing segment rose 2.3% year on year to ¥17,018 million, but operating income fell 35.7% to ¥651 million.

VIDEO AND MUSIC

Video and Music is a newly established segment comprising nine companies, including two that were newly consolidated. Pony Canyon substantially exceeded initial expectations thanks in part to impressive sales of the DVD box set *Dragonball GT*, which contributed to segment sales of ¥17,755 million and operating income of ¥569 million for the first quarter.

OTHER

The Other segment comprises eight companies, including four that were newly consolidated. First-quarter sales in this segment jumped 110.7% year on year to ¥13,987 million and operating income was ¥598 million, owing to such factors as growth in orders for software development.

CASH FLOWS

In the first quarter of fiscal 2005, consolidated net cash provided by operating activities totaled ¥1,342 million, a year-on-year increase of ¥1,458 million as the increase in accounts receivable was less than a year ago, despite higher payments for enterprise taxes and other outflows.

Net cash used in investing activities amounted to ¥17,182 million, a ¥35,952 million decline in net outflows. Funds used in the acquisition of shares of livedoor Co., Ltd. and the tender offer by Nippon Broadcasting to acquire its own shares were offset by inflows from the sale of euroyen bonds, Japanese government bonds, and other marketable and investment securities.

Net cash used in financing activities amounted to ¥64,137 million, reflecting a ¥62,185 million increase in net outflows, such as those used to repay the long-term borrowings of newly consolidated subsidiaries.

As a result, cash and cash equivalents at the end of the first quarter totaled ¥45,225 million, a ¥24,785 million decrease versus the first quarter of fiscal 2005.

QUANTITATIVE DATA RELATED TO EARNINGS FORECASTS

Consolidated earnings in the first quarter outpaced our initial projections, particularly in the Video and Music and Direct Marketing segments. We expect earnings to remain firm going forward and are therefore revising up the interim and full-year earnings forecasts we announced in May 2005.

For the interim period, we now forecast gains in both sales and profits with consolidated net sales of ¥287.5 billion, recurring profit of ¥21.9 billion, and net income of ¥11.0 billion. For the full year, we now forecast a rise in sales but a decline in profits with consolidated net sales of ¥571.8 billion, recurring profit of ¥45.6 billion, and net income of ¥22.2 billion.

CONSOLIDATED BALANCE SHEETS

Fuji Television Network, Incorporated and Consolidated Subsidiaries
At March 31,

	At March 31, 2005	2004	2005
	(Millions of yen)		(Thousands of U.S. dollars) (Note 3)
Assets			
Current assets:			
Cash and cash equivalents	¥113,408	¥125,232	$1,056,039
Short-term investments *(Note 4)*	68,003	76,455	633,234
Notes and accounts receivable:			
Trade	97,001	95,466	903,259
Unconsolidated subsidiaries and affiliates	1,126	1,511	10,485
Allowance for doubtful receivables	(179)	(270)	(1,667)
	97,948	96,708	912,077
Inventories *(Note 5)*	22,557	20,968	210,047
Deferred tax assets *(Note 8)*	6,256	4,840	58,255
Prepaid expenses and other current assets	10,635	11,211	99,032
Total current assets	318,810	335,416	2,968,712
Property and equipment *(Notes 6 and 12)*:			
Land	20,340	4,388	189,403
Buildings and structures	134,267	133,677	1,250,275
Machinery, equipment and vehicles	47,557	42,122	442,844
Tools, furniture and fixtures	6,579	6,172	61,263
Construction in progress	1,287	1,405	11,984
	210,031	187,766	1,955,778
Accumulated depreciation	(82,405)	(74,534)	(767,343)
Property and equipment, net	127,626	113,232	1,188,435
Investments and other assets:			
Investment securities *(Note 4)*	130,179	109,861	1,212,208
Investments in unconsolidated subsidiaries and affiliates	45,918	22,153	427,582
Leasehold rights	14,393	14,393	134,026
Software	12,839	10,080	119,555
Deferred tax assets *(Note 8)*	3,614	3,321	33,653
Other	27,809	17,326	258,953
Total investments and other assets	234,754	177,137	2,185,995
Total assets	¥681,190	¥625,786	$6,343,142

	At March 31, 2005	2004	2005
	(Millions of yen)		(Thousands of U.S. dollars) (Note 3)
Liabilities and shareholders' equity			
Current liabilities:			
Short-term borrowings *(Note 7)*	¥ 1,815	¥ 2,072	$ 16,901
Current portion of long-term borrowings *(Note 7)*	200	–	1,862
Notes and accounts payable:			
Trade	44,862	42,811	417,748
Unconsolidated subsidiaries and affiliates	678	826	6,313
	45,540	43,637	424,062
Accrued income taxes *(Note 8)*	14,668	5,849	136,586
Accrued consumption taxes	616	1,923	5,736
Accrued expenses	11,469	11,540	106,798
Other current liabilities	23,841	18,576	222,004
Total current liabilities	98,152	83,600	913,977
Long-term liabilities:			
Long-term debt *(Note 7)*	63,516	332	591,452
Accrued retirement benefits *(Note 9)*:			
Employees	23,863	23,232	222,209
Directors and statutory auditors	2,880	2,123	26,818
Deferred tax liabilities *(Note 8)*	3,219	6,158	29,975
Other	383	788	3,566
Total long-term liabilities	93,864	32,635	874,048
Minority interests	10,084	7,680	93,901
Shareholders' equity *(Note 10)*:			
Common stock without par value:			
Authorized – 6,000,000 shares in 2005 and 3,000,000 shares in 2004			
Issued – 2,620,306 shares in 2005 and 1,274,304 shares in 2004	114,750	106,200	1,068,535
Additional paid-in capital	142,214	133,664	1,324,276
Land revaluation account	2,103	2,108	19,583
Retained earnings	272,090	252,821	2,533,662
Unrealized holding gain on securities	18,545	24,199	172,688
Translation adjustments	(1,236)	(985)	(11,509)
Total	548,468	518,009	5,107,254
Common stock in treasury, at cost; 269,364.04 shares in 2005 and 29,921.24 shares in 2004	(69,380)	(16,139)	(646,056)
Total shareholders' equity	479,088	501,870	4,461,198
Contingent liabilities *(Note 11)*			
Total liabilities and shareholders' equity	¥681,190	¥625,786	$6,343,142

See accompanying notes to consolidated financial statements.

CONSOLIDATED STATEMENTS OF INCOME

Fuji Television Network, Incorporated and Consolidated Subsidiaries
Years ended March 31,

	Year ended March 31,			
	2005	2004	2003	2005
	(Millions of yen)			*(Thousands of U.S. dollars) (Note 3)*
Net sales	¥476,733	¥455,945	¥429,004	$4,439,268
Cost of sales	301,561	289,371	271,605	2,808,092
Gross profit	175,172	166,574	157,398	1,631,176
Selling, general and administrative expenses	131,591	122,509	120,130	1,225,356
Operating income	43,581	44,065	37,268	405,820
Other income (expenses):				
Interest expense	(123)	(126)	(147)	(1,145)
Interest and dividend income	1,075	606	626	10,010
Gain on sales of investment securities	23	0	2	214
Unrealized loss on investment securities	(286)	–	(4,798)	(2,663)
Unrealized loss on investments in unconsolidated subsidiaries and affiliates	–	(119)	–	–
Loss on sales or disposal of property and equipment	(707)	(2,828)	(53)	(6,583)
Rental income, net of expenses	213	1,234	1,180	1,983
Income from leveraged leases	–	173	1,035	–
Equity in earnings (losses) of unconsolidated subsidiaries and affiliates	657	597	(1,336)	6,118
Amortization of retirement benefit obligation at transition *(Note 9)*	–	–	(3,062)	–
Unrealized loss on other investments	(327)	(77)	(211)	(3,045)
Stock issuance expenses	(94)	(474)	–	(875)
Provision for allowance for doubtful receivables	(2,503)	–	–	(23,308)
Loss on cancellation of distribution agreement	(648)	–	–	(6,034)
Other, net	1,128	(663)	160	10,504
	(3,851)	(1,678)	(6,605)	(35,860)
Income before income taxes and minority interests	39,730	42,387	30,663	369,960
Income taxes *(Note 8)*:				
Current	19,475	13,435	15,022	181,348
Deferred	(1,456)	3,339	358	(13,558)
	18,019	16,775	15,380	167,790
Income before minority interests	21,710	25,611	15,282	202,160
Minority interests	1,134	(897)	(465)	10,560
Net income *(Note 13)*	¥ 22,845	¥ 24,714	¥ 14,816	$ 212,729

See accompanying notes to consolidated financial statements.

CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY

Fuji Television Network, Incorporated and Consolidated Subsidiaries
Years ended March 31,

	Year ended March 31,			
	2005	2004	2003	2005
		(Millions of yen)		*(Thousands of U.S. dollars) (Note 3)*
Common stock				
Beginning of year	¥106,200	¥ 59,764	¥ 59,764	$ 988,919
Add:				
Issuance of shares of common stock *(Note 10)*	–	46,436	–	–
Conversion of convertible bonds *(Note 14)*	8,550	–	–	79,616
End of year	¥114,750	¥106,200	¥ 59,764	$1,068,535
Additional paid-in capital				
Beginning of year	¥133,664	¥ 87,228	¥ 87,228	$1,244,660
Add:				
Issuance of shares of common stock *(Note 10)*	–	46,436	–	–
Conversion of convertible bonds *(Note 14)*	8,550	–	–	79,616
End of year	¥142,214	¥133,664	¥ 87,228	$1,324,276
Land revaluation account				
Beginning of year	¥ 2,108	¥ 2,111	¥ 2,075	$ 19,629
Net changes during the year	(5)	(2)	35	(47)
End of year	¥ 2,103	¥ 2,108	¥ 2,111	$ 19,583
Retained earnings				
Beginning of year	¥252,821	¥230,167	¥217,716	$2,354,232
Add:				
Net income	22,845	24,714	14,816	212,729
Net effect of change in scope of consolidation	–	20	–	–
Deduct:				
Net effect of change in scope of consolidation	(81)	–	(78)	(754)
Cash dividends paid	(3,235)	(1,827)	(2,031)	(30,124)
Bonuses to directors and statutory auditors	(259)	(253)	(255)	(2,412)
End of year	¥272,090	¥252,821	¥230,167	$2,533,662
Unrealized holding gain on securities				
Beginning of year	¥ 24,199	¥ 4,586	¥ 12,558	$ 225,338
Net changes during the year	(5,654)	19,613	(7,971)	(52,649)
End of year	¥ 18,545	¥ 24,199	¥ 4,586	$ 172,688
Translation adjustments				
Beginning of year	¥ (985)	¥ 77	¥ 491	$ (9,172)
Net changes during the year	(251)	(1,062)	(414)	(2,337)
End of year	¥ (1,236)	¥ (985)	¥ 77	$ (11,509)

See accompanying notes to consolidated financial statements.

CONSOLIDATED STATEMENTS OF CASH FLOWS

Fuji Television Network, Incorporated and Consolidated Subsidiaries
Years ended March 31,

	Year ended March 31, 2005	2004	2003	2005
		(Millions of yen)		(Thousands of U.S. dollars) (Note 3)
Cash flows from operating activities				
Income before income taxes and minority interests	¥ 39,730	¥ 42,387	¥ 30,663	$ 369,960
Depreciation and amortization	13,220	11,619	10,414	123,103
Gain on sales of investment securities	(23)	(0)	(2)	(214)
Interest and dividend income	(1,075)	(606)	(626)	(10,010)
Interest expense	123	126	147	1,145
Loss on sales or disposal of property and equipment	707	2,828	53	6,583
Unrealized loss on investment securities	286	–	4,798	2,663
Equity in (earnings) losses of unconsolidated subsidiaries and affiliates	(657)	(597)	1,336	(6,118)
Unrealized loss on other investments	327	77	211	3,045
Provision for allowance for doubtful receivables	2,503	–	–	23,308
Notes and accounts receivable, net	(757)	(2,143)	800	(7,049)
Inventories	(1,255)	3,870	3,836	(11,686)
Notes and accounts payable	1,506	239	(843)	14,024
Other	(103)	(868)	464	(959)
Subtotal	54,534	56,933	51,255	507,813
Interest and dividends received	1,298	768	798	12,087
Interest paid	(123)	(126)	(147)	(1,145)
Income taxes paid	(11,036)	(12,319)	(18,447)	(102,766)
Net cash provided by operating activities	44,673	45,256	33,458	415,988
Cash flows from investing activities				
Decrease (increase) in short-term investments	8,451	(46,552)	(17,888)	78,694
Purchases of property and equipment	(23,228)	(7,137)	(6,270)	(216,296)
Purchases of intangible fixed assets	(8,736)	(4,680)	(3,915)	(81,348)
Proceeds from sales of property and equipment	386	10,223	336	3,594
Purchases of investment securities	(110,460)	(13,957)	(8,348)	(1,028,587)
Acquisition of subsidiary's stock resulting in change in the scope of consolidation	(2,840)	(5,262)	–	(26,446)
Proceeds from sales of investment securities	742	2,070	577	6,909
Decrease (increase) in other assets	169	(2,771)	3,262	1,574
Net cash used in investing activities	(135,516)	(68,067)	(32,245)	(1,261,905)
Cash flows from financing activities				
Decrease in short-term borrowings	(1,220)	–	(80)	(11,360)
Proceeds from issuance of convertible bonds	80,000	332	–	744,948
Proceeds from issuance of long-term borrowings	80	–	–	745
Repayment of long-term borrowings	(163)	(227)	(452)	(1,518)
Proceeds from issuance of shares of common stock	–	92,872	–	–
Purchases of treasury stock, net of proceeds from sales	–	–	(8,950)	–
Cash dividends paid	(3,235)	(1,827)	(2,031)	(30,124)
Proceeds from issuance of shares of consolidated subsidiary to minority shareholder	1,373	1,877	–	12,785
Other	(102)	(70)	(51)	(950)
Net cash provided by financing activities	76,731	92,956	(11,566)	714,508
Effect of exchange rate changes on cash and cash equivalents	(31)	(168)	(130)	(289)
(Decrease) increase in cash and cash equivalents	(14,142)	69,976	(10,483)	(131,688)
Cash and cash equivalents at beginning of year	125,232	55,377	65,995	1,166,142
Increase (decrease) in cash and cash equivalents resulting from change in scope of consolidation	2,318	(121)	(134)	21,585
Cash and cash equivalents at end of year	¥113,408	¥125,232	¥ 55,377	$1,056,039

See accompanying notes to consolidated financial statements.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Fuji Television Network, Incorporated and Consolidated Subsidiaries
March 31, 2005

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 Securities 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 Securities 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.

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.

Certain foreign subsidiaries are consolidated on the basis of fiscal periods ending December 31, and certain domestic subsidiaries are consolidated on the basic of fiscal periods ending March 10 which differs from that of the Company; however, the effect of the difference in fiscal period is immaterial.

2. Summary of Significant Accounting Policies (continued)

b. Foreign Currency Translation

The balance sheet accounts of the foreign consolidated subsidiaries are translated into yen at the rates of exchange in effect at the balance sheet date, except for the components of shareholders' equity which are translated at their historical exchange rates. Revenue and expense accounts are translated at the average rate of exchange in effect during the year. Translation adjustments are presented as a component of shareholders' equity 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

Program and film costs are stated at cost determined principally by the specific identification method. Supplies are stated at cost determined by the last purchase price 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 shareholders' equity. Investments in partnerships are accounted for by the equity method and are included in investment securities. Non-marketable securities classified as other securities are stated at cost. Cost of securities sold is determined by the moving average method.

f. Property and Equipment and Depreciation

Property and equipment is 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 ¥12,214 million ($113,735 thousand) at both March 31, 2005 and 2004.

Depreciation of property and equipment is 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.

2. Summary of Significant Accounting Policies (continued)

g. Stock Issuance Expenses

Stock issuance expenses are charged to income as incurred.

h. 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.

i. 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. The net retirement benefit obligation at transition were fully amortized by March 31, 2003.

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.

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.

j. 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.

2. Summary of Significant Accounting Policies (continued)

k. Appropriation of Retained Earnings

Under the Commercial Code of Japan, the appropriation of retained earnings with respect to a given financial year is made by resolution of the shareholders at a general meeting held subsequent to the close of such financial year. The accounts for that year do not, therefore, reflect such appropriations. See Note 16.

l. Research and Development Costs

Research and development costs are charged to income as incurred.

m. New Accounting Standards

A new Japanese accounting standard "Impairment of Fixed Assets" was issued in August 2002 that is effective for fiscal years beginning on or after April 1, 2005. The new standard requires that tangible and intangible fixed assets be carried at cost less depreciation, and be reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Companies would be required to recognize an impairment loss in their income statement if certain indicators of asset impairment exist and the book value of an asset exceeds the undiscounted sum of future cash flows of the asset. The Company is currently assessing the impact of this new accounting standard on its financial position and operating results.

3. 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 ¥107.39 = U.S.$1.00, the approximate rate of exchange in effect on March 31, 2005. 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.

4. Securities

Information regarding marketable securities classified as other securities as of March 31, 2005 and 2004 is as follows:

	March 31, 2005					
	Acquisition cost	Carrying value	Unrealized gain (loss)	Acquisition cost	Carrying value	Unrealized gain (loss)
	(Millions of yen)			(Thousands of U.S. dollars)		
Securities whose carrying value exceeds their acquisition cost:						
Stocks	¥41,518	¥ 69,678	¥28,160	$386,610	$ 648,831	$262,222
Debt securities	33,221	33,385	163	309,349	310,876	1,518
Other	2,515	2,517	2	23,419	23,438	19
Subtotal	¥77,255	¥105,581	¥28,326	$719,387	$ 983,155	$263,768
Securities whose acquisition cost exceeds their carrying value:						
Stocks	¥ 58	¥ 47	¥ (10)	$ 540	$ 438	$ (93)
Debt securities	16,065	16,060	(5)	149,595	149,548	(47)
Other	2,031	1,966	(64)	18,912	18,307	(596)
Subtotal	¥18,154	¥ 18,074	¥ (80)	$169,047	$ 168,302	$ (745)
Total	¥95,410	¥123,655	¥28,245	$888,444	$1,151,457	$263,013

	March 31, 2004		
	Acquisition cost	Carrying value	Unrealized gain (loss)
	(Millions of yen)		
Securities whose carrying value exceeds their acquisition cost:			
Stocks	¥33,906	¥ 72,997	¥39,091
Debt securities	22,147	22,289	142
Other	882	883	1
Subtotal	¥56,935	¥ 96,171	¥39,235
Securities whose acquisition cost exceeds their carrying value:			
Stocks	¥ 41	¥ 37	¥ (4)
Debt securities	35,833	35,801	(31)
Other	401	373	(27)
Subtotal	¥36,276	¥ 36,212	¥ (63)
Total	¥93,211	¥132,384	¥39,172

The redemption schedule for securities with maturities classified as other securities as of March 31, 2005 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
	(Millions of yen)				(Thousands of U.S. dollars)			
National and local government bonds	¥ 100	¥20,000	–	–	$ 931	$186,237	–	–
Corporate bonds	29,043	300	–	¥0	270,444	2,794	–	$0
Other debt securities	22,500	–	–	–	209,517	–	–	–
Others	76,510	–	–	–	712,450	–	–	–
Total	¥128,153	¥20,300	–	¥0	$1,193,342	$189,031	–	$0

5. Inventories

Inventories at March 31, 2005 and 2004 consisted of the following:

	March 31, 2005	March 31, 2004	2005
	(Millions of yen)		*(Thousands of U.S. dollars)*
Program and film costs	¥22,462	¥20,871	$209,163
Supplies	95	96	885
	¥22,557	¥20,968	$210,047

6. Depreciation

Depreciation of property and equipment amounted to ¥9,640 million ($89,766 thousand), ¥9,200 million and ¥8,738 million for the years ended March 31, 2005, 2004 and 2003, respectively.

7. Short-Term Borrowings, Long-Term Borrowings and Convertible Bonds

Short-term borrowings consisted mainly of unsecured loans from financial institutions at average interest rates of 1.07% and 1.18% as of March 31, 2005 and 2004, respectively.

Long-term debt at March 31, 2005 and 2004 consisted of the following:

	2005	2004	2005
	(Millions of yen)		*(Thousands of U.S. dollars)*
Subsidiaries:			
Unsecured loans from financial institutions at 1.18%	¥ 493	–	$ 4,590
Unsecured zero coupon convertible bonds in yen due 2007	62,900	–	585,716
3% unsecured convertible bonds in yen due 2010	323	¥332	3,008
	63,716	332	593,314
Less current portion	(200)	–	(1,862)
	¥63,516	¥332	$591,451

During the year ended March 31, 2005, the Company issued unsecured zero coupon convertible bonds in yen due 2007. These bonds are convertible into shares of common stock of the Company during the period from February 28, 2005 through February 22, 2007. The conversion price is revised every month to reflect the share price quoted on the Tokyo Stock Exchange and was ¥238,500 ($2,221.00) as of March 31, 2005. The maximum and minimum conversion prices have been set at ¥474,600 ($4,419) and ¥118,650 ($1,105), respectively.

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

At March 31, 2005, if all the outstanding convertible bonds had been converted at the then current conversion prices, 263,731 new shares would have been issuable.

Under the indentures and trust deeds of the convertible bonds, each conversion price is subject to adjustment in certain cases which include stock splits. A sufficient number of shares of common stock is reserved for the conversion of all outstanding convertible bonds.

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.

The aggregate annual maturities of long-term debt subsequent to March 31, 2005 are summarized as follows:

Year ending March 31,	*(Millions of yen)*	*(Thousands of U.S. dollars)*
2006	¥200	$1,862
2007	133	1,238
2008	8	74
2009	–	–
2010	151	1,406
2011 and thereafter	–	–
	¥493	$4,591

8. 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 rates of approximately 41% for 2005 and approximately 42% for the years ended March 31, 2004 and 2003. The income taxes of the foreign consolidated subsidiaries are based generally on the tax rates applicable in their countries of incorporation.

8. Income Taxes (continued)

The effective tax rates reflected in the consolidated statements of income for the years ended March 31, 2005, 2004 and 2003 differ from the statutory tax rates for the following reasons:

	Year ended March 31,		
	2005	2004	2003
Statutory tax rates	40.69%	42.05%	42.05%
Effect of:			
Expenses not deductible for income tax purposes	2.30	2.18	2.92
Dividends deductible for income tax purposes	(0.86)	(0.54)	(0.76)
Inhabitants' per capita taxes	0.07	0.08	0.11
Equity in (earnings) losses of unconsolidated subsidiaries and affiliates	(0.67)	(0.59)	1.83
Change in valuation allowance	5.21	(0.71)	0.07
Adjustments in deferred tax assets and liabilities due to change in tax rate	–	1.15	2.23
Loss on devaluation of investments in subsidiaries and affiliates	–	(4.22)	–
Other	(1.39)	0.18	1.71
Effective tax rates	45.35%	39.58%	50.16%

New legislation was enacted in March 2003 which changed the aggregate statutory tax rate from 42.05% to 40.69% effective for fiscal years beginning after March 31, 2004. The effect of this tax rate change was to increase income taxes – deferred by ¥682 million for the year ended March 31, 2003.

The significant components of deferred tax assets and liabilities at March 31, 2005 and 2004 were as follows:

	March 31,		
	2005	2004	2005
	(Millions of yen)		*(Thousands of U.S. dollars)*
Deferred tax assets:			
Loss on devaluation of inventories	¥ 1,293	¥ 1,343	$ 12,040
Accrued expenses	2,610	2,575	24,304
Accrued retirement benefits	10,482	9,589	97,607
Unrealized loss on land	2,552	2,904	23,764
Other	7,852	4,977	73,117
Gross deferred tax assets	24,791	21,390	230,850
Valuation allowance	(3,403)	(847)	(31,688)
Total deferred tax assets	21,387	20,543	199,153
Deferred tax liabilities:			
Unrealized holding gain on securities	(12,196)	(15,979)	(113,567)
Other	(2,541)	(2,560)	(23,661)
Total deferred tax liabilities	(14,737)	(18,540)	(137,229)
Net deferred tax assets	¥ 6,650	¥ 2,002	$ 61,924

9. Retirement Benefit Plans

The Company and its domestic consolidated subsidiaries have defined benefit plans, i.e., welfare pension fund plans, tax-qualified pension plans and lump-sum payment 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, 2005 and 2004 for the Company's and the consolidated subsidiaries' defined benefit plans:

	March 31,		
	2005	2004	2005
	(Millions of yen)		*(Thousands of U.S. dollars)*
Retirement benefit obligation	¥(75,864)	¥(70,329)	$(706,434)
Plan assets at fair value	35,505	32,773	330,617
Unfunded retirement benefit obligation	(40,358)	(37,556)	(375,808)
Unrecognized actuarial loss	17,122	15,008	159,438
Unrecognized prior service cost	(627)	(685)	(5,839)
Accrued retirement benefits	¥(23,863)	¥(23,232)	$(222,209)

The components of retirement benefit expenses for the years ended March 31, 2005, 2004 and 2003 are outlined as follows:

	Year ended March 31,			
	2005	2004	2003	2005
	(Millions of yen)			*(Thousands of U.S. dollars)*
Service cost	¥2,835	¥2,479	¥2,875	$26,399
Interest cost	1,343	1,397	1,337	12,506
Expected return on plan assets	(636)	(583)	(663)	(5,922)
Amortization of net retirement benefit obligation at transition	–	–	3,062	–
Amortization of actuarial loss	1,155	1,178	717	10,755
Amortization of prior service cost	(57)	(57)	(57)	(531)
Other	–	351	–	–
Total retirement benefit expenses	¥4,640	¥4,765	¥7,271	$43,207

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

	2005	2004
Discount rates	Mainly 1.8%	Mainly 2.1%
Expected rate of return on assets	2.1%	2.3%

10. Shareholders' Equity

In accordance with the Commercial Code of Japan (the "Code"), the Company has provided a legal reserve, which was included in retained earnings. The Code provides that an amount equal to at least 10% of the amount to be disbursed as distributions of earnings be appropriated to the legal reserve until the total of such reserve and the additional paid-in capital account equals 25% of the common stock account. The legal reserve amounted to ¥4,385 million ($40,832 thousand) as of both March 31, 2005 and 2004.

The Code provides that neither additional paid-in capital nor the legal reserve is available for dividends, but both may be used to reduce or eliminate a deficit by resolution of the shareholders or may be transferred to common stock by resolution of the Board of Directors. The Code also provides that if the total amount of additional paid-in capital and the legal reserve exceeds 25% of the amount of common stock, the excess may be distributed to the shareholders either as a return of capital or as dividends subject to the approval of the shareholders.

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 stockholders' equity as "Land revaluation account" in the accompanying consolidated balance sheets as of March 31, 2005 and 2004.

During the year ended March 31, 2005, pursuant to resolution by the Board of Directors, the Company increased the number of authorized shares from 3,000,000 shares to 6,000,000 shares.

During the year ended March 31, 2004, the Company issued 200,000 shares for ¥92,872 million.

11. Contingent Liabilities

As of March 31, 2005 and 2004, the Company was contingently liable as guarantors of bank loans of an affiliate, employees of the Company and others in the aggregate amount of ¥14,419 million ($134,268 thousand) and ¥14,783 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 ¥1,751 million ($16,305 thousand) and ¥2,043 million as of March 31, 2005 and 2004, respectively.

12. 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, 2005 and 2004, 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,		
	2005	**2004**	**2005**
	(Millions of yen)		*(Thousands of U.S. dollars)*
Acquisition costs:			
Machinery, equipment and vehicles	¥ 4,797	¥ 6,083	$ 44,669
Tools, furniture and fixtures	6,865	7,382	63,926
Total	¥11,662	¥13,466	$108,595
Accumulated depreciation:			
Machinery, equipment and vehicles	¥ 3,428	¥ 3,770	$ 31,921
Tools, furniture and fixtures	3,423	3,597	31,874
Total	¥ 6,851	¥ 7,367	$ 63,796
Net book value:			
Machinery, equipment and vehicles	¥ 1,368	¥ 2,313	$ 12,739
Tools, furniture and fixtures	3,441	3,784	32,042
Total	¥ 4,810	¥ 6,098	$ 44,790

Lease payments relating to finance leases accounted for as operating leases in the accompanying consolidated financial statements amounted to ¥3,159 million ($29,416 thousand), ¥3,413 million and ¥6,536 million for the years ended March 31, 2005, 2004 and 2003, respectively.

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,			
	2005	**2004**	**2003**	**2005**
	(Millions of yen)			*(Thousands of U.S. dollars)*
Depreciation	¥2,951	¥3,129	¥5,698	$27,479
Interest expense	155	204	402	1,443

Future minimum lease payments subsequent to March 31, 2005 relating to finance leases accounted for as operating leases are summarized as follows:

Year ending March 31,	*(Millions of yen)*	*(Thousands of U.S. dollars)*
2006	¥2,133	$19,862
2007 and thereafter	2,894	26,949
	¥5,027	$46,811

12. 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, 2005 and 2004:

	March 31,		
	2005	2004	2005
	(Millions of yen)		*(Thousands of U.S. dollars)*
Acquisition costs:			
Tools, furniture and fixtures	¥297	¥299	$2,766
Accumulated depreciation:			
Tools, furniture and fixtures	¥257	¥200	$2,393
Net book value:			
Tools, furniture and fixtures	¥ 39	¥ 98	$ 363

Lease income relating to finance leases accounted for as operating leases in the accompanying consolidated financial statements amounted to ¥65 million ($605 thousand), ¥64 million and ¥62 million for the years ended March 31, 2005, 2004 and 2003, 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,			
	2005	2004	2003	2005
	(Millions of yen)			*(Thousands of U.S. dollars)*
Depreciation	¥60	¥59	¥58	$559
Interest	2	3	5	19

Future minimum lease income subsequent to March 31, 2005 relating to finance leases accounted for as operating leases are summarized as follows:

Year ending March 31,	*(Millions of yen)*	*(Thousands of U.S. dollars)*
2006	¥39	$363
2007 and thereafter	2	19
	¥42	$391

13. Amounts Per Share

	Year ended March 31, 2005	2004	2003	2005
		(Yen)		*(U.S. dollars)*
Basic net income	¥9,056.14	¥22,765.20	¥13,617.49	$84.33
Diluted net income	8,950.53	–	–	83.35
Cash dividends	5,000	2,000	1,750	46.56

	March 31, 2005	2004	2005
	(Yen)		*(U.S. dollars)*
Net assets	¥203,653.65	¥403,094.41	$1,896.39

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, 2004 and 2003.

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 available for distribution to the shareholders and the number of shares of common stock outstanding at the year end.

The Company made a two-for-one stock split on May 20, 2004. Had this stock split been completed on April 1, 2002, basic net income per share for the years ended March 31, 2004 and 2003, and net assets per share at March 31, 2004 would have been ¥11,382.60, ¥6,808.74 and ¥201,547.21, respectively.

14. Supplemental Cash Flow Information

a) During the year ended March 31, 2005, the Company acquired the shares of common stock of Shinko Music Publishers Co., Ltd. and this company became a consolidated subsidiary. The assets acquired and liabilities assumed, the purchase price of the shares of common stock and net expenditure for acquisition are summarized as follows:

	(Millions of yen)	*(Thousands of U.S. dollars)*
Current assets	¥ 10	$ 93
Non-current assets	2,840	26,446
Goodwill	1,155	10,755
Long-term liabilities	(1,155)	(10,755)
Acquisition cost	2,850	26,539
Cash and cash equivalents acquired	(10)	(93)
Net expenditure for acquisition	¥ 2,840	$ 26,446

14. Supplemental Cash Flow Information (continued)

b) During the year ended March 31, 2005, convertible bonds in the amount of ¥17,100 million ($159,233 thousand) were converted into shares of common stock of the Company. As a result, the common stock and additional paid-in capital increased by ¥8,550 million ($79,616 thousand) each.

15. Segment Information

The Company and consolidated subsidiaries are primarily engaged in the business areas of broadcasting ("BC"), program production and related businesses ("PP"), and direct marketing ("DM"), 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, 2005, 2004 and 2003, 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, 2005, 2004 and 2003, 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, 2005, 2004 and 2003 is outlined as follows:

	Year ended March 31, 2005						
	BC	PP	DM	Other	Total	Eliminations	Consolidated
				(Millions of yen)			
I. Net sales and operating income:							
Net sales to third parties	¥370,463	¥19,881	¥67,966	¥18,422	¥476,733	–	¥476,733
Intra-group net sales and transfers	5,575	29,802	399	12,009	47,786	¥(47,786)	–
Total net sales	376,039	49,683	68,366	30,431	524,520	(47,786)	476,733
Operating expenses	337,253	46,545	66,118	31,163	481,081	(47,929)	433,152
Operating income (loss)	¥ 38,785	¥ 3,137	¥ 2,248	¥ (732)	¥ 43,438	¥ 142	¥ 43,581
II. Assets, depreciation and capital expenditures:							
Total assets	¥647,980	¥28,729	¥20,915	¥45,850	¥743,475	¥(62,285)	¥681,190
Depreciation and amortization	11,272	594	504	566	12,937	(264)	12,673
Capital expenditures	29,354	1,014	303	3,472	34,144	(726)	33,418

15. Segment Information (continued)

	Year ended March 31, 2005						
	BC	PP	DM	Other	Total	Eliminations	Consolidated
	(Thousands of U.S. dollars)						
I. Net sales and operating income:							
Net sales to third parties	$3,449,697	$185,129	$632,889	$171,543	$4,439,268	–	$4,439,268
Intra-group net sales and transfers	51,914	277,512	3,715	111,826	444,976	$(444,976)	–
Total net sales	3,501,620	462,641	636,614	283,369	4,884,254	(444,976)	4,439,268
Operating expenses	3,140,451	433,420	615,681	290,185	4,479,756	(446,308)	4,033,448
Operating income (loss)	$ 361,160	$ 29,211	$ 20,933	$ (6,816)	$ 404,488	$ 1,322	$ 405,820
II. Assets, depreciation and capital expenditures:							
Total assets	$6,033,895	$267,520	$194,757	$426,949	$6,923,131	$(579,989)	$6,343,142
Depreciation and amortization	104,963	5,531	4,693	5,271	120,467	(2,458)	118,009
Capital expenditures	273,340	9,442	2,821	32,331	317,944	(6,760)	311,184

	Year ended March 31, 2004						
	BC	PP	DM	Other	Total	Eliminations	Consolidated
	(Millions of yen)						
I. Net sales and operating income:							
Net sales to third parties	¥352,558	¥18,507	¥66,654	¥18,225	¥455,945	–	¥455,945
Intra-group net sales and transfers	5,498	28,418	452	11,771	46,141	¥(46,141)	–
Total net sales	358,056	46,925	67,107	29,997	502,086	(46,141)	455,945
Operating expenses	320,162	44,627	63,629	29,578	457,997	(46,116)	411,880
Operating income	¥ 37,894	¥ 2,297	¥ 3,477	¥ 419	¥ 44,089	¥ (24)	¥ 44,065
II. Assets, depreciation and capital expenditures:							
Total assets	¥559,594	¥26,107	¥20,435	¥28,110	¥634,248	¥ (8,461)	¥625,786
Depreciation and amortization	10,185	423	389	511	11,510	(197)	11,312
Capital expenditures	11,010	321	1,048	45	12,426	(573)	11,852

	Year ended March 31, 2003						
	BC	PP	DM	Other	Total	Eliminations	Consolidated
	(Millions of yen)						
I. Net sales and operating income:							
Net sales to third parties	¥328,683	¥18,968	¥61,084	¥20,267	¥429,004	–	¥429,004
Intra-group net sales and transfers	5,045	27,557	419	9,421	42,443	¥(42,443)	–
Total net sales	333,729	46,526	61,504	29,688	471,448	(42,443)	429,004
Operating expenses	300,055	44,925	59,688	29,215	433,885	(42,149)	391,735
Operating income	¥ 33,674	¥ 1,600	¥ 1,815	¥ 472	¥ 37,562	¥ (294)	¥ 37,268
II. Assets, depreciation and capital expenditures:							
Total assets	¥427,087	¥24,758	¥16,957	¥20,230	¥489,034	¥ (8,121)	¥480,913
Depreciation and amortization	9,261	461	208	529	10,460	(130)	10,329
Capital expenditures	9,752	538	638	214	11,143	(340)	10,803

16. Subsequent Events

1) In order to acquire control over Nippon Broadcasting System, Inc. ("NBS") and to establish a business partnership with Livedoor Co., Ltd. ("Livedoor"), simultaneously, on April 18, 2005, the Board of Directors of the Company resolved to acquire all shares of Livedoor Partners Co., Ltd. ("LP"), a wholly owned subsidiary of Livedoor which holds 10,627,410 shares of NBS (representing 32.4% of NBS's total shares issued), and to acquire additional shares of common stock of Livedoor through a private placement. In this connection, the Company entered into an agreement with Livedoor, the major contents of which are summarized as follows:

   a) Effective May 23, 2005, the Company would acquire all shares of LP, a wholly owned subsidiary of Livedoor Financial Holdings Co., Ltd. ("LFH") which, in turn, is wholly owned by Livedoor, for ¥67,000 million ($623,894 thousand) (including the payment of LP's payables to Livedoor and its subsidiaries).

   b) Effective May 23, 2005, the Company would acquire 133,740,000 shares of common stock of Livedoor for ¥44,000 million ($409,722 thousand) or ¥329 ($3.06) per share by way of a private placement. The Company's percentage of ownership in Livedoor would be 12.75% after the private placement.

2) On April 18, 2005, the Boards of Directors of the Company and NBS resolved that NBS would become a wholly owned subsidiary of the Company, provided that the acquisition of all shares of LP by the Company was successfully completed and the Company's ownership percentage of NBS reached 68.87% (totaling 22,588,424 shares including those held by LP). The Company and NBS immediately entered into an agreement covering the above.

   Provided that the Company is entitled to utilize a simplified business restructuring measure as prescribed in the Law on Special Measures for Industrial Revitalization, the Company intends to acquire all shares of NBS in exchange for cash on September 1, 2005. The purchase price will be ¥6,300 ($58.66) per share and the total cash outflows for the acquisition of treasury stock by NBS and the share exchange transaction will be ¥63,800 million ($594,096 thousand).

3) On May 13, 2005, the Board of Directors of the Company resolved to enter into a line-of-credit agreement with banks to raise funds to be utilized as working capital and for the acquisition of NBS's shares as described above. Pursuant to this resolution, on May 18, 2005, the Company entered into the line-of-credit agreement under which the credit limit was set at ¥90,000 million ($838,067 thousand) and the borrowings would bear interest at TIBOR plus 0.15%. This line-of-credit agreement expires on May 16, 2006 and the related borrowings must be fully repaid on that date. As of June 29, 2005, the outstanding balance of loans payable under this line-of-credit agreement amounted to ¥13,500 million ($125,710 thousand).

16. Subsequent Events (continued)

4) In line with 1.a) above, on May 23, 2005, the Company acquired all shares of LP from LFH. In addition, LP fully repaid the loans payable to Livedoor and its subsidiaries using funds borrowed from the Company. The acquisition cost for LP's shares and the loans payable repaid by LP amounted to ¥2,112 million ($19,667 thousand) and ¥64,947 million ($604,777 thousand), respectively. LP subsequently changed its name to LF Holdings Co., Ltd. ("LFH") and appointed directors who were nominated by the Company. The Company currently holds 68.87% of the shares issued by NBS directly and indirectly through LFH and NBS has thus become a subsidiary of the Company. In addition, as of May 23, 2005, Livedoor had completed the private placement outlined in 2. above and the Company had acquired a 12.75% interest in Livedoor.

5) On May 23, 2005, the Company and LFH, a wholly owned subsidiary of the Company which holds 32.4% of the shares issued by NBS, entered into an agreement under which LFH will merge into the Company on July 12, 2005 for the purpose of clearing the shareholding relationship between the Company and NBS before the purchase of NBS's shares as described in 2. above. This merger qualifies as a simplified merger prescribed in Article 413-3-1 of the Commercial Code of Japan (the "Code") and is therefore not subject to approval by the shareholders of the Company. The Company is designated as the surviving company in the merger and LFH will subsequently be dissolved. There will be no change in the Company's common stock or in the number of shares issued by the Company upon the merger since the Company holds all shares issued by LFH. However, the Company's additional paid-in capital will be increased as of the merger by the amount prescribed in Article 288-2-1-5 of the Code.

   The Company will acquire and assume all rights and obligations of LFH as of July 12, 2005. The total assets, total liabilities and total shareholders' equity of LFH amounted to ¥66,954 million ($623,466 thousand), ¥65,779 million ($612,524 thousand) and ¥1,175 million ($10,941 thousand), respectively, as of May 23, 2005. LFH's net sales and net loss from October 19, 2004 (the date of its inception) to May 23, 2005 amounted to zero and ¥46 million ($428 thousand), respectively.

6) Based on the agreement described in 2. above, on May 23, 2005, the Company and NBS submitted an application in accordance with Article 3-1 of the Law on Special Measures for Industrial Revitalization with respect to a business restructuring involving both companies through an acquisition of shares in exchange for cash. The application was approved on June 10, 2005.

16. Subsequent Events (continued)

7) As a result of the transactions and events described above, there will be changes in the scope of consolidation. NBS, which is engaged in the radio broadcasting business and PONY CANYON INC., NBS's major subsidiary, which is engaged in the motion picture and music business, will become consolidated subsidiaries of the Company. These two companies, through the year ended March 31, 2005, have been accounted for by the equity method. The balance sheets and income statements as of and for the year ended March 31, 2005 of NBS and PONY CANYON INC. are summarized as follows:

NBS

	(Millions of yen)	*(Thousands of U.S. dollars)*
Current assets	¥ 32,967	$ 306,984
Noncurrent assets	173,736	1,617,804
Total assets	¥206,703	$1,924,788
Current liabilities	¥ 3,418	$ 31,828
Noncurrent liabilities	61,847	575,910
Shareholders' equity	141,437	1,317,041
Liabilities and shareholders ' equity	¥206,703	$1,924,788

	(Millions of yen)	*(Thousands of U.S. dollars)*
Net sales	¥29,206	$271,962
Operating income	291	2,710
Income before income taxes	249	2,319
Net income	¥ 167	$ 1,555

PONY CANYON INC.

	(Millions of yen)	*(Thousands of U.S. dollars)*
Current assets	¥26,235	$244,296
Noncurrent assets	5,475	50,982
Total assets	¥31,711	$295,288
Current liabilities	¥17,705	$164,866
Noncurrent liabilities	3,297	30,701
Shareholders' equity	10,708	99,711
Liabilities and shareholders' equity	¥31,711	$295,288

	(Millions of yen)	*(Thousands of U.S. dollars)*
Net sales	¥64,264	$598,417
Operating income	5,032	46,857
Income before income taxes	3,519	32,768
Net income	¥ 2,949	$ 27,461

16. Subsequent Events (continued)

8) Effective April 1, 2005, the Company changed its business segmentation to present its business segments as follows: "Broadcasting" ("BC"), "Program Production and Related Business" ("PP"), "Direct Marketing" ("DM"), "Video and Music" ("VM") and "Other." Until the year ended March 31, 2005, the Company reported its business segment information as BC, PP, DM and Other. This change was made to reflect the changes in the scope of consolidation described above. Had the new business segmentation been adopted, the business segment information for the year ended March 31, 2005 would have been as follows:

	Year ended March 31, 2005							
	BC	PP	DM	VM	Other	Total	Elimina-tions	Consoli-dated
				(Millions of yen)				
I. Net sales and operating income:								
Net sales to third parties	¥370,463	¥19,881	¥67,966	¥ 895	¥17,526	¥476,733	–	¥476,733
Intra-group net sales and transfers	5,575	29,802	399	4	12,004	47,786	¥(47,786)	–
Total net sales	376,039	49,683	68,366	900	29,531	524,520	(47,786)	476,733
Operating expenses	337,253	46,545	66,118	1,416	29,747	481,081	(47,929)	433,152
Operating income	¥ 38,785	¥ 3,137	¥ 2,248	¥ (515)	¥ (216)	¥ 43,438	¥ 142	¥ 43,581
II. Assets, depreciation and capital expenditures:								
Total assets	¥594,738	¥28,729	¥20,915	¥24,846	¥21,004	¥690,233	¥ (9,043)	¥681,190
Depreciation and amortization	11,272	594	504	420	146	12,937	(264)	12,673
Capital expenditures	29,354	1,014	303	3,302	169	34,144	(726)	33,418

	Year ended March 31, 2005							
	BC	PP	DM	VM	Other	Total	Elimina-tions	Consoli-dated
				(Thousands of U.S. dollars)				
I. Net sales and operating income:								
Net sales to third parties	$3,449,697	$185,129	$632,889	$ 8,334	$163,200	$4,439,268	–	$4,439,268
Intra-group net sales and transfers	51,914	277,512	3,715	37	111,779	444,976	$(444,976)	–
Total net sales	3,501,620	462,641	636,614	8,381	274,988	4,884,254	(444,976)	4,439,268
Operating expenses	3,140,451	433,420	615,681	13,186	277,000	4,479,756	(446,308)	4,033,448
Operating income	$ 361,160	$ 29,211	$ 20,933	$ (4,796)	$ (2,011)	$ 404,488	$ 1,322	$ 405,820
II. Assets, depreciation and capital expenditures:								
Total assets	$5,538,113	$267,520	$194,757	$231,362	$195,586	$6,427,349	$ (84,207)	$6,343,142
Depreciation and amortization	104,963	5,531	4,693	3,911	1,360	120,467	(2,458)	118,009
Capital expenditures	273,340	9,442	2,821	30,748	1,574	317,944	(6,760)	311,184

9) 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 29, 2005:

	(Millions of yen)	(Thousands of U.S. dollars)
Year-end cash dividends (¥4,400 = $40.97 per share)	¥11,266	$104,907
Bonuses to directors and statutory auditors	98	913

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, 2005 and 2004, and the related consolidated statements of income, shareholders' equity, and cash flows for each of the three years in the period ended March 31, 2005, 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, 2005 and 2004, and the consolidated results of their operations and their cash flows for each of the three years in the period ended March 31, 2005 in conformity with accounting principles generally accepted in Japan.

Supplemental Information

1. As described in Note 16.1), 4), and 5), on April 18, 2005, the Company and Livedoor Co., Ltd. ("Livedoor") entered into an agreement under which the Company would acquire all shares issued by Livedoor Partners Co., Ltd. ("LP") as well as shares to be issued by Livedoor through a private placement. In accordance with this agreement, on May 23, 2005, the Company acquired all shares issued by LP and also acquired additional shares of Livedoor through a private placement. In addition, the Company and LF Holdings Co., Ltd. ("LFH") (formerly "LP") entered into an agreement under which the Company and LFH would merge effective July 12, 2005.
2. As described in Note 16.2), on April 18, 2005, the Company and Nippon Broadcasting System, Inc. ("NBS") entered into an agreement under which NBS would become a wholly owned subsidiary of the Company on September 1, 2005 by way of an exchange of NBS's shares for cash.
3. As described in Note 16.3), on May 13, 2005, the Board of Directors of the Company resolved to enter into a line-of-credit agreement with banks and borrowed money under this credit facility.
4. As described in Note 16.7) and 8), the Company plans to change its scope of consolidation and disclosure of its business segmentation effective April 1, 2005 in order to reflect the initial consolidation of NBS.

The U.S. dollar amounts in the accompanying consolidated financial statements with respect to the year ended March 31, 2005 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 3.

Ernst & Young ShinNihon

June 29, 2005

INVESTORS' INFORMATION

FUJI TELEVISION NETWORK, INC.

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.
1-6-2, Marunouchi, Chuo-ku, Tokyo 135-8722, Japan

STOCK LISTING:
First Section of the Tokyo Stock Exchange
(Listed on August 8, 1997)

CODE NUMBER:
4676

NUMBER OF SHAREHOLDERS:
114,405
(As of March 31, 2005)

NUMBER OF SHARES:
Issued: 9,000,000
Outstanding: 2,938,002.84
(As of September 1, 2005)

Note: The Company carried out a 2-for-1 stock split on May 20, 2004. Therefore, the authorized number of shares issued and the number of shares issued and outstanding are subject to increase.

INDEPENDENT AUDITORS:
Ernst & Young ShinNihon
Certified Public Accountants

NUMBER OF SUBSIDIARIES AND AFFILIATES:

Consolidated subsidiaries:	32
Non-consolidated subsidiaries accounted for by the equity method:	4
Affiliates:	35

(including 8 affiliates accounted for by the equity method)
(As of June 30, 2005)

NOTES:

1. BROADCASTING LAWS AND REGULATIONS IN JAPAN
Fuji Television Network, Inc.'s operations are governed by the Radio and Broadcasting Laws of Japan. Under these laws, those applying for a broadcasting license must have construction plans for broadcasting facilities that conform to the technological standards set forth in the laws, meet the requirements for being assigned a frequency based on the frequency-use plan established by the Ministry of Public Management, Home Affairs, Posts and Telecommunications (MPHPT), maintain capital sufficient for carrying out the operations for which the application was made, and conform to the basic standards for the establishment of a broadcasting station as set forth in the laws and ordinances of the MPHPT. In addition, under the standards for the establishment of a broadcasting station, the applicant cannot, in principle, be owned or controlled by a mass media organization.

Note: Fuji Television was granted a broadcasting license on January 9, 1959, and commenced broadcasting on March 1 of the same year. The Company's license was last renewed on November 1, 2003, with such a license valid for five years.

2. FOREIGN OWNERSHIP
In Japan, broadcasting stations that have a foreign entity (defined as one not possessing Japanese citizenship, foreign governments or their representatives, or foreign corporations and other organizations) acting as an officer in the execution of broadcasting operations or broadcasting stations in which a foreign interest has voting rights constituting 20% or more of the total voting rights cannot be granted a broadcasting license.

Note: For this reason, should a foreign entity acquire 20% or more of the voting shares of a broadcasting organization whose shares are publicly listed or have been issued in conformance with the laws and ordinances of the MPHPT, the request for registration of these shares in the foreign entity's name may be denied. Furthermore, control by a foreign entity of 15% or more of a broadcasting organization's voting shares must be publicly disclosed.

FUJI NETWORK SYSTEM
Fuji Television inaugurated its broadcasting service in 1959 along with three domestic affiliated stations. The Fuji Network System (FNS) was established as a network for the distribution of programming to affiliated companies. Today, the FNS comprises 28 stations and reaches approximately 98% of the Japanese population. Terrestrial broadcasting was changed over to a digital format from 2003, starting in Tokyo, Nagoya, and Osaka, to be followed by the debut of nationwide service in 2006. FNS will work as a team to be a winner in the era of digital terrestrial broadcasting.

Note: The accounts of the FNS member companies, other than those of Fuji Television, are not included in Fuji Television's consolidated financial accounts.

FUJISANKEI COMMUNICATIONS GROUP
The Fujisankei Communications Group (FCG) is one of the world's largest mass media conglomerates, comprising nearly 100 companies and representing Japan's most powerful network of television, newspaper, radio, publishing, music and video, direct marketing, real estate, and museum management entities.

Note: The FCG includes companies that are not consolidated in Fuji Television's financial accounts.

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