May 23, 2003

Asahi National Broadcasting Company Limited and Subsidiaries
Consolidated Financial Statements
For the Year Ended March 31, 2003

(Unaudited)

Summary

	Millions of yen (except per share data)	
	Year ended March 31, 2003	Year ended March 31, 2002
Net sales	¥ 209,035	¥ 219,926
Operating income	7,430	13,478
Net income	1,908	5,939
Net income per share (basic)	1,785.27	5,903.72
Net income per share (diluted)	-	-
Return on equity	0.9%	2.8%
Total assets	294,047	291,133
Total stockholders' equity	215,842	216,515
Stockholders' equity ratio	73.4%	74.4%
Stockholders' equity per share	214,554.91	215,223.72
Net cash provided by operating activities	10,555	5,610
Net cash used in investing activities	(14,079)	(5,906)
Net cash used in financing activities	(8,203)	(7,855)
Cash and cash equivalents at end of year	74,435	86,203

(Caution)

These Statements are issued based on the Financial Results for the year ended March 31, 2003, announced in Japan on May 23, 2003. The Results have been prepared in accordance with the prevailing accounting rules in Japan.

1. Corporate Group Structure

The Corporate Group led by Asahi National Broadcasting Company Limited（“TV Asahi”）comprises of TV Asahi and its 15 subsidiary companies together with its 10 affiliated companies. Just as TV Asahi takes its pride in the business related to program productions, each one of the corporate group companies prides itself in its professional skills and they are all actively involved in developing their business in respective fields. We are also keeping a steady productive business relationship with our associated companies; Asahi Shimbun Publishing Co., Ltd. and Toei Co., Ltd.

The Corporate Group is divided into three business segments; TV Broadcasting Business, covering all the business related to the production and broadcast of the programs aired by TV Asahi; Music Publication Business, supervising the copyrights of our music publications; and Other Businesses, covering miscellaneous business activities. Miscellaneous activities include organizations of special events, publication and investments on films, which are directly managed by TV Asahi, and distribution of broadcasting facilities and dial-in shopping service, etc. managed by our subsidiaries.

ASAHI NATIONAL BROADCASTING COMPANY LIMITED

TV Broadcasting Business

Business related to Program Production

Consolidated Subsidiaries:
- Logical Solution & D Inc.
- Take Systems Co., Ltd.
- TV Asahi Productions Co., Ltd.
- Trust Network Inc.
- Video Pack Nippon Company Ltd.
- Housougijutusha Co., Ltd.
- TV ASAHI America , Inc.
- TV Asahi Create Co., Ltd.

Affiliates (equity holding by TV Asahi):
- Japan Cable Television Incorporated
- Flex Co., Ltd.
- Bunkakobo, Inc.

Associated Companies:
- Tohoku Asahi Production Co., Ltd.
- Mystery Channel Inc.
- Ryukyu Trust Co., Ltd.

Other Associated Company:
- Toei Co., Ltd.

BS/CS Digital Broadcasting

Affiliates (equity holding by TV Asahi):
- Asahi Satellite Broadcastiong Limited
- CS One Ten, Ltd.

Multi Lingual & Multi Data Broadcasting

Consolidated Subsidiary:
- Asahi Lettervision Co., Ltd.
- TV Asahi Data Co., Ltd.

Music Publication Business

Consolidated Subsidiaries:
- TV ASAHI Music Co., Ltd.

Affiliates (equity holding by TV Asahi):
- BS Asahi Sounds Limited

Other Businesses

Dial-in Retail Business

Consolidated Subsidiary:
- TV Asahi Living Co., Ltd.

Broadcasting Facilities Related Business

Consolidated Subsidiary:
- Television Asahi Service Co., Ltd.

Announcer Training School

Consolidated Subsidiary:
- TV Asahi ASK Co., Ltd.

Facilities Administration Business

Consolidated Subsidiary:
- TV Asahi BEST Co., Ltd.

Content Distribution for Broadband Market

Associated Company:
- TRESOLA Corporation

Daily Newspaper Publisher

Other Associated Company:
- Asahi Shimbun Publishing Co., Ltd.

2. Management Policy

(1) Basic Management Policies

Asahi National Broadcasting Co., Ltd. (TV Asahi) is deeply conscious of the public-service mission of broadcasting. It is committed to providing high-quality programs and to implementing ongoing self-reform so that it will continue to be the broadcaster of choice for large numbers of viewers and advertisers, and will develop in tandem with the society that it serves.

TV Asahi, together with its Group companies, is also committed to establishing itself as the leader in the information and media industry in the era of change, characterized by an increase in both fusion and competition with the telecommunications and other industries, by the emergence of new services, and by the expansion of business fields. Backed by the understanding of viewers, advertisers, and shareholders, it will strive to increase its long-term corporate value and therefore its value to shareholders.

(2) Basic Policy on the Allocation of Profits

As TV Asahi is a company engaging primarily in broadcasting business, and therefore of a highly public-service character, its basic policy is to endeavor to sustain stable payments of dividends in a manner balanced with the increase of retained earnings, its aim being both to build a solid long-term business foundation and to ensure the passing-on of profits to shareholders, subject to variation based on factors such as commemorative occasions and business performance in each business term.

With respect to the allocation of profits to retained earnings, the Company will strive to further enhance its financial condition and to prepare itself fully for active development of business operations in a way that positions it for the full-fledged digital era that is dawning and for the greater supply of content to a broad range of media.

For the term under review the Company plans to pay an end-of-period dividend of ¥300 per share of common stock, together with an extraordinary dividend of ¥100 per share. Combined with the interim dividend of ¥300 per share already paid, the dividend for the full year will thus be ¥700 per share, representing a dividend payout ratio of 29.2%.

(3) Management Indicators

In view of the unique characteristics of television broadcasting business, which is greatly influenced by economic and advertising market trends, TV Asahi does not currently use any specific management indicators. However, the Company is committed to increasing profits and enhancing corporate value both by increasing audience ratings, which make the largest contribution to Group sales revenues, and by placing emphasis on more efficient management of costs.

(4) Medium- to Long-Term Management Strategies, and Issues to Be Addressed

The start of terrestrial digital broadcasting in Japan will spur media into a period of major change. Against this backdrop, in June last year the Company embarked upon its Company-Wide Reform Campaign.

The mission statement of this reform campaign is "For each employee to create original content by always being ready to take up any challenge, and to give every viewer dreams and aspirations to which to cling," with the aim of making TV Asahi "The industry leader for constantly creating a sensation through the creation of content."

Three strategic goals have been set down for translating this mission into reality, and are being pursued steadily. They are [1] to achieve the top prime-time (7 p.m. to 11 p.m.) audience ratings during the autumn programming period of 2004, [2] to transform the financial structure into a highly profitable one that is not at the mercy of economic conditions, and [3] to create a corporate culture where every employee can pursue his or her dreams and ideals by making maximum use of his or her creativity and capabilities.

Measures to increase ratings for [1] above include laying down a medium-term programming plan and ratings targets for the period to the autumn of 2004. To achieve them, the Company is making organizational improvements, giving priority to placing staff in programming and production divisions, reforming employee motivation, and increasing operating efficiency. By enhancing production capabilities and efficiency, TV Asahi is aiming to further strengthen its competitiveness as a studio that originates "hand-crafted programming."

In addition, TV Asahi increased its holding in Asahi Satellite Broadcasting Limited (BS Asahi), which specializes in digital satellite broadcasting. The objectives of this are to improve the multiuse of content and to maximize synergy through integrated programming that combines terrestrial and satellite operations.

With respect to [2], creating a highly profitable financial structure that is not at the mercy of economic conditions, TV Asahi is not only seeking to expand revenue from its core business of television advertising, but has also been endeavoring to expand revenues from other sources, and has amalgamated the existing organizations in the Special Project Division. It is investigating the commercial possibilities of fields in which it is performing well, such as mobile-telephone services, the sale of videotapes and DVDs of TV programs, the making of theatrical movies developed from TV programs, and the sale of TV programs overseas, and at the same time will continue to develop new lines of business, principally in fields closely related to television broadcasting.

In parallel with these efforts, the Company is reforming its cost structure and working to improve its financial structure into one able to generate profits even in a deflationary environment.

December 2003 will at last see the inauguration of terrestrial digital broadcasting. The digitization of terrestrial waves forms part of Japan's national policy of shifting towards information technology, its purpose being to ensure the effective use of radio waves and the improvement of broadcasting quality. Terrestrial digital broadcasting will make it possible not only to receive broadcasts at fixed sites in the home as at present, but also on mobile receivers such as mobile phones and in cars. It will also provide superior quality and functions not available on analog broadcasting, such as high-definition programs and data transmission.

The TV Asahi Group is continuing its progress towards ensuring that it provides terrestrial digital broadcasting with an abundance of features such as high audio and visual quality, simple program search, interactive capabilities, data broadcasting, stable mobile reception, and superior services for elderly and disabled viewers. Through these, it aims to provide a more enjoyable and more useful television broadcasting service.

The Company has completed construction of its new headquarters building in Roppongi Hills in Tokyo, which is fitted with state-of-the-art broadcasting equipment optimized for terrestrial digital broadcasting. In the autumn of 2003 it will commence broadcasting as the “hub transmission station.”

The principal structure and other elements of the new headquarters building were acquired through an exchange for rights for the Company’s previous headquarters land and building, requiring no additional expenditure. Nevertheless, depreciation charges relating to investment in state-of-the-art broadcasting and other equipment are scheduled to begin in the year ending March 31, 2004, resulting in a large temporary depreciation burden. However, every effort will be made to ensure that this depreciation does not depress profits. This will be achieved by increasing revenues through the boosting of audience ratings and expansion of sources of earnings, and by vigorous control of costs.

As evidenced by the fact that the number of households served by digital satellite broadcasting has reached approximately 4 million and by the swift progress being made in the environments for CS 110-degree digital broadcasting and broadband, the multichannel digitization of media is making a rapid advance, and the environment for television broadcasting will likely undergo new development of a kind not witnessed hitherto. The TV Asahi Group regards this as presenting a major business opportunity, and is vigorously undertaking media development.

The tendency towards change is rising among mid-level and younger employees, and their enthusiasm is spreading throughout the Company. TV Asahi hopes to live up fully to the expectations of all of its stakeholders by focusing this energy and further reinforcing its own corporate strengths, and through robust publicity and investor-relations activity.

(5) Fundamental Thinking on Corporate Governance, and State of Implementation of Related Measures

TV Asahi regards the study and realization of measures in the sphere of corporate governance to be one of the most important tasks of management. Based on this perception it is continuing its study as to the most suitable form of institution for corporate governance, including by soliciting the view of outside experts, and is embarking upon reforms.

With respect to the appointment of directors, candidates regarded as being the most suitable—on the basis of factors such as the Company's industry, scale, and medium- to long-term management issues—are nominated at general meetings of shareholders. As regards their remuneration, great care is taken to ensure fair and appropriate apportionments after following a prescribed procedure.

TV Asahi maintains a system of statutory auditors, creating a management-oversight structure in which the key components are the Board of Directors' supervision of the execution of business by the representative directors, and auditing by the auditors and the audit committee. This oversight structure is being further strengthened by the development of an internal-control system based on legal compliance.

[1] Status of management organizations for management decision-making, execution, and supervision, and other corporate-governance systems

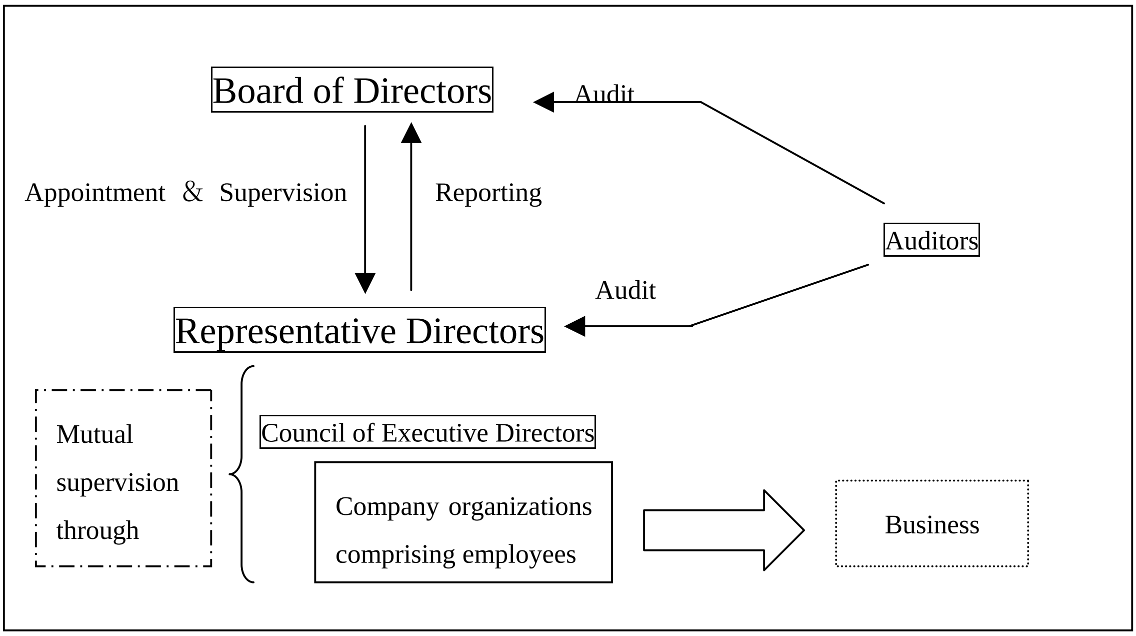
a. Appointment of outside directors and auditors

Of the Company's 21 directors, six are outside directors as provided in Article 188, Paragraph 2, Item 7-2 of the Commercial Code. Of the four auditors, two are outside auditors as provided in Article 18, Paragraph 1 of the Law for Special Exceptions to the Commercial Code concerning Audits, etc. of Kabushiki-Kaisha (Corporations).

b. Outline of committees

TV Asahi does not at present have committees for such purposes as auditing, remuneration, and nominations. With respect to compliance, a specialized section has been newly established, and this is developing and overseeing the Company's internal compliance and control structure.

c. Mechanisms for execution and oversight



The Board of Directors comprises 21 internal and outside directors, and the execution of business is carried out by representative directors appointed by the board and by full-time internal directors who assist them. In addition, pursuant to Article 260-3 of the Commercial Code, four auditors also attend meetings of the Board of Directors.

For the execution of business by internal directors, full-time internal directors form the Council of Executive Directors, which as a rule holds a meeting each week at which reports are made and discussions held concerning the conduct of the business for which its members are responsible. In this it functions as a checking mechanism for the execution of those business activities.

Routine business activities by employees are covered by internal-control mechanisms. Powers and responsibilities are set out by organizations and regulations, and whenever necessary they are checked by a number of internal departments such as the Compliance Audit Department, the Legal Affairs Department, and the Broadcast Standards and Practices Department, and reports on the status of activities are submitted to the Council of Executive Directors and others.

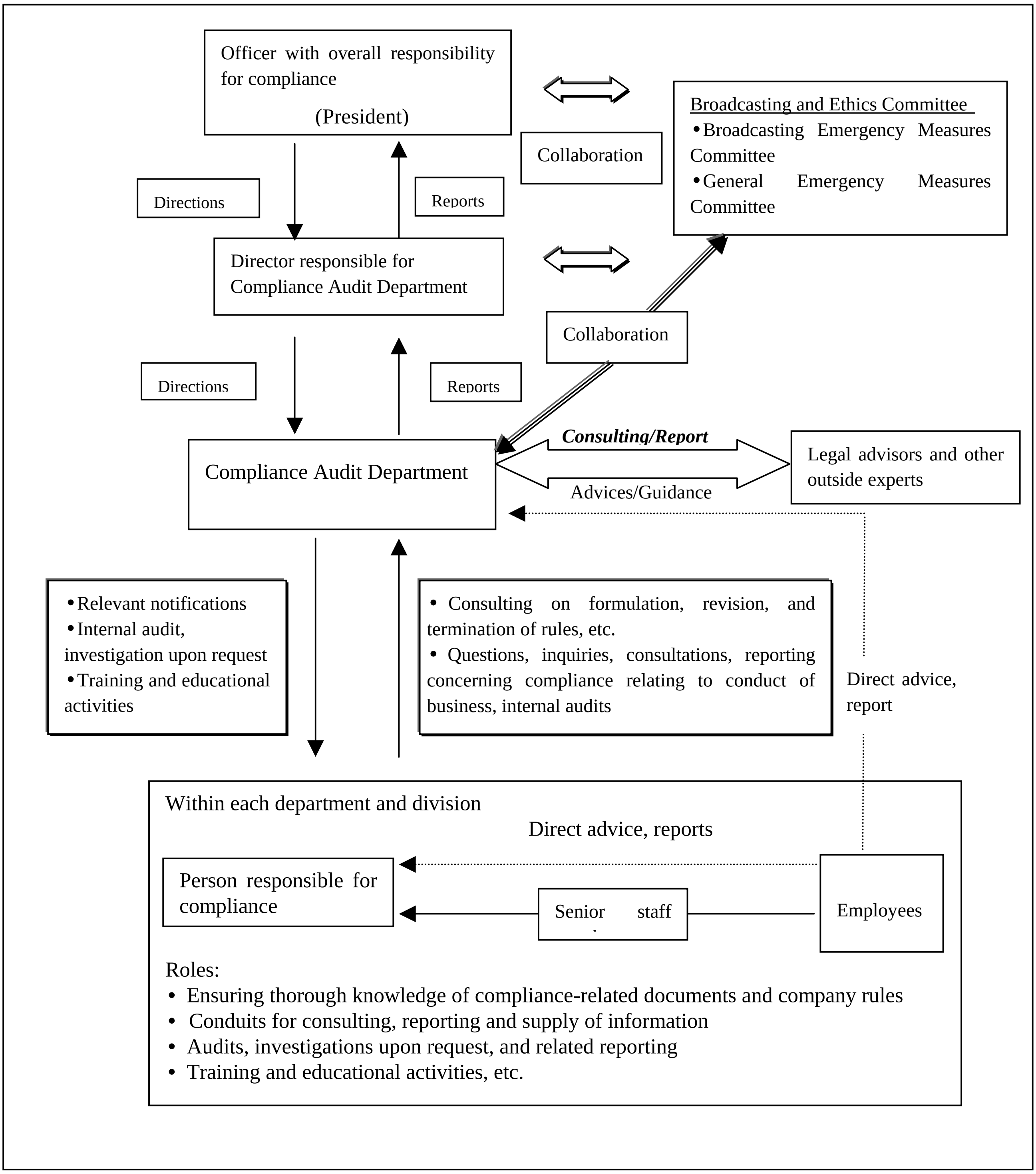
The representative directors present detailed reports to the Board of Directors on the execution of business within the structure described above; board meetings are as a rule convened once per month.

The Board of Directors ensures that the management policies it has determined, the execution of important business, and other matters are not in violation of laws, the articles of incorporation, or other rules, and whether business is being conducted in an appropriate and responsible manner.

The auditors examine the legality and propriety of the execution of business by the Board of Directors with respect to the Company's entire range of business activities.

Matters such as auditing methods and timing are based on an audit plan prepared through mutual discussion by the auditors. The auditors attend meetings of the Board of Directors and other key internal meetings, and conduct their auditing activities strictly through such means as interviews with officers and employees, and the study of materials.

d. Internal-control mechanism



As can be seen from the diagram above, the basis of the Company's internal-control mechanism is multilateral collaboration for the purpose of observance of laws and other rules throughout the Company, from senior management to employees.

Within this structure the President has overall responsibility, and under his direction Company employees undertake the activities necessary for internal control, for which compliance forms the basis.

The Company is in the course of establishing rules and structures for cases in which any law or other rule has been violated. These involve immediate investigation of the matter, the taking of necessary remedial measures, and appropriate steps for damage-control and to prevent any recurrence.

e. Third parties such as lawyers and external auditors

Within the internal-control mechanism described above, the Compliance Audit Department and other components consult and report to external specialists such as lawyers and CPAs with respect to all aspects of the Company's business activities, and receive appropriate advice and guidance in return.

[2] Outline of personal, capital, and business relationships between the Company and outside directors and auditors

The following are the relationships between the Company and outside directors as provided in Article 188, Paragraph 2, Item 7-2 of the Commercial Code, and outside auditors as provided in Article 18, Paragraph 1 of the Law for Special Exceptions to the Commercial Code concerning Audits, etc. of Kabushiki-Kaisha.

(At March 31, 2003)

Title	Name	Status at other companies	Capital relationship	Business relationship
Director	Tsuyoshi Okada	President and CEO, Toei Co., Ltd.	Yes	Yes
Director	Yoshitoshi Kitajima	President and CEO, Dai Nippon Printing Co., Ltd.	Yes	Yes
Director	Toshiharu Shibata	Chairman of the Board, Asahi Broadcasting Corporation	Yes	Yes
Director	Yoshio Takii	Member of the Board and Corporate Advisor, HokkaidoTelevision Broadcasting Co., Ltd.	Yes	Yes
Director	Shinichi Hakoshima	President and CEO, Asahi Shimbun	Yes	Yes
Director	Tomonori Matsumoto	Member of the Board and Corporate Advisor, Kyusyu Asahi Broadcasting Co., Ltd.	Yes	Yes
Auditor	Sawako Noma	President, Kodansha Ltd.	Yes	Yes
Auditor	Munetoshi Hashimoto	President and CEO, Hiroshima Home Television Co., Ltd.	Yes	Yes

[3] Company efforts during the past year to enhance corporate governance

The Company undertook the development and establishment of the structure described above, for the purpose of further enhancing its internal-control structure to underpin its corporate governance.

With respect to the desirable form that TV Asahi's governance structure should take, steps taken included the abolition of the headquarters system. In addition, the Company is now embarking upon the revision of the executive powers that form the basis of its governance structure, and also of the mode of operation of each of its internal committees and similar bodies.

(6) Basic Policy concerning Relationships with Related Parties (Parent Company, etc.)

The Company works in cooperation with its largest shareholder, Asahi Shimbun, and its second-largest shareholder, Toei Co., Ltd., in such areas as news gathering, program production, and the joint hosting of events.

3. Business Performance and Financial Situation

(1) Business Performance

During the year under review the Japanese economy at last gave signs of a recovery; real GDP growth in the first half (April to September) was 1.5% from the previous half, powered by exports and relatively robust consumer spending. In the second half the recovery momentum was maintained from October through December, but clouds began to gather again in the January-March quarter of 2003.

Given these economic conditions, advertising spending in calendar year 2002 fell below its year-earlier level. Television advertising also registered negative growth for the second successive year, in spite of major events such as the 2002 FIFA World Cup™.

The market for television advertising remained very difficult under the impact of this economic environment, compelling the TV Asahi Group to engage assiduously in marketing activities finely tuned to customer requirements in order to secure revenues.

As a result of these efforts the Company achieved consolidated net sales of ¥209,035 million, representing a fall of ¥10,891 million, or 5.0%, from the previous year. The aggregate total of cost of sales and of selling, general and administrative expenses was reduced by ¥4,844 million, or 2.3%, year-on-year, to ¥201,605 million, and as a result the decline in operating income was held to ¥6,047 million, or 44.9%, falling to ¥7,430 million.

Current income totaled ¥6,932 million, representing a year-on-year fall of ¥5,821 million, or 45.6%, and net income fell by ¥4,031 million, or 67.9%, to ¥1,908 million, partly as a result of valuation losses on investment securities.

The following is a summary of business performance by segment.

[1] TV Broadcasting Business

In the time sales segment the Company had a difficult time generating sales for regular programs and professional baseball night games, but engaged in vigorous marketing for special programs. During the first half these included the 2002 FIFA World Cup™ in June and the Pan Pacific Swimming Championships in August, and during the second half the third Seibu Lions v. Yomiuri Giants game in the professional baseball Japan Series in October, and the football match between Japan and Argentina in November. As a result, time sales revenues totaled ¥89,449 million, which represented a decline of ¥5,648 million, or 5.9%, from the previous year.

Spot sales were once again very difficult, as in the previous year. In spite of achieving strong sales to carmakers and home-electronics manufacturers, boosted by the effects of the 2002 FIFA World Cup™, sales to key industries such as the beverages, pharmaceuticals, telecommunications, and insurance industries fell steeply. In consequence, spot sales revenues fell by ¥5,950 million, or 6.7%, to ¥83,473 million.

Program sales were bolstered by sales to satellite broadcasting stations for events such as the British and U.S. Open golf championships and by overseas sales of *Crayon Shin-chan*, and as a result were up by 1.2% year-on-year, to ¥11,618 million. However, other revenues declined by ¥1,064 million, or 8.7%, to ¥11,138 million, owing to factors such as a fall in income related to program production.

The net result of the above was that total TV broadcasting revenues totaled ¥195,678 million, down by ¥12,524 million, or 6.0%, from the previous year, while operating expenses fell by ¥6,204 million, or 3.2%, to ¥188,774 million. As a result, the Company posted operating income of ¥6,904 million, representing a year-on-year decline of ¥6,319 million, or 47.8%.

[2] Music Publication Business

During the year under review the music industry remained depressed, with few hit products to give it a lift.

Given these sluggish conditions in the industry, TV Asahi's subsidiary TV ASAHI Music Co., Ltd. took steps to reform its earnings structure, with the result that the decline in net sales, which totaled ¥4,111 million, was held to only ¥55 million, or 1.3%. Operating income increased by ¥116 million, or 54.2%, to ¥329 million.

[3] Other Businesses

Net sales from other businesses totaled ¥14,745 million, representing an increase of ¥2,153 million, or 17.1%, from the previous year. Factors behind this included Internet-related revenue such as from “Tele Asa com-plete!”, brisk sales of videos and DVDs of the Friday-night drama series *Trick* and *Trick 2*, and the fact that subsidiary TV Asahi BEST Co., Ltd. had only five months of business since its establishment during the previous fiscal year. Operating expenses increased by ¥2,069 million, or 16.6%, to ¥14,500 million, with the result that operating income rose by ¥84 million, or 52.3%, to ¥246 million.

(2) Financial Situation

Cash Flow during Year Ending March 31, 2003

During the period under review, cash and cash equivalents (hereinafter “cash”) on a consolidated basis declined by ¥11,767 million from the previous year, to ¥74,435 million.

[Cash Flow from Operating Activities]

Cash flow from operating activities increased by ¥4,945 million from the previous year, to ¥10,555 million. The principal factor behind this increase was that whereas pretax net income declined by ¥6,913 million, to ¥5,069 million, corporate and other taxes paid declined by ¥7,612 million, to ¥3,477 million.

[Cash Flow from Investing Activities]

The negative cash flow from investing activities showed a year-on-year increase of ¥8,172 million, to ¥14,079 million. The principal reason for this was that expenditure for the acquisition of tangible and intangible fixed assets, in particular for equipment for the new headquarters building, totaled ¥15,552 million, up by ¥8,471 million from the previous fiscal year.

[Cash Flow from Financing Activities]

The negative cash flow from financing activities totaled ¥8,203 million, owing to factors such as the ongoing repayment of borrowings, as had occurred during the previous year. This total represented an increase of ¥348 million over the negative cash flow of ¥7,856 million registered in the previous year.

Trend of Cash Flow Indicators

Indicator	Year ending Mar. 31, 2001	Year ending Mar. 31, 2002	Year ending Mar. 31, 2003
Equity ratio (%)	68.7	74.4	73.4
Fair value equity ratio (%)	91.7	86.7	48.6
No. of years for debt redemption (Yea	0.9	1.9	0.3
Interest coverage ratio (Times)	68.2	29.8	100.8

Notes:
· Equity ratio: Shareholders' equity/Total assets
· Fair value equity ratio: Gross market capitalization/Total assets
· No. of years for debt redemption: Interest-bearing debt/Cash flow from operating activities
· Interest coverage ratio: Cash flow from operating activities/Interest payments
1. All indicators are calculated on the basis of consolidated financial values.
2. Gross market capitalization is calculated by multiplying the closing price of the Company's shares at the year-end by the number of shares issued and outstanding at the year-end.
3. Interest-bearing debt refers to short-term and long-term borrowings stated in the consolidated balance sheets. Interest payments equate with "interest paid" in the consolidated statement of cash flows.

(3) Outlook for Year Ending March 31, 2004

The difficult conditions for the Japanese economy are likely to persist. This forecast is based on factors such as deflationary pressure caused by the acceleration of the liquidation of bad debts, ongoing corporate restructuring, the deterioration of the environment for employment and incomes, and the uncertain outlook for the world economy under the impact of the spread of SARS (severe acute respiratory syndrome).

Amid these conditions it is not possible to expect any substantial growth in spending on television advertising, which has a major impact on the revenues of the TV Asahi Group. Nevertheless, we are projecting a modest increase in net sales. The principal factors in this include the expectation of a recovery in the advertising market from the second half, and vigorous business activities aimed at boosting audience ratings, which will lead to the increase of advertising revenue.

Operating expenses, on the other hand, are projected to show an overall rise, in spite of our efforts to ensure their efficient management. Those efforts will be offset by factors such as an increase in program-production expenses, given the maximum priority that TV Asahi gives to enhancing its capabilities in the sphere of content, and the depreciation charges that will be incurred with the start of operation of the new headquarters building.

In addition, in part because an extraordinary loss will be incurred by the move to the new headquarters, operating income, current income, and net income are all forecast to decline.

[1] Consolidated

	Six-month ending Sept. 30, 2003		Year ending Mar. 31, 2004	
	Amount (Millions of yen)	Year-on-year change (%)	Amount (Millions of yen)	Year-on-year change (%)
Net sales	103,700	(1.8)	212,000	1.4
Operating income	2,100	(45.7)	4,500	(39.4)
Current income	1,650	(55.9)	3,750	(45.9)
Net income	300	(79.5)	800	(58.1)

[2] Non-consolidated

	Six-month ending Sept. 30, 2003		Year ending Mar. 31, 2004	
	Amount (Millions of yen)	Year-on-year change (%)	Amount (Millions of yen)	Year-on-year change (%)
Net sales	96,000	(2.1)	196,000	2.0
Operating income	1,800	(45.0)	3,800	(39.8)
Current income	2,000	(44.7)	4,200	(37.6)
Net income	850	(50.5)	1,700	(31.7)

Asahi National Broadcasting Company Limited and Subsidiaries
Consolidated Balance Sheets
(Unaudited)

Assets	Millions of yen	
	March 31, 2003	March 31, 2002
Current Assets:		
Cash	¥ 49,351	¥ 63,332
Trade notes and accounts receivable	53,460	52,516
Short-term investments	45,500	45,469
Inventories	17,917	16,201
Deferred tax assets	1,673	1,090
Other current assets	3,735	4,432
Less allowance for doubtful receivables	78	125
Total current assets	171,558	182,915
Property, plant and equipment, net of accumulated depreciation – ¥42,987 million and ¥39,242 million:		
Buildings and structures	10,349	11,219
Machinery and vehicles	9,904	12,933
Land	11,668	11,669
Construction in progress	35,195	15,633
Other	728	763
Net property, plant and equipment	67,844	52,217
Intangible assets, net:		
Software	4,777	3,573
Other	293	327
	5,070	3,900
Investments and other assets:		
Investments in securities	31,861	36,789
Deferred tax assets	4,957	2,643
Other investments and other assets	13,326	13,453
Less allowance for doubtful receivables	569	784
Total investments and other assets	49,575	52,101
Total assets	¥ 294,047	¥ 291,133

Liabilities and Stockholders' Equity	Millions of yen	
	March 31, 2003	March 31, 2002
Current liabilities:		
Trade notes and accounts payable	¥ 17,519	¥ 15,862
Short-term debt and current installments of long-term debt	2,879	9,160
Other payables	18,186	11,243
Accrued expenses	11,792	12,064
Accrued income taxes	2,172	1,201
Other current liabilities	5,442	4,551
Total current liabilities	57,990	54,081
Non-current liabilities:		
Long-term debt	333	1,539
Liabilities for retirement and severance benefits:		
Employees	17,432	17,220
Directors and corporate auditors	930	431
Other non-current liabilities	101	82
Total non-current liabilities	18,796	19,272
Total liabilities	76,786	73,353
Minority interests	1,419	1,265
Stockholders' equity:		
Common stock	36,643	36,643
Additional paid-in capital	55,343	55,343
Retained earnings	119,999	118,912
Net unrealized gain on other securities	3,830	5,539
Foreign currency translation adjustments	27	78
Total stockholders' equity	215,842	216,515
Commitments and contingencies		
Total liabilities and stockholders' equity	¥ 294,047	¥ 291,133

Asahi National Broadcasting Company Limited and Subsidiaries
Consolidated Statements of Income
(Unaudited)

	Millions of yen	
	Year ended March 31, 2003	Year ended March 31, 2002
Net sales	¥ 209,035	¥ 219,926
Cost of sales	147,007	149,733
Gross profit	62,028	70,193
Selling, general and administrative expenses	54,598	56,715
Operating income	7,430	13,478
Other income (deductions):		
Interest income	88	197
Dividend income	209	194
Interest expenses	(115)	(200)
Equity in losses of affiliates	(905)	(972)
Loss on devaluation of investments in securities and other investments	(1,637)	(594)
Provision for allowance for doubtful receivables	(62)	(17)
Other, net	61	(104)
	(2,361)	(1,496)
Income before income taxes and minority interests	5,069	11,982
Income taxes:		
Current	4,440	5,602
Deferred	(1,483)	173
	2,957	5,775
Income before minority interests	2,112	6,207
Minority interests	204	268
Net income	¥ 1,908	¥ 5,939

Asahi National Broadcasting Company Limited and Subsidiaries
Consolidated Statements of Retained Earnings
(Unaudited)

	Millions of yen	
	Year ended March 31, 2003	Year ended March 31, 2002
Additional paid-in capital:		
Balance at beginning of year	¥ 55,343	¥ 55,343
Balance at end of year	¥ 55,343	¥ 55,343
Retained earnings:		
Balance at beginning of year	¥ 118,912	¥ 114,122
Decrease during the year:		
Cash dividends	(704)	(1,006)
Bonuses to directors and corporate auditors	(117)	(127)
Decrease resulting from exclusion of affiliates accounted for by the equity method	-	(16)
	(821)	(1,149)
Net income for the year	1,908	5,939
Balance at end of year	¥ 119,999	¥ 118,912

Asahi National Broadcasting Company Limited and Subsidiaries
Consolidated Statements of Cash Flows
(Unaudited)

	Millions of yen	
	Year ended March 31, 2003	Year ended March 31, 2002
Cash flows from operating activities:		
Income before income taxes and minority interests	¥ 5,069	¥ 11,982
Depreciation and amortization	6,365	5,727
Loss on devaluation of investments in securities and other investments	1,637	594
Equity in losses of affiliates	905	972
Allowance for doubtful receivables	(262)	213
Increase (decrease) in liabilities for retirement and severance benefits	205	(92)
Interest and dividend income	(297)	(391)
Interest expenses	115	200
(Increase) decrease in trade notes and accounts receivables	(948)	6,928
Increase in inventories	(1,716)	(649)
Increase (decrease) in trade notes and accounts payables	2,439	(3,004)
Other, net	296	(6,026)
Sub total	13,808	16,454
Interest and dividend received	329	433
Interest paid	(105)	(188)
Income taxes paid	(3,477)	(11,089)
Net cash provided by operating activities	10,555	5,610
Cash flows from investing activities:		
Decrease in short-term investments	2,194	815
Capital expenditures	(13,315)	(5,570)
Purchase of intangible assets	(2,237)	(1,511)
Purchase of investments in securities and investments in subsidiaries	(1,030)	(4,109)
Proceeds from sale of investments in securities	7	1,624
Other, net	302	2,845
Net cash used in investing activities	(14,079)	(5,906)
Cash flows from financing activities:		
Decrease in short-term debt	(5,748)	(7,100)
Proceeds from long-term debt	-	1,150
Payments on long-term debt	(1,739)	(891)
Dividends paid to stockholders	(703)	(1,000)
Dividends paid to minority stockholders of subsidiaries	(13)	(14)
Net cash used in financing activities	(8,203)	(7,855)
Effect of exchange rate changes on cash and cash equivalents	(41)	(54)
Net increase in cash and cash equivalents	(11,768)	(8,205)
Cash and cash equivalents at beginning of year	86,203	94,408
Cash and cash equivalents at end of year	¥ 74,435	¥ 86,203

Asahi National Broadcasting Company Limited and Subsidiaries
Notes to Consolidated Financial Statements
(Unaudited)

1. Basis of Presentation

Asahi National Broadcasting Company Limited (the Company) and its domestic subsidiaries maintain their books of account and prepare their financial statements in conformity with financial accounting standards of Japan, and its foreign subsidiaries in conformity with those of countries of their domicile.

The accompanying consolidated financial statements have been prepared in accordance with generally accepted accounting principles and practices in Japan.

In preparing the accompanying consolidated financial statements, certain reclassifications have been made in the financial statements issued domestically in Japan in order to present them in a form which is more familiar to readers outside Japan. In addition, the notes to consolidated financial statements include information which is not required under accounting principles generally accepted in Japan but is presented herein as additional information.

2. Scope of Consolidation

Number of consolidated subsidiaries: 15 companies

Company name of major consolidated subsidiaries:

Take Systems Co., Ltd., TV Asahi Productions Co., Ltd., TV Asahi Create Co., Ltd., Trust Network Inc., Video Pack Nippon Company Ltd., Housougijutusha Co., Ltd., TV ASAHI Music Co., Ltd., Television Asahi Service Co., Ltd.

3. Application of the Equity Method

Number of affiliates accounted for by the equity method: 6 companies

Company name of major affiliates:

Asahi Satellite Broadcasting Limited, Japan Cable Television Incorporated, Bunkakobo, Inc., Flex Co., Ltd.

The equity method does not apply to certain affiliates, since net income and retained earnings of all those affiliates have no material effect on the accompanying consolidated financial statements.

4. Summary of Significant Accounting Policy

(1) Cash and Cash Equivalents

For the purpose of the statements of cash flows, the Company considers all highly liquid investments with insignificant risk of changes in value which have maturities of generally three months or less when purchased to be cash equivalents.

(Continued)

(2) Securities

Under the Accounting Standards for Financial Instruments, securities are classified into four categories – “trading securities”, “held-to-maturity securities”, “investment in affiliates” and “other securities”. Securities classified as “trading securities” are stated at fair value and unrealized gains or losses are recorded in the consolidated statement of income. Securities classified as “held-to-maturity securities” are stated at amortized cost. Securities classified as “other securities” are stated at fair value and unrealized gains or losses, net of related taxes, are excluded from earnings and recorded in a separate component of stockholders’ equity. Realized gains or losses on the other securities are determined by the moving average method. Holding securities of the Company are classified as held-to-maturity securities and other securities.

(3) Inventories

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

(4) Depreciation on Property, Plant and Equipment

Property, plant and equipment are depreciated by the declining-balance method, except for some assets which are depreciated by the straight-line method, over the estimated useful lives of the respective assets.

(5) Intangible Assets

Intangible assets are carried at cost less amortization. Amortization of computer software for internal use is calculated by the straight-line method over the estimated useful lives of five years. Amortization of other intangible assets is calculated by the straight-line method at the rates based on the estimated useful lives of the respective assets.

(6) Allowance for Doubtful Accounts

Allowance for doubtful receivables is provided at an amount of uncollectible receivables based on historical loss ratios and an amount that take into consideration the possibility of specific liabilities.

(7) Foreign Currency Translation

Under the Accounting Standards for Foreign Currency Transactions, receivables and payables denominated in foreign currencies are translated into yen at the rate of exchange as of the balance sheet dates, and gains or losses resulting from the translation of foreign currencies are credited or charged to income. Assets and liabilities, and revenues and expenses of overseas subsidiaries are translated into yen at the rate of exchange as of the balance sheet dates, a comprehensive adjustment resulting from translation is presented as “Foreign currency translation adjustments” in a component of stockholders’ equity.

(8) Retirement and Severance Benefits

Under the Accounting Standards for Retirement and Severance Benefits, provisions have been made in the accompanying consolidated financial statements based on the present value of the projected future retirement and severance benefits attributable to employee services rendered by the end of the year, less amounts funded under noncontributory pension plans.

Prior service cost is amortized on the straight-line method over fifteen years, within the average remaining service years of employees from the year when the cost occurs.

Actuarial gain or loss is amortized on the straight-line method over fifteen years, within the average remaining service years of employees from the year after the gain or loss occurs.

(Continued)

The Company and certain subsidiaries have defined benefit pension plans for directors and corporate auditors. Under the plans, directors and corporate auditors are entitled to lump-sum payments based on the current rate of pay and length of service when they leave the Company. Provision has been made in the accompanying consolidated financial statements for the vested benefits to which directors and corporate auditors are entitled, based on the Company's regulations if they were to retire or sever immediately at the balance sheet dates.

(9) Derivative Financial Instruments

The Company has entered into interest rate swap agreements for hedging interest rate exposures. The difference in amounts to be paid or received on interest rate swap agreements is recognized over the life of the agreement as an adjustment to interest expense.

(10) Net income per share

Basic net income per share is computed by dividing net income available to common stockholders by the weighted average number of shares of common stock outstanding during the respective year.

5. Short-term investments and Investments in Securities

Balance sheet amount, fair value and gross unrealized gain and gross unrealized loss of held-to-maturity securities with fair value as of March 31, 2003 and 2002 are summarized as follows:

	Millions of yen			
	2003			
	Balance sheet amount	Gross unrealized gain	Gross unrealized loss	Fair value
Government bond securities	¥ 18,000	-	(2)	17,998
Corporate bond securities	-	-	-	-
Other debt securities	-	-	-	-
	¥ 18,000	-	(2)	17,998

	Millions of yen			
	2002			
	Balance sheet amount	Gross unrealized gain	Gross unrealized loss	Fair value
Government bond securities	¥ 37,775	51	(2)	37,824
Corporate bond securities	-	-	-	-
Other debt securities	5,167	-	(14)	5,153
	¥ 42,942	51	(16)	42,977

(Continued)

Acquisition cost, balance sheet amount and net unrealized gain of other securities with fair value as of March 31, 2003 and 2002 is summarized as follows:

	Millions of yen			
	2003			
	Acquisition cost	Gross unrealized gain	Gross unrealized loss	Balance sheet amount
Equity securities	¥ 7,865	7,307	(2,428)	12,744
Debt securities	505	2	-	507
Other securities	1,055	-	(27)	1,028
	¥ 9,425	7,309	(2,455)	14,279

	Millions of yen			
	2002			
	Acquisition cost	Gross unrealized gain	Gross unrealized loss	Balance sheet amount
Equity securities	¥ 7,860	9,994	(902)	16,952
Debt securities	2,529	4	(2)	2,531
Other securities	71	-	(32)	39
	¥ 10,460	9,998	(936)	19,522

It is not practicable to estimate the fair value of securities as of March 31, 2003 and 2002 described bellow because of lack of market price and difficulty in estimating fair value.

	Millions of yen	
	2003	2002
Held-to-maturity securities:		
Commercial paper	¥ 5,999	¥ -
Other securities:		
Unlisted equity securities	¥ 14,889	¥ 14,460
Money Management Fund	-	501
Medium-term government bonds fund	501	-
Certificates of Deposit	20,000	-
	¥ 35,390	¥ 14,961

(Continued)

Projected future redemption of other securities with maturities and held-to-maturity securities as of March 31, 2003 is summarized as follows:

	Millions of yen		
	Due within one year	Due after one year through five years	Due after five years through ten years
Debt securities	¥ 18,002	5	501
Other securities	2	25	-
	¥ 18,004	30	501

6. Investments in Affiliates

The aggregate carrying amount of investments in affiliates as of March 31, 2003 and 2002 is ¥3,694 million and ¥4,834 million, respectively.

7. Selling, General and Administrative Expenses

Significant components of selling, general and administrative expenses for the years ended March 31, 2003 and 2002 are as follows:

	Millions of yen	
	2003	2002
Salaries and bonuses	¥ 11,583	¥ 12,188
Agency commissions	32,689	34,660
Advertising expense	2,263	2,128

8. Liabilities for Retirement and Severance Benefits

The Company and its consolidated subsidiaries have noncontributory pension plans to provide retirement and severance benefits to substantially all employees.

The principal pension plans are unfunded defined benefit pension plans. Under the plans, employees are entitled to lump-sum payments based on the current rate of pay and length of service upon retirement or termination of employment for reasons other than dismissal for cause. In addition to the above plans, the Company and certain consolidated subsidiaries have tax qualified noncontributory pension plans. The liability under these plans is funded by contributions to trusted pension funds.

The funded status of the pension plans as of March 31, 2003 and 2002 is outlined as follows:

	Millions of yen	
	2003	2002
Projected benefit obligation	¥ (25,021)	¥ (23,871)
Plan assets at fair value	4,102	4,583
Funded status	(20,919)	(19,288)
Unrecognized actuarial loss	3,268	1,832
Unrecognized prior service cost	219	236
Amount recognized in the consolidated balance sheets	¥ (17,432)	¥ (17,220)

(Continued)

Net periodic pension cost for the years ended March 31, 2003 and 2002 consisted of the following components:

	Millions of yen	
	2003	2002
Service cost	¥ 1,242	¥ 1,235
Interest cost	547	627
Expected return on plan assets	(109)	(134)
Amortization of actuarial loss	125	36
Amortization of prior service cost	17	17
Net periodic pension cost	¥ 1,822	¥ 1,781

Significant assumptions of pension plans used to determine these amounts in fiscal 2003 and 2002 are as follows:

	2003	2002
Periodic allocation method for projected benefit	Straight-line	Straight-line
Discount rate	2.5%	2.5%
Expected rate of return on plan assets	2.5%	2.5%
Period for amortization of unrecognized actuarial loss	15 years	15 years
Period for amortization of unrecognized prior service cost	15 years	15 years

9. Commitments and Contingencies

The Company is contingently liable for loan guarantees in the amount of ¥5,326 million as of March 31, 2003.

10. Income Taxes

The Company and its consolidated subsidiaries are subject to a number of taxes based on income. The aggregate normal tax rates for domestic companies were approximately 42.1% in 2003 and 2002, respectively. Foreign consolidated subsidiaries are subject to income taxes of the countries in which they are incorporated.

Reconciliation between the normal income tax rate and the effective income tax rate as a percentage of income before income taxes and minority interests for the years ended March 31, 2003 and 2002 is as follows:

	2003	2002
Normal income tax rate	42.1 %	42.1 %
Expenses not deductible for tax purposes	6.7	3.5
Equity in losses of affiliates	7.5	3.4
Income not credited for tax purposes	(1.4)	(0.6)
Effect of change in the tax rate	4.5	-
Other	(1.1)	(0.2)
Effective income tax rate	58.3 %	48.2 %

(Continued)

Amendments to Japanese tax regulations were enacted on March 31, 2003 and the normal income tax rate is to be reduced from approximately 42.1% to 40.7% effective from the Company's fiscal year beginning April 1, 2004. Non-current deferred income tax assets and liabilities as of March 31, 2003 were revaluated at a rate of 40.7% and current deferred income tax assets and liabilities were calculated at a rate of 42.1%. As a result of the change in the tax rate, net deferred income tax assets as of March 31, 2003 were decreased by ¥142 million and net unrealized gain on other securities were increased by ¥90 million ,and ¥233 million was charged to income.

The tax effects of temporary differences that give rise to significant portions of the deferred tax assets and liabilities as of March 31, 2003 and 2002 are presented below:

	Millions of yen	
	2003	2002
Total gross deferred tax assets:		
Accrued bonuses	¥ 923	¥ 703
Accrued business tax	189	173
Liabilities for retirement and severance benefits	5,815	5,336
Inventories	595	554
Amortization of intangible assets	924	976
Other	1,957	1,241
	10,403	8,983
Total gross deferred tax liabilities:		
Net unrealized gains on securities	(2,630)	(4,027)
Deferred profit on sale of property	(1,150)	(1,223)
	(3,780)	(5,250)
Net deferred tax assets	¥ 6,623	¥ 3,733

11. Supplementary Cash Flow Information

Reconciliation between "Cash" in the accompanying consolidated balance sheets and "Cash and cash equivalents" in the accompanying consolidated statements of cash flows as of March 31, 2003 and 2002 is as follows:

	Millions of yen	
	2003	2002
Cash	¥ 49,351	¥ 63,332
Time deposits that have maturities of over three months when acquired	(416)	(400)
Short-term investments that have maturities of three months or less when acquired	25,500	23,271
Cash and cash equivalents	¥ 74,435	¥ 86,203

(Continued)

12. Segment Information

Information about industry segment, geographic segment and overseas sales of the Company and its consolidated subsidiaries for the years ended March 31, 2003 and 2002 is summarized as follows:

(a) Industry Segment Information

The Company and its subsidiaries' major business categories are TV broadcasting business, music publication business and other business.

	Millions of yen					
	2003					
	TV broadcasting	Music publication	Other	Total	Elimination/ corporate	Consolidated
Sales:						
Outside customers	¥ 194,329	4,061	10,645	209,035	-	209,035
Inter-segment	1,349	50	4,100	5,499	(5,499)	-
	195,678	4,111	14,745	214,534	(5,499)	209,035
Operating expenses	188,774	3,782	14,500	207,056	(5,451)	201,605
Operating income	¥ 6,904	329	245	7,478	(48)	7,430
Assets	¥ 140,462	5,437	18,789	164,688	129,359	294,047
Depreciation and amortization	5,992	10	363	6,365	-	6,365
Capital expenditures	21,049	10	335	21,394	90	21,484

	Millions of yen					
	2002					
	TV broadcasting	Music publication	Other	Total	Elimination/ corporate	Consolidated
Sales:						
Outside customers	¥ 207,273	4,115	8,538	219,926	-	219,926
Inter-segment	929	51	4,054	5,034	(5,034)	-
	208,202	4,166	12,592	224,960	(5,034)	219,926
Operating expenses	194,979	3,952	12,431	211,362	(4,914)	206,448
Operating income	¥ 13,223	214	161	13,598	(120)	13,478
Assets	¥ 129,064	6,401	15,110	150,575	140,558	291,133
Depreciation and amortization	5,363	15	349	5,727	-	5,727
Capital expenditures	6,490	7	238	6,735	92	6,827

(b) Geographic Segment Information

Both domestic sales and assets located in Japan are over 90% of those for all segments for the years ended March 31, 2003 and 2002.

(c) Overseas sales

Overseas sales, which include export sales of the Company and its domestic subsidiaries, are less than 10% of consolidated sales for the years ended March 31, 2003 and 2002.

Appendix

Breakdown of net sales

Information about breakdown of net sales by industry segment of the Company and its consolidated subsidiaries for the years ended March 31, 2003 and 2002 is summarized as follows:

	Millions of yen	
	2003	2002
TV broadcasting:		
Network time	¥ 89,449	¥ 95,097
Spot	83,473	89,423
Sales of programs	11,618	11,480
Other	11,138	12,202
Sub-total	195,678	208,202
Music publication	4,111	4,166
Other business	14,745	12,592
Total	214,534	224,960
Elimination	(5,499)	(5,034)
Consolidated	¥ 209,035	¥ 219,926

May 23, 2003

Asahi National Broadcasting Company Limited
Non-consolidated Financial Statements
For the Year Ended March 31, 2003

(Unaudited)

Summary

	Millions of yen (except per share data)	
	Year ended March 31, 2003	Year ended March 31, 2002
Net sales	¥ 192,247	¥ 202,048
Operating income	6,313	12,114
Net income	2,489	6,506
Net income per share (basic)	2,394.94	6,467.33
Net income per share (diluted)	-	-
Return on equity	1.2%	3.1%
Cash dividends per share	700.00	700.00
Total assets	277,436	274,622
Total stockholders' equity	212,557	212,611
Stockholders' equity ratio	76.6%	77.4%
Stockholders' equity per share	211,289.32	211,342.98

(Caution)

These Statements are issued based on the Financial Results for the year ended March 31, 2003, announced in Japan on May 23, 2003. The Results have been prepared in accordance with the prevailing accounting rules in Japan.

Asahi National Broadcasting Company Limited
Non-consolidated Balance Sheets
(Unaudited)

Assets	Millions of yen	
	March 31, 2003	March 31, 2002
Current Assets:		
Cash	¥ 39,569	¥ 54,707
Trade notes and accounts receivable	50,833	49,441
Short-term investments	45,501	45,469
Inventories	16,952	15,489
Deferred tax assets	1,364	730
Other current assets	3,283	3,942
Less allowance for doubtful receivables	49	93
Total current assets	157,453	169,685
Property, plant and equipment, net of accumulated depreciation – ¥40,117 million and ¥36,555 million:		
Buildings	9,757	10,609
Machinery	9,530	12,682
Land	11,631	11,632
Construction in progress	34,864	15,633
Other	733	870
Net property, plant and equipment	66,515	51,426
Intangible assets, net:		
Software	4,719	3,574
Other	267	307
	4,986	3,881
Investments and other assets:		
Investments in securities and investments in subsidiaries	33,649	36,880
Deferred tax assets	3,977	1,784
Other investments and other assets	11,373	11,713
Less allowance for doubtful receivables	517	747
Total investments and other assets	48,482	49,630
Total assets	¥ 277,436	¥ 274,622

Liabilities and Stockholders' Equity	Millions of yen March 31, 2003	Millions of yen March 31, 2002
Current liabilities:		
Trade notes and accounts payable	¥ 14,281	¥ 13,592
Short-term debt and current installments of long-term debt	180	6,127
Other payables	17,024	11,182
Accrued expenses	10,815	10,729
Accrued income taxes	1,968	772
Other current liabilities	4,293	3,620
Total current liabilities	48,561	46,022
Non-current liabilities:		
Long-term debt	-	181
Liabilities for retirement and severance benefits:		
Employees	15,480	15,450
Directors and corporate auditors	734	273
Other non-current liabilities	104	85
Total non-current liabilities	16,318	15,989
Total liabilities	64,879	62,011
Stockholders' equity:		
Common stock	36,643	36,643
Additional paid-in capital	55,343	55,343
Retained earnings:		
Legal reserve	530	530
General reserve	80,160	73,160
Other reserve	31,681	31,808
Unappropriated retained earnings	4,370	9,538
Total retained earnings	116,741	114,506
Net unrealized gain on other securities	3,830	5,589
Total stockholders' equity	212,557	212,611
Commitments and contingencies		
Total liabilities and stockholders' equity	¥ 277,436	¥ 274,622

Asahi National Broadcasting Company Limited
Non-consolidated Statements of Income
(Unaudited)

	Millions of yen	
	Year ended March 31, 2003	Year ended March 31, 2002
Net sales	¥ 192,247	¥ 202,048
Cost of sales	137,835	140,015
Gross profit	54,412	62,033
Selling, general and administrative expenses	48,099	49,919
Operating income	6,313	12,114
Other income (deductions):		
Interest income	81	185
Dividend income	227	218
Interest expenses	(50)	(131)
Loss on devaluation of investments in securities and other investments	(1,478)	(576)
Provision for allowance for doubtful receivables	(46)	(17)
Other, net	(10)	(220)
	(1,276)	(541)
Income before income taxes	5,037	11,573
Income taxes:		
Current	3,940	4,780
Deferred	(1,392)	287
	2,548	5,067
Net income	2,489	6,506
Unappropriated retained earnings at beginning of year	2,183	3,334
Interim dividends	(302)	(302)
Unappropriated retained earnings at end of year	¥ 4,370	¥ 9,538

- End -