

(Translation)

Securities Code: 4676

June 1, 2011

To the Shareholders:

NOTICE OF THE 70TH ORDINARY GENERAL MEETING
OF SHAREHOLDERS

Dear Shareholders:

We would like to express our appreciation for your continued good offices.

We offer our heartfelt condolences to all shareholders who have suffered from the Great East Japan Earthquake.

Please take notice that the 70th Ordinary General Meeting of Shareholders of the Company will be held as described below and you are cordially invited to attend the meeting.

Since voting rights can be exercised in writing or via the Internet even if you are not present at the meeting, please go over the Reference Documents for the General Meeting of Shareholders set forth below and exercise your voting rights.

Yours very truly,

Hisashi Hieda,
Chairman and Representative Director (CEO)

Fuji Media Holdings, Inc.

4-8, Daiba 2-chome, Minato-ku, Tokyo

Description

1. Date and hour:

June 29 (Wednesday), 2011, 10:00 a.m.

2. Place:

Hotel Grand Pacific Le Daiba
B1, Palais Royal
6-1, Daiba 2-chome, Minato-ku, Tokyo

3. Matters forming the objects of the meeting:

Matters to be reported:

1. Report on the business report, the consolidated financial statements and the results of audit of the consolidated financial statements by the account auditors and the Board of Statutory Auditors for the 70th fiscal year (from April 1, 2010 to March 31, 2011)
2. Report on the non-consolidated financial statements for the 70th fiscal year (from April 1, 2010 to March 31, 2011)

Matters to be resolved:

- Proposition No. 1: Appropriation of retained earnings
- Proposition No. 2: Election of 14 Directors
- Proposition No. 3: Election of one Statutory Auditor
- Proposition No. 4: Payment of bonuses for officers

4. Exercise of voting rights:

- (1) Exercise of voting rights by sending a written form by mail:

Please return to us by mail the enclosed voting form indicating your approval or disapproval of the propositions no later than 5:30 p.m., Tuesday, June 28, 2011.

- (2) Exercise of voting rights via the Internet:

Please access the website for the exercise of voting rights (<http://www.it-soukai.com/>)

or <https://daiko.mizuho-tb.co.jp/>) specified by the Company and exercise your voting rights for the approval or disapproval of the propositions in accordance with the guidance on the screen, by using the "code for the exercise of voting rights" and the "password" printed in the enclosed voting form, no later than 5:30 p.m., Tuesday, June 28, 2011. When you intend to exercise your voting rights via the Internet, please confirm the "Notice on Exercise of Voting Rights via the Internet" on page 74 and page 75.

The Company also has participated in the "ICJ Platform", a platform for electronic exercise of voting rights for institutional investors operated by ICJ Inc.

(3) Handling of approvals and disapprovals of propositions:

If no approval or disapproval of any of the propositions is indicated upon exercise of the voting rights in a voting form, via the Internet or otherwise, it shall be deemed to be for an approval of the proposition.

(4) Duplicate exercise of voting rights:

(i) If voting rights are exercised both by a voting form and via the Internet or otherwise, the voting rights exercised via the Internet or otherwise shall be treated as effective.

(ii) If voting rights are exercised twice or more by a voting form or via the Internet or otherwise, the latest exercise thereof shall be treated as effective.

(5) Exercise of voting rights by proxy:

If any shareholder exercises his/her voting rights by proxy, the proxy authorized to exercise his/her voting rights must present the enclosed voting form to a receptionist at the place of meeting, together with a document evidencing his/her proxy's power of attorney. The proxy must be another shareholder (being one person) of the Company having voting rights.

(6) Diverse exercise of voting rights:

Any shareholder who intends to exercise his/her voting rights diversely must give notice in writing of such intention and the reason therefor to the Company no later than three days prior to the date specified for this General Meeting of Shareholders.

- END -

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Attention: • In attending the meeting, please present the enclosed voting form to a

receptionist at the place of meeting.

- Notice:
- In the event of the revision of any matter in the Reference Document for the General Meeting of Shareholders, the business report, the consolidated financial statements and the non-consolidated financial statements, a correction will be posted on our website (<http://www.fujimediahd.co.jp/index.html>).
  - Some beverages will be available to the shareholders at the place of meeting.

Contact for inquiries:

Tel (0120) 357-188 (toll-free)

Office hours: 9:30 – 17:30 (not on Saturdays, Sundays and national holidays)

(Attached documents)

## BUSINESS REPORT

(For the period from April 1, 2010 to March 31, 2011)

### **I. Matters concerning the current state of the Fuji Media Holdings Group:**

#### **1. Development and results of business activities:**

The Japanese economy began to pick up during fiscal 2010 (April 1, 2010 to March 31, 2011) on improvement in corporate earnings, an increase in capital expenditures and other factors. The advertising market also continued its recovery centered on spot advertising, driven by major events such as the FIFA World Cup soccer tournament, and government stimulus measures including subsidies for eco-friendly cars and the eco-point system. However, the situation for the Japanese economy turned serious with the Great East Japan Earthquake that occurred in March 2011, with damage at production facilities of manufacturers based in eastern Japan, power shortages, and a cooling of individual spending as consumers adopted a temperament of self-control. The Fuji Media Holdings Group was also affected extensively by the disaster, as advertisement broadcasts were cut during the special news programs immediately following the catastrophe, and many events were cancelled or postponed. However, performance in the subject fiscal year had been positive up to that point, and we were able to limit the overall impact on earnings through management efforts.

Amid this economic environment, the Fuji Media Holdings Group posted consolidated net sales of ¥589,671 million for the subject fiscal year, up 1.0% from the previous fiscal year. Revenue was down slightly in the mainstay Broadcasting segment, but rose in the Video and Music segment, and in the Life Information segment.

Operating income rose 184.0% from the previous fiscal year to ¥26,351 million, due mainly to significant increases in the Broadcasting segment and the Video and Music segment, and the securing of profitability in the Life Information segment and the Other segment. Recurring profit rose 144.3% to ¥29,460 million, with net income up 34.1% to ¥10,002 million.

Results by operating segment are as follows:

|                  | Net sales                                                             |                                                                       |                                                | Segment operating income (loss)                                       |                                                                       |                                                |
|------------------|-----------------------------------------------------------------------|-----------------------------------------------------------------------|------------------------------------------------|-----------------------------------------------------------------------|-----------------------------------------------------------------------|------------------------------------------------|
|                  | 69th fiscal year<br>April 1, 2009 -<br>Mar. 31, 2010<br>(million yen) | 70th fiscal year<br>April 1, 2010 -<br>Mar. 31, 2011<br>(million yen) | Comparison<br>with the<br>previous year<br>(%) | 69th fiscal year<br>April 1, 2009 -<br>Mar. 31, 2010<br>(million yen) | 70th fiscal year<br>April 1, 2010 -<br>Mar. 31, 2011<br>(million yen) | Comparison<br>with the<br>previous year<br>(%) |
| Broadcasting     | 348,076                                                               | 347,456                                                               | - 0.2                                          | 9,992                                                                 | 22,145                                                                | 121.6                                          |
| Production       | 43,939                                                                | 44,634                                                                | 1.6                                            | 1,517                                                                 | 1,826                                                                 | 20.4                                           |
| Video and Music  | 62,375                                                                | 66,932                                                                | 7.3                                            | 427                                                                   | 2,768                                                                 | 547.2                                          |
| Life Information | 119,855                                                               | 127,411                                                               | 6.3                                            | (139)                                                                 | 472                                                                   | -                                              |
| Advertising      | 46,149                                                                | 42,161                                                                | - 8.6                                          | (291)                                                                 | (80)                                                                  | -                                              |
| Other            | 29,490                                                                | 27,333                                                                | - 7.3                                          | (29)                                                                  | 685                                                                   | -                                              |
| Eliminations     | (66,043)                                                              | (66,257)                                                              | -                                              | (2,198)                                                               | (1,466)                                                               | -                                              |
| Total            | 583,843                                                               | 589,671                                                               | 1.0                                            | 9,279                                                                 | 26,351                                                                | 184.0                                          |

### <Broadcasting>

The Broadcasting segment comprises the earnings of two companies, Fuji Television Network, Inc. which is responsible for the Television Broadcasting division, and Nippon Broadcasting System, Inc., which handles the Radio Broadcasting division.

In the Television Broadcasting division, net sales rose 0.3% year on year to ¥328,264 million.

Fuji Television Network achieved a "triple crown" in viewer ratings for the seventh consecutive year, with broad viewer support allowing it to capture the top position for ratings in the "golden time" (19:00-22:00), prime time (19:00-23:00), and all day (06:00-24:00) slots. In the advertising market, advertisers began to regain their enthusiasm for making placements, bolstered by the gentle economic recovery and improvement in corporate earnings. Despite the impact from the Great East Japan Earthquake that occurred in March, revenues from television broadcasting, the main source of sales in broadcasting operations, rose for the first time in five years, increasing 1.0% year on year to ¥246,810 million.

Network time advertising sales (time advertising for nationwide broadcasts) declined 4.8% year on year to ¥111,939 million. The trend from the previous fiscal year for sponsors to curb fixed costs continued during the subject fiscal year, and average fees for regular program sponsorship declined year on year for both the April and October new programming seasons. One-off programming sales, however, rose from the previous fiscal year as a consequence of such major events as the Running in the Family special and the 2010 FIFA World Cup soccer tournament.

Local time advertising sales for broadcasts in the Kanto region declined 9.5% from the previous fiscal year to ¥15,500 million. The rate of decline in ad fees for regular programming slowed, but the downward trend continued. The rise in one-off programming sales was boosted considerably by the Super GT Complete auto race, and

sales for year-end specials were also comparatively robust.

Spot advertising sales rose 8.8% from the previous fiscal year to ¥119,370 million. Monthly sales rose in each month year on year as a result of the brisk market for spot advertising. By industry category, year-on-year spending was up sharply in the "Autos" category on expanded placements related to tax reductions and subsidies for eco-friendly cars, the "Telecommunication" and "Office/Precision/Optical equipment" categories as a consequence of the growing market for communication devices and smart phones, and in the "Apparel/Accessories" category on the popularity of low-priced clothing and the mail order business. However, spending on "Beverage (alcoholic)" was down, centered on beer and sparkling liquor.

Revenues from other broadcasting business declined 2.1% year on year to ¥31,680 million, due mainly to a decrease in program sales income, which offset a rise in communication satellite (CS) broadcasting income.

Revenue from other businesses division decreased 1.6% from the previous fiscal year to ¥49,774 million. In the movie business, revenue rose sharply as *The Last Message Umizaru* and *Bayside Shakedown 3* were the top two live-action Japanese films of 2010, along with such major hits as *SP The Motion Picture: Ambition* and *Nodame Cantabile Finale Part 2*. The digital content business, including the "Fuji TV on Demand" fee-based transmission service, recorded an increase in revenue. The video business posted a decline as a result of the contracting market and other factors, despite the popularity of such titles as *The Great Queen Seondeok*, *Saigo no Yakusoku*, and *Komakasugite Tsutawaranai Monomane Senshuken*. Revenue was also down in the event business, as solid results from shows such as "Walking with Dinosaurs," "Luna Regalo" and "Cirque du Soleil's KOOZA" failed to match revenue from "Corteo" in the previous fiscal year.

In terms of expenses, cost of sales was reduced through effective cost controls in program production and other areas, while selling, general and administrative (SG&A) expenses, despite an increase in agency fees stemming from greater broadcast revenue, also declined as a result of curbs on promotional expenses and other costs. As a result, operating expenses in the Television Broadcasting division declined from the previous fiscal year, and earnings rose considerably.

In the Radio Broadcasting division, net sales decreased 7.8% year on year to ¥19,209 million, as broadcasting revenue declined in response to the slump in radio advertising. In terms of expenses, operating expenses declined as a result of lower agency fees, along with cost cutting in such areas as program production and SG&A expenses, but this was not enough to compensate for the decline in sales revenue.

For the Broadcasting segment overall, net sales declined 0.2% from the previous fiscal year to ¥347,456 million, though operating income rose considerably, up 121.6% to ¥22,145 million.

A breakdown of net sales of the Broadcasting segment is as follows:

|                               | 69th fiscal year<br>April 1, 2009 -<br>Mar. 31, 2010<br>(million yen) | 70th fiscal year<br>April 1, 2010 -<br>Mar. 31, 2011<br>(million yen) | Comparison<br>with the<br>previous year<br>(%) |
|-------------------------------|-----------------------------------------------------------------------|-----------------------------------------------------------------------|------------------------------------------------|
| Television broadcasting       |                                                                       |                                                                       |                                                |
| Broadcasting operations       | 276,758                                                               | 278,490                                                               | 0.6                                            |
| Broadcasting                  | 244,406                                                               | 246,810                                                               | 1.0                                            |
| Network time                  | 117,598                                                               | 111,939                                                               | - 4.8                                          |
| Local time                    | 17,121                                                                | 15,500                                                                | - 9.5                                          |
| Spot                          | 109,686                                                               | 119,370                                                               | 8.8                                            |
| Broadcasting related business | 32,352                                                                | 31,680                                                                | - 2.1                                          |
| Other operations              | 50,601                                                                | 49,774                                                                | - 1.6                                          |
| Subtotal                      | 327,359                                                               | 328,264                                                               | 0.3                                            |
| Radio broadcasting            | 20,834                                                                | 19,209                                                                | - 7.8                                          |
| Elimination in the segment    | (117)                                                                 | (18)                                                                  | -                                              |
| Total                         | 348,076                                                               | 347,456                                                               | - 0.2                                          |

### <Production >

The Production segment comprises subsidiaries responsible for program production, engineering, set design and other activities. Net sales in this segment rose 1.6% from the previous fiscal year to ¥44,634 million, as a result of orders related to major one-off programs, serial dramas and other programs. Operating income, as a result of efforts to lower the cost rate and trim SG&A expenses, increased 20.4% from the previous fiscal year to ¥1,826 million.

### <Video and Music>

Pony Canyon, Inc. recorded a substantial increase overall in both revenue and earnings. The music division recorded an increase in sales as music from the animated feature K-ON!!, the AKB offshoot Watarirokahashiritai, and aiko's first greatest hits album reached the upper ranks of the hit chart. The movie division also posted revenue gains from hits such as One Piece Film – Strong World and Bayside Shakedown 3, along with the Korean dramas The Great Queen Seondeok and Brilliant Legacy.

Fujipacific Music Inc., despite contributions to revenue from titles related to the Hexagon series for which it owns the master rights, hits from artist Superfly, and titles related to the popular AKB group, posted declines in both revenue and earnings due to a decline in royalty income from commercials and DVDs.

As a result, net sales in the Video and Music segment overall rose 7.3% from the previous fiscal year to ¥66,932 million, with a considerable increase in operating income, up 547.2% to ¥2,768 million.

### <Life Information>

Dinos Inc.'s catalogue shopping revenue was on a par with that of the previous fiscal year on the popularity of fashion items, but television shopping was down as sluggish growth

for the weekday morning program Iimono Premium was further hampered by the cessation of broadcasts following the Great East Japan Earthquake, and Dinos's net sales declined overall. Operating income, however, rose year on year as a result of successful efforts to curb expenses in such areas as catalogue production, logistics and shipping costs.

Cecile Co., Ltd., which was made a consolidated subsidiary from the second quarter of the previous fiscal year, contributed to revenues on a full-year basis in the subject fiscal year. In terms of earnings, Cecile posted a considerable increase in operating income as a result of improvement in its cost rate due to the strong yen, along with cost cuts in such areas as catalogue production and logistics.

Sankei Living Shimbun Inc. recorded a decline in advertising revenue from its mainstay publications Living Shimbun and City Living, along with a decrease in operating income despite cost cutting efforts centered on printing and paper expenses.

As a result, net sales in the Life Information segment rose 6.3% from the previous fiscal year to ¥127,411 million, while operating income improved by ¥611 million from an operating loss in the previous fiscal year to ¥472 million.

#### <Advertising>

Quaras Inc. posted an increase in revenue on greater advertising volume for its mainstay television and newspapers, stemming from its assumption in October 2010 of all media buying operations from its subsidiary Kyodo Advertising Co., Ltd. Earnings improved on efforts to cut SG&A expenses.

Kyodo Advertising Co., Ltd. posted a decline in revenue as a result of a falloff in ad placements, along with the closure of regional and branch offices in an effort to enhance operational efficiencies. The company's operating loss narrowed from the previous fiscal year on reductions in personnel expenses and other costs.

As a result, net sales in the Advertising segment decreased 8.6% from the previous fiscal year to ¥42,161 million, with the segment's operating loss improved by ¥211 million from the previous fiscal year to ¥80 million.

#### <Other>

Fujimic, Inc. recorded a revenue decrease on declines in orders for IT system development, but earnings rose on a lowering of the cost rate and efforts to curb administrative expenses. Fusosha Publishing, Inc., despite the success of the book Momu-chan Diet Premium, posted a decline in revenue on falls in both sales and advertising income centered on regularly published magazines, amid the ongoing slump in the publishing industry. In terms of earnings, however, Fusosha registered a surplus for the first time in five fiscal years as a result of cuts in editing expenses, production costs such as binding, and administrative overhead. Other companies recorded steady earnings.

As a result, net sales in the Other segment overall declined 7.3% from the previous fiscal

year to ¥27,333 million, though operating income improved by ¥715 million from an operating loss in the previous fiscal year to ¥685 million.

#### Equity-Method Affiliates

Fuji Satellite Broadcasting, Inc. (BS Fuji) posted increases in both revenue and earnings amid recovery in the advertising market, boosted by sales for its signature program BS Fuji Live Prime News, and special programs to commemorate the tenth anniversary of the station. Nihon Eiga Satellite Broadcasting Corporation, a pay-TV provider, registered an increase in both revenue and earnings on steady sales growth centered on the SKY PerfecTV! e2 service and cable television. Sankei Building Co., Ltd. delivered strong results as its mainstay building business and housing business showed steady performance and its property development business registered an increase in revenue.

Results from equity-method affiliates were comparatively strong overall, but due to the absence of amortization of negative goodwill recorded until the previous fiscal year, equity in earnings of affiliates decreased ¥837 million from the previous fiscal year to ¥734 million.

## **2. Capital investment:**

Capital investment during the fiscal year under review totaled ¥10,184 million, which was spent principally on the terrestrial digital broadcasting-related equipment in the TV broadcasting business.

## **3. Issues to be addressed:**

Following the Great East Japan Earthquake, Fuji Media Holdings Group companies Fuji Television Network, Fuji Satellite Broadcasting and Nippon Broadcasting System programmed more than 60 hours of special news programs free of any advertising broadcasts. The Fuji Media Holdings Group, under its certified broadcast holding company structure, and as a core media outlet, deeply recognizes its public mission and societal responsibility to maintain emergency disaster broadcasts and other lifeline functions, and to provide responsible information. We will continue to strive to meet the expectations of citizens and viewers.

The outlook for the Japanese economy is increasingly uncertain in the wake of the Great East Japan Earthquake, and there will be an inevitable impact on the advertising expenditures that are the main source of income for the Group. Fuji Media Holdings will optimize distribution of management resources within the Group and restructure businesses, thoroughly implement effective capital investment and cost reductions for the Group as a whole, and strengthen the underlying corporate structure in order to secure earnings in a difficult business environment.

In the Broadcast business, Fuji Television Network achieved a "triple crown" in viewer ratings for the seventh consecutive year. The trust and support of viewers with regard to programming is the foundation of the broadcasting business, and exceptional content is the source of earnings for the entire corporate group now and into the future. We will continue to focus on maximizing our ability to improve the quality of programs and enhance our

program producing and scheduling capabilities. In addition, we will enhance the agility of our sales activities, work to secure advertising revenue, and more efficiently and effectively utilize program production and other expenditures in order to secure earnings.

Fuji Satellite Broadcasting (BS Fuji), which became a wholly-owned subsidiary in April 2011, has shown strong growth in advertising revenue as the value of the media has risen, and has posted a new profit for five consecutive fiscal years since fiscal 2006. The Fuji Media Holdings Group, while maintaining its focus on terrestrial free commercial broadcasts, will organically combine the free commercial broadcasts on the broadcast satellite (BS) network and the fee-based broadcasts on the communication satellite (CS) network, and effectively manage the three services as a single whole.

In addition, we will conduct extensive publicity campaigns for terrestrial digital broadcasts and make other efforts to help ensure a smooth transition to digital broadcasts, as well as to offer data broadcasts and other viewer services and enhance our value as a commercial media. Considering the need for special consideration in the areas affected by the Great East Japan Earthquake, the Fuji Media Holdings Group will take necessary steps in conjunction with Fuji Network System stations and relevant organizations.

In the Video and Music business, under the leadership of Pony Canyon, we will deepen the cooperative structure between relevant companies and Fuji Television Network, and work to strengthen our lineup of video and music titles. While closely watching the impact the earthquake has on the business environment, including the restoration of distribution networks in the disaster areas, we will implement sales strategies appropriate to circumstances.

In the Life Information business, the effects of the earthquake have made it difficult to anticipate trends in consumer spending. We will pursue further ties between Dinos and Cecile, and implement effective measures by combining the two companies, including strengthening product development to secure earnings, enhancing their ability to appeal to customers, and cutting costs.

Today's business environment for media is constantly changing with diversification in the tools used to enjoy video, such as smart phones and tablet PCs. The Fuji Media Holdings Group will pursue a multifaceted approach to business development based on its solid content creation abilities, and achieve growth in the digital communications field, including online video distribution, games business, and Internet sales.

The Fuji Media Holdings Group, through its core terrestrial television broadcasting, and a wide variety of genres including movies, events, video, music and life information, will contribute to the revitalization of the disaster areas and the whole of Japan, as well as the renaissance of a spiritually affluent society. We will also continue, with the support of our shareholders and investors, to enhance competitiveness in order to secure stable earnings and achieve sustainable growth.

#### **4. Changes in property and income and loss:**

| Item                              | 67th fiscal year<br>April 1, 2007 -<br>Mar. 31, 2008 | 68th fiscal year<br>April 1, 2008 -<br>Mar. 31, 2009 | 69th fiscal year<br>April 1, 2009 -<br>Mar. 31, 2010 | 70th fiscal year<br>(current year)<br>April 1, 2010 -<br>Mar. 31, 2011 |
|-----------------------------------|------------------------------------------------------|------------------------------------------------------|------------------------------------------------------|------------------------------------------------------------------------|
| Net sales<br>(million yen)        | 575,484                                              | 563,320                                              | 583,843                                              | 589,671                                                                |
| Operating income<br>(million yen) | 24,372                                               | 19,830                                               | 9,279                                                | 26,351                                                                 |
| Recurring profit<br>(million yen) | 27,056                                               | 22,365                                               | 12,060                                               | 29,460                                                                 |
| Net income<br>(million yen)       | 15,770                                               | 16,567                                               | 7,459                                                | 10,002                                                                 |
| Net income per share (yen)        | 6,847.60                                             | 7,193.40                                             | 3,238.69                                             | 4,342.98                                                               |
| Total assets<br>(million yen)     | 677,000                                              | 683,523                                              | 753,191                                              | 723,789                                                                |
| Net assets<br>(million yen)       | 456,077                                              | 453,395                                              | 464,187                                              | 461,631                                                                |
| Net assets per share (yen)        | 195,967.51                                           | 194,864.16                                           | 199,432.99                                           | 198,377.85                                                             |

67th fiscal year:

On a consolidated basis, net sales decreased as revenues from core television broadcasting decreased while the advertising market remained uncertain and revenues from direct marketing business and video and music business leveled off. Operating income, recurring profit and net income decreased substantially.

68th fiscal year:

On a consolidated basis, net sales decreased as revenues from core television broadcasting decreased while the advertising market cooled, with a majority of companies scaling back their advertising budgets. Consequently, operating income and recurring profit decreased. However, net income increased as the Company recorded a settlement package received from LDH Corporation as an extraordinary gain.

69th fiscal year:

The sales climate for the advertising market remained tight partly due to its structural changes and revenues from core Broadcasting business and Video and Music business declined. However, due to an increase of consolidated subsidiaries, net sales increased on a consolidated basis. As to earnings, due to decreased revenues from Broadcasting business and Video and Music business, operating income, recurring profit and net income decreased.

70th fiscal year (current year):

As described in "1. Development and results of business activities"

## 5. State of major subsidiaries:

(1) State of major subsidiaries:

| Name                          | Capital stock<br>(million yen) | Ratio of equity<br>participation<br>(%) | Principal business       |
|-------------------------------|--------------------------------|-----------------------------------------|--------------------------|
| Fuji Television Network, Inc. | 8,800                          | 100.0                                   | TV broadcasting business |

| Name                                | Capital stock<br>(million yen) | Ratio of equity<br>participation<br>(%) | Principal business                              |
|-------------------------------------|--------------------------------|-----------------------------------------|-------------------------------------------------|
| Nippon Broadcasting System,<br>Inc. | 480                            | 100.0                                   | Radio broadcasting business                     |
| Pony Canyon Inc.                    | 1,200                          | 100.0                                   | Production and sale of audio<br>/video software |
| Dinos Inc.                          | 2,000                          | 100.0                                   | Direct marketing business                       |
| Cecile Co., Ltd.                    | 2,000                          | 100.0                                   | Direct marketing business                       |

(2) Development and results of business combinations:

Cecile Logistics Co., Ltd., a consolidated subsidiary of the Company, was merged by Cecile Co., Ltd., another consolidated subsidiary of the Company, as of April 1, 2010 and ceased to be a consolidated subsidiary.

As of April 1, 2010, by a joint share transfer, Dinos Inc. and Cecile Co., Ltd., consolidated subsidiaries of the Company, newly incorporated Fuji Direct Marketing Inc., which has become a consolidated subsidiary of the Company.

As a result, the Company had 34 consolidated subsidiaries, including the above five major subsidiaries and 13 equity-method companies for the fiscal year under review.

**6. Major businesses:**

The Group's major activities are broadcasting as prescribed by Japan's Broadcasting Law and other laws; planning, production, engineering and relay operations involving programs for broadcast; video and music, life information, including direct marketing and paper publishing; advertising and others, as well as services related to each of these businesses.

The Group's segments and the business of each segment are shown below:

| Segment name     | Business                                                                                    |
|------------------|---------------------------------------------------------------------------------------------|
| Broadcasting     | TV broadcasting business and radio broadcasting business                                    |
| Production       | Planning, production, engineering, relay operations and other businesses for TV programming |
| Video and Music  | Production and sale of audio and video software, etc., management of music copyrights, etc. |
| Life Information | Direct marketing, publishing of newspaper, etc.                                             |
| Advertising      | Advertising, etc.                                                                           |
| Other            | Publishing, temporary agency services, leasing of movables, software development, etc.      |

**7. Principal business offices:**

(1) Principal business office of the Company

Head office: Minato-ku, Tokyo

(2) Principal business offices (head offices) of subsidiaries

Fuji Television Network, Inc. Minato-ku, Tokyo

Nippon Broadcasting System, Inc. Chiyoda-ku, Tokyo

Pony Canyon Inc. Minato-ku, Tokyo

Dinos Inc. Nakano-ku, Tokyo

Cecile Co., Ltd. Takamatsu City, Kagawa

**8. State of employees:**

| Segment name     | Number of employees | Comparison with the end of the previous year |
|------------------|---------------------|----------------------------------------------|
| Broadcasting     | 1,613               | + 4                                          |
| Production       | 1,253               | + 14                                         |
| Video and Music  | 491                 | - 6                                          |
| Life Information | 1,556               | - 10                                         |
| Advertising      | 383                 | - 130                                        |
| Other            | 560                 | - 5                                          |
| All-company      | 27                  | + 3                                          |
| Total            | 5,883               | - 130                                        |

Note The number of employees represents the number of persons actually at work.

**9. Principal lenders:**

| Lender                                 | Balance of borrowings (million yen) |
|----------------------------------------|-------------------------------------|
| The Bank of Tokyo-Mitsubishi UFJ, Ltd. | 1,927                               |
| Sumitomo Mitsui Banking Corporation    | 1,275                               |
| Mizuho Corporate Bank, Ltd.            | 1,100                               |
| Development Bank of Japan              | 1,000                               |
| Resona Bank, Limited                   | 640                                 |
| The Kagawa Bank, Ltd.                  | 500                                 |

## II. Matters concerning the shares of the Company

- 1. Total number of issued shares:** 2,364,298 shares  
(including 61,202 shares of treasury stock)
- 2. Number of shareholders:** 66,589 persons
- 3. Principal shareholders:**

| Name of shareholder                                                                     | Number of shares (shares) | Ratio of equity participation (%) |
|-----------------------------------------------------------------------------------------|---------------------------|-----------------------------------|
| Toho Co., Ltd.                                                                          | 183,221                   | 7.96                              |
| Japan Trustee Services Bank, Ltd. (Trust Account)                                       | 110,550                   | 4.80                              |
| The Master Trust Bank of Japan, Ltd. (Trust Account)                                    | 100,872                   | 4.38                              |
| CB New York ORBIS Funds                                                                 | 96,341                    | 4.18                              |
| Nippon Cultural Broadcasting, Inc.                                                      | 77,920                    | 3.38                              |
| NTT DOCOMO Co., Ltd.                                                                    | 77,000                    | 3.34                              |
| Kansai Telecasting Corporation                                                          | 54,461                    | 2.36                              |
| The Master Trust Bank of Japan, Ltd. (Retirement Benefit Trust Account for Dentsu Inc.) | 46,500                    | 2.02                              |
| YAKULT HONSHA CO., LTD.                                                                 | 39,690                    | 1.72                              |
| CB New York ORBIS SICRV                                                                 | 39,558                    | 1.72                              |

Note 1. In addition to the above, the Company holds 61,202 shares of treasury stock.

Note 2. The ratio of equity participation represents the ratio of the number of shares held to the total number of issued shares, excluding shares of treasury stock.

### 4. Other important matters concerning shares:

As of April 1, 2011, a share exchange was made to make the Company a wholly owning parent company and Fuji Satellite Broadcasting, Inc. a wholly owned subsidiary. In the share exchange, the Company allocated and delivered 38,850 shares of common stock out of its treasury stock. As a result, the Company holds 22,352 shares of treasury stock. The ratio of 38,850 shares of common stock delivered in the share exchange to the total number of issued shares excluding shares of treasury stock is 1.66%.

The Company, at the meeting of its Board of Directors held on March 31, 2011, determined to grant voting rights relating to the 70th Ordinary General Meeting of Shareholders to be held on June 29, 2011 to any person who acquired the shares in the share exchange after the record date for the 70th Ordinary General Meeting of Shareholders.

### III. Matters concerning the officers of the Company

#### 1. Names of Directors and Statutory Auditors, etc.:

(As of March 31, 2011)

| Position                                    | Business in charge                                                                                       | Name            | Important concurrent office                                                                                                                                                                                                                                                                                                                                          |
|---------------------------------------------|----------------------------------------------------------------------------------------------------------|-----------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Chairman and Representative Director (CEO)  |                                                                                                          | Hisashi Hieda   | Chairman and Representative Director, Fuji Television Network, Inc.<br>Director and Adviser, Sankei Shimbun Co., Ltd.<br>Director, Sankei Building Co., Ltd.<br>Director, Kansai Telecasting Corporation<br>Director, Tokai Television Broadcasting Co., Ltd.<br>Director, Television Nishi Nippon Corporation<br>Director, Hokkaido Cultural Broadcasting Co., Ltd. |
| President and Representative Director (COO) |                                                                                                          | Kou Toyoda      | President and Representative Director, Fuji Television Network, Inc.                                                                                                                                                                                                                                                                                                 |
| Executive Vice President                    | General Administration; Secretary's Office, Corporate Social Responsibility Office and Compliance Office | Hideaki Ohta    | Senior Managing Director, Fuji Television Network, Inc.<br>Director, Sankei Shimbun Co., Ltd.<br>Director, Sankei Living Shimbun Inc.<br>Director, Hokkaido Cultural Broadcasting Co., Ltd.                                                                                                                                                                          |
| Senior Executive Managing Director          | Finance                                                                                                  | Shuji Kanoh     | Managing Director, Fuji Television Network, Inc.<br>Director, Nippon Broadcasting System, Inc.<br>Statutory Auditor, Sankei Shimbun Co., Ltd.<br>Statutory Auditor, Sankei Building Co., Ltd.<br>Director, Kansai Telecasting Corporation<br>Statutory Auditor, TSS-TV Co., Ltd.                                                                                     |
| Senior Executive Managing Director          | Corporate Planning                                                                                       | Kazunobu Iijima | Managing Director, Fuji Television Network, Inc.<br>Director, WOWOW Inc.<br>Director, SKY Perfect JSAT Holdings Inc.                                                                                                                                                                                                                                                 |
| Director                                    | General Affairs, Human Resources and Public Relation Office                                              | Ryunosuke Endo  | Managing Director, Fuji Television Network, Inc.                                                                                                                                                                                                                                                                                                                     |
| Director                                    |                                                                                                          | Katsuaki Suzuki | Managing Director, Fuji Television Network, Inc.<br>Director, Sankei Living Shimbun Inc.<br>Director, Pony Canyon Inc.<br>Director, Dinos Inc.<br>Director, International Television Films, Inc.                                                                                                                                                                     |
| Director                                    |                                                                                                          | Koji Inaki      | Director, Fuji Television Network, Inc.<br>Director, Sankei Living Shimbun Inc.                                                                                                                                                                                                                                                                                      |
| Director                                    |                                                                                                          | Isao Matsuoka   | Honorary Chairman, TOHO Co., Ltd.                                                                                                                                                                                                                                                                                                                                    |

| Position                    | Business in charge | Name              | Important concurrent office                                                                                                                      |
|-----------------------------|--------------------|-------------------|--------------------------------------------------------------------------------------------------------------------------------------------------|
|                             |                    |                   | Director, Fuji Television Network, Inc.                                                                                                          |
| Director                    |                    | Akihiro Miki      | President and Representative Director, Nippon Cultural Broadcasting, Inc.<br>Director, Fuji Television Network, Inc.                             |
| Director                    |                    | Taizan Ishiguro   | Chairman and Representative Director, Tokai Television Broadcasting Co., Ltd.<br>Director, Fuji Television Network, Inc.                         |
| Director                    |                    | Masafumi Yokota   | Chairman and Representative Director, Kansai Telecasting Corporation<br>Director, Fuji Television Network, Inc.                                  |
| Director                    |                    | Kazuo Terasaki    | President and Representative Director, Television Nishi Nippon Corporation<br>Director, Fuji Television Network, Inc.                            |
| Director                    |                    | Takehiko Kiyohara | Chairman and Representative Director, Sankei Shimbun Co., Ltd.<br>Director, Fuji Television Network, Inc.<br>Director, Sankei Building Co., Ltd. |
| Full-time Statutory Auditor |                    | Kiyoshi Onoe      | Statutory Auditor, Fuji Television Network, Inc.                                                                                                 |
| Full-time Statutory Auditor |                    | Hiroshi Seta      | Statutory Auditor, Fuji Television Network, Inc.                                                                                                 |
| Statutory Auditor           |                    | Yuzaburo Mogi     | Chairman and Representative Director, Kikkoman Corporation<br>Statutory Auditor, Fuji Television Network, Inc.                                   |
| Statutory Auditor           |                    | Naoya Minami      | Adviser, Tokyo Electric Power Company, Incorporated<br>Statutory Auditor, Fuji Television Network, Inc.                                          |
| Statutory Auditor           |                    | Takayasu Okushima | Chairman, Japan High School Baseball Federation<br>Statutory Auditor, Fuji Television Network, Inc.                                              |

Note 1. Directors Messrs. Isao Matsuoka, Akihiro Miki, Taizan Ishiguro, Masafumi Yokota, Kazuo Terasaki and Takehiko Kiyohara are outside directors as provided for in Article 2, item 15 of the Corporation Law.

Note 2. Statutory Auditors Messrs. Yuzaburo Mogi, Naoya Minami and Takayasu Okushima are outside statutory auditors as provided for in Article 2, item 16 of the Corporation Law.

Note 3. Directors Messrs. Isao Matsuoka and Akihiro Miki and Statutory Auditors Messrs. Yuzaburo Mogi, Naoya Minami and Takayasu Okushima has been registered with the Tokyo Stock Exchange as independent officers.

Note 4. Statutory Auditor Mr. Yuzaburo Mogi, who has built up his experience in accounting at Kikkoman Corporation, has considerable knowledge of financing and accounting.

Note 5. Statutory Auditor Mr. Naoya Minami, who has built up his experience in accounting at Tokyo Electric Power Company, Incorporated, has considerable knowledge of financing and accounting.

## 2. Amount of remuneration, etc. of Directors and Statutory Auditors:

|                     |    |              |                             |   |              |
|---------------------|----|--------------|-----------------------------|---|--------------|
| Director            | 19 | ¥355 million | (Outside Directors          | 6 | ¥27 million) |
| Statutory Auditors: | 5  | ¥55 million  | (Outside Statutory Auditors | 3 | ¥13 million) |

Note 1. The maximum amounts of remuneration of officers pursuant to the resolution of the General Meeting of Shareholders are ¥960 million per annum for Directors and ¥180 million per annum for Statutory Auditors (as resolved at the 46th Ordinary General Meeting of Shareholders held on June 25, 1987).

Note 2. The above-listed amount of remuneration, etc. includes ¥19 million of bonuses for officers (¥16 million for the Directors and ¥3 million for the Statutory Auditors) to be resolved at the 70th Ordinary General Meeting of Shareholders.

Note 3. In addition to the above amount of remuneration, etc., the amount of remuneration, etc. received by the outside officers from the subsidiaries of the Company for the fiscal year under review was ¥42 million.

## 3. Matters concerning outside officers:

(1) State of important concurrent offices of managing directors, etc. of other corporations and the relationships between the Company and such other corporations:

Director Mr. Isao Matsuoka is concurrently serving as Honorary Chairman of Toho Co., Ltd., which has no specific relation of interest with the Company.

Director Mr. Akihiro Miki is concurrently serving as President and Representative Director of Nippon Cultural Broadcasting, Inc., which has no specific relation of interest with the Company.

Director Mr. Taizan Ishiguro is concurrently serving as Chairman and Representative Director of Tokai Television Broadcasting Co., Ltd., which has no specific relation of interest with the Company.

Director Mr. Masafumi Yokota is concurrently serving as Chairman and Representative Director of Kansai Telecasting Corporation, which has no specific relation of interest with the Company.

Director Mr. Kazuo Terasaki is concurrently serving as President and Representative Director of Television Nishi Nippon Corporation, which has no specific relation of interest with the Company.

Director Mr. Takehiko Kiyohara is concurrently serving as Chairman and Representative Director of Sankei Shimbun Co., Ltd., which is an equity-method

affiliate of the Company.

Statutory Auditor Mr. Yuzaburo Mogi is concurrently serving as Chairman and Representative Director of Kikkoman Corporation, which has no specific relation of interest with the Company.

Statutory Auditor Mr. Naoya Minami is concurrently serving as Adviser of Tokyo Electric Power Company, Incorporated, which has no specific relation of interest with the Company.

Statutory Auditor Mr. Takayasu Okushima is concurrently serving as Chairman of Japan High School Baseball Federation, which has no specific relation of interest with the Company.

- (2) State of important concurrent offices of outside officers, etc. of other corporations and the relationships between the Company and such other corporations:

Directors Messrs. Isao Matsuoka, Akihiro Miki, Taizan Ishiguro, Masafumi Yokota and Kazuo Terasaki are concurrently serving as outside Directors of Fuji Television Network, Inc.

Director Mr. Takehiko Kiyohara is concurrently serving as outside Director of Fuji Television Network, Inc. and Sankei Building Co., Ltd., respectively.

Statutory Auditors Messrs. Yuzaburo Mogi, Naoya Minami and Takayasu Okushima are concurrently serving as outside Statutory Auditors of Fuji Television Network, Inc.

Fuji Television Network, Inc. is a consolidated subsidiary of the Company.

Sankei Building Co., Ltd. is an equity-method affiliate of the Company.

- (3) Relationship with major trading partners and other businesses having specific relationships with the Company:

Director Mr. Takehiko Kiyohara is a relative within the third degree of relationship by blood with an employee of the Company's consolidated subsidiary Fuji Television Network, Inc.

(4) Major activities during the fiscal year under review:

| Name                               | Attendance and speech                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
|------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Director Isao Matsuoka             | Mr. Matsuoka attended and spoke at six of the 11 meetings of the Board of Directors held during the fiscal year under review and at and outside of such meetings, presented advice and recommendations based on his wide experience and expertise as representative director of a listed movie and drama business corporation.                                                                                                                                           |
| Director Akihiro Miki              | Mr. Miki attended and spoke at eight of the 11 meetings of the Board of Directors held during the fiscal year under review and at and outside of such meetings, presented advice and recommendations based on his wide experience and expertise as representative director of a radio broadcasting business corporation.                                                                                                                                                 |
| Director Taizan Ishiguro           | Mr. Ishiguro attended and spoke at all of the 11 meetings of the Board of Directors held during the fiscal year under review and at and outside of such meetings, presented advice and recommendations based on his wide experience and expertise as representative director of a TV broadcasting business corporation.                                                                                                                                                  |
| Director Masafumi Yokota           | Mr. Yokota attended and spoke at all of the 11 meetings of the Board of Directors held during the fiscal year under review and at and outside of such meetings, presented advice and recommendations based on his wide experience and expertise as representative director of a TV broadcasting business corporation.                                                                                                                                                    |
| Director Kazuo Terasaki            | Mr. Terasaki attended and spoke at seven of the nine meetings of the Board of Directors held during the fiscal year under review after he assumed office and at and outside of such meetings, presented advice and recommendations based on his wide experience and expertise as representative director of a TV broadcasting business corporation.                                                                                                                      |
| Director Takehiko Kiyohara         | Mr. Kiyohara attended and spoke at ten of the 11 meetings of the Board of Directors held during the fiscal year under review and at and outside of such meetings, presented advice and recommendations based on his wide experience and expertise as representative director of a newspaper business corporation.                                                                                                                                                        |
| Statutory Auditor<br>Yuzaburo Mogi | Mr. Mogi attended and spoke at six of the 11 meetings of the Board of Directors and three of the six meetings of the Board of Statutory Auditors held during the fiscal year under review and at and outside of such meetings, conducted audits to secure the appropriateness of the execution by the Directors of their duties, and presented advice and recommendations based on his wide experience and expertise as representative director of a listed corporation. |
| Statutory Auditor<br>Naoya Minami  | Mr. Minami attended and spoke at ten of the 11 meetings of the Board of Directors and five of the six meetings of the Board of Statutory Auditors held during the fiscal year under review and at and outside of such meetings, conducted audits to secure the appropriateness of the execution by the Directors of their duties, and presented advice and recommendations based on his wide                                                                             |

| Name                                   | Attendance and speech                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
|----------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                        | experience and expertise as ex-representative director of a listed corporation.                                                                                                                                                                                                                                                                                                                                                                                                      |
| Statutory Auditor<br>Takayasu Okushima | Mr. Okushima attended and spoke at nine of the 11 meetings of the Board of Directors and all of the six meetings of the Board of Statutory Auditors held during the fiscal year under review and at and outside of such meetings, conducted audits to secure the appropriateness of the execution by the Directors of their duties, and presented advice and recommendations based on his wide experience and expertise as ex-president of a university and Doctor of Jurisprudence. |

(5) Outline of the content of liability limitation agreements:

In accordance with Article 427, paragraph 1 of the Corporation Law, the Company has entered into an agreement with each of all outside Directors and outside Statutory Auditors to limit the liability for damages as provided for in Article 423, paragraph 1 of the said law. The maximum amount of the liability for damages under such agreement shall be the higher of (i) ¥10,000,000 and (ii) such amount as provided for in laws or ordinances.

#### IV. Account auditors

**1. Name of the account auditors:**

Ernst & Young ShinNihon LLC

**2. Amount of remuneration, etc. of the account auditors for the fiscal year under review:**

- (1) Amount of remuneration, etc. payable by the Company for services (audit attestation services) in accordance with Article 2, paragraph 1 of the Certified Public Accountant Law: ¥35 million

Note: In its audit contract with its accounting auditors, the Company has not established separate categories for audit fees for fees in accordance with the Corporation Law and with the Financial Instruments and Exchange Law. As the categorization is not possible in a substantive manner, the figure shown above is a total of these two fees.

- (2) Total of cash and other proprietary benefits payable by the Company and its subsidiaries to the accounting auditors: ¥142 million

### **3. Content of non-auditing services:**

The Company has paid the account auditors remuneration for services, including advice on matters concerning accounting, in addition to the services set forth in Article 2, paragraph 1 of the Certified Public Accountant Law of Japan.

### **4. Policy on the determination of dismissal and non-reappointment of the account auditors:**

For certain reasons on the part of the Company or in the event that the account auditors are judged to have violated or contravened with the Corporation Law, the Certified Public Accountant Law or any other law or ordinance or offended public order or morals, then the Board of Statutory Auditors shall deliberate on the dismissal or non-reappointment of the account auditors. If the Board of Statutory Auditors considers the dismissal or non-reappointment appropriate, it shall, pursuant to the Regulations of the Board of Statutory Auditors, request the Board of Directors to submit a proposition for the "dismissal of the account auditors" or the "non-reappointment of the account auditors" to the General Meeting of Shareholders and the Board of Directors shall discuss it.

## **V. Systems and policies of the Company**

**"Systems to secure the execution by the Directors of their duties to comply with laws or ordinances and the Articles of Incorporation and other 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 Group (the Company and its subsidiaries) of becoming Japan's representative "Media Conglomerate" requires it 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 effective compliance with laws or ordinances and the Articles of Incorporation, the Company shall build up its systems in accordance with the following "program concerning compliance and risk management" (the "Compliance Program"):

#### **(i) Devising of organs and measures**

The President and Representative Directors of the Company shall formulate regulations concerning compliance and risk management of the Group (the "Group Compliance Regulations") and pursuant to the Group Compliance Regulations, become an officer responsible for compliance and risk management for the whole Group (the "Compliance Responsible Officer") to exercise general control over the

relevant operations of the whole Group. The President and Representative Director of the Company shall appoint an officer in charge of compliance and risk management (the "Compliance Officer in Charge") to assist him and also designate personnel in charge of compliance and risk management of the Group by the Group companies (the "Group Compliance Members"). The Compliance Officer in Charge shall chair the compliance committee comprised of the Group Compliance Members delegated from the Group companies (the "Group Compliance Committee") to discuss and build up measures concerning compliance and risk management of the whole Group. A secretariat to the Group Compliance Committee shall be assigned to the Corporate Compliance Office of the Company. If with regard to compliance and risk, any case is found that may have a material effect on management, the Compliance Responsible Officer shall set up a task force to collect information and consider measures.

(ii) Credibility of financial reporting

The President and Representative Director of the Company shall, as the Compliance Responsible Officer, exert efforts to build up a system to strengthen compliance and risk management while giving full consideration to 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 Law.

(iii) Education and training

Upon implementing the Compliance Program, the Corporate Compliance Office of the Company shall hold explanatory meetings within the Company and the Group on a timely basis and convey related materials to inform the Directors and employees of the Group companies of the Compliance Program and promote the understanding thereof.

**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 Group company or otherwise.

**4. Systems to secure the properness of business activities of the corporate group comprised of the Company, its parent company and its subsidiaries**

- (1) To ensure that the directors and employees of each of the Group companies can act in compliance with laws or ordinances, the articles of incorporation, internal rules and corporate ethics and execute business efficiently, the Directors of the Company shall promote group-wide management pursuant to the regulations of management of associated companies. Business concerning administration of the Group companies shall be conducted by the Budget Management Office of the Company.
- (2) Each Group company shall autonomously establish a system to make workable compliance and risk management according to its type of operation and scale of the business. The Group Compliance Members of each Group company designated by the Compliance Officer in Charge shall, pursuant to the Group Compliance Regulations, designate personnel in charge of compliance and risk management of each such Group company, who shall be responsible for compliance and risk management of each such Group company and establish a system for compliance and risk management. Such personnel in charge of compliance and risk management shall also carry out activities to raise awareness of compliance and risk management within each such Group company. Business concerning group-wide compliance and risk management of the Group companies shall be conducted by the Group Compliance Committee and its secretariat, the Corporate Compliance Office of the Company.

**5. System concerning the employees to assist the Statutory Auditors to execute their duties when the Statutory Auditors request the assignment thereof**

The Statutory Auditors of the Company shall appoint the Statutory Auditors' staff pursuant to the Regulations of the Board of Statutory Auditors. The Statutory Auditors' staff shall conduct business concerning the convocation of meetings of the Board of Statutory Auditors, the preparation of minutes and the administration of the Board of Statutory Auditors and assist the Statutory Auditors to execute their duties. Such business shall be assigned to the General Affairs Department of the Company as provided for in the segregation of duties.

**6. Matters concerning the independence of the employees to assist the Statutory Auditors to execute their duties**

With regard to the merit-rating, personnel changes and disciplinary punishments of the Statutory Auditors' staff, opinions of the Statutory Auditors shall be sought.

**7. System for reports by Directors and employees to the Statutory Auditors or the Board of Statutory Auditors and other systems for reporting to the Statutory Auditors**

- (1) The Directors and employees of the Company shall report the following matters to the Statutory Auditors or the Board of Statutory Auditors of the Company on a timely

basis. (If the finder is an employee, he/she may report the matter to the General Manager of the Corporate Compliance Office in lieu of the Statutory Auditors or the Board of Statutory Auditors. In such case, the General Manager of the Corporate Compliance Office shall report the matter to the Statutory Auditors or the Board of Statutory Auditors.)

- (i) A fact is found that may have a material effect on business or finance (including any fact concerning any Group company).
  - (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 Group company) or any act in contravention with generally-accepted ideas threatens to occur or occurs, and the fact or act is material; provided, however, that if it is difficult to judge whether it is material or not, it shall be reported and conferred to the Corporate Compliance Office of the Company and the General Manager thereof shall determine whether it is material or not.
  - (iii) Any other urgent or emergent event is found.
- (2) The Directors and employees of the Company shall report the following matters to the Statutory Auditors or the Board of Statutory Auditors of the Company periodically 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 polices 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 of the Group companies;
  - (viii) Summaries of activities of the statutory auditors of the Group companies; and
  - (ix) Other important matters.
- (3) In the event that the Directors and employees of the Company are requested by the Statutory Auditors or the Board of Statutory Auditors of the Company to report the execution of their duties, they shall do so promptly.

## **8. Internal audits**

- (1) The President and Representative Director of the Company shall order the Corporate Compliance Office of the Company to conduct internal audits. The Company shall establish a fundamental policy on internal audits of the Group, request each Group company to conduct effective internal audits and monitor the status of internal audits by and internal control systems of each Group company 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.
- (2) The personnel in charge of internal audits at the Corporate Compliance Office shall record, arrange and store the results of the monitoring of the Group companies as "internal audit records", and also prepare "internal audit reports" based on the results of the monitoring thereof and file the reports with the President and Representative Director of the Company.
- (3) If the personnel in charge of internal audits at the Corporate Compliance Office find any matter to be pointed out, they shall, upon approval of the President and Representative Director of the Company, point out the matter required to be improved to the responsible officers of the relevant Group companies and confirm the state of the implementation of the improvement measures.

CONSOLIDATED BALANCE SHEET  
(As of March 31, 2011)

(million yen)

ASSETS

|                                                |                |
|------------------------------------------------|----------------|
| Current assets:                                | 345,109        |
| Cash on hand and in banks.....                 | 59,251         |
| Trade notes and trade accounts receivable..... | 113,598        |
| Marketable securities.....                     | 115,469        |
| Inventories.....                               | 24,141         |
| Deferred tax assets .....                      | 5,309          |
| Other current assets .....                     | 27,943         |
| Allowance for doubtful accounts .....          | (604)          |
| Fixed assets                                   | 378,680        |
| Tangible fixed assets:                         | 150,213        |
| Buildings and structures .....                 | 101,683        |
| Machinery, equipment and vehicles .....        | 15,842         |
| Land.....                                      | 24,801         |
| Construction in progress .....                 | 720            |
| Other tangible fixed assets .....              | 7,165          |
| Intangible fixed assets:                       | 46,775         |
| Goodwill.....                                  | 4,689          |
| Leasehold rights .....                         | 15,356         |
| Software .....                                 | 15,959         |
| Other intangible fixed assets .....            | 10,770         |
| Investments and other assets:                  | 181,691        |
| Investment securities .....                    | 155,501        |
| Deferred tax assets .....                      | 13,378         |
| Other investments and other assets .....       | 14,639         |
| Allowance for doubtful accounts .....          | (1,828)        |
| <b>TOTAL ASSETS</b>                            | <b>723,789</b> |

(million yen)

LIABILITIES

|                                                            |                |
|------------------------------------------------------------|----------------|
| Current liabilities:                                       | 129,856        |
| Trade notes and trade accounts payable .....               | 48,724         |
| Accrued corporate income taxes, etc.....                   | 11,148         |
| Allowance for returned goods .....                         | 783            |
| Allowance for bonuses for officers .....                   | 304            |
| Provision for point card certificates .....                | 888            |
| Other current liabilities .....                            | 68,006         |
| Long-term liabilities:                                     | 132,301        |
| Bonds.....                                                 | 60,014         |
| Long-term borrowings.....                                  | 5,792          |
| Deferred tax liabilities.....                              | 10,987         |
| Reserve for employee retirement benefits.....              | 40,717         |
| Reserve for officers' retirement gratuities .....          | 1,997          |
| Provision for loss on interest repayment.....              | 140            |
| Negative goodwill .....                                    | 8,326          |
| Other long-term liabilities .....                          | 4,325          |
| <b>TOTAL LIABILITIES</b>                                   | <b>262,158</b> |
| <u>NET ASSETS</u>                                          |                |
| Shareholders' equity:                                      | 466,908        |
| Paid-in capital.....                                       | 146,200        |
| Capital surplus.....                                       | 173,664        |
| Retained earnings .....                                    | 162,548        |
| Treasury stock .....                                       | (15,505)       |
| Accumulated other comprehensive income:                    | (10,024)       |
| Valuation difference on available-for-sale securities..... | (6,255)        |
| Deferred gains or losses on hedges .....                   | (6)            |
| Revaluation differences of land.....                       | 333            |
| Translation adjustment .....                               | (4,096)        |
| Minority interests:                                        | 4,748          |
| <b>TOTAL NET ASSETS</b>                                    | <b>461,631</b> |
| <b>TOTAL LIABILITIES AND NET ASSETS</b>                    | <b>723,789</b> |

CONSOLIDATED STATEMENT OF INCOME

(April 1, 2010 to March 31, 2011)

|                                              |         | (million yen) |
|----------------------------------------------|---------|---------------|
| Net sales                                    |         | 589,671       |
| Cost of sales                                |         | 388,331       |
| Gross profit                                 |         | 201,340       |
| Selling, general and administrative expenses |         | 174,989       |
| Operating income                             |         | 26,351        |
| Non-operating income                         |         |               |
| Interest income and dividend income          | 3,041   |               |
| Equity in earnings of affiliates             | 734     |               |
| Other income                                 | 2,259   | 6,034         |
| Non-operating expenses                       |         |               |
| Interest expenses                            | 1,157   |               |
| Loss on investment association               | 928     |               |
| Sundry loss                                  | 839     | 2,925         |
| Recurring profit                             |         | 29,460        |
| Extraordinary gain                           |         |               |
| Gain on sale of investment securities        | 41      |               |
| Gain on negative goodwill                    | 109     |               |
| Others                                       | 87      | 238           |
| Extraordinary loss                           |         |               |
| Loss on sale of fixed assets                 | 1,229   |               |
| Loss on disposal of fixed assets             | 1,025   |               |
| Valuation losses on investment securities    | 2,932   |               |
| Others                                       | 1,777   | 6,965         |
| Income before income taxes                   |         | 22,733        |
| Income and enterprise taxes                  | 14,092  |               |
| Adjustment for income taxes                  | (1,523) | 12,568        |
| Income before minority interests             |         | 10,165        |
| Minority interests in income                 |         | 162           |
| Net income                                   |         | 10,002        |

**CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY, ETC.**  
(April 1, 2010 to March 31, 2011)

(million yen)

|                                                                      | Shareholders' equity |                 |                   |                |                            |
|----------------------------------------------------------------------|----------------------|-----------------|-------------------|----------------|----------------------------|
|                                                                      | Paid-in capital      | Capital surplus | Retained earnings | Treasury stock | Total Shareholders' equity |
| Balance at March 31, 2010                                            | 146,200              | 173,664         | 156,200           | (15,505)       | 460,559                    |
| Changes during the year                                              |                      |                 |                   |                |                            |
| Distribution of retained earnings                                    |                      |                 | (3,684)           |                | (3,684)                    |
| Net income                                                           |                      |                 | 10,002            |                | 10,002                     |
| Reversal of revaluation differences of land                          |                      |                 | 30                |                | 30                         |
| Net increase/decrease during the year except in shareholders' equity |                      |                 |                   |                | -                          |
| Total changes                                                        | -                    | -               | 6,348             | -              | 6,348                      |
| Balance at March 31, 2011                                            | 146,200              | 173,664         | 162,548           | (15,505)       | 466,908                    |

|                                                                      | Accumulated other comprehensive income                |                                    |                                 |                        |                                              | Minority interests | Total net assets |
|----------------------------------------------------------------------|-------------------------------------------------------|------------------------------------|---------------------------------|------------------------|----------------------------------------------|--------------------|------------------|
|                                                                      | Valuation difference on available-for-sale securities | Deferred gains or losses on hedges | Revaluation differences of land | Translation adjustment | Total accumulated other comprehensive income |                    |                  |
| Balance at March 31, 2010                                            | 993                                                   | 124                                | 365                             | (2,728)                | (1,246)                                      | 4,873              | 464,187          |
| Changes during the year                                              |                                                       |                                    |                                 |                        |                                              |                    |                  |
| Distribution of retained earnings                                    |                                                       |                                    |                                 |                        | -                                            |                    | (3,684)          |
| Net income                                                           |                                                       |                                    |                                 |                        | -                                            |                    | 10,002           |
| Reversal of revaluation differences of land                          |                                                       |                                    |                                 |                        | -                                            |                    | 30               |
| Net increase/decrease during the year except in shareholders' equity | (7,249)                                               | (130)                              | (31)                            | (1,367)                | (8,778)                                      | (125)              | (8,904)          |
| Total changes                                                        | (7,249)                                               | (130)                              | (31)                            | (1,367)                | (8,778)                                      | (125)              | (2,555)          |
| Balance at March 31, 2011                                            | (6,255)                                               | (6)                                | 333                             | (4,096)                | (10,024)                                     | 4,748              | 461,631          |

## 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: 34 companies

Names of major consolidated subsidiaries: Fuji Television Network, Inc.,  
Nippon Broadcasting System, Inc. and  
Pony Canyon Inc.

Cecile Logistics Co., Ltd., a consolidated subsidiary of the Company, was merged by Cecile Co., Ltd., another consolidated subsidiary of the Company, as of April 1, 2010 and ceased to be a consolidated subsidiary.

As of April 1, 2010, by a joint share transfer, Dinos Inc. and Cecile Co., Ltd., consolidated subsidiaries of the Company, newly incorporated Fuji Direct Marketing Inc., which has become a consolidated subsidiary of the Company.

- (2) 41 non-consolidated subsidiaries, including Nippon Planning Center 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 consolidation.

2. Matters concerning the application of the equity method

- (1) Non-consolidated subsidiaries to which the equity method is applied: 4 companies

Names of major non-consolidated subsidiaries to which the equity method is applied: FCG Research Institute, Inc., Nippon Planning Center Inc., Fuji Sankei Agency, Inc. and Pony Canyon Music Inc.

- (2) Number of affiliates to which the equity method is applied: 9 companies

Names of major affiliates to which the equity method is applied: Sankei Building Co., Ltd., Sankei Shimbun Co., Ltd. and Fuji Satellite Broadcasting Inc.

- (3) Other subsidiaries and affiliates, including FILM LLP, Fuji TV Kids Entertainment, Inc. and Fujimic Niigata, 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:

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 Law) 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 declining balance method.

With regard to their useful lives, the same policy as in the method under the Corporate Tax Law of Japan is applicable.

However, with regard to the building of the head office of the Company and the buildings (excluding appurtenances thereto) acquired on or after April 1, 1998, the straight-line method has been adopted.

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 Corporate Tax Law of Japan 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 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.

Allowance for returned goods:

To meet losses from returned publications, etc., the Company sets aside an amount equivalent to the provision limit under the Corporate Tax Law, in respect of publications and musical works, 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 Company sets aside an estimated amount of bonuses to be paid for each current fiscal year.

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 Company sets aside an amount estimated to be used in the future as of the close of each current fiscal year.

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 each current fiscal year, based on the estimated retirement benefit obligations and pension plan assets as of the close of each such current fiscal year.

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

Actuarial differences are treated as expenses, based on the straight-line method for a specific period of years (principally, 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.

Reserve for officers' retirement gratuities:

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

Provision for loss on interest repayment:

To meet claims for interest repayment in the future, the Company sets aside an amount estimated to be required, by taking into consideration the actual interest repayments in the past years.

(4) 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 rents.

(5) 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.

(6) 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.

(7) 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 accounting policies)**

(Accounting Standard for Asset Retirement Obligations, etc.)

As from the fiscal year under review, the "Accounting Standard for Asset Retirement Obligations" (Accounting Standards Board of Japan (ASBJ) Corporate Accounting Standard No.18, March 31, 2008) and the "Implementation Guidance on Accounting Standard for Asset Retirement Obligations" (ASBJ Implementation Guidance No. 21, March 31, 2008) are applicable.

As a result, operating income and recurring profit decreased by ¥6 million, respectively and income before income taxes decreased by ¥290 million in the fiscal year under review. The asset retirement obligations changed by ¥382 million due to the application of the standard and guidance.

(Accounting Standard for Business Combinations, etc.)

As from the fiscal year under review, the "Accounting Standard for Business Combinations" (ASBJ Corporate Accounting Standard No.21, December 26, 2008), "Accounting Standard for Consolidated Financial Statements" (ASBJ Corporate Accounting Standard No.22, December 26, 2008), "Partial Amendments to 'Accounting Standard for Research and Development Costs'" (ASBJ Corporate Accounting Standard No.23, December 26, 2008), "Accounting Standard for Business Divestitures" (ASBJ Corporate Accounting Standard No.7, December 26, 2008), "Accounting Standard for Equity Method of Accounting for Investments" (ASBJ Corporate Accounting Standard No.16, issued on December 26, 2008) and "Implementation Guidance on Accounting Standard for Business Combinations and Accounting Standard for Business Divestitures" (ASBJ Implementation Guidance No.10, December 26, 2008) are applicable.

**(Changes in the method of presentation)**

(Consolidated balance sheet)

"Long-term loans" (¥345 million for the fiscal year under review), which were independently presented in the previous fiscal year, are presented by inclusion in the item of "Other investments and other assets" under the investments and other assets as they are insignificant.

"Short-term borrowings" (¥1,228 million for the fiscal year under review), which were independently presented in the previous fiscal year, are presented by inclusion in the item of "Other current liabilities" under the current liabilities as they are insignificant.

In accordance with the amendment to the Corporate Accounting Regulations, the Company has replaced the method of presentation of "Valuation and translation adjustments" with "Accumulated other comprehensive income" as from the fiscal year under review.

(Consolidated statement of income)

"Gain on sale of fixed assets" (¥5 million for the fiscal year under review), which was independently presented in the previous fiscal year, is presented by inclusion in the item of "Others" under the extraordinary gain as they are insignificant.

"Loss on sale of investment securities" (¥43 million for the fiscal year under review), "Loss on sale of memberships" (¥19 million for the fiscal year under review) and "Special retirement expenses" (¥482 million for the fiscal year under review), which were independently presented in the previous fiscal year, are presented by inclusion in the item of "Other" under the extraordinary loss as they are insignificant.

In accordance with the amendment to the Corporate Accounting Regulations, the item of "Income before minority interests" is presented as from the fiscal year under review.

(Consolidated statement of changes in shareholders' equity, etc.)

In accordance with the amendment to the Corporate Accounting Regulations, the Company has replaced the method of presentation of "Valuation and translation adjustments" with "Accumulated other comprehensive income" as from the fiscal year under review.

**(Notes to consolidated balance sheet)**

1. Accumulated depreciation of tangible fixed assets: ¥175,215 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 ¥117 million in buildings and structures and ¥57 million in machinery, equipment and vehicles. The amount thereof in the consolidated balance sheet is shown by deducting such amount of advanced depreciation.

3. Assets pledged and secured liabilities:

(1) Assets pledged:

|                          |                |
|--------------------------|----------------|
| Buildings and structures | ¥4,136 million |
| Land                     | ¥2,222 million |
| <hr/>                    |                |
| Sub total                | ¥6,358 million |

(2) Secured liabilities:

|                                        |                |
|----------------------------------------|----------------|
| Trade notes and trade accounts payable | ¥292 million   |
| Other current liabilities              | ¥1,631 million |
| <hr/>                                  |                |
| Sub total                              | ¥1,923 million |

- (3) In addition, consolidated subsidiaries have provided ¥254 million of time deposits and ¥39 million of investment securities to television broadcasting companies, newspaper companies, etc. in substitution for business guarantee deposits.

4. Guarantee obligations:

(million yen)

| Guaranteed | Guarantee amount | Details of guaranteed obligations |
|------------|------------------|-----------------------------------|
| Employees  | 1,085            | Guarantee for housing loans       |

5. Amount of trade notes receivable that were transferred by endorsement:

¥9 million

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

1. Total number of issued shares as of March 31, 2011

Shares of common stock: 2,364,298 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 29, 2010 | Shares of common stock | 1,842                                   | 800                                | March 31, 2010     | June 30, 2010    |
| Meeting of the Board of Directors held on November 2, 2010     | Shares of common stock | 1,842                                   | 800                                | September 30, 2010 | December 2, 2010 |

(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 29, 2011:

| 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 29, 2011 | Shares of common stock | Retained earnings   | 2,303                                   | 1,000                              | March 31, 2011 | June 30, 2011  |

## **(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. To purchase financial instruments combining derivatives the risk of which may be posed on cash financial assets, full discussions shall be devoted internally.

#### (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 Company, 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 Company 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 – 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 are funds raised principally to repay its existing loans, will be redeemed in five years and eight months maximum after the close of the fiscal year under review. Certain borrowings with floating interest rates are exposed to interest volatility risk. The Group uses derivatives (interest rate swaps) to hedge such risk.

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 purchase compound

instruments combining derivatives, which are exposed to foreign currency risk when due. Some consolidated subsidiaries also 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 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 "(5) 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 amounts for items recorded in the consolidated balance sheet as of March 31, 2011 (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                        | 59,251               | 59,251     | -          |
| (2) Trade notes and trade accounts receivable        | 113,598              | 113,598    | -          |
| (3) Marketable securities and investment securities: |                      |            |            |
| Investment in shares of affiliates                   | 21,615               | 10,096     | (11,518)   |
| Other marketable securities                          | 183,419              | 183,419    | -          |
| Total assets                                         | 377,884              | 366,365    | (11,518)   |
| (1) Trade notes and trade accounts payable           | 48,724               | 48,724     | -          |
| (2) Bonds                                            | 60,304               | 61,297     | 992        |
| (3) Long-term borrowings                             | 6,520                | 6,595      | 74         |
| Total liabilities                                    | 115,550              | 116,618    | 1,067      |

(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 stock 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, beneficiary certificates of bond investment trusts (such as MMF) 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:

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.

(2) Bonds:

For the bonds issued by the Company and its consolidated subsidiaries that have a market price, the fair value is calculated based on the market price. For those without a market price, the fair value is calculated from the present value of the total principal and interest discounted at a rate taking into account the remaining period of the bonds and credit risk.

(3) 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 "(3) Long-term borrowings" as liabilities on the above chart.

For compound instruments combining derivatives the fair value of which can not separately be measured, the fair value is presented by inclusion in "(3) Marketable securities and investment securities" 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                      | 49,824               |
| Investment in investment association | 15,461               |
| Others                               | 651                  |

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".

**(Notes on leased and other real estate properties)**

The Company and some of its subsidiaries own real estate properties for lease and other purposes in Tokyo and other regions. However, as the total amount thereof is of no significance, the notes thereon are omitted herein.

**(Notes on the information per share)**

|    |                       |             |
|----|-----------------------|-------------|
| 1. | Net assets per share: | ¥198,377.85 |
| 2. | Net income per share: | ¥4,342.98   |

**(Significant subsequent event)**

Fuji Satellite Broadcasting, Inc. becoming a wholly owned subsidiary:

The Company made a share exchange as of April 1, 2011, pursuant to the share exchange agreement entered into on November 2, 2010, whereby the Company should become a wholly owning company and Fuji Satellite Broadcasting, Inc. ("BS Fuji"), an equity-method affiliate of the Company, should become a wholly owned subsidiary.

1. Outline of the business combination:

(1) Name of the company acquired and the description of its business:

Name: Fuji Satellite Broadcasting, Inc.

Description of business: Business of commissioned television broadcasting through broadcasting satellites under the Broadcast Law of Japan

(2) Major reasons for the business combination:

To strengthen the cooperation with BS Fuji and undertake a "window" strategy where terrestrial free commercial broadcasting, which is to remain the core business, free commercial satellite broadcasting and paid-for communication satellite broadcasting are combined effectively and the three media are operated in a unified manner, and further enhance their corporate values, the Company and BS Fuji have decided that it is the necessary and most appropriate step for the Company to make BS Fuji its wholly-owned subsidiary by way of the share exchange.

(3) Date of the business combination: April 1, 2011

(4) Legal form of the business combination: Share exchange

(5) Ratio of the voting rights acquired:

|                                                                                        |   |        |
|----------------------------------------------------------------------------------------|---|--------|
| Ratio of the voting rights held by the Company immediately prior to the share exchange | : | 44.5%  |
| Ratio of the additional voting rights acquired on the date of the business combination | : | 55.5%  |
| Ratio of the voting rights after the acquisition                                       | : | 100.0% |

2. Cost of the acquisition of the company acquired and the details thereof:

|                                                                                                                                           |                      |
|-------------------------------------------------------------------------------------------------------------------------------------------|----------------------|
| Market value on the date of the business combination of the shares of BS Fuji held by the Company immediately prior to the share exchange | ¥3,913 million       |
| Market value of the shares of treasury stock of the Company delivered on the date of the business combination                             | ¥4,374 million       |
| Expense directly paid for the acquisition                                                                                                 | ¥20 million          |
| <hr/> Total acquisition cost                                                                                                              | <hr/> ¥8,308 million |

3. Share exchange ratio, the method of calculation thereof and the number of shares delivered:

(1) Share exchange ratio:

| Share of common stock of the Company | Share of common stock of BS Fuji |
|--------------------------------------|----------------------------------|
| 1                                    | 0.1                              |

(2) Method of calculation of the share exchange ratio:

After deliberate investigations of the results of analysis of the share exchange ratio submitted by the third-party valuation firms respectively selected by the Company and BS Fuji, as well as continued negotiations and consultations considering the financial conditions, operating results, stock prices and other elements of both companies, the Company and BS Fuji determined the share exchange ratio for the share exchange.

(3) Number of shares delivered:

38,850 shares of common stock; provided, however, that no share of the Company was allotted to 311,500 shares of common stock of BS Fuji held by the Company (shareholding ratio: 44.5%) for the share exchange. The Company utilized the shares of treasury stock for the delivery of the shares and issued no new shares.

4. The amount of goodwill to result, the amounts of assets acquired and liabilities assumed on the date of the business combination and the principal items thereof:

These are not available at this point.

NON-CONSOLIDATED BALANCE SHEET  
(As of March 31, 2011)

(million yen)

ASSETS

|                                                        |                |
|--------------------------------------------------------|----------------|
| Current assets:                                        | 166,647        |
| Cash on hand and in banks.....                         | 44,775         |
| Marketable securities .....                            | 115,037        |
| Prepaid expenses .....                                 | 80             |
| Income tax refund receivable .....                     | 1,876          |
| Other current assets .....                             | 4,877          |
| Fixed assets:                                          | 436,764        |
| Tangible fixed assets:                                 | 64,807         |
| Buildings .....                                        | 59,577         |
| Structures .....                                       | 204            |
| Machinery and equipment.....                           | 0              |
| Motor vehicles .....                                   | 4              |
| Tools, furniture and fixtures .....                    | 2,228          |
| Land .....                                             | 2,791          |
| Intangible fixed assets:                               | 14,445         |
| Leasehold rights .....                                 | 14,393         |
| Software .....                                         | 51             |
| Other intangible fixed assets .....                    | 0              |
| Investments and other assets:                          | 357,511        |
| Investment securities.....                             | 107,524        |
| Investment in shares of affiliates .....               | 244,332        |
| Investment in other related companies' securities..... | 5,280          |
| Long-term loans .....                                  | 35             |
| Other investments and other assets .....               | 440            |
| Allowance for doubtful accounts .....                  | (101)          |
| <b>TOTAL ASSETS</b>                                    | <b>603,411</b> |

(million yen)

LIABILITIES

|                                                             |          |
|-------------------------------------------------------------|----------|
| Current liabilities:                                        | 115,902  |
| Trade accounts payable.....                                 | 2,699    |
| Accrued expenses .....                                      | 218      |
| Accrued income taxes.....                                   | 169      |
| Advance received .....                                      | 618      |
| Deposit received .....                                      | 112,049  |
| Reserve for bonuses for officers .....                      | 19       |
| Other current liabilities.....                              | 127      |
| Long-term liabilities:                                      | 81,429   |
| Bonds.....                                                  | 59,994   |
| Long-term borrowings .....                                  | 4,300    |
| Deferred tax liabilities .....                              | 5,154    |
| Reserve for employee retirement benefits .....              | 68       |
| Negative goodwill .....                                     | 4,979    |
| Guarantee deposit .....                                     | 5,963    |
| Other long-term liabilities .....                           | 968      |
| TOTAL LIABILITIES                                           | 197,332  |
| <u>NET ASSETS</u>                                           |          |
| Shareholders' equity:                                       | 412,047  |
| Paid-in capital.....                                        | 146,200  |
| Capital surplus.....                                        | 173,664  |
| Capital reserve .....                                       | 173,664  |
| Retained earnings .....                                     | 107,687  |
| Earned surplus reserve.....                                 | 4,385    |
| Other retained earnings.....                                | 103,302  |
| General reserve .....                                       | 98,300   |
| Retained earnings carried forward .....                     | 5,002    |
| Treasury stock .....                                        | (15,505) |
| Valuation and translation adjustments:                      | (5,968)  |
| Valuation difference on available-for-sale securities ..... | (5,968)  |
| TOTAL NET ASSETS                                            | 406,078  |
| TOTAL LIABILITIES AND NET ASSETS                            | 603,411  |

NON-CONSOLIDATED STATEMENT OF INCOME

(April 1, 2010 to March 31, 2011)

|                                              |       | (million yen) |
|----------------------------------------------|-------|---------------|
| Operating revenue                            |       | 14,672        |
| Operating expenses                           |       | 8,955         |
| Operating income                             |       | 5,717         |
| Non-operating income                         |       |               |
| Interest income and dividend income          | 2,860 |               |
| Write-off of negative goodwill               | 355   |               |
| Other income                                 | 219   | 3,434         |
| Non-operating expenses                       |       |               |
| Interest expenses                            | 1,177 |               |
| Loss on investment association               | 813   |               |
| Sundry loss                                  | 12    | 2,004         |
| Recurring profit                             |       | 7,148         |
| Extraordinary gain                           |       |               |
| Gain on sale of investment securities        | 34    |               |
| Gain on liquidation of investment securities | 21    | 55            |
| Extraordinary loss                           |       |               |
| Loss on disposition of fixed assets          | 90    |               |
| Valuation losses on investment securities    | 1,899 |               |
| Valuation losses on investment in affiliates | 206   |               |
| Others                                       | 113   | 2,309         |
| Income before income taxes                   |       | 4,895         |
| Income and enterprise taxes                  | 114   |               |
| Adjustment for income taxes                  | -     | 114           |
| Net income                                   |       | 4,780         |

NON-CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY, ETC.

(April 1, 2010 to March 31, 2011)

(million yen)

|                                                                      | Shareholders' equity |                 |                        |                         |                                   |
|----------------------------------------------------------------------|----------------------|-----------------|------------------------|-------------------------|-----------------------------------|
|                                                                      | Paid-in capital      | Capital surplus | Retained earnings      |                         |                                   |
|                                                                      |                      | Capital reserve | Earned surplus reserve | Other retained earnings |                                   |
|                                                                      |                      |                 |                        | General reserve         | Retained earnings carried forward |
| Balance at March 31, 2010                                            | 146,200              | 173,664         | 4,385                  | 107,300                 | (5,093)                           |
| Changes during the year                                              |                      |                 |                        |                         |                                   |
| Distribution of retained earnings                                    |                      |                 |                        |                         | (3,684)                           |
| Net income                                                           |                      |                 |                        |                         | 4,780                             |
| Reversal of general reserve                                          |                      |                 |                        | (9,000)                 | 9,000                             |
| Net increase/decrease during the year except in shareholders' equity |                      |                 |                        |                         |                                   |
| Total changes                                                        | -                    | -               | -                      | (9,000)                 | 10,096                            |
| Balance at March 31, 2011                                            | 146,200              | 173,664         | 4,385                  | 98,300                  | 5,002                             |

|                                                                      | Shareholders' equity |                            | Valuation and translation adjustments                 | Total net assets |
|----------------------------------------------------------------------|----------------------|----------------------------|-------------------------------------------------------|------------------|
|                                                                      | Treasury stock       | Total shareholders' equity | Valuation difference on available-for-sale securities |                  |
| Balance at March 31, 2010                                            | (15,505)             | 410,951                    | 1,031                                                 | 411,982          |
| Changes during the year                                              |                      |                            |                                                       |                  |
| Distribution of retained earnings                                    |                      | (3,684)                    |                                                       | (3,684)          |
| Net income                                                           |                      | 4,780                      |                                                       | 4,780            |
| Reversal of general reserve                                          |                      | -                          |                                                       | -                |
| Net increase/decrease during the year except in shareholders' equity |                      | -                          | (7,000)                                               | (7,000)          |
| Total changes                                                        | -                    | 1,096                      | (7,000)                                               | (5,904)          |
| Balance at March 31, 2011                                            | (15,505)             | 412,047                    | (5,968)                                               | 406,078          |

## 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 Law) 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 declining balance method.

With regard to their useful lives, the same policy as in the method under the Corporate Tax Law of Japan is applicable.

However, with regard to the building of the head office and the buildings (excluding appurtenances thereto) acquired on or after April 1, 1998, the straight-line method has been adopted.

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 Corporate Tax Law of Japan 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.

Allowance for bonuses for officers:

To meet the payment of bonuses to officers, the Company sets aside an estimated amount of bonuses to be paid for each current fiscal year.

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 each current fiscal year, based on the estimated retirement benefit obligations and pension plan assets as of the close of each such current fiscal year.

Past service liability is 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 liability occurs.

Actuarial differences are treated as expenses, 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.

4. Method and period of amortization of goodwill and 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 accounting policies)**

(Accounting Standard for Asset Retirement Obligations, etc.)

As from the fiscal year under review, the "Accounting Standard for Asset Retirement Obligations" (Accounting Standards Board of Japan (ASBJ) Corporate Accounting Standard No.18, March 31, 2008) and the "Implementation Guidance on Accounting Standard for Asset Retirement Obligations" (ASBJ Implementation Guidance No. 21, March 31, 2008) are applicable.

This change has no impact on profits and losses.

**(Changes in the method of presentation)**

(Non-consolidated statement of income)

"Valuation loss on investment securities" (¥65 million for the previous fiscal year), which was presented by inclusion in "Others" under the extraordinary loss in the previous fiscal year, is separately presented as from the fiscal year under review due to its increased significance.

**(Notes to non-consolidated balance sheet)**

1. Money debts due from and payable to related companies:
- |                                                      |                  |
|------------------------------------------------------|------------------|
| Short-term money debts due from related companies:   | ¥4,795 million   |
| Long-term money debts due from related companies:    | ¥35 million      |
| Short-term money debts payable to related companies: | ¥112,081 million |
| Long-term money debts payable to related companies:  | ¥5,963 million   |
2. Accumulated depreciation of tangible fixed assets: ¥67,671 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 related companies:

|                                            |                 |
|--------------------------------------------|-----------------|
| Operating revenue:                         | ¥14,670 million |
| Operating expenses:                        | ¥645 million    |
| Transactions other than ordinary business: | ¥168 million    |

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

Total number of shares of treasury stock as of March 31, 2011

Shares of common stock: 61,202 shares

**(Notes on tax effect accounting)**

Principal components of deferred tax assets and deferred tax liabilities:

|                                                       | (million yen) |
|-------------------------------------------------------|---------------|
| (Deferred tax assets)                                 |               |
| Accrued enterprise taxes                              | 59            |
| Accrued officers' retirement gratuities               | 394           |
| Valuation losses on fixed assets                      | 1,138         |
| Valuation losses on investment securities             | 7,613         |
| Shares of affiliates associated with reorganization   | 12,451        |
| Net operating loss carryforward                       | 1,669         |
| Valuation difference on available-for-sale securities | 1,763         |
| Others                                                | 681           |
| Subtotal of deferred tax assets                       | 25,772        |
| Valuation reserve                                     | (25,437)      |
| Total deferred tax assets                             | 335           |
| (Deferred tax liabilities)                            |               |
| Shares of affiliates associated with reorganization   | 5,314         |
| Others                                                | 175           |
| Total deferred tax liabilities                        | 5,490         |
| Net deferred tax liabilities                          | 5,154         |

**(Notes on transactions with related parties)**

**Subsidiaries, etc.**

| Attribute  | Trade name                          | Location            | Capital stock<br>(million yen) | Principal<br>business                  | Ratio of voting<br>rights owned by<br>the Company<br>(owned in the<br>Company) | Relation                                              | Transaction         | Transaction<br>amount<br>(million yen) | Account item                               | End-of-year<br>balance<br>(million yen) |
|------------|-------------------------------------|---------------------|--------------------------------|----------------------------------------|--------------------------------------------------------------------------------|-------------------------------------------------------|---------------------|----------------------------------------|--------------------------------------------|-----------------------------------------|
| Subsidiary | Fuji<br>Television<br>Network, Inc. | Minato-ku,<br>Tokyo | 8,800                          | Television<br>broadcasting<br>business | Direct<br>100.0%                                                               | Lease of<br>building;<br>interlocking<br>directorates | Receipt of<br>rents | 7,068                                  | Advance<br>received<br>Deposit<br>received | 618<br>5,890                            |

- (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)**

|                       |             |
|-----------------------|-------------|
| Net assets per share: | ¥176,318.43 |
| Net income per share: | ¥2,075.90   |

**(Significant subsequent event)**

Fuji Satellite Broadcasting, Inc. becoming a wholly owned subsidiary:

The Company made a share exchange as of April 1, 2011, pursuant to the share exchange agreement entered into on November 2, 2010, whereby the Company should become a wholly owning company and Fuji Satellite Broadcasting, Inc., an equity-method affiliate of the Company, should become a wholly owned subsidiary.

The details thereof are as described in the NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Significant subsequent event).

INDEPENDENT AUDITOR'S REPORT

May 9, 2011

To: The Board of Directors  
Fuji Media Holdings, Inc.

Ernst & Young ShinNihon LLC

By Kazuhiro Hara (seal)  
Specified and Executive Partner  
Certified Public Accountant

By Shinichiro Suzuki (seal)  
Specified and Executive Partner  
Certified Public Accountant

We have audited the consolidated balance sheet, the consolidated statement of income, the consolidated statement of changes in shareholders' equity, etc. and the notes to consolidated financial statements of Fuji Media Holdings, Inc., applicable to its consolidated fiscal year from April 1, 2010 to March 31, 2011 pursuant to Article 444, paragraph 4 of the Corporation Law of Japan. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements from an independent standpoint.

We conducted our audit in accordance with auditing standards generally accepted in Japan. Those standards require us to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence. An audit also includes assessing the accounting policies and methods of application thereof employed by management and estimates made by management, as well as evaluating the overall consolidated financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

We are of the opinion that the above consolidated financial statements present properly the financial position and profit and loss of the corporate group comprised of Fuji Media Holdings, Inc. and its consolidated subsidiaries for the period related to the consolidated financial statements in all material respects in conformity with the corporate accounting standards generally accepted in Japan.

We have no financial interest in the Company which is required to be disclosed under the provisions of the Certified Public Accountant Law of Japan.

- END -

INDEPENDENT AUDITORS' REPORT

May 9, 2011

To: The Board of Directors  
Fuji Media Holdings, Inc.

Ernst & Young ShinNihon LLC

By Kazuhiro Hara (seal)  
Specified and Executive Partner  
Certified Public Accountant

By Shinichiro Suzuki (seal)  
Specified and Executive Partner  
Certified Public Accountant

We have audited the non-consolidated balance sheet, the non-consolidated statement of income, the non-consolidated statement of changes in shareholders' equity, etc. and the notes to non-consolidated financial statements, and their accompanying detailed statements of Fuji Media Holdings, Inc. for the 70th fiscal year covering the period from April 1, 2010 to March 31, 2011 pursuant to Article 436, paragraph 2, item 1 of the Corporation Law of Japan. These non-consolidated financial statements and their accompanying detailed statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these non-consolidated financial statements and their accompanying detailed statements from an independent standpoint.

We conducted our audit in accordance with auditing standards generally accepted in Japan. Those standards require us to obtain reasonable assurance about whether the non-consolidated financial statements and their accompanying detailed statements are free of material misstatement. An audit includes examining, on a test basis, evidence. An audit also includes assessing the accounting policies and methods of application thereof employed by management and estimates made by management, as well as evaluating the overall presentation of the non-consolidated financial statements and their accompanying detailed statements. We believe that our audit provides a reasonable basis for our opinion.

We are of the opinion that the above non-consolidated financial statements present properly the financial position and profit and loss for the period related to the non-consolidated financial statements and their accompanying detailed statements in all material respects in conformity with the corporate accounting standards generally accepted in Japan.

We have no financial interest in the Company which is required to be disclosed under the provisions of the Certified Public Accountant Law of Japan.

- END -

AUDITORS' REPORT

We, the Board of Statutory Auditors of the Company, based on the audit report prepared by each Statutory Auditor on the performance by the Directors of their duties during the 70th fiscal year from April 1, 2010 to March 31, 2011, prepared this audit report upon deliberation and hereby report as follows:

1. Method of audit by the Statutory Auditors and the Board of Statutory Auditors and the particulars thereof:

The Board of Statutory Auditors determined the audit policy, audit plans for the fiscal year under review, etc., received from each Statutory Auditor reports on the state of his performance of audits and the results thereof, and also received from the Directors, etc. and the account auditors reports on the state of execution of their duties and demanded their explanations whenever necessary.

Each Statutory Auditor, pursuant to the rules of audits by Statutory Auditors determined by the Board of Statutory Auditors and in accordance with the audit policy, audit plans, etc., maintained constant communication with the Directors, the internal audit sections and other employees, etc. in an effort to collect information and improve the environment for auditing, attended meetings of the Board of Directors and other important meetings, received from the Directors and employees, etc., reports on the state of execution of their duties, demanded their explanations whenever necessary, inspected important decision documents, etc., and made investigation into the state of activities and property. With regard to the details of the resolutions of the Board of Directors for establishing systems to secure that the execution by the Directors of their duties will comply with laws or ordinances and the Articles of Incorporation and such other systems provided for in Article 100, paragraphs 1 and 3 of the Regulations to Enforce the Corporation Law of Japan as necessary to secure the adequacy of business of joint-stock corporations, as well as the status of the systems established pursuant to such resolutions, which are described in the business report, we periodically received from the Directors and employees, etc. reports, demanded their explanations and expressed our opinions whenever necessary, on the state of formulation and operation thereof. With regard to its subsidiaries, we visited each subsidiary to maintain constant communication and exchange information with its executives, statutory auditors, etc. thereof and received from each subsidiary reports on its business operations whenever necessary. In accordance with such methods, we investigated the business report and its supplementary schedules for the fiscal year under review.

We also monitored and verified whether the account auditors had maintained an independent position and conducted adequate audits, and received from the account auditors reports on the state of execution of their duties and demanded their explanations whenever necessary. In addition, we received from the account auditors a notice that the "systems to secure adequate execution of duties" had been established in accordance with the "Standard for Quality Control Concerning Audits" and demanded their explanations whenever necessary. In accordance with such methods, we investigated the non-consolidated financial statements

and their accompanying detailed statements, as well as the consolidated financial statements, for the fiscal year under review.

2. Results of audit:

(1) Results of audit of the business report, etc.:

We are of the opinion:

- (i) That the business report and its supplementary schedules present fairly the state of the Company in accordance with laws or ordinances and the Articles of Incorporation;
- (ii) That in connection with the execution by the Directors of their duties, no dishonest act or material fact of violation of laws or ordinances or the Articles of Incorporation exists; and
- (iii) That the details of the resolutions of the Board of Directors on internal control systems are proper and that the descriptions in the business report and the execution by the Directors of their duties concerning such internal control systems contain nothing to be pointed out.

(2) Results of audit of the non-consolidated financial statements and their accompanying detailed statements:

We are of the opinion that the method and results of the audit made by the account auditors, Ernst & Young ShinNihon LLC, are proper.

(3) Results of audit of the consolidated financial statements:

We are of the opinion that the method and results of the audit made by the account auditors, Ernst & Young ShinNihon LLC, are proper.

May 9, 2011

The Board of Statutory Auditors  
Fuji Media Holdings, Inc.

Kiyoshi Onoe \_\_\_\_\_ (seal)  
Full-time Statutory Auditor

Hiroshi Seta \_\_\_\_\_ (seal)  
Full-time Statutory Auditor

Yuzaburo Mogi (seal)  
Statutory Auditor  
(Outside Statutory Auditor)

Naoya Minami (seal)  
Statutory Auditor  
(Outside Statutory Auditor)

Takayasu Okushima (seal)  
Statutory Auditor  
(Outside Statutory Auditor)

- END -

## **REFERENCE DOCUMENT FOR GENERAL MEETING OF SHAREHOLDERS**

### **Propositions and explanatory information:**

#### **Proposition No. 1: Appropriation of retained earnings**

The Company regards the disbursement of profits to its shareholders as one of its most important management responsibilities. Its basic policy is to pay dividends commensurate with its performance, while aggressively reorganizing the Group, investing in infrastructure and content and entering new fields of business, in order to provide for the Group's growth and expansion of corporate value under the certified broadcast holding company structure.

Based on the policy of materializing the target payout ratio of 40% on a consolidated basis, the Company hereby proposes to pay year-end dividends for the fiscal year under review as follows:

Matters concerning year-end dividends

- (1) Kind of property to be distributed:

Cash

- (2) Matters concerning the allocation of property to be distributed and the aggregate amount thereof:

¥1,000 per share of common stock of the Company

Aggregate amount: ¥2,303,096,000

(Annual dividend: ¥1,800 per share, including ¥800 per share in interim dividends)

- (3) Effective date of the distribution of retained earnings:

June 30, 2011

#### **Proposition No. 2: Election of 14 Directors**

The term of office of all of the (14) Directors will expire at the close of this Ordinary General Meeting of Shareholders. Hence, it is hereby proposed that 14 Directors be elected.

The candidates for Directors are as set forth below:

| Candidate No. | Name<br>(Date of birth)                          | Brief history, important concurrent office, position and business in charge in the Company                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | Number of shares of the Company held by Candidate |
|---------------|--------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------|
| 1             | Hisashi Hieda<br>(December 31, 1937)<br>[Note 1] | <p>April 1961      Joined the Company</p> <p>May 1980      General Manager, Programming Department of the Company</p> <p>June 1983      Director and General Manager, Programming Department of the Company</p> <p>June 1986      Managing Director, in charge of Corporate Development Office of the Company</p> <p>June 1988      President and Representative Director of the Company</p> <p>August 1988    Director, Fuji Sankei Living Service Co., Ltd. (now Dinos Inc.)</p> <p>June 1989      Director, Sankei Building Co., Ltd. (to date)</p> <p>June 1991      Director, Hokkaido Cultural Broadcasting Co., Ltd. (to date)</p> <p>June 1993      Director and Adviser, Sankei Shimbun Co., Ltd. (to date)</p> <p>                    Director, Tokai Television Broadcasting Co., Ltd. (to date)</p> <p>                    Director, Television Nishinippon Corporation (to date)</p> <p>June 1994      Director, Kansai Telecasting Corporation (to date)</p> <p>June 2001      Chairman and Representative Director (CEO) of the Company (to date)</p> <p>October 2008    Chairman and Representative Director, Fuji Television Network, Inc. (to date)</p> <p>(Important concurrent office)</p> <p>Chairman and Representative Director, Fuji Television Network, Inc.</p> <p>Director and Adviser, Sankei Shimbun Co., Ltd.</p> <p>Director, Sankei Building Co., Ltd.</p> <p>Director, Kansai Telecasting Corporation</p> <p>Director, Tokai Television Broadcasting Co., Ltd.</p> <p>Director, Television Nishinippon Corporation</p> <p>Director, Hokkaido Cultural Broadcasting Co., Ltd.</p> | 1,744 shares                                      |
| 2             | Kou Toyoda<br>(April 28, 1946)<br>[Note 1]       | <p>April 1971      Joined the Company</p> <p>June 1997      General Manager, Sales Department, Sales Division of the Company</p> <p>June 2001      Director, in charge of Sales of the Company</p> <p>June 2005      Managing Director, in charge of Sales, Network, Business and Intellectual Properties of the Company</p> <p>June 2006      Director, Sankei Living Shimbun Inc.</p> <p>June 2007      President and Representative Director (COO) of the Company (to date)</p> <p>                    Director, Dinos Inc.</p> <p>October 2008    President and Representative Director, Fuji Television Network, Inc. (to date)</p> <p>(Important concurrent office)</p> <p>President and Representative Director, Fuji Television Network, Inc.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | 380 shares                                        |
| 3             | Hideaki Ohta                                     | <p>April 1969      Joined the Company</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | 336 shares                                        |

| Candidate No. | Name<br>(Date of birth)         | Brief history, important concurrent office, position and business in charge in the Company                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | Number of shares of the Company held by Candidate |
|---------------|---------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------|
|               | (December 22, 1946)<br>[Note 1] | <p>June 1997 General Manager, Information Planning Department, Content Creation Division of the Company</p> <p>June 2001 Executive Officer and General Manager, Information Planning Department of the Company</p> <p>June 2003 Senior Executive Officer and General Manager, Information Planning Department of the Company</p> <p>June 2005 Director, in charge of Infotainment and Documentary and Sports; General Manager, Infotainment and Documentary Department of the Company;<br/>Director, Hokkaido Cultural Broadcasting Co., Ltd. (to date)</p> <p>June 2006 Managing Director, in charge of General Affairs, Human Resources, Information System, TV Code Affairs and Corporate Social Responsibility Office of the Company;<br/>Director, Sankei Shimbun Co., Ltd. (to date)</p> <p>June 2007 Senior Managing Director, in charge of General Affairs, Human Resources, Intellectual Properties, Digital Content, TV Code Affairs, Corporate Compliance Office and Corporate Social Responsibility Office of the Company;<br/>Director, Sankei Living Shimbun Inc. (to date)</p> <p>October 2008 Executive Vice President, in charge of Corporate Social Responsibility Office, Corporate Compliance Office and Group Corporate of the Company;<br/>Senior Managing Director, in charge of General Affairs, Human Resources, TV Code Affairs, Corporate Social Responsibility Office and Corporate Compliance Office of Fuji Television Network, Inc.</p> <p>June 2009 Senior Managing Director, in charge of General Affairs, Human Resources, TV Code Affairs, Secretary's Office, Corporate Social Responsibility Office and Corporate Compliance Office of Fuji Television Network, Inc.</p> <p>October 2009 Executive Vice President, in charge of Secretary's Office, Corporate Social Responsibility Office, Corporate Compliance Office, General Affairs and Human Resources of the Company</p> <p>June 2010 Executive Vice President in chief, in charge of Secretary's Office, Corporate Social Responsibility Office, Corporate Compliance Office of the Company (to date)<br/>Senior Managing Director in chief, in charge of TV Code Affairs, Secretary's Office, Corporate Social Responsibility Office and</p> |                                                   |
|               |                                 | <p>Corporate Compliance Office of Fuji Television Network, Inc. (to date)</p> <p>(Important concurrent office)</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                                                   |

| Candidate No. | Name<br>(Date of birth)                        | Brief history, important concurrent office, position and business in charge in the Company                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | Number of shares of the Company held by Candidate |
|---------------|------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------|
|               |                                                | Senior Managing Director, Fuji Television Network, Inc.<br>Director, Sankei Shimbun Co., Ltd<br>Director, Sankei Living Shimbun Inc.<br>Director, Hokkaido Cultural Broadcasting Co., Ltd.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |                                                   |
| 4             | Shuji Kanoh<br>(February 22, 1950)<br>[Note 1] | <p>April 1972      Joined the Company</p> <p>June 1999      General Manager, Finance Department,<br/>Budget Management Division of the Company</p> <p>June 2001      Director, in charge of Finance of the<br/>Company;<br/>Statutory Auditor, Fuji Sankei Living Service<br/>Co., Ltd. (now, Dinos Inc.) (to date);<br/>Statutory Auditor, TSS-TV Co., Ltd. (to date)</p> <p>June 2002      Statutory Auditor, Sankei Shimbun Co., Ltd.<br/>(to date)</p> <p>April 2006      Director, Nippon Broadcasting System, Inc.<br/>(to date)</p> <p>June 2006      Managing Director, in charge of Finance and<br/>Budget Management of the Company<br/>Statutory Auditor, Pony Canyon Inc.</p> <p>June 2007      Statutory Auditor, Sankei Building Co., Ltd.<br/>(to date)</p> <p>June 2008      Director, Kansai Telecasting Corporation (to<br/>date)</p> <p>October 2008    Senior Executive Managing Director, in<br/>charge of Group Finance of the Company;<br/>Managing Director, in charge of Finance of<br/>Fuji Television Network, Inc.</p> <p>June 2009      Managing Director, in charge of Finance and<br/>Budget Management of Fuji Television<br/>Network, Inc. (to date)</p> <p>October 2009    Senior Executive Managing Director, in<br/>charge of Finance of the Company. (to date)</p> <p>(Important concurrent office)<br/>Managing Director, Fuji Television Network, Inc.<br/>Director, Nippon Broadcasting System, Inc.<br/>Statutory Auditor, Sankei Shimbun Co., Ltd.<br/>Statutory Auditor, Sankei Building Co., Ltd.<br/>Director, Kansai Telecasting Corporation<br/>Statutory Auditor, TSS-TV Co., Ltd.</p> | 318 shares                                        |

|   |                                                  |                                                                                                                                                                                                                               |            |
|---|--------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------|
| 5 | Kazunobu Iijima<br>(January 4, 1947)<br>[Note 1] | <p>May 1997      Joined the Company</p> <p>June 1999      General Manager, Corporate Planning<br/>Department, Business Promotion Division of<br/>the Company</p> <p>June 2001      Executive Officer and General Manager,</p> | 308 shares |
|---|--------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------|

| Candidate No. | Name<br>(Date of birth) | Brief history, important concurrent office, position and business in charge in the Company                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | Number of shares of the Company held by Candidate |
|---------------|-------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------|
|               |                         | <p>Corporate Planning Department of the Company</p> <p>June 2004 Director, WOWOW, Inc. (to date)</p> <p>June 2005 Senior Executive Officer and General Manager, Corporate Planning Department of the Company</p> <p>June 2006 Director, in charge of Corporate Planning, IR and Radio Planning, Director; General Manager, Corporate Planning Department of the Company</p> <p>April 2007 Director, SKY Perfect JSAT Corporation (now, SKY Perfect JSAT Holdings Inc.) (to date)</p> <p>June 2007 Managing Director, in charge of Corporate Planning of the Company</p> <p>October 2008 Senior Executive Managing Director, in charge of Group Planning of the Company; Managing Director, in charge of Corporate Planning of Fuji Television Network, Inc. (to date)</p> <p>June 2009 Senior Executive Managing Director, in charge of Group Planning and Group Business Promotion of the Company</p> <p>September 2009 Director, Cecile Co., Ltd.</p> <p>October 2009 Senior Executive Managing Director, in charge of Corporate Planning of the Company (to date)</p> <p>(Important concurrent office)<br/> Managing Director, Fuji Television Network, Inc.<br/> Director, WOWOW, Inc.<br/> Director, SKY Perfect JSAT Holdings Inc.</p> |                                                   |

|   |                                  |                                                                                                                                                                                                                                                                                                                               |            |
|---|----------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------|
| 6 | Ryunosuke Endo<br>(June 3, 1956) | <p>April 1981 Joined the Company</p> <p>June 2006 General Manager, Public Relations Department of the Company</p> <p>June 2007 Director, in charge of Public Relations and General Manager, Public Relations Department of the Company</p> <p>October 2008 Director, in charge of Public Relations Office of the Company;</p> | 242 shares |
|---|----------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------|

| Candidate No. | Name<br>(Date of birth)                                 | Brief history, important concurrent office, position and business in charge in the Company                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | Number of shares of the Company held by Candidate |
|---------------|---------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------|
|               | [Note 1]                                                | <p>June 2010</p> <p>Director, in charge of Public Relations and General Manager, Public Relations Department of Fuji Television Network, Inc.;<br/>           Director, in charge of General Affairs, Human Resources and Public Relations Office of the Company (to date);<br/>           Managing Director, in charge of General Affairs, Human Resources and Public Relations and General Manager, Public Relations Department of Fuji Television Network, Inc. (to date)</p> <p>(Important concurrent office)<br/>           Managing Director, Fuji Television Network, Inc.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |                                                   |
| 7             | <p>Katsuaki Suzuki<br/>(July 30, 1958)<br/>[Note 1]</p> | <p>April 1981<br/>June 2005<br/>June 2007</p> <p>Joined the Company<br/>           General Manager, Programming and Production Department of the Company<br/>           Director, in charge of Programming and Production and General Manager, Programming and Production Department of the Company;<br/>           Director, Pony Canyon Inc. (to date);<br/>           Director, Sankei Living Shimbun Inc. (to date);<br/>           Director, Dinos Inc. (to date)</p> <p>April 2008<br/>October 2008</p> <p>Director, International Television Films, Inc.<br/>           Director of the Company (to date);<br/>           Director, in charge of Programming and Production, Intellectual Properties and Digital Content and General Manager, Programming and Production Department of Fuji Television Network, Inc.</p> <p>June 2009</p> <p>Director, in charge of Programming and Production and Set Design and Production and General Manager, Programming and Production Department of Fuji Television Network, Inc.</p> <p>June 2010</p> <p>Managing Director, in charge of Programming and Production and Set Design and Production and General Manager, Programming and Production Department of Fuji Television Network, Inc. (to date)</p> <p>(Important concurrent office)<br/>           Managing Director, Fuji Television Network, Inc.<br/>           Director, Sankei Living Shimbun Inc.<br/>           Director, Pony Canyon Inc.<br/>           Director, Dinos Inc.</p> | 263 shares                                        |

|   |                                                     |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |            |
|---|-----------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------|
| 8 | <p>Koji Inaki<br/>(August 1, 1955)<br/>[Note 1]</p> | <p>April 1979<br/>June 2005<br/>June 2007<br/>October 2008<br/>June 2009</p> <p>Joined the Company<br/>           General Manager, Sales Department of the Company<br/>           Executive Officer and General Manager, Sales Department of the Company<br/>           Executive Officer and General Manager, Sales Department of Fuji Television Network, Inc.<br/>           Director of the Company (to date);<br/>           Director, in charge of Sales of Fuji Television</p> | 150 shares |
|---|-----------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------|

| Candidate No. | Name<br>(Date of birth)                                    | Brief history, important concurrent office, position and business in charge in the Company                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | Number of shares of the Company held by Candidate |
|---------------|------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------|
|               |                                                            | Network, Inc. (to date)<br>June 2010 Director, Sankei Living Shimbun Inc. (to date)<br>(Important concurrent office)<br>Director, Fuji Television Network, Inc.<br>Director, Sankei Living Shimbun Inc.                                                                                                                                                                                                                                                                                                                                                                                                |                                                   |
| 9             | Isao Matsuoka<br>(December 18, 1934)<br>[Notes 1,2,3,9,10] | March 1970 Director, Toho Co., Ltd.<br>August 1974 Vice President and Director, Toho Co., Ltd.<br>May 1976 Vice President and Representative Director, Toho Co., Ltd.<br>May 1977 President and Representative Director, Toho Co., Ltd.<br>December 1988 Director of the Company (to date)<br>May 1995 Chairman and Representative Director, Toho Co., Ltd.<br>October 2008 Director, Fuji Television Network, Inc. (to date)<br>May 2009 Honorary Chairman, Toho Co., Ltd. (to date)<br>(Important concurrent office)<br>Honorary Chairman, Toho Co., Ltd.<br>Director, Fuji Television Network, Inc. | 600 shares                                        |
| 10            | Akihiro Miki<br>(July 15, 1947)<br>[Notes 1,2,4,9,10]      | June 2001 Director and General Manager, Programming Department of Nippon Cultural Broadcasting Inc.<br>June 2004 Managing Director and General Manager, Sales Department of Nippon Cultural Broadcasting Inc.<br>June 2007 President and Representative Director, Nippon Cultural Broadcasting Inc. (to date)<br>June 2009 Director of the Company (to date);<br>Director, Fuji Television Network, Inc. (to date)<br>(Important concurrent office)<br>President and Representative Director, Nippon Cultural Broadcasting Inc.<br>Director, Fuji Television Network, Inc.                             | 0 share                                           |

|    |                                                      |                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |           |
|----|------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------|
| 11 | Taizan Ishiguro<br>(May 19, 1932)<br>[Notes 1,2,5,9] | June 1985 Director, Tokai Television Broadcasting Co., Ltd.<br>July 1989 Managing Director, Tokai Television Broadcasting Co., Ltd.<br>June 1995 Senior Managing Director, Tokai Television Broadcasting Co., Ltd.<br>June 1997 Vice President and Director, Tokai Television Broadcasting Co., Ltd.<br>June 1999 Vice President and Representative Director, Tokai Television Broadcasting Co., Ltd.<br>June 2001 President and Representative Director, Tokai | 55 shares |
|----|------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------|

| Candidate No. | Name<br>(Date of birth)                                   | Brief history, important concurrent office, position and business in charge in the Company                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | Number of shares of the Company held by Candidate |
|---------------|-----------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------|
|               |                                                           | <p>Television Broadcasting Co., Ltd.</p> <p>June 2006 Director of the Company (to date)</p> <p>June 2007 Chairman and Representative Director, Tokai Television Broadcasting Co., Ltd. (to date)</p> <p>October 2008 Director, Fuji Television Network, Inc. (to date)</p> <p>(Important concurrent office)<br/>Chairman and Representative Director, Tokai Television Broadcasting Co., Ltd.<br/>Director, Fuji Television Network, Inc.</p>                                                                                                                                                                                                                                                             |                                                   |
| 12            | Masafumi Yokota<br>(March 18, 1936)<br>[Notes 1, 2, 6, 9] | <p>June 1994 Director and General Manager, General Affairs Department of Kansai Telecasting Corporation</p> <p>June 1996 Managing Director, Kansai Telecasting Corporation</p> <p>June 1998 Senior Managing Director, Kansai Telecasting Corporation</p> <p>June 2000 Full-time Statutory Auditor, Kansai Telecasting Corporation</p> <p>June 2008 Chairman and Representative Director, Kansai Telecasting Corporation (to date)</p> <p>June 2009 Director of the Company (to date);<br/>Director, Fuji Television Network, Inc. (to date)</p> <p>(Important concurrent office)<br/>Chairman and Representative Director, Kansai Telecasting Corporation<br/>Director, Fuji Television Network, Inc.</p> | 15 shares                                         |

|    |                                                          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |         |
|----|----------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------|
| 13 | Kazuo Terasaki<br>(August 8, 1940)<br>[Notes 1, 2, 7, 9] | <p>June 1997 Director, Television Nishinippon Corporation</p> <p>June 1999 Managing Director, Television Nishinippon Corporation</p> <p>June 2003 Senior Managing Director, Television Nishinippon Corporation</p> <p>June 2005 President and Representative Director, Television Nishinippon Corporation (to date)</p> <p>June 2010 Director of the Company (to date);<br/>Director, Fuji Television Network, Inc. (to date)</p> <p>(Important concurrent office)<br/>President and Representative Director, Television Nishinippon Corporation</p> | 0 share |
|----|----------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------|

| Candidate No. | Name<br>(Date of birth)                                    | Brief history, important concurrent office, position and business in charge in the Company                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | Number of shares of the Company held by Candidate |
|---------------|------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------|
|               |                                                            | Director, Fuji Television Network, Inc.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                                                   |
| 14            | Takehiko Kiyohara<br>(October 31, 1937)<br>[Notes 1,2,8,9] | <p>June 1992      Managing Director, in charge of Editing and Editorial and General Manager, Tokyo Editorial Office of Sankei Shimbun Co., Ltd.</p> <p>June 1994      Senior Managing Director, in charge of Editing, Editorial and Just Arguments of Sankei Shimbun Co., Ltd.</p> <p>June 1997      President and Representative Director, Sankei Shimbun Co., Ltd.</p> <p>June 1998      Director, Sankei Building Co., Ltd. (to date)</p> <p>June 2004      Chairman and Representative Director, Sankei Shimbun Co., Ltd. (to date)</p> <p>June 2005      Director of the Company (to date)</p> <p>October 2008    Director, Fuji Television Network, Inc. (to date)</p> <p>(Important concurrent office)<br/>Chairman and Representative Director, Sankei Shimbun Co., Ltd.<br/>Director, Fuji Television Network, Inc.<br/>Director, Sankei Building Co., Ltd.</p> | 71 shares                                         |

[Note 1] Any candidate for Director and the Company are not special interested parties to each other.

[Note 2] Messrs. Isao Matsuoka, Akihiro Miki, Taizan Ishiguro, Masafumi Yokota, Kazuo Terasaki and Takehiko Kiyohara are candidates for outside Directors.

[Note 3] Management expects Mr. Isao Matsuoka to use his wide experience and expertise as ex-representative director of a listed movie and drama business corporation for the management of the Company and proposes to elect him as outside Director. He will have served as outside Director of the Company for 22 years and six months at the close of this General Meeting of Shareholders.

Kansai Telecasting Corporation, for which Mr. Matsuoka had served as outside Director, put the programs of "*Hakkutsu! Aru-aru Daijiten II*" series, which contained contents not based on the facts, on the air on January 7, 2007 and other occasions. On March 30, 2007, the Ministry of Public Management, Home Affairs, Posts and Telecommunications issued an admonition to the effect that the company violated the Broadcasting Law. He was not aware that it had produced and broadcasted the programs containing contents not based on the facts when the incident was uncovered. However, he had presented advice to the company or invited its attention from the perspectives of compliance with law on a daily basis. He also presented necessary advice and recommendations to prevent the recurrence of such incident.

[Note 4] Management expects to Mr. Akihiro Miki to use his wide experience and expertise as representative director of a radio broadcasting business corporation for the management of the Company and proposes to elect him as outside Director. He will have served as outside Director of the Company for two years at the close of this General Meeting of Shareholders.

- [Note 5] Management expects Mr. Taizan Ishiguro to use his wide experience and expertise as director of a TV broadcasting business corporation for the management of the Company and proposes to elect him as outside Director. He will have served as outside Director of the Company for five years at the close of this General Meeting of Shareholders.
- [Note 6] Management expects Mr. Masafumi Yokota to use his wide experience and expertise as representative director of a TV broadcasting business corporation for the management of the Company and proposes to elect him as outside Director. He will have served as outside Director of the Company for two years at the close of this General Meeting of Shareholders.
- [Note 7] Management expects Mr. Kazuo Terasaki to use his wide experience and expertise as representative director of a TV broadcasting business corporation for the management of the Company and proposes to elect him as outside Director. He will have served as outside Director of the Company for one year at the close of this General Meeting of Shareholders.
- [Note 8] Management expects Mr. Takehiko Kiyohara to use his wide experience and expertise as representative director of a newspaper business corporation for the management of the Company and proposes to elect him as outside Director. He will have served as outside Director of the Company for six years at the close of this General Meeting of Shareholders. He is an executive of Sankei Shimbun Co., Ltd., which is a company having specific relationships with the Company. He is also a relative within the third degree of relationship by blood with an employee of a company having specific relationships with the Company.
- [Note 9] Each of outside Directors Messrs. Isao Matsuoka, Akihiro Miki, Taizan Ishiguro, Masafumi Yokota, Kazuo Terasaki and Takehiko Kiyohara has, in accordance with Article 427, paragraph 1 of the Corporation Law, entered into an agreement with the Company to limit the liability for damages as provided for in Article 423, paragraph 1 of the said law. The maximum amount of the liability for damages under such agreement shall be the higher of (i) ¥10,000,000 and (ii) such amount as provided for in laws or ordinances.
- [Note 10] Messrs. Isao Matsuoka and Akihiro Miki have met the requirements for independent officers obligated by the Tokyo Stock Exchange to be designated.

### **Proposition No. 3: Election of one Statutory Auditor**

The term of office of Statutory Auditor Mr. Yuzaburo Mogi will expire at the close of this Ordinary General Meeting of Shareholders. Hence, it is hereby proposed that one Statutory Auditor be elected.

The Board of Statutory Auditors has consented to this proposition.

The candidate for Statutory Auditor is as set forth below:

| Name<br>(Date of birth) | Brief history, important concurrent office and position in the<br>Company | Number of shares of<br>the Company held<br>by Candidate |
|-------------------------|---------------------------------------------------------------------------|---------------------------------------------------------|
| Yuzaburo Mogi           | March 1979<br>Director, Kikkoman Corporation                              | 30 shares                                               |

| Name<br>(Date of birth)                | Brief history, important concurrent office and position in the<br>Company                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | Number of shares of<br>the Company held<br>by Candidate |
|----------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------|
| (February 13, 1935)<br>[Notes 1,2,3,4] | <p>March 1982      Managing Director, Kikkoman Corporation</p> <p>October 1985    Managing Director and Representative Director, Kikkoman Corporation</p> <p>March 1989      Senior Managing Director and Representative Director, Kikkoman Corporation</p> <p>March 1994      Vice President and Representative Director, Kikkoman Corporation</p> <p>February 1995    President and Representative Director, Kikkoman Corporation</p> <p>June 2003        Statutory Auditor of the Company (to date)</p> <p>June 2004        Chairman and Representative Director, Kikkoman Corporation (to date)</p> <p>October 2008     Statutory Auditor, Fuji Television Network, Inc. (to date)</p> <p>(Important concurrent office)<br/>Chairman and Representative Director, Kikkoman Corporation<br/>Statutory Auditor, Fuji Television Network, Inc.</p> |                                                         |

[Note 1] The candidate for Statutory Auditor and the Company are not special interested parties to each other.

[Note 2] Mr. Yuzaburo Mogi is a candidate for outside Statutory Auditor. Management expects him to use his wide experience and expertise as a representative director of a listed company for the audit system of the Company and proposes to elect him as outside Statutory Auditor. He will have served as outside Statutory Auditor of the Company for eight years at the close of this General Meeting of Shareholders. In accordance with Article 427, paragraph 1 of the Corporation Law, he has entered into an agreement with the Company to limit the liability for damages as provided for in Article 423, paragraph 1 of the said law. The maximum amount of the liability for damages under such agreement shall be the higher of (i) ¥10,000,000 and (ii) such amount as provided for in laws or ordinances.

[Note 3] Mr. Yuzaburo Mogi has met the requirements for independent officer obligated by the Tokyo Stock Exchange to be designated.

[Note 4] Mr. Yuzaburo Mogi is expected to retire from the office of Chairman and Representative Director of Kikkoman Corporation as of June 23, 2011 and assume the office of Honorary Chairman and Director, and Chairman of the Board of Directors of Kikkoman Corporation.

#### **Proposition No. 4: Payment of bonuses for officers**

Taking into consideration the operating results for the fiscal year under review and other factors, it is hereby proposed that bonuses in the aggregate of ¥19,871,000 (¥16,087,000 for Directors (including ¥3,000,000 for outside Directors) and ¥3,784,000 for Statutory Auditors) be paid to 14 Directors (including six outside Directors) and five Statutory Auditors

in office as of March 31, 2011.

- END -

## Notice on Exercise of Voting Rights via the Internet

### 1. Matters to be understood to exercise voting rights via the Internet:

In exercising your voting rights via the Internet, please confirm the items described below in advance:

- (1) Any exercise of voting rights via the Internet will be possible only on the website for the exercise of voting rights specified by the Company (please see the following URL). To exercise voting rights via the Internet, the "code for the exercise of voting rights" and the "password" printed in the enclosed voting form are necessary.
- (2) The code for the exercise of voting rights and the password printed in the enclosed voting form are good only for this Ordinary General Meeting of Shareholders. A new code and password will be issued for any subsequent General Meeting of Shareholders.
- (3) Any exercise of voting rights via the Internet will be acceptable no later than 5:30 p.m., Tuesday, June 28, 2011. However, for the expedient counting of the voting rights exercised, it would be appreciated if you could exercise your voting rights early.
- (4) If voting rights are exercised both by the voting form and via the Internet, the voting rights exercised via the Internet shall be treated as effective.
- (5) If voting rights are exercised via the Internet twice or more, the latest exercise thereof shall be treated as effective.
- (6) All expenses for using the Internet (such as fees payable to Internet service providers and telecommunication carriers) must be borne by the shareholders.

### 2. Concrete procedures for exercising voting rights via the Internet:

- (1) Please access <http://www.it-soukai.com/> or <https://daiko.mizuho-tb.co.jp/>; however, the website is not accessible from 3:00 a.m. to 5:00 a.m. on each day during the exercise period:
- (2) Please enter the code for the exercise of voting rights and the password printed in the enclosed voting form and click the "login" button.

The code for the exercise of voting rights and the password are printed on the lower right in the enclosed voting form.

- (3) In accordance with the guidance on the screen, please exercise your voting rights.

3. Usage environment:

- Ⓒ PC: Windows<sup>®</sup>-based  
(Not accessible via PDAs, mobile phones or gaming machines)
- Ⓒ Browser: Microsoft<sup>®</sup> Internet Explorer ver.5.5 or above
- Ⓒ Internet environment: Internet-capable environment through contracts with Internet service providers
- Ⓒ Display resolution: 1024 x 768 or above recommended

\* "Microsoft" and "Windows" are the registered trademarks or trademarks of Microsoft Corporation of the United States in the United States and/or other nations.

4. Security:

To ensure security, the website employs encryption technology (128 bit SSL) to block the tampering and sniffing of information on the exercise of voting rights.

As the code for the exercise of voting rights and the password printed in the enclosed voting form are important information that authenticates each shareholder, please keep them confidential. We never inquire of any shareholder about his/her password.

5. Contact for inquires:

- (1) Inquiries about PC operations, etc. with regard to the exercise of voting rights by electronic methods:

Internet Help Dial, Stock Transfer Agency Department  
Mizuho Trust & Banking Co., Ltd.  
Tel (0120) 768-524 (toll-free)  
Office hours: 9:00 – 21:00 (not on Saturdays, Sundays and national holidays)

- (2) Inquiries other than those in item (1) above, such as address corrections:

Stock Transfer Agency Department  
Mizuho Trust & Banking Co., Ltd.  
Tel (0120) 288-324 (toll-free)  
Office hours: 9:00 – 17:00 (not on Saturdays, Sundays and national holidays)