(Translation)

Information to be Disclosed on the Internet upon Notice of the 80th 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, 2020 to March 31, 2021)

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

At the meeting of the Board of Directors, the Company adopted the "resolution for establishing a system to secure properness of business activities" which serves as the basic principle for the internal control systems. The Company amended this resolution following the transition to a company with an Audit & Supervisory Committee on June 25, 2020. The resolution after the amendment is summarized as follows.

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:

(The Company had, prior to the transition, established and operated a similar framework for the Audit & Supervisory Board Members.)

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. However, it is decided that the rewards for the fiscal year under review are not conferred due to the spread of novel coronavirus infection (COVID-19).

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 five Audit & Supervisory Committee meetings (and one Audit & Supervisory Board meeting before the transition to Audit & Supervisory Committee) 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: 36 companies

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

SKB SEATTLE LLC was excluded from the scope of consolidation from the fiscal year under review because it completed its liquidation in January 2021.

Dinos Cecile Communications Co., Ltd. was excluded from the scope of consolidation because Dinos Cecile Co., Ltd. sold the Cecile business to a company outside the Group in March 2021.

The trade name of Dinos Cecile Co., Ltd. was changed to DINOS CORPORATION in March 2021 due to the business transfer of the Cecile business.

(2) 55 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)	¥ 12,806 million
Total liabilities (simple aggregation)	¥ 12,152 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, 2021 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)	32	Operating expenses (Note 2)	524
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.

Nippon Planning Center, Inc. changed its trade name to PONYCANYON PLANNING INC. in August 2020.

(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 TVer Inc. through the third-party allotment in August 2020, converting it to an affiliate accounted for by the equity method.

(3) Other subsidiaries and affiliates including Sankei Building Maintenance Service Co., Ltd., 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 valuated 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 valuated 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.

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.

(Changes in the method of presentation)

Changes relating to application of "Accounting Standard for Disclosure of Accounting Estimates"

The Company has applied "Accounting Standard for Disclosure of Accounting Estimates" (ASBJ Statement No. 31, March 31, 2020) from the fiscal year under review, and disclosed (Notes on Accounting Estimates) in the "Notes to Consolidated Financial statements."

Consolidated statement of income

"Commission for syndicate loans" (¥26 million for the fiscal year under review) which was separately stated under "Non-operating expenses" in the previous fiscal year, is included in "Others" from the fiscal year under review due to its decreased significance.

"Loss on sales of investment securities" (¥2 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 valuation of investment securities" (¥252 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 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: ¥232 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: ¥7,350 million

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

(i) Method of calculation

Fixed assets used for commercial facilities and 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 future cash flows of the assets used for the commercial facilities business are rent standards and occupancy rate for determining NOI, as well as capitalization rate, where certain assumptions are made, for the former two, based on the trend of rent and occupancy rate in the neighboring areas of the assets, while for the latter based on the latest market trend for the group of properties of similar type and size.

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 commercial facilities business and the hotel business for certain period to come.

The commercial facilities business is expected to recover in the fiscal year ending March 31, 2023 or later to the level of demand prior to the outbreak of COVID-19, based on the assumption that the novel coronavirus vaccination in Japan will be complete in the fiscal year ending March 31, 2022.

In reference to the external data such as the demand forecast by an industry association, domestic demand for hotel accommodation is expected to gradually recover in the fiscal year ending March 31, 2022 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 from the latter half of the fiscal year ending March 31, 2023 and thereafter.

(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: ¥265,924 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, ¥320 million in machinery, equipment and vehicles, ¥111 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 ¥6,091 million of investment securities and ¥153 million of time deposits to financial institutions as collateral for borrowings by their investees.

4. Guarantee obligations:

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

Employees	104 million
Dart LLC	1,700 million
Total	1,804 million

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

1. Total number of issued shares as of March 31, 2021

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, 2020	Shares of common stock	5,152	22	March 31, 2020	June 26, 2020
Meeting of the Board of Directors held on November 5, 2020	Shares of common stock	4,173	18	September 30, 2020	December 9, 2020

(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, 2021:

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, 2021	Shares of common stock	Retained earnings	4,056	18	March 31, 2021	June 28, 2021

(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 – 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. 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 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. 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 "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, 2021 (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	104,851	104,851	-
(2)	Trade notes and trade accounts receivable	91,194	91,194	-
(3)	Marketable securities and investment securities:			
	Held-to-maturity bonds	2,020	1,967	(52)
	Investment in shares of affiliates	13,019	17,538	4,519
	Other marketable securities	322,909	322,909	-
	Total assets	533,994	538,460	4,466
(1)	Trade notes and trade accounts payable	34,803	34,803	-
(2)	Electronically recorded obligations - operating	10,530	10,530	-
(3)	Short-term borrowings	6,075	6,075	-
(4)	Bonds	20,000	20,034	34
(5)	Long-term borrowings	258,122	258,425	303
	Total liabilities	329,531	329,869	338

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 based on the price on an exchange or prices announced by financial institutions with business relationships, along with the sum of principal and interest discounted to its present value, by using the interest rate as expected in the similar case of new issuance.

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 (including current portion):

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

(5) 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. 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	123,013
Investment in investment associations	4,707
Others	31,904

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
231,394	274,333

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: ¥ 3,479.47
2. Net income per share: ¥44.31

(Notes on other matters)

Impairment loss

The Group recorded impairment loss on the assets below:

Location	Use	Type	Amount (million yen)
(Urban Development, Hotels & Resorts) The Sankei Building Co., Ltd. Osaka-shi, Osaka and other sites	Business Property	Buildings and structures, land, etc.	5,031
GRANVISTA Hotels & Resorts Co., Ltd Sapporo-shi, Hokkaido and others	Business property	Buildings and structures, construction in progress, etc.	2,206

Note: In addition to the above, the Media & Content recorded ¥33 million of impairment loss and the Urban Development, Hotels & Resorts recorded ¥111 million of impairment loss. The disclosure is omitted due to their insignificance.

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 ¥2,444 million of buildings and structures, ¥11 million of machinery, equipment and vehicles, ¥2,480 million of land, ¥45 million of construction in progress, ¥44 million of "Other tangible fixed assets" under tangible fixed assets and ¥6 million of software. 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 construction in progress related to redevelopment projects that were re-examined due to the impact of COVID-19 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 ¥563 million of buildings and structures, ¥8 million of machinery, equipment and vehicles, ¥100 million of land, ¥1,261 million of construction in progress, ¥265 million of "Other tangible fixed assets" under tangible fixed assets, ¥6 million of software 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 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 valuated 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 valuated 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.

(Notes to non-consolidated balance sheet)

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

Short-term money debts due from associated companies:	¥22,736 million
Long-term money debts due from associated companies:	¥1,870 million
Short-term money debts payable to associated companies:	¥169,673 million
Long-term money debts payable to associated companies:	¥5,481 million

2. Accumulated depreciation of tangible fixed assets: ¥87,752 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:	¥27,182 million
Operating expenses:	¥714 million
Transactions other than ordinary business:	¥173 million

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

Total number of shares of treasury stock as of March 31, 2021:

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	258
Accrued officers' retirement gratuities	223
Valuation losses on investment securities	6,347
Shares of associated affiliates associated with reorganization	11,640
Others	935
Subtotal of deferred tax assets	19,405
Valuation reserve for total of deductible temporary differences and others	(18,360)
Subtotal of valuation reserve	(18,360)
Total deferred tax assets	1,044
(Deferred tax liabilities)	
Shares of associated affiliates associated with reorganization	4,049
Valuation difference on available-for-sale securities	51,476
Others	133
Total deferred tax liabilities	55,659
Net deferred tax liabilities	54,614

(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 directorate	Receipt of rents	4,864	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)

1. Net assets per share: ¥ 2,533.59
2. Net income per share: ¥126.03

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