

(Translation)

Securities Code: 4676

June 1, 2012

To the Shareholders:

NOTICE OF THE 71ST ORDINARY GENERAL MEETING
OF SHAREHOLDERS

Dear Shareholders:

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

Please take notice that the 71st 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 28 (Thursday), 2012, 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 Corporate Auditors for the 71st fiscal year (from April 1, 2011 to March 31, 2012)
2. Report on the non-consolidated financial statements for the 71st fiscal year (from April 1, 2011 to March 31, 2012)

Matters to be resolved:

- Proposition No. 1: Appropriation of retained earnings
- Proposition No. 2: Election of 15 Directors
- Proposition No. 3: 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., Wednesday, June 27, 2012.

- (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., Wednesday, June 27, 2012. 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, 2011 to March 31, 2012)

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

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

The Japanese economy during fiscal 2011 (April 1, 2011 to March 31, 2012) was strained in the initial months by the impact of the Great East Japan Earthquake, but began to exhibit movement toward recovery in the second quarter with the restoration of supply chains, a mild upturn in overseas economies, and the benefits from various government policies. This was followed by a negative impact of the European debt crisis, the flooding in Thailand and an historic appreciation of the yen, but from the fourth quarter the economy began to show signs of a gentle recovery as a result of domestic demand from post-quake recovery efforts, an upswing in the U.S. economy, and a respite from a rise in the currency.

Amid this economic environment, the Fuji Media Holdings Group posted consolidated net sales of ¥593,645 million for the subject fiscal year, up 0.7% from the previous fiscal year. Revenue was down in such segments as Video and Music, and Advertising, but rose in the mainstay Broadcasting segment as a result of the addition of Fuji Satellite Broadcasting, Inc. (BS Fuji) as a consolidated subsidiary, as well as in the Life Information segment.

Operating income rose 26.0% from the previous fiscal year to ¥33,204 million, due mainly to significant increases in earnings in the Broadcasting segment and the Life Information segment, along with the securing of profitability in the Advertising segment. Recurring profit rose 77.6% to ¥52,320 million, mainly because nine stations affiliated with Fuji TV became equity-method affiliates of the Company during the subject fiscal year, generating negative goodwill that was recorded as a gain on equity in earnings of affiliates. Net income increased 512.0% to ¥61,213 million, mainly due to the recording of an extraordinary gain recorded for negative goodwill generated upon The Sankei Building Co., Ltd. becoming a consolidated subsidiary of the Company.

Results by operating segment are as follows:

|                  | Net sales                                                             |                                                                       |                                                | Segment operating income (loss)                                       |                                                                       |                                                |
|------------------|-----------------------------------------------------------------------|-----------------------------------------------------------------------|------------------------------------------------|-----------------------------------------------------------------------|-----------------------------------------------------------------------|------------------------------------------------|
|                  | 70th fiscal year<br>April 1, 2010 -<br>Mar. 31, 2011<br>(million yen) | 71st fiscal year<br>April 1, 2011 -<br>Mar. 31, 2012<br>(million yen) | Comparison<br>with the<br>previous year<br>(%) | 70th fiscal year<br>April 1, 2010 -<br>Mar. 31, 2011<br>(million yen) | 71st fiscal year<br>April 1, 2011 -<br>Mar. 31, 2012<br>(million yen) | Comparison<br>with the<br>previous year<br>(%) |
| Broadcasting     | 347,456                                                               | 355,215                                                               | 2.2                                            | 22,145                                                                | 27,166                                                                | 22.7                                           |
| Production       | 44,634                                                                | 44,611                                                                | - 0.1                                          | 1,826                                                                 | 2,259                                                                 | 23.7                                           |
| Video and Music  | 66,932                                                                | 59,547                                                                | - 11.0                                         | 2,768                                                                 | 2,583                                                                 | - 6.7                                          |
| Life Information | 127,411                                                               | 134,744                                                               | 5.8                                            | 472                                                                   | 1,440                                                                 | 205.2                                          |
| Advertising      | 42,161                                                                | 39,562                                                                | - 6.2                                          | (80)                                                                  | 135                                                                   | -                                              |
| Other            | 27,333                                                                | 27,160                                                                | - 0.6                                          | 685                                                                   | 769                                                                   | 12.2                                           |
| Eliminations     | (66,257)                                                              | (67,197)                                                              | -                                              | (1,466)                                                               | (1,151)                                                               | -                                              |
| Total            | 589,671                                                               | 593,645                                                               | 0.7                                            | 26,351                                                                | 33,204                                                                | 26.0                                           |

Note: A new business segment, Urban Development, was established following the addition of The Sankei Building Co., Ltd. as a consolidated subsidiary of the Company. However, results for the Urban Development segment are not presented because for the fiscal year under review, only the balance sheet is consolidated.

### <Broadcasting>

Broadcasting revenue rose for the second consecutive year, up 0.5% from the previous fiscal year to ¥248,105 million, on year-on-year increases in network time, local time and spot advertising sales. The time advertising portion of broadcast revenue, which is the core component of Fuji Television Network Inc.'s revenue from broadcasting operations, was not significantly affected by the suspension of sales following the Great East Japan Earthquake, as sales were finalized prior to the disaster. Spot advertising sales, which are closely linked to the state of the economy, declined sharply in the first quarter but rebounded in July, and generally continued on a recovery track through the end of the subject fiscal year.

Network time advertising sales (time advertising for nationwide broadcasts) rose 0.5% year-on-year to ¥112,553 million. Although the standard fee for regular program sponsorship declined slightly year-on-year for the April new programming season, the standard fee for the October program lineup rose for the first time in seven seasons, since April 2008. One-off programming sales declined for the first half and for the fiscal year overall due to the rebound effect from the 2010 FIFA World Cup soccer tournament broadcast in the previous fiscal year, but sales in the second half rose from the same period of the previous fiscal year as a result of such events as the 2011 Artistic Gymnastics World Championships and the 2011 FIVB World Cup Volleyball tournament.

Local time advertising sales (time advertising for the Kanto region) rose 3.1% from the previous fiscal year to ¥15,986 million. The standard fee for regular program sponsorships declined year-on-year for the April programming season, but the standard fee for

the October program lineup rose for the first time in nine seasons, since April 2007. One-off programming sales were also strong, boosted by a large number of special programs throughout the period, and such programs as the 2011 FIVB World Cup Volleyball Highlights in the second half of the fiscal year.

Spot advertising sales rose 0.2% from the previous fiscal year to ¥119,564 million. Results for the first half were down from the same period of the previous fiscal year as market conditions deteriorated in the wake of the earthquake disaster, but the market recovered sharply in the second half, and sales were up for the period overall. By industry category, spending declined in the "Consumer Electronics" category due to a falloff in placements for televisions following the termination of analog broadcasting, but was up sharply in such categories as "Cosmetics/Toiletries" on a rise in placements by major manufacturers, "Telecommunication" for content-related advertising, and "Office/Precision/Optical Equipment" on a series of placements for smartphones.

Revenue from other broadcasting business increased 2.3% year-on-year to ¥32,395 million, due mainly to steady gains in program sales income, and in communication satellite (CS) broadcasting income on the success of original dramas.

Revenue from other businesses decreased 2.5% from the previous fiscal year to ¥48,512 million. In the movie business, despite such hits as *ONCE IN A BLUE MOON*, which had the highest box office revenue for a Japanese live-action movie in 2011, as well as *SP The Motion Picture: Revolution*, and *Unfair the answer*, revenue declined on the rebound effect from major hits in the previous fiscal year. In the video business, despite such hits as *Marumo's Story*, revenue fell below that of the previous fiscal year. In the event business, although many events had to be cancelled because of the earthquake disaster, revenue exceeded that of the previous fiscal year on the popularity on performances from the summer of "Cirque du Soleil's *KOOZA*" in Osaka, Nagoya and Fukuoka. In the digital business, revenue increased led by the popularity of the Fuji TV On Demand service that allows viewers to download missed drama episodes. Sales were also up in the merchandising business.

In terms of expenses, effective cost controls resulted in year-on-year decreases in costs for both broadcasting and other operations. As a result, operating expenses overall declined from the previous fiscal year, with a subsequent rise in earnings.

Fuji Satellite Broadcasting, Inc. (BS Fuji), included as a consolidated subsidiary during the subject fiscal year, posted a considerable increase in revenues from the previous fiscal year. Despite the negative impact in April from the earthquake disaster, spot advertising sales were positive afterward, with time advertising revenue also rising for both regular program sponsorships and one-off sales.

Nippon Broadcasting System, Inc. recorded a 1.9% decrease in net sales to ¥18,837 million from the previous fiscal year, as broadcasting revenue fell in response to the ongoing slump in radio advertising. However, the company posted an operating profit for the first time in three fiscal years as a result of cost cutting efforts in such areas as program production

and selling, general and administrative expenses.

As a result, for the Broadcasting segment overall net sales rose 2.2% from the previous fiscal year to ¥355,215 million, with operating income up 22.7% to ¥27,166 million.

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

|                                   | 70th fiscal year<br>April 1, 2010 -<br>Mar. 31, 2011<br>(million yen) | 71st fiscal year<br>April 1, 2011 -<br>Mar. 31, 2012<br>(million yen) | Comparison<br>with the<br>previous year<br>(%) |
|-----------------------------------|-----------------------------------------------------------------------|-----------------------------------------------------------------------|------------------------------------------------|
| Fuji Television Network, Inc.     |                                                                       |                                                                       |                                                |
| Broadcasting operations           | 278,490                                                               | 280,501                                                               | 0.7                                            |
| Broadcasting                      | 246,810                                                               | 248,105                                                               | 0.5                                            |
| Network time                      | 111,939                                                               | 112,553                                                               | 0.5                                            |
| Local time                        | 15,500                                                                | 15,986                                                                | 3.1                                            |
| Spot                              | 119,370                                                               | 119,564                                                               | 0.2                                            |
| Broadcasting related business     | 31,680                                                                | 32,395                                                                | 2.3                                            |
| Other operations                  | 49,774                                                                | 48,512                                                                | - 2.5                                          |
| Subtotal                          | 328,264                                                               | 329,013                                                               | 0.2                                            |
| Fuji Satellite Broadcasting, Inc. | -                                                                     | 9,587                                                                 | -                                              |
| Nippon Broadcasting System, Inc.  | 19,209                                                                | 18,837                                                                | - 1.9                                          |
| Elimination in the segment        | (18)                                                                  | (2,222)                                                               | -                                              |
| Total                             | 347,456                                                               | 355,215                                                               | 2.2                                            |

### <Production>

The Production segment posted net sales of ¥44,611 million, roughly on a par with that of the previous fiscal year. Despite a falloff in orders for program and event production during the first half of the fiscal year stemming from the earthquake disaster, business recovered during the second half of the fiscal year. Operating income, as a result of efforts to lower the cost rate and trim selling, general and administrative expenses, increased 23.7% from the previous fiscal year to ¥2,259 million.

### <Video and Music>

Pony Canyon, Inc.'s music division, despite hits from new South Korean artists and other titles, recorded a revenue decline as a result of the lack of major hits such as the animated feature *K-ON!!* in the previous fiscal year. The movie division also posted a revenue decline due to fewer hit films compared to the previous fiscal year, despite such successes as *The Last Message Umizaru*, and strong sales of anime titles and South Korean dramas. In terms of expenses, the cost of sales declined mainly because of an increase in distribution fees, which have a low cost rate, and the company made efforts to trim expenses. However, these declines were insufficient to cover the falloff in revenue, and earnings fell as a result.

Fujipacific Music Inc. posted increases in both revenue and earnings, due mainly to a gain in royalty income on the popularity of products related to the AKB48 group and anime title *One Piece*.

As a result, net sales in the Video and Music segment overall fell 11.0% from the previous fiscal year to ¥59,547 million, with operating income down 6.7% to ¥2,583 million.

#### <Life Information>

Dinos Inc.'s catalogue shopping revenue rose from the previous fiscal year on the popularity of fashion items from the newly launched DAMA CASA catalogue throughout the period, with sales of living items also strong. Television shopping revenue also posted gains from such hit products as the One Piece-themed car navigation system. Earnings were up sharply on efforts to improve the cost rate.

Cecile Co., Ltd. posted increases in both revenue and earnings, as a result of successful sales promotions centered on TV commercials, steady sales of fashion items such as the 3D-Bra series, and the popularity of power-saving and energy-efficient products.

Sankei Living Shimbun Inc. recorded a sharp decline in revenue due to the earthquake disaster, with earnings also falling considerably despite efforts to curb costs, personnel expenses and other administrative expenditures.

As a result, net sales in the Life Information segment rose 5.8% from the previous fiscal year to ¥134,744 million, with operating income up a significant 205.2% to ¥1,440 million.

#### <Advertising>

Quaras Inc. recorded a year-on-year increase in revenue overall on a rise in advertising handled for mainstay TV and newspaper advertisements, stemming from greater volume from Kyodo Advertising Co., Ltd. Earnings, however, declined as a result of the persistently high cost rate for the four mass media channels, which exceeded efforts to cut selling, general and administrative expenses.

Kyodo Advertising Co., Ltd. recorded a revenue decline stemming from office closures implemented in the previous fiscal year, but as a result of the improvement of operating efficiencies and cost reductions, reversed previous operating losses to post an operating income for the subject period.

As a result, net sales in the Advertising segment decreased 6.2% from the previous fiscal year to ¥39,562 million, with the segment posting an operating income of ¥135 million compared to a loss in the previous fiscal year.

## <Other>

Fujimic, Inc. recorded increases in revenue, however, earnings declined despite a rise in orders for IT system development.

Fusosha Publishing, Inc. posted sales on a par with the previous fiscal year on steady increases in advertising revenue in the magazine division and in book sales, while earnings rose sharply as a result of cuts in advertising expenses and a decrease in returns.

As a result, net sales in the Other segment overall declined 0.6% from the previous fiscal year to ¥27,160 million, though operating income rose 12.2% to ¥769 million.

## Equity-Method Affiliates

Nihon Eiga Satellite Broadcasting Corporation, a pay-TV provider, posted increases in both revenue and earnings on steady sales gains centered on the SKY PerfectTV! e2 and cable television services. The Sankei Building Co., Ltd. recorded an increase in both revenue and earnings, due mainly to steady gains in residential housing, offsetting a decline in office building operations. Fujiland, Inc. posted declines in both revenue and earnings, due mainly to the impact of fewer stores at the Ebina Service Area on the Tomei Expressway.

In addition, nine stations affiliated with Fuji TV became equity-method affiliates of the Company during the subject fiscal year, generating negative goodwill. As a result, equity in earnings of affiliates increased ¥16,699 million overall from the previous fiscal year to ¥17,433 million.

### 2. Capital investment:

Capital investment during the fiscal year under review totaled ¥7,106 million, which was spent principally on broadcasting-related equipment in the broadcasting business.

### 3. Issues to be addressed:

The Fuji Media Holdings Group, to establish a strong earnings base under its certified broadcast holding company structure, has been working to optimize the distribution of management resources, and has undertaken business restructuring measures, including making a wholly-owned subsidiary of Fuji Satellite Broadcasting (BS Fuji), which operates in a growth area, and adding the new Urban Development segment, which the Group anticipates will contribute to stable earnings. The Group has also promoted efficiency in expenditures and capital spending throughout the corporate group, and strengthening its corporate structure so as to secure earnings even under a difficult business environment. The Group will continue to strengthen the earnings structure, and make efforts to expand sales and earnings. The Group has also provided wide-ranging support for efforts for recovery from the Great East Japan Earthquake and other disasters, such as soliciting charitable donations through program broadcasts, and hosting the United States of Michinoku event in Sendai. The Group is keenly aware of its public mission and social responsibilities as a key media company, and utilizing

the unique aspects of the corporate group, will continue to contribute to recovery efforts.

In the Broadcast business, centered on Fuji Television Network, the Group will strengthen its capabilities in content production and programming that are the drivers for earnings for the entire group, make a full-fledged effort to improve program quality and raise viewer ratings, further enhance its value as a broadcast advertising medium, and implement strategic marketing initiatives, in an effort to attain a high level of income even during difficult business conditions for advertising. The Group will also efficiently control program production costs and other expenses in line with income trends in order to secure earnings. Further, the Group has steadily increased earnings at Fuji Satellite Broadcasting (BS Fuji), which was made a wholly-owned subsidiary in April 2011. The Group, with a focus mainly on free-to-air terrestrial commercial broadcasting, and in conjunction with its two satellite channels, the free-to-air commercial broadcast satellite (BS) service and subscription-based communication satellite (CS) service, will efficiently manage its three signal streams in a unified manner, and together with the radio broadcasting business, build a solid earnings foundation for broadcasting.

In the Video and Music business, centered on Pony Canyon, the Group will broaden tie-ups with Fuji Television Network and other group companies, concentrating on strengthening its video and music lineup to generate hit titles. The Group will also work to curb expenses and secure earnings.

In the Life Information business, the Group will pursue efficiencies from tie-ups between Dinos and Cecile through such measures as joint purchasing and consolidation of operations. The Group will further strengthen product development capabilities, and through television commercials and other effective sales promotion measures, seek to expand sales and earnings.

In the newly added Urban Development business, centered on Sankei Building, the Group will achieve contributions to stable earnings through the mainstay office building business, and promote growth in residential housing and other operations. The Group will also strengthen ties with other group companies by furthering efficient management of real estate within the corporate group, and while securing a stable financial position, maintain and expand a high standard for earnings.

The recent spread of smartphones, tablet PCs and other devices has expanded opportunities for viewers to access content. The Group will utilize its solid content creation capabilities to achieve growth in the digital content field, including online video distribution, games, online sales and other areas.

The Group, through its core terrestrial television broadcasting, and a wide variety of genres including movies, events, digital content, video, music and life information, will seek to build a broad business foundation centered on content. The Group will draw on the expertise and strengths acquired by its group companies to further broaden its business domain, develop new businesses, and pursue capital and operational alliances with external companies.

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

| Item                              | 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>April 1, 2010 -<br>Mar. 31, 2011 | 71st fiscal year<br>(current year)<br>April 1, 2011 -<br>Mar. 31, 2012 |
|-----------------------------------|------------------------------------------------------|------------------------------------------------------|------------------------------------------------------|------------------------------------------------------------------------|
| Net sales<br>(million yen)        | 563,320                                              | 583,843                                              | 589,671                                              | 593,645                                                                |
| Operating income<br>(million yen) | 19,830                                               | 9,279                                                | 26,351                                               | 33,204                                                                 |
| Recurring profit<br>(million yen) | 22,365                                               | 12,060                                               | 29,460                                               | 52,320                                                                 |
| Net income<br>(million yen)       | 16,567                                               | 7,459                                                | 10,002                                               | 61,213                                                                 |
| Net income per share<br>(yen)     | 7,193.40                                             | 3,238.69                                             | 4,342.98                                             | 26,138.30                                                              |
| Total assets<br>(million yen)     | 683,523                                              | 753,191                                              | 723,789                                              | 953,537                                                                |
| Net assets<br>(million yen)       | 453,395                                              | 464,187                                              | 461,631                                              | 534,525                                                                |
| Net assets per share (yen)        | 194,864.16                                           | 199,432.99                                           | 198,377.85                                           | 226,290.92                                                             |

##### 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:

The Japanese economy began to pick up on improvement in corporate earnings, an increase in capital expenditures and other factors. However, due in part to the Great East Japan Earthquake that occurred on March 11, 2011, revenues decreased slightly in core Broadcasting business, while revenues from Video and Music business and Life Information business increased. On a consolidated basis, net sales increased. As to earnings, due to significant increases in the Broadcasting business and Video and Music business, and the securing of profitability in the Life Information business and Other businesses, operating income, recurring profit and net income increased.

##### 71st 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                         |
| Nippon Broadcasting System, 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                        |
| The Sankei Building Co., Ltd.    | 14,120                         | 97.0                                    | Building leasing and real<br>estate transactions |

### (2) Development and results of business combinations:

As of April 1, 2011, by a share exchange, Fuji Satellite Broadcasting, Inc. (BS Fuji), an equity-method affiliate of the Company, became a wholly owned subsidiary of the Company, which has been made a consolidated subsidiary of the Company.

As of March 8, 2012, Fuji Media Service, Inc., a non-consolidated subsidiary of the Company, acquired the shares in The Sankei Building Co., Ltd., an equity-method affiliate of the Company, by a public tender offering and the Company has made The Sankei Building Co., Ltd. a consolidated subsidiary. Accordingly, the Company has made Fuji Media Service, Inc. a consolidated subsidiary due to its increased importance.

As The Sankei Building Co., Ltd. has become a subsidiary of the Company, its subsidiaries Sankei Kaikan Co., Ltd., Sankei Bldg. Techno Co., Ltd. and Sankei Building Maintenance Co., Ltd. also have become consolidated subsidiaries of the Company.

Cecile Business & Staffing Co., Ltd. ceased to be a consolidated subsidiary due to its decreased importance as a result of transfer of business.

As of December 1, 2011, Japan Television Workshop Co., Ltd., an equity-method affiliate of the Company, was merged by NEXTEP TV Workshop Co., Ltd., an equity-method affiliate of the Company, and dissolved.

In March 2012, the Company acquired additional shares in Akita Television Co., Ltd., Iwate Menkoi Television Co., Ltd., Okayama Broadcasting Co., Ltd., Okinawa

Television Broadcasting Co., Ltd., Sendai Television Incorporated, Television Shin-Hiroshima System Co., Ltd., Niigata Sogo Television Co., Ltd., Fukushima Television Broadcasting Co., Ltd. and Hokkaido Cultural Broadcasting Co., Ltd. and made them equity-method affiliates of the Company, respectively.

As a result, the Company had 39 consolidated subsidiaries, including the above six major subsidiaries and 19 equity-method companies for the fiscal year under review.

## 6. Major businesses:

The Group's major activities are mainstay business of 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 Urban Development segment was newly added at the end of the fiscal year under review following the addition of The Sankei Building Co., Ltd. as a consolidated subsidiary of the Company.

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.                                                                           |
| Urban Development | Building leasing, real estate transactions, 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 |
| The Sankei Building Co., Ltd.    | Chiyoda-ku, Tokyo      |

**8. State of employees:**

| Segment name      | Number of employees | Comparison with the end of the previous fiscal year |
|-------------------|---------------------|-----------------------------------------------------|
| Broadcasting      | 1,613               | -                                                   |
| Production        | 1,264               | + 11                                                |
| Video and Music   | 471                 | - 20                                                |
| Life Information  | 1,501               | - 55                                                |
| Advertising       | 383                 | -                                                   |
| Urban Development | 312                 | + 312                                               |
| Other             | 543                 | - 17                                                |
| All-company       | 25                  | - 2                                                 |
| Total             | 6,112               | + 229                                               |

Note 1. The number of employees represents the number of persons actually at work.

Note 2. The number of employees increased by 229 due principally to the addition of The Sankei Building Co., Ltd., Sankei Kaikan Co., Ltd., Sankei Bldg. Techno Co., Ltd. and Sankei Building Maintenance Co., Ltd. as consolidated subsidiaries of the Company.

**9. Principal lenders:**

| Lender                                 | Balance of borrowings (million yen) |
|----------------------------------------|-------------------------------------|
| Mizuho Corporate Bank, Ltd.            | 16,775                              |
| Development Bank of Japan              | 13,304                              |
| The Bank of Tokyo-Mitsubishi UFJ, Ltd. | 10,166                              |
| Sumitomo Mitsui Banking Corporation    | 8,812                               |
| Mizuho Trust & Banking Co., Ltd.       | 2,100                               |
| Shinsei Bank, Limited                  | 2,100                               |

## II. Matters concerning the shares of the Company

1. **Total number of issued shares:** 2,364,298 shares  
(including 22,352 shares of treasury stock)
2. **Number of shareholders:** 62,875 persons
3. **Principal shareholders:**

| Name of shareholder                                                                     | Number of shares (shares) | Ratio of equity participation (%) |
|-----------------------------------------------------------------------------------------|---------------------------|-----------------------------------|
| Toho Co., Ltd.                                                                          | 185,721                   | 7.93                              |
| The Master Trust Bank of Japan, Ltd. (Trust Account)                                    | 148,563                   | 6.34                              |
| Japan Trustee Services Bank, Ltd. (Trust Account)                                       | 135,185                   | 5.77                              |
| Nippon Cultural Broadcasting, Inc.                                                      | 77,920                    | 3.33                              |
| NTT DOCOMO Co., Ltd.                                                                    | 77,000                    | 3.29                              |
| Kansai Telecasting Corporation                                                          | 61,461                    | 2.62                              |
| The Master Trust Bank of Japan, Ltd. (Retirement Benefit Trust Account for Dentsu Inc.) | 46,500                    | 1.99                              |
| YAKULT HONSHA CO., LTD.                                                                 | 39,690                    | 1.69                              |
| Japan Trustee Services Bank, Ltd. (Trust Account 9)                                     | 39,365                    | 1.55                              |
| State Street Bank and Trust Company                                                     | 31,801                    | 1.36                              |

Note: 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.

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

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

(As of March 31, 2012)

| 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, The 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;<br>Secretary's Office,<br>Corporate Social Responsibility Office and Compliance Office | Hideaki Ohta    | Executive Vice President, Fuji Television Network, Inc.<br>Director, Sankei Shimbun Co., Ltd.<br>Director, Sankei Living Shimbun Inc.<br>Director, Hokkaido Cultural Broadcasting Co., Ltd.                                                                                                                                                                              |
| Executive Vice President                    | Finance                                                                                                        | Shuji Kanoh     | Executive Vice President, Fuji Television Network, Inc.<br>Director, Nippon Broadcasting System, Inc.<br>Corporate Auditor, Sankei Shimbun Co., Ltd.<br>Corporate Auditor, The Sankei Building Co., Ltd.<br>Director, Kansai Telecasting Corporation<br>Corporate Auditor, TSS-TV Co., Ltd.                                                                              |
| Senior Executive Managing Director          | Corporate Planning and Budget Management                                                                       | Kazunobu Iijima | Senior Executive Managing Director, Fuji Television Network, Inc.<br>Director, WOWOW Inc.<br>Director, SKY Perfect JSAT Holdings Inc.                                                                                                                                                                                                                                    |
| Executive Managing Director                 | General Affairs, Human Resources and Public Relation Office                                                    | Ryunosuke Endo  | Senior Executive Managing Director, Fuji Television Network, Inc.                                                                                                                                                                                                                                                                                                        |
| Executive Managing Director                 |                                                                                                                | Katsuaki Suzuki | Senior Executive Managing Director, Fuji Television Network, Inc.<br>Director, Sankei Living Shimbun Inc.<br>Director, Pony Canyon Inc.<br>Director, Dinos Inc.                                                                                                                                                                                                          |

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

- Note 1. Executive Managing Director 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. Corporate Auditor Messrs. Yuzaburo Mogi, Naoya Minami and Takayasu Okushima are outside corporate auditors as provided for in Article 2, item 16 of the Corporation Law.
- Note 3. Executive Managing Director Messrs. Isao Matsuoka and Akihiro Miki and Corporate Auditors Messrs. Yuzaburo Mogi, Naoya Minami and Takayasu Okushima have been registered with the Tokyo Stock Exchange as independent officers.
- Note 4. Corporate Auditor Mr. Yuzaburo Mogi, who has built up his experience in accounting at Kikkoman Corporation, has considerable knowledge of financing and accounting.
- Note 5. Corporate 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. He retired as Adviser of Tokyo Electric Power Company, Incorporated as of March 31, 2012.

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

|                     |    |              |                             |   |              |
|---------------------|----|--------------|-----------------------------|---|--------------|
| Director            | 14 | ¥333 million | (Outside Directors          | 6 | ¥28 million) |
| Corporate Auditors: | 5  | ¥53 million  | (Outside Corporate 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 Corporate 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 ¥22 million of bonuses for officers (¥18 million for the Directors and ¥4 million for the Corporate Auditors) to be resolved at the 71st 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 ¥44 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:

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

Executive Managing 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.

Executive Managing 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.

Executive Managing 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.

Executive Managing 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.

Executive Managing 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.

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

Corporate Auditor Mr. Naoya Minami has concurrently served as Adviser of Tokyo Electric Power Company, Incorporated (he retired as such as of March 31, 2012), which has no specific relation of interest with the Company.

Corporate 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:

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

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

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

Fuji Television Network, Inc. and The Sankei Building Co., Ltd. are consolidated

subsidiaries of the Company.

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

Executive Managing 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                                                                                                                                                                                                                                                                                                           |
|--------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Executive Managing Director<br>Isao Matsuoka     | Mr. Matsuoka attended and spoke at nine 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. |
| Executive Managing Director<br>Akihiro Miki      | Mr. Miki 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 radio broadcasting business corporation.          |
| Executive Managing Director<br>Taizan Ishiguro   | Mr. Ishiguro 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 TV broadcasting business corporation.         |
| Executive Managing Director<br>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.           |
| Executive Managing Director<br>Kazuo Terasaki    | Mr. Terasaki 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.         |
| Executive Managing Director<br>Takehiko Kiyohara | Mr. Kiyohara 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 newspaper business corporation.               |

| Name                                   | Attendance and speech                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
|----------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Corporate Auditor<br>Yuzaburo Mogi     | Mr. Mogi attended and spoke at nine of the 11 meetings of the Board of Directors and six of the eight meetings of the Board of Corporate 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-representative director of a listed corporation.            |
| Corporate Auditor<br>Naoya Minami      | Mr. Minami attended and spoke at all of the 11 meetings of the Board of Directors and seven of the eight meetings of the Board of Corporate 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-representative director of a listed corporation.         |
| Corporate Auditor<br>Takayasu Okushima | Mr. Okushima attended and spoke at nine of the 11 meetings of the Board of Directors and five of the eight meetings of the Board of Corporate 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 Corporate 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: ¥178 million

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

The Company has paid the account auditors remuneration for financial examination support services, 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 Corporate Auditors shall deliberate on the dismissal or non-reappointment of the account auditors. If the Board of Corporate Auditors considers the dismissal or non-reappointment appropriate, it shall, pursuant to the Regulations of the Board of Corporate 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 Director 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 Corporate Auditors to execute their duties when the Corporate Auditors request the assignment thereof**

The Corporate Auditors of the Company shall appoint the Corporate Auditors' staff pursuant to the Regulations of the Board of Corporate Auditors. The Corporate Auditors' staff shall conduct business concerning the convocation of meetings of the Board of Corporate Auditors, the preparation of minutes and the administration of the Board of Corporate Auditors and assist the Corporate 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 Corporate Auditors to execute their duties**

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

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

(1) The Directors and employees of the Company shall report the following matters to the Corporate Auditors or the Board of Corporate 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 Corporate Auditors or the Board of Corporate Auditors. In such case, the General Manager of the Corporate Compliance Office shall report the matter to the Corporate Auditors or the Board of Corporate 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 Corporate Auditors or the Board of Corporate 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 corporate 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 Corporate Auditors or the Board of Corporate 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, 2012)

(million yen)

ASSETS

|                                                 |         |
|-------------------------------------------------|---------|
| Current assets:                                 | 366,208 |
| Cash on hand and in banks .....                 | 43,829  |
| Trade notes and trade accounts receivable ..... | 125,477 |
| Marketable securities.....                      | 118,211 |
| Inventories .....                               | 38,159  |
| Deferred tax assets .....                       | 5,622   |
| Other current assets .....                      | 35,501  |
| Allowance for doubtful accounts .....           | (592)   |
| Fixed assets                                    | 587,329 |
| Tangible fixed assets:                          | 324,909 |
| Buildings and structures .....                  | 143,833 |
| Machinery, equipment and vehicles .....         | 11,669  |
| Land.....                                       | 155,331 |
| Construction in progress .....                  | 6,150   |
| Other tangible fixed assets .....               | 7,924   |
| Intangible fixed assets:                        | 43,783  |
| Goodwill.....                                   | 2,737   |
| Leasehold rights .....                          | 16,896  |
| Software .....                                  | 13,808  |
| Other intangible fixed assets .....             | 10,340  |
| Investments and other assets:                   | 218,636 |
| Investment securities .....                     | 188,811 |
| Deferred tax assets .....                       | 12,517  |
| Other investments and other assets .....        | 19,492  |
| Allowance for doubtful accounts .....           | (2,184) |
| TOTAL ASSETS                                    | 953,537 |

(million yen)

LIABILITIES

|                                                            |         |
|------------------------------------------------------------|---------|
| Current liabilities:                                       | 202,957 |
| Trade notes and trade accounts payable .....               | 53,969  |
| Short-term borrowings .....                                | 33,033  |
| Accrued corporate income taxes, etc.....                   | 8,461   |
| Allowance for returned goods .....                         | 771     |
| Allowance for bonuses for officers .....                   | 376     |
| Provision for point card certificates .....                | 854     |
| Other current liabilities .....                            | 105,490 |
| Long-term liabilities:                                     | 216,054 |
| Bonds.....                                                 | 60,000  |
| Long-term borrowings.....                                  | 38,119  |
| Deferred tax liabilities.....                              | 49,993  |
| Reserve for employee retirement benefits.....              | 43,585  |
| Reserve for officers' retirement gratuities .....          | 1,786   |
| Provision for loss on interest repayment .....             | 74      |
| Provision for environmental measures .....                 | 18      |
| Negative goodwill .....                                    | 7,674   |
| Other long-term liabilities .....                          | 14,802  |
| TOTAL LIABILITIES                                          | 419,012 |
| <u>NET ASSETS</u>                                          |         |
| Shareholders' equity:                                      | 526,645 |
| Paid-in capital.....                                       | 146,200 |
| Capital surplus.....                                       | 173,664 |
| Retained earnings .....                                    | 214,135 |
| Treasury stock .....                                       | (7,355) |
| Accumulated other comprehensive income:                    | 624     |
| Valuation difference on available-for-sale securities..... | 5,080   |
| Deferred gains or losses on hedges .....                   | 55      |
| Revaluation differences of land.....                       | (20)    |
| Translation adjustment .....                               | (4,491) |
| Minority interests:                                        | 7,256   |
| TOTAL NET ASSETS                                           | 534,525 |
| TOTAL LIABILITIES AND NET ASSETS                           | 953,537 |

CONSOLIDATED STATEMENT OF INCOME

(April 1, 2011 to March 31, 2012)

|                                              |        | (million yen) |
|----------------------------------------------|--------|---------------|
| Net sales                                    |        | 593,645       |
| Cost of sales                                |        | 383,527       |
| Gross profit                                 |        | 210,117       |
| Selling, general and administrative expenses |        | 176,913       |
| Operating income                             |        | 33,204        |
| Non-operating income                         |        |               |
| Interest income and dividend income          | 2,149  |               |
| Equity in earnings of affiliates             | 17,433 |               |
| Other income                                 | 2,080  | 21,663        |
| Non-operating expenses                       |        |               |
| Interest expenses                            | 866    |               |
| Loss on investment association               | 1,120  |               |
| Sundry loss                                  | 560    | 2,548         |
| Recurring profit                             |        | 52,320        |
| Extraordinary gain                           |        |               |
| Gain on negative goodwill                    | 30,705 |               |
| Others                                       | 538    | 31,244        |
| Extraordinary loss                           |        |               |
| Loss on step acquisition                     | 5,510  |               |
| Others                                       | 2,760  | 8,270         |
| Income before income taxes                   |        | 75,294        |
| Income and enterprise taxes                  | 14,542 |               |
| Adjustment for income taxes                  | (585)  | 13,956        |
| Income before minority interests             |        | 61,337        |
| Minority interests in income                 |        | 123           |
| Net income                                   |        | 61,213        |

**CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY, ETC.**  
(April 1, 2011 to March 31, 2012)

(million yen)

|                                                                                               | Shareholders' equity |                 |                   |                |                            |
|-----------------------------------------------------------------------------------------------|----------------------|-----------------|-------------------|----------------|----------------------------|
|                                                                                               | Paid-in capital      | Capital surplus | Retained earnings | Treasury stock | Total Shareholders' equity |
| Balance at April 1, 2011                                                                      | 146,200              | 173,664         | 162,548           | (15,505)       | 466,908                    |
| Changes during the year                                                                       |                      |                 |                   |                |                            |
| Distribution of retained earnings                                                             |                      |                 | (4,176)           |                | (4,176)                    |
| Net income                                                                                    |                      |                 | 61,213            |                | 61,213                     |
| Disposal of treasury stock                                                                    |                      |                 | (5,468)           | 9,842          | 4,374                      |
| Change of treasury stock due to change in equity in affiliates accounted for by equity method |                      |                 |                   | (1,692)        | (1,692)                    |
| Reversal of revaluation differences of land                                                   |                      |                 | 14                |                | 14                         |
| Change of scope of consolidation                                                              |                      |                 | 3                 |                | 3                          |
| Net change of items other than shareholders' equity                                           |                      |                 |                   |                | -                          |
| Total changes                                                                                 | -                    | -               | 51,587            | 8,149          | 59,737                     |
| Balance at March 31, 2012                                                                     | 146,200              | 173,664         | 214,135           | (7,355)        | 526,645                    |

|                                                                                               | 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 April 1, 2011                                                                      | (6,255)                                               | (6)                                | 333                             | (4,096)                | (10,024)                                     | 4,748              | 461,631          |
| Changes during the year                                                                       |                                                       |                                    |                                 |                        |                                              |                    |                  |
| Distribution of retained earnings                                                             |                                                       |                                    |                                 |                        | -                                            |                    | (4,176)          |
| Net income                                                                                    |                                                       |                                    |                                 |                        | -                                            |                    | 61,213           |
| Disposal of treasury stock                                                                    |                                                       |                                    |                                 |                        | -                                            |                    | 4,374            |
| Change of treasury stock due to change in equity in affiliates accounted for by equity method |                                                       |                                    |                                 |                        | -                                            |                    | (1,692)          |
| Reversal of revaluation differences of land                                                   |                                                       |                                    |                                 |                        | -                                            |                    | 14               |
| Change of scope of consolidation                                                              |                                                       |                                    |                                 |                        | -                                            |                    | 3                |
| Net change of items other than shareholders' equity                                           | 11,336                                                | 61                                 | (353)                           | (395)                  | 10,649                                       | 2,508              | 13,157           |
| Total changes                                                                                 | 11,336                                                | 61                                 | (353)                           | (395)                  | 10,649                                       | 2,508              | 72,894           |
| Balance at March 31, 2012                                                                     | 5,080                                                 | 55                                 | (20)                            | (4,491)                | 624                                          | 7,256              | 534,525          |

## 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: 39 companies

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

As of April 1, 2011, by a share exchange, Fuji Satellite Broadcasting, Inc. (BS Fuji), an equity-method affiliate of the Company, became a wholly owned subsidiary of the Company, which has been made a consolidated subsidiary of the Company.

As of March 8, 2012, Fuji Media Service, Inc., a non-consolidated subsidiary of the Company, acquired the shares in The Sankei Building Co., Ltd., an equity-method affiliate of the Company, by a public tender offering and the Company has made The Sankei Building Co., Ltd. a consolidated subsidiary. Accordingly, the Company has made Fuji Media Service, Inc. a consolidated subsidiary due to its increased importance.

As The Sankei Building Co., Ltd. has become a subsidiary of the Company, its subsidiaries Sankei Kaikan Co., Ltd., Sankei Bldg. Techno Co., Ltd. and Sankei Building Maintenance Co., Ltd. also have become consolidated subsidiaries of the Company.

Cecile Business & Staffing Co., Ltd. ceased to be a consolidated subsidiary due to its decreased importance as a result of transfer of business.

- (2) 56 non-consolidated subsidiaries, including FCG Research Institute, Inc. and Fujisankei Agency, Inc., are small companies and the aggregate amounts of total assets, net sales, net income/loss and retained earnings (based on the Company's equity interest) thereof have no significant impact on the consolidated financial statements. Hence, those subsidiaries are excluded from 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 Artists Inc.

- (2) Number of affiliates to which the equity method is applied: 15 companies

Names of major affiliates to which the equity method is applied:

Sankei Shimbun Co., Ltd. and  
Sendai Television Incorporated

As of December 1, 2011, Japan Television Workshop Co., Ltd., an equity-method affiliate of the Company, was merged by NEXTEP TV Workshop Co., Ltd., an equity-method affiliate of the Company, and dissolved.

In March 2012, the Company acquired additional shares in Akita Television Co., Ltd., Iwate Menkoi Television Co., Ltd., Okayama Broadcasting Co., Ltd., Okinawa Television Broadcasting Co., Ltd., Sendai Television Incorporated, Television Shin-Hiroshima System Co., Ltd., Niigata Sogo Television Co., Ltd., Fukushima Television Broadcasting Co., Ltd. and Hokkaido Cultural Broadcasting Co., Ltd. and made them equity-method affiliates of the Company, respectively.

- (3) Other subsidiaries and affiliates, including Sound Man Inc., Fujimic Niigata, Inc. and Phonics Co., Ltd., are excluded from the scope of the equity method as they have no significant impact on consolidated net income/loss and retained earnings and are of little importance as a whole.

3. Matter concerning accounting standards

- (1) Valuation basis and methods for major assets:

- (i) Marketable securities:

Held-to-maturity bonds:

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

Other securities:

Those with market value:

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

Those without market value:

At cost, determined principally by the moving average method

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

Investments in investment associations and other similar associations (which are deemed to be marketable securities pursuant to Article 2, paragraph 2 of the Financial Instruments and Exchange 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 and others 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 of Japan, 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 the 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 the 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 the fiscal year, based on the estimated retirement benefit obligations and pension plan assets as of the close of the 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 the 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.

Provision for environmental measures:

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

(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, 2011, 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.

### **(Additional information)**

For any accounting change and the correction of any error in the past to be made as from the beginning of the fiscal year under review, the "Accounting Standard for Accounting Changes and Error Corrections" (the Accounting Standards Board of Japan ("ASBJ") Corporate Accounting Standard No. 24, December 4, 2009) and "Implementation Guidance on Accounting Standard for Accounting Changes and Error Corrections" (ASBJ Implementation Guidance No. 24, December 4, 2009) are applied.

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

#### (Consolidated balance sheet)

"Short-term borrowings" (¥1,228 million for the previous fiscal year), which were included in "Other current liabilities" in the previous fiscal year, are independently presented as from the fiscal year under review due to their increased significance.

#### (Consolidated statement of income)

"Gain on sale of investment securities" (¥240 million for the fiscal year under review), which was independently presented in the previous fiscal year, is presented by inclusion in the item of "Other" under the extraordinary gain as it is insignificant.

"Loss on sale of fixed assets" (¥4 million for the fiscal year under review), which was independently presented in the previous fiscal year, is presented by inclusion in the item of "Other" under the extraordinary loss as it is insignificant.

"Loss on disposal of fixed assets" (¥420 million for the fiscal year under review), which was independently presented in the previous fiscal year, is presented by inclusion in the item of "Other" under the extraordinary loss as it is insignificant.

"Valuation losses on investment securities" (¥823 million for the fiscal year under review), which was independently presented in the previous fiscal year, is presented by inclusion in the item of "Other" under the extraordinary loss as it is insignificant.

### **(Notes to consolidated balance sheet)**

1. Accumulated depreciation of tangible fixed assets: ¥216,729 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 ¥116 million in buildings and structures and ¥36 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 | ¥3,982 million |
| Land                     | ¥2,412 million |
| Sub total                | ¥6,394 million |

(2) Secured liabilities:

|                                        |                |
|----------------------------------------|----------------|
| Trade notes and trade accounts payable | ¥75 million    |
| Short-term borrowings                  | ¥500 million   |
| Other current liabilities              | ¥1,386 million |
| Sub total                              | ¥1,962 million |

- (3) In addition, consolidated subsidiaries have provided ¥212 million of time deposits and ¥12 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          |
|-------------------|------------------|--------------------------------------------|
| SBF – 2 Co., Ltd. | 2,295            | Guarantee for financial institutions loans |
| Employees         | 916              | Guarantee for housing loans                |
| Total             | 3,211            |                                            |

5. Notes receivable and notes payable as of the end of the fiscal year are recorded on the date on which notes are cleared. The following notes maturing on March 31, 2012 remained outstanding then as the settlement date for the fiscal year under review fell on a banking holiday:

|                                                            |                |
|------------------------------------------------------------|----------------|
| Notes receivable:                                          | ¥703 million   |
| Notes payable:                                             | ¥2,260 million |
| Other current liabilities (out of business notes payable): | ¥96 million    |

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

1. Total number of issued shares as of March 31, 2012

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, 2011 | Shares of common stock | 2,303                                   | 1,000                              | March 31, 2011     | June 30, 2011    |
| Meeting of the Board of Directors held on November 2, 2011     | Shares of common stock | 1,873                                   | 800                                | September 30, 2011 | December 2, 2011 |

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

The following resolution is expected to be adopted at the Ordinary General Meeting of Shareholders to be held on June 28, 2012:

| Resolution                                                           | Class of shares        | Source of dividends | Total amount of dividends (million yen) | Amount of dividend per share (yen) | Record date    | Effective date |
|----------------------------------------------------------------------|------------------------|---------------------|-----------------------------------------|------------------------------------|----------------|----------------|
| Ordinary General Meeting of Shareholders to be held on June 28, 2012 | Shares of common stock | Retained earnings   | 6,557                                   | 2,800                              | March 31, 2012 | June 29, 2012  |

**(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 12 years 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) mostly to hedge such risk, which is relatively small.

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, 2012 (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                        | 43,829               | 43,829     | -          |
| (2) Trade notes and trade accounts receivable        | 125,477              | 125,477    | -          |
| (3) Marketable securities and investment securities: |                      |            |            |
| Held-to-maturity bonds                               | 147                  | 150        | 3          |
| Other marketable securities                          | 186,070              | 186,070    | -          |
| Total assets                                         | 355,524              | 355,527    | 3          |
| (1) Trade notes and trade accounts payable           | 53,969               | 53,969     | -          |
| (2) Short-term borrowings                            | 16,100               | 16,100     | -          |
| (3) Bonds                                            | 90,017               | 91,777     | 1,760      |
| (4) Long-term borrowings                             | 55,053               | 56,195     | 1,142      |
| Total liabilities                                    | 215,140              | 218,042    | 2,902      |

(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 and (2) Short-term borrowings:

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

(3) 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.

(4) 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 "(4) 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                      | 73,432               |
| Investment in investment association | 33,339               |
| Others                               | 14,032               |

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)**

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

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

2. Matters concerning the market value of leased and other real estate properties

(million yen)

| Balance sheet amount | Fair value |
|----------------------|------------|
| 166,403              | 166,403    |

(Note 1) The consolidated balance sheet amount is the acquisition amount less accumulated depreciation and impairment loss.

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

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

|                          |             |
|--------------------------|-------------|
| 1. Net assets per share: | ¥226,290.92 |
| 2. Net income per share: | ¥26,138.30  |

NON-CONSOLIDATED BALANCE SHEET

(As of March 31, 2012)

(million yen)

ASSETS

|                                                            |         |
|------------------------------------------------------------|---------|
| Current assets:                                            | 194,897 |
| Cash on hand and in banks.....                             | 34,411  |
| Marketable securities .....                                | 118,011 |
| Prepaid expenses.....                                      | 80      |
| Short-term loans.....                                      | 34,385  |
| Income tax refund receivable .....                         | 2,910   |
| Other current assets.....                                  | 5,098   |
| Fixed assets:                                              | 458,977 |
| Tangible fixed assets:                                     | 60,237  |
| Buildings.....                                             | 54,906  |
| Structures .....                                           | 188     |
| Machinery and equipment.....                               | 0       |
| Motor vehicles .....                                       | 21      |
| Tools, furniture and fixtures .....                        | 2,226   |
| Land .....                                                 | 2,791   |
| Construction in progress .....                             | 102     |
| Intangible fixed assets:                                   | 14,431  |
| Leasehold rights .....                                     | 14,393  |
| Software .....                                             | 37      |
| Other intangible fixed assets.....                         | 0       |
| Investments and other assets:                              | 384,308 |
| Investment securities.....                                 | 119,543 |
| Investment in shares of affiliates .....                   | 258,421 |
| Investment in other associated companies' securities ..... | 4,941   |
| Long-term loans .....                                      | 894     |
| Long-term prepaid expenses .....                           | 184     |
| Other investments and other assets .....                   | 428     |
| Allowance for doubtful accounts .....                      | (104)   |
| TOTAL ASSETS                                               | 653,875 |

(million yen)

LIABILITIES

|                                                |         |
|------------------------------------------------|---------|
| Current liabilities:                           | 175,065 |
| Current portion of bonds .....                 | 29,997  |
| Current portion of long-term borrowings .....  | 4,300   |
| Trade accounts payable.....                    | 2,776   |
| Accrued expenses .....                         | 292     |
| Accrued income taxes.....                      | 148     |
| Advance received .....                         | 618     |
| Deposit received .....                         | 136,852 |
| Reserve for bonuses for officers .....         | 22      |
| Other current liabilities .....                | 56      |
| Long-term liabilities:                         | 49,362  |
| Bonds.....                                     | 30,000  |
| Deferred tax liabilities .....                 | 7,719   |
| Reserve for employee retirement benefits ..... | 87      |
| Negative goodwill .....                        | 4,623   |
| Guarantee deposit .....                        | 5,963   |
| Other long-term liabilities .....              | 968     |
| TOTAL LIABILITIES                              | 224,428 |

NET ASSETS

|                                                             |         |
|-------------------------------------------------------------|---------|
| Shareholders' equity:                                       | 424,655 |
| Paid-in capital.....                                        | 146,200 |
| Capital surplus.....                                        | 173,664 |
| Capital reserve .....                                       | 173,664 |
| Retained earnings .....                                     | 110,453 |
| Earned surplus reserve.....                                 | 4,385   |
| Other retained earnings.....                                | 106,068 |
| General reserve .....                                       | 98,300  |
| Retained earnings carried forward .....                     | 7,768   |
| Treasury stock .....                                        | (5,662) |
| Valuation and translation adjustments:                      | 4,792   |
| Valuation difference on available-for-sale securities ..... | 4,792   |
| TOTAL NET ASSETS                                            | 429,447 |
| TOTAL LIABILITIES AND NET ASSETS                            | 653,875 |

NON-CONSOLIDATED STATEMENT OF INCOME

(April 1, 2011 to March 31, 2012)

|                                           |       | (million yen) |
|-------------------------------------------|-------|---------------|
| Operating revenue                         |       | 20,846        |
| Operating expenses                        |       | 8,841         |
| Operating income                          |       | 12,005        |
| Non-operating income                      |       |               |
| Interest income and dividend income       | 1,947 |               |
| Write-off of negative goodwill            | 355   |               |
| Other income                              | 120   | 2,423         |
| Non-operating expenses                    |       |               |
| Interest expenses                         | 1,007 |               |
| Loss on investment association            | 1,037 |               |
| Sundry loss                               | 9     | 2,055         |
| Recurring profit                          |       | 12,372        |
| Extraordinary gain                        |       |               |
| Gain on sale of fixed assets              | 1     |               |
| Gain on sale of investment securities     | 176   | 177           |
| Extraordinary loss                        |       |               |
| Loss on disposition of fixed assets       | 92    |               |
| Valuation losses on investment securities | 663   |               |
| Others                                    | 15    | 771           |
| Income before income taxes                |       | 11,778        |
| Income and enterprise taxes               | 5     |               |
| Adjustment for income taxes               | (637) | (632)         |
| Net income                                |       | 12,410        |

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

(April 1, 2011 to March 31, 2012)

(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 April 1, 2011                            | 146,200              | 173,664         | 4,385                  | 98,300                  | (5,002)                           |
| Changes during the year                             |                      |                 |                        |                         |                                   |
| Distribution of retained earnings                   |                      |                 |                        |                         | (4,176)                           |
| Net income                                          |                      |                 |                        |                         | 12,410                            |
| Disposal of treasury stock                          |                      |                 |                        |                         | (5,468)                           |
| Net change of items other than shareholders' equity |                      |                 |                        |                         |                                   |
| Total changes                                       | -                    | -               | -                      | -                       | 2,765                             |
| Balance at March 31, 2012                           | 146,200              | 173,664         | 4,385                  | 98,300                  | 7,768                             |

|                                                     | Shareholders' equity |                            | Valuation and translation adjustments                 | Total net assets |
|-----------------------------------------------------|----------------------|----------------------------|-------------------------------------------------------|------------------|
|                                                     | Treasury stock       | Total shareholders' equity | Valuation difference on available-for-sale securities |                  |
| Balance at April 1, 2011                            | (15,505)             | 412,047                    | (5,968)                                               | 406,078          |
| Changes during the year                             |                      |                            |                                                       |                  |
| Distribution of retained earnings                   |                      | (4,176)                    |                                                       | (4,176)          |
| Net income                                          |                      | 12,410                     |                                                       | 12,410           |
| Disposal of treasury stock                          | 9,842                | 4,374                      |                                                       | 4,374            |
| Net change of items other than shareholders' equity |                      | -                          | 10,760                                                | 10,760           |
| Total changes                                       | 9,842                | 12,608                     | 10,760                                                | 23,369           |
| Balance at March 31, 2012                           | (5,662)              | 424,655                    | 4,792                                                 | 429,447          |

## 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 the 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 the fiscal year, based on the estimated retirement benefit obligations and pension plan assets as of the close of the 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 negative goodwill:

Negative goodwill that was accrued on or before March 31, 2011 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.

**(Additional information)**

For any accounting change and the correction of any error in the past to be made as from the beginning of the fiscal year under review, the "Accounting Standard for Accounting Changes and Error Corrections" (the Accounting Standards Board of Japan ("ASBJ") Corporate Accounting Standard No. 24, December 4, 2009) and "Implementation Guidance on Accounting Standard for Accounting Changes and Error Corrections" (ASBJ Implementation Guidance No. 24, December 4, 2009) are applied.

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

(Non-consolidated balance sheet)

"Short-term borrowings" (¥4,794 million for the previous fiscal year), which were included in "Other current liabilities" in the previous fiscal year, are independently presented as from the fiscal year under review due to their increased significance.

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

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

|                                                         |                  |
|---------------------------------------------------------|------------------|
| Short-term money debts due from associated companies:   | ¥33,902 million  |
| Long-term money debts due from associated companies:    | ¥894 million     |
| Short-term money debts payable to associated companies: | ¥136,891 million |
| Long-term money debts payable to associated companies:  | ¥5,963 million   |

2. Accumulated depreciation of tangible fixed assets: ¥72,260 million

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

**(Notes to non-consolidated statement of income)**

Transactions with associated companies:

|                                            |                 |
|--------------------------------------------|-----------------|
| Operating revenue:                         | ¥20,844 million |
| Operating expenses:                        | ¥690 million    |
| Transactions other than ordinary business: | ¥264 million    |

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

Total number of shares of treasury stock as of March 31, 2012

Shares of common stock: 22,352 shares

**(Notes on tax effect accounting)**

Principal components of deferred tax assets and deferred tax liabilities:

| (Deferred tax assets)                                          | (million yen) |
|----------------------------------------------------------------|---------------|
| Accrued enterprise taxes                                       | 56            |
| Accrued officers' retirement gratuities                        | 345           |
| Valuation losses on fixed assets                               | 997           |
| Valuation losses on investment securities                      | 6,802         |
| Shares of associated affiliates associated with reorganization | 10,906        |
| Net operating loss carryforward                                | 2,246         |
| Others                                                         | 854           |
| Subtotal of deferred tax assets                                | 22,208        |
| Valuation reserve                                              | (21,914)      |
| Total deferred tax assets                                      | 293           |
| <br>(Deferred tax liabilities)                                 |               |
| Shares of associated affiliates associated with reorganization | 4,654         |
| Valuation difference on available-for-sale securities          | 3,218         |
| Others                                                         | 139           |
| Total deferred tax liabilities                                 | 8,013         |
| Net deferred tax liabilities                                   | 7,719         |

**(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                            |
| Subsidiary | Fuji Media<br>Services, Inc.        | Minato-ku,<br>Tokyo | 50                             | Acquisition<br>and holding<br>of securities,<br>etc. | Direct<br>100.0%                                                               | Loan of<br>funds;<br>interlocking<br>directorates     | Loan of funds<br>Receipt of<br>interest | 31,881<br>17                           | Short-term<br>loans<br>Accrued<br>income   | 31,881<br>17                            |

- (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.  
Interest on a loan of funds is determined by taking into consideration the market interest rate.

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

|                       |             |
|-----------------------|-------------|
| Net assets per share: | ¥183,372.12 |
| Net income per share: | ¥5,299.22   |

Copy of Account Auditors' Audit Report on the Consolidated Financial Statements

INDEPENDENT AUDITOR'S REPORT

May 10, 2012

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

Ernst & Young ShinNihon LLC

By Kazuhiro Hara (seal)  
Designated and Limited Engagement Partner  
Certified Public Accountant

By Shinichiro Suzuki (seal)  
Designated and Limited Engagement 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. (the "Company"), applicable to its consolidated fiscal year from April 1, 2011 to March 31, 2012 pursuant to Article 444, paragraph 4 of the Corporation Law of Japan.

Management's Responsibility for Consolidated Financial Statements

The responsibility of the Company's management is to prepare and present properly these consolidated financial statements in accordance with corporate accounting standards generally accepted in Japan. This includes maintaining and improving internal control considered necessary by management to prepare and present properly these consolidated financial statements free of material misstatement by fraud or error.

Account Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements from an independent standpoint, based on our audit conducted. We conducted our audit in accordance with auditing standards generally accepted in Japan. Those standards require us to formulate an audit plan and conduct an audit based thereon to obtain reasonable assurance about whether these consolidated financial statements are free of material misstatement.

In an audit, procedures are taken to obtain audit evidence as to the amounts in consolidated financial statements and disclosure thereof. Audit procedures, on our own judgment, are selected and applied based on our risk assessment of material misstatement in the consolidated financial statements by fraud or error. An audit is not contemplated to express an opinion on the effectiveness of internal control. However, in assessing risk, we assess internal control related to the preparation and proper presentation of these consolidated financial statements to form a plan for adequate audit procedures according to conditions. 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 sufficient and appropriate audit evidence forming a basis for our opinion.

#### Account Auditors' 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.

#### Financial Interest

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 -

Copy of Account Auditors' Audit Report

INDEPENDENT AUDITORS' REPORT

May 10, 2012

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

Ernst & Young ShinNihon LLC

By Kazuhiro Hara (seal)  
Designated and Limited Engagement Partner  
Certified Public Accountant

By Shinichiro Suzuki (seal)  
Designated and Limited Engagement 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 supplemental schedules of Fuji Media Holdings, Inc. for the 71st fiscal year covering the period from April 1, 2011 to March 31, 2012 pursuant to Article 436, paragraph 2, item 1 of the Corporation Law of Japan.

Management's Responsibility for Non-Consolidated Financial Statements, etc.

The responsibility of the Company's management is to prepare and present properly these non-consolidated financial statements and their accompanying supplemental schedules in accordance with corporate accounting standards generally accepted in Japan. This includes maintaining and improving internal control considered necessary by management to prepare and present properly these non-consolidated financial statements and their accompanying supplemental schedules free of material misstatement by fraud or error.

Account Auditors' Responsibility

Our responsibility is to express an opinion on these non-consolidated financial statements and their accompanying supplemental schedules based on our audit conducted. We conducted our audit in accordance with auditing standards generally accepted in Japan. Those standards require us to formulate an audit plan and conduct an audit based thereon to obtain reasonable assurance about whether these non-consolidated financial statements and their accompanying supplemental schedules are free of material misstatement.

In an audit, procedures are taken to obtain audit evidence as to the amounts in non-consolidated financial statements and their accompanying supplemental schedules and disclosure thereof. Audit procedures, on our own judgment, are selected and applied based

on our risk assessment of material misstatement in the non-consolidated financial statements and their accompanying supplemental schedules by fraud or error. An audit is not contemplated to express an opinion on the effectiveness of internal control. However, in assessing risk, we assess internal control related to the preparation and proper presentation of these non-consolidated financial statements and their accompanying supplemental schedules to form a plan for adequate audit procedures according to conditions. 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 these non-consolidated financial statements and their accompanying supplemental schedules.

We believe that our audit provides sufficient and appropriate audit evidence forming a basis for our opinion.

#### Account Auditors' Opinion

In our opinion, the non-consolidated financial statements and their accompanying supplemental schedules referred to above present fairly, in all material respects, the financial position of the Company for the period related to the non-consolidated financial statements and their accompanying supplemental schedules in conformity with accounting principles generally accepted in Japan.

#### Financial Interest

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 -

Copy of the Board of Corporate Auditors' Audit Report

AUDITORS' REPORT

We, the Board of Corporate Auditors of the Company, based on the audit report prepared by each Corporate Auditor on the performance by the Directors of their duties during the 71st fiscal year from April 1, 2011 to March 31, 2012, prepared this audit report upon deliberation and hereby report as follows:

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

The Board of Corporate Auditors determined the audit policy, audit plans for the fiscal year under review, etc., received from each Corporate 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 Corporate Auditor, pursuant to the rules of audits by Corporate Auditors determined by the Board of Corporate 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 internal control over financial reporting, we received from the Directors, etc. and Ernst & Young ShinNihon LLC reports, demanded their explanations whenever necessary, on the state of assessment and audit of the internal control. With regard to its subsidiaries, we visited each subsidiary to maintain constant communication and exchange information with its executives, corporate 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 accompanying supplemental 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 supplemental schedules, 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 accompanying supplemental 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, including internal control over financial reporting, contain nothing to be pointed out.

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

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 11, 2012

The Board of Corporate Auditors  
Fuji Media Holdings, Inc.

Kiyoshi Onoe (seal)  
Full-time Corporate Auditor

Hiroshi Seta (seal)  
Full-time Corporate Auditor

Yuzaburo Mogi (seal)  
Corporate Auditor  
(Outside Corporate Auditor)

Naoya Minami (seal)  
Corporate Auditor  
(Outside Corporate Auditor)

Takayasu Okushima (seal)  
Corporate Auditor  
(Outside Corporate 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 and taking into consideration factors specific to the consolidated account settlement for the fiscal year under review, 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:

¥2,800 per share of common stock of the Company

Aggregate amount: ¥6,557,448,800

(Annual dividend: ¥3,600 per share, including ¥800 per share in interim dividends)

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

June 29, 2012

#### **Proposition No. 2: Election of 15 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 15 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      Executive Managing Director and General Manager, Programming Department of the Company</p> <p>June 1986      Senior Executive Managing Director, in charge of Corporate Development Office of the Company</p> <p>June 1988      President and Representative Director of the Company</p> <p>June 1989      Director, The 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)<br/>Director, Tokai Television Broadcasting Co., Ltd. (to date)<br/>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)<br/>Chairman and Representative Director, Fuji Television Network, Inc.<br/>Director and Adviser, Sankei Shimbun Co., Ltd.<br/>Director, The Sankei Building Co., Ltd.<br/>Director, Kansai Telecasting Corporation<br/>Director, Tokai Television Broadcasting Co., Ltd.<br/>Director, Television Nishinippon Corporation<br/>Director, Hokkaido Cultural Broadcasting Co., Ltd.</p> | 1,816 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      Executive Managing Director, in charge of Sales of the Company</p> <p>June 2005      Senior Executive 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>October 2008   President and Representative Director, Fuji Television Network, Inc. (to date)</p> <p>(Important concurrent office)<br/>President and Representative Director, Fuji Television Network, Inc.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | 451 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 |
|---------------|-------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------|
| 3             | Hideaki Ohta<br>(December 22, 1946)<br>[Note 1] | <p>April 1969      Joined the Company</p> <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      Executive Managing Director, in charge of Infotainment and Documentary and Sports; General Manager, Infotainment and Documentary Department of the Company; Director, Hokkaido Cultural Broadcasting Co., Ltd. (to date)</p> <p>June 2006      Senior Executive Managing Director, in charge of General Affairs, Human Resources, Information System, TV Code Affairs and Corporate Social Responsibility Office of the Company; Director, Sankei Shimbun Co., Ltd. (to date)</p> <p>June 2007      Executive Vice President, 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; 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; Executive Vice President, 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      Executive Vice President, 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)</p> <p>                    Executive Vice President in chief, in charge of TV Code Affairs, Secretary's Office, Corporate Social Responsibility Office and Corporate Compliance Office of Fuji Television Network, Inc.</p> <p>March 2012     Executive Vice President in chief, in charge of TV Code Affairs, Secretary's Office, Corporate Social Responsibility Office, Corporate Compliance Office and Specified Area Business Preparation Office of Fuji Television Network, Inc. (to date)</p> <p>(Important concurrent office)<br/>Executive Vice President , Fuji Television Network, Inc.<br/>Director, Sankei Shimbun Co., Ltd<br/>Director, Sankei Living Shimbun Inc.<br/>Director, Hokkaido Cultural Broadcasting Co., Ltd.</p> | 393 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 |
|---------------|------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------|
| 4             | Shuji Kanoh<br>(February 22, 1950)<br>[Note 1] | <p>April 1972      Joined the Company</p> <p>June 1999      General Manager, Finance Department, Budget Management Division of the Company</p> <p>June 2001      Executive Managing Director, in charge of Finance of the Company;<br/>Corporate Auditor, TSS-TV Co., Ltd. (to date)</p> <p>June 2002      Corporate Auditor, Sankei Shimbun Co., Ltd. (to date)</p> <p>April 2006      Director, Nippon Broadcasting System, Inc. (to date)</p> <p>June 2006      Senior Executive Managing Director, in charge of Finance and Budget Management of the Company</p> <p>June 2007      Corporate Auditor, The Sankei Building Co., Ltd. (to date)</p> <p>June 2008      Director, Kansai Telecasting Corporation (to date)</p> <p>October 2008   Senior Executive Managing Director, in charge of Group Finance of the Company;<br/>Senior Executive Managing Director, in charge of Finance of Fuji Television Network, Inc.</p> <p>June 2009      Senior Executive Managing Director, in charge of Finance and Budget Management of Fuji Television Network, Inc.</p> <p>October 2009   Senior Executive Managing Director, in charge of Finance of the Company</p> <p>June 2011      Executive Vice President, in charge of Finance of the Company;<br/><br/>Executive Vice President, in charge of Finance and Budget Management of Fuji Television Network, Inc. (to date)</p> <p>(Important concurrent office)<br/>Executive Vice President, Fuji Television Network, Inc.<br/>Director, Nippon Broadcasting System, Inc.<br/>Corporate Auditor, Sankei Shimbun Co., Ltd.<br/>Corporate Auditor, The Sankei Building Co., Ltd.<br/>Director, Kansai Telecasting Corporation<br/>Corporate Auditor, TSS-TV Co., Ltd.</p> | 388 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 |
|---------------|------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------|
| 5             | Ryunosuke Endo<br>(June 3, 1956)<br>[Note 1]   | <p>April 1981      Joined the Company</p> <p>June 2006      General Manager, Public Relations Department of the Company</p> <p>June 2007      Executive Managing Director, in charge of Public Relations and General Manager, Public Relations Department of the Company</p> <p>October 2008    Executive Managing Director, in charge of Public Relations Office of the Company;<br/>Executive Managing Director, in charge of Public Relations and General Manager, Public Relations Department of Fuji Television Network, Inc.;</p> <p>June 2010      Executive Managing Director, in charge of General Affairs, Human Resources and Public Relations Office of the Company (to date);<br/>Senior Executive Managing Director, in charge of General Affairs, Human Resources and Public Relations and General Manager, Public Relations Department of Fuji Television Network, Inc.</p> <p>June 2011      Senior Executive Managing Director, in charge of General Affairs, Human Resources and Public Relations of Fuji Television Network, Inc. (to date)</p> <p>(Important concurrent office)<br/>Senior Executive Managing Director, Fuji Television Network, Inc.</p>                                                                                                                                                                                                                                                                                                                                                                                                      | 293 shares                                        |
| 6             | Katsuaki Suzuki<br>(July 30, 1958)<br>[Note 1] | <p>April 1981      Joined the Company</p> <p>June 2005      General Manager, Programming and Production Department of the Company</p> <p>June 2007      Executive Managing Director, in charge of Programming and Production and General Manager, Programming and Production Department of the Company;<br/>Director, Sankei Living Shimbun Inc. (to date);<br/>Director, Pony Canyon Inc. (to date);<br/>Director, Dinos Inc. (to date)</p> <p>October 2008    Executive Managing Director of the Company (to date);<br/>Executive Managing 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      Executive 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.</p> <p>June 2010      Senior Executive 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.</p> <p>June 2011      Senior Executive Managing Director, in charge of Programming and Production and Set Design and Production of Fuji Television Network, Inc. (to date)</p> <p>(Important concurrent office)<br/>Senior Executive Managing Director, Fuji Television Network, Inc.<br/>Director, Sankei Living Shimbun Inc.<br/>Director, Pony Canyon Inc.<br/>Director, Dinos Inc.</p> | 314 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 |
|---------------|------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------|
| 7             | Isao Matsuoka<br>(December 18, 1934)<br>[Notes 1,2,3,9,10] | <p>March 1970 Director, Toho Co., Ltd.</p> <p>August 1974 Vice President and Director, Toho Co., Ltd.</p> <p>May 1976 Vice President and Representative Director, Toho Co., Ltd.</p> <p>May 1977 President and Representative Director, Toho Co., Ltd.</p> <p>December 1988 Executive Managing Director of the Company (to date)</p> <p>May 1995 Chairman and Representative Director, Toho Co., Ltd.</p> <p>October 2008 Executive Managing Director, Fuji Television Network, Inc. (to date)</p> <p>May 2009 Honorary Chairman, Toho Co., Ltd. (to date)</p> <p>(Important concurrent office)<br/>Honorary Chairman, Toho Co., Ltd.<br/>Executive Managing Director, Fuji Television Network, Inc.</p> | 600 shares                                        |
| 8             | Akihiro Miki<br>(July 15, 1947)<br>[Notes 1,2,4,9,10]      | <p>June 2001 Director and General Manager, Programming Department of Nippon Cultural Broadcasting Inc.</p> <p>June 2004 Managing Director and General Manager, Sales Department of Nippon Cultural Broadcasting Inc.</p> <p>June 2007 President and Representative Director, Nippon Cultural Broadcasting Inc. (to date)</p> <p>June 2009 Executive Managing Director of the Company (to date);<br/>Executive Managing Director, Fuji Television Network, Inc. (to date)</p> <p>(Important concurrent office)<br/>President and Representative Director, Nippon Cultural Broadcasting Inc.<br/>Executive Managing Director, Fuji Television Network, Inc.</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 |
|---------------|-----------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------|
| 9             | Taizan Ishiguro<br>(May 19, 1932)<br>[Notes 1,2,5,9]      | <p>June 1985 Director, Tokai Television Broadcasting Co., Ltd.</p> <p>July 1989 Managing Director, Tokai Television Broadcasting Co., Ltd.</p> <p>June 1995 Senior Managing Director, Tokai Television Broadcasting Co., Ltd.</p> <p>June 1997 Vice President and Director, Tokai Television Broadcasting Co., Ltd.</p> <p>June 1999 Vice President and Representative Director, Tokai Television Broadcasting Co., Ltd.</p> <p>June 2001 President and Representative Director, Tokai Television Broadcasting Co., Ltd.</p> <p>June 2006 Executive Managing 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 Executive Managing Director, Fuji Television Network, Inc. (to date)</p> <p>(Important concurrent office)<br/>Chairman and Representative Director, Tokai Television Broadcasting Co., Ltd.<br/>Executive Managing Director, Fuji Television Network, Inc.</p> | 66 shares                                         |
| 10            | 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 Corporate Auditor, Kansai Telecasting Corporation</p> <p>June 2008 Chairman and Representative Director, Kansai Telecasting Corporation (to date)</p> <p>June 2009 Executive Managing Director of the Company (to date);<br/>Executive Managing Director, Fuji Television Network, Inc. (to date)</p> <p>(Important concurrent office)<br/>Chairman and Representative Director, Kansai Telecasting Corporation<br/>Executive Managing Director, Fuji Television Network, Inc.</p>                                                                                                                                                                                                                         | 26 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 |
|---------------|------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------|
| 11            | 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 Executive Managing Director of the Company (to date);<br/>Executive Managing Director, Fuji Television Network, Inc. (to date)</p> <p>(Important concurrent office)<br/>President and Representative Director, Television Nishinippon Corporation<br/>Executive Managing Director, Fuji Television Network, Inc.</p>                                                                                                                                                                                                                                                                                                                                                                                                      | 0 share                                           |
| 12            | Takehiko Kiyohara<br>(October 31, 1937)<br>[Notes 1,2,8,9] | <p>June 1990 Director, in charge of Editorial, Chief Editorial Writer, Sankei Shimbun Co., Ltd.</p> <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, The Sankei Building Co., Ltd. (to date)</p> <p>June 2004 Chairman and Representative Director, Sankei Shimbun Co., Ltd.</p> <p>June 2005 Executive Managing Director of the Company (to date)</p> <p>October 2008 Executive Managing Director, Fuji Television Network, Inc. (to date)</p> <p>June 2011 Chairman and Director, Sankei Shimbun Co., Ltd. (to date)</p> <p>(Important concurrent office)<br/>Chairman and Director, Sankei Shimbun Co., Ltd.<br/>Executive Managing Director, Fuji Television Network, Inc.<br/>Director, The Sankei Building Co., Ltd.</p> | 93 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 |
|---------------|--------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------|
| 13            | Shigeru Masuda<br>(December 18, 1947)<br>[Notes 1, 11] | <p>April 2004      Joined the Company</p> <p>June 2007      Executive Officer and General Manager, Business Planning Department of the Company</p> <p>October 2008    Executive Officer and General Manager, Business Planning Department of Fuji Television Network, Inc.</p> <p>June 2009      Managing Executive Officer, Fuji Television Network, Inc. (to date)<br/>Corporate Auditor, Sankei Living Shimbun Inc. (to date)<br/>Corporate Auditor, Pony Canyon Inc. (to date)</p> <p>October 2009    Managing Executive Officer and General Manager, Business Planning Department of the Company</p> <p>June 2011      Managing Executive Officer, in charge of Business Planning and Budget Management of the Company (to date)</p> <p>(Important concurrent office)<br/>Corporate Auditor, Sankei Living Shimbun Inc.<br/>Corporate Auditor, Pony Canyon Inc.</p>                                                                                                 | 62 shares                                         |
| 14            | Chihiro Kameyama<br>(June 15, 1956)<br>[Note 1]        | <p>April 1980      Joined the Company</p> <p>June 2001      General Manager, Programming and Production Department of the Company</p> <p>June 2003      General Manager, Motion Pictures Business Department of the Company</p> <p>June 2005      Director, Pony Canyon Inc. (to date)</p> <p>June 2006      Executive Officer and General Manager, Motion Pictures Business Department of the Company</p> <p>June 2007      Managing Executive Officer and General Manager, Motion Pictures Business Department of the Company</p> <p>October 2008    Managing Executive Officer and General Manager, Motion Pictures Business Department of Fuji Television Network, Inc.</p> <p>June 2010      Executive Managing Director and General Manager, Motion Pictures Business Department of Fuji Television Network, Inc. (to date)</p> <p>(Important concurrent office)<br/>Executive Managing Director, Fuji Television Network, Inc.<br/>Director, Pony Canyon Inc.</p> | 97 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 |
|---------------|--------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------|
| 15            | Toru Ohta<br>(November 3, 1958)<br>[Notes 1, 11] | <p>April 1981      Joined the Company</p> <p>June 2007      Executive Officer and General Manager in charge of Drama Programming Department, Programming and Production Department of the Company</p> <p>October 2008    Executive Officer and General Manager in charge of Drama Programming Department, Programming and Production Department of Fuji Television Network, Inc.</p> <p>June 2009      Executive Officer and General Manager, Digital Contents Department of Fuji Television Network, Inc.</p> <p>June 2010      Executive Officer and General Manager, Creative Business Department of Fuji Television Network, Inc. (to date)</p> <p>June 2011      Director, Pony Canyon Inc. (to date)</p> <p>(Important concurrent office)<br/>Director, Pony Canyon Inc.</p> | 22 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 23 years and six months at the close of this General Meeting of Shareholders.

[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 three 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 six 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 three 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 two years at the close of this General Meeting of Shareholders.
- [Note 8] Management expects Mr. Takehiko Kiyohara to use his wide experience and expertise as ex-representative director of a newspaper business corporation for the management of the Company and proposes to elect him as preference Representative Director. He will have served as outside Director of the Company for seven 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.
- [Note 11] Messrs. Shigeru Masuda and Toru Ohta will assume the office of Executive Managing Director of Fuji Television Network, Inc. as of June 28, 2012.

### **Proposition No. 3: 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 ¥22,470,000 (¥18,440,000 for Directors (including ¥3,000,000 for outside Directors) and ¥4,030,000 for Corporate Auditors) be paid to 14 Directors (including six outside Directors) and five Corporate Auditors in office as of March 31, 2012.

- 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., Wednesday, June 27, 2012. 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)