May 19, 2006

TV Asahi Corporation and Subsidiaries
Consolidated Financial Statements
For the Year Ended March 31, 2006

(Unaudited)

Summary

	Millions of yen (except per share data)	
	Year ended March 31, 2006	Year ended March 31, 2005
Net sales	¥ 249,384	¥ 242,037
Operating income	17,076	13,606
Net income	9,467	7,383
Net income per share (basic)	9,225.56	7,198.89
Net income per share (diluted)	-	-
Return on equity	4.0 %	3.3 %
Total assets	316,080	297,544
Total stockholders' equity	242,849	226,729
Stockholders' equity ratio	76.8%	76.2%
Stockholders' equity per share	241,215.50	225,237.25
Net cash provided by operating activities	19,519	24,809
Net cash used in investing activities	(21,354)	(19,438)
Net cash used in financing activities	(1,521)	(2,183)
Cash and cash equivalents at end of year	53,953	57,247

(Caution)

These Statements are issued based on the Financial Results for the year ended March 31, 2006, announced in Japan on May 19, 2006. The Results have been prepared in accordance with the prevailing accounting rules in Japan.

TV Asahi Corporation and Subsidiaries
Consolidated Balance Sheets
(Unaudited)

Assets	Millions of yen	
	March 31, 2006	March 31, 2005
Current Assets:		
Cash	¥ 27,972	¥ 31,767
Trade notes and accounts receivable	63,182	63,686
Short-term investments	37,883	30,622
Inventories	14,294	14,542
Deferred tax assets	1,907	1,985
Other current assets	5,013	3,565
Less allowance for doubtful receivables	74	107
Total current assets	150,177	146,060
Property and equipment, net of accumulated depreciation – ¥ 43,900 million and ¥ 39,142 million:		
Buildings and structures	22,643	23,419
Machinery and vehicles	21,419	23,484
Land	16,694	16,694
Construction in progress	297	215
Other	2,008	2,086
Net property and equipment	63,061	65,898
Intangible assets, net:		
Software	5,930	6,791
Other	326	342
Net intangible assets	6,256	7,133
Investments and other assets:		
Investments in securities	74,473	52,752
Deferred tax assets	1,110	3,029
Other investments and other assets	21,368	23,147
Less allowance for doubtful receivables	365	475
Total investments and other assets	96,586	78,453
Total assets	¥ 316,080	¥ 297,544

Liabilities and Stockholders' Equity	Millions of yen	
	March 31, 2006	March 31, 2005
Current liabilities:		
Trade notes and accounts payable	¥ 15,341	¥ 13,904
Other payables	12,715	14,008
Accrued expenses	15,317	15,337
Accrued income taxes	4,740	4,885
Other current liabilities	2,542	3,787
Total current liabilities	50,655	51,921
Non-current liabilities:		
Liabilities for retirement and severance benefits:		
Employees	16,300	16,326
Directors and corporate auditors	935	980
Deferred tax liabilities	3,498	-
Other non-current liabilities	178	178
Total non-current liabilities	20,911	17,484
Total liabilities	71,566	69,405
Minority interests	1,665	1,410
Stockholders' equity:		
Common stock	36,643	36,643
Additional paid-in capital	55,343	55,343
Retained earnings	134,650	126,828
Net unrealized gain on other securities	16,186	7,961
Foreign currency translation adjustments	27	(46)
Total stockholders' equity	242,849	226,729
Commitments and contingencies		
Total liabilities and stockholders' equity	¥ 316,080	¥ 297,544

TV Asahi Corporation and Subsidiaries
Consolidated Statements of Income
(Unaudited)

	Millions of yen	
	Year ended March 31, 2006	Year ended March 31, 2005
Net sales	¥ 249,384	¥ 242,037
Cost of sales	172,179	165,775
Gross profit	77,205	76,262
Selling, general and administrative expenses	60,129	62,656
Operating income	17,076	13,606
Other income (deductions):		
Interest income	246	126
Dividend income	395	291
Interest expenses	(1)	(3)
Equity in losses of affiliates	(689)	(901)
Loss on devaluation of investments in securities and other investments	(55)	(133)
Provision for allowance for doubtful receivables	-	(11)
Other, net	257	(43)
	153	(674)
Income before income taxes and minority interests	17,229	12,932
Income taxes:		
Current	7,640	5,886
Deferred	(156)	(440)
	7,484	5,446
Income before minority interests	9,745	7,486
Minority interests	278	103
Net income	¥ 9,467	¥ 7,383

TV Asahi Corporation and Subsidiaries
Consolidated Statements of Surplus
(Unaudited)

	Millions of yen	
	Year ended March 31, 2006	Year ended March 31, 2005
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	¥ 126,828	¥ 120,870
Increase during the year:		
Net income for the year	9,467	7,383
Increase resulting from an affiliate newly accounted for by the equity method	5	-
	9,472	7,383
Decrease during the year:		
Cash dividends	(1,509)	(1,308)
Bonuses to directors and corporate auditors	(141)	(117)
	(1,650)	(1,425)
Balance at end of year	¥ 134,650	¥ 126,828

TV Asahi Corporation and Subsidiaries
Consolidated Statements of Cash Flows
(Unaudited)

	Millions of yen	
	Year ended March 31, 2006	Year ended March 31, 2005
Cash flows from operating activities:		
Income before income taxes and minority interests	¥ 17,229	¥ 12,932
Depreciation and amortization	8,560	8,389
Loss on devaluation of investments in securities and other investments	55	133
Equity in losses of affiliates	689	901
Allowance for doubtful receivables	(142)	(11)
Decrease in liabilities for retirement and severance benefits	(26)	(1,007)
Interest and dividend income	(641)	(417)
Interest expenses	1	3
(Increase) decrease in trade notes and accounts receivables	501	(6,969)
Decrease in inventories	248	2,760
Increase in trade notes and accounts payables	852	3,213
Other, net	(619)	7,034
Sub total	26,707	26,961
Interest and dividend received	598	405
Interest paid	(1)	(3)
Income taxes paid	(7,785)	(2,554)
Net cash provided by operating activities	19,519	24,809
Cash flows from investing activities:		
Decrease in short-term investments	(5,390)	(2,119)
Capital expenditures	(4,420)	(8,237)
Proceeds from sale of property and equipment	11	31
Purchase of intangible assets	(1,096)	(1,971)
Purchase of investments in securities and investments in subsidiaries	(12,996)	(7,287)
Other, net	2,537	145
Net cash used in investing activities	(21,354)	(19,438)
Cash flows from financing activities:		
Decrease in short-term debt	-	(800)
Payments on long-term debt	-	(62)
Dividends paid to stockholders	(1,510)	(1,308)
Dividends paid to minority stockholders of subsidiaries	(11)	(13)
Net cash used in financing activities	(1,521)	(2,183)
Effect of exchange rate changes on cash and cash equivalents	62	(14)
Net increase (decrease) in cash and cash equivalents	(3,294)	3,174
Cash and cash equivalents at beginning of year	57,247	54,073
Cash and cash equivalents at end of year	¥ 53,953	¥ 57,247

TV Asahi Corporation and Subsidiaries
Notes to Consolidated Financial Statements
(Unaudited)

1. Basis of Presentation

TV Asahi Corporation (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: 14 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., Housougijyutsusha 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: 8 companies

Company name of major affiliates:

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

The equity method does not apply to certain affiliates, since net income and retained earnings of 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.

(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 statements of income. Securities classified as “held-to-maturity securities” are stated at amortized cost. Securities classified as “other securities” with fair value 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 those other securities are determined by the moving average method.

(Continued)

Debt classified as “other securities” for which fair value is not available are stated at the amortized cost. Equity securities classified as “other securities” for which fair value is not available are stated at the moving-average cost.

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 and equipment are stated at cost. Depreciation of property and equipment is calculated by the straight-line method, over the estimated useful lives of the respective assets.

The estimated useful lives are as follows:

Buildings	15-50 years
Broadcasting equipment	6 years

(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 life of five years. Amortization of other intangible assets is calculated by the straight-line method at rates based on the estimated useful lives of the respective assets.

(6) Allowance for Doubtful Accounts

Allowance for doubtful receivables consists of the amount of uncollectible receivables based on historical loss ratios and the amount that takes into account the possibility of certain 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. Thus, a comprehensive adjustment resulting from translation is presented in a stockholders’ equity as “Foreign currency translation adjustments.”

(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 using 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 using 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) Finance leases

Finance leases other than those that are deemed to transfer the ownership of the leased assets to lessees are generally accounted for by the method that is applicable to ordinary operating leases.

(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.

(11) Impairment of Long-lived Assets

Effective April 1, 2005, the Company and its domestic consolidated subsidiaries adopted a new accounting standard for the impairment of fixed assets ("Opinion Concerning the Establishment of an Accounting Standard for the Impairment of Fixed Assets" issued by the Business Accounting Deliberation Council on August 9, 2002) and the "Implementation Guidance on the Accounting Standard for the Impairment of Fixed Assets" (Business Accounting Standard Implementation Guidance No. 6 issued on October 31, 2003). The effect of adoption of the new standard was nil.

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, 2006 and 2005 are summarized as follows:

	Millions of yen			
	2006			
	Balance sheet amount	Gross unrealized gain	Gross unrealized loss	Fair value
Government bond securities	¥ 15,099	1	(17)	15,083
Corporate bond securities	9,905	4	(272)	9,637
Other debt securities	-	-	-	-
	¥ 25,004	5	(289)	24,720

	Millions of yen			
	2005			
	Balance sheet amount	Gross unrealized gain	Gross unrealized loss	Fair value
Government bond securities	¥ 30,600	15	(1)	30,614
Corporate bond securities	6,620	15	(3)	6,632
Other debt securities	-	-	-	-
	¥ 37,220	30	(4)	37,246

(Continued)

Acquisition cost, balance sheet amount and gross unrealized gain and gross unrealized loss of other securities with fair value as of March 31, 2006 and 2005 is summarized as follows:

	Millions of yen			
	2006			
	Acquisition cost	Gross unrealized gain	Gross unrealized loss	Balance sheet amount
Equity securities	¥ 14,139	27,502	(320)	41,321
Debt securities	3,529	32	(35)	3,526
Other securities	2,028	51	-	2,079
	¥ 19,696	27,585	(355)	46,926

	Millions of yen			
	2005			
	Acquisition cost	Gross unrealized gain	Gross unrealized loss	Balance sheet amount
Equity securities	¥ 9,019	13,619	(356)	22,282
Debt securities	2,018	81	-	2,099
Other securities	1,527	16	-	1,543
	¥ 12,564	13,716	(356)	25,924

It is not practicable to estimate the fair value of securities as of March 31, 2006 and 2005 described bellow because of lack of market price and difficulty in estimating fair value.

	Millions of yen	
	2006	2005
Held-to-maturity securities:		
Commercial paper	¥ 3,500	¥ 500
Other securities:		
Unlisted equity securities	¥ 12,857	¥ 12,796
Certificates of Deposit	13,500	-
Cash in trust	4,000	-

Projected future redemption of other securities with maturities and held-to-maturity securities as of March 31, 2006 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	Due after ten years
Debt securities	¥ 18,300	6,900	1,300	2,000
Other securities	75	-	-	-
	¥ 18,375	6,900	1,300	2,000

(Continued)

6. Investments in Affiliates

The aggregate carrying amounts of investments in affiliates as of March 31, 2006 and 2005 are ¥6,565 million and ¥6,934 million, respectively.

7. Selling, General and Administrative Expenses

Significant components of selling, general and administrative expenses for the years ended March 31, 2006 and 2005 are as follows:

	Millions of yen	
	2006	2005
Salaries and bonuses	¥ 9,990	¥ 12,380
Agency commissions	38,699	37,954
Advertising expense	2,187	2,508

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, 2006 and 2005 is outlined as follows:

	Millions of yen	
	2006	2005
Projected benefit obligation	¥ (24,478)	¥ (24,074)
Plan assets at fair value	6,299	5,089
Funded status	(18,179)	(18,985)
Unrecognized actuarial loss	1,710	2,473
Unrecognized prior service cost	169	186
Amount recognized in the consolidated balance sheets	¥ (16,300)	¥ (16,326)

Net periodic pension cost for the years ended March 31, 2006 and 2005 consisted of the following components:

	Millions of yen	
	2006	2005
Service cost	¥ 1,176	¥ 1,191
Interest cost	558	559
Expected return on plan assets	(127)	(119)
Amortization of actuarial loss	202	169
Amortization of prior service cost	17	17
Net periodic pension cost	¥ 1,826	¥ 1,817

(Continued)

Significant assumptions of pension plans used to determine these amounts in fiscal 2006 and 2005 are as follows:

	2006	2005
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

At March 31, 2006, the Company has guaranteed ¥2,519 million of employee mortgage loans to financial institutions, and ¥1,538 million of third parties loans to financial institutions.

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 40.7% in 2006 and 2005. 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 year ended March 31, 2006 was as follows:

	2006
Normal income tax rate	40.7 %
Expenses not deductible for tax purposes	2.4
Equity in losses of affiliates	1.6
Income not credited for tax purposes	(0.6)
Tax credit for information technology investment	(0.8)
Other	0.1
Effective income tax rate	43.4 %

The reconciliation for the year ended March 31, 2005 was not subject to disclosure as the difference between the rates was less than 5%.

(Continued)

The tax effects of temporary differences that give rise to significant portions of the deferred tax assets and liabilities as of March 31, 2006 and 2005 are presented below:

	Millions of yen	
	2006	2005
Total gross deferred tax assets:		
Accrued bonuses	¥ 1,190	¥ 1,173
Accrued business tax	416	505
Liabilities for retirement and severance benefits	6,573	6,228
Inventories	552	693
Amortization of broadcasting rights fees	1,169	1,083
Other	1,753	1,846
	11,653	11,528
Total gross deferred tax liabilities:		
Net unrealized gains on securities	(11,115)	(5,467)
Deferred profit on sale of property	(1,019)	(1,047)
	(12,134)	(6,514)
Net deferred tax assets (liabilities)	¥ (481)	¥ 5,014

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, 2006 and 2005 is as follows:

	Millions of yen	
	2006	2005
Cash	¥ 27,972	¥ 31,767
Time deposits with maturities of over three months when acquired	(23)	(22)
Short-term investments with maturities of three months or less when acquired	26,004	25,502
Cash and cash equivalents	¥ 53,953	¥ 57,247

(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, 2006 and 2005 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					
	2006					
	TV broadcasting	Music publication	Other businesses	Total	Elimination/ corporate	Consolidated
Sales:						
Outside customers	¥ 218,813	10,759	19,812	249,384	-	249,384
Inter-segment	2,094	180	6,044	8,318	(8,318)	-
	220,907	10,939	25,856	257,702	(8,318)	249,384
Operating expenses	207,995	7,675	24,854	240,524	(8,216)	232,308
Operating income	¥ 12,912	3,264	1,002	17,178	(102)	17,076
Assets	¥ 157,157	9,851	32,162	199,170	116,910	316,080
Depreciation and amortization	7,593	49	918	8,560	-	8,560
Capital expenditures	4,727	35	280	5,042	-	5,042

	Millions of yen					
	2005					
	TV broadcasting	Music publication	Other businesses	Total	Elimination/ corporate	Consolidated
Sales:						
Outside customers	¥ 213,640	9,071	19,326	242,037	-	242,037
Inter-segment	1,663	51	5,166	6,880	(6,880)	-
	215,303	9,122	24,492	248,917	(6,880)	242,037
Operating expenses	205,401	6,843	23,014	235,258	(6,827)	228,431
Operating income	¥ 9,902	2,279	1,478	13,659	(53)	13,606
Assets	¥ 159,790	7,482	29,937	197,209	100,335	297,544
Depreciation and amortization	7,447	54	888	8,389	-	8,389
Capital expenditures	4,578	63	1,535	6,176	-	6,176

(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, 2006 and 2005.

(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, 2006 and 2005.

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, 2006 and 2005 is summarized as follows:

	Millions of yen	
	2006	2005
TV broadcasting:		
Network time	¥ 93,933	¥ 91,718
Spot	100,825	98,360
Sales of programs	11,878	11,872
Other	14,271	13,353
Sub-total	220,907	215,303
Music publication	10,939	9,122
Other businesses	25,856	24,492
Total	257,702	248,917
Elimination	(8,318)	(6,880)
Consolidated	¥ 249,384	¥ 242,037

May 19, 2006

TV Asahi Corporation
Non-consolidated Financial Statements
For the Year Ended March 31, 2006

(Unaudited)

Summary

	Millions of yen (except per share data)	
	Year ended March 31, 2006	Year ended March 31, 2005
Net sales	¥ 223,783	¥ 218,265
Operating income	12,076	10,011
Net income	3,639	6,431
Net income per share (basic)	3,518.23	6,303.25
Net income per share (diluted)	-	-
Return on equity	1.6%	2.9%
Cash dividends per share	1,400.00	1,300.00
Total assets	302,750	291,732
Total stockholders' equity	232,967	222,782
Stockholders' equity ratio	77.0%	76.4%
Stockholders' equity per share	231,478.24	221,364.18

(Caution)

These Statements are issued based on the Financial Results for the year ended March 31, 2006, announced in Japan on May 19, 2006. The Results have been prepared in accordance with the prevailing accounting rules in Japan.

TV Asahi Corporation
Non-consolidated Balance Sheets
(Unaudited)

Assets	Millions of yen	
	March 31, 2006	March 31, 2005
Current Assets:		
Cash	¥ 24,960	¥ 29,532
Trade notes and accounts receivable	60,046	60,604
Short-term investments	37,883	30,622
Inventories	13,602	13,671
Deferred tax assets	1,330	1,495
Other current assets	5,792	4,877
Less allowance for doubtful receivables	46	73
Total current assets	143,567	140,728
Property and equipment, net of accumulated depreciation – ¥41,183 million and ¥36,450 million:		
Buildings	21,358	22,140
Machinery	20,990	23,241
Land	16,590	16,590
Construction in progress	306	214
Other	2,483	2,536
Net property and equipment	61,727	64,721
Intangible assets, net:		
Software	5,814	6,731
Other	297	312
Net intangible assets	6,111	7,043
Investments and other assets:		
Investments in securities and investments in subsidiaries and affiliates	72,358	56,634
Deferred tax assets	-	1,845
Other investments and other assets	19,338	21,112
Less allowance for doubtful receivables	351	351
Total investments and other assets	91,345	79,240
Total assets	¥ 302,750	¥ 291,732

Liabilities and Stockholders' Equity	Millions of yen	
	March 31, 2006	March 31, 2005
Current liabilities:		
Trade notes and accounts payable	¥ 11,696	¥ 10,588
Short-term debt and current installments of long-term debt	9,325	7,708
Other payables	12,713	13,729
Accrued expenses	13,933	13,864
Accrued income taxes	3,318	3,877
Other current liabilities	1,937	3,301
Total current liabilities	52,922	53,067
Non-current liabilities:		
Long-term debt	600	400
Liabilities for retirement and severance benefits:		
Employees	14,476	14,556
Directors and corporate auditors	799	821
Deferred tax liabilities	880	-
Other non-current liabilities	106	106
Total non-current liabilities	16,861	15,883
Total liabilities	69,783	68,950
Stockholders' equity:		
Common stock	36,643	36,643
Additional paid-in capital	55,343	55,343
Retained earnings:		
Legal reserve	530	530
General reserve	117,160	112,160
Other reserve	1,926	1,568
Unappropriated retained earnings	5,302	8,620
Total retained earnings	124,918	122,878
Net unrealized gain on other securities	16,063	7,918
Total stockholders' equity	232,967	222,782
Commitments and contingencies		
Total liabilities and stockholders' equity	¥ 302,750	¥ 291,732

TV Asahi Corporation
Non-consolidated Statements of Income
(Unaudited)

	Millions of yen	
	Year ended March 31, 2006	Year ended March 31, 2005
Net sales	¥ 223,783	¥ 218,265
Cost of sales	155,759	153,019
Gross profit	68,024	65,246
Selling, general and administrative expenses	55,948	55,235
Operating income	12,076	10,011
Other income (deductions):		
Interest income	238	127
Dividend income	450	314
Interest expenses	(5)	(4)
Loss on devaluation of investments in securities and other investments	(6,612)	(133)
Provision for allowance for doubtful receivables	-	(11)
Other, net	181	72
	(5,748)	365
Income before income taxes	6,328	10,376
Income taxes:		
Current	5,388	4,320
Deferred	(2,699)	(375)
	2,689	3,945
Net income	3,639	6,431
Unappropriated retained earnings at beginning of year	2,367	2,692
Interim dividends	(704)	(503)
Unappropriated retained earnings at end of year	¥ 5,302	¥ 8,620

- End -

Note: The following document is a direct translation of that released in Japanese, and thus, all figures have been rounded down to the nearest million yen.

TV Asahi Corporation

May 19, 2006

Earnings Summary (Consolidated Basis)
Results for the Fiscal Year Ended March 31, 2006

Stock Listing: Tokyo Stock Exchange (First Section) Code Number: 9409
Headquarters: 6-9-1 Roppongi, Minato-ku, Tokyo 106-8001, JAPAN http://company.tv-asahi.co.jp/e/
Masao Kimiwada, President and CEO
Information Contact: Kenji Kazama, Executive Director and Treasurer Tel: +81-3-6406-1111
Date of Board of Directors meeting to approve consolidated financial statements: May 19, 2006
Name of Associated Company: Asahi Shimbun Publishing Co., Ltd. (plus one other company)
Percentage of Voting Rights Held by Associated Company: 36.0%
U.S. accounting standards: not applicable

1. Performance for Fiscal Year Ended March 31, 2006 (April 1, 2005 - March 31, 2006)

(1) Operating Results

	Net sales		Operating income		Recurring profit	
	millions of yen	%	millions of yen	%	millions of yen	%
FYE March 31, 2006	249,383	3.0	17,075	25.5	17,314	27.4
FYE March 31, 2005	242,036	11.0	13,606	108.7	13,592	130.6

	Net income		Net income per share	Net income per share after dilution	Return on equity	Total capital to recurring profit	Sales to recurring profit
	millions of yen	%	yen	yen	%	%	%
FYE March 31, 2006	9,466	28.2	9,225.56	-	4.0	5.6	6.9
FYE March 31, 2005	7,382	337.5	7,198.89	-	3.3	4.6	5.6

Notes:
1) Gain (Loss) on investment by equity method: FYE March 31, 2006: (688) million yen; FYE March 31, 2005: (901) million yen
2) Average number of shares outstanding during the period: FYE March 31, 2006: 1,006,000 shares; FYE March 31, 2005: 1,006,000 shares.
3) Change in accounting method: None
4) Percentages indicate year-on-year increase/decrease in net sales, operating income and recurring profit and net income.

(2) Financial Data

	Total assets	Shareholders' equity	Shareholders' equity ratio	Shareholders' equity per share
	millions of yen	millions of yen	%	yen
At March 31, 2006	316,079	242,848	76.8	241,215.50
At March 31, 2005	297,544	226,729	76.2	225,237.25

Note: Average number of shares outstanding during the period: FYE March 31, 2006: 1,006,000 shares; FYE March 31, 2005: 1,006,000 shares.

(3) Cash Flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financial activities	Cash and cash equivalent at end of term
	millions of yen	millions of yen	millions of yen	millions of yen
FYE March 31, 2006	19,518	(21,354)	(1,521)	53,952
FYE March 31, 2005	24,808	(19,437)	(2,183)	57,247

(4) Number of subsidiaries and affiliates
Consolidated subsidiaries: 14
Non-consolidated subsidiares accounted for by the equity method: 0
Affiliates accounted for by the equity method: 8

(5) Additions and deletions from consolidated subsidiaries and affiliates
Consoliated subsidiaries: additions 0, deletions 0
Affiliates: additions 1, deletions 0

2. Forecast for Fiscal Year Ending March 31, 2007 (April 1, 2006 - March 31, 2007)

	Net sales	Recurring profit	Net income
	millions of yen	millions of yen	millions of yen
Mid-term ending Sept. 30, 2006	125,500	8,600	4,800
FYE March 31, 2007	254,000	18,100	10,000

Reference: Consolidated net income per share is forecast to be 9,940.36yen

Note: The forecasts above are based on information available at the time of announcement and thus, actual results may differ due to various changes in business environment. For assumptions for forecast for FYE March 31, 2007, please refer to p.29.

Note: The following document is a direct translation of that released in Japanese, and thus, all figures have been rounded down to the nearest million yen.

Management's Discussion and Analysis

1. Corporate Group Structure

The Corporate Group led by TV Asahi (hereinafter the "Company") is comprised of TV Asahi and its 14 subsidiary companies together with its 12 affiliated companies (as of March 31, 2006). Just as TV Asahi professionally pursues businesses related to program productions, each one of the corporate group companies are actively involved in their respective professional fields. We also have stable business relationships with our associated companies; Asahi Shimbun Publishing Co., Ltd. and Toei Co., Ltd.

The Corporate Group is divided into three business segments. The TV Broadcasting Business covers businesses related to the production and broadcast of television programs aired by TV Asahi, and the core companies comprising this segment are TV Asahi Corporation and TV Asahi Productions Co., Ltd. The Music Publication Business consists of management of music publication copyrights, record business and artist management, all of which are conducted by TV ASAHI Music Co., Ltd. Other Businesses covers various business activities which include special events, video and DVD sales, publishing and investments in motion pictures, all of which are directly managed by TV Asahi; TV shopping business which is managed by TV Asahi and our subsidiary, TV Asahi Living Co., Ltd.; and sales of broadcasting equipment and other broadcasting peripheral operations which is conducted by our subsidiary, Television Asahi Service Co., Ltd.

TV ASAHI

TV Broadcasting Business

Business related to Program Production

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

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

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

Other Associated Company:
- Toei Co., Ltd.

BS/CS Digital Broadcasting

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

Multi Lingual & Multi Data Broadcasting

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

Music Publication Business

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

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

Other Businesses

TV Shopping 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

2. Management Policy

(1) Basic Management Policies

TV Asahi's broadcasting mission is to serve the public. TV Asahi is committed to providing high-quality programs and implementing ongoing reforms so that it will continue to be the broadcaster of choice for large numbers of viewers and advertisers, and continue to develop together with the community it serves.

TV Asahi, together with its Group companies, is also committed to establishing itself as the leader in the information and media industry. The Company faces a myriad of challenges in the current business environment, characterized by an increase in both consolidation and competition with businesses in the telecommunications and other industries, and the emergence of new services. With the continued support of our viewers, advertisers, and shareholders, TV Asahi will strive to increase its corporate value to its stakeholders.

(2) Basic Policy on the Allocation of Profits

As TV Asahi is a company engaged primarily in broadcasting business, and is therefore of a highly public-service character, its basic policy is to endeavor to sustain a stable dividend payout while maintaining a retained earnings balance that will secure a stable foundation for the Company. Its aim is 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 enhance its financial condition and prepare itself for active business development that will position it well for distributing content over a broad range of media in the digital era.

The Company plans to pay an end-of-period dividend of ¥700 per share of common stock. Combined with the interim dividend of ¥700 per share already paid, the dividend for the full year will be ¥1,400 per share, representing a dividend payout ratio of 39.8%.

Moreover, notwithstanding the changes in the Japanese Corporate Law, which has taken effect on May 1, 2006 and allows companies greater options regarding the number of dividend payouts and other decisions regarding dividend policy, the Company will continue to payout dividends twice a year at the end of mid-term and end of year.

(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 currently does not employ any specific management indicators. However, the Company is committed to increasing profits and corporate value by boosting viewer ratings, which contribute greatly to Group sales revenues. The Company has also made clear its emphasis on more efficient management of costs.

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

Since terrestrial digital broadcast started in December 2003 in the Tokyo, Nagoya and Osaka regions, high definition and enhanced services such as data broadcasting has been available to viewers. By December 2006, terrestrial digital broadcast will commence at all broadcasters.

In April 2006, One-Seg service (terrestrial digital broadcast service for mobile devices including cellular phones) has started, making way for new television viewing styles outside of the home.

On the other hand, the distribution of online video content is growing gradually in conjunction with the increasing penetration of broadband.

In such competitive environment, TV Asahi has been pursuing Companywide Reform Campaign, with the mission to become "the industry leader in content creation."

The Company has entered Phase Two of the Companywide Reform Campaign in April 2005. Specific goals are to achieve and maintain viewer ratings of 13% or more in golden time(7 p.m. to 10 p.m.) and prime time(7 p.m. to 11 p.m.), and 8% or more in the all-day time slot(6 a.m. to midnight) and prime time 2(11 p.m. to 1 a.m.); and to attain TV advertising revenues of ¥200 billion and maintain nonadvertising revenues of ¥28 billion(both on a non-consolidated basis). The aim of Phase 2 is to build on the results achieved during Phase 1 of the Campaign and to establish a corporate structure that renders success in the digital era.

The Company has conducted structural reform, increased staff in the programming and production sections, engaged in changing the mindset of its employees, and practiced operational efficiency, all in order to boost its competency in its capacity to produce programs. With the aim to fulfill its public duty and social responsibility as a broadcaster, the Company will continue to strive to provide high quality programs by continuous improvement of its programs and production capabilities.

With regards to earnings and profits, in addition to increasing its advertising revenue, TV Asahi will expand its nonadvertising revenue. The Company will continue to focus on areas that have synergies with its TV broadcasting business, such as TV shopping business, development and sponsorship of special events, investment in theatrical films, publishing, video and DVD sales of its programs, and subscription-based services for mobile phones.

Moreover, with regards to its music publication business, the Company will cultivate new ways to discover and develop new and promising talent. The Company will also strengthen cooperation measures within and outside of the company and seek new business models in order to regularly introduce new hit artists and songs to the market.

In July 2011, terrestrial analog broadcasting will be terminated and the complete transition to terrestrial digital broadcasting will take place on a national level. In order to ensure that viewers will be able to shift smoothly to terrestrial digital broadcasting, TV Asahi will actively engage in advancing the penetration of terrestrial digital broadcasting.

TV Asahi will continue to aim towards achieving a strong financial structure. It will also focus on active promotion of the Company and diligent investor relation activities, and will also continue to seek opportunities to meet expectations of our stakeholders.

(5) Matters regarding Associated Companies

[1] Trade name of Associated Companies

Associated Company	Category	Percentage of Voting Rights held by Associated Company (%)	Stock Exchange Listing of Parent Company
Asahi Shimbun Publishing Co., Ltd.	Company that is the associated company of the listed company	36.03 (2.08)	None
Toei Co., Ltd.	Company that is the associated company of the listed company	17.49 (1.36)	Tokyo Stock Exchange, Osaka Securities Exchange, Nagoya Stock Exchange

Note: The amount in parenthesis under the column “Percentage of Voting Rights held by Associated Company” refers to the percentage of indirect holding by associated company.

[2] The Associated Company that has the Greatest Influence over the Listed Company (TV Asahi)

Name of Associated Company: Asahi Shimbun Publishing Co., Ltd.
Reason: It is the largest shareholder of the Listed Company and is in position to exercise ultimate influence over the Listed Company.

[3] Relationship between the Listed Company and the Associated Company including the Position of the Listed Company within the Group Companies of the Associated Companies

Relationship between the Listed Company and the Associated Company, and the Financial and Human Resource Relationship with the Associated Company and its Group Companies

Asahi Shimbun Publishing Co., Ltd., which is a leading daily national newspaper publisher, holds 36.03% of TV Asahi's shares. TV Asahi conducts personnel exchanges and business transactions with Asahi Shimbun and its group companies in order to strengthen its competitiveness as a media company.

Of the 20 members of TV Asahi's Board of Directors, three full-time Directors are originally from Asahi Shimbun and one External Director is a corporate director from Asahi Shimbun.

Furthermore, as part of a personnel exchange program, two personnel from Asahi Shimbun are currently visiting workers at TV Asahi.

Limitations, Risks and Merits from being included within the Group Companies of the Associated Company, and Influence to Management and Operational Activities from having Financial and Human Resource Relationships with the Associated Company and its Group Companies

In cooperation with Asahi Shimbun, TV Asahi provides services in line with the various needs of its viewership.

As TV Asahi has built such relationship with its Associated Company and has financial and human resource relationships with its Associated Company as described above, it is possible that Asahi Shimbun may influence TV Asahi's management policy and operational activities.

Thinking on and Measures for Securing a Certain Amount of Independence from Associated Company in Light of Having Limitations from Being Included within the Group Companies of the Associated Company, and Being Influenced on a Management and Operational Level from Having Financial and Human Resource Relationships with the Associated Company and its Group Companies

The main business area of Asahi Shimbun and that of TV Asahi are different. TV Asahi's broadcasting business is administered and regulated under the Radio Law and Broadcasting Law of Japan, reflecting the scarce nature of broadcasting waves and the highly public nature of broadcasting business. The business is also required to set self-regulations with regards to broadcast content.

With regards to management holding concurrent posts with the Associated Company/its Group Companies, it has been the request of TV Asahi to establish such posts with the aim to pursue business synergies and exchange of managerial information. Moreover, personnel exchange is conducted as part of a mutual personnel exchange program.

With regards to major business transactions with Asahi Shimbun and its Group Companies, the business matter and transaction volume is checked before and after its execution.

State of Securing a certain amount of Independence from Associated Company

In addition to the laws and regulations regarding broadcasting business, in view of the aforementioned stance and measures, TV Asahi has control of its own programming right, which is the most important feature of a broadcaster. Furthermore, less than half of TV Asahi's Board of Directors is comprised of persons with strong connections with the Associated Company, and TV Asahi's business transactions with the Associated Company are conducted under the same protocols of that of other companies. For these reasons, TV Asahi believes that it has secured sufficient independence from the Associated Company and its Group Companies.

Management holding Concurrent Posts

Position: External Member of the Board
Name: Shinichi Hakoshima
Position at Associated Company: Corporate Advisor
Reason for Concurrent Post: TV Asahi has requested the arrangement in order to exchange managerial information and to strengthen media power.

Note: Of the 20 Members of the Board of TV Asahi and the five Auditors, none hold management post at Asahi Shimbun.

Visiting Workers at TV Asahi

Name of Department	No. of persons	Associated Company or Group Company of Origin	Reason for Exchange
Network Sales Department, Sales Division	1 person	Asahi Shimbun Publishing Co., Ltd.	Personnel exchange
Strategic Planning & Business Development Department	1 person	Asahi Shimbun Publishing Co., Ltd.	Personnel exchange

Note: The total number of employees at TV Asahi as of March 31, 2006 is 1,234.

[4] Businesses Relationship with Associated Company

No particular business relationship to be noted.

3. Business Performance and Financial Situation

(1) Business Performance

During the fiscal year under review, despite negative factors such as the rise in oil prices, the Japanese economy continued to show signs of recovery as corporate capital expenditure continued to increase as a result of growth in corporate profits, consumer spending increased reflecting improvement in employment market, and stock market prices continued to show signs of growth.

The advertising market recorded a downturn after a strong growth in calendar year 2004, but with the domestic economy growing steadily, television advertising proceeded favorably.

Under these economic conditions, the Company continued to focus on increasing earnings and profits in its TV Broadcasting Business as well as its Music Publication Business and Other Businesses. As a result, TV Asahi achieved consolidated net sales of ¥249.383 billion, representing an increase of ¥7.347 billion, or 3.0%, from the previous year. The aggregate total of cost of sales and of selling, general and administrative expenses rose by ¥3.877 billion, or 1.7% year-on-year, to ¥232.308 billion, and as a result the increase in operating income was ¥3.469 billion, or 25.5%, rising to ¥17.075 billion.

Recurring income totaled ¥17.314 billion, representing a year-on-year rise of ¥3.722 billion, or 27.4%, and net income rose by ¥2.084 billion, or 28.2%, to ¥9.466 billion.

The following is a summary of business performance by segment.

[1] TV Broadcasting Business

During the fiscal year under review, TV Asahi recorded 7.8% in its all-day (6 a.m. to midnight) viewer ratings period, in tie with the all-time high record achieved the previous fiscal year. Prime time (7 p.m. to 11 p.m.) viewer ratings rose to 13.2%, a year-on-year increase of 0.9 percentage points. TV Asahi ranked 2nd place for the first time in its history. Golden time (7 p.m. to 10 p.m.) ratings rose 0.7

percentage points to 12.6% and continues to show an upward trend. In Prime 2 (11 p.m. to 1 a.m.), TV Asahi ranked No.1 with a rating of 8.5%.

In the entertainment program genre, Takeshi Kitano's *Takeshi's TV Tackle* at 9 p.m. on Mondays covers current social topics and continues to capture high ratings. *London Hearts* (9 p.m. on Tuesdays) and *Golden Legend* (7 p.m. on Thursdays) have maintained high ratings by actively coming up with new entertainment ideas. Shows in the 11 p.m. slots aired Monday though Thursday are also maintaining high average ratings of 10 to 13%.

In the drama program genre, Thursday Night Drama *Vintage Year Divorce* captured an average rating of 19.2%. This series was repeatedly featured in different media outlets and became a social phenomenon. Many of TV Asahi's drama specials, such as *Gion Bayashi* and *Married Couple* which focus on family and marriage, and *Hitoshi Tadano, the Extraordinary Undercover Detective,* have also gained wide audiences.

In the news and information program genre, the Company's daily evening news show *Hodo Station* has captured its highest average annual rating of 14.5% and continues to be the news show of choice among viewers. Other daily news programs such as *Yajiuma Plus*, *Super Morning*, *Wide! Scramble* and *Super J Channel* have also continued to increase in ratings.

In the sports program genre, our exclusive terrestrial broadcast of the 2006 FIFA World Cup™ Asian Final Qualifiers has gained especially high viewer ratings – 43.4% for the match North Korea vs. Japan, 26.0% for Japan vs. Iran and 23.8% for Japan vs. Bahrain. In addition, the three-night broadcast of the Grand Prix of Figure Skating Final 2005 attained an average rating of 23.2%. The broadcast of Professional Baseball Japan Series match Lotte vs. Hanshin, Tokyo International Women's Marathon, Torino Winter Olympics and 2006 World Baseball Classics have also contributed to high ratings.

With these high ratings in hand, the Company endeavored to achieve higher earnings and profits through aggressive sales efforts.

In the time sales segment, regular programs with high ratings, especially those of entertainment programs such as *Takeshi's TV Tackle* and *Golden Legend*, contributed to improving sales. Special one-off programs, such as swimming event 2005 FINA World Championships, Grand Prix of Figure Skating Final 2005 sports and special drama *Face Love and Death*, also contributed to increasing sales. As a result, time sales revenues totaled ¥93.932 billion, which represents a rise of ¥2.214 billion, or 2.4% from the previous year.

For spot sales, the Company struggled with its high growth rate of the previous year, but was able to capture a stable growth rate. The food and beverage industry segment and pharmaceutical segment recorded a drop in sales, but the publishing segment which includes CD and DVD sales promotion efforts, the housing and housing materials segment, the financial services segment and services and entertainment segment grew significantly in comparison to the previous year. In consequence, spot sales revenues rose by ¥2.465 billion, or 2.5%, to ¥100.825billion, making it the first time for TV Asahi to record over sales of ¥100 billion.

Program sales rose by ¥6 million, or 0.1% year-on-year, to ¥11.878 billion. Other revenues increased by ¥917 million, or 6.9%, to ¥14.27 billion, owing to increased broadcasting related revenue of our subsidiaries, Take Systems Co., Ltd., Trust Network Inc., and TV Asahi Productions Co., Ltd..

The net result of the above amounted to TV Broadcasting revenues totaling ¥220.907 billion, a rise of ¥5.604 billion, or 2.6%, from the previous year, while operating expenses increased by ¥2.593 billion, or 1.3%, to ¥207.994 billion. As a result, the Company posted operating income of ¥12.912 billion, representing a year-on-year increase of ¥3.011 billion, or 30.4%.

[2] Music Publication Business

The music rights management business progressed favorably with increase in sales from the re-development and re-use of music pieces already managed by the TV Asahi Music. TV Asahi Music's exclusive artist, "Ketsumeishi," played an active role with the hit of single CD release of

Sakura and album release of *Ketsunopolice 4*. Moreover, tickets to their national concert tour at large venues sold out immediately upon start of sales, and artists' goods at their concerts also recorded high sales. Other exclusive artists have also contributed to sales.

As a result, net sales increased by ¥1.816 billion, or 19.9% on a year-on-year basis, to ¥10.938billion, operating expenses increased by ¥832 million, or 12.2%, to ¥7.675 billion. Operating income increased by ¥984 million, or 43.2%, to ¥3.263 billion.

[3] Other Businesses

In the investment in motion pictures business, domestic productions such as animation *Crayon Shin-Chan Densetsu wo Yobu Buriburi 3pun Pokkiri Daishingenki*, live-action *Masked Rider Hibiki/Magic Rangers The Movie*, Japanese samurai drama movie *Semi Shigure* and psycho-thriller movie *Siren* drew large audiences. The new years release *YAMATO*, based on a true story during World War Two, recorded ticket sales of close to ¥5 billion. Additionally, the release of Doraemon animation movie *Doraemon Nobita's Dinosaur 2006* was a hit despite skipping its annual release the previous year.

In the special events business, TV Asahi undertook numerous events, such as the Equestrian Theater Zingaro, Dinosaur Expo 2005, rock concert *SUMMER SONIC 2005*, Pushkin Museum Exhibition, which were all successful in drawing large audiences.

In addition, TV shopping business grew substantially from increased sales of its television shopping programs *Selection X* and *Ima Toku!*. Moreover, TV Asahi also focused on content distribution business, including publication and DVD and video repackaging of drama shows, and its mobile phone subscription-based content service.

Due to increased sales from TV shopping and Internet businesses, net sales from other businesses totaled ¥25.856 billion, representing an increase of ¥1.364 billion, or 5.6%, from the previous year. Operating expenses increased by ¥1.84 billion, or 8.0%, to ¥24.854 billion, with the result of operating income falling by ¥476 million, or (32.2)%, to ¥1.001 billion.

(2) Financial Situation

Total assets as of the end of the fiscal year in review increased by ¥18.535 billion, to ¥316.079 billion, shareholders' equity increased by ¥16.119 billion, to ¥242.848 billion, resulting in an increase of shareholders' equity ratio by 0.6 percentage points, to 76.8%.

Cash Flow during Fiscal Year Ended March 31, 2006

During the period under review, cash and cash equivalents (hereinafter "cash") on a consolidated basis decreased by ¥3.294 billion from the previous year, to ¥53.952 billion.

[Cash Flow from Operating Activities]

Cash flow from operating activities showed an increase of ¥19.518 billion, which is ¥5.29 billion less than the previous year.

The main reasons for the decrease were, despite net income before income taxes and minority interests rising by ¥4.297 billion from the previous year to ¥17.228 billion, cash related to consumption taxes decreased by ¥4.701 billion due to TV Asahi receiving refund of consumption taxes the previous year and paying such taxes this fiscal year. In addition, as a result of an increase in taxable income, income tax increased by ¥5.231 billion compared to the previous year.

[Cash Flow from Investing Activities]

Cash flow from investing activities showed a year-on-year decrease of ¥1.916 billion, to ¥21.354 billion, compared to the total of ¥19.437 billion the previous year. The principal reason for this is, despite the year-on-year decrease of ¥3.817 billion in payment for the purchase of broadcasting equipment, there was an increase of ¥3.271 billion in expenses related to investing activities compared to the previous year. In addition, despite the maturity of investments bringing in ¥2.505 billion, purchase of securities increased by ¥5.709 billion on a year-on-year basis, to ¥12.995 billion.

[Cash Flow from Financing Activities]

Cash flow from financing activities decreased by ¥661 million to ¥1.521 billion due to the completion of long-term debt in the previous year.

Trend of Cash Flow Indicators

Indicator	Year ended March 31, 2004	Year ended March 31, 2005	Year ended March 31, 2006
Equity ratio (%)	76.3	76.2	76.8
Fair value equity ratio (%)	74.8	83.8	96.4
No. of years for debt redemption (years)	0.1	-	-
Interest coverage ratio (times)	176.1	8,987.3	19,795.0

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. For cash flow from operating activities, the cash flow from operating activities on a consolidated basis is used. 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, 2006

Although the Japanese economy needs to be followed cautiously in relation to rising oil prices and the rising value of the yen, the improved profitability of corporations and increasing consumer spending give much assurance to a stable recovery of the economy.

Amid this operating environment, the Company, achieving stable viewer ratings in Phase Two of the Company-wide Reform Campaign, expects to increase total revenue by improving earnings in the TV Broadcasting Business through active advertising sales activities, and by also continuing efforts in the Music Publication Business and Other Businesses.

On the other hand, operating expenses will be effectively controlled and thus, the Company expects an increase in operating income, recurring profit and net income on a year-on-year basis.

[1] Consolidated

	Six-month ending Sept. 30, 2006		Year ending Mar. 31, 2007	
	Amount (Millions of yen)	Year-on-year growth (%)	Amount (Millions of yen)	Year-on-year growth (%)
Net sales	125,500	1.7	254,000	1.9
Operating income	8,200	(7.7)	17,400	1.9
Current income	8,600	(5.9)	18,100	4.5
Net income	4,800	(4.6)	10,000	5.6

[2] Non-consolidated

	Six-month ending Sept. 30, 2006		Year ending Mar. 31, 2007	
	Amount (Millions of yen)	Year-on-year growth (%)	Amount (Millions of yen)	Year-on-year growth (%)
Net sales	113,800	2.3	231,000	3.2
Operating income	5,300	(16.2)	13,200	9.3
Current income	5,800	(17.3)	14,000	7.9
Net income	3,300	(16.8)	8,000	119.8

(4) Business Risks

[1] Dependence on TV Broadcasting Business

TV Asahi's revenue is largely comprised of its TV Broadcasting Business, which is dependent on the advertising expenses of companies that are in turn greatly influenced by the state of the Japanese economy.

Moreover, within the TV Broadcasting Business, viewer ratings play an essential role in the determination of price in the sale of advertising time.

Thus, in the event the Japanese economy experiences a downturn and/or the Company is not able to produce and broadcast programs that are widely popular among viewers, the operating results of the Company may be influenced.

[2] Competition, Capital Expenditures and Investments

Terrestrial digital broadcasting commenced on December 1, 2003.

Aligned with its move to its new headquarter building in fiscal year ended March 31, 2004, TV Asahi invested in broadcasting equipment necessary for terrestrial digital broadcasting. The Company will continue to position digital broadcasting as an important management issue until the full transition to digital broadcasting is completed in 2011.

In addition, terrestrial digital broadcasting may bring about further competition with other media services other than terrestrial broadcasting, such as BS digital broadcasting, CS digital broadcasting, cable television and content broadcasting on broadband.

Thus, the Company will continue to spend appropriate capital expenditure and make other investments in order to maintain technical standards, improve its content production competency, acquire popular content and strengthen its media strategy. In the event sufficient profits cannot be attained to balance such investments, the operating results of the Company may be influenced.

[3] Regulations (License and Foreign Ownership)

The main business of the Company is its TV Broadcasting Business, which is administered under various regulations such as the Radio Law and Broadcast Law of Japan.

For the launch of its TV Broadcasting Business, TV Asahi was granted its broadcasting license on January 9, 1959 in accordance with the Radio Law, and started broadcasting service on February 1, 1959. As stipulated in the Law, the license period is five years, and thus, the Company has continued to apply for license renewal.

According to the Radio Law, there exists a foreign ownership restriction that prohibits a foreign national to be an executive director. There is also a restriction that states that one-fifths of voting rights of a free-to-air radio or television broadcaster cannot be owned by foreign entities or by foreign entities and Japanese companies that are controlled by a foreign entity. In effect, under certain conditions, it is possible to reject the transfer of stock registration of a foreign entity or such (includes Japanese companies controlled by a foreign entity). Moreover, when the amount of voting rights held by a foreign entity (including Japanese companies controlled by a foreign entity) reaches 15%, the Company is required to disclose the fact, in accordance with the Broadcast Law.

Note: The following document is a direct translation of that released in Japanese, and thus, all figures have been rounded down to the nearest million yen.

TV Asahi Corporation

May 19, 2006

Earnings Summary (Non-Consolidated Basis)

Results for the Fiscal Year Ended March 31, 2006 (April 1, 2005 - March 31, 2006)

Stock Listing: Tokyo Stock Exchange (First Section) Code Number: 9409

Headquarters: 6-9-1 Roppongi, Minato-ku, Tokyo 106-8001, JAPAN http://company.tv-asahi.co.jp/e/
Masao Kimiwada, President and CEO
Information Contact: Kenji Kazama, Executive Director and Treasurer Tel: +81-3-6406-1111

Date of Board of Directors meeting to approve interim non-consolidated financial statements: May 19, 2006
Date of Annual Shareholders' Meeting: June 28, 2006
Date of start of dividend payment: June 29, 2006
Interim dividends: Yes
Unit stock system: No

1. Performance for Fiscal Year Ended March 31, 2006 (April 1, 2005 - March 31, 2006)

(1) Operating Results

	Net sales		Operating income		Recurring profit	
	millions of yen	%	millions of yen	%	millions of yen	%
FYE March 31, 2006	223,782	2.5	12,075	20.6	12,970	20.6
FYE March 31, 2005	218,265	10.7	10,011	141.0	10,755	124.4

	Net income		Net income per share	Net income per share after after dilution	Return on equity	Total capital to recurring profit	Sales to recurring profit
	millions of yen	%	yen	yen	%	%	%
FYE March 31, 2006	3,639	(43.4)	3,518.23	-	1.6	4.4	5.8
FYE March 31, 2005	6,431	243.0	6,303.25	-	2.9	3.8	4.9

Notes:
1) Average number of shares outstanding during the period: FYE March 31, 2006: 1,006,000 shares; FYE March 31, 2005: 1,006,000 shares.
2) Change in accounting method: None
3) Percentages indicate year-on-year increase/decrease in net sales, operating income and recurring profit, and net income.

(2) Dividends

	Annual dividend per share			Total dividend payout	Dividend payout ratio	Shareholders' equity dividend ratio
		Mid-term	Year-end			
	yen	yen	yen	millions of yen	%	%
FYE March 31, 2006	1,400.00	700.00	700.00	1,408	39.8	0.6
FYE March 31, 2005	1,300.00	500.00	800.00	1,307	20.6	0.6

Notes: Year-end dividend for FYE March 31, 2005: Ordinary dividend of 500.00 yen and special dividend of 300.00 yen

(3) Financial Data

	Total assets	Shareholders' equity	Shareholders' equity ratio	Shareholders' equity per share
	millions of yen	millions of yen	%	yen
At March 31, 2006	302,750	232,967	77.0	231,478.24
At March 31, 2005	291,732	222,782	76.4	221,364.18

Notes:
1) Average number of shares outstanding during the period: FYE March 31, 2006: 1,006,000 shares; FYE March 31, 2005: 1,006,000 shares.
2) Number of treasury stocks: March 31, 2006: 0; March 31, 2005: 0

2. Forecast for Fiscal Year Ending March 31, 2007 (April 1, 2006 - March 31, 2007)

	Net sales	Recurring profit	Net income	Annual dividend per share		
				mid-term	year-end	
	millions of yen	millions of yen	millions of yen	yen	yen	yen
Mid-term ending Sept. 30, 2006	113,800	5,800	3,300	700.00	-	-
FYE March 31, 2007	231,000	14,000	8,000	-	700.00	1,400.00

Reference: Non-consolidated net income per share is forecast to be 7,952.29 yen
Note: The forecasts above are based on information available at the time of announcement and thus, actual results may differ due to various changes in business environment. For assumptions for forecast for FYE March 31, 2007, please refer to p.29.