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MATTERS DISCLOSED ON THE INTERNET
RELATED TO THE
CONVOCATION NOTICE OF
THE 89TH ORDINARY GENERAL MEETING OF SHAREHOLDERS

Nippon Television Holdings, Inc.

We provide shareholders with the part of the Business Report, the Notes to the Consolidated Financial Statements and the Notes to the Non-Consolidated Financial Statements, posted on the Company' website (https://www.ntvhd.co.jp/english/ir/stock/), in accordance with laws and regulations and Article 18 of the Company's Articles of Incorporation.

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Contents

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3. A System to Ensure Appropriateness of Business Operations and its Operating Situation

(1) A System to Ensure Appropriateness of Business Operations

The following is an outline of contents of decisions to be taken with respect to systems instituted to ensure that the execution of duties of Board Directors conforms to laws and the Articles of Incorporation and the appropriateness of the Company's business operations.

1) A System to Ensure that the Execution of Duties of Board Directors and Employees Conforms to Laws and the Articles of Incorporation

The Company formulates the "NTV Compliance Charter," a charter that sets out corporate activities that conform to laws, the Articles of Incorporation and corporate ethics, to which full-time officers and employees of the Company and the Nippon TV Group shall pledge. To disseminate this Charter throughout the Company, officers and employees are educated by the Corporate Strategy Division and the Corporate Administration and Human Resources Division.

As Board Directors and observers, we promote compliance with laws, the Articles of Incorporation and corporate ethics as well as highly transparent corporate activities by organizing a Compliance Committee consisting of outside professionals such as lawyers.

The "Nippon TV Holdings Hotline" is installed as a reporting hotline to enable employees of the Company and the Nippon TV Group to directly report legally doubtful acts and behaviors inside the Company and request an investigation, in addition to their standard reporting line.

To ensure the legality of execution of duties by the Board Directors, the Company focuses on the supervisory function of Outside Board Directors and Outside Audit & Supervisory Board Members and activates the Board of Directors to pursue higher corporate governance.

By establishing a Business Audit Committee, we conduct internal audits and verify corporate governance.

The Business Audit Committee reports its results to the Full-Time Directors Council and reports directly to the Board of Directors and the Audit & Supervisory Board appropriately to enable them to fully exercise their functions.

We shall resolutely confront any antisocial entities and such entities will play no part in our business relationships or transactions. There will be no offer of illegal profits: any unjust demands or wrongful intervention will be reported to the police and other authorities concerned as part of an organized response based on close liaison with such agencies.

2) A System Related to Retaining and Managing Information Concerning Board Directors' Execution of Duties

Pursuant to the document handling regulations, information related to the Board Directors' execution of duties shall be recorded in writing or via electromagnetic media (hereinafter "documents, etc."), which shall be retained for a stipulated period.

Under the supervision of the Corporate Administration and Human Resources Division, such documents, etc., shall be retained at each division, at which a person in charge of and a responsible person for retaining the information assets are designated.

Board Directors and Audit & Supervisory Board Members shall be able to look at such documents, etc., anytime.

3) Regulations and Other Risk Management Systems for Losses

The Company installs the Internal Control Committee to manage risk on an overall company basis, and a Risk Management Committee to manage newly emerging risks on an expedited basis, with each committee being chaired by a representative director.

In Nippon TV Group, risks related to disasters, information management, program production, copyright contracts, broadcasting and fraudulent acts are addressed by installing various committees that encompass the entire Company, improving each system and renewing regulations.

Broadcasters such as Nippon TV Group have a special obligation to conduct emergency broadcasts following earthquakes and other disasters. The Company therefore maintains equipment and systems to enable uninterrupted broadcasting after such emergencies and creates the "Tokyo Metropolitan Area Anti-Disaster Manual" as the basis for training simulations.

4) System to Ensure Board Directors' Efficient Execution of Duties

The Company has a system for ensuring that duties are executed appropriately and efficiently based on the division of duties, approval rules and other company regulations and in accordance with authority and decision-making rules.

Moreover, we pursue corporate governance by having Outside Board Directors who have no interest relationships with the Company supervise the Board of Directors' execution of duties.

5) System to Ensure Appropriateness of Duties Conducted by a Corporate Group Consisting of the Company and its Subsidiaries

The Company establishes the Nippon TV Group Business Development Department within the Corporate Strategy Division, which addresses all aspects relating to compliance with laws and the Articles of Incorporation, development and operation of the comprehensive strategies for Group management/business content, as well as enhancement of efficiency in execution of duties across the Nippon TV Group. The Department promotes to develop a group-wide system for compliance with laws and the Articles of Incorporation, management of risk, and efficient execution of duties.

The Company establishes the Nippon Television Holdings Group Management Regulations and the Nippon Television Holdings Group Company Decision-making Regulations, and sets up a Group company management system through which the Group companies will seek approval for important matters from the Company or report them to the Company.

The Company regularly holds meetings of Group Management Council—consisting of the Company's officers in charge and representatives of the Group companies—to ensure the appropriateness of operations, share information, and enhance the efficiency in execution of duties.

The Company provides compliance-related trainings to officers and employees of the Group companies as necessary.

6) Matters Related to Employees who Will Assist Audit & Supervisory Board Members upon Their Request

Upon request by the Audit & Supervisory Board Members, employees to assist the Audit & Supervisory Board Members with their auditing duties shall be deployed at the Audit & Supervisory Board Management Office and perform their duties in accordance with the Audit & Supervisory Board Members; in such case, directors may not give any instructions contrary to those of the Audit & Supervisory Board Members.

Audit & Supervisory Board Members can order the employees who belong to the Audit & Supervisory Board Management Office to investigate matters necessary for auditing duties.

Employees working for the Audit & Supervisory Board Management Office shall assist the Audit & Supervisory Board Members with their auditing duties and concurrently work as a secretariat for the Business Audit Department.

7) Independence of the Employees who Assist Audit & Supervisory Board Members from Board Directors

Employees who assist the Audit & Supervisory Board Members shall not concurrently handle any duties pertaining to the business operations of the Company or the Nippon TV Group, and the personnel performance evaluation of such employees shall be conducted by the Audit & Supervisory Board Members. Transfer of and disciplinary actions relative to such employees shall be subject to the approval of the Audit & Supervisory Board Members.

8) A System that Requires Board Directors to Report to the Audit & Supervisory Board and a Means for Employees to Report to Audit & Supervisory Board Members

The Company's Board Directors shall report to the Audit & Supervisory Board on matters that could have a substantial impact on the Company or the Nippon TV Group based on the status of internal auditing.

In the event that the Company's employees find matters that could have a substantial impact on the Company or the Nippon TV Group, or facts that violate laws or the Articles of Incorporation, they can, in addition to using normal reporting line, directly report such instances to Audit & Supervisory Board Members or the Financial Management Division through the "Nippon TV Holdings Hotline," the reporting hotline. This shall also apply to the Group companies' Board Directors, Audit & Supervisory Board Members and employees, as well as persons who have received such reports.

The Business Audit Committee shall regularly report to the Audit & Supervisory Board Members the matters reported by the Company's employees or the Group companies' Board Directors, Audit & Supervisory Board Members or employees, as well as the results of internal audits.

The Company's Board Directors and employees, as well as the Group companies' Board Directors, Audit & Supervisory Board Members and employees, who have made said reports, or persons who have received such reports, shall not be subject to any disadvantageous treatment on the grounds of their having made such reports.

9) Other Systems to Ensure Effective Auditing by Audit & Supervisory Board Members

Standing Audit & Supervisory Board Members shall attend the Full-Time Directors Council and exchange opinions with full-time Board Directors.

Audit & Supervisory Board Members may attend the Group Management Council, which consists of representatives from the Group companies.

The Audit & Supervisory Board Members may receive advice regarding auditing duties from lawyers, Certified Public Accountants and other professionals, if necessary, and require the Company to pay in advance or reimburse expenses incurred by them with respect to their performance of duties including expenses for receiving said advice. Upon such request, the Company shall, respecting their decision, pay in advance or reimburse said expenses.

(2) Outline of the Operating Situation of the System to Ensure Appropriateness of Business Operations

The Company strives for the enhancement of an internal control system and its appropriate operation based on the system described in the above to ensure appropriateness of business operations at the Company and the Nippon TV Group. The outline of the operating situation in the fiscal year under review is as follows:

1) Compliance System

The Company and the Nippon TV Group strove to disseminate the "NTV Compliance Charter," a corporate code of conduct with which officers and employees must comply, and implemented various training programs (on information security, insider trading prevention, prevention of delay in payment of subcontracting proceeds, etc. and protection of personal information, etc.) as needed.

Deeming all information, it possesses in relation to its operations as important assets, the Nippon TV Group established the Information Protection Promotion Secretariat and the Cyber-Security Promotion Secretariat in June 2015 at the Company and Nippon Television Network Corporation, a consolidated subsidiary of the Company, in order to enhance initiatives to protect the assets. With these two Secretariats at the core, we have established company-wide rules on information asset protection and are taking steps to ensure that all employees are aware of and comply with the rules, as well as making efforts to reinforce information security by providing multiple training programs on matters such as responses to targeted attacks.

Additional steps were taken to ensure that all employees would be aware of the "Nippon TV Holdings Hotline," which is a reporting hotline that has been in place for some time.

2) Execution of Duties of the Board Directors and Retaining and Managing the Information

With the aim of achieving sustainable growth and enhancing the corporate value of the Company and the Nippon TV Group over the medium to long term, the Company introduced the executive officer system, reviewed the composition of the Board of Directors, and reduced the number of in-house Board Directors by three. Consequently, the number of Board Directors totals nine, of which four are independent Outside Board Directors.

In addition to assembling the Full-Time Directors Council by full-time officers every week, in principle, the Company held meetings of the Board of Directors seven times during the fiscal year under review, to decide matters stipulated by law and in the Articles of Incorporation, as well as important matters of corporate management. In addition, the Company received reports on each Board Director's execution of duties and on the Group companies' financial results, and carried out monitoring and/or supervision to ensure that the execution of duties of Board Directors and employees conformed to the laws and the Articles of Incorporation.

The materials and minutes of the meetings of the Board of Directors are safely stored in a location where security is ensured, and are appropriately managed.

3) Risk Management System for Losses

In order to ensure the appropriateness of the business operations of the Company and the Nippon TV Group, we held meetings consisting of representatives of the Company and Group companies pursuant to the Nippon Television Holdings Group Management Regulations to share knowledge on the subsidiaries' business operations, identify risks that affect corporate management, and take necessary measures.

Furthermore, with the aim of preventing compliance risk from materializing and strengthen governance in Group companies, we established the Risk Management Department within the Corporate Strategy Division. The department took the initiative in preventing materialization of risk and upgrading the communication and response systems for when risk materializes. In addition, we enhanced the function of legal affairs departments, shared information with Audit & Supervisory Board Members, and held various training sessions related to compliance and governance.

4) Internal Audit and Verification of Corporate Governance

The Business Audit Committee verified corporate governance based on the assessment of the establishment and operation of an internal control system pertaining to financial reporting made by the Business Audit Department in accordance with the internal audit annual plan, as well as on audit results of systems pertaining to the management and operation of various management activities of the Company and the Nippon TV Group and their execution of duties.

5) Systems to Ensure Effective Auditing by Audit & Supervisory Board Members

The Audit & Supervisory Board Members conducted audits based on the audit policies and audit planning they had discussed and decided upon at the meetings of the Audit & Supervisory Board and held the meetings eight times during the fiscal year under review. Audit & Supervisory Board Members also attended the meetings of the Board of Directors and other important meetings to exchange opinions with Board Directors and the Independent Auditor on a regular basis. Standing Audit & Supervisory Board Members audited the execution of duties of Board Directors and the status of compliance with laws and the Articles of Incorporation, as well as receiving reports on business from major subsidiaries including consolidated subsidiaries. Furthermore, Audit & Supervisory Board Members liaised closely with the internal audit departments, compliance departments and the departments that are responsible for managing subsidiaries to improve the effectiveness of audit.

4. Basic Policy Regarding Control of the Company

The purport of the Basic Policy regarding the roles of the persons who control decisions on the Company's financial and business policies is as follows:

The Company believes that the persons who control decisions on the Company's financial and business policies need to be persons who understand the source of the Company's corporate value and will make it possible to continually and persistently ensure and enhance the Company's corporate value and the common interests of its shareholders.

The Company believes that ultimately its shareholders as a whole must make the decision on any proposed acquisition that would involve a transfer of corporate control of the Company. In addition, the Company would not reject a large-scale acquisition of the shares in the Company if it would contribute to the corporate value of the Company and, in turn, the common interests of its shareholders.

Nonetheless, there are some forms of large-scale acquisitions of shares that benefit neither the corporate value of the target company nor the common interests of its shareholders. In addition, unless the acquirer of a proposed large-scale acquisition of the shares in the Company understands the source of the corporate value of the Company and would ensure and enhance these elements over the medium- to long-term, the corporate value of the Company and, in turn, the common interests of its shareholders would be harmed.

The Company will make efforts to ensure and enhance its corporate value as well as the common interest of its shareholders. If a large-scale acquisition of shares in the Company, etc. is carried out, the Company will take appropriate measures to the extent permitted by relevant laws and regulations, such as requesting provision of necessary and adequate information for its shareholders to appropriately determine whether the large-scale acquisition is acceptable or not, disclosing the opinions of the Board of Directors at the same time, and ensuring that its shareholders are given the time and information necessary for examining the acquisition.

In particular, the Company's approval as a certified broadcasting holding company will be revoked under the Broadcasting Act if, of the voting rights held by a foreign national ((i) a person who does not have Japanese nationality; (ii) a foreign government or its representative; (iii) a foreign corporation or organization; and (iv) a corporation or organization where the ratio of voting rights held directly by the person given in (i) to (iii) above is the same as or more than the ratio stipulated by Order of the Ministry of Internal Affairs and Communications), the ratio of voting rights obtained by adding the ratio of the voting rights held directly by the person given in (i) to (iii) and the ratio provided for by Order of the Ministry of Internal Affairs and Communications as the ratio of the voting rights indirectly held by the person given in (iv) through the person is 20% or more. The Company will strive to take appropriate measures to the extent permitted by relevant laws and regulations in order to avoid such a situation from occurring.

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Notes to the Consolidated Financial Statements

1. Basis of Presenting the Consolidated Financial Statements

(1) Scope of Consolidation

1) Number of Consolidated Subsidiaries: 23

The Company has twenty-three (23) consolidated subsidiaries: Nippon Television Network Corporation, BS Nippon Corporation, CS Nippon Corporation, NTV Technical Resources Inc., AX-ON Inc., NTV EVENTS Inc., Nippon Television Art Inc., Nippon Television Music Corporation, VAP Inc., TIPNESS Limited, Murayama Holdings Inc., NTV Services Inc., Nippon Television Work 24 Corporation, Forecast Communications Inc., Eiho Produce Corporation, NitteleSeven Co., Ltd., Tatsunoko Production Co., Ltd., HJ Holdings, Inc., Anpanman Children's Museum, NTV IT Produce Corporation, PLAY, inc., MURAYAMA INC., and NTV International Corporation.

Murayama Holdings Inc., all of whose shares were newly purchased by the Company in the fiscal year under review, and its subsidiary MURAYAMA INC., became consolidated subsidiaries of the Company.

2) Number of Non-Consolidated Subsidiaries: 33

The Company has thirty-three (33) non-consolidated subsidiaries, including NTV Personnel Center Corp. These non-consolidated subsidiaries are individually small and their respective sums of total assets, net sales, profit (loss) and retained earnings have no significant impact on the consolidated financial statements, on the whole.

Spotlight 2 Co., Ltd. and three other companies became non-consolidated subsidiaries subsequent to their establishment, etc., in the fiscal year under review.

In addition, one company was excluded from the scope of non-consolidated subsidiaries subsequent to the completion of liquidation in the fiscal year under review.

(2) Application of the Equity Method

1) Companies Accounted for by the Equity Method

All thirty-three (33) non-consolidated subsidiaries, including NTV Personnel Center Corp. and thirty-one (31) affiliates are accounted for by the equity method.

Spotlight 2 Co., Ltd. and three other companies became non-consolidated subsidiaries accounted for by the equity method, subsequent to their establishment, etc., in the fiscal year under review. Beaglee Inc. and one other company became equity method affiliates due to the acquisition of shares.

In addition, three companies have been excluded from the scope of applying the equity-method subsequent to the completion of liquidation in the fiscal year under review.

2) Companies Not Accounted for by the Equity Method

None applicable

(3) Closing Date for the Settlement of Accounts of Consolidated Subsidiaries

The closing date of the Company's consolidated subsidiaries corresponds to the consolidated closing date (March 31) except for Murayama Holdings Inc., MURAYAMA INC., and NTV International Corporation.

The closing date of Murayama Holdings Inc. and MURAYAMA INC. is January 31, while the closing date of NTV International Corporation is December 31. In preparing the consolidated financial statements, the financial statements as of the respective closing dates are used for these companies, as the difference in the closing date of these companies with the consolidated closing date is within three (3) months.

The closing date of Anpanman Children's Museum, a consolidated subsidiary, was changed from December 31 to March 31 in the fiscal year under review for the purpose of making more appropriate disclosure of consolidated financial statements. Profit and loss during the three (3) months between January 1, 2021 and March 31, 2021 resulting from the revision of the closing date have been adjusted as increase/decrease in retained earnings.

(4) Summary of Significant Accounting Policies

1) Valuation Basis and Method for Important Assets

Marketable securities and investment securities:

Held-to-maturity debt securities:

Held-to-maturity debt securities are stated at amortized cost (determined by the straight-line method).

Other securities:

Securities other than stocks, etc. for which the market value is not readily determinable

Stated at fair value with any changes in unrealized holding gain or loss, net of the applicable income taxes, included directly in net assets. Cost of securities sold is determined based on the moving-average method.)

Stocks, etc. for which the market value is not readily determinable

Stated at cost determined by the moving-average method.

Investments in limited-liability investment partnerships and other similar partnerships (which are deemed as securities under Article 2, Paragraph 2, of the Financial Instruments and Exchange Act)

Net amounts corresponding to the Company's equity are included in this category based on the statements for settlement of accounts stipulated in the partnership agreements.

Inventories:

Cost method based primarily on first-in first-out basis. (The amount reported on the balance sheet is calculated by writing down the book value based on declining profitability.)

Program rights:

Program rights are carried at cost, determined by the specific identification method. (The amount reported on the balance sheet is calculated by writing down the book value based on declining profitability.)

2) Depreciation Method of Important Depreciable Assets

Property and equipment: (excluding leased assets)

The depreciation of property and equipment is computed by the declining-balance method. Note that the straight-line method is applied to buildings (excluding building improvements) acquired on or after April 1, 2000, and to building improvements and structures acquired on or after April 1, 2016.

The range of useful lives of major property and equipment is 2–50 years for buildings and structures, 2–17 years for machinery and vehicles, and 2–20 years for tools, furniture and fixtures.

Intangible assets: (excluding leased assets)

The amortization of intangible assets is computed by the straight-line method. Computer software for internal use is amortized by the straight-line method over the period it is expected to be usable (2 to 10 years).

Leased assets:

The lease period of leased assets is deemed to be the useful life, and such assets are amortized by the straight-line method with a salvage value of zero.

3) Accounting for Important Reserves

Allowance for doubtful accounts:

The allowance for doubtful accounts is provided at an amount of possible losses from uncollectible loans and receivables based on the actual rate of losses from the bad debt for ordinary receivables, and on the estimated recoverability for specific doubtful receivables.

4) Accounting for Retirement Benefits

a. Method for attributing estimated retirement benefits to the period
To calculate the estimated benefit obligations, the benefit calculation formula method is applied to attribute the estimated retirement benefits to the period until the end of the fiscal year under review.

b. Recognition of actuarial difference
Variance in actuarial gain or loss is expensed in the fiscal year of accrual.

c. Accounting for Past Service Cost
Past service cost is expensed in the fiscal year of accrual.

d. Use of a Simplified Method for Small Companies Etc.
Some consolidated subsidiaries use a simplified method for calculating retirement benefit obligations and retirement benefit expenses. Under this method, the amount that the Company must pay for retirement benefits at the end of the fiscal year is deemed to be the retirement benefit obligation.

5) Accounting for Important Revenue and Expenses

The main performance obligations of major businesses with respect to revenue arising from contracts with the Group's customers and the normal point in time when such performance obligations are satisfied (normal point in time when revenue is recognized) are as follows.

A. Media Content Business

Revenue of the Media Content Business mainly consists of terrestrial television advertising revenue and content sale revenue.

a. Terrestrial television advertising revenue

The Group is obligated under its contracts with customers to broadcast programs and advertisements to viewers and recognizes revenue when they are broadcast.

b. Content sale revenue

The Group is obligated to license content to business operators and members. Revenues from content licensing to business operators are recognized when customers start using the content. In the case of content licensing to members, revenue is recognized over the period of service provision.

B. Life and Health-Related Business

Revenue of the Life and Health-Related Business mainly consists of fitness facilities usage revenue from the general fitness club business.

Fitness facilities usage revenue mainly consists of fees from members, and the Group recognizes revenue over the term of membership because it has an obligation to license the use of its facilities to its members.

C. Real Estate-Related Business

Revenue of the Real Estate-Related Business mainly consists of other revenue and other income.

a. Other revenue

The Group is obliged to manage leased properties based on contracts with customers and recognizes revenue over the period of service provision.

b. Other income

This is real estate rental and leasing income and revenue is recognized in accordance with the accounting standard for leases, etc.

6) Translation of Important Assets and Liabilities Denominated in Foreign Currencies into Yen

Monetary receivables and payables denominated in foreign currencies are translated into yen at the spot rate of foreign exchange in effect on the consolidated balance sheet date. The resulting differences are charged or credited to income.

The assets and liabilities, as well as revenue and expense accounts, of consolidated overseas subsidiaries are translated into yen at the spot rate of foreign exchange in effect on the balance sheet date of the relevant company. The resulting translation exchange differences have been presented as "Foreign currency translation adjustments" in Net Assets.

7) Amortization Method and Period of the Goodwill

The amount corresponding to the goodwill is evenly amortized on a straight-line basis over a period within 6 to 10 years, depending on the cause for accrual. If the amount is small, however, it is amortized at one time.

2. Notes to Changes in Accounting Policy

(Changes in Accounting Policy Following Amendments to Accounting Standards, etc.)

(Application of Accounting Standard for Revenue Recognition, etc.)

1. Details of and Reasons for Change in Accounting Policy

The Company has applied the Accounting Standard for Revenue Recognition (ASBJ Statement No. 29; March 31, 2020; hereinafter, "Accounting Standard for Revenue Recognition"), etc. from the beginning of the fiscal year under review. In accordance with the Accounting Standard for Revenue Recognition, when control of a promised good or service is transferred to the customer, revenue will be recognized at the amount expected to be received in exchange for the good or service.

As a result, while the total amount of consideration received by the Group from its customers mainly in the Media Content Business and the Life and Health-Related Business was previously recognized as revenue, the commission equivalent for transactions in which the Group acts as an agent has been recognized as revenue on a net basis effective the fiscal year under review. In addition, a portion of expenses, which were previously recorded in cost of sales in the Media Content Business, have been deducted from net sales as the consideration paid to customers effective the fiscal year under review. Furthermore, the amount collected on behalf of third parties in the Media Content Business, which was previously included in net sales, has been excluded from net sales effective the fiscal year under review.

2. Impact on Main Items in Consolidated Financial Statements

The application of the Accounting Standard for Revenue Recognition, etc. is pursuant to the transitional treatment stipulated in the proviso of Paragraph 84 of the Accounting Standard for Revenue Recognition. The cumulative effect when applying the new accounting policy retrospectively from before the beginning of the fiscal year under review is added to or subtracted from the retained earnings at the beginning of the fiscal year under review to apply the new accounting policy from the balance at beginning of the fiscal year. However, the new accounting policy has not been retrospectively applied to the contracts for which almost all revenue was recognized in accordance with previous treatment prior to the beginning of the fiscal year under review by applying the method stipulated in Paragraph 86 of the

Accounting Standard for Revenue Recognition.

As a result, the impact of this change on profit and loss of the fiscal year under review is immaterial. In addition, the change had no impact on the balance of retained earnings at the beginning of the fiscal year under review.

3. Changes in Presentation Following Change in Accounting Policy

As a result of the application of the Accounting Standard for Revenue Recognition, etc., “trade notes and accounts receivable,” which were included in “current assets” in the consolidated balance sheet of the previous fiscal year, have been included in “notes and accounts receivable - trade, and contract assets” effective the fiscal year under review.

(Application of Accounting Standard for Fair Value Measurement, etc.)

The Company has applied the “Accounting Standard for Fair Value Measurement” (ASBJ Statement No. 30, July 4, 2019; hereinafter, “Accounting Standard for Fair Value Measurement”), etc., effective the beginning of the fiscal year under review. In accordance with the transitional treatment prescribed in Paragraph 19 of the Accounting Standard for Fair Value Measurement and Paragraph 44–2 of the “Accounting Standard for Financial Instruments” (ASBJ Statement No. 10, July 4, 2019), the Company has decided to apply the new accounting policies set forth by the Accounting Standard for Fair Value Measurement, etc. in the future. These changes had no impact on the Company’s consolidated financial statements.

In addition, the Company has provided notes on matters related to the breakdown, etc. of financial instruments by fair value level in “6. Notes on Financial Instruments.”

3. Notes to Accounting Estimates Impairment Loss on Non-current Assets

○ Amount recorded on the consolidated financial statements for the fiscal year under review

	Fiscal year under review
Property, plant and equipment—at cost	¥9,070 million
Impairment loss	¥2,175 million

Note: The above figures concern TIPNESS Limited, a consolidated subsidiary of the Company.

○ Other information contributing to the understanding of estimate details

As a result of determining the recognition of impairment loss in the fiscal year under review, the difference between the recoverable amount and book value of asset groups of TIPNESS Limited, a consolidated subsidiary of the Company, that have a smaller recoverable amount than book value, has been recorded as impairment loss.

Note that the calculation of recoverable amounts is based on information available at the time of compilation of the consolidated financial statements and upon estimating future cash flows and discount rates under a certain assumption, such as the forecast, etc. of the number of members in the following fiscal year and thereafter. Any deviation of said assumption from the actual performance may have an impact on the profit of the following fiscal year, due to the recording of additional impairment loss, etc.

(Additional Information)

(Impact of COVID-19 on accounting estimates)

While strict restrictions due to the COVID-19 pandemic have been gradually eased, the level of infections has remained high owning to the emergence of new variants of COVID-19. As a result, the number of fitness club members and the number of theme park guests have remained lower than those prior to the outbreak of the pandemic. Under such circumstances, we have made our accounting estimate based on information available at the time of compilation of the consolidated financial statements under the assumption that the number of members, etc. will gradually recover in line with the changes in consumer mindset amid the situation where COVID-19 vaccination and therapeutic drugs will become increasingly available.

4. Notes to the Consolidated Balance Sheet

(1) Of notes and accounts receivable – trade, and contract assets, the amounts of receivables and contract assets arising from contracts with customers are as follows.

Notes receivable - trade	¥546 million
Accounts receivable - trade	¥105,536 million
Contract assets	¥903 million

(2) Itemization of Inventories

Merchandise and products	¥1,713 million
Partly-finished goods	¥1,217 million
Materials and supplies	¥431 million

(3) Accumulated Depreciation for Property and Equipment: ¥157,987 million

(4) Investments in Non-consolidated Subsidiaries and Affiliates
Investment securities (shares) ¥84,338 million
Other investments and other assets ¥7,422 million
(Of the above, investments in companies that the Company co-owns with another company: ¥5,386 million)

(5) Assets Pledged as Collateral
Assets pledged as collateral
Land ¥101,031 million
Liabilities for guarantee
Long-term guarantee deposits received ¥19,000 million

(6) Of "other" under current liabilities and "other" under non-current liabilities, the amount of contract liabilities are as follows.
Contract liabilities ¥7,639 million

(7) Liabilities on Guarantees
The Company guarantees borrowings made for leasing contracts by unions of a non-consolidated subsidiary and employee borrowings from a financial institution as follows:
Joint liability guarantee for building lease for
Kobe Anpanman Children's Museum & Mall ¥1,190 million
Employees' loans from banks to finance housing ¥20 million

5. Notes to the Consolidated Statements of Changes in Net Assets

(1) Matters Related to the Type and Total Number of Shares Issued by the Company

(Thousand shares)

Type of Shares	The Number of Shares as of April 1, 2021	Increase from a Year Earlier	Decrease from a Year Earlier	The Number of Shares as of March 31, 2022
Common stock	263,822	—	—	263,822

(2) Matters Related to the Type and Number of Shares of Treasury Stock

(Thousand shares)

Type of Shares	The Number of Shares as of April 1, 2021	Increase from a Year Earlier	Decrease from a Year Earlier	The Number of Shares as of March 31, 2022
Common stock	8,738	0	—	8,738

Note: The 0-thousand share increase in treasury stock is the increase from the purchase of shares comprising less than one trade unit.

(3) Matters Related to Dividends
1) Amounts of Dividends Paid, etc.
a) Matters related to dividends determined by the 88th Ordinary General Meeting of Shareholders held on June 29, 2021.
* Type of shares: Common stock
* Aggregate amount of dividends: ¥6,188 million
* Dividend per share: ¥25
* Reference date: March 31, 2021
* Effective date: June 30, 2021

b) Matters related to dividends determined by the Board of Directors at a meeting held on November 5, 2021.
* Type of shares: Common stock
* Aggregate amount of dividends: ¥2,501 million
* Dividend per share: ¥10
* Reference date: September 30, 2021
* Effective date: December 1, 2021

2) Of the Dividend Reference Dates That are Within the Fiscal Year under Review, Those Effective Dates Which Fall in the Following Fiscal Year

a) The Company will propose the following as an agenda item for the 89th Ordinary General Meeting of Shareholders to be held on June 29, 2022.

* Type of shares:	Common stock
* Aggregate amount of dividends:	¥6,757 million
* Underlying asset for dividends:	Retained Earnings
* Dividend per share:	¥27
* Reference date:	March 31, 2022
* Effective date:	June 30, 2022

6. Notes on Financial Instruments

(1) Matters Related to Financial Instruments

1) Policy for Financial Instruments

The Nippon TV Group manages funds with highest priority on appropriate and safe management of marketable securities and other financial instruments. The Group primarily procures funds from retained earnings. As a general rule, the Group has a policy not to engage in derivative transactions. However, some of the Group’s affiliated companies of equity-method affiliates use forward exchange contracts to hedge exchange-rate risk relating to transactions denominated in foreign currencies. Furthermore, if derivatives are included in compound financial products, their risk level must not impact the original principal of the financial assets employed.

2) Financial instrument details and related risks

Notes and accounts receivable - trade, and contract assets, and long-term loans receivable to companies with which we have business relationships are exposed to credit risk.

Marketable and investment securities are exposed to risks associated with market price fluctuations.

Almost all trade notes and accounts payable, accrued expenses and short-term borrowings have payment deadlines of within one year. Note that trade payable is exposed to risk of foreign exchange fluctuations and liquidity risk.

Lease obligations and long-term guarantee deposits received are exposed to liquidity risks.

3) Risk Management Systems for Financial Instruments

a. Management of credit risk (risk of business partners defaulting on contracts)
We management the due dates and balances for trade notes and long-term loans receivable by each company. In addition, bonds have minimal credit risk as we investment in bonds with high credit ratings.

b. Management of market risk (risk from price and other fluctuations)
Regarding marketable and investment securities, we regularly monitor the fair value and the issuer’s financial condition (business partner). We constantly review our shareholdings taking into account market trends and our relationship with business partners.

c. Management of liquidity risk for fund procurement (risk of failure to execute payment on due date)
We create and update cash flow plans in a timely manner. In addition, we manage liquidity risk, including maintaining liquidity on hand.

4) Supplementary Explanations on Matters Related to Fair Values of Financial Instruments

Methods used to calculate fair values of financial instruments incorporate variable factors, and therefore these estimated values may vary according to differently employed assumptions, etc.

5) Concentration of Credit Risk

Of the total trade notes and accounts payable as of the consolidated closing date for the fiscal year under review, the top two companies account for 67.9%.

(2) Matters Related to Fair Values of Financial Instruments

Amounts reported on the consolidated balance sheet, fair values and the difference between the two amounts as of March 31, 2022 are as follows.

Stocks, etc. for which the market value is not readily determinable and investments in limited-liability investment partnerships and other similar partnerships (which are deemed as securities under Article 2, Paragraph 2, of the Financial Instruments and Exchange Act) are not included in the following table (See Note 1 below). In addition, since deposits, notes and accounts receivable - trade, and contract assets, trade notes and accounts payable, short-term borrowings, and accrued expenses are settled within a short period of time and their fair value is similar to their book value, notes have been omitted.

[Translation for Reference and Convenience Purposes Only]

(Millions of yen)

	Consolidated Balance Sheet Amount reported	Fair value	Difference
(1) Marketable securities and investment securities			
1) Held-to-maturity debt securities	241,500	237,949	(3,550)
2) Stocks in affiliated companies	5,427	4,798	(628)
3) Other securities	199,503	199,503	—
(2) Long-term loans receivable	3,117		
Allowance for doubtful accounts*	(270)		
	2,847	2,886	39
Total Assets	449,277	445,137	(4,140)
(3) Leased obligations	13,150	13,457	307
(4) Long-term guarantee deposits received	20,650	17,783	(2,867)
Total Liabilities	33,800	31,240	(2,559)

*The allowance for doubtful accounts presented separately in long-term loans receivable is deducted.

Note: 1. Stocks in affiliated companies for which the market value is not readily determinable, stocks, etc. for which the market value is not readily determinable and investments in limited-liability investment partnerships and other similar partnerships (which are deemed as securities under Article 2, Paragraph 2, of the Financial Instruments and Exchange Act)

(Millions of yen)

Category	Amount reported on consolidated balance sheet
Stocks in affiliated companies	78,910
Unlisted stock	11,923
Investments in limited-liability investment partnerships and other similar partnerships	3,407

These are not included in "(1) Marketable securities and investment securities."

(3) Matters Related to Breakdown, etc. of Financial Instruments by Appropriate Fair Value Category

The fair value of financial instruments is classified into the following three levels according to the observability and importance of the inputs used in calculating the fair value.

Level 1 fair value: Fair value calculated based on (unadjusted) quoted market prices of the same asset or liability in an active market

Level 2 fair value: Fair value calculated by using directly or indirectly observable inputs other than level 1 inputs

Level 3 fair value: Fair value calculated by using significant unobservable inputs

When multiple inputs that have a significant impact on the calculation of fair value are used, the fair value is classified to the level with the lowest priority in the calculation of fair value among the levels to which each input belongs.

1) Financial assets for which the fair value is used as the amount reported on consolidated balance sheet

(Millions of yen)

Category	Fair value			
	Level 1	Level 2	Level 3	Total
Marketable securities and investment securities				
Other securities	199,503	—	—	199,503
Total assets	199,503	—	—	199,503

2) Financial assets and financial liabilities for which the fair value is not used as the amount reported on consolidated balance sheet

(Millions of yen)

Category	Fair value			
	Level 1	Level 2	Level 3	Total
Marketable securities and investment securities				
Held-to-maturity debt securities	—	237,949	—	237,949
Stocks in affiliated companies	4,798	—	—	4,798
Long-term loans receivable	—	2,886	—	2,886
Total assets	4,798	240,835	—	245,634
Lease obligations	—	13,457	—	13,457
Long-term guarantee deposits received	—	17,783	—	17,783
Total liabilities	—	31,240	—	31,240

Note: Explanation of evaluation methods and inputs used for the calculation of fair value

Marketable securities and investment securities

Other securities and stocks in affiliated companies are evaluated by using market prices.

Since other securities and stocks in affiliated companies are traded in active markets, their fair value is classified into level 1 fair value.

Meanwhile, held-to-maturity debt securities held by the Company are evaluated based on the prices disclosed by transacting financial institutions, and their fair value is classified into level 2 fair value.

Long-Term Loans Receivable

Long-term loans receivable with variable interest rates, which reflect short-term market interest rates, are presented at book value unless the borrower’s creditworthiness changes significantly after the provision of the loan because the fair value of the loan is similar to its book value. Regarding long-term loans receivable with fixed interest rates, fair value is calculated by discounting the sum of principal and interest using an interest rate that would be applied to a new loan made on similar terms.

However, for doubtful accounts receivable, the amount of such accounts on the balance sheet on the closing date less the current estimate for defaults is similar to its fair value, so this amount is deemed to be its fair value. Note that the amount of long-term loans receivable due within one year is included. As a result, their fair value is classified into level 2 fair value.

Lease obligations and Long-term guarantee deposits received

Fair value is calculated by discounting using an interest rate that would be applied if the principal and principal and interest were newly procured. Note that the amount of lease obligations due within one year is included and a part of lease obligations includes lease obligations in sublease transactions. This is recorded on the consolidated balance sheet by the amount before deducting the amount equivalent to interest. The amount recorded on the consolidated financial statements is stated in the fair value column. As a result, their fair value is classified into level 2 fair value.

7. Notes on Rental Property

(1) Matters Related to Rental Property

The Nippon TV Group has land, office buildings, etc. for rental mainly in the Shiodome and Bancho districts.

(2) Matters Related to Fair Value of Rental Property

Amount reported on consolidated balance sheet	Fair value
¥102,401 million	¥129,827 million

Notes: 1. Amount reported on the consolidated balance sheet is acquisition costs net of cumulative depreciation.

2. Fair values at the end of the fiscal year under review for major properties are amounts based on property appraisals made by licensed independent appraisers (including those adjusted using indicators, etc.) and for other properties are amounts, etc. based on indicators thought to appropriately reflect market prices.

[Translation for Reference and Convenience Purposes Only]

8. Notes Related to Revenue Recognition

1. Information on the breakdown of revenue arising from contracts with customers

Fiscal year under review (From April 1, 2021 to March 31, 2022)

(Millions of yen)

		Reportable segment				Others (Note)	Total
		Media Content Business	Life and Health-Related Business	Real Estate-Related Business	Total		
Terrestrial television advertising revenue	Time revenue	121,066	—	—	121,066	—	121,066
	Spot advertising revenue	124,534	—	—	124,534	—	124,534
	Total	245,601	—	—	245,601	—	245,601
BS and CS advertising revenue		15,393	—	—	15,393	—	15,393
Other advertising revenue		4,575	—	—	4,575	—	4,575
Content sale revenue		71,132	—	—	71,132	—	71,132
Revenue from merchandise revenue		17,292	212	242	17,746	2,152	19,898
Box office revenue		5,780	—	—	5,780	—	5,780
Fitness facilities usage revenue		—	19,868	—	19,868	—	19,868
Income from real estate rental and leasing		220	20	192	433	—	433
Other income		16,347	2,882	1,076	20,306	1,013	21,320
Revenue arising from contracts with customers		376,342	22,983	1,511	400,837	3,165	404,003
Other revenue		225	204	1,962	2,392	—	2,392
Net sales to external customers		376,568	23,187	3,474	403,230	3,165	406,395

Note: The “Others” category is a business segment which is not included in the scope of reportable segments and includes IT services, store operations, and other businesses.

2. Foundational information for understanding revenue arising from contracts with customers

(1) Media Content Business

In the Media Content Business, the Group mainly sells terrestrial television advertising time slots to advertisers who are customers and licenses content to business operators and members.

1) Terrestrial television advertising revenue

As for terrestrial television advertising, the Group is obliged to sell terrestrial television advertising time slots to advertisers and broadcast programs and advertisements to viewers based on contracts with customers.

A performance obligation shall be deemed satisfied at a point in time when the content is broadcast. This is because customers benefit when it is broadcast.

Consideration for the transaction is collected within one year after performance obligations are satisfied, and no significant financial elements are adjusted.

2) Content sale revenue

As for content sales, the Group licenses content to business operators and members who are customers based on contracts with customers.

A performance obligation shall be deemed satisfied at a point in time when the use of the license is commenced in the case of business operators and over the contract period in the case of members. This is because it is judged that business operators receive benefits when they start using the license, which corresponds to royalties based on sales or usage volume, while it is judged that uniform services are provided to members over the contract period and that members will receive benefits over time.

Consideration for the transaction is collected within one year after performance obligations are satisfied, and no significant financial elements are adjusted.

(2) Life and Health-Related Business

In the Life and Health-Related Business, the Group mainly licenses the usage of facilities at general fitness clubs to members who are customers.

These transactions include variable consideration, which may be discounted if certain conditions are met. The estimated amount of the variable consideration is deducted from revenue over the period of service provision.

Estimates of variable consideration are calculated using the mode method based on historical experience for a certain period. The amount of variable consideration is included in the transaction price only if there is a high possibility that there will be no significant reduction in the amount of revenue when determining the amount subsequently.

A performance obligation shall be deemed satisfied over the period of membership. This is because it is judged that the Group is obliged to provide uniform services to members during the period of membership and that members will receive benefits over time. The average period of membership is calculated from past results, and the amount of revenue is measured using this period.

Consideration for the transaction is received in stages according to the progress of performance obligations under contract terms, and no significant financial elements are adjusted.

(3) Real Estate-Related Business

In the Real Estate-Related Business, the Group mainly engages in real estate management operations in addition to real estate rental and leasing services to lessees who are customers.

1) Other revenue

The Group engages in the management of leased properties based on contracts with customers.

A performance obligation shall be deemed satisfied over the contract period. This is because it is judged that the Group is obliged to provide uniform services to lessees during the contract period and that lessees will receive benefits over time.

Consideration for the transaction is received in stages according to the progress of performance obligations under contract terms, and no significant financial elements are adjusted.

2) Other income

This is real estate rental and leasing income and revenue is recognized in accordance with the accounting standard for leases, etc.

3. Information for understanding revenue for the fiscal year under review and the following fiscal year and thereafter

(1) Balance of contract assets and contract liabilities, etc.

(Millions of yen)

	Fiscal year under review
Receivables arising from contracts with customers (balance at beginning of fiscal year)	103,694
Receivables arising from contracts with customers (balance at end of fiscal year)	106,083
Contract assets (balance at beginning of fiscal year)	24
Contract assets (balance at end of fiscal year)	903
Contract liabilities (balance at beginning of fiscal year)	7,206
Contract liabilities (balance at end of fiscal year)	7,639

Contract assets are mainly related to the rights to the consideration for the unclaimed performance obligations for the provision of services, such as planning and production of displays, for which the services have been completed as of the end of the fiscal year under review. Contract assets are transferred to receivables arising from contracts with customers when the rights to consideration become unconditional. In accordance with contracts with customers, consideration for the services is charged when all services are completed and collected within one year, except when advances are received.

Contract liabilities are mainly related to advances received based on contracts with customers before performance obligations are satisfied. Contract liabilities are reversed as revenue is recognized.

The amount of revenue recognized in the fiscal year under review that was included in the balance of contract liabilities at the beginning of the fiscal year under review was ¥5,804 million. The main reason for an increase in contract assets during the fiscal year under review was the conversion of MURAYAMA INC. into a consolidated subsidiary.

(2) Transaction value allocated to remaining performance obligations

The Group does not include contracts whose terms are initially expected to be one year or less in the notes on transaction value allocated to remaining performance obligations by applying a practical expedient. Performance obligations that have not been satisfied (or have not been partially satisfied) at the end of the fiscal year under review amount to ¥2,132 million. The performance obligations mainly relate to the provision of services for the planning and production of displays and other services in the Media Content Business, of which approximately half is expected to be recognized as revenue within one year after the end of the fiscal year under review.

9. Notes on the Per-Share Information

(1) Net Assets per Share	¥3,311.63
(2) Profit per Share	¥185.95

10. Notes on Subsequent Events

None applicable

11. Notes on Others

(Notes on business combination)

Business combination by acquisition method

1. Outline of Business Combination

(1) Names and Business of Acquired Companies

Names of the acquired companies

Murayama Holdings Inc.

MURAYAMA INC.

Business of the acquired companies

Planning, design, supervision, production and construction of displays and events

(2) Principal Reason for Business Combination

The Nippon Television Holdings Group allocated in its Medium-Term Management Plan 2019–2021 established in 2019 an investment budget of ¥100 billion. Through aggressive strategic investments driven by the theme “More than just TV,” the Company has offered a wide spectrum of content and services that enriches lives with video content, events, life and health-related businesses and the like to evolve into a comprehensive content company.

On the other hand, MURAYAMA INC., a wholly owned subsidiary of Murayama Holdings Inc., has a 120-year history and is a leading company in the special interior design and display construction industry with a solid client network. It has an extensive track record in sporting events, Imperial Household Agency-related events, museums, and amusement facilities (theme parks, amusement parks, etc.).

The Management understands that simultaneous to COVID-19 making digital content more readily available, consumers are increasingly interested in experiential consumption, or the purchase of a service because of the experience it provides. Events businesses, in particular those that make the viewing of sports and concerts possible, can be expected to reevaluate the value of “in-person” experiences as digitalization spreads across societies and offers a completely unique way of doing things. The management has reached the conclusion that welcoming MURAYAMA INC. into the Group will contribute to a rise in the corporate value of the entire consortium.

(3) Date of Business Combination

March 31, 2022

(4) Legal Form of Business Combination

Acquisition of shares for cash consideration

(5) Name of Acquired Companies following Business Combination

No changes to name

(6) Percentage of Voting Rights Acquired
Voting rights acquired 100%

(7) Reasons behind Deciding on the Companies Acquired
This is because the Company acquired 100% of the voting rights of Murayama Holdings Inc. due to the acquisition of shares for cash consideration.

2. Period of Financial Results of Acquired Companies Included in Consolidated Financial Statements
Since only the balance sheets of acquired companies are consolidated in the fiscal year under review, the financial results of acquired companies are not included.

3. Acquisition Cost of the Acquired Companies and Details of Consideration by Type

Acquisition consideration	Cash	¥18,710 million
Acquisition cost		¥18,710 million

4. Details and Amounts of Major Acquisition-related Expenses
Advisory expenses ¥246 million

5. Amount of Goodwill, Reasons for Occurrence of Goodwill, and Amortization Method and Period
(1) Amount of Goodwill
¥15,737 million

(2) Reasons for Occurrence
As the acquisition cost of the acquired companies exceeded the net amount of assets received and liabilities assumed from the acquired companies, the difference was recorded as goodwill. Furthermore, as the specification of identifiable assets and liabilities as of the date of the business combination was not finished at the end of the consolidated fiscal year under the review, the allocation of the acquisition cost was not completed. Accordingly, the amount of goodwill was provisionally allocated.

(3) Amortization Method and Period
Goodwill is amortized by the straight-line method over the period in which benefits are expected to be realized. In addition, the period of the amortization will be decided based on the results of the allocation of the acquisition cost.

6. Amounts and Details of Assets Acquired and Liabilities Assumed on the Date of the Business Combination

Current assets	¥5,052 million
Fixed assets	¥1,444 million
Total assets	¥6,497 million
Current liabilities	¥3,430 million
Non-current liabilities	¥93 million
Total liabilities	¥3,524 million

(Notes on loss on COVID-19)
Following requests from the national and local governments to prevent the spread of COVID-19, the Group has taken responses such as temporarily closing its facilities, including fitness clubs and theme parks, and cancelling events. Fixed costs incurred during the business closure, such as rent, personnel expenses and depreciation, and costs relating to the preparation of events have been booked as “loss on COVID-19” in extraordinary losses.

[Translation for Reference and Convenience Purposes Only]

Notes to the Non-Consolidated Financial Statements

1. Matters Related to Significant Accounting Policies

(1) Valuation Basis and Method for Marketable Securities

Held-to-maturity debt securities:

Stated at amortized cost (straight-line method)

Stocks of subsidiaries and affiliates:

Stated at cost determined by the moving-average method

Other securities:

Stocks with no market value

Stated at cost determined by the moving-average method

(2) Accounting for Reserves

Allowance for doubtful accounts:

The allowance for doubtful accounts is provided in the amount of possible losses from uncollectible receivables based on the estimated recoverability of specific doubtful receivables.

(3) Accounting for Important Revenue and Expenses

The details of the main performance obligations in major businesses concerning revenue from contracts with the Company's clients and timing of when the performance obligations are normally satisfied (normal timing to recognize revenue) are as follows:

Consulting fee income

The Company has an obligation to provide the Group companies with business guidance and recognizes revenue over the period for service provision.

2. Notes to Changes in Accounting Policies

(Change in Accounting Policy Following Amendments to Accounting Standards, etc.)

(Application of Accounting Standard for Revenue Recognition, etc.)

The "Accounting Standard for Revenue Recognition" (ASBJ Statement No. 29, March 31, 2020; hereinafter "Revenue Recognition Standard"), etc. have been applied from the beginning of the fiscal year under review. The Company has recognized revenue in the amount that it expects to receive in exchange for promised goods or services at a point in time when the control of the goods or services is transferred to customers.

The application of the Accounting Standard for Revenue Recognition, etc. is pursuant to the transitional treatment stipulated in the proviso of Paragraph 84 of the Accounting Standard for Revenue Recognition. The cumulative effect when applying the new accounting policy retrospectively from before the beginning of the fiscal year under review is added to or subtracted from the retained earnings at the beginning of the fiscal year under review to apply the new accounting policy from the balance at beginning of the fiscal year. However, the new accounting policy has not been retrospectively applied to the contracts for which almost all revenue was recognized in accordance with previous treatment prior to the beginning of the fiscal year under review by applying the method stipulated in Paragraph 86 of the Accounting Standard for Revenue Recognition.

As a result, the application of this accounting standard, etc. had no impact on the financial statements.

(Application of "Accounting Standard for Fair Value Measurement," etc.)

The "Accounting Standard for Fair Value Measurement" (ASBJ Statement No. 30, July 4, 2019; hereinafter "Fair Value Measurement Standard"), etc. have been applied from the beginning of the fiscal year under review. In accordance with the transitional treatment prescribed in Paragraph 19 of the Fair Value Measurement Standard and Paragraph 44-2 of the "Accounting Standard for Financial Instruments" (ASBJ Statement No. 10, July 4, 2019), the Company has decided to apply the new accounting policies set forth by the Fair Value Measurement Standard into the future. The application of the said accounting standard had no impact on the non-consolidated financial statements.

3. Notes to Accounting Estimates

Recording of allowance for doubtful accounts

○ Amount recorded on the non-consolidated financial statements for the fiscal year under review

	Fiscal year under review
Allowance for doubtful accounts	¥13,322 million
Provision of allowance for doubtful accounts	¥5,782 million

○ Other information contributing to the understanding of the details of the estimates:

During the fiscal year under review, the Company posted ¥13,322 million of allowance for doubtful accounts as it classified its ¥15,400 million of loans to its consolidated subsidiary TIPNESS Limited ("TIPNESS") as doubtful receivables after comprehensively assessing TIPNESS's solvency. If TIPNESS's financial condition deteriorates further and solvency drops in the next fiscal year, it may lead to an additional posting of allowance for doubtful accounts or a bad debt expenses.

4. Notes to the Non-Consolidated Balance Sheet

(1) Assets Pledged as Collateral

Assets pledged as collateral

Land	¥101,031 million

Liabilities for guarantee

Long-term guarantee deposits received	¥19,000 million

(2) Obligations of Guarantee

We have made the following obligations of guarantee:

Joint guarantee to fulfill obligations under building lease contracts concluded by TIPNESS Limited ¥251 million

(3) Monetary Receivables/payables due from/to Subsidiaries and Affiliates without a Displayed Category:

1) Short-term monetary receivables	¥6,376 million
2) Short-term monetary payables	¥226,222 million

5. Notes to the Non-Consolidated Statement of Income

Transactions with Subsidiaries and Affiliates

1) Operating Revenue	¥13,035 million
2) Operating Expenses	¥327 million
3) Transactions Other than Operating Transactions	¥467 million

6. Notes to the Non-Consolidated Statements of Changes in Net Assets

Matters related to the Type and Number of Shares of Treasury Stock

(Thousand shares)

Type of Shares	Number of Shares as of April 1, 2021	Increase from a Year Earlier	Decrease from a Year Earlier	Number of Shares as of March 31, 2022
Common stock	3,315	0	—	3,315

Note: The increase of 0 thousand shares in the number of treasury stock is due to the purchases of shares comprising less than one trading unit.

7. Notes on Tax-Effect Accounting

Breakdown by Cause of Deferred Tax Assets and Liabilities

(Millions of yen)

Deferred tax assets	
Accrued enterprise taxes	37
Stocks of subsidiaries and affiliates associated with company reorganization	4,013
Loss on valuation of stocks of subsidiaries and affiliates	7,626
Allowance for doubtful accounts	4,079
Dividend income as repayment of investment	1,084
Other	39
Sub-total of deferred tax assets	16,882
Valuation allowance	(12,830)
Total deferred tax assets	4,051
Deferred tax liabilities	
Reserve for advanced depreciation of fixed assets	4,240
Total deferred tax liabilities	4,240
Net deferred tax liabilities	189

8. Notes on Transactions with Non-Consolidated Subsidiaries and Affiliates

Subsidiaries, etc.

Attributes	Name of company, etc.	Percentage (%) of ownership by voting rights	Related party relationships	Details of transactions	Transaction amount (Millions of yen)	Account item	End-of-term balance (Millions of yen)
Subsidiary	Nippon Television Network Corporation	Ownership Direct 100.0	Business management, Loan business, Lease of real estate, Concurrently held positions by directors	Income from real estate rental and leasing	3,120	Trade accounts receivable	391
				Dividend income	7,000		
				Borrowing of funds through cash management service	97,755	Short-term borrowings	171,792
				Interest expense	248	—	—
Subsidiary	BS Nippon Corporation	Ownership Direct 100.0	Business management, Loan business	Borrowing of funds through cash management service	7,950	Short-term borrowings	8,558
				Interest expense	20	—	—
Subsidiary	AX-ON Inc.	Ownership Direct 100.0	Business management, Loan business	Borrowing of funds through cash management service	7,426	Short-term borrowings	7,059
				Interest expense	18	—	—
Subsidiary	VAP Inc.	Ownership Direct 100.0	Business management, Loan business	Borrowing of funds through cash management service	8,182	Short-term borrowings	9,734
				Interest expense	20	—	—
Subsidiary	TIPNESS Limited	Ownership Direct 100.0	Business management, Loan business	Loaning of funds through cash management service	14,821	Other current assets (Short-term loans receivable from subsidiaries and associates)	3,400
						Long-term loans receivable from subsidiaries and associates	12,000
				Interest income	37	—	—

Notes: Transaction conditions and policies on transaction conditions, etc.

1. The rental charges for real estate are decided in consideration of general rents, etc. in the surrounding area.
2. Amounts of borrowed funds and loanable funds are average balances for the term.
3. Borrowing rates and loaning rates are determined taking market interest rates into account.
4. Allowance for doubtful accounts of ¥13,322 million and provision of allowance for doubtful accounts of ¥5,782 million have been booked on doubtful receivables from TIPNESS Limited in the fiscal year under review.
5. The amounts shown above, the transaction amount is exclusive of the consumption tax, etc., whereas the end-of-term balance is inclusive of the consumption tax, etc.

9. Note to Revenue Recognition

Foundational information for understanding revenue arising from contracts with customers

The Company's revenue arising from contracts with customers mainly consists of consulting fee income from Group companies.

The Company identifies the provision of management and planning guidance to each Group company as a performance obligation based on the consulting contracts with its Group companies. Revenue is recognized over the period of service provision because the customers benefit from the transaction as the Company satisfies its obligations based on contracts with customers.

10. Notes on Per-Share Information

(1) Net Assets per Share	¥1,293.84
(2) Profit per Share	¥15.26

11. Notes on Subsequent Events

None applicable

12. Other Notes

(Notes concerning the business combination)

Notes on the details are omitted since the same content is described in "Notes on Others (Notes concerning the business combination)" of the Notes to the Consolidated Financial Statements.