

(Translation)

**Information to be Disclosed on the Internet upon
Notice of the 79th 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, 2019 to March 31, 2020)

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 or 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 or 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 Company and its subsidiaries 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 or 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 carry out a study on 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 Company and its subsidiaries

To secure the properness of business activities of the corporate group comprised of the Company and its subsidiaries, the Company shall, in respect of the group's compliance and its 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 receive reports from the subsidiaries on a regular and continuous basis, among others, to strengthen information sharing within the corporate group.

(2) The Company shall promote the building up of a system under which each subsidiary of the Company shall autonomously make workable 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 employees to assist the Audit & Supervisory Board Members to execute their duties when the Audit & Supervisory Board Members request the assignment thereof, and the matters concerning the independence of the employees to assist the Audit & Supervisory Board Members to execute their duties and the effectiveness of directions to such employees

The Audit & Supervisory Board Members of the Company shall appoint the Audit & Supervisory Board Members' staff pursuant to the "Regulations of the Audit & Supervisory Board". The Audit & Supervisory Board Members' staff shall conduct business concerning the convocation of meetings of the Audit & Supervisory Board, the preparation of minutes and the administration of the Audit & Supervisory Board and assist the Audit & Supervisory Board Members to execute their duties. Such business shall be assigned to the Corporate Compliance Office of the Company as provided for in the segregation of duties. The Audit & Supervisory Board Members' staff shall, as employees of the Company, be subject to the work rules of the Company. However, in principle, the authorities to direct and give order to the Audit & Supervisory Board Members' staff shall belong to each Audit & Supervisory Board Member and no Director shall have such authorities. With regard to the merit-rating, personnel changes and disciplinary punishments of the Audit & Supervisory Board Members' staff, opinions of the Audit & Supervisory Board shall be sought.

6. System for reports by the directors and employees of the Group to the Audit & Supervisory Board Members or the Audit & Supervisory Board of the Company

The Company shall establish and implement the system for reports by the directors and employees of the Group to the Audit & Supervisory Board Members or the Audit & Supervisory Board of the Company as described below:

- (1) The directors and employees of the Group shall report the following matters on a timely basis:
 - (i) A fact is found that may have a material effect on business or finance (including any fact concerning any of the Group).
 - (ii) A fact is found that the Directors and employees do a dishonest act or violate laws or ordinances, the Articles of Incorporation or the internal rules in executing their duties (including any fact concerning any of the Group) or any act in contravention with generally-accepted ideas threatens to occur or occurs, and the fact or act is material.
 - (iii) Any other urgent or emergent event is found.
- (2) The directors and employees of the Group shall report the following matters of each company of the Group concerned to the Audit & Supervisory Board Members or the

Audit & Supervisory Board of the Company on a regular basis or whenever necessary:

- (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 Board Members or the Audit & Supervisory Board 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 Board Members or the Audit & Supervisory Board 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 Board 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 11 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 and Audit & Supervisory Board 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, including on-site interviews. 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 Board Members of their duties

During the fiscal year under review, the Audit & Supervisory Board held eight meetings to deliberate on and determine the audit policy and audit plans. Each Audit & Supervisory Board Member implemented audits pursuant to the audit plans determined by the Audit & Supervisory Board and interviewed the Directors of the Company and the presidents/representative directors of the Group and received reports on the execution of their duties. In addition, the Audit & Supervisory Board exchanged opinions and information with the account auditors and the internal audit sections of the Company, as well as the full-time audit & supervisory board members of the Group, on a regular basis. Furthermore, to ensure that each Audit & Supervisory Board Member can execute his duties smoothly, the Audit & Supervisory Board Members' staff appointed pursuant to the "Regulations of the Audit & Supervisory Board" conduct business concerning the convocation of meetings of the Audit & Supervisory Board, the preparation of minutes and the administration of the Audit & Supervisory Board and provide assistance to the Audit & Supervisory Board Members to execute their duties.

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: 38 companies

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

The silent partnership operated by Koshien Development, LLC was excluded from the scope of consolidation from the fiscal year under review due to its decreased significance.

EXIT TUNES, Inc. was excluded from the scope of consolidation from the fiscal year under review due to its decreased significance as a result of the corporate split. EXIT TUNES Inc. changed its company name to EXIT MUSIC PUBLISHING Inc.

- (2) 61 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.

- (3) Special purpose companies (SPCs) subject to disclosure

- (i) Summary of the SPCs subject to disclosure and the summary of transactions using the SPCs subject to disclosure

The Group securitizes its properties to diversify funding sources and procure funds in a stable manner. In securitizing properties, the Group transfers its properties to SPCs (particular type of limited liability companies) and receives funds, as sales proceeds, procured by the SPCs through loans, etc. secured by such properties.

The Group leases back the properties transferred to the SPCs. In addition, the Group enters into silent partnership agreements with the SPCs, based on which investments are made therein.

As a result of such securitization, the SPC with a transaction balance is listed as follows. The Group has neither made any investment in the SPC that confers voting rights, nor dispatched any officer or employee thereto.

Number of SPCs	1 company
Total assets as of the most recent closing date (simple aggregation)	¥ 12,697 million
Total liabilities (simple aggregation)	¥ 12,693 million

(ii) Amount, etc. of transactions with SPCs subject to disclosure

Amounts, etc. of transactions with the SPC in the consolidated fiscal year ended March 31, 2019 are as follows.

	Balance at the end of consolidated fiscal year (million yen)	Major gain/loss	
		Item	Amount (millions of yen)
Accounts receivable (Note 1)	23	Operating expenses (Note 2)	636
Investments made in silent partnerships	0	-	-

- Notes: 1. Advances paid to the SPC
2. Real estate rental fees paid to the SPC

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.

In January 2020, FUJI MUSIC GROUP, INC. sold its entire holdings of CHECK YOUR PULSE MUSIC PUBLISHING LLC and excluded CHECK YOUR PULSE MUSIC PUBLISHING LLC from the scope of non-consolidated subsidiaries to which the equity method is applied.

(2) Number of affiliates to which the equity method is applied: 24 companies

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

The Company acquired additional shares of SHIZUOKA TELECASTING Co., Ltd. in March 2020, converting it to an affiliate to which the equity method is applied.

SKB USA, LLC made an equity investment in DIAMOND FOURTH PHOENIX LLC in March 2020, converting it to an affiliate to which the equity method is applied.

(3) Other subsidiaries and affiliates including TOKYO FILM MATE, Inc., Fujimic Niigata KK, and PonyCanyon Music Publishing 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. Matter 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 with 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 principally by the moving average method.)

Those without market value:

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 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.

(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 returned goods:

To meet losses from returned publications, etc., the Group sets aside an amount equivalent to the provision limit under the Corporation Tax Act, in respect of publications, and an estimated amount of loss based on the actual return rates in the past, in respect of other works.

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.

Provision for point card certificates:

To meet the payment for points granted to customers for the purpose of sales promotion when they are used, the Group sets aside an amount estimated to be used in the future as of the close of the fiscal year under review.

Provision for environmental measures:

To meet the payment for expenses of disposal of polychlorinated biphenyl (PCB) and other wastes, the Group provides an estimated amount of disposal expenses,

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, 14 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, 14 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:

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.

(8) Accounting treatment of consumption taxes, etc.:

Consumption taxes, etc. are excluded from each account subject to such taxes.

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

(Change in accounting policy difficult to be distinguished from change in accounting estimates, and change in accounting estimates)

Changes in method of depreciation of useful life

Although the declining balance method has been used for some of the tangible fixed assets of the Company and some of its consolidated subsidiaries, it has been changed to the straight-line method as from the fiscal year ended March 31, 2020.

As the result of the consideration of the use status of tangible fixed assets at the time of renewal of broadcasting transmission and other facilities, which are the main assets, the change was made because it was judged that the straight-line method in which the benefits of use are allocated to expense on an average basis would appropriately reflect the status of use thereof, on the grounds that renewal investments would basically continue stably and regularly for the maintenance of the facilities based on the medium-term business plan, that there would be a low risk of technical obsolescence and that the stable use thereof is expected in the future.

In addition, although some of the broadcasting machinery and equipment owned by some of the consolidated subsidiaries has been depreciated based on a useful life of 6 years, the useful life thereof has been revised to 10 years as from the fiscal year ended March 31, 2020 because by carrying out regular maintenance and the like, renewal investments are expected to be made about every 10 years. The useful life will prospectively be changed.

As a result, in comparison with those under the previous method, operating income, recurring profit and income before income taxes each increased by ¥1,030 million for the fiscal year ended March 31, 2020.

(Changes in the method of presentation)

Consolidated statement of income

"Compensation for transfer" (¥27 million for the fiscal year under review) which was separately stated under "Extraordinary gain" in the previous fiscal year, is included in "Others" from the fiscal year under review due to its decreased significance.

"Valuation loss on investment securities" (¥63 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.

Additionally, "Loss on withdrawal from business" (¥139 million for the fiscal year under review) which was separately stated under "Extraordinary loss" in the previous fiscal year, is included in "Others" from the fiscal year under review due to its decreased significance.

(Notes to consolidated balance sheet)

1. Accumulated depreciation of tangible fixed assets: ¥270,653 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, ¥328 million in machinery, equipment and vehicles, ¥11 million in other tangible fixed assets and ¥3 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 ¥5 million of buildings and structures and ¥92 million of land as collateral, as well as ¥153 million of time deposits and ¥6 million of investment securities to television broadcasting companies, newspaper companies, etc. in substitution for business guarantee deposits.

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

1. Total number of issued shares as of March 31, 2020

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 26, 2019 (Note)	Shares of common stock	5,152	22	March 31, 2019	June 27, 2019
Meeting of the Board of Directors held on November 7, 2019	Shares of common stock	5,152	22	September 30, 2019	December 6, 2019

(Note) A commemorative dividend of ¥2.0 (in commemoration of the 10th anniversary of transition to a certified broadcast holding company and the 60th anniversary of Fuji Television Network) is included in the amount of dividend per share.

(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 25, 2020:

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 25, 2020	Shares of common stock	Retained earnings	5,152	22	March 31, 2020	June 26, 2020

(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 in respect of interest rate swaps and foreign currency risk in respect of exchange contracts, and has a policy not to conduct speculative trading.

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

Trade receivables – trade notes and trade accounts receivable – 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. With regard to some trade payables relating to imports that are denominated in foreign currencies and are exposed to foreign currency risk, the Group uses exchange contracts to hedge such risk. 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 14 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, and exchange contracts to hedge foreign currency risk involving imports. Contracts on these 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 "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, 2020 (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) Cash on hand and in banks	76,126	76,126	-
(2) Trade notes and trade accounts receivable	110,390	110,390	-
(3) Marketable securities and investment securities:			
Held-to-maturity bonds	1,141	1,144	2
Investment in shares of affiliates	13,329	15,027	1,698
Other marketable securities	273,912	273,912	-
Total assets	474,899	476,600	1,700
(1) Trade notes and trade accounts payable	40,976	40,976	-
(2) Electronically recorded obligations - operating	12,374	12,374	-
(3) Short-term borrowings	20,575	20,575	-
(4) Bonds	20,000	19,993	(6)
(5) Long-term borrowings	202,813	204,714	1,900
Total liabilities	296,739	298,634	1,894

Note 1: Matters concerning the calculation method of the fair values of financial instruments, as well as marketable securities and derivatives:

Assets:

- (1) Cash on hand and in banks and (2) Trade notes and trade accounts receivable:

The book value is used for these items, as the fair value is nearly equal to the book value as a result of their short settlement periods.

- (3) Marketable securities and investment securities:

The fair value of stocks is determined by the price of the stocks traded on an exchange. For bonds, the value is determined by the price on an exchange or prices announced by financial institutions with business relationships.

For commercial paper and negotiable deposits, the book value is used, as the fair value is nearly equal to the book value as a result of their short settlement periods.

Liabilities:

- (1) Trade notes and trade accounts payable, (2) Electronically recorded obligations - operating and (3) Short-term borrowings:

The book value is used for these items, as the fair value is nearly equal to the book value as a result of their short settlement periods.

(4) Bonds:

For the bonds issued by the Company, the fair value is calculated based on the market price.

(5) Long-term borrowings (including current portion of long-term borrowings):

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. However, for long-term borrowings to which the exceptional accrual method with regard to interest rate swaps is applicable, the fair value 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.

Derivatives:

The derivatives to which the exceptional accrual method with regard to interest rate swaps is applicable are treated together with long-term borrowings as hedged items. Hence, the fair value is presented by inclusion in "(5) Long-term borrowings" as liabilities on the above chart.

Note 2: Financial instruments for which determining the market values is recognized as being extremely difficult:

(million yen)

Item	Balance sheet amount
Unlisted shares	118,552
Investment in investment associations	4,051
Others	20,355

These items have no market price and it is impossible to estimate their future cash flow. As determining the market value is recognized as being extremely difficult, they are not included in "(3) Marketable securities and investment securities" as assets.

(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
205,443	238,394

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: | ¥ 3,179.13 |
| 2. | Net income per share: | ¥178.44 |

(Notes on other matters)

Impairment loss

The Group recorded impairment loss on the assets below:

Location	Use	Type	Amount (million yen)
(Media & Content) Dinos Cecile Co., Ltd. Takamatsu, Kagawa and other sites	Business Property	Buildings and structures, software, etc.	218
Pony Canyon Inc. Minato-ku, Tokyo	Business Property	Software, etc.	447
(Urban Development, Hotels & Resorts) The Sankei Building Co., Ltd. Setagaya-ku, Tokyo and other sites	Business Property	Buildings and structures, land, etc.	2,288
GRANVISTA Hotels & Resorts Co., Ltd Atami, Shizuoka and others	Business property	Buildings and structures, land, etc.	755

Dinos Cecile Co., Ltd. in the Media & Content reviews impairment loss on business properties sorted by the groups of assets based on business segments. The Company reduced the carrying amount of less profitable business properties 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 ¥21 million of buildings and structures, ¥50 million of machinery, equipment and vehicles, ¥14 million of "Other tangible fixed assets" under tangible fixed assets, and ¥132 million of software. The recoverable amount of the groups of assets thereof is at either net sale price or value in use whereby the net sale price is calculated based on real estate appraisal value and value in use is assessed to be zero as no future cash flow is expected.

Pony Canyon Inc. in the Media & Content reviews impairment loss on business properties by grouping the assets under managerial accounting categories used to continuously monitor profit and loss. The Company reduced the business properties associated with game apps, etc., for which development had been canceled, 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 is ¥436 million of software and ¥10 million of "Other" under intangible fixed assets. The recoverable amount of the groups of assets thereof is measured at value in use whereby value in use is assessed to be zero as no future cash flow is expected.

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 to be sold or disposed of and less profitable group of assets to their recoverable amounts and recorded the reduced amount thereof as impairment loss under extraordinary loss in the fiscal year under review; the breakdown thereof are ¥890 million of buildings and structures, ¥1,368 million of land, and ¥29 million of "Other tangible fixed assets" under tangible fixed assets. The recoverable amount of the group of assets thereof is at the higher of the net sale price or value in use and real estate appraisal value is primarily 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 assets to be sold and 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 ¥32 million of buildings and structures, ¥54 million of machinery, equipment and vehicles, ¥648 million of land, ¥17 million of "Other tangible fixed assets" under tangible fixed assets, and ¥2 million of software. The recoverable amount of the group of assets thereof is measured at the net sale price and value in use whereby the net sale price is the estimated selling price and value in use 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 with 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.)

Those 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. Accounting treatment of consumption taxes, etc.:

Consumption taxes, etc. are excluded from each account subject to such taxes.

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

(Changes in the method of presentation)

Non-consolidated statement of income

"Gain on disposal of unpaid dividend" (¥7 million for the fiscal year under review) which was separately stated under "Non-operating income" in the previous fiscal year, is included in "Other income" from the fiscal year under review due to its decreased significance.

(Notes to non-consolidated balance sheet)

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

Short-term money debts due from associated companies:	¥2,641 million
Long-term money debts due from associated companies:	¥2,200 million
Short-term money debts payable to associated companies:	¥168,808 million
Long-term money debts payable to associated companies:	¥5,484 million

2. Accumulated depreciation of tangible fixed assets: ¥85,888 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. 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:	¥18,222 million
Operating expenses:	¥746 million
Transactions other than ordinary business:	¥111 million

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

Total number of shares of treasury stock as of March 31, 2020:

Shares of common stock:	34 shares
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(Notes on tax effect accounting)

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

(Deferred tax assets)	(million yen)
Accrued enterprise taxes	206
Accrued officers' retirement gratuities	223
Valuation losses on investment securities	6,302
Shares of associated affiliates associated with reorganization	11,640
Others	329
Subtotal of deferred tax assets	18,703
Valuation reserve for total of deductible temporary differences and others	(18,208)
Subtotal of valuation reserve	(18,208)
Total deferred tax assets	494
(Deferred tax liabilities)	
Shares of associated affiliates associated with reorganization	3,896
Valuation difference on available-for-sale securities	32,319
Others	129
Total deferred tax liabilities	36,344
Net deferred tax liabilities	35,850

(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	4,862	Advance received Guarantee deposit	500 4,648

- Notes:
1. The above transaction amounts do not include consumption taxes.
 2. 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)

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|----|-----------------------|------------|
| 1. | Net assets per share: | ¥ 2,210.32 |
| 2. | Net income per share: | ¥71.46 |

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