

(Translation)

**Information to be Disclosed on the Internet upon
Notice of the 81st Ordinary General Meeting of Shareholders**

**SYSTEMS TO SECURE THE PROPERNESS OF BUSINESS ACTIVITIES
AND THE STATUS OF IMPLEMENTATION OF THE SYSTEMS**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTES TO NON-CONSOLIDATED FINANCIAL STATEMENTS

(From April 1, 2021 to March 31, 2022)

Fuji Media Holdings, Inc.

The "Systems to Secure the Properness of Business Activities and the Status of Implementation of the Systems", the "Notes to Consolidated Financial Statements" and the "Notes to Non-Consolidated Financial Statements" are provided to the shareholders by posting them on our Internet website (<http://www.fujimediahd.co.jp/>) in accordance as provided for in laws and ordinances and Article 16 of the Articles of Incorporation of the Company.

BUSINESS REPORT

Systems to Secure the Properness of Business Activities and the Status of Implementation of the Systems

[1] Systems to secure the properness of business activities

1. Systems to secure the execution by the Directors and employees of their duties to comply with laws and ordinances and the Articles of Incorporation, and the regulations concerning management of exposure to the risk of loss and other systems

The vision of the Company and its subsidiaries (the "Group") of becoming Japan's representative "Media Conglomerate" requires the Company of the conduct of appropriate group governance, quickness in decision-making and flexibility in execution of business to fulfill its public mission of its media business central to a certified broadcast holding company. For that purpose, as well as to ensure the effectiveness of compliance with laws and ordinances and the Articles of Incorporation and risk management, the Company shall build up required systems.

(1) Organization system

The Company shall, pursuant to the "Regulations Concerning Compliance and Risk Management of the Group" (the "Group Compliance Regulations"), exercise general control over, and promote, the relevant operations of the Group. The Company shall also institute a "Committee for Compliance and Risk Management of the Group" (the "Group Compliance Committee") comprised of the Group's presidents/representative directors to respond to compliance issues and risks that may have a material effect on group management.

(2) Education and training

The Company shall hold explanatory meetings related to compliance of the Group on a timely basis and convey related materials to inform the directors and employees of the Group of the importance of compliance and risk management and promote the understanding thereof.

(3) Credibility of financial reporting

The Group shall exert efforts to build up a system to strengthen compliance and risk management while giving full consideration to individual operations carried on properly, and also establish an internal control system to ensure the credibility of financial reporting pursuant to the Financial Instruments and Exchange Act.

(4) Internal audits

The Company shall, pursuant to the "Internal Audit Regulations", monitor the status of internal audits by, and internal control systems of, the Group on a regular basis to confirm that the whole operations of the Group are conducted properly and validly in

terms of laws and ordinances, the Articles of Incorporation and the internal rules, as well as the management policy.

2. Systems concerning storage and management of information on the execution by the Directors of their duties

Pursuant to the information management manuals of the Company, information on the execution by the Directors of the Company of their duties shall be stored and managed properly and accurately in a manner facilitating searching according to the storage media and shall be kept available for inspection for specified periods.

3. Systems to secure efficient execution by the Directors of their duties

The Directors of the Company shall continue to study more rational and prompt operations to secure more efficient management of the Group. The Company shall formulate management plans of the whole Group and monitor the implementation thereof by receiving reports on operating results from each of the Group or otherwise.

4. Systems to secure the properness of business activities of the corporate group comprised of the Group

To secure the properness of business activities of the corporate group comprised of the Group, the Company shall, in respect of the group's compliance and risk management, as well as its business management, institute specialized departments and divisions respectively and promote the building up of the systems.

- (1) To accurately grasp the situations of management of its subsidiaries and help the healthy development of their business activities, the Company shall take steps to strengthen information sharing within the corporate group by receiving reports from the subsidiaries on a regular and continuous basis or otherwise.
- (2) The Company shall promote the building up of a system under which each subsidiary of the Company shall autonomously make effective compliance and risk management according to its type of operation and scale of the business and also establish a system under which for the purpose of responding to any risk that may have a material effect on group management, the Company shall accurately grasp the situation.
- (3) To ensure the effective execution of business by its subsidiaries, the Company shall promote group-wide management pursuant to the "Regulations of Management of Associated Companies".
- (4) The Company shall institute specialized departments and divisions to promote group compliance and through the "Group Compliance Regulations", promote the establishment of corporate ethics and the building up of a group compliance system and a risk management system. The Company shall also establish a whistleblower system available to the Directors and employees of the Company, as well as the directors, audit & supervisory board members, executive employees, executive officers and employees of its subsidiaries (the "directors and employees of the Group"), with the aim of further ensuring the effectiveness of group compliance.

5. Matters concerning the Directors and employees to assist the Audit & Supervisory Committee to execute their duties, and the matters concerning the independence of such Directors and employees from other Directors (excluding Directors who are Audit & Supervisory Committee Members) and the effectiveness of directions to such Directors and employees

The Company shall organize the Audit & Supervisory Committee's staff to assist the execution of duties by the Audit & Supervisory Committee. The Audit & Supervisory Board Committee's staff shall conduct business concerning the convocation of meetings of the Audit & Supervisory Committee, the preparation of minutes and other administrative work concerning the committee, as well as to assist the Audit & Supervisory Committee to execute their duties. Such business shall be assigned to specific department officially as part of the normal job allocation, whereby the Audit & Supervisory Committee's staff shall, as employees of the Company, follow the employment regulation, be supervised by the Audit & Supervisory Committee in principle, outside the command of Directors (excluding Directors who are Audit & Supervisory Committee Members). Furthermore, decisions on personal evaluation, personnel change and disciplinary action concerning the Audit & Supervisory Committee's staff shall be made following consultation with the Audit & Supervisory Committee.

6. System for Directors and employees of the Group to make report to the Audit & Supervisory Committee of the Company, matters relating to the expenses accompanied by the execution of duties by the Audit & Supervisory Committee Members (strictly to the duties of the committee alone) and the system for securing effective execution of audit by the Audit & Supervisory Committee

System for Directors and employees of the Group to make report to the Audit & Supervisory Committee of the Company, matters relating to the expenses accompanied by the execution of duties by the Audit & Supervisory Committee Members (strictly to the duties of the committee alone) and the system for securing effective execution of audit by the Audit & Supervisory Committee, shall be established, operated and implemented follows.

- (1) The directors and employees of the Group shall report the following matters on a timely basis:
 - (i) When they became aware of a fact that may have a material impact on the business or finance of the Group.
 - (ii) When they became aware of the fact that certain execution of duties involved wrongdoing, violation of laws, regulations, the Articles of Incorporation or internal rules or of the potential or actual act against the generally accepted standard of decency, where such fact or act is of significant magnitude.
 - (iii) Any other urgent or emergent event is found.
- (2) Directors and employees of the Group shall report to the Audit & Supervisory Committee of the Company on the following matters on a regular basis or as appropriate:
 - (i) Monthly accounting data for each month;

- (ii) Internal audit reports and major monthly reports from each department;
 - (iii) Important litigation;
 - (iv) Summaries of activities of the departments involved in internal control;
 - (v) Important accounting policies and accounting standards and the changes thereof;
 - (vi) Details of publication of operating results and forecasts thereof and the details of important disclosure documents;
 - (vii) Reports on business;
 - (viii) Summaries of activities of the audit & supervisory board members; and
 - (ix) Other important matters.
- (3) In the event that the directors and employees of the Group are requested by the Audit & Supervisory Committee of the Company to report the execution of their duties, they shall do so promptly.
- (4) The Company shall provide for internal regulations to ensure that any directors and employees of the Group who have given a report falling under any of paragraphs (1), (2) and (3) above to the Audit & Supervisory Committee of the Company will not suffer unfavorable treatment because of giving such report.
- (5) The Company shall bear expenses to be incurred on the performance by the Audit & Supervisory Committee Members of their duties in general.

[2] Overview of the status of implementation of the systems to secure the properness of business activities

The overview of the status of implementation of the systems during the fiscal year under review are described below:

1. Execution by the Directors of their duties

During the fiscal year under review, the Board of Directors held seven meetings to deliberate on and determine important matters including management policies and receive reports on the execution by the Directors of their duties. The outside Directors including Directors who are Audit & Supervisory Committee Members of the Company attended all meetings of the Board of Directors. With regard to the execution of business, the executive Directors, with the President and Representative Director acting as the central role, made decisions in an efficient and speedy manner.

2. Measures for group compliance

The Company convened a session of the "Group Compliance Committee" comprised of the presidents/representative directors of the Group to raise awareness of compliance and risk management within the whole Group. In addition, the Company held two sessions for officers of the Group responsible for compliance, as well as two sessions for relevant personnel in charge of compliance at the Group, respectively to share information on compliance and risk

management of the Group. Furthermore, the Company confers rewards to companies in the Group that have proactively engaged in activities for compliance for each fiscal year, in an effort to develop awareness of compliance within the entire Group.

3. Implementation of internal audits

In accordance with the "Internal Audit Regulations", the internal control division prepared an "Internal Audit Plan" and audited the Group. The results of the audits were reported to the President and Representative Director of the Company, and the summaries thereof were fed back to each of the audited Group.

4. Execution by the Audit & Supervisory Committee of their duties

During the fiscal year under review, the Company held seven Audit & Supervisory Committee meetings to deliberate and decide on the audit policy and audit plan. The Audit & Supervisory Committee carried out audits according to the audit plan formulated by Audit & Supervisory Committee, while having interview with Directors (excluding Directors who are Audit & Supervisory Committee Members) of the Company and the presidents/representative directors of its subsidiaries, receiving reports on their execution of duties and exchanging opinions and information with full-time audit & supervisory board members of the subsidiaries of the Company on a regular basis. The Audit & Supervisory Committee of the Company also exchanged opinions and information with the account auditor and the internal audit sections of the Company individually on a regular basis. The Audit & Supervisory Committee's staff selected by the committee on its own pursuant to the Regulations of the Audit & Supervisory Committee, are engaged in the affairs related to the administration of the committee, including convocation of the committee meetings and preparation of minutes, while supporting the execution of duties of the committee.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Notes to important matters forming the basis of preparation of consolidated financial statements)

1. Matters concerning the scope of consolidation

- (1) Number of consolidated subsidiaries: 35 companies

Names of major consolidated subsidiaries: Fuji Television Network, Inc.,
The Sankei Building Co., Ltd. and
Pony Canyon Inc.

Fuji Games Inc. was excluded from the scope of consolidation from the fiscal year under review due to its decreased significance as Fuji Games Inc. (a new unconsolidated subsidiary) was established through incorporation-type company split in December 2021.

- (2) 53 non-consolidated subsidiaries, including FCG Research Institute, Inc. and Fujisankei Agency, Inc., are small companies and the aggregate amounts of total assets, net sales, net income/loss and retained earnings (based on the Company's equity interest) thereof have no significant impact on the consolidated financial statements. Hence, those subsidiaries are excluded from the scope of consolidation.

2. Matters concerning the application of the equity method

- (1) Non-consolidated subsidiaries to which the equity method is applied: 3 companies

Names of major non-consolidated subsidiaries to which the equity method is applied: FCG Research Institute, Inc. and
Fujisankei Agency, Inc.

- (2) Number of affiliates to which the equity method is applied: 27 companies

Names of major affiliates to which the equity method is applied: Kansai Telecasting Corporation and
WOWOW Inc.

The Company acquired additional shares of San-in Chuo Television Broadcasting Co., Ltd. in July 2021, converting it to an affiliate accounted for by the equity method.
SKG USA LLC made an equity investment in DIAMOND MOUNT COMFORT LLC in June 2021, converting it to an affiliate accounted for by the equity method.
SKG USA LLC made an equity investment in 127 MONROVIA P1 LLC in December 2021, converting it to an affiliate accounted for by the equity method.

- (3) Other subsidiaries and affiliates including grape Co., Ltd., David Production Inc. and Tokyo Film Mate, Inc. are excluded from the scope of the equity method as they have no significant impact on consolidated net income/loss and retained earnings and are of little importance as a whole.

3. Matters concerning accounting standards

(1) Valuation basis and methods for major assets:

(i) Marketable securities:

Held-to-maturity bonds:

Stated at amortized cost (by the straight-line method)

Other securities:

Those other than shares, etc. without market value:

Stated at market value (Revaluation differences are all transferred directly to net assets. Selling costs are determined principally by the moving average method.)

Shares, etc. without market value:

Stated at cost, determined principally by the moving average method

Bonds, in respect of which the difference between the acquisition cost and the bond price is characterized as adjustments in interest rates, are valued at cost, determined by the amortized cost method (straight-line method).

Investments in investment limited partnerships and other similar partnerships (which are deemed to be marketable securities pursuant to Article 2, paragraph 2 of the Financial Instruments and Exchange Act) are valued by recognizing net the amount equal to the Company's equity interest based on the most recent statements of accounts available according to the settlement report dates as stipulated in contracts for such associations

(ii) Inventories:

At cost, determined principally by the identified cost method

(The balance sheet values are calculated by the write-down method based on declined margins.)

(2) Method of depreciation of important depreciable assets:

Tangible fixed assets (excluding lease assets):

Tangible fixed assets are depreciated principally by the straight-line method.

With regard to their useful lives, the same policy as in the method under the Corporation Tax Act is applicable.

However, the useful life of certain broadcast equipment held by certain consolidated subsidiaries is ten years.

Intangible fixed assets (excluding lease assets):

Intangible fixed assets are depreciated by the straight-line method.

With regard to their useful lives, the same policy as in the method under the

Corporation Tax Act is applicable.

However, software for internal use is depreciated by the straight-line method based on the internal usable period (five years).

Lease assets:

Lease assets related to finance lease transactions that do not transfer ownership: Lease assets are depreciated by the straight-line method, based on the assumption that the useful life equals to the lease term and the residual value equals to zero. Any finance lease transaction that do not transfer ownership, which became effective on or before March 31, 2008, is treated similarly in the manner in which ordinary lease transactions are treated.

(3) Basis for accounting for important allowances and reserves:

Allowance for doubtful accounts:

To meet losses from loan default, the Group sets aside an estimated uncollectible amount, by taking into consideration the actual loss rate in respect of general credits and the individual possibilities of collection in respect of specific claims, such as probable non-performing credits.

Allowance for bonuses for officers:

To meet the payment of bonuses to officers, the Group sets aside an estimated amount of bonuses to be paid for the fiscal year under review.

Reserve for officers' retirement gratuities:

To meet the payment of retirement gratuities to officers, the Group provides an amount estimated to accrue at the close of the fiscal year under review, pursuant to its internal rules.

(4) Accounting method relating to employee retirement benefits:

(i) Method of attributing expected retirement benefits to periods:

To calculate retirement benefit obligations, the Group employs a benefit formula standard as the method of attributing expected retirement benefits to periods up to the close of the fiscal year under review.

(ii) Methods of treating actuarial differences and past service costs as expenses:

Past service costs are treated as expenses, based on a straight-line basis for a specific period of years (principally, 13 years) not exceeding the average remaining years of service of employees when such past service costs occur.

Actuarial differences are treated principally as expenses, *pro rata* based on the straight-line method for a specific period of years (principally, 13 years) not exceeding the average remaining years of service of employees when such differences occur, from the fiscal year next following the fiscal year when such

differences occur.

(5) Accounting for revenues and expenses:

(i) Revenue from contracts with customers:

- Revenue recognition

The Group recognizes revenue based on the following five steps, excluding revenues related to transactions concerning financial instruments covered under the scope of application of the accounting standards for financial instruments, as well as revenues related to the lease transactions covered under the scope of application of the accounting standards for lease transactions, at an amount of consideration it expects to be entitled to in exchange for transferring goods or services to a customer when it satisfies its performance obligations to transfer the goods or services to the customer as promised under the contract with the customer.

Step 1: Identify the contract(s) with a customer

Step 2: Identify the performance obligations in the contract

Step 3: Determine the transaction price

Step 4: Allocate the transaction price to the performance obligations in the contract

Step 5: Recognize the revenue when (or as) a performance obligation is satisfied

- Revenue in gross amount and net amount

When another party is involved in providing goods or services to the customer, if the Company, based on the promise with the customer, is supposed to satisfy performance obligations to provide these goods or services itself, the Company as principal defines the revenue in the form of gross amount of consideration as transaction price, while if the Company is supposed to satisfy performance obligations to arrange a third party to provide goods or services to the customer, the Company as agent defines the revenue in the form of compensation or fees, or net amount of consideration as transaction price.

Whether the Company is acting as principal or agent is determined based on whether the Company is in control of the promised goods or services before providing it to the customer, in consideration of the following criteria for each individual contract.

- the Company is primarily responsible for fulfilling the promise to provide goods or services
- the Company has inventory risk before goods or services have been transferred to a customer or after transfer of control over goods or services to the customer
- the Company has discretion in establishing the price for goods or services

Under the Company that is a certified broadcast holding company, the Group engage mainly in operations of mainstay business of broadcasting as prescribed by the Broadcast Act, as well as the Media & Content business and the Urban Development, Hotels & Resorts business.

1. Media & Content business

The "Media & Content" business engages in "broadcasting and broadcasting-related business" including primarily operations of mainstay business of broadcasting as prescribed under the Broadcast Act, production of TV programs, movies, animations and events, sale of videos and music software, and music publication as well as "direct marketing business" engaging in running television shopping, catalog shopping, e-commerce sites and "other businesses" including advertising.

i) Broadcasting and broadcasting-related business

In the broadcasting business consisting primarily of Terrestrial TV, revenues are recognized at a point in time when control of the broadcasting services is transferred to customers when the program and commercial are aired and reached viewers (or listeners) ("on-air basis"), whereby performance obligations are considered to be satisfied.

In the broadcasting-related business engaging in licensing and sales of contents such as broadcast programs, movies, animations and music, revenues are recognized at a point in time when licensing starts if involving the rights to use intellectual property, or over time during the license period if involving the rights to access intellectual property, depending primarily on the type of license granted to customers. Of the licensing revenue, royalty income receivable commensurate with the net sales or usage determined based on the sales revenue, etc. at the counterparty is recognized as revenue at an amount estimated to be gained based on the contractual royalty rate, at the time when revenue, etc. is generated at the counterparty or when performance obligations are satisfied, whichever later.

ii) Direct marketing business

In the direct marketing business comprising television shopping, catalog shopping, e-commerce sites and others, where performance obligations are considered to be satisfied at the point of delivery of goods when the customer gains control thereof, revenue is recognized at the amount of consideration promised under the contract with the customer less discount and return of goods and other adjustments, at the time of shipment since the period of time from the shipment to the transfer of the control of goods to the customer is normally short enough to warrant this approach.

iii) Other businesses

In the advertising business handling advertising placement, since performance obligations are considered to have been satisfied at the point of placing advertisement in a medium, when the customer gains control of this service, revenue is recognized at such point of placement. As the Company considers itself acting largely as agent in advertising business, revenue is recognized on a net basis at an amount of gross consideration received from the customer in return for the services provided less the relevant costs.

The transaction price is determined based on the terms of contract, without involving significant financing component. Transaction price is typically invoiced to the customer at the time of satisfying performance obligations, and the payment is received generally within six months based on the payment terms

separately prescribed.

2. Urban Development, Hotels & Resorts business

The "Urban Development, Hotels & Resorts" business engages in "urban development business" engaging in building leasing and real estate transactions and others, as well as "hotels & resorts business" engaged in running hotels and resorts and others.

i) Urban development business

In the sales of the condominiums and real estate products for investors, since control of the assets is transferred to the customer at the time of delivering the asset, when performance obligations are deemed to have been satisfied, revenue is recognized at such time of delivery.

Leasing of properties such as office building and others, revenue is recognized over the contract term in accordance with the accounting standard for lease transactions and others.

ii) Hotels & Resorts business

In hotels & resorts business engaging in running hotel resorts and others, as performance obligations are deemed to have been satisfied when a customer used hotel and ocean leisure facilities and provision of services is completed, revenue is recognized at the time of such completion.

Transaction price is determined based on terms of contract, general terms & conditions for accommodation contract and others, which do not involve significant financing component. In the sales of real estate, part of the sales value is received as deposit at the time of concluding sales contract, and the rest of the payment is made at the time of delivery. In property leasing, rent for the next month is received typically at the end of each month. In hotels & resorts business, customers are charged and the payment is received typically at the customer's departure from the hotel or at the entry to the ocean leisure facilities.

(ii) Basis of accounting for revenues related to finance lease transactions:

Net sales and cost of sales are recognized upon the receipt of lease payments.

(6) Method of important hedge accounting:

(i) Method of hedge accounting:

The Group uses the deferred method for hedge accounting. The specific allocation method is used to account for exchange contracts that meet the requirements of the method and the exceptional accrual method is used to account for interest rate swaps that meet the requirements for the method.

(ii) Hedging instruments and hedged items:

Foreign currency payables and foreign currency anticipated transactions arising from import of products, and bank loans are hedged items and exchange contracts and interest rate swaps are hedging instruments.

(iii) Hedging policy:

In accordance with its internal rules that provide for authorities concerning derivatives and other matters, the Group hedges risks of foreign exchange and interest rate fluctuations relating to hedged items to a limited extent and not for speculation purposes. The hedged items are identified by their respective agreements.

(iv) Method of evaluating the effectiveness of a hedge:

The effectiveness of a hedge is measured by comparing the accumulated amount of difference in a hedging instrument and that of a hedged item.

As each interest rate swap meets the requirements for the exceptional accrual method and cash flows can be fixed after the inception of a hedge, the evaluation of the effectiveness thereof is omitted.

(7) Method and period of amortization of goodwill and negative goodwill:

Goodwill, and negative goodwill that was accrued on or before March 31, 2010, are amortized in equal amounts for specified years not exceeding 20 years according to the cause of the accrual thereof; however, insignificant goodwill or negative goodwill are amortized in a lump sum for a fiscal year during which it is accrued.

4. Amounts are shown by discarding fractions of one million yen.

(Changes in accounting policies based on revision of accounting standards, etc.)

Application of the Accounting Standard for Revenue Recognition, etc.

The Company has applied the "Accounting Standard for Revenue Recognition" (ASBJ Statement No. 29, March 31, 2020; hereinafter the "Accounting Standard for Revenue Recognition"), etc., effective from the beginning of the fiscal year under review, and recognizes revenue in the amount expected to be received in exchange for promised goods or services at the time when the control of these goods or services is transferred to the customer. The major changes resulting from the application of the Accounting Standard for Revenue Recognition, etc., are as follows.

- The Company, in certain advertising transactions, previously recognized the amount invoiced by the Group to a customer as revenue, but instead recognizes revenue in the amount net of the cost of sales associated with such transaction, in cases where the Group acts as an agent.
- The Company previously recognized certain sales promotion transactions in selling, general and administrative expenses, but instead recognizes revenue by deducting such amounts from net sales as consideration to be paid to customers.
- The Company, regarding occupancy contracts in the elderly facilities operation business, previously recognized the non-refundable portion of the deposit in a lump sum as revenue at the time the customer moved in, but has shifted to the method by which it allocates the amount over the estimated length of residency.

The application of the Accounting Standard for Revenue Recognition, etc. is subject to the transitional treatment provided for in the proviso to paragraph 84 of the Accounting Standard for Revenue Recognition. The cumulative effect of the retrospective application of the new accounting policy, assuming it has been applied to the periods prior to the beginning of the fiscal year under review, has been added to or subtracted from retained earnings at the beginning of the fiscal year under review, and the new accounting policy has been applied from the said beginning balance. In addition, based on paragraph 86, second sentence, (1) of the Accounting Standard for Revenue Recognition, the Company has accounted for the contracts modified prior to the beginning of the fiscal year under review, by applying the contract conditions made after reflecting all the modifications to the contracts, and the amount of their cumulative effect has been added to or subtracted from retained earnings at the beginning of the fiscal year under review.

In addition, "notes and accounts receivable-trade," which were presented under "current assets" in the consolidated balance sheet for the previous fiscal year, are included in "notes and accounts receivable-trade, and contract assets" from the fiscal year under review.

As a result, for the fiscal year under review, net sales decreased ¥23,779 million; cost of sales decreased ¥20,884 million; selling, general and administrative expenses decreased ¥3,133 million; and operating income, and recurring profit and income before income taxes increased ¥237 million, respectively, compared with the figures before the application of the Accounting Standard for Revenue Recognition, etc.

As the cumulative impact of this change was reflected on net asset at April 1, 2021, the balance of retained earnings at April 1, 2021 decreased ¥1,007 million.

Application of the 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 the "Accounting Standard for Fair Value Measurement"), etc., effective from the beginning of the fiscal year under review, and in accordance with the transitional treatment provided for 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 will apply the new accounting policy prescribed by the Accounting Standard for Fair Value Measurement, etc. into the future. This has no impact on the consolidated financial statements.

In addition, the Company will include notes on fair value information by level within the fair value hierarchy in the "Notes on financial instruments."

(Changes in the method of presentation)

Consolidated statement of income

"Gain on sales of non-current assets" (¥2 million for the previous fiscal year), which was included in "Others" under "Extraordinary gain" in the previous fiscal year, is separately stated from the fiscal year under review due to its increased significance.

"Extra retirement payments" (¥733 million for the previous fiscal year) which was included in "Others" under "Extraordinary loss" in the previous fiscal year, is separately stated from the fiscal year under review due to its increased significance.

"Loss on sales of investment securities" (¥43 million for the fiscal year under review) and "Loss on COVID-19" (¥213 million for the fiscal year under review) which were separately stated under "Extraordinary loss" in the previous fiscal year, are included in "Others" from the fiscal year under review due to its decreased significance.

(Notes on Accounting Estimates)

1. Loss on valuation of inventories (Urban Development, Hotels & Resorts)

(1) The amount recorded in the consolidated financial statements for the fiscal year under review: ¥— million

(2) Information related to the detail of the significant accounting estimates concerning the items identified

(i) Method of calculation

Balance sheet amount of inventories is represented by its acquisition cost. If, however, net sale price at year-end falls short of acquisition cost equivalent, such net sale price shall be deemed as balance sheet amount on account of likely reduction of profitability, and the difference between the acquisition cost equivalent and such net sale price shall be recognized as expenses for the fiscal year. Net sale price for condominiums shall be determined by the estimated sales amount based on the sales plan less estimated sales expenses, while net sales price for real estate products for investors shall be determined by the result of dividing NOI (Net Operating Income, i.e., operating income before depreciation and amortization) during the stably operating period based on the business plan, discounted by capitalization rate, as well as in consideration of the appraised valuation amount by real-estate appraisers as appropriate.

(ii) Main assumptions

Main considerations for the assumptions for calculating the net sale price of condominiums are the estimated sales amount and the estimated sales expenses, where certain assumptions are made, for the former, based on the trend of sales in the neighboring areas, while for the latter based on the latest trend by the expense to sale ratio.

Main considerations for the assumptions for calculating the net sale price of real estate products for investors are rent standards and occupancy rate for determining NOI as well as capitalization rate during the stably operating period, where certain assumptions are made, for the former two, based on the trend of rent and occupancy rate in the neighboring areas of the asset, while for the latter based on the latest market trend for the group of properties of the similar type and size.

(iii) Impact on the consolidated financial statements for the next fiscal year

As these assumptions are exposed to the impact of uncertainties in economic condition and the Company's business conditions for a period to come, in the event of decline in the levels of rent and occupancy rate, rise in capitalization rate or greater-than-expected changes in conditions of sales market, valuation loss may be recorded from the next fiscal year onward.

2. Impairment loss of fixed assets (Urban Development, Hotels & Resorts)

- (1) The amount recorded in the consolidated financial statements for the fiscal year under review: ¥555 million
- (2) Information related to the detail of the significant accounting estimates concerning the items identified
 - (i) Method of calculation

Fixed assets used for the hotel business, etc., as well as intangible fixed assets including leasehold rights, are tested for impairment when there appears a sign which indicates impairment test is inevitable, such as falling market value due to declining profitability, significant deterioration of business environment, and a change in the intended use.

As for the asset which has undergone deterioration of profitability or business environment without involving a change in its intended use, the amount of undiscounted future cash flows during the remaining economic life of the asset or 20 years, whichever shorter, is estimated, and impairment loss shall be recognized if the amount of such estimation falls short of the book value equivalent of the asset. The estimation of the undiscounted future cash flows shall be calculated by adding up NOI based on the reasonable business plan for the asset, future capital expenditure and the estimate of the final disposal value. For the asset determined to be in need of recognizing impairment loss, its book value shall be reduced to the recoverable amount, and such reduction shall be recognized as impairment loss. The recoverable amount shall be determined as the greater of the net sale price and the present value of future cash flows. Net sale price shall be the estimated sale price appraised by real-estate appraisers, less estimated sale expenses.

As for the asset which has undergone a change in the intended use, the recoverable amount by the change shall be calculated. Impairment loss will be recognized if such recoverable amount falls short of its book value. For the asset has been reclassified into inventories for sale, recoverable amount shall be calculated by subtracting estimated sale expenses from the estimated sale price appraised by real-estate appraisers; while for the asset which has undergone a change in its intended use by conversion or redevelopment, for example, from hotel to rental office or vice versa, recoverable amount shall be calculated by estimating future cash flows based on the renewed business plan.

Even prior to the completion of the project, if significant deterioration is found in the business environment, the impairment test shall be applied to determine whether impairment loss ought to be recognized by reexamining the rationality of the business plan.

The business plan subject to review as part of the impairment test has taken into consideration the impact of the spread of COVID-19 among other things.

(ii) Main assumptions

Main considerations for the assumptions for calculating the net sale price and the future cash flows of the assets used in the hotel business are the average daily rate (ADR) and occupancy rate for determining NOI, as well as capitalization rate, where certain assumptions are made, for the former two, based on the market trend of ADR and occupancy rate at similar type of hotels in the neighboring areas of the assets, along with forecast on the trend in the tourism industry, while for the latter based on the latest market trend for the group of properties of similar type and size.

The business plan subject to review as part of the impairment test has taken into consideration the continuous impact of COVID-19 on the hotel business for certain period to come.

In reference to the external data such as the demand forecast by an industry association, domestic demand for hotel accommodation is expected to be subdued during the "with corona" period in the fiscal years ending March 31, 2023 and 2024, and to gradually recover thereafter to the level of demand prior to the outbreak of COVID-19. Inbound business including the tourism by visitors from overseas, demand is expected to recover by the fiscal year ending March 31, 2026.

(iii) Impact on the consolidated financial statements for the next fiscal year

These assumptions will be affected by the uncertainties in the economic condition as well as in the business condition of the Company in the period to come, and in the event of evident decline in the level of rent, ADR or occupancy rate, or worse than expected deterioration of the forecast on the trend in the tourism industry, impairment loss may be recorded for the next fiscal year or later.

(Notes to consolidated balance sheet)

1. Accumulated depreciation of tangible fixed assets: ¥268,269 million

2. With regard to the tangible fixed assets acquired for and before the fiscal year under review, the amount of advanced depreciation by government subsidies was ¥254 million in buildings and structures, ¥317 million in machinery, equipment and vehicles, ¥111 million in other tangible fixed assets and ¥4 million in software. The amount thereof in the consolidated balance sheet is shown by deducting such amount of advanced depreciation.

3. Assets pledged:

Consolidated subsidiaries have provided ¥6,096 million of investment securities and ¥164 million of time deposits to financial institutions as collateral for borrowings by their investees, etc.

4. Guarantee obligations:

The Company is providing the following loan guarantees for the borrowings from financial institutions for parties other than consolidated subsidiaries.

Employees	56 million
Dart LLC	1,700 million
<u>AG Hotel Management Co., Ltd.</u>	<u>7 million</u>
Total	1,763 million

(Note) Apart from the aforementioned, the Company is providing rent guarantee for a property lease contract at a non-consolidated subsidiary.

(Notes to consolidated statement of changes in shareholders' equity, etc.)

1. Total number of issued shares as of March 31, 2022

Shares of common stock: 234,194,500 shares

2. Matters concerning distribution of retained earnings

- (1) Matters concerning distribution of retained earnings made during the fiscal year under review:

Resolution	Class of shares	Total amount of dividends (million yen)	Amount of dividend per share (yen)	Record date	Effective date
Ordinary General Meeting of Shareholders held on June 25, 2021	Shares of common stock	4,056	18	March 31, 2021	June 28, 2021
Meeting of the Board of Directors held on November 4, 2021	Shares of common stock	4,056	18	September 30, 2021	December 8, 2021

- (2) Matters concerning distribution of retained earnings to be made after the end of the fiscal year under review:

The following resolution is expected to be adopted at the Ordinary General Meeting of Shareholders to be held on June 28, 2022:

Resolution	Class of shares	Source of dividends	Total amount of dividends (million yen)	Amount of dividend per share (yen)	Record date	Effective date
Ordinary General Meeting of Shareholders to be held on June 28, 2022	Shares of common stock	Retained earnings	4,507	20	March 31, 2022	June 29, 2022

(Notes on financial instruments)

1. Matters concerning the status of financial instruments

(1) Policy on dealing in financial instruments:

The Group raises required funds principally through bank loans and bond issues. Floating money is invested in high-security financial assets. The Group uses derivatives to the extent necessary to reduce interest rate risk mainly, and has a policy not to conduct speculative trading.

(2) Details of financial instruments and related risks and risk management system:

Trade receivables – notes and accounts receivable-trade, and contract assets – are exposed to credit risk in relation to customers. With regard to such risk, the Group, in accordance with its customer management rules, periodically monitors the status of trade receivables from its major clients in each business division, fixes a credit limit for each customer and manages the due dates and balances of its trade receivables by client to early detect or reduce credits that may become uncollectable due to the deterioration of its financial position or other reasons.

Marketable securities and investment securities, which principally consist of bonds to invest floating money and shares relating to business and capital alliances with client companies, are exposed to market risk. The Group periodically gains information on the market values and financial standings of the client companies and review the holding of such shares on a continuous basis by taking into consideration the relationships with the client companies.

Substantially all of trade payables – trade notes and trade accounts payable – and electronically recorded obligations - operating have payment due dates within one year. In addition, borrowings, bonds and lease obligations relating to finance lease transactions, which the Group uses principally to raise funds necessary for capital expenditure, repayment of borrowings and long-term investments and loans, will be redeemed in 13 years maximum after the close of the fiscal year.

Trade payables and borrowings are exposed to liquidity risk. The Group manages such liquidity risk by formulating and revising cash management projections on a timely basis by its treasury management division based on reports from other divisions and departments.

With regard to derivatives, some consolidated subsidiaries use interest rate swaps to hedge risks relating to fluctuations of interest rates on borrowings. Contracts on derivatives are executed by the treasury management division. After approval based on the internal rules, the kinds and transaction amounts thereof are reported to the Board of Directors and other organs and the status of transactions and the balance thereof are managed by the treasury management division.

With regard to the hedging instruments and hedged items, hedging policy and method of evaluating the effectiveness of a hedge with regard to hedge accounting, please refer to "(6) Method of important hedge accounting" described in "3. Matters concerning accounting standards" under "Notes to important matters forming the basis of preparation

of consolidated financial statements" above.

2. Matters concerning fair values, etc. of financial instruments

The following chart shows the amounts for items recorded in the consolidated balance sheet as of March 31, 2022 (the consolidated settlement date for the fiscal year under review), along with their fair values and the differences:

(million yen)

	Balance sheet amount	Fair value	Difference
(1) Marketable securities and investment securities:			
Held-to-maturity bonds	1,993	1,889	(103)
Investment in shares of affiliates	12,825	10,233	(2,591)
Other marketable securities	330,761	330,761	-
Total assets	345,580	342,884	(2,695)
(2) Bonds	10,000	9,997	(3)
(3) Long-term borrowings	255,329	256,130	800
Total liabilities	265,329	266,127	797

(*1) "Cash on hand and in banks," "notes and accounts receivable-trade, and contract assets," "trade notes and trade accounts payable," "electronically recorded obligations - operating," and "short-term borrowings" are omitted, because they comprise cash and short-term instruments whose carrying amount approximates their fair value.

(*2) Shares without market value are not included in "(1) Marketable securities and investment securities." In addition, notes on investments in partnerships and other similar entities for which equity interests are recorded on a net basis on the consolidated balance sheet are omitted. The amounts of these investments recorded on the consolidated balance sheet are as follows:

(million yen)

Item	Balance sheet amount
Unlisted shares	130,424
Investment in partnerships	27,909

Note 1: Redemption schedule for monetary receivables and marketable securities with maturity date after the consolidated settlement date

(million yen)

	Within 1 year	1 year to 5 years	5 years to 10 years	More than 10 years
Cash on hand and in banks	103,960	-	-	-
Notes and accounts receivable-trade, and contract assets	93,491	-	-	-
Marketable securities and investment securities				
Held-to-maturity bonds (public and corporate bonds)	31	50	42	1,871
Other marketable securities with maturity date (debentures)	52,710	-	3	1,100
Other marketable securities with maturity date (others)	39,500	-	-	-
Total	289,692	50	45	2,971

Note 2: Repayment schedule for corporate bonds, long-term borrowings, and other interest-bearing debt after the consolidated settlement date

(million yen)

Item	Within 1 year	1 year to 2 years	2 years to 3 years	3 year to 4 years	4 year to 5 years	More than 5 years
Short-term borrowings	3,075	–	–	–	–	–
Bonds	–	10,000	–	–	–	–
Long-term borrowings	27,533	39,053	24,110	59,796	28,270	76,567
Total	30,608	49,053	24,110	59,796	28,270	76,567

3. Fair value information by level within the fair value hierarchy

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

Level 1 fair value: Fair value measured using observable inputs, i.e. quoted prices in active markets for assets or liabilities that are the subject of the measurement.

Level 2 fair value: Fair value measured using observable inputs other than Level 1 inputs.

Level 3 fair value: Fair value measured using unobservable inputs.

If multiple inputs are used that are significant to the fair value measurement, the fair value measurement is categorized in its entirety in the level of the lowest level input that is significant to the entire measurement.

(1) Financial assets that are measured at fair value

Item	Fair value (million yen)			
	Level 1	Level 2	Level 3	Total
Marketable securities and investment securities				
Other marketable securities				
Shares	232,996	–	–	232,996
Government and local government bonds, etc.	950	–	–	950
Bonds	–	47,207	–	47,207
Debentures and others	–	5,598	–	5,598
Other marketable securities	2,486	39,498	–	41,985
Total assets	236,434	92,305	–	328,739

(Note) The fair value of investment trusts is not included in the above table. The amount recorded in the consolidated balance sheet is ¥2,021 million.

(2) Financial assets and financial liabilities that are not measured at fair value

Item	Fair value (million yen)			
	Level 1	Level 2	Level 3	Total
Marketable securities and investment securities				
Held-to-maturity bonds				
Government and local government bonds, etc.	138	–	–	138
Bonds	–	1,751	–	1,751
Investment in shares of affiliates	10,233	–	–	10,233
Total assets	10,371	1,751	–	12,123
Bonds	–	9,997	–	9,997
Long-term borrowings	–	256,130	–	256,130
Total liabilities	–	266,127	–	266,127

(Note) Description of valuation techniques and inputs in the fair value measurement

Marketable securities and investment securities

Listed shares, government bonds, and bonds are valued using quoted prices obtained from financial institutions, etc. Since listed shares and government bonds are traded in active markets, their fair value is classified as Level 1. On the other hand, since bonds and others held by the Company are not traded frequently in the public market and not considered to have quoted prices in active markets, their fair value is classified as Level 2.

Bonds

The fair value of bonds issued by the Company are measured based on market prices obtained from financial institutions. While market prices are available, their fair value is classified as Level 2 because they are not traded frequently in active markets.

Long-term borrowings (including current portion):

The fair value of long-term borrowings is calculated from the present value of the total principal and interest discounted at a rate supposing newly conducted similar borrowing, while that of long-term borrowings to which the exceptional accrual method with regard to interest rate swaps is applicable is calculated from the present value of the total principal and interest treated together with the interest rate swaps, discounted at a rate supposing newly conducted similar borrowing, and is classified as Level 2.

(Notes on leased and other real estate properties)

1. Matters concerning the status of leased and other real estate properties

The Company and some of its consolidated subsidiaries hold real estate properties (including land) for lease, including office buildings and commercial facilities, in Tokyo, Osaka, etc.

2. Matters concerning the market value of leased and other real estate properties
(million yen)

Balance sheet amount	Fair value
258,219	325,343

Notes: 1. The consolidated balance sheet amount is the acquisition amount less accumulated depreciation.

2. The fair value of major properties at the close of the fiscal year under review is an amount based on real-estate appraisals by outside real-estate appraisers. The fair value of other large properties is calculated by each of the Company and the consolidated subsidiaries based on real-estate appraisals by in-house real-estate appraisers. The fair value of other properties is calculated by each of the Company and the consolidated subsidiaries based on the benchmarks considered to properly reflect the market price.

(Notes on the information per share)

- | | | |
|----|-----------------------|-----------|
| 1. | Net assets per share: | ¥3,588.35 |
| 2. | Net income per share: | ¥111.86 |

(Notes on Revenue recognition)

1. Disaggregation of revenue from contracts with customers

(million yen)

	Operating segment			Other (Note)	Total
	Media & Content	Urban Development, Hotels & Resorts	Total		
Broadcasting and broadcasting-related	327,225	–	327,225	–	327,225
Direct marketing	60,301	–	60,301	–	60,301
Urban development	–	72,342	72,342	–	72,342
Hotels & Resorts	–	15,240	15,240	–	15,240
Other	26,926	–	26,926	3,577	30,503
Revenue from contracts with customers	414,453	87,583	502,037	3,577	505,614
Other revenue	50	17,497	17,548	1,923	19,472
Net sales to third parties	414,504	105,081	519,585	5,501	525,087

(Note) The "Other" category is a business segment not included in operating segments. It includes such operations as temporary agency services, leasing of movables and software development.

2. Basic information in understanding revenue from contracts with customers

Basic information in understanding revenue is as described in "(5) Accounting for revenues and expenses" in "3. Matters concerning accounting standards" under "Notes to important matters forming the basis of preparation of consolidated financial statements."

3. Information on (a) relationship between the satisfaction of performance obligations based on contracts with customers and cash flows from such contracts and (b) amounts of revenue expected to be recognized in the following fiscal year or later from contracts with customers which have been existing at the end of the fiscal year under review and the timing of such revenue's recognition

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

(million yen)

	Fiscal year under review	
	Beginning balance	Ending balance
Receivables from contracts with customers		
Trade notes receivable	676	435
Electronically recorded monetary claims - operating	586	764
Trade accounts receivable	88,101	90,053
	89,364	91,253
Contract assets	1,551	1,970
Contract liabilities	5,950	7,218

Contract liabilities are mainly related to advances received from customers before the fulfillment of contracts and reversed upon recognition of revenue. The amount of revenue recognized in the fiscal under review that was included in the beginning balance of contract liabilities was ¥3,872 million.

- (2) Transaction price allocated to remaining performance obligations

The performance obligation of contracts with an original expected duration of one year or less are not included in the scope of disclosure as the Company and its subsidiaries apply a practical expedient in providing notes on transaction price allocated to remaining performance obligations. The performance obligations that were unsatisfied (or partially unsatisfied) amounted to ¥5,751 million as of March 31, 2022. Such performance obligations relate mainly to real estate transfer contracts and construction contracts in the urban development business. The Company expects to recognize approximately 40% of this revenue within one year from the end of the fiscal year, 50% within two years thereafter.

(Notes on other matters)

Impairment loss

The Group recorded impairment loss on the assets below:

Location	Use	Type	Amount (million yen)
(Media & Content) Pony Canyon Inc. Minato-ku, Tokyo	Business Property	Software	105
(Urban Development, Hotels & Resorts) The Sankei Building Co., Ltd. Taito-ku, Tokyo and other sites	Business Property	Buildings and structures, land, etc.	348
GRANVISTA Hotels & Resorts Co., Ltd. Chuo-ku, Tokyo and others	Business property	Buildings and structures, machinery equipment and vehicles, etc.	122

Note: In addition to the above, the Urban Development, Hotels & Resorts recorded ¥84 million of impairment loss. The disclosure is omitted due to its insignificance.

Pony Canyon Inc. in the Media & Content business reviews impairment loss of business properties that are grouped by managerial accounting treatment on which basis earnings and expenses are routinely grasped. In the fiscal year under review, business properties associated with smartphone application and others scheduled to be transferred were reduced to the recoverable amount, where the reduced amount thereof was recorded as impairment loss under extraordinary loss; the breakdown thereof is ¥105 million of software. The recoverable amount of the group of assets thereof is calculated using the net sale price and the estimated transfer price based on the transfer contract is used for the net sale price.

The Sankei Building Co., Ltd. in the Urban Development, Hotels & Resorts reviews impairment loss sorted by the groups of individual assets, in principle. The Company reduced the carrying amount of the group of assets of which holding purpose has been changed to their recoverable amount and recorded the reduced amount thereof as impairment loss under extraordinary loss in the fiscal year under review; the breakdown thereof are ¥189 million of buildings and structures, ¥147 million of land, ¥11 million of "Other tangible fixed assets" under tangible fixed assets and ¥0 million of software. The recoverable amount of the group of assets thereof is the net sale price, and the value calculated by the Company based primarily on indicators provided by real estate appraisers is used for the net sale price.

GRANVISTA Hotels & Resorts Co., Ltd. in the Urban Development, Hotels & Resorts reviews impairment loss on business properties sorted by the groups of assets based on business office categorized under managerial accounting treatment. The Company reduced the carrying amount of less profitable business properties to their recoverable amounts and recorded the reduced amounts thereof as impairment loss under extraordinary loss in the fiscal year under review; the breakdowns thereof are ¥96 million of buildings and structures, ¥10 million of machinery, equipment and vehicles, ¥4 million of construction in progress, ¥11 million of "Other tangible fixed assets" under tangible fixed assets and ¥0 million of "Other intangible fixed assets" under intangible fixed assets. The recoverable amount of the group of assets thereof is measured at value in use, which is assessed to be zero as no future cash flow is expected.

NOTES TO NON-CONSOLIDATED FINANCIAL STATEMENTS

(Notes to the matters concerning significant accounting policies)

1. Valuation basis and methods for assets:

Marketable securities:

Investment in shares of subsidiaries and affiliates:

At cost, determined by the moving average method

Other securities:

Those other than shares, etc. without market value:

At market value, determined by market prices, etc. as of the close of the fiscal year (Revaluation differences are all transferred directly to net assets. Selling costs are determined by the moving average method.)

Shares, etc. without market value:

At cost, determined by the moving average method

Bonds, in respect of which the difference between the acquisition cost and the bond price is characterized as adjustments in interest rates, are valued at cost, determined by the amortized cost method (straight-line method).

Investments in investment associations and other similar associations (which are deemed to be marketable securities pursuant to Article 2, paragraph 2 of the Financial Instruments and Exchange Act) are valued by recognizing net the amount equal to the Company's equity interest based on the most recent statements of accounts available according to the settlement report dates as stipulated in contracts for such associations.

2. Method of depreciation of fixed assets:

Tangible fixed assets:

Tangible fixed assets are depreciated by the straight-line method.

With regard to their useful lives, the same policy as in the method under the Corporation Tax Act is applicable.

Intangible fixed assets:

Intangible fixed assets are depreciated by the straight-line method.

With regard to their useful lives, the same policy as in the method under the Corporation Tax Act is applicable.

However, software for internal use is depreciated by the straight-line method based

on the internal usable period (five years).

3. Basis for accounting for allowances and reserves:

Allowance for doubtful accounts:

To meet losses from loan default, the Company sets aside an estimated uncollectible amount, by taking into consideration the actual loss rate in respect of general credits and the individual possibilities of collection in respect of specific claims, such as probable non-performing credits.

Reserve for employee retirement benefits:

To meet the payment of retirement benefits to employees, the Company provides an amount estimated to accrue at the close of the fiscal year under review, based on the estimated retirement benefit obligations and pension plan assets as of the close of the fiscal year under review.

The accounting method for reserve for employee retirement benefits and employee retirement benefit costs is as described below:

(i) Method of attributing expected retirement benefits to periods:

To calculate retirement benefit obligations, the Company employs a benefit formula standard as the method of attributing expected retirement benefits to periods up to the close of the fiscal year under review.

(ii) Methods of treating actuarial differences and past service costs as expenses:

Past service costs are treated as expenses, based on a straight-line basis for a specific period of years (15 years) not exceeding the average remaining years of service of employees when such past service costs occur.

Actuarial differences are treated as expenses, *pro rata* based on the straight-line method for a specific period of years (15 years) not exceeding the average remaining years of service of employees when such differences occur, from the fiscal year next following the fiscal year when such differences occur.

The treatment of unrecognized actuarial differences and unrecognized past service costs on the balance sheet differs from the treatment thereof in the consolidated financial statements.

4. Method and period of amortization of negative goodwill:

Negative goodwill that was accrued on or before March 31, 2010 is amortized in equal amounts for specified years not exceeding 20 years according to the cause of the accrual thereof.

5. Amounts are shown by discarding fractions of one million yen.

(Notes to non-consolidated balance sheet)

1. Money debts due from and payable to associated companies:

Short-term money debts due from associated companies:	¥12,559 million
Long-term money debts due from associated companies:	¥2,286 million
Short-term money debts payable to associated companies:	¥168,745 million
Long-term money debts payable to associated companies:	¥5,440 million

2. Accumulated depreciation of tangible fixed assets: ¥89,561 million

3. With regard to the tangible fixed assets acquired for and before the fiscal year under review, the amount of advanced depreciation by government subsidies was ¥106 million in structures and ¥99 million in tools, furniture and fixtures. The amount thereof in the non-consolidated balance sheet is shown by deducting such amount of advanced depreciation.

(Notes to non-consolidated statement of income)

Transactions with associated companies:

Operating revenue:	¥13,584 million
Operating expenses:	¥742 million
Transactions other than ordinary business:	¥185 million

(Notes to non-consolidated statement of changes in shareholders' equity, etc.)

Total number of shares of treasury stock as of March 31, 2022:

Shares of common stock:	8,839,834 shares
-------------------------	------------------

(Notes on tax effect accounting)

1. Principal components of deferred tax assets and deferred tax liabilities:

(Deferred tax assets)	(million yen)
Accrued enterprise taxes	102
Accrued officers' retirement gratuities	223
Valuation losses on investment securities	6,526
Shares of associated affiliates associated with reorganization	11,640
Tax loss carried forward	1,126
Others	345
Subtotal of deferred tax assets	19,965
Valuation reserve for loss carried forward	(1,126)
Valuation reserve for total of deductible temporary differences and others	(18,502)
Subtotal of valuation reserve	(19,628)
Total deferred tax assets	336
(Deferred tax liabilities)	
Shares of associated affiliates associated with reorganization	4,241
Valuation difference on available-for-sale securities	52,602
Others	133
Total deferred tax liabilities	56,977
Net deferred tax liabilities	56,641

(Notes on transactions with related parties)

Subsidiaries, etc.

Category	Trade name	Location	Capital stock (million yen)	Principal business	Ratio of voting rights owned by the Company (owned in the Company)	Relation	Transaction	Transaction amount (million yen)	Account item	End-of-year balance (million yen)
Subsidiary	Fuji Television Network, Inc.	Minato-ku, Tokyo	8,800	Television broadcasting business	Direct 100.0%	Lease of building; interlocking directorates	Receipt of rents	4,864	Advance received Guarantee deposit	500 4,648

Note: Business conditions and policy on deciding business conditions:
The lease of the building relates to the building of the head office and the rent is determined based on the current status of transactions in the neighborhood.

(Notes on the information per share)

- | | | |
|----|-----------------------|------------|
| 1. | Net assets per share: | ¥ 2,556.38 |
| 2. | Net income per share: | ¥46.85 |

- END -